

Investment Performance Review
Period Ending July 31, 2021

Employees' Retirement System of the City of Norfolk





<u>Equities</u>	<u>Index Returns (%)</u>					
	<u>Month</u>	<u>3 M</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Yr Ann</u>	<u>5 Yr Ann</u>
S&P 500 Total Return	2.38	5.50	17.99	36.45	18.16	17.35
Russell Midcap Index	0.77	3.07	17.14	42.58	15.79	14.77
Russell 2000 Index	(3.61)	(1.54)	13.29	51.97	11.49	14.28
Russell 1000 Growth Index	3.30	8.26	16.71	36.68	25.29	23.32
Russell 1000 Value Index	0.80	1.97	17.98	39.32	11.27	11.41
Russell 3000 Index	1.69	4.67	17.06	38.73	18.10	17.36
MSCI EAFE NR	0.75	2.87	9.65	30.31	7.66	9.35
MSCI EM NR	(6.73)	(4.40)	0.22	20.64	7.93	10.37

<u>Fixed Income</u>	<u>Index Returns (%)</u>					
	<u>Month</u>	<u>3 M</u>	<u>YTD</u>	<u>1 Year</u>	<u>Mod. Adj. Duration</u>	<u>Yield to Worst</u>
U.S. Aggregate	1.12	2.16	(0.51)	(0.70)	6.57	1.36
U.S. Corporate Investment Grade	1.37	3.81	0.08	1.42	8.80	1.93
U.S. Corporate High Yield	0.38	2.03	4.01	10.62	3.86	3.88
Global Aggregate	1.33	1.38	(1.92)	0.79	7.56	0.99

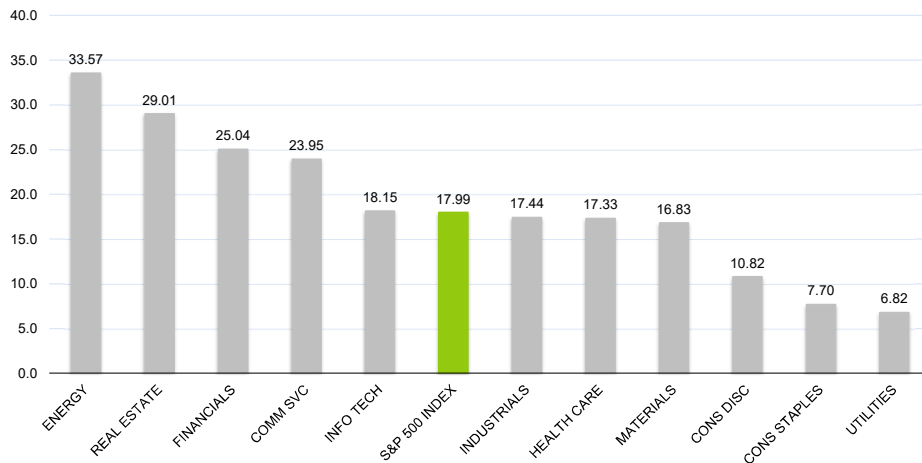
<u>Key Rates</u>	<u>Levels (%)</u>				
	<u>07/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
US Generic Govt 3 Mth	0.04	0.06	1.54	2.35	1.38
US Generic Govt 2 Yr	0.18	0.12	1.57	2.49	1.88
US Generic Govt 10 Yr	1.22	0.91	1.92	2.68	2.41
US Generic Govt 30 Yr	1.89	1.64	2.39	3.01	2.74
ICE LIBOR USD 3M	0.12	0.24	1.91	2.81	1.69
Euribor 3 Month ACT/360	(0.54)	(0.55)	(0.38)	(0.31)	(0.33)
Bankrate 30Y Mortgage Rates Na	2.98	2.87	3.86	4.51	3.85
Prime	3.25	3.25	4.75	5.50	4.50

Russell Indices Style Returns *							
	V	B	G				
	18.0	17.3	16.7	L	2.8	20.9	38.4
	20.2	17.1	11.6	M	4.9	17.0	35.5
	22.1	13.3	5.0	S	4.6	19.9	34.5
YTD			2020				

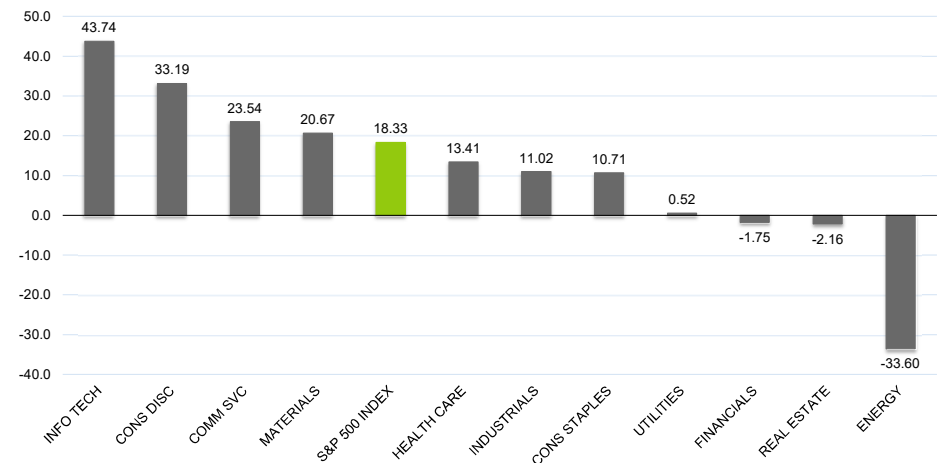
<u>Currencies</u>	<u>Levels</u>		
	<u>07/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
Euro Spot	1.19	1.22	1.12
British Pound Spot	1.39	1.37	1.33
Japanese Yen Spot	109.72	103.25	108.61
Swiss Franc Spot	0.91	0.89	0.97

<u>Commodities</u>	<u>Levels</u>		
	<u>07/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
Oil	73.95	48.19	53.64
Gasoline	3.17	2.25	2.59
Natural Gas	3.91	2.71	2.32
Gold	1,817.20	1,911.20	1,187.30
Silver	25.55	26.59	16.50
Copper	448.25	352.70	284.15
Corn	545.25	434.75	410.50
BBG Commodity TR Idx	205.58	166.63	172.00

YTD Sector Returns



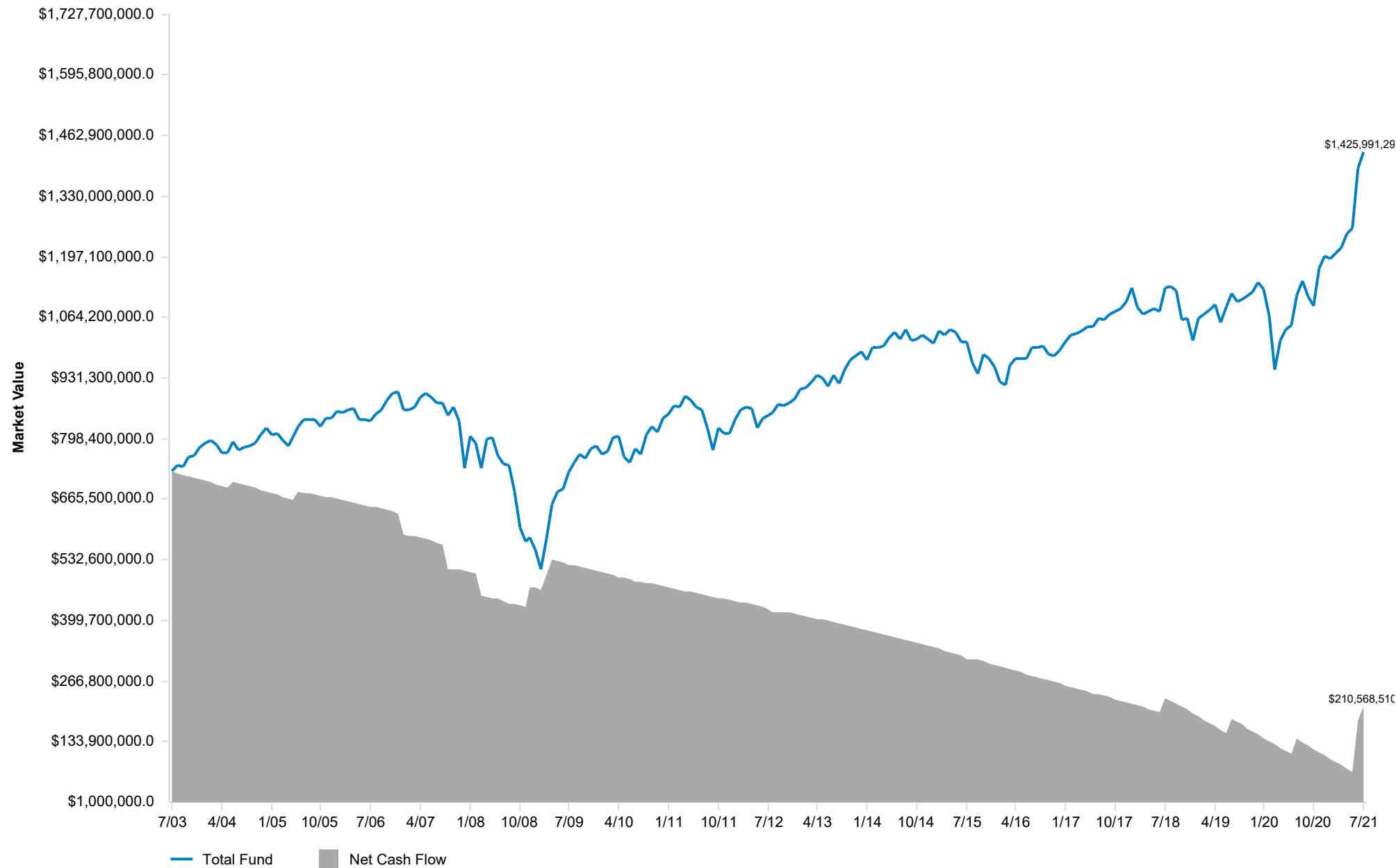
2020 Sector Returns



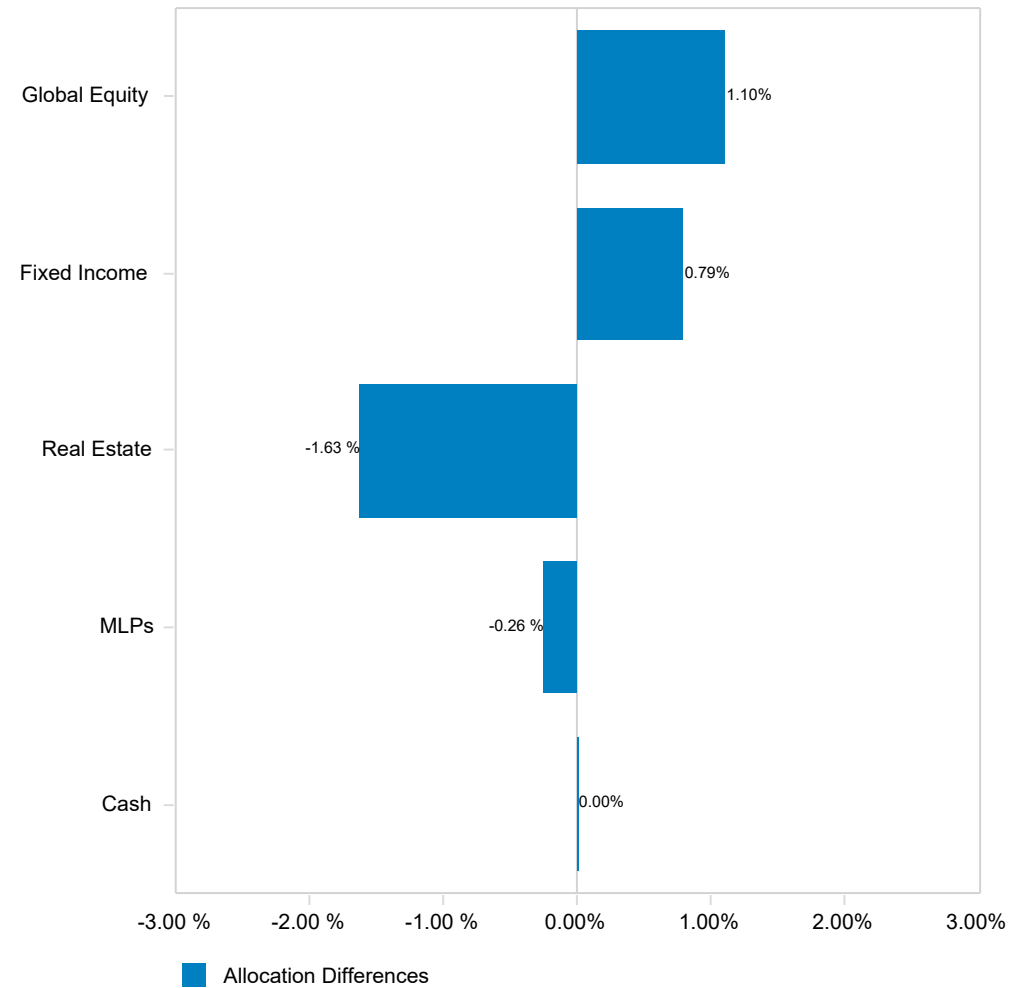
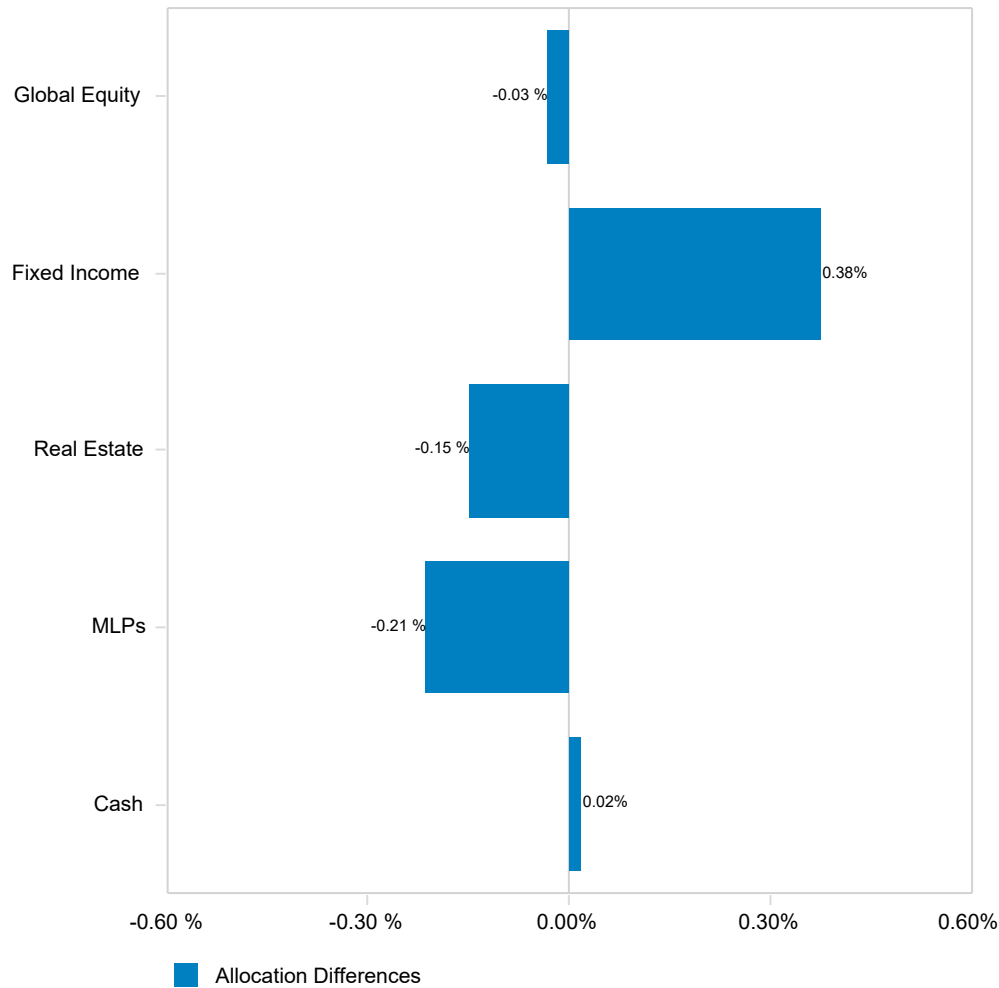
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*Heat maps are displayed utilizing a 9-color scale, with green as the highest return for the time period noted and red as the lowest return for the time period noted. Color scales within each time period are mutually exclusive.

Schedule of Investable Assets



Employees' Retirement System of the City of Norfolk
Asset Allocation vs. Target Allocation
As of July 31, 2021



July 31, 2021				June 30, 2021			
	Market Value \$	Allocation (%)	Target (%)		Market Value \$	Allocation (%)	Target (%)
Global Equity	783,847,557	55.0	55.0	Global Equity	779,940,629	56.1	55.0
Fixed Income	433,177,364	30.4	30.0	Fixed Income	428,086,879	30.8	30.0
Real Estate	104,802,317	7.3	7.5	Real Estate	81,594,793	5.9	7.5
MLPs	103,900,069	7.3	7.5	MLPs	100,706,225	7.2	7.5
Cash	263,990	0.0	0.0	Cash	7,062	0.0	0.0
Total Fund	1,425,991,296	100.0	100.0	Total Fund	1,390,335,588	100.0	100.0



Employees' Retirement System of the City of Norfolk

Asset Allocation & Performance - (net of fees)

As of July 31, 2021

Asset Allocation & Performance													
	Allocation		Performance(%)										
	Market Value \$	%	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception	Inception Date
Total Fund	1,425,991,296	100.0	0.32	3.28	10.03	0.32	22.41	9.50	9.26	7.53	8.11	8.32	Oct-1990
Total Fund Policy (62.5% ACWI/37.5% Agg)			0.73	2.83	7.94	0.73	20.46	10.91	9.90	7.99	8.22	8.49	
Excess Return			-0.41	0.45	2.09	-0.41	1.95	-1.41	-0.64	-0.46	-0.11	-0.17	
Total Fund Strategy Index			0.14	3.19	10.16	0.14	22.93	10.03	9.24	7.48	7.99	8.42	
Excess Return			0.18	0.09	-0.13	0.18	-0.52	-0.53	0.02	0.05	0.12	-0.10	
Composite Returns													
Global Equity	783,847,557	55.0	0.50	3.25	13.76	0.50	35.56	13.96	14.19	10.79	11.27	9.67	Oct-1990
Global Equity Policy			0.50	3.24	13.25	0.50	34.65	13.39	13.67	10.32	10.90	9.90	
Excess Return			0.00	0.01	0.51	0.00	0.91	0.57	0.52	0.47	0.37	-0.23	
Fixed Income	433,177,364	30.4	1.19	2.18	-0.28	1.19	-0.05	5.81	3.47	3.72	3.50	5.93	Oct-1990
Bloomberg Barclays U.S. Aggregate Index			1.12	2.16	-0.51	1.12	-0.70	5.73	3.12	3.48	3.35	5.85	
Excess Return			0.07	0.02	0.23	0.07	0.65	0.08	0.35	0.24	0.15	0.08	
Real Estate	104,802,317	7.3	0.98	3.51	5.07	0.98	4.63	2.07	3.72	5.73	7.22	7.61	Apr-2011
NCREIF Fund Index-ODCE (VW) (Net)			0.00	3.68	5.64	0.00	7.09	4.60	5.62	7.43	8.60	8.76	
Excess Return			0.98	-0.17	-0.57	0.98	-2.46	-2.53	-1.90	-1.70	-1.38	-1.15	
MLPs	103,900,069	7.3	-5.08	6.67	32.57	-5.08	48.13	-5.02	-1.51	-4.66	-	0.11	Mar-2013
Alerian MLP Index			-6.31	6.00	38.51	-6.31	59.29	-4.52	-2.44	-6.14	-	-2.49	
Excess Return			1.23	0.67	-5.94	1.23	-11.16	-0.50	0.93	1.48	-	2.60	
Cash	263,990	0.0											



Employees' Retirement System of the City of Norfolk
Asset Allocation & Performance - (net of fees)
As of July 31, 2021

Asset Allocation & Performance

	Allocation		Performance(%)										Inception Date
	Market Value \$	%	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception	
Global Equity													
SSgA MSCI ACWI IMI Index Fund	783,847,557	55.0	0.50	3.25	13.50	0.50	35.24	13.87	14.13	-	-	14.27	May-2016
MSCI AC World IMI (Net)			0.50	3.24	13.25	0.50	34.65	13.39	13.67	-	-	13.81	
Excess Return			0.00	0.01	0.25	0.00	0.59	0.48	0.46	-	-	0.46	
Fixed Income													
PIMCO Total Return	218,689,009	15.3	1.25	2.19	-0.12	1.25	0.43	5.87	3.76	3.94	3.79	6.26	Jan-1991
Blmbg. Barc. U.S. Aggregate Index			1.12	2.16	-0.51	1.12	-0.70	5.73	3.12	3.48	3.35	5.73	
Excess Return			0.13	0.03	0.39	0.13	1.13	0.14	0.64	0.46	0.44	0.53	
SSgA Bond Market Index	214,488,355	15.0	1.13	2.19	-0.46	1.13	-0.62	5.77	3.15	3.50	3.36	4.01	Jan-2009
Blmbg. Barc. U.S. Aggregate Index			1.12	2.16	-0.51	1.12	-0.70	5.73	3.12	3.48	3.35	3.99	
Excess Return			0.01	0.03	0.05	0.01	0.08	0.04	0.03	0.02	0.01	0.02	
Real Estate													
JP Morgan Asset Management Strategic Property Fund	46,083,676	3.2	1.60	4.03	5.99	1.60	7.51	4.42	5.32	7.00	8.52	8.88	Apr-2011
NCREIF Fund Index-ODCE (VW) (Net)			0.00	3.68	5.64	0.00	7.09	4.60	5.62	7.43	8.60	8.76	
Excess Return			1.60	0.35	0.35	1.60	0.42	-0.18	-0.30	-0.43	-0.08	0.12	
UBS Trumbull Property Fund	33,447,726	2.3	-0.22	2.42	3.49	-0.22	0.91	-0.61	1.86	4.23	-	5.42	Jan-2012
NCREIF Fund Index-ODCE (VW) (Net)			0.00	3.68	5.64	0.00	7.09	4.60	5.62	7.43	-	8.32	
Excess Return			-0.22	-1.26	-2.15	-0.22	-6.18	-5.21	-3.76	-3.20	-	-2.90	
Vanguard Real Estate Index (VGSNX)	25,270,915	1.8	4.48	-	-	4.48	-	-	-	-	-	4.48	Jul-2021
Vanguard Spliced REIT Index			4.47	-	-	4.47	-	-	-	-	-	4.47	
Excess Return			0.01	-	-	0.01	-	-	-	-	-	0.01	
MLPs													
Harvest MLP	57,924,513	4.1	-4.31	6.74	34.03	-4.31	49.28	-3.63	-0.59	-3.88	-	0.62	Mar-2013
Alerian MLP Index			-6.31	6.00	38.51	-6.31	59.29	-4.52	-2.44	-6.14	-	-2.49	
Excess Return			2.00	0.74	-4.48	2.00	-10.01	0.89	1.85	2.26	-	3.11	
Tortoise Capital Advisors	45,975,556	3.2	-5.98	6.42	31.90	-5.98	47.91	-6.22	-2.32	-5.39	-	-0.96	Apr-2013
Alerian MLP Index			-6.31	6.00	38.51	-6.31	59.29	-4.52	-2.44	-6.14	-	-3.13	
Excess Return			0.33	0.42	-6.61	0.33	-11.38	-1.70	0.12	0.75	-	2.17	



Employees' Retirement System of the City of Norfolk
Financial Reconciliation
1 Month Ending July 31, 2021

Financial Reconciliation

	Market Value 07/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Income	Apprec./ Deprec.	Market Value 07/31/2021
Total Fund	1,390,335,588	-	31,093,069	-	-182,623	2,526,154	2,219,108	1,425,991,296
Global Equity	779,940,629	-	-	-	-	-	3,906,928	783,847,557
SSgA MSCI ACWI IMI Index Fund	779,940,629	-	-	-	-	-	3,906,928	783,847,557
Fixed Income	428,086,879	-	-	-	-	1,392,866	3,697,619	433,177,364
PIMCO Total Return	215,989,678	-	-	-	-	1,392,866	1,306,465	218,689,009
SSgA Bond Market Index	212,097,201	-	-	-	-	-	2,391,154	214,488,355
Real Estate	81,594,793	22,285,534	-	-	-182,623	453,508	651,105	104,802,317
JP Morgan Asset Management Strategic Property Fund	45,356,339	-3	-	-	-106,357	125,518	708,180	46,083,676
UBS Trumbull Property Fund	36,238,454	-2,714,462	-	-	-76,266	327,989	-327,989	33,447,726
Vanguard Real Estate Index (VGSNX)	-	25,000,000	-	-	-	-	270,915	25,270,915
MLPs	100,706,225	8,550,000	-	-	-	679,705	-6,035,862	103,900,069
Harvest MLP	51,807,422	8,550,000	-	-	-	300,767	-2,733,677	57,924,513
Tortoise Capital Advisors	48,898,803	-	-	-	-	378,938	-3,302,185	45,975,556
Cash	7,062	-30,835,534	31,093,069	-	-	75	-682	263,990



Employees' Retirement System of the City of Norfolk
Financial Reconciliation
July 1, 2021 To July 31, 2021

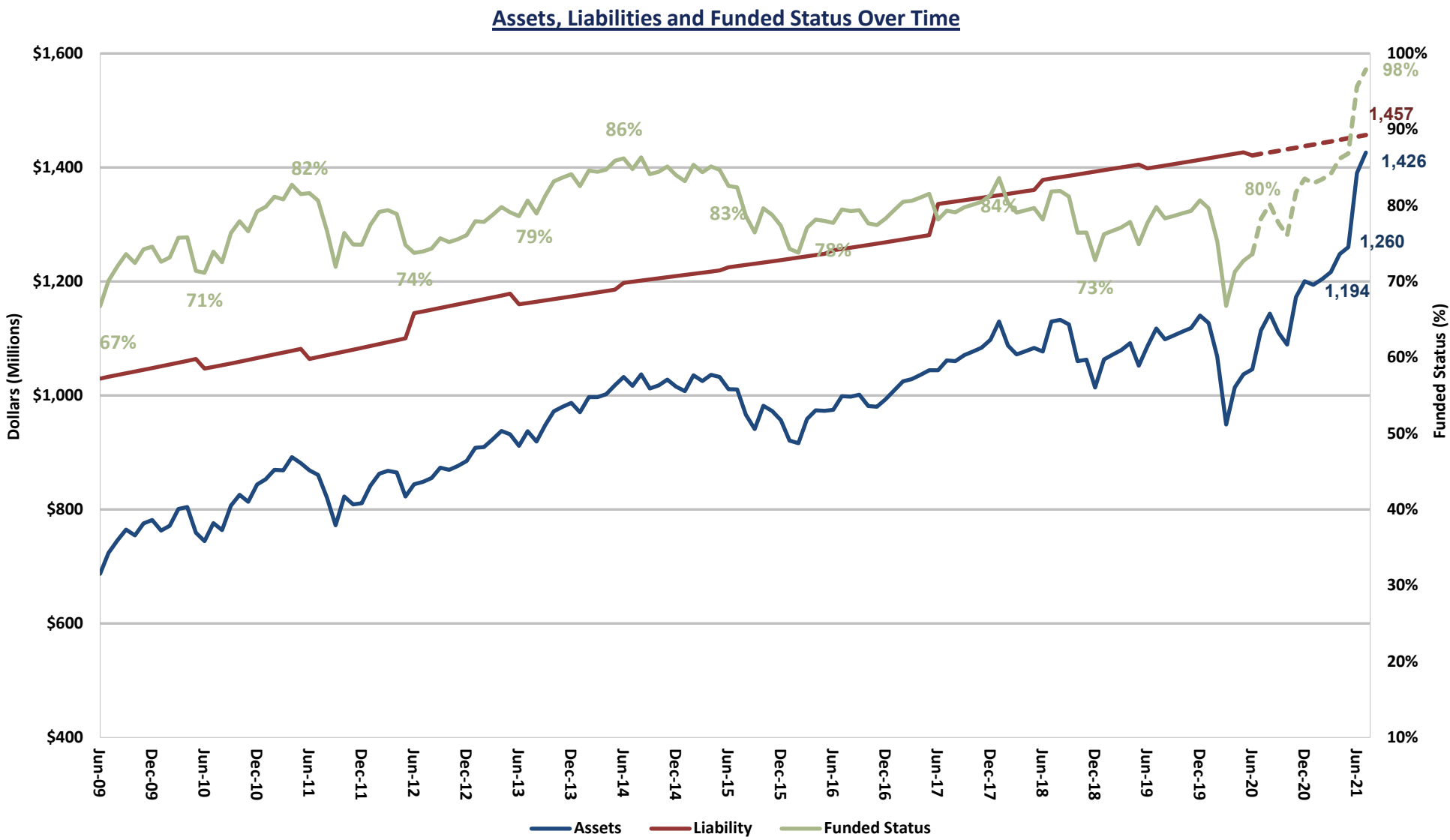
Financial Reconciliation

	Market Value 07/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Income	Apprec./ Deprec.	Market Value 07/31/2021
Total Fund	1,390,335,588	-	31,093,069	-	-182,623	2,526,154	2,219,108	1,425,991,296
Global Equity	779,940,629	-	-	-	-	-	3,906,928	783,847,557
SSgA MSCI ACWI IMI Index Fund	779,940,629	-	-	-	-	-	3,906,928	783,847,557
Fixed Income	428,086,879	-	-	-	-	1,392,866	3,697,619	433,177,364
PIMCO Total Return	215,989,678	-	-	-	-	1,392,866	1,306,465	218,689,009
SSgA Bond Market Index	212,097,201	-	-	-	-	-	2,391,154	214,488,355
Real Estate	81,594,793	22,285,534	-	-	-182,623	453,508	651,105	104,802,317
JP Morgan Asset Management Strategic Property Fund	45,356,339	-3	-	-	-106,357	125,518	708,180	46,083,676
UBS Trumbull Property Fund	36,238,454	-2,714,462	-	-	-76,266	327,989	-327,989	33,447,726
Vanguard Real Estate Index (VGSNX)	-	25,000,000	-	-	-	-	270,915	25,270,915
MLPs	100,706,225	8,550,000	-	-	-	679,705	-6,035,862	103,900,069
Harvest MLP	51,807,422	8,550,000	-	-	-	300,767	-2,733,677	57,924,513
Tortoise Capital Advisors	48,898,803	-	-	-	-	378,938	-3,302,185	45,975,556
Cash	7,062	-30,835,534	31,093,069	-	-	75	-682	263,990



Employees' Retirement System for the City of Norfolk

Asset Liability Scorecard Net of Fees*



*The dashed liability line and dashed funded status line are not actuarial calculations and are for projections purposes only.

As of July 1, 2019, Total Plan Actuarial Liability (AL) is \$1.398 billion and the Actuarial Value of assets (AVA) is \$1.097 billion for an Actuarial funded ratio (AVA/AL) of 79%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 96% in June 2021 and 98% in July 2021.



Employees' Retirement System of the City of Norfolk
Historical Hybrid Composition
As of July 31, 2021

Total Fund Policy	
Allocation Mandate	Weight (%)
May-2016	
MSCI AC World IMI (Net)	62.50
Blmbg. Barc. U.S. Aggregate Index	37.50

Total Fund Strategy Index	
Allocation Mandate	Weight (%)
Jul-2016	
MSCI AC World IMI (Net)	55.00
Blmbg. Barc. U.S. Aggregate Index	30.00
NCREIF Fund Index-ODCE (VW) (Net)	7.50
Alerian MLP Index	7.50

Strategy Index is comprised of the returns of the various broad market benchmarks assigned to each manager and weighted to reflect the System's target asset allocation.



Global Equity Policy	
Allocation Mandate	Weight (%)
Oct-1990	
S&P 500 Index	100.00
Jun-2006	
Russell 3000 Index	70.00
MSCI EAFE Index	30.00
Jun-2009	
Russell 3000 Index	70.00
MSCI AC World ex USA (Net)	30.00
Sep-2009	
Russell 3000 Index	60.00
MSCI AC World ex USA (Net)	40.00
May-2016	
MSCI AC World IMI (Net)	100.00

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

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