

Employees' Retirement System of the City of Norfolk

Performance Update
As of October 31, 2023

Fund Evaluation Report

Economic and Market Update

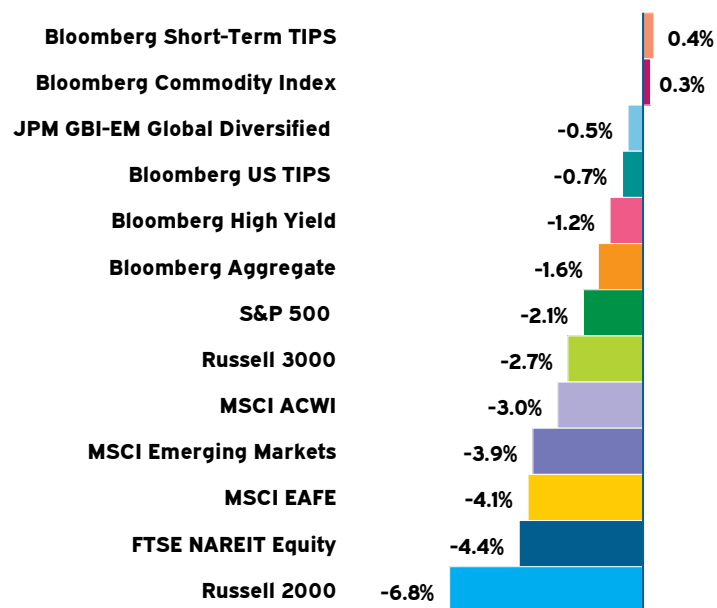
Data as of October 31, 2023

Commentary

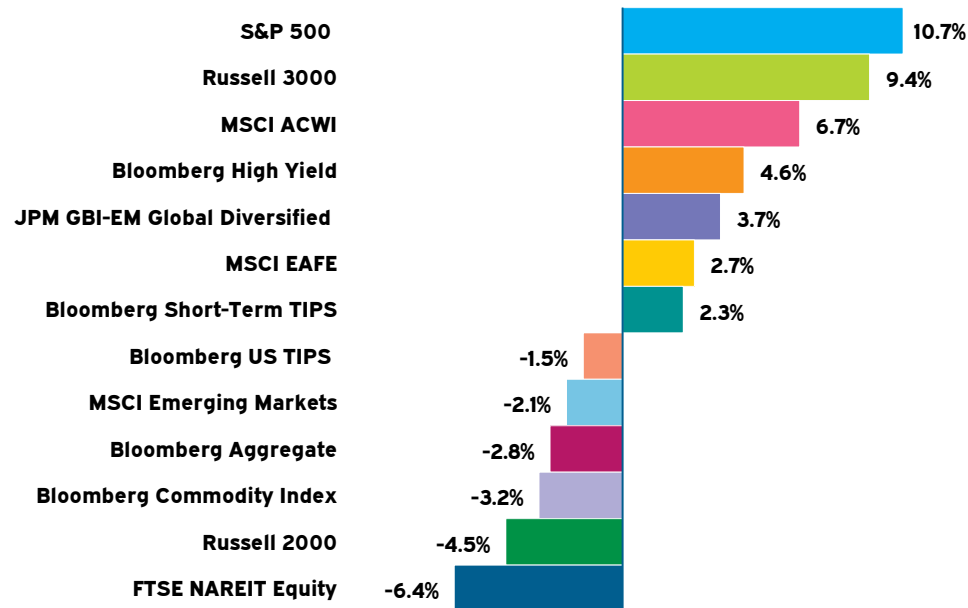
- Global markets continued to struggle in October, as expectations remained on the Fed keeping interest rates higher for longer due to resilient economic data.
- The Federal Open Markets Committee (FOMC), which increased policy rates in July by 0.25% to a range of 5.25% - 5.5%, has been on pause since. Markets are now largely expecting the FOMC to maintain interest rates at this level through the first half of next year with cuts to follow.
 - US equity markets (Russell 3000 index) fell in October (-2.7%), lowering the year-to-date gains to 9.4%. Most sectors except utilities struggled in October.
 - Non-US developed equity markets declined more than the US in October (MSCI EAFE -4.1%), with the strength of the US dollar weighing on returns. This widened the gap between US and international developed equities for the year (to 9.4% versus 2.7%).
 - Emerging market equities also fell in October (-3.9%), with negative results driven by China and the strong US dollar. Emerging markets continue to significantly trail developed market equities year-to-date, returning -2.1%, again driven by losses from China (-11.2%).
 - Interest rates generally rose in October, particularly for longer-dated maturities. The broad US bond market declined (-1.6%) in October falling further into negative territory (-2.8%) year-to-date, as higher income has offset a portion of the capital losses from rising rates.
- For the rest of this year and into 2024, the paths of inflation and monetary policy, slowing global growth, and the wars in Ukraine and Israel will all be key.

Index Returns¹

QTD



YTD



→ After a strong start to the year, the prospect of higher interest rates for longer given resilient economic data has weighed on markets from August through October.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Domestic Equity Returns¹

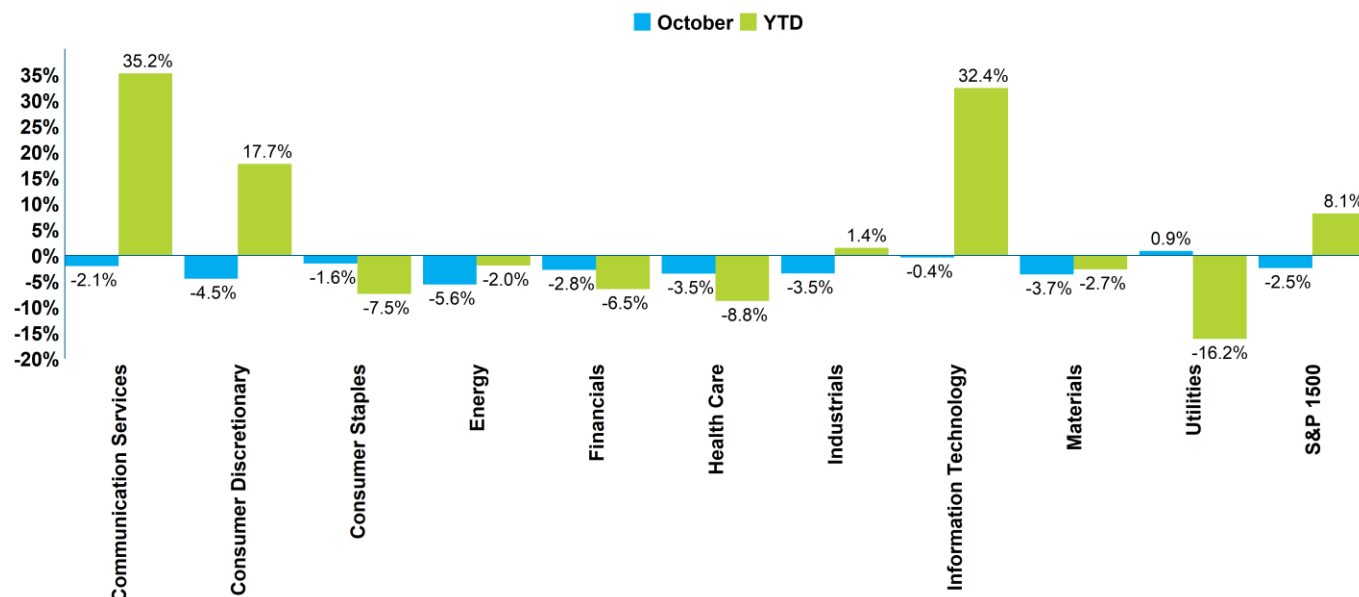
Domestic Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-2.1	-3.3	10.7	10.1	10.3	11.0	11.2
Russell 3000	-2.7	-3.3	9.4	8.4	9.2	10.2	10.5
Russell 1000	-2.4	-3.1	10.3	9.5	9.5	10.7	10.9
Russell 1000 Growth	-1.4	-3.1	23.2	19.0	8.7	14.2	13.8
Russell 1000 Value	-3.5	-3.2	-1.8	0.1	10.2	6.6	7.6
Russell MidCap	-5.0	-4.7	-1.3	-1.0	6.0	7.1	8.0
Russell MidCap Growth	-5.1	-5.2	4.3	3.3	0.8	8.1	9.1
Russell MidCap Value	-5.0	-4.5	-4.4	-3.6	8.8	5.7	6.9
Russell 2000	-6.8	-5.1	-4.5	-8.6	3.9	3.3	5.6
Russell 2000 Growth	-7.7	-7.3	-2.9	-7.6	-1.8	2.7	5.7
Russell 2000 Value	-6.0	-3.0	-6.5	-9.9	9.7	3.3	5.2

US Equities: The Russell 3000 Index fell 2.7% in October but is up 9.4% YTD.

- A surprisingly strong September jobs report and third quarter GDP reading reinforced investors' expectations that the Federal Reserve will keep interest rates higher for longer and broadly weighed on US equities.
- The utility sector was the only sector that posted a gain during October. Energy stocks experienced the steepest fall, followed by consumer discretionary stocks.
- Large cap stocks outperformed small cap stocks during October driven by the technology sector. Microsoft and Amazon, both of which reported stronger than expected third quarter results, were significant contributors to this dynamic.

¹ Source: Bloomberg. Data is as of October 31, 2023.

S&P 1500 Sector Returns¹



→ Except for utilities all sectors were down in October.

→ So far in 2023, the communication services (+35.2%) and technology (+32.4%) sectors had the best results, helped by artificial intelligence optimism. Given the continued strength in the US consumer the consumer discretionary sector followed (+17.7%), while more traditionally defensive sectors like utilities (-16.2%), health care (-8.8%), and consumer staples (-7.5%) have trailed.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Foreign Equity Returns¹

Foreign Equity	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-4.1	-3.8	1.0	12.1	3.0	3.5	2.5
MSCI EAFE	-4.1	-4.1	2.7	14.4	5.7	4.1	3.1
MSCI EAFE (Local Currency)	-3.4	-1.3	7.0	10.4	11.0	6.4	6.0
MSCI EAFE Small Cap	-5.9	-3.5	-4.2	6.5	0.3	1.6	3.4
MSCI Emerging Markets	-3.9	-2.9	-2.1	10.8	-3.7	1.6	1.2
MSCI Emerging Markets (Local Currency)	-3.6	-1.4	0.3	9.8	-1.1	3.6	4.2
MSCI China	-4.3	-1.9	-11.2	21.1	-16.9	-2.6	1.0

Foreign Equity: Developed international equities (MSCI EAFE) fell 4.1% in October, dropping the YTD gain to 2.7%. Emerging market equities (MSCI EM) fell 3.9% in the period and were down 2.1% YTD.

- Non-US equities fell for the third consecutive month with steeper declines compared to the US market. The continued strength of the US dollar contributed to losses, as well as the ongoing geopolitical crisis in the Middle East.
- European equities struggled due to slowing growth, falling PMI, and a contraction in household and business credit supply. The UK saw greater losses, with sticky inflation, and continued wage growth suggesting that rates will be high for some time. Japan remains the best performing market year-to-date, though the TOPIX lost momentum in October.
- Emerging market equity performance was slightly better than developed international equities, but the declines for the month brought year-to-date results into negative territory. While there were some positive data out of China on industrial production and retail sales, continued weakness in real estate and new US chip restrictions weighed on market sentiment.

¹ Source: Bloomberg. Data is as of October 31, 2023.

Fixed Income Returns¹

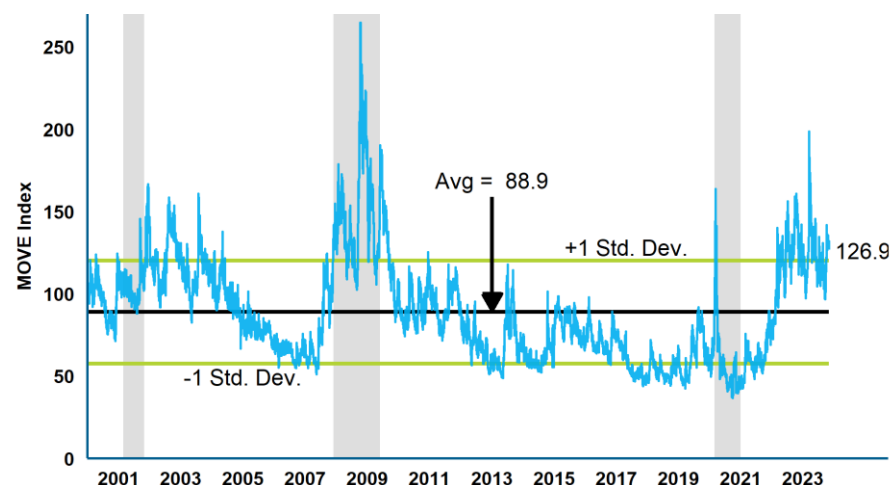
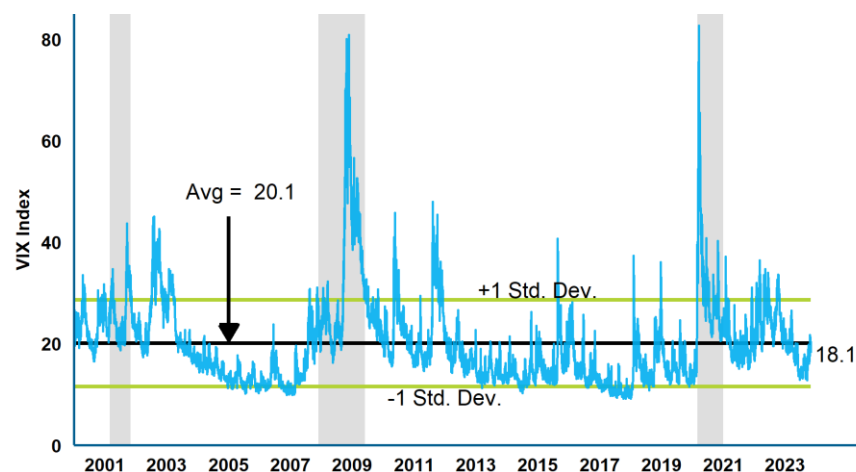
Fixed Income	October (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-1.5	-2.9	-2.1	1.2	-5.0	0.2	1.2	6.0	5.9
Bloomberg Aggregate	-1.6	-3.2	-2.8	0.4	-5.6	-0.1	0.9	5.6	6.1
Bloomberg US TIPS	-0.7	-2.6	-1.5	-0.7	-2.0	2.3	1.6	5.2	6.6
Bloomberg Short-term TIPS	0.4	0.4	2.3	2.6	2.1	3.0	1.7	5.4	2.5
Bloomberg High Yield	-1.2	0.5	4.6	6.2	1.2	3.0	3.9	9.5	4.0
JPM GBI-EM Global Diversified (USD)	-0.5	-3.3	3.7	13.5	-3.0	0.3	-1.2	7.0	4.9

Fixed Income: The Bloomberg Universal index declined 1.5% in October and 2.1% YTD.

- Expectations for policy rates to remain higher for longer than previously expected continued to weigh on yields in October.
- The broad US bond market (Bloomberg Aggregate) fell 1.6% in the month, driving year-to-date performance further into negative territory. The broader TIPS index fell by 0.7%, while the less interest-rate-sensitive short-term TIPS index outperformed most sectors, up 0.4%.
- High yield bonds also weakened, declining 1.2%, and emerging market bonds fell 0.5%. Volatility in both asset classes is being driven by movement in broader interest rates, but also a modest deterioration in risk appetite.

¹ Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of October 31, 2023. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

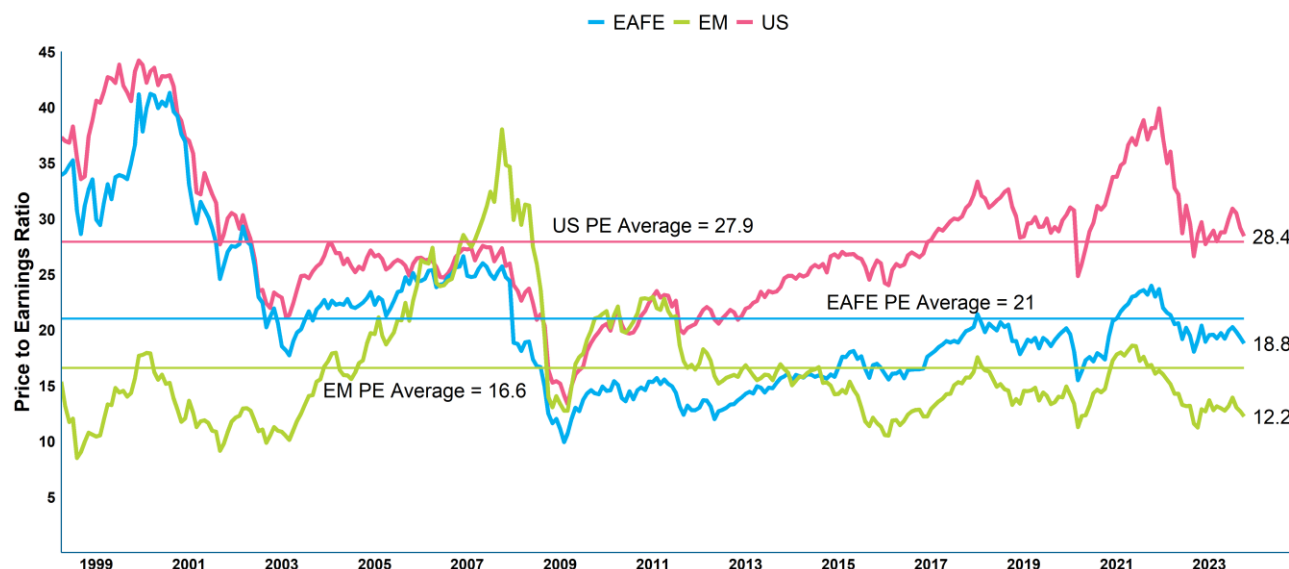
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) increased in October but finished at a level near the long-term average. The recent increase in equity volatility has largely been driven by investors coming to terms that interest rates might remain higher for a longer period.
- In comparison, volatility in the bond market (MOVE) remains well above its long-run average (88.9) after last year's historic losses and due to continued policy uncertainty. In October, fixed income volatility finished higher compared to where it started, like equities, driven by expectations for rates to stay higher for longer and increased concerns about future US debt issuance.

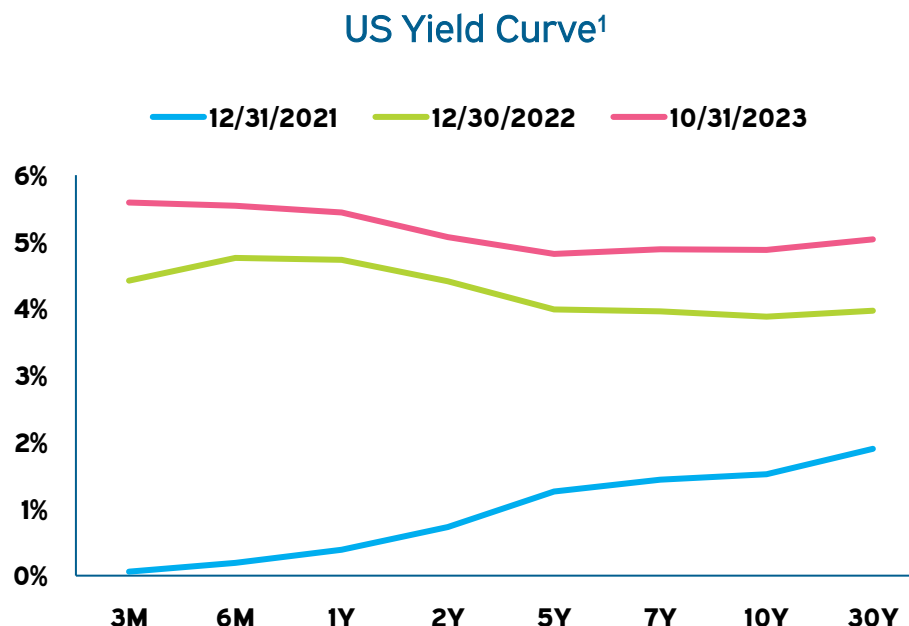
¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of October 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and October 2023.

Equity Cyclically Adjusted P/E Ratios¹



- Given the strong technology-driven rally this year, the US equity price-to-earnings ratio increased above its long-run (21st century) average. With the equity market decline in August through October, the P/E ratio fell from its recent peak.
- International developed market valuations are below their own long-term average, with those for emerging markets the lowest and well under the long-term average (close to one standard deviation below).

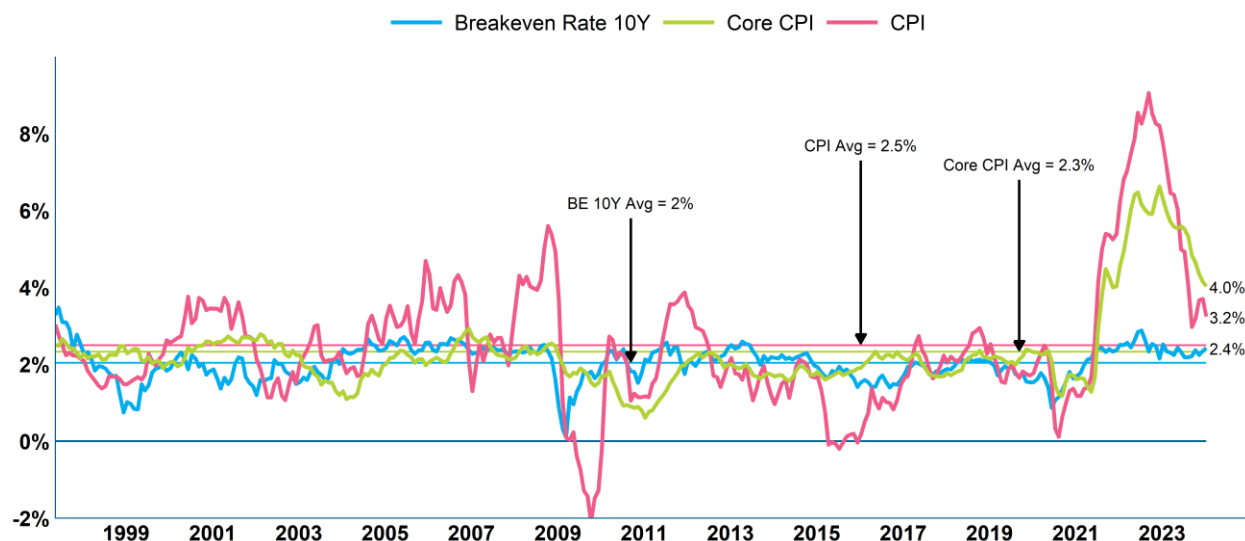
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of October 2023. 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.



- Overall rates continued to increase this year, particularly at the policy sensitive front-end of the yield curve, but at a much slower pace compared to last year.
- In October, very short-term interest rates (two years or less) increased only slightly as monetary policy has likely reached close to its terminal rate for this cycle. By contrast, longer-term rates continued their dramatic rise as investors come to terms with rates remaining higher for longer. The ten-year Treasury yield has experienced a significant increase from 3.9% to 4.9% since the beginning of the year.
- Because of the dynamic above, the yield curve's inversion decreased further with the spread between two-year and ten-year Treasuries at -0.15% at the end of October (it started the third quarter at -1.05%).

¹ Source: Bloomberg. Data is as of October 31, 2023.

Ten-Year Breakeven Inflation and CPI¹

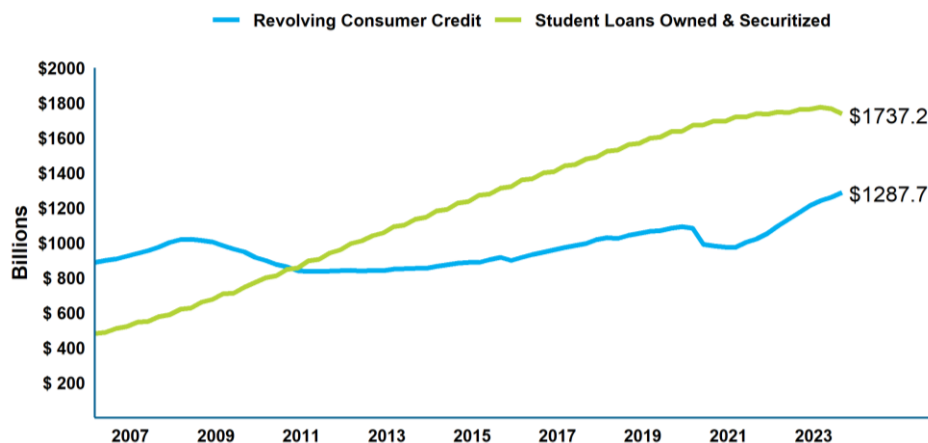


- Year-over-year headline inflation fell from 3.7% to 3.2%, coming in slightly below expectations. Declines were driven by energy, used cars and trucks, and medical services.
- Core inflation – excluding food and energy – fell slightly (4.1% to 4.0%) year-over-year. It remains stubbornly high, though, driven by shelter costs (+6.7%), particularly owners' equivalent rent, and transportation services (+9.2%).
- Inflation expectations (breakevens) remain below current inflation as investors continue to expect inflation to track back toward the Fed's 2% average target.

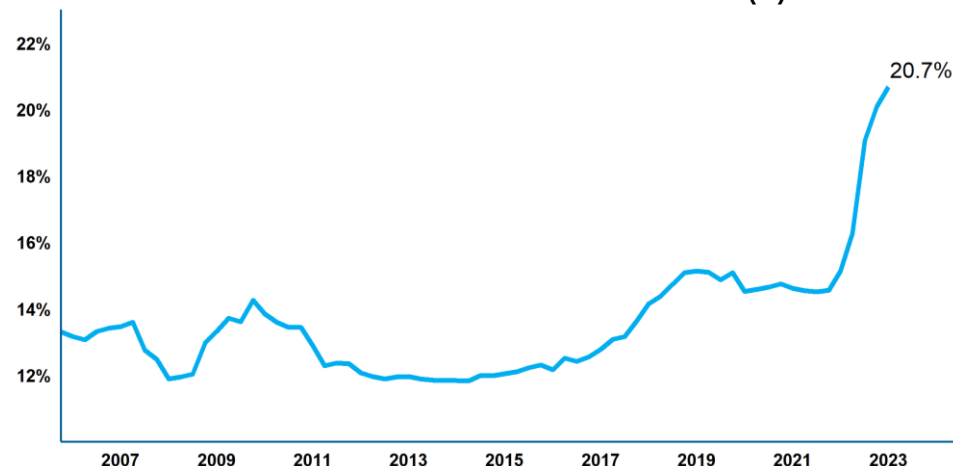
¹ Source: FRED. Data is as October 31, 2023. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

US Consumer Under Stress?¹

Revolving Consumer Credit & Student Loans (\$B)



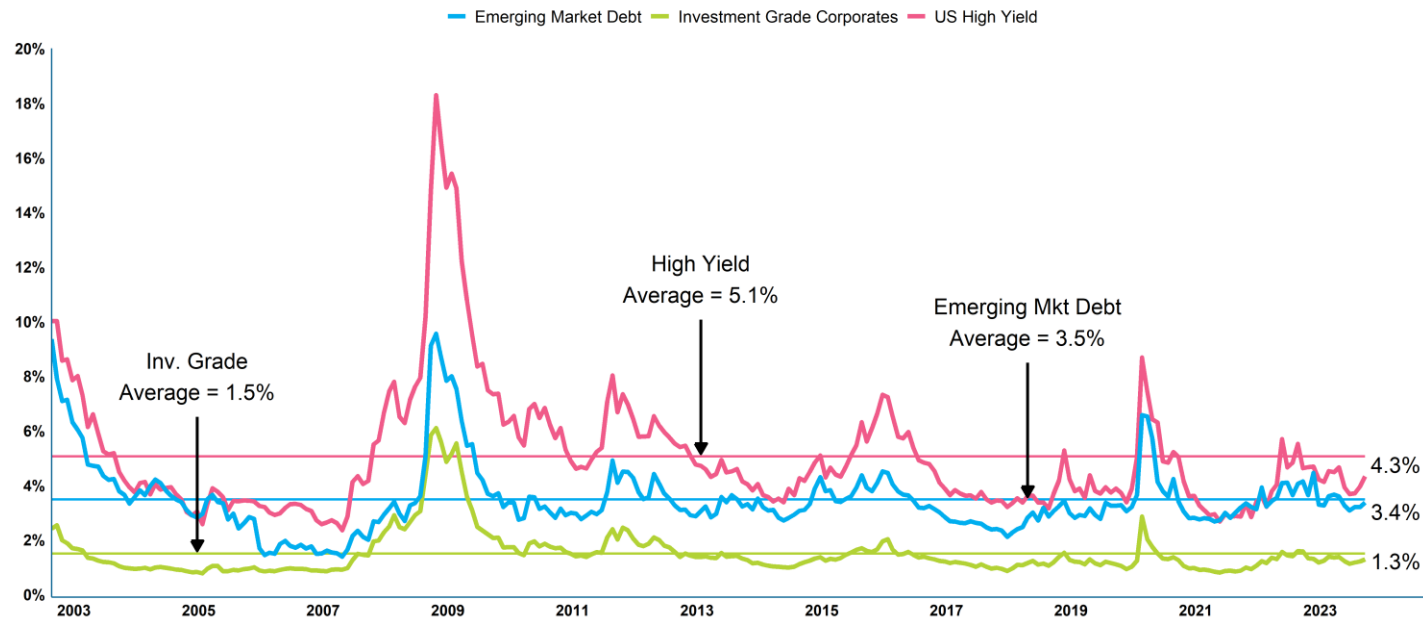
Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been an important driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s).
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially balanced by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

¹ Source: FRED. Revolving Consumer Credit and Student Loans data is as of September 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season. Consumer Credit Card Interest Rates data is as of June 30, 2023.

Credit Spreads vs. US Treasury Bonds¹

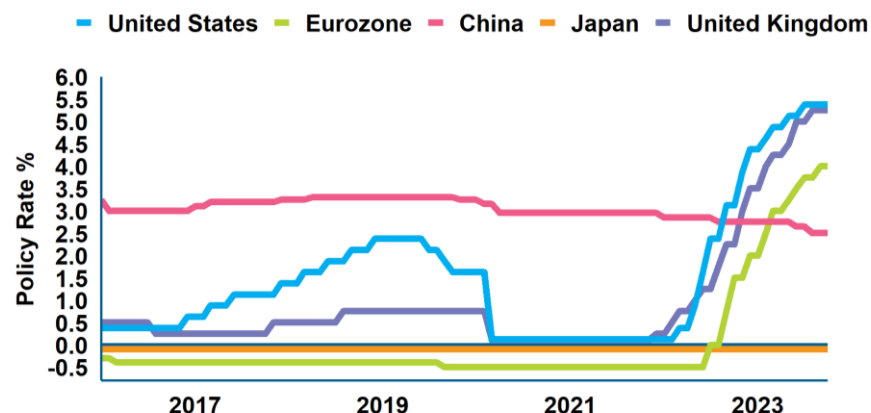


- Credit spreads (the added yield above a comparable maturity Treasury) increased in October but remained below their respective long run averages.
- High yield spreads continue to be the furthest below their long-term average given the overall risk appetite this year. Investment-grade and emerging market spreads are also below their respective long-term averages, but by smaller margins.

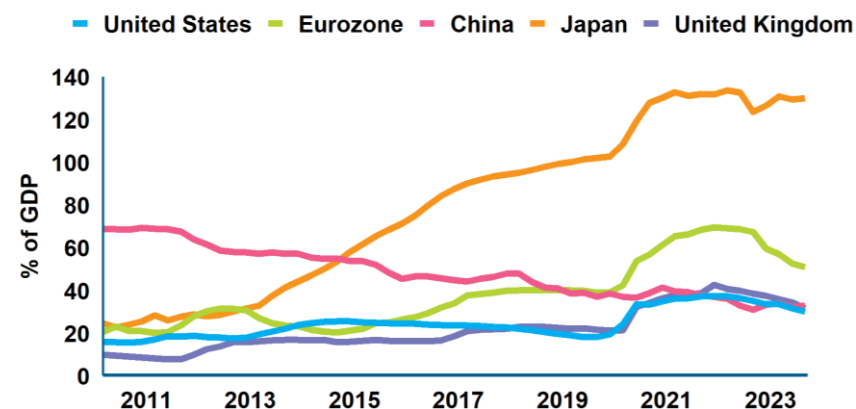
¹ Sources: Bloomberg. Data is as of October 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Central Bank Response¹

Policy Rates



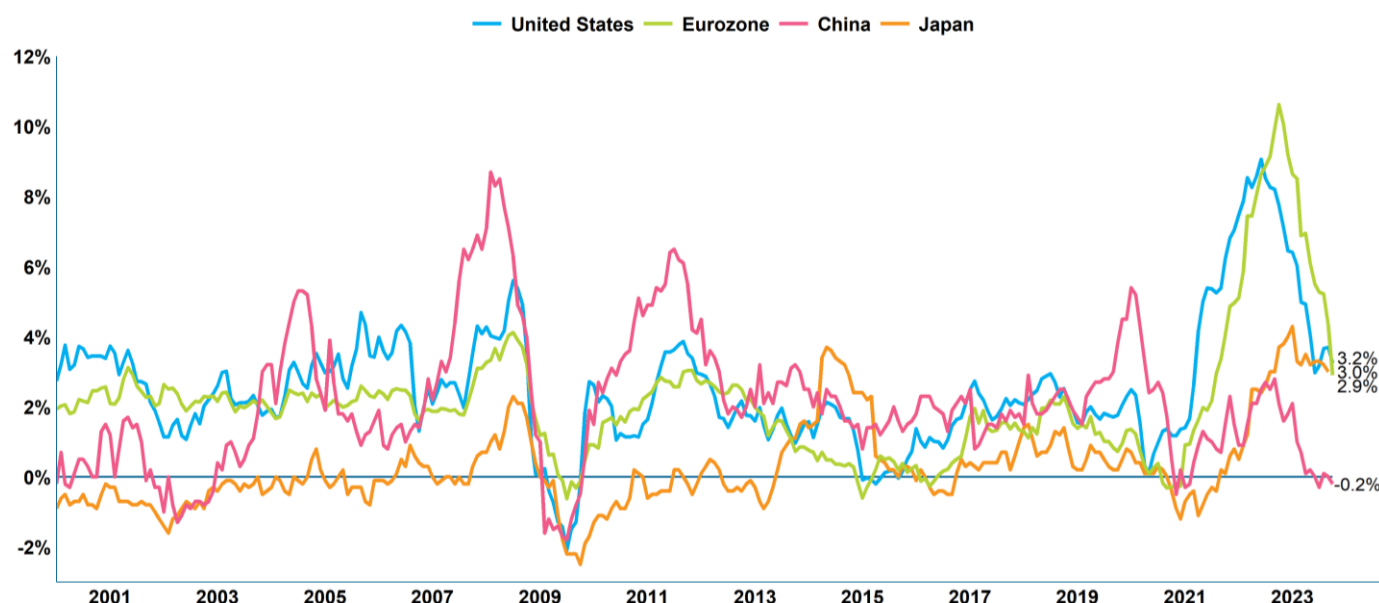
Balance Sheet as % of GDP



- Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening.
- In July, the Fed raised rates another 25 basis points to a range of 5.25% to 5.50% and then kept rates at this level at their September and October/November meetings. Markets are not expecting any additional rate hikes.
- The European Central Bank paused in October, with lower-than-expected inflation and weaker growth. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has continued to cut interest rates and inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.
- Risks remain for a policy error as central banks attempt to balance bringing down inflation, maintaining financial stability, and supporting growth.

¹ Source: Bloomberg. Policy rate data is as of October 31, 2023. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of September 30, 2023.

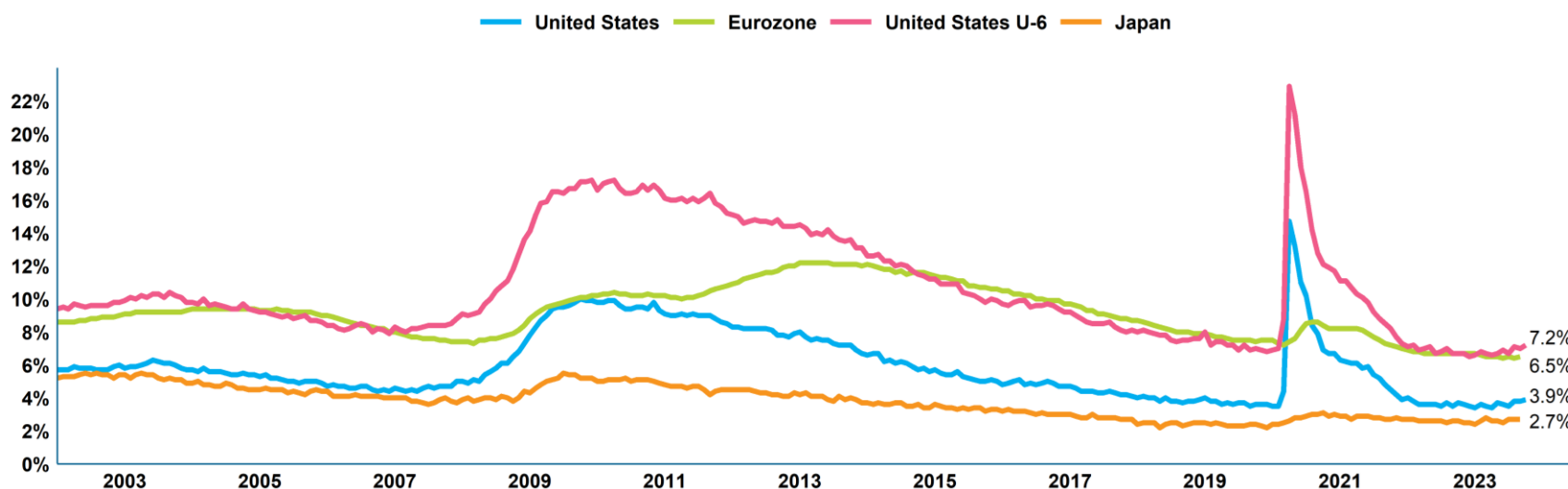
Inflation (CPI Trailing Twelve Months)¹



- The inflation picture remains mixed across the major economies.
- In the US, inflation fell from 3.7% to 3.2%, driven by falling energy prices. In the eurozone inflation experienced a dramatic decline in October (4.3% to 2.9%), to a level below the US, also driven by a decline in energy prices. Despite 2023's significant declines in the US and Europe, inflation levels remain elevated compared to central bank targets.
- Inflation in Japan, has increased to levels not seen in almost a decade, driven by food and home related items. In China, deflationary pressures returned in October, as consumption declined after the holiday earlier in the month.

¹ United States CPI and Eurozone CPI – Source: FRED. Japan CPI and China CPI - Source: Bloomberg. Data is as October 31, 2023. The most recent data for Japanese inflation is as of September 30, 2023.

Unemployment¹



- Overall, the US labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued. The pace of wage growth has slowed though, and despite remaining elevated, the number of job openings has declined from recent highs.
- In October, US unemployment increased slightly (3.8% to 3.9%), with job gains of 150,000 coming in below expectations of 180,000. The labor force participation rate declined slightly over the month from 62.8% to 62.7%, well off the lows of the pandemic (60.1%) but not back to pre-pandemic levels (63.3%). Broader measures of unemployment (U-6) finished the quarter at 7.2%, up from the September reading of 7.0%.
- Unemployment in Europe (6.5%) remains higher than the US, while levels in Japan (2.7%) remained low through the pandemic given less layoffs.

¹ Eurozone Unemployment - Source: Bloomberg. Japan, United States, United States U-6 Unemployment – Source: FRED. Data is as October 31, 2023, for the US. The most recent data for Eurozone and Japan unemployment is as of September 30, 2023.

US Dollar versus Broad Currencies¹



- After a strong 2022, the US dollar declined late last year and into early this year as weaker economic data and lower inflation led to investors anticipating the end of FOMC tightening.
- Recently though, the dollar reversed course and appreciated against major currencies as relative growth remains strong and investors anticipate the FOMC keeping interest rates higher for longer.
- For the rest of this year, the track of inflation across economies and the corresponding monetary policies will likely be key drivers of currency moves.

¹ Source: Bloomberg. Data as of October 31, 2023.

Summary

Key Trends:

- The impact of inflation still above policy targets will remain key, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to reduce persistent inflation while not tipping their economies into recession.
- Growth is expected to slow globally this year, with many economies forecasted to tip into recession. However, optimism has been building that some economies could experience soft landings. Inflation, monetary policy, and the war will all be key.
- In the US, consumers could feel pressure as certain components of inflation (e.g., shelter), remain high, borrowing costs are elevated, and the job market may weaken.
- The key for US equities going forward will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including the potential for recent strength in the US dollar to persist, higher inflation weighing particularly on Europe, and China's sluggish economic reopening and on-going weakness in the real estate sector. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.
- Recent, heightened tensions in Israel could add to overall uncertainty and drive safe haven flows.

Executive Summary

→ The month of October saw stocks and bonds both decline as interest rates continued to rise, buoyed by stronger than expected economic data from September.

→ The below table reflects the latest final valuation data through October 2023.

NERS	October 31, 2023	September 30, 2023	August 31, 2023
Total Fund Balance	\$1.20 Billion	\$1.23 Billion	\$1.28 Billion
Funded Status	78%	80%	83%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	-4.9%	-2.9%	0.2%
12 Months Trailing Rate of Return	4.2%	4.1%	5.7%
Monthly Rate of Return	-2.1%	-3.0%	-1.8%
Monthly Gains/Losses	-\$26.4 million	-\$38.8 million	-\$24.2 million
Monthly Net Cash Flow	-\$8.0 million	-\$7.9 million	-\$7.6 million

→ The Actuarial Determined Contribution rates for Fiscal Year 2024 are:

- NERS: 20.96%
- VRS: 12.94%

→ As of October 31, the System was inside of its target asset allocation ranges for all asset classes.

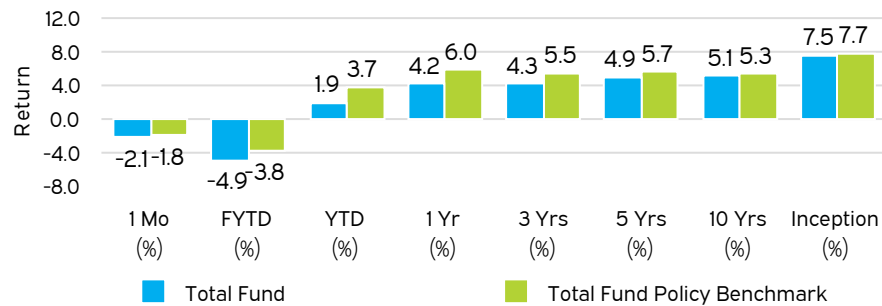
Employees' Retirement System of the City of Norfolk

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Portfolio Objective

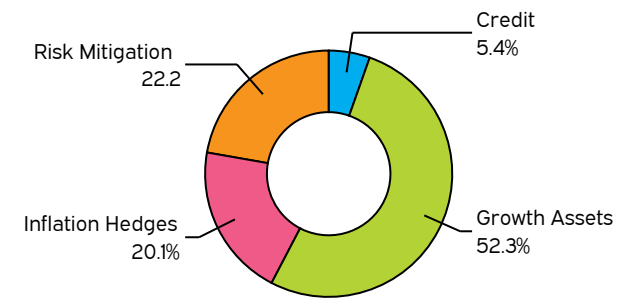
The Employees' Retirement System of the City of Norfolk is a long-term investor whose objective is to enable the System to provide retirement income for plan participants and beneficiaries. The System's strategy is to generate a return that meets the long-term return objective, while minimizing volatility.

Return Summary



	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Total Fund	-2.1	-4.9	1.9	4.2	4.3	4.9	5.1	7.5	10/01/1990
Total Fund Policy Benchmark	-1.8	-3.8	3.7	6.0	5.5	5.7	5.3	7.7	

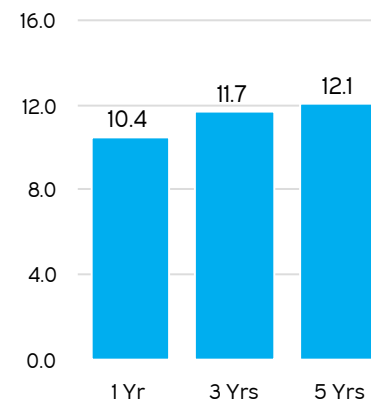
Current Allocation



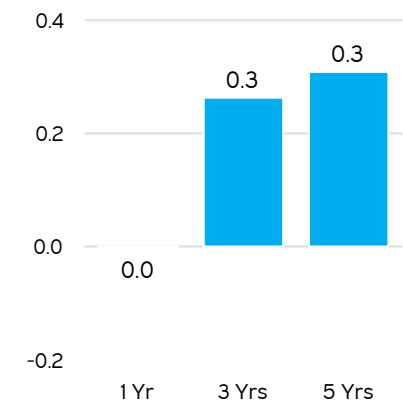
Summary of Cash Flows

	Last Month	Year-To-Date	One Year
Total Fund			
Beginning Market Value	1,231,245,196	1,204,372,398	1,197,358,310
Net Cash Flow	-7,996,152	-35,208,165	-55,770,351
Net Investment Change	-26,379,711	27,705,101	55,281,375
Ending Market Value	1,196,869,333	1,196,869,333	1,196,869,333

Annualized Standard Deviation



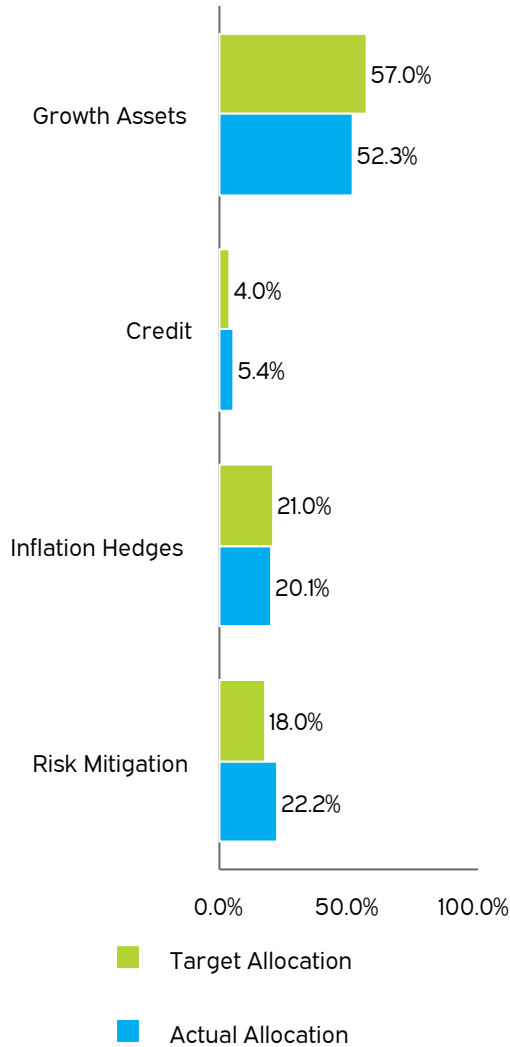
Sharpe Ratio



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Actual vs. Target Allocation



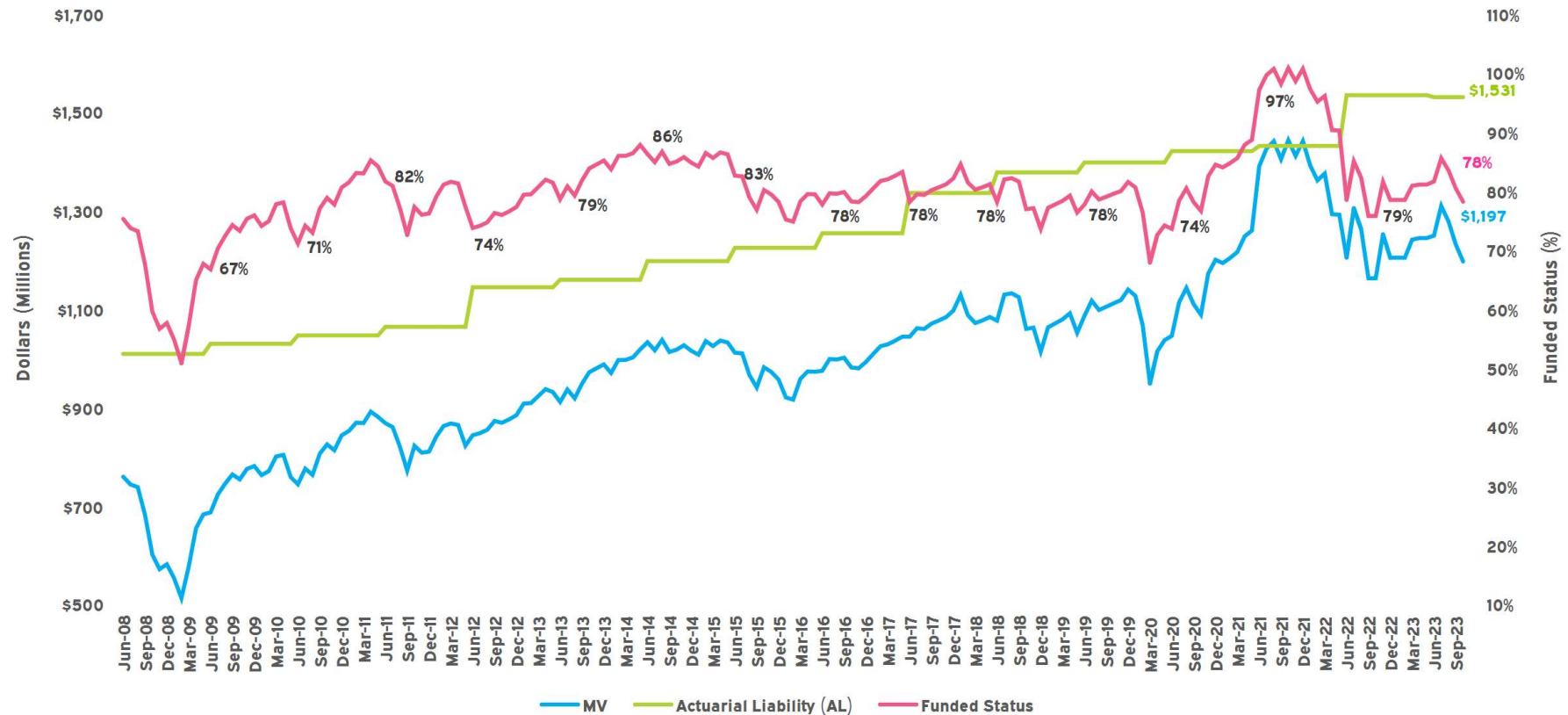
Allocation vs. Targets and Policy

	Current Balance	Current Allocation (%)	Policy (%)	Policy Range (%)	Within IPS Range?
Growth Assets	\$625,605,252	52.3	57.0	47.0 - 67.0	Yes
Global Equity	\$625,605,252	52.3	52.0	42.0 - 62.0	Yes
Private Equity	\$0	0.0	5.0	0.0 - 10.0	Yes
Credit	\$64,404,746	5.4	4.0	0.0 - 9.0	Yes
High Yield & Bank Loans	\$64,404,746	5.4	4.0	0.0 - 9.0	Yes
Inflation Hedges	\$240,778,909	20.1	21.0	14.0 - 28.0	Yes
Real Estate	\$86,361,951	7.2	8.0	3.0 - 13.0	Yes
Natural Resources & Infrastructure	\$53,979,238	4.5	5.0	0.0 - 10.0	Yes
Gold	\$35,534,586	3.0	3.0	0.0 - 6.0	Yes
Short-Term TIPS	\$64,903,134	5.4	5.0	0.0 - 10.0	Yes
Risk Mitigation	\$266,080,426	22.2	18.0	11.0 - 25.0	Yes
Investment Grade Fixed Income	\$199,413,305	16.7	14.0	7.0 - 21.0	Yes
Hedge Funds	\$64,951,755	5.4	4.0	0.0 - 9.0	Yes
Cash	\$1,715,366	0.1	0.0	0.0 - 3.0	Yes
Total	\$1,196,869,333	100.0	100.0		

Employees' Retirement System of the City of Norfolk

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Assets, Liabilities and Funded Status Over Time



As of June 30, 2023, Total Plan Actuarial Liability (AL) is \$1.531 billion and the Actuarial Value of assets (AVA) is \$1.294 billion for an Actuarial funded ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MV/AL) was approximately 80% in September 2023 and 78% in October 2023.

Employees' Retirement System of the City of Norfolk

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Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,196,869,333	100.0	-2.1	-4.9	1.9	4.2	4.3	4.9	5.1	7.5	Oct-90
Total Fund Policy Benchmark			-1.8	-3.8	3.7	6.0	5.5	5.7	5.3	7.7	
Total Fund Actual Allocation Benchmark			-2.0	-4.4	2.8	--	--	--	--	--	
Total Fund Public Benchmark			-2.9	-6.1	3.5	6.6	2.2	4.8	4.9	7.6	
Growth Assets	625,605,252	52.3	-3.1	-6.4	5.5	--	--	--	--	1.4	Dec-22
Growth Assets Custom Benchmark			-2.7	-5.1	8.1	--	--	--	--	3.4	
Global Equity	625,605,252	52.3	-3.1	-6.4	5.5	9.2	6.7	7.4	7.2	8.6	Oct-90
Global Equity Policy Benchmark			-3.3	-6.6	5.7	9.4	6.5	7.1	6.9	8.9	
Credit	64,404,746	5.4	-0.9	1.4	--	--	--	--	--	3.4	May-23
Credit Custom Benchmark			-0.6	1.3	7.3	--	--	--	--	2.8	
High Yield & Bank Loans	64,404,746	5.4	-0.9	1.4	--	--	--	--	--	3.4	May-23
High Yield & Bank Loans Custom Benchmark			-0.6	1.3	7.3	8.9	3.5	3.7	4.1	2.8	
Inflation Hedges	240,778,909	20.1	-0.3	-1.7	-4.8	--	--	--	--	-9.0	Dec-22
Inflation Hedges Custom Benchmark			-0.2	-1.2	-3.5	--	--	--	--	-5.9	
Real Estate	86,361,951	7.2	-0.6	-4.1	-9.9	-13.5	1.1	0.6	4.6	6.1	Apr-11
NCREIF ODCE (Net)			0.0	-2.1	-8.1	-12.9	6.2	4.7	7.2	8.1	
Natural Resources & Infrastructure	53,979,238	4.5	-3.9	-1.0	--	--	--	--	--	-4.7	Apr-23
S&P Global LargeMidcap Resources & Commodities NR USD			-5.2	-2.5	-7.6	-3.9	18.5	8.3	3.8	-6.2	
Gold	35,534,586	3.0	5.2	-0.7	--	--	--	--	--	-6.0	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			7.1	-0.8	4.2	20.0	--	--	--	-4.9	
Short-Term TIPS	64,903,134	5.4	0.4	0.8	--	--	--	--	--	1.0	Mar-23
Blmbg. U.S. TIPS 0-5 Year			0.4	0.8	2.3	2.6	2.1	3.0	1.7	2.0	

See benchmark history page for benchmark detail.

Employees' Retirement System of the City of Norfolk

Performance Update | As of October 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk Mitigation	266,080,426	22.2	-1.9	-5.8	-2.3	--	--	--	--	-2.8	Dec-22
<i>Risk Mitigation Custom Benchmark</i>			-1.4	-3.6	-2.2	--	--	--	--	-2.5	
Investment Grade Fixed Income	199,413,305	16.7	-2.5	-7.8	-5.0	-1.9	-6.2	-0.5	0.7	4.9	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	4.9	
Intermediate-Term Bonds	156,464,561	13.1	-1.8	-5.2	-2.5	0.7	-5.4	0.0	1.0	4.9	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	4.9	
Long-Term Bonds	42,948,745	3.6	-4.9	-16.2	--	--	--	--	--	-14.3	Mar-23
<i>Blmbg. U.S. Treasury: Long</i>			-4.9	-16.2	-13.1	-8.5	-16.3	-3.2	0.1	-14.2	
Hedge Funds	64,951,755	5.4	0.1	0.8	--	--	--	--	--	4.4	Apr-23
<i>HFRI Macro (Total) Index</i>			-0.8	0.5	-0.3	-2.3	7.2	5.5	3.2	2.2	
Cash	1,715,366	0.1									

Employees' Retirement System of the City of Norfolk

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	Trailing Net Performance										
	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	1,196,869,333	100.0	-2.1	-4.9	1.9	4.2	4.3	4.9	5.1	7.5	Oct-90
Total Fund Policy Benchmark			-1.8	-3.8	3.7	6.0	5.5	5.7	5.3	7.7	
Total Fund Actual Allocation Benchmark			-2.0	-4.4	2.8	--	--	--	--	--	
Total Fund Public Benchmark			-2.9	-6.1	3.5	6.6	2.2	4.8	4.9	7.6	
Growth Assets	625,605,252	52.3	-3.1	-6.4	5.5	--	--	--	--	1.4	Dec-22
Growth Assets Custom Benchmark			-2.7	-5.1	8.1	--	--	--	--	3.4	
Global Equity	625,605,252	52.3	-3.1	-6.4	5.5	9.2	6.7	7.4	7.2	8.6	Oct-90
Global Equity Policy Benchmark			-3.3	-6.6	5.7	9.4	6.5	7.1	6.9	8.9	
SSgA MSCI ACWI IMI Index Fund	63,874,604	5.3	-3.3	-6.6	6.0	9.8	6.9	7.5	--	8.4	May-16
MSCI AC World IMI (Net)			-3.3	-6.6	5.7	9.4	6.5	7.1	6.6	8.0	
SSgA Russell 1000 Growth Index	27,795,546	2.3	-1.4	-4.5	--	--	--	--	--	15.0	Mar-23
Russell 1000 Growth Index			-1.4	-4.5	23.2	19.0	8.7	14.2	13.8	15.1	
SSgA Russell 1000 Value Index	13,207,282	1.1	-3.5	-6.6	--	--	--	--	--	-3.2	Mar-23
Russell 1000 Value Index			-3.5	-6.6	-1.8	0.1	10.2	6.6	7.6	-3.2	
SSgA Russell 3000 Index	166,592,793	13.9	-2.7	-5.8	--	--	--	--	--	4.8	Mar-23
Russell 3000 Index			-2.7	-5.8	9.4	8.4	9.2	10.2	10.5	4.8	
SSgA MSCI EAFE	89,872,615	7.5	-4.0	-8.0	--	--	--	--	--	-2.6	Mar-23
MSCI EAFE (Net)			-4.1	-8.0	2.7	14.4	5.7	4.1	3.1	-2.9	
SSgA Emerging Markets Index	36,082,787	3.0	-3.7	-6.9	--	--	--	--	--	-2.9	Mar-23
MSCI Emerging Markets (Net)			-3.9	-6.7	-2.1	10.8	-3.7	1.6	1.2	-3.0	
ABS China Direct	3,036,190	0.3	-4.7	-7.7	--	--	--	--	--	-14.8	Mar-23
MSCI China (Net)			-4.3	-6.1	-11.2	21.1	-16.9	-2.6	1.0	-11.4	

Employees' Retirement System of the City of Norfolk

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	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
ABS EM ex China Direct	11,247,397	0.9	-4.7	-6.0	--	--	--	--	--	5.2	Mar-23
MSCI EM ex China			-3.7	-6.9	-1.0	3.7	3.5	3.2	1.5	1.0	
Kopernik Global All-Cap	30,294,315	2.5	1.2	5.5	--	--	--	--	--	5.0	Apr-23
MSCI AC World Index (Net)			-3.0	-6.3	6.7	10.5	6.7	7.5	6.8	-0.5	
First Eagle Global Equity	93,639,473	7.8	-3.3	-7.1	--	--	--	--	--	-2.5	Apr-23
MSCI AC World Index (Net)			-3.0	-6.3	6.7	10.5	6.7	7.5	6.8	-0.5	
Artisan Global Opportunities	89,962,248	7.5	-4.0	-9.1	--	--	--	--	--	-3.5	Apr-23
MSCI AC World Index (Net)			-3.0	-6.3	6.7	10.5	6.7	7.5	6.8	-0.5	
Credit	64,404,746	5.4	-0.9	1.4	--	--	--	--	--	3.4	May-23
Credit Custom Benchmark			-0.6	1.3	7.3	--	--	--	--	2.8	
High Yield & Bank Loans	64,404,746	5.4	-0.9	1.4	--	--	--	--	--	3.4	May-23
High Yield & Bank Loans Custom Benchmark			-0.6	1.3	7.3	8.9	3.5	3.7	4.1	2.8	
Sculptor Credit Opportunities Overseas Fund	25,620,375	2.1	-0.4	1.0	--	--	--	--	--	3.4	May-23
Blmbg. Global High Yield Index			-0.9	-1.1	4.0	10.0	-0.4	1.7	2.8	0.2	
Brigade High Income Fund	38,784,371	3.2	-1.3	1.7	--	--	--	--	--	3.4	May-23
60% Barclays U.S. Corporate High Yield & 40% CS Lev Loans			-0.7	0.9	6.7	8.4	3.1	3.6	4.0	2.2	

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	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Inflation Hedges	240,778,909	20.1	-0.3	-1.7	-4.8	--	--	--	--	-9.0	Dec-22
<i>Inflation Hedges Custom Benchmark</i>			-0.2	-1.2	-3.5	--	--	--	--	-5.9	
Real Estate	86,361,951	7.2	-0.6	-4.1	-9.9	-13.5	1.1	0.6	4.6	6.1	Apr-11
<i>NCREIF ODCE (Net)</i>			0.0	-2.1	-8.1	-12.9	6.2	4.7	7.2	8.1	
JP Morgan Asset Management Strategic Property Fund	49,597,497	4.1	0.0	-3.3	-8.1	-12.4	4.9	3.7	6.5	7.9	Apr-11
<i>NCREIF ODCE (Net)</i>			0.0	-2.1	-8.1	-12.9	6.2	4.7	7.2	8.1	
UBS Trumbull Property Fund	24,928,322	2.1	0.0	-1.6	-12.0	-16.8	1.4	0.0	3.9	4.6	Dec-11
<i>NCREIF ODCE (Net)</i>			0.0	-2.1	-8.1	-12.9	6.2	4.7	7.2	7.9	
SSgA US REIT	11,836,132	1.0	-4.5	-11.6	--	--	--	--	--	-11.4	Mar-23
<i>Dow Jones U.S. Select RESI</i>			-4.5	-11.5	-6.4	-6.2	5.4	1.1	4.4	-11.3	
Natural Resources & Infrastructure	53,979,238	4.5	-3.9	-1.0	--	--	--	--	--	-4.7	Apr-23
<i>S&P Global LargeMidcap Resources & Commodities Ind</i>			-5.2	-2.5	-7.6	-3.9	18.5	8.3	3.8	-6.2	
SSgA S&P Global LargeMidCap Natural Resources Index	38,979,238	3.3	-5.2	-2.4	--	--	--	--	--	-6.0	Apr-23
<i>S&P Global LargeMidcap Resources & Commodities Ind</i>			-5.2	-2.5	-7.6	-3.9	18.5	8.3	3.8	-6.2	
Gold	35,534,586	3.0	5.2	-0.7	--	--	--	--	--	-6.0	Apr-23
<i>60% Gold (Spot)/ 40% FTSE Gold Mines</i>			7.1	-0.8	4.2	20.0	--	--	--	-4.9	
First Eagle Institutional Gold Fund, LP	35,534,586	3.0	5.2	-0.7	--	--	--	--	--	-6.0	Apr-23
<i>60% Gold (Spot)/ 40% FTSE Gold Mines</i>			7.1	-0.8	4.2	20.0	--	--	--	-4.9	
Short-Term TIPS	64,903,134	5.4	0.4	0.8	--	--	--	--	--	1.0	Mar-23
<i>Blmbg. U.S. TIPS 0-5 Year</i>			0.4	0.8	2.3	2.6	2.1	3.0	1.7	2.0	
Vanguard Short-Term TIPS Index	64,903,134	5.4	0.4	0.8	--	--	--	--	--	0.1	Apr-23
<i>Blmbg. U.S. TIPS 0-5 Year</i>			0.4	0.8	2.3	2.6	2.1	3.0	1.7	0.1	

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	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Risk Mitigation	266,080,426	22.2	-1.9	-5.8	-2.3	--	--	--	--	-2.8	Dec-22
<i>Risk Mitigation Custom Benchmark</i>			-1.4	-3.6	-2.2	--	--	--	--	-2.5	
Investment Grade Fixed Income	199,413,305	16.7	-2.5	-7.8	-5.0	-1.9	-6.2	-0.5	0.7	4.9	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	4.9	
Intermediate-Term Bonds	156,464,561	13.1	-1.8	-5.2	-2.5	0.7	-5.4	0.0	1.0	4.9	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	4.9	
SSgA US Aggregate Bond	60,380,483	5.0	-1.6	-4.8	-2.6	0.4	-5.6	0.0	0.9	2.2	Jan-09
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	2.1	
Wellington Core Bond	77,099,251	6.4	-1.8	-4.9	--	--	--	--	--	-6.0	May-23
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	-6.1	
Brandywine U.S. Fixed Income	18,984,827	1.6	-2.9	-8.2	--	--	--	--	--	-8.9	Jun-23
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-4.8	-2.8	0.4	-5.6	-0.1	0.9	-5.1	
Long-Term Bonds	42,948,745	3.6	-4.9	-16.2	--	--	--	--	--	-14.3	Mar-23
<i>Blmbg. U.S. Treasury: Long</i>			-4.9	-16.2	-13.1	-8.5	-16.3	-3.2	0.1	-14.2	
SSgA Long US Treasury Index	42,948,745	3.6	-4.9	-16.2	--	--	--	--	--	-14.3	Mar-23
<i>Blmbg. U.S. Treasury: Long</i>			-4.9	-16.2	-13.1	-8.5	-16.3	-3.2	0.1	-14.2	

Employees' Retirement System of the City of Norfolk

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	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Hedge Funds	64,951,755	5.4	0.1	0.8	--	--	--	--	--	4.4	Apr-23
HFRI Macro (Total) Index			-0.8	0.5	-0.3	-2.3	7.2	5.5	3.2	2.2	
36 South Kohinoor Series (Cayman) Fund	22,160,165	1.9	1.0	3.5	--	--	--	--	--	5.0	Apr-23
CBOE Eurekahedge Long Volatility Hedge Fund Index			1.5	3.2	-1.2	-3.6	-2.0	2.3	-0.6	0.4	
BH-DG Systematic Trading Master Fund	17,874,150	1.5	-0.1	-2.4	--	--	--	--	--	7.0	Apr-23
Barclay CTA Index			-0.5	0.4	0.9	-1.2	5.8	4.7	2.7	2.9	
Lombard Odier Bear Convexity	7,936,273	0.7	-0.4	-0.6	--	--	--	--	--	-0.8	Apr-23
CBOE Eurekahedge Long Volatility Hedge Fund Index			1.5	3.2	-1.2	-3.6	-2.0	2.3	-0.6	0.4	
Alpstone Global Macro Fund	16,981,168	1.4	-0.5	1.6	--	--	--	--	--	1.7	May-23
HFRI Macro (Total) Index			-0.8	0.5	-0.3	-2.3	7.2	5.5	3.2	1.3	
Cash	1,715,366	0.1									
Cash	1,715,366	0.1									

Employees' Retirement System of the City of Norfolk

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Annual Investment Expense Analysis As of October 31, 2023				
	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Total Fund		\$1,196,869,333	\$3,702,009	0.31
Growth Assets		\$625,605,252	\$1,493,048	0.24
Global Equity		\$625,605,252	\$1,493,048	0.24
SSgA MSCI ACWI IMI Index Fund	0.05 % of Assets	\$63,874,604	\$28,744	0.05
SSgA Russell 1000 Growth Index	0.02 % of Assets	\$27,795,546	\$5,559	0.02
SSgA Russell 1000 Value Index	0.02 % of Assets	\$13,207,282	\$2,641	0.02
SSgA Russell 3000 Index	0.02 % of Assets	\$166,592,793	\$33,319	0.02
SSgA MSCI EAFE	0.04 % of Assets	\$89,872,615	\$35,949	0.04
SSgA Emerging Markets Index	0.08 % of Assets	\$36,082,787	\$28,866	0.08
ABS China Direct	0.65 % of Assets	\$3,036,190	\$19,735	0.65
ABS EM ex China Direct	0.50 % of Assets	\$11,247,397	\$56,237	0.50
Kopernik Global All-Cap	0.75 % of Assets	\$30,294,315	\$227,207	0.75
First Eagle Global Equity	0.55 % of Assets	\$93,639,473	\$515,017	0.55
Artisan Global Opportunities	0.60 % of Assets	\$89,962,248	\$539,773	0.60
Credit		\$64,404,746	\$457,882	0.71
High Yield & Bank Loans		\$64,404,746	\$457,882	0.71
Sculptor Credit Opportunities Overseas Fund	Performance Based 1.00 and 20.00	\$25,620,375	\$256,204	1.00
Brigade High Income Fund	0.52 % of Assets	\$38,784,371	\$201,679	0.52
Inflation Hedges		\$240,778,909	\$901,944	0.37
Real Estate		\$86,361,951	\$677,098	0.78
JP Morgan Asset Management Strategic Property Fund	0.91 % of Assets	\$49,597,497	\$451,337	0.91

Employees' Retirement System of the City of Norfolk

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	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
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	\$24,928,322	\$218,659	0.88
SSgA US REIT	0.06 % of Assets	\$11,836,132	\$7,102	0.06
Natural Resources & Infrastructure		\$53,979,238	\$38,979	0.07
SSgA S&P Global LargeMidCap Natural Resources Index	0.10 % of Assets	\$38,979,238	\$38,979	0.10
Gold		\$35,534,586	\$159,906	0.45
First Eagle Institutional Gold Fund, LP	0.45 % of Assets	\$35,534,586	\$159,906	0.45
Short-Term TIPS		\$64,903,134	\$25,961	0.04
Vanguard Short-Term TIPS Index	0.04 % of Assets	\$64,903,134	\$25,961	0.04
Risk Mitigation		\$266,080,426	\$849,135	0.32
Investment Grade Fixed Income		\$199,413,305	\$172,536	0.09
Intermediate-Term Bonds		\$156,464,561	\$159,651	0.10
SSgA US Aggregate Bond	0.02 % of Assets	\$60,380,483	\$12,076	0.02
Wellington Core Bond	0.12 % of Assets	\$77,099,251	\$92,519	0.12
Brandywine U.S. Fixed Income	0.29 % of Assets	\$18,984,827	\$55,056	0.29

Employees' Retirement System of the City of Norfolk

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	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Long-Term Bonds		\$42,948,745	\$12,885	0.03
SSgA Long US Treasury Index	0.03 % of Assets	\$42,948,745	\$12,885	0.03
Hedge Funds		\$64,951,755	\$676,599	1.04
36 South Kohinoor Series (Cayman) Fund	Performance Based 1.00 and 20.00	\$22,160,165	\$221,602	1.00
BH-DG Systematic Trading Master Fund	0.93 % of Assets	\$17,874,150	\$166,230	0.93
Lombard Odier Bear Convexity	Performance Based 0.75 and 27.50	\$7,936,273	\$59,522	0.75
Alpstone Global Macro Fund	Performance Based 1.35 and 20.00	\$16,981,168	\$229,246	1.35
Cash		\$1,715,366	-	-
Cash		\$1,715,366	-	-

Employees' Retirement System of the City of Norfolk

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Benchmark History

From Date	To Date	Benchmark
Total Fund		
12/01/2022	Present	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 (Net), 5.0% Blmbg. U.S. TIPS 0-5 Year, 5.0% S&P Global LargeMidcap Resources & Commodities Ind, 2.0% Credit Suisse Leveraged Loan Index, 3.0% 60% Gold (Spot)/ 40% FTSE Gold Mines, 5.0% MSCI ACWI + 3% 1Q Lag
05/01/2016	12/01/2022	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 (Net)
03/01/2016	05/01/2016	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	03/01/2016	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	02/01/2013	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	03/01/2011	36.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 24.0% MSCI AC World ex USA (Net)
06/01/2009	09/01/2009	42.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 18.0% MSCI AC World ex USA (Net)
06/01/2006	06/01/2009	42.0% Russell 3000 Index, 40.0% Blmbg. U.S. Aggregate Index, 18.0% MSCI EAFE (Net)
07/01/2003	06/01/2006	60.0% S&P 500 Index, 40.0% Blmbg. U.S. Aggregate Index
10/01/2002	07/01/2003	55.0% S&P 500 Index, 45.0% Blmbg. U.S. Aggregate Index
10/01/1990	10/01/2002	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 fourth in the Fund's investment policy statement, weighted for the Fund's actual investments and performance of the indexes referenced above.

Employees' Retirement System of the City of Norfolk

Performance Update | As of October 31, 2023

Benchmark History		
From Date	To Date	Benchmark
Growth Assets		
12/01/2022	Present	91.0% MSCI AC World IMI (Net), 9.0% MSCI ACWI + 3% 1Q Lag
Global Equity		
05/01/2016	Present	100.0% MSCI AC World IMI (Net)
09/01/2009	05/01/2016	60.0% Russell 3000 Index, 40.0% MSCI AC World ex USA (Net)
06/01/2009	09/01/2009	70.0% Russell 3000 Index, 30.0% MSCI AC World ex USA (Net)
01/01/2006	06/01/2009	70.0% Russell 3000 Index, 30.0% MSCI EAFE (Net)
10/01/1990	01/01/2006	100.0% S&P 500 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 LargeMidcap Resources & Commodities Ind, 14.0% 60% Gold (Spot)/ 40% FTSE Gold Mines
Risk Mitigation		
12/01/2022	Present	78.0% Blmbg. U.S. Aggregate Index, 22.0% HFRI Macro (Total) Index

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