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Employees' Retirement System of the City of Norfolk

Investment Review
1st Quarter 2015

Employees' Retirement System of the City of Norfolk

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As of March 31, 2015

Executive Summary

HIGHLIGHTS

- **Winners for the recent quarter**
  - Russell 2500 Growth US Equity +7.4%
  - MSCI EAFE Small Cap +5.6%
  - FTSE NAREIT Equity REITs +4.8%
  - Barclays LT Treasury Bonds +4.0%
- **Losers for the recent quarter**
  - Bloomberg Commodities -5.9%
  - Alerian MLPs -5.2%
  - CG Non-US World Govt Bonds -4.4%
- **Areas of strength for the recent quarter**
  - US Equity (beta)
  - Real Estate (absolute return)

- **Winners for the trailing year**
  - FTSE NAREIT Equity REITs +24.0%
  - Barclays LT Treasury Bonds +21.4%
  - Russell 1000 Growth US Equity +16.1%
  - Russell MidCap Growth US Equity +15.6%
- **Losers for the trailing year**
  - Bloomberg Commodity -27.0%
  - JPM EM Debt -11.1%
  - Barclays Global Bonds -10.1%
  - MSCI EAFE Small Cap -2.9%
- **Areas of strength for the trailing year**
  - US Equity (beta)
  - Real Estate

- **Areas of future focus**
  - Continued diversification of the portfolio

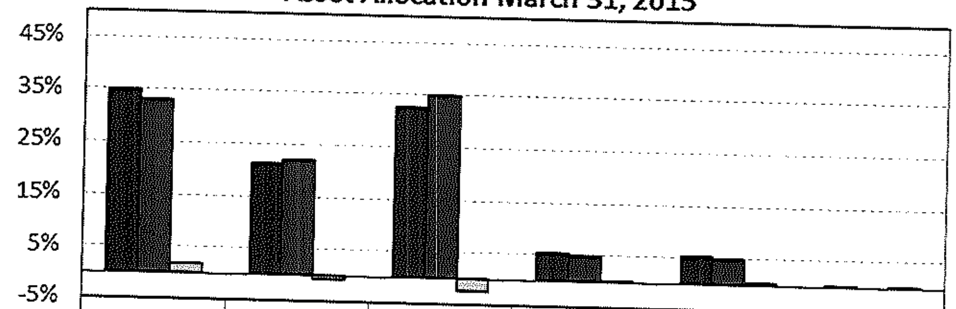
COMMENTARY

- Allocation to equities ended the quarter at 56.2%, within the targeted range of 55%-65%.
- Market value for the **Total Fund** increased slightly to $1.03 billion by quarter end from $1.02 billion in the previous quarter. The Total Plan returned 2.0% for the quarter and 7.1% for the trailing 12 months. The Total Plan lagged its Policy Index by 17 basis points for the quarter, but outperformed by 53 basis points for the trailing 12 months.
- The **Total Fund** ranked in the 81st percentile for the quarter and in the 58th percentile over the last 12 months.
- The **Domestic Equity Composite** continues to closely track the performance of the Russell 3000 Index. For the quarter and year, the portfolio returned 1.8% and 12.4%, respectively, and ranked in the 64th percentile of the peer universe for the quarter and in the 21st percentile for the year.
- The **International Equity Composite** was flat to the policy index for the quarter, returning 3.5% and ranking in the 70th percentile versus peers. For the trailing year, the composite returned -0.8%, outperforming the index by 24 basis points, and ranked in the 80th percentile versus peers.
- The **Fixed Income Composite** returned 1.9% for the quarter, outperforming the Barclays Aggregate Index by 24 basis points, and ranked in the 51st percentile versus peers. For the trailing year, the portfolio returned 6.1%, ahead of the index by 39 basis points and ranked above median (38th) versus peers.
- The **Real Estate Composite** returned 3.3% for the quarter, leading the index by 11 basis points, and ranking in the 48th percentile versus other real estate portfolios. For the trailing year, the composite returned 11.4% and ranked in the 70th percentile among peers.
- The **MLP Composite** returned -2.3% for the quarter, outperforming the index by 3.0% and ranking above median versus peers (47th). For the trailing year, the portfolio returned 6.7%, outperforming the index by 9.2% and ranking in the 28th percentile versus peers.

REBALANCING ACTIVITY FOR THE QUARTER

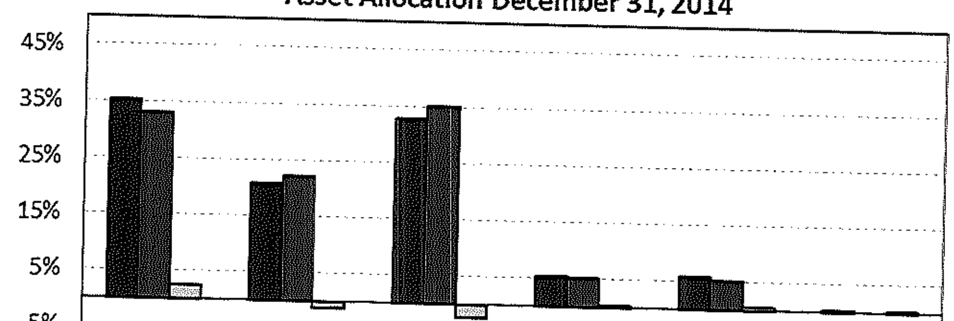
- **Raise cash for benefit payments:**
  - **PIMCO**
    To cash $1,120,000
    01/16/2015 (standing monthly order)
  - **UBS**
    To cash $149,707
    01/23/2015
  - **SSgA Russell 3000 Index**
    Non-Lending to cash $3,500,000
    01/26/2015
  - **PIMCO**
    To cash $1,120,000
    02/17/2015 (standing monthly order)
  - **SSgA Russell 3000 Index**
    Non-Lending to cash $2,000,000
    02/25/2015
  - **PIMCO**
    To cash $1,120,000
    03/17/2015 (standing monthly order)
  - **SSgA Russell 3000 Index**
    Non-Lending to cash $2,000,000 03/25/2015
- Total quarterly transfer from cash to checking account: $10,500,000.

Asset Allocation March 31, 2015



	US Equity	Intl Equity	Fixed Income	Real Estate	MLPs	Cash Holding Account
Actual Allocation	34.9%	21.3%	32.6%	5.4%	5.5%	0.4%
Target Allocation	33.0%	22.0%	35.0%	5.0%	5.0%	0.0%
Difference vs. Target	1.9%	-0.7%	-2.4%	0.4%	0.5%	0.4%

Asset Allocation December 31, 2014



	US Equity	Intl Equity	Fixed Income	Real Estate	MLPs	Cash Holding Account
Actual Allocation	35.3%	20.7%	32.7%	5.2%	5.7%	0.3%
Target Allocation	33.0%	22.0%	35.0%	5.0%	5.0%	0.0%
Difference vs. Target	2.3%	-1.3%	-2.3%	0.2%	0.7%	0.3%

Economic Review

Economic & Capital Market Highlights

March 31, 2015

Economy

US economic growth appears to have moderated during the first quarter of 2015 relative to recent quarters. Consumer spending, manufacturing and construction activity, and retail sales came in below expectations as severe winter weather in much of the country weighed on activity. On the other hand, the US labor market continued to show signs of improvement. Job growth in January and February was strong and while employers hired fewer workers than expected in March, the economy added more than three million jobs over the 12 months ending March. Many labor market indicators have returned to levels last seen prior to the Great Recession, a sign the economy is recovering and may be stable enough for the Federal Reserve to raise short-term interest rates for the first time since 2006.

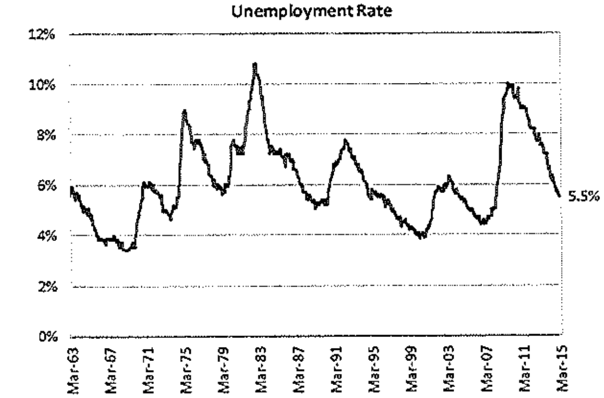
Economic growth and fundamentals throughout the rest of the world have broadly been lackluster. Many policymakers outside the US have cut key interest rates in order to spur economic growth and battle deflationary pressures. These actions have led to ongoing US dollar strength versus foreign currencies and in some areas, such as the eurozone, activity has started to pick up and economic data has generally beat expectations.

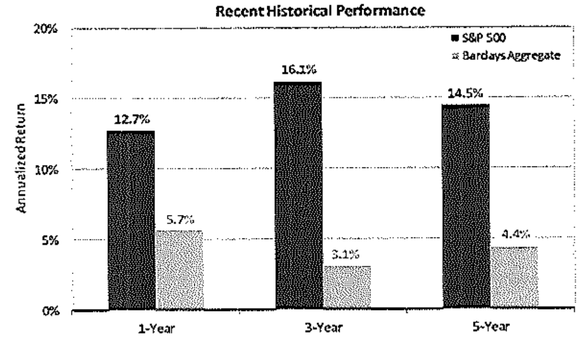
Capital Markets

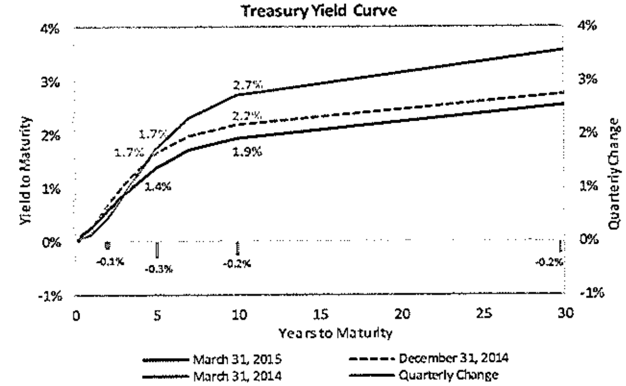
Equity markets around the world moved higher during the quarter, with over 20 central banks announcing easing measures. International developed markets were generally the best performers, while within the US market small caps outperformed large caps. Fixed income investments performed well as global interest rates continued to decline.

Market Performance (Returns in USD)

		Quarter	1 Year	3 Year	5 Year
MSCI ACWI IMI	Global Equity	2.6%	5.1%	11.0%	9.3%
Russell 3000	US Equity	1.8%	12.4%	16.4%	14.7%
S&P 500	US Large Cap Equity	1.0%	12.7%	16.1%	14.5%
Russell 1000	US Large Cap Equity	1.6%	12.7%	16.4%	14.7%
Russell 1000 Value	US Large Cap Value Equity	-0.7%	9.3%	16.4%	13.8%
Russell 1000 Growth	US Large Cap Growth Equity	3.8%	16.1%	16.3%	15.6%
Russell 2000	US Small Cap Core Equity	4.3%	8.2%	16.3%	14.6%
Russell 2000 Value	US Small Cap Value Equity	2.0%	4.4%	14.8%	12.5%
Russell 2000 Growth	US Small Cap Growth Equity	6.6%	12.1%	17.7%	16.6%
MSCI EAFE	Int'l Developed Large Cap Equity	4.9%	-0.9%	9.0%	6.2%
MSCI EAFE Small Cap	Int'l Developed Small Cap Equity	5.6%	-2.9%	10.7%	8.8%
MSCI Emerging Markets	Emerging Market Equity	2.2%	0.4%	0.3%	1.7%
Barclays Aggregate	US Core Fixed Income	1.6%	5.7%	3.1%	4.4%
Barclays US Treasury	US Treasuries	1.6%	5.4%	2.4%	4.0%
Barclays US Credit	US Corporate Bonds	2.2%	6.7%	4.9%	6.2%
Barclays US MBS	US Mortgage Backed Securities	1.1%	5.5%	2.5%	3.6%
Barclays US Corp: High Yield	US High Yield Bonds	2.5%	2.0%	7.5%	8.6%
NCREIF ODCE	Core Real Estate	3.4%	13.4%	12.7%	14.5%







STYLE PERFORMANCE RANKING: ONE-YEAR TIME PERIODS

Best Performing ↔ Worst Performing

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
EM 74.8%	EAFE 8.1%	Large Value 38.4%	Large Growth 23.1%	Large Value 35.2%	Large Growth 38.7%	EM 66.4%	Small Value 22.8%	Small Value 14.0%	Core Bonds 10.3%	EM 55.8%	EM 25.6%
EAFE 32.9%	Large Growth 2.7%	S&P 500 37.6%	S&P 500 23.0%	S&P 500 33.4%	S&P 500 28.6%	Small Growth 43.1%	Core Bonds 11.6%	Core Bonds 8.4%	Bar. Int Treas 9.6%	Small Growth 48.5%	Small Value 22.3%
Small Value 23.8%	S&P 500 1.3%	Large Growth 37.2%	Large Value 21.6%	Small Value 31.8%	EAFE 20.3%	Large Growth 33.2%	Bar. Int Treas 10.3%	Bar. Int Treas 8.2%	HY Bonds -1.4%	Small Cap 47.3%	EAFE 20.7%
Small Cap 18.9%	HY Bonds -1.0%	Small Growth 31.0%	Small Value 21.4%	Large Growth 30.5%	Large Value 15.6%	EAFE 27.3%	Large Value 7.0%	HY Bonds 5.3%	EM -6.0%	Small Value 46.0%	Small Cap 18.3%
Large Value 18.1%	Small Value -1.5%	Small Cap 28.4%	Small Cap 16.5%	Small Cap 22.4%	Core Bonds 8.7%	Small Cap 21.3%	Small Cap -3.0%	Small Cap 2.5%	Small Value -11.4%	EAFE 39.2%	Large Value 16.5%
HY Bonds 17.1%	Small Cap -1.8%	Small Value 25.8%	HY Bonds 11.4%	Small Growth 12.9%	Bar. Int Treas 8.6%	S&P 500 21.0%	HY Bonds -5.9%	EM -2.4%	Large Value -15.5%	Large Value 30.0%	Small Growth 14.3%
Small Growth 13.4%	Bar. Int Treas -1.8%	HY Bonds 19.2%	Small Growth 11.3%	HY Bonds 12.7%	HY Bonds 1.9%	Large Value 7.4%	S&P 500 -9.1%	Large Value -5.6%	EAFE -15.7%	Large Growth 29.8%	HY Bonds 11.1%
S&P 500 10.1%	Large Value -2.0%	Core Bonds 18.5%	EAFE 6.4%	Core Bonds 9.7%	Small Growth 1.2%	HY Bonds 2.4%	EAFE -14.0%	Small Growth -9.2%	Small Cap -20.5%	HY Bonds 29.0%	S&P 500 10.9%
Core Bonds 9.8%	Small Growth -2.4%	Bar. Int Treas 14.4%	EM 6.0%	Bar. Int Treas 7.7%	Small Cap -2.5%	Bar. Int Treas 0.4%	Large Growth -22.4%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	Large Growth 6.3%
Bar. Int Treas 8.2%	Core Bonds -2.9%	EAFE 11.6%	Bar. Int Treas 4.0%	EAFE 2.1%	Small Value -6.5%	Core Bonds -0.8%	Small Growth -22.4%	Large Growth -20.4%	Large Growth -27.9%	Core Bonds 4.1%	Core Bonds 4.3%
Large Growth 2.9%	EM -7.3%	EM -5.2%	Core Bonds 3.6%	EM -11.6%	EM -25.3%	Small Value -1.5%	EM -30.6%	EAFE -21.2%	Small Growth -30.3%	Bar. Int Treas 2.1%	Bar. Int Treas 2.0%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Q1 2015	10 Yr ROR	20 Yr ROR
EM 34.1%	EM 32.2%	EM 39.4%	Bar. Int Treas 11.4%	EM 78.5%	Small Growth 29.1%	Core Bonds 7.8%	EM 18.2%	Small Growth 43.3%	S&P 500 13.7%	Small Growth 6.6%	Small Growth 6.6%	Small Growth 10.0%	Small Value 10.9%
EAFE 14.0%	EAFE 26.9%	Large Growth 11.8%	Core Bonds 5.2%	HY Bonds 58.2%	Small Cap 26.9%	Bar. Int Treas 6.6%	Small Value 18.1%	Small Cap 38.8%	Large Value 13.5%	EAFE 4.9%	EAFE 4.9%	Large Growth 9.4%	Large Value 10.0%
Large Value 7.1%	Small Value 23.5%	EAFE 11.6%	HY Bonds -26.2%	Large Growth 37.2%	Small Value 24.5%	HY Bonds 5.0%	Large Value 17.5%	Small Value 34.5%	Large Growth 13.1%	Small Cap 4.3%	Small Cap 4.3%	Small Cap 8.8%	Small Cap 9.6%
Large Growth 5.3%	Large Value 22.2%	Bar. Int Treas 8.8%	Small Value -28.9%	Small Growth 34.5%	EM 18.9%	Large Growth 2.6%	EAFE 17.3%	Large Growth 33.5%	Core Bonds 6.0%	Large Growth 3.8%	Large Growth 3.8%	EM 8.5.%	S&P 500 9.4%
S&P 500 4.9%	Small Cap 18.4%	Small Growth 7.1%	Small Cap -33.8%	EAFE 31.9%	Large Growth 16.7%	S&P 500 2.1%	Small Cap 16.3%	Large Value 32.5%	Small Growth 5.6%	BC HY 2.5%	BC HY 2.5%	BC HY 8.2%	Large Growth 8.8%
Small Value 4.7%	S&P 500 15.8%	Core Bonds 7.0%	Large Value -36.9%	Small Cap 27.2%	Large Value 15.5%	Large Value 0.4%	S&P 500 16.0%	S&P 500 32.4%	Small Cap 4.9%	EM 2.2%	EM 2.2%	S&P 500 8.0%	Small Growth 7.9%
Small Cap 4.6%	Small Growth 13.4%	S&P 500 5.5%	S&P 500 -37.0%	S&P 500 26.5%	HY Bonds 15.1%	Small Growth -2.9%	HY Bonds 15.8%	EAFE 22.8%	Small Value 4.2%	Small Value 2.0%	Small Value 2.0%	Small Value 7.5%	BC HY 7.8%
Small Growth 4.1%	HY Bonds 11.9%	HY Bonds 1.9%	Large Growth -38.4%	Small Value 20.6%	S&P 500 15.1%	Small Cap -4.2%	Large Growth 15.3%	HY Bonds 7.4%	Bar. Int Treas 2.6%	Core Bonds 1.6%	Core Bonds 1.6%	Large Value 7.2%	EM 6.6%
HY Bonds 2.7%	Large Growth 9.1%	Large Value -0.2%	Small Growth -38.5%	Large Value 19.7%	EAFE 7.8%	Small Value -5.5%	Small Growth 14.6%	Bar. Int Treas -1.3%	Bar. HY 2.5%	BC Int Treas 1.3%	BC Int Treas 1.3%	EAFE 4.9%	Core Bonds 6.0%
Core Bonds 2.4%	Core Bonds 4.3%	Small Cap -1.6%	EAFE -43.4%	Core Bonds 5.9%	Core Bonds 6.5%	EAFE -12.1%	Core Bonds 4.2%	Core Bonds -2.0%	EM -2.2%	S&P 500 1.0%	S&P 500 1.0%	Core Bonds 4.9%	EAFE 5.2%
Bar. Int Treas 1.6%	Bar. Int Treas 3.5%	Small Value -9.8%	EM -53.3%	Bar. Int Treas -1.4%	Bar. Int Treas 5.3%	EM -18.4%	Bar. Int Treas 1.7%	EM -2.6%	EAFE -4.9%	Large Value -0.7%	Large Value -0.7%	BC Int Treas 4.0%	BC Int Treas 5.0%

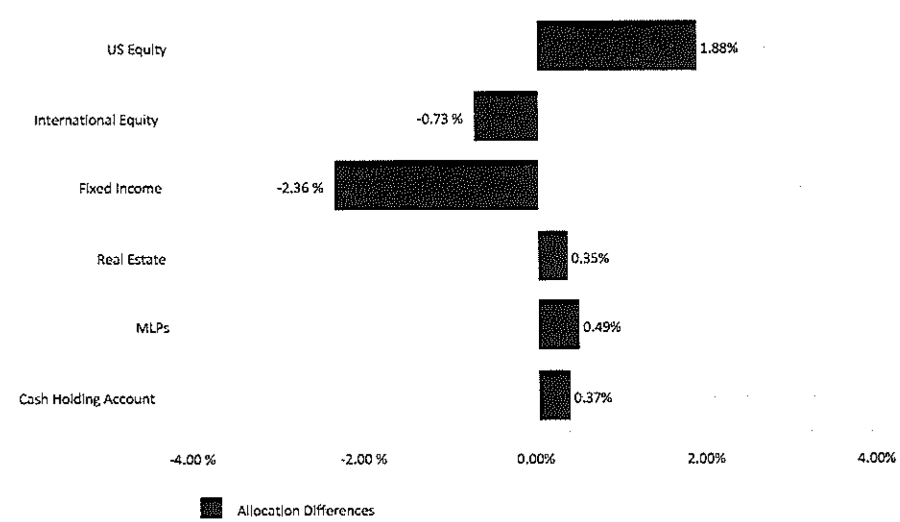
Total Fund

Employees' Retirement System of the City of Norfolk

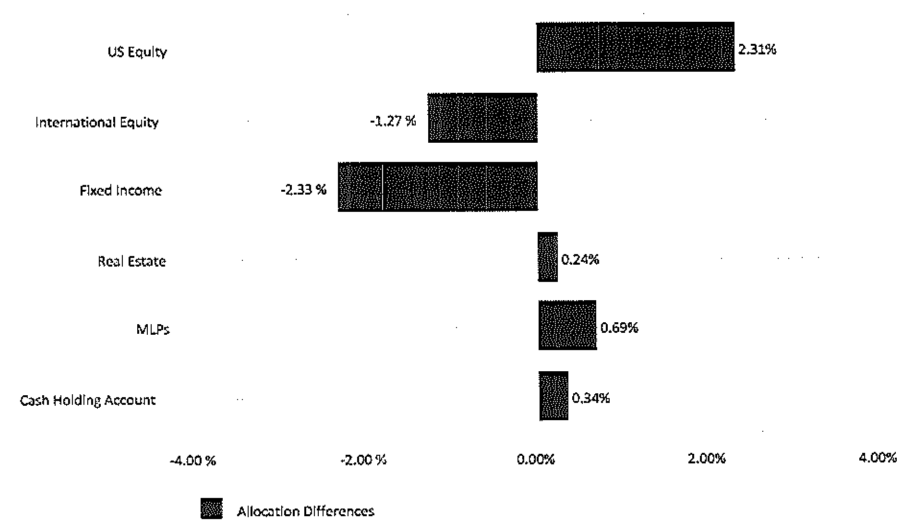
Asset Allocation vs. Target Allocation

As of March 31, 2015

March 31, 2015



December 31, 2014



March 31, 2015

	Market Value ($)	Allocation (%)	Target (%)
US Equity	357,519,763	34.88	33.00
International Equity	217,990,732	21.27	22.00
Fixed Income	334,539,536	32.64	35.00
Real Estate	54,853,995	5.35	5.00
MLPs	56,278,763	5.49	5.00
Cash Holding Account	3,835,699	0.37	0.00
Total Fund	1,025,018,487	100.00	100.00

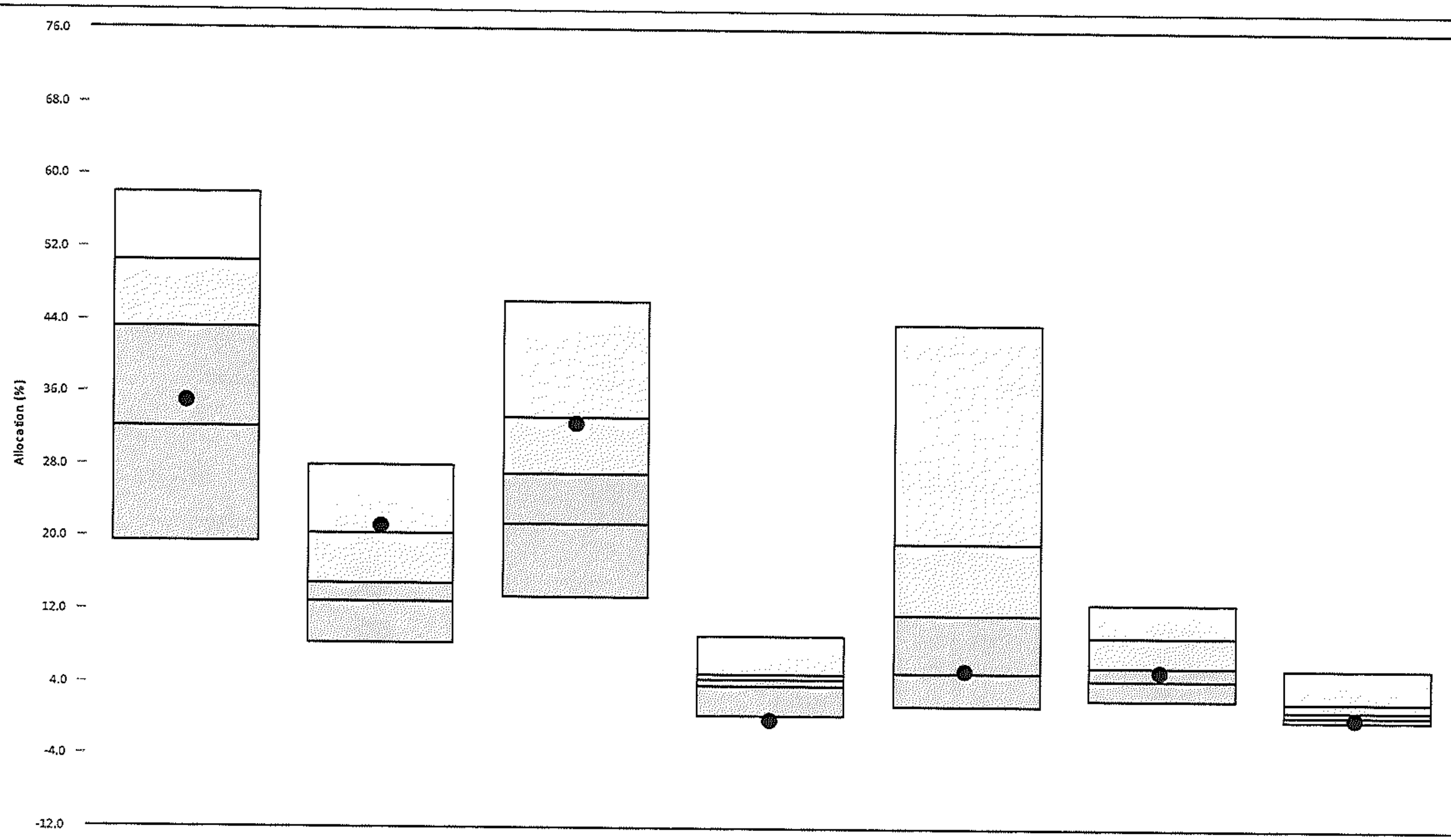
December 31, 2014

	Market Value ($)	Allocation (%)	Target (%)
US Equity	358,629,773	35.31	33.00
International Equity	210,575,842	20.73	22.00
Fixed Income	331,788,398	32.67	35.00
Real Estate	53,265,661	5.24	5.00
MLPs	57,820,743	5.69	5.00
Cash Holding Account	3,478,516	0.34	0.00
Total Fund	1,015,558,933	100.00	100.00

Employees' Retirement System of the City of Norfolk

All Public Plans-Total Fund Plan Sponsor Asset Allocation

As of March 31, 2015



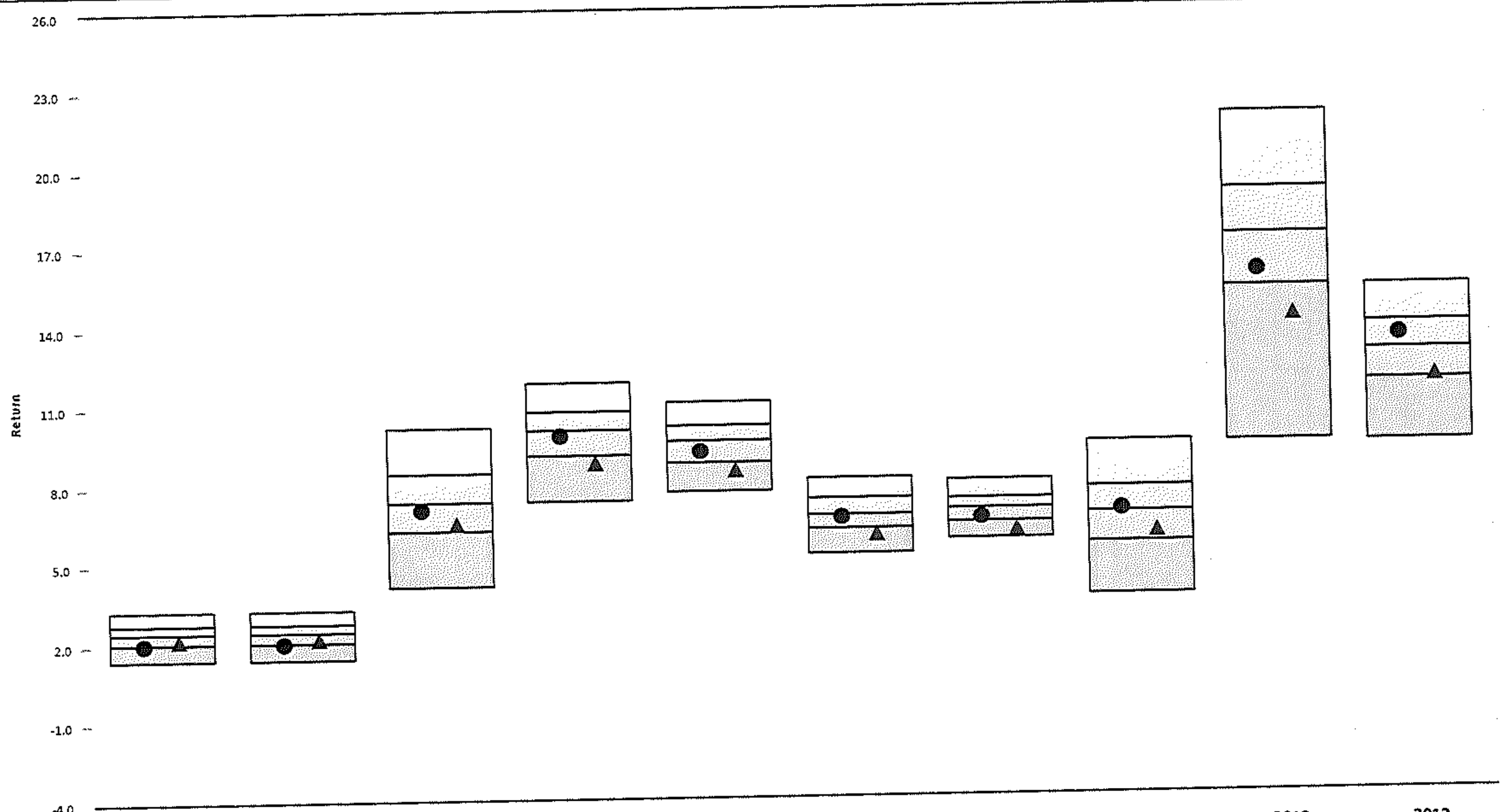
	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund Composite	34.88 (72)	21.27 (22)	32.64 (28)	0.00	5.49 (75)	5.35 (59)	0.37 (82)
5th Percentile	58.00	28.03	46.07	9.32	43.74	12.85	5.75
1st Quartile	50.44	20.50	33.25	4.99	19.59	9.27	2.12
Median	**43.10**	**14.99**	**27.05**	**4.56**	**11.74**	**6.02**	**1.19**
3rd Quartile	32.26	12.99	21.58	3.71	5.17	4.53	0.60
95th Percentile	19.52	8.44	13.41	0.49	1.59	2.28	0.06

Parentheses contain percentile rankings.

Employees' Retirement System of the City of Norfolk

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

As of March 31, 2015



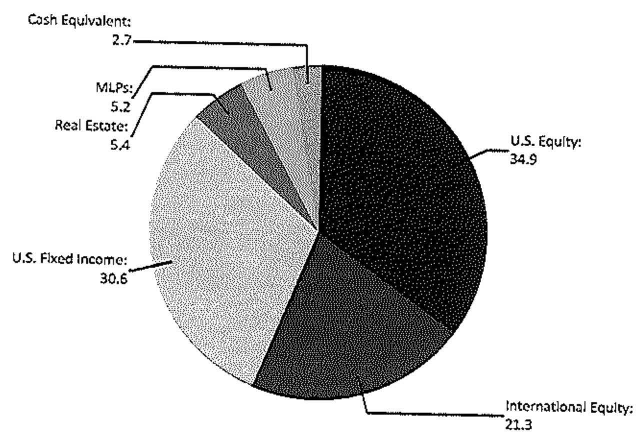
	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● Total Fund Composite	2.03 (81)	2.03 (81)	7.05 (58)	9.80 (58)	9.16 (63)	6.58 (54)	6.48 (70)	6.80 (48)	15.82 (70)	13.27 (39)
▲ Total Fund Policy	2.20 (70)	2.20 (70)	6.52 (71)	8.74 (85)	8.45 (87)	5.96 (82)	6.04 (91)	5.92 (69)	14.11 (84)	11.77 (73)
5th Percentile	3.27	3.27	10.22	11.88	11.10	8.10	7.98	9.42	21.88	15.25
1st Quartile	2.79	2.79	8.44	10.77	10.16	7.33	7.31	7.70	18.98	13.81
Median	**2.43**	**2.43**	**7.36**	**10.07**	**9.62**	**6.71**	**6.90**	**6.71**	**17.22**	**12.75**
3rd Quartile	2.09	2.09	6.26	9.08	8.74	6.17	6.39	5.54	15.23	11.63
95th Percentile	1.43	1.43	4.14	7.37	7.68	5.24	5.77	3.57	9.34	9.27

Employees' Retirement System of the City of Norfolk

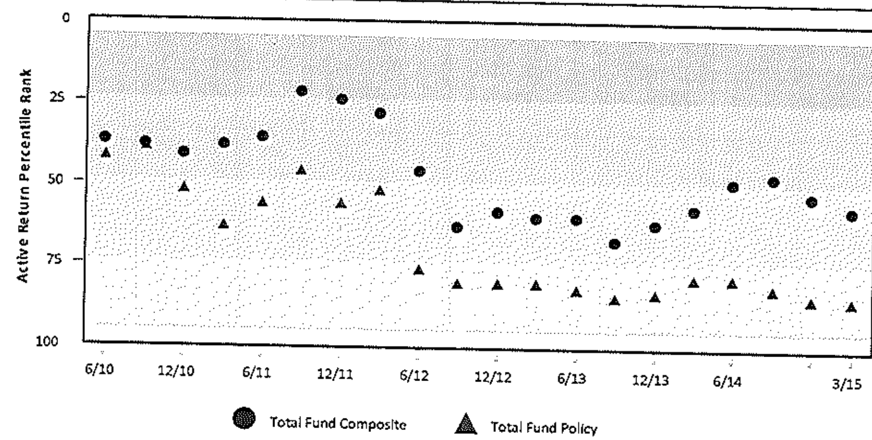
Total Fund Composite

As of March 31, 2015

Asset Allocation by Segment*

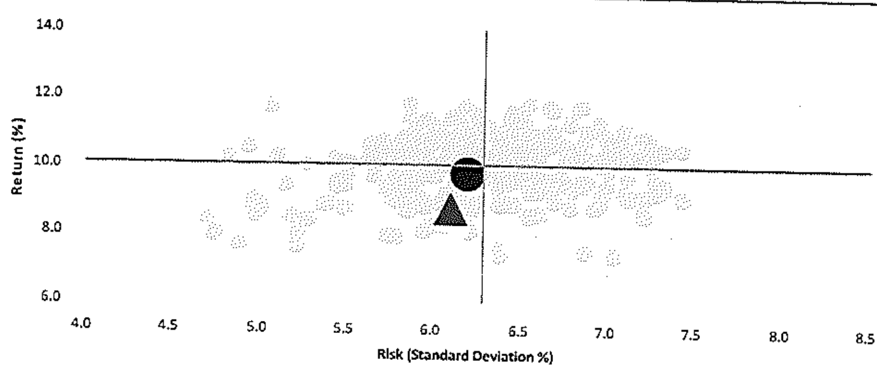


3 Year Rolling Return Rank



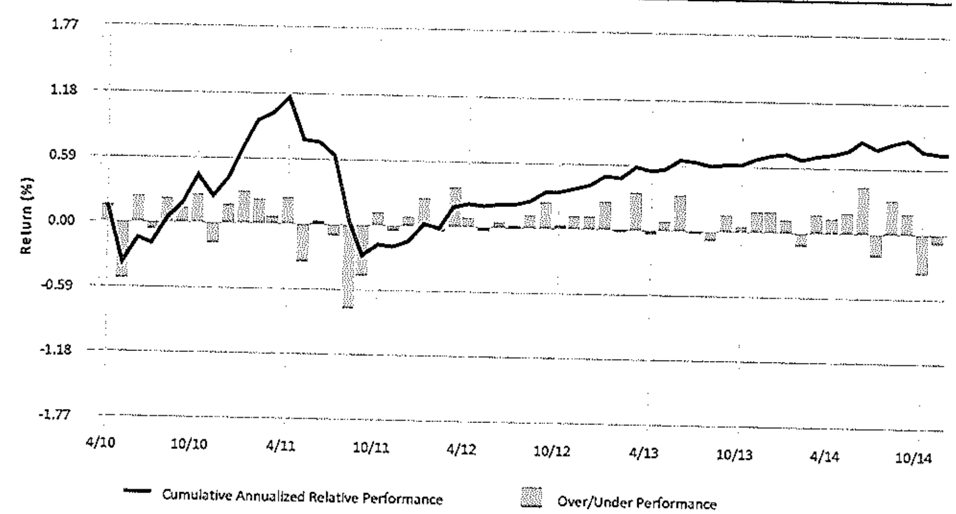
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund Composite	20	2 (10%)	9 (45%)	9 (45%)	0 (0%)
▲ Total Fund Policy	20	0 (0%)	3 (15%)	5 (25%)	12 (60%)

Risk vs. Return (04/01/12 - 03/31/15)



	Return	Standard Deviation
● Total Fund Composite	9.80	6.19
▲ Total Fund Policy	8.74	6.09
--- Median	10.07	6.28

Relative Performance vs. Total Fund Policy



* Cash Equivalent allocation includes manager cash.

US Equity

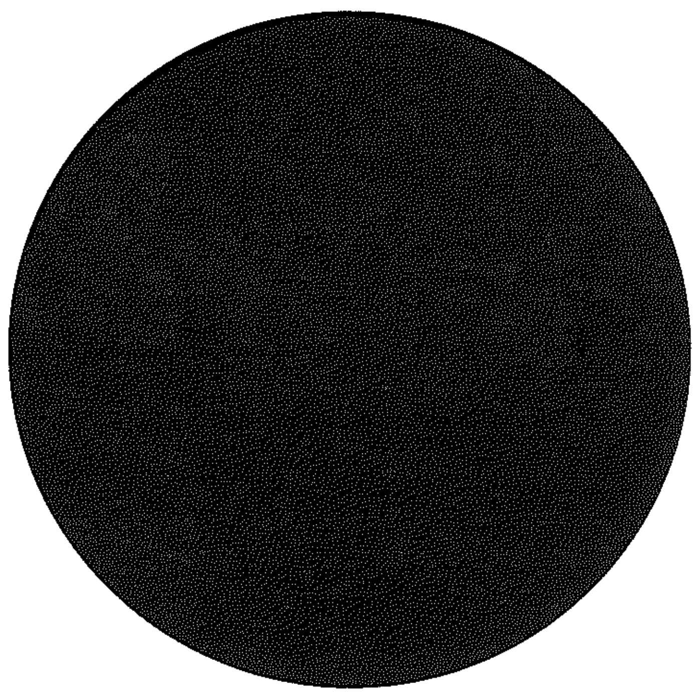
Employees' Retirement System of the City of Norfolk

US Equity Composite vs. Russell 3000 Index

March 31, 2015

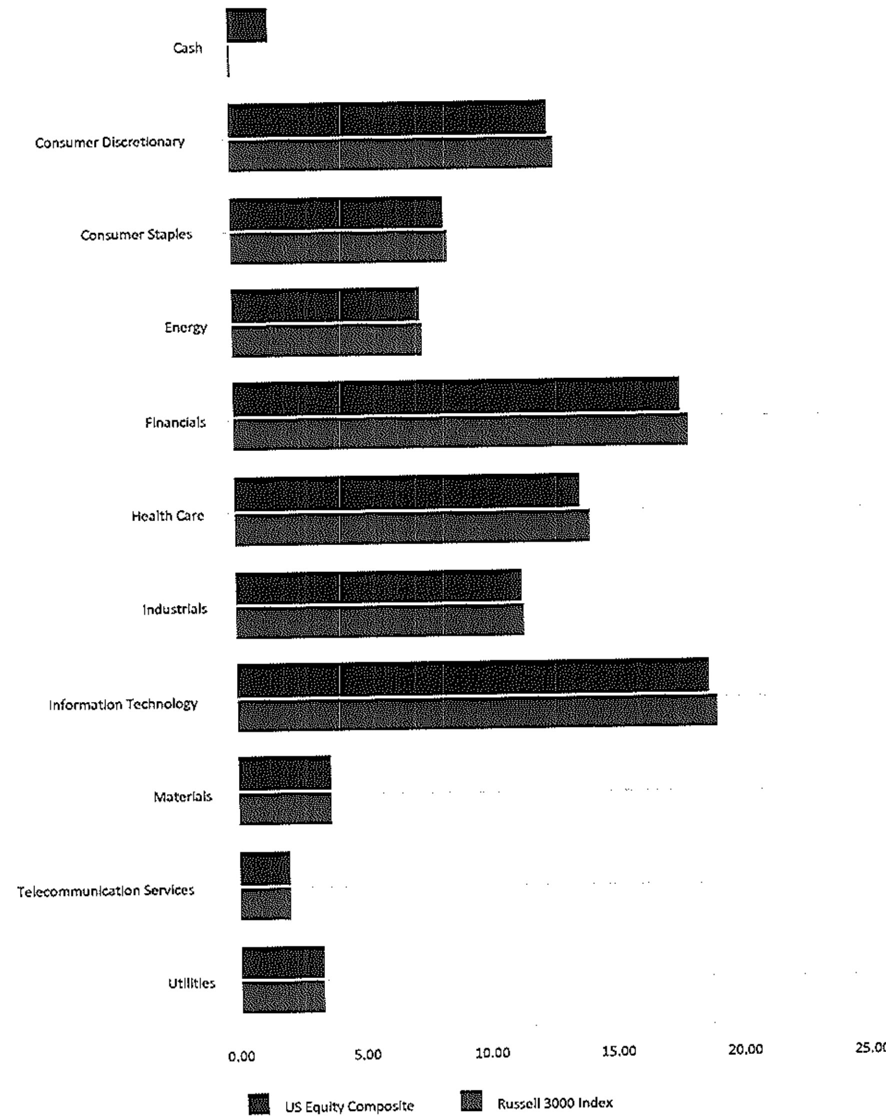
Manager Allocation

March 31, 2015 : $357,519,763



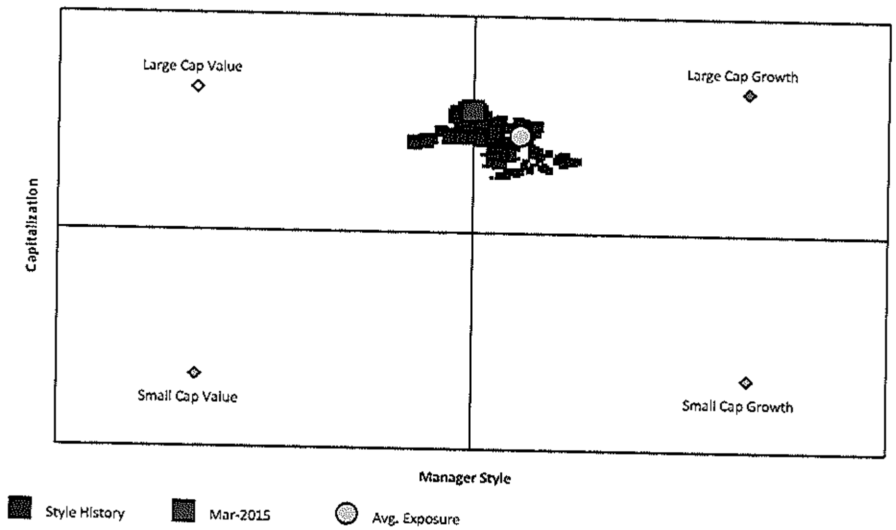
	Market Value ($)	Allocation (%)
SSGA Russell 3000	357,519,763	100.00

Sector Allocation - Holdings Based

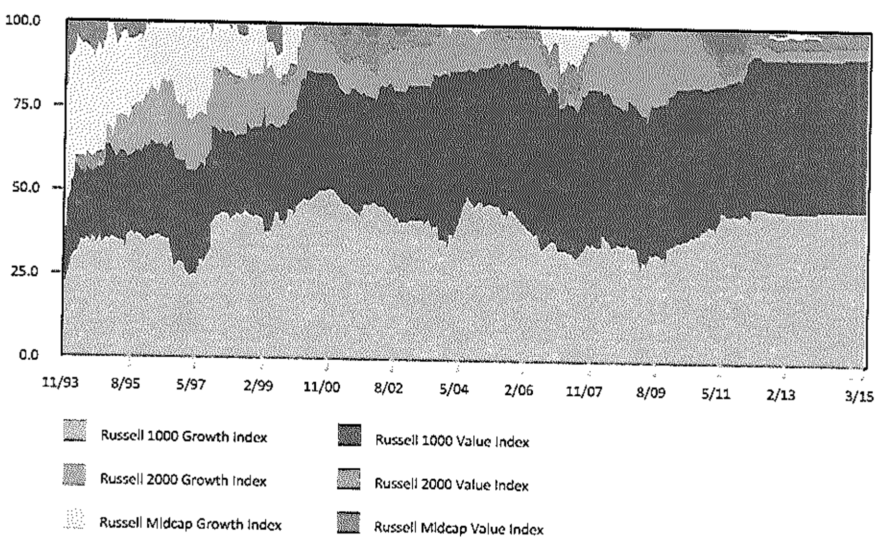


Employees' Retirement System of the City of Norfolk
US Equity Composite vs. Russell 3000 Index
March 31, 2015

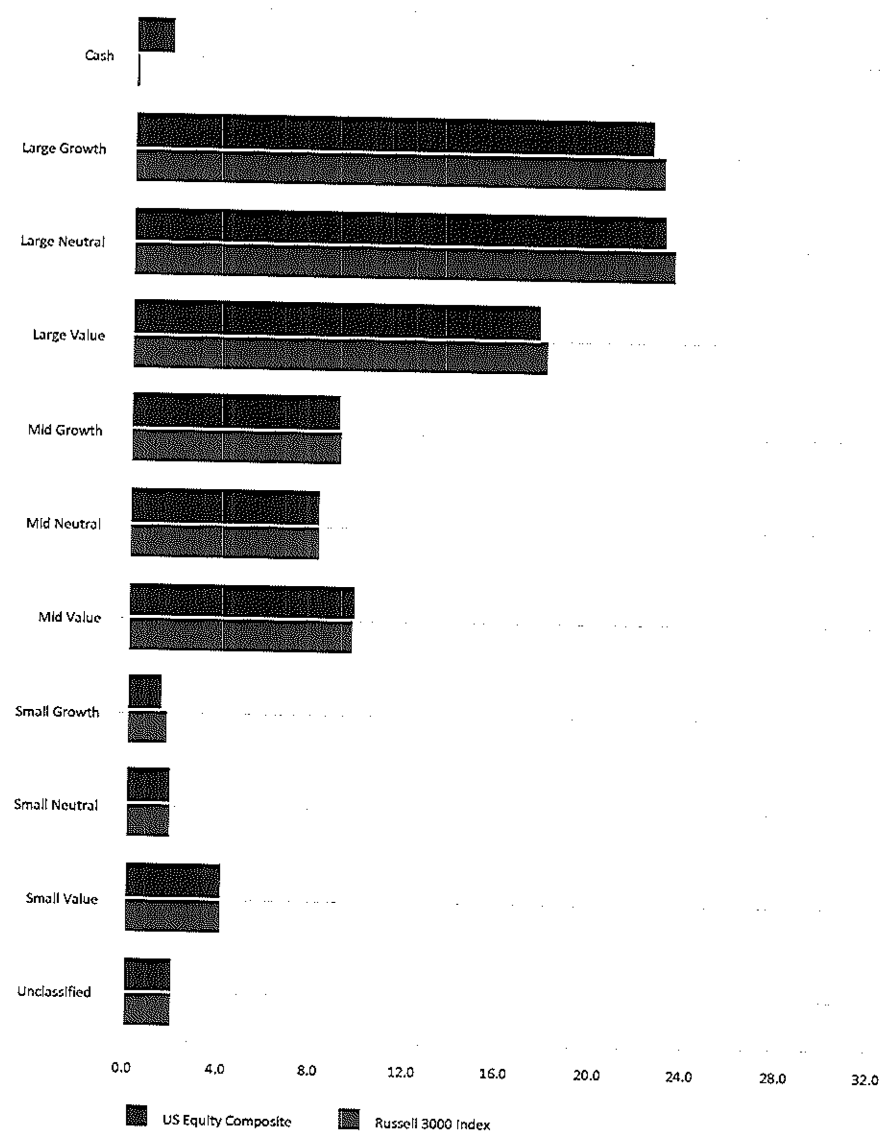
Style Analysis - Returns Based



3 Year Style Analysis



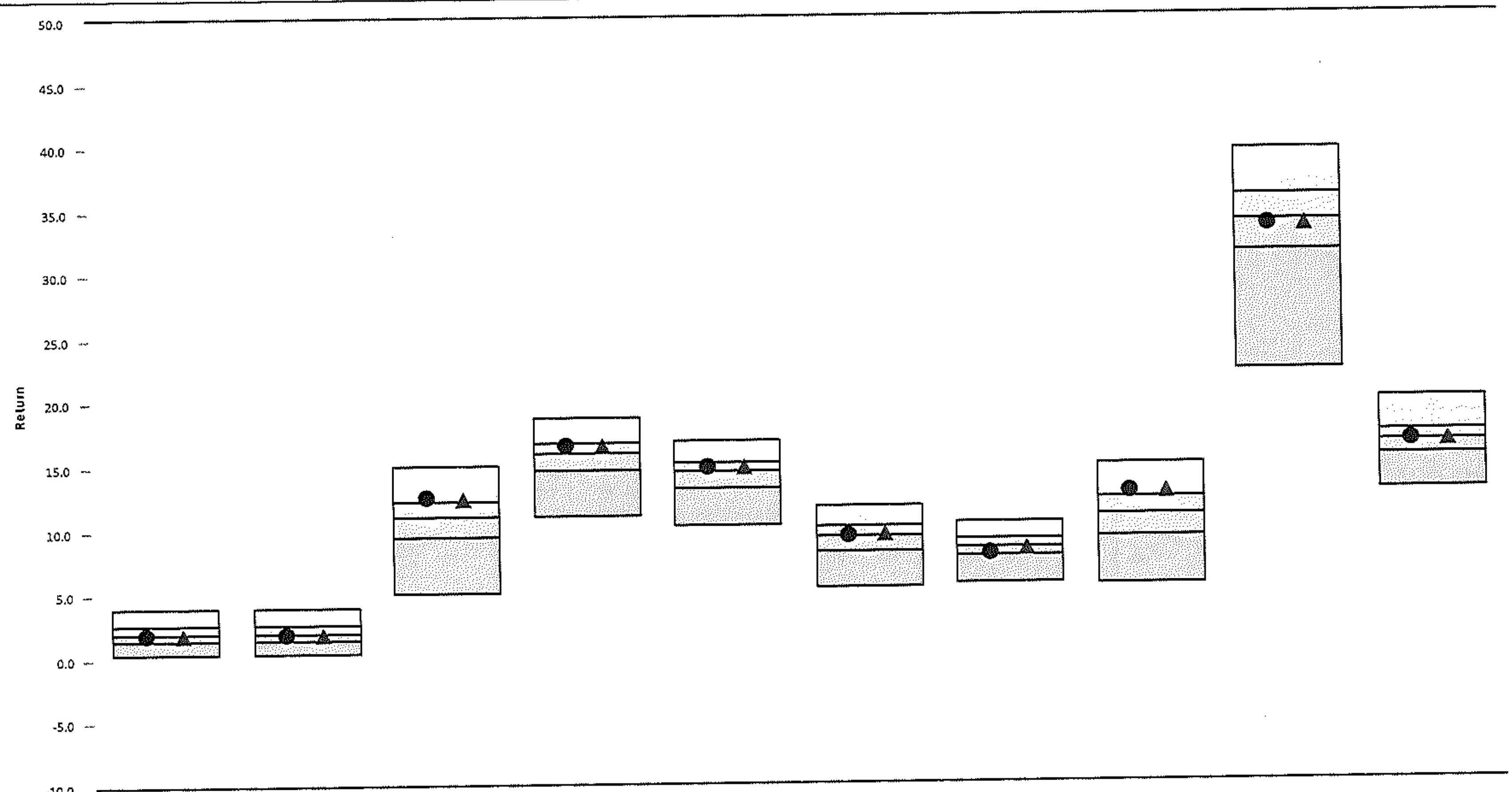
Style Allocation - Holdings Based



Employees' Retirement System of the City of Norfolk

Plan Sponsor Peer Group Analysis - All Master Trust-US Equity Segment

As of March 31, 2015



	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● US Equity Composite	1.78 (64)	1.78 (64)	12.43 (21)	16.44 (34)	14.74 (40)	9.35 (50)	7.82 (70)	12.60 (20)	33.52 (57)	16.45 (51)
▲ US Equity Policy	1.80 (63)	1.80 (63)	12.37 (23)	16.43 (34)	14.71 (40)	9.37 (50)	8.20 (57)	12.56 (20)	33.55 (56)	16.42 (52)
5th Percentile	3.93	3.93	15.05	18.79	16.82	11.73	10.38	14.87	39.45	19.88
1st Quartile	2.65	2.65	12.24	16.73	15.16	10.05	9.02	12.24	35.84	17.26
Median	**2.01**	**2.01**	**11.03**	**15.95**	**14.48**	**9.35**	**8.35**	**10.89**	**33.93**	**16.45**
3rd Quartile	1.45	1.45	9.38	14.58	13.20	8.10	7.72	9.18	31.50	15.40
95th Percentile	0.37	0.37	5.01	10.99	10.28	5.27	5.61	5.42	22.23	12.72

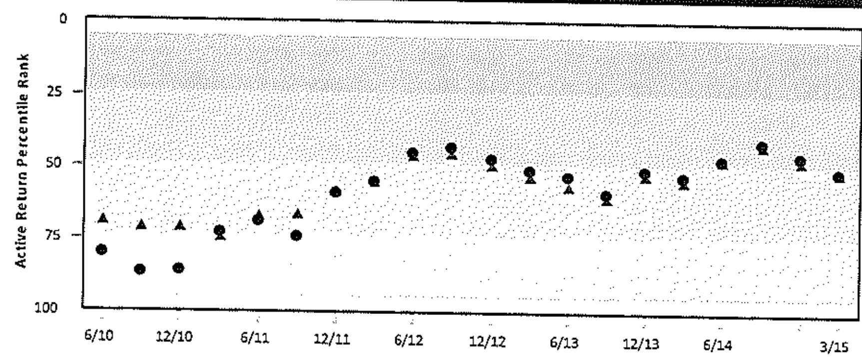
gross of fees

Employees' Retirement System of the City of Norfolk

US Equity Composite

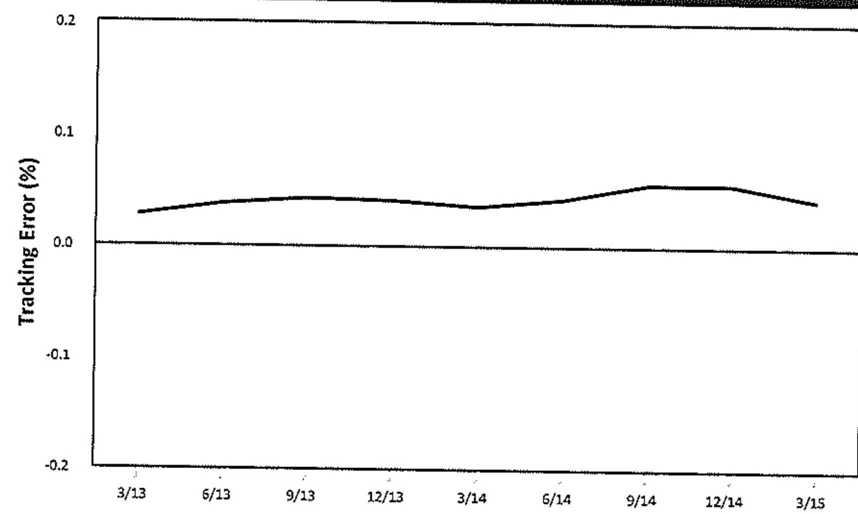
As of March 31, 2015

3 Year Rolling Return Rank

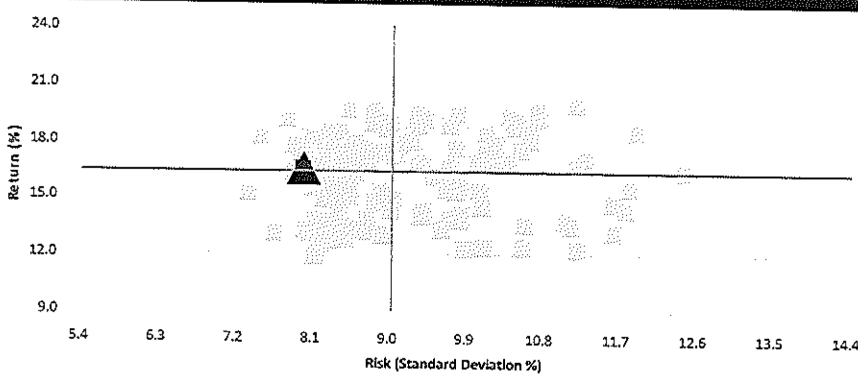


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● US Equity Composite	20	0 (0%)	6 (30%)	11 (55%)	3 (15%)
▲ US Equity Policy	20	0 (0%)	6 (30%)	14 (70%)	0 (0%)

3 Years Rolling Tracking Error



Risk vs. Return (04/01/12 - 03/31/15)



	Return	Standard Deviation
▲ US Equity Composite	16.44	8.00
■ US Equity Policy	16.43	8.00
— Median	16.39	9.03

Equity Characteristics vs. Benchmark

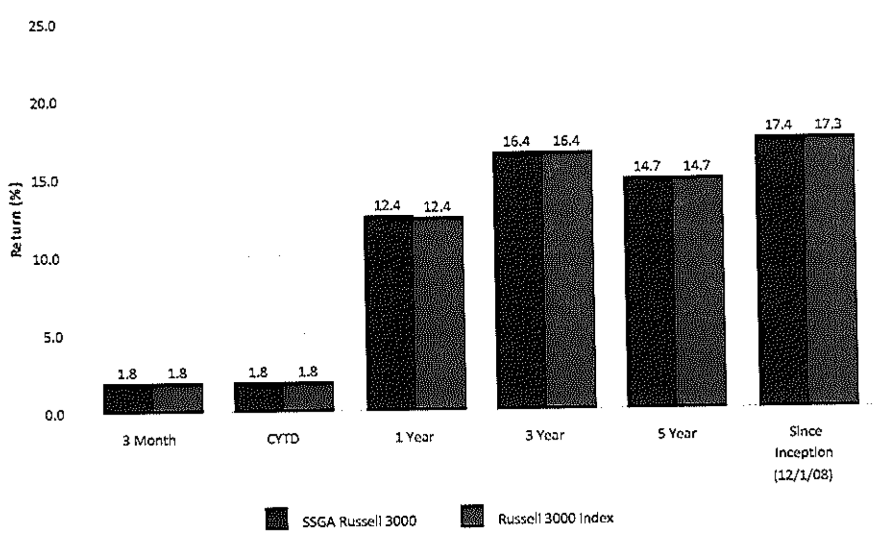
	US Equity Composite	US Equity Policy
Weighted Averages		
Wtd. Avg. Mkt. Cap ($M)	107,939	109,857
Median Mkt. Cap ($M)	1,946	1,558
Price/Earnings ratio	19.44	19.46
Price/Book ratio	3.07	3.07
5 Yr. EPS Growth Rate	13.64	13.64
Current Yield	1.88	1.88
Beta	1.00	1.00
Number of Stocks	2,702	3,016
Debt to Equity	1.34	1.32

Employees' Retirement System of the City of Norfolk

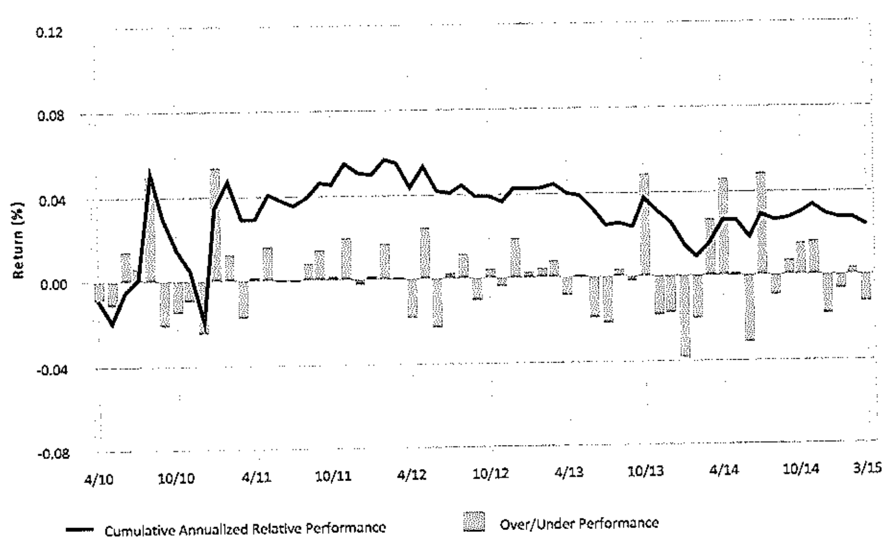
SSGA Russell 3000 vs. IM U.S. All Cap Equity (SA+CF)

March 31, 2015

Comparative Performance

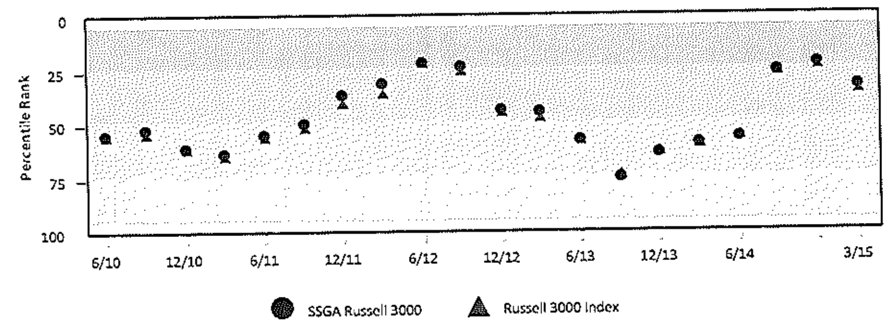


Relative Performance vs Russell 3000 Index

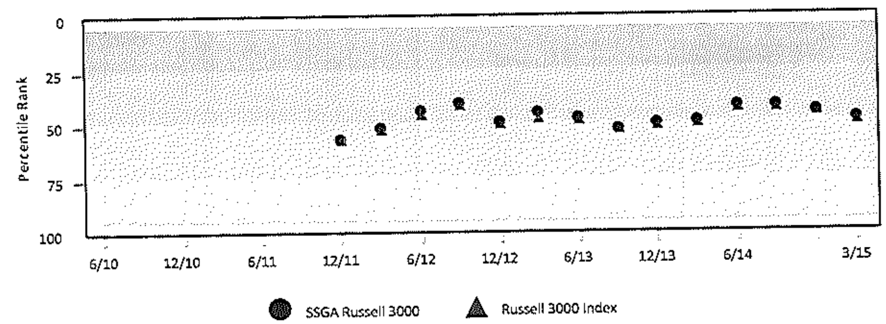


gross of fees

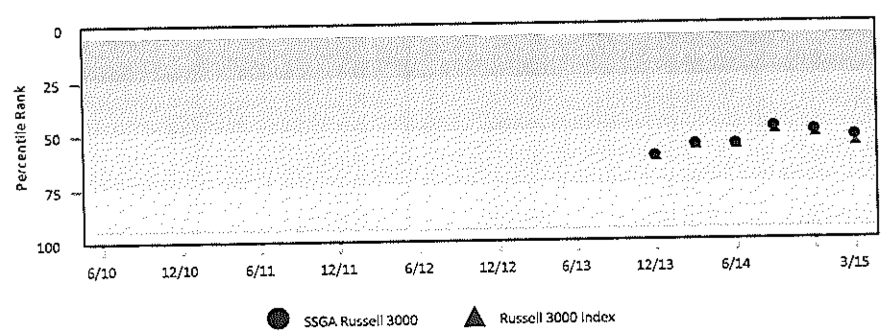
1 Year Rolling Percentile Ranking



3 Year Rolling Percentile Ranking



5 Year Rolling Percentile Ranking



Employees' Retirement System of the City of Norfolk
SSGA Russell 3000 vs. Russell 3000 Index
March 31, 2015

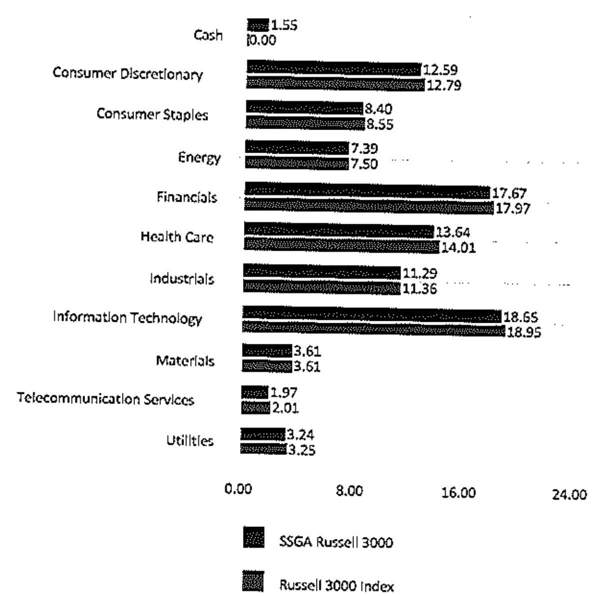
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	107,939,333	109,856,595
Median Mkt. Cap ($000)	1,945,593	1,558,153
Price/Earnings ratio	19.44	19.46
Price/Book ratio	3.07	3.07
5 Yr. EPS Growth Rate (%)	13.64	13.64
Current Yield (%)	1.88	1.88
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	2,702	3,016

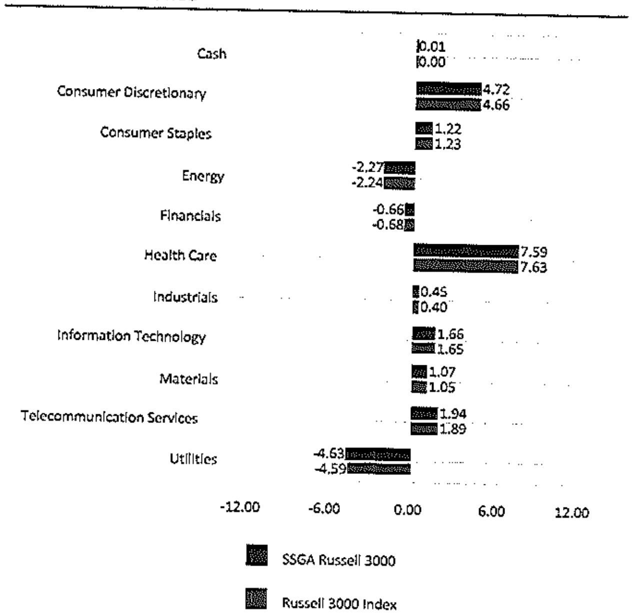
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	3.21	3.27	-0.06	13.17
CASH	1.71	0.00	1.71	-
Exxon Mobil Corp	1.56	1.59	-0.03	-7.37
Microsoft Corp	1.44	1.46	-0.02	-11.85
Johnson & Johnson	1.22	1.24	-0.02	-3.12
Berkshire Hathaway Inc	1.13	1.15	-0.02	-3.88
Wells Fargo & Co	1.11	1.13	-0.02	-0.11
General Electric Co	1.06	1.08	-0.02	-0.92
JPMorgan Chase & Co	0.98	1.00	-0.02	-2.58
Pfizer Inc	0.95	0.97	-0.02	12.66
% of Portfolio	14.37	12.89		

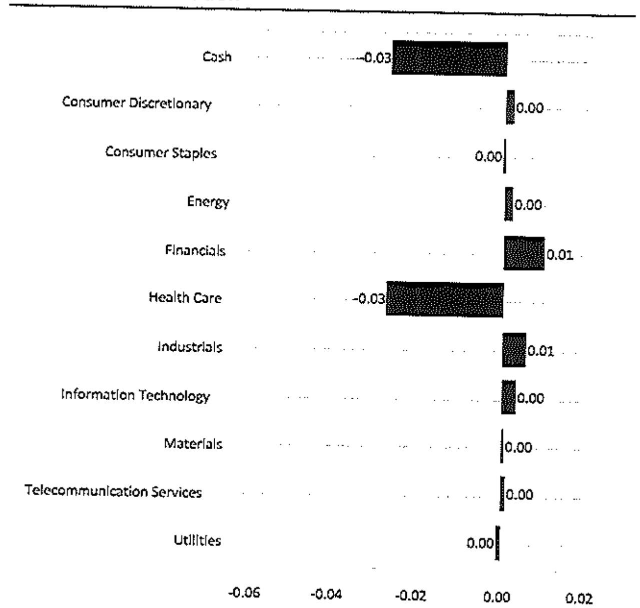
Sector Allocation



Sector Performance



Total Sector Attribution



International Equity

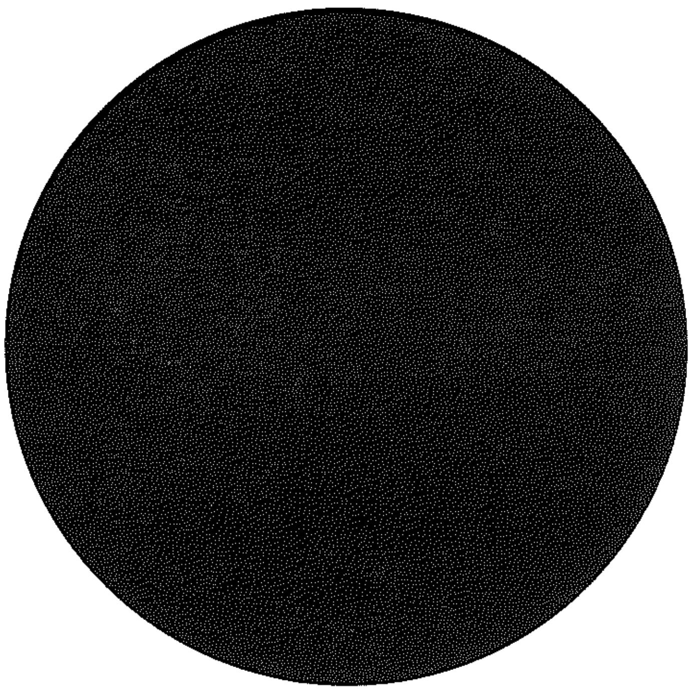
Employees' Retirement System of the City of Norfolk

International Equity Composite vs. MSCI AC World ex USA (Net)

March 31, 2015

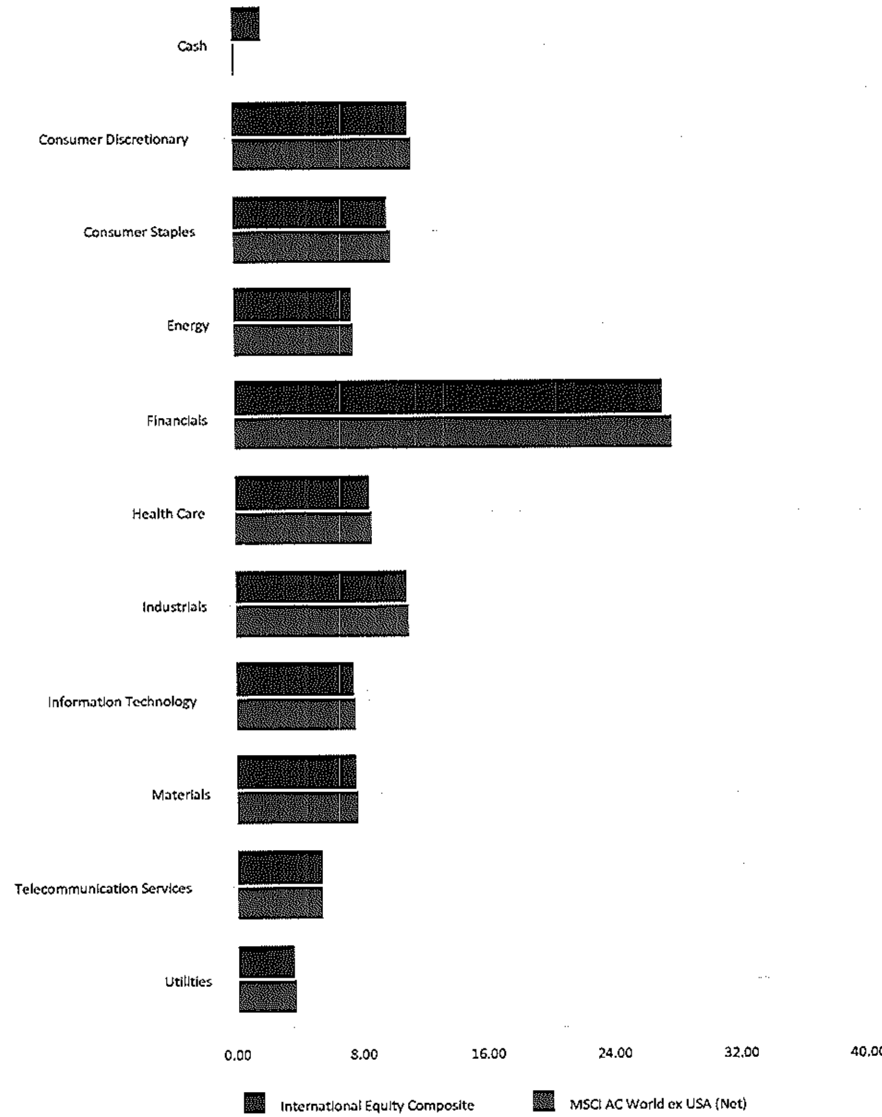
Manager Allocation

March 31, 2015 : $217,990,732



	Market Value ($)	Allocation (%)
SSGA MSCI ACWI-ex US Index	217,990,732	100.00

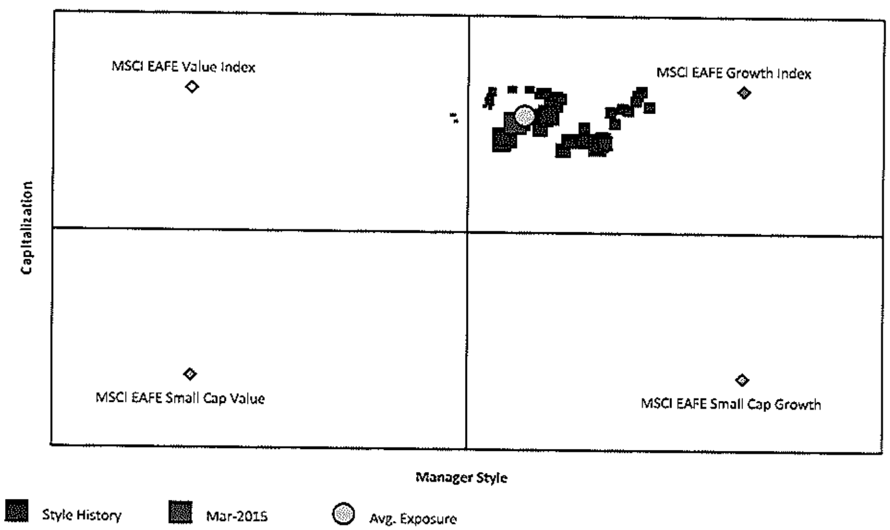
Sector Allocation - Holdings Based



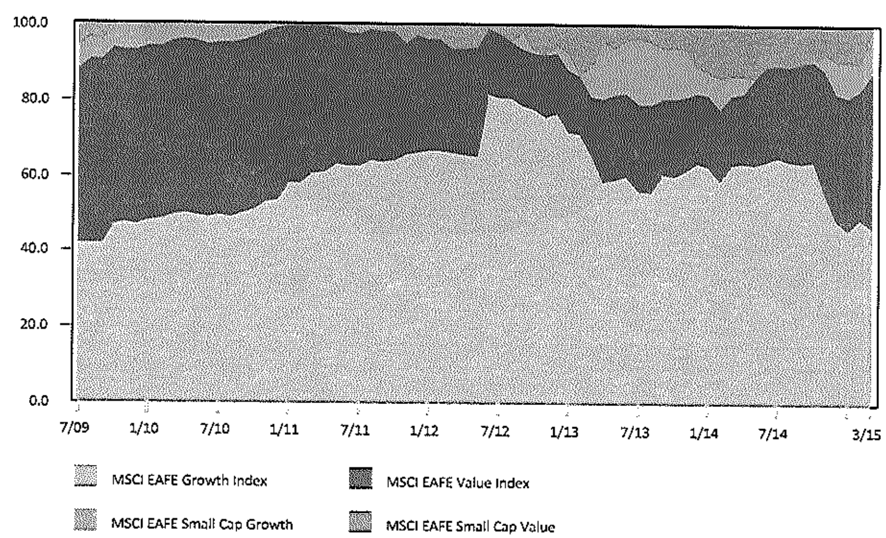
Employees' Retirement System of the City of Norfolk

International Equity Composite vs. MSCI AC World ex USA (Net)
March 31, 2015

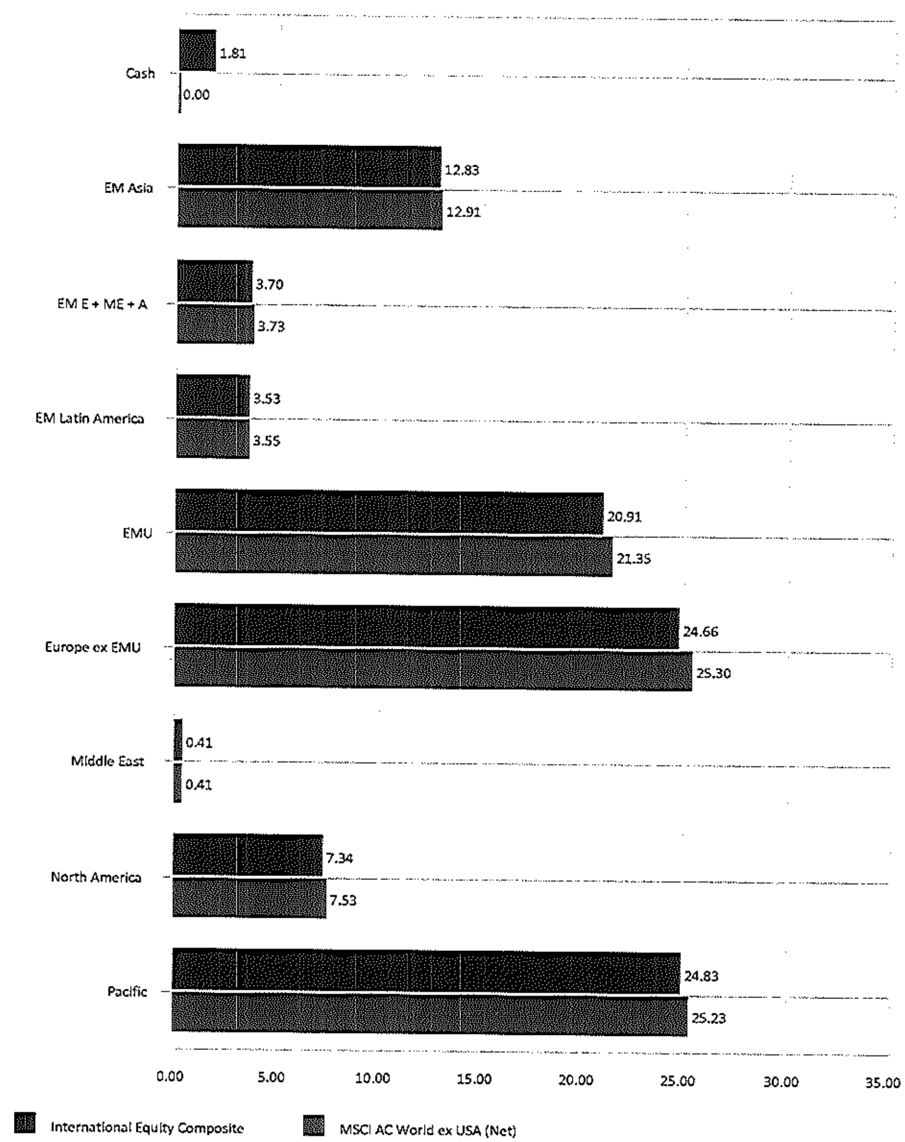
Style Analysis - Returns Based



3 Year Style Analysis



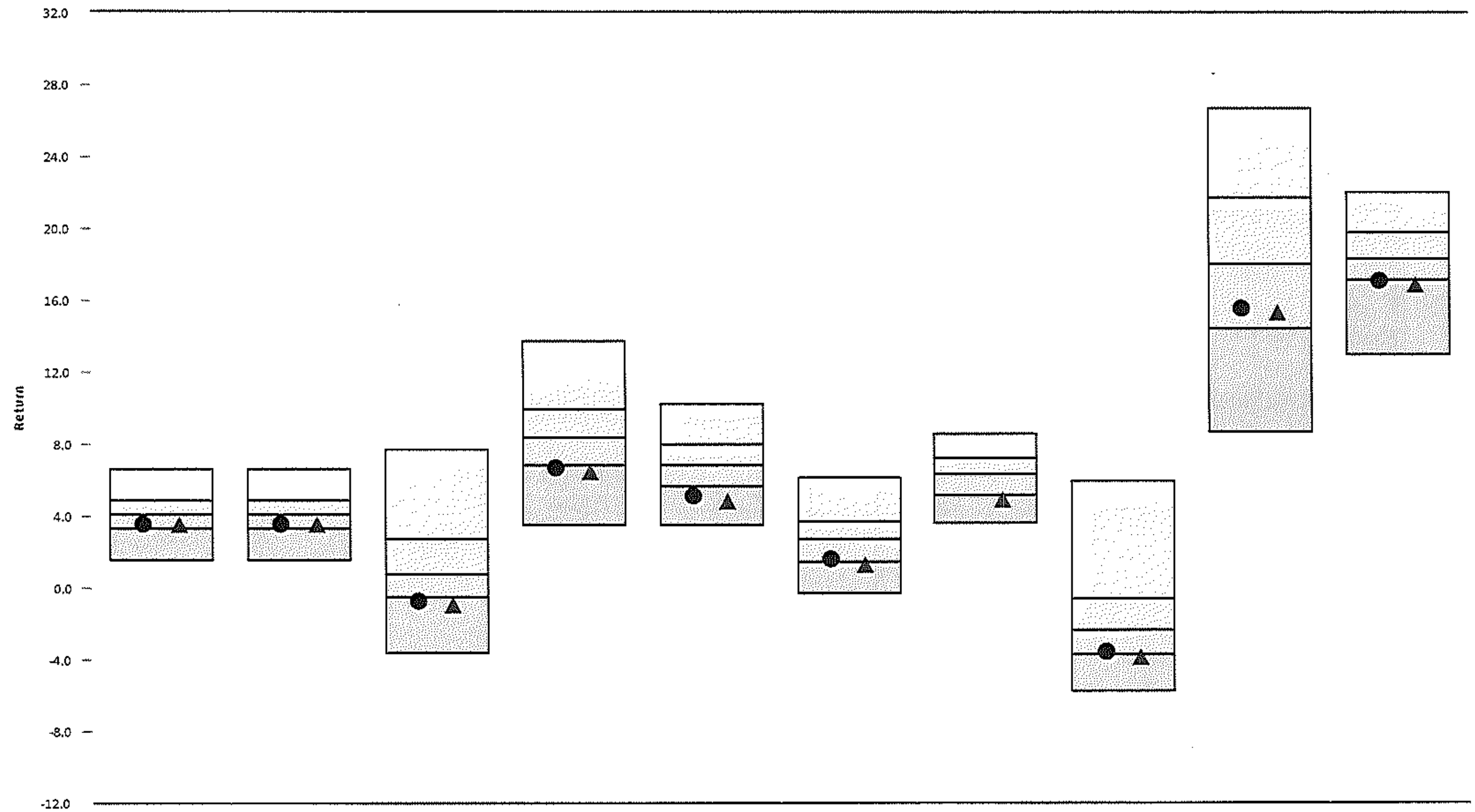
Region Allocation - Holdings Based



Employees' Retirement System of the City of Norfolk

Plan Sponsor Peer Group Analysis - All Master Trust-Intl. Equity Segment

As of March 31, 2015



	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● International Equity Composite	3.53 (70)	3.53 (70)	-0.77 (80)	6.65 (79)	5.04 (85)	1.52 (74)	-	-3.62 (74)	15.50 (70)	17.10 (77)
▲ International Equity Policy	3.49 (72)	3.49 (72)	-1.01 (84)	6.40 (82)	4.82 (87)	1.23 (81)	4.84 (82)	-3.87 (78)	15.29 (71)	16.83 (79)
5th Percentile	6.66	6.66	7.72	13.71	10.23	6.19	8.60	6.00	26.77	22.07
1st Quartile	4.90	4.90	2.71	9.93	8.03	3.71	7.17	-0.56	21.74	19.80
Median	**4.09**	**4.09**	**0.78**	**8.41**	**6.79**	**2.69**	**6.36**	**-2.34**	**18.03**	**18.37**
3rd Quartile	3.32	3.32	-0.51	6.86	5.62	1.48	5.17	-3.69	14.40	17.21
95th Percentile	1.59	1.59	-3.63	3.49	3.53	-0.29	3.62	-5.80	8.69	12.96

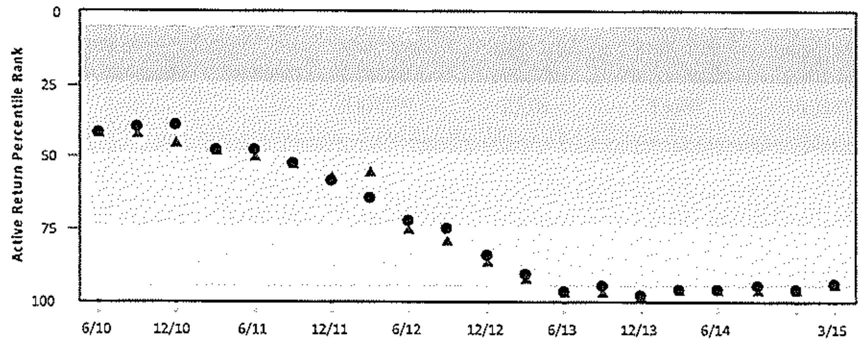
gross of fees

Employees' Retirement System of the City of Norfolk

International Equity Composite

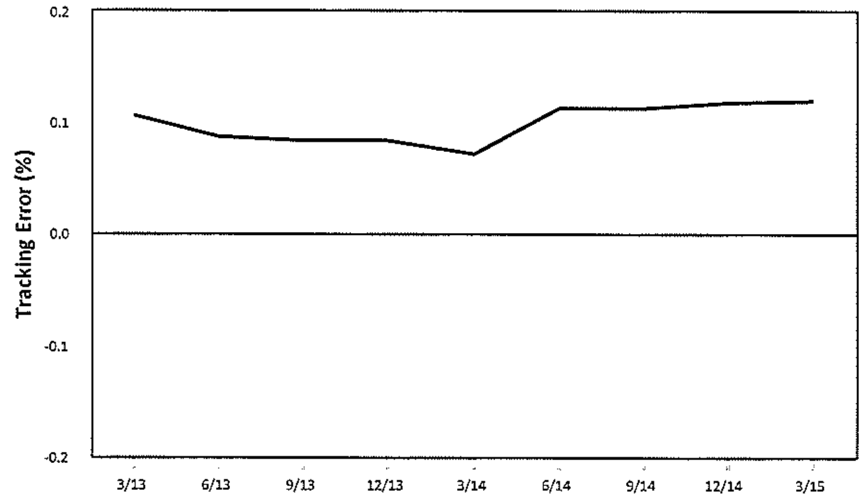
As of March 31, 2015

3 Year Rolling Return Rank

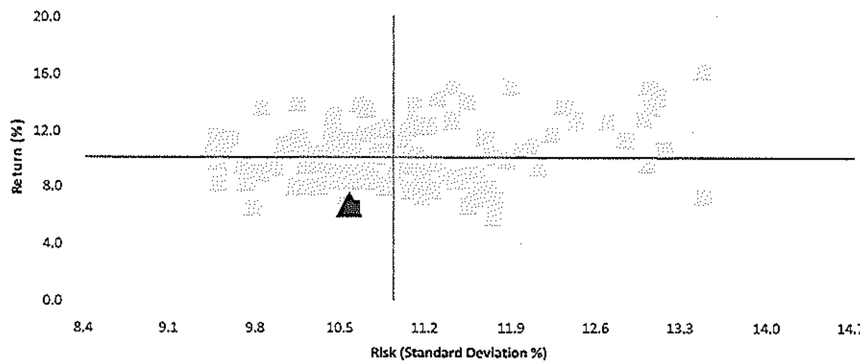


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● International Equity Composite	20	0 (0%)	5 (25%)	5 (25%)	10 (50%)
▲ International Equity Policy	20	0 (0%)	5 (25%)	4 (20%)	11 (55%)

3 Years Rolling Tracking Error



Risk vs. Return (04/01/12 - 03/31/15)



	Return	Standard Deviation
▲ International Equity Composite	6.65	10.56
■ International Equity Policy	6.40	10.59
— Median	10.08	10.92

Equity Characteristics vs. Benchmark

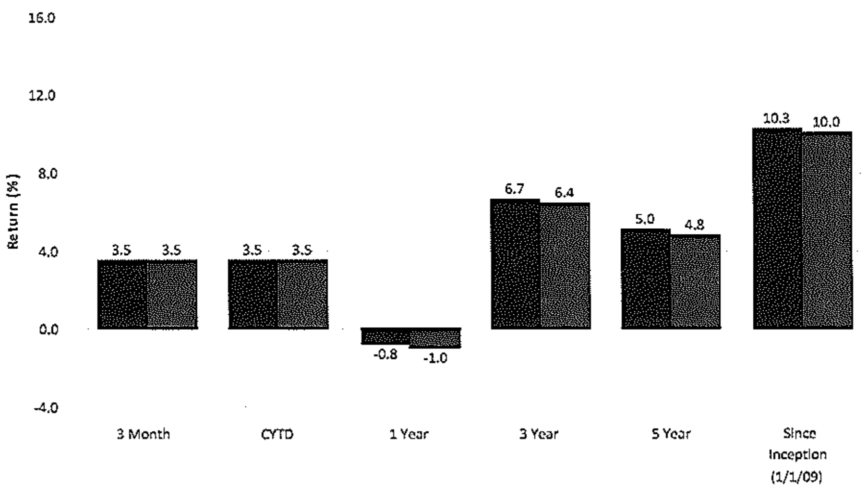
	International Equity Composite	International Equity Policy
Weighted Averages		
Wtd. Avg. Mkt. Cap ($M)	59,001	57,202
Median Mkt. Cap ($M)	7,314	7,239
Price/Earnings ratio	16.34	16.18
Price/Book ratio	2.23	2.23
5 Yr. EPS Growth Rate	11.88	11.95
Current Yield	2.86	2.85
Beta	1.00	1.00
Number of Stocks	1,891	1,841
Debt to Equity	1.05	1.05

Employees' Retirement System of the City of Norfolk

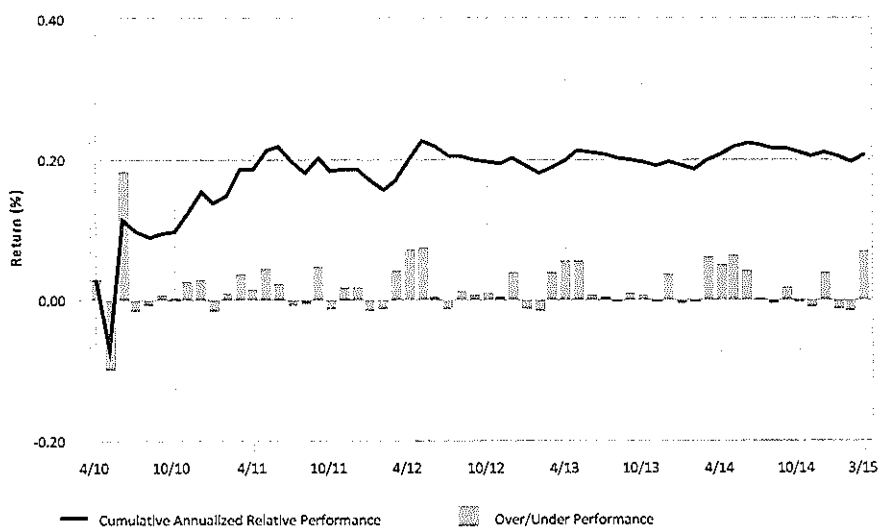
SSGA MSCI ACWI-ex US Index vs. IM International Core Equity (SA+CF)

March 31, 2015

Comparative Performance

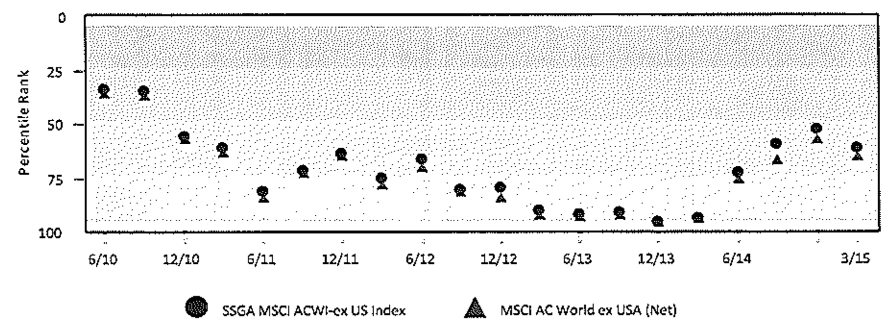


Relative Performance vs MSCI AC World ex USA (Net)

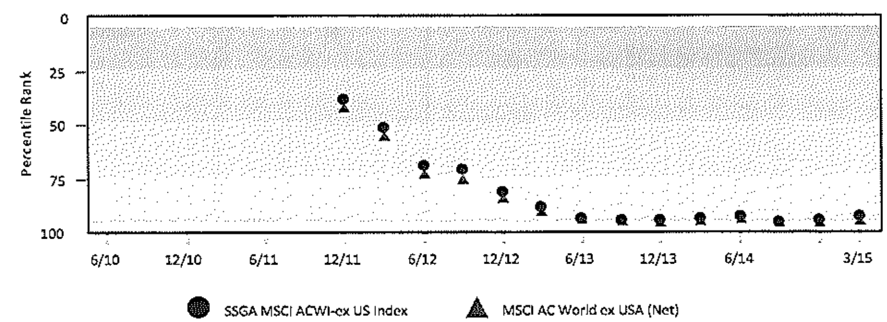


gross of fees

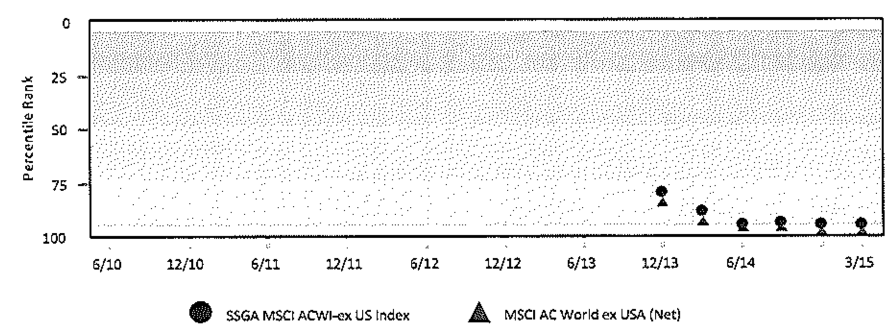
1 Year Rolling Percentile Ranking



3 Year Rolling Percentile Ranking



5 Year Rolling Percentile Ranking



Employees' Retirement System of the City of Norfolk

SSGA MSCI ACWI-ex US Index vs. MSCI AC World ex USA (Net)

March 31, 2015

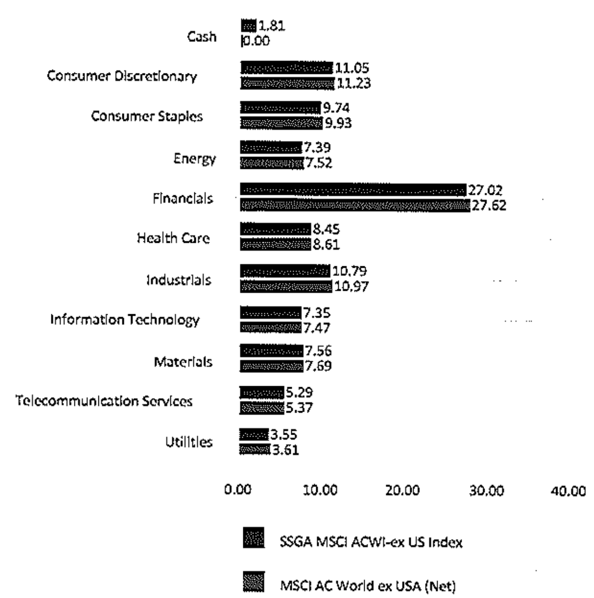
Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	59,001,064	57,202,400
Median Mkt. Cap ($000)	7,313,781	7,238,712
Price/Earnings ratio	16.34	16.18
Price/Book ratio	2.23	2.23
5 Yr. EPS Growth Rate (%)	11.88	11.95
Current Yield (%)	2.86	2.85
Beta (5 Years, Monthly)	1.00	1.00
Number of Stocks	1,891	1,841

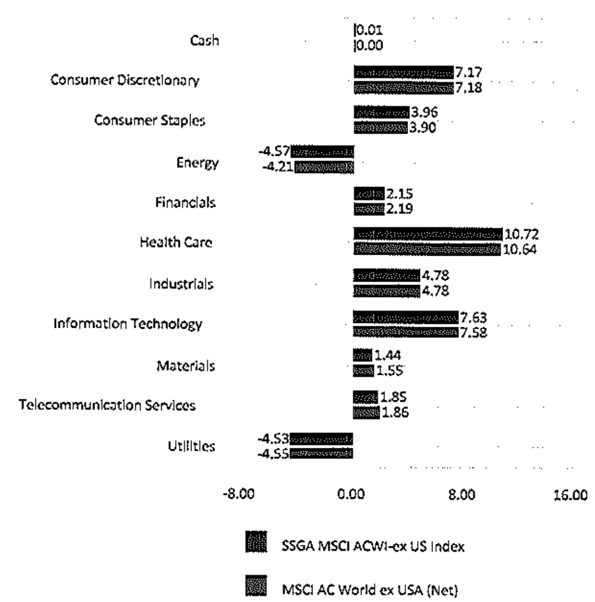
Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nestle SA, Cham Und Vevey	1.40	1.34	0.06	2.95
Novartis AG	1.31	1.25	0.06	9.45
Roche Holding AG	1.11	1.07	0.04	4.82
Toyota Motor Corp	1.09	1.05	0.04	12.42
HSBC Holdings PLC	0.94	0.90	0.04	-8.13
Samsung Electronics Co Ltd	0.78	0.79	-0.01	7.00
Bayer AG	0.71	0.68	0.03	9.91
BP PLC	0.68	0.65	0.03	2.65
Royal Dutch Shell PLC	0.67	0.64	0.03	-9.93
Sanofi	0.67	0.65	0.02	7.83
% of Portfolio	9.36	9.02		

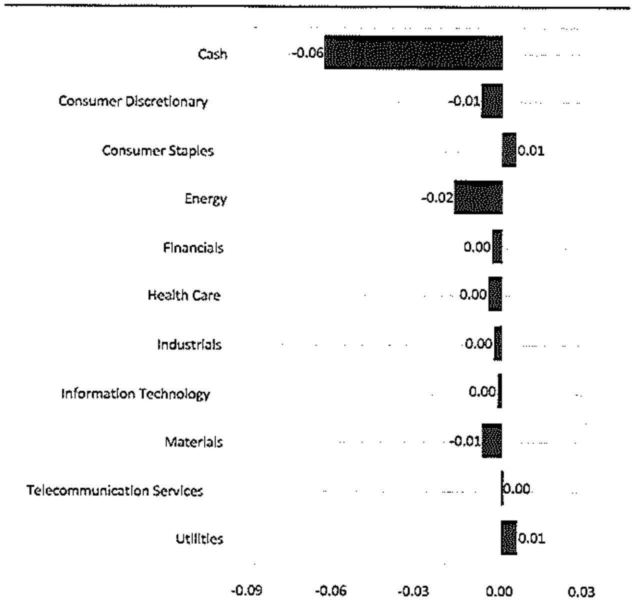
Sector Allocation



Sector Performance



Total Sector Attribution

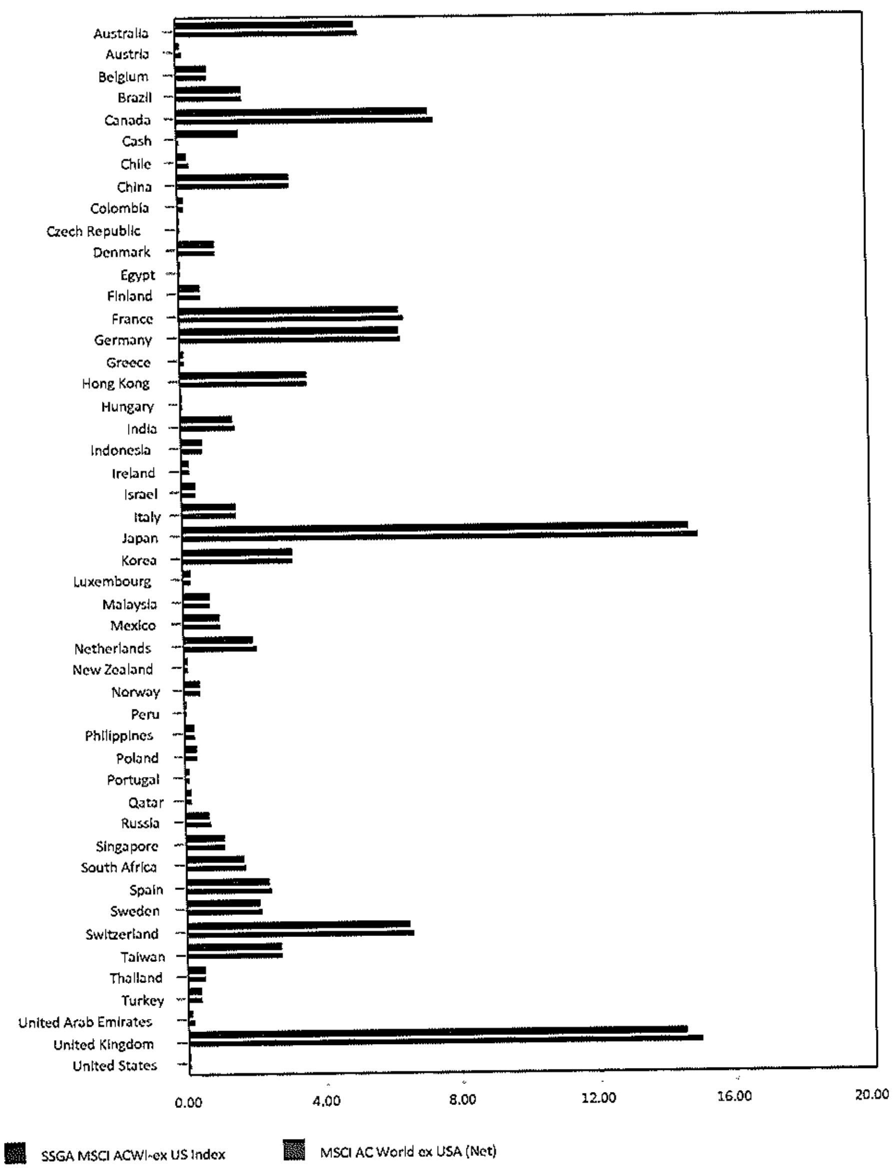


Employees' Retirement System of the City of Norfolk

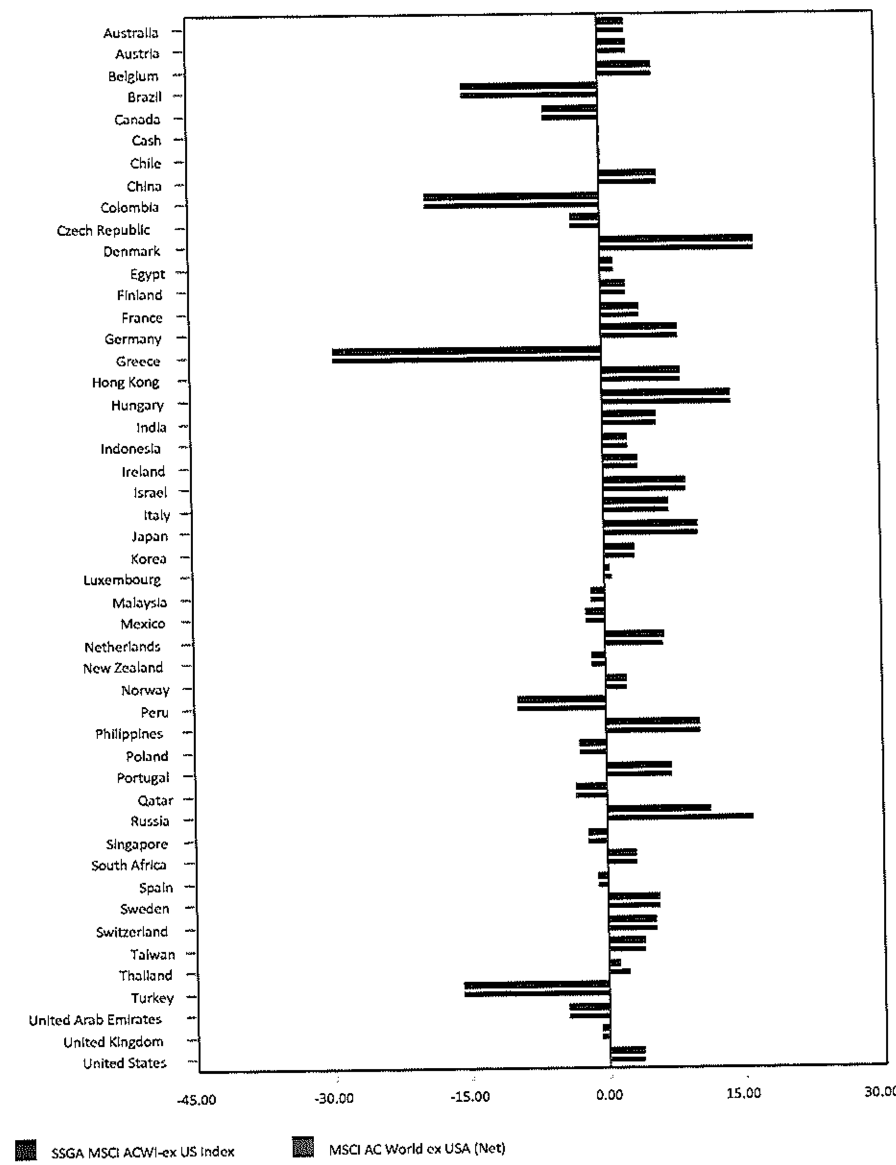
SSGA MSCI ACWI-ex US Index vs. MSCI AC World ex USA (Net)

March 31, 2015

Country Allocation



Country Performance



Fixed Income

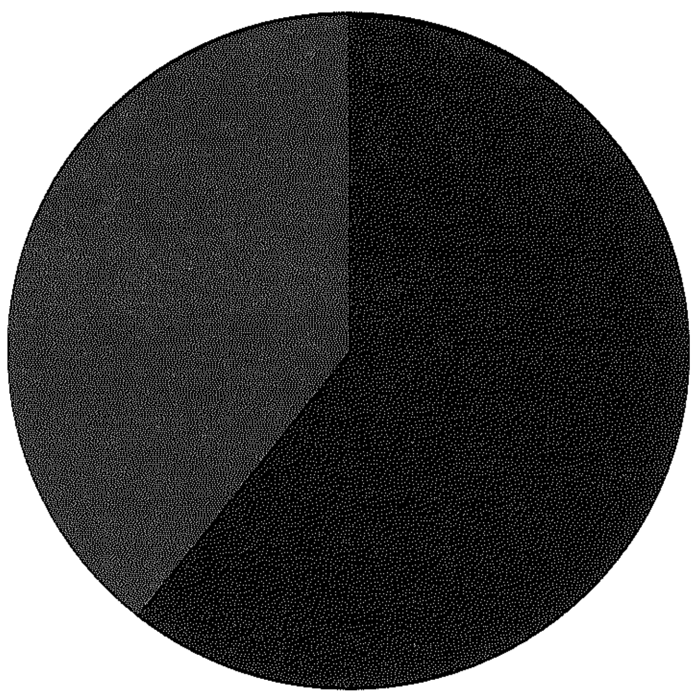
Employees' Retirement System of the City of Norfolk

Total Fixed Income Composite

March 31, 2015

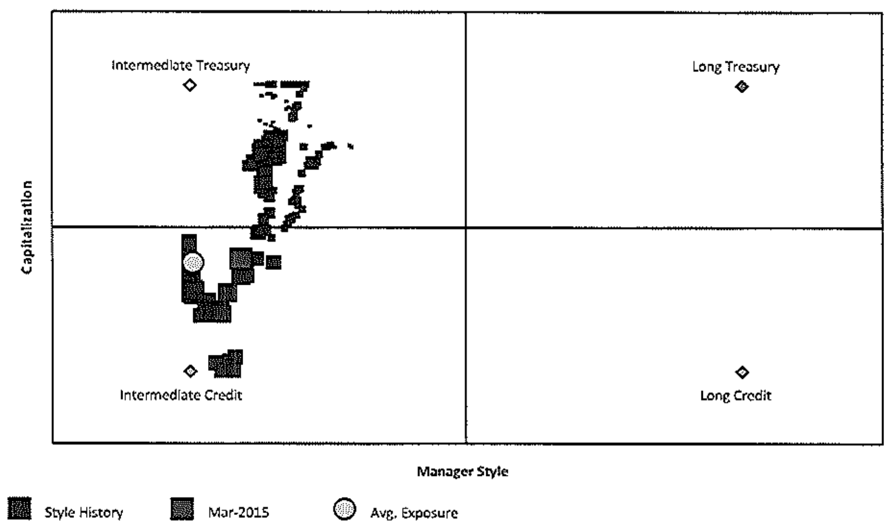
Manager Allocation

March 31, 2015 : $334,539,536

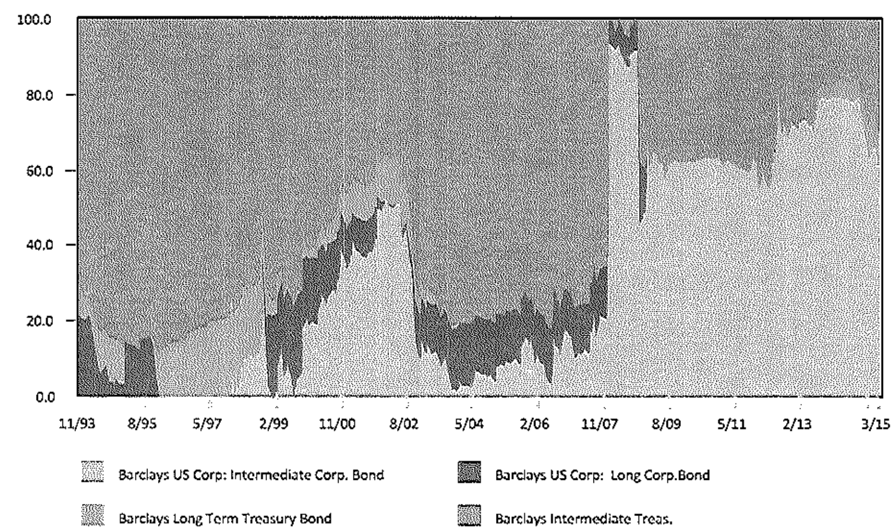


	Market Value ($)	Allocation (%)
PIMCO Total Return	202,945,181	60.66
SSGA Bond Market Index	131,594,355	39.34

Style Analysis - Returns Based



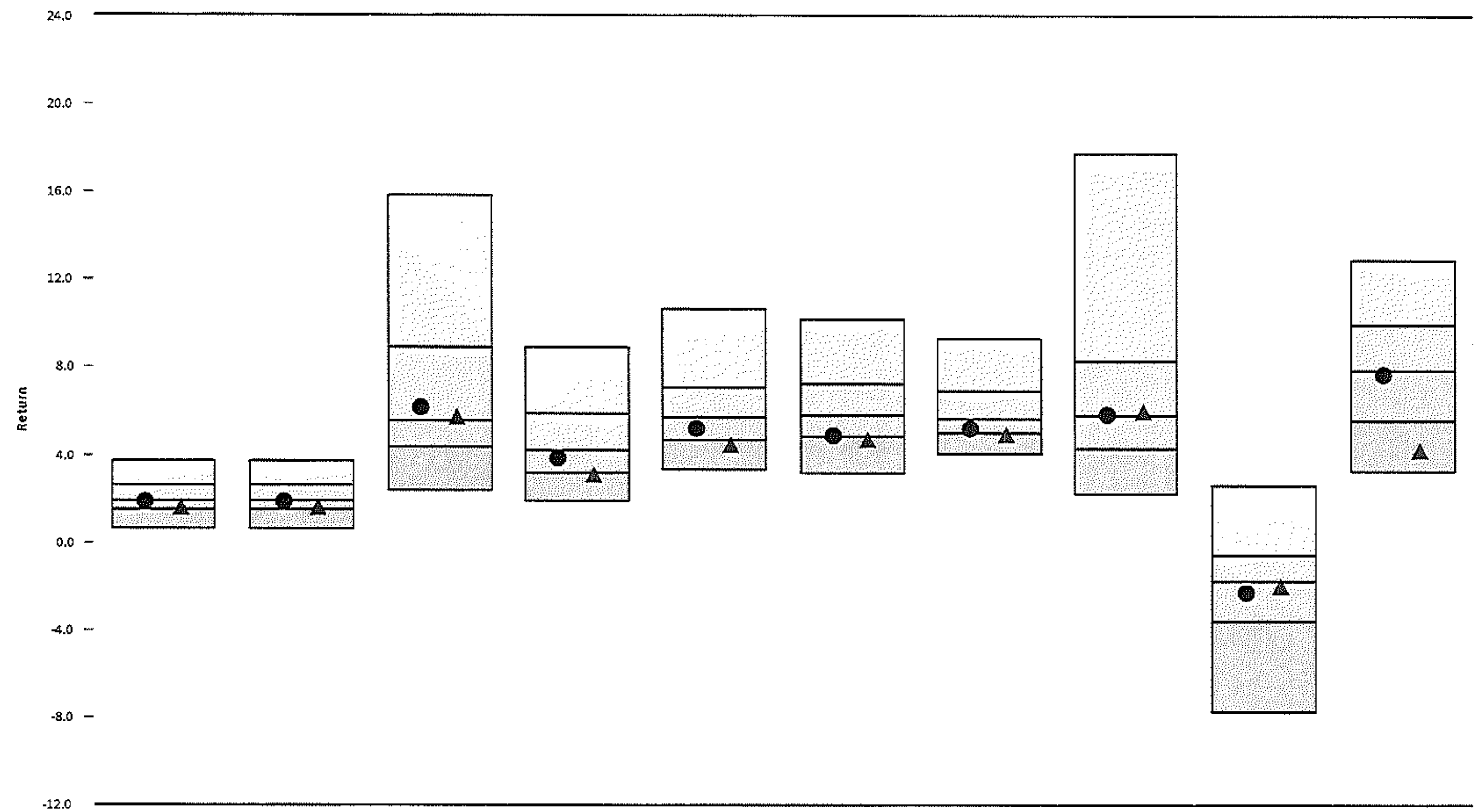
3 Year Style Analysis



Employees' Retirement System of the City of Norfolk

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

As of March 31, 2015

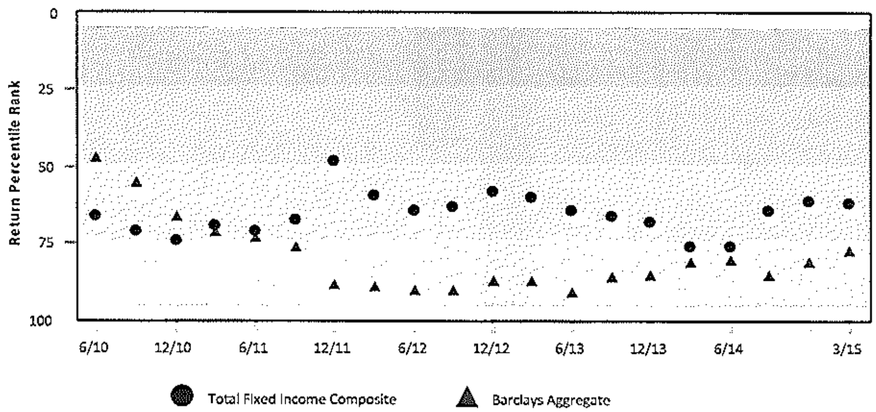


	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● Total Fixed Income Composite	1.85 (51)	1.85 (51)	6.11 (38)	3.77 (62)	5.17 (61)	4.86 (75)	5.12 (70)	5.84 (49)	-2.32 (63)	7.61 (55)
▲ Barclays Aggregate	1.61 (70)	1.61 (70)	5.72 (47)	3.10 (78)	4.41 (82)	4.69 (78)	4.93 (80)	5.97 (47)	-2.02 (56)	4.21 (91)
5th Percentile	3.75	3.75	15.86	8.90	10.70	10.23	9.35	17.78	2.57	12.87
1st Quartile	2.59	2.59	8.94	5.90	7.05	7.23	6.91	8.24	-0.57	9.97
Median	**1.85**	**1.85**	**5.57**	**4.22**	**5.70**	**5.82**	**5.66**	**5.76**	**-1.80**	**7.87**
3rd Quartile	1.51	1.51	4.39	3.18	4.65	4.84	5.00	4.32	-3.62	5.59
95th Percentile	0.64	0.64	2.34	1.91	3.34	3.20	4.01	2.21	-7.76	3.23

gross of fees

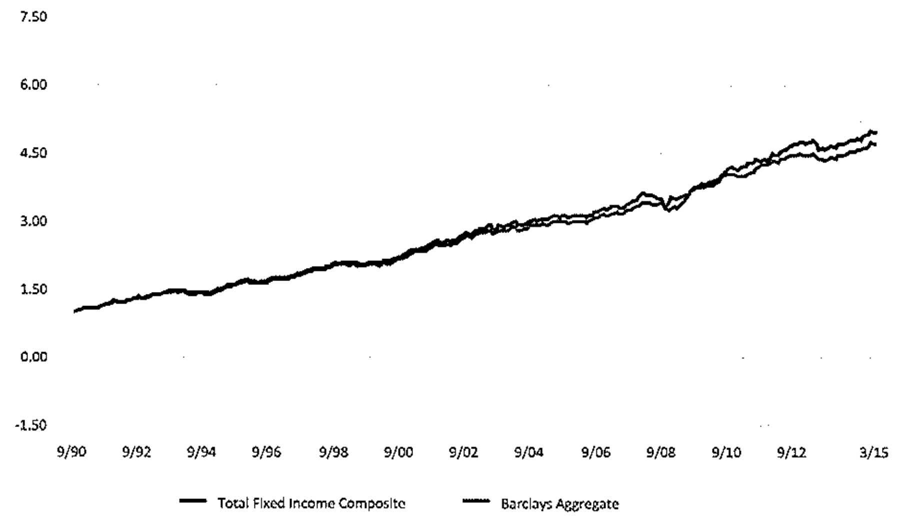
Employees' Retirement System of the City of Norfolk
Total Fixed Income Composite
March 31, 2015

3 Year Rolling Return Rank

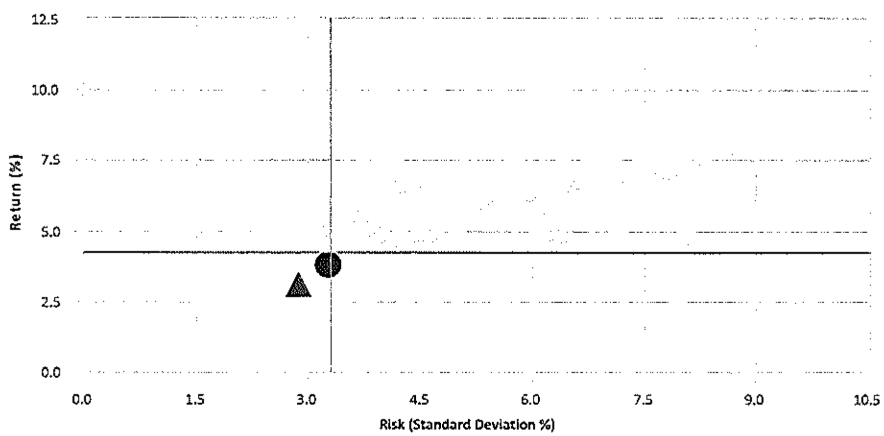


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fixed Income Composite	20	0 (0%)	1 (5%)	17 (85%)	2 (10%)
▲ Barclays Aggregate	20	0 (0%)	1 (5%)	4 (20%)	15 (75%)

Growth of $1 - Since Inception (10/01/90)

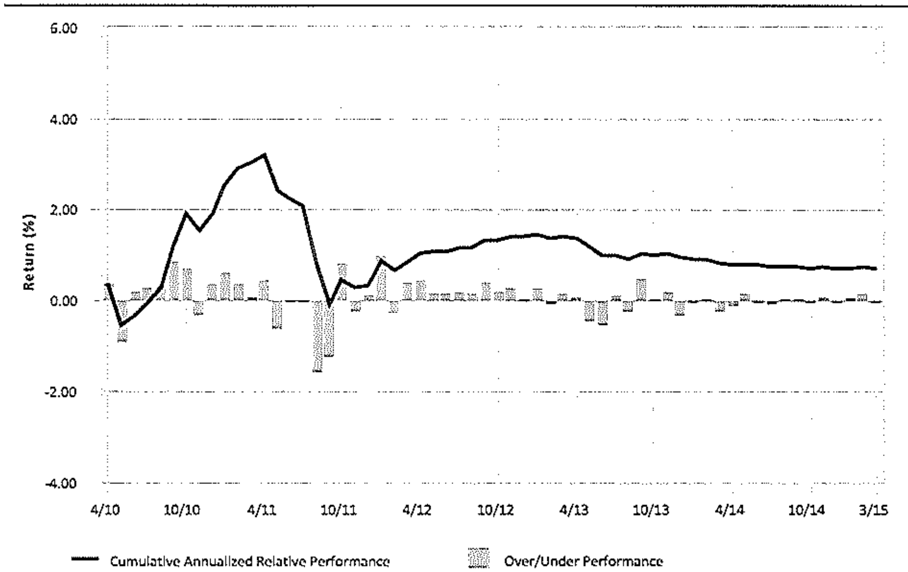


Risk vs. Return (04/01/12 - 03/31/15)



	Return	Standard Deviation
● Total Fixed Income Composite	3.77	3.29
▲ Barclays Aggregate	3.10	2.86
Median	4.22	3.31

Relative Performance vs. Barclays Aggregate

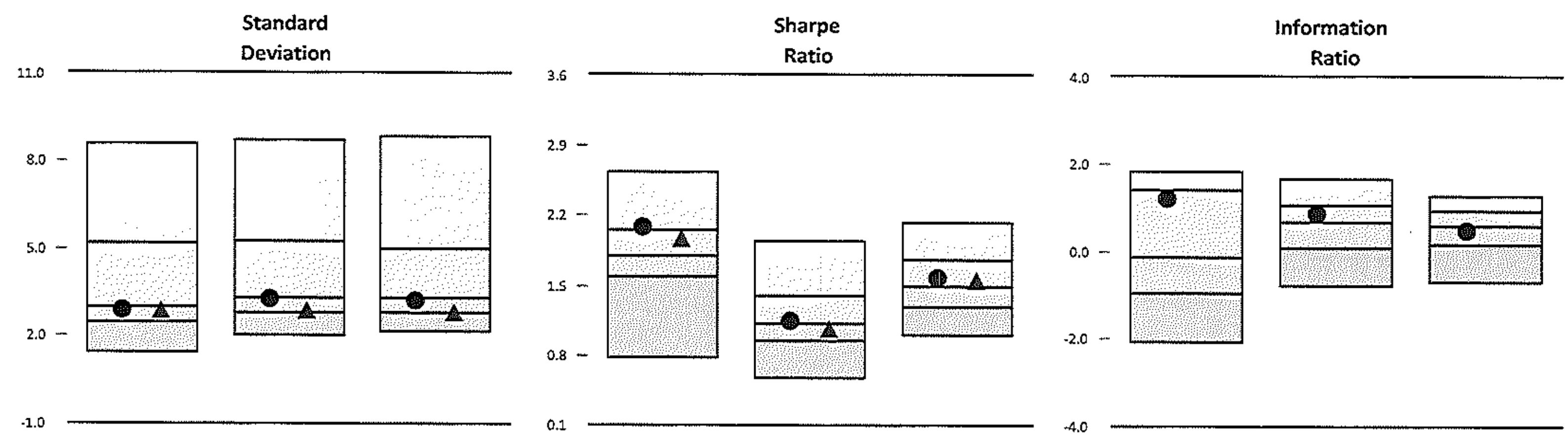


Employees' Retirement System of the City of Norfolk

Total Fixed Income Composite

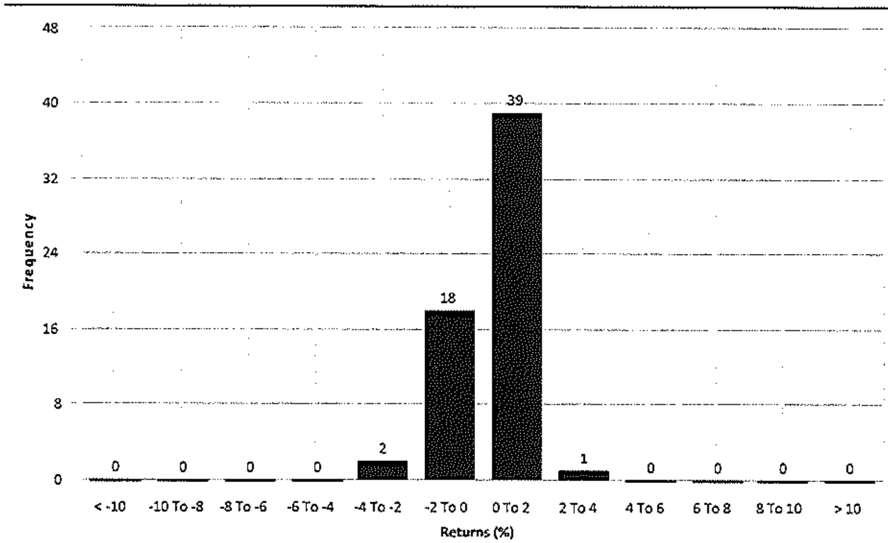
March 31, 2015

Peer Group Analysis: All Master Trust-US Fixed Income Segment

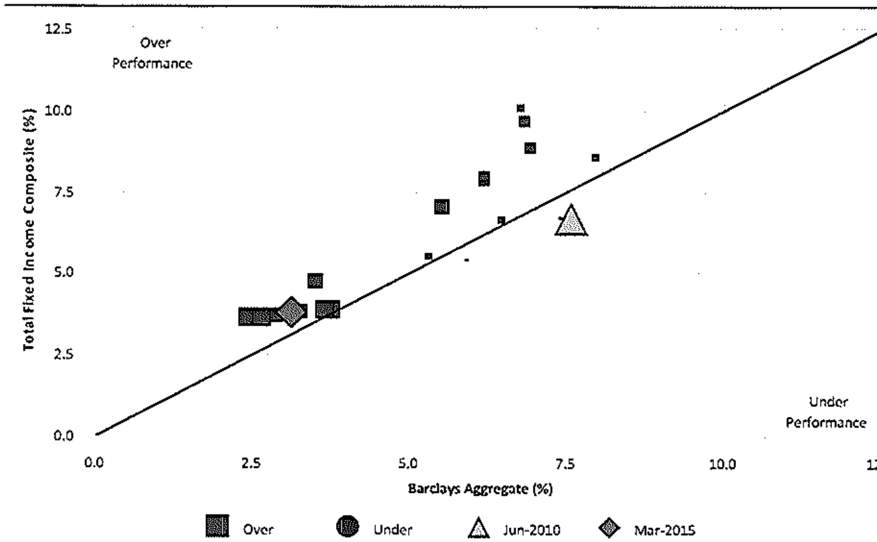


	Std Dev 1 Year	Std Dev 3 Year	Std Dev 5 Year	Sharpe 1 Year	Sharpe 3 Year	Sharpe 5 Year	Info Ratio 1 Year	Info Ratio 3 Year	Info Ratio 5 Year
● Total Fixed Income Composite	2.87 (56)	3.29 (52)	3.21 (56)	2.08 (22)	1.13 (50)	1.57 (40)	1.20 (29)	0.85 (43)	0.48 (59)
▲ Barclays Aggregate	2.85 (57)	2.86 (72)	2.78 (77)	1.96 (32)	1.07 (58)	1.54 (42)	-	-	-
Median	2.99	3.31	3.35	1.79	1.12	1.49	-0.14	0.67	0.62

Monthly Distribution of Returns

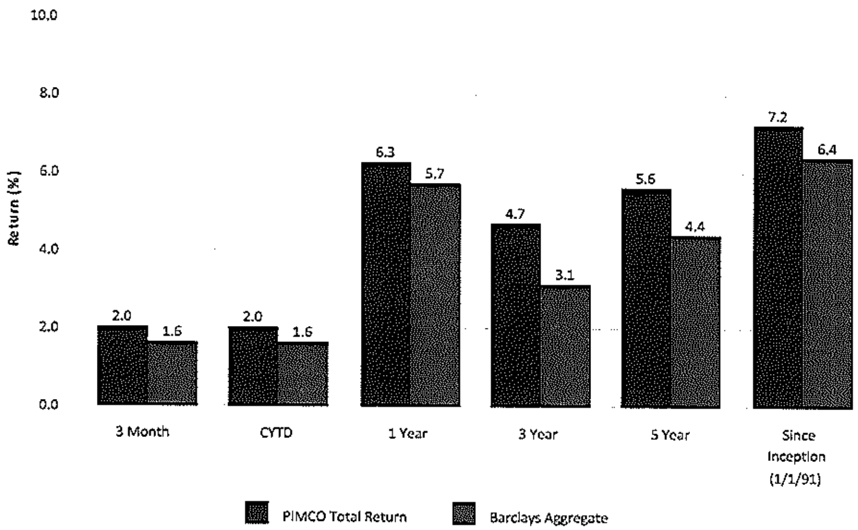


3 Year Rolling Under/Over Performance

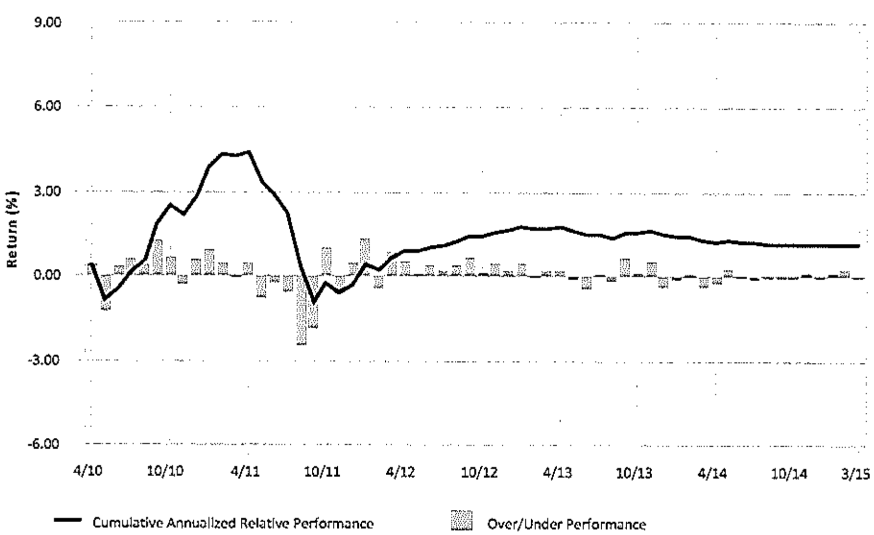


Employees' Retirement System of the City of Norfolk
PIMCO Total Return vs. IM U.S. Broad Market Core Fixed Income (SA+CF)
March 31, 2015

Comparative Performance

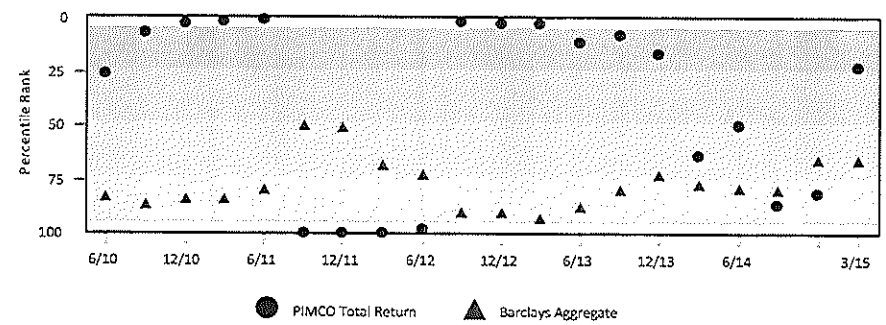


Relative Performance vs Barclays Aggregate

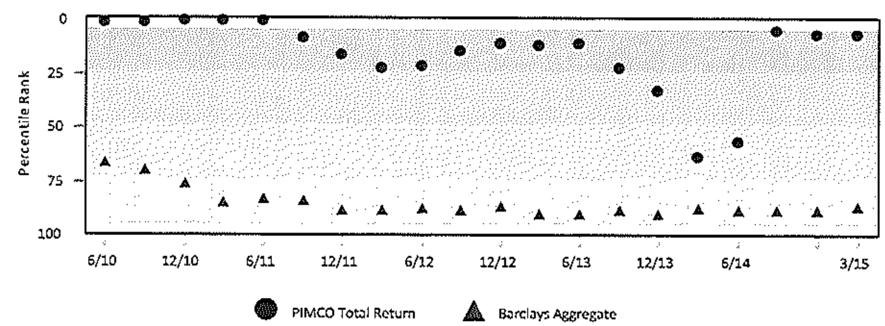


gross of fees

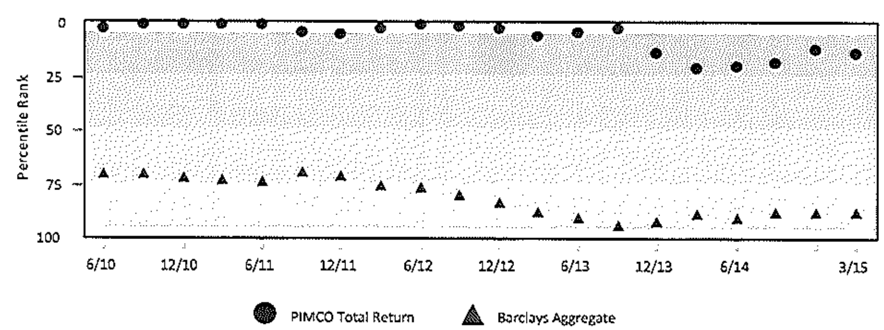
1 Year Rolling Percentile Ranking



3 Year Rolling Percentile Ranking



5 Year Rolling Percentile Ranking



Employees' Retirement System of the City of Norfolk

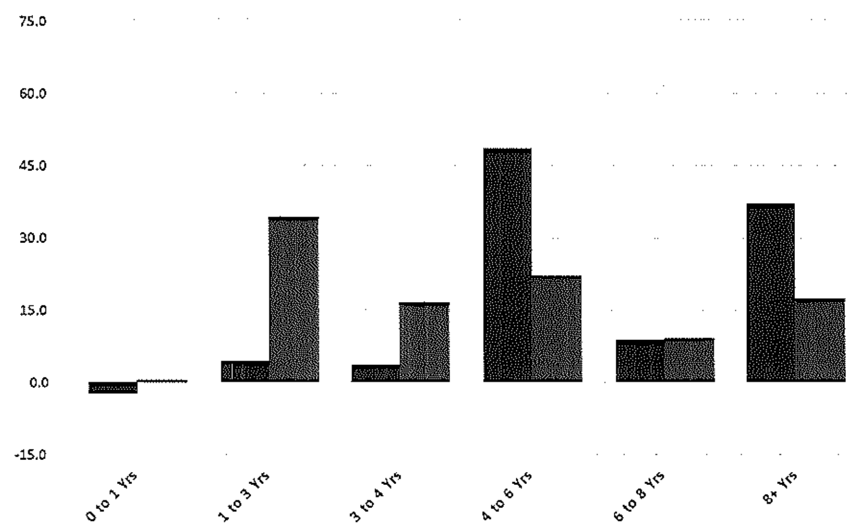
PIMCO Total Return vs. Barclays Aggregate

As of March 31, 2015

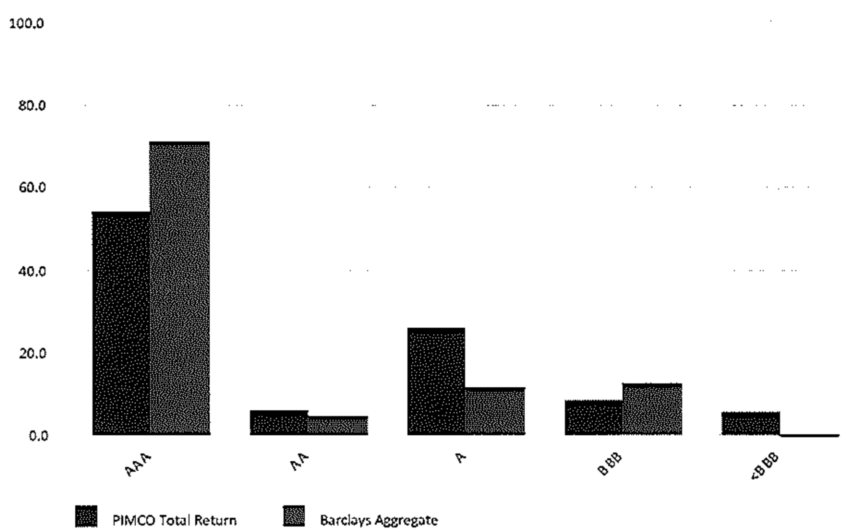
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	8.72	7.72
Avg. Quality	AA	AA1/AA2
Coupon Rate (%)	2.82	3.24
Convexity	-0.79	-0.04
Effective Duration	4.30	5.34

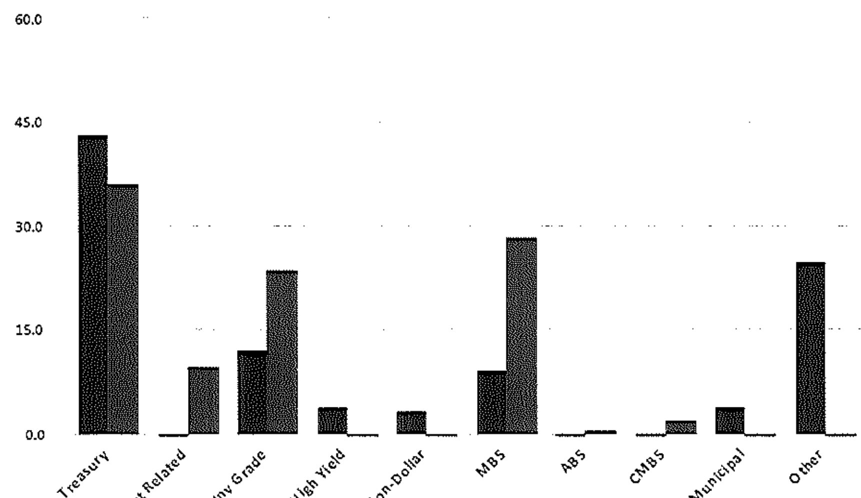
Duration Distribution (%)



Credit Quality Distribution (%)



Sector Distribution (%)



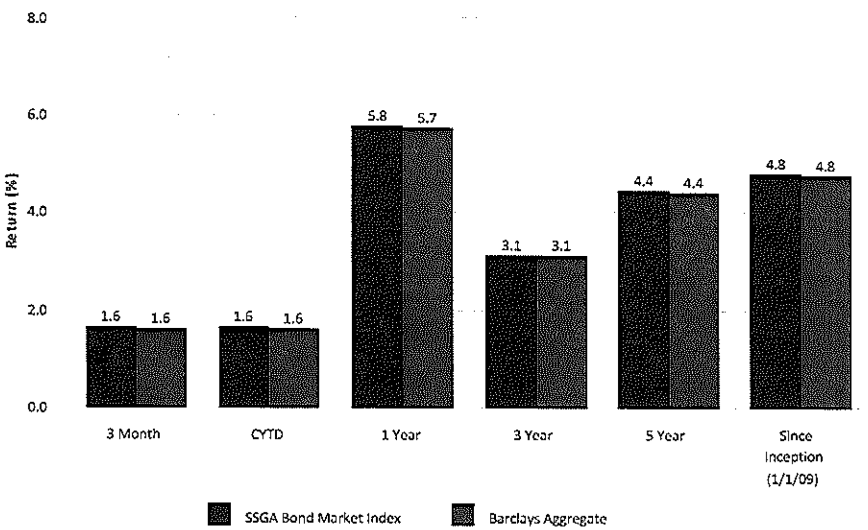
Summit Strategies Group

Employees' Retirement System of the City of Norfolk

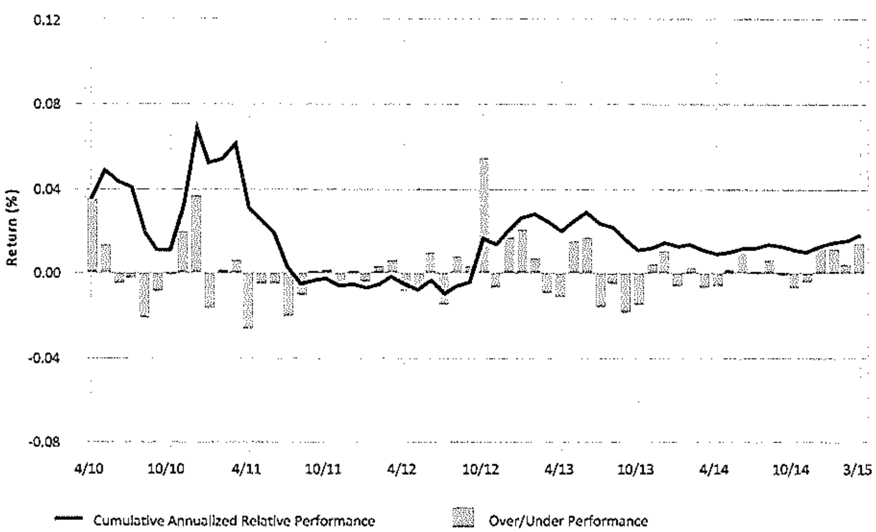
SSGA Bond Market Index vs. IM U.S. Broad Market Core Fixed Income (SA+CF)

March 31, 2015

Comparative Performance

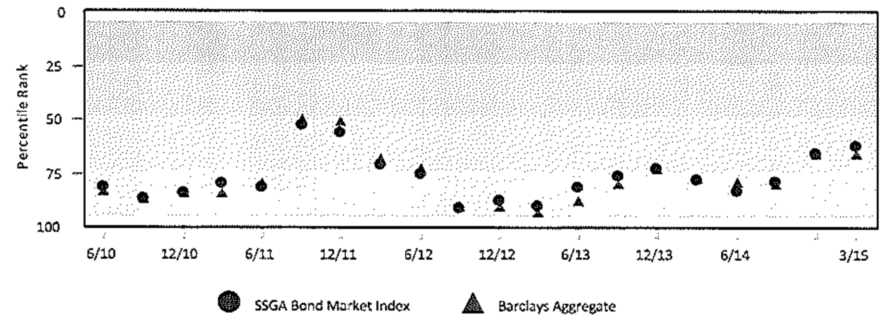


Relative Performance vs Barclays Aggregate

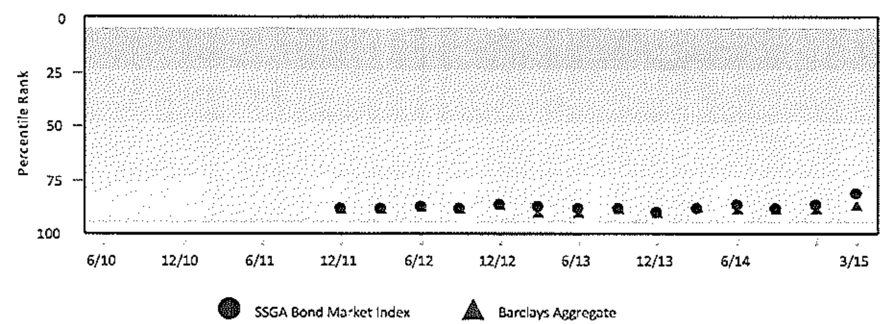


gross of fees

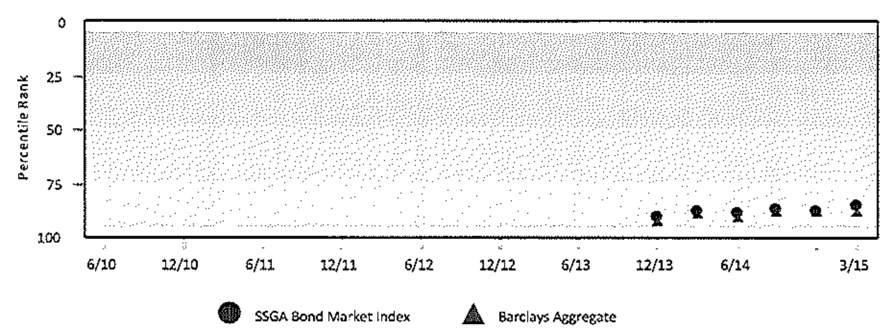
1 Year Rolling Percentile Ranking



3 Year Rolling Percentile Ranking



5 Year Rolling Percentile Ranking



Summit Strategies Group

Employees' Retirement System of the City of Norfolk

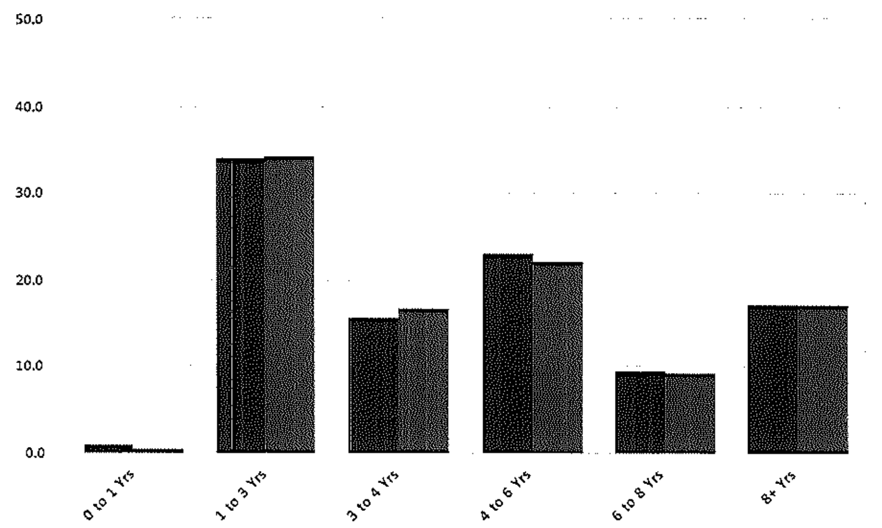
SSGA Bond Market Index vs. Barclays Aggregate

As of March 31, 2015

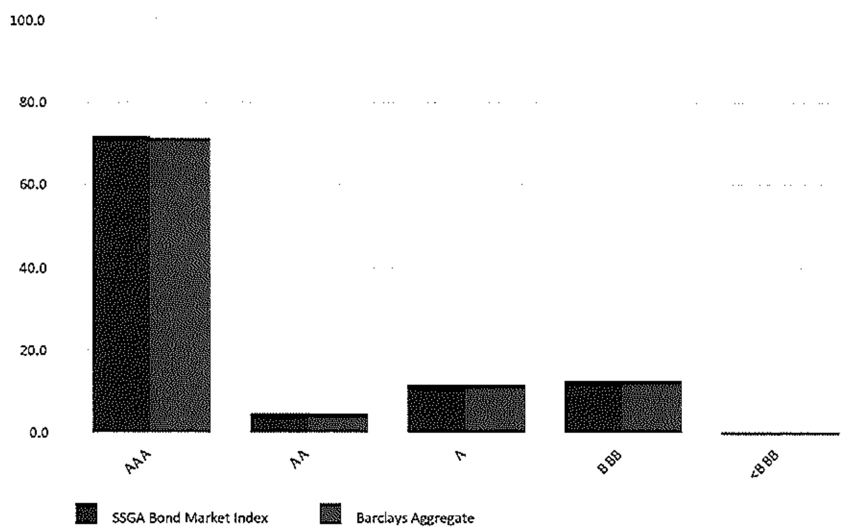
Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	7.73	7.72
Avg. Quality	AA2	AA1/AA2
Yield To Maturity (%)	2.07	2.07
Modified Duration	5.44	5.45
Convexity	0.07	-0.04

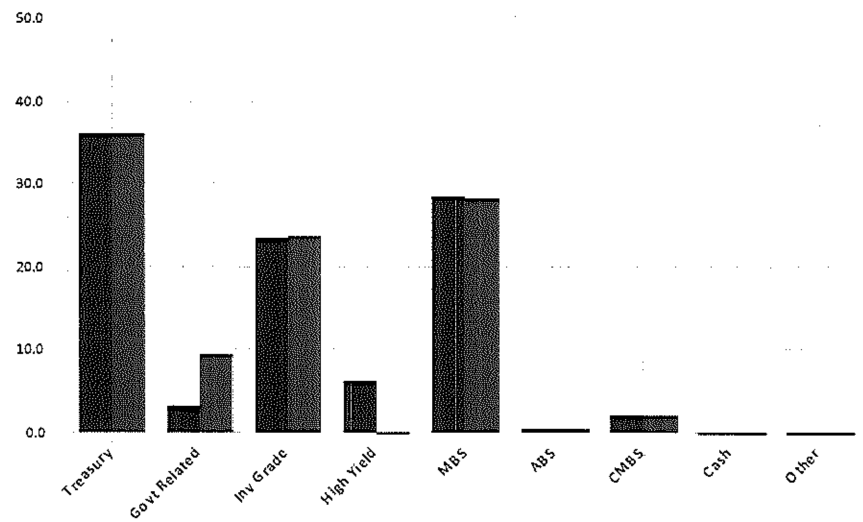
Duration Distribution (%)



Credit Quality Distribution (%)



Sector Distribution (%)



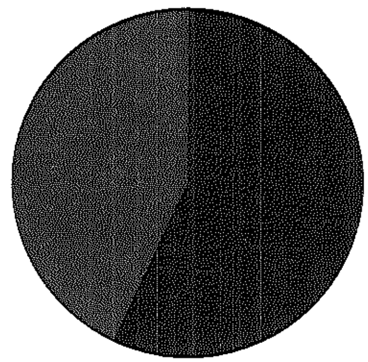
Real Estate

Employees' Retirement System of the City of Norfolk

Asset Allocation Chart - Real Estate Manager Allocation

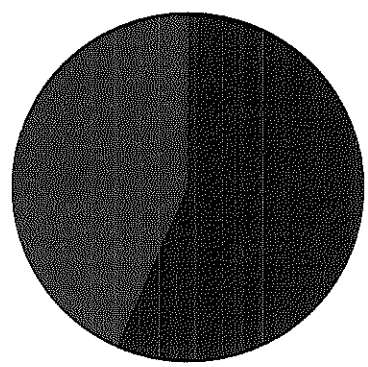
As of March 31, 2015

March 31, 2015 : $54,853,995



	Market Value ($)	Allocation (%)
JP Morgan Asset Management Strategic Property Fund	31,228,569	56.93
UBS Trumbull Property Fund	23,625,426	43.07
Real Estate Cash	-	0.00

December 31, 2014 : $53,265,661

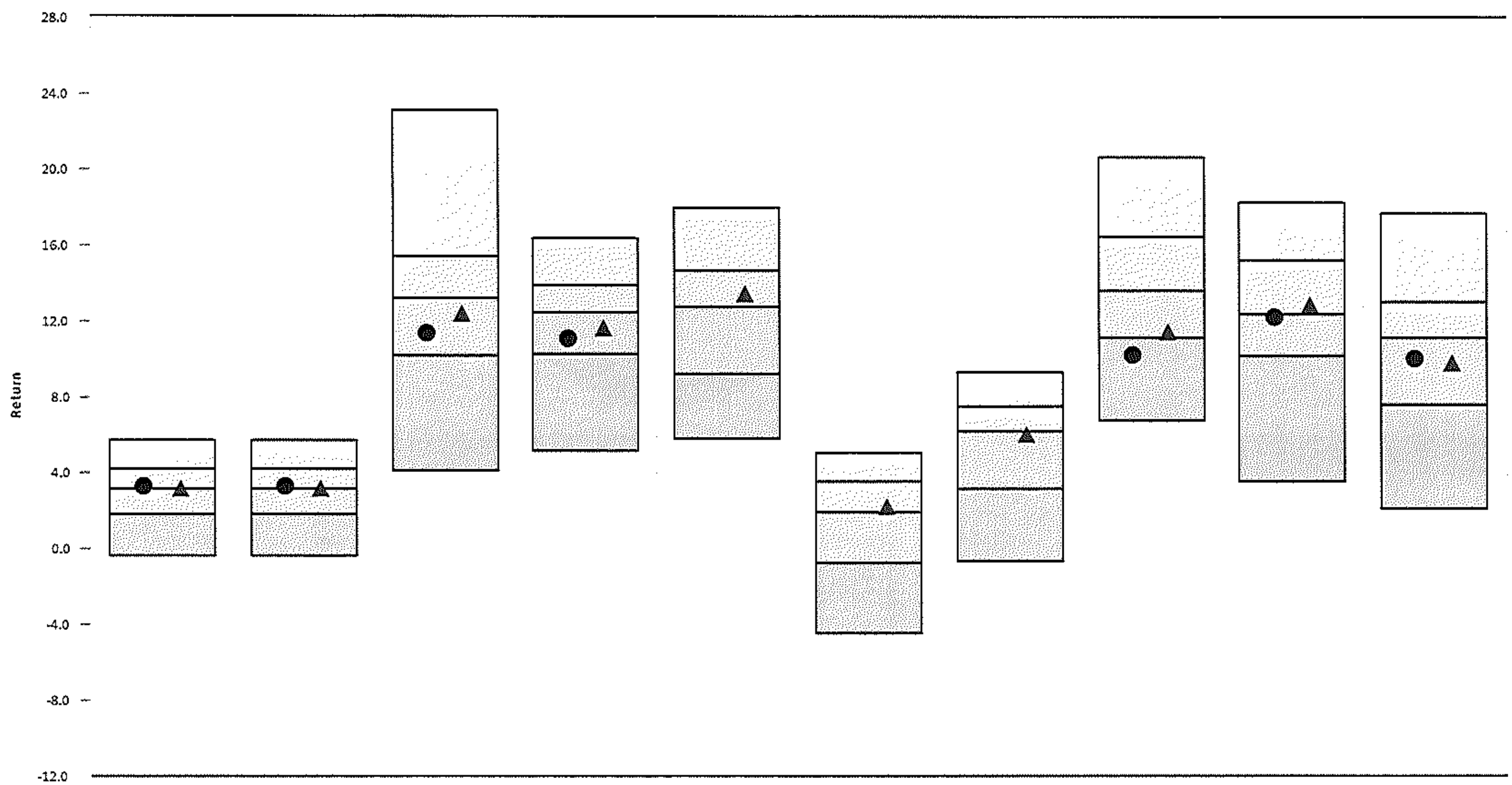


	Market Value ($)	Allocation (%)
JP Morgan Asset Management Strategic Property Fund	30,111,719	56.53
UBS Trumbull Property Fund	23,153,941	43.47
Real Estate Cash	-	0.00

Employees' Retirement System of the City of Norfolk

Plan Sponsor Peer Group Analysis - All Master Trust-Real Estate Segment

As of March 31, 2015



	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● Real Estate Composite	3.26 (48)	3.26 (48)	11.37 (70)	11.03 (70)	-	-	-	10.19 (88)	12.17 (58)	10.00 (60)
▲ NCREIF Fund Index-ODCE (Net)	3.16 (51)	3.16 (51)	12.40 (61)	11.60 (64)	13.44 (40)	2.15 (46)	6.00 (54)	11.46 (73)	12.90 (45)	9.79 (61)
5th Percentile	5.69	5.69	23.14	16.40	17.96	5.00	9.34	20.65	18.32	17.69
1st Quartile	4.15	4.15	15.41	13.87	14.68	3.51	7.49	16.52	15.28	13.01
Median	**3.17**	**3.17**	**13.23**	**12.49**	**12.73**	**1.86**	**6.15**	**13.61**	**12.39**	**11.14**
3rd Quartile	1.84	1.84	10.21	10.33	9.25	-0.78	3.10	11.14	10.20	7.62
95th Percentile	-0.43	-0.43	4.13	5.10	5.76	-4.49	-0.71	6.72	3.51	2.09
Population	145	145	114	81	63	50	32	82	91	74

net of fees

Employees' Retirement System of the City of Norfolk
Real Estate Manager Summary
March 31, 2015

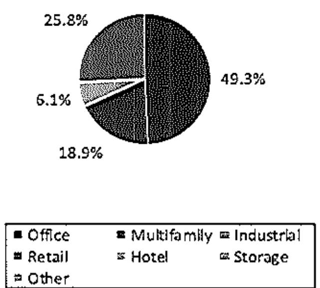
JP MORGAN FLEMING: Strategic Property Fund — Quarter Ending: December 31, 2014

General Fund Information

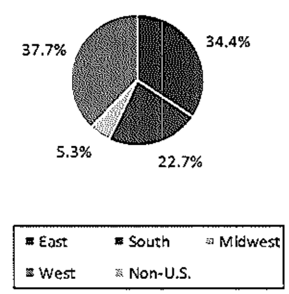
Structure	Commingled Pension Fund
Inception Date	1/1/1998
Termination Date	Infinite Life
L/T Return Objective	1.0% over NCREIF
Eligible Property Types	Office, Residential, Industrial, Retail, Land
# of Investors	323
Maximum Leverage	Portfolio 35%; Asset Specific 65%

Fund Diversification

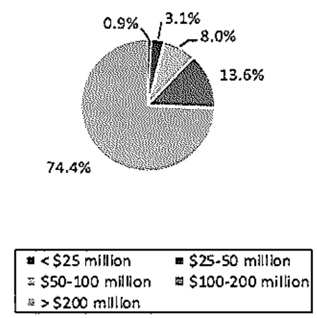
Property Type



Geographic Region



Property Size



Fund Characteristics

# of Investments / Assets	168
Fund NAV ($)	$25.0 billion
Fund GAV ($)	$34.8 billion
Cash & Equivalents (% of NAV)	3%
Portfolio Leverage (%)	29%
Occupancy %	91%
# of Metro Areas Invested	58
Wtd Avg Cost of Debt	4.2%
% Debt that is Fixed	84%
Net Investor Flows this Qtr ($)	-$166.0 million
Size of Contribution Queue ($)	$1.7 billion

Performance (%, gross of fees)

	Fund			NFI ODCE		
	Income	Apprec	Total	Income	Apprec	Total
Quarter	1.3%	1.4%	**2.7%**	1.2%	2.0%	**3.3%**
YTD	5.2%	5.7%	**11.1%**	5.1%	7.1%	**12.5%**
1-Year	5.2%	5.7%	**11.1%**	5.1%	7.1%	**12.5%**
3-Years	5.2%	7.5%	**13.0%**	5.2%	6.9%	**12.5%**
5-Years	5.6%	7.9%	**13.8%**	5.6%	8.0%	**13.9%**

Top Six MSAs

MSA	% of GMV
New York-No. NJ	17.3%
Los Angeles, CA	11.0%
Dallas-Fort Worth, TX	8.5%
Boston, MA	8.1%
San Francisco, CA	5.4%
Houston, TX	4.8%

Contact Information

Portfolio Manager	Kimberly Adams
PM Tenure	July 2012
Address	270 Park Avenue, 7th Floor
	New York, NY 10017
Phone	212-648-2176
Email	kimberly.a.adams@jpmorgan.com

Ten Largest Investments (GMV)

Investment Name	GMV ($)	MSA	Type	%
Donahue Schriber	$1,412,193,322	Various	Retail	4.1%
Edens	$1,345,126,807	Various	Retail	3.9%
1345 Ave. Americas	$1,047,273,646	New York-No. NJ	Office	3.0%
Boston Office Port.	$850,354,748	Boston, MA	Office	2.5%
200 Fifth Avenue	$839,712,881	New York-No. NJ	Office	2.4%
Century Plaza Towers	$825,379,674	Los Angeles, CA	Office	2.4%
Alliance Texas	$769,895,000	Dallas, TX	Industrial	2.2%
North Park Ctr.	$767,736,513	Dallas, TX	Retail	2.2%
Valley Fair Mall	$750,772,903	San Jose, CA	Retail	2.2%
1285 Ave. Americas	$724,073,794	New York-No. NJ	Office	2.1%

Quarterly Fund Activity

Acquisitions	
# of Investments	4
Total GMV ($)	$2.1 billion
Dispositions	
# of Investments	3
Total GMV ($)	$283.6 million
Marked to Market	
# Written Up	61
# Written Down	21

General Firm Information

Year Founded	1871 (Firm); 1970 (Real Estate)
AUM ($)	$1.7 trillion

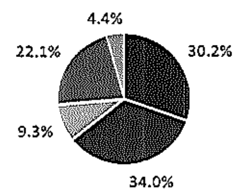
Note: 1Q15 data is unavailable therefore the Real Estate manager summaries are lagged to 4Q14.

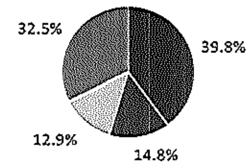
UBS REALTY INVESTORS: Trumbull Property Fund — Quarter Ending: December 31, 2014

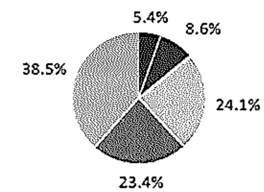
General Fund Information

Structure	Limited Partnership
Inception Date	1/13/1978
Termination Date	Infinite Life
L/T Return Objective	5% Real Return
Eligible Property Types	Office, Residential, Retail, Hotel, Multi-Family
# of Investors	418
Maximum Leverage	20%

Fund Diversification







Fund Characteristics

# of Investments / Assets	200
Fund NAV ($)	$16.1 billion
Fund GAV ($)	$19.0 billion
Cash & Equivalents (% of NAV)	2%
Portfolio Leverage (%)	14%
Occupancy %	95%
# of Metro Areas Invested	95
Wtd Avg Cost of Debt	3.9%
% Debt that is Fixed	99%
Net Investor Flows this Qtr ($)	$68.9 million
Size of Contribution Queue ($)	$1.6 billion

Performance (%, gross of fees)

	Fund			NFI ODCE		
	Income	Apprec	Total	Income	Apprec	Total
Quarter	1.3%	1.8%	**3.0%**	1.2%	2.0%	**3.3%**
YTD	5.2%	6.3%	**11.7%**	5.0%	7.2%	**12.5%**
1-Year	5.2%	6.3%	**11.7%**	5.0%	7.2%	**12.5%**
3-Years	5.2%	5.3%	**10.8%**	5.2%	6.9%	**12.5%**
5-Years	5.6%	6.6%	**12.4%**	5.6%	8.0%	**13.9%**

Top Six MSAs

MSA	% of GMV
New York, NY	14.5%
Chicago, IL	10.0%
Boston, MA	8.8%
Washington, D.C.	7.3%
Los Angeles, CA	6.7%
Dallas, TX	5.0%

Contact Information

Portfolio Manager	Kevin Crean
PM Tenure	February 1984
Address	10 State House Square, 15th Floor
	Hartford, CT 06103
Phone	860-616-9039
Email	kevin.crean@ubs.com

Ten Largest Investments (GMV)

Investment Name	GMV ($)	MSA	Type	%
53 State Street	$673,000,000	Boston, MA	Office	3.6%
135 West 50th St.	$657,000,000	New York, NY	Office	3.5%
Cambridge Side	$561,900,000	Boston, MA	Retail	3.0%
Galleria Dallas	$506,000,000	Dallas, TX	Retail	2.7%
Liberty Green-Luxe	$487,000,000	New York, NY	Apt.	2.6%
35 West Wacker	$468,000,000	Chicago, IL	Office	2.5%
Water Tower Place	$457,300,000	Chicago, IL	Retail	2.5%
1177 Ave. Americas	$453,500,000	New York, NY	Office	2.4%
120 Broadway	$452,700,000	New York, NY	Office	2.4%
Bay St. Emeryville	$305,000,000	Oakland, CA	Retail	1.6%

Quarterly Fund Activity

Acquisitions	
# of Investments	8
Total GMV ($)	$333.7 million
Dispositions	
# of Investments	1
Total GMV ($)	$61.3 million
Marked to Market	
# Written Up	187
# Written Down	74

General Firm Information

Year Founded	1996
AUM ($)	$26.2 billion

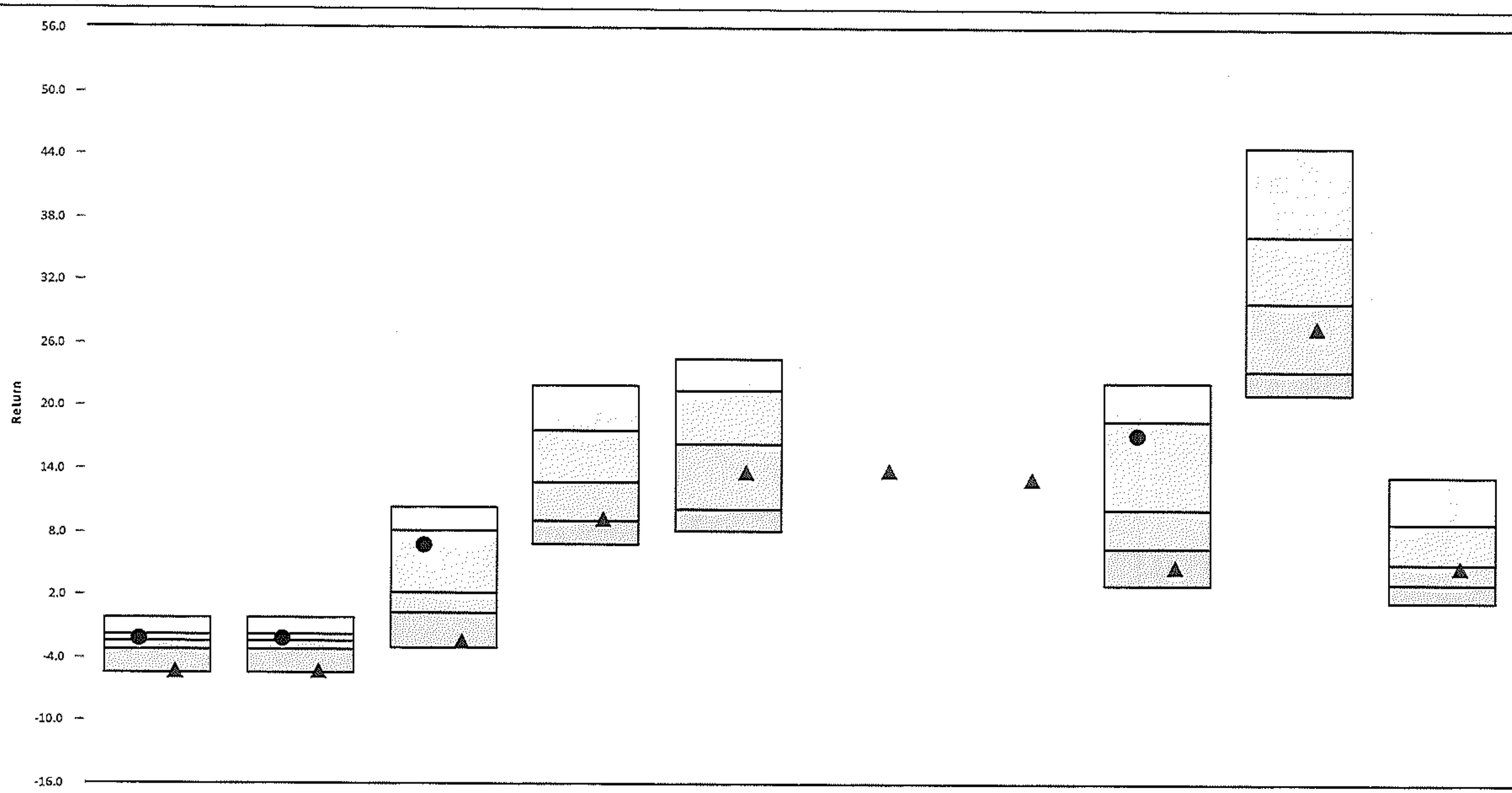
Note: 1Q15 data is unavailable therefore the Real Estate manager summaries are lagged to 4Q14.

Master Limited Partnerships

Employees' Retirement System of the City of Norfolk

MLP Composite vs. Master Limited Partnerships (SA+CF+MF)

As of March 31, 2015



	3 Month	CYTD	1 Year	3 Year	5 Year	7 Year	10 Year	2014	2013	2012
● MLP Composite	-2.28 (47)	-2.28 (47)	6.67 (28)	-	-	-	-	17.15 (31)	-	-
▲ Alerian MLP	-5.23 (91)	-5.23 (91)	-2.50 (95)	9.20 (74)	13.67 (58)	13.79 (-)	12.98 (-)	4.80 (83)	27.58 (61)	4.80 (56)
5th Percentile	-0.12	-0.12	10.29	21.92	24.52	-	-	22.39	44.80	13.41
1st Quartile	-1.84	-1.84	8.15	17.65	21.59	-	-	18.64	36.39	8.84
Median	**-2.36**	**-2.36**	**2.17**	**12.69**	**16.42**	-	-	**10.25**	**29.98**	**5.00**
3rd Quartile	-3.15	-3.15	0.26	9.13	10.20	-	-	6.47	23.38	3.10
95th Percentile	-5.41	-5.41	-3.13	6.79	8.11	-	-	3.05	21.21	1.40

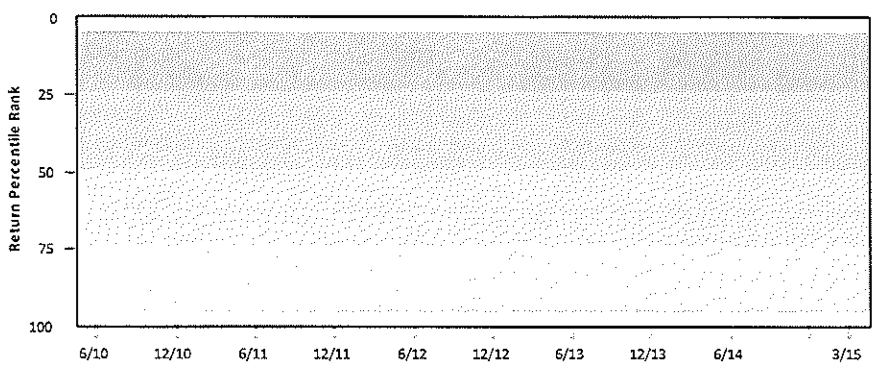
gross of fees

Employees' Retirement System of the City of Norfolk

MLP Composite

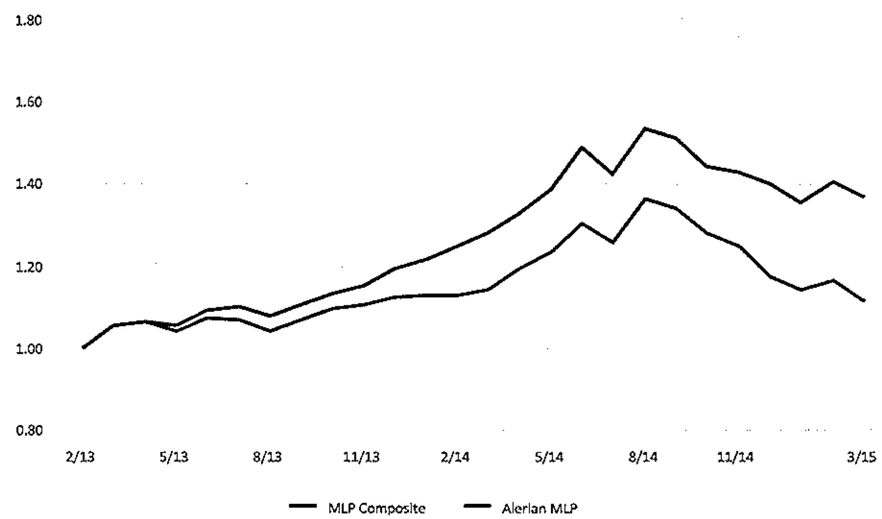
March 31, 2015

3 Year Rolling Return Rank

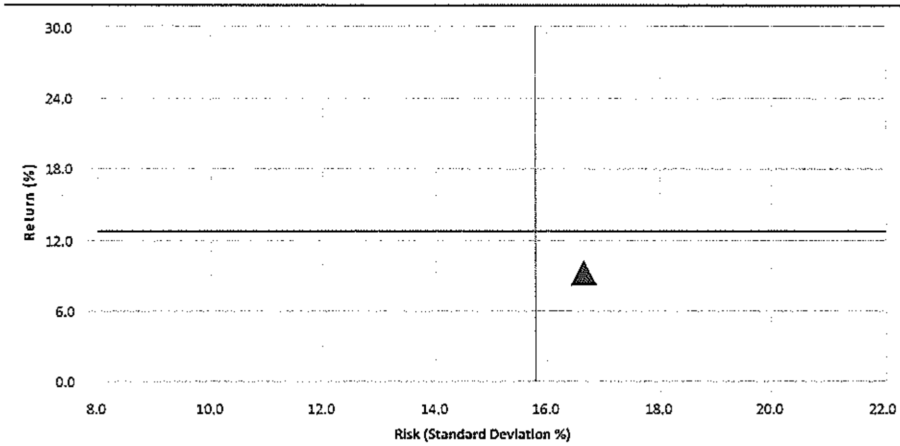


	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● MLP Composite	0	0	0	0	0
▲ Alerian MLP	0	0	0	0	0

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

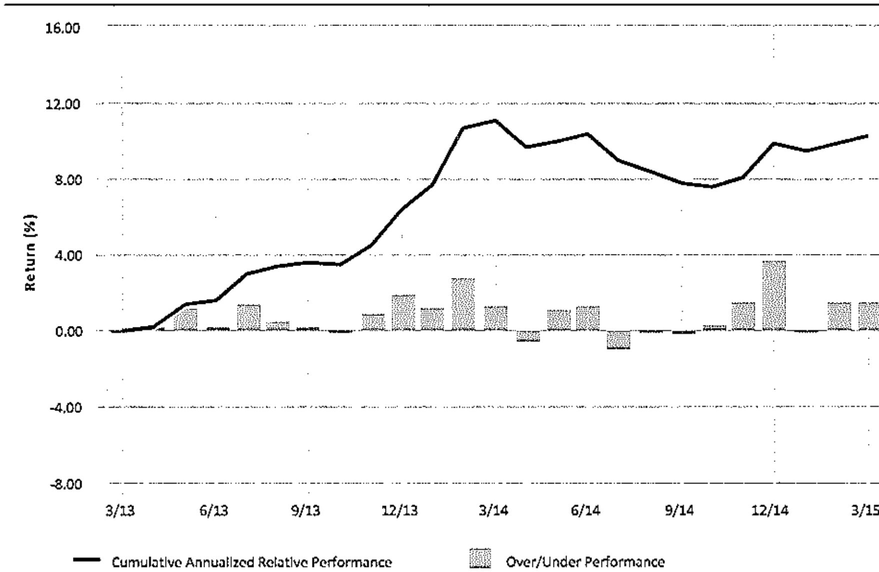


Risk vs. Return (04/01/12 - 03/31/15)



	Return	Standard Deviation
● MLP Composite	-	-
▲ Alerian MLP	9.20	16.63
— Median	12.69	15.77

Relative Performance vs. Alerian MLP

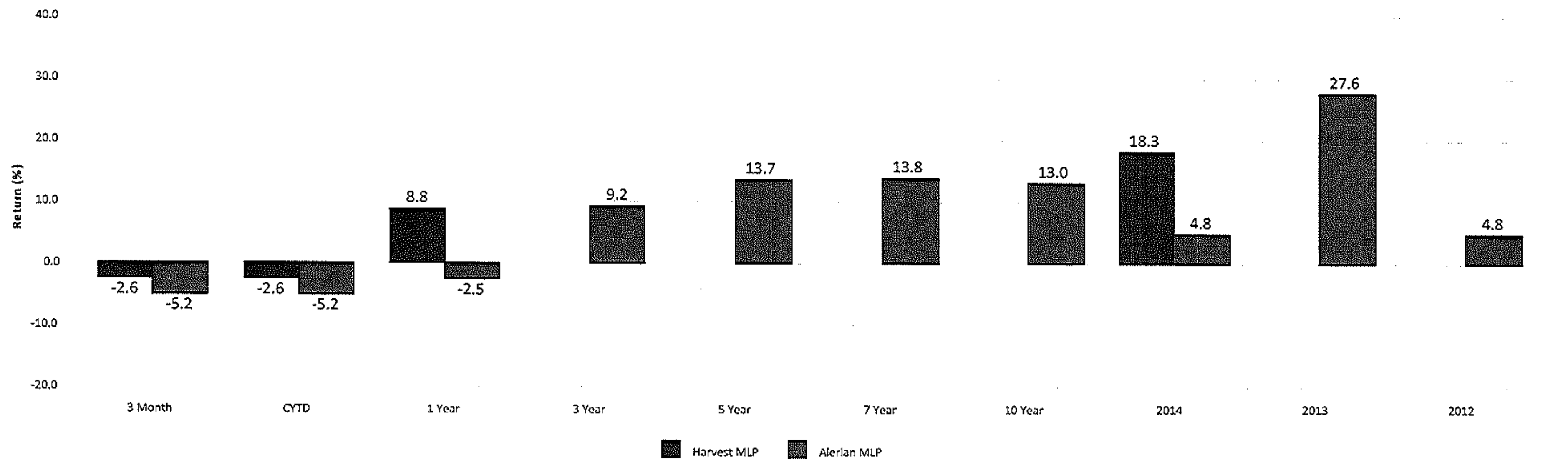


Employees' Retirement System of the City of Norfolk

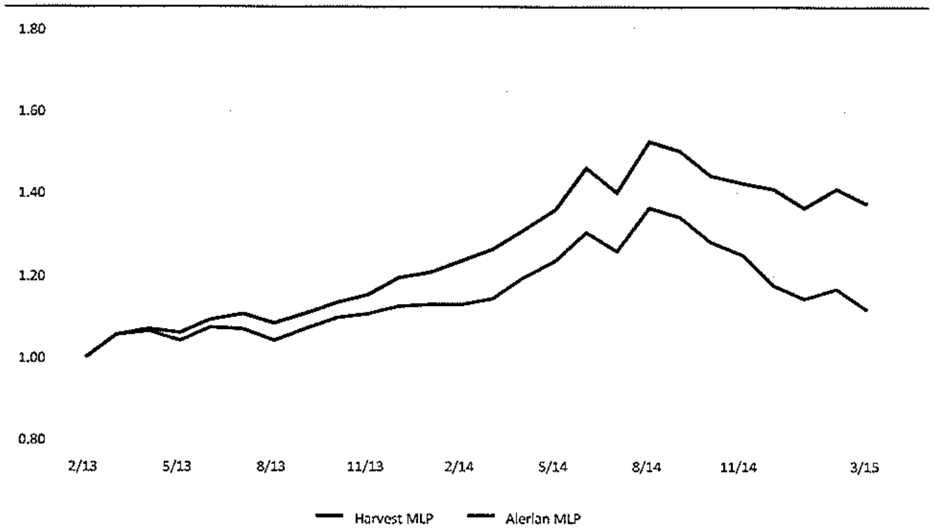
Harvest MLP

March 31, 2015

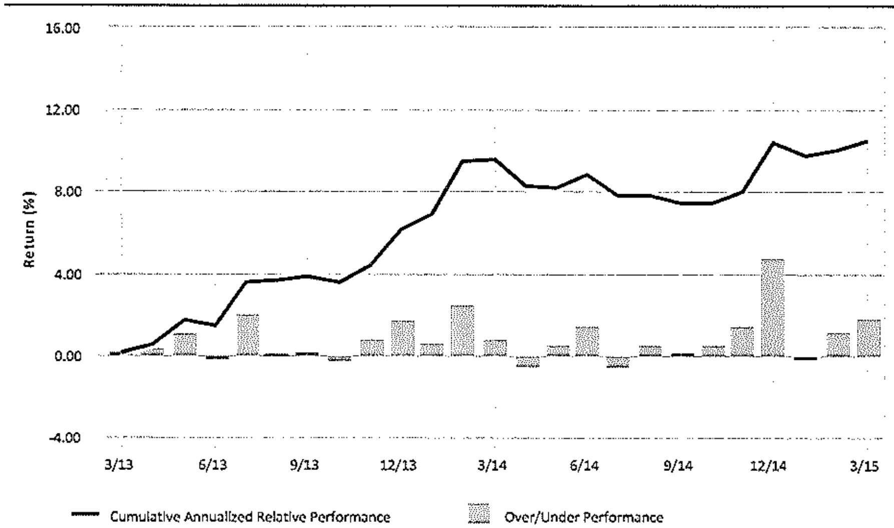
Comparative Performance



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



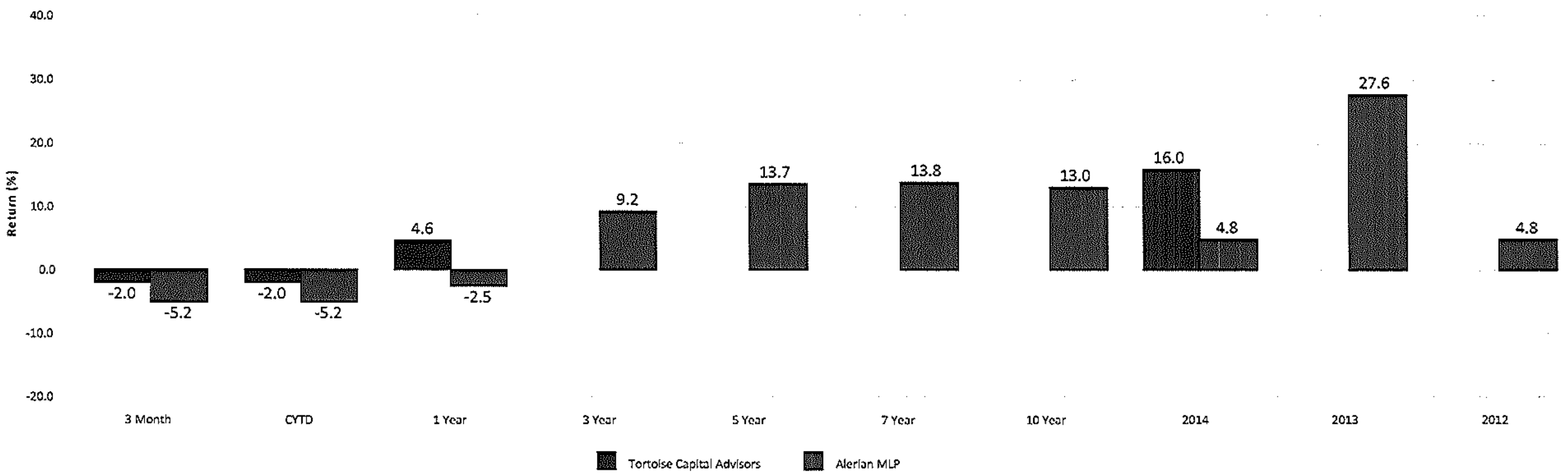
Relative Performance vs. Alerian MLP



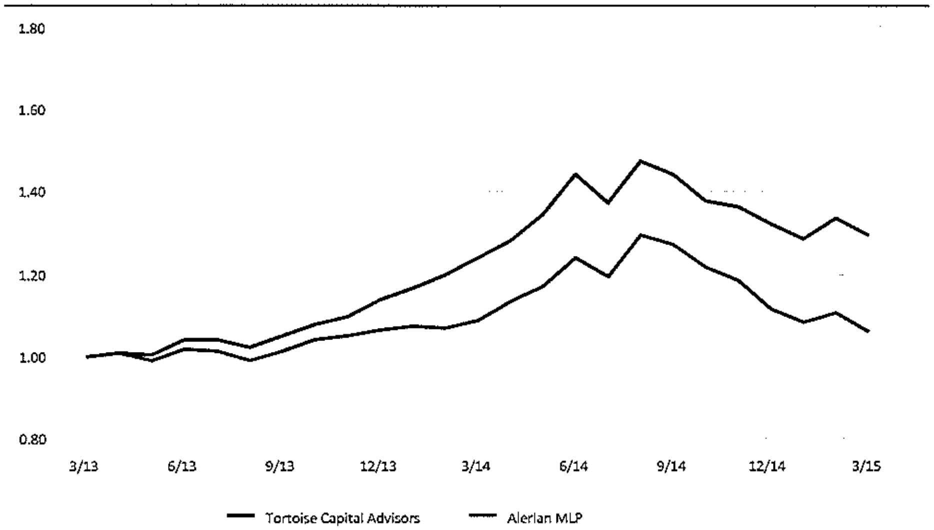
gross of fees

Employees' Retirement System of the City of Norfolk
Tortoise Capital Advisors
March 31, 2015

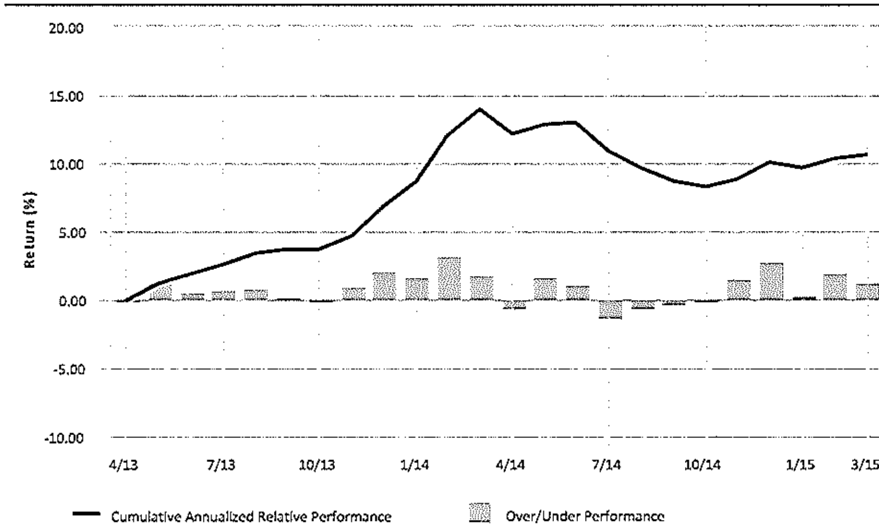
Comparative Performance



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



Relative Performance vs. Alerian MLP



gross of fees

Appendix

Employees' Retirement System of the City of Norfolk - Performance Gross of Fees

Asset Allocation & Performance (gross of fees)

As of March 31, 2015

			Performance(%) and Percentile Rank														
	Asset $	Asset %	3 Month		CYTD		1 Year		2 Year		3 Year		5 Year		Since Inception		Inception Date
Total Fund Composite	1,025,018,487	100.00	2.03	81	2.03	81	7.05	58	9.48	63	9.80	58	9.16	63	8.67	63	Oct-1990
Total Fund Policy			*2.20*		*2.20*		*6.52*		*8.65*		*8.74*		*8.45*		*8.56*		
Excess Return			-0.17		-0.17		0.53		0.83		1.06		0.71		0.11		
Total Fund Composite	1,025,018,487	100.00	2.03		2.03		7.05		9.48		9.80		9.16		8.67		Oct-1990
Total Fund Strategy Index			*1.88*		*1.88*		*6.41*		*8.69*		*8.95*		*8.69*		*8.60*		
Excess Return			0.15		0.15		0.64		0.79		0.85		0.47		0.07		
Total Equity Composite	575,510,495	56.15	2.46		2.46		7.14		12.72		12.56		10.90		9.44		Oct-1990
Total Equity Policy			*2.48*		*2.48*		*6.89*		*12.53*		*12.40*		*10.74*		*9.65*		
Excess Return			-0.02		-0.02		0.25		0.19		0.16		0.16		-0.21		
US Equity Composite	357,519,763	34.88	1.78	64	1.78	64	12.43	21	17.37	34	16.44	34	14.74	40	10.36	88	Oct-1990
US Equity Policy			*1.80*		*1.80*		*12.37*		*17.38*		*16.43*		*14.71*		*10.47*		
Excess Return			-0.02		-0.02		0.06		-0.01		0.01		0.03		-0.11		
International Equity Composite	217,990,732	21.27	3.53	70	3.53	70	-0.77	80	5.69	78	6.65	79	5.04	85	3.09	76	Jun-2006
International Equity Policy			*3.49*		*3.49*		*-1.01*		*5.44*		*6.40*		*4.82*		*2.77*		
Excess Return			0.04		0.04		0.24		0.25		0.25		0.22		0.32		
Total Fixed Income Composite	334,539,536	32.64	1.85	51	1.85	51	6.11	38	2.49	69	3.77	62	5.17	61	6.78	66	Oct-1990
Barclays Aggregate			*1.61*		*1.61*		*5.72*		*2.77*		*3.10*		*4.41*		*6.54*		
Excess Return			0.24		0.24		0.39		-0.28		0.67		0.76		0.24		
Real Estate Composite*	54,853,995	5.35	3.26	48	3.26	48	11.37	70	11.69	70	11.03	70	-		11.84	56	Apr-2011
NCREIF Fund Index-ODCE (Net)			*3.16*		*3.16*		*12.40*		*12.57*		*11.60*		-		*12.09*		
Excess Return			0.11		0.11		-1.03		-0.88		-0.57		-		-0.25		
MLP Composite	56,278,763	5.49	-2.28	47	-2.28	47	6.67	28	13.96	23	-		-		16.24	23	Mar-2013
Alerian MLP			*-5.23*		*-5.23*		*-2.50*		*2.87*		-		-		*5.37*		
Excess Return			2.95		2.95		9.17		11.09		-		-		10.87		
Cash	3,835,699	0.37	0.02		0.02		0.10		0.15		0.17		0.21		1.62		Jul-2003
90 Day US Treasury Bill			*0.01*		*0.01*		*0.03*		*0.04*		*0.06*		*0.08*		*1.42*		
Excess Return			0.01		0.01		0.07		0.11		0.11		0.13		0.20		

*Returns are Net of Fees.

Employees' Retirement System of the City of Norfolk - Performance Gross of Fees

Asset Allocation & Performance (gross of fees)

As of March 31, 2015

			Performance(%) and Percentile Rank												Since		Inception
	Asset $	Asset %	3 Month		CYTD		1 Year		2 Year		3 Year		5 Year		Inception		Date
US Equity																	
SSGA Russell 3000	357,519,763	34.88	1.78	68	1.78	68	12.43	33	17.37	51	16.44	48	14.74	53	17.37	62	Dec-2008
Russell 3000 Index			*1.80*		*1.80*		*12.37*		*17.38*		*16.43*		*14.71*		*17.34*		
Excess Return			-0.02		-0.02		0.06		-0.01		0.01		0.03		0.03		
International Equity																	
SSGA MSCI ACWI-ex US Index	217,990,732	21.27	3.53	81	3.53	81	-0.77	61	5.69	90	6.65	93	5.04	95	10.26	82	Jan-2009
MSCI AC World ex USA (Net)			*3.49*		*3.49*		*-1.01*		*5.44*		*6.40*		*4.82*		*10.04*		
Excess Return			0.04		0.04		0.24		0.25		0.25		0.22		0.22		
Fixed Income																	
PIMCO Total Return	202,945,181	19.80	1.98	12	1.98	12	6.26	23	3.10	41	4.68	7	5.62	14	7.21	9	Jan-1991
Barclays Aggregate			*1.61*		*1.61*		*5.72*		*2.77*		*3.10*		*4.41*		*6.39*		
Excess Return			0.37		0.37		0.54		0.33		1.58		1.21		0.82		
SSGA Bond Market Index	131,594,355	12.84	1.64	66	1.64	66	5.77	62	2.78	72	3.14	82	4.43	85	4.79	87	Jan-2009
Barclays Aggregate			*1.61*		*1.61*		*5.72*		*2.77*		*3.10*		*4.41*		*4.77*		
Excess Return			0.03		0.03		0.05		0.01		0.04		0.02		0.02		
Real Estate																	
JP Morgan Asset Management Strategic Property Fund*	31,228,569	3.05	3.71	43	3.71	43	11.78	86	12.71	77	12.39	69	-		12.90	73	Apr-2011
NCREIF Fund Index-ODCE (Net)			*3.16*		*3.16*		*12.40*		*12.57*		*11.60*		-		*12.09*		
Excess Return			0.56		0.56		-0.62		0.14		0.79		-		0.81		
UBS Trumbull Property Fund*	23,625,426	2.30	2.68	94	2.68	94	10.84	100	10.46	100	9.44	100	-		9.33	-	Dec-2011
NCREIF Fund Index-ODCE (Net)			*3.16*		*3.16*		*12.40*		*12.57*		*11.60*		-		*11.50*		
Excess Return			-0.47		-0.47		-1.56		-2.11		-2.16		-		-2.17		
MLPs																	
Harvest MLP	27,874,001	2.72	-2.59	60	-2.59	60	8.83	24	14.10	23	-		-		16.50	23	Mar-2013
Alerian MLP			*-5.23*		*-5.23*		*-2.50*		*2.87*		-		-		*5.37*		
Excess Return			2.64		2.64		11.33		11.23		-		-		11.13		
Tortoise Capital Advisors	28,404,762	2.77	-1.97	36	-1.97	36	4.63	42	13.82	23	-		-		13.82	23	Apr-2013
Alerian MLP			*-5.23*		*-5.23*		*-2.50*		*2.87*		-		-		*2.87*		
Excess Return			3.26		3.26		7.13		10.95		-		-		10.95		

*Returns are Net of Fees.

Employees' Retirement System of the City of Norfolk

Benchmark Composition

As of March 31, 2015

Total Fund Policy:	Weight (%)
Russell 3000 Index	36.00%
MSCI AC World ex US Index (Net)	24.00%
Barclays Aggregate	40.00%

Total Equity Policy:	Weight (%)
Russell 3000 Index	60.00%
MSCI AC World ex US Index (Net)	40.00%

Domestic Equity Policy:	Weight (%)
Russell 3000 Index	100.00%

International Equity Policy:	Weight (%)
MSCI AC World ex US Index (Net)	100.00%

Total Fund Strategy Index:	Weight (%)
Russell 3000 Index	33.00%
MSCI AC World ex US Index (Net)	22.00%
Barclays Aggregate	35.00%
Alerian MLP	5.00%
NCREIF - ODCE (Net)	5.00%

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.

Glossary

Term	Description
Simple Alpha (Excess or Relative Return)	The arithmetic difference between the portfolio's return and the benchmark's return.
Alpha	A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Asset Allocation Effect	In attribution analysis, the incremental return attibutable to diverging from the target weights of the policy benchmark holding all other factors constant.
Beta	Also called systematic risk or non-diversifiable risk, beta measures the sensitivity of asset returns to the market (benchmark). In isolation a lower beta is considered less risky but does not distinguish between upside and downside risk.
Consistency	The percentage of periods that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Down Market Capture	The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.
Excess Risk	A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager. Negative Information Ratios are difficult to interpret.
Manager Value-Added (Selection Effect)	In attribution analysis, the incremental return attributable to active management; the result of diverging from the benchmark allocation within a given asset class.
Market Timing / Other	In attribution analysis, represents the impact of intra-period shifts in asset allocation. For example a rapidly appreciating asset could have markedly different weights throughout the analysis period (which looks at fixed points in time).

Glossary

R-Squared	The percentage of portfolio performance explained by the performance of its benchmark; measured on a scale of 0 to 100, with 100 indicating that the portfolio's performance is entirely determined by the benchmark.
Sharpe Ratio	Also called the reward-to-variability ratio, Sharpe Ratio measures the absolute rate of return per unit of risk and is calculated as the Excess Return vs. the Risk Free Rate divided by the standard deviation of the Excess Return. Investors prefer higher Sharpe Ratios (more return per unit of risk).
Standard Deviation	Typically referred to as Volatility or Risk, standard deviation measures the dispersion of actual returns around their average.
Tracking Error	A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Treynor Ratio	Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Up Market Capture	The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.

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