

# Gainesville Police and Fire Pension Fund

## Executive Summary

Cole Jacobs  
Zach Paris, CFA

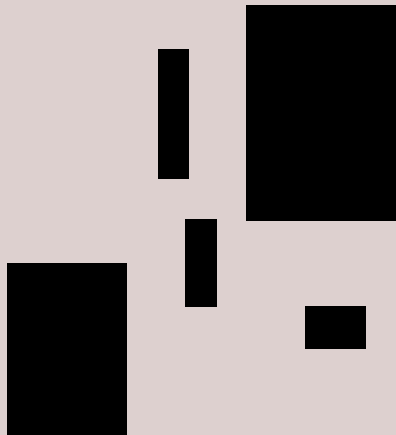
September 22, 2021



# Discussion Agenda

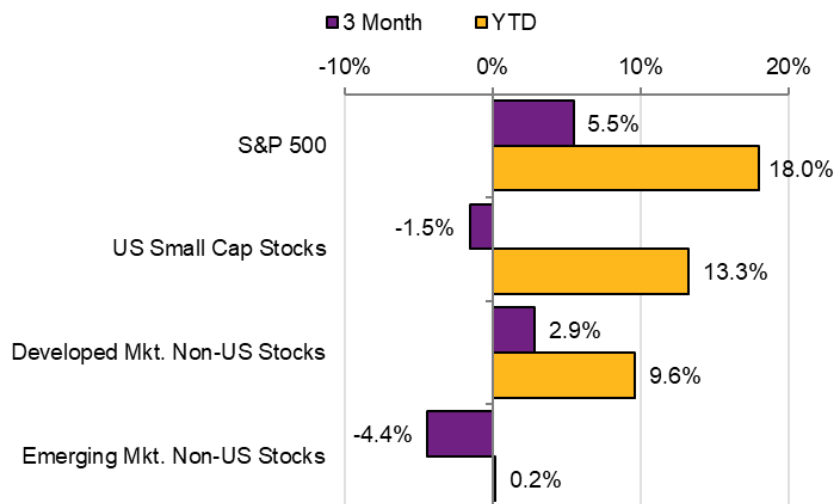
- **Market and Performance Review**
- **Appendix**

# Market and Performance Review

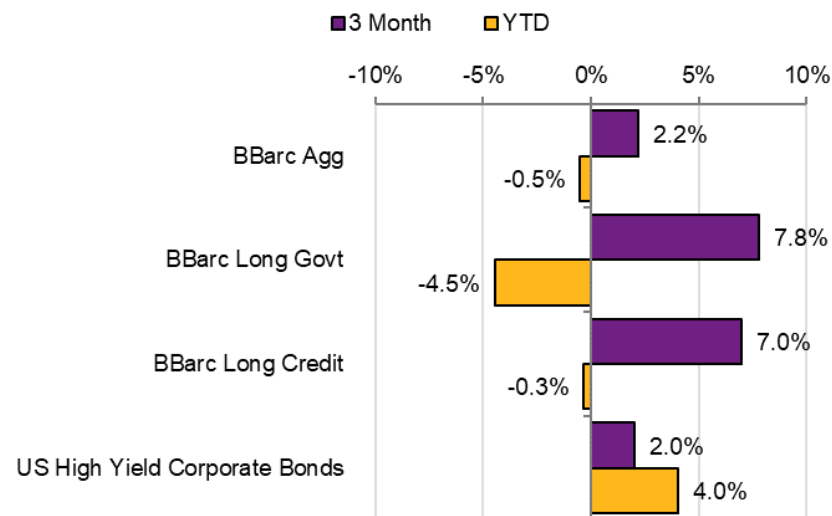


# Capital Markets Review – 7/31/21

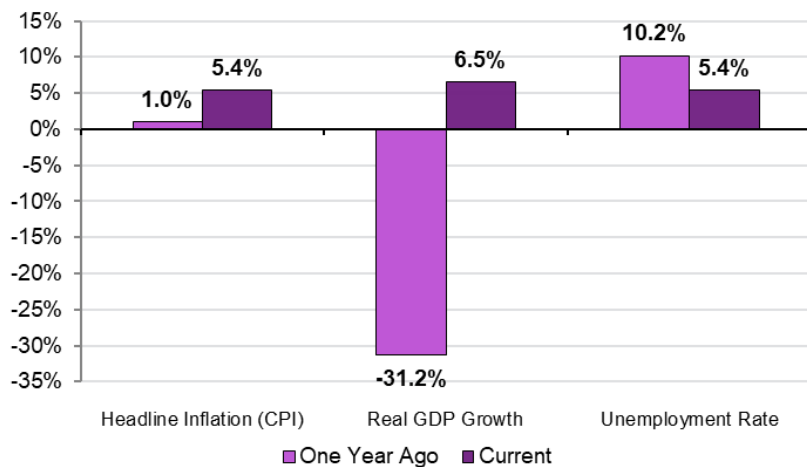
## Equity Markets



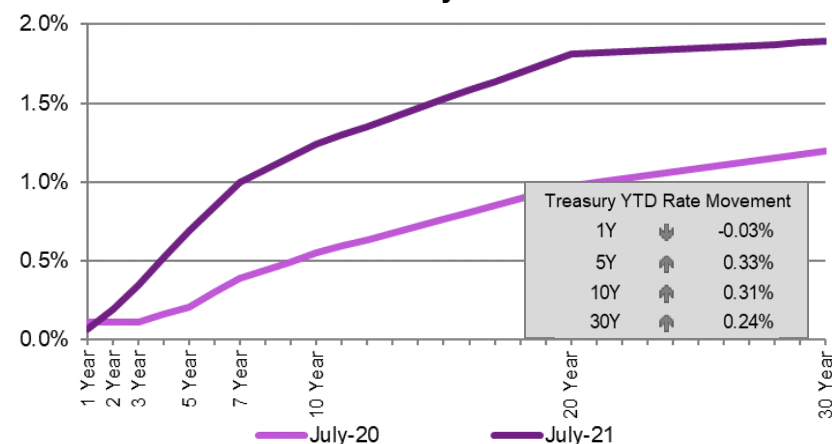
## Fixed Income Markets



## US Economic Data\*



## Treasury Rates



Treasury YTD Rate Movement		
1Y	↓	-0.03%
5Y	↑	0.33%
10Y	↑	0.31%
30Y	↑	0.24%

Note: \*GDP is updated quarterly and reflects the percentage change from prior quarter, based on the seasonally adjusted annual rate. Sources: U.S. Bureau of Economic Analysis, FactSet.

# Plan Structure and Net Performance

As of July 31, 2021

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Plan</b>	<b>360,431,181</b>	<b>100.0</b>	<b>100.0</b>	<b>1.0</b>	<b>3.0</b>	<b>13.4</b>	<b>24.7</b>	<b>27.0</b>	<b>11.1</b>	<b>11.8</b>	<b>10.5</b>	<b>9.3</b>	<b>Apr-88</b>
<i>Policy Benchmark</i>				0.0	2.1	9.8	22.2	24.7	11.9	11.9	10.3	9.5	Apr-88
<i>Risk Equivalent Benchmark</i>				0.8	3.2	9.6	21.8	24.0	12.0	11.3	8.6	--	Apr-88
<b>Total Plan ex Overlay</b>	<b>354,276,264</b>	<b>98.3</b>	<b>--</b>	<b>1.0</b>	<b>2.9</b>	<b>13.5</b>	<b>25.9</b>	<b>28.2</b>	<b>11.1</b>	<b>11.4</b>	<b>10.3</b>	<b>--</b>	<b>Mar-09</b>
<i>Policy Benchmark</i>				0.0	2.1	9.8	22.2	24.7	11.9	11.9	10.3	12.6	Mar-09
<b>Growth Segment</b>	<b>270,739,206</b>	<b>75.1</b>	<b>70.0</b>	<b>1.3</b>	<b>3.3</b>	<b>16.7</b>	<b>35.4</b>	<b>38.8</b>	<b>14.2</b>	<b>14.3</b>	<b>12.3</b>	<b>15.8</b>	<b>Mar-09</b>
<i>Growth Segment Benchmark</i>				-0.2	2.4	--	--	--	--	--	--	--	Mar-09
<b>Domestic Equity Segment</b>	<b>203,729,363</b>	<b>56.5</b>	<b>50.0</b>	<b>1.1</b>	<b>3.5</b>	<b>19.7</b>	<b>41.5</b>	<b>44.0</b>	<b>15.4</b>	<b>15.6</b>	<b>14.2</b>	<b>10.9</b>	<b>Apr-88</b>
<i>Russell 3000</i>				1.7	4.7	17.1	34.2	38.7	18.1	17.4	15.2	11.3	Apr-88
<b>Large Cap Equity Segment</b>	<b>136,739,800</b>	<b>37.9</b>	<b>35.0</b>	<b>1.8</b>	<b>4.5</b>	<b>18.9</b>	<b>35.3</b>	<b>39.1</b>	<b>16.5</b>	<b>15.7</b>	<b>14.0</b>	<b>9.0</b>	<b>Apr-07</b>
<i>Russell 1000</i>				2.1	5.1	17.3	33.4	38.0	18.6	17.6	15.4	10.6	Apr-07
<b>LSV Large Cap Equity</b>	<b>38,611,805</b>	<b>10.7</b>		<b>-0.4</b>	<b>0.9</b>	<b>22.6</b>	<b>46.1</b>	<b>47.9</b>	<b>10.0</b>	<b>12.1</b>	<b>13.1</b>	<b>10.1</b>	<b>Sep-03</b>
<i>Russell 1000 Value</i>				0.8	2.0	18.0	37.2	39.3	11.3	11.4	12.1	9.2	Sep-03
<b>Vanguard S&amp;P 500 Index Fund</b>	<b>63,022,234</b>	<b>17.5</b>		<b>2.4</b>	<b>5.5</b>	<b>18.0</b>	<b>32.3</b>	<b>36.4</b>	<b>18.1</b>	<b>17.3</b>	<b>--</b>	<b>15.7</b>	<b>Oct-12</b>
<i>S&amp;P 500</i>				2.4	5.5	18.0	32.3	36.4	18.2	17.3	15.3	15.8	Oct-12
<b>Sustainable Growth Advisors</b>	<b>35,105,761</b>	<b>9.7</b>		<b>3.5</b>	<b>7.0</b>	<b>16.7</b>	<b>28.7</b>	<b>33.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>32.3</b>	<b>Sep-19</b>
<i>Russell 1000 Growth</i>				3.3	8.3	16.7	30.0	36.7	25.3	23.3	18.4	35.4	Sep-19
<b>Small Cap Equity Segment</b>	<b>66,989,562</b>	<b>18.6</b>	<b>15.0</b>	<b>-0.3</b>	<b>1.4</b>	<b>21.4</b>	<b>55.9</b>	<b>54.9</b>	<b>12.8</b>	<b>15.0</b>	<b>14.3</b>	<b>10.5</b>	<b>Apr-07</b>
<i>Russell 2000</i>				-3.6	-1.5	13.3	48.8	52.0	11.5	14.3	12.3	8.9	Apr-07
<b>LSV Small Cap Equity</b>	<b>32,014,176</b>	<b>8.9</b>		<b>-1.8</b>	<b>-1.1</b>	<b>26.4</b>	<b>66.8</b>	<b>67.0</b>	<b>4.9</b>	<b>8.4</b>	<b>11.1</b>	<b>10.0</b>	<b>Jul-01</b>
<i>Russell 2000 Value</i>				-3.6	-1.2	22.2	62.9	63.7	8.3	11.6	10.8	8.9	Jul-01
<b>Disciplined Growth Investors</b>	<b>34,975,387</b>	<b>9.7</b>		<b>1.2</b>	<b>3.9</b>	<b>17.2</b>	<b>48.6</b>	<b>47.0</b>	<b>19.0</b>	<b>20.7</b>	<b>17.0</b>	<b>12.7</b>	<b>Jun-97</b>
<i>Russell 2000 Growth</i>				-3.6	-2.0	5.0	36.1	41.0	13.9	16.4	13.6	8.2	Jun-97
<b>International Equity Segment</b>	<b>67,009,843</b>	<b>18.6</b>	<b>20.0</b>	<b>1.6</b>	<b>2.8</b>	<b>8.6</b>	<b>19.8</b>	<b>25.2</b>	<b>10.7</b>	<b>10.9</b>	<b>6.6</b>	<b>5.9</b>	<b>May-07</b>
<i>MSCI ACWI ex USA</i>				-1.6	0.8	7.4	25.6	27.8	7.9	9.6	5.4	3.3	May-07
<b>Mawer International Equity Fund</b>	<b>67,009,843</b>	<b>18.6</b>		<b>1.6</b>	<b>2.8</b>	<b>8.6</b>	<b>19.8</b>	<b>25.2</b>	<b>10.7</b>	<b>10.9</b>	<b>--</b>	<b>10.7</b>	<b>Dec-15</b>
<i>MSCI ACWI ex USA</i>				-1.6	0.8	7.4	25.6	27.8	7.9	9.6	5.4	8.8	Dec-15

Note:

- Numbers in red indicate below benchmark performance.
- The Policy Index is currently a composite of 70% Growth Segment / 30% Income Segment benchmarks.
- The Risk Equivalent Benchmark is currently a composite of 75% MSCI ACWI Index and 25% Bloomberg Barclays Aggregate Index.

# Plan Structure and Net Performance

As of July 31, 2021

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Income Segment</b>	83,537,058	23.2	30.0	0.3	1.8	4.4	6.8	7.5	4.7	4.1	5.2	--	Mar-09
<i>Income segment benchmark</i>				0.5	1.5	--	--	--	--	--	--	--	Mar-09
Commingled Cash	19,960,339	5.5											
<b>Alternative Credit</b>	42,865,396	11.9		0.5	1.7	4.7	8.9	10.0	4.4	--	--	3.6	Feb-18
<i>Alternative Credit Benchmark</i>				0.3	1.1	1.2	3.7	3.8	4.5	--	--	3.6	Feb-18
Ares US High Yield Fund	8,956,562	2.5		0.0	1.6	4.5	10.5	10.4	7.1	--	--	6.5	Mar-18
<i>ICE BofAML US HY Master II Constrained</i>				0.4	2.0	4.1	10.8	10.7	6.8	6.8	6.4	6.4	Mar-18
1Sharpe Opportunity Fund	16,488,569	4.6		0.5	0.9	2.9	4.7	6.0	6.1	--	--	6.1	Jul-18
<i>3-Mo T-Bills + 1%</i>				0.1	0.3	0.6	0.9	1.1	2.3	2.1	1.6	2.3	Jul-18
LibreMax Value Fund	8,552,597	2.4		0.7	2.7	10.9	14.4	16.8	--	--	--	-1.4	Dec-18
<i>3 Month LIBOR + 4%</i>				0.3	1.0	2.4	3.5	4.2	5.4	5.5	4.9	5.3	Dec-18
BNYM Mellon NSL Efficient Beta Fallen Angels	8,867,668	2.5		1.1	3.1	--	--	--	--	--	--	4.6	Feb-21
<i>BBgBarc US HY 2% Issuer Cap Index</i>				0.4	2.0	4.0	10.7	10.6	7.2	7.0	6.6	3.7	Feb-21
<b>Real Estate Segment</b>	20,711,323	5.7		0.3	3.3	5.8	7.5	7.8	5.7	6.8	9.5	6.7	Feb-05
<i>Real Estate Segment Index</i>				1.4	4.2	7.8	9.0	9.3	5.8	6.8	9.5	8.4	Feb-05
Principal US Property	12,219,265	3.4		0.5	3.6	6.6	8.4	8.3	5.4	6.7	9.5	6.7	Feb-05
<i>NCREIF ODCE (Equal-weighted) Net</i>				1.4	4.2	7.8	9.0	9.3	5.4	6.2	8.9	6.5	Feb-05
Harrison Street Core Property Fund	8,492,058	2.4		0.0	2.8	4.2	5.6	6.8	--	--	--	6.5	Aug-19
<i>NCREIF ODCE (Equal-weighted) Net</i>				1.4	4.2	7.8	9.0	9.3	5.4	6.2	8.9	5.3	Aug-19
<b>Parametric</b>	6,154,917	1.7	--										

## Role of Income Segment

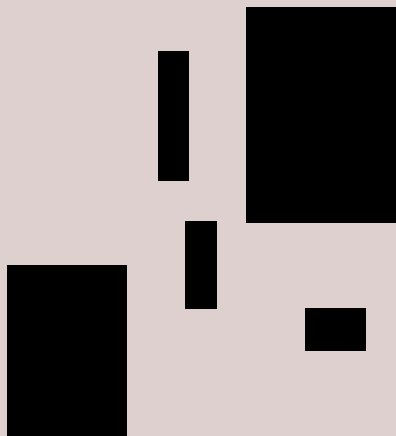
- The purpose of the Income Segment is to maintain the portfolio's existing return potential, while reducing downside risk with a larger percentage of returns being generated by income instead of growth. This allocation is currently being managed to a 30% target and is comprised of alternative credit and real assets strategies.

Note:

- Numbers in red indicate below benchmark performance.

- Cash account is included in the Fixed Income segment. The Real Estate Segment Index was the NCREIF Property Index up until July 1, 2013 and the NCREIF ODCE Index (Equal-Weighted) thereafter. Returns for NCREIF have been estimated. The Parametric Overlay program was implemented on March 27, 2015. Market value is sourced from State Street. Alternative Credit Benchmark 25% BBgBarc US HY 2% Issuer Cap index / 25% ICE BofAML US HY Master II Constrained / 25% 3-Mo T-Bills + 1% / 25% 3 Month LIBOR + 4%. Manager values were used for Principal, 1Sharpe, Mawer, SSGA, Harrison St., and LibreMax. Due to availability 1Sharpe and Libremax are lagged.

# Appendix



# Manager Scorecard

As of July 31, 2021

## Investment Manager Scorecard Review

Performance Target <sup>1</sup>				WTW Ratings		✖ Did not achieve target ✓ Achieved target	
	Absolute Performance (%)	Relative Performance (%)	vs Peer Group Median <sup>2</sup>	Key investment professional changes	SAM / Preferred	Watch List Issue Date	Notes
Large Cap Equity Segment	16.5	-2.1	✖				
LSV Large Cap Equity	10.0	-1.3	✖	No	High	---	
Vanguard S&P 500 Index Fund	18.1	-0.1	✓	No	Preferred	---	Monitor to ensure tracking error remains within expectations.
Sustainable Growth Advisors	--	---	---	No	Preferred		
Small Cap Equity Segment	12.8	1.3	✖				
LSV Small Cap Equity	4.9	-3.4	✖	No	High	---	
Disciplined Growth Investors	19.0	5.1	✖	No	High	---	
International Equity Segment	10.7	2.8	✓				
Mawer International Equity	10.7	2.8	✖	No	Preferred	---	
Alternative Credit	4.4	-0.1	---				
Ares US High Yield Fund	7.1	0.3	✖	No	Preferred	---	
1Sharpe Opportunity Fund, Ltd.	6.1	3.8	---	No	Preferred	---	
Libremax Value Fund	--	---	---	No	Preferred	---	
BNYM Fallen Angels	---	---	---	No	Preferred	---	
Real Estate Segment	5.7	-0.1	--- <sup>3</sup>				
Principal US Property	5.4	0.0	--- <sup>3</sup>	No	NR	---	
Harrison Street Core Property	---	---	--- <sup>3</sup>	No	Preferred		

✖ Did not achieve target

✓ Achieved target

Note: All numbers are preliminary and subject to change.

Note: Changes in SAM/Preferred ratings, since last quarter, are shown in blue.

Note: The Real Estate Segment Index was of the NCREIF Property Index up until July 1, 2013 and the NCREIF ODCE Index (Equal -Weighted) thereafter. Returns for NCREIF have been estimated.

<sup>1</sup> Excess Performance is the manager's gross return relative to their respective benchmark index.

<sup>2</sup> vs Peer Group median reflects 6/30/2021 information due to unavailability of most recent universe information.

<sup>3</sup> Information is not shown due to unavailability of a comparable universe.

✖ Did not achieve target

✓ Achieved target



# Summary of Investment Strategies

## Approved by CBOT – Income Strategies

Asset / Manager	Asset Class	Description	Role in Portfolio	Estimated Fees
High yield bonds <b>Ares</b>	Credit Strategies- Alternative Credit	US market high yield corporate credit; unsecured creditor in companies, fixed coupons	Diversification with high income profile; expanded opportunity set which allows skilled manager to potentially add value	0.35%
U.S. Residential Bridge Loans <b>1Sharpe</b>	Credit Strategies- Alternative Credit- Opportunistic Structured Credit	Strategy is focused on US single family residential bridge loans. These are business purpose loans made to borrowers seeking to acquire, renovate and sell the property for a profit.	Highly fragmented market with operational complexity and small balance lending provides barriers to entry; creating opportunities for specialized lenders to generate strong risk adjusted returns.	0.60%
Opportunistic Structured Credit <b>LibreMax</b>	Private Markets- Less Liquid Credit	High conviction, fundamental long-bias structured credit fund. The Fund seeks to achieve a high performance target through a concentrated portfolio of investments and active trading in sub-investment grade structured credit opportunities.	Opportunistic investment approach on more inefficient and complex segments of securitized credit and as early movers, capturing added illiquidity and complexity premia. Strategy seeks to earn returns in excess of public equity markets; providing an overall increase to the Plan's expected return profile.	0.55%
High Yield Bonds <b>Mellon Investments</b>	Credit Strategies- Alternative Credit	Smart beta strategy that uses a multi-factor model to invest in the US fallen angels universe, which are high yield bonds which were previously rated investment grade and have been downgraded to non-investment grade.	Higher quality than the broader HY universe with similar beta. Can offer better risk-adjusted returns vs. broad HY by capturing positive price momentum around credit rating downgrades and upgrades ('the fallen angels effect').	0.13%

The allocation is intended to provide diversity relative to public equity markets targeting and equity beta of less than 0.6, while producing strong risk adjusted returns.

# Summary of Investment Strategies

## Approved by CBOT - Income Strategies

Asset / Manager	Asset Class	Description	Role in Portfolio	Estimated Fees
Direct Real Estate <b>Harrison Street</b>	Real Assets	Direct investment in property types typically left out of core real estate portfolios: Education, Healthcare and Storage real estate	Diversifies traditional core real estate exposure given greater income profile (as component of total return) & distribution yield	1.15%
Essential technology and science ("ETS") <b>GI</b>	Real Assets	Core plus investment in data centers, life science facilities, and other commercial buildings ("always on" facilities)	Diversifies traditional core real estate exposure with underrepresented major long-term secular growth sectors (technology and life sciences) with attractive risk/return profile	IM: 0.65% Perf: 12.5% over 7% preferred return
Single Family Home Rentals <b>Pretium</b>	Real Assets	Fund acquires, renovates, and manages high-quality residential single-family homes in high-growth US markets	Diversifies traditional core real estate exposure with investment in property type that provides consistent rental cash flows, capital appreciation, and captures strong demand driven demographic tailwinds	IM: 0.65% Perf: 20% over 7% preferred return

# Parametric Asset Allocation

As of July 31, 2021

## Margin Summary

	Value	% of Overlay
Parametric Minneapolis Account Value	6,154,927	9.08 %
Required Initial Margin	506,289	0.75 %
Variation Margin Available	5,648,638	8.33 %

## Fund Exposure Summary

	Actual Target	Adjusted Target	Physical Exposure	Physical Deviation From Target	Overlay Exposure	Total Exposure	Total Exposure Deviation From Target	Rebalance Trigger
Domestic Equity	179,583,967	N/A	200,754,528	21,170,561	-19,264,097	181,490,431	1,906,464	14,366,717
International Equity	71,833,587	N/A	65,932,240	-5,901,347	4,850,583	70,782,823	-1,050,763	-5,746,687
Fixed Income: Diversified Credit	71,833,587	N/A	42,712,941	-29,120,646	28,167,332	70,880,273	-953,314	-5,746,687
Real Estate	35,916,793	N/A	20,500,219	-15,416,574	15,390,458	35,890,678	-26,116	-2,873,343
Cash	0	N/A	29,268,005	29,268,005	-29,144,277	123,729	123,729	
	359,167,934	N/A	359,167,934	0	0	359,167,934	0	

Note: Parametric Overlay program inception date was 3/27/2015.

Note: Parametric physical exposure may not match current balances in this report as Parametric may be using preliminary asset values.

# Parametric Asset Allocation

As of July 31, 2021

## Gain/Loss Summary

Investment Instrument Name	Daily Gain/Loss	Month to Date Gain/Loss	Year to Date Gain/Loss	Inception to Date Gain/Loss
<b>Equity Index Futures</b>				
Russell 2000 Mini Futures (RTA)	0	0	0	237,343
Russell 2000 Mini Futures (RTY)	0	-26,222	-41,813	201,223
S&P 500 Mini Futures (ES)	-15,610	53,665	107,094	4,932,845
S&P Midcap 400 Mini Futures (FA)	0	0	0	254,672
	<b>-15,610</b>	<b>27,443</b>	<b>65,281</b>	<b>5,626,084</b>
<b>Currency</b>				
Canadian Dollar	-25	-48	1,965	6,266
	<b>-25</b>	<b>-48</b>	<b>1,965</b>	<b>6,266</b>
<b>Cash</b>				
US Dollar	0	13	55	293,611
	<b>0</b>	<b>13</b>	<b>55</b>	<b>293,611</b>
<b>Cash Equivalents</b>				
B 02/13/20	0	0	0	4,893
B 02/28/19	0	0	0	5,376
B 04/12/18	0	0	0	5,649
B 05/04/17	0	0	0	3,033
B 08/06/20	0	0	0	4,052
B 08/22/19	0	0	0	6,484
B 09/06/18	0	0	0	7,243
B 10/12/17	0	0	0	982
B 10/19/17	0	0	0	4,166
B 11/10/16	0	0	0	519
	<b>0</b>	<b>0</b>	<b>0</b>	<b>42,397</b>
<b>Currency Futures</b>				
Canadian Dollar (CD)	-530	-980	-5,022	-38,124
	<b>-530</b>	<b>-980</b>	<b>-5,022</b>	<b>-38,124</b>
<b>Fixed Income Futures</b>				
T-Bond 20Y Futures (US)	563	3,969	6,661	-26,463
T-Note 10Y Futures (TY)	9,375	81,875	16,365	-67,625
T-Note 2Y Futures (TU)	2,789	17,482	1,956	-44,408
T-Note 5Y Futures (FV)	6,500	56,691	4,831	-67,539
	<b>19,227</b>	<b>160,017</b>	<b>29,813</b>	<b>-206,035</b>
<b>International Equity Index Futures</b>				
MSCI EAFE Mini Futures (MFS)	-18,480	16,493	191,084	509,716
MSCI EM Mini Futures (MES)	-13,750	-95,810	-28,461	71,306
S&P/TSX 60 Futures (PT)	-250	1,547	10,913	101,815
	<b>-32,480</b>	<b>-77,770</b>	<b>173,537</b>	<b>682,837</b>
<b>Total</b>	<b>-29,419</b>	<b>108,675</b>	<b>265,628</b>	<b>6,407,037</b>

Note: Overlay Program Inception to Date Gain/Loss includes exposure during International Equity transition (~ \$846.1k)

Note: Parametric Overlay program inception date was 3/27/2015.

Note: Parametric physical exposure may not match current balances in this report as Parametric may be using preliminary asset values.

# Benchmark Definitions

## ■ Growth and Income Segments

- The Growth Segment is a beginning of period weighted average of the Domestic Equity and International Equity Segments.
- The Income Segment is a beginning of period weighted average of the Fixed Income, Alternative Credit, and Real Estate segments.

### Total Plan

5/1/2021	Present	70% Growth Segment Benchmark / 30% Income segment benchmark
2/1/2021	4/30/2021	50% Russell 3000 / 20% MSCI ACWI ex USA / 20% Alternative Credit Benchmark / 10% NCREIF ODCE (Equal-weighted) Net
9/1/2019	1/31/2021	50% Russell 3000 / 20% MSCI ACWI ex USA / 17.5% Alternative Credit Benchmark / 2.5% Bloomberg US Govt Int TR / 10% NCREIF ODCE (Equal-weighted) Net
4/1/2019	8/31/2019	50% Russell 3000 / 20% MSCI ACWI ex USA / 15% Alternative Credit Benchmark / 2.5% Bloomberg US Govt Int TR / 2.5% Bloomberg US TIPS TR / 10% NCREIF ODCE (Equal-weighted) Gross
2/1/2018	3/31/2019	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% ICE BofAML US HY Master II Constrained / 7.5% S&P Leveraged Loan / 2.5% Bloomberg US Govt Int TR / 2.5% Bloomberg US TIPS TR / 10% NCREIF ODCE (Equal-weighted) Gross
7/1/2013	1/31/2018	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% Bloomberg US Govt/Credit TR / 15% 3-Mo T-Bills + 4% / 7.5% NCREIF ODCE (Equal-weighted) Gross
1/1/2010	6/30/2013	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% Bloomberg US Govt/Credit TR / 15% 3-Mo T-Bills + 4% / 7.5% NCREIF Property Index
4/1/1988	12/31/2009	100% Policy Benchmark (history)

### Total Plan ex Overlay

5/1/2021	Present	70% Growth Segment Benchmark / 30% Income segment benchmark
2/1/2021	4/30/2021	50% Russell 3000 / 20% MSCI ACWI ex USA / 20% Alternative Credit Benchmark / 10% NCREIF ODCE (Equal-weighted) Net
9/1/2019	1/31/2021	50% Russell 3000 / 20% MSCI ACWI ex USA / 17.5% Alternative Credit Benchmark / 2.5% Bloomberg US Govt Int TR / 10% NCREIF ODCE (Equal-weighted) Net
4/1/2019	8/31/2019	50% Russell 3000 / 20% MSCI ACWI ex USA / 15% Alternative Credit Benchmark / 2.5% Bloomberg US Govt Int TR / 2.5% Bloomberg US TIPS TR / 10% NCREIF ODCE (Equal-weighted) Gross
2/1/2018	3/31/2019	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% ICE BofAML US HY Master II Constrained / 7.5% S&P Leveraged Loan / 2.5% Bloomberg US Govt Int TR / 2.5% Bloomberg US TIPS TR / 10% NCREIF ODCE (Equal-weighted) Gross
7/1/2013	1/31/2018	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% Bloomberg US Govt/Credit TR / 15% 3-Mo T-Bills + 4% / 7.5% NCREIF ODCE (Equal-weighted) Gross
1/1/2010	6/30/2013	50% Russell 3000 / 20% MSCI ACWI ex USA / 7.5% Bloomberg US Govt/Credit TR / 15% 3-Mo T-Bills + 4% / 7.5% NCREIF Property Index
3/1/2009	12/31/2009	100% Policy Benchmark (history)

### Growth Segment

5/1/2021	Present	Weighted Average of Russell 1000 Value / S&P 500 / Russell 1000 Growth / Russell 2000 Value / Russell 2000 Growth / MSCI ACWI ex USA
----------	---------	--

### Domestic Equity Segment

4/1/1988	Present	Russell 3000
----------	---------	--------------

### Large Cap Equity Segment

4/1/2007	Present	Russell 1000
----------	---------	--------------

### LSV Large Cap Equity

9/1/2003	Present	Russell 1000 Value
----------	---------	--------------------

### Vanguard S&P 500 Index Fund

10/1/2012	Present	S&P 500
-----------	---------	---------

### Sustainable Growth Advisors

9/1/2019	Present	Russell 1000 Growth
----------	---------	---------------------

# Benchmark Definitions

Small Cap Equity Segment		
4/1/2007	Present	Russell 2000
LSV Small Cap Equity		
7/1/2001	Present	Russell 2000 Value
Disciplined Growth Investors		
6/1/1997	Present	Russell 2000 Growth
International Equity Segment		
5/1/2007	Present	MSCI ACWI ex USA
Mawer International Equity Fund		
12/1/2015	Present	MSCI ACWI ex USA
Income Segment		
7/1/2021	Present	Weighted Average of FTSE T-Bill 3 Months TR / BBgBarc US HY 2% Issuer Cap Index / ICE BofAML US HY Master II Constrained / 3-Mo T-Bills + 1% / 3 Month LIBOR + 4% / BBgBarc US HY 2% Issuer Cap Index / NCREIF ODCE (Equal-weighted) Net
5/1/2021	6/30/2021	Weighted Average of FTSE T-Bill 3 Months TR / BBgBarc US Treasury Bills 1 Month / ICE BofAML US HY Master II Constrained / 3-Mo T-Bills + 1% / 3 Month LIBOR + 4% / BBgBarc US HY 2% Issuer Cap Index / NCREIF ODCE (Equal-weighted) Net
Fixed Income Segment		
2/1/2021	Present	FTSE T-Bill 3 Months TR
9/1/2019	1/31/2021	Bloomberg US Govt Int TR
2/1/2018	8/31/2019	50% Bloomberg US Govt Int TR / 50% Bloomberg US TIPS TR
4/1/1998	1/31/2018	Bloomberg US Govt/Credit TR
Commingled Cash		
4/1/2009	Present	FTSE T-Bill 3 Months TR
Alternative Credit		
7/1/2021	Present	25% BBgBarc US HY 2% Issuer Cap Index / 25% ICE BofAML US HY Master II Constrained / 25% 3-Mo T-Bills + 1% / 25% 3 Month LIBOR + 4%
4/1/2021	6/30/2021	20% BBgBarc US Treasury Bills 1 Month / 20% ICE BofAML US HY Master II Constrained / 20% 3-Mo T-Bills + 1% / 20% 3 Month LIBOR + 4% / 20% Bloomberg US High Yield 2% Issuer Cap TR
2/1/2021	3/31/2021	16.67% BBgBarc US Treasury Bills 1 Month / 16.67% ICE BofAML US HY Master II Constrained / 16.67% BBgBarc Global Sovereign Credit Index / 16.67% 3-Mo T-Bills + 1% / 16.66% 3 Month LIBOR + 4% / 16.66% Bloomberg US High Yield 2% Issuer Cap TR
4/1/2019	1/31/2021	20% BBgBarc US Treasury Bills 1 Month / 20% ICE BofAML US HY Master II Constrained / 20% BBgBarc Global Sovereign Credit Index / 20% 3-Mo T-Bills + 1% / 20% 3 Month LIBOR + 4%
2/1/2018	3/31/2019	50% ICE BofAML US HY Master II Constrained / 50% BBgBarc Global Sovereign Credit Index
Wellington Securitized Opportunities Fund		
2/1/2018	6/30/2021	BBgBarc US Treasury Bills 1 Month
Ares US High Yield Fund		
3/1/2018	Present	ICE BofAML US HY Master II Constrained
1Sharpe Opportunity Fund		
7/1/2018	Present	FTSE T-Bill 3 Months TR + 0.08
LibreMax Value Fund		
12/1/2018	Present	ICE 3 Month LIBOR + 0.33
BNYM Mellon NSL Efficient Beta Fallen Angels		
2/1/2021	Present	BBgBarc US HY 2% Issuer Cap Index
Real Estate Segment		
9/1/2019	Present	NCREIF ODCE (Equal-weighted) Net
7/1/2013	8/31/2019	NCREIF ODCE (Equal-weighted) Gross
2/1/2005	6/30/2013	NCREIF Property Index
Principal US Property		
2/1/2005	Present	NCREIF ODCE (Equal-weighted) Net
Harrison Street Core Property Fund		
8/1/2019	Present	NCREIF ODCE (Equal-weighted) Net

# Index and Data Providers

Market index and fund data may be provided by Bloomberg Barclays, Bank of America Merrill Lynch, Cambridge Associates, Center for Research in Security Prices (CRSP), Citi, eVestment, FTSE, InvestorForce Inc., JP Morgan, Morgan Stanley Capital International, Morningstar, Inc., National Council of Real Estate Investment Fiduciaries (NCREIF), Russell Indexes, Standard & Poor's and Wilshire Associates Incorporated, or other entities.

All MSCI indices are registered trademarks of Morgan Stanley Capital International Inc.

All Bloomberg Barclays indices are registered trademarks of Barclays Bank PLC.

All Russell indices are registered trademarks of FTSE Russell.

All S&P indices are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global.

All ICE BofAML indices are standard trademarks of ICE Data Indices, LLC

In addition to the limitation of reliance above, for greater clarity:

1. FTSE Russell is the source and owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. This material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a USER presentation of the data. FTSE Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.
2. Bloomberg Barclays accepts no liability whatsoever for the accuracy, timeliness, reliability, performance, continued availability, completeness or currency of the Content, or for delays or omissions therein, or for interruptions in the delivery of any Content, or for any special, punitive, indirect, incidental or consequential losses arising from the use of or reliance on any Content, even if advised of the possibility of such losses.
3. All legacy Lehman Brothers benchmark indices were rebranded as Barclays Indices in November 2008.
4. Copyright Morgan Stanley & Co. Incorporated (2017). All Rights Reserved. Unpublished. PROPRIETARY TO MORGAN STANLEY & CO. INCORPORATED
5. The MSCI sourced information is the exclusive property of Morgan Stanley Capital International Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products or indices. This information is provided on an "as is" basis.
6. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose) with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI, Morgan Stanley Capital International and the MSCI indexes are service marks of MSCI and its affiliates.

# Disclaimer

Towers Watson Investment Services, Inc. ("TWIS") has prepared this report for the The City of Gainesville Police & Fire Pension Plan to assist in the ongoing monitoring of its Plan's investment managers and to review actual against planned asset allocation.

In preparing this report we have placed reasonable reliance on data supplied to us by third parties including the Plan's investment managers and other individuals and organizations involved with or associated to the plan. In particular we have relied upon information, both quantitative and qualitative, supplied by the investment managers, and on market data and benchmark information provided as listed on the following page. While reasonable care has been taken to gauge the reliability of this data, this report carries no guarantee of accuracy or completeness and TWIS cannot be held accountable for the misrepresentation of data by third parties involved.

The written comments included in the report should be considered in conjunction with the supporting and amplifying verbal comments and other background information provided by TWIS.

Opinions and ratings on the investment managers contained in this report are not intended to imply, nor should be interpreted as conveying, any form of guarantee or assurance by TWIS, either to The City of Gainesville Police & Fire Pension Plan or any third party, of the future performance of the investment manager(s) or fund in question. It should be noted in particular that we have not researched the investment managers' compliance procedures, and accordingly make no warranty and accept no responsibility for any consequences that might arise in this regard. Past investment performance results are not necessarily indicative of future performance results.

This report is provided to The City of Gainesville Police & Fire Pension Plan solely for its use, for the specific purpose indicated. This report is based on information available to TWIS as at the date of the report and takes no account of subsequent developments after that date. It may not be modified or provided by The City of Gainesville Police & Fire Pension Plan to any other party without TWIS's prior written permission. It may also not be disclosed by The City of Gainesville Police & Fire Pension Plan to any other party without TWIS's prior written permission except as may be required by law. In the absence of our express written permission to the contrary, TWIS accepts no responsibility for any consequences arising from any third party relying on this report or the opinions we have expressed. This report is not intended by TWIS to form a basis of any decision by a third party to do or omit to do anything.

- Returns stated in this report are net of investment management fees, unless otherwise stated.
- All returns are calculated based on the information provided from the custodian statements and are reported as time weighted returns.
- All returns and statistics in this report for periods greater than one year are annualized unless otherwise indicated. Annual periods are calendar years.
- Attribution analysis and portfolio characteristics are based on securities listings provided by the investment managers and/or custodians, with calculation software provided by InvestorForce.



# Disclaimer – Conflict of Interest Disclosure

Willis Towers Watson group companies may provide advisory and other services to the asset managers which Towers Watson Investment Services recommends or appoints on behalf of clients for whom it provides delegated or advisory investment services. These engagements and relationships are distinct from the services Towers Watson Investment Services provides to you and will not impair our ability to provide objective, unbiased advice. If you have any questions about these engagements and relationships, please contact your lead Willis Towers Watson consultant. Willis Towers Watson Public Limited Company is a publicly traded company whose stock may from time to time be included in funds managed by institutional holders or in mutual funds, or may otherwise be held by clients of managers. Stock ownership status does not constitute a factor in our analysis. The identity of the top institutional and mutual fund ownership of publicly traded stock is publicly available information.

# Contact Details

## ■ Christy Loop, CFA

- Director, Investments
- 5 Concourse Parkway 18<sup>th</sup> Floor
- Atlanta, Georgia 30328
- 678-684-0626
- [Christy.loop@willistowerswatson.com](mailto:Christy.loop@willistowerswatson.com)

## ■ John Delaney

- Portfolio Manager
- 1735 Market Street
- Philadelphia, PA 19103
- 215-246-6467
- [john.delaney@willistowerswatson.com](mailto:john.delaney@willistowerswatson.com)

## ■ Cole Jacobs

- Associate Director, Investments
- 5 Concourse Parkway 18<sup>th</sup> Floor
- Atlanta, Georgia 30328
- 404-219-8054
- [cole.jacobs@willistowerswatson.com](mailto:cole.jacobs@willistowerswatson.com)

## ■ Zachary Paris, CFA

- Assistant Portfolio Manger
- 1735 Market Street
- Philadelphia, PA 19103
- 215-246-7061
- [zachary.paris@willistowerswatson.com](mailto:zachary.paris@willistowerswatson.com)