

# Callan



May 19, 2022

**City of Fort Pierce**

First Quarter Performance Review

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## **Market Environment Update**

# Down Equity and Fixed Income Markets in 1Q22

Negative returns for stocks and bonds at the same time are unusual

## Global equity markets are down sharply following the invasion of Ukraine:

- Similar impact across developed markets
- Greater impact on small cap and emerging markets

## Fixed income down with sharply higher inflation and interest rates:

- Blmbg Aggregate: -5.9% (and much worse since, -9.5% through April)
- CPI-U: +8.5% for the year ended 1Q22

## Number of times stocks and bonds have been down together:

- 37 quarters in almost 100 years, about 10% of the quarters
- But just twice on annual basis

## Inflation spiked to the highest rate reported in decades.

## Economic data show growth hit “pause” in the U.S.:

- GDP fell 1.4% in 1Q22, down from almost 7% GDP growth in 4Q21
- Forecasters are revising growth estimates for 2022 down to 3% or lower.

Returns for Periods ended 3/31/22

	1 Quarter	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>					
Russell 3000	-5.28	11.92	15.40	14.28	9.53
S&P 500	-4.60	15.65	15.99	14.64	9.44
Russell 2000	-7.53	-5.79	9.74	11.04	8.88
<b>Global ex-U.S. Equity</b>					
MSCI World ex USA	-4.81	3.04	7.14	6.25	5.25
MSCI Emerging Markets	-6.97	-11.37	5.98	3.36	--
MSCI ACWI ex USA Small Cap	-6.52	0.03	7.89	7.28	6.70
<b>Fixed Income</b>					
Bloomberg Aggregate	-5.93	-4.15	2.14	2.24	4.71
90-day T-Bill	0.04	0.06	1.13	0.63	2.01
Bloomberg Long Gov/Credit	-10.95	-3.11	4.60	4.72	6.93
Bloomberg Global Agg ex-US	-6.15	-7.89	1.27	0.06	3.40
<b>Real Estate</b>					
NCREIF Property	5.33	21.87	8.54	9.61	9.50
FTSE Nareit Equity	-3.86	26.49	9.63	9.81	9.69
<b>Alternatives</b>					
CS Hedge Fund	2.13	7.47	5.48	4.71	6.61
Cambridge Private Equity*	5.01	48.84	21.29	17.11	15.64
Bloomberg Commodity	25.55	49.25	9.00	-0.70	1.90
Gold Spot Price	6.86	13.90	9.33	1.57	7.07
<b>Inflation - CPI-U</b>	<b>3.12</b>	<b>8.54</b>	<b>3.35</b>	<b>2.28</b>	<b>2.37</b>

\*Cambridge PE data through 09/30/21.

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

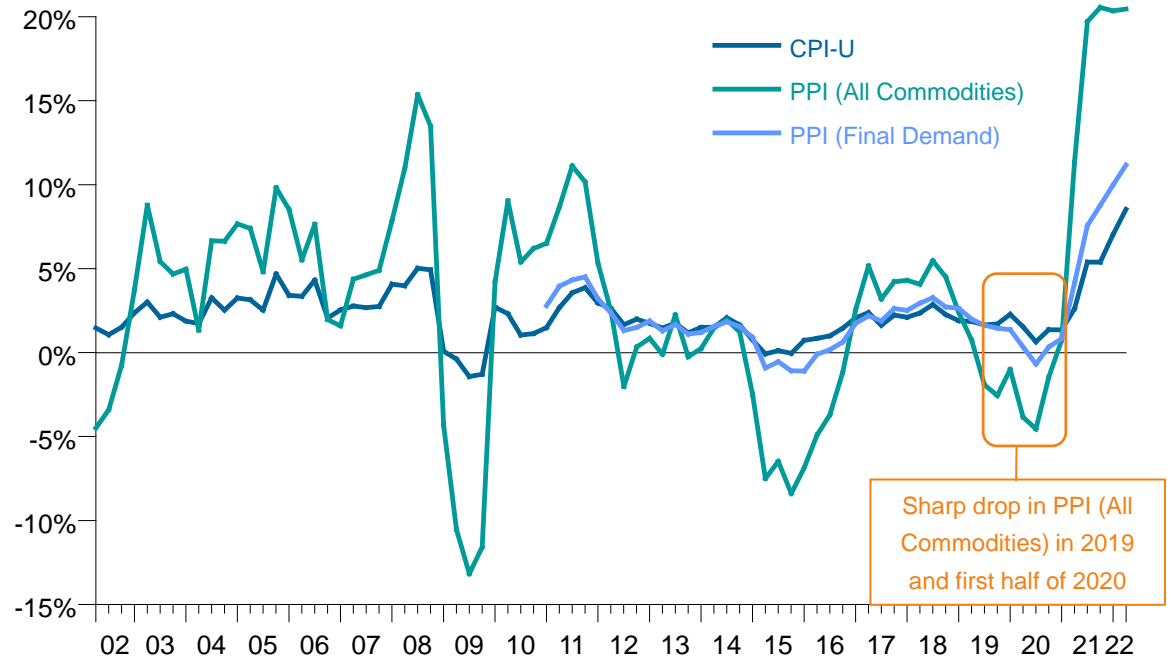
# Inflation Rebounds and Spurs Headline Concerns

CPI and PPI remain at sharply elevated rates in 1Q22

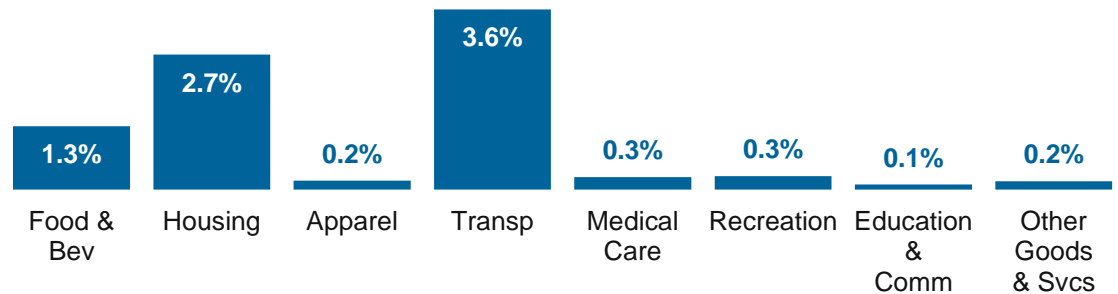
**Inflation fell dramatically at the onset of the pandemic, starting in February 2020.**

- The recovery to pre-pandemic levels in the Consumer Price Index required a 2.6% year-over-year change.
- 8.5% jump in 1Q CPI-U represents added pressure from the war in Ukraine on top of kinks in supply chains and labor markets after more than 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** happened by 2Q21, and generated eye-popping year-over-year percentage changes. The sharp rise in PPI continues into 2022.
- Prices for transportation goods, energy, and food are driving the elevated rates in both the Consumer and Producer Price Indices.

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



Contribution to March 2022 YOY Inflation



Source: Federal Reserve Bank of St. Louis

# Interest Rate Movement in the Last Year + First Quarter of 2022

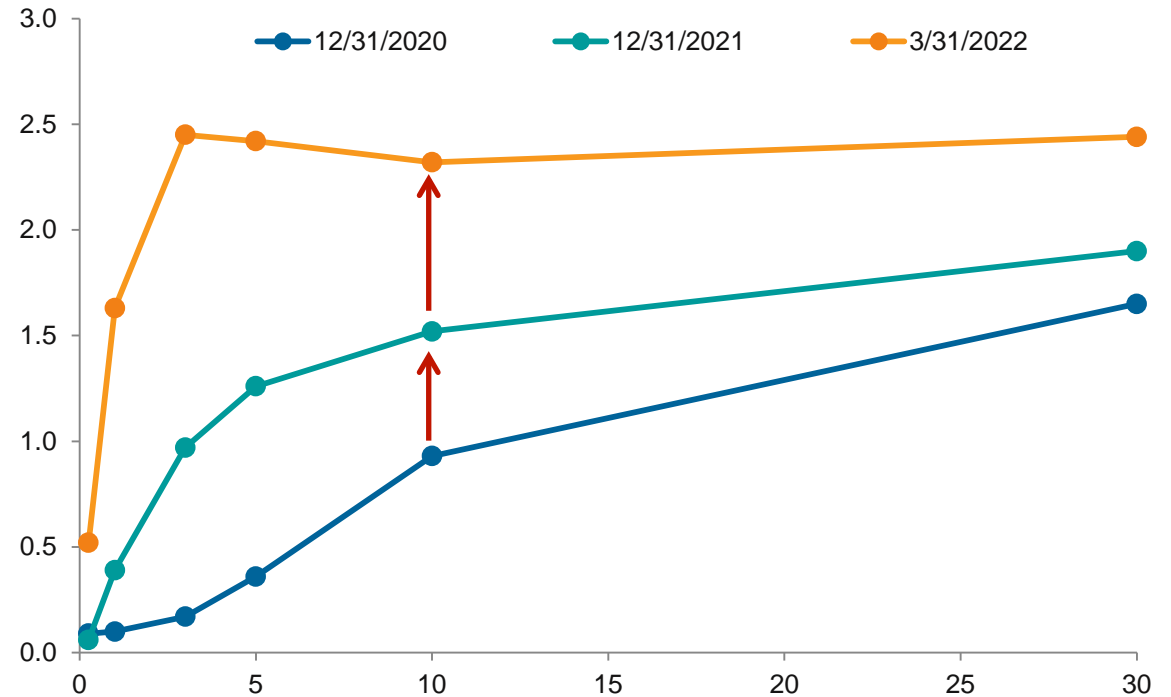
## The Treasury yield curve rose meaningfully during 2021

- Because of potential volatility in yields at any given point such as 12/31/21, we use the average of recent yields as the anchor to develop Callan’s 2022 capital markets assumptions.

## Yield curve shifted sharply higher in 1Q22, especially on the short end

- Steep losses for bonds in 1Q, and likely for 2Q
- For 10-year forecast, losses up front will be offset by higher yields in the following periods; 10-year forecast can be meaningfully higher if yield increases are early and high enough, AND yields are maintained.
- Higher yields increase the risk of inducing recession, which could lead to reversal in interest rates and lower return.

Treasury Yield Curve Change



Sources: Bloomberg, Federal Reserve

# Russia/Ukraine War: A Look at Equity Performance During Military Conflicts

Equity market reaction (%) to geopolitical events

Event	Fed Policy Stance	S&P 500			European / U.K. Equities		
		Next Day	30-Day	To Worst	Next Day	30-Day	To Worst
Downing of MH17 (2014)	Steady	-0.2	-1.3	-3.6	-1.2	-5.3	-2.1
Crimea Conflict (2014)	Steady	0.8	0.7	n/a	0.0	0.8	-4.6
U.S. Invasion of Iraq (2003)	Easing	2.5	2.2	-3.0	2.8	6.3	-6.9
September 11 Attacks (2001)	Easing	n/a	0.4	-11.6	-5.2	2.0	-16.4
Kosovo War (1999)	Tightening	2.2	7.5	n/a	0.2	4.0	-1.4
Iraq Invasion of Kuwait (1990)	Easing	-3.0	-9.3	-16.9	-3.2	-13.2	-26.2
Iran-Iraq War (1980)	Tightening	0.1	2.1	-4.4	n/a	3.2	n/a
Arab Oil Embargo (1973)	Tightening	-0.2	-5.7	-16.4	n/a	3.3	-9.8
Cuban Missile Crisis (1962)	Tightening	-3.8	9.4	-3.8	n/a	1.6	n/a
Pearl Harbor Attack (1941)	n/a	-3.8	-2.9	-10.2	n/a	-1.2	-1.2
German Invasion of Poland (1939)	n/a	1.1	14.4	n/a	n/a	-5.2	-5.2

Impact of conflicts on equity returns has been historically muted.

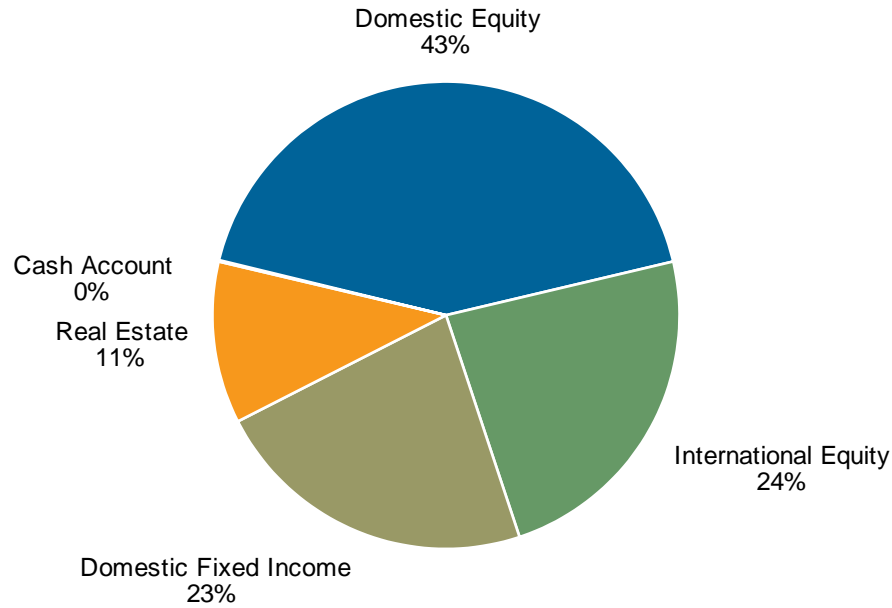
Source: Goldman Sachs

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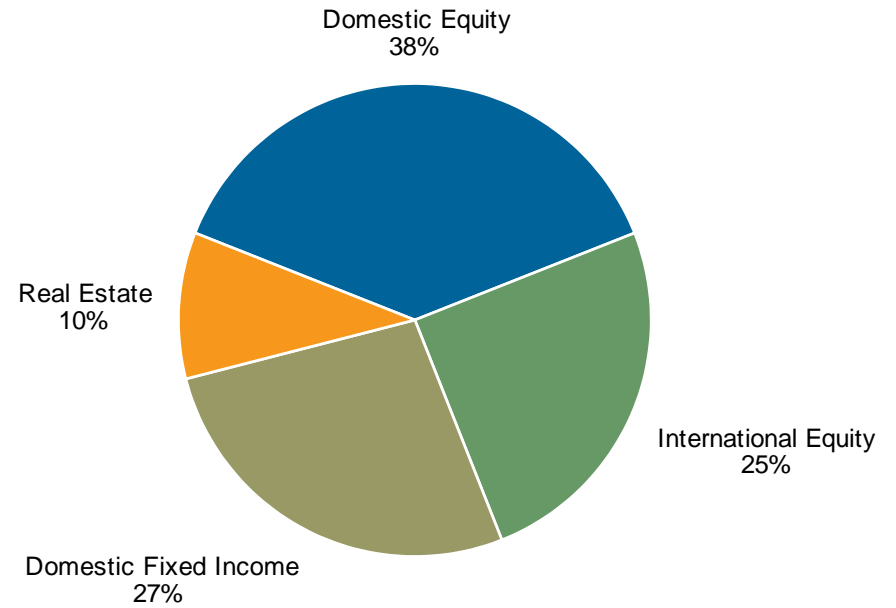
## **Asset Allocation And Plan Review**

# Asset Allocation

**Actual Asset Allocation**



**Target Asset Allocation**



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	104,486	42.6%	38.0%	4.6%	11,206
International Equity	57,858	23.6%	25.0%	(1.4%)	(3,511)
Domestic Fixed Income	55,524	22.6%	27.0%	(4.4%)	(10,754)
Real Estate	27,445	11.2%	10.0%	1.2%	2,897
Cash Account	162	0.1%	0.0%	0.1%	162
<b>Total</b>	<b>245,475</b>	<b>100.0%</b>	<b>100.0%</b>		

# Asset Distribution Across Investment Managers

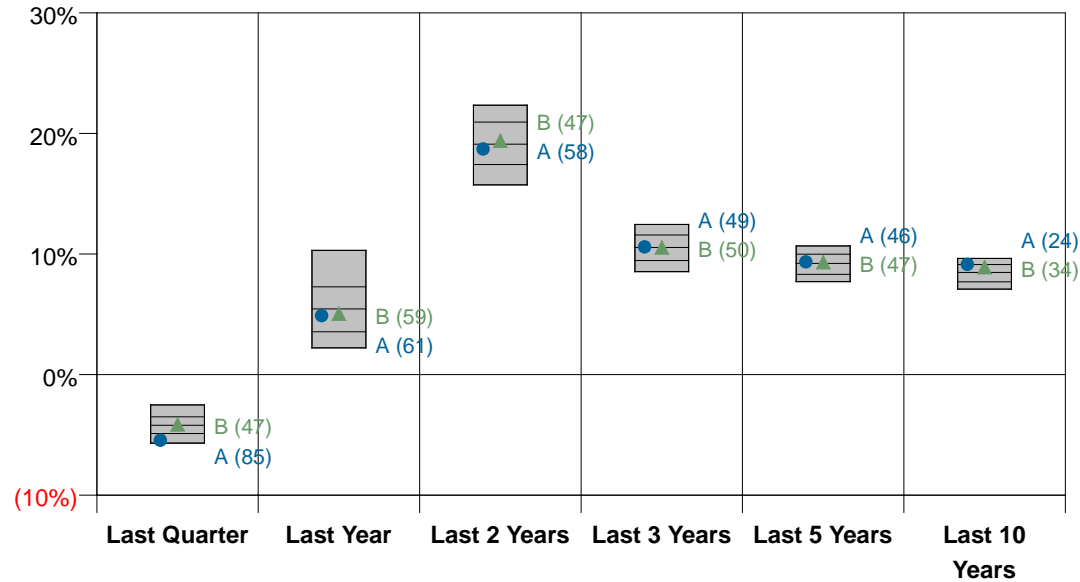
	March 31, 2022					December 31, 2021		
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
<b>Domestic Equity</b>	<b>\$104,486,140</b>	<b>42.56%</b>	<b>38.00%</b>	<b>\$(47,435)</b>	<b>\$(5,776,236)</b>	<b>\$110,309,811</b>	<b>42.46%</b>	<b>38.00%</b>
Emerald Advisers, Inc.	7,923,940	3.23%	3.00%	(17,892)	(933,977)	8,875,809	3.42%	3.00%
Ceredex Value Advisors	7,367,702	3.00%	3.00%	(17,722)	(495,446)	7,880,870	3.03%	3.00%
SSgA S&P 500 Index	73,568,310	29.97%	26.00%	(8,608)	(3,544,980)	77,121,899	29.68%	26.00%
SSgA S&P 400 Index	15,626,187	6.37%	6.00%	(3,212)	(801,833)	16,431,232	6.32%	6.00%
<b>International Equity</b>	<b>\$57,857,832</b>	<b>23.57%</b>	<b>25.00%</b>	<b>\$(44,200)</b>	<b>\$(7,497,681)</b>	<b>\$65,399,713</b>	<b>25.17%</b>	<b>25.00%</b>
Morgan Stanley Int'l Equity	22,686,545	9.24%	10.00%	(44,200)	(1,522,333)	24,253,079	9.33%	10.00%
Causeway Emerging Markets	5,732,084	2.34%	2.50%	0	(487,616)	6,219,700	2.39%	2.50%
William Blair & Company	29,439,203	11.99%	12.50%	0	(5,487,732)	34,926,934	13.44%	12.50%
<b>Domestic Fixed Income</b>	<b>\$55,524,396</b>	<b>22.62%</b>	<b>27.00%</b>	<b>\$(39,569)</b>	<b>\$(3,214,727)</b>	<b>\$58,778,692</b>	<b>22.62%</b>	<b>27.00%</b>
Richmond Capital Management	55,524,396	22.62%	27.00%	(39,569)	(3,214,727)	58,778,692	22.62%	27.00%
<b>Real Estate</b>	<b>\$27,444,697</b>	<b>11.18%</b>	<b>10.00%</b>	<b>\$(69,194)</b>	<b>\$2,348,822</b>	<b>\$25,165,069</b>	<b>9.69%</b>	<b>10.00%</b>
Heitman	27,444,697	11.18%	10.00%	(69,194)	2,348,822	25,165,069	9.69%	10.00%
<b>Cash Account</b>	<b>\$162,167</b>	<b>0.07%</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$10</b>	<b>\$162,157</b>	<b>0.06%</b>	<b>0.00%</b>
<b>Total Fund</b>	<b>\$245,475,233</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$(200,398)</b>	<b>\$(14,139,812)</b>	<b>\$259,815,442</b>	<b>100.0%</b>	<b>100.0%</b>

Total Plan assets for the City of Fort Pierce Retirement and Benefit System are \$245.5 million as of March 31, 2022.

Investment returns were negative for the quarter at \$14.1 million.

# City of Fort Pierce Total Fund

## Callan Public Fund Sponsor Database



10th Percentile	(2.50)	10.31	22.34	12.46	10.68	9.64
25th Percentile	(3.50)	7.29	20.95	11.59	9.99	9.13
Median	(4.20)	5.46	19.11	10.55	9.22	8.48
75th Percentile	(4.87)	3.56	17.44	9.47	8.32	7.70
90th Percentile	(5.67)	2.22	15.73	8.54	7.71	7.10

Total Fund	● A	(5.44)	4.89	18.72	10.59	9.35	9.14
Total Fund Benchmark (1)	▲ B	(4.12)	5.06	19.40	10.54	9.32	8.91
CPI + 5%		4.49	14.37	11.14	9.56	8.57	7.27

The Total Fund underperformed the total fund benchmark by 1.32% during the first quarter. Compared to peers the Fund finished the quarter on the 85<sup>th</sup> percentile.

Over the three and five year periods, the fund finished virtually in line with its target index and outperform the CPI+5. Over the long term, compared to peers, the City of Fort Pierce ranks above the peer median.

(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	Outperform the CPI + 5% over long term.	Met
Emerald	Outperform the Russell 2000 Growth Index over time.	Met
Ceredex	Outperform the Russell 2000 Value Index over time.	Not 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
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
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
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
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
Heitman (HART)	Outperform the NFI-ODCE Index over rolling 5-year periods.	Not Met

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## **Updates to Investment Policy Statement**

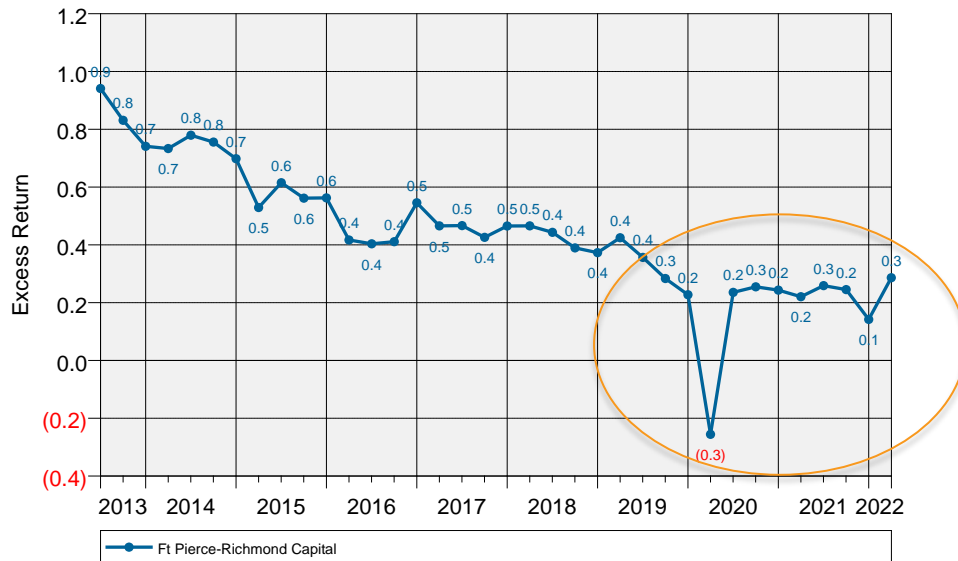
# Proposed Changes to the IPS

## Richmond Capital

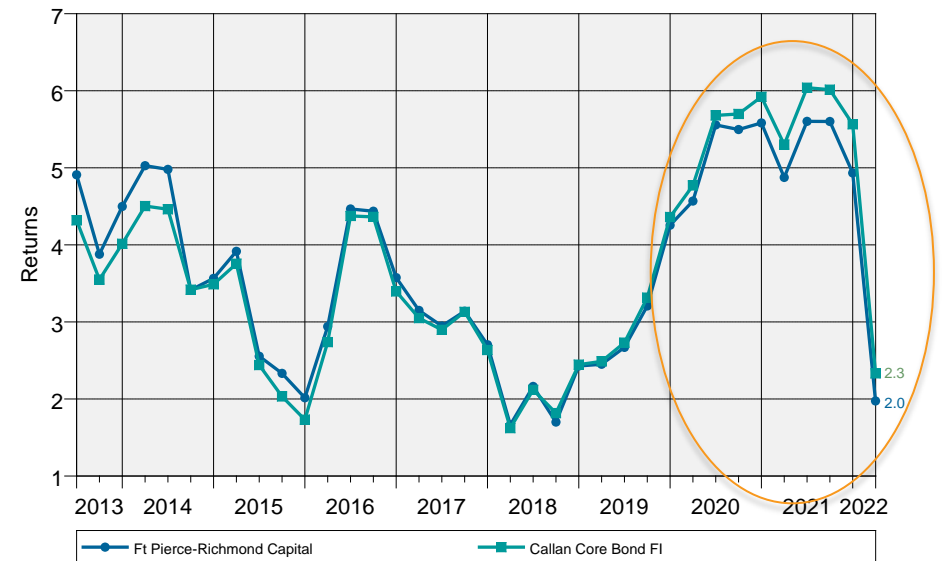
### Background

- Over the last several quarters, Richmond Capital has trailed the performance objectives set up in the IPS:
  - Outperform the Bloomberg Aggregate Bond Index (net of investment fees) by at least one-half of one percentage point over a rolling three-year period.
  - Outperform the median fund in a representative sample of fixed-income managers over a rolling three-year period. (Currently using the Callan Core Bond Fixed Income Peer Group).
- Since 2019 the manager has consistently outperformed the benchmark, on a rolling-three year basis by 20-30 basis points.
- Compared to peers, the manager has underperformed the peer median since 2020.

Rolling 3 Year Excess Return  
for Ft Pierce-Richmond Capital vs Ft Pierce - Richmond's Blended Benchmark Target



Rolling 3 Year Returns  
for Ft Pierce-Richmond Capital vs Callan Core Bond Fixed Income



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# Proposed Changes to the IPS

## Richmond Capital

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### Proposed Changes

- Given the current market environment and portfolio positioning, it will be difficult for the manager to generate an excess return of 0.5% over a rolling three-year period.
- This Richmond portfolio is more conservative compared to some of the peers in the universe with an overweight to corporates vs. the Bloomberg Aggregate Index.
- Callan is proposing to change the performance objective for Richmond, but to keep the peer group objective:
  - Outperform the Bloomberg Aggregate Bond Index (net of investment fees) by at least **one quarter** of one percentage point over a rolling three-year period.
  - Outperform the median fund in a representative sample of fixed-income managers over a rolling three-year period. (Currently using the Callan Core Bond Fixed Income Peer Group).

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## Appendix

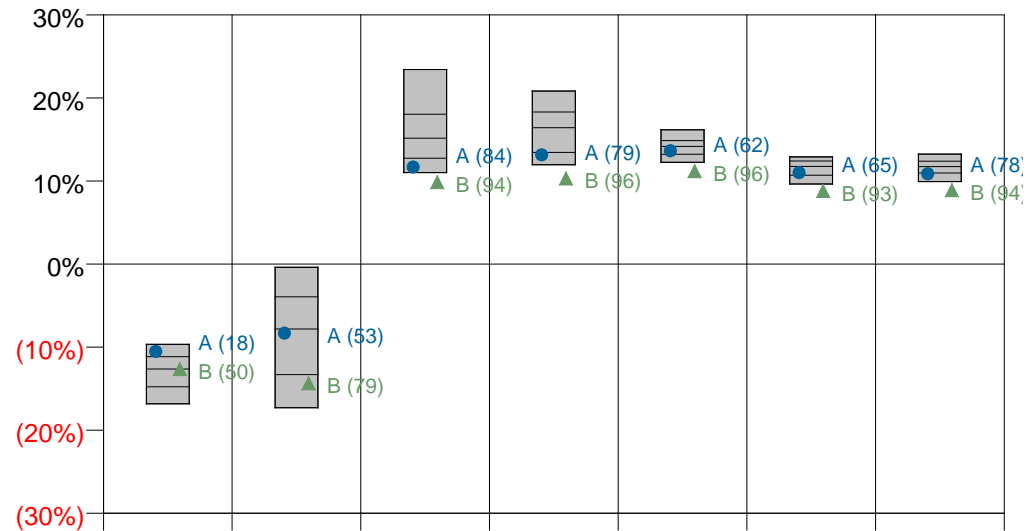
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**Domestic Equity Performance**

# 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 18 Years
10th Percentile	(9.65)	(0.36)	23.43	20.84	16.17	12.92	13.25
25th Percentile	(11.13)	(3.94)	18.06	18.32	14.88	12.42	12.39
Median	(12.62)	(7.81)	15.16	16.44	14.19	11.76	11.74
75th Percentile	(14.76)	(13.29)	12.75	13.46	13.22	10.72	10.98
90th Percentile	(16.81)	(17.29)	11.02	11.98	12.27	9.64	9.94
Emerald Advisers ● A	(10.51)	(8.30)	11.71	13.17	13.66	11.01	10.89
Russell 2000 Growth Index ▲ B	(12.63)	(14.33)	9.88	10.33	11.21	8.81	8.91

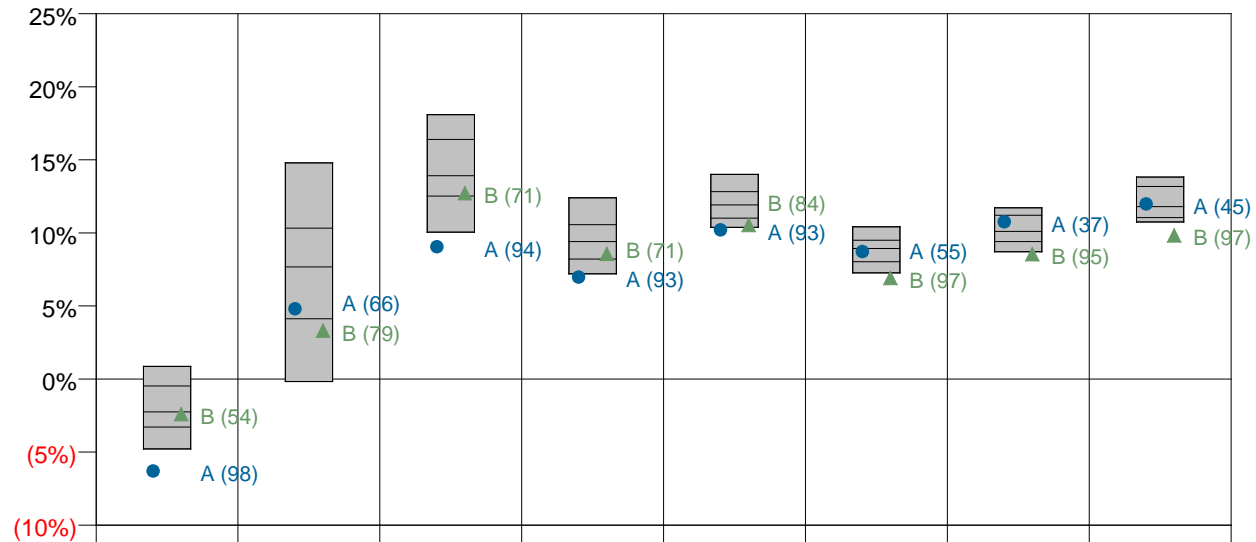
Equities struggled during the first quarter and growth stocks faced some headwinds compared to their value counterparts.

The Emerald fund gave back some of the gains achieved over the last year, but it outperformed the Russell 2000 Growth index by 2.12%. Long-term results remained well ahead of the benchmark.

Relative outperformance was mainly driven by stock selection within the consumer discretionary, healthcare, industrials, real estate, technology and consumer staples sectors. Partially offsetting the aforementioned was relative underperformance within the financial services sector.

# Ceredex Value Advisors Small Cap Value

## Performance vs Callan Small Cap Value (Gross)



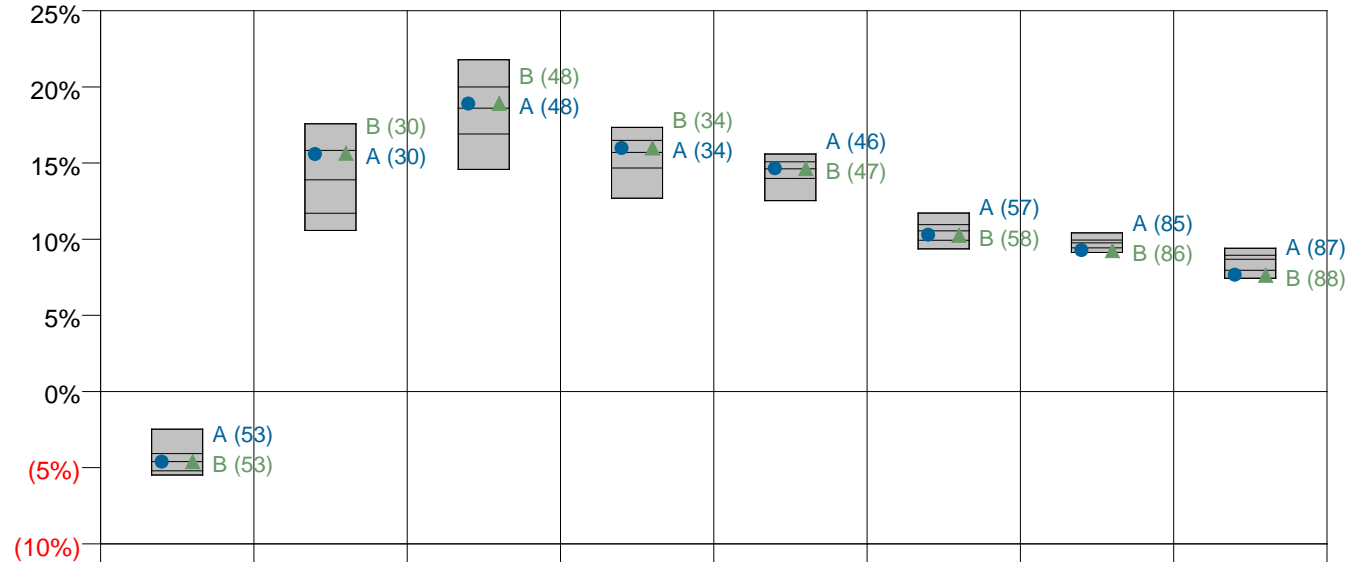
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 23 Years
10th Percentile	0.87	14.79	18.10	12.40	14.01	10.43	11.72	13.83
25th Percentile	(0.47)	10.33	16.40	10.57	12.83	9.50	11.22	13.19
Median	(2.25)	7.67	13.92	9.41	11.93	8.94	10.10	11.80
75th Percentile	(3.28)	4.13	12.52	8.22	11.01	8.04	9.42	11.06
90th Percentile	(4.77)	(0.16)	10.06	7.20	10.39	7.28	8.72	10.75
Ceredex Value Advisors ● A	(6.29)	4.82	9.05	6.98	10.21	8.73	10.76	11.99
Russell 2000 Value Index ▲ B	(2.40)	3.32	12.73	8.57	10.54	6.91	8.55	9.83

Ceredex lagged the Russell 2000 Value index during the first quarter by 3.89% and finished on the bottom decile versus peers. Over the last year, small cap value stocks rallied, however, the manager's more conservative approach vs. the index has hurt performance.

Stock selection within industrials, materials and financials detracted from relative performance during the quarter.

# SSgA S&P 500 Index

## Performance vs Callan Large Cap Core (Gross)

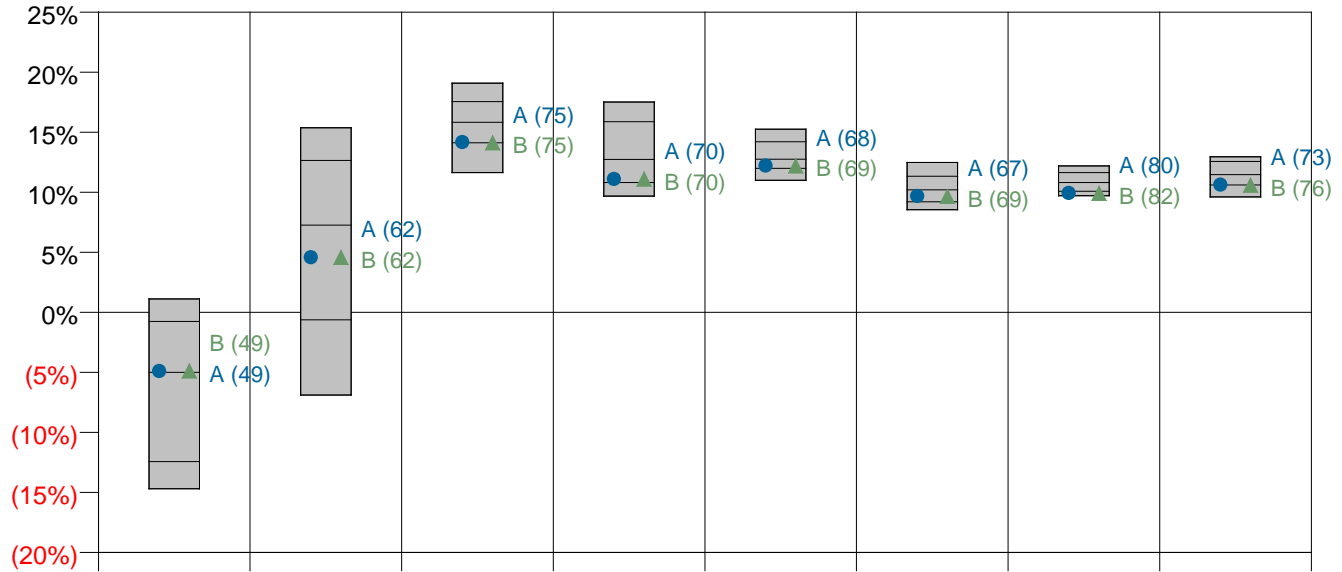


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 23 Years
10th Percentile	(2.47)	17.59	21.78	17.35	15.60	11.73	10.43	9.42
25th Percentile	(4.07)	15.83	20.01	16.50	15.09	10.96	9.95	8.95
Median	(4.59)	13.91	18.61	15.70	14.63	10.55	9.76	8.69
75th Percentile	(5.20)	11.71	16.92	14.68	13.99	9.93	9.44	7.97
90th Percentile	(5.47)	10.58	14.59	12.69	12.54	9.38	9.14	7.44
SSgA S&P 500 Index ● A	(4.60)	15.60	18.91	15.99	14.66	10.31	9.29	7.68
S&P 500 Index ▲ B	(4.60)	15.65	18.92	15.99	14.64	10.26	9.25	7.64

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 23 Years
10th Percentile	1.11	15.37	19.10	17.52	15.25	12.49	12.20	12.96
25th Percentile	(0.75)	12.66	17.55	15.89	14.22	11.34	11.65	12.57
Median	(4.99)	7.26	15.83	12.74	12.75	10.21	10.81	11.48
75th Percentile	(12.42)	(0.61)	14.13	10.82	12.00	9.22	10.10	10.62
90th Percentile	(14.70)	(6.89)	11.65	9.68	11.01	8.55	9.72	9.62
SSgA S&P 400 Index ● A	(4.88)	4.61	14.20	11.13	12.23	9.70	9.96	10.64
S&P 400 Mid Cap Index ▲ B	(4.88)	4.59	14.14	11.10	12.20	9.67	9.93	10.60

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

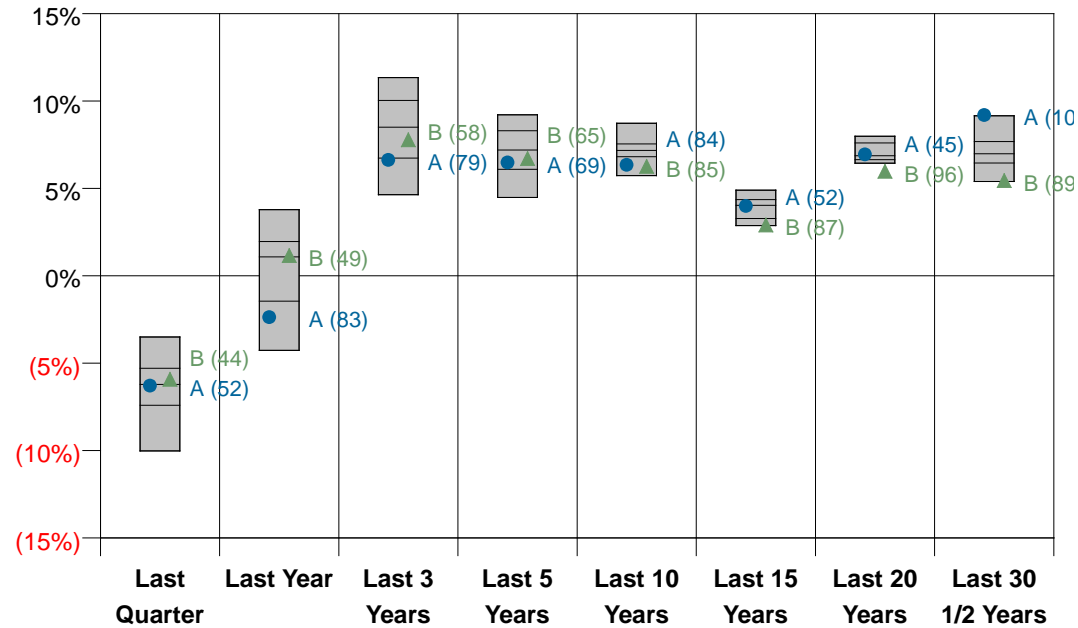
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**International Equity Performance**

# Morgan Stanley Developed International Equity

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



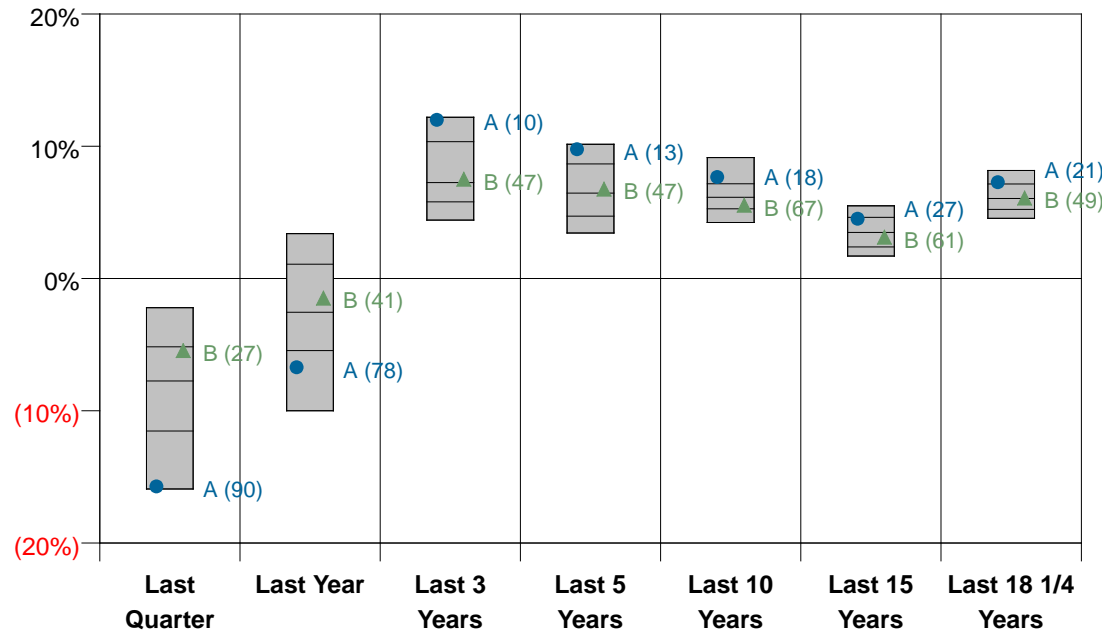
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 30 1/2 Years
10th Percentile	(3.50)	3.79	11.35	9.22	8.74	4.91	7.99	9.16
25th Percentile	(5.29)	1.96	10.03	8.30	7.55	4.36	7.61	7.69
Median	(6.21)	1.09	8.51	7.20	7.18	4.04	6.87	6.99
75th Percentile	(7.40)	(1.44)	6.74	6.10	6.82	3.28	6.65	6.45
90th Percentile	(10.01)	(4.26)	4.64	4.48	5.74	2.88	6.45	5.40
Morgan Stanley Int'l Equity (A)	(6.28)	(2.36)	6.64	6.49	6.36	4.01	6.95	9.21
MSCI EAFE (B)	(5.91)	1.16	7.78	6.72	6.27	2.91	5.98	5.46

The strategy posted an absolute return of -6.28% and underperformed the MSCI EAFE index by 37 basis points during the first quarter. Over three and five year periods, the manager lags the index, but over the longer-term periods the manager continues to outperform the index.

Sector allocation was negative for the quarter. The manager's underweight to energy and materials, the strongest performing sectors in the quarter, detracted from performance.

# William Blair International Growth Equity

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



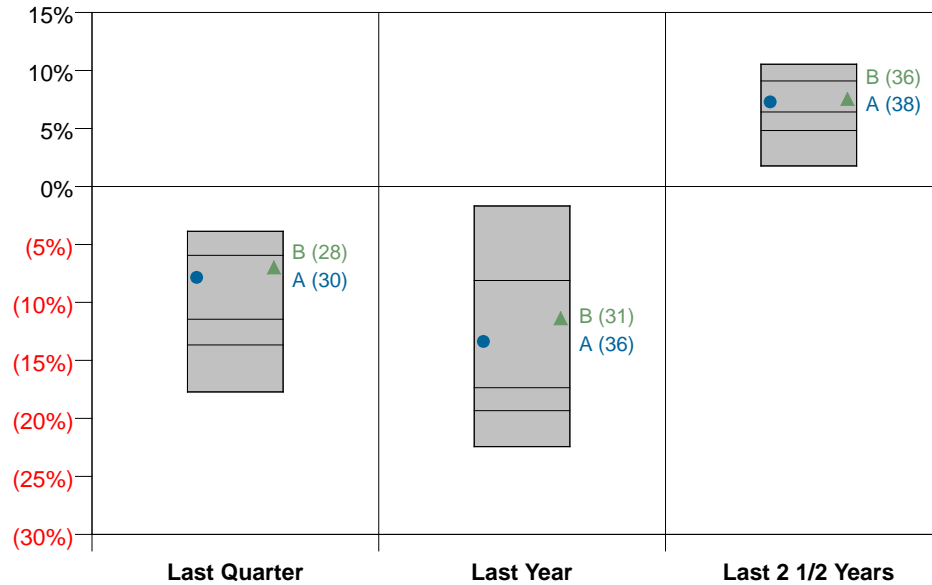
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 18 1/4 Years
10th Percentile	(2.20)	3.40	12.19	10.16	9.15	5.50	8.17
25th Percentile	(5.16)	1.09	10.35	8.68	7.17	4.63	7.16
Median	(7.74)	(2.55)	7.26	6.47	6.14	3.49	6.06
75th Percentile	(11.52)	(5.45)	5.81	4.73	5.28	2.40	5.23
90th Percentile	(15.91)	(9.99)	4.42	3.45	4.24	1.70	4.55
William Blair & Company ● A	(15.71)	(6.70)	12.00	9.78	7.68	4.52	7.29
MSCI ACWI ex US ▲ B	(5.44)	(1.48)	7.51	6.76	5.55	3.13	6.09

Global equities declined during the first quarter amid increased volatility given geopolitical events, inflation, rising rates and supply chain.

Similar to domestic equities, international growth oriented stocks struggled during the first quarter and William Blair posted double digit losses during the first quarter and finished in the bottom decile vs. peers. Over the long term the manager continues to outperform the index and returns are on the top quartile relative to peers.

# Causeway Emerging Markets

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



	Last Quarter	Last Year	Last 2 1/2 Years
10th Percentile	(3.86)	(1.67)	10.54
25th Percentile	(5.94)	(8.10)	9.10
Median	(11.44)	(17.35)	6.42
75th Percentile	(13.66)	(19.32)	4.84
90th Percentile	(17.71)	(22.43)	1.77
Causeway Emerging Markets ● A	(7.84)	(13.36)	7.30
MSCI EM ▲ B	(6.97)	(11.37)	7.55

Emerging markets experienced a volatile quarter, mainly driven by the Russia/Ukraine war as well as Brazil.

During the first quarter, Causeway underperformed the MSCI Emerging Markets index by 87 basis points. The manager ranked on the 28<sup>th</sup> percentile within the Emerging Markets peer universe. Over the one-year period and since inception, the manager has lost some ground vs. the index, but relative to peers, results remain competitive.

Positioning in EMEA detracted from relative performance. In emerging Latin America, stock selection in Brazil was the primary driver of relative underperformance. From a sector perspective, the largest detractors from relative performance were energy, financials, and information technology.

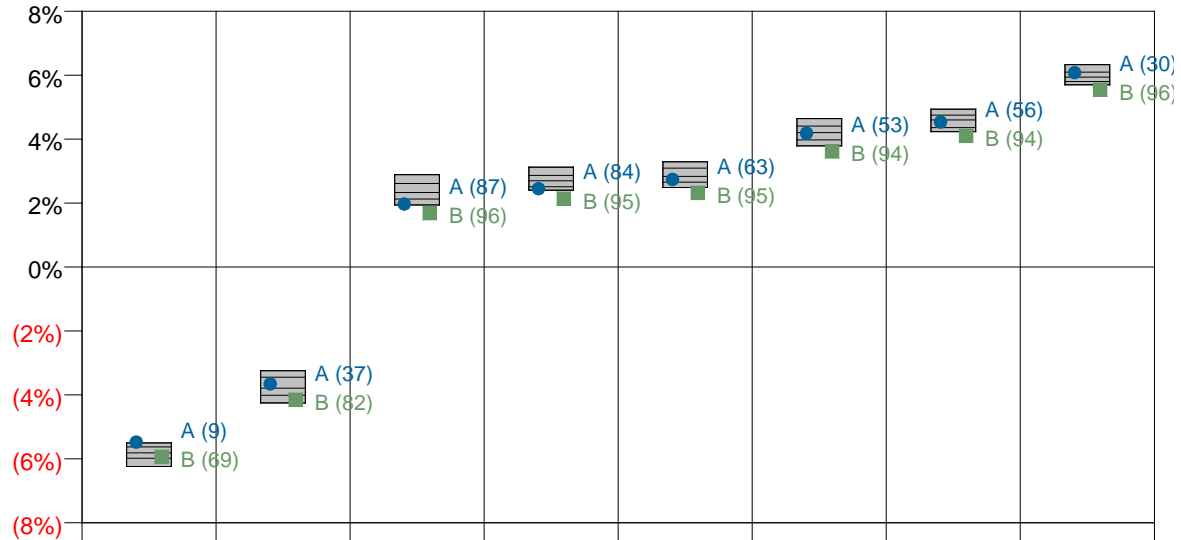
Callan

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**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 1/2 Years
10th Percentile	(5.50)	(3.24)	2.89	3.12	3.29	4.65	4.94	6.33
25th Percentile	(5.63)	(3.45)	2.62	2.86	3.10	4.41	4.75	6.10
Median	(5.81)	(3.79)	2.33	2.70	2.84	4.21	4.60	5.94
75th Percentile	(5.98)	(4.01)	2.13	2.52	2.66	3.98	4.37	5.80
90th Percentile	(6.24)	(4.25)	1.94	2.40	2.49	3.79	4.24	5.71
Richmond Capital Mgmt	● A (5.47)	(3.66)	1.98	2.45	2.74	4.19	4.54	6.08
Blended Benchmark*	■ B (5.93)	(4.15)	1.69	2.14	2.32	3.62	4.10	5.55

Fixed income experienced one of the worst quarters in history, with the Bloomberg Aggregate posting it's worst performance since 1980, driven by higher interest rates and wider credit spreads.

On an absolute basis, Richmond lost -5.47% during the quarter; however, the manager outperformed the benchmark by 46 basis points and finished in the top decile compared to peers. Over the long term, the manager continues to outperform the benchmark.

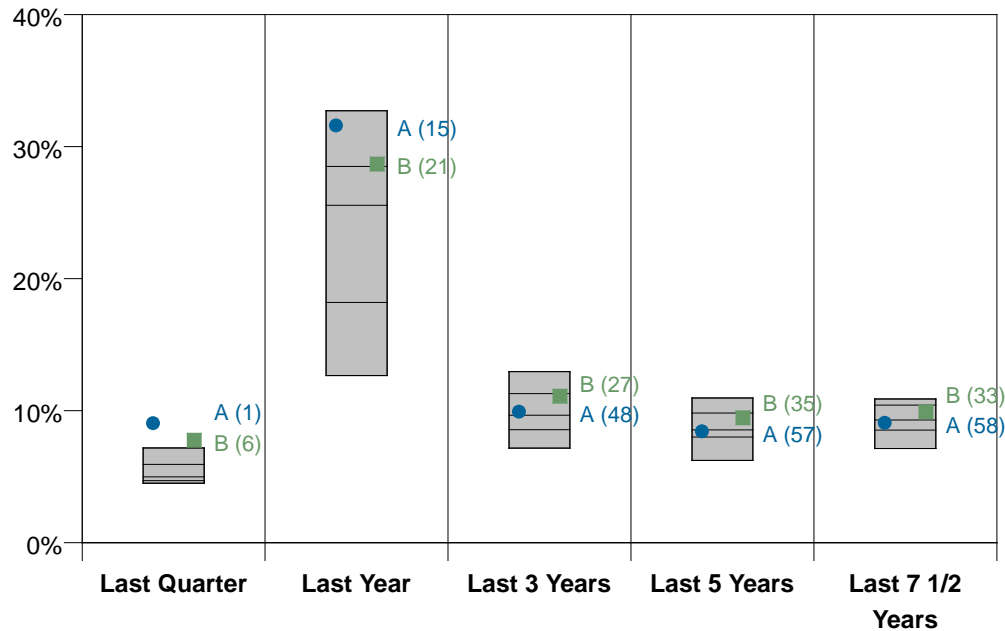
Callan

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**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 1/2 Years
10th Percentile	7.18	32.73	12.96	10.97	10.89
25th Percentile	5.94	28.50	11.29	9.83	10.42
Median	5.00	25.56	9.66	8.55	9.30
75th Percentile	4.71	18.21	8.57	8.01	8.54
90th Percentile	4.51	12.67	7.16	6.25	7.14

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 1/2 Years
Heitman Net ● A	9.06	31.61	9.93	8.44	9.09
NCREIF NFI ODCE Eq Wt Net ■ B	7.77	28.69	11.11	9.46	9.92

Real Estate saw a positive start of 2022. Income returns were positive across sectors and valuations are reflective of strong fundamentals in Industrial and Apartment.

Heitman is benefiting from this trend and the manager outperformed the index by 1.29% on a net of fee basis during the quarter. The strong performance we've seen over the last few quarters has helped the manager to close the gap vs. the index over the long term.

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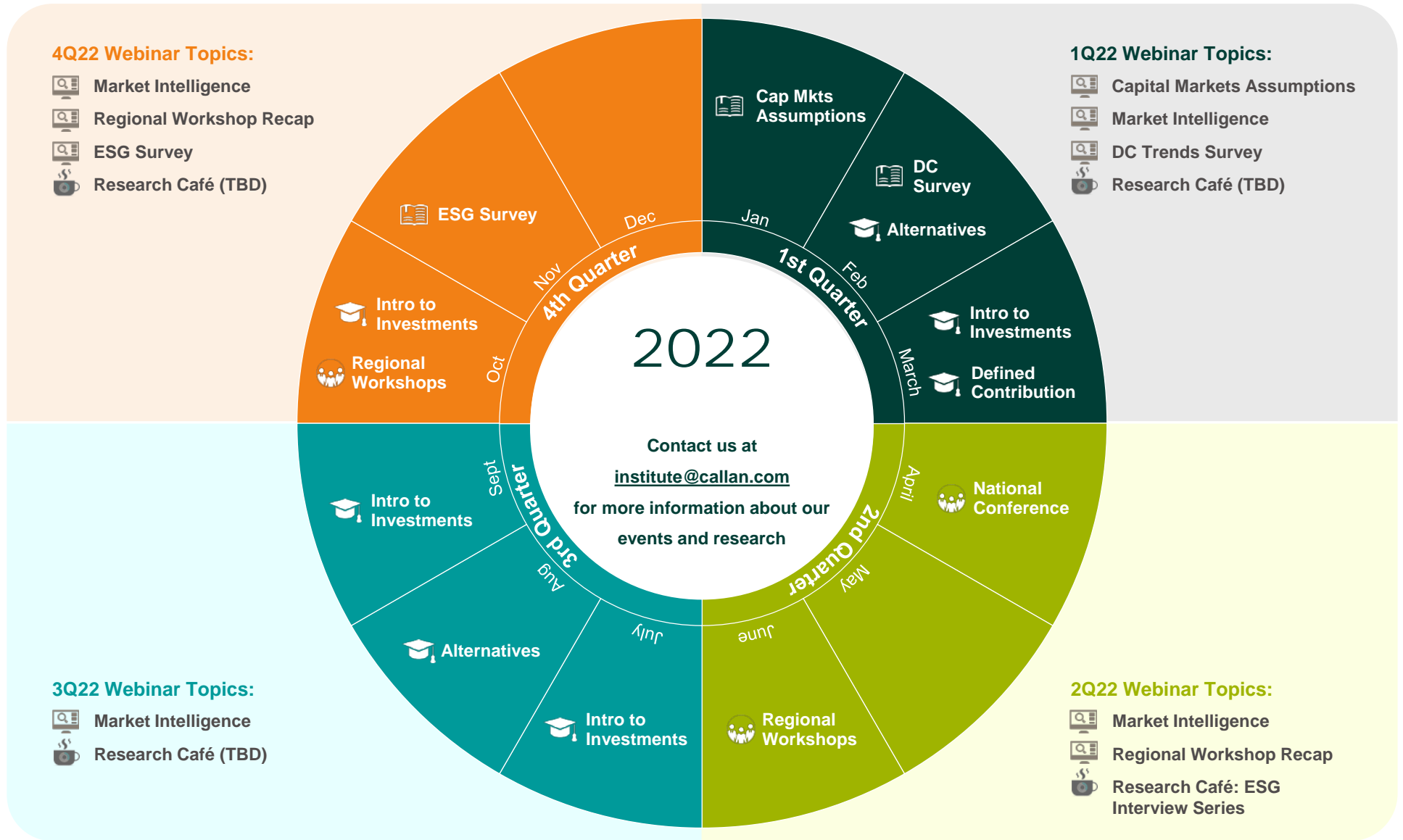
## **Additional Information**

# Callan's Proposed 2022 Work Plan

## City of Fort Pierce Retirement and Benefit System

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

# Content Calendar – Callan Institute



Callan College

Conference/Workshop

Publication

Webinar

Research Café