

# Callan



November 19, 2025

**City of Fort Pierce**

Third Quarter Performance Review

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**Market Environment Update**

# Global Equity Markets Continue to Run in 3Q25

U.S. markets lead developed ex-U.S. markets; emerging markets continue strength from 1Q and 2Q

## Big gains for global stocks

- S&P 500 rose 8.1% in 3Q25, while U.S. small caps jumped 12.4%. Global markets are looking past the impact of U.S. tariffs and show confidence in the absence of a recession in the U.S. economy.

## Modest 3Q returns for core fixed income

- The Bloomberg Aggregate rose 2.0%, up from 1.2% in 2Q. Long duration rose 3.2% as long rates came down.
- CPI-U rose 3.0% (year-over-year) through September. The core index also rose 3.0%. Both figures are up from June but below economist estimates of 3.1%. There were some signs that tariffs are lifting prices in smaller categories, but modest shelter inflation weighed down the overall index at both the core and headline levels.

## Dislocation in economic growth measures

- The job market stopped expanding in April while GDP growth surged 3.8% in 2Q and is on track for another gain in 3Q.
- Consumer spending has surprised on the upside; business spending has paused.

Returns for Periods ended 9/30/25

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
Russell 3000	8.18	17.41	24.12	15.74	14.71	8.35
S&P 500	8.12	17.60	24.94	16.47	15.30	8.36
Russell 2000	12.39	10.76	15.21	11.56	9.77	7.80
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	5.33	16.03	21.60	11.60	8.41	5.18
MSCI Emerging Markets	10.64	17.32	18.21	7.02	7.99	--
MSCI ACWI ex USA Small Cap	6.68	15.93	19.36	9.97	8.37	7.62
<b>Fixed Income</b>						
Bloomberg Aggregate	2.03	2.88	4.93	-0.45	1.84	3.90
90-day T-Bill	1.08	4.38	4.77	2.98	2.08	1.86
Bloomberg Long Gov/Credit	3.16	-1.28	3.96	-4.57	1.88	5.25
Bloomberg Global Agg ex-US	-0.59	1.87	5.75	-2.54	0.48	3.12
<b>Real Estate</b>						
NCREIF Property	1.19	4.65	-2.55	3.79	5.03	7.39
FTSE Nareit Equity	4.77	-1.98	10.80	9.33	6.61	9.17
<b>Alternatives</b>						
Cambridge Private Equity*	3.86	9.29	5.02	14.24	12.80	10.45
Cambridge Senior Debt*	4.20	9.74	9.42	8.97	7.92	4.88
HFRI Fund Weighted	5.44	11.08	9.97	8.76	6.41	5.61
Bloomberg Commodity	3.65	8.88	2.76	11.53	3.96	1.73
Gold Spot Price	17.10	45.64	32.32	15.36	13.26	11.13
<b>Inflation: CPI-U</b>	0.69	3.01	3.05	4.53	3.16	2.54

\*Cambridge Private Equity and Cambridge Senior Debt data as of 2Q25.

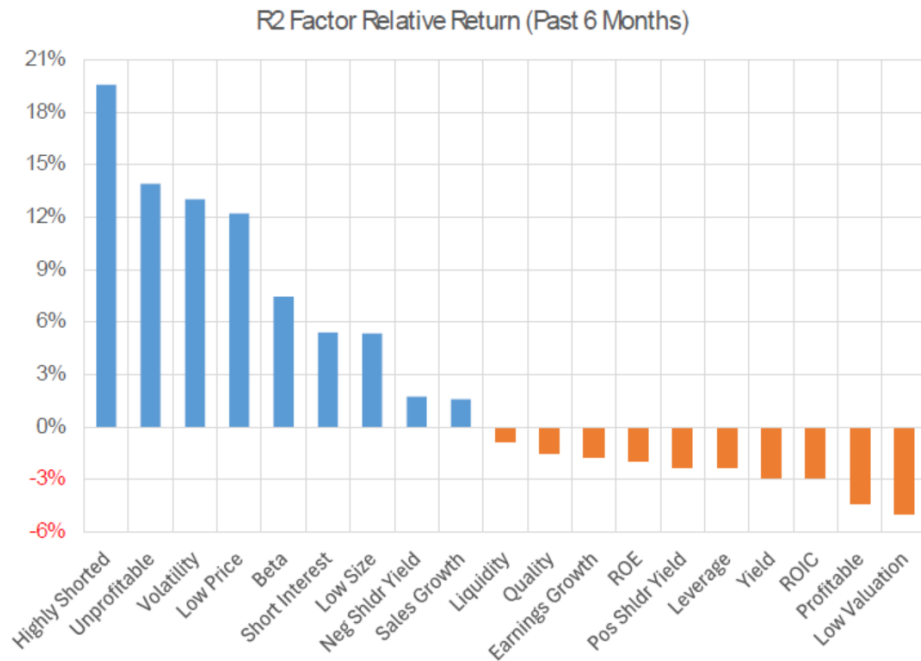
Returns greater than one year are annualized.

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

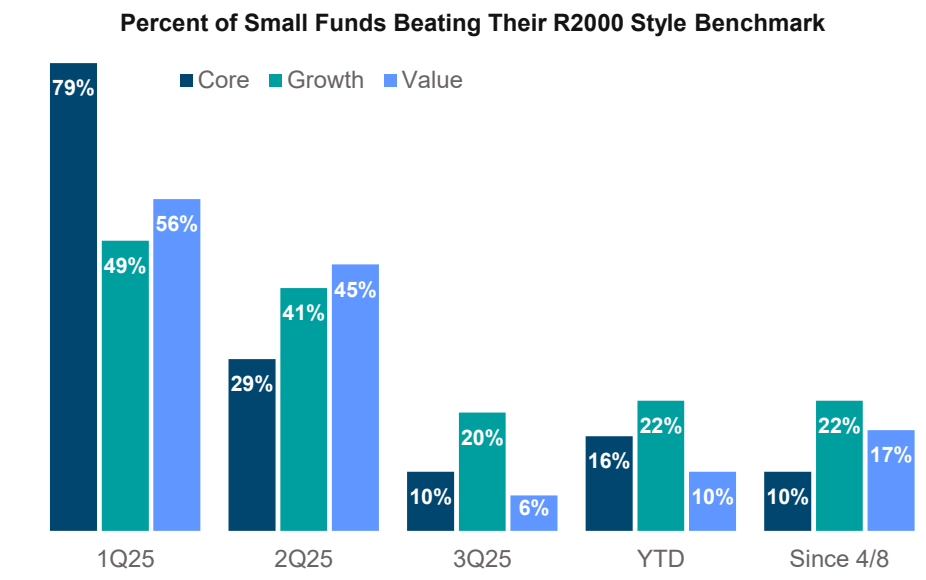
# 3Q25: A Strong Risk On Rally with a Low Quality/Speculative Overhang

Small/smld cap managers have faced significant performance challenges

'Low Quality' Factors Have Led the Markets Since April 8



Relative Outperformance of Active Managers Fell Throughout 2025



- ▶ Since the market bottom on April 8, low quality stocks have led the markets. For example: In the Russell 2500 Growth Index, **non-earners were up ~70% from 4/8 to the end of 3Q; during 3Q alone, non-earners were up over 25%**. By comparison, positive earning stocks were up 35% and 8%, respectively.
- ▶ Speculative/retail investor momentum favored biopharma, cryptocurrency, and quantum computing stocks. Of the top 50 stocks in the Russell 2000, 37 were biopharma stocks; the balance were a mix of cryptocurrency and quantum computing stocks.
- ▶ Many managers have zero exposure or an underweight to biopharma due to reticence around investing in binary outcomes or lack of in-house biopharma expertise. Cryptocurrency and quantum computing are broadly viewed as areas that lack fundamental strength for long-term investing.

▶ Sources: Allspring, FactSet, FRP, Furey, Morningstar

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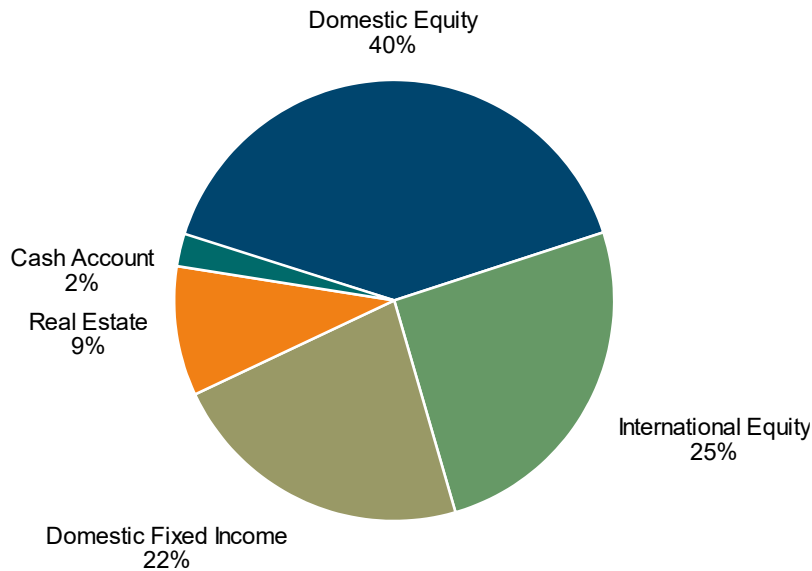
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**Asset Allocation and Performance Review**

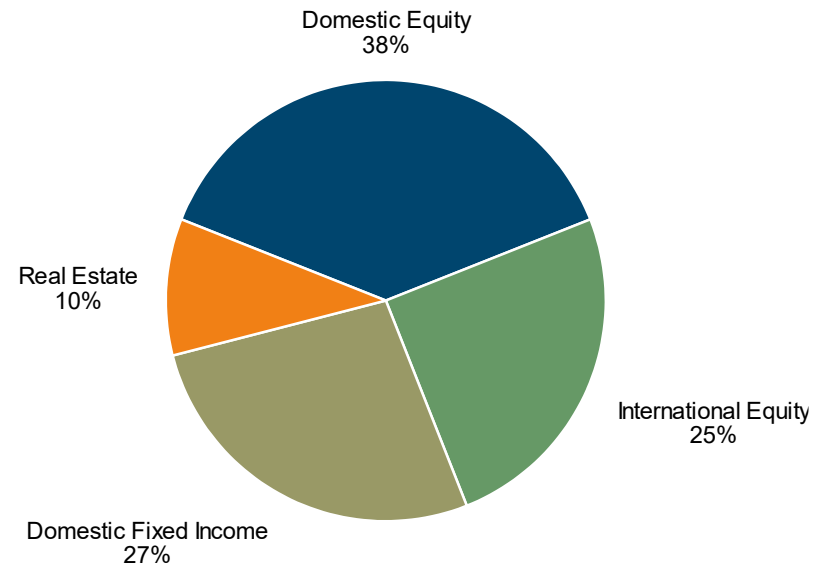
# Asset Allocation

As of September 30, 2025

**Actual Asset Allocation**



**Target Asset Allocation**



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	105,167	40.2%	38.0%	2.2%	5,836
International Equity	66,633	25.5%	25.0%	0.5%	1,284
Domestic Fixed Income	58,695	22.5%	27.0%	(4.5%)	(11,881)
Real Estate	24,713	9.5%	10.0%	(0.5%)	(1,426)
Cash Account	6,187	2.4%	0.0%	2.4%	6,187
<b>Total</b>	<b>261,396</b>	<b>100.0%</b>	<b>100.0%</b>		

# Asset Distribution Across Investment Managers

	September 30, 2025			June 30, 2025		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equity</b>	<b>\$105,166,717</b>	<b>40.23%</b>	<b>\$(2,041,344)</b>	<b>\$8,264,365</b>	<b>\$98,943,696</b>	<b>39.58%</b>
Emerald Advisers, Inc.	9,265,162	3.54%	(15,937)	1,447,339	7,833,760	3.13%
Ceredex Value Advisors	6,870,290	2.63%	(14,624)	378,179	6,506,734	2.60%
SSgA S&P 500 Index	72,700,014	27.81%	(2,007,810)	5,580,494	69,127,330	27.66%
SSgA S&P 400 Index	16,331,251	6.25%	(2,973)	858,352	15,475,872	6.19%
<b>International Equity</b>	<b>\$66,632,736</b>	<b>25.49%</b>	<b>\$(6,000,000)</b>	<b>\$3,785,009</b>	<b>\$68,847,726</b>	<b>27.54%</b>
Brandes Int'l Value	34,396,266	13.16%	(6,000,000)	3,023,555	37,372,711	14.95%
William Blair Intl Growth	32,236,470	12.33%	0	761,454	31,475,015	12.59%
<b>Domestic Fixed Income</b>	<b>\$58,695,475</b>	<b>22.45%</b>	<b>\$(34,042)</b>	<b>\$1,312,850</b>	<b>\$57,416,667</b>	<b>22.97%</b>
Richmond Capital	58,695,475	22.45%	(34,042)	1,312,850	57,416,667	22.97%
<b>Real Estate</b>	<b>\$24,713,476</b>	<b>9.45%</b>	<b>\$(64,322)</b>	<b>\$211,265</b>	<b>\$24,566,533</b>	<b>9.83%</b>
Heitman	24,713,476	9.45%	(64,322)	211,265	24,566,533	9.83%
<b>Cash Account</b>	<b>\$6,187,457</b>	<b>2.37%</b>	<b>\$6,000,000</b>	<b>\$1,931</b>	<b>\$185,525</b>	<b>0.07%</b>
Cash & Equivalents (1)	6,187,457	2.37%	6,000,000	1,931	185,525	0.07%
<b>Total Fund</b>	<b>\$261,395,860</b>	<b>100.0%</b>	<b>\$(2,139,708)</b>	<b>\$13,575,420</b>	<b>\$249,960,148</b>	<b>100.0%</b>

- The City of Fort Pierce Retirement and Benefit System plan assets are approximately \$261 million as of September 30<sup>th</sup>, 2025.
- Investment returns were positive for the third quarter at \$13.6 million.
- During the quarter \$8 million were redeemed from two managers to raise cash for benefit payments.

# Investment Manager Returns & Peer Rankings (Gross of Fees)

- The Plan gained 5.45% in the third quarter and trailed the index by 0.06% on a gross of fee basis. Compared to peers, the Plan is in the top decile for the quarter. Long-term results remain in line with the benchmark.
- Three out of four asset class composites are outperforming their respective indices over the last 10 years with International Equity being the only laggard.
- Active manager performance within the international equity composite detracted from relative results as William Blair was unable to keep up with strong absolute returns from the MSCI ACWI ex-US Index. Brandes was able to partially offset this as they outperformed the MSCI EAFE index.
- For the quarter, Domestic Equity performed in-line with its benchmark. Emerald ranked at the top of their peer group while Ceredex lagged both the benchmark and peers. Performance over the longer periods is ahead of the benchmark.
- Fixed Income and Real Estate composite performance remains strong relative to benchmark.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years					
<b>Domestic Equity</b>	<b>8.39%</b>	<b>21</b>	<b>15.34%</b>	<b>48</b>	<b>22.69%</b>	<b>41</b>	<b>15.55%</b>	<b>31</b>	<b>13.94%</b>	<b>45</b>
Domestic Equity Benchmark	8.39%	21	14.68%	67	21.95%	61	15.36%	39	13.80%	49
Pub Pln- Dom Equity	7.95%		15.28%		22.41%		15.17%		13.78%	
Emerald Advisers, Inc.	18.50%	1	31.68%	1	24.94%	2	12.99%	8	12.77%	32
Russell 2000 Growth Index	12.19%	12	13.56%	30	16.68%	28	8.41%	49	9.91%	89
Callan Small Cap Growth	7.84%		7.84%		14.10%		8.07%		11.56%	
Ceredex Value Advisors	5.82%	81	(1.33%)	91	13.65%	58	13.82%	79	8.85%	85
Russell 2000 Index	12.39%	11	10.76%	15	15.21%	43	11.56%	95	9.77%	61
Russell 2000 Value Index	12.60%	8	7.88%	32	13.56%	59	14.59%	68	9.23%	76
Callan Small Cap Value	7.51%		4.90%		14.82%		16.59%		10.20%	
SSgA S&P 500 Index	8.12%	27	17.61%	26	24.93%	41	16.46%	48	15.31%	37
Standard & Poor's 500	8.12%	26	17.60%	26	24.94%	41	16.47%	47	15.30%	37
Callan Large Cap Core	7.48%		15.55%		24.73%		16.30%		14.83%	
SSgA S&P 400 Index	5.55%	32	6.11%	56	15.87%	52	13.63%	37	10.85%	58
S&P Mid Cap 400 Index	5.55%	32	6.13%	56	15.84%	53	13.61%	37	10.82%	58
Callan Mid Capitalization	4.59%		7.43%		16.24%		12.27%		11.12%	
<b>International Equity</b>	<b>5.65%</b>	<b>66</b>	<b>14.04%</b>	<b>83</b>	<b>19.40%</b>	<b>76</b>	<b>7.47%</b>	<b>93</b>	<b>7.87%</b>	<b>86</b>
International Equity Benchmark	6.89%	36	16.45%	47	20.67%	61	10.26%	57	8.23%	79
Pub Pln- Intl Equity	6.39%		16.16%		21.23%		10.51%		8.86%	
Brandes Intl Value	8.45%	13	-	-	-	-	-	-	-	-
MSCI EAFE	4.77%	53	14.99%	54	21.70%	53	11.15%	51	8.17%	51
Callan Non US Equity MFs	4.83%		15.70%		21.89%		11.22%		8.22%	
William Blair Intl Growth(2)(3)	2.42%	82	8.60%	90	15.67%	92	4.65%	94	7.39%	68
MSCI ACWI x US (Net)	6.89%	24	16.45%	46	20.67%	64	10.26%	63	8.23%	50
Callan Non US Equity MFs	4.83%		15.70%		21.89%		11.22%		8.22%	
<b>Domestic Fixed Income</b>	<b>2.29%</b>	<b>28</b>	<b>3.23%</b>	<b>66</b>	<b>5.45%</b>	<b>68</b>	<b>0.00%</b>	<b>77</b>	<b>2.22%</b>	<b>77</b>
Domestic Fixed Income Benchmark	2.03%	64	2.88%	81	4.93%	83	(0.45%)	91	1.84%	95
Blmbg Aggregate Index	2.03%	64	2.88%	81	4.93%	83	(0.45%)	91	1.84%	95
Pub Pln- Dom Fixed	2.14%		3.62%		5.96%		0.68%		2.87%	
Richmond Capital	2.29%	17	3.23%	64	5.45%	57	0.00%	62	2.22%	77
Blended Benchmark(1)	2.03%	90	2.88%	93	4.93%	93	(0.45%)	97	1.84%	99
Callan Core Bond FI	2.19%		3.30%		5.48%		0.07%		2.39%	
<b>Real Estate</b>	<b>0.86%</b>	<b>65</b>	<b>5.25%</b>	<b>23</b>	<b>(4.22%)</b>	<b>60</b>	<b>5.36%</b>	<b>46</b>	<b>5.05%</b>	<b>66</b>
Real Estate Benchmark	0.46%	82	3.01%	66	(6.41%)	87	2.75%	83	4.41%	76
Pub Pln- Real Estate	1.16%		3.84%		(2.57%)		5.10%		5.70%	
Heitman(2)	0.86%	62	5.25%	22	(4.22%)	38	5.36%	25	5.05%	40
NFI-ODCE Equal Weight Net	0.46%	94	3.01%	77	(6.41%)	62	2.75%	62	4.41%	62
Callan OE Core Cmngld RE	1.08%		4.53%		(5.09%)		3.26%		4.71%	
<b>Total Fund</b>	<b>5.45%</b>	<b>7</b>	<b>11.03%</b>	<b>27</b>	<b>14.29%</b>	<b>34</b>	<b>8.49%</b>	<b>71</b>	<b>8.70%</b>	<b>54</b>
Total Fund Benchmark*	5.51%	5	10.95%	30	14.06%	38	8.73%	62	8.75%	51
CPI + 5%	1.90%	100	8.01%	92	8.05%	98	9.53%	33	8.16%	76
Callan Public Fund Spr DB	4.58%		10.23%		13.39%		9.09%		8.76%	

\*Current Qtr Target=27.0% Blmbg Aggregate, 26.0% S&P 500 Index, 25.0% MSCI ACWI xUS, 10.0% NCREIF NFI-ODCE Eq Wt Net, 6.0% S&P Mid Cap 400 Index, 3.0% Russell 2000 Growth Index and 3.0% Russell 2000 Value Index.

(1) Blmbg Gov/Credit Bond Index through May 31, 2013 and Blmbg Aggregate thereafter. (2) Returns are reported net of fees. (3) Switched to commingled investment trust 2/27/2023.

# Investment Manager Objectives

Manager	Objective	Comments
<b>Total Fund</b>	Outperform the CPI + 5% over long term.	<b>Met</b>
<b>Emerald</b>	Outperform the Russell 2000 Growth Index (net of fees) over rolling 3-year periods by 0.50%.	<b>Met</b>
	Outperform the median small cap growth manager over rolling 3-year periods.	<b>Met</b>
<b>Ceredex</b>	Outperform the Russell 2000 Value Index (net of fees) over rolling 3-year periods by 0.50%.	<b>Not Met</b>
	Outperform the median small cap value manager over rolling 3-year periods.	<b>Not Met</b>
<b>SSgA S&amp;P MidCap 400 Index</b>	Replicate the return of the S&P MidCap 400 Index.	<b>Met</b>
<b>SSgA S&amp;P 500 Index</b>	Replicate the return of the S&P 500 Index.	<b>Met</b>
<b>William Blair</b>	Outperform the MSCI ACWI ex-US Index (net of fees) by 0.50% over rolling 3-year periods.	<b>Not Met</b>
	Outperform the median international equity manager over rolling 3-year periods.	<b>Not Met</b>
<b>Brandes</b>	Outperform the MSCI ACWI ex-US Index (net of fees) by 0.50% over rolling 3-year periods.	<b>**</b>
	Outperform the median international equity manager over rolling 3-year periods.	<b>**</b>
<b>Richmond</b>	Outperform Bloomberg Aggregate (net of fees) over rolling 3-year periods by 0.25%.	<b>Met</b>
	Outperform the median fixed income manager over rolling 3-year periods.	<b>Not Met</b>
<b>Heitman (HART)</b>	Outperform the NFI-ODCE Index over rolling 5-year periods.	<b>Met</b>

\*\*Performance for the Brandes strategy will reach it's 3-year track record in 1Q 2028

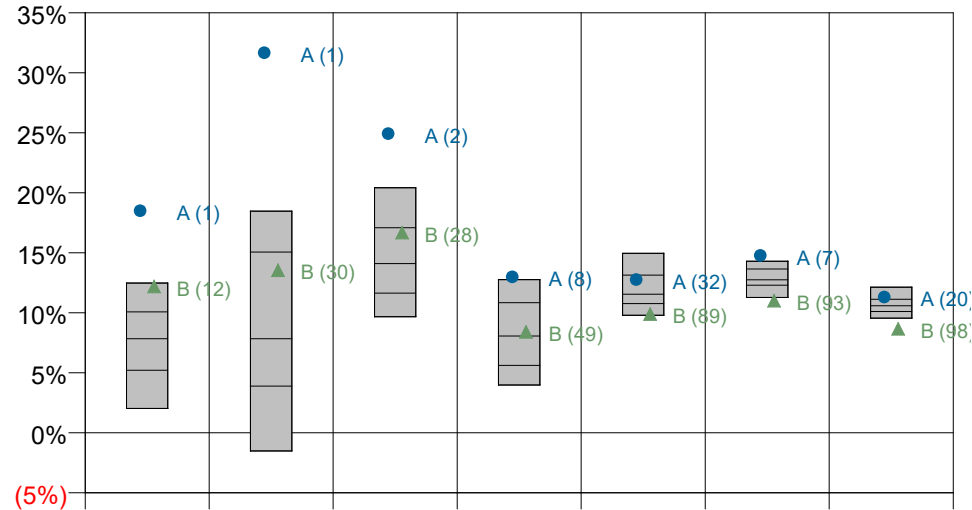
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**Domestic Equity**

# Emerald Advisors Small Cap Growth

## Performance vs Callan Small Cap Growth (Gross)

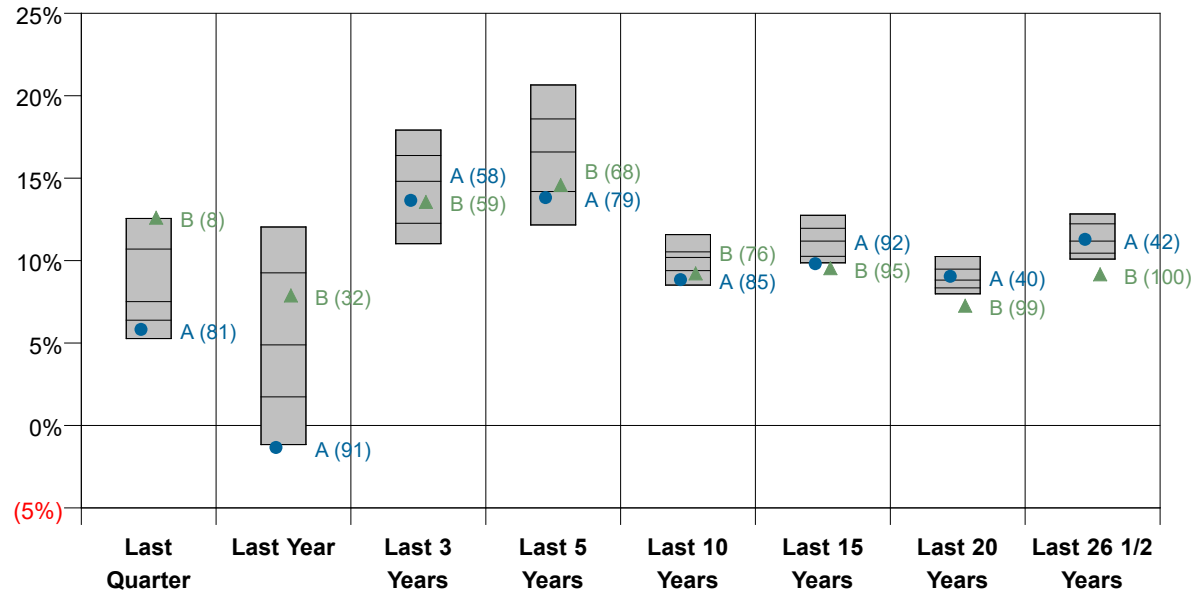


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 21 1/2 Years
10th Percentile	12.49	18.47	20.43	12.77	14.97	14.30	12.14
25th Percentile	10.08	15.07	17.09	10.85	13.14	13.65	11.13
Median	7.84	7.84	14.10	8.07	11.56	12.76	10.59
75th Percentile	5.22	3.89	11.64	5.63	10.77	12.31	10.11
90th Percentile	2.04	(1.51)	9.68	3.98	9.80	11.29	9.56
Emerald Advisers ● A	18.50	31.68	24.94	12.99	12.77	14.78	11.31
Russell 2000 Growth Index ▲ B	12.19	13.56	16.68	8.41	9.91	11.01	8.67

- Strong outperformance was driven by strong stock selection and sector positioning, notably in technology, industrials, telecommunications, and healthcare. Overweights in semiconductors, components, and software tied to AI and defense spending were key contributors.
- Healthcare contributed positively, driven by strong stock selection in biotechnology and pharmaceuticals. Holdings benefited from clinical advancements, successful commercialization, and increased M&A activity, with Travers Therapeutics a standout performer following positive FDA developments.
- Over the long term, the manager continues to outperform the benchmark both gross and net of fees.

# Ceredex Value Advisors Small Cap Value

## Performance vs Callan Small Cap Value (Gross)

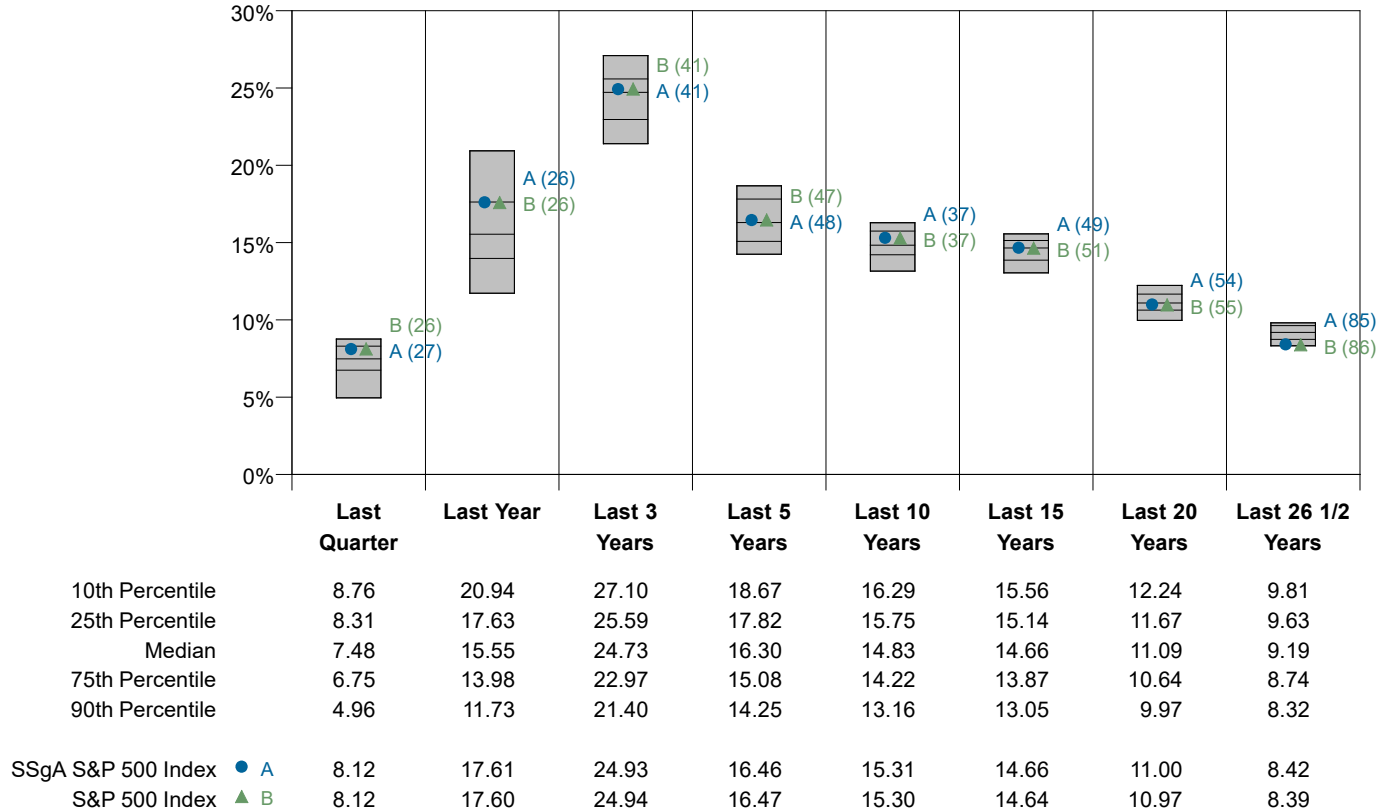


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 26 1/2 Years
10th Percentile	12.57	12.04	17.92	20.66	11.58	12.76	10.25	12.84
25th Percentile	10.71	9.27	16.38	18.60	10.53	11.96	9.49	12.24
Median	7.51	4.90	14.82	16.59	10.20	11.19	8.82	11.19
75th Percentile	6.39	1.74	12.27	14.19	9.39	10.26	8.34	10.46
90th Percentile	5.27	(1.15)	11.03	12.17	8.52	9.87	7.99	10.09
Ceredex Value Advisors (A)	5.82	(1.33)	13.65	13.82	8.85	9.82	9.05	11.29
Russell 2000 Value Index (B)	12.60	7.88	13.56	14.59	9.23	9.54	7.27	9.17

- Ceredex underperformed its benchmark and peers during the quarter. Detractors included financials, healthcare, and communication services, primarily due to stock-specific weakness and sector underweights.
- The portfolio's focus on high-quality, dividend-paying companies limited participation in the quarter's speculative small-cap rally.
- The manager's long-term performance remains strong versus the benchmark and while peer group results have lagged recently.

# SSgA S&P 500 Index

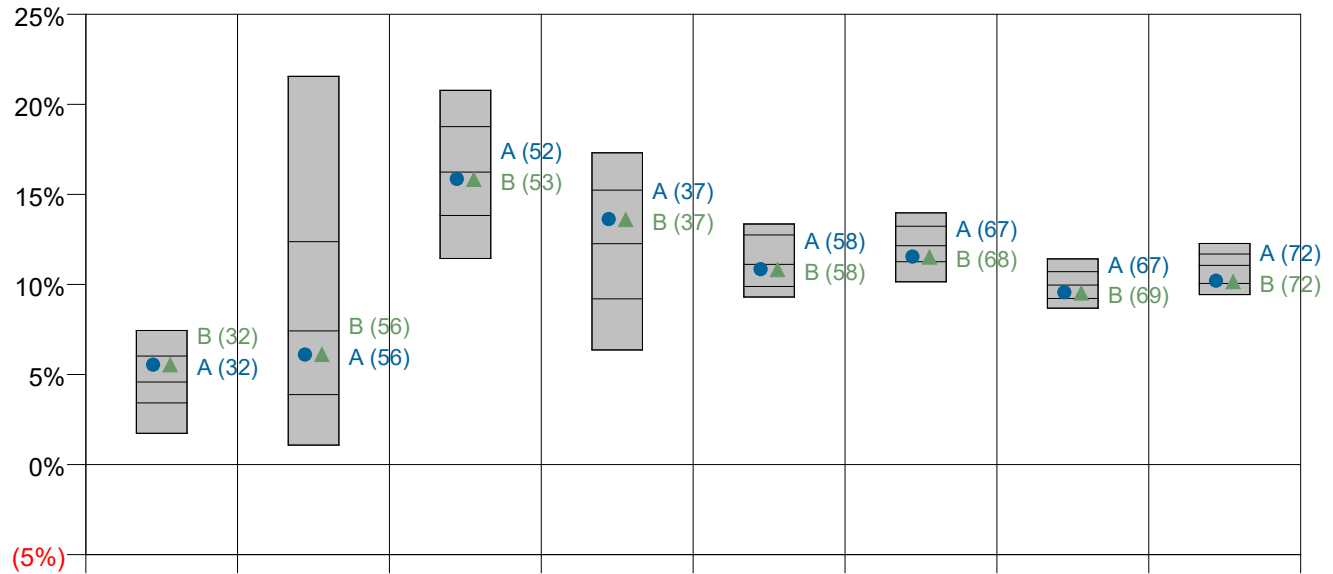
## Performance vs Callan Large Cap Core (Gross)



- The SSgA S&P 500 Index fund continues to track the benchmark across all periods over time.
- 10 out of the 11 S&P sectors posted positive returns. Information Technology (+13%), Communication Services (+12%), and Consumer Discretionary (+10%) led the pack, supported by the continued strength of the AI ecosystem.

# 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 26 1/2 Years
10th Percentile	7.45	21.56	20.79	17.32	13.36	13.98	11.43	12.28
25th Percentile	6.04	12.38	18.77	15.24	12.75	13.24	10.72	11.70
Median	4.59	7.43	16.24	12.27	11.12	12.16	9.98	11.06
75th Percentile	3.42	3.89	13.84	9.20	9.90	11.26	9.23	10.06
90th Percentile	1.74	1.09	11.45	6.37	9.31	10.15	8.69	9.44
SSgA S&P 400 Index ● A	5.55	6.11	15.87	13.63	10.85	11.55	9.56	10.21
S&P 400 Mid Cap Index ▲ B	5.55	6.13	15.84	13.61	10.82	11.52	9.53	10.16

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

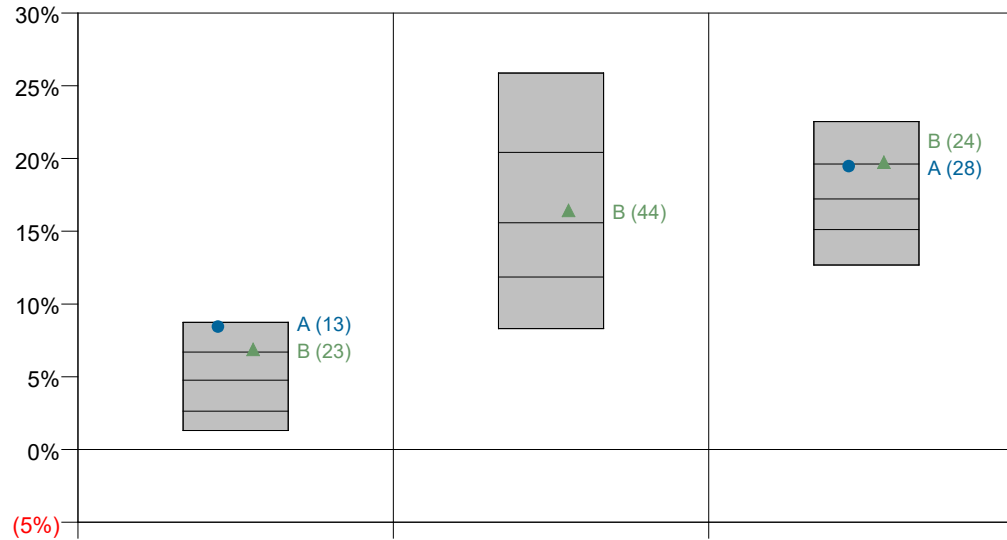
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**International Equity Performance**

# Brandes International Value

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

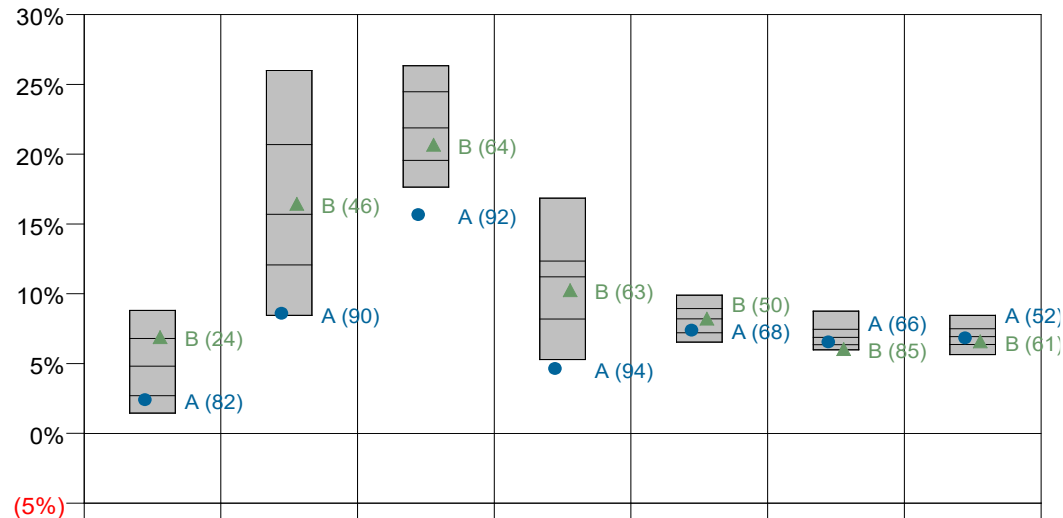


	Last Quarter	Last Year	Since Inception 4/1/25
10th Percentile	8.74	25.88	22.55
25th Percentile	6.70	20.43	19.63
Median	4.77	15.59	17.23
75th Percentile	2.64	11.87	15.12
90th Percentile	1.30	8.32	12.68
Brandes Int'l Value ● A	8.45	--	19.48
MSCI:ACWI xUS ▲ B	6.89	16.45	19.75

- Strong stock selection drove outperformance, with notable gains from AI-related technology holdings such as Alibaba, Samsung Electronics, and TSMC, which benefited from renewed AI investment momentum.
- Relative detractors included select French holdings and sector positioning. Capgemini, Sanofi, and Publicis declined amid political uncertainty in France, while overweights in healthcare and consumer staples and an underweight in financials also weighed on relative returns.
- Brandes International Value was funded in January 2025 following a search conducted at the August 2024 meeting. This manager replaced Morgan Stanley International Equity and Causeway Emerging Markets.

# 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 21 3/4 Years
10th Percentile	8.82	26.00	26.34	16.86	9.90	8.76	8.46
25th Percentile	6.80	20.69	24.47	12.35	8.95	7.47	7.50
Median	4.83	15.70	21.89	11.22	8.22	6.88	6.93
75th Percentile	2.70	12.07	19.56	8.19	7.21	6.36	6.37
90th Percentile	1.46	8.47	17.64	5.29	6.54	5.99	5.65
William Blair & Company ● A	2.42	8.60	15.67	4.65	7.39	6.56	6.85
MSCI ACWI ex US ▲ B	6.89	16.45	20.67	10.26	8.23	6.05	6.60

- Performance lagged the benchmark as the portfolio's emphasis on high-quality growth companies underperformed amid a risk-on rally favoring lower-quality, higher-beta stocks. Stock selection in industrials, consumer discretionary, and financials detracted.
- An underweight to consumer staples added modest value.
- The strategy is lagging the benchmark and peers across 1-, 3-, 5-, and 10-year periods.

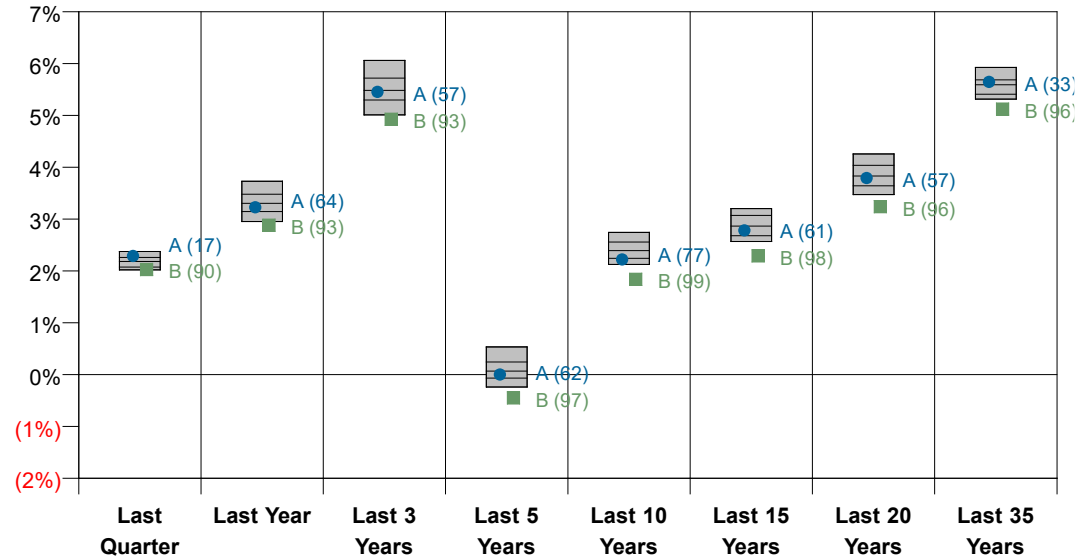
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**Fixed Income**

# 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 35 Years
10th Percentile	2.38	3.73	6.06	0.54	2.74	3.20	4.26	5.93
25th Percentile	2.26	3.48	5.72	0.25	2.56	3.07	4.04	5.69
Median	2.19	3.30	5.48	0.07	2.39	2.87	3.83	5.59
75th Percentile	2.08	3.15	5.30	(0.07)	2.25	2.68	3.64	5.41
90th Percentile	2.02	2.95	5.01	(0.24)	2.13	2.57	3.48	5.31
Richmond Capital Mgmt (A)	2.29	3.23	5.45	0.00	2.22	2.78	3.79	5.65
Blended Benchmark* (B)	2.03	2.88	4.93	(0.45)	1.84	2.29	3.24	5.12

- Performance was supported by sector allocation and security selection within corporates, particularly in the investment-grade industrial and financial sectors, as credit spreads tightened amid improving risk sentiment.
- Duration positioning modestly aided results as yields declined following the Federal Reserve's rate cut in September.
- For all time periods, Richmond is outperforming the benchmark on a gross and net of fee basis.

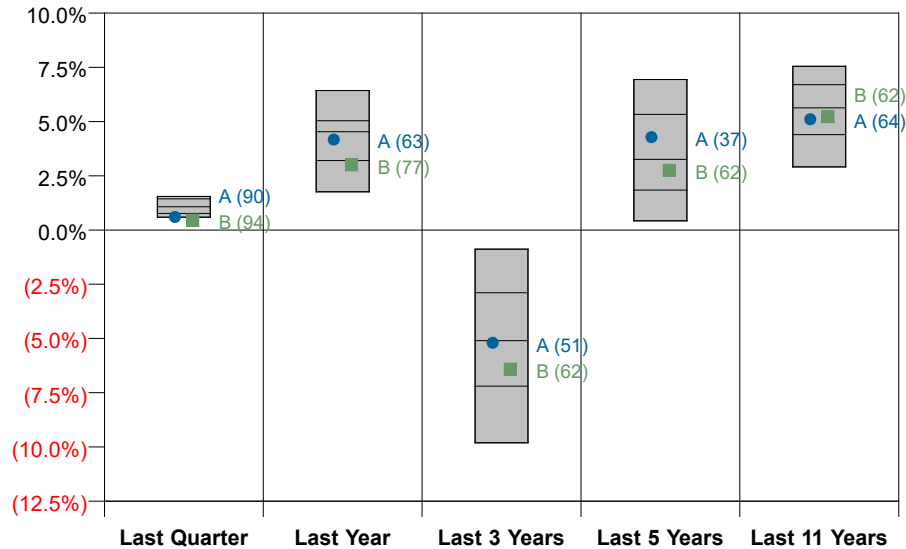
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**Real Estate**

# 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 11 Years
10th Percentile	1.55	6.44	(0.88)	6.94	7.55
25th Percentile	1.44	5.04	(2.89)	5.34	6.71
Median	1.08	4.53	(5.09)	3.26	5.63
75th Percentile	0.77	3.21	(7.19)	1.84	4.40
90th Percentile	0.59	1.77	(9.80)	0.43	2.92
Heitman Net (A)	0.60	4.17	(5.20)	4.28	5.10
NCREIF NFI ODCE Eq Wt Net (B)	0.46	3.01	(6.41)	2.75	5.23

- Performance modestly outpaced the ODCE benchmark, supported by income-oriented assets and stable property fundamentals across sectors. Industrial and residential holdings drove gains as leasing activity remained strong and rent trade-outs advanced, while self-storage continued to deliver steady NOI growth.
- Limited transaction activity and a slower redemption cycle also weighed modestly on near-term total returns, though portfolio occupancy and leasing momentum remain solid.
- The fund continued to address its redemption queue, with \$950 million in cumulative redemptions paid since early 2024 and a remaining balance of roughly \$925 million.

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**Year-end Recap and 2026 Proposed Work Plan**

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## 2025 City of Fort Pierce and Callan Year-End Recap

- Provided Fiscal Year-End IRR results to Finance Department for annual reporting.
- Callan presented updated capital markets expectations at the February 2025 meeting.
- Callan provided a summary of the Board's accomplishments from 2021-2024.
- Reviewed Investment Policy Statement.
- Given the volatile performance of the international equity segment, Callan conducted a structure review of the International Equity composite in 2024 and presented results in the February meeting. Callan assisted the Board with the transition to Brandes which was completed in the first quarter of 2025.
- Conducted Annual Investment Manager Fee Review:
  - By moving from the legacy three manager international equity structure to Brandes and William Blair, Fort Pierce pays approximately \$120k less in fees based on 6/30 asset values.
  - Callan confirmed that SSgA had not implemented the new fee schedule quoted back in 2023, they will be crediting over \$60k to the City for fee differential.
- Conducted customized Board education regarding current equity market dynamics.
- Assisted the Finance team with their cash raise for benefit payments during the year.

# Callan's 2026 Work Plan

## City of Fort Pierce Retirement and Benefit System

	1 <sup>st</sup> Quarter 2026			2 <sup>nd</sup> Quarter 2026			3 <sup>rd</sup> Quarter 2026			4 <sup>th</sup> Quarter 2026		
<b>Strategic Planning</b>												
Review Capital Market Expectations												
Present Proposed 2027 Work Plan and 2026 accomplishments												
<b>Plan Implementation</b>												
Prepare Cash Raise for Benefit Payments												
Investment Manager Fee Review												
Provide annual Fiscal YE results												
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 – Scottsdale, AZ , April 20-22												
“Callan College”												
Regional Workshops												
Custom Board Education												
Research Papers and Publications												

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**Appendix**

# Callan's 2025 Work Plan

## City of Fort Pierce Retirement and Benefit System

	1 <sup>st</sup> Quarter 2025			2 <sup>nd</sup> Quarter 2025			3 <sup>rd</sup> Quarter 2025			4 <sup>th</sup> Quarter 2025		
<b>Strategic Planning</b>												
Review Capital Market Expectations												
Present Proposed 2026 Work Plan												
<b>Plan Implementation</b>												
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<b>Research &amp; Education</b>												
National Client Conference – Scottsdale, AZ , April 27-29												
“Callan College”												
Regional Workshops												
Custom Board Education												
Research Papers and Publications												

# Callan Institute Events

Upcoming conferences, workshops, and virtual events

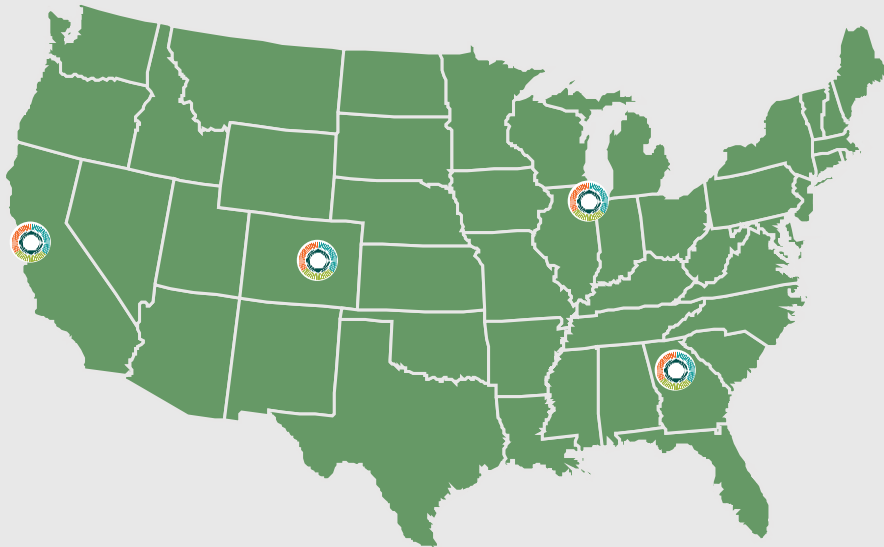
## 2026 Regional Workshop Dates

### Workshop Dates

- ▶ June 16, 2026 – Denver
- ▶ June 18, 2026 – Chicago
- ▶ October 20, 2026 – Atlanta
- ▶ October 22, 2026 – San Francisco

### Workshop Agenda

- ▶ 8:00 - 9:00 AM  
Continental Breakfast
- ▶ 9:00 - 10:15 AM  
Workshop and Q&A
- ▶ 10:15 - 11:00 AM  
Roundtable Discussions



## Mark Your Calendar

### 2026 National Conference

April 20-22, 2026 – Scottsdale, Arizona

*Watch your email for further details and an invitation.*



## Upcoming Virtual Events

### November 5, 2025

2025 Asset Manager Sustainable Investment Practices Study Webinar

### January 21, 2026

Capital Markets Assumptions Webinar

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## Callan's Ethics Policy

The success of our business depends on maintaining our unblemished record for providing clients with objective advice. Callan's approach has always been to acknowledge and then aggressively manage possible conflicts to ensure they never manifest in the advice we give clients. Our firm is vigilant about employing a highly systematized process that vets potential conflicts, maintains separation of business units, and ensures that we are being entirely transparent in all our relationships. We mitigate conflicts of interest by adhering to the following:

**Code of ethical responsibility:** Callan adheres to a firm-wide ethical code which each associate must review and acknowledge in writing every year. This code affirms for Callan employees that they must uphold their duty to our clients by adhering to specific policies and procedures. Any breach of this code can result in immediate termination.

**Compliance:** Our in-house compliance officer makes sure Callan is adhering to all industry standards and regulations, while also identifying risks and putting procedures in place to mitigate them. This officer reports directly to the board of directors to ensure that any employee and all compliance oversight have a separate and distinct line of reporting away from the internal manager and report structures.

**Separation of business units:** Each of Callan's business units maintains its own personnel, as well as its own profit-and-loss accounting system. Employee compensation is contained within each separate business unit. Clients from one business unit do not receive preferential treatment in another. This statement of fact is communicated to each client at the start of any relationship with Callan and reiterated in writing on an annual basis.

**Peer Review:** Every manager search or strategic planning project undertaken for a client is a collective effort involving the client, general consultant, a team of specialists, and ultimately a peer review committee. Callan's Manager Search Committee, composed of approximately a dozen senior consultants, verifies the accuracy, completeness and objectivity of all methods used in the manager screening process. For strategic planning services, the Client Policy Review Committee, which is comprised of approximately a dozen senior consultants, evaluates all reports before they are submitted to the client. This environment of complete transparency requires a thoroughly documented process that is free of unsupported personal opinions and biases.

**Disclosure:** Callan believes in being proactively transparent with respect to all business activities and relationships. We routinely furnish our fund sponsor clients with a complete list of all investment managers who have professional relationships with Callan. New clients receive this information at the outset of our relationship.

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## Important Disclosures

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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

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## About Callan

Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional investor with creative, customized investment solutions backed by proprietary research, exclusive data, and ongoing education. Today, Callan provides advisory services to institutional investor clients with more than \$3 trillion in total assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisers, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit [www.callan.com](http://www.callan.com).

## Callan

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Callan