



Employees' Retirement System of the City of Norfolk

November 5, 2025

Investment Committee Meeting

- 1. Economic and Market Update**
- 2. Executive Summary**
- 3. Performance Summary**
 - September 30, 2025
- 4. BH-DG Update**
- 5. Investment Policy Statement Review**
- 6. Appendices**
 - Corporate Update
 - Disclaimer, Glossary, and Notes

Economic and Market Update

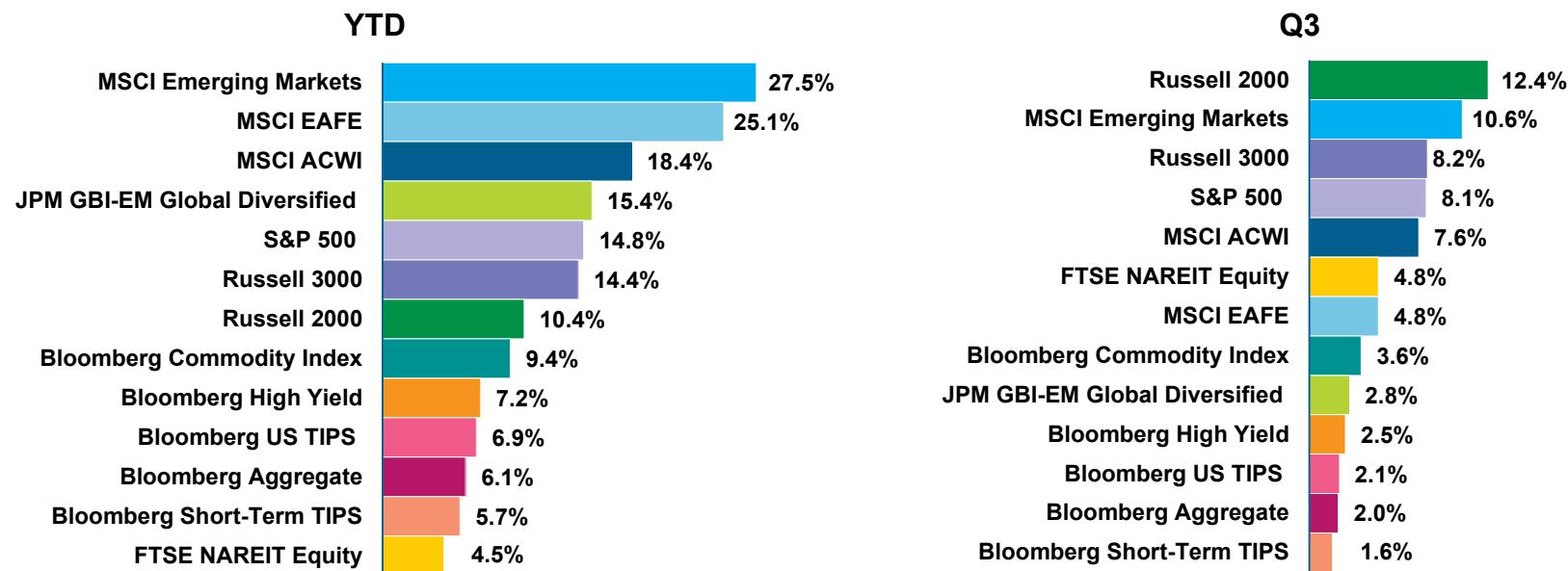
Data as of September 30, 2025

Commentary

In the third quarter, most stock and bond markets delivered positive returns, benefiting from renewed interest rate cuts from the Federal Reserve, continued strong artificial intelligence demand and investment, and overall solid corporate earnings.

- US stocks enjoyed a broad rally in the third quarter with the Russell 3000 gaining 8.2%. Large cap stocks trailed small cap stocks in a reversal of the prior trend with mixed results across market capitalizations for growth and value.
- Non-US developed market stocks lagged US stocks in the third quarter (MSCI EAFE +4.8%) with value outperforming growth.
- Emerging market stocks beat developed market stocks in the third quarter with the MSCI emerging market index gaining +10.6% and up a leading 27.5% year-to-date; Chinese stocks drove the emerging market index higher with the MSCI China index returning 20.7% in the quarter and 41.6% year-to-date.
- In general, bond markets performed well in the third quarter supported by softer labor data and largely dovish central banks, with high yield bonds and long-dated Treasuries both returning 2.5% for the quarter, slightly outperforming the broad US bond market (+2.0%) and TIPS (+2.1%).
- Chair Powell's comments from Jackson Hole buoyed market expectations for more rate cuts this year. In addition to continued public pressure on Chair Powell, the Administration also signaled that it would investigate Federal Open Market Committee (FOMC) member Lisa Cook adding to market concerns about future Fed independence.
- Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will tariff pressures eventually show up in inflation, can earnings growth remain resilient in the US, will the recent rotation into small cap stocks continue, and how will China's economy and relations with the US track.

Index Returns¹



- There were broad gains across asset classes in the third quarter given the Fed's rate cut in September with more expected, resilient corporate earnings, and ongoing AI enthusiasm. Small cap US stocks led the way particularly benefiting from lower rate expectations as well as a resilient US economy and lower valuations relative to large cap technology companies.
- For the year-to-date through September, international markets experienced the best results with +40% gains in China helping emerging market stocks and a weakening US dollar particularly benefiting developed international stocks (MSCI EAFE).

¹ Source: Bloomberg. Data is as of September 30, 2025.

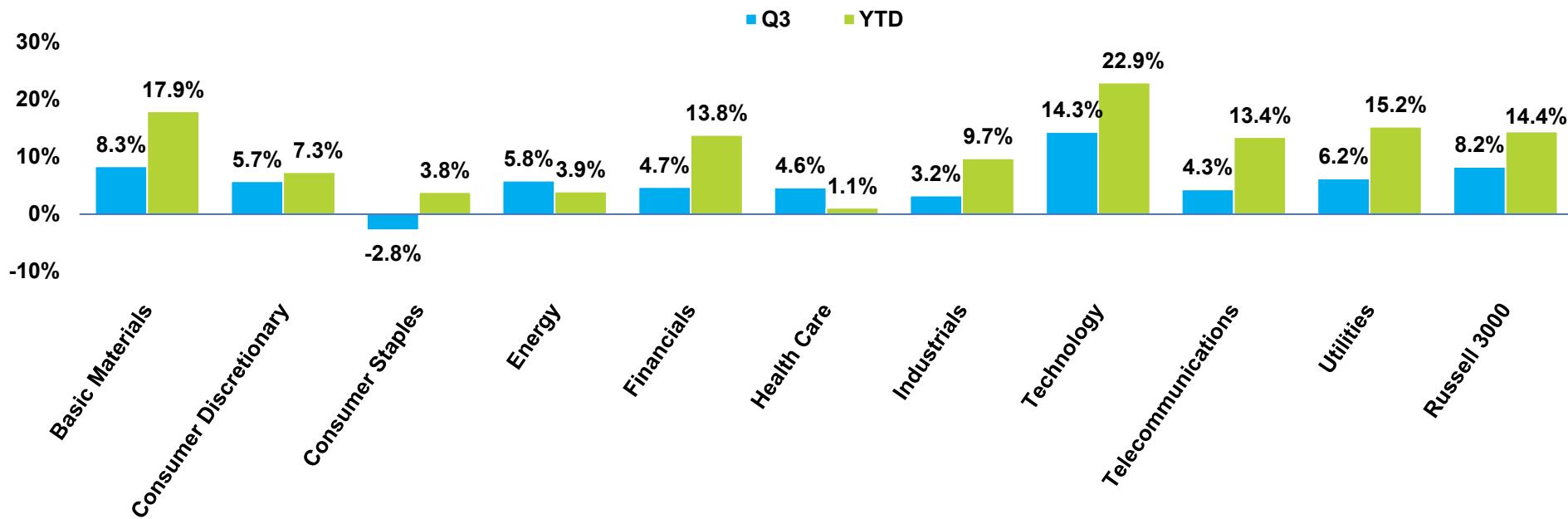
Domestic Equity Returns¹

Domestic Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	3.6	8.1	14.8	17.6	24.9	16.4	15.3
Russell 3000	3.5	8.2	14.4	17.4	24.1	15.7	14.7
Russell 1000	3.5	8.0	14.6	17.7	24.6	16.0	15.0
Russell 1000 Growth	5.3	10.5	17.2	25.5	31.6	17.6	18.8
Russell 1000 Value	1.5	5.3	11.7	9.4	16.9	13.9	10.7
Russell MidCap	0.9	5.3	10.4	11.1	17.7	12.6	11.4
Russell MidCap Growth	-0.3	2.8	12.8	22.0	22.8	11.2	13.4
Russell MidCap Value	1.3	6.2	9.5	7.6	15.5	13.6	10.0
Russell 2000	3.1	12.4	10.4	10.8	15.2	11.5	9.8
Russell 2000 Growth	4.2	12.2	11.7	13.6	16.7	8.4	9.9
Russell 2000 Value	2.0	12.6	9.0	7.9	13.5	14.6	9.2

US Equities: The Russell 3000 index returned 8.2% in the third quarter and 14.4% year-to-date.

- US stocks increased sharply during the third quarter as the Federal Reserve lowered interest rates, corporate earnings largely came in above expectations, and economic growth surprised to the upside. The enthusiasm surrounding AI helped push the indices higher, as well.
- Small cap stocks, represented by the Russell 2000 Index, outperformed both mid and large cap stocks during the quarter. The small cap index's higher weighting to biopharma stocks contributed to the outperformance as well as the overall strength of the economy and expectations for lower rates given their generally higher leverage.
- Value stocks outperformed growth stocks during the quarter (except in the large cap space). The outperformance of large technology and consumer discretionary stocks drove this dynamic.

¹ Source: Bloomberg. Data is as of September 30, 2025.

Russell 3000 Sector Returns¹

- During the third quarter, technology stocks led all sectors, with Apple and NVIDIA being the largest contributors in the Russell 3000 Index, as AI enthusiasm continued.
- The traditionally defensive consumer staples sector was the only area to decline in the risk-on environment of the third quarter. Many of these companies, like Philip Morris, Costco, and Coca-Cola, continue to be challenged by tariffs and consumers' changing preferences given higher expected prices.
- For the year through September, all sectors posted gains with technology, again, leading the way and defensive sectors, like healthcare and consumer staples, producing the smallest gains.

¹ Source: Bloomberg. Data is as of September 30, 2025.

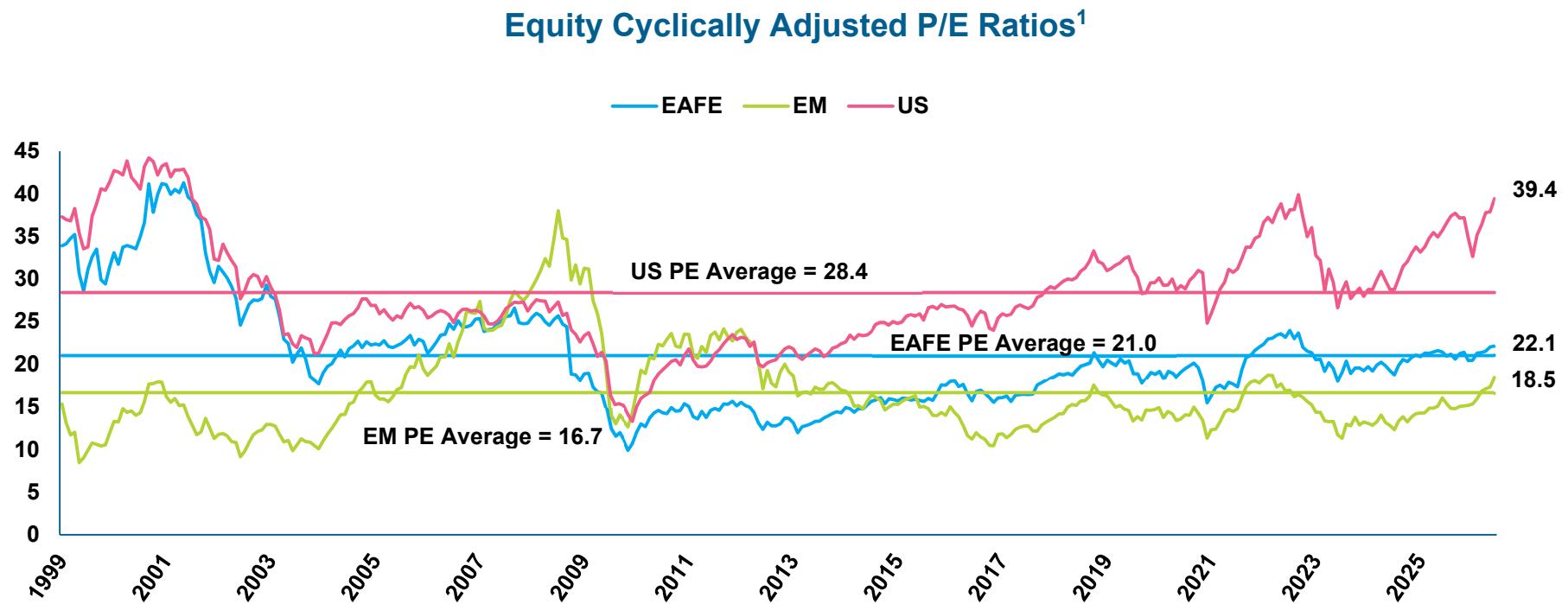
Foreign Equity Returns¹

Foreign Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.6	6.9	26.0	16.4	20.7	10.2	8.2
MSCI EAFE	1.9	4.8	25.1	15.0	21.7	11.1	8.2
MSCI EAFE (Local Currency)	1.8	5.4	13.6	12.9	16.9	12.5	8.6
MSCI EAFE Small Cap	1.6	6.2	28.4	17.7	19.6	8.5	7.9
MSCI Emerging Markets	7.2	10.6	27.5	17.3	18.2	7.0	8.0
MSCI Emerging Markets (Local Currency)	7.1	12.2	24.3	18.8	18.1	8.6	9.1
MSCI EM ex China	6.0	6.6	22.1	12.2	17.9	11.1	8.8
MSCI China	9.8	20.7	41.6	30.8	19.4	0.4	6.8

Foreign Equity: Developed international equities (MSCI EAFE) returned 6.9% in the third quarter and 26.0% year-to-date, and the emerging markets index rose 10.6% in the third quarter and 27.5% year-to-date.

- Developed markets posted solid gains in the third quarter, driven by easing monetary policy, strong corporate earnings, and AI-related enthusiasm. Eurozone equities, while positive, were the laggards of the quarter, with losses in Germany and political instability in France somewhat balanced by strong performance by financials and stable inflation. The UK saw solid performance supported by strong bank earnings and resilient consumer demand despite rising debt. Japan was a top performer, benefiting from a weaker yen, strong tech exports, and favorable political shifts.
- Emerging markets outperformed developed peers in the third quarter, aided by easing trade tensions and strong tech performance. China led the way with a significant 20.7% return for the quarter, benefitting from domestic chipmaker support, accelerating AI spending, and optimism surrounding policies to reduce unproductive competition. Tech enthusiasm benefited other Asian markets, particularly Taiwan and Korea. Brazil lagged, due largely to political uncertainty. India saw losses, with the recent imposition of very punitive tariffs by the US weighing heavily on performance.

¹ Source: Bloomberg. Data is as of September 30, 2025.



- US stock valuations increased in the third quarter, finishing September with a cyclically adjusted P/E ratio of 39.4. This level is well above their long-run average of 28.4.
- Given strong results this year in non-US developed stocks, valuations have moved slightly above their long-run P/E ratio (22.1 versus 21.0).
- As emerging market stocks lead the way in 2025 their valuations are now also trading at levels above their long-run average (18.5 versus 16.7).

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

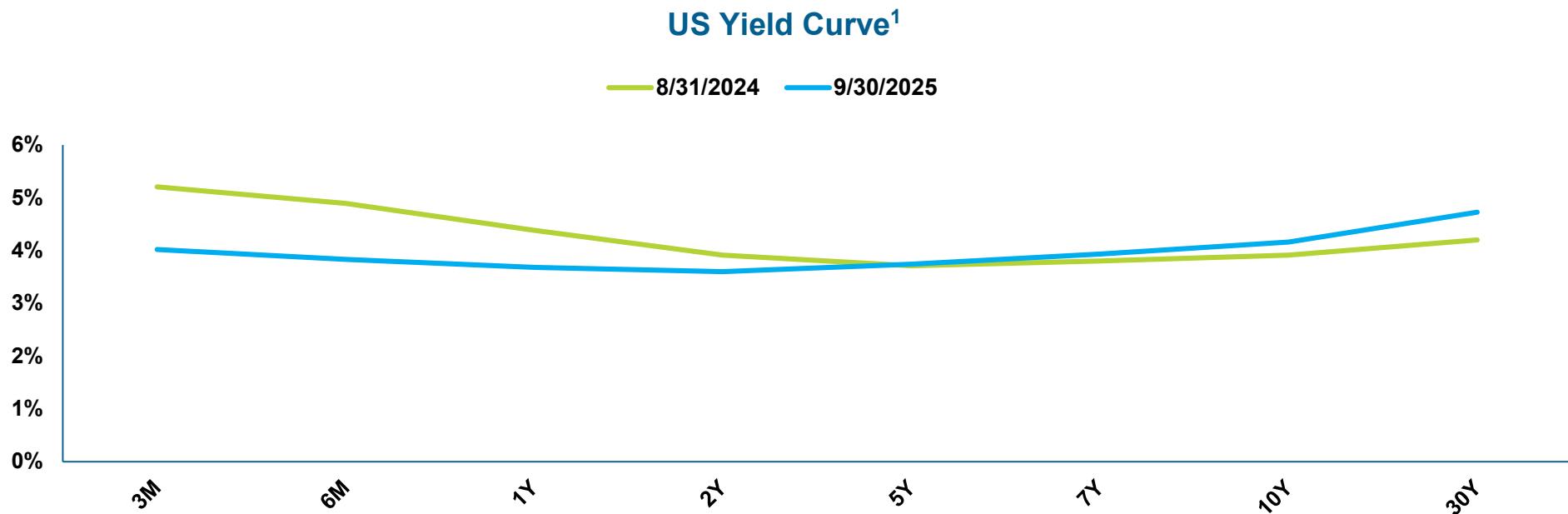
Fixed Income Returns¹

Fixed Income	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.1	2.1	6.3	3.4	5.6	0.1	2.3	4.6	5.9
Bloomberg Aggregate	1.1	2.0	6.1	2.9	4.9	-0.4	1.8	4.4	6.1
Bloomberg US TIPS	0.4	2.1	6.9	3.8	4.9	1.4	3.0	4.1	6.6
Bloomberg Short-term TIPS	0.0	1.6	5.7	5.5	5.4	3.7	3.1	3.8	2.4
Bloomberg US Long Treasury	3.1	2.5	5.6	-3.5	0.4	-7.8	-0.1	4.7	14.7
Bloomberg High Yield	0.8	2.5	7.2	7.4	11.1	5.5	6.2	6.7	3.1
JPM GBI-EM Global Diversified (USD)	1.4	2.8	15.4	7.4	11.3	2.3	3.5	--	--

Fixed Income: The Bloomberg Universal index rose 2.1% in the third quarter, returning 6.3% year-to-date.

- The US yield curve shifted lower on expected monetary policy easing in the coming quarters and strong risk appetite by investors provided positive performance for credit indexes.
- In this environment, the broad US bond market (Bloomberg Aggregate) returned 2.0% with longer dated US Treasuries performing slightly better (2.5%). Longer and short-dated TIPS gained 2.1% and 1.6%, respectively, as inflation risks remained elevated.
- Positive risk sentiment supported emerging market debt (+2.8%) and high yield (+2.5%). Year-to-date performance in emerging markets solidly exceeded other fixed income indices, and the broad US stock market.

¹ Source: Bloomberg. Data is as of September 30, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



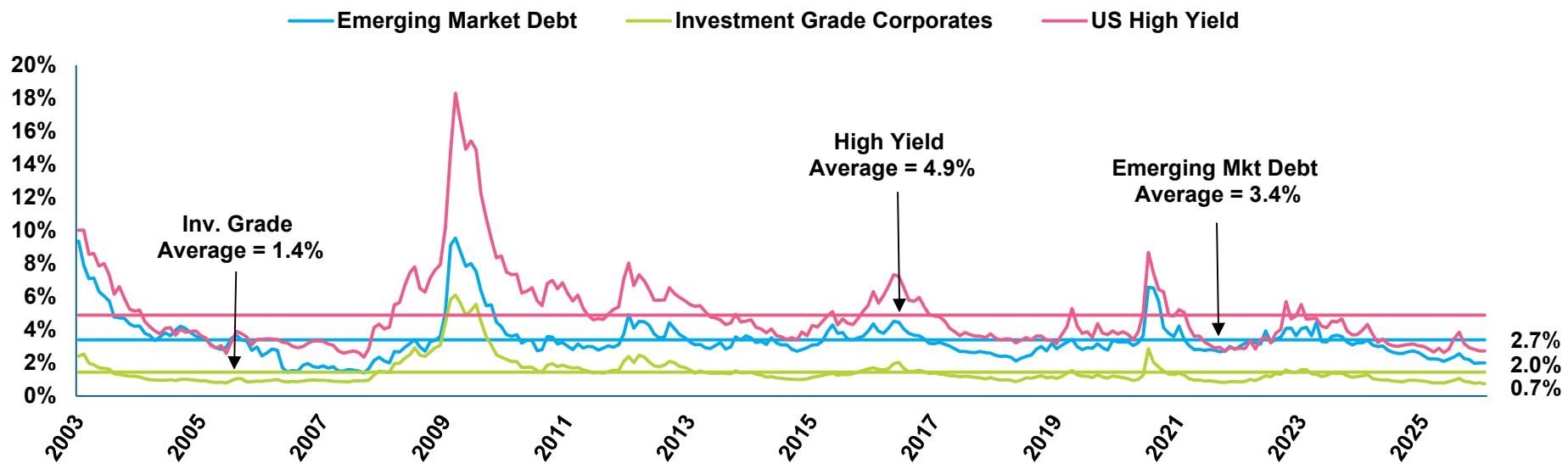
- A rate cut by the Fed, with more expected weakness in the labor market, and no signs yet of tariffs significantly influencing inflation drove rates lower across the yield curve in the third quarter.
- The policy sensitive 2-year nominal Treasury yield was volatile during the quarter but overall fell from 3.72% to 3.61% given the anticipation of additional interest rate cuts by the Fed.
- The 10-year nominal Treasury yield was also volatile and declined from 4.23% to 4.15% for the quarter, while the 30-year nominal Treasury yield fell slightly from 4.78% to 4.73%.

¹ Source: Bloomberg. Data is as of September 30, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.



- In a period where risk assets have done particularly well, gold, which is usually perceived as a safe haven, has done even better, gaining over 47% year-to-date through September.
- Key drivers of gold's strong year include central bank demand, a weak US dollar, inflation concerns, and expectations for lower rates.

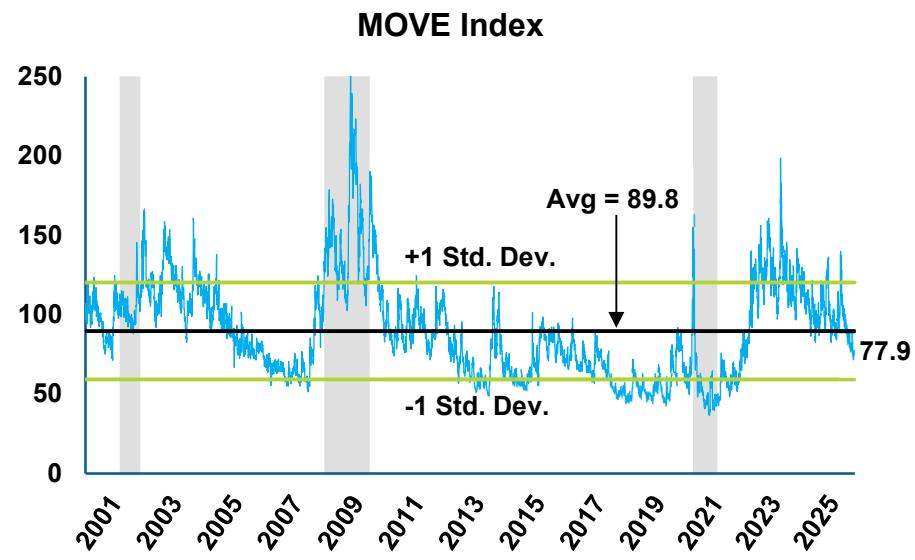
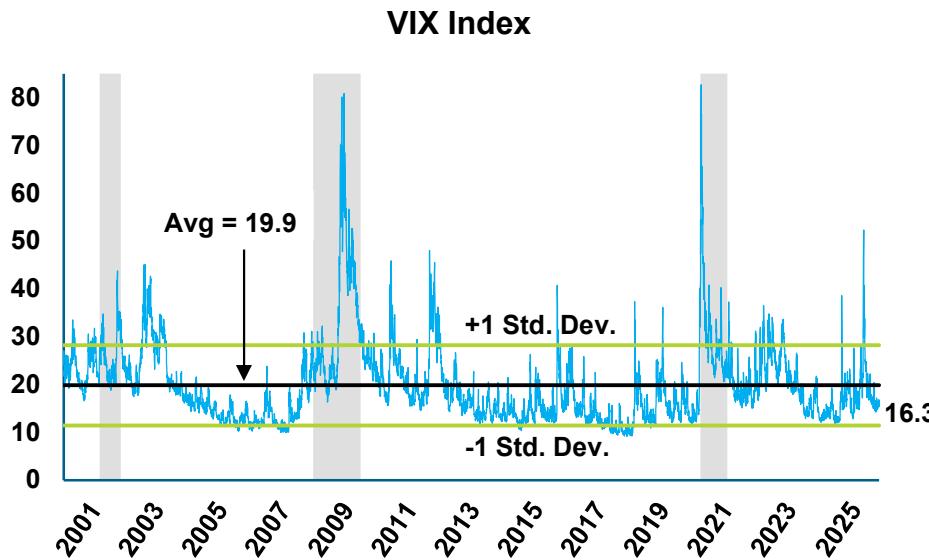
¹ Source: Bloomberg as of September 30, 2025. Gold Spot Price is quoted as US Dollars per Troy Ounce.

Credit Spreads vs. US Treasury Bonds¹

- During the third quarter, despite already being historically tight, credit spreads continued to grind lower given the resilient US economy, strong corporate balance sheets/low default rates, and investor demand for yield.
- Investment grade spreads (the difference in yield from a comparable Treasury) moved further below 1.0% during the quarter (0.8% to 0.7%).
- High yield spreads fell from 2.9% to 2.7% in the third quarter, while emerging market spreads dropped from 2.2% to 2.0%.
- All yield spreads remained below their respective long-run averages, especially high yield (2.7% versus 4.9%).

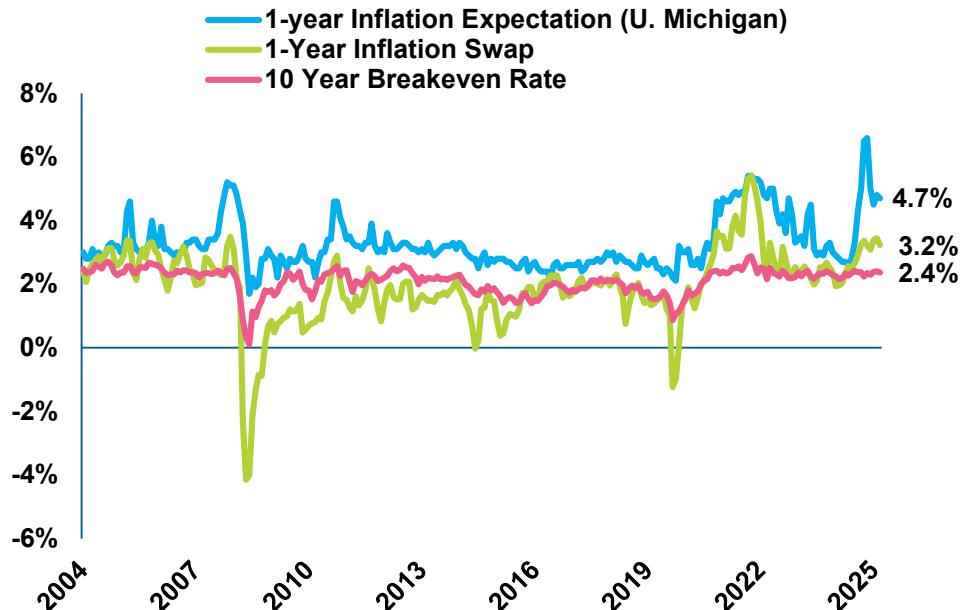
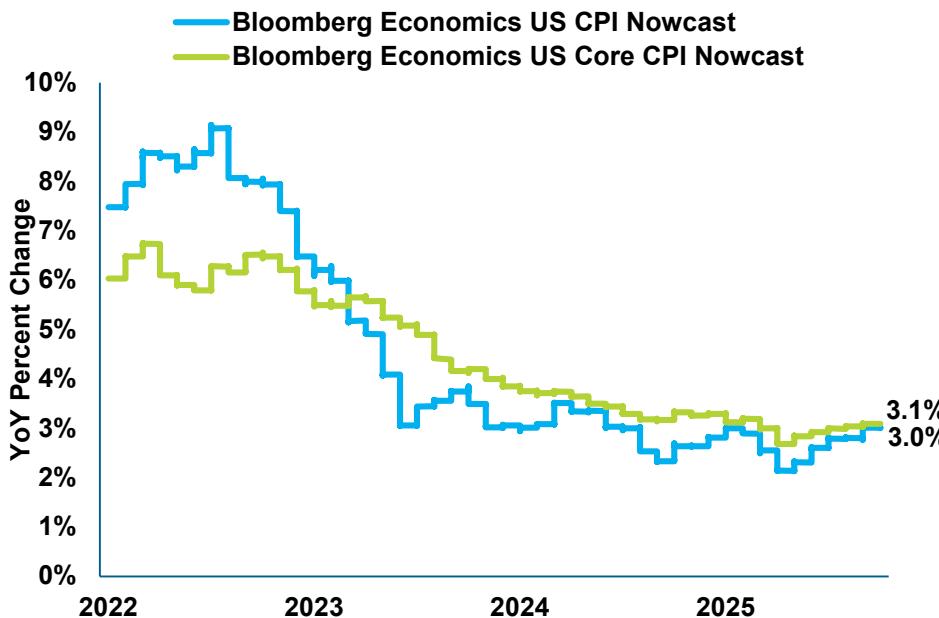
¹ Source: Bloomberg. Data is as of September 30, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility¹



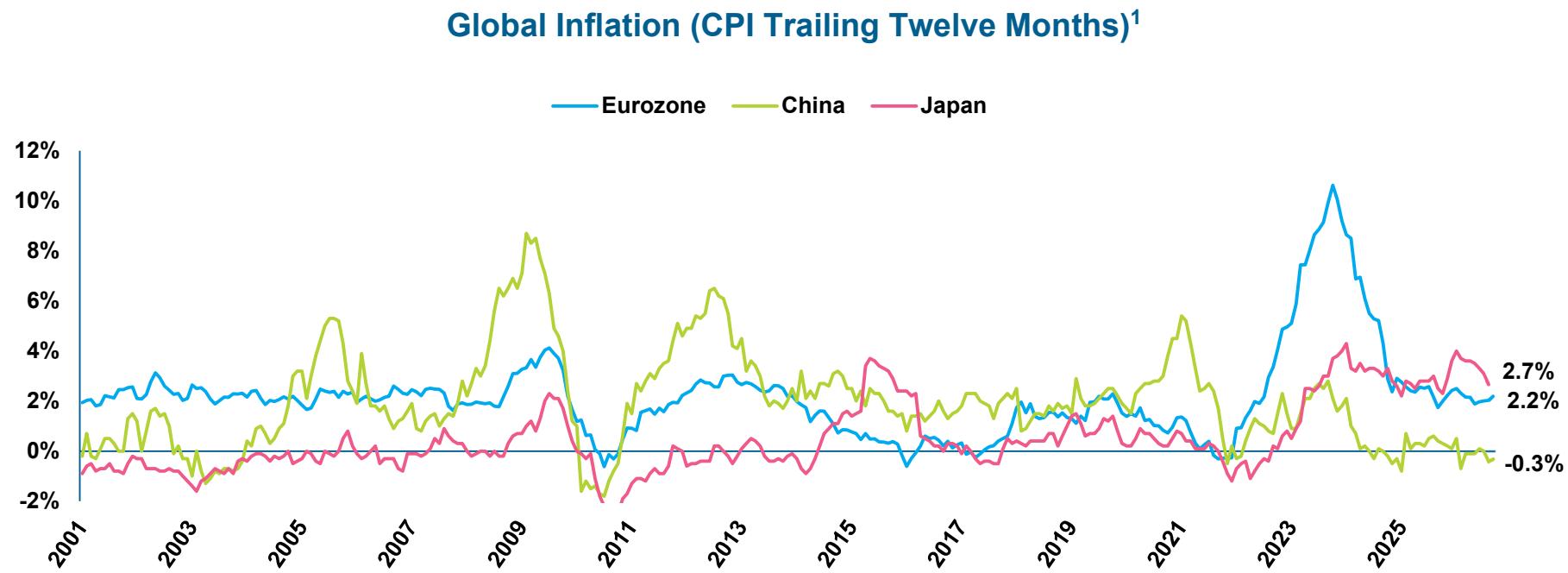
- Volatility spiked in April after the “Liberation Day” tariff announcement but has since declined to below long-run averages.
- Resilient earnings data, despite tariffs and expectations for the Fed to continue to cut rates, has kept equity market volatility (VIX) relatively low.
- Despite fiscal policy uncertainty and debt concerns, the MOVE index has largely declined as confidence has increased in the Fed cutting rates.

¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of September 30, 2025. The average line indicated is the average of the VIX and MOVE values between January 2005 and September 2025.

US Inflation¹

- The recent government shutdown has caused a delay in the release of government economic reports like CPI from the Bureau of Labor Statistics. This has led to investors increasing use of other models and private data to assess the economy.
- Bloomberg's real-time inflation models have recently trended up to levels still above the Fed's average target of 2.0%.
- Market and survey-based measures of inflation show a divergence between short-term (higher) and long-term (lower) expectations for how inflation will track. This dynamic is likely driven by the anticipation that tariff related price increases have still not shown up in the numbers.

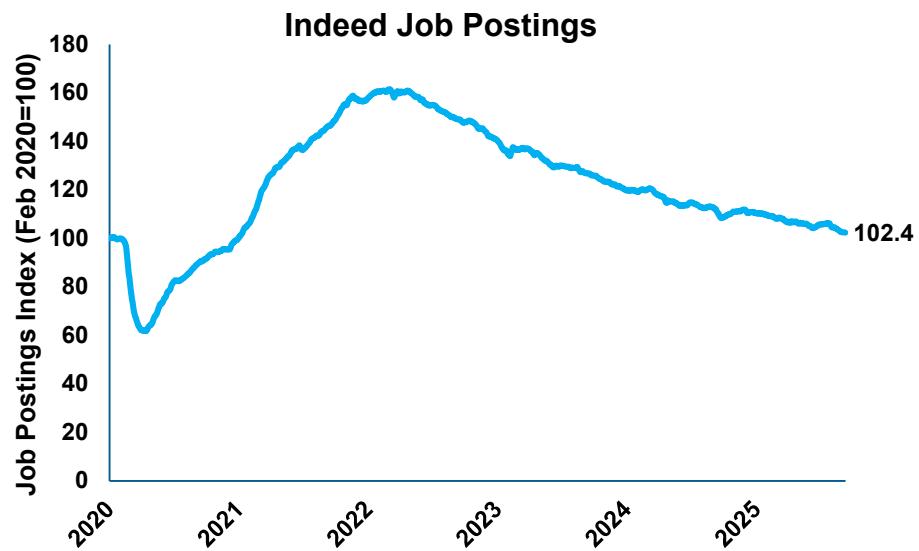
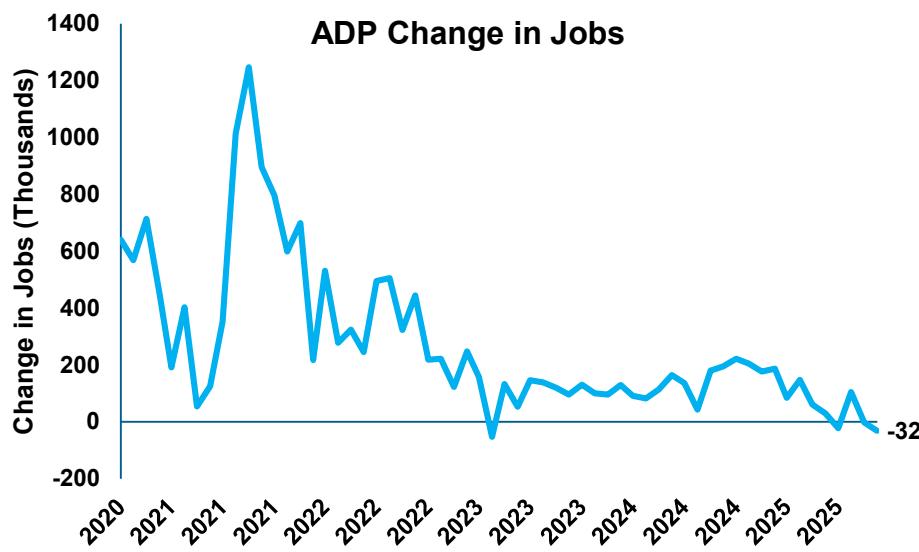
¹ Source: Bloomberg and University of Michigan. Data is as of September 30, 2025, except the Nowcast models which are as of October 15, 2025.



- Inflation in the eurozone reaccelerated slightly over the quarter from 2.0% to 2.2%, a level just above the ECB's 2.0% target, driven by a rise in service costs; the ECB held rates steady at 2.0% in early September with markets largely expecting no additional rate cuts given rising prices.
- In Japan, inflation declined from 3.3% at the end of June to 2.7% at the end of August given a decline in electricity prices due to government subsidies and a drop in gas prices. Despite the recent decline, inflation remains above the 2.0% target, making it likely the Bank of Japan will hold rates steady for now.
- In China, despite considerable policy stimulus, deflation returned in two of the three months during the quarter. A sharp fall in food prices was a key cause of the deflationary pressures.

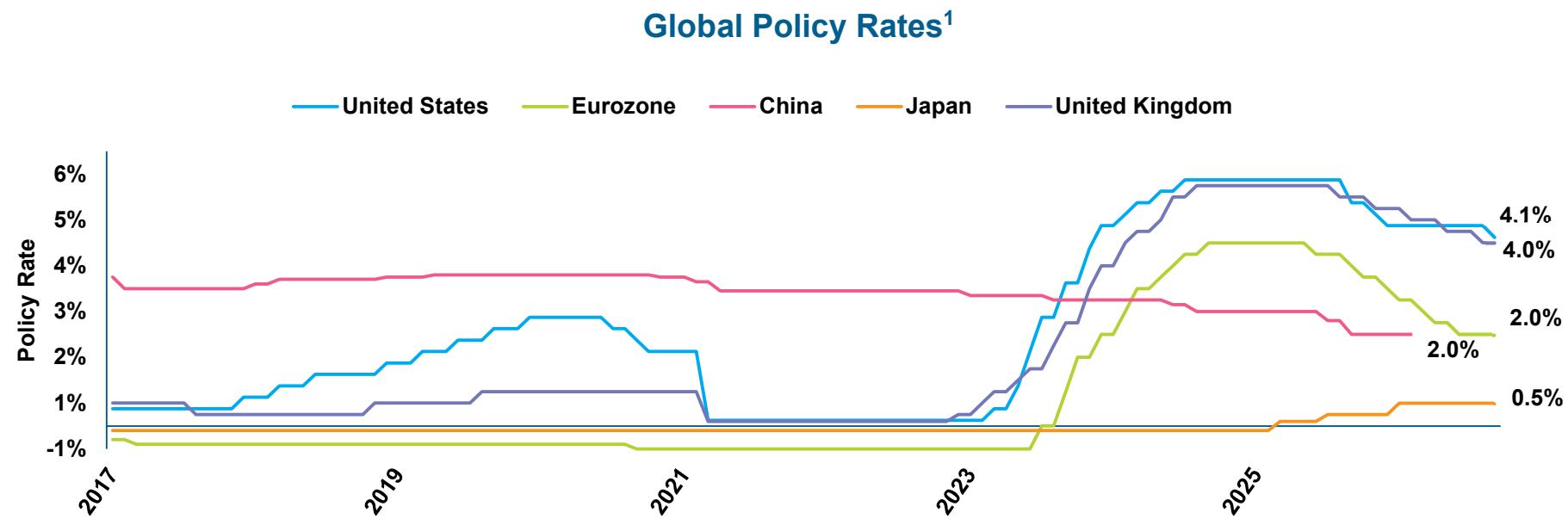
¹ Source: Bloomberg. Data is as of September 2025, except Japan which is as of August 2025.

US Unemployment¹



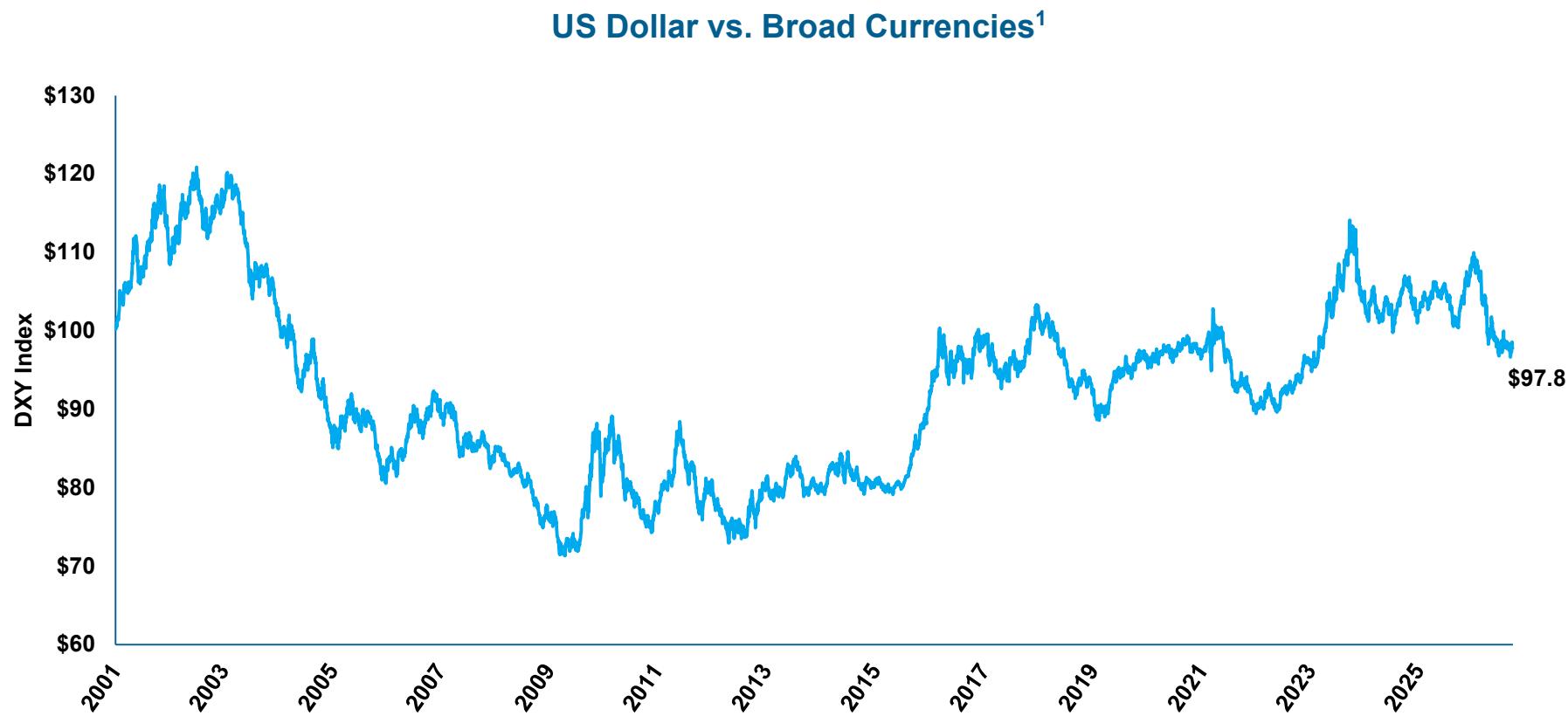
- Like inflation, the government shutdown means that current official employment data is also not available, however other private indicators support growing concerns regarding a softening labor market in the US.
- Government layoffs, a declining number of jobs created (ADP), and a falling number of job postings (Indeed) are also pointing to a deteriorating jobs market.

¹ Source: ADP and Indeed. Data is as of September 30, 2025.



- The Fed started cutting interest rates again, but other central banks have generally paused. Futures markets are predicting the Fed to cut rates two more times to ~3.6% by year-end and three more times in 2026 as unemployment revisions indicate a weaker than previously thought labor market.
- The ECB held rates steady in the third quarter after four cuts earlier in the year, while the Bank of England cut rates in August and held them steady in September. After cutting rates in May of last year, China's central bank has held rates steady, although disinflationary pressures continue to be a concern.
- Japan kept rates at current levels in the face of uncertain inflationary and trade pressures but voted to slow its purchase of Japanese sovereign debt in a continuing retreat from quantitative easing.

¹ Source: Bloomberg. Data is as of September 30, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.



- The US dollar hit near-historic highs in January of 2025 but since then its value has declined by ~11%.
- The US dollar stabilized in the third quarter on the easing of trade war concerns.
- Typically, higher interest rates support the US dollar but recent concerns over changing US administration policies and slowing growth have weighed on the value of the US dollar.

¹ Source: Bloomberg. Data as of September 30, 2025.

Key Trends

- According to the International Monetary Fund's (IMF) October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The US is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to just 4.2% in 2026.
- Despite the recent pause in negotiations related to tariffs, many questions remain including how they will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path. A lengthy government shutdown and a lack of official economic reports could create further complications for the Fed and others to assess the health of the economy.
- Some signs of stress have started to emerge on the US consumer, with growing weakness in the jobs market and sentiment weakening since the start of the year. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The recent resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities have fully recovered from substantial losses experienced during the first week of April and have reached new highs. A relatively strong second quarter earnings season, renewed AI optimism, and prospects of future rate cuts from the Fed all helped drive stocks higher. How earnings track from here, particularly for the large AI related companies that make up a significant portion of indexes, will be key going forward.
- Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy. With the recent flare up in rhetoric, China has deepened its restrictions on exporting rare earth and critical minerals required in the manufacturing of many high-tech items. In response the US threatened across the board tariffs up to 100 % on Chinese goods. Upcoming negotiations between the two sides will be important to watch. How China manages its slowing economy, and deflationary pressures will also be important.

Executive Summary

Executive Summary

- In September, markets posted positive performance, with US equities trailing their international peers. Fixed income markets also advanced, supported by the renewed rate-cutting cycle in the US.
- The table below reflects the latest estimated valuation data through September 2025.

NERS	September 30, 2025	August 31, 2025	July 31, 2025	June 30, 2025
Total Fund Balance	\$1.52 Billion	\$1.49 Billion	\$1.46 Billion	\$1.42 Billion
Funded Status	97%	95%	94%	91%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%	6.75%
FYTD Rate of Return	5.9%	3.0%	0.6%	11.3%
12 Months Trailing Rate of Return	11.1%	10.3%	9.7%	11.3%
Monthly Rate of Return	2.8%	2.4%	0.6%	3.0%
Monthly Gains/Losses	\$41.6 million	\$35.3 million	\$8.4 million	\$43.2 million
Monthly Net Cash Flow	-\$8.5 million	-\$8.2 million	\$35.2 million	-\$8.6 million

- The Actuarial Determined Contribution rates for Fiscal Year 2026 are:
 - NERS: \$34.5 million
 - VRS: 7.84%
- As of September 30, the System was inside of its target asset allocation ranges for all asset classes.

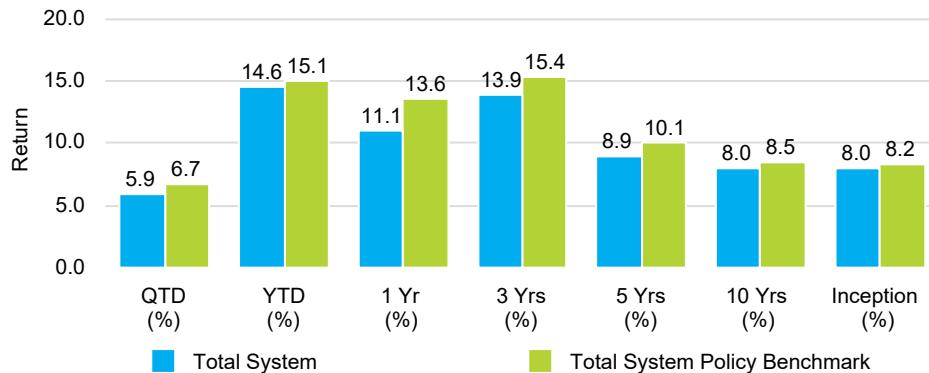
Performance Summary

Performance Update | As of September 30, 2025

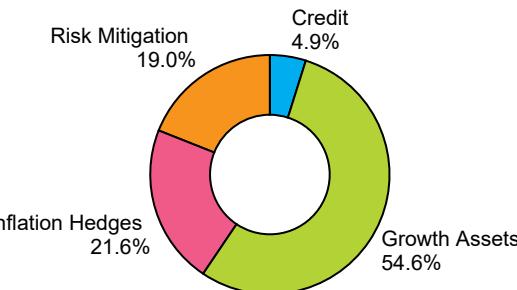
Portfolio Objective

The Employees' Retirement System of the City of Norfolk is a long-term investor whose objective is to enable the System to provide retirement income for plan participants and beneficiaries. The System's strategy is generate a return that meets the long-term return objective, while minimizing volatility.

Return Summary

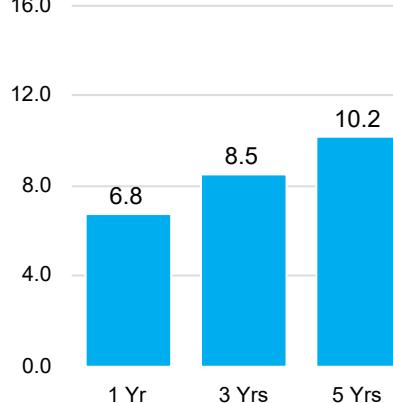


Current Allocation

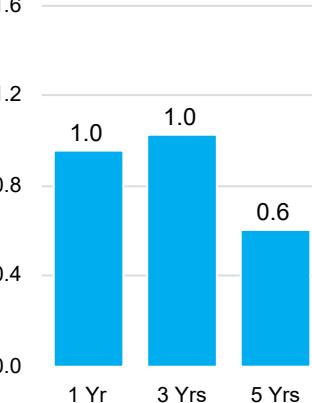


	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Total System	5.9	14.6	11.1	13.9	8.9	8.0	8.0	10/01/1990
Total System Policy Benchmark	6.7	15.1	13.6	15.4	10.1	8.5	8.2	

Annualized Standard Deviation



Sharpe Ratio



Summary of Cash Flows

Quarter-To-Date

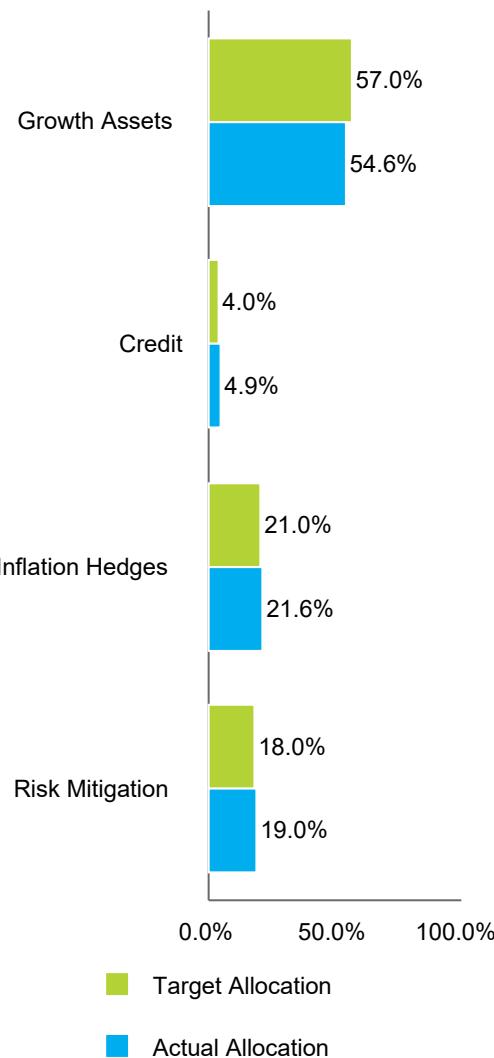
Year-To-Date

Total System

Beginning Market Value	1,417,934,575	1,354,588,745
Net Cash Flow	18,469,109	-31,048,733
Net Investment Change	85,326,929	198,190,601
Ending Market Value	1,521,730,613	1,521,730,613

Fiscal Year begins July 1.

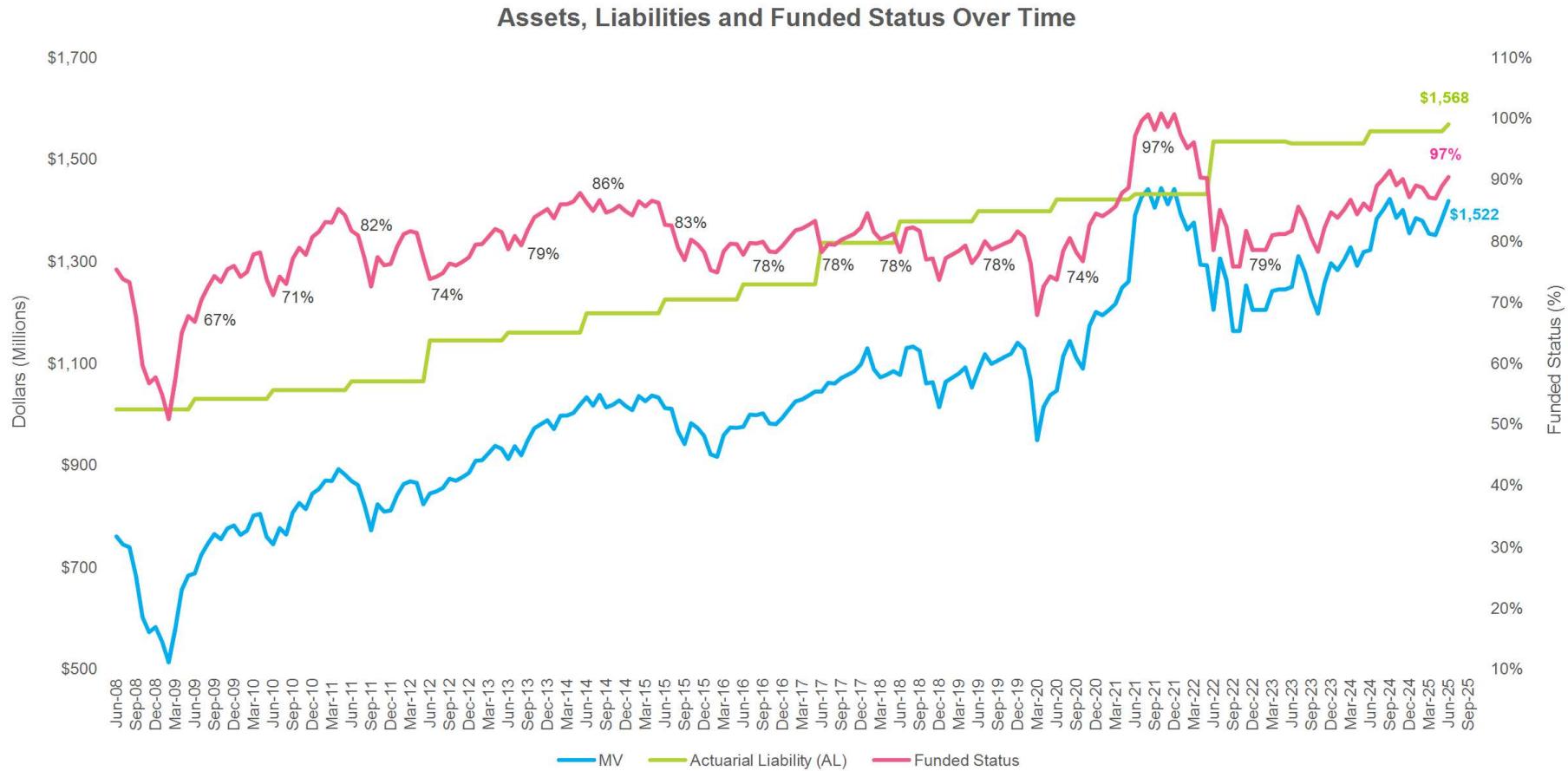
Actual vs. Target Allocation



Allocation vs. Targets and Policy

	Current Balance	Current Allocation (%)	Policy (%)	Policy Range (%)	Within IPS Range?
Growth Assets	\$830,161,126	54.6	57.0	47.0 - 67.0	Yes
Global Equity	\$820,515,941	53.9	52.0	42.0 - 62.0	Yes
Private Equity	\$9,645,184	0.6	5.0	0.0 - 10.0	Yes
Credit	\$74,030,472	4.9	4.0	0.0 - 9.0	Yes
High Yield & Bank Loans	\$74,030,472	4.9	4.0	0.0 - 9.0	Yes
Inflation Hedges	\$328,684,724	21.6	21.0	14.0 - 28.0	Yes
Real Estate	\$106,886,564	7.0	8.0	3.0 - 13.0	Yes
Natural Resources & Infrastructure	\$82,505,036	5.4	5.0	0.0 - 10.0	Yes
Gold	\$52,905,426	3.5	3.0	0.0 - 6.0	Yes
Short-Term TIPS	\$86,387,697	5.7	5.0	0.0 - 10.0	Yes
Risk Mitigation	\$288,854,291	19.0	18.0	11.0 - 25.0	Yes
Investment Grade Fixed Income	\$234,160,442	15.4	14.0	7.0 - 21.0	Yes
Hedge Funds	\$52,424,601	3.4	4.0	0.0 - 9.0	Yes
Cash	\$2,269,248	0.1	0.0	0.0 - 3.0	Yes
Total	\$1,521,730,613	100.0	100.0		

Performance Update | As of September 30, 2025



As of September 30, 2025, Total Plan Actuarial Liability (AL) is \$1.568 billion and the Actuarial Value of Assets (AVA) is \$1.521 billion for an Actuarial Funded Ratio (AVA/AL) of 97%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 95% in August 2025 and 97% in September 2025.

Performance Update | As of September 30, 2025

Asset Class Performance Summary												
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date		
Total System	1,521,730,613	100.0	5.9	14.6	11.1	13.9	8.9	8.0	8.0			Oct-90
Total System Policy Benchmark			6.7	15.1	13.6	15.4	10.1	8.5	8.2			
Total Fund Actual Allocation Benchmark			6.4	15.3	13.2	--	--	--	--			--
Total Fund Public Benchmark			6.2	15.1	13.1	17.3	9.0	8.5	8.3			
Growth Assets	830,161,126	54.6	7.2	18.0	14.6	--	--	--	16.9			Dec-22
Growth Assets Custom Benchmark			8.1	17.7	17.1	--	--	--	18.6			
Global Equity	820,515,941	53.9	7.3	18.1	14.7	21.2	12.8	11.6	9.5			Oct-90
Global Equity Policy Benchmark			7.7	18.3	16.8	22.5	13.3	11.6	9.8			
Private Equity	9,645,184	0.6										
MSCI ACWI + 3% 1Q Lag			12.3	11.4	19.6	--	--	--	22.6			
Credit	74,030,472	4.9	2.7	8.1	8.4	--	--	--	9.8			May-23
Credit Custom Benchmark			2.1	6.0	7.3	--	--	--	9.7			
High Yield & Bank Loans	74,030,472	4.9	2.7	8.1	8.4	--	--	--	9.8			May-23
High Yield & Bank Loans Custom Benchmark			2.1	6.0	7.3	--	--	--	9.7			
Inflation Hedges	328,684,724	21.6	6.6	16.4	12.4	--	--	--	4.3			Dec-22
Inflation Hedges Custom Benchmark			7.4	18.1	14.1	--	--	--	4.9			
Real Estate	106,886,564	7.0	1.0	2.7	1.1	-3.9	1.2	2.6	5.4			Apr-11
NCREIF ODCE (Net)			0.5	2.2	3.2	-6.1	2.6	4.1	6.6			
Natural Resources & Infrastructure	82,505,036	5.4	9.2	21.9	12.6	--	--	--	7.7			Apr-23
S&P Global LargeMidcap Resources & Commodities NR USD			12.1	27.6	13.8	--	--	--	7.7			
Gold	52,905,426	3.5	26.4	72.0	62.2	--	--	--	32.9			Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			29.6	78.4	65.6	--	--	--	36.5			
Short-Term TIPS	86,387,697	5.7	1.5	5.6	5.5	--	--	--	5.3			Mar-23
Blmbg. U.S. TIPS 0-5 Year			1.6	5.7	5.5	--	--	--	5.7			

See benchmark history page for benchmark detail.

Performance Update | As of September 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk Mitigation	288,854,291	19.0	2.2	5.0	0.8	--	--	--	3.2	Dec-22
<i>Risk Mitigation Custom Benchmark</i>			2.7	5.4	3.0	--	--	--	3.9	
Investment Grade Fixed Income	234,160,442	15.4	2.2	5.9	1.3	4.4	-0.7	1.9	5.1	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			2.0	6.1	2.9	4.9	-0.4	1.8	5.1	
Intermediate-Term Bonds	183,841,848	12.1	2.1	6.1	2.8	5.5	-0.1	2.2	5.2	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			2.0	6.1	2.9	4.9	-0.4	1.8	5.1	
Long-Term Bonds	50,318,594	3.3	2.5	5.6	-3.5	--	--	--	0.2	Mar-23
<i>Blmbg. U.S. Treasury: Long</i>			2.5	5.6	-3.5	--	--	--	0.2	
Hedge Funds	52,424,601	3.4	2.3	0.9	-1.5	--	--	--	0.1	Apr-23
<i>Hedge Fund Custom Benchmark</i>			5.0	3.0	3.4	--	--	--	3.4	
Cash	2,269,248	0.1								

Performance Update | As of September 30, 2025

Trailing Net Performance												
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date		
Total System	1,521,730,613	100.0	5.9	14.6	11.1	13.9	8.9	8.0	8.0			Oct-90
Total System Policy Benchmark			6.7	15.1	13.6	15.4	10.1	8.5	8.2			
Total Fund Actual Allocation Benchmark			6.4	15.3	13.2	--	--	--	--			--
Total Fund Public Benchmark			6.2	15.1	13.1	17.3	9.0	8.5	8.3			
Growth Assets	830,161,126	54.6	7.2	18.0	14.6	--	--	--	16.9			Dec-22
Growth Assets Custom Benchmark			8.1	17.7	17.1	--	--	--	18.6			
Global Equity	820,515,941	53.9	7.3	18.1	14.7	21.2	12.8	11.6	9.5			Oct-90
Global Equity Policy Benchmark			7.7	18.3	16.8	22.5	13.3	11.6	9.8			
SSIM Russell 1000 Growth Index	85,709,162	5.6	10.6	17.3	25.5	--	--	--	32.8			Mar-23
<i>Russell 1000 Growth Index</i>			10.5	17.2	25.5	--	--	--	32.9			
SSIM Russell 1000 Value Index	44,976,078	3.0	5.3	11.6	9.4	--	--	--	14.0			Mar-23
<i>Russell 1000 Value Index</i>			5.3	11.7	9.4	--	--	--	14.0			
DF Dent Small Cap Growth Fund	16,245,329	1.1	0.2	-2.9	-4.3	--	--	--	4.7			Jun-24
<i>Russell 2000 Growth Index</i>			12.2	11.7	13.6	--	--	--	16.7			
DFA U.S. Small Cap Value Portfolio	15,522,983	1.0	8.6	4.8	--	--	--	--	6.6			Nov-24
<i>Russell 2000 Value Index</i>			12.6	9.0	--	--	--	--	9.6			
SSIM Russell 3000 Index	226,210,128	14.9	8.1	14.3	17.3	--	--	--	23.0			Mar-23
<i>Russell 3000 Index</i>			8.2	14.4	17.4	--	--	--	23.1			
SSIM MSCI EAFE	105,919,485	7.0	4.8	25.5	15.3	--	--	--	15.8			Mar-23
<i>MSCI EAFE</i>			4.8	25.1	15.0	--	--	--	15.5			
SSIM Emerging Markets Index	21,303,698	1.4	10.9	27.8	17.9	--	--	--	16.5			Mar-23
<i>MSCI Emerging Markets</i>			10.6	27.5	17.3	--	--	--	16.8			
ABS China Direct	12,190,152	0.8	20.4	39.3	28.4	--	--	--	10.9			Mar-23
<i>MSCI China</i>			20.7	41.6	30.8	--	--	--	17.0			
ABS EM ex China Direct	26,277,523	1.7	7.6	23.3	14.1	--	--	--	17.8			Mar-23
<i>MSCI EM ex China (Net)</i>			6.6	22.1	12.2	--	--	--	17.0			
Kopernik Global All-Cap	35,393,125	2.3	13.1	54.4	41.4	--	--	--	23.5			Apr-23
<i>MSCI AC World Index</i>			7.6	18.4	17.3	--	--	--	20.2			
First Eagle Global Equity	135,303,042	8.9	7.2	20.6	13.6	--	--	--	16.0			Apr-23
<i>MSCI AC World Index</i>			7.6	18.4	17.3	--	--	--	20.2			
J. Stern & Co. World Stars Global Equity Fund	95,465,237	6.3	3.4	11.2	7.8	--	--	--	15.3			Feb-24
<i>MSCI AC World IMI Index</i>			7.7	18.3	16.8	--	--	--	20.9			

Performance Update | As of September 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Equity	9,645,184	0.6								
MSCI ACWI + 3% 1Q Lag			12.3	11.4	19.6	--	--	--	22.6	
NexPhase Capital Fund V, L.P.	1,336,432	0.1								
Vitruvian Investment Partnership V	1,102,736	0.1								
Lexington Capital Partners X, L.P.	5,656,571	0.4								
Flagship Pioneering Fund VIII, L.P.	380,501	0.0								
Gauge Capital IV, L.P.	430,110	0.0								
KPS Special Situations Fund VI, L.P.	368,275	0.0								
Oakley Capital VI	54,002	0.0								
Mainsail Partners VII	107,797	0.0								
Falfurrias Capital Partners VI, L.P.	20,000	0.0								
Mountaingate Capital Fund III, L.P.	188,761	0.0								
Credit	74,030,472	4.9	2.7	8.1	8.4	--	--	--	9.8	May-23
Credit Custom Benchmark			2.1	6.0	7.3	--	--	--	9.7	
High Yield & Bank Loans	74,030,472	4.9	2.7	8.1	8.4	--	--	--	9.8	May-23
High Yield & Bank Loans Custom Benchmark			2.1	6.0	7.3	--	--	--	9.7	
Sculptor Credit Opportunities Overseas Fund	28,254,785	1.9	3.2	10.2	9.1	--	--	--	7.5	May-23
Blmbg. Global High Yield Index			2.6	9.6	9.2	--	--	--	12.0	
Brigade High Income Fund	45,775,687	3.0	2.4	6.5	7.8	--	--	--	11.6	May-23
60% Bloomberg U.S. Corporate High Yield & 40% S&P UBS Lev Loans			2.2	6.2	7.3	--	--	--	9.7	
Inflation Hedges	328,684,724	21.6	6.6	16.4	12.4	--	--	--	4.3	Dec-22
Inflation Hedges Custom Benchmark			7.4	18.1	14.1	--	--	--	4.9	
Real Estate	106,886,564	7.0	1.0	2.7	1.1	-3.9	1.2	2.6	5.4	Apr-11
NCREIF ODCE			0.5	2.2	3.2	-6.1	2.6	4.1	6.6	
JP Morgan Asset Management Strategic Property Fund	45,818,998	3.0	0.9	2.7	4.3	-7.0	1.4	3.3	6.2	Apr-11
NCREIF ODCE			0.5	2.2	3.2	-6.1	2.6	4.1	6.6	
UBS Trumbull Property Fund	20,190,651	1.3	1.0	3.6	4.4	-6.9	0.2	1.5	3.7	Dec-11
NCREIF ODCE			0.5	2.2	3.2	-6.1	2.6	4.1	6.4	
Morgan Stanley Prime Property Fund	40,876,914	2.7	1.3	2.7	--	--	--	--	2.7	Jan-25
NCREIF ODCE			0.5	2.2	--	--	--	--	2.2	

All Private Equity market values, except for Falfurrias and Mountaingate, are based on June 30, 2025, fair market values and adjusted for subsequent cash flows. Falfurrias and Mountaingate market values reflect their initial capital call amounts, which occurred on 6/10 and 9/17, respectively.

Performance Update | As of September 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Natural Resources & Infrastructure	82,505,036	5.4	9.2	21.9	12.6	--	--	--	7.7	Apr-23
S&P Global LargeMid Commodity & Resources			12.1	27.6	13.8	--	--	--	7.7	
SSIM S&P Global LargeMidCap Natural Resources Index	64,590,382	4.2	12.1	27.8	14.0	--	--	--	7.8	Apr-23
S&P Global LargeMid Commodity & Resources			12.1	27.6	13.8	--	--	--	7.7	
JP Morgan Infrastructure Investments Fund	17,914,655	1.2	0.0	4.6	7.5	--	--	--	9.3	Oct-23
Dow Jones Brookfield Global Infrastructure			1.7	14.1	10.5	--	--	--	18.6	
Gold	52,905,426	3.5	26.4	72.0	62.2	--	--	--	32.9	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			29.6	78.4	65.6	--	--	--	36.5	
First Eagle Institutional Gold Fund, LP	52,905,426	3.5	26.4	72.0	62.2	--	--	--	32.9	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			29.6	78.4	65.6	--	--	--	36.5	
Short-Term TIPS	86,387,697	5.7	1.5	5.6	5.5	--	--	--	5.3	Mar-23
Blmbg. U.S. TIPS 0-5 Year			1.6	5.7	5.5	--	--	--	5.7	
Vanguard Short-Term TIPS Index	86,387,697	5.7	1.5	5.6	5.5	--	--	--	5.1	Apr-23
Blmbg. U.S. TIPS 0-5 Year			1.6	5.7	5.5	--	--	--	5.1	
Risk Mitigation	288,854,291	19.0	2.2	5.0	0.8	--	--	--	3.2	Dec-22
Risk Mitigation Custom Benchmark			2.7	5.4	3.0	--	--	--	3.9	
Investment Grade Fixed Income	234,160,442	15.4	2.2	5.9	1.3	4.4	-0.7	1.9	5.1	Oct-90
Blmbg. U.S. Aggregate Index			2.0	6.1	2.9	4.9	-0.4	1.8	5.1	
Intermediate-Term Bonds	183,841,848	12.1	2.1	6.1	2.8	5.5	-0.1	2.2	5.2	Oct-90
Blmbg. U.S. Aggregate Index			2.0	6.1	2.9	4.9	-0.4	1.8	5.1	
SSIM US Aggregate Bond	48,080,667	3.2	2.0	6.1	2.9	4.9	-0.4	1.8	2.8	Jan-09
Blmbg. U.S. Aggregate Index			2.0	6.1	2.9	4.9	-0.4	1.8	2.8	
Wellington Core Bond	99,655,994	6.5	2.2	6.1	2.9	--	--	--	4.6	May-23
Blmbg. U.S. Aggregate Index			2.0	6.1	2.9	--	--	--	3.8	
Brandywine U.S. Fixed Income	36,105,188	2.4	2.1	6.1	2.3	--	--	--	3.9	Jun-23
Blmbg. U.S. Aggregate Index			2.0	6.1	2.9	--	--	--	4.4	
Long-Term Bonds	50,318,594	3.3	2.5	5.6	-3.5	--	--	--	0.2	Mar-23
Blmbg. U.S. Treasury: Long			2.5	5.6	-3.5	--	--	--	0.2	
SSIM Long US Treasury Index	50,318,594	3.3	2.5	5.6	-3.5	--	--	--	0.2	Mar-23
Blmbg. U.S. Treasury: Long			2.5	5.6	-3.5	--	--	--	0.2	
Hedge Funds	52,424,601	3.4	2.3	0.9	-1.5	--	--	--	0.1	Apr-23
Hedge Fund Custom Benchmark			5.0	3.0	3.4	--	--	--	3.4	
36 South Kohinoor Series (Cayman) Fund	13,692,730	0.9	1.4	2.5	1.9	--	--	--	1.4	Apr-23
HFR/EurekaHedge Long Vol Blended Benchmark			2.0	7.6	7.7	--	--	--	1.4	

JP Morgan Infrastructure Investments Fund is based on June 30, 2025 fair market value and adjusted for subsequent cash flows.

Performance Update | As of September 30, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
BH-DG Systematic Trading Master Fund	15,384,914	1.0	5.5	-1.0	-7.5	--	--	--	-3.2	Apr-23
SG Trend Index			8.5	-2.3	-2.0	--	--	--	1.4	
Lombard Odier Bear Convexity	5,821,055	0.4	-2.0	0.5	0.4	--	--	--	-0.8	Apr-23
HFR/EurekaHedge Long Vol Blended Benchmark			2.0	7.6	7.7	--	--	--	1.4	
Alpstone Global Macro Fund	17,525,903	1.2	1.8	1.5	1.1	--	--	--	2.0	May-23
HFR Macro (Total) Index			4.7	3.4	4.0	--	--	--	4.2	
Cash	2,269,248	0.1								
Cash	2,269,248	0.1								

Performance Update | As of September 30, 2025

	Fiscal Year Performance					
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Total System	11.3	10.4	8.4	-10.0	25.9	0.6
<i>Total System Policy Benchmark</i>	12.2	12.1	9.5	-10.0	26.5	1.3
<i>Total Fund Actual Allocation Benchmark</i>	12.3	11.6	--	--	--	--
<i>Total Fund Public Benchmark</i>	13.4	14.2	10.5	-14.1	24.1	4.6
Growth Assets	14.1	17.4	--	--	--	--
<i>Growth Assets Custom Benchmark</i>	15.5	19.3	--	--	--	--
Global Equity	14.2	17.4	15.8	-16.2	41.6	1.6
<i>Global Equity Policy Benchmark</i>	15.9	18.4	16.1	-16.5	40.9	1.2
SSIM Russell 1000 Growth Index	17.1	33.5	--	--	--	--
<i>Russell 1000 Growth Index</i>	17.2	33.5	--	--	--	--
SSIM Russell 1000 Value Index	13.6	13.0	--	--	--	--
<i>Russell 1000 Value Index</i>	13.7	13.1	--	--	--	--
SSIM Russell 3000 Index	15.2	23.1	--	--	--	--
<i>Russell 3000 Index</i>	15.3	23.1	--	--	--	--
DF Dent Small Cap Growth Fund	7.0	--	--	--	--	--
<i>Russell 2000 Growth Index</i>	9.7	--	--	--	--	--
DFA U.S. Small Cap Value Portfolio	--	--	--	--	--	--
<i>Russell 2000 Value Index</i>	--	--	--	--	--	--
SSIM MSCI EAFE	18.0	11.7	--	--	--	--
<i>MSCI EAFE</i>	17.7	11.5	--	--	--	--
SSIM Emerging Markets Index	14.9	11.6	--	--	--	--
<i>MSCI Emerging Markets</i>	15.3	12.5	--	--	--	--
ABS China Direct	25.4	-6.3	--	--	--	--
<i>MSCI China</i>	33.8	-1.6	--	--	--	--
ABS EM ex China Direct	7.5	17.8	--	--	--	--
<i>MSCI EM ex China (Net)</i>	9.4	18.5	--	--	--	--
Kopernik Global All-Cap	34.7	11.8	--	--	--	--
<i>MSCI AC World Index</i>	16.2	19.4	--	--	--	--
First Eagle Global Equity	16.7	10.5	--	--	--	--
<i>MSCI AC World Index</i>	16.2	19.4	--	--	--	--
J. Stern & Co. World Stars Global Equity Fund	8.0	--	--	--	--	--
<i>MSCI AC World IMI Index</i>	15.9	--	--	--	--	--

Performance Update | As of September 30, 2025

Fiscal Year 2025 Fiscal Year 2024 Fiscal Year 2023 Fiscal Year 2022 Fiscal Year 2021 Fiscal Year 2020

Private Equity							
NexPhase Capital Fund V, L.P.							
Vitruvian Investment Partnership V							
Lexington Capital Partners X, L.P.							
Flagship Pioneering Fund VIII, L.P.							
Gauge Capital IV, L.P.							
KPS Special Situations Fund VI, L.P.							
Oakley Capital VI							
Mainsail Partners VII							
Falfurrias Capital Partners VI, L.P.							
Mountaingate Capital Fund III, L.P.							
Credit	9.0	9.8	--	--	--	--	--
<i>Credit Custom Benchmark</i>	<i>8.9</i>	<i>10.8</i>	--	--	--	--	--
High Yield & Bank Loans	9.0	9.8	--	--	--	--	--
<i>High Yield & Bank Loans Custom Benchmark</i>	<i>8.9</i>	<i>10.8</i>	--	--	--	--	--
Sculptor Credit Opportunities Overseas Fund	6.0	6.4	--	--	--	--	--
<i>Bloomberg Global High Yield Index</i>	<i>13.0</i>	<i>11.8</i>	--	--	--	--	--
Brigade High Income Fund	11.4	12.3	--	--	--	--	--
<i>60% Bloomberg U.S. Corporate High Yield & 40% S&P UBS Lev Loans</i>	<i>9.2</i>	<i>10.7</i>	--	--	--	--	--
Inflation Hedges	11.9	1.9	--	--	--	--	--
<i>Inflation Hedges Custom Benchmark</i>	<i>10.4</i>	<i>1.2</i>	--	--	--	--	--
Real Estate	6.2	-8.4	-12.1	18.1	3.7	-0.3	
<i>NCREIF ODCE</i>	<i>2.7</i>	<i>-10.0</i>	<i>-10.7</i>	<i>28.3</i>	<i>7.1</i>	<i>1.3</i>	
JP Morgan Asset Management Strategic Property Fund	4.0	-14.9	-11.3	27.5	6.1	1.2	
<i>NCREIF ODCE</i>	<i>2.7</i>	<i>-10.0</i>	<i>-10.7</i>	<i>28.3</i>	<i>7.1</i>	<i>1.3</i>	
UBS Trumbull Property Fund	3.2	-8.6	-15.6	23.5	1.1	-1.9	
<i>NCREIF ODCE</i>	<i>2.7</i>	<i>-10.0</i>	<i>-10.7</i>	<i>28.3</i>	<i>7.1</i>	<i>1.3</i>	
Morgan Stanley Prime Property Fund	--	--	--	--	--	--	
<i>NCREIF ODCE</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	
Natural Resources & Infrastructure	7.2	6.8	--	--	--	--	--
<i>S&P Global LargeMid Commodity & Resources</i>	<i>6.2</i>	<i>5.2</i>	--	--	--	--	--
SSIM S&P Global LargeMidCap Natural Resources Index	6.3	5.2	--	--	--	--	--
<i>S&P Global LargeMid Commodity & Resources</i>	<i>6.2</i>	<i>5.2</i>	--	--	--	--	--
JP Morgan Infrastructure Investments Fund	10.1	--	--	--	--	--	--
<i>Dow Jones Brookfield Global Infrastructure</i>	<i>24.3</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>

Performance Update | As of September 30, 2025

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020
Gold	47.5	15.3	--	--	--	--
60% Gold (Spot)/ 40% FTSE Gold Mines	48.8	17.8	--	--	--	--
First Eagle Institutional Gold Fund, LP	47.5	15.3	--	--	--	--
60% Gold (Spot)/ 40% FTSE Gold Mines	48.8	17.8	--	--	--	--
Short-Term TIPS	6.5	5.4	--	--	--	--
Blmbg. U.S. TIPS 0-5 Year	6.5	5.4	--	--	--	--
Vanguard Short-Term TIPS Index	6.5	5.4	--	--	--	--
Blmbg. U.S. TIPS 0-5 Year	6.5	5.4	--	--	--	--
Risk Mitigation	3.2	0.5	--	--	--	--
Risk Mitigation Custom Benchmark	4.1	3.2	--	--	--	--
Investment Grade Fixed Income	5.3	0.9	0.1	-10.5	0.2	8.6
Blmbg. U.S. Aggregate Index	6.1	2.6	-0.9	-10.3	-0.3	8.7
Intermediate-Term Bonds	6.4	3.1	0.0	-10.5	0.2	8.6
Blmbg. U.S. Aggregate Index	6.1	2.6	-0.9	-10.3	-0.3	8.7
SSIM US Aggregate Bond	6.1	2.6	-0.9	-10.3	-0.3	8.8
Blmbg. U.S. Aggregate Index	6.1	2.6	-0.9	-10.3	-0.3	8.7
Wellington Core Bond	6.1	4.0	--	--	--	--
Blmbg. U.S. Aggregate Index	6.1	2.6	--	--	--	--
Brandywine U.S. Fixed Income	7.5	0.5	--	--	--	--
Blmbg. U.S. Aggregate Index	6.1	2.6	--	--	--	--
Long-Term Bonds	1.5	-5.7	--	--	--	--
Blmbg. U.S. Treasury: Long	1.6	-5.6	--	--	--	--
SSIM Long US Treasury Index	1.5	-5.7	--	--	--	--
Blmbg. U.S. Treasury: Long	1.6	-5.6	--	--	--	--
Hedge Funds	4.3	-1.2	--	--	--	--
Hedge Fund Custom Benchmark	-2.9	4.8	--	--	--	--
36 South Kohinoor Series (Cayman) Fund	0.1	0.6	--	--	--	--
HFR/EurekaHedge Long Vol Blended Benchmark	8.4	-3.7	--	--	--	--
BH-DG Systematic Trading Master Fund	-16.5	-4.7	--	--	--	--
SG Trend Index	-15.0	4.1	--	--	--	--
Lombard Odier Bear Convexity	3.1	-2.9	--	--	--	--
HFR/EurekaHedge Long Vol Blended Benchmark	8.4	-3.7	--	--	--	--
Alpstone Global Macro Fund	1.8	1.1	--	--	--	--
HFR Macro (Total) Index	-1.2	5.9	--	--	--	--
Cash						

		Risk Return Statistics	
		3 Yrs (%) Total System	5 Yrs (%) Total System
RETURN SUMMARY STATISTICS			
Maximum Return		5.8	8.3
Minimum Return		-3.0	-7.3
Return		13.9	8.9
Excess Return		8.8	6.2
Excess Performance		-1.5	-1.2
RISK SUMMARY STATISTICS			
Beta		1.0	1.0
Up Capture		97.0	97.1
Down Capture		109.6	105.1
RISK/RETURN SUMMARY STATISTICS			
Standard Deviation		8.5	10.2
Sortino Ratio		1.8	0.9
Alpha		-1.7	-1.1
Sharpe Ratio		1.0	0.6
Excess Risk		8.6	10.2
Tracking Error		1.1	1.0
Information Ratio		-1.1	-1.1
CORRELATION STATISTICS			
R-Squared		1.0	1.0
Actual Correlation		1.0	1.0

Performance Update | As of September 30, 2025

Statistics Summary 3 Years Ending September 30, 2025						
	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Total System	13.9	8.5	-1.1	1.0	1.0	1.1
Total System Policy Benchmark	15.4	8.2	-	1.0	1.2	0.0
Growth Assets	-	-	-	-	-	-
Growth Assets Custom Benchmark	-	-	-	-	-	-
Global Equity	21.2	12.1	-0.9	1.0	1.3	1.2
Global Equity Policy Benchmark	22.5	12.5	-	1.0	1.3	0.0
SSIM Russell 1000 Growth Index	-	-	-	-	-	-
Russell 1000 Growth Index	31.6	15.7	-	1.0	1.6	0.0
SSIM Russell 1000 Value Index	-	-	-	-	-	-
Russell 1000 Value Index	17.0	14.1	-	1.0	0.9	0.0
DF Dent Small Cap Growth Fund	-	-	-	-	-	-
Russell 2000 Growth Index	16.7	20.9	-	1.0	0.6	0.0
DFA U.S. Small Cap Value Portfolio	-	-	-	-	-	-
Russell 2000 Value Index	13.6	21.4	-	1.0	0.5	0.0
SSIM Russell 3000 Index	-	-	-	-	-	-
Russell 3000 Index	24.1	13.7	-	1.0	1.3	0.0
SSIM MSCI EAFE	-	-	-	-	-	-
MSCI EAFE	21.7	13.4	-	1.0	1.2	0.0
SSIM Emerging Markets Index	-	-	-	-	-	-
MSCI Emerging Markets	18.2	15.5	-	1.0	0.9	0.0
ABS China Direct	-	-	-	-	-	-
MSCI China	19.5	31.0	-	1.0	0.6	0.0
ABS EM ex China Direct	-	-	-	-	-	-
MSCI EM ex China (Net)	18.0	13.8	0.6	1.0	0.9	0.1
Kopernik Global All-Cap	-	-	-	-	-	-
MSCI AC World Index	23.1	12.4	-	1.0	1.4	0.0
First Eagle Global Equity	-	-	-	-	-	-
MSCI AC World Index	23.1	12.4	-	1.0	1.4	0.0

Performance Update | As of September 30, 2025

	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Credit	-	-	-	-	-	-
Credit Custom Benchmark	-	-	-	-	-	-
High Yield & Bank Loans	-	-	-	-	-	-
High Yield & Bank Loans Custom Benchmark	10.4	3.2	-	1.0	1.7	0.0
Sculptor Credit Opportunities Overseas Fund	-	-	-	-	-	-
Blmbg. Global High Yield Index	13.8	5.9	-	1.0	1.4	0.0
Brigade High Income Fund	-	-	-	-	-	-
60% Bloomberg U.S. Corporate High Yield & 40% S&P UBS Lev Loans	10.6	3.5	-	1.0	1.6	0.0
Inflation Hedges	-	-	-	-	-	-
Inflation Hedges Custom Benchmark	-	-	-	-	-	-
Real Estate	-3.9	5.0	0.5	0.5	-1.7	5.0
NCREIF ODCE	-6.1	5.0	-	1.0	-2.1	0.0
JP Morgan Asset Management Strategic Property Fund	-7.0	4.5	-0.2	0.6	-2.6	3.9
NCREIF ODCE	-6.1	5.0	-	1.0	-2.1	0.0
UBS Trumbull Property Fund	-6.9	6.1	-0.3	1.1	-1.9	2.4
NCREIF ODCE	-6.1	5.0	-	1.0	-2.1	0.0
Morgan Stanley Prime Property Fund	-	-	-	-	-	-
NCREIF ODCE	-6.1	5.0	-	1.0	-2.1	0.0
Natural Resources & Infrastructure	-	-	-	-	-	-
S&P Global LargeMid Commodity & Resources	10.5	16.4	-	1.0	0.4	0.0
SSIM S&P Global LargeMidCap Natural Resources Index	-	-	-	-	-	-
S&P Global LargeMid Commodity & Resources	10.5	16.4	-	1.0	0.4	0.0
JP Morgan Infrastructure Investments Fund	-	-	-	-	-	-
Dow Jones Brookfield Global Infrastructure	12.8	13.6	-	1.0	0.6	0.0
Gold	-	-	-	-	-	-
60% Gold (Spot)/ 40% FTSE Gold Mines	39.6	21.4	-	1.0	1.5	0.0
First Eagle Institutional Gold Fund, LP	-	-	-	-	-	-
60% Gold (Spot)/ 40% FTSE Gold Mines	39.6	21.4	-	1.0	1.5	0.0
Short-Term TIPS	-	-	-	-	-	-
Blmbg. U.S. TIPS 0-5 Year	5.4	2.0	-	1.0	0.3	0.0
Vanguard Short-Term TIPS Index	-	-	-	-	-	-
Blmbg. U.S. TIPS 0-5 Year	5.4	2.0	-	1.0	0.3	0.0
Risk Mitigation	-	-	-	-	-	-
Risk Mitigation Custom Benchmark	-	-	-	-	-	-

Performance Update | As of September 30, 2025

	Return	Standard Deviation	Information Ratio	Beta	Sharpe Ratio	Tracking Error
Investment Grade Fixed Income	4.4	8.0	-0.2	1.3	0.0	1.9
Blmbg. U.S. Aggregate Index	4.9	6.4	-	1.0	0.1	0.0
Intermediate-Term Bonds	5.5	6.7	1.2	1.1	0.1	0.5
Blmbg. U.S. Aggregate Index	4.9	6.4	-	1.0	0.1	0.0
SSIM US Aggregate Bond	4.9	6.4	0.0	1.0	0.1	0.2
Blmbg. U.S. Aggregate Index	4.9	6.4	-	1.0	0.1	0.0
Wellington Core Bond	-	-	-	-	-	-
Blmbg. U.S. Aggregate Index	4.9	6.4	-	1.0	0.1	0.0
Brandywine U.S. Fixed Income	-	-	-	-	-	-
Blmbg. U.S. Aggregate Index	4.9	6.4	-	1.0	0.1	0.0
Long-Term Bonds	-	-	-	-	-	-
Blmbg. U.S. Treasury: Long	0.4	14.4	-	1.0	-0.2	0.0
SSIM Long US Treasury Index	-	-	-	-	-	-
Blmbg. U.S. Treasury: Long	0.4	14.4	-	1.0	-0.2	0.0
Hedge Funds	-	-	-	-	-	-
Hedge Fund Custom Benchmark	-	-	-	-	-	-
36 South Kohinoor Series (Cayman) Fund	-	-	-	-	-	-
HFR/EurekaHedge Long Vol Blended Benchmark	-0.7	5.5	-	1.0	-0.9	0.0
BH-DG Systematic Trading Master Fund	-	-	-	-	-	-
SG Trend Index	-3.4	11.2	-	1.0	-0.7	0.0
Lombard Odier Bear Convexity	-	-	-	-	-	-
HFR/EurekaHedge Long Vol Blended Benchmark	-0.7	5.5	-	1.0	-0.9	0.0
Alpstone Global Macro Fund	-	-	-	-	-	-
HFRI Macro (Total) Index	2.3	4.8	-	1.0	-0.5	0.0

Private Market Investments Overview

Asset Sleeve	Vintage Year	Commitment	Unfunded	Total Contributions	Total Distributions	Unrealized Value	Last Reported Date
Falfurrias Capital Partners Fund VI	2024	\$ 2,000,000	\$ 1,980,000	\$ 20,000	\$ -	\$ 1,406	2025-06-30
Flagship Pioneering Fund VIII, L.P.	2023	\$ 3,000,000	\$ 2,625,000	\$ 374,596	\$ -	\$ 320,501	2025-06-30
Gauge Capital Fund IV	2024	\$ 2,000,000	\$ 1,579,946	\$ 420,054	\$ -	\$ 387,745	2025-06-30
KPS Special Situations Fund VI	2023	\$ 3,000,000	\$ 2,623,715	\$ 376,285	\$ 331	\$ 368,275	2025-06-30
Lexington Capital Partners X, L.P.	2022	\$ 8,500,000	\$ 3,942,003	\$ 4,557,997	\$ 466,031	\$ 5,208,835	2025-06-30
Linden Capital Partners VI, L.P.	2024	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	2025-06-30
Mainsail Partners VII, L.P.	2025	\$ 2,800,000	\$ 2,663,454	\$ 136,546	\$ -	\$ 107,797	2025-06-30
Mountaingate Capital Fund III, L.P.	2025	\$ 2,800,000	\$ 2,611,239	\$ 188,761	\$ -	\$ -	2025-06-30
NexPhase Capital Fund V, L.P.	2022	\$ 3,000,000	\$ 2,032,913	\$ 967,087	\$ -	\$ 885,353	2025-06-30
Oakley Capital Fund VI	2025	\$ 3,410,019	\$ 3,315,402	\$ 94,617	\$ -	\$ 54,325	2025-06-30
SSC Partners III-A, L.P.	2025	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	2025-06-30
Sterling Group Partners VI, L.P.	2024	\$ 2,200,000	\$ 2,200,000	\$ -	\$ -	\$ -	2025-06-30
Vitruvian Investment Partnership V, L.P.	2023	\$ 3,246,032	\$ 2,537,565	\$ 712,153	\$ 3,685	\$ 676,935	2025-06-30
Total All Holdings		\$ 40,456,050	\$ 33,045,773	\$ 7,654,858	\$ 470,047	\$ 8,011,173	2025-06-30
Grand Total		\$ 40,456,050	\$ 33,045,773	\$ 7,654,858	\$ 470,047	\$ 8,011,173	

Performance Update | 1 Month Ending September 30, 2025

	Cash Flow Summary			
	Beginning Market Value (\$)	Net Cash Flow	Net Investment Change	Ending Market Value (\$)
SSIM Russell 1000 Growth Index	84,979,919	-3,750,000	4,479,243	85,709,162
SSIM Russell 1000 Value Index	44,313,840	-	662,237	44,976,078
DF Dent Small Cap Growth Fund	16,927,282	-	-681,953	16,245,329
DFA U.S. Small Cap Value Portfolio	15,687,899	-	-164,916	15,522,983
SSIM Russell 3000 Index	218,702,690	-	7,507,438	226,210,128
SSIM MSCI EAFE	107,586,046	-3,750,000	2,083,439	105,919,485
SSIM Emerging Markets Index	19,883,987	-	1,419,710	21,303,698
ABS China Direct	11,302,077	-	888,075	12,190,152
ABS EM ex China Direct	24,968,659	-	1,308,865	26,277,523
Kopernik Global All-Cap	32,646,346	-	2,746,779	35,393,125
First Eagle Global Equity	130,821,595	-	4,481,446	135,303,042
J. Stern & Co. World Stars Global Equity Fund	93,940,806	-	1,524,431	95,465,237
NexPhase Capital Fund V, L.P.	1,305,072	-	31,360	1,336,432
Vitruvian Investment Partnership V	1,074,670	-	28,066	1,102,736
Lexington Capital Partners X, L.P.	5,000,593	447,736	208,242	5,656,571
Flagship Pioneering Fund VIII, L.P.	391,016	-	-10,515	380,501
Gauge Capital IV, L.P.	431,002	-	-893	430,110
KPS Special Situations Fund VI, L.P.	367,204	-	1,071	368,275
Oakley Capital VI	66,973	-	-12,971	54,002
Mainsail Partners VII	136,546	-	-28,749	107,797
Falfurrias Capital Partners VI, L.P.	20,000	-	-	20,000
Mountaingate Capital Fund III, L.P.	-	188,761	-	188,761
Sculptor Credit Opportunities Overseas Fund	28,124,497	-	130,288	28,254,785
Brigade High Income Fund	45,447,415	-	328,272	45,775,687
JP Morgan Asset Management Strategic Property Fund	45,592,656	-	226,342	45,818,998
UBS Trumbull Property Fund	19,998,340	-	192,311	20,190,651
Morgan Stanley Prime Property Fund	40,361,784	-	515,130	40,876,914
SSIM S&P Global LargeMidCap Natural Resources Index	62,516,904	-	2,073,478	64,590,382
JP Morgan Infrastructure Investments Fund	17,914,655	-	-	17,914,655

Performance Update | 1 Month Ending September 30, 2025

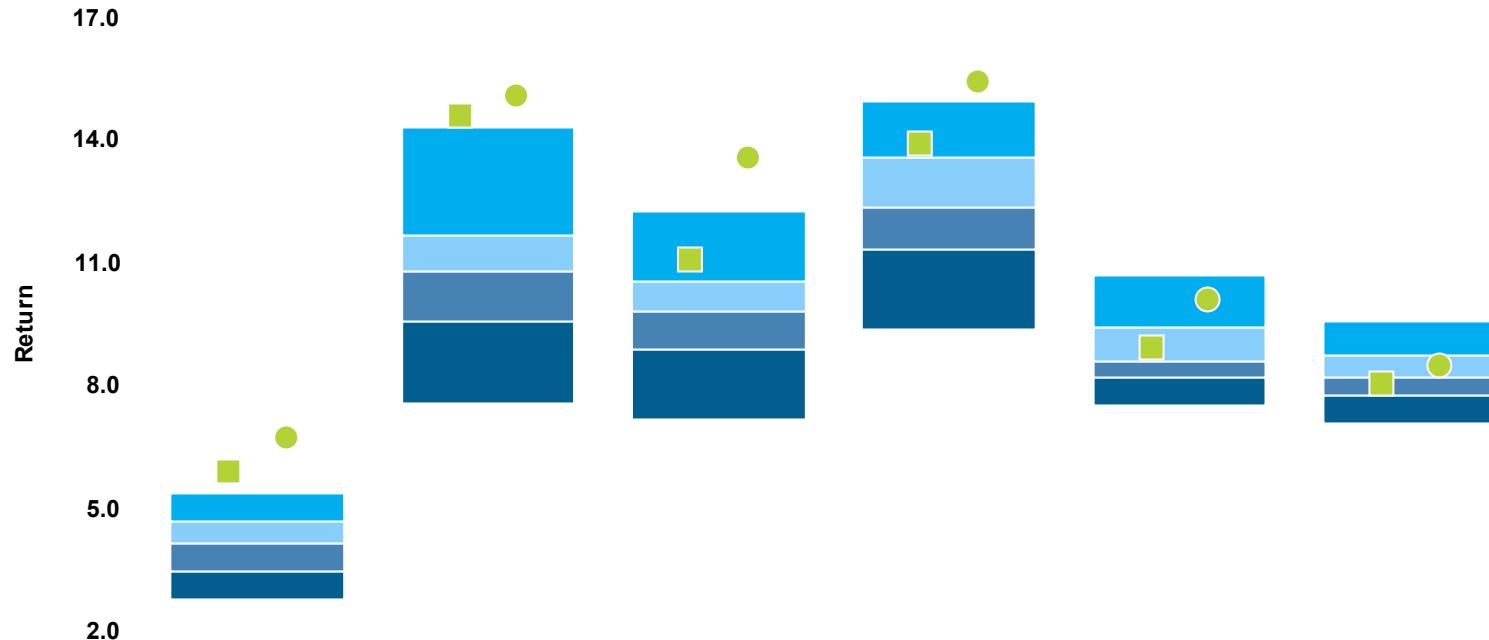
	Beginning Market Value (\$)	Net Cash Flow	Net Investment Change	Ending Market Value (\$)
First Eagle Institutional Gold Fund, LP	46,087,007	-	6,818,420	52,905,426
Vanguard Short-Term TIPS Index	86,437,002	-	-49,305	86,387,697
SSIM US Aggregate Bond	47,563,098	-	517,570	48,080,667
Wellington Core Bond	98,579,861	-	1,076,132	99,655,994
Brandywine U.S. Fixed Income	35,526,370	-	578,817	36,105,188
SSIM Long US Treasury Index	48,813,590	-	1,505,004	50,318,594
36 South Kohinoor Series (Cayman) Fund	13,492,796	-	199,934	13,692,730
BH-DG Systematic Trading Master Fund	14,516,127	-	868,786	15,384,914
Lombard Odier Bear Convexity	5,854,187	-	-33,133	5,821,055
Alpstone Global Macro Fund	17,365,259	-	160,644	17,525,903
Cash	3,894,788	-1,639,091	13,551	2,269,248
Total	1,488,640,560	-8,502,594	41,592,647	1,521,730,613

Performance Update | As of September 30, 2025



Total System	13.9 (21)	Total System	8.5 (80)	Total System	1.0 (40)	Total System	1.0 (82)	Total System	-1.1 (43)
Total System Policy Benchmark	15.4 (2)	Total System Policy Benchmark	8.2 (73)	Total System Policy Benchmark	1.2 (8)	Total System Policy Benchmark	1.0 (80)	Total System Policy Benchmark	-
5th Percentile	14.9	5th Percentile	4.4	5th Percentile	1.3	5th Percentile	0.4	5th Percentile	-0.2
1st Quartile	13.6	1st Quartile	6.2	1st Quartile	1.1	1st Quartile	0.7	1st Quartile	-0.8
Median	12.4	Median	7.0	Median	1.0	Median	0.8	Median	-1.2
3rd Quartile	11.3	3rd Quartile	8.3	3rd Quartile	0.9	3rd Quartile	1.0	3rd Quartile	-1.5
95th Percentile	9.4	95th Percentile	10.0	95th Percentile	0.7	95th Percentile	1.2	95th Percentile	-1.8
Population	62	Population	62	Population	62	Population	62	Population	62

InvMetrics All Public DB Plans > \$1B



	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ Total System	5.9 (1)	14.6 (2)	11.1 (14)	13.9 (21)	8.9 (42)	8.0 (57)
● Total System Policy Benchmark	6.7 (1)	15.1 (2)	13.6 (2)	15.4 (2)	10.1 (12)	8.5 (33)
5th Percentile	5.4	14.3	12.3	14.9	10.7	9.6
1st Quartile	4.7	11.7	10.5	13.6	9.4	8.7
Median	4.2	10.8	9.8	12.4	8.6	8.2
3rd Quartile	3.5	9.6	8.9	11.3	8.2	7.8
95th Percentile	2.8	7.6	7.2	9.4	7.5	7.1
Population	64	63	63	62	58	57

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Performance Update | As of September 30, 2025

Annual Investment Expense Analysis As of September 30, 2025		Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Growth Assets			\$830,161,126	\$2,042,736	0.25
Global Equity			\$820,515,941	\$1,966,829	0.24
SSIM Russell 1000 Growth Index	0.02 % of Assets		\$85,709,162	\$17,142	0.02
SSIM Russell 1000 Value Index	0.02 % of Assets		\$44,976,078	\$8,995	0.02
DF Dent Small Cap Growth Fund	0.85 % of Assets		\$16,245,329	\$138,085	0.85
DFA U.S. Small Cap Value Portfolio	0.31 % of Assets		\$15,522,983	\$48,121	0.31
SSIM Russell 3000 Index	0.02 % of Assets		\$226,210,128	\$45,242	0.02
SSIM MSCI EAFE	0.04 % of Assets		\$105,919,485	\$42,368	0.04
SSIM Emerging Markets Index	0.08 % of Assets		\$21,303,698	\$17,043	0.08
ABS China Direct	0.65 % of Assets		\$12,190,152	\$79,236	0.65
ABS EM ex China Direct	0.50 % of Assets		\$26,277,523	\$131,388	0.50
Kopernik Global All-Cap	0.75 % of Assets		\$35,393,125	\$265,448	0.75
First Eagle Global Equity	0.55 % of Assets		\$135,303,042	\$744,167	0.55
J. Stern & Co. World Stars Global Equity Fund	0.45 % of Assets		\$95,465,237	\$429,594	0.45
Private Equity			\$9,645,184	\$75,907	0.79
NexPhase Capital Fund V, L.P.	2.00 % of Assets		\$1,336,432	\$26,729	2.00
Vitruvian Investment Partnership V	1.90 % of Assets		\$1,102,736	\$20,952	1.90
Lexington Capital Partners X, L.P.	1.00% on committed capital.		\$5,656,571	-	-
Flagship Pioneering Fund VIII, L.P.	2.00 % of Assets		\$380,501	\$7,610	2.00
Gauge Capital IV, L.P.	2.00 % of Assets		\$430,110	\$8,602	2.00
KPS Special Situations Fund VI, L.P.	1.25 % of Assets		\$368,275	\$4,603	1.25
Oakley Capital VI	2.00 % of Assets		\$54,002	\$1,080	2.00
Mainsail Partners VII	2.00 % of Assets		\$107,797	\$2,156	2.00
Falfurrias Capital Partners VI, L.P.	2.00 % of Assets		\$20,000	\$400	2.00
Mountaingate Capital Fund III, L.P.	2.00 % of Assets		\$188,761	\$3,775	2.00

Performance Update | As of September 30, 2025

	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Credit		\$74,030,472	\$520,581	0.70
High Yield & Bank Loans		\$74,030,472	\$520,581	0.70
Sculptor Credit Opportunities Overseas Fund	Performance Based 1.00 % and 20.00 %	\$28,254,785	\$282,548	1.00
Brigade High Income Fund	0.52 % of Assets	\$45,775,687	\$238,034	0.52
Inflation Hedges		\$328,684,724	\$1,438,662	0.44
Real Estate		\$106,886,564	\$939,892	0.88
JP Morgan Asset Management Strategic Property Fund	0.91 % of Assets	\$45,818,998	\$416,953	0.91
UBS Trumbull Property Fund	0.96 % of First \$10 M 0.83 % of Next \$15 M 0.81 % of Next \$25 M 0.79 % of Next \$50 M 0.67 % of Next \$150 M 0.60 % of Next \$150 M 0.56 % of Next \$200 M 0.52 % Thereafter	\$20,190,651	\$179,573	0.89
Morgan Stanley Prime Property Fund	0.84 % of Assets	\$40,876,914	\$343,366	0.84
Natural Resources & Infrastructure		\$82,505,036	\$234,780	0.28
SSIM S&P Global LargeMidCap Natural Resources Index	0.10 % of Assets	\$64,590,382	\$64,590	0.10
JP Morgan Infrastructure Investments Fund	0.95 % of Assets	\$17,914,655	\$170,189	0.95
Gold		\$52,905,426	\$238,074	0.45
First Eagle Institutional Gold Fund, LP	0.45 % of Assets	\$52,905,426	\$238,074	0.45
Short-Term TIPS		\$86,387,697	\$25,916	0.03
Vanguard Short-Term TIPS Index	0.03 % of Assets	\$86,387,697	\$25,916	0.03

Performance Update | As of September 30, 2025

	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Risk Mitigation		\$288,854,291	\$789,268	0.27
Investment Grade Fixed Income		\$234,160,442	\$249,004	0.11
Intermediate-Term Bonds		\$183,841,848	\$233,908	0.13
SSIM US Aggregate Bond	0.02 % of Assets	\$48,080,667	\$9,616	0.02
Wellington Core Bond	0.12 % of Assets	\$99,655,994	\$119,587	0.12
Brandywine U.S. Fixed Income	0.29 % of Assets	\$36,105,188	\$104,705	0.29
Long-Term Bonds		\$50,318,594	\$15,096	0.03
SSIM Long US Treasury Index	0.03 % of Assets	\$50,318,594	\$15,096	0.03
Hedge Funds		\$52,424,601	\$540,264	1.03
36 South Kohinoor Series (Cayman) Fund	Performance Based 1.00 % and 20.00 %	\$13,692,730	\$136,927	1.00
BH-DG Systematic Trading Master Fund	0.80 % of Assets	\$15,384,914	\$123,079	0.80
Lombard Odier Bear Convexity	Performance Based 0.75 % and 27.50 %	\$5,821,055	\$43,658	0.75
Alpstone Global Macro Fund	Performance Based 1.35 % and 20.00 %	\$17,525,903	\$236,600	1.35
Cash		\$2,269,248	-	-
Cash		\$2,269,248	-	-
Total System		\$1,521,730,613	\$4,791,248	0.31

Performance Update | As of September 30, 2025

Fund	Monthly Management Fees Paid											
	Jan	Feb	Mar	(\$)	Apr	May	Jun	Jul	Aug	Sept	CYTD	FYTD
SSIM Russell 1000 Growth Index	-	1,130	-		-	-	1,122	-	-	2,002	4,254	2,002
SSIM Russell 1000 Value Index	-	2,033	-		-	-	2,056	-	-	2,084	6,173	2,084
SSIM Russell 3000 Index	-	9,030	-		-	-	9,854	-	-	10,600	29,485	10,600
SSIM MSCI EAFE	-	10,353	-		-	-	7,012	-	8,109	-	25,474	8,109
SSIM Emerging Markets Index	-	4,993	2,577		-	-	3,605	-	3,708	-	14,883	3,708
DF Dent Small Cap Growth Fund	11,091	10,579	10,024		9,849	10,203	10,496	13,160	13,401	12,861	101,664	39,422
DFA U.S. Small Cap Growth Fund	1,341	1,270	1,196		1,132	1,201	1,257	1,275	4,053	4,010	16,734	9,337
ABS China Direct	4,740	4,728	5,112		5,242	5,078	5,279	5,485	5,845	6,122	47,631	17,452
ABS EM ex China Direct	8,879	8,948	8,617		8,582	8,875	9,463	10,174	10,229	10,404	84,169	30,806
Kopernik Global All-Cap*	28,769	26,175	31,405		26,876	29,725	31,081	31,678	24,954	26,181	256,844	82,813
First Eagle Global Equity	54,096	54,096	54,096		53,771	55,846	57,877	57,732	59,985	62,040	509,537	179,757
Artisan Global Opportunities*	49,953	44,290	41,720		42,649	39,290	19,841	-	-	-	237,744	-
J. Stern & Co. World Stars Global Equity	22,940	31,217	29,378		30,778	34,177	35,012	35,012	35,241	35,813	289,569	106,066
NexPhase Capital Fund V	-	-	-		-	59,487	-	-	9,067	-	68,554	9,067
Vitruvian Investment Partnership V	-	-	-		-	-	-	-	-	-	-	-
Lexington Capital Partners X	-	-	21,250		-	-	-	-	-	-	21,250	-
Flagship Pioneering Fund VIII, L.P.	13,247	-	-		11,001	-	-	15,055	-	-	39,303	15,055
Gauge Capital IV, L.P.	-	-	27,371		-	-	-	12,546	-	-	39,917	12,546
KPS Special Situations Fund VI, L.P.	-	-	-		-	-	-	-	-	-	-	-
Oakley Capital VI	-	-	-		-	-	-	-	-	-	-	-
Mainsail Partners VII	-	-	-		-	-	-	-	-	-	-	-
Falfurrias Capital Partners VI, L.P.	-	-	-		-	-	12,444	-	-	-	12,444	-
Mountaingate Capital Fund III, L.P.	-	-	-		-	-	-	-	-	9,052	9,052	9,052
Sculptor Credit Opportunities Overseas Fund	22,264	20,109	22,264		22,027	22,761	22,027	23,057	23,057	22,313	199,878	68,427
Brigade High Income Fund*	16,892	16,977	16,867		11,024	19,029	19,371	19,527	19,694	19,836	159,218	59,057
JP Morgan Strategic Property Fund	101,951	-	-		103,485	-	-	102,985	-	-	308,421	102,985
UBS Trumbull Property Fund	43,195	-	-		41,096	-	-	41,887	-	-	126,179	41,887
Morgan Stanley Prime Property Fund	-	-	7,141		-	-	84,109	-	-	84,760	176,009	84,760
SSIM US REIT	-	3,457	2,213		3,658	-	-	-	-	-	9,328	-
SSIM S&P Global LargeMidCap NR Index	-	8,713	4,547		-	-	13,379	-	13,834	-	40,474	13,834
JP Morgan Infrastructure Investments Fund	-	-	35,685		-	-	36,557	-	-	-	72,242	-
First Eagle Institutional Gold Fund, LP	15,281	14,977	17,484		18,355	13,674	13,839	15,410	16,992	18,525	144,537	50,927
Vanguard Short-Term TIPS Index*	2,265	2,291	2,313		2,330	2,323	2,336	2,845	2,881	-	19,586	5,726
SSIM US Aggregate Bond	-	2,184	-		-	-	2,160	-	2,202	-	6,545	2,202
Wellington Core Bond*	11,238	11,497	10,843		9,957	12,243	11,373	11,347	11,501	11,627	101,626	34,475
Brandywine U.S. Fixed Income	-	17,129	-		-	17,385	-	-	18,926	-	53,441	18,926
SSIM Long US Treasury Index	-	2,450	1,236		-	-	3,701	-	3,658	-	11,044	3,658
36 South Kohinoor Series (Cayman) Fund	11,303	10,354	11,679		11,587	11,632	11,133	11,406	11,497	11,332	101,922	34,235
BH-DG Systematic Trading Master Fund	12,420	11,265	12,092		10,913	10,605	11,223	11,486	6,636	10,558	97,197	28,680
Lombard Odier Bear Convexity	3,593	3,699	3,785		3,841	3,750	3,714	3,630	3,661	3,640	33,313	10,931
Alpstone Global Macro	19,932	20,313	20,246		19,098	19,228	19,387	19,381	19,587	19,813	176,984	58,781
Total	455,390	354,258	401,138		447,252	376,512	460,707	445,077	328,719	383,571	3,652,624	1,157,367
Custodial Fee	2,589	4,220	2,632		2,591	4,230	2,601	2,640	4,207	2,594	28,303	9,441

*In some instances, NERS is invested in a pooled vehicle so a separate fee isn't charged at the Plan level. The fee is reflected in the NAV. Estimated based on management fee and market value.

In some instances, additional expenses are charged but the above table only reflects management fees.

Artisan fee for the month of June represents an estimate of the fee paid on the liquidation.

		Benchmark History
From Date	To Date	Benchmark
Total System		
01/01/2024	Present	14.0% Blmbg. U.S. Aggregate Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 4.0% Hedge Fund Custom Benchmark, 8.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 52.0% MSCI AC World IMI Index (Net), 5.0% Blmbg. U.S. TIPS 0-5 Year, 5.0% S&P Global LargeMid Commodity & Resources (Net), 2.0% S&P UBS Leveraged Loan Index, 3.0% 60% Gold (Spot)/ 40% FTSE Gold Mines, 5.0% MSCI ACWI + 3% 1Q Lag
12/01/2022	12/31/2023	14.0% Blmbg. U.S. Aggregate Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 4.0% HFRI Macro (Total) Index, 8.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 52.0% MSCI AC World IMI Index (Net), 5.0% Blmbg. U.S. TIPS 0-5 Year, 5.0% S&P Global LargeMid Commodity & Resources (Net), 2.0% S&P UBS Leveraged Loan Index, 3.0% 60% Gold (Spot)/ 40% FTSE Gold Mines, 5.0% MSCI ACWI + 3% 1Q Lag
05/01/2016	11/30/2022	30.0% Blmbg. U.S. Aggregate Index, 7.5% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 7.5% Alerian MLP Index, 55.0% MSCI AC World IMI Index (Net)
03/01/2016	04/30/2016	33.0% Russell 3000 Index, 30.0% Blmbg. U.S. Aggregate Index, 7.5% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 22.0% MSCI AC World ex USA (Net), 7.5% Alerian MLP Index
02/01/2013	02/29/2016	33.0% Russell 3000 Index, 35.0% Blmbg. U.S. Aggregate Index, 5.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 22.0% MSCI AC World ex USA (Net), 5.0% Alerian MLP Index
03/01/2011	01/31/2013	36.0% Russell 3000 Index, 35.0% Blmbg. U.S. Aggregate Index, 5.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 24.0% MSCI AC World ex USA (Net)
09/01/2009	02/28/2011	36.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 24.0% MSCI AC World ex USA (Net)
06/01/2009	08/31/2009	42.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 18.0% MSCI AC World ex USA (Net)
06/01/2006	05/31/2009	42.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 18.0% MSCI EAFE (Net)
07/01/2003	05/31/2006	60.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index
10/01/2002	06/30/2003	55.0% S&P 500 Index, 45.0% Blmbg. U.S. Aggregate Index
10/01/1990	09/30/2002	50.0% S&P 500 Index, 50.0% Blmbg. U.S. Aggregate Index

Total Fund Public benchmark consists of 74% MSCI ACWI IMI / 26% Bloomberg US Aggregate. Historical Varies.

Total Fund Actual Allocation Benchmark reflects the asset classes set forth in the Fund's investment policy statement, weighted for the Fund's actual investments and performance of the indexes referenced above.

Performance Update | As of September 30, 2025

From Date	To Date	Benchmark History	Benchmark
Growth Assets			
12/01/2022	Present	91.0% MSCI AC World IMI Index (Net), 9.0% MSCI ACWI + 3% 1Q Lag	
Global Equity			
05/01/2016	Present	100.0% MSCI AC World IMI Index (Net)	
09/01/2009	04/30/2016	60.0% Russell 3000 Index, 40.0% MSCI AC World ex USA (Net)	
06/01/2009	08/31/2009	70.0% Russell 3000 Index, 30.0% MSCI AC World ex USA (Net)	
01/01/2006	05/31/2009	70.0% Russell 3000 Index, 30.0% MSCI EAFE (Net)	
10/01/1990	12/31/2005	100.0% S&P 500 Index	
Credit			
12/01/2022	Present	50.0% Blmbg. U.S. Corp: High Yield Index, 50.0% S&P UBS Leveraged Loan Index	
High Yield & Bank Loans			
12/31/1992	Present	50.0% Blmbg. U.S. Corp: High Yield Index, 50.0% S&P UBS Leveraged Loan Index	
Inflation Hedges			
12/01/2022	Present	38.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net), 24.0% Blmbg. U.S. TIPS 1-5 Year Index, 24.0% S&P Global LargeMid Commodity & Resources (Net), 14.0% 60% Gold (Spot)/ 40% FTSE Gold Mines	
Risk Mitigation			
01/01/2024	Present	78.0% Blmbg. U.S. Aggregate Index, 22.0% Hedge Fund Custom Benchmark	
12/01/2022	12/31/2023	78.0% Blmbg. U.S. Aggregate Index, 22.0% HFRI Macro (Total) Index	
Hedge Funds			
01/01/2025	Present	33.3% HFRI Macro (Total) Index, 33.3% SG Trend Index, 33.3% HFR / EurekaHedge Long Volatility Blended Benchmark	
01/01/2024	12/31/2024	33.3% HFRI Macro (Total) Index, 33.3% SG Trend Index, 33.3% CBOE Eurekahedge Long Volatility Hedge Fund Index	
03/01/2023	12/31/2023	100.0% HFRI Macro (Total) Index	

BH-DG Update

Background

- BH-DG Systematic Trading Master Fund (“BH-DG”) had been placed on Meketa’s watch list in May 2025 for performance concerns.
- The purpose of the watch list is to have a heightened level of monitoring for a manager. Watch list status can be triggered for a number of reasons, including but not limited to:
 - Weak performance and peer ranking
 - Organizational and investment team changes
 - Reporting issues
- BH-DG was removed from Meketa’s watch list in September 2025.
- During the span of time on the watch list, we met with the manager multiple times to review performance and portfolio positioning to understand not only what happened historically, but how it was being addressed on a go forward basis.
- At our last meeting in September, we discussed changes in the firm’s model which drives the investment decisions.
 - While market conditions have remained challenging in 2025, particularly with limited directional trends in rates and FX, the strategy has performed well relative to the environment and is outperforming its benchmark year-to-date.
 - BH-DG is also implementing enhancements aimed at improving performance in sideways markets, including tools to manage false breakouts and a new signal to adjust timing based on market regimes.
- Additionally, Meketa’s clients have received a fee reduction from BH-DG effective on September 1st.
 - The prior fee was 93 basis points, and this has been reduced to 80 basis points, saving the System approximately \$22,000 per year.

Investment Policy Statement Review

Background

- In September, the Investment Committee voted to approve a new asset allocation policy.
- As a result, the Investment Policy Statement (“IPS”) must be updated to reflect these changes.
 - The IPS should be reviewed annually as part of standard governance best practices.

Summary of Changes

- The most significant proposed change to the IPS is updating the asset class targets and ranges to reflect the new policy.
 - The corresponding weights within the Plan level benchmarks were also updated to reflect the new targets.
- Some minor changes included updating the naming convention of the Plan level benchmarks to reflect how they are included in the reports and updating the permissible asset classes to reflect the current opportunity set.
- Three asset class benchmarks were also updated:
 - Bank loans changed to S&P UBS Leveraged Loans because the parent company of the index changed.
 - Hedge funds changed to HFR/Eurekahedge Long Volatility index because CBOE (the legacy index) was sold and the composition of the index was changed. HFR better reflects the current opportunity set.
 - Private credit, which is a new asset class, was assigned the benchmark of S&P UBS Leveraged Loans + 100 basis points.
- Additional changes incorporated were based on feedback from staff.
 - Inclusion of a benchmark history page.
 - Definitions of asset classes and benchmarks.
 - Benchmark abbreviation definitions.

Employees' Retirement System of the City of Norfolk Investment Policy Statement

Adopted by the Board of Trustees, September 2022
Version 2.24.0, Revised -November 5, 2025

Revision History

Version	Date	Revision Description
1.0	<u>December 18, 2006</u>	<u>Originally Adopted by the Board of Trustees</u>
2.0	<u>November 2, 2022</u>	<u>Reflects revised roles and responsibilities in addition to new asset allocation policy and benchmarks. The prior asset allocation included 55% to equities, 35% to fixed income, 5% to real estate, and 5% to master limited partnerships. The policy benchmark was comprised of 36% Russell 3000 Index, 24% MSCI ACWI ex US Index, and 40% Barclay's Capital Aggregate Bond Index.</u>
<u>2.13.0</u>	<u>January 10, 2024</u>	<u>Updated Hedge Funds benchmark to 33% HFRI Macro (Total) Index / 33% CBOE Eurekahedge Long Volatility Index / 33% Société Générale Trend Index</u>
<u>2.24.0</u>	November 5, 2025	<u>Updated Preallocation of assets from Public Equity to new asset class Private Credit, and existing asset classes Investment Grade Credit and Infrastructure. Modified the Asset Allocation Target Ranges in the portfolio.</u>

1. Executive Summary

Name of Fund:	Employees' Retirement System of the City of Norfolk
Fund Sponsor:	The City of Norfolk, Virginia
Mission of the Fund:	To provide a retirement benefit for the employees of the City of Norfolk, Virginia

2. Statement of Purpose

The Board of Trustees ("Board") recognize that a stable, well-articulated investment policy is crucial to the long-term success of the Employees' Retirement System of the City of Norfolk ("Fund"). As such, the Board has adopted this Investment Policy Statement ("Policy") in recognition of its fiduciary responsibility to supervise the investment of the Fund's assets. The purpose of this document is to set forth in writing:

- i. an appropriate set of objectives and goals to be attained through the investment of the Fund's assets;
- ii. the position of the Board with respect to the Fund's risk/return posture, including allocation of assets, and establishment of investment guidelines; and
- iii. an overall system of investment policies and practices whereby the continuing financial obligation of the Fund will be satisfied.

All previous Fund investment policies and objectives are superseded by this Policy, and any revisions to this Policy may be made only with written approval from the Board.

3. Statement of Responsibilities

The following parties associated with the Fund shall discharge their respective responsibilities in accordance with all applicable fiduciary standards as follows: (1) in the sole interest of the Fund's contributors and beneficiaries; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; (3) by diversifying the investments so as to minimize the risk of large losses; and (4) acting in accordance with the guidelines outlined in this Policy, all applicable laws, and the City of Norfolk and State-Commonwealth of Virginia statutes.

- i. **Board of Trustees:** The Board is responsible for creation of, approval of, and updates to this Policy. Further, the Board is charged with selecting, retaining, and as necessary, replacing the fiduciaries which will manage the assets of the Fund and other experts employed by the Fund. The Board may delegate certain functions to System Staff and the Investment Advisor. Specific responsibilities of the Board include, but are not limited to:
 - a. Adhering to the requirements of applicable laws of the City of Norfolk and the Commonwealth of Virginia.
 - b. Projecting the Fund's financial needs and communicating such needs to the Investment Advisor on a timely basis.

- c. Determining the Fund's risk tolerance, investment horizon, and allowable ranges of asset class exposure; and communicating these to the appropriate fiduciaries.
- d. Establishing reasonable and consistent investment policies, goals, objectives, and limitations which will direct the investment of the Fund's assets.
- e. Prudently and diligently selecting qualified investment professionals, including the Investment Advisor, Custodian, and Actuary.
- f. Regularly evaluating the performance of the Fund to ensure adherence to the investment policy stated herein and to monitor progress toward investment goals and objectives.
- g. Developing and enacting proper monitoring and control procedures.

ii. **System Staff:** The System Staff, reporting to the Director of Finance, has been delegated day-to-day management responsibilities for the Fund and the relationships with other agents and advisors. Further, System Staff, reporting to the Director of Finance, is responsible for:

- a. Reporting to the Board on all matters requested.
- b. Working with the Investment Advisor to assure compliance with this Policy on an ongoing basis and reporting exceptions to the Board.
- c. In conjunction with the Investment Advisor, advising the Board on issues related to this Policy, including identifying the need for updates.
- d. Providing the Investment Advisor advanced notice of monies needed to fulfill monthly pension obligations and Fund expenses.
- e. Monitoring and maintaining the external banking relationship and understanding that the Investment Advisor does not monitor or report on it.
- f. Other responsibilities as deemed necessary by the Board.

iii. **Investment Advisor:** The Investment Advisor is charged with the responsibility of advising the Board on investment policy and strategic asset allocation. The Investment Advisor has been granted full discretion over the selection of investment managers and tactical asset allocation within the guidelines of this Policy by the Board. The investment advisor is responsible for:

- a. Maintaining adequate liquidity to meet pension obligations, working with System Staff to source monies to meet pension obligation and fund expenses.
- b. Managing the day-to-day custodial banking, securities lending, and directed brokerage relationships.
- c. Reporting all relevant and requested information to the Board including decisions made about the investments (e.g., changes in investment managers,

outlook, tactical positioning) that could influence the implementation of the investment program.

- d. Working with System Staff to source monies to meet pension obligation and fund expenses.
- e. Providing performance analysis and monitoring services.

iv. **Investment Manager(s):** The investment manager(s) are delegated the responsibility of investing and managing the Fund's assets in accordance with this Policy, and all applicable law. Each investment manager must either be (1) registered under the Investment Company Act of 1940, (2) registered under the Investment Advisors Act of 1940, (3) a bank, as defined in that Act, (4) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Fund's assets, or, (5) such other person or organization authorized by applicable law or regulation to function as an investment manager. Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Further:

- a. Each Investment Manager shall be granted full discretion to make all investment decisions for its Account, while operating within all policies, restrictions, guidelines, constraints, and philosophies set forth in this Policy and the Account's statement of investment guidelines and restrictions ("Investment Guidelines"), which will become part of this Statement. Specific responsibilities of each Investment Manager include:
 - b. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the Investment Guidelines.
 - Reporting asset valuation and investment performance results on a timely basis.
 - Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of its investment process, or the investment goal progress of the Fund.
 - Reporting any significant change in its investment management organization within 30 days of such occurrence.
 - All reporting and notification required by this Statement shall be made to the Investment Advisor.
 - The Board and Investment Advisor will not reserve any control over investment decisions, with the exception of specific limitations described in this Policy and the account's Investment Guidelines. Each Investment Manager will be held responsible for meeting the goals stated in the Investment Guidelines. Should an Investment Manager believe at any time

that changes, additions, or deletions to the Investment Guidelines are in the Account's best interest, the Investment Manager shall promptly recommend them in writing to the Investment advisor.

v. **Custodian:** The custodian has been retained by the Board and is charged with the following responsibilities:

- a. Safekeeping of Fund assets under trust or custodial arrangement.
- b. Providing System Staff, Investment Advisor, and Investment Managers with a regular valuation, transaction listing, and accounting of Fund assets. Such valuation, listing, and accounting shall occur at least on a monthly basis and will be made available to the Board upon request.
- c. Settle all purchases and sales of securities and other related transactions by the Fund's investment managers held in their custody.
- d. Sweep all Fund accounts daily into a cash management account to ensure no Fund assets are left uninvested.
- e. Manage all uninvested cash and cash awaiting disbursement to the Fund's investment managers in liquid, safe, interest-bearing instruments.
- f. Adhere to the following Custodial credit risk requirements:
 - Deposits - The Fund maintains all accounts collateralized in accordance with the Virginia Security for Public Disclosures Act, Sec 2.2-4400 et. seq. of the Code of Virginia.
 - Investments - The Fund requires that all securities purchased by or for the Fund be properly and clearly labeled as an asset of the Fund and held in safekeeping by a third-party custodial bank or institution in compliance with Section 2.2-4515 of the Code of Virginia.
- g. Provide all other contracted custodial services not mentioned above necessary for the efficient investment, custody, and administration of the Fund's assets.

vi. **Actuary:** The actuary has been retained by the Board and is charged with the following responsibilities:

- a. Prepare an annual evaluation of the Fund's assets and liabilities. Such valuation shall be provided to the Board to determine the financial condition of the Fund and determine the contribution rates necessary to fund the Fund.
- b. Recommend to the Board adoption of certain assumptions, including those concerning contribution rates, death, disability, withdrawal, retirement, and investment returns.
- c. Conduct, on a frequency determined by the Board, a study of the actual assumptions adopted by the Board and the actual Fund experience to determine the appropriateness of such assumptions.

- d. Assist the Investment Advisor in the preparation of all asset liability studies and, specifically, the analysis of the Fund's liabilities and provisions.
- e. Provide guidance and perspective regarding special actuarial studies, experience studies, benefit changes, and all things of an actuarial nature as may be required by the Board from time to time.

4. Investment Objectives

The investment strategy of the Fund is designed to ensure the prudent investment of funds in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss.

The Board accepts the risks associated with investing in the capital markets (market risks) but will minimize wherever possible those risks for which the Fund is unlikely to be compensated (non-market or diversifiable risks).

i. Risk Objectives

- a. To accept the minimum level of risk required to achieve the Fund's return objective as stated immediately below.
- b. To use extensive diversification to minimize exposure to company and industry-specific risks in the aggregate investment portfolio.
- c. To the extent possible, minimize the annual volatility in the asset base that supports the level of pension obligations and Fund expenses. Short-term volatility will be tolerated in as much as it is consistent with the volatility of the Target Policy.

ii. Return Objective

- a. To earn a return on aggregate Fund assets over a full market cycle, net of investment fees, that equals or exceeds:
 - The actuarially assumed rate of return.
 - The returns of the [Target Policy Index and Strategy Index](#) [Total System Policy Benchmark](#) and [Total Fund Actual Allocation Benchmark](#).

5. Investment Constraints

i. Legal and Regulatory

It is the intention of the Board to manage the assets of the Fund at all times in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Prudent Investor Rule, and applicable laws of the City of Norfolk and the Commonwealth of Virginia.

ii. **Time Horizon**

The Fund operates on a perpetual basis. The assets of the Fund will be invested with a long-term time horizon, generally defined as spanning multiple market cycles, to maximize total return over the long run in support of consistent with the mission of the Fund.

iii. **Liquidity**

Given the Fund's long-term horizon, liquidity will be of modest concern. The Board will continuously monitor liquidity needs, benefit projections, and the impact of changes in regulations or other circumstances.

iv. **Tax Considerations**

The Fund is a tax-exempt entity. Therefore, investments and strategies will be evaluated only on the basis of expected risks and potential returns.

6. **Diversification**

The Board recognizes that an important element of risk control is diversification. Therefore, investments will be allocated across multiple classes of assets, chosen in part for their low correlation of returns. Within each asset type, the Fund's investments will be distributed across many individual holdings, thus expecting to further reduce volatility.

7. **Asset Allocation**

The Board recognizes that the allocation of monies to various asset classes will be the major determinant of the Fund's return and risk experience over time. Therefore, the Board will allocate investments across asset classes that, based on historical and expected returns and risks, provide the highest likelihood of meeting the Fund's investment objectives.

i. **Permissible Asset Classes**

Because investment in any particular asset class may or may not be consistent with the objectives of the Fund, the Board has specifically indicated in Appendix A those asset classes that may be utilized when investing the Fund's assets.

ii. **Long-Term Target Allocations**

Based on the investment objectives and constraints of the Fund, and on the expected behavior of the permissible asset classes, the Board will specify a long-term target allocation for each class of permissible assets. These targets will be expressed as a percentage of the Fund's overall market value, surrounded by a band of permissible variation resulting from market forces.

The long-term target allocations are intended as strategic goals, not short-term imperatives. Thus, it is permissible for the overall Fund's asset allocation to deviate from the long-term target, as would likely occur during manager transitions, asset class restructurings, and other temporary changes within the Fund. Deviations from targets that occur due to capital market changes are discussed below.

The Fund's target allocations for all permissible asset classes are shown in Appendix B.

iii. Rebalancing

In general, cash flows to and from the Fund will be allocated in such a manner as to move each asset class toward its target allocation.

The Board recognizes that, periodically, market forces may move the Fund's allocations outside the target ranges. The Board also recognizes that failing to rebalance the allocations could unintentionally change the Fund's structure and risk posture. However, the Board understands that constant rebalancing could result in a significant increase in explicit and implicit trading costs to the Fund. Consequently, the Board has established a process to rebalance the allocations periodically.

On at least a quarterly basis, if any strategic allocation is outside the specified target range, assets will be shifted to return the strategy to the target range. The specific plan for rebalancing will identify those assets that can be shifted at the lowest possible risk and cost if the rebalancing cannot be accomplished solely by allocating contributions and withdrawals.

iv. Tactical Asset Allocation

The Investment Advisor will have full discretion to tactically deviate from the long-term Target Allocation within the defined asset class ranges.

8. Review of Investment Policy, Asset Allocation, and Performance

The Policy will be reviewed at least annually to ensure that the objectives and constraints remain relevant. However, the Board recognizes the need for a stable long-term policy for the Fund, and major changes to this policy statement will be made only when significant developments occur.

The asset allocation of the Fund will be reviewed on an on-going basis, and at least annually. This review includes evaluating the expected return and volatility of the asset allocation policy targets utilizing the latest capital market expectations. When necessary, such reviews may result in a rebalancing of asset allocations. In general, the Board intends that the Fund will adhere to its long-term target allocations, and that major changes to these targets will be made only in response to significant developments.

The Board will specifically evaluate the performance of the Fund relative to its objectives and to the returns available from the capital markets during the period under review. In general, the Board will utilize relative, rather than absolute, benchmarks in evaluating performance.

9. Investment Costs

The Board intends to monitor and control investment costs.

10. Voting of Proxies

The Board recognizes that the voting of proxies is important to the overall performance of the Fund. The Board has delegated the responsibility of voting all proxies to the investment managers. The Board expects that managers will execute all proxies in a timely fashion, provide a full accounting of all proxy votes, and upon request, a written explanation of individual voting decisions. The Board intends to review the managers' proxy voting periodically.

11. Policy Changes

The Investment Advisor shall advise the Board of any restrictions within this Policy that may prevent the investment manager(s) from obtaining the objectives and goals set forth herein. Any violation of the investment guidelines or other sections of this Policy discovered by the Investment Advisor in the preparation of its regular performance review shall be reported immediately to Staff and/or the Board and discussed at their next regularly scheduled meeting.

12. Investment Policy Review and Revisions

The Board reserves the right to amend the Policy at any time they deem such amendment to be necessary, or to comply with changes in local and/or federal law as these changes affect the investment of the Fund's assets.

The Policy shall also be reviewed annually to ensure compliance and relevance to the current law, financial and economic trends and to meet cash flow requirements of the Fund.

IN WITNESS HEREOF, the Board has approved the revised Investment Policy Statement by resolution adopted on the 10th day of January 20245th day of November 2025.

Authorized Signer Name, Title

Appendix A

Permissible Asset Classes

Asset Class
<u>Public Global</u> Equity
Private Equity
Bank Loans
High Yield
<u>Private Credit</u>
Real Estate
Natural Resources
<u>Infrastructure</u>
Gold
<u>Short-Term TIPS</u>
Investment Grade Bonds
<u>Long-Term Government Bonds</u>
U.S. Treasuries
U.S. Agency-Backed Securities
U.S. Mortgage-Backed Securities
Hedge Funds
Cash

Appendix B

Asset Allocation Targets

	Target	Range	Benchmark
Growth Assets	5745%	4735% to 6755%	
Global Equity	5240%	4230% to 6250%	MSCI ACWI IMI Net USD
Private Equity	5%	0% to 10%	MSCI ACWI + 3% 1Q Lag
Credit	411%	06% to 916%	
High Yield & Bank Loans	46%	0% to 911%	50% Credit Suisse S&P UBS Leveraged Loans/ 50% BBerg US High Yield TR
Private Credit	5%	0% to 10%	S&P UBS Leveraged Loans + 1% 1Q Lag
Inflation Hedges	2123%	1416% to 2830%	
Real Estate	8%	3% to 13%	NCREIF ODCE
Natural Resources & Infrastructure	52%	0% to 105%	S&P Global LargeMidCap Commodity and Resources NR USD
Infrastructure	5%	0% to 10%	Dow Jones Brookfield Global Infrastructure
Gold	3%	0% to 6%	60% Gold (Spot)/40% FTSE Gold Mines
Short-Term TIPS	5%	0% to 10%	BBerg US TIPS 0-5YR
Risk Mitigation	1821%	1114% to 2528%	
Bonds incl. Treasuries, Mortgages and Investment Grade Bonds	1413%	78% to 2118%	BBerg US Aggregate TR
Long-Term Government Bonds	4%	0% to 9%	BBerg US Treasury: Long
Hedge Funds	4%	0% to 9%	33% HFRI Macro (Total) Index / 33% HFR/CBOE Eurekahedge Long Volatility Index / 33% Société Générale Trend Index
Cash	0%	0% to 3%	

Appendix B (Continued)

Asset Class and Benchmark Definitions:

Growth Assets

Asset Class	Definition	Benchmark	Benchmark Definition
<u>Global Equity</u>	<u>Investments in publicly traded companies across global markets, aiming for capital appreciation.</u>	<u>MSCI ACWI IMI Net US</u>	<u>Captures large, mid, and small-cap equities across developed and emerging markets, covering ~8,300 stocks.</u>
<u>Private Equity</u>	<u>Investments in private companies or public companies that are taken private, targeting long-term value creation.</u>	<u>MSCI ACWI + 3% 1Q Lag</u>	<u>Public equity index plus a 3% premium and one-quarter lag to reflect illiquidity and return expectations.</u>

Credit

Asset Class	Definition	Benchmark	Benchmark Definition
<u>High Yield & Bank Loans</u>	<u>Debt investments in below-investment-grade companies and floating-rate senior loans.</u>	<u>50% S&P UBS Leveraged Loans/ 50% BBerg US High Yield TR</u>	<u>Equal-weighted blend of U.S. high-yield bonds and senior secured loans.</u>
<u>Private Credit</u>	<u>Direct lending to private companies, often with higher yields and less liquidity than public debt.</u>	<u>S&P UBS Leveraged Loans + 1% 1Q Lag</u>	<u>Bank loan index plus 1% and one-quarter lag to reflect higher return/risk profile of private credit.</u>

Appendix B (Continued)

Asset Class and Benchmark Definitions (Continued):

Inflation Hedges

Asset Class	Definition	Benchmark	Benchmark Definition
Real Estate	Investments in commercial properties or REITs to generate income and hedge inflation.	NCREIF ODCE	Measures performance of core open-end private real estate funds in the U.S.
Natural Resources	Exposure to commodities and resource-producing companies.	S&P Global LargeMidCap Commodity and Resources NR USD	Tracks global large- and mid-cap companies in commodity and resource sectors.
Infrastructure	Investments in essential physical systems like transportation, utilities, and energy.	Dow Jones Brookfield Global Infrastructure	Tracks global listed infrastructure companies.
Gold	Direct or indirect exposure to gold as a store of value and inflation hedge.	60% Gold (Spot)/40% FTSE Gold Mines	Blend of physical gold prices and gold mining equities.
Short-Term TIPS	U.S. Treasury bonds indexed to inflation with short maturities.	BBerg US TIPS 0-5YR	Measures performance of U.S. Treasury Inflation-Protected Securities with maturities under 5 years.

Appendix B (Continued)

Asset Class and Benchmark Definitions (Continued):

Risk Mitigation

Asset Class	Definition	Benchmark	Benchmark Definition
Investment Grade Bonds	High-quality corporate and government bonds with low default risk.	BBerg US Aggregate TR	Broad index of U.S. investment-grade bonds including Treasuries, agencies, and corporates.
Long-Term Government Bonds	U.S. Treasury bonds with long maturities, offering duration exposure.	BBerg US Treasury: Long	Tracks long-duration U.S. Treasury securities.
Hedge Funds	Diversified strategies aiming to reduce risk and enhance returns through active management.	33% HFRI Macro (Total) Index / 33% HFR/CBOE Eurekahedge Long Volatility Index / 33% Société Générale Trend Index	Equal-weighted blend of macro, long volatility, and trend-following hedge fund indices to match composition of asset class.
Cash	Highly liquid, low-risk instruments like Treasury bills or money market funds.	N/A	N/A

Appendix C

Fund Benchmarks

Functional Category	Weight	Composition
Growth Assets	<u>57.45%</u>	<u>91.88.9%</u> MSCI ACWI IMI Net USD/ <u>911.1%</u> MSCI ACWI + 3% 1Q <u>Lag</u>
Credit	<u>41.1%</u>	<u>54.5%</u> 50% <u>Credit Suisse</u> <u>S&P</u> <u>UBS</u> Leveraged Loans/50% BBerg US High Yield TR/ <u>45.5%</u> <u>S&P</u> <u>UBS</u> Leveraged Loans +1% 1Q <u>Lag</u>
Inflation Hedges	<u>24.23%</u>	<u>24.21.7%</u> BBerg US TIPS <u>10-5YR</u> / <u>14.13%</u> 60/40 Gold (Spot)/FTSE Gold Mines/ <u>248.7%</u> SP Global LargeMidCap Commodity & Resources NR USD/ <u>3834.8%</u> NCREIF ODCE/ <u>21.7%</u> <u>Dow</u> <u>Jones</u> <u>Brookfield</u> <u>Global</u> <u>Infrastructure</u>
Risk Mitigation	<u>18.21%</u>	<u>78.62%</u> BBerg US Aggregate TR/ <u>7.336.35%</u> HFRI Macro (Total) Index/ <u>7.336.35%</u> CBOE Eurekahedge Long Volatility Index/ <u>7.336.35%</u> Société Générale Trend Index/ <u>19%</u> <u>BBerg</u> <u>US</u> <u>Treasury</u> : <u>Long</u>

Target Policy Benchmark: The Target Policy Benchmark is designed to measure the performance of the Fund relative to broad market exposures (60/40). The Target Policy Benchmark is comprised of 52.40% MSCI ACWI IMI Net USD/5% MSCI ACWI + 3% 1Q lag/23% Credit SuisseS&P UBS Leveraged Loans/2.3% BBerg US High Yield TR/5% S&P UBS Leverages Loans +1% 1Q Lag/5% BBerg US TIPS 04-5YR/3% 60/40 Gold (Spot)/FTSE Gold Mines/52% SP Global LargeMidCap Commodity & Resources NR USD/5% Dow Jones Brookfield Global Infrastructure/8% NCREIF ODCE/134% BBerg US Aggregate TR/4% BBerg US Treasury: Long/1.33% HFRI Macro (Total) Index 1.33% CBOE-HFR/Eurekahedge Long Volatility Index/1.33% Société Générale Trend Index.

Strategy Index-Actual Allocation Benchmark: The Strategy-actual allocation benchmark is designed to measure the performance of the Investment Advisor manager selection. The Strategy indexActual Allocation benchmark is calculated using the actual weights of each Functional Category.

Appendix D

Watch List

The Board intends to evaluate each Investment Manager over at least a three-year period, but reserves the right to terminate an Investment Manager for any reason including the following:

1. Investment performance, which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this Statement, including communication and reporting requirements.
3. Significant changes to the Investment Manager's organization, [personnel or strategy](#).
4. Regulatory and legal issues, or negative reports from a third-party risk analysis firm that reviews the manager's operational and risk controls.

Typically, "Watch" status applies until the manager makes sufficient progress (e.g., performance improves) such that the quantitative or qualitative factors are resolved.

The Board is updated on a quarterly/bimonthly basis of all managers' performance, status, and "Watch." Managers on "Watch" will receive no additional funding from rebalancing, contributions or other sources. However, funds may be withdrawn for rebalancing or liquidity needs.

Appendix E

Definitions

- "Account" shall refer to the assets which the Fund designates for investment pursuant to the investment management agreement between a Manager and the Fund.
- "Board" shall refer to the Board of Trustees of the Employees' Retirement System of the City of Norfolk.
- "Fiduciary" shall refer to any individual, or group of individuals, employed to manage the investments of all or part of the Fund assets.
- "Fund" shall refer to the Employees' Retirement System of the City of Norfolk.
- "Fund Staff" shall refer to employees retained by the Board to assist with the management of the Fund.
- "Investment Advisor" shall refer to any individual, or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search and retention, and performance monitoring.
- "Investment Horizon" shall refer to the time period over which the investment goals, as set forth in this Statement, are expected to be met. The investment horizon for the Fund is ten years.
- "Investment Manager" shall refer to any registered investment advisor employed to manage the investments of all or part of the Fund's assets or any commingled fund in which all or part of the Fund's assets are invested. Managers employed by the Fund shall be qualified professional asset managers (QPAM) under State or Federal law.
- "Return" shall refer to return from dividends, interest, realized gains, and unrealized gains based on market value, net of management fees, and associated expenses.¹⁷
- "Watch List" shall refer to managers being placed on watch in the case of underperformance, style drift, ownership, or personnel changes. Pervasive problems regarding any of the above may become grounds for termination.

Appendix F

Benchmark Abbreviations

- “ACWI” shall refer to All Country World Index.
- “BBerg” shall refer to Bloomberg.
- “CBOE” shall refer to Chicago Board Options Exchange.
- “FTSE” shall refer to Financial Times Stock Exchange.
- “HFRI” shall refer to Hedge Fund Research Index.
- “IMI” shall refer to Investable Market Index.
- “MSCI” shall refer to Morgan Stanley Capital International.
- “NCREIF” shall refer to National Council of Real Estate Investment Fiduciaries.
- “NR” shall refer to Net Return.
- “ODCE” shall refer to Open-End Diversified Core Equity.
- “S&P” shall refer to Standard and Poor’s.
- “TIPS” shall refer to Treasury Inflation Protected Securities.
- “TR” shall refer to Total Return.
- “UBS” shall refer to Union Bank of Switzerland.
- “USD” shall refer to United States Dollar.

Appendices

Corporate Update



Meketa Investment Group is proud to work for over 30 million American families everyday!



Client and employee counts as of September 30, 2025; assets under advisement preliminary as of June 30, 2025; assets in alternative investments preliminary as of June 30, 2025.

Client retention rate is one minus the number of clients lost divided by the number of clients at prior year-end. Average over the previous five years.

THOUGHT LEADERSHIP



The Spectrum of Infrastructure Assets

When most people hear “infrastructure,” they think of roads, power lines, and utilities. In reality, the investable universe of infrastructure assets is much broader. This white paper explores the full spectrum, from lower-risk “core” assets to potentially higher-returning “non-core” and “opportunistic” strategies. For investors, understanding this continuum is vital to navigating the risks and rewards of this asset class.

Read more here:

<https://meketa.com/leadership/the-spectrum-of-infrastructure-assets/>

Tariffs, Tech, and the Tug-of-War for Alpha

In this edition of meeting of the minds, our Public Markets Equity Research team cuts through the noise. From tariff-driven rotations to AI-fueled headwinds, from quality's setback in small caps to the growing risks of index concentration, we explore how managers are adapting and where opportunities may emerge.

Read more here:

<https://meketa.com/leadership/tariffs-tech-and-the-tug-of-war-for-alpha/>

Rate Cuts Under Pressure The Risk of Yield Curve Steepening Amid Questions of Fed Independence

While US GDP has remained resilient, the labor market is showing signs of stress. August's weaker employment report and sharp downward revisions to May and June as well as a significant downward revision of total jobs added between March 2024 and March 2025 point to a potential turning point in the cycle.

Read more here:

<https://meketa.com/news/meketa-connectives-rate-cuts-under-pressure-the-risk-of-yield-curve-steepening-amid-questions-of-fed-independence/>

CONGRATULATIONS TO MARY MUSTARD AND LISA RUBIN ON CELEBRATING 15 YEARS WITH MEKETA

We recently chronicled Mary's 15-year journey with Meketa where she has built a reputation for calm confidence, trusted client service, and mentorship across the firm.

View the full story here:

From Luck to Leadership: Mary Mustard's 15-Year Journey at Meketa

https://meketa.com/wp-content/uploads/2025/08/MEKETA_2025-Mary-Mustard_15-Year-Anniversary.pdf



MARY MUSTARD
Managing Principal /
Consultant



LISA M. RUBIN
Managing Principal /
Director of Marketing

MEKETA IN THE WILD

The Meketa team has been active at industry conferences this last quarter and is looking forward to attending others in the months ahead.

We're thankful for the chance to join fellow industry leaders in meaningful discussions on today's most important investment issues and to build both longtime and new connections.



FAOG 2025 Conference

Steve Voss, Laura Wirick, & Kathleen Neelon, attended FAOG's (Finance, Administration & Operations Group) 2025 Conference, where Steve led a panel on managing investment committees.



Pensions & Investments

Mark McKeown moderated a panel at the Pensions & Investments 2025 Fixed Income & Credit conference.



ACG Private Capital Markets Event

Steve Hartt spoke on a panel at the Association for Corporate Growth (ACG) San Diego Mid-Year Private Capital Markets Event.



LAPERS Conference

Shawn Bowen, Henry Jaung, & Aaron Lally attended the Louisiana Association of Public Employees' Retirement Systems (LAPERS) conference.



LAPERS Conference

Derek Proctor participated in discussion on infrastructure and real estate at Markets Group's New England Institutional Forum.

HABITAT FOR HUMANITY BUILD DAYS

As part of Meketa's volunteer opportunities, each employee is given 8 hours to volunteer in their local communities. During the summer, our office in Carlsbad and Westwood host Habitat for Humanity Build Days.

In August, employees from our Carlsbad location traveled to San Diego to help build and paint a playhouse for a local school.

Volunteering with Habitat for Humanity is a great way to bond with colleagues, but more importantly it's a great way to give back to our local communities. I encourage all of our colleagues to get involved in Meketa sponsored volunteer opportunities.

Larry Witt
Managing Principal/Consultant, Meketa



MEKETA IS A COMPANY OF VOLUNTEERS

During our *Season of Service*, volunteers from coast to coast helped food donation centers, Rosie's Place, Sarah's Circle, Blanchet House, and Feeding San Diego with their efforts to fight hunger. These organizations provide millions of meals every year to children, families, students, veterans, and other underserved populations.

In addition, volunteers in our Westwood location helped fill 40 backpacks for donation to the Dedham Youth Commission and Rosie's Place.



CELEBRATING THE RELEASE OF OUR 2024 CORPORATE CULTURE REPORT

View our full report here:
<https://meketa.com/news/meketa-is-pleased-to-present-our-2024-corporate-culture-report/>

Our True North commitment to integrity, excellence, belonging, and community drives everything we do.



Our Values Are Our Compass. Meketa is proud to share our “2024 Corporate Culture Report: True North.” The report highlights how our values, Enduring Integrity, Relentless Excellence, Opportunity, Belonging, and Advancement, guide everything we do for clients, colleagues, and communities. Explore real stories of stewardship, innovation, inclusion, and service that reflect our commitment to being a trusted partner for mission-driven institutions.

MEKETA IN THE NEWS

New Private Markets

Impact 50: Investors Turn to Affordable Housing

Sustained Political Support and a Drive to New Markets Have Allowed Affordable Housing Funds to Become a Mainstay in Private Markets Impact.

By Michael Bowen | August, 27, 2025

"Affordable housing, specifically in the US, is a big ship," says Rajeev Ranade, senior vice-president and real estate consultant at US investment management and advisory firm Meketa Investment Group.

Ranade describes how housing-related impact investing strategies have evolved from an emerging markets play to become a feature of developed markets, often focused on major cities in the US, looking to meet the needs of lower middle-class residents in expensive markets.

"These are major markets - New York, Boston, San Francisco, Los Angeles, places where the middle has really been hollowed out. That's the new view of impact. It can be done in rich markets," he tells New Private Markets.

Read More:

<https://www.newprivatemarkets.com/impact-50-investors-turn-to-affordable-housing/>

Private Equity International

Out of Reach?

Private Equity's 401(k) Ambitions

By Hannah Zhang | July/August 2025

While a growing number of PE firms are targeting retirement money in the US, the adoption of private market products in the participant-directed DC universe is still limited, according to Ted Benedict, managing principal and consultant at Meketa.

"I've seen and evaluated some of the products, but the adoption within the defined contribution space has been very slow," Benedict tells PEI. "The one asset class on the private side that has seen some adoption is core private real estate. [As for] private equity and private credit, I have not seen broad adoption, in my experience."

Liquidity and valuations are also top concerns. **"The main hurdles that you have to overcome in getting privates into a defined contribution plan are valuation process for more frequent valuations, and secondly, a liquidity process to be able to provide regular liquidity to the plans,"** says Benedict.

He adds that one reason private real estate has seen faster adoption in 401(k) plans compared with PE is its longer history of using open-end fund structures, which typically offer at least quarterly liquidity windows and allow investors to enter subscription or redemption queues. "That didn't really exist in other private market asset classes until recently, with the launch of interval funds and tender offer funds."

Read More:

<https://www.privateequityinternational.com/tapping-the-trillions-private-equitys-401k-ambitions/>

Buyouts

Under Siege: University Endowments Face Unique Challenges

Uncertainty Abounds as Endowments Scramble to Adapt to Government Policies, Sluggish Dealmaking and Diminished Exits.

By Alfe Crooks | September 2025

"I think you may see a shift," says Laura Wirick, managing principal at Meketa. "It's becoming a more attractive environment for smaller endowments and foundations that have wanted to access private markets asset classes that maybe couldn't get the attention of certain GPs that they wanted to invest with, historically."

"I was at a conference recently where a top-tier GP that maybe wouldn't have been marketing in this conference in the past was giving out more access to information to these smaller endowments and foundations."

Read More:

<https://www.buyoutsinsider.com/under-siege-university-endowments-face-unique-challenges/>

Disclaimer, Glossary, and Notes

THIS REPORT (THE “REPORT”) HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”).

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE (“AI”) TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE “FORWARD-LOOKING STATEMENTS,” WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “AIM,” “ANTICIPATE,” “TARGET,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE,” OR “BELIEVE,” OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, 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 of 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, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = \frac{1\% \text{ pro rata, plus}}{5.26\% \text{ (current yield)}} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991

The Russell Indices®, TM, SM are trademarks/service marks of the Frank Russell Company.

Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.