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

Monday, October 20, 2025
3:30 P.M.

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

Financial Investment and Advisory Committee

Kendall Park, Chair
Brian Chappell, Secretary
Greg Ealey
Steve Glenn

Excused

Steve Glenn
Eric "Brian" Smith Jr.

Fund Staff

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

Guests

*Jordan Cipriani, RVK, Investment Consultant
*Spencer Hunter, RVK, Investment Consultant
*Pete Strong, Fund Actuary
*Raj Barot, RVK, Investment Consultant

*Asterisk denotes virtual meeting attendance via the ZOOM application.

Notice

City of Jacksonville Police and Fire Pension Fund
F.I.A.C. Meeting Summary
Tuesday, October 24, 2025
3:30 P.M. – 4:16 P.M.

I. Public Comment

None.

II. Actuary's Report

a. Experience Study Summary

Pete Strong updated the FIAC on the results of the Experience Study. He reported that the Board of Trustees approved all recommended demographic assumption changes but modified the recommendation regarding the actuarial assumed rate of return.

Originally, the recommendation was to move from a 6.5% gross actuarial assumed rate of return to a 6.5% net rate. However, the Board elected to lower the rate further to 6.25% net, aligning with the capital market assumptions provided by the Fund's investment consultant, RVK.

Pete explained that GRS surveys capital market forecasts from 13 investment consulting firms, with RVK's assumptions ranking among the most conservative—second lowest overall—while most firms fall in the 6.5%–6.75% range. He stated that he supports the Board's decision to take a conservative approach.

Kendall Park asked whether the FIAC needed to approve the experience study.

Timothy Johnson clarified that no FIAC action was necessary, as the Board had already approved it. He recalled that when Pete Strong presented the study to both the FIAC and the Board in August, the Board was surprised by the recommendation to move to a net assumed rate. Lowering the rate would have increased the City's funding requirements, especially when combined with other demographic adjustments such as members living longer and earning higher salaries—factors that increase the plan's liability and cost.

Timothy explained that the Board requested further analysis, which led to the information presented today. Ultimately, he said that changing the rate was the Board's prerogative, and he believes they reached the right decision.

Pete Strong agreed, adding that he was satisfied with where the plan ended up at 6.25% net.

Timothy Johnson noted that, as a closed plan currently 41–42% funded, the PFPF expects the dedicated surtax revenues to begin flowing in about five years. He said this was the right move—putting more money into the plan now, and trusting the surtax to arrive as promised. He commended Pete for his diligent work on the study.

Pete concluded by noting that RVK is now incorporating all of the new assumption changes into the ongoing Asset-Liability Study.

III. Meeting Summaries – action requested

a. August 19, 2025 FIAC Meeting Summary

Brian Chappell moved to approve the August 19, 2025 FIAC meeting summary, seconded by Greg Ealey. The vote passed unanimously.

IV. Executive Director's Report

Timothy Johnson recognized Kevin Grant for his excellent coordination of all parties involved in arranging the City Reimbursement Loan. Kevin then briefed the FIAC on the transaction, explaining that the PFPF utilized Truist Bank for the loan.

Key terms were as follows:

- Par Amount: $201,500,000
- Interest Rate: 4.408% (SOFR at 4.158% + 25 bps)
- Closing Date: September 29
- Funds Provided to the City of Jacksonville: $250,000,000 on September 29
- Payoff Date: October 2
- Payoff Amount to Truist: $201,653,004
    - $73,004 (three days' interest at 4.408%)
    - $40,000 (bank fee)
    - $40,000 (lender's counsel fee)
- Other Fees (post-payoff): approximately $90,000+ for Special Consultant, Bond Counsel, SSBH, and OGC

Timothy reminded the FIAC about the ARES Manager Update Workshop scheduled for Wednesday at the PFPF Office and encouraged all members to attend. He also announced the Annual Trustee Breakfast on Friday morning, during which the Board will rededicate the Board Room to Dick Cohee, former Deputy Director, and dedicate the small conference room to Bobby Deal, former Board Chair.

V. Investment Consultant Reports

a. Large Cap Growth Transition Analysis

Jordan Cipriani presented the Large Cap Growth Transition Analysis, commending both PFPF Staff and the RVK investment team for executing an orderly transition.

The transition consisted of a full redemption of approximately $185 million from Loomis Sayles Large Cap Growth and a partial redemption of about $82.5 million from Sawgrass Asset Management, which together funded the JP Morgan Large Cap Growth strategy.

RVK solicited competitive bids for transition management and selected LOOP Capital, which achieved the best combination of efficiency and economics. Transition costs were minimal—limited to commissions totaling $6,392—and there were no implicit costs. Jordan praised LOOP for being communicative and responsive throughout the process.

b. Monthly Investment Performance Analysis as of September 30, 2025

Jordan reviewed RVK's Monthly Investment Performance Analysis, providing the following market highlights:

- Global equities posted their sixth consecutive month of gains, led by emerging markets. Through Q3 2025, non-U.S. markets have notably outperformed domestic equities.
- Treasury rates declined overall, with long-duration assets outperforming both monthly and year-to-date.
- The FOMC reduced the Fed Funds Rate by 0.25%, signaling two additional cuts expected in 2025. Meanwhile, the 30-year U.S. Treasury yield fell 29 basis points, benefiting duration-sensitive assets.
- Q2 GDP was revised upward from 3.3% to 3.8%, driven primarily by strong consumer spending.

She then reviewed the Schedule of Investable Assets (page 5):

- Beginning Market Value: $2.82 billion
- Net Cash Flow: –$60.6 million
- Investment Gain: +$331.2 million
- Ending Market Value: $3.09 billion
- Fiscal Year Return: 11.77%, exceeding the assumed rate.

Timothy Johnson thanked Jordan for her report and noted that RVK will present the Asset-Liability Study to the FIAC and the Board of Trustees in November. He asked if RVK planned to provide an educational session beforehand.

Jordan and Spencer Hunter agreed, noting that a brief 30-minute educational primer would help the FIAC better understand the methodology and data presentation of the study, which differs from typical investment reports. Spencer added that such context is valuable since Asset-Liability Studies are conducted only once every five years or so and encompass the full scope of pension system management.

VI. Old Business

None.

VII. New Business

None.

VIII. Upcoming Meetings

a. Manager Update Workshop – ARES Management – Wednesday, October 22, 2025 at 12:00 P.M.

b. Annual Board of Trustees Breakfast – Friday, October 24, 2025 at 8:00 A.M.

c. FIAC Meeting – Tuesday, November 18, 2025 at 3:30 P.M.

IX. Adjournment

4:16 P.M.

Brian Chappell, FIAC Secretary

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

Posted: 08/21/2025
To be Approved: 09/23/2025