

Pursuant to the Governor's Executive Order N-29-20, all members of the City Council, as well as the City Administrator, City Attorney and City Clerk will join the meeting via phone/video conference and no teleconference locations are required



Retirement Unit
150 Frank H. Ogawa Plaza
Oakland, CA 94612

AGENDA

AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairman
Walter L. Johnson Sr.
Member
Kevin Traylor
Member

Oakland Police and Fire Retirement Board meetings are being held via Tele-Conference. Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-6481.

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

REGULAR MEETING of the AUDIT / OPERATIONS COMMITTEE of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")

Wednesday, September 30, 2020 – 9:00 am
Tele-Conference Board Meeting
via Zoom

OBSERVE

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

PUBLIC COMMENTS

There are three ways to submit public comments.

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

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR AUDIT COMMITTEE MEETING
SEPTEMBER 30, 2020**

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

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

- - - ORDER OF BUSINESS - - -

- | | |
|------------------------|---|
| 1. Subject: | PFRS Audit Committee Meeting Minutes |
| From: | Staff of the PFRS Board |
| <hr/> | |
| Recommendation: | APPROVE July 29, 2020 Audit Committee meeting minutes. |

- | | |
|------------------------|--|
| 2. Subject: | Administrative Expenses Report |
| From: | Staff of the PFRS Board |
| <hr/> | |
| Recommendation: | ACCEPT an informational report regarding PFRS administrative expenses as of July 31,2020. |

- | | |
|------------------------|---|
| 3. Subject: | Resolution No. 8003 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2022 at fees not to exceed \$46,500 for FY2020-2021 and \$46,500 for FY2021-2022 |
| From: | Staff of the PFRS Board |
| <hr/> | |
| Recommendation: | RECOMMEND BOARD APPROVAL of Resolution No. 8003 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2020 at fees not to exceed \$46,500 for FY2020-2021 and \$46,500 for FY2021-2022 |

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR AUDIT COMMITTEE MEETING
SEPTEMBER 30, 2020**

- 4. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS**
- 5. OPEN FORUM**
- 6. FUTURE SCHEDULING**
- 7. ADJOURNMENT**

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on Wednesday, July 29, 2020 via Zoom Tele-Conference

Committee Members Present:

- John C. Speakman, Chairman
- Adam D. Benson, Member
- Kevin Traylor, Member

Additional Attendees:

- David Jones, Plan Administrator
- Teir Jenkins, Staff Member
- Maxine Visaya, Staff Member
- Jennifer Logue, PFRS Legal Counsel
- Annie Louie, Macias Gini & O’Connell, LLP

The Meeting was called to order at 9:03 am.

1. **PFRS Audit Committee Meeting Minutes** – Member Benson made a motion to approve the February 26, 2020 Audit Committee meeting minutes, second by Member Traylor. Motion passed.

[SPEAKMAN – Y/ BENSON – Y / TRAYLOR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

2. **Administrative Expenses Report** – Investment Officer Teir Jenkins presented an informational report of the PFRS administrative expenditures from July 1, 2019 through May 31, 2020.

MOTION: Member Traylor made a motion to accept and forward to the Board the administrative expenses report, second by Member Benson. Motion passed.

[SPEAKMAN – Y/ BENSON – Y / TRAYLOR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

3. **Scope of Services and Initiation of the Financial Audit of the PFRS fund for the Fiscal Year Ending June 30, 2020** – Annie Louie of Macias Gini & O’Connell, LLP presented the scope of services for the Financial Audit of the PFRS fund for the fiscal year ending June 30, 2020. The only caveat is, due to current circumstances, the audit will be conducted remotely.

MOTION: Member Benson made a motion to recommend Board approval of the scope of services and initiation of the financial services audit of the PFRS fund for fiscal year ending June 30, 2020 by Macias Gini and O’Connell, LLP, second by Member Traylor. Motion passed.

[SPEAKMAN – Y/ BENSON – Y / TRAYLOR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

4. **Audit Committee Pending Agenda Items** – Plan Administrator David Jones reported that the Ad Hoc Committee for the Actuarial Funding date of July 1, 2026 is on-going and is scheduled to meet regarding next steps in August 2020. Also, Mr. Jones reported that the staff review of the 2006 Management Audit matter will continue to be on-going, due to the requirement of staff to be on-site & present in the office to conduct the associated work.
5. **Open Forum** – Adam Benson introduced and welcomed new staff member Maxine Visaya. Member Benson noted that she has filled the vacancy left by David Low and will be supporting Teir Jenkins and David Jones on the administrative aspects of the Boards actions. Chairman Speakman welcomed her as well. David Jones gave further introductions and welcomed Maxine Visaya.
6. **Future Scheduling** – The next Audit Committee was scheduled for Wednesday, August 26, 2020.
7. **Adjournment** – Member Benson made a Motion to adjourn, second by Member Traylor. The motion passed.

[SPEAKMAN – Y/ BENSON – Y / TRAYLOR – Y]
(AYES: 3 / NOES: 0 / ABSTAIN: 0)

The Meeting Adjourned at 9:21 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of July 31, 2020

	Approved Budget		July 2020		FYTD		Remaining		Percent Remaining	
Internal Administrative Costs										
PFRS Staff Salaries	\$	1,200,000	\$	93,401	\$	93,401	\$	1,106,599		92.2%
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%
Annual Report & Duplicating Services		4,000		-		-		4,000		100.0%
Board Hospitality		3,600		-		-		3,600		100.0%
Payroll Processing Fees		40,000		-		-		40,000		100.0%
Miscellaneous Expenditures		40,000		-		-		40,000		100.0%
Internal Service Fees (ISF)		88,000		-		-		88,000		100.0%
Contract Services Contingency		50,000		1,200		1,200		48,800		97.6%
Internal Administrative Costs Subtotal :	\$	1,505,600	\$	94,601	\$	94,601	\$	1,410,999		93.7%
Actuary and Accounting Services										
Audit	\$	45,000	\$	-	\$	-	\$	45,000		100.0%
Actuary		46,500		-		-		46,500		100.0%
Actuary and Accounting Subtotal:	\$	91,500	\$	-	\$	-	\$	91,500		100.0%
Legal Services										
City Attorney Salaries	\$	188,000	\$	13,972	\$	13,972	\$	174,028		92.6%
Legal Contingency		150,000		-		-		150,000		100.0%
Legal Services Subtotal:	\$	338,000	\$	13,972	\$	13,972	\$	324,028		95.9%
Investment Services										
Money Manager Fees	\$	1,353,000	\$	-	\$	-	\$	1,353,000		100.0%
Custodial Fee		124,000		-		-		124,000		100.0%
Investment Consultant (Meketa)		100,000		-		-		100,000		100.0%
Investment Subtotal:	\$	1,577,000	\$	-	\$	-	\$	1,577,000		100.0%
Total Operating Budget	\$	3,512,100	\$	108,573	\$	108,573	\$	3,403,527		96.91%

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of July 31, 2020

	July 2020
Beginning Cash as of 6/30/2020	\$ 6,324,117
Additions:	
City Pension Contribution - July	\$ 3,637,333
Investment Draw	1,000,000.00
Misc. Receipts	505
Total Additions:	\$ 4,637,839
Deductions:	
Pension Payment (June Pension Paid on 7/1/2020)	(4,427,440)
Expenditures Paid	(454,032)
Total Deductions	\$ (4,881,472)
 Ending Cash Balance as of 7/31/2020*	 \$ 6,080,485

* On 8/1/2020, July pension payment of appx \$4,287,000 will be made leaving a cash balance of \$1,793,000

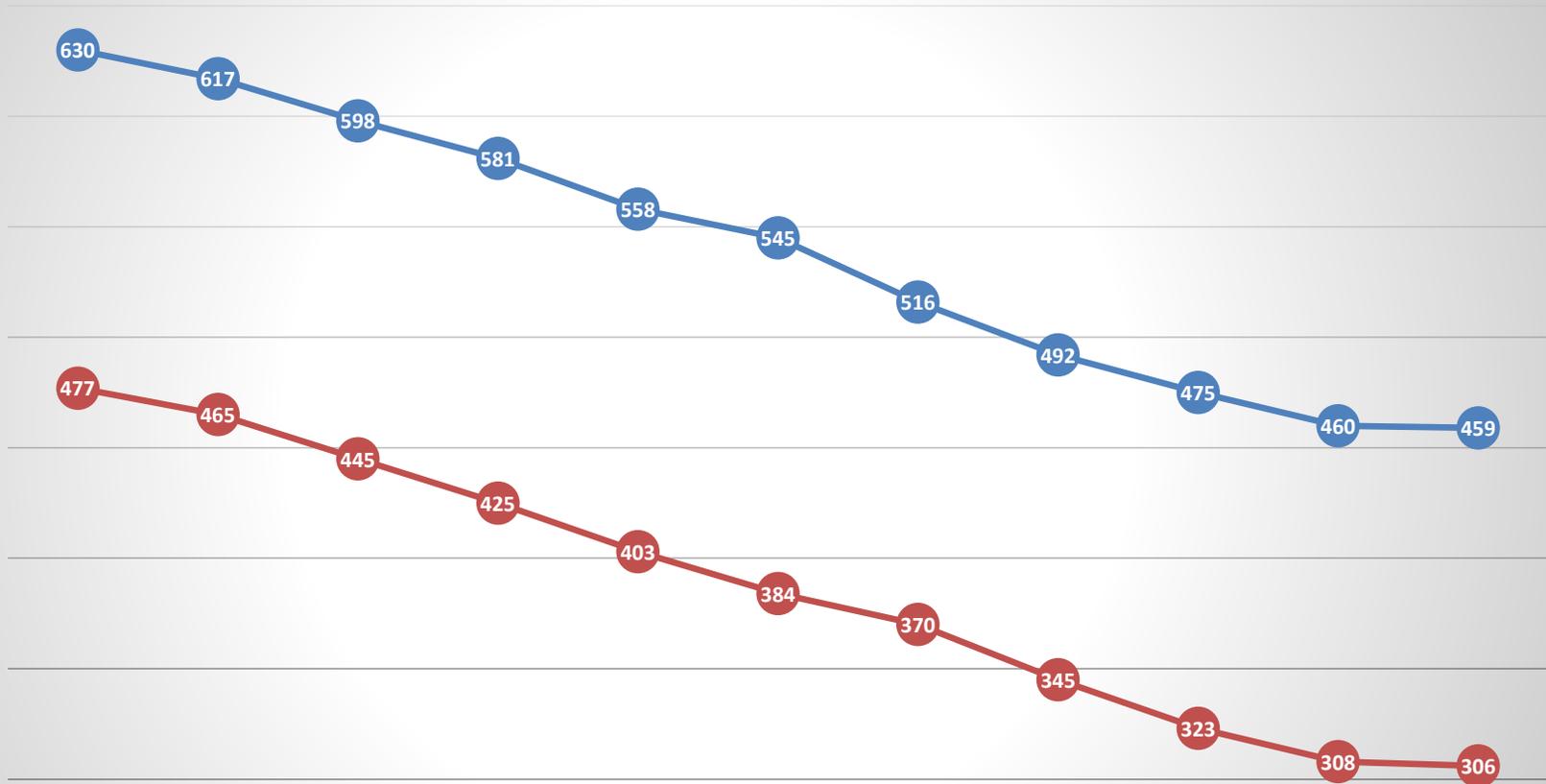
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of July 31, 2020

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	339	194	533
Beneficiary	120	112	232
<i>Total Retired Members</i>	459	306	765
<i>Total Membership:</i>	459	306	765

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	305	157	462
Disability Retirement	141	136	277
Death Allowance	13	13	26
<i>Total Retired Members:</i>	459	306	765
<i>Total Membership as of July 31, 2020:</i>	459	306	765
<i>Total Membership as of June 30, 2020:</i>	460	308	768
<i>Annual Difference:</i>	-1	-2	-3

Oakland Police and Fire Retirement System Pension Plan Membership Count As of July 31, 2020 (FY 2011 - FY 2021)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 FYTD
Police	630	617	598	581	558	545	516	492	475	460	459
Fire	477	465	445	425	403	384	370	345	323	308	306
Total	1107	1082	1043	1006	961	929	886	837	798	768	765

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8003

*Approved as to
Form and Legality*



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION TO APPROVE A TWO-YEAR EXTENSION OF THE PROFESSIONAL SERVICE AGREEMENT BETWEEN THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD AND CHEIRON, INC. THROUGH JUNE 30, 2022 WITH ANNUAL RETAINER FEE AMOUNTS NOT TO EXCEED \$46,500 FOR FY2020-2021 AND \$46,500 FOR FY2021-2022

WHEREAS, at their August 28, 2013 meeting, the Board of the Oakland Police and Fire Retirement System ("PFRS") approved Resolution No. 6765, appointing Cheiron, Inc. to serve as the PFRS plan actuary for the period of July 1, 2013 through June 30, 2016 plus two one-year option for the Board to extend the service agreement; and

WHEREAS, at their June 29, 2016 Board Meeting, the PFRS Board approved by board motion the First Amendment to the service agreement between PFRS and Cheiron, Inc., which exercised both options and extended the service agreement to June 30, 2018; and

WHEREAS, at their August 29, 2018 Board Meeting, the staff of the PFRS Board recommended that the service agreement be extended through June 30, 2020, as the current service agreement between the PFRS Board and Cheiron, Inc. expired on June 30, 2018; and

WHEREAS, at their August 29, 2018 Board Meeting, the PFRS Board approved by board motion the Second Amendment to the service agreement between PFRS and Cheiron, Inc., which extended the service agreement to June 30, 2020; and

WHEREAS, at their September 30, 2020 Board Meeting, the staff of the PFRS Board recommended that the service agreement be extended through June 30, 2022, as the current service agreement between the PFRS Board and Cheiron, Inc. expired on June 30, 2020; and

WHEREAS, at their September 30, 2020 Board Meeting, the PFRS Board approved by board motion the Third Amendment to the service agreement between PFRS and Cheiron, Inc., which extended the service agreement to June 30, 2022; and

WHEREAS, Cheiron, Inc. is desirous of extending the service agreement for two years with annual retainer fee amounts not to exceed \$46,500 for FY 2020-2021 and \$46,500 for FY2021-2022; now, therefore, be it

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

RESOLVED: The Plan Administrator is hereby authorized to execute an amendment to extend the professional service contract with Cheiron, Inc. to perform actuary services for PFRS for a two year period ending June 30, 2022, with annual retainer fee amounts not to exceed \$46,500 for FY2020-2021 and \$46,500 for FY2021-2022.

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE September 30, 2020

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

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

AGENDA

INVESTMENT COMMITTEE MEMBERS

Jaime T. Godfrey
Chairman
R. Steve Wilkinson
Member
Robert W. Nichelini
Member

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

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

Wednesday, September 30, 2020
10:00 am
Tele-Conference Board Meeting
via Zoom

OBSERVE

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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING**

September 30, 2020

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

- - - ORDER OF BUSINESS - - -

- | | |
|------------------------|--|
| 1. Subject: | PFRS Investment Committee Meeting Minutes |
| From: | Staff of the PFRS Board |
| Recommendation: | APPROVE August 26, 2020 Investment Committee meeting minutes. |

- | | |
|------------------------|--|
| 2. Subject: | Investment Market Overview |
| From: | Meketa Investment Group |
| Recommendation: | ACCEPT an informational report on the global investment markets as of August 31, 2020 |

- | | |
|------------------------|--|
| 3. Subject: | \$13.9 Million Drawdown for Fiscal Year 2020/2021 (Quarter Ending December 2020) Member Allowances |
| From: | Meketa Investment Group |
| Recommendation: | RECOMMEND BOARD APPROVAL of the Meketa recommendation of \$13.9 million drawdown, which includes an \$10.9 million contribution from the City of Oakland and a \$3.0 million contribution from the PFRS Investment Fund, to be used to pay for the October 2020 through December 2020 Member Retirement Allowances. |

- | | |
|------------------------|--|
| 4. Subject: | Preliminary Investment Fund Performance Update as Of August 31, 2020 |
| From: | Meketa Investment Group |
| Recommendation: | APPROVE a Preliminary Investment Fund Performance Update as of August 31, 2020. |

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
September 30, 2020

5. **Subject:** Investment Manager Overview – Ramirez Asset Management
From: Ramirez Asset Management
Recommendation: **ACCEPT** an informational report regarding the investment performance and managerial assessment of Ramirez Asset Management, a PFRS Domestic Core Fixed Income Investment Manager.
6. **Subject:** Investment Manager Overview – Ramirez Asset Management
From: Meketa Investment Group
Recommendation: **RECOMMEND BOARD APPROVAL** of evaluation and review of Ramirez Asset Management, a PFRS Domestic Core Fixed Income Investment Manager.
7. **Subject:** Investment Manager Overview – Rice Hall James & Associates, LLC
From: Rice Hall James & Associates, LLC
Recommendation: **ACCEPT** an informational report regarding the investment performance and managerial assessment of Rice Hall James & Associates, LLC, a PFRS Small Cap Growth Investment Manager.
8. **Subject:** Investment Manager Overview – Rice Hall James & Associates, LLC
From: Meketa Investment Group
Recommendation: **RECOMMEND BOARD APPROVAL** of evaluation, review, and recommendation to continue Watch Status of Rice Hall James & Associates. LLC, a PFRS Small Cap Growth Investment Manager.
9. **Subject:** Updated List of Thermal Coal Companies Prohibited from the PFRS Investment Portfolio
From: Meketa Investment Group
Recommendation: **RECOMMEND BOARD APPROVAL** of an updated list from Meketa Investment Group of thermal coal companies prohibited from the PFRS Investment Portfolio.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
September 30, 2020

10. **Subject:** Informational Report regarding emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets
- From:** Staff of the PFRS Board
-
- Recommendation** **DISCUSS** informational report and **PROVIDE STAFF DIRECTION** regarding emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets.
-
11. **Subject:** Termination of Service Agreement with Parametric Portfolio Associates, LLC Crisis Risk Offset Systematic Alternative Risk Premia (SARP) strategy
- From:** Meketa Investment Group
-
- Recommendation:** **RECEIVE** report from Meketa regarding the Parametric Portfolio Associates, LLC, announcement that they will be closing the SARP portfolio no later than year-end 2020 **DISCUSS** possible Board action in response to said changes, including, but not limited to the termination of service agreement with Parametric Portfolio Associates, LLC SARP strategy no later than November 2, 2020 the transfer of PFRS assets managed by Parametric Portfolio Associates, LLC to another investment manager or a comparable Exchange Traded Fund (ETF) **RECOMMEND BOARD APPROVAL** of the Committee's recommended course of action with regard to the Parametric Portfolio Associates, LLC SARP strategy.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
September 30, 2020**

12. Subject: Resolution No. 8002 – Resolution ratifying the August 26, 2020 motion Of The Oakland Police and Fire Retirement System Board to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a management fee rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio’s annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Wellington Management Company, LLP.

From: Staff of PFRS Board

Recommendation: **RECOMMEND BOARD APPROVAL** of Resolution No. 8002 – Resolution ratifying the August 26, 2020 motion Of The Oakland Police and Fire Retirement System Board to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a management fee rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio’s annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Wellington Management Company, LLP.

- 13. Schedule of Pending Investment Committee Meeting Agenda Items**
- 14. Open Forum**
- 15. Future Scheduling**
- 16. Adjournment**

AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held August 26, 2020 via Zoom Tele-Conference

Committee Members:

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

Additional Attendees:

- David Jones, Plan Administrator
- Jennifer Logue, PFRS Legal Counsel
- Teir Jenkins, Staff Member
- Maxine Visaya, Staff Member
- David Sancewich, Meketa Investment Group
- Paola Nealon, Meketa Investment Group
- Sidney Kawanguzi, Meketa Investment Group
- Bill O’Malley, Angela Meringoff, Income Research & Management
- Akshay Anand, Corinne Larson, Barbara McKenna, Longfellow Investment Management Co.
- Joe Marvan, Anand Dharan, Akin Greville, Wellington Management Company LLP

The meeting was called to order at 10:07 am.

1. **Approval of Investment Committee meeting minutes** – Member Nichelini made a motion to approve the July 29, 2020 Investment Committee meeting minutes, second by Member Wilkinson. Motion passed.

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

2. **Investment Market Overview** – David Sancewich provided an informational report on the global economic factors affecting the PFRS Fund as of July 31, 2020, including the impact of the Coronavirus on the world investment markets.

MOTION: Member Nichelini made a motion to accept and move the informational report from Meketa regarding the global economic factors as of July 31, 2020 to the Full Board, second by Member Wilkinson. Motion passed.

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

3. **Investment Fund Performance Report for the Quarter Ending June 30, 2020**– David Sancewich reported on the details of the Investment Fund Performance Report for the Quarter Ending June 30, 2020.

MOTION: Chairperson Godfrey made a motion to accept and move the informational report from Meketa regarding the Investment Fund Performance Report for the Quarter Ending June 30, 2020 to the Full Board, second by Member Nichelini. Motion passed.

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

4. **Preliminary Investment Fund Performance Update as of July 31, 2020**– David Sancewich reported on the details of the Preliminary Investment Fund Performance Update as of July 31, 2020.

MOTION: Chairperson Godfrey made a motion to accept and move the informational report from Meketa regarding Preliminary Investment Fund Performance Update as of July 31, 2020 to the Full Board, second by Member Nichelini. Motion passed.

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

5. **Prospective Core Fixed Income Investments Portfolio Manager Presentations** – The Investment Committee received presentations from a prospective Core Fixed Income Investment Manager Class Investments Portfolio Manager . The manager presentations were made by:

- Income Research & Management, (Bill O'Malley, Angela Meringoff)
- Longfellow Investment Management Co., (Akshay Anand, Corinne Larson, Barbara McKenna)
- Wellington Management Company LLP, (Joe Marvan, Anand Dharan, Akin Greville)

MOTION: After discussion, Chairperson Godfrey made a motion to accept the informational presentations from Income Research & Management, Longfellow Investment Management Co., and Wellington Management Company LLP second by Member Wilkinson. Motion passed.

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

6. **Selection of a New Core Fixed Income Investments Portfolio Manager** – After discussion, the committee selected Wellington Management Company LLP to serve as PFRS's New Core Fixed Income Investment Manager Class Manager and recommended advancing this matter to the Full Board for approval.

MOTION: Member Nichelini made a motion to select and recommend to the Full Board the approval of Wellington Management Company LLP as the new Core Fixed Income Investment Manager Class Investments Portfolio Manager, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y/ NICHELINI – Y/ WILKINSON – ABSTAIN]
(AYES: 3/ NOES: 0/ ABSTAIN: 1)

7. **Resolution No. 7098** – Chairperson Godfrey made a motion to approve Resolution No. 7098 – resolution ratifying the July 29, 2020 motion of the Oakland Police and Fire Retirement System Board to hire Brown Advisory to serve as the Active Small Cap Value Domestic Equity Asset Class Investment Manager for the Oakland Police And Fire Retirement System for a term of five (5) years at a fee rate not to exceed 85 bps (0.85%) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Brown Advisory., second by member Wilkinson. Motion passed.

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

8. **Resolution No 7099** - Chairperson Godfrey made a motion to approve Resolution No. 7099 - resolution Ratifying The July 29, 2020 motion of the Oakland Police And Fire Retirement System Board to hire Blackrock Investment Management Company to serve as the Passive International Equity Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a fee rate not to exceed 4 basis points (4bps or 0.04 percent) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Blackrock Investment Management Company, second by member Nichelini– Motion passed.

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

9. **Resolution No 8000** - Chairperson Godfrey made a motion to approve Resolution No. 8000 - resolution Ratifying The July 29, 2020 motion of the Oakland Police And Fire Retirement System Board to hire Blackrock Investment Management Company to serve as the Long Duration Treasury Plan Component of The Crisis Risk Offset Investment Strategy Portfolio Manager for the Oakland Police And Fire Retirement System at a fee rate not to exceed 4 basis points (4bps or 0.04 percent) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Blackrock Investment Management Company, second by member Nichelini. Motion passed.

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

10. **Scheduling of Pending Investment Committee Meeting Agenda Items** – Chairperson Godfrey made a motion to move the schedule of pending Investment Committee meeting agenda items to the next meeting due to time constraints.

11. **Open Forum** – There were no comments during Open Forum.

12. **Future Scheduling** – The next Investment Committee meeting was scheduled for September 30, 2020 at 10:00 am tentatively.

13. **Adjournment of Meeting** – Chairperson Godfrey made a motion to adjourn the meeting, second by Member Nichelini.

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

The meeting adjourned at 12:51 pm.

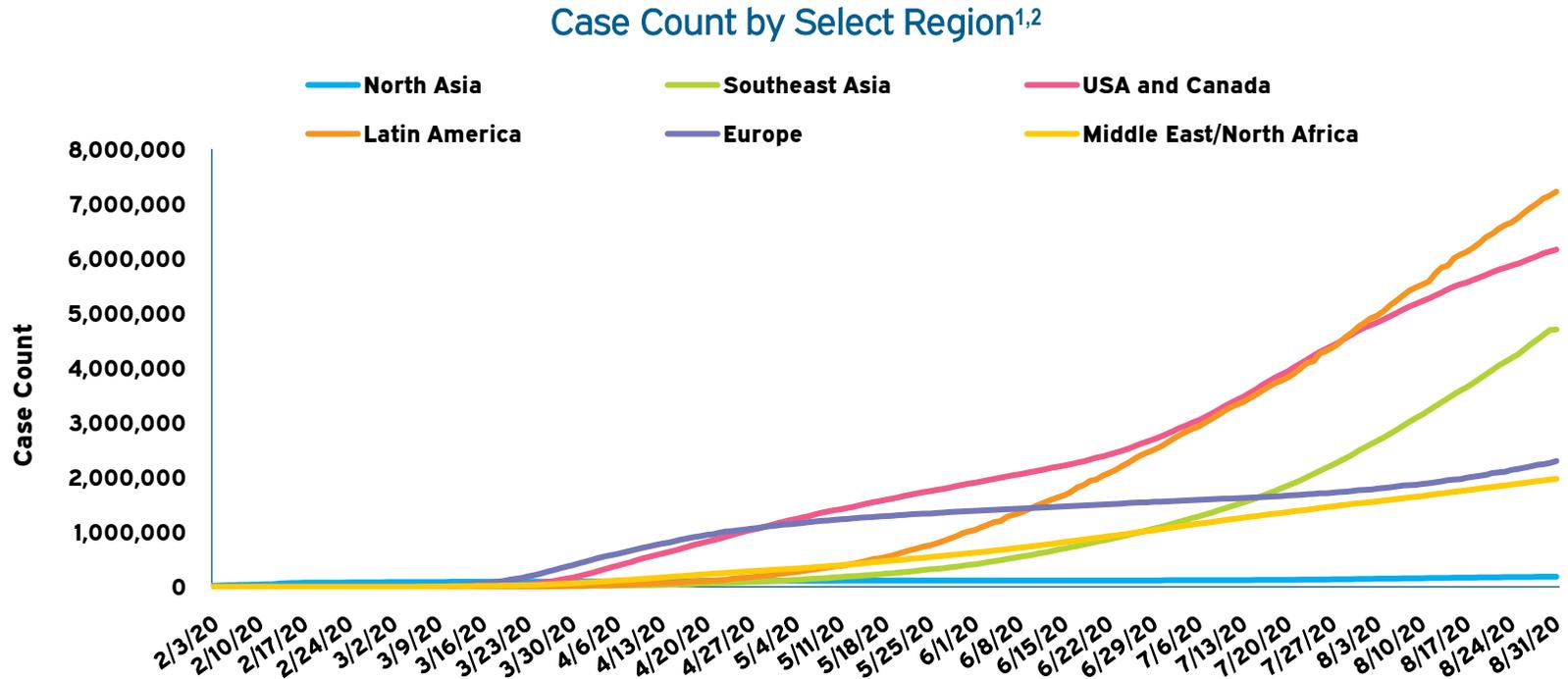
JAIME T. GODFREY, COMMITTEE CHAIRMAN

DATE

Economic and Market Update

Data as of August 31, 2020



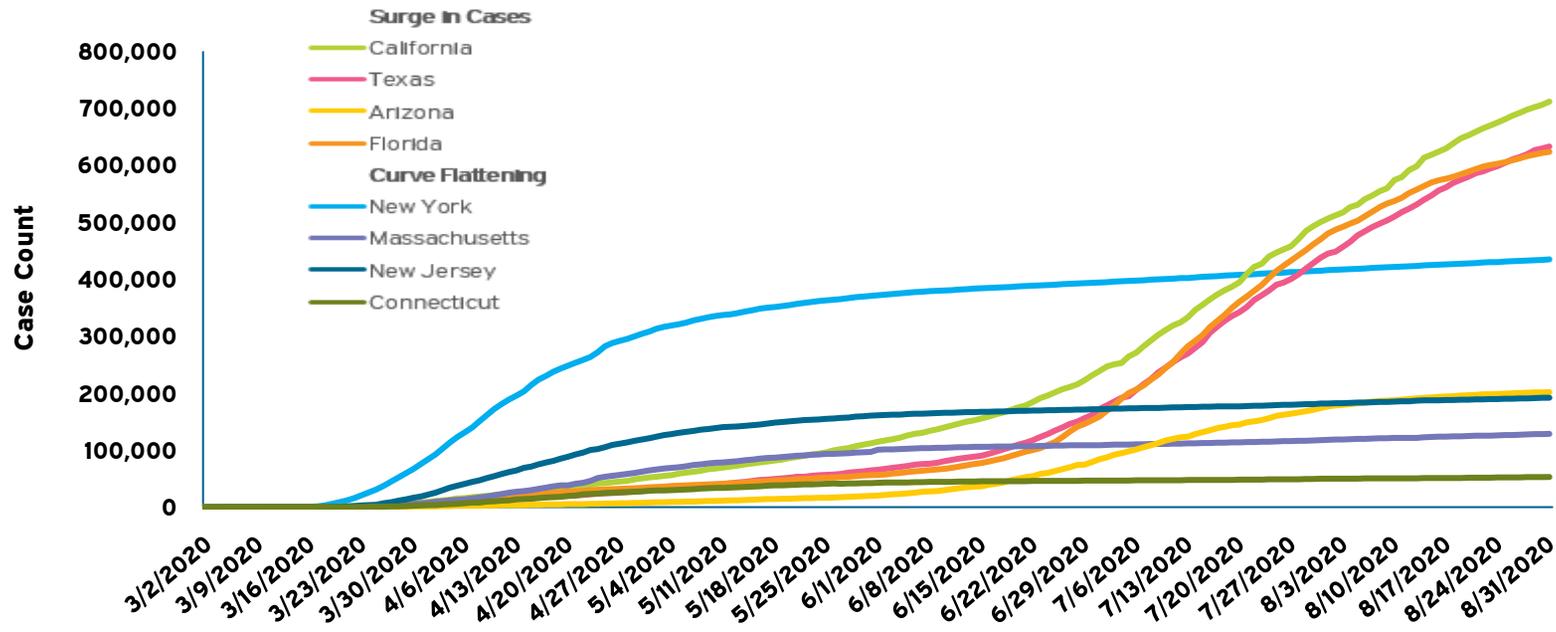


- Cases of COVID-19 continue to grow globally with now over 28 million reported cases across 188 countries.
- The US remains the country with the highest cases, while cases in Latin America are surging, driven by Brazil. India has also emerged as a hotspot with the second most cases globally.

¹ Source: Bloomberg. Data is as of August 31, 2020.

² North Asia: China, Hong Kong, Japan, South Korea, and Taiwan. Southeast Asia: Singapore, India, Indonesia, Malaysia, Pakistan, Philippines, Thailand, Bangladesh, Sri Lanka, and Vietnam. Europe: Austria, Belarus, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Romania, Spain, Sweden, United Kingdom, Switzerland, and Ukraine. Latin America: Chile, Brazil, Mexico, Argentina, Colombia, Peru, Venezuela, Ecuador, Panama, Paraguay, Costa Rica, Bolivia, Uruguay, El Salvador, Honduras, Cuba, Dominican Republic, Haiti, and Nicaragua. Middle East/North Africa: Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Turkey, Tunisia, United Arab Emirates, and Yemen.

COVID-19 Cases by State¹



- There has been some improvement in cases in states that experienced spikes as they reopened, but they are not out of the woods yet.
- Some states that were hardest hit in the early stages made progress on containing the virus, but have also seen small upticks in cases.
- As we move into the colder months, flu season and the reopening of schools in some areas could create additional stresses on the healthcare system.

¹ Source: Bloomberg. Data is as of August 31, 2020.

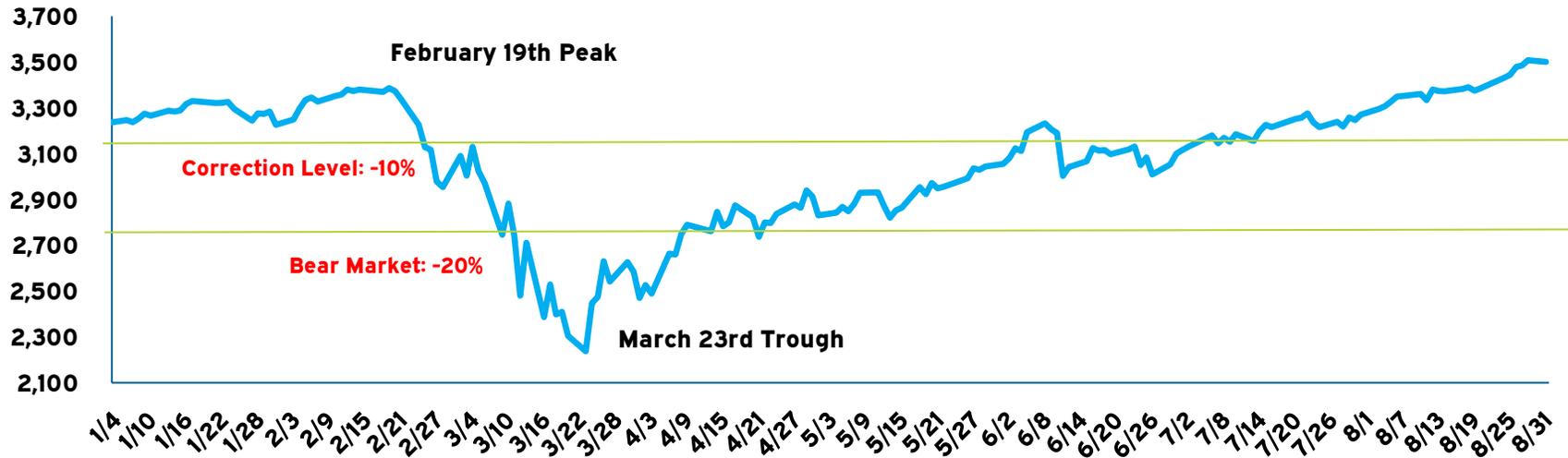
Market Returns¹

Indices	August	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7.2%	9.7%	21.9%	14.5%	14.5%	15.2%
MSCI EAFE	5.1%	-4.6%	6.4%	2.3%	4.7%	5.9%
MSCI Emerging Markets	2.2%	0.4%	14.5%	2.8%	8.7%	3.8%
MSCI China	5.7%	19.7%	36.8%	9.2%	13.7%	7.8%
Bloomberg Barclays Aggregate	-0.8%	6.9%	6.5%	5.1%	4.3%	3.7%
Bloomberg Barclays TIPS	1.1%	9.6%	9.0%	5.7%	4.6%	3.7%
Bloomberg Barclays High Yield	1.0%	1.7%	4.7%	4.9%	6.5%	6.9%
10-year US Treasury	-1.3%	12.5%	8.6%	6.5%	4.4%	4.3%
30-year US Treasury	-6.1%	23.8%	13.6%	12.3%	8.1%	8.1%

- Global risk assets have recovered meaningfully from their lows, largely driven by record fiscal and monetary policy stimulus; the S&P 500 appreciated by over 56% from the mid-March lows.
- Risk assets have reacted positively to the combination of a gradual re-opening of the global economy, some economic data beating expectations, and the potential for a vaccine being developed sooner than initially expected.
- Despite the recovery in risk assets, yields on safe-haven assets like US Treasuries remain at record lows due to expectations for extremely accommodative monetary policy for the foreseeable future and expectations for relatively weak economic growth.

¹ Source: InvestorForce and Bloomberg. Data is as of August 31, 2020.

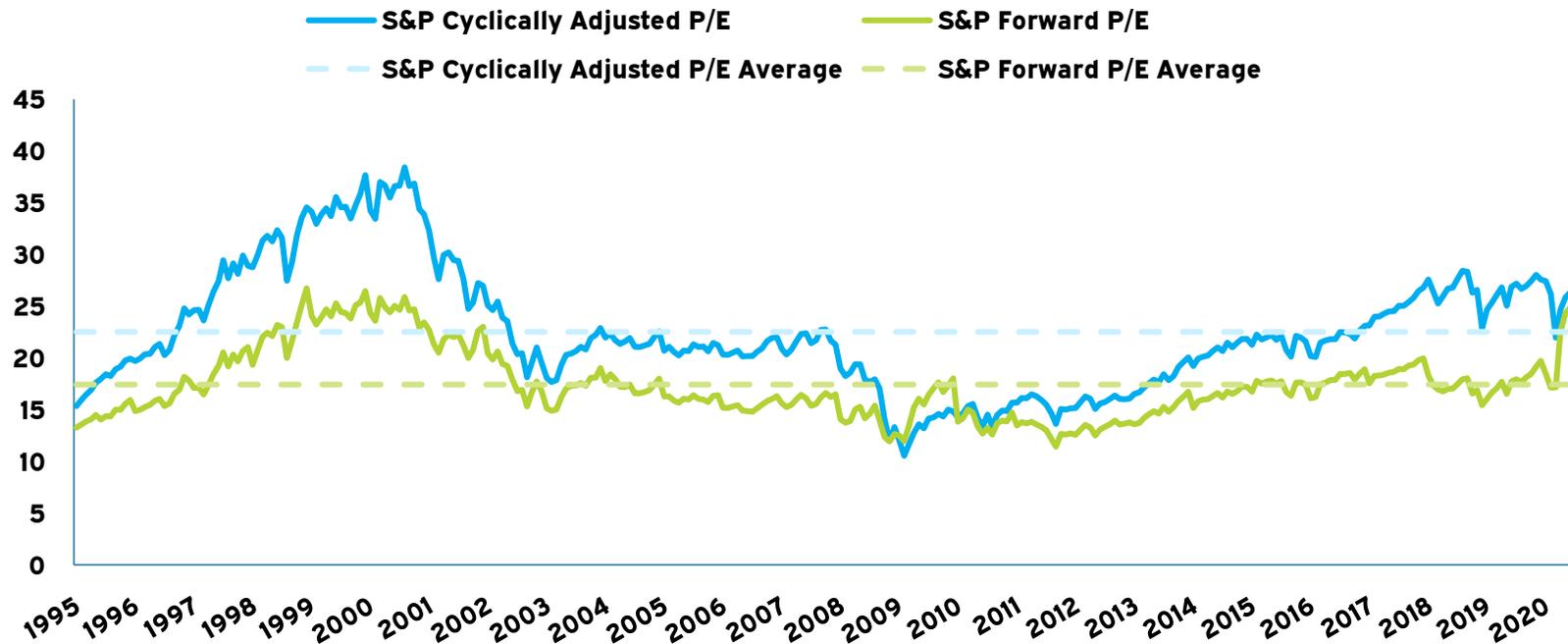
S&P 500 Fully Recovers¹



- Given the anticipated economic carnage surrounding the pandemic, US stocks declined from a February peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 plunged 34% in just 24 trading days.
- The index rebounded quickly from its lows and finished above its pre-COVID levels at the end of August, with year-to-date gains of close to 10%. The largest drivers of the unprecedented recovery include the significant monetary and fiscal stimulus in the US, as well as improvements in parts of the economy as it slowly reopens.
- It is unclear whether the pace of the recovery is sustainable in light of the recent surge in cases, as well as risks such as the looming US election, ongoing trade tensions between the US and China, and continued uncertainty regarding the next round of US fiscal stimulus.

¹ Source: Bloomberg. Data is as of August 31, 2020.

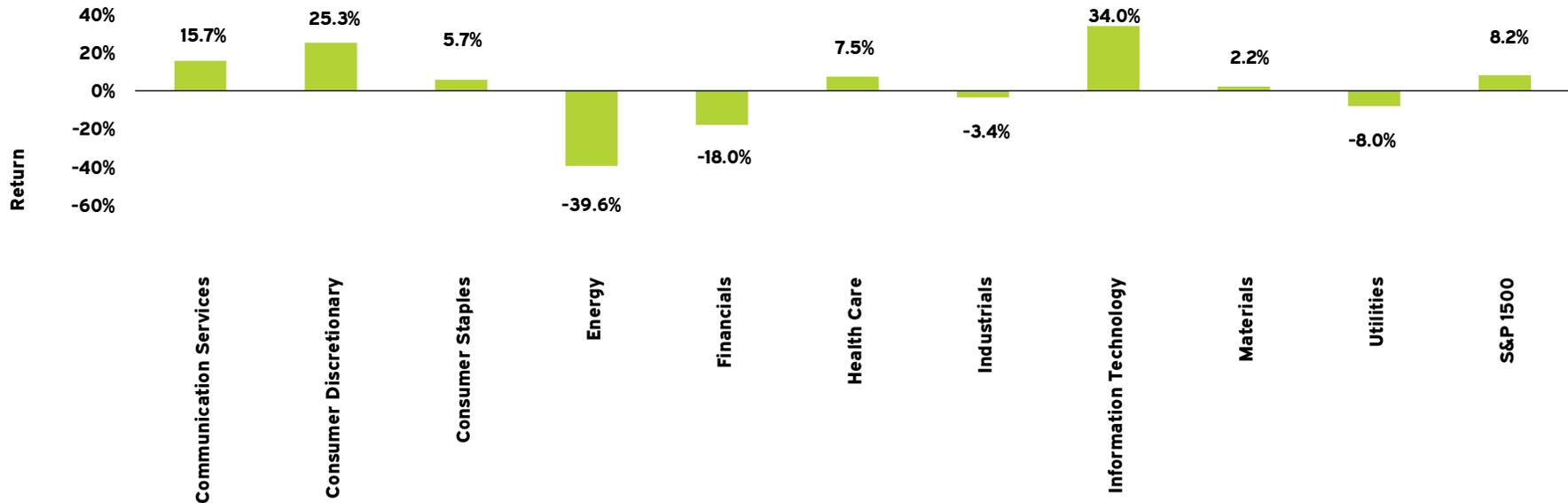
S&P Equity Valuations¹



- As US equity markets continue to rise, valuations based on both forward- and backward-looking earnings have become even more stretched.
- Many are looking to improvements in earnings to support market levels as the US economy continues to reopen, with historically low interest rates also providing support.
- The key risk remains that a spike in COVID-19 cases could slow, or reverse, reopening plans.

¹ Source: Bloomberg. Data is as of August 31, 2020.

2020 YTD Sector Returns¹

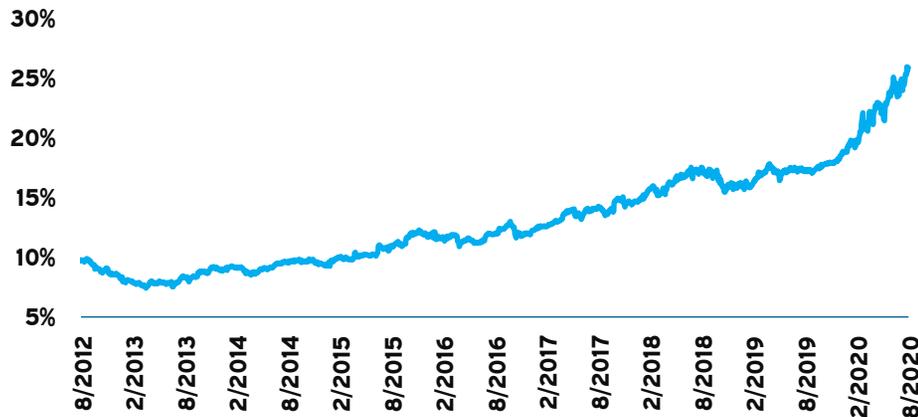


- Information technology remains the best performing sector, with a narrow group of companies including Amazon and Netflix driving market gains. The outperformance has been due to consumers moving to online purchases and entertainment.
- The consumer discretionary sector has also experienced gains as the economy reopens, people return to work, and as stimulus checks were spent.
- The energy sector has seen some improvements given supply cuts and economies starting to reopen, but it remains the sector with the greatest 2020 decline, triggered by the plunge in oil prices. Financials have also struggled in the low interest rate and slow growth environment.

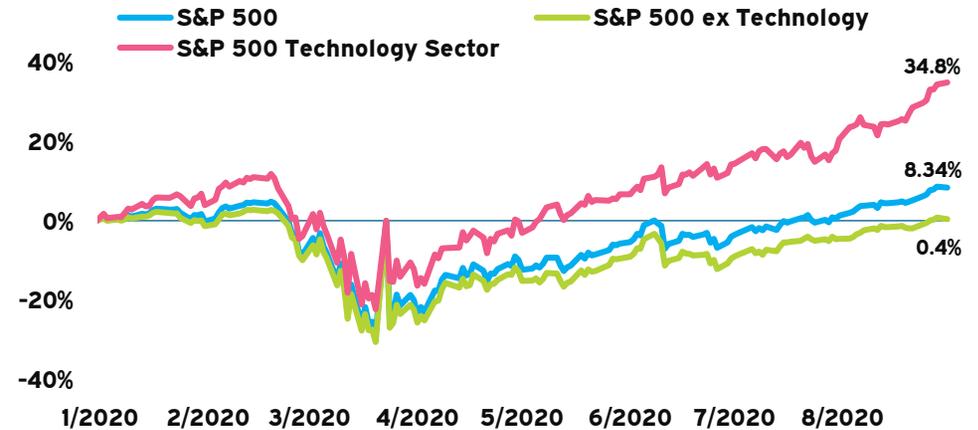
¹ Source: Bloomberg. Data is as of August 31, 2020.

Technology has led the way in the Rebound

FAANG+M Share of S&P 500¹



Returns Year to Date through August 31²

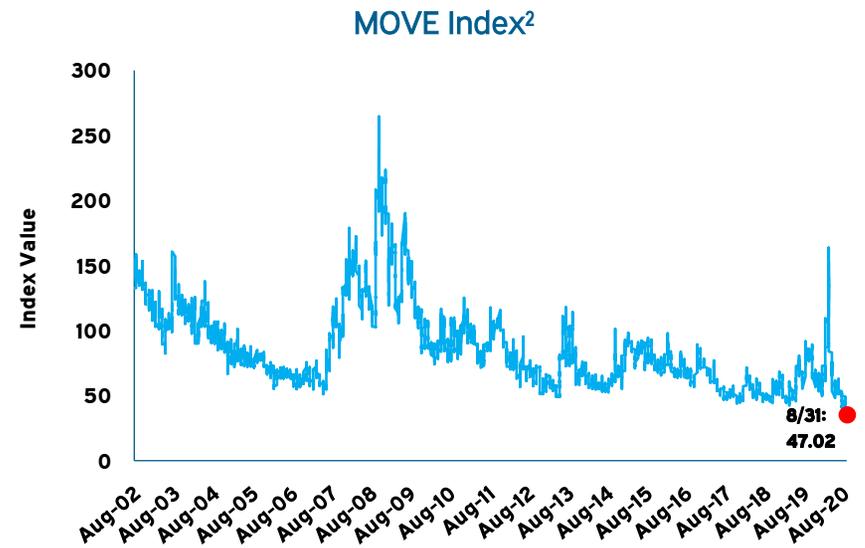
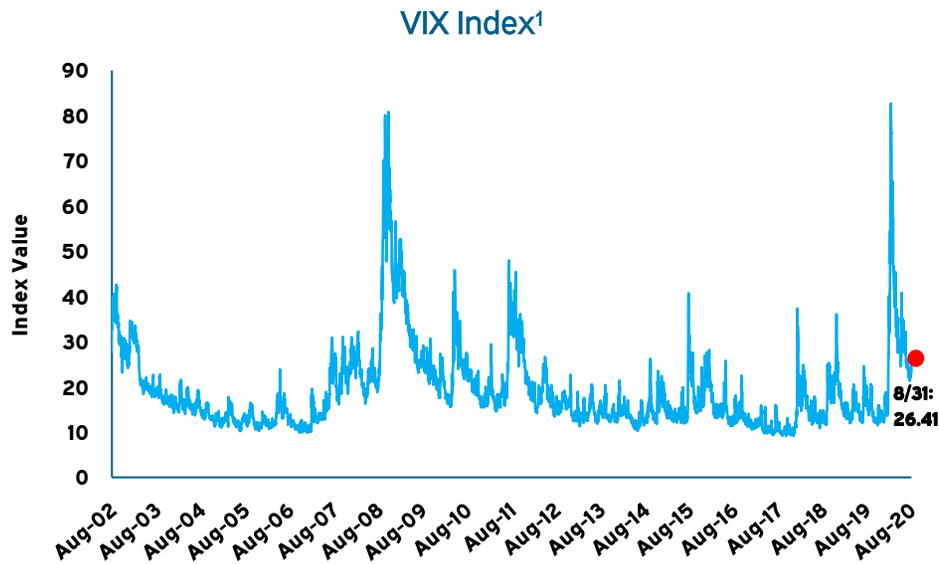


- The recent market recovery has largely been driven by a few select technology companies that benefited from the stay-at-home environment related to the virus.
- Year-to-date, the S&P 500 technology sector returned 34.8% compared to 0.4% for the S&P 500 ex. technology index, with Amazon (+87%), Netflix (+64%), and Apple (+76%) posting strong results.
- The strong relative results of these companies has led to them comprising a growing portion (25.9%) of the S&P 500, which makes their future performance particularly impactful.

¹ FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of August 31, 2020.

² Each data point represents the price change relative to the 12/31/2019 starting value.

Volatility has Declined



- Expectations of short-term equity volatility, as measured by the VIX index, continued to decline from record levels, though it remains elevated relative to the past decade.
- At the recent height, the VIX reached 82.7, surpassing the pinnacle of volatility during the GFC, showing the magnitude of the crisis, and of investor fear.
- Expectations of volatility within fixed income, as represented by the MOVE index, spiked and then returned to historic lows, helped by the broad level of monetary support and forward guidance by the Fed.

¹ Source: Chicago Board of Exchange. Data is as of August 31, 2020.

² Source: Bloomberg. Data is as of August 31, 2020.

Global Financial Crisis Comparison

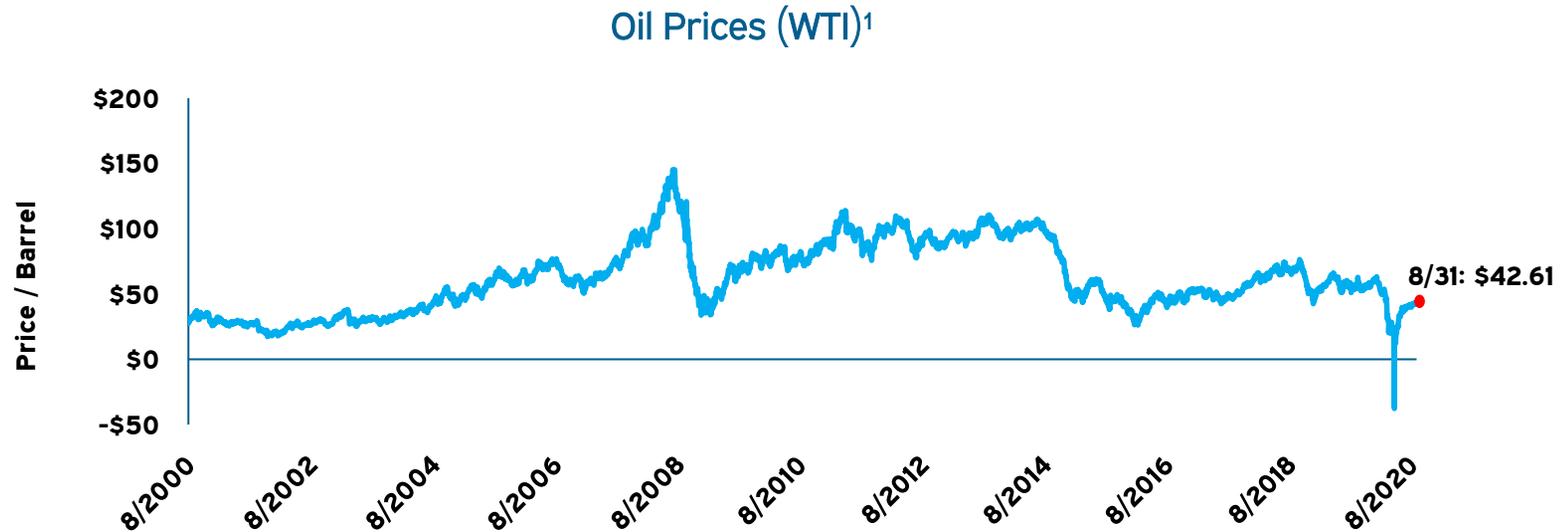
	2007-2009 Global Financial Crisis	COVID-19 Crisis
Primary Causes	<p>Excess Risk Taking Due to:</p> <ul style="list-style-type: none"> Deregulation, un-constrained securitization, shadow banking system, fraud 	<p>Pandemic/Natural Disaster:</p> <ul style="list-style-type: none"> Large scale global restrictions on businesses and individuals leading to immediate and significant deterioration in economic fundamentals
Fiscal Measures	<ul style="list-style-type: none"> American Recovery Reinvestment Act of 2009: \$787 billion Economic Stimulus Act of 2008: \$152 billion 	<ul style="list-style-type: none"> PPP Act: \$659 billion CARES Act of 2020: \$2.3 trillion Families First Coronavirus Response Act: \$150 billion Coronavirus Preparedness & Response Supplemental Appropriations Act 2020: \$8.3 billion National Emergency: \$50 billion
	2007-2009 Global Financial Crisis	COVID-19 Crisis
Monetary Measures		
Lowering Fed Funds Rate	X	X
Quantitative Easing	X	X
Primary Dealer Repos	X	X
Central Bank Swap Lines	X	X
Commercial Paper Funding Facility	X	X
Primary Dealers Credit Facility	X	X
Money Market Lending Facility	X	X
Term Auction Facility	X	
TALF	X	X
TSLF	X	
FIMA Repo Facility		X
Primary & Secondary Corp. Debt		X
PPP Term Facility		X
Municipal Liquidity Facility		X
Main Street Loan Facility		X

Global Financial Crisis Comparison (continued)

- The US **fiscal** response to the COVID-19 Crisis has been materially larger than the response to the 2007-2009 Global Financial Crisis (GFC), and stimulus is acutely focused on areas of the economy showing the greatest need, including small and mid-sized companies. For example, the Paycheck Protection Program (PPP) helps small businesses keep employees working by offering forgivable loans to cover salaries.
- Gridlock continues related to the fifth fiscal package with key issues being discussed/debated including payroll tax cuts, another round of stimulus checks, additional unemployment benefits, and state and local aid. The end to enhanced unemployment benefits in July from the prior stimulus has been particularly impactful to those without jobs.
- On the **monetary** side, markets targeted during both crises represent those most in need, but for the COVID-19 Crisis the policy response was dramatically faster, measured in weeks, not years, as in the GFC.
- Of the monetary stimulus measures, the corporate debt (Primary & Secondary Corporate Debt) programs and Main Street Loan Facility are new and garnered much attention from market participants.
- Through the end of August, Fed programs have experienced various degrees of usage. However, at this point, none has come close to reaching program limits. Still, programs have been extended through December 2020, and the psychological value of knowing the programs are available, if necessary, likely supports market sentiment.

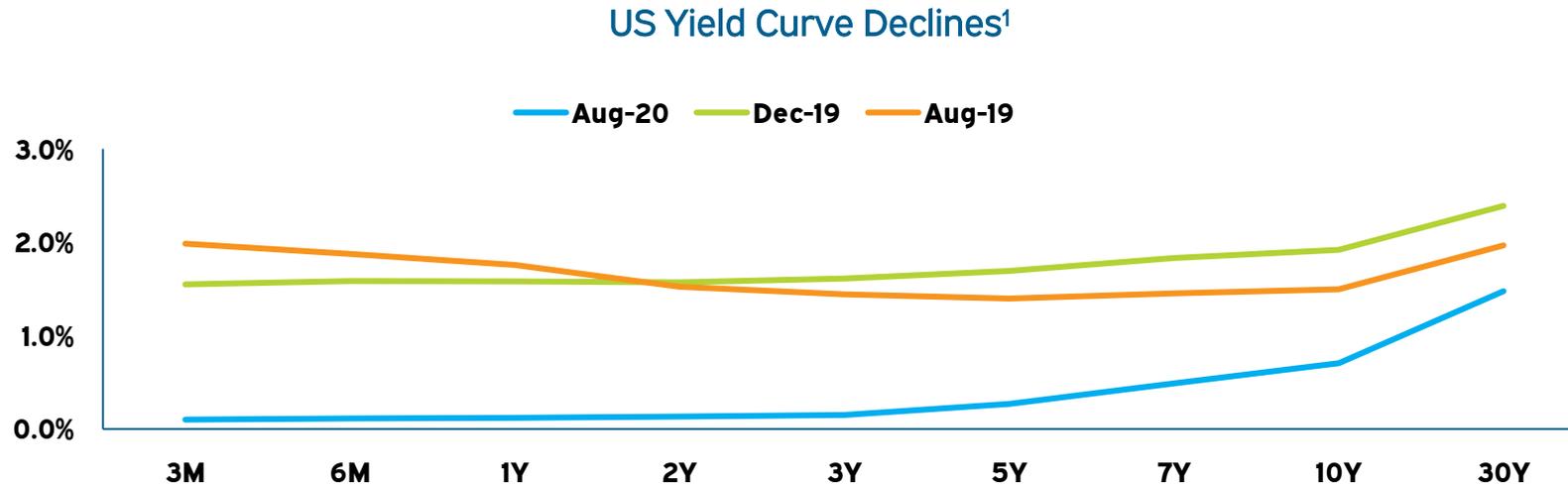
Policy Responses

	Fiscal	Monetary
United States	\$50 billion to states for virus related support, interest waived on student loans, flexibility on tax payments and filings, expanded COVID-19 testing, paid sick leave for hourly workers, \$2 trillion package for individuals, businesses, and state/local governments. Additional \$484 billion package to replenish small business loans, provide funding to hospitals, and increase testing.	Cut policy rates to zero, forward guidance suggesting aggressively accommodative policy for the foreseeable future, unlimited QE4, offering trillions in repo market funding, restarted and extended CPFF, PDCF, MMMF programs to support lending and financing markets, expanded US dollar swap lines with foreign central banks, announced IG corporate debt buying program with subsequent amendment for certain HY securities, Main Street Lending program, Muni liquidity facility, repo facility with foreign central banks, and easing of some financial regulations for lenders.
Euro Area	European Union: Shared 750 billion euro stimulus package. Germany: 220 billion euro stimulus France: 57 billion euro stimulus. Italy: 75 billion euro stimulus. Spain: 200 billion euro and 700 million euro loan and aid package, respectively.	Targeted longer-term refinancing operations aimed at small and medium sized businesses, under more favorable pricing, and announced the 750 billion euro Pandemic Emergency Purchase Program, and then expanded the purchases to include lower-quality corporate debt.
Japan	Hundreds of trillions in yen stimulus for citizens and businesses, including low interest loans, deferrals on taxes, and direct cash handouts.	Initially increased QE purchases (ETFs, corporate bonds, and CP) and then expanded to unlimited purchases and doubling of corporate debt and commercial paper, expanded collateral and liquidity requirements, and 0% interest loans to businesses hurt by virus.
China	Tax cuts, low-interest business loans, extra payments to gov't benefit recipients.	Expanded repo facility, policy rate cuts, lowered reserve requirements, loan-purchase scheme.
Canada	\$7.1 billion in loans to businesses to help with virus damage, C\$381 billion stimulus.	Cut policy rates, expanded bond-buying and repos, lowered bank reserve requirements.
UK (BOE)	190 billion pound stimulus, Tax cut for retailers, small business cash grants, benefits for those infected with virus, expanded access to gov't benefits for self and un-employed.	Lowered policy rates and capital requirements for UK banks, restarts QE program and subsequently increased the purchase amounts.
Australia	\$11.4 billion, subsidies for impacted industries like tourism, one-time payment to gov't benefit recipients.	Policy rate cut, started QE.



- Global oil markets rallied from April lows, including from the technically-induced negative levels that saw the May futures contract trade at nearly -\$40 per barrel.
- In August, OPEC+ began to relax its 9.7 million barrels/day production cuts (~10% of global output) resulting in an increase of supply by close to 1 million barrels/day. Going forward, they are looking to further reduce cuts to 7.7 million barrels/day.
- Counterbalancing the OPEC+ production cut agreement, US oil producers (particularly shale output) are reportedly turning wells back on as the price of oil rises.
- As OPEC+ starts rolling back production cuts, and the virus spread increases with the potential to weigh on demand, oil prices could experience downward pressure going forward.

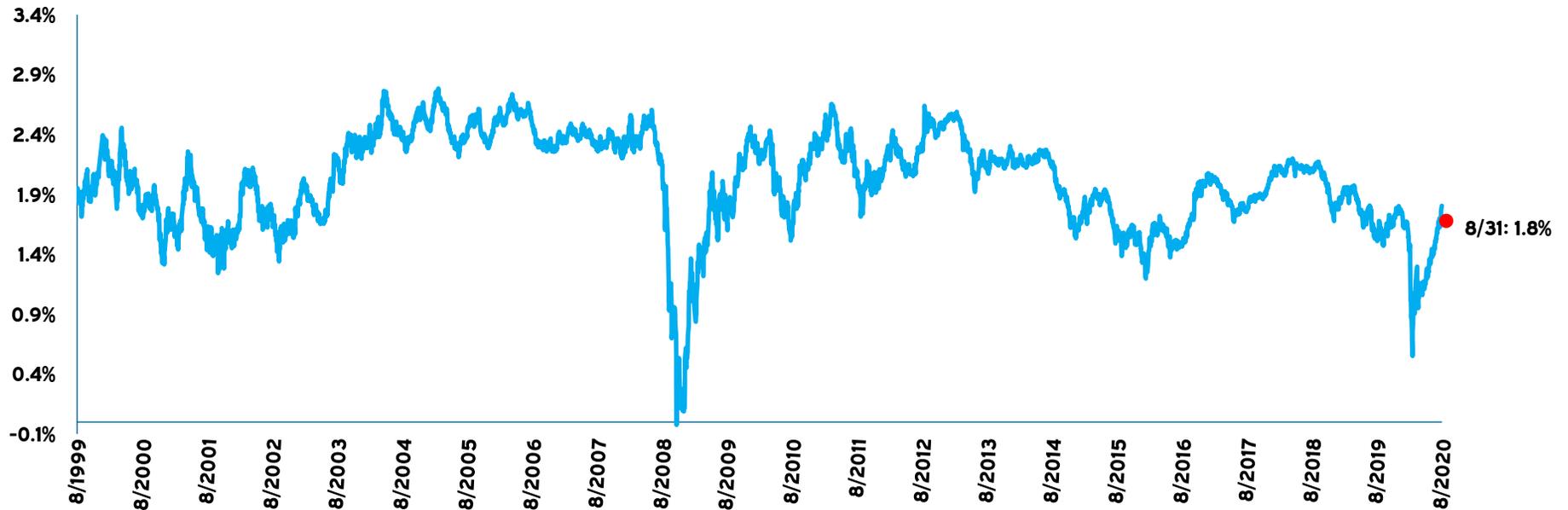
¹ Source: Bloomberg. Represents WTI first available futures contract. Data is as of August 31, 2020.



- The US Treasury yield curve has declined materially since 2019.
- Cuts in monetary policy rates, and policy makers' open commitments to keep rates low for the foreseeable future, drove yields down in shorter maturities, while flight-to-quality flows, low inflation, and economic growth uncertainty have driven the changes in longer maturities.
- The Federal Reserve's unlimited quantitative easing purchase program has produced further downward pressure on interest rates, particularly in the short- and medium-term sectors due to the purchases being focused on those segments.
- Longer dated bonds have recently experienced some pressure as economic data has slowly improved, but more importantly as the Federal Reserve announced its plan to target an average inflation rate.

¹ Source: Bloomberg. Data is as of August 31, 2020.

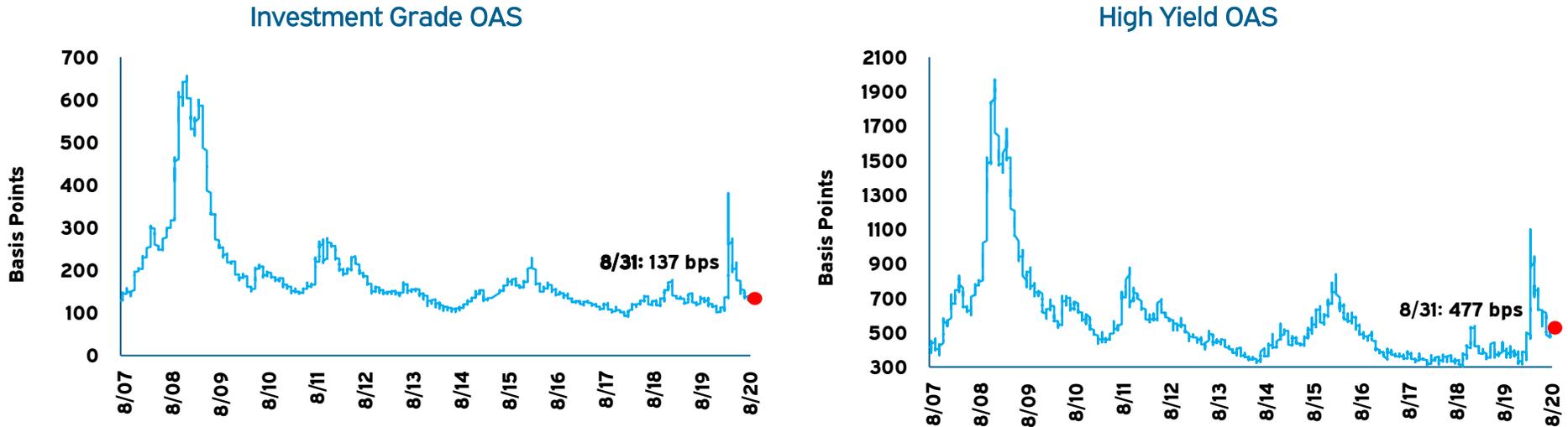
10-Year Breakeven Inflation¹



- Inflation breakeven rates initially declined sharply, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of rate volatility.
- Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated, but given the uncertainty regarding economic growth and the inflationary effects of the unprecedented US fiscal response, inflation expectations continue to remain below historical averages.

¹ Source: Bloomberg. Data is as of August 31, 2020.

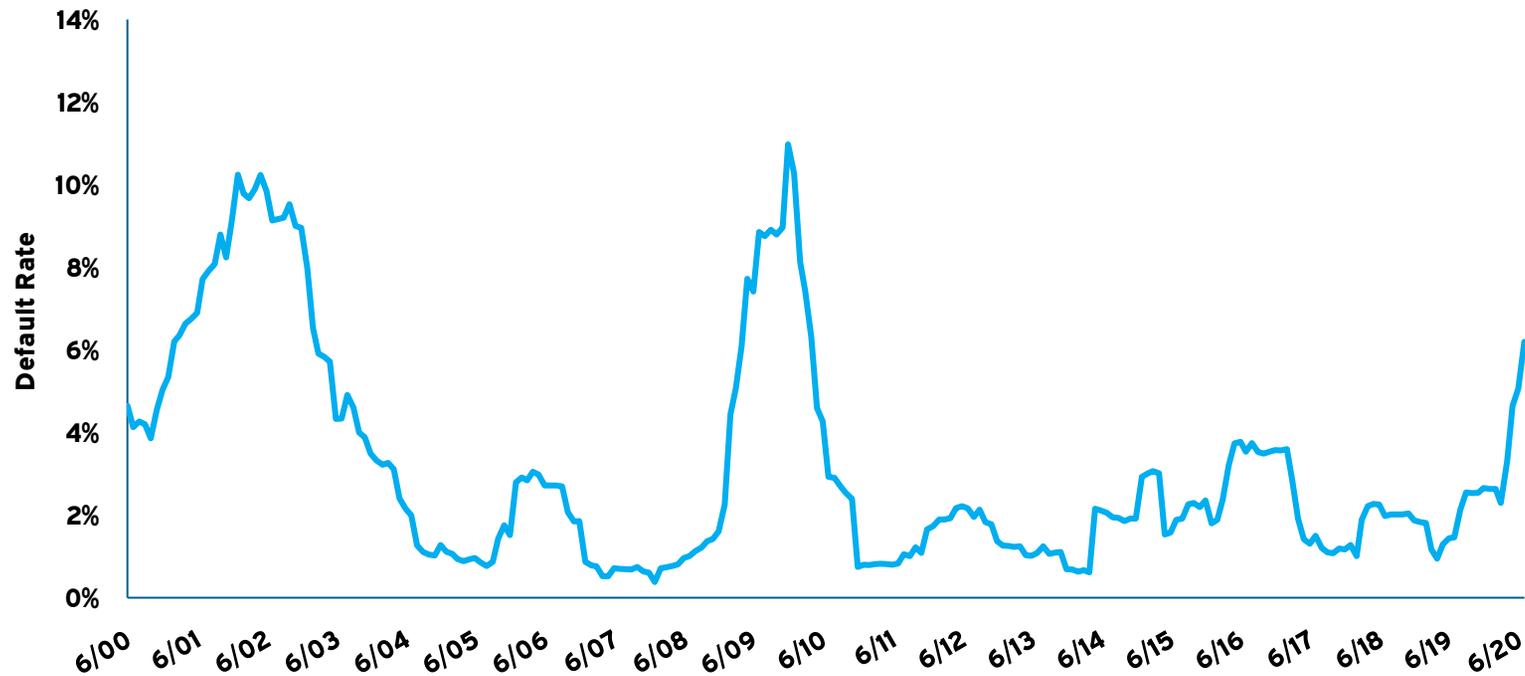
Credit Spreads (High Yield & Investment Grade)¹



- Credit spreads (the spread above a comparable Treasury bond) for investment grade and high yield corporate debt expanded sharply as investors sought safety.
- Investment grade bonds held up better than high yield bonds. The Federal Reserve’s corporate debt purchase program for investment grade and certain high yield securities recently downgraded from investment grade, was well received by investors, leading to a decline in spreads to around long-term averages.
- Overall, corporate debt issuance has more than doubled since 2008, which magnifies the impact of deterioration in the corporate debt market. This is particularly true in the energy sector, which represents over 10% of the high yield bond market.

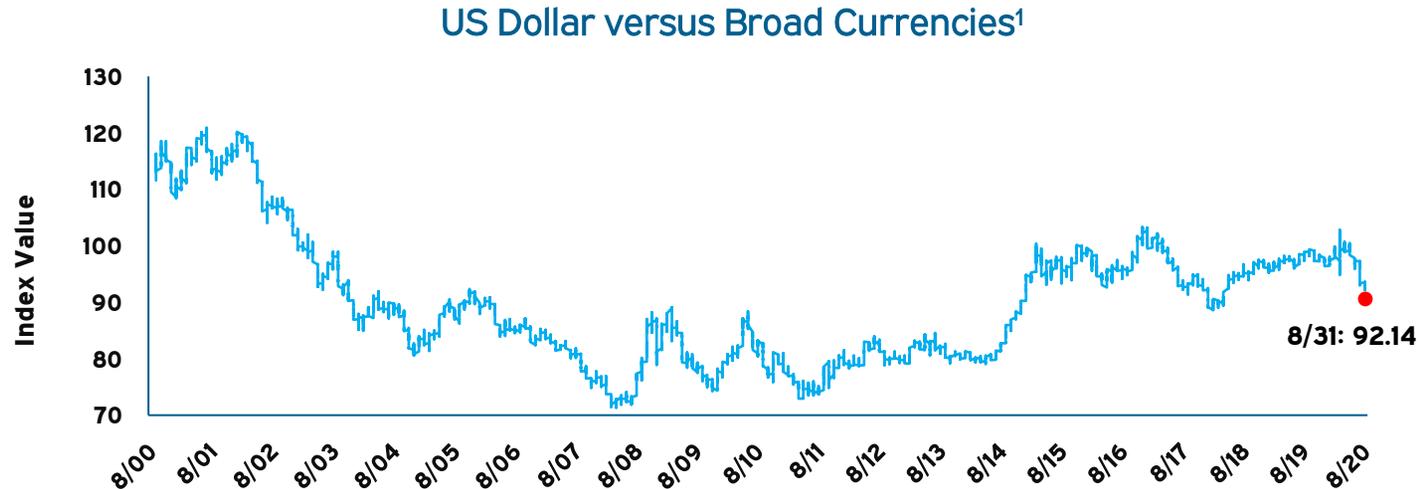
¹ Source: Federal Reserve Bank of St. Louis Economic Research. Data is as of August 31, 2020.

US High Yield Credit Defaults¹



- Even though spreads have declined, helped by the Federal Reserve’s support, defaults, particularly in the high yield sector, have increased dramatically in 2020.
- The energy sector has seen the greatest impact given the decline in oil prices, with defaults reaching double-digit levels and expectations for them to increase.

¹ Source: J.P. Morgan; S&P LCD. July and August data is not yet available. Data is as of June 30, 2020.



- When financial markets began aggressively reacting to COVID-19 developments, the US dollar came under selling pressure as investors sought safe-haven exposure in currencies like the Japanese yen given its current account surplus and its status as the largest creditor globally.
- As the crisis grew into a pandemic, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills. This global demand for US dollars led to appreciation versus most major currencies.
- To help ease global demand for US dollars, the Federal Reserve, working with a number of global central banks, re-established the US dollar swap program, providing some relief to other currencies. Usage of the program continues to decline as dollar funding demands have eased.
- Recently we have seen some weakness in the dollar as interest rates declined and the US struggled with containing the virus. This has created pressures on already stressed export-focused countries.
- Going forward, the dollar's safe haven quality and the relatively higher rates in the US could provide support.

¹ Source: Bloomberg. Represents the DXY Index. Data is as of August 31, 2020.

Economic Impact

Supply Chain Disruptions:

- Factories closing, increased cost of stagnant inventory, and disrupted supply agreements.
- Reduced travel, tourism, and separation policies including closed borders: Significant impact on service-based economies.

Labor Force Impacts:

- Huge layoffs across service and manufacturing economies.
- Increased strains as workforce productivity declines from increased societal responsibilities (e.g., home schooling of children) and lower functionality working from home.
- Illnesses from the disease will also depress the labor force.

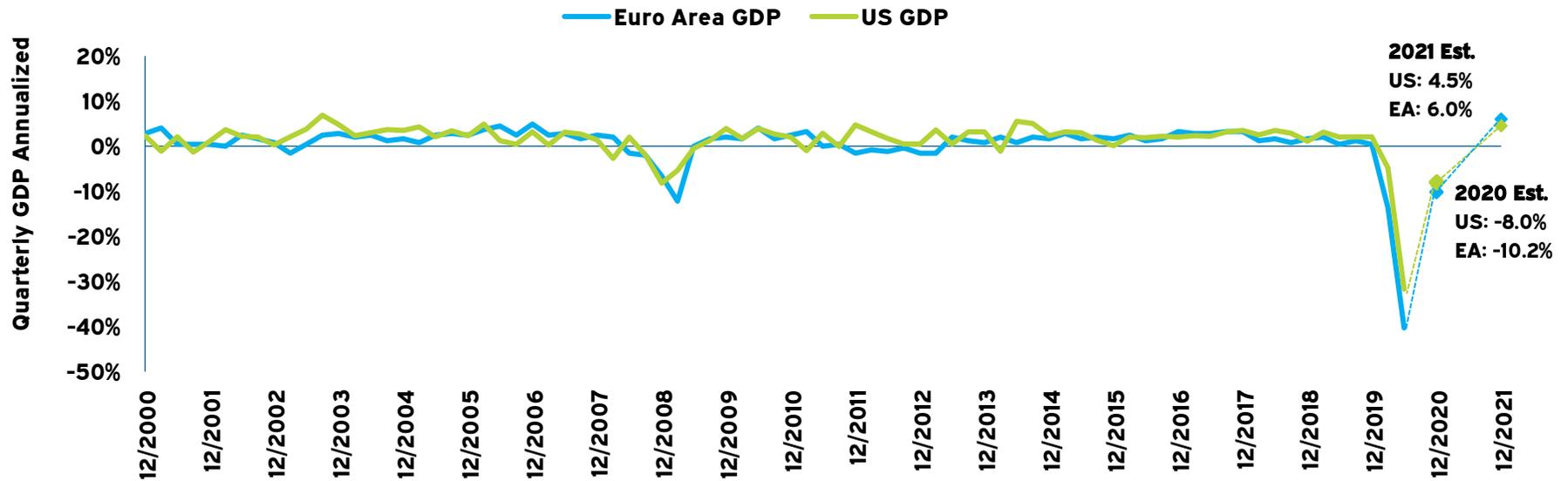
Declines in Business and Consumer Sentiment:

- Sentiment drives investment and consumption, which leads to increased recessionary pressures as sentiment slips.

Wealth Effect:

- As financial markets decline and wealth deteriorates, consumer spending will be impacted.

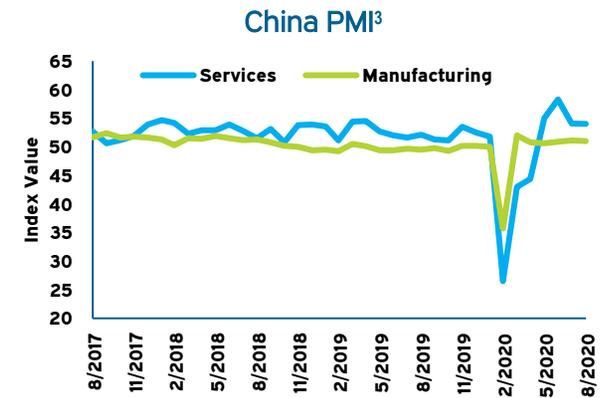
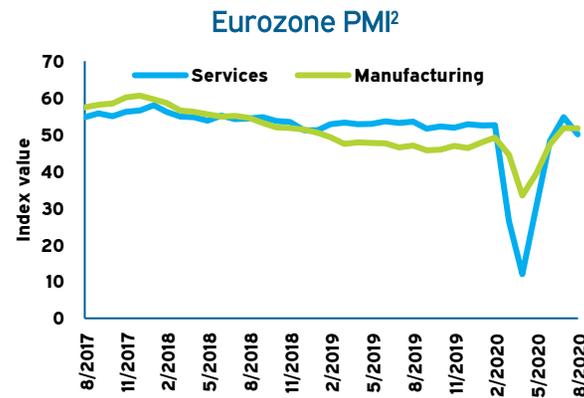
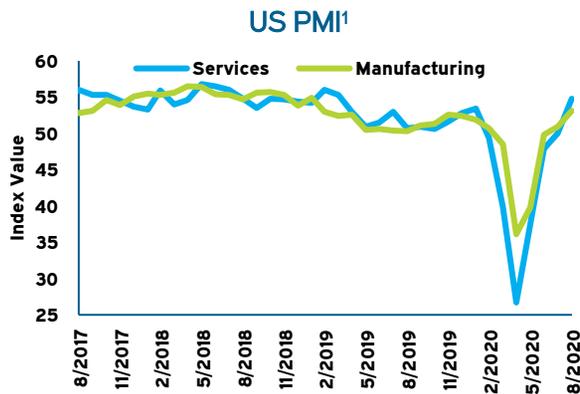
GDP Data Shows Impact of the Pandemic¹



- The global economy faces major recessionary pressures this year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- In the US, second quarter GDP posted a record (annualized) decline of -31.7%, officially putting the US in a recession. Similarly, growth in the Euro Area declined by a record amount with the major economies in Germany, France, Italy, and Spain experiencing historic declines.
- Bloomberg Economics estimates that third quarter US GDP growth could be as high as 21.2% (QoQ annualized).

¹ Source: Bloomberg. Q2 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via June 2020 IMF World Economic Outlook and represent annual numbers.

Global PMIs

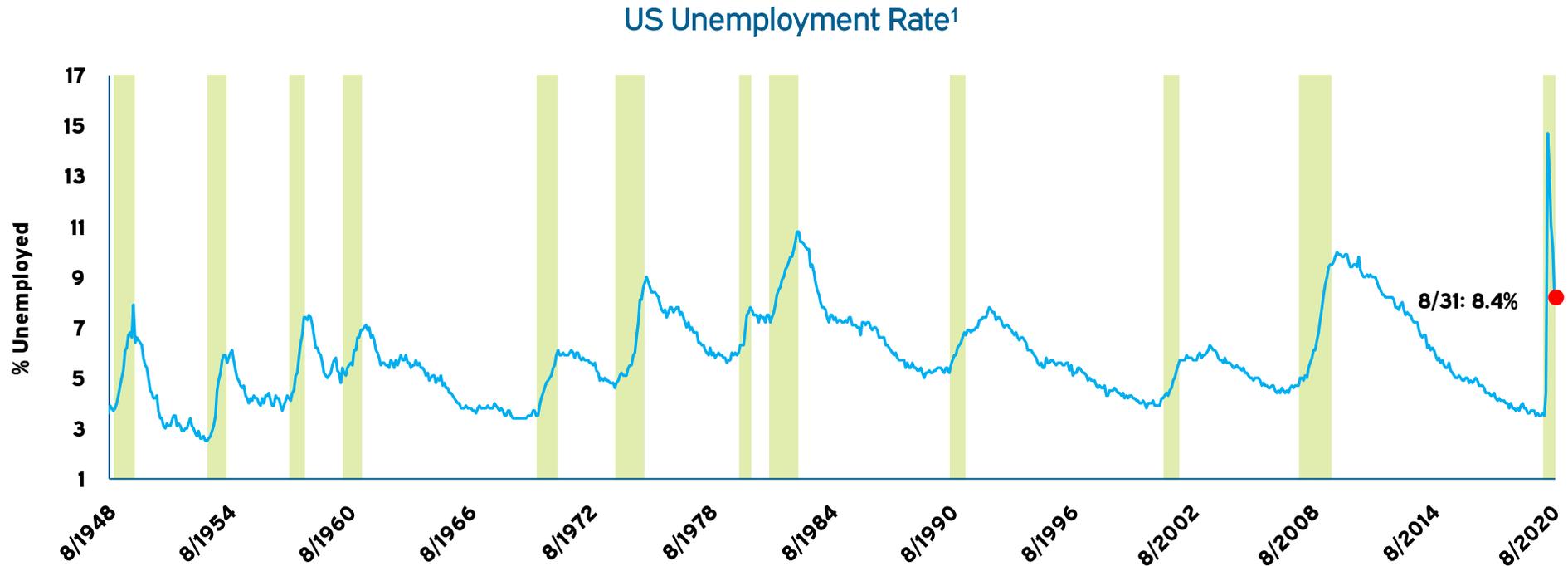


- Purchasing Managers Indices, (PMI) based on surveys of private sector companies, initially collapsed across the world to record lows, as output, new orders, production, and employment were materially impacted by closed economies.
- Readings below 50 represent contractions across underlying components and act as a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was particularly hard hit by the stay-at-home restrictions in many places.
- As the Chinese economy reopened over the last few months, their PMI's, particularly in the service sector, recovered materially. In the US and Europe, the indices have also improved from their lows to above contraction levels.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of August 2020.

² Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of August 2020.

³ Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of August 2020.

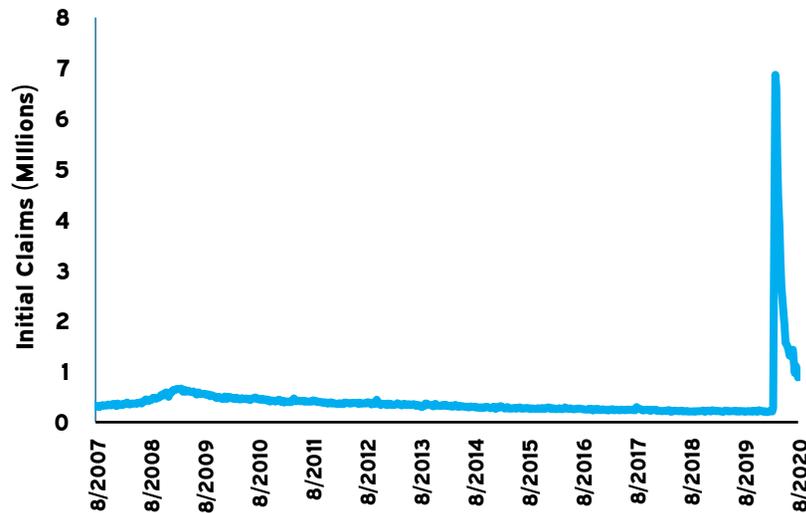


- In August, the unemployment rate continued its decline from the recent April 14.7% peak, falling to 8.4% as businesses and consumers emerged from the lockdown.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported due to issues related to some workers being misclassified. According to the Bureau of Labor Statistics, absent the misclassification issue, the August unemployment rate would be higher by 0.7%.
- The re-opening of some school districts, and upcoming holiday season, could lead to an increase in the unemployment rate going forward.

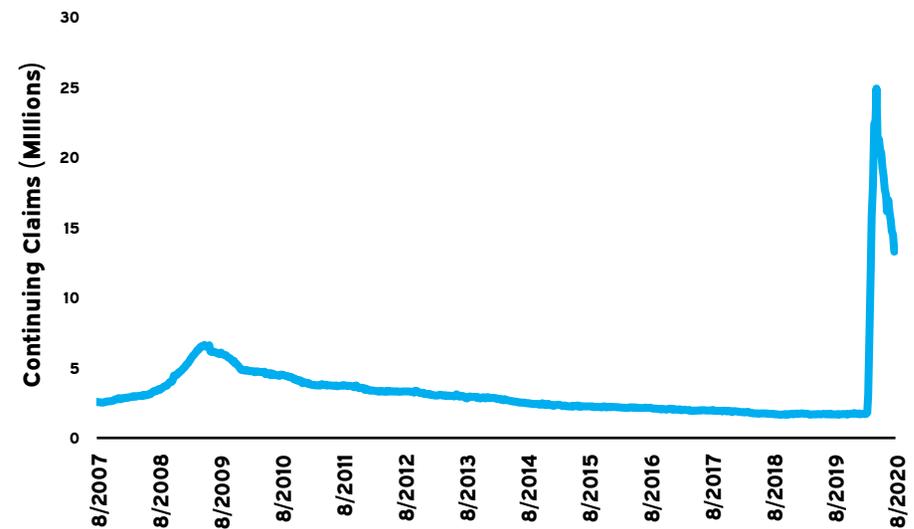
¹ Source: Bloomberg. Data is as of August 31, 2020. Bars represent recessions.

US Jobless Claims

US Initial Jobless Claims¹



Continuing Claims²

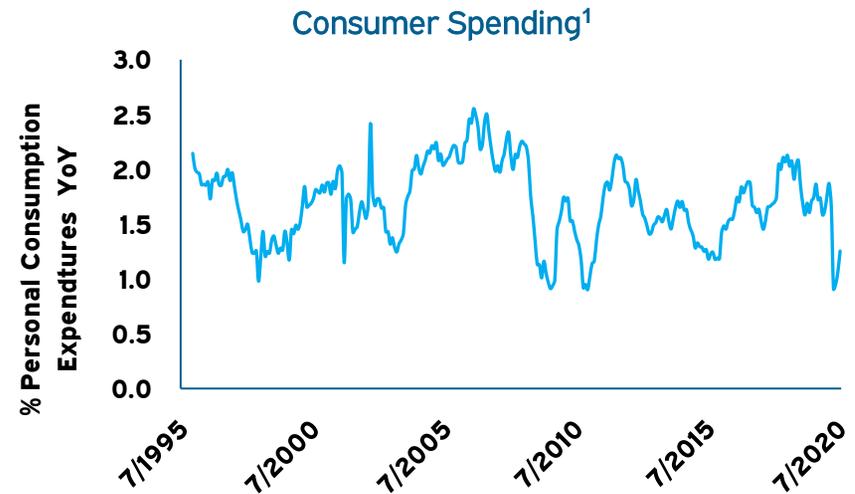
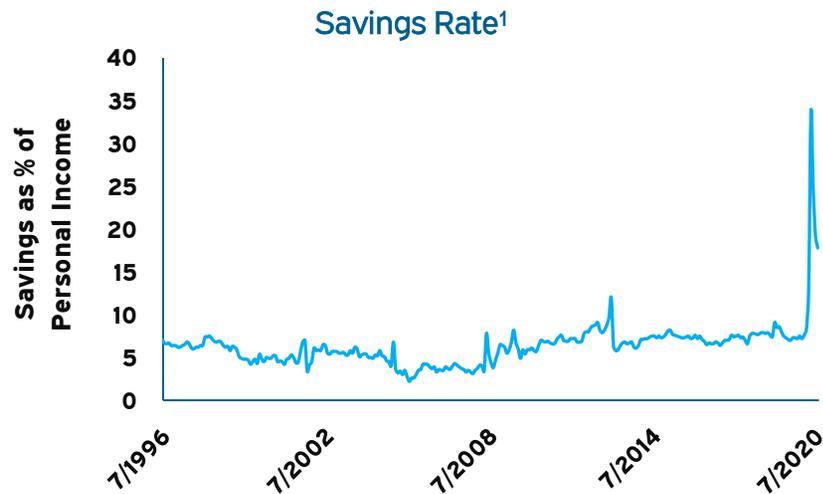


- Over the last 24 weeks, roughly 59.3 million people filed for initial unemployment. This level far exceeds the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the continued decline in initial jobless claims to levels below 1.0 million per week, levels remain many multiples above the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) has also declined from record levels, but remains elevated at 13.4 million.

¹ Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of August 28, 2020.

² Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of August 28, 2020.

Savings and Spending

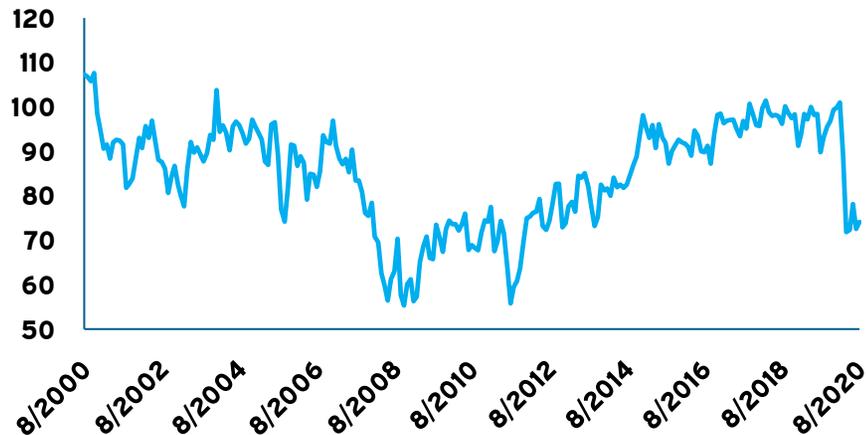


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate has increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening.

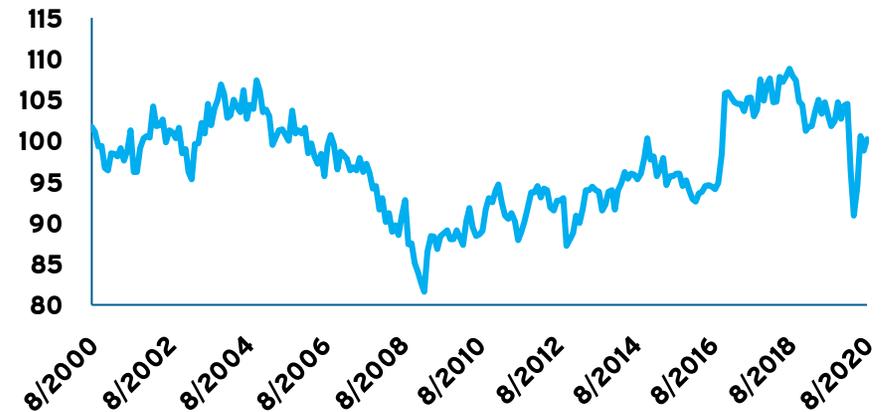
¹ Source: Bloomberg. Latest data is as of July 31, 2020.

Sentiment Indicators

University of Michigan Consumer Sentiment¹



Small Business Confidence²



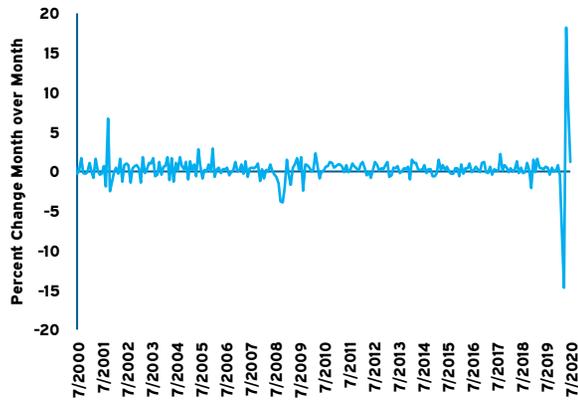
- A strong indicator of future economic activity are the attitudes of businesses and consumers today.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important too.
- Sentiment indicators have shown some improvements as the economy re-opens, but they remain below prior levels.

¹ Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of August 31, 2020.

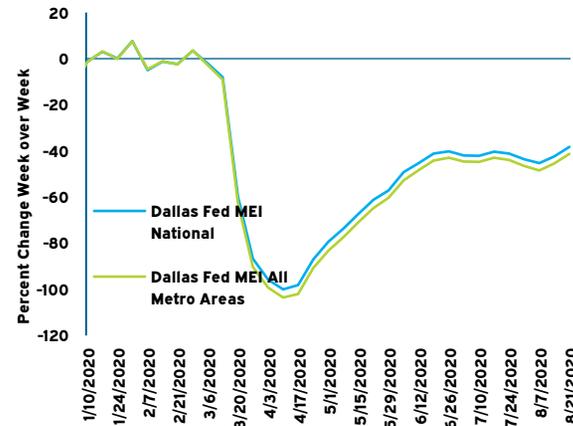
² Source: Bloomberg. NFIB Small Business Optimism Index. Data is as of August 31, 2020.

Some US Data has Improved

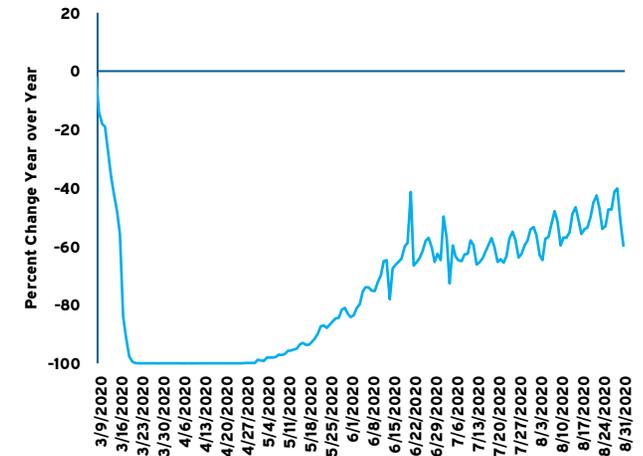
Retail Sales¹



Dallas Fed Mobility and Engagement Index²



OpenTable Seated Diners YoY % Change³



- There have been improvements in high frequency data, but overall levels remain well below prior readings and have slowed in some cases given the recent spike in cases.
- Generally, people have become more active as restrictions eased and stores reopened. Retail sales recovered from a record decline with three consecutive months of growth as the economy reopened, but the pace of growth has been declining.
- Restaurants saw initial improvements before declining and leveling-off, as in-store dining has been cited as a key contributor to increases in infections.

¹ Source: Bloomberg. Data is as of July 31, 2020 and represents the US Retail Sales SA MoM%

² Source: Bloomberg. Data is as of August 21, 2020 and represents the deviation from normal mobility behaviors induced by COVID-19 (formerly the "Social Distancing Index"). The index represents a weighted average of various lengths of time that a mobile device, like a cell phone, leaves its "home" or place of residence, and/or how long a device stays at home. A decline in this index represents a mobile device at home for a longer period of time than average.

³ Source: Bloomberg. This data shows year-over-year seated diners at restaurants on the OpenTable network across all channels: online reservations, phone reservations, and walk-ins. Only states or cities with 50+ restaurants in the sample are included. All such restaurants on the OpenTable network in either period are included. Data is as of August 31, 2020. Index start date 2/19/20.

Looking Forward...

- There will be significant economic impact and a global recession.
 - How deep it will be and how long it will last depend on factors (below) that are unknowable at this time.
- The length of the virus and country responses will be key considerations.
 - As of now, it is not clear the end is in sight, particularly given the recent increases in cases in certain areas; however, individual countries are attempting to lay the groundwork to support a recoveries in their economies.
- Central banks and governments are pledging support, but will it be enough?
 - Market reactions to announced policies have been positive, but additional support will likely be required until the virus gets better contained.
- Expect heightened market volatility should economies start to shut back down given the recent spike in cases.
 - This has been a consistent theme recently; volatility is likely to remain at risk of spiking again for the foreseeable future.
- It is important to retain a long-term focus.
 - History supports the argument that maintaining a long-term focus will ultimately prove beneficial for diversified portfolios.

Prior Drawdowns and Recoveries from 1926-2020¹

Period	Peak-to-Trough Decline of the S&P 500	Approximate Time to Recovery
Sept 1929 to June 1932	-85%	266 months
February 1937 to April 1942	-57%	48 months
May 1946 to February 1948	-25%	27 months
August 1956 to October 1957	-22%	11 months
December 1961 to June 1962	-28%	14 months
February 1966 to October 1966	-22%	7 months
November 1968 to May 1970	-36%	21 months
January 1973 to October 1974	-48%	69 months
September 1976 to March 1978	-19%	17 months
November 1980 to August 1982	-27%	3 months
August 1987 to December 1987	-32%	19 months
July 1990 to October 1990	-20%	4 months
July 1998 to August 1998	-19%	3 months
March 2000 to October 2002	-49%	56 months
October 2007 to March 2009	-57%	49 months
February 2020 to August 2020	-34%	6 months
Average	-36%	39 months
Average ex. Great Depression	-33%	24 months

- As markets have fully recovered to above pre-COVID levels, questions remain about the sustainability of the rally.
- The six month recovery period represents one of the shortest on record, similar to the historic decline.

¹ Source: Goldman Sachs.

Implications for Clients

- Portfolios have generally experienced significant improvements from the March lows.
- Even though equity markets have recovered from their lows, it is important to remain vigilant and be prepared to rebalance if volatility increases again.
 - Before rebalancing, consider changes in liquidity needs given the potential for cash inflows to decline in some cases.
 - Also, consider the cost of rebalancing if investment liquidity declines.
- Diversification works. The latest decline was an example of a flight to quality leading to gains in very high quality bonds.

Performance YTD (through August 31, 2020)

S&P 500	ACWI (ex. US)	Aggregate Bond Index	Balanced Portfolio ¹
9.7%	-3.1%	6.9%	5.3%

- Meketa will continue to monitor the situation and communicate frequently.
 - The situation is fluid and the economic impact is uncertain at this stage.
- Please feel free to reach out with any questions.

¹ Source: InvestorForce. Balanced Portfolio represents 60% MSCI ACWI and 40% Bloomberg Barclays Global Aggregate.

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Oakland Police and Fire Retirement System

September 30, 2020

Cash Flow Report

City of Oakland Police and Fire Retirement System Cash Flow Recommendation Summary

Asset Class / Manager / Liquidity Oct - Dec 2020 Report		
Asset Class	Fund	Tier
Domestic Equity	Northern Trust	1
Domestic Equity	iShares MSCI Min Vol ETF	3
Domestic Equity	EARNEST Partners	3
Domestic Equity	Vanguard Russell 2000 Value ETF	3
Domestic Equity	Rice Hall James	3
Total Domestic Equity		
International Equity	Vanguard Developed ETF	3
International Equity	SGA MSCI ACWI ex-US	3
Total International Equity		
Total Public Equity		
Covered Calls	Parametric	2
Total Covered Calls		
Crisis Risk Offset	Long Duration ETF	3
Crisis Risk Offset	Parametric Risk Premia	3
Total Crisis Risk Offset		
Domestic Fixed Income	Reams	2
Credit	DDJ	2
Domestic Fixed Income	Ramirez	2
Total Public Fixed		
Cash	Cash	1
Total Stable		
Total Portfolio		

Description of Liquidity Tiers

Tier	Description	Amount	in Months
1	Public, Scheduled Withdrawal Allowances	\$109.0	18.2
2	Public, Accommodating of Withdrawals	145.9	24.3
3	Public, Must Plan Withdrawals	152.6	25.4
4	Closely Held	0.0	-
Total		\$407.5	

PFRS Asset Allocation (Aug 31st Market Values)*				
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)
Northern Trust	102.4	25.1%	20.0%	20,900,000
iShares MSCI Min Vol ETF	18.7	4.6%	6.0%	(5,750,000)
EARNEST Partners	35.1	8.6%	8.0%	2,500,000
Vanguard Russell 2000 Value ETF	7.0	1.7%	3.0%	(5,225,000)
Rice Hall James	12.8	3.1%	3.0%	575,000
Total Domestic Equity	176.0	43.2%	40.0%	13,000,000
Vanguard Developed ETF	14.4	3.5%	3.6%	(270,000)
SGA MSCI ACWI ex-US	34.2	8.4%	8.4%	(30,000)
Total International Equity	48.6	11.9%	12.0%	(300,000)
Total Public Equity	224.6	55.1%	52.0%	12,700,000
Wellington	0.0	0.0%	0.0%	-
Total Covered Calls	30.3	7.4%	5.0%	9,925,000
Long Duration ETF	14.6	3.6%	3.3%	1,016,680
Parametric Risk Premia	15.8	3.9%	6.7%	(11,366,395)
Total Crisis Risk Offset	30.4	7.5%	10.0%	(10,349,715)
Reams	29.4	7.2%	12.0%	(19,500,000)
DDJ	7.9	1.9%	2.0%	(250,000)
Ramirez	78.3	19.2%	19.0%	875,000
Total Public Fixed	115.6	28.4%	33.0%	(18,875,000)
Cash	6.6	1.6%	0.0%	6,600,000
Total Stable	122.2	30.0%	33.0%	(12,275,000)
Total Portfolio	407.5	100.0%	100.0%	---

Actual Cash Flows (For July - Sept Benefits) Payable the 1st of each month		Suggested Cash Flows (For Oct - Dec Benefits) Payable the 1st of each month	
Inflow (\$mm)	Outflow (\$mm)	Inflow (\$mm)	Outflow (\$mm)
	(3.0)		(3.0)
10.90	(10.90)	10.90	(10.90)
10.90	(13.90)	10.90	(13.90)

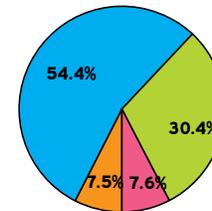
August 31st Market Values by Portfolio Segment

Portfolio Segment	MV (\$mm)
Total Domestic Equity	176.0
Total International Equity	48.6
Total Public Equity	224.6
Total Covered Calls	30.3
Total Crisis Risk Offset	30.4
Total Public Fixed	115.6
Total Stable	122.2
Total Portfolio	407.5

Suggested Cash Withdrawals

Manager	Amount
Cash in Treasury	\$10.9 million
NT R1000	\$3.00 million

Projected Equity to Fixed Allocation (MV) As of 8/31/20



■ Total Covered Calls
■ Total Public Equity
■ Total Stable
■ Total CRO
 \$ difference in MV of Public Equity from 52% allocation:
\$9.8 million

* Estimated based on PFRS Aug 31, 2020 Northern Trust statement.

** Preliminary value as of Aug 31, 2020 per OPFRS staff.

Projected PFRS Asset Allocation (As of September 30th)					
	Est Mkt Value (\$mm)	Est Mkt Value (%)	Target (%)	Projected % Variance (from target)	Projected \$ Variance (from target)
Northern Trust	96.4	24.0%	20.0%	4.0%	16,100,000
iShares MSCI Min Vol ETF	18.7	4.7%	6.0%	-1.3%	(5,390,000)
EARNEST Partners	35.1	8.7%	8.0%	0.7%	2,980,000
Vanguard Russell 2000 Value ETF	7.0	1.7%	3.0%	-1.3%	(5,045,000)
Rice Hall James	12.8	3.2%	3.0%	0.2%	755,000
Total Domestic Equity	170.0	42.3%	40.0%	2.3%	9,400,000
Vanguard Developed ETF	14.4	3.6%	3.6%	0.0%	(54,000)
SGA MSCI ACWI ex-US	34.2	8.5%	8.4%	0.1%	474,000
Total International Equity	48.6	12.1%	12.0%	0.1%	420,000
Total Public Equity	218.6	54.4%	52.0%	2.4%	9,820,000
Wellington	0.0	0.0%	0.0%	0.0%	-
Total Covered Calls	30.3	7.5%	5.0%	2.5%	10,225,000
Long Duration ETF	14.6	3.6%	3.3%	0.3%	1,216,680
Parametric Risk Premia	15.8	3.9%	6.7%	-2.7%	(10,966,399)
Total Crisis Risk Offset	30.4	7.6%	10.0%	-2.4%	(9,749,719)
Reams	29.4	7.3%	12.0%	-4.7%	(18,780,000)
DDJ	7.9	2.0%	2.0%	0.0%	(130,000)
Ramirez	78.3	19.5%	19.0%	0.5%	2,015,000
Total Public Fixed	115.6	28.8%	33.0%	-4.2%	(16,895,000)
Cash	6.6	1.6%	0.0%	1.6%	6,600,000
Total Stable	122.2	30.4%	33.0%	-2.6%	(10,295,000)
Total Portfolio	401.5	100.0%	100.0%	---	---

* August 31st market values are those listed by Northern Trust.

* Report reflects change in asset allocation and beneficiary payments of rebalancing on a quarterly basis. (Estimated at \$13.9 million per OPFRS).

* Report reflects quarterly City of Oakland contributions of approximately \$10.9 million.

* Current City of Oakland quarterly contribution amount is based on FY 2020/2021 actuarial annual required contribution of \$43.65 million. (City of Oakland contribution was \$43.4 million for FY 2018/2019).

* As of August 31st, the projected public equity portfolio represents 54.4% of the portfolio (\$3.9 million more than the target allocation of 52.0%).

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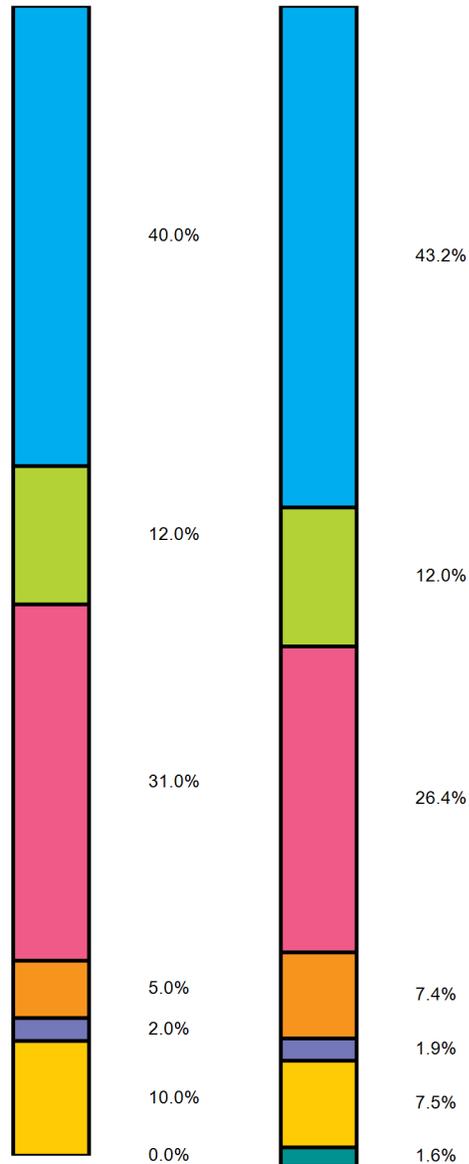
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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Oakland Police and Fire Retirement System

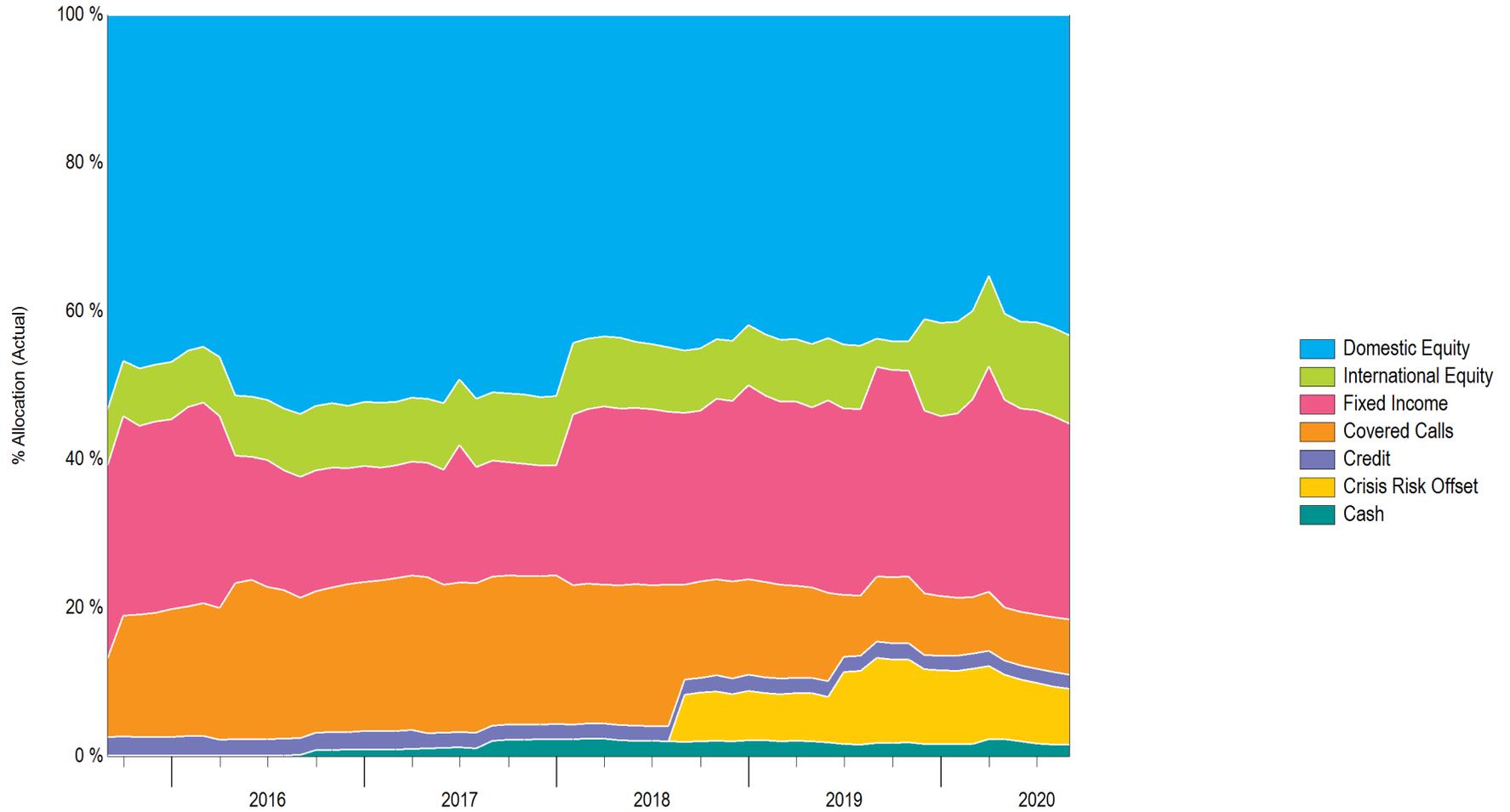
August 2020 Preliminary
Performance Report

OPFRS Total Plan As of August 31, 2020



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Within IPS Range?	
Domestic Equity	\$176,201,584	43.2%	40.0%	3.2%	Yes	
International Equity	\$48,884,040	12.0%	12.0%	0.0%	Yes	
Fixed Income	\$107,680,593	26.4%	31.0%	-4.6%	Yes	
Covered Calls	\$30,290,716	7.4%	5.0%	2.4%	Yes	
Credit	\$7,898,716	1.9%	2.0%	-0.1%	Yes	
Crisis Risk Offset	\$30,467,670	7.5%	10.0%	-2.5%	Yes	
Cash	\$6,584,421	1.6%	0.0%	1.6%	Yes	
Total	\$408,007,740	100.0%	100.0%			

Asset Allocation History
5 Years Ending August 31, 2020



Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
OPFRS Total Plan	408,007,740	100.0	3.0	2.3	7.0	8.8	8.0	9.0	9.2	6.8	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>3.1</i>	<i>5.2</i>	<i>7.0</i>	<i>11.3</i>	<i>8.2</i>	<i>9.1</i>	<i>8.9</i>	<i>8.2</i>	<i>Dec-88</i>
Domestic Equity	176,201,584	43.2	5.8	5.9	11.6	17.3	12.4	12.9	14.6	8.8	Jun-97
<i>Russell 3000 (Blend)</i>			<i>7.2</i>	<i>9.4</i>	<i>13.3</i>	<i>21.4</i>	<i>13.9</i>	<i>13.9</i>	<i>14.9</i>	<i>9.0</i>	<i>Jun-97</i>
International Equity	48,884,040	12.0	3.8	-3.0	7.6	9.1	3.9	7.1	6.7	5.3	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>4.3</i>	<i>-2.7</i>	<i>9.0</i>	<i>8.8</i>	<i>3.1</i>	<i>6.3</i>	<i>5.7</i>	<i>5.4</i>	<i>Jan-98</i>
Fixed Income	107,680,593	26.4	-0.2	6.5	1.9	6.2	5.5	5.0	4.2	5.6	Dec-93
<i>Blmbg BC Universal (Blend)</i>			<i>-0.6</i>	<i>6.4</i>	<i>1.2</i>	<i>6.4</i>	<i>5.1</i>	<i>4.6</i>	<i>4.0</i>	<i>5.5</i>	<i>Dec-93</i>
Credit	7,898,716	1.9	2.1	-1.3	5.8	1.3	2.3	5.2	--	4.7	Feb-15
<i>BBgBarc US High Yield TR</i>			<i>1.0</i>	<i>1.7</i>	<i>5.7</i>	<i>4.7</i>	<i>4.9</i>	<i>6.5</i>	<i>6.9</i>	<i>5.7</i>	<i>Feb-15</i>
Covered Calls	30,290,716	7.4	3.8	2.4	8.5	10.5	7.9	9.6	--	8.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>			<i>2.6</i>	<i>-9.6</i>	<i>6.5</i>	<i>-4.3</i>	<i>1.4</i>	<i>4.7</i>	<i>6.4</i>	<i>4.4</i>	<i>Apr-14</i>
Crisis Risk Offset	30,467,670	7.5	-2.5	-20.1	0.1	-20.3	--	--	--	-8.2	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>			<i>-1.1</i>	<i>-13.3</i>	<i>-0.9</i>	<i>-13.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.8</i>	<i>Aug-18</i>
Cash	6,584,421	1.6	0.0	1.0	0.0	1.7	2.0	1.4	--	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>			<i>0.0</i>	<i>0.5</i>	<i>0.0</i>	<i>1.2</i>	<i>1.7</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>

Market values and returns based on preliminary custodial data and manager estimates.

OPFRS Total Plan As of August 31, 2020

Trailing Net Performance												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
OPFRS Total Plan	408,007,740	100.0	--	3.0	7.0	2.3	8.8	8.0	9.0	9.2	6.8	Dec-88
<i>OPFRS Policy Benchmark</i>				<i>3.1</i>	<i>7.0</i>	<i>5.2</i>	<i>11.3</i>	<i>8.2</i>	<i>9.1</i>	<i>8.9</i>	<i>8.2</i>	<i>Dec-88</i>
Domestic Equity	176,201,584	43.2	43.2	5.8	11.6	5.9	17.3	12.4	12.9	14.6	8.8	Jun-97
<i>Russell 3000 (Blend)</i>				<i>7.2</i>	<i>13.3</i>	<i>9.4</i>	<i>21.4</i>	<i>13.9</i>	<i>13.9</i>	<i>14.9</i>	<i>9.0</i>	<i>Jun-97</i>
Northern Trust Russell 1000	102,446,721	25.1	58.1	7.3	13.6	10.3	22.4	14.6	14.3	15.1	14.4	Jun-10
<i>Russell 1000</i>				<i>7.3</i>	<i>13.6</i>	<i>10.4</i>	<i>22.5</i>	<i>14.6</i>	<i>14.3</i>	<i>15.2</i>	<i>14.4</i>	<i>Jun-10</i>
EARNEST Partners	35,141,215	8.6	19.9	4.5	10.0	4.0	14.2	12.8	14.1	15.1	10.0	Apr-06
<i>Russell MidCap</i>				<i>3.5</i>	<i>9.6</i>	<i>-0.4</i>	<i>8.7</i>	<i>8.8</i>	<i>9.8</i>	<i>13.1</i>	<i>8.4</i>	<i>Apr-06</i>
Vanguard Russell 2000 Value	7,045,741	1.7	4.0	5.3	7.6	-17.3	-5.7	--	--	--	-9.9	Aug-19
<i>Russell 2000 Value</i>				<i>5.4</i>	<i>7.6</i>	<i>-17.7</i>	<i>-6.1</i>	<i>-1.4</i>	<i>4.4</i>	<i>8.7</i>	<i>-10.6</i>	<i>Aug-19</i>
Rice Hall James	12,839,518	3.1	7.3	2.8	9.5	6.7	17.0	10.6	--	--	9.6	Jul-17
<i>Russell 2000 Growth</i>				<i>5.9</i>	<i>9.5</i>	<i>6.2</i>	<i>17.3</i>	<i>10.9</i>	<i>10.5</i>	<i>14.1</i>	<i>10.6</i>	<i>Jul-17</i>
iShares Edge MSCI Min Vol	18,728,389	4.6	10.6	2.7	7.4	--	--	--	--	--	21.2	Apr-20
<i>MSCI USA Minimum Volatility GR USD</i>				<i>2.9</i>	<i>7.5</i>	<i>0.5</i>	<i>4.6</i>	<i>11.4</i>	<i>12.7</i>	<i>14.4</i>	<i>21.3</i>	<i>Apr-20</i>
International Equity	48,884,040	12.0	12.0	3.8	7.6	-3.0	9.1	3.9	7.1	6.7	5.3	Jan-98
<i>MSCI ACWI ex US (Blend)</i>				<i>4.3</i>	<i>9.0</i>	<i>-2.7</i>	<i>8.8</i>	<i>3.1</i>	<i>6.3</i>	<i>5.7</i>	<i>5.4</i>	<i>Jan-98</i>
Vanguard Developed Markets	14,373,210	3.5	29.4	5.2	7.9	-3.9	7.4	--	--	--	7.4	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>5.3</i>	<i>8.5</i>	<i>-3.6</i>	<i>7.9</i>	<i>2.8</i>	<i>4.6</i>	<i>4.2</i>	<i>7.9</i>	<i>Sep-19</i>
SGA ACWI ex-U.S. Equity	34,168,255	8.4	69.9	3.6	7.8	-1.3	--	--	--	--	-0.7	Dec-19
<i>MSCI ACWI ex USA Gross</i>				<i>4.3</i>	<i>9.0</i>	<i>-2.7</i>	<i>8.8</i>	<i>3.1</i>	<i>6.3</i>	<i>5.7</i>	<i>1.5</i>	<i>Dec-19</i>

International equity performance inclusive of residual cash in Fisher and Hansberger transition accounts.

OPFRS Total Plan As of August 31, 2020

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Fixed Income	107,680,593	26.4	26.4	-0.2	1.9	6.5	6.2	5.5	5.0	4.2	5.6	Dec-93
<i>Blmbg BC Universal (Blend)</i>				<i>-0.6</i>	<i>1.2</i>	<i>6.4</i>	<i>6.4</i>	<i>5.1</i>	<i>4.6</i>	<i>4.0</i>	<i>5.5</i>	<i>Dec-93</i>
Ramirez	78,296,249	19.2	72.7	-0.2	1.9	5.4	4.8	5.2	--	--	5.5	Jan-17
<i>BBgBarc US Aggregate TR</i>				<i>-0.8</i>	<i>0.7</i>	<i>6.9</i>	<i>6.5</i>	<i>5.1</i>	<i>4.3</i>	<i>3.7</i>	<i>5.2</i>	<i>Jan-17</i>
Reams	29,384,301	7.2	27.3	-0.1	1.9	18.0	17.3	8.9	6.7	5.4	6.2	Feb-98
<i>Blmbg BC Universal (Blend)</i>				<i>-0.6</i>	<i>1.2</i>	<i>6.4</i>	<i>6.4</i>	<i>5.1</i>	<i>4.6</i>	<i>4.0</i>	<i>5.2</i>	<i>Feb-98</i>
Credit	7,898,716	1.9	1.9	2.1	5.8	-1.3	1.3	2.3	5.2	--	4.7	Feb-15
<i>BBgBarc US High Yield TR</i>				<i>1.0</i>	<i>5.7</i>	<i>1.7</i>	<i>4.7</i>	<i>4.9</i>	<i>6.5</i>	<i>6.9</i>	<i>5.7</i>	<i>Feb-15</i>
DDJ Capital	7,898,716	1.9	100.0	2.1	5.8	-1.3	1.3	2.3	5.2	--	4.7	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>1.0</i>	<i>5.8</i>	<i>0.8</i>	<i>3.7</i>	<i>4.5</i>	<i>6.3</i>	<i>6.7</i>	<i>5.5</i>	<i>Feb-15</i>
Covered Calls	30,290,716	7.4	7.4	3.8	8.5	2.4	10.5	7.9	9.6	--	8.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>2.6</i>	<i>6.5</i>	<i>-9.6</i>	<i>-4.3</i>	<i>1.4</i>	<i>4.7</i>	<i>6.4</i>	<i>4.4</i>	<i>Apr-14</i>
Parametric BXM	13,709,498	3.4	45.3	2.6	6.4	-1.8	4.2	4.6	7.2	--	6.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>2.6</i>	<i>6.5</i>	<i>-9.6</i>	<i>-4.3</i>	<i>1.4</i>	<i>4.7</i>	<i>6.4</i>	<i>4.4</i>	<i>Apr-14</i>
Parametric DeltaShift	16,581,219	4.1	54.7	4.8	10.4	6.2	16.5	10.9	11.8	--	10.7	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>2.6</i>	<i>6.5</i>	<i>-9.6</i>	<i>-4.3</i>	<i>1.4</i>	<i>4.7</i>	<i>6.4</i>	<i>4.4</i>	<i>Apr-14</i>
Crisis Risk Offset	30,467,670	7.5	7.5	-2.5	0.1	-20.1	-20.3	--	--	--	-8.2	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>-1.1</i>	<i>-0.9</i>	<i>-13.3</i>	<i>-13.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.8</i>	<i>Aug-18</i>
Parametric Systematic Alternative Risk Premia	15,836,167	3.9	52.0	-0.2	1.0	-40.5	-38.4	--	--	--	-19.2	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>-1.1</i>	<i>-0.9</i>	<i>-13.3</i>	<i>-13.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.8</i>	<i>Aug-18</i>
Vanguard Long-Term Treasury ETF	14,631,503	3.6	48.0	-4.8	-0.8	20.0	11.9	--	--	--	20.3	Jul-19
<i>BBgBarc US Govt Long TR</i>				<i>-4.3</i>	<i>-0.3</i>	<i>20.7</i>	<i>12.9</i>	<i>10.8</i>	<i>8.4</i>	<i>7.0</i>	<i>20.9</i>	<i>Jul-19</i>
Cash	6,584,421	1.6	1.6	0.0	0.0	1.0	1.7	2.0	1.4	--	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.5</i>	<i>1.2</i>	<i>1.7</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash	190,421	0.0	2.9	0.0	0.3	1.5	2.2	2.1	1.5	--	0.8	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.5</i>	<i>1.2</i>	<i>1.7</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash - Treasury	6,394,000	1.6	97.1									

Cash Flow Summary
Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$183,211	\$7,166	\$44	\$190,421
Cash - Treasury	\$6,060,000	\$334,000	\$0	\$6,394,000
DDJ Capital	\$7,733,225	\$0	\$165,491	\$7,898,716
EARNEST Partners	\$33,631,193	\$0	\$1,510,021	\$35,141,215
Fisher Transition	\$72,709	\$0	\$826	\$73,535
Hansberger Transition	\$370,861	\$0	-\$101,821	\$269,040
iShares Edge MSCI Min Vol	\$18,236,033	\$0	\$492,356	\$18,728,389
Northern Trust Russell 1000	\$96,470,874	-\$1,000,000	\$6,975,848	\$102,446,721
Parametric BXM	\$13,363,093	\$0	\$346,405	\$13,709,498
Parametric DeltaShift	\$15,825,211	\$0	\$756,008	\$16,581,219
Parametric Systematic Alternative Risk Premia	\$15,864,723	\$0	-\$28,557	\$15,836,167
Ramirez	\$78,460,306	\$0	-\$164,057	\$78,296,249
Reams	\$29,404,676	\$0	-\$20,376	\$29,384,301
Reams Low Duration	\$44	\$0	\$0	\$44
Rice Hall James	\$12,488,936	\$0	\$350,582	\$12,839,518
Securities Lending Northern Trust	\$0	-\$7,166	\$7,166	\$0
SGA ACWI ex-U.S. Equity	\$32,986,154	\$0	\$1,182,101	\$34,168,255
Vanguard Developed Markets	\$13,683,345	\$0	\$689,864	\$14,373,210
Vanguard Long-Term Treasury ETF	\$15,351,163	\$0	-\$719,659	\$14,631,503
Vanguard Russell 2000 Value	\$6,693,106	\$0	\$352,634	\$7,045,741
Total	\$396,878,862	-\$666,000	\$11,794,878	\$408,007,740

Benchmark History
As of August 31, 2020

Total Plan x Securities Lending x Reams LD Exception Comp

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

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RAMIREZ ASSET MANAGEMENT



City of Oakland Police and Fire Retirement System | Investment Portfolio Review

Materials prepared for:

City of Oakland Police and Fire Retirement System



Our Clients' Success is Essential to Ours
Integrity ♦ Experience ♦ Teamwork ♦ Performance

EMERGING MANAGER MONTHLY
FIXED-INCOME
MANAGER OF THE YEAR | 2016 & 2017



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Agenda

- I** Firm Overview and Updates
 - II** Portfolio Review – Performance and Characteristics
 - III** Market Outlook and Strategic Positioning for Alpha
 - IV** Questions and Answers
-

I. Firm Overview and Updates

Ramirez Asset Management (RAM) Firm Update

2020 Firm Updates

- RAM currently manages \$3.21 billion in assets, as of August 31, 2020
- RAM is currently onboarding \$450 million in pipeline assets with a projected Q3 AUM of \$3.7 billion
- RAM has experienced 23% trailing 5-year annualized AUM growth
- After being an early adopter of ESG integration into our investment process, RAM became signatory of the United Nations Principles of Responsible Investing (UNPRI) and remains committed to the core principles of responsible investing
- Since 03/16/20, RAM has been operating under its Business Continuity Plan with employees working remotely from their homes with no interruption to normal business activities

Changes to Organizational Structure

- There have been no changes to the firm's organizational structure in 2020
- RAM is currently staffed with 19 professionals and has experienced 33% employee growth over the last 5 years

Performance Achievements

- RAM was awarded the **Fixed Income Emerging Manager of the Year** for both 2016 and 2017 by Emerging Manager Monthly¹
- Nominated as finalist (top 3) for Fixed Income Emerging Manager of Year for 5 consecutive years, including 2020
- RAM's Core and Strategic Core Strategies rank in the 31st and 15th percentile over the trailing 5-years in eVestment US Core Fixed Income Universe²



1: Details regarding references to the Emerging Manager Monthly Award and the selection criteria can be found at <http://emergingmanagermonthly.com/wp-content/uploads/2016/04/2016-EMM-Emerging-Manager-of-the-Year-Win>

2: Rankings per eVestment Alliance as of 08/31/2020. Past performance is not a guarantee of future returns.

II. Portfolio Review – Performance and Characteristics

City of Oakland Police and Fire Retirement System

PORTFOLIO

- ▶ RAM manages **\$78.3M** on behalf of the City of Oakland Police and Fire Retirement System (“OPFRS”)
- ▶ The OPFRS portfolio is managed within the Ramirez Core Strategy with diversified allocations to the domestic U.S. Fixed Income market
- ▶ Inception Date: February 1, 2017

BENCHMARK

- ▶ Bloomberg Barclays U.S. Aggregate Bond Index

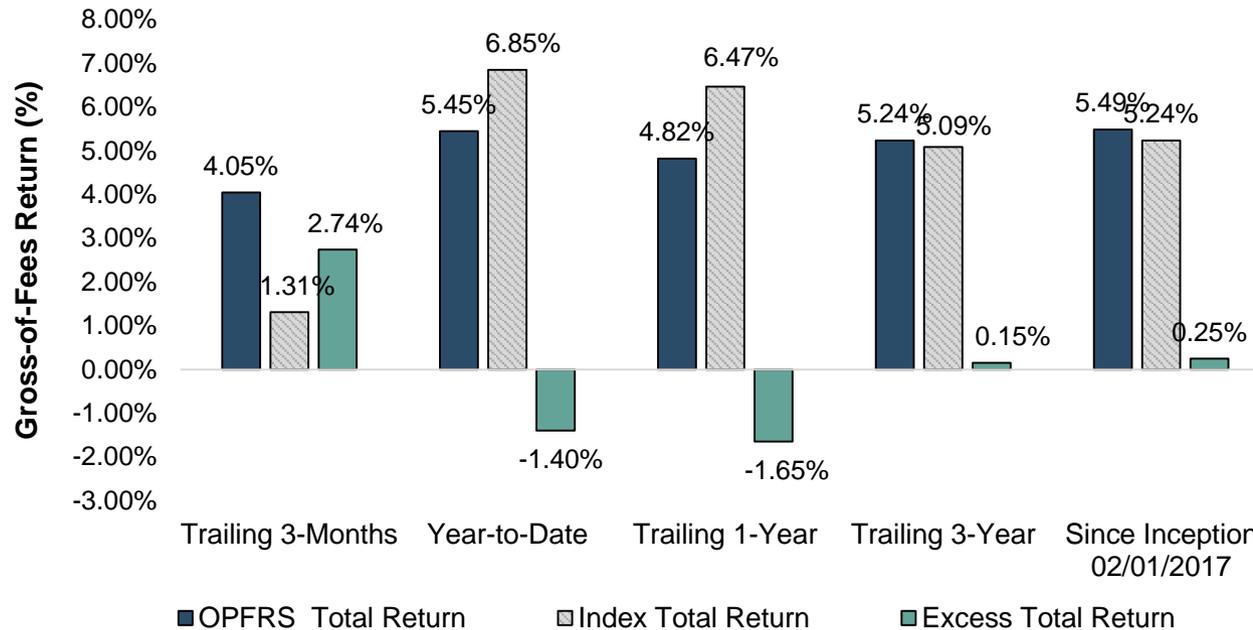
CONSTRAINTS

- Issuer:** Maximum of 10% (25% for any U.S. Government Security) allocation to any single security issue.
- Quality:** Minimum issuer rating of B by S&P/Moody’s/Fitch Ratings services.
The overall weighted average rating of the portfolio must be at minimum: “BBB” by S&P and Fitch, “B” by Moody’s.
- Maturity:** Maturities under 12 months will be viewed as “cash”
Maximum remaining term (or estimated term) to maturity, by single issue, of 31 years at the time of purchase.
The target portfolio average term to maturity is 15 years
The maximum average portfolio duration of 10 years
The targeted average portfolio duration is within the range of 3 – 8 years

OPFRS Portfolio Review - Performance

Performance Return Summary

as of August 31, 2020



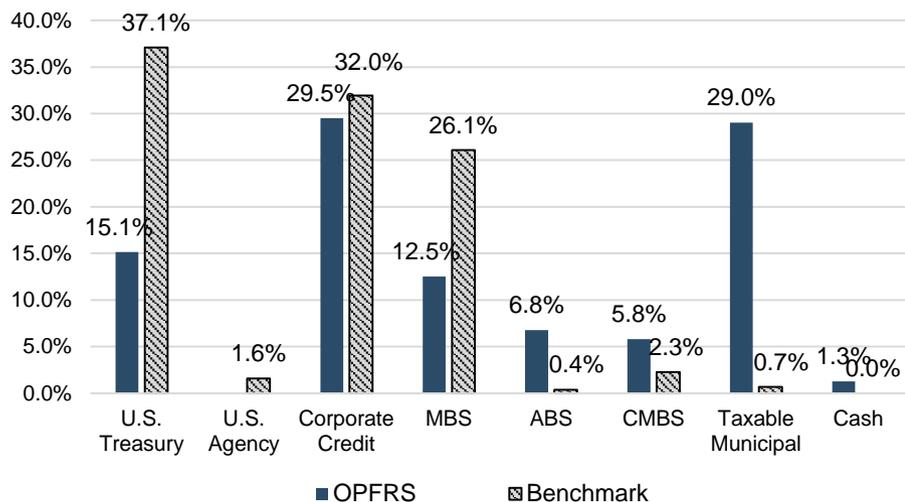
- The OPFRS portfolio outperformed the Bloomberg Barclays U.S. Aggregate Index by **+274** basis points (“bps”) over the trailing 3-Months and underperformed the benchmark by **-140** bps year-to-date
- Longer term, the portfolio has generated **+25** bps of outperformance since inception (02/01/2017)



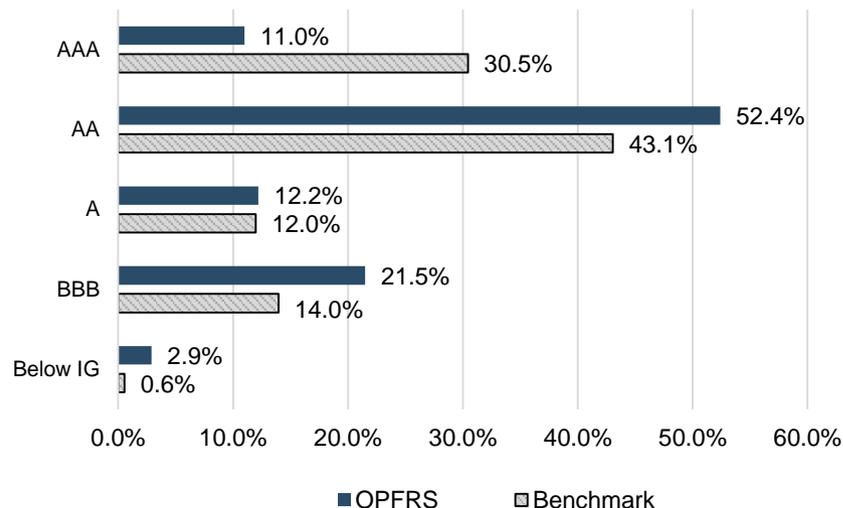
Source: Barclays Capital, Bloomberg®, SS&C Advent. The inception date for the portfolio is February 1, 2017. The Bloomberg Barclays U.S. Aggregate Index is utilized as the account benchmark from inception through current. Performance is provided gross-of-fees and annualized for periods greater than 12 months. Past performance is not a guarantee of future results.

OPFRS Portfolio Review - Characteristics

OPFRS v. Benchmark Sectors



OPFRS v. Benchmark Quality



Portfolio v. Benchmark Comparison

Characteristic	Portfolio	Benchmark	Difference
Yield-to-Worst (%)	1.73	1.22	+0.52
Effective Duration (Years)	6.12	6.19	-0.07
Quality	Aa3	Aa2	-
Coupon (%)	3.71	2.97	+0.74
Maturity (Years)	8.94	8.32	+0.62
Convexity	0.27	0.17	+0.10

Source: Barclays, BondEdge Next-Generation. Ratings are provided as the lower of S&P/Moody's/Fitch Ratings.

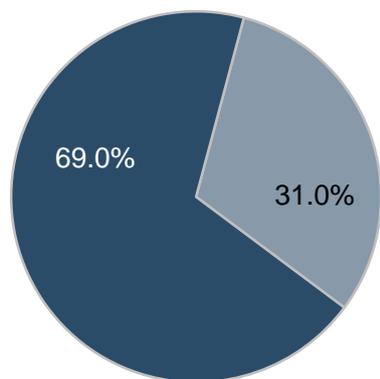
Data as of August 31, 2020

OPFRS Portfolio Review – MWDVBE and Approved Local Broker Trading

- RAM is committed to utilizing MWDVBE and OPFRS' Approved Local Brokers
- All MWDVBE and OPFRS Approved Local Broker utilization is contingent on best execution practices

MWDVBE and Local Approved Broker Utilization

Trailing 1-Year



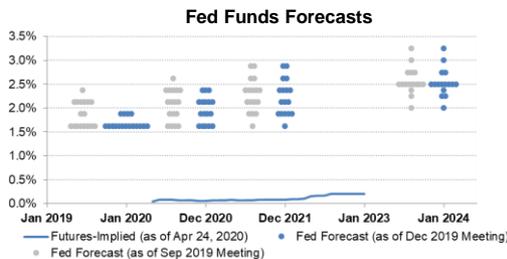
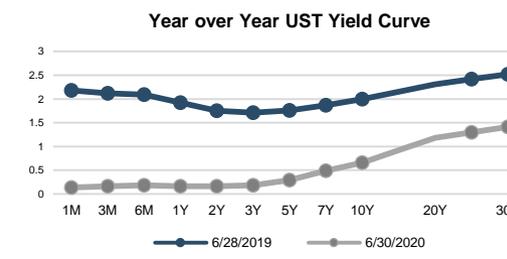
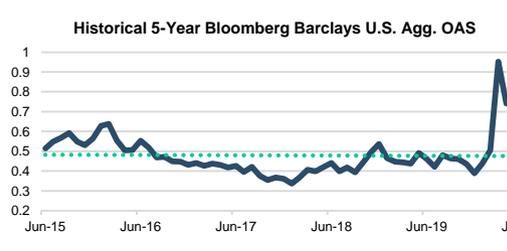
- MWDVBE and Approved Local Brokers
- Non-MWDVBE or Approved Local Brokers

MWDVBE and Approved Local Broker Dealers Utilized

Loop Capital*
Blaylock Van*
Siebert Williams Shank
CastleOak Securities
Alamo Capital
American Veterans Group
Drexel Hamilton
MFR Securities

III. Market Outlook and Strategic Positioning for Alpha

RAM's Current Market Outlook and Strategic Positioning for Alpha

Market Risk	Outlook	Current Positioning																												
<p>Interest Rates</p>	<p>Fed Funds Rate 0% on 3/31/20, project no raises through 2022</p> 	<ul style="list-style-type: none"> • Defensive duration relative to benchmark, especially in key rate 10 years and longer • Favoring higher coupon structures • Favoring higher credit quality 																												
<p>Term Structure</p>	<p>Bull Steepener</p> 	<ul style="list-style-type: none"> • Favor 3-7 year and 10-20 year holdings • Yield curve steepening in 10+ year part of the curve, with short-end anchored by the Fed • 2s/30s spread to widen from 130 bps to 170-250 bps as economy re-opens • A "Second Wave" could cause yield compression along the term structure 																												
<p>Risk Premiums</p>	<p>Neutral to wider</p> 	<ul style="list-style-type: none"> • Emphasis on issuers in essential areas of the economy with strong balance sheets and support from the Fed, Treasury and Cares Act • Additional focus on credits positioned to thrive going forward or have a liquidity position to ride out the pandemic • Continue to increase credit quality in corporate and securitized sectors • Strategic positioning in the taxable municipal asset class with higher credit quality and lower volatility 																												
<p>Sectors</p>	<p>Favor high quality spread sectors</p> <table border="1" data-bbox="616 1105 1123 1348"> <thead> <tr> <th></th> <th>Core</th> <th>Benchmark</th> <th>Difference (%)</th> </tr> </thead> <tbody> <tr> <td>Gov't / Agencies</td> <td>7.1%</td> <td>37.1%</td> <td>-30.0</td> </tr> <tr> <td>Corporate Credit</td> <td>26.9%</td> <td>31.3%</td> <td>-4.4</td> </tr> <tr> <td> ABS</td> <td>6.6%</td> <td>0.4%</td> <td>6.2</td> </tr> <tr> <td> MBS</td> <td>7.2%</td> <td>26.8%</td> <td>-19.6</td> </tr> <tr> <td> CMBS</td> <td>10.3%</td> <td>2.3%</td> <td>8.0</td> </tr> <tr> <td> Municipals</td> <td>41.2%</td> <td>0.7%</td> <td>40.5</td> </tr> </tbody> </table>		Core	Benchmark	Difference (%)	Gov't / Agencies	7.1%	37.1%	-30.0	Corporate Credit	26.9%	31.3%	-4.4	ABS	6.6%	0.4%	6.2	MBS	7.2%	26.8%	-19.6	CMBS	10.3%	2.3%	8.0	Municipals	41.2%	0.7%	40.5	<ul style="list-style-type: none"> • Overweight: Taxable Municipals, CMBS, ABS • Underweight: U.S. Treasury, Credit, Agency MBS • Current positioning offering x2 yield of benchmark
	Core	Benchmark	Difference (%)																											
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Municipals	41.2%	0.7%	40.5																											



Source: Federal Reserve; Bloomberg; U.S. Dept. of Treasury & Internal Data

Investment Philosophy and Process - Consistent, Repeatable, and Proven

Investment Philosophy

RAM utilizes a disciplined and repeatable investment process driven by sector rotation and security selection. Within a risk-controlled framework, we believe this approach will produce consistent risk-adjusted returns over a full market cycle. Our investment approach seeks to add value by:

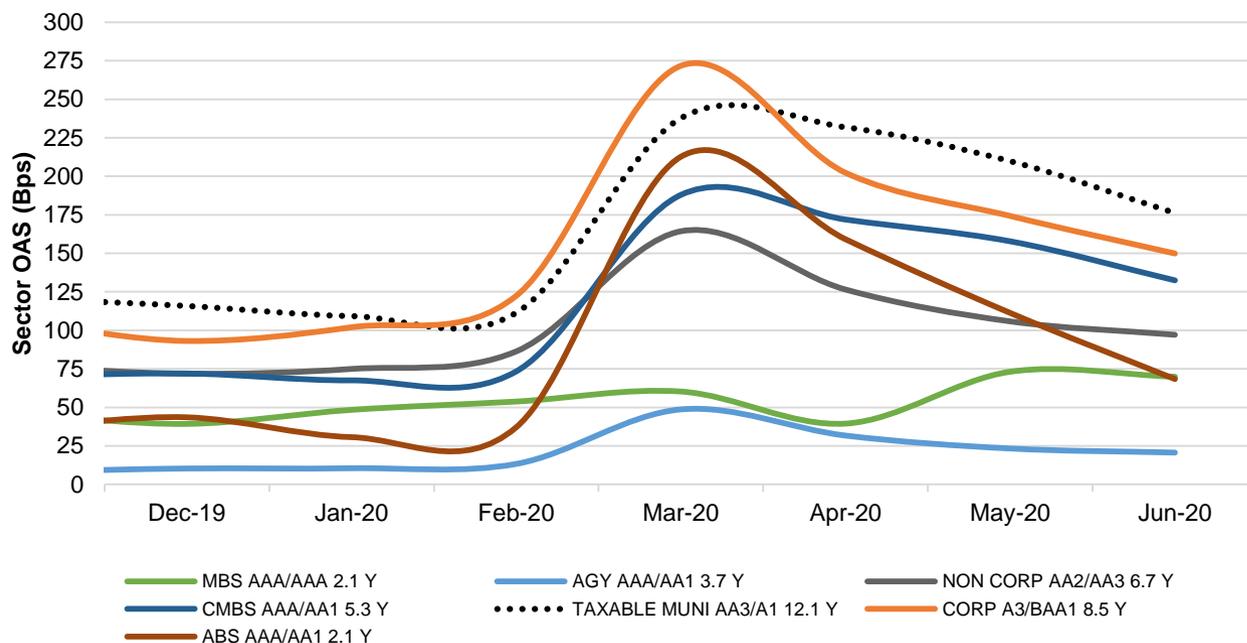
- Taking a longer term view on investing; less dependent on a few top-down decisions
- Closely regulating relative duration and term structure positioning
- Combining quantitative and qualitative factors into bottom-up / top-down processes
- Emphasizing domestic sectors / securities held in aggregate index
- Embedding risk management throughout the process, with a focus on limiting downside risk

Unique and Differentiating Investment Process

- RAM identifies pockets of value within the domestic high-grade fixed income market and incorporates sector and sub-sector allocations into our portfolios in a meaningful way even if it represents a very small percentage of the outstanding fixed income universe
- RAM emphasizes value on the term structure by sector – we analyze cross sector spread per unit of duration by quality – and allocate accordingly
- RAM's time tested process blends non-correlated and higher credit quality sectors with an active management style between and intra-sector allocations based on our market views
- RAM is top-down benchmark centric and bottom-up benchmark agnostic
- RAM utilizes our analyst expertise across sectors

Alpha Opportunities - Current OAS & Relative Value Analysis

**Bloomberg Barclays U.S. Aggregate-Eligible Sectors Only
YTD 2020 | Historical Option Adjusted Spread ("OAS") Analysis**



SECTORS	MAR 20 OAS	JUN 20 OAS	QTD Change
HY CORPORATE	879.6	625.7	-253.9
EMERGING MKTS (\$USD)	656.6	407.9	-248.7
TAXABLE MUNI	237.8	176.2	-61.7
CORP	271.8	149.9	-121.9
CMBS	188.0	132.4	-55.5
NON CORP	164.3	97.1	-67.2
MBS	60.3	69.9	9.6
ABS	212.7	68.4	-144.4
AGG	95.1	67.7	-27.5
AGY	48.7	20.6	-28.0

- RAM opportunistically takes advantage of dislocations in the market and strategically adds to higher quality spread sectors.
- As spreads began to tighten in April, RAM continued to favor sectors which showed attractive relative value and potential to generate significant income return. Additional income return also insulates against the negative price return resulting from an increase in the term structure.
- Historically, the positive total returns achieved by the index in post-recession periods were driven primarily by yield income, RAM's investment process has been able to produce a higher yield than the index.



Source: Bloomberg Barclays

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Current market conditions are subject to change.

The information contained herein reflects prevailing conditions and our views as of this date, which are accordingly subject to change without prior notice. In preparing this material, we have relied upon the accuracy and completeness of information available from various sources considered reliable, but Ramirez Asset Management, Inc. has not independently verified this information and does not represent that this material is accurate, current, or complete and it should not be relied upon as such. In addition, any appraisals contained herein should be considered preliminary, suitable only for the purpose described herein and should not be disclosed or otherwise used without the prior written consent of Ramirez Asset Management, Inc.

Past performance is no guarantee of future returns.

Past returns are no promise or guarantee of future performance. The value of investments and returns are subject to change. No data which reflects past performance is an indication of future returns. Investments in fixed income securities involve certain risks, which are fully described in the firm's Form ADV Part 2 filing. All investors must receive a copy of the firm's Disclosure Document, Form ADV Part 2, prior to their initial investment with the firm and receive a copy of the firm's Annual Amendment each year thereafter. Please review carefully.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group (Meketa)
DATE: September 30, 2020
RE: Ramirez Manager Update

Manager:	Ramirez Asset Management ("Ramirez")
Inception Date:	January 2017
Strategy:	Core Fixed Income
Benchmark:	Bbg. BC Aggregate

Summary & Recommendation

Ramirez has provided performance in line with its benchmark the Bloomberg Barclays Aggregate Index ("BB Agg") since the inception of the relationship with OPFRS. On an organizational basis, Ramirez's management team has remained stable and has not experienced any major turnover since its last manager update. **Therefore, Meketa does not have any major concerns with Ramirez and does not recommend any action be taken at this time.**

Discussion

Ramirez has managed OPFRS's Core Fixed Income portfolio since the January 2017 and currently oversees approximately \$76.8 million or about 20% of OPFRS's total portfolio allocation as of the end of June 2020.

Performance

OPFRS Portfolio Annualized Returns (as of 6/30/2020)

Manager	Mkt Value (\$000)	Asset Class	3 MO	YTD	1 YR	3 YR	Since Inception	Inception Date
Ramirez (Net)	76,852	Core F.I.	5.8	3.5	6.2	5.2	5.2	1/2017
Bbg BC Aggregate	---	---	2.9	6.1	8.7	5.3	5.2	---
Excess Return	---	---	2.9	-2.6	-2.5	-0.1	0.0	---

Over the most recent 3-month period, the portfolio earned a 5.8% return, net of fees, compared to a benchmark return of 2.9%. On a net of fees basis, Ramirez has underperformed its benchmark over the YTD, 1-year, 3-year and Since Inception periods by (2.6%), (2.5%), and (0.1%), respectively



Product and Organization Review Summary

Ramirez		Areas of Potential Impact			
	Level of Concern^	Investment process (client portfolio)	Investment Team	Performance Track Record	Team/ Firm Culture
Product					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
Organization					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
Recommended Action	None - X	Watch Status		Termination	

Ramirez Asset Management remains a wholly-owned subsidiary of SAR Holdings, which also owns Samuel A. Ramirez & Co., a large broker-dealer. SAR Holdings remains majority-owned by Samuel A. Ramirez Jr., CEO of Ramirez Asset Management, and Samuel A. Ramirez Sr., CEO of Samuel A. Ramirez & Co.; the remaining ownership shares are distributed among the other employees within SAR Holdings.

Since Ramirez began managing OPFRS' Core Fixed Income portfolio there have been no major changes to the investment management team or to the organization as a whole. The only personnel change to occur in 2017 was the termination of Jon DeBow, who served as a Senior Vice President in the Marketing & Client Service area of the firm.

Investment Philosophy & Process, per manager

Ramirez believes that fixed income portfolios using a disciplined and repeatable investment process, driven by sector rotation and security selection, in a risk-controlled framework will produce consistent risk-adjusted returns over time. The Firm's investment approach seeks to add value by:

- Taking a longer-term view on investing; less dependent on a few top-down decisions
- Closely regulating relative duration and term structure positioning
- Combining quantitative and qualitative factors into bottom up/ top down process
- Emphasizing domestic high grade sectors/ securities held in aggregate index
- Embedding risk management throughout the process, with a focus on limiting downside risk

The Ramirez Core Strategy seeks to preserve principal and ensure a high degree of liquidity. RAM focuses on maintaining favorable portfolio credit quality and minimizing volatility relative to the Barclays Aggregate Index.

Ramirez portfolios are actively managed with an equal blend of top-down macroeconomic analysis and bottom-up issuer level research. When forming macro and microeconomic opinions they assess both qualitative and quantitative factors. This ensures that they include the extensive experience of their investment professionals as well as quantitative market indicators and metrics to determine optimal sector positioning and security selection.

The Investment Committee determines macro top down portfolio strategy, including overall relative duration, yield curve positioning, and sector allocation, all within an internal risk management budget expressed relative to the benchmark. In such a manner, systemic market risk is managed and kept within specified boundaries which limits volatile swings in relative performance. The Committee formulates an overall outlook for domestic economic growth and inflation, monetary policy, and capital market conditions as primary factors in developing portfolio strategy. The Committee also incorporates global factors and their impact on the domestic capital markets. These include global growth, currency movements, and the overall level of interest rates in developed and emerging economies. These various inputs are compiled and form the basis for determining where the domestic economy is in the economic cycle which is a main determinant of top down macro level relative portfolio positioning.

Portfolio Managers are responsible for the portfolio construction process using both qualitative and quantitative models. Ramirez's Portfolio Managers are sector specialists in corporate credit, municipal credit, and securitized product and manage portfolios such that the macro characteristics reflect the guidance of the Investment Committee. They are able to draw upon an average of over 20 years of experience in their respective fields and leverage robust information technology in sub sector and security selection. This bottom up process occurs within a strict risk management framework focused on maximum issuer exposure, minimum quality, and maintaining appropriate levels of liquidity. Portfolio Managers utilize historical trading relationships combined with current relative value and rich cheap analysis to assist in identifying attractive securities for portfolio inclusion.

Oakland Police & Fire Retirement System

RHJ Small Cap
Opportunities Strategy

September 30, 2020



RICE HALL JAMES
& ASSOCIATES, LLC

Rice Hall James & Associates, LLC
600 West Broadway, Suite 1000
San Diego, California 92101-3383

Telephone: (619) 239-4855
E-mail: info@ricehall.com
Website: www.ricehalljames.com

Firm Profile

As of June 30, 2020

- ▶ Investment-led firm, founded in 1974
- ▶ Firm assets under management: \$2.8 billion
- ▶ Ownership
 - Independent and 100% employee-owned. RHJ is focused solely on investment management with no other lines of business
- ▶ Personnel
 - 33 employees, including 11 owners averaging 27 years of industry experience and 20 years with Rice Hall James
- ▶ Time-Tested Investment Strategies
 - RHJ's professionals have been managing micro-, small-, and SMID-cap portfolios for more than three decades
- ▶ Established Client Base
 - 48 institutional clients, representing 84% of assets



Investment Philosophy

We believe that superior, long-term, risk-adjusted returns are generated by building a portfolio of companies with three primary characteristics – **high earnings growth, high or improving returns on invested capital and better sustainability characteristics** than that of the index.



Portfolio Review



RICE HALL JAMES
& ASSOCIATES, LLC

RHJ Attribution Report

2Q20 Attribution Analysis

RHJ Small Cap Opportunities vs. Russell 2000 Growth Index

	Small Cap Opportunities Strategy			Russell 2000 Growth Index			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	37.52	37.52	100.00	30.58	30.58	1.96	4.97	6.94
Information Technology	28.15	42.70	11.78	18.44	30.15	5.65	0.02	3.11	3.13
Consumer Staples	2.43	123.87	2.25	3.24	21.31	0.71	0.14	1.76	1.91
Industrials	11.83	35.76	3.97	16.86	29.27	4.49	0.17	0.77	0.94
Financials	3.11	26.11	0.76	5.48	17.95	0.87	0.39	0.33	0.72
Real Estate	0.00	0.00	0.00	4.00	18.83	0.69	0.54	0.00	0.54
Utilities	0.00	0.00	0.00	1.62	0.09	0.04	0.53	0.00	0.53
Materials	1.82	49.35	0.84	2.61	28.36	0.75	0.04	0.36	0.40
Communication Services	3.97	29.12	1.37	2.33	23.82	0.61	-0.05	0.31	0.27
Consumer Discretionary	18.19	45.59	7.85	10.74	54.27	5.18	1.62	-1.39	0.23
Energy	0.00	0.00	0.00	0.32	48.78	0.14	-0.02	0.00	-0.02
Health Care	26.09	29.36	8.69	34.35	32.18	11.46	-0.09	-0.29	-0.38
[Cash]	4.41	0.04	0.00	0.00	0.00	0.00	-1.33	0.00	-1.33

Sources: FactSet, GICS Sector Classification, & FTSE Russell

Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.



RHJ Attribution Report

1 Year ending August 31, 2020 Attribution Analysis

RHJ Small Cap Opportunities vs. Russell 2000 Growth Index

	Small Cap Opportunities Strategy			Russell 2000 Growth Index			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	17.18	17.18	100.00	17.28	17.28	1.80	-1.90	-0.11
Consumer Staples	2.51	70.04	2.04	3.28	9.31	0.35	0.23	1.60	1.83
Information Technology	27.72	23.79	7.11	18.61	17.36	4.10	0.33	1.37	1.69
Real Estate	0.00	0.00	0.00	4.36	-2.80	-0.88	1.21	0.00	1.21
Utilities	0.00	0.00	0.00	1.67	-10.75	-0.20	0.59	0.00	0.59
Energy	0.00	0.00	0.00	0.44	-37.32	-0.25	0.36	0.00	0.36
Financials	3.43	-7.09	-0.60	5.50	6.60	-0.19	0.37	-0.45	-0.07
Health Care	23.53	36.35	10.63	31.35	31.63	12.01	-1.05	0.80	-0.24
Materials	2.09	-26.26	-0.53	2.90	6.40	0.20	0.15	-0.71	-0.55
Industrials	13.29	8.58	-1.70	17.64	16.52	0.40	0.54	-1.65	-1.11
Communication Services	3.75	-29.82	-1.14	2.42	-2.13	-0.06	-0.17	-1.16	-1.33
Consumer Discretionary	19.28	12.36	1.32	11.84	17.81	1.82	0.16	-1.71	-1.55
[Cash]	4.40	0.90	0.04	0.00	0.00	0.00	-0.93	0.00	-0.93

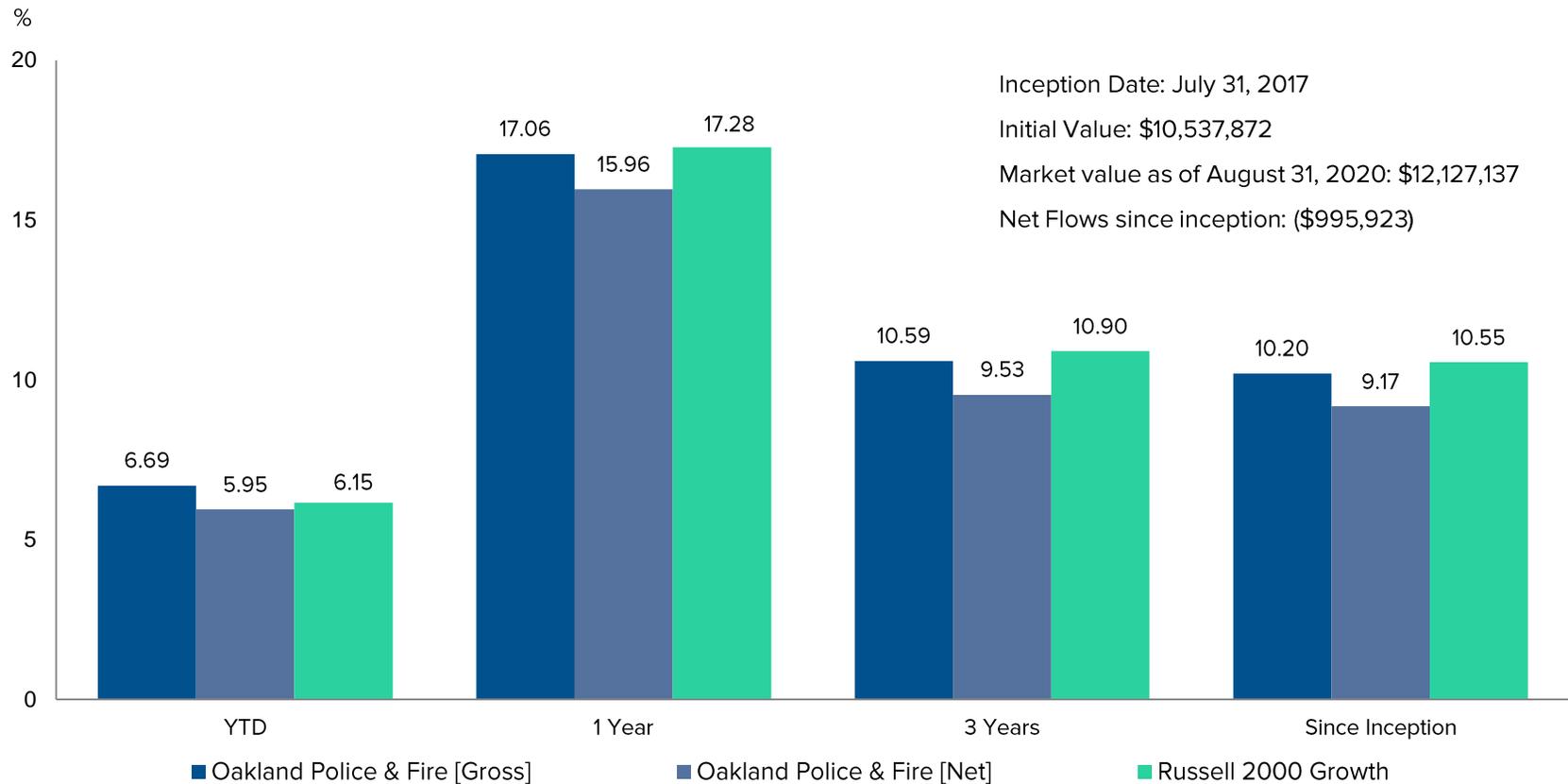
Sources: FactSet, GICS Sector Classification, & FTSE Russell

Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.



Oakland Police & Fire Retirement System

Performance Summary – Periods Ending August 31, 2020



Index Source: FTSE Russell

Past performance does not guarantee future results. Performance is reported in U.S. Dollars, annualized for periods greater than one year, gross of advisory fees, net of transaction costs, and inclusive of the reinvestment of dividends and other earnings. Portfolio returns will be reduced by the deduction of advisory fees, which can compound over time. For example, the annualized return since the portfolio's inception date, July 31, 2017 to August 31, 2020, is 9.17% net of fees, after the deduction of the portfolio's applicable annual advisory fee. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please see important disclosure information at the end of this presentation regarding the returns and indices shown above.

Investment Process



RICE HALL JAMES
& ASSOCIATES, LLC

Value Proposition

Long-Term Oriented

- Portfolio Manager/Analysts have an investment horizon that is longer than other micro and small cap growth managers, typically 3 to 5 years.
- Long-term focus allows us to develop an **informational edge** on companies and their management teams relative to our peer group universe.

Experienced & Stable

- Portfolio Manager/Analysts average 27 years of investment experience and 20 years working together.
- Knowledge base that includes a **deep understanding** of the companies' management teams, competitors, and customers.

Quality-Focused

- Portfolio is comprised of companies that generate high returns on invested capital or have the potential to do so in the near future.
- We invest in those companies that we believe have a **sustainable competitive advantage** compared to rivals.

Risk-Controlled

- Structure portfolio weightings in **most compelling ideas** on a risk-adjusted basis.
- Carefully monitor guideposts which are established at the time of initial investment.



Why Earnings Growth & ROIC ?

The probability of alpha generation increases when high earnings growth is coupled with high returns on invested capital.

		EARNINGS GROWTH ¹				
		Less than 0%	0%-10%	10-20%	20%-25%	More than 25%
PERFORMANCE OF RUSSELL 2000 COMPANIES RELATIVE TO OVERALL INDEX						
5-YEAR AVG ROIC ²	More than 15%	(65%)	40%	219%	69%	70%
	10% - 15%	(53%)	(1%)	14%	54%	135%
	5% - 10%	(53%)	(14%)	15%	20%	48%
	Less than 5%	(58%)	(32%)	(8%)	(8%)	11%

Historical performance does not guarantee future results

¹ 5-year Earnings Per Share (EPS) growth, compounded annually.

Sources: FactSet & FTSE Russell

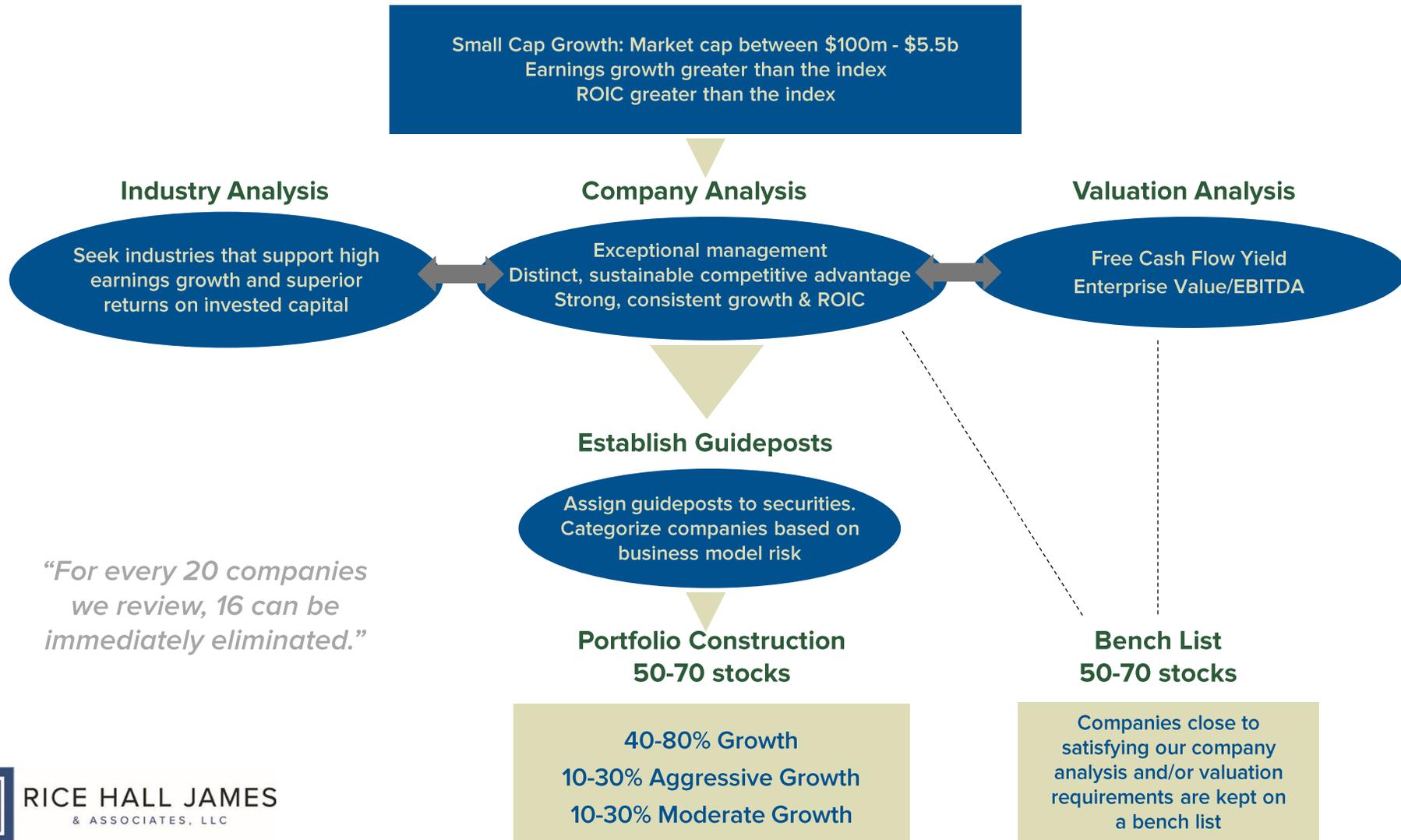
² ROIC = Return on Invested Capital.

Relative performance compares individual Russell[®] 2000 constituent performance vs. an equal-weighted index (Russell 2000) return. Only the Russell 2000 constituents (as of 12/31/2019) with 5 years of measurable history (EPS, ROIC and Performance) were used in the study. The index return is calculated using the combined equal-weighted 5 year return of these Russell 2000 constituents as of 12/31/2019. The Russell[®] 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000[®] Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The index is calculated on a total-return basis with dividends reinvested.



Portfolio Construction

Investable universe is significantly reduced by adhering to this discipline.



Industry Analysis

A large initial universe allows us the freedom to identify and implement our investment strategy within traditional, non-traditional, and emerging growth industries.

- ▶ Industries which have been **historically identified** by companies with high earnings growth and superior returns on invested capital:
 - Technology
 - Health Care
 - Consumer Discretionary

- ▶ Industries exhibiting **changing dynamics**, supporting high growth and superior returns on invested capital:
 - Natural Gas

- ▶ New and **emerging industries** that can support companies with high earnings growth and superior returns on invested capital:
 - Internet



Investment Process - Company Analysis

We perform in-depth research to identify:

▶ **Companies that generate strong and consistent ROIC and earnings growth**

- Large or growing addressable markets
- Stability of existing revenue stream
- Ability to maintain or increase pricing
- High probability of retaining or widening margins

▶ **Capable management teams**

- Experience and integrity
- Track record of success
- Clear goals and viable long-term business model

▶ **Unique, sustainable competitive advantages**

- Proprietary products, services, distribution/manufacturing advantages
- Strategy for defending against competition
- High barriers to entry
- High or improving market share
- Brand name recognition

We maintain contact with management teams of companies we own and all those considered for investment (our bench list)



Investment Process - Valuation Analysis

- ▶ Valuation analysis is a key component of our determination in how we assess a company's absolute & relative attractiveness

Valuation Analysis

- Cash flow analysis that incorporates ROIC & the duration of earnings growth
- Analyze companies across industries and sectors, using common valuation techniques
- Analyze companies relative to valuation of securities in existing portfolio

Other valuation methods:

- P/E to Growth Rate (PEG Ratio)
- Free Cash Flow Yield
- Price to earnings (P/E Ratio)
- Enterprise Value/EBITDA



Investment Process – Establishing Guideposts

- ▶ As part of our research process, we create guideposts for each security:
 - Specific factors unique to each company used to monitor company progress
 - Examples: new drug filings in Health Care, or new store sales productivity in Retail
 - Through this ongoing monitoring process, position sizes are increased or decreased
 - Guideposts help to identify deteriorating or improving fundamentals before they are reflected in the stock price



Investment Process – Portfolio Construction

- ▶ Portfolio Construction is a function of our bottom-up selection process – each holding is grouped into one of the three categories below:

Growth

40-80% of portfolio

- Industry leader and/or gaining market share
- ROIC greater than 10%
- Earnings growth higher than the relative index
- Sustainable competitive advantage
- Proven successful operating history
- High confidence in management

Aggressive Growth

10-30% of portfolio

- Emerging high growth companies with improving ROIC
- Companies in a unique/turnaround situation
- Higher volatility, but higher potential return candidates

Moderate Growth

10-30% of portfolio

- Dominant position in their industry
- Moderate, consistent earnings growth and stable ROIC
- Self-funding and generating strong cash flow



Sell Discipline

Sell discipline is a function of a review and violation of one or more of the following:

- ▶ Change in fundamentals or competitive advantages
- ▶ Missing Guideposts
- ▶ Change in management team
- ▶ Relative Valuation



Summary

- ▶ Disciplined research process with focus on high growth, high return on invested capital companies with good sustainability characteristics
- ▶ Experienced Portfolio Manager/Analysts average 27 years of investment experience and 20 years working together.
- ▶ Proven long-term results with success through a variety of economic environments



Appendix



RICE HALL JAMES
& ASSOCIATES, LLC

Small Cap Opportunities Portfolio

As of June 30, 2020

Consumer Discretionary	19.0%	Health Care	25.5%	Information Technology	27.4%
Century Casinos, Inc.	0.4%	ACADIA Pharmaceuticals Inc.	0.2%	ACI Worldwide, Inc.	2.7%
Etsy, Inc.	3.6%	Aerie Pharmaceuticals, Inc.	1.0%	CEVA, Inc.	2.6%
Grand Canyon Education, Inc.	0.5%	Aimmune Therapeutics, Inc.	0.9%	Cornerstone Ondemand, Inc.	1.0%
K12, Inc.	1.6%	Akebia Therapeutics, Inc.	0.8%	Euronet Worldwide, Inc.	1.2%
LCI Industries	3.2%	BioSpecifics Technologies Corp.	0.9%	Ituran Location and Control Ltd.	0.2%
Points International Ltd.	0.3%	Collegium Pharmaceutical, Inc.	0.8%	J2 Global, Inc.	1.9%
Pool Corp.	3.2%	Emergent BioSolutions, Inc.	2.5%	MAXIMUS, Inc.	1.9%
Shutterstock, Inc.	1.5%	Global Blood Therapeutics, Inc.	0.9%	ON Semiconductor Corp.	1.0%
Strategic Education, Inc.	3.1%	Immunomedics, Inc.	2.0%	Qualys, Inc.	1.1%
Vail Resorts, Inc.	1.4%	Insmed, Inc.	0.6%	Radware Ltd.	1.1%
		Iovance Biotherapeutics, Inc.	1.1%	Semtech Corp.	2.8%
Industrials	11.8%	Karyopharm Therapeutics, Inc.	0.7%	SolarWinds Corp.	0.5%
Armstrong World Industries, Inc.	2.1%	Ligand Pharmaceuticals, Inc.	2.1%	Trade Desk, Inc. .	1.6%
Echo Global Logistics, Inc.	1.2%	Nektar Therapeutics	0.8%	Wix.com Ltd.	4.9%
Franklin Covey Co.	0.4%	OptiNose, Inc.	0.4%	WNS Holdings Ltd. ADR	2.9%
IAA, Inc.	1.3%	Pacira Biosciences, Inc.	1.2%		
Masonite International Corp.	2.9%	Premier, Inc.	3.0%	Consumer Staples	3.4%
MSC Industrial Direct Co., Inc.	0.5%	Prestige Consumer Healthcare, Inc.	1.3%	Medifast, Inc.	3.4%
PGT Innovations, Inc.	1.1%	Puma Biotechnology, Inc.	0.2%		
Willdan Group, Inc.	0.9%	Reata Pharmaceuticals, Inc.	1.2%	Communication Services	3.5%
XPO Logistics, Inc.	1.6%	Revance Therapeutics, Inc.	1.1%	Boingo Wireless, Inc.	1.2%
		Supernus Pharmaceuticals, Inc.	1.1%	Criteo S.A. ADR	0.4%
Financials	3.0%	Zogenix, Inc.	0.7%	World Wrestling Entertainment, Inc.	1.9%
Axos Financial, Inc.	1.5%				
Bank OZK	0.9%	Materials	1.9%		
Federal Agricultural Mortgage Corp.	0.6%	Ingevity Corp.	1.9%		

Total Equity	95.5%
Total Cash	4.5%

Sources: FactSet & GICS Sector Classification



This information is supplemental to the RHJ Small Cap Opportunities Composite presentation. Past performance is no guarantee of future results. Holdings are subject to change and are based on a representative account. Sector weightings may not add up to 100% due to rounding. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities in this article. Rice Hall James & Associates, LLC, or one or more of its officers, may have a position in the securities discussed herein and may purchase or sell such securities from time to time.

Portfolio Guidelines

Position Limit Parameters

Position size is scaled up or down based on evolving reward to risk profile

Position Limit at Market	6%
Portfolio Holdings	50-70
Cash Weight	Typically less than 5%

Market Cap Range

Between \$100 million and \$5.5 billion market capitalization at time of purchase

Sector Weight Parameters

Sector weights are +/-1000 basis points of the benchmark weights of the major economic sectors

Allocations as of June 30, 2020

Capitalization	RHJ Small Cap Opportunities	Russell 2000 Growth Index
>\$5 billion	24.8%	3.0%
\$2 billion - 5 billion	40.4%	56.6%
\$750 million - 2 billion	25.5%	29.5%
\$400 million - 750 million	6.7%	7.0%
<\$400 million	2.6%	4.0%

	RHJ Small Cap Opportunities	Russell 2000 Growth Index
Communication Services	3.5%	2.6%
Consumer Discretionary	19.0%	12.6%
Consumer Staples	3.4%	3.2%
Energy	0.0%	0.2%
Financials	3.0%	4.3%
Health Care	25.5%	34.4%
Industrials	11.8%	13.0%
Information Technology	27.4%	21.2%
Materials	1.9%	2.7%
Real Estate	0.0%	3.8%
Utilities	0.0%	1.9%
Cash	4.5%	0.0%

Sources: FactSet & GICS Sector Classification



Small Cap Opportunities

Portfolio Characteristics as of June 30, 2020

	RHJ Small Cap Opportunities	Russell 2000 Growth Index
Long-Term Earnings Growth Forecast	16.8%	15.0%
P/E Ratio - 1 Year Forecast ¹	23.2	25.4
Weighted Median Market Cap	\$2.98 billion	\$2.45 billion
Weighted Average Market Cap	\$4.26 billion	\$2.48 billion
Alpha (5 Years)	0.72%	-
Beta (5 Years)	1.02	-
Information Ratio (5 Years)	0.13	-
Standard Deviation (5 Years)	21.7%	20.6%
Active Share	94.0%	-
Number of Holdings	65	1,081

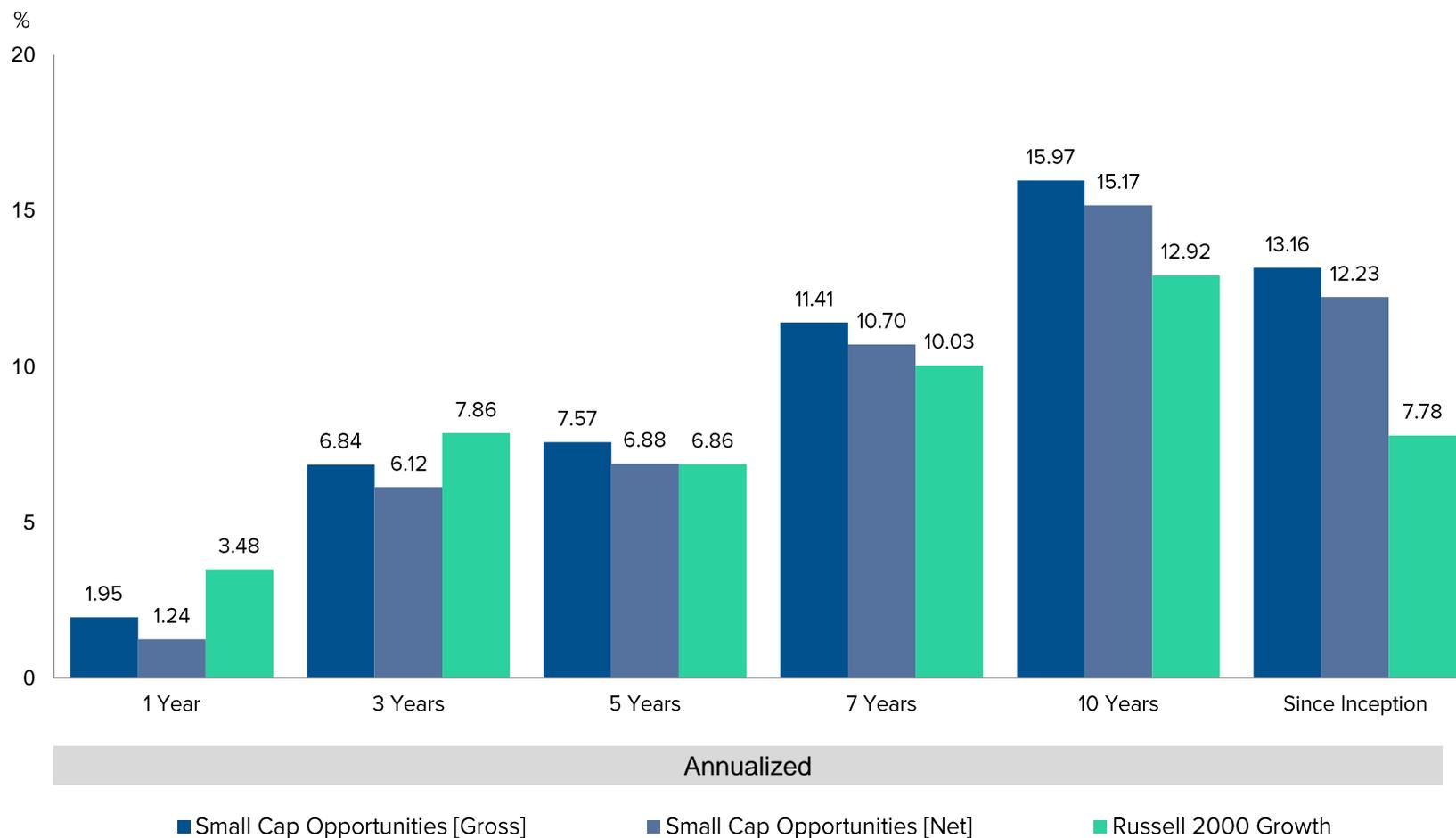
Sources: FactSet & eVestment Analytics

¹P/E Ratio calculation excludes companies with negative earnings.

This information is supplemental to the RHJ Small Cap Opportunities Composite presentation. The information above is based on a representative account. Please see important disclosure information at the end of this presentation regarding the indices shown above.

Small Cap Opportunities

Returns for Periods Ending June 30, 2020



Source: FTSE Russell



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& ASSOCIATES, LLC

Past performance does not guarantee future results. Composite returns are shown both gross and net of fees in U.S. dollars. Rice Hall James & Associates, LLC's compliance with the GIPS standards has been verified for the period January 1, 1993 through December 31, 2019. For performance calculation purposes, the Small Cap Opportunities composite's inception dates is October 10, 1994. RHJ's Annual Disclosure Presentation is located at the end of this presentation as well as other important disclosure information regarding the returns and indices shown above.

Small Cap Opportunities

	RHJ Small Cap Opportunities Composite Gross of Fees	RHJ Small Cap Opportunities Composite Net of Fees	Russell 2000 Growth Index
YTD June 2020	-2.79%	-3.14%	-3.06%
2019	18.85%	18.04%	28.48%
2018	-6.49%	-7.11%	-9.31%
2017	28.71%	27.93%	22.17%
2016	11.93%	11.28%	11.32%
2015	-0.06%	-0.60%	-1.38%
2014	8.41%	7.69%	5.60%
2013	56.34%	55.12%	43.30%
2012	14.56%	13.62%	14.59%
2011	9.55%	8.68%	-2.91%
2010	38.73%	37.65%	29.09%
2009	48.47%	47.27%	34.47%
2008	-43.34%	-43.71%	-38.54%
2007	10.48%	9.50%	7.05%
2006	7.10%	6.11%	13.35%
2005	11.46%	10.42%	4.15%
2004	10.03%	9.04%	14.31%
2003	50.70%	49.31%	48.54%
2002	-29.41%	-30.07%	-30.26%
2001	-28.87%	-29.52%	-9.23%
2000	-13.23%	-14.01%	-22.43%
1999	87.81%	86.06%	43.09%
1998	16.33%	15.20%	1.23%
1997	28.67%	27.41%	12.95%
1996	53.30%	51.78%	11.26%
1995	25.69%	24.45%	31.04%
1994*	20.70%	20.39%	0.43%

*Performance represents a non-annualized partial period return beginning on October 10, 1994.

Source: FTSE Russell

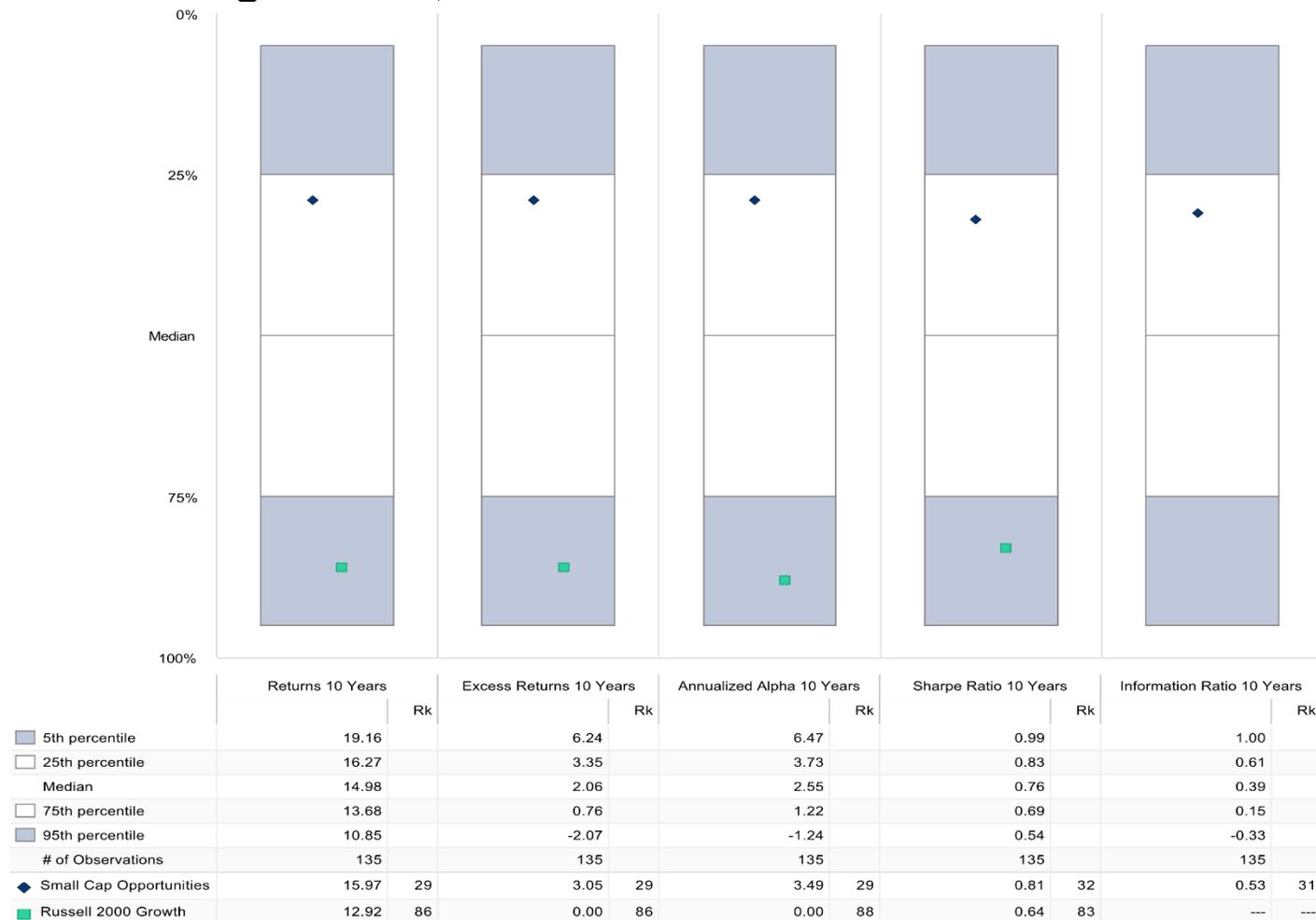
Past performance does not guarantee future results. Composite returns are shown both gross and net of fees in U.S. dollars. Rice Hall James & Associates, LLC's compliance with the GIPS standards has been verified for the period January 1, 1993 through December 31, 2019. For performance calculation purposes, the Small Cap Opportunities composite's inception date is October 10, 1994. RHJ's Annual Disclosure Presentation is located at the end of this presentation as well as other important disclosure information regarding the returns and indices shown above.



RICE HALL JAMES
& ASSOCIATES, LLC

Performance & Risk Statistics

10 Years Ending June 30, 2020



Source: eVestment Analytics Small Cap Growth universe as of June 30, 2020

Biographies

Portfolio Management & Analysis Team

Lou Holtz, CFA

Chief Investment Officer & Portfolio Manager/Analyst

Lou joined RHJ in October 2008 and has 28 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. Prior to that, Lou was a business valuation analyst at a national independent appraisal firm and an analyst for a regional real estate appraisal firm. Lou holds a Bachelor of Arts degree in business economics with honors from the University of California, Santa Barbara and an M.B.A. with an emphasis in finance from the University of Southern California, where he was on the Dean's List. Lou is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Yossi Lipsker, CFA

Portfolio Manager/Analyst

Yossi joined RHJ in October 2008 and has 25 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. He received an M.B.A. with an emphasis in finance from Columbia Business School. While at Columbia he excelled academically, gaining membership in both the Beta Gamma Sigma Honor Society and the Dean's List. Additionally, Yossi holds a B.R.S. degree in religious studies from the Rabbinical College of America. Yossi is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Anthony S. Yamarone, CFA

Analyst

Tony joined RHJ in September 2016. Prior to joining the firm, he worked at Ameriprise Financial as a member of their financial planning team. He received a B.S. in Business Administration from San Francisco State University and an M.S. in Financial Analysis and Investment Management from Saint Mary's College of California. Tony is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Dakota Safford

Analyst

Dakota joined RHJ in August 2017. Prior to joining the firm, he worked at Advanced Financial Strategies as a financial analyst. He received a B.A. in Business Economics from the University of California, Irvine. While at UCI, he was involved in the Student Managed Investment Fund, where he performed equity research and evaluated portfolio structures. Dakota is a CFA® Level III candidate.

Alec R. Harrell, CFA

Analyst

Alec joined RHJ in December 2017 and has 17 years of investment experience. Prior to joining the firm he was a Senior Portfolio Manager/Analyst at Northern Trust Asset Management. Prior to that, Alec worked as a Portfolio Manager/Analyst for Convergent Fund Management and an Analyst for Needelman Asset Management. His experience includes fundamental research on U.S. and international securities as well as the development of quantitative equity strategies. He received a B.A. in politics, philosophy and economics from Claremont McKenna College and a J.D. and M.B.A. from the University of Southern California [USC]. Alec is a CFA® charterholder. He is a member of CFA Society Los Angeles.



Biographies

Trading

DJ Devin

Head Securities Trader

DJ joined the firm in June 1981 and served in several administrative and trade-related positions. In 1986, she assumed responsibility for the execution of all trades and management of soft dollars and commissions. She received a Certificate in Personal Financial Planning from San Diego State University and is a member of the Security Traders Association of Los Angeles.

Jorji-Ann McAllister

Trader

Jorji-Ann joined RHJ in May 1987 and has served in several administrative and trade related positions. Jorji-Ann completes all trading functions, including placement and execution of orders. She received a B.S. from Kearney State College, Kearney, Nebraska.

Brandon Toney

Trader

Brandon joined RHJ in March 2017. Prior to joining the firm, he worked at Wall Street Associates for two years as a trader. Brandon is a CFA® charterholder. He is a member of CFA Society San Diego.

Marketing & Client Service

Thao N. Buuhoan

President & Chief Operating Officer

Thao joined the firm in June 2000 and was responsible for Institutional Marketing and Client Service. In June 2009, Thao was promoted to President and Chief Operating Officer and oversees Operations and Trading in addition to her Marketing and Client Service responsibilities. Prior to joining RHJ, she was a Marketing Manager at State Street Global Advisors in Hong Kong, responsible for sales and marketing to Asian institutions. She holds a B.A. from the University of Pennsylvania.

Michael C. Meoli

Director of Client Service & Marketing

Mike joined RHJ in March 2011 and is responsible for Institutional Marketing and Consultant Relations. Prior to joining the firm, he worked at Everest Capital where he focused on consultant relations and business development. Other previous work experience includes business development at Pathway Capital Management and conducting research on investment managers at an institutional investment consulting firm. Mike holds a B.A. from Concordia University and an M.B.A. from the University of California, Irvine.



Biographies

Administration

Carl M. Obeck *Chief Financial Officer*

Carl joined RHJ as Marketing Manager in 2003 and was promoted to Chief Administrative Officer in 2004 and Chief Financial Officer in 2009. Prior to joining the firm, Carl was responsible for Institutional Consulting Relationships and Marketing at Freeman Associates Investment Management. He also served as Director of Marketing at Messner & Smith. Previous experience includes Corporate Vice President at Montgomery Asset Management and Product Manager for Citibank London NA. Carl has a B.A. from the University of Delaware and an M.A. from Webster University in Vienna, Austria.

Janine Marquez, IACCP® *Chief Compliance Officer*

Janine joined RHJ in July 2002. Janine was appointed Chief Compliance Officer (CCO) for RHJ in June 2009. As CCO, she is responsible for oversight and implementation of the compliance program and regulatory requirements for the firm. Throughout her tenure with RHJ, Janine has held various roles within Marketing, Trading and Compliance. Previously, she was a Senior Investment Analyst at Callan Associates Inc. She was responsible for researching and analyzing money management firms for pension fund plan sponsors. She holds a B.S. degree from California Polytechnic State University, San Luis Obispo, California. Additionally, Janine holds the designation of Investment Adviser Certified Compliance Professional® (IACCP®).

Shelley Hamilton *Senior Compliance Manager*

Shelley joined RHJ in February 1997, and has 31 years of industry experience. Shelley was promoted to Senior Compliance Manager for RHJ in November 2018. Throughout her tenure with RHJ, Shelley has held various roles within the Operations Department, including Operations Manager, Project Manager and Operations Administrator.

Tony Shaw, CFA *Director of Operations*

Tony joined the firm in August 2010 and has 27 years of experience in the financial services industry. Prior to joining RHJ, he served as Vice President at LPL Financial overseeing areas in operations and client services as well as issue resolution. Tony holds a B.A. degree from San Diego State University. Tony is a CFA® charterholder.

Brett Knight *Director of Information Technology*

Brett joined RHJ in April 2015 as Director of Information Technology and the acting Information Security Officer. He has 20 years of industry experience. Prior to joining the firm, Brett was a founding partner at Bravura Networks Inc., a managed service provider in the IT industry. Brett has a B.S. in Business Administration with an emphasis in Management Information Systems from San Diego State University; additionally, Brett holds a Microsoft Certified Systems Engineer (MCSE) certification.



Investment Statistics: Definitions & Formulas

Active Share - This is a measure of the percentage of stock holdings in the portfolio that differs from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the portfolio versus the weight of each holding in the benchmark index and dividing by two.

Alpha - The incremental return of a manager when the market is stationary. In other words, it is the extra return due to nonmarket factors. This risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the manager. A positive alpha indicates that a manager has produced returns above the expected level at that risk level, and vice versa for a negative alpha. Alpha is the Y intercept of the regression line.

$$\text{Alpha } (\alpha) = X - [\text{Beta} * Y]$$

X = the mean return for the manager

Y = the mean return for the index

Information Ratio - This statistic is computed by subtracting the return of the market from the return of the manager to determine the excess return. The excess return is then divided by the standard deviation of the excess returns (or Tracking Error) to produce the information ratio. This ratio is a measure of the value added per unit of active risk by a manager over an index. Managers taking on higher levels of risk are expected to then generate higher levels of return, so a positive IR would indicate "efficient" use of risk by a manager. This is similar to the Sharpe Ratio, except this calculation is based on excess rates of return versus a benchmark instead of a risk-free rate.

$$\text{IR} = \frac{\text{Excess Return}}{\text{Tracking Error}}$$

Long-Term Earnings Growth Forecast - Long-Term Growth [LTG] is the annual EPS growth that the company can sustain over the next 3 or 5 years.

P/E Ratio - 1 Year Forecast - A forward-looking valuation measure of a company's common stock, excluding negative earnings. It encapsulates the amount of earnings estimated for next year per dollar of current share price. For the portfolio, the individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole.

Sharpe Ratio - This statistic is computed by subtracting the return of the risk-free index (typically 91-day T-bill or some other cash benchmark) from the return of the manager to determine the risk-adjusted excess return. This excess return is then divided by the standard deviation of the manager. A manager taking on risk, as opposed to investing in cash, is expected to generate higher returns and Sharpe measures how well the manager generated returns with that risk. In other words, it is a measurement of efficiency utilizing the relationship between annualized risk-free return and standard deviation. The higher the Sharpe Ratio, the greater efficiency produced by this manager. For example, a Sharpe Ratio of 1 is better than a ratio of 0.5.

$$\text{Sharpe} = \frac{\text{Ann Rtn}(x) - \text{Ann Rtn}(R_f)}{\text{Standard Deviation of } x}$$

Rf = Risk-free rate

Sources: eVestment Analytics & FactSet



Important Disclosures

Rice Hall James, LLC (“RHJ”) obtained some of the information provided herein from third party sources believed to be reliable but it is not guaranteed. Data contained herein is for informational purposes only and should not be considered a recommendation to buy or sell any securities. Nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based solely on any information provided herein. RHJ has not taken into account the investment objectives, financial situation or particular needs of any individual investor who may view this report. There is a risk of loss from an investment in securities, including the risk of loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable or suitable for a particular investor’s financial situation or risk tolerance. Asset allocation and portfolio diversification cannot assure or guarantee better performance and cannot eliminate the risk of investment losses.

GICS Sector Classification

The Global Industry Classification Standard (“GICS”) was developed by and is the exclusive property and a service mark of MSCI Inc. (“MSCI”) and Standard & Poor’s Financial Services LLC (“S&P”) and is licensed for use by Rice Hall James & Associates, LLC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Indices Disclosure

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. See below for a description of each index used in this presentation.

Russell 2000® Growth Index

The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.



Annual Disclosure Presentation

RHJ Small Cap Opportunities Composite

Year End	Total Firm Assets (mil.)	Composite Assets		Annual Performance Results				3-Year Annualized Standard Deviation	
		USD (mil.)	Number of Accounts	Composite Gross	Composite Net	Russell 2000 Growth	Composite Dispersion	Composite	Russell 2000 Growth
2019	3,359	1,110	20	18.85%	18.04%	28.48%	0.11%	15.65%	16.37%
2018	3,051	991	20	-6.49%	-7.11%	-9.31%	0.28%	16.34%	16.46%
2017	3,607	1,121	19	28.71%	27.93%	22.17%	0.14%	14.14%	14.59%
2016	2,843	813	20	11.93%	11.28%	11.32%	0.13%	15.57%	16.67%
2015	2,258	557	17	-0.06%	-0.60%	-1.38%	0.41%	14.26%	14.95%
2014	1,955	255	10	8.41%	7.69%	5.60%	N/A ¹	13.02%	13.82%
2013	1,514	54	Five or fewer	56.34%	55.12%	43.30%	N/A ¹	14.91%	17.27%
2012	1,087	30	Five or fewer	14.56%	13.62%	14.59%	N/A ¹	18.25%	20.72%
2011	1,144	35	Five or fewer	9.55%	8.68%	-2.91%	N/A ¹	22.77%	24.31%
2010	1,312	50	Five or fewer	38.73%	37.65%	29.09%	N/A ¹	28.56%	27.70%
2009	1,203	40	Five or fewer	48.47%	47.27%	34.47%	N/A ¹	26.27%	24.85%
2008	1,030	27	Five or fewer	-43.34%	-43.71%	-38.54%	N/A ¹	21.32%	21.26%
2007	1,784	187	Five or fewer	10.48%	9.50%	7.05%	N/A ¹	13.87%	14.23%
2006	2,215	211	Five or fewer	7.10%	6.11%	13.35%	N/A ¹	15.82%	15.57%
2005	2,346	254	Five or fewer	11.46%	10.42%	4.15%	N/A ¹	17.92%	16.51%
2004	2,382	369	Five or fewer	10.03%	9.04%	14.31%	N/A ¹	23.95%	21.40%
2003	2,349	360	Five or fewer	50.70%	49.31%	48.54%	N/A ¹	34.03%	27.00%
2002	1,655	259	Five or fewer	-29.41%	-30.07%	-30.26%	N/A ¹	43.88%	33.33%
2001	1,533	463	Five or fewer	-28.87%	-29.52%	-9.23%	N/A ¹	46.49%	33.58%
2000	1,344	407	Five or fewer	-13.23%	-14.01%	-22.43%	N/A ¹	42.60%	33.28%
1999	1,182	244	Five or fewer	87.81%	86.06%	43.09%	N/A ¹	32.26%	26.31%
1998	1,262	101	Five or fewer	16.33%	15.20%	1.23%	N/A ¹	28.77%	25.03%
1997	1,149	53	Five or fewer	28.67%	27.41%	12.95%	N/A ¹	21.20%	18.27%
1996	1,048	9	Five or fewer	53.30%	51.78%	11.26%	N/A ¹	N/A ²	N/A ²
1995	922	2	Five or fewer	25.69%	24.45%	31.04%	N/A ¹	N/A ²	N/A ²
1994 ³	731	0	Five or fewer	20.70%	20.39%	1.40%	N/A ¹	N/A ²	N/A ²



RICE HALL JAMES
& ASSOCIATES, LLC

N/A¹ - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire calendar year (five or fewer).

N/A² - Three-year standard deviation is only shown where 3 years of data are available.

*Results shown for the year 1994 represent partial period performance from October 10 through December 31, 1994.

Annual Disclosure Presentation

Small Cap Opportunities Composite was created on April 1, 1999, by Engemann Asset Management and ported over to Rice Hall James & Associates, LLC effective October 1, 2008. The composite contains all fully discretionary, tax-exempt institutional and high net worth portfolios invested in the Small Cap Opportunities strategy. The strategy employs a fundamental, bottom-up analytical process to find companies that have three primary characteristics: high earnings growth, high or improving return-on-invested capital, and sustainable competitive advantages. The minimum account size for this composite is \$1 million. From January 1, 1996 to March 31, 2004, the minimum account size was \$5 million. Prior to January 1, 1996, there was no minimum. For comparison purposes the composite is measured against the Russell 2000 Growth index. An investor cannot invest directly in an index.

Performance presented prior to September 30, 2008, occurred while the portfolio management team was affiliated with Engemann Asset Management, and was known as the Small Cap Growth Institutional Composite. The portfolio management team members were the only individuals responsible for selecting securities to buy and sell.

Founded in 1974, Rice Hall James & Associates, LLC is a SEC registered investment adviser. The firm is 100% employee owned.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. As of October 1, 2008, accounts enter and exit the composite monthly. As of January 1, 2005, composite policy requires the temporary removal of any portfolios incurring a client initiated significant cash inflow or outflow of 50% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the month after the cash flow is fully invested. From January 1, 2005 to June 30, 2006, the temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. From July 1, 2006 to September 30, 2008, the temporary removal of such an account occurs at the beginning of the quarter in which the significant cash flow occurs and the account re-enters the composite the second calendar quarter after the cash flow. As of September 30, 2008, the temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The firm maintains a complete list and description of composites, which is available upon request.

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The management fee schedule is as follows: 1.0% flat rate. Actual investment advisory fees incurred by clients may vary.

Rice Hall James & Associates, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Rice Hall James & Associates, LLC has been independently verified for the periods January 1, 1993 through December 31, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Small Cap Opportunities composite has been examined for the periods October 1, 2008 through December 31, 2019. The verification and performance examination reports are available upon request.



MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: September 30, 2020
RE: Rice Hall James– Manager Update

Manager: Rice Hall James

Inception Date:	July, 2017	OPFRS AUM (6/30/2020):	\$11.7 million
Strategy:	Small Cap Opportunities	Firm-wide AUM (6/30/2020):	\$2.8 billion
Benchmark:	Russell 2000 Growth	Strategy AUM (6/30/2020):	\$1.3 billion

Summary & Recommendation

Rice Hall James has experienced poor relative performance in 2019 and the first part of 2020, which has resulted in negative relative performance over all longer-term periods measured. Meketa has no organizational concerns with Rice Hall James at this time; however, excess performance over the most recent periods continue to lag, therefore, **Meketa recommends Rich Hall James (RHJ) continue to be placed on "Watch" status due to performance concerns.**

Discussion

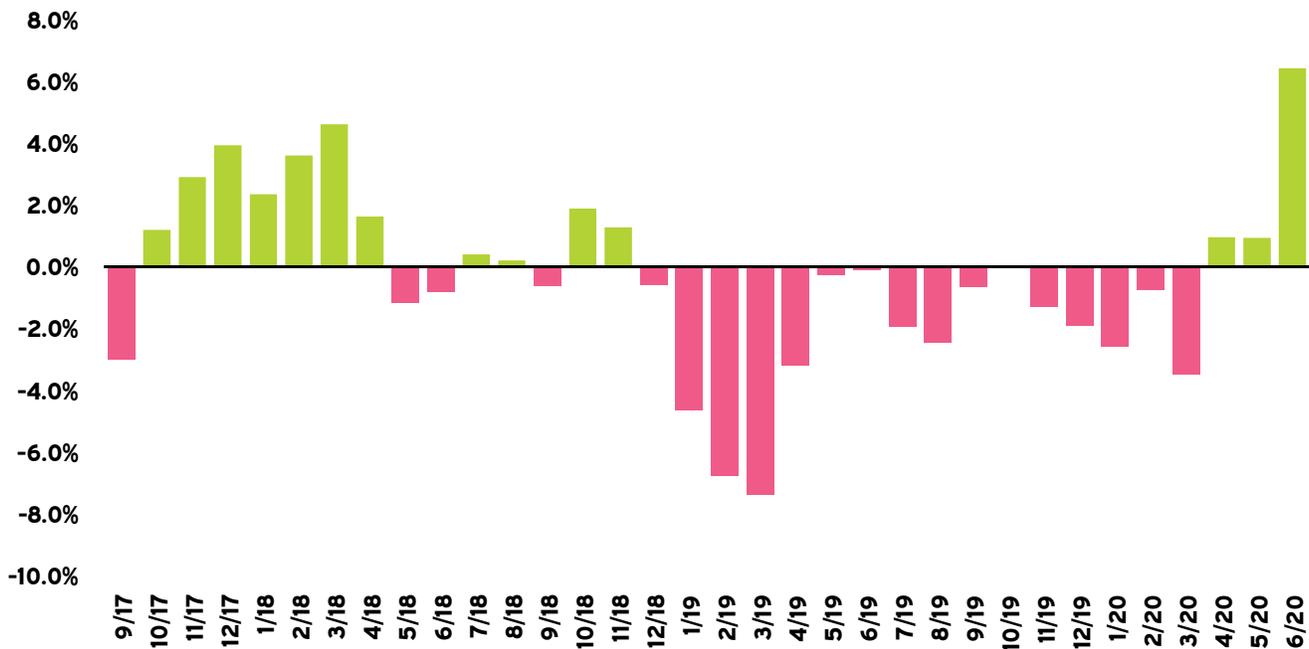
Rice Hall James began managing OPFRS's small cap growth portfolio at the beginning of July 2017, which is now approximately \$11.7 million or about 3% of OPFRS's total allocation. The second quarter of 2020 was beneficial to the portfolio as RHJ produced a 37.3% net of fee return compared to the Russell 2000 Growth index of 30.6%. However, YTD the portfolio is down (0.2%) relative to the index.

OPFRS Portfolio Annualized Returns (as of 6/30/2020)

Manager	Mkt Value (\$000)	Asset Class	YTD	1 YR	3 YR	Since Inception	Inception Date
Rice Hall James (Gross)	11,728	Small Cap Growth	6.7	17.1	10.6	10.2	7/2017
<i>Russell 2000 Growth</i>	---	---	6.2	17.3	10.9	10.6	---
Excess Return	---	---	0.5	-0.2	-0.3	-0.4	---
Rice Hall James (Net)	11,728	Small Cap Growth	6.0	16.0	9.5	9.2	7/2017
<i>Russell 2000 Growth</i>	---	---	6.2	17.3	10.9	10.6	---
Excess Return	---	---	-0.2	-1.3	-1.4	-1.4	---

Over the second quarter of 2020, the portfolio earned a 37.3% net of fees return, outperforming its benchmark by 6.7%. Rice Hall James lagged its benchmark by (1.3%) over the latest 1-year period, and has underperformed its benchmark since inception by (1.4%).

Rolling 3-Month Excess Returns Since Inception– Net of Fees



The above chart displays quarterly excess returns on a rolling basis. Since inception, the portfolio has outperformed its benchmark approximately 42% of the time. Rice Hall James had mixed results in 2018, negative results in 2019 and mixed results in 2020, improving through the second quarter.



Product and Organization Review Summary

Rice Hall James	Areas of Potential Impact				
	Level of Concern ^	Investment process (client portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
Product					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
Organization					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
Recommended Action	None		Watch Status - X		Termination

A review of Rice Hall James and the Small Cap Opportunities Strategy revealed no significant organizational issues or changes. Since Rice Hall James last manager update in 2017, there has been no turnover in the portfolio management team and there was no reported turnover among the analyst team.

Investment Philosophy & Process, per manager

Rice Hall James' Small Cap Opportunities strategy employs a fundamental, bottom-up analytical process to identify companies that meet three primary criteria: high earnings growth, high or improving return-on-invested capital (ROIC), and sustainable competitive advantages. RHJ's philosophy is rooted in historical analysis indicating the high relative return potential of these factors in combination. They believe that superior results can be achieved by owning companies that exhibit not only high earnings growth, but also the ability to sustainably generate high ROIC over long periods of time. RHJ's investment universe consists of companies with market capitalizations between \$100 million and \$4 billion at the time of purchase.

The heart of RHJ's process is fundamental, bottom-up analysis at the company level. The portfolio managers conduct all research on every company held in the portfolio. As generalists, each with over twenty years of investment experience, both portfolio managers bring to bear extensive knowledge of the companies they own or follow, understanding of industries, and general expertise on the small cap landscape in various market environments. Cornerstones of the bottom-up fundamental investment process include:

- Clear understanding of a firm's competitive context and advantages
- Assessment of the sustainability characteristics of the underlying business
- Emphasis on high or improving ROIC; a clear sense of the future direction of ROIC
- Estimation of ability to generate and grow free cash flow over life of the investment
- Valuation that affords a reasonable return over investment horizon
- Scrutiny of company management, ability to identify/ execute on the right plan

Idea generation begins with an analysis of companies within the FactSet universe with market caps ranging from \$100 million to \$4 billion, with an emphasis on growth-oriented industries comprised of companies that feature high earnings growth and high ROIC criteria. Health Care, Technology, and Consumer traditionally have been rich with such companies. They also look for new or emerging industries that can support high growth companies going forward. While these types of investments typically carry more risk, certain areas of the internet and biotechnology, for example, management believes they can create space for attractive long-term growth characteristics.

Finally, RHJ looks for catalysts within industries that are not typically associated with growth characteristics, seeking to capitalize on tactical growth opportunities that arise due to demographic, regulatory and supply/demand issues. Cyclical industries can provide the landscape for attractive growth opportunities to crop up due to such changes.

At the company level, RHJ focuses on businesses that can generate above-average earnings and free cash flow relative to the benchmark. Management favors companies that they believe can achieve these results in tandem with sustained high ROIC, or that can increase their returns to above-average levels over the relevant investment horizon. It is essential that a company can protect these attributes through a well-defined, competitive position, which will protect growth, margins and returns.



Since strong relative results tend to manifest over longer holding periods, RHJ focuses on long-term sustainability factors rather than short-term data points and market movements; as such, low turnover is a notable characteristic of the portfolio.



Disclosure

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

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

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

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

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi– Meketa Inv. Group
DATE: September 15, 2020
RE: Fossil Fuels – Thermal Coal Divestment List Update

Summary

On May 25, 2016, the OPFRS Board approved a recommendation to divest the portfolio from thermal coal producing companies. In July 2016, PCA provided an initial list of 26 thermal coal companies (defined as a company whose primary use of coal is in the generation of heat to produce electricity) that receive more than 50% of their revenue from coal production. OPFRS formally implemented the divestment policy on August 1, 2016.

As part of the ongoing thermal coal divestiture policy, Meketa (formerly PCA) is to provide OPFRS staff with an updated list of thermal coal companies that should not be held in any separate account mandates within the OPFRS portfolio. The table on the following page represents an updated list of 38 thermal coal companies that meet the 50% revenue from coal production criteria as of June 30, 2020.



Restricted Thermal Coal Companies as of 6/30/2020

Issuer Name	Issuer ID	Issuer Ticker	Issuer SEDOL	Issuer ISIN	Issuer Country
Agritrade Resources Limited	IID000000002124346	1131	BFWMB94	BMG0130N1130	SG
Alliance Resource Operating Partners, L.P.	IID000000002764255	ALARP	BD2M5N2	US01879NAA37	US
Arch Resources, Inc.	IID000000002132043	ACCA	BLBPPL6	US03940R1077	US
Alfa Energi Investama Tbk Pt	IID000000002807636	FIRE	BF2NMQ1	ID1000139009	ID
Banpu Public Company Limited	IID000000002159164	BANPU	B3RJVN0	TH0148036401	TH
Bukit Asam Tbk Pt	IID000000002186146	PBATF	B01ZJG2	ID1000094006	ID
Cloud Peak Energy Resources Llc	IID000000002571623	CLDP		US18911XAC11	US
Coal India Ltd	IID000000002235890	COALINDIA	B4Z9XF5	INE522F01014	IN
Consol Coal Resources Lp	IID000000002729139	CCR	BZ1DKR9	US20855T1007	US
Consol Energy Inc.	IID000000002820324	C9X	BDFD769	US20854L1089	US
China Coal Energy Company Limited	IID000000002149341	1898	B1JNK84	CNE100000528	CN
China Shenhua Energy Company Limited	IID000000002141621	1088	B09N7M0	CNE1000002R0	CN
Exxaro Resources Limited	IID000000002126148	EXX	6418801	ZAE000084992	ZA
Geo Coal International Pte. Ltd.	IID000000002861777	GEOE	BF25319	US37255AAB70	SG
Geo Energy Resources Limited	IID000000002653872	7GE	B8G3G55	SG2F24986083	SG
Hallador Energy Company	IID000000002126834	H7H	B128WH9	US40609P1057	US
Indika Energy Capital Ii Pte. Ltd.	IID000000002804147	INDY	BDD99D0	US45569EAA55	SG
Indika Energy Capital Iii Pte. Ltd	IID000000002821542	INDY	BHNVGL1	US45569FAA21	SG
Inner Mongolia Yitai Coal Co., Ltd	IID000000002170666	3948	B4PPPY6	CNE100001FW6	CN
Innovate Capital Pte. Ltd.	IID000000002818787	INVCP	BZBXVS7	XSI628861004	SG
Indo Energy Finance Ii B.V.	IID000000002659515	INDY	B7C1B39	US45579AAA16	NL
Indo Tambangraya Megah Tbk Pt	IID000000002133986	3IB	B2NBLH7	ID1000108509	ID
Lubelski Wegiel Bogdanka Sa	IID000000002402375	0MMZ	B466SM7	PLLWBGD00016	PL
Nacco Industries, Inc.	IID000000002152662	NA6A	B3FH039	US6295791031	US
New Hope Corporation Limited	IID000000002149750	NHC	6681960	AU000000NHC7	AU
Peabody Energy Corporation	IID000000002179181	BTU	BDVPZV0	US7045511000	US
Pt Adaro Energy Tbk	IID000000002355568	A64	B3BQG54	ID1000111305	ID
Pt Adaro Indonesia	IID000000002255868	ADRO	BGXFHP7	US69368KAB26	ID
Pt Bumi Resources Tbk	IID000000002160294	BUMI	6043485	ID1000068703	ID
Pt Indika Energy Tbk	IID000000002290668	I41	B39WL48	ID1000110901	ID
Shanghai Datun Energy Resources Co., Ltd.	IID000000002183325	600508	6397524	CNE000001915	CN
Semirara Mining And Power Corporation	IID000000002183138	SCC	BQ13Z04	PHY7628G1124	PH
Shaanxi Coal Industry Company Limited	IID000000002679662	601225	BJ3WDM8	CNE100001T64	CN
Shanxi Lulan Environmental Energy Dev. Co., Ltd	IID000000002183388	601699	BICWSY0	CNE000001NT7	CN
Washington H. Soul Pattinson And Company Limited	IID000000002150028	SOL	6821807	AU000000SOL3	AU
Whitehaven Coal Limited	IID000000002133460	WC2	B1Y1S56	AU000000WHC8	AU
Yancoal Australia Ltd	IID000000002570123	3668	BGRMZ9	AU000000YAL0	AU
Yanzhou Coal Mining Company Limited	IID000000002190075	1171	6109893	CNE1000004Q8	CN

DS/PN/SK/pq



WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

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

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

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

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



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David F. Jones

SUBJECT: Emergency procedures for
terminating or limiting trading
discretion of PFRS investment
managers to protect PFRS fund
assets

DATE: September 23,
2020

SUMMARY

At the October 30, 2019 PFRS Board Meeting, Plan Administrator David Jones recommended the PFRS board discuss considerations regarding the establishment of emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets.

ATTACHMENT 1 shows excerpts of language regarding emergency investment procedures used by other pension systems.

RECOMMENDATION

Staff requests Board direction regarding emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets.

Respectfully submitted,

David F. Jones, Plan Administrator
Oakland Police and Fire Retirement System

Attachment (1):

- *Excerpts of language regarding emergency investment procedures used by other pension systems*

Agenda Item C9
PFRS Board Meeting
September 30, 2020

ATTACHMENT 1

**EXCERPTS OF LANGUAGE REGARDING
EMERGENCY MANAGER TERMINATION
USED BY OTHER PENSION SYSTEMS**

San Diego City Employees' Retirement System

Occasionally, it may become necessary to terminate an investment manager and/or limit/freeze an investment manager's trading discretion on an expeditious basis in order to protect the assets of the Fund. In circumstances where it is deemed prudent to terminate an investment manager on an expeditious basis (prior to when such action can be brought forward at an Investment Committee meeting), the Chief Investment Officer (CIO) shall have the discretion, with the approval of the Chief Executive Officer (CEO), to initiate such action as is necessary to protect the interests of SDCERS and its assets. Any action taken in this regard shall be reported to the Investment Committee at its meeting subsequent to when such action is taken, with detailed information on the rationale for termination or limiting/freezing a manager's trading discretion. (*SDCERS IPS, 2019, p.4*)

Alameda County Employees Retirement Association

In the event of an emergency or crisis, such as an imminent, foreseeable threat to a Managed Account within the Fund, the following procedure shall be followed to protect the portfolio (with the advice and assistance of the appropriate ACERA consultant(s):

- (a) Staff shall make a concerted attempt to arrange a special meeting (in person and/or by telephone) of the Board to consider and to resolve the matter.
- (b) If (a) is not practicable within the time necessary to protect the portfolio, the Board delegates temporary authority to the Board Chair (and/or Vice Chair) and the Committee Chair (and/or Vice Chair) to consider and to resolve the matter.

The temporary authority delegated under subsection (b) shall be strictly limited to the matter itself and any related actions that may be necessary and appropriate. Under subsection (b), at least two (2) persons of the four persons identified would be required to consider and resolve the matter. The temporary delegated authority shall be as full and complete as the Board's authority which means that Managed Accounts and funds may be terminated and/or redeemed.

Staff and the consultants shall prepare and submit a full report on any and all actions taken under this section for presentation at the next scheduled Investment Committee meeting. (*ACERA IPS, 2019, p.22*)

Contra Costa County Employees Retirement Association

An emergency will be deemed to exist when an investment strategy suffers the resignation or other loss of its portfolio manager(s) and no appropriate replacement is available; when an investment management firm dissolves, ceases to exist, or is otherwise incapable of carrying out its activities in the ordinary course of its business; when an investment management firm is actually or effectively shut down by a regulatory agency of a state or the Federal government or is accused of theft or fraud by a regulatory agency or other government body; when the Plan's investment is in jeopardy of material loss; or when such other developments with the investment management firm give concern to the CIO that the investment is no longer prudent for the Investment Program. Staff

shall take action to transfer management of the affected investment strategy as soon as possible after CCCERA learns of the emergency. In the case of an emergency, the CEO, or in the CEO's absence, the Deputy CEO or the CIO will attempt to notify the Chair and Vice Chair of the Board immediately; notify the Custodian Bank that the Investment Manager's Managed Account is to be frozen and, except for those trades which are pending, no further trading is authorized; and may call a special meeting of the Board to take further action. *(CCCERA IPS, 2019, p. 7)*

San Francisco Employees Retirement System

If Staff and the General Consultant believe that immediate action is necessary due to evidence of a manager engaging in illegal or unethical practices, or for other extraordinary reasons that cause Staff and the General Consultant to believe that continued management is contrary to fiduciary standards of prudence, Staff is authorized by the Board to notify the manager in writing that trading on the account must cease immediately. Notice of such action and the termination recommendation will be presented to the Retirement Board for ratification at its next monthly meeting. Staff and/or the General Consultant may recommend termination of a manager for other reasons than failure to meet Under Review criteria, e.g., after determining that the firm's investment style is no longer relevant to the System's desired portfolio structure. *(SFERS IPS – fixed income, 2012, p. 3)*

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi – Meketa Inv. Group
DATE: September 22, 2020
RE: Parametric – SARP Update

Recommendation and Discussion

On September 22, 2020, Meketa was notified by Parametric that the largest investor in the firm's Systematic Alternative Risk Premia (SARP) strategy will be redeeming its investment on October 1, 2020, leaving OPFRS as the only investor in the fund. As a result, Parametric has announced that they will be closing the portfolio no later than year-end 2020. ***Given this announcement, Meketa recommends that OPFRS terminate the Parametric SARP strategy no later than November 2, 2020.***

Specifically, Meketa recommends OPFRS terminate Parametric and move 50% of the assets to a new BB Aggregate ETF within the fixed income class and 50% to the Long duration ETF within CRO, pending a review of additional portfolio options, including the two CRO finalists that presented back in 2018.

Meketa will update the board with additional information at the September 30, 2020 OPFRS board meeting.

OPFRS retained Parametric SARP in August 2018 to manage assets in the Crisis Risk Offset allocation. The selection was made following a search process with Parametric and two other finalists being selected for consideration. OPFRS's total exposure to the Parametric's account was approximately \$15.8 million as of August 31, 2020 or roughly 4% of the overall OPFRS portfolio.

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8002

*Approved as to
Form and Legality*



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION RATIFYING THE AUGUST 26, 2020 MOTION OF THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD TO HIRE WELLINGTON MANAGEMENT COMPANY, LLP TO SERVE AS THE CORE FIXED INCOME ASSET CLASS INVESTMENT MANAGER FOR THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM AT A MANAGEMENT FEE RATE NOT TO EXCEED 15 BASIS POINTS (15 BPS OR 0.15 PERCENT) OF THE PORTFOLIO'S ANNUAL ASSET VALUE AND AUTHORIZING THE PRESIDENT OF THE POLICE AND FIRE RETIREMENT SYSTEM BOARD TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WELLINGTON MANAGEMENT COMPANY, LLP.

WHEREAS, Article XVI §17 of the California Constitution, commonly referred to as the Pension Protection Act or Proposition 162, and Article XXVI of the City Charter vest the Board with exclusive control of the administration and investment of the assets of the Police and Fire Retirement Fund (the "Fund"); and

WHEREAS, the Board manages and administers the Police and Fire Retirement System ("PFRS"), pursuant to the requirements of Article XXVI of the Oakland City Charter ("City Charter"); and

WHEREAS, the Oakland City Charter section 2601(e) gives the Board of the Oakland Police and Fire Retirement System ("PFRS Board") power to make all necessary rules and regulation for its guidance and exclusive control of the administration and investment of the funds established for the maintenance and operation of the system; and

WHEREAS, Article XXVI of the City Charter expressly authorizes the Board to secure competent investment counsel to provide advice and counsel regarding the investment of the Fund and further provides that discretionary powers granted to such investment counsel will be at the option of the Board; and

WHEREAS, pursuant to direction from the Board, Meketa Investment Group conducted a Request for Proposals ("RFP") in the first quarter of 2020 seeking a Core Fixed Income Asset Class Investment Manager to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police and Fire Retirement System (PFRS) Investment Portfolio; and

WHEREAS, as a result of the RFP, Meketa received a total of 38 responses from 38 firms for the Core Fixed Income Asset Class mandate. Meketa evaluated the RFPs and analyzed performance, risk data, and other qualitative factors from each of the responding firms; and

WHEREAS, the PFRS Investment Consultant, Meketa Investment Group ("Meketa"), reported that it had reviewed and considered the RFP responses and

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

qualifications and narrowed the field to recommend to the PFRS Board the following investment firms: (1) Income Research & Management, (2) Longfellow Investment Management, and (3) Wellington Management Company, LLP; and

WHEREAS, on August 26, 2020, the PFRS Investment Committee and the PFRS Board reviewed and considered the RFP responses and qualifications of (1) Income Research & Management, (2) Longfellow Investment Management, and (3) Wellington Management Company, LLP, and voted to recommend to the Board that Wellington Management Company, LLP be selected to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police and Fire Retirement System; and

WHEREAS, on August 26, 2020, the PFRS Board passed a motion to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police and Fire Retirement System at a Management Fee Rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio's annual asset value, which is presently valued at approximately \$30 Million Dollars (\$30,000,000); now, therefore, be it

RESOLVED: That the PFRS Board hereby ratifies its August 26, 2020 motion to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police and Fire Retirement System at a Management Fee Rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio's annual asset value; and be it

FURTHER RESOLVED: That the PFRS Board hereby authorizes the Oakland Police and Fire Retirement System Board President to execute, on behalf of the Oakland Police and Fire Retirement System and its Board, a Professional Service Agreement with Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police and Fire Retirement System at a Management Fee Rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio's assets value each year.

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE September 30, 2020

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi – Meketa Inv. Group
DATE: September 30, 2020
RE: 2020 Ongoing Strategic Investment Agenda

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

2020 Preliminary Investment Project Agenda

Expected Completion Date	Task
October 2020	<ul style="list-style-type: none">Flash Performance (3Q2020)Educational Item: InflationDefensive Equity ReviewRisk Premia review
November 2020	<ul style="list-style-type: none">Quarterly Performance Report (3Q 2020)
December 2020	<ul style="list-style-type: none">Cash Flow Report (1Q 2021)

Bold are priority strategic items.

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

DS/SC/hs

Pursuant to the Governor's Executive Order N-29-20, all members of the City Council, as well as the City Administrator, City Attorney and City Clerk will join the meeting via phone/video conference and no teleconference locations are required

Oakland Police and Fire Retirement Board meetings are being held via Tele-Conference. Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-6481.



AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Robert W. Nichelini
Member

Kevin R. Traylor
Member

John C. Speakman
Member

R. Steven Wilkinson
Member

Margaret O'Brien
Member

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

Wednesday, September 30, 2020
12:30 pm
Tele-Conference Board Meeting
via Zoom

OBSERVE

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

PUBLIC COMMENTS

There are three ways to submit public comments.

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

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 30, 2020**

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

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

- - - ORDER OF BUSINESS - - -

- A. Subject: PFRS Board Meeting Minutes**
From: Staff of the PFRS Board
-
- Recommendation: APPROVE** August 26, 2020 PFRS Board Meeting Minutes.
- B. AUDIT AND OPERATIONS COMMITTEE AGENDA – SEPTEMBER 30, 2020**
- B1. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board
-
- Recommendation: ACCEPT** an informational report regarding PFRS administrative expenses as of July 31, 2020
- B2. Subject: Resolution No. 8003 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2022 at fees not to exceed \$46,500 for FY2020-2021 and \$46,500 for FY2021-2022**
Report
-
- From:** Staff of the PFRS Board
- Recommendation: APPROVE** Resolution No. 8003 – Resolution to approve a two-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System Board and Cheiron, Inc. through June 30, 2020 at fees not to exceed \$46,500 for FY2020-2021 and \$46,500 for FY2021

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 30, 2020

C. **INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA –
SEPTEMBER 30, 2020**

- C1. **Subject:** Investment Market Overview
From: Meketa Investment Group
Recommendation: **ACCEPT** an informational report on the global investment markets as of August 31, 2020.
- C2. **Subject:** **\$13.9 Million Drawdown for Fiscal Year 2020/2021 (Quarter Ending December 2020) Member Allowances**
From: Meketa Investment Group
Recommendation: **APPROVE** the Meketa’s recommendation of a \$13.9 million drawdown, which includes an \$10.9 million contribution from the City of Oakland and a \$3.0 million contribution from the PFRS Investment Fund, to be used to pay for the October 2020 through December 2020 Member Retirement Allowances
- C3. **Subject:** **Preliminary Investment Fund Performance Update as of August 31, 2020**
From: Meketa Investment Group
Recommendation: **APPROVE** a Preliminary Investment Fund Performance Update as of August 31, 2020
- C4. **Subject:** **Investment Manager Overview – Ramirez Asset Management**
From: Ramirez Asset Management
Recommendation: **ACCEPT** an informational report regarding the investment performance and managerial assessment of Ramirez Asset Management, a PFRS Domestic Core Fixed Income Investment Manager.
- C5. **Subject:** **Investment Manager Overview – Ramirez Asset Management**
From: Meketa Investment Group
Recommendation: **ACCEPT** evaluation and review of Ramirez Asset Management, a PFRS Domestic Core Fixed Income Investment Manager.
- C6. **Subject:** **Investment Manager Overview – Rice Hall James & Associates, LLC**
From: Rice Hall James & Associates, LLC
Recommendation: **ACCEPT** an informational report regarding the investment performance and managerial assessment of Rice James & Associates, LLC, a PFRS Small Cap Growth Investment Manager.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 30, 2020

- C7. **Subject:** Investment Manager Overview – Rice Hall James & Associates, LLC
From: Meketa Investment Group
Recommendation: **RECOMMEND BOARD APPROVAL** of evaluation, review, and recommendation to continue Watch Status of Rice Hall James & Associates. LLC, a PFRS Small Cap Growth Investment Manager.
- C8. **Subject:** Updated List of Thermal Coal Companies Prohibited from the PFRS Investment Portfolio
From: Meketa Investment Group
Recommendation: **APPROVE** updated list from Meketa Investment Group of thermal coal companies prohibited from the PFRS Investment Portfolio
- C9. **Subject:** Informational Report regarding emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets
From: Staff of PFRS Board
Recommendation: **DISCUSS** informational report and **PROVIDE STAFF DIRECTION** regarding emergency procedures for terminating or limiting trading discretion of PFRS investment managers to protect PFRS fund assets.
- C10. **Subject:** Termination of Service Agreement with Parametric Portfolio Associates, LLC Crisis Risk Offset Systematic Alternative Risk Premia (SARP) strategy
From: Meketa Investment Group
Recommendation: **APPROVE** the Committee's recommended course of action with regard to Parametric Portfolio Associates, LLC to Terminate the Service Agreement the Parametric Portfolio Associates, LLC SARP strategy no later than November 2, 2020 and the transfer of PFRS assets managed by Parametric Portfolio Associates, LLC to another investment manager or a comparable Exchange Traded Fund (ETF).

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 30, 2020

- C11. **Subject:** Resolution No. 8002 – Resolution ratifying the August 26, 2020 motion Of The Oakland Police and Fire Retirement System Board to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a management fee rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio’s annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Wellington Management Company, LLP
- From:** Staff of PFRS Board
-
- Recommendation:** **APPROVE** Resolution No. 8002 – Resolution ratifying the August 26, 2020 motion Of The Oakland Police and Fire Retirement System Board to hire Wellington Management Company, LLP to serve as the Core Fixed Income Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a management fee rate not to exceed 15 basis points (15 BPS or 0.15 percent) of the portfolio’s annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Wellington Management Company, LLP.
- D. **Subject:** **Election of Board President and Vice President**
- From:** Staff of the PFRS Board
-
- Recommendation:** **CONDUCT** PFRS Board elections for Board President and Vice President pursuant to PFRS Rules and Regulations Section 7.1
- E. **NEW BUSINESS**
- F. **OPEN FORUM**
- G. **FUTURE SCHEDULING**
- H. **ADJOURNMENT**

A BOARD MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on August 26, 2020 via Zoom Tele-Conference.

- Board Members Present:
- Walter L. Johnson, President
 - Jaime T. Godfrey, Vice President
 - Margaret O’Brien, Member
 - Robert W. Nichelini, Member
 - John C. Speakman, Member
 - Kevin R. Traylor, Member
 - R. Steven Wilkinson, Member

- Additional Attendees:
- David Jones, PFRS Plan Administrator
 - Jennifer Logue, PFRS Legal Counsel
 - Teir Jenkins, Staff Member
 - Maxine Visaya, Staff Member
 - David Sancewich, Meketa Investment Group

The meeting was called to order at 12:53 pm

David Jones introduced new Board Member Margaret O’Brien.

C. PFRS Board Meeting Minutes – Vice-President Godfrey made a motion to approve the July 29, 2020 PFRS Board meeting minutes, second by Member Nichelini. Motion Passed.

[JOHNSON – Y/ GODFREY – Y/ O’BRIEN – ABSTAIN/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 6/ NOES: 0/ ABSTAIN: 1)

C. Administrative Expenses Report – Investment Officer Teir Jenkins presented an informational report of the PFRS administrative expenditures from July 1, 2019 through June 30, 2020.

MOTION: Member Traylor made a motion to accept the administrative expenses report, second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O’BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

**C. INVESTMENT & FINANCIAL MATTERS COMMITTEE MEETING –
AUGUST 26, 2020**

C1. Investment Market Overview – David Sancewich provided an informational report on the global economic factors affecting the PFRS Fund as of July 31, 2020, including the impact of the Coronavirus on the world investment markets.

MOTION: Vice-President Godfrey made a motion to accept the informational report from Meketa regarding the global economic factors as of July 31, 2020, second by Member Speakman . Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

C2. Investment Fund Performance Report for the Quarter Ending June 30, 2020– David Sancewich reported on the details of the Investment Fund Performance Report for the Quarter Ending June 30, 2020.

MOTION: Vice-President Godfrey made a motion to accept the informational report from Meketa regarding the Investment Fund Performance Report for the Quarter Ending June 30, 2020, second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

C3.Preliminary Investment Fund Performance Update as of July 31, 2020– David Sancewich reported on the details of the Preliminary Investment Fund Performance Update as of July 31, 2020.

MOTION: Mr. Sancewich noted there was a typo as to the date of the report and it should be June 30, 2020.Vice-President Godfrey made a motion to accept the informational report from Meketa regarding Preliminary Investment Fund Performance Update with an amended report date as of June 30, 2020, second by Member Speakman. Motion passed with noted change.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

C4.Prospective Core Fixed Income Investments Portfolio Manager Presentations – Vice-President Godfrey reported on the presentations from Income Research & Management, Longfellow Investment Management Co., and Wellington Management Company LLP; the prospective Core Fixed Income Investment Manager Class Investments Portfolio Managers.

MOTION: After discussion, Vice-President Godfrey made a motion to accept the informational presentations from Income Research & Management, Longfellow Investment Management Co., and Wellington Management Company LLP second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

c5. Selection of a New Core Fixed Income Investments Portfolio Manager –

Vice-President Godfrey summarized the in-depth discussion regarding the three managers interviewed, and further, a lengthily discussion between making a choice between Longfellow Investment Management Co., and Wellington Management Company LLP. Vice-President Godfrey made a motion to hire Wellington Management Company LLP to serve as PFRS's New Core Fixed Income Investment Manager Class Manager.

MOTION: Vice-President Godfrey made a motion to hire Wellington Management Company LLP as PRFS new Core Fixed Income Investment Manager Class Investments Portfolio Manager, second by Chairperson Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

c6. Resolution No. 7098 – Vice-President Godfrey made a motion to approve Resolution No. 7098 – resolution ratifying the July 29, 2020 motion of the Oakland Police and Fire Retirement System Board to hire Brown Advisory to serve as the Active Small Cap Value Domestic Equity Asset Class Investment Manager for the Oakland Police And Fire Retirement System for a term of five (5) years at a fee rate not to exceed 85 bps (0.85%) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Brown Advisory., second by member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

c7. Resolution No 7099 - Vice-President Godfrey made a motion to approve Resolution No. 7099 - resolution Ratifying The July 29, 2020 motion of the Oakland Police And Fire Retirement System Board to hire Blackrock Investment Management Company to serve as the Passive International Equity Asset Class Investment Manager for the Oakland Police And Fire Retirement System at a fee rate not to exceed 4 basis points (4bps or 0.04 percent) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Blackrock Investment Management Company, second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

c8.Resolution No 8000 - Vice-President Godfrey made a motion to approve Resolution No. 8000 - resolution Ratifying The July 29, 2020 motion of the Oakland Police And Fire Retirement System Board to hire Blackrock Investment Management Company to serve as the Long Duration Treasury Plan Component of The Crisis Risk Offset Investment Strategy Portfolio Manager for the Oakland Police And Fire Retirement System at a fee rate not to exceed 4 basis points (4bps or 0.04 percent) of the portfolio's annual asset value and authorizing the President of the Police And Fire Retirement System Board to execute a professional services agreement with Blackrock Investment Management Company, second by member Traylor. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

D. Meketa Investment Group Paycheck Protection Program (PPP) Loan – David Sancewich reported on a memo to provide an update regarding Meketa Investment Group's Paycheck Protection Program (PPP) Loan and noted it was a pro-active action and if it is determined to not be necessary, they will pay back the loan.

MOTION: Vice-President Godfrey made a motion to accept the memo from Meketa regarding the Paycheck Protection Program (PPP) Loan, second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

E. Resolution No 8001 - Resolution Expressing Appreciation for Adam Benson's Dedication and Loyal and Valuable Service as an Audit Committee Member and Full Board Member to The Oakland Police and Fire Retirement System Board.

David Jones thanked Adam Benson for his dedication and commitment to the PFRS Board and Audit Committee. Teir Jenkins also expressed deep appreciation and said he learned a lot from Adam. Margaret O'Brien appreciated the resolution as well.

Teir Jenkins noted that staff had a small edit to Resolution 8001 to reflect the correct start date of Adam Benson's term as August 23, 2019.

MOTION: Member Nichelini made a motion to accept Resolution 8001 with the edit, second by Member Speakman. Motion passed.

[JOHNSON – Y/ GODFREY – Y/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – Y/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

F. New Business – No Report

G. Open Forum – No Report

H. Future Scheduling – The next PFRS Board meeting was scheduled for Wednesday, September 30, 2020.

