

Callan



June 18, 2020

City of Fort Pierce

First Quarter Performance Review

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Sharp Drop in Global Equity Markets in 1Q 2020

No place to hide

Equity markets around the globe collapsed starting in late February.

S&P was down 33% from peak (02/19/20) at worst point on 3/23/20; -19.6% loss for the quarter. All countries and sectors suffered.

Fed cut interest rates to zero, commenced QE, instituted multiple facilities to backstop money markets, credit markets, and the economy.

Congress passed fiscal stimulus (CARES) to carry the economy through the crisis.

Fed's role is a backstop/facilitator/lender of last resort, but not a grantor; it expects to get paid back. Programs are designed to keep the Fed from losing money. Granting is the province of Congress, and fiscal policy.

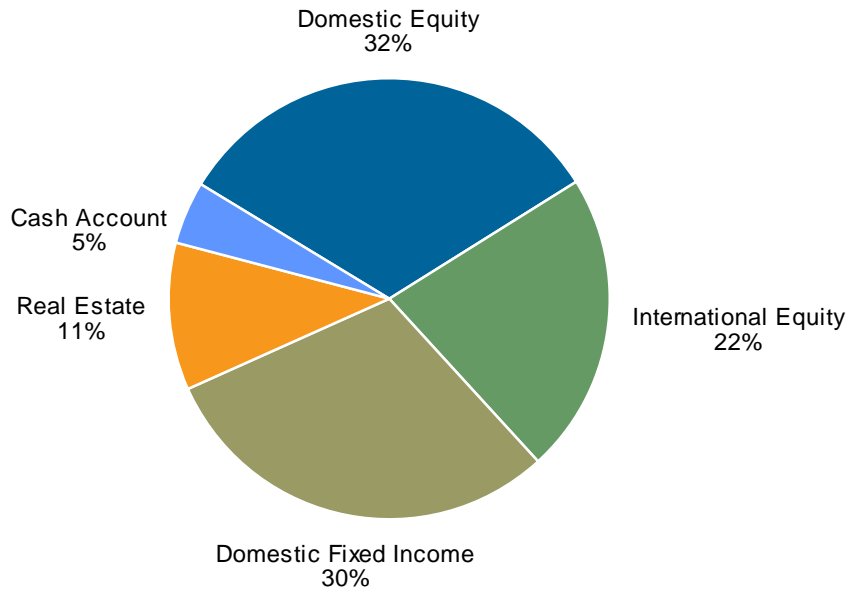
Returns for Periods ended March 31, 2020

	1 Quarter	1 Year	5 Years	10 Years	25 Years
U.S. Equity					
Russell 3000	-20.90	-9.13	5.77	10.15	8.81
S&P 500	-19.60	-6.98	6.73	10.53	8.85
Russell 2000	-30.61	-23.99	-0.25	6.90	7.57
Global ex-U.S. Equity					
MSCI World ex USA	-23.26	-14.89	-0.76	2.43	4.12
MSCI Emerging Markets	-23.60	-17.69	-0.36	0.69	--
MSCI ACWI ex USA Small Cap	-29.01	-21.18	-0.81	2.79	4.57
Fixed Income					
Bloomberg Barclays Aggregate	3.15	8.93	3.36	3.88	5.49
90-day T-Bill	0.57	2.25	1.19	0.64	2.43
Bloomberg Barclays Long Gov/Credit	6.21	19.32	5.99	8.07	7.89
Bloomberg Barclays Global Agg ex-US	-2.68	0.74	2.04	1.39	3.77
Real Estate					
NCREIF Property	0.71	5.28	7.65	10.17	9.28
FTSE Nareit Equity	-27.30	-21.26	-0.35	7.40	9.24
Alternatives					
CS Hedge Fund	-8.98	-4.32	0.24	2.96	7.35
Cambridge Private Equity*	0.90	9.50	12.37	13.75	15.30
Bloomberg Commodity	-23.29	-22.31	-7.76	-6.74	0.56
Gold Spot Price	4.83	22.96	6.18	3.66	5.75
Inflation - CPI-U	0.44	1.54	1.80	1.72	2.15

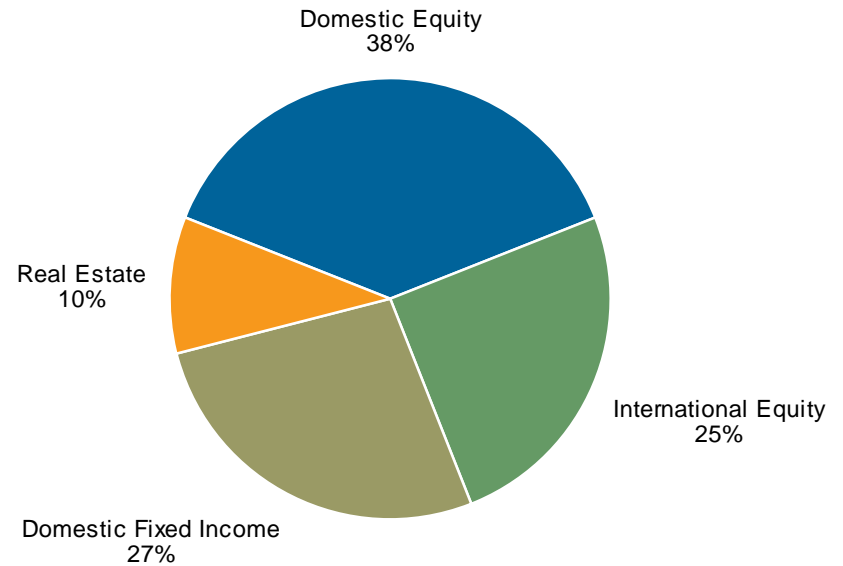
*Cambridge PE data through September 30, 2019.
Source: Callan

Asset Allocation

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	60,876	32.4%	38.0%	(5.6%)	(10,468)
International Equity	41,499	22.1%	25.0%	(2.9%)	(5,438)
Domestic Fixed Income	56,515	30.1%	27.0%	3.1%	5,823
Real Estate	20,199	10.8%	10.0%	0.8%	1,425
Cash Account	8,658	4.6%	0.0%	4.6%	8,658
Total	187,748	100.0%	100.0%		

Asset Distribution Across Investment Managers

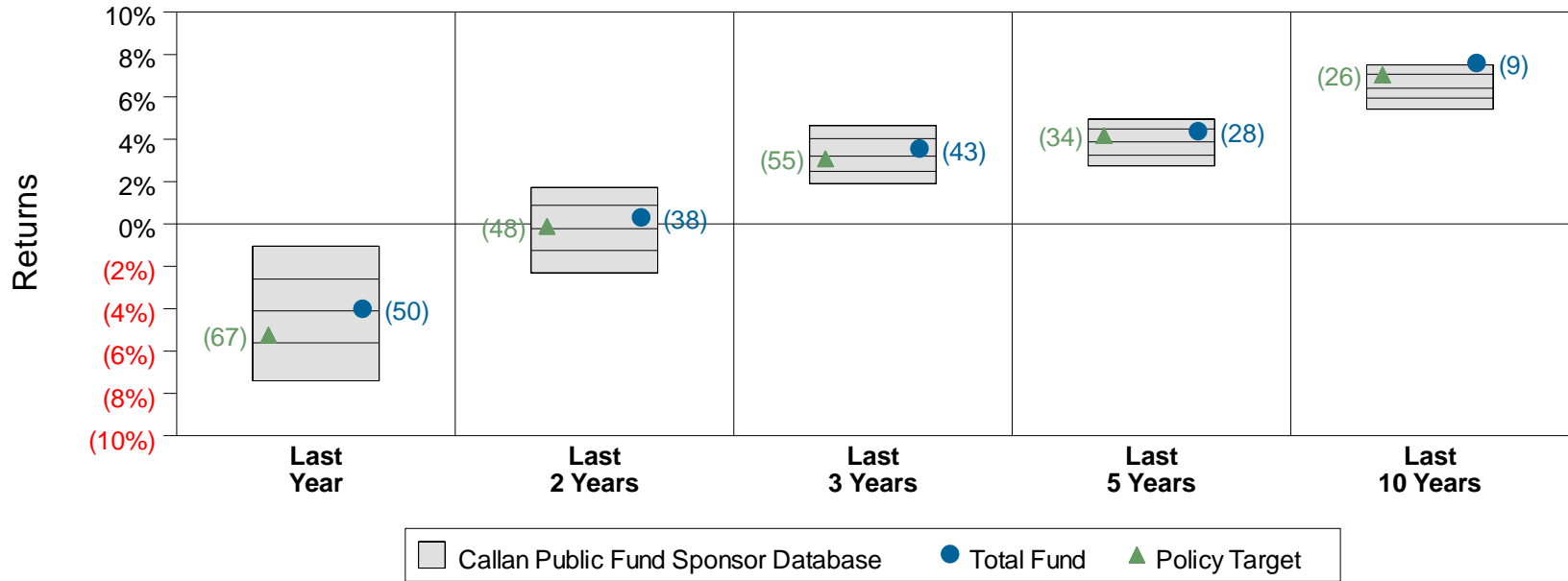
	March 31, 2020			December 31, 2019				
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
Domestic Equity	\$60,876,442	32.42%	38.00%	\$(31,547,249)	\$(17,477,720)	\$109,901,410	51.13%	38.00%
Emerald Advisers, Inc.	4,690,528	2.50%	3.00%	(2,818,102)	(1,479,101)	8,987,730	4.18%	3.00%
Ceredex Value Advisors	4,113,955	2.19%	3.00%	(1,817,888)	(2,025,730)	7,957,573	3.70%	3.00%
SSgA S&P 500 Index	43,390,623	23.11%	26.00%	(22,357,968)	(10,276,883)	76,025,474	35.37%	26.00%
SSgA S&P 400 Index	8,681,336	4.62%	6.00%	(4,553,291)	(3,696,006)	16,930,633	7.88%	6.00%
International Equity	\$41,499,002	22.10%	25.00%	\$19,218,871	\$(10,054,197)	\$32,334,328	15.04%	25.00%
Morgan Stanley Int'l Equity	16,578,827	8.83%	10.00%	5,718,871	(4,029,985)	14,889,941	6.93%	10.00%
Causeway Emerging Markets	4,148,937	2.21%	2.50%	3,700,000	(1,004,319)	1,453,256	0.68%	2.50%
William Blair & Company	20,771,238	11.06%	12.50%	9,800,000	(5,019,893)	15,991,131	7.44%	12.50%
Domestic Fixed Income	\$56,514,831	30.10%	27.00%	\$5,213,593	\$870,804	\$50,430,434	23.46%	27.00%
Richmond Capital Management	56,514,831	30.10%	27.00%	5,213,593	870,804	50,430,434	23.46%	27.00%
Real Estate	\$20,199,419	10.76%	10.00%	\$(52,370)	\$(381,847)	\$20,633,636	9.60%	10.00%
Heitman	20,199,419	10.76%	10.00%	(52,370)	(381,847)	20,633,636	9.60%	10.00%
Cash Account	\$8,657,888	4.61%	0.00%	\$7,000,000	\$20,717	\$1,637,171	0.76%	0.00%
Total Fund	\$187,747,581	100.0%	100.0%	\$(167,155)	\$(27,022,243)	\$214,936,979	100.0%	100.0%

Investment returns were negative for the quarter at \$27.0 million .

The total portfolio overseen by Callan is approximately \$187.7 million as of March 31, 2020.

City of Fort Pierce Total Fund

Callan Public Fund Sponsor Database



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Fund	(12.61%)	(4.04%)	3.52%	4.34%	6.28%
Total Fund Benchmark(1)	(13.64%)	(5.25%)	3.08%	4.17%	5.91%
CPI + 5%	1.58%	6.46%	6.89%	6.70%	6.32%
Callan Public Fund Spr DB	(12.35%)	(4.10%)	3.19%	3.88%	5.32%
	57	50	43	28	18
	71	67	55	34	29
	1	1	1	1	16

The Total Fund outperformed the benchmark by 1.03% for the quarter and was ahead of the target by 1.21% for the year.

Total Fund performance relative to the benchmark and peers has remained strong over time.

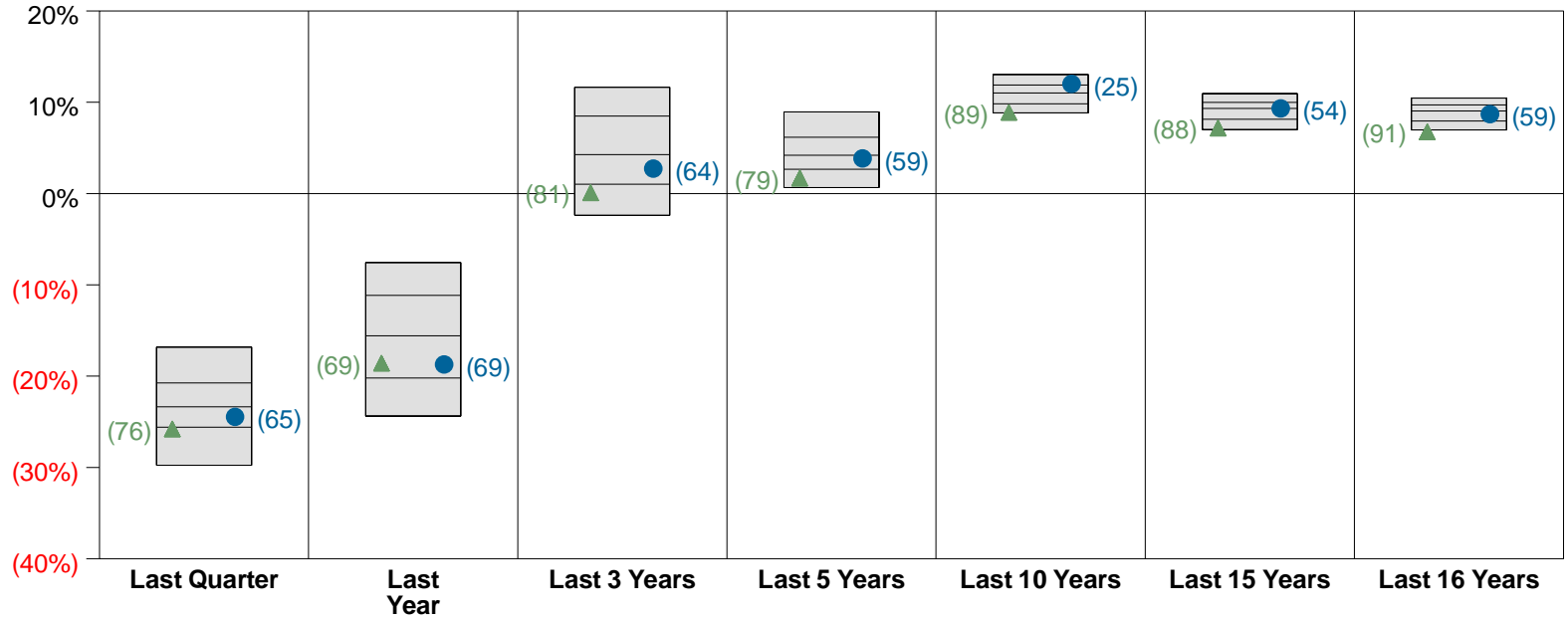
(1) The Total Fund Benchmark consists of 26% S&P500 Index, 27% Blmbg Aggregate Index, 25% MSCI ACWI ex US (Net), 10% NFI-ODCE Equal Weight Net, 6% S&P MidCap 400, 3% Russell 2000 Growth and 3% Russell 2000 Value.

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Domestic Equity Performance

Emerald Advisors Small Cap Growth

Performance vs Callan Small Cap Growth (Gross)



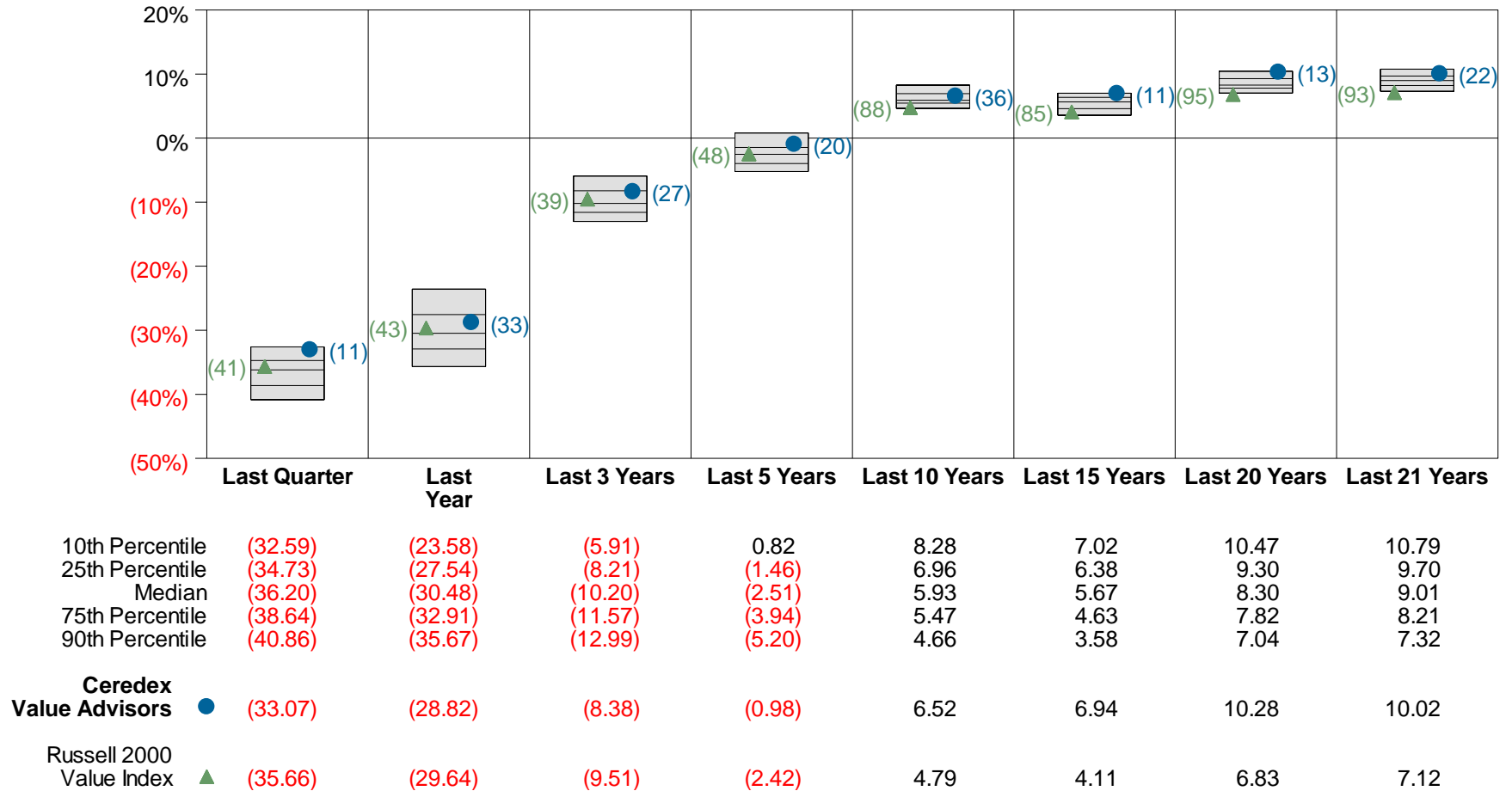
10th Percentile	(16.82)	(7.57)	11.64	8.94	13.02	10.94	10.45
25th Percentile	(20.74)	(11.15)	8.49	6.17	11.89	9.99	9.70
Median	(23.36)	(15.58)	4.25	4.20	11.02	9.33	9.05
75th Percentile	(25.59)	(20.21)	1.01	2.65	9.83	8.14	7.95
90th Percentile	(29.76)	(24.37)	(2.38)	0.66	8.82	7.01	6.96
Emerald Advisors, Inc. ●	(24.54)	(18.82)	2.63	3.75	11.90	9.23	8.60
Russell 2000 Growth Index ▲	(25.76)	(18.58)	0.10	1.70	8.89	7.17	6.77

Emerald outperformed the benchmark by 1.22% during the quarter and underperformed by 0.24% over the last year. Relative outperformance for the quarter was attributed to stock selection in Materials, Healthcare, and Producer Durables.

Long-term results remain competitive to both the benchmark and peers.

Ceredex Value Advisors Small Cap Value

Performance vs Callan Small Cap Value (Gross)

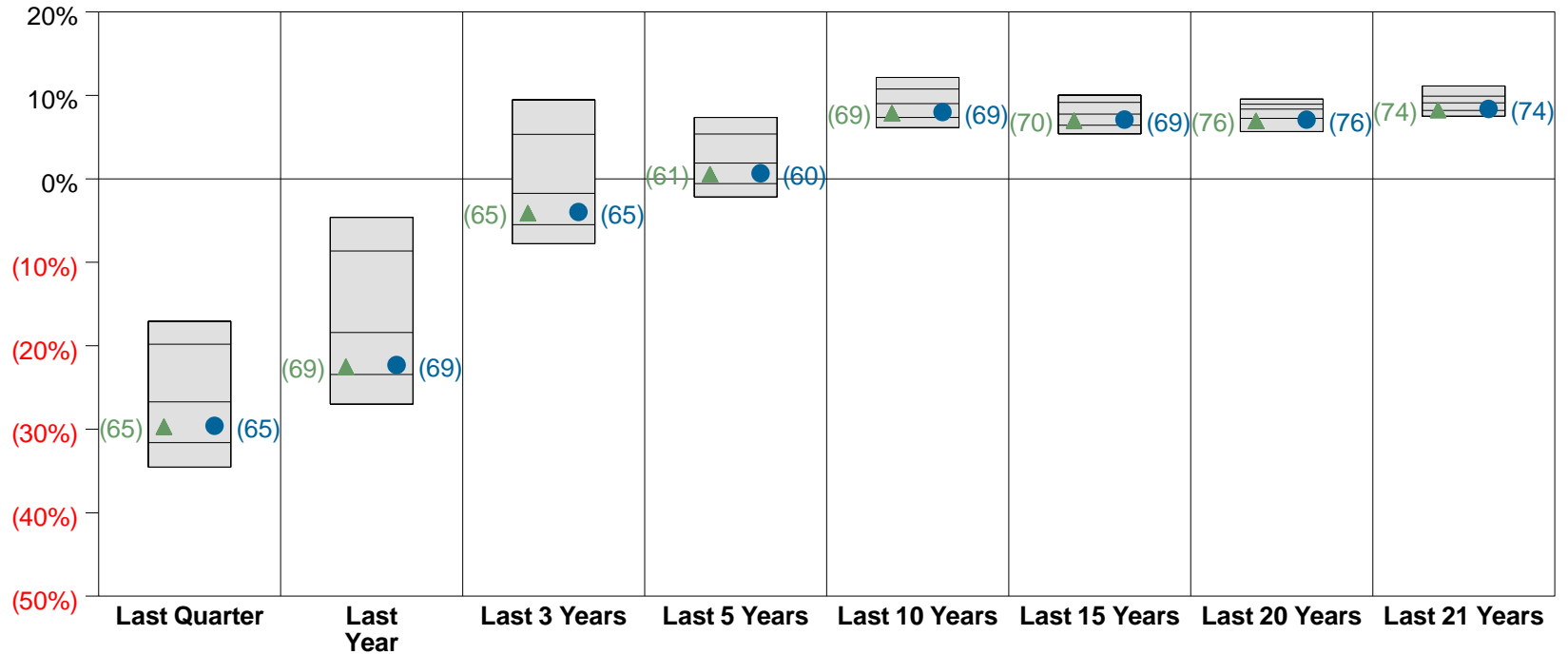


Ceredex outperformed the benchmark by 2.59% for the quarter and outperformed by 0.82% over the last year.

Stock selection in Financials and Healthcare, an overweight position in Information Technology, and an underweight position in Energy contributed the most to performance.

SSgA S&P Mid Cap 400 Index

Performance vs Callan Mid Capitalization (Gross)

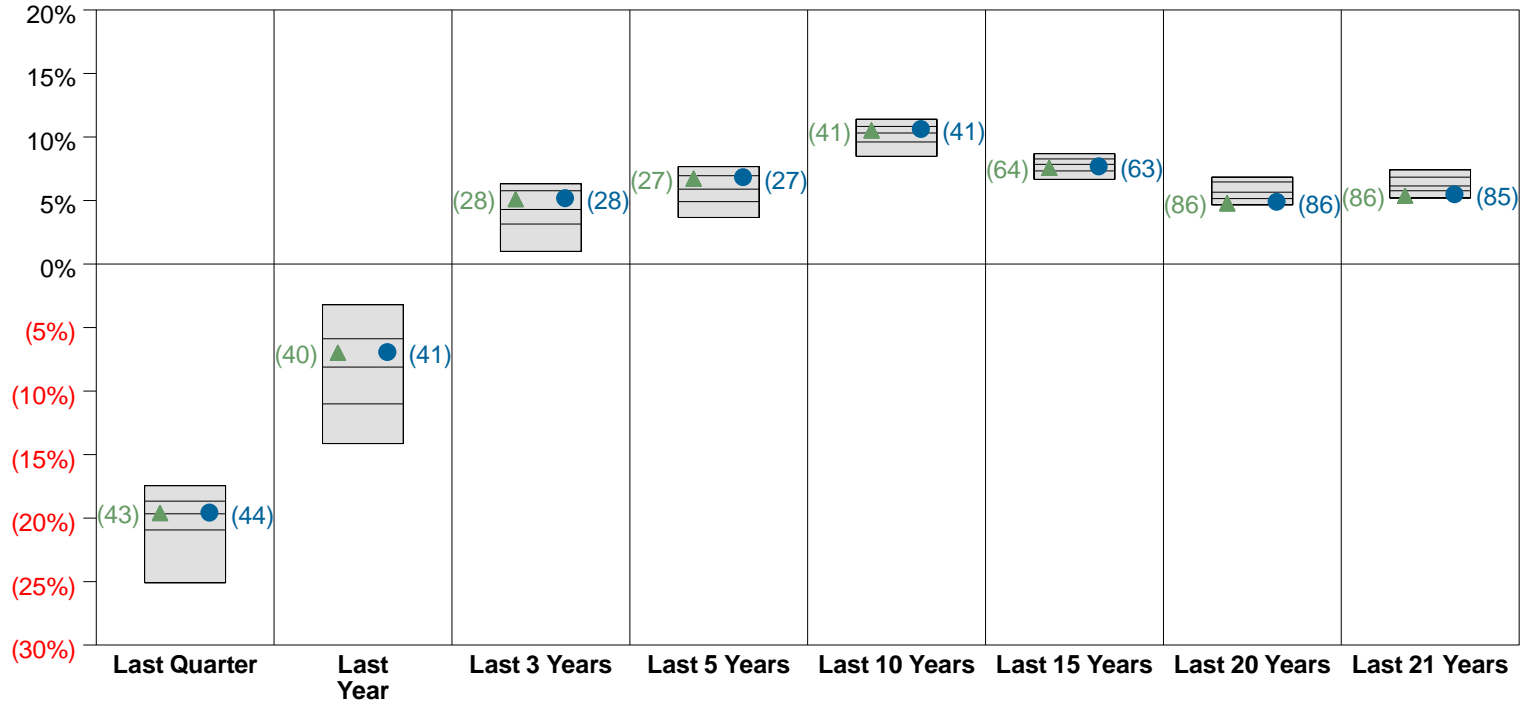


10th Percentile	(17.06)	(4.60)	9.47	7.36	12.16	10.05	9.56	11.13
25th Percentile	(19.80)	(8.65)	5.33	5.39	10.76	9.17	8.96	9.91
Median	(26.71)	(18.40)	(1.73)	1.89	9.02	7.75	8.36	9.11
75th Percentile	(31.59)	(23.44)	(5.48)	(0.58)	7.37	6.43	7.25	8.19
90th Percentile	(34.55)	(27.00)	(7.77)	(2.15)	6.15	5.40	5.66	7.50
SSgA S&P 400 Index ●	(29.67)	(22.39)	(4.05)	0.59	7.91	7.00	6.99	8.30
S&P Mid Cap 400 Index ▲	(29.70)	(22.51)	(4.09)	0.56	7.88	6.96	6.94	8.25

The fund continues to track the index closely at a very low fee.

SSgA S&P 500 Index

Performance vs Callan Large Cap Core (Gross)



10th Percentile	(17.45)	(3.19)	6.32	7.66	11.39	8.68	6.84	7.42
25th Percentile	(18.66)	(5.89)	5.76	6.96	10.83	8.27	6.47	6.85
Median	(19.66)	(8.11)	4.30	5.89	10.31	7.85	5.65	6.14
75th Percentile	(20.94)	(11.01)	3.14	4.92	9.61	7.34	5.15	5.76
90th Percentile	(25.09)	(14.13)	0.99	3.67	8.49	6.66	4.66	5.21

SSgA S&P 500 Index	●	(19.62)	(6.99)	5.12	6.77	10.57	7.63	4.83	5.42
S&P 500 Index	▲	(19.60)	(6.98)	5.10	6.73	10.53	7.58	4.79	5.38

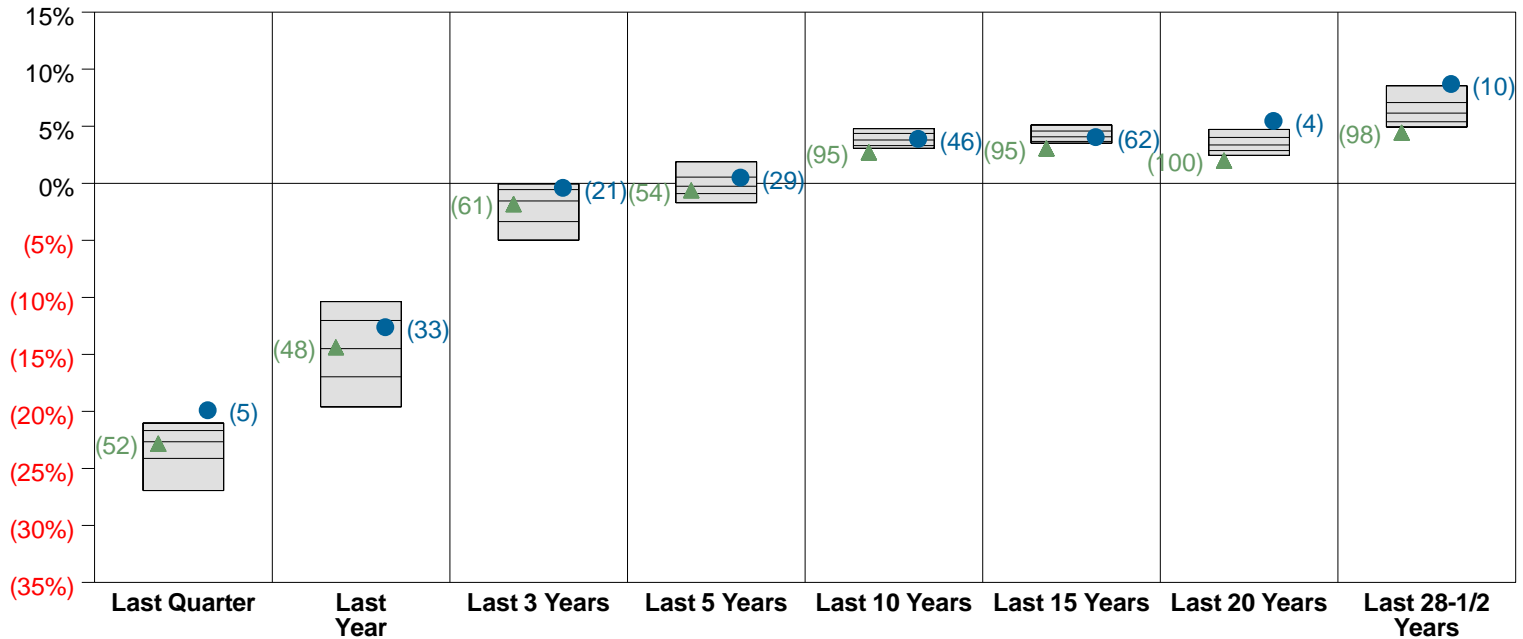
The fund continues to track the index closely at a very low fee.

Callan

International Equity Performance

Morgan Stanley Developed International Equity

Performance vs Callan Non-US Developed Core Equity (Gross)



10th Percentile	(21.02)	(10.37)	(0.05)	1.89	4.80	5.11	4.73	8.56
25th Percentile	(21.67)	(12.03)	(0.55)	0.54	4.38	4.58	4.03	7.07
Median	(22.67)	(14.50)	(1.54)	(0.25)	3.79	4.07	3.36	6.16
75th Percentile	(24.13)	(16.97)	(3.36)	(0.91)	3.31	3.67	2.87	5.39
90th Percentile	(26.95)	(19.61)	(5.00)	(1.71)	3.06	3.51	2.45	4.93

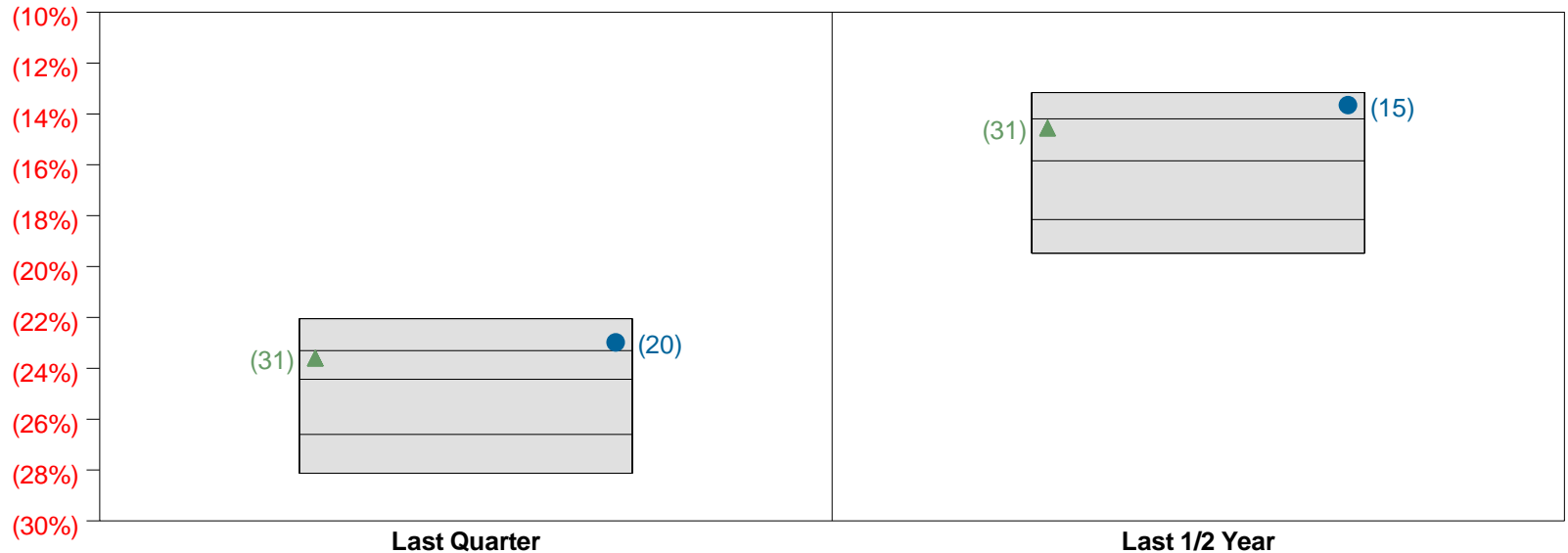
Morgan Stanley Int'l Equity	●	(19.97)	(12.68)	(0.47)	0.42	3.83	3.99	5.39	8.63
MSCIEAFE	▲	(22.83)	(14.38)	(1.82)	(0.62)	2.72	3.06	1.99	4.45

The fund outperformed by 2.86% for the quarter and outperformed for the year by 1.70%.

Outperformance was driven by sector allocation, which was positive mainly due to their overweight to the Consumer Staples and Healthcare sectors.

Causeway Emerging Markets

Performance vs Callan Emerging Markets Equity Mut Funds (Institutional Net)



10th Percentile
25th Percentile
Median
75th Percentile
90th Percentile

(22.06)
(23.31)
(24.44)
(26.60)
(28.13)

(13.16)
(14.20)
(15.84)
(18.15)
(19.48)

Causeway Emerging Markets ●
MSCI EM ▲

(23.01)
(23.60)

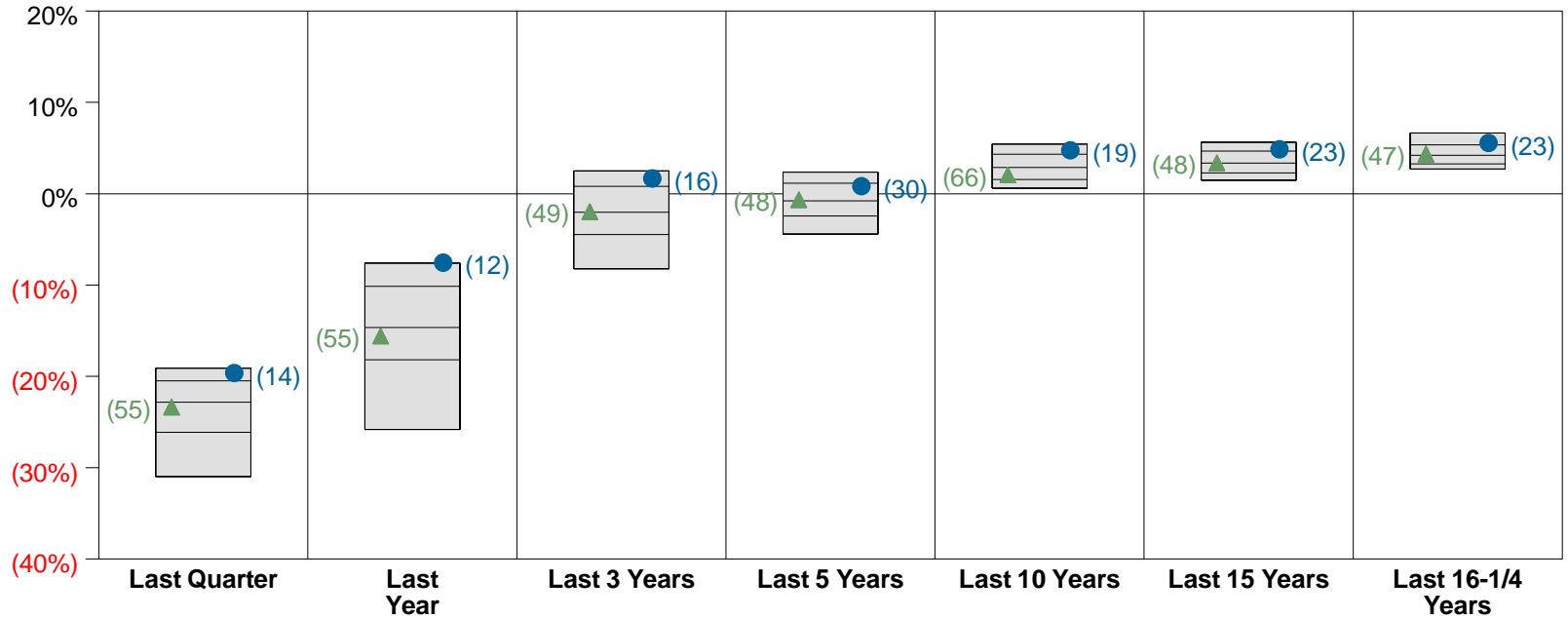
(13.68)
(14.55)

Causeway outperformed by 0.59% for the quarter. This was the second full quarter of performance for Causeway.

Outperformance was due to positive stock selection in China, Taiwan, and India.

William Blair International Growth Equity

Performance vs Callan Non US Equity Mutual Funds (Institutional Net)



10th Percentile
25th Percentile
Median
75th Percentile
90th Percentile

William Blair & Company

MSCI ACWI ex US

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 16-1/4 Years
10th Percentile	(19.10)	(7.59)	2.49	2.35	5.45	5.65	6.64
25th Percentile	(20.49)	(10.14)	0.81	1.16	4.32	4.66	5.35
Median	(22.82)	(14.66)	(2.03)	(0.79)	2.87	3.35	4.19
75th Percentile	(26.13)	(18.17)	(4.48)	(2.44)	1.56	2.28	3.25
90th Percentile	(30.97)	(25.80)	(8.23)	(4.42)	0.60	1.47	2.71
William Blair & Company	(19.71)	(7.64)	1.58	0.74	4.66	4.77	5.47
MSCI ACWI ex US	(23.36)	(15.57)	(1.96)	(0.64)	2.05	3.39	4.35

The fund outperformed by 3.65% for the quarter and outperformed by 7.93% over the last year.

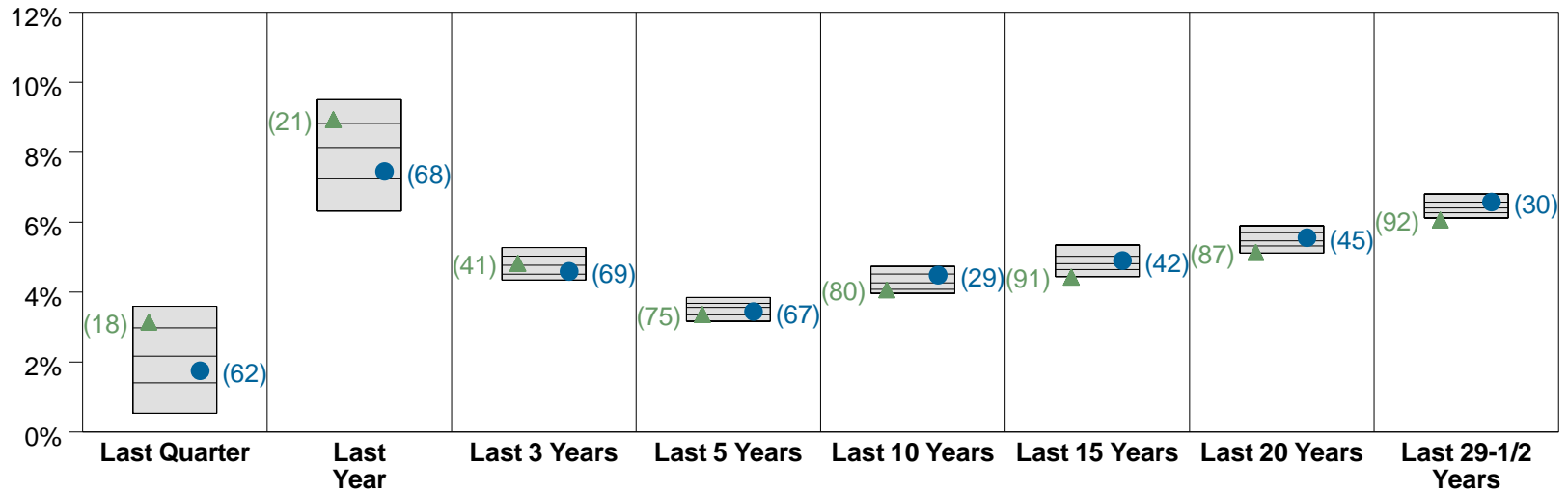
An overweight allocation to Information Technology, coupled with above average stock selection within Financials, Communication Services and Consumer Discretionary sectors drove outperformance for the quarter.

Callan

Fixed Income

Richmond Capital Core Fixed Income

Performance vs Callan Core Bond Fixed Income (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 29-1/2 Years
10th Percentile	3.59	9.51	5.27	3.85	4.74	5.34	5.90	6.80
25th Percentile	2.98	8.83	5.03	3.68	4.51	5.02	5.70	6.58
Median	2.17	8.13	4.77	3.56	4.26	4.81	5.47	6.40
75th Percentile	1.41	7.24	4.51	3.35	4.08	4.65	5.32	6.27
90th Percentile	0.53	6.31	4.34	3.17	3.96	4.44	5.12	6.12

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 29-1/2 Years
Richmond Capital Management ●	1.73	7.43	4.57	3.42	4.46	4.88	5.53	6.55
Blended Benchmark* ▲	3.15	8.93	4.82	3.36	4.06	4.43	5.14	6.06

Richmond underperformed for the quarter by 1.42% and underperformed over the year by 1.50%.

An overweight to corporates duration versus treasuries detracted from performance.

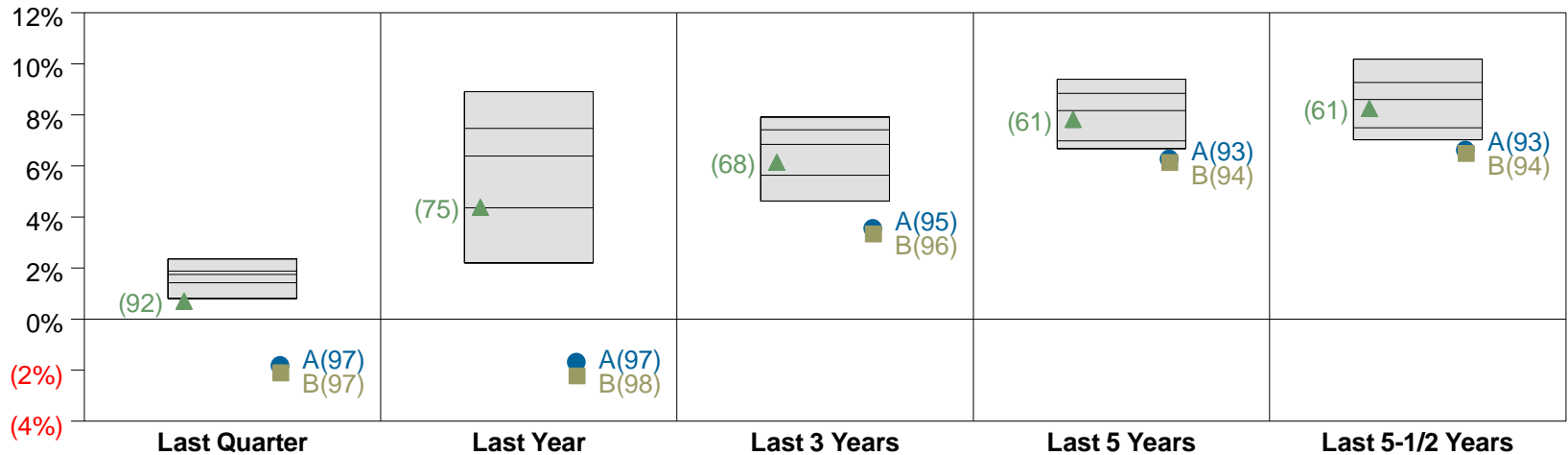
Long-term results remain competitive to both the benchmark and peers.

Callan

Real Estate

Heitman America Real Estate Trust

Performance vs Callan Open End Core Cmmingled Real Est (Net)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 5-1/2 Years
10th Percentile	2.36	8.91	7.91	9.39	10.18
25th Percentile	1.88	7.47	7.42	8.84	9.27
Median	1.75	6.39	6.84	8.16	8.60
75th Percentile	1.42	4.37	5.63	6.98	7.49
90th Percentile	0.81	2.20	4.63	6.68	7.03
Heitman A	(1.85)	(1.72)	3.52	6.24	6.59
Heitman B	(2.10)	(2.22)	3.34	6.13	6.49
NCREIF NFI-ODCE Eq Wt Net	0.71	4.38	6.14	7.82	8.25

Heitman underperformed the index by 2.56% for the quarter and underperformed by 6.09% over the last year.

For the quarter, the fund's Retail and Office portfolio's detracted from results.

Investment Manager Objectives

Manager	Objective	Comments
Total Fund	CPI + 5% over long term.	Met.
Richmond	Outperform BC Aggregate over rolling 3-year periods by 0.50%.	Not Met.
	Outperform the median fixed income manager over rolling 3-year periods.	Not Met.
Morgan Stanley Developed	Outperform the MSCI EAFE over rolling 3-year periods by 0.50%.	Met.
	Outperform the median international equity manager over rolling 3-year periods.	Met.
Causeway Emerging	Outperform the MSCI Emerging Markets Index over rolling 3-year periods by 1.00%.	N/A
	Outperform the median emerging markets equity manager over rolling 3-year periods.	N/A
William Blair	Outperform the MSCI ACWI ex-US Index over rolling 3-year periods.	Met.
	Outperform the median international equity manager over rolling 3-year periods.	Met.
Ceredex	Outperform the Russell 2000 Value Index over time.	Met.
Emerald	Outperform the Russell 2000 Growth Index over time.	Met.
SSgA S&P MidCap 400 Index	Replicate the return of the S&P MidCap 400 Index.	Met.
SSgA S&P 500 Index	Replicate the return of the S&P 500 Index.	Met.
Heitman (HART)	Outperform the NFI-ODCE Index over rolling 5-year periods.	Not Met.