

INVESTMENT UPDATE

to

CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM

on

Thursday, November 18, 2021

by

Paul H. Lundmark, CFA
*Managing Director
Portfolio Manager*



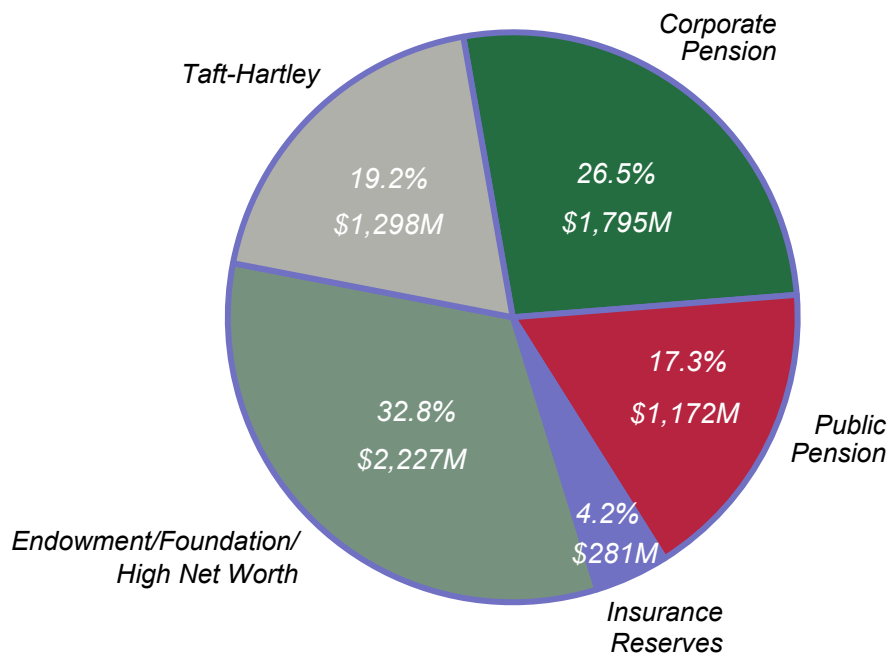
RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

ORGANIZATION

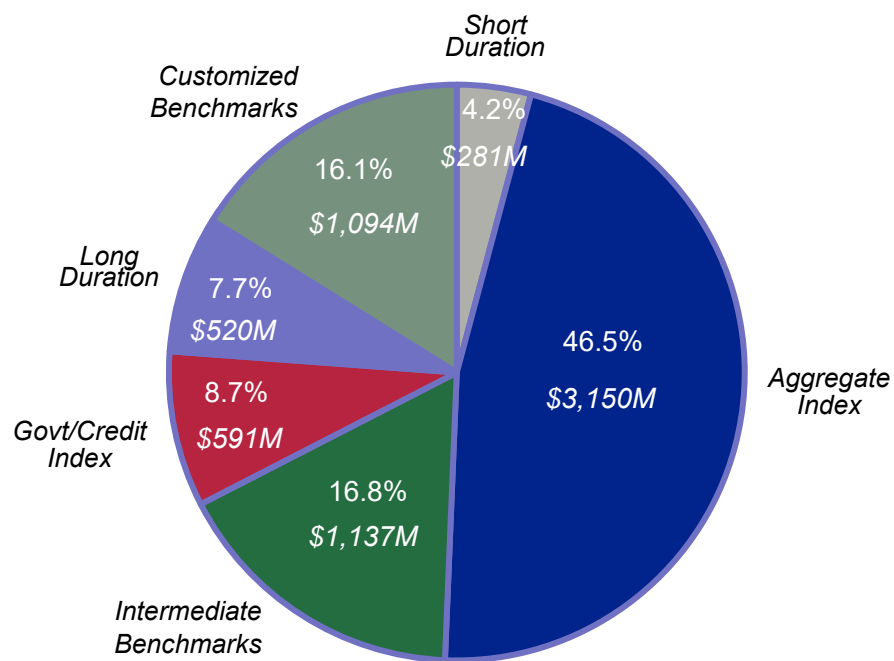
As of September 30, 2021

- » Independent Investment Advisor since 1987
- » 100% Employee Owned
- » Seasoned Investment Team of Bond Specialists
- » \$6.8 Billion Under Management

Assets by Client Type



Assets by Benchmark



PERSONNEL

Investment Team

Howard K. Bos, CFA*

President, Portfolio Manager
RCM since 1999

Prior Experience: Key Capital Partners
B.A. College of William & Mary, 1985
^Consumer Cyclical, ESG, ProLoan, Securitized

William H. Schultz, CFA*

Managing Director, Portfolio Manager
RCM since 1991

Prior Experience: Sovran Capital Management
M.S. University of Wisconsin, 1978
B.B.A. University of Wisconsin, 1975
^Aerospace & Defense, CEF/ETF, Food & Beverage, Machinery & Electronics

Beth L. Baron, CFA, CFP®*

Managing Director, Portfolio Manager
RCM since 2000

Prior Experience: Banc of America
Investment Svcs.
B.S. University of Virginia, 1983
^Consumer Products, ESG, Municipals, P&C Insurance, Transportation

R. Wheatley McDowell, CFA*

Managing Director, Portfolio Manager
RCM since 2001

Prior Experience: Lehman Brothers
M.B.A. University of Virginia, 1987
B.A. University of Virginia, 1982
^Communications, ProLoan, Technology, Utilities

Patton H. Roark, Jr., CFA*

Managing Director, Portfolio Manager
RCM since 2003

Prior Experience: AFL-CIO Housing
Invest. Trust
B.S. Shepherd University, 1989
^ProLoan, Securitized, ESG

Paul H. Lundmark, CFA*

Managing Director, Portfolio Manager
RCM since 2003

Prior Experience: USAA Inv. Management
M.B.A. University of Minnesota, 1987
B.S. University of Minnesota, 1983
^Banking, Finance (xREITS), Securitized, TIPS

David W. Schultz, CFA

Managing Director, Portfolio Manager
RCM since 2017

Prior Experience: VA Retirement System
M.S. Sloan School, Mass. Institute of
Technology, 2014
B.S. University of Virginia, 2011
^CEF/ETF, Energy, Life Insurance

John R. Sides, CFA

Managing Director, Portfolio Manager
RCM since 2019

Prior Experience: J.P. Morgan Inv. Mgmt.
B.A. University of Pennsylvania, 2011
^Basic and Other Industrials, Pharmaceuticals & Health Care, ProLoan

Nicholas T. Sejnost

Vice President, Senior Structured
Product Analyst
RCM, 2021

Prior Experience: Bank of America
B.S. University of Michigan, 2011
CFA Level III Candidate
^Securitized, ProLoan

Stephen M. Rosa, CFA

Vice President, Securitized Product Analyst
RCM, 2021

Prior Experience: E*Trade; PricewaterhouseCoopers
B.S. Brigham Young University, 2010
^Securitized, REITS, ProLoan

Key Personnel

Elizabeth M. Harris*

Managing Director, Client Services
RCM since 1984

B.S. VA Commonwealth University, 1984

Tammie Burks

Managing Director, Operations
RCM since 2014

B.S. Elon University, 1995

Geoffrey B. Sale*

Chief Compliance Officer
RCM since 2002

Prior Experience: Wachovia Securities
M.B.A. University of Richmond, 1996
B.S. Clemson University, 1988

O. Gregory Glatt III

Head of Business Development
RCM since 2018

Prior Experience: Thompson Davis, BB&T
B.A. Albright College, 1993
CFA Level II Candidate

*Shareholder

^Sector Responsibilities



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of September 30, 2021

Cash Flows Since Inception Through September 30, 2021	
Market Value (8/1/1989)	\$12,816,948
Change in Market Value of Holdings	4,982,405
Interest Earned	72,898,543
Contributions/ Withdrawals	31,758,163 (63,512,408)
Total	\$58,943,651

Portfolio Review Through September 30, 2021	
Average Maturity	7.77 Years
Portfolio Duration (Bloomberg Aggregate)	6.33 Years 6.71 Years
Average Yield to Maturity (Bloomberg Aggregate)	1.50% 1.57%
Average Quality	AA-

Statistics in this report are calculated by Bloomberg PORT Fixed Income Analytic models.



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of September 30, 2021

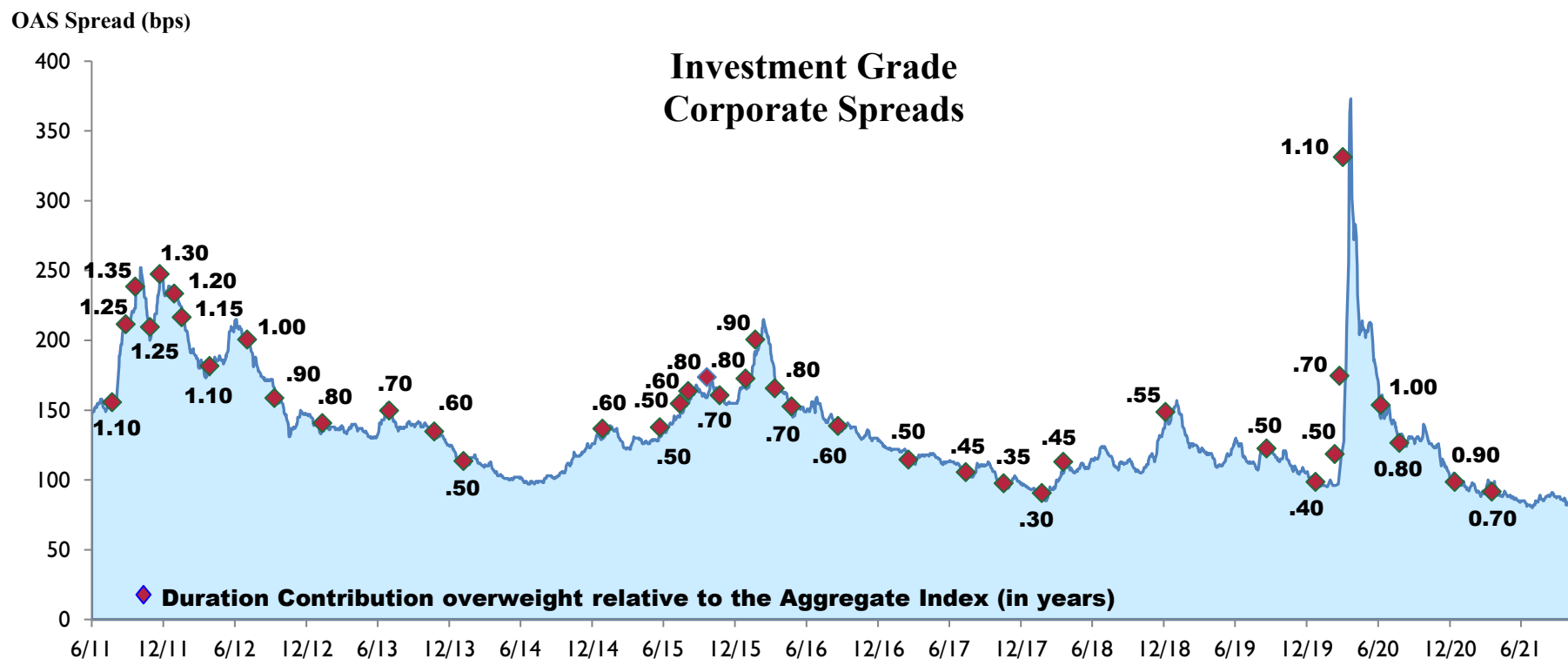
	City of Fort Pierce Retirement and Benefit System	Bloomberg Aggregate Index	Value Added
Year to Date, 2021	-1.12%	-1.55%	+0.43%
Fiscal Year to Date	-0.47%	-0.90%	+0.43%
Annualized: 3 Years	5.63%	5.36%	+0.27%
5 Years	3.29%	2.94%	+0.35%
10 Years	3.55%	3.08%	+0.47%
Annualized Since Inception (8/1/1989)	6.33%	5.81%	+0.52%

*Bloomberg G/C 8/1/89 to 5/31/13, Bloomberg Aggregate 6/1/13 forward
Fiscal Year End September 30th*



CORPORATE BOND ALLOCATION (DURATION CONTRIBUTION)

- We are disciplined and opportunistic in our approach to overweighting risk in the corporate sector.
- As credit spreads have tightened through 2020 and the first half of 2021, we have reduced our allocation to corporates. Our current credit target is 0.70 years overweight. We expect to maintain this target for the time being as technical conditions continue to favor credit.
- Recently, we have been adding to our bank credits in addition to swapping out of front-end corporates into intermediate corporates, to take advantage of a steeper yield and credit curve.

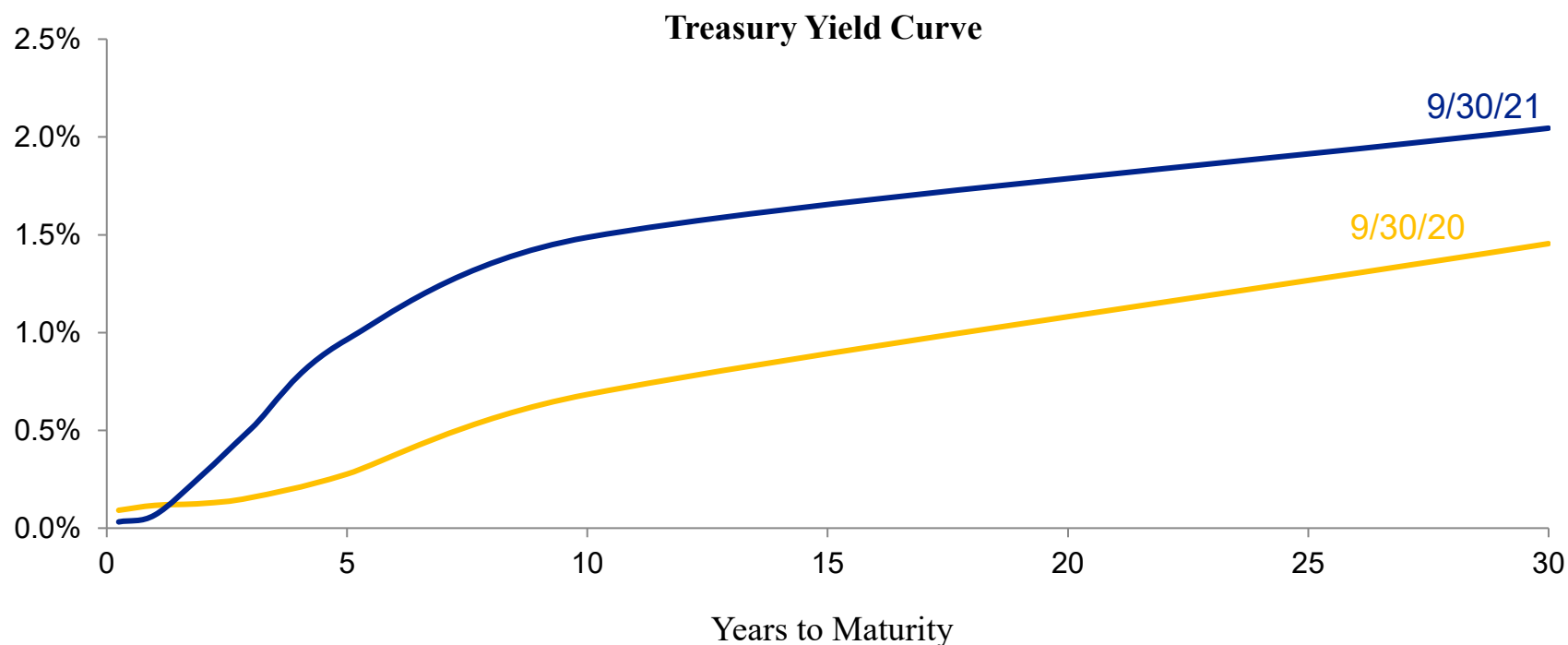


Source: Bloomberg



TREASURY YIELD CURVE

- Yields move higher, led by the long-end, as stronger economic data is priced into the curve.
- Portfolios are bulleted with an overweight of the 7-year segment of the yield curve relative to the index and an underweighting of short and long maturities.



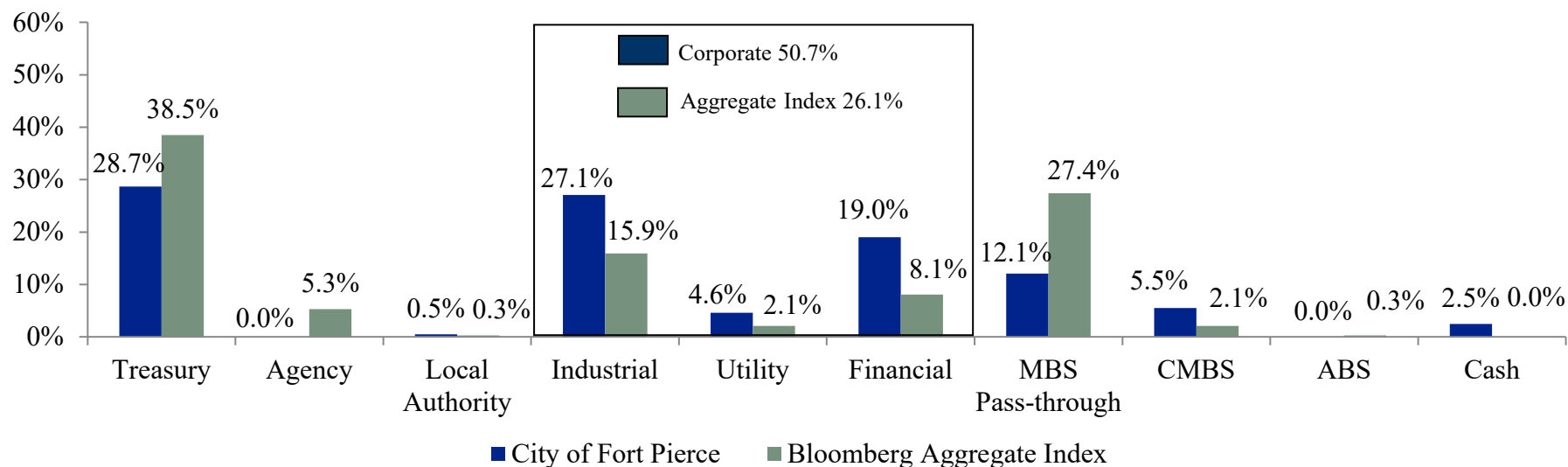
Source: Bloomberg



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

As of September 30, 2021

Quality Distribution		
	City of Fort Pierce	Bloomberg Aggregate Index
AAA	48.6%	71.3%
AA	5.0%	3.3%
A	29.5%	11.3%
BAA	16.9%	14.1%



Statistics in this report are calculated by Bloomberg PORT Fixed Income Analytic models.



RICHMOND CAPITAL STRATEGY SUMMARY FOR 2021

- » Richmond Capital has a modest insurance policy in place against higher inflation (and higher interest rates). We are 0.25 years short overall duration and shorter on the yield curve with our holdings.
- » Despite tighter credit spreads, our corporate bond overweight remains in place with a 0.70 years duration contribution target.
- » We believe the agency mortgage-backed sector is even more expensive than corporates. We are underweight MBS versus the index given the high levels of mortgage refinancings and prepayments.
- » With interest rates low, we are comfortable with conservative positioning (underweight duration, underweight longer maturities, underweight mortgage prepayment risk), while we seek out securities that offer quality and yield.

