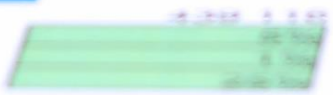




**MORTGAGES**  
 Profitability per 1 unit  
 Share of "collateral" assets  
 Response rate  
 Approval rate  
 Profitability per 1 originating office



# 2021 INVESTMENT UPDATE

BRIAN K. COLLETT, CFA, CAIA – CHIEF INVESTMENT OFFICER  
 MEGAN LOEHNER, CFA, CAIA – DEPUTY CHIEF INVESTMENT OFFICER



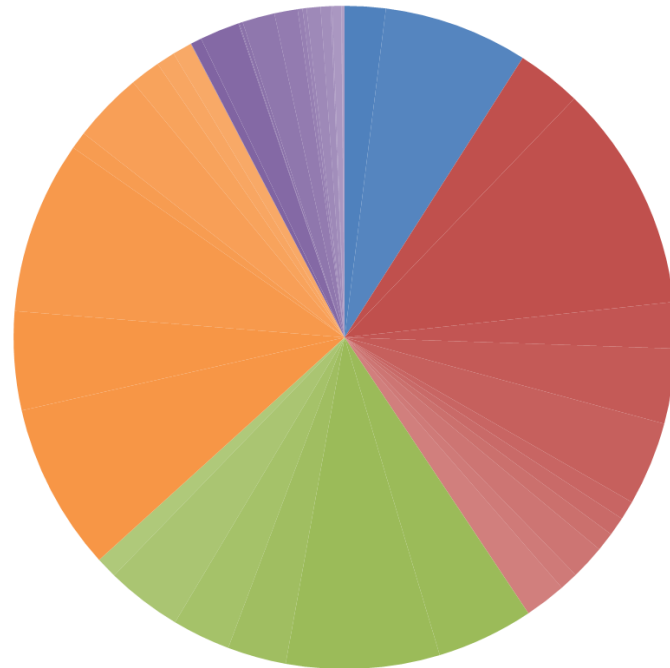
# INVESTMENT CURRENT ASSET ALLOCATION

Asset Class	Portfolio Exposure	Policy Target	Variance	LAGERS Portfolio Exposure <sup>3</sup>
<b>Alpha<sup>3</sup></b>	<b>11.2%</b>	<b>15.0%</b>	<b>-3.8%</b>	
<b>Equity</b>	<b>39.1%</b>	<b>35.0%</b>	<b>4.1%</b>	
Public Equity	22.9%			
Private Equity	16.2%			
<b>Fixed Income</b>	<b>28.1%</b>	<b>31.0%</b>	<b>-2.9%</b>	
Public Fixed Income	20.9%			
Private Fixed Income	7.2%			
<b>Real Assets</b>	<b>36.0%</b>	<b>36.0%</b>	<b>0.0%</b>	
Public Real Assets	10.2%			
Private Real Assets	25.8%			
<b>Strategic</b>	<b>9.5%</b>	<b>8.0%</b>	<b>1.5%</b>	
Public Strategic	5.6%			
Private Strategic	3.9%			
<b>Net Leverage</b>	<b>-21.4%</b>	<b>-25.0%</b>	<b>-3.6%</b>	
Cash	11.3%			
Leverage	-32.7%			



# ASSET KALEIDOSCOPE

## Diversification as of June 30, 2021



- Alpha - Volatility Adjustment - 2.47%
- Equities - Global - 3.92%
- Equities - US Large Cap Core - 2.78%
- Equities - Emerging Markets - 5.06%
- Equities - US Small Cap Value - 1.13%
- Equities - US Large Cap Value - 2.07%
- Equities - Global Private - 2.51%
- Fixed Income - US Government Long Bonds - 9.28%
- Fixed Income - Global - 3.52%
- Fixed Income - Global Private Debt - 1.29%
- Real Assets/Return - Commodities - 5.95%
- Real Assets/Return - Timber - 1.05%
- Real Assets/Return - US Infrastructure - 1.83%
- Real Assets/Return - Global Real Estate - 1.18%
- Strategic Assets - Global Macro - 0.66%
- Strategic Assets - Senior Housing - 0.05%
- Strategic Assets - Energy - 1.96%
- Strategic Assets - Hotel and Lodging - 0.30%
- Strategic Assets - Financial - 0.84%
- Strategic Assets - Cowen - Healthcare Royalties - 0.09%
- Strategic Assets - SoundMark Equity - 0.03%

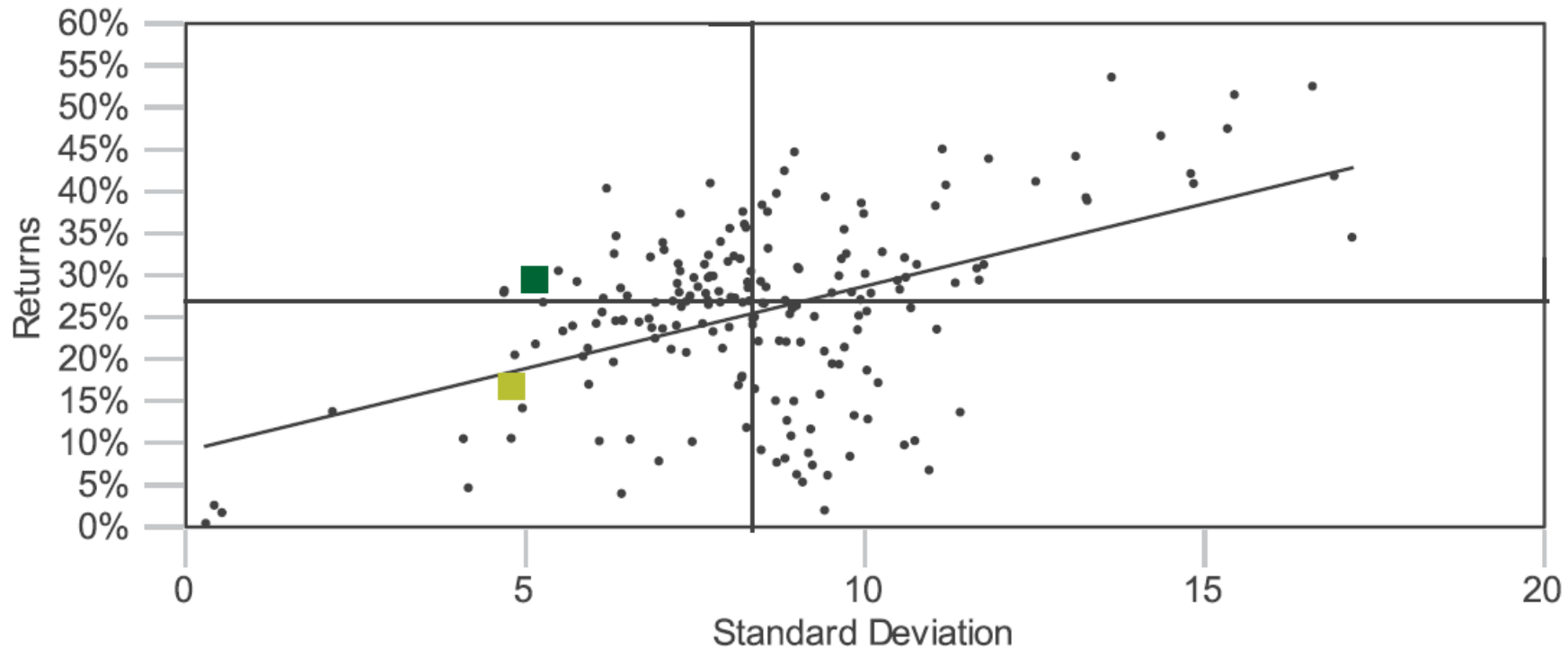
- Alpha - Market Neutral - 8.74%
- Equities - US Private - 13.74%
- Equities - International - 4.53%
- Equities - US Small Cap Growth - 1.15%
- Equities - US Mid Cap Value - 1.14%
- Equities - US Mid Cap Growth - 1.12%
- Fixed Income - US Private Debt - 5.86%
- Fixed Income - Emerging Market - 3.55%
- Fixed Income - US Bonds - 4.58%
- Real Assets/Return - US Real Estate - 10.12%
- Real Assets/Return - Global Infrastructure - 10.45%
- Real Assets/Return - Global Inflation Linked - 4.23%
- Real Assets/Return - Private Natural Resources - 1.13%
- Strategic Assets - Bank Loan - 0.02%
- Strategic Assets - Healthcare Royalty - 2.40%
- Strategic Assets - High Yield CLO - 0.21%
- Strategic Assets - US Small Cap Value - 1.41%
- Strategic Assets - Industrial - 0.24%
- Strategic Assets - Avenue Buyout, Special Situations, Strategic, Tax liens, & SMA - 0.60%
- Strategic Assets - Dock Square Cell Towers & Data Warehouse - 0.54%
- Strategic Assets - RCF Jolimont Mining - 0.17%



# ONE YEAR RETURNS VS. VOLATILITY – ALL FUNDS OVER \$1B

	Return	Volatility
MOLAGERS	29.48%	5.14
Benchmark	16.78%	4.80

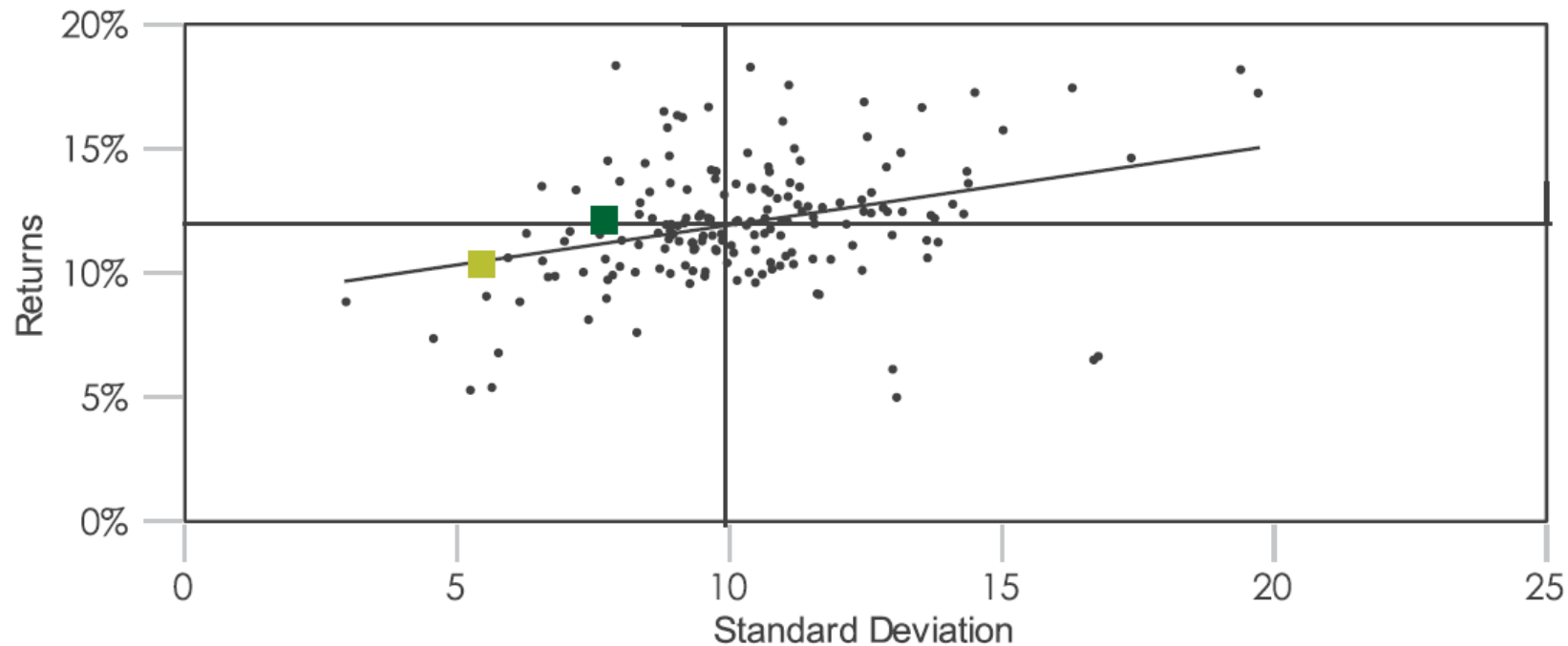
ONE YEAR - ALL FUNDS OVER \$1B



# THREE YEARS RETURNS VS. VOLATILITY – ALL FUNDS OVER \$1B

	Return	Volatility
MOLAGERS	12.13%	7.69
Benchmark	10.33%	5.44

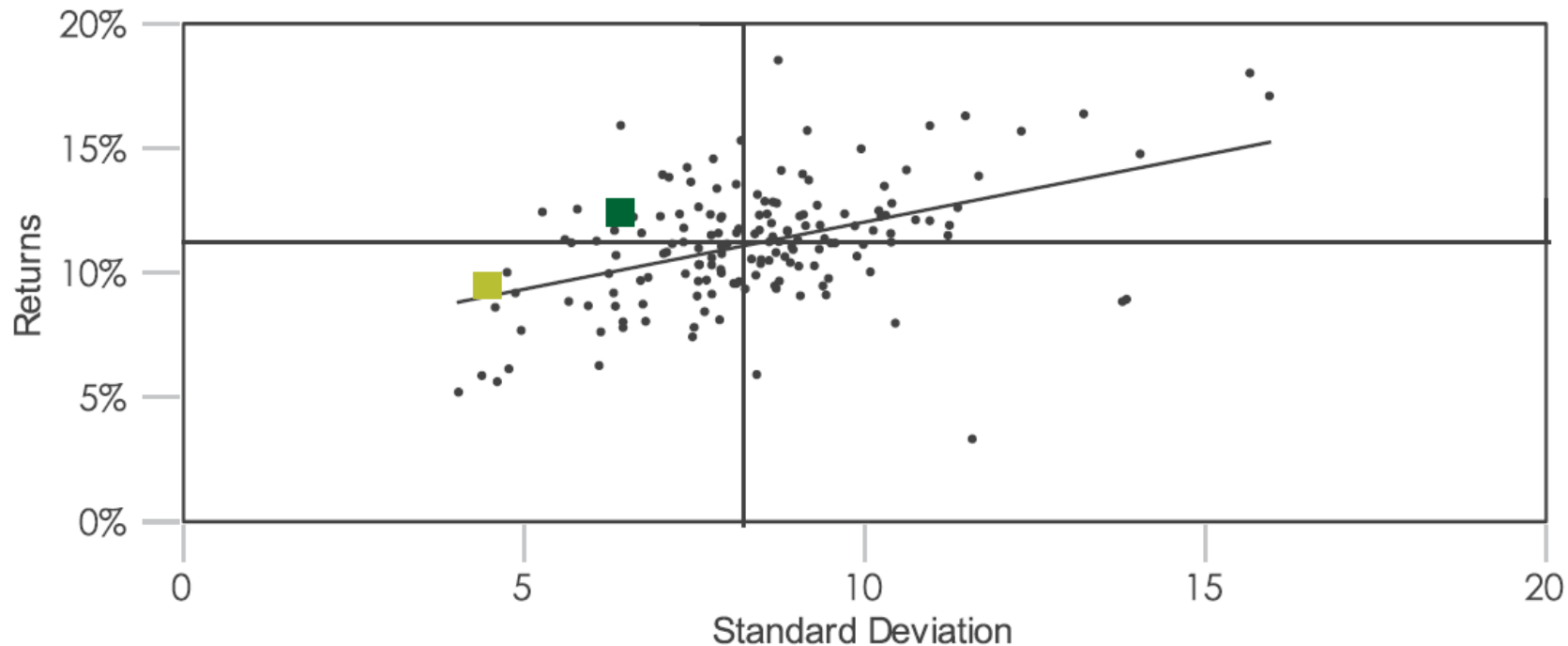
THREE YEARS - ALL FUNDS OVER \$1B



# FIVE YEARS RETURNS VS. VOLATILITY – ALL FUNDS OVER \$1B

	Return	Volatility
MOLAGERS	12.42%	6.41
Benchmark	9.48%	4.46

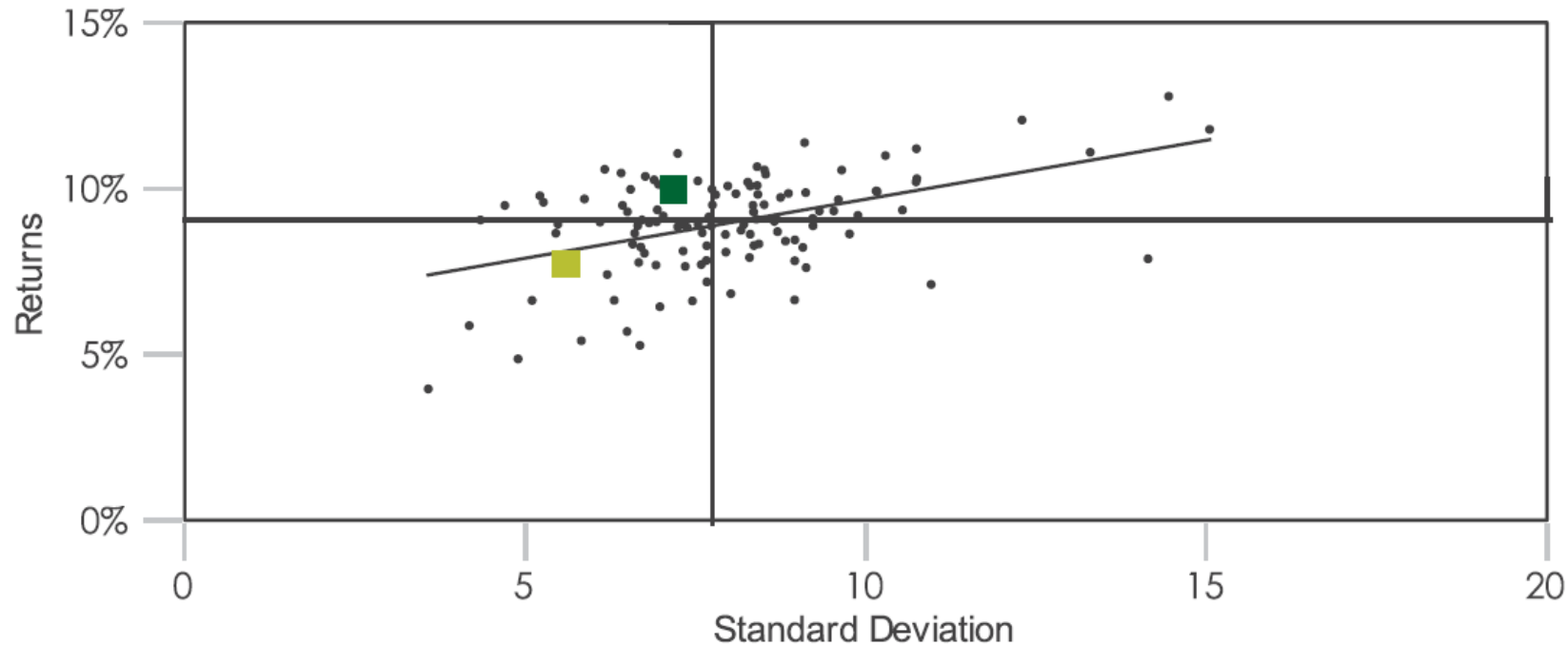
FIVE YEARS - ALL FUNDS OVER \$1B



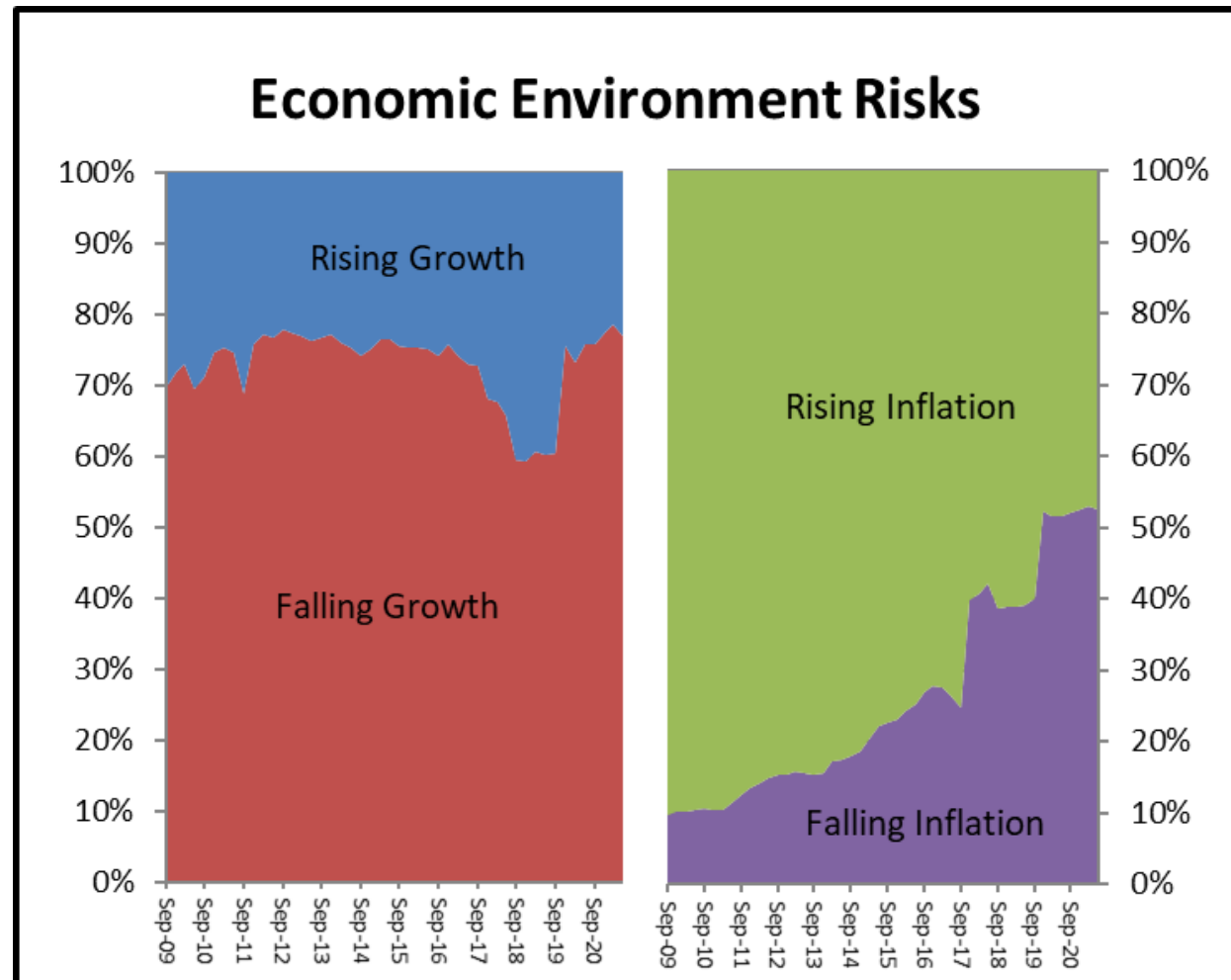
# TEN YEARS RETURNS VS. VOLATILITY – ALL FUNDS OVER \$1B

	Return	Volatility
MOLAGERS	9.97%	7.17
Benchmark	7.73%	5.59

TEN YEARS - ALL FUNDS OVER \$1B



# ECONOMIC ENVIRONMENT RISKS





# FACTS AND FIGURES

## AS OF JUNE 30, 2021

Total Portfolio:	1 Year	5 Years	10 Years	20 Years	30 Years	Since The Beginning of LAGERS
LAGERS	29.5%	12.4%	10.0%	8.1%	9.5%	8.7%
LAGERS Custom Index	16.8%	9.4%	7.7%	6.4%	7.7%	7.7%
Excess Return	12.7%	3.0%	2.3%	1.7%	1.8%	1.0%
Actuarial Assumed Rate	7.3%	7.3%	7.3%	7.4%	7.3%	6.9%
Excess Return	22.2%	5.1%	2.7%	0.7%	2.2%	1.8%

\*Investment results and other measures are calculated with the best effort of Brian K. Collett, CFA, CAIA, Chief Investment Office of MO Local Government Retirement System.

Retirement System.

\*Returns, net of fees



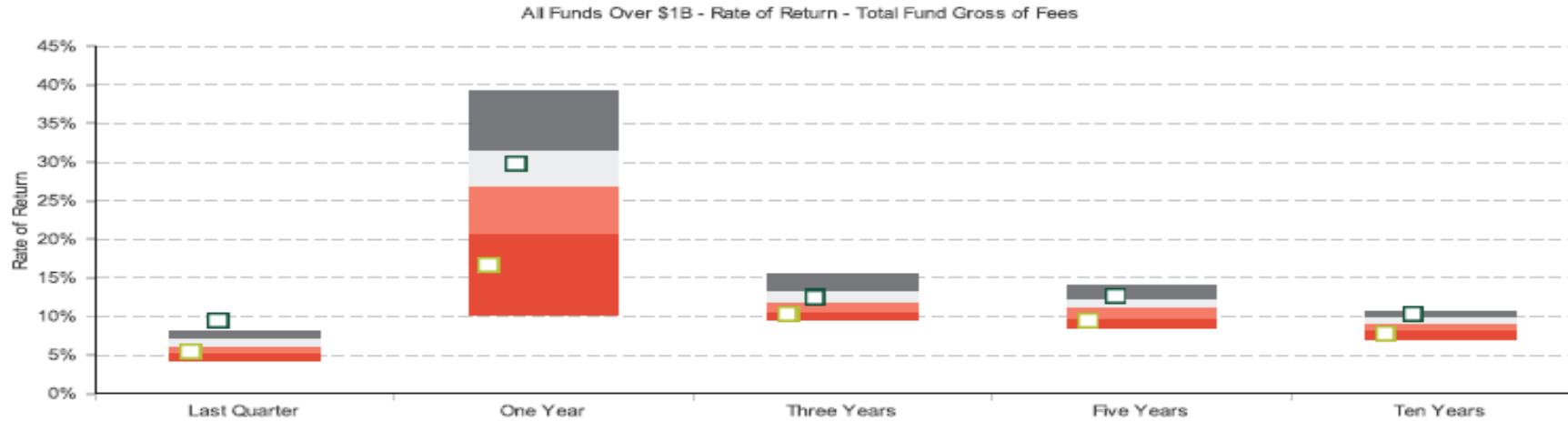
# FACTS AND FIGURES

## AS OF JUNE 30, 2021

NORTHERN TRUST

Missouri Local Government | June 30, 2021

### Peer Group Rankings



	Last Quarter	One Year	Three Years	Five Years	Ten Years
Missouri Local Government	9.40 (4)	29.85 (33)	12.43 (36)	12.78 (19)	10.40 (13)
Lagers Total Policy Benchmark	5.32 (76)	16.78 (81)	10.33 (79)	9.48 (80)	7.73 (85)
Number Of Observations	189	193	180	163	119
10th Percentile	8.19	39.31	15.50	13.96	10.55
1st Quartile	7.30	31.65	13.33	12.35	9.95
Median	6.24	26.89	11.95	11.23	9.05
3rd Quartile	5.37	20.82	10.55	9.74	8.28
90th Percentile	4.19	10.26	9.60	8.47	7.05

\*Rank is in parenthesis



# LAGERS 1 YEAR ATTRIBUTION RELATIVE TO ASSUMED RATE OF RETURN

## Total Fund Outperformed +12.7% for the Year adding over \$1.3 billion (~\$19,000 per member) to the system:

- **Alpha caused +3.6%**
  - Driven mainly by equity arbitrage early in the year followed by stock selection in Q1 and Q2 of 2021.
- **Equities caused +11.7%**
  - Driven by Public and Private mandates with the US Equity and Emerging Markets sectors leading the way in the Public mandates and US and Global Equity in the Privates.
- **Fixed Income caused -2.8%**
  - Driven by Public mandates mainly in Emerging Market Debt
- **Real Assets caused +6.8%**
  - Driven mainly by Private mandates with big write-ups in Private US Infrastructure and Natural Resources
- **Strategic caused +25.2%**
  - Driven by Public mandates with Energy, Small Cap, Hotel and Lodging being top performers.



# LAGERS PORTFOLIO VS. BENCHMARK

## NET OF FEES

