APPENDIX A - TECHNICAL SPECIFICATIONS
045-20 INVESTMENT CONSULTING SERVICES FOR EMPLOYEE RETIREMENT BENEFIT PLANS

SCOPE OF WORK

The purpose of this Invitation to Negotiate (the "ITN") is to evaluate and select a vendor that can provide investment consulting services while providing the best value to JEA (the "Work" or "Services").

JEA is soliciting responses from licensed investment consulting firms to provide investment consulting services related to three (3) qualified government benefit plans: JEA 457 Deferred Compensation Plan, the JEA 401(a) Defined Contribution Plan, and the St. Johns River Power Park System Employees Retirement Plan. There are two JEA committees with fiduciary oversight responsibility for the Plans. JEA intends for the contract term for this Solicitation to begin on October 1, 2020.

The 457 plan had approximately $170 million in assets under management and 1,500 participants (with approximately 1,950 eligible employees) as of December 31, 2019. The 401(a) plan was implemented in 2001 and had approximately 538 participants with $22 million in assets under management as of December 31, 2019. Mass Mutual is the third party administrator ("TPA"). The consultant assists JEA with the selection of investment options for the plan (from the bundled provider's universe of investment products) and edits related to the 457 and 401(a) Investment Policy.

The St. Johns River Power Park System Employees' Retirement Plan ("Pension Plan") had approximately $173 million in assets under management as of December 31, 2019.

The current investment policy statements have been attached as Appendix C - 401a_457 Plan Investment Policy Statement_signed July 30 2019 and Appendix C - SJRPP Pension Investment Policy January 2019.

Services shall include:

- General Investment Consulting & Research:
  - Provide ongoing advice and technical support on asset allocation, asset class structure, investment policies and procedures, investment objectives, implementation of investment decisions, and risk analysis.
  - Provide advice on rebalancing, strategic and tactical portfolio shifts and timing of new investments.
  - Establish watch list of investment managers & funds following criteria stated in the investment policy statement.

- Performance Measurement & Portfolio Reporting:
  - Prepare comprehensive portfolio performance reports including performance and risk attribution, detailed reporting of factors, characteristics, sectors, geographies and changes in these exposures over time.
  - Report on risk levels and established scorecard which includes displaying a variety of metrics across peer groups and benchmarks.
  - Provide detailed underlying investment manager or fund analysis in similar detail.

- Investment Manager or Fund Research, Selection & Monitoring
  - Provide research and assistance in investment manager or fund selection and monitoring, including ongoing quantitative & qualitative due diligence
  - Set expectations and evaluate investment manager or fund performance across quantitative and qualitative factors.
  - Monitor investment manager or fund fees and provide detailed fee reporting across managers/funds.

- General Support
  - Provide ad-hoc support as agreed upon between JEA and the investment consulting firm.
  - Investment policy revisions (as needed)
  - Periodic Plan benchmarking
  - Asset/Liability Modeling (as needed; Pension Plan only)
  - Provide quarterly updates and attend quarterly Committee Meetings

- Participate in bi-monthly conference call with 457 and 401a TPA
- Provide trustee and committee education on a variety of topics including market changes, fiduciary standards, investments, etc.

APPENDIX B - MINIMUM QUALIFICATION FORM
045-20 INVESTMENT CONSULTING SERVICES FOR EMPLOYEE RETIREMENT BENEFIT PLANS

GENERAL

THE MINIMUM QUALIFICATIONS SHALL BE SUBMITTED ON THIS FORM. IN ORDER TO BE CONSIDERED A QUALIFIED RESPONDENT BY JEA YOU MUST MEET THE MINIMUM QUALIFICATIONS LISTED BELOW, AND BE ABLE TO PROVIDE ALL THE SERVICES LISTED IN THIS SOLICITATION/TECHNICAL SPECIFICATION.

THE RESPONDENT MUST COMPLETE THE RESPONDENT INFORMATION SECTION BELOW AND PROVIDE ANY OTHER INFORMATION OR REFERENCE REQUESTED. THE RESPONDENT MUST ALSO PROVIDE ANY ATTACHMENTS REQUESTED WITH THIS MINIMUM QUALIFICATIONS FORM.

RESPONDENT INFORMATION

COMPANY NAME:____

BUSINESS ADDRESS:____

CITY, STATE, ZIP CODE:____

TELEPHONE:____

FAX:____

E-MAIL:____

PRINT NAME OF AUTHORIZED REPRESENTATIVE:________________________

SIGNATURE OF AUTHORIZED REPRESENTATIVE:_________________________

NAME AND TITLE OF AUTHORIZED REPRESENTATIVE:____________________

MINIMUM QUALIFICATIONS:

Respondent shall meet the following Minimum Qualifications to be considered eligible to submit a Response to this ITN. A Respondent not meeting all of the following criteria will have their Response rejected:

- Respondent shall have successfully completed two (2) similar investment consulting service contracts in the last seven (7) years, ending May 31, 2020. The dollar value of assets under management must meet or exceed $100,000,000.00 during one (1) of the seven (7) years for each of the referenced contracts. The contract shall be of similar complexity as specified in Appendix A – Technical Specifications.

Please provide the reference information requested below pertaining to this contract.

1. REFERENCE

Reference Name ____

Reference Phone Number ____

Reference Company Name ____

Address of Work ____

Reference E-Mail Address ________________________________

Dates of Work/$ Amount ________________________________

Description of Work ________________________________

____

____

____

____

____

2. REFERENCE

Reference Name ________________________________

Reference Phone Number ________________________________

Reference Company Name ________________________________

Address of Work ________________________________

Reference E-Mail Address ________________________________

Dates of Work/$ Amount ________________________________

Description of Work ________________________________

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APPENDIX B - RESPONSE FORM
045-20 INVESTMENT CONSULTING SERVICES FOR EMPLOYEE RETIREMENT BENEFIT PLANS

RESPONDENT INFORMATION:

RESPONDENT NAME:____

BUSINESS ADDRESS:____

CITY, STATE, ZIP CODE:____

TELEPHONE:____

FAX:____

EMAIL OF CONTACT:____

WEBSITE:____

QUOTATION OF RATES
Maximum score for criterion is: 40 Points
Company shall provide a schedule of rates for the Contract by completing the enclosed Response Form. These rates shall include all profit, taxes, benefits, travel, and all other overhead items. The quarterly fees shall be held firm for the entire five (5) year term of the contract.

QUARTERLY COST FOR SERVICES $ ________________________

FIVE (5) YEAR TOTAL COST FOR SERVICES $ ________________________
(Quarterly fee multiplied by twenty (20) for entire five (5) year term of the contract)

Please note, the prices quoted by Respondent on the Response Form must be firm-fixed prices, not estimates. Any modifications, exceptions, or objections contained within the response form may subject the response to disqualification.

EXPERIENCE AND LOCATION OF PROFESSIONAL PERSONNEL
Maximum score for this criterion: 10 Points

Company shall provide a total of three (3) resumes of the professional staff to be assigned to the JEA engagement. **The Lead Consultant, Senior Consultant and Analyst for this engagement should be identified on the resume or in the response.** At a minimum, the resume shall present the employee's name, title, years of service with the Company, applicable professional licensure, certifications and registrations, education, and work experience. The resume must identify the experience in investment consulting. Resumes shall also identify any specialty or technical expertise. The Resumes shall also identify the individual's home office and the driving distance of this home office from JEA Headquarters (21 West Church Street, Jacksonville, FL).

The resume shall be no more than two pages in length. If a multiple page resume is submitted, only the information contained on the first two pages will be evaluated by JEA. Additionally, no more than three (3) resumes will be evaluated.

PAST PERFORMANCE/COMPANY EXPERIENCE
Maximum score for this criterion: 10 Points
The Company shall provide three (3) references for which you served in the capacity of investment consultant in the past three years. The two (2) references provided for Section 1.2.1. Minimum

Qualifications and one (1) additional reference shall be provided for a total of three (3) references. The references will be contacted and used to evaluate this section.

DEMONSTRATED EXPERIENCE IN PLAN OVERSIGHT AND DESIGN

Maximum score for this criterion: 40 Points
Describe your firm's approach in providing the services described in this ITN. In addition, proposer shall answer the following questions:

- Describe your team's experience with similar work performed for public-sector retirement systems, corporate pension funds or similar institutional investors.
- Provide your client retention statistics for each of the last three years. Describe your firm's strategic plan objective to grow your investment consulting business over the next five years. Describe your present or future plans to emphasize specific areas of your business. Describe the role of each consultant or professional for this assignment. How many clients are assigned to the lead consultant?
- State whether the individuals assigned to the work have any responsibilities other than providing consulting services, and if so, specify such responsibilities.
- Within the past three years, have there been any significant developments in your organization such as changes in ownership, restructuring, personnel reorganizations, or terminations. Do you anticipate future significant changes in your organization?
- Has your organization or a principal or employee or agent of your organization ever been investigated or charged by the SEC, the U.S. Departments of Justice or Labor, the Internal Revenue Service or any other federal, state, or local regulatory agency for any purported or actual violation or applicable law? If yes, please explain.
- Over the last five (5) years, has your organization or any principal or employee or agent been named or threatened to be named as a party in any private or governmental litigation, arbitration or other dispute resolution proceedings; been a target in any government or professional investigation; or settled any actual or threatened claim? If so, please provide details including a copy of all relevant complaints and communications, a list of all parties, and the results or status of such proceedings, investigations, or settlements.
- Describe any services of your organization that may not be offered by other consultants. Describe the total staff of the firm and designated support staff, analysts and professionals.
- Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm or become incapacitated.
- Describe your firm's preferences for client communications. For example, does your firm prefer to have all client communications flow through one contact person?
- Describe your policy for recommending changes to a pension system's asset allocation in response to changes in the market environment.
- Describe any plan related benchmarking practices i.e., cost savings measures, cost control measures, programs, or initiatives and/or incentives or programs that would better serve JEA and provide broader coverage for the services outline in this solicitation.
- Provide sample performance reports for both defined benefit and defined contribution plans. What are the key differences in your performance reports for defined benefit versus defined contribution plans? Describe your approach to the analysis of applicable legal parameters/restrictions under which JEA must operate.
- Detail your process for the development of asset class structures, investment objectives, and risk control policies (including derivatives, securities lending, etc.)
- Describe your process for maintaining a continuous review of investment policies.
- Describe your firm's capability of performing asset/liability studies related to pension plans?

- For a defined benefit plan, is your firm capable of calculating investment returns on both a gross and net of fee basis as well as on a time-weighted and dollar-weighted basis?
- Please note any significant contributions your firm has made in developing and defining “best practices” in the pension fund investment consulting field.
- Describe your firm’s process for evaluation and selection of investment managers or funds.
- Describe how your firm’s process for the evaluation and selection of an investment manager adds value beyond the mere provision of raw data.
- What period of time is required to prepare reports after the end of each quarter?
- Do you have the ability to customize reports?
- Describe your firm’s methodology for identifying and evaluating new investment opportunities. How do you inform clients regarding new opportunities and changes to previous recommendations?
- Describe the services your firm provides and give the percentage of the revenue derived from investment consulting. Of your affiliated group, what percentage of total revenues for that group is derived from investment consulting?
- Provide a client services model of your firm and your consulting group.
- What distinguishes your firm in the investment consulting industry?
- Does your firm accept any commissions or other remuneration from any service providers (investment managers, fund managers, custodial banks, or other service providers) in exchange for placing or renewing business with that organization? If so, please explain.

Respondent may provide this information in its own format to be attached to “Appendix B – Response Form”.

Respondent's Certification

By submitting this Response, the Respondent certifies (1) that the Respondent has read and reviewed all of the documents pertaining to this ITN and agrees to abide by the terms and conditions set forth therein, (2) that the person signing below is an authorized representative of the Respondent, and (3) that the Respondent is legally authorized to do business and maintains an active status, in the State of Florida. The Company certifies that its recent, current, and projected workload will not interfere with the Respondent 's ability to Work in a professional, diligent and timely manner.

The Respondent certifies, under penalty of perjury, that it holds all licenses, permits, certifications, insurances, bonds, and other credentials required by law, contract or practice to perform the Work. The Respondent also certifies that, upon the prospect of any change in the status of applicable licenses, permits, certifications, insurances, bonds or other credentials, the Respondent shall immediately notify JEA of status change.

Please initial below:

____ (Initials) I have read and understood the Sunshine Law/Public Records clauses contained within this solicitation. I understand that in the absence of a redacted copy my Response will be disclosed to the public “as-is”.

We have received addenda ___________through_______

___________________________________ Signature of Authorize Officer of Respondent or Agent	____________________________ Date
___________________________________ Printed Name & Title	____________________________ Phone Number

Investment Policy Statement

JEA
401(a) Defined Contribution Retirement Plan
and
457 (b) Deferred Compensation Plan

Adopted July 30, 2019

EXECUTIVE SUMMARY

Plan Sponsor:	JEA
Type of Plan:	457(b) Deferred Compensation Plan
Plan IRS Tax Identification:	59-2983007
Type of Plan:	401(a) Defined Contribution Retirement Plan
Plan IRS Tax Identification:	006026
Participant-Directed Investment Options:	Mutual Funds
Investment Options:	Stable Value Intermediate-term Bond High Yield Bond Large Blend Large Value Large Growth Mid-Cap Blend Mid Cap Value Mid Cap Growth Small Blend Small Value Small Growth World Stock Foreign Large Blend Foreign Large Growth Foreign Large Value Specialty-Real Estate Balanced Fund Target-Date 2010-2050 Conservative Risk Model Moderate Risk Model Aggressive Risk Model

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the JEA Deferred Compensation Committee (Committee) in effectively supervising, monitoring and evaluating the investments and management of the JEA 401(a) Defined Compensation Retirement Plan and 457 Deferred Compensation Plan (Plans). The Committee will discharge its responsibilities under the Plans solely in the interests of Plan participants and their beneficiaries. The Plans' investment program is defined in the various sections of this IPS by:

1. Stating in a written document the Committee's attitudes, expectations, objectives and guidelines for the investment of all the Plans' assets.

2. Encouraging effective communications between the Committee and service vendors by stating the responsibilities of the Committee, the investment managers, the investment consultant (if one is selected), and the record keepers and administrators.

3. Establishing the number and characteristics, including risk characteristics, for each asset class represented by various investment options.

4. Establishing procedures for selecting, monitoring, evaluating, and if appropriate, replacing investment options.

This IPS has been formulated, based upon consideration by the Committee of the financial implications of a wide range of policies, and describes the prudent investment process the Committee deems appropriate.

STATEMENT OF GOALS

Background

The Plans are defined contribution and deferred compensation plans. The 401(a) Defined Contribution Plan was started January 1, 2002. The 457(b) Deferred Compensation Plan was started June 1, 2002. The purpose of the plans is to provide a supplemental vehicle to accumulate additional savings for retirement.

The goal of each Plan is to encourage eligible employees to save for retirement by offering an attractive tax-deferred savings vehicle that:

1. Promotes long-term growth in retirement savings through both employee and employer contributions;

2. Provides employees with appropriate access to their monies consistent with defined contribution plans with similar objectives and characteristics;

3. Provides employees with the ability to invest in a broad range of investment alternatives; and

4. Provides a retirement benefit attractive to both current and prospective participants.

This IPS has been arrived at upon consideration by the committee by a wide range of policies, and describes the prudent investment process the Committee deems appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer participants a sufficient level of overall diversification and total investment return over the long-term.

DUTIES AND RESPONSIBILITIES

JEA Deferred Compensation Committee (Committee)

As fiduciaries under the Plan(s), the primary responsibilities of the Committee are:

1. Prepare and maintain this Investment policy.
2. Provide sufficient asset classes with different and distinct risk/return profiles so each participant can prudently diversify his/her account.
3. Prudently select investment options.
4. Control and account for all investment, record keeping and administrative expenses and have the ability to pay all expenses and obligations when due.
5. Monitor and supervise all service vendors and investment options.
6. Avoid prohibited transactions and conflicts of interest.

Custodian

Custodians are responsible for the safekeeping of the Plans' assets. The specific duties and responsibilities of the custodians are:

1. Maintain portfolio by legal registration.
2. Value the holdings.
3. Collect all income and dividends owed to the Plans.
4. Settle all transaction (buy-sell orders).
5. Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall Plans since the previous report.

Investment Consultant

The Committee may retain an objective, third-party consultant to assist the Committee in managing the overall investment process. The consultant will be responsible for guiding the Committee through a disciplined and rigorous investment process to enable the Committee to meet the fiduciary responsibilities outlined above.

ASSET CLASS GUIDELINES

The Committee believes long term investment returns and risk adjusted performance, in large part, is primarily a function of asset class mix. The Committee has reviewed the long-term return and performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

Historically while interest-generating investments, such as bonds, have the advantage of relative stability of principal value, they provide less opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, this year-by-year variability may be worth accepting, provided the participant's time horizon for the equity portion is sufficiently long (five years or greater).

The following asset classes were considered and may be selected from time to time:

Stable Value
Intermediate-term Bond
High Yield Bond
Large Blend
Large Value
Large Growth
Mid-Cap Blend
Mid Cap Value
Mid Cap Growth
Small Blend
Small Value
Small Growth
World Stock
Foreign Large Blend
Foreign Large Growth
Foreign Large Value
Specialty-Real Estate
Balanced Fund
Target-Date 2010-2050
Conservative Risk Model
Moderate Risk Model
Aggressive Risk Model

IMPLEMENTATION

The Committee will apply the following due diligence criteria in screening each investment option.

1. Regulatory oversight: Each investment option should be managed by: (a) a bank; (b) an insurance company; (c) a registered investment company; or (d) a registered adviser.

2. Correlation to style or peer group: The investment option should be highly correlated to the asset class being implemented. This is one of the most critical parts of the analysis since most of the remaining due diligence involves comparisons of the investment option to the appropriate peer group.

3. Returns relative to a peer group: The investment options returns should be evaluated against the peer group's median manager return for 3-year and 5-year annualized periods. Returns should not be below the peer group median for both the 3-year and 5-year periods.

4. Returns relative to a benchmark: The investment option's returns should be evaluated against the appropriate benchmark for the 1-, 3-,5- and 10-year annualized periods. Returns should not be below all the benchmarks for the 3-, 5- and 10-year periods.

5. Returns relative to assumed risk: The investment option's risk-adjusted performance (Alpha and Sharpe Ratio) should be evaluated against the appropriate index's risk/adjusted performance. Risk-adjusted performance should be above the index.

6. Minimum track record: The investment option should have sufficient history so that performance statistics can be properly calculated. The inception date should be 3-years or more.

7. Assets in the product: The investment option should have sufficient assets so that the portfolio manager can properly trade the account. The investment options should have at least $75 million under management which can include assets in related share classes.

8. Holdings consistent with Style: The underlying securities of the investment option should be consistent with the associated broad asset class. At least 80% of the underlying securities should be consistent with the broad asset class. For example, a Large-Cap Growth product should not hold more than 20% in cash, fixed income and/or international securities.

9. Expense ratio/fees: The investment option's fees should be fair and reasonable. Fees should not be in the bottom quartile (most expensive) of the peer group.

10. Stability of the organization: There should be no perceived organizational problems. The same plan management team should be in place for at least two years.

MONITORING

Return and Performance Objectives

The Committee acknowledges fluctuating rates of return characterize the securities markets, particularity during short term time periods. Recognizing that short-term fluctuations may cause variations in returns and risk adjusted performance, the Committee intends to evaluate investment returns and risk adjusted performance from a long term perspective.

The Committee is aware the ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Committee's discretion to take corrective action by replacing a manager/fund if they deem it appropriate at the time.

On a timely basis, but not less then annually, the Committee will meet to review whether each investment option continues to conform to the search criteria outlined in the implementation section; specifically:

1. The investment option's adherence to investment guideline;

2. Material changes in the investment option's organization, investment philosophy and/or personnel; and,

3. Any legal, SEC and/or regulatory agency proceedings affecting the investment option's organization.

MONITORING

Benchmarks

The Committee has determined it is in the best interest of the Plans' participants that return and risk adjusted performance objectives be established for each investment option. Manager returns and risk adjusted performance will be evaluated in terms of an appropriate market index (e.g. the S&P 500 stock index for large-cap domestic equity manager) and the relevant peer group (e.g. the large-cap growth mutual fund universe for a large-cap growth mutual fund.)

Asset Class	Index	Peer Group Mutual Funds
Money Market		
Stable Value	3 month Treasury Bill	Stable Value Fixed
Fixed Income – Intermediate		
Intermediate-term Bond	Barclays Capital Aggregate Bond	Intermediate-term Bond
Fixed Income – High Yield		
High Yield Bond	CSFB High Yield	High Yield Bond
Large Cap Equity		
Large Blend	Standard & Poor's 500 / Russell 1000	Large Blend
Large Value	Russell 1000 Value	Large Value
Large Growth	Russell 1000 Growth	Large Growth
Mid-Cap Equity		
Mid-Cap Value	Russell Midcap Value	Mid-Cap Value
Mid-Cap Blend	Russell Mid Cap	Mid-Cap Blend
Mid-Cap Growth	Russell Midcap Growth	Mid-Cap Growth
International Equity-Diversified		
Foreign Large Blend	MSCI EAFE ND/MSCI All World x USA	Foreign Large Blend
World Stock	MSCI World ND	World Stock
Foreign Large Growth	MSCI EAFE Growth ND/MSCI All World x USA	Foreign Large Growth
Foreign Large Value	MSCI EAFE Value ND/MSCI All World x USA	Foreign Large Value
Small Cap		
Small Value	Russell 2000 Value	Small Value
Small Blend	Russell 2000	Small Blend
Small Growth	Russell 2000 Growth	Small Growth
Other		
Specialty-Real Estate	DJ US Real Estate / DJ Global Real Estate	Specialty-Real Estate
Balanced Funds	Morningstar Moderate Allocation	Balanced Funds
Target-Date 2010-2050	Morningstar Target Index	Lifestyle
Risk Based Models	Blend of Indexes	Morningstar Cat.–Cons, Mod, Aggr

MONITORING

Watch List Procedures

The investment options will be monitored and scored by using twenty quantitative and qualitative characteristics. Each characteristic is worth five points totaling 100 points. Below are the characteristics monitored:

5 Year Return >= Benchmark
10 Year Return >= Benchmark
3 Year Return > 50% of Peers
5 Year Return > 50% of Peers
10 Year Return > 50% of Peers
5 Year Standard Deviation <= Benchmark
10 Year Standard Deviation <= Benchmark
3 Year Standard Deviation < 50% of Peers
5 Year Standard Deviation < 50% of Peers
10 Year Standard Deviation < 50% of Peers
5 Year Alpha >= 0
10 Year Alpha >= 0
5 Year Sharpe >= Benchmark's Sharpe
10 Year Sharpe >= Benchmark's Sharpe
5 Year Sharpe > 50% of Peers
10 Year Sharpe > 50% of Peers
5 Year R-Squared >= 80%
Manager Tenure >= 5 Years
Actual Expense Ratio < 50% of Peers
Style Drift = No

Through the quantitative and qualitative scoring, an investment option will be placed on watch if:

Total Points	**Watch Status**
50 to 59	On Watch – On going monitoring only. The board may remove as an investment options if warranted.
35 to 49	Possible Replacement – If the investment option's watch status is Possible Replacement for 24 months (8 quarters), the investment should be considered for removal as an investment option, unless there is no suitable replacement. Should a fund obtain a score of 50 or above, it will reset the quarter count to zero.
0 to 34	Replace – The investment option should be removed from the plan, unless there is no suitable replacement.

Due to the nature of target date and risked based portfolios, whose performance is driven by long term asset allocation decisions, there is a broad range of equity exposure in the same risk or target date vintage. The board will take this into consideration when evaluating a target or risk based model that has been placed on the watch list.

In all cases, the performance monitoring criteria is an aid to the Committee in fulfilling its fiduciary duties. It is the Committee's confidence in the investment option's ability to perform in the future that ultimately determines the retention of an investment option.

MONITORING

Measuring Costs

The Committee will review at least annually all cost associated with the management of the Plans' investment program, including:

1. Expense ratios of each investment option against the appropriate peer group.

2. Administrative Fees: costs to administer the Plans, including: (a) record keeping; (b) custody; (c) trust services; and (d) participant education.

3. In the case of investment options that have 12b-1 fees, the proper identification and accounting of all parties receiving 12b-1 fee revenue.

Review of the IPS

The Committee will review the IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular short-term changes in the financial markets should not require adjustments to the IPS.

MODEL PORTFOLIOS

Three risked-based model portfolios have been included by the investment committee. This investment consultant will make recommended model changes to the committee, when appropriate.

Asset allocation percentages and investment funds used in the risk based portfolios will be included in the quarterly reviews. Any recommended changes will also be indicated in those quarterly reviews.

Approved on this 30 day of July 2019

Pat L Maillin

Director of Employee Services

INVESTMENT POLICY STATEMENT

St. Johns River Power Park System
Employees' Retirement Plan

Approved on 1/29/2019

By the SJRPP Pension Plan Retirement Committee

EXECUTIVE SUMMARY

Type of Plan: Defined Benefit Plan

Plan Sponsor: St. Johns River Power Park System (SJRPP)

Time Horizon: Greater than 5 years

Actuarial Return: 6.00%

Asset Allocation:

	Lower Limit	Target Allocation	Upper Limit
	Percentage of Plan Market Value		
Domestic Large-Cap Equity			
Blend	23	28	33
Growth			
Value			
Mid-Cap Equity	6	11	16
Small/Mid-Cap Equity	3	8	13
International Equity	3	8	13
Total Equity	**50**	**55**	**60**
Fixed Income & Cash (1)	**40**	**45**	**50**

(1) For asset allocation purposes, cash and money market funds in the deposit and disbursement (non-managed cash) account will be included as part of the fixed income allocation.

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the SJRPP Pension Plan Retirement Committee (Committee) in effectively supervising, monitoring and evaluating the investment of the Retirement Plan (Plan) assets. The Plan's investment program is defined in the various sections of the IPS by:

1. Stating in a written document the Committee's expectations, objectives and guidelines for the investment of all Plan assets.

2. Setting forth an investment structure for managing all Plan assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long-term.

3. Providing guidelines for each investment portfolio that control the level of overall risk and liquidity assumed in that portfolio, so that all Plan assets are managed in accordance with stated objectives.

4. Encouraging effective communication between the Committee, the investment consultant (Consultant) and hired money managers.

5. Establishing formal criteria to select, monitor, evaluate and compare the performance results achieved by the money managers on a regular basis.

6. Complying with all fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, federal and international political entities that may have an impact on the Plan's assets.

BACKGROUND

The Plan is a defined benefit plan established on October 1, 1984 to cover the employees of the St. Johns River Power Park System. The Committee will discharge its responsibilities under the Plan solely in the long-term interests of Plan participants and their beneficiaries.

Key Information

Name of Plan:	St. Johns River Power Park System Employees' Retirement Plan
Plan Sponsor:	St. Johns River Power Park System (SJRPP)
Related Retirement Plans:	None

STATEMENT OF OBJECTIVES

This IPS has been arrived at after consideration by the Committee of the financial implications of various policies, and describes the prudent investment process the Committee deems appropriate. This process includes offering various asset classes and investment management styles that, in total, are expected to offer the plan a sufficient level of overall diversification and total investment return over the long-term. The objectives are:

1. Maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on Plan assets.

2. Seek a fully funded status with regard to actuarial obligations.

3. Have the ability to pay all benefit and expense obligations when due.

4. Maintain flexibility in determining the future level of contributions.

5. Maximize return within reasonable and prudent levels of risk in order to minimize contributions.

6. Control the costs of administering the plan and managing the investments.

Time Horizon

The investment guidelines are based upon an investment horizon of greater than five years. Interim fluctuations should be viewed with appropriate perspective. Similarly, the Plan's target asset allocation is based on this long-term perspective. There is a requirement to maintain sufficient liquid reserves to provide for the payment of benefits that are expected to become payable in the near term because of a significant number of plan participants who will become eligible for early or normal retirement benefits.

Risk Tolerances

The Committee recognizes some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. These factors were:

- St. Johns River Power Park System provides electric power to the region and should not experience significant fluctuations in demand for that service.

- St. Johns River Power Park System's strong financial condition enables it to adopt a long-term investment perspective.

- Demographic characteristics of participants suggest a below average risk tolerance due to the older-than-average work force.

- Actuarial data related to future projected benefit payments, along with future projected expenses of the Plan, are greater than forecasted investment income projections. Therefore, liquidity requirements are material over the next ten years, which implies that the Committee should carefully consider risk profiles.

In summary, SJRPP's status as an electric generating facility, current financial condition, demographics and several other factors suggest collectively the Plan can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives but the need for intermediate liquidity must also be considered.

Performance Expectations

The desired investment objective is a long-term rate of return on assets that is at least 6.00%. The target rate of return for the Plan has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS.

The Committee recognizes that market performance varies and a 6.00% rate of return may not be achieved during some periods. Accordingly, relative performance benchmarks for the managers are set forth in the "Control Procedures" section. Over a complete business cycle, the Plan's overall annualized total return, after deducting for advisory, money management, and custodial fees, as well as total transaction costs, should perform above a customized index comprised of market indices weighted by the target asset allocation of the Plan.

ASSET CLASS GUIDELINES

The Committee believes long-term investment performance, in large part, is primarily a function of asset class mix. The Committee has reviewed the long-term performance characteristics of the broad asset classes, focusing on balancing the risks and rewards.

History shows that while interest-generating investments, such as bond portfolios, have the advantage of relative stability of principal value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments, such as common stocks, clearly have a significantly higher expected return but have the disadvantage of much greater year-by-year variability of return. From an investment decision-making point of view, this year-by-year variability may be worth accepting, provided the time horizon for the equity portion of the portfolio is sufficiently long (five years or greater).

The following seven asset classes were selected.

Money Market
Intermediate Government Bonds
Intermediate Corporate Bonds
Large Cap Blend
Mid Cap Blend
Small Cap Growth
International Equity

Rebalancing to Meet Target Asset Allocation

The percentage allocation to each asset class may vary as much as plus or minus 5% depending upon market conditions. When necessary and/or available, cash inflows/outflows will be deployed in a manner consistent with the target asset allocation of the Plan. If there are no cash flows, the allocation of the Plan will be reviewed quarterly and adjusted, if necessary.

If the Committee judges cash flows to be insufficient to bring the Plan within the target allocation ranges, the Committee shall decide whether to effect transactions to bring the target allocation within the threshold ranges.

The Treasury Department has the ability to place up to $15,000,000 into the deposit and disbursement (non-managed cash) account in anticipation of required future distributions.

DUTIES AND RESPONSIBILITIES

Committee

As fiduciaries under the Plan, the primary responsibilities of the Committee are:

1. Prepare and maintain this investment policy statement.

2. Prudently diversify the Plan's assets to meet an agreed upon risk/return profile.

3. Prudently select investment options.

4. Control and account for all investment, record keeping and administrative expenses associated with the Plan.

5. Monitor and supervise all service vendors and investment options.

6. Avoid prohibited transactions and conflicts of interest.

Office of the Treasurer/JEA

At the direction of the SJRPP Pension Plan Retirement Committee, the JEA Treasury Department has the responsibility for allocating cash flow by adding to under weighted asset classes below their targets when adding funds or reducing over weighted asset classes when removing funds.

Investment Consultant

The Committee may retain an objective, third-party Consultant to assist the Committee in managing the overall investment process. The Consultant will be responsible for guiding the Committee through a disciplined and rigorous investment process to assist the Committee in meeting the fiduciary responsibilities outlined above. The Consultant will provide the Committee with the quantitative facts, performance analysis and capital markets data necessary to evaluate the performance of the plan's investment managers and portfolio specialists. The Consultant will also assist in developing and maintaining an asset allocation strategy.

Investment Managers

As distinguished from the Committee and Consultant, who are responsible for managing the investment process, investment managers are responsible for making investment decisions, e.g. security selection, price and buy-sell decisions.

The Committee and SJRPP's investment managers shall discharge their responsibilities in the same manner as if SJRPP were governed by the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Although the Committee acknowledges that ERISA does not apply to SJRPP as a governmental pension plan, it hereby imposes the fiduciary provisions of ERISA upon each investment manager whose performance shall conform to the statutory provisions, rules, regulations, interpretations and case law of ERISA. Each investment manager, unless the manager is a mutual fund, commingled account or collective trust, shall acknowledge, in writing, that it is a named fiduciary of the plan.

The specific duties and responsibilities of each investment manager are:

1. Manage the assets under their supervision in accordance with the guidelines and objectives outlined in this investment policy statement and their respective Service Agreements, Prospectus or Trust Agreement.

2. Exercise full investment discretion with respect to assets under management.

3. If managing a separate account (as opposed to a mutual fund or a commingled account), seek approval from the Committee prior to purchasing and/or implementing the following securities and transactions:

    - Letter stock and other unregistered securities; commodities or other commodity contracts; and short sales or margin transactions.

    - Securities lending; pledging securities.

    - Investments for the purpose of exercising control of management.

4. Vote promptly all proxies and related actions in a manner consistent with the long-term interest and objectives of the Plan as described in this IPS. Each investment manager shall keep detailed records of the voting of proxies and related actions and will comply with all applicable regulatory obligations.

5. Communicate to the Committee all material changes pertaining to the fund it manages or the firm itself. Changes in ownership, organizational structure, financial condition, and professional staff are examples of changes to the firm in

which the Committee is interested.

6. Effect all transactions for the Plan subject "to best price and execution." If a manager utilizes brokerage from the Plan assets to effect "soft dollar' transactions, detailed records will be kept and communicated to the Committee.

7. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like retirement Plans with like aims in accordance and compliance with Florida Statutes and all applicable laws, rules, and regulations.

8. If managing a separate account (as opposed to a mutual fund or a commingled account), acknowledge co-fiduciary responsibility by signing and returning a copy of this IPS.

9. Fixed income, separate account investment managers should hold securities with an investment grade rating (BBB or equivalent) by a major rating service. Securities with ratings reduced beneath the investment grade classification after purchase should be sold by the portfolio manager within a reasonable period of time as determined by the manager. It is the manager's responsibility to notify the Committee in writing immediately after a security is downgraded below the policy guidelines. The written explanation should describe the manager's intentions regarding the disposition of the security being downgraded.

Custodian

Custodians are responsible for the safekeeping of the Plan's assets. The specific duties and responsibilities of the custodian are:

1. Maintain separate accounts by legal registration.

2. Value the holdings.

3. Collect all income and dividends owed to the Plan.

4. Settle all transactions (buy-sell orders) initiated by the Investment Manager.

5. Provide at least quarterly, reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

INVESTMENT MANAGER SELECTION

The Committee will apply the following due diligence criteria in selecting each money manager or mutual fund.

1. *Regulatory oversight*: Each investment manager should be a regulated bank, an insurance company, a mutual fund organization, or a registered investment adviser.

2. *Correlation to style or peer group*: The product should be highly correlated to the asset class of the investment option. This is one of the most critical parts of the analysis since most of the remaining due diligence involves comparisons of the manager to the appropriate peer group.

3. *Performance relative to a peer group*: The product's performance should be evaluated against the peer group's median manager return, for 3-year and 5-year cumulative periods.

4. *Performance relative to assumed risk*: The product's risk-adjusted performance (Alpha and/or Sharpe Ratio) should be evaluated against the appropriate index risk-adjusted performance.

5. *Minimum track record*: The product's inception date should be greater than three years.

6. *Assets under management*: The product should have at least $75 million under management.

7. *Holdings consistent with style*: The screened product should have no more than 20% of the portfolio invested in "unrelated" asset class securities. For example, a Domestic Large-Cap Growth product should not hold more than 20% in cash, fixed income and international securities.

8. *Expense ratios/fees*: The fees of the mutual funds in the plan should not be in the 3rd or 4th quartile (most expensive) of their peer group.

9. *Stability of the organization*: There should be no perceived organizational problems – the key personnel of the portfolio management team should be in place for at least two years.

CONTROL PROCEDURES

Performance Objectives

The Committee acknowledges fluctuating rates of return characterize the securities markets, particularly during short-term time periods. Recognizing that short-term fluctuations may cause variations in performance, the Committee intends to evaluate manager performance from a long-term perspective.

The Committee is aware that the ongoing review and analysis of the investment managers is just as important as the due diligence implemented during the manager selection process. The performance of the investment managers will be monitored on an ongoing basis and it is at the Committee's discretion to take corrective action by replacing a manager if they deem it appropriate at any time.

On a timely basis, but not less than semi-annually, the Committee will meet to review whether each manager continues to conform to the search criteria outlined in the previous section; specifically:

1. The manager's adherence to the Plan's investment guidelines;

2. Material changes in the manager's organization, investment philosophy and/or personnel; and,

3. Any legal, SEC and/or other regulatory agency proceedings affecting the manager.

The Committee has determined it is in the best interest of the Plan's participants that performance objectives be established for each investment manager. Manager performance will be evaluated in terms of an appropriate market index (e.g. the S&P 500 stock index for large-cap domestic equity manager) and the relevant peer group (e.g. the large-cap growth mutual fund universe for a large-cap growth mutual fund). The value of assets allocated to each manager will be based upon the target percentages noted below.

Asset Class	Index	Peer Group	Target
Large-Cap Equity			
Blend	S&P 500	Large-Cap Blend	28%
Growth	Russell 1000 Growth	Large-Cap Growth	0%
Value	Russell 1000 Value	Large-Cap Value	0%
Mid-Cap Equity	S&P 400 Midcap	Mid-Cap Blend	11%
Small/Mid-Cap Equity	Russell 2500 Value	Small/Mid-Cap Value	8%
International Equity	MSCI EAFE or MSCI AC World x US		8%
Fixed Income	Barclay's Aggregate or Barclay's Intermediate Government/Credit	Intermediate-Term Bond	45%
Money Market	90 day T-Bills	Money Market Database	0%

A manager will be placed on a Watchlist and a thorough review and analysis of the investment manager will be conducted, when any of the following occurs:

1. An active manager performs below their appropriate index for two of the following time periods - 1 year, 3 year or 5-year cumulative period.

2. A manager's 5-year Alpha is negative.

3. A manager's 5-year Sharpe falls below appropriate index.

4. There is a material change in the professionals managing the portfolio.

5. There is a significant decrease in the product's assets.

6. There is an indication the manager is deviating from his/her stated style and/or strategy.

7. There is an increase in the product's fees and expenses.

8. Any extraordinary event occurs that may interfere with the manager's ability to fulfill their role in the future.

A manager evaluation may include the following steps:

1. A letter to the manager asking for an analysis of their underperformance.

2. An analysis of recent transactions, holdings and portfolio characteristics to determine the cause for underperformance or to check for a change in style.

3. A meeting with the manager, which may be conducted on-site, to gain insight into organizational changes and any changes in strategy or discipline.

The Committee has the discretion to terminate any manager at any time with or without cause based on the Committee's evaluation of what is in the best interest of the retirement plan. A manager will be terminated if it is on the Watchlist for four consecutive quarters. However, the committee may choose not to terminate if an exception is appropriate to avoid detrimental impact to the funds or risk adjusted returns are above the appropriate index for the same period.

Measuring Costs

The Committee will review at least annually all costs associated with the management of the Plan's investment program, including:

1. Expense ratios of each investment option against the appropriate peer group.

2. Custody fees: The holding of the assets, collection of the income and disbursement of payments.

3. Whether the manager is demonstrating attention to "best execution" in trading securities.

SECTION 112.661, FLORIDA STATUTES

The Committee has adopted the following additional provisions to comply with Section 112.661, Florida Statutes:

EXPECTED ANNUAL RATE OF RETURN: For each actuarial valuation, the Committee shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination is to be filed with the Department of Management Services, the plan sponsor and the consulting actuary.

MATURITY AND LIQUIDITY REQUIREMENTS: The investment portfolio will be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To the degree reasonable, an attempt will be made to match investment maturities with anticipated cash flow requirements.

THIRD-PARTY CUSTODIAL AGREEMENTS: All assets shall be held by a third party custodian selected by the Committee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities are to be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money in hand at conclusion of the transaction.

MASTER REPURCHASE AGREEMENT: All approved institutions and dealers transacting repurchase agreements shall perform as stated in the Master Repurchase Agreement.

BID REQUIREMENT: To the extent reasonable, the Committee shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid is to be selected.

INTERNAL CONTROLS: The Committee shall establish a system of internal controls which shall be in writing and be a part of the Plan's operational procedures. These internal controls are designed to prevent losses of funds, which might arise from fraud, error, and misrepresentation, by third parties or imprudent actions by the Committee or employees of the plan sponsor.

CONTINUING EDUCATION: The Committee encourages continuing education of its members in the areas of investments and Committee responsibilities.

REPORTING: The Custodian's valuation report is to be filed annually with the plan sponsor. This report is also available to the public.

FILING OF INVESTMENT POLICY: Once adopted by the Committee, this Investment Policy Statement shall be promptly filed with the Department of Management Services, plan sponsor, consulting actuary, investment managers, and the Directed Trustee/Custodian.

VALUATION OF ILLIQUID INVESTMENTS: The Committee defines an illiquid investment as one for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. Should an investment become illiquid or in the event that the fund acquires an illiquid investment, the Committee shall develop the methodology for valuation as set forth in the criteria in Section 215.47(6), Florida Statutes (the SBA/FRS methodology for valuation).

INVESTMENT POLICY REVIEW

The Committee will review this IPS at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same. It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Prepared: David Wheeler

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Date:

Approved: Joseph E. Orfano

Chairman, SJRPP Pension Committee

Date: 1/29/19

APPENDIX A

Glossary

Alpha
The statistical measure of a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection.
Basis Point
1.00% = 100 Basis Points

Beta
The statistical measure of the volatility, or sensitivity, of rates of return on a portfolio or security in comparison to a market index. The beta value measures the expected change in return per one percent change in the return on the market. Thus, a portfolio with a beta of 1.1 would move 10% more than the market.

Broad Fixed Income
Funds that diversify their assets among several fixed income sectors - usually government, corporate, and high yield domestic obligations.

Duration
A measure of the sensitivity of a bond's market value or price relative to movements in interest rates, also stated as the weighted average term to payment of all cash flows for a bond. The value of a given bond is more sensitive to interest rate changes as duration increases, i.e. longer duration bonds have greater interest rate volatility than shorter duration bonds. Duration is always shorter than maturity except for zero coupon bonds.

Emerging Markets
Managers who primarily concentrate on investments in newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America. These portfolios are characterized by aggressive risk/return profiles that generate high volatility in search of high returns.

ERISA
The Employee Retirement Income Security Act is a 1974 law governing the operation of most private pension and benefit plans. The law eased pension eligibility rules, set up the Pension Benefit Guaranty Corporation, and established guidelines for the management of pension funds.

Fiduciary
Indicates the relationship of trust and confidence where one person (the fiduciary) holds or controls property for the benefit of another person. For example, the relationship

between a trustee and the beneficiaries of the trust.

> *Any person who (1) exercises any discretionary authority or control over the management of a plan or the management or disposition of its assets, (2) renders investment advice for a fee or other compensation with respect to the funds or property of a plan, or has the authority to do so, or (3) has any discretionary authority or responsibility in the administration of a plan.*

Global Bond
Funds that invest in fixed income securities, primarily from developed countries around the world, including the U.S.

Intermediate Bond
Fixed income funds of investment grade securities that have a duration of more than 3.5 but less than 6.0 years or an average effective maturity of more than 4.5 but less than 7.0 years.

International Equity
Funds that invest in non-U.S. stocks, primarily in developed countries around the world. Although, most international funds include an allocation to emerging markets as well.

Large-Cap Blend
Equity funds that invest in stocks that represent the largest 5% of the top 5,000 U.S. stocks and where the P/E and P/B is comparable to that of the S&P 500.

Large-Cap Growth
Equity funds that invest in stocks that represent the largest 5% of the top 5,000 U.S. stocks and where the P/E and P/B is greater than that of the S&P 500.

Large-Cap Value
Equity funds that invest in stocks that represent the largest 5% of the top 5,000 U.S. stocks and where the P/E and P/B is less than that of the S&P 500.

Market Capitalization
A common stock's current price multiplied by the number of shares outstanding. It is the measure of a company's total value on a stock exchange.

Mid-Cap Equities
Equity funds that invest in stocks that represent those firms between 5% and 20% according to size of the top 5,000 U.S. stocks.

Modern Portfolio Theory (MPT)
Essential to portfolio theory is the relationship between risk and return and the assumption that investors must be compensated for assuming risk. This portfolio approach shifts

emphasis from analyzing the characteristics of individual investments to determining the statistical relationships among the individual securities that comprise the overall portfolio.

Quality Rating

The rank assigned a security by rating services such as Moody's and Standard & Poor's. The rating may be determined by such factors as: (1) the likelihood of fulfillment of dividend, income, and principal payment obligations, (2) the nature and provisions of the issue, and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, and BBB) are considered "Investment Grade" because they are eligible bank investments as determined by the Comptroller of the Currency.

Real Estate

Funds that invest primarily in REIT equity instruments. The characteristics of these funds are more representative of small-cap stocks than direct investment in a diversified portfolio of real estate comprised of farm, residential, and commercial properties.

Risk-Free Rate of Return

The return on a 90-day Treasury bills. This is used as a proxy for no risk due to its U.S. Government issuance and short-term maturity. The term is really a misnomer since nothing is free of risk. It is utilized since certain economic models require a "risk-free" point of departure. See Sharpe Ratio.

Sharpe Ratio

Statistical measure of risk-adjusted return. It is calculated by subtracting the Risk-Free Return (usually 3 Month Treasury Bill) from the portfolio return, then dividing the resulting "excess return" by the portfolio's total risk level (standard deviation). The result is a measure of return gained per unit of total risk taken. The Sharpe Ratio can be used to compare the relative performance of managers. If two managers have the same level of risk but different levels of excess return, the manager with the higher Sharpe Ratio would be preferable.

Short-Term Fixed Income

Fixed income funds of investment grade securities that have a duration of more than 1.0 but less than 3.5 years or an average effective maturity of more than 1.0 but less than 4.0 years. Also, used as a proxy for GICs, Stable Value Funds and Money Markets.

Small-Cap Equities

Equity funds that invest in stocks that represent the smallest 80% of the top 5,000 U.S. stocks.

Standard Deviation
Statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard Deviation is used as an estimate of risk since it measures the width of the range of returns. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio's risk. If returns are normally distributed (i.e. have a bell-shaped curve distribution), then approximately 2/3 of the returns would occur within plus or minus one Standard Deviation from the sample mean.