

Due to the termination of the statewide COVID-19 State of Emergency by the Governor of California, effective March 1, 2023, all meetings of the Oakland Police & Fire Retirement System Board and its Committees will be conducted in person.

Meetings are held in wheelchair accessible facilities.

The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency.

For additional information, contact the Retirement Unit by calling (510) 238-7295. or send an email to mvisaya@oaklandca.gov



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, DECEMBER 11, 2024

9:30 AM

ONE FRANK H. OGAWA PLAZA, HEARING ROOM 2
OAKLAND, CA 94612

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 two ways to submit public comments.

- **Speaker Card:** All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item they wish to address, including "Open Forum".
- **eComment:** To send your comment directly to staff BEFORE the meeting starts, please email to mvisaya@oaklandca.gov with "PFRS Board Meeting Public Comment" in the subject line for the corresponding meeting. Please note that eComment submission **closes two (2) hours before posted meeting time.**

If you have any questions, please email Maxine Visaya, Administrative Analyst I at mvisaya@oaklandca.gov

ORDER OF BUSINESS

- A. **Subject:** POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) BOARD OF ADMINISTRATION MEETING MINUTES
From: Staff of the PFRS Board
Recommendation: **APPROVE** the October 30, 2024 PFRS Board of Administration Meeting Minutes
- B. **Subject:** AUDIT REPORT OF PFRS FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2024
From: Macias, Gini, & O’Connell LLP
Recommendation: **ACCEPT** Audit Report of PFRS Financial Statements for fiscal year ended June 30, 2024
- C. **Subject:** ADMINISTRATIVE EXPENSES REPORT
From: Staff of the PFRS Board
Recommendation: **ACCEPT** informational report regarding PFRS administrative expenses as of October 31, 2024
- D. **Subject:** PFRS INVESTMENT FUND QUARTERLY PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2024
From: Meketa Investment Group
Recommendation: **ACCEPT** PFRS Investment Fund Quarterly Performance Update as of September 30, 2024
- E. **Subject:** \$13.2 MILLION DRAWDOWN FOR PFRS MEMBER RETIREMENT ALLOWANCES FROM JANUARY 1, 2025 THROUGH MARCH 30, 2025
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report and **APPROVE** Meketa Investment Group’s proposed drawdown of \$13.2 million, which includes a \$8.7 Million contribution from the City of Oakland and a \$4.5 Million contribution from the PFRS Investment Fund, to be used to pay PFRS Member Retirement Allowances from January 1, 2025 through March 30, 2025 of Fiscal Year 2024/2025
- F. **Subject:** MEMBER RESOLUTION NO. 8117
From: Staff of the PFRS Board
Recommendation: **APPROVE** Member Resolution No. 8117
Resolution approving death benefit payments and directing a warrant thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased members of the Oakland Police and Fire Retirement System:
- Ronald G. Bailey
 - Daniel A. Murray

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
BOARD OF ADMINISTRATION SPECIAL MEETING AGENDA
DECEMBER 11, 2024**

- G. PENDING ITEMS**
- H. NEW BUSINESS**
- I. OPEN FORUM**
- J. FUTURE SCHEDULING**
- K. ADJOURNMENT**

A MEETING OF THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) BOARD OF ADMINISTRATION was held Wednesday, October 30, 2024, at One Frank Ogawa Plaza, Hearing Room 2, Oakland, California.

- Board Members:
- Walter L. Johnson President (Excused)
 - Jaime T. Godfrey Vice President (Excused)
 - Martin J. Melia Member
 - Robert W. Nichelini Member
 - Erin Roseman Member
 - John C. Speakman Member (Acting Chair)
 - R. Steven Wilkinson Member

- Additional Attendees:
- David F. Jones PFRS Plan Administrator & Secretary
 - Téir Jenkins PFRS Investment & Operations Manager
 - Maxine Visaya PFRS Staff Member
 - Selia Warren PFRS Legal Counsel
 - David Sancewich Meketa Investment Group
 - Paola Nealon Meketa Investment Group

The meeting was called to order at 11:32 a.m. Pacific

A. APPROVAL OF THE PFRS BOARD OF ADMINISTRATION MEETING MINUTES

Member Nichelini made a motion to approve the September 25, 2024, PFRS Board of Administration Meeting Minutes, second by Member Wilkinson. Motion passed.

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

B. AUDIT AND OPERATIONS COMMITTEE AGENDA – OCTOBER 30, 2024

B1. ADMINISTRATIVE EXPENSES REPORT: AUGUST 31, 2024

PFRS Investment & Operations Manager Jenkins presented an informational report regarding PFRS’ administrative expenditures as of August 31, 2024. PFRS has an approved annual budget of approximately \$4.1 million and expensed approximately \$290,000 to date for fiscal year 2024/2025. Membership consisted of 388 Police and 236 Fire members for a total of 624 retired members and beneficiaries.

MOTION: Member Melia made a motion to accept the informational report regarding PFRS Administrative Expenses Report as of August 31, 2024, second by Member Nichelini. Motion passed.

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

C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – OCTOBER 30, 2024

C1. ECONOMIC AND INVESTMENT MARKET OVERVIEW AS OF SEPTEMBER 30, 2024

Paola Nealon of Meketa Investment Group (Meketa) presented an informational report regarding the economic and investment market overview as of September 30, 2024, and highlighted Index Returns and noted current factors impacting outcomes.

MOTION: Member Melia made a motion to accept the informational report provided by Meketa regarding the Economic and Investment Market Overview as of September 30, 2024, second by Member Wilkinson. Motion passed.

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

C2. PRELIMINARY INVESTMENT FUND PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2024

Paola Nealon of Meketa presented an informational report regarding a preliminary investment performance update of the PFRS Fund as of September 30, 2024, and highlighted PFRS Total Plan Performance.

MOTION: Member Melia made a motion to accept the informational report provided by Meketa regarding the Preliminary Investment Fund Performance Update as of September 30, 2024, second by Member Nichelini. Motion Passed.

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

C3. INVESTMENT POLICY UPDATE: ASSET ALLOCATION IMPLEMENTATION (VERBAL REPORT)

Paola Nealon of Meketa presented an informational report regarding the status of the targeted asset allocation transition and noted the RFP for Fixed Income has been issued and the RFP for International Equity will be issued next week. Member Wilkinson made inquiries to further a discussion regarding the strategies Meketa employs to determine the optimal composition of the asset allocation for the PFRS Portfolio.

MOTION: Member Nichelini made a motion to accept the informational report regarding the status of the targeted asset allocation transition, second by Member Wilkinson. Motion Passed.

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

C4. THERMAL COAL COMPANIES PROHIBITED FROM THE PFRS INVESTMENT PORTFOLIO: 2024 UPDATE

Paola Nealon of Meketa presented an informational memo regarding the updated list of thermal coal companies prohibited from the PFRS Investment Portfolio and advised PFRS' Investment Policy Statement (IPS) will be updated and Meketa will provide the updated list to investment managers.

MOTION: Member Nichelini made a motion to accept of Meketa Investment Group's updated list of thermal coal companies prohibited from the PFRS Investment Portfolio, second by Member Wilkinson. Motion Passed.

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

D. MEMBER RESOLUTION NOS. 8115 – 8116

D1. RESOLUTION NO. 8115

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>
▪ Roy L. Holman, Jr.	Joan Holman	\$5,113.80
▪ Larry F. Johnston	Pearl Johnston	\$3,742.62
▪ Gabriel G. Palomar	Sharon Palomar	\$4,262.95

MOTION: Member Nichelini made a motion to approve Resolution No. 8115, second by Member Speakman. Motion Passed.

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

D2. RESOLUTION NO. 8116

Resolution approving the death benefit payment and directing a warrant 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 F. Johns

MOTION: Member Nichelini made a motion to approve Resolution No. 8116, second by Member Speakman. Motion Passed.

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

E. PENDING ITEMS – PFRS Plan Administrator Jones reported the Ad Hoc Committee met on October 28, 2024, as scheduled, and discussed the requirements, procedures, and timeline leading up to the June 2026 Primary Election cycle in order to move PFRS' request for a charter change through City Council to bring forward a charter amendment ballot measure.

F. NEW BUSINESS – Plan Administrator Jones advised Board President Johnson and Vice President Godfrey would like the Board to reconsider the option to conduct hybrid meetings which enable virtual public participation and will be placing the matter on an upcoming agenda.

G. OPEN FORUM – None

H. FUTURE SCHEDULING – A Special Board Meeting will be held in-person and is tentatively scheduled to occur Wednesday, December 11, 2024, at One Frank Ogawa Plaza, Hearing Room 2, Oakland, CA.

I. ADJOURNMENT – Member Nichelini made a motion to adjourn, second by Member Wilkinson. Motion passed.

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

The meeting adjourned at 11:52 a.m.

**OAKLAND POLICE AND FIRE
RETIREMENT SYSTEM**

Report to the Board of Administration
Year Ended June 30, 2024



Certified
Public
Accountants

November 27, 2024

Members of the Board of Administration
of the Oakland Police & Fire Retirement System
Oakland, California

We are pleased to present this report related to our audit of the Oakland Police & Fire Retirement System's (System) Financial Statements as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

This report is intended solely for the information and use of the Board of Administration, management, and others within the System, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the System.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the System's financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described in our engagement letter dated June 18, 2024. Our audit of the System's financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We conducted our audit consistent with the planned scope and timing in our engagement letter dated June 18, 2024, and we have issued a separate communication letter dated July 17, 2024, regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the System. The System did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates are listed in the following table.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the System’s June 30, 2024, financial statements.

Significant Accounting Estimates	
Valuation of Investments	<p>Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management’s estimate of the fair value of investments is based on a hierarchy of inputs. Observable inputs are developed based on market data obtained from sources independent from the System. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. Investments that do not have a readily determined fair value are valued using the net asset value (NAV) as a practical expedient, which generally represents the System’s ownership interest in partnership capital.</p> <p>MGO evaluated the assumptions through comparative analysis with third party pricing sources, reviewing fund audited financial statements, and performing roll forward procedures of audited values to year-end values, and determined that they are reasonable.</p>
Total Pension Liability	<p>Management’s estimate of the total pension liability is based on actuarial measurements performed in accordance with the parameters set forth in GASB Statement No. 67, Financial Reporting for Pension Plans, and actuarial standards of practice by third-party actuarial consultants. The actuarial valuation is very sensitive to the underlying assumptions, including the discount rate.</p> <p>MGO evaluated the methodologies and assumptions used to develop the actuarial calculations through census data testing and evaluating the competence, capability, and objectivity of management’s specialist.</p>

Audit Adjustments and Uncorrected Misstatements

Expected Emphasis-of-Matter Paragraph

The financial statements present only the System, which is a pension trust fund of the City of Oakland. In light of this matter, we will include an emphasis-of-matter paragraph in the auditor's report. Below is a draft of the paragraph to be included in the auditor's report:

Emphasis of Matter

As described in Note 1, the financial statements present only Oakland Police & Fire Retirement System, and do not purport to, and do not, present fairly the financial position of the City of June 30, 2024, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the System's financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities for Independence

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For MGO to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Administration, and MGO each play an important role.

Our Responsibilities

1. AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. MGO is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
2. Maintain a system of quality management over compliance with independence rules and firm policies.

The System's Responsibilities

1. Timely inform MGO, before the effective date of transactions or other business changes, of the following:
 - a. New affiliates, directors, or officers.
 - b. Changes in the organizational structure or the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
2. Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
3. Understand and conclude on the permissibility, prior to the System and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with MGO.
4. Not entering into arrangements of nonaudit services resulting in MGO being involved in making management decisions on behalf of the Organization.
5. Not entering into relationships resulting in close family members of MGO covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Organization.

EXHIBIT A

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of November 27, 2024 but are not yet effective and may affect the future financial reporting by the System.

Pronouncement	Summary
GASB Statement No. 101, <i>Compensated Absences</i>	<p>The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.</p> <p>Statement No. 101 is effective for the System’s fiscal year ending June 30, 2025.</p>
GASB Statement No. 102, <i>Certain Risk Disclosures</i>	<p>The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.</p> <p>Statement No. 102 is effective for the System’s fiscal year ending June 30, 2025.</p>
GASB Statement No. 103, <i>Financial Reporting Model Improvements</i>	<p>The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.</p> <p>Statement No. 103 is effective for the System’s fiscal year ending June 30, 2026.</p>
GASB Statement No. 104, <i>Disclosure of Certain Capital Assets</i>	<p>The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.</p> <p>Statement No. 104 is effective for the System’s fiscal year ending June 30, 2026.</p>

**OAKLAND POLICE AND FIRE
RETIREMENT SYSTEM**
(A Pension Trust Fund of the City of Oakland)

Basic Financial Statements and
Required Supplementary Information

Years Ended June 30, 2024 and 2023

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Basic Financial Statements and Required Supplementary Information
Years ended June 30, 2024 and 2023

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Independent Auditor's Report

Board of Administration
Oakland Police and Fire Retirement System
Oakland, California

Opinion

We have audited the financial statements of the Oakland Police and Fire Retirement System (System), a pension trust fund of the City of Oakland, California (City), as of and for the years ended June 30, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2024, and 2023, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial statements present only the Oakland Police and Fire Retirement System and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the employer's net pension liability and related ratios, the schedule of employer contributions, and the schedule of investment returns as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 27, 2024

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management's Discussion and Analysis – Unaudited
June 30, 2024 and 2023

As management of the Oakland Police and Fire Retirement System (System), we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the years ended June 30, 2024, and 2023. We encourage readers to consider the information presented here in conjunction with the System's financial statements that follow this section. These discussions and analyses are presented in the following sections:

- Organizational Overview and Highlights
- Financial Statement Overview
- Financial Analysis: 2024 vs. 2023
- Financial Analysis: 2023 vs. 2022
- Requests for Additional Information

ORGANIZATIONAL OVERVIEW AND HIGHLIGHTS

The City of Oakland City Charter established the System and provides for its funding. Accordingly, the System is an integral part of the City of Oakland (City) and its operations have been reported as a Pension Trust Fund in the City's basic financial statements. The System is a closed, single employer, defined benefit pension plan that provides retirement, disability, and survivor benefits for eligible sworn safety employees of the City. The System serves the City's sworn employees hired prior to July 1, 1976, who have not transferred to the California Public Employees' Retirement System (CalPERS). The System is governed by a board of seven trustees: the Mayor or his/her designate, three Mayoral appointees approved by the City Council, an elected active or retired member of the Police Department, an elected active or retired member from the Fire Department, and an elected member position which alternates between the Police Department and Fire Department membership. Trustees receive no compensation.

The System has been funded by periodic employee and City contributions at actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due as specified by the City Charter unless the Board and the City have agreed to other funding options. In accordance with the City Charter, active members hired after July 1, 1951, and prior to July 1, 1976, contribute a percentage of their earned salaries based upon entry age as determined by consulting actuaries. During the years ended June 30, 2024, and 2023, the employee contribution rate was 0% for both years. There are no active participants in the Plan as of June 30, 2024, and 2023.

In July 2012, the City deposited \$210 million in pension obligation bond proceeds into the System and entered into a funding agreement with the System Board, which suspended contributions until the fiscal year beginning July 1, 2017.

As of June 30, 2024, the total pension liability of \$497.2 million less the fiduciary net position of \$450.0 million results in a net pension liability of approximately \$47.2 million. The fiduciary net position as a percentage of the total pension liability is 90.5%.

As of June 30, 2023, the total pension liability of \$533.8 million less the fiduciary net position of \$416.1 million results in a net pension liability of approximately \$117.7 million. The fiduciary net position as a percentage of the total pension liability is 78.0%.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management's Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

ORGANIZATIONAL OVERVIEW AND HIGHLIGHTS (Continued)

The System membership at June 30, 2024, is 626, which includes 410 retirees and 216 beneficiaries. The System membership at June 30, 2023, is 653. The following are the significant assumptions used to compute contribution requirements in the July 1, 2023, Actuarial Valuation Report:

- Select and ultimate rates, equal to 5.00% single equivalent investment rate of return
- 2.75% inflation rate, U.S.
- 2.85% inflation rate, Bay Area
- 3.25% long-term post-retirement benefit increases

City contributions are based on spreading costs as a level percentage of the City's total uniform payroll to July 1, 2026. The System uses the entry age normal cost method for its disclosure and reporting. During fiscal years 2024 and 2023, the City contributions were \$40.8 million and \$32.7 million respectively to the System. The next required City contribution is projected to be approximately \$34.8 million in fiscal year 2025.

FINANCIAL STATEMENT OVERVIEW

This annual financial report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include *Statements of Fiduciary Net Position*; *Statements of Changes in Fiduciary Net Position*; and the *Notes to the Basic Financial Statements*.

The *Statements of Fiduciary Net Position* and the *Statements of Changes in Fiduciary Net Position* report information to assist readers in determining whether the System's finances as a whole have improved or deteriorated as a result of the year's activities. These statements report the net position of the System and the activities that caused the changes in the net position during the year, respectively.

The *Statements of Fiduciary Net Position* present information on all System assets and liabilities, with the difference between the two reported as net position restricted for pensions. Over time, increases or decreases in net position restricted for pensions may serve as a useful indicator of whether the financial condition of the System is improving or deteriorating.

While the *Statements of Fiduciary Net Position* provide information about the nature and amount of resources and obligations at year-end, the *Statements of Changes in Fiduciary Net Position* present the results of the System's activities during the fiscal year and information on the change in the net position restricted for pensions during the fiscal year. The *Statements of Changes in Fiduciary Net Position* measure the results of the System's investment performance as well as its additions from contributions and investment income and deductions for payment of benefits and administrative expenses. The *Statements of Changes in Fiduciary Net Position* can be viewed as indicators of the System's progress on the set goals of fully funding all current and past service costs and possessing sufficient additional resources to pay for current refunds of contributions and administrative and investment expenses.

The *Notes to the Basic Financial Statements* and *Required Supplementary Information* provide explanations and other information that is helpful to a full understanding of the data provided in the financial statements. The *Notes to the Basic Financial Statements* and *Required Supplementary Information* are found starting on page 11 and page 31, respectively.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management's Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

FINANCIAL ANALYSIS: 2024 VS. 2023

Table 1 summarizes net position restricted for pensions as of June 30, 2024, and 2023:

Table 1
Statements of Fiduciary Net Position
For the Years Ended June 30, 2024 and 2023

	<u>June 30</u>		<u>Change</u>	
	<u>2024</u>	<u>2023</u>	<u>Amount</u>	<u>Percentage</u>
Assets:				
Cash and deposits	\$ 10,389,721	\$ 9,566,751	\$ 822,970	8.6%
Receivables	10,348,205	15,147,401	(4,799,196)	-31.7%
Investments	492,689,969	458,166,392	34,523,577	7.5%
Total Assets	<u>513,427,895</u>	<u>482,880,544</u>	<u>30,547,351</u>	6.3%
Liabilities:				
Accounts payable	5,675	42,821	(37,146)	-86.7%
Benefits payable	4,079,138	4,132,458	(53,320)	-1.3%
Investments payable	17,482,127	21,517,405	(4,035,278)	-18.8%
Accrued investment management fees	356,577	364,389	(7,812)	-2.1%
Securities lending liabilities	41,496,609	40,693,027	803,582	2.0%
Total liabilities	<u>63,420,126</u>	<u>66,750,100</u>	<u>(3,329,974)</u>	-5.0%
Net position:				
Restricted for pensions	<u>\$450,007,769</u>	<u>\$416,130,444</u>	<u>\$ 33,877,325</u>	8.1%

Net position restricted for pensions increased \$33.9 million from June 30, 2023, to June 30, 2024. The main reasons for this increase were net investment gains of \$44.9 million and the City pension contribution of \$40.8 million. The remaining fluctuations in receivables and investments payable are primarily due to investment trading at year-end, where the outstanding balances represent investments either sold or purchased, but not yet settled.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management’s Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

FINANCIAL ANALYSIS: 2024 VS. 2023 (Continued)

Table 2 summarizes changes in net position restricted for pensions for the years ended June 30, 2024, and 2023:

Table 2
Statement of Changes in Fiduciary Net Position
For the Years Ended June 30, 2024 and 2023

	<u>June 30</u>	<u>June 30</u>	<u>Change</u>	
	<u>2024</u>	<u>2023</u>	<u>Amount</u>	<u>Percentage</u>
Additions:				
Contributions from the City	\$ 40,763,000	\$ 32,712,000	\$ 8,051,000	24.6%
Net investment incomes	44,912,172	34,407,789	10,504,383	30.5%
Total additions	<u>85,675,172</u>	<u>67,119,789</u>	<u>18,555,383</u>	27.6%
Deductions:				
Benefits to members and beneficiaries	50,101,642	50,850,416	(748,774)	-1.5%
Administrative expenses	1,696,205	1,626,390	69,815	4.3%
Total deductions	<u>51,797,847</u>	<u>52,476,806</u>	<u>(678,959)</u>	-1.3%
Changes in net position	33,877,325	14,642,983	19,234,342	131.4%
Net position restricted for pensions:				
Beginning of year	416,130,444	401,487,461	14,642,983	3.6%
End of year	<u>\$ 450,007,769</u>	<u>\$ 416,130,444</u>	<u>\$ 33,877,325</u>	8.1%

During fiscal year 2024, the City of Oakland contributed \$40.8 million to the System. In addition, the System’s net investment income for the year ended June 30, 2024, was \$44.9 million. The money-weighted annual return for the year ended June 30, 2024, was 10.8%, compared to a benchmark return of 10.9% and an actuarial expected rate of return of 5.0%.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management's Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

FINANCIAL ANALYSIS: 2023 VS. 2022

Table 3 summarizes net position restricted for pensions as of June 30, 2023, and 2022:

Table 3
Statements of Fiduciary Net Position
As of June 30, 2023 and 2022

	June 30		Change	
	2023	2022	Amount	Percentage
Assets:				
Cash and deposits	\$ 9,566,751	\$ 7,494,971	\$ 2,071,780	27.6%
Receivables	15,147,401	6,218,664	8,928,737	143.6%
Investments	458,166,392	448,337,582	9,828,810	2.2%
Total Assets	<u>482,880,544</u>	<u>462,051,217</u>	<u>20,829,327</u>	4.5%
Liabilities:				
Accounts payable	42,821	3,200	39,621	1238.0%
Benefits payable	4,132,458	4,183,604	(51,145)	-1.2%
Investments payable	21,517,405	7,700,505	13,816,900	179.4%
Accrued investment management fees	364,389	300,676	63,713	21.2%
Securities lending liabilities	40,693,027	48,375,771	(7,682,745)	-15.9%
Total liabilities	<u>66,750,100</u>	<u>60,563,756</u>	<u>6,186,344</u>	10.2%
Net position:				
Restricted for pensions	<u>\$416,130,444</u>	<u>\$401,487,461</u>	<u>\$14,642,983</u>	3.6%

Net position restricted for pensions increased \$14.6 million from June 30, 2022, to June 30, 2023. The main reasons for this increase were net investment gains of \$34.4 million and the City pension contribution of \$32.7 million. The remaining fluctuations in receivables and investments payable are primarily due to investment trading at year-end, where the outstanding balances represent investments either sold or purchased, but not yet settled.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management’s Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

FINANCIAL ANALYSIS: 2023 VS. 2022 (Continued)

Table 4 summarizes changes in net position restricted for pensions for the years ended June 30, 2023, and 2022:

Table 4
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2023 and 2022

	<u>June 30</u>		<u>Change</u>	
	<u>2023</u>	<u>2022</u>	<u>Amount</u>	<u>Percentage</u>
Additions:				
Contributions from the City	\$ 32,712,000	\$ 43,820,000	\$(11,108,000)	-25.3%
Net investment income/(loss)	34,407,789	(47,954,760)	82,362,549	-171.8%
Other additions	-	-	-	n/a
Total additions	<u>67,119,789</u>	<u>(4,134,760)</u>	<u>71,254,549</u>	<u>-1723.3%</u>
Deductions:				
Benefits to members and beneficiaries	50,850,416	51,450,001	(599,585)	-1.2%
Administrative expenses	1,626,390	1,460,653	165,736	11.3%
Total deductions	<u>52,476,806</u>	<u>52,910,654</u>	<u>(433,849)</u>	<u>-0.8%</u>
Changes in net position	14,642,983	(57,045,414)	71,688,398	-125.7%
Net position restricted for pensions:				
Beginning of year	401,487,461	458,532,875	(57,045,414)	-12.4%
End of year	<u>\$416,130,444</u>	<u>\$ 401,487,461</u>	<u>\$14,642,984</u>	<u>3.6%</u>

During fiscal year 2023, the City of Oakland contributed \$32.7 million to the System. In addition, the System’s net investment income for the year ended June 30, 2023, was \$34.4 million. The money-weighted annual return for the year ended June 30, 2023, was 8.84%, compared to a benchmark return of 10.4% and an actuarial expected rate of return of 5.09 %.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Management’s Discussion and Analysis – Unaudited (Continued)
June 30, 2024 and 2023

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

At the April 24, 2024, Board of Administration meeting the board approved proposed revisions to the System’s Investment Policy Statement and Manager Guidelines (IPS) and the Long-Term Asset Allocation Implementation Plan of the new allocation policy of the System Fund. The new allocation, as shown below, is set to be effective on July 1, 2024.

Asset Class	Target Allocation Effective July 1, 2024
Fixed Income	61%
Credit	-
Covered Calls	-
Domestic Equity	25
International Equity	5
Crisis Risk Offset	9
Total	100%

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide a general overview of the System’s finances and to account for the money that the System receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Retirement System
City of Oakland
150 Frank H. Ogawa Plaza, Suite 3349
Oakland, CA 94612

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Statements of Fiduciary Net Position
June 30, 2024 and 2023

Assets	2024	2023
Cash and Cash Equivalents:	\$ 10,389,721	\$ 9,566,751
Receivables:		
Interest Receivable	943,482	851,342
Dividends Receivable	180,536	185,259
Investments Receivable	8,948,924	13,861,852
Retired Members and Beneficiaries	101,798	101,798
Miscellaneous	173,465	147,149
Total Receivables	10,348,205	15,147,401
Investments, at Fair Value:		
Short-Term Investments	13,304,872	10,743,990
Bonds	133,574,652	132,354,487
Domestic Equities and Mutual Funds	192,270,339	169,856,809
International Equities and Mutual Funds	59,867,309	55,731,256
Alternative Investments	51,467,943	48,463,642
Securities Lending Collateral	42,204,854	41,016,208
Total Investments	492,689,969	458,166,392
Total Assets	513,427,895	482,880,544
Liabilities		
Accounts Payable	5,675	42,821
Benefits Payable	4,079,138	4,132,458
Investments Payable	17,482,127	21,517,405
Investment Management Fees Payable	356,577	364,389
Securities Lending Liabilities	41,496,609	40,693,027
Total Liabilities	63,420,126	66,750,100
Net Position Restricted for Pensions	\$ 450,007,769	\$ 416,130,444

See accompanying notes to financial statements.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Statements of Changes in Fiduciary Net Position
June 30, 2024 and 2023

Additions	<u>2024</u>	<u>2023</u>
Contributions from the City	\$ 40,763,000	\$ 32,712,000
Investment Income:		
Net Appreciation in Fair Value of Investments	37,523,032	27,639,783
Interest	6,048,835	4,897,976
Dividends	2,678,291	3,131,776
Less: Investment Expenses	<u>(1,453,576)</u>	<u>(1,361,423)</u>
Securities Lending Income		
Securities Lending Earnings	2,614,649	1,905,212
Securities Lending Expenses, Net of Rebates	<u>(2,499,059)</u>	<u>(1,805,535)</u>
Net Securities Lending Income	<u>115,590</u>	<u>99,677</u>
Net Investment Income	<u>44,912,172</u>	<u>34,407,789</u>
Total Additions	<u>85,675,172</u>	<u>67,119,789</u>
Deductions		
Benefits to Members and Beneficiaries:		
Service	30,070,391	30,958,511
Disability	18,562,046	18,400,366
Death	<u>1,469,205</u>	<u>1,491,539</u>
Total Benefits to Members and Beneficiaries	50,101,642	50,850,416
Administrative Expenses	<u>1,696,205</u>	<u>1,626,390</u>
Total Deductions	<u>51,797,847</u>	<u>52,476,806</u>
Change in Net Position	33,877,325	14,642,983
Net Position Restricted for Pensions		
Beginning of Year	<u>416,130,444</u>	<u>401,487,461</u>
End of Year	<u>\$ 450,007,769</u>	<u>\$ 416,130,444</u>

See accompanying notes to financial statements.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)

Notes to the Basic Financial Statements
Years Ended June 30, 2024 and 2023

1. Description of the Oakland Police and Fire Retirement System

The Oakland Police and Fire Retirement System (System) is a closed, single-employer defined benefit pension plan (Plan) established by the City of Oakland (City) Charter. The System is governed by a board of seven trustees (Board); the City Mayor or his/her designate, three Mayoral appointees approved by the City Council, an elected active or retired member of the Police Department, an elected active or retired member from the Fire Department, and an elected member position which alternates between the Police Department and Fire Department membership. Trustees receive no compensation. As a result of a City Charter amendment, known as Measure R, approved by the electorate on June 8, 1976, membership in the Plan is limited to uniformed employees hired prior to July 1, 1976.

The System is exempt from the regulations of the Employee Retirement Income Security Act of 1974. The System is also exempt from federal and California income taxes.

The System is considered to be a part of the City’s financial reporting entity and is included in the City’s basic financial statements as a pension trust fund. The financial statements of the System are intended to present only the plan net position and changes in plan net position of the System. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024, and 2023, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. The City’s basic financial statements can be obtained from the Finance Department, Controller’s Bureau, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 6353; Oakland, California 94612.

a) System Membership

At June 30, 2024, and 2023, the System membership consisted of only retirees and beneficiaries. The System’s membership is as follows:

	2024	2023
Retirees and beneficiaries currently receiving benefits:		
Police	389	403
Fire	237	250
Total	626	653

b) Basic Benefit Provisions

The City Charter establishes plan membership, contribution, and benefit provisions. The System provides that any member who completes at least 25 years of service, regardless of age, or completes 20 years of service and attains age 55, or has attained age 65, is eligible for retirement benefits. The basic retirement allowance equals 50% of the compensation attached to the average rank held during the three years immediately preceding retirement, plus an additional allowance of 1 and 2/3% of such compensation for each year of service (up to ten) subsequent to (a) qualifying for retirement and (b) July 1, 1951. However, any member retiring at age 65 with less than 20 years of service shall receive a reduced retirement allowance based upon the number of years of service. A member is eligible for early retirement benefits after 20 to 24 years of service with a retirement allowance based upon 40% to 48% of the compensation attached to the average rank held during the three years preceding retirement. Additionally, a member with 10 to 19 years of service may retire and, on or after the 25th anniversary of his/her date of employment may receive a retirement allowance based upon 20% to 38% of the compensation attached to the average rank held during the three years preceding retirement.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

1. Description of the Oakland Police and Fire Retirement System (Continued)

b) Basic Benefit Provisions (continued)

The System also provides for various death, disability, and survivors' benefits. Death and disability benefits are paid to eligible members who became disabled or passed away prior to retirement. If the member's death or disability is duty related, then the surviving spouse or member is paid a pension equivalent to an immediate service retirement. The duty related death or disability pension is paid at a level no less than 50% of the pay attached to the rank. If a death occurs after retirement, then a one-time payment of \$1,000 is paid to the member's designated beneficiary.

After retirement, members receive benefits based on a fixed monthly dollar amount. Pension amounts change based on changes to the compensation attached to the average rank. Upon a retiree's death, benefits are continued to an eligible surviving spouse at a two-thirds level for service and non-duty disabled retirees and at a 100% level for retirements for duty disability.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. The System adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB).

b) Measurement Focus and Basis of Accounting

The financial statements are prepared on a flow of economic resources measurement focus using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due pursuant to legal requirements as well as statutory or contractual requirements, and benefits and refunds are recognized when payable under plan provisions.

c) Methods Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair values based on the net asset value as determined by the fund manager based on quoted market prices of fund holdings or values provided by the custodian or the applicable money manager. Purchases and sales of investments are recorded on a trade date basis.

d) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

3. Contributions

In accordance with the City Charter, active members hired after July 1, 1951, and prior to July 1, 1976, contributed a percentage of their earned salaries based upon entry age as determined by consulting actuaries. Since fiscal year 2015, there were no remaining active members in the System.

In March 1997, the City issued pension obligation bonds and deposited \$417 million into the System to pay the City's contributions through June 2011. In accordance with an agreement entered into at the time the pension obligation bonds were issued in 1997, the City was not expected to contribute until July 2011. In the year ended June 30, 2005, the City transferred excess proceeds of \$17.7 million from the Oakland Joint Powers Financing Authority Refunding Revenue 2005 Series B Bond to fund a portion of the City's future obligation to the System.

Effective July 1, 2011, the City resumed contributing to the System. The City contributed \$45.5 million in the year ended June 30, 2012. Using the current actuarial cost method, these contributions are based on spreading costs as a level percentage of all uniformed employees' compensation through June 30, 2026. Budgeted administrative expenses are included in the City contribution rates. The City must contribute, at a minimum, such amounts as are necessary, on an actuarial basis, to provide assets sufficient to meet benefits to be paid to plan members.

On July 30, 2012, the City contributed \$210 million to the System. As a result of a funding agreement entered into between the System's Board and the City no additional contributions were required until July 1, 2017. The City resumed contributions to the System on July 1, 2017. The City contributed \$40.8 million and \$32.7 million in the years ended June 30, 2024, and 2023, respectively. The next required contribution for fiscal year 2025 is \$34.8 million.

4. Cash, Deposits and Investments

a) Investment Policy

The System's investment policy authorizes investment in U.S. equities, international equities, U.S. fixed income instruments including U.S. Treasury notes and bonds, government agency mortgage-backed securities, U.S. corporate notes and bonds, collateralized mortgage obligations, Yankee bonds and non-U.S.-issued fixed income securities denominated in foreign currencies. The System's investment portfolio is managed by external investment managers, except for the two iShares ETF which are managed internally. During the years ended June 30, 2024, and 2023, the number of external investment managers was eleven and eleven, respectively.

The System investments are also restricted by the City Charter. In November 2006, City voters passed Measure M to amend the City Charter to allow the System's Board to invest in non-dividend paying stocks and to change the asset allocation structure from 50% equities and 50% fixed income to the Prudent Person Standard as defined by the California Constitution.

The System's investment policy limits fixed income investments to a maximum average duration of 10 years and a maximum remaining term to maturity (single issue) at purchase of 30 years, with targeted portfolio duration of between 3 to 8 years and targeted portfolio maturity of 15 years. The System's investment policy allows the fixed income managers to invest in fixed income instruments and some exposure to investments below an investment grade rating, as long as the portfolio maintains an average credit quality of BBB (investment grade using S&P Global, Moody's, or Fitch ratings).

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

a) Investment Policy (Continued)

The System’s investment policy states that investments in securities known as collateralized mortgage obligations (CMOs) shall be limited to a maximum of 20% of a broker account’s fair value with no more than 5% in any one issue. CMOs are mortgage-backed securities that create separate pools of pass-through rates for different classes of bondholders with varying maturities. The fair values of CMOs are considered sensitive to interest rate changes because they have embedded options.

The investment policy allows for each fixed income asset manager to have a maximum of 10% of any single security investment in their individual portfolios with the exception of U.S. government securities, which is allowed to have a maximum of 25% in each manager’s portfolio.

The following was the Board’s adopted asset allocation policy as of June 30, 2024, and 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Fixed Income	21%	21%
Credit	2	2
Covered Calls	5	5
Domestic Equity	40	40
International Equity	12	12
Crisis Risk Offset	20	20
Total	<u>100%</u>	<u>100%</u>

The Board’s target allocation does not include cash and cash equivalents, which are designated for approved administrative budget purposes.

b) Concentrations

GASB Statement No. 67 requires the disclosure of investments in any one organization that represent 5 percent or more of the System’s fiduciary net position. As of June 30, 2024, the System had investments issued by the following organizations that exceeded 5% of its fiduciary net position: Northern Trust Company (22.4%) and Wellington Select Quality Equity, LP (5.7%). As of June 30, 2023, there were no organizations or issuers that represent 5% or more of the total investments or the fiduciary net position.

c) Rate of Return

The money-weighted rate of return is a measure of the rate of return for an asset or portfolio of assets that incorporates the size and timing of cash flows. For the years ended June 30, 2024, and 2023, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, were 10.77% and 8.84%, respectively.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

d) Cash and Cash Equivalents

As of June 30, 2024, and 2023, cash and cash equivalents consisted of cash in treasury held in the City's cash and investment pool as well as cash deposits held in bank and with a custodian. Funds in the City Treasury are invested according to the investment policy adopted by the City Council. Interest earned in the City Treasury is allocated monthly to all participants based on the average daily cash balance maintained by the respective funds. Information regarding the characteristics of the entire investment pool can be found in the City's June 30, 2024, and 2023 basic financial statements. As of June 30, 2024, and 2023, the System's share of the City's investment pool totaled \$10,356,901 and \$9,559,927, respectively. The System also had cash not included in the City's investment pool. As of June 30, 2024, and 2023, the System's cash and cash deposits not held in the City's investment pool totaled \$32,820 and \$6,824, respectively.

e) Hierarchy of Inputs

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The System has the following recurring fair value measurements as of June 30, 2024:

Investments by fair value level:	<u>Level One</u>	<u>Level Two</u>	<u>Level Three</u>	<u>Total</u>
Short-Term Investments	\$ -	\$ 4,007,767	\$ -	\$ 4,007,767
Bonds	12,830,166	103,591,456	61,548	116,483,170
Domestic Equities and Mutual Funds	66,020,243	-	-	66,020,243
International Equities and Mutual Funds	59,845,539	-	21,770	59,867,309
Alternative Investments	24,007,123	-	-	24,007,123
Total investments by fair value level	<u>\$162,703,071</u>	<u>\$107,599,223</u>	<u>\$ 83,318</u>	<u>270,385,612</u>

Investments measured at net asset value (NAV):

Short-Term Investments	9,297,105
Fixed Income Funds	17,091,482
Domestic Equities and Mutual Funds	126,250,096
Hedge Fund	12,120,231
Venture Capital Fund	15,340,589
Securities Lending Collateral	42,204,854
Total investments measured at NAV	<u>222,304,357</u>

Total investments measured at fair value

\$492,689,969

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

e) Hierarchy of Inputs (Continued)

The System has the following recurring fair value measurements as of June 30, 2023:

Investments by fair value level:	Level One	Level Two	Level Three	Total
Short-Term Investments	\$ -	\$ 1,607,980	\$ -	\$ 1,607,980
Bonds	14,131,423	102,295,756	-	116,427,179
Domestic Equities and Mutual Funds	65,219,530	-	-	65,219,530
International Equities and Mutual Funds	55,709,361	-	21,895	55,731,256
Alternative Investments	22,435,178	-	-	22,435,178
Total investments by fair value level	<u>\$157,495,492</u>	<u>\$103,903,736</u>	<u>\$ 21,895</u>	<u>261,421,123</u>

Investments measured at net asset value (NAV):

Short-Term Investments	9,136,010
Fixed Income Funds	15,927,308
Domestic Equities and Mutual Funds	104,637,279
Hedge Fund	10,476,679
Venture Capital Fund	15,551,785
Securities Lending Collateral	41,016,208
Total investments measured at NAV	<u>196,745,269</u>

Total investments measured at fair value

\$ 458,166,392

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

e) Hierarchy of Inputs (Continued)

Investments measured at NAV represent commingled and venture capital funds where fair value is measured based on the System's pro rata share of the total NAV.

	<u>June 30, 2024</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments measured at net asset value (NAV):			
Short-Term Investment Funds	\$ 9,297,105	n/a	n/a
Fixed Income Funds	7,006,702	n/a	n/a
Fixed Income Funds			15 days for < \$10 million;
	10,084,780	n/a	60 days for ≥ \$10 million
Domestic Equities and Mutual Funds	25,563,443	Monthly	10 days
Domestic Equities and Mutual Funds	100,686,653	n/a	n/a
Hedge Fund	12,120,231	Monthly*	30 days
Venture Capital Fund	15,340,589	Monthly	10 days
Securities Lending Collateral - Short-Term Investment Fund	42,204,854	n/a	n/a
Total investments measured at NAV	<u><u>\$ 222,304,357</u></u>		

* For full redemptions, a 5% audit holdback is applied that is then paid after the audit is finalized.

	<u>June 30, 2023</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments measured at net asset value (NAV):			
Short-Term Investment Funds	\$ 9,136,010	n/a	n/a
Fixed Income Funds	6,726,320	n/a	n/a
Fixed Income Funds			15 days for < \$10 million;
	9,200,988	n/a	60 days for ≥ \$10 million
Domestic Equities and Mutual Funds	23,373,498	Monthly	10 days
Domestic Equities and Mutual Funds	81,263,781	n/a	n/a
Hedge Fund	10,476,679	Monthly*	30 days
Venture Capital Fund	15,551,785	Monthly	10 days
Securities Lending Collateral - Short-Term Investment Fund	41,016,208	n/a	n/a
Total investments measured at NAV	<u><u>\$ 196,745,269</u></u>		

* For full redemptions, a 5% audit holdback is applied that is then paid after the audit is finalized.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

f) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As described previously, the System's investment policy limits fixed income investments to a maximum average duration of 10 years and a maximum remaining term to maturity (single issue) at purchase of 30 years, with targeted portfolio duration of between 3 to 8 years and targeted portfolio maturity of 15 years. The weighted average duration for the System's fixed income investment portfolio excluding fixed income short-term investments, foreign currency contracts, and securities lending investments was 6.92 years as of June 30, 2024, and 7.23 years as of June 30, 2023.

The following summarizes the System's fixed income investments by category as of June 30, 2024, and 2023. As of June 30, 2023, the System held exchange cleared swaps of \$43,921 in an asset position that is included in the tables below.

Short-Term Investment Duration				
Investment Type	2024		2023	
		Modified Duration (Years)		Modified Duration (Years)
Short-Term Investment Funds	\$ 9,297,466	n/a	\$ 10,743,990	n/a
U.S. Treasury Bills*	4,007,406	0.51	3,576,597	0.55
Long-Term Investment Duration				
Investment Type	2024 Fair Value	Modified Duration (Years)	2023 Fair Value	Modified Duration (Years)
Fixed Income Investments				
Government Bonds				
U.S. Treasuries	\$ 25,593,339	8.34	\$ 20,795,994	8.63
Government Agencies	38,836,478	7.01	38,294,874	7.57
Total Government Bonds	<u>64,429,817</u>		<u>59,090,868</u>	
Corporate and Other Bonds				
Corporate Bonds	\$69,144,835	6.34	\$69,687,021	6.96
Other Government Bonds	-	0.00	-	0.00
Total Corporate and Other Bonds	<u>69,144,835</u>		<u>69,687,021</u>	
Total Fixed Income Investments	<u>\$ 133,574,652</u>	6.94	<u>\$ 132,354,487</u>	7.23
Securities Lending Collateral				
Short-Term Investment Fund	\$ 42,204,854	51 Days ¹	\$ 41,016,208	39 Days ¹

¹ Weighted average maturity. This fund is not rated.

* In fiscal year 2024, U.S Treasury Bills were included with Short-Term Investments in the financial statements. In fiscal year 2023, short-term US Treasury Bills are included in Bonds in the financial statements.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits, and Investments (Continued)

g) Fair Value Highly Sensitive to Change in Interest Rates

The terms of a debt investment may cause its fair value to be highly sensitive to interest rate changes. The System has invested in CMOs, which are mortgage-backed bonds that pay pass-through rates with varying maturities. The fair values of CMOs are considered sensitive to interest rate changes because they have embedded options, which are triggers related to quantities of delinquencies or defaults in the loans backing the mortgage pool. If a balance of delinquent loans reaches a certain threshold, interest and principal that would be used to pay junior bondholders is instead directed to pay off the principal .

The following are the System's investments in CMOs at June 30, 2024:

<u>Investment Type</u>	<u>Weighted Average Coupon Rate</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>	<u>Percent of Total Investments Fair Value</u>
Mortgage-backed securities	2.75%	26.53	\$33,486,018	6.80%

The following are the System's investments in CMOs at June 30, 2023:

<u>Investment Type</u>	<u>Weighted Average Coupon Rate</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>	<u>Percent of Total Investments Fair Value</u>
Mortgage-backed securities	2.45%	27.49	\$28,560,073	6.23%

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

h) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The following provides information concerning the credit risk of fixed income securities as of June 30, 2024, and 2023:

Short-Term Investment Ratings

Investment Type	2024		2023	
	S&P/ Moody's/ Fitch Rating	Fair Value	S&P/ Moody's/ Fitch Rating	2023 Fair Value
Short-Term Investment Funds	Not Rated	\$9,297,466	Not Rated	\$10,743,990
U.S. Treasury Bills**	N/A	4,007,406	N/A	3,576,597

Long-Term Investment Ratings

S&P/Moody's/ Fitch Rating	2024 Fair Value	Percent of Total Fair Value	2023 Fair Value	Percent of Total Fair Value
AAA/Aaa	\$ 57,681,414	43.2%	\$ 30,637,612	23.8%
AA/Aa	31,293,284	23.4%	22,291,955	17.3%
A/A	13,103,437	9.8%	12,987,483	10.1%
BBB/Baa	11,106,041	8.3%	11,087,375	8.6%
BB/Ba	150,426	0.1%	469,751	0.4%
B/B	10,095,589	7.6%	55,102	0.0%
CCC/CCC	-	0.0%	9,200,988	7.1%
Not Rated*	1,415,402	1.1%	21,055,331	16.4%
N/A**	8,729,059	6.5%	20,992,293	16.3%
	<u>\$ 133,574,652</u>	<u>100.0%</u>	<u>\$ 128,777,890</u>	<u>100.0%</u>

* Includes Government Mortgage-Backed Securities such as FNMA and FHLMC. These securities are issued by Government Sponsored Enterprises (GSEs) and are not rated by the rating agencies. They are implicitly guaranteed by the U.S. Government. Additionally, there is \$1M Corporate ABS, MBS & CMOs included

** In the financial statements, Short-term U.S. Treasury Bills, which are rated N/A, are included with Long-Term N/A. These include U.S. government obligations (Treasury Bill, Treasury Notes, and GNMA) explicitly guaranteed by the U.S. government which are not considered to have credit risk.

Securities Lending Ratings

S&P / Moody's Rating	2024 Fair Value	2023 Fair Value
Not Rated	\$ 42,204,854	\$ 41,016,208

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits, and Investments (Continued)

i) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution or counterparty to a transaction, there will be an inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party.

The California Government Code requires that governmental securities or first trust deed mortgage notes be used as collateral for demand deposits and certificates of deposit at 110 percent and 150 percent, respectively, of all deposits not covered by federal deposit insurance. As the City holds cash and certificates of deposit on behalf of the System, the collateral must be held by the pledging financial institution's trust department and is considered held in the City's name. For all other System deposits, the collateral must be held by the pledging financial institution's trust department and is considered held in the System's name.

The City, on behalf of the System, does not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name. The System does not have any investments that are not registered in the name of the System and are either held by the counterparty or the counterparty's trust department or agent but not in the System's name.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits, and Investments (Continued)

j) Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of an investment or deposit. Currency hedging is allowed under the System's investment policy for defensive purposes only. The investment policy limits currency hedging to a maximum of 25% of the portfolio value.

The following summarizes the System's investments denominated in foreign currencies as of June 30, 2024, and 2023:

Foreign Currency	Fair Value	
	June 30, 2024	June 30, 2023
Australian Dollar	\$ 1,778,676	\$ 1,460,100
Brazilian Real	1,181,379	417,399
British Pound	5,148,983	4,563,264
Canadian Dollar	1,949,469	2,702,222
Danish Krone	1,439,414	1,121,370
Euro	9,835,250	10,062,579
Hong Kong Dollar	2,716,319	4,011,826
Hungarian Forint	299,875	-
Indonesian Rupiah	896,575	701,715
Japanese Yen	6,217,772	5,806,892
Malaysian Ringgit	-	83,557
Mexican Peso	844,544	1,059,658
New Israeli Shekel	208,891	398,428
Norwegian Krone	-	247,136
Singapore Dollar	1,048,452	169,966
South African Rand	554,416	743,005
Swedish Krona	666,200	319,868
Swiss Franc	1,585,412	1,659,827
Thai Baht	264,835	553,667
Total	<u>\$ 36,636,462</u>	<u>\$ 36,082,479</u>

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

k) Securities Lending Transactions

The System's investment policy authorizes participation in securities lending transactions, which are short-term collateralized loans of the System's securities to broker-dealers with a simultaneous agreement allowing the System to invest and receive earnings on the collateral received. All securities loans can be terminated on demand by either the System or the borrower, although the average term of loans is one week.

The administrator of the System's securities lending activities is responsible for maintaining an adequate level of collateral in an amount equal to at least 102% of market value of loaned U.S. government securities, common stock and other equity securities, bonds, debentures, corporate debt securities, notes, and mortgages or other obligations held in U.S. Dollars. The minimum collateral level is 105% of market value of loaned securities for any securities held in currencies other than the U.S. Dollar. Collateral received may include cash, letters of credit, or securities. The term to maturity of the loaned securities is generally not matched with the term to maturity of the investment of the said collateral. If securities collateral is received, the System cannot pledge or sell the collateral securities unless the borrower defaults.

As of June 30, 2024, and 2023, management believes the System has minimized its credit risk exposure to borrowers because the amounts held by the System as collateral exceeded the securities loaned by the System. The System's contract with the administrator requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities borrowed) or fails to pay the System for income distributions by the securities' issuers while the securities are on loan.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits, and Investments (Continued)

k) Securities Lending Transactions (Continued)

The following summarizes investments in securities lending transactions and collateral received at June 30, 2024 and 2023:

Securities Lending as of June 30, 2024			
Investment Type	For Cash Collateral	For Non- Cash Collateral	TOTAL
Securities on Loan for Cash Collateral			
U.S. Government and Agencies	\$ 14,306,398	\$ 3,183,610	\$ 17,490,008
U.S. Corporate Bonds	7,722,426	-	7,722,426
U.S. Equities	17,904,445	7,631,296	25,535,741
Non-U.S. Equities	525,928	1,458,487	1,984,415
Total investments in securities lending transaction	\$ 40,459,197	\$12,273,393	\$ 52,732,590
Collateral Received	\$41,496,609	\$12,569,132	\$54,065,741

Securities Lending as of June 30, 2023			
Investment Type	For Cash Collateral	For Non- Cash Collateral	TOTAL
Securities on Loan for Cash Collateral			
U.S. Government and Agencies	\$ 17,566,171	\$ -	\$ 17,566,171
U.S. Corporate Bonds	4,779,355	-	4,779,355
U.S. Equities	17,329,930	1,361,842	18,691,772
Non-U.S. Equities	278,878	706,079	984,957
Total investments in securities lending transaction	\$ 39,954,334	\$ 2,067,920	\$ 42,022,254
Collateral Received	\$ 40,693,027	\$ 2,110,707	\$ 42,803,734

l) Derivative Instruments

The Retirement System reports its derivative instruments under the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivatives Instruments*. Pursuant to the requirements of this statement, the Retirement System has provided a summary of derivative instrument activities during the reporting periods presented and the related risks.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits, and Investments (Continued)

l) Derivative Instruments (Continued)

As of June 30, 2024, and 2023, the derivative instruments held by the Retirement System are considered investments and not hedges for accounting purposes. All investment derivatives are reported as investments at fair value in the statements of fiduciary net position. The gains and losses arising from this activity are recognized as incurred in the statement of changes in fiduciary net position. All investment derivatives discussed below are included within the investment risk schedules, which precede this subsection. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio valuation methods used by the System are described in more detail in Note 2.c). The fair value of the exchange traded derivative instruments, such as futures, options, rights, and warrants are based on quoted market prices. The fair values of forward foreign currency contracts are determined using a pricing service, which uses published foreign exchange rates as the primary source. The fair values of swaps are determined by the System's investment managers based on quoted market prices of the underlying investment instruments.

The tables below present the notional amounts, the fair values, and the related net appreciation (depreciation) in the fair value of derivative instruments that were outstanding at June 30, 2024, and 2023:

As of June 30, 2024

Derivative Type / Contract	Notional Amount	Fair Value	Net Appreciation (Depreciation) in Fair Value
Options			
Equity Contracts	\$ 41	\$ (367,358)	\$ (96,989)
Grand Total	<u>\$ 41</u>	<u>\$ (367,358)</u>	<u>\$ (96,989)</u>

As of June 30, 2023

Derivative Type / Contract	Notional Amount	Fair Value	Net Appreciation (Depreciation) in Fair Value
Options			
Equity Contracts	\$ 45	\$ (290,565)	\$ (74,660)
Swaps			
Credit Contracts	1,455,000	43,921	51,559
Grand Total	<u>\$ 1,455,045</u>	<u>\$ (246,645)</u>	<u>\$ (23,101)</u>

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

4. Cash, Deposits and Investments (Continued)

l) Derivative Instruments (continued)

Counterparty Credit Risk

The System is not exposed to credit risk on non-exchange traded derivative instruments that are in liability positions. As of June 30, 2024, and 2023, the System held no forward currency contracts in liability positions.

Custodial Credit Risk

The custodial credit risk disclosure for exchange traded derivative instruments is made in accordance with the custodial credit risk disclosure requirements of GASB Statement No. 40. At June 30, 2024, and 2023, all of the System's investments in derivative instruments are held in the System's name and are not exposed to custodial credit risk.

Interest Rate Risk

The tables below describe the maturity periods of the derivative instruments exposed to interest rate risk at June 30, 2024, and 2023.

Derivative Interest Rate Risk as of June 30, 2024

<u>Derivative Type / Contract</u>	<u>Fair Value</u>	<u>Maturities</u>	
		<u>Less than 1 Year</u>	<u>1-5 years</u>
Options			
Equity Contracts	\$ 367,358	\$ (367,358)	\$ -
Total	<u>\$ (367,358)</u>	<u>\$ (367,358)</u>	<u>\$ -</u>

Derivative Interest Rate Risk as of June 30, 2023

<u>Derivative Type / Contract</u>	<u>Fair Value</u>	<u>Maturities</u>	
		<u>Less than 1 Year</u>	<u>1-5 years</u>
Options			
Equity Contracts	\$ (290,565)	\$ (290,565)	\$ -
Swaps			
Credit Contracts	43,921	-	43,921
Total	<u>\$ (246,644)</u>	<u>\$ (290,565)</u>	<u>\$ 43,921</u>

Foreign Currency Risk

At June 30, 2024, the System had no foreign currency risk. At June 30, 2023 the System had no foreign risk.

Contingent Features

At June 30, 2024, and 2023, the System held no positions in derivatives containing contingent features.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

5. Net Pension Liability

The components of the net pension liability of the City at June 30, 2024, and 2023, are as follows:

	June 30, 2024	June 30, 2023
Total pension liability	\$ 497,241,193	\$ 533,790,040
Less: Plan fiduciary net position	(450,007,769)	(416,130,444)
City's net pension liability	\$ 47,233,424	\$ 117,659,596
Plan fiduciary net position as a percentage of the total pension liability	90.5%	78.0%

a) Actuarial Method and Assumptions

The total pension liability as of June 30, 2024 and June 30, 2023, was determined based on an actuarial valuation as of June 30, 2023 and June 30, 2022, respectively, using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement.

	2024	2023
Investment Rate of Return	5.00%	5.09%
Inflation Rate, U.S.	2.75%	2.75%
Inflation Rate, Bay Area	2.85%	2.85%
Long-term Post-Retirement Benefit Increases	3.25%	3.25%

Measurements as of the June 30, 2024, are based on the fair value of assets as of June 30, 2024, and the total pension liability as of the valuation date, June 30, 2023, updated to June 30, 2024. There were no significant events between the valuation date and the measurement date. The update only included the addition of interest cost, offset by actual benefit payments. There are no active members of the plan, and thus no service cost.

Mortality rates for healthy annuitants are based on the sex distinct 2021 CalPERS Healthy Annuitant Mortality Tables, with generational mortality improvements projected from 2017 using Projection Scale MP-2021. Mortality rates for Safety disabled annuitants are based on the sex distinct 2021 CalPERS Industrially Disabled Mortality Tables, with generational mortality improvements projected from 2017 using Projection of Scale MP-2021. The mortality tables are projected to improve with MP-2021 generational mortality improvement tables, projected from a base year of 2017 (the mid-point of the CalPERS mortality tables from their 2021 study).

The total pension liability as of June 30, 2024, was determined based on an actuarial valuation as of June 30, 2023. The assumptions and methods used in the actuarial valuation as of June 30, 2023 are based on an experience study covering the period through June 30, 2023 as presented to the Board at their meetings on December 6, 2023 and February 28, 2024, using the entry age normal actuarial cost method and the actuarial assumptions as described above for June 30, 2024.

Measurements as of the June 30, 2023, are based on the fair value of assets as of June 30, 2023, and the total pension liability as of the valuation date, June 30, 2022, updated to June 30, 2023. There were no significant events between the valuation date and the measurement date. The update only included the addition of interest cost, offset by actual benefit payments. There are no active members of the plan, and thus no service cost.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

5. Net Pension Liability (Continued)

a) Actuarial Method and Assumptions (Continued)

Mortality rates for healthy lives were based on the CalPERS Healthy Table from the 2012-2015 Experience Study, excluding the 15-year projection using 90% of Scale MP-2016. Mortality rates for disabled lives were based on the CalPERS Industrial Disability Mortality Table from the 2012-2015 Experience Study, excluding the 15-year projection using 90% of Scale MP-2016. The mortality tables are projected to improve with MP-2017 generational mortality improvement tables, with improvements projected from a base year of 2014 (the mid-point of the CalPERS base tables).

The total pension liability as of June 30, 2023, was determined based on an actuarial valuation as of June 30, 2022. The actuarial assumptions used in the June 30, 2023, valuations was based on the results of actuarial experience studies for the period of July 1, 2014, through June 30, 2017, using the entry age normal actuarial cost method and the actuarial assumptions as described above for the June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major class included in the pension plan's target asset allocation as of June 30, 2024, and 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	June 30, 2024	June 30, 2023
Fixed Income	2.0%	2.1%
Domestic Equity	5.7%	6.1%
International Equity	6.1%	7.2%
Covered Calls	4.2%	4.6%
Crisis Risk Offset	2.2%	2.5%
Credit / High Yield Bonds	4.0%	4.7%
Cash	-0.3%	0.3%

b) Discount Rate

The discount rates used to measure the total pension liability were 5.00% and 5.09% as of June 30, 2024, and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that the City would contribute to the Plan based on its July 1, 2012, funding agreement with the System. This agreement suspended City contributions until the fiscal year beginning July 1, 2017, after which they would resume, based upon the recommendation of the actuary, with a City Charter requirement that the Plan's liabilities be fully funded by July 1, 2026. A cash flow projection showed that the projected fiduciary net position would be greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Notes to the Basic Financial Statements (Continued)
Years Ended June 30, 2024 and 2023

5. Net Pension Liability (Continued)

c) Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate, as well as what the Plan's net pension liability would be if it were calculated using a discount rate of 1-percentage-point lower or 1-percentage-point higher than the discount rate.

	June 30, 2024		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% increase (6.00%)
City's net pension liability	\$ 84,972,211	\$ 47,233,424	\$ 14,008,836

	June 30, 2023		
	1% Decrease (4.09%)	Current Discount Rate (5.09%)	1% increase (6.09%)
City's net pension liability	\$ 162,542,274	\$ 117,659,596	\$ 78,687,321

6. Reserves

Retired Member Contribution Reserve represents the total accumulated transfers from active member contributions and investments, less payments to retired members and beneficiaries.

Employer Reserve represents the total accumulated employer contributions for retirement payments. Additions include contributions from the employer, investment earnings and other income; deductions include payments to retired members and beneficiaries and administrative expenses.

The aggregate total of the System's major reserves as of June 30, 2024, and 2023 equals net position restricted for pensions and comprises the following:

	2024	2023
Retired member contribution reserve	\$ 20,227,776	\$ 22,350,106
Employer reserve	429,779,993	393,780,338
Total	\$ 450,007,769	\$ 416,130,444

7. Administrative Expenses

The City provides the System with accounting and other administrative services. Staff salaries included in administrative expenses for the years ended June 30, 2024, and 2023 were \$1,696,205 and \$1,626,390, respectively.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Years Ended June 30, 2024 and 2023

**Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios (Unaudited)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Total Pension Liability</u>					
Interest (includes interest on service cost)	\$ 29,960,745	\$ 31,458,384	\$ 33,193,734	\$ 34,680,418	\$ 36,078,037
Differences between expected and actual experience	(6,649,579)	3,820,811	(7,035,509)	(7,375,711)	(5,699,459)
Changes of assumptions	(9,758,371)	(3,926,153)	-	-	-
Benefit payments, including refunds of member contributions	(50,101,642)	(50,850,416)	(51,450,001)	(52,697,378)	(54,619,079)
Net change in total pension liability	(36,548,847)	(19,497,374)	(25,291,776)	(25,392,671)	(24,240,501)
Total pension liability – beginning	533,790,040	553,287,414	578,579,190	603,971,861	628,212,362
Total pension liability – ending (a)	<u>\$497,241,193</u>	<u>\$533,790,040</u>	<u>\$553,287,414</u>	<u>\$578,579,190</u>	<u>\$603,971,861</u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 40,763,000	\$ 32,712,000	\$ 43,820,000	\$ 43,648,000	\$ 43,409,000
Net investment income	44,912,172	34,407,789	(47,954,760)	90,191,309	6,996,833
Benefit payments, including refunds of member contributions	(50,101,642)	(50,850,416)	(51,450,001)	(52,697,378)	(54,619,079)
Administrative expense	(1,696,205)	(1,626,390)	(1,460,653)	(1,584,654)	(1,522,910)
Claims and settlements	-	-	-	908	132
Net change in plan fiduciary net position	33,877,325	14,642,983	(57,045,414)	79,558,185	(5,736,024)
Plan fiduciary net position – beginning	416,130,444	401,487,461	458,532,875	378,974,690	384,710,714
Plan fiduciary net position – ending (b)	<u>\$450,007,769</u>	<u>\$416,130,444</u>	<u>\$401,487,461</u>	<u>\$458,532,875</u>	<u>\$378,974,690</u>
City's net pension liability – ending (a) – (b)	<u>\$ 7,233,424</u>	<u>\$117,659,596</u>	<u>\$151,799,953</u>	<u>\$120,046,315</u>	<u>\$224,997,171</u>
Plan fiduciary net position as a percentage of the total Pension liability	90.5%	78.0%	72.6%	79.3%	62.7%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Years Ended June 30, 2024 and 2023

**Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios (Unaudited) (Continued)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Total Pension Liability</u>					
Interest (includes interest on service cost)	\$ 37,621,301	\$ 44,320,094	\$ 44,931,829	\$ 42,480,394	\$ 41,262,826
Differences between expected and actual experience	(7,915,210)	(10,656,139)	3,027,944	6,977,470	(21,208,627)
Changes of assumptions	(1,475,030)	17,858,013	-	43,480,232	34,219,433
Benefit payments, including refunds of member contributions	(56,212,013)	(55,998,595)	(57,375,815)	(58,441,353)	(59,007,536)
Net change in total pension liability	(27,980,952)	(4,476,627)	(9,416,042)	34,496,743	(4,733,904)
Total pension liability – beginning	<u>656,193,314</u>	<u>660,669,941</u>	<u>670,085,983</u>	<u>635,589,240</u>	<u>640,323,144</u>
Total pension liability – ending (a)	<u><u>\$628,212,362</u></u>	<u><u>\$656,193,314</u></u>	<u><u>\$660,669,941</u></u>	<u><u>\$670,085,983</u></u>	<u><u>\$635,589,240</u></u>
<u>Plan fiduciary net position</u>					
Contributions - employer	\$ 44,821,000	\$ 44,860,000	\$ -	\$ -	\$ -
Net investment income	21,557,961	35,446,275	50,158,795	(1,418,645)	15,438,586
Benefit payments, including refunds of member contributions	(56,212,013)	(55,998,595)	(57,375,815)	(58,441,353)	(59,007,536)
Administrative expense	(1,446,361)	(1,543,412)	(1,261,641)	(1,375,749)	(985,227)
Claims and settlements	13,856	9,145	70,282	3,593,096	-
Net change in plan fiduciary net position	8,734,443	22,773,413	(8,408,379)	(57,642,651)	(44,554,177)
Plan fiduciary net position – beginning	<u>375,976,271</u>	<u>353,202,858</u>	<u>361,611,237</u>	<u>419,253,888</u>	<u>463,808,065</u>
Plan fiduciary net position – ending (b)	<u><u>\$384,710,714</u></u>	<u><u>\$375,976,271</u></u>	<u><u>\$353,202,858</u></u>	<u><u>\$361,611,237</u></u>	<u><u>\$419,253,888</u></u>
City's net pension liability – ending (a) – (b)	<u><u>\$243,501,648</u></u>	<u><u>\$280,217,043</u></u>	<u><u>\$307,467,083</u></u>	<u><u>\$308,474,746</u></u>	<u><u>\$216,335,352</u></u>
Plan fiduciary net position as a percentage of the total pension liability	61.2%	57.3%	53.5%	54.0%	66.0%
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
(A Pension Trust Fund of the City of Oakland)
Years Ended June 30, 2024 and 2023

Schedule of Employer Contributions (Unaudited)
(dollars in millions)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Actuarially determined contribution	\$40.8	\$ 32.7	\$ 43.8	\$ 43.6	\$43.4	\$44.8	\$44.9	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	<u>\$40.8</u>	<u>\$ 32.7</u>	<u>\$ 43.8</u>	<u>\$ 43.6</u>	<u>\$43.4</u>	<u>\$44.8</u>	<u>\$44.9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution deficiency/ (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Actuarially determined contributions are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year. Although actuarial valuations were performed as of June 30, 2014, June 30, 2015, and June 30, 2016, the System did not determine an actuarially determined contribution for FY 2015-2017, based on the City's funding policy.

Schedule of Investment Returns (Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return net of investment expense	10.77%	8.84%	-10.24%	24.43%	2.04%	6.10%	10.57%	15.57%	-0.75%	3.90%

Oakland Police and Fire Retirement System
 Note to Required Supplementary Information
 Years Ended June 30, 2024 and 2023

Note to Schedule of Employer Contributions

Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are:

Fiscal Year	Valuation Date	Discount Rate	Cost-of-Living Adjustments	Mortality	Other Significant Assumption Changes from Prior Year
2024	6/30/2023	5.00%	3.25%	Mortality rates are based on the sex distinct 2021 CalPERS Healthy Annuitant and Industrially Disabled Annuitant Mortality Tables, with generational mortality improvements projected from 2017 using Projection Scale MP-2021	None
2023	6/30/2022	5.09%	3.25%	CalPERS Mortality Table from the 2012-2015 experience study, excluding the 15-year projection using 90% of Scale MP-2016	None
2022	6/30/2021	5.19%	3.25%		None
2021	6/30/2019	5.50%	3.25%		None
2020	6/30/2018	5.50%	3.25%		Longevity Pay assumption for Fire members was added
2019	6/30/2017	5.50%	3.25%		None
2018	6/30/2016	6.44%	3.25%		None
2017	6/30/2015	6.50%	3.25%	CalPERS Mortality Table from the 2006-2011 experience study, excluding the 20-year projection using Scale BB	None
2016	6/30/2014	6.54%	3.25%	RP-2000 Mortality Table from the 1997-2007 experience study, projected with Scale AA	None
2015	6/30/2013	6.75%	3.98%		None
2014	6/30/2012	6.75%	3.98%		None

A complete description of the methods and assumptions used to determine contribution rates can be found in the corresponding actuarial valuation reports.

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of October 31, 2024

	Approved Budget					Percent Remaining
		October 2024	FYTD	Remaining		
Internal Administrative Costs						
PFRS Staff Salaries	\$ 1,745,000	\$ 45,928	\$ 406,450	\$ 1,338,550		76.7%
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	7,200	481	947	6,253		86.9%
Payroll Processing Fees	40,000	-	-	40,000		100.0%
Miscellaneous Expenditures	45,000	3,147	4,886	40,115		89.1%
Internal Service Fees (ISF)	88,000	-	-	88,000		100.0%
Contract Services Contingency	50,000	-	750	49,250		98.5%
Internal Administrative Costs Subtotal :	\$ 2,055,200	\$ 49,556	\$ 413,032	\$ 1,642,168		79.9%
Actuary and Accounting Services						
Audit	\$ 54,400	\$ -	\$ -	\$ 54,400		100.0%
Actuary	50,900	3,233	3,233	47,668		93.6%
Actuary and Accounting Subtotal:	\$ 105,300	\$ 3,233	\$ 3,233	\$ 102,068		96.9%
Legal Services						
City Attorney Salaries	\$ 220,700	\$ 6,533	\$ 55,922	\$ 164,778		74.7%
Legal Contingency	150,000	-	-	150,000		100.0%
Legal Services Subtotal:	\$ 370,700	\$ 6,533	\$ 55,922	\$ 314,778		84.9%
Investment Services						
Money Manager Fees	\$ 1,353,000	\$ 288,862	\$ 288,862	\$ 1,064,138		78.7%
Custodial Fee	124,500	-	-	124,500		100.0%
Investment Consultant	100,000	-	25,000	75,000		75.0%
Investment Subtotal:	\$ 1,577,500	\$ 288,862	\$ 313,862	\$ 1,263,638		80.1%
Total Operating Budget	\$ 4,108,700	\$ 348,184	\$ 786,048	\$ 3,322,652		80.87%

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of October 31, 2024

	October 2024
Beginning Cash as of 10/1/2024	\$ 9,981,547
Additions:	
City Pension Contribution - October	2,903,750
Investment Draw	1,500,000
Misc. Receipts	-
Total Additions:	\$ 4,403,750
Deductions:	
Pension Payment (September Pension Paid on 10/1/2024)	(4,179,789)
Expenditures Paid	(378,422)
Total Deductions	\$ (4,558,211)
 Ending Cash Balance as of 10/31/2024*	 \$ 9,827,087

* On 11/1/2024, October pension payment of appx \$4,154,000 will be made leaving a cash balance of \$5,673,000.

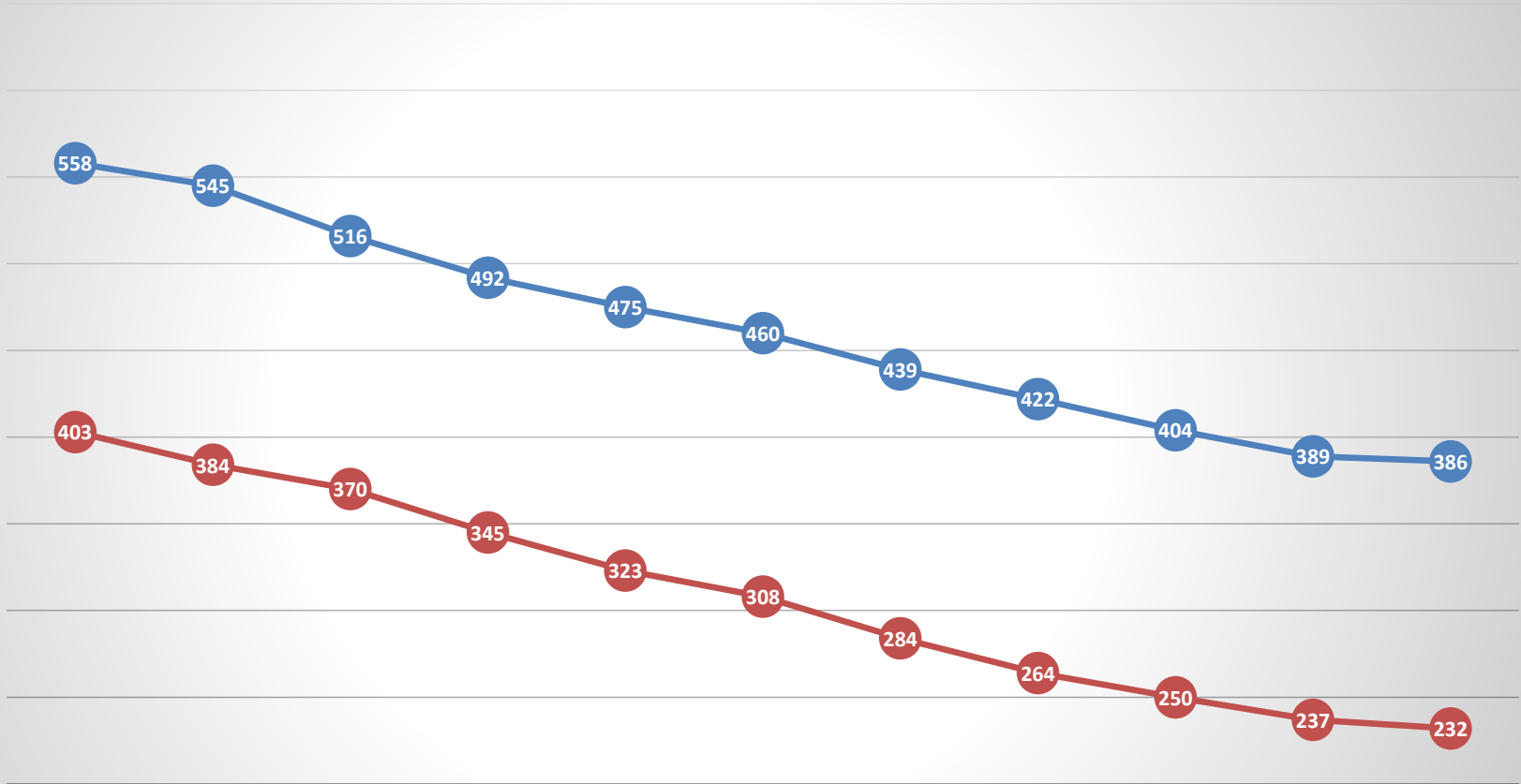
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of October 31, 2024

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	261	143	404
Beneficiary	125	89	214
<i>Total Retired Members</i>	386	232	618
<i>Total Membership:</i>	386	232	618

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	259	106	365
Disability Retirement	119	115	234
Death Allowance	8	11	19
<i>Total Retired Members:</i>	386	232	618
<i>Total Membership as of October 31, 2024:</i>	386	232	618
<i>Total Membership as of June 30, 2024:</i>	389	237	626
<i>Annual Difference:</i>	-3	-5	-8

Oakland Police and Fire Retirement System Pension Plan Membership Count As of October 31, 2024 (FY 2015 - FY 2025)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 FYTD
Police	558	545	516	492	475	460	439	422	404	389	386
Fire	403	384	370	345	323	308	284	264	250	237	232
Total	961	929	886	837	798	768	723	686	654	626	618

Oakland Police and Fire Retirement System

Quarterly Performance Report
as of September 30, 2024

Agenda

1. Executive Summary
2. Economic and Market Update as of September 30, 2024
3. Quarterly Performance as of September 30, 2024
4. Manager Monitoring / Probation Status
5. Appendix
6. Disclaimer, Glossary, and Notes

Executive Summary

Total Portfolio Review

The Oakland Police and Fire Retirement System (OPFRS) finished the quarter with \$475.2 million in assets after net cash flows including monthly benefit payments.

→ The new asset allocation policy, approved in Q1, came into effect on July 1. At the end of the quarter, most asset classes were within their long-term target allocation ranges.

Cash Flow Summary (\$ Millions)	Quarter	1 Year
Beginning Market Value	453.2	405.1
Net Cash Flows (including Benefit Payments)	-4.6	-13.1
Net Investment Change (Gain/Loss)	26.6	83.2
Ending Market Value	475.2	475.2

Investment Performance¹

	QTD	YTD	1 Year	3 Year	5 Year
Total Plan (Gross)	5.9	11.5	20.9	4.7	7.4
Total Plan (Net)	5.8	11.3	20.5	4.4	7.1
<i>Policy Benchmark</i>	<i>5.4</i>	<i>12.6</i>	<i>22.3</i>	<i>5.2</i>	<i>7.8</i>
Excess Return	0.4	-1.3	-1.8	-0.8	-0.7
<i>Public DB (\$250M-\$1B) Median Fund</i>	<i>5.0</i>	<i>11.3</i>	<i>19.5</i>	<i>4.4</i>	<i>8.3</i>
Total Plan (Net) vs. Peer Median Fund	0.8	0.0	1.0	0.0	-1.2
<i>Peer Group Percentile Rank</i>	<i>19</i>	<i>52</i>	<i>33</i>	<i>52</i>	<i>79</i>

¹ Fiscal year begins on July 1. Peer group is Investment Metrics Public Defined Benefit plans with \$250 million to \$1 billion in assets. The number of peers is between 104–107 portfolios in each time period. Please see the Benchmark History section for the Policy Benchmark's current and historical compositions.

Asset Class and Manager Highlights¹

- On a net of fee basis, the **Total Plan** outperformed its Policy Benchmark during the quarter while underperforming the Benchmark in other time periods.
 - The underperformance year-to-date and over the trailing 1-year period was driven primarily by the Domestic Equity segment as mid- and small-cap market segments as well as OPFRS's managers in these segments lagged the broad market Russell 3000 Index.
 - Fixed Income and Covered Calls contributed positively to the Total Plan's relative performance for year-to-date and over the trailing 1-year period, partially offsetting Domestic Equity's underperformance.
- **Domestic Equity** underperformed the Russell 3000 Index over most periods except for the quarter. All active Domestic Equity managers except Earnest Partners outperformed their respective benchmarks for the quarter.
- **International Equity** and its only active manager, SGA, outperformed MSCI ACWI ex US (Net) for all time periods.
- **Fixed Income** slightly outperformed its custom benchmark (currently composed of Bloomberg US Universal Index) over the quarter. All underlying managers outperformed their respective benchmarks for all time periods.
- The **Credit** segment, with Polen Capital as its sole manager, underperformed its benchmark, the Bloomberg US Corporate High Yield Index, during the quarter, year-to-date, and over the 1-year trailing period.
- **Covered Calls**, as well as both the passive BXM and the active DeltaShift strategies, underperformed the CBOE S&P 500 Buy Write Index during the quarter while outperforming the benchmark over the 1-year and longer periods.
- The **Crisis Risk Offset** segment underperformed its custom benchmark over all time periods measured. During the quarter and year-to-date, Kepos Alternative Risk Premia and Vanguard Long-term Treasury ETF outperformed or matched their respective benchmarks while Versor Trend Following significantly lagged its benchmark.

¹ Fiscal year begins on July 1. Please see the Benchmark History section for the custom benchmarks' current and historical compositions.

Economic and Market Update

Data as of September 30, 2024

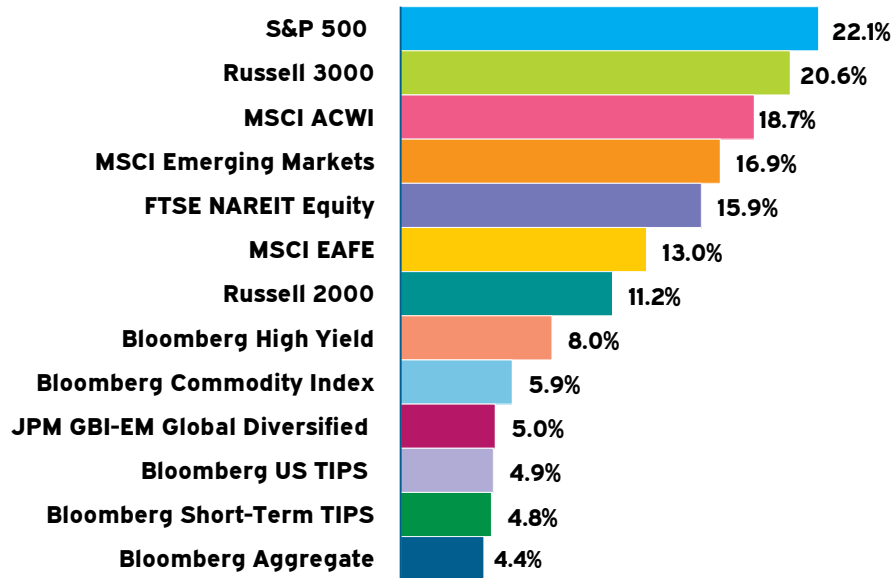
Commentary

In the third quarter, stock and bond markets rallied despite heightened volatility. Central bank indications of future interest rate cuts given declining inflation pressures was a key driver of gains.

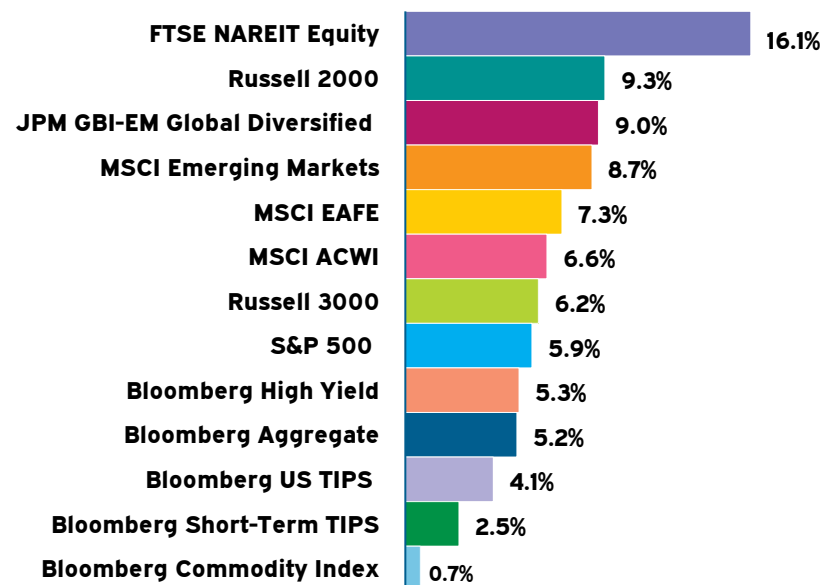
- In September, the Federal Reserve surprised many in the markets with a 50 basis point interest rate cut while the US economy and employment picture remains quite healthy.
- In the third quarter, US equities (Russell 3000) rose 6.2%. The US equity rally broadened, with value and small cap stocks outperforming large cap growth stocks, reversing the narrow leadership trend earlier this year.
- Emerging market stocks (+8.7%) outperformed developed market stocks in the third quarter; in non-US developed markets (+7.3%) value and small cap stocks also beat the broad market.
- After two years of piecemeal policy stimulus, China's policy makers rolled out a significant stimulus package to support equity prices, reduce bank reserve requirements and funding rates, and support current and future mortgage borrowers. In particular, bank loans for listed company share buybacks and purchases drove the MSCI China equity index to rally 23.9% in September and 23.5% for the entire third quarter.
- Fixed income markets also posted positive returns on expectations for additional policy rate cuts this year and next, as inflation pressures recede, and the economy slows.
- Looking ahead, the paths of inflation, labor markets, and monetary policy, China's slowing economy and potential policy stimulus benefits, increased geopolitical tensions, and the looming US election will be key factors.

Index Returns¹

YTD



Q3



→ Major markets finished the third quarter in positive territory despite several spikes in volatility. Falling inflation, resilient growth in the US, and dovish central banks supported stocks and bonds. Rate sensitive sectors, like REITs, particularly benefited from lower interest rates.

→ Year-to-date through September, all major asset classes were positive, led by US equities.

¹ Source: Bloomberg. Data is as of September 30, 2024.

Domestic Equity Returns¹

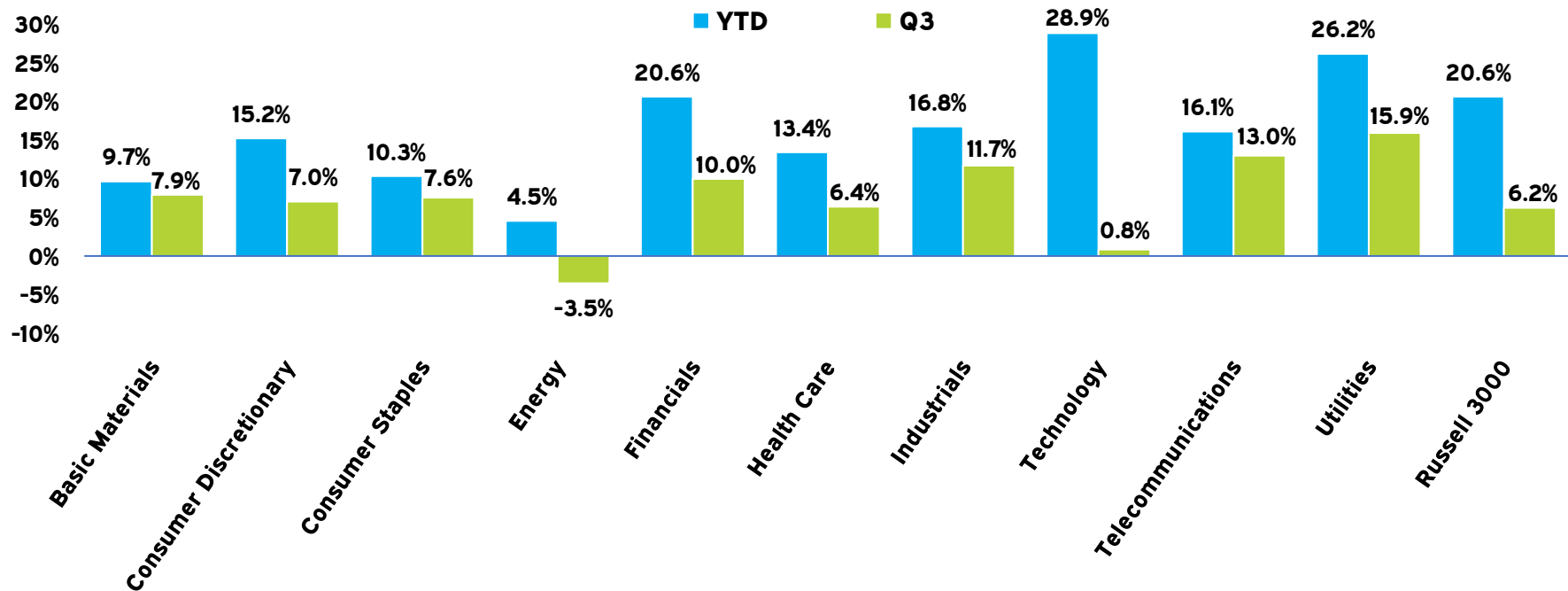
Domestic Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	2.1	5.9	22.1	36.4	11.9	16.0	13.4
Russell 3000	2.1	6.2	20.6	35.2	10.3	15.3	12.8
Russell 1000	2.1	6.1	21.2	35.7	10.8	15.6	13.1
Russell 1000 Growth	2.8	3.2	24.5	42.2	12.0	19.7	16.5
Russell 1000 Value	1.4	9.4	16.7	27.8	9.0	10.7	9.2
Russell MidCap	2.2	9.2	14.6	29.3	5.7	11.3	10.2
Russell MidCap Growth	3.3	6.5	12.9	29.3	2.3	11.5	11.3
Russell MidCap Value	1.9	10.1	15.1	29.0	7.4	10.3	8.9
Russell 2000	0.7	9.3	11.2	26.8	1.8	9.4	8.8
Russell 2000 Growth	1.3	8.4	13.2	27.7	-0.4	8.8	8.9
Russell 2000 Value	0.1	10.2	9.2	25.9	3.8	9.3	8.2

US Equities: The Russell 3000 rose +6.2% in the third quarter, bringing the year-to-date results to +20.6%.

- In the third quarter, the previously technology-driven stock rally broadened out as optimism grew over the potential for a “soft landing” of the US economy and as investors reexamined the future of AI-related stocks.
- In this environment, value outperformed growth across the capitalization spectrum and small cap stocks (Russell 2000: +9.3%) outperformed large cap stocks (Russell 1000: +6.1%).
- Despite the third quarter’s rally in value and small cap stocks, large cap growth stocks are the best performing asset class (R1000 Growth: +24.5%) for the year-to-date 2024 due to on-going enthusiasm for AI.

¹ Source: Bloomberg. Data is as of September 30, 2024.

Russell 3000 Sector Returns¹



- With the notable exception of energy stocks, all sectors posted positive returns in the third quarter.
- On the prospect of growing energy demand for cloud computing for AI, utilities were the best performing sector in the third quarter (+15.9%) followed by telecom (+13.0%) and industrials (+11.7%).
- All sectors feature positive returns for the year-to-date period. Technology stocks (+28.9%) continue to lead the broader market, followed by utilities (+26.2%), and financials (+20.6%).

¹ Source: Bloomberg. Data is as of September 30, 2024.

Foreign Equity Returns¹

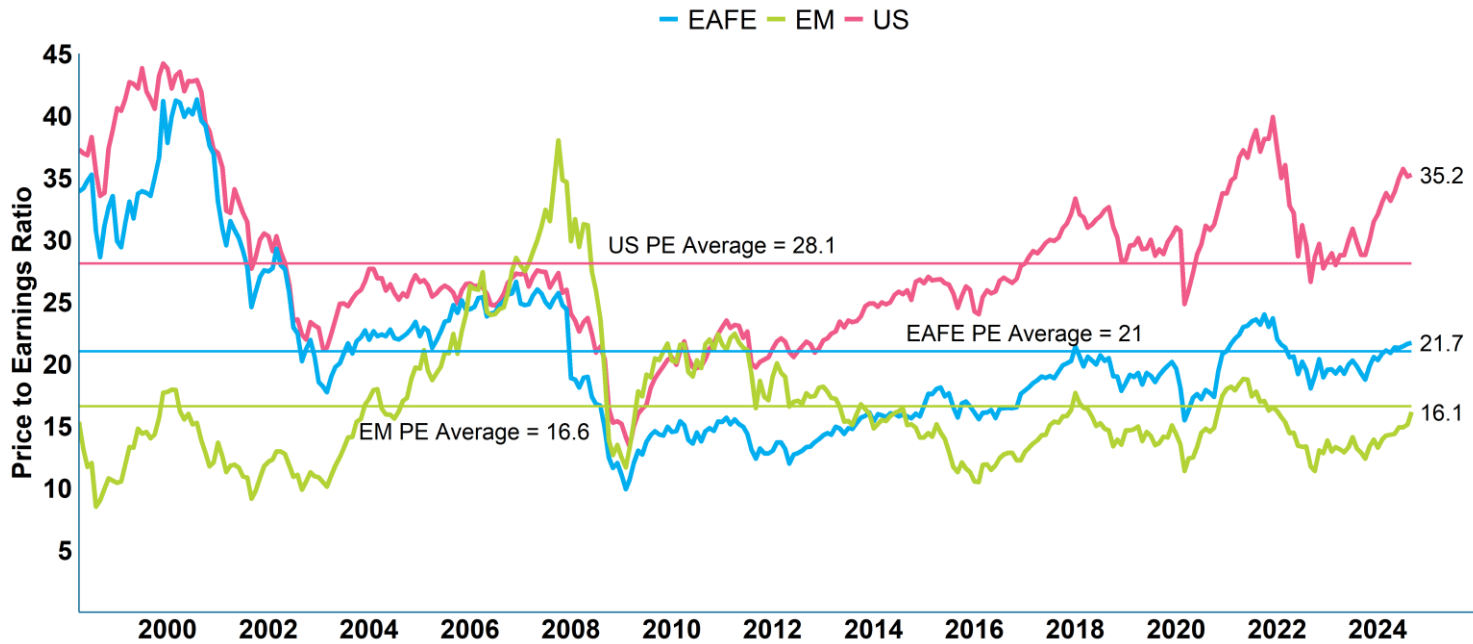
Foreign Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	2.7	8.1	14.2	25.4	4.1	7.6	5.2
MSCI EAFE	0.9	7.3	13.0	24.8	5.5	8.2	5.7
MSCI EAFE (Local Currency)	-0.4	0.8	12.0	17.5	7.9	8.8	7.4
MSCI EAFE Small Cap	2.6	10.5	11.1	23.5	-0.4	6.4	6.2
MSCI Emerging Markets	6.7	8.7	16.9	26.1	0.4	5.7	4.0
MSCI Emerging Markets (Local Currency)	5.6	6.6	18.3	25.0	2.9	7.4	6.5
MSCI EM ex. China	1.3	4.0	12.7	27.4	3.4	8.4	4.8
MSCI China	23.9	23.5	29.3	23.9	-5.6	0.8	3.4

Foreign Equity: Developed international equities (MSCI EAFE) rose +7.3% in the third quarter, while emerging market equities (MSCI Emerging Markets) gained 8.7%.

- Non-US developed market stocks saw similar themes as the US, with value and small cap stocks outperforming large cap stocks in the third quarter, as investors anticipated further rate cuts from the European Central Bank and the Bank of England. Japan’s TOPIX index experienced an over 20% decline at the start of August due to the Bank of Japan’s (BoJ) unexpected rate increase and related pressures on the yen carry trade. It subsequently recovered, though, as the BoJ signaled that further rate increases were not likely.
- In late September, China announced significant stimulus measures to support asset prices resulting in Chinese stocks rallying +23.9% just in September. This led to emerging markets having the best quarterly results (+8.7%).
- The weakening US dollar further supported international stocks, particularly in developed markets.

¹ Source: Bloomberg. Data is as September 30, 2024.

Equity Cyclically Adjusted P/E Ratios¹



- The broad global equity rally lifted stocks' cyclically adjusted price/earnings ratios over the quarter, with US stock valuations finishing well above their long-term 28.1 average.
- Non-US developed market valuations increased to slightly above their long-term average while emerging market stocks are now trading close to their long-term average given the strong recent gains.

¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of September 2024. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

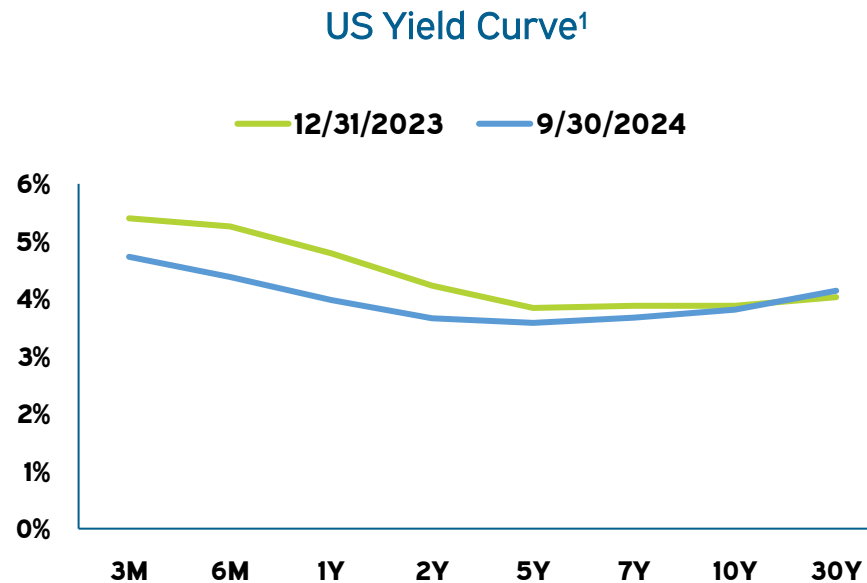
Fixed Income Returns¹

Fixed Income	September (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	1.4	5.2	4.9	12.1	-1.0	0.7	2.1	4.5	6.0
Bloomberg Aggregate	1.3	5.2	4.4	11.6	-1.4	0.3	1.8	4.2	6.2
Bloomberg US TIPS	1.5	4.1	4.9	9.8	-0.6	2.6	2.5	3.8	6.9
Bloomberg Short-term TIPS	1.0	2.5	4.8	7.5	2.5	3.6	2.4	3.9	2.4
Bloomberg US Long Treasury	2.0	7.8	2.4	15.4	-8.3	-4.3	1.1	4.2	15.5
Bloomberg High Yield	1.6	5.3	8.0	15.7	3.1	4.7	5.0	7.0	3.4
JPM GBI-EM Global Diversified (USD)	3.4	9.0	5.0	13.4	0.6	0.6	0.6	--	--

Fixed Income: The Bloomberg Universal index rose 5.2% in the third quarter, bringing the year-to-date return into positive territory (+4.9%).

- Fixed income indexes rose in the quarter as rates fell, driven by a continued decline in inflation. This and the weakening labor market led to the Fed cutting interest rates with more cuts expected.
- The broad US bond market (Bloomberg Aggregate) rose 5.2% over the quarter, with the broad TIPS market gaining 4.1%. The less interest rate sensitive short-term TIPS index increased 2.5%.
- Riskier bonds experienced volatility during the quarter but ultimately posted strong results as risk appetite remained strong. Emerging market debt gained 9.0% and high yield rose 5.3%.

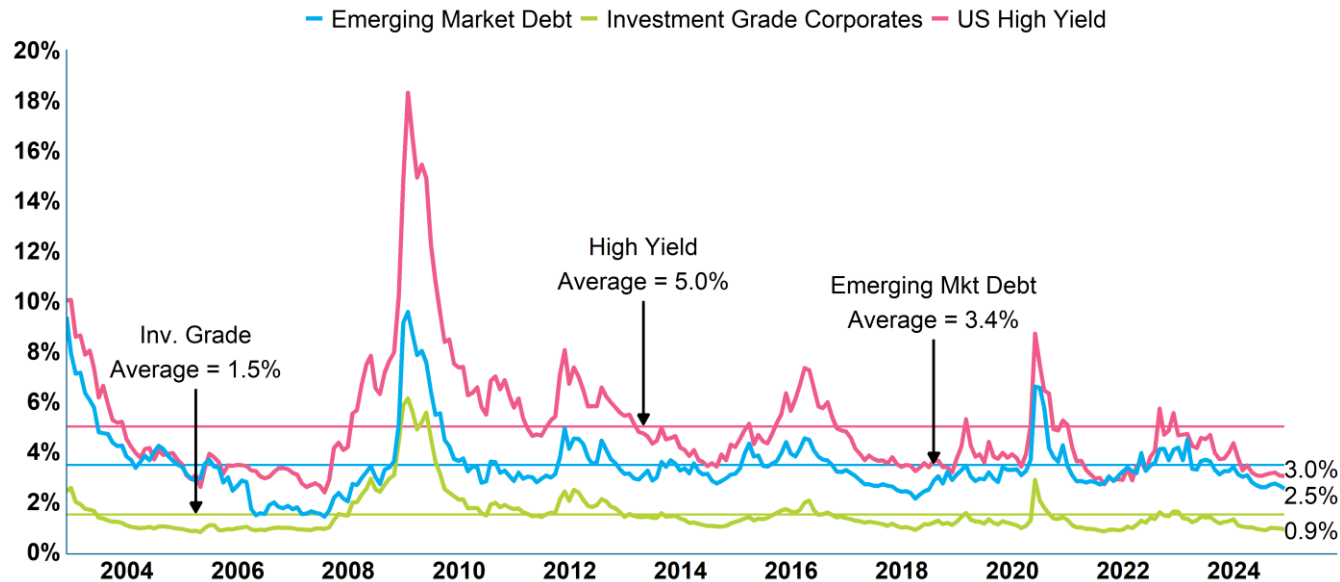
¹ Source: Bloomberg. Data is as of September 30, 2024. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.



- US interest rates fell over the quarter as economic data continued to soften and the Fed started its rate cutting cycle.
- The more policy sensitive 2-year Treasury yield declined from 4.75% to 3.64% over the quarter, while the 10-year Treasury yield fell from 4.40% to 3.78% over the same period.
- Notably, the portion of the yield curve from 2-years to 10-years was no longer inverted at the end of September, given policy rate cuts and resilient growth. This trend could continue as the Fed likely continues to cut interest rates.

¹ Source: Bloomberg. Data is as of September 30, 2024.

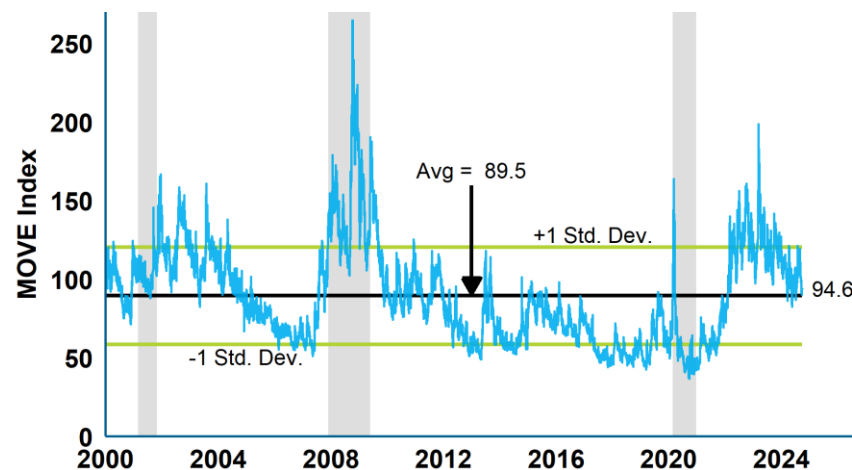
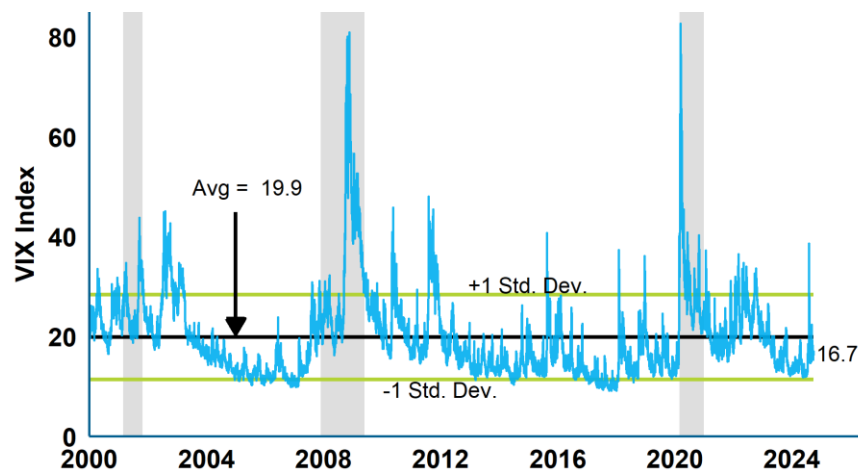
Credit Spreads vs. US Treasury Bonds¹



- Spreads (the yield above a comparable maturity Treasury) widened significantly at the start of the quarter in the volatile environment but declined after, largely finishing where they started.
- All yield spreads remained below their respective long-run averages, particularly high yield.
- Although spreads are relatively tight, yields remain at above-average levels compared to the last two decades, particularly for short-term issues.

¹ Source: Bloomberg. Data is as September 30, 2024. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

Equity and Fixed Income Volatility¹



- In the third quarter, equity and bond market volatility experienced periods of elevation due to concerns over the US labor market, the unwinding of the yen-carry trade, and increased geopolitical tensions. Ultimately, both settled well below their respective peaks as additional economic data and the easing of monetary policy calmed investors.
- Volatility levels (VIX) in the stock market spiked above one standard deviation of its long-term average in early August but finished below the long-term average.
- Bond market volatility (MOVE) also fluctuated through the quarter. Uncertainty in the bond market remains above the long-run average as markets continue to reprice the pace of interest rate cuts.

¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of September 2024. The average line indicated is the average of the VIX and MOVE values between January 2000 and September 2024.

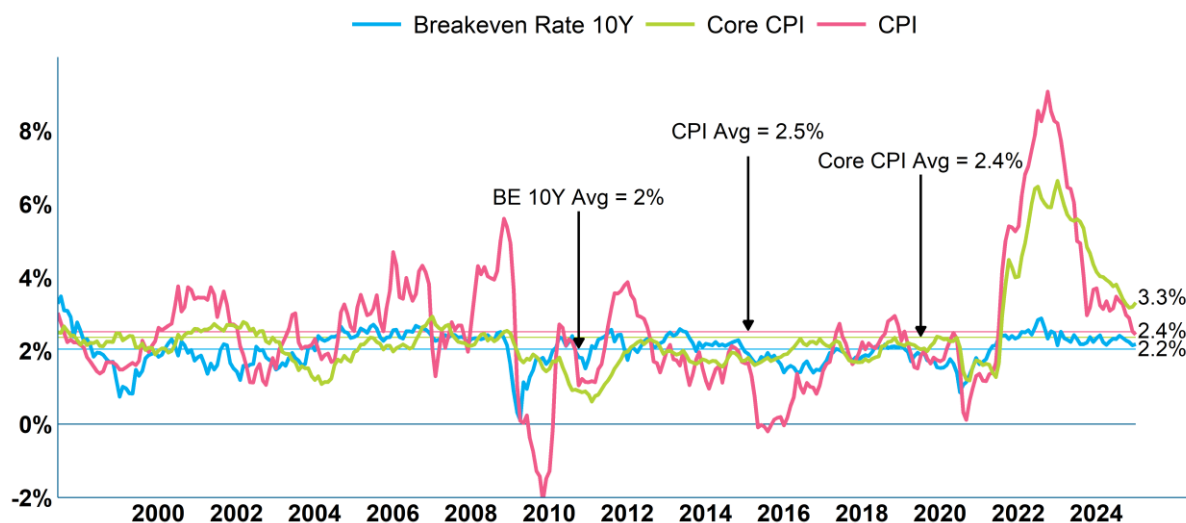
Recent Market Strength: China¹



- On September 24th, Chinese policy makers surprised markets with a suite of policy stimulus measures designed to support stock prices, banks, and mortgage borrowers.
- Banks were asked to extend loans to publicly traded companies for share purchases and buybacks, contributing to significant equity market gains in the last week of the quarter. These policies also contributed to increased foreign demand for Chinese shares.
- The banking sector benefited from a cut to the 1-year medium term lending rate and to their reserve requirement rate.
- Homeowners may also benefit from changes to downpayment minimums and mortgage rate reductions.
- Despite the recent gains in the stock market, questions remain about the ultimate impact of these policies on longer-term growth in China, as well as policy makers' commitment to continue supporting the economy.

¹ Source: Bloomberg. Data as of September 30, 2024.

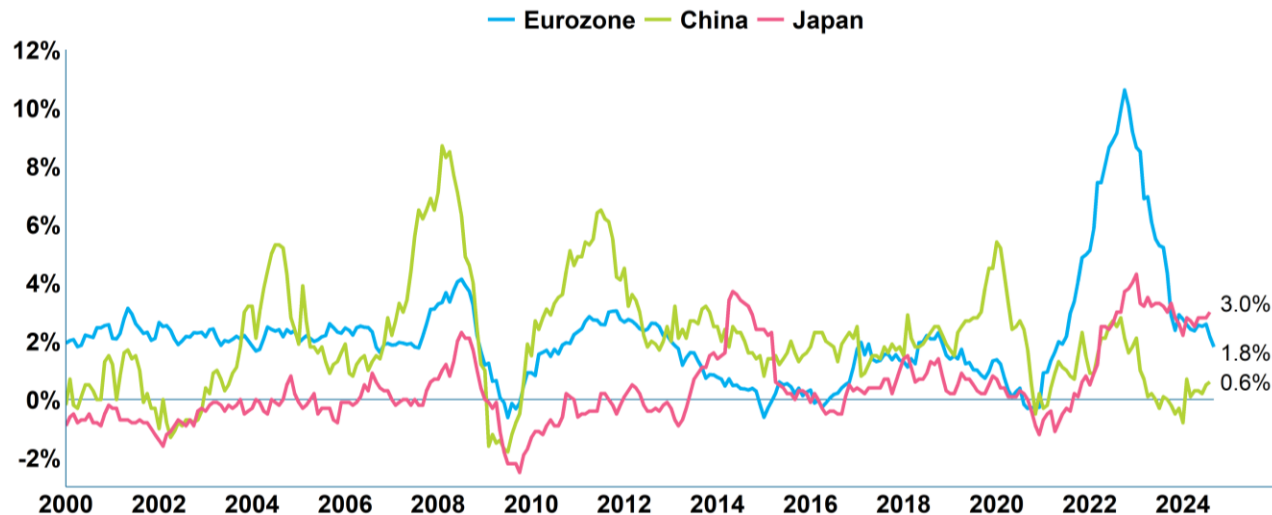
US Ten-Year Breakeven Inflation and CPI¹



- Over the quarter, year-over-year headline inflation continued to decline (3.0% to 2.4%) supporting the Fed's start to cutting policy rates. The 2.4% September level was the lowest since early 2021.
- Month-over-month inflation increased 0.2% each month over the quarter. Food and shelter costs saw monthly increases, while energy prices largely fell.
- Year-over-year core inflation (excluding food and energy) finished the quarter where it started (3.3%). Shelter (+4.9% YoY) and transportation (+8.5% YoY) remain key drivers of stickier core inflation.
- Inflation expectations (breakevens) have been relatively stable over the last several years. They remain below current inflation levels.

¹ Source: FRED. Data is as September 2024. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

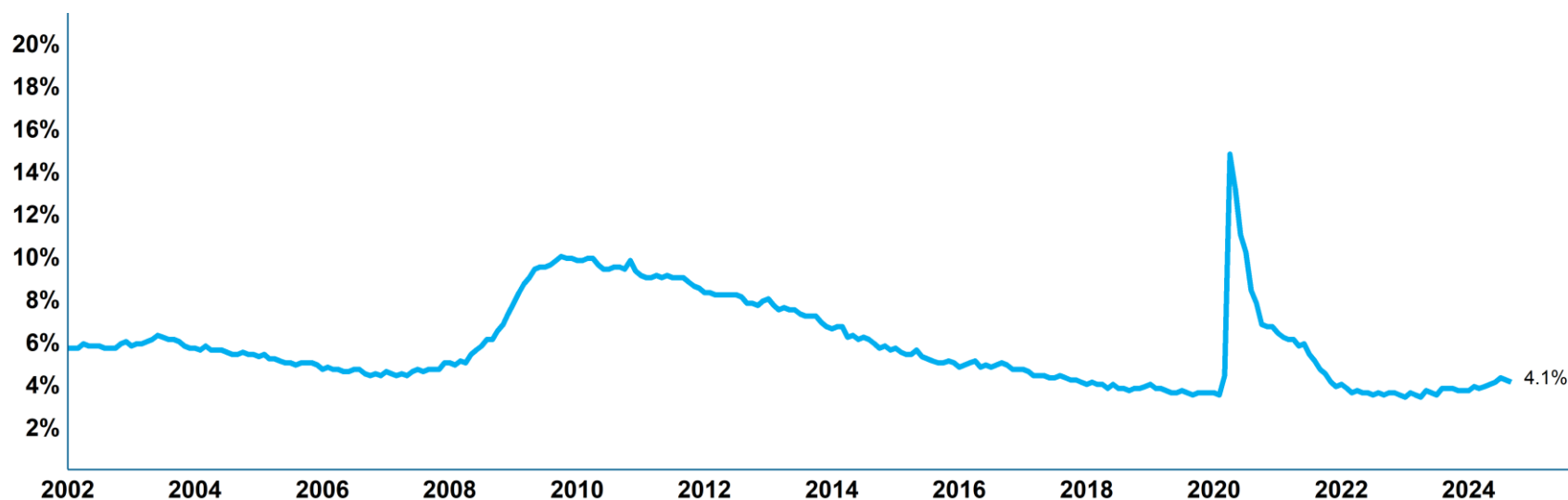
Global Inflation (CPI Trailing Twelve Months)¹



- In the eurozone, inflation fell from 2.5% to 1.8% over the quarter (a level below the US), potentially clearing the way for further rate cuts from the European Central Bank.
- By contrast, inflation in Japan recently increased (2.8% to 3.0%) due in part to higher food, electricity, and gas prices supporting the case for additional interest rate increases by the Bank of Japan.
- In China, inflation increased each of the last seven months, after declines late last year. Recent extreme weather has caused supply issues and contributed to higher prices. Inflation in China remains much lower than in other countries, due to weak consumer spending and as issues in the real estate sector continue to weigh on sentiment.

¹ Source: Bloomberg. Data is as of September 30, 2024, except Japan and China which are as of August 31, 2024.

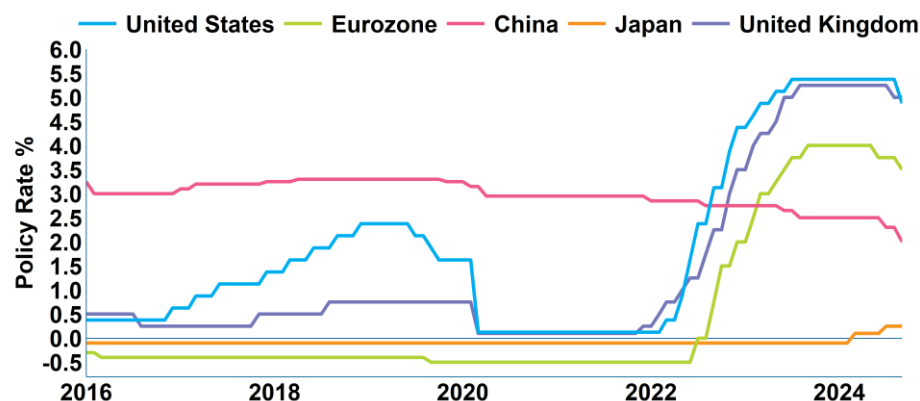
US Unemployment¹



- The US labor market has softened but remains relatively strong. After reaching 4.3% in July, the unemployment rate finished the quarter at the level it started (4.1%), with 6.8 million people looking for work.
- After job gains came in below expectations in July (114k versus 175k) and August (142k versus 165k), contributing to some of the market volatility, they finished strong in September, beating estimates (254k versus 150k). Food services (+69K) and healthcare (+45K) were the largest contributors to the September gains.
- Initial claims for unemployment remain relatively low and year-over-year wage gains remain strong (+4.0%). The number of job openings increased slightly (7.9 to 8.0 million) over the quarter.

¹ Source: FRED. Data is as of September 30, 2024.

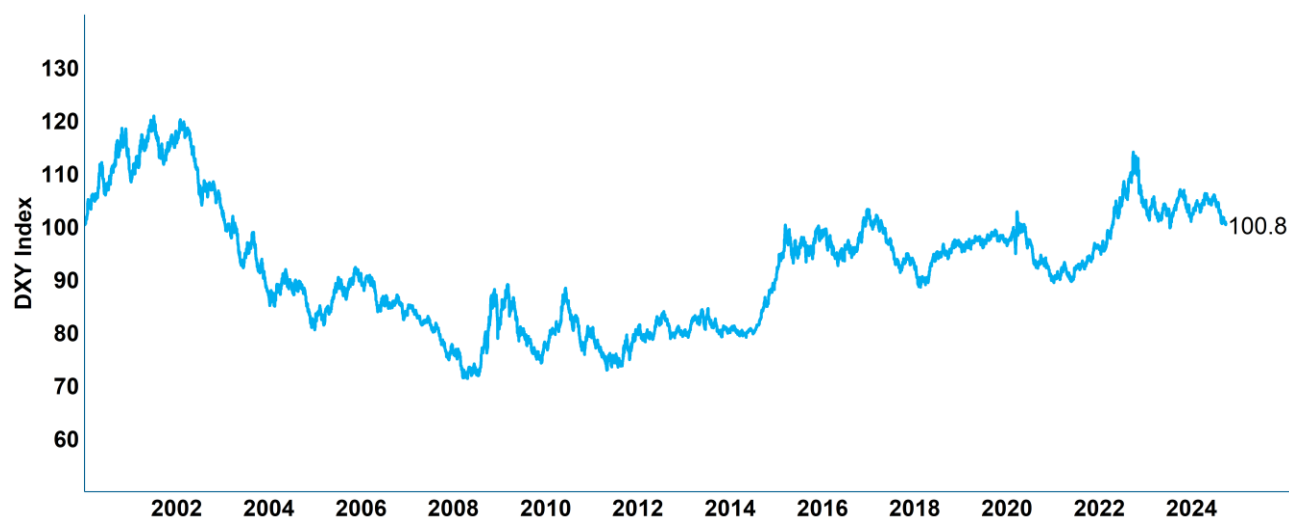
Policy Rates¹



- In the US, the Fed reduced interest rates by 0.5% after holding them at a 5.25%-5.50% level for over a year. In their statement they highlighted that they would make additional interest rate cut decisions based on incoming data. Market participants are pricing in roughly two additional cuts in 2024.
- The Bank of England (BoE) and the European Central Bank (ECB) have both started cutting rates. The BoE made a 25 basis points interest rate cut in July while the ECB made two similar cuts in June and September.
- Inflation in Japan remains elevated, prompting Bank of Japan officials to raise the policy rate 0.15% to 0.25% over the quarter after decades at near-zero rates.
- China announced a broad based unexpected stimulus package that included lower interest rates, a reduction in bank reserve requirements, and liquidity for stock investors.

¹ Source: Bloomberg. Data is as of September, 2024. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies¹



- The US dollar weakened in the third quarter by 4.7% versus other major currencies, influenced by the decline in interest rates and expectations for slower growth.
- It remains at historically strong levels, though, given relatively stronger growth, higher interest rates, and on the prospects of other central banks, potentially easing policy faster than the Fed.
- Looking ahead, the track of policy rates across major central banks will be key for the path of the US dollar from here. If the US economy slows more than expected and the Fed relatedly lowers rates at a faster pace, we could see the dollar weaken further.

¹ Source: Bloomberg. Data as of September 30, 2024.

Summary

Key Trends:

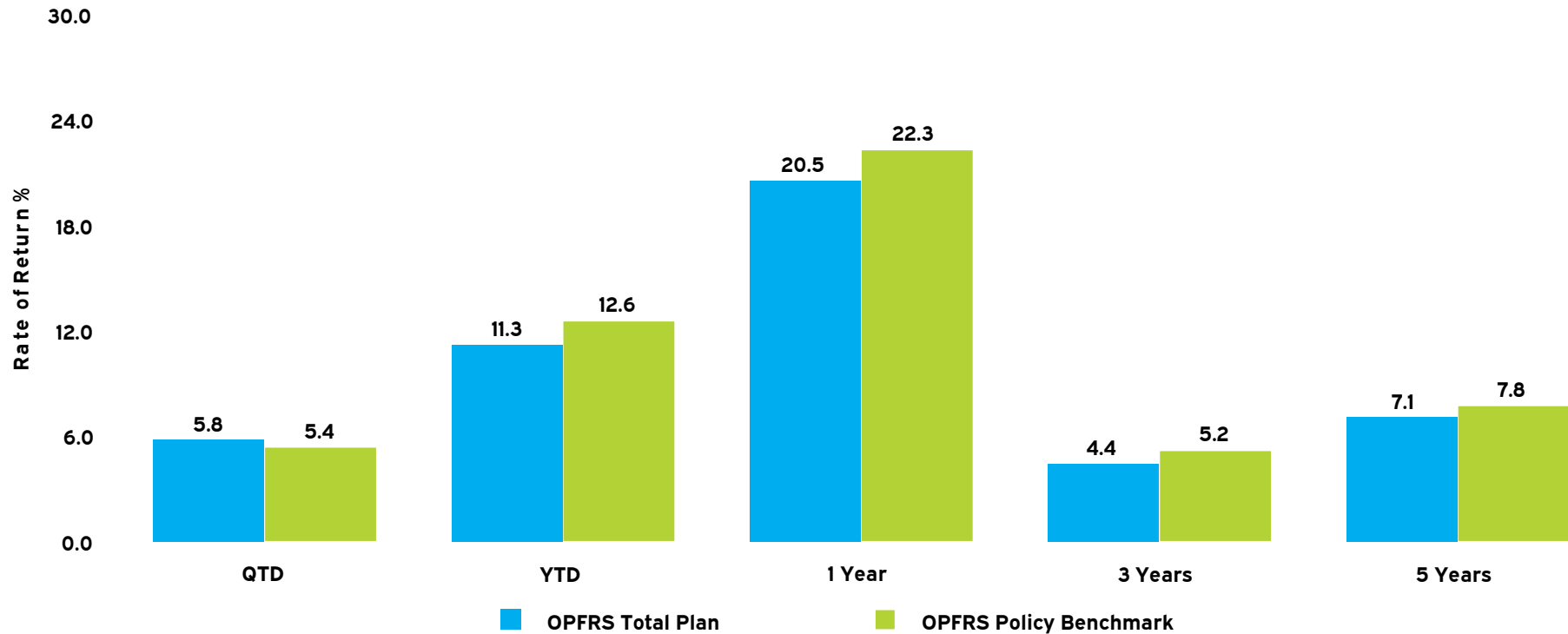
- According to the International Monetary Fund's (IMF) July report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession.
- Key economic data in the US has largely weakened and come in below expectations, causing markets to expect an additional two rate cuts this year after the Fed's initial 0.5% reduction. Uncertainty remains regarding the timing and pace of interest rate cuts in the coming year.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs stay elevated, and the job market may weaken further.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- We have started to see divergences in monetary policy. Some central banks, such as the Fed, European Central Bank, and the Bank of England, have started to cut interest rates and others, like the Bank of Japan, have increased interest rates. This disparity will likely influence capital flows and currencies.
- China appears to have shifted focus to more policy support for the economy/asset prices with a new suite of policy stimulus and signals for more support ahead. It is still not clear what the long-term impact of these policies will be on the economy and if policy makers will remain committed to these efforts.

Quarterly Performance
as of September 30, 2024

Summary of Cash Flows

	QTD (\$)	1 Year (\$)
OPFRS Total Plan		
Beginning Market Value	453,231,642	405,143,449
Net Cash Flow	-4,582,611	-13,074,310
Net Investment Change	26,575,956	83,155,848
Ending Market Value	475,224,987	475,224,987

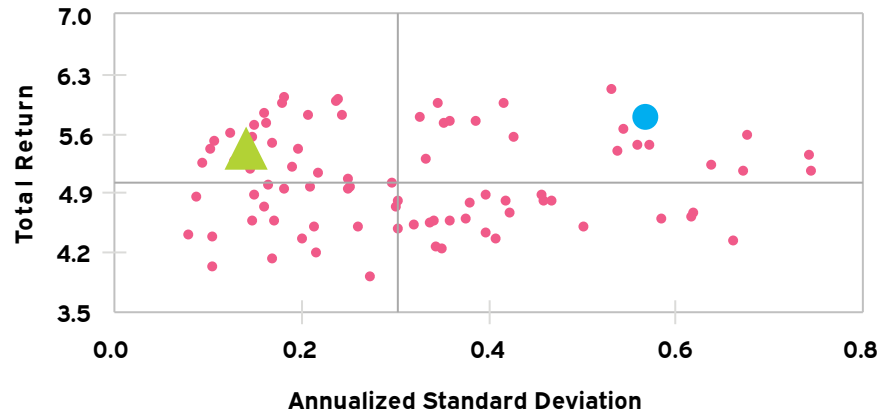
Return Summary Ending September 30, 2024



Total Plan performance shown is net of fees.

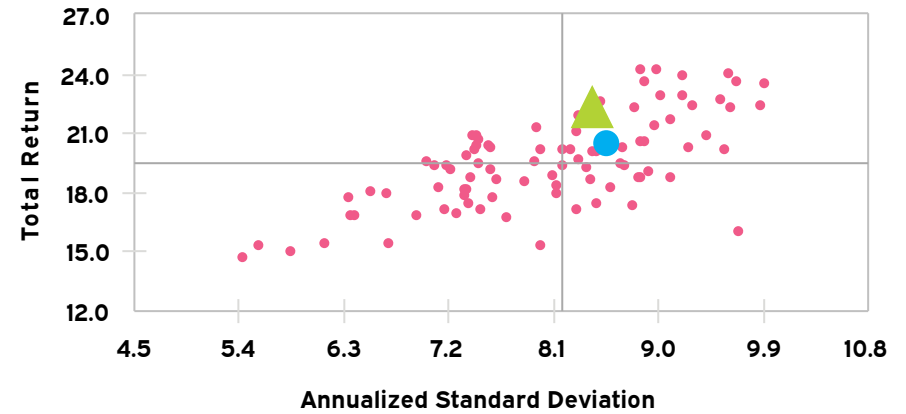
Total Plan Risk/Return Summary | As of September 30, 2024

Risk-Return Summary QTD Ending September 30, 2024



- IM Public DB \$250M-\$1B
- OPFRS Total Plan
- ▲ OPFRS Policy Benchmark

Risk-Return Summary 1 Yr Ending September 30, 2024



- IM Public DB \$250M-\$1B
- OPFRS Total Plan
- ▲ OPFRS Policy Benchmark

	Return	Standard Deviation
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OPFRS Total Plan	5.8	0.6
OPFRS Policy Benchmark	5.4	0.1
Median	5.0	0.3

	Return	Standard Deviation
--	--------	--------------------

OPFRS Total Plan	20.5	8.5
OPFRS Policy Benchmark	22.3	8.4
Median	19.5	8.2

Performance shown is net of fees. Calculation is based on monthly periodicity. Fiscal year begins on July 1. Plan Sponsor Peer Group shown is net of fees.

Asset Class Performance: Gross of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
OPFRS Total Plan (Gross)	475,224,987	100.0	5.9	11.5	20.9	4.7	7.4	7.5	6.9	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>5.4</i>	<i>12.6</i>	<i>22.3</i>	<i>5.2</i>	<i>7.8</i>	<i>7.5</i>	<i>8.1</i>	
Excess Return			0.5	-1.1	-1.4	-0.5	-0.4	0.0	-1.2	
Domestic Equity (Gross)	209,973,200	44.2	7.7	17.1	31.3	8.8	13.5	11.9	9.4	Jun-97
<i>Russell 3000 (Blend)</i>			<i>6.2</i>	<i>20.6</i>	<i>35.2</i>	<i>10.3</i>	<i>15.3</i>	<i>12.8</i>	<i>9.8</i>	
Excess Return			1.5	-3.5	-3.9	-1.5	-1.8	-0.9	-0.4	
International Equity (Gross)	64,875,583	13.7	8.3	15.7	26.8	6.6	9.0	7.1	5.9	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>8.1</i>	<i>14.2</i>	<i>25.4</i>	<i>4.1</i>	<i>7.6</i>	<i>5.2</i>	<i>5.5</i>	
Excess Return			0.2	1.5	1.4	2.5	1.4	1.9	0.4	
Fixed Income (Gross)	113,464,866	23.9	5.3	5.1	12.2	-0.9	1.0	2.5	4.8	Jan-94
<i>Bloomberg Universal (Blend)</i>			<i>5.2</i>	<i>4.9</i>	<i>12.1</i>	<i>-1.1</i>	<i>0.7</i>	<i>2.2</i>	<i>4.6</i>	
Excess Return			0.1	0.2	0.1	0.2	0.3	0.3	0.2	
Credit (Gross)	10,380,969	2.2	3.1	7.5	11.9	4.2	6.5	--	5.9	Feb-15
<i>Blmbg. U.S. Corp: High Yield Index</i>			<i>5.3</i>	<i>8.0</i>	<i>15.7</i>	<i>3.1</i>	<i>4.7</i>	<i>--</i>	<i>5.3</i>	
Excess Return			-2.2	-0.5	-3.8	1.1	1.8	--	0.6	
Covered Calls (Gross)	21,094,705	4.4	4.6	15.2	23.6	9.8	12.3	10.2	10.1	Apr-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>5.5</i>	<i>13.6</i>	<i>18.3</i>	<i>6.4</i>	<i>6.6</i>	<i>6.3</i>	<i>6.3</i>	
Excess Return			-0.9	1.6	5.3	3.4	5.7	3.9	3.8	
Crisis Risk Offset (Gross)	39,389,515	8.3	-1.0	0.8	1.3	-3.6	-8.5	--	-6.4	Aug-18
<i>Crisis Risk Offset Benchmark</i>			<i>0.6</i>	<i>4.6</i>	<i>6.8</i>	<i>4.4</i>	<i>0.4</i>	<i>--</i>	<i>0.8</i>	
Excess Return			-1.6	-3.8	-5.5	-8.0	-8.9	--	-7.2	
Cash (Gross)	16,046,148	3.4	0.2	0.5	0.5	0.2	0.4	0.8	0.6	Mar-11

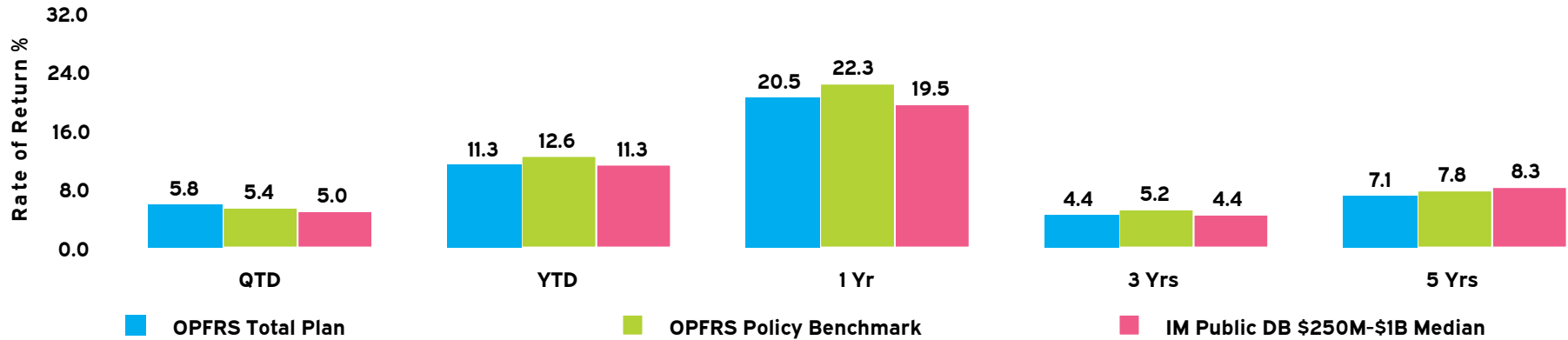
Performance shown is gross of fees. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Asset Class Performance: Net of Fees | As of September 30, 2024

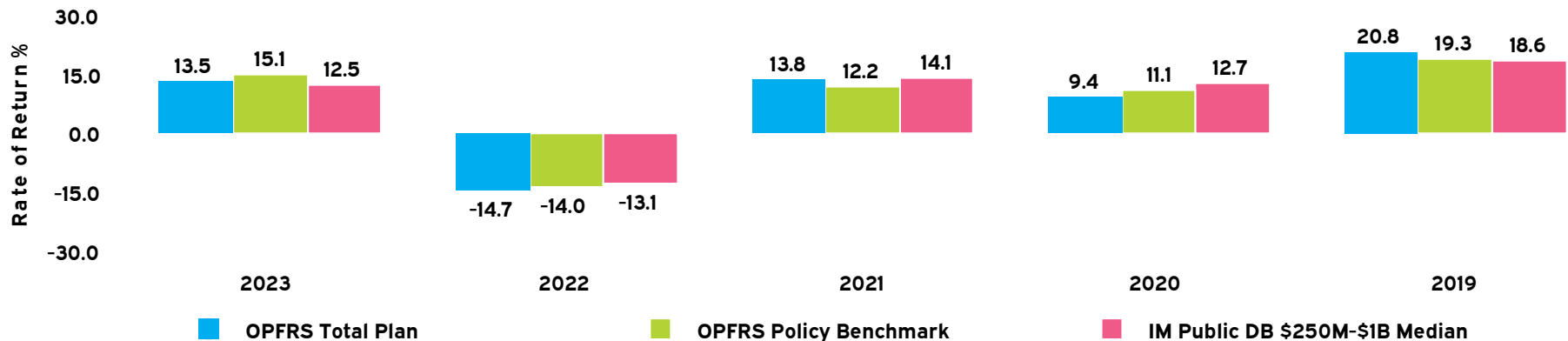
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
OPFRS Total Plan (Net)	475,224,987	100.0	5.8	11.3	20.5	4.4	7.1	7.2	6.8	Dec-88
<i>OPFRS Policy Benchmark</i>			5.4	12.6	22.3	5.2	7.8	7.5	8.1	
Excess Return			0.4	-1.3	-1.8	-0.8	-0.7	-0.3	-1.3	
<i>IM Public DB \$250M-\$1B Median (Net)</i>			5.0	11.3	19.5	4.4	8.3	7.2	8.2	
Peer Group Rank			19	52	33	52	79	50	100	
Domestic Equity (Net)	209,973,200	44.2	7.6	16.9	30.9	8.5	13.2	11.7	9.3	Jun-97
<i>Russell 3000 (Blend)</i>			6.2	20.6	35.2	10.3	15.3	12.8	9.8	
Excess Return			1.4	-3.7	-4.3	-1.8	-2.1	-1.1	-0.5	
International Equity (Net)	64,875,583	13.7	8.1	15.2	26.0	6.0	8.4	6.7	5.8	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			8.1	14.2	25.4	4.1	7.6	5.2	5.5	
Excess Return			0.0	1.0	0.6	1.9	0.8	1.5	0.3	
Fixed Income (Net)	113,464,866	23.9	5.3	4.9	12.0	-1.1	0.8	2.3	4.6	Jan-94
<i>Bloomberg Universal (Blend)</i>			5.2	4.9	12.1	-1.1	0.7	2.2	4.6	
Excess Return			0.1	0.0	-0.1	0.0	0.1	0.1	0.0	
Credit (Net)	10,380,969	2.2	2.9	7.0	11.3	3.6	5.8	--	5.3	Feb-15
<i>Blmbg. U.S. Corp: High Yield Index</i>			5.3	8.0	15.7	3.1	4.7	--	5.3	
Excess Return			-2.4	-1.0	-4.4	0.5	1.1	--	0.0	
Covered Calls (Net)	21,094,705	4.4	4.5	15.0	23.4	9.6	12.0	9.9	9.8	Apr-14
<i>Cboe S&P 500 Buy Write Index</i>			5.5	13.6	18.3	6.4	6.6	6.3	6.3	
Excess Return			-1.0	1.4	5.1	3.2	5.4	3.6	3.5	
Crisis Risk Offset (Net)	39,389,515	8.3	-1.1	0.7	1.0	-3.8	-8.7	--	-6.6	Aug-18
<i>Crisis Risk Offset Benchmark</i>			0.6	4.6	6.8	4.4	0.4	--	0.8	
Excess Return			-1.7	-3.9	-5.8	-8.2	-9.1	--	-7.4	
Cash (Net)	16,046,148	3.4	0.2	0.5	0.5	0.2	0.4	0.8	0.6	Mar-11

Performance shown is net of fees, except for Total Plan, Domestic Equity, and International Equity composites which have a mix of gross and net of fees performance. Please see the Addendum for more details. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Trailing Period Performance Ending September 30, 2024



Calendar Year Performance Ending December 31, 2023



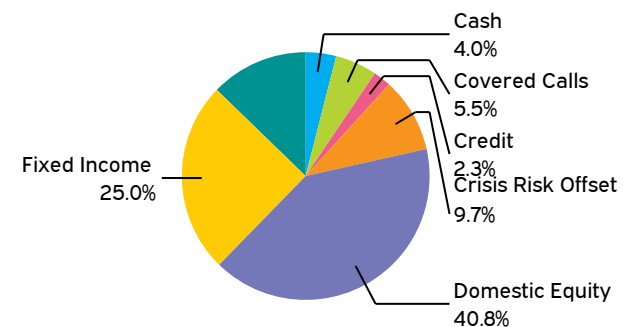
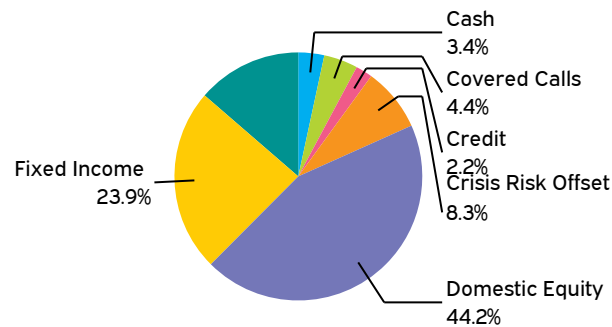
Total Plan performance is a mix of gross and net of fees; performance is gross of fees prior to January 2016 and thereafter. Fiscal year begins on July 1.

Asset Allocation | As of As of September 30, 2024

	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Interim Policy (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	209,973,200	44.2	25.0	19.2	34.0	15.0 - 35.0	No
International Equity	64,875,583	13.7	5.0	8.7	12.0	2.0 - 22.0	Yes
Fixed Income	113,464,866	23.9	51.0	-27.1	44.0	31.0 - 71.0	No
Credit	10,380,969	2.2	10.0	-7.8	0.0	0.0 - 16.0	Yes
Covered Calls	21,094,705	4.4	0.0	4.4	0.0	0.0 - 5.0	Yes
Crisis Risk Offset	39,389,515	8.3	9.0	-0.7	10.0	4.0 - 14.0	Yes
Cash	16,046,148	3.4	0.0	3.4	0.0	0.0 - 5.0	Yes
Total	475,224,987	100.0	100.0	0.0	100.0		

September 30, 2024: \$475,224,986.7

September 30, 2023: \$406,308,110.42



Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers. Policy (%) column reflects the long-term allocation targets starting July 1, 2024.

Manager Performance - Net of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Domestic Equity	209,973,200	100.0	7.6	16.9	30.9	8.5	13.2	11.7	9.3	Jun-97
<i>Russell 3000 (Blend)</i>			6.2	20.6	35.2	10.3	15.3	12.8	9.8	
Excess Return			1.4	-3.7	-4.3	-1.8	-2.1	-1.1	-0.5	
Northern Trust Russell 1000	106,908,322	50.9	6.1	21.1	35.6	10.7	15.5	13.0	14.2	Jun-10
<i>Russell 1000 Index</i>			6.1	21.2	35.7	10.8	15.6	13.1	14.3	
Excess Return			0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	
EARNEST Partners	42,722,324	20.3	8.2	10.6	24.7	6.5	11.9	11.8	9.6	Apr-06
<i>Russell Midcap Index</i>			9.2	14.6	29.3	5.8	11.3	10.2	9.2	
Excess Return			-1.0	-4.0	-4.6	0.7	0.6	1.6	0.4	
eV US Mid Cap Core Equity Rank			50	83	63	67	51	19	35	
Wellington Select Quality Equity	28,167,816	13.4	10.2	15.2	26.5	--	--	--	10.7	May-22
<i>Russell 1000 Index</i>			6.1	21.2	35.7	--	--	--	16.1	
Excess Return			4.1	-6.0	-9.2	--	--	--	-5.4	
eV US Large Cap Core Equity Rank			2	84	85	--	--	--	88	
Brown Fundamental Small Cap Value	14,693,257	7.0	10.5	14.3	29.0	10.8	--	--	9.3	Apr-21
<i>Russell 2000 Value Index</i>			10.2	9.2	25.9	3.8	--	--	3.6	
Excess Return			0.3	5.1	3.1	7.0	--	--	5.7	
eV US Small Cap Value Equity Rank			17	18	14	9	--	--	15	
Rice Hall James	17,481,481	8.3	9.4	13.2	28.3	0.6	8.7	--	7.8	Aug-17
<i>Russell 2000 Growth Index</i>			8.4	13.2	27.7	-0.4	8.8	--	8.2	
Excess Return			1.0	0.0	0.6	1.0	-0.1	--	-0.4	
eV US Small Cap Growth Equity Rank			22	47	34	38	71	--	89	

Performance shown is net of fees, except for the Domestic Equity composite which has a mix of gross and net of fees performance. Please see the Addendum for more details. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Manager Performance - Net of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
International Equity	64,875,583	100.0	8.1	15.2	26.0	6.0	8.4	6.7	5.8	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>8.1</i>	<i>14.2</i>	<i>25.4</i>	<i>4.1</i>	<i>7.6</i>	<i>5.2</i>	<i>5.5</i>	
Excess Return			0.0	1.0	0.6	1.9	0.8	1.5	0.3	
Vanguard Developed Markets ETF	17,684,221	27.3	7.2	12.2	24.6	4.8	8.3	--	8.8	Sep-19
<i>FTSE Developed All Cap ex-U.S. Index</i>			<i>7.6</i>	<i>12.5</i>	<i>24.7</i>	<i>5.0</i>	<i>8.6</i>	<i>--</i>	<i>9.1</i>	
Excess Return			-0.4	-0.3	-0.1	-0.2	-0.3	--	-0.3	
SGA ACWI ex-U.S. Equity	47,191,363	72.7	8.4	16.3	26.6	6.5	--	--	7.0	Dec-19
<i>MSCI AC World ex USA (Net)</i>			<i>8.1</i>	<i>14.2</i>	<i>25.4</i>	<i>4.1</i>	<i>--</i>	<i>--</i>	<i>6.9</i>	
Excess Return			0.3	2.1	1.2	2.4	--	--	0.1	
eV ACWI ex-US All Cap Core Eq Rank			20	15	26	13	--	--	53	

Performance shown is net of fees, except for the International Equity composite which has a mix of gross and net of fees performance. Please see the Addendum for more details. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Manager Performance - Net of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Fixed Income	113,464,866	100.0	5.3	4.9	12.0	-1.1	0.8	2.3	4.6	Jan-94
<i>Bloomberg Universal (Blend)</i>			5.2	4.9	12.1	-1.1	0.7	2.2	4.6	
Excess Return			0.1	0.0	-0.1	0.0	0.1	0.1	0.0	
Ramirez	76,882,860	67.8	5.2	4.8	11.7	-1.3	0.5	--	2.1	Jan-17
<i>Blmbg. U.S. Aggregate Index</i>			5.2	4.4	11.6	-1.4	0.3	--	1.7	
Excess Return			0.0	0.4	0.1	0.1	0.2	--	0.4	
eV US Core Fixed Inc Rank			36	48	65	60	74	--	31	
Wellington Core Bond	7,381,307	6.5	5.3	5.5	13.3	-1.2	--	--	-0.5	Apr-21
<i>Blmbg. U.S. Aggregate Index</i>			5.2	4.4	11.6	-1.4	--	--	-0.7	
Excess Return			0.1	1.1	1.7	0.2	--	--	0.2	
eV US Core Fixed Inc Rank			17	9	5	47	--	--	52	
Reams	29,200,698	25.7	5.3	5.1	12.5	-0.5	3.0	3.3	5.0	Feb-98
<i>Bloomberg Universal (Blend)</i>			5.2	4.9	12.1	-1.1	0.7	2.2	4.2	
Excess Return			0.1	0.2	0.4	0.6	2.3	1.1	0.8	
eV US Core Plus Fixed Inc Rank			41	69	58	26	4	9	27	

Performance shown is net of fees. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Manager Performance - Net of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Credit	10,380,969	100.0	2.9	7.0	11.3	3.6	5.8	--	5.3	Feb-15
<i>Blmbg. U.S. Corp: High Yield Index</i>			5.3	8.0	15.7	3.1	4.7	--	5.3	
Excess Return			-2.4	-1.0	-4.4	0.5	1.1	--	0.0	
Polen Capital	10,380,969	100.0	2.9	7.0	11.3	3.6	5.8	--	5.3	Feb-15
<i>ICE BofA U.S. High Yield Index</i>			5.3	8.0	15.7	3.1	4.5	--	5.2	
Excess Return			-2.4	-1.0	-4.4	0.5	1.3	--	0.1	
eV US High Yield Fixed Inc Rank			91	60	88	31	13	--	24	

Performance shown is net of fees. Since inception date and performance begin in the month following an investment's initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Manager Performance - Net of Fees | As of September 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Covered Calls	21,094,705	100.0	4.5	15.0	23.4	9.6	12.0	9.9	9.8	Apr-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>5.5</i>	<i>13.6</i>	<i>18.3</i>	<i>6.4</i>	<i>6.6</i>	<i>6.3</i>	<i>6.3</i>	
Excess Return			-1.0	1.4	5.1	3.2	5.4	3.6	3.5	
Parametric BXM	10,071,437	47.7	4.0	13.0	18.6	8.1	9.2	7.8	7.8	Apr-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>5.5</i>	<i>13.6</i>	<i>18.3</i>	<i>6.4</i>	<i>6.6</i>	<i>6.3</i>	<i>6.3</i>	
Excess Return			-1.5	-0.6	0.3	1.7	2.6	1.5	1.5	
Parametric DeltaShift	11,023,268	52.3	4.9	16.9	28.1	10.9	14.6	11.9	11.9	Apr-14
<i>Cboe S&P 500 Buy Write Index</i>			<i>5.5</i>	<i>13.6</i>	<i>18.3</i>	<i>6.4</i>	<i>6.6</i>	<i>6.3</i>	<i>6.3</i>	
Excess Return			-0.6	3.3	9.8	4.5	8.0	5.6	5.6	

Performance shown is net of fees. Since inception date and performance begin in the month following an investment's initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

Manager Performance - Net of Fees | As of September 30, 2024

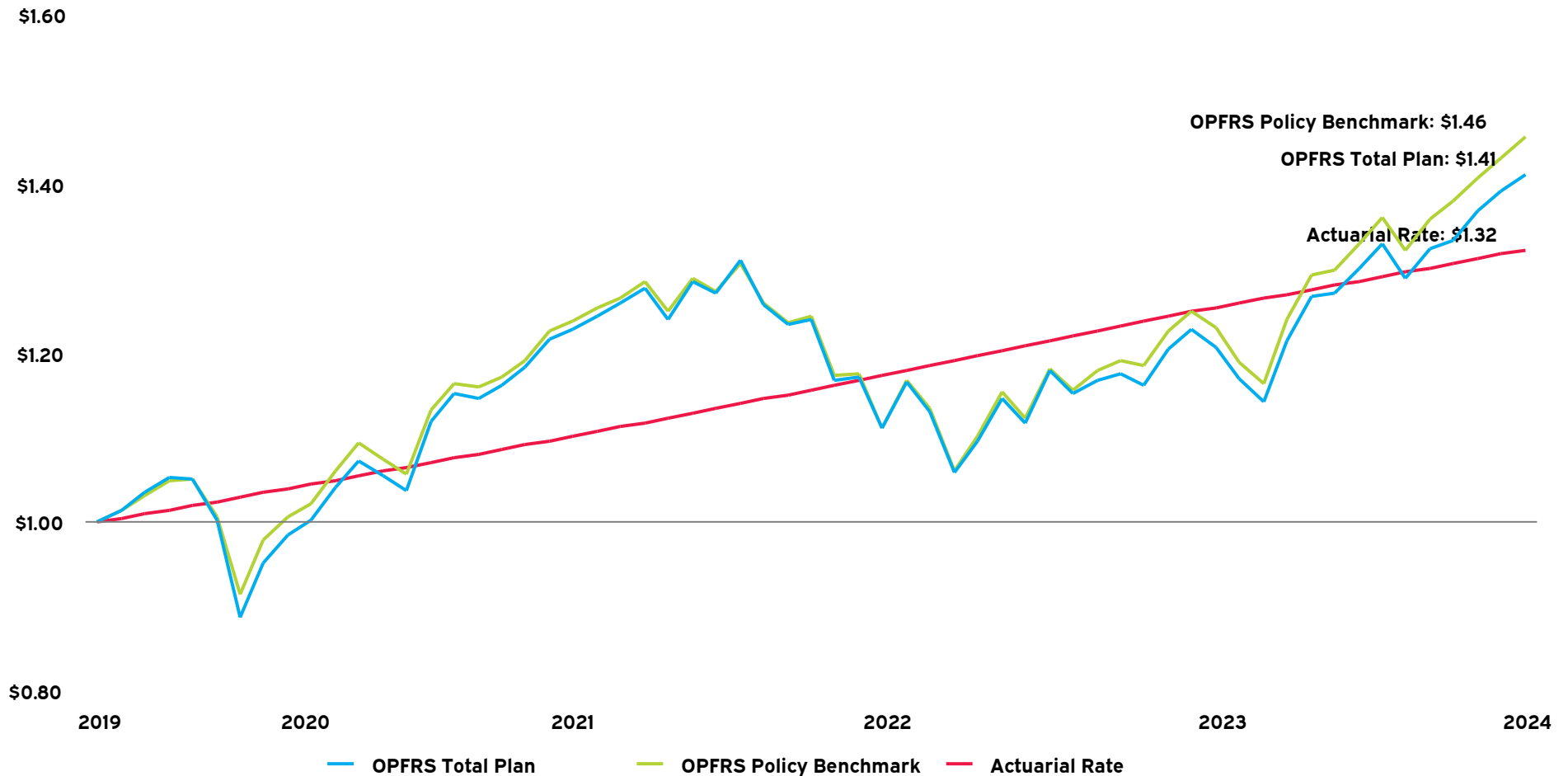
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
Crisis Risk Offset	39,389,515	100.0	-1.1	0.7	1.0	-3.8	-8.7	--	-6.6	Aug-18
<i>Crisis Risk Offset Benchmark</i>			<i>0.6</i>	<i>4.6</i>	<i>6.8</i>	<i>4.4</i>	<i>0.4</i>	<i>--</i>	<i>0.8</i>	
Over/Under			<i>-1.7</i>	<i>-3.9</i>	<i>-5.8</i>	<i>-8.2</i>	<i>-9.1</i>	<i>--</i>	<i>-7.4</i>	
Kepos Alternative Risk Premia	12,271,394	31.2	1.2	12.7	11.9	--	--	--	8.0	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>			<i>0.3</i>	<i>8.3</i>	<i>6.8</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>7.0</i>	
Over/Under			<i>0.9</i>	<i>4.4</i>	<i>5.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>1.0</i>	
Versor Trend Following	13,429,347	34.1	-10.5	-9.9	-17.0	--	--	--	-4.3	Apr-22
<i>SG Trend Index</i>			<i>-5.9</i>	<i>2.3</i>	<i>-2.9</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>2.4</i>	
Over/Under			<i>-4.6</i>	<i>-12.2</i>	<i>-14.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-6.7</i>	
Vanguard Long-Term Treasury ETF	13,688,773	34.8	7.8	2.7	15.3	-8.4	-4.3	--	-2.7	Jul-19
<i>Blmbg. U.S. Government: Long Term Bond Index</i>			<i>7.8</i>	<i>2.4</i>	<i>15.4</i>	<i>-8.3</i>	<i>-4.2</i>	<i>--</i>	<i>-2.7</i>	
Over/Under			<i>0.0</i>	<i>0.3</i>	<i>-0.1</i>	<i>-0.1</i>	<i>-0.1</i>	<i>--</i>	<i>0.0</i>	

Performance shown is net of fees. Since inception date and performance begin in the month following an investment's initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

**Cash Flow Summary
Quarter To Date**

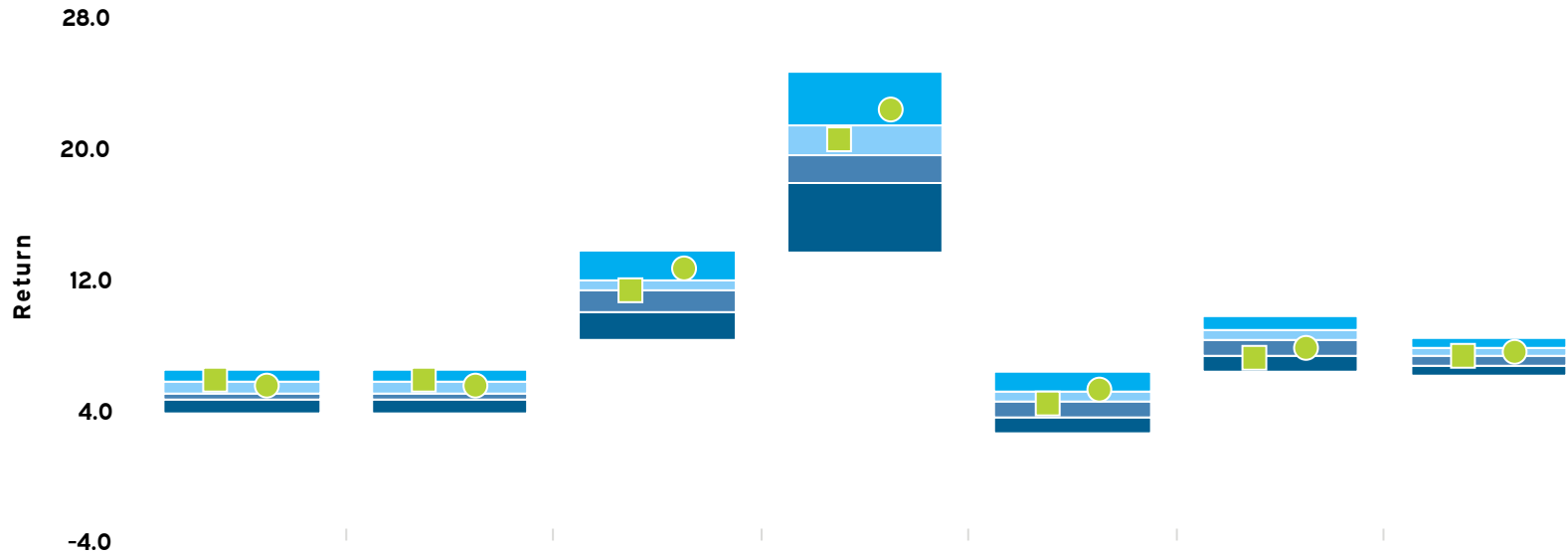
	Beginning Market Value(\$)	Net Cash Flow(\$)	Net Investment Change(\$)	Ending Market Value(\$)
Northern Trust Russell 1000	100,798,118	-	6,110,204	106,908,322
EARNEST Partners	39,396,764	-	3,325,560	42,722,324
Wellington Select Quality Equity	25,563,443	-	2,604,373	28,167,816
Brown Fundamental Small Cap Value	13,276,304	-	1,416,953	14,693,257
Rice Hall James	15,939,120	-	1,542,362	17,481,481
Vanguard Developed Markets ETF	16,549,028	-48,355	1,183,547	17,684,221
SGA ACWI ex-U.S. Equity	43,425,507	-	3,765,855	47,191,363
Ramirez	73,029,640	-	3,853,221	76,882,860
Wellington Core Bond	7,006,703	-	374,605	7,381,307
Reams	27,712,396	-	1,488,302	29,200,698
Polen Capital	10,084,780	-	296,190	10,380,969
Parametric BXM	11,654,056	-2,000,000	417,381	10,071,437
Parametric DeltaShift	12,467,561	-2,000,000	555,707	11,023,268
Kepos Alternative Risk Premia	12,120,231	-	151,164	12,271,394
Versor Trend Following	14,998,517	-	-1,569,170	13,429,347
Vanguard Long-Term Treasury ETF	12,830,166	-133,952	992,558	13,688,773
Cash - Money Market	5,866,309	257,669	36,170	6,160,148
Cash - Treasury	10,513,000	-627,000	-	9,886,000
Securities Lending Northern Trust	-	-30,974	30,974	-
OPFRS Total Plan	453,231,642	-4,582,611	26,575,956	475,224,987

Growth of a Dollar 5 Years ending September 30, 2024



The actuarial assumed rate is 8% through June 2009, 7.5% through June 2010, 7% through June 2011, 6.75% through June 2014, 6.5% through December 2017, 6.0% through June 2023, and 5.0% since July 2023.

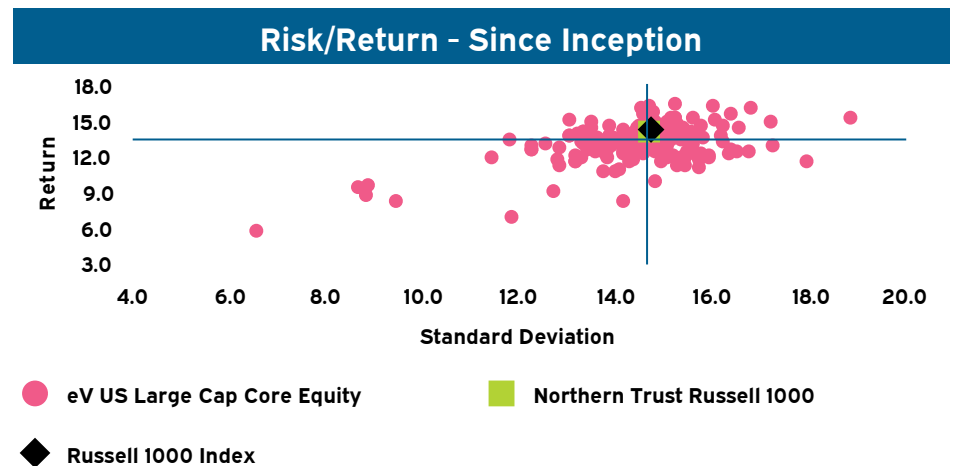
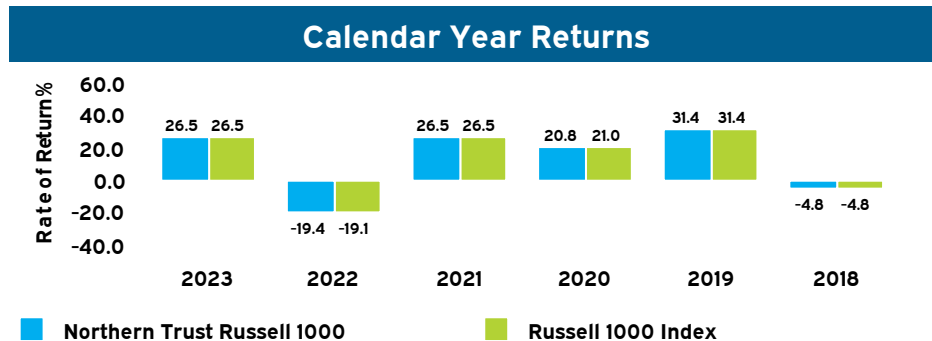
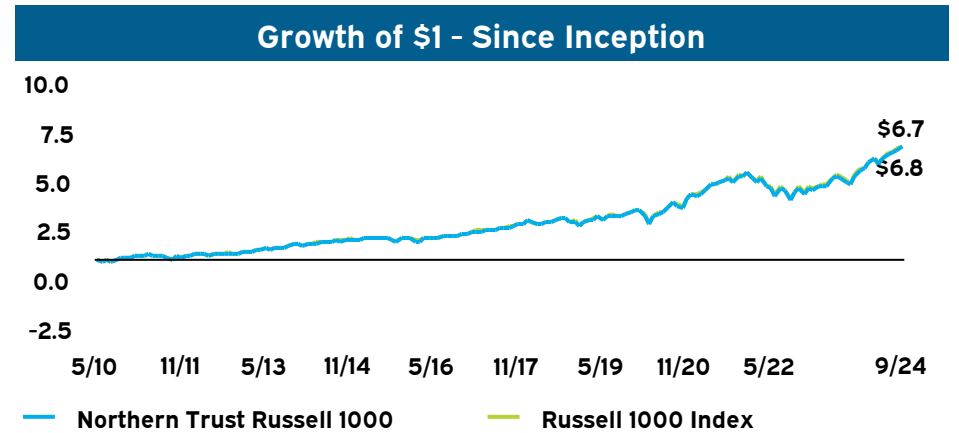
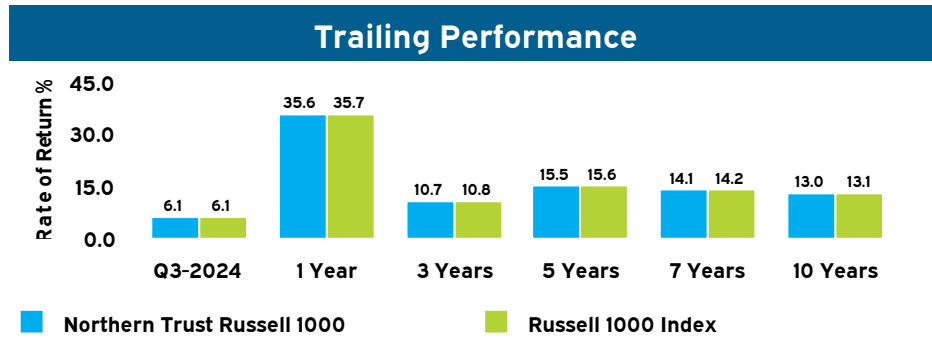
Plan Sponsor Peer Group Performance Comparison vs. InvMetrics Public DB \$250M-\$1B Net



	QTD (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ OPFRS Total Plan	5.8 (19)	5.8 (19)	11.3 (52)	20.5 (33)	4.4 (52)	7.1 (79)	7.2 (50)
● OPFRS Policy Benchmark	5.4 (37)	5.4 (37)	12.6 (18)	22.3 (22)	5.2 (23)	7.8 (63)	7.5 (36)
5th Percentile	6.5	6.5	13.7	24.6	6.2	9.7	8.4
1st Quartile	5.7	5.7	11.9	21.4	5.1	8.9	7.8
Median	5.0	5.0	11.3	19.5	4.4	8.3	7.2
3rd Quartile	4.6	4.6	9.9	17.8	3.6	7.3	6.7
95th Percentile	3.7	3.7	8.3	13.6	2.5	6.3	6.1
Population	107	107	105	105	104	104	92

Total Plan performance is a mix of gross and net of fees; performance is gross of fees prior to January 2016 and net of fees thereafter. Parentheses contain percentile rankings. Calculation based on monthly periodicity. Fiscal year begins on July 1.

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust Russell 1000	0.00	0.99	-2.55	4.04	0.00	1.00	99.61	-
Russell 1000 Index	0.00	1.00	-	4.03	0.00	1.00	100.00	-



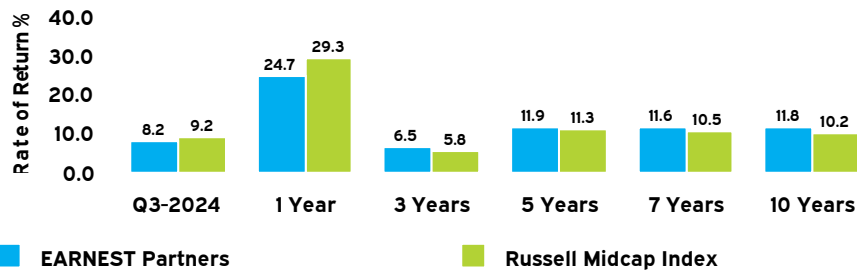
	QTD Return	QTD Risk
Northern Trust Russell 1000	6.06	0.39
Russell 1000 Index	6.08	0.39

Performance shown is net of fees. Risk is measured as Standard Deviation.

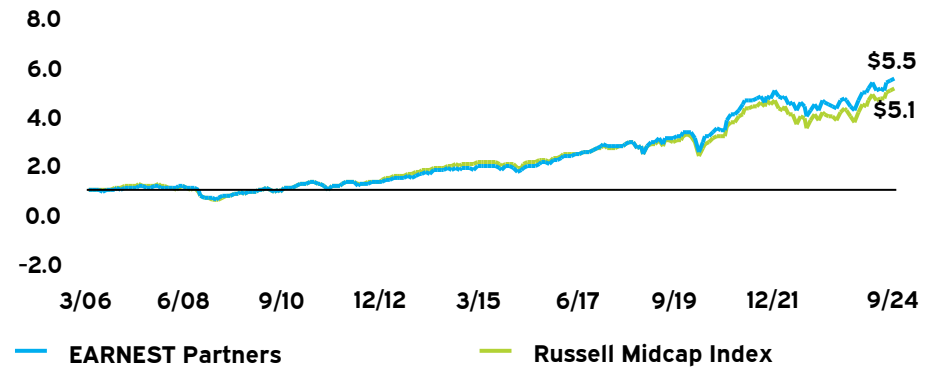
EARNEST Partners | As of September 30, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
EARNEST Partners	-2.36	1.69	-0.31	1.06	0.94	0.96	90.25	-
Russell Midcap Index	0.00	1.00	-	2.07	0.00	1.00	100.00	-

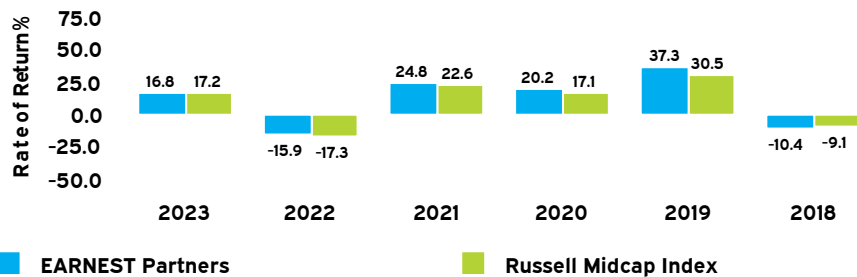
Trailing Performance



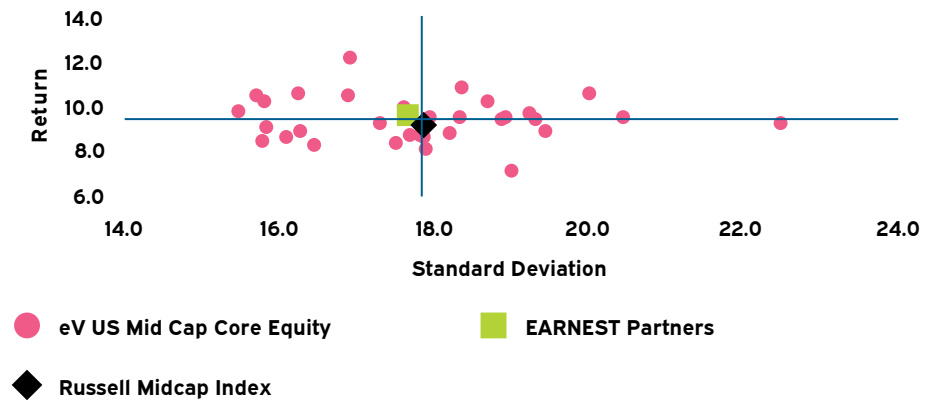
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception



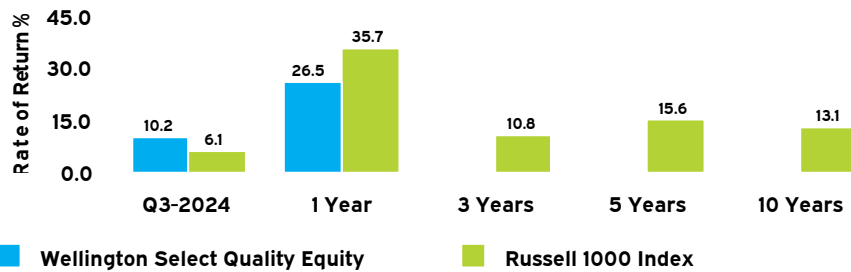
	QTD Return	QTD Risk
EARNEST Partners	8.24	2.11
Russell Midcap Index	9.21	1.22

Performance shown is net of fees. Risk is measured as Standard Deviation.

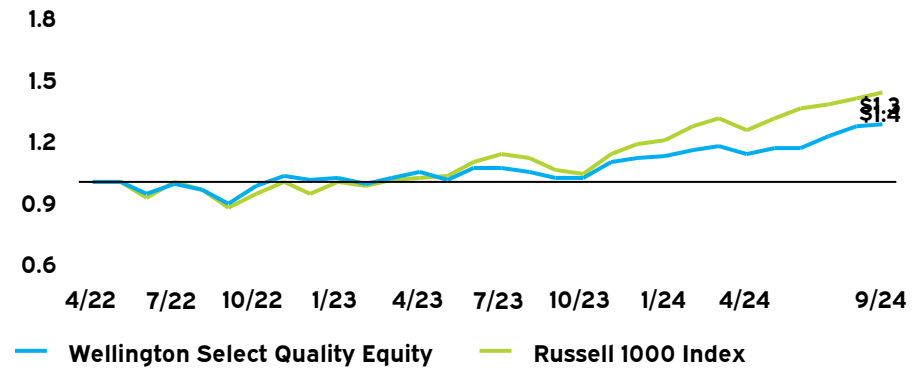
Wellington Select Quality Equity | As of September 30, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Wellington Select Quality Equity	6.84	-1.78	0.75	1.85	1.76	0.20	165.92	-
Russell 1000 Index	0.00	1.00	-	4.03	0.00	1.00	100.00	-

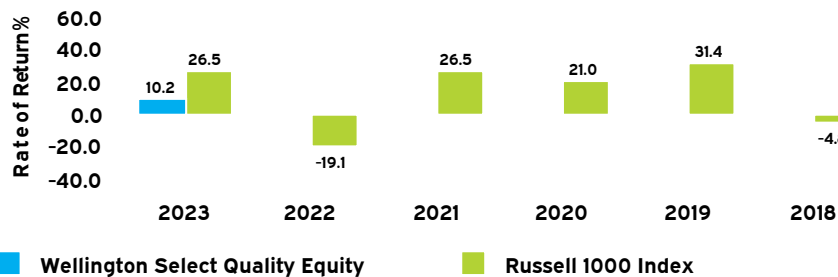
Trailing Performance



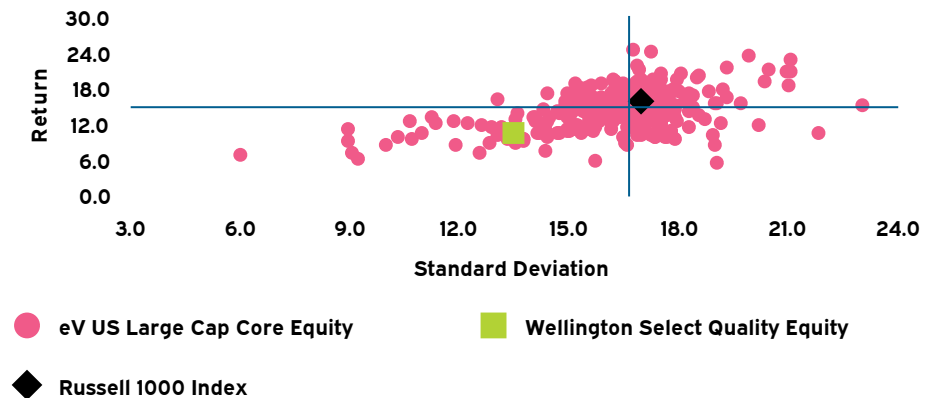
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception



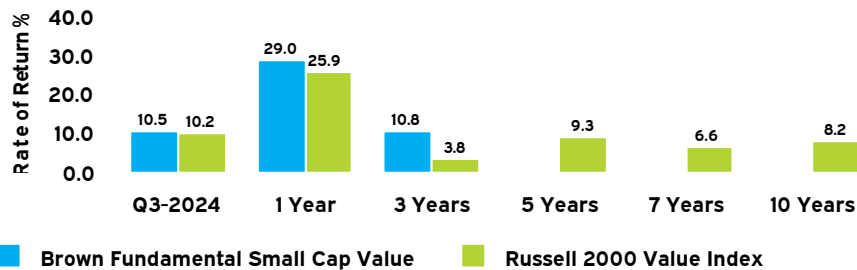
	QTD Return	QTD Risk
Wellington Select Quality Equity	10.19	1.55
Russell 1000 Index	6.08	0.39

Performance shown is net of fees. Risk is measured as Standard Deviation.

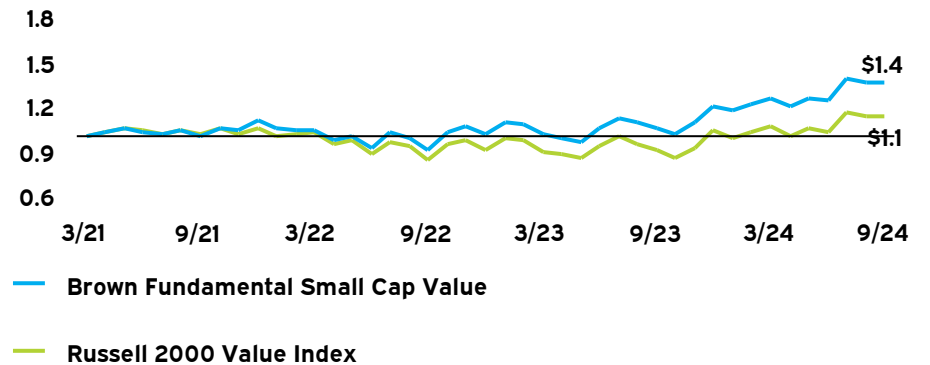
Brown Fundamental Small Cap Value | As of September 30, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Brown Fundamental Small Cap Value	0.17	0.98	0.26	0.51	0.42	1.00	104.75	113.68
Russell 2000 Value Index	0.00	1.00	-	0.48	0.00	1.00	100.00	100.00

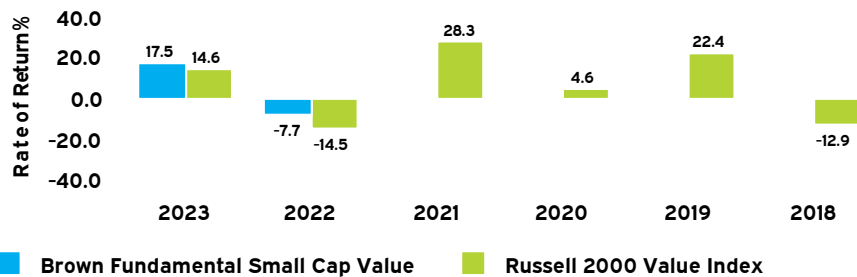
Trailing Performance



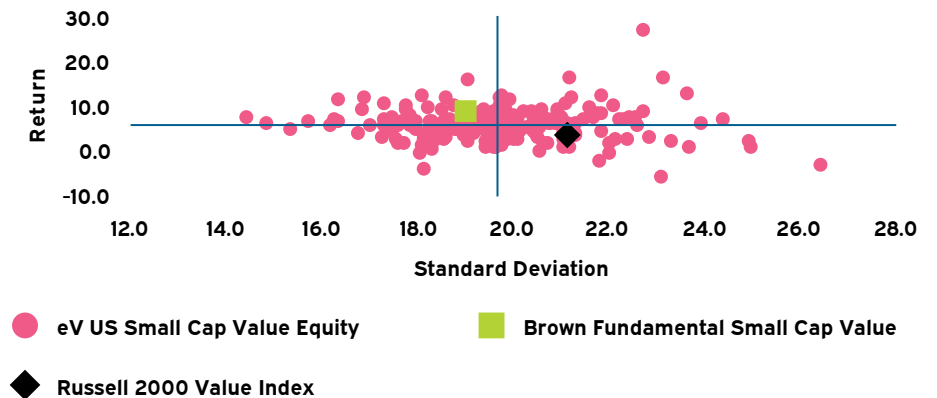
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception



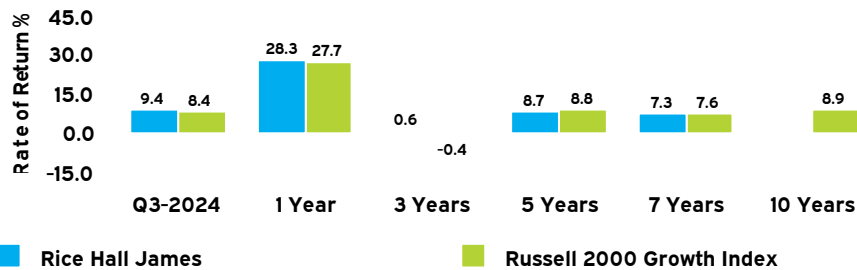
	QTD Return	QTD Risk
Brown Fundamental Small Cap Value	10.52	6.13
Russell 2000 Value Index	10.15	6.22

Performance shown is net of fees. Risk is measured as Standard Deviation.

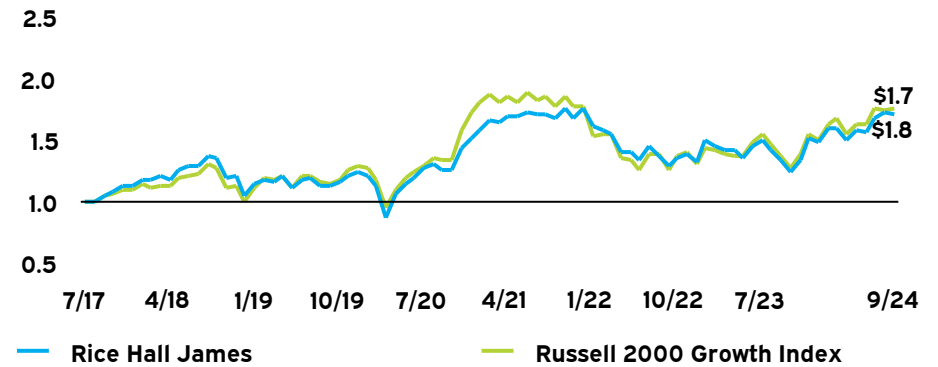
Rice Hall James | As of September 30, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Rice Hall James	1.23	0.67	0.12	0.77	2.57	0.58	69.15	-245.81
Russell 2000 Growth Index	0.00	1.00	-	0.60	0.00	1.00	100.00	100.00

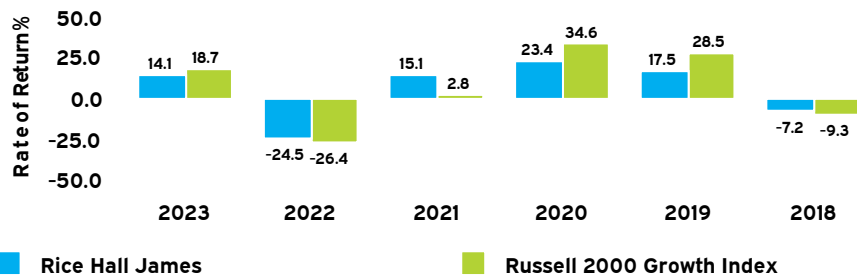
Trailing Performance



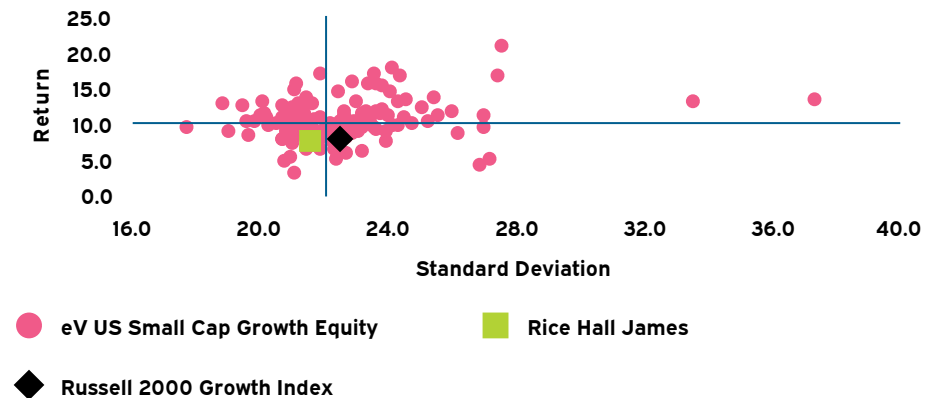
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception



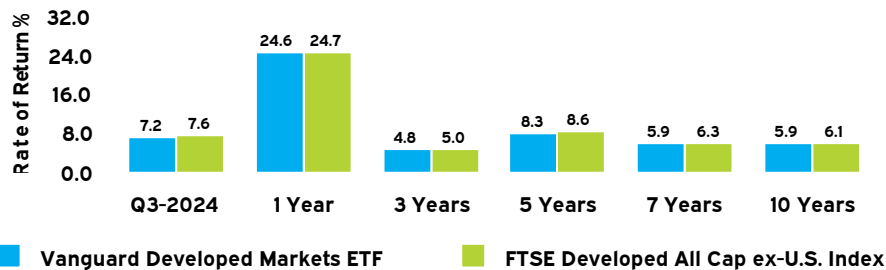
	QTD Return	QTD Risk
Rice Hall James	9.41	3.44
Russell 2000 Growth Index	8.41	3.93

Performance shown is net of fees. Risk is measured as Standard Deviation.

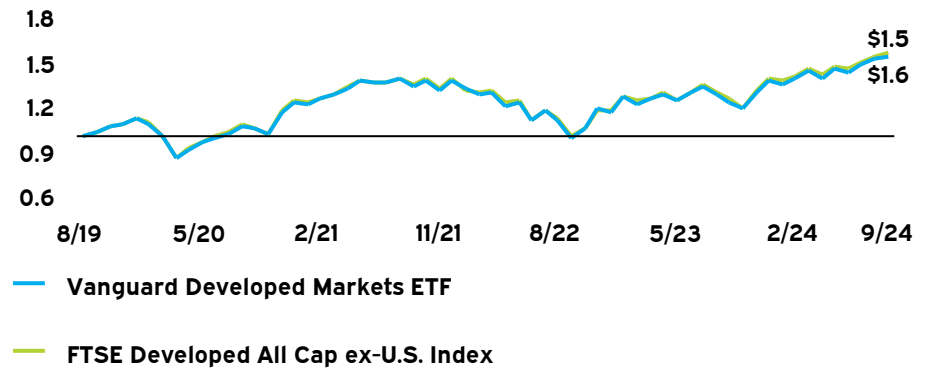
Vanguard Developed Markets ETF | As of September 30, 2024

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Vanguard Developed Markets ETF	-0.06	0.96	-0.95	2.15	0.15	0.97	94.08	-
FTSE Developed All Cap ex-U.S. Index	0.00	1.00	-	2.26	0.00	1.00	100.00	-

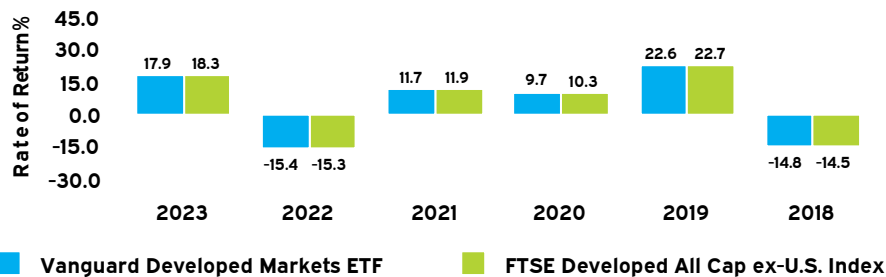
Trailing Performance



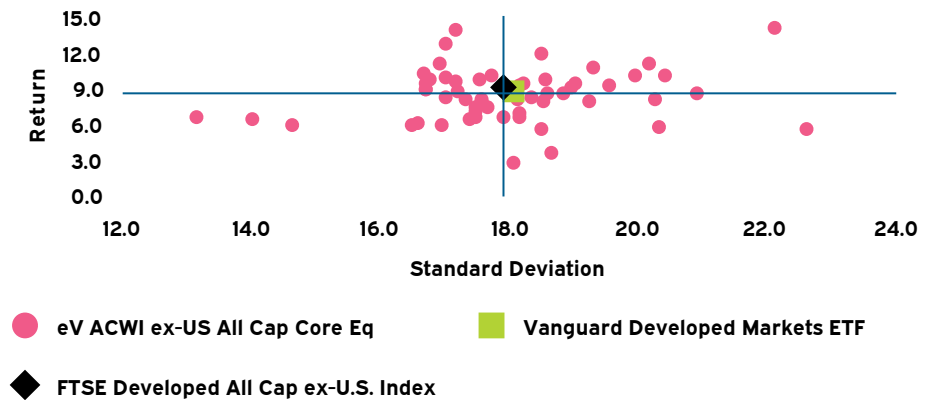
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception

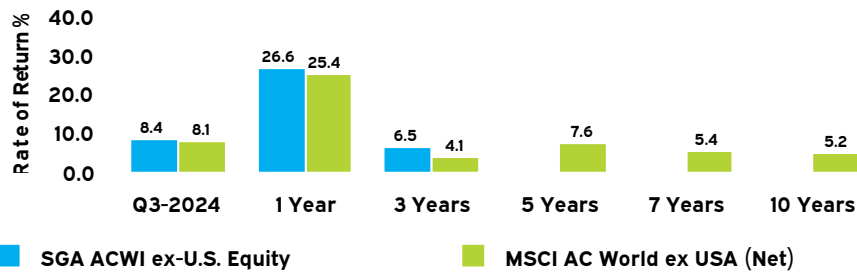


	QTD Return	QTD Risk
Vanguard Developed Markets ETF	7.16	0.89
FTSE Developed All Cap ex-U.S. Index	7.62	0.91

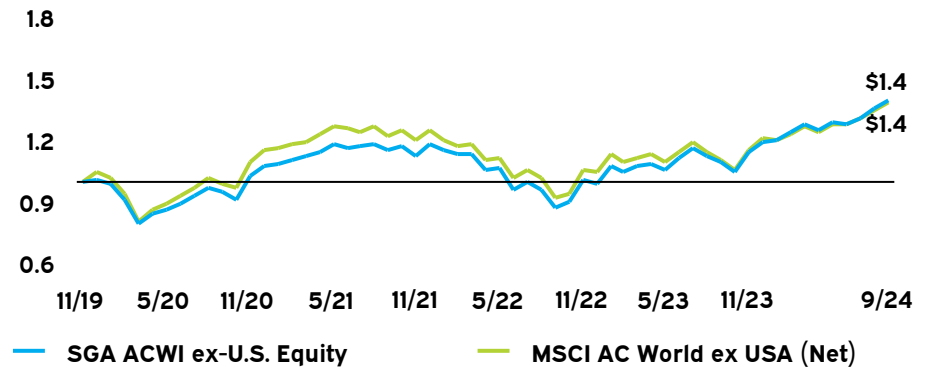
Performance shown is net of fees. Risk is measured as Standard Deviation.

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
SGA ACWI ex-U.S. Equity	-1.04	1.45	1.22	7.28	0.10	1.00	104.65	-
MSCI AC World ex USA (Net)	0.00	1.00	-	10.05	0.00	1.00	100.00	-

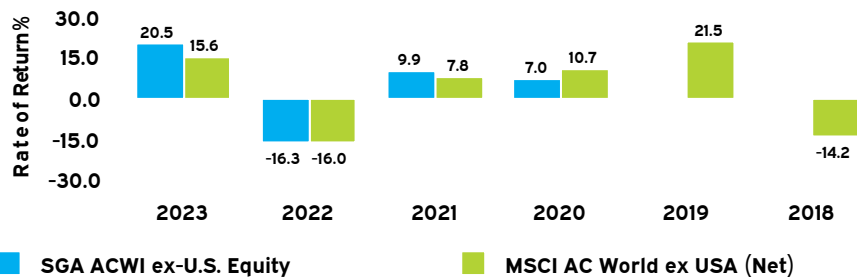
Trailing Performance



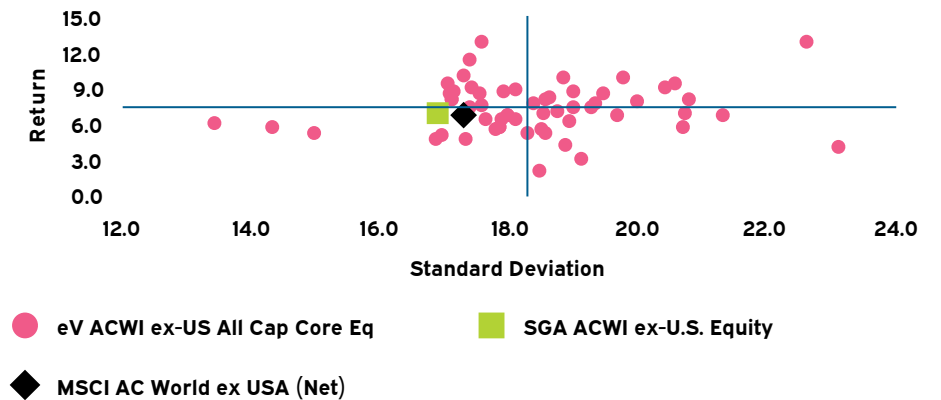
Growth of \$1 - Since Inception



Calendar Year Returns



Risk/Return - Since Inception



	QTD Return	QTD Risk
SGA ACWI ex-U.S. Equity	8.45	0.32
MSCI AC World ex USA (Net)	8.06	0.22

Performance shown is net of fees. Risk is measured as Standard Deviation.

Account Information

Account Name	Ramirez
Account Structure	Separate Account
Inception Date	01/30/2017
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Fixed Inc

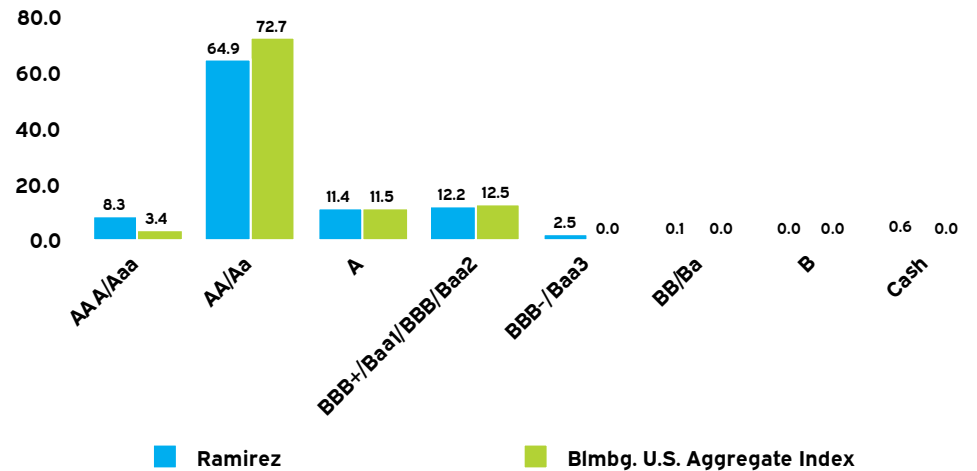
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Ramirez	5.2	4.8	11.7	-1.3	0.5
Blmbg. U.S. Aggregate Index	5.2	4.4	11.6	-1.4	0.3

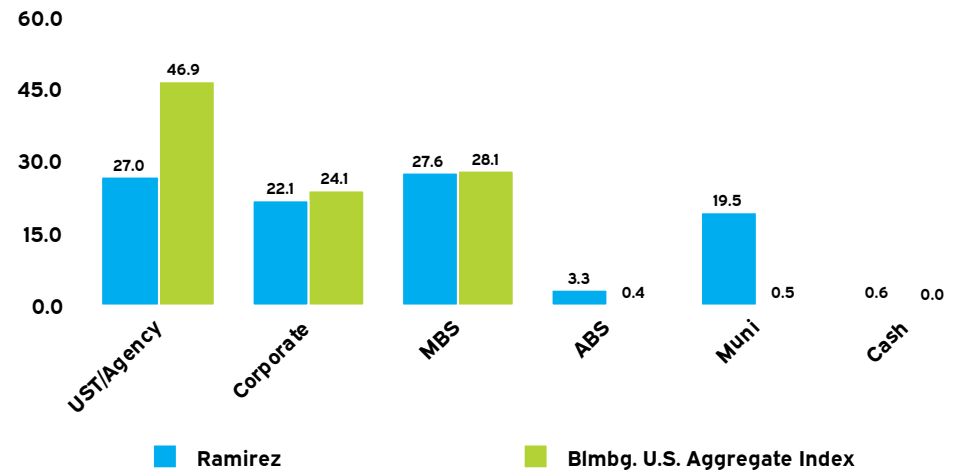
Portfolio Fixed Income Characteristics

	Q3-24 Portfolio	Q2-24 Portfolio
Yield To Maturity	5.5	5.2
Average Duration	6.3	6.1
Average Quality	AA	AA
Weighted Average Maturity	9.0	9.1

Credit Quality Allocation



Sector Allocation



Performance shown is net of fees.

Account Information

Account Name	Wellington Core Bond
Account Structure	Commingled Fund
Inception Date	04/01/2021
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Fixed Inc

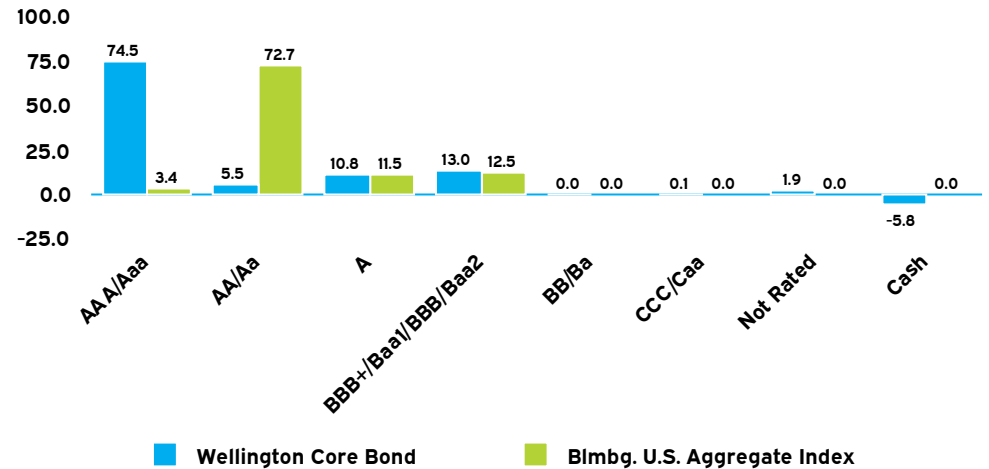
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Wellington Core Bond	5.3	5.5	13.3	-1.2	-
Blmbg. U.S. Aggregate Index	5.2	4.4	11.6	-1.4	0.3

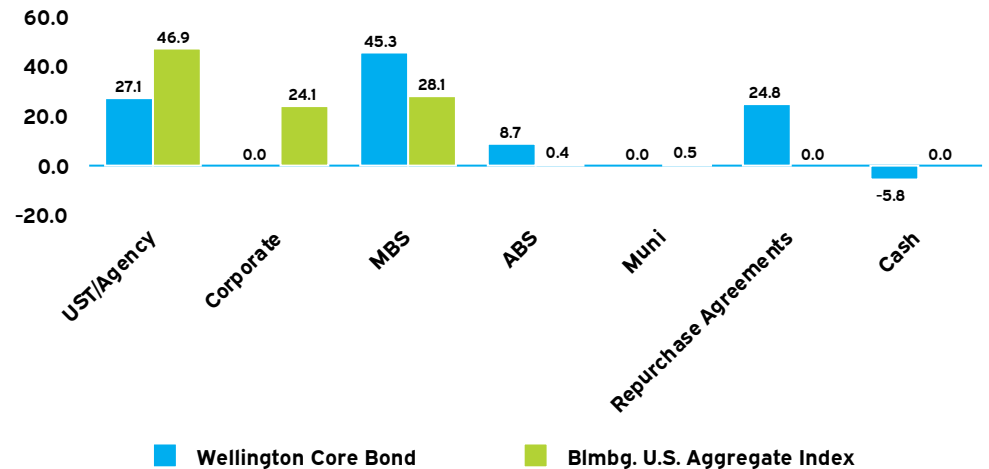
Portfolio Fixed Income Characteristics

	Q3-24 Portfolio	Q2-24 Portfolio
Yield To Maturity	5.1	5.3
Average Duration	6.4	6.7
Average Quality	AA	AA
Weighted Average Maturity	-	-

Credit Quality Allocation



Sector Allocation



Performance shown is net of fees.

Account Information

Account Name	Reams
Account Structure	Separate Account
Inception Date	01/01/1998
Asset Class	US Fixed Income
Benchmark	Bloomberg Universal (Blend)
Peer Group	eV US Core Plus Fixed Inc

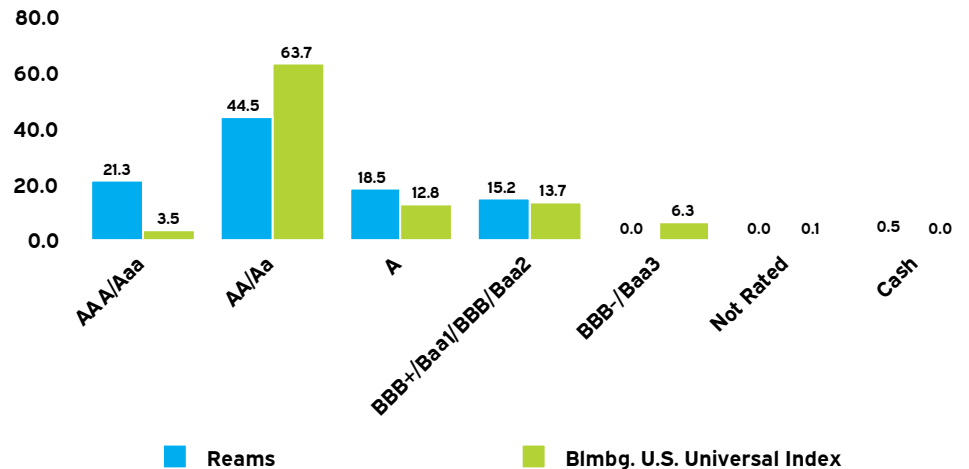
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Reams	5.3	5.1	12.5	-0.5	3.0
Blmbg. U.S. Universal Index	5.2	4.9	12.1	-1.1	0.7

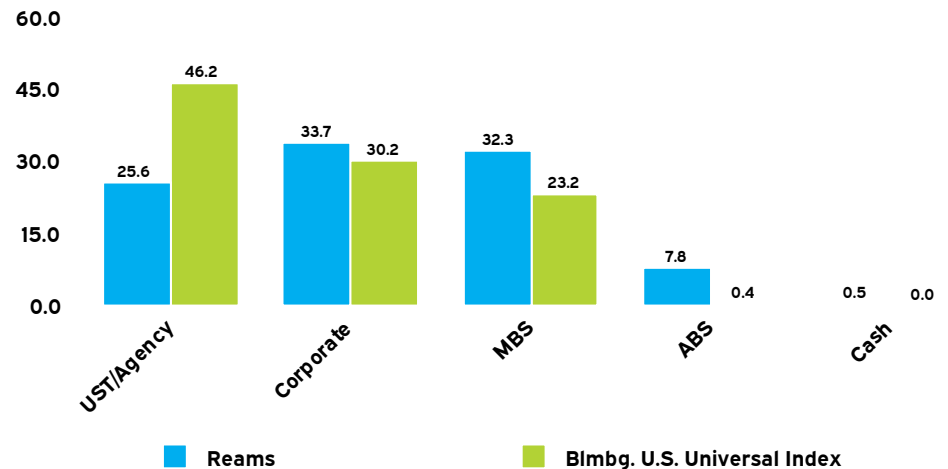
Portfolio Fixed Income Characteristics

	Q3-24 Portfolio	Q2-24 Portfolio
Yield To Maturity	4.6	5.3
Average Duration	6.1	6.4
Average Quality	AA	AA
Weighted Average Maturity	8.7	9.4

Credit Quality Allocation



Sector Allocation



Performance shown is net of fees.

Account Information

Account Name	Polen Capital
Account Structure	Commingled Fund
Inception Date	02/01/2015
Asset Class	US Fixed Income
Benchmark	ICE BofA U.S. High Yield Index
Peer Group	eV US High Yield Fixed Inc

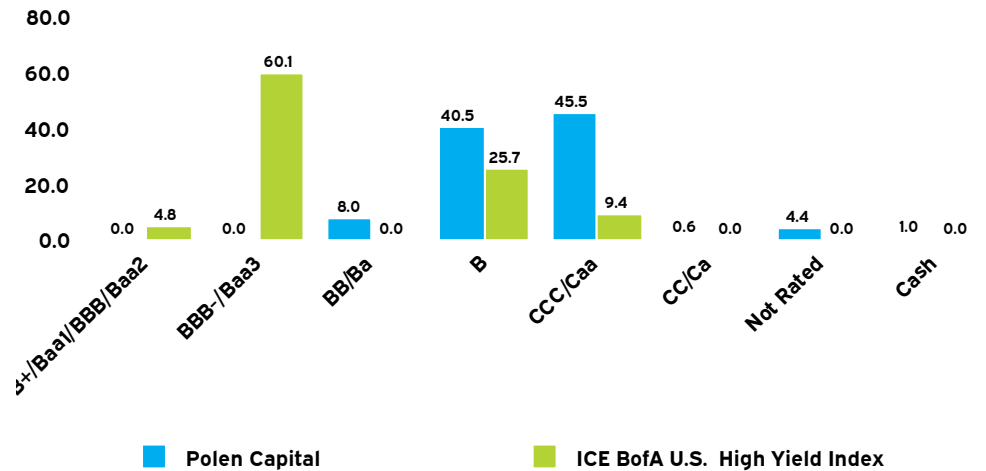
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Polen Capital	2.9	7.0	11.3	3.6	5.8
ICE BofA U.S. High Yield Index	5.3	8.0	15.7	3.1	4.5

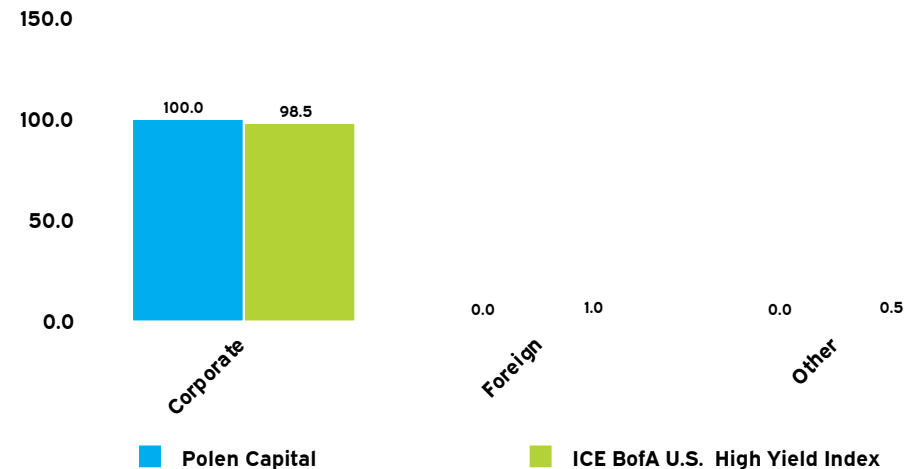
Portfolio Fixed Income Characteristics

	Q3-24 Portfolio	Q2-24 Portfolio
Yield To Maturity	9.0	9.7
Average Duration	2.0	2.1
Average Quality	B	B
Weighted Average Maturity	4.8	4.9

Credit Quality Allocation



Sector Allocation

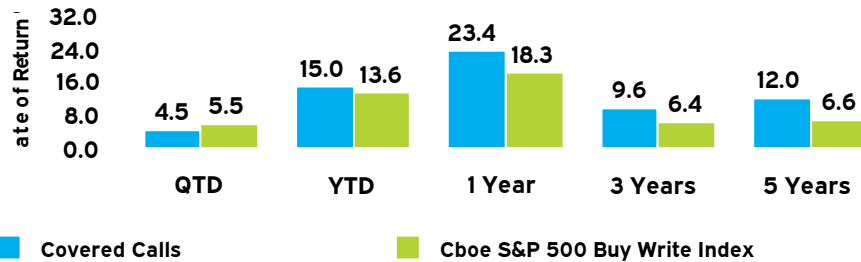


Performance shown is net of fees.

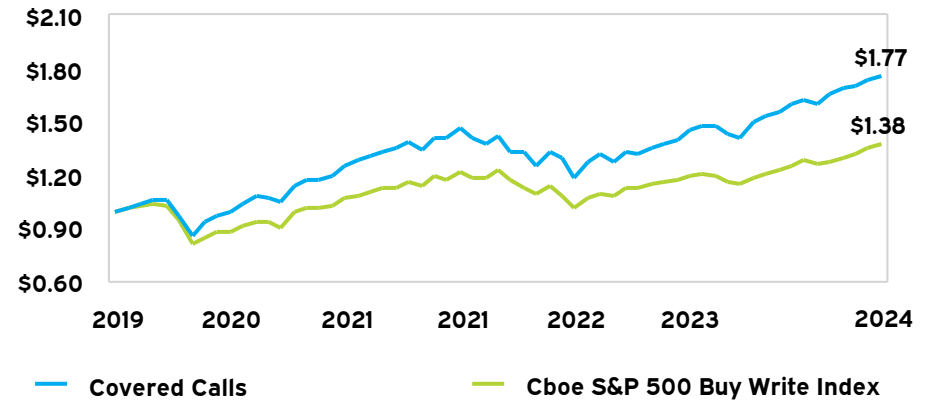
Covered Calls | As of September 30, 2024

	Return	Standard Deviation	Alpha	Beta	Information Ratio	Tracking Error	Up Capture	Down Capture	Inception Date
Covered Calls	9.8	11.2	3.2	1.0	0.8	4.0	123.9	105.4	04/01/2014
Cboe S&P 500 Buy Write Index	6.3	10.2	0.0	1.0	-	0.0	100.0	100.0	
Parametric BXM	7.8	9.2	2.3	0.9	0.4	3.1	99.7	85.9	04/01/2014
Cboe S&P 500 Buy Write Index	6.3	10.2	0.0	1.0	-	0.0	100.0	100.0	
Parametric DeltaShift	11.9	13.5	4.3	1.2	0.9	6.2	147.2	122.3	04/01/2014
Cboe S&P 500 Buy Write Index	6.3	10.2	0.0	1.0	-	0.0	100.0	100.0	

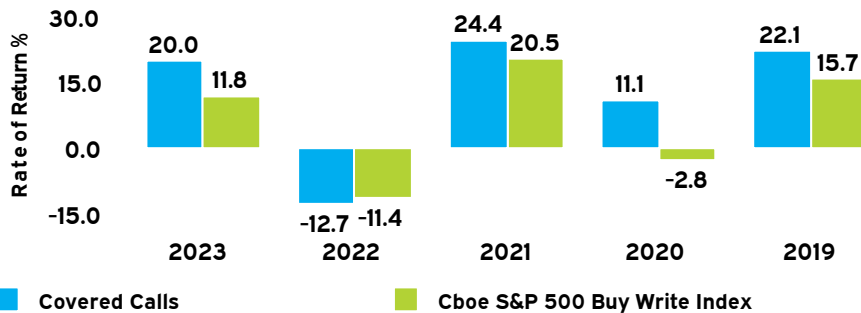
Trailing Period Performance



Growth of a Dollar



Calendar Year Performance



Performance shown is net of fees.

Crisis Risk Offset | As of September 30, 2024

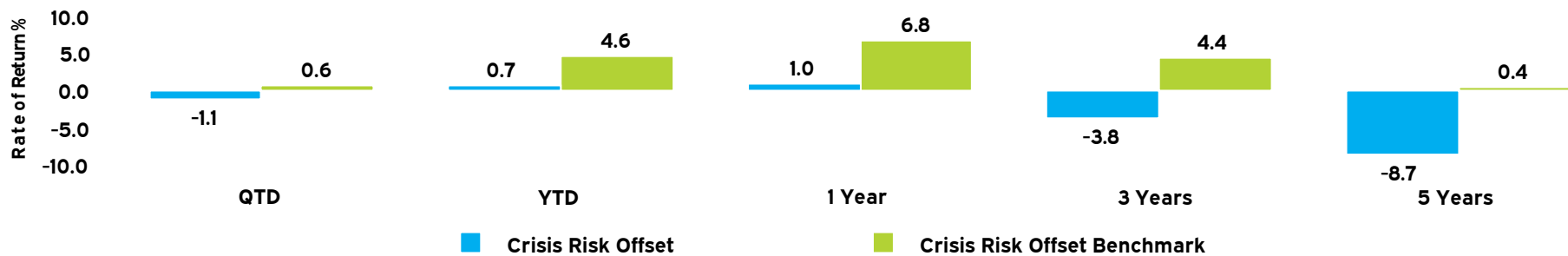
	Return	Standard Deviation	Alpha	Beta	Information Ratio	Tracking Error	Up Capture	Down Capture	Inception Date
Crisis Risk Offset	-6.6	10.5	-6.8	0.8	-0.7	9.7	31.5	128.5	08/01/2018
Crisis Risk Offset Benchmark	0.8	5.3	0.0	1.0	-	0.0	100.0	100.0	
Kepos Alternative Risk Premia	8.0	6.4	1.9	0.9	0.2	4.8	101.9	80.4	02/01/2022
SG Multi Alternative Risk Premia Index	7.0	5.0	0.0	1.0	-	0.0	100.0	100.0	
Versor Trend Following	-4.3	14.4	-6.4	1.0	-1.0	6.7	77.2	113.9	04/01/2022
SG Trend Index	2.4	12.5	0.0	1.0	-	0.0	100.0	100.0	
Vanguard Long-Term Treasury ETF	-2.7	14.9	0.0	1.0	0.0	1.0	100.9	100.9	07/01/2019
Blmbg. U.S. Government: Long Term Bond Index	-2.7	14.8	0.0	1.0	-	0.0	100.0	100.0	

Correlation Matrix

3 Months Ending September 30, 2024

	Crisis Risk Offset	MSCI AC World Index Value	S&P 500 Index	Blmbg. Global Aggregate Index
Crisis Risk Offset	1.00			
MSCI AC World Index Value	0.16	1.00		
S&P 500 Index	-0.61	-0.88	1.00	
Blmbg. Global Aggregate Index	-0.24	0.92	-0.62	1.00

Trailing Period Performance



Performance shown is net of fees.

Benchmark History

From Date	To Date	Benchmark
OPFRS Total Plan		
07/01/2024	Present	34.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 44.0% Blmbg. U.S. Universal Index, 10.0% Crisis Risk Offset Benchmark
06/01/2022	07/01/2024	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 31.0% Blmbg. U.S. Universal Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 5.0% Cboe S&P 500 Buy Write Index, 10.0% Crisis Risk Offset Benchmark
01/01/2019	06/01/2022	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 31.0% Blmbg. U.S. Universal Index, 5.0% Cboe S&P 500 Buy Write Index, 2.0% Blmbg. U.S. Treasury: Long, 10.0% Crisis Risk Offset Benchmark
05/01/2016	01/01/2019	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 20.0% CBOE BXM
10/01/2015	05/01/2016	43.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 15.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
01/01/2014	10/01/2015	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 10.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
03/01/2013	01/01/2014	40.0% Russell 3000 Index, 10.0% MSCI AC World ex USA index, 17.0% Blmbg. U.S. Universal Index, 33.0% ICE BofA 3 Month U.S. T-Bill
08/01/2012	03/01/2013	20.0% Russell 3000 Index, 7.0% MSCI AC World ex USA index, 18.0% Blmbg. U.S. Universal Index, 55.0% ICE BofA 3 Month U.S. T-Bill
10/01/2007	08/01/2012	53.0% Russell 3000 Index, 17.0% MSCI AC World ex USA index, 30.0% Blmbg. U.S. Universal Index
04/01/2006	10/01/2007	35.0% Russell 3000 Index, 15.0% MSCI AC World ex USA index, 50.0% Blmbg. U.S. Universal Index
01/01/2005	04/01/2006	35.0% Russell 3000 Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index
04/01/1998	01/01/2005	20.0% Russell 1000 Value Index, 10.0% Russell 1000 Index, 5.0% Russell Midcap Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
01/01/1978	04/01/1998	40.0% S&P 500 Index, 55.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill

Benchmark History

From Date	To Date	Benchmark
Domestic Equity		
01/01/2005	Present	100.0% Russell 3000 Index
04/01/1998	01/01/2005	57.1% Russell 1000 Value Index, 28.6% Russell 1000 Index, 14.3% Russell Midcap Index
09/01/1988	04/01/1998	100.0% S&P 500 Index
International Equity		
01/01/2005	Present	100.0% MSCI AC World ex USA (Net)
01/01/1998	01/01/2005	100.0% MSCI EAFE Index
Fixed Income		
04/01/2006	Present	100.0% Blmbg. U.S. Universal Index
01/01/1976	04/01/2006	100.0% Blmbg. U.S. Aggregate Index
Covered Calls		
04/01/2014	Present	Cboe S&P 500 Buy Write Index
Crisis Risk Offset		
01/01/2023	Present	33.3% SG Trend Index, 33.3% SG Multi Alternative Risk Premia Index, 33.3% Blmbg. U.S. Government: Long Term Bond Index
08/01/2018	01/01/2023	100.0% SG Multi Alternative Risk Premia Index
Cash		
03/01/2011	Present	FTSE 3 Month T-Bill

Manager Monitoring / Probation Status

Managers on Watch / Probation Status

Manager & Strategy	Concern Triggering Watch Status	Date of Corrective Action ¹	Months Since Placement	Performance ² Since Placement	Peer Group Rank Since Placement
Versor Trend Following	Organization / Performance	9/27/2023	12	-17.0	N/A
<i>Benchmark: SG Trend Index</i>	--	--	--	-2.9	--

Investment Manager Monitoring Criteria³

Investment managers are evaluated on ongoing and periodic basis using both quantitative performance criteria and qualitative aspects of the managers. The quantitative criteria for different asset classes are as follows:

Asset Class	Short-term (Rolling 12 months)	Medium-term (Rolling 36 months)	Long-term (60 + months)
Active US Equity	Fund return < benchmark return by 3.5%	Annualized Fund return < benchmark return by 1.75% for 6 consecutive months	VRR ⁴ < 0.97 for 6 consecutive months
Active Non-US Equity	Fund return < benchmark return by 4.5%	Annualized Fund return < benchmark return by 2.0% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
Passive Non-US Equity	Tracking Error >0.50%	Tracking Error >0.45% for 6 consecutive months	Annualized Fund return < benchmark return by 0.4% for 6 consecutive months
Fixed Income	Fund return < benchmark return by 1.5%	Annualized Fund return < benchmark return by 1.0% for 6 consecutive months	VRR < 0.98 for 6 consecutive months

¹ Date when the Board voted to either monitor a manager at a heightened level or place it on probation.

² Performance Since Placement starts at the beginning of the full month following the date of corrective action. Performance shown is net of fees and annualized after one year mark.

³ Per Investment Policy Statement and Manager Guidelines ("IPS"), Revised 5/31/2023, section H. Currently, only Domestic Equity, International Equity, and Fixed Income have stated quantitative monitoring criteria in the IPS.

⁴ VRR (Value Relative Ratio) is calculated as manager cumulative return/ benchmark cumulative return.

Appendix

Additional Information

Performance Return Types: Performance shown is net of fees, except for OPFRS Total Plan, Domestic Equity, and International Equity Composites, which have a mix of gross and net of fees performance. Performance shown for OPFRS Total Plan and International Equity composite is gross of fees prior to January 2016. Performance shown for Domestic Equity composite is gross of fees prior to January 2017.

Inception Date: Since inception date and performance begin in the month following an investments initial funding.

Fiscal Year: Fiscal year begins on July 1.

Fair Value Pricing Methodology: Though Vanguard Developed Markets ETF is a passive strategy, short-term performance may appear to diverge from the index it tracks more than would be expected. This is due to Fair Value Pricing (FVP) adjustments that address the pricing discrepancies that may arise from time-zone differences among global securities markets. The resulting temporary divergence is expected to correct itself when the foreign markets reopen.

Additional Information

Performance Return Types: Performance shown is net of fees, except for OPFRS Total Plan, Domestic Equity, and International Equity Composites, which have a mix of gross and net of fees performance. Performance shown for OPFRS Total Plan and International Equity composite is gross of fees prior to January 2016. Performance shown for Domestic Equity composite is gross of fees prior to January 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Oakland Police and Fire Retirement System

Recommendation for
2025 Q1 Cash Flows

Asset Class / Manager Liquidity

Description of Liquidity Tiers

Asset Class	Fund	Liquidity Tier	Tier	Description	Balance (\$M)	In Months ¹
US Equity	Northern Trust Russell 1000	1	1	Public, Scheduled Withdrawal Allowances	151.5	101.0
US Equity	EARNEST Partners	3	2	Public, Accommodating of Withdrawals	133.3	88.8
US Equity	Wellington Select Quality Equity	3	3	Public; Must Plan Withdrawals	178.0	118.6
US Equity	Rice Hall James	3	4	Privately Held / Illiquid	0.0	-
US Equity	Brown Small Cap Value	3	Total		462.7	-
International Equity	SGA ACWI ex US	3				
International Equity	Vanguard Developed Markets	1				
Fixed Income	Ramirez	2				
Fixed Income	Reams	2				
Fixed Income	Wellington Core Bond	3				
Credit	Polen Capital High Yield	2				
Covered Calls	Parametric	2				
Crisis Risk Offset	Kepos Alternative Risk Premia	3				
Crisis Risk Offset	Versor Trend Following	3				
Crisis Risk Offset	Vanguard Long-Term Treasury	1				
Cash	Cash	1				

¹ Illustrates liquidity in months per liquidity tier assuming a net drawdown of \$1.5 million per month estimated for FYE2025 based on prior fiscal year's actuarial valuations..

Oakland PFRS Asset Allocation as of October 31, 2024¹

	Current Market Value		LT Target (%)	Interim Target ² (%)	Variance from Interim Target		Planned Cash Flows for Current Quarter		Suggested Cash Flows for Next Quarter	
	(\$M)	(%)			(\$M)	(%)	In (\$M)	Out (\$M)	In (\$M)	Out (\$M)
Northern Trust Russell 1000	106.2	22.9	15.0	21.0	9.0	1.9	--	--	--	--
EARNEST Partners	41.9	9.1	5.0	6.0	14.2	3.1	--	--	--	--
Wellington Select Quality Equity	27.1	5.9	0.0	0.0	27.1	5.9	--	--	--	(4.5)
Rice Hall James	17.3	3.7	2.5	3.5	1.1	0.2	--	--	--	--
Brown Small Cap Value	14.2	3.1	2.5	3.5	(2.0)	(0.4)	--	--	--	--
US Equity	206.7	44.7	25.0	34.0	49.4	10.7	--	--	--	(4.5)
SGA ACWI ex US	45.5	9.8	--*	8.4	6.6	1.4	--	--	--	--
Vanguard Developed Markets	16.8	3.6	--*	3.6	0.1	0.0	--	--	--	--
International Equity	62.3	13.5	5.0	12.0	6.8	1.5	--	--	--	--
Parametric (BXM & DeltaShift)	19.6	4.2	0.0	0.0	19.6	4.2	--	--	--	--
Covered Calls	19.6	4.2	0.0	0.0	19.6	4.2	--	--	--	--
Kepos Alternative Risk Premia	12.2	2.6	3.0	3.3	(3.2)	(0.7)	--	--	--	--
Versor Trend Following	12.5	2.7	3.0	3.3	(2.9)	(0.6)	--	--	--	--
Vanguard Long-Term Treasury	12.9	2.8	3.0	3.3	(2.5)	(0.5)	--	--	--	--
Crisis Risk Offset	37.6	8.1	9.0	10.0	(8.6)	(1.9)	--	--	--	--
Ramirez	74.9	16.2	--*	--*	--*	--*	--	--	--	--
Wellington Core Bond	7.2	1.6	--*	--*	--*	--*	--	--	--	--
Reams	28.5	6.2	--*	--*	--*	--*	--	--	--	--
<i>New Core/Core Plus Manager(s) (TBD)</i>	--	--	--*	--*	--*	--*	--	--	--	--
Polen Capital High Yield	10.3	2.2	0.0	0.0	10.3	2.2	--	(4.5)	--	--
Fixed Income (IG & Credit)	120.9	26.1	61.0	44.0	(82.7)	(17.9)	--	(4.5)	--	--
Cash & City Contributions	15.6	3.4	0.0	0.0	15.6	3.4	8.7	(8.7)	8.7	(8.7)
Total Portfolio	462.7	100.0	100.0	100.0	--	--	8.7	(13.2)	8.7	(13.2)

*Long-term and interim targets to be determined due to ongoing investment manager review and search.

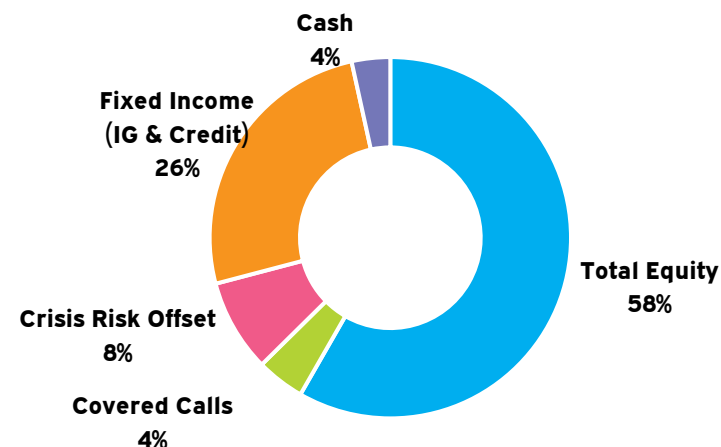
¹ Benefit payments and expenses are estimated at \$13.2 million quarterly for FYE2025 based on prior fiscal year's actuarial valuations. The expected quarterly contribution from the City is \$8.7 million. Benefits are payable on first of each month.

² The interim targets are the revised implementation targets for the 2nd half of 2024. Some investment manager/product targets and variances are omitted due to ongoing asset class reviews and transition planning.

Allocations by Portfolio Segment

Portfolio Segment	Balance Before Cash Flows (\$M)	Allocations Before Cash Flows (%)	Allocations After Cash Flows (%)
US Equity	206.7	44.7	44.6
International Equity	62.3	13.5	13.7
Covered Calls	19.6	4.2	4.3
Crisis Risk Offset	37.6	8.1	8.3
Fixed Income (IG & Credit)	120.9	26.1	25.7
Cash	15.6	3.4	3.4
Total Portfolio	462.7	100.0	100.0

Projected Allocations After Cash Flows



Suggested Cash Withdrawals

Source	Amount (\$M)
Treasury Cash / City Contributions	8.7
Wellington Select Quality Equity	4.5
Total	13.2

Projected OPFRS Asset Allocation as of March 31, 2025¹

	Estimated Market Value		Interim Targets	Variance from Interim Targets	
	(\$M)	(%)		(%)	(\$M)
Northern Trust Russell 1000	106.2	23.4	21.0	10.9	2.4
EARNEST Partners	41.9	9.2	6.0	14.7	3.2
Wellington Select Quality Equity	22.6	5.0	0.0	22.6	5.0
Rice Hall James	17.3	3.8	3.5	1.4	0.3
Brown Small Cap Value	14.2	3.1	3.5	(1.7)	(0.4)
US Equity	202.2	44.6	34.0	47.9	10.6
SGA ACWI ex US	45.5	10.0	8.4	7.4	1.6
Vanguard Developed Markets	16.8	3.7	3.6	0.4	0.1
International Equity	62.3	13.7	12.0	7.8	1.7
Parametric	19.6	4.3	0.0	19.6	4.3
Covered Calls	19.6	4.3	0.0	19.6	4.3
Kepos Alternative Risk Premia	12.2	2.7	3.3	(2.9)	(0.6)
Versor Trend Following	12.5	2.8	3.3	(2.6)	(0.6)
Vanguard Long-Term Treasury	12.9	2.8	3.3	(2.2)	(0.5)
Crisis Risk Offset	37.6	8.3	10.0	(7.7)	(1.7)
Ramirez	74.9	16.5	--*	--*	--*
Wellington Core Bond	7.2	1.6	--*	--*	--*
Reams	28.5	6.3	--*	--*	--*
<i>New Core/Core Plus Manager(s) (TBD)</i>	0.0	0.0	--*	--*	--*
Polen Capital High Yield	5.8	1.3	0.0	5.8	1.3
Fixed Income (IG & Credit)	116.4	25.7	44.0	(83.3)	(18.3)
Cash	15.6	3.4	0.0	15.6	3.4
Total Portfolio	453.7	100.0	100.0	--	--

*Long-term and interim targets to be determined due to ongoing investment manager review and search.

¹ Estimated ending market value accounts for the remaining cash flows (recommended previously) for the current quarter and expected cash flows for the following quarter. The interim targets reflect the targets for the 2nd half of 2024 transitioning towards upon the long-term targets adopted in 2024 Q1. Some manager/product targets and variances are omitted due to ongoing asset class reviews and transition planning.

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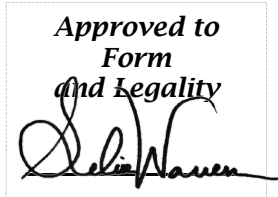
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OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8117



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION APPROVING THE DEATH BENEFIT PAYMENTS 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 MEMBERS RONALD G. BAILEY AND DANIEL A. MURRAY.

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 payments to the persons 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 persons whose names appear in Column (2):

Table with 3 columns: (1) Name of Deceased Member, (2) Name of Beneficiary, (3) Death Benefit Amount. Rows include Ronald G. Bailey, Daniel A. Murray, and their respective beneficiaries and amounts.

IN BOARD MEETING, CITY HALL, OAKLAND, CA _____ DECEMBER 11, 2024

PASSED BY THE FOLLOWING VOTE:

AYES: GODFREY, MELIA, NICHELINI, ROSEMAN, SPEAKMAN, WILKINSON, & PRESIDENT JOHNSON

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____ PRESIDENT

ATTEST: _____ SECRETARY



AGENDA REPORT

TO: Oakland Police and Fire Retirement System (PFRS) Board of Administration
FROM: David F. Jones
PFRS Plan Administrator & Secretary
SUBJECT: PFRS Board of Administration Agenda Pending List
DATE: December 11, 2024

	SUBJECT	MEETING DATE	STATUS
1	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	01/27/2025	Ongoing

Respectfully submitted,

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