

Pursuant to California Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



**Retirement Unit**  
**150 Frank H. Ogawa Plaza**  
**Oakland, California 94612**

# AGENDA

## RETIREMENT BOARD MEMBERS

**Walter L. Johnson, Sr.**  
President

**Jaime T. Godfrey**  
Vice President

**Martin J. Melia**  
Member

**Robert W. Nichelini**  
Member

**John C. Speakman**  
Member

**R. Steven Wilkinson**  
Member

**Erin Roseman**  
Member

## SPECIAL MEETING of the BOARD OF ADMINISTRATION of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

**WEDNESDAY, JANUARY 25, 2023**

**9:55 AM**

**TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR**

### **OBSERVE**

- To observe the meeting by video conference, please click on this link: <https://us02web.zoom.us/j/82880493983> at the noticed meeting time.
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):
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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JANUARY 25, 2023**

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If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov).

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## ORDER OF BUSINESS

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- A. Subject:** **Resolution No. 8073 – Resolution Determining that Conducting In-Person Meetings of the Police And Fire Retirement System (PFRS) Board and its Committees Would Present Imminent Risk to Health or Safety of Attendees and Electing to Continue to Conduct PFRS Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E) as Amended by California Assembly Bill No. 361 (September 16, 2021)**
- From:** Staff of the PFRS Board
- 
- Recommendation:** **APPROVE** Resolution No. 8073 – Resolution Determining that Conducting In-Person Meetings of the Police And Fire Retirement System (PFRS) Board and its Committees Would Present Imminent Risk to Health or Safety of Attendees and Electing to Continue to Conduct PFRS Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E) as Amended by California Assembly Bill No. 361 (September 16, 2021)
- B. OPEN FORUM**
- C. ADJOURNMENT**

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD  
CITY OF OAKLAND, CALIFORNIA  
RESOLUTION No. 8073

Approved to Form  
and Legality



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION DETERMINING THAT CONDUCTING IN-PERSON MEETINGS OF THE POLICE AND FIRE RETIREMENT SYSTEM (PFRS) BOARD AND ITS COMMITTEES WOULD PRESENT IMMINENT RISK TO HEALTH OR SAFETY OF ATTENDEES AND ELECTING TO CONTINUE TO CONDUCT PFRS BOARD AND COMMITTEE MEETINGS USING TELECONFERENCING IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 54953(E) AS AMENDED BY CALIFORNIA ASSEMBLY BILL NO. 361 (SEPTEMBER 16, 2021).**

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to California Government Code Section 8625, and said declaration has not been lifted or rescinded, see <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>; and

**WHEREAS**, on March 9, 2020, the City Administrator, as the Director of the Emergency Operations Center (EOC), issued a proclamation of local emergency due to the spread of COVID-19 in Oakland, and on March 12, 2020, the City Council passed Resolution No. 88075 C.M.S. ratifying the proclamation of local emergency pursuant to Oakland Municipal Code (O.M.C.) section 8.50.050(C); and

**WHEREAS**, City Council Resolution No. 88075 remains in full force and effect to date; and

**WHEREAS**, the Centers for Disease Control (CDC) recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated or who are at high risk of getting very sick from COVID-19, see <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

**WHEREAS**, the CDC recommends that people who live with unvaccinated people avoid activities that make physical distancing difficult, see <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/caring-for-children/families.html>; and

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8073

WHEREAS, the CDC recommends that older adults limit in-person interactions as much as possible, particularly when indoors, see <https://www.cdc.gov/aging/covid19/covid19-older-adults.html>; and

WHEREAS, the CDC, the California Department of Public Health, and the Alameda County Public Health Department all recommend that people experiencing COVID-19 symptoms stay home, see <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html>; and

WHEREAS, people without symptoms may be able to spread the COVID-19 virus, see <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>; and

WHEREAS, fully vaccinated people who become infected with the COVID-19 Delta variant can spread the virus to others, see <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html>; and

WHEREAS, as of December 20, 2021, the Omicron variant has been detected in most states and territories and is rapidly increasing the proportion of COVID-19 cases it is causing, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

WHEREAS, the CDC does not yet know how easily the Omicron variant spreads, the severity of illness it causes, or how well available vaccines and medications work against it, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

WHEREAS, the City's public-meeting facilities are indoor facilities that are not designed to provide circulation of fresh/outdoor air, particularly during periods of cold or rainy weather; and

WHEREAS, the City's public-meeting facilities are not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, most of the members of the Police and Fire Retirement System are at higher risk of becoming very sick from COVID-19 due their age; and

WHEREAS, holding in-person meetings will bring people from different households together in an indoor facility against CDC guidance; and

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8073

**WHEREAS**, some attendees may use public transportation to travel to an in-person meeting, which will expose them to additional people outside of their household and put them at further risk of contracting COVID-19; now, therefore, be it:

**RESOLVED:** that the Police and Fire Retirement System Board (“PFRS Board”) finds and determines that the foregoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

**FURTHER RESOLVED:** that, based on these findings, the PFRS Board determines that conducting in-person board and committee meetings would pose imminent risks to the health of attendees; and be it

**FURTHER RESOLVED:** that the PFRS Board firmly believes that the community’s health and safety and the community’s right to participate in local government are critically and equally important, and is committed to balancing the two by continuing to use teleconferencing to conduct public meetings, in accordance with California Government Code Section 54953(e); and be it

**FURTHER RESOLVED:** That the PFRS Board will reconsider the state of emergency and determine whether the state of emergency continues to directly impact the ability of members to meet safely in person at least every thirty (30) days in accordance with California Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted, or the PFRS Board finds that in-person meetings no longer pose imminent risks to the health of attendees, whichever is occurs first.

IN BOARD MEETING, VIA ZOOM WEBINAR \_\_\_\_\_ JANUARY 25, 2023 \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

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AUDIT COMMITTEE MEMBERS

**John C. Speakman**  
Chairperson

**R. Steven Wilkinson**  
Member

**Martin J. Melia**  
Member

*\*In the event a quorum of the Board participates in the Committee meeting, the meeting is noticed as a Special Meeting of the Board; however, no final Board action can be taken. In the event that the Audit Committee does not reach quorum, this meeting is noticed as an informational meeting between staff and the Chair of the Audit Committee.*

**REGULAR MEETING of the AUDIT & OPERATIONS COMMITTEE  
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)**

**WEDNESDAY, JANUARY 25, 2023**

**10:00 AM**

**TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR**

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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR AUDIT COMMITTEE MEETING  
JANUARY 25, 2023**

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## ORDER OF BUSINESS

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- 1. Subject: Oakland Police and Fire Retirement System (“PFRS”) Audit Committee Meeting Minutes**  
**From:** Staff of the PFRS Board  

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**Recommendation:** **APPROVE** the December 14, 2022 Audit Committee Meeting Minutes
- 2. Subject: Administrative Expenses Report**  
**From:** Staff of the PFRS Board  

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**Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of November 30, 2022
- 3. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS**
- 4. OPEN FORUM**
- 5. FUTURE SCHEDULING**
- 6. ADJOURNMENT**

**A SPECIAL MEETING OF THE AUDIT/OPERATIONS COMMITTEE** of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, December 15, 2022 via Zoom Webinar.

- |                      |                       |                                      |
|----------------------|-----------------------|--------------------------------------|
| Committee Members    | ▪ John C. Speakman    | Chairperson                          |
|                      | ▪ Martin J. Melia     | Member                               |
|                      | ▪ R. Steven Wilkinson | Member (Joined at 9:10 AM)           |
| Additional Attendees | ▪ David Jones         | PFRS Secretary & Plan Administrator  |
|                      | ▪ Téir Jenkins        | PFRS Investment & Operations Manager |
|                      | ▪ Maxine Visaya       | PFRS Staff Member                    |
|                      | ▪ Mitesh Bhakta       | PFRS Legal Counsel                   |
|                      | ▪ Annie Louie         | Macias, Gini, & O'Connell, LLP       |

The meeting was called to order at 9:02 a.m. Pacific

- 1. PFRS Audit Committee Meeting Minutes** – Chairperson Speakman made a motion to approve the October 26, 2022 Audit Committee Regular Meeting, second by Member Melia. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – ABSENT]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 1 / EXCUSED: 0)

- 2. Report of the Audit of PFRS Financial Statements for the Year Ended June 30, 2022** – Annie Louie from Macias, Gini, & O'Connell, LLP (MGO) presented an informational report regarding the Audit of PFRS Financial Statements for the Year Ended June 30, 2022. Annie Louie noted the format of the report is slightly different than prior versions due to changes in the standards; the opinion is now in the beginning and the new format highlights the responsibility of both management and auditor and holds an expanded discussion regarding their respective responsibilities. A. Louie reported it was a smooth audit, again conducted entirely remotely, and management was very cooperative. MGO has issued an unmodified opinion on the financial statements, which is the highest-level assurance that can be received. MGO did not identify any significant adjustments or deficiencies in internal controls related to financial reporting. Staff Member Jenkins advised the Committee that PFRS has been working with Annie for the past five years and we are required to switch to a new auditor. Investment & Operations Manager Jenkins and Plan Administrator Jones expressed thanks to MGO and Annie for several successful audits, especially the past two years which were done seamlessly via a remote process, and acknowledged the contribution of the Retirement Unit as they worked against competing deadlines and limited staffing and thanked them for their perseverance and hard work.

**MOTION:** Member Speakman made a motion to accept the informational report of the Audit of PFRS Financial Statements for the Year Ended June 30, 2022 and forward to the Board, second by Member Melia. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)



- 3. Administrative Expenses Report** – Investment & Operations Manager Jenkins presented an informational report on PFRS' administrative expenditures as of October 31, 2022. PFRS has an approved annual budget of approximately \$3.6 million and have expensed approximately \$467,000.00 to date for fiscal year 2022-2023. Membership consisted of 678 retired members, which included 417 Police Members and 261 Fire Members.

**MOTION:** Chairperson Speakman made a motion to accept the administrative expenses report as of October 31, 2022 and forward to the Board, second by Member Melia. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

- 4. Review of Pending Audit Committee Meeting Agenda Items** – Plan Administrator Jones reported on the four (4) pending items on the Audit and Committee Agenda. Item 1) Staff Review of the 2006 Management Audit: This work continues to move forward to determine costs and staff anticipates reporting findings in the first quarter of 2023. Item 2) Status Report of the Ad Hoc Committee regarding the Actuarial Funding Date of July 1, 2026: The next meeting is scheduled to occur January 26, 2023. Item 3) Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the 2026 Actuarial Funding Date: Legal Counsel Bhakta advised here are no updates at this time and will continue to monitor. 4) Review Options Regarding Frequency & Manner of Committee & Board Meetings: PFRS Legal Counsel Bhakta advised there are some changes made to the teleconferencing procedure that will take effect after February 28, 2023 and he will address the matter at the Full Board.

- 5. Open Forum** – No Report.

- 6. Future Scheduling** – The next regular Audit Committee meeting is tentatively scheduled to occur January 25, 2023.

- 7. Adjournment** – Chairperson Speakman made a motion to adjourn, second by Member Melia. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

The meeting adjourned at 9:18 a.m. Pacific

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JOHN C. SPEAKMAN  
COMMITTEE CHAIRPERSON

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DATE

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of November 30, 2022

	Approved Budget					
		November 2022	FYTD	Remaining	Percent Remaining	
<b>Internal Administrative Costs</b>						
PFRS Staff Salaries	\$ 1,330,000	\$ 90,542	\$ 470,008	\$ 859,992	64.7%	
Board Travel Expenditures	52,500	-	-	52,500	100.0%	
Staff Training	20,000	-	-	20,000	100.0%	
Staff Training - Tuition Reimbursement	7,500	-	-	7,500	100.0%	
Board Hospitality	3,600	-	-	3,600	100.0%	
Payroll Processing Fees	40,000	-	-	40,000	100.0%	
Miscellaneous Expenditures	45,000	588	21,775	23,225	51.6%	
Internal Service Fees (ISF)	88,000	-	44,073	43,927	49.9%	
Contract Services Contingency	50,000	-	1,500	48,500	97.0%	
<b>Internal Administrative Costs Subtotal :</b>	<b>\$ 1,636,600</b>	<b>\$ 91,130</b>	<b>\$ 537,356</b>	<b>\$ 1,099,244</b>	<b>67.2%</b>	
<b>Actuary and Accounting Services</b>						
Audit	\$ 50,500	\$ 33,883	\$ 33,883	\$ 16,617	32.9%	
Actuary	47,900	-	2,429	45,471	94.9%	
<b>Actuary and Accounting Subtotal:</b>	<b>\$ 98,400</b>	<b>\$ 33,883</b>	<b>\$ 36,312</b>	<b>\$ 62,088</b>	<b>63.1%</b>	
<b>Legal Services</b>						
City Attorney Salaries	\$ 194,000	\$ -	\$ 28	\$ 193,972	100.0%	
Legal Contingency	150,000	-	-	150,000	100.0%	
<b>Legal Services Subtotal:</b>	<b>\$ 344,000</b>	<b>\$ -</b>	<b>\$ 28</b>	<b>\$ 343,972</b>	<b>100.0%</b>	
<b>Investment Services</b>						
Money Manager Fees	\$ 1,353,000	\$ 63,116	\$ 100,669	\$ 1,252,331	92.6%	
Custodial Fee	124,000	-	-	124,000	100.0%	
Investment Consultant	100,000	-	25,000	75,000	75.0%	
<b>Investment Subtotal:</b>	<b>\$ 1,577,000</b>	<b>\$ 63,116</b>	<b>\$ 125,669</b>	<b>\$ 1,451,331</b>	<b>92.0%</b>	
<b>Total Operating Budget</b>	<b>\$ 3,656,000</b>	<b>\$ 188,130</b>	<b>\$ 699,365</b>	<b>\$ 2,956,635</b>	<b>80.87%</b>	

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of November 30, 2022

	November 2022
<b>Beginning Cash as of 10/31/2022</b>	\$ 7,459,883
<b>Additions:</b>	
City Pension Contribution - November	\$ 2,726,000
Investment Draw	\$ 2,000,000
Misc. Receipts	800
<b>Total Additions:</b>	\$ 4,726,800
<b>Deductions:</b>	
Pension Payment (October Pension Paid on 11/1/2022)	(4,267,960)
Expenditures Paid	(238,619)
<b>Total Deductions</b>	\$ (4,506,578)
 <b>Ending Cash Balance as of 11/30/2022*</b>	 \$ 7,680,104

\* On 12/1/2022, November pension payment of appx \$4,266,000 will be made leaving a cash balance of \$3,414,000.

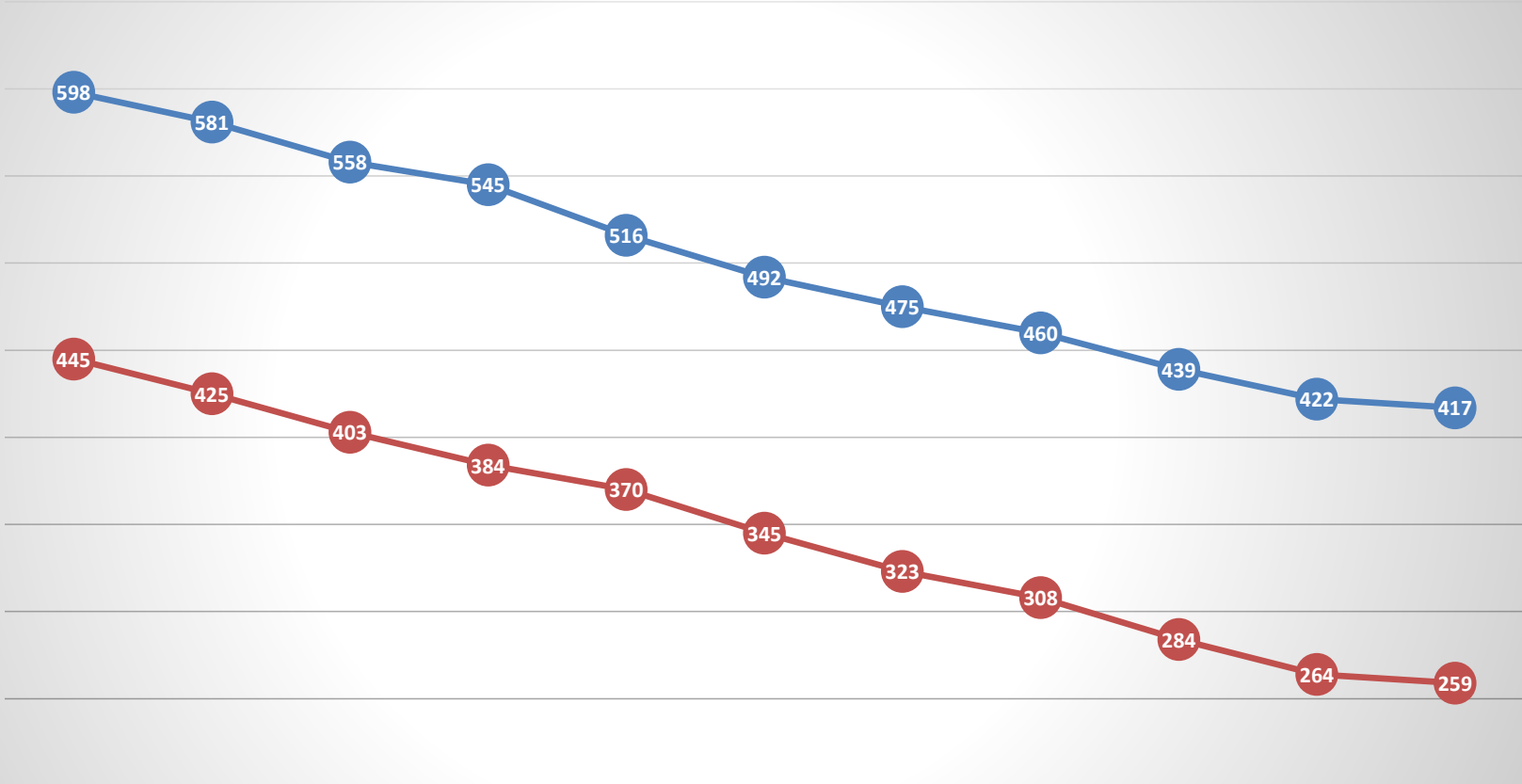
**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

Census  
As of November 30, 2022

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	290	166	456
Beneficiary	127	93	220
<b><i>Total Retired Members</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	280	131	411
Disability Retirement	127	117	244
Death Allowance	10	11	21
<b><i>Total Retired Members:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership as of November 30, 2022:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership as of June 30, 2022:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Annual Difference:</i></b>	<b>-5</b>	<b>-5</b>	<b>-10</b>

## Oakland Police and Fire Retirement System Pension Plan Membership Count As of November 30, 2022 (FY 2013 - FY 2023)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 FYTD
Police	598	581	558	545	516	492	475	460	439	422	417
Fire	445	425	403	384	370	345	323	308	284	264	259
Total	1043	1006	961	929	886	837	798	768	723	686	676



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System Board (PFRS)      **FROM:** David F. Jones  
Plan Administrator & Secretary

**SUBJECT:** Audit Committee Agenda      **DATE:** January 25, 2023  
Pending List

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Staff Review of the 2006 Management Audit	Report Findings 1 <sup>st</sup> Qtr. 2023	Ongoing
2	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	Meeting scheduled for Jan. 26, 2023
3	Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the July 1, 2026 Actuarial Funding Date	Ongoing	Ongoing
4	Review Options Regarding Frequency & Manner of Committee & Board Meetings	TBD	Ongoing

Respectfully submitted,

David F. Jones  
Plan Administrator & Secretary  
Oakland Police & Fire Retirement Systems

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**Retirement Unit**  
**150 Frank H. Ogawa Plaza**  
**Oakland, California 94612**  
**AGENDA**

**INVESTMENT COMMITTEE MEMBERS**

- Jaime T. Godfrey**  
Chairperson
- R. Steven Wilkinson**  
Member
- Robert W. Nichelini**  
Member

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**REGULAR MEETING of the INVESTMENT AND FINANCIAL MATTERS COMMITTEE  
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)**

**WEDNESDAY, JANUARY 25, 2023**  
**10:30 AM**  
**TELE-CONFERENCE BOARD MEETING**  
**VIA ZOOM WEBINAR**

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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR INVESTMENT COMMITTEE MEETING  
JANUARY 25, 2023**

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at: [https://support.zoom.us/hc/en-us/articles/205566129 - Raise-Hand-In-Webinar](https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar).
- To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing “\*9” to speak when Public Comment is taken. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Please unmute yourself by pressing \*6.

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

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## ORDER OF BUSINESS

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- 1. Subject:** Police and Fire Retirement System (“PFRS”) Investment Committee Meeting Minutes

**From:** Staff of the PFRS Board

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**Recommendation:** **APPROVE** the December 14, 2022 Investment Committee Meeting Minutes
- 2. Subject:** Investment Manager Performance Update – Reams Asset Management

**From:** Reams Asset Management

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**Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; investment strategy; local brokerage usage; and portfolio performance of Reams Asset Management, a PFRS Core Plus Fixed Income Investment Strategy Manager
- 3. Subject:** Investment Manager Performance Review – Reams Asset Management

**From:** Meketa Investment Group

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**Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation regarding a firm overview, managerial assessment, peer ranking, and portfolio performance of Reams Asset Management, a PFRS Core Plus Fixed Income Investment Strategy Manager



**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR INVESTMENT COMMITTEE MEETING  
JANUARY 25, 2023**

4. **Subject:** Investment Market Overview as of December 31, 2022  
**From:** Meketa Investment Group
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- Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of December 31, 2022
5. **Subject:** Preliminary Investment Fund Performance Update as of December 31, 2022  
**From:** Meketa Investment Group
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- Recommendation:** **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of December 31, 2022
6. **Schedule of Pending Investment Committee Meeting Agenda Items**
7. **Open Forum**
8. **Future Scheduling**
9. **Adjournment**

**A SPECIAL MEETING OF THE INVESTMENT AND FINANCIAL MATTERS COMMITTEE** of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, December 14, 2022 via Zoom Webinar.

Committee Members	<ul style="list-style-type: none"> <li>▪ Jaime T. Godfrey</li> <li>▪ Robert W. Nichelini</li> <li>▪ R. Steven Wilkinson</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson</li> <li>Member</li> <li>Member</li> </ul>
Additional Attendees	<ul style="list-style-type: none"> <li>▪ David F. Jones</li> <li>▪ Téir Jenkins</li> <li>▪ Mitesh Bhakta</li> <li>▪ Maxine Visaya</li> <li>▪ David Sancewich</li> <li>▪ John Dewey</li> <li>▪ Ulana Blahy</li> <li>▪ Brendan Skarra-Corson</li> <li>▪ Lelia Kennedy</li> </ul>	<ul style="list-style-type: none"> <li>PFRS Secretary &amp; Plan Administrator</li> <li>PFRS Investment &amp; Operations Manager</li> <li>PFRS Legal Counsel</li> <li>PFRS Staff Member</li> <li>Meketa Investment Group</li> <li>Strategic Global Advisors</li> <li>Strategic Global Advisors</li> <li>Strategic Global Advisors</li> <li>Strategic Global Advisors</li> </ul>

The meeting was called to order at 9:31 a.m. Pacific

1. **Approval of Investment Committee Meeting Minutes** –Member Nichelini made a motion to approve the October 26, 2022 Investment Committee Regular Meeting Minutes, as written, second by Member Wilkinson. Motion Passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

2. **Investment Manager Performance Update – Strategic Global Advisors (SGA)** – John Dewey, Ulana Blahy, Brendan Skarra-Corson, and Lelia Kennedy of SGA, a PFRS Active International Equity Investment Strategy Manager, presented an informational report regarding a management and firm overview; investment philosophy and strategies; PFRS investment portfolio performance; and the firm’s Diversity, Equity, & Inclusion policy and practices. SGA advised Mark Wimer, Senior Portfolio Manager, is set to retire at year end and his duties will be absorbed by the Investment Team with no replacement anticipated.

Member Wilkinson and Investment & Operations Manager Jenkins made inquiries to further discussion regarding the firm’s Diversity, Equity, & Inclusion policy and practices and investment strategy looking forward. SGA will provide a copy of the firm’s written Diversity & Inclusion policy.

**MOTION:** Member Wilkinson made a motion to accept the informational report presented by SGA, and forward to the Board, second by Member Nichelini. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

3. **Investment Manager Performance Review – Strategic Global Advisors (SGA)** – David Sancewich of Meketa Investment Group (“Meketa”) provided an overview memo regarding a review and evaluation of SGA, a PFRS Active International Equity Investment Strategy Manager. D. Sancewich noted the memo provided was crafted prior to their notification of Mark Wimer’s retirement and Meketa has not had the opportunity to review the departure and what it means for the group. Meketa recommended Meketa follow-up with SGA, as scheduled, to discuss the true implications of the change and will come back to the Committee at a future meeting to provide an updated assessment and recommendation regarding possible watch status.

**MOTION:** Member Nichelini made a motion to accept Meketa’s overview, evaluation, and recommendation regarding SGA, second by Member Wilkinson. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

4. **Investment Market Overview as of October 31, 2022** David Sancewich of Meketa presented an informational report regarding the Investment Market Overview as of October 31, 2022 and current factors impacting outcomes. D. Sancewich highlighted Index Returns.

**MOTION:** Chairperson Godfrey made a motion to accept the informational report presented by Meketa regarding the Investment Market Overview as of October 31, 2022 and forward to the Board, second by Member Nichelini. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

5. **Preliminary Investment Performance Update as of October 31, 2022** – Chairperson Godfrey forwarded this item to the Full Board Meeting in the interest of time.

**MOTION:** No action was taken on this item, as it was forwarded to the Full Board Meeting.

6. **Investment Fund Quarterly Performance Update as of September 30, 2022**– Chairperson Godfrey forwarded this item to the Full Board Meeting in the interest of time.

**MOTION:** No action was taken on this item, as it was forwarded to the Full Board Meeting.

7. **\$14.2 Million Drawdown for Member Retirement Allowances (Fiscal Year 2022/2023; Quarter Ending March 30, 2023)** – David Sancewich of Meketa presented an informational report and recommendation for a \$14.2 million drawdown; which includes an \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund, to be used to pay the January 1, 2023 through March 30, 2023 Member Retirement Allowances and PFRS contribution be drawn from Parametric’s Covered Calls Investment Strategy.

**MOTION:** Member Nichelini made a motion to approve Meketa’s recommendation regarding a \$14.2 Million Drawdown to fund Member Retirement Allowances and PFRS contribution be drawn from Parametric’s Covered Calls Investment Strategy, second by Member Wilkinson. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

8. **Informational Overview Regarding the Bankruptcy of FTX** – Chairperson Godfrey forwarded this item to the Full Board Meeting in the interest of time.

**MOTION:** No action was taken on this item, as it was forwarded to the Full Board Meeting.

9. **Schedule of Pending Investment Committee Meeting Agenda Items** – Investment & Operations Manager Jenkins presented Meketa’s 2023 Strategic Investment Agenda Plan for discussion. D. Sancewich noted this is a rolling agenda plan and subject to change depending on market activities and what the Board desires. Investment & Operations Manager Jenkins requested members advice regarding educational topics of interest to be added to the agenda plan.

10. **Open Forum** – None

11. **Future Scheduling** – The next regular Investment Committee meeting is tentatively scheduled to occur January 25, 2023.

12. **Adjournment** – Member Nichelini made a motion to adjourn, second by Member Wilkinson. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – Y]  
(AYES: 3 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 0)

The meeting adjourned at 10:28 a.m. Pacific

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JAIME T. GODFREY  
COMMITTEE CHAIRPERSON

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DATE



Presented to:

# City of Oakland Police and Fire Retirement System

Conference Call:

January 25, 2023

Presented by:

Jason Hoyer, CFA  
Portfolio Manager

Joy Facos

Head of Sustainable Investing and Corporate Responsibility

# Table of Contents

- 1 Firm Overview
- 2 Current Views & Investment Themes
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- 5 Portfolio Characteristics
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- 7 Brokerage Summary
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- 9 Disclosures



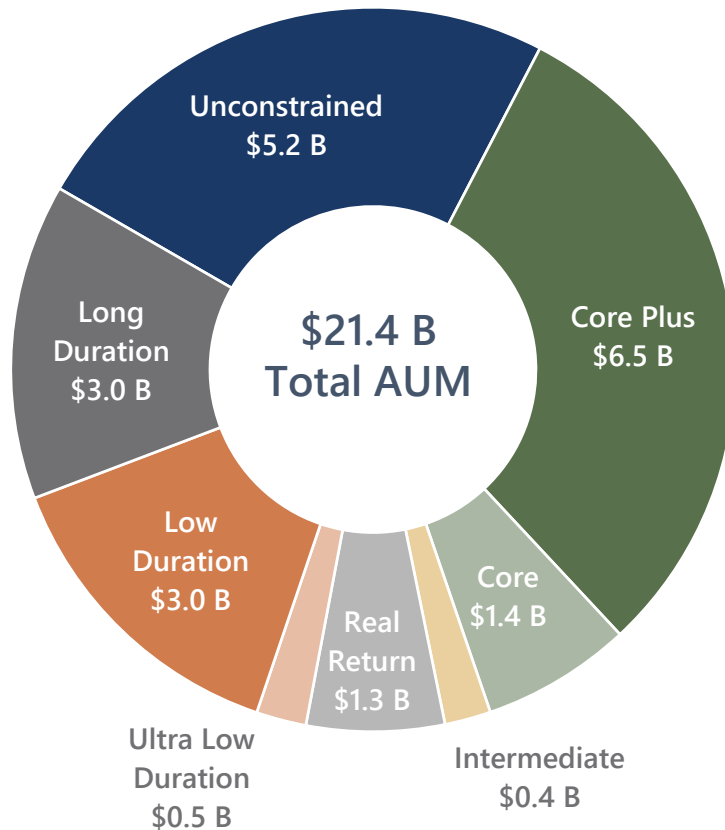
# Firm Overview

## Reams at a Glance

- Founded in 1981
- Headquartered in Indianapolis, Indiana
- \$21.4 billion in assets under management
- 8 fixed income strategies along with extensive custom separate account capabilities
- Affiliate of Raymond James Investment Management, a subsidiary of Raymond James Financial, since November 2017

# Firm Overview

## Strategy Lineup



### Available Investment Vehicles

#### Separate Accounts

- All Strategies

#### U.S. Institutional Commingled Funds:

- Columbus Core Plus Bond Fund
- Columbus Unconstrained Bond Fund

#### U.S. Institutional Mutual Funds (sub-advised):

- Core Strategy
- Core Plus Strategy
- Unconstrained Strategy

#### Non-U.S. Commingled Fund (sub-advised):

- Raymond James Funds Reams Unconstrained Bond SICAV (Class A USD | SCUCBDA LX)

Data as of  
December 31, 2022



# Firm Overview

## Representative Client List

### Corporate

American Honda Motor Company  
Cummins Inc.  
Electric Energy, Inc. Employee Benefit Fund  
Emerson Electric Company  
Omaha Public Power District  
S.C. Johnson & Son, Inc.  
Southern California Rock Products

### Health Care

University of Colorado Health  
NorthShore University HealthSystem  
Northwestern Memorial HealthCare  
OhioHealth Corporation  
Shirley Ryan AbilityLab

### Non-Profit

American Heart Association  
Archdiocese of Miami  
Board of Pensions/Presbyterian Church, USA  
Chicago Symphony Orchestra  
Cleveland Museum of Art  
Veterans of Foreign Wars of the U.S.  
Eiteljorg Museum of American Indians and Western Art

### Sub-Advisory

Prudential Retirement Insurance & Annuity Co.  
Russell Investment Management Company

### Public

Arkansas Teacher Retirement System  
Employees' Retirement System of Baltimore County  
Indiana State Police Pension Trust  
Los Angeles Fire & Police Pensions  
City of Milwaukee Employees' Retirement System  
City of Oakland Police & Fire Retirement System  
Sacramento County Employees Retirement System  
San Francisco Bay Area Rapid Transit District  
Sonoma County Employees' Retirement Association  
Spokane Firefighters' Pension Fund  
Ventura County Employees' Retirement Association

### Taft-Hartley

Carpenters District Council of Kansas City Pension Fund  
Carpenters Pension Fund of Illinois  
Gulf Coast Carpenters and Millwrights Health Trust  
IBEW 8th District Electrical Pension Trust  
Teamster Members Retirement Plan  
Ohio Operating Engineers Pension Plan

### University/Endowment/Foundation

Trustees of Indiana University  
University of Kentucky  
Purdue University  
Regents of the University of Minnesota  
Engelstad Foundation

Data as of  
December 31, 2022

This Representative Client List includes institutional clients whose permission has been received for inclusion. No specific selection criteria were used. It is not known whether or not the listed clients approve of the advisory services provided by Reams Asset Management or Scout Investments.

# Firm Overview

## Investment Team

### Investment Committee

**Mark Egan, CFA**

Chief Investment Officer  
Managing Director  
(36 years / 32 years)

**Todd Thompson, CFA**

Portfolio Manager  
Credit Team Leader  
Managing Director  
(28 years / 21 years)

**Bob Crider, CFA**

Co-Founder  
Managing Director  
(45 years / 41 years)

### Credit Team

**Todd Thompson, CFA****Jason Hoyer, CFA**

Portfolio Manager  
(19 years / 7 years)

**Clark Holland, CFA**

Portfolio Manager  
(28 years / 21 years)

**Scott Rosener, CFA**

Fixed Income Analyst  
(25 years / 17 years)

**Trey Harrison, CFA, ASA**

Fixed Income Analyst/Actuary  
(28 years / 12 years)

**Reed Clark**

Fixed Income Analyst  
(3 years / 1 year)

**Sydney Owen, CFA**

Fixed Income Analyst  
(4 years / <1 year)

### Securitized Team

**Neil Aggarwal**

Securitized Team Lead  
(19 years / < 1 year)

**Steve Vincent, CFA**

Portfolio Manager  
(31 years / 28 years)

**Kevin Salsbery, CFA**

Fixed Income Analyst  
(21 years / 17 years)

**Patrick Laughlin**

Fixed Income Analyst  
(27 years / 18 years)

**Ben Byrd**

Fixed Income Analyst  
(3 years / <1 year)

### Global Rates & Currencies Team

**Dimitri Silva, CFA**

Portfolio Manager  
(15 years / 1 year)

**Antonina Tarassiouk**

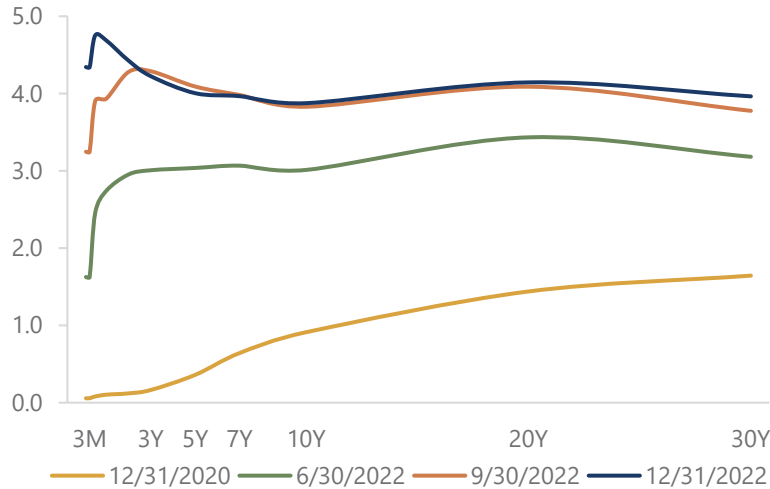
Fixed Income Analyst  
(8 years / <1 year)

(Years of Industry Experience / Reams Tenure)

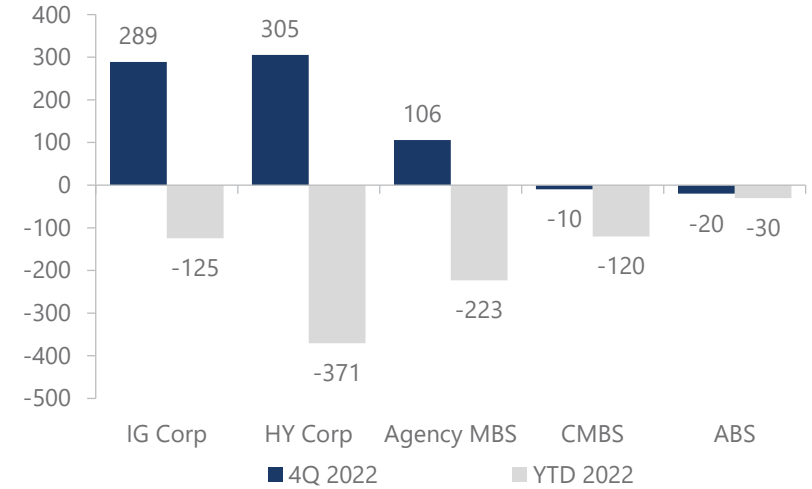
Please see Investment Professional Biographies section for detailed biographies

# Fixed Income Dashboard

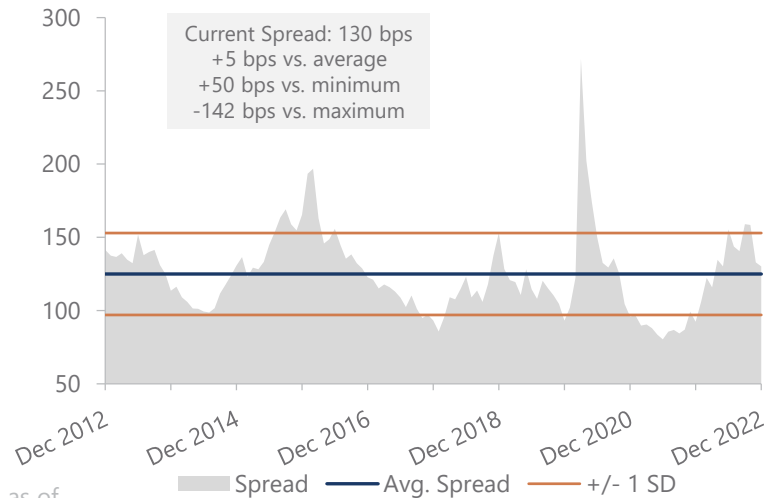
## U.S. Treasury Yield Curves, Percent



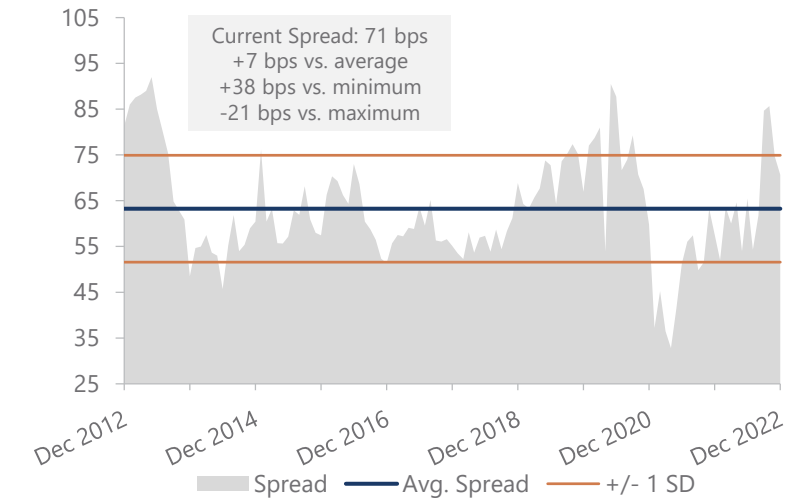
## Sector Excess Returns vs. U.S. Treasuries, Basis Points



## Investment Grade Corporate OAS, Basis Points



## Agency MBS Zero-Volatility Spread, Basis Points

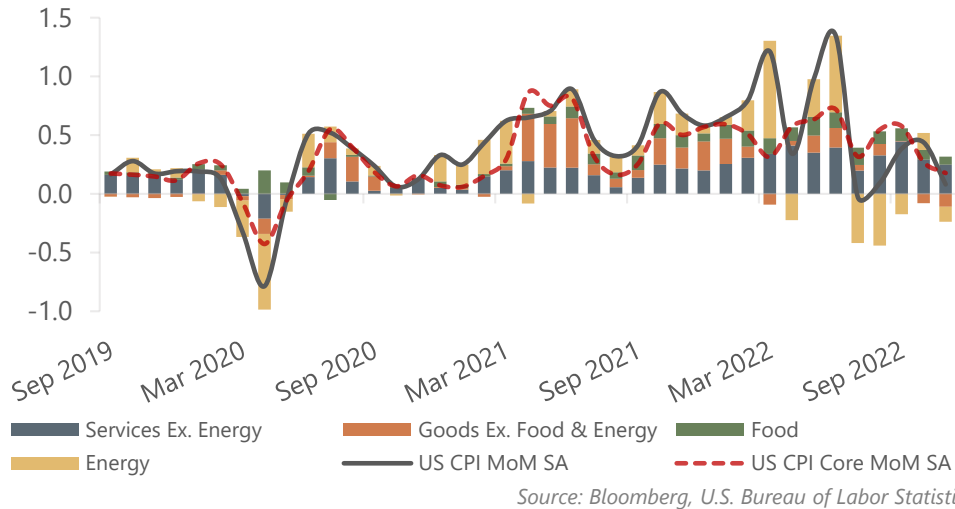


Data as of  
December 31, 2022

Source: Bloomberg Index Services Limited; Bloomberg L.P.

# Market Insights

## U.S. Consumer Price Index (Month-over-Month SA), Percent

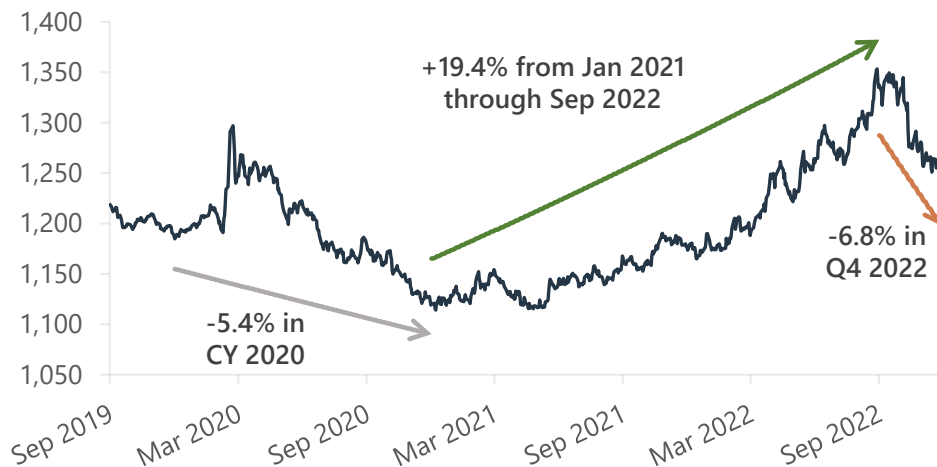


Headline and core CPI have both begun to stabilize at more moderate levels.

Energy has been a major swing factor in recent months, and goods inflation has also declined compared to 2021 and early 2022.

Services inflation remains elevated, however, as labor shortages in many service-related segments of the economy continue to push nominal wages higher.

## Bloomberg U.S. Dollar Spot Index



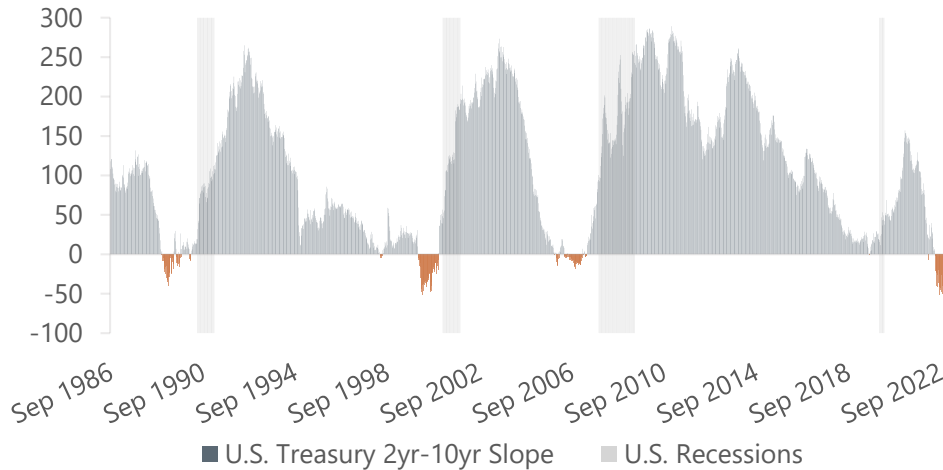
The U.S. Federal Reserve has adopted a more hawkish posture than other major central banks so far this year, which helped push the U.S. dollar nearly 20% higher through the end of Q3 2022.

More recently, the U.S. dollar has weakened moderately as other major central banks have become more hawkish themselves. The Fed has also signaled a ramp down in rate hikes and a potential end to the current tightening cycle.

Data as of  
December 31, 2022

# Market Insights

## U.S. Treasury 2yr-10yr Slope, Basis Points

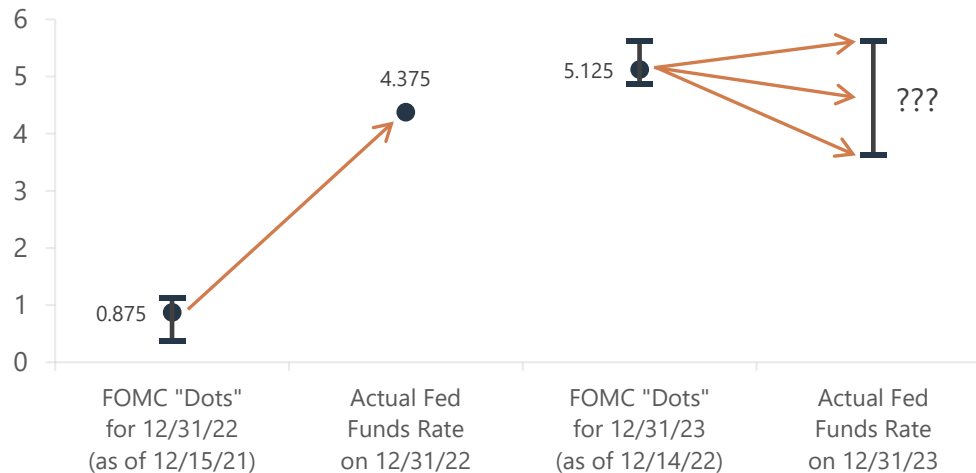


Source: Bloomberg, National Bureau of Economic Research

An inversion in the yield curve between the 2-year and 10-year points is often cited as a recession indicator.

The 2yr-10yr slope is now -55 bps, a steep inversion that adds to the evidence that we may be heading for a significant slowdown in economic activity at some point in 2023.

## Fed Funds Target Rate: Projected vs. Actual, Percent



Source: Bloomberg

In December 2021, the FOMC members' projections for the number of rate hikes that would be needed in 2022 proved to be woefully inaccurate.

The current median FOMC projection indicates another 75 bps of cumulative rate hikes in 2023, despite lingering uncertainty regarding near-term inflation and growth.

Based on the Fed's track record, the range of potential outcomes is likely much wider than most are expecting.

Data as of December 31, 2022

# Investment Themes

## What happened

- The front end of the U.S. yield curve tracked higher alongside Federal Reserve (Fed) rate hikes, but the middle and long end of the curve focused on longer-term inflation expectations, which were little changed.
- Inflation data cooled in November and December, indicating that peak inflation may have already occurred.
- Consistent with Chair Powell's messaging in November, the Fed began to moderate their rate hikes, moving just 50 basis points at their December meeting following four consecutive 75 basis point increases.
- Risk assets performed well overall, but global uncertainty also increased as the quarter progressed due to the cessation of zero-COVID policies in China, divergent views between the Fed and U.S. markets, and the European Central Bank (ECB) striking a more hawkish tone.

## What we think

- A disconnect remains between what the Fed anticipates (restrictive policy rates for longer, to combat inflation) and what the market is pricing (a pivot to rate cuts in mid 2023, to combat an expected recession).
- The cumulative impact of tighter financial conditions is not yet known, which adds to investor uncertainty.
- The tight U.S. labor market and resilient (thus far) U.S. consumer, combined with a still-hawkish Fed despite the time lag in policy impact, create a wide range of potential outcomes for the U.S. economy in 2023.

## What we did

- Reduced both investment grade and high yield exposure, due to strong recent performance by the corporate sector and an increasingly uncertain economic environment.
- Added agency MBS exposure, following elevated volatility and underperformance in this sector.
- Held duration closer to neutral but with a slightly long bias, as real rates remain modestly attractive.



# Investment Objective and Guidelines

## Objective

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- To exceed the Bloomberg Universal Index, net of fees, over a complete market cycle.

## Investment Guidelines

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- Maximum average portfolio duration is 10 years with a targeted average portfolio duration in the range of 3 to 8 years.
- Maximum remaining term to maturity (per single issue) is 31 years at purchase.
- No single issue shall exceed 10% of the portfolio, excluding government and agency issues.
- No single issue shall account for more than 10% of the outstanding issue, excluding government and agency issuers.
- The portfolio must have an overall weighted average quality of at least BBB-.
- All securities must have a rating of B- or higher (S&P, Moody's or Fitch), using the middle of three or lower of two ratings.
- Credit default swaps are limited to a notional value of 10% of the portfolio.
- Coal-Related Companies are restricted from purchase in the portfolio.

Source: OPFRS Investment Guidelines (Rev. 9/1/2016)



# Relationship Summary

## City of Oakland Police and Fire Retirement System

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Relationship Inception	February 1, 1998
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Investment Style	Core Plus Fixed Income
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Performance Benchmark	Bloomberg Universal Index
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**Financial Data as of December 31, 2022**

Initial Investment	\$97.5 million
Contributions	\$146.0 million
(Withdrawals)	(\$338.2 million)
Portfolio Gains	\$120.6 million
Portfolio Value	\$25.9 million

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# Performance Review

For Periods Ending December 31, 2022

	Percent Gain or Loss					
	Quarter Ending	Last 12 Months	Two Years (annualized)	Three Years (annualized)	Five Years (annualized)	Since Inception* (annualized)
City of Oakland Police and Fire Retirement System (a)	2.92	(12.28)	(6.93)	1.35	2.74	5.09
City of Oakland Police and Fire Retirement System (b)	2.87	(12.46)	(7.11)	1.17	2.54	4.88
Benchmark**	2.24	(12.99)	(7.24)	(2.54)	0.18	4.09

\* Inception Date: 2/1/1998

\*\*The benchmark consists of the Bloomberg Barclays U.S. Aggregate Index from 2/1/1998 - 6/30/2006 and the Bloomberg Universal Index as of 7/1/2006.

(a) Gross of Investment Management Fees

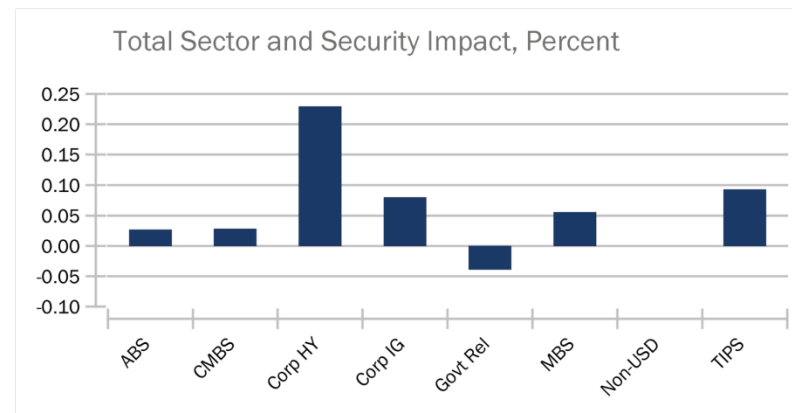
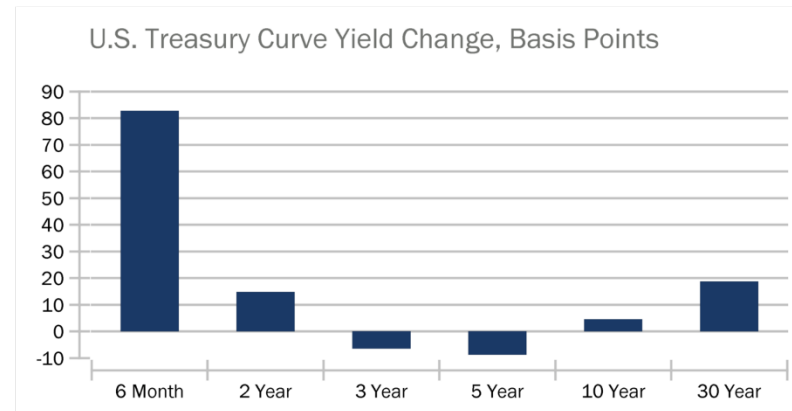
(b) Net of Investment Management Fees (recorded on cash basis)

# Excess Return Detail

City of Oakland Police and Fire Retirement System: 10/1/2022 - 12/31/2022

	Portfolio (%)
Total Return	2.92
Index Return	2.24
Excess Return	<u>0.68</u>
Duration	0.15
Curve	0.06
Total Macro	<u>0.21</u>
Sector Selection	0.66
Security Selection	-0.18
Total Selection	<u>0.47</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	-0.01	0.03	0.03
CMBS	-0.00	0.03	0.03
Corp HY	0.21	0.02	0.23
Corp IG	0.24	-0.16	0.08
Govt Rel	-0.04	0.00	-0.04
MBS	0.16	-0.10	0.06
Non-USD	0.00	0.00	0.00
TIPS	0.09	0.00	0.09
	0.66	-0.18	0.47

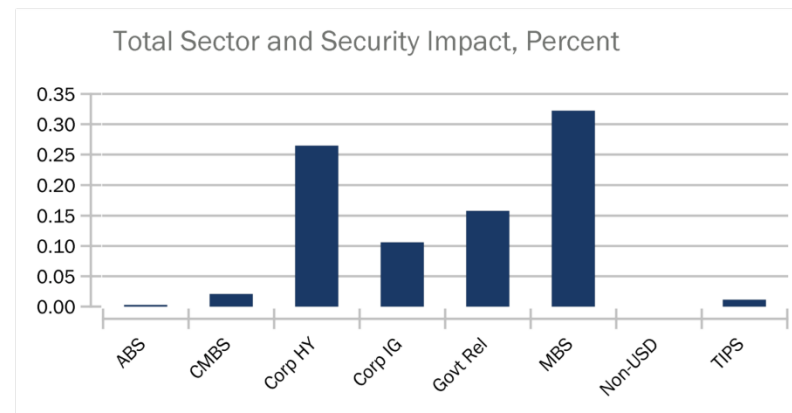
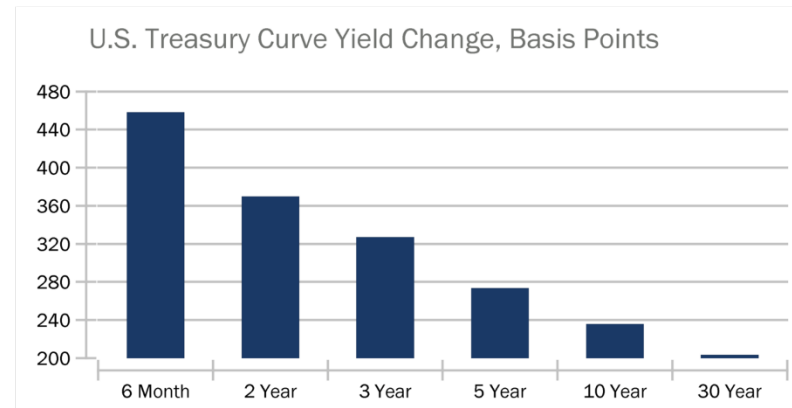


# Excess Return Detail

City of Oakland Police and Fire Retirement System: 1/1/2022 - 12/31/2022

	Portfolio (%)
Total Return	-12.28
Index Return	-12.99
Excess Return	<u>0.71</u>
Duration	-0.59
Curve	0.42
Total Macro	<u>-0.17</u>
Sector Selection	1.03
Security Selection	<u>-0.15</u>
Total Selection	<u>0.88</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	-0.01	0.01	0.00
CMBS	-0.02	0.04	0.02
Corp HY	0.35	-0.09	0.26
Corp IG	0.12	-0.02	0.11
Govt Rel	0.14	0.02	0.16
MBS	0.44	-0.12	0.32
Non-USD	0.00	0.00	0.00
TIPS	0.01	0.00	0.01
	1.03	-0.15	0.88



# Portfolio Characteristics

City of Oakland Police and Fire Retirement System: 12/31/2022

	Portfolio	Index	Prior Qtr
Total Market Value (\$)	25,932,045	28,882 billion	25,195,546
Avg. Duration (Years)	6.7	6.0	6.7
Avg. Convexity	0.45	0.58	0.67
Avg. Yield to Worst (%)	5.5	5.1	5.5
Avg. Maturity (Years)	9.6	8.2	9.1
Avg. Quality	Aa3	Aa3	Aa3

Quality Structure (% of Portfolio)	Portfolio *	Index	Prior Qtr
AAA	62.4	62.8	56.7
AA	0.4	4.0	0.9
A	17.2	12.2	17.5
BBB	10.4	14.2	15.7
Other	9.6	6.7	9.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* The methodology used is consistent with client investment guidelines.

Duration Distribution (Years)	Portfolio	Index	Prior Qtr
0 - 1 yr.	0.2	0.0	0.1
1 - 3	0.2	0.5	0.3
3 - 4	0.4	0.4	0.2
4 - 6	1.3	1.2	1.8
6 - 8	2.3	1.5	2.2
8 +	2.3	2.4	2.1
<b>Total</b>	<b>6.7</b>	<b>6.0</b>	<b>6.7</b>

Sector Structure (% of Portfolio)	Portfolio	Index	Prior Qtr
Treasury	22.1	34.7	29.1
Govt Related	0.0	9.6	0.0
Mortgage-Backed	32.7	25.2	22.6
Asset-Backed	3.2	0.4	3.2
Corporate	37.6	30.1	43.8
Non-US Dollar	0.0	0.0	0.0
Cash and Equivalents	4.3	0.0	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Spread Duration (Years)	Portfolio	Index	Prior Qtr
Govt Related	0.0	0.5	0.0
Mortgage-Backed	1.9	1.4	1.3
Asset-Backed	0.1	0.0	0.1
Corporate	2.4	1.9	2.7
Non-US Dollar	0.0	0.0	0.0



# Diversity at Reams

## Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 12/31/2022

<b>Firm Name</b>	Reams Asset Management, a Division of Scout Investments, Inc.
<b>Product Name</b>	Core Plus Fixed Income
<b>Total Number of Employees</b>	37

	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
<b>Race and Ethnicity*</b>			
African American/Black	0.00%	0%	0%
Asian/Hawaiian/Pacific Islander	20.00%	5%	13%
Latino/Hispanic	0.00%	3%	6%
White	80.00%	92%	81%
American Indian/Alaska Native	0.00%	0%	0%
Other	0.00%	0%	0%
<b>Gender</b>			
Male	80%	59%	87%
Female	20%	41%	13%
Non-Identified/Other	N/A	N/A	N/A

\* Racial/ethnic categories appear as defined by EEOC guidance.



## Diversity at Reams

- As an affiliate of Raymond James Investment Management, a division of Raymond James, Reams Asset Management is committed to fostering a diverse and inclusive workplace, welcoming to all cultures and backgrounds. This is consistent with our values-based culture upon which the firm was founded.
- For more information on the extensive inclusion efforts of our parent firm, Raymond James Financial (RJF), including outreach, career development and recruitment, and community efforts, please visit:
  - [https://www.raymondjames.com/-/media/rj/dotcom/files/pdfs/2022\\_corp\\_responsibility\\_report.pdf](https://www.raymondjames.com/-/media/rj/dotcom/files/pdfs/2022_corp_responsibility_report.pdf)
- Reams Asset Management currently has 37 employees, of which 15 (41%) are female, including key leadership positions:
  - Head of Operations
  - Head of Client Service
- Reams has several employees in various minority groups, and has taken concrete steps to address historical lack of diversity on its long-tenured investment team.



# Diversity at Reams – Hiring Action Plan

- Office relocation – Indianapolis, IN
  - Completed – February 2022
  - New location has been major influence in recent hiring
  
- Currently utilizing the hiring resources of the larger Raymond James organization
  - Directly resulted in progress of diverse hiring
  - Improved collaboration with Reams to influence future hiring
  
- Increased development and recruitment of minorities via Summer Intern Program:
  - Formalized intern program has been expanded over the last five years, with increased participation (record 5 interns in 2019, and 3 interns in 2022, one of whom accepted a full-time offer commencing May 2023)
  - Through the intern program, Reams is developing diverse talent for full-time opportunities within the firm



## Diversity at Reams – Office Location Action Plan

- Reams has relocated its primary office from Columbus, IN to Indianapolis, IN:
  - Office is located in downtown Indianapolis, the hub of business in the state of Indiana
  - New location provides easier access for clients, consultants, management teams, and other guests/visitors
  - New location also raises the Reams profile and stature within the city and the investment community
  - Reams is committed to being a good neighbor and continuing a history of outreach, charity, and community engagement
  
- Most critically, the new office location will aid recruitment and retention of professionals for a first-class investment firm:
  - Reams has a 5 year staffing plan that intends to build out investment and support teams, primarily via internship program and recruitment of entry-level candidates
  - Indianapolis location is projected to increase applicant pool in similar fashion as that of an existing Reams client who recently moved their in-house financial team to Indianapolis from a smaller location and successfully added staff





# Oakland-Based Brokerage Summary

- There was no activity during 2022.
- There was no activity during 2021.
- Approximately 90% of Reams trades are conducted in a competitive format on electronic trading platforms. We encourage regional and/or minority-owned brokerage firms to participate on these platforms. All trading is done on best execution, without exception. Reams benefits from strong counterparty relationships with brokerage firms that enable Reams to participate in new syndicate debt offerings and trade the portfolio efficiently and in a cost-effective manner.



# Definitions

**Upside / Downside Market Capture:** the proportion of the annualized, compounded total rate of return “captured” by the product versus given benchmark, with benchmark returns grouped by positive (upside) and negative (downside) observations

**Portfolio Duration:** the weighted average duration of all securities held in a portfolio, whereby duration represents the average life of a bond’s cash flows

**Portfolio Convexity:** the weighted average convexity of all securities held in a portfolio, whereby convexity represents the expected change in a bond’s duration for a given change in interest rates

**Avg Yield to Worst:** the weighted average yield to worst of all securities held in a portfolio, whereby yield to worst represents the expected internal rate of return of a bond that equilibrates the current price to all future anticipated cash flows, assuming the most disadvantageous retirement date

**Avg Maturity:** the weighted average maturity of all securities held in a portfolio, whereby maturity represents the final principle cash flow retirement date

**Avg Quality:** the weighted credit quality of all securities held in a portfolio, whereby credit quality represents a security’s aggregated rating assigned by the Nationally Recognized Statistical Rating Organizations (“NRSROs”)

**Contribution to Duration:** measurement of how much a risk factor contributes to the portfolio’s total duration, calculated as factor weight times factor duration

**Spread Duration:** the amount of total duration that is derived from spread sector exposure; alternatively read as the portfolio’s exposure to general spread movements

**Excess Return:** total return of a risky security relative to like-duration U.S. Treasury returns

**Basis Points:** industry nomenclature for referencing performance, expressed as hundredths of 1%

**Yield Curve:** the term structure of interest rates depicted in a linear curve format, from shortest tenor to longest

**Government Related:** the sector designation that includes Agency, Supranational, Sovereign and Foreign Agencies

**MBS:** the sector designation that includes both residential and commercial mortgage pass-through securities

**ABS:** the sector designation that includes secured debt of non-first mortgage home loans, including credit card, auto, home equity and auto dealer inventory

**IG Credit:** the sector designation that includes investment grade corporate debt

**HY Credit:** the sector designation that includes corporate debt rated below investment grade, as measured by the ratings from NRSROs

**Non USD:** the class designation that includes non-dollar debt and currency forwards

**Spread Sector:** nongovernmental fixed income investments with higher yields at greater risk than governmental instruments

**TIPS:** the class designation for Treasury Inflation Protected Securities

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## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (“OPFRS”)  
**FROM:** Meketa Investment Group (“Meketa”)  
**DATE:** January 25, 2023  
**RE:** Reams Asset Management—Manager Update

### Manager: Reams Asset Management (“Reams”)

<b>Inception Date:</b>	February 1998	<b>OPFRS AUM (12/31/2022):</b>	\$26.0 million
<b>Strategy:</b>	Core Plus Fixed Income	<b>Firm-wide AUM (12/31/2022):</b>	\$21.4 billion
<b>Benchmark:</b>	Bloomberg Universal (Blend) <sup>1</sup>	<b>Strategy AUM (12/31/2022):</b>	\$6.5 billion

### Summary & Recommendation

Reams Asset Management (“Reams”) has managed a part of OPFRS’s fixed income portfolio since February 1998. As of 12/31/2022, the portfolio is approximately \$26.0 million or about 6.5% of OPFRS’s total plan. The strategy has performed within expectations and guidelines for the portfolio, and no major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. **Therefore, Meketa does not have any major concerns with Reams and the Core Plus Fixed Income strategy.**

### Investment Performance Review Summary

As of 12/31/2022, Reams Core Plus Fixed Income strategy has outperformed its benchmark on both gross- and net-of-fees basis over all time periods measured, and ranks in the top quartile among peers. Over the longer 3- and 5-year trailing periods, it ranks within top-3 Core Plus managers.

### OPFRS Portfolio Annualized Returns (as of 12/31/2022)<sup>2</sup>

Portfolio	Market Value (\$000)	YTD	1 YR	3 YR	5 YR	Since Inception	Inception Date
Reams (Gross)	26,001	(-12.0)	(-12.0)	1.4	2.8	5.1	02/1998
<i>Bloomberg Universal (Blend)<sup>1</sup></i>	---	<i>(-13.0)</i>	<i>(-13.0)</i>	<i>(-2.5)</i>	<i>0.2</i>	<i>4.1</i>	---
Excess Return (Gross)	---	1.0	1.0	3.9	2.6	1.0	---
Reams (Net)	---	(-12.2)	(-12.2)	1.2	2.6	4.9	---
Excess Return (Net)	---	0.8	0.8	3.7	2.4	0.8	---
Peer Group Ranking (Net) <sup>3</sup>	---	16	16	2	2	---	---
Reference: Median Return (Net)	---	(-13.3)	(-13.3)	(-2.1)	0.4	---	---
Number of Peers in Peer Group	---	103	103	99	93	---	---

<sup>1</sup> Benchmark consists of Bloomberg US Aggregate Bond Index from inception to 06/30/2006, and Bloomberg Universal Index thereafter.

<sup>2</sup> Performance is annualized for periods longer than one year.

<sup>3</sup> Peer group is eVestment US Core Plus Fixed Income Managers Net.

## Product and Organization Review Summary

Reams Asset Management	Areas of Potential Impact				
	Level of Concern	Investment process (Client Portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
<b>Product</b>					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
<b>Organization</b>					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
<b>Recommended Action</b>	<b>None</b>		<b>Watch Status</b>	<b>Termination</b>	

A review of Reams Asset Management and the Core Plus Fixed Income strategy revealed no concerning organizational issues or changes since last review in July 2022.

### Investment Philosophy & Process, per Manager<sup>4</sup>

Reams Core Plus seeks a maximize total return, minimize risk, and preserve capital utilizing all sectors of the fixed income market. Core Plus portfolios are well diversified, and consist of high quality investment grade, high yield, and non-dollar securities, with an average portfolio duration generally between three to six years.

Reams' investment philosophy is based on the premise that volatility is a key driver of performance in the fixed income market. Volatility is usually higher than commonly perceived and is often mispriced in the marketplace. This core belief leads us to: focus on long-term value and "total return," employ macro and bottom-up strategies to uncover unique opportunities, and react opportunistically to valuation discrepancies and volatility in the bond market.

Reams manages fixed income portfolios using three basic steps, which are best described as a combination of top-down and bottom-up.

DS/PN/JLC/mn

<sup>4</sup> Source: eVestment. Abridged.



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# Economic and Market Update

December 2022 Report

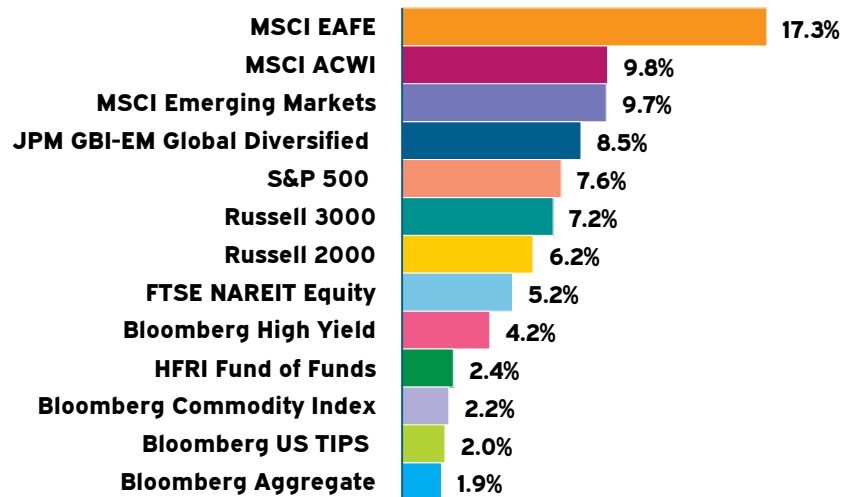
### Commentary

- Ending a very tough year, most asset classes posted gains in the fourth quarter on signs that policy tightening would slow given cooling inflation.
- Chairman Powell's testimony in November reiterated previous messaging on persistent and high inflation and the need for an extended period of monetary tightening weighing on assets in December. Markets remained focused though on signs that inflation is falling and that the size of future Fed rate hikes could be lower.
  - US equity markets sold off (-5.9%) in December but returned 7.2% in the fourth quarter as investors balanced the Fed's caution with improving inflation data.
  - In developed equity markets outside the US, sentiment deteriorated somewhat in December, but they posted a strong fourth quarter return of 17.3% driven by a falling US dollar and results in Europe where inflation started to slow.
  - Emerging market equities declined in December too (-1.4%) but less than the US and also had a strong fourth quarter (+9.7%). A weaker US dollar, declining inflation globally, and signs of China reopening its economy all contributed to the results.
  - Bonds experienced one of the worst years on record given inflation levels and the rapid rise in interest rates. Optimism over declining inflation and a slower pace of policy tightening benefited bonds overall in the fourth quarter though.
- Looking to 2023, the path of inflation and monetary policy, slowing growth globally, China reopening its economy, and the war in Ukraine will all be key.

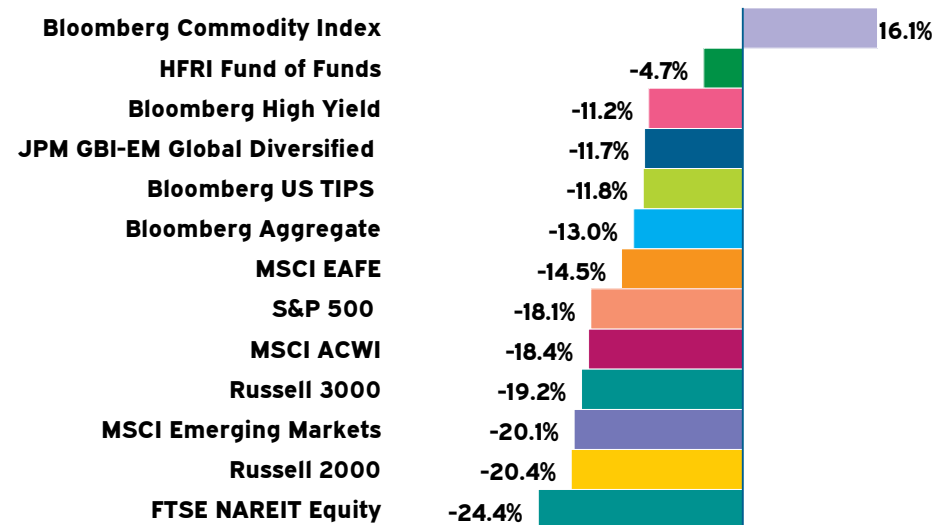


### Index Returns<sup>1</sup>

#### Fourth Quarter



#### 2022



→ After broad declines in Q3 driven by expectations for further policy tightening, most major asset classes were up in the fourth quarter on hopes of inflation and policy tightening peaking.

→ Outside of commodities, all other public market asset classes declined in 2022. It was the first time since the 1960s that both stocks and bonds declined together in a calendar year.

<sup>1</sup> Source: Bloomberg and FactSet. Data is as of December 31, 2022.

### Domestic Equity Returns<sup>1</sup>

Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.8	7.6	-18.1	7.7	9.4	12.6
Russell 3000	-5.9	7.2	-19.2	7.1	8.8	12.1
Russell 1000	-5.8	7.2	-19.1	7.3	9.1	12.4
Russell 1000 Growth	-7.7	2.2	-29.1	7.8	11.0	14.1
Russell 1000 Value	-4.0	12.4	-7.5	6.0	6.7	10.3
Russell MidCap	-5.4	9.2	-17.3	5.9	7.1	11.0
Russell MidCap Growth	-6.0	6.9	-26.7	3.9	7.6	11.4
Russell MidCap Value	-5.1	10.5	-12.0	5.8	5.7	10.1
Russell 2000	-6.5	6.2	-20.4	3.1	4.1	9.0
Russell 2000 Growth	-6.4	4.1	-26.4	0.6	3.5	9.2
Russell 2000 Value	-6.6	8.4	-14.5	4.7	4.1	8.5

**US Equities: Russell 3000 Index declined 5.9% for December but gained 7.2% for the quarter. Historic inflation and rapidly rising interest rates led to significant declines (-19.2%) for the full year.**

- US stocks fell broadly in December on the Federal Reserve signaling its continued resolve to raise rates but gained overall for the quarter on hopes that interest rates could be peaking soon given slowing inflation.
- All sectors declined during December, led by consumer discretionary and technology with defensive sectors declining less. For the quarter though, most sectors were up led by energy and industrials.
- In a continuation on the overall trend in 2022 value stocks outperformed growth stocks in the fourth quarter given higher interest rates and slowing growth.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

### Foreign Equity Returns<sup>1</sup>

Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-0.7	14.3	-16.0	0.1	0.9	3.8
MSCI EAFE	0.1	17.3	-14.5	0.9	1.5	4.7
MSCI EAFE (Local Currency)	-3.0	8.7	-7.0	3.6	3.8	7.6
MSCI EAFE Small Cap	1.1	15.8	-21.4	-0.9	0.0	6.2
MSCI Emerging Markets	-1.4	9.7	-20.1	-2.7	-1.4	1.4
MSCI Emerging Markets (Local Currency)	-2.0	6.6	-15.5	0.1	1.3	4.6
MSCI China	5.2	13.5	-21.9	-7.5	-4.5	2.4

Developed international equities (MSCI EAFE) rose 0.1% in December and an impressive 17.3% in the fourth quarter. Emerging markets (MSCI EM) fell -1.4% in December but gained 9.7% for the quarter. Inflation and rising rates also weighed on international equities last year, as well as a strong US dollar for most of the year.

- International developed market equities, specifically Europe, held up better relative to the rest of the world in December with the MSCI EAFE up 0.1%. In the fourth quarter, they returned a significant 17.3% due in part to the recent weakness in the US dollar (they returned only 8.7% in local terms) leading to lower declines for the year.
- In December emerging markets outperformed the US but trailed developed market equities as China's rally was not enough to offset weakness elsewhere (e.g., India -5.5%). For the quarter, a weakening US dollar and China reopening led to strong results (+9.7%), but emerging markets remained the weakest for 2022 due to China.
- Like the US, value outpaced growth globally in 2022.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

### Fixed Income Returns<sup>1</sup>

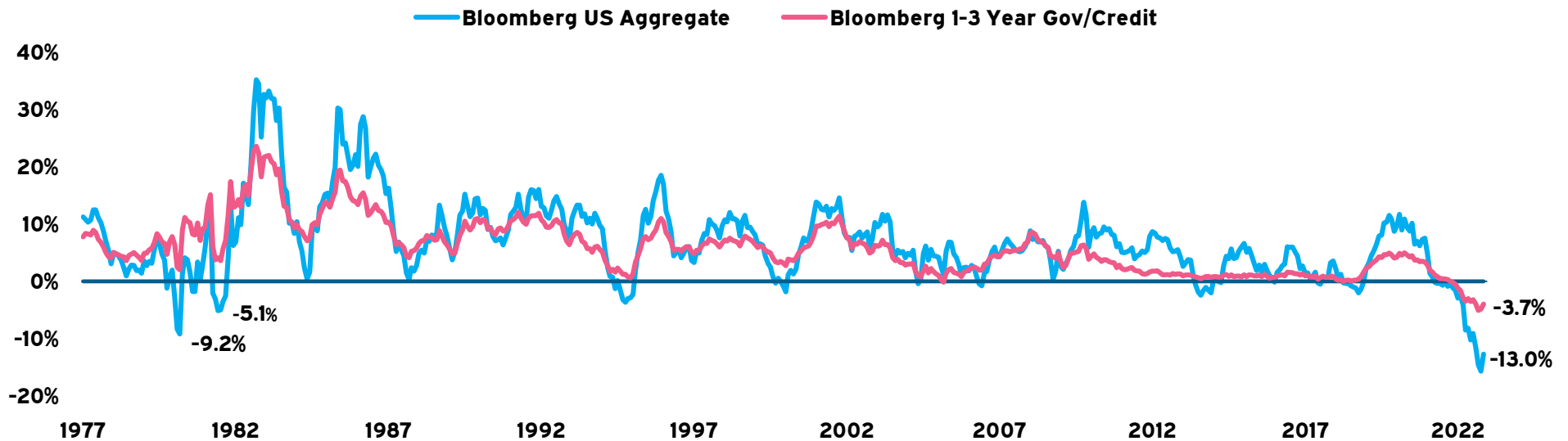
Fixed Income	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-0.3	2.2	-13.0	-2.5	0.2	1.3	5.1	6.2
Bloomberg Aggregate	-0.5	1.9	-13.0	-2.7	0.0	1.1	4.7	6.4
Bloomberg US TIPS	-1.0	2.0	-11.8	1.2	2.1	1.1	4.4	6.7
Bloomberg High Yield	-0.6	4.2	-11.2	0.0	2.3	4.0	9.0	4.4
JPM GBI-EM Global Diversified (USD)	2.2	8.5	-11.7	-6.1	-2.5	-2.0	5.8	4.9

**Fixed Income: The Bloomberg Universal fell -0.3% in December but rose 2.2% for the fourth quarter. Last year was one of the worst on record, with the broad bond market declining 13%.**

- The Federal Reserve reconfirming its commitment to tighten policy in the face of high inflation weighed on US fixed income in December. For the quarter though the broad US bond market (Bloomberg Aggregate) was up 1.9% on hopes that inflation would continue to decline and corresponding expectations for the slowing of policy rate hikes.
- TIPS produced similar results to the broad US bond market for the quarter but outperformed for the year given their inflation adjustment.
- Riskier bonds outperformed for the quarter due to improving risk sentiment with emerging market bonds performing particularly well.

<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of December 31, 2022. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

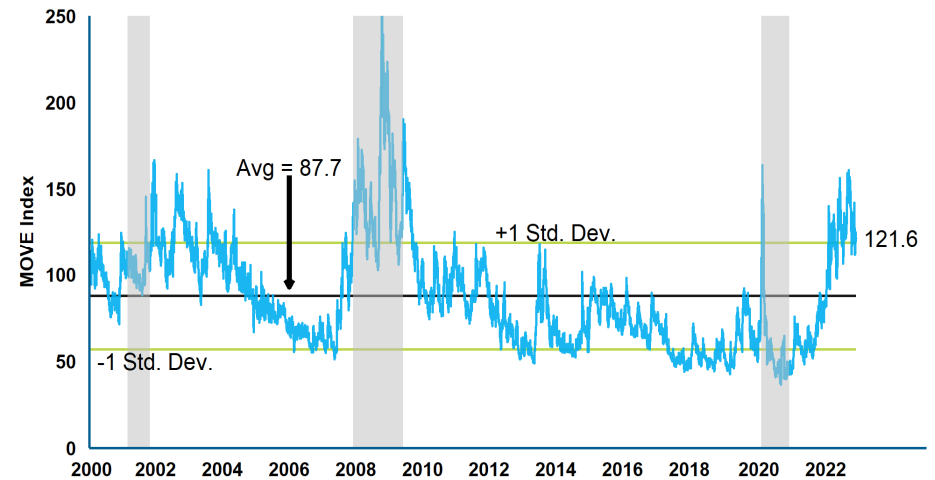
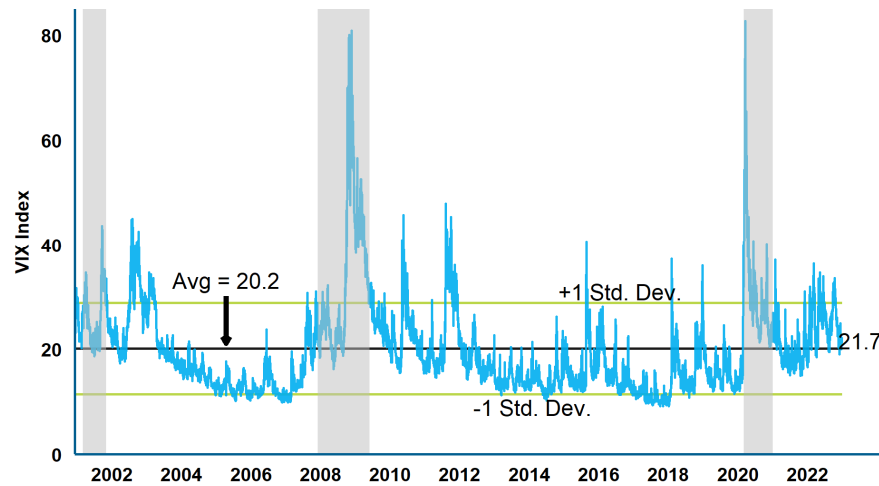
### Fixed Income Rolling One-year Returns<sup>1</sup>



- Last year was one of the worst return periods for the US bond market given the historic inflation levels and the corresponding rapid rise in interest rates.
- The broad bond market (Bloomberg US Aggregate) declined 13% in 2022 making it one of the worst periods on record.
- Short-term bond declines were far smaller (-3.7%) last year, but also were one of the worst on record.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

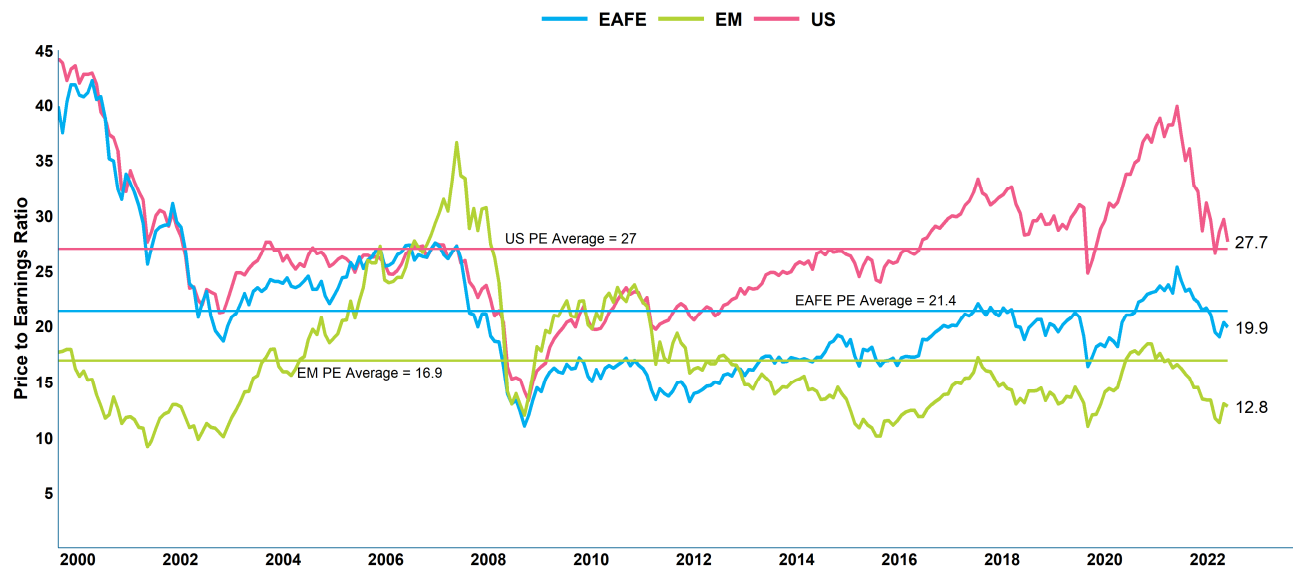
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the year down from its highs and near its long run average as investors anticipated the potential end of Fed rate hikes this year.
- Fixed income (MOVE) remained elevated and well above its long-run average at year-end due to the uncertain path of US interest rates as the Federal Reserve continues its hawkish stance on inflation.

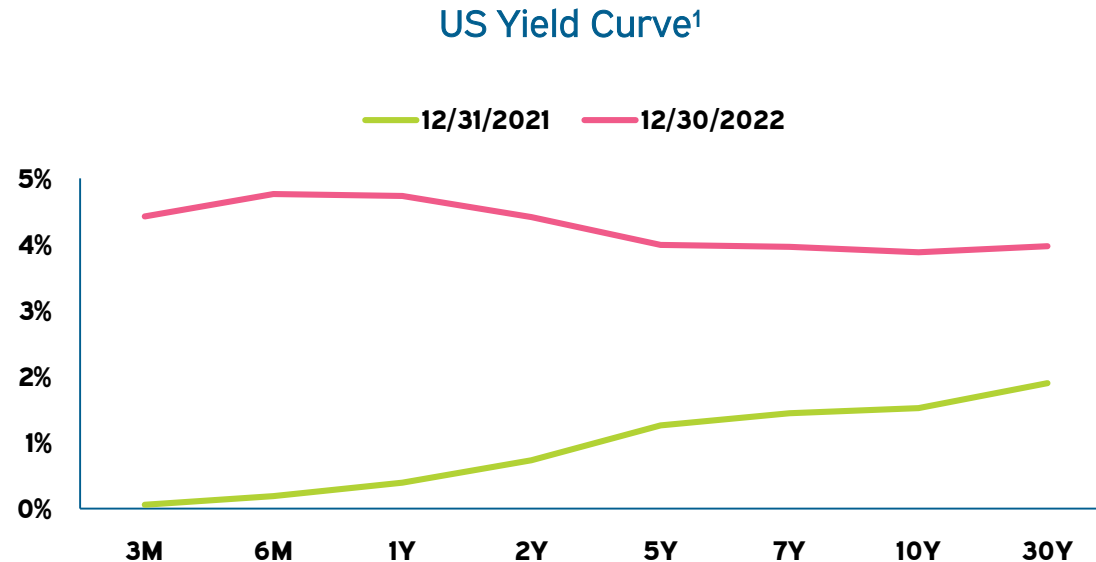
<sup>1</sup> Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

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



- After December's sell-off, US equity price-to-earnings ratio finished the year near its long-term (21st century) average.
- International developed market valuations rose but remain below their own long-term average, with those for emerging markets the lowest and well under the long-term average.
- Price declines have been the main driver of recent multiple compression as earnings have remained resilient. Concerns remain over whether earnings strength will continue in the face of slowing growth.

<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: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.

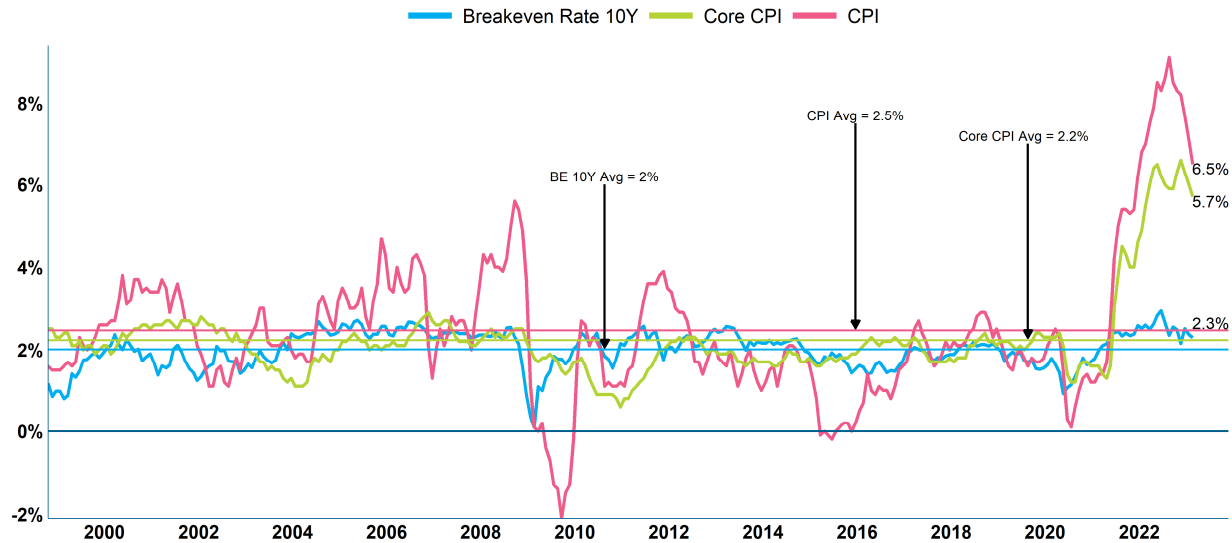


- In December, policy-sensitive interest rates at the front-end of the curve continued to rise with the two-year Treasury yield increasing from 4.3% to 4.4%. Longer dated ten-year Treasury yields also increased (3.6% to 3.9%). For the year, the yield curve rose dramatically across maturities and moved from steep to inverted.
- The Fed remains strongly committed to fighting inflation, as it increased rates another 50 basis points to a range of 4.0% to 4.5% at its December meeting. This brought the total number of increases for 2022 to seven.
- The yield spread between two-year and ten-year Treasuries narrowed somewhat to -0.54% after finishing November at -0.70%. The more closely watched measure by the Fed of three-month and ten-year Treasuries also remained inverted. Historically, inversions in the yield curve have often preceded recessions.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.



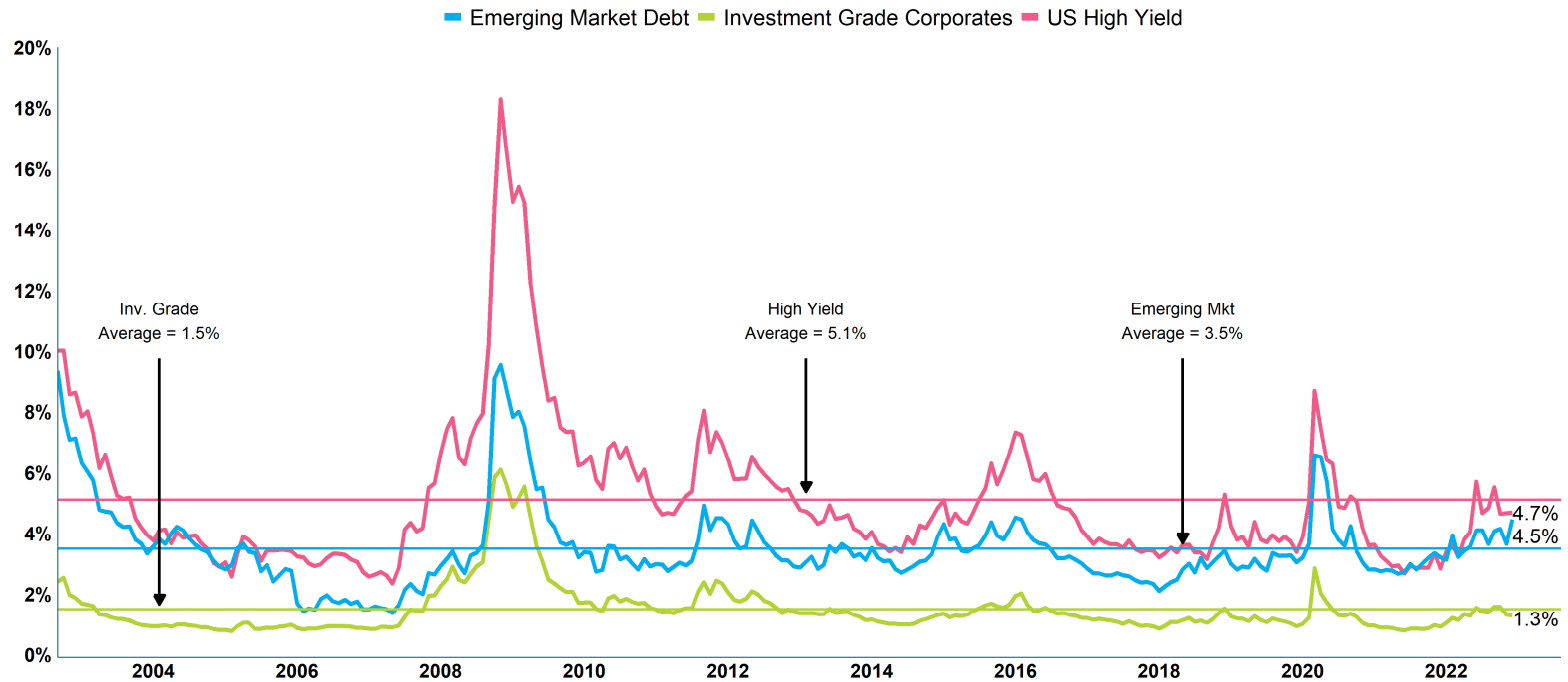
### Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- In December inflation continued to decline (6.5% versus 7.1%) matching expectations and providing support for the Fed to slow the pace of policy tightening. Energy prices fell again for the month but remain up 7.3% from a year prior, while food prices fell slightly, and stickier service prices continued to increase.
- Core inflation – excluding food and energy – also continued to decline in December (5.7% versus 6.0%) and matched estimates.
- Inflation expectations (breakevens) declined slightly for the month (2.3% versus 2.4%) and remain well below current inflation levels as investors anticipate a significant moderation in inflation.

<sup>1</sup> Source: Bloomberg. Data is as of December 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

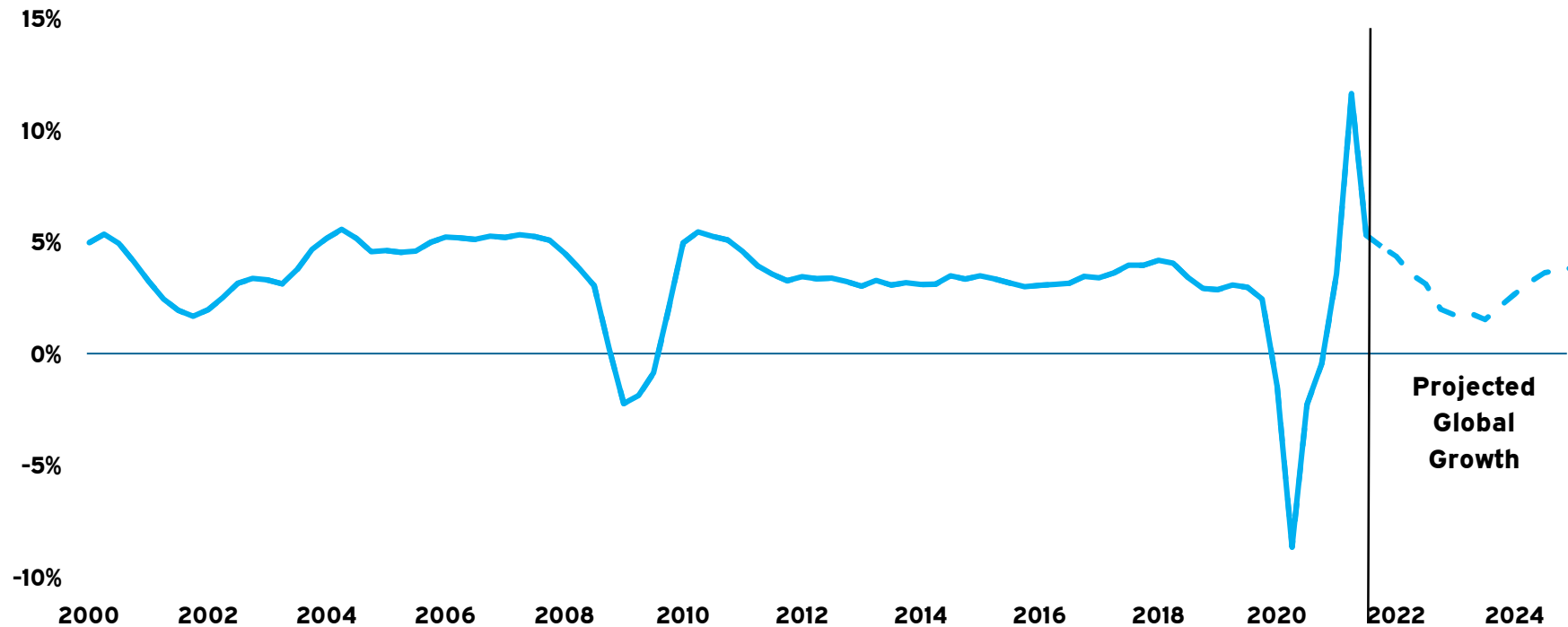
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- High yield spreads (the added yield above a comparable maturity Treasury) finished December at 4.7% (the same as the end of November) remaining below their long-run average.
- Investment grade spreads also held steady at 1.3% as attractive yields and strong balance sheets continued to attract investors, while emerging market spreads rose (4.5% versus 3.6%) due to concerns regarding slower growth and lower commodity prices.

<sup>1</sup> Sources: Bloomberg. Data is as of December 31, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

### Global Real Gross Domestic Product (GDP) Growth<sup>1</sup>

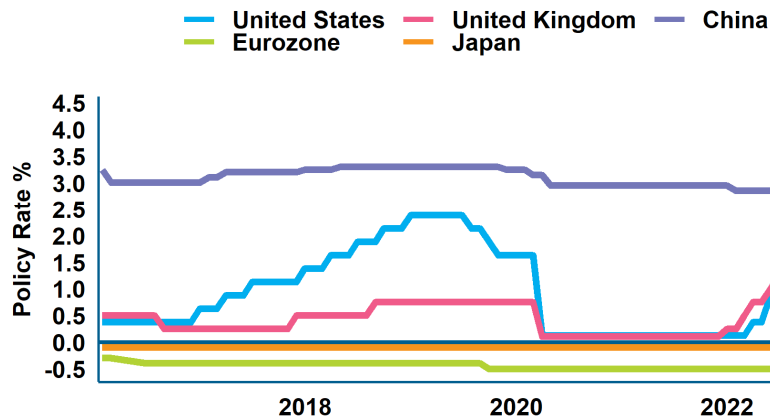


- Global economies are expected to slow in 2023 compared to 2022, with risks of recession increasing given persistently high inflation and related tighter monetary policy.
- The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

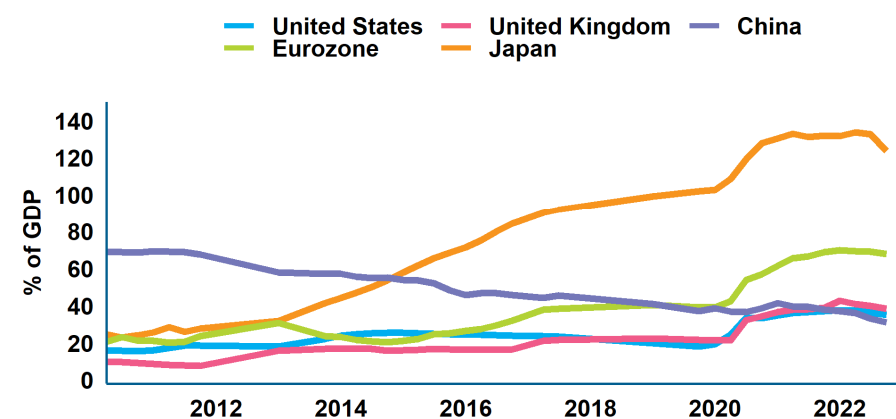
<sup>1</sup> Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, real, % change YoY). Updated December 2022.

### Central Bank Response<sup>1</sup>

#### Policy Rates



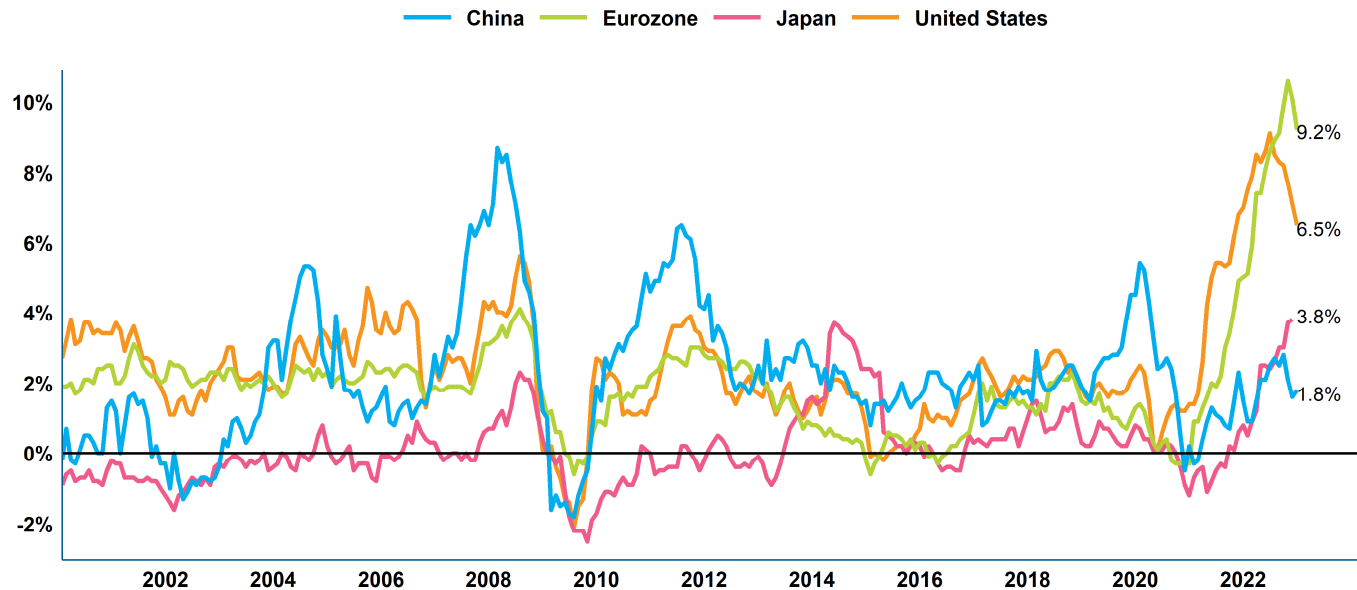
#### Balance Sheet as % of GDP



- In 2022 many central banks aggressively reduced pandemic-era policy support in the face of high inflation with the US taking a more aggressive approach.
- In December, the Bank of Japan relaxed its target yield for the 10-year bond which may mark an incremental step toward policy normalization after eight years of quantitative easing.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.
- The risk remains for a policy error, particularly overtightening, as record inflation and aggressive tightening to date could heavily weigh on global growth. The Federal Reserve's policy rate path could diverge from others this year given their strong early start to tightening.

<sup>1</sup> Source: Bloomberg. Policy rate data is as of December 31, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of December 31, 2022.

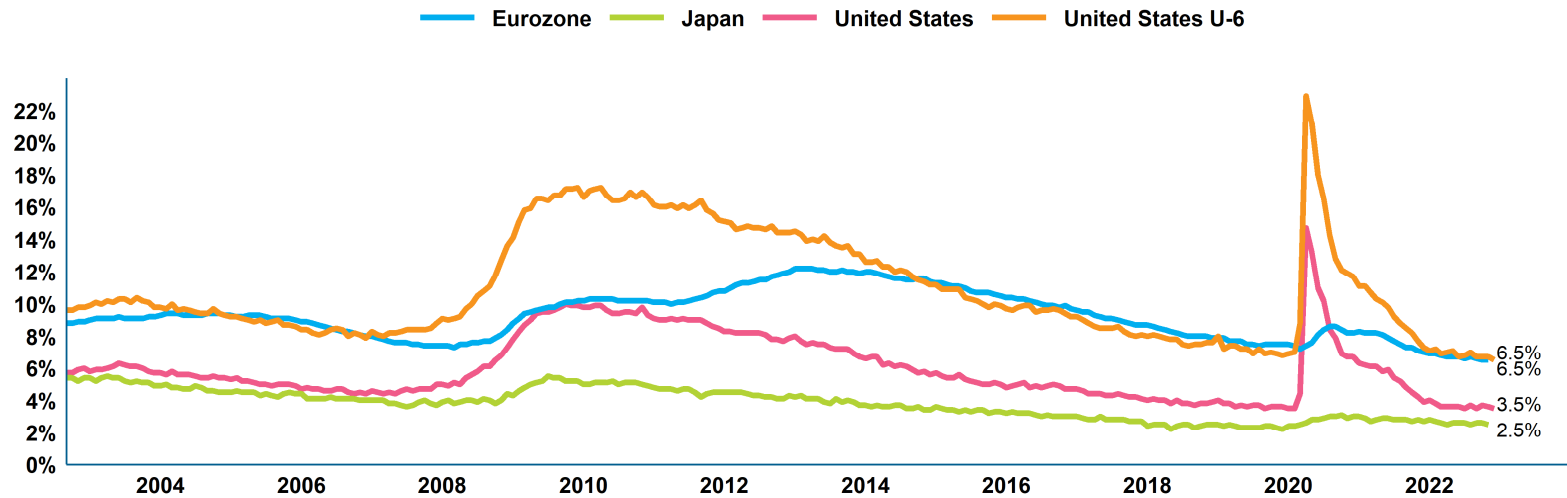
**Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.
- Inflation pressures are slowly declining in the US, but they remain elevated, while in Europe they have reached historic levels due to skyrocketing energy prices and a weak euro.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher commodity prices driven by the war in Ukraine have been key global drivers of inflation.

<sup>1</sup> Source: Bloomberg. Data is as of December 2022. The most recent Japanese inflation data is as of November 2022.

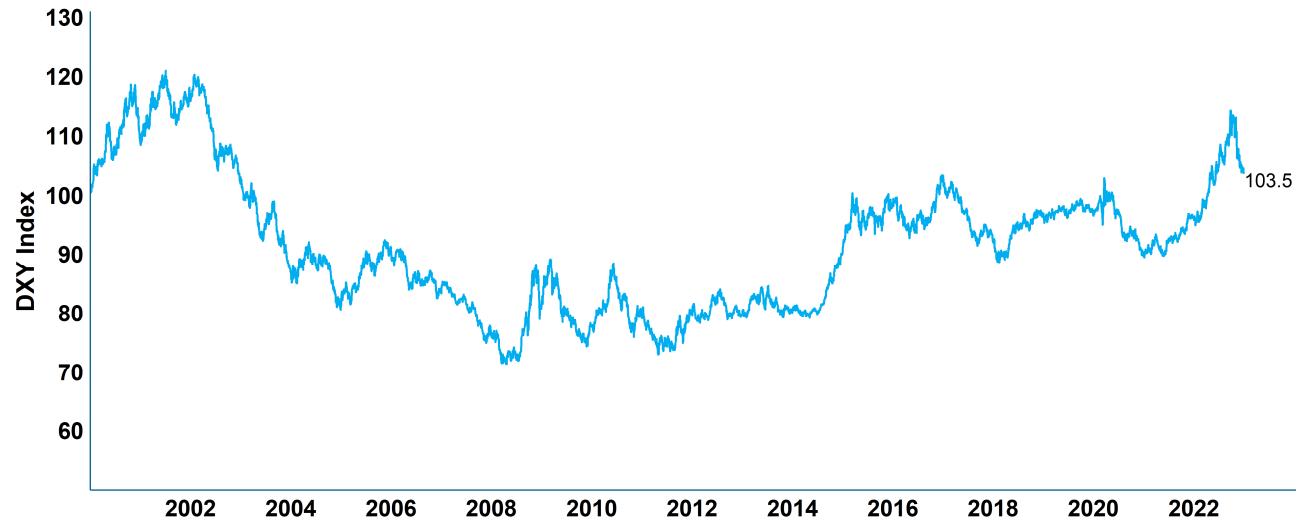
**Unemployment<sup>1</sup>**



- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- Despite slowing growth and high inflation, the US labor market remains a bright spot. Unemployment in the US, which experienced the steepest rise from the pandemic, has remained in a tight 3.5%-3.7% range for most of the year.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed's efforts to fight inflation, likely leading to higher unemployment.

<sup>1</sup> Source: Bloomberg. Data is as December 31, 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of November 30, 2022.

### US Dollar versus Broad Currencies<sup>1</sup>



- Overall, the US dollar continued to weaken from its recent peak in December as declining inflation supported the case for the Federal Reserve to slow its tightening.
- The dollar finished the year much higher than it started though due to the increased pace of policy tightening, stronger relative growth, and safe-haven flows.
- As we look to 2023, the track of inflation across economies and the corresponding monetary policy will likely be key drivers of currency moves.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2022.

## Summary

### Key Trends:

- The impacts of record high inflation will remain key, with market volatility likely to stay high.
- Monetary policy could diverge in 2023 with the Fed pausing and others continuing to tighten. The risk of policy errors in both directions remains.
- Growth will continue to slow globally next year, with many economies likely falling into recessions. Inflation, monetary policy, and the war will all be key.
- In the US the end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices could weigh on consumer spending.
- Valuations have significantly declined in the US to around long-term averages, largely driven by price declines. The key going forward will be whether earnings can remain resilient if growth continues to slow.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but risks remain, including potential continued strength in the US dollar, higher inflation particularly weighing on Europe, and China's rushed exit from COVID-19 restrictions and on-going weakness in the real estate sector.

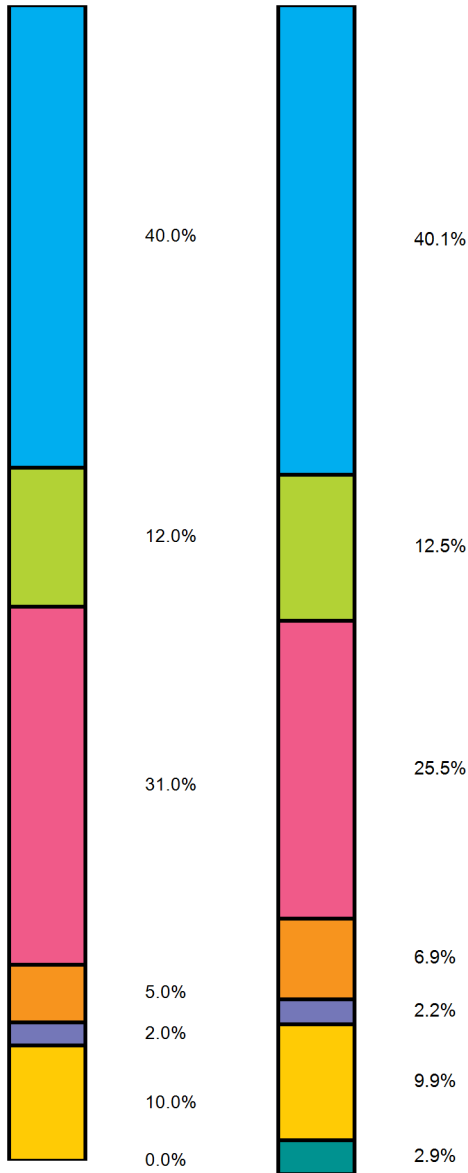


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# Oakland Police and Fire Retirement System

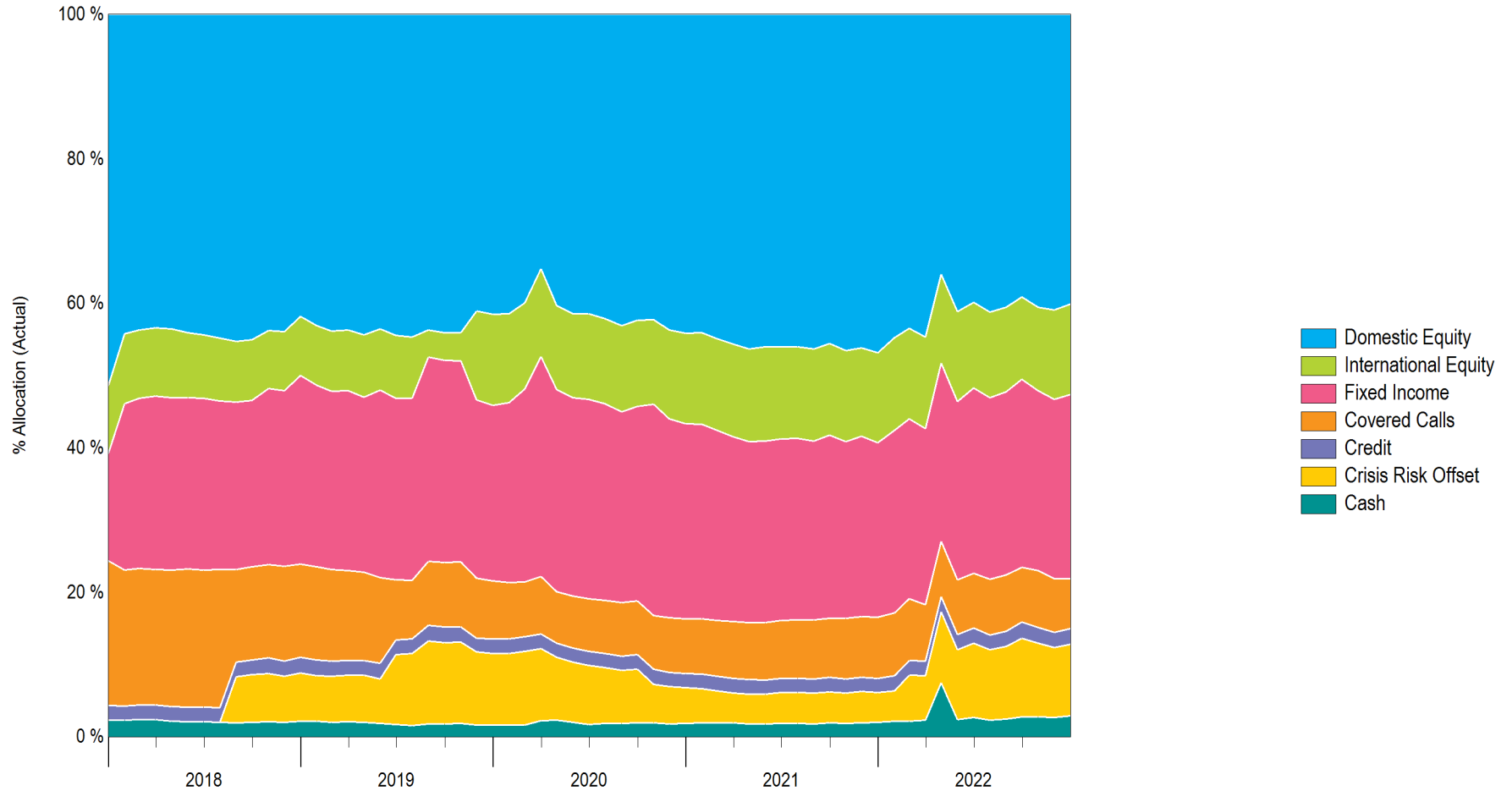
December Flash Report

As of December 31, 2022



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
Domestic Equity	\$159,779,185	40.1%	40.0%	0.1%	30.0% - 50.0%	Yes	
International Equity	\$49,851,663	12.5%	12.0%	0.5%	8.0% - 14.0%	Yes	
Fixed Income	\$101,552,915	25.5%	31.0%	-5.5%	25.0% - 40.0%	Yes	
Covered Calls	\$27,503,720	6.9%	5.0%	1.9%	5.0% - 10.0%	Yes	
Credit	\$8,603,832	2.2%	2.0%	0.2%	0.0% - 100.0%	Yes	
Crisis Risk Offset	\$39,452,288	9.9%	10.0%	-0.1%	5.0% - 15.0%	Yes	
Cash	\$11,692,108	2.9%	0.0%	2.9%	0.0% - 5.0%	Yes	
<b>Total</b>	<b>\$398,435,711</b>	<b>100.0%</b>	<b>100.0%</b>				

Asset Allocation History  
5 Years Ending December 31, 2022



As of December 31, 2022

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>398,435,711</b>	<b>100.0</b>	<b>-3.0</b>	<b>4.7</b>	<b>0.0</b>	<b>-15.1</b>	<b>2.0</b>	<b>4.1</b>	<b>6.9</b>	<b>6.5</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			<u>-2.6</u>	<u>6.0</u>	<u>1.1</u>	<u>-14.5</u>	<u>2.3</u>	<u>4.0</u>	<u>6.5</u>	<u>7.7</u>	<u>Dec-88</u>
Excess Return			-0.4	-1.3	-1.1	-0.6	-0.3	0.1	0.4	-1.2	
<b>Domestic Equity</b>	<b>159,779,185</b>	<b>40.1</b>	<b>-4.9</b>	<b>8.2</b>	<b>3.0</b>	<b>-16.7</b>	<b>7.2</b>	<b>8.5</b>	<b>12.0</b>	<b>8.6</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			<u>-5.9</u>	<u>7.2</u>	<u>2.4</u>	<u>-19.2</u>	<u>7.1</u>	<u>8.8</u>	<u>12.1</u>	<u>8.7</u>	<u>Jun-97</u>
Excess Return			1.0	1.0	0.6	2.5	0.1	-0.3	-0.1	-0.1	
<b>International Equity</b>	<b>49,851,663</b>	<b>12.5</b>	<b>-1.8</b>	<b>15.1</b>	<b>4.1</b>	<b>-15.7</b>	<b>0.3</b>	<b>1.7</b>	<b>5.2</b>	<b>5.0</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			<u>-0.7</u>	<u>14.3</u>	<u>3.0</u>	<u>-16.0</u>	<u>0.1</u>	<u>0.9</u>	<u>3.8</u>	<u>4.7</u>	<u>Jan-98</u>
Excess Return			-1.1	0.8	1.1	0.3	0.2	0.8	1.4	0.3	
<b>Fixed Income</b>	<b>101,552,915</b>	<b>25.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>-2.6</b>	<b>-12.9</b>	<b>-2.1</b>	<b>0.5</b>	<b>1.6</b>	<b>4.7</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>			<u>-0.3</u>	<u>2.2</u>	<u>-2.3</u>	<u>-13.0</u>	<u>-2.5</u>	<u>0.2</u>	<u>1.3</u>	<u>4.5</u>	<u>Dec-93</u>
Excess Return			-0.1	-0.1	-0.3	0.1	0.4	0.3	0.3	0.2	
<b>Credit</b>	<b>8,603,832</b>	<b>2.2</b>	<b>0.3</b>	<b>1.9</b>	<b>1.5</b>	<b>-7.6</b>	<b>3.0</b>	<b>3.0</b>	<b>--</b>	<b>4.7</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>			<u>-0.6</u>	<u>4.2</u>	<u>3.5</u>	<u>-11.2</u>	<u>0.0</u>	<u>2.3</u>	<u>4.0</u>	<u>3.8</u>	<u>Feb-15</u>
Excess Return			0.9	-2.3	-2.0	3.6	3.0	0.7		0.9	
<b>Covered Calls</b>	<b>27,503,720</b>	<b>6.9</b>	<b>-9.7</b>	<b>-5.8</b>	<b>-10.6</b>	<b>-23.5</b>	<b>2.0</b>	<b>4.4</b>	<b>--</b>	<b>6.5</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>			<u>-1.3</u>	<u>6.8</u>	<u>-1.3</u>	<u>-11.4</u>	<u>1.3</u>	<u>2.9</u>	<u>5.8</u>	<u>4.9</u>	<u>Apr-14</u>
Excess Return			-8.4	-12.6	-9.3	-12.1	0.7	1.5		1.6	
<b>Crisis Risk Offset</b>	<b>39,452,288</b>	<b>9.9</b>	<b>-0.1</b>	<b>-4.9</b>	<b>-4.9</b>	<b>-14.5</b>	<b>-14.6</b>	<b>-8.2</b>	<b>--</b>	<b>-9.3</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>			<u>-0.3</u>	<u>1.5</u>	<u>2.4</u>	<u>4.8</u>	<u>-1.4</u>	<u>--</u>	<u>--</u>	<u>-0.5</u>	<u>Aug-18</u>
Excess Return			0.2	-6.4	-7.3	-19.3	-13.2			-8.8	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding. Fiscal year begins on July 1.

As of December 31, 2022

Performance Summary												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>398,435,711</b>	<b>100.0</b>	<b>--</b>	<b>-3.0</b>	<b>4.7</b>	<b>0.0</b>	<b>-15.1</b>	<b>2.0</b>	<b>4.1</b>	<b>6.9</b>	<b>6.5</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>				<u>-2.6</u>	<u>6.0</u>	<u>1.1</u>	<u>-14.5</u>	<u>2.3</u>	<u>4.0</u>	<u>6.5</u>	<u>7.7</u>	<u>Dec-88</u>
Excess Return				-0.4	-1.3	-1.1	-0.6	-0.3	0.1	0.4	-1.2	
<b>Domestic Equity</b>	<b>159,779,185</b>	<b>40.1</b>	<b>40.1</b>	<b>-4.9</b>	<b>8.2</b>	<b>3.0</b>	<b>-16.7</b>	<b>7.2</b>	<b>8.5</b>	<b>12.0</b>	<b>8.6</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>				<u>-5.9</u>	<u>7.2</u>	<u>2.4</u>	<u>-19.2</u>	<u>7.1</u>	<u>8.8</u>	<u>12.1</u>	<u>8.7</u>	<u>Jun-97</u>
Excess Return				1.0	1.0	0.6	2.5	0.1	-0.3	-0.1	-0.1	
Northern Trust Russell 1000	69,741,287	17.5	43.6	-5.8	7.2	2.3	-19.4	7.2	9.1	12.3	12.6	Jun-10
<i>Russell 1000</i>				<u>-5.8</u>	<u>7.2</u>	<u>2.3</u>	<u>-19.1</u>	<u>7.3</u>	<u>9.1</u>	<u>12.4</u>	<u>12.6</u>	<u>Jun-10</u>
Excess Return				0.0	0.0	0.0	-0.3	-0.1	0.0	-0.1	0.0	
Wellington Select Quality Equity	22,198,719	5.6	13.9	-1.7	13.7	7.0	--	--	--	--	0.9	May-22
<i>Russell 1000</i>				<u>-5.8</u>	<u>7.2</u>	<u>2.3</u>	<u>-19.1</u>	<u>7.3</u>	<u>9.1</u>	<u>12.4</u>	<u>-6.4</u>	<u>May-22</u>
Excess Return				4.1	6.5	4.7					7.3	
EARNEST Partners	43,615,104	10.9	27.3	-5.0	7.8	1.7	-15.3	8.9	10.0	13.3	10.0	Apr-06
<i>Russell MidCap</i>				<u>-5.4</u>	<u>9.2</u>	<u>5.4</u>	<u>-17.3</u>	<u>5.9</u>	<u>7.1</u>	<u>11.0</u>	<u>8.3</u>	<u>Apr-06</u>
Excess Return				0.4	-1.4	-3.7	2.0	3.0	2.9	2.3	1.7	
Brown Fundamental Small Cap Value	10,924,340	2.7	6.8	-5.0	12.5	10.6	-6.9	--	--	--	1.8	Apr-21
<i>Russell 2000 Value</i>				<u>-6.6</u>	<u>8.4</u>	<u>3.4</u>	<u>-14.5</u>	<u>4.7</u>	<u>4.1</u>	<u>8.5</u>	<u>-5.5</u>	<u>Apr-21</u>
Excess Return				1.6	4.1	7.2	7.6				7.3	
Rice Hall James	13,299,736	3.3	8.3	-5.0	3.3	-1.1	-23.7	3.4	4.2	--	6.1	Jul-17
<i>Russell 2000 Growth</i>				<u>-6.4</u>	<u>4.1</u>	<u>4.4</u>	<u>-26.4</u>	<u>0.6</u>	<u>3.5</u>	<u>9.2</u>	<u>5.2</u>	<u>Jul-17</u>
Excess Return				1.4	-0.8	-5.5	2.7	2.8	0.7		0.9	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>International Equity</b>	<b>49,851,663</b>	<b>12.5</b>	<b>12.5</b>	<b>-1.8</b>	<b>15.1</b>	<b>4.1</b>	<b>-15.7</b>	<b>0.3</b>	<b>1.7</b>	<b>5.2</b>	<b>5.0</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>				<i>-0.7</i>	<i>14.3</i>	<i>3.0</i>	<i>-16.0</i>	<i>0.1</i>	<i>0.9</i>	<i>3.8</i>	<i>4.7</i>	<i>Jan-98</i>
Excess Return				-1.1	0.8	1.1	0.3	0.2	0.8	1.4	0.3	
Vanguard Developed Markets ETF	14,054,284	3.5	28.2	-2.2	16.8	4.4	-15.4	1.3	--	--	4.6	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>-0.4</i>	<i>16.3</i>	<i>5.2</i>	<i>-15.3</i>	<i>1.5</i>	<i>1.8</i>	<i>5.0</i>	<i>4.8</i>	<i>Sep-19</i>
Excess Return				-1.8	0.5	-0.8	-0.1	-0.2			-0.2	
SGA ACWI ex-U.S. Equity	35,797,379	9.0	71.8	-1.7	14.4	4.0	-15.6	0.2	--	--	0.4	Dec-19
<i>MSCI ACWI ex USA</i>				<i>-0.7</i>	<i>14.3</i>	<i>3.0</i>	<i>-16.0</i>	<i>0.1</i>	<i>0.9</i>	<i>3.8</i>	<i>1.5</i>	<i>Dec-19</i>
Excess Return				-1.0	0.1	1.0	0.4	0.1			-1.1	
<b>Fixed Income</b>	<b>101,552,915</b>	<b>25.5</b>	<b>25.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>-2.6</b>	<b>-12.9</b>	<b>-2.1</b>	<b>0.5</b>	<b>1.6</b>	<b>4.7</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>				<i>-0.3</i>	<i>2.2</i>	<i>-2.3</i>	<i>-13.0</i>	<i>-2.5</i>	<i>0.2</i>	<i>1.3</i>	<i>4.5</i>	<i>Dec-93</i>
Excess Return				-0.1	-0.1	-0.3	0.1	0.4	0.3	0.3	0.2	
Ramirez	69,021,211	17.3	68.0	-0.4	1.7	-2.8	-13.0	-2.4	0.4	--	1.2	Jan-17
<i>Bloomberg US Aggregate TR</i>				<i>-0.5</i>	<i>1.9</i>	<i>-3.0</i>	<i>-13.0</i>	<i>-2.7</i>	<i>0.0</i>	<i>1.1</i>	<i>0.6</i>	<i>Jan-17</i>
Excess Return				0.1	-0.2	0.2	0.0	0.3	0.4		0.6	
Wellington Core Bond	6,531,106	1.6	6.4	-0.5	1.9	-3.1	-14.4	--	--	--	-7.5	Apr-21
<i>Bloomberg US Aggregate TR</i>				<i>-0.5</i>	<i>1.9</i>	<i>-3.0</i>	<i>-13.0</i>	<i>-2.7</i>	<i>0.0</i>	<i>1.1</i>	<i>-6.7</i>	<i>Apr-21</i>
Excess Return				0.0	0.0	-0.1	-1.4				-0.8	
Reams	26,000,599	6.5	25.6	-0.3	3.2	-1.9	-12.0	1.4	2.8	2.5	5.1	Feb-98
<i>Bloomberg Universal (Blend)</i>				<i>-0.3</i>	<i>2.2</i>	<i>-2.3</i>	<i>-13.0</i>	<i>-2.5</i>	<i>0.2</i>	<i>1.3</i>	<i>4.1</i>	<i>Feb-98</i>
Excess Return				0.0	1.0	0.4	1.0	3.9	2.6	1.2	1.0	
<b>Credit</b>	<b>8,603,832</b>	<b>2.2</b>	<b>2.2</b>	<b>0.3</b>	<b>1.9</b>	<b>1.5</b>	<b>-7.6</b>	<b>3.0</b>	<b>3.0</b>	<b>--</b>	<b>4.7</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>				<i>-0.6</i>	<i>4.2</i>	<i>3.5</i>	<i>-11.2</i>	<i>0.0</i>	<i>2.3</i>	<i>4.0</i>	<i>3.8</i>	<i>Feb-15</i>
Excess Return				0.9	-2.3	-2.0	3.6	3.0	0.7		0.9	
Polen Capital	8,603,832	2.2	100.0	0.3	1.9	1.5	-7.6	3.0	3.0	--	4.7	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>-0.8</i>	<i>4.0</i>	<i>3.3</i>	<i>-11.2</i>	<i>-0.2</i>	<i>2.1</i>	<i>4.0</i>	<i>3.7</i>	<i>Feb-15</i>
Excess Return				1.1	-2.1	-1.8	3.6	3.2	0.9		1.0	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Covered Calls</b>	<b>27,503,720</b>	<b>6.9</b>	<b>6.9</b>	<b>-9.7</b>	<b>-5.8</b>	<b>-10.6</b>	<b>-23.5</b>	<b>2.0</b>	<b>4.4</b>	<b>--</b>	<b>6.5</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-8.4	-12.6	-9.3	-12.1	0.7	1.5		1.6	
Parametric BXM	13,942,810	3.5	50.7	-8.4	-6.3	-11.4	-20.9	0.0	2.3	--	4.8	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-7.1	-13.1	-10.1	-9.5	-1.3	-0.6		-0.1	
Parametric DeltaShift	13,560,909	3.4	49.3	-11.1	-5.3	-9.7	-25.8	3.7	6.2	--	8.4	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-9.8	-12.1	-8.4	-14.4	2.4	3.3		3.5	
<b>Crisis Risk Offset</b>	<b>39,452,288</b>	<b>9.9</b>	<b>9.9</b>	<b>-0.1</b>	<b>-4.9</b>	<b>-4.9</b>	<b>-14.5</b>	<b>-14.6</b>	<b>-8.2</b>	<b>--</b>	<b>-9.3</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.3</i>	<i>1.5</i>	<i>2.4</i>	<i>4.8</i>	<i>-1.4</i>	<i>--</i>	<i>--</i>	<i>-0.5</i>	<i>Aug-18</i>
Excess Return				0.2	-6.4	-7.3	-19.3	-13.2			-8.8	
Kepos Alternative Risk Premia	9,837,006	2.5	24.9	2.8	1.1	3.4	--	--	--	--	-1.0	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.3</i>	<i>1.5</i>	<i>2.4</i>	<i>4.8</i>	<i>-1.4</i>	<i>--</i>	<i>--</i>	<i>3.9</i>	<i>Feb-22</i>
Excess Return				3.1	-0.4	1.0					-4.9	
Versor Trend Following	15,908,714	4.0	40.3	0.0	-11.2	-4.2	--	--	--	--	6.1	Apr-22
<i>SG Trend Index</i>				<i>-0.3</i>	<i>-6.1</i>	<i>-1.1</i>	<i>36.1</i>	<i>16.4</i>	<i>9.6</i>	<i>6.4</i>	<i>15.6</i>	<i>Apr-22</i>
Excess Return				0.3	-5.1	-3.1					-9.5	
Vanguard Long-Term Treasury ETF	13,706,568	3.4	34.7	-2.3	-1.1	-10.7	-29.4	-7.6	--	--	-5.7	Jul-19
<i>Bloomberg US Govt Long TR</i>				<i>-1.7</i>	<i>-0.6</i>	<i>-10.1</i>	<i>-29.2</i>	<i>-7.4</i>	<i>-2.2</i>	<i>0.6</i>	<i>-5.5</i>	<i>Jul-19</i>
Excess Return				-0.6	-0.5	-0.6	-0.2	-0.2			-0.2	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding. Versor Tren Following market value is as of 11/30/2022.



As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Cash</b>	<b>11,692,108</b>	<b>2.9</b>	<b>2.9</b>	<b>2.6</b>	<b>6.7</b>	<b>9.7</b>	<b>9.7</b>	<b>3.5</b>	<b>3.0</b>	<b>1.6</b>	<b>1.4</b>	<b>Mar-11</b>
<i>FTSE T-Bill 3 Months TR</i>				<i>0.3</i>	<i>0.9</i>	<i>1.3</i>	<i>1.5</i>	<i>0.7</i>	<i>1.2</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				2.3	5.8	8.4	8.2	2.8	1.8	0.9	0.8	
Cash	3,817,108	1.0	32.6	0.0	0.0	0.0	0.0	0.5	1.2	0.8	0.6	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.3</i>	<i>0.9</i>	<i>1.3</i>	<i>1.5</i>	<i>0.7</i>	<i>1.2</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				-0.3	-0.9	-1.3	-1.5	-0.2	0.0	0.1	0.0	
Cash - Treasury	7,875,000	2.0	67.4									

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

Cash Flow Summary

Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Brown Fundamental Small Cap Value	\$11,503,189	\$0	-\$578,849	\$10,924,340
Cash	\$3,561,890	\$255,219	\$0	\$3,817,108
Cash - Treasury	\$7,581,000	\$0	\$294,000	\$7,875,000
EARNEST Partners	\$45,912,958	\$0	-\$2,297,855	\$43,615,104
Kepos Alternative Risk Premia	\$9,575,774	\$0	\$261,233	\$9,837,006
Northern Trust Russell 1000	\$74,033,343	\$0	-\$4,292,057	\$69,741,287
Parametric BXM	\$15,215,281	\$0	-\$1,272,471	\$13,942,810
Parametric DeltaShift	\$15,246,880	\$0	-\$1,685,971	\$13,560,909
Polen Capital	\$8,584,723	\$0	\$19,109	\$8,603,832
Ramirez	\$69,277,610	\$0	-\$256,399	\$69,021,211
Reams	\$26,080,937	\$0	-\$80,338	\$26,000,599
Rice Hall James	\$13,993,347	\$0	-\$693,611	\$13,299,736
Securities Lending Northern Trust	\$0	-\$7,733	\$7,733	\$0
SGA ACWI ex-U.S. Equity	\$36,406,614	\$0	-\$609,235	\$35,797,379
Vanguard Developed Markets ETF	\$14,536,490	\$0	-\$482,206	\$14,054,284
Vanguard Long-Term Treasury ETF	\$14,093,608	\$0	-\$387,040	\$13,706,568
Versor Trend Following	\$15,908,714	\$0	\$0	\$15,908,714
Wellington Core Bond	\$6,567,170	\$0	-\$36,065	\$6,531,106
Wellington Select Quality Equity	\$22,589,822	\$0	-\$391,103	\$22,198,719
<b>Total</b>	<b>\$410,669,349</b>	<b>\$247,485</b>	<b>-\$12,481,123</b>	<b>\$398,435,711</b>

**Benchmark History**  
As of December 31, 2022

OPFRS Total Plan

6/1/2022	Present	40% Russell 3000 / 12% MSCI ACWI ex USA / 31% Bloomberg US Universal TR / 5% CBOE BXM / 10% SG Multi Alternative Risk Premia Index / 2% Bloomberg US High Yield TR
1/1/2019	5/31/2022	40% Russell 3000 / 12% MSCI ACWI ex USA Gross / 33% Bloomberg US Universal TR / 5% CBOE BXM / 6.7% SG Multi Alternative Risk Premia Index / 3.3% Bloomberg US Treasury Long TR
5/1/2016	12/31/2018	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 20% CBOE BXM
10/1/2015	4/30/2016	43% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 15% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
1/1/2014	9/30/2015	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 10% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
3/1/2013	12/31/2013	40% Russell 3000 / 10% MSCI ACWI ex USA Gross / 17% Bloomberg US Universal TR / 33% ICE BofA 3M US Treasury TR USD
8/1/2012	2/28/2013	20% Russell 3000 / 7% MSCI ACWI ex USA Gross / 18% Bloomberg US Universal TR / 55% ICE BofA 3M US Treasury TR USD
10/1/2007	7/31/2012	53% Russell 3000 / 17% MSCI ACWI ex USA Gross / 30% Bloomberg US Universal TR
4/1/2006	9/30/2007	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Universal TR
1/1/2005	3/31/2006	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Aggregate TR
4/1/1998	12/31/2004	50% Bloomberg US Aggregate TR / 10% Russell 1000 / 20% Russell 1000 Value / 5% Russell MidCap / 15% MSCI EAFE
12/1/1988	3/31/1998	40% S&P 500 / 55% Bloomberg US Aggregate TR / 5% FTSE T-Bill 3 Months TR

**Benchmark History**  
As of December 31, 2022

Domestic Equity

1/1/2005	Present	Russell 3000
4/1/1998	12/31/2004	28.57% Russell 1000 / 57.14% Russell 1000 Value / 14.29% Russell MidCap
6/1/1997	3/31/1998	S&P 500

International Equity

1/1/2005	Present	MSCI ACWI ex USA
1/1/1998	12/31/2004	MSCI EAFE Gross

Fixed Income

4/1/2006	Present	Bloomberg US Universal TR
12/31/1993	3/31/2006	Bloomberg US Aggregate TR

Covered Calls

4/1/2014	Present	CBOE S&P 500 BuyWrite USD
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Crisis Risk Offset

8/1/2018	Present	SG Multi Alternative Risk Premia Index
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Cash

3/1/2011	Present	FTSE T-Bill 3 Months TR
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WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

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

## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (“OPFRS”)  
**FROM:** Meketa Investment Group (“Meketa”)  
**DATE:** January 25, 2023  
**RE:** 2023 Ongoing Strategic Investment Agenda

On an ongoing (monthly) basis, Meketa develops a list of projects that we expect to work closely with OPFRS to complete over throughout the calendar year (see table below). In an attempt to coordinate the scheduling of these tasks, this memo details a Preliminary Investment Project Agenda by calendaring and prioritizing the expected tasks and deliverables that would be required to fulfill the Agenda. Meketa welcomes any suggestions and/or modifications to the proposed timeline.

### 2023 Preliminary Investment Project Agenda

Expected Completion Date	Task
February 2023	Flash Performance (2023 Jan) Quarterly Performance Report (4Q 2022) Annual Diversity Survey Results Manager Update: <b>Earnest Partners</b> Contract Renewal: <b>Earnest Partners</b>
March 2023	Flash Performance (2023 Feb) Cash Flow Report (2Q 2023) Informational: <b>2023 Meketa Capital Market Assumptions</b> Watchlist Review & Manager Update: <b>Polen Capital</b> Asset Class Review: <b>Credit</b> Potential Manager Search Discussion: <b>Credit</b>
April 2023	Flash Performance (2023 Mar) Watchlist Review & Manager Update: <b>Rice Hall James</b> Asset Class Review: <b>Small Cap Growth Equity</b> Potential Manager Search Discussion: <b>Small Cap Growth</b>
May 2023	Flash Performance (2023 Apr) Quarterly Performance Report (1Q 2023) Manager Update: <b>Wellington Core Bonds</b>

Expected Completion Date	Task
June 2023	Flash Performance (2023 May) Cash Flow Report (3Q 2023) Informational Item: TBD Manager Update: <b>Brown Advisory</b>
July 2023	Flash Performance (2023 Jun) Manager Update: <b>Wellington Select Equity</b> Manager Update: <b>Northern Trust Asset Management</b>
August 2023	Flash Performance (2023 Jul) Quarterly Performance Report (2Q 2023) Manager Update: <b>Kepos</b>
September 2023	Flash Performance (2023 Aug) Cash Flow Report (4Q 2023) Thermal Coal List Update: 2023 Manager Update: <b>Versor</b>
October 2023	Flash Performance (2023 Sep) Informational Item: TBD Manager Update: <b>Parametric</b> Contract Renewal: <b>Parametric</b>
November 2023	Flash Performance (2023 Oct) Quarterly Performance Report (3Q 2023) Manager Update: <b>Strategic Global Advisors</b>
December 2023	Flash Performance (2023 Nov) Cash Flow Report (1Q 2024) Manager Update: <b>Ramirez</b> Informational Item: TBD

This agenda includes only major strategic items. Meketa also expects to work with the Staff and Board to complete more routine tasks and projects, as expected.

DS/PN/JLC/mn



## Disclosure

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SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

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Pursuant to California Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



# AGENDA

## RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.  
President

Jaime T. Godfrey  
Vice President

Martin J. Melia  
Member

Robert W. Nichelini  
Member

John C. Speakman  
Member

R. Steven Wilkinson  
Member

Erin Roseman  
Member

## CLOSED SESSION of the BOARD OF ADMINISTRATION of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

WEDNESDAY, JANUARY 25, 2023  
DURING REGULAR MEETING SCHEDULED TO START AT 11:30 AM  
TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR

### OBSERVE

- To observe the meeting by video conference, please click on this link: <https://us02web.zoom.us/j/82880493983> at the noticed meeting time.
- To listen to the meeting by phone, please call the numbers below at the noticed meeting time: Dial (for higher quality, dial a number based on your current location):
- iPhone one-tap: US: +16699006833, 82880493983# or +13462487799, 82880493983#
- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
- International numbers available: <https://us02web.zoom.us/j/82880493983>
- Webinar ID: 828 8049 3983.  
If asked for a participant ID or code, press #.

### PUBLIC COMMENTS

There are three ways to submit public comments.

- eComment. To send your comment directly to staff BEFORE the meeting starts, please email to [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov) with “PFRS Board Meeting” in the subject line for the corresponding meeting. Please note that eComment submission **closes two (2) hours before posted meeting time.**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JANUARY 25, 2023**

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at: <https://support.zoom.us/hc/en-us/articles/205566129> - Raise-Hand-In-Webinar.
- To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing “\*9” to speak when Public Comment is taken. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Please unmute yourself by pressing “\*6.”

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov).

---

## **ORDER OF BUSINESS**

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### **THE PFRS BOARD WILL MEET IN CLOSED SESSION DURING ITS SCHEDULED BOARD MEETING**

Please see the meeting agenda for open session items. The board will convene in open session prior to the closed session. Speakers may address the items of business on the closed session agenda prior to closed session. The Board will reconvene in open session following the closed session to report any final decisions that the board makes in closed session.

**Pursuant to California Government code Section 54956.9(a) and 54956.9(d)(1):**

- 1. APPOINTMENT OF GENEVIEVE NG, PARTNER, SLOAN SAKAI YEUNG & WONG LLP,  
AS OUTSIDE COUNSEL DUE TO CONFLICT OF INTEREST OF PFRS GENERAL  
COUNSEL AND POTENTIAL CLAIM AGAINST PFRS – *POTENTIAL LITIGATION*  
Retired Oakland Police Officers Association *Potential Plaintiff/Claimant***

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# AGENDA

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Member

## REGULAR MEETING of the BOARD OF ADMINISTRATION of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

WEDNESDAY, JANUARY 25, 2023

11:30 AM

TELE-CONFERENCE BOARD MEETING  
VIA ZOOM WEBINAR

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- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JANUARY 25, 2023**

- To comment by Zoom video conference, click the “Raise Your Hand” button to request to speak when Public Comment is being taken on an eligible agenda item at the beginning of the meeting. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Instructions on how to “Raise Your Hand” is available at: [https://support.zoom.us/hc/en-us/articles/205566129 - Raise-Hand-In-Webinar](https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar).
- To comment by phone, please call on one of the above listed phone numbers. You will be prompted to “Raise Your Hand” by pressing “\*9” to speak when Public Comment is taken. You will be permitted to speak during your turn, allowed to comment, and after the allotted time, re-muted. Please unmute yourself by pressing “\*6.”

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov).

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## ORDER OF BUSINESS

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**A. CLOSED SESSION**

**B. Report of PFRS Board Action form Closed Session (if any)**

**C. Subject: Police and Fire Retirement System (“PFRS”) Board of Administration Meeting Minutes**

**From:** Staff of the PFRS Board

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**Recommendation:** **APPROVE** the December 14, 2022 PFRS Board of Administration Meeting Minutes

**D. AUDIT & OPERATIONS COMMITTEE AGENDA – JANUARY 25, 2023**

**D1. Subject: Administrative Expenses Report**

**From:** Staff of the PFRS Board

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**Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of November 30, 2022

**E. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – JANUARY 25, 2023**

**E1. Subject: Investment Manager Performance Update – Reams Asset Management**

**From:** Reams Asset Management

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**Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; investment strategy; local brokerage usage; and portfolio performance of Reams Asset Management, a PFRS Core Plus Fixed Income Investment Strategy Manager

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
 REGULAR BOARD MEETING  
 JANUARY 25, 2023**

- E2. Subject: Investment Manager Performance Review – Reams Asset Management**  
**From:** Meketa Investment Group  


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**Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation regarding a firm overview, managerial assessment, peer ranking, and portfolio performance of Reams Asset Management, a PFRS Core Plus Fixed Income Investment Strategy Manager
- E3. Subject: Investment Market Overview as of December 31, 2022**  
**From:** Meketa Investment Group  


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**Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of December 31, 2022
- E4. Subject: Preliminary Investment Fund Performance Update as of December 31, 2022**  
**From:** Meketa Investment Group  


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**Recommendation:** **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of December 31, 2022
- F. Subject: Member Resolution 8071 – 8072**  
**From:** Staff of the PFRS Board  


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**Recommendation:** **APPROVE** Member Resolution Nos. 8071 – 8072
- F1. Resolution No. 8071** | Resolution fixing the monthly allowance of surviving spouse of the following retired members of the Oakland Police and Fire Retirement System in the amount indicated:
- | <u>Deceased Member</u> | <u>Surviving Spouse</u> | <u>Monthly Allowance</u> |
|------------------------|-------------------------|--------------------------|
| ▪ Daryl W. Hylton      | Carol Hylton            | \$3,899.62               |
| ▪ Larry J. Rodrigue    | Karen Rodrigue          | \$7,591.43               |
| ▪ Barry Whalley        | Suzanne Whalley         | \$4,946.09               |
| ▪ James M. Williams    | Mary A. Williams        | \$4,902.60               |
| ▪ Leland Williams      | Clare Williams          | \$5,580.23               |
- F2. Resolution No. 8072** | Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased member of the Oakland Police and Fire Retirement System:
- John Tashjian

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
JANUARY 25, 2023**

**G. Subject: Cure and Correct for December 14, 2022 Agenda Item D6:  
\$14.2 Million Drawdown for Member Retirement Allowances**  
**From: General Counsel**

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**Recommendation: REAPPROVE** a \$14.2 million drawdown, \$8.2 million as a contribution from the City of Oakland, and \$6 million from the PFRS Investment Fund as recommended by Meketa Investment Group at the December 14, 2022 Special Meeting of the PFRS Board. This is a validation action to cure and correct potential Brown Act infirmities and will not result in additional funds being withdrawn other than those discussed during the December 14, 2022 Special Meeting.

**H. PENDING ITEMS – None**

**I. NEW BUSINESS**

**J. OPEN FORUM**

**K. FUTURE SCHEDULING**

**L. ADJOURNMENT**

**A SPECIAL MEETING** of the Oakland Police and Fire Retirement System (“PFRS”) Board of Administration was held on Wednesday, December 14, 2022 via Zoom Webinar.

Board Members:

- Walter L. Johnson            President (EXCUSED)
- Jaime T. Godfrey           Vice President
- Martin J. Melia             Member
- Robert W. Nichelini       Member (EXCUSED AT 11:40 AM)
- Erin Roseman               Member (JOINED AT 10:43 AM)
- John C. Speakman         Member
- R. Steven Wilkinson       Member

Additional Attendees:

- David F. Jones             PFRS Secretary & Plan Administrator
- Téir Jenkins                PFRS Investment & Operations Manager
- Mitesh Bhakta              PFRS Legal Counsel
- Maxine Visaya              PFRS Staff Member
- David Sancewich          Meketa Investment Group
- Graham Schmidt            Cheiron, Inc.

The meeting was called to order at 10:31 a.m. Pacific

**A. PFRS Board Meeting Minutes** – Member Speakman made a motion to approve the October 26, 2022 Board of Administration Regular Meeting Minutes, second by Member Nichelini. Motion passed.

[JOHNSON: EXCUSED / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: ABSENT / SPEAKMAN: Y / WILKINSON: Y]  
(AYES: 5 / NOES: 0 / ABSENT: 1 / ABSTAIN: 0 / EXCUSED: 1)

**B. PFRS Actuary Valuation Report as of July 1, 2022** – Graham Schmidt of Cheiron, Inc. presented the PFRS Actuary Valuation Report as of July 1, 2022. G. Schmidt highlighted the key findings which included total membership; liabilities, assets and funded status and the projected contributions required to fund the system through the 2026 funding date; trends over time; identification and assessment of investment of assumption and investment risks and noted PFRS is due for an Actuarial Experience Study to review changes in assumptions. Vice President Godfrey directed the Audit and Operations Committee to work with Cheiron and move forward with the Actuarial Experience Study.

**MOTION:** Member Speakman made a motion to accept the PFRS Actuary Valuation Report as of July 1, 2022, second by Member Nichelini. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)



**C. AUDIT AND OPERATIONS COMMITTEE AGENDA – DECEMBER 14, 2022**

- C1. Report of the Audit of PFRS Financial Statements for the Year Ended June 30, 2022 –** Investment & Operations Manager Jenkins presented provided an overview of the presentation by Annie Louie of Macias, Gini, & O’Connell, LLP (MGO) regarding the audit report and required communication to the Board and noted we have a strong accounting team which resulted in a smooth audit with no findings. Plan Administrator Jones thanked Annie, MGO, and Retirement Staff for another successful audit done remotely and acknowledged this work is a heavy lift especially when working against competing deadlines.

**MOTION:** Member Speakman made a motion to accept the Audit Report of PFRS Financial Statements for the year ended June 30, 2022, second by Member Melia. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- C2. Administrative Expenses Report –** Investment & Operations Manager Jenkins presented an informational report regarding PFRS administrative expenditures as of October 31, 2022. PFRS has an approved annual budget of approximately \$3.6 million and have expensed approximately \$467,000.00 to date for fiscal year 2022-2023. Membership consisted of 678 retired members, which included 417 Police Members and 261 Fire Members.

**MOTION:** Member Speakman made a motion to accept the administrative expenses report as of October 31, 2022, second by Member Nichelini. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – DECEMBER 14, 2022**

- D1. Investment Manager Performance Update – Strategic Global Advisors (SGA) –** Vice President Godfrey provided an overview of the presentation by SGA, a PFRS Active International Equity Investment Strategy Manager. Vice President Godfrey highlighted the firm overview, investment strategy, portfolio performance, and the firm’s Diversity, Equity, and Inclusion policy and practices and noted Mark Wimer, Senior Portfolio Manager, is set to retire at year end and his duties will be absorbed by the four remaining members of their investment team.

**MOTION:** Member Speakman made a motion to accept the informational report regarding SGA, a PFRS Active International Equity Investment Strategy Manager, second by Member Wilkinson. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)



- D2. **Investment Manager Performance Review – Strategic Global Advisors (SGA)** – David Sancewich of Meketa Investment Group (“Meketa”) presented an overview memo regarding SGA, a PFRS Active International Equity Investment Strategy. D. Sancewich noted the memo provided was crafted prior to their notification of Mark Wimer’s retirement and expresses Meketa has no major concerns, however Meketa has not had the opportunity to review the departure and what it means for the group. It was further noted, Meketa has no concerns, aside from the departure, as the firm, assets, and portfolio remain consistent. Meketa advised they have follow-up meeting scheduled with SGA to discuss the true implications of the change and will come back to the Committee at a future meeting to provide an updated assessment and recommendation regarding possible watch status.

**MOTION:** Vice President Godfrey made a motion to accept Meketa’s overview memo and information received today regarding SGA, a PFRS Active International Equity, second by Member Nichelini. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D3. **Investment Market Overview as of October 31, 2022** – David Sancewich of Meketa presented an informational report regarding the Investment Market Overview as of October 31, 2022 and highlighted Index Returns and Domestic Equity Returns and current factors impacting outcomes.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Investment Market Overview as of October 31, 2022, second by Member Melia. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D4. **Preliminary Investment Fund Performance Update as of October 31, 2022** – David Sancewich of Meketa provided a summary of the Preliminary Investment Fund Performance Update as of October 31, 2022 and highlighted Allocation vs. Targets and Policy and the Asset Class Performance Summary.

**MOTION:** Member Nichelini made a motion to accept the informational report provided by Meketa regarding the Preliminary Investment Fund Performance Update as of October 31, 2022, second by Member Speakman. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D5. **Investment Fund Quarterly Performance Update as of September 30, 2022** – David Sancewich of Meketa presented an informational report provided by Meketa regarding the Investment Fund Quarterly Performance Update as of September 30, 2022. D. Sancewich highlighted a peer comparison of pension funds in the public space; the Bloomberg US Aggregate Rolling One-year Returns; Equity and Fixed Income Volatility; Equity Cyclically Adjusted Price to Earnings Ratio; US Yield Curve, Inflation (CPI Trailing Twelve Months); Total Plan Summary of Cash Flows and Manager Performance.

**MOTION:** Member Speakman made a motion to accept the informational report provided by Meketa regarding the Investment Fund Quarterly Performance Update as of September 30, 2022, second by Member Nichelini. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D6. **\$14.2 Million Drawdown for Member Retirement Allowances (Fiscal Year 2022/2023; Quarter Ending March 30, 2023)** – David Sancewich of Meketa Investment Group presented an informational report and recommendation for a \$14.2 million drawdown; which includes an \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund, to be used to pay the January 1, 2023 through March 30, 2023 Member Retirement Allowances and the PFRS contribution be drawn from Parametric's Covered Calls Investment Strategy.

**MOTION:** Vice President Godfrey made a motion to approve Meketa's recommendation regarding the \$14.2 Million Drawdown to fund Member Retirement Allowances and PFRS contribution be drawn from Parametric's Covered Calls Investment Strategy, second by Member Speakman. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

- D7. **Informational Overview Regarding the Bankruptcy of FTX** – David Sancewich of Meketa provided an informational overview regarding the bankruptcy of FTX, a cryptocurrency exchange, and noted PFRS has no direct exposure to FTX or cryptocurrency and there was no effect on the PFRS Fund.

**MOTION:** Member Speakman made a motion to accept the informational report provided by Meketa regarding the bankruptcy of FTX and the effect on the PFRS Fund, second by Member Melia. Motion Passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 5 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 2)

- E. **Resolution No. 8070** – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E).

PFRS Legal Counsel Bhakta advised the Board the current teleconferencing resolution is structured around AB361; the authority for this resolution expires on February 28, 2023 because the State will end the Covid Emergency Order; the PFRS Board will be required to resume in-person meetings; and the State passed an amendment to AB361 which will occasionally allow individual Board Members to join the meeting remotely and provided an overview of the process and procedures in order to be in compliance with the Brown Act.

**MOTION:** Member Speakman made a motion to approve Resolution No. 8070, second by Vice President Godfrey. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 5 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 2)

- F. **Pending Items** – No Report

- G. **New Business** – No Report

- H. **Open Forum** – Burney Matthews, President of the ROPOA, reminded the Board he assumed his current position on a temporary basis when Pete Peterson stepped down and announced the ROPOA Board of Directors approved Kevin R. Traylor to assume the duty of President of the ROPOA effective January 1, 2023 and he will resume his previous position as Vice President. Kevin R. Traylor expressed he is humbled to be stepping into this new role; is excited to serve the interests of the retirees; and looks forward to the coming years of being able to continue our cooperation and make things move along efficiently.

- I. **Future Scheduling** – The next regular Board meeting is tentatively scheduled to occur Wednesday, January 25, 2023.

- J. **Adjournment** – Member Speakman made a motion to adjourn, second by Member Melia. Motion passed.

[JOHNSON – EXCUSED / GODFREY – Y / MELIA – Y / NICHELINI – EXCUSED / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – Y]  
(AYES: 5 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 2)

The meeting adjourned at 11:51 a.m. Pacific

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DAVID F. JONES  
SECRETARY

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DATE

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of November 30, 2022

	Approved Budget					
		November 2022	FYTD	Remaining	Percent Remaining	
<b>Internal Administrative Costs</b>						
PFRS Staff Salaries	\$ 1,330,000	\$ 90,542	\$ 470,008	\$ 859,992	64.7%	
Board Travel Expenditures	52,500	-	-	52,500	100.0%	
Staff Training	20,000	-	-	20,000	100.0%	
Staff Training - Tuition Reimbursement	7,500	-	-	7,500	100.0%	
Board Hospitality	3,600	-	-	3,600	100.0%	
Payroll Processing Fees	40,000	-	-	40,000	100.0%	
Miscellaneous Expenditures	45,000	588	21,775	23,225	51.6%	
Internal Service Fees (ISF)	88,000	-	44,073	43,927	49.9%	
Contract Services Contingency	50,000	-	1,500	48,500	97.0%	
<b>Internal Administrative Costs Subtotal :</b>	<b>\$ 1,636,600</b>	<b>\$ 91,130</b>	<b>\$ 537,356</b>	<b>\$ 1,099,244</b>	<b>67.2%</b>	
<b>Actuary and Accounting Services</b>						
Audit	\$ 50,500	\$ 33,883	\$ 33,883	\$ 16,617	32.9%	
Actuary	47,900	-	2,429	45,471	94.9%	
<b>Actuary and Accounting Subtotal:</b>	<b>\$ 98,400</b>	<b>\$ 33,883</b>	<b>\$ 36,312</b>	<b>\$ 62,088</b>	<b>63.1%</b>	
<b>Legal Services</b>						
City Attorney Salaries	\$ 194,000	\$ -	\$ 28	\$ 193,972	100.0%	
Legal Contingency	150,000	-	-	150,000	100.0%	
<b>Legal Services Subtotal:</b>	<b>\$ 344,000</b>	<b>\$ -</b>	<b>\$ 28</b>	<b>\$ 343,972</b>	<b>100.0%</b>	
<b>Investment Services</b>						
Money Manager Fees	\$ 1,353,000	\$ 63,116	\$ 100,669	\$ 1,252,331	92.6%	
Custodial Fee	124,000	-	-	124,000	100.0%	
Investment Consultant	100,000	-	25,000	75,000	75.0%	
<b>Investment Subtotal:</b>	<b>\$ 1,577,000</b>	<b>\$ 63,116</b>	<b>\$ 125,669</b>	<b>\$ 1,451,331</b>	<b>92.0%</b>	
<b>Total Operating Budget</b>	<b>\$ 3,656,000</b>	<b>\$ 188,130</b>	<b>\$ 699,365</b>	<b>\$ 2,956,635</b>	<b>80.87%</b>	

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of November 30, 2022

	November 2022
<b>Beginning Cash as of 10/31/2022</b>	\$ 7,459,883
<b>Additions:</b>	
City Pension Contribution - November	\$ 2,726,000
Investment Draw	\$ 2,000,000
Misc. Receipts	800
<b>Total Additions:</b>	\$ 4,726,800
<b>Deductions:</b>	
Pension Payment (October Pension Paid on 11/1/2022)	(4,267,960)
Expenditures Paid	(238,619)
<b>Total Deductions</b>	\$ (4,506,578)
 <b>Ending Cash Balance as of 11/30/2022*</b>	 \$ 7,680,104

\* On 12/1/2022, November pension payment of appx \$4,266,000 will be made leaving a cash balance of \$3,414,000.

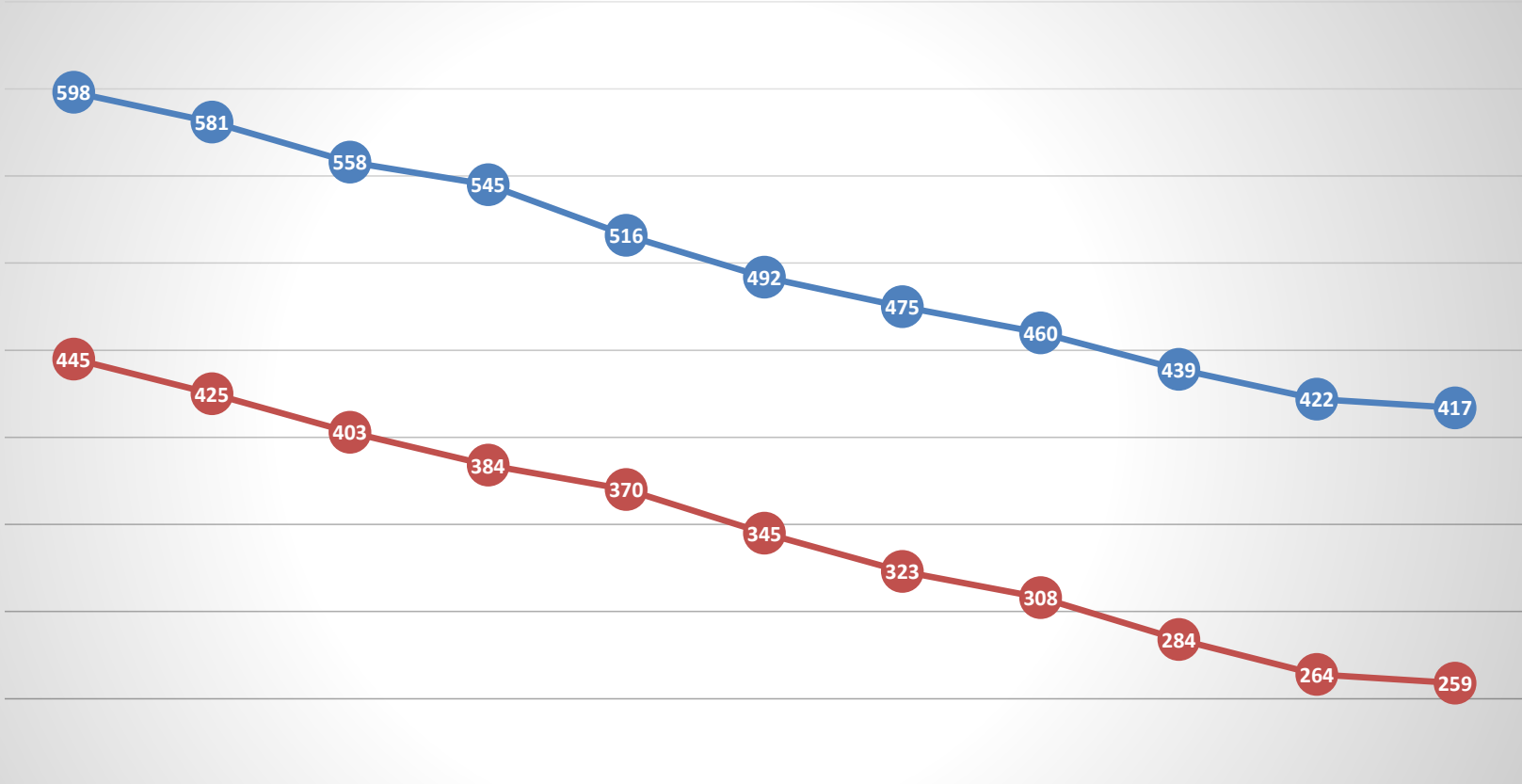
**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

Census  
As of November 30, 2022

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	290	166	456
Beneficiary	127	93	220
<b><i>Total Retired Members</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	280	131	411
Disability Retirement	127	117	244
Death Allowance	10	11	21
<b><i>Total Retired Members:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership as of November 30, 2022:</i></b>	<b>417</b>	<b>259</b>	<b>676</b>
<b><i>Total Membership as of June 30, 2022:</i></b>	<b>422</b>	<b>264</b>	<b>686</b>
<b><i>Annual Difference:</i></b>	<b>-5</b>	<b>-5</b>	<b>-10</b>

## Oakland Police and Fire Retirement System Pension Plan Membership Count As of November 30, 2022 (FY 2013 - FY 2023)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 FYTD
Police	598	581	558	545	516	492	475	460	439	422	417
Fire	445	425	403	384	370	345	323	308	284	264	259
Total	1043	1006	961	929	886	837	798	768	723	686	676



Presented to:

# City of Oakland Police and Fire Retirement System

Conference Call:

January 25, 2023

Presented by:

Jason Hoyer, CFA  
Portfolio Manager

Joy Facos  
Head of Sustainable Investing and Corporate Responsibility



# Table of Contents

- 1 Firm Overview
- 2 Current Views & Investment Themes
- 3 Client Relationship Overview
- 4 Performance Review
- 5 Portfolio Characteristics
- 6 Diversity at Reams
- 7 Brokerage Summary
- 8 Definitions
- 9 Disclosures



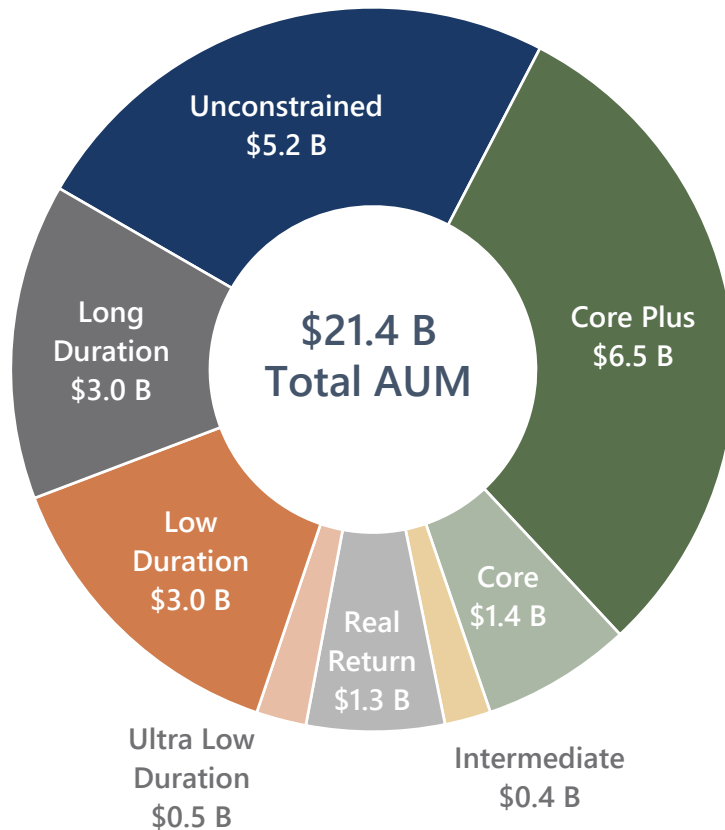
# Firm Overview

## Reams at a Glance

- Founded in 1981
- Headquartered in Indianapolis, Indiana
- \$21.4 billion in assets under management
- 8 fixed income strategies along with extensive custom separate account capabilities
- Affiliate of Raymond James Investment Management, a subsidiary of Raymond James Financial, since November 2017

# Firm Overview

## Strategy Lineup



### Available Investment Vehicles

#### Separate Accounts

- All Strategies

#### U.S. Institutional Commingled Funds:

- Columbus Core Plus Bond Fund
- Columbus Unconstrained Bond Fund

#### U.S. Institutional Mutual Funds (sub-advised):

- Core Strategy
- Core Plus Strategy
- Unconstrained Strategy

#### Non-U.S. Commingled Fund (sub-advised):

- Raymond James Funds Reams Unconstrained Bond SICAV (Class A USD | SCUCBDA LX)

Data as of  
December 31, 2022

# Firm Overview

## Representative Client List

### Corporate

American Honda Motor Company  
Cummins Inc.  
Electric Energy, Inc. Employee Benefit Fund  
Emerson Electric Company  
Omaha Public Power District  
S.C. Johnson & Son, Inc.  
Southern California Rock Products

### Health Care

University of Colorado Health  
NorthShore University HealthSystem  
Northwestern Memorial HealthCare  
OhioHealth Corporation  
Shirley Ryan AbilityLab

### Non-Profit

American Heart Association  
Archdiocese of Miami  
Board of Pensions/Presbyterian Church, USA  
Chicago Symphony Orchestra  
Cleveland Museum of Art  
Veterans of Foreign Wars of the U.S.  
Eiteljorg Museum of American Indians and Western Art

### Sub-Advisory

Prudential Retirement Insurance & Annuity Co.  
Russell Investment Management Company

### Public

Arkansas Teacher Retirement System  
Employees' Retirement System of Baltimore County  
Indiana State Police Pension Trust  
Los Angeles Fire & Police Pensions  
City of Milwaukee Employees' Retirement System  
City of Oakland Police & Fire Retirement System  
Sacramento County Employees Retirement System  
San Francisco Bay Area Rapid Transit District  
Sonoma County Employees' Retirement Association  
Spokane Firefighters' Pension Fund  
Ventura County Employees' Retirement Association

### Taft-Hartley

Carpenters District Council of Kansas City Pension Fund  
Carpenters Pension Fund of Illinois  
Gulf Coast Carpenters and Millwrights Health Trust  
IBEW 8th District Electrical Pension Trust  
Teamster Members Retirement Plan  
Ohio Operating Engineers Pension Plan

### University/Endowment/Foundation

Trustees of Indiana University  
University of Kentucky  
Purdue University  
Regents of the University of Minnesota  
Engelstad Foundation

Data as of  
December 31, 2022

This Representative Client List includes institutional clients whose permission has been received for inclusion. No specific selection criteria were used. It is not known whether or not the listed clients approve of the advisory services provided by Reams Asset Management or Scout Investments.

# Firm Overview

## Investment Team

### Investment Committee

**Mark Egan, CFA**

Chief Investment Officer  
Managing Director  
(36 years / 32 years)

**Todd Thompson, CFA**

Portfolio Manager  
Credit Team Leader  
Managing Director  
(28 years / 21 years)

**Bob Crider, CFA**

Co-Founder  
Managing Director  
(45 years / 41 years)

### Credit Team

**Todd Thompson, CFA****Jason Hoyer, CFA**

Portfolio Manager  
(19 years / 7 years)

**Clark Holland, CFA**

Portfolio Manager  
(28 years / 21 years)

**Scott Rosener, CFA**

Fixed Income Analyst  
(25 years / 17 years)

**Trey Harrison, CFA, ASA**

Fixed Income Analyst/Actuary  
(28 years / 12 years)

**Reed Clark**

Fixed Income Analyst  
(3 years / 1 year)

**Sydney Owen, CFA**

Fixed Income Analyst  
(4 years / <1 year)

### Securitized Team

**Neil Aggarwal**

Securitized Team Lead  
(19 years / < 1 year)

**Steve Vincent, CFA**

Portfolio Manager  
(31 years / 28 years)

**Kevin Salsbery, CFA**

Fixed Income Analyst  
(21 years / 17 years)

**Patrick Laughlin**

Fixed Income Analyst  
(27 years / 18 years)

**Ben Byrd**

Fixed Income Analyst  
(3 years / <1 year)

### Global Rates & Currencies Team

**Dimitri Silva, CFA**

Portfolio Manager  
(15 years / 1 year)

**Antonina Tarassiouk**

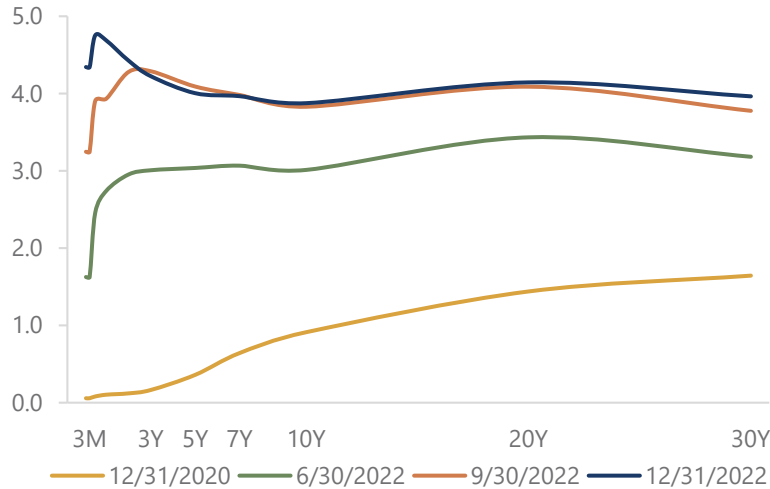
Fixed Income Analyst  
(8 years / <1 year)

(Years of Industry Experience / Reams Tenure)

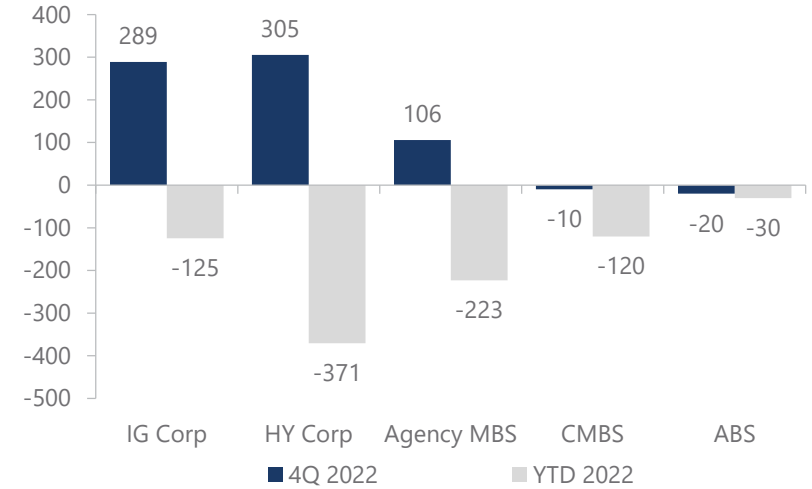
Please see Investment Professional Biographies section for detailed biographies

# Fixed Income Dashboard

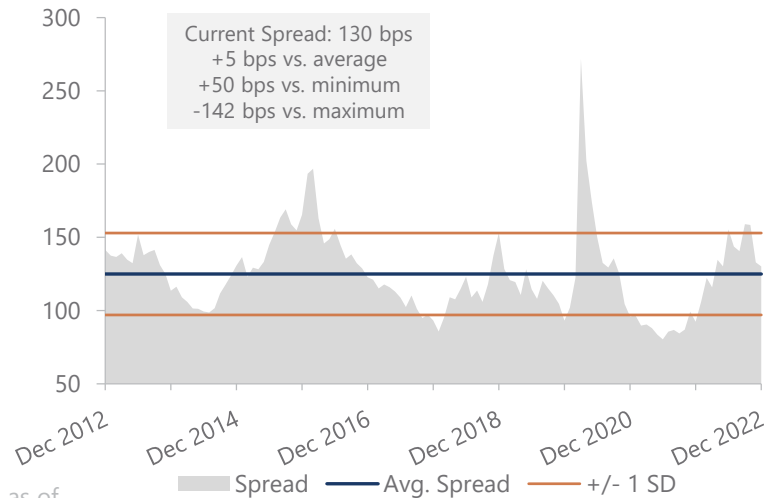
## U.S. Treasury Yield Curves, Percent



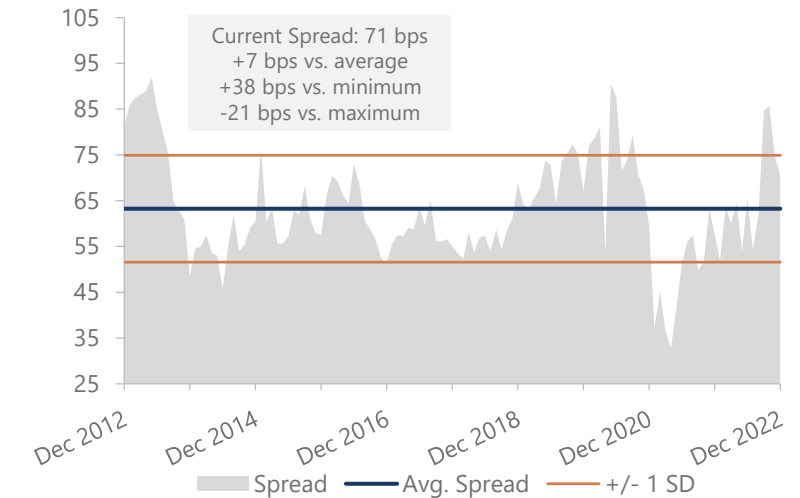
## Sector Excess Returns vs. U.S. Treasuries, Basis Points



## Investment Grade Corporate OAS, Basis Points



## Agency MBS Zero-Volatility Spread, Basis Points

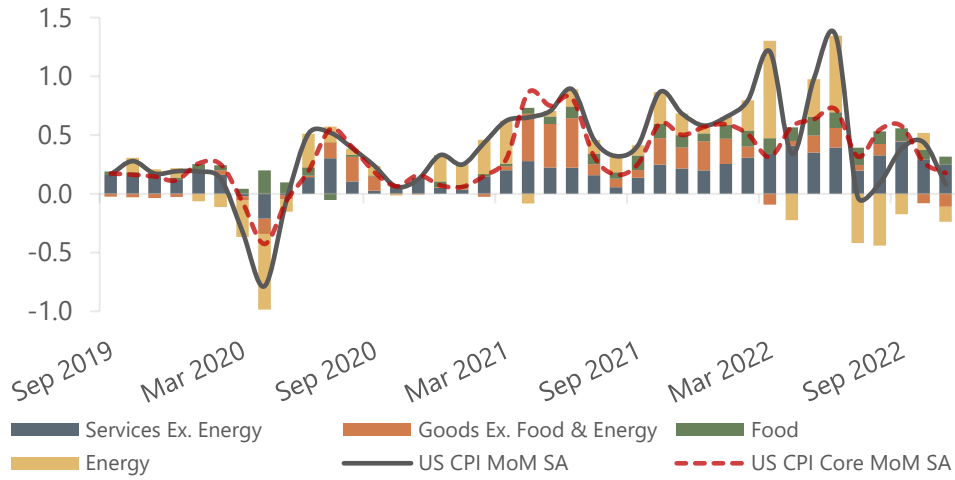


Data as of  
December 31, 2022

Source: Bloomberg Index Services Limited; Bloomberg L.P.

# Market Insights

## U.S. Consumer Price Index (Month-over-Month SA), Percent



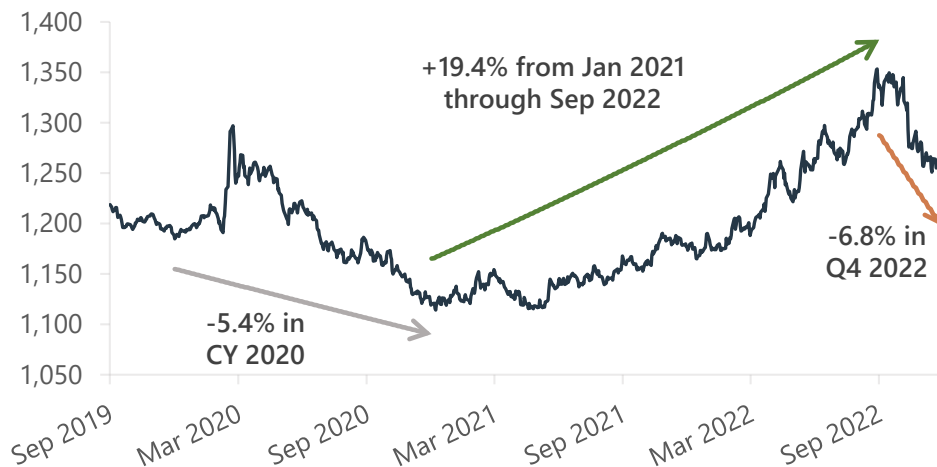
Source: Bloomberg, U.S. Bureau of Labor Statistics

Headline and core CPI have both begun to stabilize at more moderate levels.

Energy has been a major swing factor in recent months, and goods inflation has also declined compared to 2021 and early 2022.

Services inflation remains elevated, however, as labor shortages in many service-related segments of the economy continue to push nominal wages higher.

## Bloomberg U.S. Dollar Spot Index



Source: Bloomberg

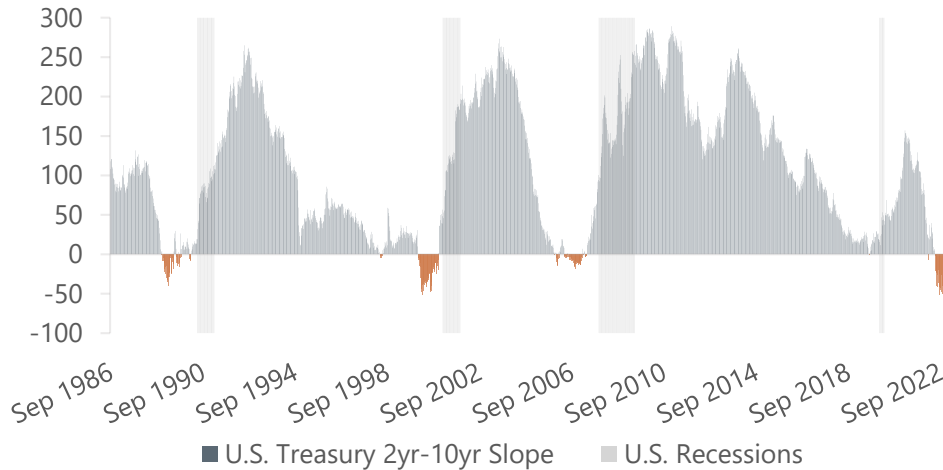
The U.S. Federal Reserve has adopted a more hawkish posture than other major central banks so far this year, which helped push the U.S. dollar nearly 20% higher through the end of Q3 2022.

More recently, the U.S. dollar has weakened moderately as other major central banks have become more hawkish themselves. The Fed has also signaled a ramp down in rate hikes and a potential end to the current tightening cycle.

Data as of  
December 31, 2022

# Market Insights

## U.S. Treasury 2yr-10yr Slope, Basis Points

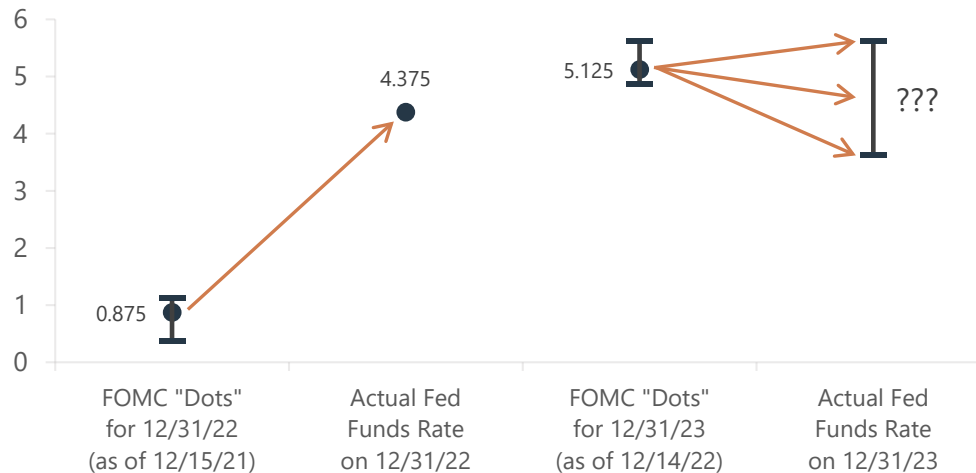


Source: Bloomberg, National Bureau of Economic Research

An inversion in the yield curve between the 2-year and 10-year points is often cited as a recession indicator.

The 2yr-10yr slope is now -55 bps, a steep inversion that adds to the evidence that we may be heading for a significant slowdown in economic activity at some point in 2023.

## Fed Funds Target Rate: Projected vs. Actual, Percent



Source: Bloomberg

In December 2021, the FOMC members' projections for the number of rate hikes that would be needed in 2022 proved to be woefully inaccurate.

The current median FOMC projection indicates another 75 bps of cumulative rate hikes in 2023, despite lingering uncertainty regarding near-term inflation and growth.

Based on the Fed's track record, the range of potential outcomes is likely much wider than most are expecting.

Data as of December 31, 2022



# Investment Themes

## What happened

- The front end of the U.S. yield curve tracked higher alongside Federal Reserve (Fed) rate hikes, but the middle and long end of the curve focused on longer-term inflation expectations, which were little changed.
- Inflation data cooled in November and December, indicating that peak inflation may have already occurred.
- Consistent with Chair Powell's messaging in November, the Fed began to moderate their rate hikes, moving just 50 basis points at their December meeting following four consecutive 75 basis point increases.
- Risk assets performed well overall, but global uncertainty also increased as the quarter progressed due to the cessation of zero-COVID policies in China, divergent views between the Fed and U.S. markets, and the European Central Bank (ECB) striking a more hawkish tone.

## What we think

- A disconnect remains between what the Fed anticipates (restrictive policy rates for longer, to combat inflation) and what the market is pricing (a pivot to rate cuts in mid 2023, to combat an expected recession).
- The cumulative impact of tighter financial conditions is not yet known, which adds to investor uncertainty.
- The tight U.S. labor market and resilient (thus far) U.S. consumer, combined with a still-hawkish Fed despite the time lag in policy impact, create a wide range of potential outcomes for the U.S. economy in 2023.

## What we did

- Reduced both investment grade and high yield exposure, due to strong recent performance by the corporate sector and an increasingly uncertain economic environment.
- Added agency MBS exposure, following elevated volatility and underperformance in this sector.
- Held duration closer to neutral but with a slightly long bias, as real rates remain modestly attractive.



# Investment Objective and Guidelines

## Objective

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- To exceed the Bloomberg Universal Index, net of fees, over a complete market cycle.

## Investment Guidelines

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- Maximum average portfolio duration is 10 years with a targeted average portfolio duration in the range of 3 to 8 years.
- Maximum remaining term to maturity (per single issue) is 31 years at purchase.
- No single issue shall exceed 10% of the portfolio, excluding government and agency issues.
- No single issue shall account for more than 10% of the outstanding issue, excluding government and agency issuers.
- The portfolio must have an overall weighted average quality of at least BBB-.
- All securities must have a rating of B- or higher (S&P, Moody's or Fitch), using the middle of three or lower of two ratings.
- Credit default swaps are limited to a notional value of 10% of the portfolio.
- Coal-Related Companies are restricted from purchase in the portfolio.

Source: OPFRS Investment Guidelines (Rev. 9/1/2016)



# Relationship Summary

## City of Oakland Police and Fire Retirement System

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Relationship Inception	February 1, 1998
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Investment Style	Core Plus Fixed Income
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Performance Benchmark	Bloomberg Universal Index
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**Financial Data as of December 31, 2022**

Initial Investment	\$97.5 million
Contributions	\$146.0 million
(Withdrawals)	(\$338.2 million)
Portfolio Gains	\$120.6 million
Portfolio Value	\$25.9 million

---



# Performance Review

For Periods Ending December 31, 2022

	Percent Gain or Loss					
	Quarter Ending	Last 12 Months	Two Years (annualized)	Three Years (annualized)	Five Years (annualized)	Since Inception* (annualized)
City of Oakland Police and Fire Retirement System (a)	2.92	(12.28)	(6.93)	1.35	2.74	5.09
City of Oakland Police and Fire Retirement System (b)	2.87	(12.46)	(7.11)	1.17	2.54	4.88
Benchmark**	2.24	(12.99)	(7.24)	(2.54)	0.18	4.09

\* Inception Date: 2/1/1998

\*\*The benchmark consists of the Bloomberg Barclays U.S. Aggregate Index from 2/1/1998 - 6/30/2006 and the Bloomberg Universal Index as of 7/1/2006.

(a) Gross of Investment Management Fees

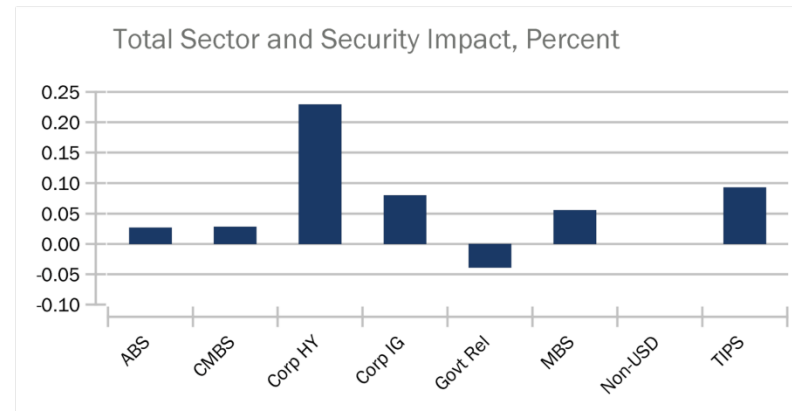
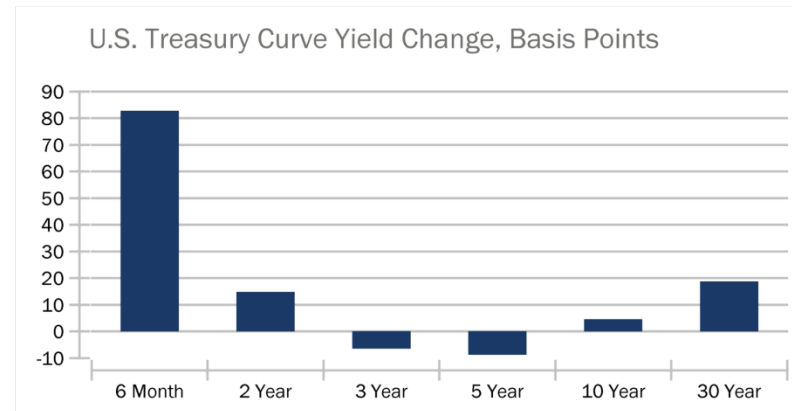
(b) Net of Investment Management Fees (recorded on cash basis)

# Excess Return Detail

City of Oakland Police and Fire Retirement System: 10/1/2022 - 12/31/2022

	Portfolio (%)
Total Return	2.92
Index Return	2.24
Excess Return	<u>0.68</u>
Duration	0.15
Curve	0.06
Total Macro	<u>0.21</u>
Sector Selection	0.66
Security Selection	-0.18
Total Selection	<u>0.47</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	-0.01	0.03	0.03
CMBS	-0.00	0.03	0.03
Corp HY	0.21	0.02	0.23
Corp IG	0.24	-0.16	0.08
Govt Rel	-0.04	0.00	-0.04
MBS	0.16	-0.10	0.06
Non-USD	0.00	0.00	0.00
TIPS	0.09	0.00	0.09
	0.66	-0.18	0.47

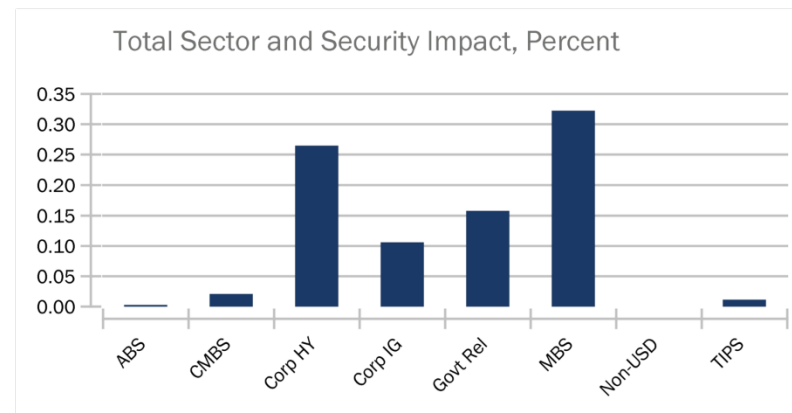
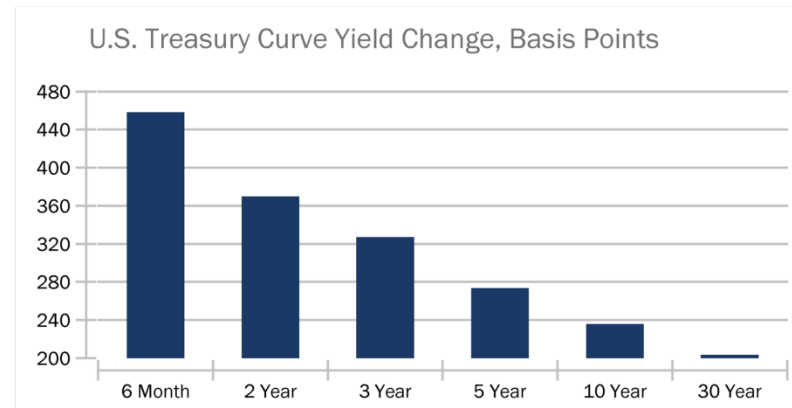


# Excess Return Detail

City of Oakland Police and Fire Retirement System: 1/1/2022 - 12/31/2022

	Portfolio (%)
Total Return	-12.28
Index Return	-12.99
Excess Return	<u>0.71</u>
Duration	-0.59
Curve	<u>0.42</u>
Total Macro	<u>-0.17</u>
Sector Selection	1.03
Security Selection	<u>-0.15</u>
Total Selection	<u>0.88</u>

Sector	Sector Impact	Security Impact	Total Impact
ABS	-0.01	0.01	0.00
CMBS	-0.02	0.04	0.02
Corp HY	0.35	-0.09	0.26
Corp IG	0.12	-0.02	0.11
Govt Rel	0.14	0.02	0.16
MBS	0.44	-0.12	0.32
Non-USD	0.00	0.00	0.00
TIPS	0.01	0.00	0.01
	1.03	-0.15	0.88



# Portfolio Characteristics

City of Oakland Police and Fire Retirement System: 12/31/2022

	Portfolio	Index	Prior Qtr
Total Market Value (\$)	25,932,045	28,882 billion	25,195,546
Avg. Duration (Years)	6.7	6.0	6.7
Avg. Convexity	0.45	0.58	0.67
Avg. Yield to Worst (%)	5.5	5.1	5.5
Avg. Maturity (Years)	9.6	8.2	9.1
Avg. Quality	Aa3	Aa3	Aa3

Quality Structure (% of Portfolio)	Portfolio *	Index	Prior Qtr
AAA	62.4	62.8	56.7
AA	0.4	4.0	0.9
A	17.2	12.2	17.5
BBB	10.4	14.2	15.7
Other	9.6	6.7	9.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* The methodology used is consistent with client investment guidelines.

Duration Distribution (Years)	Portfolio	Index	Prior Qtr
0 - 1 yr.	0.2	0.0	0.1
1 - 3	0.2	0.5	0.3
3 - 4	0.4	0.4	0.2
4 - 6	1.3	1.2	1.8
6 - 8	2.3	1.5	2.2
8 +	2.3	2.4	2.1
<b>Total</b>	<b>6.7</b>	<b>6.0</b>	<b>6.7</b>

Sector Structure (% of Portfolio)	Portfolio	Index	Prior Qtr
Treasury	22.1	34.7	29.1
Govt Related	0.0	9.6	0.0
Mortgage-Backed	32.7	25.2	22.6
Asset-Backed	3.2	0.4	3.2
Corporate	37.6	30.1	43.8
Non-US Dollar	0.0	0.0	0.0
Cash and Equivalents	4.3	0.0	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Spread Duration (Years)	Portfolio	Index	Prior Qtr
Govt Related	0.0	0.5	0.0
Mortgage-Backed	1.9	1.4	1.3
Asset-Backed	0.1	0.0	0.1
Corporate	2.4	1.9	2.7
Non-US Dollar	0.0	0.0	0.0



# Diversity at Reams

## Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 12/31/2022

<b>Firm Name</b>	Reams Asset Management, a Division of Scout Investments, Inc.
<b>Product Name</b>	Core Plus Fixed Income
<b>Total Number of Employees</b>	37

	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
<b>Race and Ethnicity*</b>			
African American/Black	0.00%	0%	0%
Asian/Hawaiian/Pacific Islander	20.00%	5%	13%
Latino/Hispanic	0.00%	3%	6%
White	80.00%	92%	81%
American Indian/Alaska Native	0.00%	0%	0%
Other	0.00%	0%	0%
<b>Gender</b>			
Male	80%	59%	87%
Female	20%	41%	13%
Non-Identified/Other	N/A	N/A	N/A

\* Racial/ethnic categories appear as defined by EEOC guidance.





## Diversity at Reams

- As an affiliate of Raymond James Investment Management, a division of Raymond James, Reams Asset Management is committed to fostering a diverse and inclusive workplace, welcoming to all cultures and backgrounds. This is consistent with our values-based culture upon which the firm was founded.
- For more information on the extensive inclusion efforts of our parent firm, Raymond James Financial (RJF), including outreach, career development and recruitment, and community efforts, please visit:
  - [https://www.raymondjames.com/-/media/rj/dotcom/files/pdfs/2022\\_corp\\_responsibility\\_report.pdf](https://www.raymondjames.com/-/media/rj/dotcom/files/pdfs/2022_corp_responsibility_report.pdf)
- Reams Asset Management currently has 37 employees, of which 15 (41%) are female, including key leadership positions:
  - Head of Operations
  - Head of Client Service
- Reams has several employees in various minority groups, and has taken concrete steps to address historical lack of diversity on its long-tenured investment team.



## Diversity at Reams – Hiring Action Plan

- Office relocation – Indianapolis, IN
  - Completed – February 2022
  - New location has been major influence in recent hiring
  
- Currently utilizing the hiring resources of the larger Raymond James organization
  - Directly resulted in progress of diverse hiring
  - Improved collaboration with Reams to influence future hiring
  
- Increased development and recruitment of minorities via Summer Intern Program:
  - Formalized intern program has been expanded over the last five years, with increased participation (record 5 interns in 2019, and 3 interns in 2022, one of whom accepted a full-time offer commencing May 2023)
  - Through the intern program, Reams is developing diverse talent for full-time opportunities within the firm



## Diversity at Reams – Office Location Action Plan

- Reams has relocated its primary office from Columbus, IN to Indianapolis, IN:
  - Office is located in downtown Indianapolis, the hub of business in the state of Indiana
  - New location provides easier access for clients, consultants, management teams, and other guests/visitors
  - New location also raises the Reams profile and stature within the city and the investment community
  - Reams is committed to being a good neighbor and continuing a history of outreach, charity, and community engagement
  
- Most critically, the new office location will aid recruitment and retention of professionals for a first-class investment firm:
  - Reams has a 5 year staffing plan that intends to build out investment and support teams, primarily via internship program and recruitment of entry-level candidates
  - Indianapolis location is projected to increase applicant pool in similar fashion as that of an existing Reams client who recently moved their in-house financial team to Indianapolis from a smaller location and successfully added staff



# Oakland-Based Brokerage Summary

- There was no activity during 2022.
- There was no activity during 2021.
- Approximately 90% of Reams trades are conducted in a competitive format on electronic trading platforms. We encourage regional and/or minority-owned brokerage firms to participate on these platforms. All trading is done on best execution, without exception. Reams benefits from strong counterparty relationships with brokerage firms that enable Reams to participate in new syndicate debt offerings and trade the portfolio efficiently and in a cost-effective manner.



# Definitions

**Upside / Downside Market Capture:** the proportion of the annualized, compounded total rate of return “captured” by the product versus given benchmark, with benchmark returns grouped by positive (upside) and negative (downside) observations

**Portfolio Duration:** the weighted average duration of all securities held in a portfolio, whereby duration represents the average life of a bond’s cash flows

**Portfolio Convexity:** the weighted average convexity of all securities held in a portfolio, whereby convexity represents the expected change in a bond’s duration for a given change in interest rates

**Avg Yield to Worst:** the weighted average yield to worst of all securities held in a portfolio, whereby yield to worst represents the expected internal rate of return of a bond that equilibrates the current price to all future anticipated cash flows, assuming the most disadvantageous retirement date

**Avg Maturity:** the weighted average maturity of all securities held in a portfolio, whereby maturity represents the final principle cash flow retirement date

**Avg Quality:** the weighted credit quality of all securities held in a portfolio, whereby credit quality represents a security’s aggregated rating assigned by the Nationally Recognized Statistical Rating Organizations (“NRSROs”)

**Contribution to Duration:** measurement of how much a risk factor contributes to the portfolio’s total duration, calculated as factor weight times factor duration

**Spread Duration:** the amount of total duration that is derived from spread sector exposure; alternatively read as the portfolio’s exposure to general spread movements

**Excess Return:** total return of a risky security relative to like-duration U.S. Treasury returns

**Basis Points:** industry nomenclature for referencing performance, expressed as hundredths of 1%

**Yield Curve:** the term structure of interest rates depicted in a linear curve format, from shortest tenor to longest

**Government Related:** the sector designation that includes Agency, Supranational, Sovereign and Foreign Agencies

**MBS:** the sector designation that includes both residential and commercial mortgage pass-through securities

**ABS:** the sector designation that includes secured debt of non-first mortgage home loans, including credit card, auto, home equity and auto dealer inventory

**IG Credit:** the sector designation that includes investment grade corporate debt

**HY Credit:** the sector designation that includes corporate debt rated below investment grade, as measured by the ratings from NRSROs

**Non USD:** the class designation that includes non-dollar debt and currency forwards

**Spread Sector:** nongovernmental fixed income investments with higher yields at greater risk than governmental instruments

**TIPS:** the class designation for Treasury Inflation Protected Securities

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## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (“OPFRS”)  
**FROM:** Meketa Investment Group (“Meketa”)  
**DATE:** January 25, 2023  
**RE:** Reams Asset Management—Manager Update

### Manager: Reams Asset Management (“Reams”)

<b>Inception Date:</b>	February 1998	<b>OPFRS AUM (12/31/2022):</b>	\$26.0 million
<b>Strategy:</b>	Core Plus Fixed Income	<b>Firm-wide AUM (12/31/2022):</b>	\$21.4 billion
<b>Benchmark:</b>	Bloomberg Universal (Blend) <sup>1</sup>	<b>Strategy AUM (12/31/2022):</b>	\$6.5 billion

### Summary & Recommendation

Reams Asset Management (“Reams”) has managed a part of OPFRS’s fixed income portfolio since February 1998. As of 12/31/2022, the portfolio is approximately \$26.0 million or about 6.5% of OPFRS’s total plan. The strategy has performed within expectations and guidelines for the portfolio, and no major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. **Therefore, Meketa does not have any major concerns with Reams and the Core Plus Fixed Income strategy.**

### Investment Performance Review Summary

As of 12/31/2022, Reams Core Plus Fixed Income strategy has outperformed its benchmark on both gross- and net-of-fees basis over all time periods measured, and ranks in the top quartile among peers. Over the longer 3- and 5-year trailing periods, it ranks within top-3 Core Plus managers.

### OPFRS Portfolio Annualized Returns (as of 12/31/2022)<sup>2</sup>

Portfolio	Market Value (\$000)	YTD	1 YR	3 YR	5 YR	Since Inception	Inception Date
Reams (Gross)	26,001	(-12.0)	(-12.0)	1.4	2.8	5.1	02/1998
<i>Bloomberg Universal (Blend)<sup>1</sup></i>	---	<i>(-13.0)</i>	<i>(-13.0)</i>	<i>(-2.5)</i>	<i>0.2</i>	<i>4.1</i>	---
Excess Return (Gross)	---	1.0	1.0	3.9	2.6	1.0	---
Reams (Net)	---	(-12.2)	(-12.2)	1.2	2.6	4.9	---
Excess Return (Net)	---	0.8	0.8	3.7	2.4	0.8	---
Peer Group Ranking (Net) <sup>3</sup>	---	16	16	2	2	---	---
Reference: Median Return (Net)	---	(-13.3)	(-13.3)	(-2.1)	0.4	---	---
Number of Peers in Peer Group	---	103	103	99	93	---	---

<sup>1</sup> Benchmark consists of Bloomberg US Aggregate Bond Index from inception to 06/30/2006, and Bloomberg Universal Index thereafter.

<sup>2</sup> Performance is annualized for periods longer than one year.

<sup>3</sup> Peer group is eVestment US Core Plus Fixed Income Managers Net.

## Product and Organization Review Summary

Reams Asset Management	Areas of Potential Impact				
	Level of Concern	Investment process (Client Portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
<b>Product</b>					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
<b>Organization</b>					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
<b>Recommended Action</b>	<b>None</b>		<b>Watch Status</b>	<b>Termination</b>	

A review of Reams Asset Management and the Core Plus Fixed Income strategy revealed no concerning organizational issues or changes since last review in July 2022.

### Investment Philosophy & Process, per Manager<sup>4</sup>

Reams Core Plus seeks a maximize total return, minimize risk, and preserve capital utilizing all sectors of the fixed income market. Core Plus portfolios are well diversified, and consist of high quality investment grade, high yield, and non-dollar securities, with an average portfolio duration generally between three to six years.

Reams' investment philosophy is based on the premise that volatility is a key driver of performance in the fixed income market. Volatility is usually higher than commonly perceived and is often mispriced in the marketplace. This core belief leads us to: focus on long-term value and "total return," employ macro and bottom-up strategies to uncover unique opportunities, and react opportunistically to valuation discrepancies and volatility in the bond market.

Reams manages fixed income portfolios using three basic steps, which are best described as a combination of top-down and bottom-up.

DS/PN/JLC/mn

<sup>4</sup> Source: eVestment. Abridged.





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# Economic and Market Update

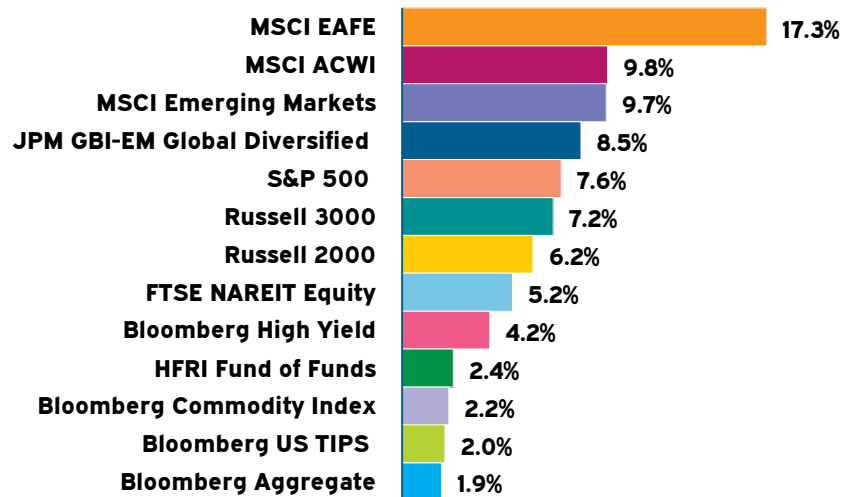
December 2022 Report

### Commentary

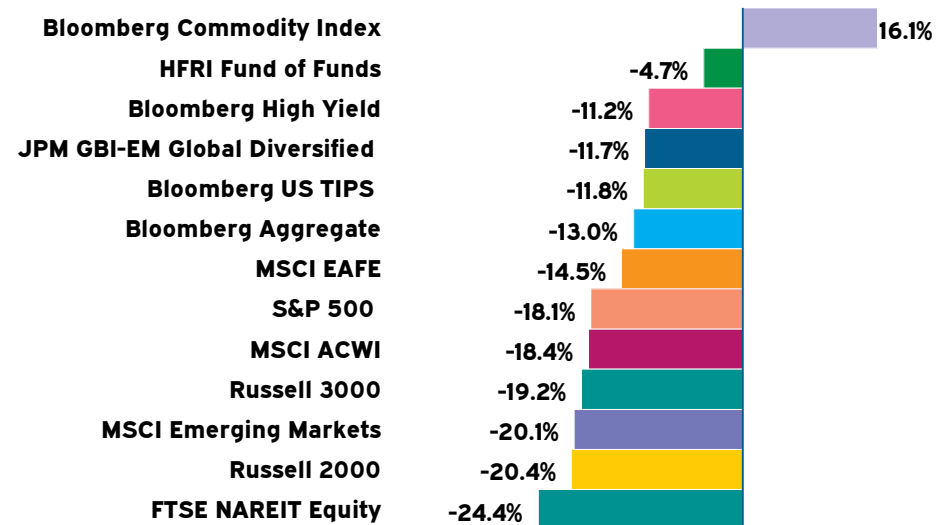
- Ending a very tough year, most asset classes posted gains in the fourth quarter on signs that policy tightening would slow given cooling inflation.
- Chairman Powell's testimony in November reiterated previous messaging on persistent and high inflation and the need for an extended period of monetary tightening weighing on assets in December. Markets remained focused though on signs that inflation is falling and that the size of future Fed rate hikes could be lower.
  - US equity markets sold off (-5.9%) in December but returned 7.2% in the fourth quarter as investors balanced the Fed's caution with improving inflation data.
  - In developed equity markets outside the US, sentiment deteriorated somewhat in December, but they posted a strong fourth quarter return of 17.3% driven by a falling US dollar and results in Europe where inflation started to slow.
  - Emerging market equities declined in December too (-1.4%) but less than the US and also had a strong fourth quarter (+9.7%). A weaker US dollar, declining inflation globally, and signs of China reopening its economy all contributed to the results.
  - Bonds experienced one of the worst years on record given inflation levels and the rapid rise in interest rates. Optimism over declining inflation and a slower pace of policy tightening benefited bonds overall in the fourth quarter though.
- Looking to 2023, the path of inflation and monetary policy, slowing growth globally, China reopening its economy, and the war in Ukraine will all be key.

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

#### Fourth Quarter



#### 2022



→ After broad declines in Q3 driven by expectations for further policy tightening, most major asset classes were up in the fourth quarter on hopes of inflation and policy tightening peaking.

→ Outside of commodities, all other public market asset classes declined in 2022. It was the first time since the 1960s that both stocks and bonds declined together in a calendar year.

<sup>1</sup> Source: Bloomberg and FactSet. Data is as of December 31, 2022.

### Domestic Equity Returns<sup>1</sup>

Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-5.8	7.6	-18.1	7.7	9.4	12.6
Russell 3000	-5.9	7.2	-19.2	7.1	8.8	12.1
Russell 1000	-5.8	7.2	-19.1	7.3	9.1	12.4
Russell 1000 Growth	-7.7	2.2	-29.1	7.8	11.0	14.1
Russell 1000 Value	-4.0	12.4	-7.5	6.0	6.7	10.3
Russell MidCap	-5.4	9.2	-17.3	5.9	7.1	11.0
Russell MidCap Growth	-6.0	6.9	-26.7	3.9	7.6	11.4
Russell MidCap Value	-5.1	10.5	-12.0	5.8	5.7	10.1
Russell 2000	-6.5	6.2	-20.4	3.1	4.1	9.0
Russell 2000 Growth	-6.4	4.1	-26.4	0.6	3.5	9.2
Russell 2000 Value	-6.6	8.4	-14.5	4.7	4.1	8.5

**US Equities: Russell 3000 Index declined 5.9% for December but gained 7.2% for the quarter. Historic inflation and rapidly rising interest rates led to significant declines (-19.2%) for the full year.**

- US stocks fell broadly in December on the Federal Reserve signaling its continued resolve to raise rates but gained overall for the quarter on hopes that interest rates could be peaking soon given slowing inflation.
- All sectors declined during December, led by consumer discretionary and technology with defensive sectors declining less. For the quarter though, most sectors were up led by energy and industrials.
- In a continuation on the overall trend in 2022 value stocks outperformed growth stocks in the fourth quarter given higher interest rates and slowing growth.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

### Foreign Equity Returns<sup>1</sup>

Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-0.7	14.3	-16.0	0.1	0.9	3.8
MSCI EAFE	0.1	17.3	-14.5	0.9	1.5	4.7
MSCI EAFE (Local Currency)	-3.0	8.7	-7.0	3.6	3.8	7.6
MSCI EAFE Small Cap	1.1	15.8	-21.4	-0.9	0.0	6.2
MSCI Emerging Markets	-1.4	9.7	-20.1	-2.7	-1.4	1.4
MSCI Emerging Markets (Local Currency)	-2.0	6.6	-15.5	0.1	1.3	4.6
MSCI China	5.2	13.5	-21.9	-7.5	-4.5	2.4

Developed international equities (MSCI EAFE) rose 0.1% in December and an impressive 17.3% in the fourth quarter. Emerging markets (MSCI EM) fell -1.4% in December but gained 9.7% for the quarter. Inflation and rising rates also weighed on international equities last year, as well as a strong US dollar for most of the year.

- International developed market equities, specifically Europe, held up better relative to the rest of the world in December with the MSCI EAFE up 0.1%. In the fourth quarter, they returned a significant 17.3% due in part to the recent weakness in the US dollar (they returned only 8.7% in local terms) leading to lower declines for the year.
- In December emerging markets outperformed the US but trailed developed market equities as China's rally was not enough to offset weakness elsewhere (e.g., India -5.5%). For the quarter, a weakening US dollar and China reopening led to strong results (+9.7%), but emerging markets remained the weakest for 2022 due to China.
- Like the US, value outpaced growth globally in 2022.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

### Fixed Income Returns<sup>1</sup>

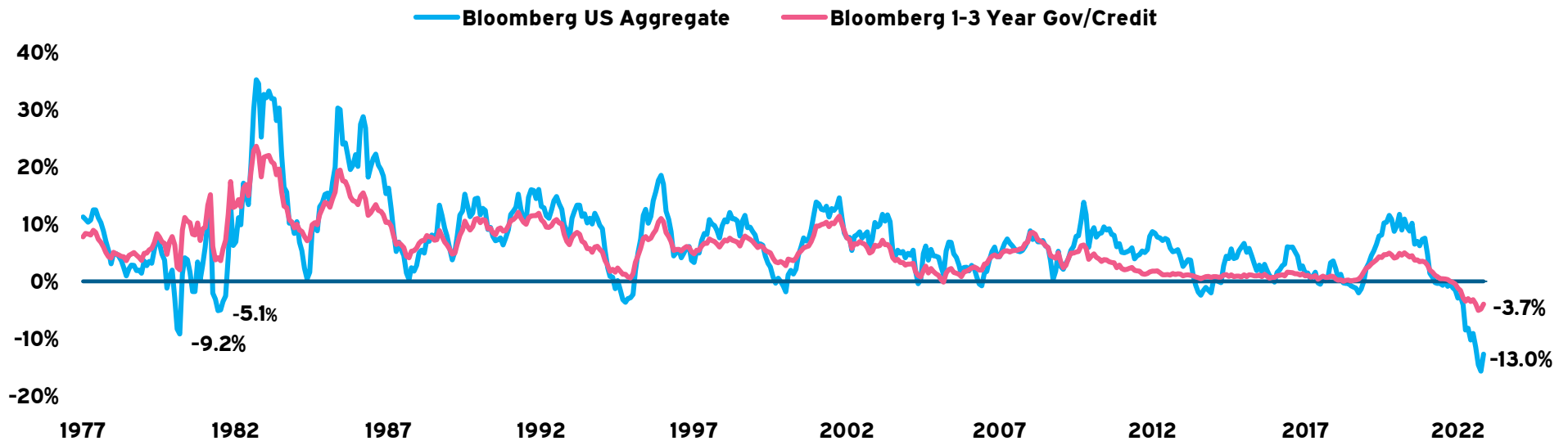
Fixed Income	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-0.3	2.2	-13.0	-2.5	0.2	1.3	5.1	6.2
Bloomberg Aggregate	-0.5	1.9	-13.0	-2.7	0.0	1.1	4.7	6.4
Bloomberg US TIPS	-1.0	2.0	-11.8	1.2	2.1	1.1	4.4	6.7
Bloomberg High Yield	-0.6	4.2	-11.2	0.0	2.3	4.0	9.0	4.4
JPM GBI-EM Global Diversified (USD)	2.2	8.5	-11.7	-6.1	-2.5	-2.0	5.8	4.9

**Fixed Income: The Bloomberg Universal fell -0.3% in December but rose 2.2% for the fourth quarter. Last year was one of the worst on record, with the broad bond market declining 13%.**

- The Federal Reserve reconfirming its commitment to tighten policy in the face of high inflation weighed on US fixed income in December. For the quarter though the broad US bond market (Bloomberg Aggregate) was up 1.9% on hopes that inflation would continue to decline and corresponding expectations for the slowing of policy rate hikes.
- TIPS produced similar results to the broad US bond market for the quarter but outperformed for the year given their inflation adjustment.
- Riskier bonds outperformed for the quarter due to improving risk sentiment with emerging market bonds performing particularly well.

<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of December 31, 2022. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.

### Fixed Income Rolling One-year Returns<sup>1</sup>

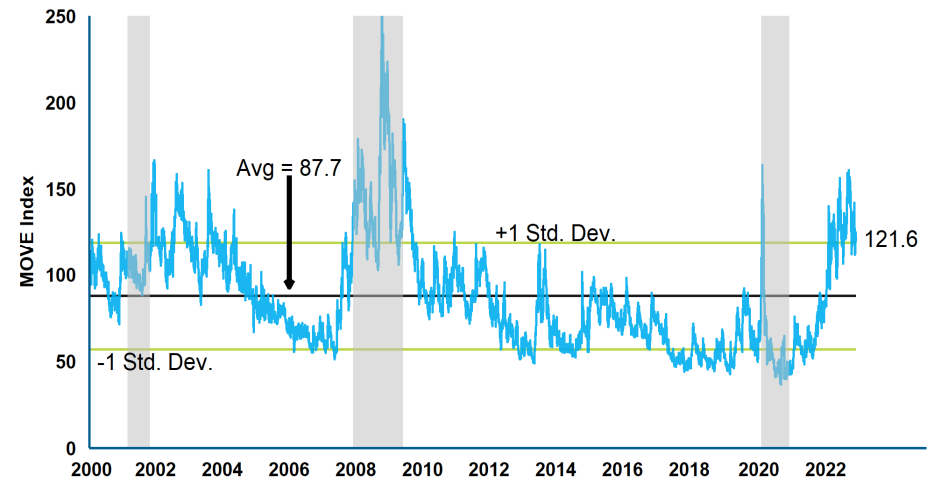
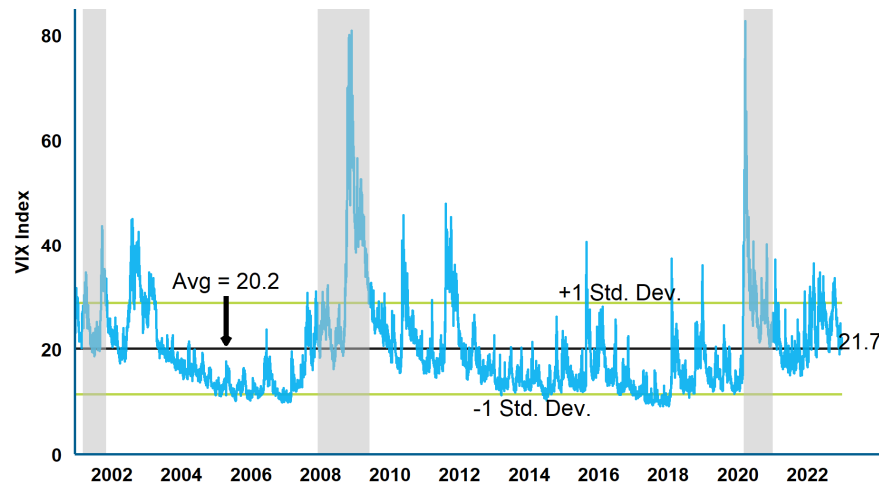


- Last year was one of the worst return periods for the US bond market given the historic inflation levels and the corresponding rapid rise in interest rates.
- The broad bond market (Bloomberg US Aggregate) declined 13% in 2022 making it one of the worst periods on record.
- Short-term bond declines were far smaller (-3.7%) last year, but also were one of the worst on record.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.



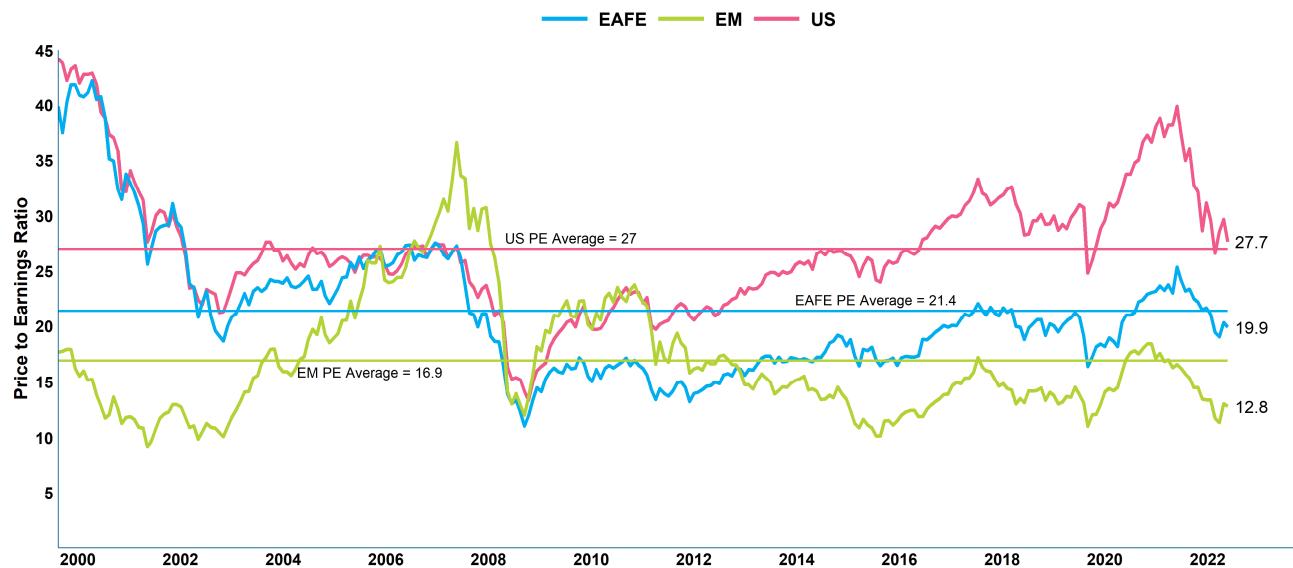
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the year down from its highs and near its long run average as investors anticipated the potential end of Fed rate hikes this year.
- Fixed income (MOVE) remained elevated and well above its long-run average at year-end due to the uncertain path of US interest rates as the Federal Reserve continues its hawkish stance on inflation.

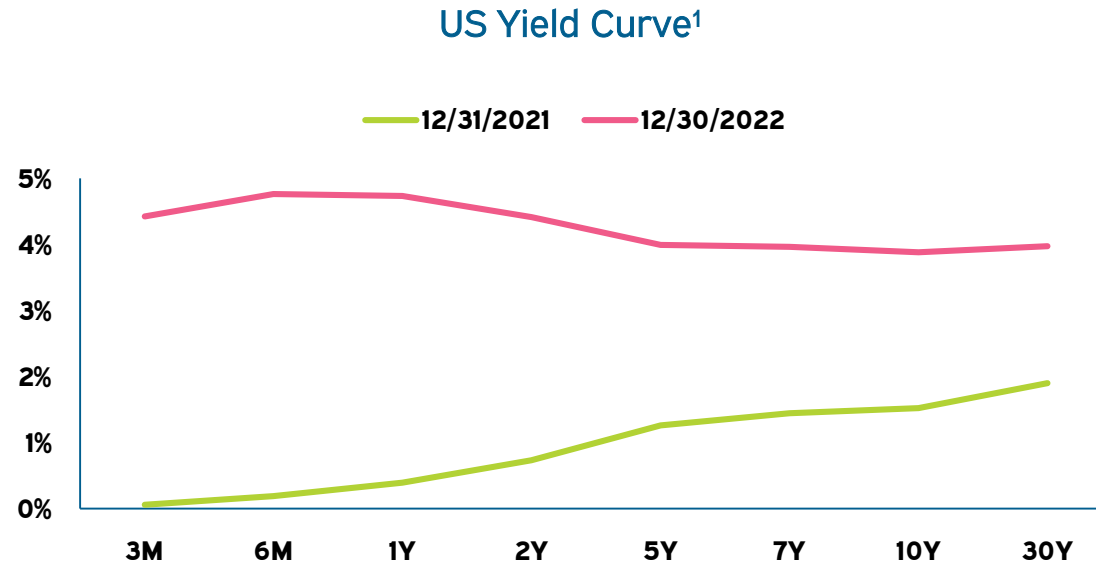
<sup>1</sup> Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

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



- After December's sell-off, US equity price-to-earnings ratio finished the year near its long-term (21st century) average.
- International developed market valuations rose but remain below their own long-term average, with those for emerging markets the lowest and well under the long-term average.
- Price declines have been the main driver of recent multiple compression as earnings have remained resilient. Concerns remain over whether earnings strength will continue in the face of slowing growth.

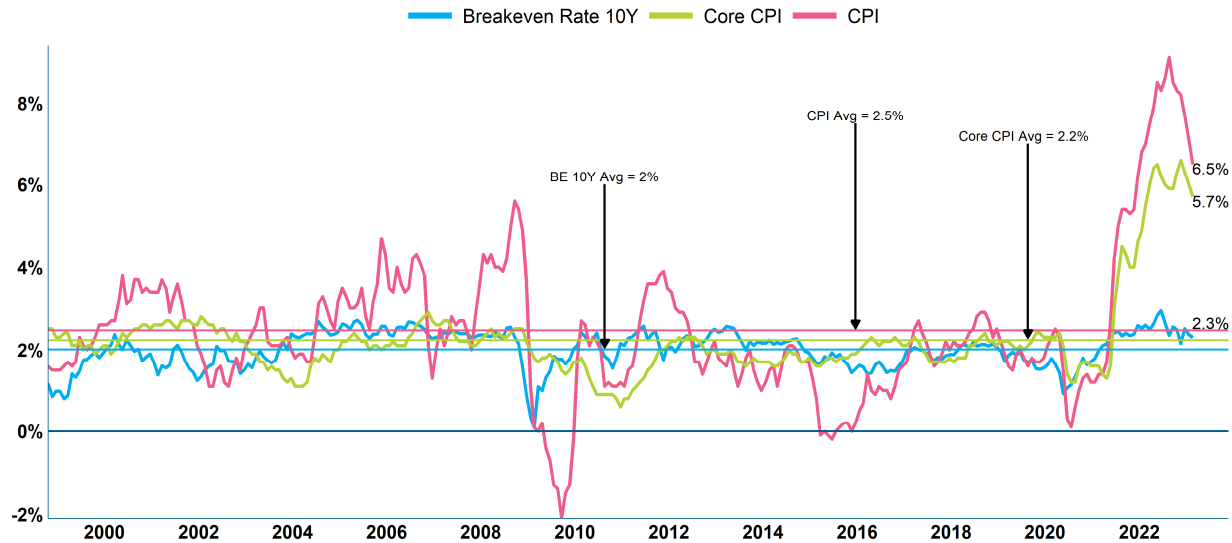
<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.



- In December, policy-sensitive interest rates at the front-end of the curve continued to rise with the two-year Treasury yield increasing from 4.3% to 4.4%. Longer dated ten-year Treasury yields also increased (3.6% to 3.9%). For the year, the yield curve rose dramatically across maturities and moved from steep to inverted.
- The Fed remains strongly committed to fighting inflation, as it increased rates another 50 basis points to a range of 4.0% to 4.5% at its December meeting. This brought the total number of increases for 2022 to seven.
- The yield spread between two-year and ten-year Treasuries narrowed somewhat to -0.54% after finishing November at -0.70%. The more closely watched measure by the Fed of three-month and ten-year Treasuries also remained inverted. Historically, inversions in the yield curve have often preceded recessions.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2022.

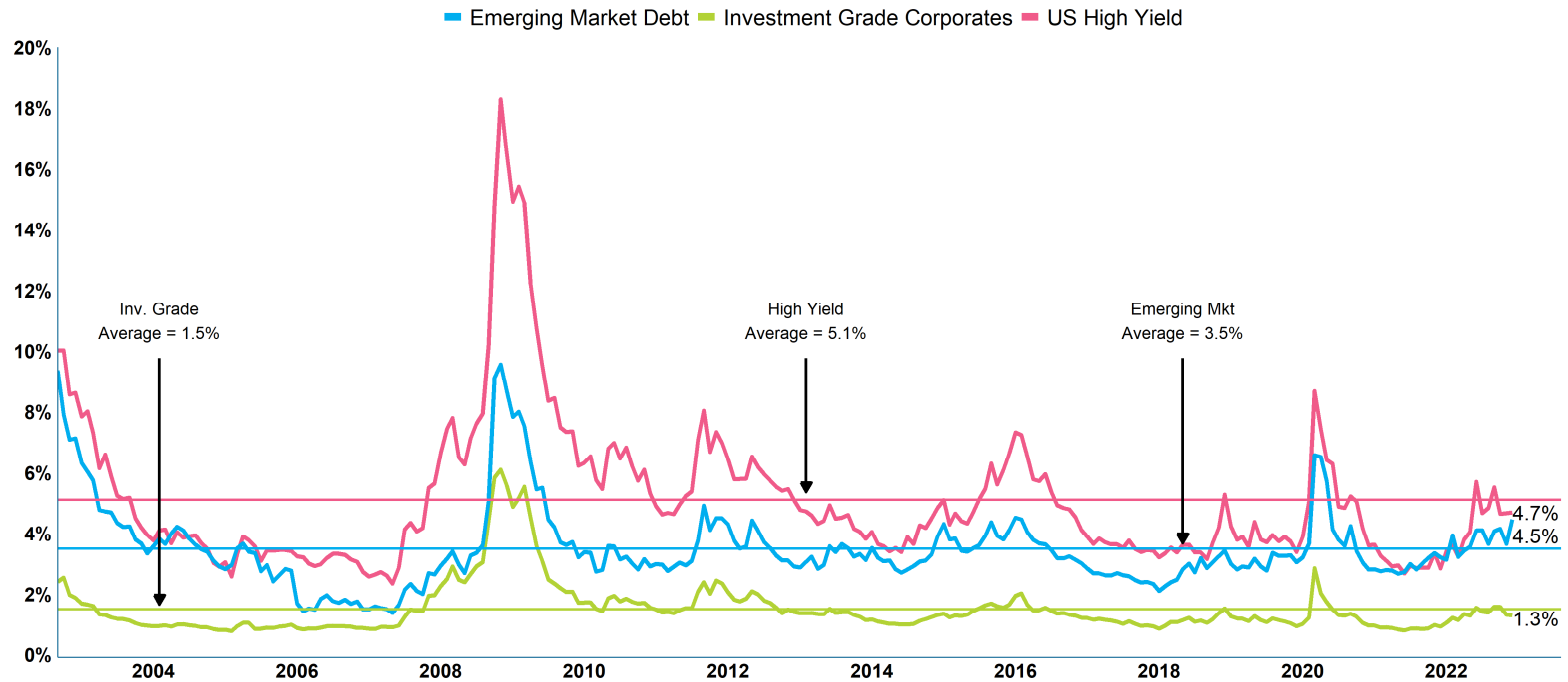
### Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- In December inflation continued to decline (6.5% versus 7.1%) matching expectations and providing support for the Fed to slow the pace of policy tightening. Energy prices fell again for the month but remain up 7.3% from a year prior, while food prices fell slightly, and stickier service prices continued to increase.
- Core inflation – excluding food and energy – also continued to decline in December (5.7% versus 6.0%) and matched estimates.
- Inflation expectations (breakevens) declined slightly for the month (2.3% versus 2.4%) and remain well below current inflation levels as investors anticipate a significant moderation in inflation.

<sup>1</sup> Source: Bloomberg. Data is as of December 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

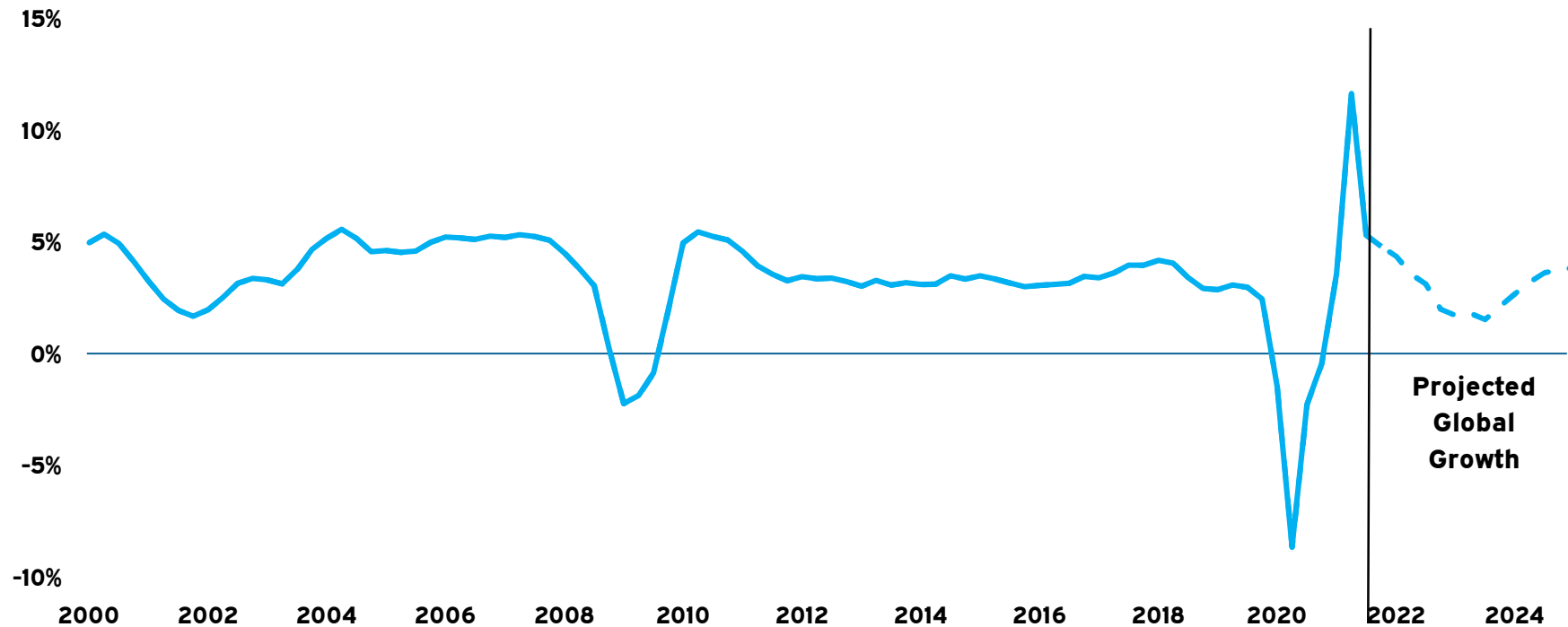
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- High yield spreads (the added yield above a comparable maturity Treasury) finished December at 4.7% (the same as the end of November) remaining below their long-run average.
- Investment grade spreads also held steady at 1.3% as attractive yields and strong balance sheets continued to attract investors, while emerging market spreads rose (4.5% versus 3.6%) due to concerns regarding slower growth and lower commodity prices.

<sup>1</sup> Sources: Bloomberg. Data is as of December 31, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

### Global Real Gross Domestic Product (GDP) Growth<sup>1</sup>

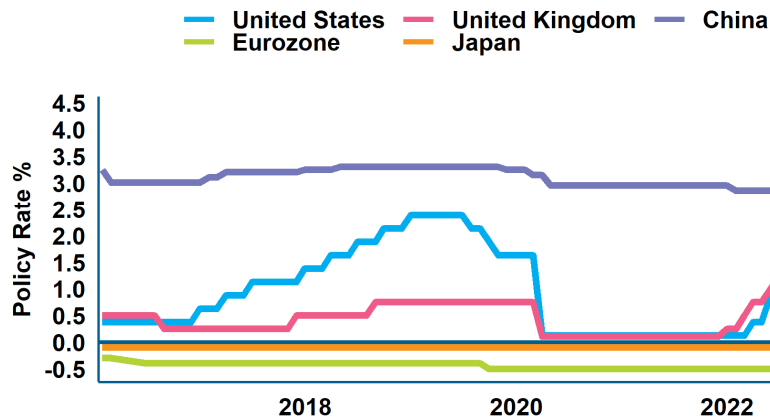


- Global economies are expected to slow in 2023 compared to 2022, with risks of recession increasing given persistently high inflation and related tighter monetary policy.
- The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

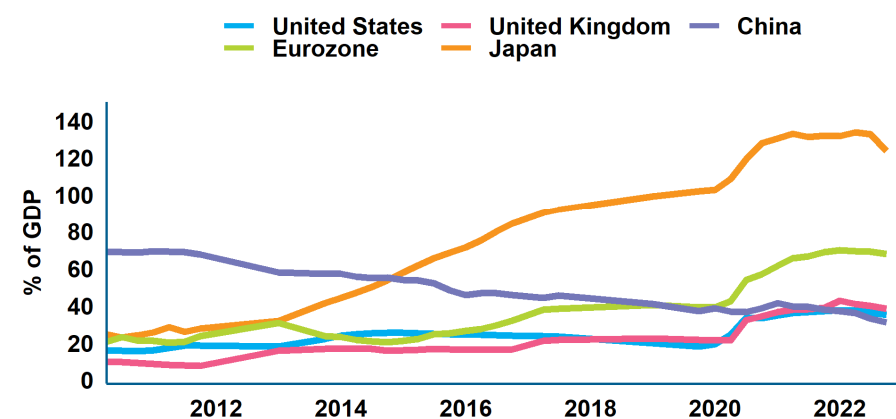
<sup>1</sup> Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, real, % change YoY). Updated December 2022.

### Central Bank Response<sup>1</sup>

#### Policy Rates



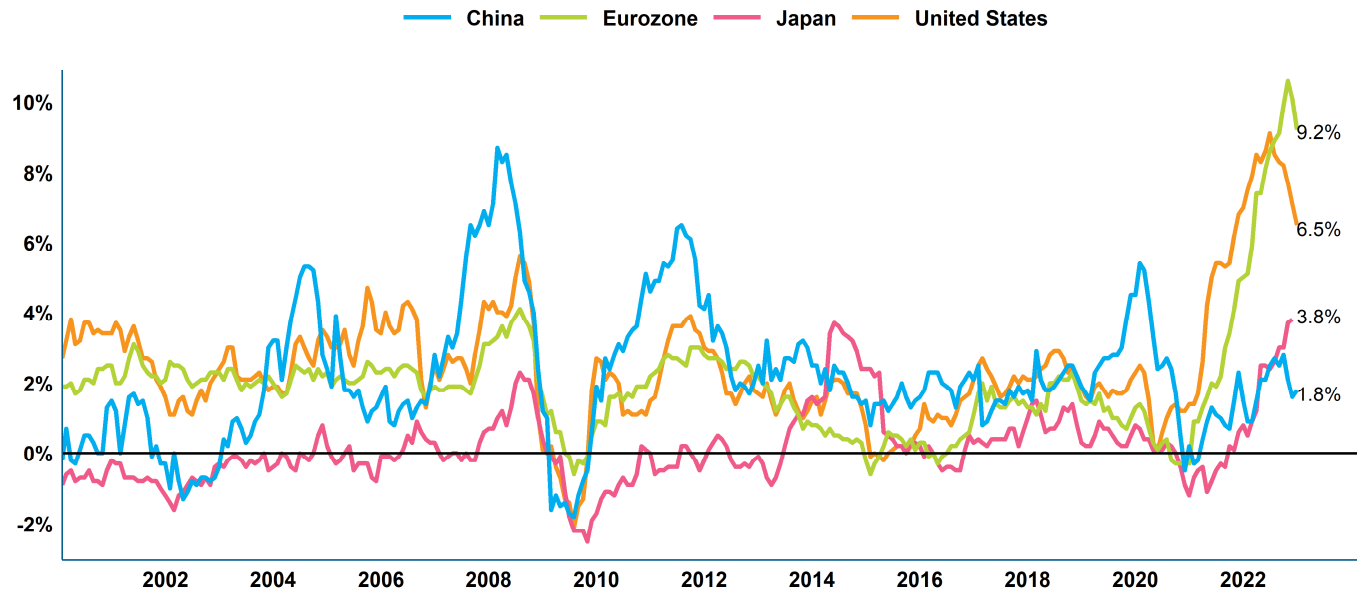
#### Balance Sheet as % of GDP



- In 2022 many central banks aggressively reduced pandemic-era policy support in the face of high inflation with the US taking a more aggressive approach.
- In December, the Bank of Japan relaxed its target yield for the 10-year bond which may mark an incremental step toward policy normalization after eight years of quantitative easing.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.
- The risk remains for a policy error, particularly overtightening, as record inflation and aggressive tightening to date could heavily weigh on global growth. The Federal Reserve's policy rate path could diverge from others this year given their strong early start to tightening.

<sup>1</sup> Source: Bloomberg. Policy rate data is as of December 31, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of December 31, 2022.

**Inflation (CPI Trailing Twelve Months)<sup>1</sup>**

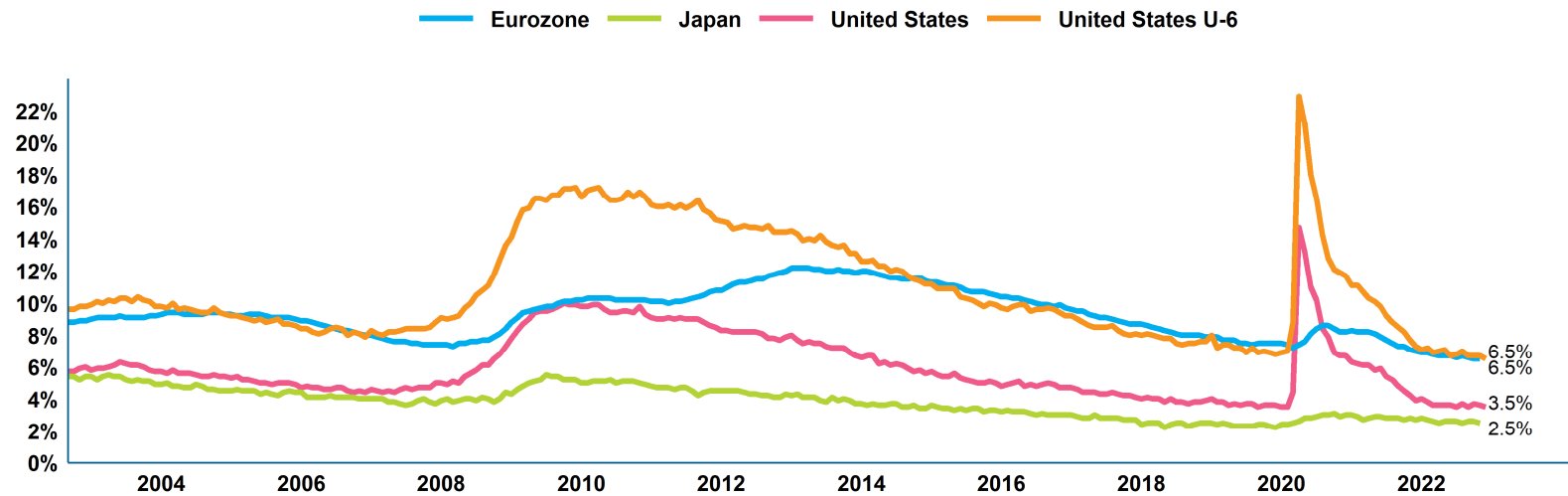


- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.
- Inflation pressures are slowly declining in the US, but they remain elevated, while in Europe they have reached historic levels due to skyrocketing energy prices and a weak euro.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher commodity prices driven by the war in Ukraine have been key global drivers of inflation.

<sup>1</sup> Source: Bloomberg. Data is as of December 2022. The most recent Japanese inflation data is as of November 2022.



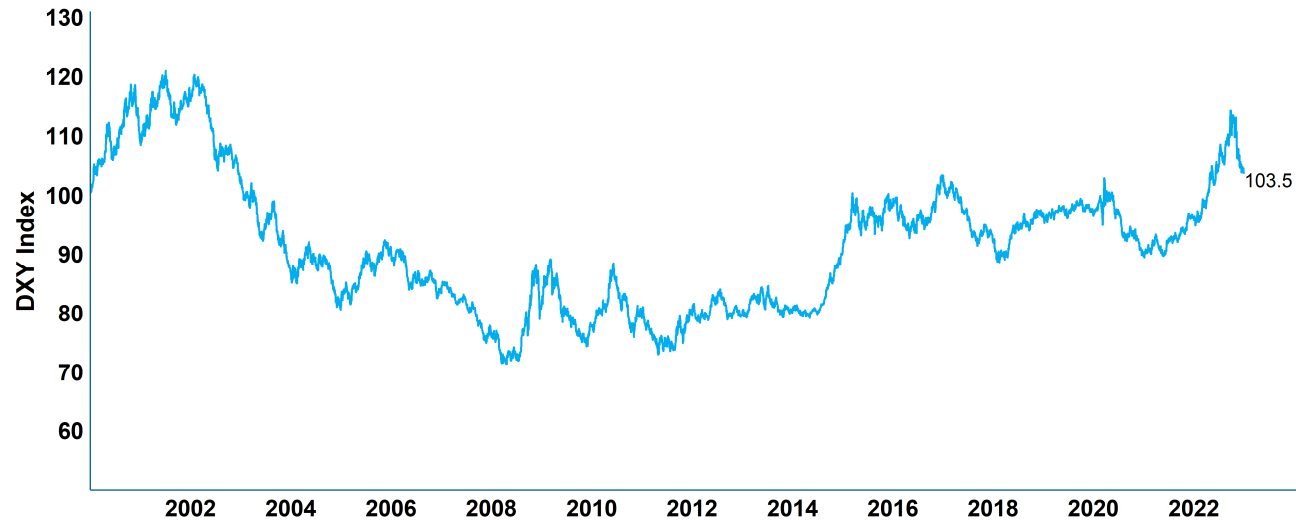
### Unemployment<sup>1</sup>



- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- Despite slowing growth and high inflation, the US labor market remains a bright spot. Unemployment in the US, which experienced the steepest rise from the pandemic, has remained in a tight 3.5%-3.7% range for most of the year.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed's efforts to fight inflation, likely leading to higher unemployment.

<sup>1</sup> Source: Bloomberg. Data is as December 31, 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of November 30, 2022.

US Dollar versus Broad Currencies<sup>1</sup>



- Overall, the US dollar continued to weaken from its recent peak in December as declining inflation supported the case for the Federal Reserve to slow its tightening.
- The dollar finished the year much higher than it started though due to the increased pace of policy tightening, stronger relative growth, and safe-haven flows.
- As we look to 2023, the track of inflation across economies and the corresponding monetary policy will likely be key drivers of currency moves.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2022.

## Summary

### Key Trends:

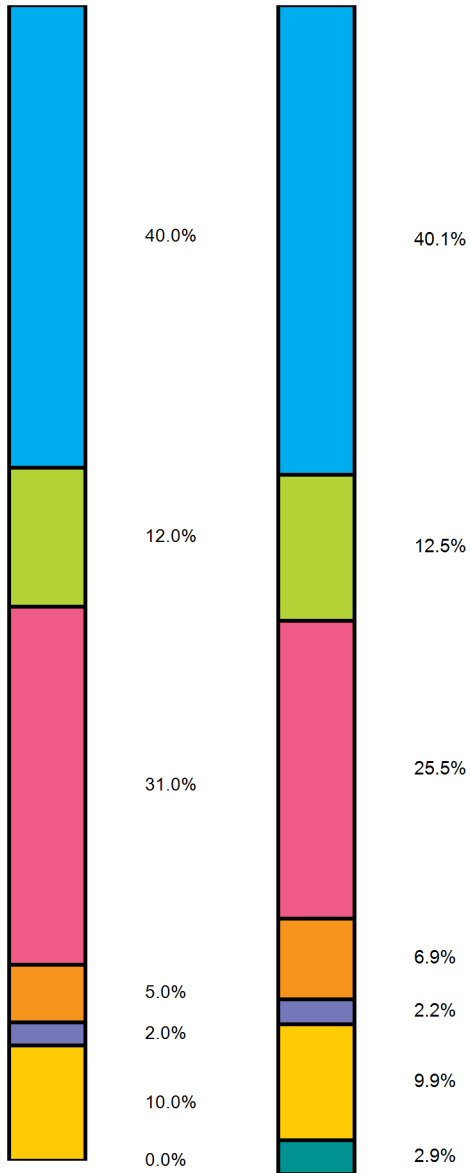
- The impacts of record high inflation will remain key, with market volatility likely to stay high.
- Monetary policy could diverge in 2023 with the Fed pausing and others continuing to tighten. The risk of policy errors in both directions remains.
- Growth will continue to slow globally next year, with many economies likely falling into recessions. Inflation, monetary policy, and the war will all be key.
- In the US the end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices could weigh on consumer spending.
- Valuations have significantly declined in the US to around long-term averages, largely driven by price declines. The key going forward will be whether earnings can remain resilient if growth continues to slow.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but risks remain, including potential continued strength in the US dollar, higher inflation particularly weighing on Europe, and China's rushed exit from COVID-19 restrictions and on-going weakness in the real estate sector.

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# Oakland Police and Fire Retirement System

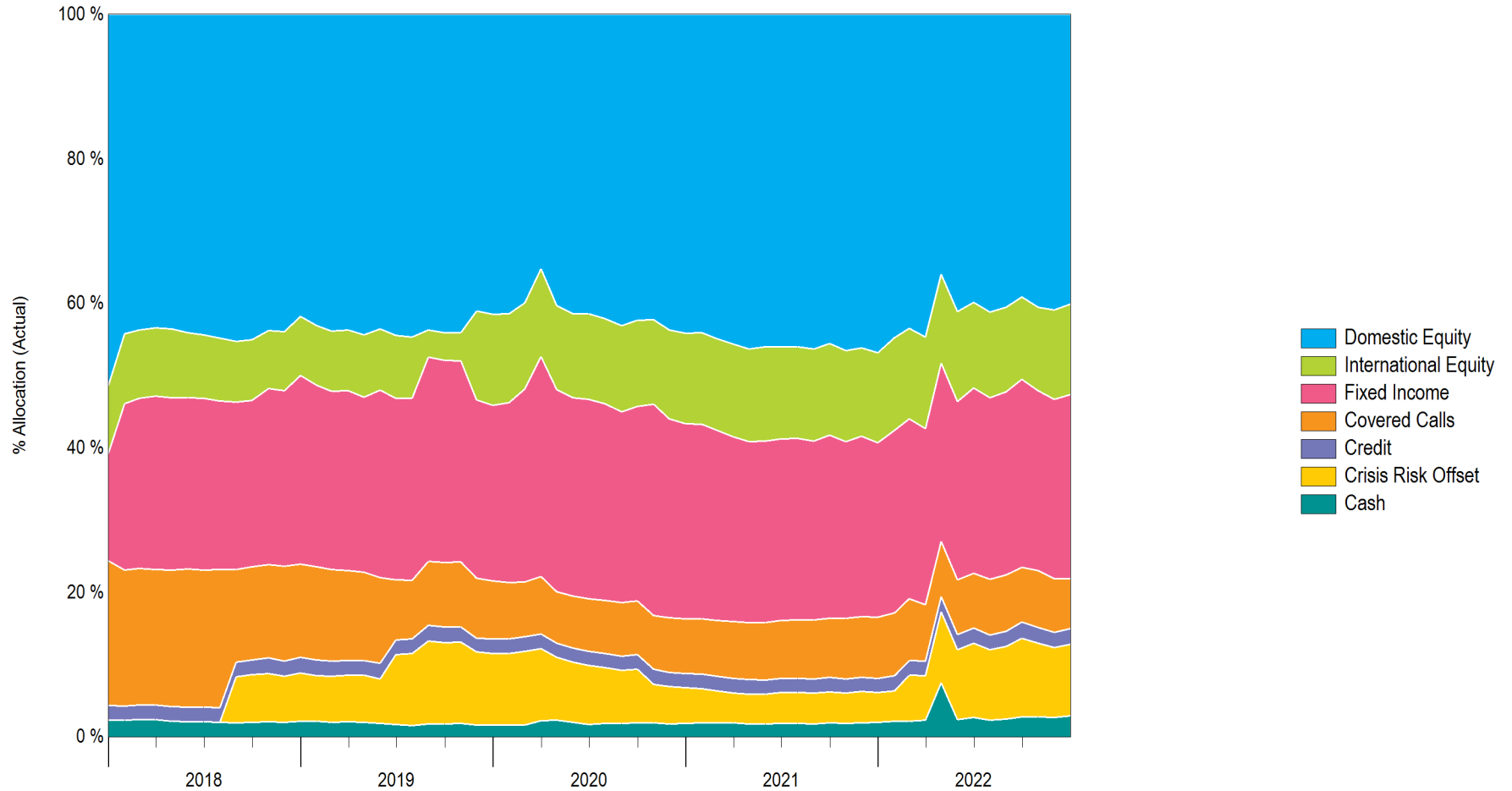
December Flash Report

As of December 31, 2022



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
Domestic Equity	\$159,779,185	40.1%	40.0%	0.1%	30.0% - 50.0%	Yes	
International Equity	\$49,851,663	12.5%	12.0%	0.5%	8.0% - 14.0%	Yes	
Fixed Income	\$101,552,915	25.5%	31.0%	-5.5%	25.0% - 40.0%	Yes	
Covered Calls	\$27,503,720	6.9%	5.0%	1.9%	5.0% - 10.0%	Yes	
Credit	\$8,603,832	2.2%	2.0%	0.2%	0.0% - 100.0%	Yes	
Crisis Risk Offset	\$39,452,288	9.9%	10.0%	-0.1%	5.0% - 15.0%	Yes	
Cash	\$11,692,108	2.9%	0.0%	2.9%	0.0% - 5.0%	Yes	
<b>Total</b>	<b>\$398,435,711</b>	<b>100.0%</b>	<b>100.0%</b>				

Asset Allocation History  
5 Years Ending December 31, 2022



As of December 31, 2022

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>398,435,711</b>	<b>100.0</b>	<b>-3.0</b>	<b>4.7</b>	<b>0.0</b>	<b>-15.1</b>	<b>2.0</b>	<b>4.1</b>	<b>6.9</b>	<b>6.5</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			<u>-2.6</u>	<u>6.0</u>	<u>1.1</u>	<u>-14.5</u>	<u>2.3</u>	<u>4.0</u>	<u>6.5</u>	<u>7.7</u>	<u>Dec-88</u>
Excess Return			-0.4	-1.3	-1.1	-0.6	-0.3	0.1	0.4	-1.2	
<b>Domestic Equity</b>	<b>159,779,185</b>	<b>40.1</b>	<b>-4.9</b>	<b>8.2</b>	<b>3.0</b>	<b>-16.7</b>	<b>7.2</b>	<b>8.5</b>	<b>12.0</b>	<b>8.6</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			<u>-5.9</u>	<u>7.2</u>	<u>2.4</u>	<u>-19.2</u>	<u>7.1</u>	<u>8.8</u>	<u>12.1</u>	<u>8.7</u>	<u>Jun-97</u>
Excess Return			1.0	1.0	0.6	2.5	0.1	-0.3	-0.1	-0.1	
<b>International Equity</b>	<b>49,851,663</b>	<b>12.5</b>	<b>-1.8</b>	<b>15.1</b>	<b>4.1</b>	<b>-15.7</b>	<b>0.3</b>	<b>1.7</b>	<b>5.2</b>	<b>5.0</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			<u>-0.7</u>	<u>14.3</u>	<u>3.0</u>	<u>-16.0</u>	<u>0.1</u>	<u>0.9</u>	<u>3.8</u>	<u>4.7</u>	<u>Jan-98</u>
Excess Return			-1.1	0.8	1.1	0.3	0.2	0.8	1.4	0.3	
<b>Fixed Income</b>	<b>101,552,915</b>	<b>25.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>-2.6</b>	<b>-12.9</b>	<b>-2.1</b>	<b>0.5</b>	<b>1.6</b>	<b>4.7</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>			<u>-0.3</u>	<u>2.2</u>	<u>-2.3</u>	<u>-13.0</u>	<u>-2.5</u>	<u>0.2</u>	<u>1.3</u>	<u>4.5</u>	<u>Dec-93</u>
Excess Return			-0.1	-0.1	-0.3	0.1	0.4	0.3	0.3	0.2	
<b>Credit</b>	<b>8,603,832</b>	<b>2.2</b>	<b>0.3</b>	<b>1.9</b>	<b>1.5</b>	<b>-7.6</b>	<b>3.0</b>	<b>3.0</b>	<b>--</b>	<b>4.7</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>			<u>-0.6</u>	<u>4.2</u>	<u>3.5</u>	<u>-11.2</u>	<u>0.0</u>	<u>2.3</u>	<u>4.0</u>	<u>3.8</u>	<u>Feb-15</u>
Excess Return			0.9	-2.3	-2.0	3.6	3.0	0.7		0.9	
<b>Covered Calls</b>	<b>27,503,720</b>	<b>6.9</b>	<b>-9.7</b>	<b>-5.8</b>	<b>-10.6</b>	<b>-23.5</b>	<b>2.0</b>	<b>4.4</b>	<b>--</b>	<b>6.5</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>			<u>-1.3</u>	<u>6.8</u>	<u>-1.3</u>	<u>-11.4</u>	<u>1.3</u>	<u>2.9</u>	<u>5.8</u>	<u>4.9</u>	<u>Apr-14</u>
Excess Return			-8.4	-12.6	-9.3	-12.1	0.7	1.5		1.6	
<b>Crisis Risk Offset</b>	<b>39,452,288</b>	<b>9.9</b>	<b>-0.1</b>	<b>-4.9</b>	<b>-4.9</b>	<b>-14.5</b>	<b>-14.6</b>	<b>-8.2</b>	<b>--</b>	<b>-9.3</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>			<u>-0.3</u>	<u>1.5</u>	<u>2.4</u>	<u>4.8</u>	<u>-1.4</u>	<u>--</u>	<u>--</u>	<u>-0.5</u>	<u>Aug-18</u>
Excess Return			0.2	-6.4	-7.3	-19.3	-13.2			-8.8	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding. Fiscal year begins on July 1.



As of December 31, 2022

Performance Summary												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>OPFRS Total Plan</b>	<b>398,435,711</b>	<b>100.0</b>	<b>--</b>	<b>-3.0</b>	<b>4.7</b>	<b>0.0</b>	<b>-15.1</b>	<b>2.0</b>	<b>4.1</b>	<b>6.9</b>	<b>6.5</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>				<u>-2.6</u>	<u>6.0</u>	<u>1.1</u>	<u>-14.5</u>	<u>2.3</u>	<u>4.0</u>	<u>6.5</u>	<u>7.7</u>	<u>Dec-88</u>
Excess Return				-0.4	-1.3	-1.1	-0.6	-0.3	0.1	0.4	-1.2	
<b>Domestic Equity</b>	<b>159,779,185</b>	<b>40.1</b>	<b>40.1</b>	<b>-4.9</b>	<b>8.2</b>	<b>3.0</b>	<b>-16.7</b>	<b>7.2</b>	<b>8.5</b>	<b>12.0</b>	<b>8.6</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>				<u>-5.9</u>	<u>7.2</u>	<u>2.4</u>	<u>-19.2</u>	<u>7.1</u>	<u>8.8</u>	<u>12.1</u>	<u>8.7</u>	<u>Jun-97</u>
Excess Return				1.0	1.0	0.6	2.5	0.1	-0.3	-0.1	-0.1	
Northern Trust Russell 1000	69,741,287	17.5	43.6	-5.8	7.2	2.3	-19.4	7.2	9.1	12.3	12.6	Jun-10
<i>Russell 1000</i>				<u>-5.8</u>	<u>7.2</u>	<u>2.3</u>	<u>-19.1</u>	<u>7.3</u>	<u>9.1</u>	<u>12.4</u>	<u>12.6</u>	<u>Jun-10</u>
Excess Return				0.0	0.0	0.0	-0.3	-0.1	0.0	-0.1	0.0	
Wellington Select Quality Equity	22,198,719	5.6	13.9	-1.7	13.7	7.0	--	--	--	--	0.9	May-22
<i>Russell 1000</i>				<u>-5.8</u>	<u>7.2</u>	<u>2.3</u>	<u>-19.1</u>	<u>7.3</u>	<u>9.1</u>	<u>12.4</u>	<u>-6.4</u>	<u>May-22</u>
Excess Return				4.1	6.5	4.7					7.3	
EARNEST Partners	43,615,104	10.9	27.3	-5.0	7.8	1.7	-15.3	8.9	10.0	13.3	10.0	Apr-06
<i>Russell MidCap</i>				<u>-5.4</u>	<u>9.2</u>	<u>5.4</u>	<u>-17.3</u>	<u>5.9</u>	<u>7.1</u>	<u>11.0</u>	<u>8.3</u>	<u>Apr-06</u>
Excess Return				0.4	-1.4	-3.7	2.0	3.0	2.9	2.3	1.7	
Brown Fundamental Small Cap Value	10,924,340	2.7	6.8	-5.0	12.5	10.6	-6.9	--	--	--	1.8	Apr-21
<i>Russell 2000 Value</i>				<u>-6.6</u>	<u>8.4</u>	<u>3.4</u>	<u>-14.5</u>	<u>4.7</u>	<u>4.1</u>	<u>8.5</u>	<u>-5.5</u>	<u>Apr-21</u>
Excess Return				1.6	4.1	7.2	7.6				7.3	
Rice Hall James	13,299,736	3.3	8.3	-5.0	3.3	-1.1	-23.7	3.4	4.2	--	6.1	Jul-17
<i>Russell 2000 Growth</i>				<u>-6.4</u>	<u>4.1</u>	<u>4.4</u>	<u>-26.4</u>	<u>0.6</u>	<u>3.5</u>	<u>9.2</u>	<u>5.2</u>	<u>Jul-17</u>
Excess Return				1.4	-0.8	-5.5	2.7	2.8	0.7		0.9	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>International Equity</b>	<b>49,851,663</b>	<b>12.5</b>	<b>12.5</b>	<b>-1.8</b>	<b>15.1</b>	<b>4.1</b>	<b>-15.7</b>	<b>0.3</b>	<b>1.7</b>	<b>5.2</b>	<b>5.0</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>				<i>-0.7</i>	<i>14.3</i>	<i>3.0</i>	<i>-16.0</i>	<i>0.1</i>	<i>0.9</i>	<i>3.8</i>	<i>4.7</i>	<i>Jan-98</i>
Excess Return				-1.1	0.8	1.1	0.3	0.2	0.8	1.4	0.3	
Vanguard Developed Markets ETF	14,054,284	3.5	28.2	-2.2	16.8	4.4	-15.4	1.3	--	--	4.6	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>-0.4</i>	<i>16.3</i>	<i>5.2</i>	<i>-15.3</i>	<i>1.5</i>	<i>1.8</i>	<i>5.0</i>	<i>4.8</i>	<i>Sep-19</i>
Excess Return				-1.8	0.5	-0.8	-0.1	-0.2			-0.2	
SGA ACWI ex-U.S. Equity	35,797,379	9.0	71.8	-1.7	14.4	4.0	-15.6	0.2	--	--	0.4	Dec-19
<i>MSCI ACWI ex USA</i>				<i>-0.7</i>	<i>14.3</i>	<i>3.0</i>	<i>-16.0</i>	<i>0.1</i>	<i>0.9</i>	<i>3.8</i>	<i>1.5</i>	<i>Dec-19</i>
Excess Return				-1.0	0.1	1.0	0.4	0.1			-1.1	
<b>Fixed Income</b>	<b>101,552,915</b>	<b>25.5</b>	<b>25.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>-2.6</b>	<b>-12.9</b>	<b>-2.1</b>	<b>0.5</b>	<b>1.6</b>	<b>4.7</b>	<b>Dec-93</b>
<i>Bloomberg Universal (Blend)</i>				<i>-0.3</i>	<i>2.2</i>	<i>-2.3</i>	<i>-13.0</i>	<i>-2.5</i>	<i>0.2</i>	<i>1.3</i>	<i>4.5</i>	<i>Dec-93</i>
Excess Return				-0.1	-0.1	-0.3	0.1	0.4	0.3	0.3	0.2	
Ramirez	69,021,211	17.3	68.0	-0.4	1.7	-2.8	-13.0	-2.4	0.4	--	1.2	Jan-17
<i>Bloomberg US Aggregate TR</i>				<i>-0.5</i>	<i>1.9</i>	<i>-3.0</i>	<i>-13.0</i>	<i>-2.7</i>	<i>0.0</i>	<i>1.1</i>	<i>0.6</i>	<i>Jan-17</i>
Excess Return				0.1	-0.2	0.2	0.0	0.3	0.4		0.6	
Wellington Core Bond	6,531,106	1.6	6.4	-0.5	1.9	-3.1	-14.4	--	--	--	-7.5	Apr-21
<i>Bloomberg US Aggregate TR</i>				<i>-0.5</i>	<i>1.9</i>	<i>-3.0</i>	<i>-13.0</i>	<i>-2.7</i>	<i>0.0</i>	<i>1.1</i>	<i>-6.7</i>	<i>Apr-21</i>
Excess Return				0.0	0.0	-0.1	-1.4				-0.8	
Reams	26,000,599	6.5	25.6	-0.3	3.2	-1.9	-12.0	1.4	2.8	2.5	5.1	Feb-98
<i>Bloomberg Universal (Blend)</i>				<i>-0.3</i>	<i>2.2</i>	<i>-2.3</i>	<i>-13.0</i>	<i>-2.5</i>	<i>0.2</i>	<i>1.3</i>	<i>4.1</i>	<i>Feb-98</i>
Excess Return				0.0	1.0	0.4	1.0	3.9	2.6	1.2	1.0	
<b>Credit</b>	<b>8,603,832</b>	<b>2.2</b>	<b>2.2</b>	<b>0.3</b>	<b>1.9</b>	<b>1.5</b>	<b>-7.6</b>	<b>3.0</b>	<b>3.0</b>	<b>--</b>	<b>4.7</b>	<b>Feb-15</b>
<i>Bloomberg US High Yield TR</i>				<i>-0.6</i>	<i>4.2</i>	<i>3.5</i>	<i>-11.2</i>	<i>0.0</i>	<i>2.3</i>	<i>4.0</i>	<i>3.8</i>	<i>Feb-15</i>
Excess Return				0.9	-2.3	-2.0	3.6	3.0	0.7		0.9	
Polen Capital	8,603,832	2.2	100.0	0.3	1.9	1.5	-7.6	3.0	3.0	--	4.7	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>-0.8</i>	<i>4.0</i>	<i>3.3</i>	<i>-11.2</i>	<i>-0.2</i>	<i>2.1</i>	<i>4.0</i>	<i>3.7</i>	<i>Feb-15</i>
Excess Return				1.1	-2.1	-1.8	3.6	3.2	0.9		1.0	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Covered Calls</b>	<b>27,503,720</b>	<b>6.9</b>	<b>6.9</b>	<b>-9.7</b>	<b>-5.8</b>	<b>-10.6</b>	<b>-23.5</b>	<b>2.0</b>	<b>4.4</b>	<b>--</b>	<b>6.5</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-8.4	-12.6	-9.3	-12.1	0.7	1.5		1.6	
Parametric BXM	13,942,810	3.5	50.7	-8.4	-6.3	-11.4	-20.9	0.0	2.3	--	4.8	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-7.1	-13.1	-10.1	-9.5	-1.3	-0.6		-0.1	
Parametric DeltaShift	13,560,909	3.4	49.3	-11.1	-5.3	-9.7	-25.8	3.7	6.2	--	8.4	Apr-14
<i>CBOE S&amp;P 500 BuyWrite USD</i>				<i>-1.3</i>	<i>6.8</i>	<i>-1.3</i>	<i>-11.4</i>	<i>1.3</i>	<i>2.9</i>	<i>5.8</i>	<i>4.9</i>	<i>Apr-14</i>
Excess Return				-9.8	-12.1	-8.4	-14.4	2.4	3.3		3.5	
<b>Crisis Risk Offset</b>	<b>39,452,288</b>	<b>9.9</b>	<b>9.9</b>	<b>-0.1</b>	<b>-4.9</b>	<b>-4.9</b>	<b>-14.5</b>	<b>-14.6</b>	<b>-8.2</b>	<b>--</b>	<b>-9.3</b>	<b>Aug-18</b>
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.3</i>	<i>1.5</i>	<i>2.4</i>	<i>4.8</i>	<i>-1.4</i>	<i>--</i>	<i>--</i>	<i>-0.5</i>	<i>Aug-18</i>
Excess Return				0.2	-6.4	-7.3	-19.3	-13.2			-8.8	
Kepos Alternative Risk Premia	9,837,006	2.5	24.9	2.8	1.1	3.4	--	--	--	--	-1.0	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.3</i>	<i>1.5</i>	<i>2.4</i>	<i>4.8</i>	<i>-1.4</i>	<i>--</i>	<i>--</i>	<i>3.9</i>	<i>Feb-22</i>
Excess Return				3.1	-0.4	1.0					-4.9	
Versor Trend Following	15,908,714	4.0	40.3	0.0	-11.2	-4.2	--	--	--	--	6.1	Apr-22
<i>SG Trend Index</i>				<i>-0.3</i>	<i>-6.1</i>	<i>-1.1</i>	<i>36.1</i>	<i>16.4</i>	<i>9.6</i>	<i>6.4</i>	<i>15.6</i>	<i>Apr-22</i>
Excess Return				0.3	-5.1	-3.1					-9.5	
Vanguard Long-Term Treasury ETF	13,706,568	3.4	34.7	-2.3	-1.1	-10.7	-29.4	-7.6	--	--	-5.7	Jul-19
<i>Bloomberg US Govt Long TR</i>				<i>-1.7</i>	<i>-0.6</i>	<i>-10.1</i>	<i>-29.2</i>	<i>-7.4</i>	<i>-2.2</i>	<i>0.6</i>	<i>-5.5</i>	<i>Jul-19</i>
Excess Return				-0.6	-0.5	-0.6	-0.2	-0.2			-0.2	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding. Versor Tren Following market value is as of 11/30/2022.

As of December 31, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Cash</b>	<b>11,692,108</b>	<b>2.9</b>	<b>2.9</b>	<b>2.6</b>	<b>6.7</b>	<b>9.7</b>	<b>9.7</b>	<b>3.5</b>	<b>3.0</b>	<b>1.6</b>	<b>1.4</b>	<b>Mar-11</b>
<i>FTSE T-Bill 3 Months TR</i>				<i>0.3</i>	<i>0.9</i>	<i>1.3</i>	<i>1.5</i>	<i>0.7</i>	<i>1.2</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				2.3	5.8	8.4	8.2	2.8	1.8	0.9	0.8	
Cash	3,817,108	1.0	32.6	0.0	0.0	0.0	0.0	0.5	1.2	0.8	0.6	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.3</i>	<i>0.9</i>	<i>1.3</i>	<i>1.5</i>	<i>0.7</i>	<i>1.2</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				-0.3	-0.9	-1.3	-1.5	-0.2	0.0	0.1	0.0	
Cash - Treasury	7,875,000	2.0	67.4									

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of December 31, 2022

Cash Flow Summary

Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Brown Fundamental Small Cap Value	\$11,503,189	\$0	-\$578,849	\$10,924,340
Cash	\$3,561,890	\$255,219	\$0	\$3,817,108
Cash - Treasury	\$7,581,000	\$0	\$294,000	\$7,875,000
EARNEST Partners	\$45,912,958	\$0	-\$2,297,855	\$43,615,104
Kepos Alternative Risk Premia	\$9,575,774	\$0	\$261,233	\$9,837,006
Northern Trust Russell 1000	\$74,033,343	\$0	-\$4,292,057	\$69,741,287
Parametric BXM	\$15,215,281	\$0	-\$1,272,471	\$13,942,810
Parametric DeltaShift	\$15,246,880	\$0	-\$1,685,971	\$13,560,909
Polen Capital	\$8,584,723	\$0	\$19,109	\$8,603,832
Ramirez	\$69,277,610	\$0	-\$256,399	\$69,021,211
Reams	\$26,080,937	\$0	-\$80,338	\$26,000,599
Rice Hall James	\$13,993,347	\$0	-\$693,611	\$13,299,736
Securities Lending Northern Trust	\$0	-\$7,733	\$7,733	\$0
SGA ACWI ex-U.S. Equity	\$36,406,614	\$0	-\$609,235	\$35,797,379
Vanguard Developed Markets ETF	\$14,536,490	\$0	-\$482,206	\$14,054,284
Vanguard Long-Term Treasury ETF	\$14,093,608	\$0	-\$387,040	\$13,706,568
Versor Trend Following	\$15,908,714	\$0	\$0	\$15,908,714
Wellington Core Bond	\$6,567,170	\$0	-\$36,065	\$6,531,106
Wellington Select Quality Equity	\$22,589,822	\$0	-\$391,103	\$22,198,719
<b>Total</b>	<b>\$410,669,349</b>	<b>\$247,485</b>	<b>-\$12,481,123</b>	<b>\$398,435,711</b>

**Benchmark History**  
As of December 31, 2022

OPFRS Total Plan

6/1/2022	Present	40% Russell 3000 / 12% MSCI ACWI ex USA / 31% Bloomberg US Universal TR / 5% CBOE BXM / 10% SG Multi Alternative Risk Premia Index / 2% Bloomberg US High Yield TR
1/1/2019	5/31/2022	40% Russell 3000 / 12% MSCI ACWI ex USA Gross / 33% Bloomberg US Universal TR / 5% CBOE BXM / 6.7% SG Multi Alternative Risk Premia Index / 3.3% Bloomberg US Treasury Long TR
5/1/2016	12/31/2018	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 20% CBOE BXM
10/1/2015	4/30/2016	43% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 15% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
1/1/2014	9/30/2015	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 10% CBOE BXM / 10% CPI - All Urban Consumers (unadjusted) +3%
3/1/2013	12/31/2013	40% Russell 3000 / 10% MSCI ACWI ex USA Gross / 17% Bloomberg US Universal TR / 33% ICE BofA 3M US Treasury TR USD
8/1/2012	2/28/2013	20% Russell 3000 / 7% MSCI ACWI ex USA Gross / 18% Bloomberg US Universal TR / 55% ICE BofA 3M US Treasury TR USD
10/1/2007	7/31/2012	53% Russell 3000 / 17% MSCI ACWI ex USA Gross / 30% Bloomberg US Universal TR
4/1/2006	9/30/2007	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Universal TR
1/1/2005	3/31/2006	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Aggregate TR
4/1/1998	12/31/2004	50% Bloomberg US Aggregate TR / 10% Russell 1000 / 20% Russell 1000 Value / 5% Russell MidCap / 15% MSCI EAFE
12/1/1988	3/31/1998	40% S&P 500 / 55% Bloomberg US Aggregate TR / 5% FTSE T-Bill 3 Months TR

**Benchmark History**  
As of December 31, 2022

**Domestic Equity**

1/1/2005	Present	Russell 3000
4/1/1998	12/31/2004	28.57% Russell 1000 / 57.14% Russell 1000 Value / 14.29% Russell MidCap
6/1/1997	3/31/1998	S&P 500

**International Equity**

1/1/2005	Present	MSCI ACWI ex USA
1/1/1998	12/31/2004	MSCI EAFE Gross

**Fixed Income**

4/1/2006	Present	Bloomberg US Universal TR
12/31/1993	3/31/2006	Bloomberg US Aggregate TR

**Covered Calls**

4/1/2014	Present	CBOE S&P 500 BuyWrite USD
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**Crisis Risk Offset**

8/1/2018	Present	SG Multi Alternative Risk Premia Index
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**Cash**

3/1/2011	Present	FTSE T-Bill 3 Months TR
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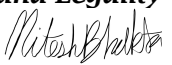
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**OAKLAND POLICE AND FIRE RETIREMENT BOARD**  
 CITY OF OAKLAND, CALIFORNIA  
**RESOLUTION No. 8071**

*Approved to  
 Form  
 and Legality*  


ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION FIXING THE MONTHLY ALLOWANCE OF CAROL HYLTON, SURVIVING SPOUSE OF DARYL W. HYLTON; KAREN RODRIGUE, SURVIVING SPOUSE OF LARRY J. RODRIGUE; SUZANNE WHALLEY, SURVIVING SPOUSE OF BARRY WHALLEY; MARY A. WILLIAMS, SURVIVING SPOUSE OF JAMES M. WILLIAMS; CLARE WILLIAMS, SURVIVING SPOUSE OF LELAND WILLIAMS; RETIRED MEMBERS OF THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**WHEREAS**, the retired members of the Police and Fire Retirement System, whose names appear in Column (1) below, died on the dates shown in Column (2) below; and

**WHEREAS**, the surviving spouses, whose names appear in Column (3) below, does not claim that their spouse’s death was by reason of an injury received in, or illness caused by, or arising out of the performance of duty; and

**WHEREAS**, there is now presented to this Board, the monthly allowances shown in Column (7) below and as calculated by the Actuary in accordance with Article XXVI of the Charter of the City of Oakland; now, therefore, be it

**RESOLVED:** That the Police and Fire Retirement Board does hereby fix the amounts shown in Column (7) as the monthly allowances that said surviving spouses shall receive beginning on the date shown in Column (4):

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name of Deceased Member	Date of Death	Name of Surviving Spouse	Effective Date of Allowance	Form of Retirement	% of Compensation Attached to Avg. Rank Held	Monthly Allowance
Daryl W. Hylton	12/27/2022	Carol Hylton	12/28/2022	DIS	33.333%	\$3,899.62
Larry J. Rodrigue	12/29/2022	Karen Rodrigue	12/30/2022	SVC	37.305%	\$7,591.43
Barry Whalley	9/9/2022	Suzanne Whalley	9/10/2022	DIS	33.333%	\$4,946.09
James M. Williams	12/26/2022	Mary A. Williams	12/27/2022	SVC	33.377%	\$4,902.60
Leland Williams	9/18/2022	Clare Williams	9/19/2022	SVC	39.567%	\$5,580.23

IN BOARD MEETING, VIA ZOOM CONFERENCE JANUARY 25, 2023

PASSED BY THE FOLLOWING VOTE:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST: \_\_\_\_\_  
 PRESIDENT

ATTEST: \_\_\_\_\_  
 SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA  
RESOLUTION No. 8072

Approved to  
Form  
and Legality  
*Mitesh Bhakta*

ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION APPROVING DEATH BENEFIT PAYMENT  
AND DIRECTING A WARRANT THEREUNDER IN THE  
AMOUNT OF \$1,000.00 PAYABLE TO THE BENEFICIARY  
OF DECEASED CITY OF OAKLAND POLICE AND FIRE  
RETIREMENT SYSTEM MEMBER JOHN TASHJIAN.**

**WHEREAS**, due proof having been received in accordance with Article XXVI of the Charter of the City of Oakland of the death of the retired members of the Oakland Police or Fire Department identified in Column (1) below; and

**WHEREAS**, the beneficiary to whom the death benefit provided in Charter Section 2612 is payable, is the person whose name is stated in Column (2) opposite the name of the deceased retired member; and

**WHEREAS**, the amount of said death benefit is stated in Column (3) opposite the name of the beneficiary; now, therefore, be it

**RESOLVED:** That the Police and Fire Retirement System Board does hereby approve the Death Benefit payment to the person named in Column (2); and be it

**FURTHER RESOLVED:** That the Director of Finance, be and is hereby directed to draw and sign a warrant for the amount in Column (3) payable to the person whose names appears in Column (2):

(1)	(2)	(3)
Name of Deceased Member	Name of Beneficiary	Death Benefit Amount
John Tashjian	Peter Tashjian	\$1,000.00

IN BOARD MEETING, VIA ZOOM CONFERENCE \_\_\_\_\_ **JANUARY 25, 2023** \_\_\_\_\_

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

# Oakland Police and Fire Retirement System

December 14, 2022

Recommendation for  
Jan to Mar 2023 Cash Flows

### Asset Class / Manager Liquidity

Asset Class	Fund	Liquidity Tier
Domestic Equity	Northern Trust Russell 1000	1
Domestic Equity	EARNEST Partners	3
Domestic Equity	Wellington Select Quality Equity	3
Domestic Equity	Rice Hall James	3
Domestic Equity	Brown Small Cap Value	3
International Equity	SGA MSCI ACWI ex-US	3
International Equity	Vanguard Developed ETF	1
Domestic Fixed Income	Ramirez	2
Domestic Fixed Income	Reams	2
Domestic Fixed Income	Wellington Core Bond	3
Credit	Polen Capital High Yield	2
Covered Calls	Parametric	2
Crisis Risk Offset	Vanguard Long Duration ETF	1
Crisis Risk Offset	Versor Trend Following	3
Crisis Risk Offset	Kepos Alternative Risk Premia	3
Cash	Cash	1

### Description of Liquidity Tiers

Tier	Description	Market Value (\$M)	In Months <sup>1</sup>
1	Public, Scheduled Withdrawal Allowances	103.8	17.3
2	Public, Accommodating of Withdrawals	130.7	21.8
3	Public, Must Plan Withdrawals	147.3	24.5
4	Closely Held	0.0	-
<b>Total</b>		<b>381.8</b>	

<sup>1</sup> Illustrates Liquidity in Months assuming a net outflow of \$6 million per month; that is, the illustrated figure demonstrates the number of months it would take to withdraw \$6 million per month from each liquidity tier.

### Oakland PFRS Asset Allocation as of October 31, 2022<sup>1</sup>

	Market Value		Target	Variance		Actual Cash Flows for Oct – Dec Benefits <sup>1</sup>		Suggested Cash Flows for Jan – Mar Benefits <sup>1</sup>	
	(\$M)	(%)	(%)	(\$M)	(%)	Inflow (\$M)	Outflow (\$M)	Inflow (\$M)	Outflow (\$M)
Northern Trust Russell 1000	67.0	17.6	20.0	(9.3)	(2.4)	--	--	--	--
EARNEST Partners	40.5	10.6	8.0	9.9	2.6	--	--	--	--
Wellington Select Quality Equity	19.5	5.1	6.0	(3.4)	(0.9)	--	--	--	--
Rice Hall James	12.9	3.4	3.0	1.4	0.4	--	--	--	--
Brown Small Cap Value	9.7	2.5	3.0	(1.7)	(0.5)	--	--	--	--
<b>Total Domestic Equity</b>	<b>149.6</b>	<b>39.2</b>	<b>40.0</b>	<b>(3.1)</b>	<b>(0.8)</b>	--	--	--	--
SGA MSCI ACWI ex-US	31.3	8.2	8.4	(0.8)	(0.2)	--	--	--	--
Vanguard Developed ETF (BlackRock) <sup>2</sup>	12.2	3.2	3.6	(1.6)	(0.4)	--	--	--	--
<b>Total International Equity</b>	<b>43.5</b>	<b>11.4</b>	<b>12.0</b>	<b>(2.4)</b>	<b>(0.6)</b>	--	--	--	--
<b>Total Public Equity<sup>3</sup></b>	<b>193.1</b>	<b>50.6</b>	<b>52.0</b>	<b>(5.4)</b>	<b>(1.4)</b>	--	--	--	--
Parametric	29.2	7.6	5.0	10.1	2.6	--	(6.0)	--	(6.0)
<b>Total Covered Calls</b>	<b>29.2</b>	<b>7.6</b>	<b>5.0</b>	<b>10.1</b>	<b>2.6</b>	--	<b>(6.0)</b>	--	<b>(6.0)</b>
Long Duration ETF (BlackRock) <sup>2</sup>	14.0	3.7	3.3	1.3	0.3	--	--	--	--
Versor Trend Following	17.2	4.5	3.3	4.6	1.2	--	--	--	--
Kepos Alternative Risk Premia	9.7	2.6	3.3	(2.9)	(0.7)	--	--	--	--
<b>Total Crisis Risk Offset</b>	<b>41.0</b>	<b>10.7</b>	<b>10.0</b>	<b>2.8</b>	<b>0.7</b>	--	--	--	--
Ramirez	67.9	17.8	17.0	3.0	0.8	--	--	--	--
Reams	25.2	6.6	12.0	(20.6)	(5.4)	--	--	--	--
Wellington Core Bond	6.4	1.7	2.0	(1.2)	(0.3)	--	--	--	--
Polen Capital High Yield	8.5	2.2	2.0	0.8	0.2	--	--	--	--
<b>Total Public Fixed Income</b>	<b>107.9</b>	<b>28.3</b>	<b>33.0</b>	<b>(18.1)</b>	<b>(4.7)</b>	--	--	--	--
Cash	10.6	2.8	0.0	10.6	2.8	8.2	(8.2)	8.2	(8.2)
<b>Total Stable<sup>3</sup></b>	<b>118.5</b>	<b>31.0</b>	<b>33.0</b>	<b>(7.5)</b>	<b>(2.0)</b>	<b>8.2</b>	<b>(8.2)</b>	<b>8.2</b>	<b>(8.2)</b>
<b>Total Portfolio</b>	<b>381.8</b>	<b>100</b>	<b>100</b>			<b>8.2</b>	<b>(14.2)</b>	<b>8.2</b>	<b>(14.2)</b>

<sup>1</sup>Benefit payments estimated at \$14.2 million on a quarterly basis per OPFRS. Report reflects quarterly City contributions of \$8.2 million. The City's current quarterly contribution amount is based on FY 2022/2023 actuarial annual required contribution of \$32.8 million. Benefits are payable on first of each month.

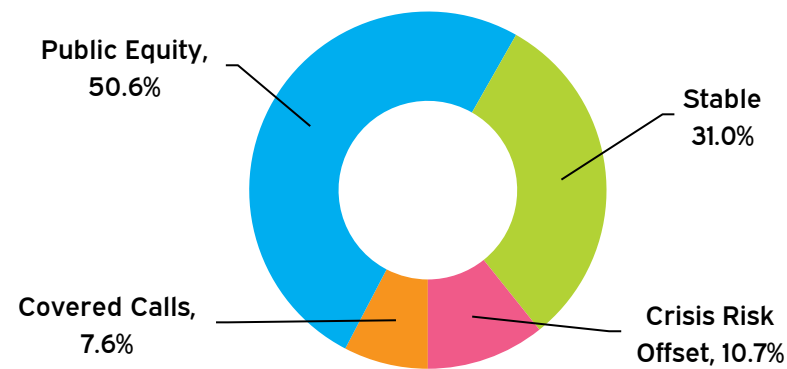
<sup>2</sup>Manager names in parentheses indicates selected, yet unfunded managers for replacement.

<sup>3</sup>Public Equity is the sum of Domestic Equity and International Equity; Stable is the sum of Public Fixed Income and Cash.

### Market Value by Portfolio Segment Before Cash Flows

Portfolio Segment	Market Value (\$M)
Domestic Equity	149.6
International Equity	43.5
Public Equity <sup>1</sup>	193.1
Covered Calls	29.2
Crisis Risk Offset	41.0
Public Fixed Income	107.9
Stable <sup>1</sup>	118.5
<b>Total Portfolio</b>	<b>381.8</b>

### Projected Equity to Fixed Income Allocation After Cash Flows



### Suggested Cash Withdrawals

Portfolio Segment	Market Value (\$M)
Cash in Treasury	8.2
Parametric BXM	3.0
Parametric DeltaShift	3.0
<b>Total Withdrawal</b>	<b>14.2</b>

→ Market value difference in Public Equity from 52% allocation: **-\$5.4 million**

<sup>1</sup>Public Equity is the sum of Domestic Equity and International Equity; Stable is the sum of Public Fixed Income and Cash (not shown on this page).

### Projected OPFRS Asset Allocation as of March 31, 2023<sup>1</sup>

	Estimated Market Value		Target (%)	Projected Variance from Target	
	(\$M)	(%)		(\$M)	(%)
Northern Trust Russell 1000	67.0	18.1	20.0	(6.9)	(1.9)
EARNEST Partners	40.5	10.9	6.0	18.3	4.9
Wellington Select Quality Equity	19.5	5.3	8.0	(10.1)	(2.7)
Rice Hall James	12.9	3.5	3.0	1.8	0.5
Brown Small Cap Value	9.7	2.6	3.0	(1.4)	(0.4)
<b>Total Domestic Equity</b>	<b>149.6</b>	<b>40.5</b>	<b>40.0</b>	<b>1.7</b>	<b>0.5</b>
SGA MSCI ACWI ex-US	31.3	8.5	3.6	18.0	4.9
Vanguard Developed Markets ETF	12.2	3.3	8.4	(18.9)	(5.1)
<b>Total International Equity</b>	<b>43.5</b>	<b>11.8</b>	<b>12.0</b>	<b>(0.9)</b>	<b>(0.2)</b>
<b>Total Public Equity</b>	<b>193.1</b>	<b>52.2</b>	<b>52.0</b>	<b>0.8</b>	<b>0.2</b>
Parametric	19.2	5.2	5.0	0.7	0.2
<b>Total Covered Calls</b>	<b>19.2</b>	<b>5.2</b>	<b>5.0</b>	<b>0.7</b>	<b>0.2</b>
Vanguard Long Duration ETF	14.0	3.8	3.3	1.7	0.5
Versor Trend Following	17.2	4.7	3.3	4.9	1.3
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<b>Total Crisis Risk Offset</b>	<b>41.0</b>	<b>11.1</b>	<b>10.0</b>	<b>4.0</b>	<b>1.1</b>
Ramirez	67.9	18.4	12.0	23.5	6.4
Reams	25.2	6.8	2.0	17.8	4.8
Wellington Core Bond	6.4	1.7	19.0	(63.8)	(17.3)
Polen Capital High Yield	8.5	2.3	2.0	1.1	0.3
<b>Total Public Fixed Income</b>	<b>107.9</b>	<b>29.2</b>	<b>33.0</b>	<b>(14.1)</b>	<b>(3.8)</b>
Cash	8.6	2.3	0.0	8.6	2.3
<b>Total Stable</b>	<b>116.5</b>	<b>31.5</b>	<b>33.0</b>	<b>(5.5)</b>	<b>(1.5)</b>
<b>Total Portfolio</b>	<b>369.8</b>	<b>100</b>	<b>100</b>		

<sup>1</sup>Benefit payments estimated at \$14.2M on a quarterly basis per OPFRS. Report reflects quarterly City contributions of \$8.2M. The City's current quarterly contribution amount is based on FY 2022/2023 actuarial annual required contribution of \$32.8M.

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