

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, October 23, 2025, at 2 PM
City Hall Conference Room 3C**

AGENDA

1. CALL TO ORDER

2. PUBLIC COMMENT

3. OFFICER ELECTIONS

4. MINUTES

- a. Copy of September 25, 2025, and October 2, 2025, Board of Trustees Minutes;
RECOMMENDED ACTION: APPROVAL

5. NEW BUSINESS

- a. GEPP September 2025 Consent; PAC RECOMMENDED ACTION: APPROVAL
- b. GEPP 10/1/2024 Actuarial Valuation Review

6. INVESTMENT AND FINANCIAL MATTERS

- a. Investment Performance Review
- b. UBS Trumbull Update
- c. Private Credit Update & Hamilton Lane Tranche 2 Proposal
- d. Staff Update
 - Investment Activity Report
 - Loomis Sayles LCG Alpha Thesis

7. OLD BUSINESS

None

8. ADMINISTRATIVE

- a. Staff Update

9. INFORMATION

- a. Financial Discussion with Payden & Rygel – Jeffrey Cleveland- Economist scheduled for Thursday, November 6, 2025, at 12:30 PM (meet and greet starts at 12:00)
- b. Next regular BOT meeting scheduled for Thursday, November 20, 2025, at 2 PM

10. PRIVILEGE OF THE FLOOR

11. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
September 25, 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
David Kilcrease, Secretary
Michelle Fletcher
Leah Hayes
Kelli O'Leary (on behalf of Karen Bowling)
Eric Smith (via Zoom)

Members Not Present

Julie Bessent
Sage Sullivan

Staff Present

Eric Jordan, Financial Specialist
Brennan Merrell, Chief Investment Officer
John Sawyer, OGC
Andy Robinson, Pension Administrator
Hannah Wells, Pension Administration Assistant Manager

Others Present

Jordan Cipriani, RVK
Samia Khan, RVK (via Zoom)
Ramneek Singh, RVK (via Zoom)

1. CALL TO ORDER

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

2. PUBLIC COMMENT

There was none.

3. MINUTES

Ms. Brosche 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

Ms. Brosche motioned to approve the consent agendas. Ms. O'Leary seconded the motion. The Chair asked for discussion. Mr. Robinson noted an increase in DB TO DC transfers for the month of September, primarily due to the recent JHA terminations. The Chair took 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 approaching \$2.7 billion and up 1.82% MTD, up 9.29% CYTD, and up 8.41% FYTD. He also highlighted the relative performance of the investment managers, discussing both the top performers and those who underperformed for the month.

Mr. Merrell introduced RVK to review the Private Credit Pacing Study. Ms. Cipriani reviewed RVK's pacing recommendations, allocation analysis, value creation analysis, paid in capital analysis, and distribution analysis. Based on the current Board approved Hamilton Lane mandate, RVK projects that annual commitments will need to slightly increase to achieve and maintain the new target allocation of 7%. RVK recommends annual commitments totaling \$60 million beginning in 2026 through 2028, followed by \$50 million thereafter to achieve and maintain the private credit target allocation. 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 6/30/2025 Total Fund market value of \$2.6 billion. Future proposed commitments are allocated to 5-6 traditional closed-end fund commitments annually beginning in 2026. Fund cash flow projections for existing and proposed commitments are based on historical, weighted averages for the Private Debt peer group, provided by Preqin Pro. Mr. Merrell also informed the Board that Hamilton Lane will attend next month's Board of Trustees meeting. A lengthy discussion followed among staff, RVK, and Board members.

Mr. Merrell presented the Investment Activity Report, providing an update on recent due diligence workshops, manager meetings, cash flow activity, and redemptions. Additionally, he informed the Board that the next investment workshop is scheduled for October 2, 2025, with Loomis Sayles – LCG.

Mr. Merrell and Ms. Cipriani updated the COJ ERS Board with the final trade amounts that were placed to raise \$120M to fund the System's annual pension reimbursement due at the end of September 2025. These updated trade amounts, based on 9/5/2025 asset market values, reflect the reimbursement scenario approved by the Board at the August 2025 meeting, with adjustments made to account for market fluctuations and the

Cash account balance presented at that time. The trades were executed in late August and throughout September in accordance with manager notification requirements. Proceeds from the equity redemptions were used to fund the fixed income rebalancing trades, with the remaining proceeds to be used to reimburse the City for the annual pension reimbursement at the end of September, as approved and planned for.

6. OLD BUSINESS

None.

7. ADMINISTRATIVE

Mr. Robinson reported that the Pension Office continues to experience increased processing volumes related to retirement and time service estimates, retirement application requests, and defined benefit to defined contribution transfers. He also provided updates on attendance in pre-retirement seminars, 1099R's, participation in HCM, and the revised GEPP valuations.

INFORMATION

The next regular BOT meeting is scheduled for Thursday, October 23, 2025, at 2 PM.

Investment due diligence workshop will be held Thursday, October 2, 2025, at 12:30 PM.

8. PRIVILEGE OF THE FLOOR

There was none.

9. ADJOURNMENT

The Chair adjourned the meeting at 2:29 PM.

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
October 2, 2025**

MINUTES

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

Members Present

Jeffrey Bernardo, Chair
Anna Brosche (via Teams)
Julie Bessent (via Teams)
Leah Hayes (via Teams)

Members Not Present

David Kilcrease
Kelli O'Leary (on behalf of Karen Bowling)
Michelle Fletcher
Sage Sullivan
Eric Smith

Staff Present

Brennan Merrell, Chief Investment Officer
Chris Cicero, Treasurer
Robin Adams, Senior Manager of Treasury Administration
Eric Jordan, Financial Specialist, Treasury
Shannon Tremain, Treasury, JEA

Others Present

Adam Mushaweh, Investment Director, Loomis Sayles
Matthew Buxton, Director of Public Fund Relationship Management, Loomis Sayles
Greg Estes
Jeff Berryhill

1. CALL TO ORDER

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

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

2. PUBLIC COMMENT

There was none.

3. INVESTMENT AND FINANCIAL MATTERS

Loomis Sayles Large Cap Equity

Mr. Merrell opened the meeting by introducing Adam Mushaweh and Matthew Buxton from Loomis Sayles. He stated the City's relationship with the firm began in 2017, and the pension currently has approximately \$160 million invested in their Large Cap Growth Equity strategy. Mr. Buxton reported that the firm has over \$413 billion in assets under management and employs siloed, strategy-focused teams with embedded analysts to discover investment opportunities. Mr. Mushaweh then reviewed the investment strategy and philosophy, starting by detailing the team structure, which consists of a single Portfolio Manager, multiple strategy-dedicated analysts, product management directors, trading and portfolio implementation personnel, and technology/operations staff. He noted the team has experienced no recent turnover. Mr. Mushaweh also reviewed the history of their Founder and CIO, Aziz Hamzaogullari. The investment process involves lead analysts, divided by business type (e.g., service, healthcare), bringing their research to Mr. Hamzaogullari for the final investment decision. Approved investment theses are added to a company library for investment at an opportune time. Specifically, a company is only added to the portfolio when it is trading at a discount of at least 40% to Loomis' estimate of intrinsic value, which is based on detailed discounted cash flow (DCF) models. While their estimate for intrinsic value represents a base case, they also generate best, bear, and worst-case scenarios for each company. Securities are sold when they have reached intrinsic value, the investment thesis is deemed incorrect, or a better reward-to-risk opportunity is available. Loomis is a long-term investor with a low security turnover of just 11.6% since inception. When asked, Mr. Mushaweh confirmed Loomis is currently using Artificial Intelligence (AI) to enhance research, specifically to extract key points from transcripts. Loomis uses a 7-step research framework to create a high-conviction portfolio, which currently contains 36 names. Other tenets of their alpha thesis include focus on quality, growth, and absolute risk, looking for companies with difficult-to-replicate business models and sustainable cash flow growth. Mr. Mushaweh reviewed their investment trade activity over the trailing 18 months, including specific examples of buys, sells, adds, and trims. Concerning risk management, Loomis limits their investment to 15–20% exposure for any one business driver (e.g., online advertising, AI GPU). Mr. Mushaweh concluded by explaining that their active risk management and differentiation affords the portfolio good up market capture and superior down market capture relative to peers.

4. OLD BUSINESS

N/A

5. ADMINISTRATIVE

N/A

6. INFORMATION

The next regular BOT meeting is scheduled for Thursday, October 23, at 2 PM.

Investment due diligence workshop will be held Thursday, November 6, 2025, at 12:30 PM.

7. PRIVILEGE OF THE FLOOR

None

8. ADJOURNMENT

Chair Bernardo adjourned the meeting at 2:05 PM.

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

September 2025

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Curt H Beadell, (City), effective August 1, 2025, in the monthly base amount of \$2,552.29 at the rate of 56.25% (22 years and 6 months)

Gilberto Fres, (City), effective August 23, 2025, in the monthly base amount of \$2,202.69 at the rate of 26.88% (10 years and 9 months)

Stephen D Gayton, (City), effective August 23, 2025, in the monthly base amount of \$3,589.38 at the rate of 80% (38 years and 1 month) 10% PLOP \$74,547.12

Devlynn C Martin, (JEA), effective September 6, 2025, in the monthly base amount of \$6,804.50 at the rate of 80% (32 years and 4 months) 60 months BACKDROP \$452,119.45

Eric G Moore, (JSO), effective September 6, 2025, in the monthly base amount of \$3,930.31 at the rate of 63.13% (25 years and 3 months)

Lisa S Ransom, (City), effective August 2, 2025, in the monthly base amount of \$4,959.18 at the rate of 75% (30 years) 10% PLOP \$85,352.78

Lizzie M Rodgers, (City), effective August 2, 2025, in the monthly base amount of \$2,298.38 at the rate of 63.13% (25 years and 3 months)

Michael V Someillan, (City), effective August 9, 2025, in the monthly base amount of \$3,210.48 at the rate of 77.71% (31 years and 1 month) 10% PLOP \$77,841.30

Bryan L Wagoner, (JEA), effective August 9, 2025, in the monthly base amount of \$6,564.29 at the rate of 53.33% (21 years and 4 months) 15% PLOP 210,087.87

Leslie R White, (JSO), effective August 9, 2025, in the monthly base amount of \$3,726.65 at the rate of 80% (33 years and 1 month) 60 months BACKDROP \$247,529.69

Orrin W Young, (JEA), effective August 30, 2025, in the monthly base amount of \$9,035.95 at the rate of 52.71% (21 years and 1 month) 5% PLOP \$74,235.67

2. VESTED RETIREMENTS

New Commencements

Christopher M Daboul, effective August 13, 2025, in the monthly base amount of \$527.99

Patricia Taylor, effective September 6, 2025, in the monthly base amount of \$2,700.46

Stanley M Weston, effective September 7, 2025, in the monthly base amount of \$4,239.96

New Deferrals

None

3. SURVIVOR BENEFITS

Gloria J Buggest, (Henry C Buggest), effective June 5, 2025, in the monthly COLA base amount of \$1,073.69

Elizabeth C Dilley, (Stephen P Dilley), effective February 2, 2025, in the monthly COLA base amount of \$3,662.99

Denise Jackson, (Bobby J Jackson), effective August 5, 2025, in the monthly base amount of \$2,693.27

Jeannine B Mello, (John J Mello), effective August 24, 2025, in the monthly COLA base amount of \$3,180.78

Jeanine R Pausche, (Albert J Pausche), effective July 4, 2025, in the monthly COLA base amount of \$4,627.52

Lance W Schellpeper, (Linda B Schellpeper), effective September 12, 2025, in the monthly COLA base amount of \$1,775.78

Karen E Sigl, (Edward C Sigl), effective July 17, 2025, in the monthly COLA base amount of \$3,710.92

Kathleen R Stevens, (James J Stevens), effective July 7, 2025, in the monthly base amount of \$1,210.08

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

6. TIME SERVICE CONNECTIONS COMPLETED

Floyd L Dixon Jr., (City), 52.33 months completed in the amount of \$14,890.56

Benjamin Frazier, (JHA), 50.07 months completed in the amount of \$21,550.10

Craig Galley, (JEA), .83 months completed in the amount of \$1,225.18

Roy J Gregg, (JEA), 2.87 months completed in the amount of \$2,387.99

Frank D Tarrant Jr, (City), 83.10 months completed in the amount of \$44,051.97

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)

James O McAlister, (JEA), 12 months completed in the amount of \$17,473.30

9. REFUNDS

Fred Kish, (JHA), 13 years and 9 months, \$29,242.45

Benjamin D Kittle, (City), 8 years and 0 months, \$31,904.15

Betty J Saunders, (JHA), 2 years and 7 months, 18,137.52

10. DB TO DC TRANSFER

Jesse L Brinson, (City), 40 years and 1 month in the amount of \$1,068,500.49

Elva I De Jesus, (City), 9 years and 6 months in the amount of \$127,417.38

Floyd L Dixon, Jr, (City), 20 years and 0 months in the amount of \$332,901.04

Randolph D Eisenhower, (JEA), 24 years and 3 months in the amount of \$875,345.59

Richard B Goodin, Jr, (JEA), 27 years and 5 months in the amount of \$1,347,699.44

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

12. RE-RETIREE

None

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

City of Jacksonville General Employees Retirement Plan

Actuarial Valuation and Review as of October 1, 2024



This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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Segal



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October 6, 2025

Board of Trustees
City of Jacksonville General Employees Retirement Plan
117 West Duval Street, Suite 330
Jacksonville, FL 32202

Dear Board of Trustees Members:

We are pleased to submit this Actuarial Valuation and Review as of October 1, 2024. It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the funding requirements to the fiscal year starting October 1, 2025. This valuation has been updated, at the City's request, from the original valuation dated March 21, 2025. The update is due to updated salary rates provided to Segal in September 2025. Additionally, six beneficiaries and estates originally valued as General Employees Retirement Plan members have been reclassified as members of the General Employees Defined Contribution Plan Disability and Survivorship Benefits.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Trustees, based upon information provided by the Retirement System Administrative Office and the City's Finance Department. That assistance is gratefully acknowledged .

Statement by Enrolled Actuary: This actuarial valuation and/or cost determination was prepared and completed by me, or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report, and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in plan provisions or applicable law.

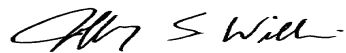
The actuarial calculations were directed under the supervision of Jeffrey S. Williams. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal

A handwritten signature in black ink, appearing to read "Jeff S. Williams".

Jeffrey S. Williams, ASA, FCA, MAAA, EA
Vice President and Consulting Actuary
Enrolled Actuary No. 23-07009

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the City of Jacksonville General Employees Retirement Plan as of October 1, 2024. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to provide information for required disclosures under Governmental Accounting Standards Board (GASB) Statements No. 67 and 68.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of September 30, 2024, provided by the Board;
- The assets of the Plan as of September 30, 2024, provided by the City's Finance Department;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. and
- The funding policy adopted by the Board, subject to the requirements of Part VII, Chapter 112, Florida Statutes.

Section 1: Actuarial Valuation Summary

Valuation highlights

1. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the unfunded actuarial accrued liability and the principal balance.
2. The City's minimum required contribution calculated in the October 1, 2024 actuarial valuation is for the plan year beginning October 1, 2025. The "City's minimum required contribution" refers to the cumulative minimum required contribution for all contributing employers.
3. The City's minimum required contribution (the amount which will be contributed) for fiscal 2026 is \$120,076,962, an increase of \$6,777,050 from the amount being contributed in fiscal 2025.
4. Actual City contributions made during the fiscal year ending September 30, 2024 of \$96,957,000 were 100.38% of the City's minimum required contribution for fiscal 2025. In the prior fiscal year, actual contributions were \$83,375,000, 99.72% of the City's minimum required contribution.
5. Actuarial Standard of Practice No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, states that an actuary preparing calculations of actuarially determined contributions should assess the material implications of the funding policy. This report includes two distinct contribution amounts, each with different implications.
 - a. The **Florida Chapter 112 Determined Employer Contribution** is an amount consistent with a funding policy which seeks to stabilize the unfunded actuarial accrued liability (UAAL) as a percentage of total General Employees Retirement Plan (GERP) payroll, including Defined Contribution participants, where UAAL is measured relative to assets currently available to make benefit payments. Under this policy, assuming that all assumptions are met in aggregate, the UAAL is expected to be reduced to zero over a period of 22 years after reflecting an amortization period reset as of October 1, 2016. Over the short term, this contribution policy would be expected to keep the UAAL roughly level over the next few years, primarily making payments on interest, and begin paying down the UAAL after that point.
 - b. The **City's required minimum contribution**, which is the Chapter 112 contribution adjusted to comply with state law, reduced by amortization of discounted allocated surtax revenue, is an amount consistent with a funding policy which seeks to stabilize the contribution requirement as a percentage of total GERP payroll, including General Employee Defined Contribution Plan participants, relative to an anticipated increase in contribution income set to begin January 1, 2031. Under this policy, assuming that all assumptions are met in aggregate, the UAAL is expected to be reduced to zero by December 31, 2060, after all of the surtax revenue allocated to the plan is collected and contributed. Over the short term, this contribution policy is expected to lead to an increase in the UAAL, prior to the revenue stream commencing and paying it down.

Use of this contribution policy has been authorized by the Florida State Legislature and Jacksonville City Council.

Section 1: Actuarial Valuation Summary

6. The actuarial loss from investment and other experience is \$75,494,081, or 1.96% of actuarial accrued liability.
 - The actuarial gain from investment experience was \$17,643,952, or 0.46% of actuarial accrued liability.
 - The loss due to contributions less than the Florida Chapter 112 determined employer contribution was \$51,795,779 or 1.35% of actuarial accrued liability.
 - The net experience loss from sources other than investment experience was \$41,342,254, or 1.07% of the actuarial accrued liability.

The primary cause of the demographic experience loss was salary increases greater than expected.

7. The rate of return on the market value of assets was 17.43% for the October 1, 2023 to September 30, 2024 Plan Year. The return on the actuarial value of assets was 7.40% for the same period due to the recognition of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 6.50%.
8. The actuarial value of assets is 95.7% of the market value of assets. The investment experience in the past years has only been partially recognized in the actuarial value of assets. As the deferred net gain is recognized in future years, the cost of the Plan is likely to decrease unless the net gain is offset by future experience. The recognition of the market net gains of \$92,189,680 will also have an impact on the future funded ratio. If the net deferred gains were recognized immediately in the actuarial value of assets, the City's minimum contribution would decrease from 50.38% to 47.53% of projected payroll.
9. There were no changes in plan provisions since the prior valuation.
10. There are no changes in actuarial assumptions reflected in this valuation.
11. The City changed the surtax allocation percentage from the prior valuation to the current valuation. In the 2023 valuation, GERP's allocation percentage was 34.90%; in the 2024 valuation, the allocation percentage has been raised to 35.60%. This change was directed by the City based on its updated calculation of the General Employees Retirement Plan's share of the City's unfunded liabilities. The change in the surtax allocation percentage caused the City's minimum required contribution to decrease by \$1,299,449.
12. The City is solely responsible for the assumption as to what percentage the surtax revenue will grow and Segal relies on the City for this assumption. This rate was set at 4.25% by the City for the projection period January 1, 2024 through December 31, 2060, and will be recalculated by the City every year and adopted by the City Council. Segal will ask the City each year to provide actual surtax revenue for the preceding fiscal year and an assumption as to future growth. The difference in actual and projected surtax revenue each year will be amortized over the period by which each year's gain or loss is being amortized. If surtax revenue grows more slowly or more quickly than expected, contribution requirements will increase or decrease accordingly.

Section 1: Actuarial Valuation Summary

13. The present value of the projected surtax revenue was determined and used in determination of the City's required contribution as follows:
 - a. Actual 2024 surtax revenue was projected to increase by 4.25% each year thereafter through 2060.
 - b. A share of 35.60% of the projected revenue for January 1, 2031 through December 31, 2060 was allocated to GERP.
 - c. The revenue allocated to GERP was discounted at the valuation discount rate of 6.50% to October 1, 2024.
 - d. The original allocated present value amount of \$322,190,859 was amortized over a 30-year initial period (Section 3, Exhibit F), with subsequent changes amortized over new periods. The present value of projected surtax revenue as of October 1, 2024 allocated to GERP is \$896,978,621.
 - e. After the amortized value amount was adjusted for the timing of contributions and projected to October 1, 2025, this amount was used as an offset to the Florida Chapter 112 Determined Employer Contribution to determine the City's minimum required contribution for fiscal 2025.
14. The present value of projected surtax revenue does not decrease the unfunded actuarial accrued liability. The amortized value of the projected surtax revenue is used as an offset to the Chapter 112 contribution.
15. This actuarial report as of October 1, 2024 is based on financial and demographic data as of that date. Changes subsequent to that date are not reflected and will affect future actuarial costs of the plan.
16. The financial information received states all results rounded to the nearest thousand. The results in this valuation are shown to the nearest dollar. Therefore, occasionally rounded numbers are combined with unrounded numbers.

Changes from prior valuation

17. The funded ratio (the ratio of the actuarial value of assets to actuarial accrued liability) is 53.34%, compared to the prior year funded ratio of 53.92%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 55.74%, compared to 51.54% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of the Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.
18. The unfunded actuarial accrued liability is \$1,794,873,708, which is an increase of \$59,859,653 since the prior valuation.

Section 1: Actuarial Valuation Summary

Risk

19. It is important to note that this actuarial valuation is based on plan assets as of September 30, 2024. The Plan's funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.
20. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan in *Section 2*. A more detailed assessment would provide the Board with a better understanding of the inherent risks and could be important for the Plan because:
 - a. Relatively small changes in investment performance can produce large swings in the unfunded liabilities.
 - b. Retired participants account for most of the Plan's liabilities, leaving limited options for reducing costs in the event of adverse experience.
 - c. The Board has not to our knowledge performed a detailed risk assessment.

GASB

21. This report constitutes an actuarial valuation for the purpose of determining the ADC under the Plan's funding policy. The information contained in *Section 5* provides the accounting information for Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68, for inclusion in the Plan's and employer's financial statements as of September 30, 2025. The accounting information utilizes different methodologies from those employed in the funding valuation, as required by the GASB.
22. The Net Pension Liability (NPL) is equal to the difference between the Total Pension Liability (TPL) and the Plan's fiduciary net position (equal to the market value of assets). The NPL as of September 30, 2024 is \$1,702,684,028.
23. GASB accounting does not permit any recognition of the allocated surtax revenue in determining the Net Pension Liability or Pension Expense. It is Segal's understanding that the City has discussed this issue with their external auditors and does not include any recognition of allocated surtax revenue in its audited financial statements.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

Valuation Result	Current	Prior
Contributions for fiscal year beginning	October 1, 2025	October 1, 2024
• Florida Chapter 112 determined employer contributions	\$163,172,920	\$153,422,081
• Less amortized value of discounted value of projected surtax revenue	<u>-43,095,958</u>	<u>-40,122,169</u>
• City's required minimum contribution ¹	\$120,076,962	\$113,299,912
Actuarial accrued liability for plan year beginning	October 1, 2024	October 1, 2023
• Retired participants and beneficiaries	\$2,615,533,808	\$2,578,163,782
• Inactive vested participants	19,132,024	19,583,436
• Active participants	1,212,161,196	1,167,423,032
• Total	\$3,846,827,028	\$3,765,170,250
• Normal cost including administrative expenses for plan year beginning October 1	49,309,057	46,755,918
Assets for plan year beginning October 1		
• Market value of assets (MVA)	\$2,144,143,000	\$1,940,430,000
• Actuarial value of assets (AVA)	2,051,953,320	2,030,156,195
• Actuarial value of assets as a percentage of market value of assets	95.70%	104.62%
Funded status for plan year beginning October 1		
• Unfunded actuarial accrued liability on market value of assets	\$1,702,684,028	\$1,824,740,250
• Funded percentage on MVA basis	55.74%	51.54%
• Unfunded actuarial accrued liability on actuarial value of assets	\$1,794,873,708	\$1,735,014,055
• Funded percentage on AVA basis	53.34%	53.92%
• Effective Amortization period on an AVA basis	22	23

¹ Pursuant to State Law Chapter 2016-146 and City of Jacksonville Ordinances 2017-257-E and 2017-258-E

Section 1: Actuarial Valuation Summary

Valuation Result	Current	Prior
Key assumptions		
• Net investment return	6.50%	6.50%
• Inflation rate	2.50%	2.50%
• Across-the-board payroll increase	1.50%	1.50%
GASB information		
• Discount rate	6.50%	6.50%
• Total Pension Liability	\$3,846,827,028	\$3,765,170,250
• Plan Fiduciary Net Position	2,144,143,000	1,940,430,000
• Net Pension Liability	\$1,702,684,028	1,824,740,250
• Plan Fiduciary Net Position as a percentage of Total Pension Liability	55.74%	51.54%
Demographic data for plan year beginning October 1		
• Number of retired participants and beneficiaries	5,344	5,341
• Number of inactive vested participants	129	134
• Number of active participants	2,587	2,792
• Average compensation	\$90,763	\$82,632

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant information	An actuarial valuation for a plan is based on data provided to the actuary by the Retirement Administrative Office. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the City's Finance Department. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

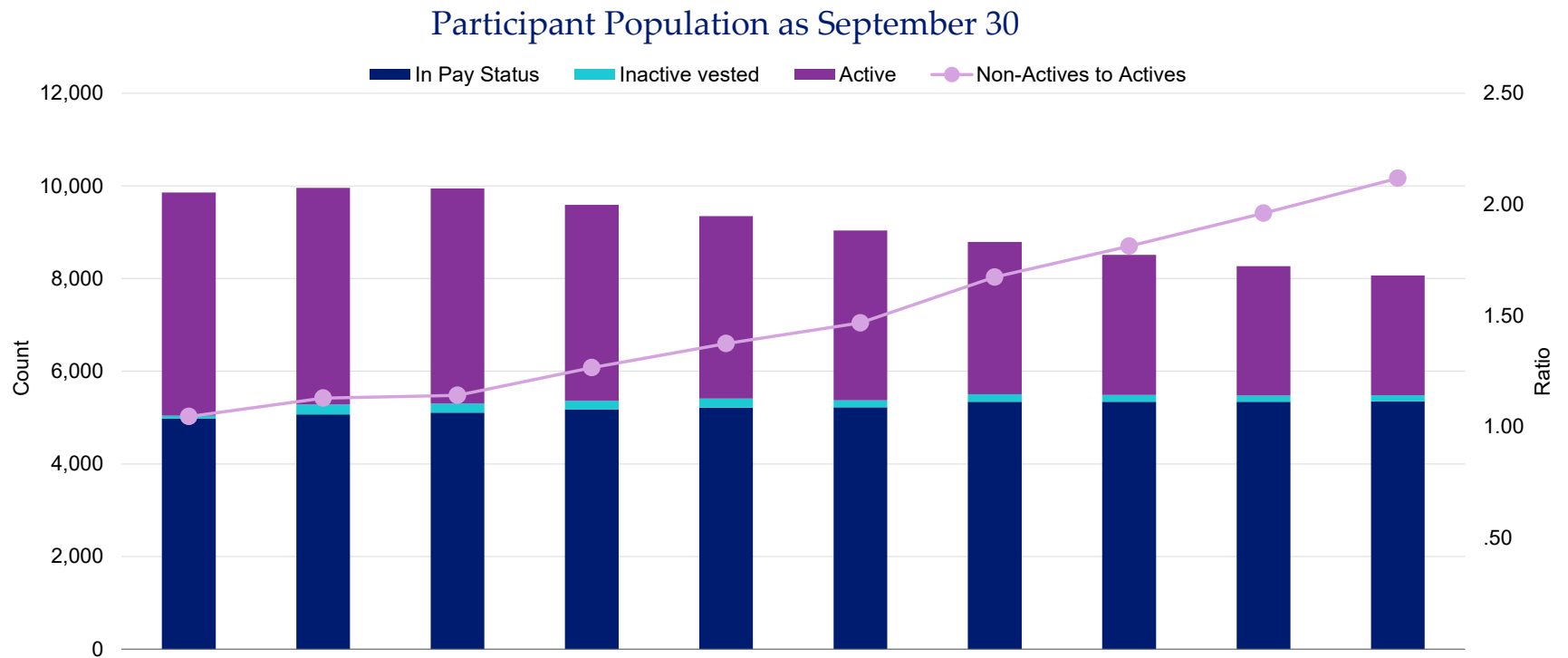
Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board of Trustees. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. The valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Board of Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

Section 2: Actuarial Valuation Results

Participant information



Legend	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
In Pay Status	4,976	5,065	5,105	5,176	5,215	5,218	5,342	5,339	5,341	5,344
Inactive Vested ¹	65	217	195	185	196	156	160	147	134	129
Active	4,817	4,678	4,644	4,234	3,937	3,663	3,289	3,027	2,792	2,587
Ratio	1.05	1.13	1.14	1.27	1.37	1.47	1.67	1.81	1.96	2.12

¹ Excluding terminated participants due a refund of employee contributions.

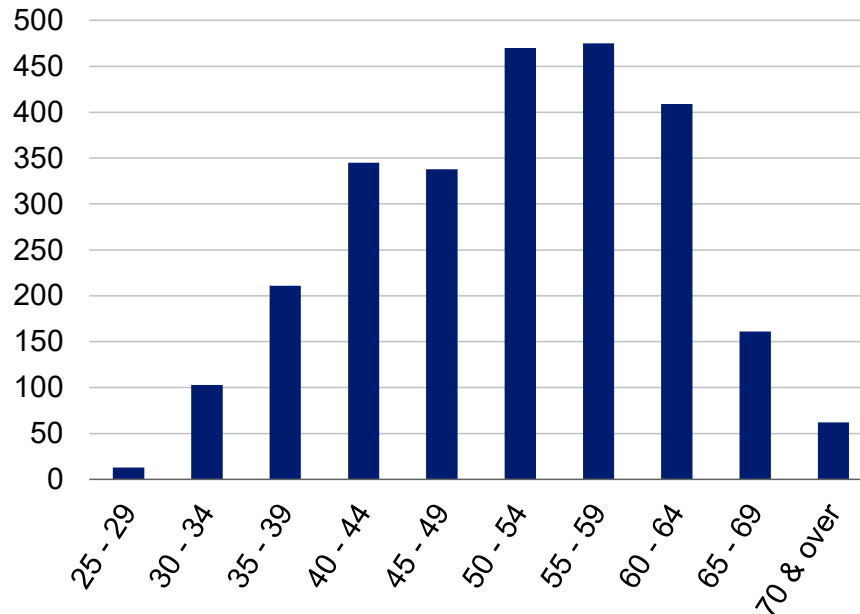
Section 2: Actuarial Valuation Results

Active participants

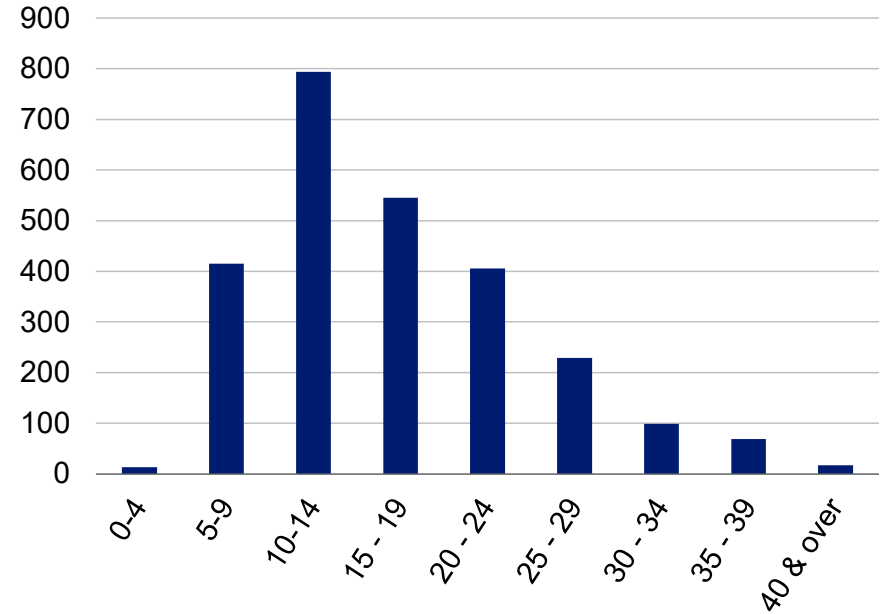
As of September 30,	2024	2023	Change
Active participants	2,587	2,792	-7.3%
Average age	52.4	52.0	0.4
Average years of service	17.6	16.9	0.7
Average compensation	\$90,763	\$82,632	9.8%

Distribution of Active Participants as of September 30, 2024

Actives by Age



Actives by Years of Service



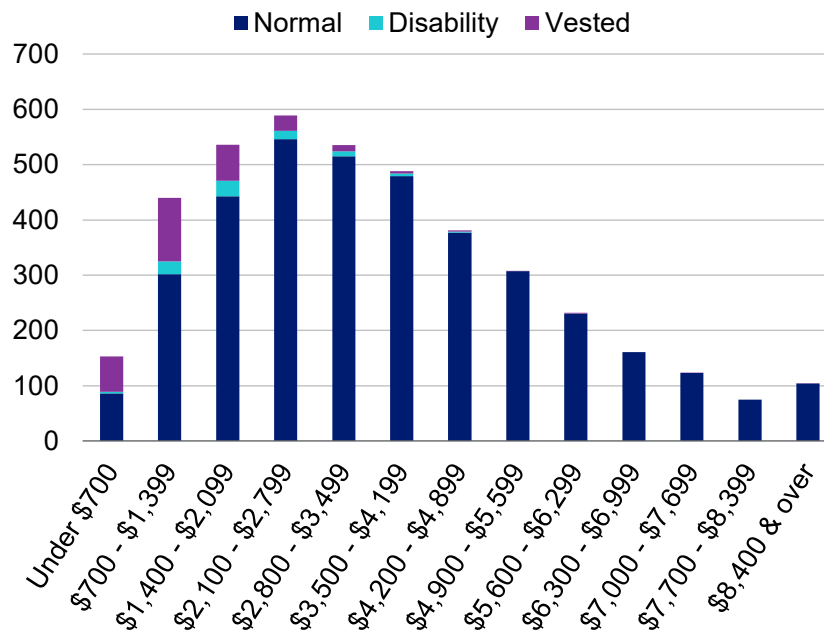
Section 2: Actuarial Valuation Results

Retired participants and beneficiaries

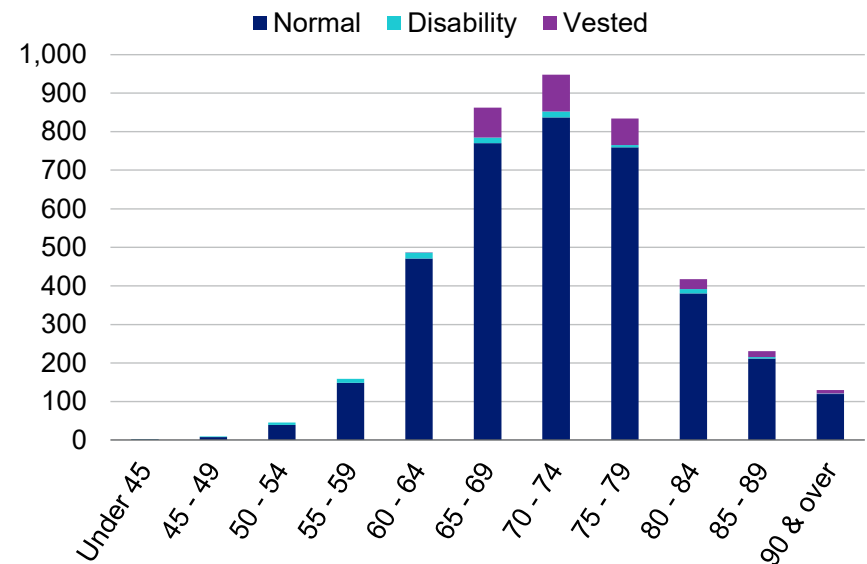
As of September 30,	2024	2023	Change
Retired participants	4,127	4,129	0.0%
Beneficiaries	1,217	1,212	0.4%
Average age	73.2	73.0	0.2
Average regular benefit amount	\$3,353	\$3,256	3.0%

Distribution of Retired Participants and Beneficiaries as of September 30, 2024

By Type and Monthly Amount



By Type and Age



Section 2: Actuarial Valuation Results

Actuarial value of assets

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Determination of Actuarial Value of Assets for Year Ended September 30, 2024

Step	Original Amount ¹	Percent Deferred ²	Unrecognized Amount ³	Amount
1. Market value of assets, September 30, 2024				\$2,144,143,000
2. Calculation of unrecognized return				
a. Year ended September 30, 2024	\$205,392,030	80%	\$164,313,624	
b. Year ended September 30, 2023	120,038,807	60%	72,023,283	
c. Year ended September 30, 2022	-499,432,276	40%	-199,772,910	
d. Year ended September 30, 2021	278,128,416	20%	55,625,683	
e. Year ended September 30, 2020	13,253,788	0%	0	
f. Total unrecognized return				\$92,189,680
3. Preliminary actuarial value: (1) - (2f)				2,051,953,320
4. Adjustment to be within 20% corridor				0
5. Final actuarial value of assets as of September 30, 2024: (3) + (4)				\$2,051,953,320
6. Actuarial value as a percentage of market value: (5) ÷ (1)				95.7%
7. Amount deferred for future recognition: (1) - (5)				\$92,189,680

¹ Total return minus expected return on a market value basis.

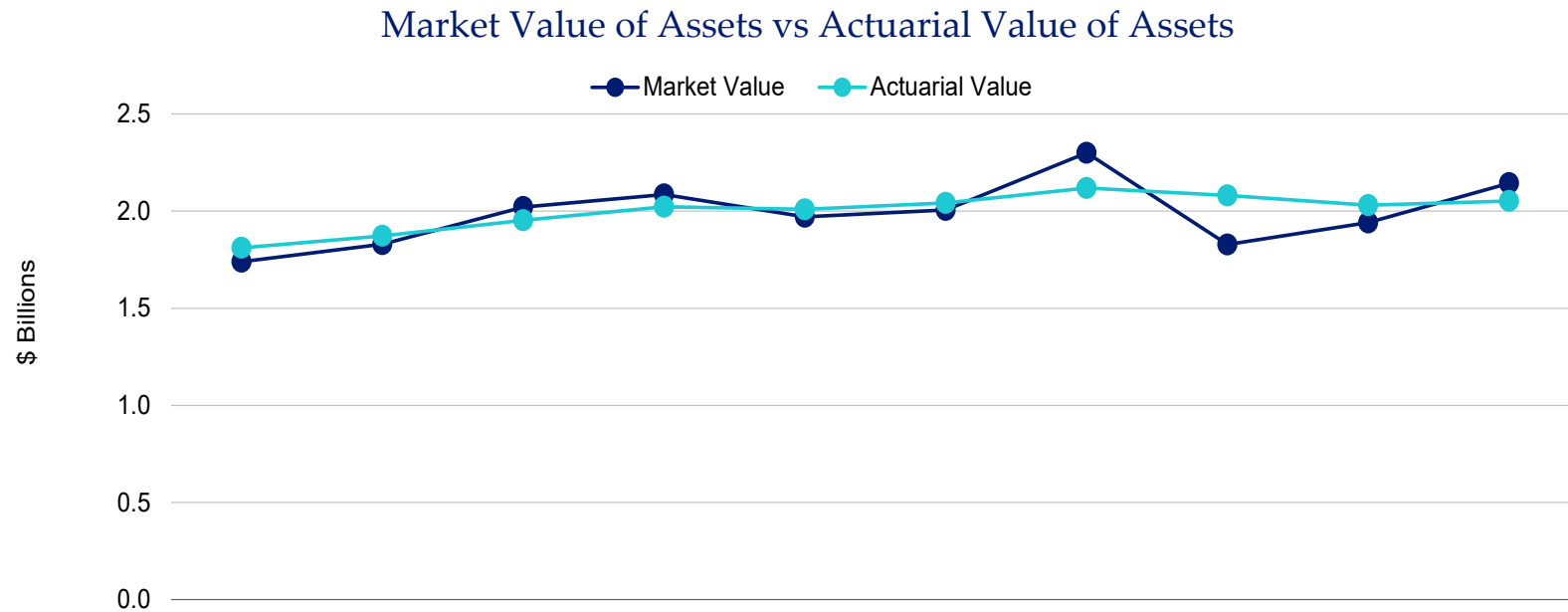
² Percent deferred applies to the current valuation year.

³ Recognition at 20% per year over five years. Deferred return as of September 30, 2024 recognized in each of the next four years:

a. Amount recognized on September 30, 2025	\$20,825,395
b. Amount recognized on September 30, 2026	-34,800,288
c. Amount recognized on September 30, 2027	65,086,167
d. Amount recognized on September 30, 2028	41,078,406

Section 2: Actuarial Valuation Results

Asset history for years ended September 30



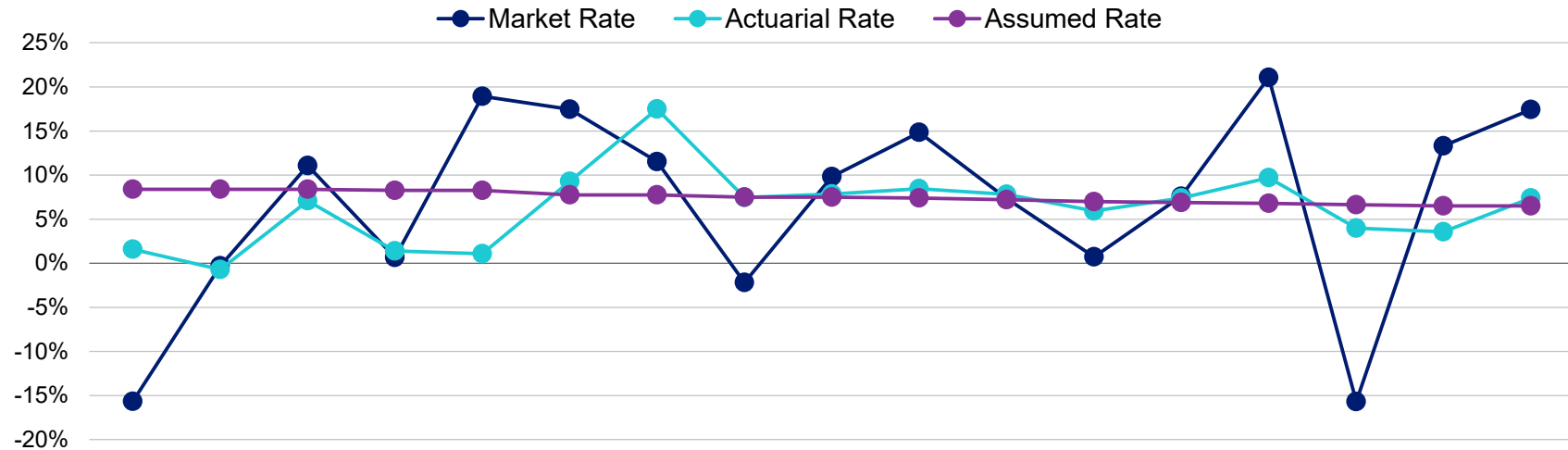
Legend	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarial value ¹	\$1.81	\$1.87	\$1.95	\$2.02	\$2.01	\$2.04	\$2.12	\$2.08	\$2.03	\$2.05
Market value ¹	1.74	1.83	2.02	2.09	1.97	2.01	2.30	1.83	1.94	2.14
Ratio (AVA/MVA)	1.04	1.02	0.97	0.97	1.02	1.02	0.92	1.14	1.05	0.96

¹ In \$ billions

Section 2: Actuarial Valuation Results

Historical investment returns

Market and Actuarial Rates of Return versus Assumed Rate for Years Ended September 30



Legend	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market rate	-15.65%	-0.31%	11.07%	0.66%	18.92%	17.48%	11.51%	-2.18%	9.82%	14.86%	7.35%	0.73%	7.59%	21.08%	-15.68%	13.30%	17.43%
Actuarial rate	1.59%	-0.70%	7.07%	1.39%	1.07%	9.27%	17.48%	7.46%	7.86%	8.46%	7.81%	5.94%	7.41%	9.71%	3.99%	3.56%	7.40%
Assumed rate	8.40%	8.40%	8.40%	8.25%	8.25%	7.75%	7.75%	7.50%	7.50%	7.40%	7.20%	7.00%	6.90%	6.80%	6.63%	6.50%	6.50%

Average Rates of Return	Market Value	Actuarial Value
Most recent five-year average return:	7.87%	6.38%
Most recent ten-year average return:	6.93%	6.91%
Most recent 15-year average return:	8.32%	6.99%

Section 2: Actuarial Valuation Results

Actuarial experience

Assumptions should consider experience and should be based on reasonable expectations for the future.

Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the actuarial valuation.

Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term. On the other hand, if experience is expected to continue, assumptions are changed.

Actuarial Experience for Year Ended September 30, 2024

Assumption	Amount
1. Net gain from investments ¹	\$17,643,952
2. Net loss from administrative expenses	-146,045
3. Net loss from contributions	-51,795,779
4. Net loss from other experience	-41,196,209
5. Net experience loss: 1 + 2 + 3 + 4	-\$75,494,081

¹ Details on next page

Section 2: Actuarial Valuation Results

Investment experience

Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.

The assumed long-term rate of return of 6.50% considers past experience, the asset allocation policy of the Board and future expectations.

Investment Experience *Year Ended September 30, 2024*

Investment	YE 2024 Market Value	YE 2024 Actuarial Value
1. Net investment income	\$327,497,000	\$145,581,125
2. Average value of assets	1,878,538,000	1,968,264,195
3. Rate of return: $1 \div 2$	17.43%	7.40%
4. Assumed rate of return	6.50%	6.50%
5. Expected investment income: 2×4	\$122,104,970	\$127,937,173
6. Net investment gain/(loss): $1 - 5$	\$205,392,030	\$17,643,952

Section 2: Actuarial Valuation Results

Non-investment experience

Contributions

Total City and employee contributions for the year ended September 30, 2024 totaled \$122,793,000, compared to the projected amount of \$167,329,009. This resulted in a loss of \$51,795,779 for the year, when adjusted for timing.

Administrative expenses

Administrative expenses for the year ended September 30, 2024 totaled \$1,554,000, as compared to the assumption of \$1,365,000. This resulted in an experience loss of \$146,045 for the year, including an adjustment for interest.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths)
- The extent of turnover among participants
- Retirement experience (earlier or later than projected)
- The number of disability retirements (more or fewer than projected)
- Salary increases (greater or smaller than projected)

The net loss from this other experience for the year ended September 30, 2024 amounted to \$41,196,209, which is 1.07% of the actuarial accrued liability. The primary cause of the new loss from other experience was salary increases greater than expected.

Section 2: Actuarial Valuation Results

Actuarial assumptions

There are no assumption changes reflected in this report.

Plan provisions

There were no changes in plan provisions since the prior valuation.

Section 2: Actuarial Valuation Results

Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended September 30, 2024

Unfunded Actuarial Accrued Liability	Amount
1. Unfunded actuarial accrued liability at beginning of year	\$1,735,014,055
2. Employer normal cost at beginning of year	25,536,498
3. Actuarial determined contribution at beginning of year	-151,154,760
4. Interest on 1, 2 & 3	109,983,834
5. Expected unfunded actuarial accrued liability	\$1,719,379,627
6. Changes due to:	
a. Net experience (gain)/loss	75,494,081
7. Unfunded actuarial accrued liability at end of year	\$1,794,873,708

Section 2: Actuarial Valuation Results

Florida's Chapter 112 Determined Employer Contribution and City's Minimum Required Contribution

The chart below shows the calculations of the Florida Chapter 112 determined employer contribution and the City's minimum required contribution pursuant to State Law Chapter 2016-146 and City of Jacksonville Ordinances 2017-257-E and 2017-258-E.

The contribution requirements as of October 1, 2024 are based on the data previously described, the actuarial assumptions and Plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions. The contribution calculated as of October 1, 2024 is then projected to the following fiscal year and will be paid in the plan year beginning October 1, 2025.

Florida Chapter 112 Determined Contribution and City's Minimum Required Contribution for Year Beginning October 1

	2025		2024	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
1. Total normal cost	\$47,755,057	20.04%	\$45,390,918	19.38%
2. Administrative expenses	1,554,000	0.65%	1,365,000	0.59%
3. Expected employee contributions	-21,592,106	-9.06%	-21,219,420	-9.06%
4. Employer normal cost: (1) + (2) + (3)	\$27,716,951	11.63%	\$25,536,498	10.91%
5. Actuarial accrued liability	\$3,846,827,028		\$3,765,170,250	
6. Actuarial value of assets	2,051,953,320		2,030,156,195	
7. Unfunded actuarial accrued liability: (5) - (6)	\$1,794,873,708		\$1,735,014,055	
8. Payment on projected unfunded actuarial accrued liability	127,678,726	53.57%	\$120,573,091	51.49%
9. Florida Chapter 112 determined employer contribution: (4) + (8) ¹	163,172,920	68.47%	153,422,081	65.52%
10. Discounted and amortized value of projected surtax revenue ^{1,2}	-43,095,958	-18.08%	-40,122,169	-17.14%
11. City's minimum required contribution: (9) + (10)²	\$120,076,962	50.38%	\$113,299,912	48.38%
12. Projected payroll	\$238,325,054		\$234,170,408	

¹Adjusted for timing and projected to next fiscal year; contributions are assumed to be paid at the end of every month.

²Pursuant to State Law Chapter 2016-146 and City of Jacksonville ordinances 2017-257-E and 2017-258-E

Section 2: Actuarial Valuation Results

Reconciliation of City's Minimum Required Contribution

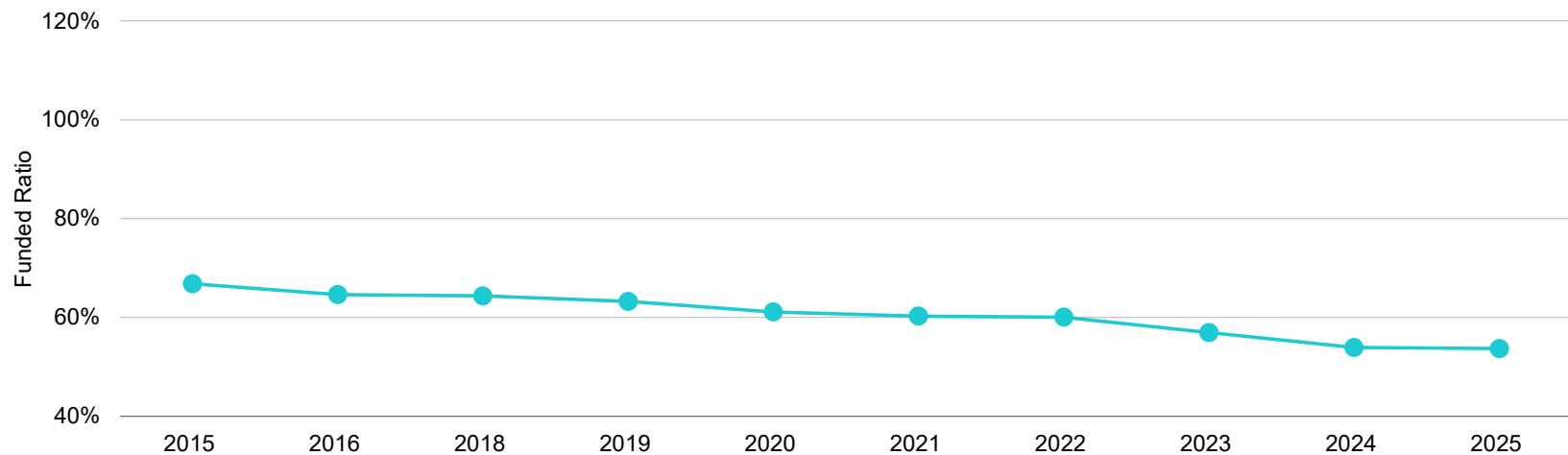
Reconciliation of City's Minimum Required Contribution
from October 1, 2024 to October 1, 2025

	Amount
1. City's minimum required contribution as of October 1, 2024	\$113,299,912
2. Effect of expected change in amortization payment due to payroll growth	1,297,280
3. Effect of change in administrative expense assumption	198,459
4. Effect of surtax allocation percentage change	-1,299,449
5. Effect of investment gain	-1,299,945
6. Effect of other gains and losses on accrued liability	5,789,583
7. Net effect of other changes, including composition and number of participants	2,091,122
8. Total change	\$6,777,050
9. City's minimum required contribution as of October 1, 2025	\$120,076,962

Section 2: Actuarial Valuation Results

Schedule of funding progress through September 30, 2024

Actuarial Valuation Date of October 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) – (a)	Funded Ratio (a) / (b)	Covered Compensation (c)	UAAL as a Percentage of Covered Compensation [(b) – (a)] / (c)
2015	\$1,811,172,111	\$2,711,408,803	\$900,236,692	66.80%	\$254,034,479	354.38%
2016	1,872,790,100	2,897,287,172	1,024,497,072	64.64%	250,894,295	408.34%
2017	1,952,332,857	3,033,646,298	1,081,313,441	64.36%	257,850,484	419.36%
2018	2,021,545,306	3,196,680,516	1,175,135,210	63.24%	253,982,175	462.68%
2019	2,008,173,331	3,286,313,481	1,278,140,150	61.11%	249,982,877	511.29%
2020	2,042,779,798	3,389,704,002	1,346,924,204	60.26%	246,864,141	545.61%
2021	2,119,188,413	3,529,433,595	1,410,245,182	60.04%	233,266,593	604.56%
2022	2,079,638,181	3,653,156,095	1,573,517,914	56.93%	227,912,274	690.41%
2023	2,030,156,195	3,765,170,250	1,735,014,055	53.92%	230,709,762	752.03%
2024	2,051,953,320	3,846,827,028	1,794,873,708	53.34%	234,803,009	764.42%



Section 2: Actuarial Valuation Results

History of employer contributions

History of Employer Contributions: 2017 – 2026

Fiscal Year Ended September 30	City's Minimum Required Contribution	Actual Employer Contribution	Percent Contributed
2017	\$94,526,754	\$94,700,000	100.18%
2018	70,166,221	71,024,000	101.22%
2019	69,247,524	70,338,000	101.57%
2020	71,249,679	72,194,000	101.33%
2021	76,832,977	77,269,000	100.57%
2022	83,696,811	84,353,000	100.78%
2023	83,607,476	83,375,000	99.72%
2024	96,592,629	96,957,000	100.38%
2025	113,299,912	--	--
2026	120,076,962	--	--

Section 2: Actuarial Valuation Results

Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the Actuarial Accrued Liability (AAL) used for funding, except for the discount rate. The LDROM is required to be calculated using “a discount rate...derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.”

The LDROM is a calculation assuming a plan’s assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in December of the measurement period, by The Bond Buyer (www.bondbuyer.com), is 3.81% for use effective September 30, 2024. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan’s funded status or Actuarially Determined Contribution. The plan’s expected return on assets, currently 6.50%, is used for these calculations.

As of September 30, 2024, the LDROM for the system is \$5,277,736,899. The difference between the plan’s AAL of \$3,846,827,028 and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the plan’s diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the Actuarially Determined Contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

Section 2: Actuarial Valuation Results

Risk

The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.

We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition but have included a brief discussion of some risks that may affect the Plan.

- Economic and Other Related Risks. Potential implications for the Plan due to the following economic effects (that were not reflected as of the valuation date) include:

- Volatile financial markets and investment returns lower than assumed
- High inflationary environment impacting salary increases and COLAs

- Investment Risk (the risk that returns will be different than expected)

If the actual return on market value for the prior plan year were 1% different (either higher or lower), the unfunded actuarial liability would change by 1.05%, or about \$18,785,380, disregarding the asset smoothing method.

Since the Plan's assets are much larger than contributions, investment performance may create volatility in the actuarially determined contribution requirements. For example, for the prior plan year, if the actual return on market value were 1% different, the actuarially determined contribution would increase or decrease by \$1,318,075, disregarding the effects of the 5-year phase-in of investment gains and losses.

The market value rate of return over the last 17 years has ranged from a low of -15.68% to a high of 21.08%.

- Longevity Risk (the risk that mortality experience will be different than expected)

The actuarial valuation includes an expectation of future improvement in life expectancy. Emerging plan experience that does not match these expectations will result in either an increase or decrease in the actuarially determined contribution.

- Contribution Risk (the risk that actual contributions will be different from actuarially determined contribution)

The Plan's funding policy requires payment of the City's minimum required contribution, which is the Florida Chapter 112 determined contribution reduced for anticipated funding from allocated surtax income. This policy produces a risk that this reduction in immediate funding might be either too large or too small, depending on whether the surtax income grows as quickly as expected.

If the City paid the Florida Chapter 112 determined contribution, the effective amortization period would be 22 years, meaning that the current contribution level, with amortization payments growing 1.5%, would be adequate to be expected to reduce the unfunded liability to zero over 22 years. Under the City's current policy of paying the City's required contribution, over the

Section 2: Actuarial Valuation Results

immediate term, the unfunded liability is expected to remain relatively stable until the surtax income becomes payable to the Plan's trust. If plan experience is less favorable than anticipated, the unfunded liability will grow. By comparison, the surtax revenue is assumed to grow 4.25% per year.

If the surtax revenue for fiscal 2024 had been 1% lower, the City's required contribution would increase by \$136,065 or 0.06% of projected payroll. For comparison purposes, the allocated surtax revenue is 41.8% of the market value of assets and 23.3% of the actuarial accrued liability.

- Demographic Risk (the risk that participant experience will be different than assumed)

Examples of this risk include:

- Actual retirements occurring earlier or later than assumed. The value of retirement plan benefits is sensitive to the rate of benefit accruals and any early retirement subsidies that apply.
- More or less active participant turnover than assumed.
- Participants' use of plan provisions allowing conversion of benefits from the DB plan to the DC plan.
- There are external factors including legislative or financial reporting changes that could impact the Plan's funding and disclosure requirements. While we do not assume any changes in such external factors, it is important to understand that they could have significant consequences for the Plan.
- Actual Experience Over the Last Ten Years

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

- The non-investment gain(loss) for a year has ranged from a loss of \$55,702,357 to a gain of 12,506,125.

Plan Year Ended	Market Value Gain/(Loss)	All Other Gains and (Losses)
2015	-\$175,540,475	-\$2,047,490
2016	39,489,525	-55,702,357
2017	133,575,436	-16,295,664
2018	2,936,856	12,506,125
2019	-126,629,625	-49,001,354
2020	13,253,788	-9,907,379
2021	278,128,416	-19,465,245
2022	-499,432,276	-32,667,321
2023	120,038,807	-40,230,178
2024	205,392,030	-37,343,990

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- The funded percentage on the actuarial value of assets has ranged from a low of 53.3% to a high of 66.8% since 2015.

Maturity Measures

- As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities.
- Currently the Plan has a non-active to active participant ratio of 2.12.
- For the prior year, benefits paid were \$123,784,000 more than contributions received. Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return.

Detailed Risk Assessment

A more detailed assessment of the risks would provide the Board with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing, and stochastic modeling.

A detailed risk assessment could be important for the Plan because:

- Relatively small changes in investment performance can produce large swings in the unfunded liabilities
- The Plan's asset allocation has potential for a significant amount of investment return volatility.
- Retired participants account for most of the Plan's liabilities, leaving limited options for reducing plan costs in the event of adverse experience.
- The Board has not to our knowledge performed a detailed risk assessment.

Section 2: Actuarial Valuation Results

GFOA funded liability by type

The Actuarial Accrued Liability represents the present value of benefits earned, calculated using the Plan's actuarial cost method. The Actuarial Value of Assets reflects the financial resources available to liquidate the liability. The portion of the liability covered by assets reflects the extent to which accumulated plan assets are sufficient to pay future benefits, and is shown for liabilities associated with employee contributions, pensioner liabilities, and other liabilities. The Government Finance Officers Association (GFOA) recommends that the funding policy aim to achieve a funded ratio of 100 percent.

GFOA Funded Liability by Type as of September 30

Type	2024	2023
Actuarial accrued liability (AAL)		
Active member contributions	\$215,823,650	\$176,719,528
Retirees and beneficiaries	2,615,533,808	2,578,163,782
Active and inactive members (employer-financed)	1,015,469,570	1,010,286,940
Total	\$3,846,827,028	\$3,765,170,250
Actuarial value of assets	2,051,953,320	2,030,156,195
Cumulative portion of AAL covered		
Active member contributions	100.00%	100.00%
Retirees and beneficiaries	70.20%	71.89%
Active and inactive members (employer-financed)	0.00%	0.00%

Section 2: Actuarial Valuation Results

Actuarial balance sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current participants is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet

Description	Year Ended September 30, 2024	Year Ended September 30, 2023
Liabilities		
Present value of benefits for retired participants and beneficiaries	\$2,615,533,808	\$2,578,163,782
Present value of benefits for inactive vested participants	19,132,024	19,583,436
Present value of benefits for active participants	1,629,730,296	1,574,997,668
Total liabilities	\$4,264,396,128	\$4,172,744,886
Current and future assets		
Total valuation value of assets	\$2,051,953,320	\$2,030,156,195
Present value of future contributions by members	183,577,378	184,847,707
Present value of future employer contributions for:		
• Entry age cost	233,991,722	222,726,929
• Unfunded actuarial accrued liability	1,794,873,708	1,735,014,055
Total of current and future assets	\$4,264,396,128	\$4,172,744,886

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Exhibit A: Table of plan demographics

Category	Year Ended September 30, 2024	Year Ended September 30, 2023	Change From Prior Year
Active participants in valuation:			
• Number	2,587	2,792	-7.3%
• Average age	52.4	52.0	0.4
• Average years of service	17.6	16.9	0.7
• Covered payroll	\$234,803,009	\$230,709,762	-2.8%
• Average compensation	\$90,763	\$82,632	4.9%
• Account balances	215,823,650	176,719,528	21.5%
• Total active vested participants	2,574	2,781	-7.4%
Inactive participants	129	134	-3.7%
Retired participants:			
• Number in pay status	4,042	4,039	0.1%
• Average age	72.5	72.1	0.4
• Average monthly benefit ¹	\$3,653	\$3,693	-1.1%
Disabled participants:			
• Number in pay status	85	90	-5.6%
• Average age	67.8	67.8	0.0
• Average monthly benefit ¹	\$1,931	\$1,872	3.2%

¹September 30, 2024 values do not include supplemental benefit amounts

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Category	Year Ended September 30, 2024	Year Ended September 30, 2023	Change From Prior Year
• Beneficiaries:			
• Number in pay status	1,217	1,212	0.9%
• Average age	76.4	76.6	-0.2
• Average monthly benefit	\$2,455	\$2,435	0.8%

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Exhibit B: Participants in active service as of September 30, 2024 by age, years of service, and average compensation¹

Age	Years of Service									
	Total	0-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
25 - 29	13	—	13	—	—	—	—	—	—	—
	80,631	—	80,631	—	—	—	—	—	—	—
30 - 34	103	1	61	40	1	—	—	—	—	—
	82,812	86,828	78,577	88,933	92,358	—	—	—	—	—
35 - 39	211	3	66	98	41	3	—	—	—	—
	93,539	107,412	87,230	97,275	94,981	76,725	—	—	—	—
40 - 44	345	3	74	116	112	38	2	—	—	—
	92,211	83,079	84,584	86,764	103,825	90,641	83,533	—	—	—
45 - 49	338	1	40	121	82	65	26	3	—	—
	94,913	149,923	79,479	92,861	100,072	97,794	101,727	102,679	—	—
50 - 54	470	3	56	134	103	96	60	13	5	—
	90,863	123,136	80,665	85,732	98,486	92,745	94,805	89,825	85,406	—
55 - 59	475	—	46	120	89	91	71	36	22	—
	93,752	—	83,435	86,719	91,194	98,713	96,003	116,243	87,303	—
60 - 64	409	1	41	107	68	76	44	33	30	9
	87,417	129,789	86,104	79,211	87,635	94,721	81,386	97,596	95,801	87,134
65 - 69	161	—	15	45	35	22	21	11	7	5
	85,848	—	93,783	78,762	75,084	109,183	85,266	80,581	81,301	118,897
70 & over	62	1	3	13	14	15	5	3	5	3
	77,133	190,000	104,453	53,156	83,828	84,530	76,571	79,210	64,768	67,334
Total	2,587	13	415	794	545	406	229	99	69	17
	\$90,763	\$115,186	\$83,476	\$86,897	\$95,613	\$95,533	\$92,013	\$101,062	\$88,619	\$92,982

¹ Compensation is annualized for those hired during the prior plan year

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Exhibit C: Reconciliation of participant data

	Active Participants	Inactive Vested Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of October 1, 2023	2,792	134	90	4,039	1,212	8,267
New participants	0	N/A	N/A	N/A	N/A	0
Terminations — with vested rights	-2	2	0	0	0	0
Terminations — without vested rights	0	N/A	N/A	N/A	N/A	0
Retirements	-132	-7	N/A	139	N/A	0
New disabilities	-2	0	2	N/A	N/A	0
Return to work	0	0	0	0	N/A	0
Deceased	-9	0	-6	-138	-73	-226
New beneficiaries	0	0	0	0	93	93
Lump sum cash-outs	-57	0	0	0	0	-57
Rehire	0	0	N/A	0	N/A	0
Certain period expired	N/A	N/A	0	0	-8	-8
Data adjustments	5	0	-3	2	-7	-3
Active participants no longer accruing benefits	0	0	N/A	N/A	N/A	0
Net transfers (to)/from DC Plan or Corrections	-8	0	2	0	0	-6
Number as of October 1, 2024	2,587	129	85	4,042	1,217	8,060

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Exhibit D: Summary statement of income and expenses on a market value basis

Year Ended September 30, 2024 versus Year Ended September 30, 2023

Item	Income and Expenses	Assets as of YE 2024	Income and Expenses	Assets as of YE 2023
Net assets at market value at the beginning of the year		\$1,940,430,000		\$1,826,945,000
Contribution and other income:				
• Employer contributions	\$96,957,000		\$83,375,000	
• Employee contributions	25,836,000		25,806,000	
• Total contribution income		\$122,793,000		\$109,181,000
Investment income:				
• Interest, dividends and other income	\$16,915,000		\$15,904,000	
• Realized appreciation	112,953,000		147,765,000	
• Unrealized appreciation	213,515,000		86,322,000	
• Less investment fees	-15,886,000		-15,145,000	
• Net investment income		\$327,497,000		\$234,846,000
• Total income available for benefits		\$450,290,000		\$344,027,000
Less benefit payments and administrative expenses:				
• Administrative expenses	-\$1,554,000		-\$1,365,000	
• Benefit payments	-218,807,000		-212,880,000	
• Refunds	-26,216,000		-16,297,000	
• Net benefit payments and administrative expenses		-\$246,577,000		-\$230,542,000
Change in market value of assets		\$203,713,000		\$113,485,000
Net assets at market value at the end of the year		\$2,144,143,000		\$1,940,430,000

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Exhibit E: Summary statement of plan assets

Year Ended September 30, 2024 versus Year Ended September 30, 2023

Item	Investments	Assets as of YE 2024	Investments	Assets as of YE 2023
Cash and accounts receivable				
• Cash equivalents		\$28,677,000		\$39,781,000
• Total accounts receivable		2,188,000		2,544,000
Investments:				
• Equities	\$1,397,085,000		\$1,212,882,000	
• Fixed income	489,708,000		411,767,000	
• Real estate	391,945,000		436,135,000	
• Alternatives	177,621,000		119,572,000	
• Pooled investments	-343,033,000		-282,176,000	
• Total investments at market value		\$2,113,326,000		\$1,898,180,000
Total assets		\$2,144,191,000		\$1,940,505,000
Total accounts payable		-\$48,000		-\$75,000
Net assets at market value		\$2,144,143,000		\$1,940,430,000
Net assets at actuarial value		\$2,051,953,320		\$2,030,156,195

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Exhibit F: Development of the fund through September 30, 2024

Year Ended September 30	Employer Contributions	Employee Contributions	Other Income	Net Investment Return ¹	Admin. Expenses	Benefit Payments	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2015	\$81,751,000	\$20,893,000	\$0	-\$39,506,000	\$762,000	\$170,674,000	\$1,739,891,000	\$1,811,172,111	104.1%
2016	84,898,000	21,840,000	0	167,067,000	762,000	183,692,000	1,829,242,000	1,872,790,100	102.4%
2017	94,700,000	23,037,000	0	266,138,000	787,000	192,662,000	2,019,668,000	1,952,332,857	96.7%
2018	71,024,000	29,919,000	11,397,000	145,470,000	1,193,000	191,229,000	2,085,056,000	2,021,545,306	97.0%
2019	70,338,000	28,334,000	0	14,787,000	959,000	227,350,000	1,970,206,000	2,008,173,331	101.9%
2020	72,194,000	26,014,000	0	145,398,000	1,084,000	207,269,000	2,005,459,000	2,042,779,798	101.9%
2021	77,269,000	29,116,000	0	410,544,000	1,194,000	221,533,000	2,299,661,000	2,119,188,413	92.2%
2022	84,353,000	27,713,000	0	-351,108,000	1,832,000	231,842,000	1,826,945,000	2,079,638,181	113.8%
2023	83,375,000	25,806,000	0	234,846,000	1,365,000	229,177,000	1,940,430,000	2,030,156,195	104.6%
2024	96,957,000	25,836,000	0	327,497,000	1,554,000	245,023,000	2,144,143,000	2,051,953,320	95.7%

¹ On a market basis, net of investment fees

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Exhibit G: Table of amortization bases

Florida Chapter 112 Recommended Contribution Amortization Bases

Type	Date Established	Initial Period	Initial Amount	Annual Payment ¹	Years Remaining	Outstanding Balance
Fresh start	10/01/2016	30	\$1,024,497,072	\$71,491,055	22	\$994,079,484
Experience gain	10/01/2017	30	-5,594,096	-383,699	23	-5,468,534
Plan change	10/01/2017	30	-3,528,667	-242,031	23	-3,449,464
Change in assumptions	10/01/2017	30	64,164,450	4,401,043	23	62,724,254
Experience gain	10/01/2018	29	-922,806	-63,215	23	-900,953
Change in assumptions	10/01/2018	29	88,449,536	6,059,080	23	86,354,819
Plan change	10/01/2018	29	5,920,390	405,566	23	5,780,181
Experience loss	10/01/2019	28	99,415,197	6,811,589	23	97,079,678
Change in assumptions	10/01/2019	28	4,913,569	336,661	23	4,798,136
Experience loss	10/01/2020	27	35,775,946	2,454,974	23	34,988,619
Change in assumptions	10/01/2020	27	36,145,490	2,480,332	23	35,350,028
Experience gain	10/01/2021	26	-982,671	-67,631	23	-963,891
Change in assumptions	10/01/2021	26	65,604,895	4,515,192	23	64,351,118
Plan change	10/01/2021	26	3,982,042	274,060	23	3,905,942
Experience loss	10/01/2022	25	122,573,882	8,476,005	23	120,801,170
Change in assumptions	10/01/2022	25	48,782,223	3,373,299	23	48,076,715
Experience loss	10/01/2023	24	150,562,588	10,479,381	23	149,353,550
Change in assumptions	10/01/2023	24	22,701,068	1,580,028	23	22,518,775
Experience loss	10/01/2024	23	75,494,081	5,297,037	23	75,494,081
Total				\$127,678,726		\$1,794,873,708

¹ Level percentage of payroll

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City's Minimum Recommended Contribution Surtax Amortization Bases

Type	Date Established	Initial Period	Initial Amount	Annual Payment ¹	Years Remaining	Outstanding Balance
Discounted surtax revenue applied	10/01/2016	30	-\$322,190,859	-\$23,334,130	22	-\$324,459,895
Surtax offset gain	10/01/2017	30	-7,927,401	-546,503	23	-7,788,837
Allocation change	10/01/2017	30	-10,588,075	-729,926	23	-10,403,005
Discount rate change	10/01/2017	30	-18,720,570	-1,290,568	23	-18,393,350
Surtax offset gain	10/01/2018	29	-8,089,137	-556,951	23	-7,937,736
Allocation change	10/01/2018	29	-20,241,389	-1,393,645	23	-19,862,416
Discount rate change	10/01/2018	29	-21,761,957	-1,498,338	23	-21,354,514
Surtax offset gain	10/01/2019	28	-2,042,344	-140,645	23	-2,004,497
Allocation change	10/01/2019	28	-17,780,689	-1,224,461	23	-17,451,183
Discount rate change	10/01/2019	28	-12,100,053	-833,266	23	-11,875,818
Surtax offset loss	10/01/2020	27	35,288,381	2,433,818	23	34,687,106
Allocation change	10/01/2020	27	-17,315,069	-1,194,210	23	-17,020,041
Discount rate change	10/01/2020	27	-12,334,670	-850,715	23	-12,124,501
Surtax offset gain	10/01/2021	26	-58,945,999	-4,077,510	23	-58,113,215
Allocation change	10/01/2021	26	3,362,614	232,604	23	3,315,106
Discount rate change	10/01/2021	26	-24,944,399	-1,725,495	23	-24,591,987
Surtax offset gain	10/01/2022	25	-35,356,259	-2,444,891	23	-34,844,922
Allocation change	10/01/2022	25	10,831,989	749,034	23	10,675,333
Discount rate change	10/01/2022	25	-19,473,682	-1,346,609	23	-19,192,047
Surtax method change	10/01/2022	25	28,602,830	1,977,891	23	28,189,164
Surtax offset gain	10/01/2023	24	-16,528,589	-1,150,415	23	-16,395,863
Allocation change	10/01/2023	24	2,326,660	161,939	23	2,307,976
Surtax offset gain	10/01/2024	23	-14,556,942	-1,021,387	23	-14,556,942
Allocation change	10/01/2024	23	-17,637,220	-1,237,514	23	-17,637,220
Total				-\$41,041,893		-\$576,833,304

¹ Level percentage of payroll; per Part VII, Chapter 112.64 (5)(b) of Florida Statutes, outstanding balances were amortized using a 1.50% payroll growth rate for October 1, 2023 valuation.

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Exhibit H: Section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the Plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of \$160,000 indexed for inflation. That limit is \$275,000 for 2024 and \$280,000 for 2025. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

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Exhibit I: Supplementary state of Florida information Summary of salary changes

Year Ended September 30	Total Salary	Percent Change in Total Salary	Percent Change in Salary of Employees Remaining Active	Expected Percent Change in Salary of Employees Remaining Active
2010 ¹	\$275,173,962	-0.39%	0.61%	5.36%
2010	322,530,502	17.21%	N/A	N/A
2011	314,054,361	-2.63%	0.94%	5.62%
2012	283,020,575	-9.88%	2.31%	5.83%
2013	265,404,735	-6.22%	1.60%	2.84%
2014	262,368,813	-1.14%	0.04%	2.84%
2015	254,034,479	-3.18%	3.85%	2.48%
2016	250,894,295	-1.24%	2.76%	4.27%
2017	257,850,484	2.77%	4.64%	5.30%
2018	253,982,175	-1.50%	7.33%	5.13%
2019	249,982,877	-1.57%	5.78%	5.03%
2020	246,864,141	-1.25%	5.60%	4.01%
2021	233,266,593	-5.51%	3.78%	3.88%
2022	227,912,274	-2.30%	5.81%	3.77%
2023	230,709,762	1.23%	6.04%	3.65%
2024	234,803,009	1.77%	8.82%	4.69%

Note: The Plan was closed to new entrants as of October 1, 2017.

The average total payroll growth for the most recent ten years was -1.10% per year. Additional analysis of pay of DC Plan participants was used support a payroll increases assumption of 1.50%.

¹Prior to the inclusion of new participants with greater than one year of employment.

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Exhibit J: Supplementary State of Florida Information Recent History of Recommended and Actual Contributions

Fiscal Year Ended September 30	Valuation Date October 1	Contribution Rate as Percent of Valuation Payroll	Valuation Payroll	Florida Chapter 112 Recommended Contribution	City's Minimum Required Contribution	Actual Contribution
2012	2010	17.22%	\$333,819,070	\$57,497,706	--	\$49,899,000
2013	2011	20.51%	325,046,264	66,659,915	--	55,386,000
2014	2012	27.91%	291,511,192	81,351,295	--	71,000,000
2015	2013	31.60%	272,358,339	86,069,361	--	81,751,000
2016	2014	33.20%	268,245,874	89,058,931	--	84,898,000
2017	2015	36.79%	256,930,472	94,526,764	--	94,700,000
2018	2016	36.81%	254,657,709	93,743,647	\$70,166,211	71,024,000
2019	2017	36.41%	261,718,241	95,290,428	69,247,529	70,338,000
2020	2018	39.03%	257,791,908	100,620,425	71,249,679	72,194,000
2021	2019	42.79%	253,732,620	108,568,188	76,832,977	77,269,000
2022	2020	45.98%	250,567,103	115,204,974	83,696,811	84,353,000
2023	2021	50.98%	236,765,592	120,695,825	83,607,476	83,375,000
2024	2022	58.31%	231,330,958	134,889,081	96,592,629	96,957,000
2025	2023	65.52%	234,170,408	153,422,081	113,299,912	--
2026	2024	68.47%	238,325,054	163,172,920	120,076,962	--

The Plan was closed to new entrants as of October 1, 2017; as a result, valuation payroll is expected to continue declining.

Section 3: Supplemental Information

Exhibit K: Supplementary state of Florida information Comparative Summary of Principal Valuation Results

Item	Year Ended September 30, 2024	Year Ended September 30, 2023
Participant data		
Active members	2,587	2,792
Total annual payroll	\$234,803,009	\$230,709,762
Retired members and beneficiaries	5,344	5,341
Total annualized benefit	\$222,877,461	\$216,434,739
Terminated vested members	129	134
Total annualized benefit	\$2,208,591	\$2,308,236
Actuarial value of assets	\$2,051,953,320	\$2,030,156,195
Present value of all future expected benefit payments:		
Active members:		
Retirement benefits	\$1,348,853,588	\$1,333,653,904
Vesting benefits	18,382,767	18,387,256
Disability benefits	18,853,385	18,783,560
Death benefits	27,816,906	27,453,420
Return of contributions	<u>215,823,650</u>	<u>176,719,528</u>
Total	\$1,629,730,296	\$1,574,997,668
Terminated vested members	19,132,024	19,583,436
Retired members and beneficiaries	2,615,533,808	2,578,163,782
Total	\$4,264,396,128	\$4,172,744,886

Section 3: Supplemental Information

Exhibit K: Supplementary state of Florida information Comparative summary of principal valuation results

Item	Year Ended September 30, 2024	Year Ended September 30, 2023
Unfunded actuarial accrued liability	\$1,794,873,708	\$1,735,014,055
Actuarial present value of accrued benefits		
Vested accrued benefits		
Active members	\$840,972,265	\$814,362,482
Inactive members	19,132,024	19,583,436
Retirees and beneficiaries	2,615,533,808	2,578,163,782
Nonvested active members	24,691,949	22,161,521
Total	\$3,500,330,046	\$3,434,271,221
Pension cost		
Normal cost, including administrative expenses	\$49,309,057	\$46,755,918
Expected employee contributions	-21,592,106	-21,219,420
Level % of payroll payment to amortize unfunded actuarial accrued liability	127,678,726	120,573,091
Discounted and amortized value of allocated surtax revenue	-41,041,893	-38,209,843
Timing adjustment	<u>3,948,621</u>	<u>3,725,783</u>
Total minimum annual cost payable monthly at valuation date	\$118,302,405	\$111,625,529
Total employer cost projected to budget year	120,076,962	113,299,912
Projected payroll	238,325,054	234,170,408
As % of projected payroll	50.38%	48.38%
Present value of active members' future salaries at attained age	\$1,835,773,785	\$1,848,477,074
Present value of expected future employee contributions	183,577,379	184,847,707

Section 3: Supplemental Information

Exhibit L: Supplementary state of Florida Information Actuarial Present Value of Accumulated Plan Benefits

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Actuarial present value of accumulated benefits as of October 1, 2023	\$3,434,271,221
Benefits accumulated, net experience gain or loss, changes in data	95,817,443
Benefits paid	-245,023,000
Interest	215,264,382
Changes in assumptions	0
Plan changes	0
Net increase	66,058,825
Actuarial present value of accumulated benefits as of October 1, 2024	\$3,500,330,046

Section 3: Supplemental Information

Exhibit M: Actuarial Projections through Fiscal 2062

City of Jacksonville General Employees Retirement Plan
Actuarial Projections through Fiscal Year Ending September 30, 2062

Plan Year Beginning	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Contributions for Fiscal Year Ending	Surtax Contribution	% of Total Contribution	Required City Contribution	% of Total Contribution	Total Contribution
					2025	\$0	0.0%	\$113,299,912	100.0%	\$113,299,912
2024	\$3,846,827,028	\$2,051,953,320	\$1,794,873,708	53.34%	2026	0	0.0%	120,076,962	100.0%	120,076,962
2025	3,899,319,191	2,101,353,380	1,797,965,811	53.89%	2027	0	0.0%	118,127,280	100.0%	118,127,280
2026	3,945,389,640	2,095,490,018	1,849,899,622	53.11%	2028	0	0.0%	121,014,215	100.0%	121,014,215
2027	3,986,099,733	2,181,865,779	1,804,233,954	54.74%	2029	0	0.0%	115,804,423	100.0%	115,804,423
2028	4,022,651,414	2,242,704,881	1,779,946,533	55.75%	2030	0	0.0%	112,731,772	100.0%	112,731,772
2029	4,054,117,013	2,251,759,277	1,802,357,736	55.54%	2031	47,412,421	29.5%	113,104,449	70.5%	160,516,870
2030	4,079,148,561	2,250,727,292	1,828,421,269	55.18%	2032	65,903,265	36.7%	113,508,012	63.3%	179,411,277
2031	4,097,232,337	2,291,356,791	1,805,875,546	55.92%	2033	68,704,154	37.7%	113,728,505	62.3%	182,432,659
2032	4,107,838,729	2,346,659,263	1,761,179,466	57.13%	2034	71,624,080	38.6%	114,068,290	61.4%	185,692,370
2033	4,111,606,069	2,402,220,970	1,709,385,099	58.43%	2035	74,668,104	39.5%	114,390,449	60.5%	189,058,553
2034	4,106,037,847	2,456,292,608	1,649,745,239	59.82%	2036	77,841,498	40.4%	114,611,517	59.6%	192,453,015
2035	4,092,099,838	2,510,586,687	1,581,513,151	61.35%	2037	81,149,762	41.4%	114,909,426	58.6%	196,059,188
2036	4,070,478,618	2,566,319,638	1,504,158,980	63.05%	2038	84,598,627	42.3%	115,187,460	57.7%	199,786,087
2037	4,039,890,488	2,623,062,346	1,416,828,142	64.93%	2039	88,194,069	43.3%	115,504,596	56.7%	203,698,665
2038	4,001,534,611	2,682,769,176	1,318,765,435	67.04%	2040	91,942,316	44.2%	115,846,991	55.8%	207,789,307
2039	3,954,736,950	2,745,652,183	1,209,084,767	69.43%	2041	95,849,865	45.2%	116,245,807	54.8%	212,095,672
2040	3,900,333,687	2,813,451,315	1,086,882,372	72.13%	2042	99,923,484	46.1%	116,786,366	53.9%	216,709,850
2041	3,837,152,885	2,885,907,669	951,245,216	75.21%	2043	104,170,232	47.0%	117,330,419	53.0%	221,500,651
2042	3,767,023,770	2,966,062,034	800,961,736	78.74%	2044	108,597,467	47.9%	117,974,532	52.1%	226,571,999
2043	3,689,006,224	3,054,029,113	634,977,111	82.79%	2045	113,212,859	48.8%	118,699,601	51.2%	231,912,460
2044	3,603,972,920	3,151,932,494	452,040,426	87.46%	2046	118,024,406	49.7%	119,499,957	50.3%	237,524,363
2045	3,512,330,628	3,261,505,639	250,824,989	92.86%	2047	0	0.0%	120,389,430	100.0%	120,389,430
2046	3,415,275,502	3,385,346,024	29,929,478	99.12%	2048	0	0.0%	51,217,224	100.0%	51,217,224
2047	3,314,510,064	3,399,617,775	(85,107,711)	102.57%	2049	0	0.0%	6,467,628	100.0%	6,467,628
2048	3,208,910,598	3,345,772,072	(136,861,474)	104.27%	2050	0	0.0%	5,890,594	100.0%	5,890,594
2049	3,101,042,475	3,247,419,360	(146,376,885)	104.72%	2051	0	0.0%	5,428,644	100.0%	5,428,644
2050	2,992,291,295	3,148,688,299	(156,397,004)	105.23%	2052	0	0.0%	5,032,236	100.0%	5,032,236
2051	2,879,355,435	3,046,360,783	(167,005,348)	105.80%	2053	0	0.0%	4,622,013	100.0%	4,622,013
2052	2,765,874,348	2,944,196,583	(178,322,235)	106.45%	2054	0	0.0%	4,280,733	100.0%	4,280,733
2053	2,654,686,696	2,844,994,509	(190,307,813)	107.17%	2055	0	0.0%	4,082,170	100.0%	4,082,170
2054	2,543,805,763	2,746,734,142	(202,928,379)	107.98%	2056	0	0.0%	3,913,140	100.0%	3,913,140
2055	2,434,802,271	2,651,144,172	(216,341,901)	108.89%	2057	0	0.0%	3,807,653	100.0%	3,807,653
2056	2,329,612,628	2,560,177,021	(230,564,393)	109.90%	2058	0	0.0%	3,799,933	100.0%	3,799,933
2057	2,225,212,348	2,470,824,784	(245,612,436)	111.04%	2059	0	0.0%	3,784,308	100.0%	3,784,308
2058	2,122,440,465	2,384,089,367	(261,648,902)	112.33%	2060	0	0.0%	3,781,623	100.0%	3,781,623
2059	2,024,352,071	2,303,068,547	(278,716,476)	113.77%	2061	0	0.0%	3,874,684	100.0%	3,874,684
2060	1,928,584,758	2,225,380,794	(296,796,036)	115.39%	2062	0	0.0%	3,971,121	100.0%	3,971,121
2061	1,835,226,779	2,151,275,541	(316,048,762)	117.22%	2063	0	0.0%	4,069,950	100.0%	4,069,950
2062	1,744,379,794	2,080,931,754	(336,551,960)	119.29%	2064	0	0.0%	4,171,141	100.0%	4,171,141
Total:						\$1,391,816,610	33.2%	\$2,795,035,166	66.8%	\$4,186,851,776
Total Present Value at 6.50%:						\$530,126,968	28.3%	\$1,343,693,016	71.7%	\$1,873,819,984

Assumptions

Investment Return Assumption	6.50% per year
Actuarial Value of Assets	5-year smoothed market value
Payroll Growth Assumption	1.50% per year
Pension Liability Surtax Proceeds	35.60%, projected to increase 4.25% annually
Administrative Expenses	Projected to increase 2.5% annually

Projections are not a guarantee of future results. They are intended to serve as estimates of future financial outcomes that are based on assumptions about future experience and the information available at the time the modeling is undertaken and completed. Projected results will change if demographic or economic assumptions, or plan provisions, change in the future, or if the contributing employers make contributions other than expected.

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended September 30, 2022.

Net investment return

6.50%

The net investment return assumption was chosen by the Retirement System's Board of Trustees with input from the actuary. The assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Advisors, as well as the Plan's target asset allocation.

Salary Increases

COJ/JHA/NFTPO		JEA	
Service	Rate (%)	Service	Rate (%)
0	10.00	0	10.00
1-3	7.00	1	9.00
4-10	5.50	2-4	8.00
11-24	4.25	5-9	5.75
25+	3.50	10-18	5.00
		19-25	4.50
		26+	3.50

Inflation Rate

2.50%

Section 4: Actuarial Valuation Basis

Payroll growth

1.50% used for amortization of unfunded liability amounts, based on the requirement in the Florida Statutes that the assumption for this purpose may not exceed the average annual growth for the preceding ten years. Negotiated pay level increases and pay of DC Plan participants were taken into consideration in setting a payroll growth that is expected to be achieved and maintained on a ten-year average basis. The Fund's long-term payroll growth assumption is equal to the inflation assumption of 2.50%.

Cost-of-living adjustments

On the April 1st nearest the fifth anniversary of the initial benefit commencement date, and on each April 1st thereafter, the regular benefit is increased by 3%.

Mortality rates

Healthy pre-retirement:

FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018

Healthy post-retirement:

FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018

Disabled:

FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018

The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.

Section 4: Actuarial Valuation Basis

Annuitant mortality rates

Age	Rate (%)			
	Healthy		Disabled	
	Male	Female	Male	Female
55	1.04	0.55	2.53	1.91
60	1.16	0.61	3.08	2.27
65	1.45	0.88	3.93	2.83
70	2.34	1.51	5.08	3.79
75	3.90	2.62	6.98	5.46
80	6.63	4.65	10.12	8.31
85	11.21	8.64	14.68	12.60
90	18.13	15.47	21.29	17.72

Mortality rates shown for base table.

Section 4: Actuarial Valuation Basis

Termination rates before retirement

Age	Rate (%)		
	Mortality ¹		Disability ²
	Male	Female	
20	0.04	0.01	0.01
25	0.05	0.02	0.01
30	0.06	0.03	0.02
35	0.08	0.04	0.03
40	0.11	0.06	0.04
45	0.16	0.09	0.06
50	0.25	0.13	0.10
55	0.36	0.20	0.16
60	0.52	0.29	0.25
65	0.75	0.47	0.00

¹ Mortality rates shown for base table.

² 100% of disabilities are assumed to be non-service incurred.

Section 4: Actuarial Valuation Basis

Termination rates before retirement (Continued)

Withdrawal ¹		
Service	COJ	JEA
0	16.00	10.00
1	15.00	3.25
2	13.00	3.25
3	10.00	3.25
4	10.00	3.25
5	10.00	3.25
6	10.00	2.75
7	10.00	2.75
8	4.00	2.00
9	4.00	2.00
10	4.00	2.00
11	4.00	2.00
12	4.00	2.00
13	4.00	2.00
14	4.00	2.00
15	4.00	1.00
16	4.00	1.00
17	3.00	1.00
18	3.00	1.00
19	3.00	1.00
20+	3.00	0.50

¹All withdrawal rates are set to 0% after eligibility for retirement.

Section 4: Actuarial Valuation Basis

Retirement rates

Fewer Than 31 Years of Service		31 or More Years of Service	
Age	Rate (%) ¹	Service	Rate (%) ¹
45	50	31	5
46-47	5	32-33	15
48-49	20	34-35	20
50-53	4	36	25
54-58	9	37	40
59-62	15	38	15
63	10	39	5
64-65	25	40	100
66	20		
67-69	15		
70 & Over	100		

¹ 100% retirement is assumed at the earlier of age 70 or 40 years of service.

Interest on BACKDROP Account

4.00%.

Refund of Contributions

95% of participants that are vested and terminate are assumed to take a refund of their employee contributions in lieu of their accrued benefit deferred to age 65

Retirement Age for Inactive Vested Participants

65, or date of retirement as provided in data

Unknown data for participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Section 4: Actuarial Valuation Basis

Value of Applicable Tax Revenue

Smoothed revenue of \$127,283,574 for fiscal 2024 is used as the basis of the City's revenue projection. This amount is prior to the application of the allocation percentage. Smoothed revenue is calculated as actual revenue less unrecognized revenue growth. Unrecognized revenue growth is equal to the difference between actual and expected revenue growth, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the actual revenue. This method is applied prospectively to revenue growth occurring during fiscal 2022 and later.

Actual revenue for fiscal 2024 was \$131,031,172.

Tax Revenue Growth Rate

4.25%. This assumption is determined by the City. Segal has not reviewed the information used to set this assumption, but Segal previously reviewed the sensitivity of this assumption when it was initially set.

Projected Tax Revenue Allocation

35.60%. This percentage is determined by the City; last year's percentage was 34.90%.

Administrative Expenses

Previous year's actual expenses; \$1,554,000 for October 1, 2024.

Family Composition:

75% of males and 55% of females are assumed to be married. None are assumed to have dependent children. Females are assumed to be three years younger than their spouses.

Actuarial value of assets

Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and the expected market return, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Actuarial cost method

Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis based on each member's benefit accrual rate and are allocated by compensation.

Normal Cost is not included for participants who are assumed to retire with 100% certainty in the upcoming plan year based on the retirement assumptions.

Section 4: Actuarial Valuation Basis

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements.

Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Section 4: Actuarial Valuation Basis

Exhibit 2: Summary of plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan year

October 1 through September 30

Plan status

Closed as of October 1, 2017

Normal retirement

<i>Age Requirement</i>	Age 65 with five years of Credited Service, age 55 with 20 years of Credited Service or any age with 30 years of Credited Service.
<i>Regular Benefit Amount</i>	2.5% of Final Monthly Compensation times years of Credited Service, not more than 80% of Final Monthly Compensation.
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .

Early retirement

<i>Age Requirement</i>	Age 50 with 20 years of Credited Service
<i>Regular Benefit Amount</i>	Accrued Service Retirement Regular Benefit Amount reduced by 0.5 percent for each month the benefit commencement precedes age 55.
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .
<i>Age Requirement</i>	Any age with 25 years of Credited Service
<i>Regular Benefit Amount</i>	2.0% of Final Monthly Compensation times years of Credited Service

Section 4: Actuarial Valuation Basis

<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .

Off the job Disability

<i>Service Requirement</i>	5 years of Credited Service
<i>Regular Benefit Amount</i>	Final Monthly Compensation times 25% plus 2.5% per year of Credited Service in excess of 5, not to exceed 50% of Final Monthly Compensation
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .

On the job Disability

<i>Service Requirement</i>	Immediate eligibility
<i>Regular Benefit Amount</i>	Final Monthly Compensation times 25% plus 2.5% per year of Credited Service in excess of 5, not to exceed 50% of Final Monthly Compensation
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .

Vesting

<i>Age Requirement</i>	None
<i>Service Requirement</i>	5 years of Credited Service
<i>Regular Benefit Amount</i>	Accrued Service Retirement Regular Benefit payable at age 65.
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Credited Service, not less than \$25 per month or more than \$150 per month. Payable at Age 65.
<i>Minimum Benefit Amount</i>	\$77.96 per whole year of Credited Service, not to exceed 30. Minimum accrual rate increases 4% each October 1 st .

Section 4: Actuarial Valuation Basis

Spouse's pre-retirement death benefit [(applicable only if elected by employee)]

<i>Age Requirement</i>	None
<i>Service Requirement</i>	None
<i>Regular Benefit Amount</i>	If the Member is eligible for retirement, the surviving spouse is entitled to 75% of the member's accrued regular benefit. If the Member is not eligible for retirement, the surviving spouse is entitled to 75% of the pension the Member would have received if the Member had worked to eligibility for a Service Retirement at current salary with the benefit based on a 2% accrual rate.
<i>Supplemental Benefit Amount</i>	Monthly benefit of \$5 times years of Member's Credited Service, not less than \$25 per month or more than \$150 per month.
<i>Minimum Benefit Amount</i>	75% of \$77.96 per whole year of Member's Credited Service, not to exceed 30.

Member

All full-time JEA, JHA, NFTPO, and City General Employees hired prior to October 1, 2017.

Member Contributions

10.0% of Earnable Compensation

Credited Service

The number of full years and months worked from date of participation to date of termination or retirement, plus any prior service purchased.

Final Monthly Compensation

Average monthly rate of Earnable Compensation during the highest 36 consecutive months (78 pay periods) out of the last ten years of employment.

Earnable Compensation

Base pay for regular hours worked as an employee, plus service raises and excluding bonuses, adjusted compensation, overtime or any extra compensation over and above regularly budgeted salaries.

Cost of living adjustments (COLAs)

On the April 1st nearest the fifth anniversary of the initial benefit commencement date, and on each April 1st thereafter, the regular benefit is increased by 3%.

Section 4: Actuarial Valuation Basis

BACKDROP

Members with 30 or more years of service may elect to have their retirement benefits calculated as if the member had retired up to 5 years earlier on or after October 1, 2005. Benefits that would have been payable are accumulated with interest to date of termination and paid or rolled over in a single sum, and payments are made directly to the Member thereafter. The 5-year wait to receive COLA increases starts at termination of employment rather than at the start of BackDROP.

Partial Lump Sum Option (PLOP)

Members who are eligible for retirement may elect to receive a lump-sum benefit of up to 15% of the benefit value and a reduced life annuity actuarially equivalent to the benefit that would otherwise be payable.

Changes in plan provisions

There have been no changes in plan provisions since the last valuation.

Section 5: GASB Information

General information about the pension plan

Plan description

Plan membership. At September 30, 2024, pension plan membership consisted of the following:

Membership	Amount
Retired participants or beneficiaries currently receiving benefits	5,344
Inactive participants with a vested right to a deferred or immediate benefit	129
Active members	2,587
Total	8,060

Section 5: GASB Information

Exhibit 1: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date and reporting date for the Plan under GASB 67	September 30, 2024	September 30, 2023
Total Pension Liability	\$3,846,827,028	\$3,765,170,250
Plan Fiduciary Net Position	2,144,143,000	1,940,430,000
Net Pension Liability	1,702,684,028	1,824,740,250
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.74%	51.54%

The Net Pension Liability (NPL) for the plan was measured as of September 30, 2024 and 2023. Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates and the Total Pension Liability (TPL) was determined from actuarial valuations as of October 1, 2024 and 2023, respectively.

Plan provisions. The plan provisions used in the measurement of the NPL are the same as those used in the GERP actuarial valuations as of October 1, 2024 and October 1, 2023, respectively.

Actuarial assumptions. The Total Pension Liability (TPL) as of September 30, 2024, which was determined based on the results of an actuarial valuation as of October 1, 2024, used the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Inflation	2.50%
Salary increases	3.50% - 10.00%, of which 2.50% is the Plan's long-term payroll inflation
Net investment rate of return	6.50%, net of pension plan investment expense, including inflation
Other assumptions	See the October 1, 2024 valuation for a complete description of all actuarial assumptions. These assumptions were developed in the analysis of actuarial experience study for the period October 1, 2017 through September 30, 2022.

Detailed information regarding all actuarial assumptions can be found in Section 4, Exhibit 1.

Section 5: GASB Information

Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return ¹
Domestic equity	30.00%	6.10%
International equity	23.00%	6.20%
Fixed income	20.00%	1.90%
Real estate	15.00%	3.50%
Private equity	6.00%	9.65%
Private credit	6.00%	6.10%
Total	100.00%	

Discount rate. The discount rate used to measure the Total Pension Liability (TPL) was 6.50% as of September 30, 2024 and September 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position (FNP) was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both September 30, 2024 and September 30, 2023.

¹ Based on capital market assumptions provided by Segal Marco Advisors

Section 5: GASB Information

Discount rate sensitivity

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the Net Pension Liability (NPL) of the GERP as of September 30, 2024, which is allocated to all employers, calculated using the discount rate of 6.50%, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

Item	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$2,152,120,562	\$1,702,684,028	\$1,326,215,820

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Exhibit 2: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting and Measurement Dates		
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date and reporting date for the Plan under GASB 67	September 30, 2024	September 30, 2023
Total Pension Liability		
Service cost	\$45,390,918	\$40,445,986
Interest	239,723,228	232,635,883
Change of benefit terms	0	0
Differences between expected and actual experience	41,565,632	45,408,218
Changes of assumptions	0	22,701,068
Benefit payments, including refunds of member contributions	-245,023,000	-229,177,000
Net change in Total Pension Liability	\$81,656,778	\$112,014,155
Total Pension Liability — beginning	3,765,170,250	3,653,156,095
Total Pension Liability — ending	\$3,846,827,028	\$3,765,170,250
Plan Fiduciary Net Position		
Contributions — employer	\$96,957,000	\$83,375,000
Contributions — employee	25,836,000	25,806,000
Net investment income	327,497,000	234,846,000
Benefit payments, including refunds of member contributions	-245,023,000	-229,177,000
Administrative expense	-1,554,000	-1,365,000
Other	0	0
Net change in Plan Fiduciary Net Position	\$203,713,000	\$113,485,000
Plan Fiduciary Net Position — beginning	1,940,430,000	1,826,945,000
Plan Fiduciary Net Position — ending	\$2,144,143,000	\$1,940,430,000

Section 5: GASB Information

Components of the Net Pension Liability	Current	Prior
Net Pension Liability		
Net Pension Liability – ending	\$1,702,684,028	\$1,824,740,250
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55.74%	51.54%
Covered payroll ¹	\$234,803,009	\$230,709,762
Plan Net Pension Liability as percentage of covered payroll	725.15%	790.92%

Notes to Schedule:

- **Change of Assumptions:** *As of September 30, 2023 the rates of withdrawal and retirement were updated, as well as the salary scale.*

¹ Pensionable payroll as of the measurement date

Section 5: GASB Information

Exhibit 3: Schedule of employer contributions

Year Ended September 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$86,069,361	\$81,751,000	\$4,318,361	\$254,034,479	32.18%
2016	89,058,931	84,898,000	4,160,931	250,894,295	33.84%
2017	94,526,754	94,700,000	-173,246	257,850,484	36.73%
2018	93,743,647	71,024,000	22,719,647	253,982,175	27.96%
2019	95,290,428	70,338,000	24,952,428	249,982,877	28.14%
2020	100,620,425	72,194,000	28,426,425	246,864,141	29.24%
2021	108,568,188	77,269,000	31,299,188	233,266,593	33.12%
2022	115,204,974	84,353,000	30,851,974	227,912,274	37.01%
2023	120,695,825	83,375,000	37,320,825	230,709,762	36.14%
2024	134,889,081	96,957,000	37,932,081	234,803,009	41.29%

See accompanying notes to this schedule on next page.

Section 5: GASB Information

Methods and assumptions used to establish “actuarially determined contribution” rates:

Valuation date

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported

Actuarial cost method

Entry Age Actuarial Cost Method

Amortization method

Level percent of payroll, using 1.50% annual increases. The Fund's payroll inflation assumption was 2.50% as of October 1, 2022. Per Part VII, Chapter 112.64(5)(a) of Florida Statutes, the payroll growth assumption used for amortization of the unfunded liability is not allowed to exceed the average annual payroll growth for the proceeding ten years. However, pursuant to Chapter 112.64(5)(b), and after adjusting this analysis to account for bargained pay level increases and inclusion of DC plan participants in the total payroll, the assumption was set at 1.50%

Remaining amortization period

As of October 1, 2022 the effective amortization period is 24 years.

Asset valuation method

The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Investment rate of return

6.50%, net of pension plan investment expense, including inflation.

Section 5: GASB Information

Inflation rate

2.50%

Projected salary increases

3.00% - 7.50%, of which 2.50% is the Plan's long-term payroll inflation.

Cost of living adjustments

Plan provisions contain a 3.00% COLA

Other information

Same as those used in the October 1, 2022 funding actuarial valuation

Section 5: GASB Information

Exhibit 4: Pension expense

Components of pension expense	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2025
Measurement date	September 30, 2024	September 30, 2024
Service cost	\$45,390,918	\$40,445,986
Interest	239,723,228	232,635,883
Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Current-period benefit changes	0	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	13,855,210	15,136,072
Expensed portion of current-period changes of assumptions	0	7,567,022
Member contributions	-25,836,000	-25,806,000
Projected earnings on pension plan investments	-122,104,970	-114,807,193
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	-41,078,406	-24,007,763
Administrative expense	1,554,000	1,365,000
Other	0	0
Recognition of beginning of year deferred outflows of resources as pension expense	168,536,195	183,379,118
Recognition of beginning of year deferred inflows of resources as pension expense	-79,633,444	-55,625,683
Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0	0
Pension expense	\$200,406,731	\$260,282,442

Section 5: GASB Information

Deferred outflows of resources and deferred inflows of resources

Deferred Outflows and Inflows	Current	Prior
Reporting and measurement dates		
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2025
Measurement date	September 30, 2024	September 30, 2024
Deferred outflows of resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$18,446,313	\$12,024,868
Changes of assumptions	19,762,579	55,926,382
Net difference between projected and actual earnings on pension plan investments	0	93,882,469
Difference between expected and actual experience in the Total Pension Liability	52,356,328	55,626,329
Total deferred outflows of resources	\$90,565,220	\$217,460,048
Deferred inflows of resources		
Changes in proportion and differences between employer's contributions and proportionate share of contributions ¹	\$18,446,313	\$12,024,868
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	92,189,680	0
Difference between expected and actual experience in the Total Pension Liability	0	0
Total deferred inflows of resources	\$110,635,993	\$12,024,868
Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:		
Reporting date for employer under GASB 68 year ended September 30:		
2025	N/A	\$88,902,751
2026	\$37,438,301	64,661,496
2027	48,655,499	75,878,694
2028	-65,086,167	-24,007,761
2029	-41,078,406	0
2030	0	0
Thereafter	0	0

¹ Calculated in accordance with Paragraphs 54 and 55 of GASB 68

Section 5: GASB Information

Schedule of recognition of change in total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the
Effects of Differences between Expected and Actual Experience on Total Pension Liability

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2021	\$12,192,218	4.00	\$3,048,055	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	25,338,067	4.00	6,334,517	6,334,517	0	0	0	0	0	0
2023	38,039,330	4.00	9,509,833	9,509,833	9,509,833	0	0	0	0	0
2024	45,408,218	3.00	15,136,072	15,136,073	15,136,073	0	0	0	0	0
2025	41,565,632	3.00	N/A	13,855,210	13,855,211	13,855,211	0	0	0	0
Total¹			N/A	\$44,835,633	\$38,501,117	\$13,855,211	\$0	\$0	\$0	\$0

¹ Net increase (decrease) in pension expense

Section 5: GASB Information

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 68 Year Ended September 30	Assumption Changes	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2021	\$36,145,490	4.00	\$9,036,373	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	65,604,895	4.00	16,401,224	16,401,224	0	0	0	0	0	0
2023	48,782,223	4.00	12,195,556	12,195,556	12,195,556	0	0	0	0	0
2024	22,701,068	3.00	7,567,022	7,567,023	7,567,023	0	0	0	0	0
2025	0	3.00	N/A	0	0	0	0	0	0	0
Total¹			N/A	\$36,163,803	\$19,762,579	\$0	\$0	\$0	\$0	\$0

¹ Net increase (decrease) in pension expense

Section 5: GASB Information

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on Pension Plan Investments

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2024	2025	2026	2027	2028	2029	2030	Thereafter
2020	\$127,307,955	5.00	\$25,461,591	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	7,527,572	5.00	1,505,514	1,505,514	0	0	0	0	0	0
2022	-278,128,416	5.00	-55,625,683	-55,625,683	-55,625,683	0	0	0	0	0
2023	499,432,276	5.00	99,886,455	99,886,455	99,886,455	99,886,455	0	0	0	0
2024	-120,038,807	5.00	-24,007,763	-24,007,761	-24,007,761	-24,007,761	-24,007,761	0	0	0
2025	-205,392,030	5.00	N/A	-41,078,406	-41,078,406	-41,078,406	-41,078,406	-41,078,406	0	0
Total¹			N/A	-\$19,319,881	-\$20,825,395	\$34,800,288	-\$65,086,167	-\$41,078,406	\$0	\$0

¹ Net increase (decrease) in pension expense

Section 5: GASB Information

Total Increase (Decrease) in Pension Expense

Reporting Date for Employer under GASB 68 Year Ended September 30	Total Increase (Decrease) in Pension Expense	2024	2025	2026	2027	2028	2029	2030	Thereafter
2020	\$165,656,133	\$25,461,591	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	55,865,280	13,589,942	1,505,514	0	0	0	0	0	0
2022	-187,185,454	-32,889,942	-32,889,942	-55,625,683	0	0	0	0	0
2023	586,253,829	121,591,844	121,591,844	121,591,844	99,886,455	0	0	0	0
2024	-51,929,521	-1,304,669	-1,304,665	-1,304,665	-24,007,761	-24,007,761	0	0	0
2025	-163,826,398	N/A	-27,223,196	-27,223,195	-27,223,195	-41,078,406	-41,078,406	0	0
Total¹		N/A	\$61,679,555	\$37,438,301	\$48,655,499	-\$65,086,167	-\$41,078,406	\$0	\$0

¹ Net increase (decrease) in pension expense

Section 5: GASB Information

Schedule of reconciliation of Net Pension Liability

Total for all employers

Item	Current	Prior
Reporting and measurement dates		
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2025
Measurement date and reporting date for plan under GASB 67	September 30, 2024	September 30, 2024
Net Pension Liability		
Beginning Net Pension Liability	\$1,824,740,250	\$1,826,211,095
Pension expense	200,406,731	260,282,442
Employer contributions	-96,957,000	-83,375,000
New net deferred inflows/outflows	-136,603,202	-50,624,852
Change in allocation of prior deferred inflows/outflows	0	0
New net deferred inflows/outflows due to change in proportion	0	0
Recognition of prior deferred inflows/outflows	-88,902,751	-127,753,435
Recognition of prior deferred inflows/outflows due to change in proportion	0	0
Ending Net Pension Liability	\$1,702,684,028	\$1,824,740,250

Section 5: GASB Information

Exhibit 5: Determination of proportionate share

Employer Name	FY 2024 Total Appropriation	Percent of FY 2024 Total Appropriation	Share of NPL as of September 30, 2024	FY 2025 Total Appropriation	Percent of FY 2025 Total Appropriation	Share of NPL as of September 30, 2025
City of Jacksonville	\$38,190,000	45.8052%	\$835,825,921	\$45,641,000	47.0734%	\$801,511,263
Jacksonville Electrical Authority	43,970,000	52.7376%	962,324,214	50,036,000	51.6064%	878,693,930
Jacksonville Housing Authority	1,092,000	1.3097%	23,898,623	1,137,000	1.1727%	19,967,376
North Florida Transportation Planning Organization	123,000	0.1475%	2,691,492	143,000	0.1475%	2,511,459
Grand totals:	\$83,375,000	100.0000%	\$1,824,740,250	\$96,957,000	100.0000%	\$1,702,684,028

Section 5: GASB Information

Exhibit 6: Determination of proportionate share amounts by employer

Net Pension Liability by Employer With Discount Rate Sensitivity

Employer Name	2025 Share of Cost Allocation	Net Pension Liability	Covered Employee Payroll	1% Decrease in Discount Rate (5.50%)	Current Discount Rate (6.50%)	1% Increase in Discount Rate (7.50%)
City of Jacksonville	47.0734%	\$801,511,263	\$88,469,261	\$1,013,076,320	\$801,511,263	\$624,294,878
Jacksonville Electrical Authority	51.6064%	878,693,930	142,843,797	1,110,631,946	878,693,930	684,412,241
Jacksonville Housing Authority	1.1727%	19,967,376	3,133,319	25,237,918	19,967,376	15,552,533
North Florida Transportation Planning Organization	0.1475%	2,511,459	356,632	3,174,378	2,511,459	1,956,168
Grand totals:	100.0000%	\$1,702,684,028	\$234,803,009	\$2,152,120,562	\$1,702,684,028	\$1,326,215,820

Section 5: GASB Information

Exhibit 6: Determination of proportionate share amounts by employer

Schedule of Contributions and Pension Expense by Employer

Employer Name	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency / (Excess)	Contributions as a Percentage of Covered Employee Payroll	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
City of Jacksonville	\$63,496,877	\$45,641,000	\$17,855,877	51.59%	\$94,338,262	\$7,427,773	\$101,766,035
Jacksonville Electrical Authority	69,611,399	50,036,000	19,575,399	35.03%	103,422,699	-4,839,908	98,582,791
Jacksonville Housing Authority	1,581,844	1,137,000	444,844	36.29%	2,350,170	-2,689,819	-339,649
North Florida Transportation Planning Organization	198,961	143,000	55,961	40.10%	295,600	101,954	397,554
Grand totals:	\$134,889,081	\$96,957,000	\$37,932,081	41.29%	\$200,406,731	\$0	\$200,406,731

Section 5: GASB Information

Exhibit 6: Determination of proportionate share amounts by employer

Deferred Outflows and Inflows of Resources

Employer Name	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources
City of Jacksonville	\$24,645,903	\$9,302,917	\$14,956,732	\$48,905,555	\$0	\$43,396,817	\$0	\$3,197,271	\$46,594,088
Jacksonville Electrical Authority	27,019,216	10,198,756	3,378,572	40,596,542	0	47,575,775	0	13,025,500	60,601,275
Jacksonville Housing Authority	613,983	231,756	0	845,739	0	1,081,108	0	2,223,534	3,304,642
North Florida Transportation Planning Organization	77,226	29,150	111,009	217,384	0	135,980	0	8	135,988
Grand totals:	\$52,356,328	\$19,762,579	\$18,446,313	\$90,565,220	\$0	\$92,189,680	\$0	\$18,446,313	\$110,635,993

Section 5: GASB Information

Exhibit 6: Determination of proportionate share amounts by employer

Deferred Inflows/(Outflows) Recognized In Future Pension Expense (Year Ended September 30)

Employer Name	2026	2027	2028	2029	2030	Thereafter
City of Jacksonville	\$22,537,586	\$29,749,155	-\$30,638,272	-\$19,337,002	\$0	\$0
Jacksonville Electrical Authority	15,779,496	19,003,486	-33,588,628	-21,199,087	0	0
Jacksonville Housing Authority	-1,045,007	-168,905	-763,265	-481,726	0	0
North Florida Transportation Planning Organization	166,226	71,763	-96,002	-60,591	0	0
Grand totals:	\$37,438,301	\$48,655,499	-\$65,086,167	-\$41,078,406	\$0	\$0

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial Present Value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Actuarial Accrued Liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. To the extent that actual experience differs from that assumed, Actuarial Accrued Liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial present value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. Each such amount or series of amounts is: Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The Actuarial Present Value of benefit amounts expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan, as well as Actuarially Determined Contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The ADC consists of the Employer Normal Cost and the Amortization Payment.
Amortization method	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the Unfunded Actuarial Accrued Liability. Under the Level Percentage of Pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or ADC, that is intended to pay off the Unfunded Actuarial Accrued Liability.
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: Investment return — the rate of investment yield that the Plan will earn over the long-term future; Mortality rates — the rate or probability of death at a given age for employees and retirees; Retirement rates — the rate or probability of retirement at a given age or service; Disability rates — the rate or probability of disability retirement at a given age; Withdrawal rates — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; Salary increase rates — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.

Appendix A: Definition of Pension Terms

Term	Definition
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See Open Amortization Period.
Decrements	Those causes/events due to which a member's status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member's compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan's earnings are allocated to each account, and each member's benefits are a direct function of the account balance.
Employer normal cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the Actuarial Value of Assets (AVA) to the Actuarial Accrued Liability (AAL). Plans sometimes also calculate a market funded ratio, using the Market Value of Assets (MVA), rather than the AVA.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Net Pension Liability (NPL)	The Net Pension Liability is equal to the Total Pension Liability minus the Plan Fiduciary Net Position.
Normal cost	The portion of the Actuarial Present Value of Future Benefits and expenses, if applicable, allocated to a valuation year by the Actuarial Cost Method. Any payment with respect to an Unfunded Actuarial Accrued Liability is not part of the Normal Cost (see Amortization Payment). For pension plan benefits that are provided in part by employee contributions, Normal Cost refers to the total of member contributions and employer Normal Cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the Amortization Period.

Appendix A: Definition of Pension Terms

Term	Definition
Plan Fiduciary Net Position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total Pension Liability (TPL)	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. This value may be negative, in which case it may be expressed as a negative Unfunded Actuarial Accrued Liability, also called the Funding Surplus or an Overfunded Actuarial Accrued Liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.

RVK

Monthly Performance Report

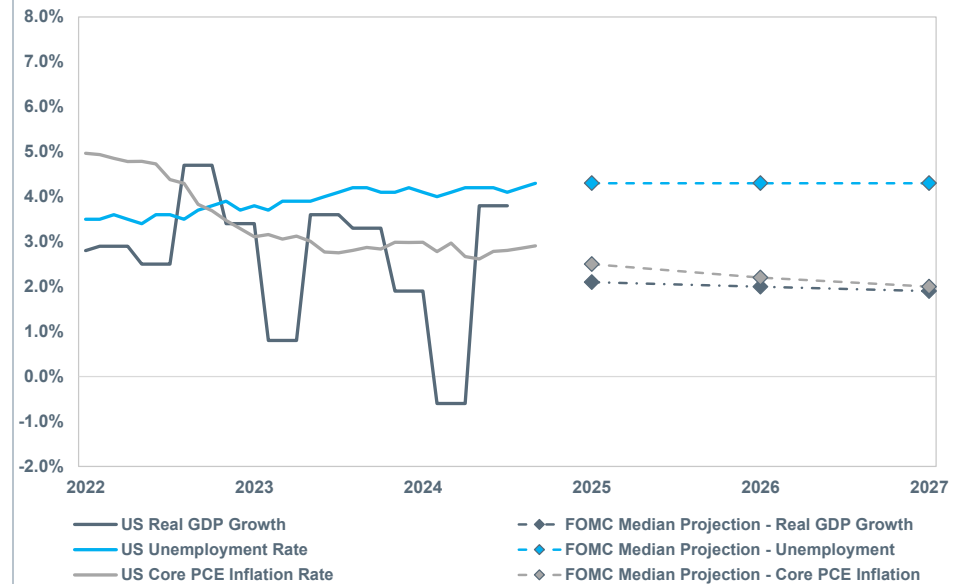
City of Jacksonville Employees' Retirement System

September 30, 2025

General Market Commentary

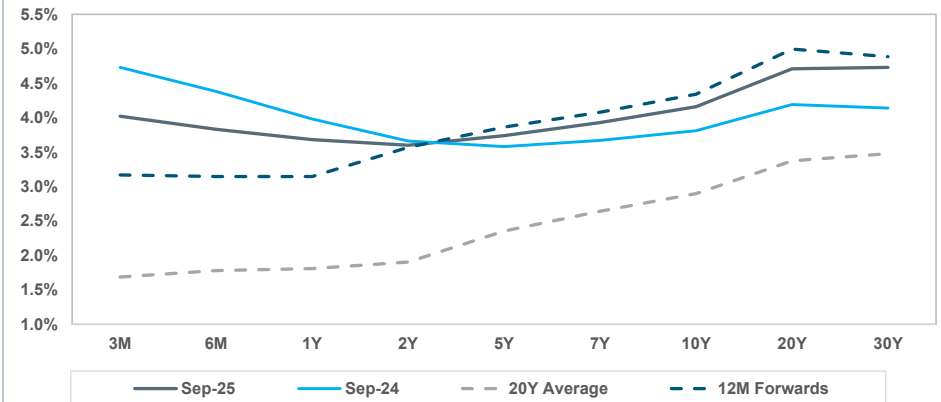
- Global equities saw their sixth straight month of gains, led by emerging markets. Through the third quarter, non-US markets have notably outpaced domestic in 2025.
- Treasury rates generally declined, as long duration outperformed for the month and year to date.
- As expected, the FOMC lowered its Fed Funds Rate by 0.25% while also signaling two more cuts in 2025. At the same time, the yield on the 30-year US Treasury fell by 29 bps rewarding duration sensitive assets.
- Q2 GDP was revised higher, from 3.3% to 3.8%, with consumer spending as the notable driver of the upward revision.

Growth, Inflation, and Unemployment



Economic Indicators		Sep-25	Rank	Dec-24	10 Yr	20 Yr
Growth	Real US GDP (%)	2.5*	—	66	2.5	2.8
	Consumer Spending YoY (PCE) (%)	2.74*	▼	67	3.56	2.79
	Durable Goods Orders (billions) (\$)	312.06*	▲	N/A	290.56	253.94
	Housing Starts (thousands)	113.30*	▲	N/A	108.00	112.86
	Consumer Confidence (Conf Board)	94.20	▼	42	109.50	110.33
	Leading Economic Index (Conf Board)	98.40*	▼	46	101.60	108.15
Inflation	CPI YoY (Headline) (%)	2.9*	—	67	2.9	3.1
	CPI YoY (Core) (%)	3.1*	▼	80	3.2	3.1
	Breakeven Inflation - 10 Year (%)	2.36	▲	76	2.34	2.03
	PPI YoY (%)	2.60*	▼	63	3.48	3.04
	M2 YoY (%)	4.77*	▲	30	3.58	6.47
Rates	Federal Funds Rate (%)	4.09	▼	76	4.33	2.09
	SOFR (%)	4.24	▼	76	4.49	2.12
	2 Year Treasury (%)	3.60	▼	75	4.25	2.24
	10 Year Treasury (%)	4.16	▼	82	4.58	2.63
	10-2 Spread (%)	0.56	▲	40	0.33	0.39
	Unemployment Rate (%)	4.30*	▲	31	4.10	4.60
Capacity	PMI - Manufacturing (%)	49.10	▼	23	49.20	52.97
	PMI - Service (%)	50.00	▼	10	54.00	55.67
	PMI - Composite (%)	50.00	▼	10	54.00	55.67
Currency/ Commodity	US Dollar Trade Weighted Index	120.45	▼	86	127.81	116.96
	WTI Crude Oil per Barrel (\$)	63	▼	35	72	63

Treasury Yield Curve



FOMC Rate Movement Probabilities

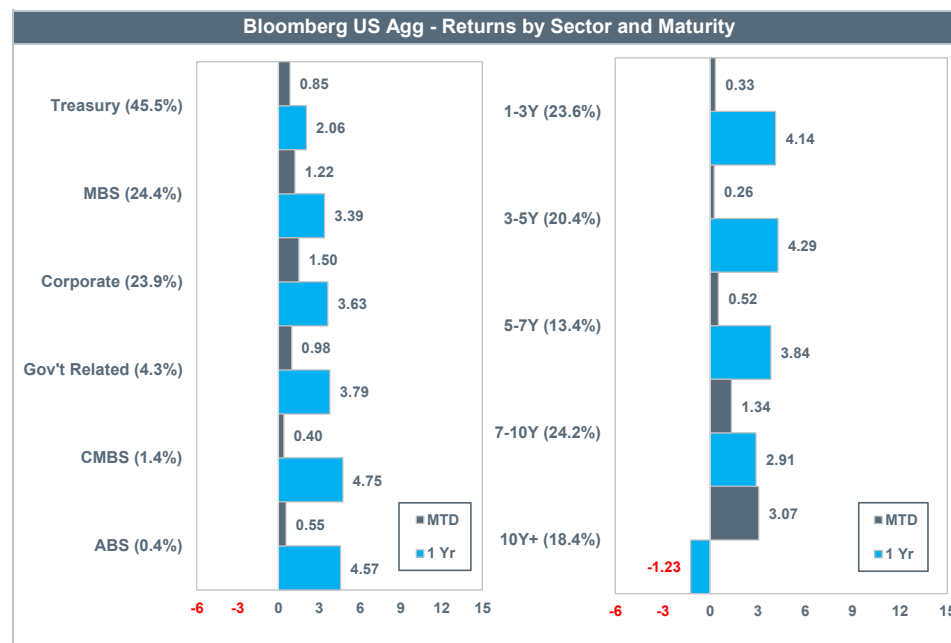
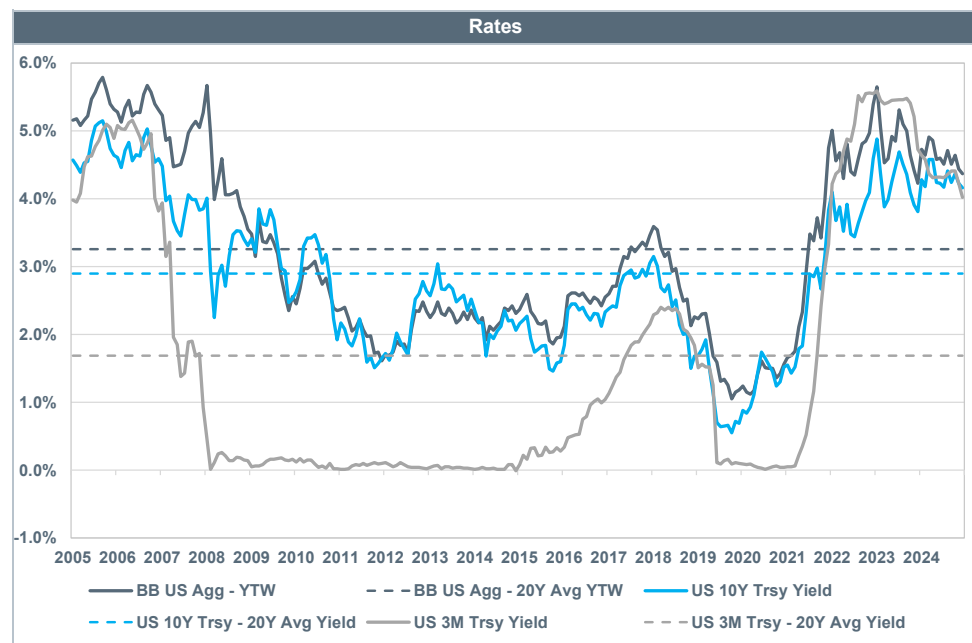
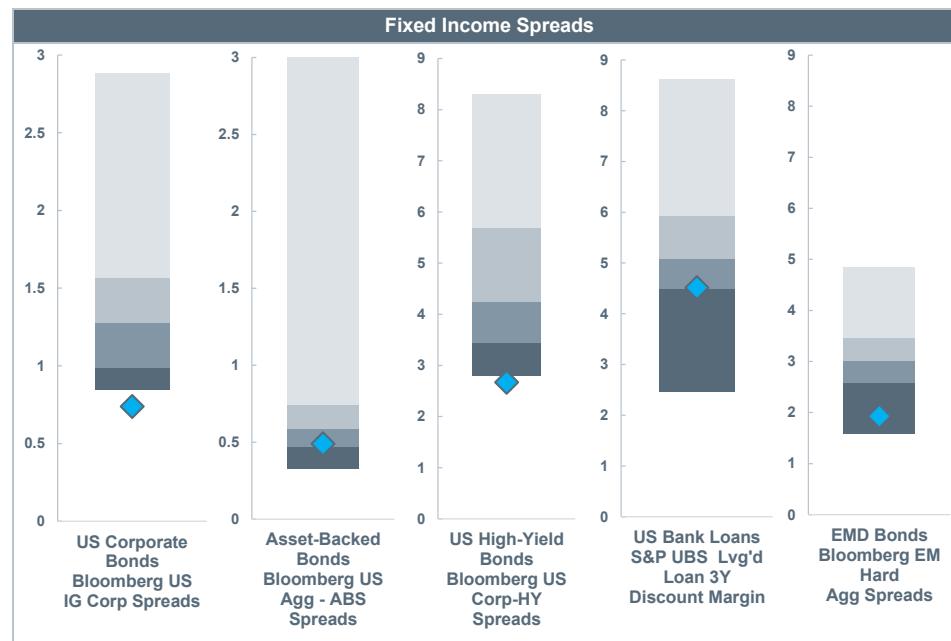
Meeting Date	4.00% - 4.25%	3.75% - 4.00%	3.50% - 3.75%	3.25% - 3.50%
10/29/2025	6.9%	93.1%	--	--
12/10/2025	1.4%	24.4%	74.2%	--
1/28/2026	0.9%	15.6%	55.1%	28.4%

Data courtesy of FactSet. *Indicates data is currently unavailable and is shown as of the most recently available date. Percentile rank is based on the trailing 20Y period. SOFR data is backfilled with LIBOR prior to April 2018. FOMC rate movement probability data is provided by FactSet and is based on futures data. Past performance is not indicative of future performance.

Fixed Income Market Review

As of September 30, 2025

Performance		Index	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
US Fixed Income	Aggregate	BB US Agg Bond	1.09	2.03	6.13	2.88	4.93	-0.45	1.84
	Broad	BB US Gov't/Credit 1-3Y	0.33	1.19	4.14	4.12	4.68	1.78	1.94
		BB US Gov't/Credit	1.07	1.91	5.93	2.67	4.87	-0.61	1.99
		BB US Gov't/Credit Long	3.11	3.16	6.64	-1.28	3.96	-4.57	1.88
		BB US TIPS	0.43	2.10	6.87	3.79	4.88	1.42	3.01
		BB US Agg Securitized	1.16	2.38	6.70	3.48	5.10	-0.05	1.49
	Credit	BB US IG Corp	1.50	2.60	6.88	3.63	7.07	0.35	3.12
		BB US Corp - HY	0.82	2.54	7.22	7.41	11.09	5.55	6.17
		S&P UBS Lvg'd Loan	0.48	1.68	4.69	7.09	9.71	6.88	5.45
Int'l Fixed Income	Aggregate	BB Gbl Agg ex US	0.29	-0.61	9.31	1.81	5.71	-2.57	0.46
	Sovereign	FTSE Non-US WGBI	0.44	-0.80	9.00	1.26	5.17	-4.22	-0.25
	EMD	BB EM Agg USD	1.11	3.40	8.51	6.91	10.38	1.90	4.02
		BB EM Local Broad	1.07	2.18	16.47	7.43	10.56	0.44	2.32

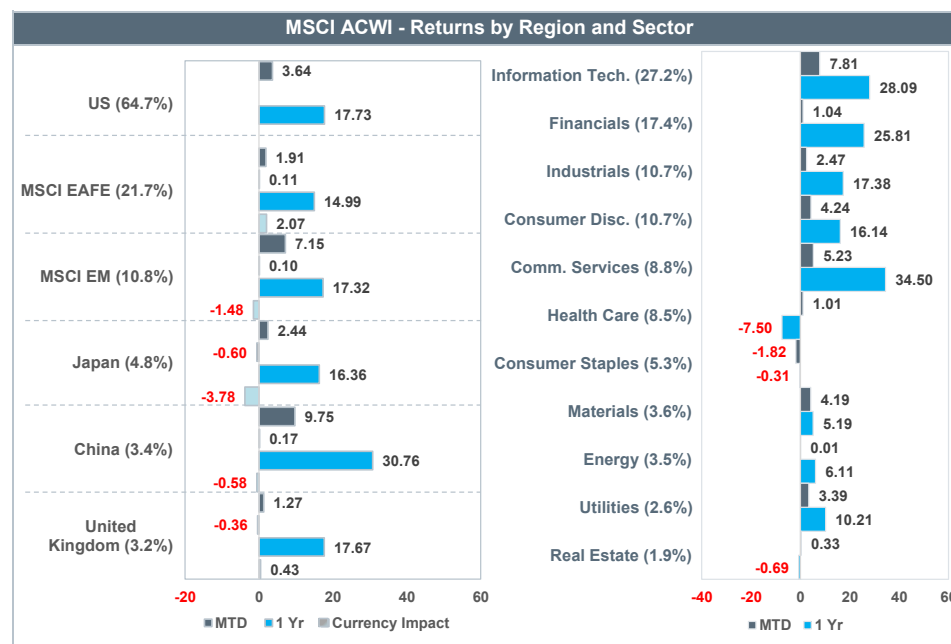
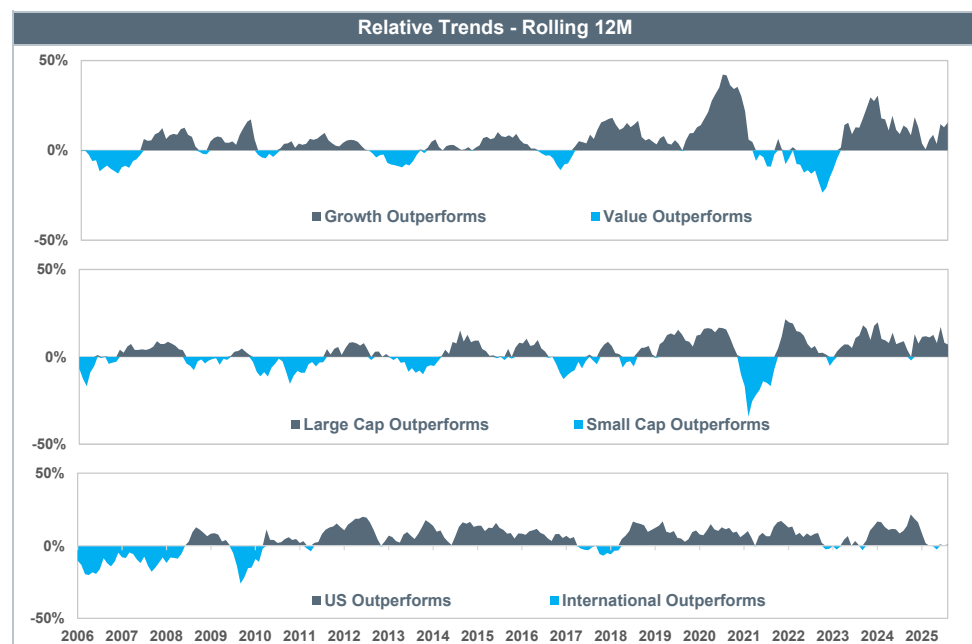
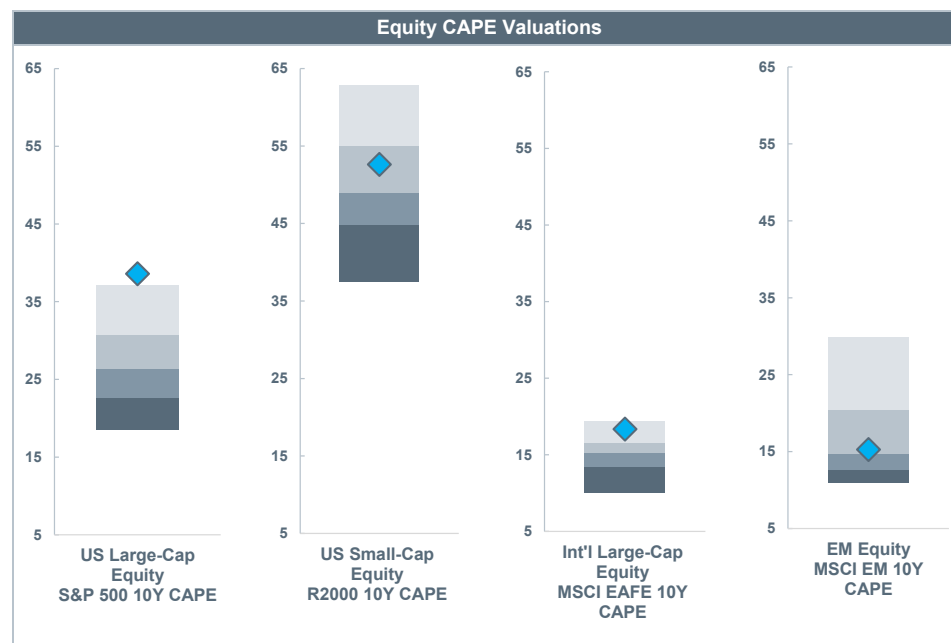


Data courtesy of FactSet. Parenthesis include calculated percentage of the total index based on current market values. Fixed Income Spread distributions reflect the last 20 years of data. Past performance is not indicative of future performance.

Equity Market Review

As of September 30, 2025

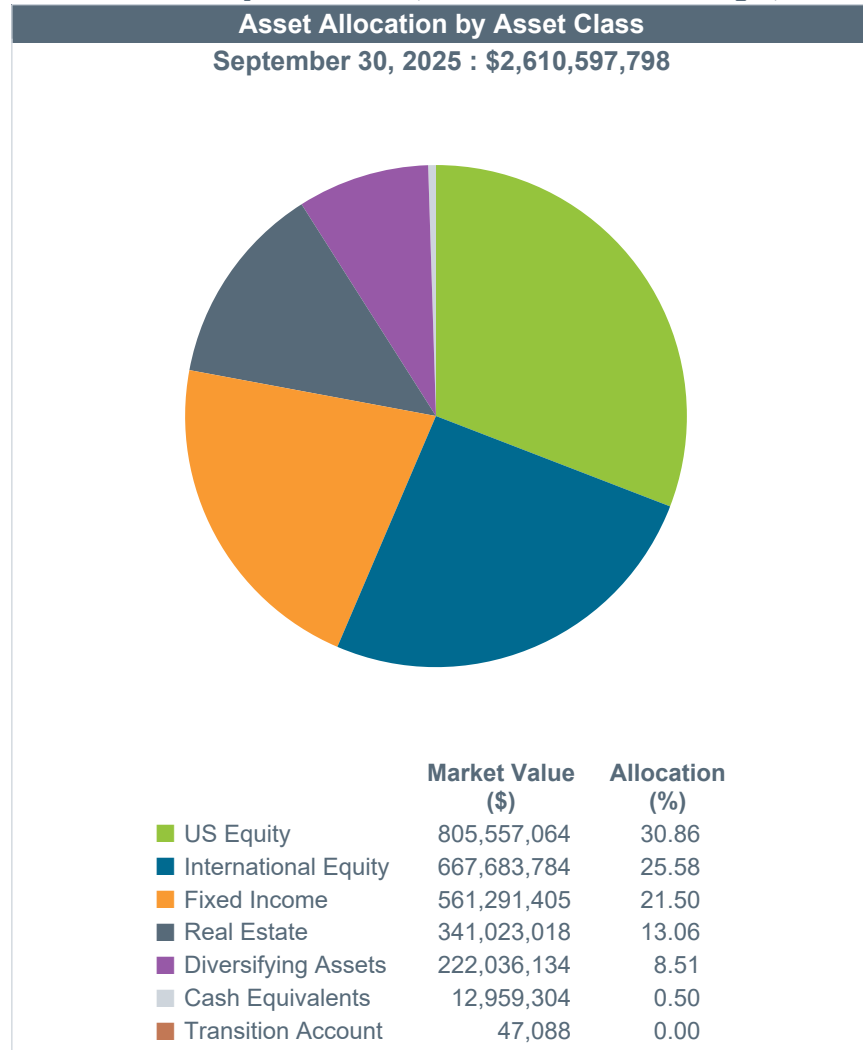
Performance		Index	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
US Equity	All-Cap	Russell 3000	3.45	8.18	14.40	17.41	24.12	15.74	14.71
	Large-Cap	S&P 500	3.65	8.12	14.83	17.60	24.94	16.47	15.30
		Russell 1000 Value	1.49	5.33	11.65	9.44	16.96	13.88	10.72
		Russell 1000	3.47	7.99	14.60	17.75	24.64	15.99	15.04
		Russell 1000 Growth	5.31	10.51	17.24	25.53	31.61	17.58	18.83
	Small-Cap	Russell 2000 Value	2.01	12.60	9.04	7.88	13.56	14.59	9.23
		Russell 2000	3.11	12.39	10.39	10.76	15.21	11.56	9.77
		Russell 2000 Growth	4.15	12.19	11.65	13.56	16.68	8.41	9.91
Int'l Equity	All-Country	MSCI ACWI IMI ex US	3.39	6.86	25.97	16.39	20.50	10.22	8.24
	Developed	MSCI EAFE Value	1.32	7.39	31.92	22.53	25.66	15.66	8.16
		MSCI EAFE	1.91	4.77	25.14	14.99	21.70	11.15	8.17
		MSCI EAFE Growth	2.52	2.23	18.55	7.76	17.84	6.64	7.92
	EM	MSCI EM	7.15	10.64	27.53	17.32	18.21	7.02	7.99



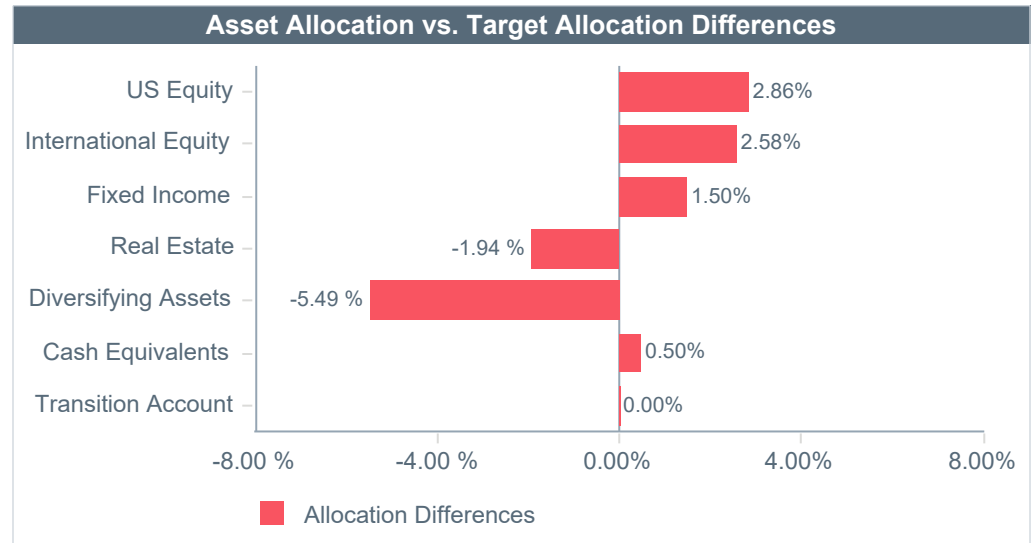
Data courtesy of FactSet. Relative trends analysis utilize relevant Russell equity indices for US markets, and the MSCI ACWI ex US (USD) (Net) for international markets. CAPE distributions reflect the last 20 years of data. Parenthesis include calculated percentage of the total index based on current market values. Return decomposition utilizes Net MSCI indices priced in both USD and local currencies. Past performance is not indicative of future performance.

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	2,610,597,798	100.00	-	100.00	-
US Equity	805,557,064	30.86	18.00	28.00	38.00
International Equity	667,683,784	25.58	13.00	23.00	25.00
Fixed Income	561,291,405	21.50	10.00	20.00	30.00
Real Estate	341,023,018	13.06	0.00	15.00	20.00
Diversifying Assets	222,036,134	8.51	0.00	14.00	20.00
Cash Equivalents	12,959,304	0.50	0.00	0.00	10.00
Transition Account	47,088	0.00	0.00	0.00	0.00



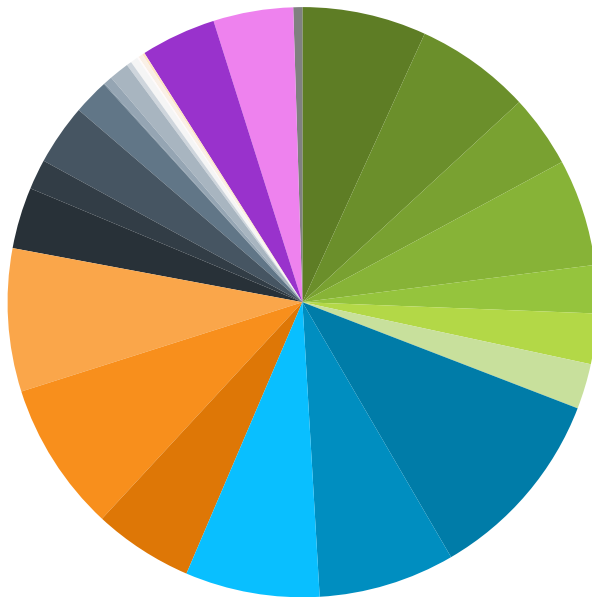
Schedule of Investable Assets					
Periods Ending	Beginning Market Value (\$)	Net Cash Flows (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,456,544,289	-116,648,490	270,701,999	2,610,597,798	11.07
FYTD	2,475,947,332	-116,025,871	250,676,337	2,610,597,798	10.17

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 September 30, 2025

September 30, 2025 : \$2,610,597,798



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	177,648,460	6.80
Wellington Select Equity Income Fund (SA)	165,401,672	6.34
BNYM DB Lg Cap Stock Idx NL (CF)	103,727,669	3.97
Loomis, Sayles & Co Lg Cap Grth (CF)	153,235,111	5.87
Kayne Anderson US SMID Value (SA)	68,590,293	2.63
Systematic Financial US SMID Value (SA)	72,036,126	2.76
Geneva SMID Cap Growth (SA)	64,917,733	2.49
Silchester Intl Val Equity (CF)	280,289,386	10.74
Bail Giff Intl Gro;4 (BGEFX)	195,150,749	7.48
Acadian Emg Mkts Eq II (CF)	192,243,649	7.36
Baird Core Fixed Income (SA)	142,477,149	5.46
Loomis Sayles Multisector Full Discretion (CF)	214,569,222	8.22
Schroder Flexible Secured Income LP (CF)	204,245,034	7.82
Harrison Street Core Property LP	87,991,212	3.37
PGIM Real Estate PRISA II LP	43,144,504	1.65
Principal US Property (CF)	86,986,669	3.33
UBS Trumbull Property LP	50,908,041	1.95
Vanguard RE Idx;ETF (VNQ)	1,404,477	0.05
Abacus Multi-Family Partners VI LP	12,370,288	0.47
H.I.G. Realty Partners IV (Onshore) LP	28,445,278	1.09
H.I.G. Realty Partners V (Onshore) LP	7,066,618	0.27
Bell Value-Add Fund VIII LP	10,593,539	0.41
Hammes Partners IV LP	2,398,052	0.09
Blue Owl Digital Infrastructure Fund III-A LP	6,296,578	0.24
Ares US Real Estate Opportunity IV LP	3,417,762	0.13
Adams Street Private Equity (SA)	107,771,187	4.13
Hamilton Lane Private Credit (SA)	114,264,947	4.38
Dreyfus Gvt CM;Inst (DGCXX)	12,959,304	0.50
Transition Account	47,088	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 September 30, 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	2,610,597,798	100.00	1.53	3.78	11.07	10.17	10.17	13.24	8.33	6.90	7.99	6.55	07/01/1999
Total Fund Policy Index			2.34	5.13	13.39	12.02	12.02	14.57	9.95	7.83	8.43	6.41	
Difference			-0.82	-1.34	-2.32	-1.86	-1.86	-1.32	-1.62	-0.93	-0.45	0.14	
Actual Allocation Index			2.11	5.19	13.37	11.37	11.37	12.77	8.46	N/A	N/A	N/A	
Difference			-0.59	-1.41	-2.31	-1.20	-1.20	0.48	-0.14	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			2.07	5.19	13.17	11.36	11.36	12.56	8.52	N/A	N/A	N/A	
Difference			-0.54	-1.41	-2.10	-1.19	-1.19	0.68	-0.19	N/A	N/A	N/A	
Total Equity	1,473,240,849	56.43	2.21	4.97	15.21	13.02	13.02	22.18	12.22	10.23	11.48	7.30	07/01/1999
US Equity	805,557,064	30.86	1.26	4.65	10.31	12.90	12.90	23.06	14.59	12.17	13.12	8.08	07/01/1999
US Equity Index			3.45	8.18	14.40	17.41	17.41	24.12	15.74	13.71	14.71	8.40	
Difference			-2.19	-3.53	-4.08	-4.51	-4.51	-1.06	-1.15	-1.55	-1.59	-0.32	
International Equity	667,683,784	25.58	3.42	5.38	22.04	13.17	13.17	21.12	8.66	7.27	8.92	6.42	07/01/1999
International Equity Index			3.60	6.89	26.02	16.45	16.45	20.67	10.26	7.49	8.23	4.92	
Difference			-0.18	-1.51	-3.98	-3.27	-3.27	0.45	-1.60	-0.22	0.69	1.49	
Fixed Income	561,291,405	21.50	0.57	2.40	6.83	6.24	6.24	7.29	1.21	2.45	2.53	4.49	07/01/1999
Fixed Income Index			1.06	2.13	6.31	3.40	3.40	5.60	0.08	2.38	2.07	4.10	
Difference			-0.49	0.27	0.52	2.83	2.83	1.69	1.13	0.07	0.46	0.39	
Real Estate	341,023,018	13.06	0.09	1.20	2.50	3.10	3.10	-4.34	2.78	2.67	4.28	4.74	12/01/2005
Real Estate Index			0.03	0.09	1.92	2.96	2.96	-6.15	2.59	2.58	4.13	4.97	
Difference			0.06	1.11	0.58	0.14	0.14	1.80	0.19	0.09	0.15	-0.22	
Core Real Estate	270,434,903	10.36	0.12	1.26	2.92	3.45	3.45	-4.58	2.55	2.51	4.17	4.68	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.65	-6.31	2.48	2.50	4.07	4.94	
Difference			0.12	1.26	1.25	0.80	0.80	1.73	0.07	0.00	0.09	-0.25	
Non-Core Real Estate	70,588,115	2.70	0.00	0.94	0.17	1.34	1.34	1.83	N/A	N/A	N/A	17.30	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	-0.13	
Difference			-0.17	0.45	-3.03	-3.37	-3.37	6.27	N/A	N/A	N/A	17.42	
Diversifying Assets	222,036,134	8.51	1.61	3.35	9.02	13.66	13.66	8.73	21.42	9.09	8.37	8.52	03/01/2011
Diversifying Assets Index			2.35	5.84	14.17	15.67	15.67	22.29	18.62	6.87	6.33	5.88	
Difference			-0.74	-2.49	-5.15	-2.01	-2.01	-13.56	2.80	2.22	2.04	2.64	
Cash Equivalents	12,959,304	0.50	0.34	1.06	3.21	4.40	4.40	4.80	2.27	2.04	N/A	2.04	09/01/2018
FTSE 3 Mo T-Bill Index			0.36	1.11	3.34	4.61	4.61	4.98	3.10	2.70	2.12	2.69	
Difference			-0.01	-0.05	-0.13	-0.21	-0.21	-0.18	-0.83	-0.65	N/A	-0.65	

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. A 0% return is shown for managers whose monthly performance data is not yet available. 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.

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

As of September 30, 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)	177,648,460	6.80	0.36	3.64	11.14	13.31	13.31	27.18	17.01	13.10	14.27	11.65	03/01/2007	
Russell 1000 Val Index			1.49	5.33	11.65	9.44	9.44	16.96	13.87	9.53	10.72	7.61		
Difference			-1.13	-1.69	-0.52	3.87	3.87	10.21	3.14	3.57	3.55	4.04		
Russell 1000 Index			3.47	7.99	14.60	17.75	17.75	24.64	15.99	14.18	15.04	10.80		
Difference			-3.10	-4.35	-3.46	-4.43	-4.43	2.54	1.02	-1.08	-0.77	0.84		
Wellington Select Equity Income Fund (SA)	165,401,672	6.34	-0.06	3.46	12.27	10.94	10.94	N/A	N/A	N/A	N/A	17.42	06/01/2023	
Russell 1000 Val Index			1.49	5.33	11.65	9.44	9.44	16.96	13.87	9.53	10.72	17.05		
Difference			-1.55	-1.87	0.62	1.49	1.49	N/A	N/A	N/A	N/A	0.37		
BNYM DB Lg Cap Stock Idx NL (CF)	103,727,669	3.97	3.52	8.05	14.64	17.79	17.79	24.78	16.24	N/A	N/A	15.35	05/01/2019	
Russell 1000 Index			3.47	7.99	14.60	17.75	17.75	24.64	15.99	14.18	15.04	15.17		
Difference			0.06	0.06	0.04	0.04	0.04	0.14	0.25	N/A	N/A	0.18		
Loomis, Sayles & Co Lg Cap Grth (CF)	153,235,111	5.87	4.34	7.15	15.50	26.50	26.50	35.56	17.09	17.67	N/A	17.89	08/01/2017	
Russell 1000 Grth Index			5.31	10.51	17.24	25.53	25.53	31.61	17.58	18.10	18.83	19.12		
Difference			-0.98	-3.36	-1.75	0.97	0.97	3.94	-0.48	-0.43	N/A	-1.24		
Kayne Anderson US SMID Value (SA)	68,590,293	2.63	-2.93	-0.31	-1.14	-1.90	-1.90	10.68	N/A	N/A	N/A	4.02	03/01/2022	
Russell 2500 Val Index			1.03	8.17	9.29	9.00	9.00	15.39	14.96	7.68	9.68	6.84		
Difference			-3.96	-8.48	-10.43	-10.90	-10.90	-4.71	N/A	N/A	N/A	-2.82		
Systematic Financial US SMID Value (SA)	72,036,126	2.76	2.83	10.41	8.76	8.70	8.70	18.01	N/A	N/A	N/A	8.64	03/01/2022	
Russell 2500 Val Index			1.03	8.17	9.29	9.00	9.00	15.39	14.96	7.68	9.68	6.84		
Difference			1.81	2.23	-0.53	-0.30	-0.30	2.62	N/A	N/A	N/A	1.80		
Geneva SMID Cap Growth (SA)	64,917,733	2.49	-1.55	-2.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.24	07/01/2025	
Russell 2500 Grth Index			2.80	10.73	9.95	12.62	12.62	15.97	7.76	8.05	10.93	10.73		
Difference			-4.35	-12.97	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-12.97		

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

As of September 30, 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)	280,289,386	10.74	1.22	4.82	22.54	11.61	11.61	20.92	12.60	7.29	8.35	9.30	06/01/2009	
MSCI EAFE Val Index (USD) (Net)			1.32	7.39	31.92	22.53	22.53	25.66	15.66	8.17	8.16	7.02		
Difference			-0.09	-2.57	-9.38	-10.92	-10.92	-4.73	-3.06	-0.89	0.19	2.28		
Bail Giff Intl Gro;4 (BGEFX)	195,150,749	7.48	4.03	3.47	20.32	13.37	13.37	18.90	1.35	6.98	10.05	9.47	06/01/2009	
Baillie Gifford Index			4.07	5.71	22.51	12.86	12.86	18.33	6.22	7.15	7.77	7.75		
Difference			-0.04	-2.24	-2.19	0.52	0.52	0.57	-4.87	-0.17	2.27	1.72		
Baillie Gifford Spliced Index			3.60	6.89	26.02	16.45	16.45	20.67	10.26	7.52	8.03	7.44		
Difference			0.43	-3.42	-5.70	-3.07	-3.07	-1.77	-8.91	-0.54	2.01	2.03		
Acadian Emg Mkts Eq II (CF)	192,243,649	7.36	6.16	8.24	22.85	15.24	15.24	23.69	11.74	8.27	9.25	5.20	02/01/2011	
MSCI Emg Mkts Index (USD) (Net)			7.15	10.64	27.53	17.32	17.32	18.21	7.02	6.17	7.99	3.77		
Difference			-0.99	-2.41	-4.68	-2.08	-2.08	5.48	4.73	2.10	1.26	1.42		
Fixed Income														
Baird Core Fixed Income (SA)	142,477,149	5.46	1.16	2.10	6.31	3.23	3.23	5.63	N/A	N/A	N/A	0.25	03/01/2021	
Bloomberg US Agg Bond Index			1.09	2.03	6.13	2.88	2.88	4.93	-0.45	2.06	1.84	-0.16		
Difference			0.07	0.07	0.17	0.35	0.35	0.71	N/A	N/A	N/A	0.41		
Loomis Sayles Multisector Full Discretion (CF)	214,569,222	8.22	0.73	2.74	8.16	7.00	7.00	8.15	2.49	4.44	4.77	5.67	11/01/2007	
Bloomberg Gbl Agg Bond Index			0.65	0.60	7.91	2.40	2.40	5.45	-1.56	0.79	1.15	1.98		
Difference			0.08	2.15	0.25	4.60	4.60	2.70	4.05	3.65	3.62	3.69		
Schroder Flexible Secured Income LP (CF)	204,245,034	7.82	0.00	2.24	5.78	7.45	7.45	8.21	N/A	N/A	N/A	8.21	10/01/2022	
SOFR+1.75%			0.50	1.53	4.65	6.34	6.34	6.71	4.86	4.43	N/A	6.71		
Difference			-0.50	0.71	1.13	1.11	1.11	1.50	N/A	N/A	N/A	1.50		
SOFR+5%			0.77	2.33	7.15	9.74	9.74	10.12	8.21	7.76	N/A	10.12		
Difference			-0.77	-0.09	-1.37	-2.28	-2.28	-1.91	N/A	N/A	N/A	-1.91		

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

As of September 30, 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	87,991,212	3.37	0.00	1.25	2.03	2.18	2.18	-1.03	3.27	3.97	N/A	5.33	11/01/2015	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.65	-6.31	2.48	2.50	4.07	4.11		
Difference			0.00	1.25	0.35	-0.47	-0.47	5.28	0.79	1.47	N/A	1.22		
PGIM Real Estate PRISA II LP	43,144,504	1.65	0.00	1.37	4.38	5.51	5.51	-6.60	2.43	2.56	4.41	5.18	01/01/2015	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.65	-6.31	2.48	2.50	4.07	4.75		
Difference			0.00	1.37	2.71	2.86	2.86	-0.29	-0.05	0.06	0.34	0.42		
Principal US Property (CF)	86,986,669	3.33	0.36	1.20	3.09	4.20	4.20	-5.40	3.28	3.26	4.97	6.21	01/01/2014	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.65	-6.31	2.48	2.50	4.07	5.31		
Difference			0.36	1.20	1.42	1.55	1.55	0.91	0.79	0.75	0.90	0.90		
UBS Trumbull Property LP	50,908,041	1.95	0.00	1.16	3.28	3.11	3.11	-7.26	0.23	-0.44	1.51	3.57	01/01/2006	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.65	-6.31	2.48	2.50	4.07	4.71		
Difference			0.00	1.16	1.61	0.46	0.46	-0.94	-2.25	-2.94	-2.56	-1.14		
Vanguard RE Idx;ETF (VNQ)	1,404,477	0.05	0.06	3.63	5.71	-2.40	-2.40	8.90	6.99	5.71	6.04	10.49	12/01/2008	
Custom REITs Index			0.18	3.76	5.84	-2.22	-2.22	9.11	7.15	5.81	6.38	11.13		
Difference			-0.12	-0.12	-0.13	-0.18	-0.18	-0.21	-0.17	-0.11	-0.35	-0.64		

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

As of September 30, 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	12,370,288	0.47	0.00	4.37	-2.39	-1.20	-1.20	-34.90	N/A	N/A	N/A	-34.90	10/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	-4.44	
Difference			-0.17	3.87	-5.58	-5.90	-5.90	-30.46	N/A	N/A	N/A	-30.46	
H.I.G. Realty Partners IV (Onshore) LP	28,445,278	1.09	0.00	1.63	2.20	3.14	3.14	6.63	N/A	N/A	N/A	21.69	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	-0.13	
Difference			-0.17	1.14	-0.99	-1.56	-1.56	11.06	N/A	N/A	N/A	21.82	
H.I.G. Realty Partners V (Onshore) LP	7,066,618	0.27	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	08/01/2025
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	0.33	
Difference			-0.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.33	
Bell Value-Add Fund VIII LP	10,593,539	0.41	0.00	0.14	5.96	5.96	5.96	N/A	N/A	N/A	N/A	-7.46	04/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	-2.32	
Difference			-0.17	-0.36	2.77	1.26	1.26	N/A	N/A	N/A	N/A	-5.14	
Hammes Partners IV LP	2,398,052	0.09	0.00	-0.07	1.19	4.42	4.42	N/A	N/A	N/A	N/A	-44.75	10/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	-0.90	
Difference			-0.17	-0.56	-2.00	-0.28	-0.28	N/A	N/A	N/A	N/A	-43.86	
Blue Owl Digital Infrastructure Fund III-A LP	6,296,578	0.24	0.00	-7.19	-10.61	-8.59	-8.59	N/A	N/A	N/A	N/A	9.37	04/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	3.35	
Difference			-0.17	-7.68	-13.80	-13.29	-13.29	N/A	N/A	N/A	N/A	6.02	
Ares US Real Estate Opportunity IV LP	3,417,762	0.13	0.00	4.06	-6.78	N/A	N/A	N/A	N/A	N/A	N/A	-6.78	11/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.50	3.19	4.70	4.70	-4.44	4.53	4.55	6.15	4.53	
Difference			-0.17	3.56	-9.98	N/A	N/A	N/A	N/A	N/A	N/A	-11.31	

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

As of September 30, 2025

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Adams Street Private Equity (SA)	107,771,187	4.13	3.21	3.21	8.05	13.01	13.01	7.09	N/A	N/A	N/A	18.01	11/01/2020
S&P 500 Index+3%			3.91	8.93	17.41	21.13	21.13	28.68	19.96	17.89	18.76	20.93	
Difference			-0.69	-5.71	-9.35	-8.11	-8.11	-21.60	N/A	N/A	N/A	-2.92	
Hamilton Lane Private Credit (SA)	114,264,947	4.38	0.15	3.52	10.08	14.40	14.40	10.82	N/A	N/A	N/A	5.74	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			0.94	2.99	11.16	10.44	10.44	14.87	6.87	6.89	7.82	5.72	
Difference			-0.79	0.53	-1.08	3.96	3.96	-4.05	N/A	N/A	N/A	0.02	
Cash Equivalents													
Dreyfus Gvt CM;Inst (DGCXX)	12,959,304	0.50	0.34	1.06	3.21	4.40	4.40	4.80	3.08	2.62	2.11	1.73	05/01/2001
FTSE 3 Mo T-Bill Index			0.36	1.11	3.34	4.61	4.61	4.98	3.10	2.70	2.12	1.73	
Difference			-0.01	-0.05	-0.13	-0.21	-0.21	-0.18	-0.02	-0.08	-0.02	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 28% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 14% Diversifying Assets Index. Prior to August 1, 2025 it consisted 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. Prior to April 1, 2022 it consisted of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net) (Monthly), and 12% Diversifying Assets Index. Prior to October 1, 2021 it consisted of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net) (Monthly), and 15% 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 (COJ) Employees' Retirement System (ERS)
From	RVK, Inc. (RVK) Investment Manager Research
Subject	UBS Trumbull Property Fund / Evercore Secondary Offering
Date	October 23, 2025

Background

This memo serves to update and provide the Board with a recommendation pursuant to the ongoing secondary sale process UBS has undertaken, specific to its Trumbull Property Fund (TPF), as discussed at last month's Board of Trustees meeting.

By way of background, in June of this year, UBS informed investors that they had engaged Evercore Group L.L.C. (Evercore) to broadly seek real estate investors to purchase shares of TPF through the secondary market. UBS observed that several TPF investors had sold their Fund interests in the secondary market and believed that a broadly marketed process might provide investors that are currently in the redemption queue an opportunity to get liquidity at potentially better economics than if they pursued secondary sales individually. If the process is successful, UBS will benefit from a reduced redemption queue, allowing them to use asset sale proceeds on the purchase of new assets and improve their ability to attract new investors.

As of June 30, 2025, COJ's TPF net asset value (NAV) stood at \$50.7 million, which represents approximately 1.9% of the total System's market value or 18% of the Core Real Estate Composite. Exposure to TPF has generally gone down over time, as progress, albeit over a multi-year period, has been made toward fulfilling COJ's full redemption request from the Fund.

Outcome and Evaluation

Evercore began seeking interested secondary buyers in July and continued until September. On October 14th, investors were notified that Evercore had completed the marketing process and had received seven actionable bids from interested secondary buyers. Evercore grouped the offers and level of interest as outlined in Table 1 on the next page. The highest bid came in at 82% of 6/30/2025 NAV, with other bids ranging down to 65%. Total potential interest amounts to \$1.95 billion, including \$618 million in buyer interest at the top range of 80%-82%.

Table 1:	
% of Q2 2025 NAV Range	Incremental High Range of Demand
82% - 80%	\$618 million
79% - 75%	\$735 million
74% - 70%	\$500 million
69% - 65%	\$100 million
Total	\$1,953 million

Current limited partners (LPs) can decide if they would like to participate and specify the pricing level they are willing to accept. If any LP elects to accept a price below the top tranche they will receive a pro rata share of the top tranche and then receive a pro rata share of the next tranche until their shares have been purchased or the amount that buyers are willing to purchase has been depleted. LPs have until November 24, 2025, to make an election to sell, as a result LPs will not know to what degree other LPs have agreed to sell. Accordingly, selling LPs will not know how much of their investment will be sold in advance.

RVK evaluated the offer considering the highest tier of 82%-80% of Net Asset Value. Please note, any seller will also be responsible for paying Evercore a Success (transaction) Fee (1.1% for volume price for \$0 - \$500 million) and pay legal fees (up to \$650,000) for their transaction. Based on our understanding of the transaction process and assuming COJ is able to sell the full amount at the 80%-82% range, the net prices are estimated to be 77.8% and 79.8% for the 80% and 82% price levels, respectively, are shown in Table 2 below.

Table 2:		
Price Level	80%	82%
COJ ERS UBS TPF 6/30/25 MV	50,697,720	50,697,720
Haircut-Adjusted MV	40,558,176	41,572,130
Evercore Success Fee (1.1%*)	(446,140)	(457,293)
Legal Fees (up to \$650K)	(650,000)	(650,000)
Net of Fees MV	39,462,036	40,464,837
Net of Fees MV (% of 6/30/25 MV)	77.8%	79.8%

** for \$0 - \$500 million transaction value*

For LPs that do opt to take the offer, assuming participation in the top tier, these investors would be taking a >20% loss on the NAV the day the sale settles. As an exercise, in order to make up this loss, the proceeds from the sale would need to return over 26% to get back to even. For context, based on RVK's 2025 long-term capital market assumptions, there are very few asset classes we expect to deliver that level of compound return over time.

While the TPF redemption queue will most likely continue to be large, thus a continued slow path to redemption, RVK's Real Estate Team believes that TPF is in a better position today than it was over the past several years. The portfolio has been significantly repositioned and is now expected to perform in line with the NFI-ODCE Index, which has posted positive returns over the past five quarters, a trend we feel reflects a broader market repricing. The portfolio management structure has also been addressed with the hiring of Larissa Belova as CIO and Lead Portfolio Manager and UBS has made a recent commitment to add capital to the Fund as well as pursue additional investments in alternative real estate sectors to continue to diversify the portfolio.

Recommendation

While we recognize each LP has its own unique objectives and circumstances to balance, our recommendation to the Board is to not participate in the secondary sale offer and to continue in the redemption queue. In our view, given that the System does not have any urgent or nearer-term liquidity needs and the Core Real Estate allocation is far more in line with its long-term policy target (given active rebalancing and redemption efforts across managers in recent years), there is not an immediate need to take such a haircut. Furthermore, on balance, we believe this discount to be steep for a Fund that has undergone a significant evolution and is now better positioned for the future.



City of Jacksonville Employees' Retirement System

Private Credit Update & Tranche 2 Proposal
October 23, 2025

Agenda

- Hamilton Lane Update
- Private Credit Market Overview
- Portfolio Review – Tranche 1
- Mandate Proposal – Tranche 2
- Appendix
 - Commitment Activity
 - Schedule of Investments
 - Endnotes & Disclosures

Hamilton Lane Update



Investing exclusively in the private markets for 34 years

\$986.3B¹

Assets under management & supervision

~\$34.3B²

Capital deployed in 2024

2,420+

Clients and investors across 60 countries

~\$905M

Invested alongside our clients

760+

Employees

23

Global offices

OUR MISSION & VALUES

We enrich lives & safeguard futures



Do the right thing



Integrity, candor and collaboration



A spirit of competition that inspires innovation



Pursuit of excellence



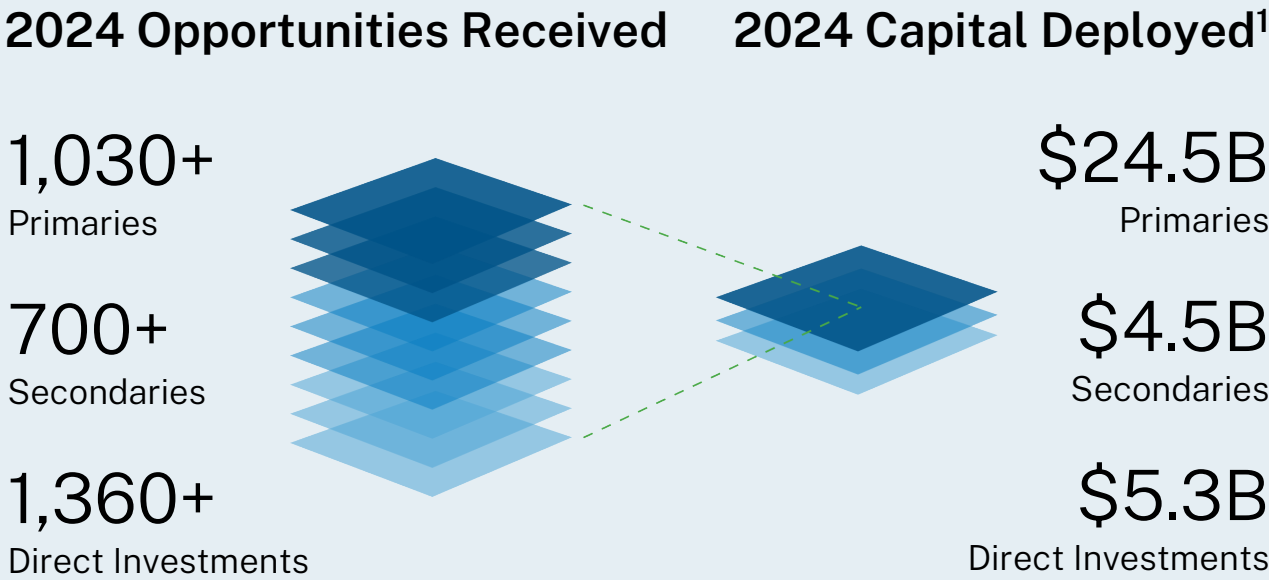
Promoting equity and inclusion from within

As of June 30, 2025.

¹ Inclusive of \$141.0B in discretionary assets under management and \$845.3B in non-discretionary assets under supervision, as of June 30, 2025.

² The 2024 capital committed includes all primary commitments that closed during the year 2024 for which Hamilton Lane retains a level of discretion as well as nondiscretionary client commitments for which Hamilton Lane performed due diligence and made an investment recommendation. Direct Investments includes all discretionary and nondiscretionary direct equity and direct credit investments that closed during 2024. Secondaries includes all discretionary and nondiscretionary secondary investments with a signing date during 2024.

Scale & Influence Drive Investment Opportunities



Backing who we believe to be the best GPs in their areas of expertise

Aurora Capital Partners	Kelso	Asterion	THL	Summit Partners	
Cabot	Blue Owl	Insight Partners	Charterhouse	STG	Vistria
Gridiron Capital	Clearlake	HPS	Novacap	Polaris	Stone Point
Waterland	KPS Capital	Bridgepoint	Torquest	Platinum Equity	

Client/Investor Benefits

- ✓
Privileged investment opportunities
- ✓
Preferential fees and terms
- ✓
Industry-leading analysis and insight
- ✓
Enhanced access & sourcing capabilities
- ✓
Exposure to diversified group of quality assets

As of December 31, 2024.

¹ The 2024 capital committed includes all primary commitments that closed during the year 2024 for which Hamilton Lane retains a level of discretion as well as nondiscretionary advisory client commitments for which Hamilton Lane performed due diligence and made an investment recommendation. Direct Investments includes all discretionary and nondiscretionary advisory direct equity and direct credit investments that closed during 2024. Secondaries includes all discretionary and nondiscretionary advisory secondary investments with a signing date during 2024.

Transforming private markets data into insight and action

Informed decision-making. Expert investing.

We leverage our accurate, comprehensive dataset, coupled with our proprietary technology, to our – and your – competitive advantage. The result? Investing with greater sophistication, precision and insight.

64,350+

Funds across all private markets

83,160+

Deals with performance or operating metrics

23,910+

Funds with historical performance

164,490+

Portfolio companies monitored

1,030+

Funds received in 2024¹

Industry-leading technology. Innovative partnerships.

We're committed to advancing the industry's adoption of technology. We partner with investment technology market leaders and build our own tools to create the ideal tech stack for ourselves and our investors.

novata

cobalt LP
by Hamilton Lane

canoe

iLEVEL

DealCloud
Clear Perspective. Superior Execution.

ALLVUE

As of June 30, 2025.

¹ Represents the total opportunities received by each investment team in 2024.

Private Credit Market Update

Key Market Themes in Private Credit

1

Higher for longer interest rate environment

2

Industry tailwinds will drive continued demand for private credit

3

Consistency of performance across market cycles

4

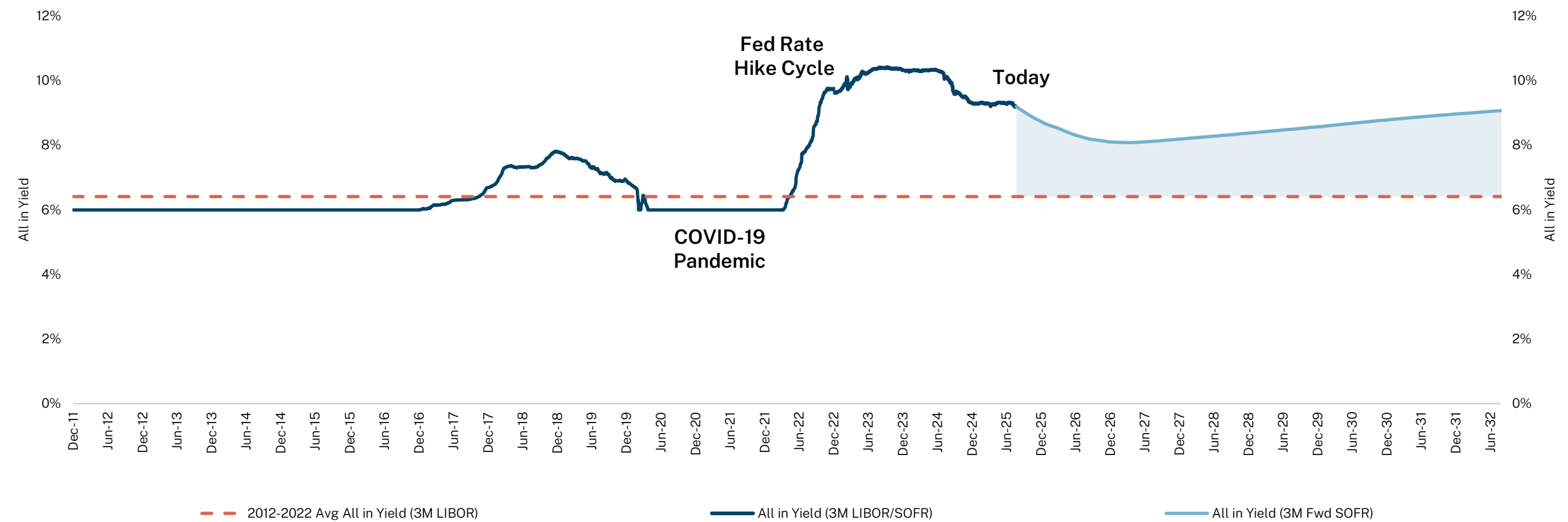
Default environment remains muted

1 Higher-for-Longer Rate Environment



Despite expected rate cuts, investors are still poised to benefit from approximately 200 bps of enhanced yield relative to the decade leading up to most recent Fed rate hike cycle

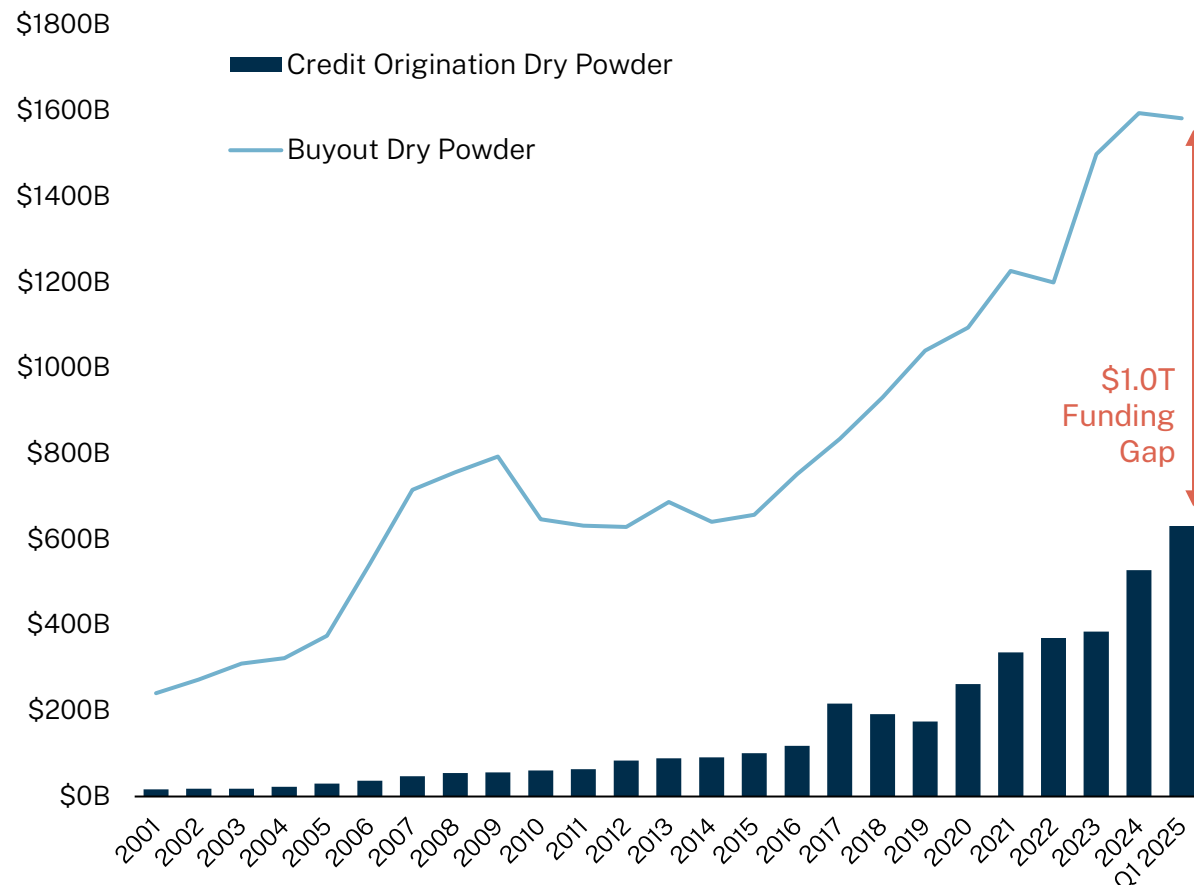
What does an S+500 deal look like across rate environments?



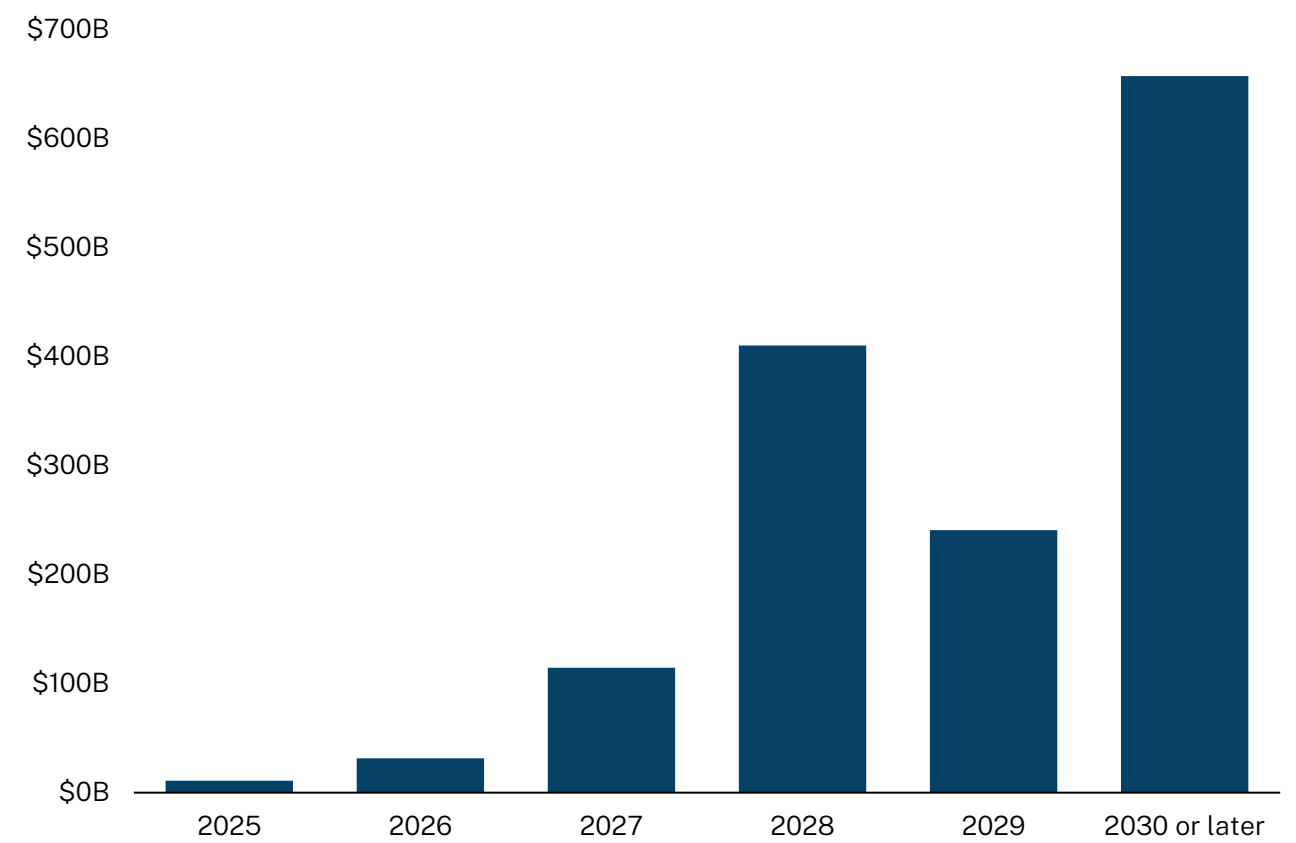
2 Industry tailwinds: Demand exceeds supply

- ✓ Estimated \$1.0 trillion funding gap in credit capital needed to support buyout dry powder
- ✓ Additionally, growth in loan maturities will fuel refinancing demand

Buyout Credit Financing Demand¹

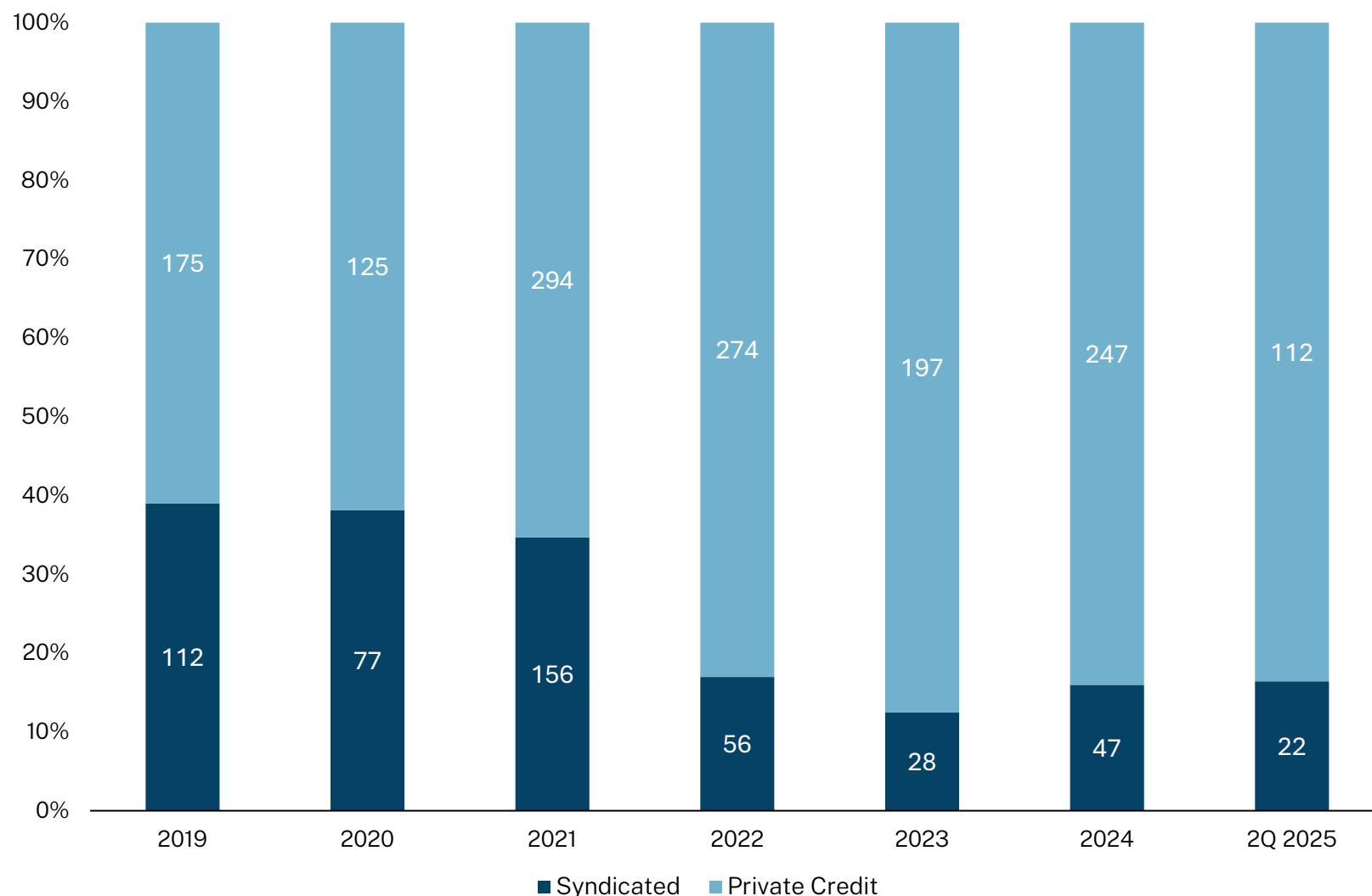


Maturity Breakdown of Performing Loans²



2 Industry tailwinds: Private credit has taken market share from banks

Count of LBOs Financed in Private Credit vs BSL Market



Why do private companies choose to work with private credit managers vs. public alternatives?

Long-term partners and capital providers:
Small groups of lenders can work together collaboratively

Speed of execution:
Need for financing in short period of time

Certainty:
Public markets may shut down during periods of market volatility

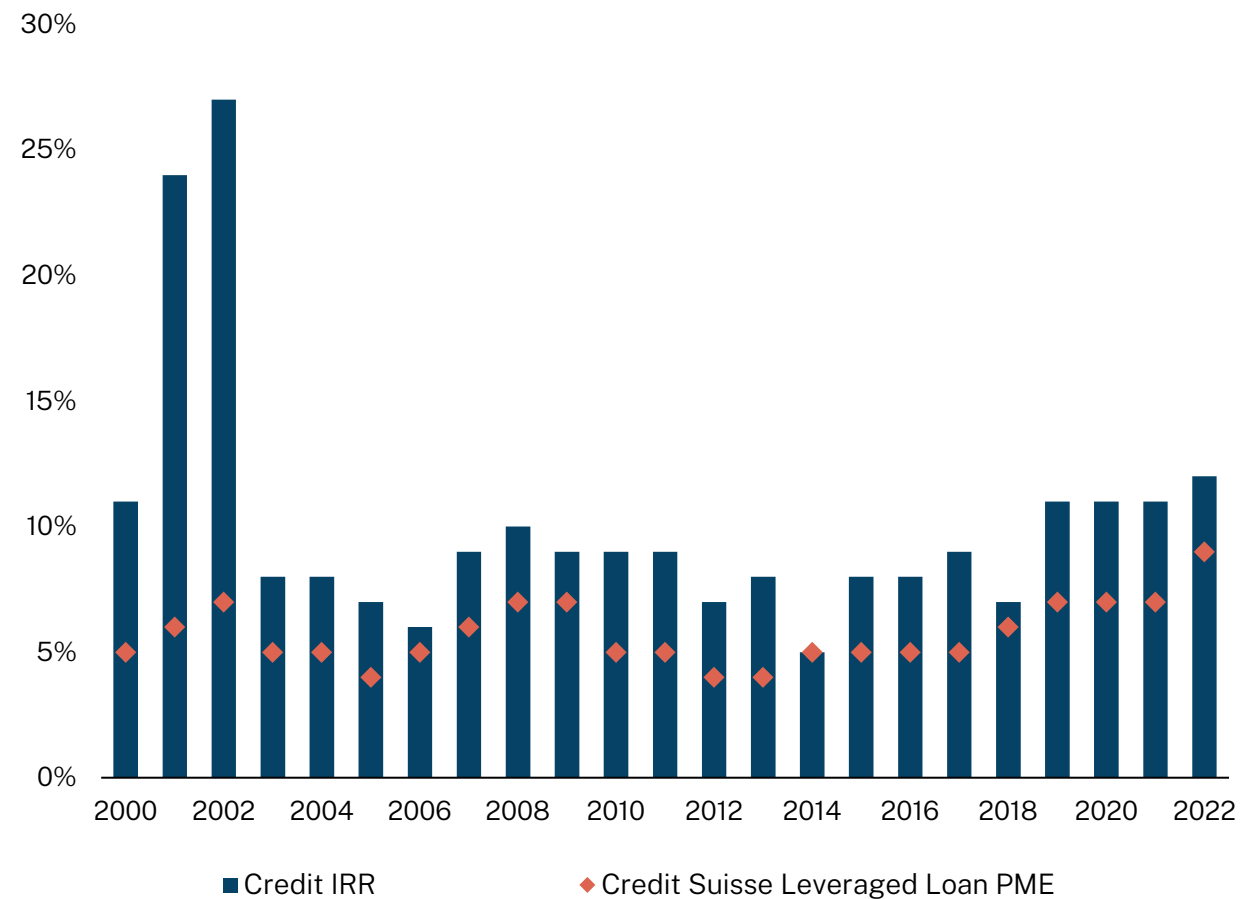
Complexity:
Public markets aren't always receptive e.g. carve-outs and divestitures

Confidentiality:
Ability to control sensitive information with private lender groups vs. public market holders

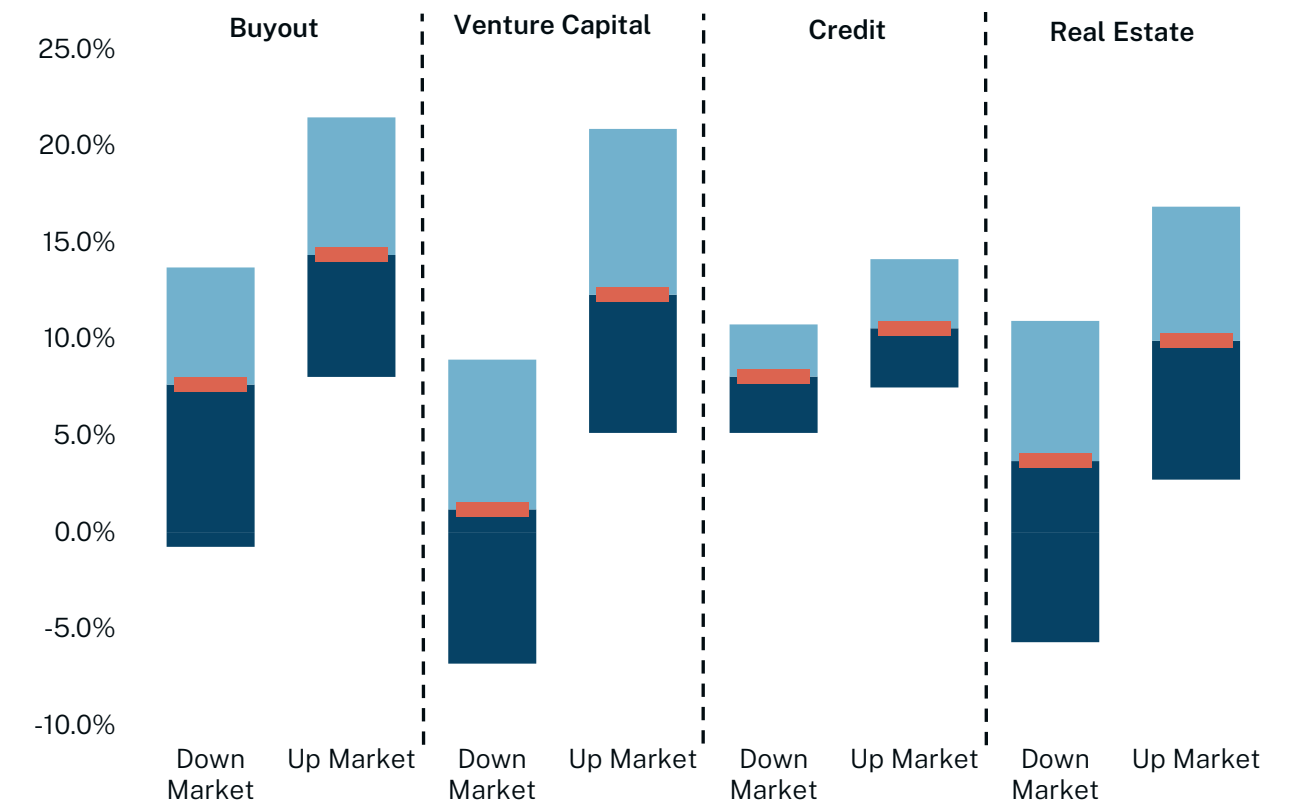
3 Consistency of performance: Steady Returns Across Market Cycles

- ✓ Over long periods of time, private credit has consistently outperformed the public credit markets
- ✓ Private credit exhibits low dispersion of returns in both up and down markets

Credit IRR vs. PME by Vintage Year¹



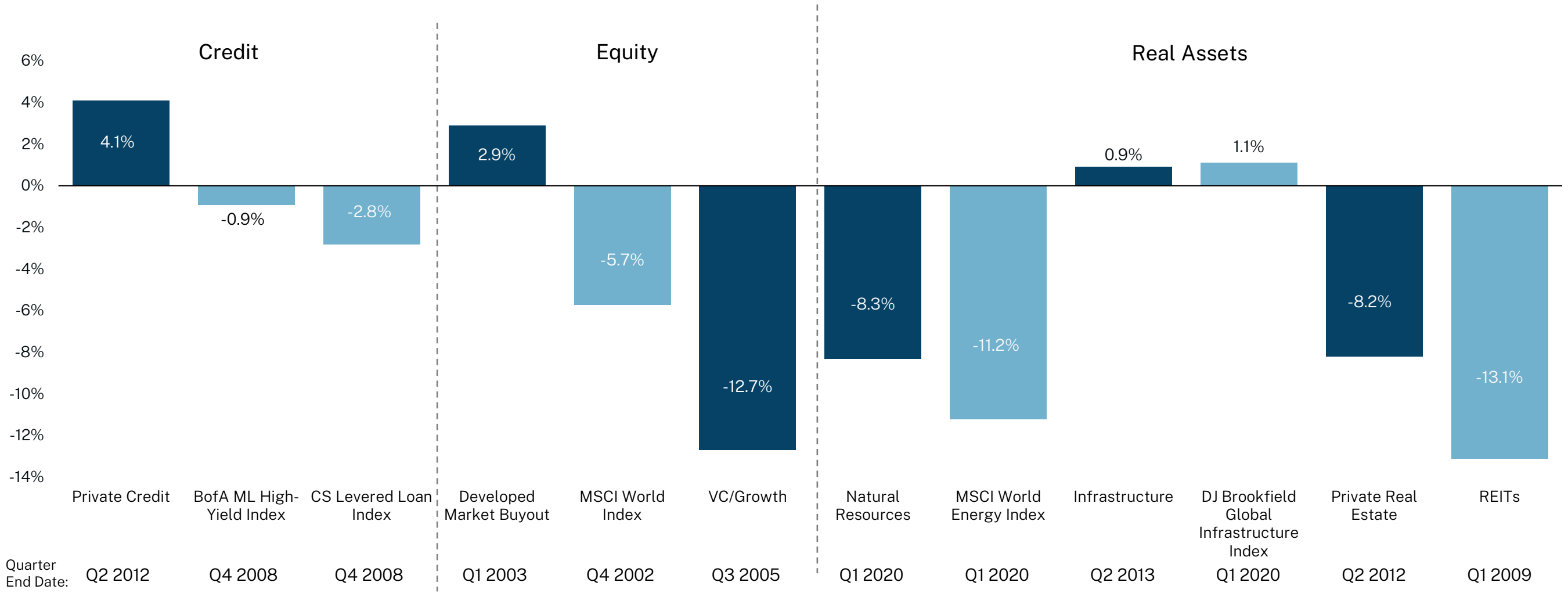
Spread of Returns by Down and Up Markets²



3 Consistency of performance: Private credit provides an all-weather solution

Private credit offers attractive downside protection relative to other asset classes

Lowest 5-Year Annualized Performance

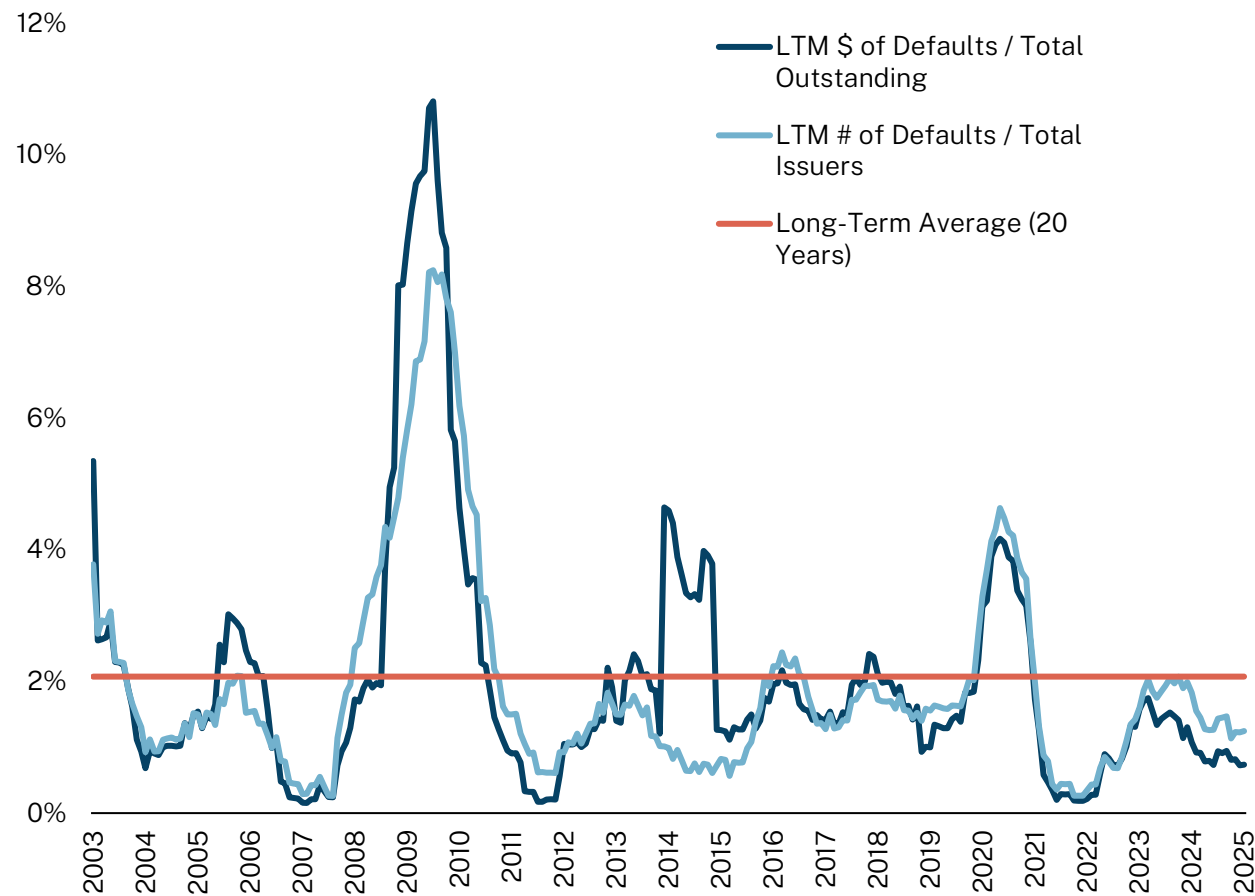


Infrastructure from 2011 - 2024, Natural Resources from 1998 - 2024
Source: Hamilton Lane Data via Cobalt, Bloomberg (January 2025)
Please refer to definitions in endnotes.
The views and opinions expressed herein are those of Hamilton Lane. There is no guarantee that these views will come to fruition or achieve the targeted results.

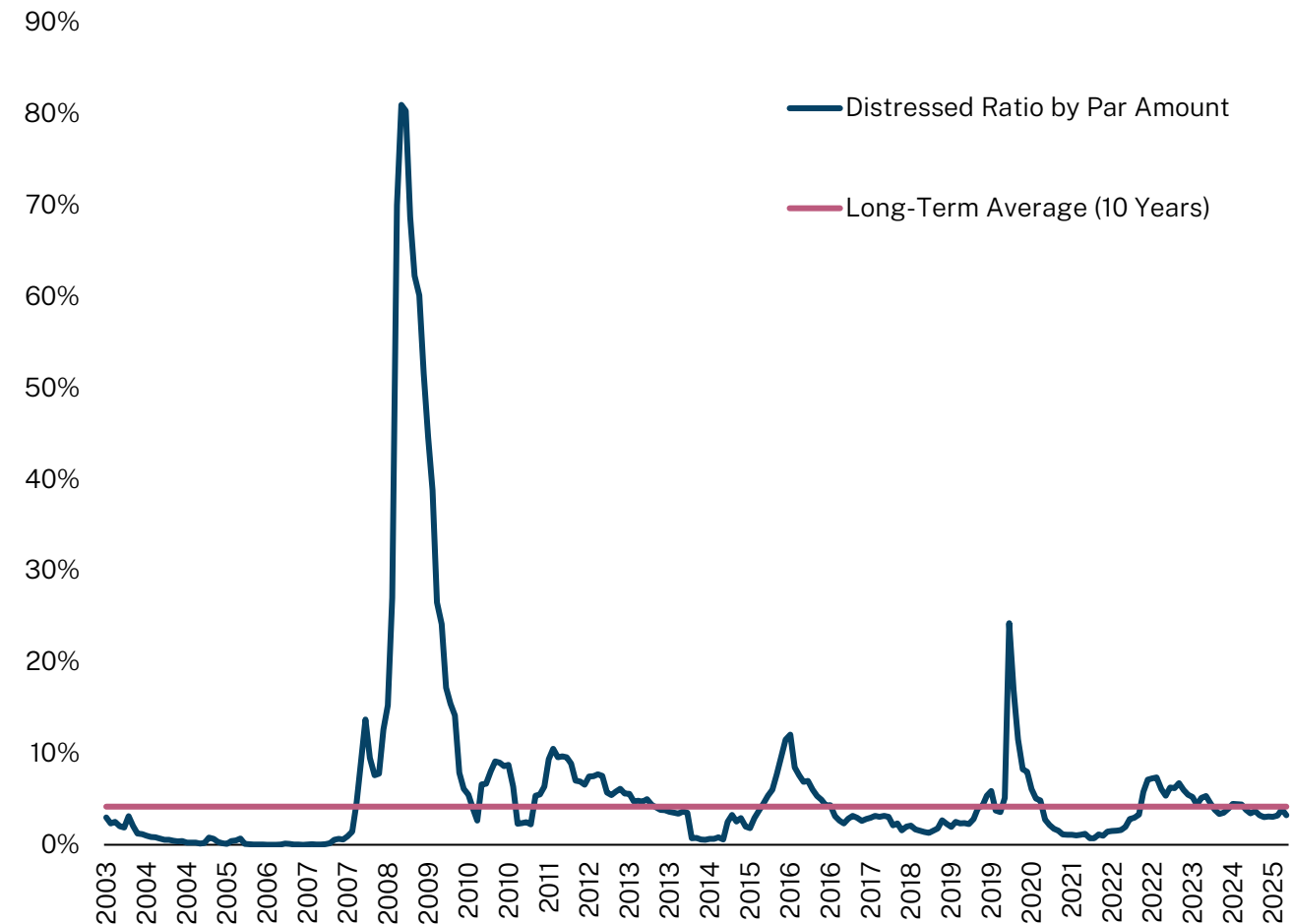
4 Default environment remains muted

- ✓ Despite expectations for elevated defaults, leveraged loan default rates remain below the long-term average
- ✓ Additionally, the distressed ratio remains in line with the historical average

US Leveraged Loan Default Rate



US Leveraged Loan Distressed Ratio



Portfolio Review – Tranche 1

Mandate & Portfolio Overview – Tranche 1

In May of 2020, Hamilton Lane was selected to manage a Private Credit Custom Account for the City of Jacksonville Employees Retirement System (“COJ”)

Mandate Overview

- COJ approved \$250M to be committed over 5 years targeting \$50M in annual commitments
 - 20% allocation to direct credit; 80% allocation to credit primaries
 - Year 1: \$51.7M committed to six partnerships, including \$10.0M HL Strategic Opportunities VI
 - Year 2: \$50.0M committed to five partnerships, including \$10.0M to HL Strategic Opportunities VII
 - Year 3: \$57.5M committed to six partnerships, including \$10.0M to HL Strategic Opportunities VIII
 - Year 4: \$59.4M committed to six partnerships, including \$10.0M to HL Strategic Opportunities IX
 - Year 5: \$30.0M committed to three partnerships

Portfolio Targets

- Commitments: \$250M over 5 years (~\$50M/year, not to exceed \$65M/year)
- Commitment Size | # Commitments: \$7-10M/fund | 4-6 commitments/year
- Target Returns: 12.0% long-term target
- Long-term Benchmark: BoA/Merrill Lynch High Yield Index + 200 bps
- Strategies: Origination (Mezzanine), Distressed, Structured Credit, Opportunistic
- Geographies: 70-80% North America; 15-20% Europe; 0-5% ROW
- Industries: To be monitored to ensure appropriate diversification across sectors

Portfolio Snapshot

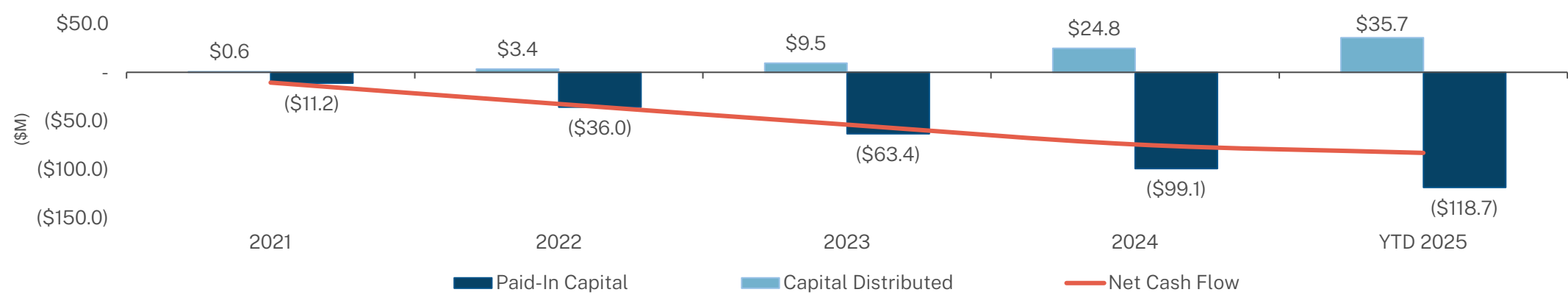
City of Jacksonville Employees Retirement - Portfolio Snapshot			
(USD in Millions)	6/30/2024	6/30/2025	Net Change
Total Portfolio			
Active Partnerships	20	25	5
Active GP Relationships	12	12	-
Committed Capital	\$189.2	\$239.9	\$50.7
Unfunded Commitment	\$115.4	\$142.9	\$27.5
Paid-in Capital	\$82.2	\$118.7	\$36.5
Distributions	\$15.8	\$35.7	\$19.9
Distributions / Paid-In	0.19x	0.30x	0.11x
Market Value	\$79.0	\$107.4	\$28.4
Average Age of Commitments	1.5 years	2.1 years	0.6 years
Annual Performance Summary			
Annual Net Value Gain/(Loss) ¹	\$8.2	\$11.8	
Annual Point-to-Point IRR	13.82%	13.55%	
Since Inception Performance Summary			
Since Inception IRR	11.99%	12.63%	64 bps
Total Value Multiple	1.15x	1.21x	0.06x

¹The Net Value Gain/(Loss) is calculated as the ending market values less the beginning market value plus paid-in, less distributions

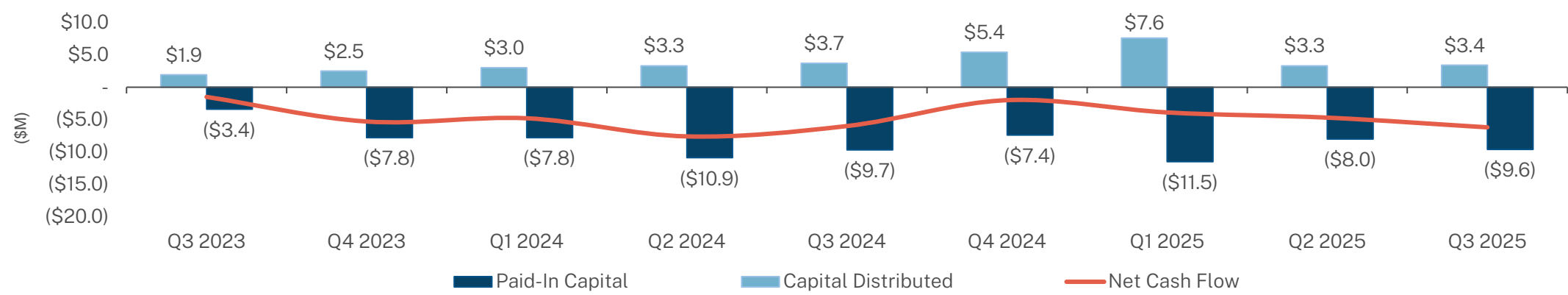
Note: Capital distributed includes recallable returns of capital, which will increase the unfunded

Cash Flow Summary

Since Inception Net Cash Flow Activity



Quarterly Net Cash Flow Activity

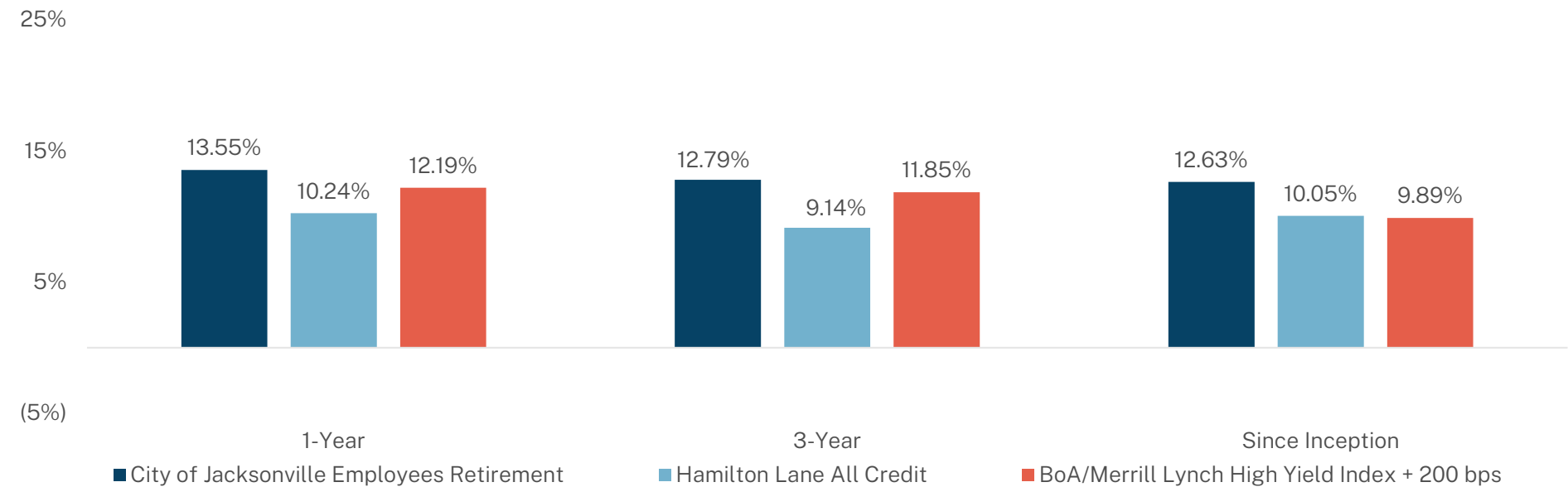


Note: Totals may not sum due to rounding
YTD 2025 as of 6/30/25

Benchmarking Analysis

Time Horizon Performance

As of June 30, 2025



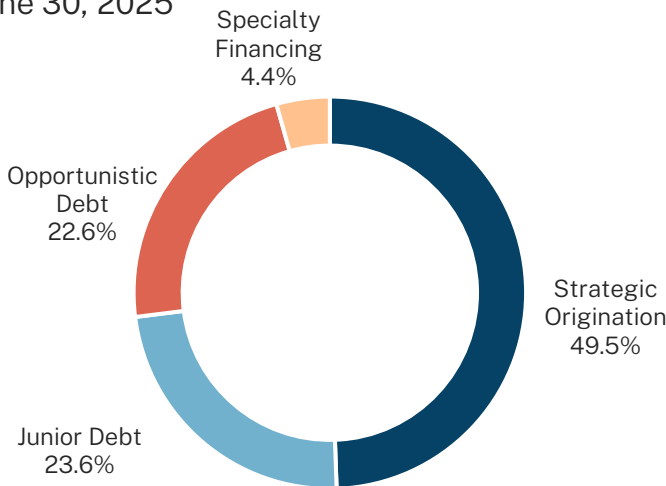
Time Horizon	City of Jacksonville	Hamilton Lane	Spread		BoA/Merrill Lynch High Yield	Spread	
	Net IRR		Over/Under			Over/Under	
1-Year	13.55%	10.24%	331 bps		12.19%	136 bps	
3-Year	12.79%	9.14%	365 bps		11.85%	94 bps	
Since Inception	12.63%	10.05%	258 bps		9.89%	274 bps	

Note: The BoA/Merrill Lynch High Yield Index incorporates the PME II methodology, where the assumption is that capital is being invested and withdrawn from the index on the days the capital was called and distributed from the underlying fund managers
Performance is as of June 30, 2025
Portfolio became active on March 29, 2021

COJ Private Credit Portfolio Diversification

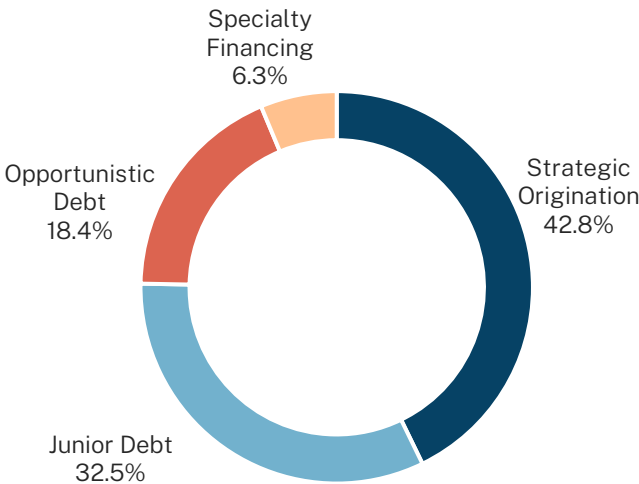
Diversification by Strategy

by Net Asset Value
As of June 30, 2025



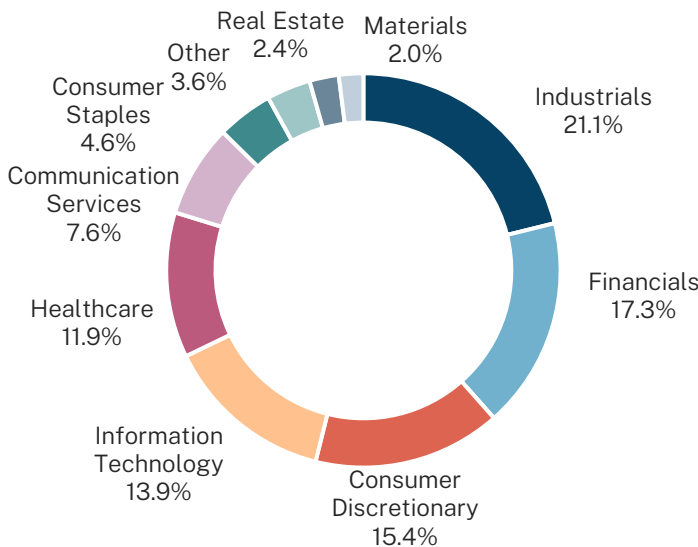
Diversification by Strategy

by Total Exposure
As of June 30, 2025

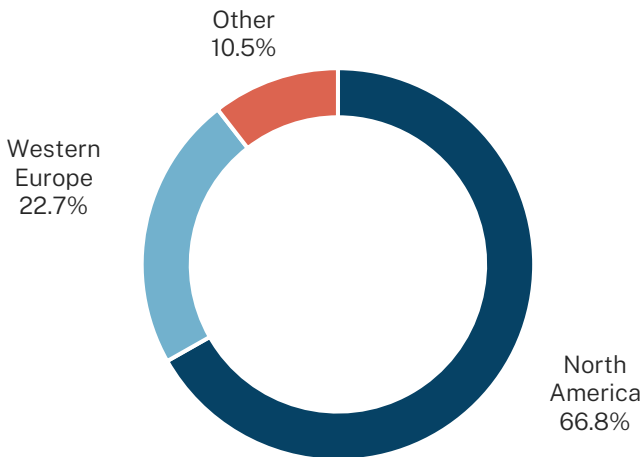


Underlying Investment Diversification

by Industry¹
As of June 30, 2025



by Geography²
As of June 30, 2025



Note: Totals may not sum due to rounding;

¹“Other” refers to energy, FoF holdings and holdings that are not able to be categorized into a sector due to nature of the credit investments

²“Other” refers to investments across the rest of the world and holdings that are not able to be categorized into a specific geography due to the nature of credit investments

Mandate Proposal – Tranche 2

Proposed Mandate – Tranche 2

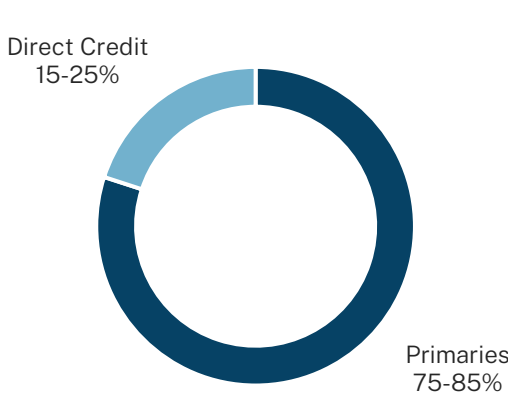
Tranche 2 is expected to largely be a continuation of Tranche 1, with an increase in deployment to reflect the private credit target allocation growing from 5.0% to 7.0%

Proposed Mandate Overview

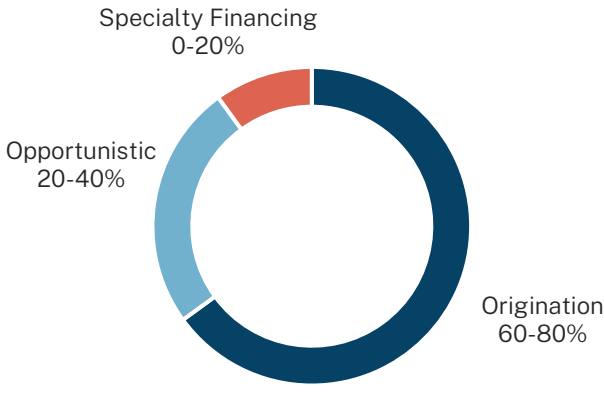
- Develop a diversified private credit portfolio that will allow the Plan to reach and maintain its target allocation
- \$280M to be committed over 5 years targeting \$60M in annual commitments in 2026-2028 and \$50M in annual commitments in 2029-2030
 - 15%-25% allocation to direct credit; 75%-85% allocation to credit primaries
 - 2026: \$30M direct credit evergreen; \$30M to credit primaries
 - 2027-2028: \$120M allocation with up to \$15M in direct credit
 - 2029-2030: \$100M allocation with up to \$15M in direct credit

Target Diversification

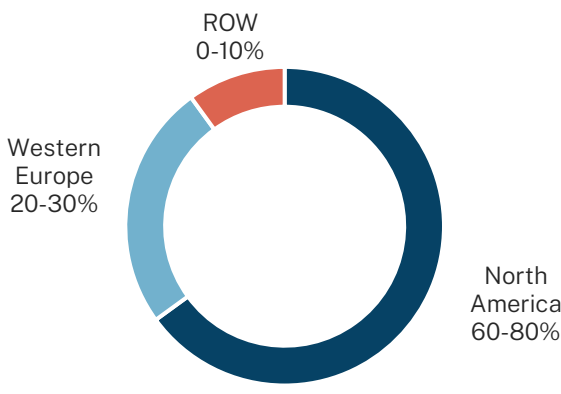
by Investment Type



by Strategy



by Geography



by Industry



Please note these metrics are all target based. Please note that there can be no guarantee that the Portfolio will achieve the target results and portfolio construction

Commitment Pacing

The Horizon Model is a Hamilton Lane proprietary tool that uses existing portfolio information coupled with future allocation targets to create a quantitative future investment plan

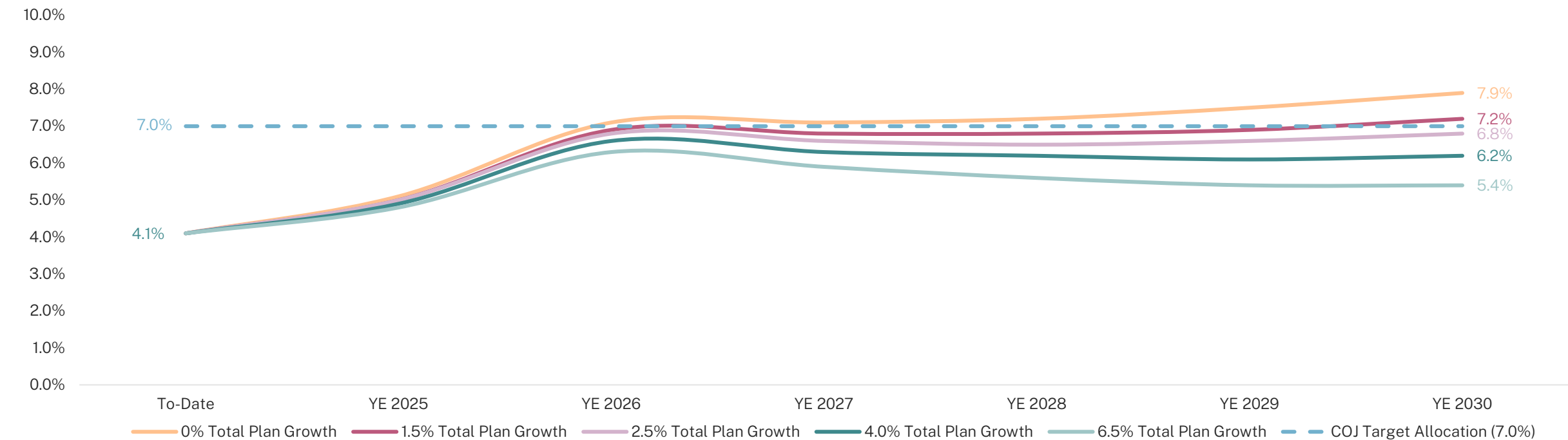
- Model uses a formulaic approach to project value and future cash flows using internal data base of 5,000+ funds
- The table below summarizes the input assumptions used to forecast cash flows and market values

Horizon Model Pacing Assumptions	
COJ Total Plan Assets ¹	\$2,631M
Net Plan Growth Rate	0.0%; 1.5%; 2.5%; 4.0%; 6.5%
Private Credit as % of Plan ¹	4.1% (NAV/Total Plan Assets)
Target Allocation to Private Credit	7.0%

See endnotes in the Appendix
¹ As of June 30, 2025
Note: Total plan value and net plan growth rates provided by COJ

Horizon Modeling – Tranche 2

COJ Credit Portfolio Projected NAV as a % of Total Plan Value¹



COJ Pacing							
(\$ in millions)	To-Date ¹	YE 2025	YE 2026	YE 2027	YE 2028	YE 2029	YE 2030
Commitments							
Total	\$239.9	\$10.0	\$60.0	\$60.0	\$60.0	\$50.0	\$50.0
Annual Cash Flow							
Paid-in Capital	\$36.6	\$36.3	\$87.8	\$44.2	\$48.7	\$52.6	\$53.7
Distributions	\$19.9	\$14.3	\$53.4	\$65.1	\$64.4	\$63.7	\$61.0
Net Cash Flow	(\$16.7)	(\$22.0)	(\$34.4)	\$20.9	\$15.7	\$11.1	\$7.3
Portfolio							
Market Value	\$107.4	\$133.7	\$188.1	\$187.0	\$189.8	\$196.2	\$207.4
% of Plan Value (0% Growth)	4.1%	5.1%	7.1%	7.1%	7.2%	7.5%	7.9%
% of Plan Value (1.5% Growth)	4.1%	5.0%	6.9%	6.8%	6.8%	6.9%	7.2%
% of Plan Value (2.5% Growth)	4.1%	5.0%	6.8%	6.6%	6.5%	6.6%	6.8%
% of Plan Value (4.0% Growth)	4.1%	4.9%	6.6%	6.3%	6.2%	6.1%	6.2%
% of Plan Value (6.5% Growth)	4.1%	4.8%	6.3%	5.9%	5.6%	5.4%	5.4%

See endnotes in the Appendix.
¹ To-Date column as of June 30, 2025

Appendix

Commitment Activity

Commitment Activity – Year 1

COJ – Year 1 Commitments				
Fund Name	Strategy	Commitment	Close Date	Diligence Conclusions / Portfolio Fit
Hamilton Lane Strategic Opportunities Fund VI (Series 2020), L.P.	Strategic Origination	\$10.0M	1/29/21	- Short-duration private credit fund series focused on making direct credit investments into performing middle-market companies - Flexible investment approach to identify the most attractive risk-adjusted returns, prioritizing downside protection, cash yield and short duration
Carlyle Credit Opportunities Fund II, L.P.	Strategic Origination	10.0M	3/17/21	- Flexible, opportunistic investment approach across the capital structure with a focus on core sectors in North America and Europe - Carlyle's ability to invest in complex transactions and speed of execution allows access to differentiated deal flow and limits competition for deals - Demonstrated ability to deploy capital and generate realizations within the Fund's strategy
ICG Europe Fund VIII SCSp	Junior Debt	7.2M	5/17/21	- Targets Western European middle-market businesses seeking bespoke, credit-oriented transactions - Employs a flexible investment mandate across corporate unsponsored, opportunistic and sponsored transactions - Leverages local knowledge to source majority of deals through bilateral processes
Balance Point Capital Partners V, L.P.	Strategic Origination	7.5M	5/21/21	- Focus on lower middle-market investments in first and second lien securities with returns augmented by equity upside - Disciplined investor with emphasis on downside protection through covenants, conservative positioning within the capital the capital structure and active investment approach - Attractive performance across prior funds with a demonstrated ability to preserve capital
Ares Special Opportunities Fund II	Opportunistic Debt	10.0M	10/26/21	- Focus on flexible capital solutions to middle market businesses with the ability to pivot into public debt during dislocated markets with the intention of generating private follow-on opportunities - Benefits from the networks of its senior professionals and adjacent investment teams within the broader platform
Castlelake Aviation IV – Stable Yield	Specialty Financing	7.5M	12/10/21	- Large, cohesive investment team with significant knowledge of the aviation market dynamics - Attractive performance through market cycles, driven by ability to capitalize on the aviation sector
Total Year 1 Commitments		\$52.2M		

Commitment Activity – Year 2

COJ – Year 2 Commitments				
Fund Name	Strategy	Commitment	Close Date	Diligence Conclusions / Portfolio Fit
Hamilton Lane Strategic Opportunities Fund VII, L.P.	Strategic Origination	\$10.0M	12/10/21	- Short-duration private credit fund series focused on making direct credit investments into performing middle-market companies - Flexible investment approach to identify the most attractive risk-adjusted returns, prioritizing downside protection, cash yield and short duration
HPS Strategic Investment Partners V	Junior Debt	10.0M	4/6/22	- Targets sponsored and unsponsored businesses across a variety of sectors at the upper-end of the market, often leveraging its scale to control tranches and achieve favorable terms - Maintains the ability to invest across the capital structure, primarily seeking subordinated debt investments while opportunistically participating in equity positions to enhance returns
Castlelake VI, L.P.	Opportunistic Debt	10.0M	7/7/22	- Seeks to invest in assets in complex, undercapitalized or dislocated situations, utilizing its knowledge to create capital solutions that require comprehensive underwriting and sector experience - Consistently generated above-median quartile performance - Focus on asset-backed and cash-generative investments has provided significant downside protection
Oaktree Special Situations Fund III, L.P.	Opportunistic Debt	10.0M	7/25/22	- Flexible capital solutions provider to middle-market businesses, targeting a combination of distressed debt and structured credit transactions dependent on market conditions - Disciplined investor, focusing heavily on downside protection and heavily leveraging the capabilities of its PTT to generate operational efficiencies and drive value
ICG North American Credit Partners III	Junior Debt	10.0M	11/15/22	- Diversified portfolio of loans to North America-based companies across a broad range of sectors - Generates returns through cash yield on primarily floating-rate loans, with upside generated through closing fees, prepayment premiums and equity co-investment - Top-quartile or near top-quartile net returns across Funds I and II
Total Year 2 Commitments		\$50.0M		

Commitment Activity – Year 3

COJ – Year 3 Commitments				
Fund Name	Strategy	Commitment	Close Date	Diligence Conclusions / Portfolio Fit
Carlyle Credit Opportunities Fund III	Strategic Origination	\$10.0M	2/20/23	- Flexible, opportunistic investment approach across the capital structure with a focus on core sectors in North America and Europe - Carlyle’s ability to invest in complex transactions and speed of execution allows access to differentiated deal flow and limits competition for deals - Demonstrated ability to deploy capital and generate realizations within the Fund’s strategy
Hamilton Lane Strategic Opportunities Fund VIII	Strategic Origination	10.0M	3/31/23	- Short-duration private credit fund series focused on making direct credit investments into performing middle-market companies - Flexible investment approach to identify the most attractive risk-adjusted returns, prioritizing downside protection, cash yield and short duration
Plexus Fund VI	Strategic Origination	10.0M	4/11/23	- Consistent focus on the U.S. lower middle-market with differentiated, non-sponsored deal flow driven by deep industry networks - Thoughtful deal structuring enables downside protection with upside potential through equity participation - Attractive performance across prior funds
Everberg Capital Partners II	Junior Debt	10.0M	4/26/23	- Invests across the capital structure, including senior term loans, subordinated term loans, holding company unsecured debt, preferred equity securities and common equity investments - Industry network has created relationships with several reputable sponsors - Seeded portfolio with early markup at closing
Balance Point Capital Partners VI	Strategic Origination	10.0M	5/19/23	- Focus on lower middle-market investments in first and second lien securities with returns augmented by equity upside - Disciplined investor with emphasis on downside protection through covenants, conservative positioning within the capital the capital structure and active investment approach - Attractive performance across prior funds with a demonstrated ability to preserve capital
Castlelake Aviation V Stable Yield	Specialty Financing	7.5M	6/28/23	- Highly specialized team with exclusive focus on aviation-related assets enables differentiated sourcing and management capabilities - Flexible approach to niche strategy allows Castlelake to capitalize on an evolving opportunity set - Attractive performance across market cycles with a continued focus on downside protection
Total Year 3 Commitments		\$57.5M		

Commitment Activity – Year 4

COJ – Year 4 Commitments				
Fund Name	Strategy	Commitment	Close Date	Diligence Conclusions / Portfolio Fit
Atlantic Park Strategic Capital Fund II, L.P.	Strategic Origination	\$10.0M	1/31/24	- Targets U.S. & Europe-based businesses operating across a variety of end markets with high levels of recurring revenue and multiple income streams - Utilizes a relationship-driven sourcing approach, leveraging the investment team's well-developed networks to drive deal flow - Aims to provide bespoke solutions across a variety of transaction and security types, often including multiple tranches to boost risk-adjusted returns
Hamilton Lane Strategic Opportunities Fund IX L.P.	Strategic Origination	10.0M	6/28/24	- Short-duration private credit fund series focused on making direct credit investments into performing middle-market companies - Flexible investment approach to identify the most attractive risk-adjusted returns, prioritizing downside protection, cash yield and short duration
FP Credit Partners III, L.P.	Strategic Origination	10.0M	6/28/24	- Consistent focus on providing financing solutions to middle-market software businesses primarily based in North America - Sources a significant portion of its deal flow through its equity platform, which introduces it to strong businesses that are seeking less dilutive financing alternatives - Primarily invests in senior secured 1st lien positions with covenant protections
Everberg Capital Partners III, L.P.	Junior Debt	10.0M	1/17/25	- Targets structured investments in North America-based businesses operating within the business services, consumer, industrials and healthcare sectors - Primarily seeks to generate performance through contractual yield with opportunistic equity participation - Positions itself as a flexible capital solutions provider by targeting both traditional competitive processes and less-sought after opportunities
Ares Special Opportunities Fund III, L.P.	Opportunistic Debt	10.0M	12/24/24	- Focus on flexible capital solutions to middle market businesses with the ability to pivot into public debt during dislocated markets with the intention of generating private follow-on opportunities - Benefits from the networks of its senior professionals and adjacent investment teams within the broader platform
ICG Europe Fund IX SCSp	Junior Debt	10.0M	12/17/24	- Targets Western European middle-market businesses seeking bespoke, credit-oriented transactions - Employs a flexible investment mandate across corporate unsponsored, opportunistic and sponsored transactions - Leverages local knowledge to source majority of deals through bilateral processes
Total Year 4 Commitments		\$60.4M		

Commitment Activity – Year 5

COJ – Year 5 Commitments				
Fund Name	Strategy	Commitment	Close Date	Diligence Conclusions / Portfolio Fit
HPS Strategic Investment Partners VI, L.P.	Junior Debt	\$10.0M	4/23/25	• Targets large-scale North America-based businesses generating \$200 million to \$600 million of EBITDA • Seeks to generate junior debt returns by investing in second lien, subordinated debt or preferred equity positions opportunistically paired with common equity • Has established a robust, global platform across public and private credit, allowing it to position itself as a one-stop-shop solutions provider
Atlantic Park Strategic Capital Fund III, L.P.	Strategic Origination	10.0M	6/30/25	• Targets U.S. & Europe-based businesses operating across a variety of end markets with high levels of recurring revenue and multiple income streams • Utilizes a relationship-driven sourcing approach, leveraging the investment team’s well-developed networks to drive deal flow • Aims to provide bespoke solutions across a variety of transaction and security types, often including multiple tranches to boost risk-adjusted returns
Oaktree Special Situations Fund IV, L.P.	Opportunistic Debt	10.0M	Pending Close	• Opportunistic approach across transaction type, security and sector with consistent focus on complex situations • Obtains influences through structuring a variety of entry points, including distressed-for-control, direct equity and bespoke structured opportunities • Targets special situations investments where it can play an active role with management teams and enact operational efforts
Total Year 5 Commitments		\$30.0M		

Schedule of Investments

Performance Summary by Investment

COJ Private Credit Portfolio Performance Summary by Investment as of June 30, 2025										
Partnership	Vintage Year	Strategy	Capital Committed	Unfunded Commitment	Paid-In Capital	Capital Distributed	Market Value	Since Inception IRR	DPI	TVPI
Ares Special Opportunities Fund II, L.P.	2021	Opportunistic Debt	\$10,000,000	\$1,589,975	\$8,410,025	\$70,354	\$10,656,990	13.36%	N/A	1.3x
Ares Special Opportunities Fund III, LP	2024	Opportunistic Debt	10,000,000	10,000,000	-	-	-	-	N/A	N/A
Atlantic Park Strategic Capital Fund II, L.P.	2024	Strategic Origination	10,000,000	5,596,236	5,025,138	588,970	5,068,814	17.77%	0.1x	1.1x
Atlantic Park Strategic Capital Fund III, L.P.	2025	Strategic Origination	10,000,000	10,000,000	-	-	-	-	N/A	N/A
Balance Point Capital Partners V, L.P.	2021	Strategic Origination	7,500,000	1,698,941	7,610,458	3,099,834	6,897,450	14.65%	0.4x	1.3x
Balance Point Capital Partners VI, L.P.	2023	Strategic Origination	10,000,000	8,615,480	1,384,520	4,856	1,542,220	18.66%	N/A	1.1x
Carlyle Credit Opportunities Fund II, L.P.	2021	Strategic Origination	10,000,000	5,212,458	10,275,996	5,554,301	7,549,511	9.88%	0.5x	1.3x
Carlyle Credit Opportunities Fund III, L.P.	2023	Strategic Origination	10,000,000	7,153,012	2,951,887	157,396	3,152,038	21.14%	0.1x	1.1x
Castlelake Aviation IV Stable Yield, L.P.	2021	Specialty Financing	7,500,000	4,630,040	6,416,681	4,335,702	3,453,508	12.67%	0.7x	1.2x
Castlelake Aviation V Stable Yield, L.P.	2023	Specialty Financing	7,500,000	6,362,836	1,137,164	37,178	1,257,844	22.93%	N/A	1.1x
Castlelake Opportunistic Asset Solutions VI, L.P.	2022	Opportunistic Debt	10,000,000	2,303,303	7,696,697	3,323	9,892,559	19.38%	N/A	1.3x
Everberg Capital Partners II, L.P.	2023	Junior Debt	10,000,000	1,822,899	10,830,548	3,440,947	8,753,728	11.43%	0.3x	1.1x
Everberg Capital Partners III, L.P.	2025	Junior Debt	10,000,000	8,720,000	1,280,000	-	1,269,648	(0.81%)	N/A	1.0x
FP Credit Partners III, L.P.	2024	Strategic Origination	10,000,000	10,000,000	-	-	(10,861)	-	N/A	N/A
Hamilton Lane Strategic Opportunities Fund IX-A LP	2024	Strategic Origination	10,000,000	8,682,024	1,317,976	20,521	1,507,565	11.24%	N/A	1.2x

Note: Capital distributed includes recallable returns of capital, which will increase the unfunded

Performance Summary by Investment

COJ Private Credit Portfolio Performance Summary by Investment as of June 30, 2025										
Partnership	Vintage Year	Strategy	Capital Committed	Unfunded Commitment	Paid-In Capital	Capital Distributed	Market Value	Since Inception IRR	DPI	TVPI
Hamilton Lane Strategic Opportunities Fund VI (Series 2020) L.P.	2021	Strategic Origination	\$10,000,000	\$883,824	\$9,993,154	\$6,714,485	\$4,996,239	6.17%	0.7x	1.2x
Hamilton Lane Strategic Opportunities Fund VII L.P.	2021	Strategic Origination	10,000,000	1,465,703	9,446,410	4,928,977	6,444,003	11.99%	0.5x	1.2x
Hamilton Lane Strategic Opportunities Fund VIII, L.P.	2023	Strategic Origination	10,000,000	2,796,588	8,167,680	973,292	7,694,480	9.66%	0.1x	1.1x
HPS Strategic Investment Partners V, L.P.	2022	Junior Debt	10,000,000	4,307,058	6,567,903	904,278	7,175,423	13.76%	0.1x	1.2x
HPS Strategic Investment Partners VI, L.P.	2025	Junior Debt	10,000,000	10,000,000	-	-	-	-	N/A	N/A
ICG Europe Fund IX SCSp	2024	Junior Debt	10,518,733	10,518,733	-	-	(41,942)	-	N/A	N/A
ICG Europe Fund VIII SCSp	2021	Junior Debt	6,855,347	2,035,415	5,295,915	497,659	6,716,426	21.74%	0.1x	1.4x
ICG North American Credit Partners III, L.P.	2022	Junior Debt	10,000,000	8,738,207	1,728,427	497,631	1,459,190	18.96%	0.3x	1.1x
Oaktree Special Situations Fund III, L.P.	2022	Opportunistic Debt	10,000,000	7,809,703	5,211,148	3,040,065	3,692,877	31.03%	0.6x	1.3x
Plexus Fund VI, L.P.	2023	Strategic Origination	10,000,000	2,000,000	8,000,000	805,892	8,291,068	10.03%	0.1x	1.1x
Total Portfolio			239,874,080	142,942,435	118,747,727	35,675,661	107,418,778	12.63%	0.3x	1.2x

Note: Capital distributed includes recallable returns of capital, which will increase the unfunded

Endnotes & Disclosures

Definitions

Strategy Definitions

All Private Markets – Hamilton Lane’s definition of “All Private Markets” includes all private commingled funds excluding fund-of-funds, and secondary fund-of-funds.

CI Funds – Any fund that either invests capital in deals alongside a single lead general partner or alongside multiple general partners.

Co/Direct Investment Funds – Any PM fund that primarily invests in deals alongside another financial sponsor that is leading the deal.

Corporate Finance/Buyout – Any PM fund that generally takes control position by buying a company.

Credit – This strategy focuses on providing debt capital.

Distressed Debt – Includes any PM fund that primarily invests in the debt of distressed companies.

EU Buyout – Any buyout fund primarily investing in the European Union.

Fund-of-Funds (FoF) – A fund that manages a portfolio of investments in other private equity funds.

Growth Equity – Any PM fund that focuses on providing growth capital through an equity investment.

Infrastructure – An investment strategy that invests in physical systems involved in the distribution of people, goods, and resources.

Late Stage VC – A venture capital strategy that provides funding to developed startups.

Mega/Large Buyout – Any buyout fund larger than a certain fund size that depends on the vintage year.

Mezzanine – Includes any PM fund that primarily invests in the mezzanine debt of private companies.

Multi-Management CI – A fund that invests capital in deals alongside a lead general partner. Each deal may have a different lead general partner.

Multi-Stage VC – A venture capital strategy that provides funding to startups across many investment stages.

Natural Resources – An investment strategy that invests in companies involved in the extraction, refinement, or distribution of natural resources.

Origination – Includes any PM fund that focuses primarily on providing debt capital directly to private companies, often using the company’s assets as collateral.

Private Equity – A broad term used to describe any fund that offers equity capital to private companies.

Real Assets – Real Assets includes any PM fund with a strategy of Infrastructure, Natural Resources, or Real Estate.

Real Estate – Any closed-end fund that primarily invests in non-core real estate, excluding separate accounts and joint ventures.

ROW - Any fund with a geographic focus outside of North America and Western Europe.

ROW Equity – Includes all buyout, growth, and venture capital-focused funds, with a geographic focus outside of North America and Western Europe.

Secondary FoF – A fund that purchases existing stakes in private equity funds on the secondary market.

Seed/Early VC – A venture capital strategy that provides funding to early-stage startups.

Single Manager CI – A fund that invests capital in deals alongside a single lead general partner.

SMID Buyout – Any buyout fund smaller than a certain fund size, dependent on vintage year.

U.S. Mega/Large – Any buyout fund larger than a certain fund size that depends on the vintage year and is primarily investing in the United States.

U.S. SMID – Any buyout fund smaller than a certain fund size that depends on the vintage year and is primarily investing in the United States.

VC/Growth – Includes all funds with a strategy of venture capital or growth equity.

Venture Capital – Venture Capital incudes any PM fund focused on any stages of venture capital investing, including seed, early-stage, mid-stage, and late-stage investments.

Index Definitions

Barclays U.S. Corporate Aggregate Index – Tracks the performance of U.S. fixed rate corporate debt rated as investment grade.

BofAML High Yield Index – The BofAML High Yield index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Credit Suisse High Yield Index – The Credit Suisse High Yield index tracks the performance of U.S. sub-investment grade bonds.

Credit Suisse Leveraged Loan Index – The CS Leveraged Loan Index represents tradable, senior-secured, U.S. dollar-denominated non-investment grade loans.

FTSE/NAREIR Equity REIT Index – The FTSE/NAREIT All Equity REIT Index tracks the performance of U.S. equity REITs.

HFRI Composite Index – The HFRI Composite Index reflects hedge fund industry performance.

MSCI Emerging Markets Index – The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

MSCI Europe Index – The MSCI Europe Index tracks large and mid-cap equity performance across 15 developed market countries in Europe.

MSCI World Energy Sector Index – The MSCI World Energy Sector Index measures the performance of securities classified in the GICS Energy sector.

MSCI World ex. U.S. Index – The MSCI World ex. U.S. Index tracks large and mid-cap equity performance in developed market countries, excluding the U.S.

MSCI World Index – The MSCI World Index tracks large and mid-cap equity performance in developed market countries.

Russell 3000 Index – The Russell 3000 Index is composed of 3000 large U.S. companies as determined by market capitalization.

Russell 3000 Net Total Return Index – The Russell 3000 NTR Index is composed of 3000 large U.S. companies as determined by market capitalization with net dividends reinvested.

S&P 500 Index – The S&P 500 Index tracks 500 largest companies based on market capitalization of companies listed on NYSE or NASDAQ.

S&P Global Infrastructure Index – The S&P Global Infrastructure Index tracks the performance of 75 companies from around the world that represent the infrastructure industry.

Other

Desmoothing – A mathematical process to remove serial autocorrelation in the return stream of assets that experience infrequent appraisal pricing, such as private equity. Desmoothed returns may more accurately capture volatility than reported returns. The formula used here for desmoothing is:

Where $rD(t)$ = the desmoothed return for period t , $r(t)$ = the return for period t , ρ = the autocorrelation

$$rD(t) = (r(t) - r(t-1) * \rho) / (1 - \rho)$$

PME (Public Market Equivalent) – Calculated by taking the fund cash flows and investing them in a relevant index. The fund cash flows are pooled such that capital calls are simulated as index share purchases and distributions as index share sales. Contributions are scaled by a factor such that the ending portfolio balance is equal to the private equity net asset value (equal ending exposures for both portfolios). This seeks to prevent shorting of the public market equivalent portfolio. Distributions are not scaled by this factor. The IRR is calculated based on these adjusted cash flows.

Sharpe Ratio – The Sharpe Ratio is the average return earned in excess of the risk-free rate per unity of volatility or total risk.

Time-weighted Return – Time-weighted return is a measure of compound rate of growth in a portfolio.

Total Exposure – Total Exposure is equal to NAV + Unfunded Commitment.

Volatility – Volatility is a statistical measure of dispersion of return, specifically standard deviation.

Endnotes

Pages 23-24

The information contained herein and based upon Hamilton Lane’s proprietary Horizon Model (the “Model”) may include forward-looking statements regarding the Model itself, our opinions, performance, fees, carried interest, distributions, projected economic benefit or other events. Forward-looking statements include a number of risks, uncertainties and other factors beyond our control which may result in material differences in actual results, economic benefit, performance or other expectations. The Model has been prepared based upon historical private equity fund data and is not intended to indicate future performance of investments made with, or independently of, Hamilton Lane, which may affect any estimated economic benefit shown. Its assumptions are derived from historical private equity investments and are designed to demonstrate potential behaviors of private equity investments. The opinions, estimates, projections and analyses reflect our current judgment, which may change in the future. Therefore, this presentation is not intended to predict future performance or economic savings and should not be used as the basis for an investment decision.

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City of Jacksonville Employees' Retirement System

INVESTMENT ACTIVITY REPORT: October 2025

Events

Board Due Diligence Meetings

1st Thursday Each Month

Presentation: 12:30-2 PM

City Hall Conference Room 3C

November 6, 2025

Payden & Rygel – Jeffrey

Cleveland- Economist

December 4, 2025

Silchester- International Value

January 1, 2026

No meeting- Happy New Year

February 5, 2026

Geneva Capital – SMID Growth

March 5, 2026

*Baillie Gifford- International
Growth*

April 2, 2026

TBD

May 7, 2026

Baird- Core Fixed Income

June 4, 2026

TBD

July 2, 2026

No meeting- Happy 4th of July

August 6, 2026

TBD

September 3, 2026

TBD

Staff Update

Contract Status Update

N/A

Other

*Real Estate:

Harrison Street: Complete -30M

PGIM PRISA II: Complete

Principal: \$7m (updated)

UBS Trumbull: Full Liquidation

Total: \$57 million 10/2025

*redemption limitations

Looking ahead, would it make sense to take a summer break and cancel one of the workshops—either June or August?

Current Manager Meetings

Loomis Sayles- LCG

Potential Manager Meetings

Coller Capital- Private

PGIM

Cash Flows

Hamilton Lane-Private Credit

Balance Point V: \$0.1 M

Total Called: ~\$0.0 M

Adams Street- Private Equity

Tranche I: **Total Called: ~\$75 M**

Tranche II: **Total Called: ~\$9.0 M**

Real Estate

Blue Owl: \$1.8M (half called)

Total Called: ~\$1.8 M

Provider Disbursements

Eagle Capital: \$335,000

Hamilton Lane: \$62,500

Loomis Sayles FI: \$175,000

Loomis Sayles LCG: \$160,000

Total Fees: ~\$0.75 million

Provider Income + Redemptions

None

Total: \$0.0 M

Cash Balance

\$3 million in cash, after Blue Owl investment



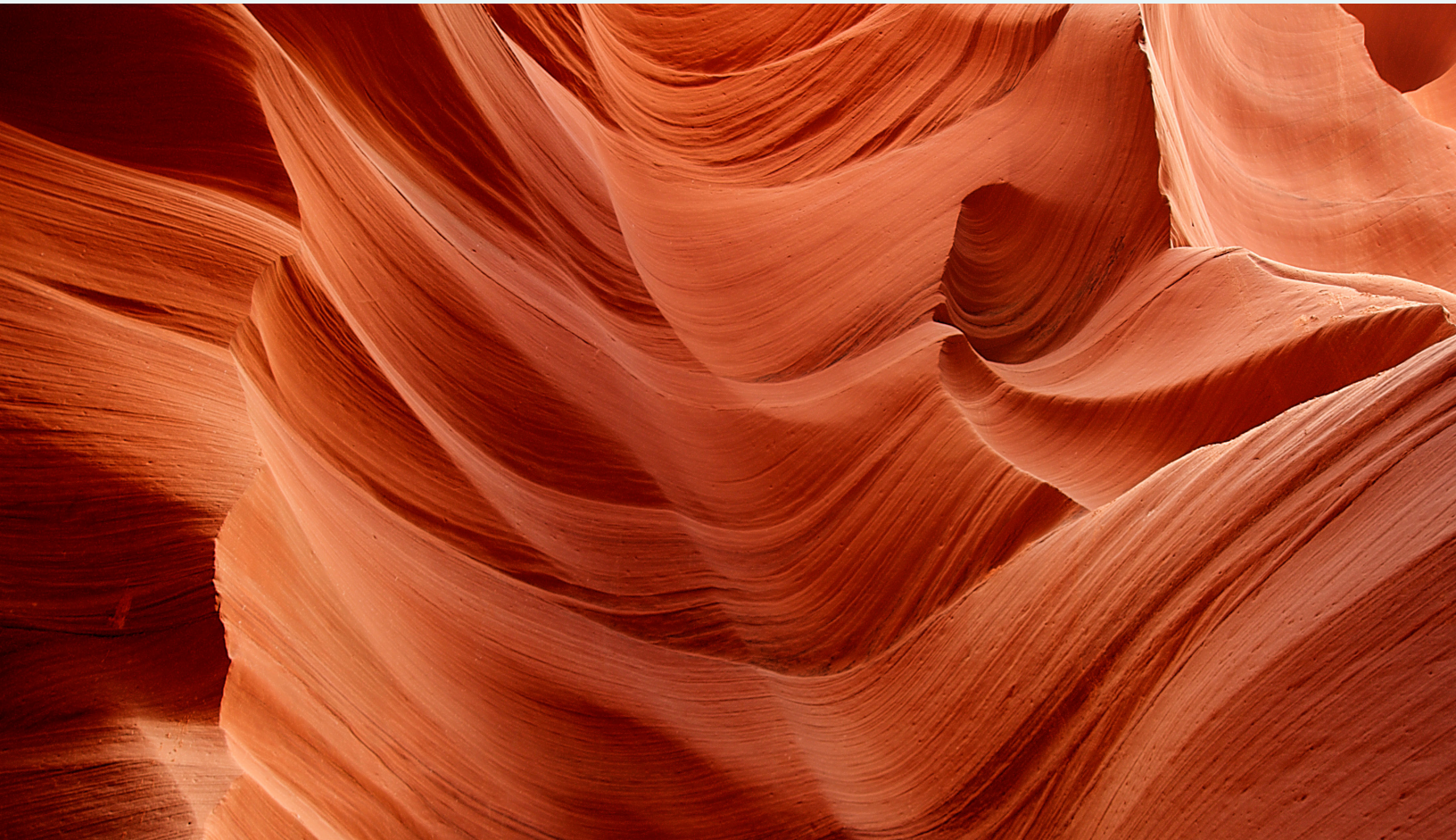
LOOMIS | SAYLES

Our Growth Equity Alpha Thesis:

Seeking Risk-Adjusted Excess Returns

Loomis Sayles Growth Equity Strategies Team

July 2025





For investors, a major challenge is to identify those portfolio managers who are most likely to deliver superior risk-adjusted returns in the future.

Understanding how an investment philosophy informs a manager's decision-making can provide meaningful insights into how and why a particular manager generates alpha.

The search for alpha is the search for skill. The Growth Equity Strategies Team ("GES") believes our alpha thesis, and our ability to consistently implement its tenets, constitutes a differentiated approach. The deeply held beliefs and disciplined process described in this paper guide what we do every day.

Contents

PAGE 2	Foundation of Investment Process
PAGE 3	Key Tenets of Our Alpha Thesis
PAGE 4	Long-Term Investor in Businesses
PAGE 5	Deep Understanding of Each Investment
PAGE 8	Selective Focus on High-Quality Businesses
PAGE 10	Sustainable and Profitable Growth
PAGE 12	Valuation: Invest with a Margin of Safety
PAGE 13	Active Risk Management

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Why Alpha Thesis?

A performance track record cannot readily explain the level of skill employed to achieve the results, or guarantee continued success. We believe a focus on the quality of a manager's investment philosophy, process and decision-making is essential for assessing the probability of future success.

Our alpha thesis encapsulates a deeply held system of persistent beliefs, a rigorous, repeatable investment process and substantive proof points.

Foundation of Investment Process: Philosophy & Pricing Anomalies

Philosophy: We are highly selective investors with a long-term, private equity approach to investing. Through our proprietary bottom-up research framework, we look to invest in those few high-quality businesses with sustainable competitive advantages and profitable growth when they trade at a discount to our estimate of intrinsic value.

Pricing Anomalies: At the heart of active management lies the belief that one can deliver returns in excess of benchmark returns. Over the long term, we believe that markets are efficient. Near term, however, we believe innate behavioral biases, such as herding, overconfidence or loss aversion, influence investment decisions and create asset pricing anomalies. These pricing inefficiencies converge toward intrinsic value over time. Market efficiency is thereby dynamic, existing along a continuum between fully efficient and inefficient pricing.

In our view, two important anomalies can best explain periodic mispricing: short-termism and allocative inefficiency. Short-termism is a behavioral bias inherited from our early human ancestors. Today, it causes a reflexive response to short-term market variables that, when viewed rationally, have no impact on long-term value. Allocative inefficiency, an example of herding, describes the breakdown in dynamic price discovery that results when widespread investment decision-making is driven by factors other than valuation.

Examples include index or momentum investing and technical trading. Overcoming these natural tendencies is difficult. Consequently, the resultant pricing anomalies persist, creating potential opportunities for active, long-term-oriented, valuation-driven managers like us. Capitalizing on these opportunities requires a disciplined process and a patient temperament.



Key Tenets of Our Alpha Thesis

Our investment philosophy represents our fundamental beliefs regarding the most effective way to generate alpha and leverages our understanding of persistent anomalies that create asset mispricing. These beliefs, or tenets, form the cornerstone of our investment decision-making process and can be linked to performance proof points, demonstrating continuity from belief to process to outcome.

Collectively, this integrated system forms our alpha thesis. We believe that for any alpha thesis to potentially meet its objective, it should be founded on an enduring philosophy and persistent pricing anomalies. We think our alpha thesis is unlikely to be eroded through arbitrage because it is tied to perennial behavioral biases, not specific market conditions.

TENET	PROCESS	PROOF POINTS
Long-term investor in businesses	Time arbitrage	Low turnover
Develop deep understanding of each investment	7-step bottom-up fundamental analysis (Quality-Growth-Valuation Framework)	High-conviction portfolio with relatively concentrated holdings
Selective investing focused on high-quality companies (Quality)	Starting point is quality of business, not weight of company in the benchmark; look for difficult-to-replicate business models	High active share* (typically 80% or higher) and high percentage of wide moat companies in the portfolio
Sustainability of profitable growth drives long-term value creation (Growth)	Identify long-term secular growth drivers; analyze cash flow return on investment	Strong up-market capture with low down-market capture; low turnover
Invest with a margin of safety** (Valuation)	Intrinsic value compared with implied expectations; invest at meaningful discount to our intrinsic value; contrarian	Strong up-market capture with low down-market capture; strong risk-adjusted returns
Define risk as a permanent loss of capital	Active risk management; absolute-return oriented	Low down-market capture; standard deviation at or below benchmark

We believe active investment management and active risk management are integral to alpha generation.

**Active share indicates the proportion of the portfolio's holdings (by market value) that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.*

***Holding all else equal, the larger the discount between market price of a particular security and our estimate of its intrinsic value, the greater we view our margin of safety. Margin of safety is not an indication of the strategy's safety as all investments carry risk, including risk of loss.*



Long-Term Investor in Businesses

Because we approach investing as if we are buying into a private business, a long investment horizon is central to our philosophy. In our view, a long investment horizon affords us the opportunity to capture value from secular growth as well as capitalize on the stock market’s shortsightedness through a process called time arbitrage.

The long-term annualized turnover for our Large Cap Growth and All Cap Growth strategies implies average holding periods of more than eight and more than seven years, respectively, since inception 1 July 2006.ⁱ Measuring name changes only, our turnover is even lower. We launched our Global Growth strategy on 1 January 2016 and our International Growth strategy on 1 January 2020. Our low turnover stands in contrast to a widespread escalation in the average manager’s portfolio turnover. In his book Common Sense on Mutual Funds, John Bogle documented that from the 1940s to the 1960s, annual turnover for the typical general equity fund averaged just 17%. By 1997, average annual turnover had risen to 85%, and by 2009, it had increased to 105%—a staggering six-fold increase. Bogle stated, “The industry has abandoned the wisdom of long-term investing in favor of the folly of short-term speculation.”ⁱⁱ We could not agree more.

In addition to the speculative risks, the trading costs of high portfolio turnover can negatively impact portfolio performance. A 1997 study looking at growth fund returns over 32 years (1962-1993) suggests that for every 100-basis-point increase in turnover, annual return drops by 95 basis points, a figure closely aligned with the net cost of trading.ⁱⁱⁱ A 2007 study updated the analysis and also confirmed that the cost of turnover negatively impacted performance. Figure 1 shows the findings for 990 large cap equity funds from 2001-2006.^{iv}

LOW TURNOVER

As this table shows, low turnover is a hallmark of the GES team’s strategies. Measuring name changes only, our portfolio turnover is even lower than shown here.

GES STRATEGY	TURNOVER
LARGE CAP GROWTH	11.8%
ALL CAP GROWTH	13.8%
GLOBAL GROWTH	9.2%
INTERNATIONAL GROWTH	7.5%

Annualized turnover since inception through 31 December 2024.

FIGURE 1

Findings for 990 large cap equity funds from 2001-2006.^{iv}

TURNOVER (%)	7.11	18.31	27.91	38.31	51.31	63.93	80.24	100.44	133.45	356.26
OUTPERFORMANCE (%)	0.59	0.20	0.22	0.24	-0.12	0.01	-0.21	-0.24	-0.46	-0.29



What fuels the culture of short-termism so prevalent today? This innate behavioral bias is exacerbated by the constant, ubiquitous stream of financial "news." Investors too focused on the short term end up overreacting to company and economic information that we do not believe impacts long-term intrinsic value. Fisher Black calls this activity "noise" trading and posits that it obscures the value estimate of near-term stock prices.^v This is an example of how the widespread use of non-value-focused decision-making can compromise near-term price discovery. We believe that noisy stock prices will converge toward fundamentally driven intrinsic value over time. Therefore, we attempt to identify intrinsic value and through time arbitrage exploit the long-term differential between this value and the market's current perception.

Develop a Deep Understanding of Each Investment

"...risk varies inversely with knowledge."^{vi}

-David F. Swensen, Former Yale University Chief Investment Officer

Our proprietary seven-step research framework is the cornerstone of our investment decision-making process and drives our security selection. The research framework represents our long-standing insights about investing and is structured around three key criteria: Quality-Growth-Valuation.

Through our disciplined and thorough implementation of bottom-up fundamental analysis, we seek to understand the drivers, opportunities and limits of each business.

Our valuation analysis, which is at the heart of our research and decision-making, is only as good as our ability to understand and identify high-quality companies and evaluate the sustainability of profitable growth. Actively managed portfolios differ from their benchmarks and reflect expectations that diverge from consensus. Importantly, our research framework helps us determine whether our view differs from the consensus, and if so, why. Our contrarian posture requires the ability to act counter to potentially irrational, herd-like and reflexive behavior in the marketplace triggered by emotions like fear and greed. Overcoming these instincts demands a resolve engendered by experience, a disciplined decision-making process, and the temperament to maintain positions that are at odds with popular opinion.

Our investment team culture promotes intellectual honesty, curiosity and independent thinking. An environment in which all assumptions can be challenged by any member of our team can improve our understanding of each investment idea. All research work is vetted through team discussions and includes attempts to disprove the investment thesis as a way to test its validity. This practice helps us overcome the bias in human behavior toward overconfidence that could lead us to overstate the investment's potential. It is crucial to clearly grasp what could go wrong with a company, not just what can go right, in order to minimize downside risk.



High-quality businesses are rare. We believe less than one percent of all businesses are able to sustain their competitive advantages beyond a decade. We also believe less than one percent of businesses can generate durable and profitable long-term growth. Demanding these two characteristics means we must be very selective and patient investors.

Aziz V. Hamzaogullari

Founder, Chief Investment Officer and
Portfolio Manager, Growth Equity Strategies



All aspects of our investment thesis must be present simultaneously for us to make an investment. Often our research is completed well in advance of the opportunity to invest. We are patient investors and maintain our analysis of high-quality businesses in order to take advantage of meaningful price dislocations if and when they occur.

In a typical year we may analyze 30 companies and invest in only a select few. As a result of this rigorous approach, ours are selective, high-conviction portfolios.

We agree with Warren Buffett's assertion that risk comes from not knowing what you're doing.^{vii} In part because we focus on fewer companies and make even fewer decisions, we believe we enjoy an analytical edge.

Seven-Step Research Framework

THE CORNERSTONE OF OUR INVESTMENT DECISION-MAKING PROCESS

1 QUALITY | Sustainable Competitive Advantage

- Identify unique elements of a company's business model (e.g., network effect, low cost advantage, strong brand awareness and high switching costs).
- Can this company defend and sustain its competitive advantage over the long term?

2 QUALITY | Competitive Analysis

- Assess barriers to entry, industry rivalry, power of buyers versus suppliers and substitution threats.
- Evaluate the entire value chain and profit pool to discern the structural winners in the long term.

3 QUALITY | Financial Analysis

- Assess balance sheet health (low or no debt is ideal), capital intensity, business mix and margin structure.
- Require sustainable free cash flow growth, an ability to meet reinvestment needs and cash flow return on investment above the cost of capital.

4 QUALITY | Management

- Partner with management teams who share our long-term perspective, manage the business with vision and integrity, and whose incentive is aligned with long-term shareholder interests.
- Evaluate management's ability to allocate capital to investments creating long-term value.

5 GROWTH | Growth Drivers

- Evaluate sources and sustainability of profitable growth.
- Focus on long-term secular and structural growth drivers—dynamics that are not likely to change in five years or more.
- Forecast the growth rate independent of company guidance or Street expectations.

6 VALUATION | Intrinsic Value Ranges

- A company's value depends on its long-term ability to generate profitable free cash flow growth.
- The present value of future free cash flows is our core methodology for estimating intrinsic value.
- Conduct sensitivity analysis of key variables to assess downside risk and focus on high-impact drivers of value.
- Best-, base-, bear- and worst-case valuation scenarios guide the timing of buy/sell decisions and help guard against decision-making pitfalls.

7 VALUATION | Expectations Analysis

- Assess the valuation assumptions implied by the current stock price to differentiate fundamental drivers of value from market sentiment drivers of price. Understand where and how our perspective diverges from that of the market.



Anyone could follow our seven-step process. Yet, each person will very likely produce different outcomes. Why? Because we believe that investing is ultimately an art. While a disciplined research framework is foundational to a successful investment strategy, our process does not mechanically

supply “the” answer. Rather, it leads us to ask a set of questions that help us discern, through our insights, whether a business meets our key investment criteria. Developing a deep understanding of each investment can also help us manage risk through knowledge.

Number of Companies Purchased in a Year

In a typical year, we invest in only a select few companies.

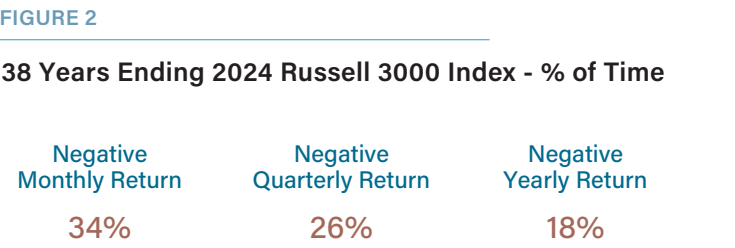
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	TYPICAL # HOLDINGS
LARGE CAP GROWTH	1	1	5	1	6	2	2	0	3	1	30-40
ALL CAP GROWTH	0	1	9	2	6	2	3	1	3	2	35-45
GLOBAL GROWTH	1	1	5	3	6	1	3	2	0	N/A	30-45
INTERNATIONAL GROWTH	1	1	4	1	2	N/A	N/A	N/A	N/A	N/A	30-45

Selective Investing Focused on High-Quality Businesses

Our Quality-Growth-Valuation investment process begins with the art of trying to identify high-quality companies—those with unique, difficult-to-replicate business models and sustainable competitive advantages. A successful business will attract competition and capital, which over time could shrink profit margins and lower returns on invested capital for the business. We evaluate the entire global value chain and profit pool to help discern the companies we believe will be structural winners and losers over the long term. A quality business—one with a wide economic moat—can sustain and even extend its competitive advantages so that its profitable growth opportunities are not eroded by the competition. Quality companies also tend to exhibit sound balance

sheets, strong returns on invested capital, healthy cash flow growth and highly capable management teams who can efficiently allocate capital.

A focus on investing in high-quality companies not only helps capture upside potential, but can help manage downside risk as well. This is important given the number of negative return periods the Russell 3000® Index experienced over a 38-year study period, shown in Figure 2.



Source: FactSet. The Russell 3000 is a cap-weighted index. Data through 31 December 2024.



Looking at high-quality and low-quality stocks as defined by Standard & Poor's (S&P),^{viii} we examined the annual return for each group and compared it to the returns of the Russell 3000. Our analysis shows that the high-quality group of companies' limited participation in down markets was a significant differentiating factor for superior risk-adjusted returns.

As shown in Figure 3, while annualized performance of the two baskets was comparable after 38 years, the return-to-risk ratio of the high-quality group of stocks was **73.36%**, compared to just **45.62%** return-to-risk ratio of the low-quality basket. Figure 4 provides a long-term cumulative perspective of the two groups' performance.

While S&P's quality rankings can provide an interesting overview of how a "quality" universe has performed historically, we do not rely on a third-party methodology to define quality. The companies we invest in must first meet a number of demanding quality standards. At the end of the day, our job is to allocate investment capital to what we believe to be the best high-quality, long-term opportunities. Our approach is different from benchmark-centric portfolios that tend to begin their investment process by considering the influence of the benchmark's top holdings and sector positioning on relative performance. Because our philosophy and process often result in positions and position sizes that differ from the benchmark, our portfolio typically has an active share measure of 80% or greater.

FIGURE 3

Reward-To-Risk Analysis: 1986 - 2024

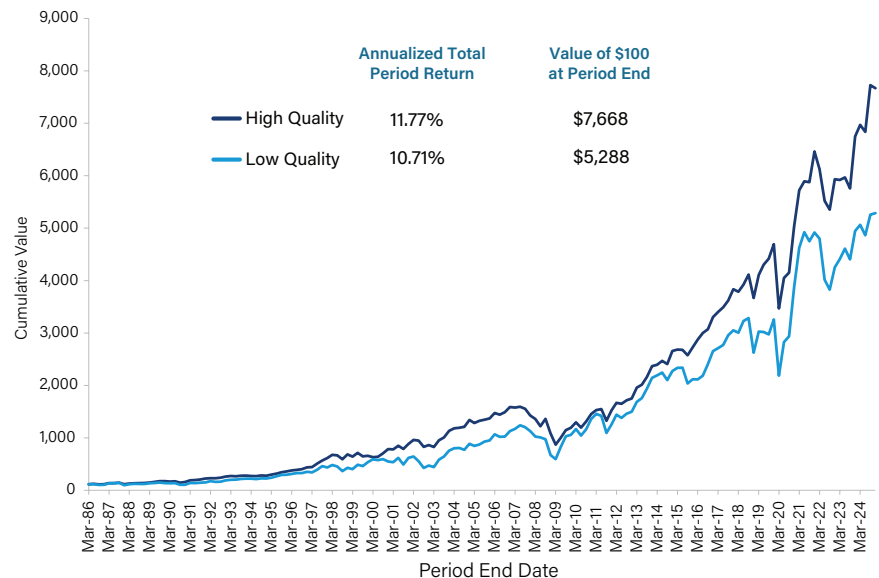
Annualized Total Period Return	Annualized Period Standard Deviation	Return-To-Risk
High-Quality Stocks		
11.77%	16.04%	73.36%
Low-Quality Stocks		
10.71%	23.48%	45.62%

Source: Russell Analytics, Standard & Poor's, Loomis Sayles. Data from 1 January 1986 - 31 December 2024.

Past performance is no guarantee of future results.

Annualized total period return and annualized period standard deviation are based on quarterly returns.

FIGURE 4

Performance of Quality Baskets Based on S&P Quality Rankings

Source: Russell Analytics, Standard & Poor's, Loomis Sayles. Data through 31 December 2024.

Past performance is no guarantee of future results.



Active Share

It stands to reason that only portfolios that differ from the benchmark could produce superior returns versus the benchmark.

Why is active share important? In their 2009 paper, “How Active is Your Manager?,” Antti Petajisto and Martijn Cremers found that high active share correlates well with excess returns and that the most active managers, those with active share of 80%-100%, persistently generated excess returns above their benchmarks even after subtracting management fees.^x It stands to reason that only portfolios that differ from the benchmark could produce superior returns versus the benchmark. While high active share does not ensure outperformance, we believe it is a necessary condition for generating alpha and outperforming one’s benchmark net of fees over the long term. Ultimately, of course, the stocks we select for our portfolio are the sources of any outperformance.

Sustainability of Profitable Growth Drives Long-Term Value Creation

Growth is the next component we consider in our Quality-Growth-Valuation investment process. We are looking not only for above-average growth, but sustainable and profitable growth. Easier said than done, as empirical evidence shows only 10% of companies can sustain above-average growth rates over a four-year period.^x Our systematic approach to measuring a company’s growth prospects begins with quantifying the total size of the market into which they can sell their goods and services as well as their current market share. An evaluation of the profit pool allows us to identify those businesses we believe are best positioned to capture and retain a larger share. We then assess the company’s pricing power, if any, their margin expansion potential, capital requirements and operating leverage.

Our objective is to define the company’s competitive advantage period in order to determine how long into the future we will estimate the key variables for the business. Our proprietary models are built through bottom-up fundamental analysis. It is important to note that we develop our growth estimate independent of company guidance or Street expectations. To assess the sustainability of the company’s growth rate, we evaluate the drivers of that growth. We are looking for long-term secular and structural growth drivers—dynamics that are not likely to change for five years or longer. The transition of consumer shopping from in-store to online—still only at low-teens penetration rates in the global consumer market—is an example of a long-term secular driver of growth. Developing insights about a company’s growth potential is essential to measuring its future cash flows, its profitability and, ultimately, its intrinsic value.

Sustainable Growth

Even when we believe we have identified a quality company with high, sustainable cash flow growth rates, we are not yet satisfied: we also require profitable growth.

Just because a company can demonstrate growth in revenues, for example, does not mean it is generating profitable growth. Without profitable growth, there may be no increase in shareholder value and therefore no investment opportunity. The underlying question is whether the cash flow returns generated by management's investments in the business are greater than or less than the cost of the capital spent on those investments. Therefore, we believe cash flow

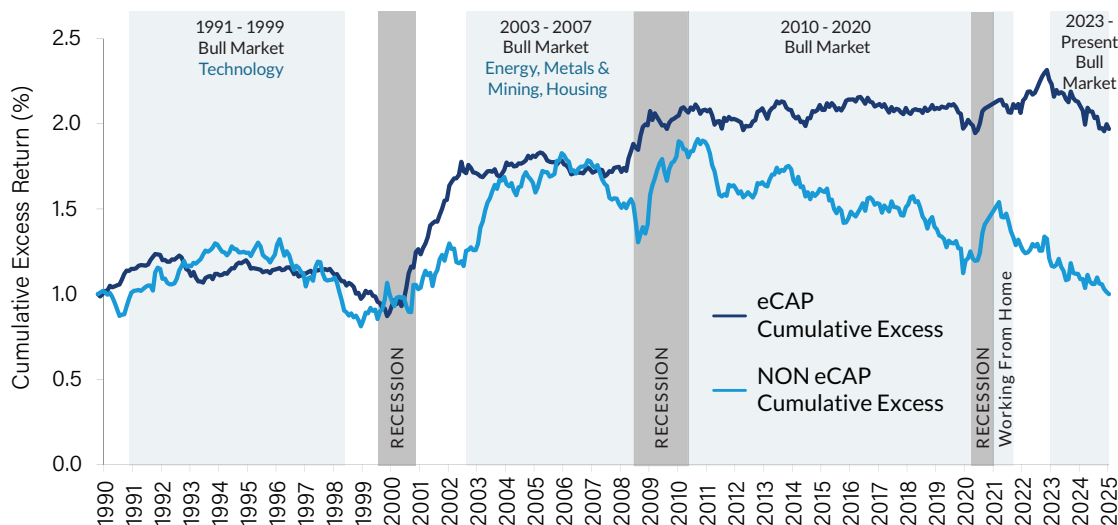
returns on invested capital (CFROI^{®xi}) is a superior measure of economic performance and seek to invest in those companies with strong CFROI. Many other investors rely on earnings-per-share (EPS) and price-to-earnings (P/E) multiples to understand a company's growth rate, recognize investment opportunities and predict a stock's future price. Both of these metrics are earnings-based accounting ratios, which, in our opinion, limit their reliability since earnings can be different from economic performance and actual cash flows. What's more, reported earnings can be easily manipulated to the company's short-term advantage and, given Wall Street's obsession with quarterly earnings, company managements have been known to do so.

Credit Suisse HOLT captured this notion of sustainable and profitable returns by applying its proprietary measures of quality to identify companies that were able to earn superior CFROI over a longer-than-anticipated period. They found that such companies ("eCap" companies) significantly outperformed the market during downturns while keeping pace during up markets, as illustrated in Figure 5.

FIGURE 5

US \$250M+, eCAP vs. Non eCAP Relative to Russell 3000

Source: Credit Suisse HOLT Analysis. **Universe:** US All ex Micro Caps. **Benchmark:** Russell 3000. Data through 31 December 2024. **eCAPs** is an acronym for Empirical Competitive Advantage Period. **CFROI** is a registered trademark of Credit Suisse Group AG © 2020 or its affiliates in the United States and other countries. **HOLT** is a corporate performance and valuation advisory service of Credit Suisse. All rights reserved. Used with permission.





Invest with a Margin of Safety

Valuation analysis is the final component in our Quality-Growth-Valuation investment process. Growth is important, but not growth at any price. And for us, not even growth at a reasonable price will do. We are seeking companies that can generate sustainable and profitable growth and invest only when they are selling at a significant discount to our estimate of intrinsic value. Investing with a margin of safety requires not only a disciplined understanding of a company's intrinsic value, but a clear recognition of what the market price implies about consensus expectations for that company's value. Comparing our estimate of intrinsic value with the market price helps expose pricing inefficiencies. We seek to create a margin of safety by investing at a purchase price that is at a meaningful discount to our estimate of a company's intrinsic value. When buying a business, we require at least a 2:1 anticipated upside-to-downside, reward-to-risk opportunity, and typically more. Holding all else equal, the larger the discount between market price and our estimate of intrinsic value, the greater we view our margin of safety.

Counter to the buy discipline of many growth equity managers, we believe the risk of investing in a great company is actually lower after its stock price has fallen, assuming our long-term investment thesis remains intact. Over time, if the market price increases (consensus expectations change) and converges with our estimate of intrinsic value, positive returns are generated. In this way, adhering to this tenet helps us manage downside risk and could increase upside potential.

We believe the discounted net present value of future cash flows is the best estimate of a company's intrinsic value. Because humans tend to anchor too readily to a single outcome or frame decisions too narrowly, we not only forecast our most likely intrinsic value scenario, our base-case price, we also test our assumptions. Through sensitivity analysis on the key variables appropriate to each business, we seek to determine which can drive the largest changes in valuation. We thereby establish a range of outcomes, or scenarios, that we label best case, base case, bear case and worst case. The best-case price represents the scenario in which the company executes successfully on all opportunities for growth. The bear-case price represents the scenario of what could likely go wrong with our base case. Our worst-case price represents the scenario when all goes wrong for the company. By linking our scenario analysis to key business drivers such as market penetration rates or profit margins, we hope to better understand the sources of both value creation and downside risks so that we may make better-informed, more objective decisions.

Our next step is to develop an understanding of the consensus expectations about a company's future cash flows implied by its current stock price. We call this expectations analysis, which reverse engineers the net present value cash flow calculation. That is, we start with the current stock price and solve for implied drivers of cash flow growth and profitability. Recognizing the consensus expectations reflected in the current stock price is crucial because generating alpha is not solely about absolute price-to-value differences. Understanding how our analysis of key



variables differs from the price-implied consensus helps us understand how and why the market price, over time, converges toward, or deviates from, our intrinsic value.

With our range of intrinsic value price scenarios and our understanding of price-implied consensus expectations, we have the information we need to make investment decisions. When investing in a company, we look for the most attractive reward-to-risk opportunities. This can occur when the stock price falls into our bear- and worst-case valuation scenarios due to a short-term market inefficiency caused by temporary factors that do not negatively impact our long-term investment thesis. In most cases, we gradually scale into a position, taking advantage of stock price volatility.

Conversely, as the price of a company converges toward our base-case price—when the reward-to-risk opportunity becomes less attractive—we typically begin to reduce our weight in the company and eventually sell the position altogether when the stock price approaches our estimate of intrinsic value. In short, valuation drives the timing of our investment decisions.

Ultimately, our job as an investment manager is to allocate capital to the most compelling reward-to-risk opportunities. Therefore, the more attractive we view the reward-to-risk opportunity, the larger our capital allocation and position weight. In comparison, we have observed that the largest positions of a cap-weighted benchmark may have the least margin of safety—or worse, market prices above intrinsic value—yet are given the largest capital allocations in many benchmark-centric portfolios.

There is one last essential component to successfully implementing this tenet: it demands the temperament—and concomitant discipline—to be a contrarian who can buy into fear and sell into greed. It is not easy to stand alone, apart from the crowd. As Ben Graham said, "Have the courage of your knowledge and experience. If you have formed a conclusion from the facts and if you know your judgment is sound, act on it—even though others may hesitate or differ."^{xii}

Active Risk Management

We believe defining risk in relative terms obfuscates the fact that the benchmark itself is a risky asset.

A Long-Term Structural and Permanent Approach to Risk Management

Because we define risk as a permanent loss of capital, we take an absolute-return approach to investing and seek to actively manage our downside risk. More commonly, risk is framed in terms of relative returns and tracking error versus a particular benchmark. While benchmarking investment performance to a specific



index began as a tool to help understand and judge portfolio manager performance, this relative-return orientation has morphed into the baseline for acceptable risk and return. Measuring risk, however, must not be confused with managing risk. What's more, we believe defining risk in relative terms obfuscates the fact that the benchmark itself is a risky asset.

This is particularly true with cap-weighted indices because downside risk increases significantly when the stocks of a particular sector experience a run-up in prices that are above (in the case of a bubble, far above) their fundamental intrinsic value. If portfolio managers tie investment decisions to benchmark holdings and risk factors, they must necessarily take on this additional downside risk. Because our strategy is to invest in a stock only when its market price is at a significant discount to our estimate of a company's intrinsic value, we actively pursue both greater upside potential and the possibility of lower downside risk.

Diversification is another important tool in managing portfolio risk or volatility. However, we do not think diversification is the simple notion of more is better. Many investors wonder whether a 30-40 stock long portfolio can be sufficiently diversified. Studies dating back to the 1960s have sought to determine how many stocks a portfolio must hold to maximize the benefits of diversification. Results have ranged from 18-30 stocks.^{xiii} A 2010 study by Citigroup demonstrated that a portfolio of 30 stocks was able to diversify more than 85% of the diversifiable risk. The diversification benefit of adding more stocks to the



portfolio declined significantly as the number of stocks increased. For example, adding 70 more stocks to a 30-stock portfolio improved diversification benefits by just 9%.^{xiv} Legendary growth investor Phil Fisher notes, "Too few people, however, give sufficient thought to the evils of the other extreme (over-diversification). This is the disadvantage of having eggs in so many baskets that a lot of the eggs do not end up in really attractive baskets, and it is impossible to keep watching all the baskets after the eggs get put into them."^{xv}

Cognizant of this risk, we instead seek to enhance risk management by diversifying the business drivers to which our holdings are exposed. We identify the primary business driver through our bottom-up valuation analysis for each company as the growth driver that has the largest impact on our estimate of its intrinsic value. Examples include growth in e-commerce, increased consumer spending in emerging markets, the shift to outsourcing and the ageing population. We seek to invest in business drivers that are imperfectly correlated because the positive impact of one may offset the negative impact of another. We believe this fosters more efficient diversification of risk and helps us keep our attention focused on searching for those few businesses that meet our disciplined criteria.

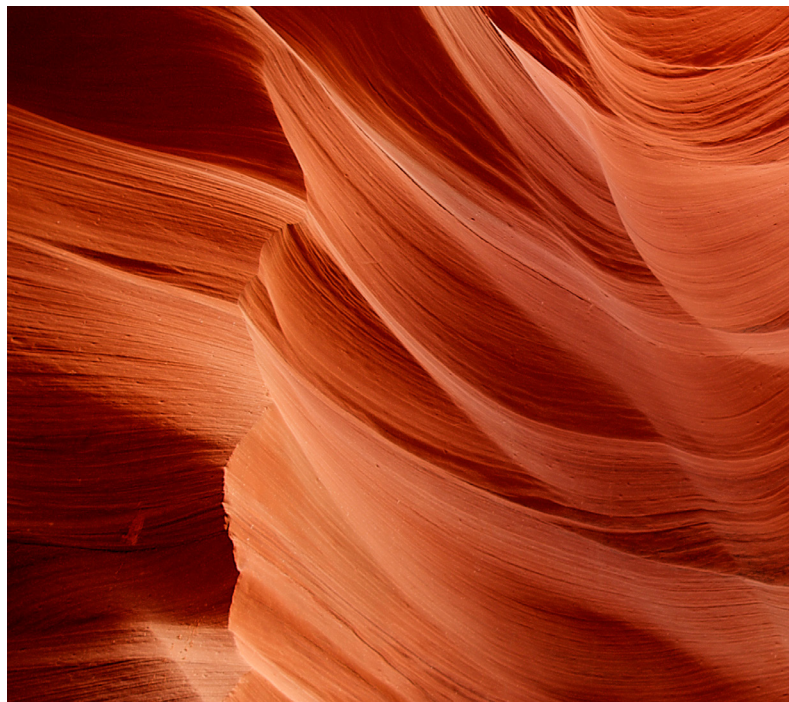


An analysis of portfolio sources of risk across all of our strategies reveals that security selection is our primary source of risk, while the effect of factor risk is minimal. We believe this is an outcome of our disciplined bottom-up stock selection underpinned by adherence to our Quality-Growth-Valuation investment process.

We believe that we cannot truly manage risk at the portfolio level if we do not first manage risk at the individual security level. We take a long-term structural and permanent approach to risk management. Therefore, our risk management is an integral part of our investment process, not a separate overlay or optimization process. We agree with Warren Buffett that one of the riskiest things investors can do is to invest in a business they do not thoroughly understand. As a bottom-up fundamental investor, risk management is therefore integrated with our analysis of business models, competitive advantages, operating efficiency, corporate management integrity, profitable growth and valuation. In short, our active risk management process is an integral part of our active investment process.

Conclusion

For any investor, the goal is to identify those portfolio managers who are most likely to deliver superior risk-adjusted returns in the future. In our view, a performance track record cannot readily explain the level of skill employed to achieve the results, or guarantee continued success. We believe a focus on the quality of a manager's investment philosophy, process and decision-making offers a better method for evaluating the probability of future success. Our alpha thesis encapsulates a deeply held system of persistent beliefs, a rigorous, repeatable investment process and substantive proof points. For alpha generation, the pursuit of greater upside potential and managing absolute levels of risk are inextricable goals. Each tenet of our alpha thesis is designed—individually and collectively—to promote this dual objective for our investors.



This report was originally published in December 2012. The alpha thesis of the Growth Equity Strategies Team remains unchanged and underpins all strategies it manages. It has been consistently implemented since the launch of the Team's first growth equity strategy in July 2006. We have updated the content as necessary and otherwise believe the information is current and relevant.



Endnotes

- ⁱ The manager for the Large Cap Growth and All Cap Growth Composites joined Loomis Sayles on 19 May 2010, and performance prior to that date was achieved at his prior firm.
- ⁱⁱ John Bogle, *Common Sense on Mutual Funds*, (New Jersey: John Wiley & Sons, Inc., 2010), p. 34.
- ⁱⁱⁱ Mark Carhart, "On the Persistence in Mutual Fund Performance," *The Journal of Finance*, Vol. LII, No. 1, March 1997.
- ^{iv} David Blanchett, "The Pre-Tax Costs of Portfolio Turnover," *Journal of Indexes* May/June 2007.
- ^v Fischer Black, "Noise," *The Journal of Finance*, Vol. 41, No. 3, *Papers and Proceedings of the 44th Annual Meeting of the American Finance Association*, New York, New York, December 28-30, 1985, p. 534.
- ^{vi} David F. Swensen, *Pioneering Portfolio Management*, (New York: Free Press, 2009), p. 252.
- ^{vii} 2007 Berkshire Hathaway Annual Meeting Top 20 Questions.
- ^{viii} Standard & Poor's Quality Rankings of common stocks "attempt to capture the long-term growth and stability of earnings and dividends." High quality: companies rated A-minus or better by S&P; Average: Companies rated B+; Low quality: rated B to D & Liquidation.
- ^{ix} Martijn Cremers and Antti Petajisto, "How Active is Your Fund Manager?," *International Center for Finance, Yale School of Management*, 2009.
- ^x Chan, Karceski & Lakonishok, "The Level and Persistence of Growth Rates," *The Journal of Finance*, Volume LVIII, No. 2, April 2003.
- ^{xi} CFROI is a registered trademark of Credit Suisse Group AG © 2020 or its affiliates in the United States and other countries.
- ^{xii} Benjamin Graham, *The Intelligent Investor: A Book of Practical Counsel*, Fourth Revised Edition (New York: Harper & Row, 1973), p. 287.
- ^{xiii} Frank K. Reilly and Keith C. Brown, *Investment Analysis and Portfolio Management* (United States: Thomson Learning, 2000), p. 292-293.
- ^{xiv} Citigroup as of 31 December 2010. The R-squared of a portfolio of stocks as a function of the number of stocks in the portfolio, i.e., how much of the portfolio risk is explained by the systemic factors as portfolio size increases. For each value of N (number of stocks), Citigroup randomly simulated 100 portfolios using the S&P 1500 as the starting universe and measured the R-squared of each portfolio. The R-squared value for a given value of N is the average of those 100 values.
- ^{xv} Philip A. Fisher, *Common Stocks and Uncommon Profits and Other Writings* (New Jersey: John Wiley & Sons, 1996), p. 135.

Disclosure

Past performance is no guarantee of future results.

Diversification does not ensure a profit or guarantee against a loss.

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Market conditions are extremely fluid and change frequently.

There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. Excess return objectives are subject to change and are not based on past performance.

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Monthly Performance Report

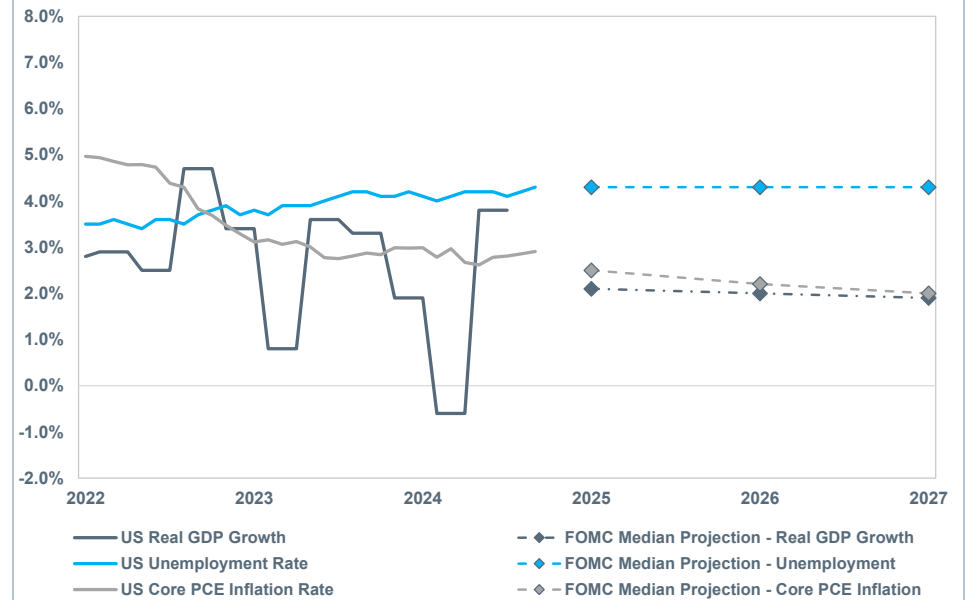
City of Jacksonville Employees' Retirement System

August 31, 2025

General Market Commentary

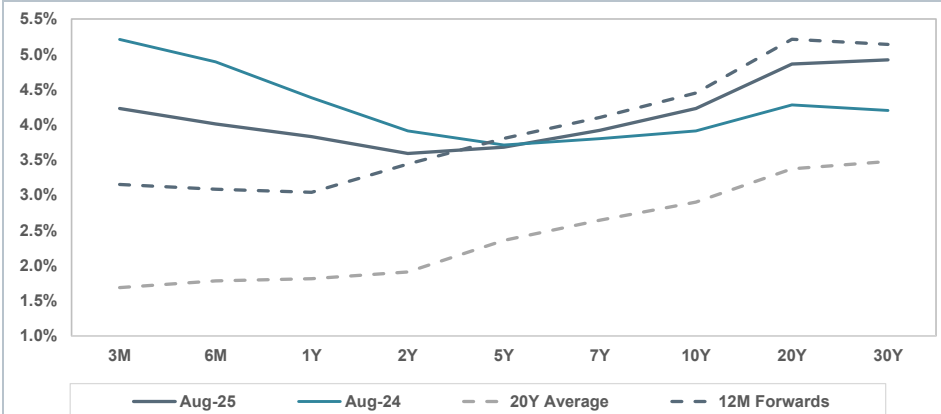
- Despite an unexpected surge in PPI and following a surprisingly poor nonfarm payrolls report and largely in-line inflation data, expectations for a September rate cut were reinforced by FOMC Chair Powell's comments at the annual Jackson Hole Symposium.
- US Treasury rates were broadly down in August, with the belly of the curve seeing the sharpest declines, while the 30Y was largely unchanged.
- Expectations for rate reduction and a rotation out of tech drove small cap US stocks to lead their large cap counterparts. Weakening of the USD led to non-US names broadly outperforming domestic equities.

Growth, Inflation, and Unemployment



Economic Indicators		Aug-25	Rank	Dec-24	10 Yr	20 Yr
Growth	Real US GDP (%)	2.5*	—	66	2.5	2.8
	Consumer Spending YoY (PCE) (%)	2.74	▼	67	3.56	2.79
	Durable Goods Orders (billions) (\$)	312.06	▲	N/A	290.56	253.64
	Housing Starts (thousands)	113.30	▲	N/A	108.00	112.85
	Consumer Confidence (Conf Board)	97.40	▼	46	109.50	110.40
Inflation	Leading Economic Index (Conf Board)	98.40	▼	46	101.60	108.08
	CPI YoY (Headline) (%)	2.9	—	67	2.9	3.1
	CPI YoY (Core) (%)	3.1	▼	80	3.2	3.1
	Breakeven Inflation - 10 Year (%)	2.41	▲	82	2.34	2.02
	PPI YoY (%)	2.60	▼	63	3.48	3.00
Rates	M2 YoY (%)	4.77	▲	31	3.58	6.46
	Federal Funds Rate (%)	4.33	—	77	4.33	2.06
	SOFR (%)	4.34	▼	77	4.49	2.09
	2 Year Treasury (%)	3.59	▼	74	4.25	2.22
	10 Year Treasury (%)	4.23	▼	83	4.58	2.62
Capacity	10-2 Spread (%)	0.64	▲	43	0.33	0.40
	Unemployment Rate (%)	4.30	▲	31	4.10	4.60
	PMI - Manufacturing (%)	48.70	▼	18	49.20	52.98
Currency/Commodity	PMI - Service (%)	52.00	▼	18	54.00	55.72
	US Dollar Trade Weighted Index	120.98	▼	88	127.81	116.88
	WTI Crude Oil per Barrel (\$)	64	▼	36	72	63

Treasury Yield Curve



FOMC Rate Movement Probabilities

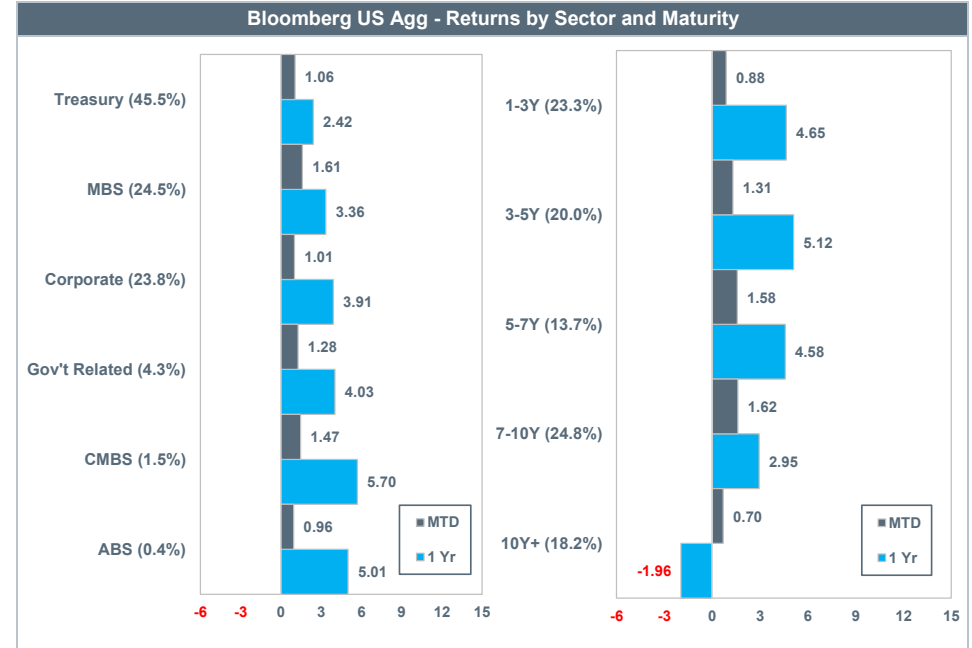
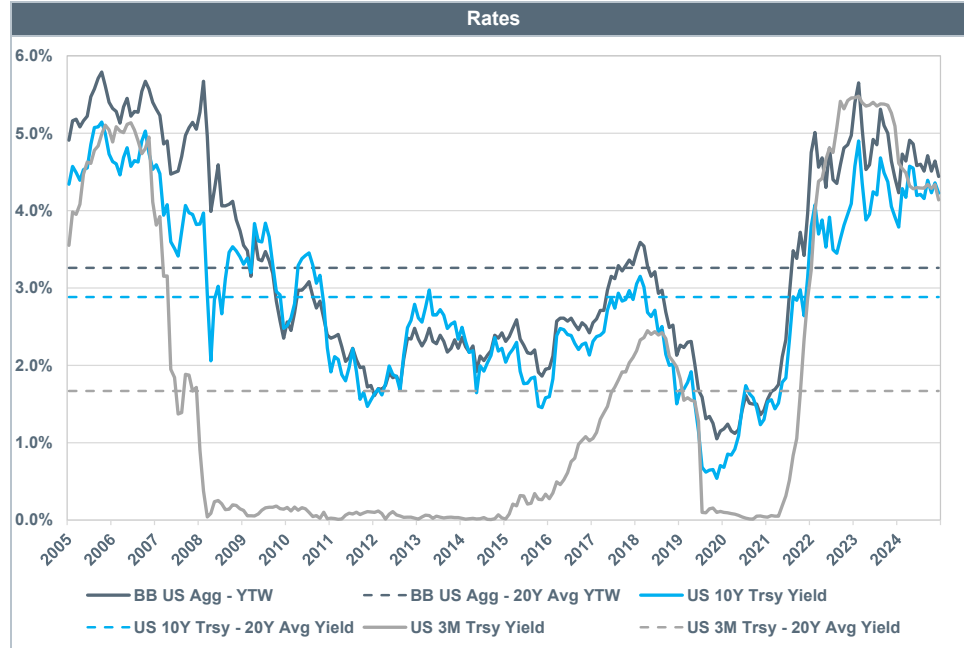
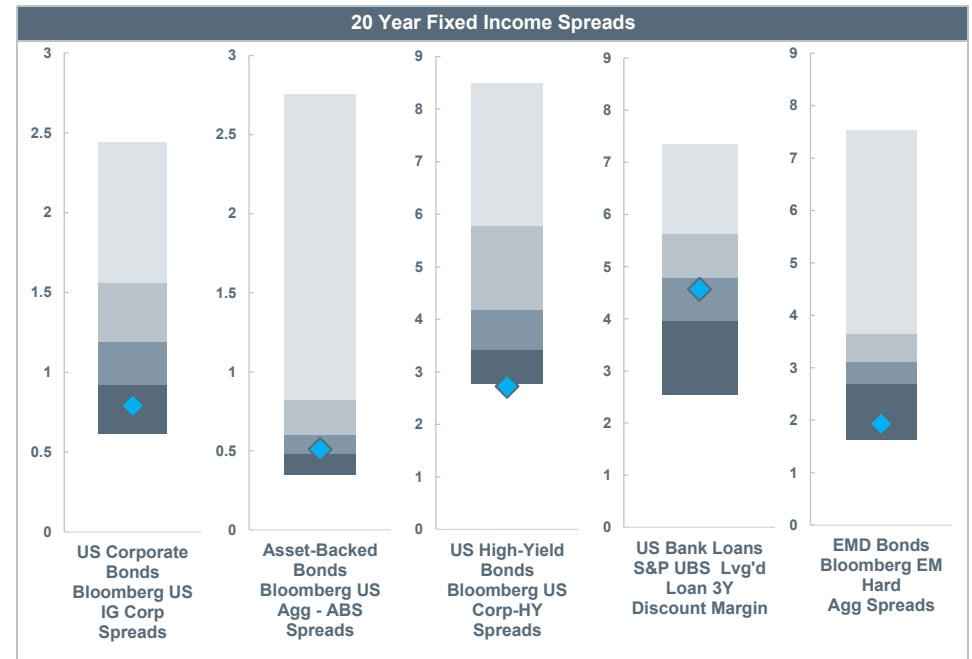
Meeting Date	4.25% - 4.50%	4.00% - 4.25%	3.75% - 4.00%	3.50% - 3.75%
9/17/2025	12.3%	87.7%	--	--
10/29/2025	5.6%	46.8%	47.6%	--
12/10/2025	1.1%	14.0%	46.9%	38.0%

Data courtesy of FactSet. *Indicates data is currently unavailable and is shown as of the most recently available date. Percentile rank is based on the trailing 20Y period. SOFR data is backfilled with LIBOR prior to April 2018. FOMC rate movement probability data is provided by FactSet and is based on futures data.

Fixed Income Market Review

As of August 31, 2025

Performance		Index	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
US Fixed Income	Aggregate	BB US Agg Bond	1.20	0.93	4.99	3.14	3.02	-0.68	1.80
	Broad	BB US Gov't/Credit 1-3Y	0.88	0.86	3.80	4.64	4.14	1.71	1.93
		BB US Gov't/Credit	1.05	0.83	4.81	3.00	3.06	-0.83	1.95
		BB US Gov't/Credit Long	0.53	0.04	3.42	-2.03	-0.03	-5.18	1.65
		BB US TIPS	1.54	1.66	6.41	4.89	2.37	1.26	2.90
		BB US Agg Securitized	1.59	1.21	5.48	3.52	2.96	-0.30	1.44
	Credit	BB US IG Corp	1.01	1.08	5.30	3.91	4.64	-0.01	3.05
		BB US Corp - HY	1.25	1.71	6.35	8.26	9.30	5.16	5.80
		S&P UBS Lvg'd Loan	0.37	1.20	4.19	7.36	8.74	6.93	5.33
Int'l Fixed Income	Aggregate	BB Gbl Agg ex US	1.66	-0.90	8.99	3.56	3.50	-2.73	0.48
	Sovereign	FTSE Non-US WGBI	1.58	-1.23	8.52	2.79	2.72	-4.39	-0.22
	EMD	BB EM Agg USD	1.34	2.27	7.32	7.61	7.91	1.42	3.77
		BB EM Local Broad	2.44	1.10	15.23	9.49	7.94	-0.04	2.00

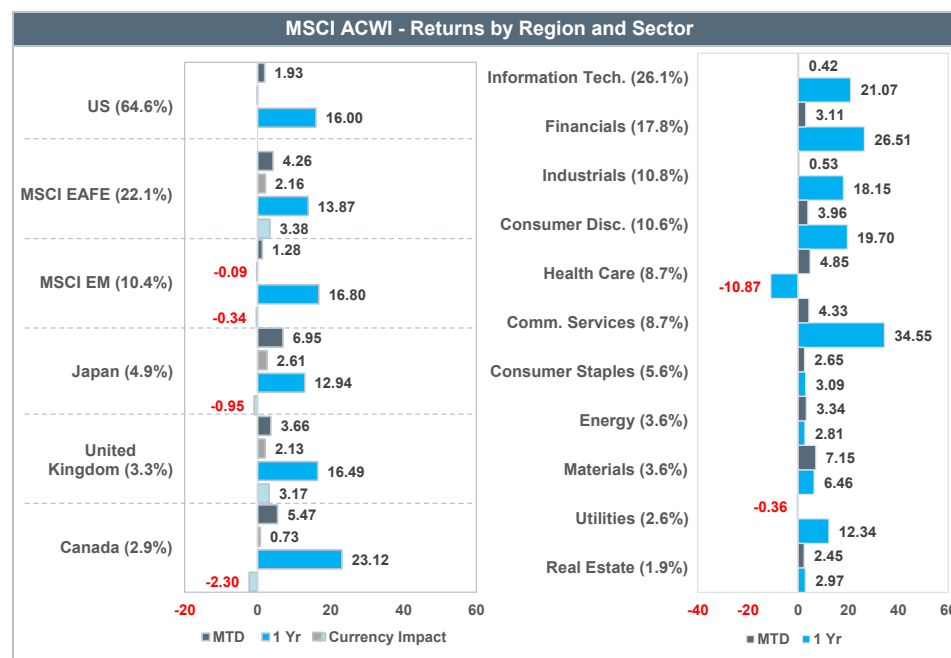
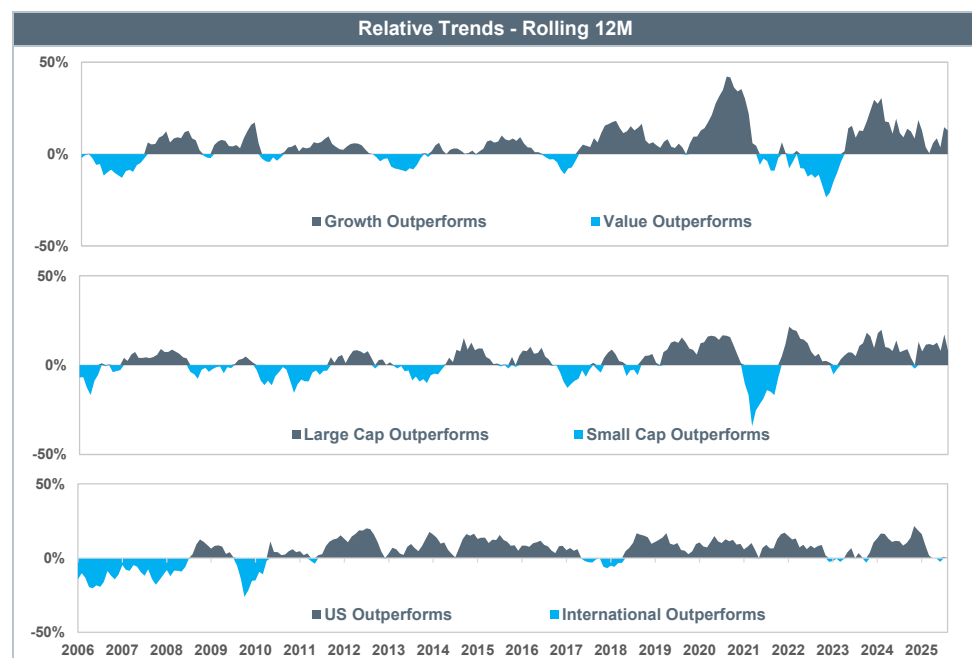
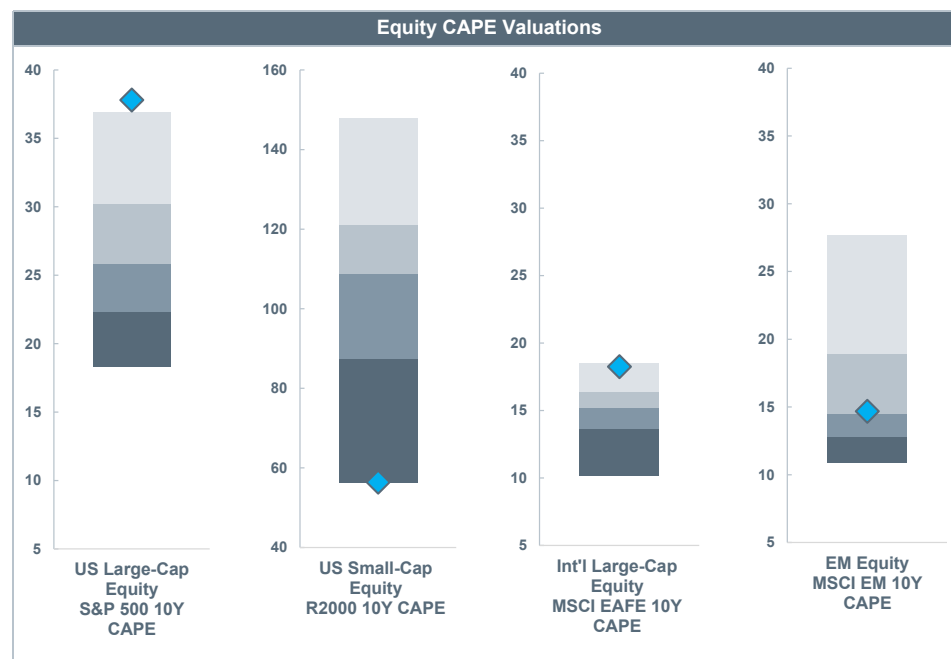


Data courtesy of FactSet. Parenthesis include calculated percentage of the total index based on current market values.

Equity Market Review

As of August 31, 2025

Performance		Index	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr
US Equity	All-Cap	Russell 3000	2.31	4.57	10.58	15.84	18.81	14.11	13.98
	Large-Cap	S&P 500	2.03	4.32	10.79	15.88	19.54	14.74	14.60
		Russell 1000 Value	3.19	3.78	10.01	9.33	12.88	12.97	10.22
		Russell 1000	2.10	4.37	10.76	16.24	19.31	14.34	14.33
		Russell 1000 Growth	1.12	4.94	11.33	22.58	25.03	15.25	17.92
	Small-Cap	Russell 2000 Value	8.47	10.39	6.90	5.83	8.84	13.06	8.62
		Russell 2000	7.14	9.00	7.06	8.17	10.28	10.13	8.88
		Russell 2000 Growth	5.91	7.72	7.20	10.48	11.55	7.07	8.75
Int'l Equity	All-Country	MSCI ACWI IMI ex US	3.58	3.35	21.84	15.65	14.99	8.98	7.40
	Developed	MSCI EAFE Value	5.72	6.00	30.21	22.65	21.26	14.28	7.32
		MSCI EAFE	4.26	2.80	22.79	13.87	17.04	10.15	7.40
		MSCI EAFE Growth	2.81	-0.28	15.63	5.56	12.94	5.97	7.22
	EM	MSCI EM	1.28	3.26	19.02	16.80	10.82	5.21	6.92



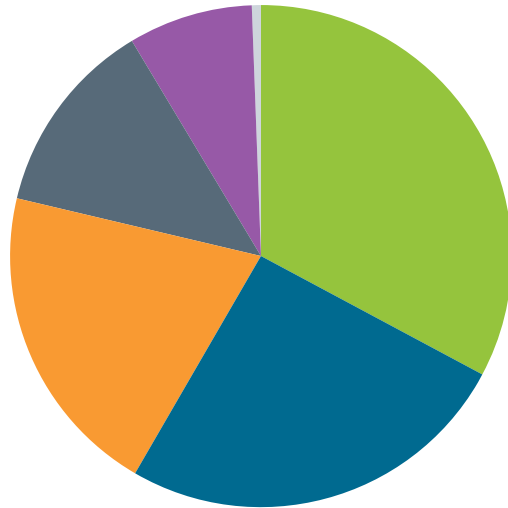
Data courtesy of FactSet. Relative trends analysis utilize relevant Russell equity indices for US markets, and the MSCI ACWI ex US (USD) (Net) for international markets. CAPE distributions reflect the last 20 years of data. Parenthesis include calculated percentage of the total index based on current market values. Return decomposition utilizes Net MSCI indices priced in both USD and local currencies.

Total Fund

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

Asset Allocation by Asset Class

August 31, 2025 : \$2,690,075,987

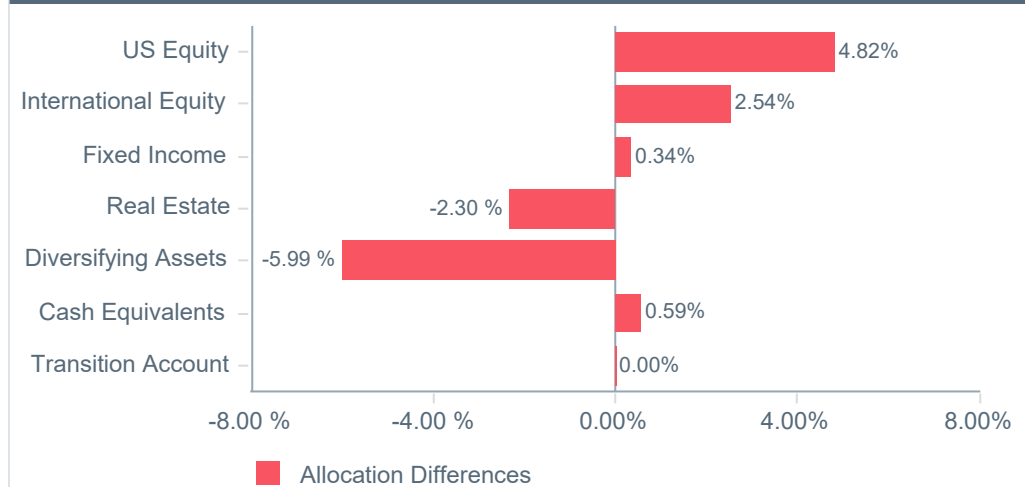


	Market Value (\$)	Allocation (%)
US Equity	882,833,784	32.82
International Equity	687,172,492	25.54
Fixed Income	547,093,233	20.34
Real Estate	341,594,094	12.70
Diversifying Assets	215,497,063	8.01
Cash Equivalents	15,838,174	0.59
Transition Account	47,147	0.00

Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,690,075,987	100.00	-	100.00	-
US Equity	882,833,784	32.82	18.00	28.00	38.00
International Equity	687,172,492	25.54	13.00	23.00	25.00
Fixed Income	547,093,233	20.34	10.00	20.00	30.00
Real Estate	341,594,094	12.70	0.00	15.00	20.00
Diversifying Assets	215,497,063	8.01	0.00	14.00	20.00
Cash Equivalents	15,838,174	0.59	0.00	0.00	10.00
Transition Account	47,147	0.00	0.00	0.00	0.00

Asset Allocation vs. Target Allocation Differences



Schedule of Investable Assets

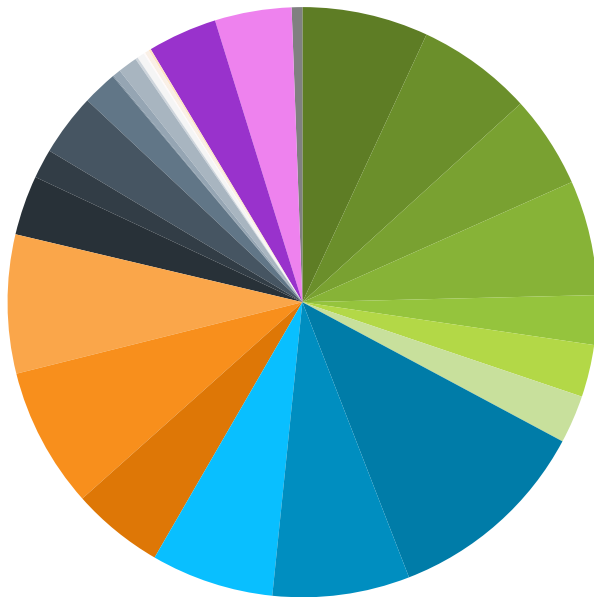
Periods Ending	Beginning Market Value (\$)	Net Cash Flows (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,456,544,289	3,135,911	230,395,786	2,690,075,987	9.40
FYTD	2,475,947,332	3,758,531	210,370,124	2,690,075,987	8.51

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 August 31, 2025

August 31, 2025 : \$2,690,075,987



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	185,984,160	6.91
Wellington Select Equity Income Fund (SA)	170,495,741	6.34
BNYM DB Lg Cap Stock Idx NL (CF)	136,441,148	5.07
Loomis, Sayles & Co Lg Cap Grth (CF)	169,292,136	6.29
Kayne Anderson US SMID Value (SA)	72,698,805	2.70
Systematic Financial US SMID Value (SA)	76,934,505	2.86
Geneva SMID Cap Growth (SA)	70,987,289	2.64
Silchester Intl Val Equity (CF)	303,854,708	11.30
Bail Giff Intl Gro;4 (BGEFX)	202,235,224	7.52
Acadian Emg Mkts Eq II (CF)	181,082,559	6.73
Baird Core Fixed Income (SA)	135,840,447	5.05
Loomis Sayles Multisector Full Discretion (CF)	207,007,753	7.70
Schroder Flexible Secured Income LP (CF)	204,245,034	7.59
Harrison Street Core Property LP	87,991,730	3.27
PGIM Real Estate PRISA II LP	43,144,292	1.60
Principal US Property (CF)	91,809,056	3.41
UBS Trumbull Property LP	50,908,301	1.89
Vanguard RE Idx;ETF (VNQ)	1,403,624	0.05
Abacus Multi-Family Partners VI LP	11,548,370	0.43
H.I.G. Realty Partners IV (Onshore) LP	28,445,278	1.06
H.I.G. Realty Partners V (Onshore) LP	3,637,500	0.14
Bell Value-Add Fund VIII LP	10,593,540	0.39
Hammes Partners IV LP	2,398,062	0.09
Blue Owl Digital Infrastructure Fund III-A LP	6,296,580	0.23
Ares US Real Estate Opportunity IV LP	3,417,762	0.13
Adams Street Private Equity (SA)	102,463,999	3.81
Hamilton Lane Private Credit (SA)	113,033,064	4.20
Dreyfus Gvt CM;Inst (DGCXX)	15,838,174	0.59
Transition Account	47,147	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 August 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	2,690,075,987	100.00	1.92	2.23	9.40	8.51	10.61	10.37	7.51	6.67	7.55	6.51	07/01/1999
Total Fund Policy Index			1.97	2.72	10.80	9.46	11.41	11.07	8.82	7.51	7.95	6.33	
Difference			-0.05	-0.50	-1.40	-0.95	-0.80	-0.69	-1.30	-0.84	-0.40	0.18	
Actual Allocation Index			2.33	3.02	11.03	9.07	10.98	9.45	7.55	N/A	N/A	N/A	
Difference			-0.41	-0.79	-1.63	-0.55	-0.37	0.92	-0.04	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			2.30	3.06	10.88	9.11	10.94	9.37	7.63	N/A	N/A	N/A	
Difference			-0.38	-0.84	-1.48	-0.59	-0.32	1.01	-0.11	N/A	N/A	N/A	
Total Equity	1,570,006,275	58.36	2.74	2.70	12.72	10.58	13.71	17.35	10.97	9.86	10.85	7.24	07/01/1999
US Equity	882,833,784	32.82	2.54	3.34	8.94	11.49	14.01	18.81	13.22	11.94	12.64	8.06	07/01/1999
US Equity Index			2.31	4.57	10.58	13.49	15.84	18.81	14.11	13.19	13.98	8.29	
Difference			0.22	-1.23	-1.64	-2.00	-1.83	0.00	-0.89	-1.25	-1.35	-0.24	
International Equity	687,172,492	25.54	2.99	1.90	18.00	9.43	13.37	15.44	7.61	6.74	8.09	6.30	07/01/1999
International Equity Index			3.47	3.17	21.64	12.40	15.42	15.15	8.94	7.02	7.33	4.80	
Difference			-0.48	-1.28	-3.64	-2.97	-2.05	0.30	-1.32	-0.27	0.75	1.50	
Fixed Income	547,093,233	20.34	1.00	1.82	6.22	5.63	6.89	5.83	1.08	2.38	2.40	4.48	07/01/1999
Fixed Income Index			1.20	1.06	5.20	2.32	3.72	3.70	-0.17	2.16	2.03	4.07	
Difference			-0.20	0.76	1.02	3.31	3.16	2.14	1.25	0.22	0.37	0.42	
Real Estate	341,594,094	12.70	0.18	1.10	2.40	3.01	3.14	-4.35	2.79	2.85	4.56	4.76	12/01/2005
Real Estate Index			0.03	0.06	1.88	2.93	2.97	-6.06	2.64	2.85	4.48	4.98	
Difference			0.15	1.04	0.52	0.08	0.17	1.71	0.15	0.00	0.08	-0.23	
Core Real Estate	275,257,003	10.23	0.22	1.14	2.80	3.33	3.19	-4.60	2.55	2.68	4.44	4.70	12/01/2005
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.67	-6.21	2.54	2.78	4.42	4.96	
Difference			0.22	1.14	1.13	0.68	0.52	1.62	0.01	-0.10	0.01	-0.26	
Non-Core Real Estate	66,337,091	2.47	0.00	0.94	0.17	1.34	3.59	1.83	N/A	N/A	N/A	17.72	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	-0.18	
Difference			-0.17	0.61	-2.86	-3.19	-1.14	6.17	N/A	N/A	N/A	17.90	
Diversifying Assets	215,497,063	8.01	1.29	1.72	7.29	11.87	12.65	8.57	19.57	8.62	6.99	8.45	03/01/2011
Diversifying Assets Index			1.97	3.41	11.55	13.02	15.46	18.35	16.05	6.43	5.23	5.74	
Difference			-0.68	-1.69	-4.25	-1.15	-2.81	-9.78	3.52	2.18	1.76	2.71	
Cash Equivalents	15,838,174	0.59	0.35	0.71	2.85	4.04	4.47	4.70	2.20	2.02	N/A	2.02	09/01/2018
FTSE 3 Mo T-Bill Index			0.37	0.75	2.97	4.23	4.69	4.92	3.03	2.67	2.09	2.67	
Difference			-0.02	-0.04	-0.12	-0.19	-0.22	-0.23	-0.83	-0.65	N/A	-0.65	

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. A 0% return is shown for managers whose monthly performance data is not yet available. 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.

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

As of August 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)	185,984,160	6.91	3.70	3.27	10.73	12.90	15.00	22.90	15.76	13.01	13.82	11.68	03/01/2007	
Russell 1000 Val Index			3.19	3.78	10.01	7.83	9.33	12.88	12.97	9.33	10.22	7.56		
Difference			0.51	-0.51	0.72	5.07	5.67	10.02	2.79	3.68	3.60	4.12		
Russell 1000 Index			2.10	4.37	10.76	13.80	16.24	19.31	14.34	13.68	14.33	10.65		
Difference			1.59	-1.11	-0.03	-0.90	-1.24	3.60	1.42	-0.67	-0.51	1.03		
Wellington Select Equity Income Fund (SA)	170,495,741	6.34	3.45	3.52	12.33	11.00	13.59	N/A	N/A	N/A	N/A	18.15	06/01/2023	
Russell 1000 Val Index			3.19	3.78	10.01	7.83	9.33	12.88	12.97	9.33	10.22	16.96		
Difference			0.27	-0.26	2.32	3.17	4.26	N/A	N/A	N/A	N/A	1.19		
BNYM DB Lg Cap Stock Idx NL (CF)	136,441,148	5.07	2.11	4.37	10.74	13.78	16.21	19.75	14.58	N/A	N/A	14.94	05/01/2019	
Russell 1000 Index			2.10	4.37	10.76	13.80	16.24	19.31	14.34	13.68	14.33	14.76		
Difference			0.00	0.00	-0.02	-0.03	-0.03	0.45	0.24	N/A	N/A	0.17		
Loomis, Sayles & Co Lg Cap Grth (CF)	169,292,136	6.29	0.90	2.69	10.70	21.24	26.06	29.37	15.07	16.94	N/A	17.47	08/01/2017	
Russell 1000 Grth Index			1.12	4.94	11.33	19.20	22.58	25.03	15.25	17.32	17.92	18.58		
Difference			-0.22	-2.24	-0.63	2.04	3.48	4.35	-0.17	-0.39	N/A	-1.11		
Kayne Anderson US SMID Value (SA)	72,698,805	2.70	0.50	2.71	1.84	1.07	3.34	8.30	N/A	N/A	N/A	5.01	03/01/2022	
Russell 2500 Val Index			5.25	7.07	8.18	7.90	9.43	10.98	13.83	7.28	9.18	6.70		
Difference			-4.75	-4.37	-6.34	-6.83	-6.09	-2.68	N/A	N/A	N/A	-1.69		
Systematic Financial US SMID Value (SA)	76,934,505	2.86	5.87	7.36	5.76	5.71	6.52	13.38	N/A	N/A	N/A	7.99	03/01/2022	
Russell 2500 Val Index			5.25	7.07	8.18	7.90	9.43	10.98	13.83	7.28	9.18	6.70		
Difference			0.62	0.29	-2.42	-2.19	-2.91	2.40	N/A	N/A	N/A	1.29		
Geneva SMID Cap Growth (SA)	70,987,289	2.64	0.83	-0.70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.70	07/01/2025	
Russell 2500 Grth Index			5.25	7.72	6.95	9.55	11.34	11.51	7.00	7.40	10.00	7.72		
Difference			-4.42	-8.42	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-8.42		

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

As of August 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)	303,854,708	11.30	3.74	3.55	21.06	10.26	12.24	16.86	11.71	7.27	7.73	9.27	06/01/2009
MSCI EAFE Val Index (USD) (Net)			5.72	6.00	30.21	20.94	22.65	21.26	14.28	8.29	7.32	6.97	
Difference			-1.98	-2.44	-9.15	-10.68	-10.41	-4.39	-2.57	-1.02	0.41	2.30	
Bail Giff Intl Gro;4 (BGEFX)	202,235,224	7.52	3.70	-0.54	15.66	8.98	14.76	12.35	0.43	5.99	9.06	9.26	06/01/2009
Baillie Gifford Index			2.82	1.57	17.72	8.44	11.19	12.48	5.19	6.42	6.91	7.53	
Difference			0.88	-2.11	-2.06	0.54	3.56	-0.14	-4.76	-0.43	2.15	1.73	
Baillie Gifford Spliced Index			3.47	3.17	21.64	12.40	15.42	15.15	8.94	7.11	7.09	7.25	
Difference			0.23	-3.72	-5.98	-3.42	-0.67	-2.80	-8.51	-1.13	1.97	2.01	
Acadian Emg Mkts Eq II (CF)	181,082,559	6.73	1.00	1.95	15.72	8.55	14.01	16.25	10.31	7.43	8.26	4.80	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			1.28	3.26	19.02	9.49	16.80	10.82	5.21	5.04	6.92	3.30	
Difference			-0.28	-1.30	-3.30	-0.94	-2.79	5.43	5.10	2.39	1.35	1.49	
Fixed Income													
Baird Core Fixed Income (SA)	135,840,447	5.05	1.17	0.92	5.08	2.04	3.51	3.71	N/A	N/A	N/A	0.00	03/01/2021
Bloomberg US Agg Bond Index			1.20	0.93	4.99	1.77	3.14	3.02	-0.68	1.81	1.80	-0.41	
Difference			-0.03	-0.01	0.10	0.27	0.38	0.69	N/A	N/A	N/A	0.40	
Loomis Sayles Multisector Full Discretion (CF)	207,007,753	7.70	1.90	1.99	7.37	6.22	8.06	6.49	2.29	4.35	4.48	5.66	11/01/2007
Bloomberg Gbl Agg Bond Index			1.45	-0.06	7.21	1.74	3.47	3.39	-1.76	0.57	1.13	1.95	
Difference			0.45	2.05	0.16	4.48	4.59	3.10	4.05	3.78	3.35	3.70	
Schroder Flexible Secured Income LP (CF)	204,245,034	7.59	0.00	2.24	5.78	7.45	7.46	N/A	N/A	N/A	N/A	8.46	10/01/2022
SOFR+1.75%			0.51	1.02	4.12	5.81	6.41	6.66	4.79	4.40	N/A	6.73	
Difference			-0.51	1.22	1.65	1.65	1.04	N/A	N/A	N/A	N/A	1.73	
SOFR+5%			0.77	1.55	6.33	8.90	9.81	10.07	8.14	7.73	N/A	10.14	
Difference			-0.77	0.69	-0.55	-1.45	-2.36	N/A	N/A	N/A	N/A	-1.68	

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

As of August 31, 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	87,991,730	3.27	0.00	1.25	2.03	2.18	2.18	-1.03	3.51	4.24	N/A	5.38	11/01/2015	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.67	-6.21	2.54	2.78	4.42	4.14		
Difference			0.00	1.25	0.35	-0.47	-0.49	5.19	0.97	1.46	N/A	1.23		
PGIM Real Estate PRISA II LP	43,144,292	1.60	0.00	1.37	4.38	5.51	5.51	-6.60	2.46	2.85	4.89	5.22	01/01/2015	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.67	-6.21	2.54	2.78	4.42	4.79		
Difference			0.00	1.37	2.71	2.86	2.84	-0.39	-0.07	0.08	0.47	0.43		
Principal US Property (CF)	91,809,056	3.41	0.61	0.84	2.72	3.83	3.39	-5.41	3.13	3.29	5.09	6.23	01/01/2014	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.67	-6.21	2.54	2.78	4.42	5.35		
Difference			0.61	0.84	1.05	1.18	0.72	0.80	0.59	0.51	0.67	0.88		
UBS Trumbull Property LP	50,908,301	1.89	0.00	1.16	3.28	3.11	3.11	-7.26	0.16	-0.27	1.83	3.58	01/01/2006	
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.67	2.65	2.67	-6.21	2.54	2.78	4.42	4.73		
Difference			0.00	1.16	1.61	0.46	0.43	-1.04	-2.38	-3.04	-2.60	-1.15		
Vanguard RE Idx;ETF (VNQ)	1,403,624	0.05	3.48	3.57	5.65	-2.46	0.72	4.02	6.39	5.29	6.35	10.54	12/01/2008	
Custom REITs Index			3.45	3.57	5.64	-2.40	0.83	4.16	6.55	5.39	6.68	11.17		
Difference			0.03	0.00	0.00	-0.06	-0.11	-0.14	-0.15	-0.10	-0.33	-0.64		

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As of August 31, 2025

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	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	11,548,370	0.43	0.00	4.37	-2.39	-1.20	-1.20	N/A	N/A	N/A	N/A	-35.69	10/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	-4.62	
Difference			-0.17	4.04	-5.41	-5.73	-5.93	N/A	N/A	N/A	N/A	-31.08	
H.I.G. Realty Partners IV (Onshore) LP	28,445,278	1.06	0.00	1.63	2.20	3.14	3.14	6.63	N/A	N/A	N/A	22.23	01/01/2022
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	-0.18	
Difference			-0.17	1.30	-0.82	-1.39	-1.59	10.96	N/A	N/A	N/A	22.41	
H.I.G. Realty Partners V (Onshore) LP	3,637,500	0.14	0.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00	08/01/2025
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	0.17	
Difference			-0.17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.17	
Bell Value-Add Fund VIII LP	10,593,540	0.39	0.00	0.14	5.96	5.96	5.96	N/A	N/A	N/A	N/A	-7.70	04/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	-2.46	
Difference			-0.17	-0.19	2.94	1.43	1.24	N/A	N/A	N/A	N/A	-5.24	
Hammes Partners IV LP	2,398,062	0.09	0.00	-0.07	1.19	4.42	4.42	N/A	N/A	N/A	N/A	-46.16	10/01/2023
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	-1.02	
Difference			-0.17	-0.40	-1.83	-0.11	-0.31	N/A	N/A	N/A	N/A	-45.14	
Blue Owl Digital Infrastructure Fund III-A LP	6,296,580	0.23	0.00	-7.19	-10.61	-8.59	7.07	N/A	N/A	N/A	N/A	9.95	04/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	3.43	
Difference			-0.17	-7.52	-13.63	-13.12	2.34	N/A	N/A	N/A	N/A	6.52	
Ares US Real Estate Opportunity IV LP	3,417,762	0.13	0.00	4.06	-6.78	N/A	N/A	N/A	N/A	N/A	N/A	-6.78	11/01/2024
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.33	3.02	4.53	4.73	-4.34	4.59	4.83	6.51	4.36	
Difference			-0.17	3.73	-9.81	N/A	N/A	N/A	N/A	N/A	N/A	-11.14	

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Diversifying Assets													
Adams Street Private Equity (SA)	102,463,999	3.81	0.00	0.00	4.69	9.49	10.69	6.56	N/A	N/A	N/A	17.58	11/01/2020
S&P 500 Index+3%			2.28	4.83	12.99	16.57	19.36	23.12	18.18	17.38	18.04	20.37	
Difference			-2.28	-4.83	-8.30	-7.08	-8.66	-16.56	N/A	N/A	N/A	-2.80	
Hamilton Lane Private Credit (SA)	113,033,064	4.20	2.51	3.37	9.92	14.23	14.58	10.48	N/A	N/A	N/A	5.82	04/01/2021
ICE BofAML Gbl Hi Yld Index +2%			1.67	2.03	10.12	9.41	11.52	12.68	6.39	6.89	7.44	5.61	
Difference			0.84	1.34	-0.21	4.82	3.06	-2.20	N/A	N/A	N/A	0.21	
Cash Equivalents													
Dreyfus Gvt CM;Inst (DGCXX)	15,838,174	0.59	0.35	0.71	2.85	4.04	4.47	4.70	3.01	2.59	2.07	1.72	05/01/2001
FTSE 3 Mo T-Bill Index			0.37	0.75	2.97	4.23	4.69	4.92	3.03	2.67	2.09	1.72	
Difference			-0.02	-0.04	-0.12	-0.19	-0.22	-0.23	-0.02	-0.08	-0.01	0.01	

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

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Performance Related Comments:

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

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 28% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 14% Diversifying Assets Index. Prior to August 1, 2025 it consisted 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. Prior to April 1, 2022 it consisted of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net) (Monthly), and 12% Diversifying Assets Index. Prior to October 1, 2021 it consisted of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net) (Monthly), and 15% 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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