



# **Employees' Retirement System of the City of Norfolk**

**As of February 28, 2025**

**Performance Update**

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# **Economic and Market Update**

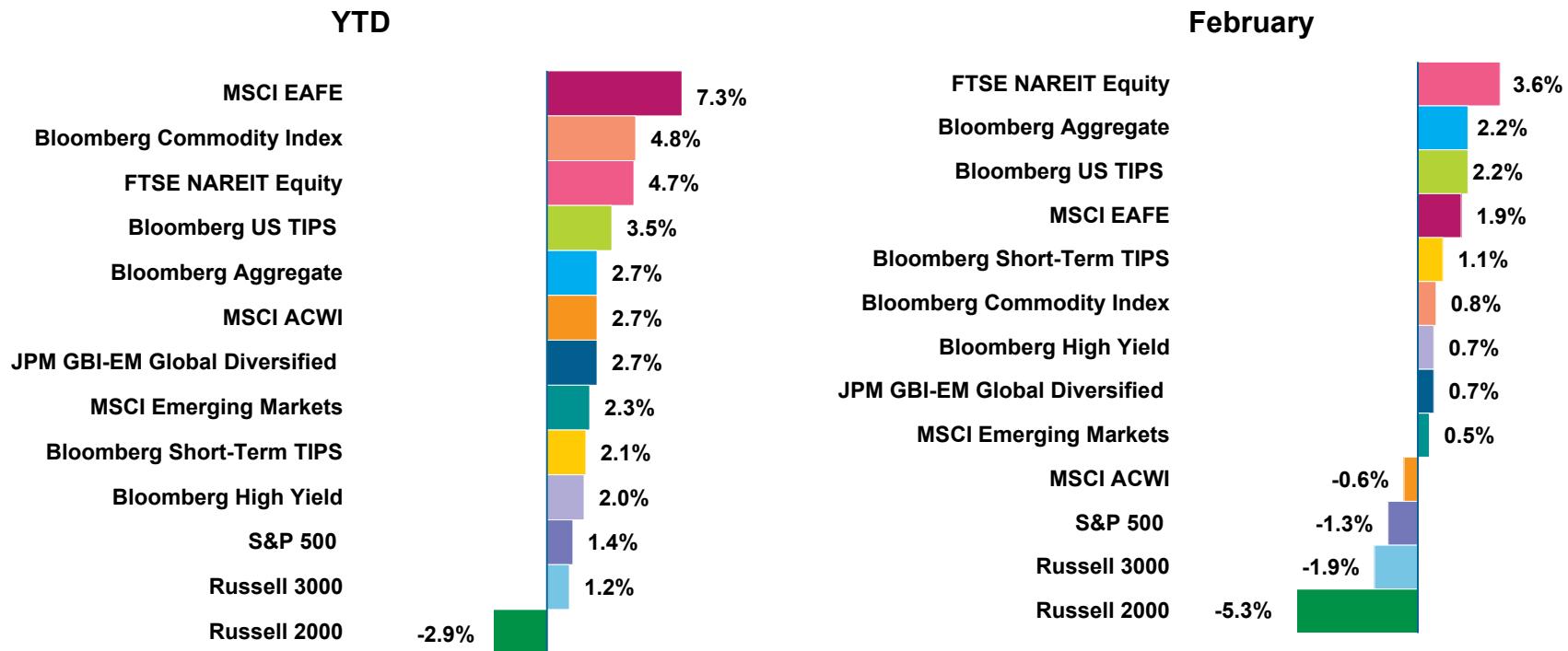
Data as of February 28, 2025

## Commentary

**After a positive start to 2025, stock and bond markets had mixed returns in February with investors largely rotating away from US equities.**

- Domestic equity markets (Russell 3000) fell -1.9% in February, with value outperforming growth.
- Non-US developed market stocks (MSCI EAFE +1.9%) continued to outperform US markets, supported by rate cuts from the ECB, EU planned increases in defense spending, and a weakening US dollar.
- Emerging market equities returned +0.5% for the month, underperforming non-US developed markets given tariff risks from the US. However, Chinese stocks rose an impressive +11.8% in February on DeepSeek AI enthusiasm.
- The Federal Reserve held policy rates steady at the end of January as inflation remained above the target level and the labor market was relatively healthy.
- Most fixed income markets posted positive returns, with TIPS (+2.2%) and the US bond market (+2.2%) outperforming most other fixed income sectors.
- Looking ahead, uncertainty related to the Trump Administration's policies and their impact on the economy, inflation, and Fed policy will be key. The path of China's economy and concerns over elevated valuations and technology-driven concentration in the US equity market will also be important focuses of 2025.

### Index Returns<sup>1</sup>



- On a year-to-date basis most major markets remain in positive territory.
- In February, non-US equities outperformed US equities as markets re-priced their outlook for US stocks in 2025 while fixed income markets benefited from cooling inflation and economic growth.

<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025.

Domestic Equity Returns<sup>1</sup>

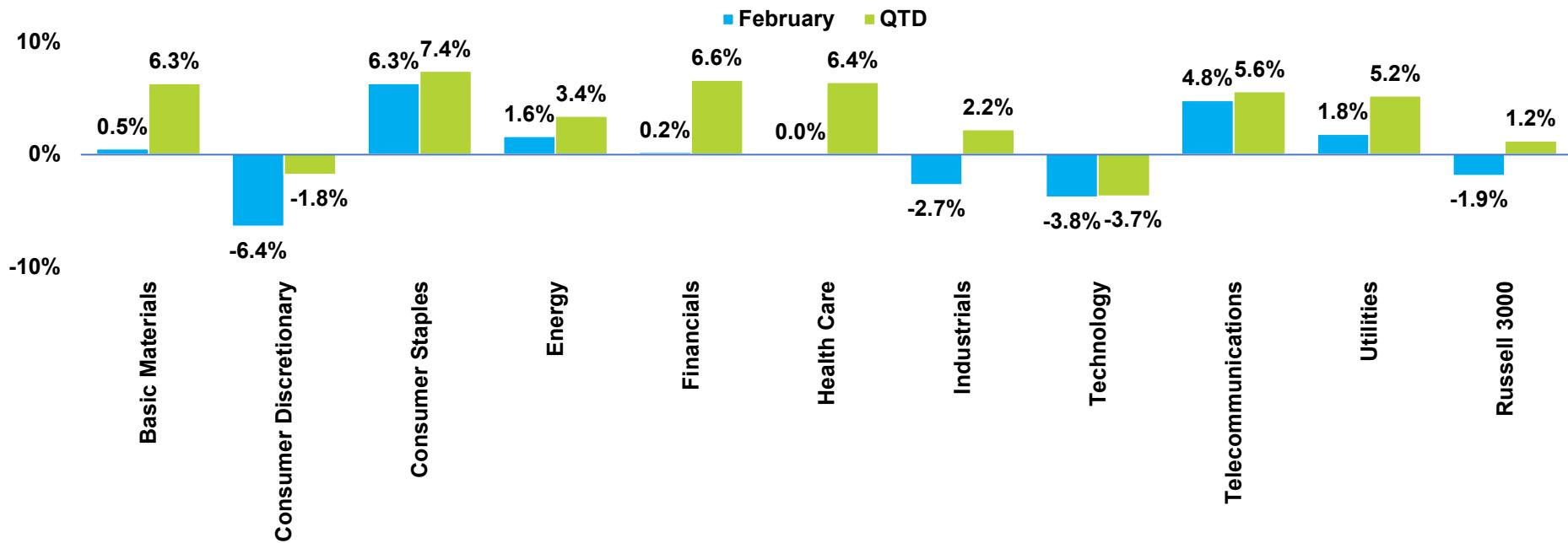
Domestic Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-1.3	1.4	18.4	12.5	16.8	13.0
Russell 3000	-1.9	1.2	17.5	11.6	16.1	12.3
Russell 1000	-1.7	1.4	18.1	12.1	16.5	12.7
Russell 1000 Growth	-3.6	-1.7	19.7	14.8	19.7	16.0
Russell 1000 Value	0.4	5.1	15.8	8.6	12.5	8.9
Russell MidCap	-2.8	1.3	12.2	7.2	12.4	9.3
Russell MidCap Growth	-5.7	0.3	14.5	9.5	12.9	11.0
Russell MidCap Value	-1.8	1.6	11.7	6.1	11.7	8.0
Russell 2000	-5.3	-2.9	6.7	3.3	9.4	7.2
Russell 2000 Growth	-6.8	-3.8	5.8	3.6	7.9	7.2
Russell 2000 Value	-3.8	-1.9	7.6	2.8	10.3	6.9

## US Equities: The Russell 3000 fell -1.9% in February, bringing the year-to-date return to +1.2%.

- After approaching record highs in early February, US stocks finished the month lower. Investors grew concerned over tariff policies, a potentially weakening consumer, and the sustainability of earnings growth from tech stocks.
- Consumer discretionary stocks (-6.4%) were hardest hit among sectors in February. Tesla was the largest detractor in the Russell 3000 index as the stock dropped ~27% during the month. Other “Magnificent 7” names were among the largest detractors, such as Alphabet (-16%), Amazon (-11%), and Microsoft (-4%).
- Value stocks outperformed growth stocks during February, continuing the trend from January. This dynamic was most pronounced in the large cap space, where the Russell 1000 Value index was 6.8% ahead of the Russell 1000 Growth index year to date. Small cap stocks declined more than large cap stocks for the month due to weakening growth expectations.

<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025.

### Russell 3000 Sector Returns<sup>1</sup>



- Sector results were mixed in February with defensive sector consumer staples (+6.3%) leading the way and cyclical consumer discretionary stocks (-6.4%) suffering the largest decline. The drop in consumer discretionary stocks was largely driven by slowing European sales weighing on Tesla's share price.
- Technology stocks, a previous bright spot, declined in January and in February, with NVIDIA, Broadcom, Microsoft, and Apple driving results.
- Industrial stocks declined in February amid concerns regarding the sustainability of economic growth, but remain positive for the year so far.

<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025.

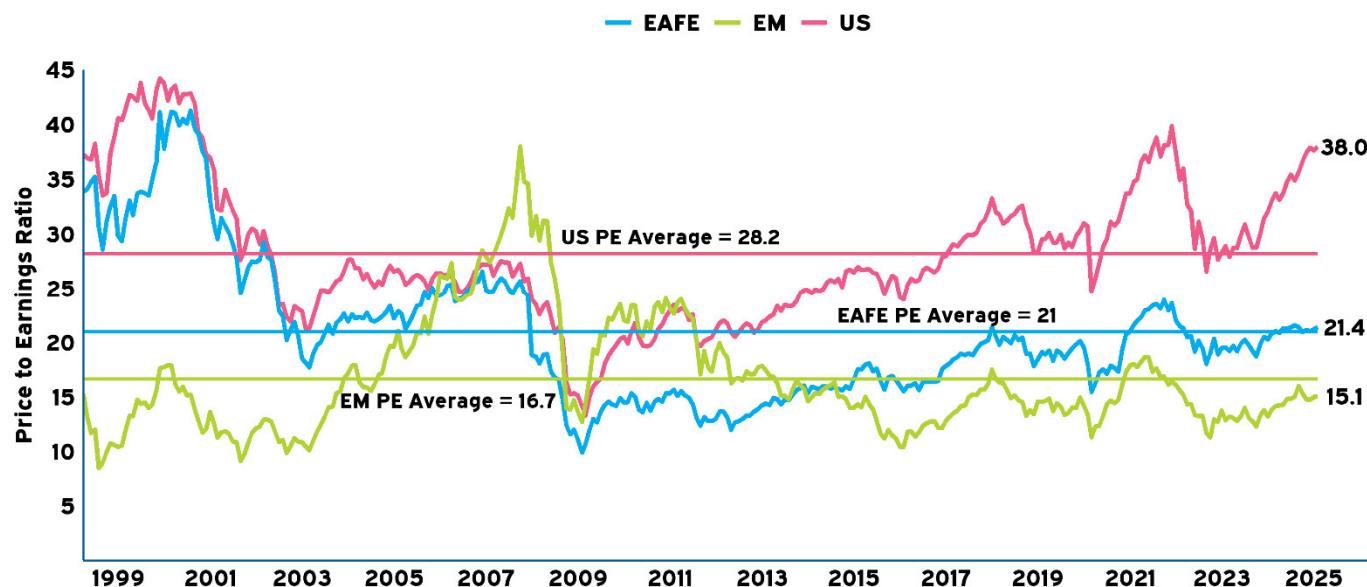
Foreign Equity Returns<sup>1</sup>

Foreign Equity	February (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	1.4	5.5	9.7	4.6	7.5	4.8
MSCI EAFE	1.9	7.3	8.8	6.4	8.7	5.3
MSCI EAFE (Local Currency)	0.9	5.8	11.4	10.5	10.9	6.8
MSCI EAFE Small Cap	-0.3	3.1	6.4	0.7	5.7	5.2
MSCI Emerging Markets	0.5	2.3	10.1	0.5	4.3	3.5
MSCI Emerging Markets (Local Currency)	0.7	2.3	14.1	3.9	6.5	5.7
MSCI EM ex China	-3.8	-1.8	0.8	0.9	6.9	4.2
MSCI China	11.8	12.8	39.0	0.0	-0.3	2.5

**Foreign Equity: Developed international equities (MSCI EAFE) returned 1.4% in February and emerging market equities (MSCI Emerging Markets) rose 0.5%.**

- Developed markets saw modest gains in February, due in part to a weaker USD, outperforming US peers. Eurozone equities were the top performer among developed markets, boosted by continued strength in European financials, a growing focus on defense spending, and the prospect of a ceasefire in Ukraine. The UK followed shortly behind, with a similar story of large banks, defense, and health care driving returns. Japanese stocks fell, with sentiment driven by namely uncertainty surrounding US trade policies.
- Emerging markets rose slightly in February, with gains driven by China, the top performer globally. China continues to benefit from excitement around DeepSeek, stimulus efforts, and the prospect of a more favorable regulatory environment following meetings between Xi Jinping and major business leaders. South Korea saw slight negative returns following a downgraded GDP growth forecast. Indian equities fell by over 7% amid continued signs of a growth slowdown and stretched valuations.

<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025.

Equity Cyclically Adjusted P/E Ratios<sup>1</sup>

- Valuations in US stocks remained at a significant premium to non-US developed and emerging market stocks at the end of February.
- US equities, priced at 38.0 times earnings, continued to trade well above their long-run P/E average of 28.2.
- Non-US developed market valuations (21.4 times) are trading near their long-term average. Emerging market valuations (15.1 times) are below their long-run average.

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

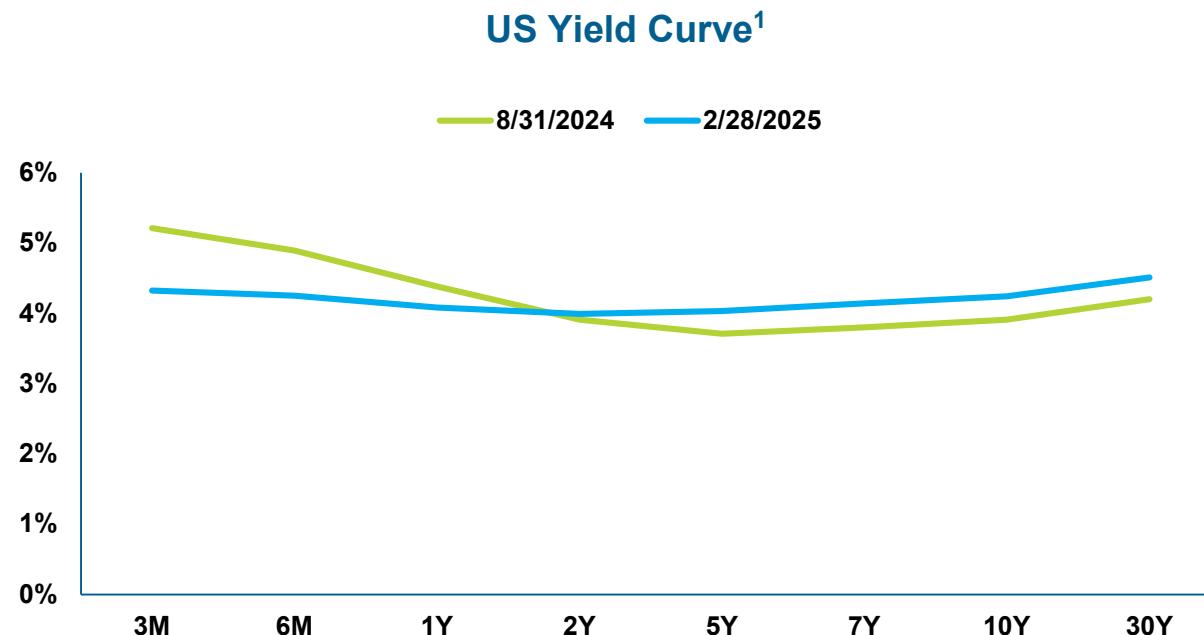
Fixed Income Returns<sup>1</sup>

Fixed Income	February (%)	YTD (%)	1 Yr (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	2.1	2.7	6.3	0.1	-0.1	1.9	4.8	6.0
Bloomberg Aggregate	2.2	2.7	5.8	-0.4	-0.5	1.5	4.6	6.2
Bloomberg US TIPS	2.2	3.5	6.4	-0.8	1.9	2.4	4.3	6.9
Bloomberg Short-term TIPS	1.1	2.1	6.6	2.6	3.6	2.7	4.2	2.5
Bloomberg US Long Treasury	5.2	5.6	3.4	-8.6	-6.6	-0.4	4.5	15.1
Bloomberg High Yield	0.7	2.0	10.1	4.9	4.9	5.1	7.1	3.3
JPM GBI-EM Global Diversified (USD)	0.7	2.7	2.4	1.7	-0.4	0.8	--	--

## Fixed Income: The Bloomberg Universal index rose 2.1% in February.

- Investors sought the safety of high-quality bonds in February given policy uncertainty in the US and weakening economic data particularly related to the consumer. Corporate bonds did not perform as well in this risk adverse environment.
- The broad US bond market (Bloomberg Aggregate) rose 2.2% for the month, along with the broad US TIPS index. Long-term Treasuries performed particularly well in the declining interest rate environment.
- High yield bonds experienced less demand from investors, and emerging market debt fell.

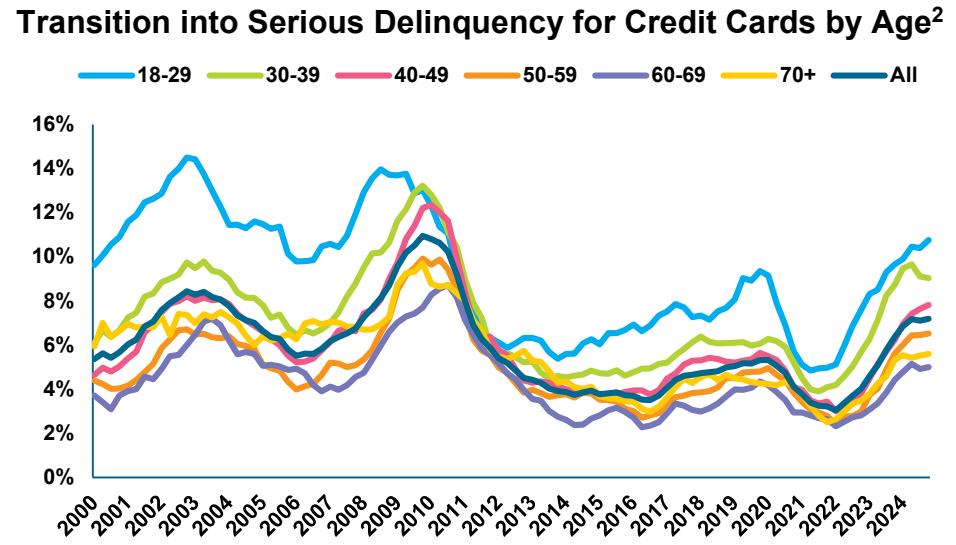
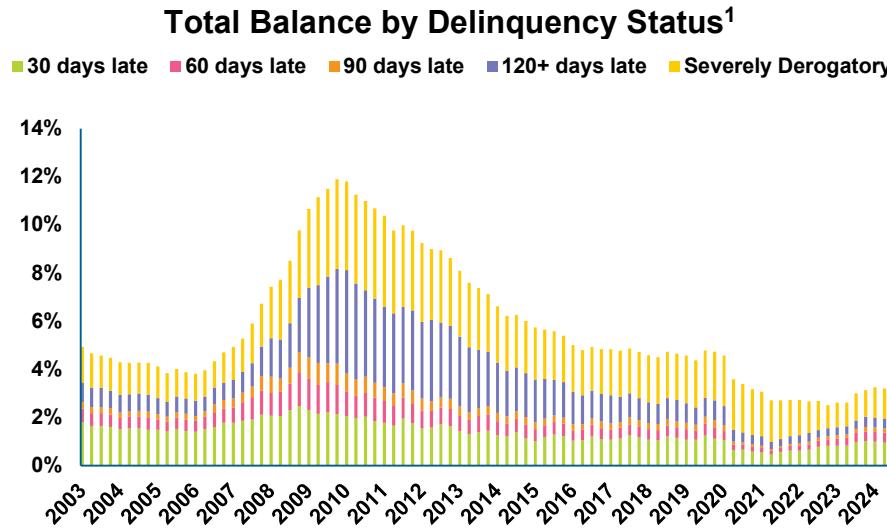
<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- US Treasury yields declined significantly over the month, as investors expressed concern about the potential policies of the new US administration, economic data related to consumers weakened, and overall growth expectations fell.
- The more policy sensitive 2-year Treasury yield fell from 4.20% to 3.99%, while the 10-year Treasury yield declined from 4.54% to 4.24%.
- After the Fed started reducing interest rates in September 2024, the yield curve stopped being inverted (short-term interest rates higher than long-term interest rates) given expectations for inflation to continue to decline and policy rates to continue lower.

<sup>1</sup> Source: Bloomberg. Data is as of February 28, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

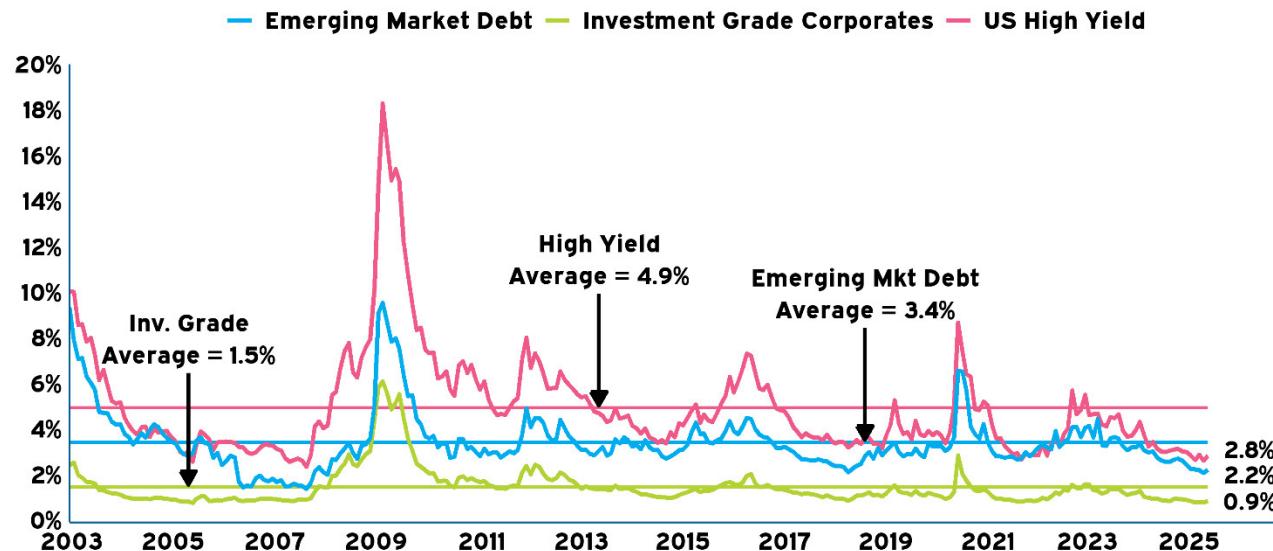
### Stress is Building on US Consumers



- Some signs of stress on the US consumer have started to emerge given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies recently started rising.
- While some segments of the credit market have started to show signs of stress, total delinquencies remain well below pre-pandemic levels.
- While total delinquency rates are below pre-pandemic rates, the credit card segment is showing more signs of distress where borrowers are subject to variable and higher borrowing costs.
- Credit card delinquencies are rising rapidly, especially for borrowers under the age of 40.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report, February 2025. See also FRED. Data is as of February 28, 2025.

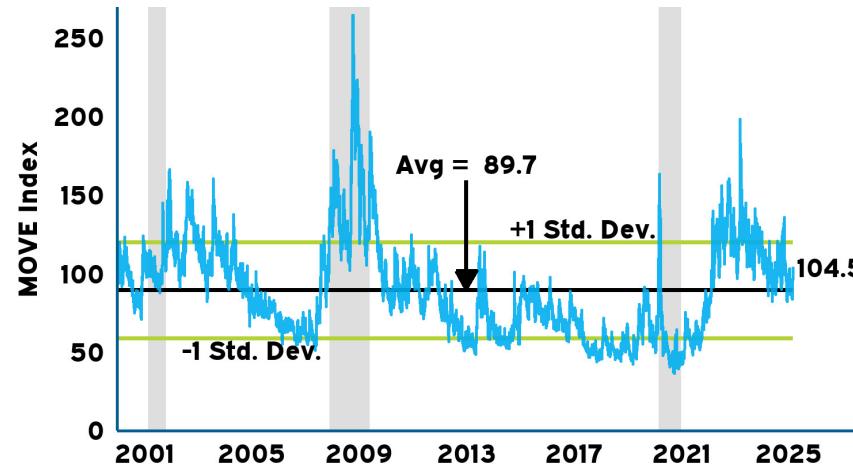
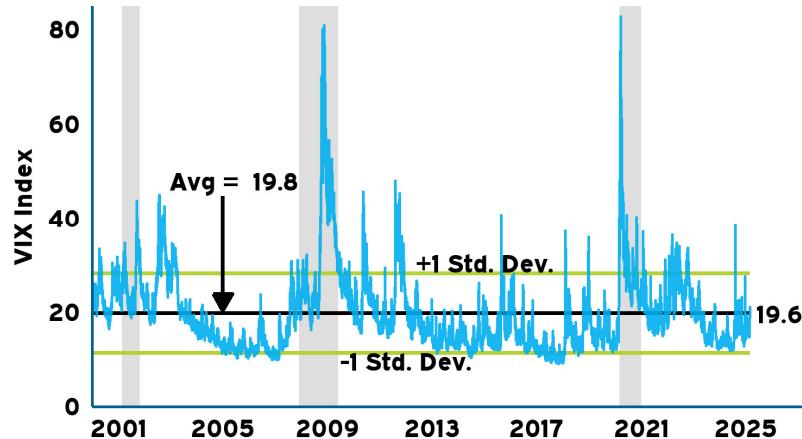
<sup>2</sup> Source: FRED. Data is as of February 28, 2025.

Credit Spreads vs. US Treasury Bonds<sup>1</sup>

- Spreads (the yield above a comparable maturity Treasury) widened slightly in February for riskier bonds and were stable for investment grade issues.
- All yield spreads remained below their respective long-run averages, particularly high yield (2.8% versus 4.9%).
- Although spreads are tight, absolute yields remain at above-average levels compared to the last two decades.

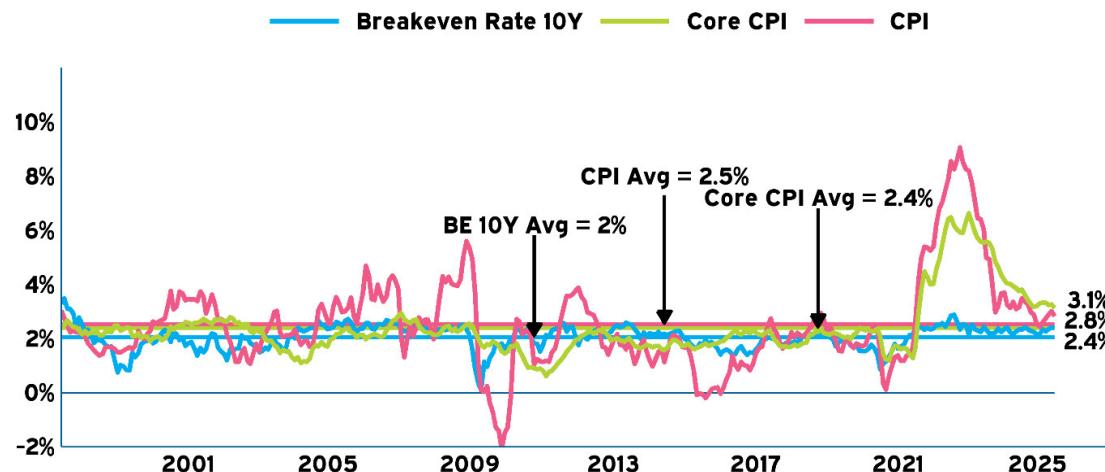
<sup>1</sup> Source: Bloomberg. Data is as February 28, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

### Equity and Fixed Income Volatility<sup>1</sup>



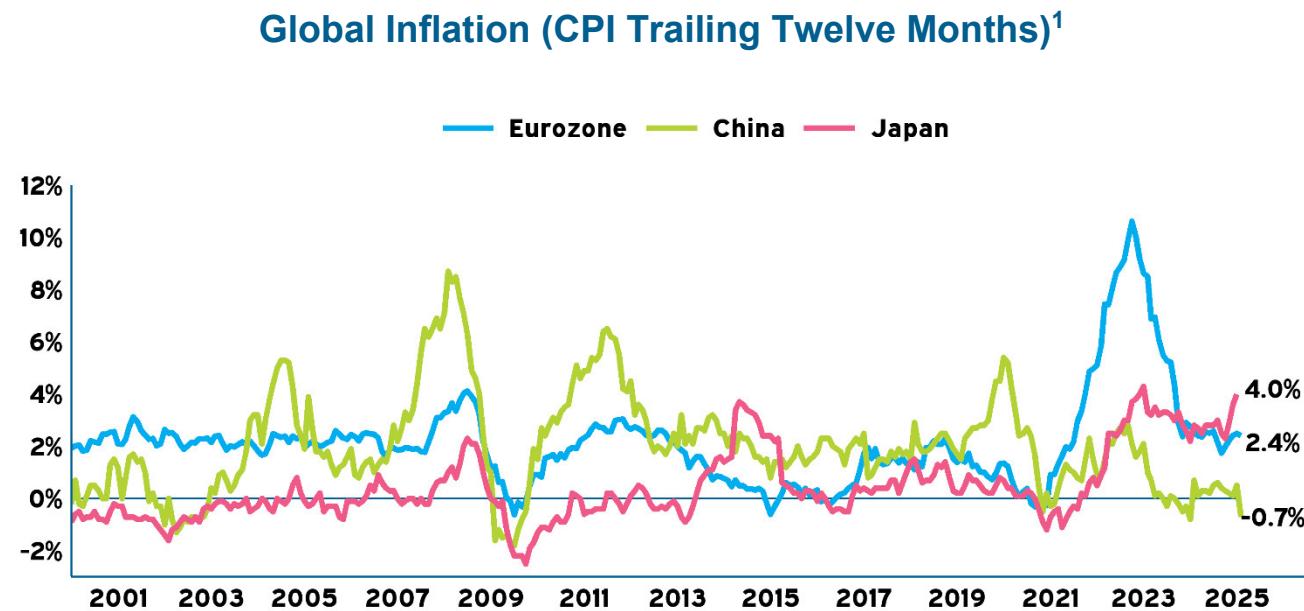
- Bond and equity volatility rose in February mainly driven by policy and trade uncertainty.
- Volatility levels (VIX) in the US stock market finished February below its long-run average, while volatility in the bond market (MOVE) finished the month above its long-run average.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of February 28, 2025. The average line indicated is the average of the VIX and MOVE values between January 2000 and February 2025.

US Ten-Year Breakeven Inflation and CPI<sup>1</sup>

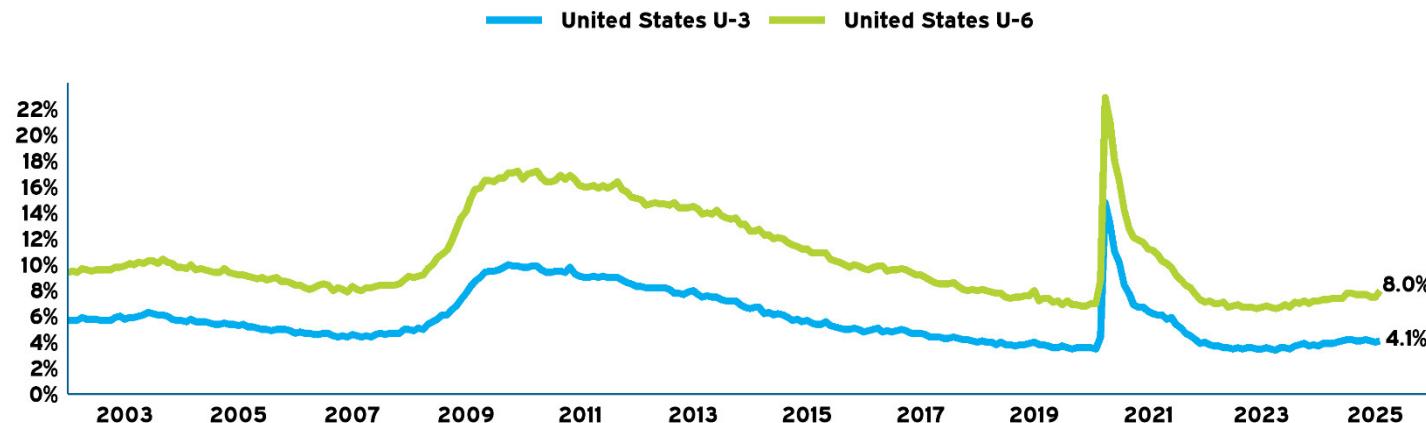
- In February, inflation came in slightly below expectations, month-over-month (0.2% versus 0.3%) and fell compared to the January level of 0.5%; headline inflation rose 2.8% over the past twelve months, also a decline from the prior reading and below expectations of 2.9%.
- Shelter continued to drive both headline and core inflation in February, with the shelter index rising 0.3% month-over-month and accounting for nearly half of the headline inflation for the month.
- Core inflation rose 0.2% month-over-month in February and increased 3.1% year-on-year (both below expectations and below the January readings). Owners' equivalent rent rose 4.2% over the last 12 months, while vehicle insurance (11.1%), medical care (2.9%), and education (3.7%) also contributed to core inflation.
- Inflation expectations (breakevens) fell slightly over the month as concerns related to the potential inflationary impacts of the new US administration's policies shifted to concerns over economic growth.

<sup>1</sup> Source: FRED. Data is as of February 2025. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.



- After four monthly increases, inflation in the eurozone declined slightly (2.5% to 2.4%) in February, but levels remain below the US. The increase from the lows was driven by last year's significant fall in energy prices no longer being included in the calculation.
- The latest reading of inflation in Japan rose from 3.6% to 4.0% due in part to an increase in food prices and the end of energy subsidies driving electricity and gas prices higher.
- In China, despite record policy stimulus consumer prices fell in February by 0.7% (exceeding the expectations of a 0.5% decline). Despite years of policy stimulus to counter the real estate crisis, the Chinese consumer has remained weak; contributing to the first negative inflation print since January 2024.

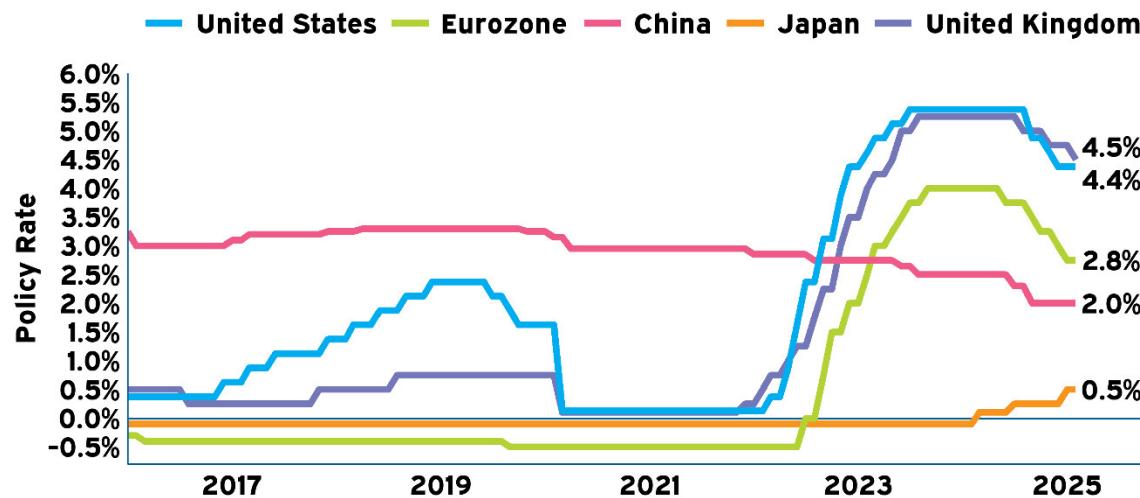
<sup>1</sup> Source: Bloomberg. Data is as February 2025, except Japan which is as of January 2025.

US Unemployment<sup>1</sup>

- The US economy added 151,000 jobs in February below expectations for 160,000 new jobs with the unemployment rate rising slightly from 4.0% to 4.1%, with 7.1 million jobseekers looking for work (little changed from the prior reading).
- A broader measure of total unemployed (U-6) that includes those marginally attached to the labor force and employed part-time for economic reasons, rose slightly to 8.0%, the highest level since late 2021.
- Health care, financial activities, transport/warehouse, and social assistance sectors added jobs in February while the Federal government lost 10,000 jobs in the month.
- The last reading of job openings came in at around 7.7 million, a level well below the pandemic highs (>12 million); the number of openings exceeds the number of unemployed workers looking for work (7.1 million).
- Separations (5.3 million) and hires (5.4 million) remained steady and average hourly wages continued to grow at approximately 4.0% a year.

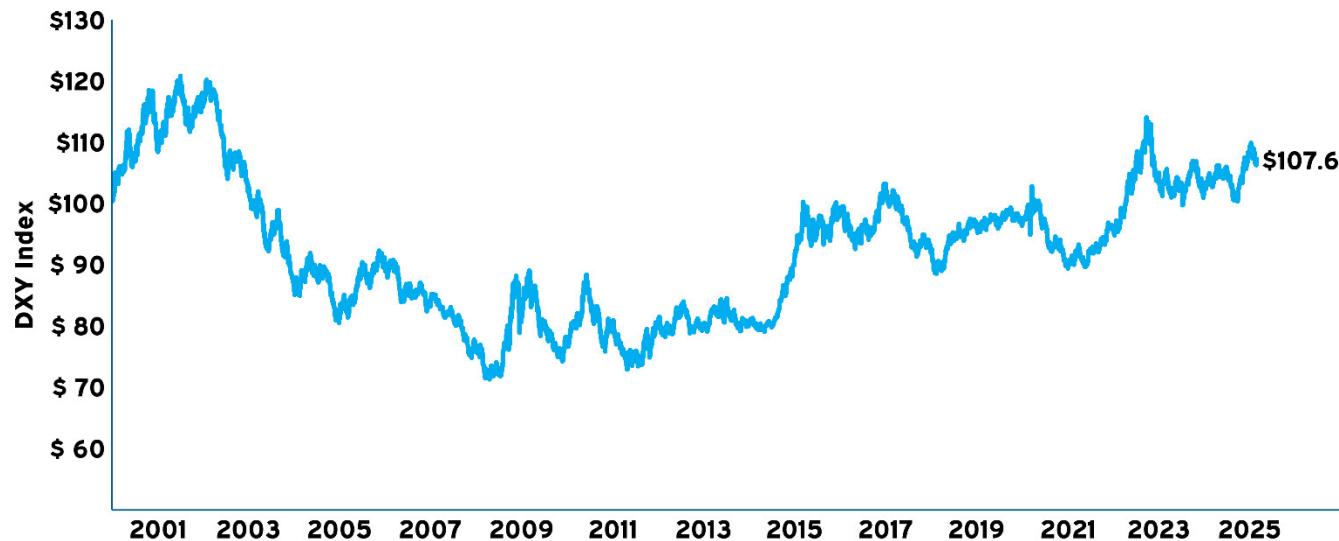
<sup>1</sup> Source: FRED and BLS. Data is as of February 28, 2025.

### Policy Rates<sup>1</sup>



- The Fed kept US interest rates steady at their January meeting after reducing rates by 0.25% twice over the final quarter of 2024 to a range of 4.25% to 4.50%. Given growing concerns about growth, markets recently increased expectations for the amount of rate cuts in 2025 to between two and three.
- In February, the Bank of England cut interest rates for the third time by 0.25% to 4.5%, and after month-end the European Central Bank cut rates by another 0.25% to 2.5%. The People's Bank of China also continues to maintain measures to try to stimulate the economy with increasing debt issuance and defending the yuan.
- In contrast to many other central banks, the Bank of Japan increased interest rates in January to 0.5%, in the face of persistent inflation. Rate cutting by other major central banks are complicating prospects for further policy rate hikes in Japan.

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

US Dollar vs. Broad Currencies<sup>1</sup>

- After largely strengthening through 2024 the US dollar recently started to weaken.
- Concerns over slower growth in the US and corresponding lower yields have recently weighed on the value of the dollar.

<sup>1</sup> Source: Bloomberg. Data as of February 28, 2025.

## Summary

### **Key Trends:**

- According to the International Monetary Fund's (IMF) January report, global growth in 2025 is expected to be slightly higher than 2024 (3.3% versus 3.2%). Growth forecast in the US (+2.7%) and China (+4.6%) are lower for this year compared to last, while growth in the EU (+1.0%) is projected to be slightly higher in 2025.
- Questions remain about what policies will be implemented by the new administration in the US, with particularly concerns about tariffs' potential impact on growth. Although deregulation and tax cuts could support growth, these policies, along with higher tariffs and restrictive immigration, could fan inflation. This will likely lead to additional uncertainty regarding the timing and pace of interest rate cuts in the coming year.
- Signs of pressure have started to emerge on the US consumer with sentiment weakening. Overall risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to a weaker job market.
- US equities have recently come under pressure. A focus going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will continue to be important.
- We have started to see divergence in monetary policies. The Fed is likely to cut interest rates at a much slower pace than previously expected in 2025. On the other hand, additional rate cuts are expected from the European Central Bank and the Bank of England, while the Bank of Japan has increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a suite of fiscal and financial policy stimulus measures. Advances in AI technologies have also contributed to optimism. Despite the policy support consumer spending remains weak and issues remain in the real estate sector. It is not clear what the long-term economic impact of these policies will be, and if policy makers will remain committed to these efforts.

## **Executive Summary**

## Executive Summary

- In February, developed foreign markets continued to outperform US markets, largely due to ongoing uncertainty surrounding tariffs. Fixed income assets delivered positive returns as short-term inflation concerns continued to rise.
- The below table reflects the latest valuation data through February 2025.

NERS	February 28, 2025	January 31, 2025	December 31, 2024
Total Fund Balance	\$1.38 Billion	\$1.38 Billion	\$1.35 Billion
Funded Status	89%	89%	87%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	5.9%	5.7%	2.8%
12 Months Trailing Rate of Return	10.0%	12.1%	8.8%
Monthly Rate of Return	0.2%	2.8%	-2.7%
Monthly Gains/Losses	\$2.8 million	\$37.8 million	-\$37.9 million
Monthly Net Cash Flow	-\$8.2 million	-\$8.0 million	-\$7.9 million

- The Actuarial Determined Contribution rates for Fiscal Year 2025 are:
  - NERS: \$34.4 million
  - VRS: 7.84%
- As of February 28, the System was inside of its target asset allocation ranges for all asset classes.

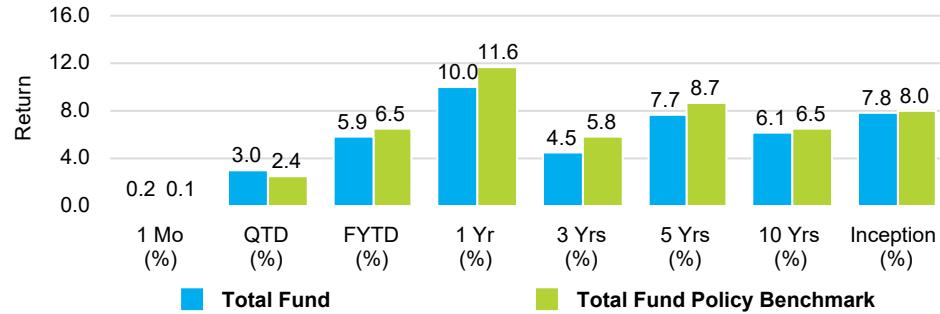
## Performance Summary

Performance Update | As of February 28, 2025

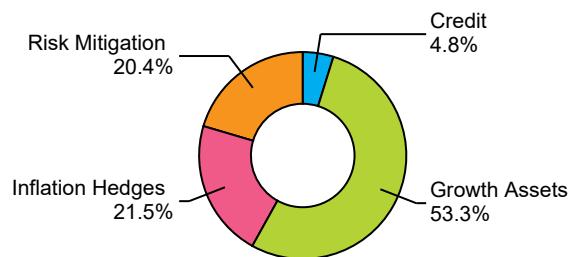
## Portfolio Objective

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

### Return Summary

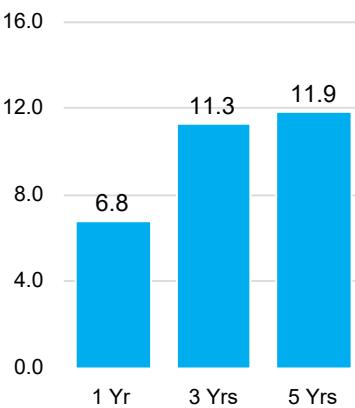


### Current Allocation

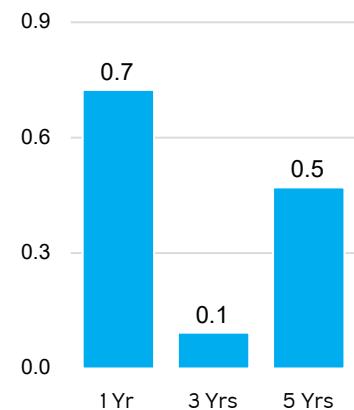


	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Total Fund	0.2	3.0	5.9	10.0	4.5	7.7	6.1	7.8	10/01/1990
Total Fund Policy Benchmark	0.1	2.4	6.5	11.6	5.8	8.7	6.5	8.0	

### Annualized Standard Deviation



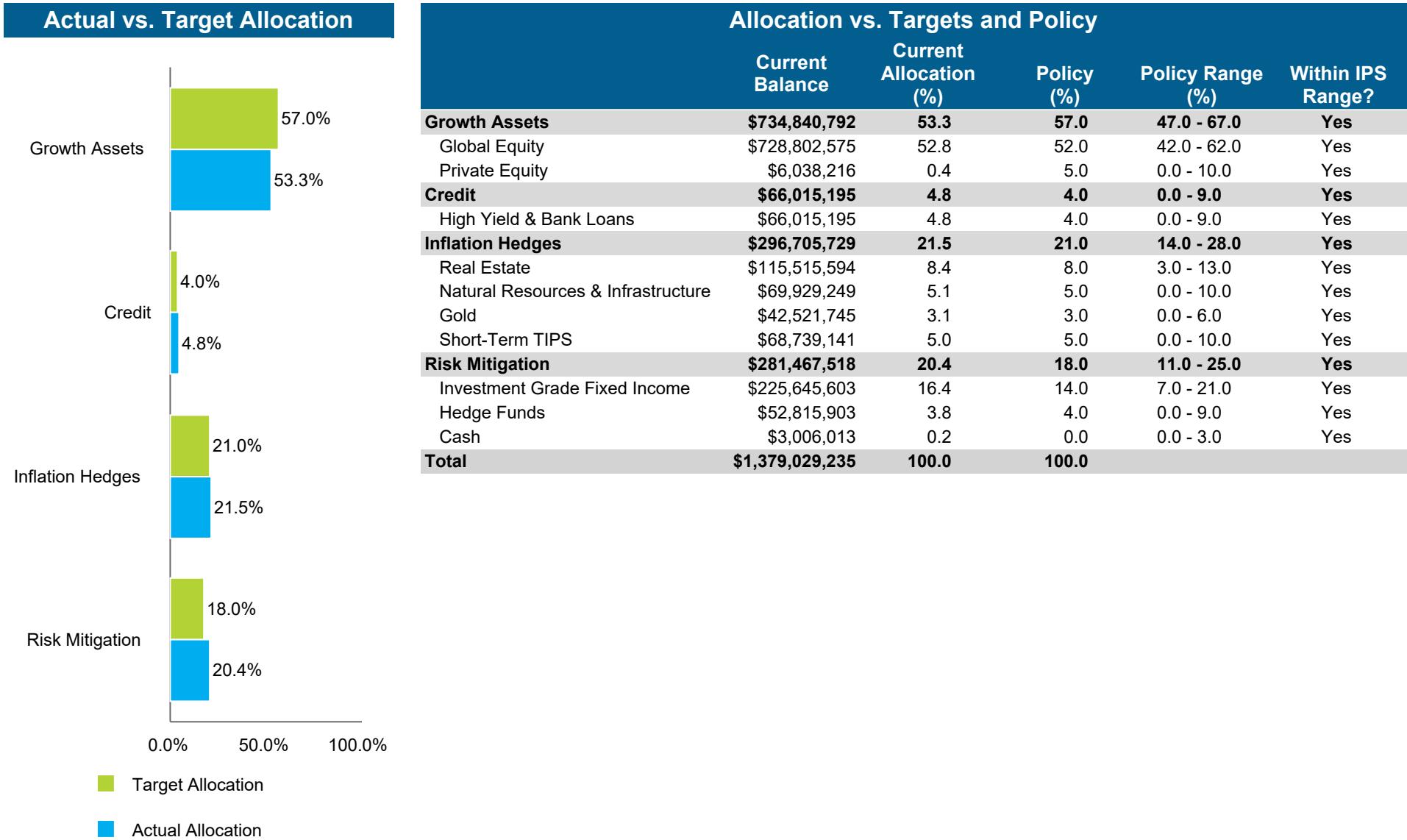
### Sharpe Ratio



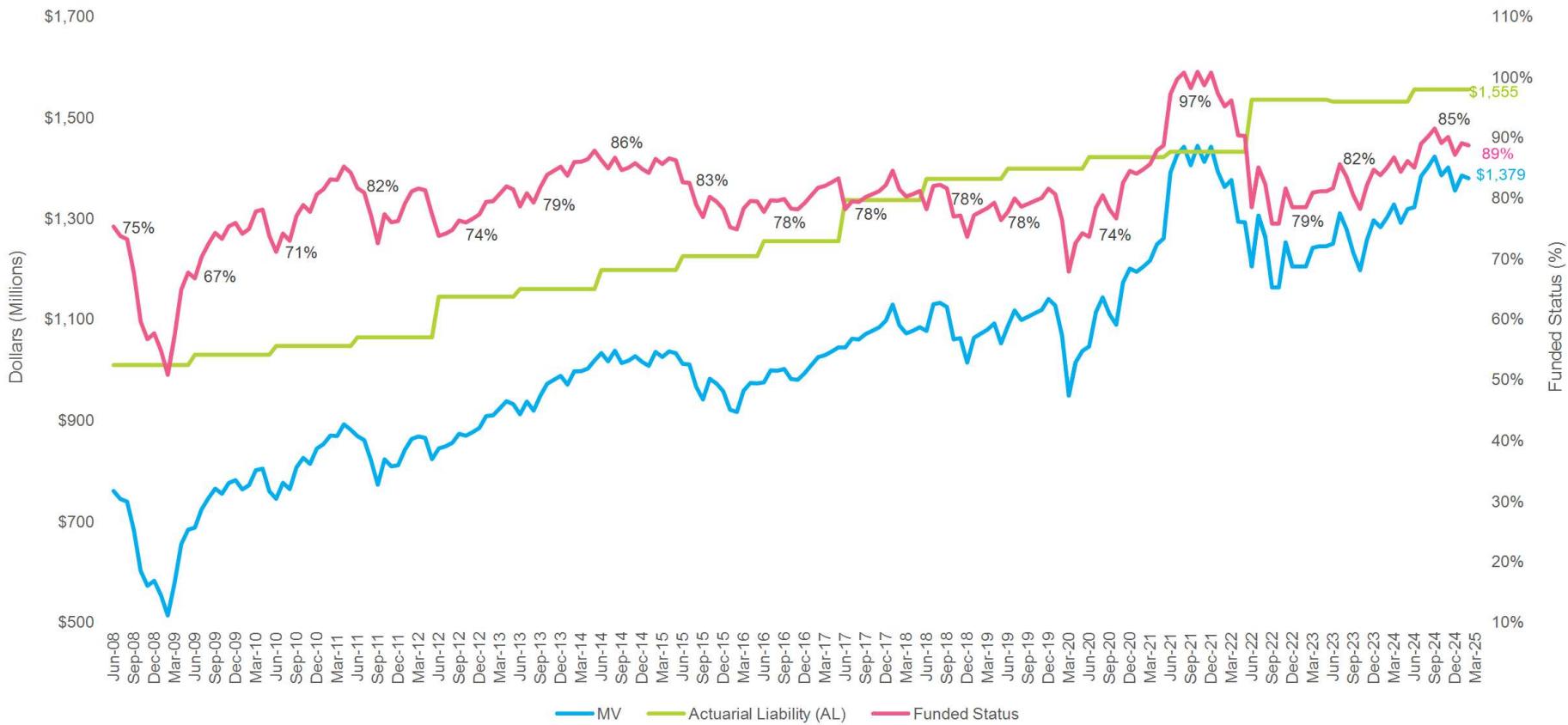
### Summary of Cash Flows

	Last Month	Year-To-Date	One Year
<b>Total Fund</b>			
Beginning Market Value	1,384,413,229	1,354,589,475	1,301,928,826
Net Cash Flow	-8,204,220	-16,208,760	-54,242,617
Net Investment Change	2,820,226	40,648,520	131,252,391
Ending Market Value	1,379,029,235	1,379,029,235	1,379,029,235

## Performance Update | As of February 28, 2025



## Assets, Liabilities and Funded Status Over Time



As of June 30, 2024, Total Plan Actuarial Liability (AL) is \$1.555 billion and the Actuarial Value of assets (AVA) is \$1.324 billion for an Actuarial Funded Ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 89% in January, 2025 and 89% in February, 2025.

## Performance Update | As of February 28, 2025

Asset Class Performance Summary												
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Fund</b>	<b>1,379,029,235</b>	<b>100.0</b>	<b>0.2</b>	<b>3.0</b>	<b>5.9</b>	<b>10.0</b>	<b>4.5</b>	<b>7.7</b>	<b>6.1</b>	<b>7.8</b>	Oct-90	
Total Fund Policy Benchmark			0.1	2.4	6.5	11.6	5.8	8.7	6.5	8.0		
Total Fund Actual Allocation Benchmark			-0.1	2.5	6.2	10.9	--	--	--	--		
Total Fund Public Benchmark			-0.1	2.5	7.2	11.9	6.2	8.2	6.6	8.1		
<b>Growth Assets</b>	<b>734,840,792</b>	<b>53.3</b>	<b>-1.0</b>	<b>2.8</b>	<b>6.5</b>	<b>11.9</b>	--	--	--	<b>14.5</b>	Dec-22	
Growth Assets Custom Benchmark			-0.4	2.3	8.5	15.5	--	--	--	16.6		
<b>Global Equity</b>	<b>728,802,575</b>	<b>52.8</b>	<b>-1.0</b>	<b>2.8</b>	<b>6.6</b>	<b>11.9</b>	<b>7.6</b>	<b>12.0</b>	<b>8.9</b>	<b>9.2</b>	Oct-90	
Global Equity Policy Benchmark			-0.9	2.4	8.0	14.1	8.5	12.4	8.9	9.6		
<b>Private Equity</b>	<b>6,038,216</b>	<b>0.4</b>										
MSCI ACWI + 3% 1Q Lag			4.0	1.9	13.4	29.8	--	--	--	21.8		
<b>Credit</b>	<b>66,015,195</b>	<b>4.8</b>	<b>0.9</b>	<b>2.7</b>	<b>6.3</b>	<b>8.6</b>	--	--	--	<b>10.0</b>	May-23	
Credit Custom Benchmark			0.4	1.5	6.5	9.1	--	--	--	10.3		
<b>High Yield &amp; Bank Loans</b>	<b>66,015,195</b>	<b>4.8</b>	<b>0.9</b>	<b>2.7</b>	<b>6.3</b>	<b>8.6</b>	--	--	--	<b>10.0</b>	May-23	
High Yield & Bank Loans Custom Benchmark			0.4	1.5	6.5	9.1	--	--	--	10.3		
<b>Inflation Hedges</b>	<b>296,705,729</b>	<b>21.5</b>	<b>1.0</b>	<b>3.6</b>	<b>6.2</b>	<b>10.9</b>	--	--	--	<b>0.1</b>	Dec-22	
Inflation Hedges Custom Benchmark			0.4	3.4	3.9	8.0	--	--	--	0.1		
<b>Real Estate</b>	<b>115,515,594</b>	<b>8.4</b>	<b>1.1</b>	<b>1.5</b>	<b>6.1</b>	<b>4.9</b>	<b>-3.5</b>	<b>0.5</b>	<b>3.3</b>	<b>5.6</b>	Apr-11	
NCREIF ODCE (Net)			0.0	0.0	1.0	-2.3	-3.1	2.0	4.9	6.7		
<b>Natural Resources &amp; Infrastructure</b>	<b>69,929,249</b>	<b>5.1</b>	<b>-0.3</b>	<b>3.4</b>	<b>-0.7</b>	<b>6.9</b>	--	--	--	<b>1.1</b>	Apr-23	
S&P Global LargeMidcap Resources & Commodities NR USD			-0.5	4.4	-2.6	5.6	--	--	--	-0.8		
<b>Gold</b>	<b>42,521,745</b>	<b>3.1</b>	<b>2.9</b>	<b>13.0</b>	<b>22.5</b>	<b>43.4</b>	--	--	--	<b>16.3</b>	Apr-23	
60% Gold (Spot)/ 40% FTSE Gold Mines			1.6	12.7	21.8	46.2	--	--	--	18.1		
<b>Short-Term TIPS</b>	<b>68,739,141</b>	<b>5.0</b>	<b>1.1</b>	<b>2.1</b>	<b>4.5</b>	<b>6.6</b>	--	--	--	<b>5.0</b>	Mar-23	
Blmbg. U.S. TIPS 0-5 Year			1.1	2.1	4.5	6.6	--	--	--	5.5		

Total Fund Public Benchmark consists of 74% MSCI ACWI IMI / 26% Bloomberg US Aggregate. Historical varies. See benchmark history page for additional benchmark detail.

## Performance Update | As of February 28, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	<b>281,467,518</b>	<b>20.4</b>	<b>2.4</b>	<b>3.0</b>	<b>3.6</b>	<b>4.0</b>	--	--	--	<b>3.2</b>	Dec-22
<i>Risk Mitigation Custom Benchmark</i>			1.4	1.9	3.3	4.4	--	--	--	3.4	
<b>Investment Grade Fixed Income</b>	<b>225,645,603</b>	<b>16.4</b>	<b>2.8</b>	<b>3.3</b>	<b>4.9</b>	<b>5.6</b>	<b>-0.7</b>	<b>-0.5</b>	<b>1.6</b>	<b>5.1</b>	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	5.1	
<b>Intermediate-Term Bonds</b>	<b>175,329,497</b>	<b>12.7</b>	<b>2.2</b>	<b>2.7</b>	<b>5.1</b>	<b>6.3</b>	<b>0.0</b>	<b>-0.1</b>	<b>1.8</b>	<b>5.2</b>	Oct-90
<i>Blmbg. U.S. Aggregate Index</i>			2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	5.1	
<b>Long-Term Bonds</b>	<b>50,316,106</b>	<b>3.6</b>	<b>5.2</b>	<b>5.7</b>	<b>4.0</b>	<b>3.4</b>	--	--	--	<b>0.2</b>	Mar-23
<i>Blmbg. U.S. Treasury: Long</i>			5.2	5.6	4.1	3.4	--	--	--	0.3	
<b>Hedge Funds</b>	<b>52,815,903</b>	<b>3.8</b>	<b>0.7</b>	<b>1.6</b>	<b>-1.4</b>	<b>-1.3</b>	--	--	--	<b>0.5</b>	Apr-23
<i>Hedge Fund Custom Benchmark</i>			-1.5	-1.1	-2.1	-0.7	--	--	--	2.2	
<b>Cash</b>	<b>3,006,013</b>	<b>0.2</b>									

## Performance Update | As of February 28, 2025

	Trailing Net Performance											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Fund</b>	<b>1,379,029,235</b>	<b>100.0</b>	<b>0.2</b>	<b>3.0</b>	<b>5.9</b>	<b>10.0</b>	<b>4.5</b>	<b>7.7</b>	<b>6.1</b>	<b>7.8</b>	<b>Oct-90</b>	
Total Fund Policy Benchmark			0.1	2.4	6.5	11.6	5.8	8.7	6.5	8.0		
Total Fund Actual Allocation Benchmark			-0.1	2.5	6.2	10.9	--	--	--	--		
Total Fund Public Benchmark			-0.1	2.5	7.2	11.9	6.2	8.2	6.6	8.1		
<b>Growth Assets</b>	<b>734,840,792</b>	<b>53.3</b>	<b>-1.0</b>	<b>2.8</b>	<b>6.5</b>	<b>11.9</b>	--	--	--	<b>14.5</b>	<b>Dec-22</b>	
Growth Assets Custom Benchmark			-0.4	2.3	8.5	15.5	--	--	--	16.6		
<b>Global Equity</b>	<b>728,802,575</b>	<b>52.8</b>	<b>-1.0</b>	<b>2.8</b>	<b>6.6</b>	<b>11.9</b>	<b>7.6</b>	<b>12.0</b>	<b>8.9</b>	<b>9.2</b>	<b>Oct-90</b>	
Global Equity Policy Benchmark			-0.9	2.4	8.0	14.1	8.5	12.4	8.9	9.6		
SSgA Russell 1000 Growth Index	22,801,893	1.7	-3.6	-1.7	8.6	19.7	--	--	--	32.1	Mar-23	
<i>Russell 1000 Growth Index</i>			-3.6	-1.7	8.6	19.7	--	--	--	32.2		
SSgA Russell 1000 Value Index	41,559,387	3.0	0.4	5.0	12.6	15.7	--	--	--	14.9	Mar-23	
<i>Russell 1000 Value Index</i>			0.4	5.1	12.7	15.8	--	--	--	14.9		
DF Dent Small Cap Growth Fund	13,363,306	1.0	-4.6	-2.4	7.8	--	--	--	--	6.9	Jun-24	
<i>Russell 2000 Growth Index</i>			-6.8	-3.8	6.0	--	--	--	--	5.9		
DFA U.S. Small Cap Value Portfolio	4,916,333	0.4	-5.3	-2.5	--	--	--	--	--	-0.9	Nov-24	
<i>Russell 2000 Value Index</i>			-3.8	-1.9	--	--	--	--	--	-1.4		
SSgA Russell 3000 Index	199,664,731	14.5	-1.9	1.2	10.3	17.5	--	--	--	22.9	Mar-23	
<i>Russell 3000 Index</i>			-1.9	1.2	10.3	17.5	--	--	--	22.9		
SSgA MSCI EAFE	70,640,728	5.1	1.9	7.3	5.7	8.9	--	--	--	11.8	Mar-23	
<i>MSCI EAFE</i>			1.9	7.3	5.8	8.8	--	--	--	11.6		
SSgA Emerging Markets Index	17,987,766	1.3	0.6	2.4	2.1	9.5	--	--	--	9.0	Mar-23	
<i>MSCI Emerging Markets</i>			0.5	2.3	2.3	10.1	--	--	--	9.4		
ABS China Direct	9,437,784	0.7	8.1	7.8	16.8	25.5	--	--	--	0.5	Mar-23	
<i>MSCI China</i>			11.8	12.8	28.6	39.0	--	--	--	9.3		
ABS EM ex China Direct	20,679,892	1.5	-3.7	-3.0	-8.9	-2.4	--	--	--	9.6	Mar-23	
<i>MSCI EM ex China</i>			-3.8	-1.8	-6.2	0.8	--	--	--	9.8		

## Performance Update | As of February 28, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Kopernik Global All-Cap	37,912,485	2.7	0.7	5.8	4.3	5.4	--	--	--	8.1	Apr-23
<i>MSCI AC World Index</i>			-0.6	2.7	8.4	15.1	--	--	--	18.1	
First Eagle Global Equity	117,978,595	8.6	0.8	5.2	9.1	14.1	--	--	--	13.0	Apr-23
<i>MSCI AC World Index</i>			-0.6	2.7	8.4	15.1	--	--	--	18.1	
Artisan Global Opportunities	88,580,828	6.4	-3.5	1.4	4.1	9.4	--	--	--	16.1	Apr-23
<i>MSCI AC World Index</i>			-0.6	2.7	8.4	15.1	--	--	--	18.1	
J. Stern & Co. World Stars Global Equity Fund	83,278,848	6.0	-1.6	2.5	2.9	8.1	--	--	--	15.4	Feb-24
<i>MSCI AC World IMI Index</i>			-0.9	2.4	8.0	14.1	--	--	--	17.3	
<b>Private Equity</b>	<b>6,038,216</b>	<b>0.4</b>									
<i>MSCI ACWI + 3% 1Q Lag</i>				4.0	1.9	13.4	29.8	--	--	--	21.8
NexPhase Capital Fund V, L.P.	252,183	0.0									
Vitruvian Investment Partnership V	347,802	0.0									
Lexington Capital Partners X, L.P.	4,626,232	0.3									
Flagship Pioneering Fund VIII, L.P.	282,446	0.0									
Gauge Capital IV, L.P.	153,599	0.0									
KPS Special Situations Fund VI, L.P.	375,954	0.0									
<b>Credit</b>	<b>66,015,195</b>	<b>4.8</b>	<b>0.9</b>	<b>2.7</b>	<b>6.3</b>	<b>8.6</b>	--	--	--	<b>10.0</b>	<b>May-23</b>
<i>Credit Custom Benchmark</i>			0.4	1.5	6.5	9.1	--	--	--	10.3	
<b>High Yield &amp; Bank Loans</b>	<b>66,015,195</b>	<b>4.8</b>	<b>0.9</b>	<b>2.7</b>	<b>6.3</b>	<b>8.6</b>	--	--	--	<b>10.0</b>	<b>May-23</b>
<i>High Yield &amp; Bank Loans Custom Benchmark</i>			0.4	1.5	6.5	9.1	--	--	--	10.3	
Sculptor Credit Opportunities Overseas Fund	26,836,850	1.9	1.6	3.8	3.0	5.2	--	--	--	6.5	May-23
<i>Blmbg. Global High Yield Index</i>			0.8	2.2	8.1	10.9	--	--	--	11.7	
Brigade High Income Fund	39,178,345	2.8	0.5	1.8	9.0	11.4	--	--	--	12.7	May-23
<i>60% Barclays U.S. Corporate High Yield &amp; 40% S&amp;P UBS Lev Loans</i>			0.5	1.6	6.7	9.3	--	--	--	10.3	

Private Equity asset market values are based on September 30, 2024 fair market values and adjusted for subsequent cash flows.

## Performance Update | As of February 28, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Inflation Hedges</b>	<b>296,705,729</b>	<b>21.5</b>	<b>1.0</b>	<b>3.6</b>	<b>6.2</b>	<b>10.9</b>	--	--	--	0.1	Dec-22
<i>Inflation Hedges Custom Benchmark</i>			0.4	3.4	3.9	8.0	--	--	--	0.1	
<b>Real Estate</b>	<b>115,515,594</b>	<b>8.4</b>	<b>1.1</b>	<b>1.5</b>	<b>6.1</b>	<b>4.9</b>	<b>-3.5</b>	<b>0.5</b>	<b>3.3</b>	<b>5.6</b>	<b>Apr-11</b>
<i>NCREIF ODCE</i>			0.0	0.0	1.0	-2.3	-3.1	2.0	4.9	6.7	
JP Morgan Asset Management Strategic Property Fund	44,774,625	3.2	0.3	0.5	2.6	0.6	-6.1	0.6	3.9	6.3	Apr-11
<i>NCREIF ODCE</i>			0.0	0.0	1.0	-2.3	-3.1	2.0	4.9	6.7	
UBS Trumbull Property Fund	19,779,760	1.4	0.0	0.0	0.6	-2.4	-4.8	-1.1	2.0	3.6	Dec-11
<i>NCREIF ODCE</i>			0.0	0.0	1.0	-2.3	-3.1	2.0	4.9	6.5	
Morgan Stanley Prime Property Fund	20,000,001	1.5	0.0	0.0	--	--	--	--	--	0.0	Jan-25
<i>NCREIF ODCE</i>			0.0	0.0	--	--	--	--	--	0.0	
SSgA US REIT	30,961,207	2.2	3.8	5.1	14.1	16.1	--	--	--	10.7	Mar-23
<i>Dow Jones U.S. Select REI</i>			3.9	5.1	14.2	16.1	--	--	--	10.8	
<b>Natural Resources &amp; Infrastructure</b>	<b>69,929,249</b>	<b>5.1</b>	<b>-0.3</b>	<b>3.4</b>	<b>-0.7</b>	<b>6.9</b>	--	--	--	<b>1.1</b>	<b>Apr-23</b>
<i>S&amp;P Global LargeMid Commodity &amp; Resources</i>			-0.5	4.4	-2.6	5.6	--	--	--	-0.8	
SSgA S&P Global LargeMidCap Natural Resources Index	52,800,116	3.8	-0.4	4.5	-2.5	5.6	--	--	--	-0.7	Apr-23
<i>S&amp;P Global LargeMid Commodity &amp; Resources</i>			-0.5	4.4	-2.6	5.6	--	--	--	-0.8	
JP Morgan Infrastructure Investments Fund	17,129,133	1.2	0.0	0.0	5.2	10.6	--	--	--	9.8	Oct-23
<i>Dow Jones Brookfield Global Infrastructure</i>			3.1	3.2	14.2	17.1	--	--	--	18.5	
<b>Gold</b>	<b>42,521,745</b>	<b>3.1</b>	<b>2.9</b>	<b>13.0</b>	<b>22.5</b>	<b>43.4</b>	--	--	--	<b>16.3</b>	<b>Apr-23</b>
<i>60% Gold (Spot)/ 40% FTSE Gold Mines</i>			1.6	12.7	21.8	46.2	--	--	--	18.1	
First Eagle Institutional Gold Fund, LP	42,521,745	3.1	2.9	13.0	22.5	43.4	--	--	--	16.3	Apr-23
<i>60% Gold (Spot)/ 40% FTSE Gold Mines</i>			1.6	12.7	21.8	46.2	--	--	--	18.1	
<b>Short-Term TIPS</b>	<b>68,739,141</b>	<b>5.0</b>	<b>1.1</b>	<b>2.1</b>	<b>4.5</b>	<b>6.6</b>	--	--	--	<b>5.0</b>	<b>Mar-23</b>
<i>Bloomberg U.S. TIPS 0-5 Year</i>			1.1	2.1	4.5	6.6	--	--	--	5.5	
Vanguard Short-Term TIPS Index	68,739,141	5.0	1.1	2.1	4.5	6.6	--	--	--	4.8	Apr-23
<i>Bloomberg U.S. TIPS 0-5 Year</i>			1.1	2.1	4.5	6.6	--	--	--	4.8	

## Performance Update | As of February 28, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	<b>281,467,518</b>	<b>20.4</b>	<b>2.4</b>	<b>3.0</b>	<b>3.6</b>	<b>4.0</b>	--	--	--	<b>3.2</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			1.4	1.9	3.3	4.4	--	--	--	3.4	
<b>Investment Grade Fixed Income</b>	<b>225,645,603</b>	<b>16.4</b>	<b>2.8</b>	<b>3.3</b>	<b>4.9</b>	<b>5.6</b>	<b>-0.7</b>	<b>-0.5</b>	<b>1.6</b>	<b>5.1</b>	<b>Oct-90</b>
Blmbg. U.S. Aggregate Index			2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	5.1	
<b>Intermediate-Term Bonds</b>	<b>175,329,497</b>	<b>12.7</b>	<b>2.2</b>	<b>2.7</b>	<b>5.1</b>	<b>6.3</b>	<b>0.0</b>	<b>-0.1</b>	<b>1.8</b>	<b>5.2</b>	<b>Oct-90</b>
Blmbg. U.S. Aggregate Index			2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	5.1	
SSgA US Aggregate Bond	44,536,024	3.2	2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	2.7	Jan-09
Blmbg. U.S. Aggregate Index			2.2	2.7	4.8	5.8	-0.4	-0.5	1.5	2.7	
Wellington Core Bond	98,548,583	7.1	2.3	2.8	5.1	6.5	--	--	--	4.3	May-23
Blmbg. U.S. Aggregate Index			2.2	2.7	4.8	5.8	--	--	--	3.2	
Brandywine U.S. Fixed Income	32,244,890	2.3	1.7	2.1	5.6	6.0	--	--	--	3.0	Jun-23
Blmbg. U.S. Aggregate Index			2.2	2.7	4.8	5.8	--	--	--	4.0	
<b>Long-Term Bonds</b>	<b>50,316,106</b>	<b>3.6</b>	<b>5.2</b>	<b>5.7</b>	<b>4.0</b>	<b>3.4</b>	--	--	--	<b>0.2</b>	<b>Mar-23</b>
Blmbg. U.S. Treasury: Long			5.2	5.6	4.1	3.4	--	--	--	0.3	
SSgA Long US Treasury Index	50,316,106	3.6	5.2	5.7	4.0	3.4	--	--	--	0.2	Mar-23
Blmbg. U.S. Treasury: Long			5.2	5.6	4.1	3.4	--	--	--	0.3	
<b>Hedge Funds</b>	<b>52,815,903</b>	<b>3.8</b>	<b>0.7</b>	<b>1.6</b>	<b>-1.4</b>	<b>-1.3</b>	--	--	--	<b>0.5</b>	<b>Apr-23</b>
Hedge Fund Custom Benchmark			-1.5	-1.1	-2.1	-0.7	--	--	--	2.2	
36 South Kohinoor Series (Cayman) Fund	13,486,279	1.0	1.4	0.9	0.0	2.2	--	--	--	1.1	Apr-23
With Intelligence / EurekaHedge Long Volatility Blended Benchmark			-0.2	-0.2	2.5	3.4	--	--	--	-2.1	
BH-DG Systematic Trading Master Fund	15,533,253	1.1	-1.6	-0.1	-11.0	-12.2	--	--	--	-3.7	Apr-23
SG Trend Index			-3.2	-3.0	-8.5	-7.7	--	--	--	1.5	
Lombard Odier Bear Convexity	5,915,357	0.4	3.0	2.1	2.7	2.3	--	--	--	-0.2	Apr-23
With Intelligence / EurekaHedge Long Volatility Blended Benchmark			-0.2	-0.2	2.5	3.4	--	--	--	-2.1	
Alpstone Global Macro Fund	17,881,014	1.3	1.5	3.6	5.7	4.9	--	--	--	3.8	May-23
HFRI Macro (Total) Index			-1.2	-0.1	-0.1	2.3	--	--	--	3.6	
<b>Cash</b>	<b>3,006,013</b>	<b>0.2</b>									
Cash	3,006,013	0.2									

**Performance Update | As of February 28, 2025**
**Annual Investment Expense Analysis  
As of February 28, 2025**

	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee (%)
<b>Total Fund</b>		<b>\$1,379,029,235</b>	<b>\$4,737,579</b>	<b>0.34</b>
<b>Growth Assets</b>		<b>\$734,840,792</b>	<b>\$2,266,927</b>	<b>0.31</b>
<b>Global Equity</b>		<b>\$728,802,575</b>	<b>\$2,241,855</b>	<b>0.31</b>
SSgA Russell 1000 Growth Index	0.02 % of Assets	\$22,801,893	\$4,560	0.02
SSgA Russell 1000 Value Index	0.02 % of Assets	\$41,559,387	\$8,312	0.02
DF Dent Small Cap Growth Fund	0.95 % of Assets	\$13,363,306	\$126,951	0.95
DFA U.S. Small Cap Value Portfolio	0.31 % of Assets	\$4,916,333	\$15,241	0.31
SSgA Russell 3000 Index	0.02 % of Assets	\$199,664,731	\$39,933	0.02
SSgA MSCI EAFE	0.04 % of Assets	\$70,640,728	\$28,256	0.04
SSgA Emerging Markets Index	0.08 % of Assets	\$17,987,766	\$14,390	0.08
ABS China Direct	0.65 % of Assets	\$9,437,784	\$61,346	0.65
ABS EM ex China Direct	0.50 % of Assets	\$20,679,892	\$103,399	0.50
Kopernik Global All-Cap	0.75 % of Assets	\$37,912,485	\$284,344	0.75
First Eagle Global Equity	0.55 % of Assets	\$117,978,595	\$648,882	0.55
Artisan Global Opportunities	0.60 % of Assets	\$88,580,828	\$531,485	0.60
J. Stern & Co. World Stars Global Equity Fund	0.45 % of Assets	\$83,278,848	\$374,755	0.45
<b>Private Equity</b>		<b>\$6,038,216</b>	<b>\$25,072</b>	<b>0.42</b>
NexPhase Capital Fund V, L.P.	2.00 % of Assets	\$252,183	\$5,044	2.00
Vitruvian Investment Partnership V	1.90 % of Assets	\$347,802	\$6,608	1.90
Lexington Capital Partners X, L.P.	1.00% on committed capital.	\$4,626,232	-	-
Flagship Pioneering Fund VIII, L.P.	2.00 % of Assets	\$282,446	\$5,649	2.00
Gauge Capital IV, L.P.	2.00 % of Assets	\$153,599	\$3,072	2.00
KPS Special Situations Fund VI, L.P.	1.25 % of Assets	\$375,954	\$4,699	1.25

## Performance Update | As of February 28, 2025

	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee (%)
<b>Credit</b>		\$66,015,195	\$472,096	0.72
<b>High Yield &amp; Bank Loans</b>		\$66,015,195	\$472,096	0.72
Sculptor Credit Opportunities Overseas Fund	Performance Based 1.00 % and 20.00 %	\$26,836,850	\$268,369	1.00
Brigade High Income Fund	0.52 % of Assets	\$39,178,345	\$203,727	0.52
<b>Inflation Hedges</b>		\$296,705,729	\$1,197,705	0.40
<b>Real Estate</b>		\$115,515,594	\$770,209	0.67
JP Morgan Asset Management Strategic Property Fund	0.91 % of Assets	\$44,774,625	\$407,449	0.91
UBS Trumbull Property Fund	0.96 % of First \$10 M 0.83 % of Next \$15 M 0.81 % of Next \$25 M 0.79 % of Next \$50 M 0.67 % of Next \$150 M 0.60 % of Next \$150 M 0.56 % of Next \$200 M 0.52 % Thereafter	\$19,779,760	\$176,183	0.89
Morgan Stanley Prime Property Fund	0.84 % of Assets	\$20,000,001	\$168,000	0.84
SSgA US REIT	0.06 % of Assets	\$30,961,207	\$18,577	0.06
<b>Natural Resources &amp; Infrastructure</b>		\$69,929,249	\$215,527	0.31
SSgA S&P Global LargeMidCap Natural Resources Index	0.10 % of Assets	\$52,800,116	\$52,800	0.10
JP Morgan Infrastructure Investments Fund	0.95 % of Assets	\$17,129,133	\$162,727	0.95
<b>Gold</b>		\$42,521,745	\$191,348	0.45
First Eagle Institutional Gold Fund, LP	0.45 % of Assets	\$42,521,745	\$191,348	0.45
<b>Short-Term TIPS</b>		\$68,739,141	\$20,622	0.03
Vanguard Short-Term TIPS Index	0.03 % of Assets	\$68,739,141	\$20,622	0.03
<b>Risk Mitigation</b>		\$281,467,518	\$800,851	0.28
<b>Investment Grade Fixed Income</b>		\$225,645,603	\$235,771	0.10
<b>Intermediate-Term Bonds</b>		\$175,329,497	\$220,676	0.13
SSgA US Aggregate Bond	0.02 % of Assets	\$44,536,024	\$8,907	0.02
Wellington Core Bond	0.12 % of Assets	\$98,548,583	\$118,258	0.12
Brandywine U.S. Fixed Income	0.29 % of Assets	\$32,244,890	\$93,510	0.29
<b>Long-Term Bonds</b>		\$50,316,106	\$15,095	0.03
SSgA Long US Treasury Index	0.03 % of Assets	\$50,316,106	\$15,095	0.03

## Performance Update | As of February 28, 2025

	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee (%)
<b>Hedge Funds</b>				
36 South Kohinoor Series (Cayman) Fund	Performance Based 1.00 % and 20.00 %	\$13,486,279	\$134,863	1.00
BH-DG Systematic Trading Master Fund	0.93 % of Assets	\$15,533,253	\$144,459	0.93
Lombard Odier Bear Convexity	Performance Based 0.75 % and 27.50 %	\$5,915,357	\$44,365	0.75
Alpstone Global Macro Fund	Performance Based 1.35 % and 20.00 %	\$17,881,014	\$241,394	1.35
<b>Cash</b>		<b>\$3,006,013</b>	-	-
Cash		\$3,006,013	-	-



## Employees' Retirement System of the City of Norfolk

Performance Update | As of February 28, 2025

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

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

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

**Performance Update | As of February 28, 2025**

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

## Appendix

## **Disclaimer, Glossary, and Notes**

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

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

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

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

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

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

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

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

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

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

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

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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