

Investment Performance Review  
Period Ending September 30, 2021

# Employees' Retirement System of the City of Norfolk

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# Table Of Contents

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Executive Summary	3
Total Fund	18
International Equity	34
Fixed Income	39
Real Estate	50
Master Limited Partnerships	53
Appendix	60



## **Executive Summary**

HIGHLIGHTS

Winners for the recent quarter

- Bloomberg TIPS +1.8%
- S&P 500 +0.6%
- Russell 1000 +0.2%

Losers for the recent quarter

- MSCI EM -8.1%
- Russell 2000 -4.4%
- MSCI ACWI x US -3.0%

Areas of strength for the recent quarter

- Inflation Protected Bonds
  - Large Cap Core
- 

Winners for the trailing year

- Russell 2000 +47.7%
- Russell MidCap +38.1%
- Russell 3000 +31.9%

Losers for the trailing year

- Bloomberg US Govt -3.2%
- Bloomberg US Agg -0.9%

Areas of strength for the trailing year

- Domestic Stocks
  - International Markets
- 

COMMENTARY

- Allocation to equities ended the quarter at 54.3%, inside the target range of 45%-65%. Market value for the **Total Fund** was \$1.40 billion by quarter-end versus \$1.39 Billion in the previous quarter. The Total Fund posted a -0.27% return for the trailing quarter and +20.70% for the trailing 12 months. The Total Fund outperformed the Policy Index by 39 bps for the quarter and overperformed its Policy Index by 361 bps over the trailing year. Versus the Strategic Index, the Total Fund overperformed by 22 bps for the quarter and underperformed by 107 bps for the trailing year.
- The **Total Fund** ranked in the 57<sup>th</sup> percentile in the peer universe for the quarter and 37<sup>th</sup> percentile over the last 12 months.
- The **Global Equity Composite** returned -1.05% for the quarter, outperforming the index by 6 bps and ranking in the 49<sup>th</sup> percentile versus peers. Over the trailing 12 months, the portfolio returned +29.85%, outperforming the benchmark by 93 bps and ranking in the 33<sup>rd</sup> percentile of the peer universe.
- The **Fixed Income Composite** returned +0.26% for the quarter, outperforming the Bloomberg Barclays U.S. Aggregate by 21 bps. Over the trailing 12 months, the composite returned -0.45% and outperformed the Index by 45 bps.
- The **Real Estate Composite** returned +4.42% for the quarter and +9.42% for the trailing 12 months.
- The **MLP Composite** returned -1.33% for the quarter, underperforming the index by 438 bps and ranking in the 48<sup>th</sup> percentile versus peers. For the trailing year, the composite has returned +72.03% and has underperformed the benchmark by 1260 bps, ranking in the 59<sup>th</sup> percentile versus peers. Since inception, the MLP Composite is ahead of its Alerian MLP Index benchmark by 353 bps and has returned +1.16%.

ACTIVITY FOR THE QUARTER

Raise cash for benefit payments:

July 2021

Harvest - \$8,550,000  
To cash \$8,550,000

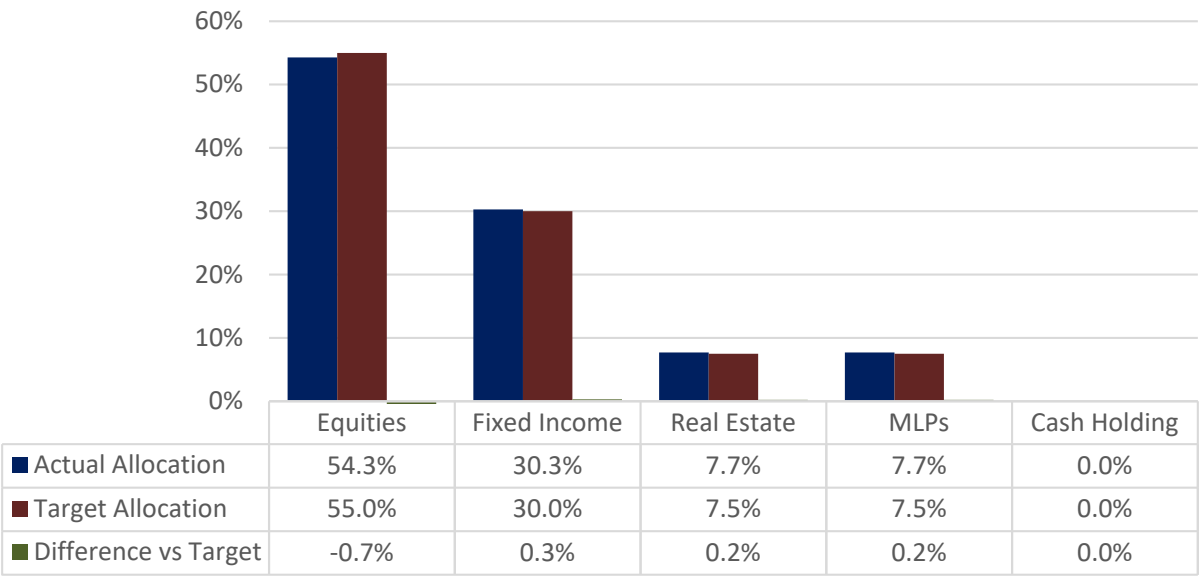
August 2021

Pimco Bond - \$4,059,000  
UBS Trumbull Property - \$258,178  
To cash \$4,317,000

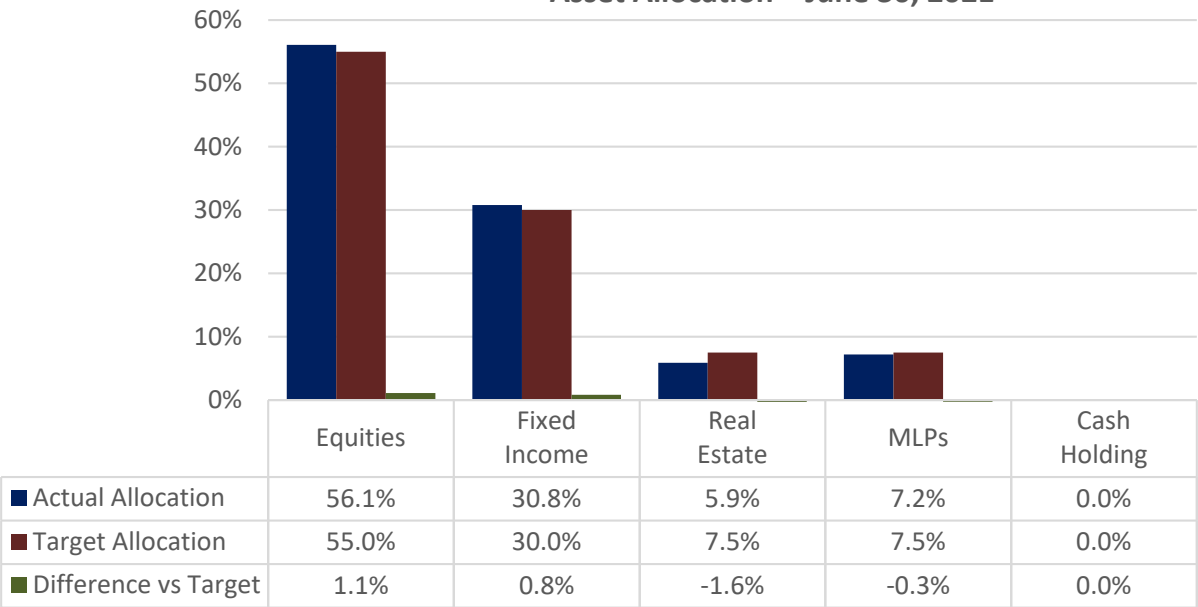
September 2021

SSgA MSCI ACWI IMI - \$8,400,000  
To cash \$8,400,000

Asset Allocation – September 30, 2021



Asset Allocation – June 30, 2021



## **3rd Quarter 2021 Market Environment**

## **The Economy**

- Growth in the US likely slowed during the 3<sup>rd</sup> quarter as the recovery continues to mature.
- Inflation remains well above the Federal Reserve Bank's (the Fed) average target of 2.0%. The annual rate of inflation dropped slightly to 5.3% in August, down from 5.4% in July.
- The demand for labor in the US remains strong as evidenced by the drop in the unemployment rate in September to 4.8%, down from 5.2% in August. Unemployment benefits granted under the March 2020 CARES Act expired in early September. Wage growth remains strong as employers remain challenged to fill job openings.
- Despite leaving interest rates unchanged at their most recent meeting, the Fed stated that it would begin tapering its asset purchases and being the process of evaluating when interest rates would start to rise.

## **Equity (Domestic and International)**

- Volatility increased in during the 3<sup>rd</sup> quarter as US markets climbed to new all-time highs in early September only to pull back towards the end of the period. A variety of factors contributed to the increase in volatility including concerns related to the Delta variant, supply chain shortages, higher US interest rates, rising inflation, and fiscal policies in Washington. Despite these concerns, growth led value in both large and mid-cap companies and large companies outperformed relative to smaller peers.
- Developed international equity markets outperformed their domestic counterparts during the 3<sup>rd</sup> quarter. Emerging markets dropped sharply on concerns related to increased regulatory oversight in China and the potential default of Evergrande, the largest Chinese property developer.

## **Fixed Income**

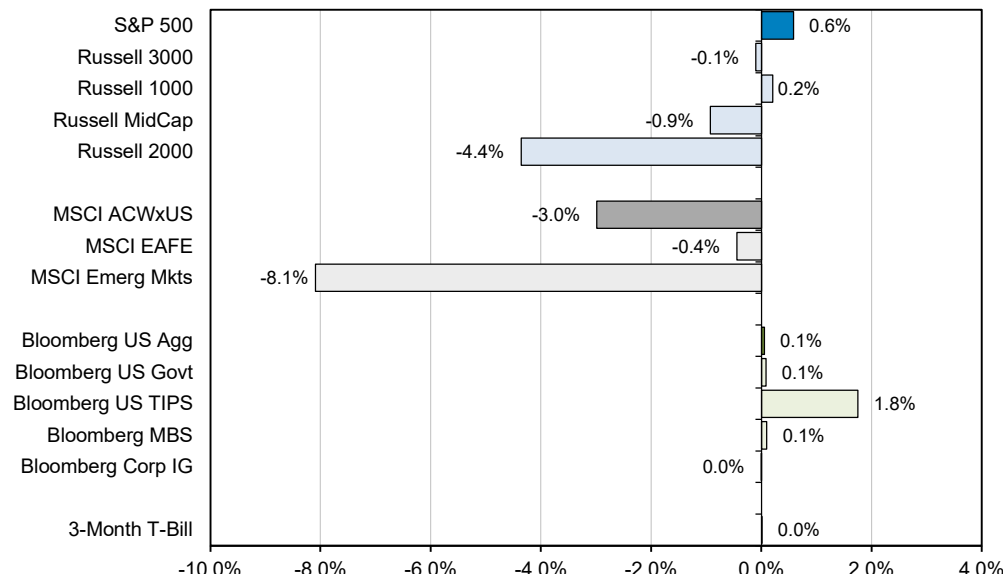
- Despite the continued concerns related to rising inflation and potential changes in Fed policies, US interest rates were essentially unchanged during the quarter. The US 10-Year Treasury bond rose only 2 basis points (0.02%) for the quarter to close at a yield of 1.48%.
- Performance across most US bond market sectors was muted during the quarter and was driven largely by the Fed's messaging concerning the potential for beginning the process of raising interest rates in late-2022.
- Lower quality corporate bonds outperformed higher quality sectors during the quarter. The combination of larger relative coupons and shorter maturity profiles acted as tailwinds for lower quality during the period.

## **Market Themes**

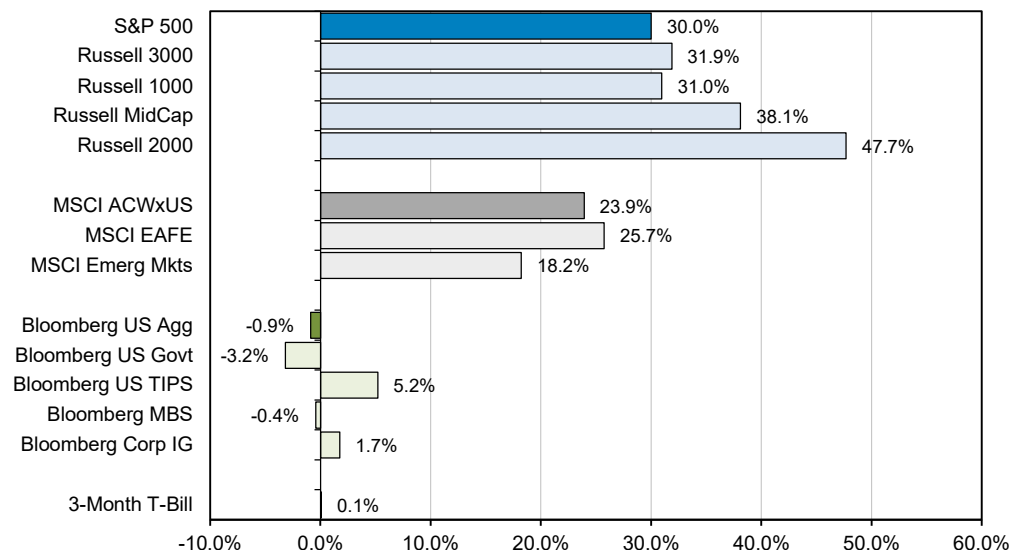
- While global central bank monetary policy remains accommodative, both the Fed and the Bank of England hinted that rate increases would most likely be warranted in the near future. Historically, rising interest rates have served as a headwind to equity markets, particularly for expansion-oriented growth companies.
- The combination of supply chain disruptions and labor shortages is creating increased pressure on corporate margins. While earnings were generally better than expected during the period, the longer these challenges persist, the higher the likelihood that earnings will be negatively affected moving forward.
- Measures of inflation in both the US and Europe remain well above their respective targets. Persistent increases in food and energy prices have the potential to act as a headwind to consumers in coming periods as wages have not kept pace with rising prices.

- US equity markets experienced disparate returns during the 3rd quarter of 2021. The primary factors that drove the market performance during the period were concerns related to rising inflation and potential changes in the Fed's monetary policy. Despite rising US interest rates, growth-oriented companies maintained their market leadership relative to value. For the period, large cap companies returned 0.6%, compared to -0.9% for mid-caps and -4.4% for small company stocks.
- Similar to domestic markets, broad international equity markets also posted disappointing returns for the 3rd quarter. While concerns related to the spread of COVID began to wane, the key drivers of performance were rising inflation, rising interest rates, and the potential default of Evergrande in China. During the period, the MSCI EAFE Index posted a return of -0.4% while the MSCI Emerging Markets Index returned a weak -8.1%.
- For the quarter, bond market returns were muted as interest rates across the yield curve remained largely unchanged. While the Bloomberg (BB) US Aggregate Index returned 0.1%, the outlier was US TIPS which returned 1.8% on concerns about potential rising inflation.
- Returns over the trailing 1-year were strong across all broad US equity markets. The continuation of supportive monetary policy from the Fed and the reopening of local economies as the pandemic receded were the primary performance drivers during the period. Domestic small cap stocks posted highest return for the trailing 1-year period, returning 47.7%. US large cap performance was also stellar with a return of 30.0% over the trailing 1-year period.
- International markets also performed well but lagged relative to their domestic counterparts. Over the trailing 1-year period, the MSCI EAFE Index returned 25.7% while the MSCI Emerging Markets Index returned a lower 18.2%. The combination of rising inflation and developed market interest rates were the primary headwinds during the period.
- Bond market returns over the trailing 1-year period were muted with the Bloomberg US Aggregate Index returning -0.9%. US TIPS continued to lead the way as investors remain concerned about the potential for rising inflation. The TIPS Index returned 5.2% for the period while investment grade corporate bonds returned 1.7%.

### Quarter Performance



### 1-Year Performance



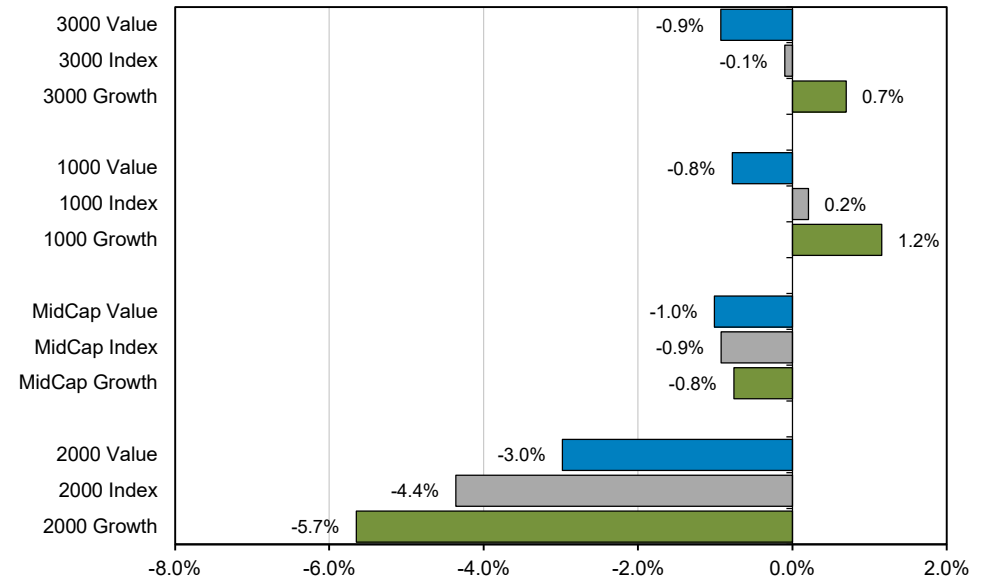
Source: Investment Metrics



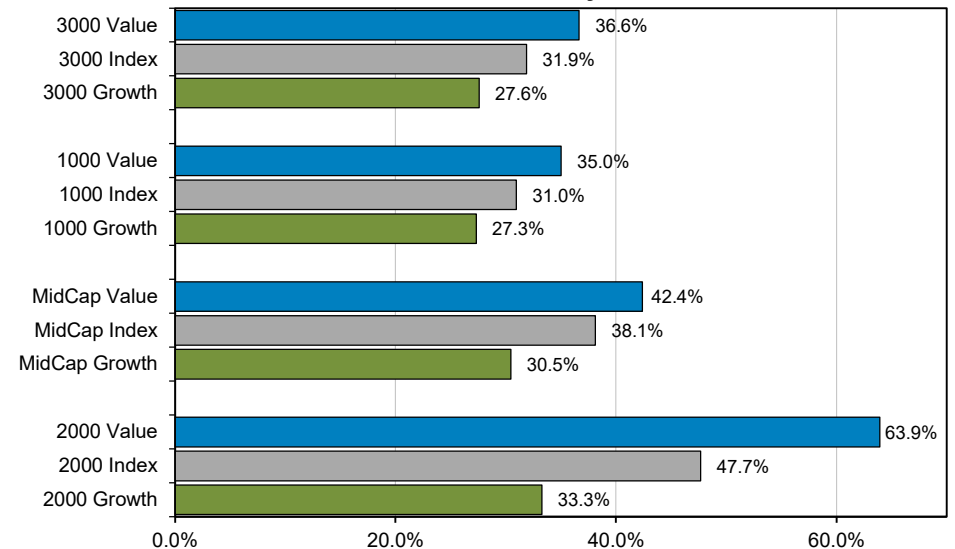


- The market's upward momentum waned during the quarter as most US equity benchmarks posted their first losing quarter since the drawdown at the onset of the pandemic. Large cap stocks continued to lead the equity markets, followed by mid and small cap issues. The Russell 1000 Index returned 0.2% versus returns of -0.9% for the Russell Mid Cap Index and -4.4% for the Russell 2000 Index.
- Except for small cap benchmarks, Growth continued to outpace value for the second consecutive quarter. The Russell 1000 Growth Index was the best performing style index for the quarter, posting a return of 1.2% and Mid cap growth performance was negative, returning -0.8%. However, in small cap stocks, value outpaced growth for the second consecutive quarter with the Russell 2000 Value Index returning -3.0% versus a weaker -5.7% for the Russell 2000 Growth Index.
- Performance across all market capitalizations and styles was very strong over the trailing 1-year period led by higher beta small cap stocks.
- Despite the recent relative outperformance by growth, value stocks outperformed across all market capitalizations over the trailing 1-year period. As the strong economic recovery continued, small cap value stocks posted outsized performance with the Russell 2000 Value Index returning 63.9%. The dispersion between value and growth was also most pronounced for small cap benchmarks (30.6%).

**Quarter Performance - Russell Style Series**



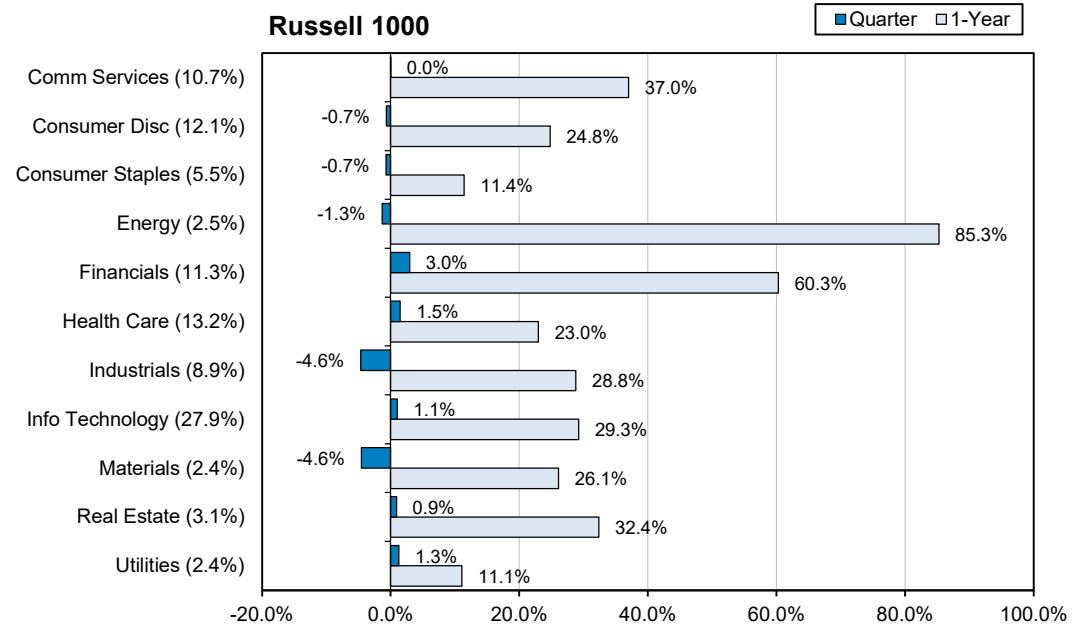
**1-Year Performance - Russell Style Series**



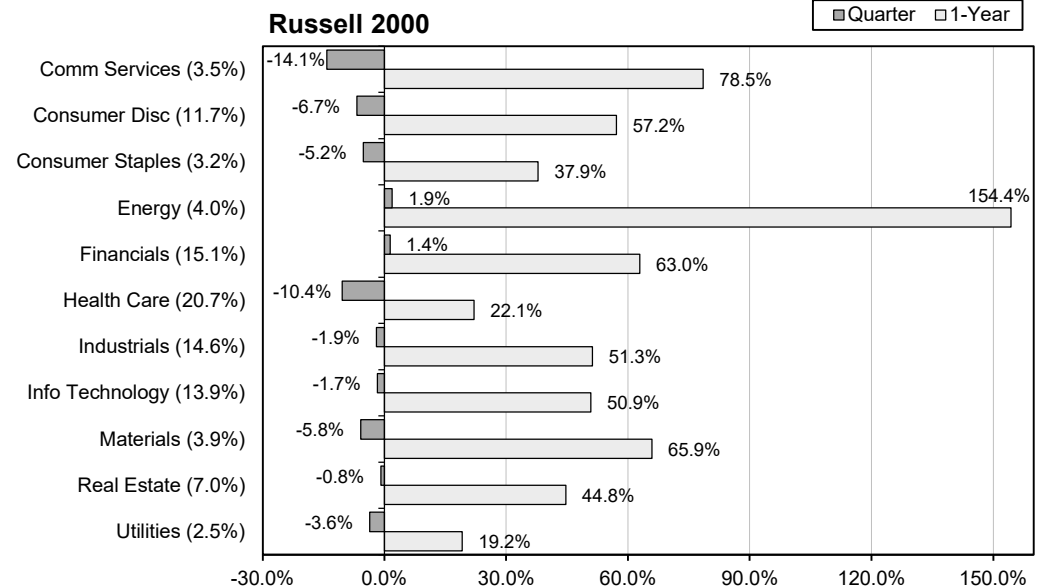
Source: Investment Metrics



- Sector performance was mixed and muted during the 3rd quarter with only five of the eleven large cap economic sectors realizing positive returns. Five sectors outpaced the return of the broad index during the period.
- Financials were the best performing sector during the quarter returning 3.0%. Rising interest rates and a steepening yield curve should boost banks' profits in the coming quarters. Health Care also performed well, led by the companies developing treatments for COVID-19. The Industrials and Materials sectors were negative during the period, with both sectors returning -4.6%. Supply chain disruptions and concerns about shrinking corporate margins acted as headwinds for performance in these sectors.
- For the full year, all eleven sectors produced positive returns. Sector performance for the period was led by Energy which jumped 85.3% as oil prices recovered from their pandemic lows. Four of the eleven sectors outperformed the broad large cap benchmark: Energy (85.3%), Financials (60.3%), Communication Services (37.0%), and Real Estate (32.4%). Although they still produced double-digit returns, the weakest economic sectors in the Russell 1000 for the trailing year were Utilities (11.1%) and Consumer Staples (11.4%).



- Small cap sector performance had a more challenging quarter with only two of the eleven small cap sectors posted positive performance. Energy (1.9%) and Financials (1.4%) benefited from rising energy prices and higher interest rates. Six of the Russell 2000 Index sectors managed to outpace the core benchmark for the quarter. Dispersion between the benchmark's sectors was wide during the period with Energy (1.9%) and Communication Services (-14.1%) defining the broad 16.0% band.
- For full 1-year period, seven of the eleven sectors outperformed the broad benchmark: Energy (154.4%), Communication Services (78.5%), Materials (65.9%), Financials (63.0%), Consumer Discretionary (57.2%), Industrials (51.3%), and Info Technology (50.9%). The combination of continued economic growth, accommodative monetary policies, rising energy prices, and increased inflationary pressures were the primary catalysts for the exceptional trailing 1-year performance.



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



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of September 30, 2021

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	5.40%	3.5%	23.0%	Information Technology
Microsoft Corp	5.17%	4.3%	35.3%	Information Technology
Amazon.com Inc	3.47%	-4.5%	4.3%	Consumer Discretionary
Facebook Inc Class A	1.98%	-2.4%	29.6%	Communication Services
Alphabet Inc Class A	1.96%	9.5%	82.4%	Communication Services
Alphabet Inc Class C	1.82%	6.3%	81.4%	Communication Services
Tesla Inc	1.50%	14.1%	80.8%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.23%	-1.8%	28.2%	Financials
NVIDIA Corp	1.21%	3.6%	53.3%	Information Technology
JPMorgan Chase & Co	1.18%	5.8%	74.8%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Upstart Holdings Inc Ordinary Shares	0.03%	153.4%	N/A	Financials
Moderna Inc	0.32%	63.8%	444.0%	Health Care
Albertsons Companies Inc Class A	0.01%	59.1%	129.8%	Consumer Staples
Atlassian Corporation PLC A	0.13%	52.4%	115.3%	Information Technology
Paylocity Holding Corp	0.03%	47.0%	73.7%	Information Technology
Bill.com Holdings Inc Ordinary Shares	0.05%	45.7%	166.1%	Information Technology
Repligen Corp	0.04%	44.8%	95.9%	Health Care
Accelaron Pharma Inc	0.02%	37.1%	52.9%	Health Care
Paycom Software Inc	0.06%	36.4%	59.3%	Information Technology
Datadog Inc Class A	0.08%	35.8%	38.4%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
GoHealth Inc Ordinary Shares - Class A	0.00%	-55.1%	-61.4%	Financials
Skillz Inc Ordinary Shares - Class A	0.01%	-54.8%	N/A	Communication Services
Boston Beer Co Inc Class A	0.01%	-50.1%	-42.3%	Consumer Staples
StoneCo Ltd Class A	0.02%	-48.2%	-34.4%	Information Technology
TuSimple Hldgs Inc Ord Shrs - Class A	0.00%	-47.9%	N/A	Industrials
NovoCure Ltd	0.03%	-47.6%	4.4%	Health Care
Vroom Inc Ordinary Shares	0.01%	-47.3%	-57.4%	Consumer Discretionary
Virgin Galactic Holdings Inc Shs A	0.01%	-45.0%	31.6%	Industrials
ChargePoint Hldgs Inc Ord Shrs - A	0.01%	-42.5%	N/A	Industrials
Signify Health Inc Ord Shrs - Class A	0.00%	-41.3%	N/A	Health Care

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
AMC Entmt Holdings Inc Class A	0.67%	-32.9%	708.1%	Communication Services
Intellia Therapeutics Inc	0.32%	-17.1%	574.8%	Health Care
Crocs Inc	0.30%	23.1%	235.8%	Consumer Discretionary
Lattice Semiconductor Corp	0.30%	15.1%	123.2%	Information Technology
Ovintiv Inc	0.29%	4.6%	310.2%	Energy
Tetra Tech Inc	0.27%	22.6%	57.3%	Industrials
Scientific Games Corp Ordinary Shares	0.27%	7.3%	138.0%	Consumer Discretionary
Rexnord Corp	0.27%	28.7%	117.1%	Industrials
Biohaven Pharm. Holding Co Ltd	0.26%	43.1%	113.7%	Health Care
Asana Inc Ordinary Shares - Class A	0.26%	67.4%	260.6%	Information Technology

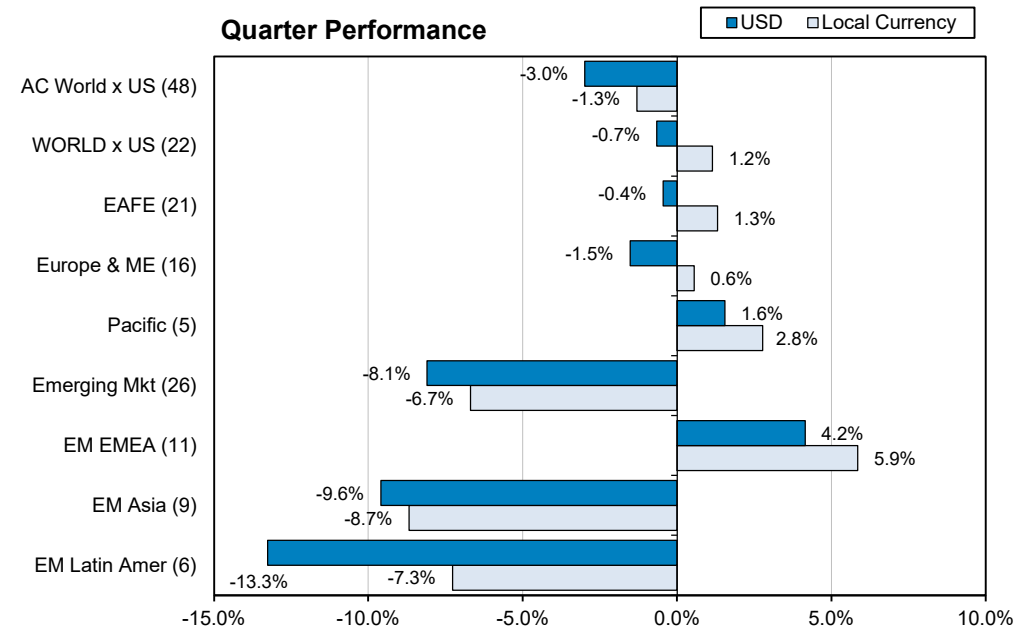
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
State Auto Financial Corp	0.03%	198.2%	276.9%	Financials
Fulcrum Therapeutics Inc	0.03%	169.2%	255.7%	Health Care
IVERIC bio Inc	0.06%	157.4%	187.9%	Health Care
Kadmon Holdings Inc	0.05%	125.1%	122.2%	Health Care
GreenSky Inc Class A	0.03%	101.4%	151.8%	Information Technology
Dynavax Technologies Corp	0.07%	95.0%	344.7%	Health Care
Grid Dynamics Hldgs Inc Ord Shrs A	0.04%	94.4%	278.0%	Information Technology
Peabody Energy Corp	0.04%	86.5%	543.0%	Energy
Trillium Therapeutics Inc	0.06%	81.2%	24.2%	Health Care
Cytokinetics Inc	0.10%	80.6%	65.1%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
GT Biopharma Inc	0.00%	-100.0%	N/A	Health Care
Forte Biosciences Inc Ordinary Shares	0.00%	-91.2%	-93.9%	Health Care
Eargo Inc Ordinary Shares	0.00%	-83.1%	N/A	Health Care
Sesen Bio Inc	0.01%	-82.8%	-43.3%	Health Care
Ardelyx Inc	0.00%	-82.6%	-74.9%	Health Care
MedAvail Holdings Inc Ordinary Shares	0.00%	-76.2%	N/A	Consumer Staples
Seres Therapeutics Inc	0.02%	-70.8%	-75.4%	Health Care
Ontrak Inc	0.00%	-69.1%	-83.3%	Health Care
InnovAge Holding Corp	0.00%	-69.0%	N/A	Health Care
Ashford Hospitality Trust Inc	0.01%	-67.7%	-10.8%	Real Estate

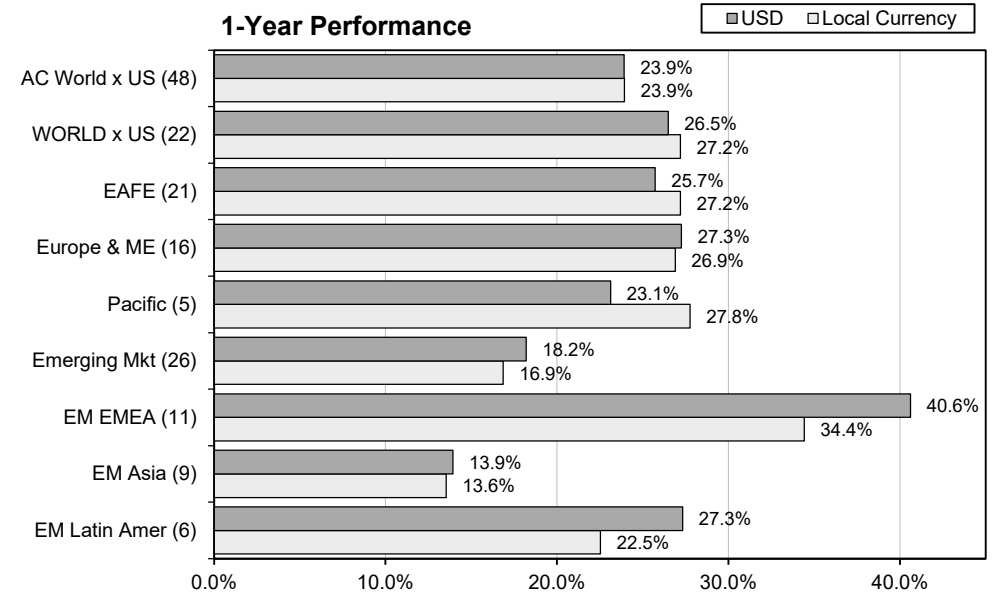
Source: Morningstar Direct



- Although some regional benchmarks posted positive performance for the quarter, the US dollar (USD) performance for the broad international equity benchmarks were negative. For the period, developed markets outperformed emerging markets in both USD and local currency. The MSCI EAFE Index returned -0.4% in USD and 1.3% in local currency terms for the period while the MSCI Emerging Markets Index posted a weak -8.1% return in USD and -6.7% in local currency terms.



- The trailing 1-year results for international developed and emerging markets were positive across all regions and currencies. The MSCI EAFE Index returned 25.7% in USD and 27.2% in local currency terms, while the MSCI Emerging Markets Index returned 18.2% in USD and 16.9% in local currency terms. Performance within the emerging markets regions was led by the EMEA region which returned 40.6% in USD and 34.4% in local terms.



Source: MSCI Global Index Monitor (Returns are Net)

**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of September 30, 2021

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.8%	-4.1%	16.2%
Consumer Discretionary	12.7%	-3.6%	31.7%
Consumer Staples	10.2%	-3.4%	9.0%
Energy	3.5%	8.7%	62.1%
Financials	17.2%	1.8%	44.5%
Health Care	12.7%	0.5%	9.7%
Industrials	15.8%	1.3%	28.1%
Information Technology	9.6%	5.0%	36.2%
Materials	7.3%	-5.7%	25.2%
Real Estate	2.9%	-3.1%	20.2%
Utilities	3.3%	-4.6%	4.4%
<b>Total</b>	<b>100.0%</b>	<b>-0.4%</b>	<b>25.7%</b>

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.3%	-9.9%	9.0%
Consumer Discretionary	12.7%	-11.5%	9.9%
Consumer Staples	8.5%	-3.4%	10.0%
Energy	4.9%	6.7%	55.0%
Financials	19.3%	1.1%	42.5%
Health Care	9.5%	-1.9%	10.1%
Industrials	12.2%	0.2%	27.9%
Information Technology	13.2%	-1.0%	36.7%
Materials	8.0%	-5.5%	27.1%
Real Estate	2.5%	-5.7%	12.7%
Utilities	3.0%	-1.9%	10.5%
<b>Total</b>	<b>100.0%</b>	<b>-3.0%</b>	<b>23.9%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.3%	-15.1%	1.9%
Consumer Discretionary	14.7%	-22.9%	-16.9%
Consumer Staples	5.9%	-4.4%	13.4%
Energy	5.9%	9.1%	44.5%
Financials	19.5%	1.0%	35.0%
Health Care	5.0%	-13.0%	12.9%
Industrials	4.9%	-6.5%	31.9%
Information Technology	20.9%	-5.9%	37.3%
Materials	8.7%	-4.8%	46.1%
Real Estate	2.1%	-14.2%	-9.4%
Utilities	2.3%	7.4%	35.2%
<b>Total</b>	<b>100.0%</b>	<b>-8.1%</b>	<b>18.2%</b>

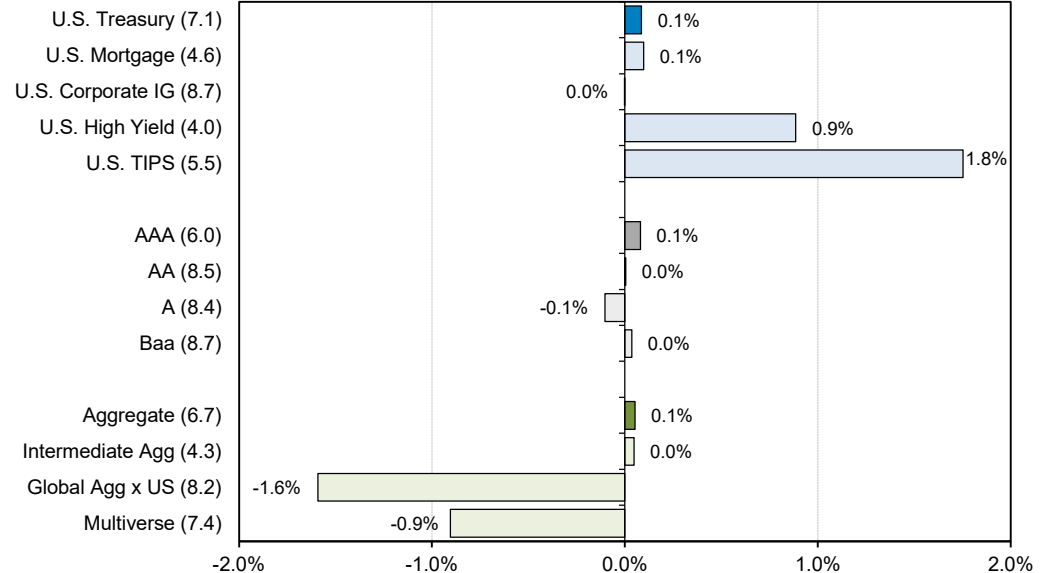
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1- Year Return
Japan	24.2%	15.3%	4.6%	22.1%
United Kingdom	14.4%	9.1%	-0.3%	31.2%
France	11.2%	7.1%	-2.0%	34.3%
Switzerland	9.5%	6.0%	-3.3%	14.5%
Germany	9.1%	5.8%	-4.3%	16.5%
Australia	6.9%	4.4%	-3.0%	31.7%
Netherlands	4.8%	3.1%	3.4%	46.0%
Sweden	3.7%	2.3%	-2.2%	31.4%
Hong Kong	3.0%	1.9%	-9.4%	15.0%
Denmark	2.6%	1.7%	2.6%	28.3%
Italy	2.5%	1.6%	-1.1%	33.4%
Spain	2.4%	1.5%	-3.3%	31.4%
Singapore	1.2%	0.7%	0.0%	30.0%
Finland	1.0%	0.7%	-3.1%	16.6%
Belgium	0.9%	0.6%	-5.6%	18.8%
Ireland	0.7%	0.5%	0.0%	21.8%
Norway	0.7%	0.4%	5.2%	45.4%
Israel	0.6%	0.4%	2.8%	28.4%
New Zealand	0.2%	0.2%	1.8%	-2.3%
Austria	0.2%	0.1%	10.4%	98.2%
Portugal	0.2%	0.1%	3.6%	19.5%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>63.3%</b>	<b>-0.4%</b>	<b>25.7%</b>
Canada		7.1%	-2.5%	33.9%
<b>Total Developed Countries</b>		<b>70.4%</b>	<b>-0.7%</b>	<b>26.5%</b>
China		10.1%	-18.2%	-7.3%
Taiwan		4.4%	-2.1%	43.3%
Korea		3.7%	-13.2%	27.8%
India		3.6%	12.6%	53.1%
Brazil		1.3%	-20.2%	21.0%
Russia		1.2%	9.5%	59.4%
Saudi Arabia		1.0%	8.2%	47.7%
South Africa		0.9%	-5.8%	27.2%
Mexico		0.6%	1.4%	51.1%
Thailand		0.5%	-3.6%	20.1%
Indonesia		0.4%	9.4%	26.4%
Malaysia		0.4%	0.2%	1.4%
United Arab Emirates		0.2%	6.4%	50.6%
Poland		0.2%	1.2%	29.5%
Qatar		0.2%	7.3%	15.0%
Philippines		0.2%	-3.6%	13.3%
Kuwait		0.2%	9.0%	27.8%
Chile		0.1%	-7.8%	18.7%
Hungary		0.1%	7.7%	72.8%
Turkey		0.1%	1.9%	5.2%
Argentina		0.1%	22.1%	47.2%
Colombia		0.1%	10.2%	31.7%
Peru		0.1%	-11.0%	-5.8%
Greece		0.1%	2.0%	30.4%
Czech Republic		0.0%	14.2%	85.2%
Egypt		0.0%	4.3%	-13.7%
<b>Total Emerging Countries</b>		<b>29.5%</b>	<b>-8.1%</b>	<b>18.2%</b>
<b>Total ACWixUS Countries</b>		<b>100.0%</b>	<b>-3.0%</b>	<b>23.9%</b>

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

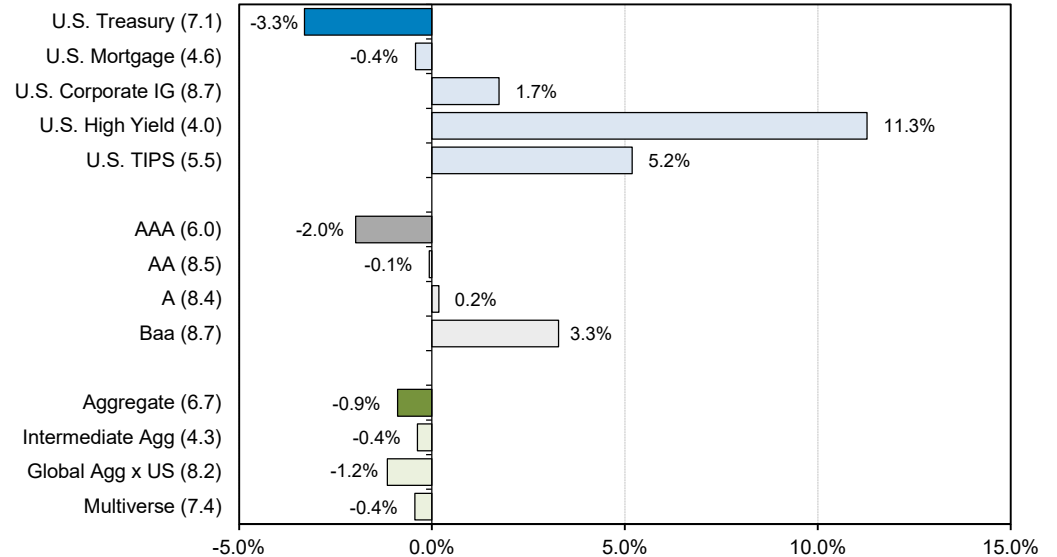


- Fixed income market yields were broadly unchanged during the 3rd quarter. The Bloomberg US Aggregate Bond Index returned a muted 0.1% for the period.
- Digging deeper into bond market sectors, while the US Corporate Investment Grade Index return was largely unchanged (0.0%), lower quality High Yield benchmark delivered positive a positive return of 0.9%. High yield issues benefited from the asset category's overall shorter maturity profile and higher coupon rate.
- The outlier during the quarter was US TIPS issues, which returned 1.8%. Expectations for inflation to persist above the Fed's stated average target of 2.0% was the catalyst for the solid performance.
- Outside of domestic markets, the Bloomberg Global Aggregate ex US Index posted a -1.6% return for the quarter. A significant contributor to the global bond's index performance was UK issues. Interest rates in the UK moved higher during the period as the Bank of England began to message the potential for rate increases in the near future.
- Over the trailing 1-year period, returns of higher quality government and mortgage-backed bonds were disappointing. US Treasury bonds declined by -3.3% and the mortgage-backed benchmark returned a less negative -0.4%.
- In contrast, corporate bonds delivered solid performance, led by lower quality high yield bonds. The Bloomberg US Corporate IG Index returned 1.7% while the Blomberg US High Yield Bond Index returned a strong 11.3%.
- US TIPS continued to perform well for the trailing 1-year period with the index returning 5.2%. Persistent concerns about rising inflation acted as a tailwind for TIPS issues.

#### Quarter Performance



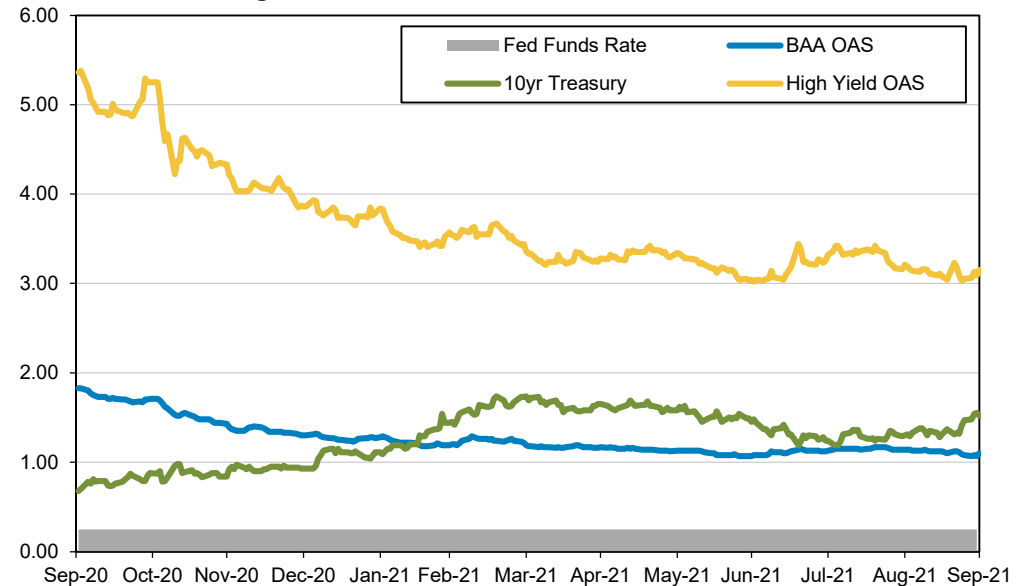
#### 1-Year Performance



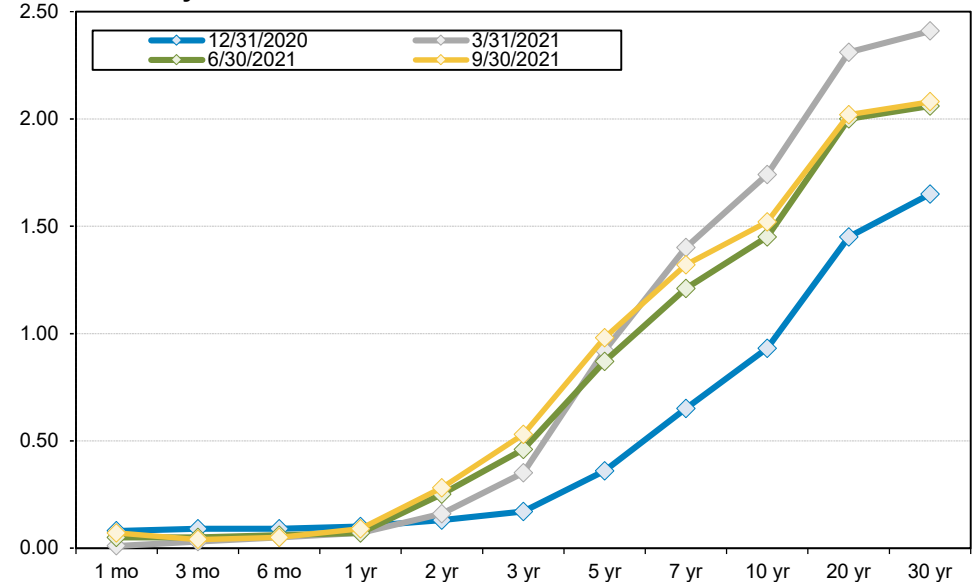
Source: Bloomberg

- The gray band across the graph represents the range of the Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% to 0.25%. During its September meeting, the Federal Open Market Committee (FOMC) reiterated its commitment to keeping interest rates near zero while signaling that it would begin tapering its asset purchase program. Importantly, the Fed also indicated it would begin considering raising US interest rates in the near future.
- The yield on the US 10-year Treasury (green line) continued to rise during the year as the economy recovered. After reaching a high of 1.74% during the 1st quarter of 2021, interest rates have largely moved in a range-bound, sideways pattern.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium investors require to purchase and hold non-Treasury investment grade issues. As the pace of the economic recovery quickened, spreads narrowed, indicating that investors remain comfortable owning credit as the probability of corporate defaults remains low. While nearly triple the BAA OAS, the High Yield OAS shows a similar willingness by investors to hold non-Treasury debt.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 4th quarter of 2020, longer-term interest rates began to move higher as investors anticipated improving economic conditions. Interest rates peaked in the 1st quarter as economic growth surprised to the upside. Since then, longer-term US interest rates have remained relatively steady.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



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

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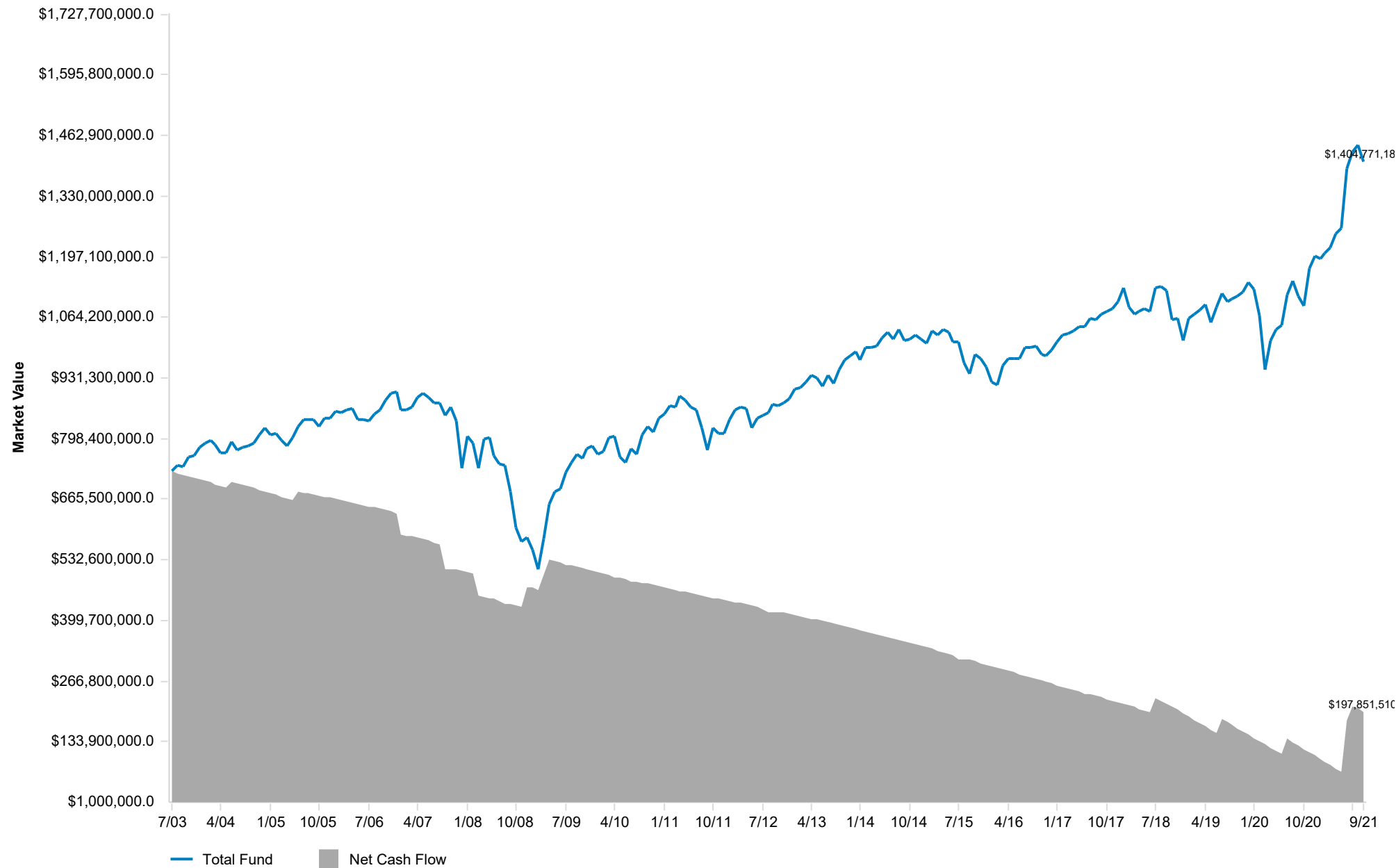


## Annual Asset Class Performance

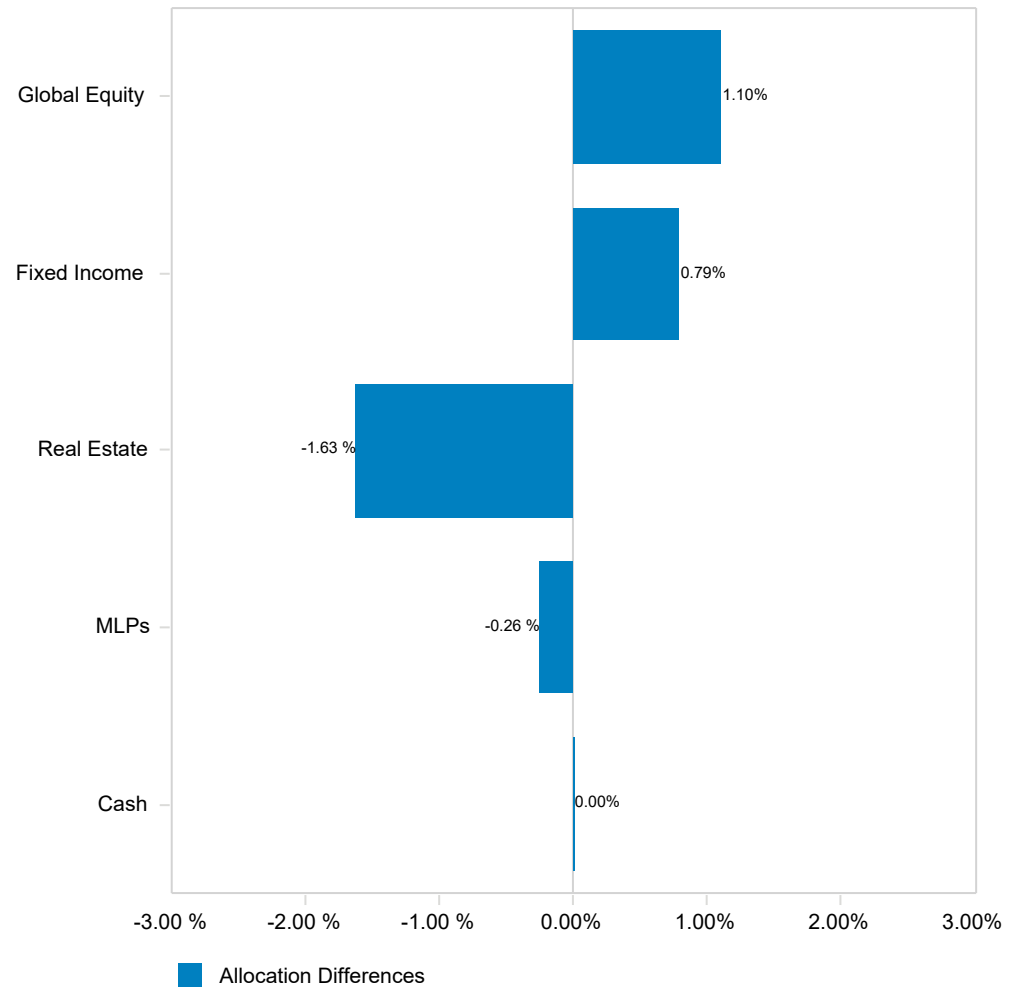
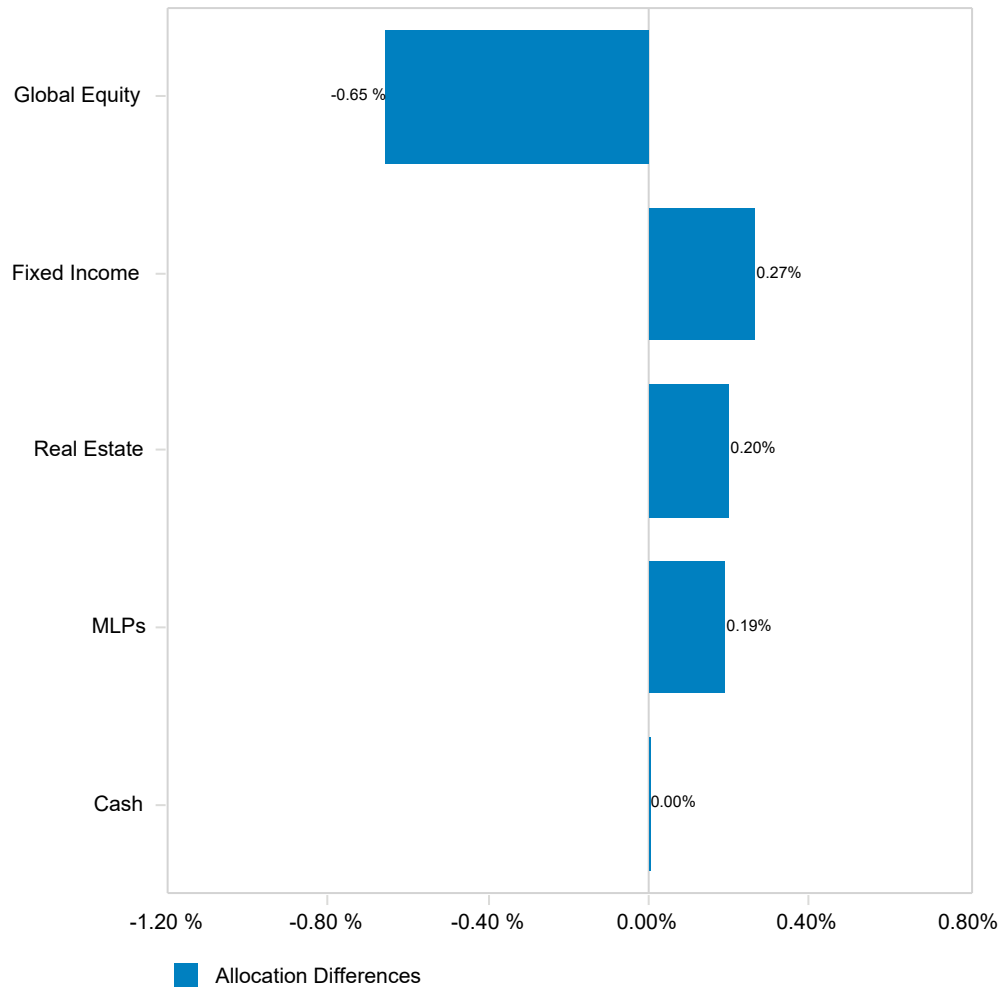
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Best	MSCI Emerging Mkts (Net) 39.4 %	Blmbg Barc US Agg 5.2 %	MSCI Emerging Mkts (Net) 78.5 %	Russell 2000 Growth 29.1 %	NCREIF ODCE (EW) (Net) 15.0 %	MSCI Emerging Mkts (Net) 18.2 %	Russell 2000 Growth 43.3 %	S&P 500 13.7 %	NCREIF ODCE (EW) (Net) 14.2 %	Russell 2000 Value 31.7 %	MSCI Emerging Mkts (Net) 37.3 %	NCREIF ODCE (EW) (Net) 7.3 %	Russell 1000 Growth 36.4 %	Russell 1000 Growth 38.5 %	Russell 2000 Value 22.9 %
	NCREIF ODCE (EW) (Net) 15.0 %	Blmbg Barc Global Agg Ex USD 4.4 %	Blmbg Barc US Corp High Yield 58.2 %	Russell 2000 Value 24.5 %	Blmbg Barc US Agg 7.8 %	Russell 2000 Value 18.1 %	Russell 2000 Value 34.5 %	Russell 1000 Value 13.5 %	Russell 1000 Growth 5.7 %	Russell 1000 Value 17.3 %	Russell 1000 Growth 30.2 %	Blmbg Barc US Agg 0.0 %	S&P 500 31.5 %	Russell 2000 Growth 34.6 %	Russell 1000 Value 16.1 %
	Russell 1000 Growth 11.8 %	NCREIF ODCE (EW) (Net) -11.1 %	Russell 1000 Growth 37.2 %	MSCI Emerging Mkts (Net) 18.9 %	Blmbg Barc US Corp High Yield 5.0 %	Russell 1000 Value 17.5 %	Russell 1000 Growth 33.5 %	Russell 1000 Growth 13.1 %	S&P 500 1.4 %	Blmbg Barc US Corp High Yield 17.1 %	MSCI EAFE (Net) 25.0 %	Russell 1000 Growth -1.5 %	Russell 2000 Growth 28.5 %	S&P 500 18.4 %	S&P 500 15.9 %
	MSCI EAFE (Net) 11.2 %	Strategic Policy -23.5 %	Russell 2000 Growth 34.5 %	Russell 1000 Growth 16.7 %	Blmbg Barc Global Agg Ex USD 4.4 %	MSCI EAFE (Net) 17.3 %	Russell 1000 Value 32.5 %	NCREIF ODCE (EW) (Net) 11.4 %	Blmbg Barc US Agg 0.5 %	S&P 500 12.0 %	Russell 2000 Growth 22.2 %	Blmbg Barc US Corp High Yield -2.1 %	Russell 1000 Value 26.5 %	MSCI Emerging Mkts (Net) 18.3 %	Russell 1000 Growth 14.3 %
	Blmbg Barc Global Agg Ex USD 11.0 %	Blmbg Barc US Corp High Yield -26.2 %	MSCI EAFE (Net) 31.8 %	Russell 1000 Value 15.5 %	Russell 1000 Growth 2.6 %	S&P 500 16.0 %	S&P 500 32.4 %	Strategic Policy 6.2 %	MSCI EAFE (Net) -0.8 %	Russell 2000 Growth 11.3 %	S&P 500 21.8 %	Blmbg Barc Global Agg Ex USD -2.1 %	Russell 2000 Value 22.4 %	Strategic Policy 10.8 %	NCREIF ODCE (EW) (Net) 13.5 %
	Strategic Policy 7.2 %	Russell 2000 Value -28.9 %	S&P 500 26.5 %	Blmbg Barc US Corp High Yield 15.1 %	S&P 500 2.1 %	Blmbg Barc US Corp High Yield 15.8 %	MSCI EAFE (Net) 22.8 %	Blmbg Barc US Agg 6.0 %	Russell 2000 Growth -1.4 %	MSCI Emerging Mkts (Net) 11.2 %	Strategic Policy 13.8 %	S&P 500 -4.4 %	MSCI EAFE (Net) 22.0 %	Blmbg Barc Global Agg Ex USD 10.1 %	Strategic Policy 9.5 %
	Russell 2000 Growth 7.0 %	Russell 1000 Value -36.8 %	Russell 2000 Value 20.6 %	NCREIF ODCE (EW) (Net) 15.1 %	Strategic Policy 0.7 %	Russell 1000 Growth 15.3 %	Strategic Policy 14.6 %	Russell 2000 Growth 5.6 %	Strategic Policy -1.9 %	NCREIF ODCE (EW) (Net) 8.4 %	Russell 1000 Value 13.7 %	Strategic Policy -5.8 %	MSCI Emerging Mkts (Net) 18.4 %	MSCI EAFE (Net) 7.8 %	MSCI EAFE (Net) 8.3 %
	Blmbg Barc US Agg 7.0 %	S&P 500 -37.0 %	Strategic Policy 20.4 %	S&P 500 15.1 %	Russell 1000 Value 0.4 %	Russell 2000 Growth 14.6 %	NCREIF ODCE (EW) (Net) 12.4 %	Russell 2000 Value 4.2 %	Russell 1000 Value -3.8 %	Strategic Policy 7.9 %	Blmbg Barc Global Agg Ex USD 10.5 %	Russell 1000 Value -8.3 %	Strategic Policy 17.9 %	Blmbg Barc US Agg 7.5 %	Blmbg Barc US Corp High Yield 4.5 %
	S&P 500 5.5 %	Russell 1000 Growth -38.4 %	Russell 1000 Value 19.7 %	Strategic Policy 12.0 %	Russell 2000 Growth -2.9 %	Strategic Policy 12.1 %	Blmbg Barc US Corp High Yield 7.4 %	Blmbg Barc US Corp High Yield 2.5 %	Blmbg Barc US Corp High Yield -4.5 %	Russell 1000 Growth 7.1 %	Russell 2000 Value 7.8 %	Russell 2000 Growth -9.3 %	Blmbg Barc US Corp High Yield 14.3 %	Blmbg Barc US Corp High Yield 7.1 %	Russell 2000 Growth 2.8 %
	Blmbg Barc US Corp High Yield 1.9 %	Russell 2000 Growth -38.5 %	Blmbg Barc Global Agg Ex USD 7.5 %	MSCI EAFE (Net) 7.8 %	Russell 2000 Value -5.5 %	NCREIF ODCE (EW) (Net) 9.9 %	Blmbg Barc US Agg -2.0 %	MSCI Emerging Mkts (Net) -2.2 %	Blmbg Barc Global Agg Ex USD -6.0 %	Blmbg Barc US Agg 2.6 %	Blmbg Barc US Corp High Yield 7.5 %	Russell 2000 Value -12.9 %	Blmbg Barc US Agg 8.7 %	Russell 2000 Value 4.6 %	MSCI Emerging Mkts (Net) -1.2 %
	Russell 1000 Value -0.2 %	MSCI EAFE (Net) -43.4 %	Blmbg Barc US Agg 5.9 %	Blmbg Barc US Agg 6.5 %	MSCI EAFE (Net) -12.1 %	Blmbg Barc US Agg 4.2 %	MSCI Emerging Mkts (Net) -2.6 %	Blmbg Barc Global Agg Ex USD -3.1 %	Russell 2000 Value -7.5 %	Blmbg Barc Global Agg Ex USD 1.5 %	NCREIF ODCE (EW) (Net) 6.9 %	MSCI EAFE (Net) -13.8 %	NCREIF ODCE (EW) (Net) 5.2 %	Russell 1000 Value 2.8 %	Blmbg Barc US Agg -1.6 %
Worst	Russell 2000 Value -9.8 %	MSCI Emerging Mkts (Net) -53.3 %	NCREIF ODCE (EW) (Net) -31.3 %	Blmbg Barc Global Agg Ex USD 4.9 %	MSCI Emerging Mkts (Net) -18.4 %	Blmbg Barc Global Agg Ex USD 4.1 %	Blmbg Barc Global Agg Ex USD -3.1 %	MSCI EAFE (Net) -4.9 %	MSCI Emerging Mkts (Net) -14.9 %	MSCI EAFE (Net) 1.0 %	Blmbg Barc US Agg 3.5 %	MSCI Emerging Mkts (Net) -14.6 %	Blmbg Barc Global Agg Ex USD 5.1 %	NCREIF ODCE (EW) (Net) 0.8 %	Blmbg Barc Global Agg Ex USD -5.9 %

**Total Fund**

Schedule of Investable Assets



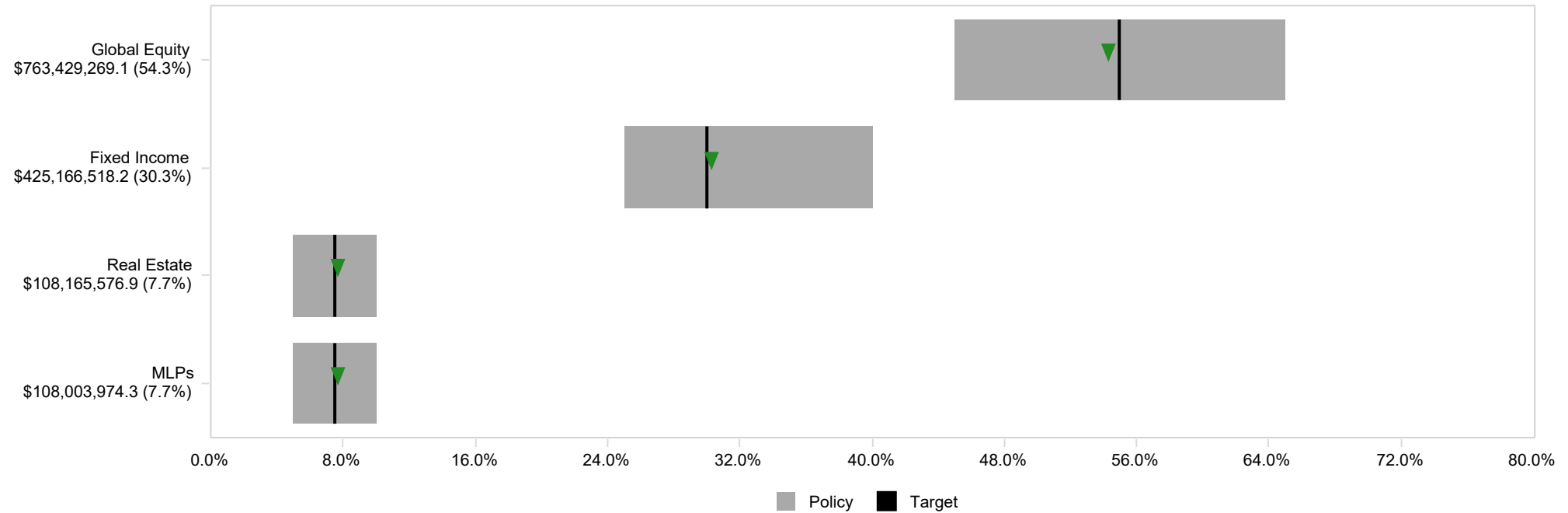
**Employees' Retirement System of the City of Norfolk**  
**Asset Allocation vs. Target Allocation**  
**As of September 30, 2021**



September 30, 2021				June 30, 2021			
	Market Value \$	Allocation (%)	Target (%)		Market Value \$	Allocation (%)	Target (%)
Global Equity	763,429,269	54.3	55.0	Global Equity	779,940,629	56.1	55.0
Fixed Income	425,166,518	30.3	30.0	Fixed Income	428,086,879	30.8	30.0
Real Estate	108,165,577	7.7	7.5	Real Estate	81,594,793	5.9	7.5
MLPs	108,003,974	7.7	7.5	MLPs	100,706,225	7.2	7.5
Cash	5,844	0.0	0.0	Cash	7,062	0.0	0.0
Total Fund	1,404,771,182	100.0	100.0	Total Fund	1,390,335,588	100.0	100.0



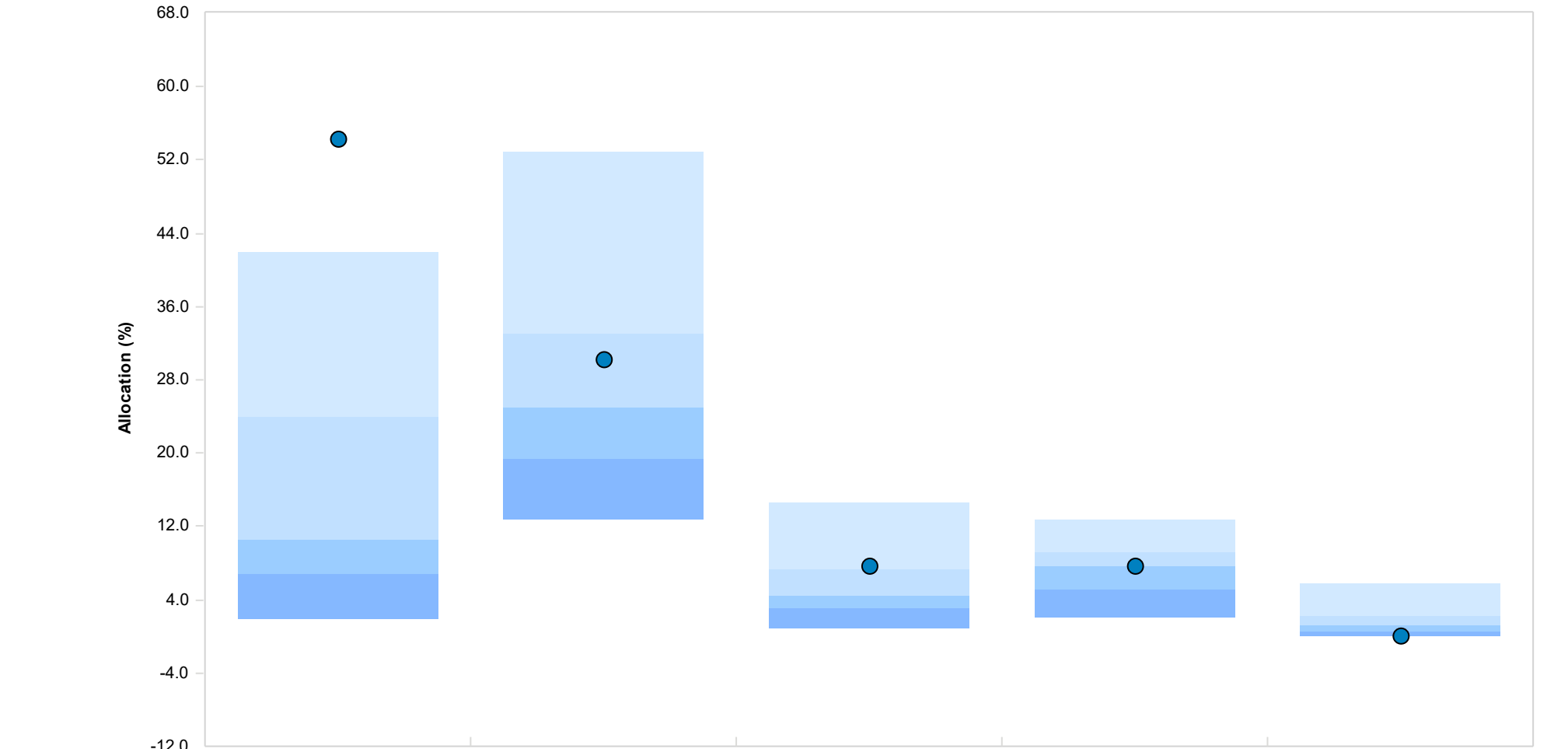
## Executive Summary



## Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Rebal. (\$000)
<b>Total Fund</b>	<b>1,404,771,182</b>	<b>100.0</b>	<b>100.0</b>			
Global Equity	763,429,269	54.3	55.0	45.0	65.0	9,194,881
SSgA MSCI ACWI IMI Index Fund	763,429,269	54.3				
Fixed Income	425,166,518	30.3	30.0	25.0	40.0	-3,735,164
PIMCO Total Return	212,943,906	15.2				
SSgA Bond Market Index	212,222,612	15.1				
Real Assets	216,169,551	15.4	15.0			-5,453,874
Real Estate	108,165,577	7.7	7.5	5.0	10.0	-2,807,738
JP Morgan Asset Management Strategic Property Fund	48,288,973	3.4				
UBS Trumbull Property Fund	35,527,221	2.5				
Vanguard Real Estate Index (VGSNX)	24,349,383	1.7				
MLPs	108,003,974	7.7	7.5	5.0	10.0	-2,646,136
Harvest MLP	60,375,177	4.3				
Tortoise Capital Advisors	47,628,798	3.4				
Cash	5,844	0.0				

Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund

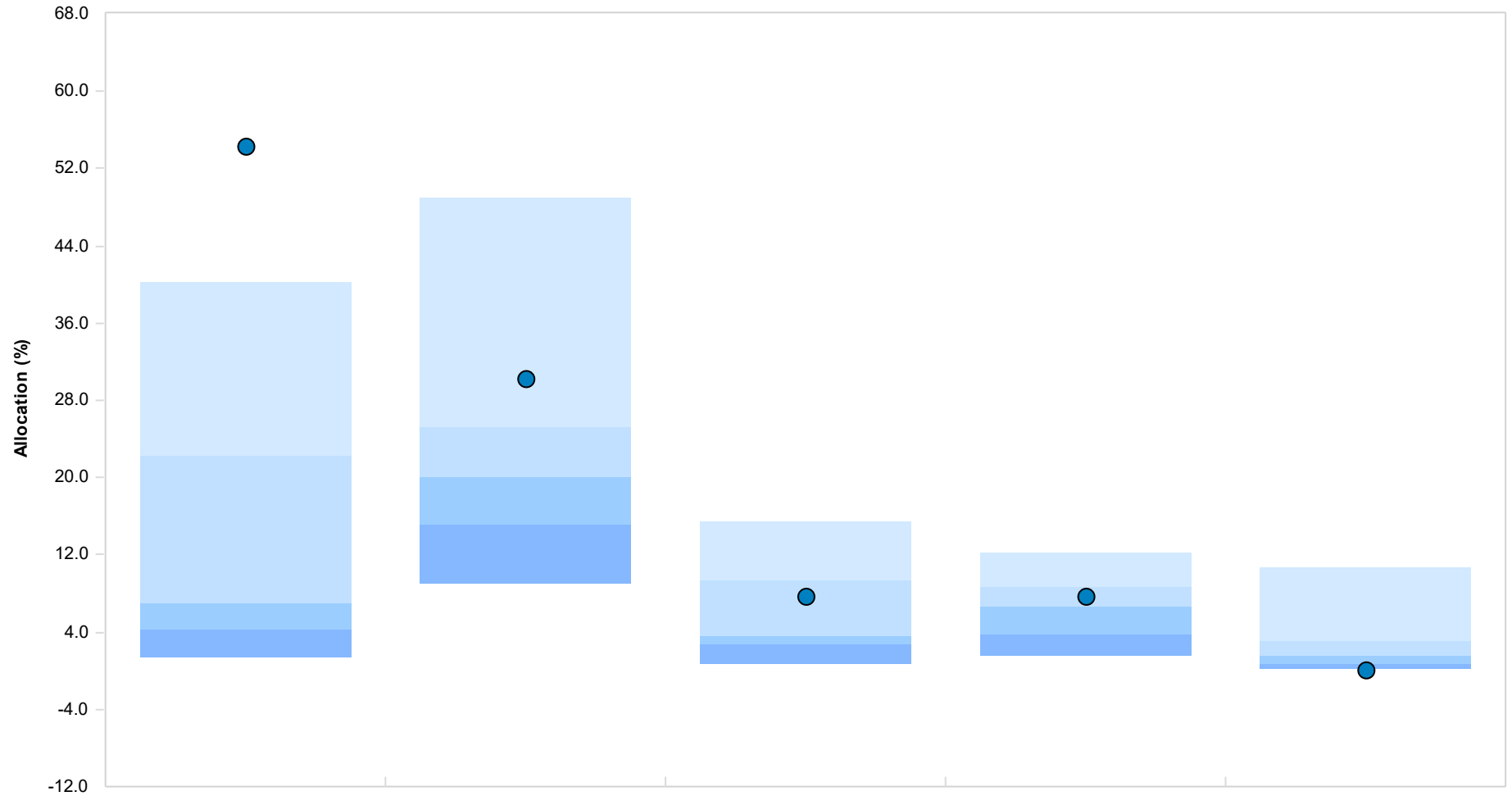


	Global Equity	US Fixed	Real Assets/Commod	Total Real Estate	Cash & Equivalents
● Total Fund Composite*	54.35 (1)	30.27 (34)	7.69 (24)	7.70 (49)	0.00 (100)
5th Percentile	41.96	52.97	14.69	12.74	5.73
1st Quartile	23.87	33.16	7.24	9.22	2.32
Median	10.57	24.97	4.38	7.61	1.15
3rd Quartile	6.82	19.42	3.03	5.12	0.59
95th Percentile	1.93	12.81	0.89	2.07	0.09
Population	30	452	44	297	363

Parentheses contain percentile rankings.



Plan Sponsor TF Asset Allocation vs. All Public Plans > \$1B-Total Fund

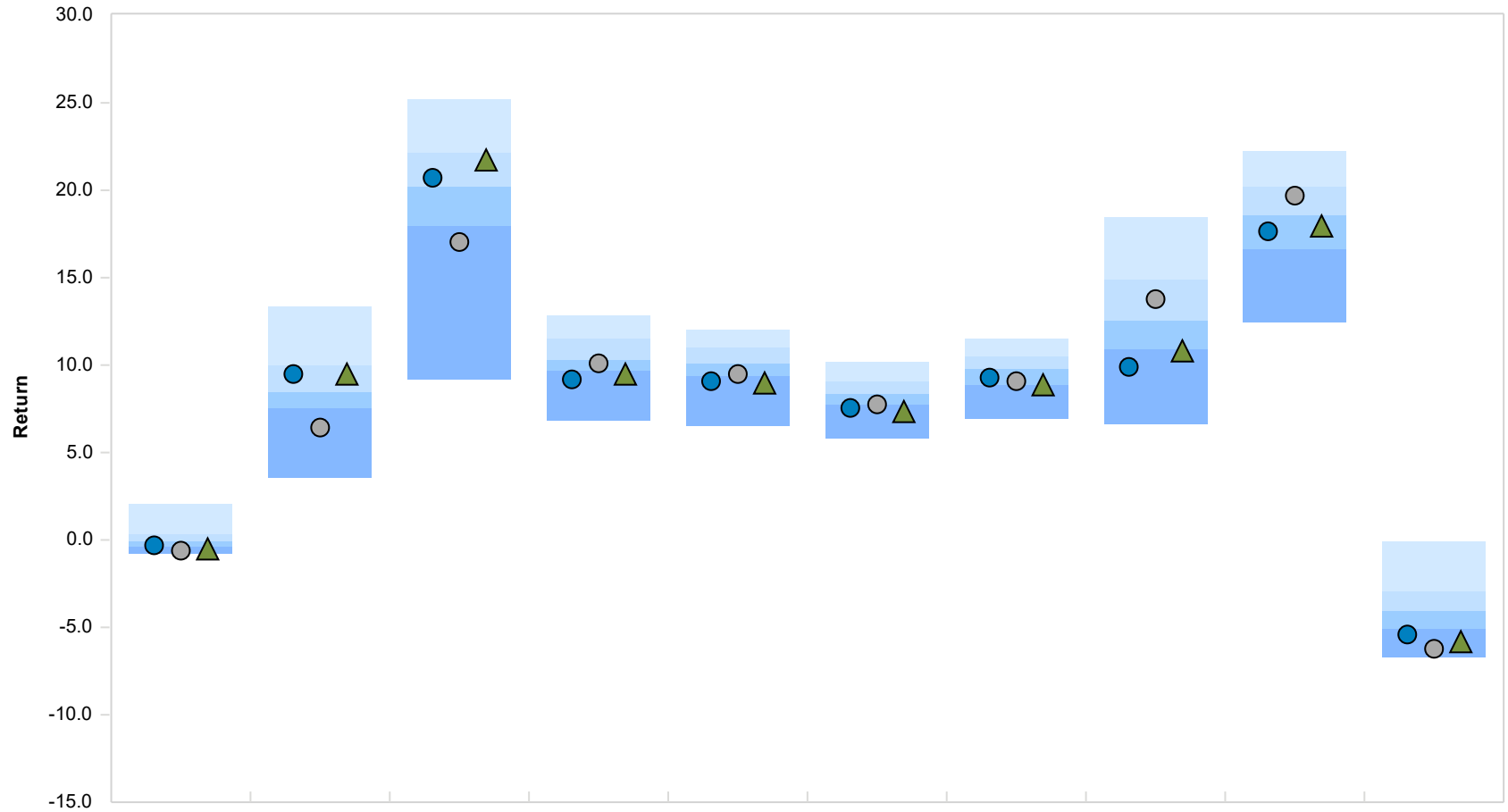


	Global Equity	US Fixed	Real Assets/Commod	Total Real Estate	Cash & Equivalents
● Total Fund Composite*	54.35 (1)	30.27 (12)	7.69 (31)	7.70 (37)	0.00 (100)
5th Percentile	40.18	48.98	15.42	12.32	10.77
1st Quartile	22.23	25.26	9.34	8.65	3.02
Median	6.97	20.01	3.55	6.63	1.58
3rd Quartile	4.23	15.04	2.82	3.81	0.69
95th Percentile	1.47	9.06	0.65	1.61	0.23
Population	11	89	11	75	65

Parentheses contain percentile rankings.



Plan Sponsor Peer Group Analysis vs. All Public Plans-Total Fund



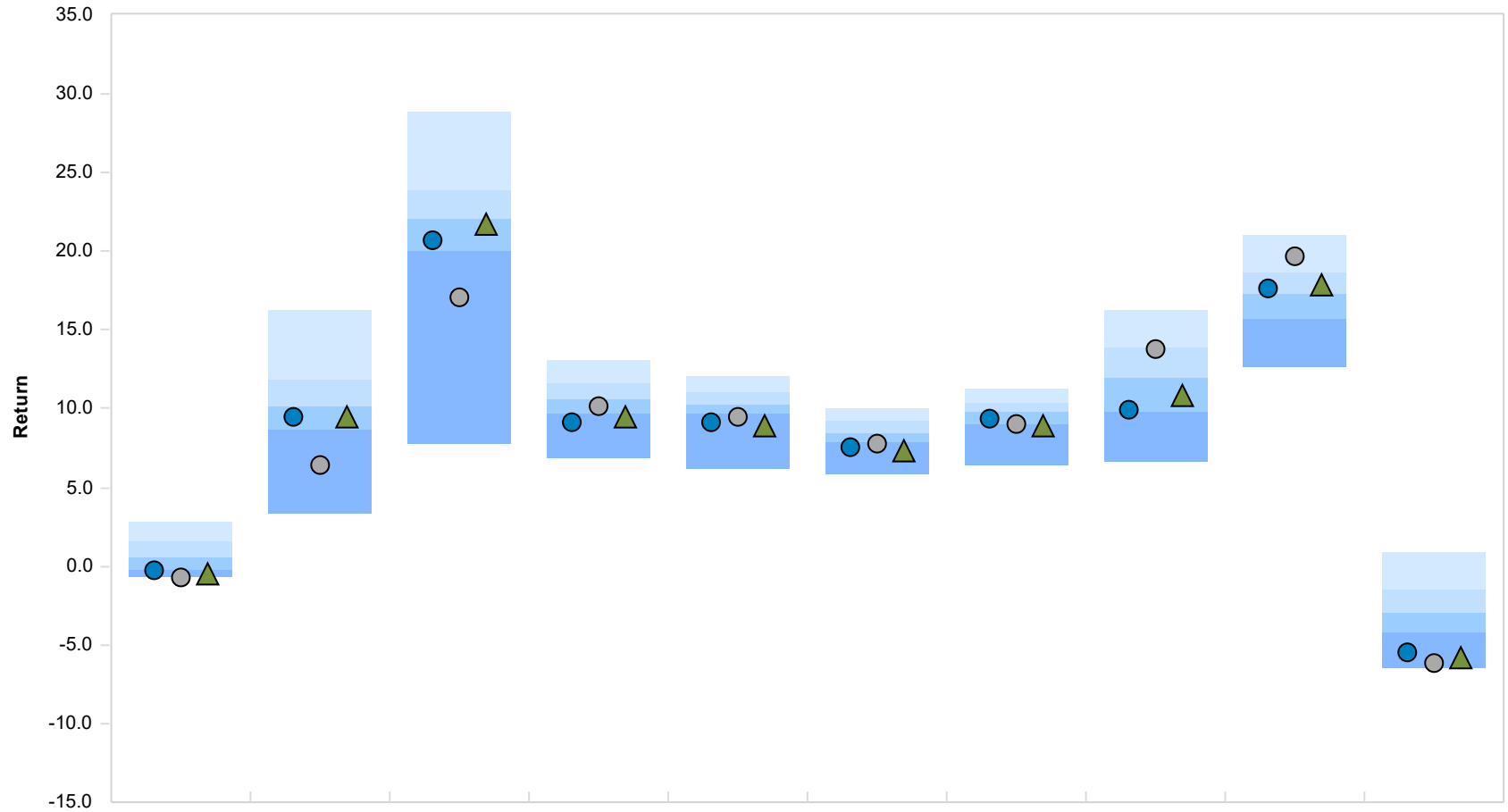
	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2020	2019	2018
● Total Fund Composite	-0.27 (66)	9.45 (34)	20.70 (46)	9.19 (83)	9.10 (82)	7.54 (81)	9.33 (66)	9.92 (83)	17.67 (62)	-5.43 (82)
● Fund Policy (62.5% ACWI/37.5% Agg)	-0.66 (91)	6.45 (89)	17.09 (83)	10.15 (58)	9.46 (72)	7.80 (74)	9.05 (73)	13.76 (36)	19.72 (33)	-6.19 (90)
▲ Fund Strategic Index	-0.49 (80)	9.46 (33)	21.77 (32)	9.53 (78)	8.95 (85)	7.33 (86)	8.89 (76)	10.81 (77)	17.92 (58)	-5.80 (86)
5th Percentile	2.04	13.42	25.19	12.81	12.09	10.20	11.54	18.46	22.21	-0.11
1st Quartile	0.36	10.01	22.14	11.51	11.06	9.13	10.53	14.87	20.25	-2.94
Median	-0.06	8.46	20.19	10.35	10.15	8.40	9.82	12.58	18.57	-4.11
3rd Quartile	-0.42	7.50	17.96	9.65	9.37	7.78	8.93	10.93	16.65	-5.13
95th Percentile	-0.84	3.53	9.15	6.86	6.52	5.86	6.92	6.66	12.47	-6.74
Population	324	323	323	300	288	278	257	639	645	523

Parenttheses contain percentile rankings.  
Calculation based on monthly periodicity.





Plan Sponsor Peer Group Analysis vs. All Public Plans > \$1B-Total Fund

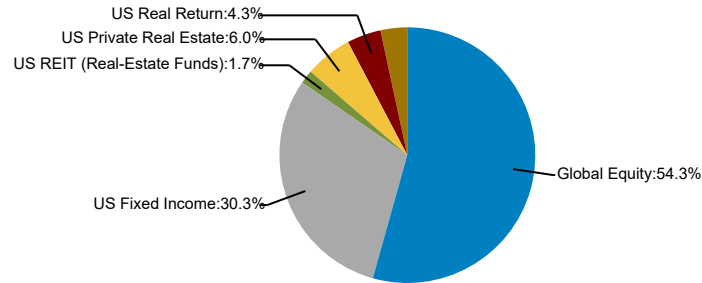


	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2020	2019	2018
● Total Fund Composite	-0.27 (78)	9.45 (63)	20.70 (70)	9.19 (86)	9.10 (89)	7.54 (85)	9.33 (68)	9.92 (75)	17.67 (41)	-5.43 (88)
● Fund Policy (62.5% ACWI/37.5% Agg)	-0.66 (94)	6.45 (95)	17.09 (90)	10.15 (64)	9.46 (80)	7.80 (81)	9.05 (76)	13.76 (27)	19.72 (16)	-6.19 (94)
▲ Fund Strategic Index	-0.49 (87)	9.46 (63)	21.77 (56)	9.53 (81)	8.95 (90)	7.33 (90)	8.89 (81)	10.81 (66)	17.92 (37)	-5.80 (91)
5th Percentile	2.75	16.25	28.88	13.08	12.09	10.05	11.26	16.34	21.08	0.86
1st Quartile	1.53	11.88	23.91	11.61	11.07	9.22	10.38	13.86	18.69	-1.56
Median	0.52	10.13	22.08	10.59	10.29	8.51	9.86	12.03	17.28	-3.04
3rd Quartile	-0.21	8.70	19.98	9.76	9.71	7.92	9.06	9.84	15.73	-4.28
95th Percentile	-0.77	3.39	7.76	6.84	6.16	5.82	6.38	6.67	12.67	-6.49
Population	103	102	102	97	96	95	91	207	190	149

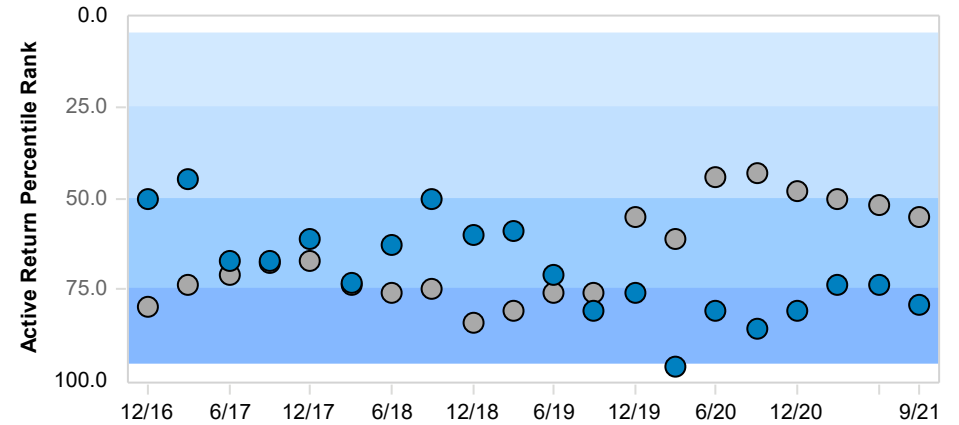
Parenttheses contain percentile rankings.  
Calculation based on monthly periodicity.



#### Asset Allocation By Asset Class

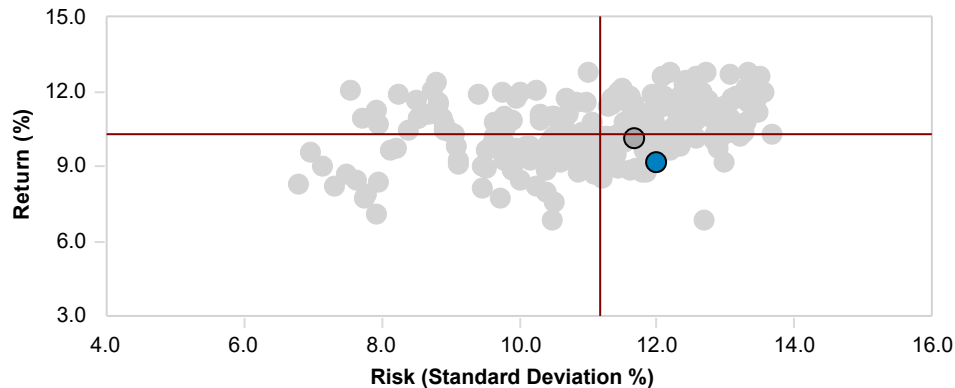


#### Rolling Percentile Ranking vs. All Public Plans-Total Fund



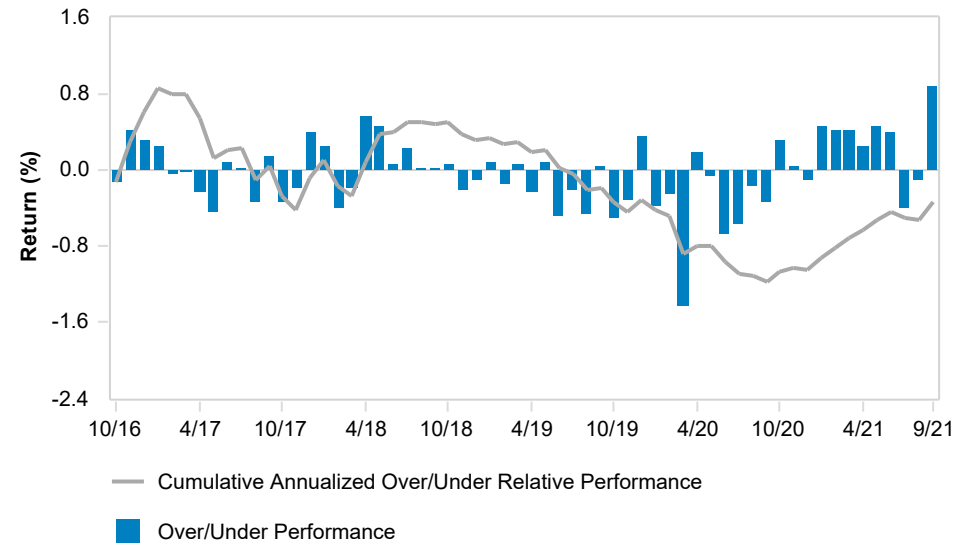
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund	20	0 (0%)	3 (15%)	10 (50%)	7 (35%)
● Total Fund Policy	20	0 (0%)	4 (20%)	10 (50%)	6 (30%)

#### Risk vs. Return (October 1, 2018 - September 30, 2021)



	Return	Standard Deviation
● Total Fund	9.19	12.00
● Total Fund Policy	10.15	11.67
— Median	10.35	11.19

#### Relative Performance vs. Total Fund Policy



**Employees' Retirement System of the City of Norfolk**  
**Asset Allocation & Performance (gross of fees)**  
As of September 30, 2021

**Asset Allocation & Performance**

	Market Value \$	%	Performance(%)								
			3 Month	CYTD	1 Year	2 YR	3 Year	5 Year	Since Inception	Inception Date	
Total Fund	1,404,771,182	100.0	-0.27 (66)	9.45 (34)	20.70 (46)	12.48 (72)	9.19 (83)	9.10 (82)	8.45 (74)	Oct-1990	
Total Fund Policy			-0.66	6.45	17.09	13.11	10.15	9.46	8.40		
Excess Return			0.39	3.00	3.61	-0.63	-0.96	-0.36	0.05		
Total Fund Strategy Index			-0.49	9.46	21.77	12.74	9.53	8.95	8.35		
Excess Return			0.22	-0.01	-1.07	-0.26	-0.34	0.15	0.10		
Global Equity	763,429,269	54.3	-1.05 (49)	12.03 (31)	29.85 (33)	19.53 (47)	12.98 (43)	13.61 (38)	9.73 (39)	Oct-1990	
Global Equity Policy			-1.11	11.42	28.92	18.85	12.38	13.06	9.79		
Excess Return			0.06	0.61	0.93	0.68	0.60	0.55	-0.06		
Fixed Income	425,166,518	30.3	0.26 (25)	-1.16 (71)	-0.45 (81)	3.62 (75)	5.57 (84)	3.38 (81)	6.05 (76)	Oct-1990	
Blmbg. U.S. Aggregate Index			0.05	-1.56	-0.90	2.97	5.35	2.94	5.78		
Excess Return			0.21	0.40	0.45	0.65	0.22	0.44	0.27		
Real Estate	108,165,577	7.7	4.42 (85)	9.16 (93)	9.42 (93)	4.54 (93)	3.62 (95)	5.03 (96)	8.80 (100)	Apr-2011	
NCREIF Fund Index-ODCE (Net)			6.42	12.42	13.65	6.88	6.13	6.56	9.26		
Excess Return			-2.00	-3.26	-4.23	-2.34	-2.51	-1.53	-0.46		
MLPs	108,003,974	7.7	-1.33 (48)	37.89 (67)	72.03 (59)	-0.02 (28)	-2.85 (41)	-0.67 (37)	1.16 (33)	Mar-2013	
Alerian MLP Index			-5.71	39.40	84.63	-2.35	-4.32	-2.42	-2.37		
Excess Return			4.38	-1.51	-12.60	2.33	1.47	1.75	3.53		
Cash	5,844	0.0									



Asset Allocation & Performance

	Market Value \$	Performance(%)									Inception Date					
		3 Month		CYTD		1 Year		2 Year		3 Year		5 Year		Since Inception		
Global Equity																
SSgA MSCI ACWI IMI Index Fund	763,429,269	-1.05	(49)	11.76	(33)	29.54	(35)	19.39	(48)	12.89	(43)	13.55	(39)	13.51	(40)	May-2016
MSCI AC World IMI (Net)		-1.11		11.42		28.92		18.85		12.38		13.06		13.02		
Excess Return		0.06		0.34		0.62		0.54		0.51		0.49		0.49		
Fixed Income																
PIMCO Total Return	212,943,906	0.45	(4)	-0.84	(42)	-0.10	(58)	4.14	(37)	5.74	(72)	3.74	(44)	6.44	(13)	Jan-1991
Blmbg. U.S. Aggregate Index		0.05		-1.56		-0.90		2.97		5.35		2.94		5.66		
Excess Return		0.40		0.72		0.80		1.17		0.39		0.80		0.78		
SSgA Bond Market Index	212,222,612	0.06	(64)	-1.50	(78)	-0.82	(85)	3.03	(89)	5.42	(89)	2.98	(90)	3.88	(94)	Jan-2009
Blmbg. U.S. Aggregate Index		0.05		-1.56		-0.90		2.97		5.35		2.94		3.85		
Excess Return		0.01		0.06		0.08		0.06		0.07		0.04		0.03		
Real Estate																
JP Morgan Asset Management Strategic Property Fund	48,288,973	6.71	(26)	11.87	(83)	14.05	(72)	7.73	(63)	6.48	(92)	6.98	(91)	10.19	(87)	Apr-2011
NCREIF Fund Index-ODCE (VW) (Net)		6.42		12.42		13.65		6.88		6.13		6.56		9.26		
Excess Return		0.29		-0.55		0.40		0.85		0.35		0.42		0.93		
UBS Trumbull Property Fund	35,527,221	6.22	(42)	10.65	(92)	8.79	(93)	3.19	(94)	1.96	(96)	3.75	(100)	6.98	(-)	Dec-2011
NCREIF Fund Index-ODCE (VW) (Net)		6.42		12.42		13.65		6.88		6.13		6.56		9.08		
Excess Return		-0.20		-1.77		-4.86		-3.69		-4.17		-2.81		-2.10		
MLPs																
Harvest MLP	60,375,177	-0.26	(1)	39.78	(45)	71.52	(67)	2.20	(13)	-1.72	(35)	0.13	(20)	1.67	(24)	Mar-2013
Alerian MLP Index		-5.71		39.40		84.63		-2.35		-4.32		-2.42		-2.37		
Excess Return		5.45		0.38		-13.11		4.55		2.60		2.55		4.04		
Tortoise Capital Advisors	47,628,798	-2.60	(57)	36.81	(79)	73.85	(48)	-1.99	(61)	-3.79	(58)	-1.36	(53)	0.11	(46)	Apr-2013
Alerian MLP Index		-5.71		39.40		84.63		-2.35		-4.32		-2.42		-2.99		
Excess Return		3.11		-2.59		-10.78		0.36		0.53		1.06		3.10		

**Employees' Retirement System of the City of Norfolk**  
**Asset Allocation & Performance (net of fees)**  
As of September 30, 2021

**Asset Allocation & Performance**

	Market Value \$	%	Performance(%)								Inception Date
			3 Month	CYTD	FYTD	1 Year	2 YR	3 Year	5 Year	Since Inception	
<b>Total Fund</b>	<b>1,404,771,182</b>	<b>100.0</b>	<b>-0.29</b>	<b>9.36</b>	<b>-0.29</b>	<b>20.54</b>	<b>12.32</b>	<b>9.03</b>	<b>8.92</b>	<b>8.25</b>	<b>Oct-1990</b>
Total Fund Policy			-0.66	6.45	-0.66	17.09	13.11	10.15	9.46	8.40	
Excess Return			0.37	2.91	0.37	3.45	-0.79	-1.12	-0.54	-0.15	
Total Fund Strategy Index			-0.49	9.46	-0.49	21.77	12.74	9.53	8.95	8.35	
Excess Return			0.20	-0.10	0.20	-1.23	-0.42	-0.50	-0.03	-0.10	
Global Equity	763,429,269	54.3	-1.06	12.00	-1.06	29.80	19.49	12.94	13.57	9.56	Oct-1990
Global Equity Policy			-1.11	11.42	-1.11	28.92	18.85	12.38	13.06	9.79	
Excess Return			0.05	0.58	0.05	0.88	0.64	0.56	0.51	-0.23	
Fixed Income	425,166,518	30.3	0.26	-1.20	0.26	-0.54	3.51	5.45	3.26	5.86	Oct-1990
Blmbg. U.S. Aggregate Index			0.05	-1.56	0.05	-0.90	2.97	5.35	2.94	5.78	
Excess Return			0.21	0.36	0.21	0.36	0.54	0.10	0.32	0.08	
Real Estate	108,165,577	7.7	4.22	8.44	4.22	8.34	3.61	2.73	4.10	7.81	Apr-2011
NCREIF Fund Index-ODCE (Net)			6.42	12.42	6.42	13.65	6.88	6.13	6.56	9.26	
Excess Return			-2.20	-3.98	-2.20	-5.31	-3.27	-3.40	-2.46	-1.45	
MLPs	108,003,974	7.7	-1.33	37.81	-1.33	71.61	-0.46	-3.32	-1.26	0.56	Mar-2013
Alerian MLP Index			-5.71	39.40	-5.71	84.63	-2.35	-4.32	-2.42	-2.37	
Excess Return			4.38	-1.59	4.38	-13.02	1.89	1.00	1.16	2.93	
Cash	5,844	0.0									



**Employees' Retirement System of the City of Norfolk**  
**Asset Allocation & Performance (net of fees)**

As of September 30, 2021

**Asset Allocation & Performance**

	Market Value \$	%	Performance(%)								
			3 Month	CYTD	FYTD	1 Year	2 Year	3 Year	5 Year	Since Inception	Inception Date
Global Equity											
SSgA MSCI ACWI IMI Index Fund	763,429,269	54.3	-1.06	11.73	-1.06	29.50	19.35	12.85	13.52	13.48	May-2016
MSCI AC World IMI (Net)			-1.11	11.42	-1.11	28.92	18.85	12.38	13.06	13.02	
Excess Return			0.05	0.31	0.05	0.58	0.50	0.47	0.46	0.46	
Fixed Income											
PIMCO Total Return	212,943,906	15.2	0.45	-0.91	0.45	-0.25	3.96	5.53	3.54	6.19	Jan-1991
Blmbg. U.S. Aggregate Index			0.05	-1.56	0.05	-0.90	2.97	5.35	2.94	5.66	
Excess Return			0.40	0.65	0.40	0.65	0.99	0.18	0.60	0.53	
SSgA Bond Market Index	212,222,612	15.1	0.06	-1.51	0.06	-0.84	3.01	5.39	2.97	3.87	Jan-2009
Blmbg. U.S. Aggregate Index			0.05	-1.56	0.05	-0.90	2.97	5.35	2.94	3.85	
Excess Return			0.01	0.05	0.01	0.06	0.04	0.04	0.03	0.02	
Real Estate											
JP Morgan Asset Management Strategic Property Fund	48,288,973	3.4	6.47	11.06	6.47	12.94	6.82	5.61	6.04	9.22	Apr-2011
NCREIF Fund Index-ODCE (VW) (Net)			6.42	12.42	6.42	13.65	6.88	6.13	6.56	9.26	
Excess Return			0.05	-1.36	0.05	-0.71	-0.06	-0.52	-0.52	-0.04	
UBS Trumbull Property Fund	35,527,221	2.5	5.98	9.93	5.98	7.61	2.18	1.01	2.80	5.92	Dec-2011
NCREIF Fund Index-ODCE (VW) (Net)			6.42	12.42	6.42	13.65	6.88	6.13	6.56	9.08	
Excess Return			-0.44	-2.49	-0.44	-6.04	-4.70	-5.12	-3.76	-3.16	
MLPs											
Harvest MLP	60,375,177	4.3	-0.26	39.70	-0.26	71.09	1.88	-2.12	-0.41	1.09	Mar-2013
Alerian MLP Index			-5.71	39.40	-5.71	84.63	-2.35	-4.32	-2.42	-2.37	
Excess Return			5.45	0.30	5.45	-13.54	4.23	2.20	2.01	3.46	
Tortoise Capital Advisors	47,628,798	3.4	-2.60	36.64	-2.60	73.33	-2.58	-4.36	-2.00	-0.53	Apr-2013
Alerian MLP Index			-5.71	39.40	-5.71	84.63	-2.35	-4.32	-2.42	-2.99	
Excess Return			3.11	-2.76	3.11	-11.30	-0.23	-0.04	0.42	2.46	



**Employees' Retirement System of the City of Norfolk**  
**Asset Allocation & Performance (net of fees)**  
As of September 30, 2021

Fiscal Returns										
	Performance(%)									
	Jul-2020 To Jun-2021	Jul-2019 To Jun-2020	Jul-2018 To Jun-2019	Jul-2017 To Jun-2018	Jul-2016 To Jun-2017	Jul-2015 To Jun-2016	Jul-2014 To Jun-2015	Jul-2013 To Jun-2014	Jul-2012 To Jun-2013	Jul-2011 To Jun-2012
<b>Total Fund</b>	<b>25.93</b>	<b>0.59</b>	<b>5.35</b>	<b>7.10</b>	<b>11.66</b>	<b>0.49</b>	<b>1.98</b>	<b>17.30</b>	<b>12.09</b>	<b>0.54</b>
Total Fund Policy	24.13	4.56	6.17	6.77	11.42	0.49	2.16	15.82	10.43	1.12
Excess Return	1.80	-3.97	-0.82	0.33	0.24	0.00	-0.18	1.48	1.66	-0.58
Total Fund Strategy Index	26.49	1.30	5.91	6.25	10.62	0.97	1.54	16.12	11.34	1.30
Excess Return	-0.56	-0.71	-0.56	0.85	1.04	-0.48	0.44	1.18	0.75	-0.76
Global Equity	41.90	1.61	4.97	11.60	19.46	-2.82	2.33	23.89	18.43	-3.51
Global Equity Policy	40.94	1.17	4.56	11.14	19.01	-3.37	2.20	23.86	18.37	-3.83
Excess Return	0.96	0.44	0.41	0.46	0.45	0.55	0.13	0.03	0.06	0.32
Fixed Income	0.24	8.59	7.58	0.18	0.76	5.10	2.38	4.31	-0.15	6.93
Blmbg. U.S. Aggregate Index	-0.34	8.74	7.87	-0.40	-0.31	6.00	1.86	4.37	-0.69	7.47
Excess Return	0.58	-0.15	-0.29	0.58	1.07	-0.90	0.52	-0.06	0.54	-0.54
Real Estate	3.74	-0.28	1.90	6.82	5.89	9.79	11.93	11.24	11.02	10.94
NCREIF Fund Index-ODCE (Net)	7.09	1.33	5.46	7.47	6.90	10.80	13.39	11.74	11.08	11.30
Excess Return	-3.35	-1.61	-3.56	-0.65	-1.01	-1.01	-1.46	-0.50	-0.06	-0.36
MLPs	52.25	-37.78	1.24	-0.49	2.94	-17.50	-11.33	35.63	-	-
Alerian MLP Index	63.98	-41.43	3.09	-4.58	0.40	-13.11	-19.81	21.57	-	-
Excess Return	-11.73	3.65	-1.85	4.09	2.54	-4.39	8.48	14.06	-	-
Cash										

Employees' Retirement System of the City of Norfolk

Financial Reconciliation

1 Quarter Ending September 30, 2021

Financial Reconciliation								
	Market Value 07/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Income	Apprec./ Deprec.	Market Value 09/30/2021
<b>Total Fund</b>	<b>1,390,335,588</b>	<b>-</b>	<b>31,093,069</b>	<b>-12,717,000</b>	<b>-272,602</b>	<b>3,472,028</b>	<b>-7,139,901</b>	<b>1,404,771,182</b>
<b>Global Equity</b>	<b>779,940,629</b>	<b>-8,400,000</b>	-	-	<b>-76,501</b>	-	<b>-8,034,859</b>	<b>763,429,269</b>
SSgA MSCI ACWI IMI Index Fund	779,940,629	-8,400,000	-	-	-76,501	-	-8,034,859	763,429,269
<b>Fixed Income</b>	<b>428,086,879</b>	<b>-4,059,000</b>	-	-	<b>-9,221</b>	<b>1,156,142</b>	<b>-8,282</b>	<b>425,166,518</b>
PIMCO Total Return	215,989,678	-4,059,000	-	-	-	1,156,142	-142,914	212,943,906
SSgA Bond Market Index	212,097,201	-	-	-	-9,221	-	134,632	212,222,612
<b>Real Estate</b>	<b>81,594,793</b>	<b>22,285,534</b>	-	-	<b>-186,880</b>	<b>749,080</b>	<b>3,723,049</b>	<b>108,165,577</b>
JP Morgan Asset Management Strategic Property Fund	45,356,339	-3	-	-	-106,357	263,635	2,775,359	48,288,973
UBS Trumbull Property Fund	36,238,454	-2,714,462	-	-	-76,266	327,989	1,751,506	35,527,221
<b>MLPs</b>	<b>100,706,225</b>	<b>8,550,000</b>	-	-	-	<b>1,566,682</b>	<b>-2,818,933</b>	<b>108,003,974</b>
Harvest MLP	51,807,422	8,550,000	-	-	-	805,665	-787,910	60,375,177
Tortoise Capital Advisors	48,898,803	-	-	-	-	761,017	-2,031,023	47,628,798
Cash	7,062	-18,376,534	31,093,069	-12,717,000	-	124	-876	5,844





Employees' Retirement System of the City of Norfolk

Financial Reconciliation

July 1, 2021 To September 30, 2021

Financial Reconciliation

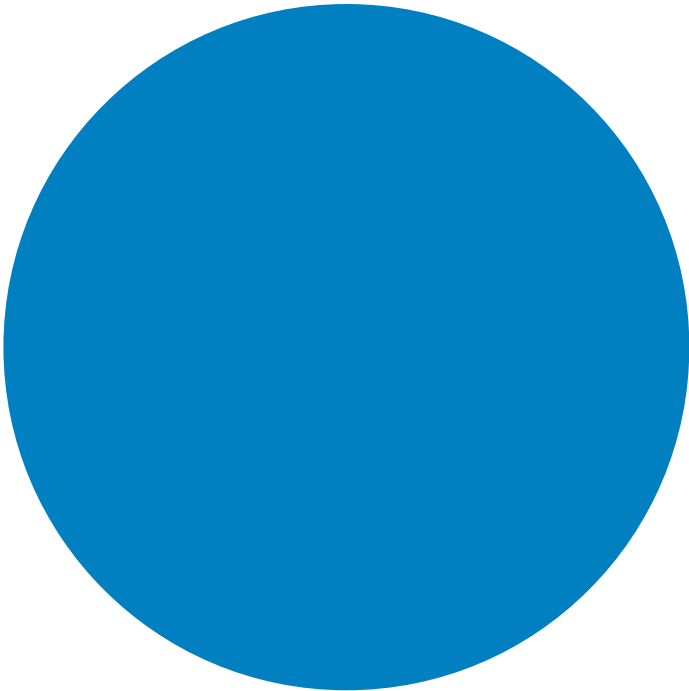
	Market Value 07/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Income	Apprec./ Deprec.	Market Value 09/30/2021
<b>Total Fund</b>	<b>1,390,335,588</b>	<b>-</b>	<b>31,093,069</b>	<b>-12,717,000</b>	<b>-272,602</b>	<b>3,472,028</b>	<b>-7,139,901</b>	<b>1,404,771,182</b>
<b>Global Equity</b>	<b>779,940,629</b>	<b>-8,400,000</b>	-	-	<b>-76,501</b>	-	<b>-8,034,859</b>	<b>763,429,269</b>
SSgA MSCI ACWI IMI Index Fund	779,940,629	-8,400,000	-	-	-76,501	-	-8,034,859	763,429,269
<b>Fixed Income</b>	<b>428,086,879</b>	<b>-4,059,000</b>	-	-	<b>-9,221</b>	<b>1,156,142</b>	<b>-8,282</b>	<b>425,166,518</b>
PIMCO Total Return	215,989,678	-4,059,000	-	-	-	1,156,142	-142,914	212,943,906
SSgA Bond Market Index	212,097,201	-	-	-	-9,221	-	134,632	212,222,612
<b>Real Estate</b>	<b>81,594,793</b>	<b>22,285,534</b>	-	-	<b>-186,880</b>	<b>749,080</b>	<b>3,723,049</b>	<b>108,165,577</b>
JP Morgan Asset Management Strategic Property Fund	45,356,339	-3	-	-	-106,357	263,635	2,775,359	48,288,973
UBS Trumbull Property Fund	36,238,454	-2,714,462	-	-	-76,266	327,989	1,751,506	35,527,221
<b>MLPs</b>	<b>100,706,225</b>	<b>8,550,000</b>	-	-	-	<b>1,566,682</b>	<b>-2,818,933</b>	<b>108,003,974</b>
Harvest MLP	51,807,422	8,550,000	-	-	-	805,665	-787,910	60,375,177
Tortoise Capital Advisors	48,898,803	-	-	-	-	761,017	-2,031,023	47,628,798
Cash	7,062	-18,376,534	31,093,069	-12,717,000	-	124	-876	5,844



## Global Equity

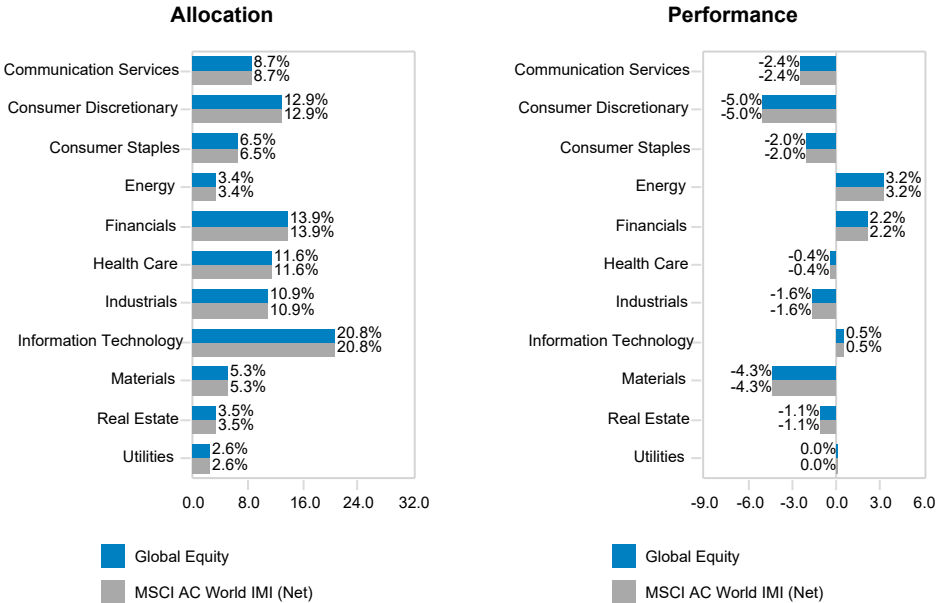
Manager Allocation

September 30, 2021 : \$763,429,269

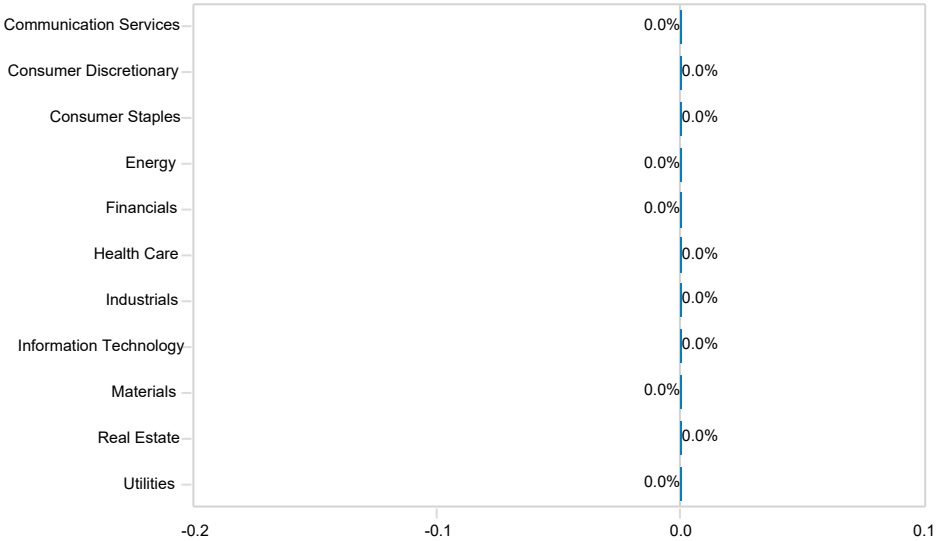


	Market Value	Allocation
SSgA MSCI ACWI IMI Index Fund	763,429,269	100.0

Sector Allocation - Holdings Based

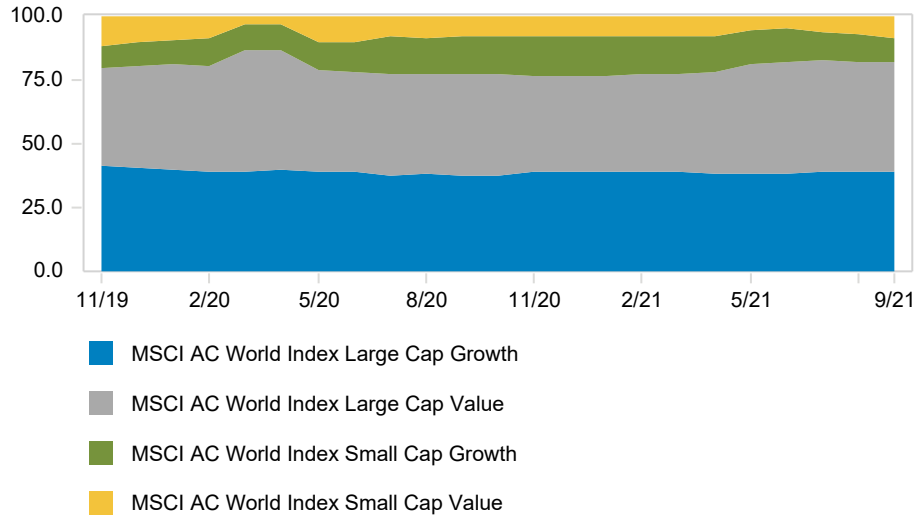


Total Attribution



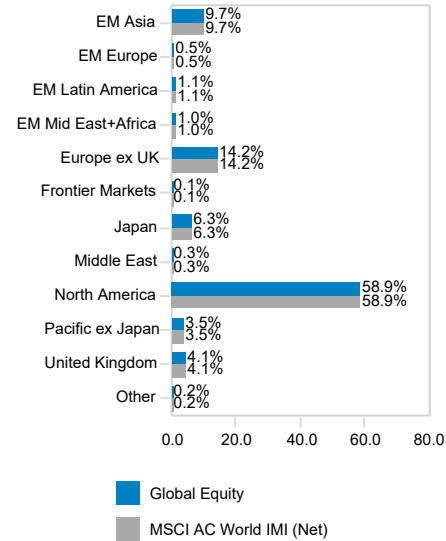
### Style Analysis - Returns Based

#### Style History(12 Months)

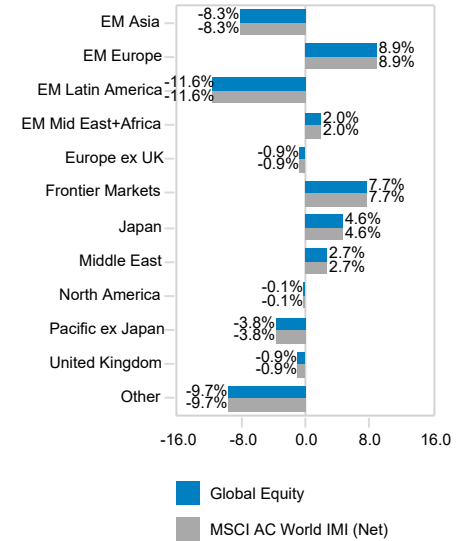


### Region Allocation - Holdings Based

#### Allocation



#### Performance

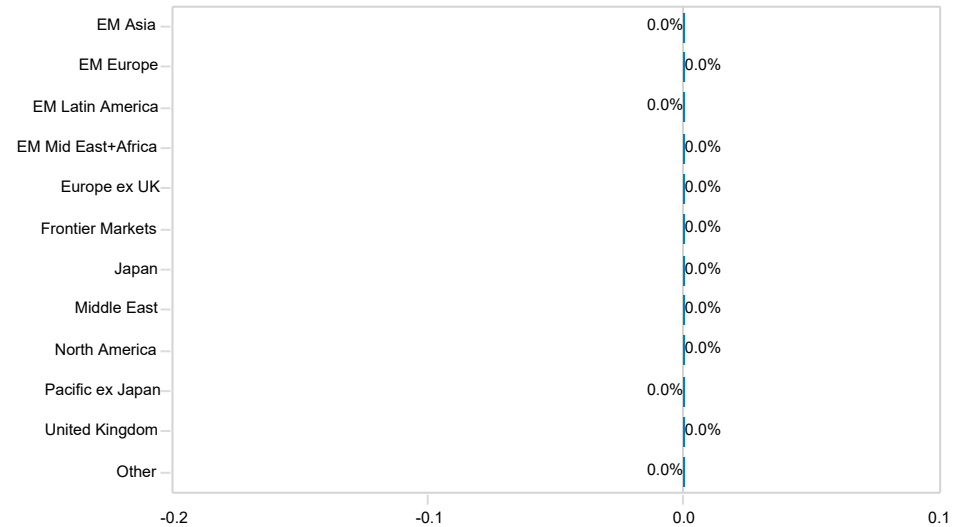


### 3 Year Style Analysis

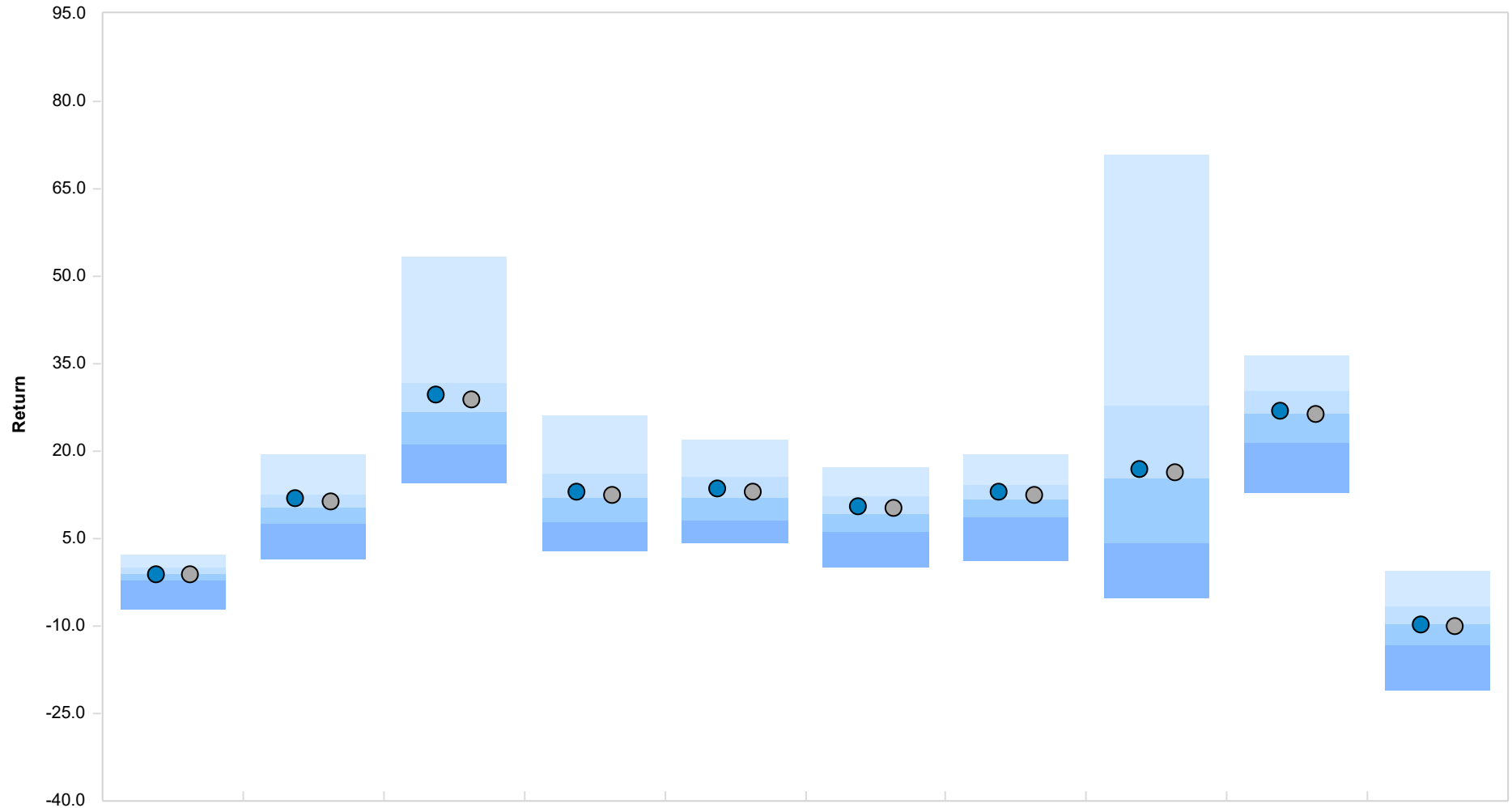
#### Style Map(12 Months)



### Total Attribution



Peer Group Analysis



	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2020	2019	2018
● Global Equity	-1.05 (49)	12.03 (31)	29.85 (33)	12.98 (43)	13.61 (38)	10.66 (35)	13.01 (36)	16.88 (44)	26.92 (47)	-9.73 (51)
● Global Equity Policy	-1.11 (50)	11.42 (36)	28.92 (38)	12.38 (47)	13.06 (42)	10.15 (40)	12.60 (41)	16.25 (45)	26.35 (51)	-10.08 (55)
5th Percentile	2.21	19.35	53.25	26.14	21.94	17.10	19.33	70.85	36.33	-0.63
1st Quartile	0.00	12.62	31.68	16.15	15.61	12.08	14.24	27.79	30.17	-6.73
Median	-1.15	10.17	26.61	11.90	11.93	9.09	11.62	15.25	26.37	-9.72
3rd Quartile	-2.31	7.45	21.07	7.68	8.07	6.04	8.68	4.14	21.28	-13.42
95th Percentile	-7.21	1.41	14.50	2.77	4.24	-0.07	1.17	-5.23	12.64	-21.07

Parenttheses contain percentile rankings.  
Calculation based on monthly periodicity.



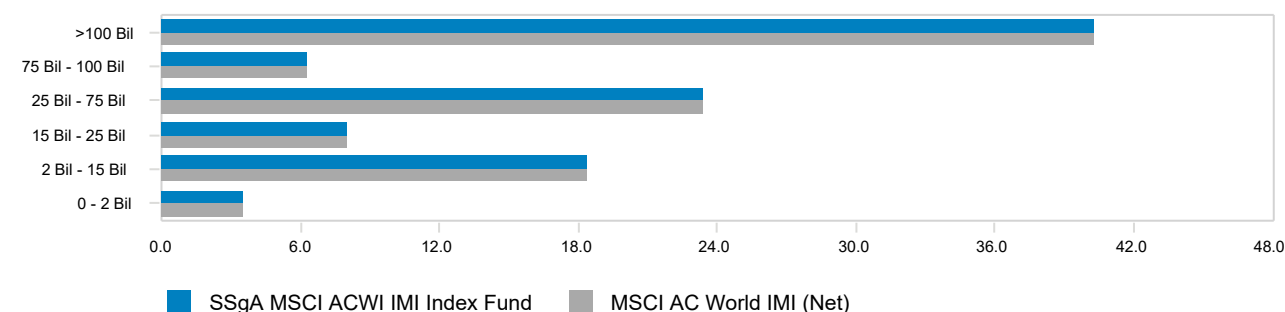
**Portfolio Characteristics (Benchmark: MSCI AC World IMI (Net))**

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	305,396,200,197	305,396,200,225
Median Mkt. Cap (\$)	2,231,332,437	2,231,332,437
Price/Earnings ratio	19.40	19.40
Price/Book ratio	3.52	3.52
5 Yr. EPS Growth Rate (%)	17.37	17.37
Current Yield (%)	1.85	1.85
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	9,226	9,226

**Top Ten Equity Holdings (Benchmark: MSCI AC World IMI (Net))**

	Portfolio (%)	Benchmark (%)	Active (%)	Qtr Rtn (%)
Apple Inc	3.13	3.13	0.00	3.47
Microsoft Corp	2.68	2.68	0.00	4.27
Amazon.com Inc	1.98	1.98	0.00	-4.51
Facebook Inc	1.08	1.08	0.00	-2.39
Alphabet Inc	1.07	1.07	0.00	9.49
Alphabet Inc	1.03	1.03	0.00	6.34
Tesla Inc	0.84	0.84	0.00	14.09
NVIDIA Corporation	0.69	0.69	0.00	3.59
Taiwan Semiconductor ORD	0.68	0.68	0.00	-1.81
JPMorgan Chase & Co	0.66	0.66	0.00	5.85

**Distribution of Market Capitalization (%)**



**Ten Best Performers**

	Portfolio (%)	Benchmark (%)
Dongyue Group Limited	0.00	0.00
State Auto Financial Corp	0.00	0.00
Bioneer Corp	0.00	0.00
Guanghui Energy Co Ltd	0.00	0.00
IVERIC bio Inc	0.00	0.00
CGN New Energy Holdings Co Ltd	0.00	0.00
Upstart Holdings Inc	0.01	0.01
China Power Intl Dev	0.00	0.00
Env Bus Division of Ecopro	0.00	0.00
Inspur International Ltd	0.00	0.00

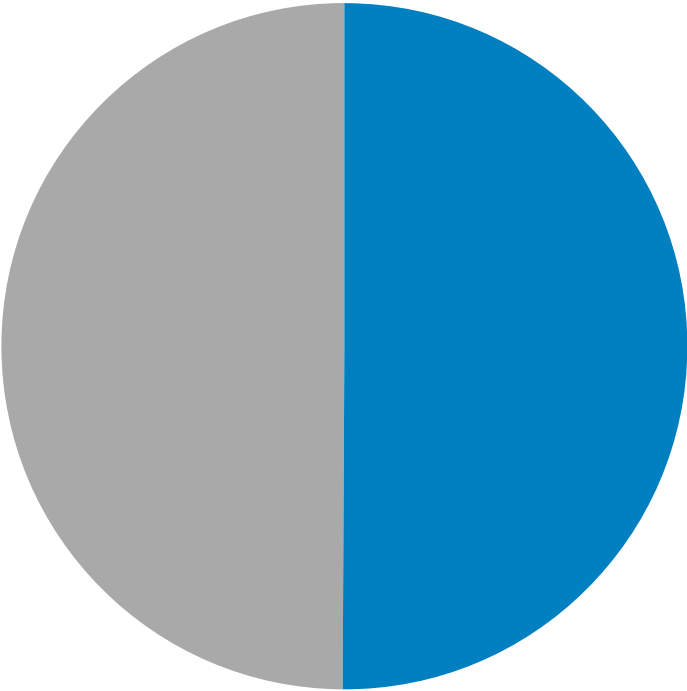
Buy and Hold Sector Attribution	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Communication Services	8.7	8.7	-2.45	-2.45	0.00	0.00	0.00
Consumer Discretionary	12.9	12.9	-4.98	-4.98	0.00	0.00	0.00
Consumer Staples	6.5	6.5	-2.05	-2.05	0.00	0.00	0.00
Energy	3.4	3.4	3.21	3.21	0.00	0.00	0.00
Financials	13.9	13.9	2.16	2.16	0.00	0.00	0.00
Health Care	11.6	11.6	-0.41	-0.41	0.00	0.00	0.00
Industrials	10.9	10.9	-1.63	-1.63	0.00	0.00	0.00
Information Technology	20.8	20.8	0.52	0.52	0.00	0.00	0.00
Materials	5.3	5.3	-4.28	-4.28	0.00	0.00	0.00
Real Estate	3.5	3.5	-1.14	-1.14	0.00	0.00	0.00
Utilities	2.6	2.6	-0.02	-0.02	0.00	0.00	0.00
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>-0.96</b>	<b>-0.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Ten Worst Performers**

	Portfolio (%)	Benchmark (%)
Eargo Inc	0.00	0.00
Ardelyx Inc	0.00	0.00
E-House (China) Enterprise Holdings Ltd	0.00	0.00
TAL Education Group	0.00	0.00
Doosan Infracore Co	0.00	0.00
Lojas Americanas SA	0.00	0.00
Gaotu Techedu Inc	0.00	0.00
17 Education & Technology Group Inc	0.00	0.00
New Oriental Education	0.00	0.00
ESSA Pharma Inc	0.00	0.00

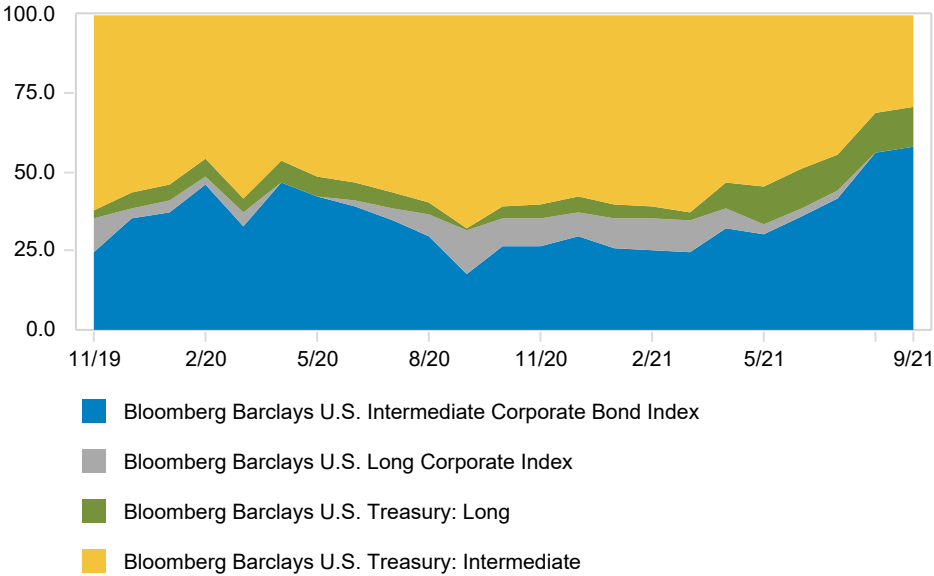
## **Fixed Income**

Manager Allocation
September 30, 2021 : \$425,166,518



	Market Value	Allocation
■ PIMCO Total Return	212,943,906	50.1
■ SSgA Bond Market Index	212,222,612	49.9

Style Analysis - Returns Based

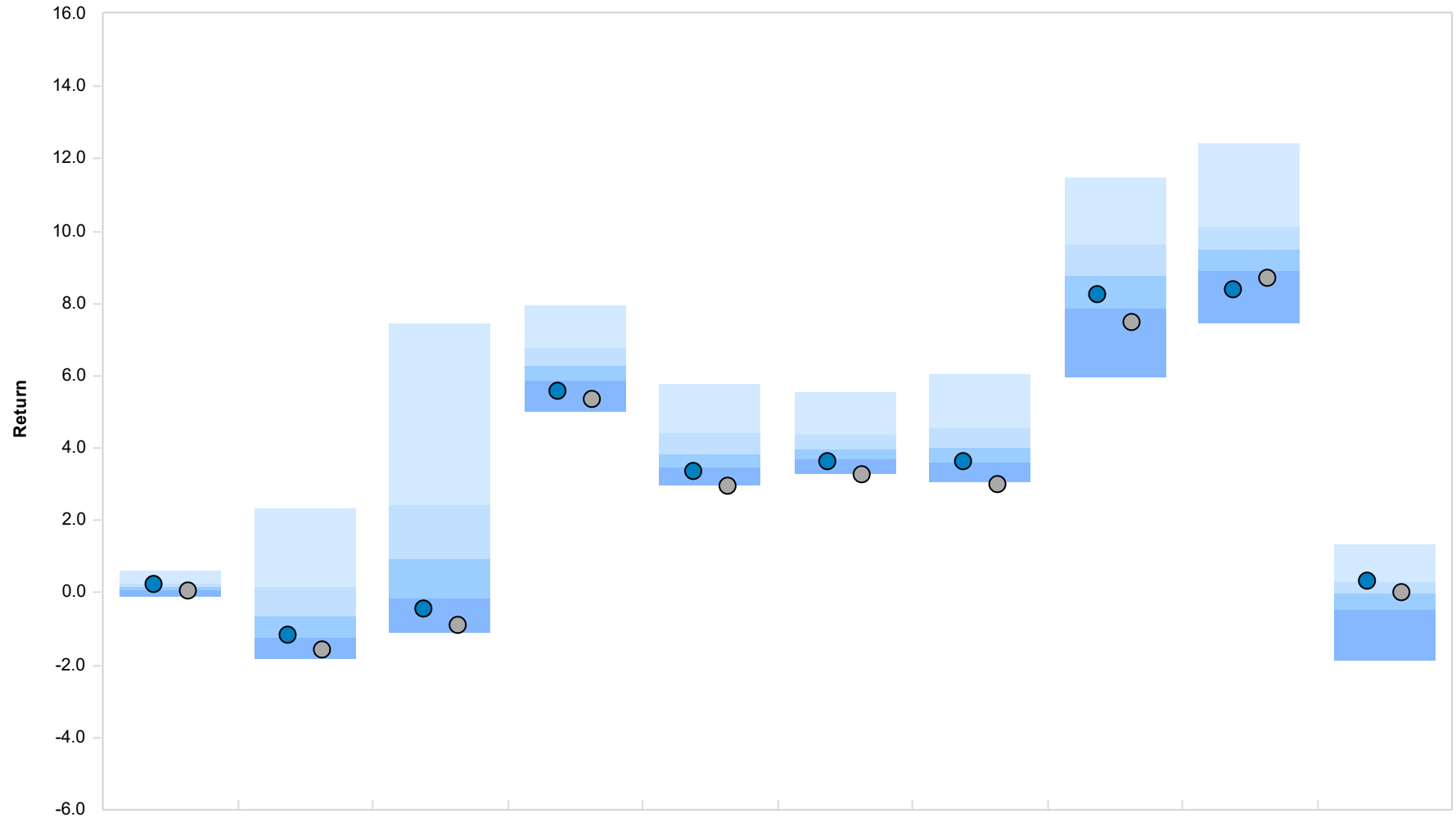


3 Year Style Analysis





Peer Group Analysis

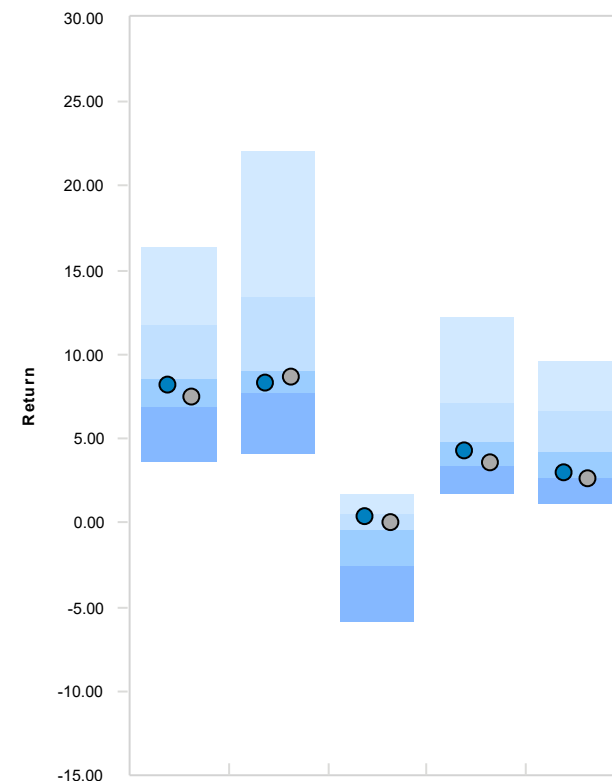
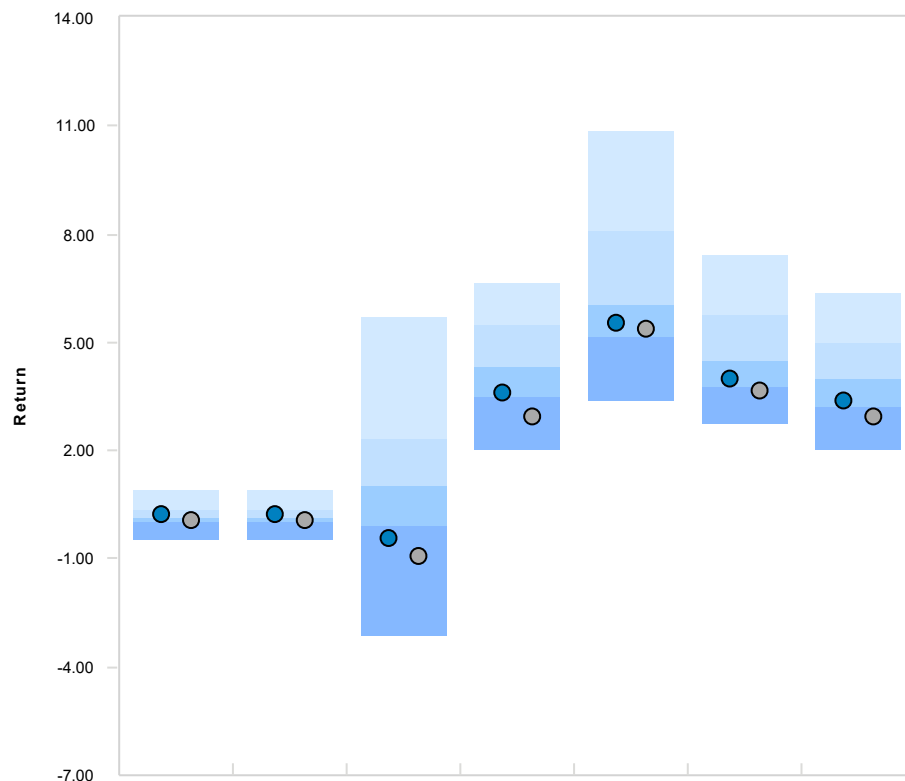


	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2020	2019	2018
● Fixed Income	0.26 (25)	-1.16 (71)	-0.45 (81)	5.57 (84)	3.38 (81)	3.63 (79)	3.62 (74)	8.27 (66)	8.39 (89)	0.35 (23)
● Blmbg. U.S. Aggregate Index	0.05 (76)	-1.56 (88)	-0.90 (92)	5.35 (91)	2.94 (96)	3.26 (96)	3.01 (98)	7.51 (86)	8.72 (82)	0.01 (49)
5th Percentile	0.60	2.33	7.46	7.96	5.78	5.53	6.03	11.47	12.41	1.32
1st Quartile	0.26	0.14	2.42	6.77	4.40	4.36	4.53	9.62	10.12	0.29
Median	0.15	-0.66	0.90	6.27	3.82	3.98	4.00	8.75	9.48	0.00
3rd Quartile	0.05	-1.24	-0.15	5.85	3.46	3.67	3.59	7.87	8.89	-0.48
95th Percentile	-0.13	-1.83	-1.13	5.01	2.95	3.26	3.07	5.95	7.42	-1.88

Parentheses contain percentile rankings.  
Calculation based on monthly periodicity.



Plan Sponsor Peer Group Analysis - All Master Trust-US Fixed Income Segment



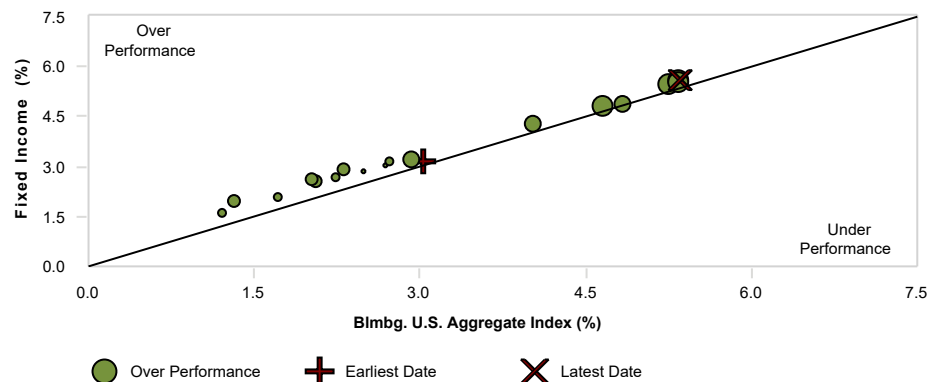
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Fixed Income	0.26 (34)	0.26 (34)	-0.45 (82)	3.62 (71)	5.57 (67)	3.97 (72)	3.38 (71)
● Blmbg. U.S. Aggregate Index	0.05 (67)	0.05 (67)	-0.90 (88)	2.97 (84)	5.35 (71)	3.67 (79)	2.94 (81)
Median	0.15	0.15	1.00	4.34	6.06	4.47	4.02

	2020	2019	2018	2017	2016
● Fixed Income	8.27 (55)	8.39 (64)	0.35 (28)	4.34 (56)	3.05 (69)
● Blmbg. U.S. Aggregate Index	7.51 (66)	8.72 (58)	0.01 (36)	3.54 (69)	2.65 (78)
Median	8.58	9.09	-0.39	4.78	4.24

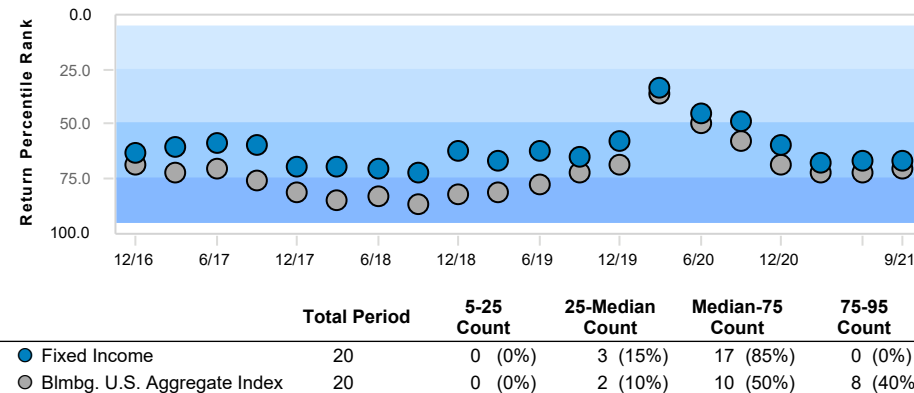
Comparative Performance

	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020
Fixed Income	1.99	-3.34	0.72	1.07	3.36	2.90
Blmbg. U.S. Aggregate Index	1.83	-3.38	0.67	0.62	2.90	3.15

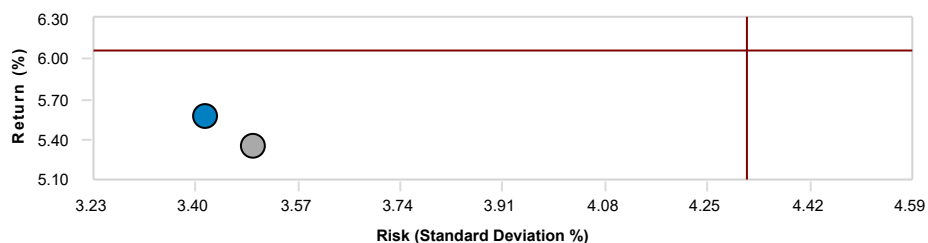
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years

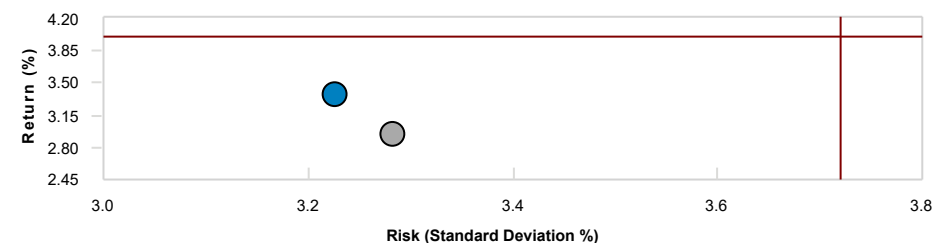


### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Fixed Income	5.57	3.42
● Blmbg. U.S. Aggregate Index	5.35	3.49
— Median	6.06	4.32

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Fixed Income	3.38	3.23
● Blmbg. U.S. Aggregate Index	2.94	3.28
— Median	4.02	3.72

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Fixed Income	0.50	100.83	94.78	0.37	0.41	1.29	0.97	1.56
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.21	1.00	1.53

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Fixed Income	0.42	103.22	92.63	0.49	1.01	0.70	0.98	1.81
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	0.56	1.00	1.83

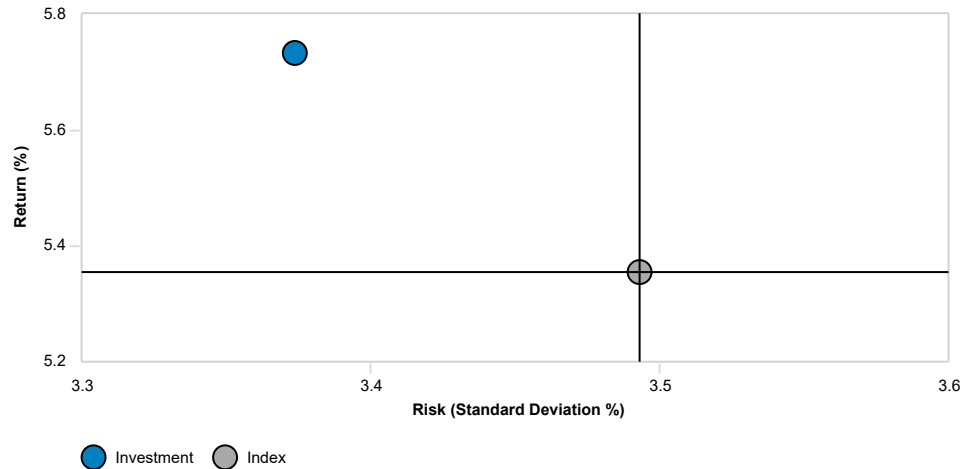
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.74	3.37	1.34	100.64	11	88.23	1
Index	5.35	3.49	1.21	100.00	11	100.00	1

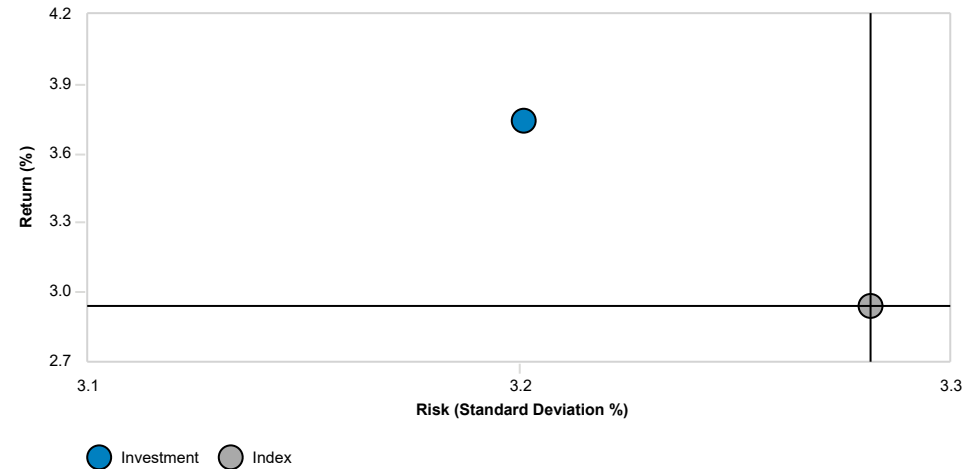
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.74	3.20	0.82	105.30	17	85.17	3
Index	2.94	3.28	0.56	100.00	16	100.00	4

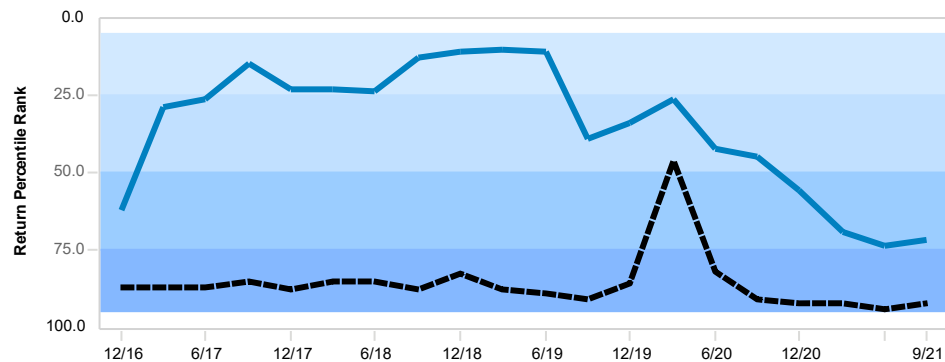
### Risk and Return 3 Years



### Risk and Return 5 Years

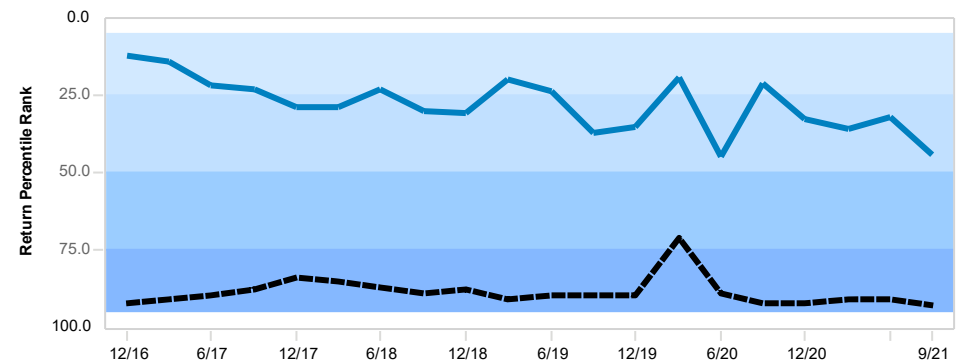


### 3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



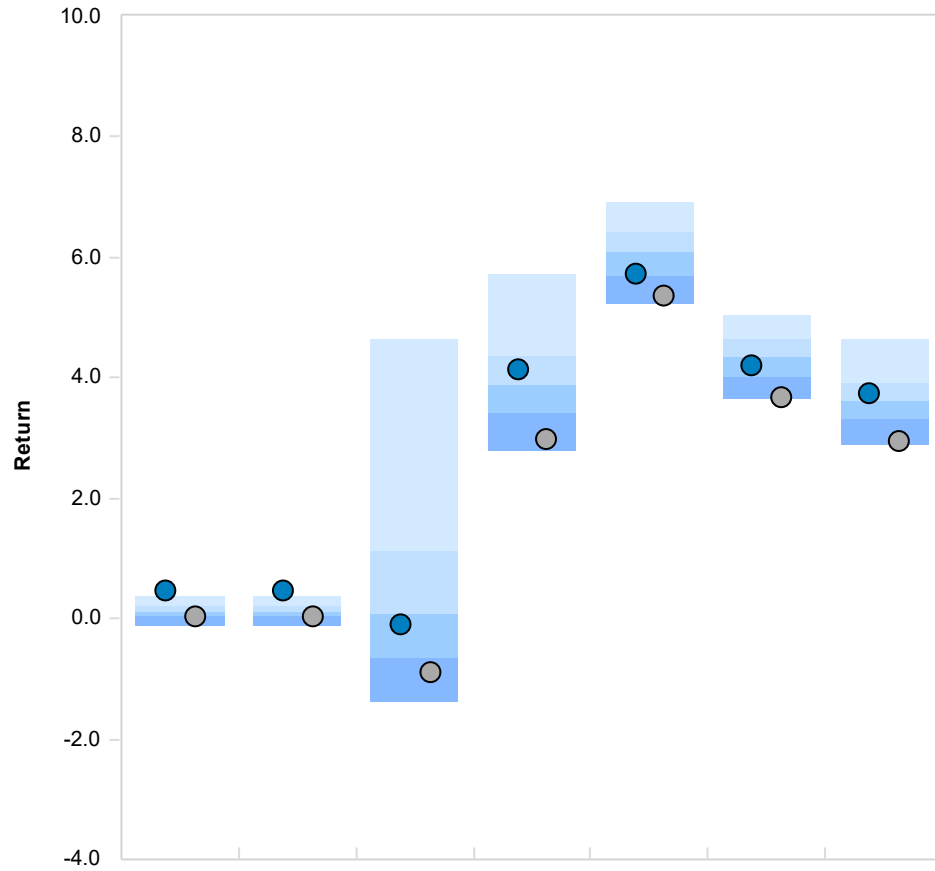
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	8 (40%)	7 (35%)	5 (25%)	0 (0%)
Index	20	0 (0%)	1 (5%)	0 (0%)	19 (95%)

### 5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	9 (45%)	11 (55%)	0 (0%)	0 (0%)
Index	20	0 (0%)	0 (0%)	1 (5%)	19 (95%)

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)

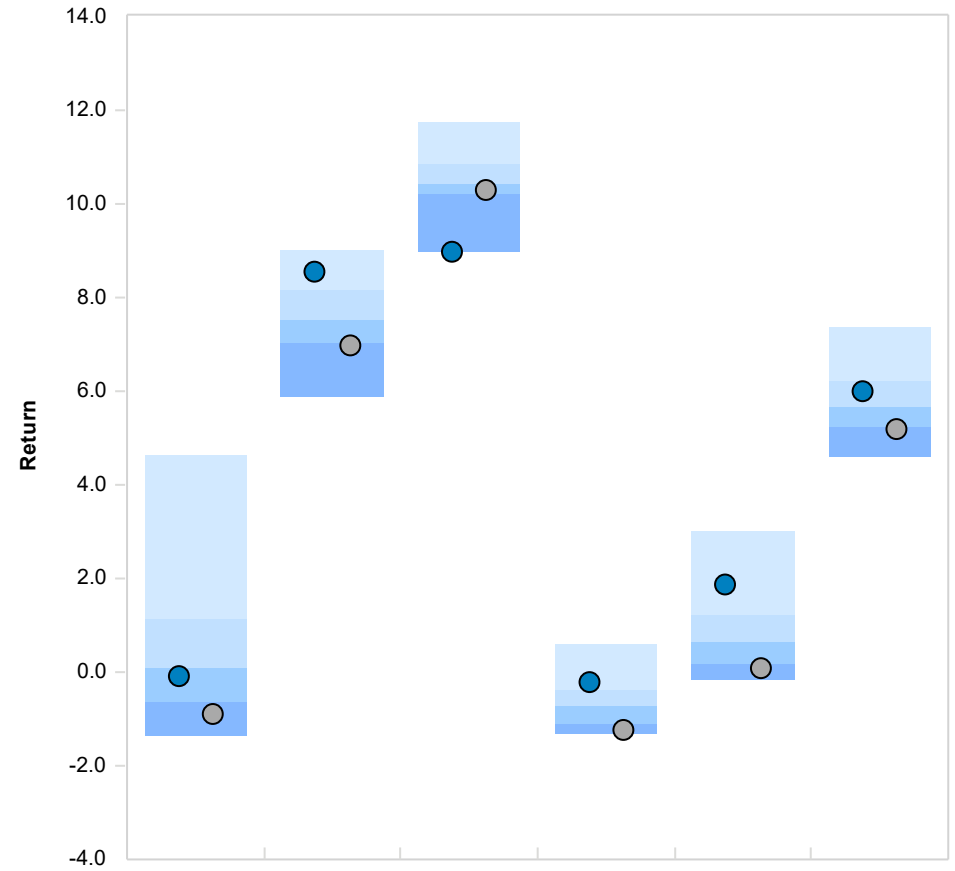


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Investment	0.45 (4)	0.45 (4)	-0.10 (58)	4.14 (37)	5.74 (72)	4.21 (63)	3.74 (44)
Index	0.05 (70)	0.05 (70)	-0.90 (88)	2.97 (91)	5.35 (92)	3.67 (94)	2.94 (93)
Median	0.11	0.11	0.07	3.87	6.10	4.34	3.63

Comparative Performance

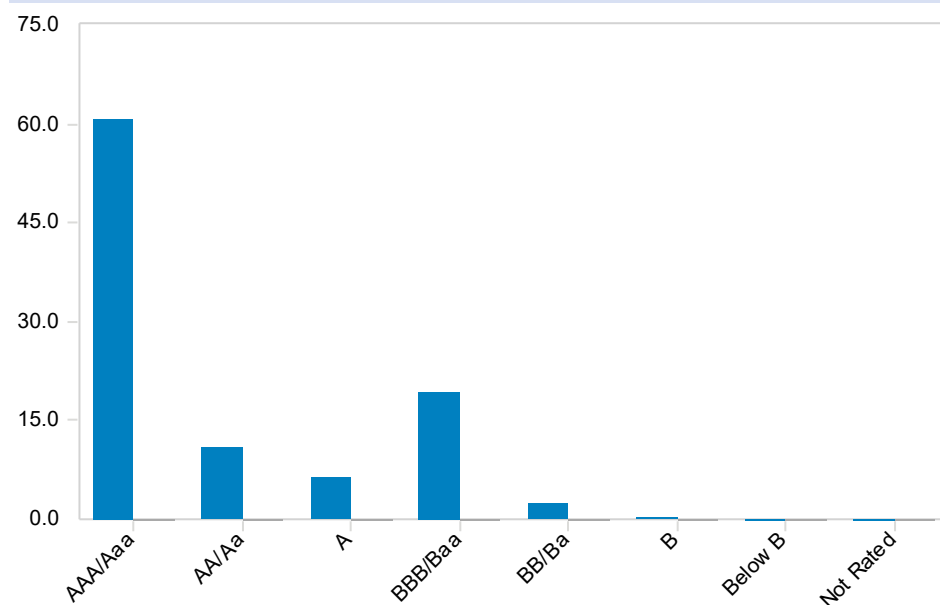
	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020
Investment	2.12	-3.34	0.75	1.41	3.71	2.74
Index	1.83	-3.38	0.67	0.62	2.90	3.15

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)

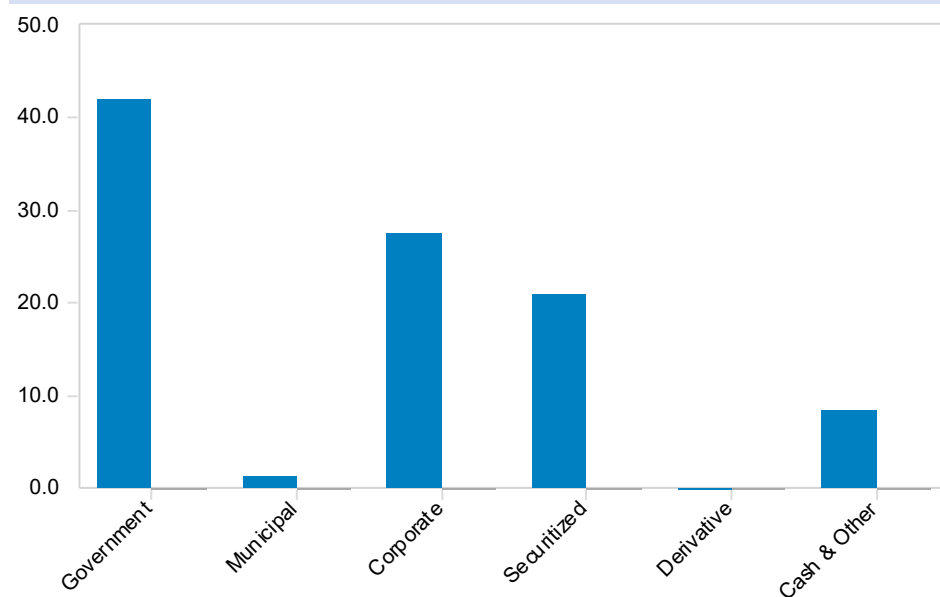


	Oct-2020 To Sep-2021	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016
Investment	-0.10 (58)	8.56 (13)	9.00 (95)	-0.23 (17)	1.89 (10)	5.99 (33)
Index	-0.90 (88)	6.98 (77)	10.30 (69)	-1.22 (88)	0.07 (84)	5.19 (80)
Median	0.07	7.52	10.43	-0.74	0.63	5.67

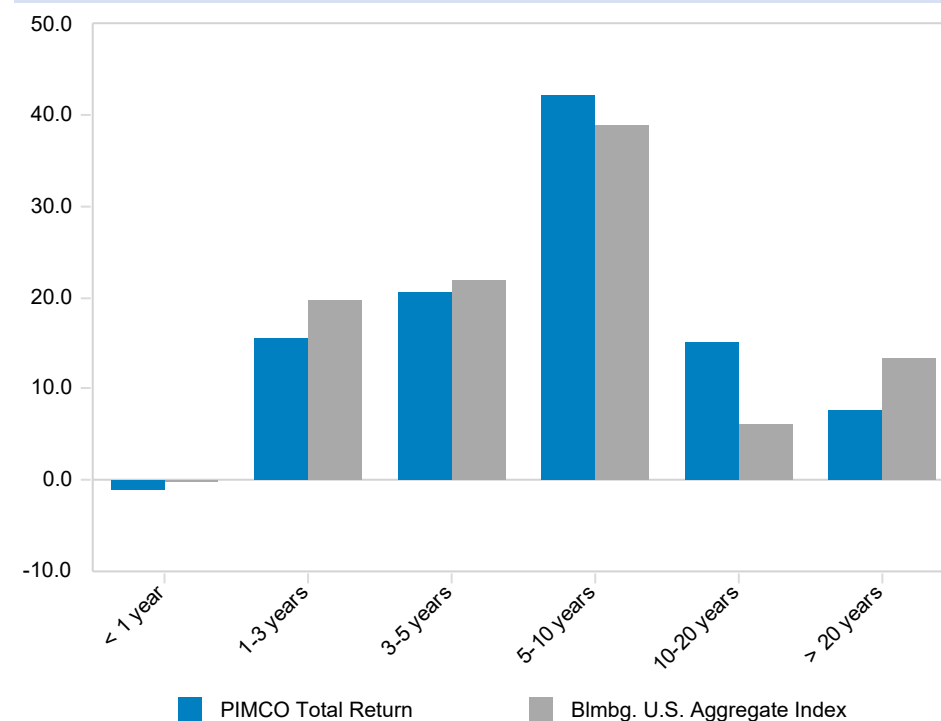
## Credit Quality Distribution (%)



## Sector Distribution (%)



## Maturity Distribution (%)



## Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	9.44	8.53
Avg. Quality	AA	AA2
Coupon Rate (%)	2.40	2.50
Yield To Maturity (%)	2.20	1.57
Current Yield	2.24	2.36
Effective Duration	5.84	6.40
Holdings Count	528	12,226

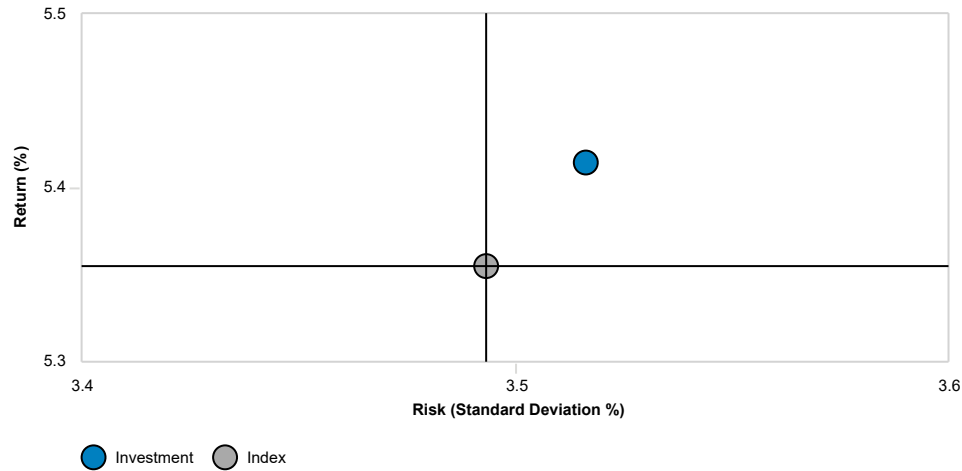
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.42	3.52	1.21	100.99	11	100.75	1
Index	5.35	3.49	1.21	100.00	11	100.00	1

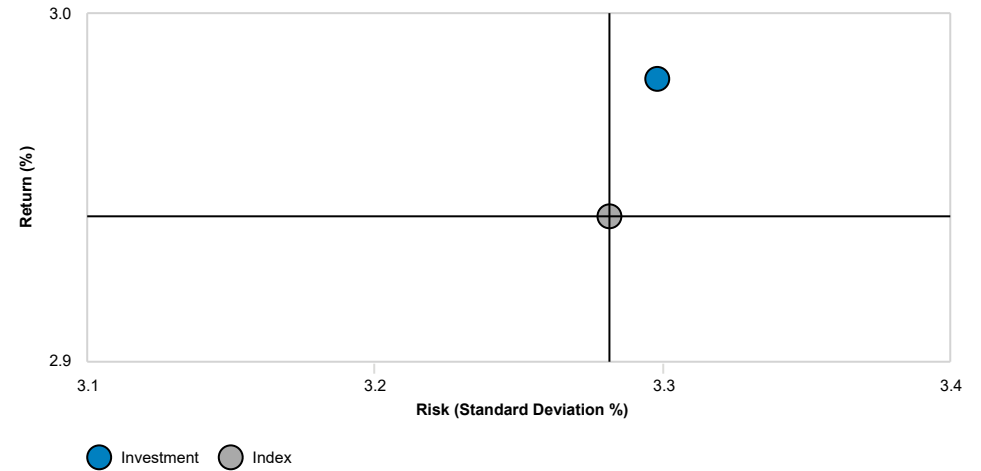
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.98	3.30	0.57	100.82	16	100.34	4
Index	2.94	3.28	0.56	100.00	16	100.00	4

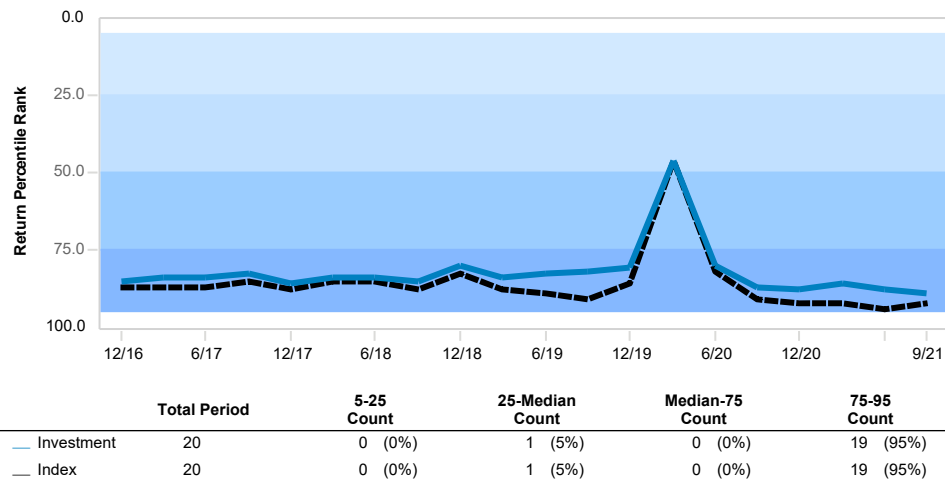
### Risk and Return 3 Years



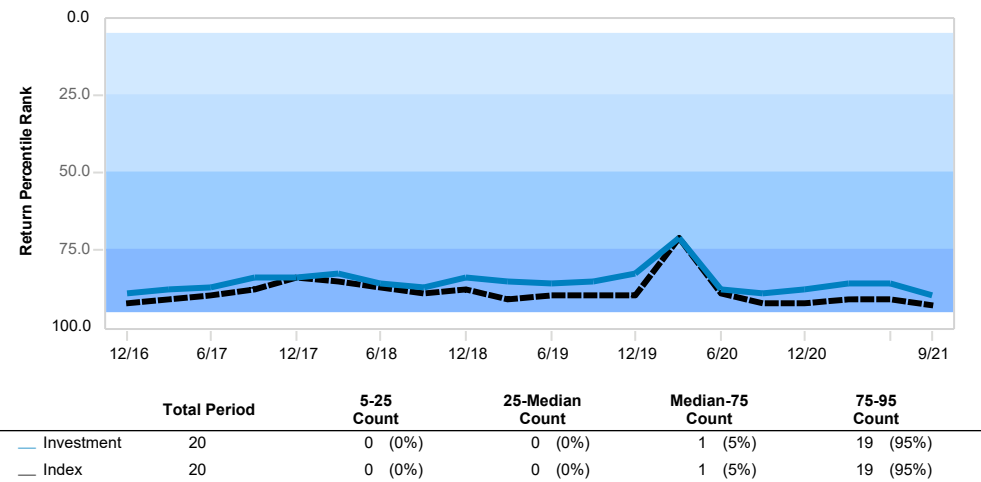
### Risk and Return 5 Years



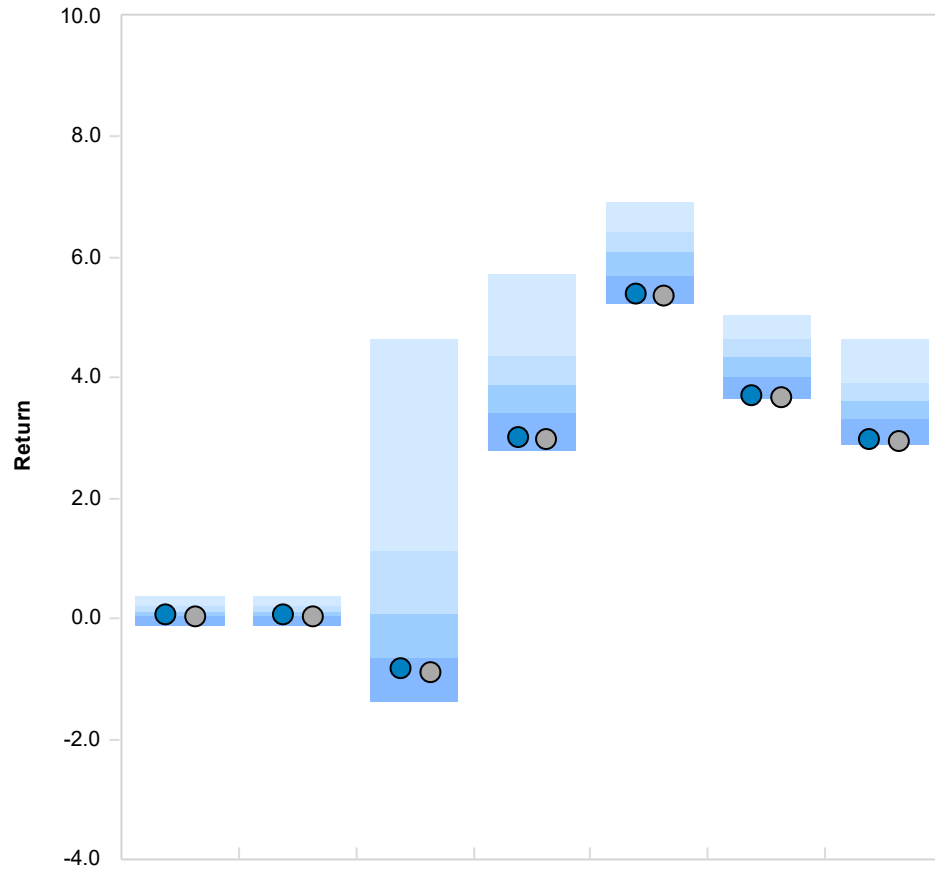
### 3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



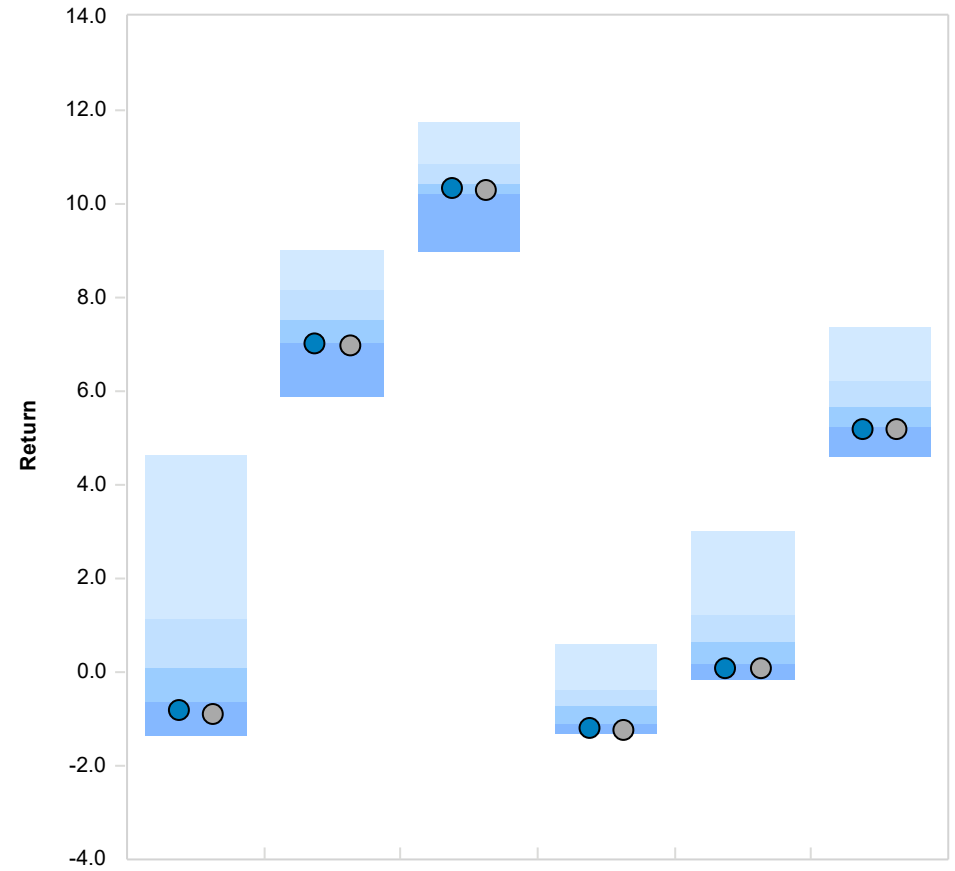
### 5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)

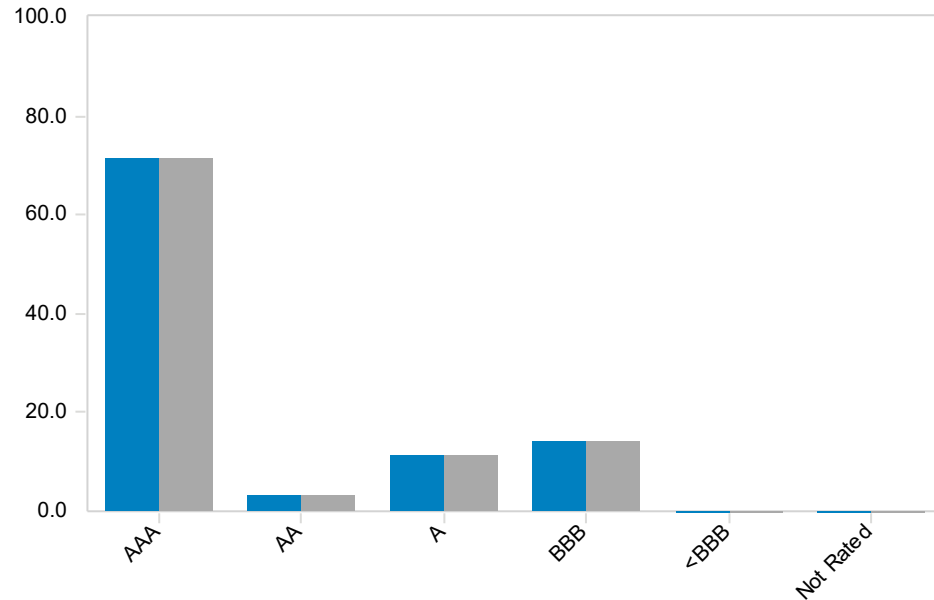


Comparative Performance

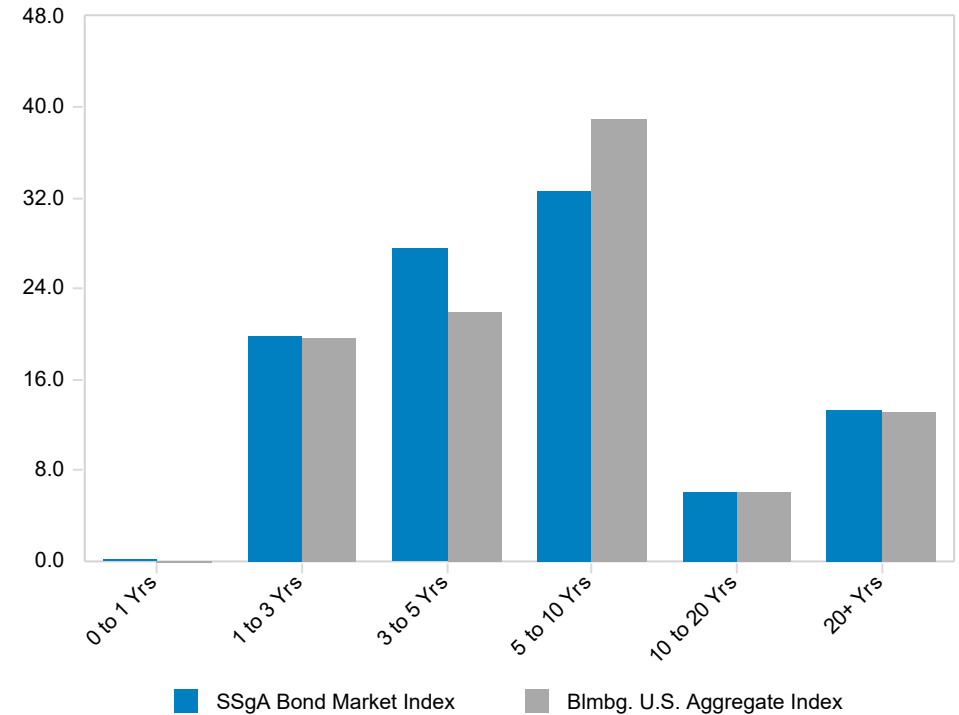
	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020
Investment	1.85	-3.35	0.69	0.65	2.99	3.06
Index	1.83	-3.38	0.67	0.62	2.90	3.15



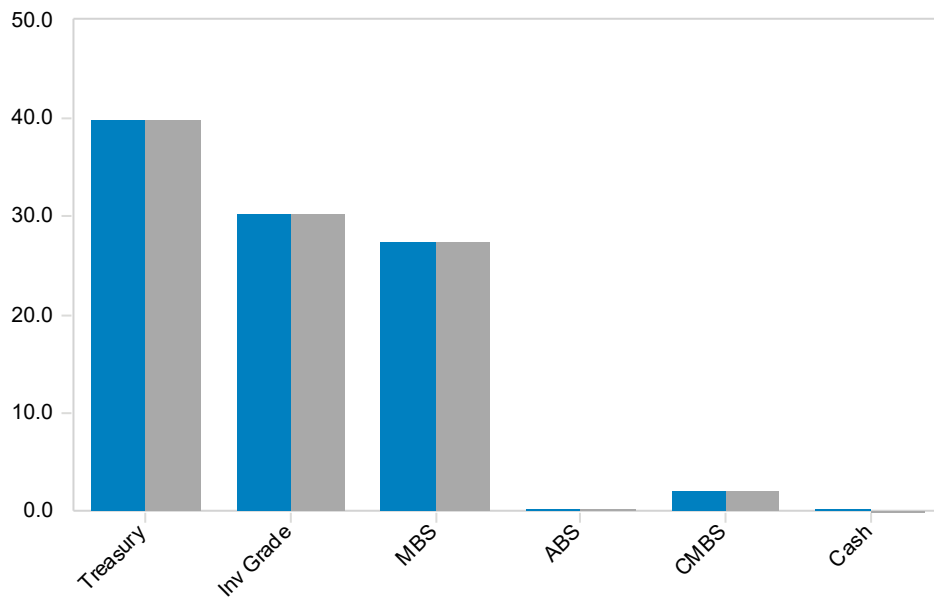
#### Credit Quality Distribution (%)



#### Maturity Distribution (%)



#### Sector Distribution (%)



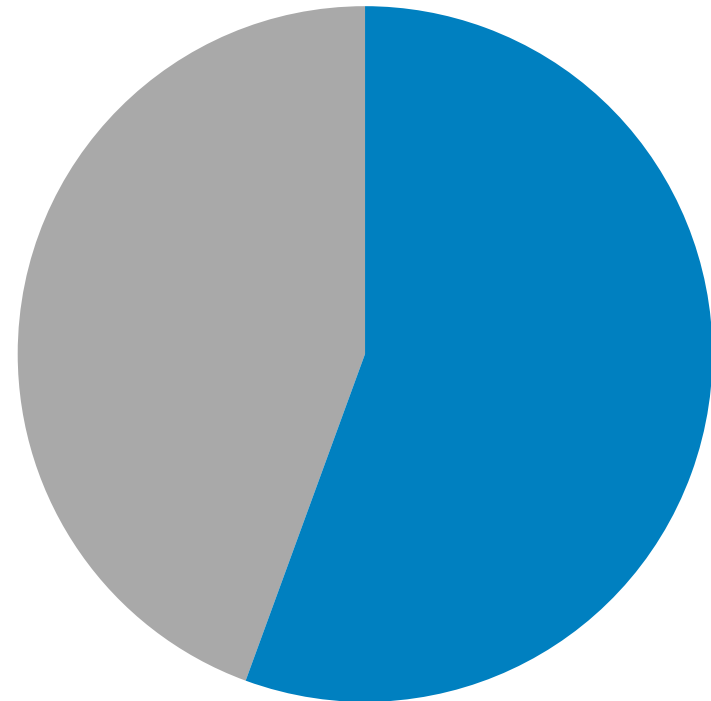
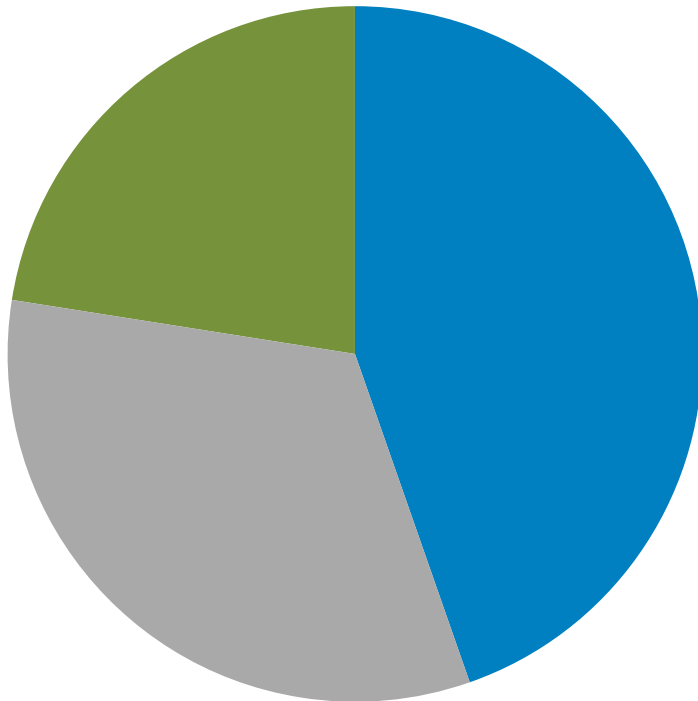
#### Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	8.44	8.53
Avg. Quality	Aa2	AA2
Coupon Rate (%)	2.62	2.50
Yield To Maturity (%)	1.56	1.57
Current Yield	2.35	2.36
Effective Duration	6.71	6.40
Holdings Count	9,101	12,226

## **Real Estate**

**September 30, 2021 : \$108,165,577**

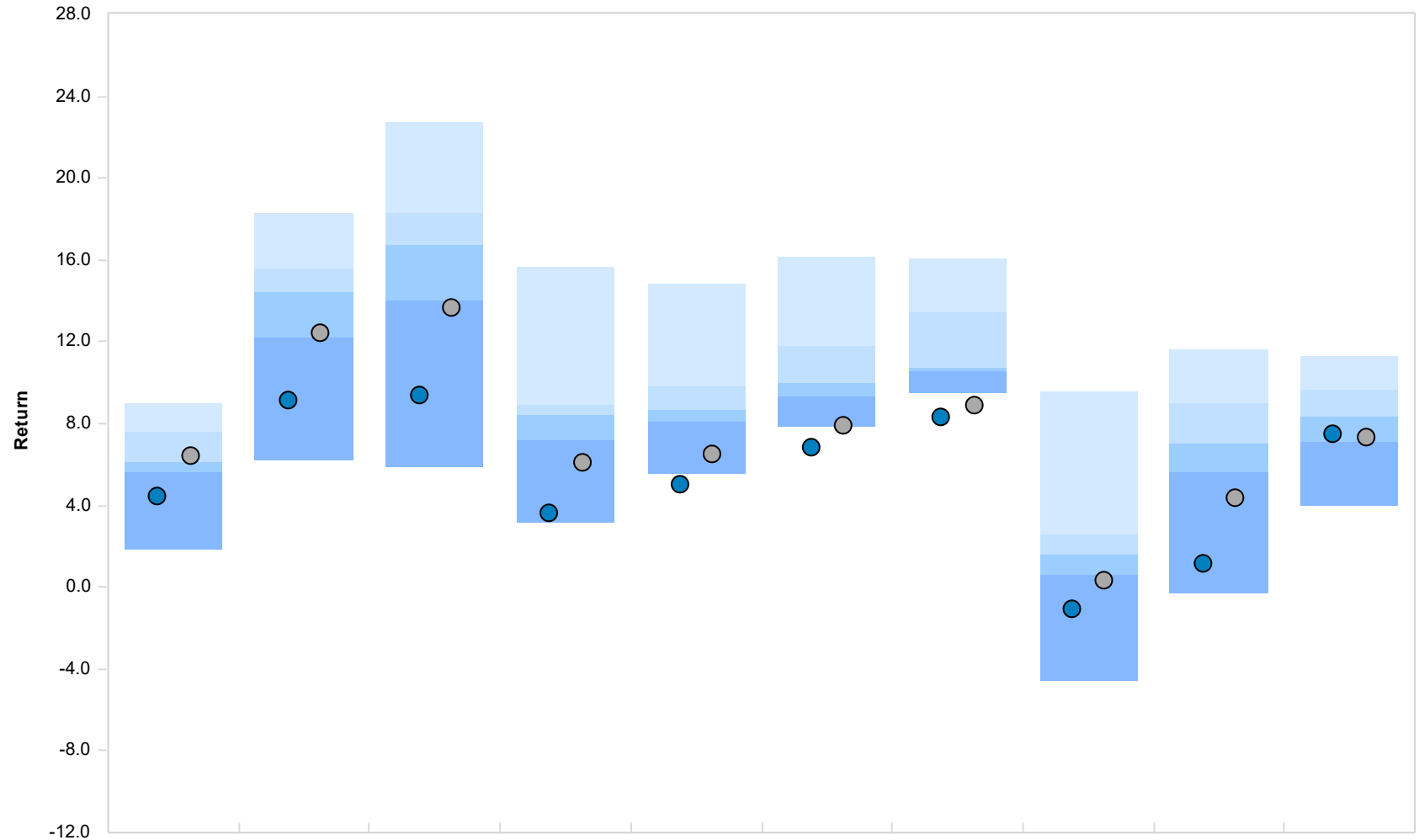
**June 30, 2021 : \$81,594,793**



	Market Value	Allocation
JP Morgan Asset Management Strategic Property Fund	48,288,973	44.6
UBS Trumbull Property Fund	35,527,221	32.8
Vanguard Real Estate Index (VGSNX)	24,349,383	22.5

	Market Value	Allocation
JP Morgan Asset Management Strategic Property Fund	45,356,339	55.6
UBS Trumbull Property Fund	36,238,454	44.4
Vanguard Real Estate Index (VGSNX)	-	0.0

Peer Group Analysis



Parenttheses contain percentile rankings.  
Calculation based on quarterly periodicity.

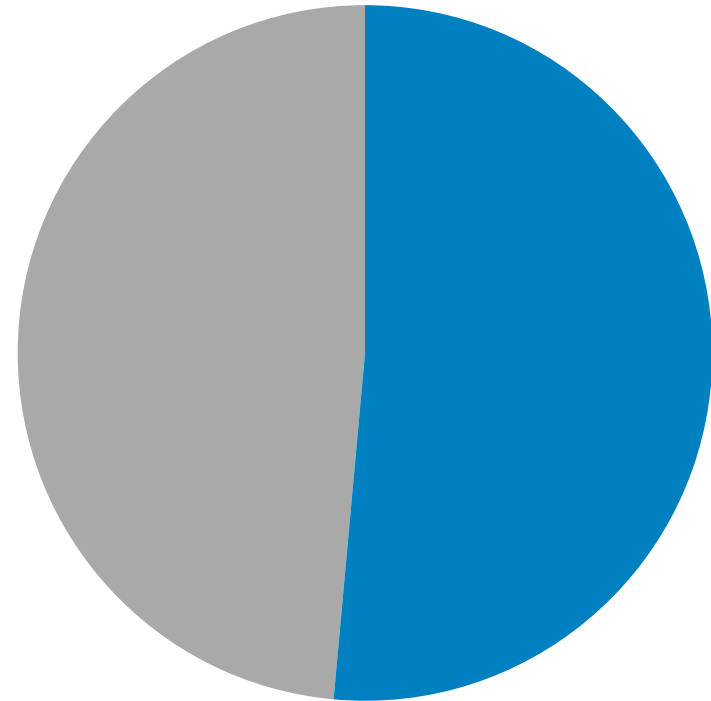
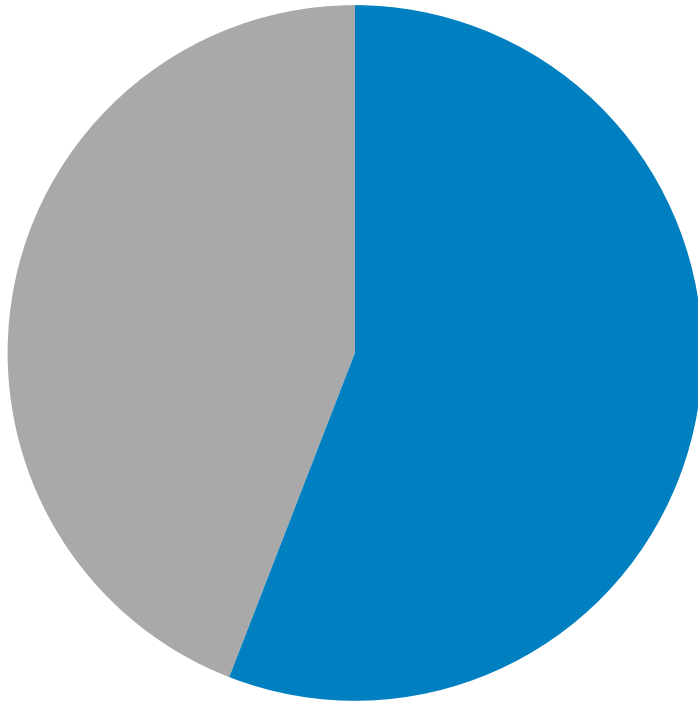


## **Master Limited Partnerships**



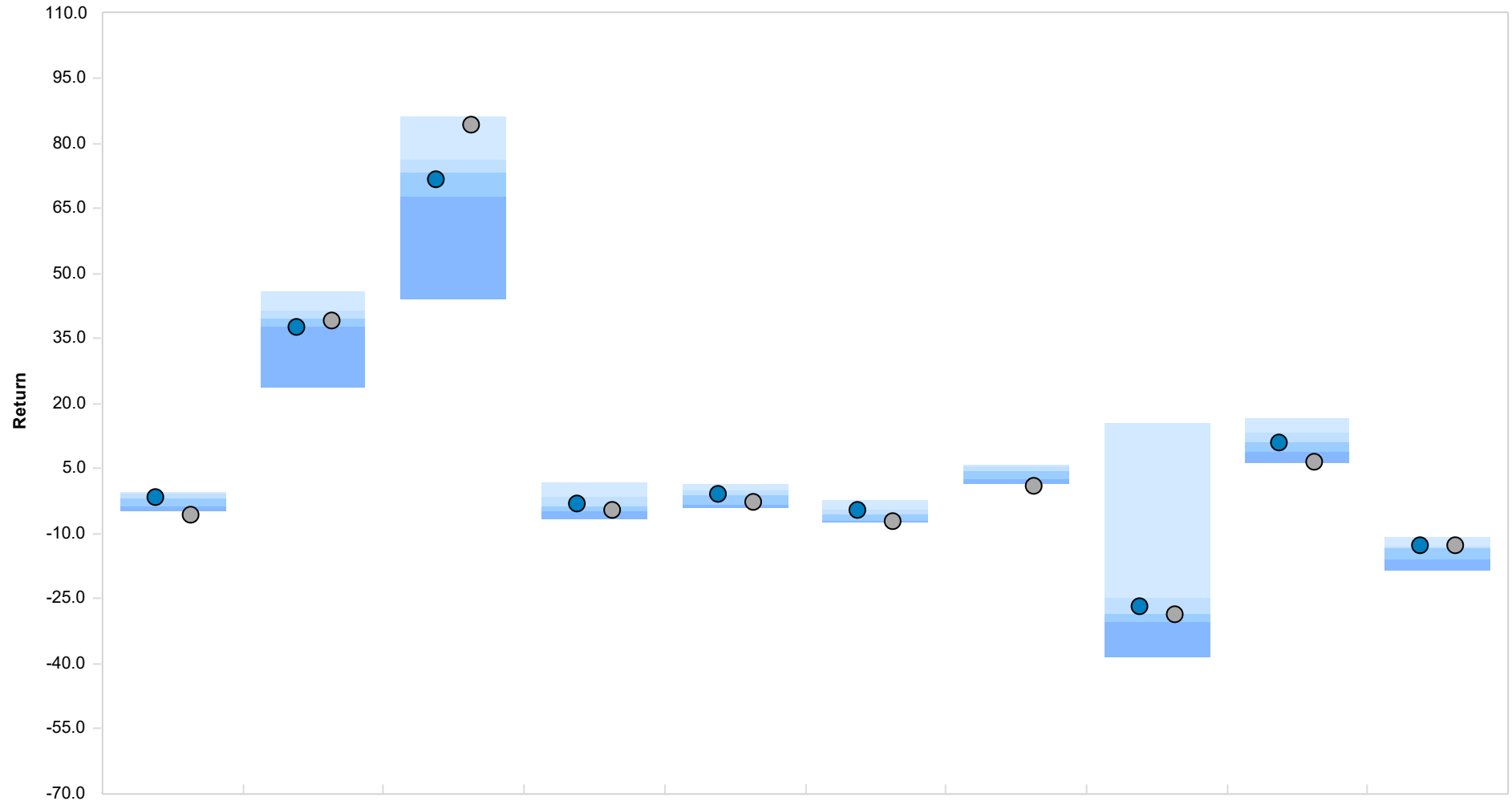
**September 30, 2021 : \$108,003,974**

**June 30, 2021 : \$100,706,225**



	Market Value	Allocation		Market Value	Allocation
■ Harvest MLP	60,375,177	55.9	■ Harvest MLP	51,807,422	51.4
■ Tortoise Capital Advisors	47,628,798	44.1	■ Tortoise Capital Advisors	48,898,803	48.6

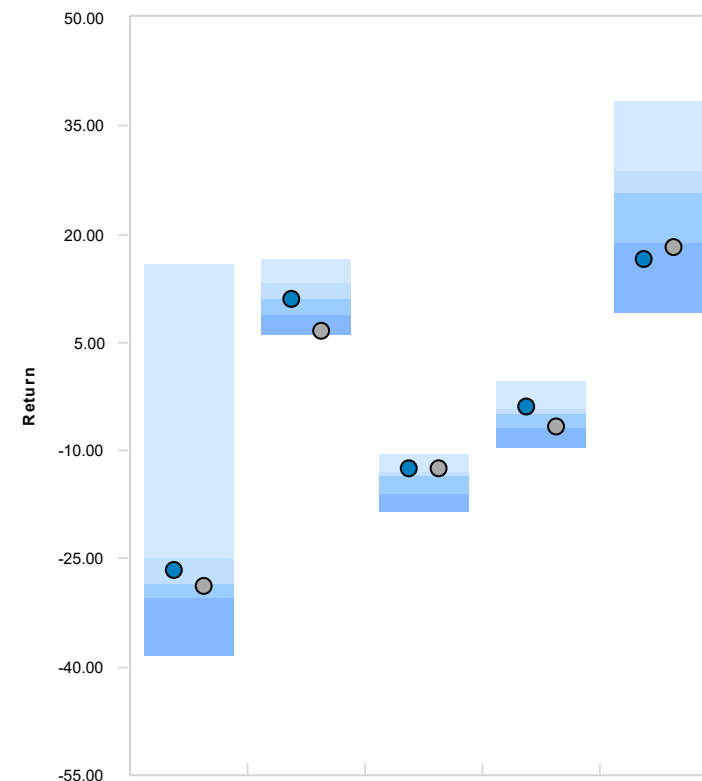
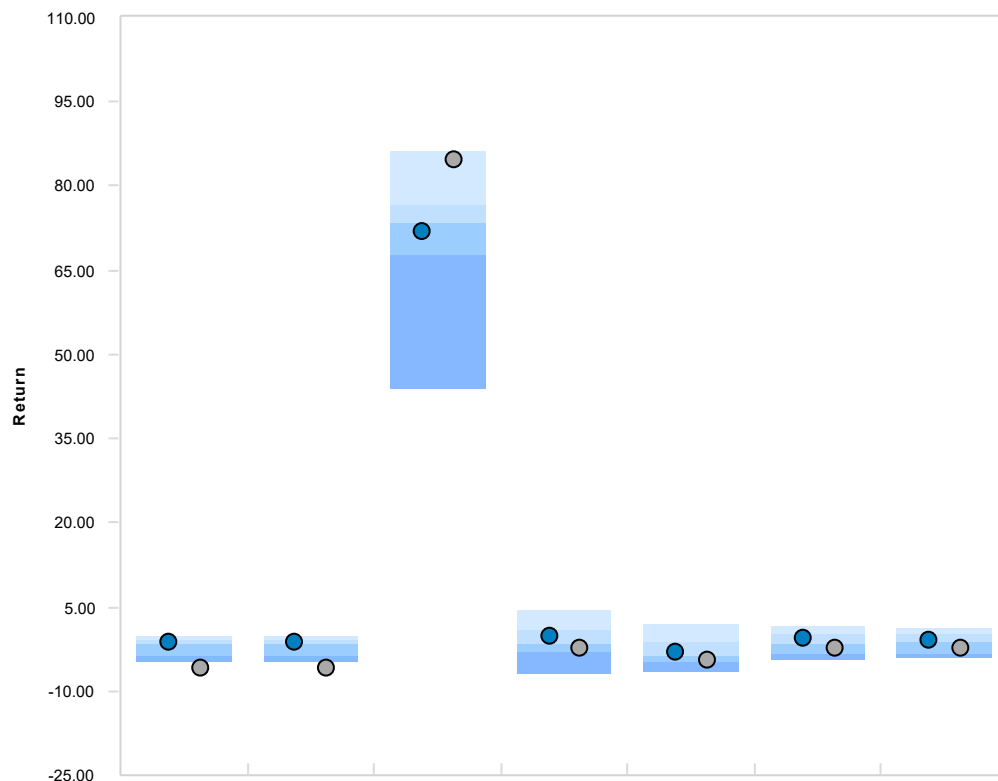
Peer Group Analysis



Parentes contain percentile rankings.  
Calculation based on monthly periodicity.



Plan Sponsor Peer Group Analysis - Master Limited Partnerships (SA+CF)

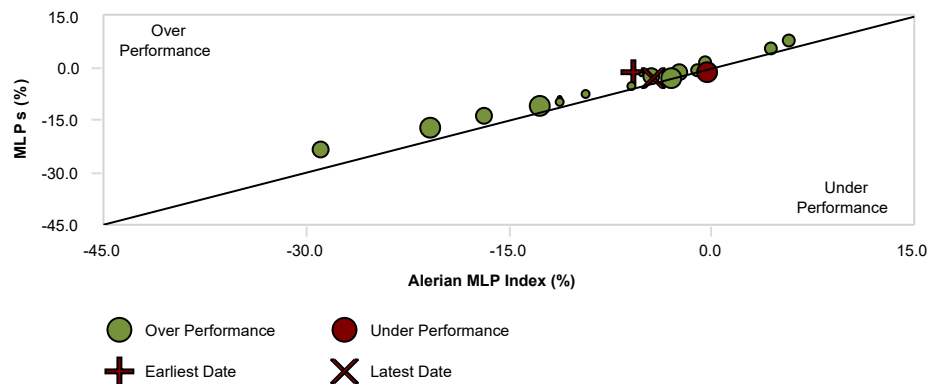


Comparative Performance

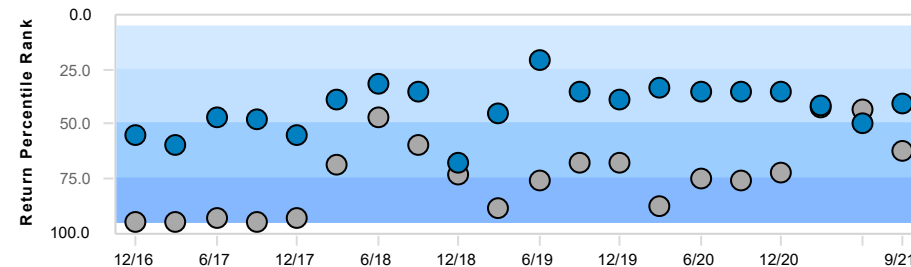
	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020
MLPs	19.57	16.88	24.76	-12.38	31.60	-49.03
Alerian MLP Index	21.23	21.95	32.45	-16.26	50.18	-57.19



### 3 Yr Rolling Under/Over Performance - 5 Years

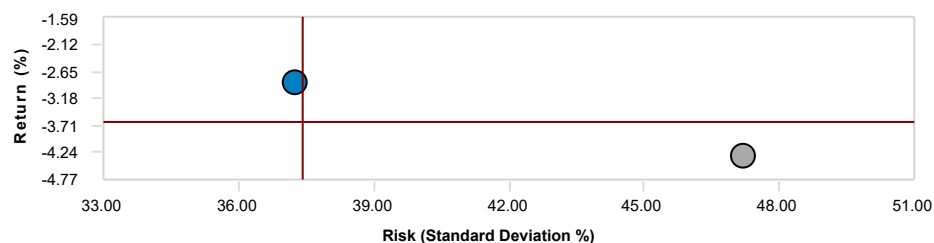


### 3 Yr Rolling Percentile Ranking - 5 Years



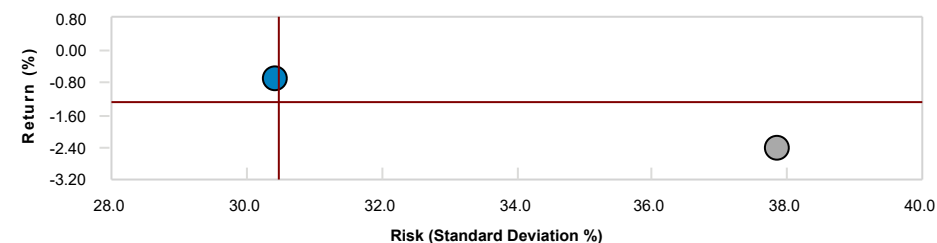
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
MLPs	20	1 (5%)	15 (75%)	4 (20%)	0 (0%)
Alerian MLP Index	20	0 (0%)	3 (15%)	8 (40%)	9 (45%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
MLPs	-2.85	37.25
Alerian MLP Index	-4.32	47.19
Median	-3.62	37.42

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
MLPs	-0.67	30.41
Alerian MLP Index	-2.42	37.84
Median	-1.29	30.46

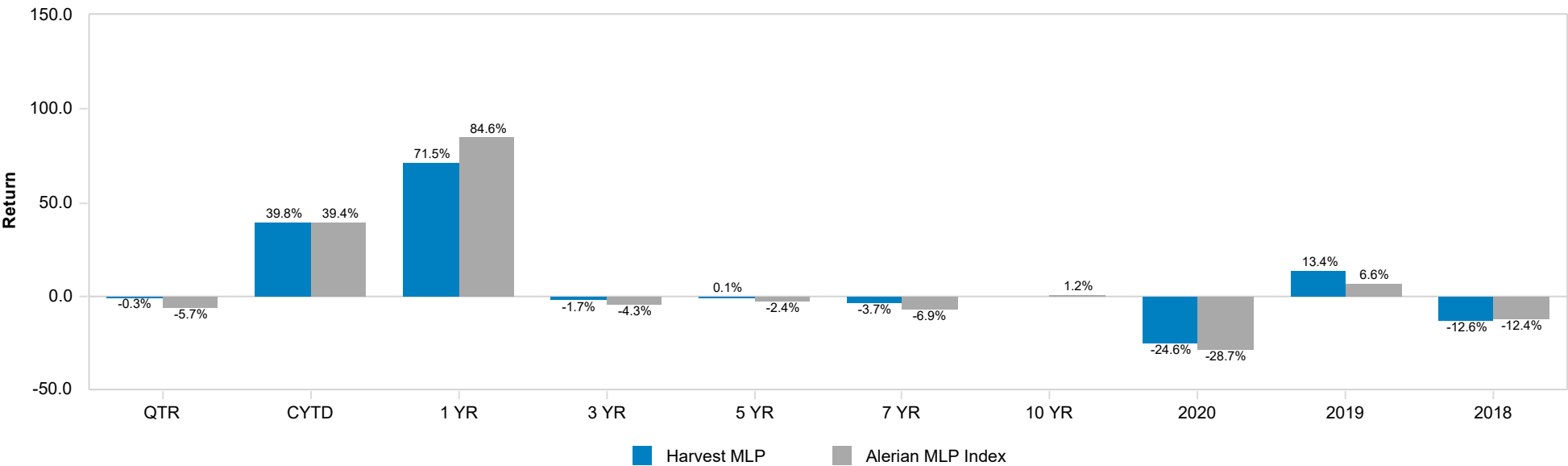
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
MLPs	12.19	82.80	85.98	-1.09	-0.23	0.10	0.78	26.98
Alerian MLP Index	0.00	100.00	100.00	0.00	N/A	0.13	1.00	31.74

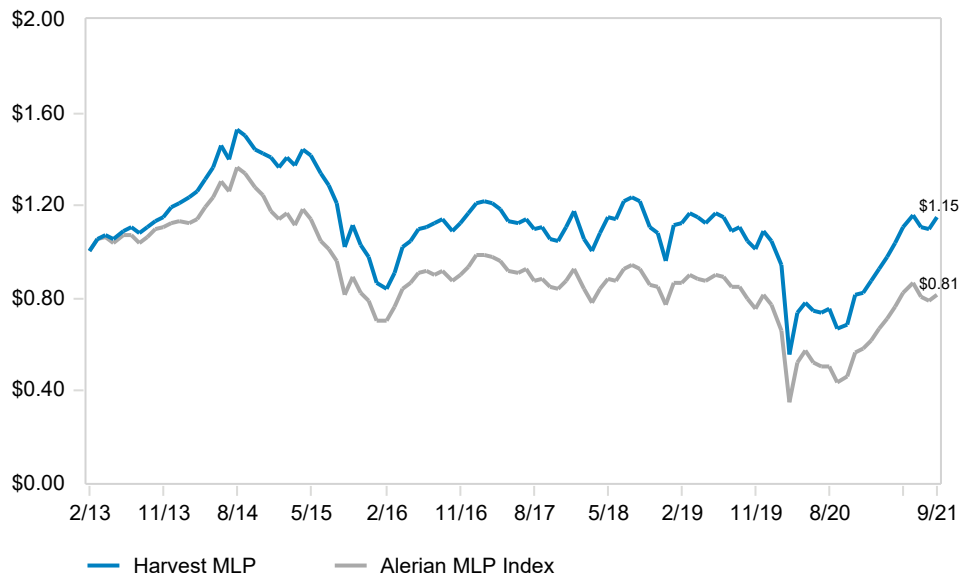
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
MLPs	9.57	87.33	87.76	0.27	-0.09	0.11	0.79	21.88
Alerian MLP Index	0.00	100.00	100.00	0.00	N/A	0.11	1.00	25.52

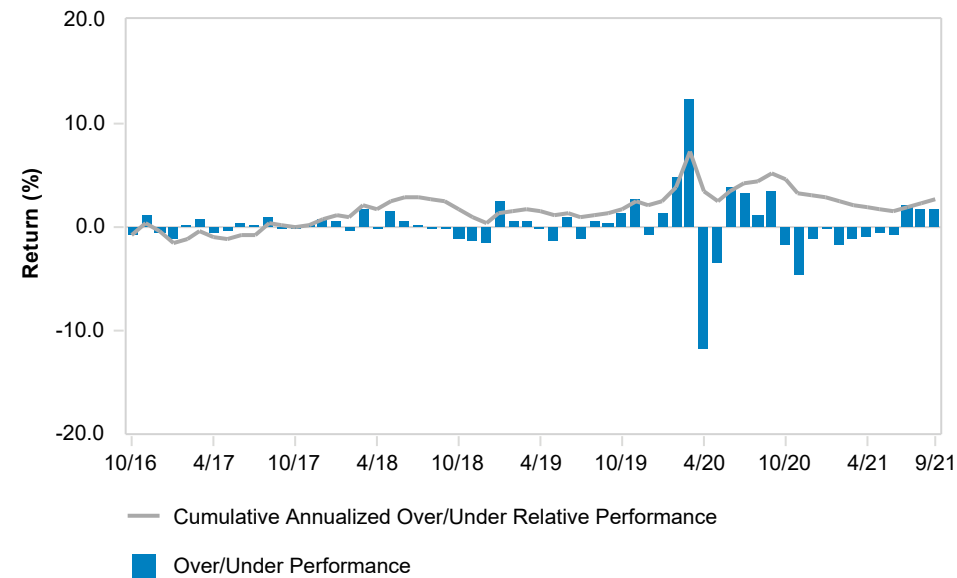
Comparative Performance



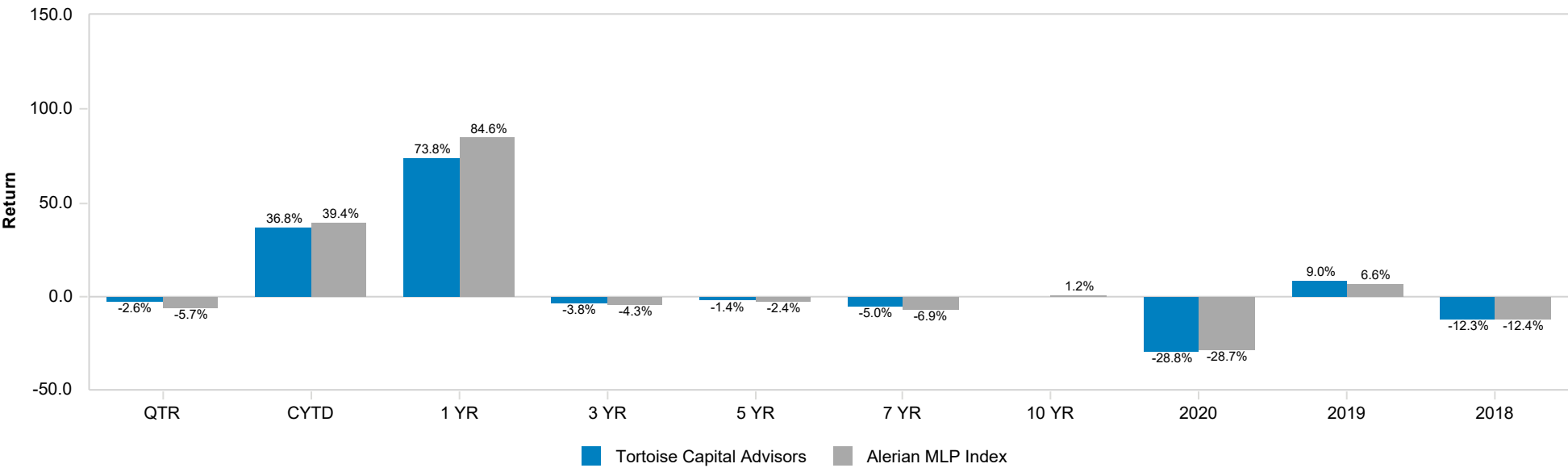
Growth of \$1 - Since Inception (03/01/13)



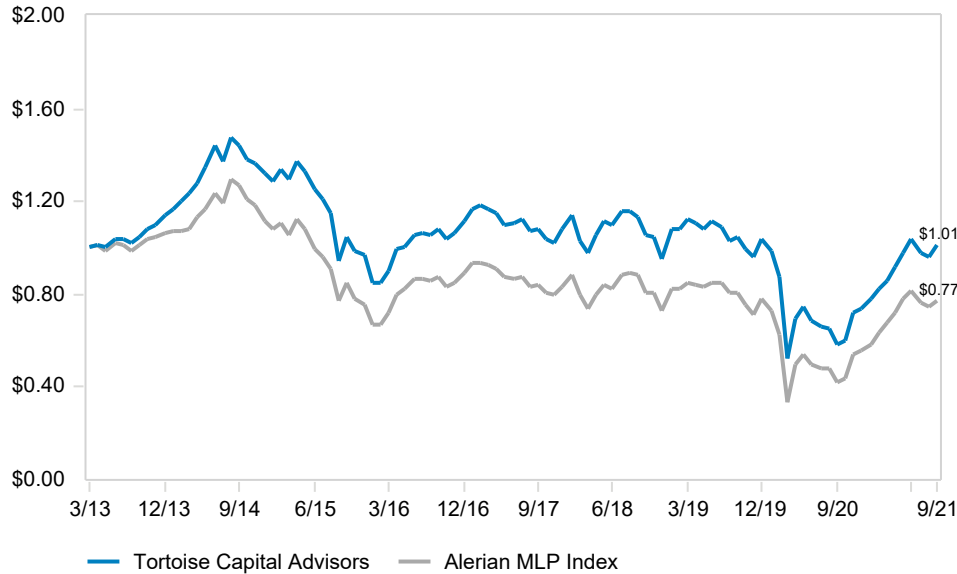
Relative Performance vs. Alerian MLP Index



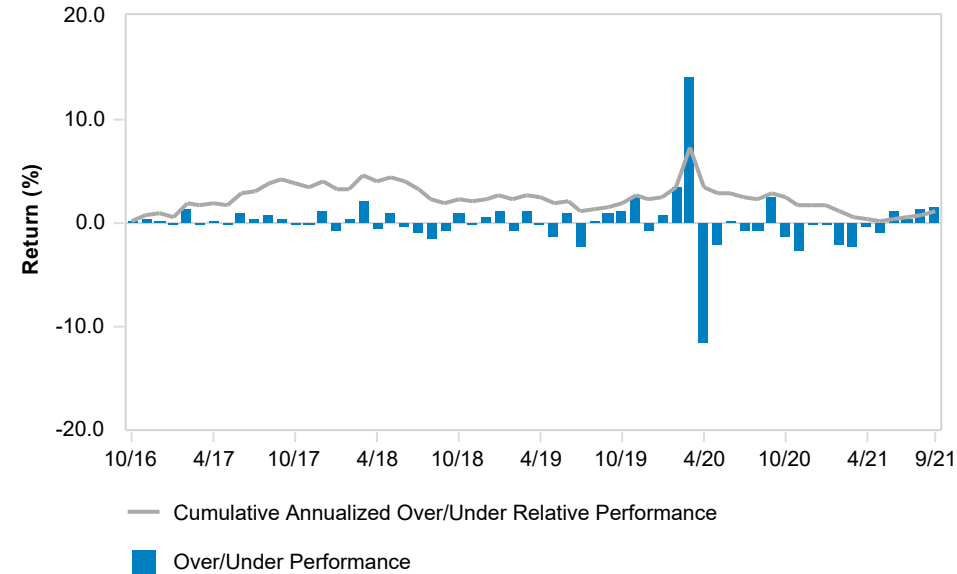
Comparative Performance



Growth of \$1 - Since Inception (04/01/13)



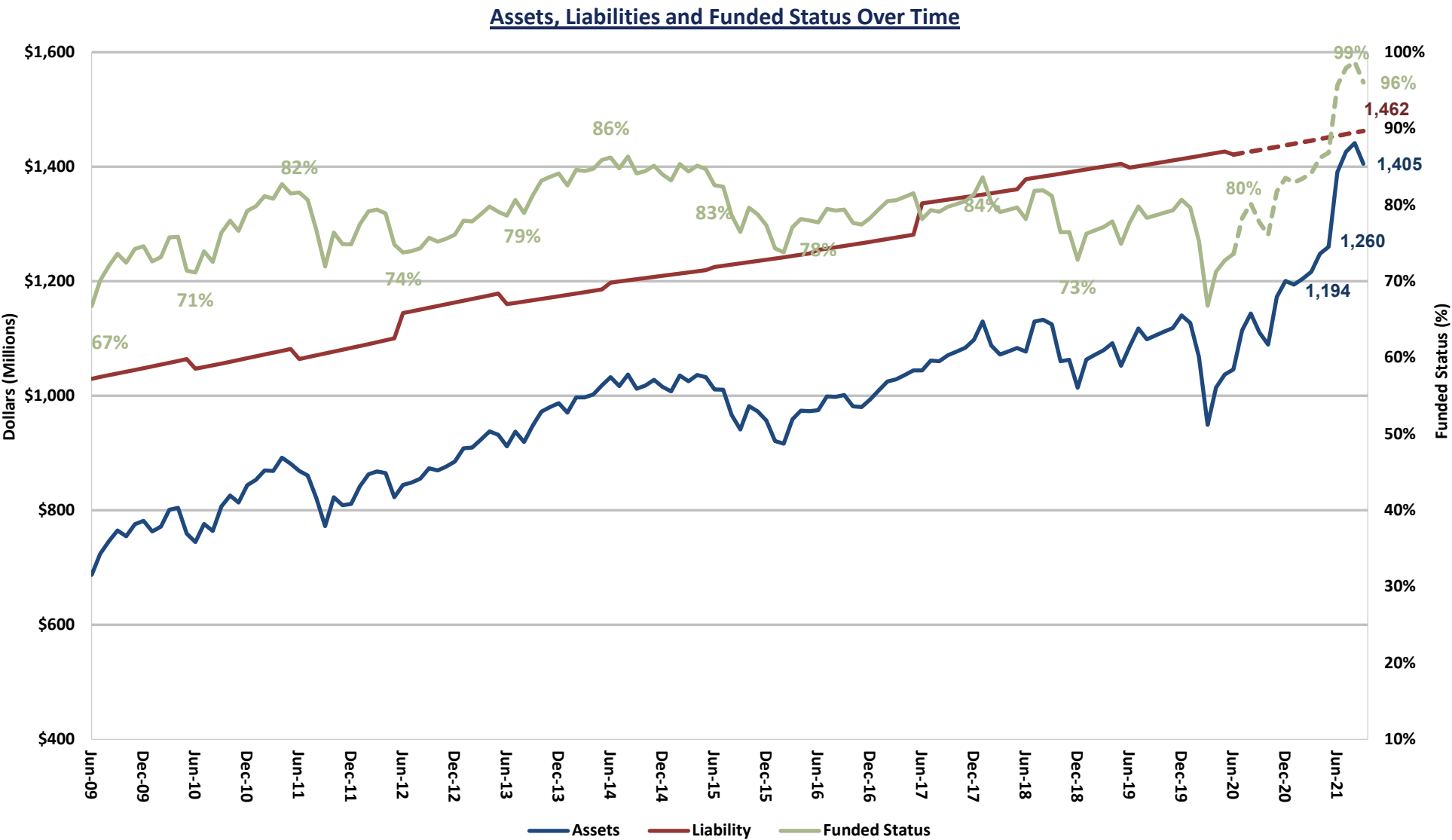
Relative Performance vs. Alerian MLP Index



## Appendix

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 99% in August 2021 and 96% in September 2021.



**Employees' Retirement System of the City of Norfolk  
Fee Analysis**

As of September 30, 2021

	Fee Schedule	Market Value (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
<b>Total Fund</b>		<b>1,404,771,182</b>	<b>2,679,875</b>	<b>0.19</b>
<b>Global Equity</b>		<b>763,429,269</b>	<b>305,372</b>	<b>0.04</b>
SSgA MSCI ACWI IMI Index Fund	0.04 % of Assets	763,429,269	305,372	0.04
<b>Fixed Income</b>		<b>425,166,518</b>	<b>915,515</b>	<b>0.22</b>
PIMCO Total Return	0.41 % of Assets	212,943,906	873,070	0.41
SSgA Bond Market Index	0.02 % of Assets	212,222,612	42,445	0.02
<b>Real Assets</b>		<b>216,169,551</b>	<b>1,458,989</b>	<b>0.67</b>
<b>Real Estate</b>		<b>108,165,577</b>	<b>720,402</b>	<b>0.67</b>
JP Morgan Asset Management Strategic Property Fund	1.00 % of Assets	48,288,973	482,890	1.00
UBS Trumbull Property Fund	0.60 % of Assets	35,527,221	213,163	0.60
<b>MLPs</b>		<b>108,003,974</b>	<b>738,587</b>	<b>0.68</b>
Harvest MLP	0.75 % of Assets	60,375,177	452,814	0.75
Tortoise Capital Advisors	0.60 % of Assets	47,628,798	285,773	0.60
Cash		5,844	-	



**Employees' Retirement System of the City of Norfolk**  
**Historical Hybrid Composition**  
As of September 30, 2021

**Total Fund Policy**

Allocation Mandate	Weight (%)
<b>May-2016</b>	
MSCI AC World IMI (Net)	62.50
Blmbg. U.S. Aggregate Index	37.50

**Total Fund Strategy Index**

Allocation Mandate	Weight (%)
<b>Jul-2016</b>	
MSCI AC World IMI (Net)	55.00
Blmbg. 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 (%)
<b>Oct-1990</b>	
S&P 500 Index	100.00
<b>Jun-2006</b>	
Russell 3000 Index	70.00
MSCI EAFE Index	30.00
<b>Jun-2009</b>	
Russell 3000 Index	70.00
MSCI AC World ex USA (Net)	30.00
<b>Sep-2009</b>	
Russell 3000 Index	60.00
MSCI AC World ex USA (Net)	40.00
<b>May-2016</b>	
MSCI AC World IMI (Net)	100.00



<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- 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.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- 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.
<b>Distributed to Paid In (DPI)</b>	- 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.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- 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.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- 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.
<b>Public Market Equivalent (PME)</b>	- 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.
<b>R-Squared</b>	- 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.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- 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.
<b>Standard Deviation</b>	- 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.
<b>Total Value to Paid In (TVPI)</b>	- 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
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- 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.
<b>Up Market Capture</b>	- 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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