

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, August 26, 2021 at 2 PM
City Hall Conference Room 3C
AGENDA**

1. CALL TO ORDER

2. PUBLIC COMMENT

3. MINUTES

- a. Copy of July 22, 2021 Board of Trustees Minutes; RECOMMENDED ACTION: APPROVAL

4. NEW BUSINESS

- a. GEPP July 2021 and COPP July 2022 Consent; RECOMMENDED ACTION: APPROVAL
- b. Randy Parker death benefit; RECOMMENDED ACTION: approval of current death benefit and refund of 2016-2020 contributions

5. INVESTMENT AND FINANCIAL MATTERS

- a. 2Q 2021 Investment Performance Report
- b. July 2021 Investment Performance Update
- c. Non-Core Real Estate Opportunity: H.I.G. Realty Fund IV Memo
- d. Staff Update

6. OLD BUSINESS

7. ADMINISTRATIVE

- a. Pryce-Jones Case Order
- b. Board Rules and Code Clarifications (BRACC) Committee Update: DRAFT Redlined Board Rules
- c. Conference Room Technology Proposal Update

8. INFORMATION

- a. Next regular BOT meeting scheduled for Thursday, September 23, 2021, at 2 PM

9. PRIVILEGE OF THE FLOOR

10. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
July 22, 2021**

MINUTES

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

Members Present

Julie Bessent
Joey Greive, Acting Chair
Valerie Gutierrez
Brian Hughes
David Kilcrease, Secretary
Diane Moser
Kristofer Pike

Members Not Present

Jeffrey Bernardo, Chair
Richard Wallace

Staff Present

Randall Barnes, Treasurer
Hannah Hicks, Pension Coordinator
Brennan Merrell, Manager of Debt and Investments
John Sawyer, OGC
Tom Stadelmaier, Pension Administrator

Others Present

Jordan Cipriani, RVK (via Zoom)
Kevin Schmidt, RVK (via Zoom)

1. CALL TO ORDER

Chair Greive called the meeting to order at about 2:01 PM.

2. PUBLIC COMMENT

None

3. MINUTES

Mr. Hughes made a motion to approve the minutes. Ms. Moser seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the

minutes passed unanimously.

4. NEW BUSINESS

Consent agendas

Ms. Moser made a motion to approve the consent. Mr. Hughes seconded the motion. The Chair summoned for discussion. Mr. Stadelmaier stated volumes are high in part due to LRO activity. The Chair took a vote and the consent passed unanimously.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Merrell briefly covered June performance, which was up 1.31% MTD, 22.21% FYTD and 27.29% over 1 year. Mr. Schmidt gave a brief update on July which is down slightly due to sell-off earlier this week: -1.26% July MTD, about 7% CYTD and 21.78% FYTD.

Mr. Merrell reviewed the pension payback memo. The Fund will need to raise about \$135M by the end of September which is about \$125M for the payback to the City for activity over the year and about \$10M anticipated for capital calls. Mr. Merrell said the payback amount is subject to slightly change because we need final data from July. The recommended plan based on previous Board direction is to liquidate the MLP assets for about \$93M and raise the rest from the overweight equities. Also, cash may be available from the pending liquidation of the New Zealand timber asset. RVK and staff also recommends working with a transition manager (tm). A tm has been used in the past and produced positive results. Mr. Greive asked about the estimated total cost of using a tm for this work on the MLPs and Ms. Cipriani explained implicit and explicit transaction costs. Ms. Cipriani estimated \$20K-\$30K in explicit costs and pointed out there would also be costs associated with not using a tm, perhaps higher costs. RVK commented on the efficiencies associated with using a tm and Mr. Greive asked staff if we would get quotes and Mr. Merrell confirmed yes. Mr. Merrell and Mr. Barnes said there are two tms we have used that are already under contract and we would seek quotes from both. Mr. Hughes made a motion to approve staff hiring a tm for the work and executing trades that align with recommendations made by RVK to liquidate the MLPs, use Timber if available and pull remaining needed funds from equities as discussed. Ms. Moser seconded the motion. The Chair took a vote and the motion passed unanimously.

Mr. Merrell updated the Board on the BNYM contract and reported good progress thanks in part from the work of OGC. The contract is being finalized and will be in place soon.

Mr. Merrell pointed the Board to the updated IPS that reflects changes requested by the Board during the last meeting and one additional change to the equity guidelines, regarding sector weighting that "Exceptions can be made, at the Board's discretion, should the strategy/mandate require greater allowance." Ms. Moser made a motion to accept all changes and adopt the new IPS for filing with City Council. Mr. Hughes seconded the motion. The Chair took a vote and the motion passed unanimously.

Mr. Merrell covered the Eagle memo regarding position size limits which indicated COJ was at risk of falling outside Eagle's model due to constraints in place. Mr. Schmidt discussed using a hard 40% for sector limits and a hard 10% for single-stock position size limits. Mr. Kilcrease asked for staff's view and Mr. Merrell commented that we are hiring the manager to gain alpha and we should allow for these changes to accommodate their views. Mr. Kilcrease made a motion to accept the recommended changes. Mr. Hughes seconded the motion. The Chair opened for further discussion and Ms. Bessant asked if these changes were already in place with other clients. Ms. Cipriani commented that the short answer is yes and that because COJ has such a longstanding relationship with Eagle that these restraints are legacy restraints and requires updating the guidelines as a result of changes over time. Mr. Schmidt pointed out that the evolution to the large dominant tech stocks was the primary driving factor over time. The Chair took a vote and the motion passed unanimously.

Mr. Merrell added private equity capital calls now total about \$15.5M and private credit total \$6.5M. The Board previously decided to liquidate partial UBS Trumbull real estate fund and the New Zealand timber holdings. The plan receives quarterly redemptions from UBS Trumbull which now total \$10.5M which is positive given they have a large queue for liquidations. The window to divest the New Zealand timber asset is closed so we will learn more on the timing of that liquidation soon.

For the SMID value search, staff is working to determine the three finalists and is looking at holding a special Board meeting on 9/30/21 from 2-5 PM for a finalist presentation with an alternative date of 10/7/21.

Finally, Mr. Merrell indicated that staff is proposing a monthly informational meeting rotating among the existing managers. Mr. Merrell proposed the first Thursday of the month in the timeframe of either 11 AM to 12 PM or 12 PM to 1 PM was suggested. Mr. Greive indicated that was a good idea and suggested 1 PM to 2 PM on the Thursday of Board meetings may be preferable for some Board members. Mr. Merrell indicated the meeting would be known in advance and it would be optional for Board members to attend. Zoom access can also be provided based on request of the Board members or managers. Mr. Merrell is going to review options and propose a schedule to the Board after consultation with Staff and Board members. The Board consensus was the meeting were a good idea to give the Board additional access to the managers.

6. OLD BUSINESS

NA

7. ADMINISTRATIVE

Mr. Stadelmaier reviewed the LRO reports and Pension Office activity. LRO elections window closed at the end of June. Total elections were 117 or about 15% of the eligible

population. Pension Office activity remains high with other activity and processing of increased volumes from LRO.

Mr. Stadelmaier also updated the Board that Hannah Hicks has been promoted to Pension Coordinator and Sheryl Strickland was being promoted to Pension Associate.

BRACC committee met in July and recommended changes to the Board Rules and Regulations which included a focus on rules for rehired retirees as well as other changes. The Board is encouraged to provide feedback to Mr. Stadelmaier directly. The PAC and COPAC will both review and consider the changes in the document prior to the Board adopting changes.

8. INFORMATION

The next regular BOT meeting is scheduled for Thursday, August 26, 2021, at 2 PM. Due to the summer schedules and budget meeting conflicts, it is possible the meeting will be cancelled if we cannot confirm a quorum. Mr. Stadelmaier will alert the Board regarding the schedule.

9. PRIVILEGE OF THE FLOOR

None.

10. ADJOURNMENT

The Chair adjourned the meeting at about 2:52 PM.

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

July 2021

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Kevin Alexander, (JEA), effective July 3, 2021 in the monthly amount of \$5,202.48 at the rate of 75% (30 years) BACKDROP 19 months \$100,597.56

Donald Clark, (PW), effective July 3, 2021 in the monthly amount of \$863.02 at the rate of 28.54% (11 years, 5 months)

Cornelius Dupree, (PW), effective June 19, 2021 in the monthly amount of \$2,183.46 at the rate of 75% (30 years), 60 months BACKDROP \$140,764.80

Wanda Forrest, (NFTPO), effective July 1, 2021 in the monthly amount of \$4,517.34 at the rate of 62.29% (24 years, 11 months)

Juliet Fretz, (Finance), effective June 12, 2021 in the monthly amount of \$2,185.12 at the rate of 53.96% (21 years, 7 months), 15% PLOP \$59,540.57

Kathleen Garelick, (OGC), effective June 26, 2021 in the monthly amount of \$2,728.41 at the rate of 68.96% (27 years, 7 months), 15% PLOP \$75,883.34

Vernon Humprey, (R&E), effective July 3, 2021 in the monthly amount of \$3,306.74 at the rate of 80% (32 years, 2 months)

Kathleen Krizek, (Library), effective June 19, 2021 in the monthly amount of \$2,269.69 at the rate of 50% (20 years)

Donna Lowery, (JEA), effective July 3, 2021 in the monthly amount of \$2,368.50 at the rate of 41.04% (16 years, 5 months), 15% PLOP \$69,499.80

David O'Steen, (PA), effective June 16, 2021 in the monthly amount of \$2,420.59 at the rate of 54.17% (21 years, 8 months)

2. LRO TIME SERVICE RETIREMENTS

Richard Bakai, (JEA), effective June 19, 2021 in the monthly amount of \$1,842.89 at the rate of 40% (20 years)

Chris Berry, (ITD), effective June 19, 2021 in the monthly amount of \$2,501.40 at the rate of 46.83%, (23 years, 5 months), 15% PLOP \$96,770.16

Cherri-Jean Brown, (JEA), effective June 19, 2021 in the monthly amount of \$1,721.16 at the rate of 41.5% (20 years, 9 months), 15% PLOP \$60,238.01

Cheryl Harris, (P&R), effective June 19, 2021 in the monthly amount of \$1,319.09 at the rate of 46.67% (18 years, 8 months), 5% PLOP \$11,954.32

Sandra Hash, (PW), effective June 5, 2021 in the monthly amount of \$1,359.47 at the rate of 48.13% (19 years, 3 months), 15% PLOP \$45,024.02

Danny Nungester, (JEA), effective June 5, 2021 in the monthly amount of \$1,924.92 at the rate of 25% (10 years)

David Seamans, (Elections), effective June 19, 2021 in the monthly amount of \$1,337.56 at the rate of 47.5% (19 years), 15% PLOP \$39,029.03

Eugene Thomas, (JEA), effective July 3, 2021 in the monthly amount of \$3,994.59 at the rate of 49.58% (19 years, 10 months), 10% PLOP \$88,565.32

3. VESTED RETIREMENTS

New Commencements

Barney McRae, effective June 22, 2021 in the monthly amount of \$769.86

New Deferrals

None

4. SURVIVOR BENEFITS

Frances Dennis, (Stephen Dennis), effective June 20, 2021 in the monthly base amount of \$1,554.50

Barbara Hurley, (John Hurley), effective May 18, 2021 in the monthly COLA base amount of \$3,158.52

Barbara Maxey, (Ernest Maxey), effective May 26, 2021 in the monthly COLA base amount of \$4,674.91

Cheri Trosclair, (James Trosclair), effective June 9, 2021 in the monthly COLA base amount of \$2,819.33

Patricia Turner, (Fred Turner), effective June 29, 2021 in the monthly COLA base amount of \$2,002.89

Lois Ybanez, (Jackson Ybanez), effective April 3, 2021 in the monthly COLA base amount of \$1,531.10

5. RESTORATION OF SURVIVOR BENEFITS

None

6. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

Kenneth Jones, (Clerk of Court), 31.47 months in the amount of \$8,633.48

Barbara Kaleel, (Tax Collector), 7.7 months in the amount of \$2,222.74

James Wingate, (JEA), 10.67 months in the amount of \$5,353.40

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

Robert Clarke, (JEA), 53.03 months from Duval County School Board service in the amount of \$26,830.70

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

Jose Lopez, (Fleet), 24 months in the amount of \$25,512.10

9. REFUNDS

Daniel Clavel (R&E) 6 years, and 6 months, \$28,078.80

Owen C Cumiskey (JEA) 11 years, \$48,297.47

10. DB TO DC TRANSFER

Kenya A Coleman (Library) 18 years and 4 months, \$38,813.08

Christine L McNeilly (OGC) 4 years and 1 month, \$18,430.38

Peter R Poland (JEA) 22 years and 4 months, \$738,761.61

Anthony Jackson (JHA) 16 years and 10 months \$267,064.73

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

12. RE-RETIREE

None

13. DISABILITY

None

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

July 31, 2021

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Constance Barahona, effective June 26, 2021 in the monthly COLA base amount of \$3,101.41 at the rate of 60.42% (20 years, 2 months)

Thomas Birdsall, effective June 26, 2021 in the monthly COLA base amount of \$3,195.18 at the rate of 64.42% (22 years, 2 months)

Charles Kirk, effective June 26, 2021 in the monthly amount of \$3,754.51 at the rate of 60% (20 years)

Eric Mott, effective June 11, 2021 in the monthly amount of \$4,572.77 at the rate of 63% (21 years, 6 months)

Larry Smith, effective June 20, 2021 in the monthly amount of \$1,695.43 at the rate of 37.5% (12 years, 6 months)

2. TIME SERVICE CONNECTIONS COMPLETED

Christopher Smith, 3.13 months in the amount of \$1,571.68

Larry Smith, 8.77 months in the amount of \$3,315.55

3. REFUNDS

None

4. SURVIVOR BENEFITS APPLICATION

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. VESTED BENEFIT

None

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

None

8. OFFICERS ENTERING DROP July 2021

Kenneth Brown, Sr. #5582

Katina Bryant #6014

Steven Farrell #7534

Maximillian Forbrich #7575

Marlania Jackson #7537

Richard Pruett #7391

Christopher Scarpinati #7669

Correction: Entering DROP October 2021

Felicia James #7556

9. Phase II Biweekly Distribution DROP Program

None

10. DROP Payments

COPAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

Randy Parker: Death Benefit for rehired retiree that died as an active employee

- Employee retired 2/15/2011 with 20 years 11 months of service and benefit of 52.29% with a penalty of 25.5% for age. Employee elected reduced benefit with 15% PLOP. (Monthly \$795.94 base, \$100 supplement, \$23,255.98 lump-sum)
- Pensioner rehired July 2016. Pension benefit was suspended. Established practice of the office (affirmed by Board Rules and recent legal review of Code) is to not allow plan re-entry for pensioners that took a lump-sum. However, this employee was put back in the pension at the time and began making pension contributions.
- Employee made contributions of approximately \$12,981.29 to the GEPP from July 2016 to January 2021. This represents about 4 years 5 months of additional service. (25 years 5 months total pension service)
- Employee died 1/9/2021.
- Spouse Leah Parker applied for survivor benefits.
- Pension Office started benefits for Ms. Parker at 75% of previous benefit with COLAs applied. Amount is \$712.78 monthly, \$100 supplement.
- Some options considered for remaining service time:
 - As an exception, grant credit in the plan and calculate new retirement benefit for Mr. Parker and provide Ms. Parker the 75% benefit. Approximate amount subject to review is \$1,308.37 Monthly, \$125 supplement. (\$2,745.42 monthly comp avg times 63.54175% equals \$1,744.49 times 75% for spouse equals \$1,308.37)
 - As an exception, provide for benefit based on 15% PLOP. 75% of updated benefit with PLOP reduction subject to review is \$1,112.11 with a PLOP of \$33,503.11 (keeping in mind employee already received a PLOP of over \$23K in 2011).
 - Refund GEPP contributions from 2016 to 2021 to estate or spouse. (City could potentially consider providing GEDC benefits.)
- OGC feedback is that a refund of the 2016-2020 contributions is the cleanest option given the Plan does not allow an increased benefit after a PLOP is received.

PAC Recommends:

- Keep benefit already in place for Ms. Parker: 75% of original base benefit plus COLAs, plus supplement
- Refund Contributions from 2016 to 2020 back to Mr. Parker from the Pension
- Refer matter to City and DC Plan for consideration of corrective action to provide a benefit to Ms. Parker (Standard DC Plan benefits may include employee contributions, employer contributions, earnings and a separate death benefit)



Quarterly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: June 30, 2021



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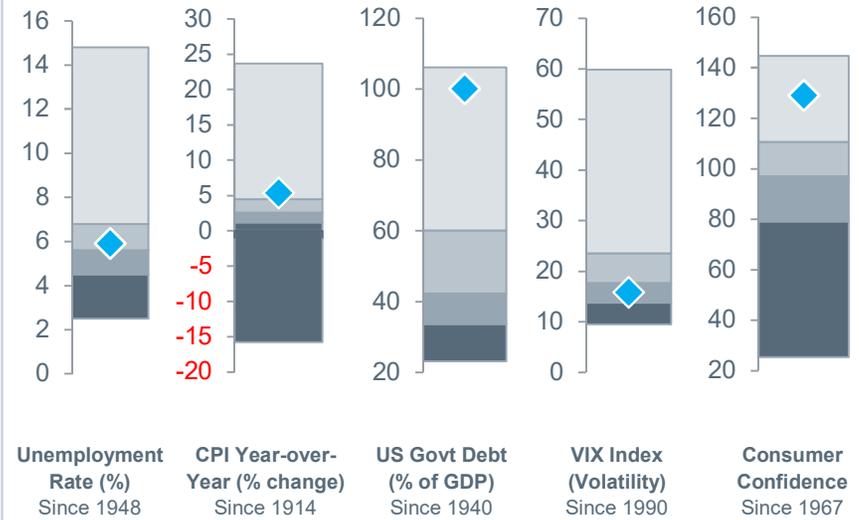
Capital Markets Review



Second Quarter Economic Environment

Optimism stemming from reopening efforts, lifted mask mandates, and a proposed bipartisan infrastructure spending bill in the US was balanced with concerns regarding emerging variants of the coronavirus and increasing inflation. Global equity markets provided strong gains in Q2 led by the US equity market. Joining equity markets in positive territory were commodities and REITs. Aggregate fixed income markets generally trailed, although issues with longer dated maturities or that are inflation-linked fared better. Key inflation indicators experienced significant year-over-year increases in Q2, but many forecasters view these elevated levels as transitory. Currently, Fed officials are projecting two rate increases by the end of 2023 but remain sensitive to repeating the taper tantrum experienced in 2013. Inflation is also rising outside of the US which notably led both the Bank of Canada and Bank of England to announce the tapering of their bond purchasing programs. Progress in the US labor market recovery was mixed in Q2. The jobs reports in April and May failed to meet expectations, but the gains in the June report outpaced most forecasts. The unemployment rate remains above target levels, although the Congressional Budget Office projected that the rate would decline to 3.6% by the end of 2022. Overall, the economic recovery continues to advance, with the International Monetary Fund forecasting global GDP growth of 6.0% and 4.4% in 2021 and 2022, respectively.

Key Economic Indicators



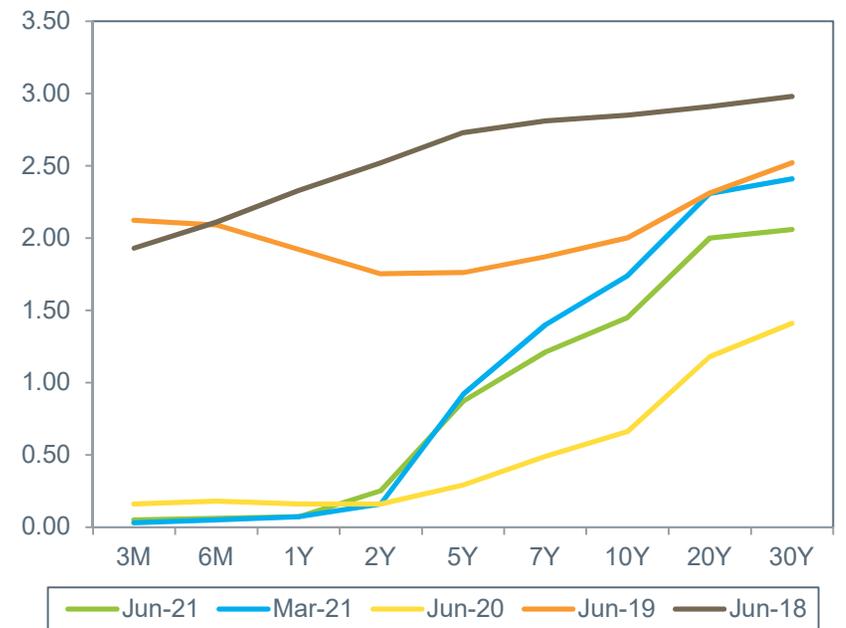
Economic Indicators

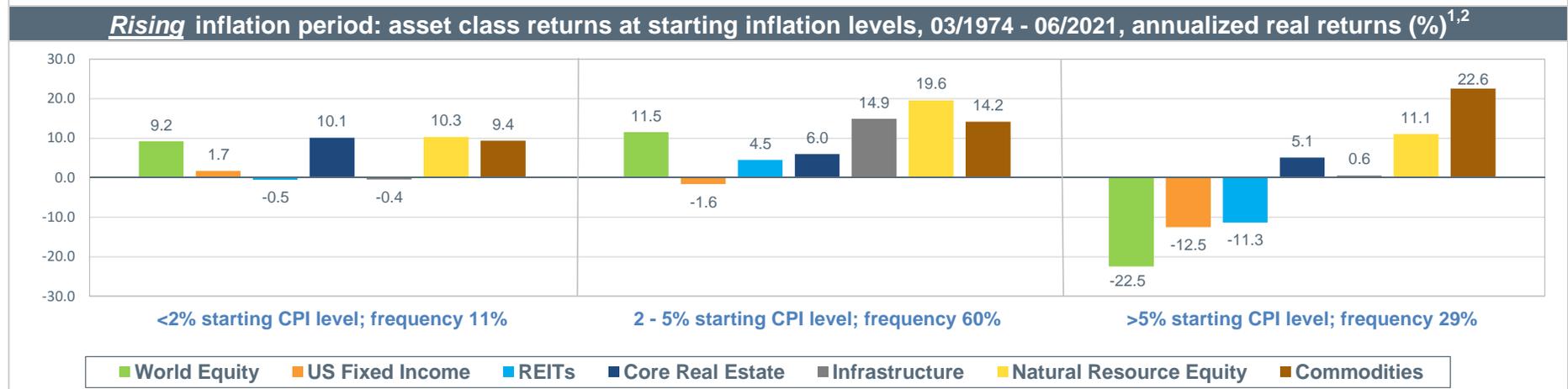
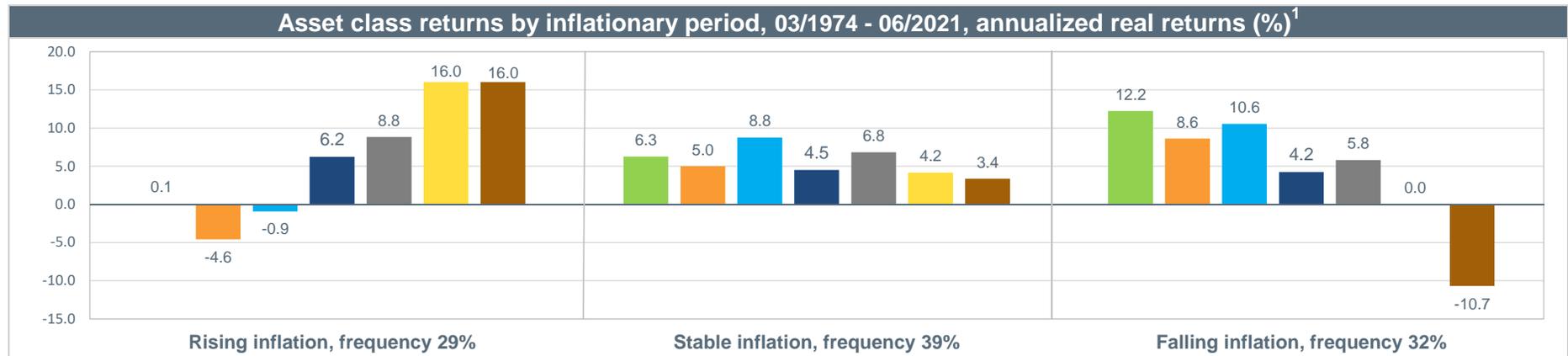
	Jun-21	Mar-21	Jun-20	Jun-18	20 Yr
Federal Funds Rate (%)	0.08 ▲	0.06	0.08	1.91	1.37
Breakeven Infl. - 5 Yr (%)	2.50 ▼	2.60	1.17	2.08	1.83
Breakeven Infl. - 10 Yr (%)	2.34 ▼	2.37	1.34	2.13	2.02
CPI YoY (Headline) (%)	5.4 ▲	2.6	0.6	2.9	2.1
Unemployment Rate (%)	5.9 ▼	6.0	11.1	4.0	6.1
Real GDP YoY (%)	12.2 ▲	0.5	-9.1	3.3	1.8
PMI - Manufacturing	60.6 ▼	64.7	52.2	59.7	53.1
USD Total Wtd Idx	112.85 ▼	114.13	120.78	113.26	103.17
WTI Crude Oil per Barrel (\$)	73.5 ▲	59.2	39.3	74.2	63.2
Gold Spot per Oz (\$)	1,770 ▲	1,708	1,781	1,253	1,048

Market Performance (%)

	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	8.55	15.25	40.79	17.65	14.84
Russell 2000	4.29	17.54	62.03	16.47	12.34
MSCI EAFE (Net)	5.17	8.83	32.35	10.28	5.89
MSCI EAFE SC (Net)	4.34	9.04	40.98	12.03	8.38
MSCI Emg Mkts (Net)	5.05	7.45	40.90	13.03	4.29
Bloomberg US Agg Bond	1.83	-1.61	-0.34	3.03	3.39
ICE BofAML 3 Mo US T-Bill	0.00	0.02	0.09	1.17	0.63
NCREIF ODCE (Gross)	3.93	6.12	8.02	6.57	9.60
FTSE NAREIT Eq REIT (TR)	12.02	21.96	38.02	6.31	9.41
HFRI FOF Comp	2.89	4.97	18.32	6.13	3.86
Bloomberg Cmdty (TR)	13.30	21.15	45.61	2.40	-4.44

Treasury Yield Curve (%)





¹ Real returns are based on US CPI and are calculated using quarterly periodicity. A rising inflation period is defined as any quarter when Y/Y US CPI rose by 0.3% or more; a falling inflation period when Y/Y CPI fell by -0.3% or more in a quarter; the remaining periods are classified as stable inflation. Starting date for Core Real Estate is March 1978. ² Starting CPI level is based on Y/Y US CPI in a given quarter; rising inflation period is defined in Footnote 1.

Data: World Equity: MSCI World Index (net). US Fixed Income: BB US Gov Bond Index through 12/31/1975, and BB US Agg Index thereafter. REIT: FTSE NAREIT Equity REITs Index through 12/31/1995, and MSCI World/Real Estate GR USD Index thereafter. Infrastructure: 50/50 Blend of Datastream World Pipelines and Datastream World Gas, Water & Multi-Utilities through 12/31/2001, and S&P Global Infrastructure thereafter. Natural Resource Equity: 50/50 Datastream World Oil & Gas and Datastream World Basic Materials through 11/30/2002, and S&P Global Natural Resources thereafter. Commodity: S&P GSCI through 12/31/1991, and BB Commodity Index thereafter.

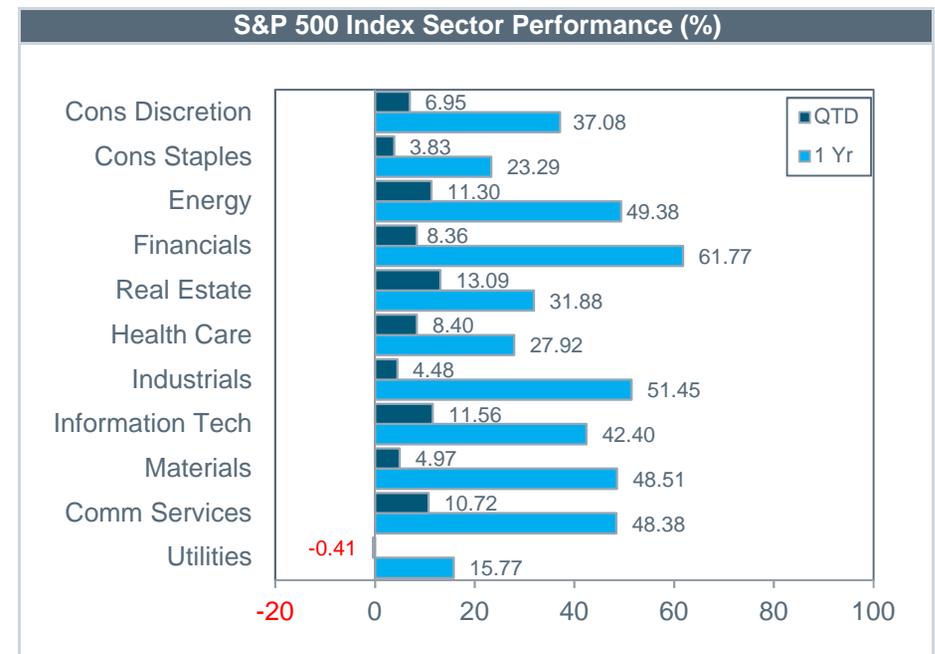
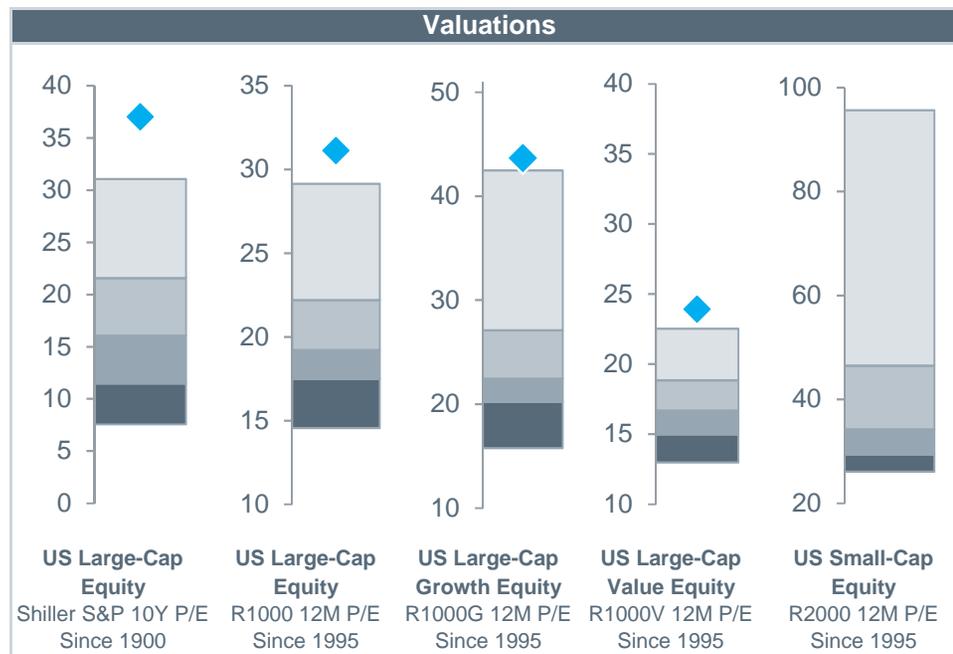


Second Quarter Review

Broad Market
 US equity markets built on the solid start to 2021, with strong performance in Q2 driven by continued monetary and fiscal stimulus, along with increasing vaccination rates leading to economic reopening efforts across the country. The S&P 500 Index finished Q2 up 8.5%. The forward P/E ratio of the S&P 500 Index continues to be above historical levels; however, it has seen a slight decrease relative to Q1.

Market Cap
 Large-cap stocks significantly outperformed their smaller-cap counterparts. The Russell 2000 Index returned 4.29% compared to 8.55% for the S&P 500.

Style and Sector
 Large- and mid-cap growth stocks outperformed value in Q2, however, value stocks continued to lead growth stocks in the small-cap space. The Russell 1000 Growth Index returned 11.9% versus 5.2% for the Russell 1000 Value Index.



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. Current R2000 P/E is unavailable due to negative earnings per share as of 6/30/2021.



Second Quarter Review

Developed Markets

Developed international markets delivered positive returns in Q2, as growth outperformed value in a reversal of the value rally experienced in Q1, while small-cap stocks slightly trailed their large counterparts. Active management did well this quarter, with a majority of developed international equity managers beating their benchmarks in the large- and small-cap universes.

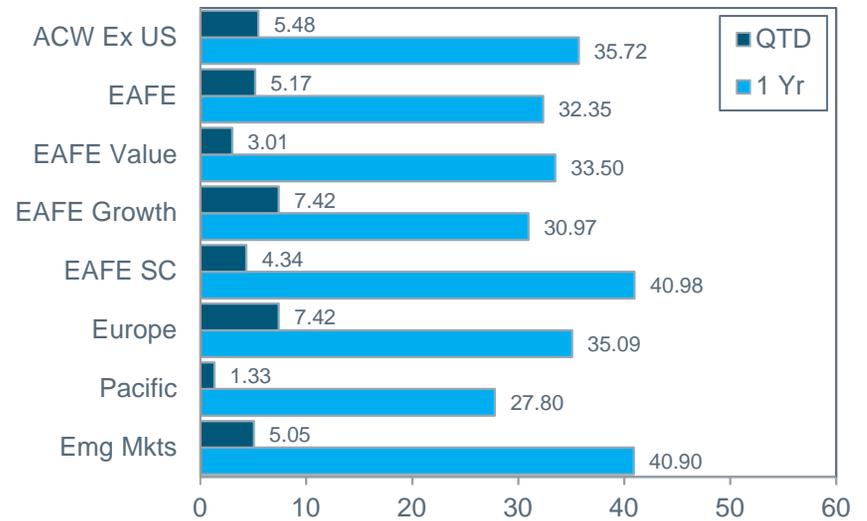
Emerging Markets

Emerging markets lagged developed markets in Q2 but still continued a trend of positive performance. Contrary to the reversal seen in developed markets, emerging market value stocks continued to outperform growth while small-cap stocks also continued their outperformance over large. Active manager results in emerging markets were mixed, with just under half outpacing their benchmarks for the quarter.

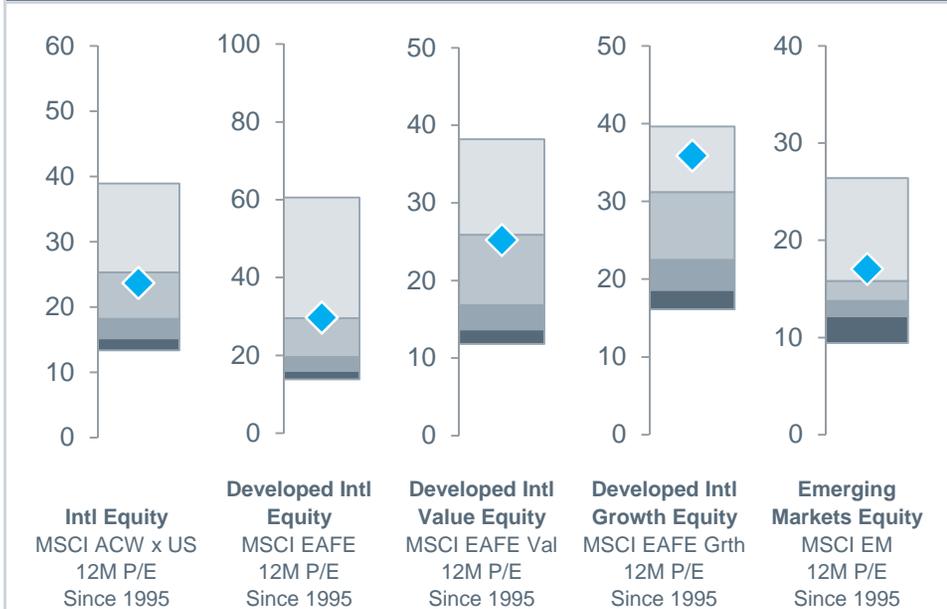
Market Cap & Style

In international markets, growth stocks outperformed value, while large-cap stocks outperformed small-cap. In emerging markets, value stocks outperformed growth, while small-cap stocks outperformed large-cap.

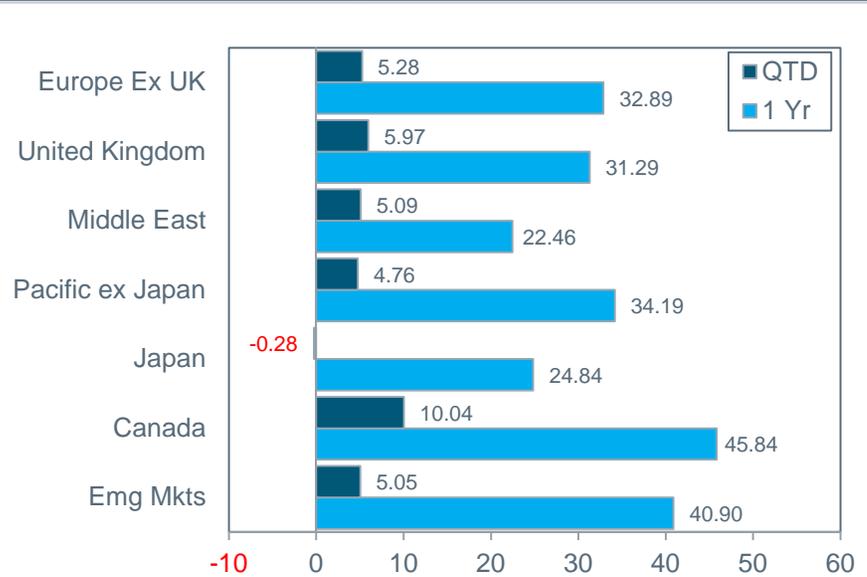
MSCI Style and Capitalization Market Performance (%)



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.



Second Quarter Review

Broad Market

The Bloomberg US Aggregate Index returned 1.8% in Q2, partially retracing losses from Q1, while overall remaining down -1.6% YTD. Treasury yields fell back despite an easing of pandemic related restrictions which supported economic growth and rising inflationary pressures.

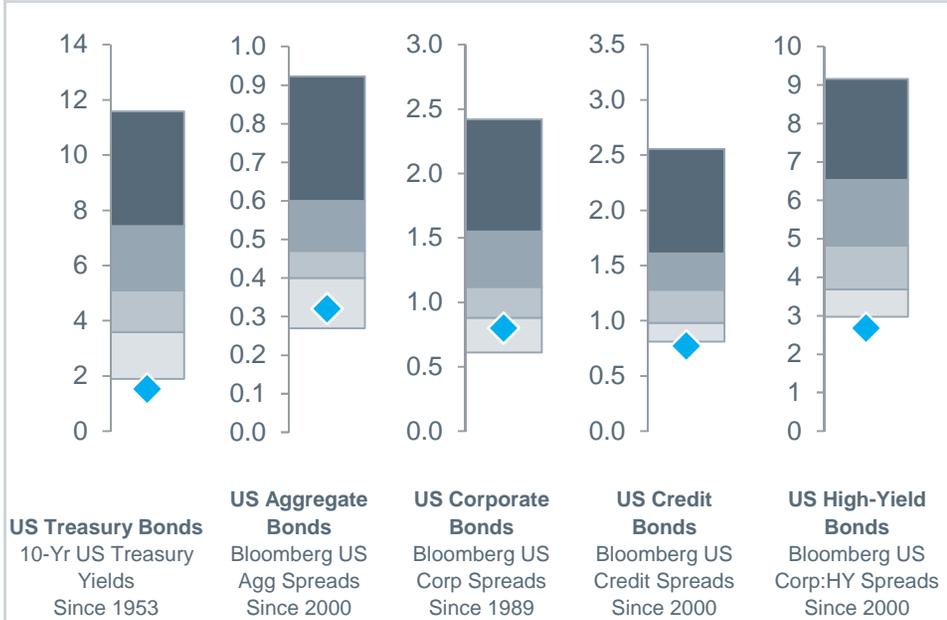
Credit Market

Lower quality investment grade debt rated BBB outperformed both the investment grade and high yield credit markets, a departure from the trend in past quarters of lowest quality credit outperforming higher grade debt. In Q2, the Bloomberg US Credit Index returned 3.3%, with the Bloomberg BBB Credit Index returning 3.7%.

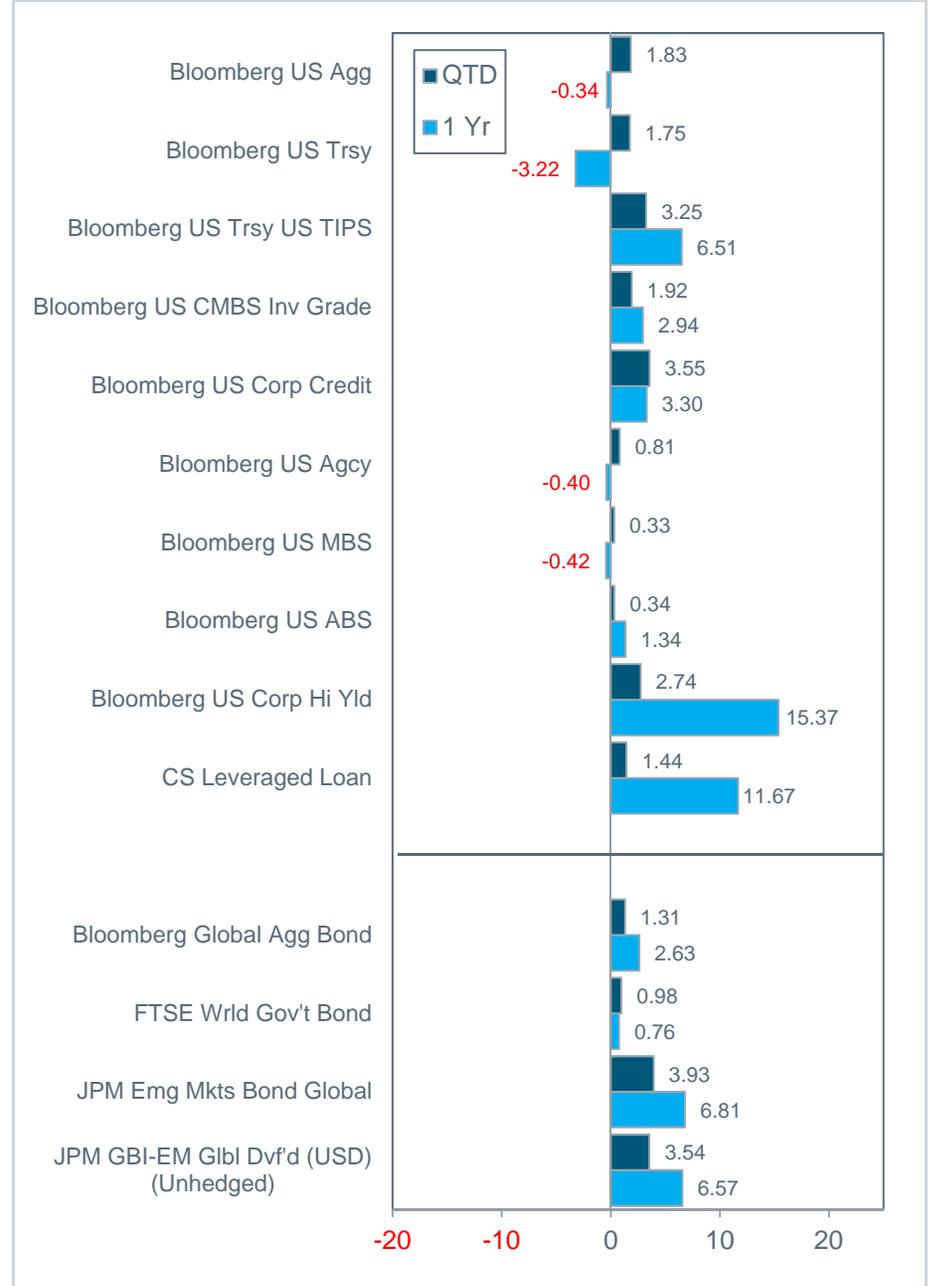
Emerging Market Debt

Emerging market debt saw improved performance compared to Q1 on the heels of falling US Treasury yields and rising commodity prices, contributing to broadly positive emerging market debt performance.

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.



Second Quarter Review - Absolute Return

General Market - Hedge Funds

Diversified hedge funds posted another strong quarter, returning 4.0% and bringing YTD returns to 10.0% according to the HFRI Fund Weighted Composite Index. Heightened levels of activity across convertible bond issuance, IPOs, SPACs, and M&A provided fertile ground for event-driven funds, and equity beta tailwinds continued to add to returns in the hedged equity space. Event-driven strategies have outperformed relative value YTD, and directional strategies have outperformed low net exposure and market neutral approaches.

General Market - Global Tactical Asset Allocation (GTAA)

Global Tactical Asset Allocation strategies that RVK follows closely largely generated positive absolute returns in Q2, ranging from the low- to midsingle digits. Long-biased strategies produced mixed results versus a less diversified blended benchmark of 60% US equity and 40% US fixed income, which returned 5.8% in Q2. Generally, strategies that have maintained a value bias, especially within emerging markets, outperformed relative to peers.

Second Quarter Review - Real Assets

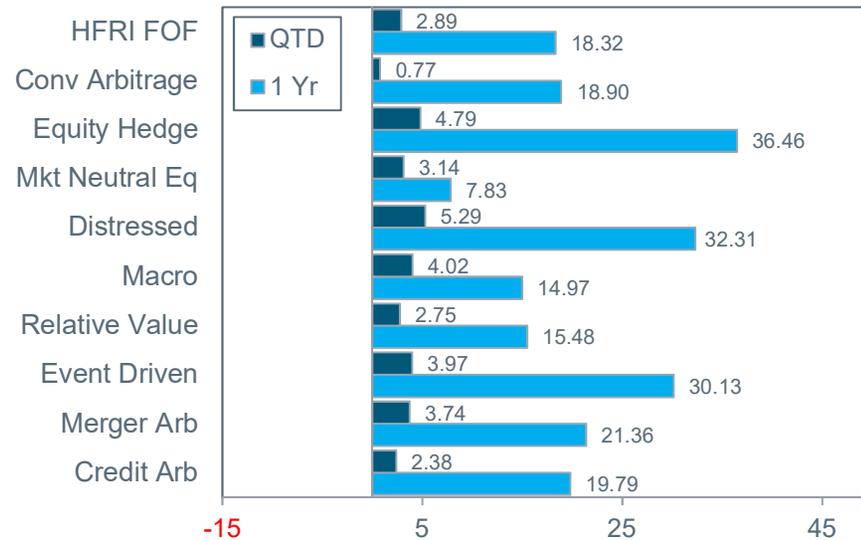
General Market - Diversified Inflation Strategies (DIS)

Diversified Inflation Strategies that RVK follows closely primarily generated strong positive absolute performance, ranging from the midsingle digits to low double-digits. In Q2, commodities, listed infrastructure, natural resource equities, REITs, and TIPS all posted positive absolute returns. Commodities led the way, with the Bloomberg Commodity Index posting a 13.3% return, largely driven by energy, with metals and agriculture also posting strong returns.

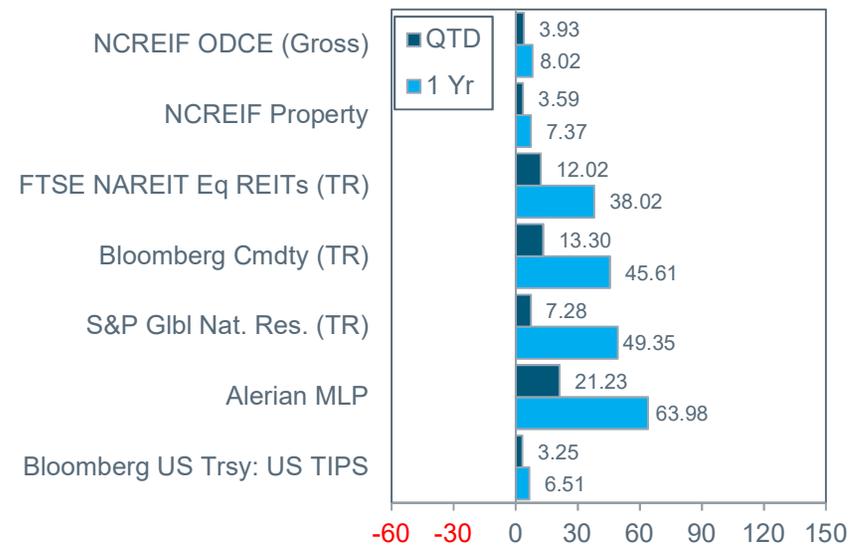
General Market - Real Estate

Core private real estate generated a positive 3.9% return in Q2, as reported by the NFI-ODCE Index, with the total return comprising of 1.0% income and 2.9% price appreciation. While the income trends in line with historical levels, price appreciation rebounded meaningfully by 1.8% from the level recorded in Q1. Publicly traded real estate investments outperformed their private market counterparts by a meaningful margin.

HFRI Hedge Fund Performance (%)



Real Asset Performance (%)



Annual Asset Class Performance

As of June 30, 2021

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Best	39.38	8.44	78.51	27.94	22.49	20.00	38.82	30.14	15.02	21.31	37.28	8.35	31.49	19.96	21.96
	16.23	5.24	58.21	26.85	15.99	18.23	32.39	19.31	9.59	17.13	33.01	1.87	26.00	18.40	21.15
	15.97	2.06	46.78	22.04	13.56	18.06	29.30	13.69	3.20	11.96	25.03	0.01	25.53	18.31	17.54
	11.63	-2.35	31.78	18.88	8.29	17.32	22.78	12.50	1.38	11.77	21.83	-1.26	24.96	16.12	15.25
	11.17	-10.01	28.01	16.83	7.84	16.35	13.94	5.97	0.55	11.19	14.65	-2.08	22.01	12.34	9.04
	10.25	-21.37	27.17	16.36	4.98	16.00	8.96	4.89	0.05	8.77	10.71	-4.02	19.59	10.99	8.83
	6.97	-26.16	26.46	15.12	2.11	15.81	7.44	3.64	-0.27	8.52	7.77	-4.38	18.44	10.88	7.45
	6.60	-33.79	18.91	15.06	0.10	10.94	2.47	3.37	-0.81	6.67	7.62	-4.62	14.32	7.82	6.12
	5.49	-35.65	11.47	10.16	-4.18	8.78	0.07	2.45	-1.44	4.68	7.50	-4.68	8.72	7.51	4.97
	5.00	-37.00	11.41	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	5.23	-11.01	8.43	7.11	3.62
	1.87	-37.74	5.93	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	3.54	-11.25	8.39	1.19	1.73
	1.45	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.30	-4.47	1.00	3.01	-13.79	7.69	0.67	0.02
	-1.57	-47.01	0.21	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	1.70	-14.58	5.34	-3.12	-1.61
Worst	-15.70	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-17.89	2.28	-8.00	-4.64
	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



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 (GoF) for three consecutive quarters vs. Benchmark			Rolling 5-Year Return (GoF) for three consecutive quarters vs. Peer Group universe			Meaningful Updates		
					5-Years Ending Jun-2021	5-Years Ending Mar-2021	5-Years Ending Dec-2020	5-Years Ending Jun-2021	5-Years Ending Mar-2021	5-Years Ending Dec-2020			
Fixed Income													
Pinnacle US SMID Cap Growth	Oct-20	R2500 Growth	IM US SMID Cap Growth Equity (SA+CF) Median	Mar-10	✓	✓	✗	✓	✓	✗	N/A	Apr-21	Rolling five-year return (gross of fees) has fallen below the rolling five-year benchmark return for three consecutive quarters, and; Rolling five-year return (gross of fees) has ranked in the bottom third of the peer group for three consecutive quarters.
US Equity													
FT Global Multisector Plus	Oct-20	FT Global Multisector Index	IM Global FI (SA+CF) Median	Sep-07	✗	✗	✗	✗	✗	✗	N/A	May-21	Rolling five-year return (gross of fees) has fallen below the rolling five-year benchmark return for three consecutive quarters, and; Rolling five-year return (gross of fees) has ranked in the bottom third of the peer group for three consecutive quarters.

✓ = strategy exceeds the benchmark / peer group over the stated trailing period.
✗ = strategy does not exceed the benchmark / peer group over the stated trailing period.

Organization, Team, Process, and AUM Developments

Pinnacle US SMID Cap Growth (please refer to page 21 for gross performance)

Firm and product assets have remained stable. There are no recent personnel changes to report nor indications of a change to the investment process. The strategy underperformed in Q2 2021, but remains ahead of its index thus far in 2021 and for the trailing 12 months. The growth-at-a-reasonable price philosophy used at the firm struggled as the highest multiple, highest growth stocks were rewarded in Q2, but it has continued to protect in sharp down market months.

Recommendation: No recommended action at this time. RVK views Pinnacle to be in good standing qualitatively with strong recent performance. While we have no current concerns, we continue to recommend they remain on the Watch List and be closely monitored to ensure the long-term performance trend continues to improve.

Franklin Templeton Global Multisector Plus (please refer to page 22 for gross performance)

The Global MultiSector Plus team has remained stable and continues to follow a top down research-led process with a multi-year investment horizon. Assets have continued to decline, from a peak of over \$54B in 2013 to \$10.3B in 2021 Q2, with a roughly 10% decrease over the quarter. RVK is closely monitoring the asset levels of the strategy across vehicles. Performance QTD benefited from credit exposures and defensive developed market interest rate positioning, while currency positioning detracted on an absolute basis. The strategy outperformed in Q2 2021, adding to its relative performance gains for the calendar year, while still trailing over longer periods.

Recommendation: No recommended action at this time. While the aforementioned changes are noteworthy, RVK does not know of any material developments at Franklin Templeton that would negatively impact the Plan's portfolio. Recent performance has improved, but not enough to positively impact rolling 5-year returns vs. their benchmark and peer group. As such, RVK recommends they remain on the Watch List.



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

As of June 30, 2021

	Allocation		Performance (%)		Allocation		Performance (%)
	Market Value (\$)	%	QTD		Market Value (\$)	%	QTD
US Equity	1,040,895,939	38.36	7.41	Real Estate	393,988,635	14.52	2.18
Eagle Capital Large Cap Value (SA)	268,491,074	9.89	8.90	Harrison Street Core Property, LP	111,656,349	4.11	1.43
Mellon Large Cap Core Index (CF)	290,416,096	10.70	8.53	PGIM Real Estate PRISA II LP (CF)	58,687,371	2.16	1.78
Loomis Sayles Large Cap Growth (CF)	202,126,958	7.45	10.43	Principal US Property (CF)	132,284,933	4.88	3.69
Mellon Small Cap Value Index (CF)	116,982,299	4.31	4.62	UBS Trumbull Property (CF)	90,029,206	3.32	1.09
Pinnacle Associates US SMID Cap Growth (SA)	162,879,511	6.00	1.73	Vanguard RE Idx;ETF (VNQ)	1,330,776	0.05	11.59
International Equity	661,980,506	24.40	5.44	Diversifying Assets	142,756,809	5.26	12.53
Silchester International Value (CF)	266,422,888	9.82	3.95	Harvest Fund Advisors MLP (SA)	49,557,631	1.83	17.94
Baillie Gifford International Growth (BGEFX)	245,810,335	9.06	6.18	Tortoise Capital Advisors MLP (SA)	43,482,776	1.60	17.74
Acadian Emerging Markets (CF)	149,747,284	5.52	6.92	Hancock Timberland (SA)	30,604,373	1.13	4.98
Fixed Income	472,445,230	17.41	2.19	Adams Street Private Equity (SA)	14,157,892	0.52	0.00
Baird Core Fixed Income (SA)	233,023,397	8.59	2.15	Hamilton Lane Private Credit (SA)	4,954,137	0.18	0.00
Franklin Templeton Global Multisector Plus (CF)	97,070,940	3.58	1.70	Dreyfus Gvt Csh Mgt;Inst (DGCXX)	1,399,605	0.05	0.17
Loomis Sayles Multisector Full Discretion (CF)	142,350,894	5.25	2.58	Transition Account	22,289	0.00	N/A

Schedule of Investable Assets (Total Assets)

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,469,519,078	1,106,156	242,863,779	2,713,489,013	9.83

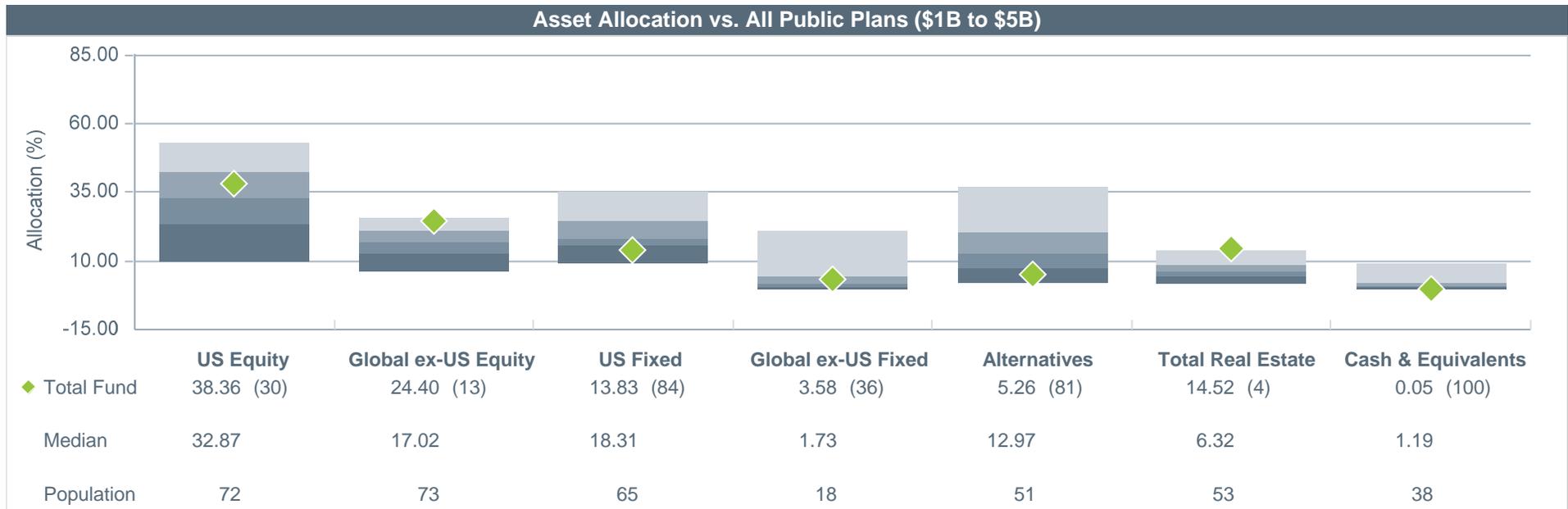
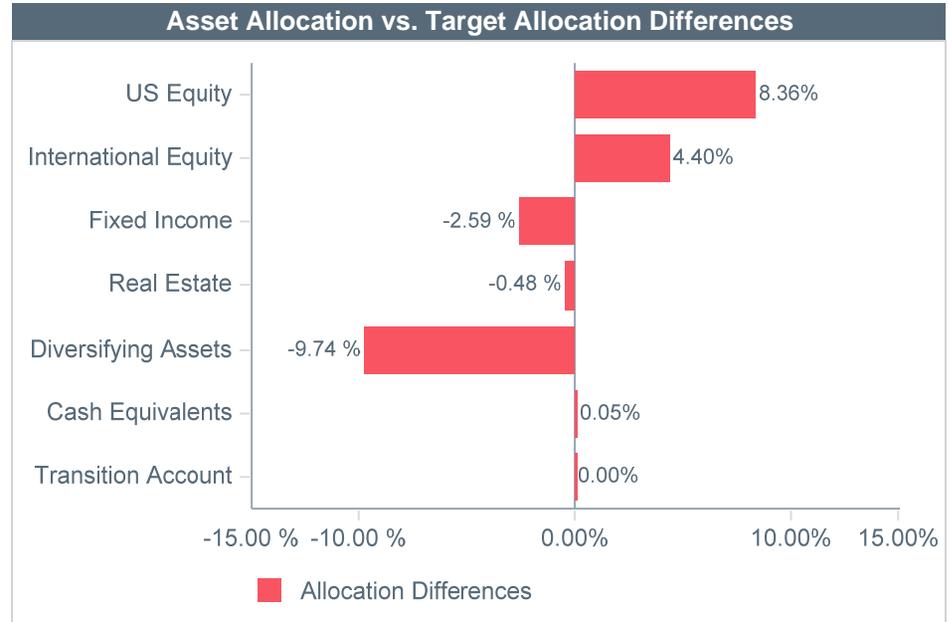
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.



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 June 30, 2021

Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,713,489,013	100.00	-	100.00	-
US Equity	1,040,895,939	38.36	20.00	30.00	40.00
International Equity	661,980,506	24.40	10.00	20.00	25.00
Fixed Income	472,445,230	17.41	10.00	20.00	30.00
Real Estate	393,988,635	14.52	0.00	15.00	20.00
Diversifying Assets	142,756,809	5.26	0.00	15.00	20.00
Cash Equivalents	1,399,605	0.05	0.00	0.00	10.00
Transition Account	22,289	0.00	0.00	0.00	0.00

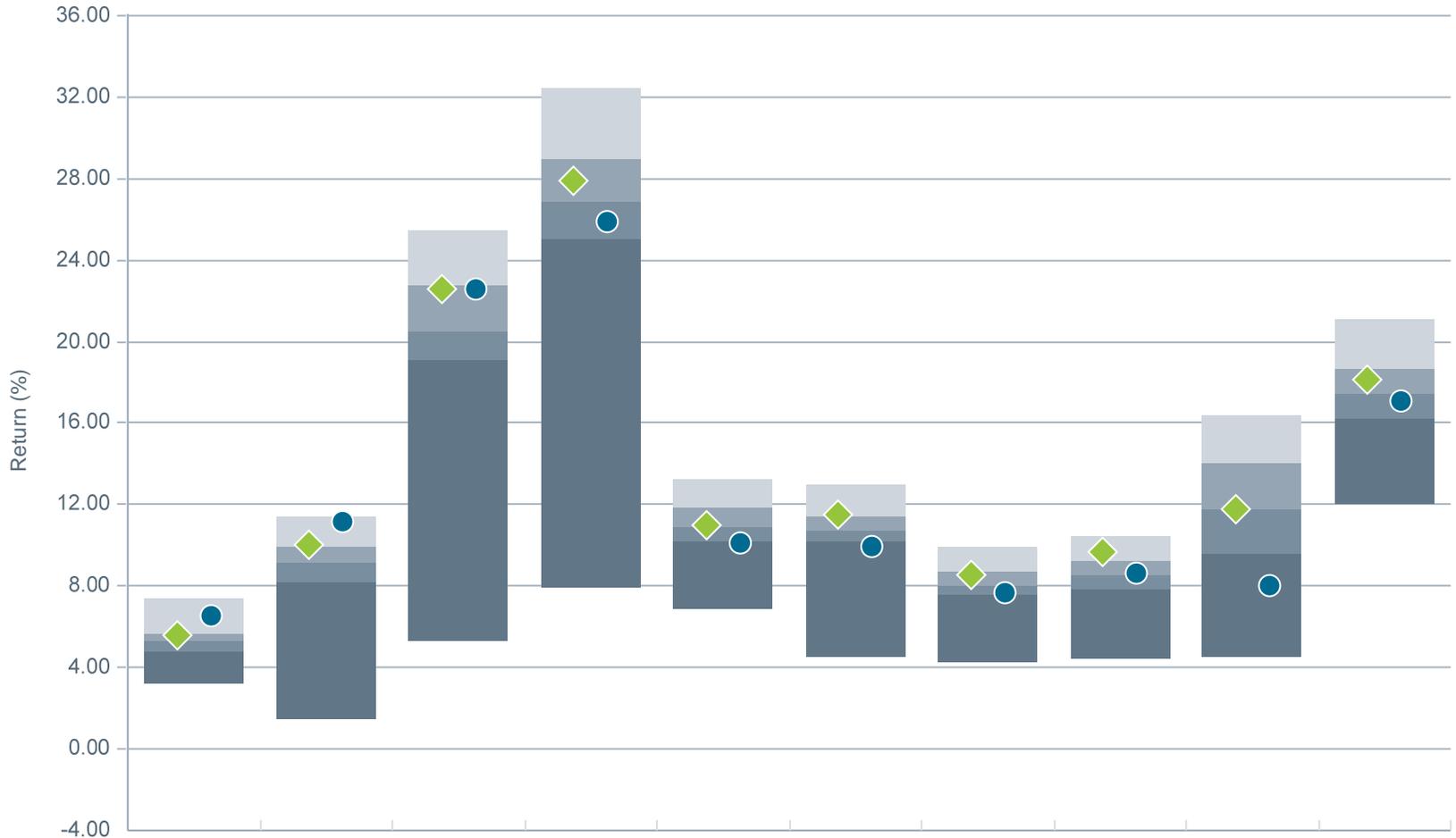


Allocations shown may not sum up to 100% exactly due to rounding. Parentheses contain percentile ranks.



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

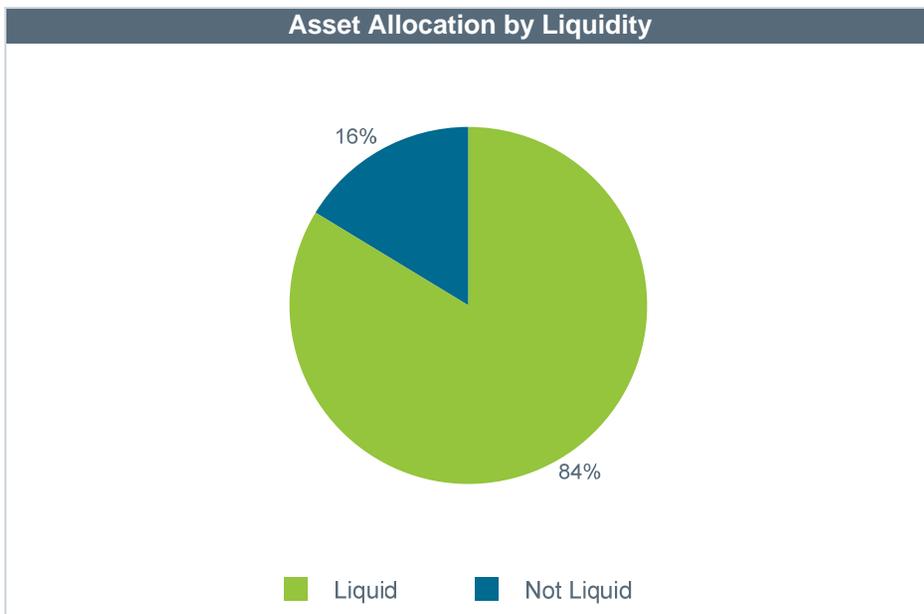
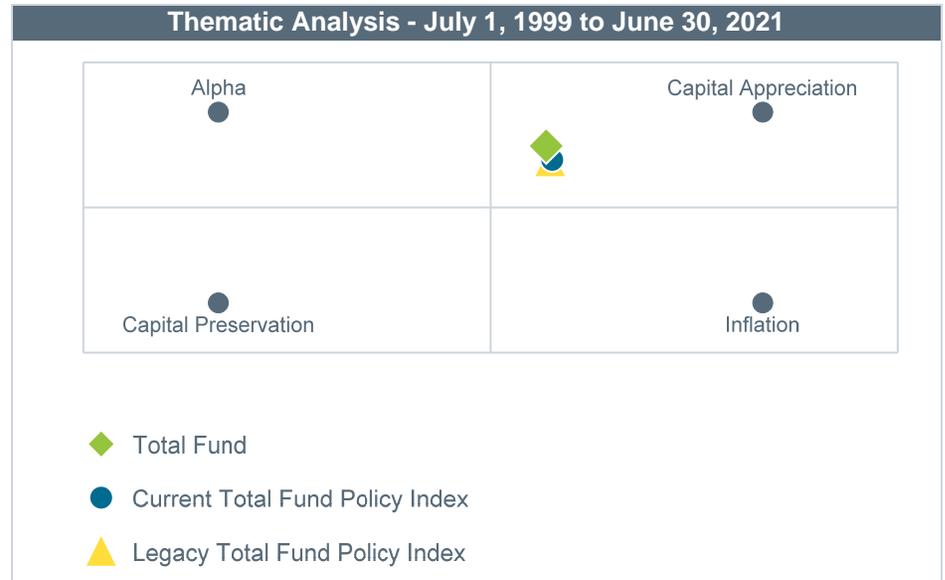
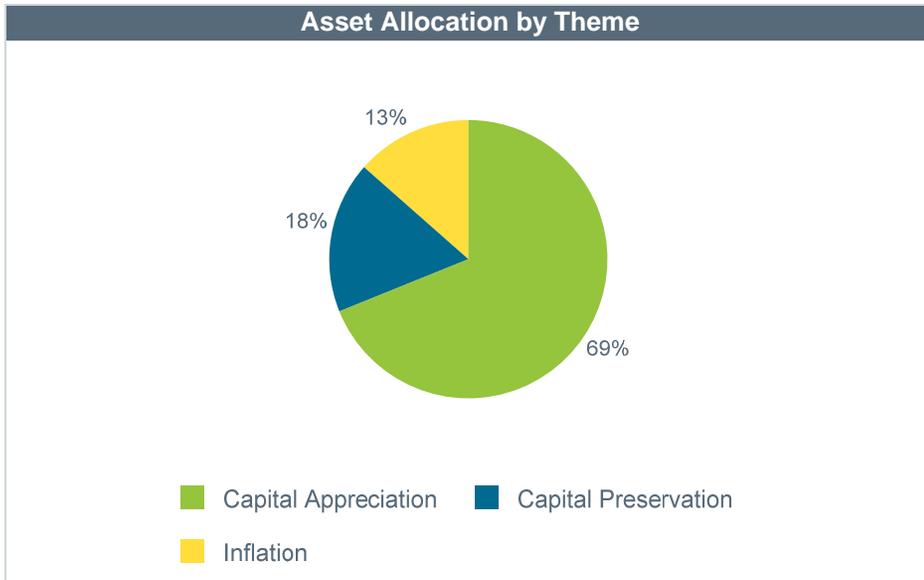
As of June 30, 2021



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019
◆ Total Fund	5.56 (33)	10.07 (23)	22.61 (28)	27.86 (31)	10.95 (49)	11.50 (24)	8.51 (31)	9.66 (15)	11.73 (51)	18.13 (33)
● Current Total Fund Policy Index	6.55 (8)	11.13 (8)	22.54 (29)	25.90 (67)	10.13 (78)	9.94 (86)	7.66 (70)	8.64 (45)	8.02 (91)	17.07 (57)
5th Percentile	7.41	11.39	25.44	32.45	13.23	12.97	9.95	10.49	16.39	21.07
1st Quartile	5.68	9.92	22.75	28.93	11.85	11.46	8.70	9.24	14.00	18.62
Median	5.31	9.12	20.50	26.88	10.90	10.76	8.05	8.51	11.80	17.45
3rd Quartile	4.82	8.24	19.07	25.01	10.20	10.22	7.56	7.86	9.57	16.18
95th Percentile	3.27	1.45	5.32	7.92	6.91	4.51	4.32	4.42	4.54	12.00

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



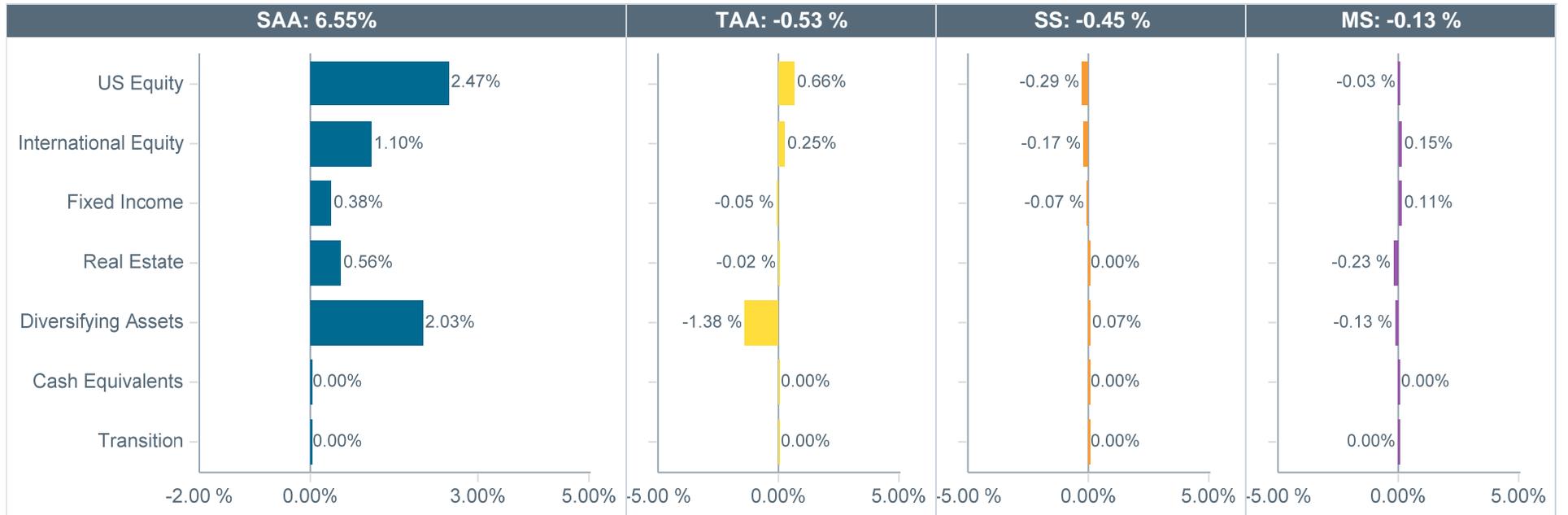
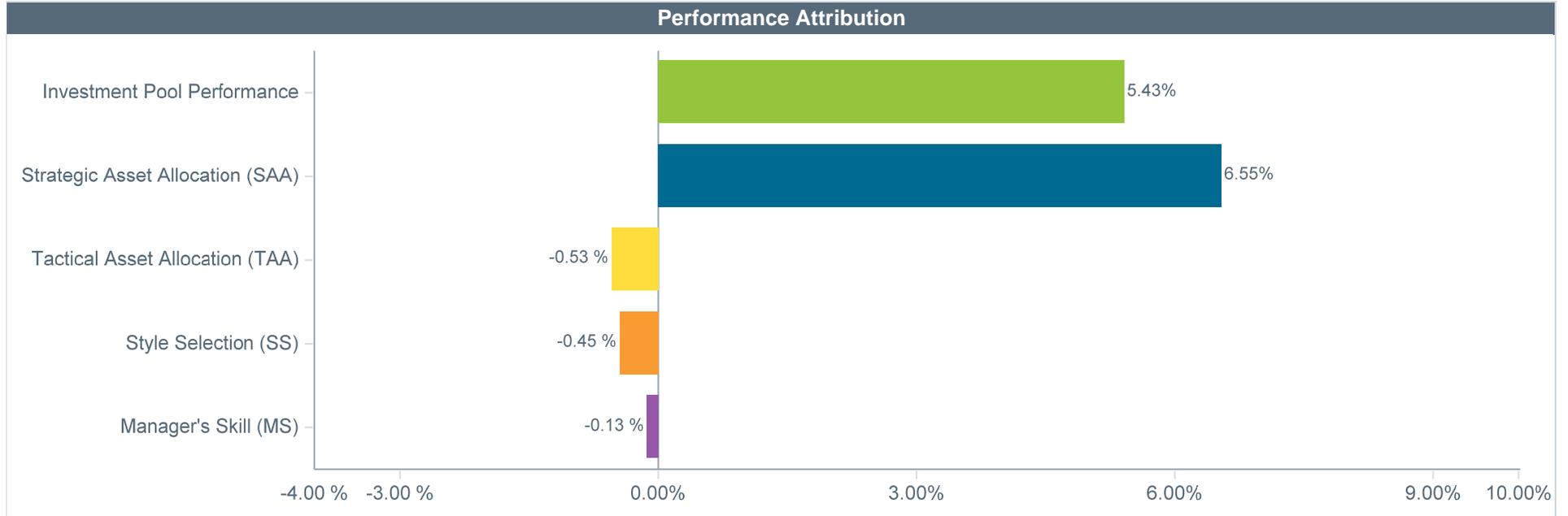


Correlation Matrix - 10 Years

	A	B	C	D
A	1.00			
B	0.70	1.00		
C	-0.26	-0.39	1.00	
D	0.62	0.79	-0.11	1.00

A = HFRI EH: Equity Market Neutral Index (Alpha)
 B = MSCI ACW Index (USD) (Gross) (Capital Appreciation)
 C = Bloomberg US Gov't 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.

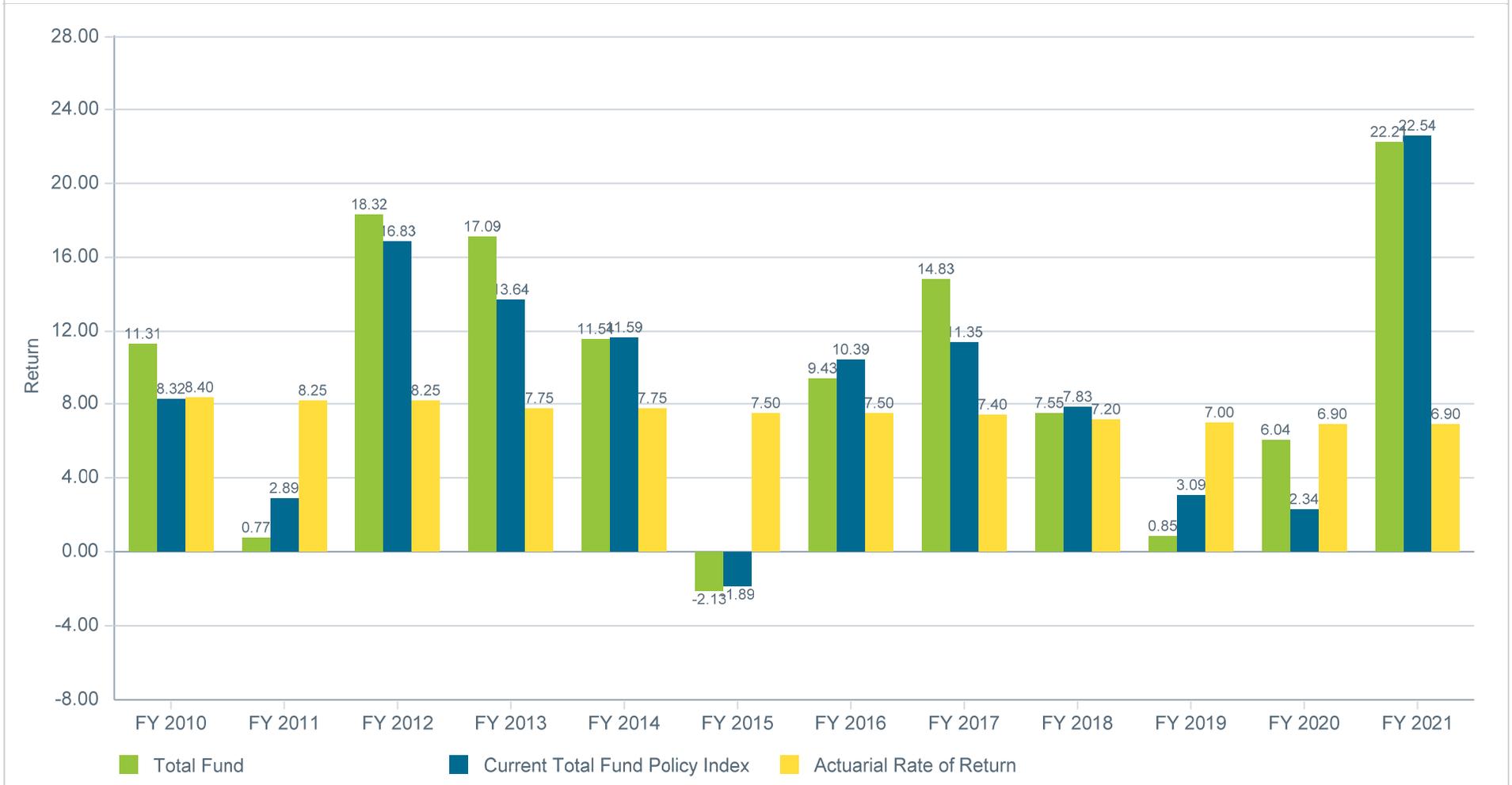


Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

City of Jacksonville Employees' Retirement System
Historical Fiscal Year Returns

As of June 30, 2021

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FYTD
Total Fund	11.31	0.77	18.32	17.09	11.54	-2.13	9.43	14.83	7.55	0.85	6.04	22.21
Current Total Fund Policy Index	8.32	2.89	16.83	13.64	11.59	-1.89	10.39	11.35	7.83	3.09	2.34	22.54
Difference	2.99	-2.12	1.49	3.45	-0.05	-0.24	-0.96	3.48	-0.28	-2.24	3.70	-0.33
Actuarial Rate of Return	8.40	8.25	8.25	7.75	7.75	7.50	7.50	7.40	7.20	7.00	6.90	6.90
Difference	2.91	-7.48	10.07	9.34	3.79	-9.63	1.93	7.43	0.35	-6.15	-0.86	15.31



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, and then changed to 6.80% effective 10/01/2021. Please see the Addendum for custom index definitions.



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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,713,489,013	100.00	5.56	10.07	22.61	27.86	10.95	11.50	8.51	9.66	7.21	07/01/1999
Current Total Fund Policy Index			6.55	11.13	22.54	25.90	10.13	9.94	7.66	8.64	6.37	
Difference			-0.99	-1.06	0.07	1.96	0.82	1.56	0.85	1.02	0.84	
All Public Plans (\$1B to \$5B) (Custom PG) Median			5.31	9.12	20.50	26.88	10.90	10.76	8.05	8.51	6.70	
Rank			33	23	28	31	49	24	31	15	21	
Total Equity	1,702,876,445	62.76	6.75	14.15	35.11	45.24	16.30	17.03	12.01	12.56	7.72	07/01/1999
US Equity	1,040,895,939	38.36	7.52	17.13	38.68	48.55	19.06	18.45	13.99	14.59	8.25	07/01/1999
US Equity Index			8.24	15.11	32.01	44.16	18.73	17.89	13.95	14.70	7.86	
Difference			-0.72	2.02	6.67	4.39	0.33	0.56	0.04	-0.11	0.39	
IM U.S. Equity (SA+CF) Median			6.51	16.33	37.58	47.65	16.16	16.71	12.64	13.81	9.97	
Rank			38	45	48	48	33	35	37	41	79	
International Equity	661,980,506	24.40	5.57	9.83	29.92	40.36	12.03	14.84	8.62	8.91	7.27	07/01/1999
International Equity Index			5.48	9.16	27.73	35.72	9.38	11.08	5.33	5.45	4.74	
Difference			0.09	0.67	2.19	4.64	2.65	3.76	3.29	3.46	2.53	
IM International Equity (SA+CF) Median			5.65	9.69	28.89	40.33	10.73	12.38	7.03	7.29	7.91	
Rank			52	49	45	50	39	26	32	27	60	
Fixed Income	472,445,230	17.41	2.24	-0.25	1.36	2.20	4.56	3.74	2.86	3.63	5.31	07/01/1999
Fixed Income Index			1.96	-1.15	0.13	1.12	5.64	3.18	3.39	3.47	4.89	
Difference			0.28	0.90	1.23	1.08	-1.08	0.56	-0.53	0.16	0.42	
IM Global Fixed Income (SA+CF) Median			2.06	0.00	4.40	7.97	5.78	4.99	3.84	3.94	6.07	
Rank			47	53	75	89	81	70	65	57	71	
Real Estate	393,988,635	14.52	2.32	3.81	3.97	4.48	4.51	5.97	7.66	8.42	6.06	12/01/2005
NCREIF ODCE Index (AWA) (Gross)			3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	6.92	
Difference			-1.61	-2.31	-3.53	-3.54	-1.01	-0.60	-0.74	-1.18	-0.86	
Diversifying Assets	142,756,809	5.26	12.76	25.79	42.35	35.51	1.64	2.68	-0.46	6.11	6.20	03/01/2011
Diversifying Assets Index			13.69	29.64	47.51	33.30	1.51	1.89	-0.26	3.71	3.62	
Difference			-0.93	-3.85	-5.16	2.21	0.13	0.79	-0.20	2.40	2.58	

Performance shown is gross of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30.



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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity												
Eagle Capital Large Cap Value (SA)	268,491,074	9.89	9.09	21.20	45.83	55.56	19.40	20.00	15.18	15.96	12.71	02/01/2007
Russell 1000 Val Index			5.21	17.05	36.07	43.68	12.42	11.87	9.41	11.61	7.23	
Difference			3.88	4.15	9.76	11.88	6.98	8.13	5.77	4.35	5.48	
IM U.S. Large Cap Value Equity (SA+CF) Median			5.86	18.42	38.04	45.78	13.48	13.58	10.44	12.48	8.71	
Rank			6	26	21	18	12	5	3	4	2	
Mellon Large Cap Core Index (CF)	290,416,096	10.70	8.53	14.95	30.58	42.92	N/A	N/A	N/A	N/A	22.01	05/01/2019
Russell 1000 Index			8.54	14.95	30.69	43.07	19.16	17.99	14.16	14.90	22.08	
Difference			-0.01	0.00	-0.11	-0.15	N/A	N/A	N/A	N/A	-0.07	
IM U.S. Large Cap Core Equity (SA+CF) Median			7.95	15.47	30.05	40.92	17.81	17.49	13.72	14.65	20.58	
Rank			31	63	45	35	N/A	N/A	N/A	N/A	31	
Loomis Sayles Large Cap Growth (CF)	202,126,958	7.45	10.62	14.11	24.18	37.62	23.98	N/A	N/A	N/A	22.23	08/01/2017
Russell 1000 Grth Index			11.93	12.99	25.86	42.50	25.14	23.66	18.56	17.87	24.23	
Difference			-1.31	1.12	-1.68	-4.88	-1.16	N/A	N/A	N/A	-2.00	
IM U.S. Large Cap Growth Equity (SA+CF) Median			10.89	13.32	26.47	40.81	23.63	22.35	17.50	16.99	22.82	
Rank			57	38	78	82	48	N/A	N/A	N/A	56	
Mellon Small Cap Value Index (CF)	116,982,299	4.31	4.62	N/A	4.62	04/01/2021						
Russell 2000 Val Index			4.56	26.69	68.96	73.28	10.27	13.62	9.26	10.85	4.56	
Difference			0.06	N/A	0.06							
IM U.S. Small Cap Value Equity (SA+CF) Median			4.12	23.83	62.53	66.55	10.85	13.75	9.72	11.79	4.12	
Rank			38	N/A	38							
Pinnacle Associates US SMID Cap Growth (SA)	162,879,511	6.00	1.87	13.65	51.40	58.10	23.33	22.53	15.01	15.46	17.10	03/01/2010
Russell 2500 Grth Index			6.04	8.67	36.81	49.63	20.15	20.68	14.81	14.83	16.46	
Difference			-4.17	4.98	14.59	8.47	3.18	1.85	0.20	0.63	0.64	
IM U.S. SMID Cap Growth Equity (SA+CF) Median			6.56	10.45	35.31	47.78	21.70	21.51	15.74	15.52	17.12	
Rank			100	30	8	24	40	39	57	51	52	

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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
International Equity												
Silchester International Value (CF)	266,422,888	9.82	4.10	13.39	30.81	35.22	6.41	10.15	6.15	8.40	10.40	06/01/2009
MSCI EAFE Val Index (USD) (Net)			3.01	10.68	31.93	33.50	3.78	7.81	1.95	3.86	5.59	
Difference			1.09	2.71	-1.12	1.72	2.63	2.34	4.20	4.54	4.81	
IM EAFE Value (SA+CF) Median			4.70	10.33	31.68	36.57	7.39	8.89	4.73	6.47	8.59	
Rank			67	19	59	59	60	35	21	13	16	
Baillie Gifford International Growth (BGEFX)	245,810,335	9.06	6.31	3.63	25.39	44.09	22.58	24.53	14.87	13.16	14.90	06/01/2009
Baillie Gifford Index			6.60	6.52	21.35	33.68	13.23	12.71	7.95	7.87	9.63	
Difference			-0.29	-2.89	4.04	10.41	9.35	11.82	6.92	5.29	5.27	
Baillie Gifford Spliced Index			5.48	9.16	27.73	35.72	9.70	11.15	5.55	6.31	7.99	
Difference			0.83	-5.53	-2.34	8.37	12.88	13.38	9.32	6.85	6.91	
IM ACWI Ex US Growth (SA+CF) Median			6.74	7.45	23.73	36.91	13.16	14.76	9.28	9.29	11.23	
Rank			59	98	33	9	7	4	9	10	5	
Acadian Emerging Markets (CF)	149,747,284	5.52	7.07	14.71	36.29	45.87	10.93	12.96	6.19	5.11	5.46	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			5.05	7.45	28.61	40.90	11.27	13.03	6.35	4.29	4.47	
Difference			2.02	7.26	7.68	4.97	-0.34	-0.07	-0.16	0.82	0.99	
IM Emerging Markets Equity (SA+CF) Median			5.49	9.36	31.53	45.35	12.07	13.49	7.12	5.83	6.02	
Rank			29	22	29	45	68	57	70	67	59	
Fixed Income												
Baird Core Fixed Income (SA)	233,023,397	8.59	2.17	N/A	1.01	03/01/2021						
Bloomberg US Agg Bond Index			1.83	-1.61	-0.95	-0.34	5.34	3.03	3.28	3.39	0.56	
Difference			0.34	N/A	0.45							
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			1.97	-1.23	-0.08	1.05	6.07	3.67	3.80	3.96	0.88	
Rank			30	N/A	32							
Franklin Templeton Global Multisector Plus (CF)	97,070,940	3.58	1.81	-1.37	0.46	-0.38	-1.05	1.13	-0.15	2.05	5.72	09/01/2007
Frank. Temp. Global Multisector Index			1.45	-2.96	0.46	3.19	4.34	2.57	1.96	2.23	3.65	
Difference			0.36	1.59	0.00	-3.57	-5.39	-1.44	-2.11	-0.18	2.07	
IM Global Fixed Income (SA+CF) Median			2.06	0.00	4.40	7.97	5.78	4.99	3.84	3.94	4.76	
Rank			56	72	86	99	100	100	98	87	34	
Loomis Sayles Multisector Full Discretion (CF)	142,350,894	5.25	2.65	0.15	4.41	7.22	8.53	7.24	5.52	6.66	7.24	10/01/2007
Bloomberg Gbl Agg Bond Index			1.31	-3.21	-0.03	2.63	4.23	2.34	1.83	2.05	3.30	
Difference			1.34	3.36	4.44	4.59	4.30	4.90	3.69	4.61	3.94	
IM Global Fixed Income (SA+CF) Median			2.06	0.00	4.40	7.97	5.78	4.99	3.84	3.94	4.59	
Rank			33	49	50	54	10	20	17	13	7	

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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Real Estate												
Harrison Street Core Property, LP	111,656,349	4.11	1.43	2.71	2.71	4.13	6.64	7.65	N/A	N/A	7.38	11/01/2015
NCREIF ODCE Index (AWA) (Gross)			3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	7.20	
Difference			-2.50	-3.41	-4.79	-3.89	1.12	1.08	N/A	N/A	0.18	
PGIM Real Estate PRISA II LP (CF)	58,687,371	2.16	1.95	3.39	3.39	3.83	5.38	6.88	N/A	N/A	8.10	01/01/2015
NCREIF ODCE Index (AWA) (Gross)			3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	8.01	
Difference			-1.98	-2.73	-4.11	-4.19	-0.14	0.31	N/A	N/A	0.09	
Principal US Property (CF)	132,284,933	4.88	3.90	6.65	8.69	9.00	6.53	7.72	9.41	N/A	9.56	01/01/2014
NCREIF ODCE Index (AWA) (Gross)			3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	8.60	
Difference			-0.03	0.53	1.19	0.98	1.01	1.15	1.01	N/A	0.96	
UBS Trumbull Property (CF)	90,029,206	3.32	1.29	1.29	-0.63	-0.81	-0.62	2.21	4.83	6.48	5.32	12/01/2005
NCREIF ODCE Index (AWA) (Gross)			3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	6.92	
Difference			-2.64	-4.83	-8.13	-8.83	-6.14	-4.36	-3.57	-3.12	-1.60	
Vanguard RE Idx;ETF (VNQ)	1,330,776	0.05	11.59	21.37	32.61	34.32	11.91	6.95	8.80	9.47	13.77	12/01/2008
Custom REITs Index			11.69	21.44	32.71	34.50	12.15	7.48	9.19	9.98	14.59	
Difference			-0.10	-0.07	-0.10	-0.18	-0.24	-0.53	-0.39	-0.51	-0.82	
Diversifying Assets												
Harvest Fund Advisors MLP (SA)	49,557,631	1.83	18.35	40.32	72.42	56.01	0.41	1.11	-3.12	5.32	5.74	03/01/2011
S&P MLP Index (TR)			21.64	46.49	89.32	62.22	0.07	0.32	-5.20	1.83	1.69	
Difference			-3.29	-6.17	-16.90	-6.21	0.34	0.79	2.08	3.49	4.05	
Tortoise Capital Advisors MLP (SA)	43,482,776	1.60	17.90	38.55	68.97	45.47	-3.40	-1.28	-5.18	3.82	3.66	03/01/2011
Tortoise Spliced Index			16.39	40.69	69.04	50.58	-2.39	-1.16	-6.21	1.07	0.96	
Difference			1.51	-2.14	-0.07	-5.11	-1.01	-0.12	1.03	2.75	2.70	
Hancock Timberland (SA)	30,604,373	1.13	4.98	4.98	9.01	13.69	5.85	6.94	5.81	6.88	4.13	10/01/2006
NCREIF Timberland Index			1.70	2.47	3.06	3.10	2.12	2.65	3.78	4.66	5.16	
Difference			3.28	2.51	5.95	10.59	3.73	4.29	2.03	2.22	-1.03	
Adams Street Private Equity (SA)	14,157,892	0.52	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2020
S&P 500 Index+3%			9.35	16.97	32.15	45.02	22.23	21.17	17.52	18.28	35.43	
Difference			-9.35	-16.97	N/A	N/A	N/A	N/A	N/A	N/A	-35.43	
Hamilton Lane Private Credit (SA)	4,954,137	0.18	0.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.16	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			3.07	3.50	11.84	17.91	9.45	9.38	6.94	8.36	3.07	
Difference			-2.91	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.91	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	1,399,605	0.05	0.21	0.27	0.30	0.36	1.44	1.23	0.92	0.67	1.38	04/01/2001
FTSE 3 Mo T-Bill Index			0.01	0.03	0.05	0.08	1.31	1.14	0.84	0.60	1.34	
Difference			0.20	0.24	0.25	0.28	0.13	0.09	0.08	0.07	0.04	

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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,713,489,013	100.00	5.43	9.83	22.21	27.29	10.39	10.94	7.97	9.13	6.89	07/01/1999
Current Total Fund Policy Index			6.55	11.13	22.54	25.90	10.13	9.94	7.66	8.64	6.37	
Difference			-1.12	-1.30	-0.33	1.39	0.26	1.00	0.31	0.49	0.52	
Total Equity	1,702,876,445	62.76	6.63	13.89	34.63	44.56	15.72	16.42	11.42	11.96	7.40	07/01/1999
US Equity	1,040,895,939	38.36	7.41	16.88	38.24	47.91	18.50	17.85	13.41	14.00	7.95	07/01/1999
US Equity Index			8.24	15.11	32.01	44.16	18.73	17.89	13.95	14.70	7.86	
Difference			-0.83	1.77	6.23	3.75	-0.23	-0.04	-0.54	-0.70	0.09	
International Equity	661,980,506	24.40	5.44	9.54	29.40	39.61	11.42	14.20	8.00	8.31	6.93	07/01/1999
International Equity Index			5.48	9.16	27.73	35.72	9.38	11.08	5.33	5.45	4.74	
Difference			-0.04	0.38	1.67	3.89	2.04	3.12	2.67	2.86	2.19	
Fixed Income	472,445,230	17.41	2.19	-0.36	1.19	1.97	4.29	3.49	2.64	3.42	5.15	07/01/1999
Fixed Income Index			1.96	-1.15	0.13	1.12	5.64	3.18	3.39	3.47	4.89	
Difference			0.23	0.79	1.06	0.85	-1.35	0.31	-0.75	-0.05	0.26	
Real Estate	393,988,635	14.52	2.18	3.60	3.65	3.93	3.68	5.20	6.87	7.59	5.39	12/01/2005
NCREIF ODCE Index (AWA) (Net)			3.68	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.94	
Difference			-1.50	-2.04	-3.15	-3.16	-0.92	-0.42	-0.56	-1.01	-0.55	
Diversifying Assets	142,756,809	5.26	12.53	25.39	41.78	34.81	1.14	2.19	-0.95	5.58	5.68	03/01/2011
Diversifying Assets Index			13.69	29.64	47.51	33.30	1.51	1.89	-0.26	3.71	3.62	
Difference			-1.16	-4.25	-5.73	1.51	-0.37	0.30	-0.69	1.87	2.06	

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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity												
Eagle Capital Large Cap Value (SA)	268,491,074	9.89	8.90	20.75	45.04	54.46	18.50	19.10	14.32	15.09	12.00	02/01/2007
Russell 1000 Val Index			5.21	17.05	36.07	43.68	12.42	11.87	9.41	11.61	7.23	
Difference			3.69	3.70	8.97	10.78	6.08	7.23	4.91	3.48	4.77	
Mellon Large Cap Core Index (CF)	290,416,096	10.70	8.53	14.93	30.56	42.89	N/A	N/A	N/A	N/A	21.98	05/01/2019
Russell 1000 Index			8.54	14.95	30.69	43.07	19.16	17.99	14.16	14.90	22.08	
Difference			-0.01	-0.02	-0.13	-0.18	N/A	N/A	N/A	N/A	-0.10	
Loomis Sayles Large Cap Growth (CF)	202,126,958	7.45	10.43	13.80	23.71	36.93	23.40	N/A	N/A	N/A	21.65	08/01/2017
Russell 1000 Grth Index			11.93	12.99	25.86	42.50	25.14	23.66	18.56	17.87	24.23	
Difference			-1.50	0.81	-2.15	-5.57	-1.74	N/A	N/A	N/A	-2.58	
Mellon Small Cap Value Index (CF)	116,982,299	4.31	4.62	N/A	4.62	04/01/2021						
Russell 2000 Val Index			4.56	26.69	68.96	73.28	10.27	13.62	9.26	10.85	4.56	
Difference			0.06	N/A	0.06							
Pinnacle Associates US SMID Cap Growth (SA)	162,879,511	6.00	1.73	13.36	50.80	57.26	22.62	21.79	14.26	14.67	16.33	03/01/2010
Russell 2500 Grth Index			6.04	8.67	36.81	49.63	20.15	20.68	14.81	14.83	16.46	
Difference			-4.31	4.69	13.99	7.63	2.47	1.11	-0.55	-0.16	-0.13	
International Equity												
Silchester International Value (CF)	266,422,888	9.82	3.95	13.06	30.24	34.44	5.80	9.52	5.54	7.77	9.75	06/01/2009
MSCI EAFE Val Index (USD) (Net)			3.01	10.68	31.93	33.50	3.78	7.81	1.95	3.86	5.59	
Difference			0.94	2.38	-1.69	0.94	2.02	1.71	3.59	3.91	4.16	
Baillie Gifford International Growth (BGEFX)	245,810,335	9.06	6.18	3.38	24.94	43.40	21.97	23.89	14.27	12.65	14.48	06/01/2009
Baillie Gifford Index			6.60	6.52	21.35	33.68	13.23	12.71	7.95	7.87	9.63	
Difference			-0.42	-3.14	3.59	9.72	8.74	11.18	6.32	4.78	4.85	
Baillie Gifford Spliced Index			5.48	9.16	27.73	35.72	9.70	11.15	5.55	6.31	7.99	
Difference			0.70	-5.78	-2.79	7.68	12.27	12.74	8.72	6.34	6.49	
Acadian Emerging Markets (CF)	149,747,284	5.52	6.92	14.41	35.72	45.07	10.29	12.32	5.56	4.49	4.85	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			5.05	7.45	28.61	40.90	11.27	13.03	6.35	4.29	4.47	
Difference			1.87	6.96	7.11	4.17	-0.98	-0.71	-0.79	0.20	0.38	

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

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income												
Baird Core Fixed Income (SA)	233,023,397	8.59	2.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.01	03/01/2021
Bloomberg US Agg Bond Index			1.83	-1.61	-0.95	-0.34	5.34	3.03	3.28	3.39	0.56	
Difference			0.34	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.45	
Franklin Templeton Global Multisector Plus (CF)	97,070,940	3.58	1.70	-1.57	0.15	-0.80	-1.50	0.63	-0.72	1.38	4.98	09/01/2007
Frank. Temp. Global Multisector Index			1.45	-2.96	0.46	3.19	4.34	2.57	1.96	2.23	3.65	
Difference			0.25	1.39	-0.31	-3.99	-5.84	-1.94	-2.68	-0.85	1.33	
Loomis Sayles Multisector Full Discretion (CF)	142,350,894	5.25	2.58	-0.01	4.14	6.85	8.09	6.84	5.11	6.23	6.88	10/01/2007
Bloomberg Gbl Agg Bond Index			1.31	-3.21	-0.03	2.63	4.23	2.34	1.83	2.05	3.30	
Difference			1.27	3.20	4.17	4.22	3.86	4.50	3.28	4.18	3.58	
Real Estate												
Harrison Street Core Property, LP	111,656,349	4.11	1.43	2.71	2.71	3.88	5.83	7.16	N/A	N/A	6.95	11/01/2015
NCREIF ODCE Index (AWA) (Net)			3.68	5.64	6.80	7.09	4.60	5.62	7.43	8.60	6.23	
Difference			-2.25	-2.93	-4.09	-3.21	1.23	1.54	N/A	N/A	0.72	
PGIM Real Estate PRISA II LP (CF)	58,687,371	2.16	1.78	3.21	3.21	3.36	4.35	5.87	N/A	N/A	7.23	01/01/2015
NCREIF ODCE Index (AWA) (Net)			3.68	5.64	6.80	7.09	4.60	5.62	7.43	8.60	7.04	
Difference			-1.90	-2.43	-3.59	-3.73	-0.25	0.25	N/A	N/A	0.19	
Principal US Property (CF)	132,284,933	4.88	3.69	6.23	8.05	8.14	5.67	6.85	8.53	N/A	8.68	01/01/2014
NCREIF ODCE Index (AWA) (Net)			3.68	5.64	6.80	7.09	4.60	5.62	7.43	8.60	7.62	
Difference			0.01	0.59	1.25	1.05	1.07	1.23	1.10	N/A	1.06	
UBS Trumbull Property (CF)	90,029,206	3.32	1.09	1.09	-1.01	-1.38	-1.34	1.37	3.91	5.51	4.40	12/01/2005
NCREIF ODCE Index (AWA) (Net)			3.68	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.94	
Difference			-2.59	-4.55	-7.81	-8.47	-5.94	-4.25	-3.52	-3.09	-1.54	
Vanguard RE Idx;ETF (VNQ)	1,330,776	0.05	11.59	21.37	32.61	34.32	11.91	6.95	8.80	9.47	13.77	12/01/2008
Custom REITs Index			11.69	21.44	32.71	34.50	12.15	7.48	9.19	9.98	14.59	
Difference			-0.10	-0.07	-0.10	-0.18	-0.24	-0.53	-0.39	-0.51	-0.82	

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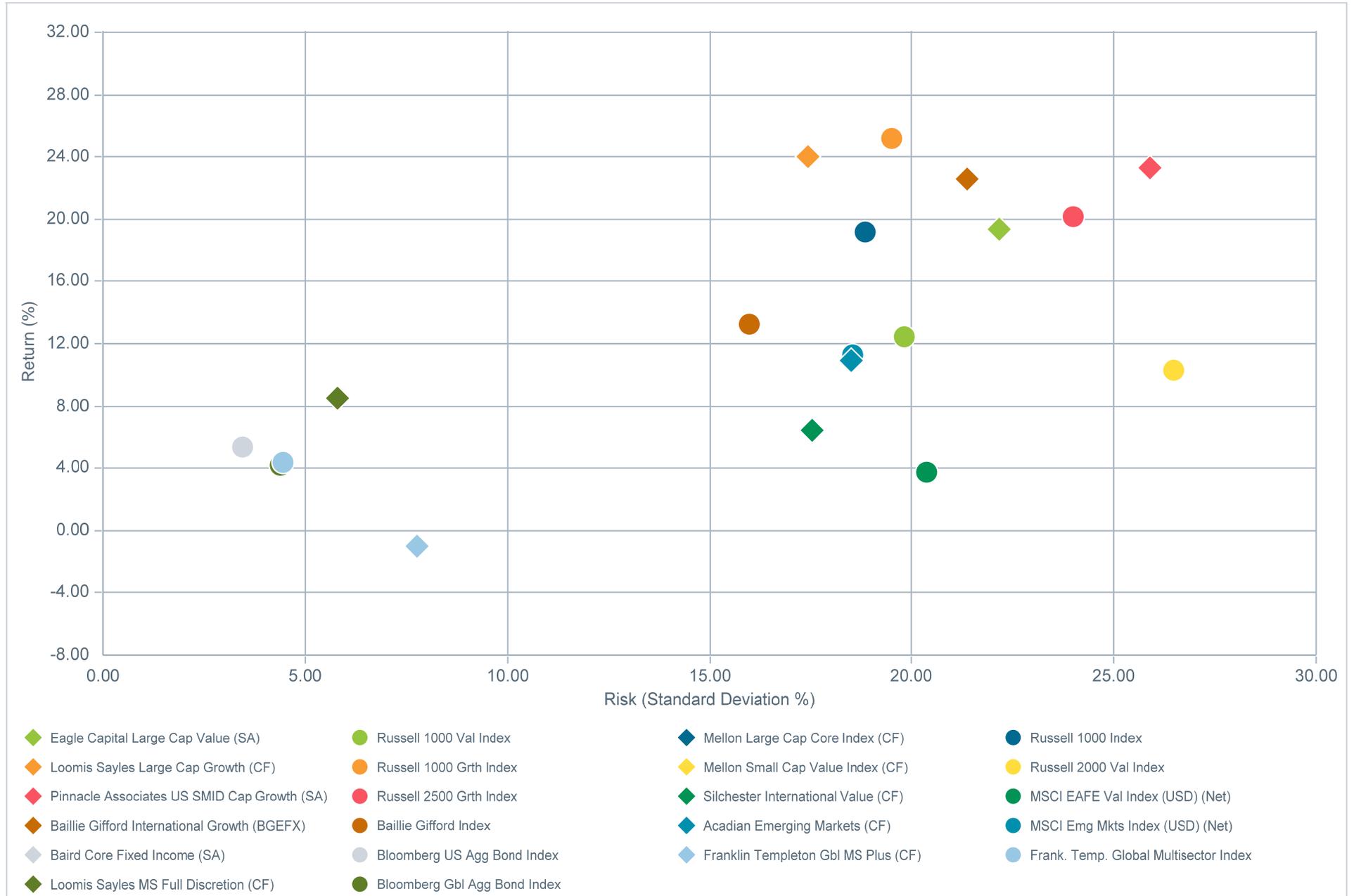
City of Jacksonville Employees' Retirement System
 Asset Allocation & Performance (Net of Fees)

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets												
Harvest Fund Advisors MLP (SA)	49,557,631	1.83	17.94	39.60	71.24	54.65	-0.42	0.32	-3.89	4.51	4.95	03/01/2011
S&P MLP Index (TR)			21.64	46.49	89.32	62.22	0.07	0.32	-5.20	1.83	1.69	
Difference			-3.70	-6.89	-18.08	-7.57	-0.49	0.00	1.31	2.68	3.26	
Tortoise Capital Advisors MLP (SA)	43,482,776	1.60	17.74	38.11	68.15	44.48	-4.09	-2.00	-5.89	3.05	2.92	03/01/2011
Tortoise Spliced Index			16.39	40.69	69.04	50.58	-2.39	-1.16	-6.21	1.07	0.96	
Difference			1.35	-2.58	-0.89	-6.10	-1.70	-0.84	0.32	1.98	1.96	
Hancock Timberland (SA)	30,604,373	1.13	4.98	4.98	9.01	13.69	5.85	6.94	5.81	6.88	4.13	10/01/2006
NCREIF Timberland Index			1.70	2.47	3.06	3.10	2.12	2.65	3.78	4.66	5.16	
Difference			3.28	2.51	5.95	10.59	3.73	4.29	2.03	2.22	-1.03	
Adams Street Private Equity (SA)	14,157,892	0.52	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2020
S&P 500 Index+3%			9.35	16.97	32.15	45.02	22.23	21.17	17.52	18.28	35.43	
Difference			-9.35	-16.97	N/A	N/A	N/A	N/A	N/A	N/A	-35.43	
Hamilton Lane Private Credit (SA)	4,954,137	0.18	0.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.16	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			3.07	3.50	11.84	17.91	9.45	9.38	6.94	8.36	3.07	
Difference			-2.91	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.91	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	1,399,605	0.05	0.17	0.18	0.18	0.20	1.30	1.14	0.85	0.62	1.35	04/01/2001
FTSE 3 Mo T-Bill Index			0.01	0.03	0.05	0.08	1.31	1.14	0.84	0.60	1.34	
Difference			0.16	0.15	0.13	0.12	-0.01	0.00	0.01	0.02	0.01	

Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30.

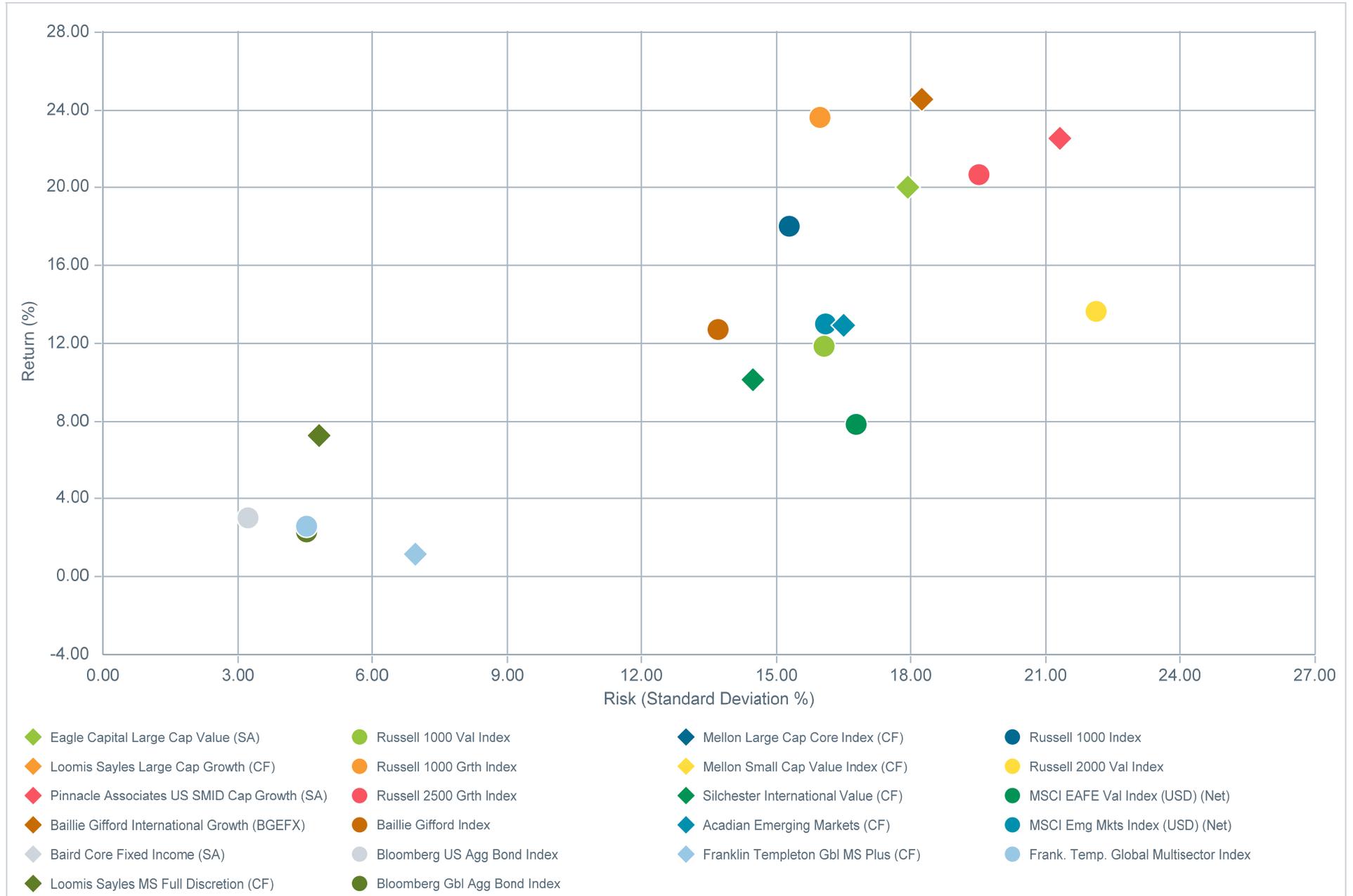




Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.

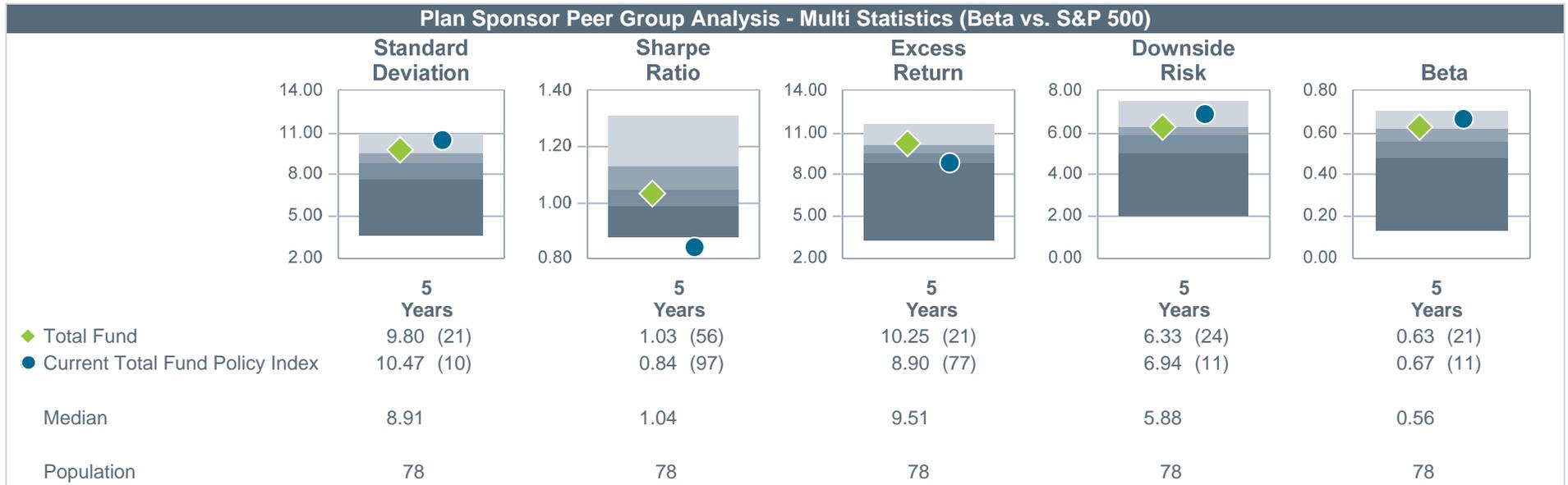
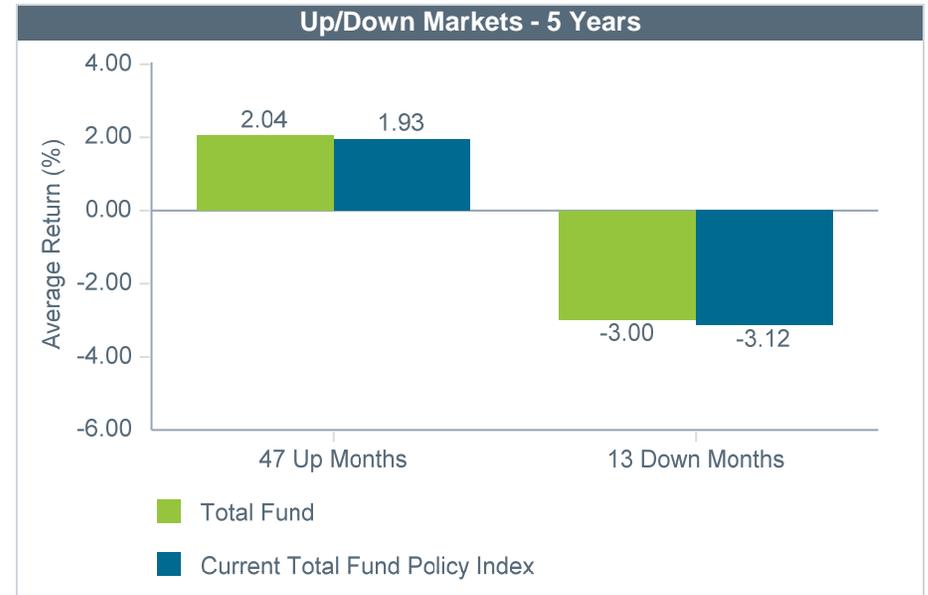
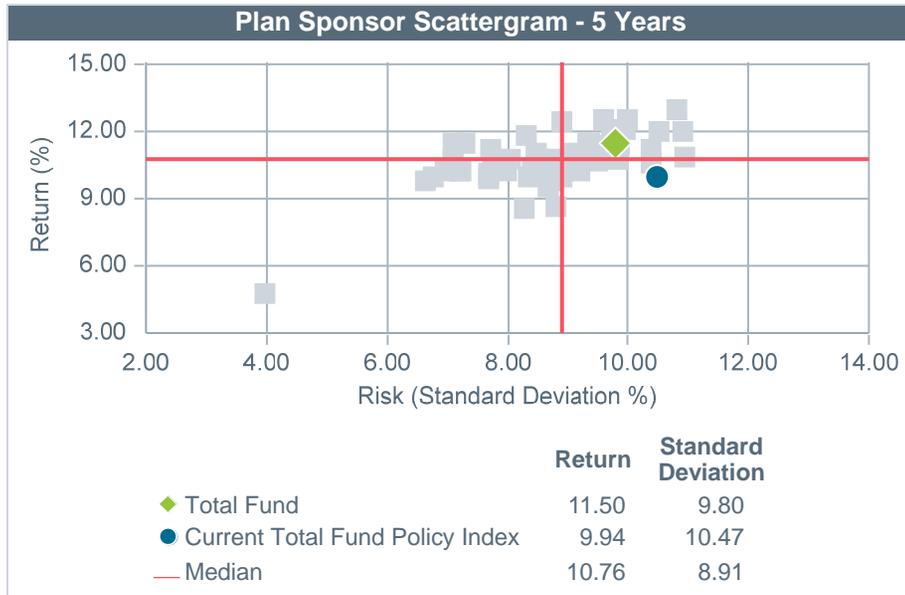
City of Jacksonville Employees' Retirement System
 Risk and Return
 Traditional Managers

5 Years Ending June 30, 2021

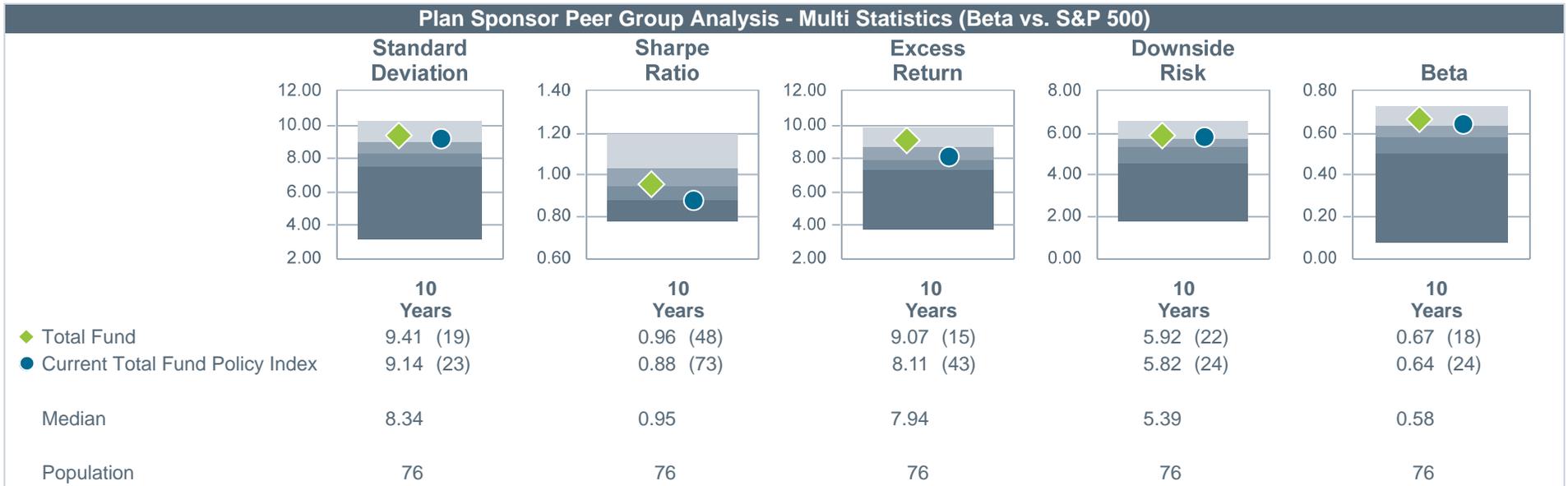
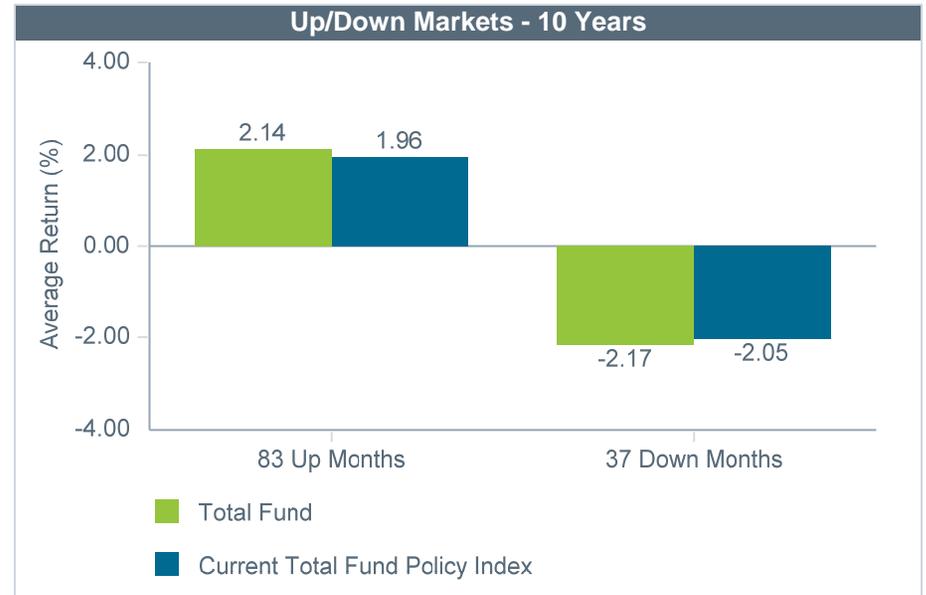
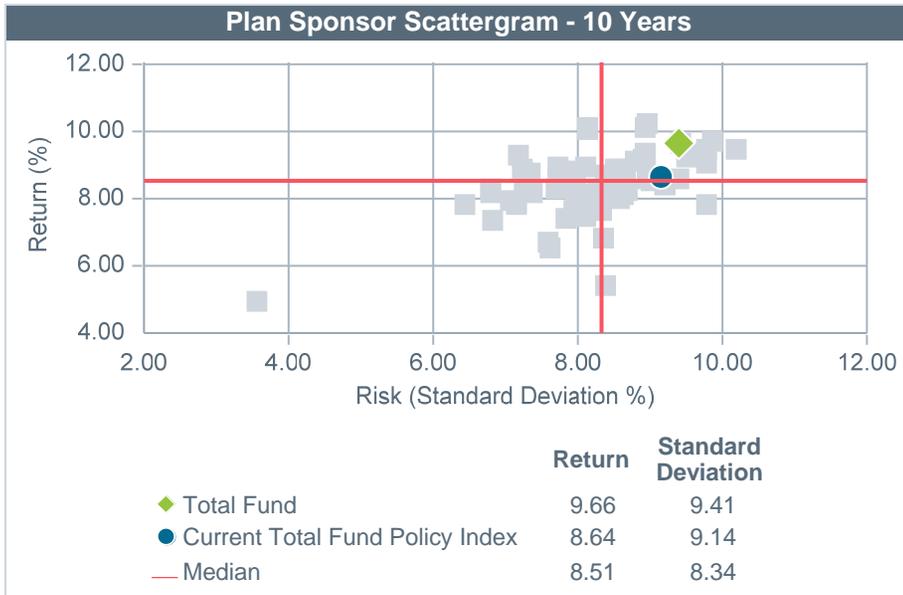


Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.





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



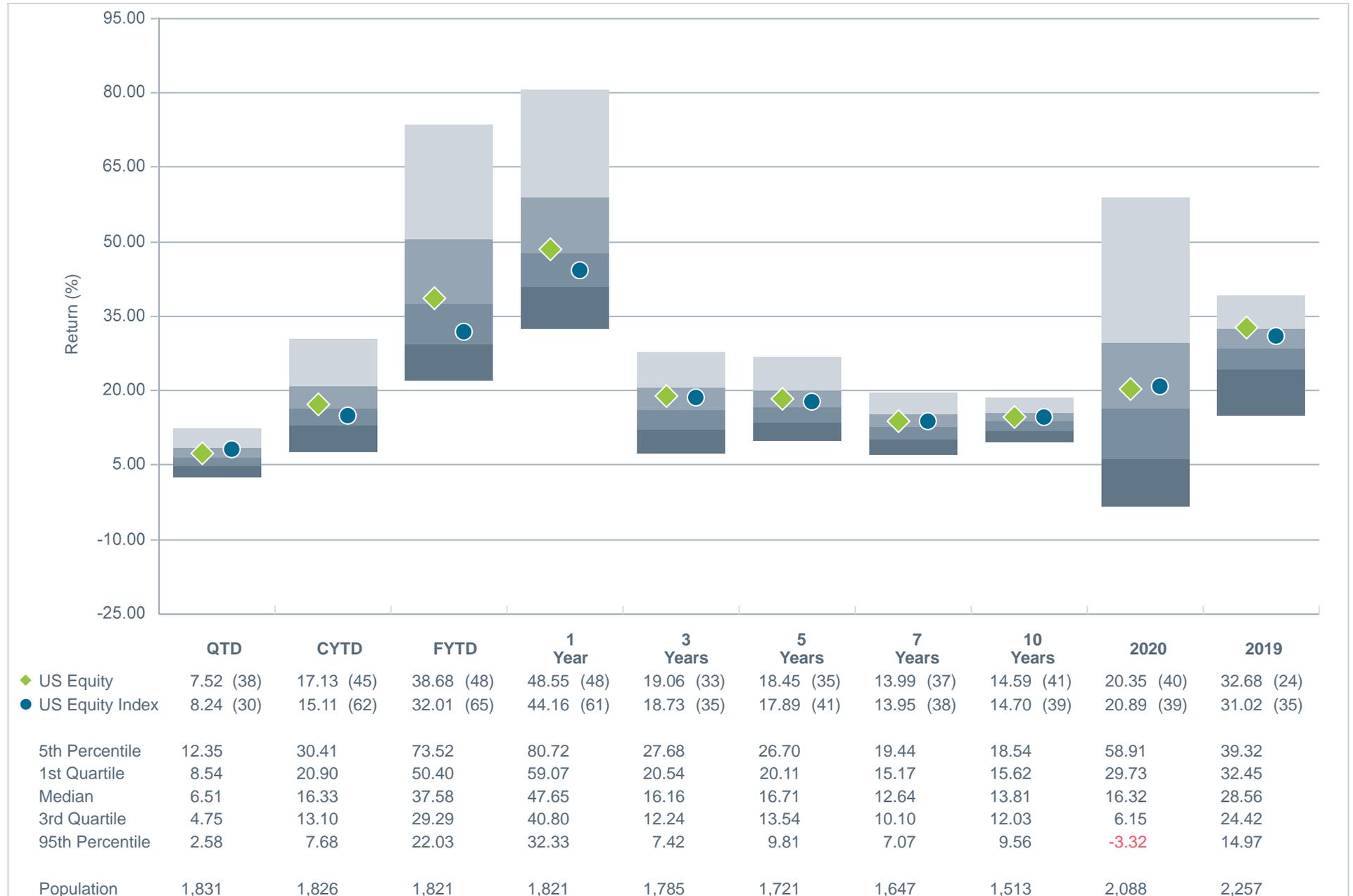
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Composite Profiles



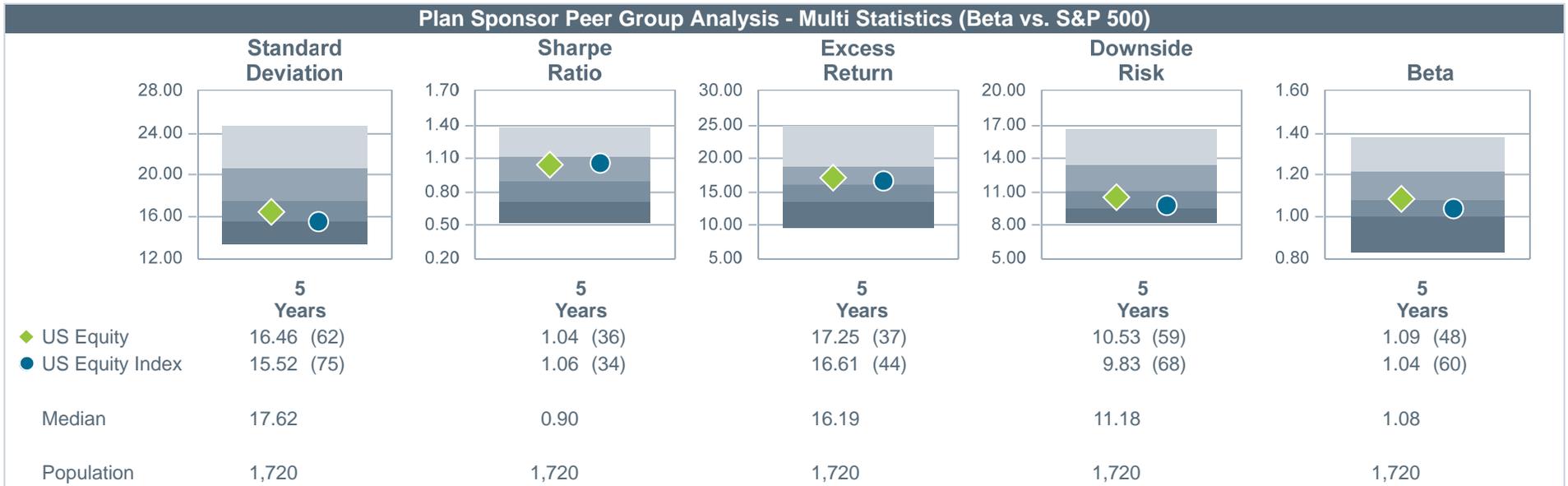
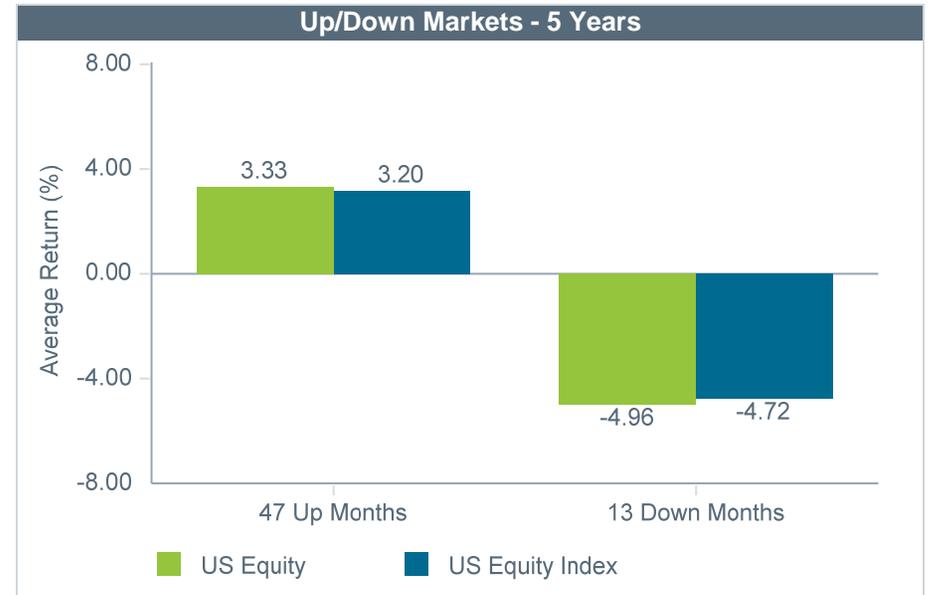
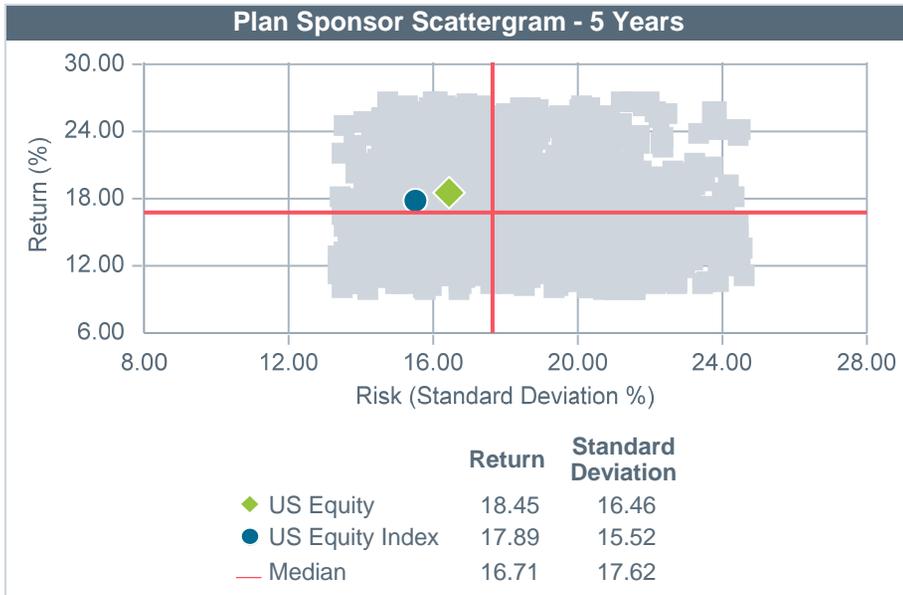
City of Jacksonville Employees' Retirement System
 US Equity vs. IM U.S. Equity (SA+CF)
 Peer Group Analysis

As of June 30, 2021



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

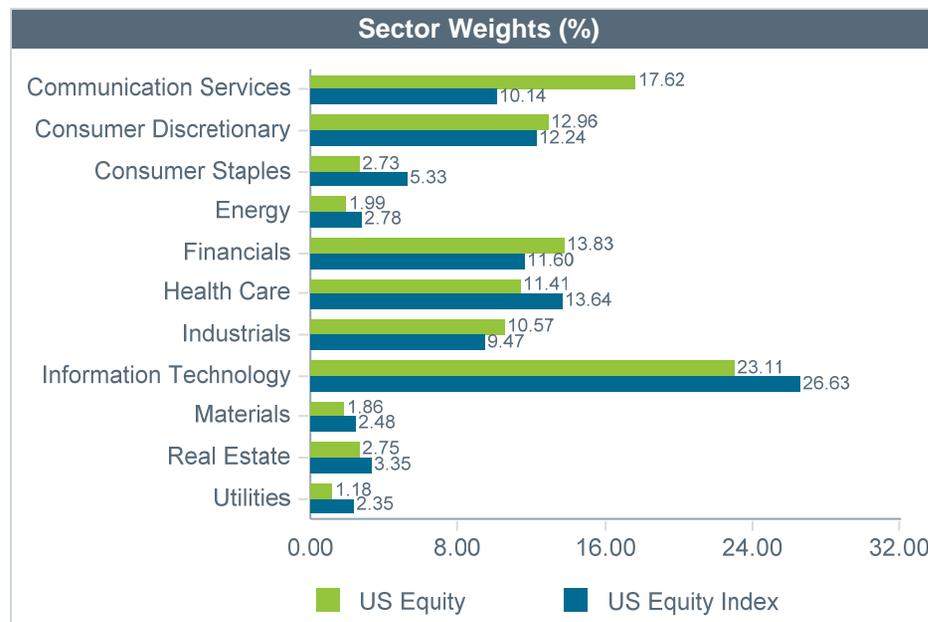
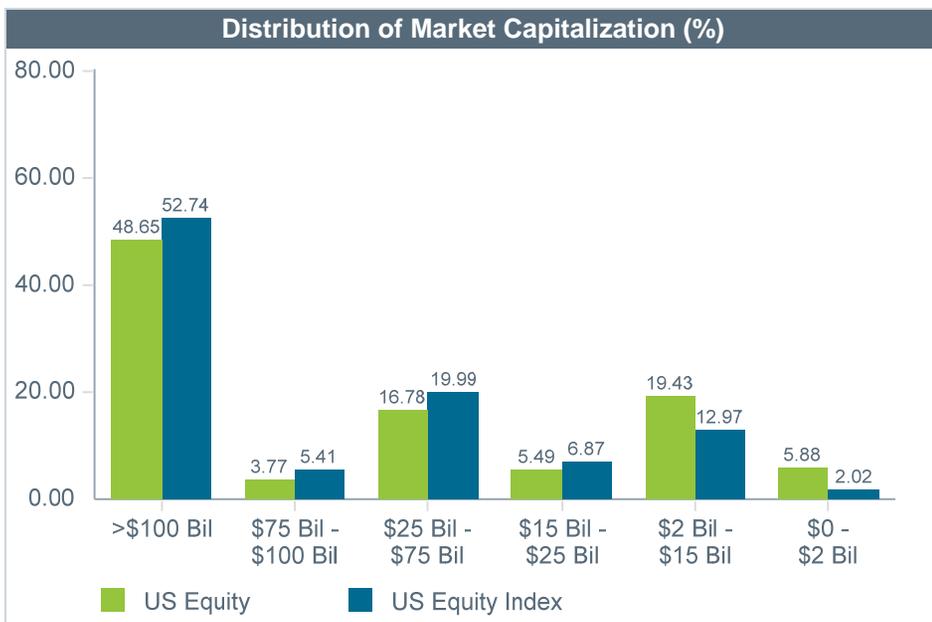




Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	4.28	4.62	-0.34	15.17
Amazon.com Inc	4.11	3.38	0.73	11.19
Facebook Inc	3.72	1.88	1.84	18.06
Alphabet Inc	3.11	1.61	1.50	21.16
NVIDIA Corporation	1.58	1.08	0.50	49.88
Walt Disney Co (The)	1.51	0.72	0.79	-4.74
Apple Inc	1.47	4.86	-3.39	12.31
Comcast Corp	1.45	0.59	0.86	5.86
Visa Inc	1.32	0.90	0.42	10.59
General Electric Co	1.32	0.27	1.05	2.59
% of Portfolio	23.87	19.91	3.96	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	384,123	441,345
Median Mkt. Cap (\$M)	3,192	2,653
Price/Earnings Ratio	23.96	26.20
Price/Book Ratio	3.92	4.48
5 Yr. EPS Growth Rate (%)	25.56	21.08
Current Yield (%)	0.89	1.28
Beta (5 Years, Monthly)	1.05	1.00
Number of Securities	2,440	3,009



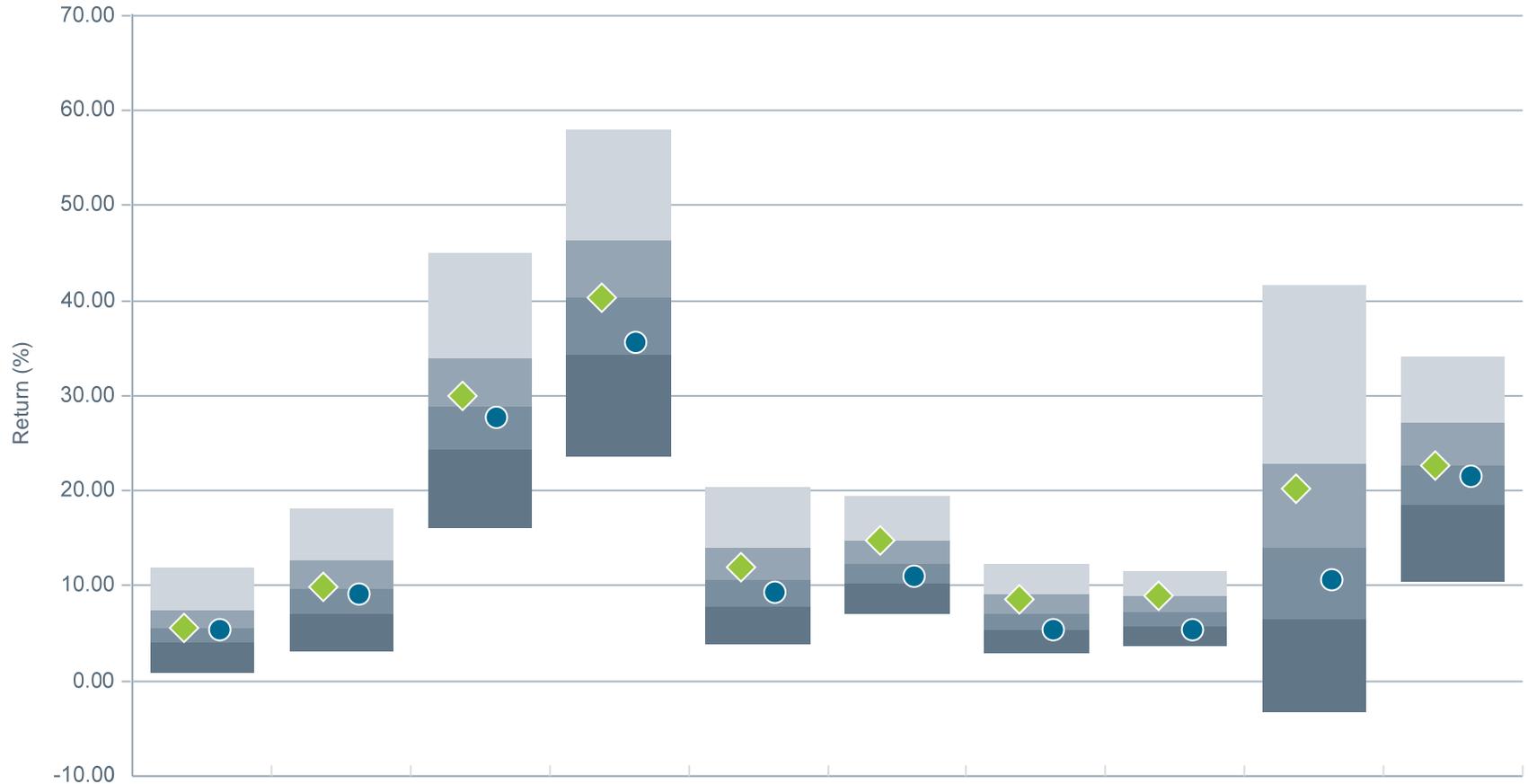
Style Map with History (12 Months)



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

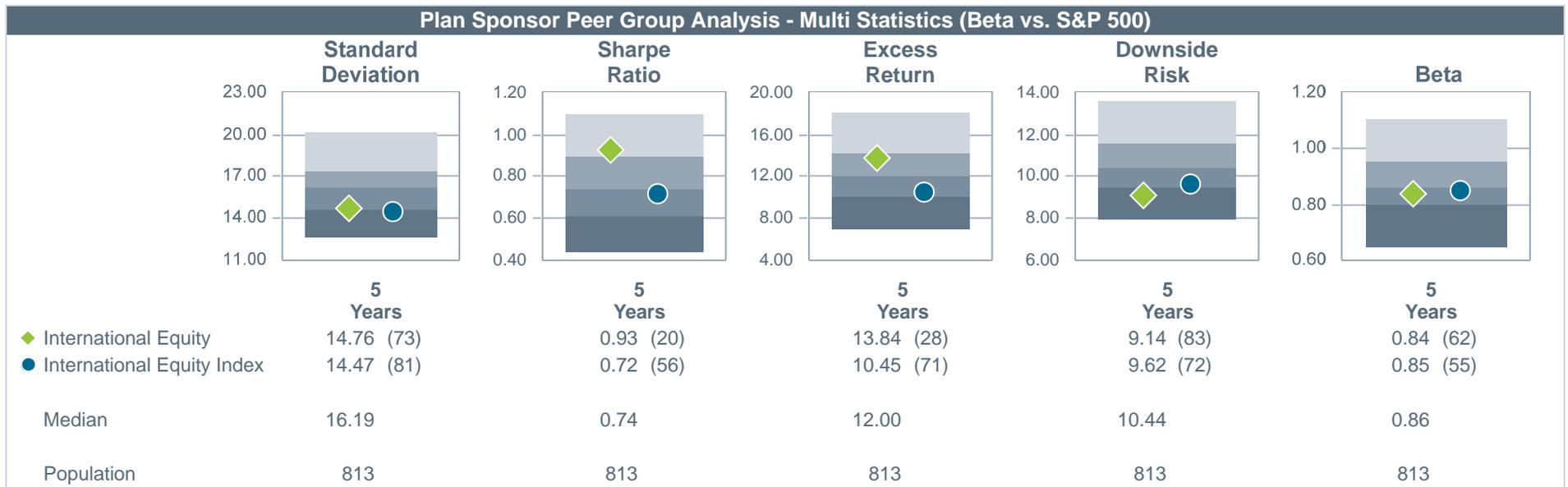
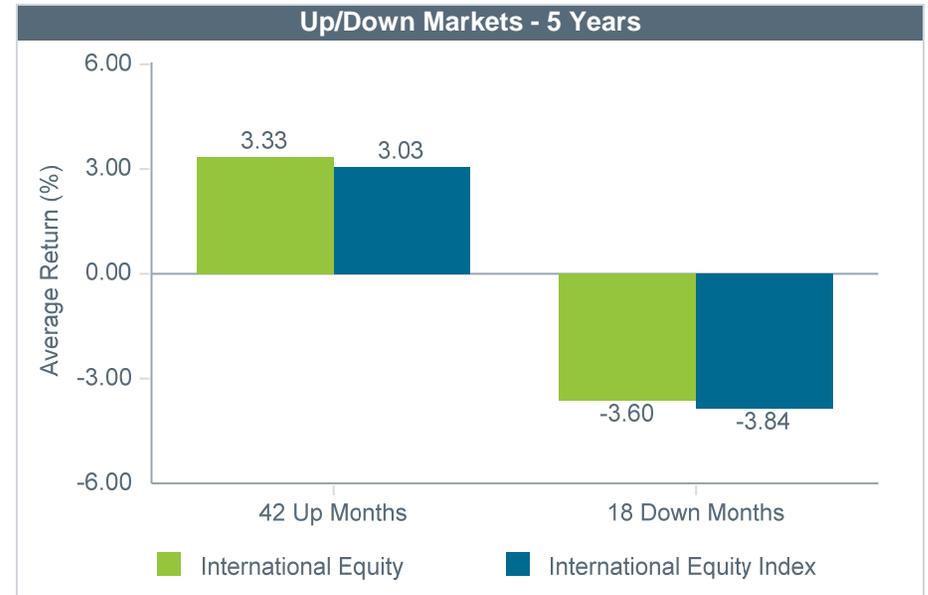
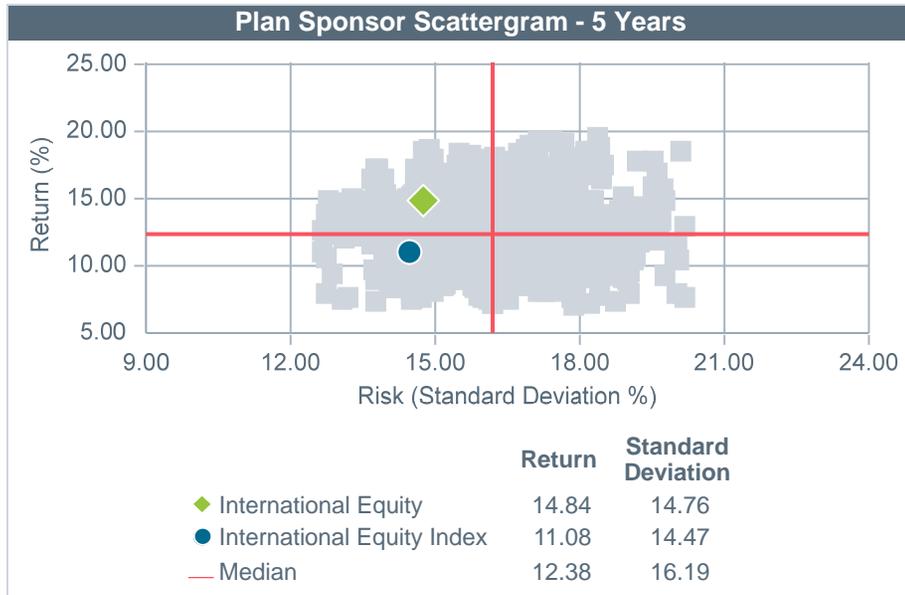
As of June 30, 2021



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019
◆ International Equity	5.57 (52)	9.83 (49)	29.92 (45)	40.36 (51)	12.03 (39)	14.84 (26)	8.62 (31)	8.91 (26)	20.20 (31)	22.73 (50)
● International Equity Index	5.48 (55)	9.16 (57)	27.73 (58)	35.72 (69)	9.38 (62)	11.08 (67)	5.33 (76)	5.45 (82)	10.65 (61)	21.51 (59)
5th Percentile	11.90	18.12	45.01	58.07	20.51	19.54	12.41	11.65	41.57	34.18
1st Quartile	7.39	12.67	33.87	46.41	13.96	14.87	9.23	9.00	22.85	27.17
Median	5.65	9.68	28.89	40.40	10.74	12.38	7.01	7.27	14.07	22.59
3rd Quartile	4.08	7.16	24.31	34.30	7.81	10.27	5.37	5.84	6.59	18.48
95th Percentile	0.96	3.07	16.03	23.57	3.91	7.04	2.97	3.68	-3.18	10.38
Population	904	902	900	900	859	813	736	611	1,034	1,117

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





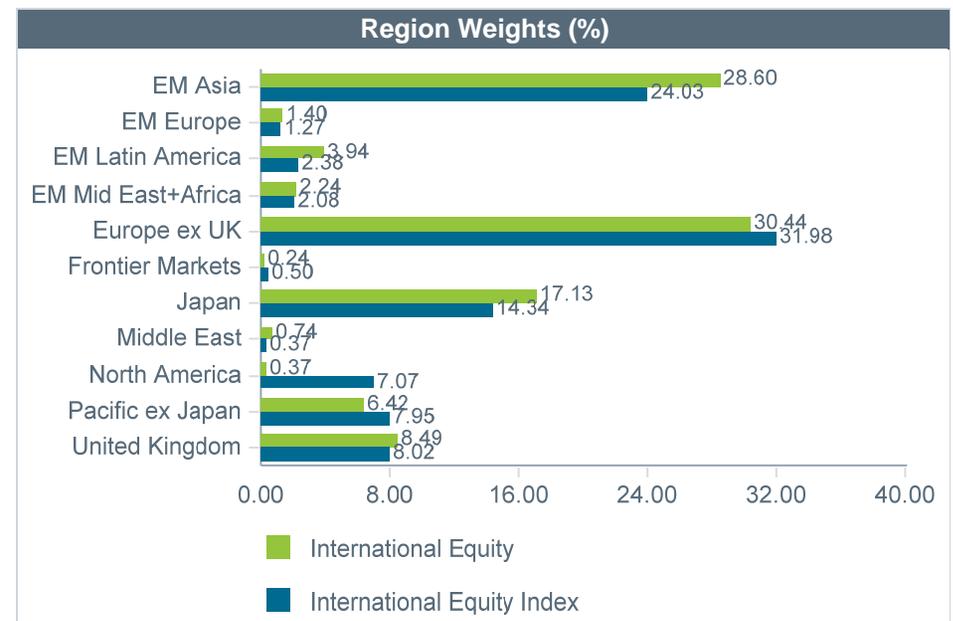
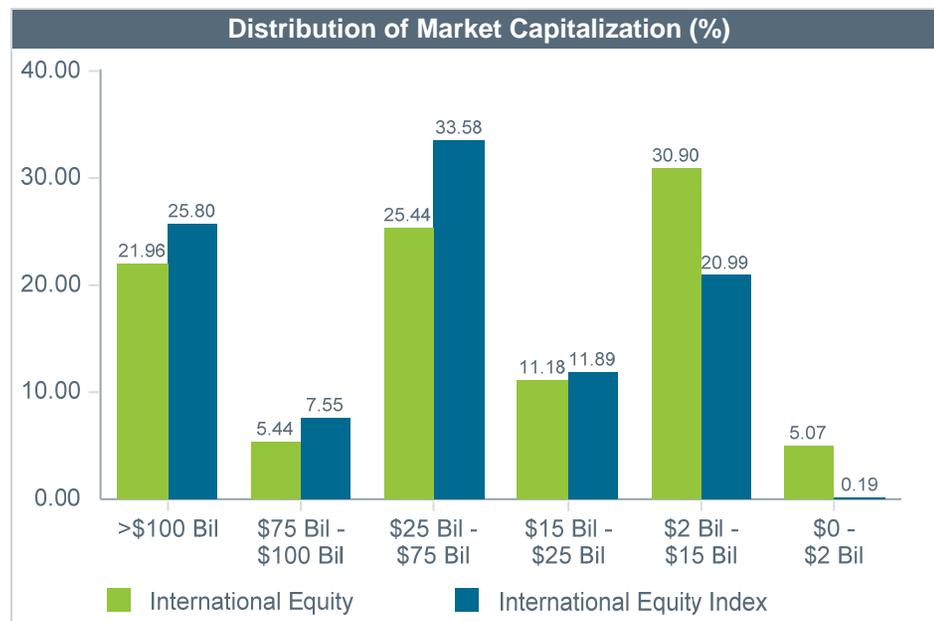
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

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

As of June 30, 2021

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ASML Holding NV	2.70	1.05	1.65	15.39
Tencent Holdings LTD	2.64	1.58	1.06	-3.82
Meituan	1.87	0.54	1.33	7.64
MercadoLibre Inc	1.87	0.00	1.87	5.82
Zalando SE	1.73	0.07	1.66	25.14
Kering	1.70	0.24	1.46	29.60
Adyen N.V	1.54	0.18	1.36	11.14
Honda Motor Co Ltd	1.47	0.19	1.28	8.07
Sanofi	1.43	0.43	1.00	11.75
Ferrari NV	1.42	0.09	1.33	0.66
% of Portfolio	18.37	4.37	14.00	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	95,516	102,831
Median Mkt. Cap (\$M)	2,477	10,291
Price/Earnings Ratio	14.95	18.52
Price/Book Ratio	3.30	2.74
5 Yr. EPS Growth Rate (%)	14.38	9.54
Current Yield (%)	2.69	2.40
Beta (5 Years, Monthly)	0.99	1.00
Number of Securities	744	2,340



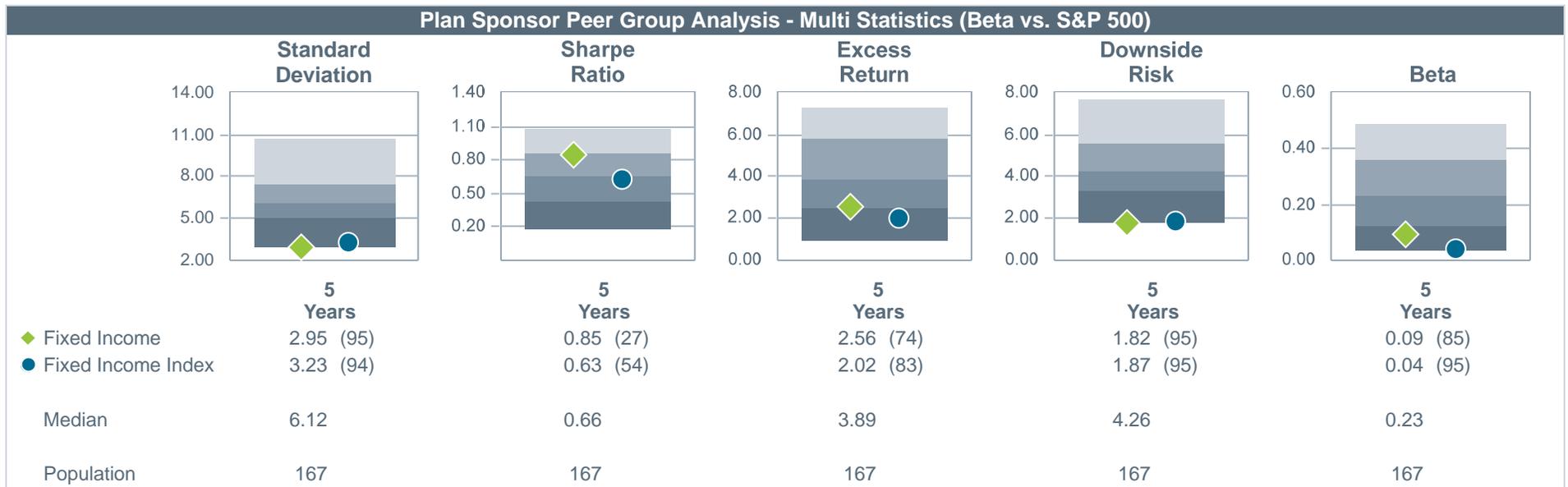
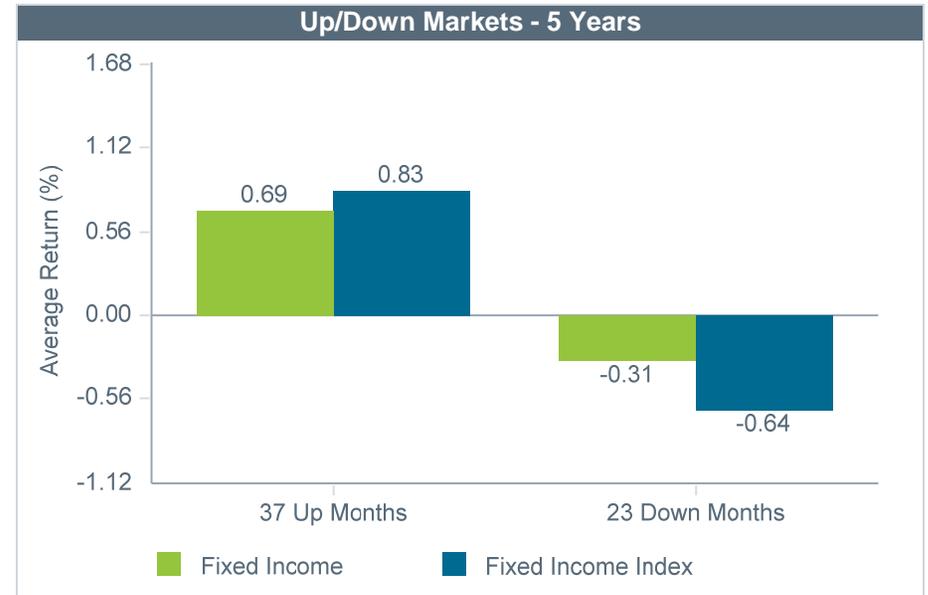
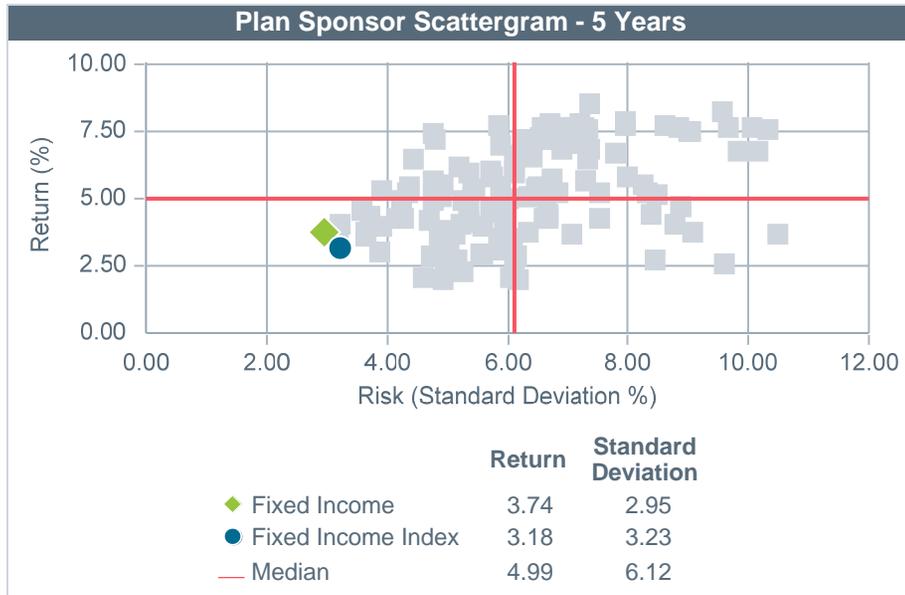
City of Jacksonville Employees' Retirement System
 Fixed Income vs. IM Global Fixed Income (SA+CF)
 Peer Group Analysis

As of June 30, 2021



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



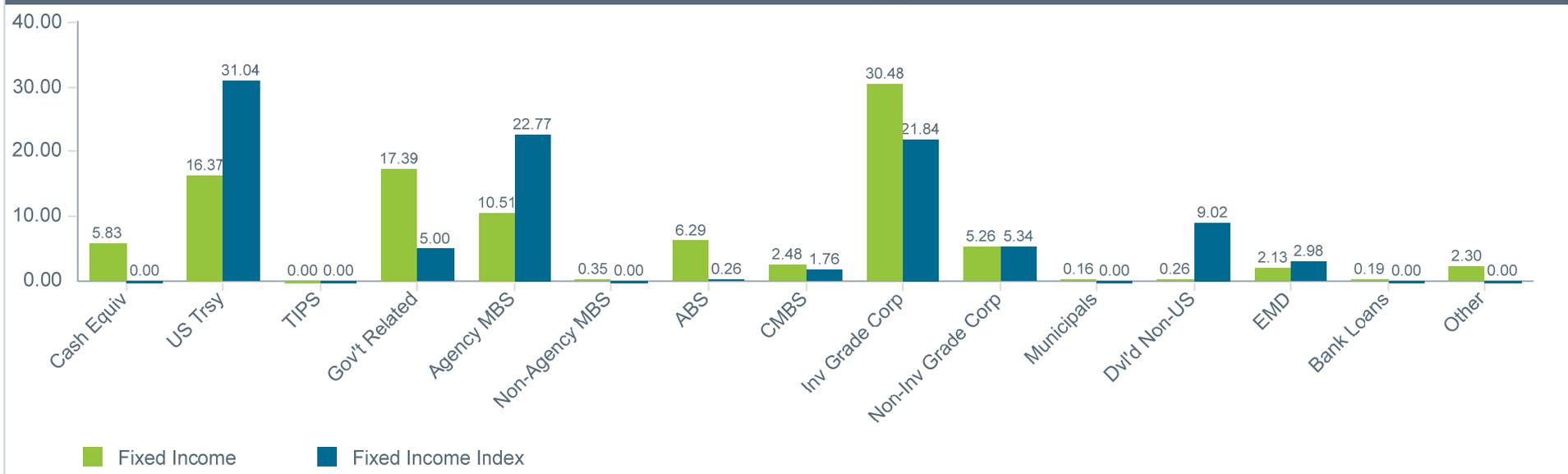


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	4.96	6.36
Avg. Maturity	6.74	8.43
Avg. Quality	A3	N/A
Yield To Maturity (%)	2.47	1.86
Coupon Rate (%)	3.39	2.89
Current Yield (%)	2.56	N/A

Sector Distribution (%)

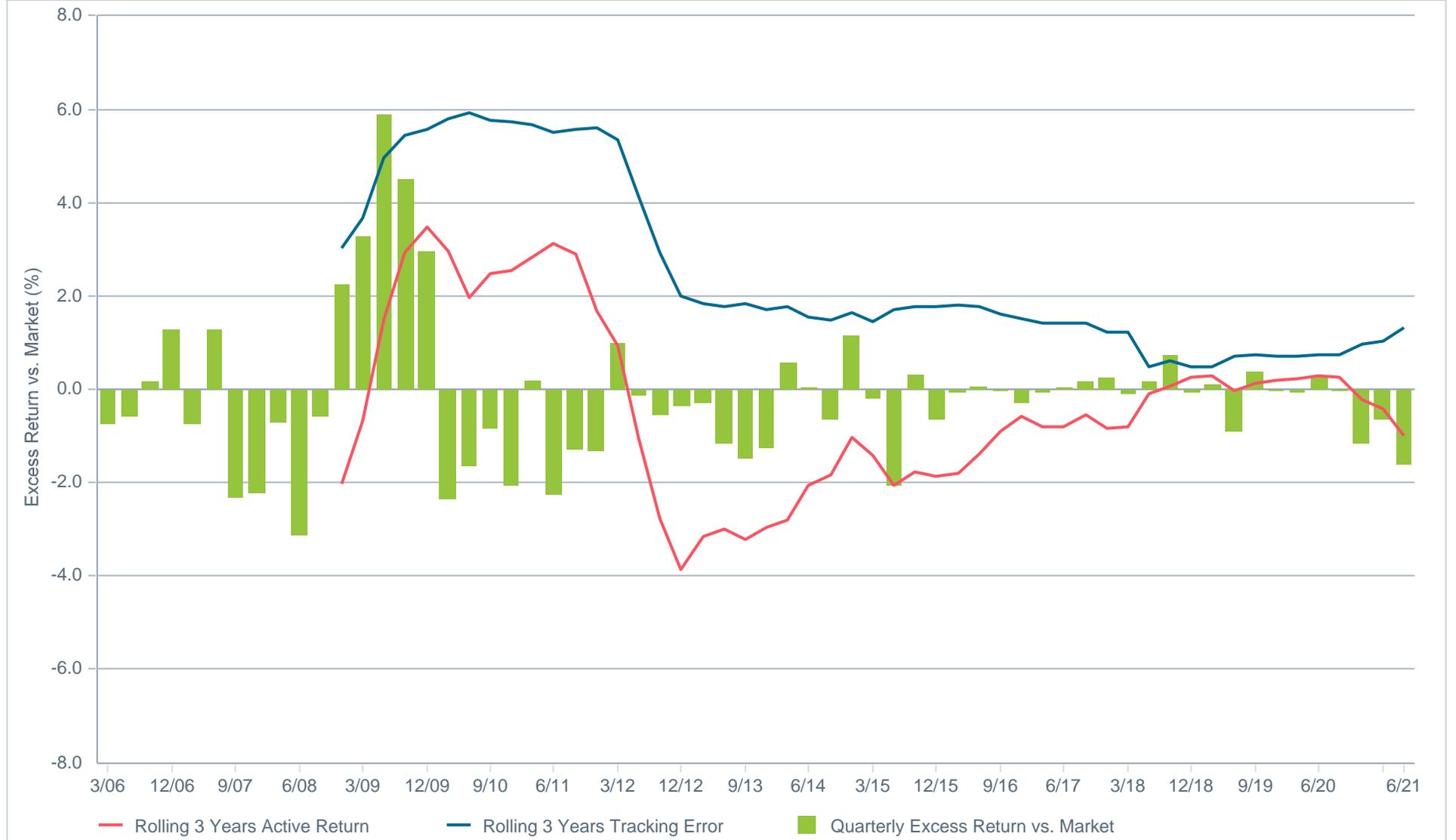


Cash equivalents are defined as any security with duration under one year. Allocation to "Other" consists of derivatives, preferred equity, and convertibles.

City of Jacksonville Employees' Retirement System
 Real Estate vs. NCREIF ODCE Index (AWA) (Gross)
 Comparative Performance & Rolling Return

As of June 30, 2021

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	Since Incep.	Inception Date
Real Estate	2.32	3.81	3.97	4.48	4.51	5.97	7.66	8.42	0.31	4.85	9.11	6.06	12/01/2005
NCREIF ODCE Index (AWA) (Gross)	3.93	6.12	7.50	8.02	5.52	6.57	8.40	9.60	1.19	5.34	8.35	6.92	
Difference	-1.61	-2.31	-3.53	-3.54	-1.01	-0.60	-0.74	-1.18	-0.88	-0.49	0.76	-0.86	



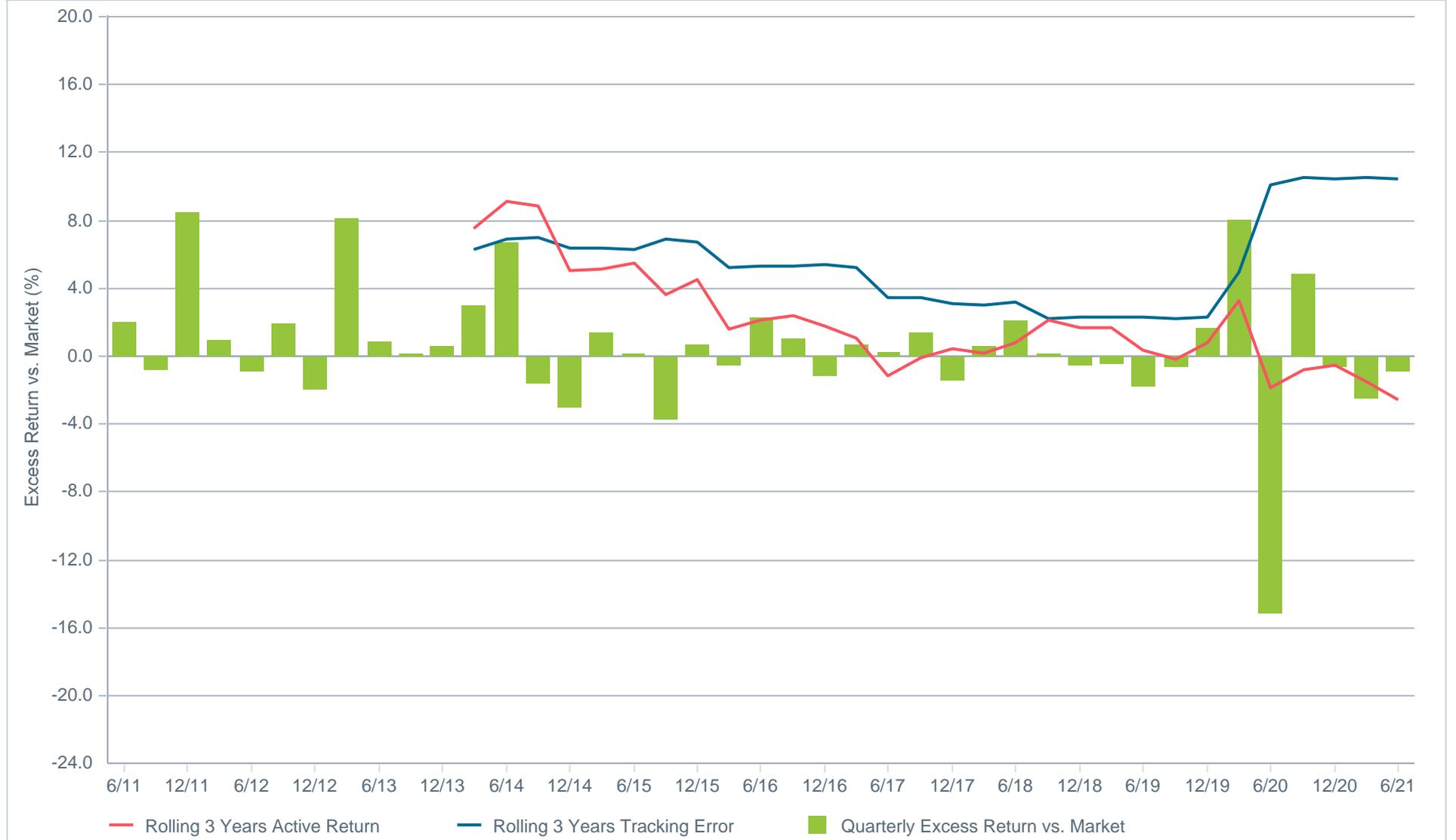
Performance shown is gross of fees. Calculation is based on quarterly periodicity.



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

As of June 30, 2021

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	Since Incep.	Inception Date
Diversifying Assets	12.76	25.79	42.35	35.51	1.64	2.68	-0.46	6.11	-14.35	6.21	-4.42	6.20	03/01/2011
Diversifying Assets Index	13.69	29.64	47.51	33.30	1.51	1.89	-0.26	3.71	-18.40	7.29	-6.47	3.62	
Difference	-0.93	-3.85	-5.16	2.21	0.13	0.79	-0.20	2.40	4.05	-1.08	2.05	2.58	



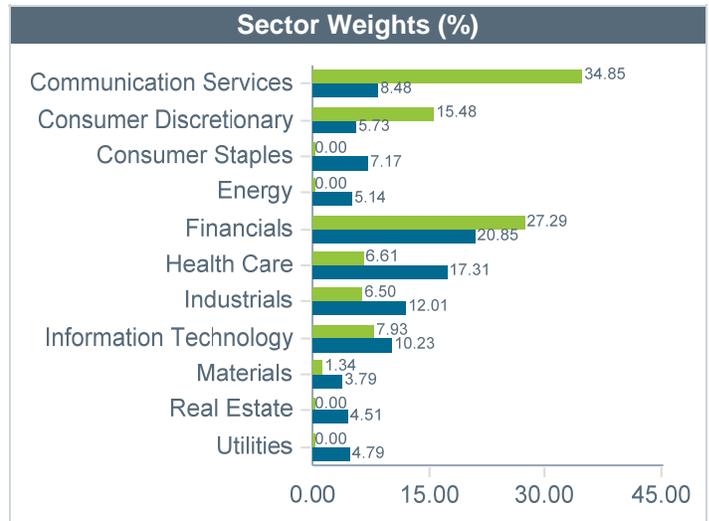
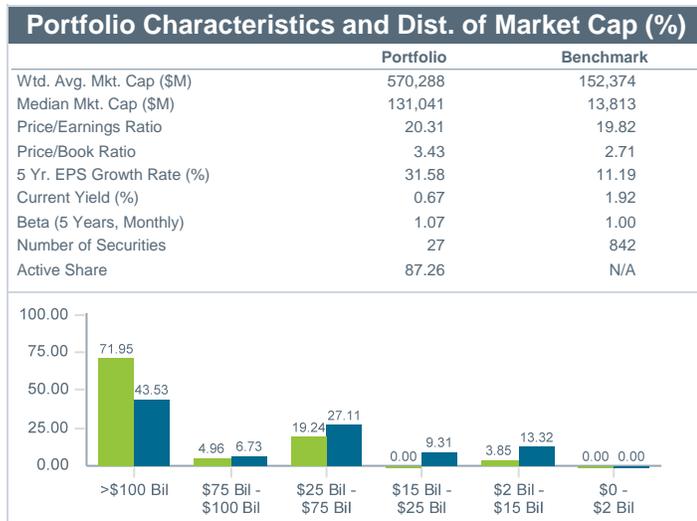
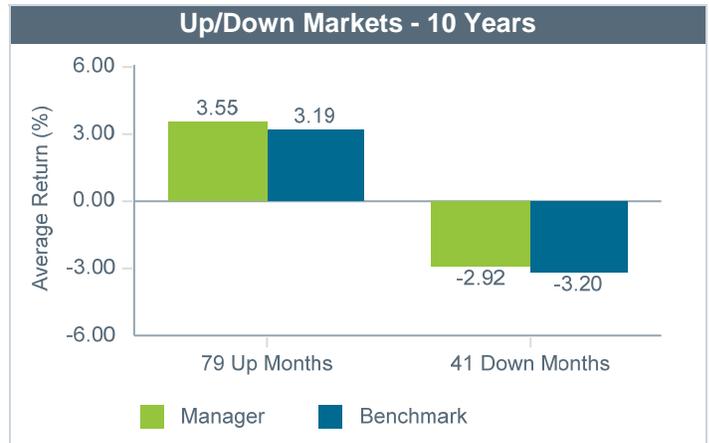
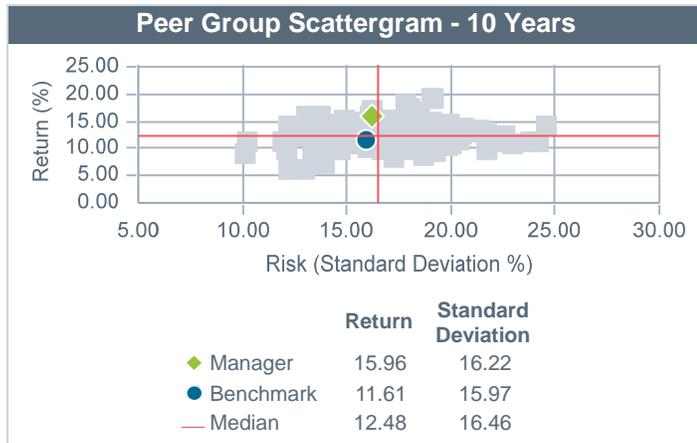
Performance shown is gross of fees. Calculation is based on quarterly periodicity.



Investment Manager Profiles



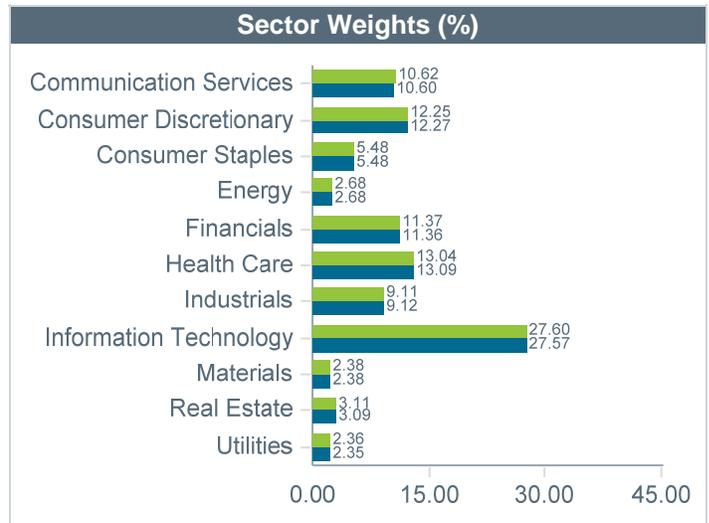
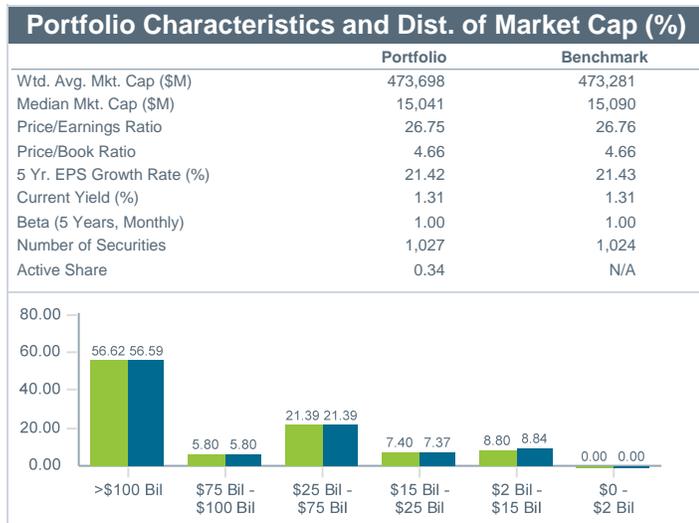
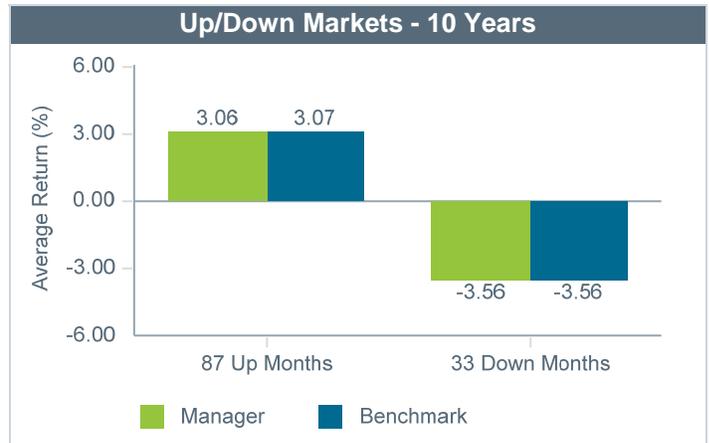
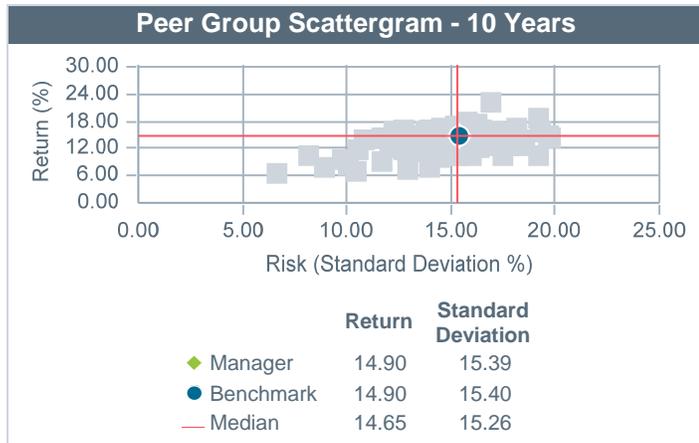
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	9.09	55.56	19.40	20.00	15.18	15.96	15.54	31.94	-3.90	24.19	11.46
Benchmark	5.21	43.68	12.42	11.87	9.41	11.61	2.80	26.54	-8.27	13.66	17.34
Difference	3.88	11.88	6.98	8.13	5.77	4.35	12.74	5.40	4.37	10.53	-5.88
Peer Group Median	5.86	45.78	13.48	13.58	10.44	12.48	4.99	27.35	-8.35	17.29	14.54
Rank	6	18	12	5	3	4	14	14	17	8	73
Population	255	254	251	246	239	221	283	313	333	352	381



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



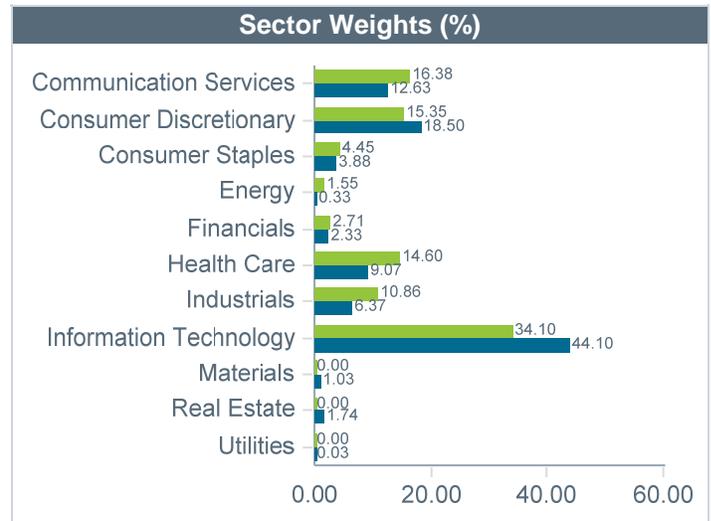
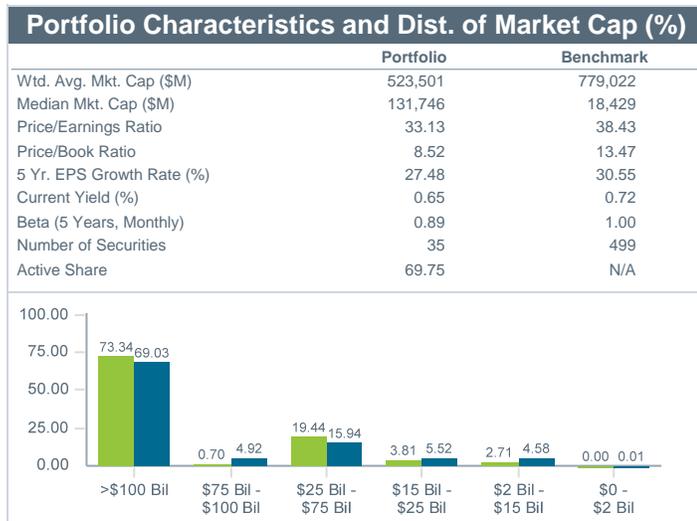
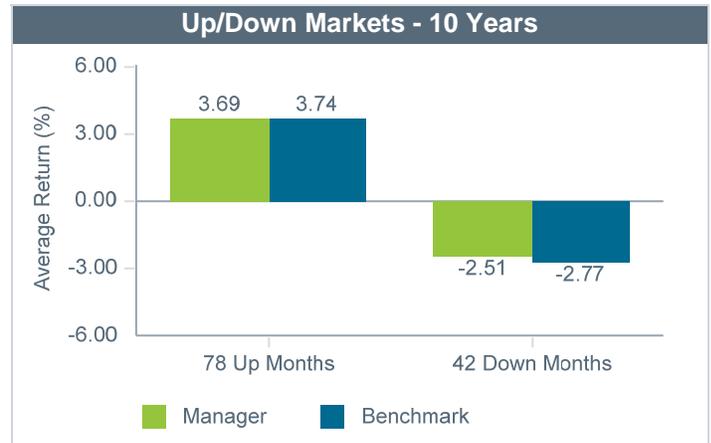
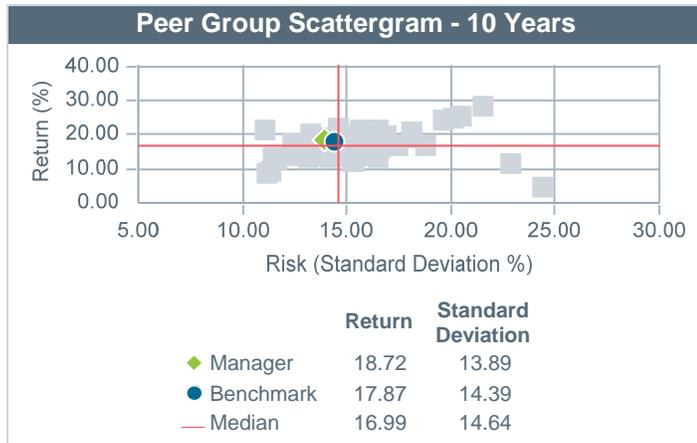
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	8.53	43.03	19.14	17.98	14.16	14.90	20.91	31.42	-4.77	21.68	12.04
Benchmark	8.54	43.07	19.16	17.99	14.16	14.90	20.96	31.43	-4.78	21.69	12.05
Difference	-0.01	-0.04	-0.02	-0.01	0.00	0.00	-0.05	-0.01	0.01	-0.01	-0.01
Peer Group Median	7.95	40.92	17.81	17.49	13.72	14.65	17.25	30.00	-5.20	21.84	10.63
Rank	31	35	32	33	39	38	29	36	43	53	33
Population	200	199	194	189	181	165	221	249	274	297	317



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



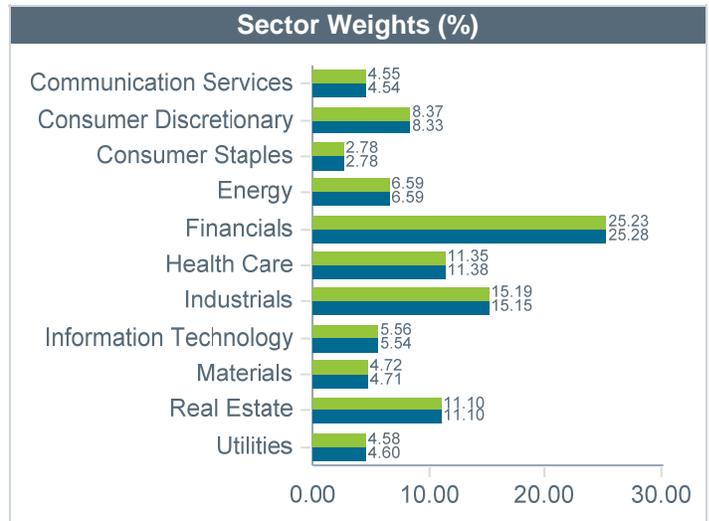
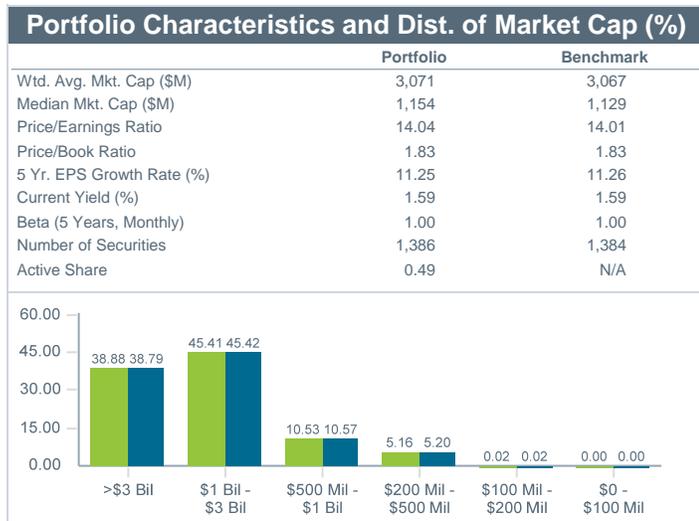
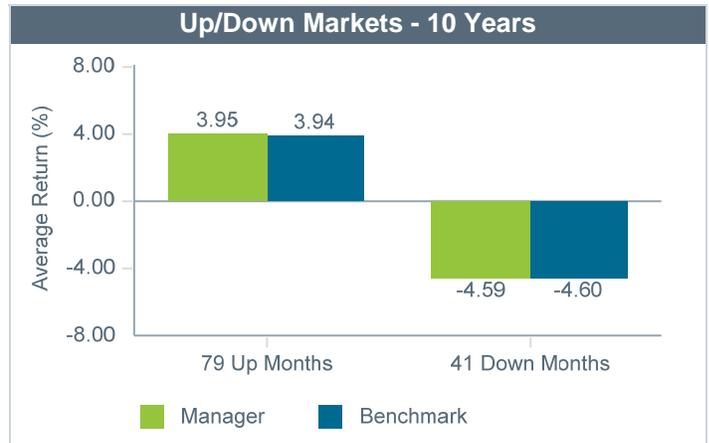
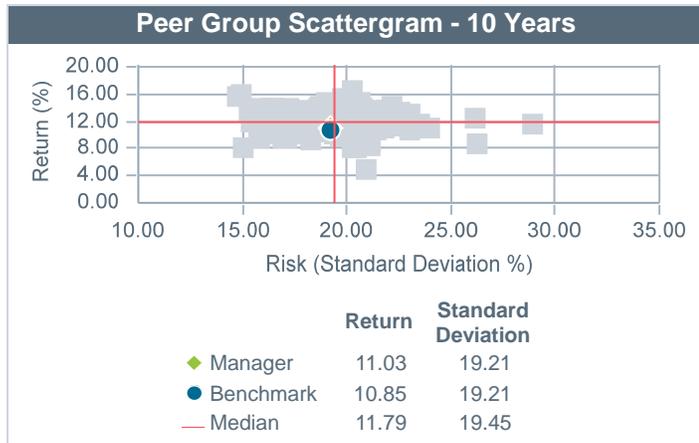
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	10.56	37.53	24.02	22.43	18.84	18.72	32.95	32.71	-1.72	34.03	6.54
Benchmark	11.93	42.50	25.14	23.66	18.56	17.87	38.49	36.39	-1.51	30.21	7.08
Difference	-1.37	-4.97	-1.12	-1.23	0.28	0.85	-5.54	-3.68	-0.21	3.82	-0.54
Peer Group Median	10.89	40.81	23.63	22.35	17.50	16.99	34.75	33.81	-0.90	28.16	4.70
Rank	58	85	48	49	27	17	60	61	57	16	34
Population	205	204	203	193	189	179	240	255	280	290	309



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



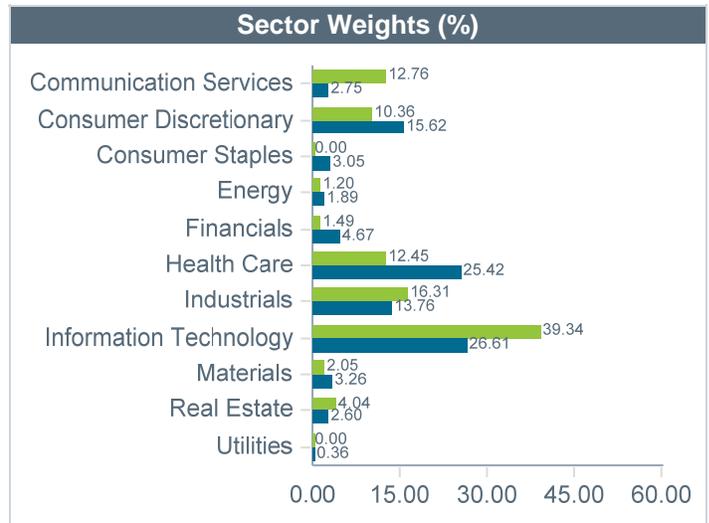
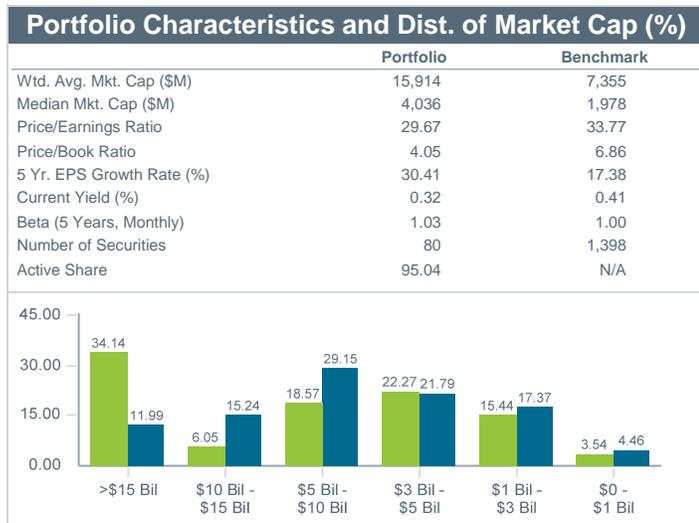
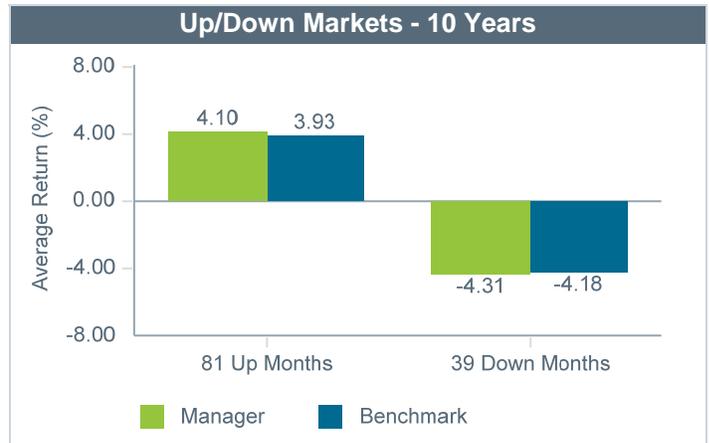
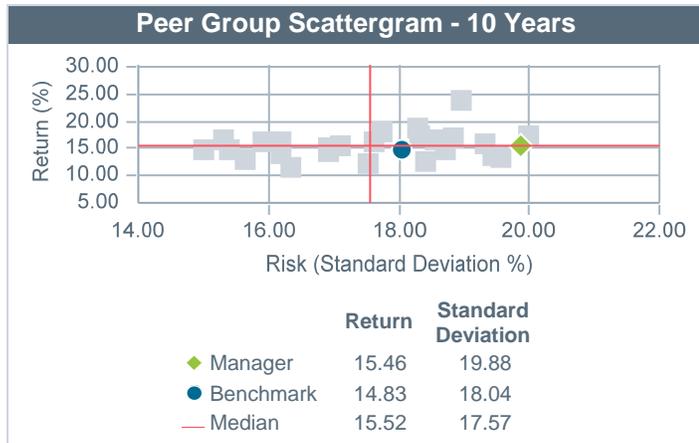
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	4.62	73.56	10.50	13.82	9.45	11.03	4.90	22.62	-12.72	7.97	31.92
Benchmark	4.56	73.28	10.27	13.62	9.26	10.85	4.63	22.39	-12.86	7.84	31.74
Difference	0.06	0.28	0.23	0.20	0.19	0.18	0.27	0.23	0.14	0.13	0.18
Peer Group Median	4.12	66.55	10.85	13.75	9.72	11.79	5.19	24.99	-14.22	11.64	26.80
Rank	38	32	57	49	56	71	52	72	36	74	16
Population	173	172	167	163	161	152	192	201	221	230	235



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



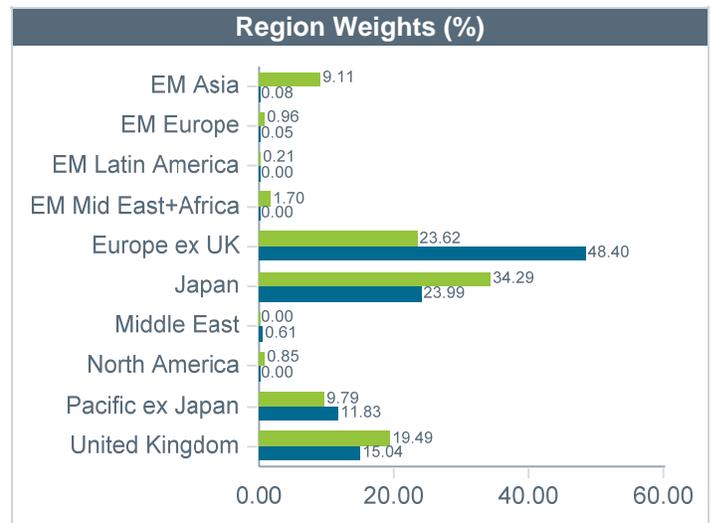
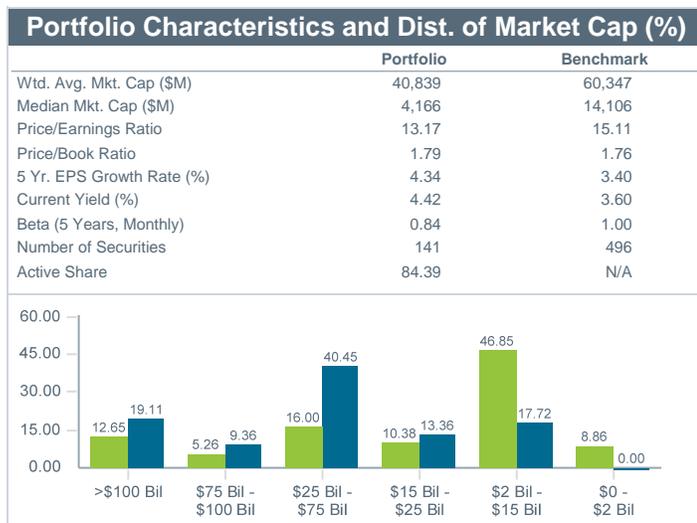
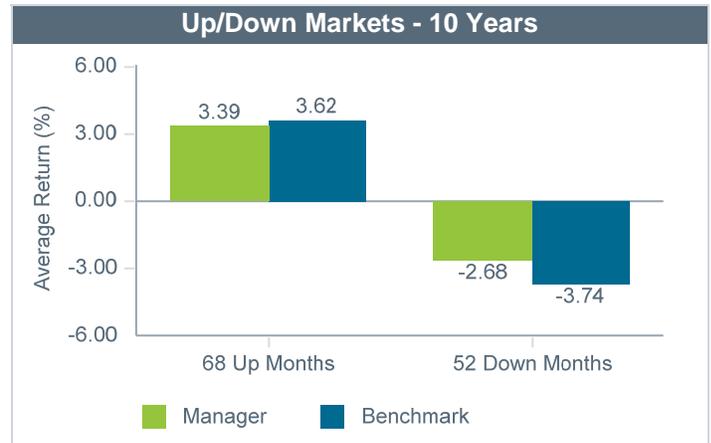
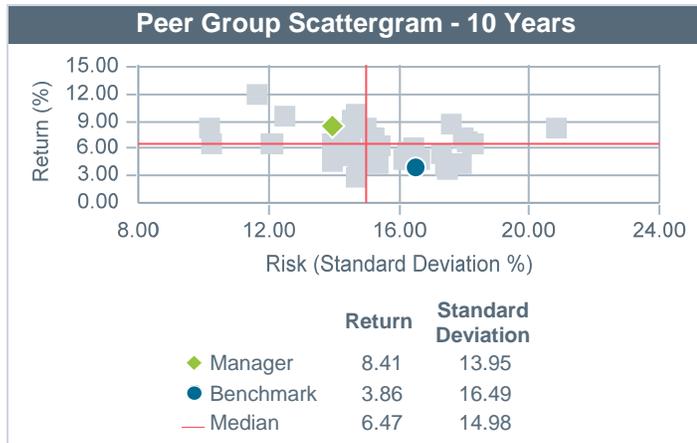
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	1.87	58.10	23.33	22.53	15.01	15.46	33.32	41.57	-10.36	25.99	5.26
Benchmark	6.04	49.63	20.15	20.68	14.81	14.83	40.47	32.65	-7.47	24.46	9.73
Difference	-4.17	8.47	3.18	1.85	0.20	0.63	-7.15	8.92	-2.89	1.53	-4.47
Peer Group Median	6.56	47.78	21.70	21.51	15.74	15.52	42.60	31.91	-4.67	24.93	8.58
Rank	100	24	40	39	57	51	71	3	86	43	79
Population	52	52	45	40	33	26	57	58	63	62	68



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

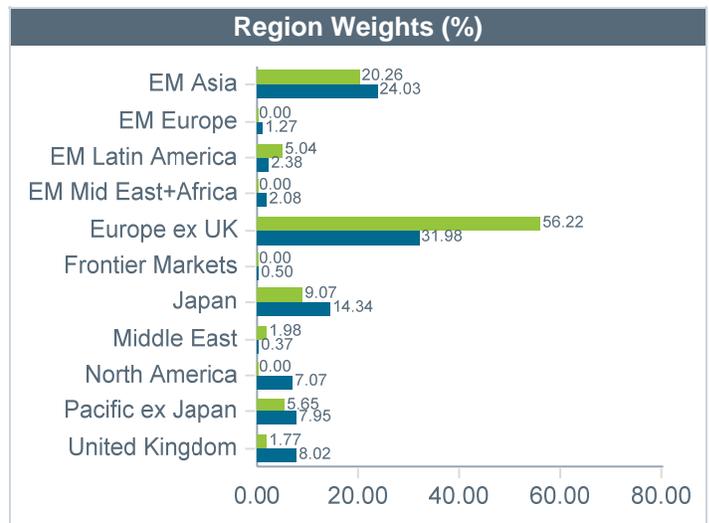
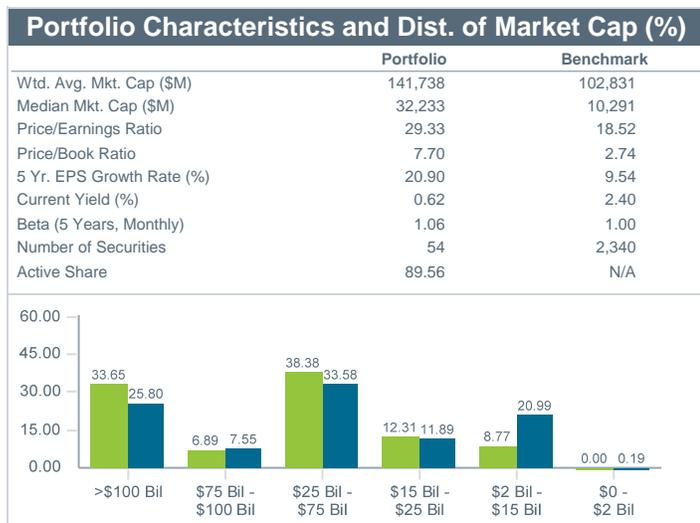
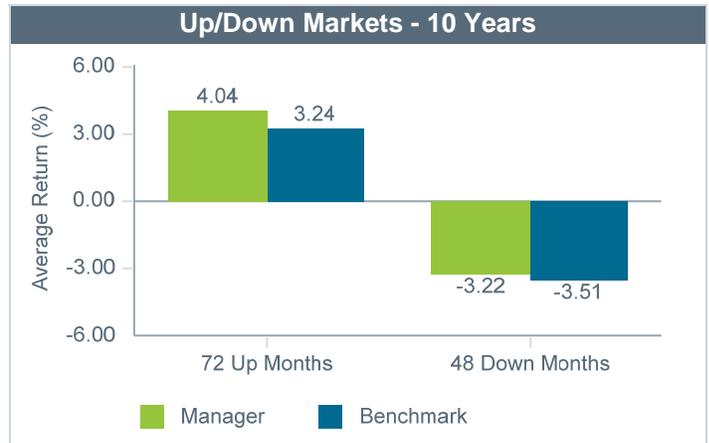
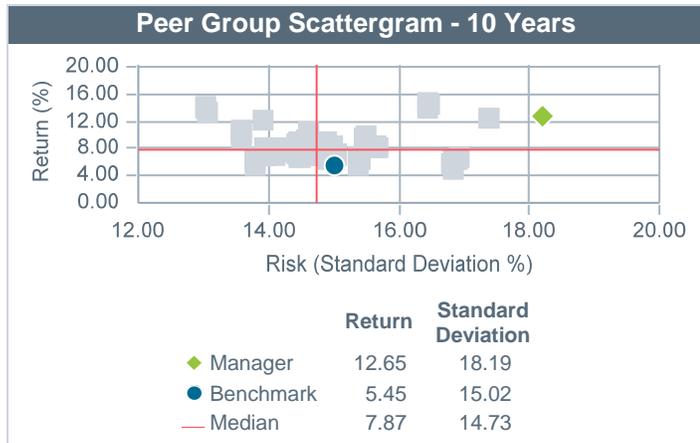


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	4.10	35.22	6.41	10.15	6.15	8.41	0.17	18.05	-13.74	28.10	8.27
Benchmark	3.01	33.50	3.78	7.81	1.95	3.86	-2.63	16.09	-14.78	21.44	5.02
Difference	1.09	1.72	2.63	2.34	4.20	4.55	2.80	1.96	1.04	6.66	3.25
Peer Group Median	4.70	36.57	7.39	8.89	4.73	6.47	4.45	21.10	-15.76	24.17	3.15
Rank	67	59	60	35	21	13	81	88	41	26	9
Population	45	45	45	45	45	45	50	56	59	61	65



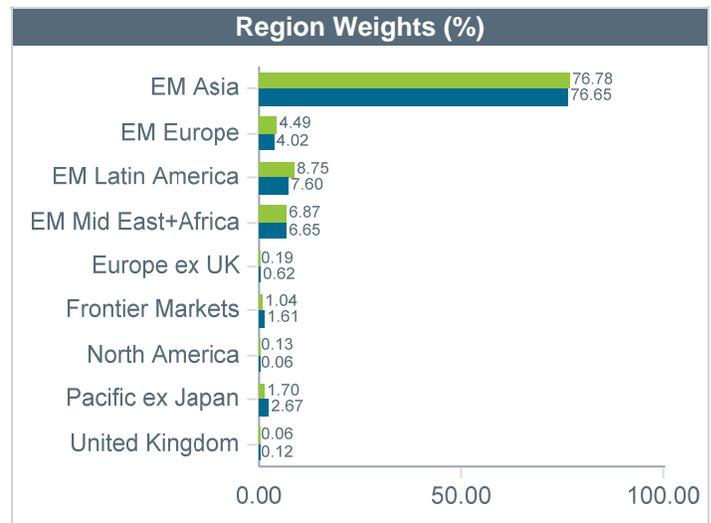
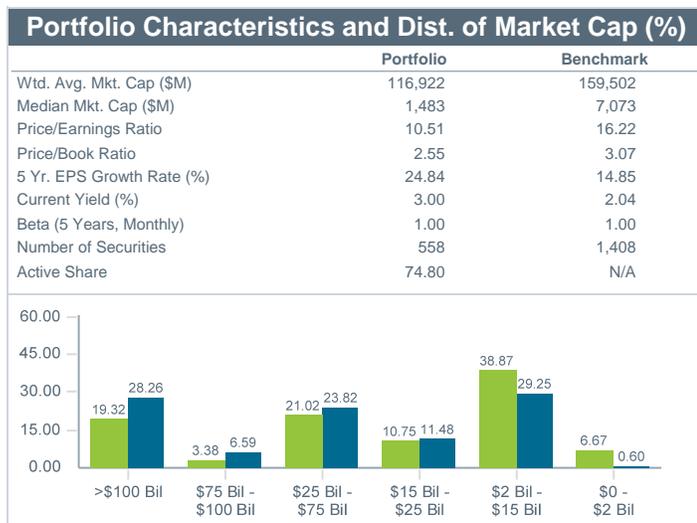
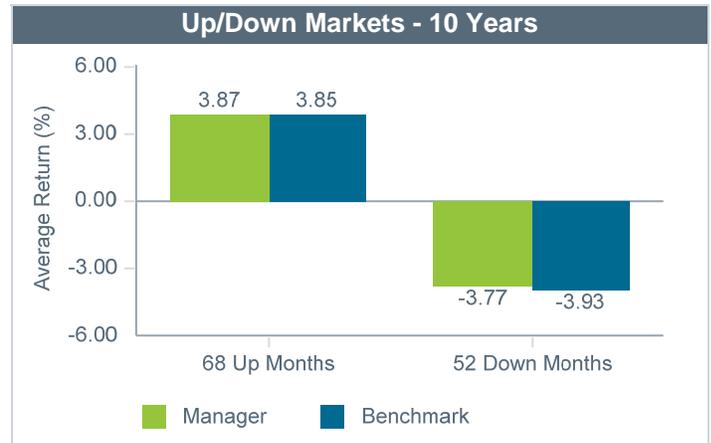
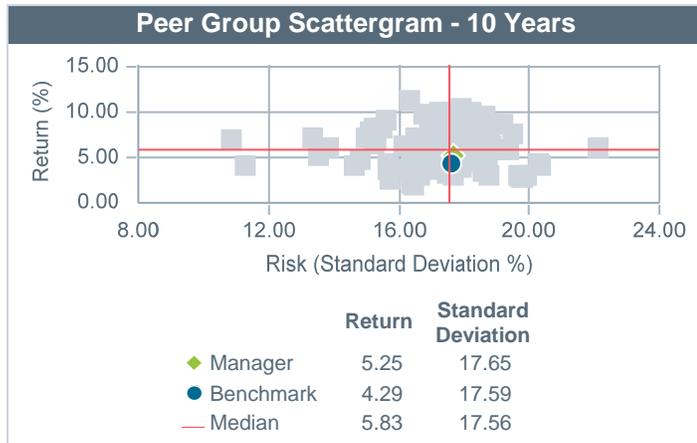
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	6.18	43.40	21.97	23.89	14.27	12.65	63.13	37.48	-17.23	46.37	1.43
Benchmark	5.48	35.72	9.38	11.08	5.33	5.45	10.65	21.51	-14.20	27.19	4.50
Difference	0.70	7.68	12.59	12.81	8.94	7.20	52.48	15.97	-3.03	19.18	-3.07
Peer Group Median	6.74	36.62	13.67	14.02	8.12	7.87	22.75	27.84	-14.32	32.37	-0.80
Rank	64	10	5	4	9	6	1	2	79	5	17
Population	170	170	170	162	130	108	170	172	176	188	165



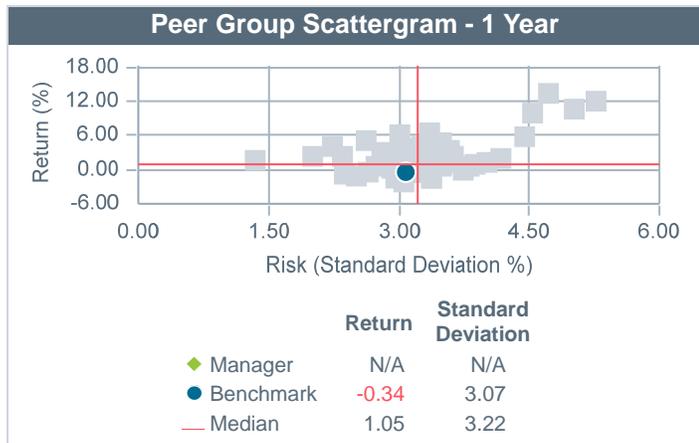
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	7.10	46.06	11.04	13.08	6.31	5.25	12.55	18.00	-18.30	38.94	14.08
Benchmark	5.05	40.90	11.27	13.03	6.35	4.29	18.31	18.44	-14.58	37.28	11.19
Difference	2.05	5.16	-0.23	0.05	-0.04	0.96	-5.76	-0.44	-3.72	1.66	2.89
Peer Group Median	5.49	45.35	12.07	13.49	7.12	5.83	18.03	19.46	-15.21	36.71	10.37
Rank	29	45	67	54	67	63	73	64	81	36	23
Population	261	260	247	233	206	155	291	323	330	341	351



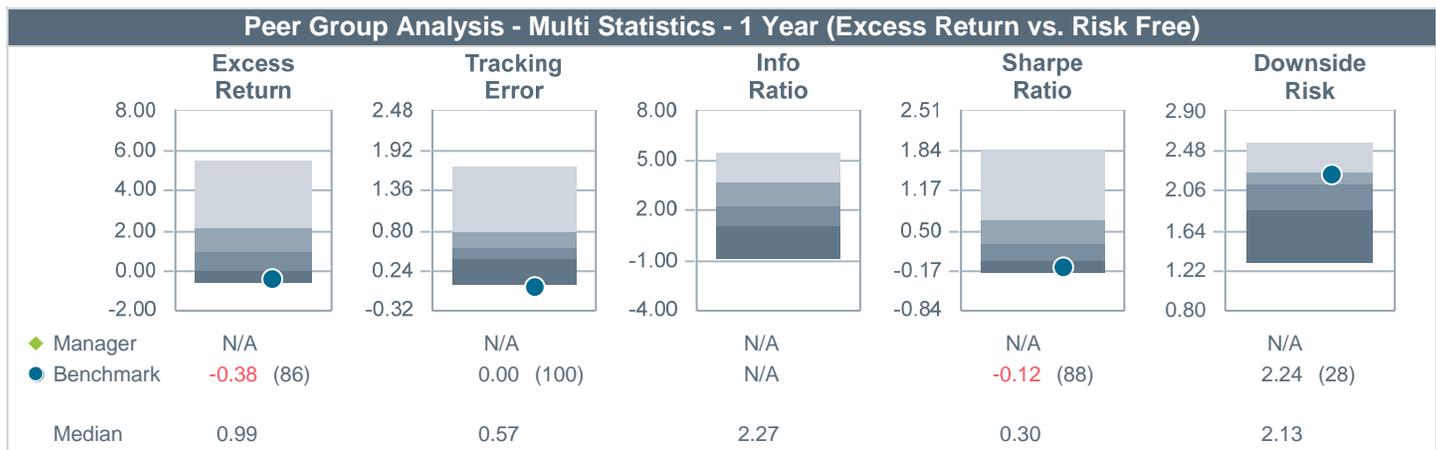
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	1.83	-0.34	5.34	3.03	3.28	3.39	7.51	8.72	0.01	3.54	2.65
Difference	0.34	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peer Group Median	1.97	1.05	6.07	3.67	3.80	3.96	8.52	9.19	0.07	4.03	3.10
Rank	30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population	130	130	127	125	123	117	147	152	158	163	170



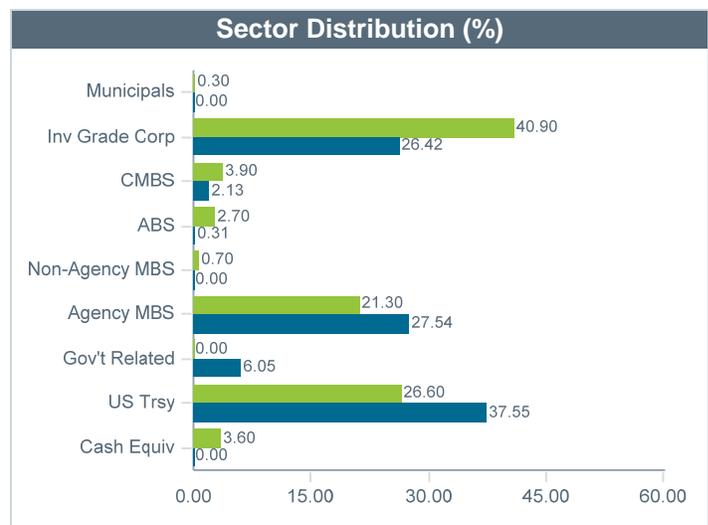
Up/Down Markets - 1 Year

Data is currently unavailable.



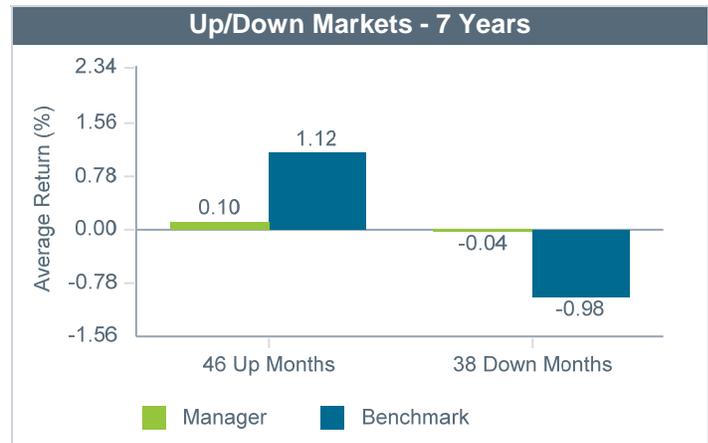
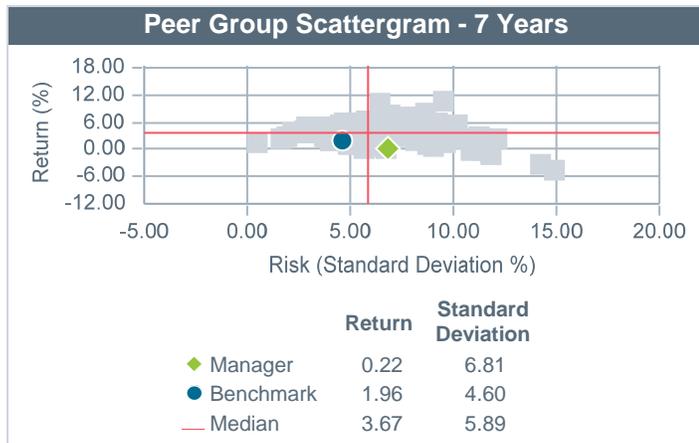
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.58	6.58
Spread Duration	3.79	6.58
Avg. Maturity	8.30	8.53
Avg. Quality	Aa3	Aa1/Aa2
Yield To Maturity (%)	1.36	1.51
Coupon Rate (%)	3.06	2.55
Current Yield (%)	1.59	N/A
Holdings Count	222	12,207



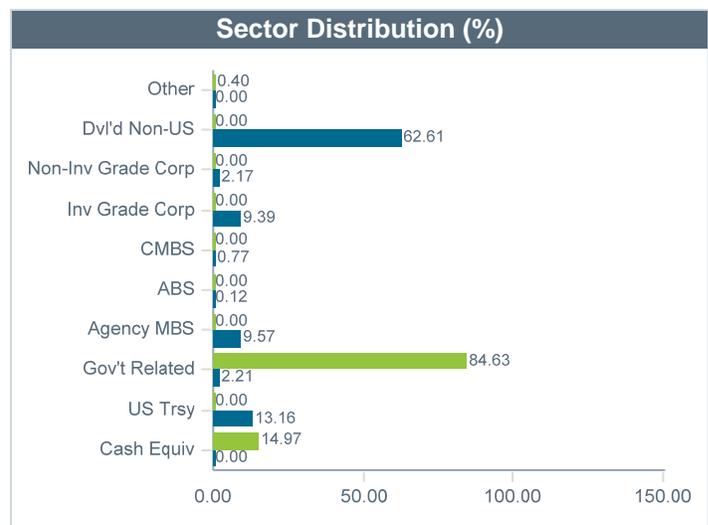
Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	1.83	-0.31	-0.96	1.19	0.22	N/A	-3.81	-0.33	0.52	5.06	8.01
Benchmark	1.45	3.19	4.34	2.57	1.96	2.23	9.02	7.13	-1.36	7.69	2.84
Difference	0.38	-3.50	-5.30	-1.38	-1.74	N/A	-12.83	-7.46	1.88	-2.63	5.17
Peer Group Median	2.06	7.97	5.78	4.99	3.84	3.94	8.39	9.49	-1.73	7.59	6.13
Rank	56	99	100	100	97	N/A	100	100	20	78	40
Population	176	176	173	167	158	120	211	234	252	260	274



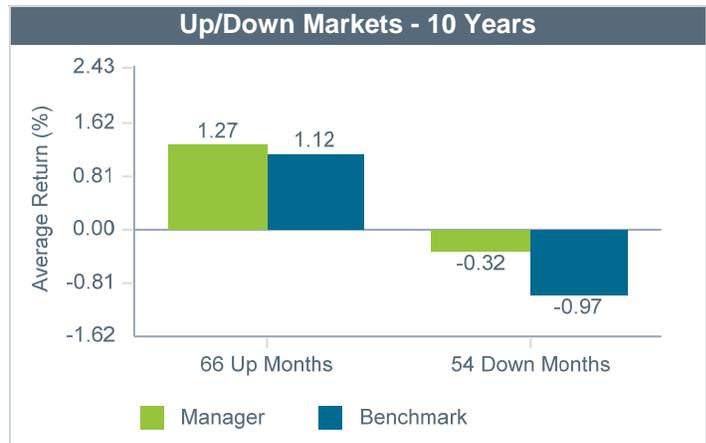
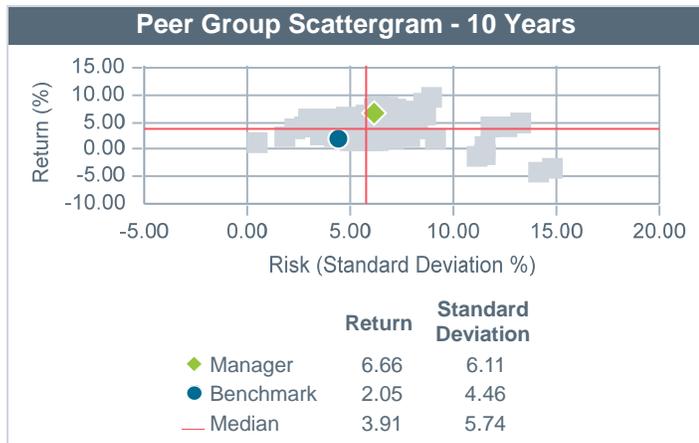
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	1.96	7.32
Spread Duration	1.97	N/A
Avg. Maturity	2.37	9.02
Avg. Quality	A3	N/A
Yield To Maturity (%)	5.20	1.34
Coupon Rate (%)	4.16	2.43
Current Yield (%)	3.96	N/A
Holdings Count	181	31,382



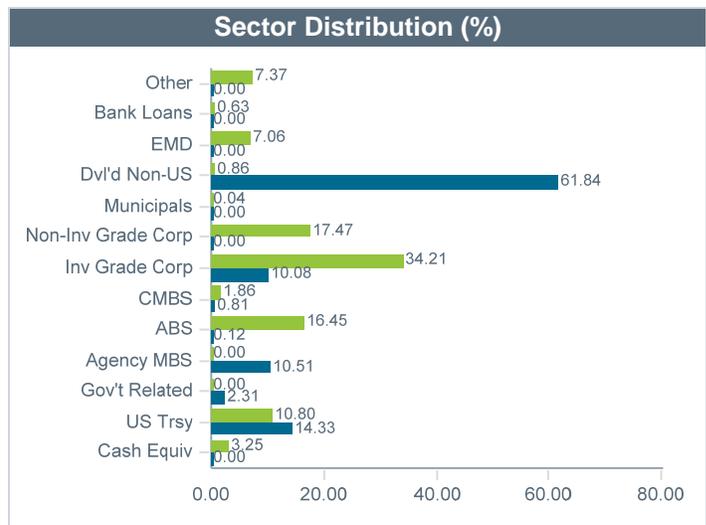
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of derivatives.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.65	7.32	8.57	7.26	5.53	6.66	15.08	9.80	0.09	8.74	10.44
Benchmark	1.31	2.63	4.23	2.34	1.83	2.05	9.20	6.84	-1.19	7.39	2.09
Difference	1.34	4.69	4.34	4.92	3.70	4.61	5.88	2.96	1.28	1.35	8.35
Peer Group Median	2.06	7.97	5.78	4.99	3.84	3.94	8.39	9.49	-1.73	7.59	6.13
Rank	33	53	10	19	17	13	5	48	24	29	27
Population	176	176	173	167	158	120	211	234	252	260	274



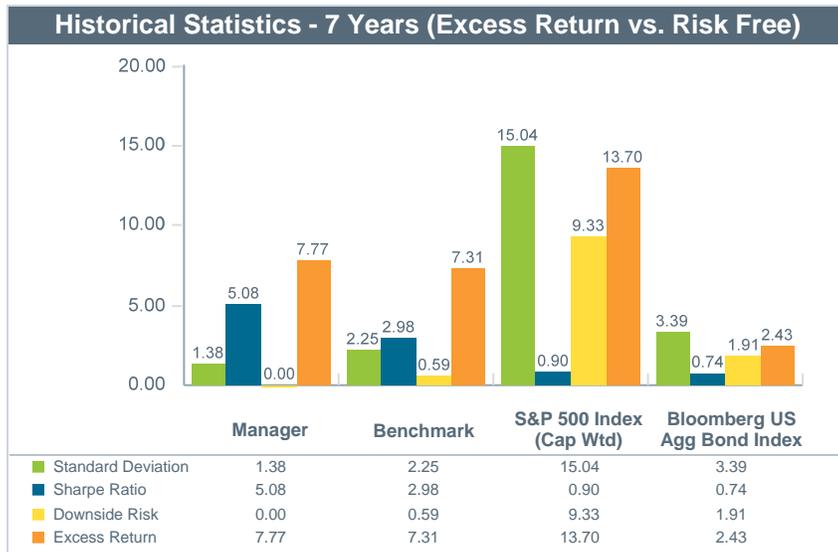
Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	4.34	7.49
Spread Duration	5.19	N/A
Avg. Maturity	7.15	9.13
Avg. Quality	Baa2	N/A
Yield To Maturity (%)	2.41	1.13
Coupon Rate (%)	3.41	2.26
Current Yield (%)	3.20	N/A
Holdings Count	930	27,265



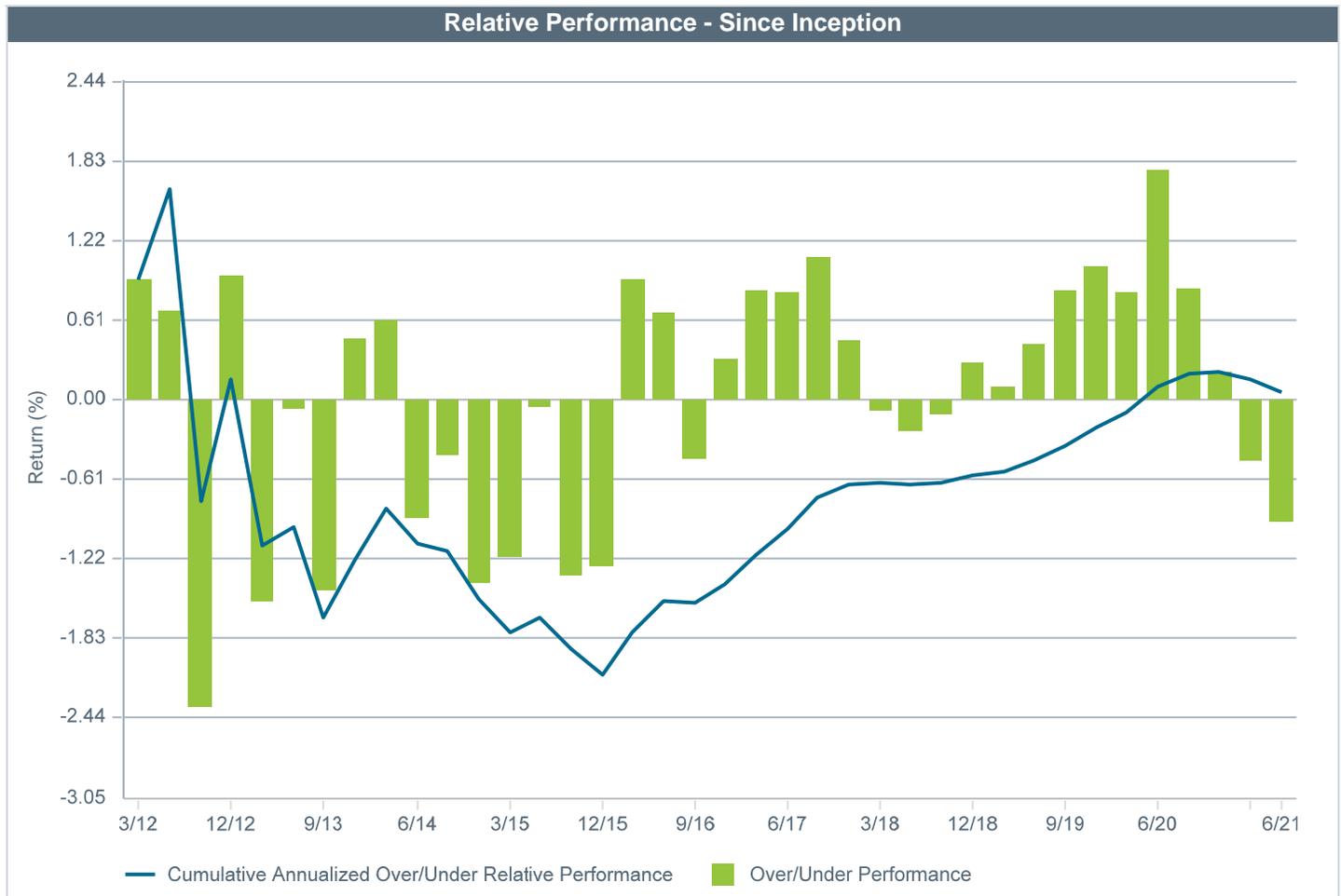
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of preferred equity, hedges, and convertibles.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.96	7.64	7.21	8.18	8.91	N/A	4.91	7.87	8.18	11.11	10.34
Benchmark	3.93	8.02	5.52	6.57	8.40	9.60	1.19	5.34	8.35	7.62	8.77
Difference	-0.97	-0.38	1.69	1.61	0.51	N/A	3.72	2.53	-0.17	3.49	1.57



Actual Correlation - 7 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.68
S&P 500 Index (Cap Wtd)	-0.31
Russell 2000 Index	-0.35
MSCI EAFE Index (USD) (Net)	-0.24
MSCI Emg Mkts Index (USD) (Net)	-0.16
Bloomberg US Agg Bond Index	-0.20
Bloomberg US Trsy US TIPS Index	-0.30
Wilshire US REIT Index	-0.26
HFRI FOF Comp Index	-0.35
Bloomberg Comdty Index (TR)	0.05
ICE BofAML 3 Mo US T-Bill Index	-0.18
Cons Price Index (Unadjusted)	0.23
NCREIF ODCE Index (AWA) (Gross)	0.68



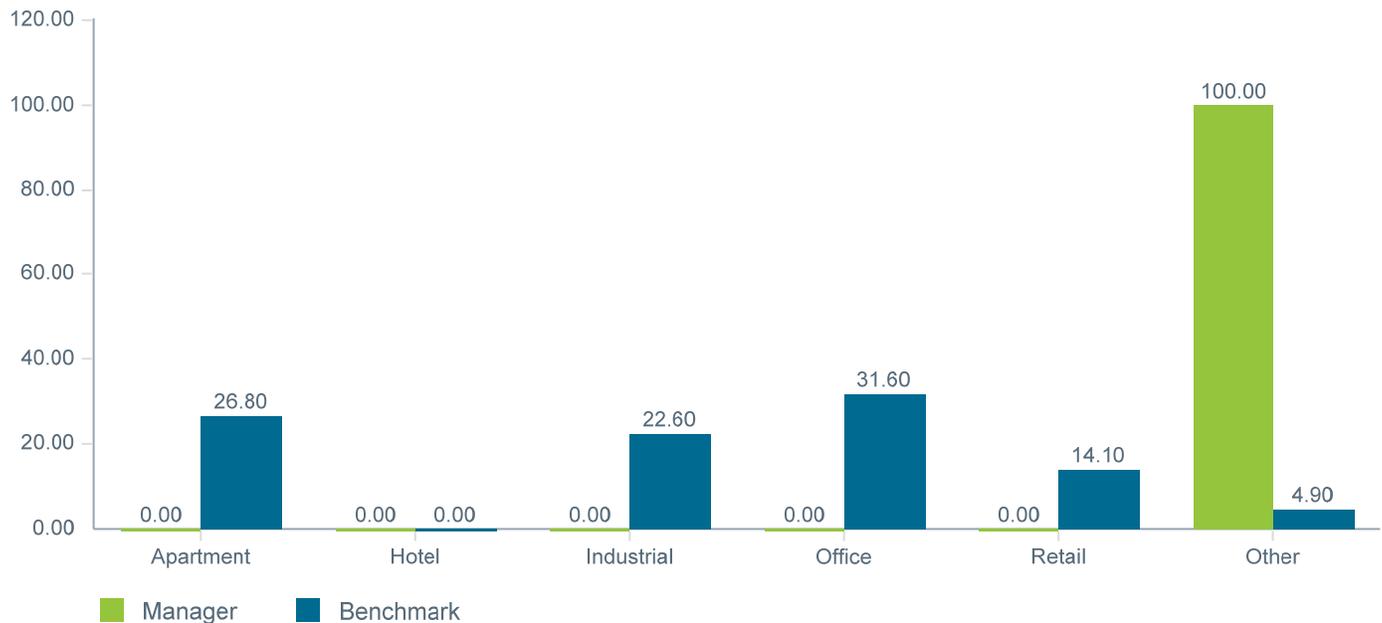
Investment Strategy

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.

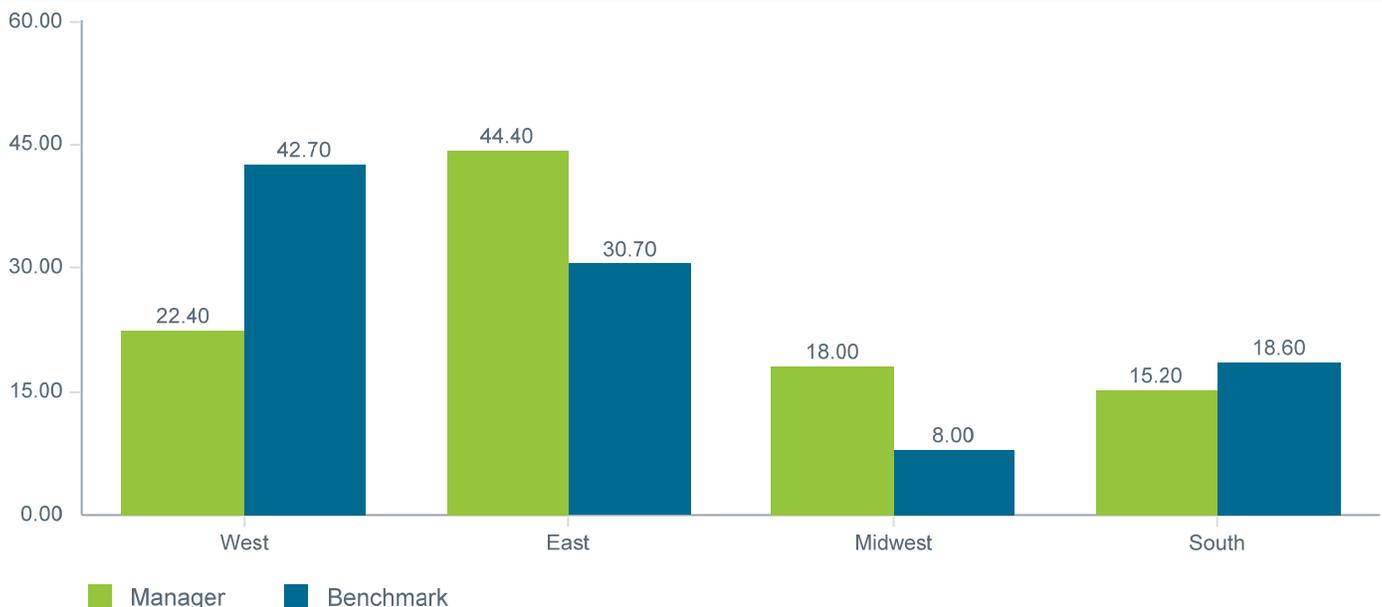
Investment Profile

Fund Inception	2011
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	10,292
Fund Leverage %	24.47
Portfolio Occupancy %	85.20
Cash Reserve %	0.68
Number of Investments	314
Number of Limited Partners	194

Property Type Allocation (%)



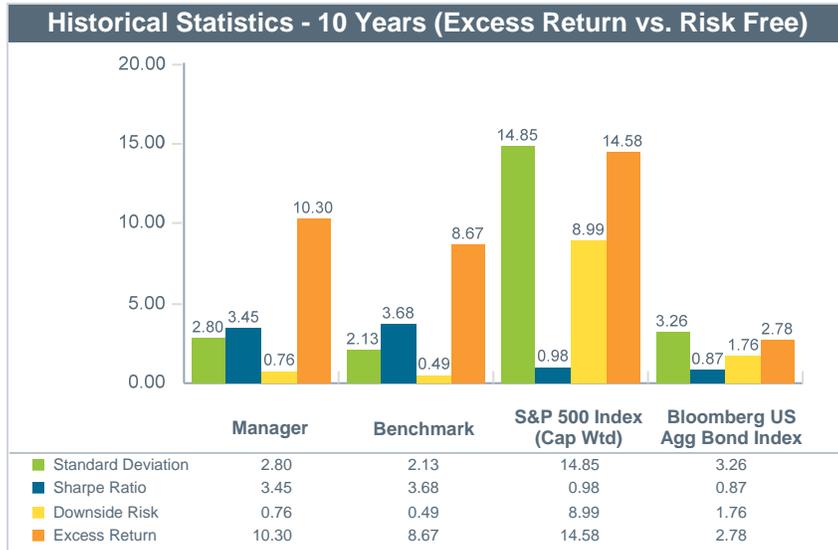
Geographic Allocation (%)



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. Manager allocation to "Other" consists of education, healthcare, and storage real estate. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

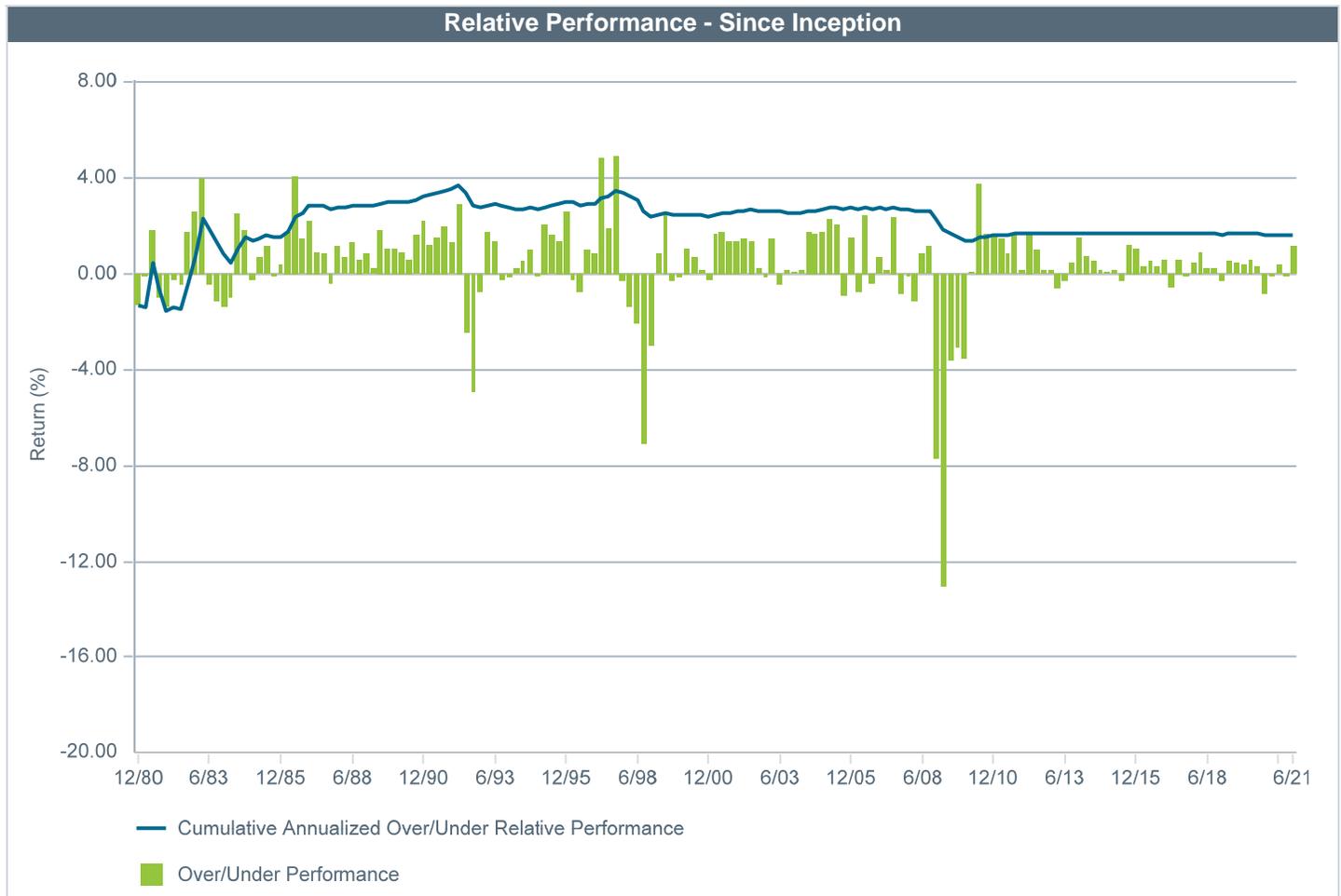


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	5.14	9.68	6.56	7.73	9.75	11.34	1.03	7.52	9.48	8.06	10.70
Benchmark	3.93	8.02	5.52	6.57	8.40	9.60	1.19	5.34	8.35	7.62	8.77
Difference	1.21	1.66	1.04	1.16	1.35	1.74	-0.16	2.18	1.13	0.44	1.93



Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.92
S&P 500 Index (Cap Wtd)	-0.24
Russell 2000 Index	-0.25
MSCI EAFE Index (USD) (Net)	-0.23
MSCI Emg Mkts Index (USD) (Net)	-0.36
Bloomberg US Agg Bond Index	-0.14
Bloomberg US Trsy US TIPS Index	-0.23
Wilshire US REIT Index	-0.03
HFRI FOF Comp Index	-0.29
Bloomberg Cmnty Index (TR)	-0.19
ICE BofAML 3 Mo US T-Bill Index	-0.38
Cons Price Index (Unadjusted)	0.05



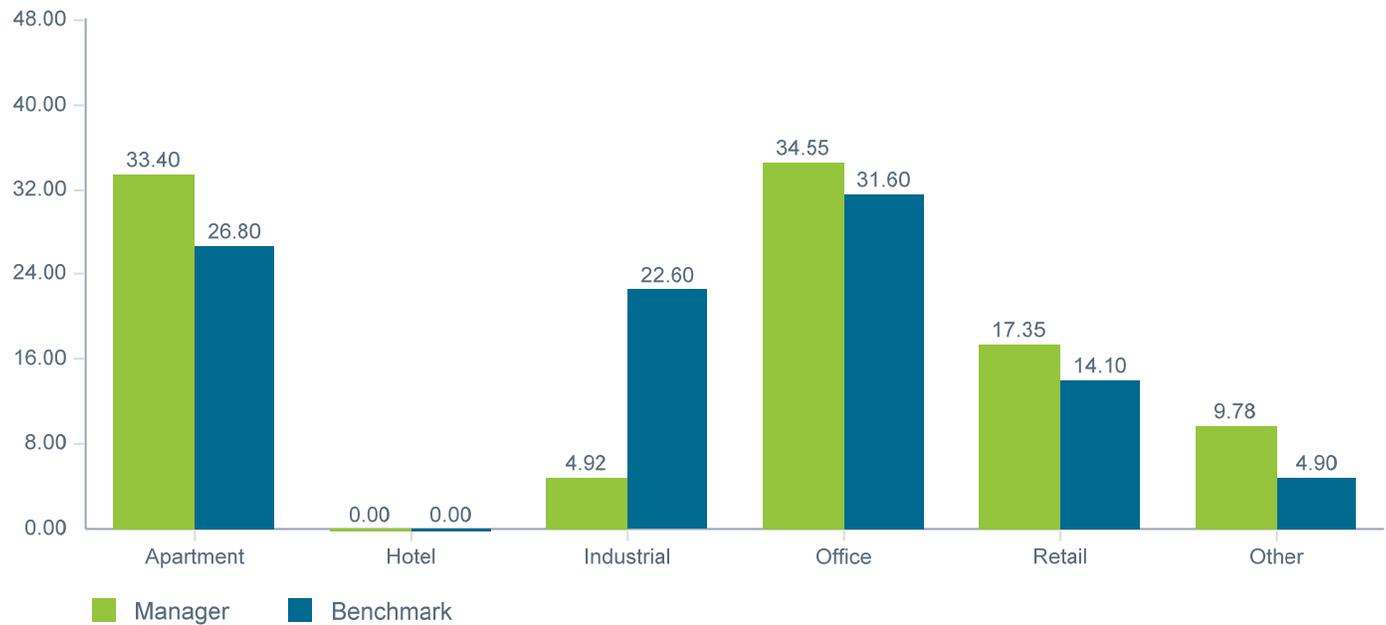
Investment Strategy

The Fund pursues a diversified core-plus real estate strategy that seeks to outperform the NCREIF ODCE Index by 100 basis points over a complete market cycle 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.

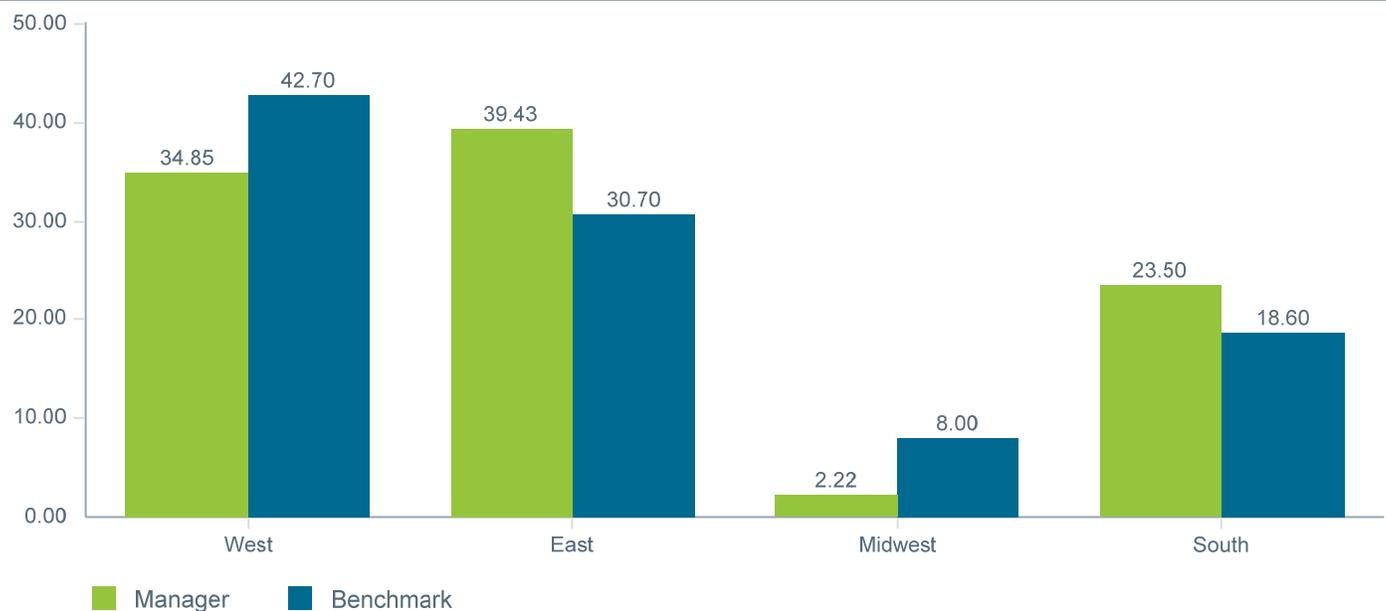
Investment Profile

Fund Inception	1980
Legal Structure	REIT
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	13,820
Fund Leverage %	37.70
Portfolio Occupancy %	86.45
Cash Reserve %	3.68
Number of Investments	156
Number of Limited Partners	103

Property Type Allocation (%)



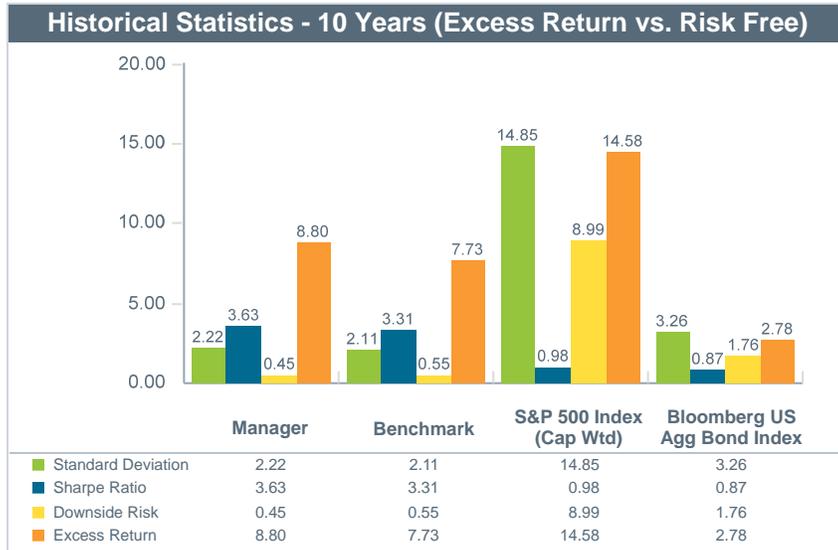
Geographic Allocation (%)



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. Manager allocation to "Other" consists of self-storage and land. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

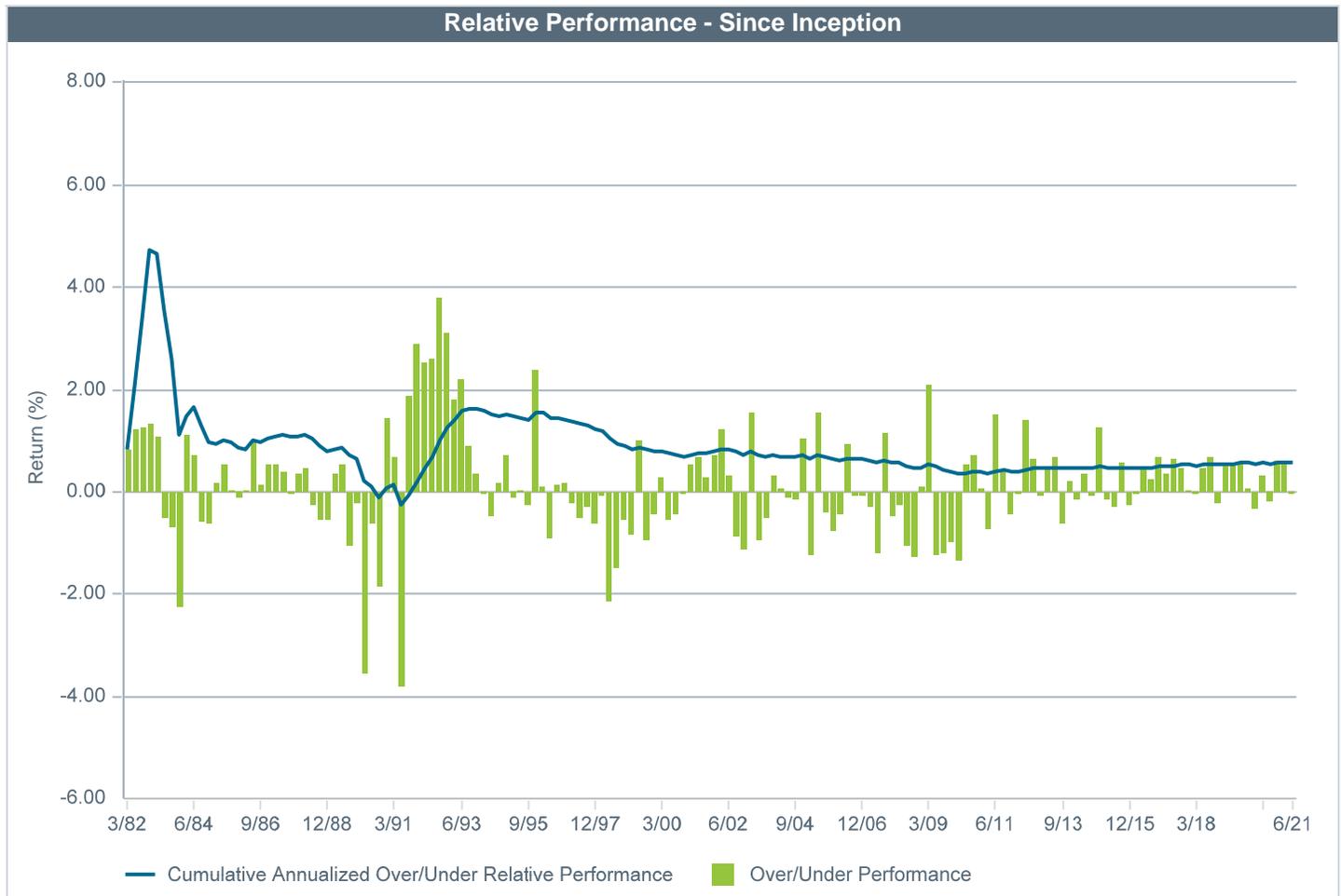


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	3.70	8.18	5.72	6.92	8.59	9.74	0.81	6.22	8.32	8.29	9.21
Benchmark	3.68	7.09	4.60	5.62	7.43	8.60	0.34	4.39	7.36	6.66	7.79
Difference	0.02	1.09	1.12	1.30	1.16	1.14	0.47	1.83	0.96	1.63	1.42



Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Net)	0.92
S&P 500 Index (Cap Wtd)	-0.18
Russell 2000 Index	-0.14
MSCI EAFE Index (USD) (Net)	-0.22
MSCI Emg Mkts Index (USD) (Net)	-0.38
Bloomberg US Agg Bond Index	-0.24
Bloomberg US Trsy US TIPS Index	-0.38
Wilshire US REIT Index	0.07
HFRI FOF Comp Index	-0.22
Bloomberg Cmdty Index (TR)	-0.20
ICE BofAML 3 Mo US T-Bill Index	-0.43
Cons Price Index (Unadjusted)	-0.01
NCREIF ODCE Index (AWA) (Gross)	0.92



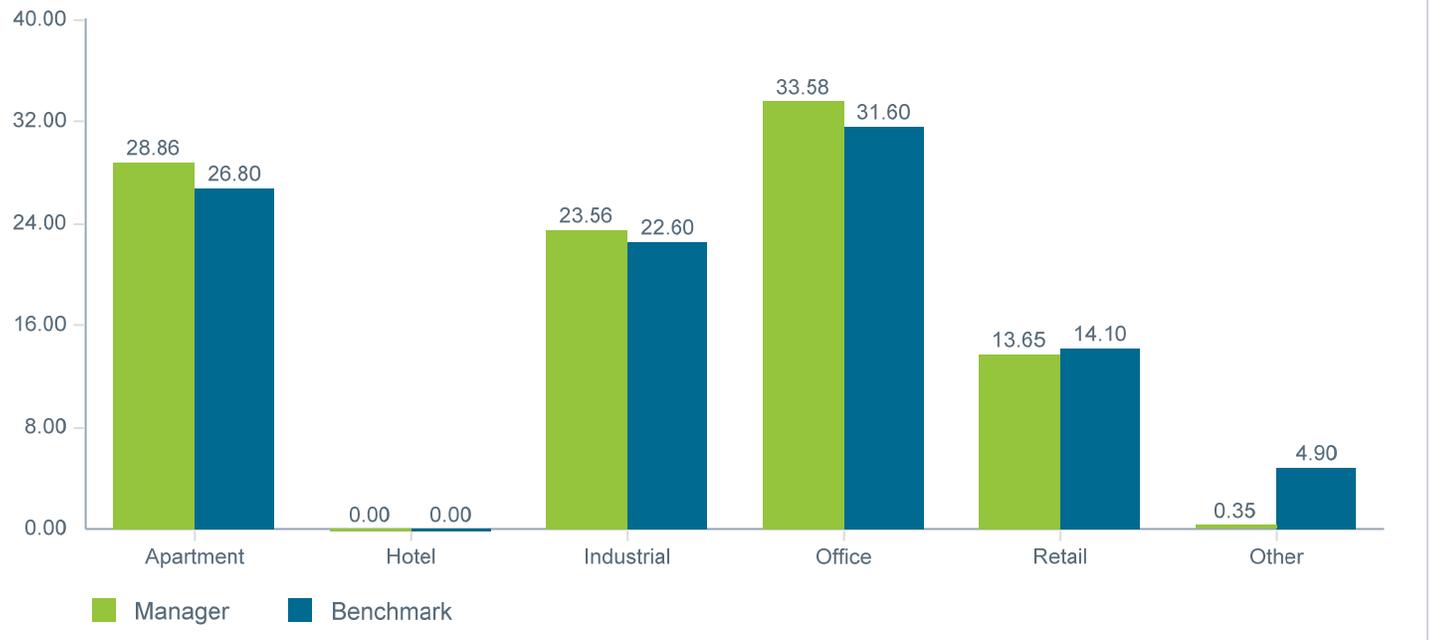
Investment Strategy

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. 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.

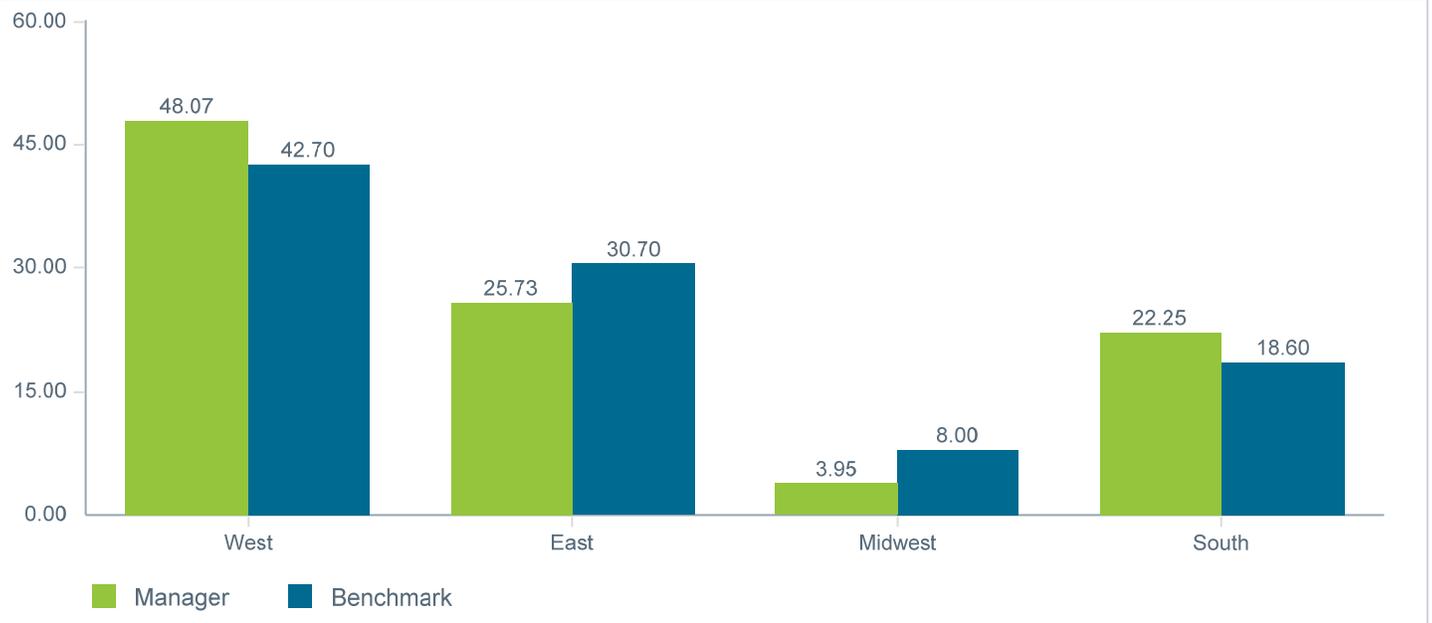
Investment Profile

Fund Inception	1982
Legal Structure	Insurance SA
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	10,324
Fund Leverage %	23.12
Portfolio Occupancy %	90.99
Cash Reserve %	2.28
Number of Investments	132
Number of Limited Partners	5,453

Property Type Allocation (%)



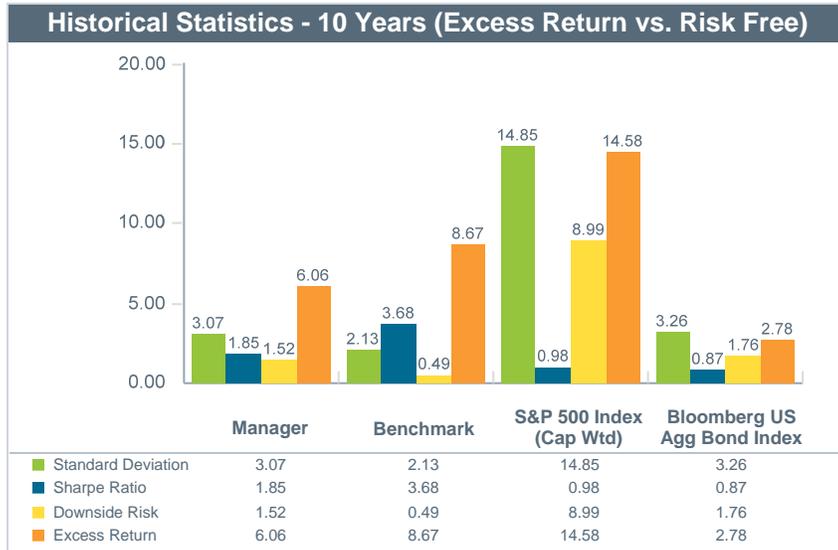
Geographic Allocation (%)



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. Manager allocation to "Other" consists of land. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

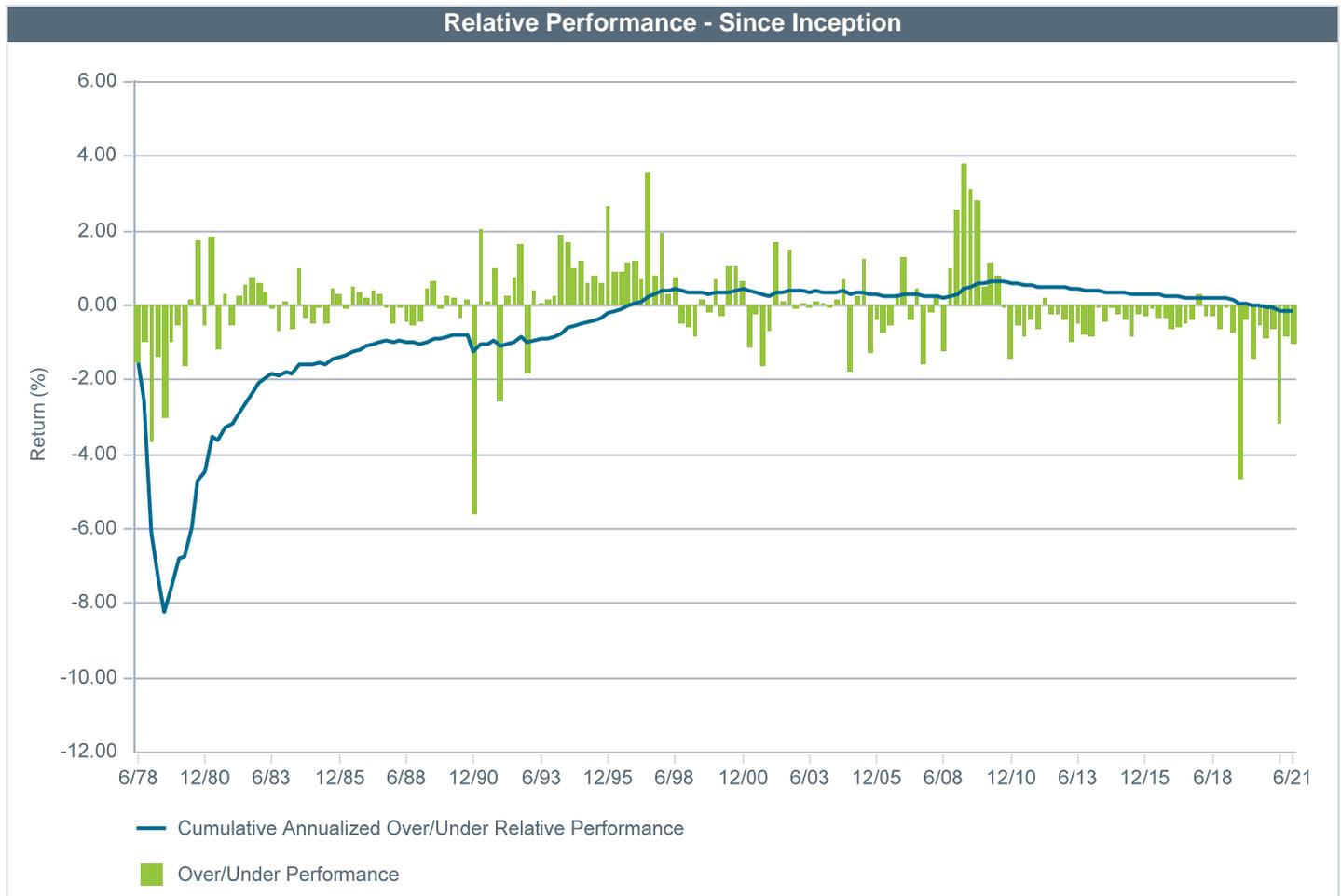


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.87	2.01	0.32	2.81	5.27	6.80	-4.04	-2.10	6.99	6.30	7.21
Benchmark	3.93	8.02	5.52	6.57	8.40	9.60	1.19	5.34	8.35	7.62	8.77
Difference	-1.06	-6.01	-5.20	-3.76	-3.13	-2.80	-5.23	-7.44	-1.36	-1.32	-1.56



Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.85
S&P 500 Index (Cap Wtd)	-0.28
Russell 2000 Index	-0.32
MSCI EAFE Index (USD) (Net)	-0.31
MSCI Emg Mkts Index (USD) (Net)	-0.36
Bloomberg US Agg Bond Index	-0.23
Bloomberg US Trsy US TIPS Index	-0.32
Wilshire US REIT Index	-0.06
HFRI FOF Comp Index	-0.37
Bloomberg Comdy Index (TR)	-0.27
ICE BofAML 3 Mo US T-Bill Index	-0.45
Cons Price Index (Unadjusted)	-0.03



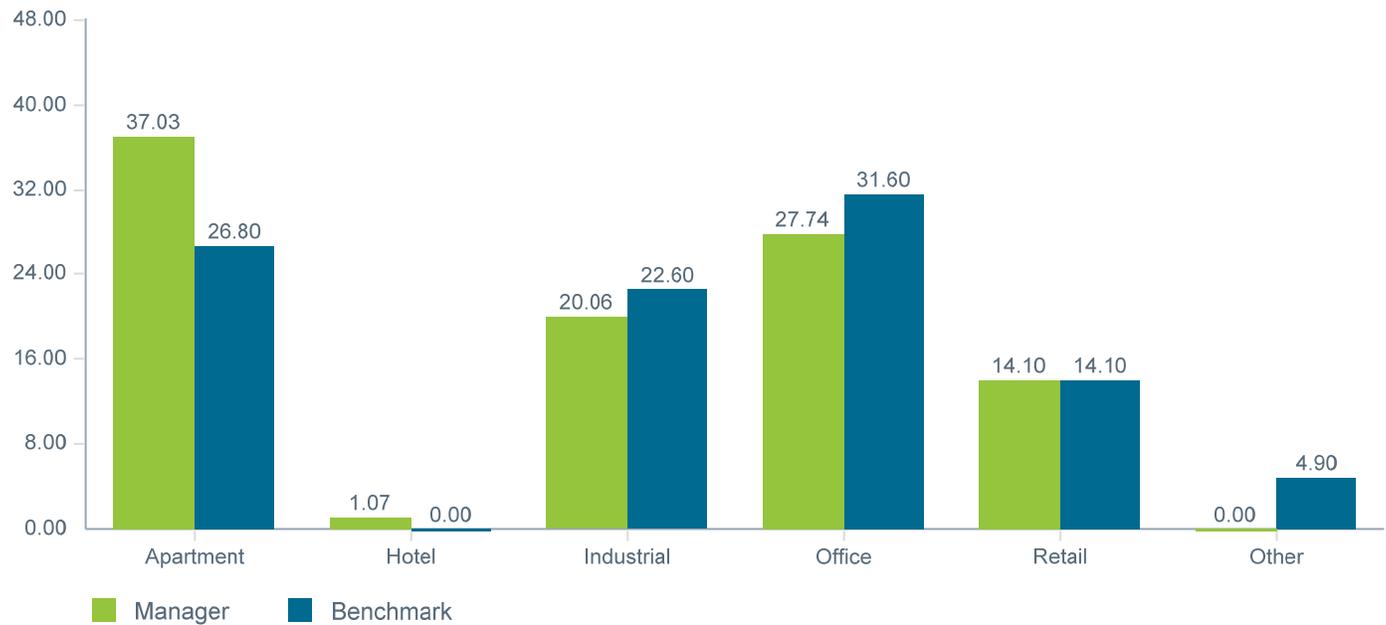
Investment Strategy

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.

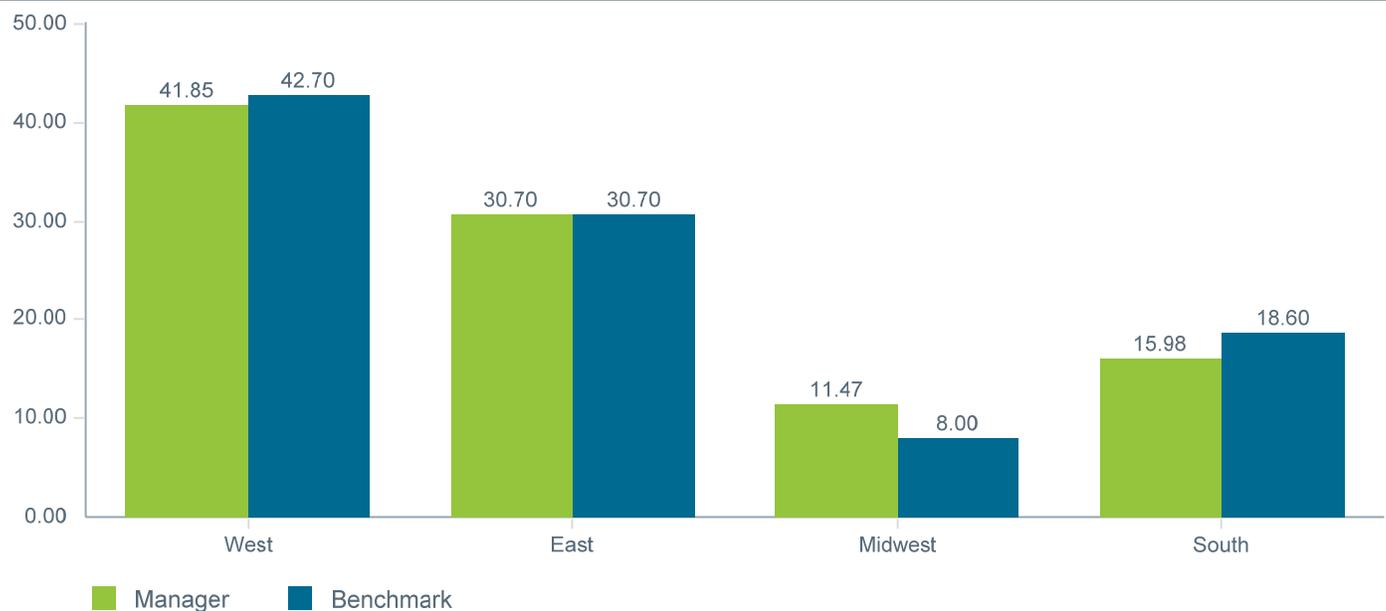
Investment Profile

Fund Inception	1978
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	18,020
Fund Leverage %	19.00
Portfolio Occupancy %	91.10
Cash Reserve %	3.40
Number of Investments	178
Number of Limited Partners	446

Property Type Allocation (%)



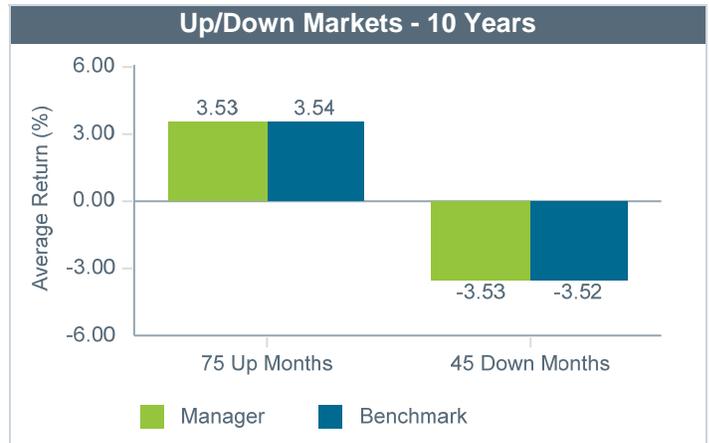
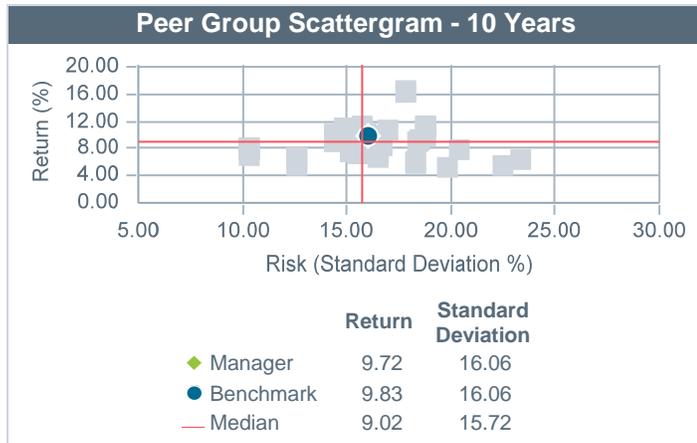
Geographic Allocation (%)



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. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	11.66	34.33	11.92	7.06	8.84	9.72	-4.72	28.91	-5.95	4.95	8.53
Benchmark	11.69	34.50	12.03	7.18	8.97	9.83	-4.55	29.03	-5.86	5.07	8.60
Difference	-0.03	-0.17	-0.11	-0.12	-0.13	-0.11	-0.17	-0.12	-0.09	-0.12	-0.07
Peer Group Median	12.06	34.57	11.35	6.75	8.40	9.02	-4.24	27.44	-5.74	5.21	6.28
Rank	70	55	37	45	37	28	56	36	54	55	19
Population	254	245	227	200	173	144	246	255	243	243	230



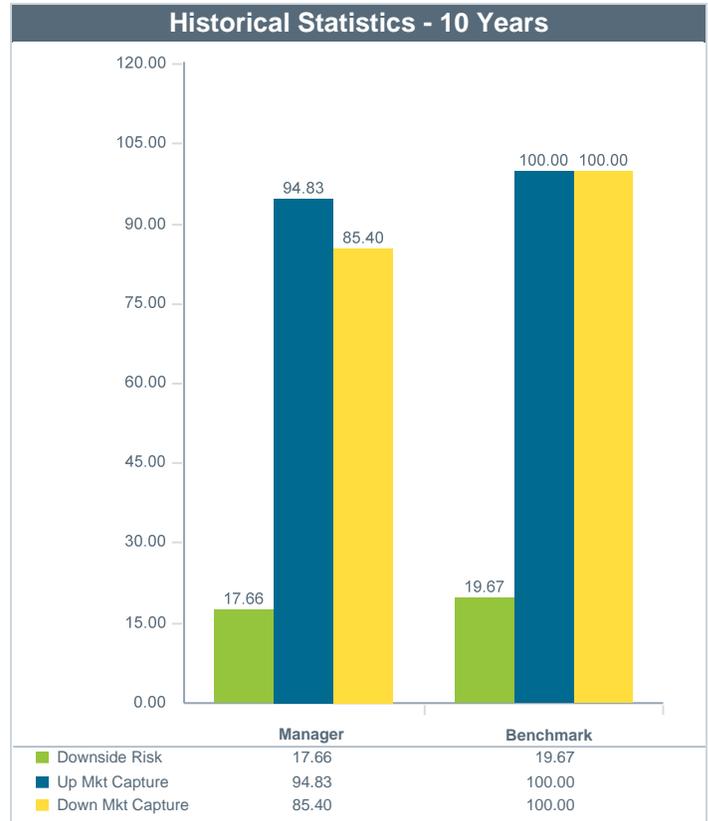
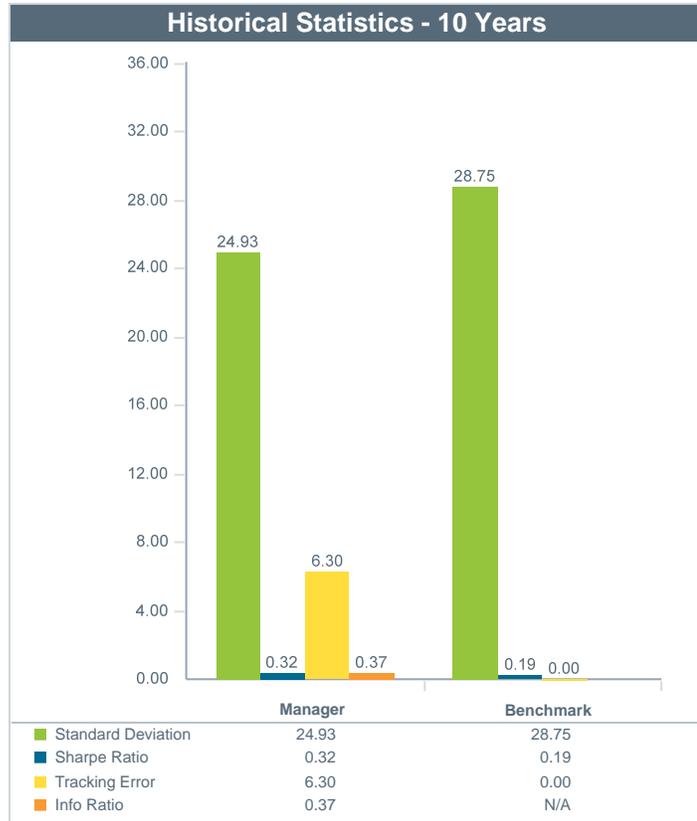
Actual Correlation - 10 Years

Index	Actual Correlation
Vanguard Spl Real Estate Index	1.00
S&P 500 Index (Cap Wtd)	0.67
Russell 2000 Index	0.65
MSCI EAFE Index (USD) (Net)	0.60
MSCI Emg Mkts Index (USD) (Net)	0.56
Bloomberg US Agg Bond Index	0.35
Bloomberg US Trsy US TIPS Index	0.45
Wilshire US REIT Index	1.00
HFRI FOF Comp Index	0.57
Bloomberg Cmnty Index (TR)	0.36
ICE BofAML 3 Mo US T-Bill Index	-0.14
Cons Price Index (Unadjusted)	-0.01

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 01/31/18; MSCI US IM Real Estate 25/50 Transition Index through 07/24/18; and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.

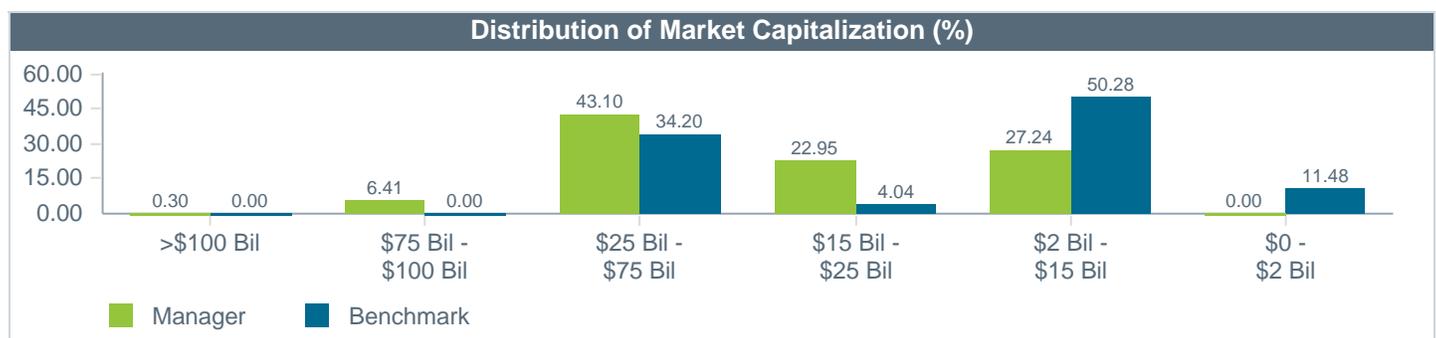


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	18.35	56.01	0.41	1.11	-3.12	5.32	-24.56	13.49	-13.00	-4.80	20.17
Benchmark	21.64	62.22	0.07	0.32	-5.20	1.83	-28.75	9.78	-11.67	-5.58	21.95
Difference	-3.29	-6.21	0.34	0.79	2.08	3.49	4.19	3.71	-1.33	0.78	-1.78



Portfolio Characteristics

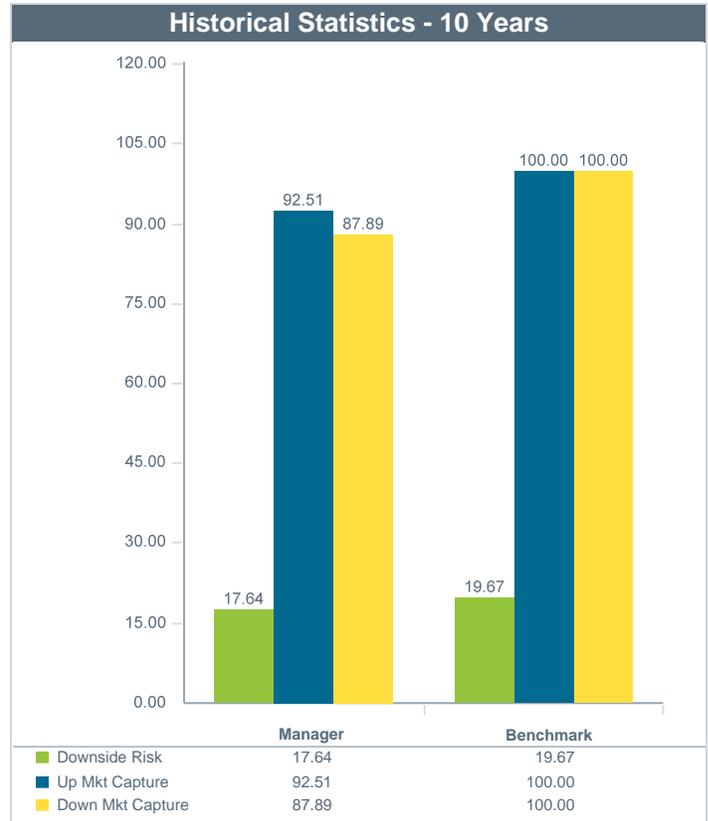
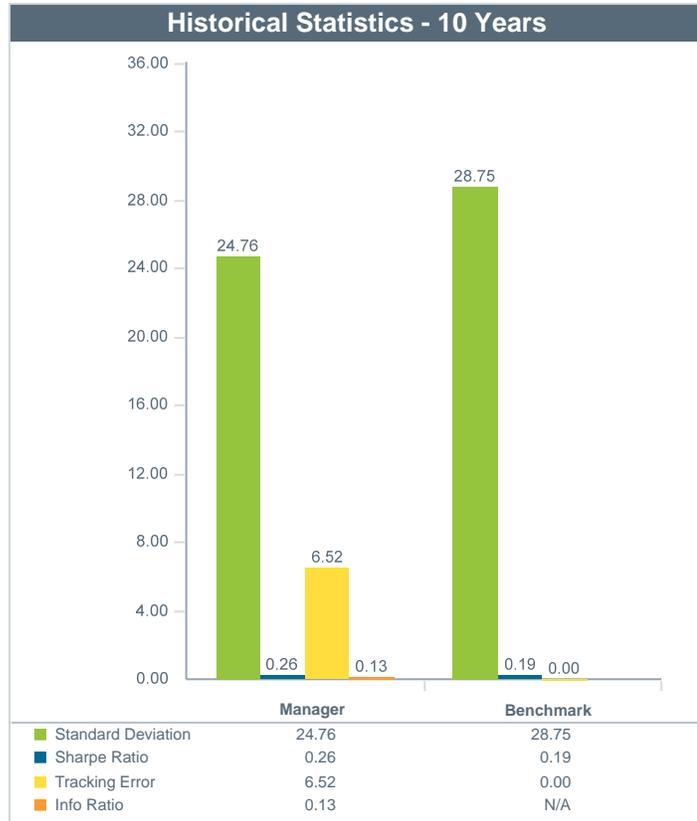
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	28,581	17,467
Median Mkt. Cap (\$M)	17,818	2,632
Price/Earnings Ratio	14.31	12.83
Price/Book Ratio	2.51	2.20
5 Yr. EPS Growth Rate (%)	12.37	6.56
Current Yield (%)	5.44	7.20
Beta (5 Years, Monthly)	0.84	1.00
Number of Securities	22	28



Performance shown is gross of fees and client specific. Calculations are based on monthly periodicity.

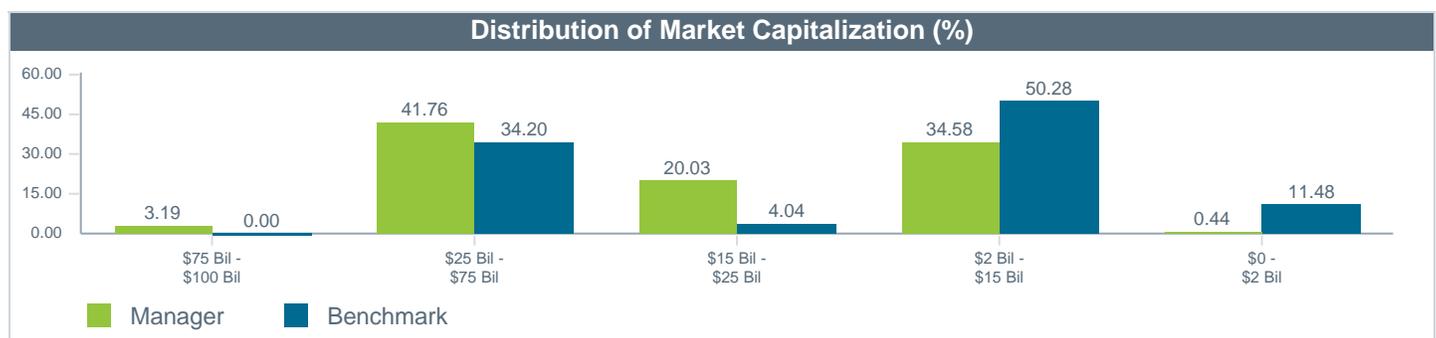


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	17.90	45.47	-3.40	-1.28	-5.18	3.82	-30.83	8.97	-12.73	-2.70	15.99
Benchmark	21.64	62.22	0.07	0.32	-5.20	1.83	-28.75	9.78	-11.67	-5.58	21.95
Difference	-3.74	-16.75	-3.47	-1.60	0.02	1.99	-2.08	-0.81	-1.06	2.88	-5.96



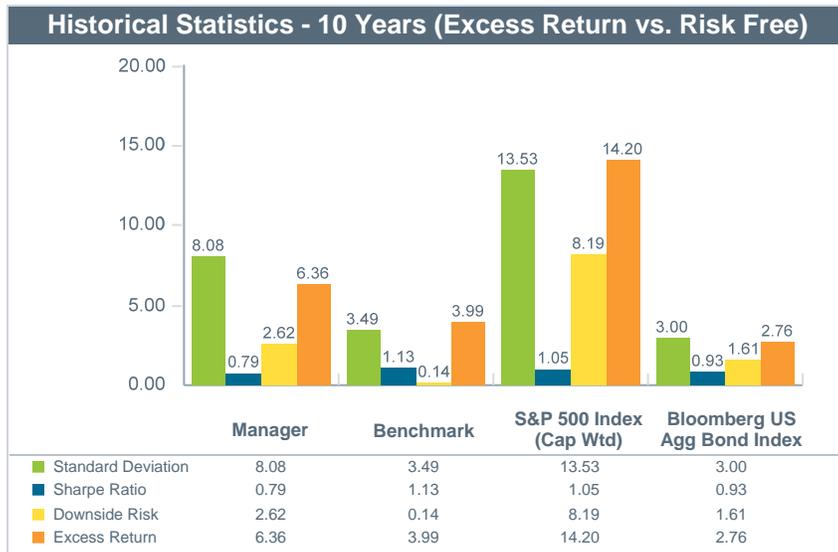
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	25,952	17,467
Median Mkt. Cap (\$M)	10,542	2,632
Price/Earnings Ratio	15.29	12.83
Price/Book Ratio	2.27	2.20
5 Yr. EPS Growth Rate (%)	17.03	6.56
Current Yield (%)	5.78	7.20
Beta (5 Years, Monthly)	0.82	1.00
Number of Securities	23	28



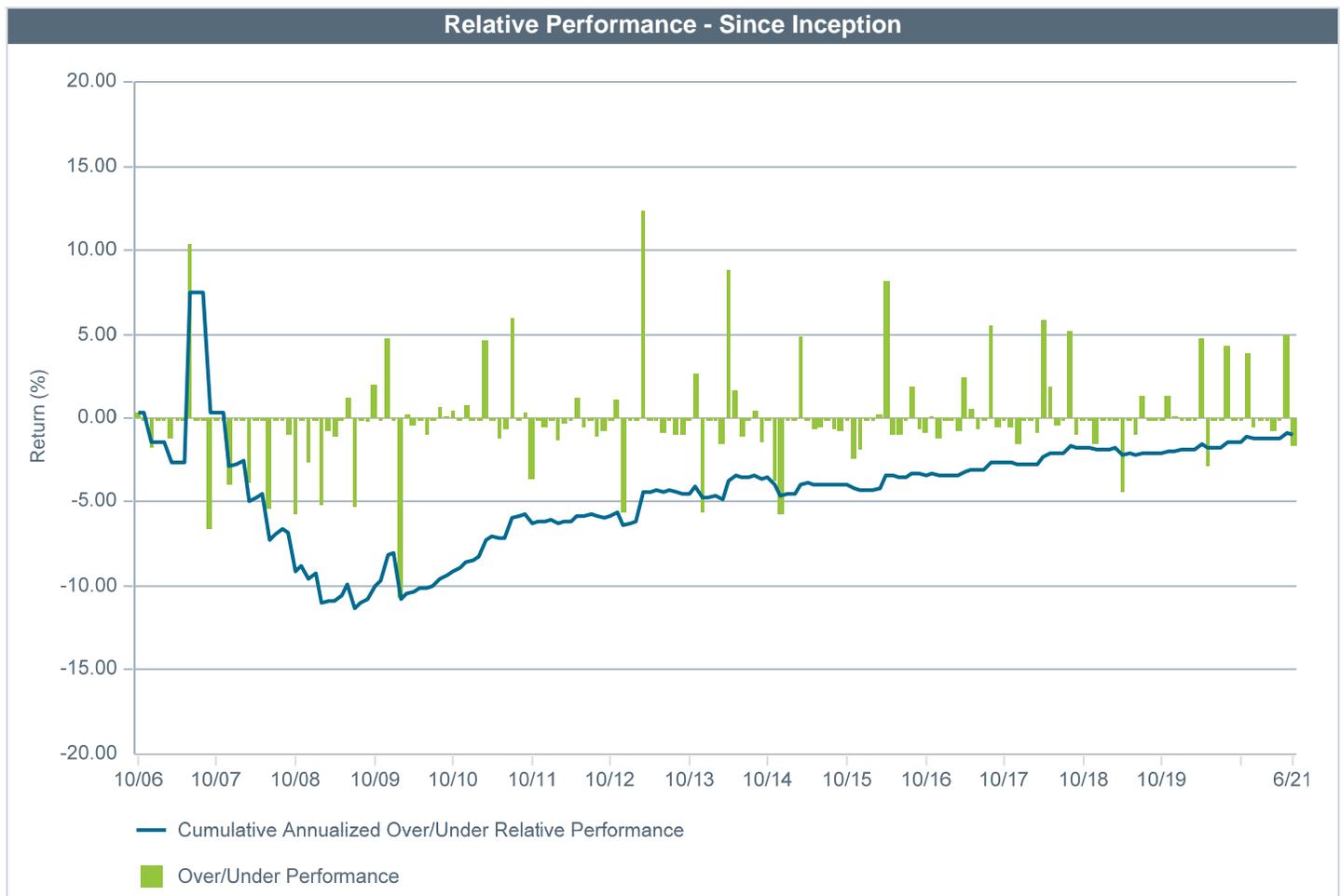
Performance shown is gross of fees and client specific. Calculations are based on monthly periodicity.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	4.98	13.69	5.85	6.94	5.81	6.88	10.18	-1.69	12.47	8.08	8.32
Benchmark	1.70	3.10	2.12	2.65	3.78	4.66	0.81	1.30	3.21	3.63	2.59
Difference	3.28	10.59	3.73	4.29	2.03	2.22	9.37	-2.99	9.26	4.45	5.73



Actual Correlation - 10 Years

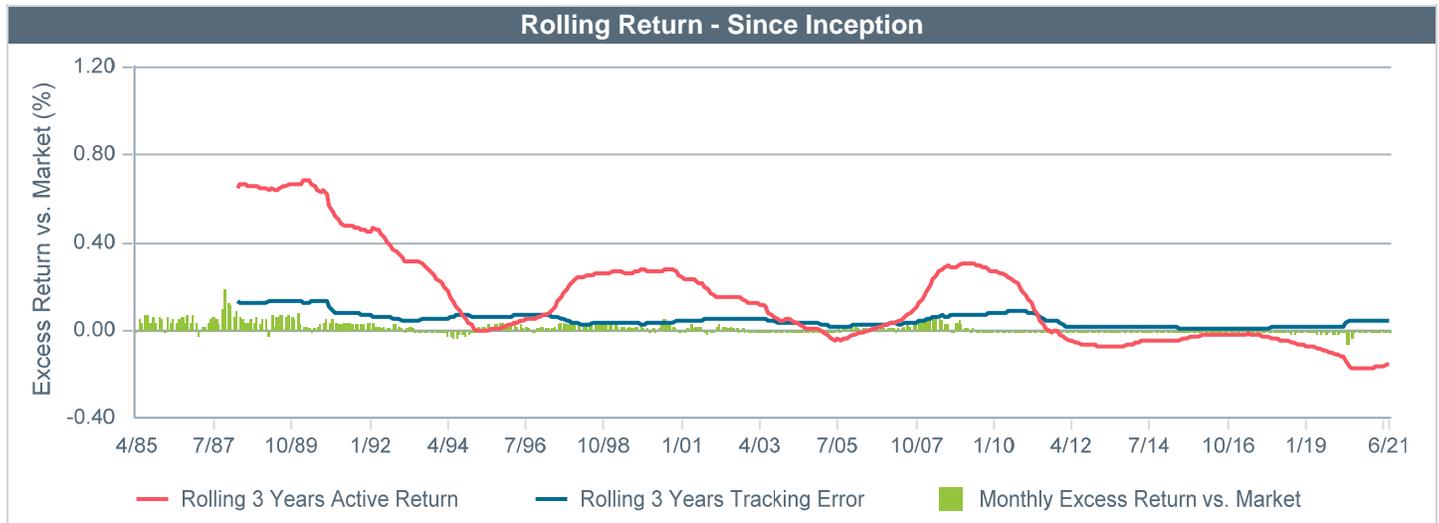
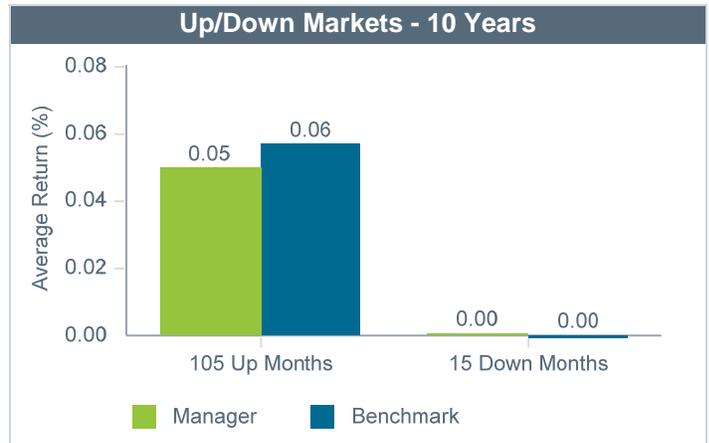
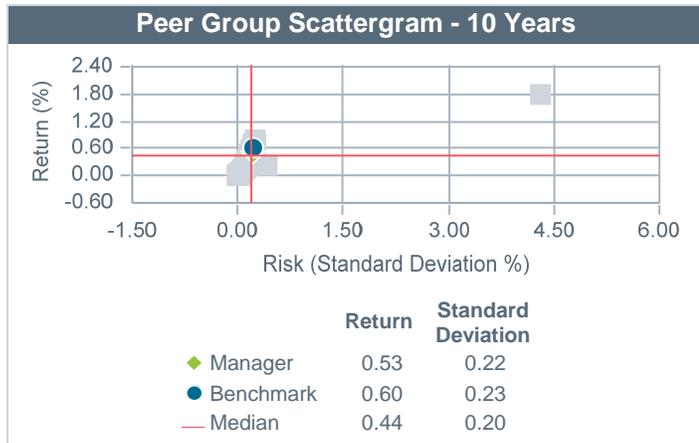
	Actual Correlation
NCREIF Timberland Index	0.02
S&P 500 Index (Cap Wtd)	0.05
Russell 2000 Index	0.05
MSCI EAFE Index (USD) (Net)	0.05
MSCI Emg Mkts Index (USD) (Net)	-0.01
Bloomberg US Agg Bond Index	0.09
Bloomberg US Trsy US TIPS Index	0.16
Wilshire US REIT Index	0.05
HFRI FOF Comp Index	0.08
Bloomberg Comdty Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.05
Cons Price Index (Unadjusted)	0.12



Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity.

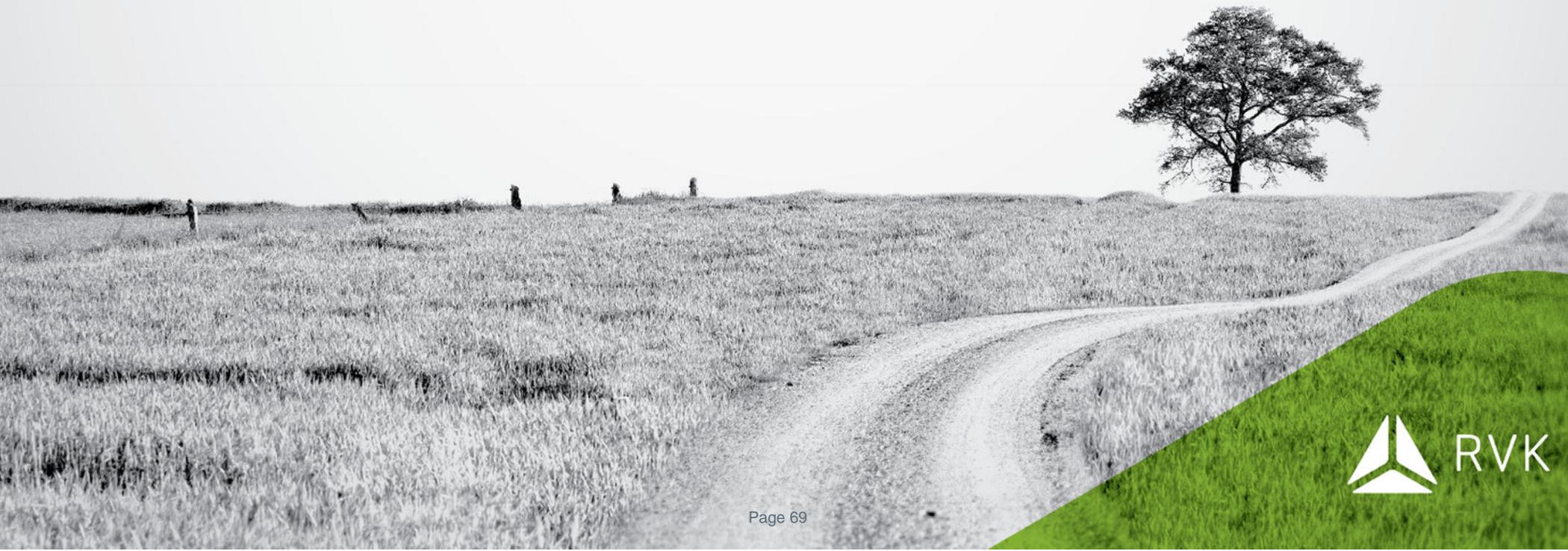


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	0.01	0.03	1.15	1.03	0.75	0.53	0.37	2.09	1.73	0.79	0.25
Benchmark	0.01	0.08	1.31	1.14	0.84	0.60	0.58	2.25	1.86	0.84	0.27
Difference	0.00	-0.05	-0.16	-0.11	-0.09	-0.07	-0.21	-0.16	-0.13	-0.05	-0.02
Peer Group Median	0.00	0.01	1.04	0.86	0.63	0.44	0.30	1.90	1.54	0.55	0.06
Rank	11	15	21	20	19	20	31	20	22	17	18
Population	786	759	708	651	564	542	790	794	818	833	745



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.
- Franklin Templeton Global Multisector Plus (CF) performance prior to 03/2016 is represented by Templeton Global Total Return (SICAV).

Custom Composite Benchmark Comments:

- **Current Total Fund Policy Index:** The passive Current Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), and 15% Diversifying Assets Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **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.
- **Frank. Temp. Global Multisector Index:** The passive Frank. Temp. Global Multisector Index consists of 100% ICE BofAML Gbl Hi Yld Index through 12/2009 and 100% Bloomberg Multiverse Index 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.
- **Tortoise Spliced Index:** The passive Tortoise Spliced Index consists of 100% S&P MLP Index (TR) through 07/2020 and 100% Alerian Midstream Energy Index 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&P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&P</u>	<u>Moody's</u>	<u>Explanation</u>
Higher Credit Quality – Investment Grade			Lower Credit Quality – Below Investment Grade		
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., 1st quartile, 2nd quartile, 3rd quartile, and 4th quartile). The median observation is where the 2nd quartile and 3rd 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.

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.

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.

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.

Glossary

- 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.
- 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

Glossary

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 4th 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 - Due to disclosure guidelines set by each investment manager, portfolio characteristics 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 Funds of Funds	5
US SMid Cap Equity	85		
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.

PORTLAND

BOISE

CHICAGO

NEW YORK

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Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: July 31, 2021

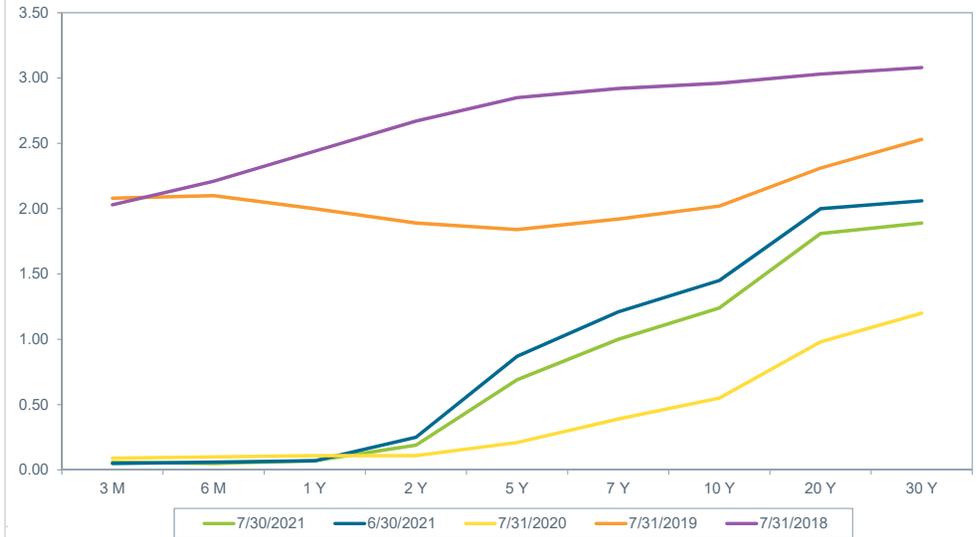


General Market Commentary

- Global equity markets finished July with mixed results. In the US, large cap indices outperformed small cap indices, and growth stocks outperformed their value counterparts. Internationally, developed indices finished the month relatively flat, outpacing emerging markets which experienced a moderate decline in July. Contributing to positive results in the domestic stock market were stronger than expected corporate earnings, as well as continued support by the Federal Reserve.
- At the July meeting, the Federal Open Market Committee (FOMC) kept interest rates near zero and stated there would be no imminent changes to the current pace of bond purchases of \$120 billion per month; though the FOMC did acknowledge that multiple indicators point to a strengthening US economy. The FOMC also stated that they maintain their view the recent rise in inflation of 5.4% YoY as transitory, pointing to outsized contributions from used car prices.
- Rising worldwide COVID-19 cases, particularly the Delta variant, weighed on investor confidence during the month as market participants worried that increasing COVID-19 cases could cause some countries to reinstate lockdown measures utilized earlier in the pandemic.
- Equity markets posted positive returns in July as the S&P 500 (Cap Wtd) Index returned 2.38% and the MSCI EAFE (Net) Index returned 0.75%. Emerging markets returned -6.73% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.12% in July, outperforming the 0.78% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 1.84%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 4.81% in July and 6.44% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 48.11% for the trailing one-year period and 17.51% for the trailing five-year period ending March 2021.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -0.30% for the month and 15.37% over the trailing one-year period.
- Crude oil's price increased by 0.65% during the month, and has increased by 83.64% YoY.

Economic Indicators	Jul-21	Jun-21	Jul-20	10 Yr	20 Yr
Federal Funds Rate (%)	0.07 ▼	0.08	0.10	0.63	1.36
Breakeven Inflation - 5 Year (%)	2.62 ▲	2.50	1.43	1.75	1.84
Breakeven Inflation - 10 Year (%)	2.40 ▲	2.34	1.55	1.93	2.02
Breakeven Inflation - 30 Year (%)	2.26 ▼	2.28	1.64	2.04	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.36 ▼	1.50	1.05	2.27	3.37
Bloomberg US Agg Bond Index - OAS (%)	0.35 ▲	0.32	0.60	0.51	0.61
Bloomberg US Agg Credit Index - OAS (%)	0.81 ▲	0.77	1.26	1.27	1.43
Bloomberg US Corp: HY Index - OAS (%)	2.94 ▲	2.68	4.88	4.62	5.31
Capacity Utilization (%)	76.12 ▲	75.45	71.50	76.50	76.51
Unemployment Rate (%)	5.4 ▼	5.9	10.2	5.9	6.1
PMI - Manufacturing (%)	59.5 ▼	60.6	53.7	54.0	53.2
Baltic Dry Index - Shipping	3,292 ▼	3,383	1,366	1,169	2,327
Consumer Conf (Conf Board)	129.10 ▲	128.90	91.70	98.87	90.53
CPI YoY (Headline) (%)	5.4 —	5.4	1.0	1.8	2.1
CPI YoY (Core) (%)	4.3 ▼	4.5	1.6	2.0	2.0
PPI YoY (%)	9.6 ▲	9.4	-2.0	1.3	2.1
M2 YoY (%)	12.20 —	12.2	23.3	8.3	7.1
US Dollar Total Weighted Index	112.94 ▲	112.85	117.44	106.30	103.16
WTI Crude Oil per Barrel (\$)	74 ▲	73	40	66	63
Gold Spot per Oz (\$)	1,814 ▲	1,770	1,976	1,422	1,054

Treasury Yield Curve (%)

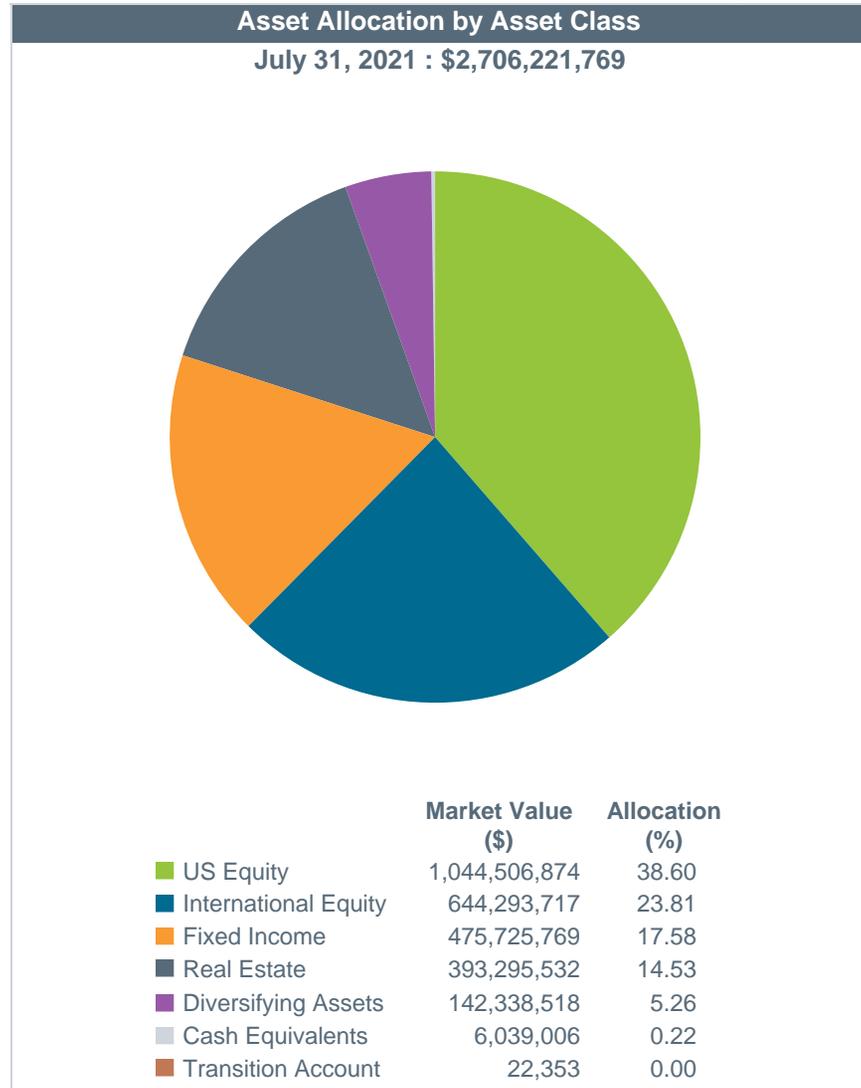


Treasury Yield Curve (%)	Jul-21	Jun-21	Jul-20	Jul-19	Jul-18			
3 Month	0.06	0.05	0.09	2.08	2.03			
6 Month	0.05	0.06	0.10	2.10	2.21			
1 Year	0.07	0.07	0.11	2.00	2.44			
2 Year	0.19	0.25	0.11	1.89	2.67			
5 Year	0.69	0.87	0.21	1.84	2.85			
7 Year	1.00	1.21	0.39	1.92	2.92			
10 Year	1.24	1.45	0.55	2.02	2.96			
20 Year	1.81	2.00	0.98	2.31	3.03			
30 Year	1.89	2.06	1.20	2.53	3.08			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	2.38	2.38	17.99	36.45	18.16	17.35	14.71	15.35
Russell 2000	-3.61	-3.61	13.29	51.97	11.49	14.28	11.80	12.34
MSCI EAFE (Net)	0.75	0.75	9.65	30.31	7.66	9.35	5.37	6.14
MSCI EAFE SC (Net)	1.70	1.70	10.90	38.72	8.78	11.08	8.38	8.67
MSCI EM (Net)	-6.73	-6.73	0.22	20.64	7.93	10.37	5.01	3.61
Bloomberg US Agg Bond	1.12	1.12	-0.51	-0.70	5.73	3.12	3.48	3.35
ICE BofAML 3 Mo US T-Bill	0.01	0.01	0.03	0.08	1.29	1.17	0.87	0.63
NCREIF ODCE (Gross)	N/A	N/A	6.12	8.02	5.52	6.57	8.40	9.60
FTSE NAREIT Eq REITs Index (TR)	4.81	4.81	27.82	39.03	11.54	6.44	9.11	9.76
HFRI FOF Comp Index	-0.30	-0.30	4.66	15.37	6.15	5.75	4.10	3.79
Bloomberg Cmdty Index (TR)	1.84	1.84	23.37	40.28	5.29	3.86	-3.17	-4.54

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.

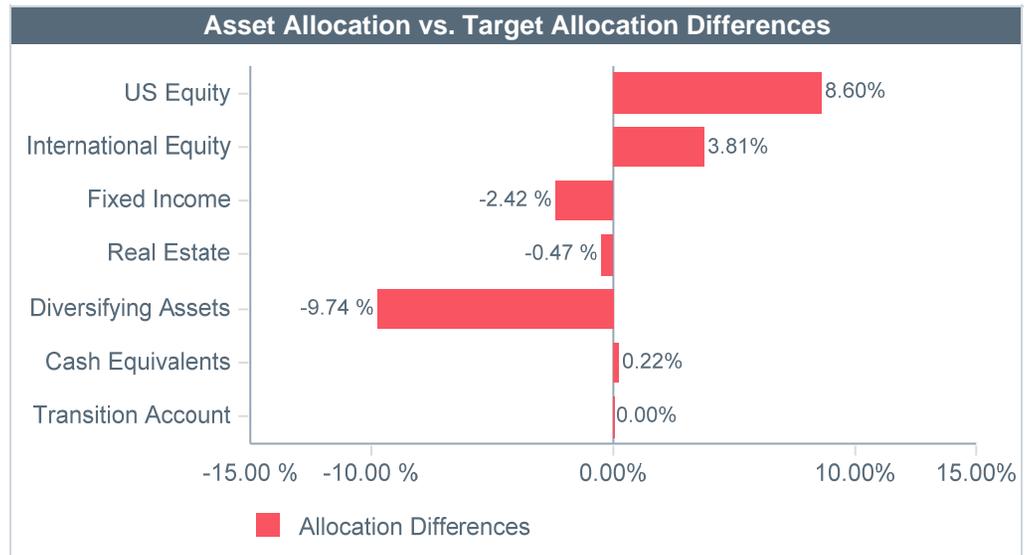


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,706,221,769	100.00	-	100.00	-
US Equity	1,044,506,874	38.60	20.00	30.00	40.00
International Equity	644,293,717	23.81	10.00	20.00	25.00
Fixed Income	475,725,769	17.58	10.00	20.00	30.00
Real Estate	393,295,532	14.53	0.00	15.00	20.00
Diversifying Assets	142,338,518	5.26	0.00	15.00	20.00
Cash Equivalents	6,039,006	0.22	0.00	0.00	10.00
Transition Account	22,353	0.00	0.00	0.00	0.00



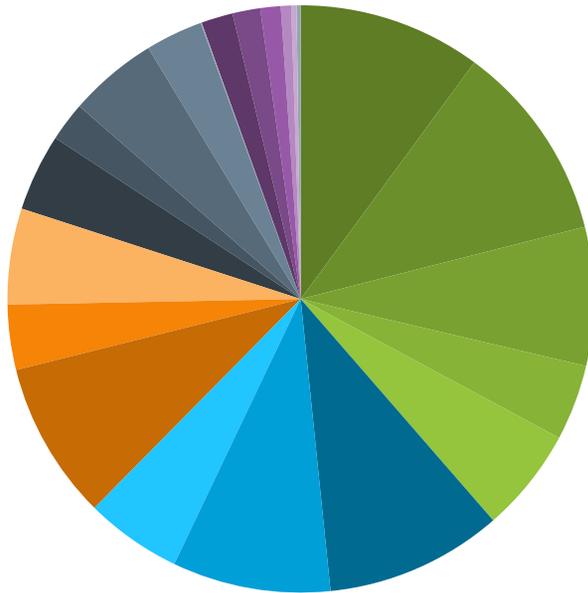
Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,469,519,078	2,764,023	233,938,668	2,706,221,769	9.47

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.



July 31, 2021 : \$2,706,221,769



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	273,163,956	10.09
Mellon Large Cap Core Index (CF)	296,477,451	10.96
Loomis Sayles Large Cap Growth (CF)	206,259,555	7.62
Mellon Small Cap Value Index (CF)	112,806,212	4.17
Pinnacle Associates US SMID Cap Growth (SA)	155,799,700	5.76
Silchester International Value (CF)	264,606,939	9.78
Baillie Gifford International Growth (BGEFX)	236,026,935	8.72
Acadian Emerging Markets (CF)	143,659,843	5.31
Baird Core Fixed Income (SA)	235,598,627	8.71
Franklin Templeton Global Multisector Plus (CF)	97,070,940	3.59
Loomis Sayles Multisector Full Discretion (CF)	143,056,202	5.29
Harrison Street Core Property, LP	114,817,890	4.24
PGIM Real Estate PRISA II LP (CF)	58,687,371	2.17
Principal US Property (CF)	132,908,617	4.91
UBS Trumbull Property (CF)	85,492,099	3.16
Vanguard RE Idx;ETF (VNQ)	1,389,555	0.05
Harvest Fund Advisors MLP (SA)	47,368,861	1.75
Tortoise Capital Advisors MLP (SA)	41,272,452	1.53
Hancock Timberland (SA)	30,404,367	1.12
Adams Street Private Equity (SA)	15,417,892	0.57
Hamilton Lane Private Credit (SA)	7,874,946	0.29
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	6,039,006	0.22
Transition Account	22,353	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Market values for Franklin Templeton Global Multisector Plus (CF) and PGIM Real Estate PRISA II LP (CF) are as of 06/30/2021.

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

As of July 31, 2021

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,706,221,769	100.00	-0.33	-0.33	9.47	21.81	23.45	9.46	10.22	8.15	9.15	6.85	07/01/1999
Current Total Fund Policy Index			-0.07	-0.07	11.06	22.46	22.53	9.33	9.37	7.82	8.71	6.35	
Difference			-0.26	-0.26	-1.59	-0.65	0.92	0.13	0.85	0.33	0.44	0.50	
Total Equity	1,688,800,591	62.40	-0.83	-0.83	12.95	33.52	37.26	14.37	15.24	11.58	12.08	7.33	07/01/1999
US Equity	1,044,506,874	38.60	0.35	0.35	17.29	38.72	41.83	17.35	17.10	13.84	14.35	7.94	07/01/1999
US Equity Index			1.69	1.69	17.06	34.24	38.73	18.10	17.36	14.55	15.16	7.91	
Difference			-1.34	-1.34	0.23	4.48	3.10	-0.75	-0.26	-0.71	-0.81	0.03	
International Equity	644,293,717	23.81	-2.67	-2.67	6.62	25.95	30.46	9.77	12.30	7.76	8.04	6.77	07/01/1999
International Equity Index			-1.65	-1.65	7.36	25.63	27.78	7.92	9.65	5.23	5.42	4.64	
Difference			-1.02	-1.02	-0.74	0.32	2.68	1.85	2.65	2.53	2.62	2.13	
Fixed Income	475,725,769	17.58	0.69	0.69	0.33	1.89	1.23	4.14	3.33	2.79	3.32	5.16	07/01/1999
Fixed Income Index			1.00	1.00	-0.16	1.13	0.37	5.92	3.26	3.57	3.41	4.92	
Difference			-0.31	-0.31	0.49	0.76	0.86	-1.78	0.07	-0.78	-0.09	0.24	
Real Estate	393,295,532	14.53	1.61	1.61	5.26	5.31	5.52	3.93	5.33	7.08	7.58	5.47	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.91	
Difference			1.61	1.61	-0.38	-1.49	-1.57	-0.67	-0.29	-0.35	-1.02	-0.44	
Diversifying Assets	142,338,518	5.26	-3.06	-3.06	21.56	37.44	32.33	-1.22	1.47	-0.89	5.33	5.32	03/01/2011
Diversifying Assets Index			-2.99	-2.99	25.75	43.09	31.70	-0.85	1.12	-0.44	3.51	3.29	
Difference			-0.07	-0.07	-4.19	-5.65	0.63	-0.37	0.35	-0.45	1.82	2.03	

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Performance for Harrison Street Core Property, LP, PGIM Real Estate PRISA II LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, and Adams Street, LP is available quarterly; interim months assume a 0.00% return. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon.



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

As of July 31, 2021

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	273,163,956	10.09	1.74	1.74	22.86	47.57	51.06	17.52	18.79	15.03	15.68	12.06	02/01/2007
Russell 1000 Val Index			0.80	0.80	17.98	37.16	39.32	11.27	11.41	9.81	12.08	7.24	
Difference			0.94	0.94	4.88	10.41	11.74	6.25	7.38	5.22	3.60	4.82	
Mellon Large Cap Core Index (CF)	296,477,451	10.96	2.09	2.09	17.33	33.29	37.82	N/A	N/A	N/A	N/A	22.20	05/01/2019
Russell 1000 Index			2.08	2.08	17.34	33.41	37.97	18.63	17.60	14.77	15.39	22.30	
Difference			0.01	0.01	-0.01	-0.12	-0.15	N/A	N/A	N/A	N/A	-0.10	
Loomis Sayles Large Cap Growth (CF)	206,259,555	7.62	2.04	2.04	16.13	26.24	32.91	22.92	N/A	N/A	N/A	21.77	08/01/2017
Russell 1000 Grth Index			3.30	3.30	16.71	30.01	36.68	25.29	23.32	19.38	18.37	24.67	
Difference			-1.26	-1.26	-0.58	-3.77	-3.77	-2.37	N/A	N/A	N/A	-2.90	
Mellon Small Cap Value Index (CF)	112,806,212	4.17	-3.57	-3.57	N/A	0.89	04/01/2021						
Russell 2000 Val Index			-3.58	-3.58	22.16	62.91	63.70	8.30	11.61	9.67	10.82	0.82	
Difference			0.01	0.01	N/A	0.07							
Pinnacle Associates US SMID Cap Growth (SA)	155,799,700	5.76	-4.35	-4.35	8.43	44.24	44.49	19.71	19.04	13.86	14.78	15.75	03/01/2010
Russell 2500 Grth Index			-2.16	-2.16	6.32	33.85	38.80	18.54	18.78	15.30	15.04	16.10	
Difference			-2.19	-2.19	2.11	10.39	5.69	1.17	0.26	-1.44	-0.26	-0.35	
International Equity													
Silchester International Value (CF)	264,606,939	9.78	-0.68	-0.68	12.29	29.36	33.60	4.77	8.18	5.68	7.64	9.61	06/01/2009
MSCI EAFE Val Index (USD) (Net)			-0.24	-0.24	10.41	31.61	32.92	2.72	6.66	2.15	4.10	5.53	
Difference			-0.44	-0.44	1.88	-2.25	0.68	2.05	1.52	3.53	3.54	4.08	
Baillie Gifford International Growth (BGEFX)	236,026,935	8.72	-3.98	-3.98	-0.74	19.97	28.22	19.96	21.58	13.94	12.44	13.99	06/01/2009
Baillie Gifford Index			-1.52	-1.52	4.90	19.51	23.29	12.01	11.30	8.08	7.78	9.42	
Difference			-2.46	-2.46	-5.64	0.46	4.93	7.95	10.28	5.86	4.66	4.57	
Baillie Gifford Spliced Index			-1.65	-1.65	7.36	25.63	27.78	8.21	9.69	5.60	6.30	7.78	
Difference			-2.33	-2.33	-8.10	-5.66	0.44	11.75	11.89	8.34	6.14	6.21	
Acadian Emerging Markets (CF)	143,659,843	5.31	-4.07	-4.07	9.76	30.20	29.35	8.11	9.97	4.82	3.98	4.39	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			-6.73	-6.73	0.22	19.96	20.64	7.93	10.37	5.01	3.61	3.75	
Difference			2.66	2.66	9.54	10.24	8.71	0.18	-0.40	-0.19	0.37	0.64	

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

As of July 31, 2021

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
Baird Core Fixed Income (SA)	235,598,627	8.71	1.11	1.11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.11	03/01/2021
Bloomberg US Agg Bond Index			1.12	1.12	-0.51	0.16	-0.70	5.73	3.12	3.48	3.35	1.68	
Difference			-0.01	-0.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.43	
Franklin Templeton Global Multisector Plus (CF)	97,070,940	3.59	0.00	0.00	-1.57	0.15	-0.72	-2.67	0.68	-0.67	1.23	4.95	09/01/2007
Frank. Temp. Global Multisector Index			1.25	1.25	-1.74	1.72	1.18	4.79	2.65	2.28	2.15	3.72	
Difference			-1.25	-1.25	0.17	-1.57	-1.90	-7.46	-1.97	-2.95	-0.92	1.23	
Loomis Sayles Multisector Full Discretion (CF)	143,056,202	5.29	0.50	0.50	0.49	4.66	3.90	7.90	6.51	5.28	6.13	6.88	10/01/2007
Bloomberg Gbl Agg Bond Index			1.33	1.33	-1.92	1.30	0.79	4.74	2.46	2.16	1.98	3.38	
Difference			-0.83	-0.83	2.41	3.36	3.11	3.16	4.05	3.12	4.15	3.50	
Real Estate													
Harrison Street Core Property LP	114,817,890	4.24	2.83	2.83	5.62	5.62	6.82	6.33	7.20	N/A	N/A	7.37	11/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	6.14	
Difference			2.83	2.83	-0.02	-1.18	-0.27	1.73	1.58	N/A	N/A	1.23	
PGIM Real Estate PRISA II LP (CF)	58,687,371	2.17	0.00	0.00	3.21	3.21	3.36	3.67	5.47	N/A	N/A	7.14	01/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	6.95	
Difference			0.00	0.00	-2.43	-3.59	-3.73	-0.93	-0.15	N/A	N/A	0.19	
Principal US Property (CF)	132,908,617	4.91	0.47	0.47	6.73	8.56	8.42	5.58	6.80	8.52	N/A	8.65	01/01/2014
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	7.53	
Difference			0.47	0.47	1.09	1.76	1.33	0.98	1.18	1.09	N/A	1.12	
UBS Trumbull Property (CF)	85,492,099	3.16	2.83	2.83	3.95	1.79	1.41	-0.42	1.93	4.33	5.81	4.56	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.91	
Difference			2.83	2.83	-1.69	-5.01	-5.68	-5.02	-3.69	-3.10	-2.79	-1.35	
Vanguard RE Idx;ETF (VNQ)	1,389,555	0.05	4.42	4.42	26.73	38.47	35.33	13.31	6.98	9.46	9.78	14.06	12/01/2008
Custom REITs Index			4.47	4.47	26.87	38.65	35.65	13.53	7.54	9.86	10.29	14.88	
Difference			-0.05	-0.05	-0.14	-0.18	-0.32	-0.22	-0.56	-0.40	-0.51	-0.82	

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

As of July 31, 2021

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Harvest Fund Advisors MLP (SA)	47,368,861	1.75	-4.42	-4.42	33.44	63.68	48.52	-4.03	-0.76	-3.91	4.01	4.46	03/01/2011
S&P MLP Index (TR)			-5.63	-5.63	38.24	78.66	57.37	-3.78	-1.14	-5.49	1.46	1.11	
Difference			1.21	1.21	-4.80	-14.98	-8.85	-0.25	0.38	1.58	2.55	3.35	
Tortoise Capital Advisors MLP (SA)	41,272,452	1.53	-5.08	-5.08	31.09	59.61	43.24	-7.43	-3.12	-5.90	2.71	2.38	03/01/2011
Tortoise Spliced Index			-4.28	-4.28	34.66	61.80	48.16	-5.69	-2.32	-6.30	0.85	0.53	
Difference			-0.80	-0.80	-3.57	-2.19	-4.92	-1.74	-0.80	0.40	1.86	1.85	
Hancock Timberland (SA)	30,404,367	1.12	0.00	0.00	4.98	9.01	13.69	5.85	6.94	5.81	6.26	4.10	10/01/2006
NCREIF Timberland Index			0.00	0.00	2.47	3.06	3.10	2.12	2.65	3.78	4.66	5.13	
Difference			0.00	0.00	2.51	5.95	10.59	3.73	4.29	2.03	1.60	-1.03	
Adams Street Private Equity (SA)	15,417,892	0.57	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2020
S&P 500 Index+3%			2.63	2.63	20.04	35.62	40.54	21.70	20.87	18.15	18.81	38.99	
Difference			-2.63	-2.63	-20.04	N/A	N/A	N/A	N/A	N/A	N/A	-38.99	
Hamilton Lane Private Credit (SA)	7,874,946	0.29	0.04	0.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	03/01/2021
ICE BofAML Gbl Hi Yld Index +2%			0.13	0.13	3.63	11.98	12.44	8.94	8.82	7.15	8.27	2.75	
Difference			-0.09	-0.09	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	6,039,006	0.22	0.19	0.19	0.37	0.37	0.38	1.21	1.18	0.88	0.64	1.35	04/01/2001
FTSE 3 Mo T-Bill Index			0.00	0.00	0.03	0.05	0.07	1.25	1.14	0.84	0.60	1.33	
Difference			0.19	0.19	0.34	0.32	0.31	-0.04	0.04	0.04	0.04	0.02	

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 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.
- Franklin Templeton Global Multisector Plus (CF) performance prior to 03/2016 is represented by Templeton Global Total Return (SICAV).

Custom Composite Benchmark Comments:

- **Current Total Fund Policy Index:** The passive Current Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), and 15% Diversifying Assets Index. Prior to 11/01/2017, the Current Total Fund Policy Index consists of the Legacy Total Fund Policy Index.
- **Legacy Total Fund Policy Index:** The passive Legacy Total Fund Policy Index is calculated monthly and currently consists of 35% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 19% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), 10% Diversifying Assets Index, and 1% FTSE 3 Mo US T-Bill Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Diversifying Assets Index:** The active Diversifying Assets Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return. Prior to 10/01/2020, the Diversifying Assets Index consist of 67% S&P MLP Index (TR)/33% NCREIF Timberland Index. Prior to 11/01/2017, the Diversifying Assets Index consist 50% S&P MLP Index (TR)/50% NCREIF Timberland Index.

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.
- **Frank. Temp. Global Multisector Index:** The passive Frank. Temp. Global Multisector Index consists of 100% ICE BofAML Gbl Hi Yld Index through 12/2009 and 100% Bloomberg Multiverse Index 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.
- **Tortoise Spliced Index:** The passive Tortoise Spliced Index consists of 100% S&P MLP Index (TR) through 07/2020 and 100% Alerian Midstream Energy Index thereafter.

PORTLAND

BOISE

CHICAGO

NEW YORK

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Memorandum

To	Board of Trustees for the City of Jacksonville Employees' Retirement System
From	RVK, Inc. ("RVK") Investment Manager Research
Subject	H.I.G. Realty Fund IV
Date	August 20, 2021

Overview

As background for the following recommendation, the City of Jacksonville Employees' Retirement System's ("COJ ERS" or "ERS") Board voted in 2019 to approve new allocations to several private market asset classes, including Non-Core Real Estate. This asset allocation change was part of a larger move to increase diversification and introduce potential return enhancing investments within the Fund. Similar to other private market asset classes, achieving and maintaining the new Non-Core Real Estate target allocation requires consistent vintage year dollar commitments. To assist with the timing and scale of these commitments, RVK provided ERS with a private real estate pacing analysis in June of 2020. The results of this pacing, which we have updated to reflect current market values, recommends that ERS commit \$40 million dollars to one or two Non-Core Real Estate managers in 2021.

To fulfill a portion of the recommended commitment amount, RVK has completed due diligence on an attractive opportunity that we believe is appropriate for the current investment environment. The RVK Investment Manager Research team conducted an independent review of H.I.G. Capital's organization, investment team, strategy, investment track record, investment decision-making, monitoring processes and key terms and conditions for the Fund. Based on this review, RVK believes that H.I.G. Realty Fund IV offers merits that support a commitment to the Fund.

Recommendation Summary

Given this would be the first mandate within the ERS Non-Core Real Estate allocation, RVK approached this recommendation with an emphasis towards a fund that provides characteristics and attributes that allow it to serve as an attractive initial investment for the Non-Core Real Estate portfolio. Future commitments will look to compliment this investment by augmenting sector and/or geographic exposures as well as investment styles. Some characteristics we believe an initial investment in the Non-Core Real Estate investment should possess are: broad sector and market diversification, the ability to remain nimble and build out appropriately sized exposures to sectors that exhibit attractive fundamentals, a strategy we have high conviction in, and characteristics that make the strategy a candidate for continued re-up commitments.

RVK believes that H.I.G. Realty Fund IV offers the aforementioned attractive characteristics that stand to serve as a strong initial investment to the ERS Non-Core Real Estate portfolio. More specifically, factors supporting our recommendation include the Fund's exposure to a diversified set of property types and market locations, H.I.G. Capital's ecosystem that allows the real estate team to leverage their private equity and private credit teams' knowledge providing an informational advantage, and the strategy's focus on



smaller assets and tenants. Based on these characteristics, RVK recommends that the City of Jacksonville Employees' Retirement System commit \$25 million to H.I.G. Realty Fund IV, L.P.

To arrive at this recommendation, the RVK real estate team held more than 250 meetings over the last year and a half with fund managers that scaled the risk spectrum. From this list, the team engaged in deeper due diligence on a handful of funds that they believed exhibited the characteristics of an attractive initial investment for the ERS Non-Core Real Estate portfolio. The scope of our analysis on H.I.G. Capital included an independent review of Firm's organization, investment team, strategy, investment track record, investment decision-making and monitoring processes and key terms and conditions for the Fund, as well as an onsite visit with senior professional at the firm's headquarters in Miami, Florida.

Firm

H.I.G. Capital, LLC ("H.I.G." or the "Firm"), is a privately held alternative asset manager that specializes in the lower and middle market segments of multiple private markets. The Firm was founded in 1993 and has over \$44 billion in capital under management across private equity (\$23.1 billion), private credit (\$17.9 billion), and private real estate (\$3.2 billion) investment strategies. H.I.G. has 18 offices globally, headquartered in Miami with regional offices in New York, Boston, Chicago, Dallas, Los Angeles, San Francisco, Atlanta, Stamford in the U.S., and affiliate offices in London, Hamburg, Luxembourg, Madrid, Milan, and Paris in Europe as well as Bogotá, Rio de Janeiro, and São Paulo in Latin America. H.I.G. is currently capital raising for H.I.G. Realty Fund IV, L.P. (the "Fund"), where H.I.G. Realty is the real estate practice within H.I.G. Capital. They are targeting \$750 million in equity commitments with a hard cap of \$1 billion. H.I.G. will commit a minimum of 4% of total commitments as the General Partner ("GP") alongside the Fund's Limited Partners ("LPs"). The Fund will look to make opportunistic investments across property types, within sectors and markets that the firm has identified as having favorable outlooks and in which they have a track record of investing.

H.I.G. Realty is headed by co-heads, David Hirschberg and Ira Weidhorn, who joined H.I.G. Capital in 2012 with the deployment of H.I.G. Realty Partners II. After the successful deployment of Fund II, H.I.G. Realty raised H.I.G. Realty Partners III in 2016. Since taking over as co-heads, Mr. Hirschberg and Mr. Weidhorn have built out a dedicated team of 23 professionals with capabilities in acquisitions, asset management, financing, construction management, and accounting.

Strategy

H.I.G. Realty believes that the next several years will offer compelling opportunities for the Fund to make attractive investments in underperforming real estate primarily due to undercapitalized assets in need of renovation and/or repositioning and favorable real estate fundamentals in select markets and sectors. H.I.G. will look to implement an investment strategy that seeks to acquire assets which H.I.G. classifies as being in the small/mid-cap segment of the market, and they will collaborate with best-in-class local operating partners to develop creative and effective business plans, and ultimately execute a successful turnaround of the investments.



The Fund will also look to acquire assets that meet the follow criteria:

- Underperforming, capital-starved,
- Unfavorable existing debt terms and/or impending debt maturities,
- Motivated/distressed sellers and or,
- Other special situations.

After successfully acquiring an asset that falls within this criterion, the H.I.G. team will look to recognize the inherent value through designing and implementing effective repositioning and value-added plans. These plans may take the form of capital improvements, cosmetic upgrades, lease up, expense reduction, and adaptive reuse or redevelopment. Ultimately these value creation tactics will look to drive outsized net operating income growth, leading to additional value being created at the asset level.

Within opportunistic investing, H.I.G. Realty has a unique philosophy, approach, and advantage, which RVK believes has the potential to produce attractive risk adjusted returns. The team has identified sectors based on their macro-outlook in which they will seek to make investments. However, many of these sectors have already garnered high levels of interest from many institutional investors which has resulted in competitive pricing. Due to this, the team will look for creative ways to gain exposure to these sectors, such as in smaller assets with smaller tenants where there is potentially greater complexity. The expectation here is that the team will be able to fly under the radar of larger investors and acquire assets at an attractive basis. Below are some of the methods through which the team will look to build out creative sector exposures:

- Making use of the broader H.I.G. ecosystem, specifically the expertise of the Firm's private credit and private equity professionals. Their ecosystem provides the real estate team with superior tenant insights which drive investment decisions and business plans.
- Focusing investments in areas where there is a mismatch between institutional capital penetration and opportunities. Namely, focusing on smaller assets and tenants, where there is less competition.
- Utilizing their long-standing relationships with on the ground operating partners to generate attractive deal flow and insights.

Merits

Several specific advantages drive our recommendation of H.I.G. Realty Fund IV at this time, with the most prominent highlighted in detail below.

- **Flexible Investment Strategy:** With the heightened level of uncertainty in the property markets that has followed the global health pandemic, there is expected not only to be potential disruption but also attractive investment opportunities. When compared to their peers, we believe H.I.G. Realty possess a competitive advantage in that they have a broader investment opportunity set such that they are not confined to sectors, markets or equity only investments. The team will pursue investments across the capital stack (debt and equity) and in sectors that they believe will benefit



from near term price disruption. With the Fund not being constrained to sectors or markets, they are likely to remain nimble and able to invest in the most attractive investments sourced by either the team or their local operating partners.

- **H.I.G. Capital Ecosystem Synergies:** H.I.G. Capital has three primary lines of business; private equity, private credit and private real estate. These three verticals within the firm provide for a unique sharing of information and create an ecosystem from which H.I.G. Realty Fund IV is expected to benefit. This ecosystem provides the real estate team with superior tenant insights which drive investment decisions and business plans, and thus potential outcomes. The H.I.G. ecosystem has already shown to be extremely valuable as illustrated in early deals in Fund IV. One recent example was the Fund's acquisition of a research and development facility in Princeton, NJ whereby the real estate team was able to utilize the bio-health expertise of H.I.G.'s private equity team, when underwriting the asset. To date, this asset has already been partially realized and is outperforming underwriting.
- **Smaller Asset Focus and Tenant Credit Quality Emphasis:** In line with H.I.G. Capital's philosophy, Realty Fund IV will be looking to make investments in smaller assets, as measured by purchase price. Within this segment of the market there are greater inefficiencies as well as a mismatch between opportunities and institutional capital presence. Furthermore, the team will be looking to make investments in assets where tenants are smaller in size, and often privately held, or in deals that are more complex in nature, which also results in lower levels of institutional capital penetration. Both factors, smaller deals as well as smaller tenants, are critical in helping the team steer clear of the record levels of dry powder in the market that will be pursuing opportunistic deals within the same sectors and markets as Realty Fund IV. H.I.G. is uniquely positioned to make investments in this segment of the market because of the informational advantage their ecosystem provides relative to their peers.
- **Targeting a Short Hold Period:** In general, opportunistic funds target a shorter hold period relative to value add, core plus and core funds. However, we rarely see a team that is capable of acquiring, repositioning and disposing of investments in the timeframe that H.I.G. Realty is targeting. Based on analysis of the GP's track record, the team has a strong history of realizing investments in short order. One benefit of a shorter hold period is that it forces the team to establish a concise business plan to create value and exit positions in a time efficient manner. Generally, a shorter hold can limit the risk that a finite-life fund may be forced to sell an asset when market conditions weaken. It also allows a finite-life fund to hold onto an asset longer should market conditions not condone a sale within shorter target hold time frame.



Considerations

Although we believe H.I.G. Realty Fund IV presents an attractive investment opportunity that is closely compatible with the ERS Non-Core Real Estate program goals and objectives, we believe there are also several potential considerations associated with an investment in Reality Fund IV, which the Board should be made aware of and carefully evaluate. These are summarized as follows:

- **No Stated Leverage Limit:** The Fund and the H.I.G. Realty platform historically have not had stated debt limits as measured by a loan-to-value (“LTV”) ratio. This is an elevated concern given the potential risk unchecked leverage can introduce into a portfolio if there was a significant market drawdown over the life of the fund. The fund’s position is non-market standard and required additional levels of scrutiny.

Upon further diligence, we feel this risk is reduced by their actual historical leverage utilization. The fund series has operated with levels closer to peers and industry averages. With Fund III, the team managed the average LTV in the low to mid 65% range, well within market expectations of a value-add strategy and below other opportunistic strategy’s stated maximums. Further, the team strives to match the term of the loan with the duration of the asset’s business plan.

We recommend LPs consider engaging in the side-letter that RVK has negotiated with H.I.G. that sets a limit of 75% Loan-to-Value on the Fund’s assets and offers guidance as to a potential remedy should they breach the LTV cap.

- **Real Estate Valuations:** Although the GP provides nuanced approaches to investing in opportunistic real estate that may mitigate the impact of record levels of dry powder, it cannot be overlooked as a potential headwind to returns. The opportunistic real estate landscape has seen a high level of capital chasing deals, with a new record of \$135 billion being reached in 2019. Furthermore, with low levels of transactions over the course of 2020 there has been more pressure placed on capital chasing opportunistic returns to be put to work. All this pent-up demand and dry powder may greatly diminish return expectations.
- **Real Estate Platform Relunched in 2012:** The platform experienced an atypical evolution and history since H.I.G. Capital first built out their in-house real estate capabilities in 2006. The original Cronus team that led Fund I investments, never fully integrated with the broader H.I.G. platform, contributing to the initial poor performance of Fund I. The senior leaders from Cronus were dismissed in 2010 and subsequently replaced by David Hirschberg and Ira Weidhorn, who remain the co-heads of H.I.G. Realty to this day and have co-managed Fund I dispositions, as well as co-managed Fund II and III. With the re-launch of H.I.G. Realty, the Firm took the opportunity to better integrate the three primary business lines within H.I.G. Capital (private equity, private credit, and private real estate) to allow for better synergies and decision making. Since Mr. Hirschberg and Mr. Weidhorn took over as co-heads of H.I.G Realty in 2012 they have built out the in-house real estate



team and capabilities, and have seen very low levels of professional turnover, especially at the senior level.

- **Valuation Policy:** Through our due diligence, we noted an exception to market standard. The H.I.G. Realty platform does not utilize traditional third-party valuations. At least annually, it is common practice to have assets valued by an external third party or third-party appraisal consultant. H.I.G operates under a different model in that they utilize their own internal valuation process in accordance with their stated valuation policy. We reviewed the H.I.G. Realty Partners IV, L.P. Valuation Policy and Process for robustness and proper risk controls. The document clearly states the objectives and methodologies requisite to execute a proper process and policy, which we view to be satisfactory. Furthermore, historically H.I.G. has been conservative on the conservative end with what they value and hold assets at. Potential risks are reduced further when viewed through the context lens of the Fund's lenders. Lenders make an independent appraisal of value before extending debt to the barrower, in this case H.I.G. as the GP. We recommend LPs review the Valuation Process & Policy documents when considering committing capital to understand their processes and policies more fully in place.

Track Record

The below table provides an overview of the platform's performance. Given Preqin's various survivorship and reporting biases, we believe the H.I.G. Realty Partners platform performance reflects above-average returns for funds as compared to the full opportunistic universe.

Fund	Vintage Year	Commitments (\$M)	Net IRR	Quartile	Net Multiple	Quartile
Fund II	2012	440	9.1%	3	1.4	2
Fund III	2016	714	12.7%	2	1.3	2

Recommendation

RVK recommends that the City of Jacksonville Employees' Retirement System commit \$25 million to H.I.G. Realty Fund IV, L.P to continue to diversify the Plan's real estate allocation with a diversified opportunistic real estate strategy, which will serve as a strong initial building block to the plans Non-Core Real Estate allocation.



Summary of Key Terms

Targeted Commitments	\$750 million with \$1 billion hard cap
Targeted Gross IRR	17-20% and 2.0+ MOIC
Expected Term	8 years with two, one-year extension options as the discretion of the general partner.
The Fund	H.I.G. Realty Fund IV, L.P.
General Partner	H.I.G. Realty Advisors IV, LLC
General Partner Commitment	4%
Commitment Period	4 years from the effective date
Management Fee	1.5% of the aggregate Commitments during the commitment period, after which, the Management Fee will equal 1.5% of (i) the aggregate Commitments called by the Fund less (ii) distributions constituting returns of capital.
Preferred Return	8%
Carried Interest	20% of distributions over an 8% preferred return with a 50% catch up provision
Distribution Policy	<p>80% of all income and losses, including net realized capital gains on long-term investments, will be allocated to the capital accounts of all Partners in proportion to their respective funded Commitments, and 20% will be allocated to the General Partner's capital account on account of its carried interest.</p> <p>Other allocations will be made in order to implement (i) a preferred return on the Partners' funded Commitments at a rate of 8% per annum compounded annually ("Preferred Return"), calculated in the manner provided in the Fund Agreement and (ii) a 50% "catch-up" allocation to the General Partner until the General Partner has been allocated 20% of the amounts allocated as Preferred Return and in this clause.</p> <p>Allocation of Income, Expenses, Gains and Losses", applied on an aggregate basis covering all transactions of the Fund, but in no event more than the cumulative distributions received by the General Partner with respect to its carried interest, less income taxes thereon.</p>
Leverage/Borrowing Limit	No stated limit. RVK has secured a side letter limiting leverage to 75% at the Fund level.



H. I. G.

C A P I T A L



H.I.G. REALTY PARTNERS IV
PREPARED AT THE REQUEST OF RVK

AUGUST 2021

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See Endnotes for important information.

- **Executive Summary and Firm Overview**
- H.I.G. Realty Partners IV Overview
- H.I.G. Realty Partners II & III Portfolio Review
- Appendix
 - Team Experience & Biographies
 - Supplemental Information: Contact Information and End Notes

DIFFERENTIATED INVESTMENT STRATEGY – NORTH AMERICAN SMALL-CAP FOCUS:

- Fund IV will seek to invest in small-cap North American assets, with gross asset values (“GAV”) typically less than \$200mm
- Specialize in the acquisition, rehabilitation, and repositioning of capital starved and/or poorly managed assets
- Target diverse portfolio with equity investments of \$10 – \$50mm

COMPELLING MARKET ENVIRONMENT:

- Inefficiencies in the small- to mid-cap market have been amplified as a result of the COVID-19 outbreak
- Market dislocation has reset valuations, creating opportunities to purchase high-quality assets at an attractive basis

EXTENSIVE SOURCING INFRASTRUCTURE:

- Source off-market deal flow by identifying inefficient sales processes: distress/fatigued ownership, off-market, non-economic and corporate sellers, recapitalizations
- Access to large and proprietary H.I.G. network of operating partners and transaction sources

H.I.G. VALUE-ADD:

- Extensive expertise up-and-down the capital stack critical in navigating complex and distressed transactions
- Hands-on, value-added, operationally-focused approach that seeks to generate substantial asset appreciation

DEMONSTRATED TRACK RECORD:

- Manages \$1.7bn¹ in U.S. small-cap, value-add and opportunistic real estate investments; executed 61 transactions in the U.S. since 2012*
- Generated realized² gross³ and net⁴ IRRs of 26% and 22%, respectively, and have projected total gross⁵ and net⁶ IRRs of 22% and 15%, respectively^{7*}

DEEP AND EXPERIENCED LEADERSHIP:

- Seasoned team of 20 investment professionals with over 275 years of combined experience
- 28+ year history of investing in complex situations in small cap, private markets
- Global network of ~490 H.I.G. investment professionals

*Note: Transaction count includes only U.S. Fund II, III, and IV. Realized returns include only U.S. Fund II and III; Total returns include only U.S. Fund II, III and IV. See page 16 and Endnotes for additional information regarding H.I.G. Realty Partners Returns.

H.I.G. manages over \$45bn¹ of capital through a number of highly interconnected and synergistic strategies focused on the small-cap market

REAL ASSETS



PRIVATE EQUITY



CREDIT



VALUE-ADD / OPPORTUNISTIC

- Asset repositionings
- Turnaround opportunities
- Underperforming assets
- Stressed / distressed situations

ADVANTAGE

- Target Western Europe and the Nordics
- Stable income assets
- Focus on downside protection
- Cash yield component

AUM: \$3.5 bn¹

SMALL-CAP / MID-MARKET BUYOUTS

- Operational turnarounds
- Corporate divestitures
- Stressed / distressed buyouts
- Public-to-private transactions

GROWTH EQUITY

- Growth capital to high-growth, small-cap businesses
- Expansion capital
- Founder liquidity
- Biopharma, medical devices and diagnostics

AUM: \$20.7 bn¹

AUM: \$2.4 bn¹

PERFORMING LOANS

- CLOs and BDC
- Middle market direct lending
- Primary loan issuance
- Refinancing of current debt
- Invest across capital structure

DISTRESSED / STRESSED DEBT

- Control and non-control
- Restructurings / turnarounds
- Chapter 11 and out-of-court reorganizations
- Special situations and structured credit

AUM: \$17.9 bn¹

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Significant opportunity in distressed and / or mismanaged and capital starved small-cap assets where H.I.G. can apply its value-add strategy to deliver outsized returns

Inefficient Small-Cap Market: More attractive asymmetric risk-return, driven by a less competitive market

Gross Target Return: 17 – 20% IRR, 2.0x+ MOIC⁹

H.I.G. Value-Add: Ability to source, diligence, price, rehabilitate, re-develop, re-position and re-brand distressed, capital starved and/or mismanaged assets

Target Equity Investment: \$10 – \$50mm

Target LTV: 65% - 70%

Target GAV: Typically less than \$200mm

Sector Focus: Nimble, sector agnostic approach capturing the best relative value throughout the inefficient small-cap market while applying moderate leverage

Geographic Focus: North America – Targeting Top 30 MSAs

Target Average Holding Period: 4 years

Diverse Target Portfolio: 30 – 35 transactions

H.I.G. Realty IV Activity Summary

H.I.G. Realty generated a strong performance across the portfolio in 2020 by capitalizing on COVID-19 related market conditions and investing in resilient assets

- **2020 and Early 2021 Investments:**
 - Deployed \$86M* in 5 equity investments
 - Focused on resilient asset classes including multifamily, industrial, and life science properties
- **Portfolio Performance Update:**
 - Generating strong cash-on-cash returns
 - H.I.G. value-add execution well-ahead of schedule, with two investments likely to be fully or partially realized during 2021
 - Q1 2021 portfolio current mark of a gross 1.5x MOIC (60% gross IRR)³

(\$ in mm)						Projected Gross ⁵	
Date of Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	MOIC	IRR
February 2020	Florida-Texas LIHTC Portfolio	Tampa / Jacksonville, FL Austin / Dallas, TX	Multifamily	688 Units	\$18.6	2.4x	17.1%
February 2020	2 East Oak	Chicago, IL	Multifamily	304 Units	\$22.1	2.0x	19.1%
June 2020	Princeton R&D Portfolio	Hopewell, NJ	Life Sciences Office	1,100,000 SF	\$17.1	6.3x	84.4%
October 2020	Project Quad	Major U.S. MSAs	Industrial	~650,000 SF	\$13.8	2.0x	105.0%
May 2021	Huntsville Industrial	Huntsville, AL	Industrial	560,000 SF	\$14.0	2.0x	19.3%
Total (Gross)					\$85.6	2.9x	45.6%



FL-TX LIHTC Portfolio – Jacksonville, FL



2 East Oak



Princeton R&D Portfolio

* Includes \$5.4 million in co-investment capital for Florida-Texas LIHTC Portfolio

H.I.G. Realty is capitalizing on a fertile investment and attractive pricing environment following the COVID-19 market dislocation with over \$655mm in opportunities

H.I.G. Realty IV Themes & Attributes

- **The post COVID-19 pipeline is focused on transactions that:**
 - Repriced post COVID-19, improving the return profile;
 - Restructured post COVID-19, moving “up” in the capital structure;
 - And / or have a “distress” or “rescue” angle
- **Typical themes include:**
 - Buyers who have funded a non-refundable deposit, but need additional equity or debt to close
 - Sellers, including corporates, who need cash quickly to solve other problems
 - Lender driven processes
- **H.I.G. has maintained its focus on resilient asset classes positioned to perform through cycles**

Selected H.I.G. Realty Pipeline Transactions¹⁰

(\$ in mm)

Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Projected Gross ⁵	
					MOIC	IRR
New York Distribution Center**	New York (MSA)	Industrial	933,000 SF	\$32.6	2.2x	35.7%
Atlanta Industrial*	Atlanta, GA	Industrial	1,038,520 SF	12.6	2.3x	31.9%
Orlando Multifamily*	Orlando, FL	Multifamily	330 Units	25.5	2.1x	20.9%
Southern California Industrial**	Los Angeles (MSA)	Industrial	3,400,000 SF	65.9	2.6x	24.7%
Northern NJ Life Science Campus	Northern NJ	Life Science	2,000,000 SF	55.0	2.1x	20.0%
Baltimore Industrial	Baltimore, MD	Industrial	1,803,000 SF	32.9	2.0x	21.2%
Dallas Industrial	Dallas, TX	Industrial	765,798 SF	12.8	2.0x	22.0%
Condo De-Conversion Strategy	Chicago, IL	Multifamily	1,350 units	90.0	2.5x	29.1%
Santa Clarita Industrial	Santa Clarita, CA	Industrial	992,000 SF + 20 AC	61.9	2.5x	30.8%
Vitalia Midwestern Senior Housing Portfolio	Ohio (Various)	Senior Living	860 Units	90.0	2.0x	20.0%
Lake Tahoe Hotel	Lake Tahoe, CA	Hotel	399 Rooms	45.0	2.1x	19.0%
Northern Dallas Office Portfolio	Dallas (MSA)	Office	540,000 SF	20.0	2.4x	21.0%
Charlotte Multifamily	Charlotte, NC	Multifamily	626 Units	64.3	2.0x	21.7%
Florida Multifamily	Tallahassee, FL	Multifamily	536 Units	25.0	2.0x	18.0%
New York Distressed Industrial	New York, NY	Industrial	600,000 SF	21.6	2.1x	20.0%
Current Pipeline (Gross)				\$655.1	2.2x	23.9%

Note: Selected list of opportunities from the current investment pipeline as of July 2021. There can be no assurance that pipeline transactions will close; * Denotes IC approved investment; ** Signed Purchase and Sale Agreement

Huntsville, AL



Transaction Summary:

Off-market industrial asset acquisition from a local seller

Acquisition Date:

Q2 2021

Asset Class:

Industrial

Seller:

Private Individual

Source:

Relationship Transaction / Off-Market

H.I.G. Projected Equity:

\$14.0mm¹¹

Projected Gross Returns⁵

IRR	19%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Industrial property (565,000 SF) located adjacent to the Huntsville International Cargo Airport and the Intermodal Rail Terminal in Huntsville, AL; ~10% cap rate.
- The Property is 100% leased to Kohler with 5 years of remaining term, and contains 8 acres of excess parking fields that are currently occupied by FedEx for logistics and 3PL vehicles.
- Small cap, complex / structured execution which leveraged the synergies and knowledge of H.I.G. Capital's private equity platform and strong lender relationships.
- Representative of H.I.G. Realty's ability to source off-market industrial acquisitions through its unique "liquidator" channel.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. Realty believes that the Property's location (i) adjacent to the Huntsville International Airport (one of the largest international cargo airports in the U.S.) and the Huntsville Intermodal Rail Terminal, (ii) within the premier industrial submarket in Huntsville, and (iii) in proximity to the Redstone Arsenal (a major military base and rocket testing facility) and the new \$2.3B Mazda-Toyota plant (which will also bring new automotive suppliers to the market) all provide a competitive future leasing advantage to other assets in less infill locations.
- Absentee landlord did not provide either tenant with a market TI package, providing H.I.G. with the opportunity to engage in lease extension discussions that will enhance the value of the property.
- H.I.G. Realty's robust lender relationships enabled the investment team to secure attractive debt financing in four weeks.

Major U.S. MSAs



Transaction Summary:

COVID-19-induced sale/leaseback of industrial assets across the U.S.

Acquisition Date:

Q4 2020

Asset Class:

Industrial

Seller:

Private Corporate

Source:

Relationship Transaction / Off-Market

H.I.G. Projected Equity:

\$13.8mm¹¹

Projected Gross Returns⁵

IRR	105%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Portfolio of industrial assets (~650,000 SF) located throughout the U.S. (the “Portfolio”) purchased from a privately held company (the “Seller” or the “Tenant”) at a 40%+ discount to replacement cost.
- Portfolio located in “last mile” infill locations in or near major metropolitan areas.
- At closing, H.I.G. entered into a 12-year triple net lease with the Seller at a 10% capitalization rate with annual increases.
- Off-market, small cap, complex / structured execution which leveraged the synergies and knowledge of H.I.G. Capital’s private equity platform.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. Realty believed that the Portfolio would have significant value whether the tenant remained or vacated the property due to attractive submarket dynamics.
- Private equity team provided insight on the Tenant’s balance sheet and leading market position.
- Sourced via a close H.I.G. relationship; the same equipment liquidator involved in the Fund III Newnan investment.
- Strong lender relationships helped secure attractive financing to meet an accelerated deadline.

Performance Update

- H.I.G. expects to exit this investment after a one-year hold, producing returns of approximately a 105% IRR and 2.0x MOIC.
- Strong current market validation with an unsolicited bid at a 7.1% cap rate and third-party broker valuations supporting a 2.0x MOIC.⁵
- Investment was marked up two months after acquisition to 1.7x MOIC in Q1 2021.³

Princeton, NJ



Transaction Summary:

Pharma R&D campus;
COVID-impaired sale

Acquisition Date:
Q2 2020

Asset Class:
Life Sciences Office

Seller:
Public Corporate

Source:
Broken Sale Process

H.I.G. Projected Equity:
\$17.1mm¹¹

Projected Gross Returns⁵

IRR	84%
MOIC	6.3x

Transaction Highlights and Post-Investment Update

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.
- 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.
- Small-cap, complex execution, leveraging H.I.G.'s BioHealth team's knowledge.

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. learned of the sale, quickly evaluated the opportunity and through lender relationships, secured the financing for a timely execution.
- H.I.G.'s BioHealth team helped assess the campus' quality and confirmed the strong leasing demand for pharmaceutical-grade lab space in the area.
- Diverse campus positioned to be sold in multiple parts, mitigating downside scenarios.

Performance Update

- Executed leases for 30% of the space with top-tier tenants, well-ahead of underwriting projections.
- Inbound inquiries for space have increased meaningfully post-COVID.
- Under contract with a pharmaceutical company to purchase half of the land and one building for \$75mm, representing a partial realization that would generate a 2.0-2.5x MOIC without accounting for the remaining portfolio's unrealized value.^{2,3}
- Investment was marked to 2.0x in Q1 2021.³

Florida / Texas, USA



Transaction Summary:

Four property multifamily portfolio

Acquisition Date:

Q1 2020

Asset Class:

Multifamily

Seller:

Local Developer

Source:

Programmatic Partnership

H.I.G. Projected Equity:

\$18.6mm¹¹

Projected Gross Returns⁵

IRR 17%

MOIC 2.4x

Transaction Highlights and Post-Investment Update

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.

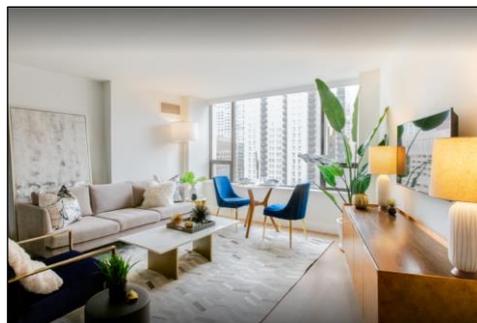
H.I.G. Investment Thesis and Unique Approach

- H.I.G. 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. 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. projected occupancy of 97.5% throughout the investment period.
 - H.I.G. 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 Update

- Increased occupancy from 95% at acquisition to 98% currently.
- Implemented expense savings program which is projected to generate savings in utilities, turnover, contract services, and maintenance costs in 2021.
- At one of the properties, H.I.G. identified the opportunity to renovate the market rate units and increase rents. To date, H.I.G. has completed renovations of four units, generating a return on cost of ~50%. H.I.G. will continue to upgrade the remaining market rate units as they roll (rent upside from renovations was not initially underwritten).
- To date, H.I.G. has received \$567k in distributions (3% of equity invested in the deal). The Portfolio will make recurring operating distributions throughout 2021.

Chicago, IL



Transaction Summary:

Condo de-conversion into multifamily

Acquisition Date:

Q1 2020

Asset Class:

Multifamily

Seller:

Unsophisticated Seller:
Condominium Association

Source:

Relationship Transaction /
Off-Market

H.I.G. Projected Equity:

\$22.1mm¹¹

Projected Gross Returns⁵

IRR	19%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Residential property located in upscale Gold Coast neighborhood of Chicago, Illinois consisting of 304 individually owned condominium units.
- At closing, H.I.G. de-converted the Property from condominium units to a multifamily rental building.
- Off-market, complex execution which limited the competitive buyer pool at acquisition.

H.I.G. Investment Thesis and Unique Approach

- Opportunity to “create” multifamily rental property in irreplaceable location using condo de-conversion strategy, at significant discount to comparable market sales.
- Replicate business plan which was successful at Kennelly Square (H.I.G.’s first condo de-conversion), a 268-unit residential building located adjacent to Lincoln Park, which H.I.G. acquired in May 2018.
 - H.I.G. has achieved a return on cost of 25%-30% on unit renovations at Kennelly Square and has returned 100% of its equity through a refinancing and operating cash flow.

Performance Update

- Completed the renovation of approximately 65% of units and upgraded common areas and amenities in the first year of ownership (ahead of initial underwritten schedule).
- Completion of amenities positions H.I.G. to offer newly renovated product during the 2021 Spring/Summer leasing season.
- Projecting significant leasing velocity over the next two quarters; expect property to achieve nearly 90% occupancy by year-end 2021.

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H.I.G. Realty Partners (U.S.) - Portfolio Summary

Fund		Vintage		Fund Size		H.I.G. Equity*		Realized Value		Proj. Total Value		Realized				Current				Projected			
												IRR		MOIC		IRR		MOIC		IRR		MOIC	
												Net ⁴	Gross ³	Net ⁶	Gross ⁵	Net ⁶	Gross ⁵						
H.I.G. Realty Partners II ^{12**}	2012	\$400	\$440	\$468	\$710	22%	26%	1.6x	1.9x	12%	17%	1.4x	1.6x	14%	19%	1.6x	1.8x						
H.I.G. Realty Partners III ^{13***}	2016	\$714	\$659	\$182	\$963	19%	24%	1.5x	1.7x	10%	15%	1.3x	1.5x	15%	20%	1.7x	2.0x						
H.I.G. Realty U.S. Funds ⁷			\$1,099	\$649	\$1,674	21%	26%	1.6x	1.8x	11%	16%	1.3x	1.5x	15%	19%	1.6x	1.9x						

U.S. Realty platform has invested over \$1bn and realized \$649mm, generating returns that have consistently exceeded our target while applying moderate leverage



Dallas-Atlanta Portfolio



E*Trade Data Center



Bainbridge Clearwater

Data as of March 31, 2021

* Includes projected equity.

** H.I.G. Realty Partners II returns exclude condominium investments in New York City. See endnote 12.

*** H.I.G. Realty Partners III Fund Size and H.I.G. Equity includes co-investment capital. Returns reflect performance of the "onshore fund". See endnote 13.

H.I.G. Realty has capitalized on current market conditions for select asset classes and geographies to realize attractive exit opportunities for its existing portfolio

- Realty II and III have generated \$649mm in proceeds from realized and partially realized investments², resulting in a gross realized IRR and MOIC of **26%** and **1.8x**, respectively³
 - Realty II and III have generated \$649mm in realized proceeds as of March 31, 2021
 - Realty II: Realized 17 out of 23 investments (ex-condos) generating a realized gross IRR of 26% and MOIC of 1.9x as of March 31, 2021
 - Realty III: Realized 5 out of 30 investments, generating a realized gross IRR of 24% and MOIC of 1.7x as of March 31, 2021
- Proforma for Q2 and Q3 2021 exits, Realty III generated a realized gross IRR of 26.5% and a MOIC of 1.8x
- YTD 2021, Realty III has realized approximately \$77mm in actual gross proceeds from three investment exits*
- Realty III is expected to generate an additional \$103mm in gross proceeds for the remainder of 2021 from partial and full investment exits

YTD July 2021 Exit Activity in Fund III

DA Portfolio**

32.4% Gross IRR³
2.1x Gross MOIC³

- 12-property, 1.7mm SF industrial portfolio located in Dallas, Texas and Atlanta, Georgia
- Purchase price represented 50% of replacement cost and a going-in cap rate of 8.1%
- Portfolio had been mismanaged, providing H.I.G. with immediate opportunity to increase rent
- Sold the portfolio in July 2021 for \$146.0 million, generating \$50.1 million in proceeds

Grand Montecito

21.3% Gross IRR³
1.8x Gross MOIC³

- 177K sq ft Class “A” office space in Las Vegas, Nevada
- H.I.G. Realty acquired the asset at an attractive basis due to a near-term lease maturity
- H.I.G. significantly de-risked its investment prior to acquisition by extending the anchor tenant’s lease by seven years, generating substantial value in the process
- Sold the property in May 2021 for \$49.1 million, generating \$15.7 million in proceeds

Spanish Ridge

14.0% Gross IRR³
1.6x Gross MOIC³

- 112,965 SF class “A” office portfolio located in the Southwest submarket of Las Vegas, Nevada
- Property was acquired at a distressed valuation due to the prior owner’s bankruptcy
- H.I.G. leased up property to 100% occupancy (from 56% at acquisition)
- Sold the property in May 2021 for \$31.8 million, generating \$11.1 million in proceeds to Fund III

Note: As of March 31, 2021. Excludes the Fund’s three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.

* As of March 31, 2021, \$84 million was projected in realized proceeds for the three investments exited after Q1’21

** Denotes projected returns for DA Portfolio as of March 31, 2021. Actual returns as of July 2021 are 28.4% gross IRR and 2.0x gross MOIC.

Realized Investments²

(\$ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross ³	
									MOIC	IRR
Jul-16	Newnan Distribution Center	Atlanta, GA	Industrial	1,917,084 SF	\$7.1	\$14.8	-	\$14.8	2.1x	40.2%
Oct-16	Windsor House	San Antonio, TX	Multifamily	322 Units	11.3	\$11.9	-	11.9	1.1x	1.8%
Jun-17	Newmarket Business Park	Atlanta, GA	Office	471,486 SF	10.0	\$16.6	-	16.6	1.7x	45.8%
Aug-17	Garrison Park	Charlotte, NC	Multifamily	322 Units	12.4	\$19.4	-	19.4	1.6x	28.3%
Sep-17	Spanish Ridge *	Las Vegas, NV	Office	112,965 SF	7.8	1.0	11.6	12.6	1.6x	14.0%
Dec-17	Bainbridge Clearwater	Clearwater, FL	Multifamily	360 Units	23.0	46.1	0.4	46.5	2.0x	29.7%
Jan-18	Grand Montecito *	Las Vegas, NV	Office	177,007 SF	9.8	1.9	15.7	17.5	1.8x	21.3%
Jun-18	Dallas-Atlanta Portfolio *	Dallas, TX and Atlanta, GA	Industrial	1,717,065 SF	33.2	14.0	56.8	70.8	2.1x	32.4%
Realized Investments (Gross)					\$114.7	\$125.7	\$84.4	\$210.1	1.8x	26.5%
Realized Investments (Net)⁴									1.6x	21.5%

Unrealized Investments

(\$ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross ⁵	
									MOIC	IRR
Dec-15	Northridge at Westfields	Chantilly, VA	Office	100,000 SF	\$5.7	\$1.6	\$15.4	\$17.0	3.0x	22.8%
Jan-16	Hyatt Regency	Cincinnati, OH	Hotel	491 Rooms	20.8	8.7	27.4	36.2	1.7x	11.3%
Mar-16	Four Points by Sheraton Boston	Boston, MA	Hotel	180 Rooms	12.1	0.4	14.4	14.7	1.2x	3.5%
Jun-16	Garland Center	Los Angeles, CA	Office / Data	728,227 SF	27.4 (a)	9.9	53.1	63.0	2.3x	20.6%
Sep-16	Charter Court Apartments	Philadelphia, PA	Multifamily	510 Units	14.6	4.8	16.2	21.0	1.4x	9.7%
Nov-16	Sheraton Galleria	Dallas, TX	Hotel	309 Rooms	16.2	-	26.8	26.8	1.7x	8.9%
Aug-17	Greenspoint Place	Houston, TX	Office	2,132,652 SF	40.0 (a)	-	95.9	95.9	2.4x	27.1%
Sep-17	47 E 34th St	New York, NY	Multifamily	110 Units	21.3	-	34.8	34.8	1.6x	11.4%

Note: As of March 31, 2021. Total equity includes onshore & offshore funds. Net returns shown for onshore fund only. Offshore fund returns, which are subject to additional tax, are 1.4x and 10.8%

(a) Excludes additional co-investment capital.; * Denotes deals realized after Q1'21

Unrealized Investments

(\$ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross ⁵	
									MOIC	IRR
Oct-17	The Grande at Metro Park	Woodbridge, NJ	Multifamily	232 Units	19.0	0.3	33.4	33.7	1.8x	16.7%
Mar-18	The Flats at Big Tex	San Antonio, TX	Multifamily	336 Units	20.9	0.7	39.7	40.3	1.9x	15.3%
May-18	Kennelly Square	Chicago, IL	Multifamily	268 Units	17.4	14.5	24.5	39.0	2.2x	26.0%
Jun-18	Murdock Circle	Port Charlotte, FL	Multifamily	264 Units	5.6	1.6	14.6	16.2	2.9x	26.7%
Jun-18	E*Trade Data Center	Atlanta, GA	Data Center	165,000 SF	20.0	4.5	38.6	43.1	2.2x	31.4%
Aug-18	M South Apartments	Tampa, FL	Multifamily	288 Units	15.7	1.1	31.4	32.5	2.1x	21.0%
Oct-18	North Houston Hotels	Houston, TX	Hotel	870 Rooms	30.6	-	54.3	54.3	1.8x	15.5%
Dec-18	4-10 108th Street	New York, NY	Multifamily	50 Units	9.2	-	13.4	13.4	1.5x	10.0%
Dec-18	Other Investments (b)	Various	Various	NA	15.2	3.0	23.8	26.8	1.8x	17.0%
Jan-19	Historic Hollywood	Los Angeles, CA	Multifamily	152 Units	15.2	-	28.3	28.3	1.9x	15.1%
Feb-19	Coastline Cove	Daytona, FL	Multifamily	208 Units	7.3	0.9	16.2	17.1	2.4x	22.0%
Mar-19	Westchester	Westchester, NY	Light Industrial	3,187,909 SF	25.0 (a)	2.1	57.0	59.1	2.4x	24.6%
Jun-19	Watermark	Norfolk, VA	Multifamily	180 Units	11.1	1.2	25.0	26.2	2.4x	21.8%
Nov-19	Atlanta R&D / Flex Portfolio	Atlanta, GA	Industrial Flex	172,881 SF	6.5	0.8	12.0	12.8	2.0x	21.6%
Fund III Investments to Date (Gross)					\$491.5	\$181.7	\$780.6	\$962.3	2.0x	19.6%
Fund III Investments to Date (Net)⁶									1.7x	15.0%

Note: As of March 31, 2021. Total equity includes onshore & offshore funds. Net returns shown for onshore fund only. Offshore fund total net projected IRR and MOIC, which are subject to additional tax, are 1.4x and 10.8%, respectively.

(a) Excludes additional co-investment capital.

(b) Other investments includes real estate credit investments.

Realized Investments²

(\$ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross ³	
									MOIC	IRR ¹⁴
Jun-12	Villas at Shadow Creek Ranch	Houston (MSA), TX	Multifamily	560 units	\$14.4	\$26.4	-	\$26.4	1.8x	34.9%
Aug-12	Milestone Multifamily	Various	Multifamily	3,986 units	46.6	103.1	-	103.1	2.2x	31.5%
Nov-12	East Side Portfolio	New York, NY	Multifamily	303 units	18.7	36.7	-	36.7	2.0x	35.5%
Dec-12	Hilton Tampa	Tampa Bay, FL	Hotel	521 rooms	14.9	31.6	-	31.6	2.1x	25.2%
Apr-13	UNC - Wilmington	Wilmington, NC	Student Housing	348 beds	4.5	9.0	-	9.0	2.0x	26.7%
Apr-13	Abacoa	Jupiter, FL	Multifamily	304 units	10.6	19.8	-	19.8	1.9x	26.2%
Apr-13	University of Arizona	Tucson, AZ	Student Housing	232 beds	4.0	6.9	-	6.9	1.7x	15.6%
Jul-13	Columbia Medical Campus	Baltimore (MSA), MD	Medical Office	155,314 SF	7.8	14.0	-	14.0	1.8x	31.7%
Jul-13	Pittsburgh Sheraton	Pittsburgh, PA	Hotel	399 rooms	25.9	3.6	-	3.6	0.1x	NM
Oct-13	Hilton Cocoa Beach	Cocoa Beach, FL	Hotel	296 rooms	9.0	28.0	-	28.0	3.1x	65.8%
Oct-13	Ascent 430	Pittsburgh (MSA), PA	Multifamily	319 units	8.8	19.4	-	19.4	2.2x	19.4%
Nov-13	Farmingdale Station	New York (MSA), NY	Multifamily	154 units	11.8	14.8	0.1	14.9	1.3x	4.4%
Mar-14	The Offices at Braker Center	Austin, TX	Office	546,984 SF	14.9	25.5	-	25.5	1.7x	22.2%
Jun-14	Austin Doubletree	Austin, TX	Hotel	194 rooms	6.5	9.7	-	9.7	1.5x	13.0%
Dec-14	Southeast Portfolio	Various	Multifamily	844 units	9.8	19.4	-	19.4	2.0x	35.4%
Jan-15	Hyatt Regency Indianapolis	Indianapolis, IN	Hotel	499 rooms	15.8	43.8	-	43.8	2.8x	44.2%
Mar-15	Plantation Ridge	Atlanta (MSA), GA	Multifamily	218 units	3.5	10.8	-	10.8	3.0x	54.1%
Realized Investments (Gross)					\$227.5	\$422.4	\$0.1	\$422.4	1.9x	26.1%
Realized Investments (Net)⁴ (a)									1.6x	22.4%

Note: As of March 31, 2021. Excludes the Fund's three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.

(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

Unrealized Investments

(\$ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross ⁵	
									MOIC	IRR
Dec-12	Salt Creek Medical Campus	Chicago (MSA), IL	Medical Office	191,760 SF	\$17.0	\$12.8	\$10.8	\$23.7	1.4x	4.8%
May-13	Ocean Pointe	Stuart, FL	Multifamily	200 units	1.7	\$0.9	6.0	6.8	3.9x	19.4%
Nov-13	University of Louisville	Louisville, KY	Student Housing	758 beds	17.8	-	17.8	17.8	1.0x	0.0%
Jan-14	Summer House	Stamford, CT	Multifamily	226 units	24.1	-	42.1	42.1	1.8x	9.1%
May-14	High Ridge Office Park	Stamford, CT	Office	584,866 SF	27.7	-	60.3	60.3	2.2x	14.8%
Sep-15	Hilton Rockville	Rockville, MD	Hotel	315 rooms	16.9	3.4	24.0	27.3	1.6x	8.4%
Fund II Excluding Condominium Investments (Gross)					\$332.7	\$439.4	\$161.1	\$600.5	1.8x	19.1%
Fund II Excluding Condominium Investments (Net)⁶ (a)									1.6x	14.5%

Note: As of March 31, 2021. Excludes the Fund's three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.

(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

- Executive Summary and Firm Overview
- H.I.G. Realty Partners IV Overview
- H.I.G. Realty Partners II & III Portfolio Review
- **Appendix**
 - Team Experience & Biographies
 - Supplemental Information: Contact Information and End Notes

Investment Committee

SAMI MNAYMNEH Co-Founder & CEO	TONY TAMER Co-Founder & CEO	BRIAN SCHWARTZ Co-President	
DAVID HIRSCHBERG U.S. Real Estate Co-Head Managing Director	IRA WEIDHORN U.S. Real Estate Co-Head Managing Director	JOHN BLACK* Senior Advisor	JEFF WISEMAN* Managing Director

Management – Deal Sourcing – Execution

DAVID HIRSCHBERG U.S. Real Estate Co-Head Managing Director	IRA WEIDHORN U.S. Real Estate Co-Head Managing Director		
MICHAEL MESTEL* Managing Director	STEVEN SCHWARTZ* Managing Director	NAVEEN VENNAM Managing Director	JEFF WISEMAN* Managing Director

ADAM BELFER Principal	SAM EISNER Principal	KEN SENIOR Principal
MAX MANCUSO Vice President	MATT WEYBACK Vice President	WILLIAM FEESER Director of Development & Construction

7 ASSOCIATES

Corporate Team

SUSAN GENTILE Chief Financial & Administrative Officer	JORDAN PEER Managing Director Global Head of Capital Formation	RICHARD SIEGEL General Counsel & CCO
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*Allocates time to other H.I.G. strategies.

Name / Title	Years of Experience	Prior Professional Experience	Education
Sami Mnaymneh* Co-Founder & CEO	33 years	The Blackstone Group Morgan Stanley & Co.	M.B.A. Harvard Business School J.D. Harvard Law School B.A. Columbia University
Tony Tamer* Co-Founder & CEO	37 years	Bain & Company Hewlett-Packard Sprint	M.B.A. Harvard Business School M.S. Stanford University B.S. Rutgers University
Brian Schwartz* Co-President	30 Years	PepsiCo., Inc. Dillon, Read & Co.	M.B.A. Harvard Business School B.A. Stanford University
David Hirschberg* U.S. Real Estate Co-Head Managing Director	29 years	Coventry Real Estate Advisors Citigroup Goldman Sachs	M.B.A. New York University B.S. Lehigh University
Ira Weidhorn* U.S. Real Estate Co-Head Managing Director	25 years	Lubert Adler Lehman Brothers Goldman Sachs	M.B.A. Wharton Business School B.A., B.S. University of Pennsylvania
John Black* Senior Advisor	32 years	Ben Franklin Properties Morris Anderson & Associates Ernst & Young	B.A. Harvard University
Jeff Wiseman* Managing Director	25 years	Allegiant Real Estate Capital Macquarie Group J.E. Robert Company	M.B.A. New York University B.S. Penn State University
Michael Mestel Managing Director	17 years	Square Mile Capital Management Citigroup	B.A. Cornell
Steven Schwartz Managing Director	26 years	Torchlight Investors JP Morgan	M.B.A. New York University B.A. Boston University
Naveen Vennam Managing Director	18 years	Holualoa Companies	B.S. Wharton Business School

*Member of the Investment Committee

Sami Mnaymneh, *Co-CEO*: Mr. Mnaymneh is a co-founder of H.I.G. and is a member of the Investment Committee overseeing the Fund. Mr. Mnaymneh has served as a Managing Partner of the Firm since 1993. He has directed H.I.G.'s development since its inception and, alongside Mr. Tamer, is responsible for the day-to-day management of the Firm and approves all capital commitments made by H.I.G. Prior to founding H.I.G., Mr. Mnaymneh was a Managing Director at The Blackstone Group, a New York-based merchant bank, where he advised Fortune 100 companies. Prior to that time, he was a Vice President in the Mergers & Acquisitions department at Morgan Stanley & Co., where he devoted a significant amount of his time to leveraged buyouts, serving as senior advisor to a number of large and prominent private equity firms. Mr. Mnaymneh received a B.A. degree summa cum laude from Columbia University and subsequently received a M.B.A. degree and a J.D. degree, with honors, from Harvard Business School and Harvard Law School, respectively.

Tony Tamer, *Co-CEO*: Mr. Tamer is a co-founder of H.I.G. and is a member of the Investment Committee overseeing the Fund. Mr. Tamer has served as a Managing Partner of the Firm since 1993. He has directed H.I.G.'s development since its inception and, alongside Mr. Mnaymneh, is responsible for the day-to-day management of the Firm and approves all capital commitments made by H.I.G. Prior to founding H.I.G., Mr. Tamer was a Partner at Bain & Company, one of the world's leading management consulting firms. His focus at Bain & Company was on developing business unit strategies, improving clients' competitive positions, implementing productivity improvement and cycle time reduction programs, and leading acquisition and divestiture activities for Fortune 500 clients. Mr. Tamer has extensive operating experience, having held marketing, engineering and manufacturing positions at Hewlett-Packard and Sprint Corporation. Mr. Tamer holds a B.S. degree from Rutgers University, an M.S. degree in Electrical Engineering from Stanford University and an M.B.A. degree from Harvard Business School.

Brian Schwartz, *Co-President*. Mr. Schwartz joined H.I.G. in 1994 and has served as a Co-President since 2019 and as an Executive Managing Director of H.I.G. since 2008. He currently heads the H.I.G. Advantage team, where he is responsible for all day-to-day activities. Prior to this role, Mr. Schwartz held a number of leadership positions at H.I.G., including co-heading the H.I.G. Middle Market Team. Since joining the Firm, Mr. Schwartz has led over thirty buyout and growth capital investments in a variety of sectors. Mr. Schwartz began his career at Dillon, Read & Co. and previously held various positions at PepsiCo, Inc. Mr. Schwartz sits on the boards of several of H.I.G.'s portfolio companies. Mr. Schwartz earned his Bachelor of Science degree with Honors from the University of Pennsylvania and an M.B.A. from Harvard Business School.

David Hirschberg, *Managing Director*. Mr. Hirschberg is a Managing Director and co-head of H.I.G. Realty Partners. Mr. Hirschberg has 28 years of experience in real estate and investment banking. He is located in H.I.G.'s New York office and is responsible for investment origination, transaction structuring and oversight of the Fund's portfolio. Before joining H.I.G., Mr. Hirschberg was a Managing Partner at Coventry Real Estate Advisors, an investment fund manager that has acquired over \$2.5bn 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, David worked as an Analyst at Goldman Sachs from 1989 to 1992. Mr. Hirschberg earned a B.S. from Lehigh University in 1989 and an M.B.A. from NYU in 1994. Mr. Hirschberg is a Council Member of the Urban Land Institute.

Ira Weidhorn, Managing Director. Mr. Weidhorn is a Managing Director and co-head of H.I.G. Realty Partners. Mr. Weidhorn has 24 years of experience in real estate investing across all property types. He is located in H.I.G.'s New York office and is responsible for investment origination, transaction structuring and the oversight of the Fund's portfolio. Before joining H.I.G., Mr. Weidhorn was a Managing Principal and head of the New York office for Lubert-Adler where he was responsible for new acquisitions and asset management. Previously, he was a Principal in Lehman Brothers Real Estate Partners and an Associate at Goldman Sachs, working in acquisitions for the Whitehall Street Real Estate Funds. 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.

John Black, Senior Advisor. Mr. Black is a Senior Advisor of H.I.G. Growth Equity, H.I.G.'s dedicated growth equity investment group. Since joining in 1996, Mr. Black has led or had a significant role in more than forty H.I.G. investments in technology, media, healthcare, consumer oriented, and business service companies. His investments have supported management in the development and implementation of their growth strategies in a wide range of transaction dynamics including owner-operated/family business recapitalizations, corporate divestitures, take-private transactions, consolidations and minority growth equity investments. Prior to H.I.G., Mr. Black was a senior professional with several leading firms working with lower middle market businesses to identify and implement operational initiatives to enable the businesses to realize their full growth potential. Mr. Black has held several executive level management positions including chief operating officer and chief financial officer. Mr. Black began his career in the Corporate Finance Group at Ernst & Young. Mr. Black received his Bachelor of Arts in Applied Mathematics from Harvard University.

Michael Mestel, Managing Director. Mr. Mestel is a Managing Director and Head of U.S. Real Estate Debt Originations for H.I.G. Realty Partners. Mr. Mestel is located in H.I.G.'s New York City office and is responsible for all aspects of the investment process, including origination, negotiation, structuring and closing of deals throughout the United States. Mr. Mestel brings over 15 years of commercial real estate experience to H.I.G. Before joining H.I.G., Mr. Mestel was a Principal at Square Mile Capital Management where he was Head of West Coast Origination. Prior to 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 earned his Bachelor of Arts in Government from Cornell University.

Steven Schwartz, Managing Director. Mr. Schwartz is a Managing Director of Bayside Capital and is based in New York City where he focuses on distressed commercial real estate. Mr. Schwartz is responsible for all aspects of the investment process, including sourcing, underwriting, structuring, closing and investment oversight. Mr. Schwartz brings over 25 years of commercial real estate experience to Bayside Capital. Before joining Bayside, Mr. Schwartz was a partner at Torchlight Investors, a leading commercial real estate debt investor, where he served on its Board of Directors and its Investment and Operating Committees. Prior to Torchlight, Mr. Schwartz spent almost 20 years at JP Morgan where he ran their CMBS and Commercial Real Estate Lending groups. Mr. Schwartz serves on a National Council of the Urban Land Institute and Co-Chairs the Investor Council for the Mortgage Bankers Association. Mr. Schwartz obtained a Bachelor of Science in Business Administration from Boston University School of Management and an M.B.A. from the New York University Stern School of Business, graduating with distinction.

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 17 years of experience in real estate private equity investing. Prior to joining H.I.G., Mr. Vennam was based in California with Holualoa Companies (“Holualoa”), a private investment firm focused on opportunistic and distressed real estate investments across the United States and Europe. While at Holualoa, he led numerous European 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.

Jeff Wiseman, *Managing Director*: Mr. Wiseman is a Managing Director and Head of U.S. Real Estate Debt for H.I.G. Realty Partners, and is a member of the Investment Committee overseeing the Fund. He is located in H.I.G.’s New York City office and is responsible for all aspects of the investment process, including origination, underwriting, structuring, closing and oversight of the portfolio. Jeff brings over 20 years of commercial real estate experience to H.I.G., having served in multiple capacities and various leadership roles in the industry. Before joining H.I.G., Jeff was a Managing Director at Allegiant Real Estate Capital, LP, serving as the Chief Credit Officer and Head of Asset Management. Previously, he served in similar capacities at FirstKey Lending, LLC and Macquarie Group. Prior to Macquarie Group, Jeff was a Director at J.E. Robert Company, Inc. where he was Co-Head of Mezzanine Lending for JER Investors Trust, Inc. and a member of JER’s US Debt Fund Investment Committee. Jeff earned a Bachelor of Science in Finance from Pennsylvania State University and an M.B.A. from the Stern School of Business at New York University.

Adam Belfer, *Principal*: Mr. Belfer is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Belfer has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Belfer was with the Real Estate Leveraged Finance Group at Wachovia Securities (now Wells Fargo). At Wachovia Securities, Mr. Belfer was responsible for the origination and execution of both syndicated construction loans and of senior and subordinated debt for privately held and publicly-traded homebuilders. Mr. Belfer earned a B.B.A. from the Goizueta Business School of Emory University.

Sam Eisner, *Principal*: Mr. Eisner is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2012, Mr. Eisner has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Eisner worked at Prudential Mortgage Capital Company, an investment arm of Prudential Financial that originates first mortgage debt secured by all property types across the United States. Mr. Eisner earned a B.A. in Philosophy, Political Science, and Economics and a minor in Urban Real Estate and Development from the University of Pennsylvania.

Ken Senior, *Principal*: Mr. Senior is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Senior has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Senior was an acquisitions officer with Sterling American Property, a prominent New York based, value-added real estate fund with over \$4.5bn in total investments to date. Previously, Mr. Senior worked at Insignia/ESG (now CBRE) as an Associate in the Consulting group and the Agency Group where he focused on large-scale commercial leasing assignments representing both tenants and landlords in New York City. Mr. Senior earned a B.A. in English from Princeton University and an M.B.A. with a concentration in real estate finance from Columbia Business School.

William Feeser, *Director of Development and Construction*: Mr. Feeser is a Director of Development and Construction for H.I.G. Realty Partners. He is responsible for overseeing H.I.G. Realty's development and construction activities throughout the United States. Prior to joining H.I.G., Mr. Feeser was a Vice President of Asset Management with Onex Real Estate Partners, a real estate investment company with investments in select markets across the United States. At Onex Real Estate Partners, Mr. Feeser was directly responsible for representing ownership on a \$700mm mixed-use project in New York City. Mr. Feeser earned a B.S. and M.S. in Civil Engineering and an M.B.A. from Widener University.

- Executive Summary and Firm Overview
- H.I.G. Realty Partners IV Overview
- H.I.G. Realty Partners II & III Portfolio Review

- **Appendix**

- Team Biographies

- Supplemental Information: Contact Information and End Notes

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1. Based on aggregate commitments of private funds managed by H.I.G. Capital and affiliates. Capital by strategy reflects total commitments, as allocated to the relevant investment strategy.
2. Realized investments include projected partial realizations, as well as pending transactions under contract. No assurances are provided that any pending transactions will close. Returns for partially realized investments include projected unrealized proceeds.
3. Current gross IRR refers to the fund level aggregate, annual, compound, gross internal rate of return on investments and does not reflect the deduction of management fees, general fund expenses, carried interest and other expenses borne by investors. Current Gross MOIC is measured as total value divided by total equity investment. All gross IRRs and MOIC are based on estimates as of March 31, 2021 for H.I.G. Realty Partners II and H.I.G. Realty Partners III. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the IRRs and MOIC contained herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. 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 relating to each particular investment. 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 gross “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 comparable results will be achieved.
4. Current net IRR refers to the aggregate, annual, compound, internal rate of return on investments, calculated after payment of applicable management fees, general fund expenses, carried interest and other expenses borne by investors. An individual limited partner’s Net IRR may vary based on the timing of capital contributions and distributions. Current Net MOIC is measured as total value less management fees, general fund expenses, carried interest and other expenses borne by investors divided by equity invested. All current net IRRs and MOIC are based on proceeds and estimated valuations as of March 31, 2021 for H.I.G. Realty Partners II and H.I.G. Realty Partners III. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the IRRs and MOIC 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 relating to each particular investment. 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. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. Net returns shown are based on an assumed 1.5% management fee on committed capital and 20.0% carried interest for H.I.G. Realty Partners II and H.I.G. Realty Partners III. Past performance is not a guarantee of future results, and there can be no assurance that comparable results will be achieved.
5. Projected gross IRR refers to the expected fund level aggregate, annual, compound, gross internal rate of return on investments and does not reflect the deduction of management fees, general fund expenses, carried interest and other expenses borne by investors. Projected gross MOIC is measured as total realized and projected proceeds divided by H.I.G. projected equity. All projected returns included herein are calculated using a model and are based upon estimates and assumptions that H.I.G. believes are reasonable, however the actual returns may vary. The actual returns achieved on unrealized investments will (a) depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfers that may limit liquidity, any related transaction costs and the timing and manner of sale and related fund-level reserves, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based, and (b) be subject to the effects of Management Fees, carried interest, taxes, and other expenses that will be borne by investors. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. The projected returns should not be regarded as a representation or guarantee that any H.I.G. fund will achieve or is likely to achieve any particular result, or that investors will be able to avoid losses, including total losses of their investment. All data and numerical information herein is approximate and unaudited, unless otherwise noted. Additional details regarding methodologies and assumptions underlying projected returns, including projections of return of capital, are available upon request.

6. Projected net IRR refers to the expected fund level aggregate, annual, compound, internal rate of return on investments, calculated after payment of applicable management fees, general fund expenses, carried interest and other expenses borne by investors, and after any expenses directly related to such investments. An individual investor's net IRR investments may vary based on the timing of capital contributions and distributions. Projected net MOIC is measured as total realized and projected proceeds divided by H.I.G. projected equity. All projected returns included herein are calculated using a model and are based upon estimates and assumptions as of as of March 31, 2021. The actual returns achieved on unrealized investments will (a) depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfers that may limit liquidity, any related transaction costs and the timing and manner of sale and related fund-level reserves, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based, and (b) be subject to the effects of Management Fees, carried interest, taxes, and other expenses that will be borne by investors. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. Net returns shown are based on an assumed 1.5% management fee on committed capital and 20.0% carried interest for H.I.G. Europe Realty Partners I, Europe Realty Partners II, H.I.G. Realty Partners II, and H.I.G. Realty Partners III. The projected returns should not be regarded as a representation or guarantee that Europe Realty Partners I, Europe Realty Partners II, H.I.G. Realty Partners II, or H.I.G. Realty Partners III will achieve or is likely to achieve any particular result, or that investors will be able to avoid losses, including total losses of their investment. Additional details regarding methodologies and assumptions underlying projected returns are available upon request.
7. Gross and net returns calculated as a weighted average based on invested capital for H.I.G. Realty Partners II and H.I.G. Realty Partners III. Please see endnotes 10 and 11 for further information on H.I.G. Realty Partners II and H.I.G. Realty Partners III. Such returns do not include Fund I. See Endnote 8.
8. H.I.G. Realty Partners global figures reflect investments made by H.I.G. Realty Partners II, H.I.G. Realty Partners III, H.I.G. Europe Realty Partners I, H.I.G. Europe Realty Partners II from June 2012 through March 2021. Total returns include projected returns for unrealized investments. Returns presented herein do not include H.I.G. Realty Partners I ("Fund I"), a 2006 vintage fund with total commitments of \$209 million, comprised of a private fund, H.I.G. Realty Fund, L.P. with \$132 million in capital commitments, and a \$77 million co-investment commitment. Fund I was managed separately by principals no longer affiliated with H.I.G., and with a vertically integrated platform in leasing, construction, and management. Additional information regarding Fund I is available upon request.
9. Any reference to a targeted or projected return, value, date, or metric contained in this document is merely an estimated "target" and, therefore, inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those targeted. Target returns are based on H.I.G.'s belief about returns that may be achievable on investments that H.I.G. intends to pursue in light of its experience with similar investments historically, the view on current market conditions, and certain assumptions about investing conditions, hold periods, availability of financing, and exit opportunities. While the targeted performance is based on assumptions that H.I.G. believes are reasonable, there are many risk factors that could cause H.I.G.'s assumptions to prove to be incorrect. These risks therefore could cause the actual performance to be materially different from the current targeted performance. Such risks may include, without limitation: (i) availability of suitable investments and financing; (ii) interest rates; and (iii) economic and market conditions. Targeted returns are not projections, predictions or guarantees of future performance, and none of H.I.G., or any of its respective directors, officers, employees, partners, shareholders, advisers and agents makes any assurance, representation or warranty as to the accuracy or achievability of any targeted returns and no recipient of this document should rely on such targets. Additional details regarding methodologies and assumptions used to calculate targeted returns are available upon request.
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. Realized and projected returns included are gross of fees and expenses. See endnote 5 for projected gross returns included, and endnote 3 for realized gross returns included. In addition, please refer to pages 46 - 49 for a complete listing of Fund II and Fund III's investments, including net returns.
11. 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.

12. H.I.G. Realty Partners II (“Fund II”) is comprised of investments made by the H.I.G. Realty Team in the U.S. small/mid-cap real estate sector from a \$400mm allocation of capital from H.I.G. Bayside Debt & LBO Fund II, L.P. (“Bayside II”). This allocation of capital was part of a larger portfolio of investments without formal separation and, therefore, does not reflect an actual portfolio of a particular investment fund. Therefore, no individual investor experienced the investment performance indicated in this Presentation regarding Fund II. Returns for Fund II are shown excluding three New York condominium investments, unless otherwise noted. Condominium investments have not been targeted for Fund III, and are not part of the Fund IV investment strategy. As of March 31, 2021, including the three New York condominium investments, Fund II generated gross and net IRRs of 13.7% and 9.1%, respectively. Including the three New York condominium investments, Fund II generated gross and net MOICs of 1.6x and 1.4x, respectively. Fund II returns reflect current returns and include assumed use of subscription facility leverage during the investment period based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are assumed to be held on the facility line for six months before capital is called. Additional information is available upon request.
13. H.I.G. Realty Partners III (“Fund III”) is comprised of investments made by H.I.G. Realty Partners III (Onshore), L.P. and H.I.G. Realty Partners III (Offshore), L.P. Total Equity includes H.I.G. Realty Partners III (Onshore), L.P. and H.I.G. Realty Partners III (Offshore), L.P. Fund III returns are representative of H.I.G. Realty Partners III (Onshore), L.P. only. H.I.G. Realty Partners III (Offshore), L.P. generated an IRR of 10.8% and a MOIC of 1.4x as of March 31, 2021.
14. The term “NM” or “Not Meaningful” is used to refer to IRR calculations that are negative, or return a result that is unstable, unreliable or non-representative.

Risks Related to Novel Coronavirus. The recent global outbreak of the 2019 novel coronavirus (“COVID-19”), together with resulting restrictions on travel and quarantines imposed, has meaningfully disrupted the global economy and markets. The outbreak of COVID-19 in December 2019 could have significant adverse effects on the global economy, including (1) closures or cancellations of, or reductions in, productions or operations in affected areas, (2) mandatory quarantines and other restrictions on movement, transportation, or travel, (3) decrease in demand for certain products or services, and (4) disruptions to supply chain and other logistical networks. As such, the Fund’s portfolio companies and investments with operations, productions, offices, and/or personnel in (or other exposure to) areas affected with the virus may experience significant disruptions to their business. The extent to which COVID-19 will affect the General Partner’s, the Fund’s, and/or portfolio companies, investments, and results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the COVID-19 and the actions taken to contain the COVID-19, among others.

Risk of Loss. Prospective investors must be aware that investments in private equity funds such as H.I.G. Realty Partners IV (the “Fund”) are speculative and involve substantial risk of loss. Investment in the Fund is suitable only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, and are willing to assume, the risks involved in investing in the Fund. The possibility of partial or total loss of the Fund’s 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 Fund will achieve its 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 Fund will be borne solely by investors in the Fund and not by H.I.G.; therefore, H.I.G.’s losses in the Fund will be limited to losses attributable to the ownership interests in the Fund, if any, held by H.I.G. in its capacity as an investor in the Fund.

Past Performance is Not a Guarantee. Information about investments made by H.I.G. affiliated funds is provided solely to illustrate H.I.G.’s investment experience and processes and strategies used by H.I.G. in the past with respect to Fund II and other H.I.G. affiliated funds. The performance information relating to H.I.G.’s previous investments is not intended to be indicative of the Fund’s future results. ***Past performance is not necessarily indicative, or a guarantee, of future results.*** There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund 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.

No Solicitation. This Presentation is not an offer to sell or a solicitation of an offer to purchase interests in the Fund. Offers and sales will be made only pursuant to the Fund’s confidential private placement memorandum, complete documentation of the Fund and in accordance with applicable securities laws. Prospective investors should carefully consider, with their respective financial, tax and legal advisers, the potential conflicts of interest and risk factors described in the confidential private placement memorandum before subscribing for an interest in the Fund. Any investment in the Fund is speculative, involves a high degree of risk not associated with other types of investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity.

Not Investment Advice. The information presented in this Presentation is not provided with a view to providing investment advice with respect to any security, or making any claim as to the past, current or future performance thereof, and H.I.G. expressly disclaims the use of this Presentation for such purposes. All investments are subject to substantial risks, including those set forth in the confidential private placement memorandum of the Fund.

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 Fund and / or any of the companies in which the Fund has invested. 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 Fund, 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.

Lack of Liquidity of Interests. The interests being offered by the Fund are subject to restrictions on transferability and resale under various securities laws and may not be transferred or resold except in compliance with those laws and with the prior written approval of H.I.G. or the general partner of the Fund, as applicable (which may be withheld or conditioned in their respective absolute discretion). Additionally, there is no active secondary market for the Fund interests and none may develop.

Fees. The Fund will impose significant fees, including carried interest, on its investors, and such fees will reduce the Fund's returns. Performance compensation may create an incentive to make riskier or more speculative investments.

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 Fund's investment program involves investing in real estate properties, and as such, the Fund's portfolio may experience more volatility and be exposed to greater risk than a more diversified investment portfolio. The Fund 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. The Fund's focus on the real estate sector may increase the volatility of the Fund's returns and expose the Fund to the risk of downturns in the real estate sector to a greater extent than if its portfolio also covered other sectors of the economy.

Use of Leverage. The Fund 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.

Risks Associated with Investments in Real Estate Generally. An investment in the Fund is subject to certain risks associated with the ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions; the supply and demand for properties; mismanagement or decline in value of properties; the financial condition of tenants, buyers and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; changes in environmental laws and regulations, planning laws and other governmental rules and fiscal and monetary policies; environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of the Fund and H.I.G. In addition, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values.

Tax Issues. Prospective investors should note that there are special tax issues involved with respect to investing in real estate, and each prospective investor should consult its own tax advisers regarding such issues, including special issues for US taxable investors, US tax-exempt investors, and non-US investors.

Exemption from Registrations. The offering of interests in the Fund will be made in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. The Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on an exemption for issuers whose outstanding securities are owned exclusively by "qualified purchasers" as defined in the Investment Company Act.

Valuation Methodology. In accordance with H.I.G.'s valuation policies, all investments are measured for value increases or decreases on an annual basis as of the end of the fourth quarter. During the year, to the extent that a Fund investment experiences a material event as determined in good faith by the general partner, valuation adjustments are made each quarter as appropriate. Valuations may incorporate the use of different hold periods, capitalization and discount rate assumptions and other factors including debt maturities, market comparables, replacement cost, appraisals or other third party data. Changes in valuation assumptions and methodology for underlying investments are made from period to period at the discretion of the general partner.



City of Jacksonville Employees' Retirement System

INVESTMENT ACTIVITY UPDATE: AUGUST 2021

Events

Special Board Meeting

October 7, 2021

SMID Value Finalist 1-5 PM

Board Due Diligence Meetings

1st Thursday Each Month

Meet & Greet: 12:30

Presentation: 1-2 PM

City Hall Conference Room 3C

November 4, 2021

Pinnacle- SMID Growth Equity

December 2, 2021

Acadian- Emerging Markets Equity

January 6, 2021

Baillie Gifford- International

Growth Equity

February 3, 2022

Eagle Capital- US LC Value Equity

March 3, 2022

Loomis Sayles- US LC Growth

Equity

April 7, 2022

Silchester- International Value

Equity

May 5, 2022

Adams Street- Private Equity

Staff Update

Hancock Timber

~\$20 M New Zealand Timberland

Liquidation complete

MLP Transition Management

Hired State Street to liquidate

the Tortoise and Harvest MLP

portfolios. Mid-September event

and total ~\$87 M

FY 2021 Pension Call Back

\$106 M due before 9/30

Funding primarily from

liquidation or MLP & Timber

assets

Investment Policy Statement

Delivered on 8/2 to Finance

committee- 60 days

Contract Status

BNY Mellon ERS custodian

contract fully executed.

Current Managers Meetings

N/A

Prospect Managers Meetings

H.I.G Realty Fund

Taurus Private Markets

Brookfield Real Estate

SMID Value Finalist Lineup

Kayne Anderson Rudnick

Smith, Graham & Co.

Systematic Financial Man.

Cash Flows

Hamilton Lane-Private Credit

HL Strategic Opportunities

Capital Call- \$1.23 M

Total Commitment: \$10 M

Cumulative Called: \$4.2 M

Balance Point Capital

Profit Distribution: \$38,140

Return of Capital: \$113,892

Capital Call: \$596,183

Net Call: \$444,150

Total Commitment: \$7.5 M

Cumulative Call: \$1.2 M

Adams Street- Private Equity

No Private Equity Calls

Provider Disbursements

Bloomberg Terminal: \$3,375

Tortoise MLP: \$65,205

Pinnacle Associates: \$229,216

Franklin Templeton: \$102,099

Mellon:

Large Cap: \$15,902

Small Cap: \$6,559

Total Mellon: \$22,462

Total Fees: \$422,358

**IN THE CIRCUIT COURT OF THE
FOURTH JUDICIAL CIRCUIT IN AND
FOR DUVAL COUNTY, FLORIDA**

SABINA PRYCE-JONES,

Plaintiff,

v.

THE CITY OF JACKSONVILLE,

Defendant.

CASE NO.: 2019-CA-7410

DIVISION: CV-D

ORDER

This cause came before the Court on an evidentiary hearing on January 21, 2021¹ concerning the Plaintiff's Complaint for Declaratory Judgment and Supplemental Relief. The Court, having heard evidence and argument from counsel and having reviewed the file, now makes the following findings:

1. Plaintiff seeks a declaratory judgment and supplemental relief declaring that, pursuant to Section 120.205, Jacksonville Ordinance Code, she is entitled to complete the purchase of her military service credit by making a lump sum payment, thereby linking her military time to her pension. The material facts are essentially undisputed.
2. Plaintiff was employed by JEA but separated from employment in July 2016. *Compl.* at ¶ 20. In June 2019, after successfully appealing the previous denial of disability benefits, Plaintiff began receiving disability retirement benefits from the City. *Compl.* at ¶ 16.

¹ On April 27, 2021, the Court conducted a Status Conference in this case. On June 7, 2021, the Plaintiff filed the transcript of the January 21, 2021 evidentiary hearing with the Court. The Court reviewed the transcript of the evidentiary hearing prior to the entry of this Order.

3. Under the Code, Plaintiff had elected to purchase her military service credit through paycheck contributions, and she had five years to complete this payroll deduction purchase, or she could make a lump sum payment. *See* Code § 120.204(a); Board of Trustees of the City of Jacksonville General Employees Retirement Plan Board (“Board”) Rule X.1.g.iv. Although she had previously chose to have contributions withheld from her paychecks by JEA in order to pay for her military service credit, Plaintiff did not elect to purchase her remaining time upon her 2016 separation from employment.²
4. On May 7, 2019, nearly three years after she separated from employment, Plaintiff sought to make a lump sum payment in order to complete the purchase of her military service credit. *Compl.* at ¶ 23.
5. On May 8, 2019, the General Employees’ Pension Advisory Committee held a meeting where it denied the Plaintiff’s request based on the information provided on the form, the Board Rules and established practice of the Pension Office. On May 23, 2019, the Board held a meeting where it denied the Plaintiff’s request to make a lump sum payment. Plaintiff subsequently filed her Complaint with this Court.
6. At the January 2021 hearing, the Court heard testimony from Tom Stadelmaier, who is the Retirement System Administrator for the City of Jacksonville. Mr. Stadelmaier explained that under the Board’s interpretation of its own rules, when an individual such as the Plaintiff is in a time-service purchase agreement and terminates employment, she must make the decision at the time of separation to either complete the purchase of time or accept the time already purchased. *Tr.* at 25, l. 14-18. While

² Although the Plaintiff did not testify at the January 21, 2021 evidentiary hearing, the Plaintiff attended and presented herself to the Court.

there may be some administrative delay, an individual needs to begin the completion of her time service purchase at the point of termination. *Tr.* at 26, l. 16-19.

7. As such, the Board interprets its rules and the Ordinance Code to require that a choice be made as to what an individual wants to do with her remaining unpurchased time at the time of separation. Chapter 120, Part I of the Ordinance Code vests the Plan Advisory Committee with the authority to make recommendations and the Board with the authority to make decisions regarding the administration of the pension system. Section 120.205(f), dealing with prior military service credit, states that the Board “shall promulgate rules for the implementation of this Section.”
8. Mr. Stadelmaier explained that employees sign a form that requires them to make a choice when they terminate employment. *Tr.* at 29-30. Board Rule X.1.g.v. states that “termination of employment during a payroll deduction agreement will result in the member or beneficiary having to choose to make a lump sum payment to complete the purchase or to accept a prorated portion of the time service purchased by deduction.” In other words, that choice must be made at the point the employee is in the process of leaving employment.
9. Mr. Stadelmaier further explained that allowing individuals to come back well after termination and make a lump sum payment would place administrative and financial burdens on the pension plan. *Tr.* at 39-40. It would place a burden on the plan to allows individuals to “lock in the rates that they locked in for time-service purchases and have an unlimited period of time to pay it off.” *Tr.* at 39, l. 17-21. Therefore, Mr. Stadelmaier testified that the City’s consistent practice has been to not allow time purchases post-termination of employment. *Tr.* at 41, 45.

10. The determination as to whether Plaintiff was entitled to disability benefits was a separate decision. Plaintiff left employment before that decision was made and she still had to choose to make a lump-sum payment at the time of termination.
11. Thus, because Plaintiff is no longer employed by JEA, she cannot request or be given a lump sum payment option. While she could have pursued this option under Chapter 120 of the City's Ordinance Code while she was still employed, once she separated from JEA, she no longer had that option, regardless of when she successfully started receiving disability retirement benefits.
12. Plaintiff claims she has a clear right to purchase military service credit, even after her separation from employment, under Section 120.205 of the Code. However, under Section 120.205(a) of the Code, "Members who are vested and eligible for retirement benefits may purchase up to two years of active duty military service time as credited service." A "member" is then defined in Section 120.201(r) of the Code as "an employee, as defined by subsection (m) above, *actively employed* by the City for whom contributions to the Retirement Plan are made as required by this Chapter and shall be consistent with the provisions of Section 120.202(a)" (emphasis added). In turn, an "employee" in Section 120.201(m) is "a person *currently employed* by the City and for whom contributions are being made to the Plan" (emphasis added).
13. The Board Rule specifically discusses what happens when an employee is separated during a payroll deduction; at that time, the employee must choose to make a lump sum or access a prorated portion of the time service purchases by deduction – in other words, make the lump sum payment or take whatever the employee has put in at the time of separation. The form employees sign (attached to the Complaint) is entirely

consistent with this interpretation. *Compl.* at ¶¶ 34-35. After termination, the individual is no longer an “active employee” as defined by the Code.

14. While Plaintiff did elect to have contributions withheld from her paycheck while employed with JEA, once she left employment she was no longer entitled to those contributions and could not come back years after separation and attempt to make a lump sum payment. She left her employment with what she contributed, and she had the opportunity to pursue the lump sum payment at the time of her separation.

15. Neither the Board’s Rules nor the Time Credit Purchase Form attached to the Complaint gives former employees, who may have left employment several years ago, the option to come back to the Board and elect a lump sum payment. Instead, the Code itself defines what a “member” or “active member” is – a current or active employee. The Board has consistently applied the Code and its rules in a manner as to require separating employees to make their choice as to remaining time credits at the time of termination.

16. Thus, as a matter of law, Plaintiff does not have a “bona fide, actual, present practical need” for a declaratory judgment under Chapter 86, Florida Statutes.

Based on these findings, it is, therefore,

ORDERED AND ADJUDGED

Plaintiff's request for declaratory judgment and supplemental relief is denied and her Complaint is hereby dismissed. The Clerk of Court is directed to enter judgment in favor of the Defendant and to close the file.

DONE AND ORDERED in Chambers at Jacksonville, Duval County, Florida this
9th day of August, 2021.



VIRGINIA BAKER NORTON
CIRCUIT JUDGE

Cc: T.A. "Tad" Delegal, Esquire – tad@delegal.net
Craig D. Feiser, Esquire – cfeiser@coj.net

**RULES AND REGULATIONS
OF
THE BOARD OF TRUSTEES
OF
THE CITY OF JACKSONVILLE RETIREMENT SYSTEM**

Contents:

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PART I – DEFINITIONS

The definitions set forth in Sections 120.201 and 120.301, *Ordinance Code*, shall apply to these Rules and Regulations. The terms “Plan” and “Plans” shall refer to the City of Jacksonville General Employees Retirement Plan and/or the City of Jacksonville Corrections Officers Retirement Plan, as the context requires. The term “System” shall refer to the City of Jacksonville Retirement System, which consists of the Plans and is administered by the Board of Trustees (the “Board”).

PART II – ORGANIZATION OF THE BOARD OF TRUSTEES

1. Authority. The System shall be placed under the exclusive administration and management of the Board. Consistent with such general authority, the Board shall have the authority to retain its own legal counsel, accountants, actuaries, money managers, performance monitors, and other professional advisors to assist the Board in the performance of its duties. The Board shall have the authority to operate, maintain and interpret the provisions of the state laws (Chapters 112 and 215) and local ordinances (Chapter 120, Ordinance Code) establishing the System. All decisions of the Board, made in good faith regarding the implementation of the

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provisions of the Plan, shall be final, binding and conclusive on all parties. The Board shall be solely responsible for establishing and executing the System's investment policy and selecting the System's professional advisors.

2. Fiduciary Responsibility. The Board shall act as the named fiduciary of the System as provided under Section 120.102(o), *Ordinance Code*, and under Florida law. In its capacity as a named fiduciary of the Plan, the Board shall discharge its responsibilities solely in the interest of the members and beneficiaries of the Plan for the exclusive purpose of providing benefits to the members and their beneficiaries and to defray the reasonable expenses of the Plan. Board members shall exercise those fiduciary responsibilities with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a similar character and with similar aims. Although the Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), does not apply to the Plan as a governmental retirement plan, it hereby adopts the fiduciary provisions of ERISA as expressed in 29 U.S.C. s. 1104(a)(1)(A)-(C).

3. Composition; Quorum; Majority Vote. The Board shall consist of nine (9) members selected in accordance with Section 120.102, *Ordinance Code*. A quorum for the Board consists of five (5) members. It will take five (5) concurring votes for the Board to take action.

4. Meetings. Regular meetings of the Board are held on the fourth Thursday of each month through October and the third Thursday of each November and December unless determined otherwise by the Board. Special meetings may be held at the request of any member or staff. In recognition of the importance the work of the Board, regular attendance at Board meetings is expected of all Board members. See Part V below for additional meeting requirements.

5. Election of Officers. The October Board meeting shall be designated the organizational meeting. The Board will elect from among its members a Chair, a Vice-Chair and a Secretary, to serve for the year October 1, through September 30. Officers may continue to serve until their replacements are named. The Chair shall be selected from one of the two citizen Board members.

6. Board Committees. The Board may from time-to-time delegate any of its functions to a committee consisting of one or more Board members. Board Committees shall meet in accordance with the provisions of the Florida Government in the Sunshine Law (Chapter 286, Fla. Stat). All Board Committees shall be appointed by the Chairman.

7. Board Rules and Regulations. The Board is authorized by law to establish these and other uniform rules for the operation of the System. No such rule may conflict with any lawful ordinance, charter provision, state or federal law. Accordingly, the Rules and Regulations described herein are adopted only to the extent that they implement, interpret, or make specific the particular powers, duties and responsibilities by the enabling ordinances, charter provisions and State law. All rules shall be in writing and shall be adopted by a majority vote of the Board. The Board shall review its rules on a periodic basis, normally once per year. The Board's rules shall be made

available to Plan members, retirees and beneficiaries upon request and shall be posted on the System's website. All rule changes shall occur at a regular meeting of the Board.

8. Actuarial Valuation Reports to City Council. By law, the Board shall certify to City Council annually the amount the City is to contribute to the System. The City Council shall place said amount in the budget for the succeeding year. As a matter of standard practice, the contribution specified by the Board's actuary in its valuation report to the Board is the amount certified annually to City Council.

9. Collective Bargaining. The Board acknowledges that it is neither an employer organization nor an employer as defined by Chapter 447, Part II, Florida Statutes. Therefore the Board shall not engage in collective bargaining on behalf of the City of Jacksonville or on behalf of any employee organization. The Board shall make itself available as a resource to labor organizations and the City for all matters relating to pension and retirement.

10. Fiduciary Insurance. The Board is authorized by law to purchase fiduciary insurance to insure members of the Board and the Advisory Committees for errors and omissions. All such insurance shall be with recourse if paid for by System monies. This shall not preclude the Board from making individual payments for non-recourse exceptions from sources other than the System.

11. Statements and Reports. The following statements and reports are to be prepared on a routine basis and made available to the public at all times in the Pension Office:

- (a) Summary Plan Description (SPD).
- (b) Annual Actuarial Valuation Report
- (c) Report of Investments.

PART III – ADVISORY COMMITTEES

(A) GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE

1. Authority. The General Employees' Pension Advisory Committee (the "PAC") shall act as a preliminary investigative arm for the Board and is authorized to hear and investigate various matters and to make recommendations to the Board thereon. The PAC shall have the following administrative duties with regard to the determination of all issues of fact and recommendations for the granting or denial of benefits for its Plan:

- (a) Review and recommend action to the Board on all approved applications for benefits;

- (b) Conduct inquiry into disability applications and recommend final action to the Board;
- (c) Recommend to the Board amendments to the System documents; and
- (d) Such other duties as may be prescribed by the City Charter or Ordinance Code.

The PAC reviews all payments made from the Plan. As a matter of administrative policy and to ensure timely payment of benefits under Sections 120.206(c) and 120.306(c), Ordinance Code, the Pension Office may initiate payments using standard procedures so long as such payments are ratified by the PAC at the next ensuing meeting or in a reasonable timeframe.

2. Composition; Term of Office; Vacancies. The PAC shall consist of seven (7) members. Two (2) members shall be employees of JEA who (i) are members of the Plan; (ii) are the top two individuals with the highest votes from the JEA employee candidates elected by the active contributing general employee members voting in an election, and (iii) shall qualify on the next October 1 (or the first meeting after said election if there is a delay). Four (4) members shall be employees (other than JEA employees) who (i) are members of the Plan, (ii) are the top four individuals with the highest votes from the non-JEA employee candidates elected by the active contributing general employee members voting in an election, and (iii) shall qualify on the next October 1 (or the first meeting after said election if there is a delay). One (1) member shall be a retired person who (i) is a retired member of the Plan, (ii) is elected by membership of the Retired Employees Association voting in an election, and (iii) shall qualify on the first meeting after said election. All elected members shall hold office for the term of two years from their qualification date, or longer in the event that the Board approves an extension due to administrative/technical difficulties in the election of a successor. The Board shall establish uniform rules governing the specifics for each election of PAC members. Vacancies in the PAC will be filled by the number one candidate of the top three runner-up candidates. If for any reason that person cannot or does not want to serve, then the vacancy will be filled by number two candidate. Likewise to number three if number two is unavailable or declines to serve. In the event there are not available candidates as described, the vacancy will be reviewed by staff and legal to determine next steps. Terms for such members will end at the same time as the elected members.

3. Quorum; Majority Vote. A quorum for the PAC consists of four (4) members. It will take four (4) concurring votes for the PAC to take action.

4. Officers. The PAC will elect a Chair and a Vice Chair to serve for the year October 1, through September 30. The PAC may also elect a Secretary for the same term if the PAC determines that doing so will improve the administration of its work. The Vice Chair will conduct all meetings that the Chair is unable to attend. In the event that both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of members in attendance.

5. Meetings. Unless otherwise agreed, the PAC shall meet regularly on the second Wednesday of each month. Special meetings may be held at the request of any member or staff. See Part V for additional

requirements. The PAC will conduct a workshop meeting within three months after each general election of PAC members. The workshop will be designed to orient and train new PAC members with respect to their fiduciary responsibilities, their obligations under the Florida Sunshine laws, and their other duties as a PAC member. The Plan Administrator and a representative from the Office of General Counsel will assist in the presentations. This information may be shared as part of a regular PAC meeting.

(B) CORRECTIONS OFFICERS’ PENSION ADVISORY COMMITTEE

1. Authority. The Corrections Officers’ Pension Advisory Committee (the “COPAC”) shall act as a preliminary investigative arm for the Board and is authorized to hear and investigate various matters and to make recommendations to the Board thereon. The COPAC shall have the following administrative duties with regard to the determination of all issues of fact and recommendations for the granting or the denial of benefits for its Plan:

- (a) Review and recommend action to the Board on all applications for benefits;
- (b) Conduct inquiry into disability applications and recommend final action to the Board;
- (c) Recommend to the Board amendments to the System documents; and
- (d) Such other duties as may be prescribed by the City Charter or Ordinance Code.

The COPAC reviews all payments made from the Plan. As a matter of administrative policy and to ensure timely payment of benefits under Section 120.306(c), Ordinance Code, the Pension Office may initiate payments using standard procedures so long as such payments are ratified by the COPAC at the next ensuing meeting or in a reasonable timeframe.

2. Composition; Term of Office; Vacancies. The COPAC shall consist of five (5) persons who (i) are active, contributing and certified corrections officers with the 5 highest vote totals, (ii) are members of the Plan, (iii) are elected by the active, contributing members of the Plan voting in an election, and (iv) shall qualify on October 1 (or the first meeting after said election if there is a delay). Each member shall hold office for the term of two years, from their qualification date, or longer in the event that the Board approves an extension due to administrative/technical difficulties in the election of a successor. The Board shall establish uniform rules governing the specifics for each election of COPAC members. Vacancies in the COPAC will be filled by the number one candidate of the top three runner-up candidates. If for any reason that person cannot or does not want to serve, then the vacancy will be filled by number two candidate. Likewise to number three if number two is unavailable or declines to serve. In the event there are not available candidates as described, the vacancy will be reviewed by staff and legal to determine next steps. Terms for such members will end at

the same time as the elected members.

3. Quorum; Majority Vote. A quorum for the COPAC consists of three (3) members. It

will take three (3) concurring votes for the COPAC to take action.

4. Officers. The COPAC will elect a Chair, Vice Chair and Secretary to serve for the year October 1, through September 30. The Vice Chair will conduct all meetings that the Chair is unable to attend. In the event that both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of COPAC members in attendance.

5. Meetings. Unless otherwise agreed, the COPAC shall meet regularly on the first Tuesday of each month. Special meetings may be held at the request of any member. See Part V for additional requirements.

PART IV –
ROLE OF THE CITY TREASURER, THE CIO, THE PLAN ADMINISTRATOR,
AND THE PENSION OFFICE

1. Overview. Under Section 120.102, *Ordinance Code*, the Board is charged with the sole and exclusive responsibility to administer the System. However, under Section 24.204, *Ordinance Code*, the City Treasurer is given responsibility for the administrative support and financial management of the System. To harmonize these provisions, the Treasurer shall to the extent practicable consult with the Board in the training and evaluation of the Plan Administrator and other Pension Office staff. The Board may retain and compensate any additional professional or technical assistance deemed necessary to aid the Plan Administrator and other Pension Office staff in executing the Board's policies and directives.

2. Treasurer and CIO. The City Treasurer, through the Pension Office, shall be responsible the administrative support and financial management of the System. The Treasurer shall be responsible for maintaining the financial records of the System as directed by the Board.

The Treasurer, and any Chief Investment Officer ("CIO") reporting to the Treasurer, is authorized to transfer funds at such intervals as required to meet the Pension Payroll schedule for disbursement to beneficiaries of the Plans.

The CIO and the Treasurer are authorized to give direction to the authorized custodians of the System's assets on any and all actions with respect to the custodial relationship. Authorized signatures of the Board Chair, the Treasurer and the CIO will be provided to ~~the~~ each custodian as needed. The Board will provide the custodians with written notification of any changes.

3. Plan Administrator. The Plan Administrator shall directly report to the Treasurer. The day-to-day

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supervision and management of the Pension Office staff shall be delegated to the Plan Administrator. The Plan Administrator shall be responsible for directing the activities of said employees as are reasonably necessary for the efficient performance of the responsibilities of the Plan and for ensuring that their functions are performed in accordance with the standards established by the Board, the Treasurer, and the Chief Financial Officer of the City. The Plan Administrator shall be subject to policies and directives issued by the Board and shall report his or her activities to the Board on a monthly basis when the Board meets. The Plan Administrator shall have no discretionary authority with regard to investments. The Plan Administrator is authorized to initiate the purchase of office supplies, equipment, publications, etc., as may be necessary to promote the discharge of the Plan's operating requirements, subject to budget limitations and any necessary organizational approvals from the Treasurer or CFO. The Plan Administrator shall be responsible for operational procedures, systems and forms for the day to day administration of the System and for the orderly processing of benefits. This shall include, but not be limited to time connections, applications for service and disability retirement, survivorship applications, and returns of contributions. If, in the opinion of the Plan Administrator, circumstances warrant the development and implementation of additional forms and procedures, the Plan Administrator shall have the authority to make the required changes in the procedures and forms. Additional elaboration as to the administrative discretion to be granted to the Plan Administrator is described in the Board's "Statement of Administrative Policy" which is reflected herein as Section IV (3).

4. Statement of Administrative Policy. In an effort to further the goal of providing adequate clarification and direction as to the expected role and administrative discretion to be exercised by the Plan Administrator, the Board adopts the following Statement of Administrative Policy:

- (a) The Board assigns the Plan Administrator with the responsibility and commensurate authority to implement the policies and directives of the Board and to administer the day-to-day operations of the Plan consistent with established rules, regulations, and policies of the Board and in accordance with applicable laws, statutes, Ordinances, Resolutions and Charter provisions.
- (b) The Plan Administrator represents the executive arm of the Board and is authorized to act in the name of the Board in the transaction of routine business on behalf of the Plan.
- (c) The Plan Administrator is authorized to evaluate and make initial determinations of eligibility for benefits and programs, service credits and time connections, service retirement benefits computations, and is authorized to initiate the payment of pension benefits in accordance with the approval process established by the Board.
- (d) The Plan Administrator is authorized to administer the collection of data regarding disability applications and the assembly of data required for a determination of disability benefit eligibility.
- (e) The Plan Administrator is authorized to approve and pay refund requests made by members who have separated from service.

(f) The Plan Administrator will keep the Board informed as to the actions and activities of the Pension Office through appropriate reporting mechanisms.

(g) Questions as to the implementation of rules, regulations and policies of the Board shall be directed to the Plan Administrator who will:

- Adjudicate the question; or
- Refer the question to the Board or Advisory Committee, in the event the question involves a matter of policy not previously established by the Board or where sufficient doubt is raised in the mind of the Plan Administrator as to the proper course of action; or
- Refer the question to the Legal Counsel of the Plan in the event the question involves the need for legal support or guidance.

(h) Questions as to the interpretation of various provisions of the Plan shall be directed to the Plan Administrator who will:

- Obtain or render an interpretation of the section or language involved; or
- Refer the question to the Board or Advisory Committee if it requires a policy decision. In areas where there is no clear interpretation of a condition in the pension laws, it is the Board's final responsibility to interpret the language in the pension laws, and seek the input of Legal Counsel to the Plan, as deemed necessary in resolving the issue; or
- Refer the question to the Legal Counsel of the Plan in the event the condition involves the need for legal support and guidance.

(i) A participant of the Plan who is not satisfied with the determination rendered by the Plan Administrator may request that the case be presented to the ~~Board or~~ Advisory Committee for final ruling. After review of the request, the Board may then grant or refuse to grant a hearing on the matter. (Advisory Committee decisions may also be appealed to the Board.)

(j) A record is to be maintained in the Pension Office covering all administrative and Board decisions or rulings which are of general interest or importance to the operation of the Plan. This record is to be available to the members of the Plan.

(k) The Plan Administrator shall have the authority to amend existing Time Service Connections as set forth in Part X, Paragraph 1(g)(iv).

5. Pension Office. The Treasurer shall establish a City Pension Office to provide administrative support to the Board and the Plan members. The Treasurer, not the Board, is responsible for the hiring of employees in the Pension Office and their supervision through the Plan Administrator. However, to the extent the Board believes the Pension Office is not performing in accordance with the standards established by the Board and by law, the Board shall take all appropriate action to (i) inform the Treasurer and appropriate decision makers in the City, and (ii) recommend corrective actions. The Board may also retain and compensate any additional

professional or technical assistance deemed necessary to aid the Pension Office in executing the Board's policies and directives.

(a) Decision Making Authority. No employee of the Pension Office shall have the authority to bind the Board in any contract or endeavor without the express authority of the Board.

(b) Information Depository. The Pension Office shall be the depository of all System and Plan documents, including the summary plan descriptions, summary annual reports, annual and periodic financial reports, actuarial studies and recommendations, minutes of meetings of the Board and Advisory Committees, Board rules and regulations, all forms used in conducting System business.

(c) Payroll Certifications. Pension Payrolls of the System's trust funds will be reviewed each payment period by the Pension Administrator and made available to the Treasurer, CFO and Board as requested.

(d) Mail. It is expected that all mail received by the System shall be reviewed for any time limitations or response dates. Mail addressed to the System in general and to no specific person shall be directed to the Pension Administrator or an appropriate designated Pension Office member unless otherwise directed by the Board. The Pension Office will make all reasonable efforts to maintain a record of materials received. The provisions of Florida Statute Chapter 119, the Public Records Act, shall be observed in all respects.

(e) Reporting of Fraud. In the event that a perceived fraud has been perpetrated upon the Plan, the staff of the Pension Office shall strive to identify the person or persons committing the perceived fraud and the person or persons aiding or abetting the commission of any such perceived fraud on or to the Plan. Once appropriate documentation has been assembled with respect to the perceived fraud, the Plan shall seek to recover such fraudulently obtained funds and shall make a determination as to whether the facts surrounding the incident warrant the institution of supplemental investigations, the scheduling of administrative hearings, and/or the notification of such incident to the State Attorney's Office for disposition. Based upon the findings and determinations of such above described matters, the perpetrator(s) of such fraudulent activities may be subject to the forfeiture and disqualification for the receipt of pension benefits as provided under Section 112.3173, Florida Statutes, provided such perpetrator(s) is a Member or Beneficiary of the Plan.

PART V -- MEETINGS

The following provisions shall apply to all meetings of the Board, the PAC and the COPAC.

1. Role of the Chair. The Chair will conduct all meetings. The Chairman shall have voting rights the same as any other member of the Board. If the Chair is absent, the Vice Chair will assume those responsibilities. If both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of members in attendance.

2. Agendas and Meeting Materials. A published agenda shall be prepared for each regular and special meeting. The agenda will set forth those items upon which the Chair anticipates taking action or discussion. The Order of Business at regular meetings shall be as follows, unless changed by a majority of members in attendance:

- (a) ~~(a)~~ Call to Order
- (b) Public Comment
- (c) ~~(b)~~ Approval of Minutes
- (d) ~~(e)~~ New Business (including the Consent Agenda)
- (e) Investment Matters
- (f) ~~(d)~~ Old Business
- (g) Administrative Matters
- (h) ~~(e)~~ Information ~~(including investment updates and administrative updates)~~
- (i) ~~(f)~~ Privilege of the Floor
- (j) ~~(g)~~ Adjournment

The order of presentation may be adjusted at staff and Board discretion.

During the New Business portion of a meeting, a Consent Agendas may be used to approve (i) time service retirement benefit applications and other newly established ongoing payments such as term-vested retirements, term-vested commencements and rehired retirees starting pension payments again, (ii) survivor benefit applications, (iii) pension contribution refunds and other lump-sum payments (iv) credited service purchases, and (v) DROP program activities. The Consent Agenda format may not be used with respect to decisions on disability retirement benefit applications, or other matters warranting particular attention and review on the part of the Board.

Each agenda item shall have attached to it backup material necessary for discussion or action by the Board.

Each agenda shall, as required by Chapter 286, Florida Statutes, also inform members of the System and the public that should they wish to appeal any decision made by the Board, that they will need a record of the proceedings and that they may need to ~~insure~~ensure a verbatim record which includes testimony and evidence upon which the appeal is based.

A copy of the Notice of Meeting shall be posted in a location in the Jacksonville City Hall where notices of public meetings are customarily posted. A calendar of upcoming meetings will also be posted electronically on the City website. All agendas and meeting materials are public records as defined in Chapter 119, Florida Statutes.

The Board requests that all materials to be submitted to the Board or an Advisory Committee (including materials submitted by a board/committee member) be submitted at least three business days prior to the scheduled meeting. Materials submitted after this time might not be included in the package of materials provided at the meeting.

3. Actions Taken; Minutes. The Board or Advisory Committee shall have the right to take action on any

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matter related to the general business of the Board, whether or not such item has

been specifically placed on the agenda. The Secretary (or the Pension Office) shall be responsible for keeping written minutes of the transactions and actions of the Board and shall be the official custodian of records of the Board.

4. Appearances by the Public and/or Plan Members. As public bodies, the Board and the Advisory Committees have a responsibility to accommodate members of the public and members of the Plans who wish to conduct business before them. All such appearances shall be scheduled through the Plan Administrator and time limits for presentations may be limited by the Chairman, with the concurrence of the Board or Advisory Committee. Appearances may be in person or through a representative. No person shall be permitted to disrupt the meeting. The Chairman shall have the authority to determine appropriate conduct at the meeting and to direct the removal of any person who fails to abide by reasonable requests for order.

5. Disruption of Meetings. Any member of the Plan or member of the public making personal, impertinent or slanderous remarks or who shall become boisterous while the Board or the Advisory Committees are in session, shall forthwith be barred from further audience before the Board or the Advisory Committees by the Chairman at his/her discretion. No demonstration of approval or disapproval from the audience shall be permitted. If such demonstrations continue, the demonstrator(s) shall be removed from the meeting room.

6. Meeting Locations: Government in the Sunshine. All meetings and hearings of the Board and the Advisory Committees shall be held in Jacksonville, Florida at a location where public access is guaranteed. Meetings and hearings shall be open to the public and conducted in compliance with Chapter 286, Florida Statutes.

7. Workshops. The Board may from time to time wish to conduct workshop meetings for the purposes of developing policies or procedures of the Board or for the review of investment data of the Board. Workshops shall be conducted in a public forum the same as any other meeting or hearing and shall be properly noticed in advance of the workshop.

PART VI – PROCEDURES FOR THE SELECTION OF PROFESSIONAL SERVICES PROVIDERS

Section 120.102(q), *Ordinance Code*, provides that the Board shall have the authority to retain its own money managers, investment performance monitors, legal counsel, accountants, actuaries, and other professional advisors to assist the Board in the performance of its duties. The Board shall evaluate and select such professional advisors in strict accordance with the Ordinance Code and the City's Pension and Treasury Division's Procurement Procedures of Financial Instruments and Services. All selections shall be made at a meeting of the Board with the affirmative vote of at least five (5) Board members. All proposals and presentation materials considered in conjunction with the selection of professional services providers shall be made a part of the records of the Board.

PART VII -- ASSET MANAGEMENT

1. Statement of Investment Policy. As part of its duty to administer the Plans, the Board shall develop a Statement of Investment Policy to govern the investment of Plan assets. The Statement of Investment Policy represents the Board's attitudes, philosophy, expectations, and objectives regarding the investment of Plan assets. The development of this statement demonstrates that the Board has given adequate consideration to the development of an appropriate program of investment and has thereby fulfilled the requirements of prudence within their fiduciary responsibilities. The standards, objectives, guidelines and restrictions established by this policy statement are subject to changing conditions and investment opportunities. Accordingly, this statement is subject to review on an annual basis by the Board. The Board's Statement of Investment Policy shall conform to the guidelines provide by Sections 112.661 and 215.47, Florida Statutes, which govern the general structure and content of written investment policies for public retirement systems within the State of Florida.

2. Divestiture. No divestiture of any asset of the Plans shall be made for any reason other than fulfillment of the fiduciary obligations of the System.

3. Money Managers. In recognition of the importance of professional guidance in the investment of the assets of the Plans, all investments shall be performed by qualified, professional money managers. The Board shall establish performance standards for each money manager in each class of investment. Said performance standards shall be reduced to writing and shall be included in the contract between the Board and the manager. Said performance standards shall be reviewed on not less than an annual basis and shall be compared to the actual performance of a money manager to determine compliance with the standards set by the Board.

Each money manager shall enter into a written contract with the Board. Each contract shall include an acknowledgement by the money manager that it is familiar with the ordinances of the City of Jacksonville and the provisions of Florida Statutes, Chapter 112. Each money manager shall subscribe to the written goals and objectives of the System and said goals and objectives shall be incorporated into each money manager contract. Said contracts shall also provide that the money manager shall not make purchases which are prohibited by law and in the event such a purchase is made shall make the Plans whole for any loss incurred in the divestiture of said investment. Said contract shall also provide that the laws of Florida shall govern and that venue for any legal action shall be in Duval County, Florida. All written contracts shall set forth a specific duration; but shall allow the Board to terminate for convenience upon no more than 30 days' written notice. Each contract shall set forth with specificity the fees charged by the money manager to the System. All money manager contracts shall further set forth that the money manager is registered as an investment advisor and is qualified by law to engage in the management of the assets which are the subject of the contract. All written contracts shall be reviewed by the General Counsel's office or

Board Attorney who shall approve the form and correctness of each contract and sign each contract. All written contracts shall be executed by the Chairman and/or the Secretary of the System.

All money managers shall report on not less than a quarterly basis. Said money managers and advisors may, however, be directed by the Board, the Treasurer or the CIO to report on a more frequent basis. Upon request of the Board, all money managers shall make these presentations in person at a regular meeting of the Board and shall bear their own costs and expenses in traveling to Board meetings.

In recognition of the limited time resources of the Board members, presentations of prospective money managers shall be by written invitation of the Board only. Prospective money managers shall provide advanced written summaries of their presentations together with any backup materials deemed appropriate for analysis by the System.

4. Performance Monitor. The Board shall engage at all times at least one performance monitor who shall be responsible for reviewing the performance of each of the various money managers of the Board. The performance monitor shall report to the Board on such time schedules as the Board shall establish but not less than once per quarter. The performance monitor shall advise the Board as to the relative performance of each money manager as compared to the various stock, bond and cash indices as are generally accepted in the investment market place as reflective of satisfactory investment performance. The performance monitor shall recommend in writing to the Board the retention or discharge of money managers and the reasons supporting its recommendation. At the request of the Board, the performance monitor may perform evaluation and searches for money managers and such other services as the money manager shall be requested to perform.

5. Decision Making Authority. The Board shall determine the retention or discharge of any money manager or performance monitor. The Board shall also establish the amount of funds to be entrusted to any money manager and shall determine when funds shall be withdrawn and investments terminated. The members of the Board shall not however participate in the selection of individual stocks, bonds or cash funds, as that shall be the responsibility of the money manager within the context of the investment goals, objectives and performance standards established by the Board.

6. Proxy Voting. The Board shall be responsible for exercising all proxies on equities held by the System. The Board shall comply on a voluntary basis with the standards of the Employee Retirement Income Security Act of 1974 in the voting of proxies. The Board shall, by contract or other written agreement, give all money managers proxy voting responsibility and the Board shall monitor the voting of the managers.

The Board members (along with the United States Department of Labor) do not consider the following practices by investment management firms with proxy voting responsibility to be consistent with their fiduciary responsibility:

- a) Declining to vote proxies;
- b) Voting proxies exclusively for management without analysis of the underlying issues;
- c) Permitting negligent or inaccurate record keeping regarding proxy voting;
- d) Accepting directions from other parties;
- e) Permitting the absence of policies or procedures to assure the proper exercise of this fiduciary responsibility.

Any significant proxy items and the vote by individual money managers shall be reported in writing to the Board. Records of all proxy votes shall be maintained and made available to the Board members or any agents acting in their behalf. All such records shall be maintained in accordance with the Florida public records law.

It shall be the primary responsibility of money managers acting on behalf of the Board to vote all proxies to the benefit of the System assets for their primary or future value. All tender offers shall be treated in the same manner with regard to record keeping and asset enhancement.

7. Commission Recapture. The System may maintain a commission recapture program consistent with Section 28(e) of the Securities and Exchange Act of 1934. All trades shall be directed through the System's commission recapture programs to the extent provided in each money manager's professional services agreement.

PART VIII – ACCOUNTING, ACTUARIAL AND LEGAL SERVICES

1. Actuarial Services.

(a) Selection. The Board shall retain at all times the services of an enrolled actuary. An enrolled actuary shall mean an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries. Competitive bidding shall not be required in the selection of actuaries.

(b) Reporting. The actuary shall report to the Board on not less than an annual basis so that the Board may establish the adequacy of employer and employee contributions. No proposed change in retirement benefits shall be made without an actuarial determination of the cost impact of said change. All actuarial reports shall be in accordance with the provisions of Florida Statutes, Section 112.63.

2. Accounting Services.

(a) Audits. The assets and liabilities of the System have historically been subject to annual audit reviews by the independent auditors under contract to the City in conjunction with the preparation of the City's Comprehensive Annual Financial Report (the "CAFR").

The Board retains the ability to optionally obtain on an annual basis, a separate independent audit of the assets and liabilities of the System with the System being the reporting entity, whereupon such separate audit of the System would be incorporated into the City's CAFR. To date, the Board has not elected to undertake the greater level of audit examination and testing that would accompany a separate audit of the System. Any such separate audit shall be performed in accordance with generally accepted accounting standards.

(b) Conflicts of Interest. In order to avoid conflicts of interest, the Board shall not retain auditors who are employed by the City of Jacksonville unless the Board shall be determined to be a separate client.

3. Legal Services.

(a) Selection. The General Counsel of the City shall be the primary counsel for the Board. The Board may also request the services of additional outside counsel with demonstrated experience in the area of public employee retirement systems in the State of Florida. Competitive bidding is not required in the selection of legal services.

(b) Privileged Communications. In all dealings between the Board members and the Board's attorneys, the Board shall be deemed the client rather than any individual member of the Board. All communications between the Board and its attorneys shall be privileged communications except where otherwise governed by the Florida law.

(c) Authority to Direct. The Board's attorneys shall take direction from the Board as may be given at the various meetings of the Board. In between meetings of the Board, direction to the attorneys shall be given by the Chairman or if directed by the Board, the Plan Administrator or the Treasurer or the CIO. All files of the Attorney shall be open for inspection by any member of the Board. The Board shall direct any outside counsel to consult with the General Counsel to assure consistency of legal services.

PART IX – MEMBERSHIP IN THE PLANS

1. Enrollment. New enrollment in the Plan is closed as of October 1, 2017. Employees hired prior to October 1, 2017, that elected to join the DC Plan may convert back to the Pension Plan prior to their fifth anniversary as long as they have not already changed Plans three times. Eligible transfers into the Plan will be reviewed and managed by the Pension Office. Adjusted date-of-hire as maintained by the HR/Employee Services department of the eligible employer is used to determine eligibility. Appointed employees that elect social security may not later join the Plan.

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2. Termination of Employment.

(a) Employees who have been members of the Plan for less than five (5) years, who leave employment with the City, shall have all of their contributions, less required federal tax withholding unless the monies are rolled over to another qualified plan, returned to them and be removed from the Plan upon termination of employment. The Pension Office will maintain procedures around payment of refunds following termination of employment for non-vested members. Non-vested former employees must take a refund after termination.

(b) Employees who have been members of the Plan for five (5) or more years, who leave employment with the City, may elect to (i) vest for deferred retirement and leave their contributions in the fund, or (ii) request that their contributions be returned to them. The election must be made in accordance with Pension Office procedures. Employees who receive a refund of their contributions are no longer entitled to any benefits under the Plan. Former employees who have vested their rights to receive a pension retain inactive membership in the Plan.

(Note: Refund of contributions apply to Employee contributions only and does NOT include ANY Employer Contributions. Refund of contributions do NOT include employee contributions set aside, accounted for and designated as pertaining to disability benefits.)

(c) Employees that make contributions to the Plan in error (when they were not eligible) shall have those contributions refunded to them as soon as practical following discovery of the error and the employee will not receive any credit in the Plan for that period.

3. Re-employed Pensioners. The administrative interpretation of Section 120.209 and 120.309, Ordinance Code, is as follows: When a former employee, who is a pensioner of the System, is re-employed full-time by the City, his/her right to receive a pension payment shall cease while they are employed full-time by the City or eligible agency. If they have not received any lump-sum payment (PLOP, BACKDROP or DROP: these elections are irrevocable per code once elected) from the System, they may re-join the DB Plan. All full-time rehired retirees, if in civil service or appointed status, may elect to join the DC Plan if they do not reenter the DB Plan. —

Rehired retirees that rejoin the Plan may be eligible for an updated benefit from the Plan. If the new employment period lasts longer than one (1) year (1 year as defined by credited service), the new benefit will be calculated fresh using 120.206 or 120.306 (and other applicable options except as noted) with the updated credited service and final monthly compensation calculated with no gap in between the original retirement date and the reemployment date. If the additional service is less than one (1) year, the rehired retiree will not get an updated benefit and contributions for the additional period will be refunded to the employee. ~~an incremental benefit may be added to the original vested benefit using service time from the new employment and compensation that includes the new employment period (ignoring the period of separation for determination of the average compensation over a consecutive period). If, however, the employment lasts for less than one (1) year, the employee shall be given time service credit for the additional service applied to the salary used to determine his/her original pension upon his/her return to retiree or inactive status. This~~

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~~incremental increase will be added to the previously calculated pension benefit.~~

Rehired retirees that meet the criteria above for a new pension benefit will be eligible for PLOP and BACKDROP but will NOT be eligible for DB to DC lump-sum transfers. BACKDROP benefits will be calculated assuming no gap in between the original retirement date and the reemployment date.

When the employee re-retires, the “new pension benefit” required under Section 120.209(c) shall come with a new 5-year waiting period for COLA benefits. If the original benefit is used then the employee will accrue time passage credit for COLA benefits from the original date.

(Note: For a returning separated vested member that has not received pension payments, they may rejoin the Plan and ~~time service connection shall be automatic and~~ the employee’s pension membership date will be adjusted for the period of separation. When an updated benefit is calculated, the final monthly compensation will be calculated with no gap in between the original retirement date and the reemployment date. The one (1) year service requirement does not apply for rehired separated vested members that never were pensioners previously.)

The Pension Office will maintain procedures for: retirement plan membership for rehired retirees, suspension (and restart) of pension benefits for rehired retirees and calculation of updated benefits for rehired retirees.

4. Board’s Right to Terminate an Individual’s Membership in the Plan. An individual's membership may be terminated by the Board in the event either Advisory Committee finds that the individual:

- (a) was granted membership based upon a fraudulent application, or
- (b) has been illegally receiving pension benefits, or
- (c) has made a willful misstatement of a material fact relating to his/her history.

No such action by the Board shall become final, however, unless the member has been afforded the opportunity to procedural due process as set forth in Part XI below.

PART X – ADMINISTRATION OF BENEFITS

1. Retirement Benefits Generally.

(a) Applications. All applications for retirement benefits shall be in accordance with Pension Office procedures. The procedures shall generally be uniform and established by the Pension Office. Applications shall be maintained in the Pension Office and shall be available upon request by any member or beneficiary.

(b) Proof of Earnings. No retirement benefit shall be granted unless earnings used for the applicable three (3) years of service prior to retirement shall be clearly identified.

(c) Calculations of Final Monthly Compensation. In calculating a member’s Final Monthly

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Compensation, the Pension Office shall:

(i) skip over any pay period in which the member received partial or no compensation while on an apparent approved leave of absence, so that the pay periods before and after such leave of absence are considered to be consecutive pay periods (provided, however, the Pension Office shall not skip over such pay periods if doing so would be to the detriment of the member);

(ii) use the highest 36 consecutive months of earnable compensation out of the last ten years of employment, which ~~generally~~ equates to 78 pay periods for bi-weekly paid employees.

(iii) Earnable compensation used will be based on the available pensionable earnings reported by the Employer payroll. Employee Services or the equivalent department of the Employer shall maintain documentation around what pay constitutes pensionable earnings. (This should be consistent with the definition of Earnable Compensation contained in Code.)

(d) Credit For Partial Years of Service. Where the Ordinance Code provides that retirement benefits shall be based on the number of years of credited service, the Board interprets that provision to allow credits for partial years of service based on the number of full months served. For instance if a member was continuously employed by the City on a full-time basis from January 1, 2005 to July 25, 2012, the member's retirement benefits would be based on 7.5 years of credited service.

(e) Definition of "Full-Time" Service. Where the Ordinance Code provides that retirement benefits shall be based on the amount of a member's full-time service or employment, and the term "full-time" is not otherwise defined, the Board defines "full-time" as regularly requiring at least 80 hours of bi-weekly service (if paid on a bi-weekly basis) or 40 hours of weekly service (if paid on a weekly basis). Full-Time service or employment does not include part-time service or seasonal service. The following types of employment are considered examples of part-time or seasonal service: (i) court bailiffs, (ii) poll workers, (iii) student positions and internships, and (iv) positions filled through employment agencies.

The Pension Office may grant partial service for periods of time where there is evidence the employee worked less than full-time (with pay) due to an apparent approved leave of absence. Any positions that are full-time and less than 40 hours per week will require review based on bargaining agreements or established practice.

(f) Definition of Part-Time Service. The Board interprets Section 120.209(d), *Ordinance Code*, as follows: the phrase "...a position routinely requiring fewer than 25 hours of work per week (50 hours per pay period) on a regular and recurring basis..." is interpreted to mean a part-time employee may work 50 or fewer hours per pay period. For purposes of clarity, within the same pay period, a part-time employee may work more or fewer than 25 hours per week, provided the cumulative hours for the pay period does not exceed 50 hours.

(g) Time Service Connections. All time service connections shall be made in accordance with Sections 120.204, 120.304, and other applicable provisions of the Ordinance Code.

(i) Time must be documented as full time, be it special purpose positions, provisional, probationary, grant, temporary or permanent. All full-time employment must be verified by either the Human Resources Division, the employer or from some other authoritative source. Members may purchase time as soon as they become members of the Plan, including while they are on probation. Requests for the actuarial equivalent cost for past service will be sent by the Pension Office to the Board's actuary for calculation as needed and as determined as practical by the Pension Office. (Note: Time served in contract positions is NOT eligible for purchase of credited service.)

(ii) Military time may be purchased in accordance with Sections 120.205 and 120.305, and other applicable provisions of the Ordinance Code.

(iii) Members who can document an approved leave of absence without pay status may purchase up to six months of time.

(iv) Purchase of ~~one (1) year or more of~~ time service may be made by payroll deduction for a period of no more than 130 pay periods. No more than two payroll deduction agreements may be authorized per person at any time and no changes are permitted to any payroll deduction agreement except for a lump sum balance payment, ~~or when satisfactory certificates or court orders are furnished to the Pension Office indicating that, after the date of purchase, there has occurred one of the following: 1) the marriage or divorce of the employee; 2) the death of the employee's spouse or child; or 3) the birth or adoption of a child of the employee; or 4) the employee is on an approved medical leave of absence, until such time that the employee returns to work. In the case of the first three reasons, the employee may terminate the purchase, without prejudice for making future purchases, and shall be entitled to the prorated time service credit purchased.~~ Notwithstanding the foregoing, upon the written request of an applicant and for good cause shown, the Plan Administrator is authorized to: (i) terminate an existing Time Service Connection ~~(other than the hardships listed above)~~ with the applicant being entitled to time service credit purchased as of the date of termination; ~~and (ii) reduce the amount of time service credit being purchased within an existing Time Service Connection. — This authority is limited to Time Service Connections authorized under Section 120.204(a), Ordinance Code.~~ The authority granted hereby shall not apply to Time Service Connections where the applicant was required by Ordinance Code to pay the full actuarial costs of the time connection. Any applicant requests to terminate or reduce the term of an existing Time Service Connection made at the full actuarial costs shall be brought to the Board of Trustees for its review.

(v) Termination of employment during a payroll deduction agreement will result in the member or beneficiary having to choose to make a lump sum payment to complete the purchase or to accept a prorated portion of the time service purchased by deduction. In the event a member dies during a payroll deduction agreement term, the time service connection stops and credit is given only for the portion of the time service which was paid through the

final paycheck. Payments for service purchases can be made with leave pay-outs, bank checks, or transfers of funds from a 457 Plan. Payments from leave balances or 457 Plans must be initiated by the termination date and outside payments not received by one-week following termination will not be accepted.

(h) Payment Amounts. Conversion from monthly to bi-weekly pension is done by taking the monthly base benefit times 12 and then dividing the resulting annual benefit by 26 annual pay-periods.

(i) Supplement Payment. The monthly supplement is divided by 2 and paid just twice monthly. In months with three pay-periods the last period will not include a supplement payment.

2. Disability Retirement Benefits.

(a) Applications. To receive retirement benefits on account of disability, the applicant and his/her physician(s) shall complete a written disability application on the approved form. The application process must be initiated by the applicant while an active member of the Plan. (Reasonable accommodations for submitting applications will be allowed based on review of the Advisory Committee and the Board.) Each application shall be accompanied by a release of medical information authorizing the Board or any of its agents to have full access to all medical records of the applicant whether or not the subject of the particular claim of disability. In addition, all applicants shall authorize the Committee and Board to conduct a public discussion of the medical condition of the applicant and to release the Committee and Board from any liability for the public discussion of the medical condition of the applicant.

(b) Calculations and Effective Date. Disability pensions, when granted, shall be calculated in accordance with the applicable provisions of Chapter 120, Ordinance Code, and shall be effective as of the day after the termination date provided by the Employer. The benefit calculation will utilize final monthly compensation and credited service in the same fashion as time service and term-vested calculations. For periods less than three years available full-time compensation will be averaged. Supplement will be paid and COLA will be applied for disability benefits.

(c) Role of Medical Review Officer. The physician(s) directly or indirectly under contract with the City of Jacksonville to provide medical review services may serve as the System's Medical Review Officer ("MRO") without a formal appointment. The term "physician" as used in these rules shall mean any licensed doctor of medicine, osteopathy, chiropractic, dentistry, podiatry, psychology, vocational specialist, or any other licensed practitioner of the healing arts.

The Pension Office shall refer all disability application packages to a MRO for an evaluation. No disability retirement benefits shall be granted by the Board unless there is contained in the file written evidence that the medical case history has been evaluated by the MRO and the MRO has found that the applicant has suffered an illness, injury or disease which renders the applicant permanently and

totally incapacitated, physically or mentally, from regular and continuous duty as an employee or officer of the City. The MRO shall also include a determination, to the extent reasonably possible, of the origin of the disability.

If additional medical information is desired by the Board or an Advisory Committee, the Board or the Advisory Committee may obtain further medical evaluations from the applicant, MRO or designate another MRO as it deems appropriate.

(d) Review By The Advisory Committee. Once an application for disability retirement and the report of the MRO(s) are received, the Pension Office shall refer the completed application package (including the MRO's recommendation) to the appropriate Advisory Committee. Upon receipt of the report of the board designated physician(s), the Advisory Committee shall schedule a public hearing at which time the Committee shall have available for review all reports of the MRO(s), together with any such documentary evidence as the applicant may wish to submit and any other available relevant materials. Based upon the written documentation presented, the Committee shall make a preliminary determination as to whether the member is permanently and totally disabled and whether the disability occurred in the course of service to the City.

If the Committee does not recommend that the Board grant the application based on the written documentation, ~~the Pension Office~~ shall inform the member in writing of the reasons for the denial of the application. The member may within 30 days of receipt of the Committee's preliminary denial, request a full evidentiary hearing before the Committee. This hearing and any appeals therefrom will be conducted in accordance with Article XI below ("Procedural Due Process").

(e) Re-Examination of Disability Retirees. The Board or the Advisory Committee may cause such disability retiree to undergo periodic physical examinations to determine the continued existence of the disabling condition. Any disability retiree who refuses a reexamination may be subject to denial of future pension benefits. All disability retirees who are to be reexamined shall be advised of the date and time of their reexamination. Disability retirees shall be required to execute such releases as the Board shall deem necessary to conduct the medical examination and to discuss the results. In the event that a disability retiree is found to have recovered and is shown to be physically able to perform his/her duty, the retiree shall be restored to employment with the City in the same position and pay rate that the retiree would have occupied but for the disability. There is no guarantee that such a position will be available and funded, but if such a position is available and funded then the disability benefits shall be terminated. If a disability retiree refuses an offer of reemployment with the City, disability benefits shall be discontinued.

(f) Presumptive Diseases. In the case of Corrections Officers who claim a service disability based on the presumptive disease provisions of Florida Statutes and the Ordinance Code, the Board's physician shall review the in-hiring physical of the applicant to determine if the presumption may be applied.

(g) Pre-Existing Conditions. In the case of Corrections Officers, the Ordinance Code prohibits any disability based on a preexisting condition. Accordingly, the MRO shall be asked to determine if the cause of the disability is the same medical condition as the observed preexisting condition. No

disability application may be granted if the injury or illness giving rise to the disability pre-existed membership in the System, unless the injury or illness would be expected to cause the disability without regard to the pre-existing condition.

3. Survivor Benefits.

(a) **Surviving Spouse.** Following the death of a member, the Plan shall treat the surviving partner of any marriage, which was lawfully formed in the jurisdiction in which it was entered, as a surviving spouse. The surviving spouse of a pensioner must be married to and residing with the pensioner at the time of the pensioner's death, and otherwise comply with the requirements of the Ordinance Code and these rules with regard to eligibility.

(b) **Applications.** Applicants for survivor benefits must submit a written application on the appropriate form with the following documents (as applicable):

- (i) Marriage certificate or other reasonable official proof of marriage
- (ii) Death certificate, stating cause of death.
- (iii) Two affidavits stating that the witness (friend, neighbor, relative, personal and professional acquaintance have been deemed acceptable) knew of their own personal knowledge that the applicant was married to and living with the deceased employee or retiree at the time of death.
- (iv) Birth certificate and social security card of dependent children less than eighteen (18) years of age, or for a disabled child of any age.
- (v) Social Security Card of the Survivor
- (vi) Driver's License or other government-issued ID of the Survivor

(c) **Benefits Upon Death of a Pensioner.** The deceased pensioner is paid a final payment either on the date of death or on the next scheduled payment. The eligible surviving spouse will receive benefits starting with the next pension payroll following the last payment made to the pensioner.

If there is no eligible survivor entitled to an ongoing pension payment, any remaining employee contributions are paid to the estate of the pensioner. The amount is calculated by subtracting the total gross pension payments from the total employee contributions paid into the Plan.

(d) **Benefits Upon Death of Active Member.** For purposes of determining the amount of benefits due to a surviving spouse of an active member, it shall be assumed that the deceased employee would have continued working for the City until they reached unreduced retirement eligibility. The eligible surviving spouse would then receive 75% of the member benefit that was based on a 2% accrual.

(e) **Benefits paid for surviving minor children** are paid to the surviving child's guardian on behalf of the child. When the child reaches age 18 that benefit is stopped. This includes benefits related to the 10% increase to the surviving spouse benefit for active employees and retired pensioners.

(f) Benefits to a Surviving Disabled Child. Child or Orphan benefits may be payable to a surviving disabled child for life, providing the child became disabled and the pensioner died prior to the child attaining 18 years of age. The standards for the disability determination shall generally conform to those used by the Social Security Administration in conjunction with the payment of supplemental security income benefits for children with disabilities. As part of the application review process, the Pension Office may request additional medical information for certification by the System's MRO.

4. BACKDROP, PLOP and DROP Benefits. Applications for retirement benefits under Sections 120.214 ("BACKDROP"), 120.215 ("PLOP"), and 120.314 ("DROP"), *Ordinance Code*, shall be on the approved forms and shall be processed in the same manner as time service retirements. The Pension Office shall maintain a documented practice for applying interest to lump-sums benefits from DROP and BACKDROP elections.

PLOP, BACKDROP and DROP elections are irrevocable and members that elect these benefits cannot earn additional benefits from the Plan.

BACKDROP interest is set annually and DROP interest is set monthly. DROP Phase 2 interest is set annually. Interest and mortality used for PLOP (and DB to DC transfers) is reviewed annually. Procedures for application of interest rate changes and other assumptions shall be maintained by the Pension Office.

5. Funeral Expenses. While there is a provision for providing funeral expenses, normal practice is to simply provide a return of employee contributions to the estate in cases where an active member or term vested member dies without a qualified survivor.

PART XI – PROCEDURAL DUE PROCESS

1. Hearings Before an Advisory Committee. The primary role of the Advisory Committees is to review applications for ~~membership and~~ benefits and, where appropriate, conduct evidentiary hearings on those matters. An Advisory Committee may not recommend the denial, termination or reduction of Plan benefits against an applicant without notifying the applicant in writing of the reasons for the recommendation. The applicant may, within 30 days of receipt of such notice, request a full evidentiary hearing before the Committee. All evidentiary hearings will be conducted consistent with the principles of due process, and the rules of evidence generally applicable to administrative proceedings shall apply. The Advisory Committees shall have the power to issue subpoenas compelling the attendance of witnesses. At a hearing, the applicant may present such oral and written evidence as the applicant deems necessary to establish its burden of proof. The applicant, the City and the Advisory Committee shall have the right to examine and cross-examine all witnesses. The recommended decision of the Advisory Committee shall be based solely upon the evidence presented and applicable law. Following the conclusion of the hearing, the Advisory Committee shall render an opinion in writing setting forth the reasons for recommending the grant or denial of the benefit.

2. Notice of Advisory Committee Recommendations. In cases where the Advisory Committee holds an

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evidentiary hearing and recommends a denial, termination or reduction in benefits, the Advisory Committee shall send a notice of the recommendation to the applicant, which shall include:

- (a) A citation to the applicable section of the Ordinance Code under which the Committee is acting;
- (b) A description of the reason or reasons for the Committee's position;
- (c) The date and place of the Board meeting where the recommendation will be reviewed and either adopted or disapproved (if applicable).
- (d) Notice of the applicant's right to attend the meeting and contest the Board's approval of the Committee's recommendation (if applicable).

3. Final Action by the Board. Once the Advisory Committee has reviewed the application for benefits and formulated a recommendation to the Board, the matter shall be forwarded to the Board for final action if approved or if requested for appeal by the applicant after an evidentiary hearing. The Board shall conduct a review of the Committee's recommendation and shall hold a public hearing on the matter. At that time, the applicant and the City shall be permitted to present such legal arguments as they deem advisable, which may not exceed fifteen minutes per side unless the Board determines that exceptional circumstances warrant more time. Following the presentation before the Board, the Board shall determine whether or not to grant the benefit. The Board shall confine its decision to the factual record made at the Advisory Committee meeting and shall not reject findings of fact unless the facts are not supported by competent and substantial evidence contained in the record. The Advisory Committee recommendation on the interpretation of legal issues shall not be binding on the Board. All decisions of the Board shall be reduced to writing and presented to the applicant by mail. The Board's decision shall be the final administrative action. If the Board finds that the factual record needs to be supplemented, it shall defer action on the application and return the matter to the Advisory Committee for additional fact finding.

4. Notices that a Record is Required to Appeal. Pursuant to Section 286.0105, Florida Statutes, each notice to an applicant of a hearing in which the Board or an Advisory Committee may take an adverse action, shall include a statement substantially as follows:

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE [BOARD / COMMITTEE] WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS. FOR THIS PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

5. Appeal Procedures and Judicial Review. In all cases where the Board rules against an applicant, the Board shall formally issue an Order containing its findings of fact and conclusions. The Pension Office shall promptly provide the applicant with a copy of the Order. The applicant shall have 30 days from the date of the Order in which to appeal the decision to the Circuit Court of the Fourth Judicial Circuit of Florida in and for Duval County. Said review shall be by direct appeal as set forth in the Florida Rules of Appellate Procedure.

PART XII -- ETHICS

1. General Standards. Members of the Board and the Advisory Committees shall, in all transactions respecting the System, abide by the "Prudent Man Rule" as generally recognized in the American Law of Trusts. In addition, such members are governed by Florida Statutes, Chapter 112, Part III, the Code of Ethics for Public Officials and Employees.

2. Conflicts of Interest. Conflicts of interest in voting shall be governed by the provisions of Florida Statutes, Section 112.3143. No member of the Board or an Advisory Committee shall engage in any transaction or vote in any matter in which the member shall receive any direct or indirect personal gain. This shall not preclude, however, voting on benefit increases that are generally applicable to all Plan members and beneficiaries.

Prior to voting on any matter in which a member reasonably believes a conflict of interest exists, the member shall publicly announce the conflict and refrain from voting. The conflict statement required by law shall be recorded in the minutes of the meeting. In determining whether a conflict exists, members shall in all actions endeavor to avoid the appearance of impropriety.

3. Communication with Applicants. Unless authorized by the Board Chair and the Board's legal counsel, no member of the Board or an Advisory Committee shall engage in prior communication with any applicant for membership or benefits on any matter which is currently pending a hearing before either the Advisory Committee or the Board. This shall not preclude a Board or Committee member from answering questions of general application to Plan members where the information provided involves a restatement of benefits under the Plan and does not involve consideration of matters which will be presented in any evidentiary proceeding. All requests for information in conflict with this rule shall be referred to the Plan Administrator or other appropriate staff member for a response.

Members of the Board and the Advisory Committees should remain cognizant that statements regarding benefits may be relied upon by applicants to their detriment thereby creating a risk of a claim of estoppel. When addressing benefit questions by Plan members, members of the Board and the Advisory Committees should clearly indicate that they are in no way capable of binding the System and that all questions are ultimately settled by the Board acting as a body.

4. Communications with Potential Contractors. Individual members of the Board shall not engage in any communication with persons or entities seeking to establish a contractual relationship with the Board during the period of an active solicitation for services that is being sought by the potential contractor. All contacts by potential contractors during such period shall be referred to the Plan Administrator.

5. Communications with Money Managers. All communications between individual members of the Board and money managers shall be for informational purposes only. No individual member of the Board may bind or promise any consideration on behalf of the System except as approved by the Board.

6. Application of Code of Ethics to Staff and Contractors. All staff members and contractors shall be bound by this code of ethics in their dealings with the Board and the System. All such persons are responsible to the Board and the System, and not any individual member of the Board or a Committee.

7. Reporting of Gifts. Any Board member, Advisory Committee member, Pension Office staff, or Plan fiduciary receiving anything of value in excess of the maximum allowed by law shall disclose said gift in writing and the disclosure shall be made a part of the records of the System.

8. Annual Reporting. All Board members shall complete public disclosure of financial interests form on an annual basis as required by Section 112.3144, Florida Statutes. Said disclosure forms shall be filed with the Supervisor of Elections for the City of Jacksonville.

PART XIII -- MISCELLANEOUS

1. Continuing Education and Travel Policy. The Board has established guidelines in accordance with Section 112.661(14), Florida Statutes, for members of the Board, members of an Advisory Committee, and staff members who wish to take advantage of continuing educational opportunities through attendance at conferences, seminars, programs, and due diligence evaluations. All such travel shall require prior approval by [the Treasurer or](#) a majority of the Board present and eligible to vote at a Board of Trustees Meeting.

2. Defined Contribution Plan (the "DC Plan"). The System does not include the City's DC Plan established in 2007 pursuant to Chapter 120, Part V, *Ordinance Code*. However, the Board, through the Pension Office, shall work with the appropriate City departments to create and manage employee education programs with respect to the DC Plan. The Board will also adopt, to the extent needed, uniform rules for the implementation of the election and conversion rights with respect to the DC Plan.

(a) Board Rule Regarding Non-vested Conversions from DB to DC Plan. When a non-vested member (i.e., having fewer than 5 years of credited service) of the DB Plan elects to convert to the DC Plan, the Board shall transfer assets of the Plan to the newly created member account in the DC Plan in an amount equal to the employee contributions of such employee. No employer contributions shall be transferred into the DC Plan in connection with a non-vested DB Plan member's conversion to the DC Plan.

(b) Board Rule Regarding Vested Conversions from DB to DC Plan. When a vested member of the DB Plan elects to convert to the DC Plan as authorized by Chapter 120 *Ordinance Code*, the Board shall transfer assets of the Plan to the newly created member account in the DC Plan in an amount equal to the actuarial present value of the member's then-accrued benefit in the DB plan, as determined by the actuary for the System. This election must be made while the member is still employed and once made this member forfeits all rights and benefits under the DB Plan.

3. Excess Benefits Administration. Under Section 120.401, *Ordinance Code*, the Board is required to administer the City's excess benefits arrangements. The Pension Office will compile and maintain all records and procedures necessary or appropriate for the administration of those arrangements.

4. Verification of Affidavits. In situations where the Board has requested pensioners to execute affidavits in connection with their continued eligibility for pension benefits and such affidavit is not returned by the scheduled date to the Pension Office, the pensioner will receive a follow-up notice. If the pensioner does not

reply to the follow-up notice, an additional notice will be sent. If an affidavit has not been received after the third notice, the Pension Office may suspend all future pension benefits until suitable arrangements have been made to obtain said affidavit. The Pension Office may delay suspension of benefits if there is evidence that the pensioner is still alive and eligible to receive the benefit ~~and/or~~ there is a reasonable explanation for delay in receiving the affidavit. The Pension Office should continue to make reasonable efforts to obtain the affidavit in these situations.

5. Recovery of Overpayments. If a beneficiary of the System is paid an amount in excess of that due him, deductions will be made in future payments to recover the amount overpaid. The Pension Office should utilize standard guidelines for the recovery of funds and consult with the Board for unusual situations.

6. Recovery of Other Amounts Owed to the City. To the extent permitted by law, if a City employee or retiree owes the City any money, the Board shall comply with the requirements in Section 112.401, *Ordinance Code*, by placing an automatic deduction against the future payments to the employee or retiree to recover the amount owed to the City.

7. Deductions from Benefits for Payments to Third-Parties. Pursuant to Section 120.213(a), *Ordinance Code*, a retiree may authorize deductions from benefits payable to said retiree for payment of City related vendors, including but not limited to City-sponsored health insurance, ~~the Police Charities Fund, Florida Retired Public Employee Fund, Firefighters Benefit Fund, the Fire Death Benefit Fund,~~ Jaxpolice Death Benefits, or dues to ~~the Retiree de Employees Association organizations~~ of which the retiree is a member. No other deductions may be authorized by a retiree. Legacy deductions established at a prior time may be stopped by notification to the Pension Office.

New Income Deduction Orders will only be honored if they specify they are for alimony (NOT equitable distribution) or child support, include instructions to pay the State of Florida, reference the total amount per pay-period and are in compliance with State and Federal Law. The Plan does NOT accept QDROs for establishing deductions.

8. Public Records. The records of the System are generally considered public records as set forth in Florida Statutes, Chapter 119. All requests for such records shall be handled in accordance with the City's public records policies in effect at that time. The Pension Office should consult the Office of General Counsel before releasing any records that might be considered confidential or exempt under the Florida Public Records Law (such as medical records, social security numbers, and law enforcement personnel information).

9. Medical Records. All medical records of Plan members and beneficiaries shall be maintained ~~separately from other records of the Board~~ securely (electronically after a reasonable period of time following receipt and evaluation) so as to ensure security of the privileged information to which the Board is privy.

10. Administrative Budget of the System. In May of each year, the Plan Administrator shall work with the Treasurer, the City Budget Officer, and CFO to prepare an Annual Administrative Budget for the System. The budget shall be exclusive of expenditures for the payment of Plan benefits and refunds. Interim and final drafts of the Annual Administrative Budget shall be presented for review, comment, and recommendation by the Board prior to the Mayor's submittal of the City's Annual Budget to the City Council in July of each year.

Pension Board Rules ~~4/25/2019 BOARD APPROVED~~ 7/14/2021 DRAFT

* * *

These rules and regulations were updated by the Pension Office after Board approval ~~April 25, 2019~~ AUGUST 26, 2021 (to be confirmed), and supersede all rules and regulations previously enacted and issued by the Board.

Pension Board Rules ~~4/25/2019 BOARD APPROVED~~ 7/14/2021 DRAFT

8/26/2021 Pension Board of Trustees

Goals:

- Improved picture quality for in-room display,
- Improved audio for virtual participation,
- Camera for visual of meetings,
- Improved controls for running meetings in-person, virtually and a combination

Updated Proposed Solution:

Component	Estimated Cost	Comments
98" Monitor	\$8K	Monitor provides for sharper image. Alternate solution is new projector (\$6K) with new HD screen (\$5k).
Ceiling Microphone and Speaker	\$6K	Allows for more seamless audio for virtual meeting attendance. Microphone and speaker would have some room coverage but focus would be on conference table and podium area.
Video and Technology Controls	\$4K	Basic mounted room camera for general visual of the room and technology controls for meeting organizers and presenters. (control system is not included in this quote)
Installation and Other Setup Fees	\$4K	
TOTAL	\$22K	Amounts are estimated based on quote from Emtec and review by COJ ITD and Building Services

Estimated cost does not include updated furniture, room lockdown or any additional cost for PC/laptop to control audio/visual

Company Name: COJ
Attn: Thomas Stadelmaier
Billing Address: 117 W. Duval Street
City, State Zip: Jacksonville, FL 32202

Company Name: COJ
Attn: Thomas Stadelmaier
Shipping Address: 117 W. Duval Street
City, State Zip: Jacksonville, FL 32202

Quote Name: St. James - Conf Room 3C

Payment Terms: Net 30

Part Number	Description	Qty	Price	Line Total	Notes
Projector/Display and Accessories:					
NP-PA703UL-41ZL	NEC 7000 Lumen Advanced Professional Laser Installation Projector (with 41ZL Lens)	0	\$ 5,552.10	\$ -	- New HD Projector and Accessories
OFE	Projector Ceiling Mount	0	\$ -	\$ -	
OFE	Projector Downrod	0	\$ -	\$ -	
RPAUW	Chief Universal Projector Mount, White	0	\$ 157.70	\$ -	
OFE	Projector Screen	0	\$ -	\$ -	- Existing Projector Screen; - Allows Crestron to control screen
40973	DaLite Single Motor Low Voltage Control System	0	\$ 240.71	\$ -	* Requires COJ electrician to install
24057FLSI	DaLite Tensioned Advantage Electric Screen - 60" X 96", HD Progressive Fabric	0	\$ 4,948.94	\$ -	- New HD Projector Screen
C981Q	NEC 98" Direct LED LCD Public Display Monitor, 3840 x 2160 (4K / UHD), 3 Year Commercial Warranty	1	\$ 7,879.64	\$ 7,879.64	- New Large Display; * Requires COJ electrician to add power on wall, behind display
XSM1U	Chief X-Large Fusion Micro-Adjustable Fixed Wall Display Mount	1	\$ 212.58	\$ 212.58	
Video:					
OFE	Owner Furnished Desktop PC	1			* Located in rack
OFE	Owner Furnished Wireless Mouse and Keyboard	1			
R9861510NA	Barco Wireless Presenter, 1 Button	1	\$ 1,011.76	\$ 1,011.76	
HD-MD-400-C-E KIT	Crestron DM Lite – HD Scaling Auto-Switcher & HDMI® over CATx Extender 400	1	\$ 941.18	\$ 941.18	
HC10X-USB2-WH	HuddleCam 10X Optical Zoom USB 2.0 1920 x 1080p 54 degree FOV (White) US Style Power Supply	1	\$ 639.61	\$ 639.61	
RCU2s-A2A8	Sound Control Remote Cam USB2 USB2.0 + UVC + Serial Control Loop + 5/12V Camera Power	1	\$ 935.29	\$ 935.29	Extends Power, USB and Control
RCM-UNI	Sound Control RCM On Wall Mount	1	\$ 117.65	\$ 117.65	
Audio:					
MXA910W-US-P300-P	Shure Ceiling Array Microphone Bundle	1	\$ 4,821.18	\$ 4,821.18	* Can cover entire room; * Initial setup for table and podium only
TPE-TG82g	Trendnet 8-Port Gigabit PoE+ Switch	1	\$ 86.73	\$ 86.73	
AMP-X300	Crestron X-Series Amplifier	1	\$ 470.59	\$ 470.59	
SAROS ICE6T-W-TEACH	Crestron 6.5" 2-Way In-Ceiling Speaker, White	6	\$ 103.41	\$ 620.46	
Equipment Rack and Hardware:					
OFE	Owner Furnished Rack	1			
Rack Hardware	Custom Equipment Rack Hardware	1	\$ 289.88	\$ 289.88	
Installation & Associated Hardware:					
CABLEKIT	Custom Plenum Cable Set & Connectors	1	\$ 543.21	\$ 543.21	
EMTC-TEMPA-INSTLHW	Custom Installation Hardware	1	\$ 200.45	\$ 200.45	
EMTC-TEMPA-INSTALL	Hardware Installation	1	\$ 1,589.00	\$ 1,589.00	
EMTC-TEMPA-PM	PM Fees	1	\$ 217.00	\$ 217.00	

Subtotal: \$ 20,576.21
Ground Shipping \$ 600.00
Tax (%): \$ -

Pricing valid for thirty days from the quote date.

TOTAL: \$ 21,176.21