LAKE CITY POLICE PENSION BOARD QUARTERLY MEETING FY'2021 SECOND QUARTER ENDING 03/31/2021 AGENDA – MAY 13, 2021

Call meeting to order

Approval of minutes from the quarterly meeting held February 11, 2021.

Public Comment

- 1. Patrick Donlan, Actuary Foster & Foster -"Actuarial Valuation" 10-1-2020
- 2. "Share Plan" Bonni Jensen, Board Attorney
- Brad Hess, Financial Consultant AndCo Consulting -Quarterly Performance Report 03/31/2021
 -Agincourt Addendum, revision & update
 -Proposed "Fee" Revision
- 4. Other Business: -Next Meeting – 07/12/2021
- 5. Adjourn

LAKE CITY POLICE PENSION BOARD QUARTERLY MEETING MINUTES MEETING HELD FEBRUARY 11, 2021 Public Safety Building, 225 NW Main Blvd LAKE CITY, FLORIDA

Meeting called to order at 12:40 P.M.

Present :	Garrett Register John A. (Andy) Miles David Adel Clarence Cannon Andrew D. Mangrum	Chairman-Absent Secretary Board Member Board Member Board Member
Also, Present:	Christine M. Batten Brad Hess	Board Administrator, via conference call Financial Consultant, AndCo Consulting

A motion was made to approve the minutes from the quarterly meetings held November 12, 2020 by Andrew Mangrum and seconded by David Adel. All aye.

Public Comment: None

<u>Brad Hess, Financial Consultant – "AndCo Consulting"</u> -First Quarter FY '2021 Plan Performance - 12/31/2020 The Plan performance was reviewed per the AndCo Quarterly Report provided for the meeting.

A motion was made to sell 1.5% of Vanguard Growth Index VIGAX and increase the R&D Cash Account by David Adel and seconded by Andrew D. Mangrum. All aye. *Brad Hess will prepare the "Trade Orders"

Discussed the Vanguard Growth index holding of the Pension Fund and the concentration in the top 10 names, particularly with Apple at 11% and Microsoft at almost 10% of the index. Brad Hess felt uncomfortable having such concentrated positions in an unmanaged index. He thought it made sense to look at some active options to have someone perhaps manage some of the Growth Portfolio. Board has had some past poor active performance in Growth, but understood the issues and requested Brad Hess to bring a LCG search book for next quarter.

Brad Hess presented a "Summary of Proposed Fee Revision" for AndCo to the Board. After a brief discussion, the item was tabled until the May 13, 2021 meeting when all Board members will be present.

Other Business:

'Share Plan" – The Board discussed the status of implementing a "Share Plan" with the use of "Excess State Monies Reserve". Patrick Donlan, Actuary has prepared a report and is reviewing it with Board Attorney, Bonni Jensen for her advice on implementing said Plan. (This action was taken by the Board at the August 25, 2020 quarterly meeting)

<u>Adjourn:</u>

A motion was made to adjourn at 1:27 PM by David Adel and seconded by John (Andy) Miles. All aye.

CITY OF LAKE CITY MUNICIPAL POLICE OFFICERS' PENSION TRUST FUND

> ACTUARIAL VALUATION AS OF OCTOBER 1, 2020

CONTRIBUTIONS APPLICABLE TO THE PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2022

GASB 67/68 DISCLOSURE INFORMATION AS OF SEPTEMBER 30, 2020





April 23, 2021

Board of Trustees City of Lake City Police Officers' Pension Board

Re: City of Lake City Municipal Police Officers' Pension Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Lake City Municipal Police Officers' Pension Trust Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapters 112 and 185, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the City of Lake City, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2020 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Lake City, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Municipal Police Officers' Pension Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By:

By:

Patrick T. Donlan, EA, ASA, MAAA Enrolled Actuary #20-6595

July

Tyler A. Koftan, EA, MAAA Enrolled Actuary #20-8685

PTD/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the City of Lake City Municipal Police Officers' Pension Trust Fund, performed as of October 1, 2020, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2022.

The contribution requirements, compared with those set forth in the October 1, 2019 actuarial valuation report, are as follows:

Valuation Date Applicable to Fiscal Year Ending	10/1/2020 <u>9/30/2022</u>	10/1/2019 <u>9/30/2021</u>
Minimum Required Contribution % of Projected Annual Payroll	22.4%	22.4%
Member Contributions (Est.) % of Projected Annual Payroll	5.0%	5.0%
City And State Required Contribution % of Projected Annual Payroll	17.4%	17.4%
State Contribution (Est.) ¹ % of Projected Annual Payroll	\$122,100 7.4%	\$122,100 7.4%
City Required Contribution ² % of Projected Annual Payroll	10.0%	10.0%

¹ Represents the amount received in calendar 2020. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year will be available to offset the City's required contribution.

² The required contribution from the combination of City and State sources for the year ending September 30, 2022, is 17.4% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 10.0% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of \$39,098.35 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2021.

As you can see, the Minimum Required Contribution shows no change from the October 1, 2019 actuarial valuation report. The requirement in both years is based on the normal cost minimum funding requirement of Chapter 112, Florida Statutes.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 8.84% (Actuarial Asset Basis) which exceeded the 7.50% assumption and more turnover than expected. These gains were offset in part by a loss associated with inactive mortality experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Additionally, in conjunction with this actuarial valuation, a "fresh-start" of the actuarial asset value has been implemented to be equal to the market value of assets. Effective October 1, 2020, the asset valuation method is such that all assets are valued at market value with an adjustment to uniformly spread investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. The fresh-start in conjunction with the change to the actuarial asset method has been implemented in order to align with the investment gain-loss recognition required by GASB and to eliminate necessary periodic adjustments that exist with the prior actuarial asset method.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1)	Contribution Determined as of October 1, 2019	10.6%
(2)	Summary of Contribution Impact by component:	
	Change in State Contribution Percentage	-0.6%
	Change in Normal Cost Rate	0.1%
	Change in Administrative Expense Percentage	0.0%
	Assumption/Method Change	-0.1%
	Other	<u>0.0%</u>
	Total Change in Contribution	-0.6%
(3)	Contribution Determined as of October 1, 2020	10.0%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Asmp/Mthd	Old Asmp/Mthd	
	<u>10/1/2020</u>	10/1/2020	10/1/2019
A. Participant Data			
Actives	33	33	36
Service Retirees	22	22	21
DROP Retirees	1	1	0
Beneficiaries	0	0	0
Disability Retirees	4	4	4
Terminated Vested	<u>25</u>	<u>25</u>	<u>20</u>
Total	85	85	81
Total Annual Payroll	\$1,720,009	\$1,720,009	\$1,795,345
Payroll Under Assumed Ret. Age	1,641,680	1,641,680	1,732,626
Annual Rate of Payments to:			
Service Retirees	764,031	764,031	704,775
DROP Retirees	38,433	38,433	0
Beneficiaries	0	0	0
Disability Retirees	52,704	52,704	52,147
Terminated Vested	127,347	127,347	96,024
B. Assets			
Actuarial Value (AVA) ¹	17,968,327	17,993,429	16,969,994
Market Value (MVA) ¹	17,968,327	17,968,327	16,630,644
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	5,220,051	5,249,195	6,193,334
Disability Benefits	395,690	375,260	372,162
Death Benefits	22,003	28,876	29,506
Vested Benefits	498,958	492,536	446,837
Refund of Contributions	80,718	80,746	86,495
Service Retirees	9,354,471	9,548,936	8,863,255
DROP Retirees ¹	577,919	581,673	0
Beneficiaries	0	0	0
Disability Retirees	567,167	546,198	547,490
Terminated Vested	1,163,268	1,163,780	842,658
Excess State Monies Reserve	10,334	10,334	10,334
Total	17,890,579	18,077,534	17,392,071

C. Liabilities - (Continued)	New Asmp/Mthd <u>10/1/2020</u>	Old Asmp/Mthd <u>10/1/2020</u>	10/1/2019
Present Value of Future Salaries	14,563,432	14,557,705	14,301,756
Present Value of Future			
Member Contributions	728,172	727,885	715,088
Normal Cost (Retirement)	240,615	242,620	256,403
Normal Cost (Disability)	31,702	30,188	31,880
Normal Cost (Death)	1,336	1,721	1,910
Normal Cost (Vesting)	29,682	29,330	29,355
Normal Cost (Refunds)	15,090	15,092	16,187
Total Normal Cost	318,425	318,951	335,735
Present Value of Future			
Normal Costs	2,700,212	2,703,548	2,642,573
Accrued Liability (Retirement)	3,100,831	3,114,439	4,119,404
Accrued Liability (Disability)	148,781	141,181	139,576
Accrued Liability (Death)	10,711	14,193	15,009
Accrued Liability (Vesting)	240,286	236,652	195,724
Accrued Liability (Refunds)	16,599	16,600	16,048
Accrued Liability (Inactives) ¹	11,662,825	11,840,587	10,253,403
Excess State Monies Reserve	10,334	10,334	10,334
Total Actuarial Accrued Liability (EAN AL)) 15,190,367	15,373,986	14,749,498
Unfunded Actuarial Accrued			
Liability (UAAL)	(2,777,960)	(2,619,443)	(2,220,496)
Funded Ratio (AVA / EAN AL)	118.3%	117.0%	115.1%

D. Actuarial Present Value of	New Asmp/Mthd	Old Asmp/Mthd	
Accrued Benefits	10/1/2020	10/1/2020	10/1/2019
Vested Accrued Benefits			
Inactives ¹	11,662,825	11,840,587	10,253,403
Actives	1,242,938	1,232,903	2,317,008
Member Contributions	480,319	480,319	561,400
Total	13,386,082	13,553,809	13,131,811
Non-vested Accrued Benefits	601,307	607,555	531,006
Total Present Value			
Accrued Benefits (PVAB)	13,987,389	14,161,364	13,662,817
Funded Ratio (MVA / PVAB)	128.5%	126.9%	121.7%
Increase (Decrease) in Present Value of			
Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(173,975)	0	
Plan Experience	0	305,599	
Benefits Paid	0	(801,700)	
Interest	0	994,648	
Other	0	0	
Total	(173,975)	498,547	

	New Asmp/Mthd	Old Asmp/Mthd	
Valuation Date	10/1/2020	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
E. Pension Cost			
Normal Cost (with interest)			
% of Total Annual Payroll ²	20.1	20.2	20.1
Administrative Expenses (with interest)			
% of Total Annual Payroll ²	2.3	2.3	2.3
Payment Required to Amortize			
Unfunded Actuarial Accrued			
Liability over 25 years			
(as of $10/1/2020$, with interest)			
% of Total Annual Payroll ²	(24.8)	(24.0)	(17.7)
Minimum Required Contribution			
% of Total Annual Payroll ²³	22.4	22.5	22.4
Expected Member Contributions			
% of Total Annual Payroll ²	5.0	5.0	5.0
Expected City and State Contribution			
% of Total Annual Payroll ²³	17.4	17.5	17.4
F. Past Contributions			
Plan Years Ending:	9/30/2020		
Total Required Contribution	379,881		
City and State Requirement	294,706		
Actual Contributions Made:			
Members (excluding buyback)	85,175		
City	172,606		
State	122,100		
Total	379,881		
G. Net Actuarial (Gain)/Loss	(237,051)		
¹ The asset values and liabilities include accur	nulated DROP Plan Ba	alances as of	

- 9/30/2020 and 9/30/2019.
- ² Contributions developed as of 10/1/2020 are expressed as a percentage of total annual payroll at 10/1/2020 of \$1,641,680.
- ³ Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

	Projected Unfunded
Year	Actuarial Accrued Liability
2020	(2,777,960) 1

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	Assumed
Year Ended	9/30/2020	8.41%	5.99%
Year Ended	9/30/2019	2.74%	5.23%
Year Ended	9/30/2018	8.57%	6.04%
Year Ended	9/30/2017	3.56%	5.51%
Year Ended	9/30/2016	0.70%	6.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2020	11.03%	8.84%	7.50%
Year Ended	9/30/2019	3.91%	8.60%	7.50%
Year Ended	9/30/2018	9.11%	6.81%	7.50%
Year Ended	9/30/2017	11.49%	7.12%	7.50%
Year Ended	9/30/2016	10.06%	7.27%	7.75%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2020 10/1/2010	\$1,641,680 1,381,799
(b) Total Increase		18.81%
(c) Number of Years		10.00
(d) Average Annual Rate		1.74%

¹ Based on current State law and the existing UAAL bases, the UAAL is projected to never be positive.

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

rick T. Donlan

Patrick T. Donlan, EA, ASA, MAAA Enrolled Actuary #20-6595

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112, Florida Statutes:

Mr. Keith Brinkman Bureau of Local Retirement Systems Post Office Box 9000 Tallahassee, FL 32315-9000

Mr. Steve Bardin Municipal Police and Fire Pension Trust Funds Division of Retirement Post Office Box 3010 Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2019	(\$2,220,496)
(2)	Sponsor Normal Cost developed as of October 1, 2019	249,104
(3)	Expected administrative expenses for the year ended September 30, 2020	37,606
(4)	Expected interest on (1), (2) and (3)	(146,444)
(5)	Sponsor contributions to the System during the year ended September 30, 2020	294,706
(6)	Expected interest on (5)	7,456
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2020 (1)+(2)+(3)+(4)-(5)-(6)	(2,382,392)
(8)	Change to UAAL due to Assumption/Method Change	(158,517)
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(237,051)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2020	(2,777,960)

Type of	Date	Years	10/1/2020	Amortization
Base	Established	<u>Remaining</u>	<u>Amount</u>	<u>Amount</u>
"A"	10/1/2004	2	30,639	15,797
Loss	10/1/2005	8	103,085	15,867
Gain	10/1/2006	8	(189,308)	(29,138)
Benefit	10/1/2006	16	95,226	9,120
Gain	10/1/2007	8	(150,256)	(23,127)
Method	10/1/2008	8	191,591	29,489
Loss	10/1/2011	1	263,545	263,545
Assumption	10/1/2011	11	(337,985)	(41,165)
Gain	10/1/2012	2	(15,160)	(7,816)
Software	10/1/2013	13	60,006	6,531
Gain	10/1/2013	3	(479,130)	(169,768)
Gain	10/1/2014	4	(405,212)	(110,968)
Reconciliation	10/1/2015	15	(268,757)	(26,744)
Benefit	10/1/2015	25	(293,589)	(22,479)
Gain	10/1/2015	5	(568,131)	(128,223)
Gain	10/1/2016	6	(670,828)	(129,932)
Assumption	10/1/2016	16	886,542	84,904
Loss	10/1/2017	7	189,443	32,379
Gain	10/1/2018	8	(81,276)	(12,510)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2020 <u>Amount</u>	Amortization <u>Amount</u>
Actuarial Gain	10/1/2019	9	(742,837)	(104,564)
Actuarial Gain	10/1/2020	10	(237,051)	(30,888)
Asmp/Mthd Change	10/1/2020	20	(158,517)	(13,448)
			(2,777,960)	(393,138)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2019	(\$2,220,496)
(2)	Expected UAAL as of October 1, 2020	(2,382,392)
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(224,406)
	Salary Increases	36,552
	Active Decrements	(106,010)
	Inactive Mortality	89,820
	Other	(33,007)
	Increase in UAAL due to (Gain)/Loss	(237,051)
	Assumption/Method Changes	(158,517)
(4)	Actual UAAL as of October 1, 2020	(\$2,777,960)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. **Male:** PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

Prior year assumption (Female): 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Prior year assumption (Male): 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

	The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
Interest Rate	7.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Salary Increases	See table later in this section. Projected salary at retirement is increased individually to account for non-regular compensation. This is based on an experience study utilizing data from October 1, 1987 through September 30, 2015.
Payroll Growth	1.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
Administrative Expenses	\$36,515 annually, based on the average of actual expenses incurred in the prior two fiscal years.
Retirement Age (Early and Normal)	See table later in this section. This is based on an experience study utilizing data from October 1, 1987 through September 30, 2015.
Termination Rates	See table later in this section. This is based on an experience study utilizing data from October 1, 1987 through September 30, 2015.
Disability Rates	See sample rates later in this sections. This is based on an experience study utilizing data from October 1, 1987 through September 30, 2015. 75% of disablements are assumed to be service-related.
Funding Method	Entry Age Normal Actuarial Cost Method.
Asset Valuation Method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. Previously, the prior actuarial value of assets were brought forward utilizing the historical geometric 4-year average market value return.

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 Years. Assumption/Method Changes: 20 Years. Benefit Changes: 30 Years.

Assumption Tables

				% B	ecoming
	% Ter	minating		Di	sabled
	During	g the Year		During	g the Year
(Any	Age)	(>= 6 Ye	ars of Service)		
Service	Rate	Age	Rate	Age	Rate
0	10.0%	20	9.00%	20	0.15%
1	10.0%	30	7.50%	30	0.20%
2	10.0%	40	3.90%	40	0.35%
3	8.0%	50	1.20%	50	0.90%
4	8.0%	60	0.30%	60	4.50%
5	8.0%				

Salary Scale		% Retiring During the Year					
			Age			Age	
Service	Rate		Service	50-51	52-54	55-59	60+
0	15.00%		<10	0%	0%	0%	100%
1+	5.00%		10 - 24	15%	15%	100%	100%
			25+	15%	100%	100%	100%

GLOSSARY

<u>Actuarial Value of Assets</u> is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

<u>Entry Age Normal Cost Method</u> - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

<u>Market Value of Assets</u> is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

<u>Normal (Current Year's) Cost</u> is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

<u>Present Value of Benefits</u> is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

<u>Total Annual Payroll</u> is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

<u>Total Required Contribution</u> is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

<u>Unfunded Actuarial Accrued Liability (UAAL)</u> is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- <u>Investment Return</u>: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- <u>Salary Increases</u>: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- <u>Payroll Growth</u>: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- <u>Demographic Assumptions</u>: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 183.3% on October 1, 2010 to 94.3% on October 1, 2020, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 76.8%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 90.4% on October 1, 2010 to 118.3% on October 1, 2020.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from 0.4% on October 1, 2010 to -2.5% on October 1, 2020. The current Net Cash Flow Ratio of -2.5% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2010	<u>10/1/2015</u>	<u>10/1/2019</u>	10/1/2020
Support Ratio				
Total Actives	33	38	36	33
Total Inactives ¹	18	28	32	35
Actives / Inactives ¹	183.3%	135.7%	112.5%	94.3%
Asset Volatility Ratio				
Market Value of Assets (MVA)	8,177,694	12,562,705	16,630,644	17,968,327
Total Annual Payroll	1,381,799	1,868,134	1,795,345	1,720,009
MVA / Total Annual Payroll	591.8%	672.5%	926.3%	1,044.7%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	5,730,297	7,923,803	10,253,403	11,662,825
Total Accrued Liability (EAN)	9,992,664	12,738,984	14,749,498	15,190,367
Inactive AL / Total AL	57.3%	62.2%	69.5%	76.8%
Funded Ratio				
Actuarial Value of Assets (AVA)	9,029,276	13,388,573	16,969,994	17,968,327
Total Accrued Liability (EAN)	9,992,664	12,738,984	14,749,498	15,190,367
AVA / Total Accrued Liability (EAN)	90.4%	105.1%	115.1%	118.3%
Net Cash Flow Ratio				
Net Cash Flow ²	30,085	117,743	(413,828)	(456,975)
Market Value of Assets (MVA)	8,177,694	12,562,705	16,630,644	17,968,327
Ratio	0.4%	0.9%	-2.5%	-2.5%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During <u>Fiscal Year</u>	<u>Amount</u>	Increase from <u>Previous Year</u>
1998	79,315.00	%
1999	93,640.49	18.1%
2000	83,553.29	-10.8%
2001	89,536.34	7.2%
2002	111,748.83	24.8%
2003	129,686.35	16.1%
2004	130,925.90	1.0%
2005	151,151.56	15.4%
2006	155,997.68	3.2%
2007	151,151.56	-3.1%
2008	151,151.56	0.0%
2009	119,281.71	-21.1%
2010	96,601.30	-19.0%
2011	91,218.19	-5.6%
2012	92,122.23	1.0%
2013	91,311.30	-0.9%
2014	95,877.46	5.0%
2015	95,362.89	-0.5%
2016	118,885.52	24.7%
2017	112,064.19	-5.7%
2018	105,293.16	-6.0%
2019	117,282.71	11.4%
2020	122,099.53	4.1%

EXCESS STATE MONIES RESERVE

	Actual State Contribution	Applicable "Frozen" Amount	Excess State Monies Reserve
1999	\$93,640,49	N/A - Chapter	\$0.00
2000	83.553.29	N/A - Chapter	0.00
2001	89 536 34	87 422 00	2 114 34
2002	111.748.83	87.422.00	24.326.83
2003	129.686.35	87,422.00	42,264.35
2004	130,925.90	140,818.00	0.00
2005	151,151.56	140,818.00	10,333.56
2006	155,997.68	140,818.00	15,179.68
2007	151,151.56	140,818.00	10,333.56
2008	151,151.56	151,650.00	0.00
2009	119,281.71	151,650.00	0.00
2010	96,601.30	151,650.00	0.00
2011	91,218.19	151,650.00	0.00
2012	92,122.23	151,650.00	0.00
2013	91,311.30	151,650.00	0.00
2014	95,877.46	151,650.00	0.00
2015	95,362.89	151,650.00	0.00
2016	118,885.52	151,650.00	0.00
2017	112,064.19	151,650.00	0.00
2018	105,293.16	151,560.00	0.00
2019	117,282.71	151,650.00	0.00
2020	122,099.53	151,650.00	0.00
			104,552.32
	Loss Excess Used in E	unding	
	\$10.00 Supplement	unung	(94 218 76)
			()4,210.70)
]	Equals Current State N	Aonies Reserve	\$10,333.56

STATEMENT OF FIDUCIARY NET POSITION SEPTEMBER 30, 2020

ASSETS	COST VALUE	MARKET VALUE
Cash and Cash Equivalents: Money Market	782 270 00	782 270 00
Cash	782,270.00	782,270.00
Cash	2.02	2.02
Total Cash and Equivalents	782,272.62	782,272.62
Receivables:		
Member Contributions in Transit	3,178,74	3.178.74
City Contributions in Transit	7,183.84	7,183.84
State Contributions	122,099.53	122,099.53
Recoup of Overpaid Refund	3,705.73	3,705.73
Investment Income	30,151.84	30,151.84
Total Receivable	166,319.68	166,319.68
Investments:		
U. S. Bonds and Bills	154,971.88	154,981.40
Fixed Income	4,778,104.62	4,911,978.44
Equities	7,356,388.49	12,143,261.91
Total Investments	12,289,464.99	17,210,221.75
Total Assets	13,238,057.29	18,158,814.05
LIABILITIES		
Payables:		
Investment Expenses	24,807.35	24,807.35
Administrative Expenses	4,370.00	4,370.00
To Broker for Investments Purchased	122,211.00	122,211.00
Prepaid City Contribution	39,098.35	39,098.35
Total Liabilities	190,486.70	190,486.70
NET POSITION RESTRICTED FOR PENSIONS	13,047,570.59	17,968,327.35

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2020 Market Value Basis

ADDITIONS

Contributions:			
Member		85,175.14	
City		172,606.45	
State		122,099.53	
Total Contributions			379,881.12
Investment Income:			
Net Realized Gain (Loss)	630,817.70		
Unrealized Gain (Loss)	865,315.01		
Net Increase in Fair Value of Investments		1,496,132.71	
Interest & Dividends		369,325.21	
Less Investment Expense ¹		(70,799.15)	
Net Investment Income			1,794,658.77
Total Additions			2,174,539.89
DEDUCTIONS			
Distributions to Members:			
Benefit Payments		801,700.22	
Lump Sum DROP Distributions		0.00	
Refunds of Member Contributions		0.00	
Total Distributions			801,700.22
Administrative Expense			35,155.98
Total Deductions			836,856.20
Net Increase in Net Position			1,337,683.69
NET POSITION RESTRICTED FOR PENSION	S		
Beginning of the Year			16,630,643.66
End of the Year			17,968,327.35

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION SEPTEMBER 30, 2020 (Before Method Change)

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹		
09/30/2017	11.49%		
09/30/2018	9.11%		
09/30/2019	3.91%		
09/30/2020	11.03%		
Annualized Rate of Return for prior four (4) years	:	8.84%	
(A) 10/01/2019 Actuarial Assets:			\$16,969,993.61
(I) Net Investment Income:			
 Interest and Dividends Realized Gain (Loss) Unrealized Gain (Loss) Change in Actuarial Value Investment Related Expenses 	otal	369,325.21 630,817.70 865,315.01 (314,247.86) (70,799.15)	1,480,410.91
(B) 10/01/2020 Actuarial Assets: ²	2		\$17,993,429.44
Actuarial Asset Rate of Return = 2I/(A+B-I):			8.84%
10/01/2020 Limited Actuarial A	Assets: ²		\$17,993,429.44
10/01/2020 Market Value of As	ssets:		\$17,968,327.35
Actuarial Gain/(Loss) due to Investment Return (A	Actuarial Asset Basis)		\$224,406.18

¹ Market Value Basis, net of investment related expenses.

² After the method change, the Actuarial Value of Assets used for the valuation is \$17,968,327.35.

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS SEPTEMBER 30, 2020 Actuarial Asset Basis (Before Method Change)³

REVENUES

Contributions:		
Member	85,175.14	
City	172,606.45	
State	122,099.53	
Total Contributions		379,881.12
Earnings from Investments:		
Interest & Dividends	369,325.21	
Net Realized Gain (Loss)	630,817.70	
Unrealized Gain (Loss)	865,315.01	
Change in Actuarial Value	(314,247.86)	
Total Earnings and Investment Gains		1,551,210.06
EXF	PENDITURES	
Distributions to Members:		
Benefit Payments	801,700.22	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	0.00	
Total Distributions		801,700.22
Expenses:		
Investment related ¹	70 799 15	
Administrative	35,155.98	
Total Expenses		105,955.13
		1 000 405 00
Change in Net Assets for the Year		1,023,435.83
Net Assets Beginning of the Year		16,969,993.61
Net Assets End of the Year ²		17,993,429.44

¹Investment related expenses include investment advisory, custodial and performance monitoring fees. ²Net Assets may be limited for actuarial consideration. ³ After the method change, the Actuarial Value of Assets used for the valuation is \$17,968,327.35.
DEFERRED RETIREMENT OPTION PLAN ACTIVITY October 1, 2019 to September 30, 2020

Beginning of the Year Balance	0.00
Plus Additions	32,133.75
Investment Return Earned	3,256.12
Less Distributions	0.00
End of the Year Balance	35,389.87

RECONCILIATION OF CITY'S SHORTFALL/(PREPAID) CONTRIBUTION FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2020

(1)	Total Required Contribution Rate	22.3%
(2)	Pensionable Payroll Derived from Member Contributions	\$1,703,502.80
(3)	Total Required Contribution (1) x (2)	379,881.12
(4)	Less Actual Member Contributions	(85,175.14)
(5)	Less Allowable State Contribution	(122,099.53)
(6)	Equals Required City Contribution for Fiscal 2020	172,606.45
(7)	Less 2019 Prepaid Contribution	(26,226.03)
(8)	Less Actual City Contributions	(185,478.77)
(9)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2020	(\$39,098.35)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	10/1/2017	10/1/2018	10/1/2019	<u>10/1/2020</u>
Actives				
Number	37	35	36	33
Average Current Age	38.6	37.9	36.3	36.0
Average Age at Employment	30.6	30.1	29.3	29.6
Average Past Service	8.0	7.8	7.0	6.4
Average Annual Salary	\$49,155	\$51,465	\$49,871	\$52,121
Service Retirees				
Number	18	20	21	22
Average Current Age	63.3	63.3	63.7	64.3
Average Annual Benefit	\$32,354	\$32,238	\$33,561	\$34,729
DROP Retirees				
Number	0	0	0	1
Average Current Age	N/A	N/A	N/A	55.9
Average Annual Benefit	N/A	N/A	N/A	\$38,433
Beneficiaries				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Disability Retirees				
Number	4	4	4	4
Average Current Age	56.1	57.1	58.1	59.1
Average Annual Benefit	\$12,766	\$12,900	\$13,037	\$13,176
Terminated Vested				
Number	17	19	20	25
Average Current Age ¹	47.8	47.6	47.8	48.7
Average Annual Benefit ²	\$13,447	\$13,256	\$13,718	\$15,918

¹ The Average Current Age excludes participants awaiting a refund of contributions.

² The Average Annual Benefit excludes participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24		2	1									3
25 - 29	1	1		1	1	1						5
30 - 34	1	1	1	1		4	1					9
35 - 39	2			2		2	2					8
40 - 44												0
45 - 49						2		1	1			4
50 - 54				1		1				1		3
55 - 59						1						1
60 - 64												0
65+												0
Total	4	4	2	5	1	11	3	1	1	1	0	33

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2019	36
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	(4)
iii. Refund of member contributions or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>(1)</u>
g. Continuing participants	29
h. New entrants	4
i. Total active life participants in valuation	33

2. Non-Active lives (including beneficiaries receiving benefits)

	Service						
	Retirees,						
	Vested		Receiving	Receiving	Vested	Vested	
	Receiving	DROP	Death	Disability	(Deferred	(Due	
	Benefits	Benefits	Benefits	Benefits	<u>Annuity)</u>	Refund)	<u>Total</u>
a. Number prior valuation	21	0	0	4	7	13	45
Retired	1	0	0	0	0	0	1
DROP	0	1	0	0	0	0	1
Vested (Deferred Annuity)	0	0	0	0	1	0	1
Vested (Due Refund)	0	0	0	0	0	4	4
Hired/Terminated in Same Year	0	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	22	1	0	4	8	17	52

SUMMARY OF CURRENT PLAN (Through Ordinance 2007-1129, as modified by State Law)

Effective Date of Existing Plan	September 13, 1999 (99-859).
Latest Amendment	October 1, 2007.
Credited Service	Years and fractional parts of years of service with the City as a full-time Police Officer.
Final Monthly Compensation	Average of total cash compensation, including any lump sum payout of accrued leave and sick time, paid during the best 3 years of the last 10 years preceding retirement or termination. Pensionable overtime for service after July 1, 2011 is limited to 300 hours per year. Pensionable lump sum unused sick or annual leave is limited to the amount accrued as of July 1, 2011.
Normal Retirement	
Date	Earlier of age 55 and the completion of 10 years of Credited Service or age 52 and the completion of 25 years of Credited Service.
Benefit Amount	3.00% of Final Monthly Compensation times Credited Service plus \$10.00 per month times Credited Service as a supplemental benefit for life.
Form of Benefit	10 Year Certain and Life thereafter.
Cost-of-Living	Beginning at age 60, all service retirees and beneficiaries receive a 2.00% per year increase and each October 1^{st} thereafter.
Early Retirement	
Date	Attainment of age 50 and the completion of ten (10) years of Credited Service.
Benefit Amount	Accrued benefit, reduced 3.00% per year, plus \$10.00 per month times Credited Service as a supplemental benefit for life.

<u>Disability</u>

	Eligibility	Total and permanent as determined by Board of Trustees. Members covered from date of employment for service incurred disabilities and after 10 years of employment for "non-service incurred".
	Benefit Amount	3.00% of Final Monthly Compensation times Credited Service (but not less than 42% of Average Monthly Earnings for service incurred disabilities). Offset with Worker's Compensation if necessary.
	Duration	Benefit commences upon Board approval and is paid until earlier of recovery or death.
Death		
	Pre-Retirement	Beneficiaries of Members who die after completing at least 10 years of service may elect to receive the Member's accrued benefit for 10 years at the Member's Normal (unreduced) or Early (reduced) Retirement Date.
	Post-Retirement	According to option selected.
Vesting	g (Termination)	
	Less than 10 years of Credited Service	Refund of Member Contributions.
	10 years or more	Accrued benefit payable at the Member's election, on his otherwise Early or Normal Retirement Date or Refund of Member Contributions, with 3.75% interest.
<u>Contrib</u>	outions	
	Employee	5.00% of Earnings.
	Premium Tax	0.85% tax on casualty insurance premiums.
	City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes, Chapter 112.

Board of Trustees	2 Police Officers (selected by majority of Department Members), 2 Citizens (appointed by City Council) and a fifth member chosen by the other 4 and appointed by City Council.
Deferred Retirement Option Plan	
Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months (may be extended up to 36 additional months).
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.
Form of Distribution	Cash lump sum (options available) at termination of employment.

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STATEMENT OF FIDUCIARY NET POSITION SEPTEMBER 30, 2020

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	782,270
Cash	3
Total Cash and Equivalents	782,273
Receivables:	
Member Contributions in Transit	3,179
City Contributions in Transit	7,184
State Contributions	122,099
Recoup of Overpaid Refund	3,706
Investment Income	30,152
Total Receivable	166,320
Investments:	
U. S. Bonds and Bills	154,981
Fixed Income	4,911,978
Equities	12,143,262
Total Investments	17,210,221
Total Assets	18,158,814
LIABILITIES	
Payables:	
Investment Expenses	24,807
Administrative Expenses	4,370
To Broker for Investments Purchased	122,211
Total Liabilities	151,388
NET POSITION RESTRICTED FOR PENSIONS	18,007,426

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2020 Market Value Basis

ADDITIONS

Contributions:		
Member	85,175	
City	185,478	
State	122,100	
Total Contributions		392,753
Investment Income:		
Net Increase in Fair Value of Investments	1,496,133	
Interest & Dividends	369,325	
Less Investment Expense ¹	(70,799)	
Net Investment Income		1,794,659
Total Additions		2,187,412
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	801,700	
Lump Sum DROP Distributions	0	
Refunds of Member Contributions	0	
Total Distributions		801,700
Administrative Expense		35,156
Total Deductions		836,856
Net Increase in Net Position		1,350,556
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		16,656,870
End of the Year		18,007,426

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2020)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by a Board of Trustees comprised of: Two Police Officers (selected by majority of Department Members), two Citizens (appointed by City Council) and a fifth member chosen by the other four and appointed by City Council.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	25
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	20
Active Plan Members	36
	81

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the City of Lake City Municipal Police Officers' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: 5.00% of Earnings.

Premium Tax: 0.85% tax on casualty insurance premiums.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes, Chapter 112.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation
Domestic Equity	50.00%
International Equity	15.00%
Fixed Income (Core)	30.00%
Global Fixed Income	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 11.03 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months (may be extended up to 36 additional months).

Rate of Return: Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.

The DROP balance as September 30, 2020 is \$35,390.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$ 15,132,949
Plan Fiduciary Net Position	\$ (18,007,426)
Sponsor's Net Pension Liability	\$ (2,874,477)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	118.99%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees, set back one year.
Male: PubG.H-2010 for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated July 28, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

	Long Term Expected Real Rate of
Asset Class	Return ¹
Domestic Equity	7.50%
International Equity	8.50%
Fixed Income (Core)	2.50%
Global Fixed Income	3.50%

¹ Source: AndCo Consulting

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Current					
	1% Decrease 6.50%		Discount Rate 7.50%		1	% Increase
					8.50%	
Sponsor's Net Pension Liability	\$	(982,428)	\$	(2,874,477)	\$	(4,435,373)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Last 2 Fiscal Years

	09/30/2020	09/30/2019
Total Pension Liability		
Service Cost	337,030	340,336
Interest	1,133,857	1,099,762
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(550,169)	(185,395)
Changes of assumptions	(178,322)	-
Benefit Payments, including Refunds of Employee Contributions	(801,700)	(791,895)
Net Change in Total Pension Liability	(59,304)	462,808
Total Pension Liability - Beginning	15,192,253	14,729,445
Total Pension Liability - Ending (a)	\$ 15,132,949	\$ 15,192,253
Plan Fiduciary Net Position		
Contributions - Employer	185,478	237,500
Contributions - State	122,100	117,283
Contributions - Employee	85,175	87,382
Net Investment Income	1,794,659	633,430
Benefit Payments, including Refunds of Employee Contributions	(801,700)	(791,895)
Administrative Expense	(35,156)	(37,873)
Net Change in Plan Fiduciary Net Position	1,350,556	245,827
Plan Fiduciary Net Position - Beginning	16,656,870	16,411,043
Plan Fiduciary Net Position - Ending (b)	\$ 18,007,426	\$ 16,656,870
Net Pension Liability - Ending (a) - (b)	\$ (2,874,477)	\$ (1,464,617)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	118.99%	109.64%
Covered Payroll	\$ 1,703,503	\$ 1,747,646
Net rension Liaonity as a percentage of Covered Payron	-108./4%	-03.01%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

			Co	ntributions				
			in	relation to				Contributions
	A	ctuarially	the	Actuarially	Co	ntribution		as a percentage
	De	etermined	De	etermined	D	eficiency	Covered	of Covered
Fiscal Year Ended	Co	ntribution	Co	ntributions	((Excess)	 Payroll	Payroll
09/30/2020	\$	294,706	\$	307,578	\$	(12,872)	\$ 1,703,503	18.06%
09/30/2019	\$	328,557	\$	354,783	\$	(26,226)	\$ 1,747,646	20.30%

Notes to Schedule

Valuation Date:

10/01/2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the City of Lake City Municipal Police Officers' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS Last 2 Fiscal Years

	Annual Money-Weighted Rate of Return
Fiscal Year Ended	Net of Investment Expense
09/30/2020	11.03%
09/30/2019	3.91%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2020)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by a Board of Trustees comprised of: Two Police Officers (selected by majority of Department Members), two Citizens (appointed by City Council) and a fifth member chosen by the other four and appointed by City Council.

Each Police Officer employed in the City of Lake City Municipal Police Department is a Pension Plan Member. A Police Officer is an employee who is certified as a Police Officer as a condition of employment in accordance with the provisions of 943.1395, Florida Statutes. However, effective March 2, 2009, the full time Chief can opt not to participate in this plan.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	25
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	20
Active Plan Members	36
	81

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the City of Lake City Municipal Police Officers' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: 5.00% of Earnings.

Premium Tax: 0.85% tax on casualty insurance premiums.

City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability as provided in Part VII of Florida Statutes, Chapter 112.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020. The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2020. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.50%
Investment Rate of Return	7.50%

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Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 (Below Median) for Employees, set forward one year.
Male: PubS.H-2010 (Below Median) for Employees, set forward one year.
Mortality Rate Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated July 28, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

		Long Term Expected
Asset Class	Target Allocation	Real Rate of Return ¹
Domestic Equity	50.00%	7.50%
International Equity	15.00%	8.50%
Fixed Income (Core)	30.00%	2.50%
Global Fixed Income	5.00%	3.50%
Total	100.00%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)					
	Total Pension Plan Fiduciary Net					Net Pension
		Liability	N	let Position	Liability	
	(a)			(b)		(a)-(b)
Balances at September 30, 2019	\$	15,192,253	\$	16,656,870	\$	(1,464,617)
Changes for a Year:						
Service Cost		337,030		-		337,030
Interest		1,133,857		-		1,133,857
Differences between Expected and Actual Experience		(550,169)		-		(550,169)
Changes of assumptions		(178,322)		-		(178,322)
Changes of benefit terms		-		-		-
Contributions - Employer		-		185,478		(185,478)
Contributions - State		-		122,100		(122,100)
Contributions - Employee		-		85,175		(85,175)
Net Investment Income		-		1,794,659		(1,794,659)
Benefit Payments, including Refunds of Employee Contributions		(801,700)		(801,700)		-
Administrative Expense		-		(35,156)		35,156
Net Changes		(59,304)		1,350,556		(1,409,860)
Balances at September 30, 2020	\$	15,132,949	\$	18,007,426	\$	$(\overline{2,874,477})$

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

			Curr	ent Discount		
	1%	6 Decrease		Rate	1	% Increase
		6.50%		7.50%		8.50%
Sponsor's Net Pension Liability	\$	(982,428)	\$	(2,874,477)	\$	(4,435,373)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of -\$296,550. On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	D Ou Re	Deferred atflows of esources	I F	Deferred nflows of Resources
Differences between Expected and Actual Experience		62,024		681,081
Changes of assumptions		-		142,656
Net difference between Projected and Actual Earnings on Pension Plan investments		-		307,148
Total	\$	62,024	\$	1,130,885

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2021	\$ (464,033)
2022	\$ (205,185)
2023	\$ (141,535)
2024	\$ (258,108)
2025	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS Last 2 Fiscal Years

	09/30/2020	09/30/2019
Total Pension Liability		
Service Cost	337,030	340,336
Interest	1,133,857	1,099,762
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(550,169)	(185,395)
Changes of assumptions	(178,322)	-
Benefit Payments, including Refunds of Employee Contributions	(801,700)	(791,895)
Net Change in Total Pension Liability	(59,304)	462,808
Total Pension Liability - Beginning	15,192,253	14,729,445
Total Pension Liability - Ending (a)	\$ 15,132,949	\$ 15,192,253
Plan Fiduciary Net Position		
Contributions - Employer	185 478	237 500
Contributions - State	122 100	117 283
Contributions - Employee	85 175	87 382
Net Investment Income	1 794 659	633 430
Benefit Payments including Refunds of Employee Contributions	(801 700)	(791,895)
Administrative Expense	(35,156)	(37,873)
Net Change in Plan Fiduciary Net Position	1.350.556	245.827
Plan Fiduciary Net Position - Beginning	16.656.870	16.411.043
Plan Fiduciary Net Position - Ending (b)	\$ 18,007,426	\$ 16,656,870
Net Pension Liability - Ending (a) - (b)	\$ (2,874,477)	\$ (1,464,617)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	118.99%	109.64%
Covered Payroll	\$ 1,703,503	\$ 1,747,646
Net Pension Liability as a percentage of Covered Payroll	-168.74%	-83.81%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

			Co	ntributions				
			in	relation to				Contributions
	A	ctuarially	the	Actuarially	Co	ntribution		as a percentage
	De	etermined	De	etermined	D	eficiency	Covered	of Covered
Fiscal Year Ended	Co	ntribution	Co	ntributions	(Excess)	 Payroll	Payroll
09/30/2020	\$	294,706	\$	307,578	\$	(12,872)	\$ 1,703,503	18.06%
09/30/2019	\$	328,557	\$	354,783	\$	(26,226)	\$ 1,747,646	20.30%

Notes to Schedule

Valuation Date:

10/01/2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the City of Lake City Municipal Police Officers' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

COMPONENTS OF PENSION EXPENSE FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension	Deferred	Deferred	Pension
D	Liability	Inflows	Outflows	Expense
Beginning balance	\$ (1,464,617)	\$ 939,948	\$ 676,819	\$ -
Total Pension Liability Factors:				
Service Cost	337,030	-	-	337,030
Interest	1,133,857	-	-	1,133,857
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience				
with regard to economic or demographic assumptions	(550,169)	550,169	-	-
Current year amortization of experience difference	-	(385,042)	(31,012)	(354,030)
Change in assumptions about future economic or				
demographic factors or other inputs	(178,322)	178,322	-	-
Current year amortization of change in assumptions	-	(35,666)	(117,491)	81,825
Benefit Payments, including Refunds of Employee				
Contributions	(801,700)	-	-	(801,700)
Net change	(59,304)	307,783	(148,503)	396,982
Plan Fiduciary Net Position:				
Contributions - Employer	185,478	-	-	-
Contributions - State	122,100	-	-	-
Contributions - Employee	85,175	-	-	(85,175)
Projected Net Investment Income	1,232,611	-	-	(1,232,611)
Difference between projected and actual earnings on				
Pension Plan investments	562,048	562,048	-	-
Current year amortization	-	(329,175)	(116,573)	(212,602)
Benefit Payments, including Refunds of Employee				
Contributions	(801,700)	-	-	801,700
Administrative Expenses	(35,156)	-	-	35,156
Net change	1,350,556	232,873	(116,573)	(693,532)
Ending Balance	\$ (2,874,477)	\$ 1,480,604	\$ 411,743	\$ (296,550)

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Diff Proj	ferences Between jected and Actual Earnings	Recognition Period (Years)	2020	2021	2022	2023	2024	2025		2026	2027		2028		2029	
2020	\$	(562,048)	5	\$ (112,408)	\$ (112,410) \$	(112,410)	\$ (112,410) \$	\$ (112,410) \$		-	\$ -	\$	-	\$		\$	-
2019	\$	582,863	5	\$ 116,573	\$ 116,573 \$	116,573	\$ 116,573	\$ - \$		-	\$ -	\$	-	\$	- 1	\$	-
2018	\$	(241,566)	5	\$ (48,313)	\$ (48,313) \$	(48,313)	\$ - 5	\$ - \$		-	\$ -	\$	-	\$	- '	\$	-
2017	\$	(553,007)	5	\$ (110,601)	\$ (110,601) \$	-	\$ - 5	\$ - \$		-	\$ -	\$	-	\$	- (\$	-
2016	\$	(289,265)	5	\$ (57,853)	\$ - \$	-	\$ - 5	\$ - \$		-	\$ -	\$	-	\$	- :	\$	-
Net Increase	e (De	crease) in Pension	Expense	\$ (212,602)	\$ (154,751) \$	(44,150)	\$ 4,163	\$ (112,410) \$		-	\$ -	\$	-	\$	-	\$ 	-

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year		Changes of	Recognition															
Ending		Assumptions	Period (Years)	2020	2021	2022	2023	2024	2025		2026		2027		2028		2029	
2020	\$	(178,322)	5	\$ (35,666)	\$ (35,664) \$	(35,664) \$	(35,664) \$	(35,664)	5	- \$		- \$		- \$		- \$		-
2016	\$	587,453	5	\$ 117,491	\$ - \$	- \$	- \$	- 5	5	- \$		- \$		- \$		- \$		-
Net Increas	e (D	ecrease) in Pension	Expense	\$ 81,825	\$ (35,664) \$	(35,664) \$	(35,664) \$	(35,664)	5	- \$		- \$		- \$		- \$		-

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year	Dift Exr	ferences Between	Recognition																
Ending	2.4	Experience	Period (Years)	2020	2021	2022	2023	2024		2025		2026		2027		2028		20)29
2020	\$	(550,169)	5	\$ (110,033)	\$ (110,034) \$	(110,034)	\$ (110,034) \$	(110,0	34) \$	-	• \$. \$		-	\$	-	\$	-
2019	\$	(185,395)	4	\$ (46,349)	\$ (46,349) \$	(46,349)	\$ - \$		- \$		• \$		- \$		-	\$	-	\$	-
2018	\$	155,061	5	\$ 31,012	\$ 31,012 \$	31,012	\$ - \$		- \$		\$. \$		-	\$	-	\$	-
2017	\$	(741,233)	5	\$ (148,247)	\$ (148,247) \$	-	\$ - \$		- \$		• \$. \$		-	\$	-	\$	-
2016	\$	(303,219)	5	\$ (60,644)	\$ - \$	-	\$ - \$		- \$		- \$. \$		-	\$	-	\$	-
2015	\$	(118,614)	6	\$ (19,769)	\$ - \$	-	\$ - \$		- \$		\$. \$		-	\$	-	\$	-
Net Increase	e (De	crease) in Pension	Expense	\$ (354,030)	\$ (273,618) \$	(125,371)	\$ (110,034) \$	(110,0	34) \$	-	• \$	-	. \$		-	\$	-	\$	-

Investment Performance Review Period Ending March 31, 2021

City of Lake City Police Officers' Pension Fund



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1st Quarter 2021 Market Environment



- Broad US equity markets produced positive returns for the 1st guarter of 2021. Performance during the period was largely driven by the effects of the American Rescue Plan (the 3rd round of US fiscal stimulus) and the growing deployment of COVID-19 vaccines. In March, President Biden signed the Plan into law providing an additional \$1.9 trillion of economic stimulus to the US which only served to bolster investors' optimism. As a result, for the 1st quarter, higher beta, small company stocks outperformed, returning 12.7% compared to 8.1% for mid-caps and 5.9% for large company stocks. The FDA also approved a third COVID-19 vaccine, a single dose treatment from Johnson & Johnson, for use. This approval created a better alignment of vaccine supply with countywide demand. The equity market has grown immensely over the past year as evidenced by the trailing 1-year chart which details the stellar rebound following a dramatic selloff in the 1st guarter of last year. Despite the sharp downturn at the onset of the pandemic, all broad US equity market indexes have rebounded and are trading at near-record levels. Most notably, domestic small cap stocks have returned 94.9% while US large caps returned 56.4% over the trailing 1-year period.
- Broad international equity markets also posted positive returns for the 1st quarter. Similar to US markets, a theme of optimism surrounding the outlook for global growth and demand drove performance. In the 1st quarter, the MSCI EAFE Index (3.5%) modestly outperformed the MSCI Emerging Markets Index (2.3%) as a strengthening US dollar created headwinds for emerging markets. This trend is reversed over the trailing 1-year period with the MSCI EAFE Index's return of 44.6%, underperforming the MSCI Emerging Markets Index return of 58.4%. While the European Union (EU) passed its largest-ever relief bill at the end of 2020, unlike the relief bills passed in the US, the EU benefits will take months to be dispersed through the economy. This delay most likely played a part in why the MSCI EAFE Index underperformed US markets in the 1st quarter.
- In contrast to equities, fixed income returns were negative during the 1st quarter as long-term interest rates rose and the yield curve noticeably steepened. However, despite this, the Fed reiterated its intent to keep short-term rates low based on the expectation that inflation will not exceed the average 2% target. For the quarter, the Bloomberg Barclays (BB) US Aggregate Index returned -3.4% driven by the underperformance in US Government (-4.1%) and Corporate Investment grade (-4.6%) bonds. For the 1-year period, while not comparable to equity market advances, Corporate Investment Grade credit proved to be an area of strength returning 8.7% and was closely followed by US TIPS returning 7.5%.



Source: Investment Metrics



- Continuing their recent trend, the majority of US equities posted their 4th straight quarter of positive returns across both the style and market capitalization spectrums, with mid cap growth being the modestly negative outlier. During the guarter, small cap stocks outpaced both mid cap and large cap stocks as momentum related to vaccines and fiscal stimulus drove the market. The Russell 2000 Index returned a strong 12.7% compared to 8.1% for the Russell Mid Cap Index and 5.9% for the Russell 1000 Index.
- Value stocks outpaced growth stocks for the second consecutive guarter. Similar to the 4th guarter, the Russell 2000 Value Index was the best performing style index for the guarter with a return of 21.2%. While not as robust as small cap value, both the mid cap (13.1%) and large cap (11.3%) value benchmarks posted double-digit gains. In contrast, growth-oriented companies lagged value-oriented companies at each capitalization level. The widest performance dispersion occurred in small cap with a span of 16.3% separating the growth and value index returns. Beneath the headline index performance, the growth and value differentials are also observable across economic sector returns since the value benchmarks are more heavily weighted to sectors such as energy and financials, which led sector results, while growth indexes are dominated by their weights to technology and healthcare, which lagged.
- Following one of the sharpest drawdowns in history, stock returns were strongly positive over the trailing 1-year period across all styles and market capitalizations. Not surprisingly, higher beta, small cap stocks represented by the Russell 2000 produced an outsized return of 94.8%. While not as strong as small cap, performance in mid cap (73.6%) and large cap (60.6%) benchmarks was also extremely impressive over the trailing year. Despite more than a 30% dispersion between market capitalization performance over the trailing 1-year period, the difference between value and growth index results within each capitalization segment was much narrower. However, these style-based results do show how much value stocks have recovered relative to growth stocks in the recent guarter after lagging significantly following the onset of the pandemic.



Quarter Performance - Russell Style Series



Source: Investment Metrics



- Sector performance was positive across all eleven large cap economic sectors for the 1st quarter. Six sectors outpaced the return of the broad index during the period. The pro-cyclical rotation that began during the latter part of 2020 continued through the 1st quarter of 2021. Value-oriented sectors like energy and financials were some of the best performers for the quarter returning 30.9% and 16.2%, respectively. The energy sector experienced strong returns primarily due to rising energy prices resulting from increased expectations of economic growth and reduced supply. Financial stocks benefited from rising interest rates which acted as a tailwind to earnings. While all sectors experienced positive returns, consumer staples (1.6%) and information technology (1.3%) were significant laggards relative to their sector peers and the broad index results.
- Over the trailing 1-year period, large cap consumer discretionary (91.1%), energy (79.6%), and materials (78.5%) were the best performing economic lnfo Technology (27.8%) sectors. For the full year, seven sectors exceeded the return of the broad benchmark: communication services, consumer discretionary, energy, financials, industrials, information technology, and materials. In contrast, sectors that were less impacted by COVID-19 such as consumer staples and utilities posted solid, but lower, returns for the trailing 1-year period. It is astonishing to observe that the weakest economic sector in the Russell 1000 for the trailing year, utilities, still managed to produce a strong return of 19.8%.
- Similar to large cap stocks, all eleven small cap sectors posted positive performance for the recent quarter and seven of them posted returns greater than the Russell 2000 Index. The index was led higher by strength in the energy sector, which returned 41.8% for the quarter. Consumer discretionary stocks also performed well during the period, returning 26.7%. Some of the Consumer Staples (3.2%) sector's absolute performance for the quarter can be partially attributed to the "Reddit-fueled" individual investor trading frenzy that took place in stocks like GameStop (+907.5%) and AMC Entertainment (+223.1%) which experienced significant positive performance and volatility.
 Comm Services (2.4%) Consumer Disc (13.9%)
- Small cap stocks significantly outperformed large cap across the majority of economic sectors for the trailing 1-year period. While large cap sector returns were impressive, small cap performance within the consumer discretionary (200.0%) and energy (150.0%) sectors were simply amazing. Consumer discretionary's outsized performance is mainly attributable to the economic recovery seen throughout 2020- multiple stimulus injections into the economy and investor confidence in the progress on vaccines. Like the large cap index, the bottom performing sector in the small cap benchmark was utilities (16.1%). This sector performance produced a staggering dispersion of more than 180% from the best to the worst-performing sector in the Russell 2000.



Source: Morningstar Direct

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

The Market Environment Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000 As of March 31, 2021

Top 10 Weighted Stocks											
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector							
Apple Inc	5.15%	-7.8%	93.6%	Information Technology							
Microsoft Corp	4.70%	6.2%	51.0%	Information Technology							
Amazon.com Inc	3.49%	-5.0%	58.7%	Consumer Discretionary							
Facebook Inc A	1.88%	7.8%	76.6%	Communication Services							
Alphabet Inc A	1.65%	17.7%	77.5%	Communication Services							
Alphabet Inc Class C	1.60%	18.1%	77.9%	Communication Services							
Tesla Inc	1.36%	-5.3%	537.3%	Consumer Discretionary							
Berkshire Hathaway Inc Class B	1.28%	10.2%	39.7%	Financials							
JPMorgan Chase & Co	1.23%	20.7%	75.4%	Financials							
Johnson & Johnson	1.15%	5.1%	28.7%	Health Care							

Top 10 Weighted Stocks											
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector							
Penn National Gaming Inc	0.58%	21.4%	728.8%	Consumer Discretionary							
Caesars Entertainment Inc	0.56%	17.7%	507.3%	Consumer Discretionary							
Plug Power Inc	0.52%	5.7%	912.4%	Industrials							
Darling Ingredients Inc	0.42%	27.6%	283.8%	Consumer Staples							
Novavax Inc	0.39%	62.6%	1235.1%	Health Care							
GameStop Corp Class A	0.38%	907.5%	5323.4%	Consumer Discretionary							
Lithia Motors Inc Class A	0.36%	33.4%	379.8%	Consumer Discretionary							
Sunrun Inc	0.34%	-12.8%	498.8%	Industrials							
Builders FirstSource Inc	0.33%	13.6%	279.1%	Industrials							
RH	0.33%	33.3%	493.8%	Consumer Discretionary							

Top 10 Performing Stocks (by Quarter)											
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector							
Upstart Holdings Inc Ordinary Shares	0.00%	216.2%	N/A	Financials							
TripAdvisor Inc	0.01%	86.9%	209.3%	Communication Services							
Williams-Sonoma Inc	0.04%	76.7%	331.6%	Consumer Discretionary							
Teradata Corp	0.01%	71.5%	88.1%	Information Technology							
Coherent Inc	0.02%	68.6%	137.7%	Information Technology							
Signature Bank	0.03%	67.7%	187.3%	Financials							
L Brands Inc	0.04%	66.3%	435.1%	Consumer Discretionary							
Marathon Oil Corp	0.02%	60.6%	227.4%	Energy							
Cimarex Energy Co	0.02%	59.0%	263.0%	Energy							
Continental Resources Inc	0.01%	58.7%	238.6%	Energy							

Bottom 10 Performing Stocks (by Quarter)					
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector	
Sarepta Therapeutics Inc	0.01%	-56.3%	-23.8%	Health Care	
C3.ai Inc Ordinary Shares - Class A	0.00%	-52.5%	N/A	Information Technology	
ACADIA Pharmaceuticals Inc	0.01%	-51.7%	-38.9%	Health Care	
Berkeley Lights Inc Ordinary Shares	0.00%	-43.8%	N/A	Health Care	
Unity Software Inc Ordinary Shares	0.01%	-34.6%	N/A	Information Technology	
Adaptive Biotechnologies Corp	0.01%	-31.9%	44.9%	Health Care	
Alteryx Inc Class A	0.01%	-31.9%	-12.8%	Information Technology	
Iovance Biotherapeutics Inc	0.01%	-31.8%	5.8%	Health Care	
American Well Corp Ord Shrs - Class A	0.00%	-31.4%	N/A	Health Care	
Array Technologies Inc Ord Shares	0.01%	-30.9%	N/A	Industrials	

Source: Morningstar Direct

Top 10 Performing Stocks (by Quarter)						
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector		
GameStop Corp Class A	0.38%	907.5%	5323.4%	Consumer Discretionary		
Cassava Sciences Inc	0.05%	559.1%	993.7%	Health Care		
AMC Entmt Holdings Inc Class A	0.14%	381.6%	223.1%	Communication Services		
Express, Inc.	0.01%	341.8%	169.8%	Consumer Discretionary		
Pandion Therapeutics Inc Ord Shrs	0.03%	304.4%	N/A	Health Care		
Evolus Inc	0.01%	286.6%	213.0%	Health Care		
Immunome Inc Ordinary Shares	0.00%	250.0%	N/A	Health Care		
Rubius Therapeutics Inc	0.03%	249.1%	495.5%	Health Care		
The ExOne Co	0.02%	230.5%	390.8%	Industrials		
Amyris Inc	0.07%	209.3%	646.1%	Materials		

Bottom 10 Performing Stocks (by Quarter)					
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector	
Odonate Therapeutics Inc	0.00%	-82.2%	-87.6%	Health Care	
Graybug Vision Inc Ordinary Shares	0.00%	-80.9%	N/A	Health Care	
Frequency Therapeutics Inc	0.01%	-73.1%	-46.7%	Health Care	
Immunovant Inc	0.02%	-65.3%	3.1%	Health Care	
Imara Inc Ordinary Shares	0.00%	-61.7%	-47.3%	Health Care	
Athenex Inc	0.01%	-61.1%	-44.4%	Health Care	
Concert Pharmaceuticals Inc	0.01%	-60.5%	-43.6%	Health Care	
Amicus Therapeutics Inc	0.09%	-57.2%	6.9%	Health Care	
Oncorus Inc Ordinary Shares	0.00%	-56.9%	N/A	Health Care	
Acutus Medical Inc Ordinary Shares	0.01%	-53.6%	N/A	Health Care	



- Nearly all broad international equity indexes the chart tracks posted positive . returns in both US dollar (USD) and local currency terms for the 1st guarter. Much like the trend seen in the US equity markets, international benchmarks benefited from the optimism surrounding the continued roll-out of COVID-19 vaccines. Fiscal and monetary stimulus also remained supportive throughout the Eurozone, UK, and Japan in the 1st guarter and benefited from the rebound in demand for global goods. For the period, developed markets outperformed emerging markets in both USD and local currency. The MSCI EAFE Index returned 3.5% in USD and 7.6% in local currency terms for the period while the MSCI Emerging Markets Index returned a lower 2.2% in USD and 3.5% in local currency terms. The performance of both broad international benchmarks faced headwinds from currency conversion as the USD strengthened relative to most major developed currencies and thus led to lower USD results. During the 1st quarter, the only regional index component that had negative performance was EM Latin American. This region's -5.3% return was largely driven by the negative performance of Columbia (-17.2%) and Brazil (-10.0%) during the period.
- The trailing 1-year results for international developed and emerging markets . were positive across all regions and currencies. The MSCI EAFE Index returned 44.6% in USD and 36.6% in local currency terms, while the MSCI Emerging Markets Index returned 58.4% in USD and 53.0% in local currency terms. Like last quarter, performance within the emerging markets was led by Asian countries with the EM Asia Index region returning 60.1% in USD.

Source: MSCI Global Index Monitor (Returns are Net)

The Market Environment International and Regional Market Index Performance (Country Count) As of March 31, 2021





The Market Environment US Dollar International Index Attribution & Country Detail

As of March 31, 2021

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.2%	3.9%	42.6%
Consumer Discretionary	12.8%	5.8%	67.3%
Consumer Staples	10.3%	-2.6%	19.0%
Energy	3.3%	10.6%	25.6%
Financials	17.3%	9.7%	54.1%
Health Care	12.0%	-3.9%	17.4%
Industrials	15.5%	5.4%	58.9%
Information Technology	9.0%	2.4%	59.8%
Materials	8.0%	5.2%	73.3%
Real Estate	3.1%	2.5%	31.8%
Utilities	3.7%	-2.6%	28.2%
Total	100.0%	3.5%	44.6%

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	4.9%	45.2%
Consumer Discretionary	13.7%	2.2%	65.5%
Consumer Staples	8.4%	-2.5%	22.0%
Energy	4.5%	9.6%	36.3%
Financials	18.9%	8.4%	50.0%
Health Care	8.9%	-3.8%	22.2%
Industrials	11.8%	5.2%	57.9%
Information Technology	12.8%	3.5%	82.3%
Materials	8.2%	5.4%	76.2%
Real Estate	2.6%	3.5%	28.9%
Utilities	3.2%	-1.3%	28.4%
Total	100.0%	3.5%	49.4%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	11.7%	5.6%	48.9%
Consumer Discretionary	17.7%	-3.1%	61.5%
Consumer Staples	5.6%	-2.8%	34.1%
Energy	4.8%	2.8%	44.6%
Financials	18.2%	3.2%	37.4%
Health Care	4.5%	-4.6%	59.4%
Industrials	4.3%	2.7%	49.9%
Information Technology	20.9%	4.7%	103.9%
Materials	8.1%	9.1%	96.5%
Real Estate	2.2%	5.9%	20.2%
Utilities	2.0%	1.8%	30.4%
Total	100.0%	2.3%	58.4%

	MSCI-EAFE	MSCI-ACWIXUS	Quarter	1- Year
Country	Weight	Weight	Return	Return
Japan	24.8%	15.5%	1.6%	39.7%
United Kingdom	14.3%	8.9%	6.2%	33.5%
France	11.1%	7.0%	4.4%	50.0%
Germany	9.5%	5.9%	4.2%	59.3%
Switzerland	9.2%	5.7%	-2.0%	23.7%
Australia	7.0%	4.4%	3.4%	68.4%
Netherlands	4.2%	2.6%	11.2%	74.0%
Sweden	3.6%	2.3%	11.3%	75.2%
Hong Kong	3.4%	2.1%	7.3%	37.3%
Italy	2.5%	1.6%	6.3%	53.0%
Spain	2.4%	1.5%	1.0%	36.9%
Denmark	2.4%	1.5%	-3.0%	51.6%
Singapore	1.1%	0.7%	8.9%	40.3%
Finland	1.0%	0.6%	-1.4%	46.8%
Belgium	0.9%	0.6%	-2.6%	32.8%
Ireland	0.7%	0.5%	5.3%	63.1%
Norway	0.6%	0.4%	11.0%	63.5%
Israel	0.6%	0.4%	-0.3%	40.0%
New Zealand	0.3%	0.2%	-10.6%	28.2%
Austria	0.2%	0.1%	9.3%	85.1%
Portugal	0.2%	0.1%	-4.3%	26.1%
Total FAFE Countries	100.0%	62.4%	3.5%	44.6%
Canada	100.070	6.7%	9.6%	59.3%
Total Developed Countries		68.8%	15.9%	7.6%
China		11.7%	-0.4%	43.6%
Taiwan		4.3%	10.9%	93.2%
Korea		4.1%	1.6%	89.5%
India		3.0%	5.1%	76.4%
Brazil		1.4%	-10.0%	46.5%
South Africa		1.2%	12.1%	80.5%
Russia		1.0%	4.9%	44.3%
Saudi Arabia		0.9%	16.5%	54.4%
Thailand		0.6%	4.3%	39.1%
Mexico		0.5%	4.2%	58.5%
Malaysia		0.4%	-5.8%	20.8%
Indonesia		0.4%	-7.6%	40.6%
Qatar		0.2%	2.4%	20.8%
Philippines		0.2%	-10.6%	27.2%
Poland		0.2%	-7.5%	29.0%
Chile		0.2%	16.9%	66.2%
United Arab Emirates		0.2%	15.1%	56.5%
Turkey		0.1%	-20.4%	3.8%
Peru		0.1%	-10.6%	32.6%
Hungary		0.1%	0.4%	45.4%
Colombia		0.1%	-17.2%	33.4%
Argentina		0.0%	-6.0%	74.7%
Czech Republic		0.0%	5.5%	64.8%
Greece		0.0%	1.5%	35.3%
Egypt		0.0%	-4.0%	2.1%
Pakistan		0.0%	0.1%	37.8%
Total Emerging Countries		30.7%	2.3%	58.4%
Total ACWIxUS Countries		100.0%	3.5%	49.4%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD) As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.


- Fixed income markets declined sharply during the 1st quarter primarily due to rising interest rates which acted as a drag on bond benchmark performance. The Bloomberg Barclays (BB) US Aggregate Bond Index returned -3.4% for the period. Digging deeper into the investment grade index's segments, while each component was negative, the US Treasury (-4.3%) and US Corporate Investment Grade (-4.6%) segments drove the results. Although vields on issues of less than 2-years declined during the guarter, yields on longer-dated issues rose substantially as the term to maturity increased. Notably, US High Yield (non-investment grade) was the only benchmark tracked on the chart to produce a positive result, adding 0.9% for the quarter. High yield bonds generally have a shorter duration compared to either US Treasury or US investment grade corporate bonds, and as such, are less affected by rising interest rates. Importantly, credit spreads also continued to decline during the period which acted as an additional tailwind for high yield issues. Outside of domestic markets, the BB Global Aggregate ex US Index posted a -5.3% return for the guarter. Like international stocks, global bonds were negatively impacted by the strengthening USD. Also notable was the revision in quality's performance in the 1st quarter relative to the previous three quarters. BBB rated credit (-4.3%) underperformed AAA (-2.9%) issues by 1.4%. In contrast, over the trailing 1-year period, BBB issues (13.1%) outpaced AAA issues (-2.3%) by a sizable margin.
- Over the trailing 1-year period, domestic bonds performance was small but positive while global bonds posted solid results. The BB Global Aggregate ex US Index return of 7.2% easily outpaced the domestic BB US Aggregate Index's return of 0.7%. A steepening yield curve, combined with a falling USD, were the primary contributors to the relative outperformance of global bonds. Results for the year were split beneath the headline performance of the BB US Aggregate Index with the US Corporate Investment Grade segment returning 8.7% and the US Treasury segment returning -4.4%. The US High Yield Index's return of 23.7% was a positive outlier in fixed income for the 1-year period. High Yield issues likely benefited both from narrowing of credit spreads as well as capital appreciation following the pandemic's economic shock during the 1st quarter of 2020.



Source: Bloomberg



- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis in the yield graph to the right. The "1-Year Trailing Market Rates" chart illustrates that throughout 2020 the US 10year Treasury (green line) stayed between 0.5% and 1.0% but began increasing rapidly at the beginning of 2021, reaching a high of 1.74% during the 1st quarter of 2021. At the start of 2020, US interest rates declined significantly following the onset of the pandemic and the response from the US Federal Reserve Bank (Fed) to lower rates back near zero. 2021's acceleration in longer-term rates is due to an increase in investor expectations of stronger economic growth and inflation concerns over the continued issuance of new Treasury bonds by the government to fund stimulus. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury investment grade issues. The line illustrates the normalization in credit spreads following the substantial widening at the onset of the pandemic. Credit spreads continued their steady decline through the 1st guarter as concerns over corporate defaults subsided. The green band across the graph illustrates the Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% - 0.25%. During its March meeting, the Federal Open Market Committee (FOMC) upgraded its projections for the US economy in 2021 but vowed to keep interest rates near zero while also maintaining its asset purchasing measures aimed at supplying the market with liquidity.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 4th quarter of 2020, longer-term interest rates began to move higher as investors' optimism improved. This trend continued through the 1st quarter. Short term interest rates, primarily those under two years, fell modestly while all long-term rates increased. The combination of additional fiscal stimulus, higher expected economic growth, and inflation concerns all contributed to higher long-term rates. The 10-year Treasury ended the quarter at 1.74%, more in line with pre-pandemic levels, compared to 0.52% at its lowest point in 2020 and 0.93% at the beginning of 2021.





Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21

Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



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Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Domestic Equity	11,133,092	56.9	Domestic Equity	11,370,239	57.0
International Equity	2,965,475	15.1	International Equity	3,082,440	15.4
Domestic Fixed Income	5,178,579	26.5	Domestic Fixed Income	5,078,400	25.4
Cash & Equivalents	297,274	1.5	Cash & Equivalents	424,872	2.1



March 31, 2021 : \$19,955,951

Mutual Fund Cash Mutual Fund Cash Receipt & Disbursement Receipt & Disbursement Anchor All Cap Value Anchor All Cap Value Agincourt Fixed Income Agincourt Fixed Income Vanguard Total Intl Stock (VTIAX) Vanguard Total Intl Stock (VTIAX) Vanguard Growth Index (VIGAX) Vanguard Growth Index (VIGAX)

December 31, 2020 : \$19,574,418

Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Anchor All Cap Value	5,277,418	27.0	Anchor All Cap Value	5,738,252	28.8
Vanguard Growth Index (VIGAX)	5,855,674	29.9	Vanguard Growth Index (VIGAX)	5,631,986	28.2
Vanguard Total Intl Stock (VTIAX)	2,965,475	15.1	Vanguard Total Intl Stock (VTIAX)	3,082,440	15.4
Agincourt Fixed Income	5,178,579	26.5	Agincourt Fixed Income	5,078,400	25.4
Mutual Fund Cash	1,622	0.0	Mutual Fund Cash	1,623	0.0
Receipt & Disbursement	295,652	1.5	Receipt & Disbursement	423,250	2.1





Asset Allocation Compliance

	Minimum Allocation (%)	Maximum Allocation (%)	Current Allocation (%)	Target Allocation (%)
Total Cash & Equivalents	0.0	5.0	2.1	0.0
Total International Equity	0.0	25.0	15.4	15.0
Total Domestic Fixed Income	10.0	40.0	25.4	35.0
Total Domestic Equity	40.0	60.0	57.0	50.0
Total Fund	N/A	N/A	100.0	100.0



Lake City Police Officers' Pension Fund Asset Allocation As of March 31, 2021

Asset Allocation History by Portfolio Mar-2021 Dec-2020 Sep-2020 Jun-2020 I										
	Mar-2	021	Dec-2	020	Sep-2	020	Jun-2	020	Mar-20	020
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Total Equity	14,452,679	72.4	14,098,566	72.0	12,416,836	69.4	11,371,902	67.5	9,581,725	64.8
Total Domestic Equity	11.370.239	57.0	11.133.092	56.9	9.879.986	55.2	8.989.347	53.4	7.564.476	51.1
Anchor All Cap Value	5,738,252	28.8	5,277,418	27.0	4,625,450	25.8	3,998,499	23.7	3,466,240	23.4
Vanguard Growth Index (VIGAX)	5,631,986	28.2	5,855,674	29.9	5,254,536	29.4	4,990,848	29.6	4,098,236	27.7
Total International Equity	3,082,440	15.4	2,965,475	15.1	2,536,850	14.2	2,382,555	14.1	2,017,250	13.6
Vanguard Total Int'l Equity (VTIAX)	3,082,440	15.4	2,965,475	15.1	2,536,850	14.2	2,382,555	14.1	2,017,250	13.6
Total Fixed Income	5,078,400	25.4	5,178,579	26.5	5,157,225	28.8	5,138,022	30.5	4,994,395	33.8
Total Domestic Fixed Income	5,078,400	25.4	5,178,579	26.5	5,157,225	28.8	4,377,588	26.0	4,236,703	28.6
Agincourt Fixed Income	5,078,400	25.4	5,178,579	26.5	5,157,225	28.8	4,377,588	26.0	4,236,703	28.6
Total Global Fixed Income	-	0.0	-	0.0	-	0.0	760,434	4.5	757,691	5.1
Templeton Global Total Return R6 (FTTRX)	-	0.0	-	0.0	-	0.0	760,434	4.5	757,691	5.1
Total Cash & Equivalents	424,872	2.1	297,274	1.5	326,374	1.8	335,572	2.0	220,818	1.5
Receipt & Disbursement	423,250	2.1	295,652	1.5	324,752	1.8	333,953	2.0	219,199	1.5
Mutual Fund Cash	1,623	0.0	1,622	0.0	1,622	0.0	1,619	0.0	1,619	0.0
Total Fund	19,955,951	100.0	19,574,418	100.0	17,900,435	100.0	16,845,496	100.0	14,796,938	100.0



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Asset Allocation History by Segment



Page 17

Market Value 01/01/2021 Net Transfers Contributions Distributions Management Fees Other Expenses Income Apprec./ Deprec. Market Value 03/31/2021 Total Equity 14.0356 -293.924 - - -7.916 - 33,857 505,130 11,370,239 Anchor All Cap Value 5.277.418 7.916 - -7.916 - 23,857 505,130 11,370,239 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - -7.916 - 23,857 505,31.98 11,370,239 Total International Equity 2,965,475 -301,840 - - - 28,196 69,957 5,631,986 Total International Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - - - -	Financial Reconciliation Quarter to	Date								
Total Equity 14,098,566 -293,924 - - -7,916 - 41,248 614,705 14,452,679 Total Domestic Equity 11,133,092 -293,924 - - -7,916 - 33,857 505,130 11,370,239 Anchor All Cap Value 5,277,418 7,916 - - -7,916 - 25,661 435,173 5,738,252 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - - - - 8,196 69,957 5,631,986 Total International Equity 2,965,475 - - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - - 7,391 109,575 3,082,440 Total Fixed Income 5,178,579 - - - - - - 7,391 109,575 5,078,400 Agincourt Fixed Income 5,178,579 - - - - - - - - - - - - - -		Market Value 01/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2021
Total Domestic Equity 11,133,092 -293,924 - - -7,916 - 25,661 435,173 5,738,252 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - - -7,916 - 25,661 435,173 5,738,252 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - - - - 8,196 69,957 5,631,986 Total International Equity 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Total Domestic Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056	Total Equity	14,098,566	-293,924	-	-	-7,916	-	41,248	614,705	14,452,679
Total Domestic Equity 11,133,092 -233,924 - - -7,916 - 33,857 505,130 11,370,239 Anchor All Cap Value 5,277,418 7,916 - -7,916 - 25,661 435,173 5,738,252 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - - - 8,196 69,957 5,631,986 Total International Equity 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - -3,237 -248 34,056 -130,750 5,078,400 Total Fixed Income 5,178,579 - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixe										
Anchor All Cap Value 5,277,418 7,916 - -7,916 - 25,661 435,173 5,738,252 Vanguard Growth Index (VIGAX) 5,855,674 -301,840 - - - - 8,196 69,957 5,631,986 Total International Equity 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Total Fixed Income 5,178,579 - - - - 7,391 109,575 3,082,440 Anchor All Cap Value 5,178,579 - - - - 7,391 109,575 3,082,440 Total Domestic Fixed Income 5,178,579 - - - - 3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - - - - - - - - - - - - - - - - - <th< td=""><td>Total Domestic Equity</td><td>11,133,092</td><td>-293,924</td><td>-</td><td>-</td><td>-7,916</td><td>-</td><td>33,857</td><td>505,130</td><td>11,370,239</td></th<>	Total Domestic Equity	11,133,092	-293,924	-	-	-7,916	-	33,857	505,130	11,370,239
Vanguard Growth Index (VIGAX) 5,855,674 301,840 - - - 8,196 69,957 5,631,986 Total International Equity 2,965,475 - - - - - 8,196 69,957 5,631,986 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 -	Anchor All Cap Value	5,277,418	7,916	-	-	-7,916	-	25,661	435,173	5,738,252
Total International Equity 2,965,475 - - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - 7,391 109,575 3,082,440 Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - 7,391 109,575 3,082,440 Total Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Total Cash & Equivalents 297,274 293,924 65,039 -222,125 - -9,253 13 - 424,872 Receipt & Disbursement 295,652 293,924 65,039 -222,125 - - 1 1 1,623	Vanguard Growth Index (VIGAX)	5,855,674	-301,840	-	-	-	-	8,196	69,957	5,631,986
Vanguard Total Int'l Equity (VTIAX) 2,965,475 - - - - 7,391 109,575 3,082,440 Total Fixed Income 5,178,579 - - - - 7,391 109,575 3,082,440 Total Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - - -3,237 -248 34,056 -130,750 5,078,400 Total Cash & Equivalents 297,274 293,924 65,039 -222,125 - -9,253 13 - 424,872 Receipt & Disbursement 295,652 293,924 65,039 -222,125 - - - 1 - 1,623 Total Fund 19,574,418 - 65,039 -222,125 - - - 1 - 1,623 Total Fund 19,574,418 - <td>Total International Equity</td> <td>2,965,475</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>7,391</td> <td>109,575</td> <td>3,082,440</td>	Total International Equity	2,965,475	-	-	-	-	-	7,391	109,575	3,082,440
Total Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Total Domestic Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Total Cash & Equivalents 297,274 293,924 65,039 -222,125 - -9,253 13 - 424,872 Receipt & Disbursement 295,652 293,924 65,039 -222,125 - -9,253 13 - 423,250 Mutual Fund Cash 1,622 - - - - - 1 - 1,623 Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Vanguard Total Int'l Equity (VTIAX)	2,965,475	-	-	-	-	-	7,391	109,575	3,082,440
Total Domestic Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - -3,237 -248 34,056 -130,750 5,078,400 Agincourt Fixed Income 5,178,579 - - - -3,237 -248 34,056 -130,750 5,078,400 Total Cash & Equivalents 297,274 293,924 65,039 -222,125 - -9,253 13 - 424,872 Receipt & Disbursement 295,652 293,924 65,039 -222,125 - -9,253 13 - 423,250 Mutual Fund Cash 1,622 - - - - 1 1,623 Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Total Fixed Income	5,178,579	-	-	-	-3,237	-248	34,056	-130,750	5,078,400
Agincourt Fixed Income5,178,5793,237-24834,056-130,7505,078,400Total Cash & Equivalents297,274293,92465,039-222,1259,25313-424,872Receipt & Disbursement295,652293,92465,039-222,1259,25313-423,250Mutual Fund Cash19,574,418-65,039-222,125-11,153-9,50175,317483,95419,955,951	Total Domestic Fixed Income	5,178,579	-	-	-	-3,237	-248	34,056	-130,750	5,078,400
Total Cash & Equivalents 297,274 293,924 65,039 -222,125 - -9,253 13 - 424,872 Receipt & Disbursement 295,652 293,924 65,039 -222,125 - -9,253 13 - 423,250 Mutual Fund Cash 1,622 - - - - 1 - 1,623 Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Agincourt Fixed Income	5,178,579	-	-	-	-3,237	-248	34,056	-130,750	5,078,400
Receipt & Disbursement 295,652 293,924 65,039 -222,125 - -9,253 13 - 423,250 Mutual Fund Cash 1,622 - - - - 1 - 1,623 Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Total Cash & Equivalents	297,274	293,924	65,039	-222,125	-	-9,253	13	-	424,872
Mutual Fund Cash 1,622 - - - - - 1 - 1,623 Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Receipt & Disbursement	295,652	293,924	65,039	-222,125	-	-9,253	13	-	423,250
Total Fund 19,574,418 - 65,039 -222,125 -11,153 -9,501 75,317 483,954 19,955,951	Mutual Fund Cash	1,622	-	-	-	-	-	1	-	1,623
	Total Fund	19,574,418	-	65,039	-222,125	-11,153	-9,501	75,317	483,954	19,955,951

Financial Reconciliation Fiscal Yea	r to Date								
	Market Value 10/01/2020	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2021
Total Equity	12,416,836	-287,017	-	-	-35,725	-	102,597	2,255,988	14,452,679
Total Domestic Equity	9.879.986	-287.017	-	-	-35.725	-	66.780	1.746.215	11.370.239
Anchor All Cap Value	4.625.450	14.823		-	-35.725	-	48.095	1.085.609	5.738.252
Vanguard Growth Index (VIGAX)	5,254,536	-301,840	-	-	-	-	18,684	660,606	5,631,986
Total International Equity	2,536,850	-	-	-	-	-	35,817	509,773	3,082,440
Vanguard Total Int'l Equity (VTIAX)	2,536,850	-	-	-	-	-	35,817	509,773	3,082,440
Total Fixed Income	5,157,225	-	-	-	-6,460	-248	67,246	-139,364	5,078,400
Total Domestic Fixed Income	5,157,225	-	-	-	-6,460	-248	67,246	-139,364	5,078,400
Agincourt Fixed Income	5,157,225	-	-	-	-6,460	-248	67,246	-139,364	5,078,400
Total Cash & Equivalents	326,374	287,017	266,033	-429,907	-	-24,667	21	-	424,872
Receipt & Disbursement	324,752	287,017	266,033	-429,907	-	-24,667	21	-	423,250
Mutual Fund Cash	1,622	-	-	-	-	-	1	-	1,623
Total Fund	17,900,435	-	266,033	-429,907	-42,184	-24,914	169,864	2,116,624	19,955,951



Comparative	Performance	Trailing	Returns
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	Q	ſR	FY	TD	1 ۱	/R	3 \	/R	5 Y	/R	7 \	/R	10	YR	Incep	otion	Inception Date
Total Fund (Gross)	2.88	(56)	12.82	(64)	38.28	(25)	11.86	(11)	11.24	(18)	8.82	(18)	9.03	(16)	7.06	(54)	10/01/1998
Total Fund Policy	3.04	(50)	12.07	(76)	34.35	(45)	11.12	(20)	10.77	(31)	8.77	(19)	8.90	(20)	6.55	(83)	
Difference	-0.16		0.75		3.93		0.74		0.47		0.05		0.13		0.51		
All Public Plans-Total Fund Median	3.02		13.72		33.23		9.64		10.05		7.88		8.12		7.11		
Total Fund (Net)	2.83		12.57		37.90		11.57		10.95		8.54		8.74		6.62		10/01/1998
Total Fund Policy	3.04		12.07		34.35		11.12		10.77		8.77		8.90		6.55		
Difference	-0.21		0.50		3.55		0.45		0.18		-0.23		-0.16		0.07		
Total Equity	4.71		19.09		58.44		15.44		15.27		11.69		12.05		7.93		10/01/1998
Total Equity Policy	5.59		19.60		54.96		14.52		14.94		11.80		11.96		7.40		
Difference	-0.88		-0.51		3.48		0.92		0.33		-0.11		0.09		0.53		
Total Domestic Equity	4.92	(62)	18.48	(68)	59.96	(62)	17.85	(34)	16.67	(40)	13.33	(41)	13.68	(45)	8.71	(77)	10/01/1998
S&P 500 Index	6.17	(55)	19.07	(66)	56.35	(73)	16.78	(42)	16.29	(48)	13.59	(36)	13.91	(39)	8.28	(90)	
Difference	-1.25		-0.59		3.61		1.07		0.38		-0.26		-0.23		0.43		
IM U.S. All Cap Equity (SA+CF+MF) Median	6.46		21.50		62.56		15.63		15.89		12.61		13.27		9.93		
Total International Equity	3.94	(46)	21.51	(32)	52.80	(22)	6.47	(26)	9.91	(16)	5.50	(22)	5.02	(63)	6.25	(54)	02/01/2010
Total International Equity Policy	3.60	(54)	21.29	(35)	50.03	(36)	7.02	(14)	10.28	(9)	5.75	(14)	5.41	(42)	6.67	(32)	
Difference	0.34		0.22		2.77		-0.55		-0.37		-0.25		-0.39		-0.42		
IM International Multi-Cap Core Equity (MF) Median	3.71		20.24		46.43		5.46		8.62		4.71		5.25		6.30		
Total Fixed Income	-1.87		-1.40		1.97		3.59		2.84		2.74		3.02		4.24		10/01/1998
Total Fixed Income Policy	-1.61		-1.20		1.92		3.98		2.69		2.71		2.81		4.17		
Difference	-0.26		-0.20		0.05		-0.39		0.15		0.03		0.21		0.07		
Total Domestic Fixed Income	-1.87	(78)	-1.40	(88)	2.67	(71)	4.64	(50)	3.15	(52)	3.20	(40)	3.34	(43)	4.39	(74)	10/01/1998
Total Domestic Fixed Income Policy	-1.61	(48)	-1.20	(75)	1.38	(96)	4.17	(83)	2.66	(90)	2.82	(82)	2.88	(84)	4.20	(91)	
Difference	-0.26		-0.20		1.29		0.47		0.49		0.38		0.46		0.19		
IM U.S. Intermediate Duration (SA+CF) Median	-1.62		-0.86		3.57		4.62		3.16		3.09		3.27		4.57		



Returns for periods greater than one year are annualized. Returns are expressed as percentages.

Lake City Police Officers' Pension Fund

Comparative Performance

As of March 31, 2021

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Incep	otion	Inception Date
Total Domestic Equity																	
Anchor All Cap Value	8.73	(82)	24.62	(88)	52.24	(92)	11.57	(70)	11.96	(77)	9.19	(74)	10.62	(73)	13.55	(85)	02/01/2009
Russell 3000 Value Index	11.89	(52)	31.15	(55)	58.38	(70)	10.99	(72)	11.87	(79)	9.35	(72)	10.91	(66)	13.62	(84)	
Difference	-3.16		-6.53		-6.14		0.58		0.09		-0.16		-0.29		-0.07		
IM U.S. All Cap Value Equity (SA+CF) Median	12.29		32.20		67.64		12.95		13.85		10.38		11.79		15.30		
Vanguard Growth Index (VIGAX)	1.50	(43)	13.11	(38)	64.93	(29)	23.10	(24)	20.60	(40)	16.89	(30)	16.25	(28)	16.31	(26)	05/01/2010
Vanguard Growth Index Hybrid	1.50	(42)	13.13	(37)	65.02	(28)	23.14	(22)	20.64	(38)	16.94	(29)	16.33	(26)	16.39	(24)	
Difference	0.00		-0.02		-0.09		-0.04		-0.04		-0.05		-0.08		-0.08		
Russell 1000 Growth Index	0.94	(56)	12.44	(47)	62.74	(37)	22.80	(28)	21.05	(31)	17.50	(18)	16.63	(19)	16.80	(16)	
Difference	0.56		0.67		2.19		0.30		-0.45		-0.61		-0.38		-0.49		
IM U.S. Large Cap Growth Equity (MF) Median	1.18		12.29		59.80		21.21		20.04		16.17		15.19		15.39		
Total International Equity																	
Vanguard Total International Stock (VTIAX)	3.94	(46)	21.51	(32)	52.80	(22)	6.49	(25)	9.93	(15)	5.51	(22)	5.14	(58)	6.36	(46)	02/01/2010
Total International Equity Policy	3.60	(54)	21.29	(35)	50.03	(36)	7.02	(14)	10.28	(9)	5.75	(14)	5.41	(42)	6.67	(32)	
Difference	0.34		0.22		2.77		-0.53		-0.35		-0.24		-0.27		-0.31		
IM International Multi-Cap Core Equity (MF) Median	3.71		20.24		46.43		5.46		8.62		4.71		5.25		6.30		
Total Domestic Fixed Income																	
Agincourt Fixed Income	-1.87	(78)	-1.40	(88)	2.67	(71)	4.64	(50)	3.15	(52)	3.20	(40)	3.34	(43)	4.31	(43)	05/01/2006
Total Domestic Fixed Income Policy	-1.61	(48)	-1.20	(75)	1.38	(96)	4.17	(83)	2.66	(90)	2.82	(82)	2.88	(84)	3.85	(90)	
Difference	-0.26		-0.20		1.29		0.47		0.49		0.38		0.46		0.46		
IM U.S. Intermediate Duration (SA+CF) Median	-1.62		-0.86		3.57		4.62		3.16		3.09		3.27		4.23		

Comparative Performance Fiscal Year Returns																		
	FY	тр	Oct- T	2019 `o	Oct- T	2018 o	Oct-2	2017 o	Oct-2	2016 o	Oct-2	2015 o	Oct-2	2014 o	Oct-2	2013 D	Oct-2	2012 0
			Oct-	2020	Sep-	2019	Sep-	2018	Sep-	2017	Sep-	2016	Sep-2	2015	Sep-2	2014	Sep-2	2013
Total Fund (Gross)	12.82	(64)	8.58	(92)	4.47	(43)	9.56	(14)	12.07	(50)	10.58	(23)	-2.35	(80)	10.94	(28)	12.74	(47)
Total Fund Policy	12.07	(76)	8.03	(93)	5.19	(24)	8.73	(27)	12.10	(49)	10.83	(17)	-1.31	(62)	11.29	(18)	11.73	(64)
Difference	0.75		0.55		-0.72		0.83		-0.03		-0.25		-1.04		-0.35		1.01	
All Public Plans-Total Fund Median	13.72		13.96		4.27		7.64		12.00		9.76		-0.85		9.89		12.46	
Total Fund (Net)	12.57		8.24		4.19		9.32		11.82		10.28		-2.63		10.74		12.39	
Total Fund Policy	12.07		8.03		5.19		8.73		12.10		10.83		-1.31		11.29		11.73	
Difference	0.50		0.21		-1.00		0.59		-0.28		-0.55		-1.32		-0.55		0.66	
Total Equity	19.09		10.56		3.24		14.19		17.40		14.84		-4.49		15.27		20.62	
Total Equity Policy	19.60		8.79		3.13		14.18		19.02		14.15		-3.24		16.27		18.88	
Difference	-0.51		1.77		0.11		0.01		-1.62		0.69		-1.25		-1.00		1.74	
Total Domestic Equity	18.48	(68)	13.16	(90)	4.60	(29)	17.48	(43)	16.93	(72)	16.19	(13)	-2.83	(71)	18.24	(35)	21.16	(77)
S&P 500 Index	19.07	(66)	11.11	(96)	4.25	(31)	17.91	(39)	18.61	(56)	15.43	(20)	-0.61	(52)	19.73	(19)	19.34	(88)
Difference	-0.59		2.05		0.35		-0.43		-1.68		0.76		-2.22		-1.49		1.82	
IM U.S. All Cap Equity (SA+CF+MF) Median	21.50		23.79		1.83		15.95		19.06		12.58		-0.53		17.07		24.66	
Total International Equity	21.51	(32)	1.33	(100)	-1.69	(37)	1.54	(50)	19.26	(45)	9.52	(19)	-10.77	(80)	4.79	(41)	15.80	(85)
Total International Equity Policy	21.29	(35)	1.15	(100)	-0.72	(19)	2.25	(31)	20.15	(26)	9.80	(15)	-11.78	(88)	5.22	(32)	16.98	(78)
Difference	0.22		0.18		-0.97		-0.71		-0.89		-0.28		1.01		-0.43		-1.18	
IM International Multi-Cap Core Equity (MF) Median	20.24		13.82		-2.72		1.54		18.95		6.21		-8.02		4.35		21.03	
Total Fixed Income	-1.40	(88)	4.12	(29)	7.52	(78)	-0.76	(85)	2.39	(4)	4.10	(35)	1.27	(97)	2.88	(50)	-0.48	(65)
Total Fixed Income Policy	-1.20	(75)	5.10	(6)	8.01	(51)	-0.98	(96)	0.14	(92)	4.36	(25)	2.02	(86)	2.35	(78)	-0.71	(77)
Difference	-0.20		-0.98		-0.49		0.22		2.25		-0.26		-0.75		0.53		0.23	
IM U.S. Intermediate Duration (SA+CF) Median	-0.86		3.67		8.01		-0.39		0.69		3.90		2.70		2.87		-0.27	
Total Domestic Fixed Income	-1.40	(88)	5.81	(3)	8.52	(15)	-0.55	(64)	0.68	(51)	4.30	(27)	2.92	(33)	3.00	(44)	-0.48	(65)
Total Domestic Fixed Income Policy	-1.20	(75)	5.05	(6)	8.08	(45)	-0.93	(94)	0.25	(86)	3.57	(73)	2.95	(31)	2.74	(57)	-0.71	(77)
Difference	-0.20		0.76		0.44		0.38		0.43		0.73		-0.03		0.26		0.23	
IM U.S. Intermediate Duration (SA+CF) Median	-0.86		3.67		8.01		-0.39		0.69		3.90		2.70		2.87		-0.27	
Total Global Fixed Income	N/A		N/A		2.50	(99)	-1.91	(66)	13.82	(1)	2.68	(94)	-8.14	(94)	N/A		N/A	
Blmbg. Barc. Global Multiverse	-0.97	(86)	5.60	(12)	7.54	(51)	-1.32	(51)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)
Difference	N/A		N/A		-5.04		-0.59		14.38		-6.55		-4.58		N/A		N/A	
IM Global Fixed Income (MF) Median	0.25		3.58		7.65		-1.29		1.02		7.42		-3.85		3.37		-1.81	



Lake City Police Officers' Pension Fund Comparative Performance

As of March 31, 2021

	FY	TD	Oct T Oct-	-2019 Го -2020	Oct- T Sep-	2018 o 2019	Oct-⊱ T Sep-	2017 o 2018	Oct-/ T Sep-	2016 o 2017	Oct-/ T Sep-	2015 o 2016	Oct-2 To Sep-2	2014 o 2015	Oct-2 To Sep-2	2013 o 2014	Oct-2 T Sep-2	2012 o 2013
Total Domestic Equity																		
Anchor All Cap Value	24.62	(88)	-4.97	(100)	4.64	(33)	11.43	(57)	13.69	(85)	19.35	(15)	-7.86	(85)	17.24	(29)	23.19	(71)
Russell 3000 Value Index	31.15	(55)	-6 .15	(100)	3.10	(43)	9.46	(75)	15.53	(72)	16.38	(30)	-4.22	(66)	17.66	(25)	22.67	(73)
Difference	-6.53		1.18		1.54		1.97		-1.84		2.97		-3.64		-0.42		0.52	
IM U.S. All Cap Value Equity (SA+CF) Median	32.20		19.63		0.43		12.26		17.71		14.43		-2.86		15.29		26.41	
Vanguard Growth Index (VIGAX)	13.11	(38)	30.76	(57)	4.52	(27)	22.68	(72)	19.80	(58)	13.51	(20)	1.93	(63)	19.32	(21)	18.66	(60)
Vanguard Growth Index Hybrid	13.13	(37)	30.84	(56)	4.55	(27)	22.70	(71)	19.86	(56)	13.56	(20)	2.00	(62)	19.38	(21)	18.63	(61)
Difference	-0.02		-0.08		-0.03		-0.02		-0.06		-0.05		-0.07		-0.06		0.03	
Russell 1000 Growth Index	12.44	(47)	29.99	(67)	3.71	(33)	26.30	(38)	21.94	(28)	13.76	(18)	3.17	(45)	19.15	(22)	19.27	(52)
Difference	0.67		0.77		0.81		-3.62		-2.14		-0.25		-1.24		0.17		-0.61	
IM U.S. Large Cap Growth Equity (MF) Median	12.29		31.43		2.32		25.06		20.13		10.96		2.84		16.89		19.37	
Total International Equity																		
Vanguard Total International Stock (VTIAX)	21.51	(32)	1.33	(100)	-1.63	(36)	1.54	(50)	19.26	(45)	9.52	(19)	-10.77	(80)	4.77	(41)	17.06	(77)
Total International Equity Policy	21.29	(35)	1.15	(100)	-0.72	(19)	2.25	(31)	20.15	(26)	9.80	(15)	-11.78	(88)	5.22	(32)	16.98	(78)
Difference	0.22		0.18		-0.91		-0.71		-0.89		-0.28		1.01		-0.45		0.08	
IM International Multi-Cap Core Equity (MF) Median	20.24		13.82		-2.72		1.54		18.95		6.21		-8.02		4.35		21.03	
Total Domestic Fixed Income																		
Agincourt Fixed Income	-1.40	(88)	5.81	(3)	8.52	(15)	-0.55	(64)	0.68	(51)	4.30	(27)	2.92	(33)	3.00	(44)	-0.48	(65)
Total Domestic Fixed Income Policy	-1.20	(75)	5.05	(6)	8.08	(45)	-0.93	(94)	0.25	(86)	3.57	(73)	2.95	(31)	2.74	(57)	-0.71	(77)
Difference	-0.20		0.76		0.44		0.38		0.43		0.73		-0.03		0.26		0.23	
IM U.S. Intermediate Duration (SA+CF) Median	-0.86		3.67		8.01		-0.39		0.69		3.90		2.70		2.87		-0.27	
Total Global Fixed Income																		
Templeton Global Total Return R6 (FTTRX)	N/A		N/A		2.50	(99)	-1.91	(66)	13.82	(1)	2.68	(94)	-8.14	(94)	N/A		N/A	
Blmbg. Barc. Global Multiverse	-0.97	(86)	5.60	(12)	7.54	(51)	-1.32	(51)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)
Difference	N/A		N/A		-5.04		-0.59		14.38		-6.55		-4.58		N/A		N/A	
IM Global Fixed Income (MF) Median	0.25		3.58		7.65		-1.29		1.02		7.42		-3.85		3.37		-1.81	

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Lake City Police									As of	To March	tal Fund 31, 202
Total Fund Compliance:									Ye	s N	o N/A
1. The Total Plan return equaled or exceeded the Net 7.5% actuarial earnings assumption over the trailing three year period.									√		
2. The Total Plan return equaled or exceeded the Net 7.5% actuarial earnings assumption over the trailing five year period.									~	•	
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.									~	•	
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.									✓		
5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.									~	•	
6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.									✓		
7. Total foreign securities were less than 25% of the total plan assets at market.									~		
Equity Compliance:									Ye	s N	o N/A
1. Total domestic equity returns equaled or exceeded the benchmark over the trailing three year period.									✓		
2. Total domestic equity returns equaled or exceeded the benchmark over the trailing five year period.									~		
3. Total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.									~		
4. Total domestic equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.									~		
5. Total international equity returns equaled or exceeded the benchmark over the trailing three year period.										~	<i>,</i>
6. Total international equity returns equaled or exceeded the benchmark over the trailing five year period.										~	<i>,</i>
7. Total international equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.									~		
8. Total international equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.									~		
9. The total equity allocation was less than 70% of the total plan assets at market.									~		
Fixed Income Compliance:									Ye	s N	o N/A
1. Total domestic fixed income returns equaled or exceeded the benchmark over the trailing three year period.									✓		
2. Total domestic fixed income returns equaled or exceeded the benchmark over the trailing five year period.									~		
3. Total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period.										~	<i>,</i>
4. Total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period.									~		
5. All fixed income investments had a rating of investment grade or higher.									~		
Manager Compliance:		Anchor		VIG	SX In	dex	VTL	AX Index		Agino	ourt
	Yes	NO	N/A	Yes	NO	N/A	Yes	NO N	A Ye	S N	D N/A
1. Manager outperformed the index over the trailing three year period.	v					v				,	
2. Manager outperformed the index over the trailing five year period.	v	/		/		v	/		/ ľ		/
3. Manager ranked within the top 40th percentile over trailing three year period.		•		v			•			v	/
4. Manager ranked within the top 40th percentile over trailing five year period.		v		v			v			v	
5. Less than four consecutive quarters of under-performance relative to the benchmark.	v					•			/ *		/
6. Three year down market capture ratio less than the index.	v					•			· ·	v	/
7. Five year down market capture ratio less than the index.	× ·					v			· .	√	
8. Manager reports compliance with PFIA.	✓					✓			∕ √		



Compliance Checklist

Lake City Police Officers' Pension Fund Fee Analysis As of March 31, 2021

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Total Equity	0.28	14,452,679	40,636	
Total Domestic Equity Anchor All Cap Value Vanguard Growth Index (VIGAX)	0.33 0.60 0.05	11,370,239 5,738,252 5,631,986	37,246 34,430 2,816	0.60 % of Assets 0.05 % of Assets
Total International Equity Vanguard Total International Stock (VTIAX)	0.11 0.11	3,082,440 3,082,440	3,391 3,391	0.11 % of Assets
Total Fixed Income	0.25	5,078,400	12,696	
Total Domestic Fixed Income Agincourt Fixed Income	0.25 0.25	5,078,400 5,078,400	12,696 12,696	0.25 % of Assets
Receipt & Disbursement Mutual Fund Cash	0.00 0.00	423,250 1,623	-	0.00 % of Assets 0.00 % of Assets
Total Fund	0.27	19,955,951	53,332	













3 Yr Rolling Percentile Ranking - 5 Years



Total Fund	20	8	(40%)	7	(35%)	5	(25%)	0	(0%)
Total Policy	20	12	(60%)	8	(40%)	0	(0%)	0	(0%)

Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Total Fund	11.86	12.50	Total Fund	11.24	10.14
Total Policy	11.12	11.56	Total Policy	10.77	9.40
Median	9.64	11.01	Median	10.05	8.96

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.54	108.00	109.11	-0.07	0.51	0.84	1.08	8.04
Total Policy	0.00	100.00	100.00	0.00	N/A	0.84	1.00	7.34
Historical Statisti	ics - 5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.34	105.91	107.72	-0.27	0.37	0.98	1.07	6.41
Total Policy	0.00	100.00	100.00	0.00	N/A	1.01	1.00	5.88







Lake City Police Officers' Pension Fund **Total Domestic Equity Performance Review (Fiscal Years)** As of March 31, 2021



3 Yr Rolling Under/Over Performance - 5 Years

3 Yr Rolling Percentile Ranking - 5 Years



3 (15%)

Peer Group	Scattergram - 3 Years



Risk (Standard Deviation %)

100.00

100.00

Peer Group Scattergram - 5 Years

N/A

20

S&P 500



17 (85%)

0 (0%)

0 (0%)

Risk (Standard Deviation %)

1.02

	Return	Standard Deviation		Return	Standard Deviation
Total DE	17.85	18.50	Total DE	16.67	15.03
S&P 500	16.78	18.14	S&P 500	16.29	14.76
Median	15.63	19.81	Median	15.89	16.23

Historical Statistics - 3 Years

0.00

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total DE	2.35	101.69	97.67	0.79	0.42	0.90	1.01	11.81
S&P 500	0.00	100.00	100.00	0.00	N/A	0.86	1.00	11.75
Historical Statis	stics - 5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total DE	2.34	100.50	98.12	0.28	0.16	1.02	1.01	9.41

0.00



9.35

1.00

S&P 500



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Lake City Police Officers' Pension Fund Anchor All Cap Value Performance Review (Fiscal Years) As of March 31, 2021



3 Yr Rolling Under/Over Performance - 5 Years

3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Anchor	11.57	18.60	Anchor	11.96	15.10
R3000 V	10.99	20.04	R3000 V	11.87	16.28
Median	12.95	21.65	Median	13.85	17.60

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Anchor	3.99	96.34	92.88	1.35	0.06	0.60	0.91	12.75
R3000 V	0.00	100.00	100.00	0.00	N/A	0.55	1.00	14.08
Historical Statistics - 5 Years								

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Anchor	4.00	93.15	87.78	1.16	-0.03	0.75	0.90	10.18
R3000 V	0.00	100.00	100.00	0.00	N/A	0.70	1.00	11.18



Lake City Police Officers' Pension Fund Vanguard Growth Index (VIGSX) Performance Review (Fiscal Years) As of March 31, 2021





Lake City Police Officers' Pension Fund Vanguard Growth Index (VIGSX) Performance Review (Fiscal Years) As of March 31, 2021



3 Yr Rolling Under/Over Performance - 5 Years

3 Yr Rolling Percentile Ranking - 5 Years



	Total Period	Count	Count	Count	Count	
Vanguard (VIGSX)	20	3 (15%)	8 (40%)	9 (45%)	0 (0%)	
Vanguard G Index	20	4 (20%)	7 (35%)	9 (45%)	0 (0%)	

Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Vanguard (VIGSX)	23.10	19.31	Vanguard (VIGSX)	20.60	15.84
Vanguard G Index	23.14	19.32	Vanguard G Index	20.64	15.85
Median	21.21	18.81	Median	20.04	15.69

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard (VIGSX)	0.02	99.91	100.02	-0.02	-1.57	1.10	1.00	11.28
Vanguard Growth Index	0.00	100.00	100.00	0.00	N/A	1.10	1.00	11.28

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard (VIGSX)	0.02	99.90	100.05	-0.03	-1.63	1.19	1.00	9.00
Vanguard Growth Index	0.00	100.00	100.00	0.00	N/A	1.19	1.00	9.00







Lake City Police Officers' Pension Fund Total International Equity Performance Review (Fiscal Years) As of March 31, 2021



3 Yr Rolling Under/Over Performance - 5 Years

3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Total IE	6.47	17.85	Total IE	9.91	14.74
Total IE Policy	7.02	17.39	Total IE Policy	10.28	14.49
Median	5.46	17.63	Median	8.62	14.67

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total IE	1.91	100.60	103.05	-0.59	-0.22	0.36	1.02	12.51
Total E Policy	0.00	100.00	100.00	0.00	N/A	0.39	1.00	11.89
Historical Statistic	cs - 5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total IE	1.69	99.00	100.27	-0.40	-0.17	0.63	1.01	10.06
Total E Policy	0.00	100.00	100.00	0.00	N/A	0.67	1.00	9.61







Lake City Police Officers' Pension Fund Vanguard Total International Stock Index (VTIAX) Performance Review (Fiscal Years) As of March 31, 2021



3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
VG (VTIAX)	6.49	17.84	VG (VTIAX)	9.93	14.74
Total IE Policy	7.02	17.39	Total IE Policy	10.28	14.49
Median	5.46	17.63	Median	8.62	14.67

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG (VTIAX)	1.90	100.60	102.95	-0.57	-0.21	0.36	1.02	12.50
Total IE Policy	0.00	100.00	100.00	0.00	N/A	0.39	1.00	11.89
Historical Statistic	s - 5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
VG (VTIAX)	1.68	99.00	100.19	-0.39	-0.16	0.64	1.01	10.05
Total IE Policy	0.00	100.00	100.00	0.00	N/A	0.67	1.00	9.61



Lake City Police Officers' Pension Fund Total Domestic Fixed Income Performance Review (Fiscal Years) As of March 31, 2021





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Lake City Police Officers' Pension Fund Total Domestic Fixed Income Performance Review (Fiscal Years) As of March 31, 2021



3 Yr Rolling Under/Over Performance - 5 Years

3 Yr Rolling Percentile Ranking - 5 Years



		Count	Count	Count	Count
Total D Fixed Income	20	3 (15%)	16 (80%)	1 (5%)	0 (0%)
Total D Fixed Income Policy	20	0 (0%)	1 (5%)	6 (30%)	13 (65%)

Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Total D Fixed Income	4.64	2.47	Total D Fixed Income	3.15	2.38
Total D Fixed Income Policy	4.17	2.17	Total D Fixed Income Policy	2.66	2.17
Median	4.62	2.48	Median	3.16	2.34

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total D Fixed Income	0.71	112.81	119.10	0.07	0.63	1.27	1.09	0.92
Total DFI Policy	0.00	100.00	100.00	0.00	N/A	1.26	1.00	0.77
Historical Statistics -	5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total D Fixed Income	0.58	113.23	105.35	0.30	0.83	0.84	1.07	1.21
Total DFI Policy	0.00	100.00	100.00	0.00	N/A	0.71	1.00	1.13









3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Risk (Standard Deviation %)

	Return	Standard Deviation		Return	Standard Deviation
Agincourt	4.64	2.47	Agincourt	3.15	2.38
Total DFI Policy	4.17	2.17	Total DFI Policy	2.66	2.17
Median	4.62	2.48	Median	3.16	2.34

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Agincourt	0.71	112.81	119.10	0.07	0.63	1.27	1.09	0.92
Total DFI Policy	0.00	100.00	100.00	0.00	N/A	1.26	1.00	0.77
Historical Statistic	s - 5 Years							
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Agincourt	0.58	113.23	105.35	0.30	0.83	0.84	1.07	1.21
Total DFI Policy	0.00	100.00	100.00	0.00	N/A	0.71	1.00	1.13


Total Fund Policy	
Allocation Mandate	Weight (%)
Jan-1978	
S&P 500 Index	35.00
Blmbg. Barc. U.S. Gov't/Credit	60.00
FTSE 3 Month T-Bill	5.00
Ame 1000	
St 500 Index	40.00
Bimba Barc II.S. Gov't/Credit	40.00
ETSE 3 Month T-Bill	5.00
	3.00
Jul-1999	
S&P 500 Index	50.00
Blmbg. Barc. U.S. Gov't/Credit	45.00
FTSE 3 Month T-Bill	5.00
lan-2003	
S&P 500 Index	60.00
Bloomberg Barclays Intermediate LIS Govt/Credit Idv	40.00
biombolg baloays internediate be covered in tax	40.00
Jan-2010	
S&P 500 Index	50.00
MSCI AC World ex USA	10.00
Bloomberg Barclays Intermed Aggregate Index	40.00
1 0011	
Jan-2011	50.00
	15 00
Bloomborg Barclays Intermed Aggregate Index	35.00
bioinberg barclays interned Aggregate index	55.00
Aug-2014	
S&P 500 Index	50.00
MSCI AC World ex USA	15.00
Bloomberg Barclays Intermed Aggregate Index	30.00
Blmbg. Barc. Global Multiverse	5.00
Oct-2020	
S&P 500 Index	50.00
MSCI AC World ex USA	15.00
Bloomberg Barclays Intermed Aggregate Index	35.00

Total Equity Policy		
Allocation Mandate	Weight (%)	
Jan-1926		
S&P 500 Index	100.00	
Jan-2010		
S&P 500 Index	83.00	
MSCI AC World ex USA	17.00	
Jan-2011		
S&P 500 Index	77.00	
MSCI AC World ex USA	23.00	

Total International Equity Policy		
Allocation Mandate	Weight (%)	
Jan-1970		
MSCI EAFE Index	100.00	
Jan-2010		
MSCI AC World ex USA	100.00	



Total Fixed Income Policy	
Allocation Mandate	Weight (%)
Jan-1973	
Blmbg. Barc. U.S. Gov't/Credit	100.00
Jan-2003	
Bloomberg Barclays Intermediate US Govt/Credit Idx	100.00
Jan-2010	
Bloomberg Barclays Intermed Aggregate Index	100.00
Aug-2014	
Bloomberg Barclays Intermed Aggregate Index	86.00
Blmbg. Barc. Global Multiverse	14.00
Oct-2020	
Bloomberg Barclays Intermed Aggregate Index	100.00

Total Domestic Fixed Income Policy	
Allocation Mandate	Weight (%)
Jan-1973	
Blmbg. Barc. U.S. Gov't/Credit	100.00
Jan-2003	
Bloomberg Barclays Intermediate US Govt/Credit Idx	100.00
Jan-2010	
Bloomberg Barclays Intermed Aggregate Index	100.00

Vanguard Growth Index Policy	
Allocation Mandate	Weight (%)
Jul-2003	
MSCI US Prime Market Growth	100.00
May-2013 CRSP U.S. Large Cap Growth TR Index	100.00



Neither AndCo, nor any covered associates, have made political contributions to any official associated with the Lake City Police Officers' Pension Fund in excess of the permitted amount.

July 2019, Vanguard International MF changed share class from Investor (VGTSX) to Admiral (VTIAX), the performance history has been maintained.



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

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U.S. Large Cap Growth Equity Manager Analysis Period Ending March 31, 2021

City of Lake City Police Officers' Pension Fund



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Purpose for this Manager Evaluation Report

The purpose of this search is to review options for the possible replacement of the Plan's passively-managed large cap growth option given the concentration of the index in its top 10 holdings.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Fred Alger Management, Inc.	Alger Capital Appreciation Instl Y (ACAYX)	MF	0.75%	\$500,000
Touchstone Advisors Inc. (Subadvised by DSM Capital Partners)	Touchstone Large Company Growth Instl (DSMLX)	MF	0.69%	\$500,000
MFS Investment Management	MFS Growth R6 (MFEKX)	MF	0.53%	None
Wells Fargo Fund Management, LLC	Wells Premier Large Company Growth R6 (EKJFX)	MF	0.65%	None
Vanguard Group	Vanguard Growth Index Admiral (VIGAX)	MF	0.05%	\$3,000



Definition and Characteristics

US Large Cap Growth is typically defined as US-based companies with a market capitalization over \$5 billion that have higher price-to-book, price-to-earnings, and forecasted growth rates. The primary benchmark for strategies in this space is the Russell 1000 Growth Index. The index contains those stocks with higher than average price-to-book and price- to-earnings ratios and higher 3-yr forecasted growth rates within the Russell 1000 on Russell's annual reconstitution day, typically calculated at the end of May. The Technology sector dominates the index, accounting for approximately 40% of the weight by market cap. The Consumer Discretionary, Healthcare, Consumer Staples and Industrials sectors also all have meaningful weights. The index contains approximately 435 individual names, but the largest companies by market cap dominate the index. The weighted average market cap of the index typically exceeds \$150 Billion, while the median market cap is closer to \$10 Billion. The five largest names account for over 25% of the index.

Role within a Portfolio

The primary role of a US Large Cap Growth strategy is to provide diversified exposure to the US stock market with a style tilt toward those names with higher future growth prospects. Active managers in the space typically evaluate a stock's growth rate relative to its valuation. As a group, growth stocks have lower dividend yields than value stocks. The group can often demonstrate higher volatility when broader economic expectations deteriorate. Within the portfolio, a Large Cap Growth strategy is usually paired with a Large Cap Value strategy to provide additional diversification across different economic environments.

Benchmark and Peer Group

This US Large Cap Growth search report will use the following benchmark and peer group:

Index – Russell 1000 Growth: Consists of the stocks in the Russell 1000 Index with higher than average forecasted growth rates and higher price-to-book and price-to-earnings ratios.

Morningstar Category - Large Growth: Large-growth portfolios invest primarily in big US companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.



Investment Option Comparison



Firm and Investment Option Information

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6
Firm Information				
Year Founded	1/1/1964	1/1/2001	1/1/1924	1/1/1996
US Headquarters Location	New York, NY	Palm Beach Gardens, FL	Boston, MA	San Francisco, CA
Number of Major Global Offices	3	2	9	9
Year Began Managing Ext. Funds	1/1/1976	1/1/2001	1/1/1924	1/1/1998
Firm AUM (\$ M)	42,004	8,600	608,405	508,971
Ownership Type	Independent	Independent	Subsidiary	Publicly Traded
Largest Owner (Name)	A. Alger, H. Alger, N. Alger	D. Strickberger & S. Memishian	Sun Life Financial	N/A
Employee Ownership (%)	20	100	20	0
Qualify as Emerging Manager?	No	No	No	No
Strategy Information				
Inception Date	1/1/1976	1/1/2002	8/1/1995	8/1/1994
Open/Closed	Open	Open	Open	Open
Primary Benchmark	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth
Secondary Benchmark	Russell 3000 Growth, S&P 500	S&P 500	None	None
Peer Universe	US Large Cap Growth	US Large Cap Growth	US Large Cap Growth	US Large Cap Growth
Outperformance Estimate (%)	1-2	2-3	1-2	2
Tracking Error Estimate (%)	3-5	5	2-4	3-5
Strategy AUM (\$ M)	13,436	6,800	54,014	4,410
Strategy AUM as % Firm Assets	32	80	8	1
Estimated Capacity (\$ M)	50, 000	15, 000	70, 000	10, 000
Investment Approach - Primary	Bottom-up	Bottom-up	Bottom-up	Bottom-up
Investment Approach - Secondary	Fundamental	Fundamental	Fundamental	Fundamental

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.



	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6
Team Information				
Decision Making Structure	PM-Led	PM-Led	PM-Led	PM-Led
Number of Decision Makers	2	1	2	3
Names of Decision Makers	P. Kelly, D. Chung	D. Strickberger	E. Fischman, P. Gordon	T. Ognar, J. Eberhardy, R. Gruendyke
Date Began Managing Strategy	2004, 2021	2002	2004, 2017	2000, 1998, 2008
Date Began with Firm	1999, 2004	2001	2000, 2004	1998, 1994, 2008
Number of Products Managed by Team	4	6	1	4
Number of Investment Analysts	32	8	100	5
Investment Analyst Team Structure	Sector/Industry Specialists	Combination	Sector/Industry Specialists	Sector/Industry Specialists

Portfolio Construction Information				
Broad Style Category	Growth	Growth	Growth	Growth
Style Bias	Aggressive Growth	Core Growth	Core Growth	Core Growth
Sector Constraint Type	Absolute	None	None	Benchmark Relative
Sector Constraints (%)	40 (Sector), 20 (Industry)	None	None (Typically +/-5%)	0-5x
Typical Sector/s Overweight	Consumer Disc.	Communication Services	None	None
Typical Sector/s Underweight	Consumer Staples	Industrials	None	Consumer Discretionary
Typical Number of Holdings	70-120	25-35	70-110	80-100
Average Full Position Size (%)	1	3-5	1.25	2
Maximum Position Size (%)	10	12	5 or 1.5x	7
Annual Typical Asset Turnover (%)	80-120	20-80	30-50	40-80
Annual Typical Name Turnover (%)	80-120	20-80	20-30	40-60
Maximum Cash Allocation (%)	10	2	5	5
Maximum Foreign Exposure (%)	20	15	None	25

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.



Current Portfolio Comparison

As of 3/31/2021

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6	Vanguard Growth Index Admiral	Russell 1000 Growth TR USD
COMPOSITION						
# of Holdings	91	26	77	83	276	461
% Asset in Top 10 Holdings	46.31	65.54	44.53	37.80	44.15	45.25
Asset Alloc Cash %	0.00	1.24	0.42	0.98	0.00	0.00
Asset Alloc Equity %	100.03	98.76	99.58	99.02	100.02	100.00
Asset Alloc Bond %	0.00	0.00	0.00	0.00	0.00	0.00
Asset Alloc Other %	0.08	0.00	0.00	0.00	0.00	0.00
CHARACTERISTICS						
Average Market Cap (mil)	258,618.49	304,224.31	232,434.45	89,706.07	260,144.39	287,661.32
P/E Ratio (TTM)	38.27	37.61	41.53	47.37	38.73	35.20
P/B Ratio (TTM)	7.84	8.66	8.88	9.74	9.28	11.76
LT Earn Growth	17.59	18.72	16.39	17.06	16.25	14.66
Dividend Yield	0.58	0.37	0.44	0.34	0.66	0.80
ROE % (TTM)	25.56	29.42	29.22	18.04	31.16	36.06
GICS SECTORS %						
Energy %	0.00	0.00	0.00	0.00	0.32	0.09
Materials %	1.50	0.00	2.75	1.81	1.75	0.81
Industrials %	5.42	0.00	7.03	8.89	5.28	4.72
Consumer Discretionary %	20.87	18.88	11.62	15.69	18.71	16.71
Consumer Staples %	1.03	1.94	2.40	1.39	2.30	4.29
Healthcare %	7.56	7.17	10.61	14.48	8.46	13.35
Financials %	4.31	2.20	2.87	5.84	2.11	1.94
Information Technology %	46.09	48.30	42.00	38.34	43.85	44.05
Communication Services %	12.89	21.51	19.64	13.55	14.94	12.29
Utilities %	0.00	0.00	0.00	0.00	0.00	0.02
	0.32	0.00	1.07	0.00	2.28	1.74
Market Cap Giant %	57.39	70.82	56.78	37.74	58.12	61.51
Market Cap Large %	35.53	16.04	34.74	23.59	29.43	25.20
Market Cap Mid %	7.01	11.90	8.05	36.43	12.46	12.46
Market Cap Small %	0.00	0.00	0.00	1.26	0.00	0.82
Market Cap Micro %	0.00	0.00	0.00	0.00	0.00	0.01



Historical Portfolio Characteristics Comparison

As of 3/31/2021





Historical Portfolio Characteristics Comparison

As of 3/31/2021



As of 3/31/2021

Current Portfolio Region Allocation

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6	Vanguard Growth Index Admiral	Russell 1000 Growth TR USD
Equity Country United States %	93.82	85.78	95.48	95.81	98.90	99.87
Equity Region North America %	94.49	85.79	96.65	95.81	99.05	99.87
Equity Region Latin America %	0.74	0.00	0.00	0.00	0.00	0.07
Equity Region United Kingdom %	0.00	0.00	0.71	1.81	0.77	0.00
Equity Region Europe dev %	1.08	0.00	1.54	0.00	0.00	0.01
Equity Region Europe emrg %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Japan %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Australasia %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Asia dev %	1.63	0.00	0.75	0.55	0.00	0.00
Equity Region Asia emrg %	2.06	14.22	0.35	1.84	0.17	0.05
Equity Region Africa/Middle East %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Developed %	97.20	85.79	99.65	98.16	99.83	99.88
Equity Region Emerging %	2.80	14.22	0.35	1.84	0.17	0.12

Historical Non-US Portfolio Exposure



As of 3/31/2021

Style Allocation

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6	Vanguard Growth Index Admiral	Russell 1000 Growth TR USD
Equity Style Large Value %	3.65	0.00	1.89	0.00	2.24	5.09
Equity Style Large Core %	24.26	17.10	14.75	11.05	30.51	28.02
Equity Style Large Growth %	64.44	69.76	73.44	49.69	54.76	53.60
Equity Style Mid Value %	0.00	0.00	0.00	0.00	0.23	0.76
Equity Style Mid Core %	4.43	2.10	5.96	0.81	6.30	4.77
Equity Style Mid Growth %	2.58	9.80	2.09	35.62	5.91	6.92
Equity Style Small Value %	0.00	0.00	0.00	0.00	0.00	0.10
Equity Style Small Core %	0.00	0.00	0.00	0.00	0.00	0.35
Equity Style Small Growth %	0.00	0.00	0.00	1.26	0.00	0.38



As of 3/31/2021



Quantitative Review



As of 3/31/2021

82.5 75.0 67.5 60.0 Ketnu 52.5 45.0 37.5 30.0 ••• 22.5 15.0 7.5 1 Year 2 Years 3 Years 4 Years 5 Years 6 Years 7 Years 8 Years 9 Years 10 Years Rank 1 Year Rank 2 Years Rank 3 Years Rank 4 Years Rank 5 Years Rank 6 Years Rank 7 Years 8 Years Rank 9 Years Rank 10 Years Rank Alger Capital Appreciation Instl Y 61.70 45 28.83 22 22.88 25 22.63 26 21.10 27 16.88 31 17.05 23 17.96 23 17.11 21 16.15 25 Touchstone Large Company Growth Instl 53.65 83 24.07 56 19.23 59 21.20 43 19.48 47 15.70 46 15.72 43 16.56 46 15.96 41 15.56 32 MFS Growth R6 21.17 49.88 93 24.41 53 41 22.26 31 20.61 34 17.35 23 16.70 29 17.65 28 16.96 23 16.14 25 Wells Fargo Premier Large Co Gr R6 69.28 16.40 38 15.94 39 16.93 48 21 26.53 36 22.26 32 23.72 18 21.23 25 39 15.60 15.50 34 Vanguard Growth Index Admiral 64.95 32 29.25 21 23.10 23 21.80 36 20.60 34 16.93 29 16.89 25 17.53 29 16.78 26 16.27 23 Russell 1000 Growth TR USD 62.74 39 28.15 25 22.80 27 22.41 29 21.05 28 17.74 19 17.50 18 18.20 20 17.27 18 16.63 19

Peer Group (5-95%): Open End Funds - U.S. - Large Growth 97.5

90.0

Wells Fargo Premier Large Co Gr R6

Russell 1000 Growth TR USD

MFS Growth R6

Vanguard Growth Index Admiral

Touchstone Large Company Growth Instl

Alger Capital Appreciation Instl Y

As of 3/31/2021



Alger Capital Appreciation Instl Y

MFS Growth R6

Touchstone Large Company Growth Instl MFS Growth R6

Wells Fargo Premier Large Co Gr R6

Vanguard Growth Index Admiral

Russell 1000 Growth TR USD

Rolling Excess Return Analysis

As of 3/31/2021

Rolling Excess Returns

Time Period: 4/1/2011 to 3/31/2021

- Wells Fargo Premier Large Co Gr R6



Vanguard Growth Index Admiral



- - Russell 1000 Growth TR USD

Rolling Risk Analysis

As of 3/31/2021

Rolling Standard Deviation





Rolling Window: 3 Years 3 Months shift





7

1.00

6

1.00

As of 3/31/2021

Correlation Matrix

Time Period: 4/1/2011 to 3/31/2021

7 Russell 1000 Growth TR USD

	1	2	3	4	5	6	7
1 Alger Capital Appreciation Instl Y	1.00						
2 Touchstone Large Company Growth Instl	0.97	1.00					
3 MFS Growth R6	0.98	0.97	1.00				
4 Wells Fargo Premier Large Co Gr R6	0.97	0.95	0.97	1.00			
5 Vanguard Growth Index Admiral	0.98	0.95	0.98	0.97	1.00		
6 Anchor All Cap Value Institutional	0.85	0.82	0.85	0.86	0.89	1.00	
7 Russell 1000 Growth TR USD	0.98	0.95	0.98	0.96	1.00	0.89	1.00

Correlation Matrix (Excess Returns vs. Russell 1000 Growth TR USD)

Russell 1000 Growth TR USD

Time Period: 4/1/2011 to 3/31/2021 Calculation Benchmark: Russell 1000 Growth TR USD 1 2 3 4 5 1 Alger Capital Appreciation Instl Y Russell 1000 Growth TR USD 1.00 2 Touchstone Large Company Growth Instl Russell 1000 Growth TR USD 0.57 1.00 3 MFS Growth R6 Russell 1000 Growth TR USD 0.50 0.55 1.00 4 Wells Fargo Premier Large Co Gr R6 Russell 1000 Growth TR USD 0.47 0.52 1.00 0.51 5 Vanguard Growth Index Admiral Russell 1000 Growth TR USD 0.46 0.35 0.35 0.32 1.00 6 Anchor All Cap Value Institutional Russell 1000 Growth TR USD -0.08 -0.01 -0.26 -0.17 -0.08



Rolling Correlation Analysis

As of 3/31/2021

Rolling Correlation

Time Period: 4/1/2011 to 3/31/2021





Rolling Correlation

Time Period: 4/1/2011 to 3/31/2021

Rolling Window: 5 Years 3 Months shift



As of 3/31/2021





Up and Down Market Capture

As of 3/31/2021





As of 3/31/2021



Time Period: 4/1/2018 to 3/31/2021

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Alger Capital Appreciation Instl Y	19.03	56	1.13	22	0.60	26	0.03	25	2.64	91
Touchstone Large Company Growth Instl	18.30	77	0.98	53	-1.30	50	-0.71	54	5.04	43
MFS Growth R6	17.59	90	1.12	23	0.58	26	-0.46	43	3.55	73
Wells Fargo Premier Large Co Gr R6	20.74	22	1.01	46	-0.82	45	-0.10	30	5.52	35
Vanguard Growth Index Admiral	19.59	41	1.11	26	0.13	31	0.25	17	1.22	99
Russell 1000 Growth TR USD	19.41	46	1.10	28	0.00	33			0.00	100

As of 3/31/2021



Time Period: 4/1/2016 to 3/31/2021

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Alger Capital Appreciation Instl Y	15.93	50	1.25	26	0.28	32	0.02	27	2.94	86
Touchstone Large Company Growth Instl	15.78	56	1.16	46	-0.22	40	-0.30	44	5.20	34
MFS Growth R6	14.73	87	1.32	16	1.25	19	-0.13	34	3.49	73
Wells Fargo Premier Large Co Gr R6	17.15	20	1.17	44	-0.37	42	0.04	26	4.87	39
Vanguard Growth Index Admiral	15.97	48	1.22	34	-0.45	44	-0.35	46	1.28	100
Russell 1000 Growth TR USD	15.84	54	1.26	25	0.00	36			0.00	100



As of 3/31/2021



Time Period: 4/1/2014 to 3/31/2021

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Alger Capital Appreciation Instl Y	15.23	52	1.06	23	-0.29	26	-0.15	24	3.07	84
Touchstone Large Company Growth Instl	15.48	43	0.96	48	-1.09	42	-0.35	35	5.06	30
MFS Growth R6	14.10	88	1.12	12	0.53	15	-0.25	30	3.29	78
Wells Fargo Premier Large Co Gr R6	16.14	25	0.94	54	-1.72	55	-0.34	35	4.59	41
Vanguard Growth Index Admiral	15.21	53	1.05	25	-0.70	35	-0.49	45	1.26	100
Russell 1000 Growth TR USD	14.97	60	1.11	13	0.00	22			0.00	100

As of 3/31/2021



Time Period: 4/1/2011 to 3/31/2021

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Alger Capital Appreciation Instl Y	14.97	53	1.04	24	-0.73	30	-0.16	26	3.01	83
Touchstone Large Company Growth Instl	15.29	39	0.98	41	-1.01	36	-0.22	29	4.86	31
MFS Growth R6	13.80	89	1.13	6	0.45	9	-0.16	25	3.17	80
Wells Fargo Premier Large Co Gr R6	15.81	24	0.94	53	-1.72	54	-0.25	31	4.53	39
Vanguard Growth Index Admiral	14.61	65	1.07	15	-0.56	25	-0.30	34	1.22	100
Russell 1000 Growth TR USD	14.30	77	1.12	7	0.00	16			0.00	100

Batting Average and Drawdown

As of 3/31/2021



MPT Statistics: 3-Year

Time Period: 4/1/2018 to 3/31/2021 Calculation Benchmark: Russell 1000 Growth TR USD

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Insti	MFS Growth R6	Wells Fargo Premier Large Co Gr R6	Vanguard Growth Index Admiral	Russell 1000 Growth TR USD
Return	22.88	19.23	21.17	22.26	23.10	22.80
Excess Return	0.09	-3.56	-1.63	-0.54	0.31	0.00
Std Dev	19.03	18.30	17.59	20.74	19.59	19.41
Beta	0.97	0.91	0.89	1.03	1.01	1.00
Tracking Error	2.64	5.04	3.55	5.52	1.22	0.00
Sharpe Ratio	1.13	0.98	1.12	1.01	1.11	1.10
Alpha	0.60	-1.30	0.58	-0.82	0.13	0.00
Information Ratio	0.03	-0.71	-0.46	-0.10	0.25	
Batting Average	55.56	47.22	38.89	47.22	50.00	100.00
Up Capture Ratio	97.23	87.34	91.27	96.15	100.18	100.00
Down Capture Ratio	93.83	90.08	89.26	94.45	98.98	100.00
MPT Statistics: 5-Year						

Time Period: 4/1/2016 to 3/31/2021 Calculation Benchmark: Russell 1000 Growth TR USD

Return	21.10	19.48	20.61	21.23	20.60	21.05
Excess Return	0.05	-1.57	-0.44	0.19	-0.45	0.00
Std Dev	15.93	15.78	14.73	17.15	15.97	15.84
Beta	0.99	0.94	0.91	1.04	1.01	1.00
Tracking Error	2.94	5.20	3.49	4.87	1.28	0.00
Sharpe Ratio	1.25	1.16	1.32	1.17	1.22	1.26
Alpha	0.28	-0.22	1.25	-0.37	-0.45	0.00
Information Ratio	0.02	-0.30	-0.13	0.04	-0.35	
Batting Average	53.33	48.33	45.00	51.67	48.33	100.00
Up Capture Ratio	99.48	94.66	93.96	99.10	98.76	100.00
Down Capture Ratio	98.41	97.23	88.05	96.58	99.89	100.00

MPT Statistics: 7-Year

Time Period: 4/1/2014 to 3/31/2021 Calculation Benchmark: Russell 1000 Growth TR USD

	Alger Capital Appreciation Instl Y	Touchstone Large Company Growth Instl	MFS Growth R6	Wells Fargo Premier Large Co Gr R6	Vanguard Growth Index Admiral	Russell 1000 Growth TR USD
Return	17.05	15.72	16.70	15.94	16.89	17.50
Excess Return	-0.46	-1.78	-0.81	-1.57	-0.61	0.00
Std Dev	15.23	15.48	14.10	16.14	15.21	14.97
Beta	1.00	0.98	0.92	1.03	1.01	1.00
Tracking Error	3.07	5.06	3.29	4.59	1.26	0.00
Sharpe Ratio	1.06	0.96	1.12	0.94	1.05	1.11
Alpha	-0.29	-1.09	0.53	-1.72	-0.70	0.00
Information Ratio	-0.15	-0.35	-0.25	-0.34	-0.49	
Batting Average	53.57	48.81	46.43	45.24	47.62	100.00
Up Capture Ratio	99.08	95.63	93.62	95.81	99.43	100.00
Down Capture Ratio	101.04	102.42	91.23	101.34	102.91	100.00

MPT Statistics: 10-Year

Time Period: 4/1/2011 to 3/31/2021 Calculation Benchmark: Russell 1000 Growth TR USD

Return	16.15	15.56	16.14	15.50	16.27	16.63
Excess Return	-0.48	-1.07	-0.49	-1.14	-0.36	0.00
Std Dev	14.97	15.29	13.80	15.81	14.61	14.30
Beta	1.03	1.01	0.94	1.06	1.02	1.00
Tracking Error	3.01	4.86	3.17	4.53	1.22	0.00
Sharpe Ratio	1.04	0.98	1.13	0.94	1.07	1.12
Alpha	-0.73	-1.01	0.45	-1.72	-0.56	0.00
Information Ratio	-0.16	-0.22	-0.16	-0.25	-0.30	
Batting Average	55.00	48.33	48.33	49.17	49.17	100.00
Up Capture Ratio	101.14	100.28	96.33	99.34	100.27	100.00
Down Capture Ratio	105.89	108.15	95.37	106.53	103.11	100.00

Investment Option Narratives



As of 3/31/2021

Firm Overview

Fred Alger Management (Alger) was founded in 1964 in New York, New York. Alger is 100% owned by the founder's three daughters and they retain 100% of firm voting rights. Through a long-term phantom equity plan, key employees hold grants which represent over 20% of Alger's book value. The firm oversees more than \$30B across about a dozen equity strategies, both domestic and international, and employs over 50 investment professionals. The day-to-day management of the firm is led by the following principals: CEO/CIO Dan Chung, PM Ankur Crawford, PM Patrick Kelly, COO Hal Liebes, and CDO James Tambone.

Team Overview

PM Patrick Kelly leads the Capital Appreciation strategy and is supported by Co-PMs Ankur Crawford and Dan Chung and a team of over 20 sector analysts. These sector analysts support all of the firm's strategies and work across the market capitalization spectrum.

Kelly joined Alger in 1999 and has been involved with the Capital Appreciation strategy since 2004. He also oversees Alger Capital Appreciation Focus, Alger Spectra, and Alger Dynamic Opportunities strategies. Crawford joined Alger in 2004 though the firm's in-house analyst training program. She was promoted to Associate Analyst and then eventually Senior Analyst. She became a named PM on Capital Appreciation and Spectra in 2015. Chung is Alger's CEO and CIO and has been with the firm since 1994. In addition to being a named Co-PM on Capital Appreciation, Chung is also named Co-PM on Spectra.

Strategy Overview

Alger believes the best way to uncover and evaluate attractive growth companies is through a team approach of intensive, original, fundamental research. They look for companies undergoing "Positive Dynamic Change" (PDC) through either high unit volume growth or positive life cycle change. The initial universe consists of all stocks in the Russell 3000 Growth Index. The minimum market capitalization for purchase is \$750 million and the team also follows approximately 25% of foreign company stocks that trade as ADRs. The sector analysts search for new ideas from multiple sources including, but not limited to: meetings with company management, industry seminars, and discussions with customers, suppliers and competitors of companies they already follow. If the initial evaluation identifies one of the two areas of PDC, deeper fundamental analysis will continue. Analysts construct their own detailed financial models going out five years that include valuation and scenario-based analysis, in addition to stock price targets. Analysts present new stock ideas to the PMs for initial purchase. The portfolio is well diversified across 70-120 stocks. Sector exposure is limited to 40% of the portfolio and industry exposure is limited to 20%. Individual stock positions tend to be scaled back once they hit 5%. The one exception is if a stock in the index has a weighting greater than 4%. In that case, the position can be up to 150% of the index weight, with a hard limit of 10%. ADRs are limited to 10% of the portfolio.

Sell decisions are made by the PM, typically at the recommendation of an analyst. Stocks are sold when: 1) the stock price has reached the target price, 2) a more attractive opportunity arises, and/or 3) a company fails to meet its price targets. Total annual portfolio turnover averages 80-120% generally.

Expectations

The team believes that by investing in high quality, large capitalization companies, they would expect the strategy to outperform the index during: 1) periods of moderate and/or slowing economic growth, 2) low and/or falling interest rate environments; and 3) periods of high innovation or change.

During periods of sharp contractions (2008) or narrow market advances, we would expect relative performance to struggle. In addition, during periods of rapid P/E expansion, where earnings significantly lag price growth, Alger is likely to underperform. The strategy is also likely to have difficulty outperforming when the market is rewarding lower quality, speculative stocks.

Points to Consider

Alger recently announced that co-PM Ankur Crawford would be leaving the firm as of March 12, 2021 to become the head of Voya's fundamental equity business. Alger CEO/CIO Dan Chung will move in to the co-PM role to support Kelly. Subsequent to this announcement, Crawford had second thoughts and decided to remain at Alger. Chung will remain as an additional co-PM.

The analyst team has experienced what we would consider to be higher-than-average turnover in the past few years, averaging two analyst departures per year since 2012. 2019 was particularly tumultuous, with five analysts departing. While some of the departures have been initiated by Alger, it continues to be an issue to watch.

Alger has an affiliated broker-dealer that serves only clients of the firm. We recommend all separate account clients specify in the agreements that Alger is only able to execute trades through independent brokerage firms. We consider this a potential conflict of interest.

Recommendation Summary

The core investment decision makers for the Capital Appreciation strategy have been with Alger for over a decade. Aside from the ability to receive phantom equity in the firm, the key professionals have significant capital invested in Alger funds (including Capital Appreciation) and therefore are well-aligned with clients.

We recommend Alger Capital Appreciation for clients looking for a diversified, active large cap growth strategy that has the flexibility to dip down into middle and smaller capitalization companies on an opportunistic basis. The moderately higher-beta characteristic of the portfolio tends to result in strong outperformance on the upside with generally less protection versus the index on the downside. Given the stock-level diversification, we believe the strategy is appropriate to utilize on a standalone basis, as long as the client is comfortable with a moderately higher-beta profile. The strategy would also work well complemented by a more concentrated GARP strategy as an overall domestic growth allocation.


As of 3/31/2021

Firm Overview

DSM Capital Partners was founded by Daniel Strickberger and Stephen Memishian in February 2001. The firm oversees over \$6B in domestic and global growth equity strategies, mostly in institutional separate accounts. DSM is 100% employee owned by 17 employees, with the two founders as the largest shareholders.

DSM is headquartered in Palm Beach Gardens, Florida.

Expectations

Historically, DSM has protected capital better than the index during down periods and kept up (if not outperformed) in most rising markets. We would expect the strategy to do particularly well in a slowing economy with benign inflation and low interest rates. Conversely, the toughest relative market environment for the strategy is a booming market where investors chase cyclicals and low quality names and do not care about valuation. The strategy is also expected to struggle on a relative basis when dividend yield is a leading factor in performance.

Team Overview

Daniel Strickberger serves as the lead portfolio manager for DSM's investment products. Analysts/PMs David McVey and Kenneth Yang were promoted to the Deputy CIO position in September 2020. The three are supported by six additional industry analysts/portfolio managers who average 25 years of industry experience. The analysts/portfolio managers are responsible for company research. While the strategy is managed on a team basis, Strickberger has final decision-making responsibility for portfolio construction and security selection.

DSM has a Risk Management Committee (RMC) comprised of various members of the investment team, the Chief Operating Officer and the Chief Compliance Officer. The RMC meets quarterly or on an as needed basis to discuss various traditional measures of investment risk.

Points to Consider

The firm does not utilize any third party risk management systems. While this aligns with the team's index agnostic nature, there remains the risk that the team overlooks and/or underestimates the portfolio's exposure to a particular economic factor.

The portfolio currently has between 10-15% exposure to EM-domiciled (specifically China) stocks.

Strategy Overview

DSM's investment philosophy revolves around finding fundamentally sound companies with attractive profits, free cash flow, and successful management teams whose stock prices may be temporarily depressed due to short-term inefficiencies including: 1) overreaction to company reports or news, 2) collateral damage or benefit within a sector, 3) company inflection point that is not appreciated by investors, 4) market corrections that are overdone, and/or 5) chronic mis-valuation by investors (high or low).

DSM's broad investment universe includes all public securities, in developed and certain emerging markets, with market capitalizations generally in excess of \$5 billion. DSM first screens for growth ideas on a number of fundamental criteria, including revenue growth, earnings growth, free cash flow, profitability, prudent use of debt, lack of earnings misses and a communicative/experienced management. In addition to analysis of company results over multi-year periods, analysts/PMs attend Wall Street sponsored conferences where they have the opportunity to meet with a broad range of companies in a particular industry. Analysts/PMs also utilize industry experts through Gerson Lehrman Group for industry contacts, and for design and distribution of industry surveys. Once the qualitative research is complete, analysts create a detailed financial analysis, both historical and projected out three years. Valuation is an important final part of the picture—DSM will generally only buy a stock that has a forward four quarter P/E ratio that is at least 10% below the target P/E three years from now. The final portfolio typically holds 25-35 stocks. DSM has no maximum stated sector weights. The portfolio can hold up to 15% in foreign-domiciled ADRs. The maximum individual security position is 12%, however in practice it is rare for the largest holding to get over 8% (an exception was Apple, which got to 10% in mid-2012).

Average annual portfolio turnover is a function of valuation, new ideas that challenge the current portfolio, and fundamental concerns. It has averaged 60% historically, but can range from 20% to 80% depending on market opportunities.

Recommendation Summary

DSM touts an impressive historical performance record for its large cap growth strategy with a long-tenured, focused team of investment professionals. In addition, the investment team is strongly aligned with the interest of its clients through equity ownership in the firm, as well as through significant amounts of net worth invested directly in DSM strategies. DSM has the value-add benefits of being concentrated and unconstrained relative to the index, coupled with the risk-reducing benefits of investing in a diverse portfolio of high quality companies selling at what the team has determined to be discounted valuations.

We recommend DSM's Large Cap Growth strategy for clients searching for a concentrated, index agnostic strategy that has shown the ability to add value net of fees over a full market cycle. The strategy would work well in a core/satellite approach for a defined benefit or endowment/foundation client's large cap equity allocation, and it would also work well as a complement to a more diversified, index-aware large growth strategy for clients with multiple allocations. The volatile performance pattern and stock-level concentration lead us to the conclusion that the strategy is not appropriate for most defined contribution plans.



Firm Overview

MFS' investment management history dates back to 1924. MFS began managing tax-exempt capital in 1970. Headquartered in Boston, MFS has been a majority-owned subsidiary of Sun Life of Canada since 1982. The firm maintains considerable autonomy in managing its day-to-day business. Up to 22% of MFS' common stock is available for ownership by senior management, investment professionals and other key employees. MFS has nine offices around the world. Total firm assets under management (AUM) are over \$500 billion across a plethora of equity, fixed income and balanced/blended strategies. The client mix is about 50/50 institutional/retail.

Expectations

Given the strategy's diversification by number of stocks, as well as its diversification by sector, we would expect tracking error to be on the lower side relative to actively-managed peers. We would characterize the strategy as an all-weather performer, with particular ability to outperform in challenging markets given the team's focus on high quality, growing businesses. During periods where risk appetite is high and the market favors low quality/ higher beta companies, we would expect the strategy to struggle on a relative basis. While the team covers all market capitalizations, the portfolio has tended to be biased towards companies in the \$15 billion to \$150 billion market capitalization range as companies of this size are expected to grow faster relative to their mega-cap competitors. In periods where mega-cap companies outperform strongly, we would expect the strategy to underperform.

Team Overview

PMs Eric Fischman and Paul Gordon lead the Growth Equity strategy. Institutional PMs Nicolas Paul and Rob Almeida manage the cash for the strategy, and oversee portfolios with any client-level restrictions. Fischman was the sole PM for 11 years and Gordon was promoted to co-PM in summer of 2017 after being an analyst on the team since 2004. The two have similar styles and processes and only really differ occasionally on valuation analysis. The PMs are supported by MFS' global sector team. The team is made up of over 100 research analysts, with about 23 of those focused on US equities. The PMs work closely with the global sector teams on bottom-up company analysis, but ultimately have final decision-making authority for all buys and sells.

Points to Consider

MFS does not typically give specific dollar amounts for product capacity because it is a moving target due to the changing market and asset levels in overlapping strategies. However, the firm communicates that it takes capacity constraints very seriously and has a track record of closing strategies when necessary (and typically early).

The minimum separate account size is \$50 million. However, MFS also offers CIT and mutual fund vehicles that are attractively priced.

Effective June 30, 2021 Brad Mak will join the Growth Equity portfolio management team.

Strategy Overview

The team's investment philosophy is based on the belief that: 1) fundamentals drive earnings and cash flow, 2) earnings and cash flow growth drive share price performance over the long term, and 3) investors often underestimate the rate and duration of growth.

Idea generation comes mainly from the analysts, but the PMs also actively participate in the research process. The goal is to find high quality companies with sustainable earnings growth of 10-15%. MFS defines quality as leading brands, low leverage, high free cash flow and strong management teams. Sector analysts are responsible for conducting bottom-up fundamental due diligence, developing and maintaining their own in-depth financial models, and ranking companies either "buy", "hold", or "sell". Analysts and PMs exchange ideas both formally and informally. In addition, analysts distinguish their best ideas through the firm's research portfolios that are live strategies with outside assets. Those portfolios are expected to received the analysts' top ideas. Ultimately, for the Growth Equity portfolio, the PMs have final discretion on buys and sells. The portfolio is well diversified across 70-110 stocks. The strategy is characterized as large cap, but will dip down into more mid cap names as well. Industry exposure is limited to 25% of the portfolio. Individual stock positions are limited to 5% at time of purchase. The strategy allows investments in non-US domiciled companies and does not have a stated maximum. Historically, the portfolio has averaged below 10%.

Stocks are reviewed for sale when: 1) the target price is reached, 2) there is a change in the investment thesis, and/or 3) better alternatives exist. Average annual portfolio turnover has historically been about 30-50%.

Recommendation Summary

MFS touts a highly collaborative and integrated investment management culture, which lends itself well to building experienced, long-standing investment teams that have consistently added value via bottom-up research. The Growth Equity strategy is characterized by a diverse portfolio of high quality, attractively-valued growth stocks with moderate tracking error and consistent value add over its history.

We recommend MFS Growth Equity for all client types looking for a diversified, active large cap growth strategy with the flexibility to dip down into middle capitalization companies on an opportunistic basis. Given the stock-level diversification and less volatile relative performance pattern, we believe the strategy is appropriate to utilize on a standalone basis. While the strategy is actively managed, tracking error tends to be on the low end of the active management spectrum. The strategy would also work well complemented by a more concentrated, index agnostic strategy in a client's overall domestic growth allocation.



As of 3/31/2021

Firm Overview

Wells Capital Management (Wells Cap) is a wholly owned subsidiary of Wells Fargo Bank, N.A, which in turn is indirectly wholly owned by Wells Fargo & Company. Wells Cap's legal headquarters is in San Francisco, but the firm maintains satellite offices in Menomonee Falls (WI), Minneapolis, Los Angeles, Boston, and Charlotte (NC). Wells Cap was formed in 1996 from existing investment management teams that have been in place since the early 1980s.

Expectations

Historically, the strategy has performed well in both up and down markets. Favorable circumstances for the strategy typically include economic environments following mid points of recessions all the way thru to renewable, sustainable gap growth. Additionally, periods of accommodative Federal Reserve monetary policies often provide very fertile opportunities for positive earnings surprises and accelerating revenue and earnings growth, particularly for dominant market share gainers within most industry groups.

The strategy has historically struggled on a relative basis in periods with short-term bursts of upward or downward momentum-driven price action without fundamental support. In addition, we would expect the strategy to underperform in periods driven by deep value cyclicals and/or high dividend yielders.

Points to Consider

On February 22, 2021, Wells Fargo announced the sale of its asset management divisions to private equity firms GTCR and Reverence Capital. The transaction is expected to close in the second half of 2021, subject to customary closing conditions. As part of the transaction, Wells Fargo will own a 9.9% equity interest and will continue to serve as a distribution partner. Our team is in the process of evaluating the sale's potential effects on the underlying investment boutiques.

On March 9, 2021, WF notified us that PM Joe Eberhardy announced his impending retirement effective June 30. At that time he will transition away from his PM duties to an advisory role until September 30. While Eberhardy is a listed PM on all four Heritage strategies, his primary focus has been on the small cap strategy and the small cap portion of the all cap strategy.

The higher-than-average allocation (25-30%) to mid cap stocks can serve as either a headwind or tailwind to relative performance depending on whether large caps are leading or lagging, respectively.

Team Overview

Wells' Heritage Growth team is based in Menomonee Falls, WI and was formerly Strong Capital Management until they were acquired by Wells in 2005. Lead PM Tom Ognar heads the investment team, which is comprised of two other PMs (Joseph Eberhardy and Robert Gruendyke) and five research analysts. Ognar joined the team in 1998, while Eberhardy and Gruendyke joined in 1994 and 2008, respectively. Analysts average about 10 years with the firm. In addition to the Premier Growth strategy, the team also manages All Cap Growth, Large Cap Growth, and Small Cap Growth.

Research coverage is divided by sectors, with each PM/analyst covering two to three sectors. While the process is very much team-oriented, final decision making responsibility lies with the PMs.

Strategy Overview

The team's philosophy is based on the belief that the best companies exhibit both robust and sustainable growth, and opportunities to invest in these companies arise when the market underestimates one or both of these characteristics. The team's process searches for companies that have robust, sustainable growth that is underappreciated by the market. All three attributes must be present for the stock to be a buy candidate. By researching companies across the market cap spectrum, the team is able to gain a unique insight into industry dynamics and make a more thorough assessment of the sustainability of the growth. The starting universe consists of securities within the market cap range of the Russell 3000 Growth Index. Investment ideas come from a variety of sources including management meetings, industry contacts, investment conferences, sell side research and proprietary screens. The primary source of investment research for the team is through direct visits with company management. The team conducts more than 1,000 research meetings per year. The portfolio is well diversified across 60 to 90 stocks and across sectors and industries. Individual security weights are a function of the team's level of conviction about a stock and typically range from 0.5% to 7% of the total portfolio. Sector weightings are largely a function of the team's bottom-up research effort, which can result in major differences from the index. However, in order to control sector risk, they apply minimum (0.5x) and maximum (2x) index-relative boundaries on the three main growth sectors of technology, health care, and consumer discretionary. For other sectors, weights can be as low as 0%, but no more than 5x the index.

The primary focus in regards to the team's sell discipline is on the gap between their expectations for growth and consensus expectations. As the gap narrows, the position is trimmed and eventually eliminated as the risk/ reward trade off becomes less favorable. Annual total portfolio turnover has averaged between 20% and 60%.

Recommendation Summary

We recommend Wells Capital Management Heritage Premier Growth Equity for clients looking for a higher-beta, diversified, active large cap growth strategy that has the flexibility to dip down into middle and smaller capitalization companies on an opportunistic basis. Given the stock-level diversification, we believe the strategy is appropriate to utilize on a standalone basis, as long as the client is comfortable with the higher-beta, higher tracking error profile. The strategy would also work well complemented by a more concentrated GARP strategy as an overall domestic growth allocation.



Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

Batting Average – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Best Quarter- This is the highest quarterly (3 month) return of the investment since its inception.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Down Period Percent - Number of months below 0 divided by the total number of months.

Downmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Downside Std Dev - This measures only deviations below a specified benchmark.

Excess Return- This is a measure of an investment's return in excess of a benchmark.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Longest Down-Streak Return - Return for the longest series of negative monthly returns.

Longest Down-Streak # of Periods - Longest series of negative monthly returns.

Longest Up-Streak Return - Return for the longest series of positive monthly returns.

Longest Up-Streak - Longest series of positive monthly returns.

Kurtosis - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

Max Drawdown - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

Max Drawndown # of Periods - This is the number of months that encompasses the max drawdown for an investment.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Skewness - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution

is symmetric with skewness 0.

Sortino Ratio - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Tracking Error - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

Up period Percent - Number of months above 0 divided by the total number of months.

Upmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Value-Growth Score - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

Worst Quarter - This is the lowest quarterly (3 month) return of the investment since its inception.



IMPORTANT DISCLOSURE INFORMATION

This material is confidential and not intended for distribution to the public. AndCo Consulting ("AndCo") compiled this report for the sole use of the client for which it was prepared. AndCo uses the material contained in this evaluation to make observations and recommendations to the client, however the strategies listed may not be suitable for all investors and there is no guarantee that the strategies listed will be successful. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities for investment consulting, or investment management analysis services. Additionally, the analysis provided, while generally comprehensive, is not intended to provide complete information on each of the management organizations or their underlying strategies. Please refer to their respective prospectus for complete terms, including risks and expenses.

Performance data is provided for historical and informational purposes only. Where applicable, results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Returns are typically stated net of fees, which may include: investment advisory fees, taxes and other expenses. There may be instances where certain returns are shown gross of fees (i.e., before the aforementioned fees are deducted) and would be noted as such. Generally, there are two instances where returns may be shown as gross figures. In the case of separate accounts, typically returns are demonstrated as gross of fees due to the fact that the fee structure would generally vary widely depending on the client's size and circumstances. Additionally, there are instances where a strategy vehicle is relatively new and does not have a sufficiently long track record to represent a viable comparison relative to other strategies. Accordingly, the returns for the separate account version of such a strategy could be used as demonstrative of the performance for a similar vehicle; separate account returns are generally shown as gross of fees. It is important to note that any such separate accounts being used as a "proxy" are strictly for illustrative purposes. An investor should not expect the same results from the actual strategy(ies) under consideration. When client-specific performance is shown, AndCo uses time-weighted calculations, which are founded on standards recommended by the CFA Institute. In these cases, the performance-related data shown are based on information that is received from custodians. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement.

RISK FACTORS

THE RISK DISCLOSURES HEREIN DO NOT PURPORT TO COVER ALL RISKS, PLEASE REFER TO THE RESPECTIVE PROSPECTUSES FOR COMPLETE INFORMATION.

As presented in this report, although investing in equities can be beneficial, it is also important to consider the associated risks. Investing in such funds may not be suitable for all investors. Equity markets can be volatile and can decline significantly in response to, or investor perceptions of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions. These conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the equity markets in general. The primary risk factors to consider include, but are not limited to: stock market risk, manager risk, investment style risk, sector-focus risk, issuer risk and liquidity risk. The securities markets are volatile and the market prices of the funds' securities may decline generally. Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the securities owned by the fund fall, the value of your investment in the fund will decline. Depending on the specific strategy, there many additional considerations such as the risks associated with equity investing.

SOURCING

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CITY OF LAKE CITY POLICE OFFICERS' PENSION FUND

ADDENDUM TO STATEMENT OF INVESTMENT POLICY

<u>Agincourt Capital Management, LLC</u> (Core Fixed Income)

Agincourt Capital Management, LLC "Agincourt" has been retained by the City of Lake City Police Officers' Pension Board to manage a well-diversified portfolio of fixed income and money market securities. Agincourt was retained for this assignment based on their qualifications and experience in managing fixed income portfolios.

I. GUIDELINES

Within the guidelines contained in the Statement of Investment Policy established for the City of Lake City Police Officers' Pension Board, the portfolio must comply with the following:

- A. All fixed income investments shall have a minimum rating of investment grade or higher as determined by at least one major credit rating.
- B. Yankee bonds may not exceed 10% of the entire portfolio.
- C. Non-dollar denominated bonds are prohibited
- D. The market value of bonds issued by any single issuer shall not exceed 5% of the manager's portfolio.
- E. The duration of the manager's portfolio shall fall within a band of +/- 25% of the Target Index.

II. INVESTMENT OBJECTIVES

Total Portfolio:

- A. The primary objective of the Agincourt portfolio shall be to achieve a total return over the longer term, 3 to 5 years, in excess of a Target Index. The Target Index for the portfolio is defined as a 100% investment in the Bloomberg Barclays Capital U.S. Intermediate Aggregate Bond Index.
- B. The secondary objective of the Agincourt portfolio shall be to achieve a total rate of return over the longer term, 3 to 5 years, which ranks in the top 40th percentile of a representative universe of similarly managed portfolios.
- C. The volatility of the Fund's total returns is expected to be similar to that of this Target Index and will be evaluated accordingly.

III. POLICY REVIEW

This Addendum is a part of the City of Lake City Police Officers' Pension Fund's Investment Policy and is intended only to complement the objectives and guidelines outlined therein. It is the intention of the Board of Trustees of the City of Lake City Police Officers' Board to review the Statement of Investment Policy and this Addendum from time to time and to amend them if necessary to reflect any changes in philosophy or objectives. However, if at any time the investment manager believes that the specific objectives defined herein cannot be met, or that the guidelines unnecessarily constrict performance, the Trustees shall be so notified in writing. By signing this addendum the investment manager understands and agrees to adhere to the guidelines, investment manager responsibilities, and other conditions therein.

Chairman, Board of Trustees

Date

Agincourt Capital Management, LLC

Date

CITY OF LAKE CITY POLICE OFFICERS' PENSION FUND

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Chairman, Board of Trustees

Date

Agincourt Capital Management, LLC

Date

Clients first.

To: Board of Trustees, Lake City Police Officers' Pension Fund From: Brad Hess, CFA Date: 5/13/2021 Re: Summary of Proposed Fee Revision

Our firm was formed with the mission of providing the highest level of institutional investment consulting services at a competitive fee. Today we are a better, stronger, and more experienced firm than we were when initially engaged by the Board in late 2000. The institutional marketplace has changed dramatically over that time, and true independence is now recognized as the prudent approach. We are pleased to have been at the forefront of this movement and we continue to strive to provide our services for a reasonable and competitive fee.

It has been an honor to serve the Lake City Police Officers' Pension Fund under the current agreement since 2016. During this time, we have assisted the Board in prudently monitoring and allocating the portfolio to enhance diversification, transparency, and returns. We are pleased with the investment results we have been able to help the Fund achieve and look forward to continuing to provide prudent investment counsel and high-level client service in the future. As we have worked to improve the investment portfolios for all our clients, we have also worked to improve our firm, adding talented people and increasing our technological capabilities. Our objective is to always be able to provide the highest level of service and industry knowledge to each of our clients.

As you know, our firm provides institutional consulting services on a hard dollar, full retainer, flat-fee basis. At this time, we are requesting an increase in our annual fee. Our fee will continue to include all components of our consulting services and we would guarantee this fee will not change for the stated term in the respective proposals below. We value the relationship we have with the Board and are thankful for the opportunity to serve you.

Existing Fee Agreement	Proposed Fee Agreement*	Proposed Fee Agreement*
Current Agreement Date August 29 th , 2016	2.5% COLA, sunset after three-year term	2.0% COLA, sunset after four-year term
	Year 1 Fee - \$18,962.5	Year 1 Fee - \$18,870
Annual Retainer Fee - \$18,500	Year 2 Fee - \$19,436.56	Year 2 Fee - \$19,247.4
	Year 3 Fee - \$19,922.48	Year 3 Fee - \$19,632.35
		Year 4 Fee - \$20,024.99
Pension Assets (9/30/2016) -	Pension Assets (3/31/2021) -	Pension Assets (3/31/2021) -
\$14,066,480	\$19,955,951	\$19,955,951
Annual Fee - \$18,500	Year 1 Fee - \$18,986.5	Year 1 Fee - \$18,870
Fee as % of Assets – 0.13%	Fee as % of Assets – 0.10%	Fee as % of Assets – 0.09%

*Proposed fee effective date July 1, 2021