Callan

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City of Fort Pierce

Third Quarter Performance Review

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Agenda

Market Environment Update

Resurgent U.S. Equity Market in 4Q21

Strong performance across both growth and value strategies during 2021

U.S. equity 2021 returns are eye-popping:

- S&P 500: +28.7%
- U.S. Small Cap: +14.8%

Global ex-U.S. markets lagged:

- MSCI World ex USA: +12.6%
- Emerging Markets: -2.5%

- Economic data recovered in 4Q after softening in 3Q. Tight labor market and mismatch between jobs and job seekers is vexing employers.
- Inflation spiked and recorded 7% for the first time in decades.
- 4Q GDP hit a robust 6.9%, after dropping in 3Q. Growth for the year was 5.7%. The recovery is still solid. Supply chain issues and sentiment surrounding the end of fiscal stimulus, the Omicron variant, and the Fed taper vex investors as we head into 2022.

Returns for Periods ended 12/31/21

	1 Quarter	1 Year	5 Years	10 Years	25 Years
U.S. Equity					
Russell 3000	9.28	25.66	17.97	16.30	9.81
S&P 500	11.03	28.71	18.47	16.55	9.76
Russell 2000	2.14	14.82	12.02	13.23	8.99
Global ex-U.S. Equity					
MSCI World ex USA	3.14	12.62	9.63	7.84	5.39
MSCI Emerging Markets	-1.31	-2.54	9.88	5.49	--
MSCI ACWI ex USA Small Cap	0.62	12.93	11.21	9.46	6.93
Fixed Income					
Bloomberg Aggregate	0.01	-1.54	3.57	2.90	4.94
90-day T-Bill	0.01	0.05	1.14	0.63	2.06
Bloomberg Long Gov/Credit	2.15	-2.52	7.39	5.72	7.31
Bloomberg Global Agg ex-US	-1.18	-7.05	3.07	0.82	3.40
Real Estate					
NCREIF Property	6.15	17.70	7.75	9.32	9.38
FTSE Nareit Equity	16.31	43.24	10.75	11.38	9.89
Alternatives					
CS Hedge Fund	0.94	8.23	5.47	4.90	6.74
Cambridge Private Equity*	5.01	48.82	21.29	17.11	15.64
Bloomberg Commodity	-1.56	27.11	3.66	-2.85	1.13
Gold Spot Price	4.08	-3.51	9.69	1.56	6.61
Inflation - CPI-U	1.64	7.04	2.92	2.14	2.28

*Cambridge PE data through 09/30/21.

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

Inflation Rebounds and Spurs Headline Concerns

CPI and PPI up sharply again in 4Q21

Inflation fell dramatically at the onset of the pandemic, starting in February 2020.

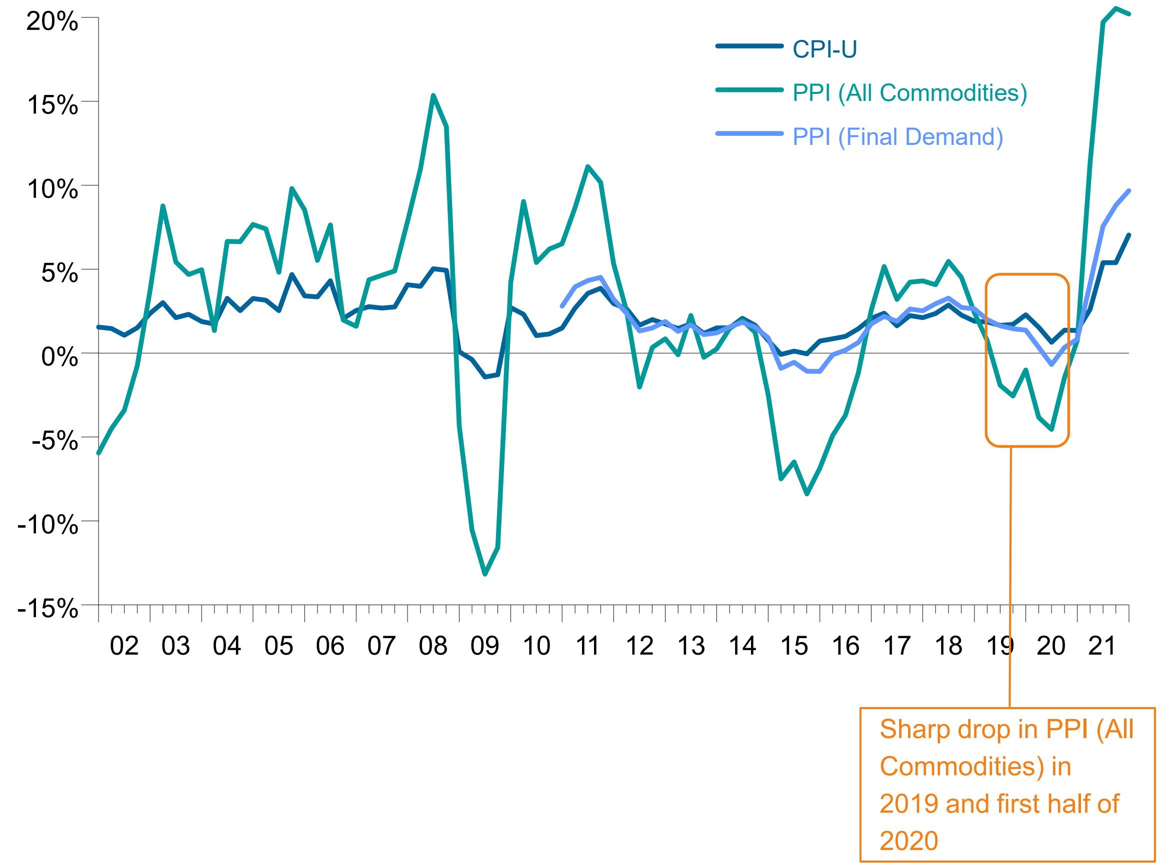
– The recovery to pre-pandemic levels in the Consumer Price Index required a 2.6% year-over-year change.

– 7% jump in 4Q CPI-U represents kinks in supply chains and labor markets after a year of global economic disruption and shutdown.

– Producer prices had been tumbling for more than a year prior to the pandemic; recovery to 2018 price ***levels*** generated eye-popping year-over-year percentage changes through 2Q, and the sharp rise continued through the second half of 2021.

– Prices for transportation goods, energy, and food drove the Producer Price Index's rise.

Consumer and Producer Price Indices – Inflation Year-Over-Year

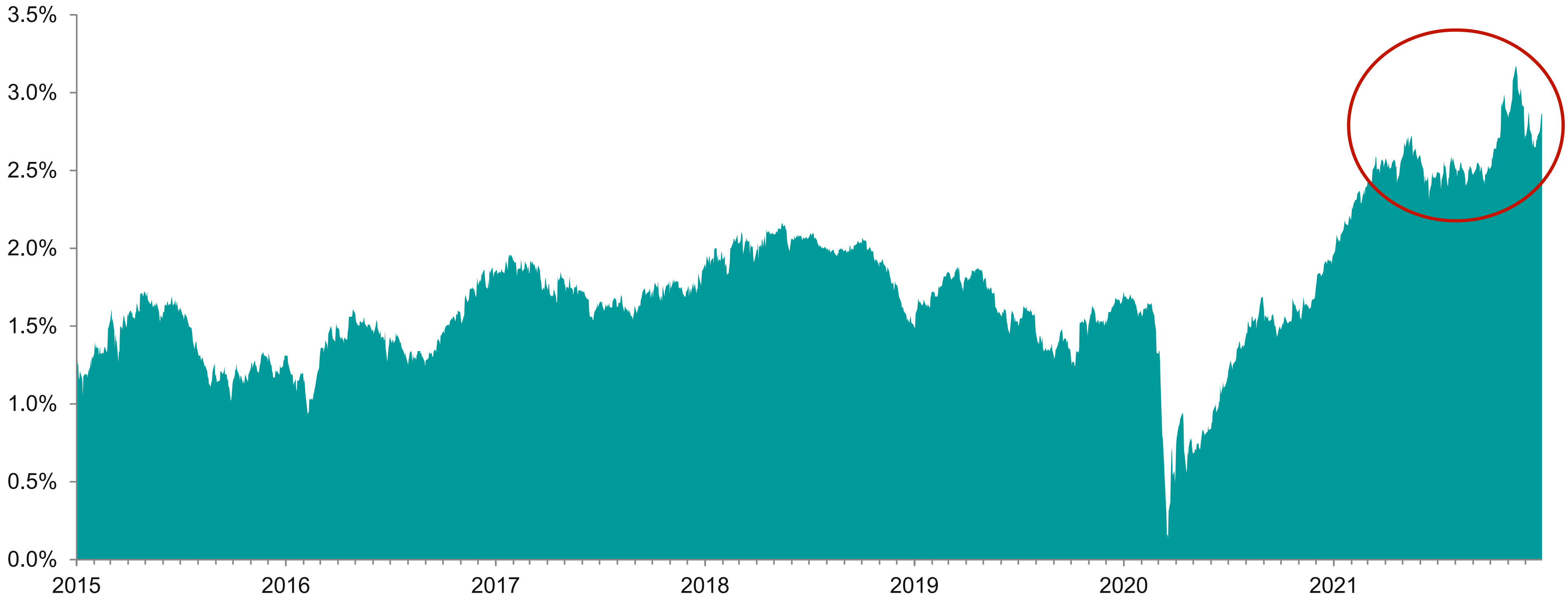


Source: Federal Reserve Bank of St. Louis

Inflation Rebounds and Spurs Headline Concerns

Fixed income market: rising short- to medium-term inflation expectations

5-Year Breakeven Inflation Rate



Fixed income market expecting inflation to rise in the near term.

- Five-year breakeven inflation rate is the difference between five-year nominal and five-year Treasury Inflation-Protected Securities (TIPS) yields.
- The rate has recovered from near zero, and is now above 2.5%—substantially lower than the current level of inflation.
- Actual breakeven rate not as important as markets forecasting neither deflation nor high inflation

Source: Federal Reserve Bank of St. Louis

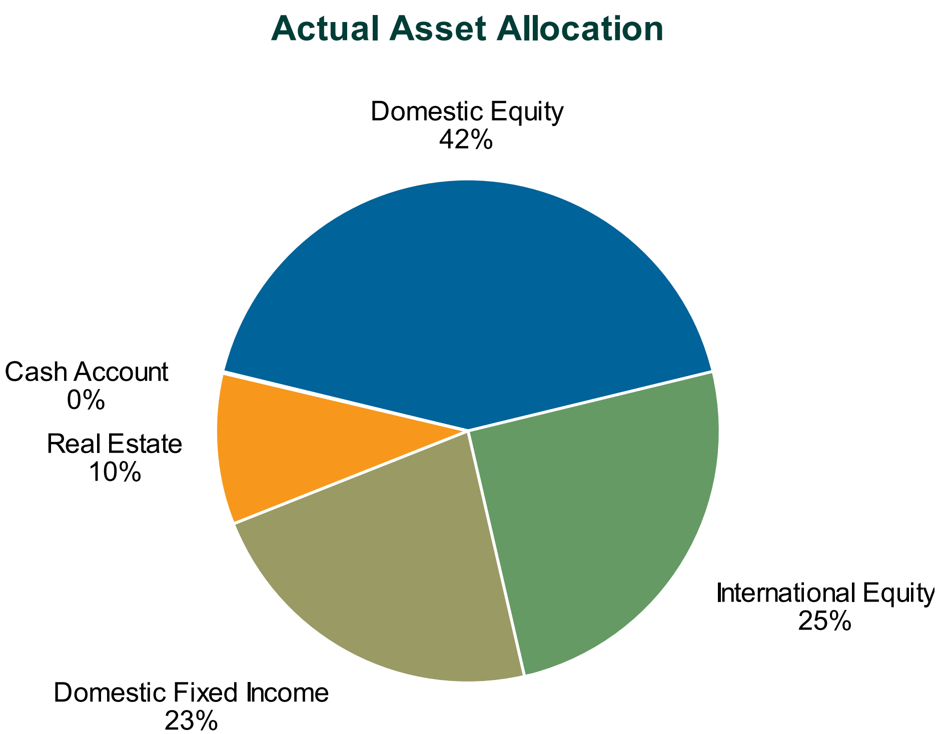
So When Does Inflation Become a Problem?

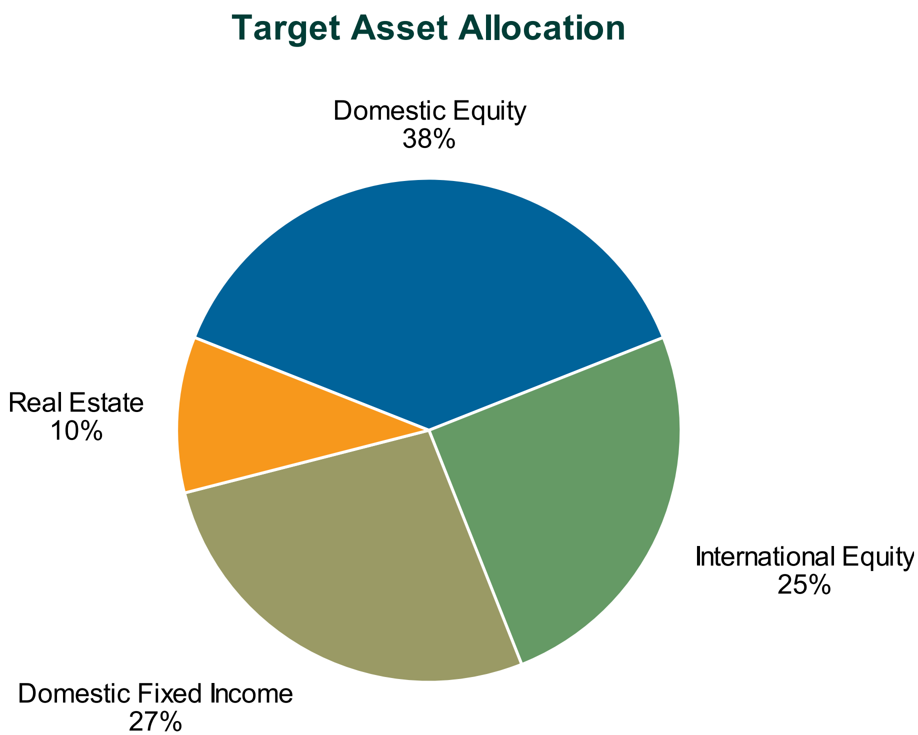
The majority of the working-age and younger population has no experience with sustained inflation.

– Last spurt above 5% happened in 2007, when oil prices spiked to above $100 per barrel; this spike evaporated with the GFC.
– Last ***sustained*** bout of inflation was wrung out of the U.S. economy by serial recessions in 1980 and 1981. Inflation had reached double-digits in the late 1970s, and short interest rates were hiked to just below 20%, twice!
– Decades of policy error, both monetary and fiscal, led to the build-up of inflation during the late 1960s and into the 1970s—the wage-price spiral of the 1970s did not materialize out of thin air.
– Current global monetary and fiscal policies were enacted to combat an unprecedented pandemic; the shutdown of production, transportation, and distribution and severe interruption in consumer and business activities led to the steepest recession in 75 years.
– The policies were key to the incredible economic recovery seen in the U.S. and around the world.
– The interruption of supply chains, labor markets, manufacturing processes, and the delivery of goods and services was substantial; the working-out of these kinks was both expected and actually better/faster than projected just a year ago.
– This recession was also the first to feature substantial job loss but no decline in aggregate income, which suggests substantial pent-up demand.
– The current spike in inflation was completely expected; there are no surprises. Inflation is working itself out at different rates and at different levels of pervasiveness across commodities, materials, goods, manufacturing, and services. The labor market suffered some of the greatest disruption and will take the longest to iron out the kinks.
– While the current spike is alarming, the return toward normal markets means that underlying demand will return to normal, and pressures on prices will abate, likely toward the second half of 2022 and in the following years.

Asset Allocation And Plan Review

Asset Allocation





Asset Class	$000s Actual	Weight Actual	Target	Percent Difference	$000s Difference
Domestic Equity	110,310	42.5%	38.0%	4.5%	11,580
International Equity	65,400	25.2%	25.0%	0.2%	446
Domestic Fixed Income	58,779	22.6%	27.0%	(4.4%)	(11,371)
Real Estate	25,165	9.7%	10.0%	(0.3%)	(816)
Cash Account	162	0.1%	0.0%	0.1%	162
Total	259,815	100.0%	100.0%		

Asset Distribution Across Investment Managers

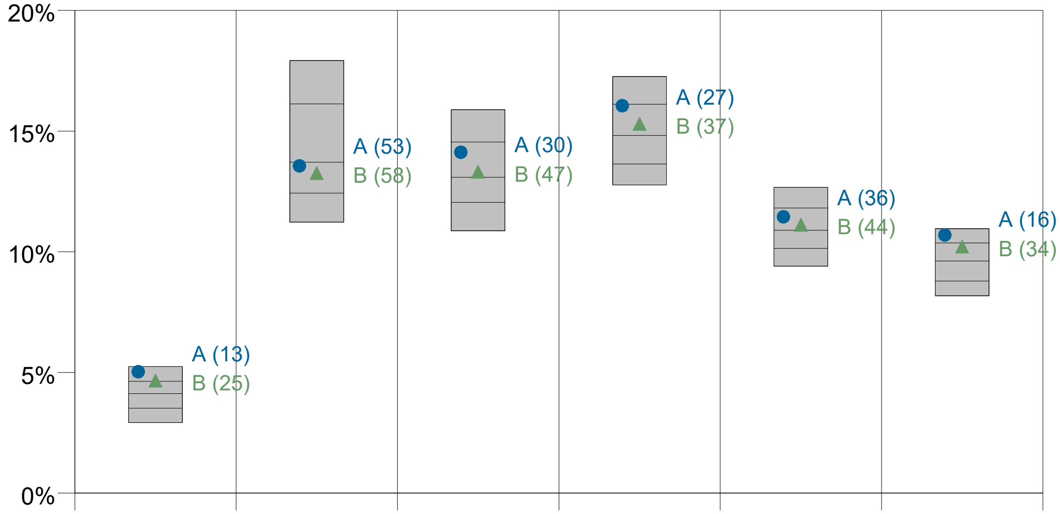
	December 31, 2021					September 30, 2021		
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
Domestic Equity	**$110,309,811**	**42.46%**	**38.00%**	**$(46,029)**	**$9,412,337**	**$100,943,504**	**40.78%**	**38.00%**
Emerald Advisers, Inc.	8,875,809	3.42%	3.00%	(17,907)	9,920	8,883,796	3.59%	3.00%
Ceredex Value Advisors	7,880,870	3.03%	3.00%	(16,566)	530,127	7,367,309	2.98%	3.00%
SSgA S&P 500 Index	77,121,899	29.68%	26.00%	(8,315)	7,655,491	69,474,723	28.06%	26.00%
SSgA S&P 400 Index	16,431,232	6.32%	6.00%	(3,242)	1,216,798	15,217,676	6.15%	6.00%
International Equity	**$65,399,713**	**25.17%**	**25.00%**	**$(45,578)**	**$1,066,536**	**$64,378,756**	**26.01%**	**25.00%**
Morgan Stanley Int'l Equity	24,253,079	9.33%	10.00%	(45,578)	587,824	23,710,833	9.58%	10.00%
Causeway Emerging Markets	6,219,700	2.39%	2.50%	0	(10,500)	6,230,200	2.52%	2.50%
William Blair & Company	34,926,934	13.44%	12.50%	0	489,212	34,437,723	13.91%	12.50%
Domestic Fixed Income	**$58,778,692**	**22.62%**	**27.00%**	**$(39,604)**	**$(136,630)**	**$58,954,926**	**23.81%**	**27.00%**
Richmond Capital Management	58,778,692	22.62%	27.00%	(39,604)	(136,630)	58,954,926	23.81%	27.00%
Real Estate	**$25,165,069**	**9.69%**	**10.00%**	**$(65,509)**	**$2,112,088**	**$23,118,490**	**9.34%**	**10.00%**
Heitman	25,165,069	9.69%	10.00%	(65,509)	2,112,088	23,118,490	9.34%	10.00%
Cash Account	**$162,157**	**0.06%**	**0.00%**	**$0**	**$2**	**$162,155**	**0.07%**	**0.00%**
Total Fund	**$259,815,442**	**100.0%**	**100.0%**	**$(196,721)**	**$12,454,333**	**$247,557,830**	**100.0%**	**100.0%**

Total Plan assets for the City of Fort Pierce Retirement and Benefit System are $259.8 million as of December 31, 2021.

Investment returns were positive for the quarter at $12.5 million.

City of Fort Pierce Total Fund

Callan Public Fund Sponsor Database



		Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 10 Years
10th Percentile		5.25	17.92	15.89	17.26	12.67	10.96
25th Percentile		4.64	16.13	14.55	16.12	11.82	10.37
Median		4.12	13.72	13.09	14.82	10.89	9.63
75th Percentile		3.53	12.43	12.05	13.64	10.15	8.79
90th Percentile		2.92	11.23	10.87	12.77	9.41	8.18
Total Fund	● A	5.03	13.56	14.13	16.06	11.45	10.70
Total Fund Benchmark (1)	▲ B	4.67	13.27	13.32	15.31	11.13	10.22
CPI + 5%		2.96	12.81	9.59	8.82	8.08	7.12

The Total Fund outperformed the benchmark by 36 basis points during the fourth quarter and 29 basis points for the calendar year. Compared to peers the Fund finished the quarter on the top quartile.

Over the three, five and ten year periods, the fund is outperforming the benchmark and ranks above the median peer group.

(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.

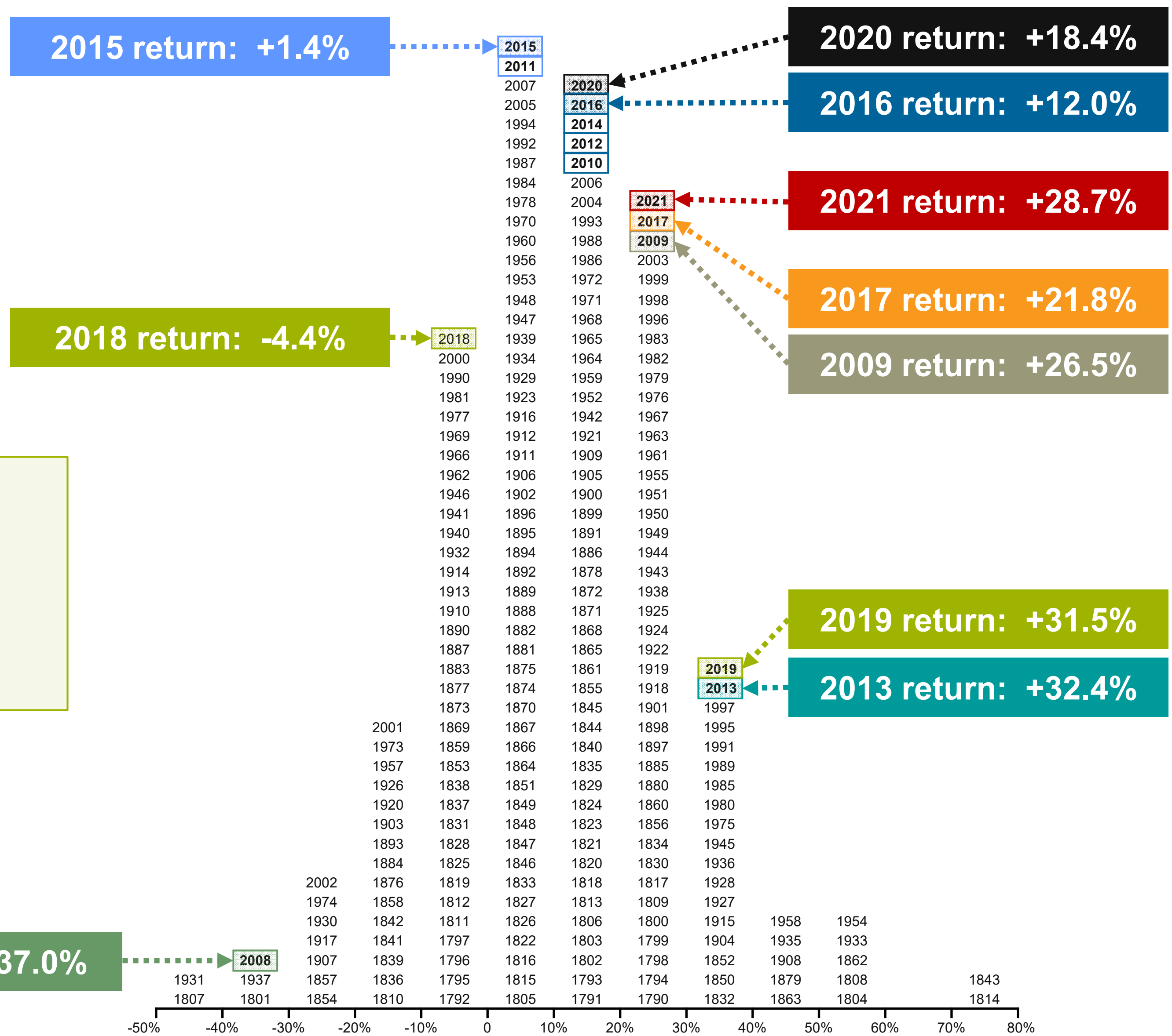
Investment Manager Objectives

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%.	**Not Met**
	Outperform the median international equity manager over rolling 3-year periods.	**Not 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.	**Not 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**

2022 Capital Market Expectations

Stock Market Returns by Calendar Year

2021 performance in perspective: History of the U.S. stock market (232 years of returns)



S&P 500

Five-year return: **+18.5%**

Ten-year return: **+16.6%**

Sources: Ibbotson, Callan

2022 vs. 2021 Risk and Return Assumptions

Summary of Callan's Long-Term Capital Market Assumptions (2022 - 2031)

		Projected Return			Projected Risk	2021 - 2030			vs 2021	
Asset Class	**Index**	**1-Year Arithmetic**	**10-Year Geometric***	**Real**	**Standard Deviation**	**1-Year Arithmetic**	**10-Year Geometric***	**Standard Deviation**	**Geometric* Delta**	**Std Dev Delta**
Equities										
Broad U.S. Equity	Russell 3000	8.00%	6.60%	4.35%	17.95%	8.00%	6.60%	17.95%	0.00%	0.00%
Large Cap U.S. Equity	S&P 500	7.85%	6.50%	4.25%	17.70%	7.85%	6.50%	17.70%	0.00%	0.00%
Smid Cap U.S. Equity	Russell 2500	8.75%	6.70%	4.45%	21.30%	8.75%	6.70%	21.30%	0.00%	0.00%
Global ex-U.S. Equity	MSCI ACWI ex USA	8.70%	6.80%	4.55%	20.70%	8.70%	6.80%	20.70%	0.00%	0.00%
Developed ex-U.S. Equity	MSCI World ex USA	8.25%	6.50%	4.25%	19.90%	8.25%	6.50%	19.90%	0.00%	0.00%
Emerging Market Equity	MSCI Emerging Markets	9.80%	6.90%	4.65%	25.15%	9.80%	6.90%	25.15%	0.00%	0.00%
Fixed Income										
Short Duration Gov/Credit	Bloomberg 1-3 Year Gov/Credit	1.50%	1.50%	-0.75%	2.00%	1.50%	1.50%	2.00%	0.00%	0.00%
Core U.S. Fixed	Bloomberg Aggregate	1.80%	1.75%	-0.50%	3.75%	1.80%	1.75%	3.75%	0.00%	0.00%
Long Government	Bloomberg Long Gov	1.85%	1.10%	-1.15%	12.50%	1.35%	0.60%	12.50%	0.50%	0.00%
Long Credit	Bloomberg Long Credit	2.60%	2.10%	-0.15%	10.50%	2.95%	2.45%	10.50%	-0.35%	0.00%
Long Government/Credit	Bloomberg Long Gov/Credit	2.30%	1.80%	-0.45%	10.40%	2.30%	1.80%	10.40%	0.00%	0.00%
TIPS	Bloomberg TIPS	1.35%	1.25%	-1.00%	5.05%	1.80%	1.70%	5.05%	-0.45%	0.00%
High Yield	Bloomberg High Yield	4.40%	3.90%	1.65%	10.75%	4.85%	4.35%	10.75%	-0.45%	0.00%
Global ex-U.S. Fixed	Bloomberg Global Agg ex US	1.20%	0.80%	-1.45%	9.20%	1.15%	0.75%	9.20%	0.05%	0.00%
Emerging Market Sovereign Debt	EMBI Global Diversified	4.00%	3.60%	1.35%	9.50%	3.90%	3.50%	9.50%	0.10%	0.00%
Alternatives										
Core Real Estate	NCREIF ODCE	6.60%	5.75%	3.50%	14.20%	6.60%	5.75%	14.10%	0.00%	0.10%
Private Infrastructure	MSCI Glb Infra/FTSE Dev Core 50/50	7.10%	6.10%	3.85%	15.45%	7.00%	6.00%	15.45%	0.10%	0.00%
Private Equity	Cambridge Private Equity	11.45%	8.00%	5.75%	27.60%	11.50%	8.00%	27.80%	0.00%	-0.20%
Private Credit	N/A	6.40%	5.50%	3.25%	14.60%	7.15%	6.25%	14.60%	-0.75%	0.00%
Hedge Funds	Callan Hedge FOF Database	4.35%	4.10%	1.85%	8.20%	4.25%	4.00%	8.00%	0.10%	0.20%
Commodities	Bloomberg Commodity	4.05%	2.50%	0.25%	18.00%	3.80%	2.25%	18.00%	0.25%	0.00%
Cash Equivalents	90-Day T-Bill	1.20%	1.20%	-1.05%	0.90%	1.00%	1.00%	0.90%	0.20%	0.00%
Inflation	CPI-U		2.25%		1.60%		2.00%	1.50%	0.25%	0.10%

* Geometric returns are derived from arithmetic returns and the associated risk (standard deviation).

** Annualized Standard Deviation from 12/1987

Summary of Important Changes for 2022 Capital Markets Assumptions

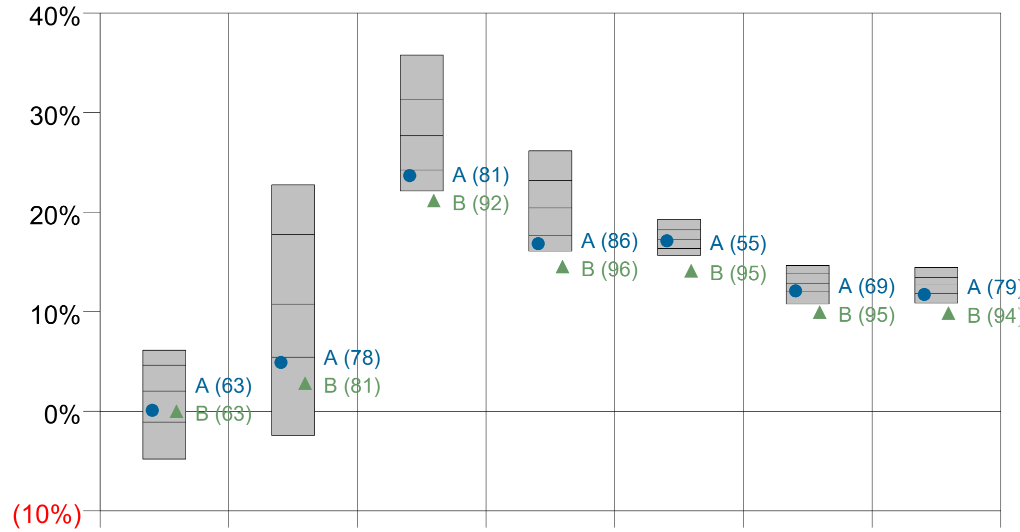
- Cash return increased from 1.0% from 1.20%
- Both, core fixed income return and public equities expectations remained unchanged
- Inflation increased 25 bps to 2.25%
- Core real estate expectations are unchanged at 5.75 but standard deviation decreased by 10 bps
- Ever-broadening set of diversifying asset classes to consider
  - Private credit
  - Private infrastructure
  - Inflation sensitive equity – REITs, natural resources, global listed infrastructure

Appendix

Domestic Equity Performance

Emerald Advisors Small Cap Growth

Performance vs Callan Small Cap Growth (Gross)



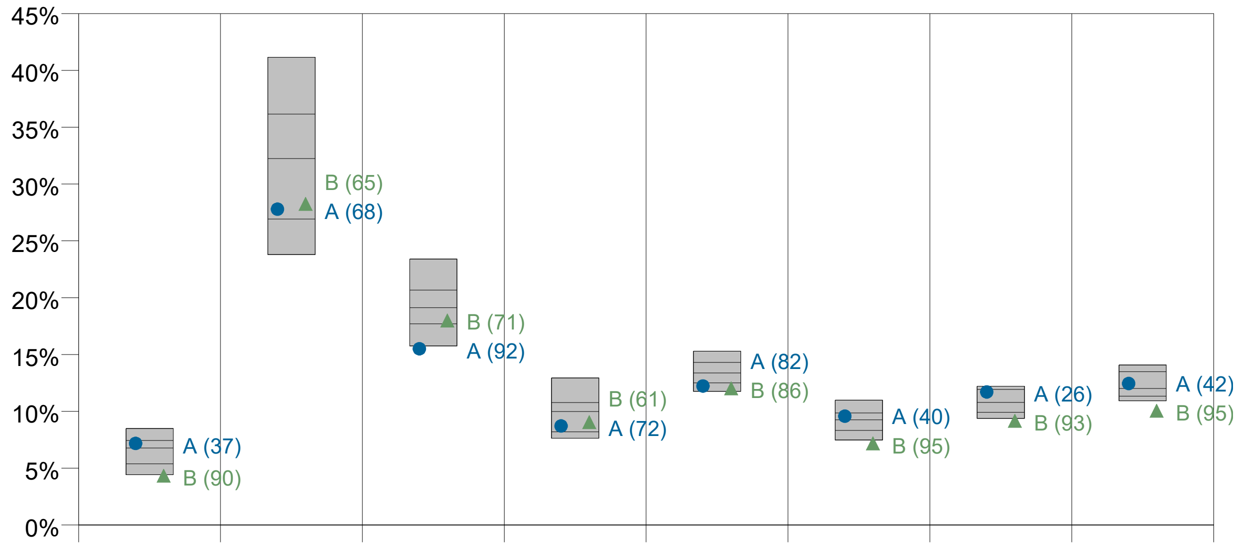
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 17 3/4 Years
10th Percentile	6.15	22.75	35.78	26.16	19.29	14.65	14.47
25th Percentile	4.63	17.75	31.36	23.17	18.23	13.87	13.43
Median	2.03	10.76	27.70	20.43	17.28	12.88	12.70
75th Percentile	(1.07)	5.43	24.25	17.69	16.36	12.00	11.86
90th Percentile	(4.80)	(2.41)	22.14	16.10	15.69	10.79	10.88
Emerald Advisers ● A	0.10	4.92	23.68	16.85	17.14	12.10	11.75
Russell 2000 Growth Index ▲ B	0.01	2.83	21.17	14.53	14.14	9.97	9.87

During the fourth quarter, returns for the Russell 2000 Small Cap Growth index were muted and Emerald fund basically performed in line with the index, adding 10 basis points of performance. Relative performance for the calendar year improved and the fund finished 2021 outperforming the index by 2.09%. Long-term results remained well ahead of the benchmark.

The positive contribution from allocation and stock selection offset the negative contribution from interaction effect. From a sector perspective, relative outperformance within the healthcare, technology, energy and financials sectors offset relative underperformance within the consumer staples, industrials, consumer discretionary and real estate sectors.

Ceredex Value Advisors Small Cap Value

Performance vs Callan Small Cap Value (Gross)



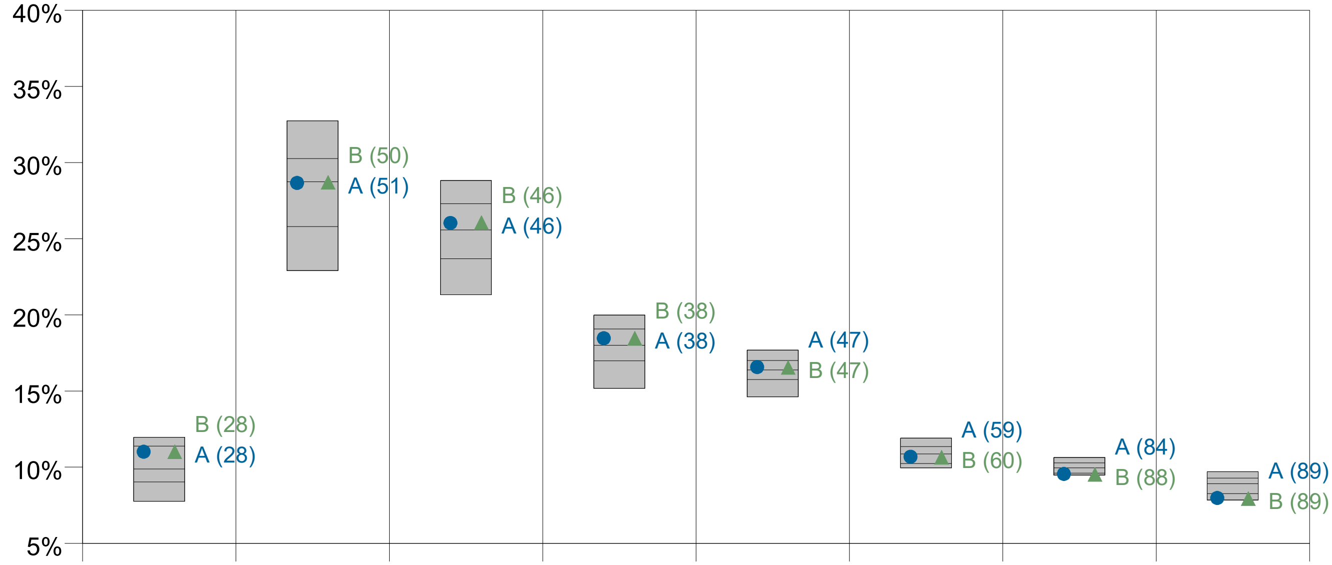
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 22 3/4 Years
10th Percentile		8.51	41.16	23.40	12.95	15.29	10.99	12.22	14.10
25th Percentile		7.44	36.15	20.68	10.79	14.32	9.88	11.93	13.51
Median		6.78	32.26	19.13	9.99	13.39	9.27	10.81	12.01
75th Percentile		5.40	26.94	17.72	8.20	12.50	8.34	9.92	11.33
90th Percentile		4.44	23.81	15.77	7.64	11.76	7.48	9.39	10.94
Ceredex Value Advisors	● A	7.19	27.79	15.52	8.72	12.24	9.59	11.71	12.45
Russell 2000 Value Index	▲ B	4.36	28.27	17.99	9.07	12.03	7.19	9.18	10.06

Ceredex finished the third quarter in positive territory posting an absolute return of 7.19% and outperforming the Russell 2000 Value index by 2.83%. Over the last year, small cap value stocks rallied, and while the manager slightly underperformed the benchmark (-0.48%), Ceredex posted a strong absolute return of 27.79% for the calendar year.

Stock selection in the healthcare, materials, communication services, and industrials sectors added the most to performance. Stock selection in the financials and information technology sectors weighed the most on returns.

SSgA S&P 500 Index

Performance vs Callan Large Cap Core (Gross)

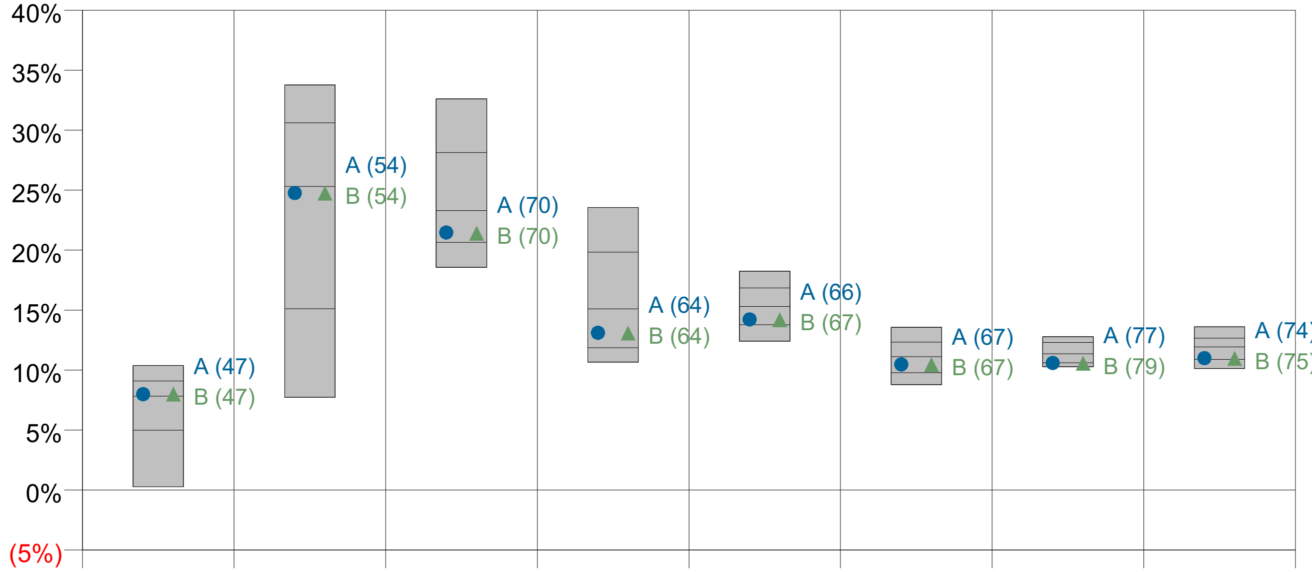


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 22 3/4 Years
10th Percentile	11.98	32.74	28.82	20.00	17.70	11.92	10.65	9.71
25th Percentile	11.39	30.27	27.31	19.08	17.02	11.37	10.28	9.29
Median	9.90	28.75	25.58	18.02	16.40	10.88	9.96	8.93
75th Percentile	9.04	25.80	23.69	17.00	15.76	10.25	9.62	8.27
90th Percentile	7.77	22.91	21.32	15.19	14.63	9.96	9.49	7.86
SSgA S&P 500 Index ● A	11.02	28.67	26.05	18.47	16.58	10.70	9.57	7.99
S&P 500 Index ▲ B	11.03	28.71	26.07	18.47	16.55	10.66	9.52	7.95

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

SSgA S&P Mid Cap 400 Index

Performance vs Callan Mid Capitalization (Gross)



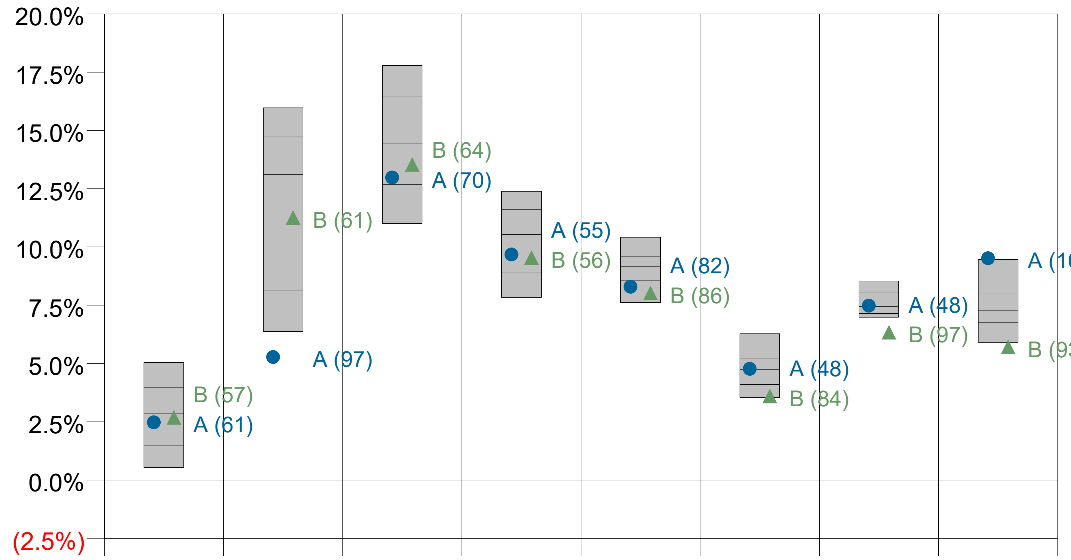
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 22 3/4 Years
10th Percentile		10.40	33.78	32.63	23.55	18.26	13.57	12.79	13.63
25th Percentile		9.09	30.62	28.14	19.84	16.85	12.34	12.31	12.68
Median		7.84	25.31	23.31	15.11	15.31	11.12	11.36	11.94
75th Percentile		5.00	15.12	20.65	11.86	13.79	9.80	10.61	10.91
90th Percentile		0.28	7.75	18.57	10.66	12.42	8.79	10.27	10.15
SSgA S&P 400 Index	● A	8.00	24.78	21.47	13.12	14.24	10.48	10.59	11.01
S&P 400 Mid Cap Index	▲ B	8.00	24.76	21.41	13.09	14.20	10.45	10.56	10.96

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

International Equity Performance

Morgan Stanley Developed International Equity

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



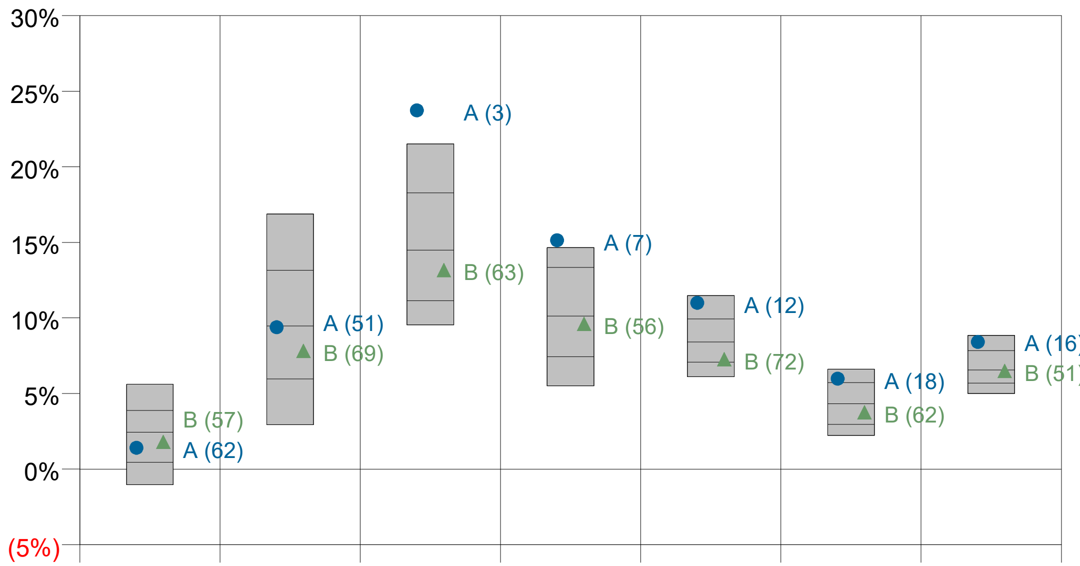
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 30 1/4 Years
10th Percentile		5.04	15.98	17.79	12.40	10.43	6.28	8.54	9.46
25th Percentile		3.98	14.77	16.48	11.62	9.61	5.20	8.07	8.03
Median		2.85	13.11	14.43	10.54	9.17	4.75	7.45	7.27
75th Percentile		1.50	8.12	12.69	8.93	8.58	4.10	7.15	6.77
90th Percentile		0.55	6.38	11.02	7.84	7.62	3.55	6.99	5.91
Morgan Stanley Int'l Equity	● A	2.48	5.28	12.99	9.68	8.30	4.78	7.49	9.52
MSCI EAFE	▲ B	2.69	11.26	13.54	9.55	8.03	3.60	6.33	5.72

The strategy posted an absolute return of 2.48% and slightly underperformed the MSCI EAFE index by 21 basis points during the fourth quarter. At the end of the calendar year the manager lagged the index by 5.98%.

Sector allocation was slightly positive, due to the overweight in consumer staples. However, stock selection was negative as the impact of the underperformance in consumer staples, health care and financials outweighed the benefits from the outperformance in information technology and consumer discretionary.

William Blair International Growth Equity

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



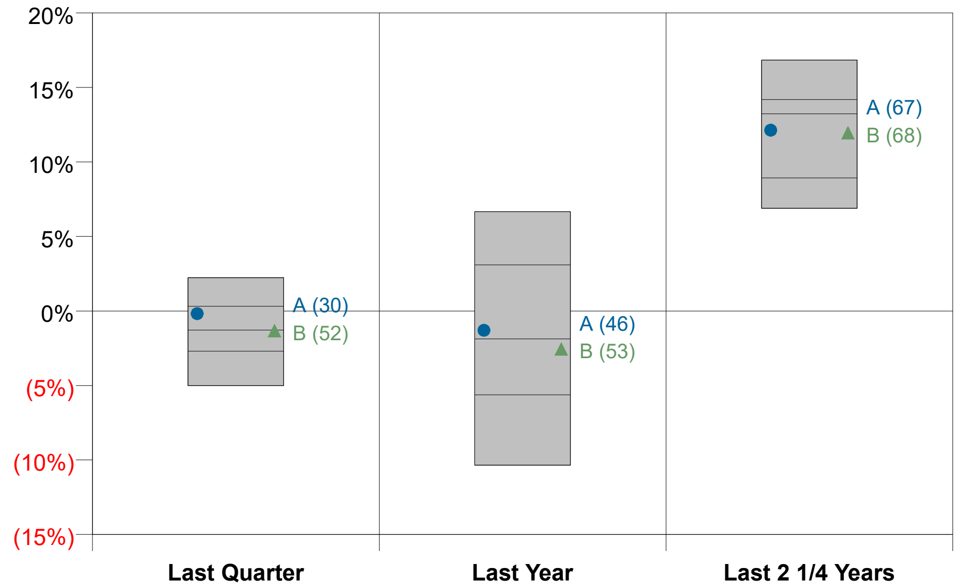
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 18 Years
10th Percentile		5.63	16.88	21.53	14.66	11.49	6.62	8.85
25th Percentile		3.89	13.17	18.29	13.35	9.94	5.73	7.84
Median		2.45	9.47	14.48	10.12	8.43	4.33	6.56
75th Percentile		0.46	5.98	11.16	7.45	7.09	2.97	5.70
90th Percentile		(1.02)	2.94	9.55	5.52	6.12	2.23	5.01
William Blair & Company	● A	1.42	9.39	23.74	15.15	11.01	5.99	8.42
MSCI ACWI ex US	▲ B	1.82	7.82	13.18	9.61	7.28	3.77	6.51

William Blair posted an absolute return of 1.42% and underperformed the MSCI ACWI ex US index by approximately 40 bps on a net of fee basis. At the end of 2021, the manager posted a 9.39% return, outperforming the benchmark by 1.57%.

Relative underperformance for the quarter was primarily driven by negative stock selection across most sectors. Stock selection within the information technology sector was particularly weak, with Nuvei Corporation detracting from performance during the period.

Causeway Emerging Markets

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



		Last Quarter	Last Year	Last 2 1/4 Years
10th Percentile		2.24	6.68	16.84
25th Percentile		0.32	3.10	14.20
Median		(1.28)	(1.88)	13.24
75th Percentile		(2.70)	(5.63)	8.94
90th Percentile		(5.00)	(10.34)	6.90
Causeway Emerging Markets	● A	(0.17)	(1.30)	12.14
MSCI EM	▲ B	(1.31)	(2.54)	11.96

Concerns relating to the Covid-19 Omicron variant weighed on emerging market equities during the fourth quarter. The MSCI Emerging Markets Index ("Index") returned -1.31% for the quarter and -2.54% for the year. Despite the strategy posting absolute negative returns, it outperformed the index by 1.14% and 1.24%, respectively.

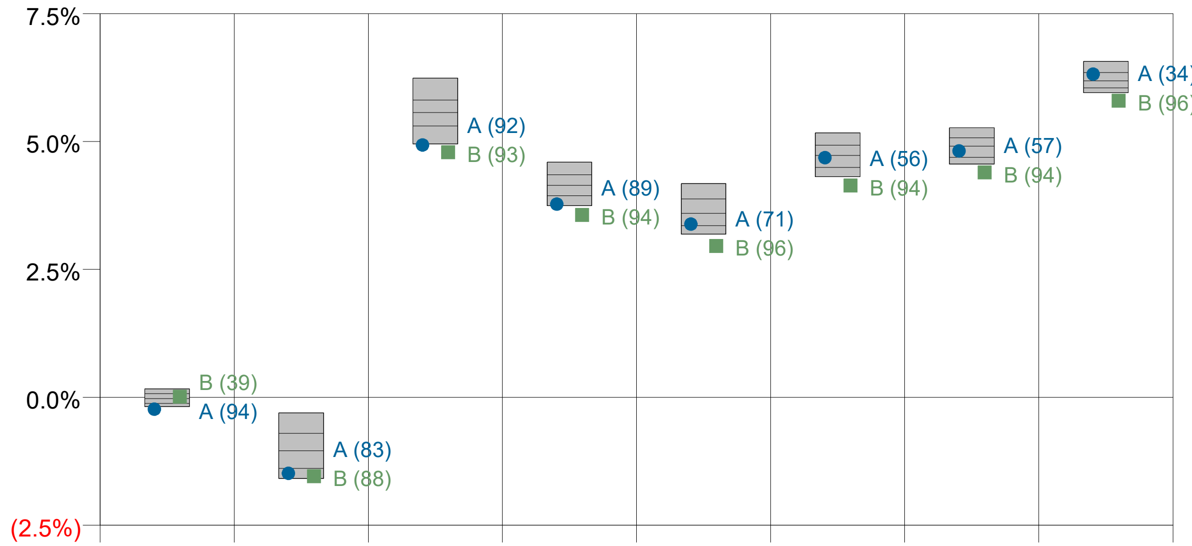
During the quarter, Fund holdings in the emerging Asia region contributed to relative performance, primarily due to positive stock selection in China and India, and positioning in Taiwan. From a sector perspective, the greatest contributors to relative performance were information technology, healthcare, and consumer discretionary. The largest detractors from relative performance were the materials, financials, and utilities sectors.

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 31 1/4 Years
10th Percentile		0.17	(0.30)	6.24	4.60	4.18	5.17	5.27	6.57
25th Percentile		0.07	(0.70)	5.81	4.35	3.88	4.93	5.07	6.35
Median		(0.03)	(1.04)	5.57	4.15	3.60	4.73	4.91	6.19
75th Percentile		(0.12)	(1.39)	5.30	3.95	3.36	4.50	4.69	6.05
90th Percentile		(0.18)	(1.59)	4.96	3.75	3.19	4.32	4.56	5.95
Richmond Capital Mgmt	● A	(0.23)	(1.49)	4.93	3.78	3.39	4.69	4.82	6.32
Blended Benchmark*	■ B	0.01	(1.54)	4.79	3.57	2.96	4.14	4.40	5.80

Fixed income performance was negative in 2021 as interest rates rose across all maturities. Richmond finished the quarter in negative territory with a return of 0.23%, underperforming the flat return from the Bloomberg Barclays Aggregate index.

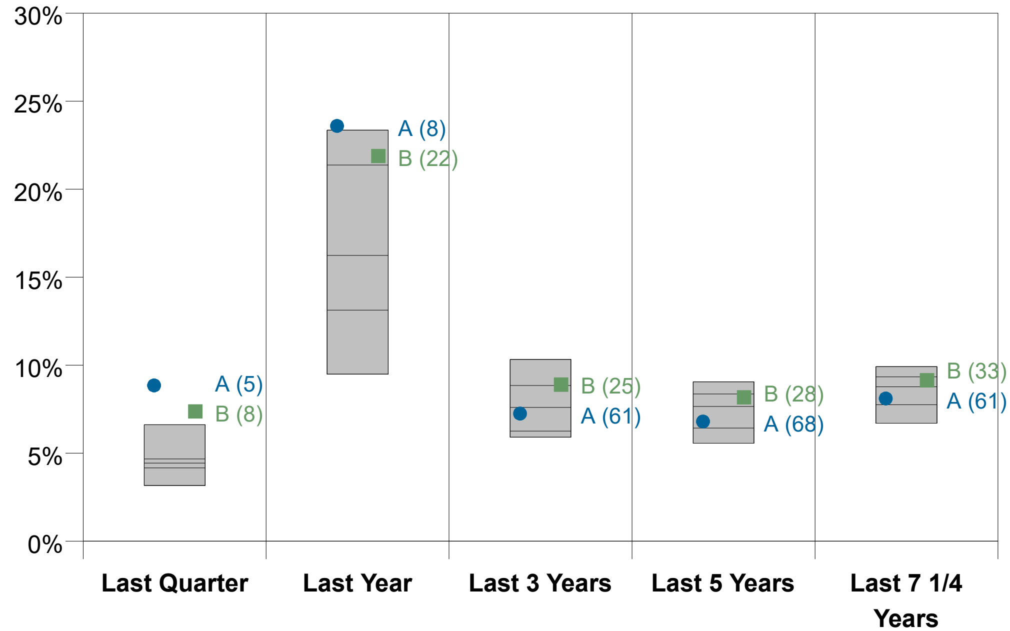
The strategy’s positioning within the yield curve hurt their performance as yields rose. During the calendar year corporate bonds outperformed Treasuries and agency mortgage-backed securities (MBS) underperformed Treasuries. The manager’s sector allocations are the primary reason they have outperformed the benchmark this year.

Callan

Real Estate

Heitman America Real Estate Trust

Performance vs Callan Open End Core Commingled Real Estate (Net)



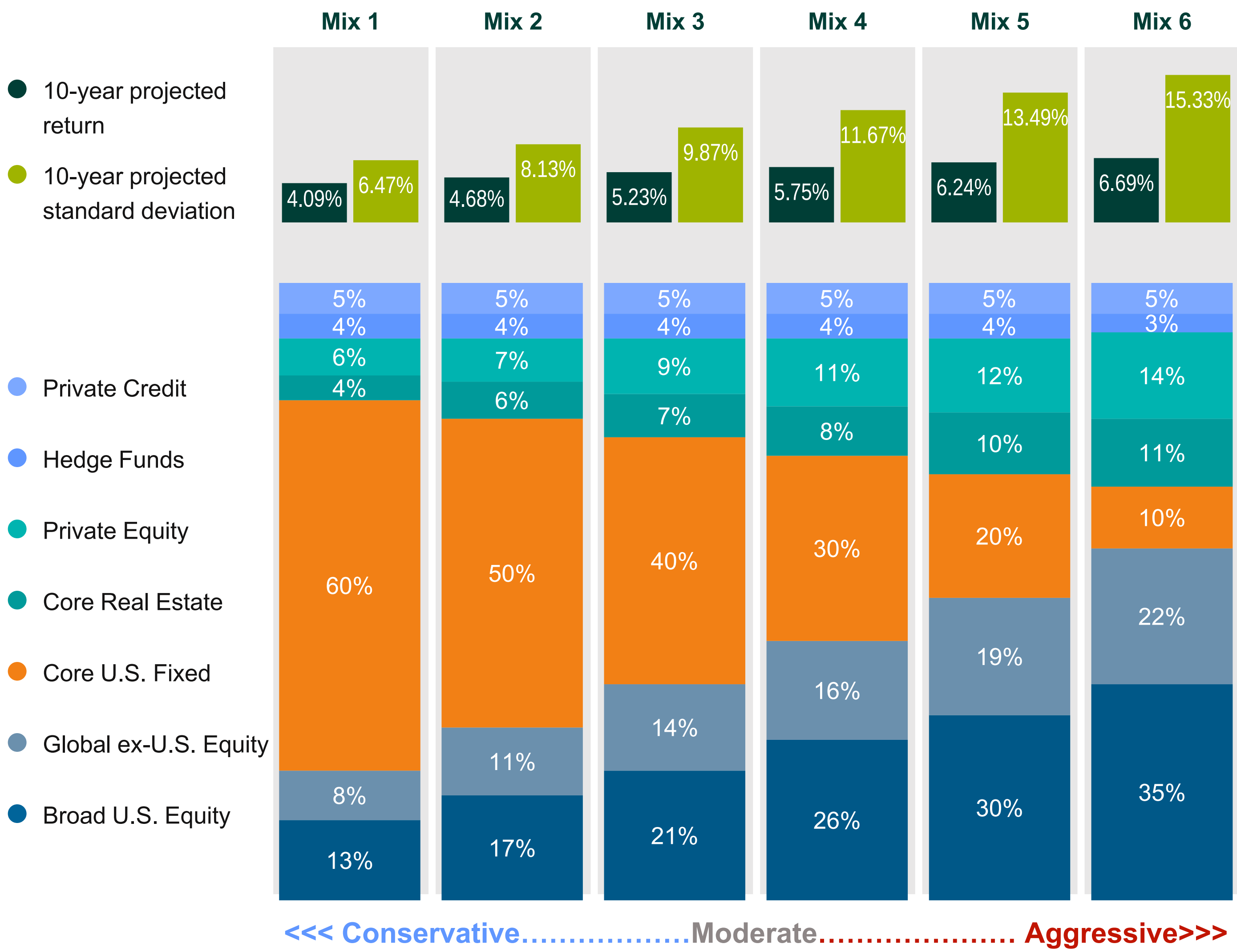
		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 1/4 Years
10th Percentile		6.63	23.37	10.33	9.05	9.93
25th Percentile		4.68	21.38	8.86	8.37	9.34
Median		4.45	16.25	7.61	7.66	8.78
75th Percentile		4.17	13.14	6.27	6.43	7.77
90th Percentile		3.17	9.50	5.92	5.57	6.71
Heitman Net	● A	8.85	23.60	7.26	6.81	8.11
NCREIF NFI ODCE Eq Wt Net	■ B	7.38	21.88	8.90	8.18	9.15

Heitman outperformed the index by 1.47% on a net of fee basis during the quarter and 1.72% for the calendar year.

The industrial and self-storage sectors continue to be additive to performance and the fund has observed valuation adjustments driven by higher projected cash flows.

Optimization Set: Public Stocks and Bonds Plus Alternatives

Asset mix alternatives



Private Credit:

Absolute constraint: <5%

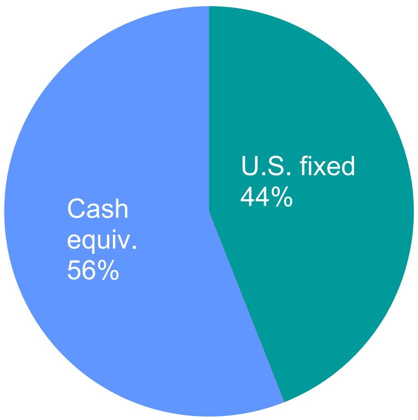
Note on public equity:

We tune large cap, small cap, developed ex-U.S., and emerging separately.

Prefer to optimize portfolios with broad U.S. and broad global ex-U.S. equity

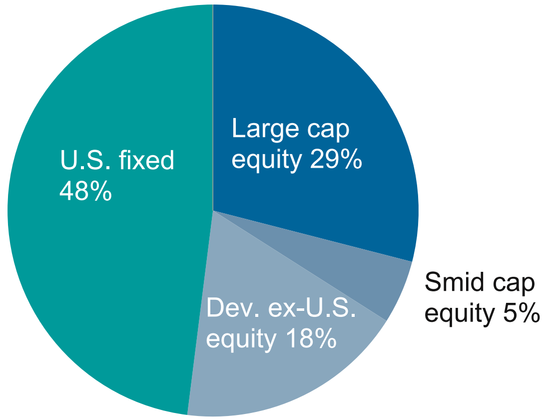
7% Expected Returns Over Past 30 Years

Increasing Complexity



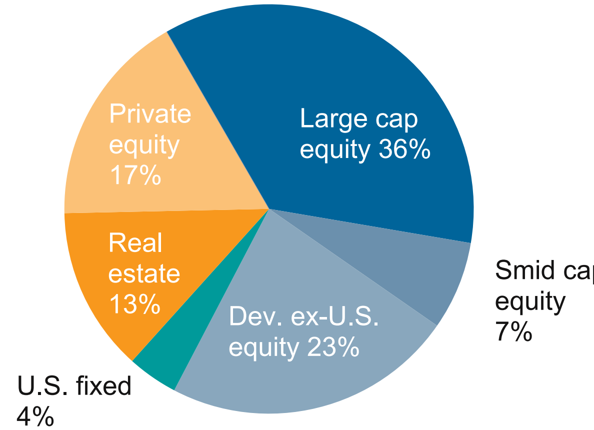
1992

Return:	**7.0%**
Risk:	**3.2%**



2007

Return:	**7.0%**
Risk:	**9.4%**



2022

Return:	**7.0%**
Risk:	**16.8%**

Increasing Risk

In 1992, our expectations for cash and broad U.S. fixed income were 6.2% and 7.9%, respectively.

Return-seeking assets were not required to earn a 7% projected return.

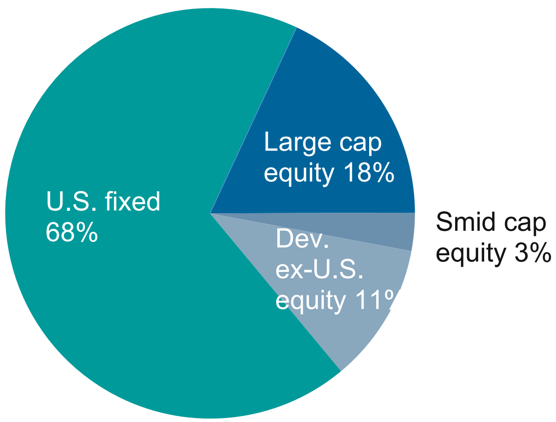
15 years later, an investor would have needed over half of the portfolio in public equities to achieve a 7% projected return, with approximately 3x the portfolio volatility of 1992.

Today an investor is required to include 96% in return-seeking assets (including 30% in private market investments) to earn a 7% projected return at over 5x the volatility compared to 1992.

Source: Callan

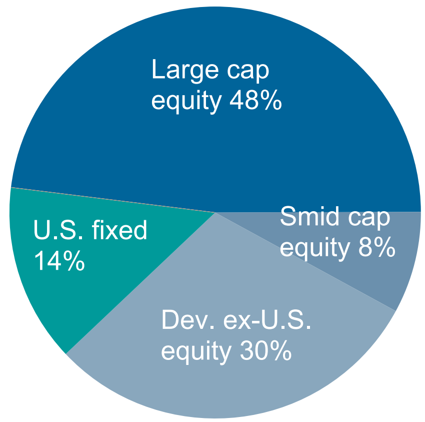
5% Expected Real Returns Over Past 30 Years

Increasing Complexity →



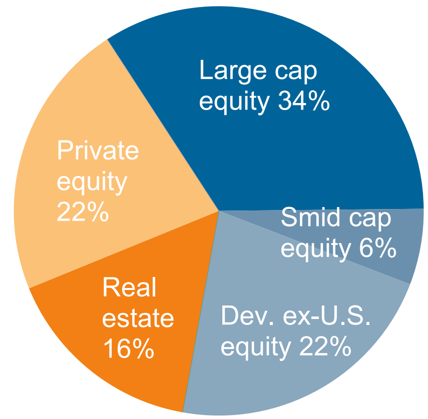
1992

Inflation:	**4.50%**
Real Return:	**5.0%**
Risk:	**7.2%**



2007

Inflation:	**2.75%**
Real Return:	**5.0%**
Risk:	**14.6%**



2022

Inflation:	**2.25%**
Real Return:	**5.0%**
Risk:	**17.8%**

Increasing Risk →

Despite a 4.5% inflation projection, an investor could have over two-thirds of the portfolio in low-risk assets (fixed income) and still earn a 5% projected real return in 1992.

15 years later, an investor would have needed 86% in public equities to achieve a 5% projected real return with over 2x the portfolio volatility of 1992.

Today an investor must have 100% of the portfolio in return-seeking assets to earn a 5% projected real return at approximately 2.5x the volatility compared to 1992.

Source: Callan

Callan's Proposed 2022 Work Plan

City of Fort Pierce Retirement and Benefit System

	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022
Strategic Planning				
Review Capital Market Expectations				
Review Investment Policy Statement				
Present Proposed 2023 Work Plan				
Plan Implementation				
Investment Manager Fee Review				
Prepare Cash Raise for Benefit Payments				
Manager Searches (as needed)				
Monitoring & Evaluation				
Quarterly Performance Reviews				
Quarterly Meeting Attendance				
Present Executive Summary				
Investment Manager Presentations				
Continuous Qualitative Review				
Research & Education				
National Client Conference – San Francisco, CA, April 25-27				
"Callan College"				
Regional Workshops				
Custom Board Education				
Research Papers and Publications				

2021 Forth Pierce Retirement and Benefit System and Callan Year-End Recap

- Callan presented quarterly results, virtually and in person for the Fort Pierce Retirement and Benefit System.
- Provided IRR and capital markets assumptions reports to Fort Pierce's staff.
- Fort Pierce's staff and Callan worked together to review asset allocation to raise cash for benefit payments in March and September.
- Conducted annual due diligence meetings with all managers within the plan.
- Callan provided educational session on China, amid recent policy changes.
- New consultant joined the relationship during the second quarter of 2021.

Content Calendar – Callan Institute

4Q22 Webinar Topics:
- Market Intelligence
- Regional Workshop Recap
- ESG Survey
- Research Café (TBD)

1Q22 Webinar Topics:
- Capital Markets Assumptions
- Market Intelligence
- DC Trends Survey
- Research Café (TBD)

3Q22 Webinar Topics:
- Market Intelligence
- Research Café (TBD)

2Q22 Webinar Topics:
- Market Intelligence
- Regional Workshop Recap
- Research Café: ESG Interview Series

Callan College | Conference / Workshop | Publication | Webinar | Research Café