

Callan



November 19, 2020

City of Fort Pierce

Third Quarter Performance Review

Weston Lewis, CFA, CAIA
Atlanta Fund Sponsor Consulting

Cody Chapman, CFA, CAIA
Atlanta Fund Sponsor Consulting

Stunning Recovery in Global Equity Markets in 3Q20

V-shaped equity rebound, ahead of the global economy

Global equity continued the rally in 3Q after March market bottom

- S&P -33.5% from peak (02/19/20) to low on 3/23/20.
- Rebound since March puts S&P 500 even with February peak, suggesting broad-based recovery, but YTD results are concentrated in a few stocks.
- Fed cut rates to zero, commenced QE, instituted multiple facilities to backstop money markets, credit markets, and economy.
 - Further fiscal stimulus expected.
- Congress passed fiscal stimulus (CARES) to carry the economy through the crisis.
- Economic recovery will be uncertain as COVID-19 infections surge anew; re-openings may be reversed.

Returns for Periods ended 9/30/20

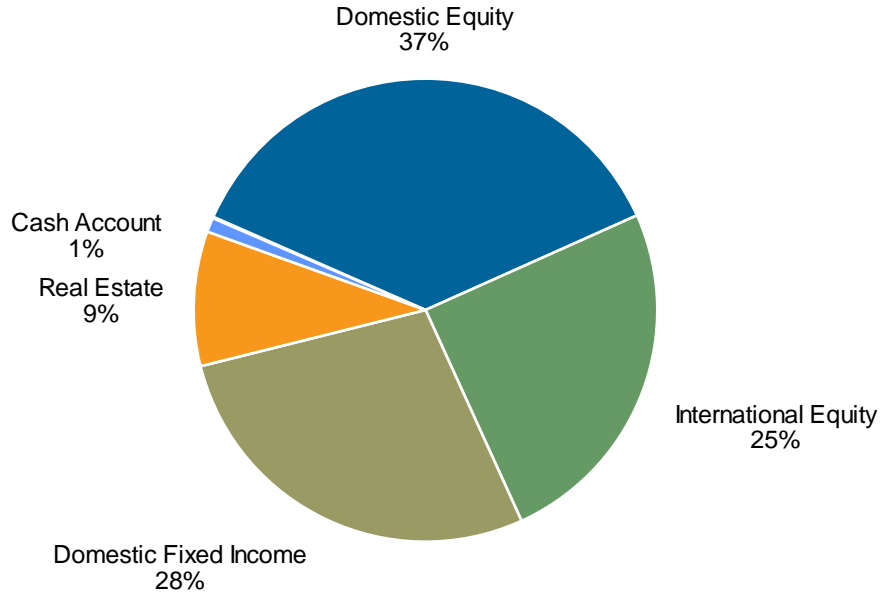
	1 Quarter	1 Year	5 Years	10 Years	25 Years
U.S. Equity					
Russell 3000	9.21	15.00	13.69	13.48	9.29
S&P 500	8.93	15.15	14.15	13.74	9.31
Russell 2000	4.93	0.39	8.00	9.85	7.96
Global ex-U.S. Equity					
MSCI World ex USA	4.92	0.16	5.32	4.37	4.71
MSCI Emerging Markets	9.56	10.54	8.97	2.51	--
MSCI ACWI ex USA Small Cap	10.50	6.97	6.80	5.31	5.82
Fixed Income					
Bloomberg Barclays Aggregate	0.62	6.98	4.18	3.64	5.30
90-day T-Bill	0.04	1.10	1.20	0.64	2.32
Bloomberg Barclays Long Gov/Credit	1.22	12.92	8.78	7.36	7.66
Bloomberg Barclays Global Agg ex-US	4.14	5.48	3.60	1.35	3.90
Real Estate					
NCREIF Property	-0.99	0.25	5.91	9.18	9.01
FTSE Nareit Equity	1.44	-18.16	3.95	7.90	9.34
Alternatives					
CS Hedge Fund	3.44	2.41	2.76	3.64	7.25
Cambridge Private Equity*	9.89	7.67	11.36	13.38	14.86
Bloomberg Commodity	9.07	-8.20	-3.09	-6.03	0.91
Gold Spot Price	5.28	28.69	11.19	3.77	6.57
Inflation - CPI-U	0.96	1.37	1.81	1.77	2.14

*Cambridge PE data through 06/30/20

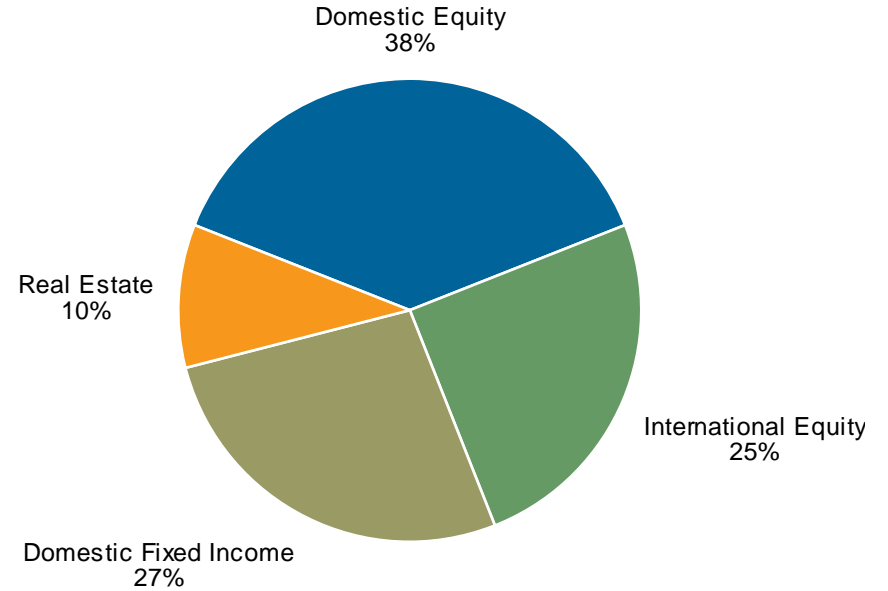
Sources: Bloomberg, Bloomberg Barclays, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

Asset Allocation

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	77,939	36.7%	38.0%	(1.3%)	(2,833)
International Equity	53,023	24.9%	25.0%	(0.1%)	(116)
Domestic Fixed Income	59,395	27.9%	27.0%	0.9%	2,004
Real Estate	20,039	9.4%	10.0%	(0.6%)	(1,217)
Cash Account	2,162	1.0%	0.0%	1.0%	2,162
Total	212,558	100.0%	100.0%		

Asset Distribution Across Investment Managers

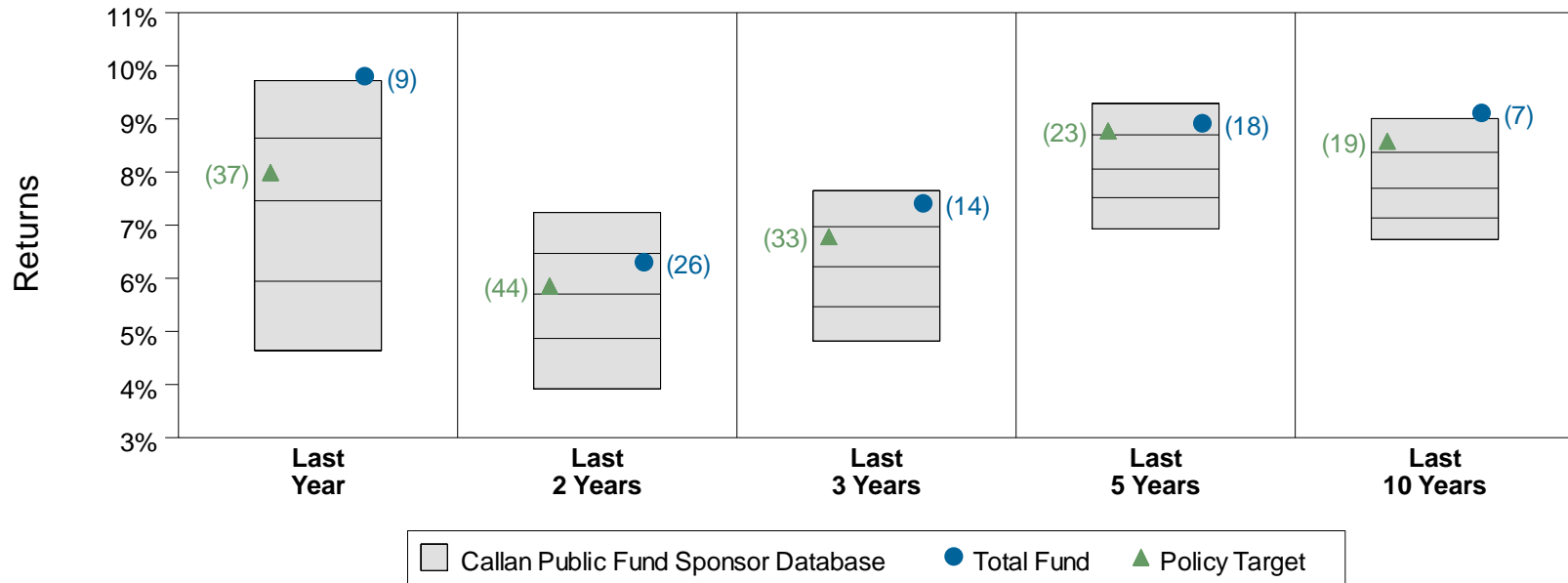
	September 30, 2020			Net New Inv.	Inv. Return	June 30, 2020		
	Market Value	Weight	Target			Market Value	Weight	Target
Domestic Equity	\$77,938,998	36.67%	38.00%	\$(2,032,171)	\$5,884,794	\$74,086,374	34.94%	38.00%
Emerald Advisers, Inc.	6,786,270	3.19%	3.00%	(12,885)	593,581	6,205,575	2.93%	3.00%
Ceredex Value Advisors	4,915,293	2.31%	3.00%	(10,832)	110,302	4,815,823	2.27%	3.00%
SSgA S&P 500 Index	54,958,710	25.86%	26.00%	(2,005,953)	4,671,125	52,293,539	24.66%	26.00%
SSgA S&P 400 Index	11,278,724	5.31%	6.00%	(2,500)	509,787	10,771,437	5.08%	6.00%
International Equity	\$53,023,474	24.95%	25.00%	\$(2,037,794)	\$4,580,047	\$50,481,221	23.81%	25.00%
Morgan Stanley Int'l Equity	20,322,980	9.56%	10.00%	(37,794)	755,990	19,604,784	9.25%	10.00%
Causeway Emerging Markets	5,277,084	2.48%	2.50%	0	450,432	4,826,651	2.28%	2.50%
William Blair & Company	27,423,411	12.90%	12.50%	(2,000,000)	3,373,625	26,049,786	12.28%	12.50%
Domestic Fixed Income	\$59,394,553	27.94%	27.00%	\$(39,611)	\$445,364	\$58,988,800	27.82%	27.00%
Richmond Capital Management	59,394,553	27.94%	27.00%	(39,611)	445,364	58,988,800	27.82%	27.00%
Real Estate	\$20,039,072	9.43%	10.00%	\$(52,557)	\$253,659	\$19,837,970	9.36%	10.00%
Heitman	20,039,072	9.43%	10.00%	(52,557)	253,659	19,837,970	9.36%	10.00%
Cash Account	\$2,162,135	1.02%	0.00%	\$(6,500,000)	\$1,181	\$8,660,954	4.08%	0.00%
Total Fund	\$212,558,231	100.0%	100.0%	\$(10,662,132)	\$11,165,045	\$212,055,319	100.0%	100.0%

Investment returns were positive for the quarter at \$11.2 million but were offset by withdrawals of \$10.6 million

The total portfolio overseen by Callan is approximately \$212 million as of September 30, 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	5.25%	34	9.79%	9	7.40%	14	8.90%	18	8.09%	11
Total Fund Benchmark(1)	4.67%	65	7.99%	37	6.78%	33	8.78%	23	7.72%	19
CPI + 5%	2.36%	99	6.50%	65	6.78%	33	6.77%	92	6.40%	75
Callan Public Fund Spr DB	4.95%		7.46%		6.22%		8.06%		6.94%	

The Total Fund outperformed by 0.6% for the quarter and was ahead of the target by 1.80% for the year

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

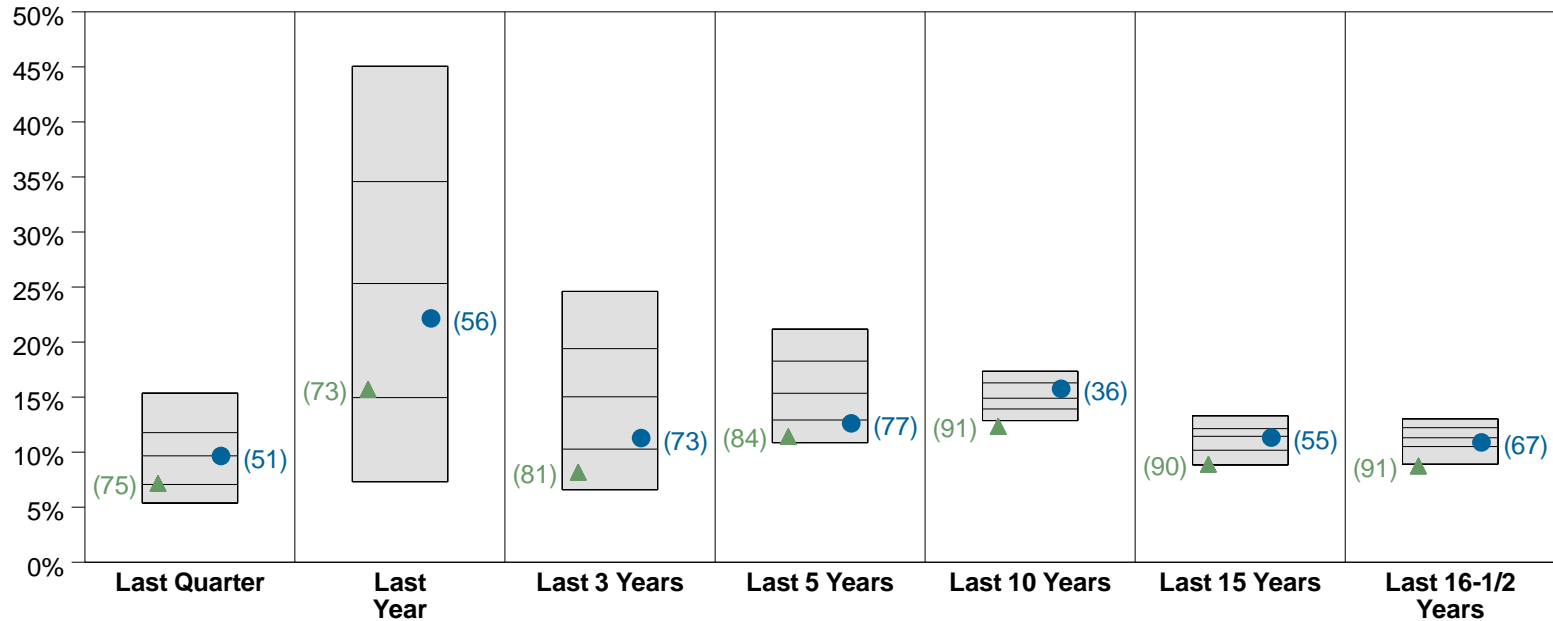
(1) The Total Fund Benchmark consists of 26% S&P500 Index, 27% Blmbg Aggregate Index, 25% MSCI ACWI ex US (Net), 10% NFI-ODCE Equal Weight Net, 6% S&P MidCap 400, 3% Russell 2000 Growth and 3% Russell 2000 Value.

Callan

Domestic Equity Performance

Emerald Advisors Small Cap Growth

Performance vs Callan Small Cap Growth (Gross)



10th Percentile	15.37	45.07	24.61	21.18	17.36	13.29	13.02
25th Percentile	11.78	34.58	19.41	18.27	16.30	12.14	12.23
Median	9.67	25.31	15.03	15.34	14.90	11.44	11.31
75th Percentile	7.06	14.96	10.27	12.93	13.93	10.17	10.50
90th Percentile	5.38	7.32	6.59	10.86	12.86	8.84	8.90

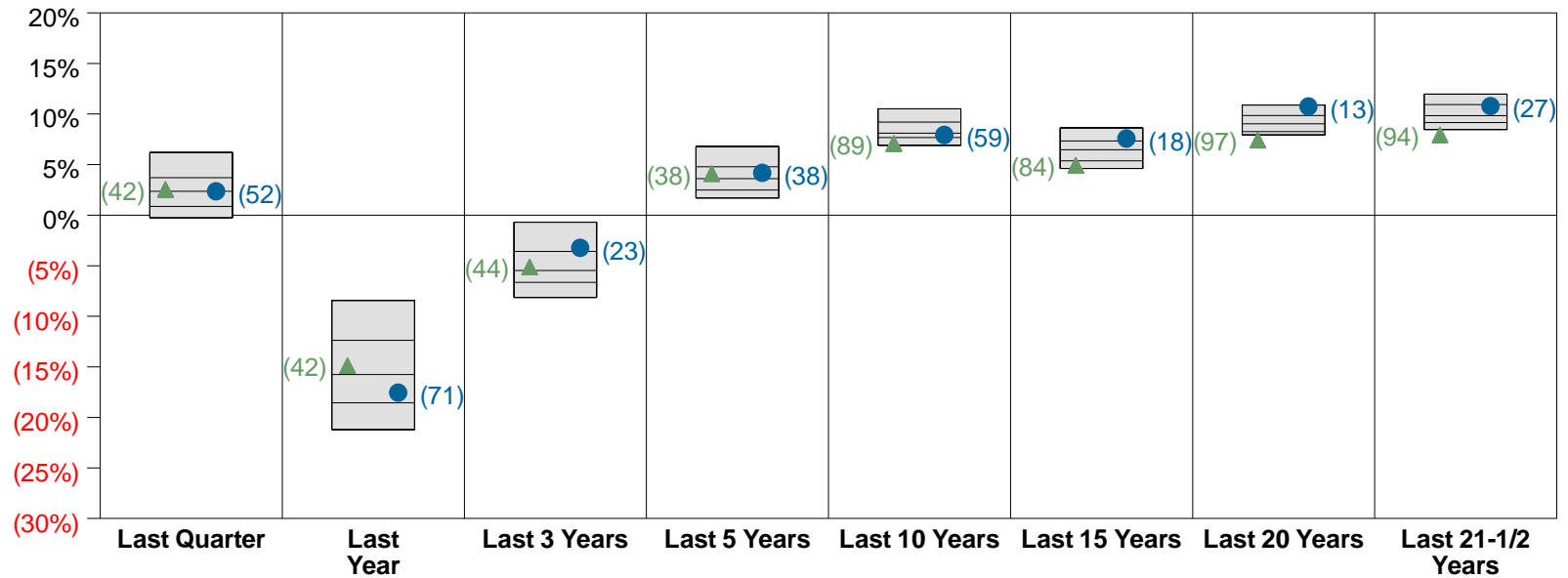
Emerald Advisors, Inc.	●	9.58	22.08	11.21	12.55	15.68	11.25	10.81
Russell 2000 Growth Index	▲	7.16	15.71	8.18	11.42	12.34	8.90	8.75

Emerald outperformed the benchmark by 2.42% during the quarter and outperformed by 6.37% over the last year. Relative outperformance for the quarter was attributed to stock selection in Consumer Staples, Producer Durables and Materials sectors, which offset relative underperformance within the Healthcare sector.

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

Ceredex Value Advisors Small Cap Value

Performance vs Callan Small Cap Value (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 21-1/2 Years
10th Percentile	6.20	(8.44)	(0.70)	6.80	10.53	8.62	10.88	11.96
25th Percentile	3.70	(12.39)	(3.59)	4.79	9.20	7.34	9.86	10.94
Median	2.35	(15.76)	(5.47)	3.61	8.12	6.47	9.02	9.84
75th Percentile	0.87	(18.55)	(6.65)	2.48	7.67	5.38	8.25	9.15
90th Percentile	(0.26)	(21.22)	(8.15)	1.69	6.90	4.63	7.94	8.46

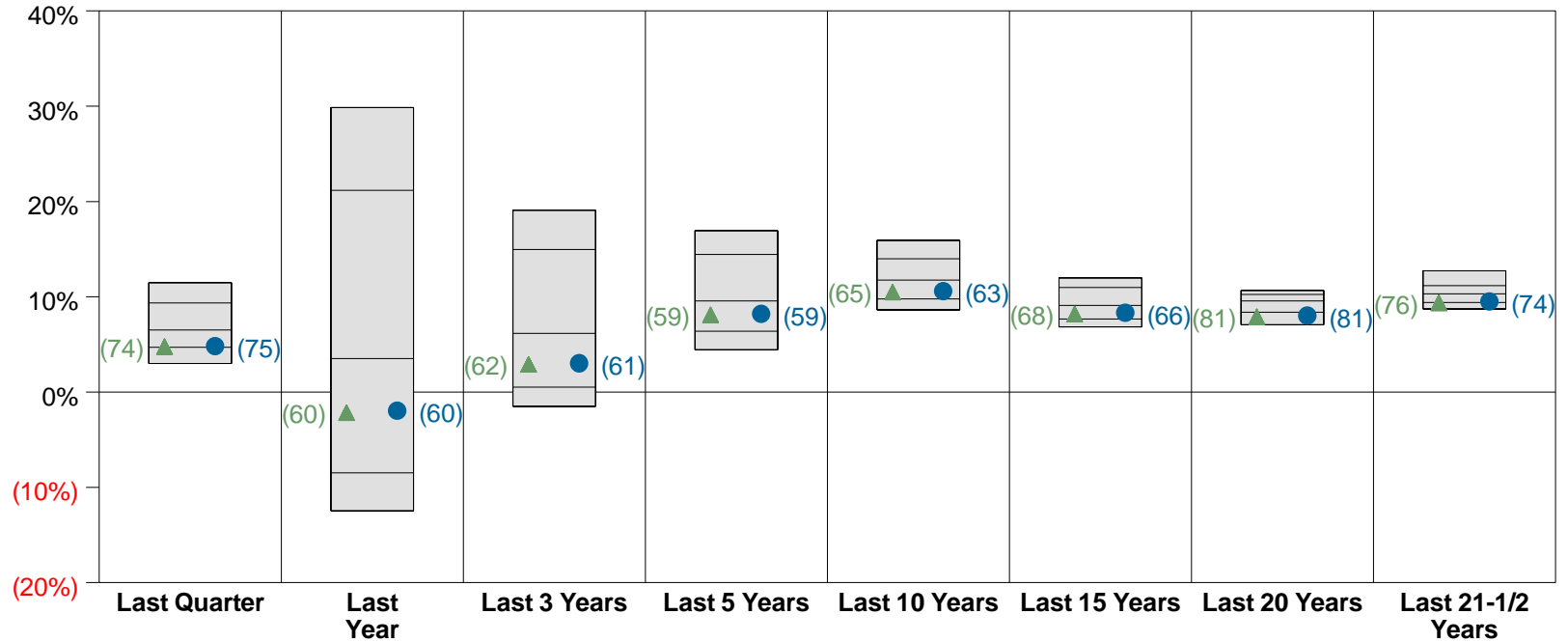
Ceredex Value Advisors ●	2.28	(17.63)	(3.31)	4.09	7.87	7.50	10.66	10.71
Russell 2000 Value Index ▲	2.56	(14.88)	(5.13)	4.11	7.09	4.93	7.40	7.94

Ceredex underperformed the benchmark by 0.28% for the quarter and underperformed by 2.75% over the last year.

An underweight position in the Consumer Discretionary sector and stock selection in the Healthcare and Materials sectors weighed the most on performance.

SSgA S&P Mid Cap 400 Index

Performance vs Callan Mid Capitalization (Gross)

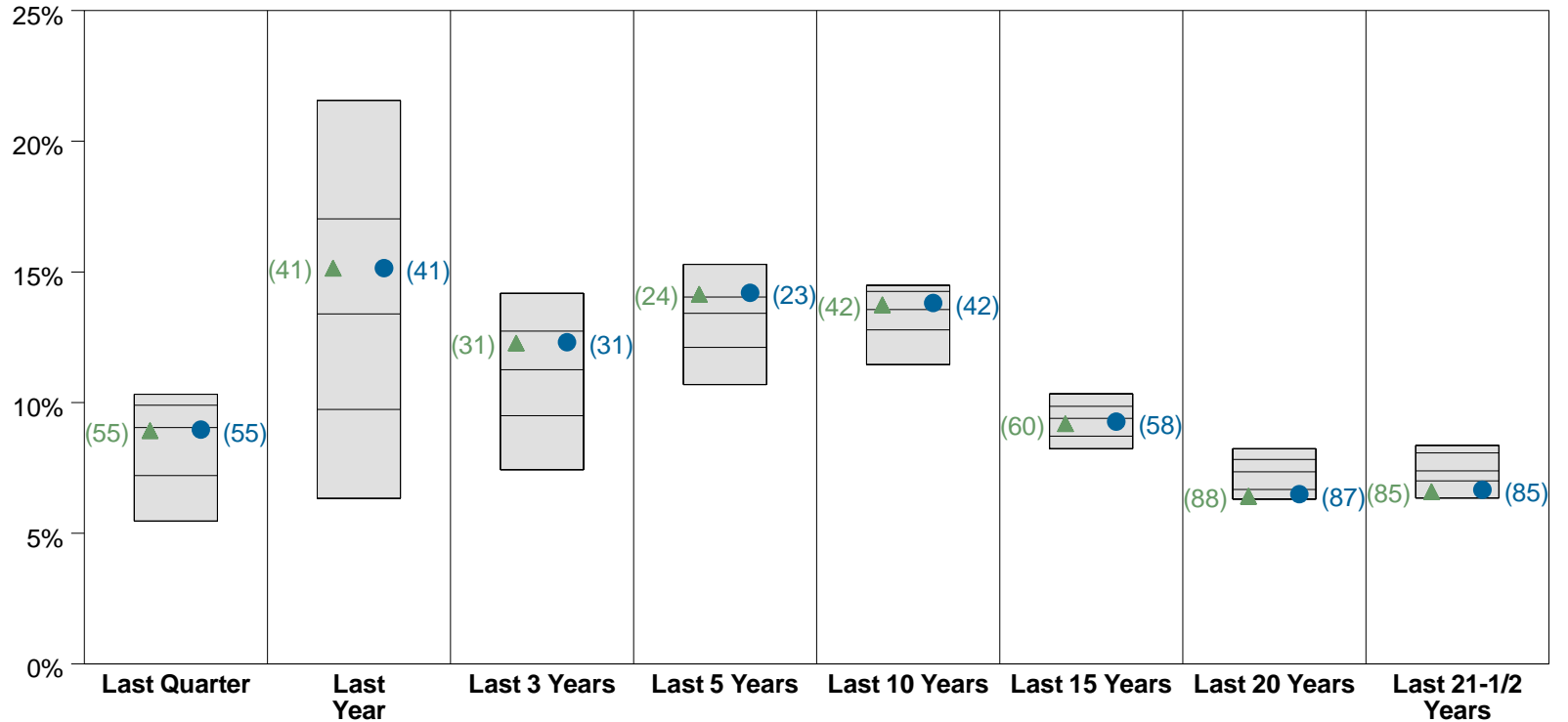


10th Percentile	11.46	29.86	19.08	16.93	15.91	11.98	10.67	12.73
25th Percentile	9.34	21.18	14.97	14.45	13.98	10.96	10.25	11.16
Median	6.52	3.52	6.15	9.57	11.76	9.10	9.56	10.30
75th Percentile	4.70	(8.50)	0.51	6.38	9.77	7.66	8.38	9.41
90th Percentile	2.99	(12.47)	(1.51)	4.43	8.62	6.84	7.07	8.72
SSgA S&P 400 Index ●	4.73	(2.05)	2.94	8.13	10.52	8.24	7.96	9.43
S&P Mid Cap 400 Index ▲	4.77	(2.16)	2.90	8.11	10.49	8.21	7.91	9.38

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	10.32	21.56	14.19	15.29	14.49	10.34	8.24	8.36
25th Percentile	9.90	17.03	12.74	14.04	14.25	9.86	7.82	8.07
Median	9.05	13.39	11.26	13.41	13.56	9.40	7.36	7.39
75th Percentile	7.21	9.74	9.50	12.12	12.79	8.72	6.68	7.01
90th Percentile	5.47	6.34	7.43	10.69	11.46	8.23	6.31	6.34

SSgA S&P 500 Index ●	8.93	15.12	12.28	14.17	13.78	9.24	6.46	6.63
S&P 500 Index ▲	8.93	15.15	12.28	14.15	13.74	9.19	6.42	6.59

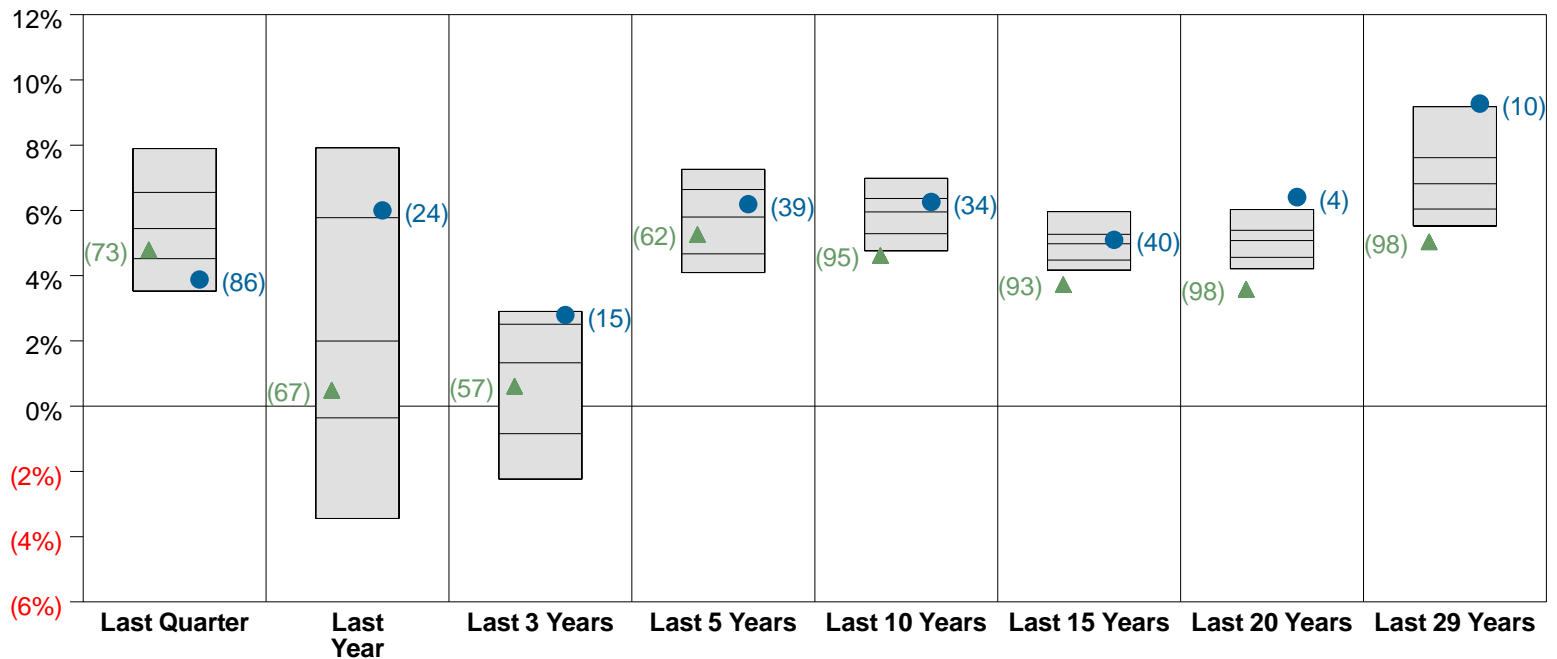
The fund continues to track the index closely at a very low fee.

Callan

International Equity Performance

Morgan Stanley Developed International Equity

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



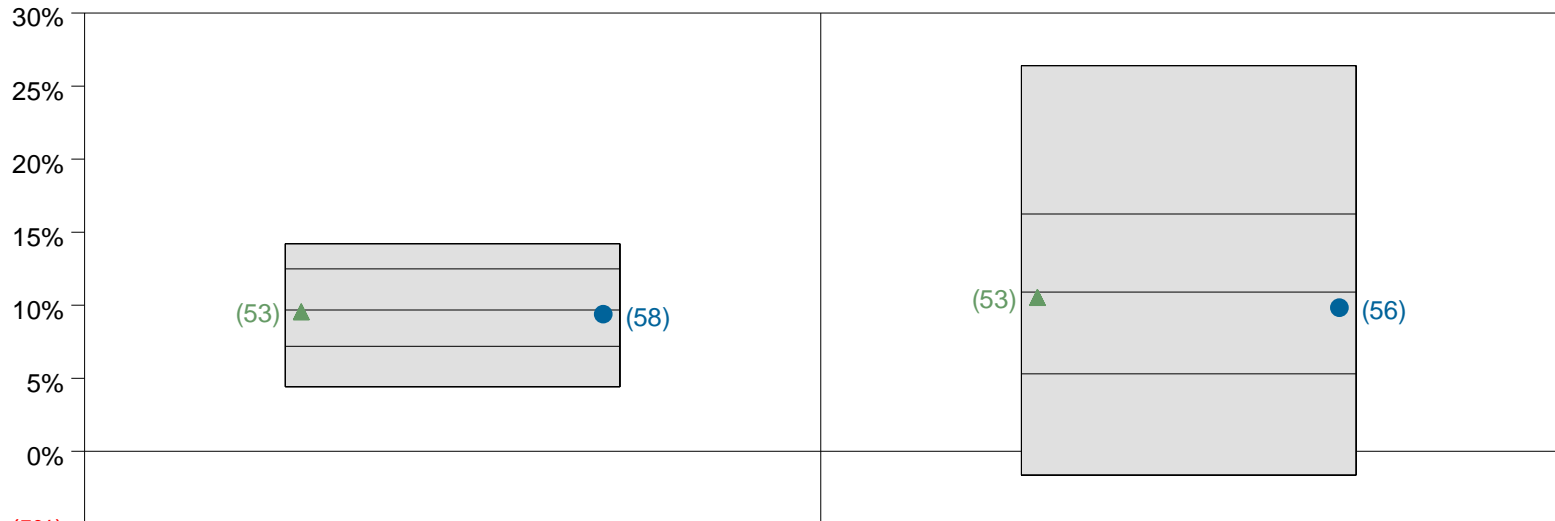
10th Percentile	7.90	7.92	2.90	7.26	6.98	5.96	6.03	9.18	
25th Percentile	6.55	5.78	2.51	6.64	6.37	5.27	5.39	7.62	
Median	5.44	1.99	1.33	5.80	5.95	4.97	5.08	6.82	
75th Percentile	4.52	(0.36)	(0.84)	4.67	5.29	4.48	4.57	6.04	
90th Percentile	3.53	(3.44)	(2.24)	4.10	4.77	4.17	4.21	5.52	
Morgan Stanley Int'l Equity	●	3.85	5.97	2.77	6.17	6.23	5.07	6.39	9.25
MSCI EAFE	▲	4.80	0.49	0.62	5.26	4.62	3.73	3.58	5.04

The fund underperformed by 0.94% for the quarter and outperformed for the year by 5.48%.

Morgan Stanley recently announced that Dirk Hoffmann-Becking has indicated his plan to retire from MSIM and asset management, effective 31 March 2021. The strategy leverages a multiple PM approach, which should provide continuity in portfolio management.

Causeway Emerging Markets

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



(5%)

Last Quarter

Last Year

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

14.20
12.50
9.68
7.20
4.43

26.41
16.25
10.91
5.31
(1.63)

Causeway Emerging Markets ●

9.33

9.79

MSCI EM ▲

9.56

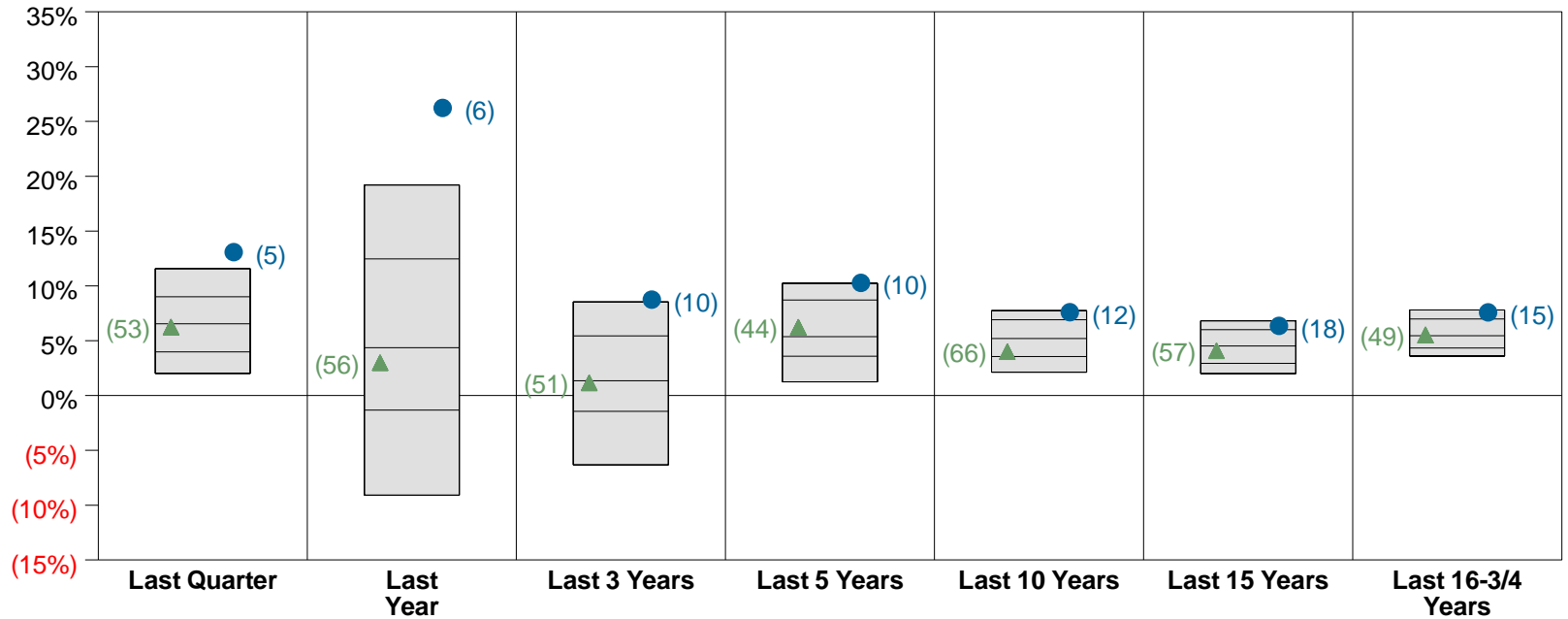
10.54

Causeway underperformed by 0.23% for the quarter and underperformed the MSCI EM Index for the year by 0.75%. This was the fourth full quarter of performance for Causeway

Underperformance was due to negative stock selection in Russia, particularly Oil and Gas Service companies. From a sector perspective, Consumer Staples, Financials, and Materials were the largest detractors from relative performance

William Blair International Growth Equity

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



10th Percentile	11.57	19.21	8.55	10.24	7.74	6.82	7.80
25th Percentile	9.02	12.48	5.45	8.71	6.91	6.01	6.99
Median	6.54	4.37	1.35	5.38	5.20	4.52	5.45
75th Percentile	3.98	(1.32)	(1.44)	3.59	3.56	2.94	4.33
90th Percentile	2.02	(9.09)	(6.33)	1.25	2.13	1.99	3.60

William Blair & Company	●	12.99	26.16	8.68	10.20	7.52	6.27	7.51
MSCI ACWI ex US	▲	6.25	3.00	1.16	6.23	4.00	4.09	5.53

The fund outperformed by 6.74% for the quarter and outperformed by 23.16% over the last year

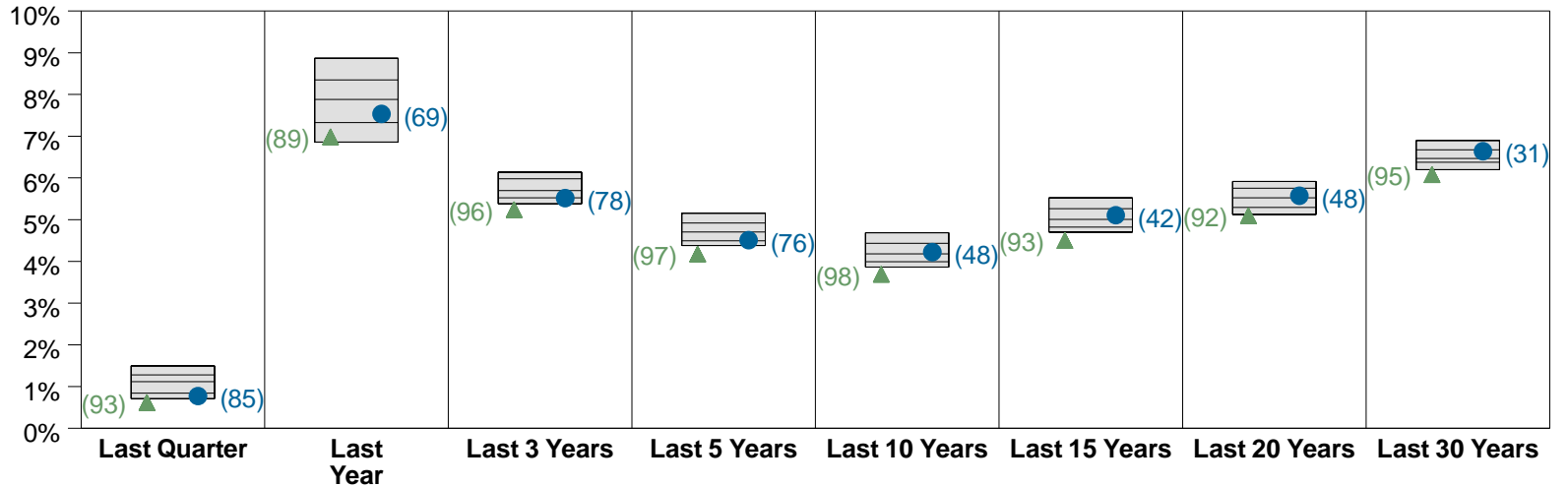
Outperformance was primarily driven by positive stock selection across most sectors. The Health Care, Industrials and Energy sectors were the most notable sources of relative return.

Callan

Fixed Income

Richmond Capital Core Fixed Income

Performance vs Callan Core Bond Fixed Income (Gross)



10th Percentile	1.50	8.87	6.14	5.15	4.69	5.52	5.92	6.90
25th Percentile	1.28	8.35	5.98	4.92	4.43	5.26	5.75	6.67
Median	1.12	7.88	5.70	4.70	4.18	5.01	5.52	6.47
75th Percentile	0.84	7.33	5.52	4.50	3.99	4.82	5.29	6.37
90th Percentile	0.71	6.86	5.38	4.38	3.87	4.70	5.12	6.20

Richmond Capital Management	●	0.76	7.51	5.50	4.49	4.20	5.09	5.55	6.62
Blended Benchmark*	▲	0.62	6.98	5.24	4.18	3.69	4.50	5.10	6.08

Richmond outperformed for the quarter by 0.14% and outperformed over the year by 0.53%.

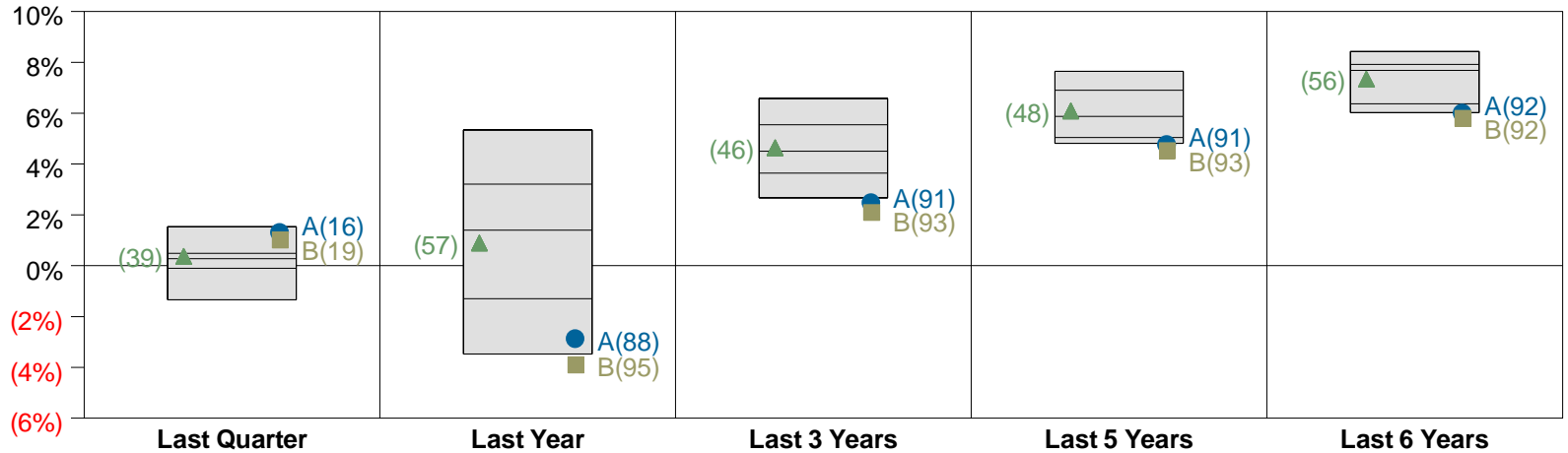
Long-term results remain competitive to both the benchmark and peers.

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 6 Years
10th Percentile	1.53	5.34	6.58	7.65	8.43
25th Percentile	0.49	3.21	5.54	6.90	7.92
Median	0.28	1.40	4.51	5.88	7.68
75th Percentile	(0.10)	(1.30)	3.64	5.04	6.37
90th Percentile	(1.34)	(3.47)	2.67	4.82	6.02
Heitman A	1.28	(2.90)	2.45	4.74	5.98
Heitman - net B	1.01	(3.90)	2.09	4.52	5.79
NCREIF NFI-ODCE Eq Wt Net	0.37	0.89	4.64	6.09	7.34

Heitman outperformed the index by 0.91% for the quarter and underperformed by 3.79% over the last year.

The overall valuation for the Fund's assets increased for Q3 2020. The most significant increases were in the industrial and self-storage sectors, which were marginally offset by decreases in the retail and office sectors.

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.