

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, April 24, 2025, at 2 PM
City Hall Conference Room 3C**

AGENDA

1. CALL TO ORDER

2. PUBLIC COMMENT

3. MINUTES

- a. Copy of March 27, 2025, and April 3, 2025, Board of Trustees Minutes;
RECOMMENDED ACTION: APPROVAL

4. NEW BUSINESS

- a. GEPP March 2025 Consent; PAC RECOMMENDED ACTION: APPROVAL
- b. COPP March 2025 Consent; COPAC RECOMMENDED ACTION: APPROVAL

5. INVESTMENT AND FINANCIAL MATTERS

- a. Investment Performance Review
- b. SMID Growth Manager Recommendation
- c. Real Estate Pacing
- d. Risk Analysis
- e. IPS Refresh
- f. Staff Update
 - Investment Activity Report

6. OLD BUSINESS

None

7. ADMINISTRATIVE

- a. Staff Update

8. INFORMATION

- a. Financial Discussion with Kayne Anderson – SMID Core scheduled for Thursday, May 1, 2025, at 12:30 PM (meet and greet starts at 12:00)
- b. Next regular BOT meeting scheduled for Thursday, May 22, 2025, at 2 PM

9. PRIVILEGE OF THE FLOOR

10. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
March 27, 2025**

MINUTES

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

Members Present

Jeffrey Bernardo, Chair
Anna Brosche, Vice Chair (via Zoom)
David Kilcrease, Secretary
Kelli O'Leary (on behalf of Karen Bowling)
Leah Hayes
Julie Bessent
Sage Sullivan
Michelle Fletcher
Eric Smith

Members Not Present

None

Staff Present

Chris Cicero, Treasurer
Brennan Merrell, Chief Investment Officer
Brian Parks, Council Auditor (via Zoom)
Randy Wyse, JPOFFHIT
John Sawyer, OGC
Eric Jordan, Financial Specialist
Yolanda Tillman, Treasury Analyst III (via Zoom)
Andy Robinson, Pension Administrator

Others Present

Jeffrey Williams, Segal
Matthew Sturdivan, RVK (via Zoom)
Samia Khan, RVK (via Zoom)
Ramneek Singh, RVK (via Zoom)
David McElroy, Managing Director, Driehaus Capital Management
Michael Buck, Portfolio Manager, Driehaus Capital Management
Matthew Pistorio, Principal, Client Portfolio Manager, Geneva Capital Management
W. Scott Priebe, Managing Principal, Portfolio Manager, Geneva Capital Management
Jon Foust, Director of Marketing and Client Service, Hood River Capital Management
Brian Smoluch, Portfolio Manager, Hood River Capital Management

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 2:00 PM. Ms. Brosche attended the meeting virtually. A motion was made by Ms. O'Leary to allow Ms. Brosche to vote via Zoom. Ms. Hayes seconded the motion. The Chair took a vote, and the motion passed unanimously.

2. PUBLIC COMMENT

There was none.

3. MINUTES

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

4. NEW BUSINESS

a. Consent Agendas

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

b. GEPP and COPP 10/1/2024 Valuations Presentation

Mr. Williams provided an overview of the 10/1/2024 COPP valuation. He mentioned the amount of the City's minimum required contribution for fiscal year 2026 and spoke on the experience gain and losses. He also mentioned returns on surtax revenue. Mr. Williams continued to discuss the funded ratios pertaining to an actuarial and market basis and provided details on both actuarial value of assets and market value of assets. He also spoke on active populations, salary details, unfunded liabilities, and the history of City contributions.

Mr. Williams provided an overview of the 10/1/2024 GEPP valuation. He mentioned the amount of the City's minimum required contribution for fiscal year 2026 and spoke on the experience gain and losses. He also mentioned returns on surtax revenue. Mr. Williams continued to discuss the funded ratios pertaining to an actuarial and market basis and provided details on both actuarial value of assets and market value of assets.

Mr. Kilcrease motioned to adopt the 10/1/2024 GEPP and COPP valuations. Ms. O'Leary seconded the motion. The Chair summoned for discussion and there was none. The Chair called for a vote and the motion passed unanimously.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Merrell provided a high-level overview of the preliminary investment flash report. The fund was valued a little over \$2.5 billion and down -.59% MTD and up 1.12% FYTD. He highlighted Wellington, the large cap value manager, and mentioned their downside capture would prevail in a down market and the fund returned 1.43% for the month.

Mr. Merrell mentioned the IPS refresh would be postponed until the April meeting, and he continued with the Investment Activity Report including the mention of Eagle Capital presenting at the next workshop. He also spoke on capital calls regarding private credit and private equity.

Mr. Merrell briefed the Board regarding the recent conversation with Pinnacle and the concerns with retaining the SMID growth manager. Staff and RVK believe there are better options for improving that manager space and brought forth three managers for consideration.

Without any questions, the floor was turned over to the first presenting group.

Driehaus Capital Management

The representatives of Driehaus Capital Management were Michael Buck and David McElroy. They covered the material provided in detail. Mr. McElroy presented an overview of the company's history, their hiring process, and their low employee turnover. Mr. Buck provided a detailed overview of the portfolio team, their investment philosophy including diversified growth rates and sectors, and their biotechnology capabilities. He spoke about capitalizing on market inefficiencies and predictable and investable patterns. Mr. Buck also provided a company-specific sample research report and how Driehaus utilizes this research to enhance the earnings of their portfolio.

The floor was opened for questions. Several members of the Board and staff posed questions regarding talent management and hiring practices, whether Driehaus has other municipalities as clients, examples of past portfolio investments that did not perform as expected, current portfolio performance in relation to the benchmark, cyclical and recovery growth, and client departures.

Chair Bernardo thanked Driehaus for their presentation.

Geneva Capital Management

The representatives of Geneva Capital Management were W. Scott Priebe and Matthew Pistorio. They covered the material provided in detail. Mr. Pistorio presented an overview of the company including the fact that the firm is majority employee-owned, their assets under management, and the investment team. Mr. Priebe discussed market cycle performance regarding their portfolio, Geneva's SMID Cap strategy, and investment philosophy using qualitative assessment. He spoke on growth drivers,

protecting capital in down markets, and their economic and investment outlook. Mr. Priebe concluded with a company-specific sample research report, their research process, and economic versus sector exposure.

The floor was opened for questions. Several members of the Board and staff posed questions regarding historical performance regarding the strategy, whether Geneva has other municipalities as clients, artificial intelligence as a positive or negative, client departures, strategy adjustments regarding ongoing tariffs, and quality focus.

Chair Bernardo thanked Geneva for their presentation.

Hood River Capital Management

The representatives of Hood River Capital Management were Brian Smoluch and Jon Foust. They covered the material provided in detail. Mr. Foust presented an overview of the company, mentioned the firm is 100% employee-owned, and discussed their assets under management. Mr. Smoluch discussed research models, their SMID strategy, and Hood River's competitive advantage regarding stock selection. Mr. Foust mentioned performance versus risk using proactive research, historical performance, and appropriate adding and trimming within the portfolio. Mr. Smoluch spoke about the investment team, the investment process, sector weights, portfolio holdings, and he also provided a company-specific sample research report.

The floor was opened for questions. Several members of the Board and staff posed questions regarding qualitative research models, the purpose behind recent staff hires, the original investment strategy as compared to current, whether Hood River has other municipalities as clients, client departures, quarterly performance, and artificial intelligence as a positive or negative.

Mr. Merrell thanked Hood River for their presentation.

Mr. Merrell provided a brief overview regarding the next actions before the manager selection discussion will be held.

6. OLD BUSINESS

There was none.

7. ADMINISTRATIVE

Mr. Robinson reported that the Pension Office continues to experience increased processing volumes regarding retirement and time service estimates, retirement application requests, and defined benefit to defined contribution transfers. He stated that the yearly 1099-R forms were filed with the IRS before the deadline, and that day-to-day operations remain the same.

INFORMATION

The next regular BOT meeting is scheduled for Thursday, April 24, 2025, at 2 PM.

Investment due diligence workshop will be held Thursday, April 3, 2025, at 12:30 PM.

8. PRIVILEGE OF THE FLOOR

There was none.

9. ADJOURNMENT

The Chair adjourned the meeting at 4:13 PM.

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
April 3, 2025**

MINUTES

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

Members Present

Jeffrey Bernardo (via Teams)
David Kilcrease, Acting Chair
Michelle Fletcher
Leah Hayes
Kelli O'Leary (on behalf of Karen Bowling)

Members Not Present

Anna Brosche
Sage Sullivan
Eric Smith
Julie Bessent

Staff Present

Brennan Merrell, Chief Investment Officer
Chris Cicero, Treasurer
Roger Phillips, Senior Debt Manager
Robin Adams, Senior Accounting Manager – Treasury
Eric Jordan, Financial Specialist – Treasury
Stephen Lundy, Deputy Director, Police and Fire Pension Fund

Others Present

John Galateria, Head of Client Team, Eagle Capital Management
Mike Stillitano, Portfolio Manager, Eagle Capital Management

1. CALL TO ORDER

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

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

2. PUBLIC COMMENT

There was none.

3. INVESTMENT AND FINANCIAL MATTERS

Eagle Capital Management

Mr. Merrell introduced John Galateria and Mike Stillitano from Eagle Capital, the City's Large Cap Core equity manager since 2007.

Mr. Galateria provided an overview of Eagle Capital, established in 1988 and 100% employee-owned, with nearly \$32 billion in assets under management. He stated that the firm employs a single, value-oriented investment strategy.

Mr. Stillitano elaborated on the firm's investment philosophy, which aims to achieve double-digit returns over a 5 to 10-year period by selecting assets based on duration, value orientation, and conviction. The portfolio is concentrated, comprising 25 to 35 holdings. Mr. Stillitano noted that the strategy's returns tend to correlate with periods where value outperforms growth. He further indicated that the portfolio is well-diversified, with no single sector allocation exceeding 20%.

Mr. Stillitano reviewed the investment team structure and its history. He then explained their investment process, which includes idea generation, research and debate, portfolio construction, and active oversight. The firm's opportunity set includes investments in industry-leading companies and opportunistic dislocations. Key sizing parameters include a 10% position limit, a 35% sector limit, and a 15% limit on American Depositary Receipts (ADRs).

Regarding investment outcomes, Mr. Stillitano reported that their average rolling 10-year returns are 13.5%, outperforming the S&P 500, Russell 1000 Value, and Russell 1000 Growth indices, which have all yielded approximately 9.5%. The firm utilizes an expected rate of return for trimming decisions, exiting positions when anticipated returns fall below 10%.

Mr. Stillitano highlighted the firm's significant scale as a differentiator, allowing for investments of approximately \$1 billion per position. He also noted the stability of their senior leadership team, with no departures at that level.

Additional questions were posed and addressed.

4. OLD BUSINESS

N/A

5. ADMINISTRATIVE

N/A

6. INFORMATION

The next regular BOT meeting is scheduled for Thursday, April 24, 2025, at 2 PM.

Investment due diligence workshop will be held Thursday, May 1, 2025, at 12:30 PM.

7. PRIVILEGE OF THE FLOOR

None

8. ADJOURNMENT

Chair Kilcrease adjourned the meeting at 1:29 PM.

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

March 2025

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Cynthia K Brown, (JEA), effective March 1, 2025, in the monthly base amount of \$4,376.09 at the rate of 55.21% (22 years and 1 month)

Darnell Cherry, (JEA), effective October 7, 2023, in the monthly base amount of \$1,703.31 at the rate of 52.71% (21 years and 1 month)

Jeffrey R Clements, (City), effective March 8, 2025, in the monthly base amount of \$7,404.62 at the rate of 80% (35 years and 7 months) 5% PLOP \$66,032.80

John B Crawford, (JEA), effective February 15, 2025, in the monthly base amount of \$4,651.42 at the rate of 51.67% (20 years and 8 months)

Kyle P Crews, (JEA), effective February 21, 2025, in the monthly base amount of \$5,669.47 at the rate of 80% (34 years and 1 month) 5% PLOP \$62,823.77

Ernest L Dunning, (City), effective February 22, 2025, in the monthly base amount of \$4,966.73 at the rate of 80% (35 years and 6 months) 60 months BACKDROP \$328,939.88

David D Hahn, (City), effective March 1, 2025, in the monthly base amount of \$6,309.13 at the rate of 75% (30 years) 17 months BACKDROP \$110,527.44

Norman A Haney, (City), effective February 22, 2025, in the monthly base amount of \$2,083.61 at the rate of 80% (32 years) 60 months BACKDROP \$137,994.94

William S Harrell, (City), effective March 8, 2025, in the monthly base amount of \$1,929.20 at the rate of 51.67% (20 years and 8 months) 10% PLOP \$44,818.03

Michael T Hudson, (City), effective February 22, 2025, in the monthly base amount of \$2,288.56 at the rate of 70% (28 years) 15% PLOP \$86,128.47

Theresa M Kilis, (JSO), effective March 8, 2025, in the monthly base amount of \$2,285.61 at the rate of 50% (20 years)

Christalyn N Pruitt, (JEA), effective March 8, 2025, in the monthly base amount of \$8,681.68 at the rate of 63.33% (25 years and 4 months)

Brian T Rickert, (City), effective February 15, 2025, in the monthly base amount of \$1,711.48 at the rate of 27.29% (10 years and 11 months)

Jose A Santana Jr, (JSO), effective February 22, 2025, in the monthly base amount of \$807.67 at the rate of 23.54% (9 years and 5 months)

James J Stevens, (JEA), effective March 6, 2025, in the monthly base amount of \$1,613.43 at the rate of 19.79% (7 years and 11 months)

2. VESTED RETIREMENTS

New Commencements

Melissa L Coppedge, effective January 25, 2025, in the monthly base amount of \$709.46

Aaron L Heavner, effective March 10, 2025, in the monthly base amount of \$305.10

Romy Paul, effective February 22, 2025, in the monthly base amount of \$1,752.87

New Deferrals

None

3. SURVIVOR BENEFITS

Fairy L Davis, (Algia E Davis), effective February 11, 2025, in the monthly COLA base amount of \$2,028.43

Lane A Menotte, (Robert W Menotte), effective March 1, 2025, in the monthly COLA base amount of \$3,471.07

Sandra L Mousa, (Sam E Mousa), effective January 23, 2025, in the monthly COLA base amount of \$10,381.21

Nancy D Smith, (Jeffrey D Smith), effective February 26, 2025, in the monthly COLA base amount of \$911.50

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

John A Aikens, (City), .03 months completed in the amount of \$12.20

Rachelna S Bountharack, (JEA), 1.07 months completed in the amount of \$741.00

Jeffrey R Cowart, (City), .93 months completed in the amount of \$505.23

Joshua E Gideon, (City), 59.70 months completed in the amount of \$72,704.15

Rhonda R Goode, (JEA), 1.23 months completed in the amount of \$851.50

William S Harrell, (City), 43.63 months completed in the amount of \$18,873.07

Terry L Jones, (City), 1.97 months completed in the amount of \$851.48

Sylvester Kendrick Jr., (City), 15.7 months completed in the amount of \$3,259.10

Brenda J Mack, (JSO), 44.53 months completed in the amount of \$14,574.30

Deborah A Thwing, (City), 1 month completed in the amount of \$591.16

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

None

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

William S Harrell, (City), 24 months completed in the amount of \$20,761.82

Jose A Santana JR, (JSO), 24 months completed in the amount of \$15,212.06

9. REFUNDS

Bradley M Clayton, (City), 7 years and 9 months, \$30,249.03

Anthony W Thompson Jr, (JSO), 3 years and 9 months, \$10,251.30

Delencia E Williams, (JSO), 4 years and 11 months \$14,946.45

10. DB TO DC TRANSFER

Leslie A D'Elia, (JSO), 8 years and 6 months in the amount of \$86,978.47

Carl L Ferbrache, (JEA), 21 years and 10 months in the amount of \$1,131,056.34

Timothy L Koch, (JSO), 8 years and 3 months in the amount of \$150,500.66

Merriane G Lahmeur, (City), 15 years and 4 months in the amount of \$166,871.93

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

12. RE-RETIREE

Claire M Stine, (City), effective February 22, 2025, in the monthly base amount of \$4,939.42 at the rate of 59.17% (23 years and 8 months)

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

March 2025

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

None

2. TIME SERVICE CONNECTIONS COMPLETED

None

3. REFUND OF CONTRIBUTIONS

None

4. SURVIVOR BENEFITS APPLICATION

Adeline M Ramsey, (Wilson L Ramsey), effective February 25, 2025, in the monthly COLA base amount of \$3,594.24

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. VESTED BENEFIT

None

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

Brian D Nicholson, 12 months in the amount of \$15,872.59

Brian J Selter, 24 months in the amount of \$25,742.60

8. OFFICERS ENTERING DROP JANUARY 2025

9. Phase II Biweekly Distribution DROP Program

Mamie M Roundtree, \$432.25 biweekly for 390 pay periods

Amanda S Snow, \$27.60 biweekly for 780 pay periods

10. DROP Payments

Mamie M Roundtree, \$64,000.00

COPAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

RVK

Monthly Performance Report

City of Jacksonville Employees' Retirement System

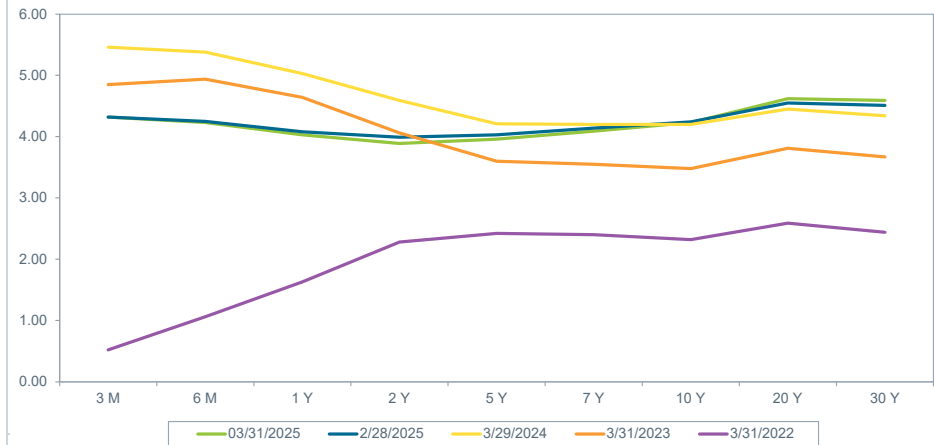
As of March 31, 2025

General Market Commentary

- Global equity markets traded lower during March. International equities were flat to slightly negative while US stocks declined substantially, posting losses in the mid to high single digits. Growth stocks underperformed their value counterparts, as technology names continued to experience a sell-off during the month.
- The stock market traded lower primarily due to concerns regarding the health of the US economy, based on declining consumer confidence, mixed inflation data, and tariff uncertainty.
- At the March 2025 Federal Open Market Committee meeting, the Fed left interest rates unchanged for a second consecutive meeting, citing expectations for slower economic growth and higher inflation in 2025.
- Equity markets posted negative returns in March as the S&P 500 (Cap Wtd) Index returned -5.63% and the MSCI EAFE (Net) Index returned -0.40%. Emerging markets returned 0.63%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.04% in March, underperforming the 0.52% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 1.02%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -3.61% in March and 11.35% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 9.07% for the trailing one-year period and 15.34% for the trailing five-year period ending September 2024.
- Absolute return strategies returned -1.46% for the month and 4.11% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- The price of crude oil increased by 2.47% during the month but has decreased by 14.06% YoY.

Economic Indicators	Mar-25		Feb-25	Mar-24	10 Yr	20 Yr
Federal Funds Rate (%)	4.33	—	4.33	5.33	1.87	1.70
Breakeven Inflation - 5 Year (%)	2.63	▲	2.61	2.44	1.98	1.93
Breakeven Inflation - 10 Year (%)	2.37	▲	2.36	2.32	2.01	2.08
Breakeven Inflation - 30 Year (%)	2.26	▲	2.25	2.28	2.04	2.21
Bloomberg US Agg Bond Index - Yield (%)	4.60	▲	4.58	4.85	2.97	3.28
Bloomberg US Agg Bond Index - OAS (%)	0.35	▲	0.32	0.39	0.46	0.59
Bloomberg US Agg Credit Index - OAS (%)	0.89	▲	0.83	0.85	1.14	1.38
Bloomberg US Corp: HY Index - OAS (%)	3.47	▲	2.80	2.99	4.13	4.90
Capacity Utilization (%)	77.85	▼	78.19	78.41	77.36	77.13
Unemployment Rate (%)	4.20	▲	4.10	3.80	4.63	5.78
PMI - Manufacturing (%)	49.00	▼	50.30	50.30	53.05	52.79
Baltic Dry Index - Shipping	1,598	▲	1,229	1,821	1,445	2,183
Consumer Conf (Conf Board)	92.90	▼	98.30	103.10	110.30	92.81
CPI YoY (Headline) (%)	2.40	▼	2.80	3.50	2.99	2.61
CPI YoY (Core) (%)	2.80	▼	3.10	3.80	3.03	2.47
PPI YoY (%)	2.70	▼	3.20	1.90	2.83	N/A
M2 YoY (%)	N/A	N/A	3.90	-0.30	6.56	6.38
US Dollar Total Weighted Index	126.94	▼	128.46	121.41	115.69	104.63
WTI Crude Oil per Barrel (\$)	71	▲	70	83	63	72
Gold Spot per Oz (\$)	3,118	▲	2,862	2,230	1,638	1,364

Treasury Yield Curve (%)

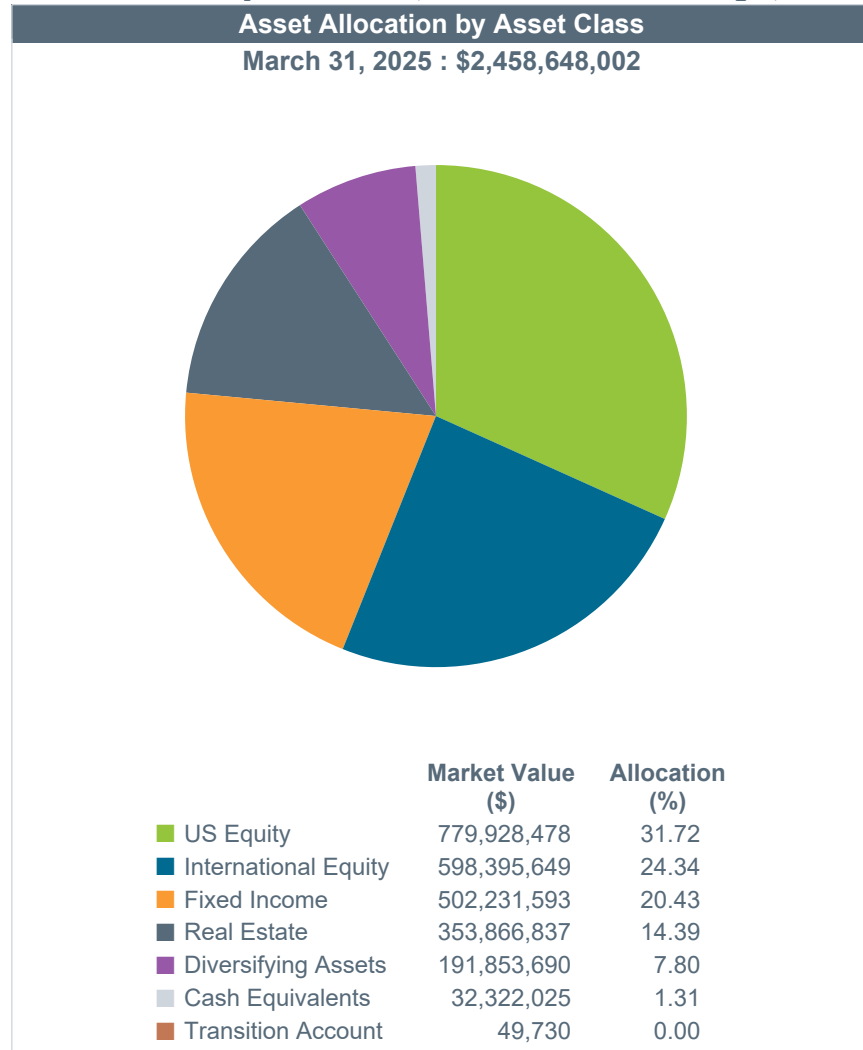


Treasury Yield Curve (%)	Mar-25	Feb-25	Mar-24	Mar-23	Mar-22			
3 Month	4.32	4.32	5.46	4.85	0.52			
6 Month	4.23	4.25	5.38	4.94	1.06			
1 Year	4.03	4.08	5.03	4.64	1.63			
2 Year	3.89	3.99	4.59	4.06	2.28			
5 Year	3.96	4.03	4.21	3.60	2.42			
7 Year	4.09	4.14	4.20	3.55	2.40			
10 Year	4.23	4.24	4.20	3.48	2.32			
20 Year	4.62	4.55	4.45	3.81	2.59			
30 Year	4.59	4.51	4.34	3.67	2.44			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-5.63	-4.27	-4.27	8.25	9.06	18.59	13.25	12.50
Russell 2000	-6.81	-9.48	-9.48	-4.01	0.52	13.27	5.41	6.30
MSCI EAFE (Net)	-0.40	6.86	6.86	4.88	6.05	11.77	5.33	5.40
MSCI EAFE SC (Net)	0.53	3.69	3.69	3.10	0.88	9.89	2.50	5.34
MSCI EM (Net)	0.63	2.93	2.93	8.09	1.44	7.94	1.59	3.71
Bloomberg US Agg Bond	0.04	2.78	2.78	4.88	0.52	-0.40	1.58	1.46
ICE BofAML 3 Mo US T-Bill	0.33	1.02	1.02	4.97	4.23	2.56	2.45	1.87
NCREIF ODCE (Gross)	1.05	1.05	1.05	2.02	-4.28	2.89	3.82	5.64
FTSE NAREIT Eq REITs Index (TR)	-3.61	0.91	0.91	9.94	-0.60	11.35	7.22	5.34
HFRI FOF Comp Index	-1.46	-0.63	-0.63	4.11	3.86	7.05	4.17	3.47
Bloomberg Cmdty Index (TR)	3.93	8.88	8.88	12.28	-0.77	14.51	5.45	2.77

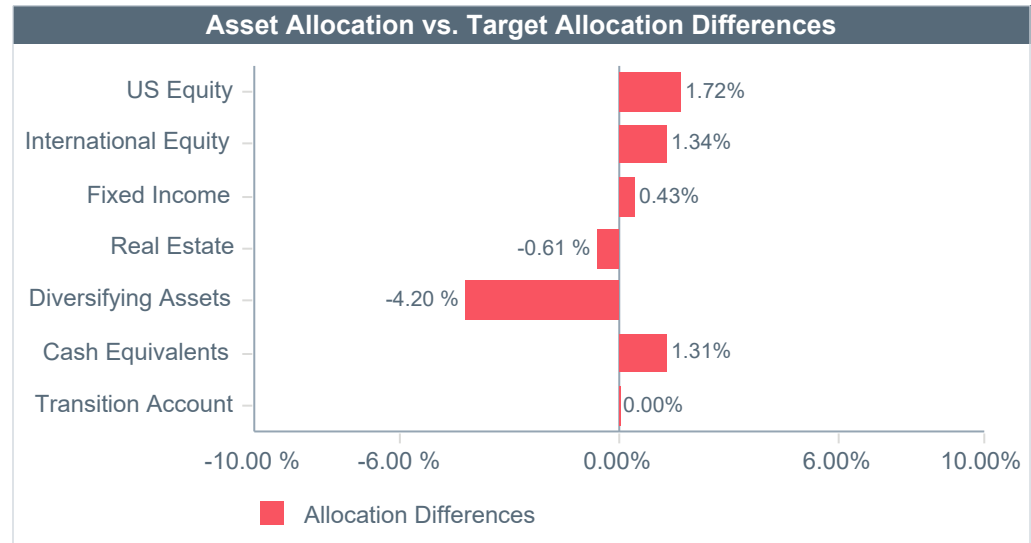
NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. The previous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

Total Fund

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



Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,458,648,002	100.00	-	100.00	-
US Equity	779,928,478	31.72	20.00	30.00	40.00
International Equity	598,395,649	24.34	13.00	23.00	25.00
Fixed Income	502,231,593	20.43	10.00	20.00	30.00
Real Estate	353,866,837	14.39	0.00	15.00	20.00
Diversifying Assets	191,853,690	7.80	0.00	12.00	20.00
Cash Equivalents	32,322,025	1.31	0.00	0.00	10.00
Transition Account	49,730	0.00	0.00	0.00	0.00



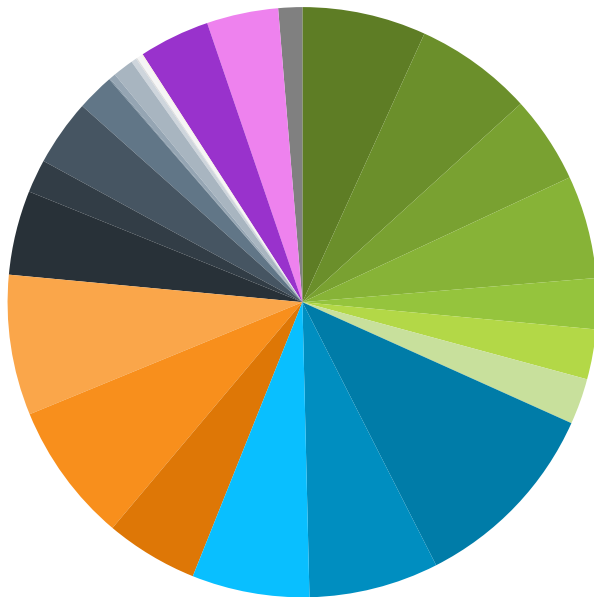
Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flows (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,456,544,289	721,542	1,382,171	2,458,648,002	0.06
FYTD	2,475,947,332	1,344,161	-18,643,492	2,458,648,002	-0.75

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year for the COJ ends 09/30.

City of Jacksonville Employees' Retirement System
Asset Allocation By Manager

As of March 31, 2025

March 31, 2025 : \$2,458,648,002



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	166,940,496	6.79
Wellington Select Equity Income Fund (SA)	159,130,697	6.47
BNYM DB Lg Cap Stock Idx NL (CF)	117,664,160	4.79
Loomis, Sayles & Co Lg Cap Grth (CF)	138,728,439	5.64
Kayne Anderson US SMID Value (SA)	68,402,885	2.78
Systematic Financial US SMID Value (SA)	67,257,742	2.74
Pinnacle Associates US SMID Cap Growth (SA)	61,804,059	2.51
Silchester Intl Val Equity (CF)	265,349,217	10.79
Bail Giff Intl Gro;4 (BGEFX)	174,669,581	7.10
Acadian Emg Mkts Eq II (CF)	158,376,851	6.44
Baird Core Fixed Income (SA)	124,910,960	5.08
Loomis Sayles Multisector Full Discretion (CF)	188,383,762	7.66
Schroder Flexible Secured Income LP (CF)	188,936,872	7.68
Harrison Street Core Property LP	113,881,080	4.63
PGIM Real Estate PRISA II LP	44,866,286	1.82
Principal US Property (CF)	89,364,200	3.63
UBS Trumbull Property LP	50,443,333	2.05
Vanguard RE Idx;ETF (VNQ)	1,366,477	0.06
Abacus Multi-Family Partners VI LP	8,389,059	0.34
H.I.G. Realty Partners IV (Onshore) LP	27,831,974	1.13
Bell Value-Add Fund VII (CF)	7,193,559	0.29
Hammes Partners IV LP	1,636,896	0.07
Blue Owl Digital Infrastructure Fund III-A LP	6,861,025	0.28
Ares US Real Estate Opportunity IV LP	2,032,947	0.08
Adams Street Private Equity (SA)	95,358,966	3.88
Hamilton Lane Private Credit (SA)	96,494,724	3.92
Dreyfus Gvt CM;Inst (DGCXX)	32,322,025	1.31
Transition Account	49,730	0.00

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

As of March 31, 2025

	Allocation		Performance (%)											
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date	
Total Fund	2,458,648,002	100.00	-2.00	0.06	0.06	-0.75	5.18	4.07	9.51	5.87	6.17	6.25	07/01/1999	
Total Fund Policy Index			-2.01	0.37	0.37	-0.84	6.30	4.46	10.93	6.79	6.53	6.03		
Difference			0.00	-0.32	-0.32	0.08	-1.12	-0.38	-1.41	-0.92	-0.37	0.22		
Actual Allocation Index			-1.57	0.81	0.81	-0.97	5.51	2.96	9.26	N/A	N/A	N/A		
Difference			-0.43	-0.75	-0.75	0.21	-0.33	1.11	0.26	N/A	N/A	N/A		
Actual Allocation Index (Net of Alts)			-1.50	0.91	0.91	-0.70	5.15	3.38	9.37	N/A	N/A	N/A		
Difference			-0.51	-0.85	-0.85	-0.05	0.03	0.69	0.14	N/A	N/A	N/A		
Total Equity	1,378,324,127	56.06	-3.49	-1.02	-1.02	-2.90	5.50	6.79	14.70	8.43	8.81	6.82	07/01/1999	
US Equity	779,928,478	31.72	-4.87	-3.73	-3.73	-1.47	5.80	8.50	17.59	11.50	10.82	7.67	07/01/1999	
US Equity Index			-5.83	-4.72	-4.72	-2.21	7.22	8.22	18.18	12.49	11.80	7.81		
Difference			0.96	0.99	0.99	0.74	-1.42	0.28	-0.59	-0.99	-0.99	-0.13		
International Equity	598,395,649	24.34	-1.64	2.76	2.76	-4.71	5.17	4.51	10.46	3.86	5.67	5.84	07/01/1999	
International Equity Index			-0.23	5.23	5.23	-2.76	6.09	4.48	10.92	4.47	4.98	4.29		
Difference			-1.41	-2.48	-2.48	-1.95	-0.91	0.03	-0.46	-0.61	0.69	1.55		
Fixed Income	502,231,593	20.43	-0.05	2.31	2.31	1.74	7.58	2.03	1.39	1.72	1.80	4.40	07/01/1999	
Fixed Income Index			-0.02	2.66	2.66	-0.15	5.24	1.01	0.32	1.87	1.67	4.03		
Difference			-0.03	-0.35	-0.35	1.89	2.33	1.01	1.07	-0.15	0.13	0.37		
Real Estate	353,866,837	14.39	-0.11	0.64	0.64	1.23	-0.08	-2.39	2.16	3.07	4.64	4.77	12/01/2005	
Real Estate Index			0.86	0.91	0.91	1.94	1.39	-4.96	2.08	2.97	4.75	5.04		
Difference			-0.98	-0.28	-0.28	-0.72	-1.47	2.57	0.07	0.10	-0.11	-0.27		
Core Real Estate	299,921,377	12.20	-0.13	0.73	0.73	1.24	-0.56	-2.88	1.86	2.86	4.49	4.69	12/01/2005	
NCREIF ODCE Index (AWA) (Net)			0.84	0.84	0.84	1.81	1.16	-5.08	2.01	2.92	4.71	5.02		
Difference			-0.97	-0.11	-0.11	-0.56	-1.72	2.20	-0.15	-0.06	-0.22	-0.33		
Non-Core Real Estate	53,945,460	2.19	0.00	0.03	0.03	1.20	4.60	22.01	N/A	N/A	N/A	20.16	01/01/2022	
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	-0.70		
Difference			-1.01	-1.31	-1.31	-1.62	1.42	25.19	N/A	N/A	N/A	20.86		
Diversifying Assets	191,853,690	7.80	0.11	0.86	0.86	5.16	7.23	10.61	21.84	10.22	5.43	8.24	03/01/2011	
Diversifying Assets Index			-2.74	-0.58	-0.58	0.73	11.06	10.69	19.33	6.76	3.28	5.06		
Difference			2.85	1.44	1.44	4.43	-3.83	-0.08	2.51	3.47	2.15	3.18		
Cash Equivalents	32,322,025	1.31	0.37	1.07	1.07	2.24	4.97	4.26	1.86	N/A	N/A	1.87	09/01/2018	
FTSE 3 Mo T-Bill Index			0.37	1.10	1.10	2.34	5.17	4.42	2.69	2.51	1.90	2.55		
Difference			0.00	-0.03	-0.03	-0.10	-0.19	-0.17	-0.83	N/A	N/A	-0.68		

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

As of March 31, 2025

	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)	166,940,496	6.79	-3.62	-0.61	-0.61	1.34	8.61	12.14	19.83	12.82	12.38	11.30	03/01/2007	
Russell 1000 Val Index			-2.78	2.14	2.14	0.11	7.18	6.64	16.15	9.19	8.79	7.30		
Difference			-0.84	-2.74	-2.74	1.23	1.43	5.50	3.68	3.63	3.59	4.00		
Russell 1000 Index			-5.79	-4.49	-4.49	-1.86	7.82	8.65	18.47	12.95	12.18	10.01		
Difference			2.17	3.88	3.88	3.21	0.79	3.49	1.36	-0.13	0.20	1.29		
Wellington Select Equity Income Fund (SA)	159,130,697	6.47	0.05	4.84	4.84	3.60	13.68	N/A	N/A	N/A	N/A	18.19	06/01/2023	
Russell 1000 Val Index			-2.78	2.14	2.14	0.11	7.18	6.64	16.15	9.19	8.79	16.39		
Difference			2.83	2.71	2.71	3.49	6.50	N/A	N/A	N/A	N/A	1.80		
BNYM DB Lg Cap Stock Idx NL (CF)	117,664,160	4.79	-5.79	-4.50	-4.50	-1.88	7.86	9.06	18.70	N/A	N/A	13.20	05/01/2019	
Russell 1000 Index			-5.79	-4.49	-4.49	-1.86	7.82	8.65	18.47	12.95	12.18	13.02		
Difference			0.00	-0.01	-0.01	-0.02	0.03	0.41	0.24	N/A	N/A	0.18		
Loomis, Sayles & Co Lg Cap Grth (CF)	138,728,439	5.64	-8.47	-9.29	-9.29	-0.65	8.16	13.18	18.87	15.24	N/A	15.46	08/01/2017	
Russell 1000 Grth Index			-8.42	-9.97	-9.97	-3.60	7.76	10.10	20.09	16.09	15.12	16.41		
Difference			-0.05	0.68	0.68	2.95	0.39	3.08	-1.22	-0.85	N/A	-0.95		
Kayne Anderson US SMID Value (SA)	68,402,885	2.78	-4.11	-4.17	-4.17	-4.90	-0.48	3.88	N/A	N/A	N/A	3.64	03/01/2022	
Russell 2500 Val Index			-5.44	-5.83	-5.83	-6.08	-1.47	2.27	16.65	6.66	6.84	2.90		
Difference			1.33	1.66	1.66	1.18	0.99	1.62	N/A	N/A	N/A	0.74		
Systematic Financial US SMID Value (SA)	67,257,742	2.74	-5.35	-7.54	-7.54	-7.59	-3.38	4.71	N/A	N/A	N/A	4.46	03/01/2022	
Russell 2500 Val Index			-5.44	-5.83	-5.83	-6.08	-1.47	2.27	16.65	6.66	6.84	2.90		
Difference			0.09	-1.71	-1.71	-1.51	-1.91	2.45	N/A	N/A	N/A	1.56		
Pinnacle Associates US SMID Cap Growth (SA)	61,804,059	2.51	-10.09	-11.89	-11.89	-10.39	-9.80	-5.01	10.70	6.05	6.74	10.39	03/01/2010	
Russell 2500 Grth Index			-7.96	-10.80	-10.80	-8.63	-6.37	0.55	11.37	6.73	7.44	11.03		
Difference			-2.13	-1.09	-1.09	-1.76	-3.43	-5.56	-0.67	-0.68	-0.69	-0.64		

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

As of March 31, 2025

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
International Equity													
Silchester Intl Val Equity (CF)	265,349,217	10.79	1.71	5.72	5.72	-3.71	3.99	6.54	12.23	4.63	5.87	8.59	06/01/2009
MSCI EAFE Val Index (USD) (Net)			2.33	11.56	11.56	3.62	12.85	9.69	14.77	5.39	5.06	6.12	
Difference			-0.62	-5.84	-5.84	-7.33	-8.85	-3.15	-2.54	-0.75	0.81	2.47	
Bail Giff Intl Gro;4 (BGEFX)	174,669,581	7.10	-7.42	-0.11	-0.11	-5.88	3.93	1.15	6.86	3.69	6.32	8.50	06/01/2009
Baillie Gifford Index			-2.27	1.96	1.96	-6.07	1.15	1.75	8.11	4.13	4.96	6.76	
Difference			-5.15	-2.07	-2.07	0.20	2.78	-0.60	-1.25	-0.44	1.36	1.74	
Baillie Gifford Spliced Index			-0.23	5.23	5.23	-2.76	6.09	4.48	10.92	4.81	5.03	6.47	
Difference			-7.19	-5.34	-5.34	-3.12	-2.16	-3.33	-4.06	-1.12	1.29	2.04	
Acadian Emg Mkts Eq II (CF)	158,376,851	6.44	-0.27	1.21	1.21	-5.06	9.06	4.50	12.31	3.33	5.08	3.95	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			0.63	2.93	2.93	-5.31	8.09	1.44	7.94	1.59	3.71	2.35	
Difference			-0.90	-1.72	-1.72	0.26	0.96	3.05	4.36	1.73	1.37	1.60	
Fixed Income													
Baird Core Fixed Income (SA)	124,910,960	5.08	-0.04	2.81	2.81	-0.17	5.57	1.09	N/A	N/A	N/A	-0.54	03/01/2021
Bloomberg US Agg Bond Index			0.04	2.78	2.78	-0.37	4.88	0.52	-0.40	1.58	1.46	-0.96	
Difference			-0.08	0.03	0.03	0.20	0.69	0.58	N/A	N/A	N/A	0.42	
Loomis Sayles Multisector Full Discretion (CF)	188,383,762	7.66	-0.10	2.35	2.35	1.26	7.44	2.78	3.88	3.68	3.67	5.51	11/01/2007
Bloomberg Gbl Agg Bond Index			0.62	2.64	2.64	-2.60	3.05	-1.63	-1.38	-0.46	0.61	1.75	
Difference			-0.72	-0.29	-0.29	3.86	4.39	4.41	5.26	4.14	3.07	3.76	
Schroder Flexible Secured Income LP (CF)	188,936,872	7.68	0.00	1.93	1.93	3.55	8.73	N/A	N/A	N/A	N/A	8.32	10/01/2022
SOFR+1.75%			0.51	1.53	1.53	3.17	6.86	6.19	4.42	N/A	N/A	6.81	
Difference			-0.51	0.40	0.40	0.38	1.87	N/A	N/A	N/A	N/A	1.51	
SOFR+5%			0.77	2.33	2.33	4.80	10.27	9.59	7.75	N/A	N/A	10.22	
Difference			-0.77	-0.40	-0.40	-1.26	-1.54	N/A	N/A	N/A	N/A	-1.90	

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

As of March 31, 2025

	Allocation		Performance (%)										
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Core Real Estate													
Harrison Street Core Property LP	113,881,080	4.63	0.00	0.88	0.88	1.03	0.44	1.42	3.29	4.55	N/A	5.50	11/01/2015
NCREIF ODCE Index (AWA) (Net)			0.84	0.84	0.84	1.81	1.16	-5.08	2.01	2.92	4.71	4.24	
Difference			-0.84	0.04	0.04	-0.78	-0.72	6.50	1.28	1.64	N/A	1.26	
PGIM Real Estate PRISA II LP	44,866,286	1.82	0.00	1.95	1.95	3.05	-2.49	-3.76	1.42	3.20	4.98	5.19	01/01/2015
NCREIF ODCE Index (AWA) (Net)			0.84	0.84	0.84	1.81	1.16	-5.08	2.01	2.92	4.71	4.91	
Difference			-0.84	1.11	1.11	1.24	-3.65	1.32	-0.59	0.28	0.28	0.29	
Principal US Property (CF)	89,364,200	3.63	-0.38	-0.01	-0.01	1.06	0.03	-5.27	2.37	3.49	5.40	6.21	01/01/2014
NCREIF ODCE Index (AWA) (Net)			0.84	0.84	0.84	1.81	1.16	-5.08	2.01	2.92	4.71	5.47	
Difference			-1.22	-0.85	-0.85	-0.75	-1.13	-0.19	0.36	0.57	0.69	0.73	
UBS Trumbull Property LP	50,443,333	2.05	0.00	0.81	0.81	0.64	-2.29	-4.54	-0.86	-0.39	1.85	3.53	01/01/2006
NCREIF ODCE Index (AWA) (Net)			0.84	0.84	0.84	1.81	1.16	-5.08	2.01	2.92	4.71	4.79	
Difference			-0.84	-0.03	-0.03	-1.17	-3.45	0.53	-2.86	-3.31	-2.86	-1.26	
Vanguard RE Idx;ETF (VNQ)	1,366,477	0.06	-2.58	2.69	2.69	-5.19	9.01	-1.88	9.38	6.63	4.78	10.63	12/01/2008
Custom REITs Index			-2.53	2.69	2.69	-5.13	9.13	-1.74	9.53	6.98	5.11	11.28	
Difference			-0.05	0.00	0.00	-0.06	-0.11	-0.14	-0.15	-0.35	-0.33	-0.65	

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Non-Core Real Estate													
Abacus Multi-Family Partners VI LP	8,389,059	0.34	0.00	0.00	0.00	1.22	-4.51	N/A	N/A	N/A	N/A	-39.67	10/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	-5.98	
Difference			-1.01	-1.34	-1.34	-1.60	-7.69	N/A	N/A	N/A	N/A	-33.69	
H.I.G. Realty Partners IV (Onshore) LP	27,831,974	1.13	0.00	0.00	0.00	0.92	2.97	26.89	N/A	N/A	N/A	N/A	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	-0.70	
Difference			-1.01	-1.34	-1.34	-1.90	-0.21	30.06	N/A	N/A	N/A	N/A	
Bell Value-Add Fund VII (CF)	7,193,559	0.29	0.00	0.23	0.23	0.23	-5.03	N/A	N/A	N/A	N/A	-11.72	04/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	-3.76	
Difference			-1.01	-1.11	-1.11	-2.59	-8.21	N/A	N/A	N/A	N/A	-7.95	
Hammes Partners IV LP	1,636,896	0.07	0.00	0.00	0.00	3.19	-40.53	N/A	N/A	N/A	N/A	-55.02	10/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	-2.38	
Difference			-1.01	-1.34	-1.34	0.37	-43.71	N/A	N/A	N/A	N/A	-52.64	
Blue Owl Digital Infrastructure Fund III-A LP	6,861,025	0.28	0.00	0.04	0.04	2.30	28.00	N/A	N/A	N/A	N/A	28.00	04/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	3.18	
Difference			-1.00	-1.31	-1.31	-0.52	24.82	N/A	N/A	N/A	N/A	24.82	
Ares US Real Estate Opportunity IV LP	2,032,947	0.08	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			1.01	1.34	1.34	2.82	3.18	-3.18	4.05	4.98	6.80	2.65	
Difference			-1.01	-1.34	-1.34	N/A	N/A	N/A	N/A	N/A	N/A	-2.65	
Diversifying Assets													
Adams Street Private Equity (SA)	95,358,966	3.88	0.00	0.00	0.00	4.59	4.49	7.81	N/A	N/A	N/A	18.15	11/01/2020
S&P 500 Index+3%			-5.40	-3.56	-3.56	-0.51	11.50	12.34	22.15	16.65	15.88	18.18	
Difference			5.40	3.56	3.56	5.09	-7.01	-4.53	N/A	N/A	N/A	-0.03	
Hamilton Lane Private Credit (SA)	96,494,724	3.92	0.23	1.78	1.78	5.77	10.29	9.10	N/A	N/A	N/A	4.41	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			0.01	2.50	2.50	1.83	10.19	6.79	8.71	5.91	6.70	4.33	
Difference			0.22	-0.72	-0.72	3.93	0.11	2.30	N/A	N/A	N/A	0.09	
Cash Equivalents													
Dreyfus Gvt CM;Inst (DGCXX)	32,322,025	1.31	0.37	1.07	1.07	2.24	4.98	4.26	2.66	2.48	1.90	1.68	05/01/2001
FTSE 3 Mo T-Bill Index			0.37	1.10	1.10	2.34	5.17	4.42	2.69	2.51	1.90	1.67	
Difference			0.00	-0.03	-0.03	-0.10	-0.19	-0.17	-0.03	-0.03	0.00	0.01	

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

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

Performance Related Comments:

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

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets Index.
- **Actual Allocation Index:** The Actual Allocation Index is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **Actual Allocation Index (Net of Alts):** The Actual Allocation Index (Net of Alts) is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return, with the exception of funds in the Core Real Estate, Non-Core Real Estate, and Diversifying Assets composites, which are represented by actual monthly composite returns. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **Diversifying Assets Index:** The Diversifying Assets Index is calculated monthly and consists of 50% S&P MLP Index (TR)/50% NCREIF Timberland Index through 10/2017, 67% S&P MLP Index (TR)/33% NCREIF Timberland Index through 09/2020, and calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

Custom Manager Benchmark Comments:

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

RVK

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Memorandum

To	City of Jacksonville Employees' Retirement System (COJ ERS)
From	RVK, Inc. (RVK)
Subject	US Small-Mid (SMID) Cap Growth Equity Manager Recommendation
Date	April 24, 2025

Background

The purpose of this memorandum is to provide the COJ ERS Board with an overview of the search and evaluation process that RVK and Staff conducted to identify an active US SMID Cap Growth manager. The intent of this search was to review the incumbent, Pinnacle Associates (Pinnacle) US SMID Cap Growth (SA), alongside other options within this space to explore alternatives to potentially replace Pinnacle or evolve the existing mandate. Importantly, each of the finalist SMID Cap Growth strategies under consideration provides the potential to improve the results within the US SMID Cap sub-asset class alongside the existing SMID Cap Value strategies (Kayne Anderson US SMID Value and Systematic Financial US SMID Value).

Given the identification of a strategy with more attractive long-term performance, better consistency in providing downside protection relative to the incumbent, and the potential to invest at a lower fee structure than the one currently in place, **RVK recommends that the COJ ERS Board select the Geneva Capital Management SMID Growth strategy to replace Pinnacle within the SMID Cap Growth sub-asset class.**

Search Objective

The search objective was to identify whether there were strategies within the US SMID Cap Growth space which would offer better performance consistency than Pinnacle. The strategy employed by Pinnacle has exhibited below average performance in down market conditions compared to peers and has experienced a declining asset base within their SMID Equity strategy. These issues created a need to identify a complementary manager to pair with the current value-oriented managers within the US SMID Cap sub-asset class.

Investment Manager Search Process

Staff and RVK conducted a review of the US SMID Cap Growth peer group which included a discussion of qualitative and quantitative factors such as absolute and risk-adjusted performance (over trailing and rolling time periods), firm structure, team experience, investment philosophy and process, among others. The search process led to initial virtual interviews with seven potential candidates to review alongside Pinnacle. Ultimately, there were three candidates selected as finalists for in-person interviews with the

Board. The finalists were:

- **Driehaus Capital Management Small/Mid Cap Growth (Driehaus)**
- **Geneva Capital Management SMID Cap Growth (Geneva)**
- **Hood River Capital Management Small/Mid-Cap Growth (Hood River)**

Finalist Assessment

The three managers presented in-person to the Board at the March 2025 meeting. During their presentations, the managers presented detailed overview of their firms, strategies, assets under management, philosophy and process, track records, and experience with municipal clients. An important aspect of this process was to identify managers who have been able to consistently add value through investment processes where portfolio risk was adequately rewarded. Each of these candidates has achieved the desired return pattern through differentiated approaches.

The tables below show a comparison of performance, risk, correlations, and fees across the finalists.

Table 1: Performance and Risk Comparison (Gross of Fees)

10 Year Statistics (as of March 31. 2025)	Excess Returns, %	Standard Deviation	Sharpe Ratio	Tracking Error, %	Information Ratio	Up Market Capture Ratio	Down Market Capture Ratio
Driehaus	5.92	23.29	0.43	7.51	0.79	105.33	88.87
Geneva	4.66	20.88	0.43	7.72	0.60	92.60	82.60
Hood River	7.61	24.47	0.48	6.30	1.21	117.46	92.94
Pinnacle*	-0.09	23.43	0.18	7.15	-0.01	98.90	99.47
<i>Russell 2500 Growth</i>	---	22.77	0.19	---	---	100.00	100.00
<i>Peer Group Median**</i>	2.28	22.25	0.30	6.82	0.35	97.01	93.09

* Pinnacle separate account composite results.

** eVestment US Small-Mid Cap Growth Equity peer group.

Table 2 includes 10-year correlations of the excess returns between current and prospective managers across the core, growth, and value styles. A core benchmark was used for this calculation. A key takeaway from this analysis is that this group of SMID Cap Growth managers has produced excess returns which are relatively lowly correlated with the value and core styles. In the case of Geneva, it is relatively more correlated with Kayne Anderson due to the focus on limiting downside risk from both firms.

Table 2: Excess Return Correlations

Excess Return Correlations (10 Year as of March 31. 2025, Russell 2500)	Kayne Anderson Rudnick	Systematic Financial SMID Value
Driehaus	0.12	-0.43
Geneva	0.47	-0.20
Hood River	-0.09	-0.45
Pinnacle	-0.12	-0.20

Table 3 shows the initial and final fee proposals for the managers. Generally speaking, the managers proposed competitive fee arrangements for this mandate with all final fee proposals below the peer group median.

Table 3: Fee Comparison

Fee Summary (\$80M Mandate)	Initial Fee Proposal	Final Fee Proposal
Driehaus	58 basis points	50 basis points
Geneva	78 basis points	73 basis points*
Hood River	75 basis points	75 basis points
Pinnacle	70 basis points	70 basis points
<i>Peer Group Median**</i>	---	<i>76 basis points</i>

* Geneva is offering a discount which would decrease the fee further, by approximately 8 basis points, should their CIT vehicle for this strategy be selected for the City's Defined Contribution plan.

** eVestment US Small-Mid Cap Growth Equity peer group.

Also, important, according to returns-based style analysis (below), all three of the prospective SMID Cap Growth managers would provide higher growth exposure compared to Pinnacle, which would make the US SMID Cap sub-asset class more balanced across style.

Exhibit 1: Style Analysis

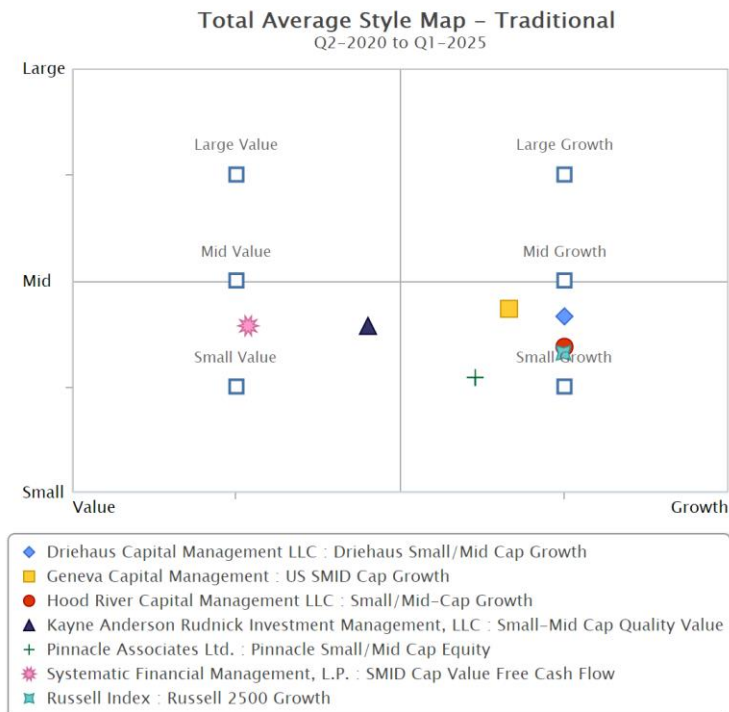


Table 4 below includes the historical performance and risk metrics of hypothetical equal-weighted blends using each SMID Cap Growth manager and the two existing US SMID Cap Value strategies (Kayne Anderson and Systematic Financial). The general takeaway from the analysis is that each blend would have outperformed the blend which includes the incumbent, Pinnacle. The blend using the recommended SMID Cap Growth manager (Geneva) would be the most conservative as showcased by a lower standard deviation (volatility) and down market capture ratio than the other options shown.

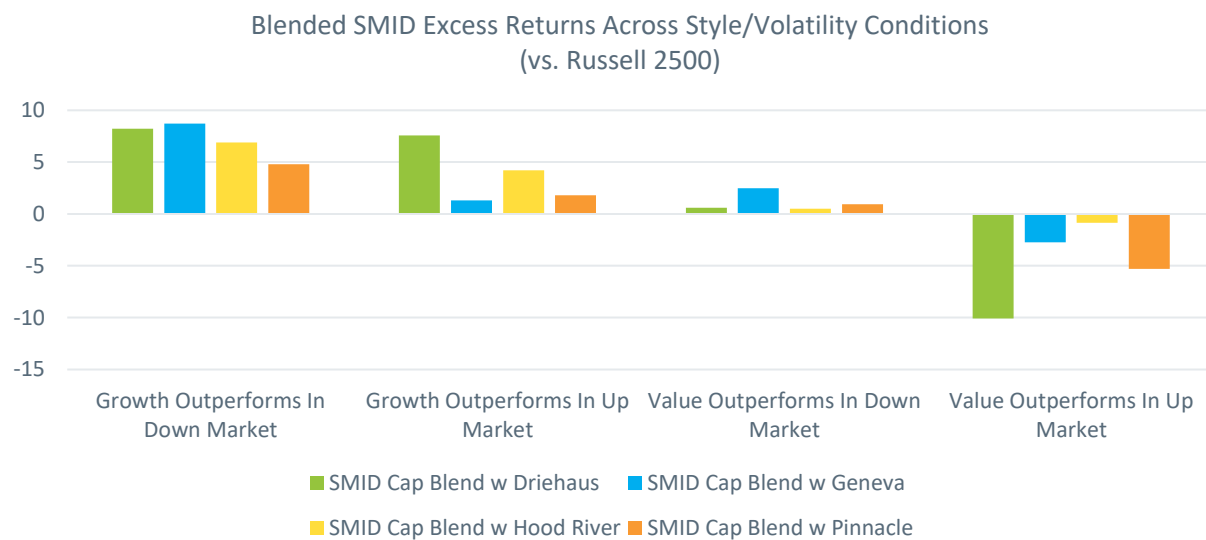
Table 4: US SMID Blend Performance and Risk Comparison (Gross of Fees)

10 Year Statistics As of March 31, 2025	Excess Returns, %	Standard Deviation	Sharpe Ratio	Tracking Error, %	Information Ratio	Up Market Capture Ratio	Down Market Capture Ratio
SMID Cap Blend w/ Driehaus	3.48	18.02	0.57	4.00	0.87	96.27	83.04
SMID Cap Blend w/ Geneva	3.41	17.61	0.57	4.35	0.78	94.68	81.57
SMID Cap Blend w/ Hood River	3.67	18.59	0.56	3.56	1.03	100.81	87.14
SMID Cap Blend w/ Pinnacle*	1.64	18.61	0.46	3.29	0.50	97.86	91.63
<i>Russell 2500</i>	---	19.56	0.37	---	---	100.00	100.00
<i>Peer Group Median**</i>	1.74	19.18	0.48	5.23	0.36	97.68	93.58

* Pinnacle separate account composite results.

** eVestment US Small-Mid Cap Core Equity peer group.

Another important aspect of portfolio construction is understanding how a blend will perform across different market environments. The blend using the recommended manager (Geneva) performs best in volatile down markets. Each blend tends to underperform in cyclical up markets driven by value stocks with the blends including Geneva or Hood River performing best in that environment.



Excess returns of the managers in both value-led and growth-led months are grouped together and then separated by whether the general market had positive or negative returns for a given month. The monthly returns within the four groups are annualized to illustrate the performance of each strategy in past style regimes. The analysis spans the common time period across the strategies (123 months).

Recommendation

While compared to the incumbent, each of the three finalist SMID Cap Growth strategies would potentially improve the results within the US SMID Cap sub-asset class alongside the existing SMID Cap Value strategies, RVK and Staff recommend replacing Pinnacle with Geneva. Of the four managers including Pinnacle, Geneva exhibited the lowest 10-year volatility (as measured by standard deviation), due to its higher-quality tilt. Additionally, the US SMID Cap sub-asset class blend using Geneva would be the most conservative as showcased by a lower volatility and down market capture ratio compared to the other blends.

Additional information regarding the firm, team, investment philosophy and process can be found in Appendix I.

Appendix I: Recommended Manager Summary

Geneva Capital Management

Firm and Team

Geneva was founded in 1987 by William Priebe and Amy Croen, and is located in Milwaukee, Wisconsin. In December 2019, Geneva announced that the firm had entered into an agreement with Janus Henderson whereby members of the Geneva management team, in partnership with Estancia Capital Management (Estancia), would acquire 100% of the equity interests of Geneva, with Estancia taking a minority equity position. Previously, the firm had become wholly owned by Henderson Investors in 2014 (now Janus Henderson). Currently, Geneva employees own 65% of the firm with a path to continue to purchase shares from Estancia going forward. As part of the agreement, the Geneva board controls complete operational control and has full autonomy. The firm manages over \$6 billion across US mid, SMID, and small cap strategies.

There are two primary portfolio managers that control the US mid, SMID and small strategies. The portfolio managers are supported by a group of five research analysts. Portfolio managers are generalists and do the primary research for all stocks in the portfolio. The team will review formal research theses for vetting and discussion. Decision making is team based and compensation reflects that. Investment professionals invest alongside their clients through the mutual funds managed by the team. Biographies for the portfolio managers are provided below.

Scott Priebe, Managing Principal, Portfolio Manager

Mr. Priebe co-manages the Geneva Small Cap, Mid Cap, SMID Cap and All Cap Growth strategies. As a member of the Investment Strategy Group, he conducts high-quality, fundamental research and supports the Geneva growth equity strategies. He joined Geneva in 2004. Prior to Geneva, he worked for Eli Lilly & Company. Mr. Priebe earned his BA degree from DePauw University and his MBA from the University of Chicago, Booth School of Business.

Jose Munoz, Managing Principal, Portfolio Manager

Mr. Munoz co-manages the Geneva Small Cap, Mid Cap and SMID Cap Growth strategies. As a member of the Investment Strategy Group, he conducts high-quality, fundamental research and supports the Geneva growth equity strategies. He joined Geneva in 2011. Mr. Munoz earned his BA degree from Marquette University and his MBA from the University of Chicago, Booth School of Business. Mr. Munoz is a CFA Charterholder.

Philosophy and Process Overview

The Geneva team focuses on high quality companies with superior management teams, low leverage, and a consistent sustainable record of growth. During the idea generation stage, 75% of researched names are generated via meetings with management teams. After the investable universe is screened, fundamental research focuses on companies with superior management teams (experienced, successful track record, long term focus) and favorable company/industry dynamics (industry leader, sustainable competitive advantage, healthy projected growth rate). After a name has been identified for portfolio inclusion, the team utilizes valuation and technical tools to determine the position size and timing of purchase.

Purchase candidates for the SMID Growth portfolio typically fall in the \$1B to \$15B market cap range. The final portfolio holds 30-40 stocks representing the team's highest conviction investment ideas with initial position sizes tending to start at 1.5% with a max position size of 8%. The portfolio is not tightly constrained to the benchmark, but industry allocations are limited to 2X relative to the benchmark allocation.

The concentration approach, when combined with a high quality focused philosophy, is expected to lead to a portfolio with improved financial characteristics (high returns-on-capital, lower debt ratios). The process is long-term oriented leading to a low turnover, relative to peers. Performance is expected to be strongest in down market conditions, but the strategy can trail the benchmark in strong up market rallies.

RVK

Real Estate Allocation Review and Non-Core Real Estate Pacing Analysis

City of Jacksonville Employees' Retirement System

April 2025

Real Estate Allocation Review

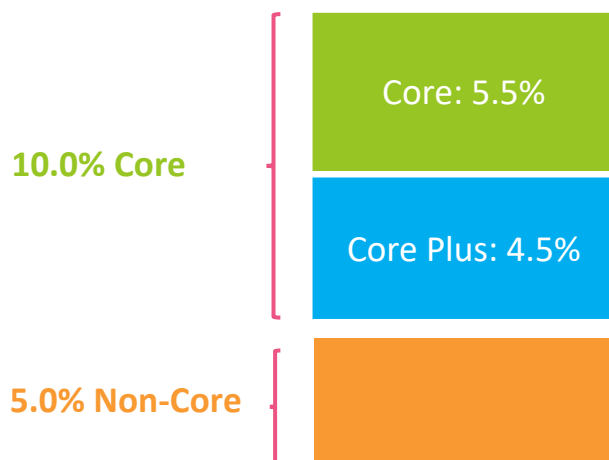
Multi-Phase Core and Core Plus Redemption Plan: Update

- In order to align the Total Fund's Core and Core Plus Real Estate allocation with its long-term target and sub-asset class target allocations, RVK and Staff have been working in tandem to execute the phased redemption plan that was brought forward and approved by the Board initially in 2023 and then subsequently in 2024.
 - RVK's target recommendations (as outlined on the following slides) were created by evaluating the current and near-term environment, demographic tailwinds supporting property sectors, overlap of target sectors from existing managers, and anticipated sector allocations from the portfolio's non-core strategies.
- To date, we continue to monitor the progress of the redemption requests, in the context of the Total Fund and sub-asset class target allocations.
- As outlined on the following two slides, the managers have fulfilled the redemption requests to varying degrees, with all providing some degree of partial proceeds to date.
- **After reviewing the most recent allocation and redemption progress data, in the context of our redemption plan, RVK recommends the Board take the following action:**
 - **Submit a Redemption Request of \$12.5M from Principal US Property Account.**
 - COJ ERS received full redemption request of \$40M as of March 2025. Based on Q1 2025 market value, current allocation is ~3.6% while recommended target allocation is 2.5%. The additional redemption will further reduce the core allocation towards the longer-term target, (from 3.6% to 3.1%) taking advantage of the manager's current liquidity window while maintaining a buffer in light of ongoing market volatility.
 - **Submit a Rescission Request for the remaining balance of PGIM PRISA II redemption request.**
 - Current allocation of ~1.8% is below target allocation of 2.5%. Rescinding redemption will maintain current exposure—preventing further decline—and preserve room for a potential future Core Plus allocation.

Real Estate Recommendations: Summary

Fund Name	Sector	Current Allocation	Recommendation	Recommended Allocation	Current Allocation Adjusted for Redemptions
Harrison Street Core Property	Niche Core	4.63%	To be Reduced	3.00%	3.62%
UBS Trumbull Property	Core	2.05%	In Full Redemption	0.00%	0.00%
Principal US Property Account	Core	3.63%	Additional Partial Redemption	2.50%	3.13%
Total Core Real Estate		10.32%		5.50%	6.74%
PGIM Real Estate PRISA II	Core Plus	1.82%	Rescind Remaining	2.50%	1.82%
Future Fund Allocation	Core Plus	0.00%	Future Discussion	2.00%	---
Total Core Plus Real Estate		1.82%		4.50%	1.82%
Vanguard RE Idx; ETF (VNQ)	REIT	0.06%	Build in Flexibility	0.00%	N/A
Total Core & Core Plus Allocations		12.20%		10.00%	

Recommended Portfolio



Strategic Plan

- Realign allocations within Real Estate as non-core recommendations are approved, and capital is called down and redeemed from open-ended funds
- Initiate open-end fund redemption process, given meaningful overweight
- Look to address any relative sector weights/tilts as capital is called

Core and Core Plus Redemption Queues: Update

Open End Fund Queues

Fund Name	Exit Queue (\$M)	Entry Queue (\$M)	Rescissions (\$M)	Net Queue % of Gross Asset Value As of Q4 '24	Net Queue % of Gross Asset Value As of Q4 '23	Redemption Proceeds Received (\$M) As of Q1 '25
Harrison Street Core Property	\$901	\$487	\$22	-7.2%	-8.9%	\$5 of \$30*
PGIM Real Estate PRISA II	\$1,221	\$0	\$0	-8.0%	-8.6%	\$18 of \$20
Principal US Property Account	\$533	\$203	\$9	-4.9%	-9.8%	\$40 of \$40
UBS Trumbull Property	\$4,715	\$0	\$239	-37.3%	-41.8%	\$40 of Full**

- Redemption queues have continued to improve and decrease from their recent peaks throughout 2024.
- The queue for UBS remains substantial, having the largest net redemption queue amongst core and core plus fund peers in dollar (\$) amount and as a percentage (%) of Gross Asset Value (GAV). UBS paid out \$275M in Q4 2024.
- More recently, we are starting to see an emerging trend of investors rescinding part or all of their redemption requests. This is consistent with prior periods of illiquidity and market stress. For example, during the GFC and with the onset of COVID-19.

Queue data is as of Q4 2024.

*Harrison Street anticipates paying out \$7M-\$10M in Q2 2025.

**UBS did not make redemption payments in Q1. Next payments are scheduled for H2 2025.



Non Core Real Estate Pacing Analysis

Pacing Study Process Outline

OBJECTIVE

Determine a 5-year commitment budget that results in approaching the non-core real estate target while providing sufficient time diversification.

- *The commitment pacing plan should be revisited annually.*

PROCESS

RVK uses proprietary software to model each existing investment and expected forward commitments. Multiple assumptions are made throughout this analysis, including the following:

- *Private markets investment cash flow and valuation patterns based on historical data from Preqin Pro.*
- *A custom annualized growth rate for the overall total composite, net of spending rate.*

OUTPUT

The pacing study provides a recommended annual commitment volume to meet the Total Fund's non-core real estate target.

- *Vintage commitments shown below may be made to one or more investment managers depending on the size of the commitment.*
- *RVK recommends approaching non-core real estate target slowly to minimize risk.*

Pacing Recommendation Summary

1 Current Plan Statistics (as of December 31, 2024)

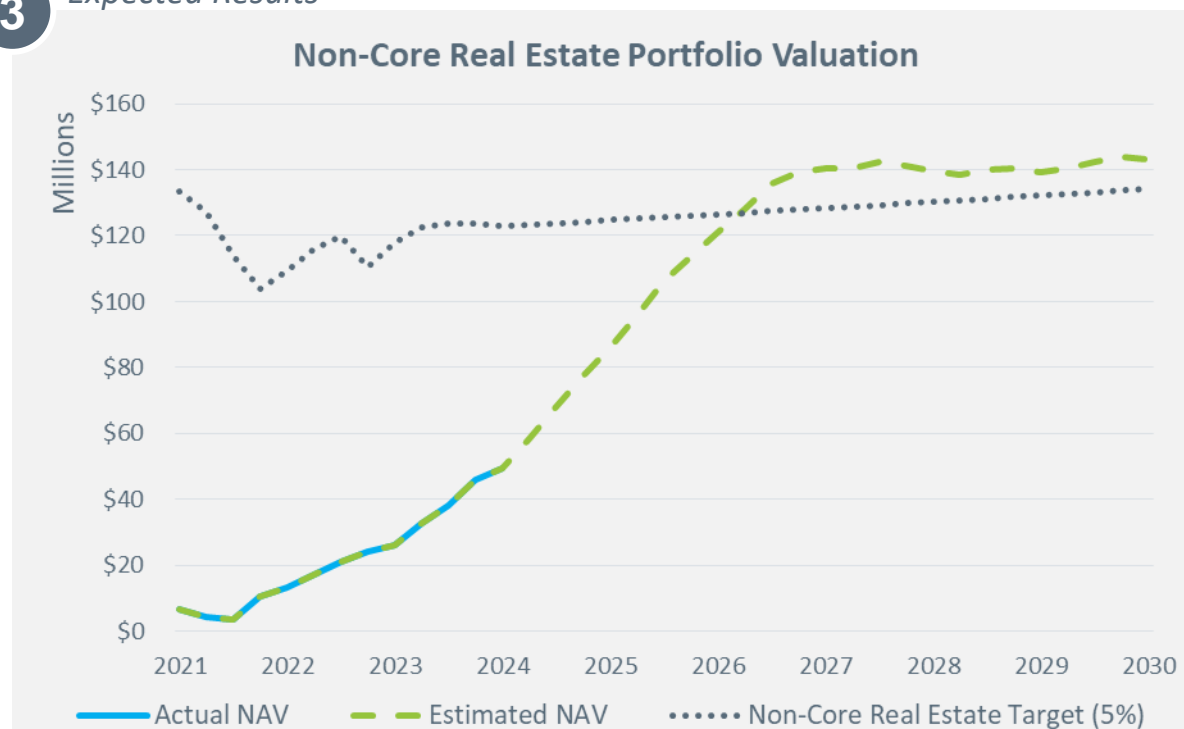
Total plan size	\$2.5 billion
Current non-core real estate target	5.0%
Current non-core real estate allocation	2.2%
Expected growth rate	Approximately 1.5%*

2 Recommendation

Year	Commitments
2025	\$20 million
2026	\$20 million
2027	\$20 million
2028	\$20 million
2029	\$20 million

RVK recommends a commitment of \$20 million in 2025 to progress towards the non-core real estate target allocation.

3 Expected Results



*Expected growth rate includes projected net cash flows prepared by Segal and shared with RVK.
H.I.G. Realty Partners V has yet to call capital and is modeled as a 2025 fund for this pacing study.

Pacing Recommendation Versus Prior Year

In 2023, RVK's pacing analysis recommended annual commitments of \$20 million to reach the target allocation. After updating our analysis in 2025, RVK recommends continuing making annual commitments of \$20 million going forward.

The continuation of commitment amount is due to the following factors:

- \$30 million in commitments made in 2024.
- Portfolio's actual and expected growth rates exceed the growth rates in the 2023 pacing analysis.
- The recent economic environment has slowed transaction markets, impacting both the pace of capital calls and the return of capital from earlier investments and thus extending the timeline of the pacing schedule.

RVK's analysis now projects the target allocation will be achieved in 2027.

2023 Proposed Commitment Schedule		2025 Proposed Commitment Schedule	
Year	Commitments	Year	Commitments
2023	\$20 million	2025	\$20 million
2024	\$20 million	2026	\$20 million
2025	\$20 million	2027	\$20 million
2026	\$20 million	2028	\$20 million
2027	\$20 million	2029	\$20 million

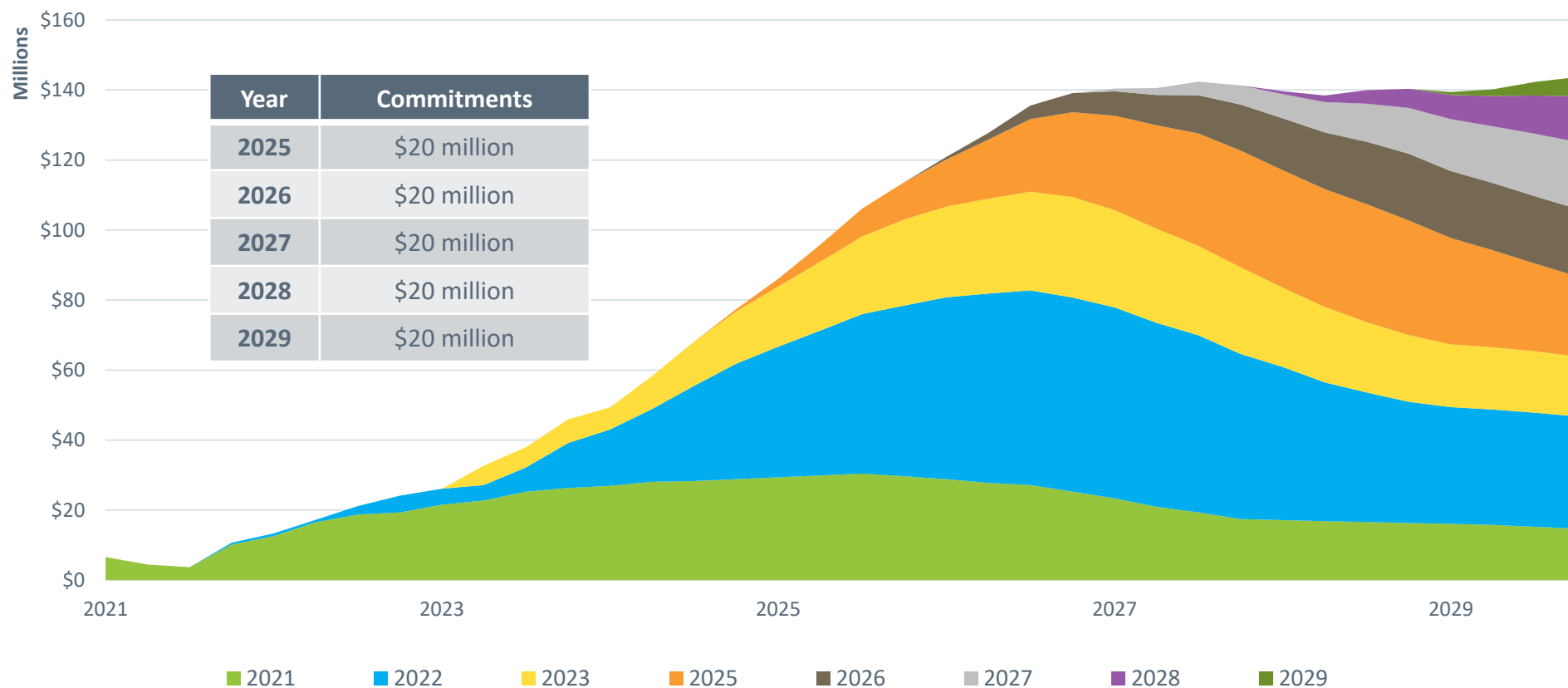
Allocation Analysis

Recommendation & Net Asset Value (NAV) Accretion

RVK recommends the following commitment schedule, keeping in mind:

- Vintage year concentration is a meaningful risk in RE
- Annual commitments may represent multiple funds & strategies
- Recommended commitments are approximate
- Attractive investment opportunities may not present equally each year

Estimated Total Valuation by Vintage Year



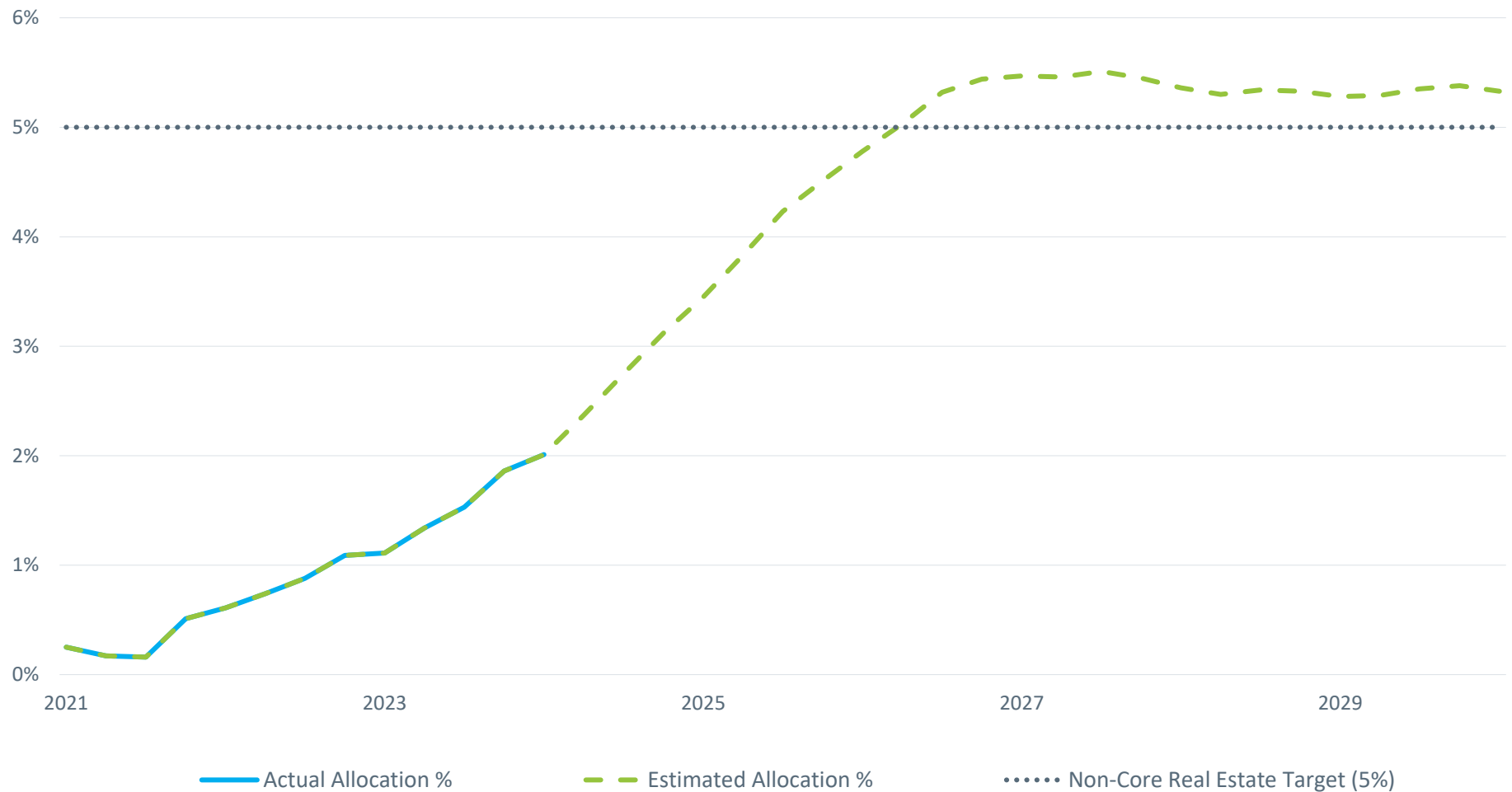
H.I.G. Realty Partners V has yet to call capital and is modeled as a 2025 fund for this pacing study.



Allocation Analysis

The Total Fund's allocation to non-core real estate is expected to continue to increase with additional commitments and is anticipated to reach the target allocation in approximately 2027.

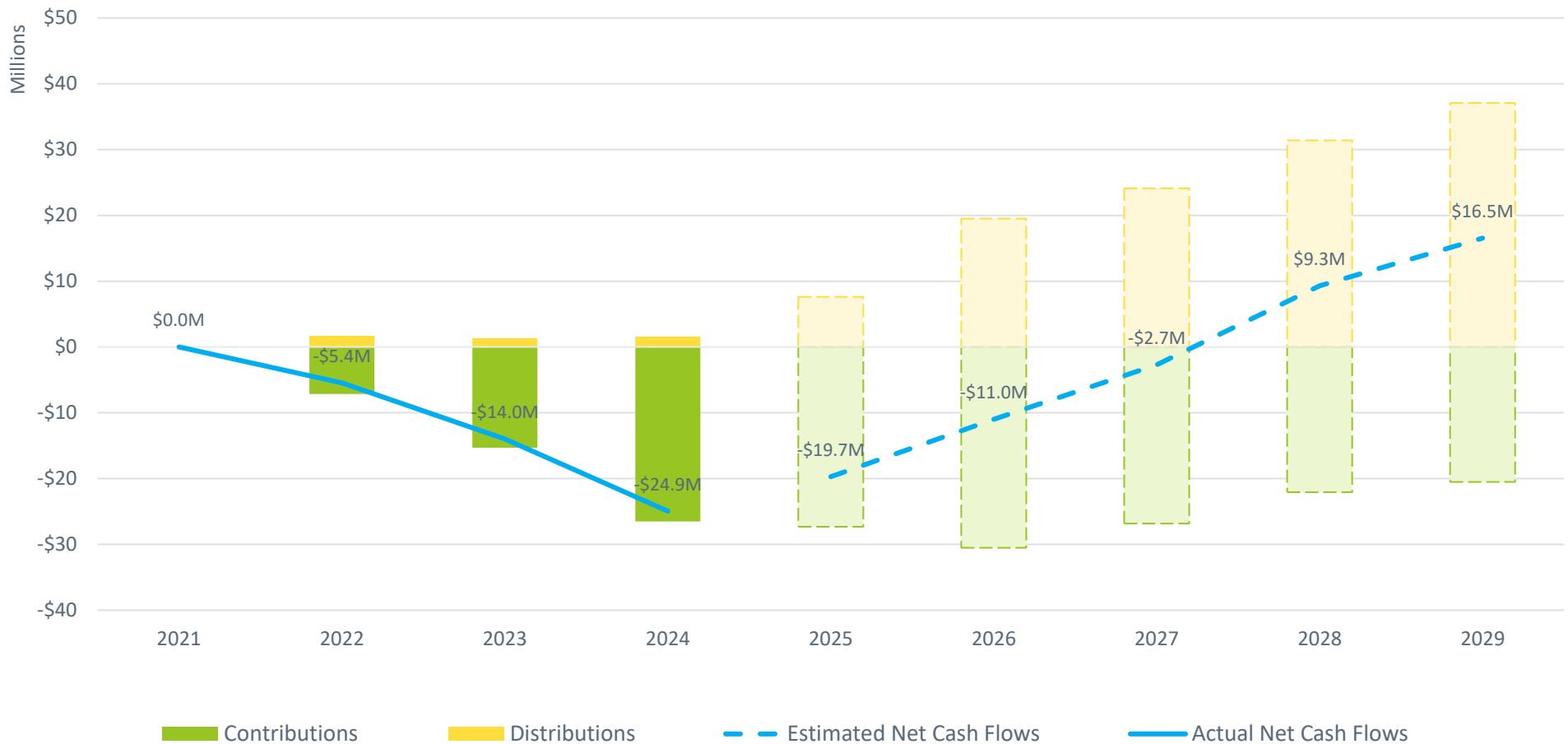
Non-Core Real Estate Target Allocation



Cash Flows Analysis

Including new commitments, the non-core real estate portfolio is expected to require contributions until achieving self funding status around 2027.

Portfolio Cash Flows



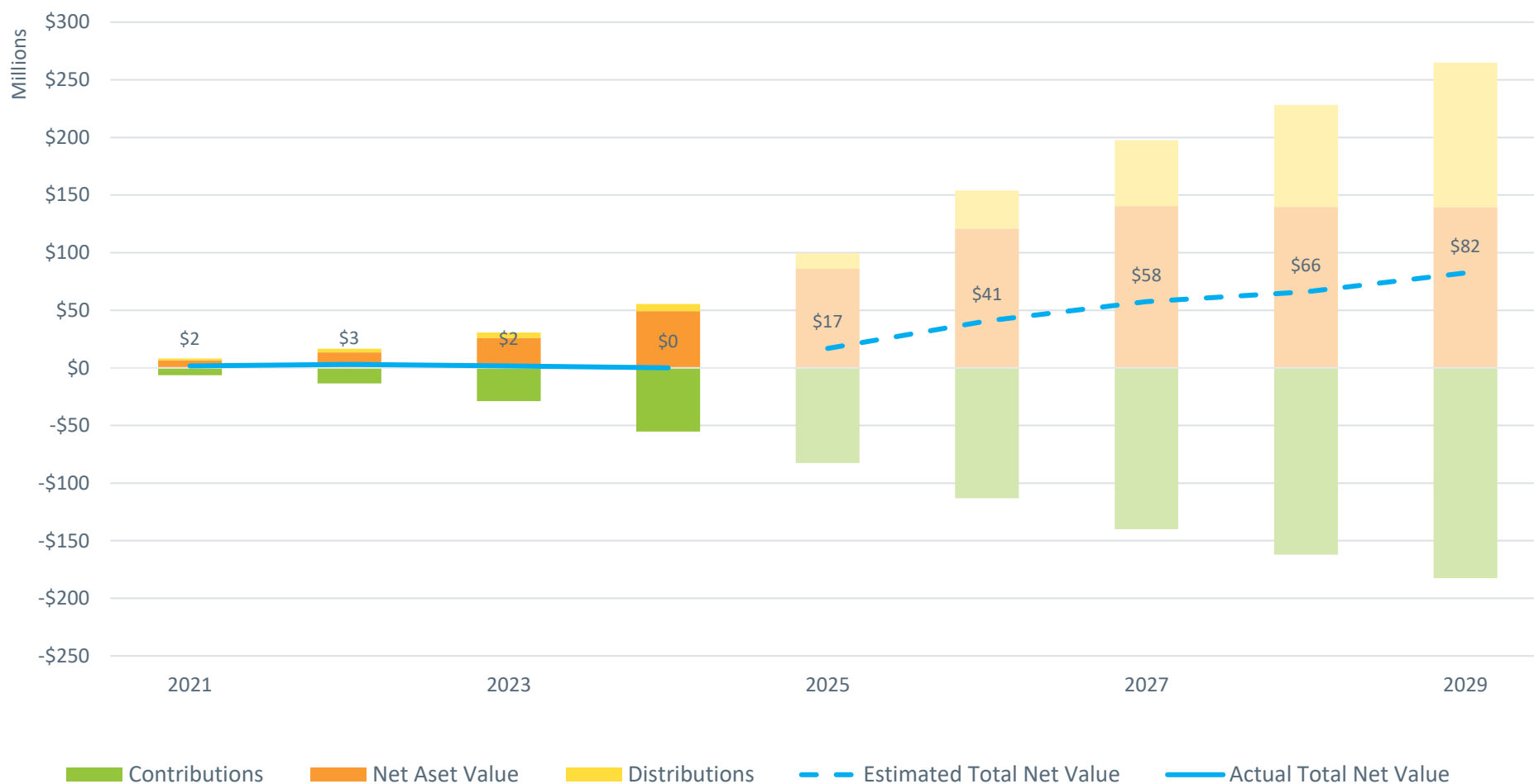
Forecasted cash flows dependent on market environment, investment performance, and other factors and there is no guarantee outcomes will occur as projected.



Value Creation Analysis

Including new commitments, valuation of the non-core real estate portfolio is expected to increase over time as existing investments mature and capital is contributed to the portfolio. RVK estimates the non-core real estate portfolio will have created \$82 million in total net value from inception through 2029.

Total Net Value Creation

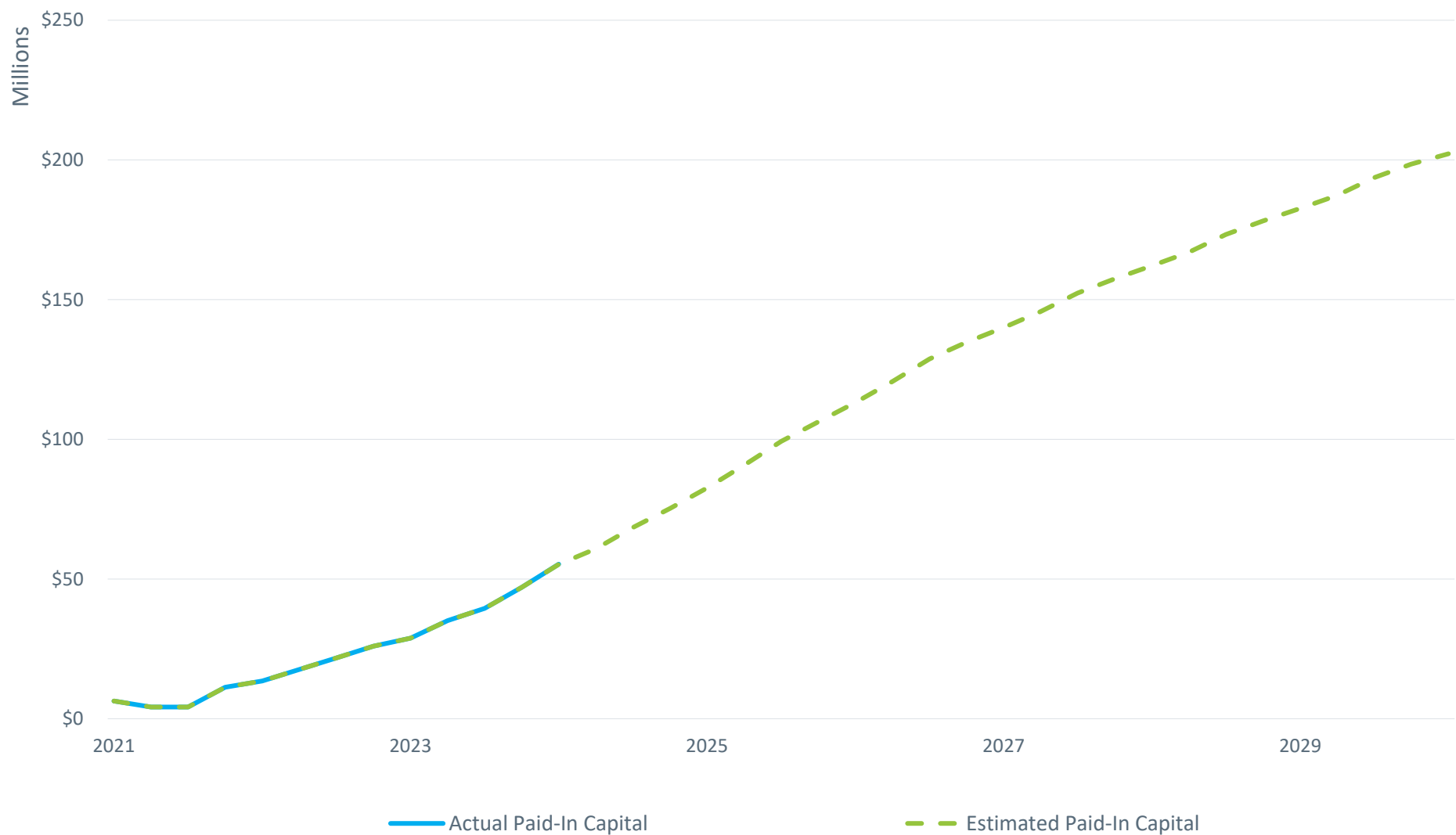


Forecast value creation dependent on market environment, investment performance, and other factors and there is no guarantee outcomes will occur as projected.



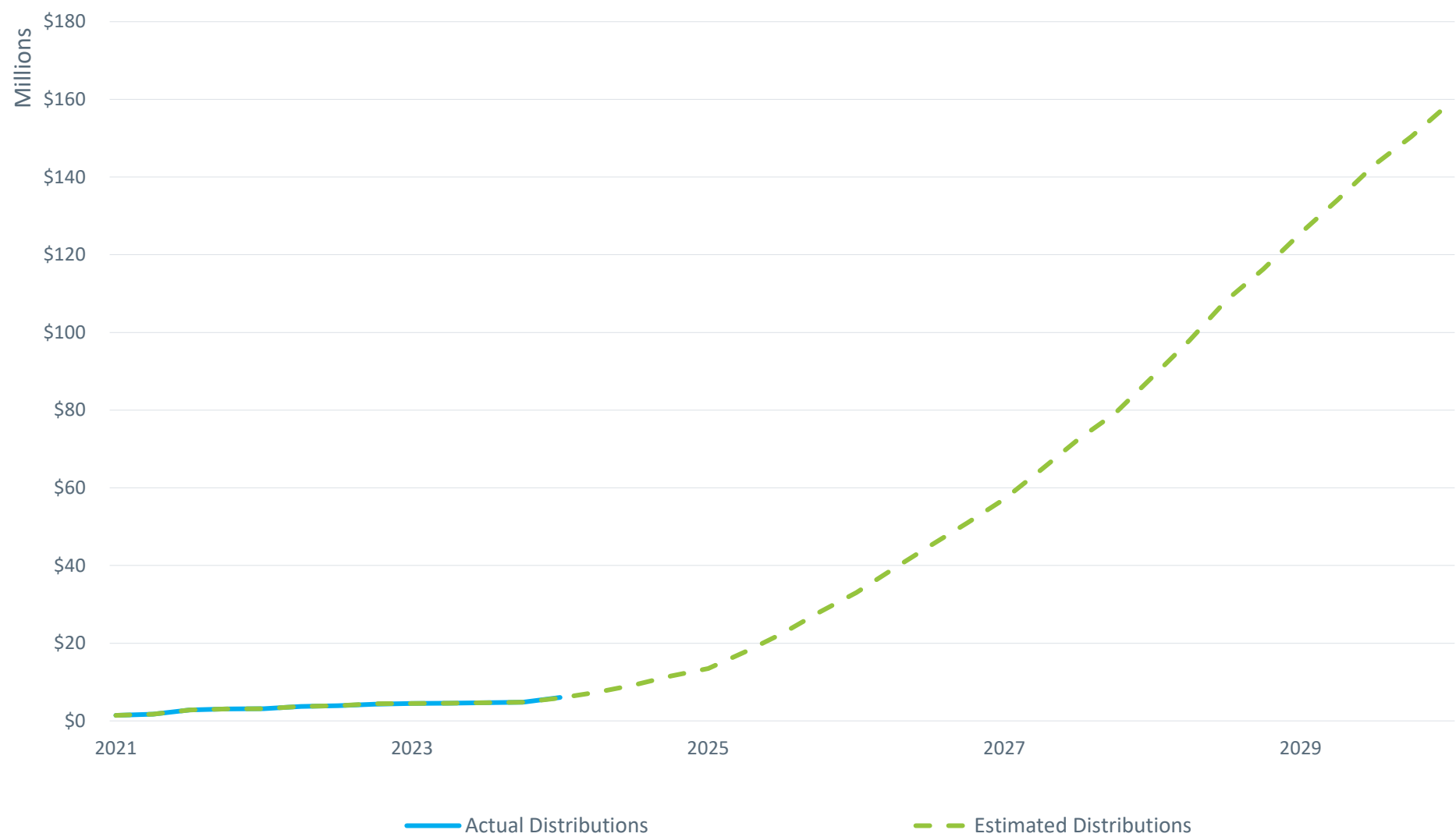
Paid-In Capital Analysis

Paid-In Capital



Distribution Analysis

Distributions



Assumptions

RVK utilized the following assumptions in this analysis:

The study assumes a net compound growth rate of approximately 1.5% for the Total Fund, based on the expected compound return using RVK's most recent capital market assumptions, expected net cash flows for the Total Fund over the next 10 years prepared by Segal, and the 12/31/2024 Total Fund market value of \$2.5 billion.

One non-core fund commitment per year, for the next three vintage years, to maintain vintage and commitment diversification.

Fund cash flow projections for both existing and proposed commitments based on historical, weighted averages for the Private Real Estate peer group provided by Preqin Pro.

Non-Core Real Estate Portfolio (as of December 31, 2024)

Fund Name	Vintage	Cash Flow Start Date	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Index IRR (%)	Fund Multiple
H.I.G. Realty Partners IV	2021	Dec/2021	25,000,000	27,199,888	5,719,326	26,912,057	13.65	-4.80	1.20
Abacus Multi-Family Partners VI	2022	Sep/2022	20,000,000	10,752,849	0	7,595,332	-36.14	-2.79	0.71
Bell Value-Add VIII	2022	Mar/2023	20,000,000	6,990,805	114,467	6,884,958	0.21	-0.96	1.00
Hammes Partners IV	2022	Mar/2023	15,000,000	2,185,353	194,984	1,622,835	-33.58	-0.60	0.83
Ares US Real Estate Opportunity IV	2023	Oct/2024	15,000,000	1,490,828	0	1,210,542	N/M	N/M	0.81
Blue Owl Digital Infrastructure III	2023	Feb/2024	15,000,000	6,697,106	0	5,088,061	N/M	N/M	0.76
H.I.G. Realty Partners V	2024	TBD	15,000,000	0	0	0	N/M	N/M	N/M
TOTAL			125,000,000	55,316,829	6,028,777	49,313,785	0.05	-3.47	1.00

Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA) (Net) (Monthly)+2% assuming an index investment with the exact cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with "N/M" for not material. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital.



Glossary

Contribution	A cash flow into the private market investment, sent by the investor. Also described as 'Paid In (Capital)'.
Distribution	A cash flow out of the private market investment, received by the investor.
Commitment	The maximum amount of capital an investor expects they would invest during a fund's life. Most funds call between 95% and 100% of commitments.
Net Cash Flows	The sum of contributions and distributions.
Total Net Value	(Distributions + Net Asset Value) – Contributions This represents all value created by an investment, both realized and unrealized.
Total Value to Paid In (TVPI)	The ratio (Distributions + Net Asset Value) / Contributions. This represents the total value created in a fund as a normalized value.
Distributions to Paid In (DPI)	The ratio Distributions / Contributions. This represents the realized value created in a fund as a normalized value.
Residual Valuation (RVPI)	The ratio (Net Asset Value) / Contributions. This represents the unrealized value created in a fund as a normalized value.
Internal Rate of Return (IRR)	A dollar-weighted measure of return. IRR is defined as the discount rate that reduces the net present value of an investment to zero. IRR almost always represents inception to date annualized returns.
Growth Rate	The assumed growth rate of the total fund. The total fund is assumed to grow at the geometric value from the client's most recent asset allocation minus any expected spending rate plus any expected contributions unless otherwise stated.

RVK

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RVK

Annual Risk Report

City of Jacksonville Employees' Retirement System

April 2025

Introduction

- As part of RVK's ongoing performance reporting responsibilities, our goal is to continuously seek ways to enhance the quality and usefulness of the reporting we provide to the Staff and Board of the City of Jacksonville Employees' Retirement System (COJ ERS or System).
- Based on that focus, we have built out a risk report to offer a more comprehensive view of the risk drivers within the COJ ERS portfolio. This risk report includes various risk metrics for the Total Fund and the respective asset classes, factor exposures and contribution to total portfolio risk, and results from stress test scenarios.
- Going forward, we will produce this report on an annual basis following the System's fiscal year end.
- The following slides outline the key findings from the 9/30/2024 Risk Report.

Risk Analysis Summary

- The Total Fund's realized volatility¹ during this period was 8.0%.
- This corresponded to a Value at Risk (VaR)² of 12.6% and Expected Tail Loss³ (ETL) of 18.0%. This suggests that the maximum expected loss, at a 99% confidence level, would be 12.6%, while in the average loss in the worst 1% of scenarios (left-tail events), would be 18.0%. The wide divergence between VaR and ETL suggests meaningful downside potential in worst case scenarios and the presence of significant exposure to assets with fat-left tails.
- Expected Tail Return⁴ (ETR) was 18.3%. This measure focuses on right-tail events and indicates that in the top 1% of scenarios, average gains would be 18.3%.
- The Rachev Ratio⁵, which measures ETR relative to ETL, was 1.02—indicating that the average gain in a right-tail event slightly exceeded the average loss in a left-tail event.
- Stable Tail-Adjusted Return Ratio⁶ (STARR) Performance was 0.11, implying that the Total Fund would have generated 0.11 units of excess return for every unit of ETL.

Analysis* Period	5/31/10 – 9/30/24
Volatility	8.0%
Value at Risk (VaR)*	12.6%
Expected Tail Loss (ETL)*	18.0%
Expected Tail Return (ETR)*	18.3%
Rachev Ratio (ETR/ETL)*	1.02
STARR Performance (Excess Return/ETL)**	0.11

* The factor model was run with a 99% confidence interval for the period May 2010 to September 2024. The risk-free rate was set at 4.6%. The included factors (listed on page 15) result in a strong overall model fit with an R-squared of over 98%.

¹**Volatility** – Volatility (as measured by standard deviation) provides a statistical range of performance relative to the average expectations. With this measure, we can establish a level of “confidence” about the expected range of returns for the portfolios.

²**Value at Risk (VaR)** – The highest possible loss over a certain period of time at a given confidence level. 99% confidence level used for this analysis.

³**Expected Tail Loss (ETL)** – The average loss (at a given confidence level) expected during a left-tail event. 99% confidence level used for this analysis.

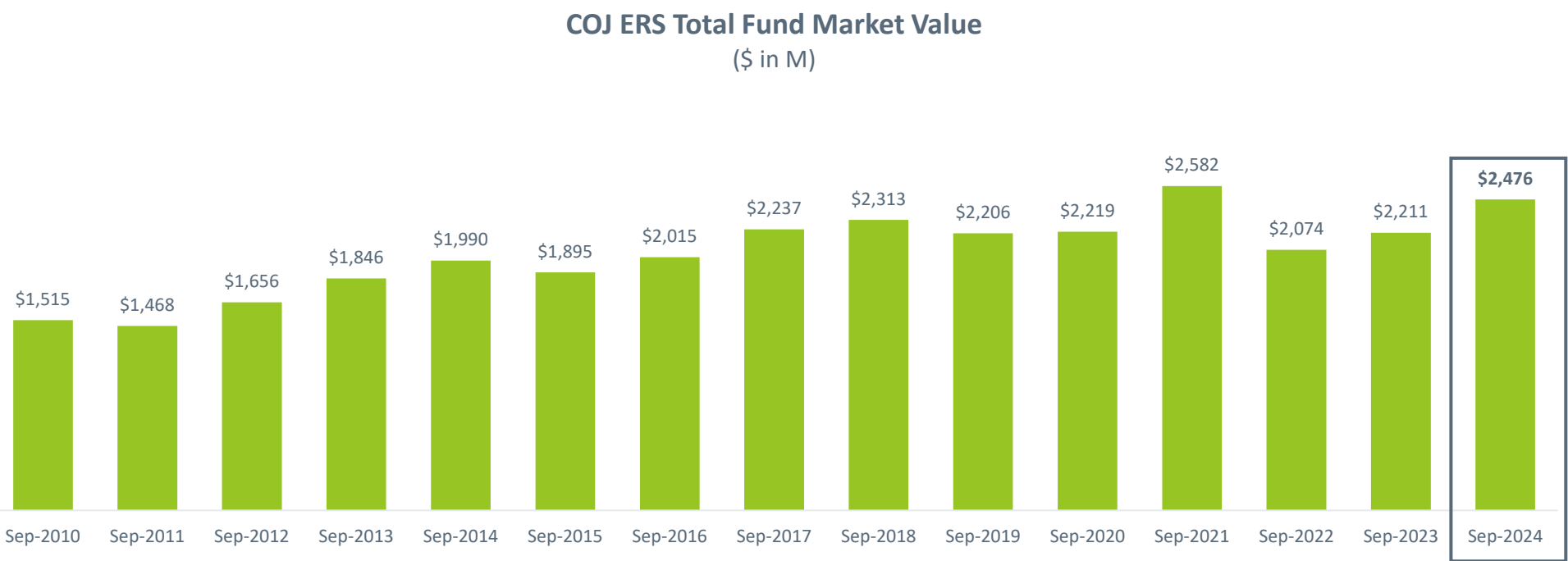
⁴**Expected Tail Return (ETR)** – The average gain (at a given confidence level) expected during a right-tail event. 99% confidence level used for this analysis.

⁵**Rachev Ratio** – The ratio of ETR to ETL. A value of greater than 1.00 implies a right tail that is larger than the left tail. A value of less than 1.00 implies a left tail that is larger than the right tail. 99% confidence level used for this analysis.

⁶**STARR Performance** – Similar to the Sharpe Ratio, STARR (stable tail-adjusted return ratio) is a standard deviation-based performance measure that uses ETL in the denominator as a risk measure. STARR can be seen as a more effective indicator of risk-adjusted performance because it penalizes only for downside risk, while the standard deviation does not distinguish between upside and downside risk.

Market Value

- The COJ ERS portfolio has grown steadily over the years. Total assets as of 9/30/2024 was \$2.5B.

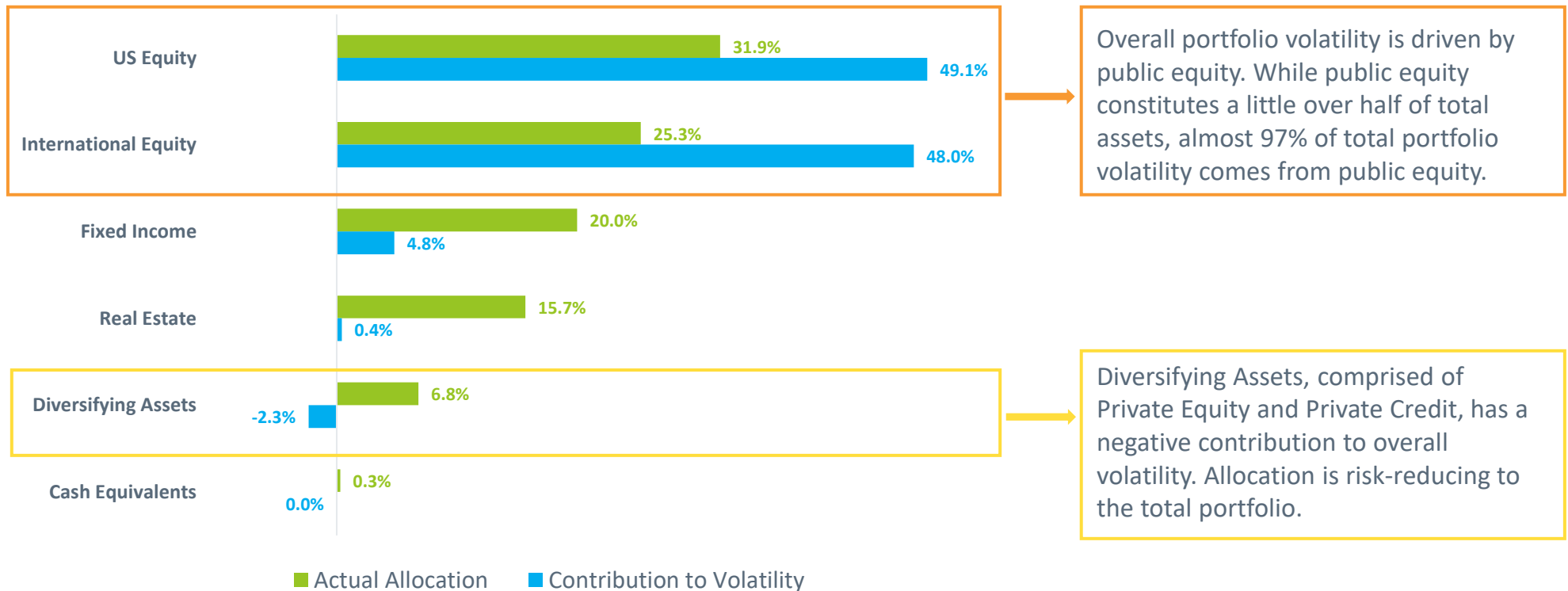


Market value as of fiscal year end, September 30, 2024.

Volatility

By Asset Class

Asset Class	Market Value	Actual Allocation	Target Allocation	Annual Volatility	Contribution to Volatility
US Equity	\$791,566,497	31.9%	30.0%		49.1%
International Equity	\$627,990,006	25.3%	23.0%		48.0%
Fixed Income	\$493,640,479	20.0%	20.0%		4.8%
Real Estate	\$387,846,523	15.7%	15.0%		0.4%
Diversifying Assets	\$169,047,667	6.8%	12.0%		-2.3%
Cash Equivalents	\$5,809,077	0.3%	0.0%		0.0%
Total Fund	\$2,475,900,250	100.0%	100.0%	8.0%	100.0%

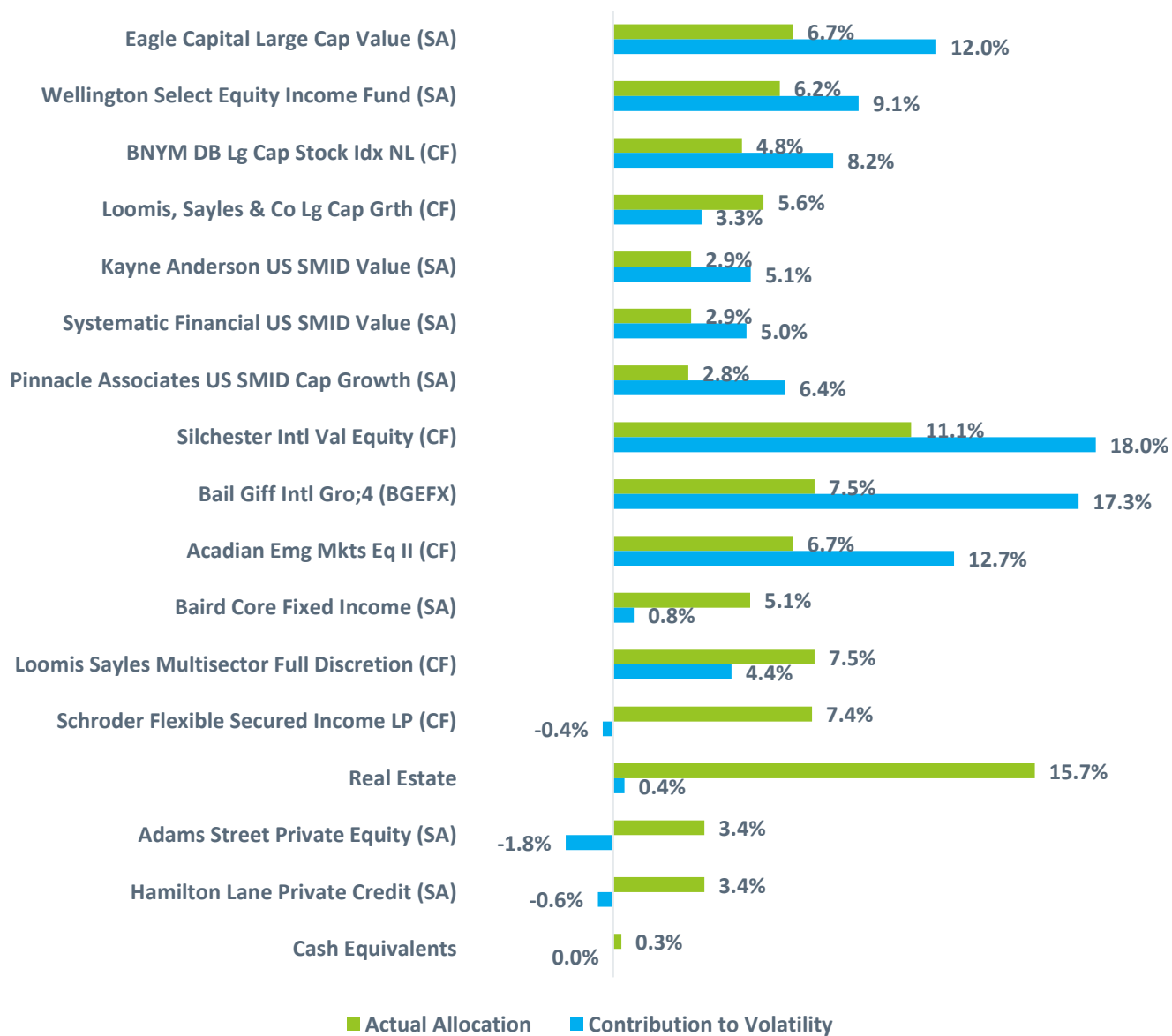


Analysis for the period May 31, 2010, to September 30, 2024, based on quarterly periodicity utilizing returns as provided by BNY Mellon.

Volatility (as measured by standard deviation) provides a statistical range of performance relative to the average expectations. With this measure, we can establish a level of “confidence” about the expected range of returns for the portfolios.

Volatility

By Managers



Within equity, International Equity managers have the highest contribution to volatility.

Analysis for the period May 31, 2010, to September 30, 2024, based on quarterly periodicity utilizing returns as provided by BNY Mellon.

Volatility (as measured by standard deviation) provides a statistical range of performance relative to the average expectations. With this measure, we can establish a level of “confidence” about the expected range of returns for the portfolios.

Value at Risk (VaR) and Expected Tail Loss (ETL)

Asset Class/Manager	Actual Allocation	Annual VaR (99%)	Annual ETL (99%)	Contribution to ETL
US Equity	31.9%			54.5%
Eagle Capital Large Cap Value	6.7%	30.5%	43.3%	13.9%
Wellington Select Equity Income Fund	6.2%	21.6%	31.3%	9.6%
BNYM DB Lg Cap Stock Idx NL	4.8%	27.6%	39.4%	9.2%
Loomis, Sayles & Co Lg Cap Grth	5.6%	9.8%	13.7%	3.3%
Kayne Anderson US SMID Value	2.9%	32.5%	45.2%	5.9%
Systematic Financial US SMID Value	2.9%	33.1%	45.6%	5.7%
Pinnacle Associates US SMID Cap Grth	2.8%	41.7%	55.5%	6.9%
International Equity	25.3%			48.2%
Silchester Intl Val Equity	11.1%	27.8%	35.8%	17.8%
Bail Giff Intl Gro;4	7.5%	42.3%	55.4%	17.8%
Acadian Emg Mkts Eq II	6.7%	36.4%	45.7%	12.6%
Fixed Income	20.0%			3.7%
Baird Core Fixed Income	5.1%	6.7%	9.3%	0.7%
Loomis Sayles Multisector Full Discretion	7.5%	9.8%	13.7%	4.4%
Schroder Flexible Secured Income LP	7.4%	-2.1%	-1.3%	-1.5%
Real Estate	15.7%	0.8%	2.3%	-0.6%
Diversifying Assets	6.8%			-5.8%
Adams Street Private Equity	3.4%	9.6%	13.0%	-4.8%
Hamilton Lane Private Credit	3.4%	22.5%	34.0%	-1.0%
Cash Equivalents	0.3%			
Dreyfus Gvt CM;Inst	0.3%	-0.5%	-0.4%	0.0%
Total Fund	100%	12.6%	18.0%	100.0%

Public equity is the largest contributor to Total Fund ETL.

- Within US Equity, SMID managers exhibit the highest annual VAR and ETL. Eagle LCV, with the highest US equity allocation is the largest contributor to Total Fund ETL.
- Within International Equity, the Growth strategy exhibits the highest annual VaR and ETL. Silchester Intl. Value, with the highest Intl. equity allocation and Baillie Gifford Intl. Growth, with the highest VaR and ETL are the largest contributors to Total Fund ETL.

Fixed Income, Real Estate, and Diversifying Assets are low or negative contributors to Total Fund ETL.

- Within Fixed Income, Schroders Flexible Secure Income strategy is a negative contributor to ETL.
- Real Estate, Private Equity, and Private Credit are negative contributors to Total Fund ETL.

Analysis for the period May 31, 2010, to September 30, 2024, based on quarterly periodicity utilizing returns as provided by BNY Mellon.

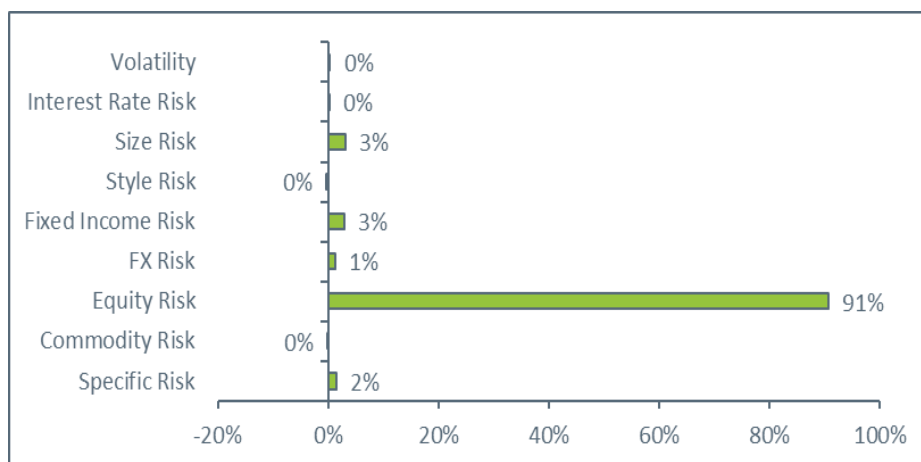
Value at Risk (VaR) – The highest possible loss over a certain period of time at a given confidence level.

Expected Tail Loss (ETL) – The average loss (at a given confidence level) expected during a left-tail event.



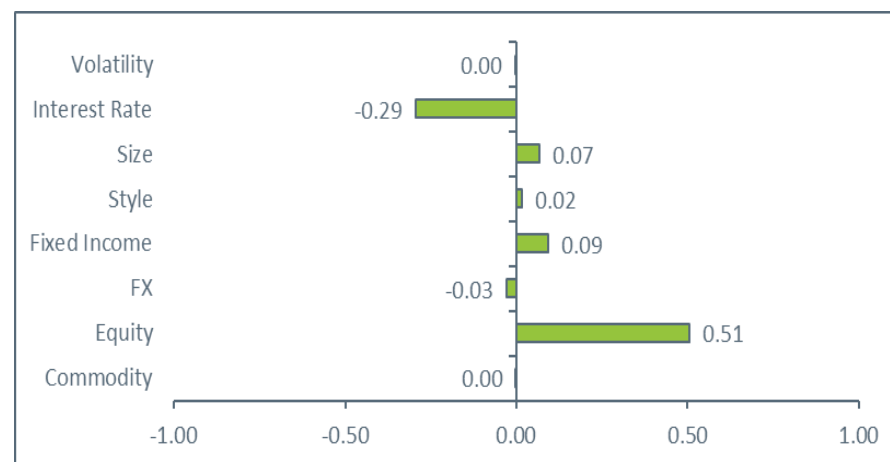
Factor Exposure and Factor Beta

Factor Exposure – Contribution to ETL



- Over 90% of tail loss can be attributed to public equity. This is consistent with expectations of capital market assumptions and asset class behavior.

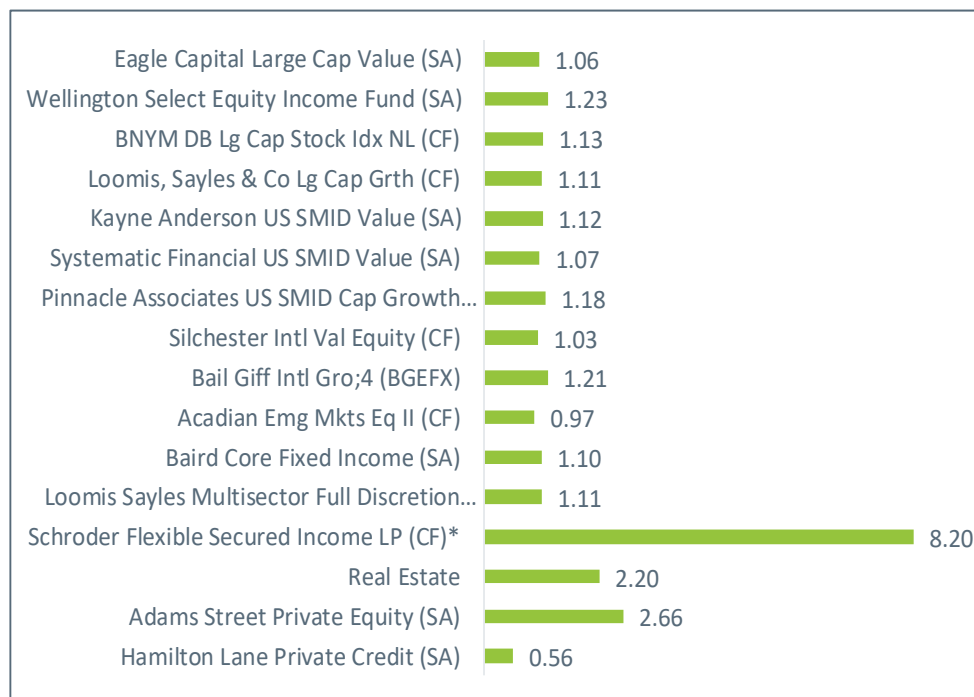
Portfolio Factor Beta



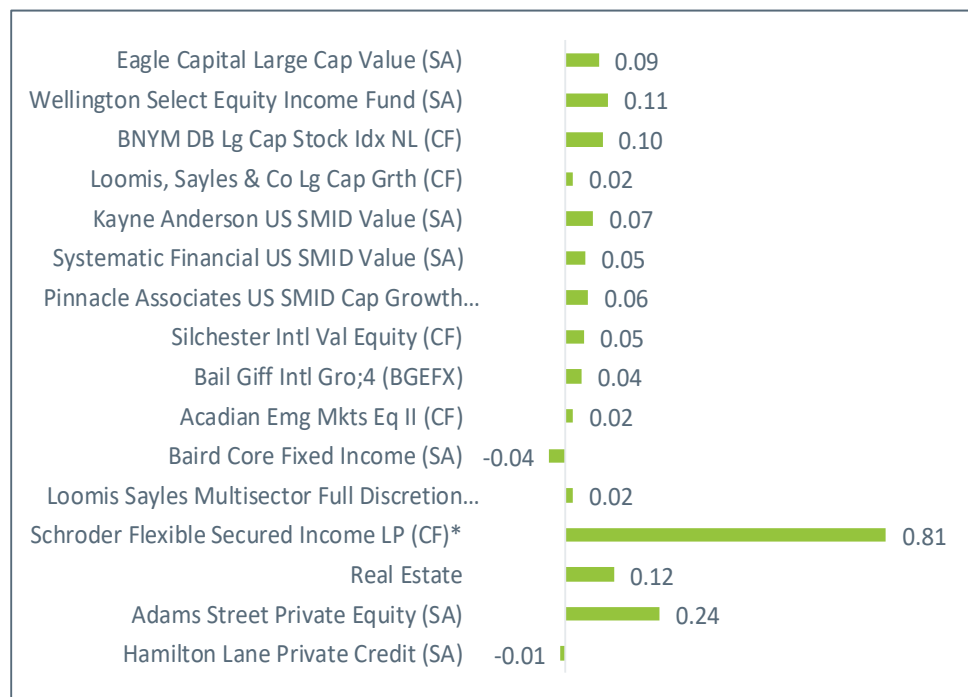
- The largest, positive factor beta is to equity. Size, style, and fixed income have positive betas as well.
- Interest rate and FX has negative betas.

Rachev Ratio and STARR Performance (Excess Return/ETL)

Rachev Ratio



STARR Performance



* The strategy was added to the portfolio in October 2022. The Rachev Ratio and STARR metrics are based on a relatively short time frame during which the strategy delivered positive returns amid heightened equity market volatility. As a result, the strategy's metrics are comparatively high; however, we expect these to normalize as additional data points are added over time.

- The Rachev Ratio for the majority of the managers was above 1, indicating that the average gain in a right-tail event slightly exceeded the average loss in a left-tail event.
- Majority of the managers have produced positive excess return relative to ETL.

Analysis for the period May 31, 2010, to September 30, 2024, based on quarterly periodicity utilizing returns as provided by BNY Mellon.

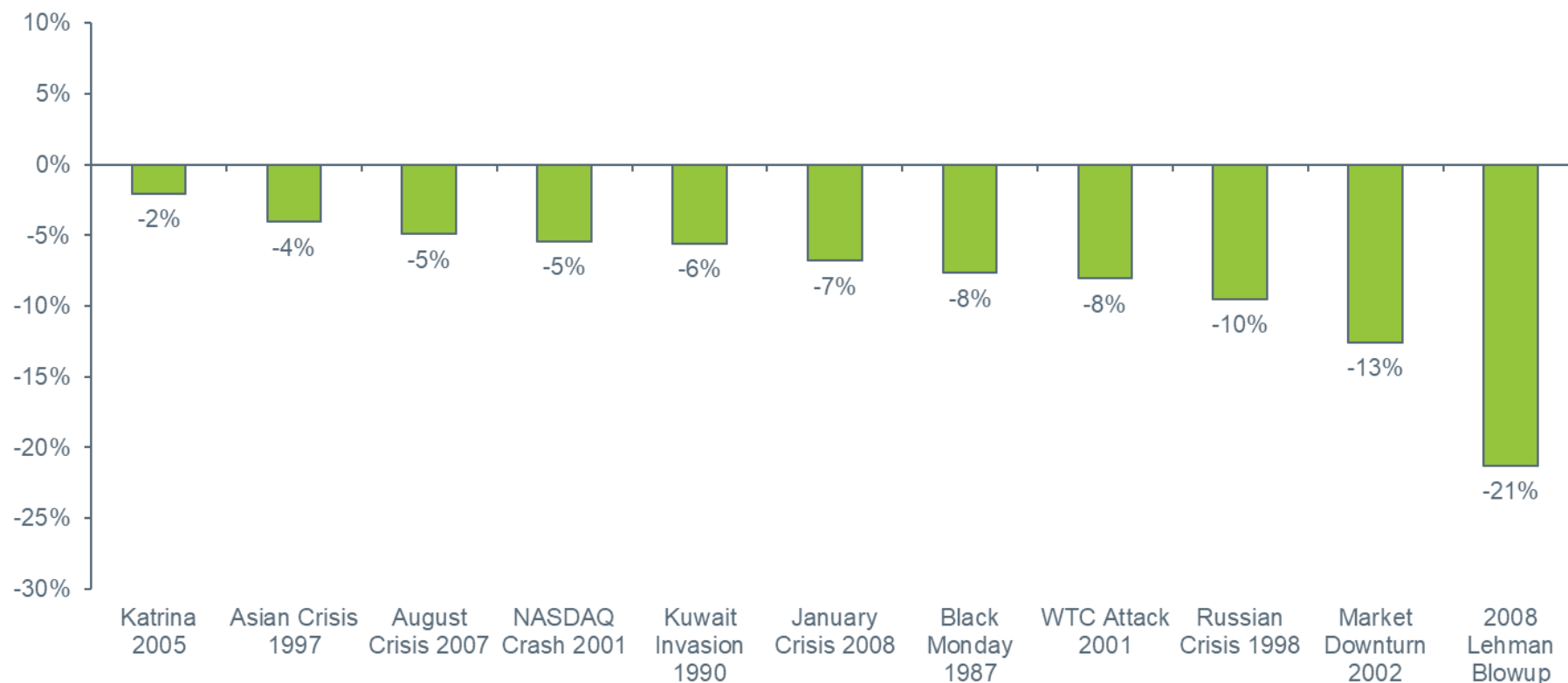
Rachev Ratio – The ratio of ETR to ETL. A value of greater than 1.00 implies a right tail that is larger than the left tail. A value of less than 1.00 implies a left tail that is larger than the right tail.

STARR Performance – Similar to the Sharpe Ratio, STARR (stable tail-adjusted return ratio) is a standard deviation-based performance measure that uses ETL in the denominator as a risk measure.



Historical Stress Test

- The chart below illustrates the Total Fund's estimated drawdowns during past market events. While these historical scenarios provide insight into how the portfolio may perform under stress, they are not predictive of future results, as each crisis is shaped by unique drivers and conditions.



	Katrina 2005	Asian Crisis 1997	August Crisis 2007	NASDAQ Crash 2001	Kuwait Invasion 1990	January Crisis 2008	Black Monday 1987	WTC Attack 2001	Russian Crisis 1998	Market Downturn 2002	2008 Lehman Blowup
Start Date	9/8/2005	10/6/1997	7/18/2007	3/6/2001	7/15/1990	12/10/2007	9/30/1987	8/1/2001	7/16/1998	5/16/2002	9/1/2008
End Date	10/12/2005	10/26/1997	8/14/2007	4/3/2001	8/22/1990	1/21/2008	10/25/1987	9/20/2001	8/30/1998	10/8/2002	11/19/2008

Appendix

Definitions

- **Volatility** – Volatility (as measured by standard deviation) provides a statistical range of performance relative to the average expectations. With this measure, we can establish a level of “confidence” about the expected range of returns for the portfolios.
- **Value at Risk (VaR)** – The highest possible loss over a certain period of time at a given confidence level.
- **Expected Tail Loss (ETL)** – The average loss (at a given confidence level) expected during a left-tail event.
- **Expected Tail Return (ETR)** – The average gain (at a given confidence level) expected during a right-tail event.
- **Rachev Ratio** – The ratio of ETR to ETL. A value of greater than 1.00 implies a right tail that is larger than the left tail. A value of less than 1.00 implies a left tail that is larger than the right tail.
- **STARR Performance** – Similar to the Sharpe Ratio, STARR (stable tail-adjusted return ratio) is a standard deviation-based performance measure that uses ETL in the denominator as a risk measure.

Factor Model

Commodity Risk

S&P GSCI Crude Oil USD
S&P GSCI Index

Equity Risk

MSCI WRLD/ENERGY USD
MSCI EAFE USD
MSCI EM
Russell 3000

FX Risk

Trade Weighted Exchange Index: Broad

Fixed Income

Mortgage Master USD
Global High Yield USD
Global EM Credit Eur/ME/Afr USD
Crossover EM Sovereign & Credit
ML Global High Yield – AAA Spread USD
European Convertibles
Asian Convertibles
ML Global Gov't Bond II USD

Interest Rate Risk

3-Year Treasury Constant Maturity Rate
LIBOR 12 Month Constant Maturity Rate USD
LIBOR Overnight Rate USD
10-Year Treasury Constant Maturity Rate
LIBOR Overnight Rate EUR
20-Year Treasury Maturity Constant Maturity Rate

Size

MSCI Small Minus Large US USD

Style

MSCI Value Minus Growth US USD

Volatility

CBOE Volatility Index as Difference USD



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CITY OF JACKSONVILLE EMPLOYEES RETIREMENT SYSTEM

STATEMENT OF INVESTMENT POLICY, GOALS AND GUIDELINES

**Adopted January 2006
Amended August 27, 2009
Amended December 15, 2011
Amended October 26, 2017
Amended July 1, 2021
Amended XX, 2025**

TABLE OF CONTENTS

<u>INTRODUCTION & PURPOSE</u>	<u>3</u>
<u>GENERAL OBJECTIVES</u>	<u>4</u>
<u>BOARD RESPONSIBILITIES</u>	<u>5</u>
<u>TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES</u>	<u>7</u>
<u>INVESTMENT MANAGER RESPONSIBILITIES</u>	<u>7</u>
<u>INVESTMENT CONSULTANT RESPONSIBILITIES</u>	<u>10</u>
<u>CUSTODIAN RESPONSIBILITIES</u>	<u>11</u>
<u>INVESTMENT OBJECTIVES</u>	<u>12</u>
<u>ASSET ALLOCATION</u>	<u>14</u>
<u>INVESTMENT GUIDELINES</u>	<u>16</u>
<u>COMPLIANCE PROCEDURES</u>	<u>27</u>
<u>SECTION 112.661, FLORIDA STATUTES</u>	<u>28</u>
<u>PERFORMANCE EVALUATION</u>	<u>29</u>
<u>REVIEW OF POLICY</u>	<u>32</u>
<u>APPENDICES</u>	<u>33</u>

INTRODUCTION & PURPOSE

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

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

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

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

~~investments~~, the investment and fiduciary standards set forth in Section 112.661 or other applicable ~~sections of~~ Florida Statutes shall apply.

The investment policies ~~set forth in this document~~ herein are established after a thorough review of the Fund's unique needs and circumstances ~~of the Fund~~ and a careful evaluation of expected ~~the risks~~ and potential ~~returns~~ expected from various mixes of stocks, bonds, real estate, cash equivalent securities, and other permissible assets. The Board intends these ~~It is the Board's intention that the investment~~ policies hereinto be sufficiently specific to be meaningful ~~but yet~~ adequately flexible to be practical. No party ~~Responsible parties~~ shall ~~not~~ deviate from these policies without the Board's written permission ~~of the Board~~. However, In the case of emergency circumstances, however, in emergencies situations the City's Chief Financial Officer (CFO) or Treasurer ~~shall be allowed to~~ may deviate from this Policy ~~when necessary~~ to preserve Fund assets, subject to any statutory limitations.

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

~~Any time a~~ Any party in a contractual relationship with the System (e.g. Investment Consultant, investment manager, Custodian, etc.) ~~believes any~~ may request changes to this Policy ~~become necessary or advisable, they shall make a request~~ in writing. As necessary, for such change, which shall be communicated by the Investment Staff will communicate such requests to the Board for approval, if necessary. ~~The Board is responsible for approving all such requests.~~ The Board shall ~~give notice to~~ notify the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy ~~not less than at least~~ 60 days ~~prior to the final~~ before the meeting ~~for adoption of such change at which the changes will be adopted~~. Upon approval by Board vote, Investment Staff shall communicate all changes as necessary.

GENERAL OBJECTIVES

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

To achieve these objectives, the Board seeks to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market, and other investments as described herein. The Board may invest System assets in any securities,

real property, and other assets it deems appropriate after a thorough review of the needs of the Fund and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law. The Board ~~has determined that~~ may retain outside investment managers ~~may be retained to assure to ensure~~ that investments are prudently and professionally managed ~~in both a prudent and professional manner and~~ in compliance with the stated investment guidelines.

BOARD RESPONSIBILITIES

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

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

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

- 1) Establish the investment objectives and guidelines as they pertain to the Plans, and adopt a Statement of Investment Policy ~~in order to~~ provide responsible parties and Investment Staff a clear and accurate understanding of all investment objectives, investment guidelines, and investment performance evaluation ~~the criteria by which investment performance shall be evaluated~~. ~~Responsible~~ The responsible parties shall not deviate from this Policy without the written permission of the Board.
- 2) For each actuarial valuation, determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter for the Plans. This determination ~~is to~~ must be filed with the Department of Management Services, the plan sponsor, and the consulting actuary.
- 3) Approve long-term target allocation percentages and permitted ranges for each asset class, based on its determination of the appropriate risk posture for the Plans given the stated investment goals. ~~In doing so, For such decisions, the Board may leverage the Investment Consultant's most recent asset-liability study or asset allocation review performed by the Investment Consultant (generally every few years),~~ as well as any

additional input from the Investment Consultant and/or actuary, ~~may be leveraged to inform decision making.~~

- 4) Seek to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market, and other investments, as described in this Policy. The Board may invest System assets in any securities, real property, and other assets it deems appropriate after a thorough review of the needs of the Plans and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law.
- 5) The Board ~~has determined that outside investment managers~~ may be retained, ~~outside investment managers~~ and shall delegate to each investment manager full investment discretion ~~with respect to~~for the management of assets under its control and the responsibility to vote any and all proxies applicable to designated Plan assets under each investment manager's management. Accordingly, the Board is responsible for approving the selection and termination of investment managers, and ~~they~~ may consult with the Investment Consultant and Investment Staff to inform decision-making.
- 6) Establish allocations containing permissible investments for each asset class to those defined by this Policy, within the limits set forth by statute (Investment Guidelines section of this Policy). These may be modified as set forth in any individual ~~Investment~~ ~~m~~Manager Instructions, to the extent approved by the Board and permitted by applicable ordinances and statutes.
- 7) Approve Investment Manager Instructions (Appendix A) for each separate account established with an investment manager.
- 8) Review the investment activities and investment performance of the Fund and each investment manager on a regular basis to ~~assure~~ ~~ensure~~ compliance with the goals, objectives, and guidelines contained in this Policy.
- 9) Approve the selection and termination of the Investment Consultant, which may include consultation with the Investment Staff.
- 10) Retain a bank or trust company to act as Custodian for the System's assets.
- 11) Periodically review the following:
 - a. The Fund's asset allocation ~~in light of~~ ~~considering~~ the Investment Consultant's current capital markets assumptions.
 - b. Actual investment results to determine whether the Fund's asset allocation remains reasonable and ~~whether~~ each investment manager's decision-making process remains consistent with the style and methodology for which the investment manager was originally retained.
 - c. Investment manager proxy voting procedures and proxy voting records.

- d. Commissions generated, commission rates charged, and firms used by the investment managers to execute trades.
 - e. Investment manager fee schedules.
- 12) Review annually this Policy as well as the Plans' circumstances (e.g., cash flow, liquidity requirements) to ensure this Policy continues to reflect the Board's objectives, goals, and philosophy guidelines; where necessary, seek to periodically revise, consulting with the Investment Consultant as needed.
- 13) Approve requests ~~to~~for any changes to this Policy ~~as requested by~~from any party in a contractual relationship with the System.
- 14) Provide notice to the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy ~~not less than~~at least 60 days ~~prior to the final~~before the meeting ~~for adoption of such change at which the changes will be adopted~~. Upon approval by the Board, Investment Staff shall communicate all changes to relevant parties as necessary.

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

TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES

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

INVESTMENT MANAGER RESPONSIBILITIES

Within the guidelines and restrictions ~~set forth~~outlined herein, the Board delegates ~~full investment discretion~~to each investment manager ~~full investment discretion with respect to the management of~~for the assets under ~~its~~their control. ~~Such~~This discretion includes decisions to buy, hold, and sell securities in amounts ~~that are reflective of~~consistent with the investment manager's ~~investment~~strategy and ~~in compliance~~compliant with ~~this~~the Policy. The investment manager's acceptance of the responsibility to manage assets for the System constitutes an acceptance of this Policy, ~~affirming the belief they are capable~~

~~of achieving~~ and an affirmation of their capability to achieve the System's objectives within ~~the its stated~~ guidelines and limitations ~~stated herein~~.

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

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

Unless otherwise approved ~~by the Board on an exception basis~~ and fully disclosed ~~to the Board~~ in advance, investment managers shall not:

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

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

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

All investment transactions shall be completed on a best price, best execution basis. The investment managers, as fiduciaries, ~~have the responsibility to execute~~ are responsible for executing all transactions in the best interest of the Fund.

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

Each investment manager ~~is expected to~~ shall provide all reasonable information requested by the Board. ~~All investment managers shall keep and shall promptly inform~~ the Board and Investment Consultant ~~informed on a timely basis~~ of:

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

~~Whenever~~ If an investment managers believes ~~that~~ any ~~particular~~ guideline should be altered, ~~it is the investment manager's responsibility to~~ they shall initiate written communication with the Board and Investment Consultant requesting ~~such the~~ change.

At a minimum, each investment manager shall provide a quarterly report ~~that includes the following~~ including:

- All investment activity (including securities purchases and sales);
- The portfolio's current value;
- Investment performance and attribution;
- An analysis of portfolio characteristics;
- A market and investment outlook;
- Any changes in investment philosophy or strategy;
- Any significant changes in the personnel or ownership of the firm;

- A summary of commission costs, brokers utilized, and all portfolio directed brokerage activities;
- ~~On an annual basis each equity manager shall provide a~~ summary report of all proxies voted and ~~whether any proxies were voted as any~~ exceptions to the investment manager's stated proxy voting guidelines ~~(applicable to for equity managers).~~

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

Each investment manager ~~is expected to shall~~ meet periodically with the Board or its designated representatives ~~representatives periodically~~ to review investment performance and philosophy.

INVESTMENT CONSULTANT RESPONSIBILITIES

The Investment Consultant's primary duties ~~of the Investment Consultant is are~~ to provide investment advice to the Board and to assist the Treasurer, ~~and~~ Plan Administrator, and Investment Staff in ~~the implementation of~~ implementing the Board's directives and ~~management of~~ managing the investment process. This includes regular meetings ~~regularly~~ with the Board to provide information, market perspective, and evaluations ~~regarding as to~~ the System's goals, objectives, limitations, investment structure, and investment performance as part of ~~the overall development~~ developing, ~~implementing, on~~ and monitoring ~~of~~ a diversified investment portfolio.

Specific duties of the Investment Consultant include:

- 1) ~~Make recommendations~~ Recommending actions to the Board ~~of appropriate actions which shall to~~ enhance the probability of achieving Fund objectives, such as the use of various asset classes, investment strategy ~~implementation of investment strategy,~~ investment policy ~~changes in investment policy,~~ and changes in investment managers or other service providers;
- 2) Assist ing the Board in developing appropriate asset mixes through ~~the development of periodic~~ regular asset-liability studies or asset allocation reviews;
- 3) Assist ing the Board in deploying an appropriate asset mix ~~through the development of by developing~~ specific investment strategies and supporting policies, ~~make and making rebalancing~~ rebalancing recommendations ~~to the Board with respect to rebalancing;~~

- 4) Providing comprehensive evaluations of the Fund's and individual investment managers' investment results of the Fund and its individual investment managers in light of this Policy;
- 5) Assisting the Board in interpreting investment results and assessing investment manager performance;
- 6) Promptly notifying the Board of changes in the structure, personnel, ownership, or process of investment managers serving the System, in addition to as well as any performance concerns, and recommending corrective action when necessary as soon as feasible;
- 7) Maintaining a Watch List on behalf of the Board, and providing periodic updates of the Watch List, no less than quarterly, to the Board at least quarterly. The purpose of a Watch List is to further assist the Board in exercising their fiduciary oversight responsibilities by highlighting factors that may warrant heightened surveillance. Areas of focus will include, although are including, but not limited to, those outlined in items 7 of this section. Investment managers may or may not be placed on the Watch List ahead of before a recommendation to terminate for termination;
- 8) Conducting searches for investment managers and other service providers as necessary needed and making recommendations for such positions;
- 9) Conducting periodic pricing studies for private investments;
- 10) Disclosing potential conflicts of interest as they become known; and arise;
- 11) Providing ad hoc investment research and other support as may be necessary needed to support address the Board's educational and informational needs;
- 12) Periodically Reviewing periodically this Policy and recommending any necessary changes to Investment Staff and the Board; and
- 13) Provide advice with respect to Advising on investment managers transition management events, including the recommendation of recommending transition management services.

CUSTODIAN RESPONSIBILITIES

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

In order to maximize the investment returns, no money funds should be allowed to remain idle and uninvested. Dividends, interest, sale proceeds from sales, new contributions, and all other monies shall be invested promptly upon receipt. Consistent

with these requirements, the Custodian shall ~~be responsible for~~perform the following functions:

- 1) Accept daily trading/cash reconciliation instructions from the investment managers;
- 2) Advise investment managers daily of changes in cash equivalent balances;
- 3) Immediately advise investment managers of account contributions and withdrawals ~~from account~~;
- 4) Notify investment managers of tenders, rights, fractional shares, or other dispositions of holdings;
- 5) Resolve ~~any~~ custodial account problems with investment managers;
- 6) Provide ~~Safekeeping~~ of securities;
- 7) ~~Collection of~~ all interest and dividends;
- 8) Perform a ~~D~~daily sweep of idle cash balances;
- 9) Process all investment manager security transactions;
- 10) Collect proceeds from maturing securities and sale transactions;
- 11) Make cash disbursements as directed;
- 12) Provide monthly accounting statements based on fair market value for each security in each investment manager account and a consolidated statement of all assets under custody;
- 13) Provide an account representative and back-up support to assist Investment Staff ~~within~~ all needs related~~ing~~ to the custody and accountability of System assets;
- 14) Manage the securities lending program as securities lending agent and/or assisting ~~with~~ the ~~securities lending~~ program as directed by the Board;
- 15) Provide a schedule of commissions paid and brokers used by each investment manager;
- 16) Provide reports or assistance on corporate actions, class action notice filings, forwarding proxies to appropriate parties, and any other actions or reports mutually agreed upon by the Custodian and the Board; and
- 17) ~~Provide~~ Perform any other tasks necessary for the effective safekeeping, valuation or administration of System assets.

INVESTMENT OBJECTIVES

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

~~The System aims for In addition, the System seeks~~ a total rate of return, after all expenses, that equals or exceeds the current actuarial investment return assumption. The Board shall use the Fund's asset allocation as the primary tool to achieve this objective, which may be informed by consultations and may consult with the Investment Consultant and actuary ~~to inform decision-making. Recognizing that this is a long-term objective and investments are subject to short-term volatility, the Board focuses on the Fund's expected return and associated expected volatility over a long-term investment horizon. As this is a long-term objective and investments are subject to short-term volatility, the main investment focus of the Board is the expected return and associated expected volatility of the Fund as a whole over a long term investment time horizon.~~ The performance of each asset class and ~~the performance of each~~ investment manager, relative to appropriate market indices and style peer comparisons, shall be monitored over both the long term and short term. Each investment manager is expected to maintain a consistent philosophy and style, to perform well versus others utilizing compared to peers using the same style, and to add incremental value after costs.

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

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

The System's specific investment goals ~~of the System are as follows are~~:

- To earn an annualized rate of return, net of fees, over the long term, that exceeds the annual rate of change in the Consumer Price Index (CPI, net of fees).
- To earn an annualized rate of return, net of fees, over the long term, equal to or in excess of exceeding the System's actuarial assumed rate of return, net of fees.
- To earn a total rate of return, net of fees, over a market cycle, (roughly approximately 7 years) that exceeds the return of athe Policy Index. The Policy Index ~~for the System is defined as is~~ a hypothetical index constructed from of the

target allocation for each broad asset class, as adopted by the Board and ~~contained detailed~~ in the Policy, invested in a broad market index representing that asset class. The Policy Index may ~~change from time to time as the asset allocation target for the System changes~~ be adjusted periodically to reflect changes in the System's target allocation, as approved by the Board.

- ~~In addition, it is expected that o~~Over a market cycle (~~roughly approximately~~ 7 years) the ~~System's~~ rate of return ~~earned by the System shall~~ should rank above median ~~when~~ compared to a representative universe of ~~other~~, similarly managed and sized, retirement systems and portfolios.
- It is the goal for each active investment manager to achieve an annualized total rate of return, net of fees, over a market cycle (roughly 7 years) ~~which that~~ exceeds a broad market benchmark, ~~net of fees~~, and ranks above the median in a style peer performance universe. The broad market benchmarks are ~~shown identified~~ in each investment manager's Investment Instructions. ~~It is the goal for e~~Each passive investment manager ~~to should~~ achieve an annualized total rate of return, gross of fees, that matches the underlying market benchmark, and minimizes tracking error.

ASSET ALLOCATION

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

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

Based on its ~~determination assessment~~ of the Fund's appropriate risk posture ~~for the Fund~~, and ~~its~~ long-term return expectations, the Board shall maintain asset-mix guidelines ~~for the Fund~~, based on market values, ~~and may seek consultation consulting~~ with the Investment Consultant and actuary ~~as part of this process as needed~~. The asset allocation is a strategic asset allocation. The long-term target allocation percentage and permitted

range for each asset class shall be based ~~upon~~ the most recent asset-liability study or ~~Board-adopted~~ asset allocation review ~~performed—conducted~~ by the Investment Consultant, ~~generally typically~~ every few years, ~~and as adopted by the Board~~. ~~Adherence to B~~ both the target allocations and permitted ranges ~~should be adhered to~~ ~~is expected~~ under normal circumstances. However, because these ~~are long-term~~ target allocations ~~and permitted ranges are long-term in nature~~, ~~periodically~~ the asset mix may ~~periodically~~ fall outside the target or range. ~~Exceptions are permitted for D~~ dollar-cost-averaging, portfolio transition~~s~~, or other cases where the Board determines deviation ~~from the target or range~~ is in the ~~Fund's~~ best interest ~~of the Fund are permitted exceptions~~. This in no way should be considered market timing and is not viewed as such by the Board.

The Board is responsible for broad asset allocation decisions, and ~~they~~ may consult with the Investment Consultant and actuary as needed. ~~To maintain the desired asset allocation, each~~ An investment manager's cash holdings ~~should normally can disrupt this position and therefore under normal circumstances should~~ be limited to five percent (5%) of ~~their~~ its portfolio's market value. ~~Portfolios~~ Therefore, ~~each investment manager's portfolio is to should~~ be fully invested, although cash ~~may can~~ be held briefly ~~when a after~~ a security ~~sale is sold prior to and before~~ reinvestment. The ~~only sole~~ exception ~~to this shall be~~ is when cash is used as part of a ~~fixed income manager's~~ duration or term-structure strategy ~~of a fixed income manager~~. This exception is consistent with the Board's decision to have investment managers avoid market-timing decisions stated above.

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

When market ~~experience moves~~ movements ~~cause~~ the portfolio allocation ~~outside a range of to deviate by more than~~ +/- 5% ~~around from~~ the target allocation at month-end, the Treasurer, Plan Administrator, or Investment Staff, ~~using relevant Investment Consultant input, in conjunction with the Investment Consultant~~ shall consider ~~any necessary action to rebalance back toward the target allocation~~ ~~rebalancing actions to move closer to the target allocation~~. ~~Priority of rebalancing~~ Rebalancing priority shall be asset class before style or individual investment manager.

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

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

Asset Class	Minimum	Target	Maximum
Domestic Equities	20%	30%	40%
International Securities	13%	23%	25%*
Fixed Income	10%	20%	30%
Real Estate	0%	15%	20%
Diversifying Assets**	0%	12%	20%
Cash	0%	0%	10%

*Statutory Maximum

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

INVESTMENT GUIDELINES

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

EQUITY SECURITIES

Permitted-Permissible Securities:

The following are permissible investments:

- All equity investments shall be limited to fully and easily readily negotiable equity securities that are listed on a national exchange.

- Permissible investment vehicles ~~shall~~ include equity separate accounts and commingled vehicles consisting of those common stocks, preferred stocks, and convertible securities.
- American Depositary Receipts are permissible in domestic equity portfolios.
- American Depositary Receipts and Global Depositary Receipts are permissible in international equity portfolios.
- Other equity securities listed in the Equity Guidelines below.

Equity Guidelines

- 1) The total equity portfolio may not exceed 80% of the Fund's assets, measured at market value.
- 2) The combined total ~~portion~~ of the Fund's international equity holdings ~~combined with and~~ non-U.S. dollar corporate bonds may not exceed 25% of the Fund's assets, measured at market value.
- 3) No more than 10% of ~~the market value of~~ the total equity portfolio's market value may be invested in the combined common stock, preferred stock, or convertible securities of any ~~single~~ company.
- 4) Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of the ~~market value of the~~ total equity portfolio's market value.
- 5) American Depositary Receipts are permissible in domestic equity portfolios and are limited to 15% of an investment manager's portfolio.
- 6) Exchange Traded Funds or index fund investments are permitted.
- 7) No individual equity strategy/mandate, measured at market value, shall have an economic sector weighting ~~which exceeds~~ exceeding the greater of either 30% or 2 times the sector weight of the underlying benchmark. Exceptions ~~can~~ may be made, at the Board's discretion, ~~should if~~ the strategy/mandate requires greater allowance.
- 8) ~~Not~~ more than 75% ~~percent~~ of the Fund may be in internally managed common stock.
- 9) ~~The~~ total return goal ~~off~~ for the domestic equity composite, net of fees, is to exceed the ~~return of the~~ Russell 3000 Index return over a market cycle (~~roughly~~ approximately 7 years).

- 10) The total return goal ~~offer~~ the international equity composite, net of fees, is to exceed the ~~return of the~~ MSCI All Country World EX-US Index ~~return~~ over a market cycle (~~roughly approximately~~ 7 years).
- 11) Sections 112.661(5) and 215.47 of the Florida Statutes shall ~~guide the govern these~~ Equity Guidelines and supersede ~~all conflicts any conflicting provisions~~ in ~~this~~ Investment Policy.

FIXED INCOME SECURITIES

Permissible Securities:

~~The following investments are permissible investments:~~

- Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.
- Florida State bonds pledging the full faith and credit of the state, and revenue bonds additionally secured by the full faith and credit of the state.
- Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.
- Bonds issued or administered by the State Board of Administration secured solely by a pledge of all or part of the 2-cent constitutional fuel tax accruing under the provisions of s. 16, Art. IX of the State Constitution of 1885, as amended, or of s. 9, Art. XII of the 1968 revised State Constitution.
- Bonds issued by the State Board of Education pursuant to ss. 18 and 19, Art. XII of the State Constitution of 1885, as amended, or to s. 9, Art. XII of the 1968 revised State Constitution, as amended.
- Bonds issued by the Florida Outdoor Recreational Development Council pursuant to s. 17, Art. IX of the State Constitution of 1885, as amended.
- Notes, bonds, and other obligations of agencies of the United States.
- Other bonds ~~listed as specified~~ in the Fixed Income Guidelines below.

Fixed Income Guidelines

- 1) At ~~a minimum, least~~ 80% of the total fixed income portfolio shall be rated "investment grade" or higher. ~~The Board defines "Investment grade"~~ is defined as a rating of "BBB-", "Baa3", ~~or~~ or higher, as rated by a Nationally Recognized Statistical Rating Organization (NRSRO). In ~~case the event~~ of a split ratings, the security must

be rated "BBB-", "Baa3", or ~~their~~ equivalent by at least two NRSRO investment rating agencies to be considered investment grade. ~~The lower rating will be used if the investment is rated by two ratings agencies.~~

- 2) Permissible securities ~~shall~~ include fixed income separate accounts and commingled vehicles consisting of those U.S. Treasuries and Agencies, corporate bonds, mortgage-backed securities, asset backed securities, and convertible securities as listed below.
- 3) Investments in corporate bonds issued by ~~a~~ non-U.S. corporations ~~or~~ commercial entities shall not exceed 25% of the ~~market value of the~~ total fixed income portfolio's market value. This limitation ~~shall~~ does not apply to U.S. dollar-denominated securities listed and traded on U.S. exchanges.
- 4) The total value of the securities of any single non-U.S. Government issuer shall not exceed 5% of the ~~market value of the~~ total fixed income portfolio's market value.
- 5) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 25% of the ~~market value of the~~ total fixed income portfolio's market value.
- 6) There is no limit imposed on investments in fixed income securities issued directly by the ~~U. nited S. tates~~ Government or any agency or instrumentality thereof.
- 7) Investments in Commercial ~~Mortgage-Backed~~ Mortgage-Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service. However, the total value of all CMBS investments shall not exceed 25% of the ~~market value of the~~ total fixed income portfolio's market value.
- 8) All fixed income investments shall be limited to ~~fully and easily~~ readily negotiable fixed income securities, unless specifically authorized by the Board.
- 9) Investments in convertible bonds shall be limited to 10% of ~~the market value of the~~ total fixed income portfolio's market value. ~~However, any c~~Convertible bond investments should be liquidated ~~at the time of upon~~ conversion ~~so as to avoid the~~ fixed income managers holding equity securities in a fixed income portfolio.
- 10) Structured notes ~~may not be held~~ are prohibited in the fixed income portfolio.
- 11) The following are limited to 25% or less of the Fund:
 - a) Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.
 - b) Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.
 - c) Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an

agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

- d) Group annuity contracts of the pension investment type with insurers licensed to do business in this state which are rated investment grade by at least one nationally recognized rating service.
 - e) Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.
 - f) A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
 - g) Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.
 - h) United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.
 - i) Asset-backed securities not otherwise authorized by this section.
- 12) Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entities having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.
- 13) The total return goal ~~for~~ the fixed income composite, net of fees, should exceed the ~~return of the~~ Bloomberg Barclays US Universal Bond Index ~~return~~ over a market cycle (roughly 7 years).

REAL ESTATE

Permissible Investments:

Certain interests in real property and related personal property, including mortgages and related instruments on commercial or industrial real property, with provisions for equity or income participation or with provisions for convertibility to equity ownership, and interests in collective investment funds are permissible investments. Associated

expenditures for acquisition and operation of assets purchased under this provision or of investments in private equity or other private investment partnerships or limited liability companies shall be included as a part of the cost of the investment.

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

Real Estate Guidelines

- 1) Core Real Estate funds ~~are to~~shall have the following complementary objectives:
 - a) Investments are typically comprised of well-leased, high quality, income-producing institutional properties, such as office buildings, retail centers, industrial parks, apartments, and hotels, ~~that are~~ held until ~~such time as determination is made by~~ the fund investment manager determines it is appropriate to dispose of such properties at acceptable market rates.
- 2) Non-Core Real Estate funds, comprised of both Opportunistic and Value-Added investments, ~~are to~~shall have the following complementary objectives:
 - a) Investments are typically comprised of commercial properties requiring redevelopment or repositioning for alternative use or upgrade. These properties have the potential for increases in tenant occupancy rates and leasing income ~~attained~~derived from capital improvements and ~~active~~effected property management; over the projected holding period.
- 3) Notwithstanding the restrictions and limitations ~~set forth~~ in paragraphs 1 and 2 of the "Equity Securities" section above or elsewhere in this Policy, and when deemed appropriate by the Board, real estate investments may be made in any legally permissible real estate ~~investment vehicles~~, including, but not limited to, individual property investments, joint ventures, commingled funds, ~~(including insurance company separate accounts)~~, real estate investment trusts (REIT's), master limited partnerships (MLPs), limited partnerships, and limited liability companies, ~~in an amount~~ up to 25% of the Fund.
- 4) The Board shall seek to diversify its real estate portfolio by property type (multi-family residential, industrial, office, retail, etc.), property location (geographic region), tenant dominance (avoiding tenants all belonging to the same company or industry) and strategy (core diversified, value-added, opportunistic).

- 5) ~~Because~~As real estate investments over time are intended to provide, relative to other asset classes, ~~a higher level of income, lower total return volatility of total return,~~ and lower correlation ~~with~~to other asset classes ~~compared to other asset classes,~~ leverage is generally limited to 35% at the portfolio level for core investments and 75% at the portfolio level for value-added/opportunistic investments. However, ~~the amount of leverage with~~in a single fund is ~~variable, not constant. It varies as fluctuating with~~ the market value of the properties ~~and, in the fund varies. In the case of closed-end funds, it also varies as the fund matures with the fund's maturity. In the early days of a~~Early in a Non-Core closed-end fund's life, ~~the fund may utilize very little leverage may be minimal~~utilization should be very little, increasing as properties are acquired. ~~But as the properties are accumulated, the borrowing as a percentage of the properties will increase.~~
- 6) ~~No~~Any investment or co-investment in a single property ~~investment or co-investment~~ shall ~~not exceed one half of one per cent (0.5%)~~ of the Plans' total assets unless specifically permitted by the Board.
- 7) All real estate investments shall be managed by experienced and qualified professional investment managers, as determined by the Board of Trustees, ~~who which~~ may consult with the Investment Consultant and Investment Staff, ~~as part of during~~ the evaluation, selection, and monitoring process, ~~as needed.~~
- 8) The total return goal of the Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index over a market cycle (~~approximately roughly~~ 7 years). The total return goal of the ~~Non-Core~~Non-Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index ~~plus a~~ 2% premium, over a market cycle (~~approximately roughly~~ 7 years).

CASH EQUIVALENT SECURITIES

~~The following are permissible investments:~~

Permissible Securities:

- Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization, provided such savings accounts and certificates of deposit are secured in the manner prescribed in Florida Statutes Chapter 280.
- Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.

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

Cash Equivalent Guidelines

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

USE OF FUTURES AND OPTIONS

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

COMMINGLED AND MUTUAL FUNDS:

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

DIVERSIFYING ASSETS:

Permissible Strategies:

~~The following are permissible investments:~~

~~For purposes of this Policy,~~ "Diversifying assets" ~~shall mean~~ ss investments in private equity, private credit, long-short equity or debt, event driven, relative value, or tactical trading strategies, MLPs, real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources), and shall also include other investments that generally ~~are not~~ non-publicly traded investments, or ~~which are those~~ managed through private investment vehicles.

- ~~In general, the aforementioned strategies~~ These strategies generally involve the purchase and sale of buying and selling of all types of public and privately traded securities, currencies, options, futures, and private placements. These strategies may also include the short selling of securities and the use of using leverage and other types of derivatives.
- Private equity investments may include sub-strategies such as venture capital, growth equity, and buyouts. Investments are typically accessed directly, through partnerships, or through via a fund-of-funds approach, which provid inges diversification an investment vehicle that is well diversified by sub-asset class

(e.g., venture capital vs. buyouts), investment style (e.g., early vs. late stage, mid-market vs. large cap market), and vintage year.

- Private Credit investments may include sub-strategies such as direct lending, asset-backed debt, specialty finance, special situations, and distressed debt. Investments are typically accessed directly, through partnerships, or through a fund-of-funds approach.
- In general, Real assets generally includes the purchase and sale of buying and selling equity or debt interests in natural resources (e.g., such as oil and gas development, energy and power infrastructure, agriculture, and metals and mining), commodities (agriculture, energy, industrial metals, livestock, and precious metals), timberland, farmland, and water rights. These investments may be made in publicly traded securities, such as master limited partnerships (MLPs), or in private investment vehicles, such as limited partnerships.

Diversifying Assets Guidelines

- 1) ~~The long-term role of~~ Diversifying assets aims to improve the overall portfolio's risk-adjusted return ~~of the overall portfolio~~ by increasing the long-term expected return above ~~what would be that~~ normally available ~~using only from investing in~~ conventional securities and reducing overall portfolio volatility through ~~use of a~~ diversified ~~set of~~ strategies and the inherent smoothing of private valuation methods. The long-term nature of private investments and vintage year diversification shall be emphasized, ~~allowing so that~~ the System, as a long-term investor, ~~may properly take advantage of the~~ to capitalize on private ~~transaction negotiations of transactions~~ and the illiquidity premium associated with such private investments.
- 2) ~~Prior to making any investment~~ Before investing in diversifying assets, ~~the Board will evaluate the~~ sub-strategy investments ~~will be evaluated, by the Board,~~ based on their ~~unique singular~~ characteristics and ~~their~~ incremental value to the total Fund. ~~Any "Lock-up"~~ periods shall be appropriate ~~given for~~ the underlying strategy.
- 3) The Board ~~understands that there are certain~~ recognizes the additional risks associated with ~~investing in~~ private investments, such as: ~~the their~~ long-term nature and illiquidity ~~of the investment;~~ the complexity of ~~employed the~~ strategies ~~employed;~~ the higher cost and delay ~~ed of~~ investment return to the System (e.g., "J-curve effect"); ~~the possible potential~~ lack of full public disclosure of certain financial information; ~~and the labor-intensive nature of private investment programs for plan sponsors to implement and monitor. However, the Board has determined that the potential possible reward outweighs the possible potential risks and has also determined that the long-term role of diversifying assets is consistent~~ aligns with the System's Policy.
- 4) In private equity, private credit, and real asset investing there is ~~a~~ the risk of sustaining a complete loss on any ~~of the~~ individual company investments. The Board understands

and expects that while specific investments may incur losses, ~~of all or part of invested capital~~, a diversified portfolio ~~of holdings~~ should ~~produce~~ generate a positive rate of return ~~in excess of~~ exceeding that ~~available from~~ of public securities. ~~Therefore, the~~ The System shall prudently diversify its private investment program, ~~in a manner~~ consistent with professionally managed institutional private programs, ~~(as recommended by its Investment Consultant or Investment Staff), so as to decrease to minimize~~ the likelihood of loss. ~~The private~~ Private investments, in aggregate, will be prudently diversified ~~by having broad exposure~~ across the sub-strategies listed above. ~~Further, the private investments, in aggregate, shall be diversified by: as well as by~~ industry groups, company, number of transactions, stage of company maturity, form of investment, geography, and time (vintage year ~~diversification~~). Investment in non-U.S. limited partnerships is permitted.

- 5) Over commitment: ~~The The System's private investment~~ implementation ~~of any private investment, such as (e.g., private equity and private credit), by the System~~ shall be made over time ~~so as to~~ increase vintage year diversification. The timing of new commitments shall be spread out ~~so as to~~ avoid undue concentration ~~of commitments~~ in any ~~one single~~ year. Over the ~~long term~~ long term, ~~it is expected that~~ varying amounts of new funding will be committed ~~each year~~ annually to increase diversification. The Board recognizes ~~that it will be necessary~~ the need to make capital commitments ~~in excess of~~ exceeding of the private investment target allocation ~~for private investments in order to achieve and maintain~~ the target ~~allocation and subsequently maintain it~~. The Investment Consultant shall monitor ~~the amount of capital~~ committed, drawn, invested, and distributed capital and ~~make a recommendation to the Board as to the amount of~~ new commitments amounts to the Board to be made each year.
- 6) Each fund shall be invested and diversified according to ~~each fund's~~ sits legal documentation. ~~Accordingly, at the composite level, no~~ No limitations shall be imposed on any single partnership, strategy, or investment at the composite level.
- 7) Public Records Request: The Board recognizes that ~~periodically a request for information under a state statute or local ordinance "Public Record Requests"~~ may be periodically requested ~~made~~ concerning the System's private investments. The Board believes that public disclosure of certain private investment information ~~about the System's private investments, especially underlying company~~ financial information ~~of the underlying companies held by limited partnerships~~, may materially harm the System's investments. Therefore the Board has adopted the following procedure in the event such a request is made: Public disclosure of the System's private investment shall be limited to ~~the following~~: the identity of each fund; the amount of capital committed, invested, and returned for each fund; the internal rate of return (IRR) for each fund; ~~any~~ information disclosed by the fund to the Board in ~~the Board's regular, open meetings;~~ and information as otherwise ~~may be~~ required by law.
- 8) The total return goal ~~for of the~~ privately traded diversifying assets investments ~~should be to produce~~ is a dollar-weighted return (~~internal rate of return or IRR~~) ~~that exceeds~~ exceeding a public market equivalent (PME) dollar-weighted return of an market index appropriate ~~market index for the private strategies utilized~~ over a full market cycle. Where possible, peer comparisons shall be made using statistically valid

performance universes, with the expectation ~~that performance will rank of~~ above median performance in vintage year periods.

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

COMPLIANCE PROCEDURES

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

- The securities must be permissible under Sections 112.661(5) and 215.47, Florida Statutes.
- The investment must represent no more than 2% of the investment manager's portfolio and the overall investment in the security across all investment managers' portfolios must not exceed 2% of the Fund's aggregate investment portfolio.
- ~~The City's Treasurer and CFO must be immediately notified~~ Immediate notification shall be provided to the City's Treasurer and Chief Financial Officer ("CFO"), including, with a summary of the type, magnitude, and risk of ~~such the~~ variance ~~to from~~ the ~~specific~~ investment manager's guidelines.
- If ~~both~~ the Treasurer and CFO ~~both agree with~~ approve the assessment, the request shall be referred to the Chairman of the Board for approval. If at any ~~step during point during~~ this process, ~~the retention of retaining~~ the security is not approved, Investment Staff and the Investment Consultant shall ~~work collaborate~~ with the investment manager to ~~determine decide on~~ the best ~~manner of~~ liquidation method.
- Unless approved by the Chairman of the Board, a non-compliant security may not be retained beyond 30 days following the end of the quarter in which the non-compliance was discovered.
- If retention of the security is approved, the CFO shall ~~send provide~~ written acknowledgement to the ~~applicable~~ investment manager granting ~~such exception to the Policy exception, which shall include the following: and defining~~
- ~~Defined~~ enhanced reporting requirements for the ~~investment manager regarding the specific investment holding which is an exception to the investment manager's specific guidelines non-compliant security, including: This report shall address impact on the security's and portfolio's liquidity as well as impact on portfolio return under expected and worst-case scenarios.~~
 - ~~a. Impact to the liquidity of the holding and portfolio managed, and~~

~~b. Impact on the return on the portfolio managed under the expected outcome and under the worst case scenario.~~

- ~~The investment manager shall provide monthly status updates on~~ Updates on the status of each security ~~which is~~ subject to a Policy exception ~~shall be presented by the investment manager~~ to the ~~e~~City's Treasurer ~~at least monthly~~.
- Exceptions to ~~the~~ investment manager's ~~specific~~ guidelines shall be reported to the Board, and ~~shall be~~ included in the Investment Consultant's quarterly investment report. The Board ~~shall have the~~ has ultimate authority over whether the exception ~~should be~~ is approved ~~or not~~.

SECTION 112.661, FLORIDA STATUTES

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

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

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

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

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

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

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

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

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

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

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

PERFORMANCE EVALUATION

The Board shall regularly review the System's and each investment manager's the investment activities and investment performance of the System and each investment manager on a regular basis to assureensure compliance with this Policy's the goals, objectives, and guidelines contained in this Policy. The System's outside Investment Consultant shall assist the Board in interpreting investment results and assessing investment manager performance.

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

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

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

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

Investment managers shall communicate with the Board and Investment Consultant as follows:

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

The Board shall communicate with investment managers to promptly notify them of any changes to this Policy and, as needed, to review and discuss any modifications or changes to the Plans' investment objectives, goals, and guidelines; identify any significant anticipated changes in the Plans' cash flow, liquidity requirements, or circumstances; and address any other matter that may affect the Plans' assets managed by a particular investment manager.

~~1) On a timely basis, the Board shall provide the investment managers with changes to this Policy.~~

~~2) The Board shall also communicate as needed with the investment managers to:~~

~~a. Review and discuss any modifications and changes to the Plans' investment objectives, goals and guidelines;~~

~~b. Identify any significant anticipated changes in the Plans' cash flow, liquidity requirements or plan circumstances; and~~

~~c. Any other matter, which may bear upon the Plans' assets managed by a particular investment manager.~~

~~The Investment Consultant shall annually review this Policy as well as and the Plans' circumstances shall be reviewed annually by the Investment Consultant with the Board and possibly revised may periodically revise to ensure this the Policy continues to ensure it reflects the Board's objectives, goals, philosophy, etc.~~

The Board shall periodically review:

- 1) The Fund's asset allocation in light of the Investment Consultant's current capital markets assumptions.
- 2) Actual investment results to determine whether the Fund's asset allocation remains reasonable and each investment manager's decision-making process and style remains consistent with the style and methodology remains consistent with ~~their style for which the investment manager was originally retained~~ original retention.
- 3) The investment manager's proxy voting procedures and ~~proxy voting~~ records.
- 4) Commissions generated, commission rates charged, and firms used by the investment managers to execute trades.
- 5) Iinvestment manager fee schedules.

REVIEW OF POLICY

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

| Amended this XX1st day of XXJuly, 20251.

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

APPENDIX A

SAMPLE INVESTMENT MANAGER INSTRUCTIONS

Policy:

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

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

Guidelines:

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

- b) American Depositary Receipts are permissible but are limited to a maximum of 15% of the portfolio, based on market value.
- 6) The portfolio performance shall be measured on a total return basis, including which includes both income and market value changes s-in-market-value.
- 7) Sample manager shall be reviewed quarterly based on the following:
 - a) Adherence to style risk assignment, including portfolio characteristics relative to those of the benchmark.
 - b) VThe value-added over the Russell 1000 Value Index.
 - c) The trend of value -added over the Russell 1000 Value Index.
 - d) VThe value-added over median similar style investment managers.

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

APPENDIX B

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

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

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

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

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

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

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

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

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

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

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

CITY OF JACKSONVILLE EMPLOYEES RETIREMENT SYSTEM

STATEMENT OF INVESTMENT POLICY, GOALS AND GUIDELINES

**Adopted January 2006
Amended August 27, 2009
Amended December 15, 2011
Amended October 26, 2017
Amended July 1, 2021
Amended XX, 2025**

TABLE OF CONTENTS

<u>INTRODUCTION & PURPOSE</u>	<u>3</u>
<u>GENERAL OBJECTIVES</u>	<u>4</u>
<u>BOARD RESPONSIBILITIES</u>	<u>4</u>
<u>TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES</u>	<u>7</u>
<u>INVESTMENT MANAGER RESPONSIBILITIES</u>	<u>7</u>
<u>INVESTMENT CONSULTANT RESPONSIBILITIES</u>	<u>9</u>
<u>CUSTODIAN RESPONSIBILITIES</u>	<u>10</u>
<u>INVESTMENT OBJECTIVES</u>	<u>11</u>
<u>ASSET ALLOCATION</u>	<u>13</u>
<u>INVESTMENT GUIDELINES</u>	<u>14</u>
<u>COMPLIANCE PROCEDURES</u>	<u>24</u>
<u>SECTION 112.661, FLORIDA STATUTES</u>	<u>25</u>
<u>PERFORMANCE EVALUATION</u>	<u>26</u>
<u>REVIEW OF POLICY</u>	<u>28</u>
<u>APPENDICES</u>	<u>29</u>

INTRODUCTION & PURPOSE

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

This document communicates the investment objectives and guidelines established by the Board for the Plans and the Fund. It provides the Board, the City's Treasurer, the System's Administrator and Investment Staff, the System's Investment Consultant, the System's investment managers, and the System's Custodian with a clear and accurate understanding of all investment objectives, guidelines, and performance evaluation criteria. These guidelines and objectives are intended to complement those contained in Chapter 18610, Laws of Florida, Acts of 1937; Sections 112.661(5) and 215.47, Florida Statutes; Sections 120.103 and 120.104, Chapter 2023-28, Laws of Florida, including Sections 112.662 & 215.855, Florida Statutes (Appendix B), Jacksonville Ordinance Code, and any other applicable ordinances or statutes. If at any time this document is found to conflict with such ordinances or statutes, the ordinances, and statutes shall prevail.

Plan assets are held in trust in the Fund exclusively to provide benefits to the Plans' participants and their beneficiaries and to defray the reasonable expenses of the Plans. See Sections 120.101(a), 120.103(a), 120.104(a), and 120.213(a), Jacksonville Ordinance Code, and Sections 112.656 and 112.66(9), Florida Statutes. Board policy prohibits using or diverting any part of the Plans' asset corpus or income for purposes other than providing benefits to Plan participants and their beneficiaries, reimbursing the City of Jacksonville for any advanced payments, or paying reasonable System expenses.

The Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), does not directly apply to the System as a governmental retirement plan and that this investment policy describes the prudent and ethical standards the Board will follow in its investment activities with respect to the System's funds. In performing its investment duties, the Board shall comply with the fiduciary standards of ERISA, 29 U.S.C. Section 1104(a)(1)(A)-(C). In case(s) of conflict, the investment and fiduciary standards set forth in Section 112.661 or other applicable Florida Statutes shall apply.

The investment policies herein are established after a thorough review of the Fund's unique needs and circumstances and a careful evaluation of expected risks and returns of various mixes of stocks, bonds, real estate, cash equivalent securities, and other permissible assets. The Board intends these policies to be sufficiently specific to be meaningful yet adequately flexible to be practical. No party shall deviate from these policies without the Board's written permission. However, in emergency situations the

City's Chief Financial Officer (CFO) or Treasurer may deviate from this Policy to preserve Fund assets, subject to statutory limitations.

The System's Investment Consultant develops Investment Manager Instructions (the "Instructions") for each separate account established with an investment manager and approved by the Board. Such instructions shall contain the investment manager's benchmark by which the investment manager's performance is measured, any internal account restrictions or limitations, and any necessary exceptions to the Policy. The Board may periodically approve changes or permit exceptions to maintain flexibility, to adjust to market changes, or to capitalize on opportunities. Such changes or exceptions shall be noted in the Investment Manager Instructions or amendments to this Policy.

Any party in a contractual relationship with the System (e.g. Investment Consultant, investment manager, Custodian, etc.) may request changes to this Policy in writing. As necessary, the Investment Staff will communicate such requests to the Board for approval. The Board shall notify the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy at least 60 days before the meeting at which the changes will be adopted. Upon approval by Board vote, Investment Staff shall communicate all changes as necessary.

GENERAL OBJECTIVES

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

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

BOARD RESPONSIBILITIES

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

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

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

- 1) Establish the investment objectives and guidelines as they pertain to the Plans and adopt a Statement of Investment Policy to provide responsible parties and Investment Staff a clear and accurate understanding of all investment objectives, investment guidelines, and investment performance evaluation criteria. The responsible parties shall not deviate from this Policy without the written permission of the Board.
- 2) For each actuarial valuation, determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter for the Plans. This determination must be filed with the Department of Management Services, the plan sponsor, and the consulting actuary.
- 3) Approve long-term target allocation percentages and permitted ranges for each asset class, based on its determination of the appropriate risk posture for the Plans given the stated investment goals. For such decisions, the Board may leverage the Investment Consultant's most recent asset-liability study or asset allocation review as well as any additional input from the Investment Consultant and/or actuary.
- 4) Seek to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market, and other investments, as described in this Policy. The Board may invest System assets in any securities, real property, and other assets it deems appropriate after a thorough review of the needs of the Plans and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law.
- 5) The Board may retain outside investment managers and shall delegate to each investment manager full investment discretion for the management of assets under its control and the responsibility to vote any and all proxies applicable to designated Plan assets under each investment manager's management. Accordingly, the Board is responsible for approving the selection and termination of investment managers, and they may consult with the Investment Consultant and Investment Staff to inform decision-making.
- 6) Establish allocations containing permissible investments for each asset class to those defined by this Policy, within the limits set forth by statute (Investment Guidelines section of this Policy). These may be modified as set forth in any individual investment manager Instructions, to the extent approved by the Board and permitted by applicable ordinances and statutes.

- 7) Approve Investment Manager Instructions (Appendix A) for each separate account established with an investment manager.
- 8) Review the investment activities and investment performance of the Fund and each investment manager on a regular basis to ensure compliance with the goals, objectives, and guidelines contained in this Policy.
- 9) Approve the selection and termination of the Investment Consultant, which may include consultation with the Investment Staff.
- 10) Retain a bank or trust company to act as Custodian for the System's assets.
- 11) Periodically review the following:
 - a. The Fund's asset allocation considering the Investment Consultant's current capital markets assumptions.
 - b. Actual investment results to determine whether the Fund's asset allocation remains reasonable and whether each investment manager's decision-making process remains consistent with the style and methodology for which the investment manager was originally retained.
 - c. Investment manager proxy voting procedures and proxy voting records.
 - d. Commissions generated, commission rates charged, and firms used by the investment managers to execute trades.
 - e. Investment manager fee schedules.
- 12) Review annually this Policy as well as the Plans' circumstances (e.g., cash flow, liquidity requirements) to ensure this Policy continues to reflect the Board's objectives, goals, and philosophy guidelines; where necessary, seek to periodically revise, consulting with the Investment Consultant as needed.
- 13) Approve requests for any changes to this Policy from any party in a contractual relationship with the System.
- 14) Provide notice to the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy at least 60 days before the meeting at which the changes will be adopted. Upon approval by the Board, Investment Staff shall communicate all changes to relevant parties as necessary.

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

TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES

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

INVESTMENT MANAGER RESPONSIBILITIES

Within the guidelines and restrictions outlined herein, the Board delegates full investment discretion to each investment manager for the assets under their control. This discretion includes decisions to buy, hold, and sell securities in amounts consistent with the investment manager's strategy and compliant with this Policy. The investment manager's acceptance of the responsibility to manage assets for the System constitutes an acceptance of this Policy and an affirmation of their capability to achieve the System's objectives within its stated guidelines and limitations.

The Board delegates to each investment manager the responsibility to vote all proxies applicable to designated Plan assets under their management. Investment managers shall vote solely in the best interest of the Plans' participants and to protect the value of the securities within the Fund. Investment managers shall keep accurate records of proxy voting. Investment managers shall provide the Board with an annual proxy voting report, including a summary of all instances where votes were cast against management or against the investment manager's internal proxy voting policies, along with the rationale for each such vote.

Except as noted below, System investment managers shall discharge their responsibilities in a manner consistent with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), although ERISA does not directly apply to the System as a governmental retirement plan. In conducting investment activities for the System's assets, each investment manager shall conform to the statutory provisions, rules, regulations, interpretations, and case law of ERISA. Each investment manager shall acknowledge in writing their fiduciary status, as defined by ERISA, with respect to the System and/or the investors in the commingled fund, partnership, or other commingled investment vehicle they manage. Exceptions may be made by the Board on a case-by-case basis if necessary. Each investment manager is responsible only for the assets under their management.

Unless otherwise approved by the Board and fully disclosed in advance, investment managers shall not:

- Take custody of assets under their control;

- Execute trades through brokers affiliated with the investment manager or the System's Investment Consultant or Custodian; or
- Pay any fees, compensation or gratuities to the System's Investment Consultant or Custodian.

Each investment manager shall provide the System Custodian with all reasonable information necessary for the timely and effective management and trade settlement of their account, including information on trades, cash balances, and pricing discrepancies.

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

All investment transactions shall be completed on a best price, best execution basis. The investment managers, as fiduciaries, are responsible for executing all transactions in the best interest of the Fund.

- The Board may direct any investment manager, on a case-by-case basis, to execute a portion of its trades through one or more commission recapture services selected by the Board.

Each investment manager shall provide all reasonable information requested by the Board and shall promptly inform the Board and Investment Consultant of:

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

If an investment manager believes any guideline should be altered, they shall initiate written communication with the Board and Investment Consultant requesting the change.

At a minimum, each investment manager shall provide a quarterly report including:

- All investment activity (including securities purchases and sales);
- The portfolio's current value;
- Investment performance and attribution;

- An analysis of portfolio characteristics;
- A market and investment outlook;
- Any changes in investment philosophy or strategy;
- Any significant changes in the personnel or ownership of the firm;
- A summary of commission costs, brokers utilized, and all portfolio directed brokerage activities;
- An annual summary report of all proxies voted and any exceptions to the investment manager's stated proxy voting guidelines (applicable to equity managers).

Real estate and diversifying asset managers shall provide reports with similar information, tailored to provide relevant risk exposure, portfolio construction and return information appropriate for their asset class or strategy, consistent with industry standards.

Each investment manager shall meet periodically with the Board or its designated representatives to review investment performance and philosophy.

INVESTMENT CONSULTANT RESPONSIBILITIES

The Investment Consultant's primary duties are to provide investment advice to the Board and to assist the Treasurer, Plan Administrator, and Investment Staff in implementing the Board's directives and managing the investment process. This includes regular meetings with the Board to provide information, market perspective, and evaluations regarding the System's goals, objectives, limitations, investment structure, and investment performance as part of developing, implementing, and monitoring a diversified investment portfolio.

Specific duties of the Investment Consultant include:

- 1) Recommending actions to the Board to enhance the probability of achieving Fund objectives, such as the use of various asset classes, investment strategy implementation, investment policy changes, and changes in investment managers or other service providers;
- 2) Assisting the Board in developing appropriate asset mixes through periodic asset-liability studies or asset allocation reviews;
- 3) Assisting the Board in deploying an appropriate asset mix by developing specific investment strategies and supporting policies, and making rebalancing recommendations;

- 4) Providing comprehensive evaluations of the Fund's and individual investment managers' investment results in light of this Policy;
- 5) Assisting the Board in interpreting investment results and assessing investment manager performance;
- 6) Promptly notifying the Board of changes in the structure, personnel, ownership, or process of investment managers serving the System as well as any performance concerns, and recommending corrective action when necessary;
- 7) Maintaining a Watch List on behalf of the Board, providing periodic updates at least quarterly. The Watch List assists the Board in its fiduciary oversight by highlighting factors that may warrant heightened surveillance. Investment managers may or may not be placed on the Watch List before a recommendation for termination;
- 8) Conducting searches for investment managers and other service providers as needed and making recommendations for such positions;
- 9) Conducting periodic pricing studies for private investments;
- 10) Disclosing potential conflicts of interest as they arise;
- 11) Providing ad hoc investment research and other support as needed to address the Board's educational and informational needs;
- 12) Periodically reviewing this Policy and recommending necessary changes to Investment Staff and the Board; and
- 13) Advising on investment manager transition management events, including recommending transition management services.

CUSTODIAN RESPONSIBILITIES

The Board shall retain a bank or trust company to act as Custodian for the System's assets. The Custodian is responsible for the safekeeping of all System assets placed in its custody, the regular valuation of System assets, and the settlement of investment managers' trades on behalf of the System.

To maximize investment returns, no funds should remain idle and uninvested. Dividends, interest, sale proceeds, new contributions, and all other monies shall be invested promptly upon receipt. Consistent with these requirements, the Custodian shall perform the following functions:

- 1) Accept daily trading/cash reconciliation instructions from the investment managers;
- 2) Advise investment managers daily of changes in cash equivalent balances;

- 3) Immediately advise investment managers of account contributions and withdrawals;
- 4) Notify investment managers of tenders, rights, fractional shares, or other dispositions of holdings;
- 5) Resolve custodial account problems with investment managers;
- 6) Provide safekeeping of securities;
- 7) Collect all interest and dividends;
- 8) Perform a daily sweep of idle cash balances;
- 9) Process all investment manager security transactions;
- 10) Collect proceeds from maturing securities and sale transactions;
- 11) Make cash disbursements as directed;
- 12) Provide monthly accounting statements based on fair market value for each security in each investment manager account and a consolidated statement of all assets under custody;
- 13) Provide an account representative and back-up support to assist Investment Staff with all needs related to the custody and accountability of System assets;
- 14) Manage the securities lending program as securities lending agent and/or assist with the program as directed by the Board;
- 15) Provide a schedule of commissions paid and brokers used by each investment manager;
- 16) Provide reports or assistance on corporate actions, class action notice filings, forwarding proxies to appropriate parties, and any other actions or reports mutually agreed upon by the Custodian and the Board; and
- 17) Perform any other tasks necessary for the effective safekeeping, valuation or administration of System assets.

INVESTMENT OBJECTIVES

The System's broad investment objective is to ensure, to the extent possible, that sufficient assets are available over the System's lifetime to fund the benefits payable to the Plans' participants and beneficiaries when due. To achieve this, the Board seeks a high level of investment return consistent with a prudent level of portfolio risk.

The System aims for a total rate of return, after all expenses, that equals or exceeds the current actuarial investment return assumption. The Board shall use the Fund's asset allocation as the primary tool to achieve this objective, which may be informed by consultations with the Investment Consultant and actuary. Recognizing that this is a long-term objective and investments are subject to short-term volatility, the Board focuses on the Fund's expected return and associated expected volatility over a long-term investment horizon. The performance of each asset class and investment manager, relative to appropriate market indices and style peer comparisons, shall be monitored over both the long and short term. Each investment manager is expected to maintain a consistent philosophy and style, to perform well compared to peers using the same style, and to add incremental value after costs.

Long-term Growth of Capital: The Board recognizes that short-term fluctuations may occasionally result in loss of capital (i.e., negative rates of return). However, absent contributions and withdrawals, the Plans' asset value should grow over the long run and achieve the investment goals outlined below.

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

The System's specific investment goals are:

- To earn an annualized rate of return, net of fees, over the long term, that exceeds the annual rate of change in the Consumer Price Index (CPI).
- To earn an annualized rate of return, net of fees, over the long term, equal to or exceeding the System's actuarial assumed rate of return.
- To earn a total rate of return, net of fees, over a market cycle (approximately 7 years) that exceeds the return of the Policy Index. The Policy Index is a hypothetical index constructed from the target allocation for each broad asset class, as adopted by the Board and detailed in this Policy, invested in a broad market index representing that asset class. The Policy Index may be adjusted periodically to reflect changes in the System's target allocation, as approved by the Board.
- Over a market cycle (approximately 7 years) the System's rate of return should rank above median compared to a representative universe of similarly managed and sized retirement systems and portfolios.
- It is the goal for each active investment manager to achieve an annualized total rate of return, net of fees, over a market cycle (roughly 7 years) that exceeds a broad market benchmark and ranks above the median in a style peer performance universe. The broad market benchmarks are identified in each investment manager's Investment Instructions. Each passive investment manager should

achieve an annualized total rate of return, gross of fees, that matches the underlying market benchmark and minimizes tracking error.

ASSET ALLOCATION

The Board recognizes that the Fund's risk level is largely determined by its asset allocation. The proportion of assets allocated for equity investments is a major determinant of volatility of future returns. Long-term historical data indicates that the risk associated with equity ownership has historically been rewarded with a higher rate of return and is necessary in the current market environment to adequately fund future liabilities. The Board's risk tolerance shall be expressed through eligible asset classes and target asset allocation.

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

Based on its assessment of the Fund's appropriate risk posture and long-term return expectations, the Board shall maintain asset-mix guidelines based on market values, consulting with the Investment Consultant and actuary as needed. The asset allocation is a strategic asset allocation. The long-term target allocation percentage and permitted range for each asset class shall be based on the most recent asset-liability study or Board-adopted asset allocation review conducted by the Investment Consultant, typically every few years. Adherence to both the target allocations and permitted ranges is expected under normal circumstances. However, because these are long-term target allocations, the asset mix may periodically fall outside the target or range. Exceptions are permitted for dollar-cost-averaging, portfolio transitions, or other cases where the Board determines deviation is in the Fund's best interest. This in no way should be considered market timing and is not viewed as such by the Board.

The Board is responsible for broad asset allocation decisions, and they may consult with the Investment Consultant and actuary as needed. To maintain the desired asset allocation, each investment manager's cash holdings should normally be limited to five percent (5%) of their portfolio's market value. Portfolios should be fully invested, although cash may be held briefly after a security sale and before reinvestment. The sole exception is when cash is used as part of a fixed income manager's duration or term-structure strategy. This exception is consistent with the Board's decision to have investment managers avoid market-timing decisions stated above.

Until the Board changes the broad asset class targets, routine rebalancing of the various liquid portfolios back within the permitted allocation range shall be implemented as

necessary. Regular cash flows shall primarily be utilized for rebalancing. Subsequently, investment manager cash and portfolio liquidation shall be used.

When market movements cause the portfolio allocation to deviate by more than +/- 5% from the target allocation at month-end, the Treasurer, Plan Administrator, or Investment Staff, using relevant Investment Consultant input, shall consider necessary rebalancing actions to move closer to the target allocation. Rebalancing priority shall be asset class before style or individual investment manager.

Rebalancing less liquid asset classes, such as real estate, private credit, and private equity, should not be as automatic as rebalancing more liquid public market asset classes. Less liquid assets should rarely be sold for the primary purpose of portfolio rebalancing. Market conditions and cash flow will usually facilitate achieving targeted allocation levels over time. For purposes of determining asset allocation percentages for rebalancing, allocations to less liquid assets that are committed but not yet invested, as well as known or expected returns of capital, may be considered. Furthermore, market values for less liquid assets may lag those of liquid assets by up to three months, which must be accommodated.

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

Asset Class	Minimum	Target	Maximum
Domestic Equities	20%	30%	40%
International Securities	13%	23%	25%*
Fixed Income	10%	20%	30%
Real Estate	0%	15%	20%
Diversifying Assets**	0%	12%	20%
Cash	0%	0%	10%

*Statutory Maximum

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

INVESTMENT GUIDELINES

Sections 112.661 and 215.47, Florida Statutes, describe the permissible investments for the System and limitations on investments. Section 120.103, Jacksonville Ordinance Code, authorizes the Board to establish asset allocations, comprised of permissible investments as defined by this Policy, within statutory limits. The following broad investment guidelines restate these statutory provisions and incorporate additional limitations. These guidelines may be modified as detailed in individual investment manager instructions, subject to Board approval and allowable under applicable ordinances and statutes.

EQUITY SECURITIES

Permissible Securities:

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

Equity Guidelines

- 1) The total equity portfolio may not exceed 80% of the Fund's assets, measured at market value.
- 2) The combined total of the Fund's international equity holdings and non-U.S. dollar corporate bonds may not exceed 25% of the Fund's assets, measured at market value.
- 3) No more than 10% of the total equity portfolio's market value may be invested in the combined common stock, preferred stock, or convertible securities of any single company.
- 4) Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of the total equity portfolio's market value.
- 5) American Depositary Receipts are permissible in domestic equity portfolios and are limited to 15% of an investment manager's portfolio.
- 6) Exchange Traded Funds or index fund investments are permitted.
- 7) No individual equity strategy/mandate, measured at market value, shall have an economic sector weighting exceeding the greater of either 30% or twice the sector weight of the underlying benchmark. Exceptions may be made at the Board's discretion if the strategy/mandate requires greater allowance.
- 8) No more than 75% of the Fund may be in internally managed common stock.
- 9) The total return goal for the domestic equity composite, net of fees, is to exceed the Russell 3000 Index return over a market cycle (approximately 7 years).

- 10) The total return goal for the international equity composite, net of fees, is to exceed the MSCI All Country World EX-US Index return over a market cycle (approximately 7 years).
- 11) Sections 112.661(5) and 215.47 of the Florida Statutes shall govern these Equity Guidelines and supersede any conflicting provisions in this Investment Policy.

FIXED INCOME SECURITIES

Permissible Securities:

- Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.
- Florida State bonds pledging the full faith and credit of the state, and revenue bonds additionally secured by the full faith and credit of the state.
- Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.
- Bonds issued or administered by the State Board of Administration secured solely by a pledge of all or part of the 2-cent constitutional fuel tax accruing under the provisions of s. 16, Art. IX of the State Constitution of 1885, as amended, or of s. 9, Art. XII of the 1968 revised State Constitution.
- Bonds issued by the State Board of Education pursuant to ss. 18 and 19, Art. XII of the State Constitution of 1885, as amended, or to s. 9, Art. XII of the 1968 revised State Constitution, as amended.
- Bonds issued by the Florida Outdoor Recreational Development Council pursuant to s. 17, Art. IX of the State Constitution of 1885, as amended.
- Notes, bonds, and other obligations of agencies of the United States.
- Other bonds as specified in the Fixed Income Guidelines below.

Fixed Income Guidelines

- 1) At least 80% of the total fixed income portfolio shall be rated "investment grade" or higher. "Investment grade" is defined as a rating of "BBB-", "Baa3", their equivalent or higher, as rated by a Nationally Recognized Statistical Rating Organization (NRSRO). In case of split ratings, the security must be rated "BBB-", "Baa3", or equivalent by at least two NRSROs to be considered investment grade.

- 2) Permissible securities include fixed income separate accounts and commingled vehicles consisting of those U.S. Treasuries and Agencies, corporate bonds, mortgage-backed securities, asset backed securities, and convertible securities as listed below.
- 3) Investments in corporate bonds issued by non-U.S. corporations or commercial entities shall not exceed 25% of the total fixed income portfolio's market value. This limitation does not apply to U.S. dollar-denominated securities listed and traded on U.S. exchanges.
- 4) The total value of the securities of any single non-U.S. Government issuer shall not exceed 5% of the total fixed income portfolio's market value.
- 5) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 25% of the total fixed income portfolio's market value.
- 6) There is no limit imposed on investments in fixed income securities issued directly by the U.S. Government or any agency or instrumentality thereof.
- 7) Investments in Commercial Mortgage-Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service. However, the total value of all CMBS investments shall not exceed 25% of the total fixed income portfolio's market value.
- 8) All fixed income investments shall be limited to readily negotiable fixed income securities, unless specifically authorized by the Board.
- 9) Investments in convertible bonds shall be limited to 10% of the total fixed income portfolio's market value. Convertible bond investments should be liquidated upon conversion to avoid fixed income managers holding equity securities in a fixed income portfolio.
- 10) Structured notes are prohibited in the fixed income portfolio.
- 11) The following are limited to 25% or less of the Fund:
 - a) Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.
 - b) Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.
 - c) Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

- d) Group annuity contracts of the pension investment type with insurers licensed to do business in this state which are rated investment grade by at least one nationally recognized rating service.
 - e) Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.
 - f) A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.
 - g) Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.
 - h) United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.
 - i) Asset-backed securities not otherwise authorized by this section.
- 12) Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entities having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.
- 13) The total return goal for the fixed income composite, net of fees, should exceed the Bloomberg Barclays US Universal Bond Index return over a market cycle (roughly 7 years).

REAL ESTATE

Permissible Investments:

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

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

Real Estate Guidelines

- 1) Core Real Estate funds shall have the following complementary objectives:
 - a) Investments are typically comprised of well-leased, high quality, income-producing institutional properties, such as office buildings, retail centers, industrial parks, apartments, and hotels, held until the fund investment manager determines it is appropriate to dispose of such properties at acceptable market rates.
- 2) Non-Core Real Estate funds, comprised of both Opportunistic and Value-Added investments, shall have the following complementary objectives:
 - a) Investments are typically comprised of commercial properties requiring redevelopment or repositioning for alternative use or upgrade. These properties have the potential for increases in tenant occupancy rates and leasing income derived from capital improvements and active property management over the projected holding period.
- 3) Notwithstanding the restrictions and limitations in paragraphs 1 and 2 of the "Equity Securities" section above or elsewhere in this Policy, and when deemed appropriate by the Board, real estate investments may be made in any legally permissible real estate investment vehicle, including, but not limited to, individual property investments, joint ventures, commingled funds (including insurance company separate accounts), real estate investment trusts (REIT's), master limited partnerships (MLPs), limited partnerships, and limited liability companies, up to 25% of the Fund.
- 4) The Board shall seek to diversify its real estate portfolio by property type (multi-family residential, industrial, office, retail, etc.), property location (geographic region), tenant dominance (avoiding tenants all belonging to the same company or industry) and strategy (core diversified, value-added, opportunistic).
- 5) Because real estate investments over time are intended to provide, relative to other asset classes, higher income, lower total return volatility, and lower correlation with other asset classes, leverage is generally limited to 35% at the portfolio level for core investments and 75% at the portfolio level for value-added/opportunistic investments. However, leverage within a single fund is variable, fluctuating with the market value of the properties and, in the case of closed-end funds, with the fund's maturity. Early

in a Non-Core closed-end fund's life, leverage utilization should be very little, increasing as properties are acquired.

- 6) No single property investment or co-investment shall exceed 0.5% of the Plans' total assets unless specifically permitted by the Board.
- 7) All real estate investments shall be managed by experienced and qualified professional investment managers, as determined by the Board of Trustees, which may consult with the Investment Consultant and Investment Staff, during the evaluation, selection, and monitoring process.
- 8) The total return goal of the Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index over a market cycle (approximately 7 years). The total return goal of the Non-Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index plus a 2% premium over a market cycle (approximately 7 years).

CASH EQUIVALENT SECURITIES

Permissible Securities:

- Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization, provided such savings accounts and certificates of deposit are secured in the manner prescribed in Florida Statutes Chapter 280.
- Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.
- Notes, bonds, and other obligations of agencies of the United States.
- Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.
- Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, which are accepted by a member bank of the Federal Reserve System and are of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.
- Negotiable certificates of deposit issued by domestic or foreign financial institutions in United States dollars of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

- Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.
- Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized Custodian.

Cash Equivalent Guidelines

- 1) For cash equivalent purposes, investment managers may invest only in the following short-term investment vehicles:
 - a) Money market funds or Short-Term Investment Funds (STIFs).
 - b) Direct obligations of the U.S. Government or its agencies with a maturity of one year or less.
 - c) Repurchase agreements fully collateralized by direct obligations of the U.S. Government.
 - d) Commercial Paper issued by U.S. corporations with a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's.
 - e) Bankers acceptances issued by prime money center banks.

USE OF FUTURES AND OPTIONS

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

COMMINGLED AND MUTUAL FUNDS:

The Board recognizes and accepts that investments in commingled funds, common trust funds, mutual funds, limited partnerships, limited liability companies or similar investment vehicles shall be governed by those fund's investment policies and guidelines. No

additional constraints may be imposed on these funds, as they frequently serve as fiduciaries to the investment vehicle itself, in which the Fund holds an interest. The Board's decision to invest Fund assets in any such fund shall be made only after a thorough review of the investment policies in the prospectus, trust document, offering memorandum, or other governing documents of those funds, and after determining that those policies are appropriate and generally consistent with the System's investment objectives.

DIVERSIFYING ASSETS:

Permissible Strategies:

"Diversifying assets" means investments in private equity, private credit, long-short equity or debt, event driven, relative value, or tactical trading strategies, MLPs, real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources), and other generally non-publicly traded investments, or those managed through private investment vehicles.

- These strategies generally involve buying and selling of all types of public and private securities, currencies, options, futures, and private placements. These strategies may also include short selling securities and using leverage and other types of derivatives.
- Private equity investments may include sub-strategies such as venture capital, growth equity, and buyouts. Investments are typically accessed directly, through partnerships, or via a fund-of-funds approach, providing diversification by sub-asset class (e.g., venture capital vs. buyouts), investment style (e.g., early vs. late stage, mid-market vs. large cap market), and vintage year.
- Private credit investments may include sub-strategies such as direct lending, asset-backed debt, specialty finance, special situations, and distressed debt. Investments are typically accessed directly, through partnerships, or through a fund-of-funds approach.
- Real assets generally include buying and selling equity or debt interests in natural resources (e.g., oil and gas development, energy and power infrastructure, agriculture, and metals and mining), commodities (agriculture, energy, industrial metals, livestock, and precious metals), timberland, farmland, and water rights. These investments may be made in publicly traded securities, such as master limited partnerships (MLPs), or in private investment vehicles, such as limited partnerships.

Diversifying Assets Guidelines

- 1) Diversifying assets aims to improve the overall portfolio's risk-adjusted return by increasing the long-term expected return above that normally available from investing in conventional securities and reducing overall portfolio volatility through diversified strategies and the inherent smoothing of private valuation methods. The

long-term nature of private investments and vintage year diversification shall be emphasized, allowing the System, as a long-term investor, to capitalize on private transaction negotiations and the illiquidity premium associated with such private investments.

- 2) Before investing in diversifying assets, the Board will evaluate sub-strategy investments based on their unique characteristics and incremental value to the total Fund. Lock-up periods shall be appropriate for the underlying strategy.
- 3) The Board recognizes the additional risks associated with private investments, such as their long-term nature and illiquidity, the complexity of employed strategies, the higher cost and delayed investment return to the System (e.g., "J-curve effect"), potential lack of full public disclosure of certain financial information, and the labor-intensive nature of private investment programs for plan sponsors to implement and monitor. However, the Board has determined that the potential reward outweighs the potential risks and that the long-term role of diversifying assets aligns with the System's Policy.
- 4) In private equity, private credit, and real asset investing there is a risk of complete loss on any individual company investments. The Board understands and expects that while specific investments may incur losses, a diversified portfolio should generate a positive rate of return exceeding that of public securities. The System shall prudently diversify its private investment program, consistent with professionally managed institutional private programs (as recommended by its Investment Consultant or Investment Staff), to minimize the likelihood of loss. Private investments, in aggregate, will be prudently diversified across the sub-strategies listed above as well as by industry groups, company, number of transactions, stage of company maturity, form of investment, geography, and time (vintage year). Investment in non-U.S. limited partnerships is permitted.
- 5) Over commitment: The System's private investment implementation (e.g., private equity and private credit) shall be made over time to increase vintage year diversification. The timing of new commitments shall be spread out to avoid undue concentration in any single year. Over the long term, varying amounts of new funding will be committed annually to increase diversification. The Board recognizes the need to make capital commitments exceeding the private investment target allocation to achieve and maintain the target. The Investment Consultant shall monitor committed, drawn, invested, and distributed capital and recommend new commitment amounts to the Board to be made each year.
- 6) Each fund shall be invested and diversified according to its legal documentation. No limitations shall be imposed on any single partnership, strategy, or investment at the composite level.
- 7) Public Records Request: The Board recognizes that Public Record Requests may be periodically requested concerning the System's private investments. The Board believes that public disclosure of certain private investment information, especially underlying company financial information, may materially harm the System's investments. Therefore the Board has adopted the following procedure in the event

such a request is made: Public disclosure of the System's private investment shall be limited to: the identity of each fund; the amount of capital committed, invested, and returned for each fund; the internal rate of return (IRR) for each fund; information disclosed by the fund to the Board in open meetings; and information otherwise required by law.

- 8) The total return goal for privately traded diversifying assets investments is a dollar-weighted return (IRR) exceeding a public market equivalent (PME) dollar-weighted return of an appropriate market index over a full market cycle. Where possible, peer comparisons shall be made using statistically valid performance universes, with the expectation of above-median performance in vintage year periods.
- 9) The total return goal for publicly traded diversifying assets investments, with a valid investable index or peer universe, is to exceed the return of a blended index using appropriate indices weighted to reflect Policy weights of the respective strategies, net of fees.

COMPLIANCE PROCEDURES

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

- The securities must be permissible under Sections 112.661(5) and 215.47, Florida Statutes.
- The investment must represent no more than 2% of the investment manager's portfolio and the overall investment in the security across all investment managers' portfolios must not exceed 2% of the Fund's aggregate investment portfolio.
- The City's Treasurer and CFO must be immediately notified, with a summary of the type, magnitude, and risk of the variance from the investment manager's guidelines.
- If both the Treasurer and CFO approve the assessment, the request shall be referred to the Chairman of the Board for approval. If at any point during this process, retaining the security is not approved, Investment Staff and the Investment Consultant shall collaborate with the investment manager to determine the best liquidation method.
- Unless approved by the Chairman of the Board, a non-compliant security may not be retained beyond 30 days following the end of the quarter in which the non-compliance was discovered.
- If retention of the security is approved, the CFO shall provide written acknowledgement to the investment manager granting the Policy exception and defining enhanced reporting requirements for the non-compliant security. This report shall address impact on the security's and portfolio's liquidity as well as impact on portfolio return under expected and worst-case scenarios.

- The investment manager shall provide monthly status updates on each security subject to a Policy exception to the City's Treasurer.
- Exceptions to investment manager guidelines shall be reported to the Board and included in the Investment Consultant's quarterly investment report. The Board has ultimate authority over whether the exception is approved.

SECTION 112.661, FLORIDA STATUTES

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

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

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

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

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

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

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

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

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

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

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

PERFORMANCE EVALUATION

The Board shall regularly review the System's and each investment manager's investment activities and performance to ensure compliance with this Policy's goals, objectives, and guidelines. The System's outside Investment Consultant shall assist the Board in interpreting investment results and assessing investment manager performance.

Investment performance shall be measured at least quarterly. Performance benchmarks shall include those stated in the Investment Objectives section above as well as comparisons to similar funds with similar market values and asset allocations.

Investment performance shall be compared using a statistically valid universe provided by the Investment Consultant, as authorized by the Board. The Board shall consider the consistency of investment results with the investment objectives, goals, and guidelines in this Policy.

While the Board intends to fairly evaluate the portfolio performance, it reserves the right to change investment managers, without liability except for payment of current charges, for any reason deemed sufficient in its discretion, including, but not limited to:

- 1) Change of the Board's investment philosophy;
- 2) Poor results, including, but not limited to, an investment manager's full-market-cycle (approximately 7 years) returns underperforming relative to the appropriate benchmark for three or more consecutive quarters;
- 3) Failure to meet stated performance goals as described in the investment manager's specific guidelines or this Policy, and/or as measured against the appropriate benchmark or relevant investment manager universe;
- 4) Failure to meet the Board's communication and reporting requirements;

- 5) Deviation from the stated investment philosophy or style for which the investment management firm was hired; or
- 6) Change in the investment management firm's decision-making personnel or ownership.

Investment managers shall communicate with the Board and Investment Consultant as follows:

- 1) Provide portfolio valuations and transaction listings at least quarterly, as stated above.
- 2) Meet at least annually with the Board, its Investment Staff or Investment Consultant, or as requested by the Board.
- 3) Communicate as outlined in this Policy regarding all other issues.

The Board shall communicate with investment managers to promptly notify them of any changes to this Policy and, as needed, to review and discuss any modifications or changes to the Plans' investment objectives, goals, and guidelines; identify any significant anticipated changes in the Plans' cash flow, liquidity requirements, or circumstances; and address any other matter that may affect the Plans' assets managed by a particular investment manager.

The Investment Consultant shall annually review this Policy and the Plans' circumstances with the Board and may periodically revise the Policy to ensure it reflects the Board's objectives, goals, philosophy, etc.

The Board shall periodically review:

- 1) The Fund's asset allocation in light of the Investment Consultant's current capital markets assumptions.
- 2) Actual investment results to determine whether the Fund's asset allocation remains reasonable and each investment manager's decision-making process and style remain consistent with their original retention.
- 3) The investment manager's proxy voting procedures and records.
- 4) Commissions generated, commission rates charged, and firms used by the investment managers to execute trades.
- 5) Investment manager fee schedules.

REVIEW OF POLICY

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

Amended this XX day of XX, 2025.

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

APPENDIX A**SAMPLE INVESTMENT MANAGER INSTRUCTIONS****Policy:**

The portfolio under sample manager's supervision is a domestic equity portfolio.

Sample manager has been hired to manage a large-cap value, domestic equity portfolio. The Board selected this investment style for its diversification benefits and complementarity to other employed domestic equity managers. Sample manager is expected to achieve annualized investment returns of 100 basis points above the Russell 1000 Value Index over rolling three-to-five-year periods, net of fees, and rank above median compared to style peers over the same period. It is understood that investment returns are not guaranteed.

Guidelines:

- 1) The portfolio shall be a large-cap value, domestic equity portfolio. Sample manager may purchase short-term cash equivalent instruments, which shall be treated as equity reserves, not as fixed income securities, for measurement purposes. Convertibles securities are also permissible but shall be treated as equities. The portfolio is expected to remain fully invested.
- 2) Sample manager shall determine whether to use the Custodian's Short-Term Investment Fund (STIF) or another cash equivalent vehicle, and is responsible for assessing the creditworthiness and relative return of any STIF alternative.
- 3) Sample manager may use exchange-traded funds such as S&P Depository Receipts ("Spyders") for short-term equitization of unused funds, including cash from contributions or pending withdrawal.
- 4) The portfolio shall be adequately diversified according to the sample manager's internal policies regarding individual securities and industries to avoid risks inherent in non-diversified holdings.
- 5) In addition to the limitations in these Guidelines, the following limitations shall apply:
 - a) Exposure to any single economic sector is limited to the greater of: 30% or twice the sector weight in the underlying benchmark (listed below) based on market value.
 - b) American Depository Receipts are permissible but are limited to a maximum of 15% of the portfolio, based on market value.
- 6) The portfolio performance shall be measured on a total return basis, including income and market value changes.

- 7) Sample manager shall be reviewed quarterly based on:
- a) Adherence to style risk assignment, including portfolio characteristics relative to the benchmark.
 - b) Value added over the Russell 1000 Value Index.
 - c) The trend of value added over the Russell 1000 Value Index.
 - d) Value added over median similar style investment managers.

These guidelines should not restrict sample manager's ability to pursue strategies deemed most appropriate given the Board's directives in the Investment Policy and these Instructions, but rather serve as an exercise of the Board's fiduciary responsibility. If sample manager believes the Policy or these Instructions are unrealistic or hinder their investment style, the Board and the Investment Consultant must be immediately notified in writing.

APPENDIX B

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

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

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

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

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

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

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

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

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

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

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



City of Jacksonville Employees'

Retirement System

INVESTMENT ACTIVITY REPORT: April 2025

Events

Board Due Diligence Meetings

1st Thursday Each Month

Presentation: 12:30-2 PM

City Hall Conference Room 3C

May 1, 2025

Kayne Anderson- SMID Core

June 5, 2025

Systematic- SMID Value

July 3, 2025

Happy 4th of July

No meeting

August 7, 2025

Adams Street- PE

September 4, 2025

Acadian- EM Equity

October 2, 2025

Loomis Sayles- LCG

November 6, 2025

Payden & Rygel – Jeffrey

Cleveland- Economist

December 4, 2025

TBD

January 1, 2026

No meeting- Happy New Year

February 2, 2026

TBD

March 5, 2026

Baillie Gifford- International

Growth

Staff Update

Contract Status Update

N/A

Other

*Real Estate:

Harrison Street: \$30 million

PGIM PRISA II: \$20 million

Principal: \$40 million

UBS Trumbull: Full Liquidation

~\$60 million

Total: \$150 million

*redemption limitations

Current Manager Meetings

Schroders- Fixed Income

Eagle Capital - Large Cap Core

Potential Manager Meetings

N/A

Cash Flows

Hamilton Lane-Private Credit

Oak Tree Special Sit: \$0.4M

Total Called: ~\$4.6 million

Adams Street- Private Equity

Tranche I: \$0 M

Total Called: ~\$73 million

Tranche II: \$0.0 M

Total Called: ~\$6.5 million

Real Estate

Ares Real Estate: \$0.50 M

Provider Disbursements

N/A

Total Fees: ~\$0.0 million

Provider Income + Redemptions

N/A

Total: \$0

RVK

Monthly Performance Report

City of Jacksonville Employees' Retirement System

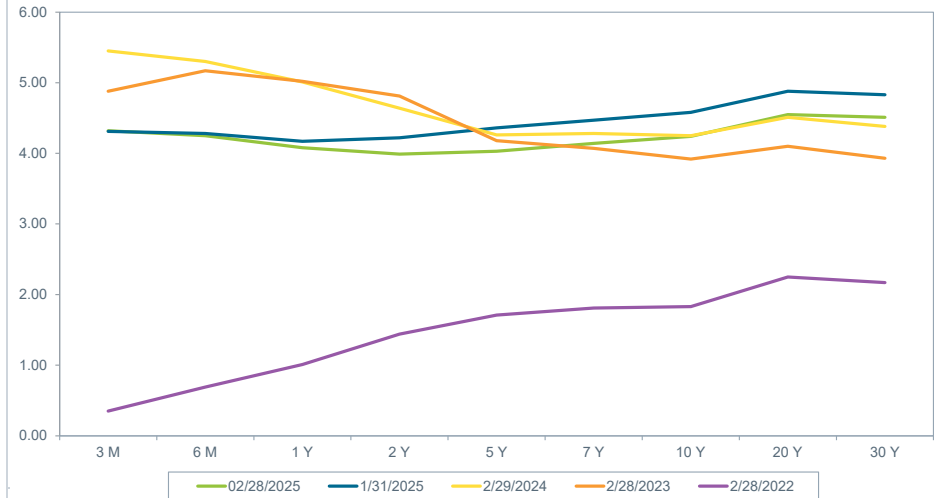
As of February 28, 2025

General Market Commentary

- During February, non-US equities substantially outperformed domestic stocks as trade and general policy uncertainty drove a domestic sell-off in the latter half of the month.
- US stock market declines were most notably felt in the tech-heavy Nasdaq, which declined 3.9%, its worst month since April 2024.
- The Consumer Confidence Index declined for a third consecutive month, and during February registered its largest monthly decline since August 2021, as investors worry that trade and tariff policies may impact inflation and dampen economic outlook.
- The Consumer Price Index registered its fourth straight month of rising year-over-year inflation, with the latest reading at 3.0%. While the Fed did not meet in February, markets are eagerly anticipating the March 19 meeting and the monetary policy implications given recent trends in inflation.
- Equity markets posted mixed returns in February as the S&P 500 (Cap Wtd) Index returned -1.30% and the MSCI EAFE (Net) Index returned 1.94%. Emerging markets returned 0.48%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 2.20% in February, outperforming the 1.41% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.84%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned 3.61% in February and 6.75% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 9.07% for the trailing one-year period and 15.34% for the trailing five-year period ending September 2024.
- Absolute return strategies returned -0.82% for the month and 7.03% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- The price of crude oil fell by 3.82% during the month and has decreased by 10.86% YoY.

Economic Indicators	Feb-25	Jan-25	Feb-24	10 Yr	20 Yr
Federal Funds Rate (%)	4.33	4.33	5.33	1.83	1.69
Breakeven Inflation - 5 Year (%)	2.61	2.54	2.44	1.97	1.93
Breakeven Inflation - 10 Year (%)	2.36	2.39	2.32	2.01	2.09
Breakeven Inflation - 30 Year (%)	2.25	2.37	2.29	2.04	2.22
Bloomberg US Agg Bond Index - Yield (%)	4.58	4.86	4.92	2.95	3.28
Bloomberg US Agg Bond Index - OAS (%)	0.32	0.30	0.41	0.46	0.59
Bloomberg US Agg Credit Index - OAS (%)	0.83	0.75	0.90	1.14	1.38
Bloomberg US Corp: HY Index - OAS (%)	2.80	2.61	3.12	4.14	4.90
Capacity Utilization (%)	78.19	77.77	78.25	77.36	77.14
Unemployment Rate (%)	4.10	4.00	3.90	4.64	5.79
PMI - Manufacturing (%)	50.30	50.90	47.80	53.08	52.81
Baltic Dry Index - Shipping	1,229	735	2,111	1,437	2,197
Consumer Conf (Conf Board)	98.30	104.10	104.80	110.38	92.86
CPI YoY (Headline) (%)	2.80	3.00	3.20	2.97	2.61
CPI YoY (Core) (%)	3.10	3.30	3.80	3.02	2.47
PPI YoY (%)	3.20	3.50	1.60	2.80	N/A
M2 YoY (%)	N/A	3.90	-1.70	6.58	6.38
US Dollar Total Weighted Index	128.46	128.67	121.54	115.59	104.58
WTI Crude Oil per Barrel (\$)	70	73	78	62	72
Gold Spot per Oz (\$)	2,862	2,800	2,030	1,623	1,353

Treasury Yield Curve (%)

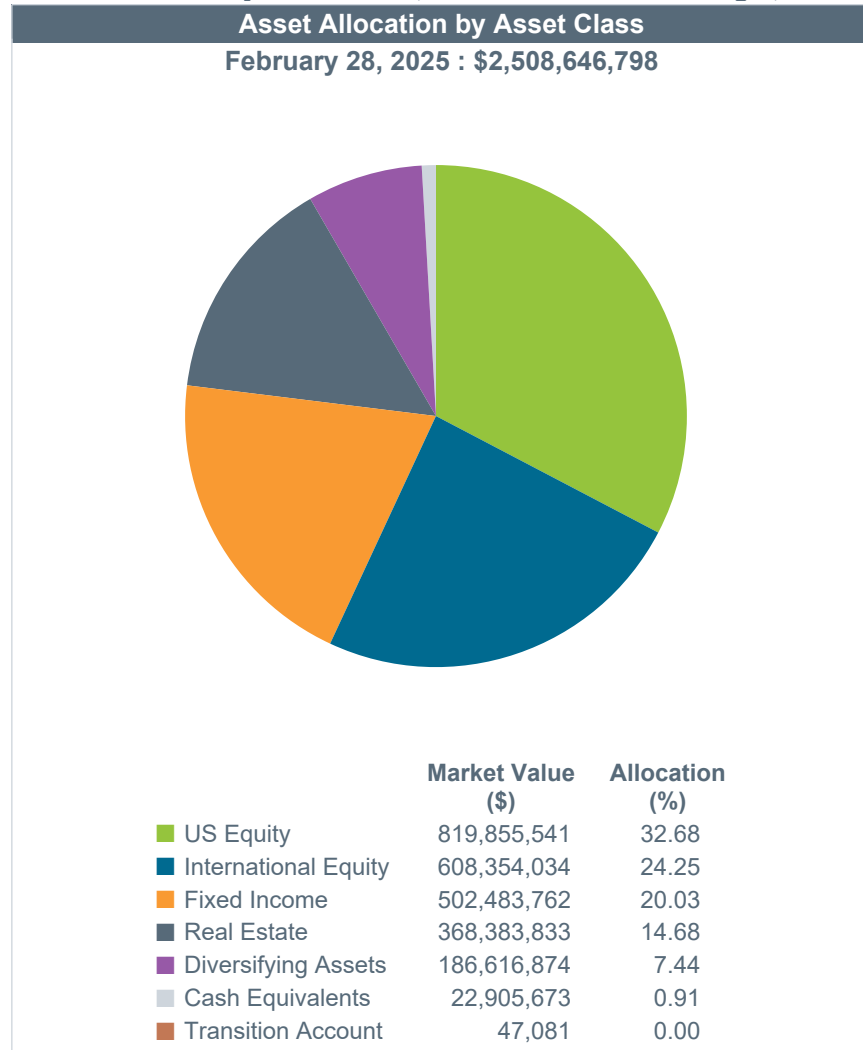


Treasury Yield Curve (%)	Feb-25	Jan-25	Feb-24	Feb-23	Feb-22			
3 Month	4.32	4.31	5.45	4.88	0.35			
6 Month	4.25	4.28	5.30	5.17	0.69			
1 Year	4.08	4.17	5.01	5.02	1.01			
2 Year	3.99	4.22	4.64	4.81	1.44			
5 Year	4.03	4.36	4.26	4.18	1.71			
7 Year	4.14	4.47	4.28	4.07	1.81			
10 Year	4.24	4.58	4.25	3.92	1.83			
20 Year	4.55	4.88	4.51	4.10	2.25			
30 Year	4.51	4.83	4.38	3.93	2.17			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-1.30	1.44	1.44	18.41	12.55	16.85	13.77	12.98
Russell 2000	-5.35	-2.87	-2.87	6.69	3.34	9.39	6.68	7.23
MSCI EAFE (Net)	1.94	7.30	7.30	8.77	6.42	8.70	5.12	5.28
MSCI EAFE SC (Net)	-0.29	3.14	3.14	6.37	0.69	5.70	2.26	5.17
MSCI EM (Net)	0.48	2.28	2.28	10.07	0.46	4.26	1.23	3.49
Bloomberg US Agg Bond	2.20	2.74	2.74	5.81	-0.44	-0.52	1.66	1.51
ICE BofAML 3 Mo US T-Bill	0.32	0.69	0.69	5.09	4.13	2.55	2.42	1.84
NCREIF ODCE (Gross)	N/A	N/A	N/A	-1.43	-2.32	2.87	3.99	5.88
FTSE NAREIT Eq REITs Index (TR)	3.61	4.69	4.69	16.41	2.76	6.75	8.35	5.90
HFRI FOF Comp Index	-0.82	0.51	0.51	7.03	4.38	5.61	4.26	3.65
Bloomberg Cmdty Index (TR)	0.78	4.76	4.76	11.60	0.71	10.56	4.77	1.84

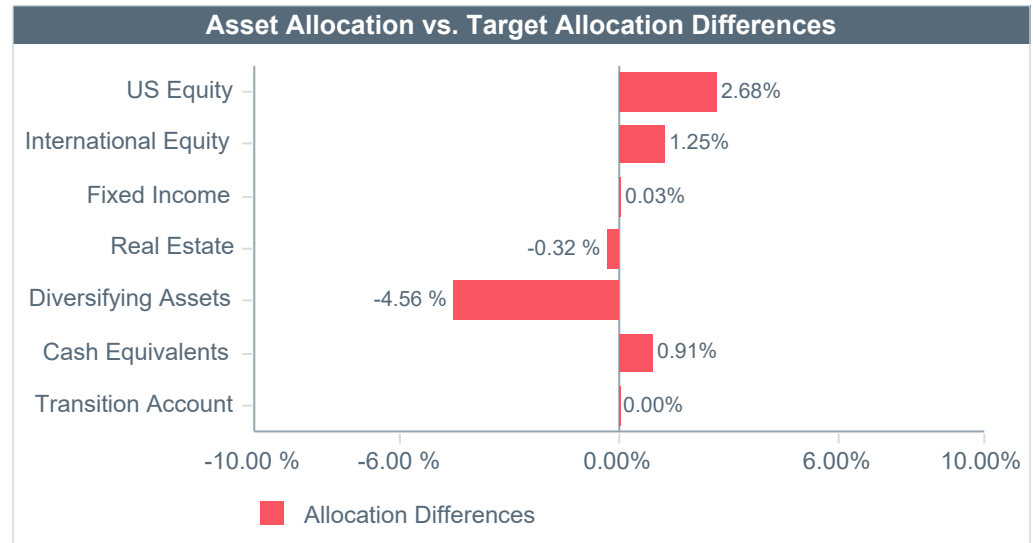
NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. The previous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

Total Fund

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



Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,508,646,798	100.00	-	100.00	-
US Equity	819,855,541	32.68	20.00	30.00	40.00
International Equity	608,354,034	24.25	13.00	23.00	25.00
Fixed Income	502,483,762	20.03	10.00	20.00	30.00
Real Estate	368,383,833	14.68	0.00	15.00	20.00
Diversifying Assets	186,616,874	7.44	0.00	12.00	20.00
Cash Equivalents	22,905,673	0.91	0.00	0.00	10.00
Transition Account	47,081	0.00	0.00	0.00	0.00



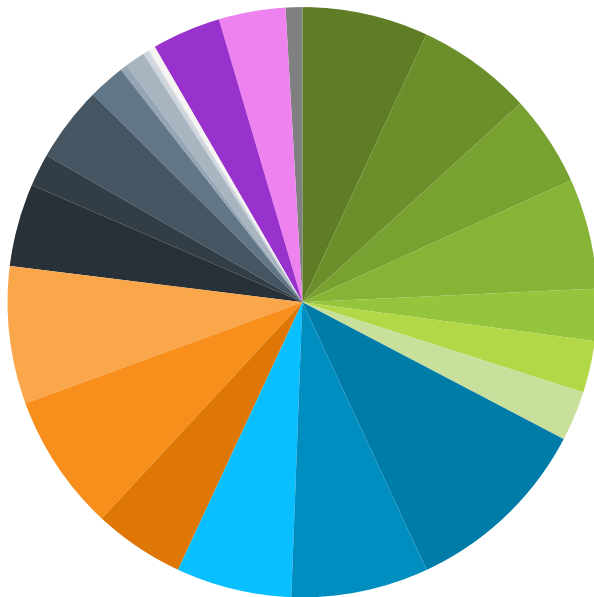
Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flows (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,456,544,289	504,378	51,598,131	2,508,646,798	2.10
FYTD	2,475,947,332	1,126,997	31,572,468	2,508,646,798	1.28

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year for the COJ ends 09/30.

City of Jacksonville Employees' Retirement System
Asset Allocation By Manager

As of February 28, 2025

February 28, 2025 : \$2,508,646,798



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	173,204,018	6.90
Wellington Select Equity Income Fund (SA)	159,054,363	6.34
BNYM DB Lg Cap Stock Idx NL (CF)	124,893,249	4.98
Loomis, Sayles & Co Lg Cap Grth (CF)	151,573,665	6.04
Kayne Anderson US SMID Value (SA)	71,334,717	2.84
Systematic Financial US SMID Value (SA)	71,058,740	2.83
Pinnacle Associates US SMID Cap Growth (SA)	68,736,788	2.74
Silchester Intl Val Equity (CF)	260,886,503	10.40
Bail Giff Intl Gro;4 (BGEFX)	188,663,847	7.52
Acadian Emg Mkts Eq II (CF)	158,803,684	6.33
Baird Core Fixed Income (SA)	124,965,592	4.98
Loomis Sayles Multisector Full Discretion (CF)	188,581,298	7.52
Schroder Flexible Secured Income LP (CF)	188,936,872	7.53
Harrison Street Core Property LP	113,882,039	4.54
PGIM Real Estate PRISA II LP	44,866,491	1.79
Principal US Property (CF)	103,654,560	4.13
UBS Trumbull Property LP	50,445,365	2.01
Vanguard RE Idx;ETF (VNQ)	1,402,633	0.06
Abacus Multi-Family Partners VI LP	8,389,059	0.33
H.I.G. Realty Partners IV (Onshore) LP	27,831,974	1.11
Bell Value-Add Fund VII (CF)	7,224,363	0.29
Hammes Partners IV LP	1,636,904	0.07
Blue Owl Digital Infrastructure Fund III-A LP	7,017,499	0.28
Ares US Real Estate Opportunity IV LP	2,032,947	0.08
Adams Street Private Equity (SA)	94,858,966	3.78
Hamilton Lane Private Credit (SA)	91,757,908	3.66
Dreyfus Gvt CM;Inst (DGCXX)	22,905,673	0.91
Transition Account	47,081	0.00

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

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

As of February 28, 2025

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,508,646,798	100.00	-0.44	2.10	2.10	1.28	9.29	4.84	7.71	6.01	6.37	6.35	07/01/1999
Total Fund Policy Index			0.16	2.43	2.43	1.19	10.42	5.81	8.58	6.92	6.72	6.14	
Difference			-0.60	-0.33	-0.33	0.08	-1.13	-0.97	-0.87	-0.91	-0.35	0.22	
Actual Allocation Index			0.00	2.42	2.42	0.61	9.35	4.14	7.24	N/A	N/A	N/A	
Difference			-0.44	-0.32	-0.32	0.66	-0.06	0.70	0.48	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			0.04	2.44	2.44	0.81	9.20	4.17	7.38	N/A	N/A	N/A	
Difference			-0.47	-0.34	-0.34	0.47	0.09	0.68	0.33	N/A	N/A	N/A	
Total Equity	1,428,209,575	56.93	-1.21	2.57	2.57	0.61	12.49	8.24	12.07	8.70	9.14	6.99	07/01/1999
US Equity	819,855,541	32.68	-2.57	1.20	1.20	3.57	15.04	10.93	14.91	11.97	11.31	7.91	07/01/1999
US Equity Index			-1.92	1.18	1.18	3.84	17.53	11.59	16.12	13.13	12.36	8.08	
Difference			-0.66	0.02	0.02	-0.27	-2.49	-0.65	-1.21	-1.16	-1.06	-0.18	
International Equity	608,354,034	24.25	0.68	4.47	4.47	-3.12	9.28	4.53	7.96	3.88	5.79	5.92	07/01/1999
International Equity Index			1.39	5.47	5.47	-2.54	9.65	4.62	7.55	4.23	4.83	4.31	
Difference			-0.70	-1.01	-1.01	-0.58	-0.37	-0.08	0.41	-0.35	0.96	1.61	
Fixed Income	502,483,762	20.03	1.14	2.36	2.36	1.79	8.45	1.44	0.76	1.79	1.79	4.42	07/01/1999
Fixed Income Index			2.07	2.68	2.68	-0.12	6.30	0.11	-0.07	1.94	1.72	4.05	
Difference			-0.92	-0.33	-0.33	1.92	2.14	1.33	0.83	-0.15	0.07	0.37	
Real Estate	368,383,833	14.68	-0.01	0.75	0.75	1.34	-0.50	-1.98	2.28	3.19	4.88	4.80	12/01/2005
Real Estate Index			0.02	0.05	0.05	1.07	-2.06	-3.03	2.06	3.13	4.98	5.02	
Difference			-0.03	0.70	0.70	0.27	1.56	1.05	0.22	0.06	-0.10	-0.22	
Core Real Estate	314,251,087	12.53	-0.01	0.87	0.87	1.38	-0.84	-2.46	1.99	2.98	4.73	4.72	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	0.96	-2.27	-3.14	1.99	3.08	4.94	5.00	
Difference			-0.01	0.87	0.87	0.42	1.43	0.68	0.00	-0.10	-0.21	-0.28	
Non-Core Real Estate	54,132,746	2.16	0.00	0.03	0.03	1.20	2.58	22.01	N/A	N/A	N/A	20.74	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	-1.04	
Difference			-0.16	-0.30	-0.30	-0.60	2.89	23.22	N/A	N/A	N/A	21.78	
Diversifying Assets	186,616,874	7.44	0.41	0.75	0.75	5.04	8.60	10.64	15.23	9.68	5.44	8.28	03/01/2011
Diversifying Assets Index			-0.02	2.22	2.22	3.57	16.95	12.67	11.45	6.56	3.47	5.30	
Difference			0.43	-1.47	-1.47	1.48	-8.35	-2.04	3.78	3.12	1.98	2.98	
Cash Equivalents	22,905,673	0.91	0.33	0.70	0.70	1.87	5.04	4.30	1.79	N/A	N/A	1.84	09/01/2018
FTSE 3 Mo T-Bill Index			0.34	0.73	0.73	1.96	5.26	4.30	2.64	2.48	1.86	2.53	
Difference			-0.01	-0.02	-0.02	-0.10	-0.23	0.00	-0.84	N/A	N/A	-0.69	

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

As of February 28, 2025

	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)	173,204,018	6.90	-2.43	3.12	3.12	5.14	18.02	13.53	16.09	12.83	12.60	11.58	03/01/2007	
Russell 1000 Val Index			0.41	5.05	5.05	2.97	15.75	8.65	12.51	9.35	8.95	7.50		
Difference			-2.83	-1.93	-1.93	2.17	2.27	4.88	3.59	3.48	3.64	4.08		
Russell 1000 Index			-1.75	1.38	1.38	4.16	18.11	12.07	16.54	13.54	12.71	10.42		
Difference			-0.68	1.75	1.75	0.98	-0.09	1.47	-0.44	-0.72	-0.11	1.16		
Wellington Select Equity Income Fund (SA)	159,054,363	6.34	1.43	4.79	4.79	3.55	18.99	N/A	N/A	N/A	N/A	19.10	06/01/2023	
Russell 1000 Val Index			0.41	5.05	5.05	2.97	15.75	8.65	12.51	9.35	8.95	19.14		
Difference			1.02	-0.26	-0.26	0.58	3.24	N/A	N/A	N/A	N/A	-0.04		
BNYM DB Lg Cap Stock Idx NL (CF)	124,893,249	4.98	-1.76	1.37	1.37	4.15	18.15	12.49	16.77	N/A	N/A	14.57	05/01/2019	
Russell 1000 Index			-1.75	1.38	1.38	4.16	18.11	12.07	16.54	13.54	12.71	14.38		
Difference			-0.01	-0.01	-0.01	-0.02	0.04	0.42	0.23	N/A	N/A	0.19		
Loomis, Sayles & Co Lg Cap Grth (CF)	151,573,665	6.04	-4.77	-0.89	-0.89	8.55	20.63	17.76	19.15	16.12	N/A	17.00	08/01/2017	
Russell 1000 Grth Index			-3.59	-1.69	-1.69	5.27	19.75	14.84	19.71	17.09	16.01	17.97		
Difference			-1.17	0.80	0.80	3.29	0.88	2.92	-0.56	-0.97	N/A	-0.97		
Kayne Anderson US SMID Value (SA)	71,334,717	2.84	-2.92	-0.07	-0.07	-0.83	4.83	5.20	N/A	N/A	N/A	5.20	03/01/2022	
Russell 2500 Val Index			-3.70	-0.42	-0.42	-0.68	9.33	4.92	11.39	7.69	7.55	4.92		
Difference			0.78	0.35	0.35	-0.15	-4.50	0.28	N/A	N/A	N/A	0.28		
Systematic Financial US SMID Value (SA)	71,058,740	2.83	-4.89	-2.32	-2.32	-2.37	7.29	6.52	N/A	N/A	N/A	6.52	03/01/2022	
Russell 2500 Val Index			-3.70	-0.42	-0.42	-0.68	9.33	4.92	11.39	7.69	7.55	4.92		
Difference			-1.19	-1.90	-1.90	-1.68	-2.04	1.60	N/A	N/A	N/A	1.60		
Pinnacle Associates US SMID Cap Growth (SA)	68,736,788	2.74	-5.47	-2.01	-2.01	-0.34	2.28	-0.97	8.38	7.37	7.90	11.24	03/01/2010	
Russell 2500 Grth Index			-6.66	-3.09	-3.09	-0.73	4.47	3.62	8.90	8.12	8.51	11.71		
Difference			1.18	1.08	1.08	0.40	-2.19	-4.59	-0.52	-0.76	-0.61	-0.47		

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

As of February 28, 2025

	Allocation		Performance (%)											
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date	
International Equity														
Silchester Intl Val Equity (CF)	260,886,503	10.40	0.69	3.94	3.94	-5.33	5.85	5.60	8.81	4.11	5.68	8.52	06/01/2009	
MSCI EAFE Val Index (USD) (Net)			3.73	9.02	9.02	1.26	15.09	9.09	9.87	4.68	4.61	6.00		
Difference			-3.04	-5.08	-5.08	-6.59	-9.23	-3.49	-1.06	-0.56	1.07	2.53		
Bail Giff Intl Gro;4 (BGEFX)	188,663,847	7.52	1.06	7.89	7.89	1.66	12.88	2.26	6.55	4.73	7.14	9.08	06/01/2009	
Baillie Gifford Index			0.08	4.33	4.33	-3.89	6.40	2.48	6.11	4.26	5.08	6.95		
Difference			0.98	3.56	3.56	5.56	6.48	-0.22	0.43	0.47	2.06	2.13		
Baillie Gifford Spliced Index			1.39	5.47	5.47	-2.54	9.65	4.62	7.55	4.57	4.89	6.52		
Difference			-0.33	2.42	2.42	4.20	3.23	-2.36	-1.00	0.16	2.25	2.57		
Acadian Emg Mkts Eq II (CF)	158,803,684	6.33	0.23	1.48	1.48	-4.80	10.86	4.87	8.72	3.09	4.92	4.00	02/01/2011	
MSCI Emg Mkts Index (USD) (Net)			0.48	2.28	2.28	-5.91	10.07	0.46	4.26	1.23	3.49	2.32		
Difference			-0.25	-0.80	-0.80	1.11	0.78	4.41	4.46	1.86	1.42	1.68		
Fixed Income														
Baird Core Fixed Income (SA)	124,965,592	4.98	2.28	2.85	2.85	-0.12	6.63	0.10	N/A	N/A	N/A	-0.54	03/01/2021	
Bloomberg US Agg Bond Index			2.20	2.74	2.74	-0.40	5.81	-0.44	-0.52	1.66	1.51	-0.99		
Difference			0.08	0.11	0.11	0.28	0.83	0.54	N/A	N/A	N/A	0.45		
Loomis Sayles Multisector Full Discretion (CF)	188,581,298	7.52	1.56	2.46	2.46	1.36	8.78	2.22	2.67	3.74	3.64	5.54	11/01/2007	
Bloomberg Gbl Agg Bond Index			1.43	2.01	2.01	-3.20	2.98	-2.83	-1.95	-0.40	0.45	1.72		
Difference			0.13	0.45	0.45	4.56	5.80	5.05	4.63	4.14	3.19	3.82		
Schroder Flexible Secured Income LP (CF)	188,936,872	7.53	0.00	1.93	1.93	3.55	8.73	N/A	N/A	N/A	N/A	8.62	10/01/2022	
SOFR+1.75%			0.51	1.02	1.02	2.65	6.95	6.07	4.35	N/A	N/A	6.83		
Difference			-0.51	0.92	0.92	0.90	1.78	N/A	N/A	N/A	N/A	1.79		
SOFR+5%			0.77	1.55	1.55	4.00	10.36	9.46	7.69	N/A	N/A	10.24		
Difference			-0.77	0.38	0.38	-0.45	-1.63	N/A	N/A	N/A	N/A	-1.62		

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

As of February 28, 2025

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Core Real Estate													
Harrison Street Core Property LP	113,882,039	4.54	0.00	0.88	0.88	1.03	0.44	1.42	3.61	4.55	N/A	5.55	11/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	0.96	-2.27	-3.14	1.99	3.08	4.94	4.18	
Difference			0.00	0.88	0.88	0.07	2.71	4.56	1.62	1.47	N/A	1.36	
PGIM Real Estate PRISA II LP	44,866,491	1.79	0.00	1.95	1.95	3.05	-2.49	-3.76	1.63	3.20	5.33	5.24	01/01/2015
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	0.96	-2.27	-3.14	1.99	3.08	4.94	4.86	
Difference			0.00	1.95	1.95	2.09	-0.22	-0.62	-0.36	0.12	0.38	0.37	
Principal US Property (CF)	103,654,560	4.13	-0.07	0.37	0.37	1.45	-0.75	-4.17	2.38	3.64	5.59	6.29	01/01/2014
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	0.96	-2.27	-3.14	1.99	3.08	4.94	5.44	
Difference			-0.07	0.37	0.37	0.49	1.51	-1.03	0.39	0.55	0.64	0.86	
UBS Trumbull Property LP	50,445,365	2.01	0.00	0.81	0.81	0.64	-2.29	-4.54	-0.81	-0.16	2.12	3.55	01/01/2006
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	0.96	-2.27	-3.14	1.99	3.08	4.94	4.77	
Difference			0.00	0.81	0.81	-0.32	-0.02	-1.40	-2.80	-3.24	-2.82	-1.22	
Vanguard RE Idx;ETF (VNQ)	1,402,633	0.06	3.69	5.40	5.40	-2.68	14.09	1.00	5.33	7.61	5.24	10.86	12/01/2008
Custom REITs Index			3.62	5.35	5.35	-2.67	14.14	1.15	5.49	7.96	5.56	11.52	
Difference			0.08	0.06	0.06	-0.01	-0.05	-0.15	-0.16	-0.36	-0.33	-0.65	

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

As of February 28, 2025

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Non-Core Real Estate													
Abacus Multi-Family Partners VI LP	8,389,059	0.33	0.00	0.00	0.00	1.22	-39.39	N/A	N/A	N/A	N/A	-40.71	10/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	-6.57	
Difference			-0.17	-0.33	-0.33	-0.58	-39.08	N/A	N/A	N/A	N/A	-34.14	
H.I.G. Realty Partners IV (Onshore) LP	27,831,974	1.11	0.00	0.00	0.00	0.92	6.37	26.89	N/A	N/A	N/A	N/A	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	-1.04	
Difference			-0.17	-0.33	-0.33	-0.88	6.68	28.09	N/A	N/A	N/A	N/A	
Bell Value-Add Fund VII (CF)	7,224,363	0.29	0.00	0.23	0.23	0.23	-5.03	N/A	N/A	N/A	N/A	-12.20	04/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	-4.43	
Difference			-0.17	-0.10	-0.10	-1.56	-4.71	N/A	N/A	N/A	N/A	-7.77	
Hammes Partners IV LP	1,636,904	0.07	0.00	0.00	0.00	3.19	-50.81	N/A	N/A	N/A	N/A	-57.09	10/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	-3.21	
Difference			-0.17	-0.33	-0.33	1.40	-50.49	N/A	N/A	N/A	N/A	-53.88	
Blue Owl Digital Infrastructure Fund III-A LP	7,017,499	0.28	0.01	0.03	0.03	2.29	N/A	N/A	N/A	N/A	N/A	28.00	04/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	2.16	
Difference			-0.16	-0.30	-0.30	0.50	N/A	N/A	N/A	N/A	N/A	25.84	
Ares US Real Estate Opportunity IV LP	2,032,947	0.08	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A	N/A	0.00	11/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	0.33	1.80	-0.31	-1.20	4.03	5.14	7.04	1.63	
Difference			-0.17	-0.33	-0.33	N/A	N/A	N/A	N/A	N/A	N/A	-1.63	
Diversifying Assets													
Adams Street Private Equity (SA)	94,858,966	3.78	0.00	0.00	0.00	4.59	4.49	7.81	N/A	N/A	N/A	18.53	11/01/2020
S&P 500 Index+3%			-1.06	1.94	1.94	5.17	21.96	15.93	20.36	17.19	16.37	20.09	
Difference			1.06	-1.94	-1.94	-0.59	-17.47	-8.12	N/A	N/A	N/A	-1.56	
Hamilton Lane Private Credit (SA)	91,757,908	3.66	0.84	1.54	1.54	5.52	13.37	9.29	N/A	N/A	N/A	4.45	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			1.06	2.48	2.48	1.82	11.52	6.36	5.80	5.89	6.60	4.42	
Difference			-0.23	-0.94	-0.94	3.71	1.84	2.92	N/A	N/A	N/A	0.03	
Cash Equivalents													
Dreyfus Gvt CM;Inst (DGCXX)	22,905,673	0.91	0.33	0.70	0.70	1.87	5.04	4.13	2.60	2.45	1.86	1.67	05/01/2001
FTSE 3 Mo T-Bill Index			0.34	0.73	0.73	1.96	5.26	4.30	2.64	2.48	1.86	1.66	
Difference			-0.01	-0.02	-0.02	-0.10	-0.22	-0.17	-0.04	-0.03	0.00	0.01	

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

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Performance Related Comments:

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

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets Index.
- **Actual Allocation Index:** The Actual Allocation Index is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **Actual Allocation Index (Net of Alts):** The Actual Allocation Index (Net of Alts) is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return, with the exception of funds in the Core Real Estate, Non-Core Real Estate, and Diversifying Assets composites, which are represented by actual monthly composite returns. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **Diversifying Assets Index:** The Diversifying Assets Index is calculated monthly and consists of 50% S&P MLP Index (TR)/50% NCREIF Timberland Index through 10/2017, 67% S&P MLP Index (TR)/33% NCREIF Timberland Index through 09/2020, and calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

Custom Manager Benchmark Comments:

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

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