

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Committee may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency.

Oakland Police and Fire Retirement Board and committee meetings are held in wheelchair accessible facilities. Contact the Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



AGENDA

AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairman

Adam Benson
Member

Robert J. Muszar
Member

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

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

**Wednesday, September 25, 2019 – 9:30 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612**

- - - ORDER OF BUSINESS - - -

- 1. Subject: PFRS Audit Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE August 28, 2019 Audit Committee meeting minutes.
- 2. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS administrative expenses from July 1, 2019 through July 31, 2019.
- 3. Subject: Hearing Procedures, Handling of Confidential Member Medical Files and provide staff direction in this regard**
From: PFRS Legal Counsel

Recommendation: RECOMMEND BOARD APPROVAL of the report and recommendations regarding PFRS Hearing Procedures, Handling of Confidential Member Medical Files for discussion and provide further direction in this regard.
- 4. REVIEW OF PENDING AUDIT AGENDA ITEMS**
- 5. Future Scheduling**
- 6. Open Forum**
- 7. Adjournment of Meeting**

AN AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on Wednesday, August 28, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- John C. Speakman, Chairman
- Adam Benson, Member
- Robert J. Muszar, Member

Additional Attendees:

- David Jones, Plan Administrator
- Teir Jenkins & David Low, Staff Member
- Jennifer Logue, PFRS Legal Counsel

The Meeting was called to order at 9:40 a.m.

Plan Administrator David Jones introduced the City of Oakland’s new Director of Finance and PFRS Mayoral Representative, Adam Benson, to the PFRS Audit Committee. PFRS Legal Counsel Jennifer Logue explained that Member Benson serves as the Mayoral Representative of the PFRS board pursuant to the City Council Resolution (No. 87366, 10/16/2018) which directly appoints the Director of Finance to the position of Mayoral Representative on the PFRS board.

1. **PFRS Audit Committee Meeting Minutes** – Member Muszar made a motion to approve the July 31, 2019 Audit Committee meeting minutes, second by Member Benson. Motion passed.

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

2. **Administrative Expenses Report** – Teir Jenkins presented an informational report on the status of the administrative expenditures of the PFRS plan through June 30, 2019. Member Muszar asked if any excess construction funds would be carried over to the 2019-2020 budget cycle. Plan Administrator Jones reported that any excess construction funds would be carried over to the 2019-2020 budget cycle.

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

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

3. **Resolution No. 7065 – Member Wilkinson Travel Authorization** – Member Muszar made a motion to recommend Board approval of Resolution No. 7065 – Travel authorization for PFRS Board Member R. Steven Wilkinson to travel and attend the Value Edge Advisors, LLC 2019 Public Funds Forum (“2019 VEA Public Funds Forum”) from September 3, 2019 to September 5, 2019 in Park City, UT with an estimated budget of Two Thousand Five Hundred Dollars (\$2,500.00), second by member Benson. Motion passed.

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

4. **2006 Management Audit of the PFRS System** – Plan Administrator David Jones reported the previous presentation by the Staff of the PFRS Board on this matter. He reiterated his notes why a revisit to conducting a new management audit would be unnecessary.

Member Muszar reported his notes addressing previous Audit Committee presentations on this matter, including a plan to conduct a more limited scope management audit and the possible plans to have an ad hoc committee placed to address the development of a scope of services which would address refine the scope of services for a new management audit.

Member Benson said the 2006 management audit listed recommendations that were addressed and implemented by the PFRS Staff. He said it may be prudent for staff to present the Audit Committee with a status report of these listed recommendations to the Audit Committee at a future meeting to consider how to proceed with a new audit. Plan Administrator Jones suggested that this updated report be presented at the November 2019 Audit Committee meeting.

MOTION: Member Benson made a motion (1) to table this matter to the November 2019 Audit Committee, and (2) to direct Staff to provide a status report on the listed 2006 management audit items, second by member Muszar. Motion passed.

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

5. **Pending Audit Agenda List** – Plan Administrator David Jones reported the status of agenda items Audit/Operations Committee’s pending list.
6. **Future Scheduling** – The next Audit Committee meeting was scheduled for September 25, 2019.
7. **Open Forum** – No Speakers.
8. **Meeting Adjournment** – Meeting adjourned at 9:59 a.m.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Administrative Budget Spent to Date (Preliminary)
 As of July 31, 2019

	Approved Budget		July 2019		FYTD		Remaining		Percent Remaining	
Internal Administrative Costs										
PFRS Staff Salaries	\$	1,134,000	\$	94,319	\$	94,319	\$	1,039,681		91.7%
Board Travel Expenditures		52,500		-		-		52,500		100.0%
Staff Training		20,000		-		-		20,000		100.0%
Staff Training - Tuition Reimbursement		7,500		-		-		7,500		100.0%
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		1,185		1,185		38,815		97.0%
Internal Service Fees (ISF)		77,000		-		-		77,000		100.0%
Contract Services Contingency		50,000		1,200		1,200		48,800		97.6%
Office Construction Costs*		5,128		-		-		5,128		100.0%
Internal Administrative Costs Subtotal :	\$	1,433,728	\$	96,704	\$	96,704	\$	1,337,024		93.3%
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	\$	-	\$	-	\$	188,000		100.0%
Legal Contingency		150,000		-		-		150,000		100.0%
Legal Services Subtotal:	\$	338,000	\$	-	\$	-	\$	338,000		100.0%
Investment Services										
Money Manager Fees	\$	1,349,000	\$	-	\$	-	\$	1,349,000		100.0%
Custodial Fee		124,000		-		-		124,000		100.0%
Investment Consultant (Meketa)		100,000		-		-		100,000		100.0%
Investment Subtotal:	\$	1,573,000	\$	-	\$	-	\$	1,573,000		100.0%
Total Operating Budget	\$	3,436,228	\$	96,704	\$	96,704	\$	3,339,524		97.19%

*Carry Forward from FY 2018-2019

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of July 31, 2019

	July 2019
Beginning Cash as of 6/30/2019	\$ 6,466,172
Additions:	
City Pension Contribution - July	\$ 3,617,417
Investment Draw (Incoming Wire) - 7/1/2019	1,000,000
Misc. Receipts	1,237
Total Additions:	<u>\$ 4,618,653</u>
Deductions:	
Pension Payment (June Pension Paid on 7/1/2019)	(4,535,059)
Expenditures Paid	(511,441)
Total Deductions	<u>\$ (5,046,499)</u>
 Ending Cash Balance as of 7/31/2019*	 <u><u>\$ 6,038,327</u></u>

* On 8/1/2019, July pension payment of appx \$4,603,000 will be made leaving a cash balance of \$1,435,000

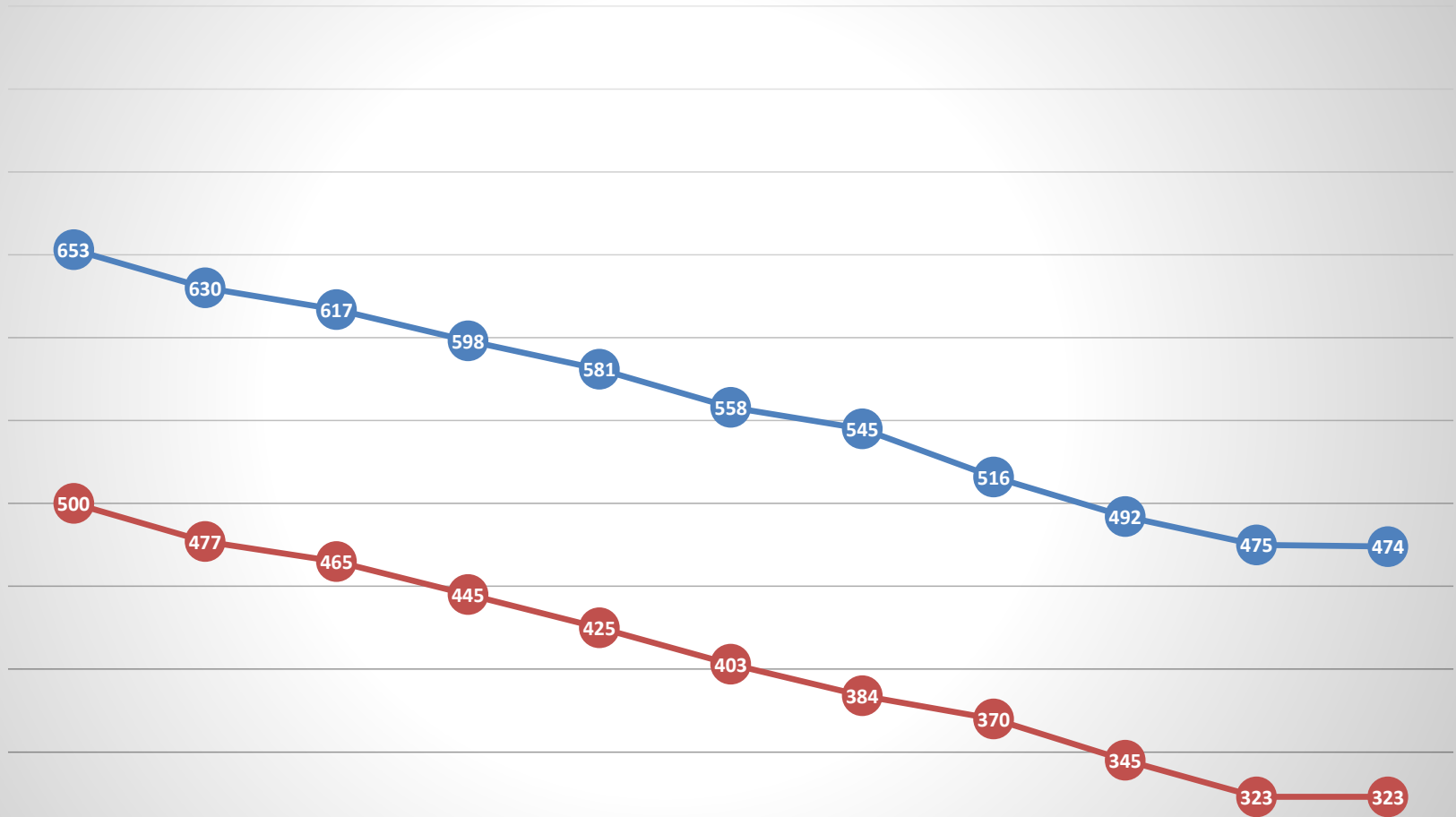
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of July 31, 2019

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	347	199	546
Beneficiary	127	124	251
<i>Total Retired Members</i>	474	323	797
<i>Total Membership:</i>	474	323	797

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	313	168	481
Disability Retirement	147	142	289
Death Allowance	14	13	27
<i>Total Retired Members:</i>	474	323	797
<i>Total Membership as of July 31, 2019:</i>	474	323	797
<i>Total Membership as of June 30, 2019:</i>	475	323	798
<i>Annual Difference:</i>	-1	0	-1

Oakland Police and Fire Retirement System Pension Plan Membership Count As of July 31, 2019 (FY 2010 - FY 2019)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 FYTD
Police	653	630	617	598	581	558	545	516	492	475	474
Fire	500	477	465	445	425	403	384	370	345	323	323
Total	1153	1107	1082	1043	1006	961	929	886	837	798	797



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones

SUBJECT: Draft Hearing Rules and Procedures **DATE:** September 16, 2019

BACKGROUND

At the July 31, 2019, Audit and Operations Committee (“Committee”) meeting, Committee Member, Robert Muszar, made a motion to direct PFRS legal counsel to prepare and present, at the September 2019 Audit and Operations Committee meeting, proposed Board hearing procedures and procedures for handling confidential materials submitted to the Board for consideration during a hearing. The motion passed, and the matter was agendaized for the September 2019 meeting. In accordance with the Committee’s directions, attached are draft Hearing Rules and Procedures, which will be presented by PFRS legal counsel for the Committee’s consideration and discussion at the September meeting.

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

Attachments:

1. **DRAFT Police and Fire Retirement System, Hearing Rules and Procedures**

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM HEARING RULES AND PROCEDURES

The Police and Fire Retirement System (“PFRS”) was established in 1951 by Article XXVI of the Charter of the City of Oakland (“Charter”), is a closed City of Oakland-operated retirement system for retirees of the Oakland Police and Fire Departments. Section 2601 of the Charter creates the Police and Fire Retirement System Board (“PFRS Board”) and authorizes the PFRS Board to make all necessary rules and regulations for its guidance. Section 2603 of the Charter requires the PFRS Board to hold a public hearing on all disputed matters pertaining to retirement and to the granting of retirement allowances, pensions, and death benefits. The PFRS Board has determined that the establishment of Rules and Procedures for hearings held pursuant to Section 2603 will help streamline the process and provide clarity for PFRS members or dependents seeking to avail themselves of Section 2603 hearing process. Accordingly, the PFRS Board has promulgated these Rules and Procedures pursuant to its authority under Section 2601 of the Charter.

1. HEARING REQUEST

A PFRS member or dependent requesting a hearing under Section 2603 (“Requesting Party”) shall submit a Request for Hearing form as follows:

In Person or by Mail to: City of Oakland, Retirement Unit 150 Frank H. Ogawa Plaza, Suite 3349 Oakland, California 94612 Attention: David Jones, Plan Administrator	By Email to: dfjones@oaklandca.gov
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The Request for Hearing form may be obtained from Carol Kolenda, Benefits Representative.

2. NOTICE OF HEARING

All Section 2603 hearings shall be held during a regularly scheduled meeting of the PFRS Board.

Upon receipt of a Request for Hearing form, a public hearing shall be scheduled as soon as possible but not more than ninety (90) days from the date the Request for Hearing is received by the Retirement Unit.

Not less than 30 days before the hearing date, PFRS staff shall deliver a written Notice of Hearing, which provides the time, date and location of the hearing, to the Requesting Party by personal service or by United States Mail postage prepaid to the Requesting Party’s last known address.

3. CONTINUANCES, POSTPONMENT OR ABSENCE

If the Requesting Party is unable to attend the hearing on the date and time provided in the Notice of Hearing, the Requesting Party may submit a written request to continue or postpone the hearing to a future date on which a regularly scheduled meeting of the PFRS Board will be held.

4. RIGHT TO REPRESENTATION

All parties shall have the right to represent themselves or to be represented by an attorney, hired at their own expense, at the hearing. PFRS members or dependents who cannot afford to hire an attorney or elect to represent themselves at the hearing may be represented or assisted by a friend or family member at the hearing.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
HEARING RULES AND PROCEDURES**

5. EVIDENCE/ORAL ARGUMENT

All parties shall have the right to present evidence and to make oral argument in support of their position or claim subject to the following rules.

5.1 Applicability of Technical Rule of Evidence

The technical rules of evidence applied in state court shall not apply to hearings held pursuant to Section 2603. Any relevant evidence will be admitted if it is the sort of evidence on which reasonable persons would rely in the conduct of serious affairs.

5.2 Oral Argument

Each party shall have a total of fifteen (15) minutes for oral argument. The President of the PFRS Board shall have the discretion to increase or decrease this time limit based on the complexity of the issue(s) presented, the number of parties, or any other factor affecting the time needed to present a case.

5.3 Witnesses

Any party intending to offer witness testimony at the hearing shall submit a witness list containing the name of all witnesses they intend to call and a time estimate for each witnesses' testimony no less than fifteen (15) days before the date of the hearing.

The purpose of the is rule is to ensure that a sufficient amount of time is allotted for the hearing on the PFRS Board meeting agenda. Therefore, the failure to timely submit a witness may result in the reduction of the number of witnesses that may called or a reduction of the amount of time each witness may testify.

Witness lists shall be submitted as follows:

In Person or by Mail to: City of Oakland, Retirement Unit 150 Frank H. Ogawa Plaza, Suite 3349 Oakland, California 94612 Attention: David Jones, Plan Administrator	By Email to: dfjones@oaklandca.gov
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5.4 Documents/Records

Any party who intends to present documents or records for the PFRS Board's consideration at the hearing shall submit one (1) copy all documents and records no less than 15 days before the date of the hearing.

The purpose of this rule is to ensure that all documents and records related to the public hearing are made available for public inspection prior to the hearing pursuant to the Oakland Sunshine Ordinance. Therefore, the failure to timely submit one copy of all documents and records **will** result in the party being prohibited from offering such evidence at the hearing.

Record and Documents shall be submitted as follows:

In Person or by Mail to: City of Oakland, Retirement Unit 150 Frank H. Ogawa Plaza, Suite 3349 Oakland, California 94612 Attention: David Jones, Plan Administrator	By Email to: dfjones@oaklandca.gov
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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
HEARING RULES AND PROCEDURES**

5.5 Confidential Medical Records or Other Documents

Any document or record that is protected from public disclosure by state or federal law, such as medical records, may be submitted confidentially in a sealed envelope marked "CONFIDENTIAL MATERIAL". Upon confirmation by PFRS legal counsel that said material is protected from public disclosure by state or federal law, said material will be provided to the PFRS Board for the purposes of the hearing only and will not be made available for public inspection or copying.

6. DECISION

At the conclusion of the hearing, the PFRS Board will render a decision which shall be ratified by Resolution passed at the next regularly scheduled PFRS Board meeting.

The Hearing Rules and Procedures of the Oakland Police and Fire Retirement System have been approved

by vote of the Board of Administration, effective _____.

WALTER L. JOHNSON, SR.
PRESIDENT
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD

DAVID JONES
SECRETARY
OAKLAND POLICE & FIRE RETIREMENT SYSTEM BOARD



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: September 16, 2019

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	
2	Staff review of the 2006 Management Audit.	NOV 2019	

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

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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 25, 2019 – 10:00 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

- 1. Subject: PFRS Investment Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE August 28, 2019 Investment Committee meeting minutes.
- 2. Subject: Investment Manager Performance Review – Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager**
From: Ramirez Asset Management Inc.

Recommendation: ACCEPT an Informational Report regarding review of Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager.
- 3. Subject: Investment Manager Overview – Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager**
From: Meketa Investment Group

Recommendation: RECOMMEND BOARD APPROVAL of evaluation, review and possible watch status placement of Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager.
- 4. Subject: Investment Market Overview**
From: Meketa Investment Group

Recommendation: ACCEPT an informational report on the global investment markets through September 2019.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
SEPTEMBER 25, 2019

ORDER OF BUSINESS, continued

5. **Subject:** \$13.85 million Drawdown for 4th Quarter 2019 Member Allowances
From: Staff of the PFRS Board & Meketa Investment Group
-
- Recommendation:** **RECOMMEND BOARD APPROVAL** of the Meketa recommendation of \$13.85 million drawdown, which includes an \$10.85 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 2019 through December 2019 member Retirement Allowances.
6. **Subject:** PFRS Fixed Income Asset Class Portfolio Review
From: Meketa Investment Group
-
- Recommendation:** **RECOMMEND BOARD APPROVAL** of possible changes to the PFRS Fixed Income Asset Class Investment Portfolio Review as recommended by Meketa.
7. **Subject:** Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager (VERBAL REPORT)
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report on the status of the Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager.
8. **Subject:** Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio (VERBAL REPORT)
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** Informational Report on the status of the Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio.
9. **Subject:** Updated List of Thermal Coal Companies Prohibited from the PFRS Investment Portfolio
From: Staff of the PFRS Board and PCA
-
- Recommendation:** **RECOMMEND BOARD APPROVAL** of an updated list from PCA of thermal coal companies prohibited from the PFRS Investment portfolio.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
SEPTEMBER 25, 2019**

ORDER OF BUSINESS, continued

- 10. Schedule of Pending Investment Committee Meeting Agenda Items**
- 11. Future Scheduling**
- 12. Open Forum**
- 13. Adjournment of Meeting**

AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held August 28, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

Committee Members Present:

- Jaime T. Godfrey, Chairman
- R. Steven Wilkinson, Member
- Martin J. Melia, Member

Additional Attendees:

- David Jones, Plan Administrator
- Jennifer Logue, PFRS Legal Counsel
- David Low & Teir Jenkins, Staff Members
- David Sancewich, Meketa Investment Group
- Sean Copus, Meketa Investment Group

The meeting was called to order at 10:07 a.m.

1. **Approval of Investment Committee meeting minutes** – Member Melia made a motion approve the July 31, 2019 Investment Committee meeting minutes, second by Member Wilkinson. Motion passed.

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

2. **Investment Market Overview** – Sean Copus from Meketa provided an informational report on the global economic factors affecting the PFRS Fund.

MOTION: Member Wilkinson made a motion to accept the Investment Market Overview report, second by Member Melia. Motion passed.

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

3. **Investment Fund Performance for the Quarter Ending June 30, 2019** – Sean Copus from Meketa presented the comprehensive PFRS investment fund performance report for the quarter ending June 30, 2019. He reported that the PFRS Fund underperformed the Policy Benchmark by 20 basis points for the quarter but outperformed the Policy Benchmark for the Fiscal Year, 1-year, 3-year and 5-year periods.

MOTION: Member Melia made a motion to recommend Board approval of the Investment Fund Performance for the Quarter Ending June 30, 2019, second by Member Wilkinson. Motion passed.

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

4. **Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager** – David Sancewich from Meketa reported on the status of the Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager.

MOTION: Member Melia made a motion to accept the information report regarding the Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager, second by member Wilkinson. Motion passed.

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

5. **Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio** – David Sancewich from Meketa reported on the status of the Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio.

MOTION: Member Melia made a motion to accept the Proposals report regarding the Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio, second by member Wilkinson. Motion passed.

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

6. **New Active International Equities Asset Class Investment Managers Presentations** – David Sancewich from Meketa presented an overview of the investment firms making presentations to become the new Active International Equities Asset Class investment manager for the PFRS fund. The firms and their representatives that made presentations were:

Acadian Asset Management, LLC – Scott J. Brymer; Thomas N. Obaseki
GQG Partners, LLC – James Anders; Meredith Richardson
Strategic Global Advisors, LLC – Melvin Lindsey; David Cai; John Dewey
William Blair Investment Management, LLC – Ryan Dimas; Wally Fikri

MOTION: Member Melia made a motion to accept the presentations from the investment managers, second by Member Wilkinson. Motion passed.

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

7. **Selection of a new Active International Equities Asset Class Investment Manager for the PFRS Fund** – David Sancewich from Meketa and the Investment Committee discussed the presentations of each investment firm for the Active International Equity asset class of the PFRS fund.

MOTION: Member Melia made a motion to recommend that the Board hire Strategic Global Advisors, LLC as the new PFRS Active International Equities Investment Manager and directed consultant and staff to utilize either a separate account or

commingled fund for investment with the new manager, second by Member Wilkinson. Motion passed.

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

8. **Schedule of Pending Agenda Items** – Staff reported the agenda items scheduled for future Investment Committee meetings. Member Melia made a motion to approve the schedule of pending agenda items, second by member Wilkinson. Motion passed.

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

9. **Future Scheduling** – The next Investment Committee meeting was scheduled for September 25, 2019.

10. **Open Forum** – The Investment Committee acknowledged the contribution of Member Melia on the PFRS Investment Committee.

11. **Adjournment of Meeting** – The meeting adjourned at 12:35 p.m.

JAIME T. GODFREY, COMMITTEE CHAIRMAN

DATE

RAMIREZ ASSET MANAGEMENT



City of Oakland Police and Fire Retirement System | Investment 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



Ramirez Asset Management Presentation Team



James Haddon

Managing Director, Head of Marketing and Client Service
(212) 248-3887
james.haddon@ramirezam.com

Mr. Jim Haddon over 38 years' of experience in the asset management and investment banking business. At RAM he is responsible for marketing the firms fixed income products and services to pension funds, state and local governments and corporations. In addition, he provides client service for select accounts. Mr. Haddon reports directly to Sam Ramirez, Jr. and also focuses on developing marketing strategies to grow RAM's asset management business. Prior to RAM, Mr. Haddon was employed for 5 years at PFM Asset Management where he was a Managing Director responsible for National Account marketing. Prior to PFM Asset Management he worked at Citigroup in various asset fundraising and investment banking roles. He earned a bachelor's degree in economics from Wesleyan University and an MBA from Stanford University and holds his Series 7, 53 and 63 licenses from the Financial Industry Regulatory Authority (FINRA).

Agenda

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

I. Firm Overview and Updates

Ramirez Asset Management (RAM) Firm Update

- RAM was founded in 2002 and is a certified minority-owned fixed income investment manager based in New York City with offices in Chicago, IL and San Juan, PR
- RAM is an affiliate of Samuel A. Ramirez & Co., established in 1971, one of the oldest Hispanic-owned investment banks in the United States
- RAM currently manages \$2.53 billion in assets, as of August 31, 2019
- Pipeline assets: We are in contract to on-board approximately \$850 million in additional assets by the end of September
- RAM has experienced 23% trailing 5-year annualized AUM growth
- RAM has a team of 19 professionals and has experienced 36% growth over the last 5 years
- RAM is a nationally recognized certified minority-owned business
- RAM is a “sleep well at night” investment manager with a goal to deliver strong performance with lower volatility

Performance Achievements

- RAM ranks as one of the **top performing managers** within the entire U.S. Core Fixed Income Universe, per eVestment¹, for the trailing **1-, 3-, 5-year periods ending June 30, 2019**
- RAM was awarded the **Fixed Income Emerging Manager of the Year** for both 2016 and 2017 by Emerging Manager Monthly²
- Nominated as finalist (top 3) for Fixed Income Emerging Manager of Year for 4 consecutive years, including 2019

Core Strategy Rankings¹ U.S. Core Fixed Income Universe

1-Year	3-Year	5-Year
34th	9th	7th

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

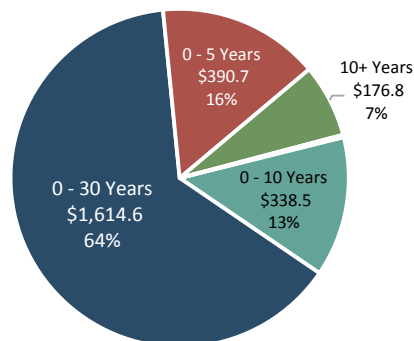


Several Customized Strategies - One Investment Process and Approach

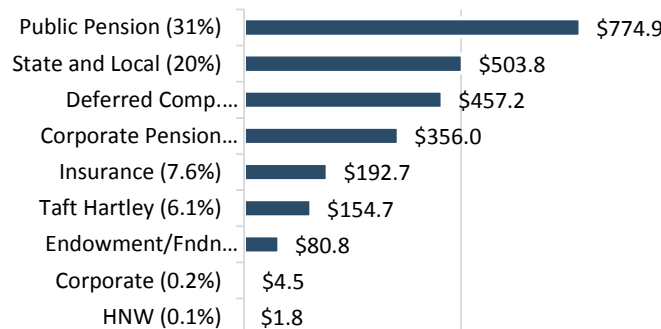
Investment portfolios customized to each client's risk and return objectives

Investment Strategy	Maturity Range	Benchmark	Assets (\$M)	Projected Assets (\$M) ²
Core	0 - 30 Years	U.S. Aggregate Index	1,054.7	1,302.7
Intermediate Core (Stable Value)	0 - 30 Years	U.S. Intermediate Gov't / Credit Index Custom Index	559.9	559.9
Intermediate	0 - 10 Years	U.S. Intermediate Index U.S. Intermediate U.S. Treasuries 1-10 Year Municipal Index Custom Index	338.5	338.5
Long Duration	10+ Years	Long U.S. Treasuries Index Long U.S. Gov't / Credit Index	176.8	176.8
Short Duration Cash	0 - 5 Years	1 - 5 Year U.S. Treasuries Index 1 - 5 Year Gov't / Credit Index 0 - 5 Year U.S. Treasuries Index 3 Month U.S. T-Bill	390.7	1,016.7
Total Assets¹			\$2,526.4	\$3,394.4

% of Assets by Maturity



Clients by Type (\$M)

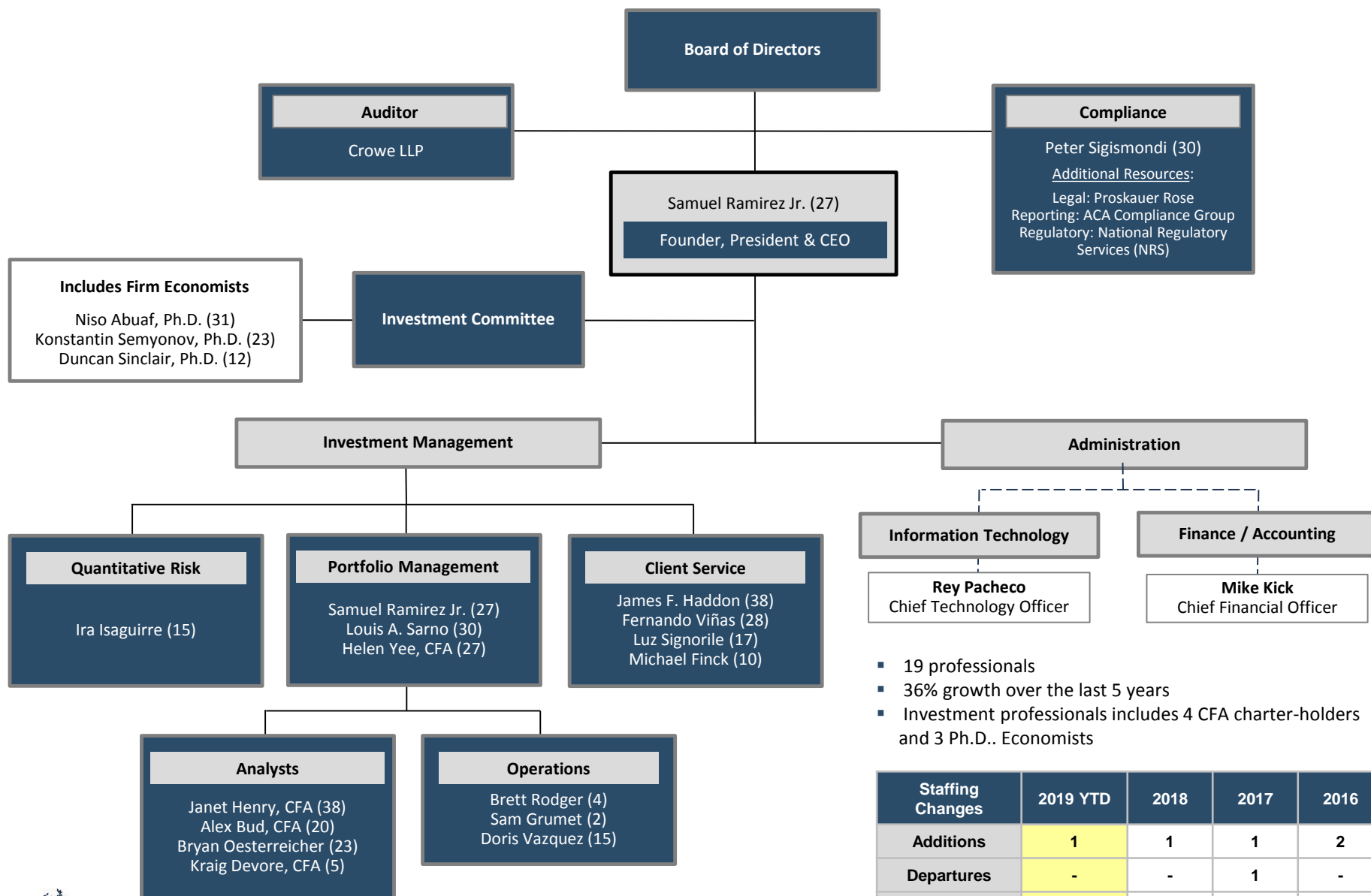


Data Source: Advent as of 8/31/2019

1: Total Assets includes \$5.8mm in Equity assets not reflected in chart

2: Projected Assets includes total expected funding amounts

RAM Organizational Chart



- 19 professionals
- 36% growth over the last 5 years
- Investment professionals includes 4 CFA charter-holders and 3 Ph.D.. Economists

Staffing Changes	2019 YTD	2018	2017	2016
Additions	1	1	1	2
Departures	-	-	1	-
Total Staff	19	18	17	17

Note: Number in parenthesis represents the total years of experience

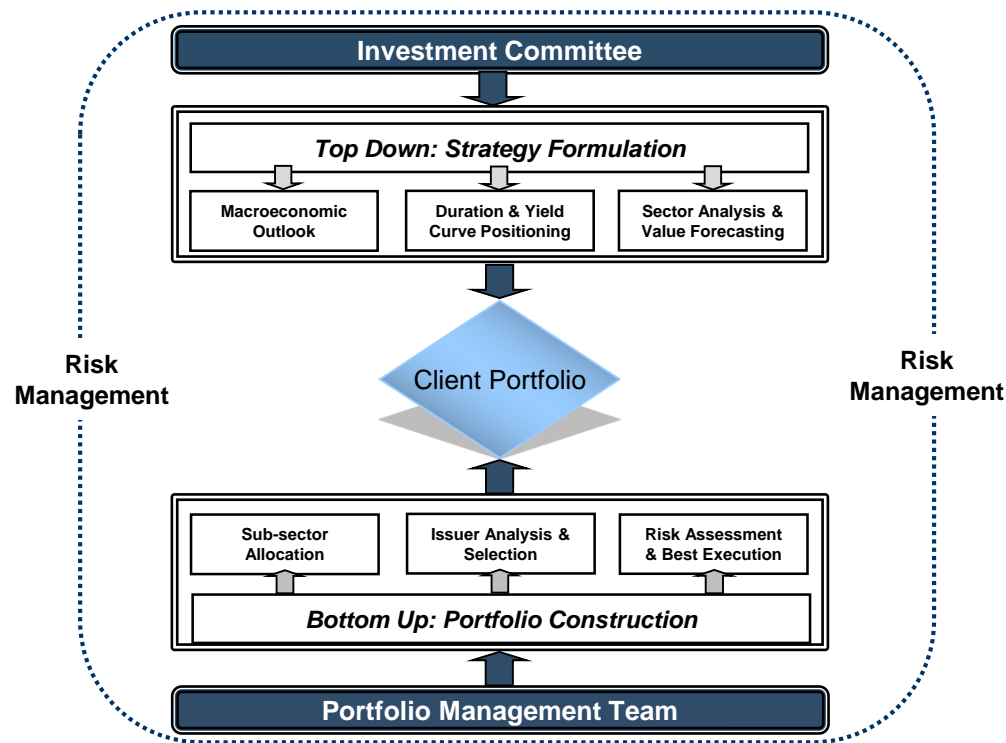


II. Investment Process

Investment Process

Portfolio Analysis and Construction

- RAM utilizes a dynamic investment process within a risk-controlled framework that is driven by sector rotation and security selection
- RAM's investment process maximizes the expertise of its investment professionals while integrating quantitative market indicators and metrics



Top-Down – 20%

- Yield Curve Positioning: 10%
- Duration Management: 10%

Bottom-Up – 80%

- Sector Allocation: 40%
- Security Selection: 40%

III. Portfolio Review – Performance and Characteristics

City of Oakland Police and Fire Retirement System

PORTFOLIO

- ▶ RAM manages **\$75.7M** 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, funded via in-kind transfer of \$32.0MM in assets

BENCHMARK

- ▶ Bloomberg Barclays U.S. Aggregate Bond Index

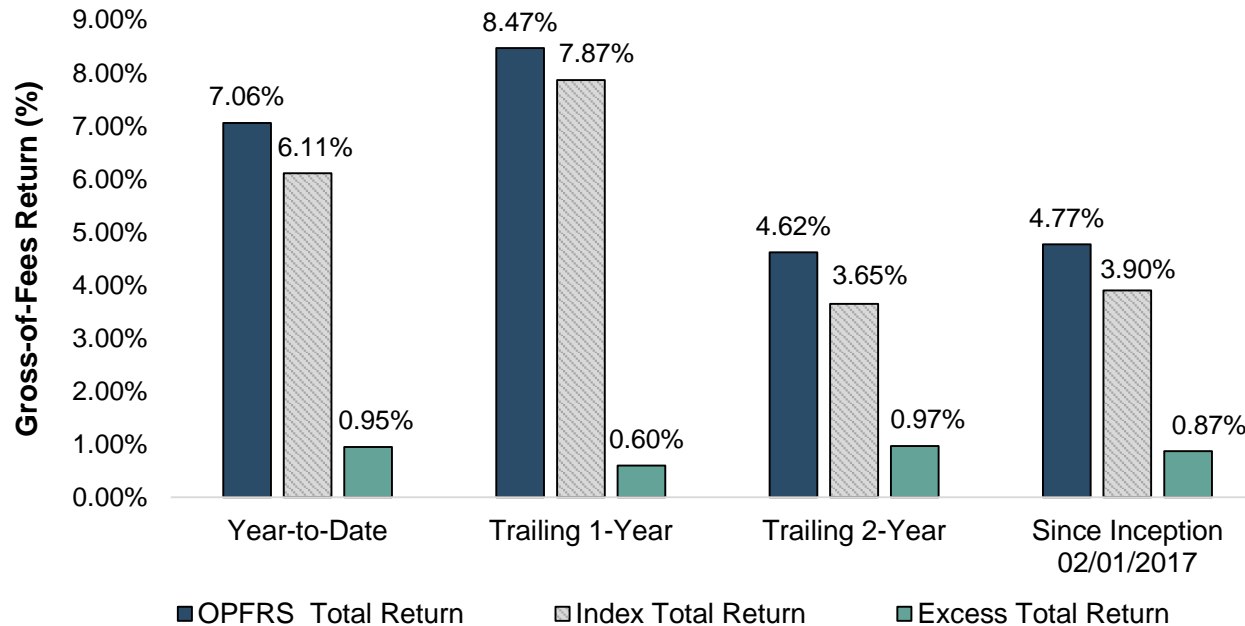
CONSTRAINTS

- 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 June 30, 2019



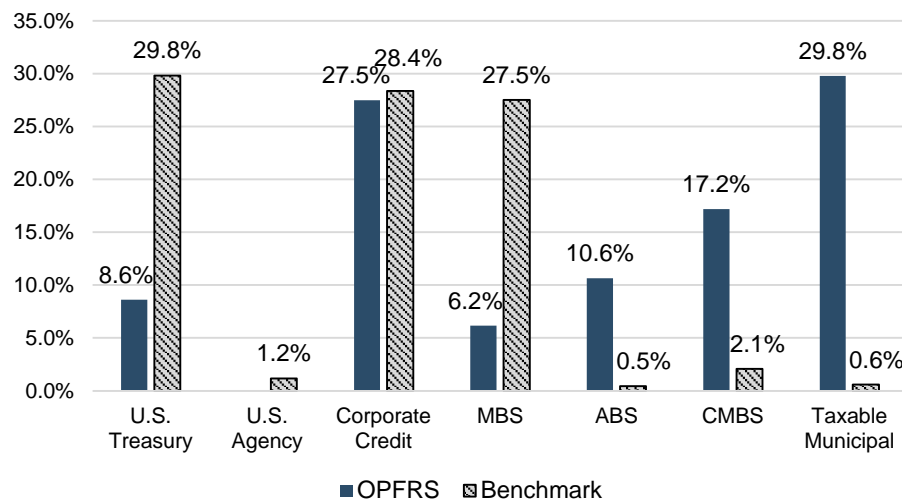
- The OPFRS portfolio outperformed the Bloomberg Barclays U.S. Aggregate Index by **+60** basis points (“bps”) for the trailing 1 Year and produced **+95** bps of excess return year-to-date through June
- Longer term, the portfolio has generated **+87** bps of outperformance since inception (02/01/2017)



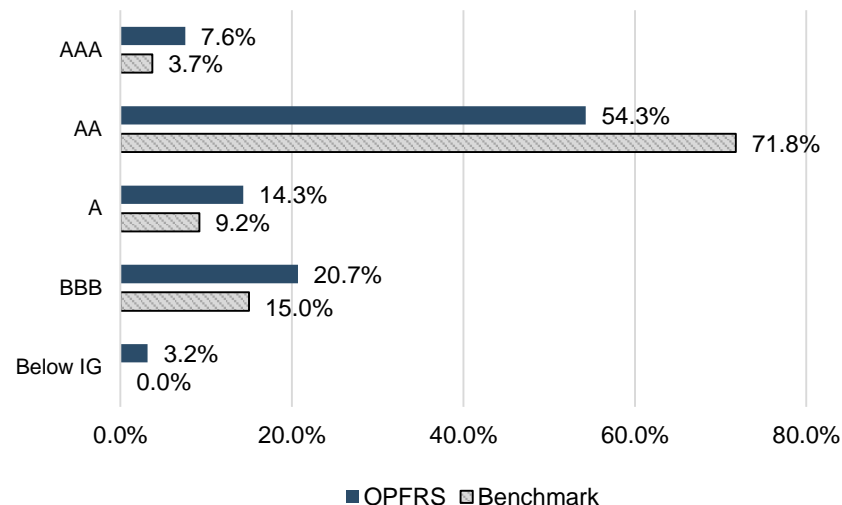
Source: Barclays Capital, Bloomberg®, SS&C Advent. The inception date for the portfolio is February 1, 2017. The Bloomberg Barclays U.S. Aggregate Index is utilized as the account benchmark from inception through current. Performance is provided gross-of-fees and annualized for periods greater than 12 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 (%)	2.98%	2.51%	+0.47%
Effective Duration (Years)	5.97	5.86	-0.11
Quality	A1	Aa2	-
Coupon (%)	4.55%	3.23%	+1.32%
Maturity (Years)	9.97	7.91	+2.06
Convexity	0.29	0.11	+0.18

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

Data as of June 30, 2019

OPFRS Portfolio Review – Risk Adjusted Returns Summary

OPFRS | Ex-Post Risk Summary

Data provided as of: **June 30, 2019**

Gross-of-Fees Annualized Returns	1 Year	Since Inception ¹
OPFRS	8.47%	4.77%
Bloomberg Barclays U.S. Aggregate Index	7.87%	3.90%
BofA/ML 91-Day T-Bill Index	2.31%	1.63%
Excess Return vs BM (a)	0.60%	0.87%
Annualized Tracking Error vs BM (b)	0.76%	0.61%
Information Ratio (a)/(b)	0.79	1.45

Risk-Adjusted Strategy/Index Characteristics	1 Year	Since Inception ¹
Alpha	1.32%	1.19%
Beta	0.90	0.91
Batting Average (Monthly Obs.)	0.75	0.76
Correlation Coefficient	0.97	0.98
Annualized R²	0.95	0.96
OPFRS - Sharpe Ratio ²	2.03	1.20
Bloomberg Barclays U.S. Aggregate Index - Sharpe Ratio ²	1.69	0.80
# of Monthly Observations	12	29
Index Up Months (# > 0%)	9	18
Strategy Up Capture Ratio (%)	100%	104%
Index Down Months (# <= 0%)	3	11
Strategy Down Capture Ratio (%)	62%	72%
OPFRS - Annual. Volatility	3.03%	2.62%
Bloomberg Barclays U.S. Aggregate Index - Annual. Volatility	3.28%	2.82%

- OPFRS has outperformed its benchmark over each presented time horizon
- Since inception, RAM has produced consistently greater upside capture (104%), while mitigating benchmark downside returns (72%)
- Volatility has been lower than the benchmark since inception
- RAM produced superior risk-adjusted returns over the market cycle:
 - Information Ratios from 0.8 to 1.45 over the presented time periods
 - Sharpe Ratios significantly greater than the benchmark

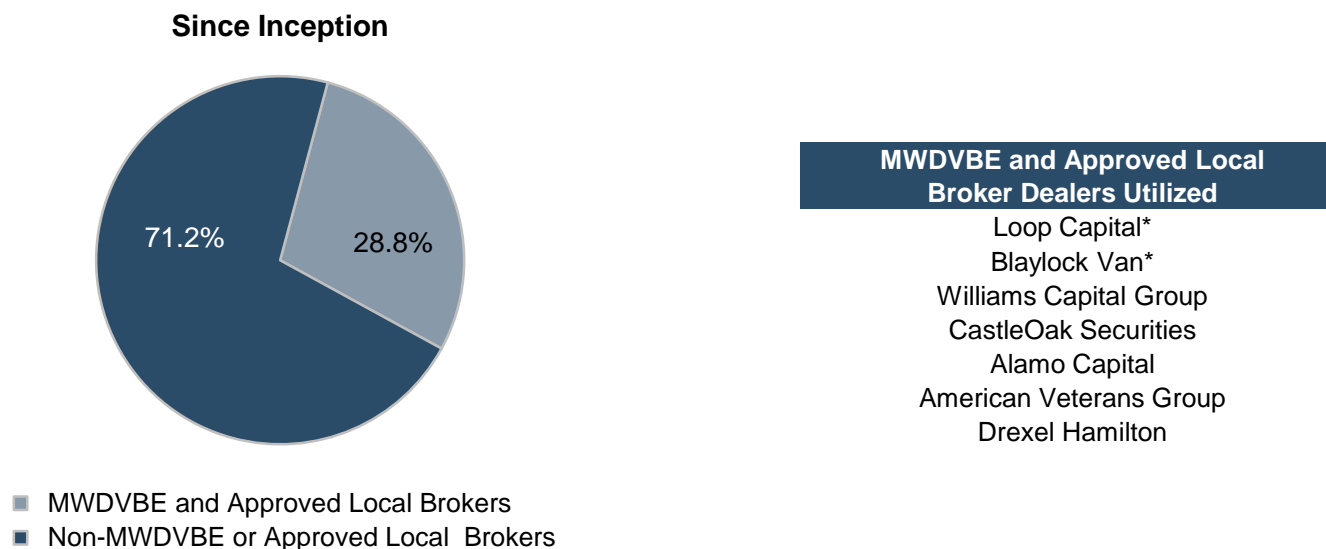
¹ Inception Date: February 1, 2017

² The ICE BofA/ML 91-Day Treasury Bill Index is used as a proxy of the risk-free rate

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

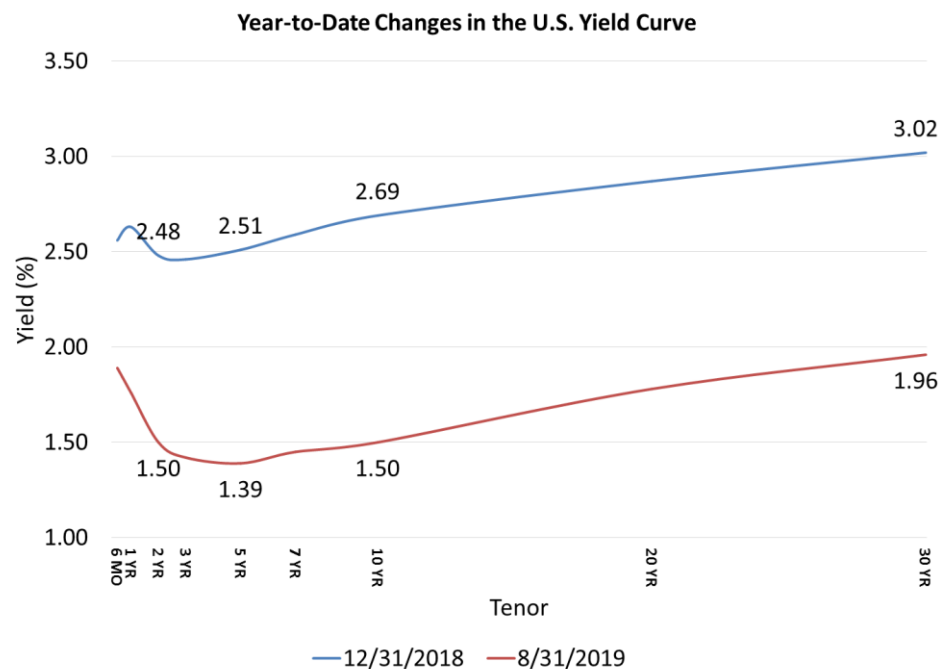


MWDVBE: Minority, Women, Disadvantaged, Veteran Business Enterprise
Trading is calculated on Net Amount of total trading for Trailing 1 Year as of 06/30/19
* Represents OPFRS Approved Local Broker

IV. Market Outlook and Strategic Positioning for Alpha

Market Overview | U.S. Treasury Rates

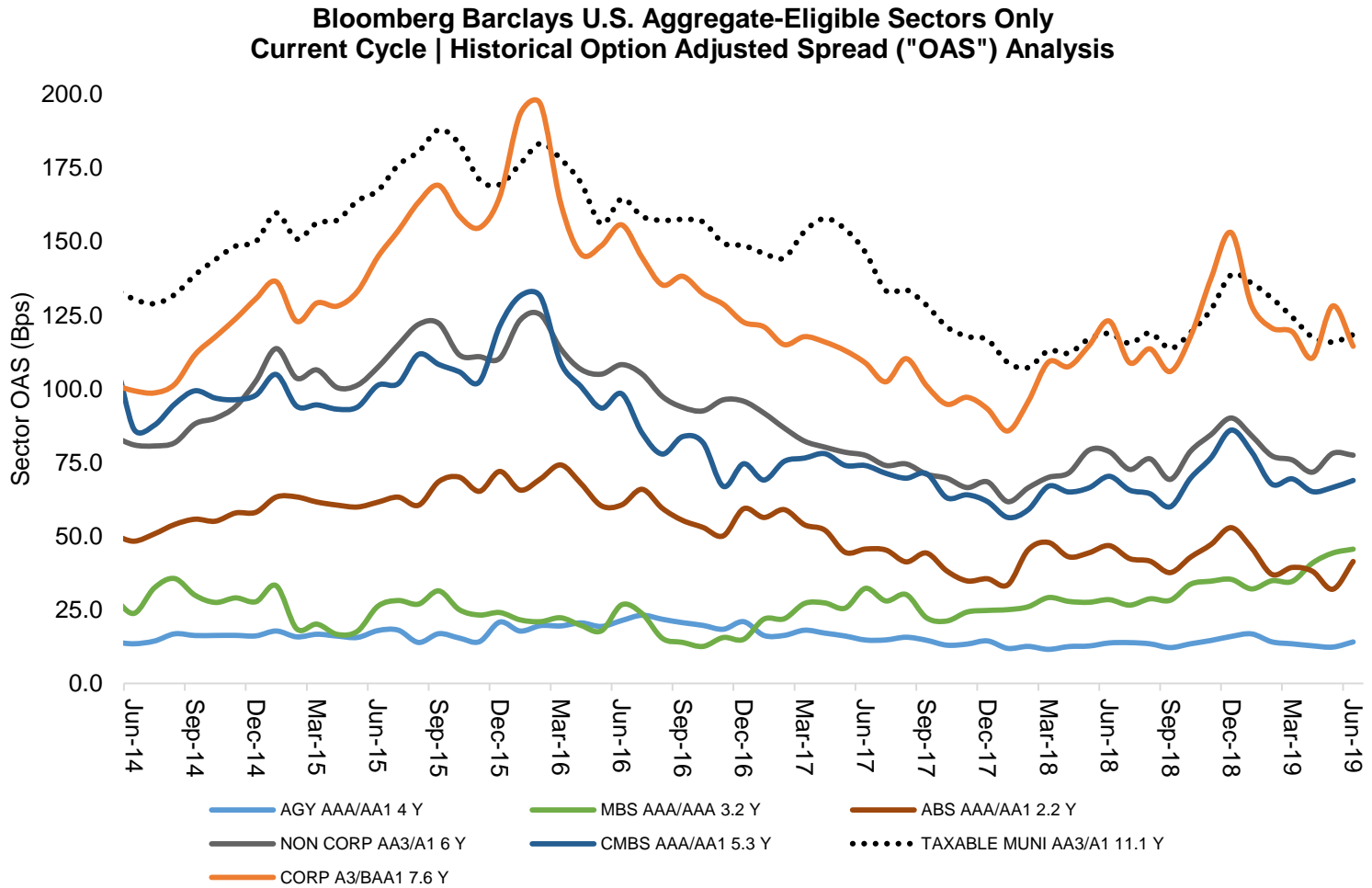
- Rates are lower from year end, the curve has flattened from year-end through August 31, measured by the 2s/30s spread decreasing by -8 basis points (“bps”)
- The intermediate tenors moved -21 bps, measured by the spread between the 2 Year and 10 Year U.S. Treasury yields (2s/10s)
- Long duration tenors (10s/30s) steepened by +13 bps from year-end



Year-to-Date Changes in the Term Structure			
Tenor	12/31/2018	8/31/2019	Change
Fed Funds Rate	2.50	2.50	0
1 MO	2.44	2.10	(34)
3 MO	2.45	1.99	(46)
6 MO	2.56	1.89	(67)
1 YR	2.63	1.76	(87)
2 YR	2.48	1.50	(98)
3 YR	2.46	1.42	(104)
5 YR	2.51	1.39	(112)
7 YR	2.59	1.45	(114)
10 YR	2.69	1.50	(119)
20 YR	2.87	1.78	(109)
30 YR	3.02	1.96	(106)
Key Rate Spreads			
2s/30s	0.54	0.46	(8)
10s/30s	0.33	0.46	13
2s/10s	0.21	0.00	(21)

Source: U.S. Treasury (www.treasury.gov)

Sector Universe | OAS Analysis, Current Market Cycle



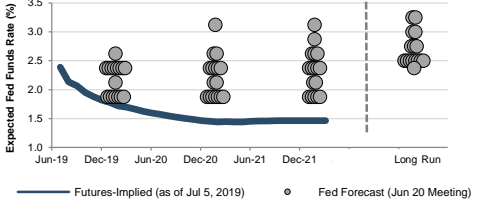
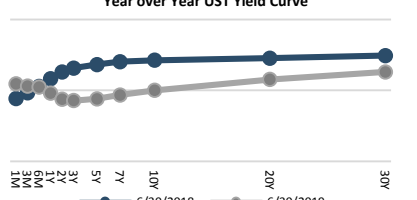
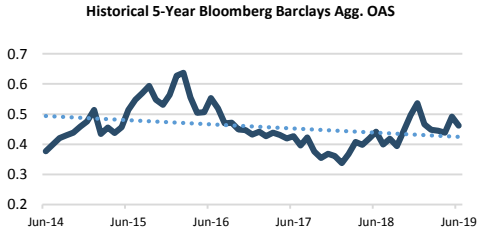
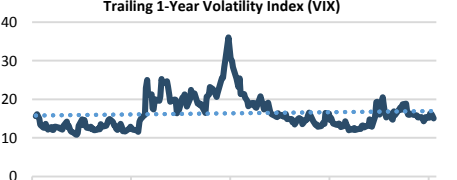
- Sectors' option-adjusted spreads (OAS) have tightened from year-end, with the exception of Agency MBS
- RAM will allocate and rotate between sectors based on projected spread relationships and return potential

Sector Universe | RAM sector weights, 5 year performance comparison

Sector & Index Performance as of June 30, 2019 (Sorted by descending 5 Year annualized return order, by major sectors)					
Core (1 - 30+ Years) Index Sectors (HY, EM, and TIPs are non-Aggregate sectors)	Total Return Trailing 1 Year	Total Return Annualized 3 Years	Total Return Annualized 5 Years	Current Duration JUN19	Current Quality JUN19
Index-Eligible Taxable Municipals	11.70%	4.56%	6.08%	11.1	AA3/A1
U.S. Corporate High Yield Index	7.48%	7.52%	4.70%	3.2	B1/B2
Emerging Markets (\$USD-denominated)	10.95%	5.05%	4.61%	6.0	BAA2/BAA3
Investment Grade Corporates	10.72%	3.94%	4.08%	7.6	A3/BAA1
Utility	9.93%	3.07%	4.23%	8.3	A3/BAA1
Industrial	11.18%	4.10%	4.12%	8.3	A3/BAA1
Financial Institutions	10.01%	3.87%	3.93%	5.9	A2/A3
Commercial Mortgage Backed Securities (CMBS)	8.95%	2.70%	3.24%	5.3	AAA/AA1
Non-Corporates	8.37%	2.72%	3.14%	6.0	AA3/A1
Bloomberg Barclays U.S. Aggregate Index	7.87%	2.31%	2.95%	5.7	AA1/AA2
Fixed-Rate Agency Mortgage Backed Securities	6.22%	2.06%	2.56%	3.2	AAA/AAA
U.S. Treasuries	7.24%	1.34%	2.49%	6.4	AAA/AAA
Long U.S. Treasuries	12.30%	1.34%	5.71%	18.0	AAA/AAA
Intermediate U.S. Treasuries	6.19%	1.31%	1.95%	3.8	AAA/AAA
U.S. Agencies	6.13%	1.89%	2.26%	4.0	AAA/AA1
Asset Backed Securities (ABS)	4.98%	1.99%	2.07%	2.2	AAA/AA1
Covered Bonds	4.62%	1.65%	2.00%	1.6	AAA/AAA
U.S. TIPs	4.84%	2.08%	1.76%	1.1	AAA/AAA
10+ Years	6.10%	2.89%	3.00%	3.2	AAA/AAA
1-10 Years	4.67%	1.93%	1.42%	0.8	AAA/AAA

- RAM optimized potential Strategy returns by correctly overweighting (green) the Bloomberg Barclays U.S. Aggregate's select spread sectors through the entire current market cycle
- Underweights (red) to certain U.S. Government-backed sectors added incremental excess returns

RAM's Current Market Outlook and Strategic Positioning for Alpha

Market Risk	Outlook	Current Positioning																												
<p>Interest Rates</p>	<p>Rates expectations trending lower</p> 	<ul style="list-style-type: none"> • Neutral duration relative to benchmark • Favoring Higher Coupon Structures • Favoring Higher Credit Quality 																												
<p>Term Structure</p>	<p>Bull Steepener</p> 	<ul style="list-style-type: none"> • Favor 1-3-year and 20-30 year holdings • Inverted term structure from 3 Month through 20 years • Moving into Bull Steepener 																												
<p>Sectors</p>	<p>Favor high quality spread sectors</p> <table border="1" data-bbox="665 713 1143 901"> <thead> <tr> <th></th> <th>Core 2Q19</th> <th>Benchmark</th> <th>Difference (%)</th> </tr> </thead> <tbody> <tr> <td>Municipals</td> <td>28.2%</td> <td>0.6%</td> <td>27.6</td> </tr> <tr> <td>CMBS</td> <td>15.6%</td> <td>2.1%</td> <td>13.6</td> </tr> <tr> <td>ABS</td> <td>9.9%</td> <td>0.5%</td> <td>9.5</td> </tr> <tr> <td>Credit</td> <td>28.1%</td> <td>28.4%</td> <td>-0.2</td> </tr> <tr> <td>MBS</td> <td>7.4%</td> <td>27.5%</td> <td>-20.1</td> </tr> <tr> <td>Gov't / Agencies</td> <td>10.7%</td> <td>41.0%</td> <td>-30.4</td> </tr> </tbody> </table>		Core 2Q19	Benchmark	Difference (%)	Municipals	28.2%	0.6%	27.6	CMBS	15.6%	2.1%	13.6	ABS	9.9%	0.5%	9.5	Credit	28.1%	28.4%	-0.2	MBS	7.4%	27.5%	-20.1	Gov't / Agencies	10.7%	41.0%	-30.4	<ul style="list-style-type: none"> • Overweight: Taxable Municipals, ABS, and CMBS • Neutral: Corporate Credit • Underweight: U.S. Treasury, Agency MBS
	Core 2Q19	Benchmark	Difference (%)																											
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Gov't / Agencies	10.7%	41.0%	-30.4																											
<p>Risk Premiums</p>	<p>Neutral to wider</p> 	<ul style="list-style-type: none"> • Spreads continued to tighten through 2Q19, presenting rotation and crossover opportunities in select asset classes • Overweight's positioned in higher credit quality: • Municipal positions average credit ratings: Aa3/AA- • Securitized positions average credit quality AA • Strategy balances overweights & underweights with "flight to safety" quality of the taxable municipal asset class and higher credit quality 																												
<p>Volatility</p>	<p>Higher</p> 	<ul style="list-style-type: none"> • Focus on credit quality & liquidity • "Dry powder" position • Avoid/Manage imbedded optionality risk 																												



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

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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 25, 2019
Re: Ramirez Asset Management – Manager/Watch Update

Manager: Ramirez Asset Management (“Ramirez”)	
Inception Date: January 2017	OPFRS AUM (8/31/2019): \$75.7 million
Strategy: Core Fixed Income	Firm-wide AUM (6/30/2019): \$2,501 million
Benchmark: Bbg. BC Aggregate	Strategy AUM (6/30/2019): \$988 million

SUMMARY & RECOMMENDATION

Ramirez has provided consistent outperformance relative to 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 very 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 \$75.7 million or about 19.5% of OPFRS’s total portfolio allocation as of the end of August 2019.

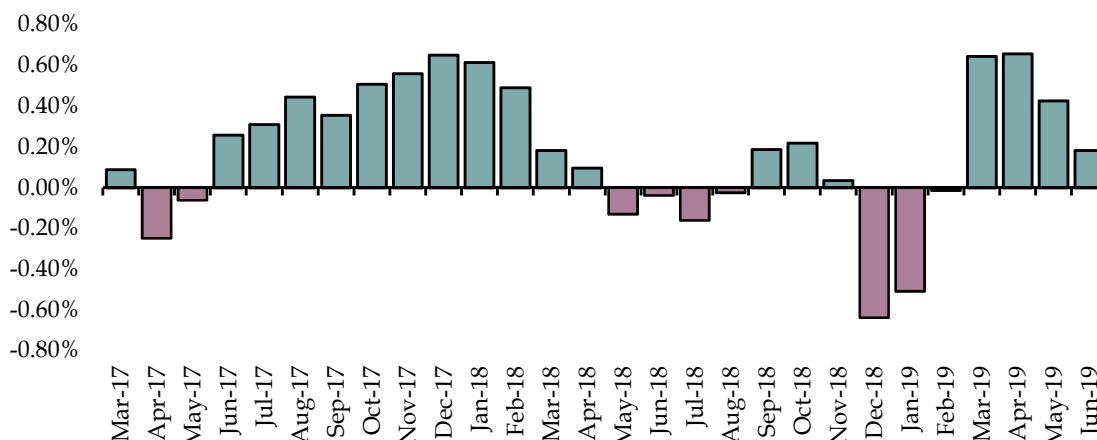
Performance

OPFRS Portfolio Annualized Returns (as of 8/31/2019)

Manager	Mkt Value (\$000)	Asset Class	3 MO	YTD	1 YR	Since Inception	Inception Date
Ramirez (Net)	73,645	Core F.I.	4.38	10.37	10.94	5.55	1/2017
Bbg BC Aggregate	---	---	4.11	9.10	10.17	4.68	---
Excess Return	---	---	0.27	1.27	0.77	0.87	---

Over the most recent 3 month period, the portfolio earned a 4.38% return, net of fees, compared to a benchmark return of 4.11%. On a net of fees basis, Ramirez has also outperformed its benchmark over the YTD, 1-year, and Since Inception periods by 1.27%, 0.77%, and 0.87%, respectively

ROLLING 3-MONTH EXCESS RETURNS - NET OF FEES



The above chart displays quarterly excess returns on a rolling basis since inception. Over that period, Ramirez has outperformed its benchmark in 20 out of 29 quarters (69%). The portfolio underwent a period of modest underperformance in mid-2018 and again in in late 2018/early 2019 but bounced back with strong relative performance year-to-date.

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.

SC/DS/hs



Capital Markets Outlook & Risk Metrics

As of August 31, 2019

M E K E T A I N V E S T M E N T G R O U P

100 LOWDER BROOK DRIVE SUITE 1100 WESTWOOD MA 02090

781 471 3500 fax 781 471 3411 www.meketagroup.com

Capital Markets Outlook

Takeaways

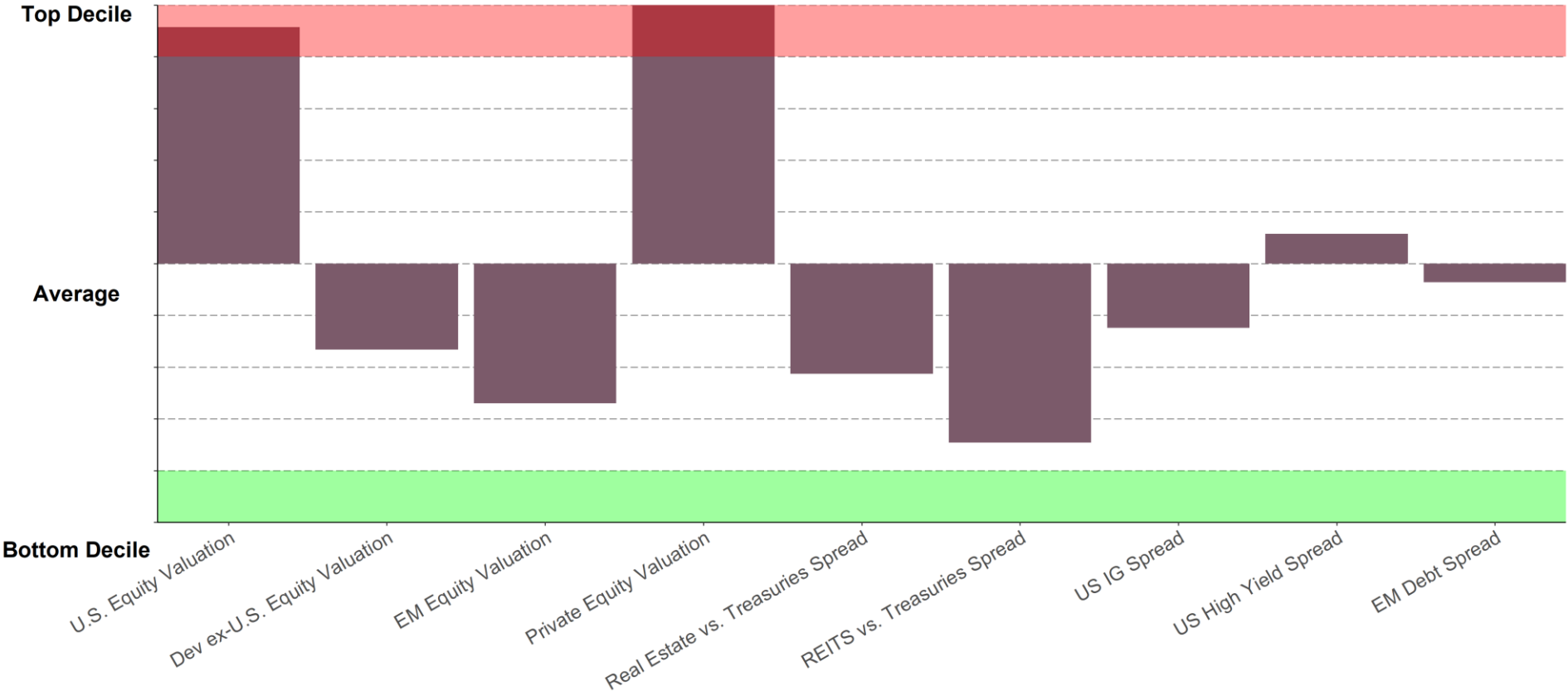
- Over the month of August, nearly all Global Equity markets produced negative returns, with some of the largest declines ($\approx 4-8\%$) occurring in Small Cap and Emerging Markets Equity indices. Moreover, throughout the month, the intermediate and long ends of the U.S. Treasury yield curve experienced significant compressions in rates. The Bloomberg Barclays U.S. Long Treasury Index generated a return of over $+10\%$ for the month and the year-to-date return now stands at nearly $+23\%$.
- Global markets were impacted by several major events during August, including ongoing trade discussions, continued rhetoric regarding a global economic slowdown, as well as a major political surprise in Argentina, among others.
- While there continues to be significant discussion regarding interest rates (e.g., yield curve inversions, central bank policy, etc.), the complexity of the current situation has significantly increased the difficulty in predicting the potential path forward.
- U.S. Equity markets remain expensive whereas Non-U.S. Equity markets remain reasonably valued relative to their history.
- Despite a relatively volatile and challenging month for Global Equities, implied equity market volatility¹ remained in-line with its historical average (≈ 19) throughout the entire month of August.
- The Market Sentiment Indicator² stayed at **neutral** at month end.
- Market uncertainty, as measured by Systemic Risk, has recently increased, and the potential for negative surprises exists as global economies navigate their respective “late-cycle” dynamics and geopolitical events continue to unfold, as evidenced by recent market movements.
- *New Addition: We incorporated a measure of Emerging Markets Debt Spreads to the Dashboard.*

¹ As measured by VIX Index.

² See Appendix for the rationale for selection and calculation methodology used for the risk metrics.



Risk Overview/Dashboard (1)
(As of August 31, 2019)¹

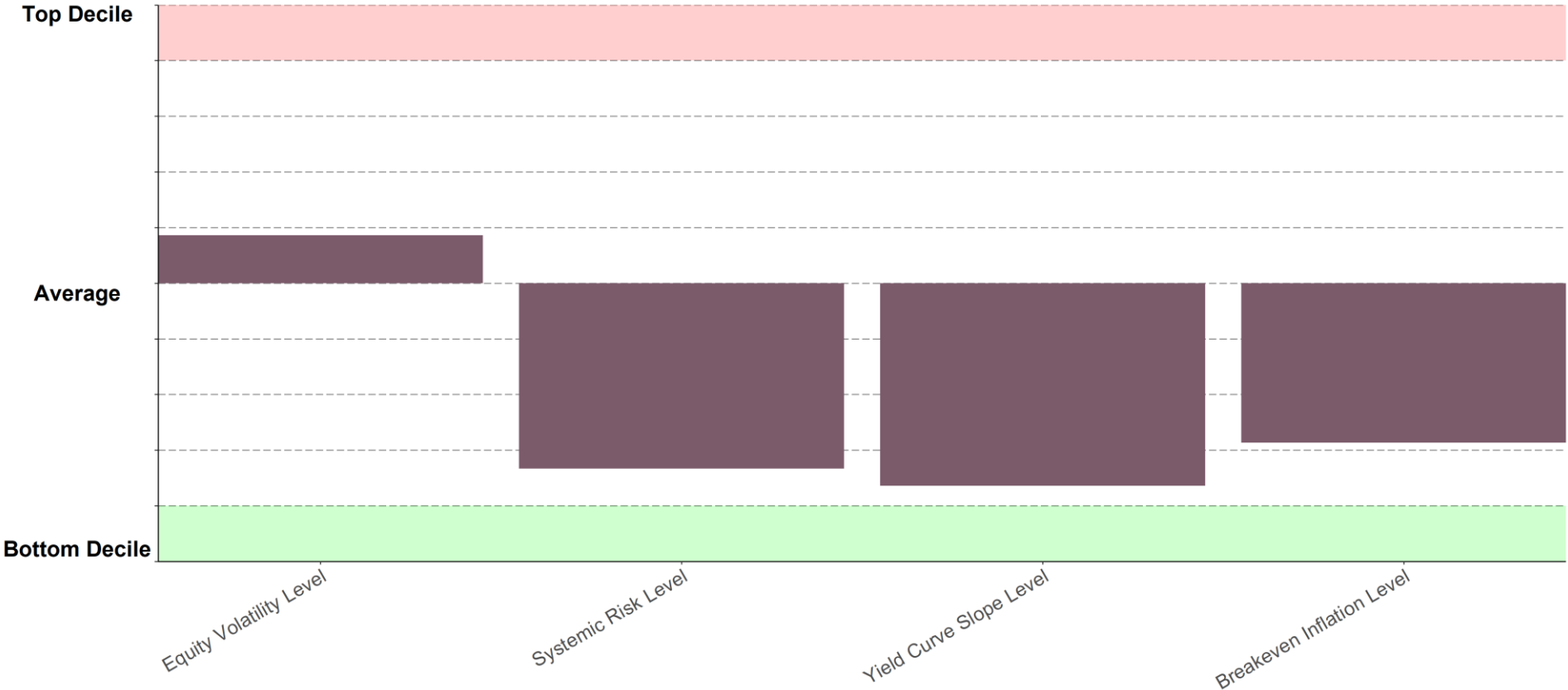


- Dashboard (1) summarizes the current state of the different valuation metrics per asset class relative to their own history.

¹ With the exception of Private Equity Valuation that are available annually and data is as of December 31, 2018.



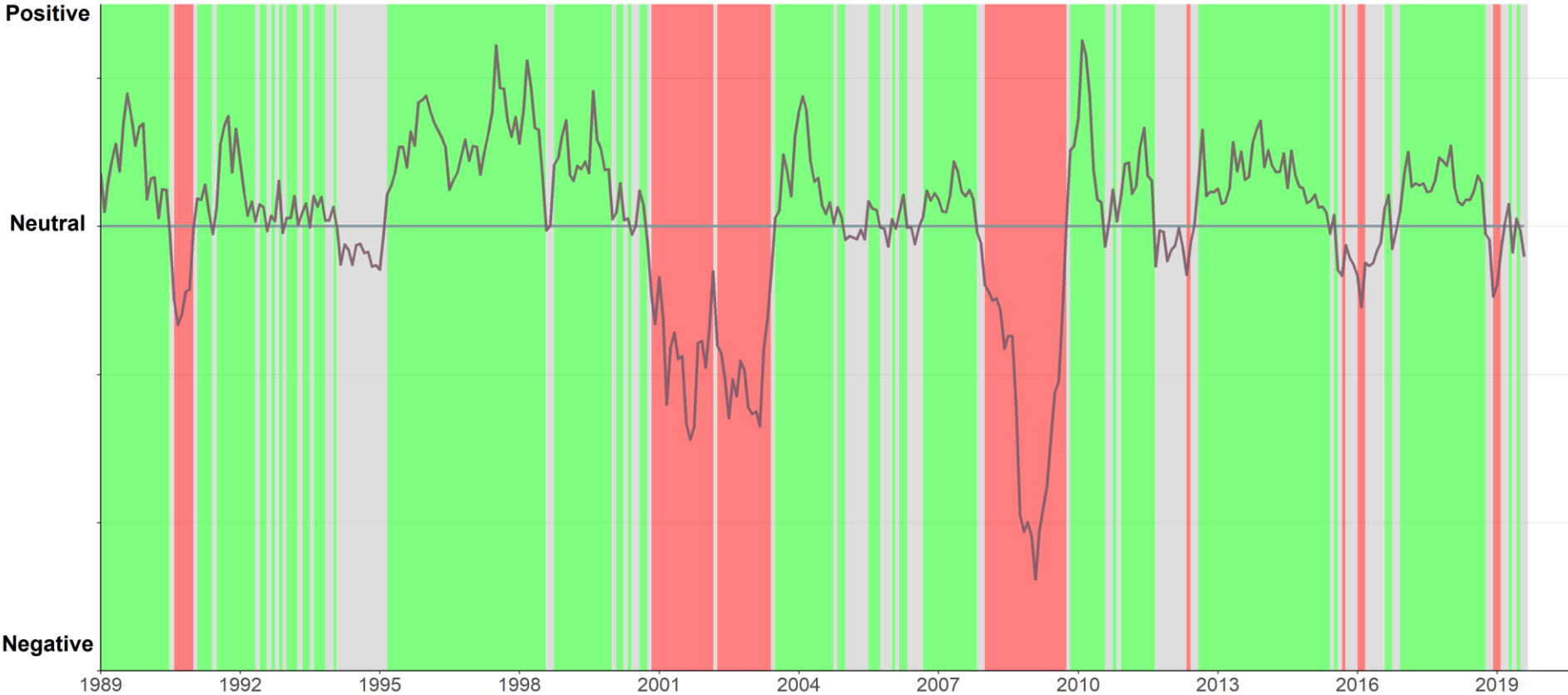
Risk Overview/Dashboard (2) (As of August 31, 2019)



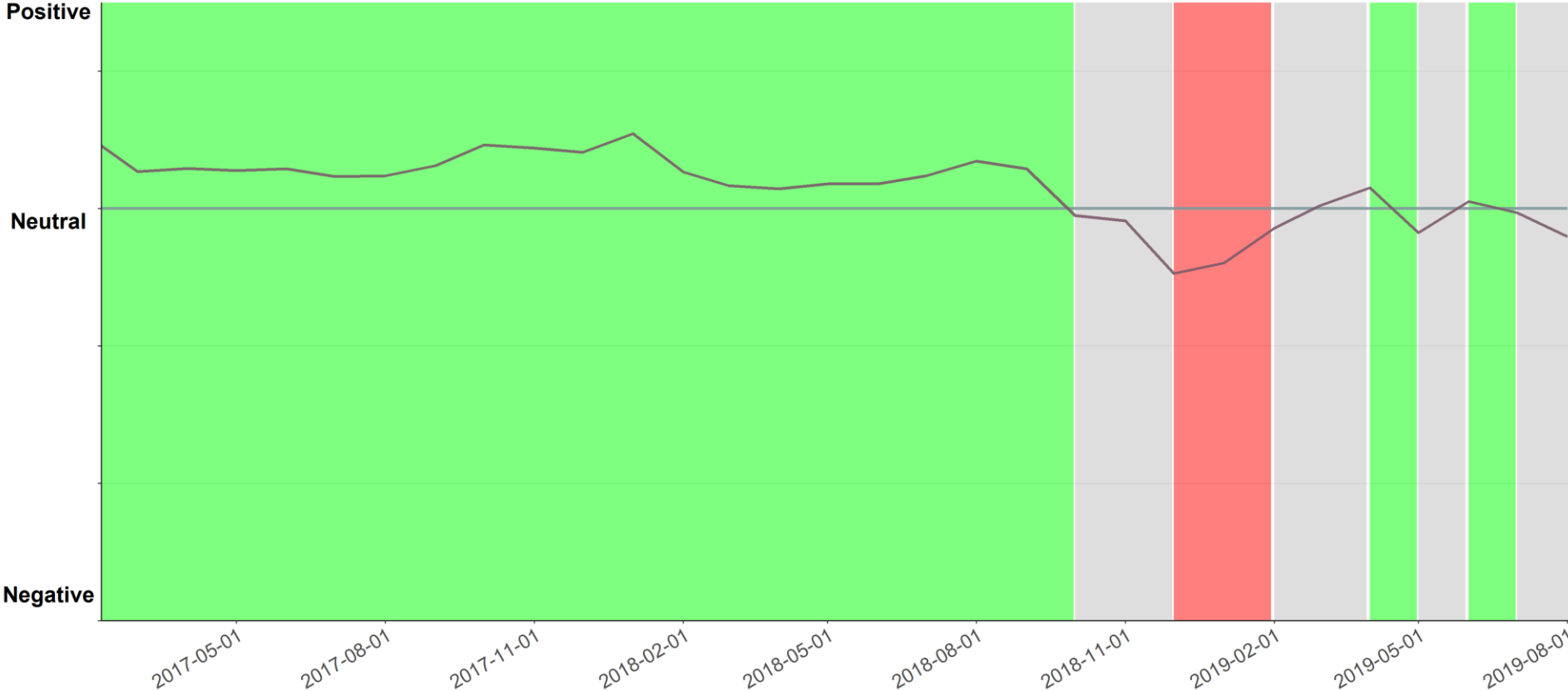
- Dashboard (2) shows how the current level of each indicator compares to its respective history.



Market Sentiment Indicator (All History) (As of August 31, 2019)



Market Sentiment Indicator (Last Three Years) (As of August 31, 2019)



U.S. Equity Cyclically Adjusted P/E¹ (As of July 31, 2019)

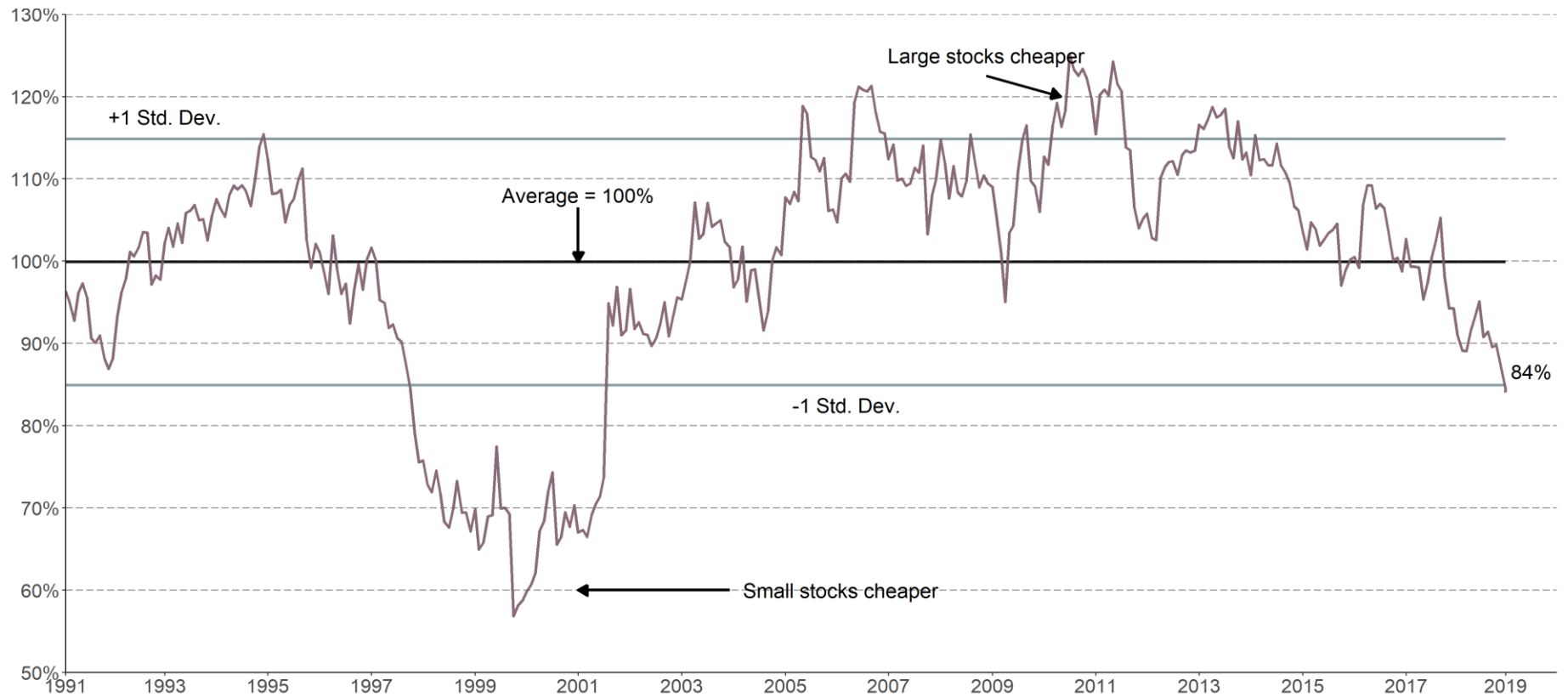


- This chart details one valuation metric for U.S. Equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ U.S. Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.



Small Cap P/E vs. Large Cap P/E¹ (As of August 31, 2019)



- This chart compares the relative attractiveness of Small Cap U.S. Equities vs. Large Cap U.S. Equities on a valuation basis. A higher (lower) figure indicates that Large Cap (Small Cap) is more attractive.

¹ Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month "as reported" earnings.



Growth P/E vs. Value P/E¹ (As of August 31, 2019)



- This chart compares the relative attractiveness of U.S. Growth Equities vs. U.S. Value Equities on a valuation basis. A higher (lower) figure indicates that Value (Growth) is more attractive.

¹ Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month "as reported" earnings.



Developed International Equity Cyclically Adjusted P/E¹ (As of August 31, 2019)



- This chart details one valuation metric for Developed International Equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Developed International Equity (MSCI EAFE ex Japan Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.

Emerging Market Equity Cyclically Adjusted P/E¹ (As of August 31, 2019)

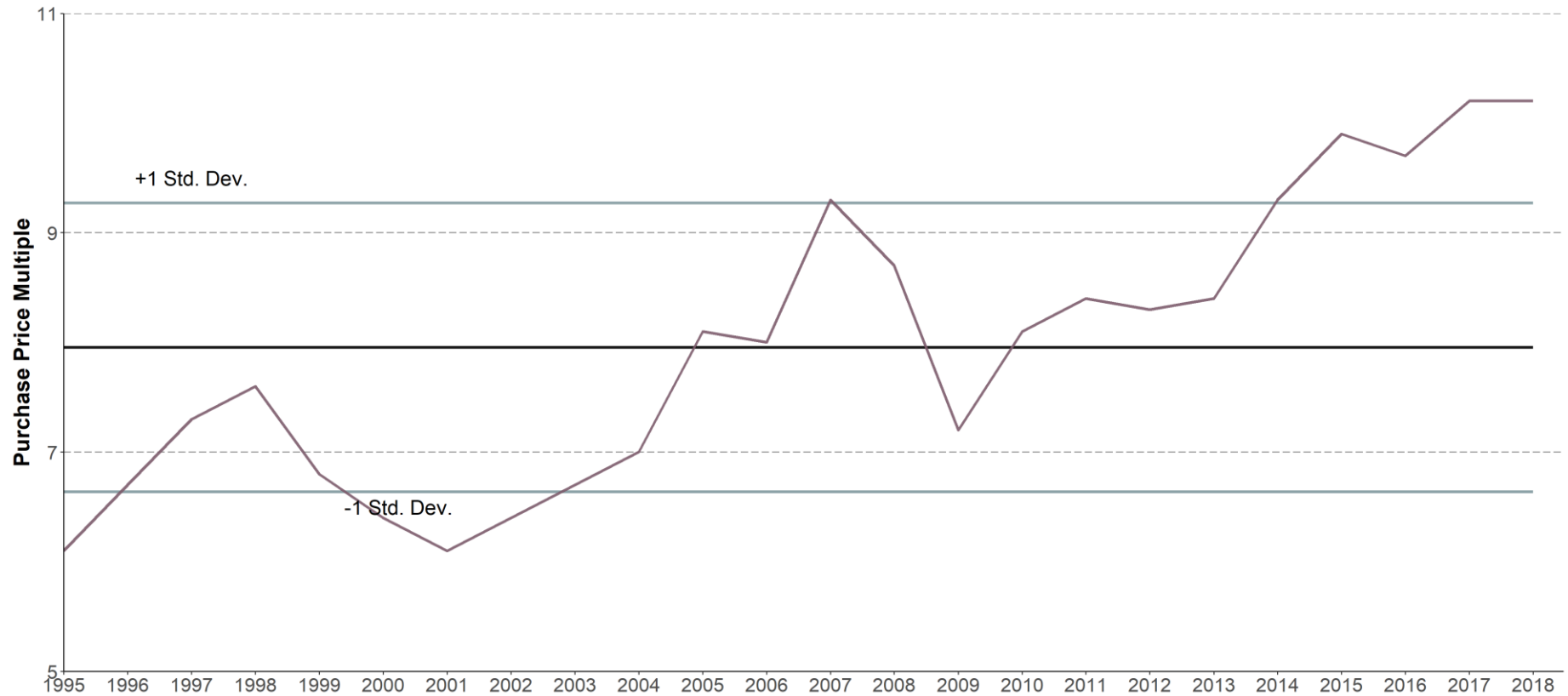


- This chart details one valuation metric for Emerging Markets Equities. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.



Private Equity Multiples¹ (As of December 31, 2018)²



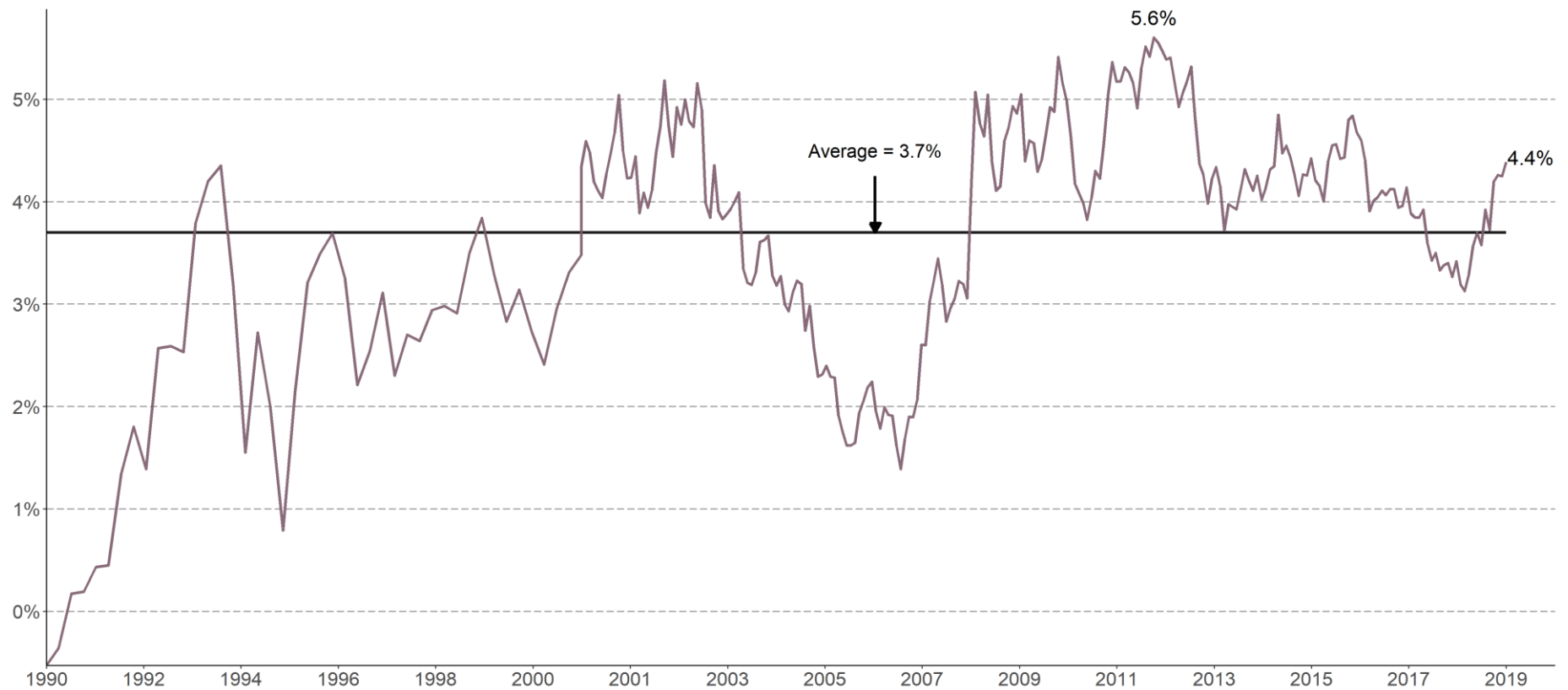
- This chart details one valuation metric for the Private Equity market. A higher (lower) figure indicates more expensive (cheaper) valuation relative to history.

¹ Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs.

² Only annual figures available.



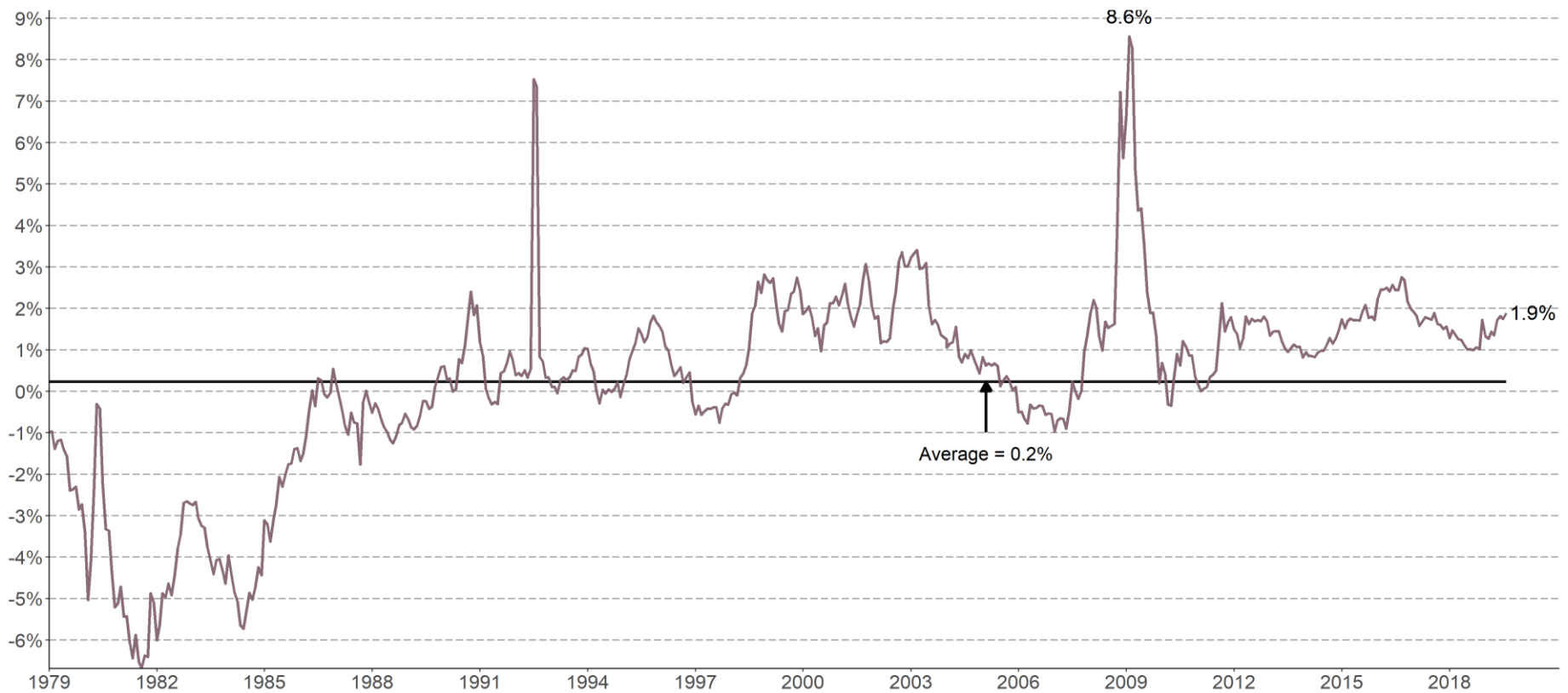
Core Real Estate Spread vs. Ten-Year Treasury¹ (As of August 31, 2019)



- This chart details one valuation metric for the Private Core Real Estate market. A higher (lower) figure indicates cheaper (more expensive) valuation.

¹ Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, U.S. Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.

REITs Dividend Yield Spread vs. Ten-Year Treasury¹ (As of August 31, 2019)

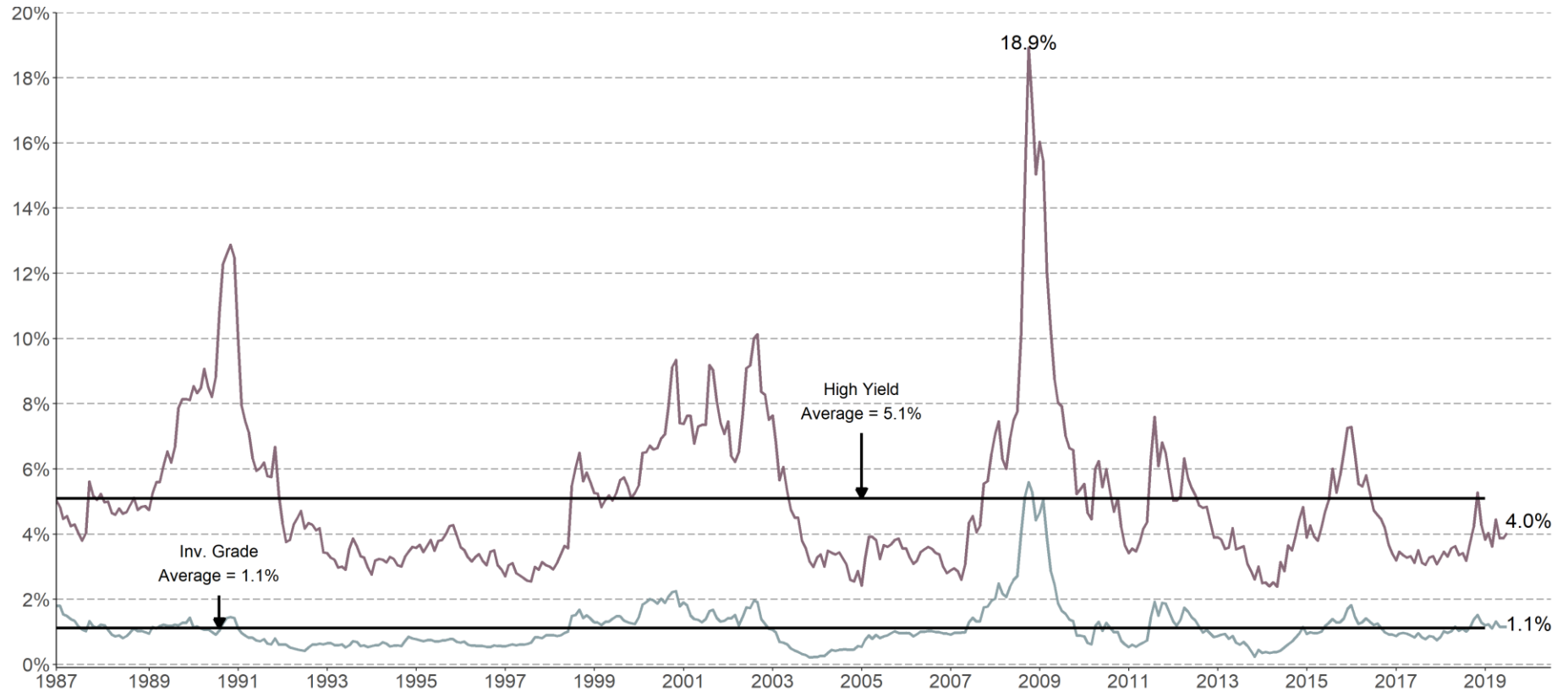


- This chart details one valuation metric for the Public REITs market. A higher (lower) figure indicates cheaper (more expensive) valuation.

¹ REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index.



Credit Spreads¹ (As of August 31, 2019)



- This chart details one valuation metric for the U.S. Credit markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

¹ Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index.



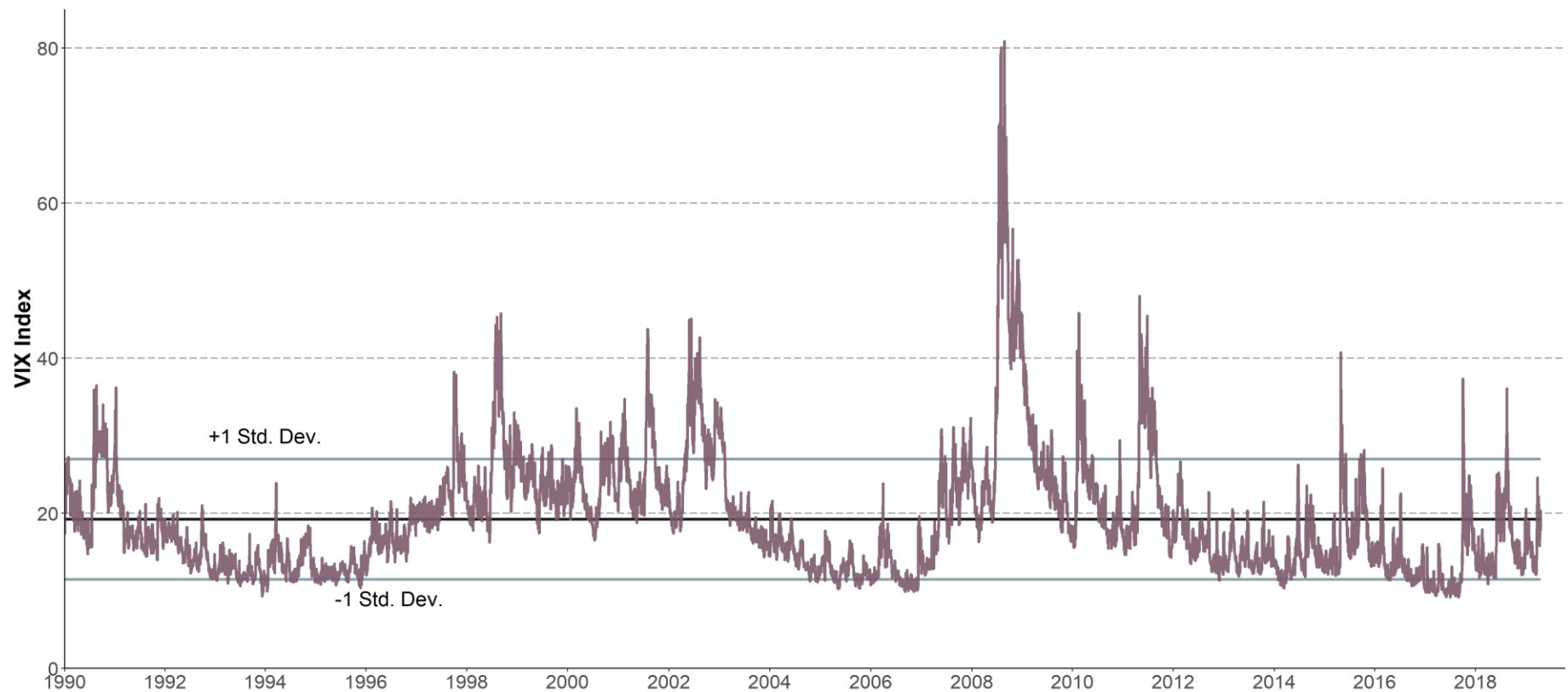
Emerging Market Debt Spreads¹ (As of August 31, 2019)



- This chart details one valuation metric for the EM Debt markets. A higher (lower) figure indicates cheaper (more expensive) valuation relative to history.

¹ EM Spreads – Source: Bloomberg. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.

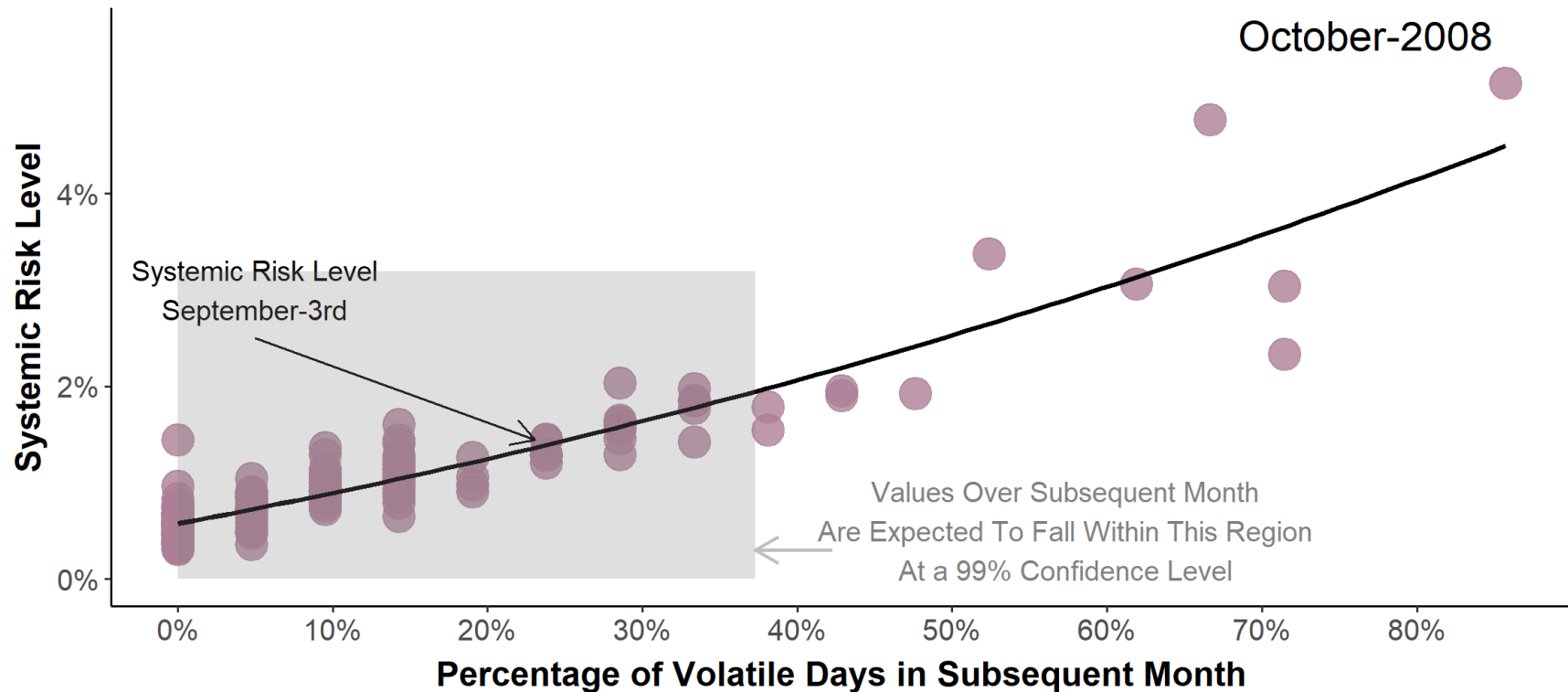
Equity Volatility¹ (As of August 31, 2019)



- This chart details historical implied equity market volatility. This metric tends to increase during times of stress/fear and while declining during more benign periods.

¹ Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for U.S. equity markets.

Systemic Risk and Volatile Market Days¹ (As of September 3, 2019)

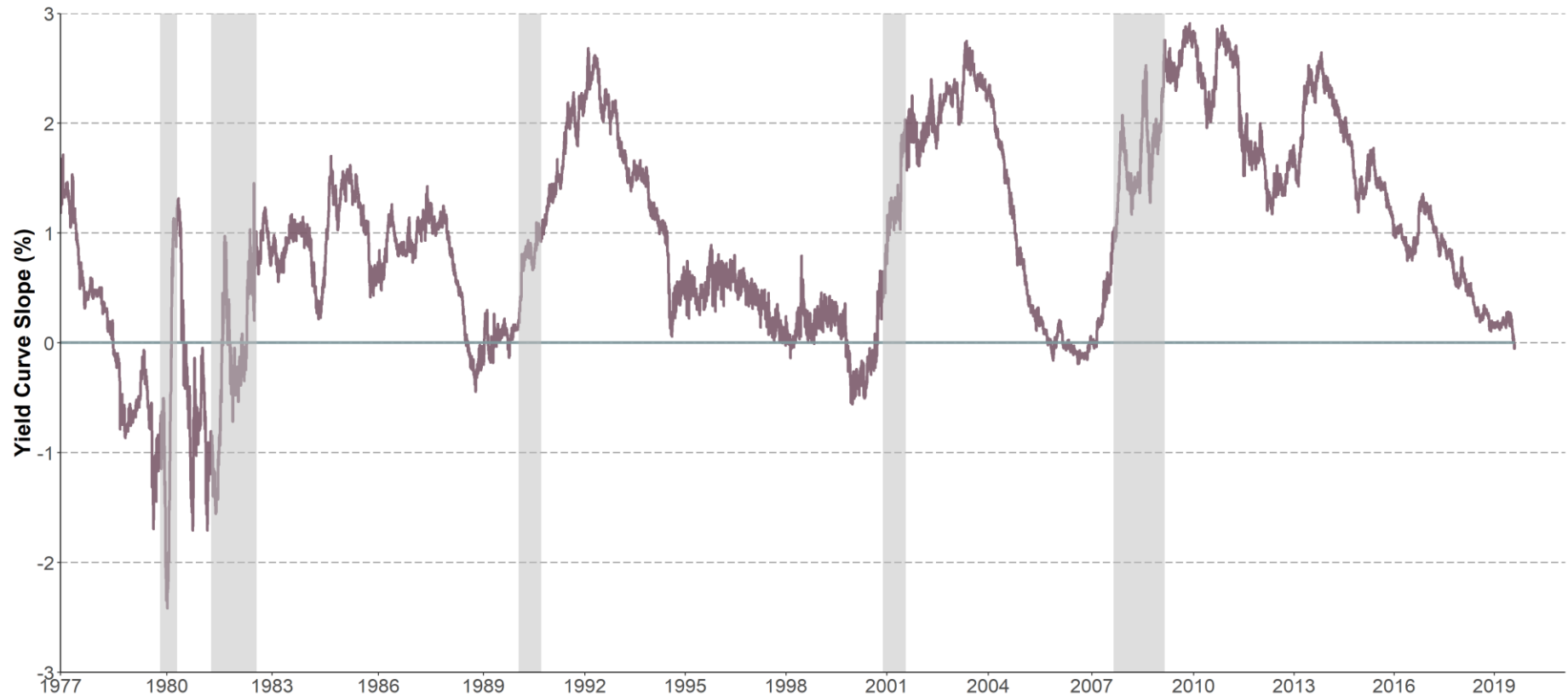


- Systemic Risk is a measure of ‘System-wide’ risk, which indicates herding type behavior. This measure has increased since the end of July.

¹ Source: Meketa Investment Group, as of August 1, 2019. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.



Yield Curve Slope (Ten Minus Two)¹ (As of August 31, 2019)



- This chart details the historical difference in yields between ten-year and two-year U.S. Treasury bonds/notes. A higher (lower) figure indicates a steeper (flatter) yield curve slope.

¹ Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year U.S. Treasury Yield and 2-Year U.S. Treasury Yield.

Ten-Year Breakeven Inflation¹ (As of August 31, 2019)

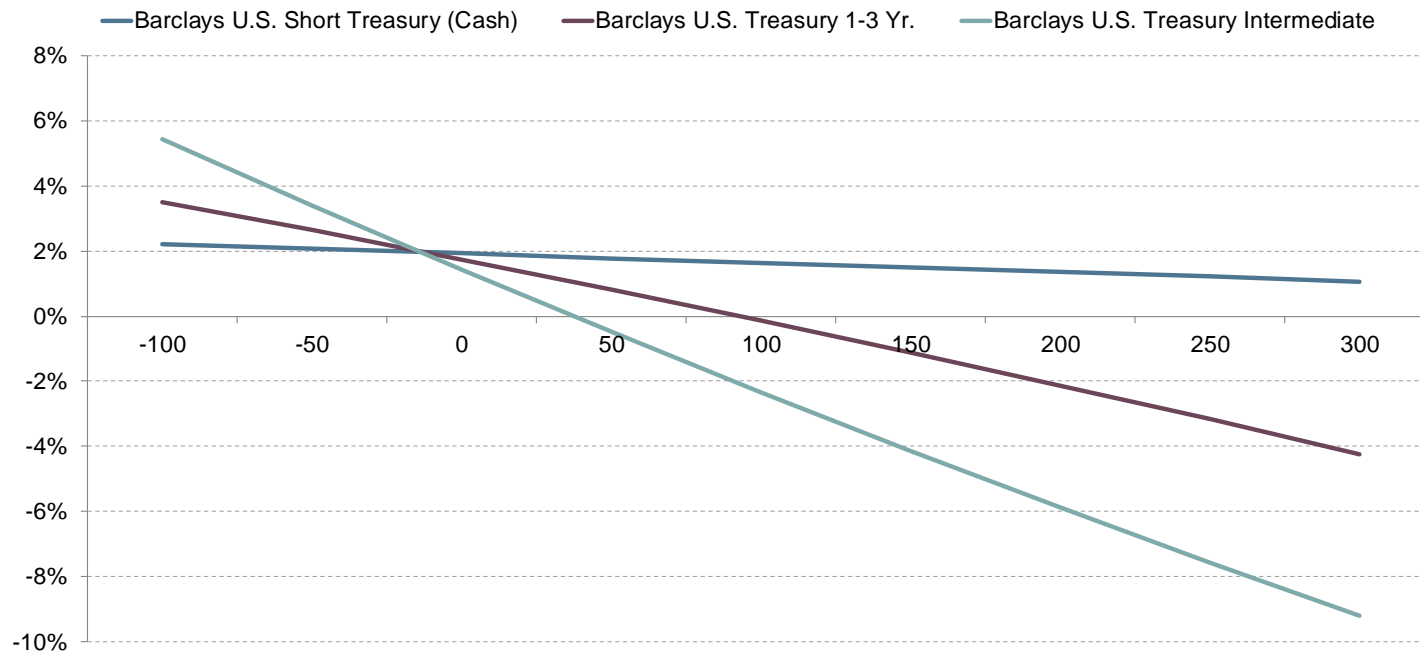


- This chart details the difference between nominal and inflation-adjusted U.S. Treasury bonds. A higher (lower) figure indicates higher (lower) inflation expectations.

¹ Ten-Year Breakeven Inflation – Source: U.S. Treasury and Federal Reserve. Data is as of June 30, 2019 for TIPS and Treasuries. Inflation is measured by the Consumer Price Index (CPI-U NSA).



Total Return Given Changes in Interest Rates (bps)¹ (As of August 31, 2019)

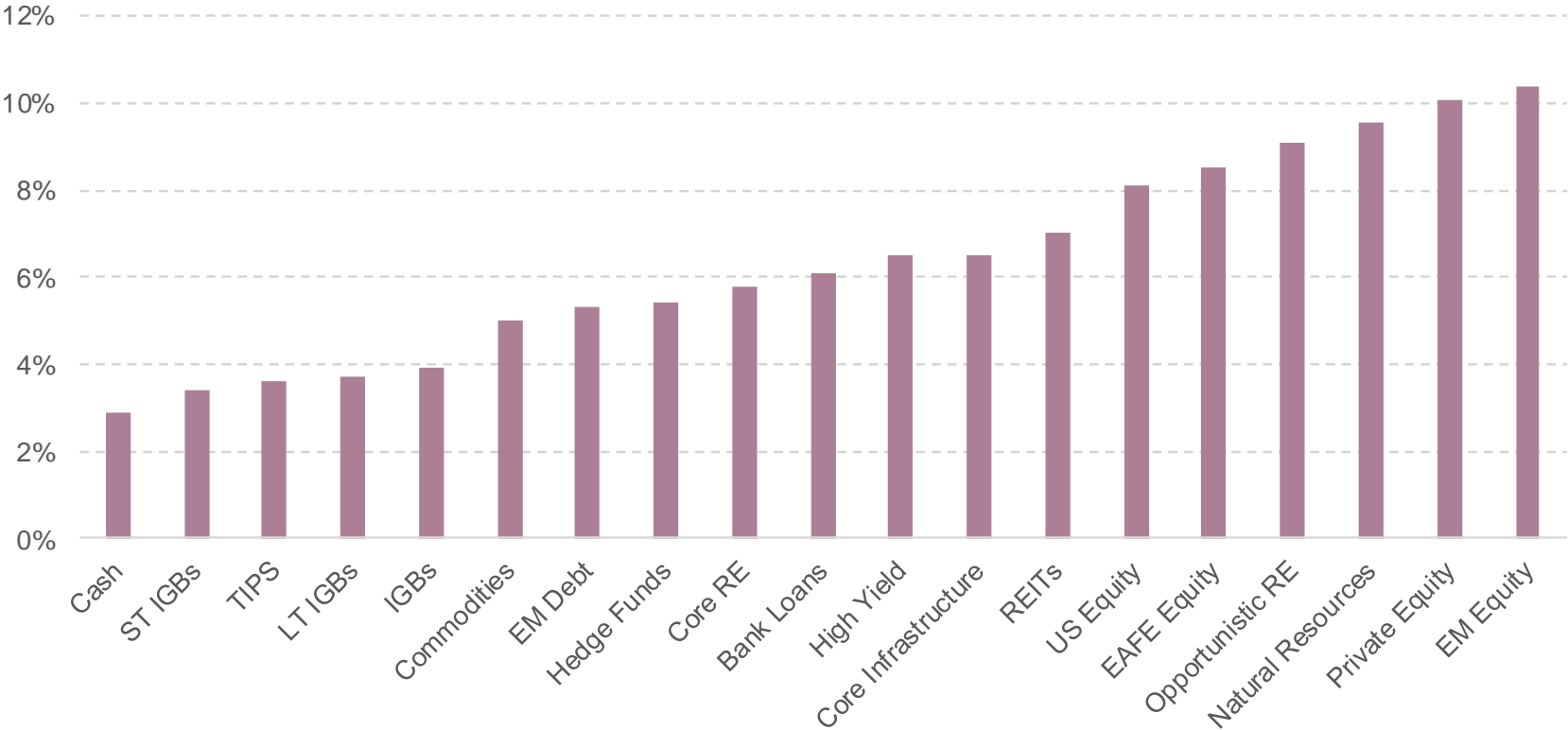


	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)	2.2%	2.1%	1.9%	1.8%	1.6%	1.5%	1.4%	1.2%	1.1%	0.29	1.93%
Barclays U.S. Treasury 1-3 Yr.	3.5%	2.6%	1.7%	0.8%	-0.1%	-1.1%	-2.1%	-3.2%	-4.2%	1.83	1.74%
Barclays U.S. Treasury Intermediate	5.4%	3.4%	1.4%	-0.5%	-2.3%	-4.1%	-5.9%	-7.6%	-9.2%	3.88	1.44%
Barclays U.S. Treasury Long	22.5%	11.7%	1.9%	-6.8%	-14.5%	-21.0%	-26.5%	-30.9%	-34.3%	18.49	1.89%

¹ Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of July 31, 2019 via Barclays, Bloomberg, and Meketa Investment Group.



Long-Term Outlook – 20-Year Annualized Expected Returns¹



- This chart details Meketa’s long-term forward-looking expectations for total returns across asset classes.

¹ Source: Meketa Investment Group’s 2019 Annual Asset Study.



Appendix

Data Sources and Explanations¹

- U.S. Equity Cyclically Adjusted P/E on S&P 500 Index – Source: Robert Shiller and Yale University.
- Small Cap P/E (Russell 2000 Index) vs. Large Cap P/E (Russell 1000 Index) - Source: Russell Investments. Earnings figures represent 12-month “as reported” earnings.
- Growth P/E (Russell 3000 Growth Index) vs. Value (Russell 3000 Value Index) P/E - Source: Bloomberg, MSCI, and Meketa Investment Group. Earnings figures represent 12-month “as reported” earnings.
- Developed International Equity (MSCI EAFE ex Japan Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years.
- Emerging Market Equity (MSCI Emerging Markets Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years
- Private Equity Multiples – Source: S&P LCD Average EBITDA Multiples Paid in All LBOs
- Core Real Estate Spread vs. Ten-Year Treasury – Source: Real Capital Analytics, U.S. Treasury, Bloomberg, and Meketa Investment Group. Core Real Estate is proxied by weighted sector transaction based indices from Real Capital Analytics and Meketa Investment Group.
- REITs Dividend Yield Spread vs. Ten-Year Treasury – Source: NAREIT, U.S. Treasury. REITs are proxied by the yield for the NAREIT Equity index.
- Credit Spreads – Source: Barclays Capital. High Yield is proxied by the Barclays High Yield index and Investment Grade Corporates are proxied by the Barclays U.S. Corporate Investment Grade index.

¹ All Data as of August 31, 2019.



Appendix

Data Sources and Explanations¹

- EM Debt Spreads – Source: Bloomberg, and Meketa Investment Group. Option Adjusted Spread (OAS) for the Bloomberg Barclays EM USD Aggregate Index.
- Equity Volatility – Source: Bloomberg, and Meketa Investment Group. Equity Volatility proxied by VIX Index, a Measure of implied option volatility for U.S. equity markets.
- Systemic Risk and Volatile Market Days – Source: Meketa Investment Group. Volatile days are defined as the top 10 percent of realized turbulence, which is a multivariate distance between asset returns.
 - Systemic Risk, which measures risk across markets, is important because the more contagion of risk that exists between assets, the more likely it is that markets will experience volatile periods.
- Yield Curve Slope (Ten Minus Two) – Source: Bloomberg, and Meketa Investment Group. Yield curve slope is calculated as the difference between the 10-Year U.S. Treasury Yield and 2-Year U.S. Treasury Yield.
- Ten-Year Breakeven Inflation – Source: U.S. Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA).

¹ All Data as of August 31, 2019.



Meketa Market Sentiment Indicator

Explanation, Construction and Q&A

Meketa has created the MIG Market Sentiment Indicator (MIG-MSI) to complement our valuation-focused Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

This appendix explores:

- What is the Meketa Market Sentiment Indicator?
- How do I read the indicator graph?
- How is the Meketa Market Sentiment Indicator constructed?
- What do changes in the indicator mean?

Meketa has created a market sentiment indicator for monthly publication (the MIG-MSI – see below) to complement Meketa’s Risk Metrics.

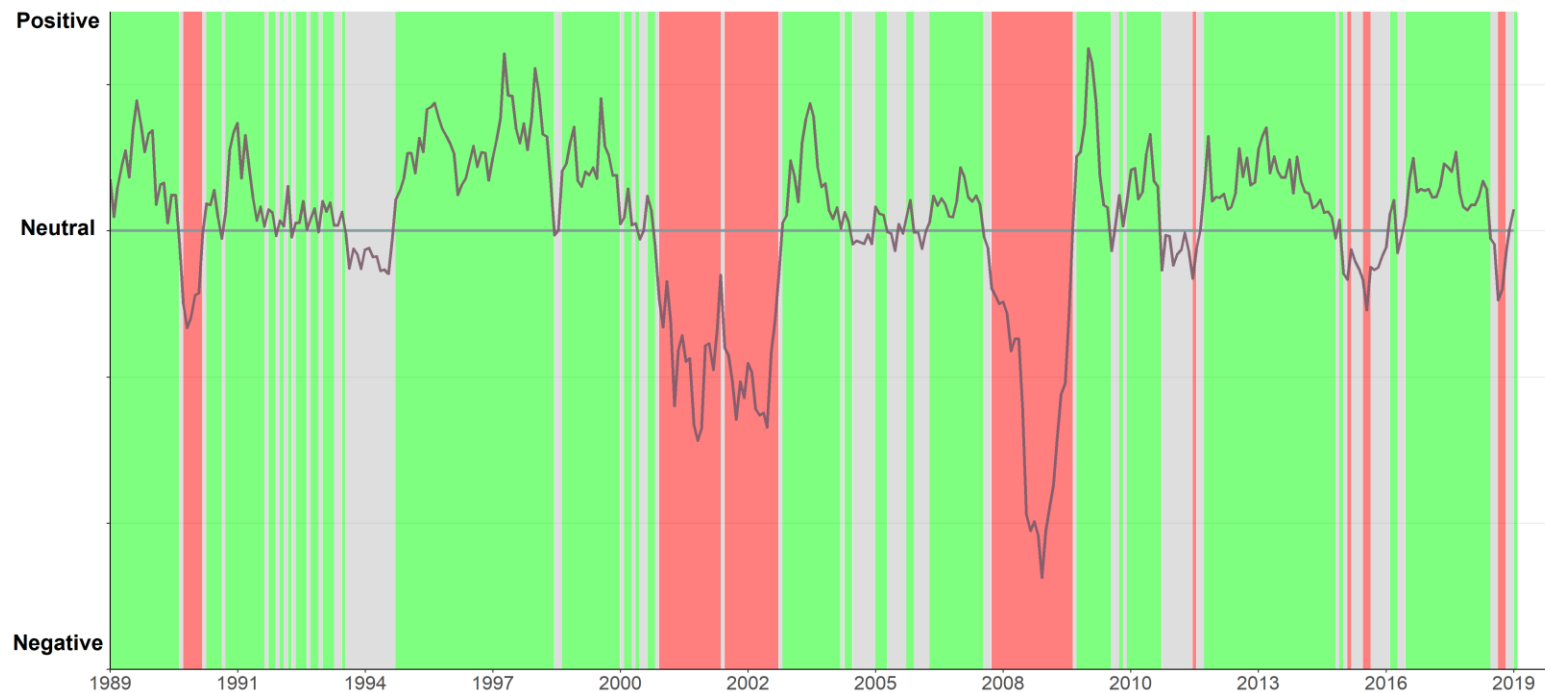
- Meketa’s Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market corrections take place. The MIG-MSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation based concerns. Once the MIG-MSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, Meketa believes the Risk Metrics and MIG-MSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the Meketa MIG-MSI:

What is the Meketa Market Sentiment Indicator (MIG-MSI)?

- The MIG-MSI is a measure meant to gauge the market’s sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The MIG-MSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the Meketa Market Sentiment Indicator graph?

- Simply put, the MIG-MSI is a color-coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the MIG-MSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the MIG-MSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.
- Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



How is the Meketa Market Sentiment Indicator (MIG-MSI) Constructed?

- The MIG-MSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:
 - Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
 - Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight).
 - Both measures are converted to Z-scores and then combined to get an “apples to apples” comparison without the need of re-scaling.
- The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure.¹ The color reading on the graph is determined as follows:
 - If both stock return momentum and bond spread momentum are positive = GREEN (positive)
 - If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
 - If both stock return momentum and bond spread momentum are negative = RED (negative)

¹ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.

“Time Series Momentum” Moskowitz, Ooi, Pedersen, August 2010. <http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

What does the Meketa Market Sentiment Indicator (MIG-MSI) mean? Why might it be useful?

- There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12-month period. The MIG-MSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

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

Asset Class / Manager / Liquidity October - December 2019 Report		
		Tier
Domestic Equity	Northern Trust	1
Domestic Equity	SPI	3
Domestic Equity	EARNEST Partners	3
Domestic Equity	NWQ	3
Domestic Equity	Rice Hall James	3
	<i>Total Domestic Equity</i>	
International Equity	Passive Developed ETF	3
International Equity	Fisher	3
International Equity	Hansberger	3
	<i>Total International Equity</i>	
	<i>Total Public Equity</i>	
Covered Calls	Parametric	2
	<i>Total Covered Calls</i>	
Crisis Risk Offset	Long Duration ETF	3
Crisis Risk Offset	Parametric Risk Premia	3
	<i>Total Crisis Risk Offset</i>	
Domestic Fixed Income	Reams	2
Domestic Fixed Income	DDJ	2
Domestic Fixed Income	Ramirez	2
	<i>Total Public Fixed</i>	
Cash	Cash	1
	<i>Total Stable</i>	
	<i>Total Portfolio</i>	

Description of Liquidity Tiers

Tier	Description	Amount	in Months
Tier 1	Public, Scheduled Withdrawal Allowances	\$93.0	15.5
Tier 2	Public, Accommodating of Withdrawals	140.0	23.3
Tier 3	Public, Must Plan Withdrawals	155.7	26.0
Tier 4	Closely Held	0.0	-
		\$388.7	

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

PFRS Asset Allocation (August 31st Market Values)*					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				
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)	Inflow	(\$mm)	Outflow	(\$mm)	Inflow	\$mm	Outflow	(\$mm)
Northern Trust	86.4	22.2%	20.0%	8,709,180								
SPI	17.4	4.5%	6.0%	(5,877,846)								
EARNEST Partners	30.8	7.9%	8.0%	(334,128)				(1.60)				
NWQ	9.0	2.3%	3.0%	(2,669,923)				(1.00)				
Rice Hall James	12.0	3.1%	3.0%	310,077				(1.60)				
Total Domestic Equity	155.6	40.0%	40.0%	137,360								
Passive Developed ETF	13.4	3.5%	3.6%	(565,908)								
Fisher	16.0	4.1%	4.2%	(293,892)								
Hansberger	16.3	4.2%	4.2%	1,108								
Total International Equity	45.8	11.8%	12.0%	(858,692)								
Total Public Equity	201.4	51.8%	52.0%	(721,332)								
Parametric	31.4	8.1%	5.0%	11,983,795								(2.00)
Total Covered Calls	31.4	8.1%	5.0%	11,983,795								
Long Duration ETF	14.9	3.8%	3.3%	1,933,543								
Parametric Risk Premia	25.9	6.7%	6.7%	(19,681)								
Crisis Risk Offset	40.8	10.5%	10.0%	1,913,862								
Reams	25.0	6.4%	12.0%	(21,605,692)								
DDJ	7.8	2.0%	2.0%	41,718								
Ramirez	75.7	19.5%	19.0%	1,851,821								(1.00)
Total Public Fixed	108.5	27.9%	33.0%	(19,712,153)								
Cash with Custodian	0.0	0.0%	0.0%	22,100								
Cash in Treasury**	6.5	1.7%	0.0%	6,514,000		11.20		(11.20)		10.85		(10.85)
Total Stable	115.1	29.6%	33.0%	(13,198,153)								
Total Portfolio	388.7	100.0%	100.0%	---		11.20		(15.40)		10.85		(13.85)

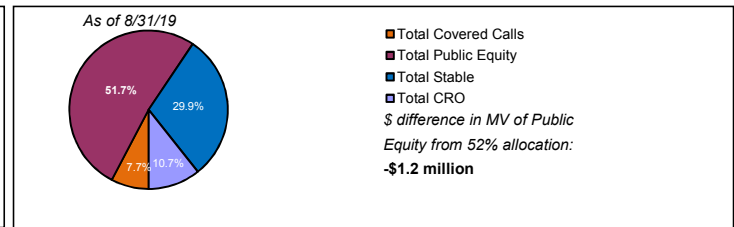
February 28th Market Values by Portfolio Segment

Portfolio Segment	MV (\$mm)
Total Domestic Equity	155.6
Total International Equity	45.8
Total Public Equity	201.4
Total Covered Calls	31.4
Total Crisis Risk Offset	40.8
Total Public Fixed	108.5
Total Stable	115.1
Total Portfolio	388.7

Suggested Cash Withdrawals

Manager	Amount
Cash in Treasury	\$10.85 million
Parametric (C.C.)	\$2.00 million
Ramirez	\$1.00 million

Projected Equity to Fixed Allocation (MV)



* Estimated based on PFRS August 31, 2019 Northern Trust statement.

** Preliminary value as of August 31, 2019 per OPFRS staff.

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

Projected PFRS Asset Allocation (As of December 31st)					
	Est Mkt Value (\$mm)	Est Mkt Value (%)	Target (%)	Projected % Variance <i>(from target)</i>	Projected \$ Variance <i>(from target)</i>
Northern Trust	86.4	22.7%	20.0%	2.7%	10,153,600
SPI	17.4	4.6%	6.0%	-1.4%	(5,444,520)
EARNEST Partners	29.2	7.6%	8.0%	-0.4%	(1,356,360)
NWQ	8.0	2.1%	3.0%	-0.9%	(3,453,260)
Rice Hall James	10.4	2.7%	3.0%	-0.3%	(1,073,260)
Total Domestic Equity	151.4	39.7%	40.0%	-0.3%	(1,173,800)
Passive Developed ETF	13.4	3.5%	3.6%	-0.1%	(305,912)
Fisher	16.0	4.2%	4.2%	0.0%	9,436
Hansberger	16.3	4.3%	4.2%	0.1%	304,436
Total International Equity	45.8	12.0%	12.0%	0.0%	7,960
Total Public Equity	197.2	51.7%	52.0%	-0.3%	(1,165,840)
Parametric	29.4	7.7%	5.0%	2.7%	10,344,900
Total Covered Calls	29.4	7.7%	5.0%	2.7%	10,344,900
Long Duration ETF	14.9	3.9%	3.3%	0.6%	2,174,279
Parametric Risk Premia	25.9	6.8%	6.7%	0.1%	461,788
Total Crisis Risk Offset	40.8	10.7%	10.0%	0.7%	2,636,067
Reams	25.0	6.6%	12.0%	-5.4%	(20,739,040)
DDJ	7.8	2.0%	2.0%	0.0%	186,160
Ramirez	74.7	19.6%	19.0%	0.6%	2,224,020
Total Public Fixed	107.5	28.2%	33.0%	-4.8%	(18,328,860)
Cash with Custodian	0.0	0.0%	0.0%	0.0%	22,100
Cash in Treasury**	6.5	1.7%	0.0%	1.7%	6,514,000
Total Stable	114.1	29.9%	33.0%	-3.1%	(11,814,860)
Total Portfolio	381.4	100.0%	100.0%	---	---

Notes

- 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 \$13.85 million per OPFRS).
- Report reflects quarterly City of Oakland contributions of approximately \$10.85 million.
- New City of Oakland quarterly contribution amount is based on FY 2019/2020 actuarial annual required contribution of \$43.4 million. (City of Oakland contribution was \$46.4 million for FY 2018/2019).
- As of August 31st, the projected public equity portfolio represents 52% of the portfolio (\$1.2 million less than the target allocation of 52.0%).

**Oakland Police and Fire Retirement System (OPFRS)
Fixed Income Structure Review
September 2019**



- **A publicly traded loan**

- Fixed Income (Bonds) are essentially publicly traded loans
- A corporation, government, or others issue a bond to investors in exchange for repayment, including interest

- **Key Fixed Income terms**

- Duration – Measures the impact of interest rates on investment rates
- Coupon – The interest rate promised by issuer
- Maturity – The date that the principal bond amount is due to the investor
- Par Value - The stated (face) value of a bond
- Yield – The anticipated return on a bond (purchase price, interest rate, and cash flows)
- Credit Risk – The probability that the issuer will default and not repay the bond. (Credit rating companies (i.e., Moody's, S&P) assign a credit rating based on the likelihood of default)

- **A diversifier**
 - Exposure to fixed income reduces overall volatility
 - Non-equity factors drive fixed-income performance
 - Lower returns than equities

- **Protector of principal**
 - However, real returns are modest

- **Tends to provide cash flow**
 - Bond yield (interest payments) exceeds equity yield (dividends)

- **Design cash flows that match plan requirements (“liability matching”)**

- **Changes in interest rates drive fixed income returns**
 - Exposure to interest rates measured by “duration”

- **Managers allocate assets along the yield curve versus the benchmark**
 - Yield curve structures (bullet, ladder, barbell) can have significant impact on returns

- **Credit risk is another factor that impacts returns**
 - Managers typically pursue higher yields associated with higher credit risk
 - Higher yields do not necessarily translate into higher total returns

- **Fixed income markets are undergoing dramatic change**
 - No clear consensus of investment portfolio structural implications

- **Key consideration: risk transparency/segregation, given fixed income’s breadth**

Duration Concept

- **Duration is a widely used measure of risk for fixed income instruments**
 - Measures the impact of changes in interest rates on investment returns
 - Long duration (e.g., 30-year bonds): more volatile, greater appreciation potential
 - Short duration (e.g., 1-year Treasury note): less volatile
- **Duration is a security's discounted time-weighted cash flow divided by its price**
 - The average time taken by the security to pay back the original investment

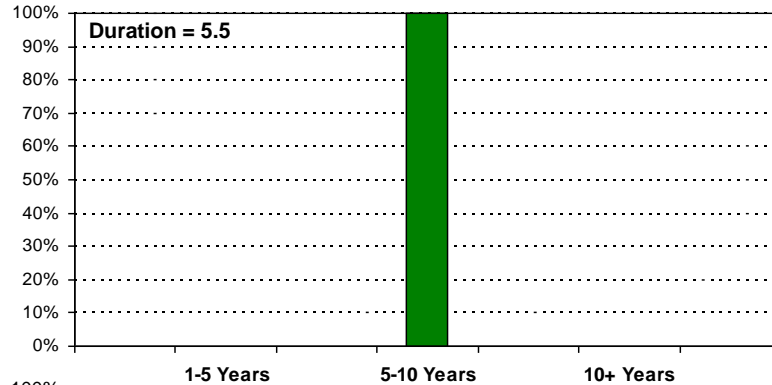
Calculation of Duration for a Three Year, 8% Bond

Time Until Receipt of Cash Flow	Amount of Cash Flow	Present Value Factor (based on YTM)	Present Value of Cash Flow	Present Value of Cash Flow X Time
1	\$80	.9091	\$72.73	72.73
2	80	.8264	66.12	132.23
3	1,080	.7513	<u>811.40</u>	<u>2,434.21</u>
			\$950.25	\$2,639.17

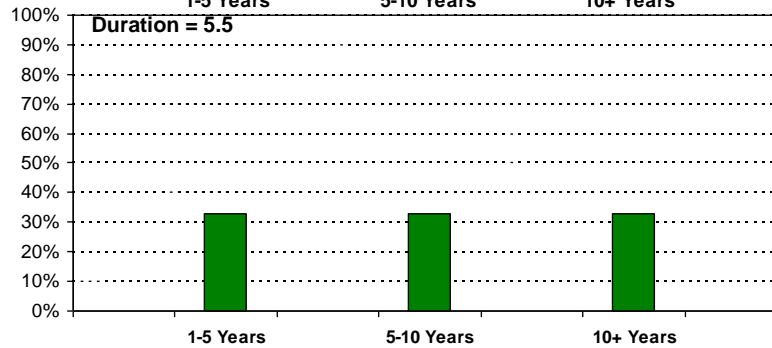
$$\text{Duration} = \frac{\$2,639.17}{\$950.25} = 2.78 \text{ years}$$

- A duration of 2.78 means:
 - If all interest rates rise by 1.00%, then portfolio falls by (2.78%)
 - If all interest rates fall by 1.00%, then portfolio rises by 2.78%
- Key issue: a manager's duration (interest rate risk) versus the benchmark
 - Shorter duration = less sensitivity to interest rate movements, reflects managers' opinion that interest rates will rise
 - Longer duration = more sensitivity to interest rate movements, reflects managers' opinion that interest rates will fall

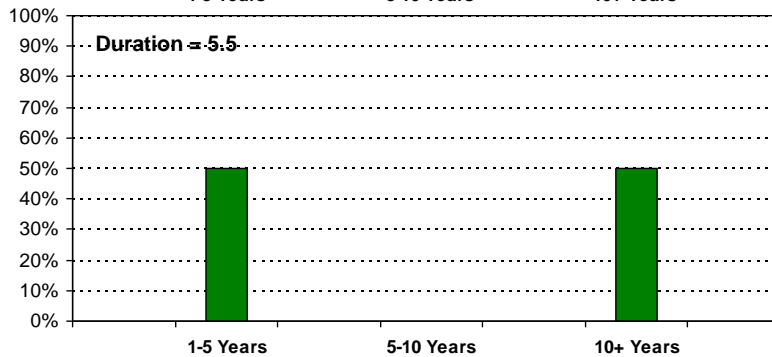
Yield Curve Structure Issues



Basic Portfolio Structure 1: A “Bullet”



Basic Portfolio Structure 2: A “Ladder”

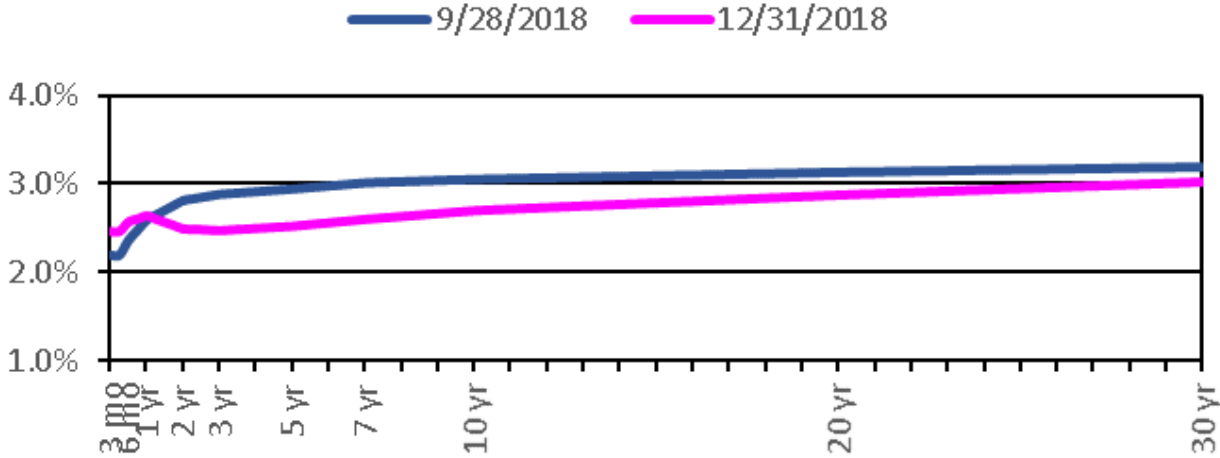


Basic Portfolio Structure 3: A “Barbell”

- Each portfolio has same duration but different structure
 - Changes in interest rates will impact each portfolio differently

Yield Curve Trends

Treasury Yield Curve 2018



- The Treasury yield curve has flattened in 2018, as short-term yields have risen

Source: Federal Reserve



- Fixed income securities are utilized within portfolios for numerous reasons:
 - Diversification benefits
 - Principal protection
 - Consistent income
 - Subtle capital appreciation

- With interest rates rising, several of these benefits have deteriorated:
 - Upside scenarios for sustained capital appreciation (i.e., lower rates) are minimal

- Additionally, global risk markets have become increasingly correlated
 - Diversification benefits have weakened

- Fixed income portfolios are often significantly exposed to economic growth risk

- Credit Crisis of 2007-2009
 - The recent credit crisis, characterized as a complete credit freeze, saw the worst credit market conditions since the Great Depression
 - Fixed income across the spectrum reacted differently
 - Safe bonds (e.g., U.S. Treasuries) provided principal protection
 - Risky bonds (e.g., U.S. & European Corporates) suffered large losses
 - Moved in tandem with equity market

- Lessons Learned
 - Credit rating is not necessarily a good indication for relative safety
 - Many managers had more risky assets (i.e., subprime) than intended
 - Many managers were increasing their yields with low-quality securities
 - Active managers do not necessarily focus principal protection – a key fixed income attribute
 - Credit segment performance was driven by equity factors
 - Loss of diversification benefit

Fixed Income Market Review

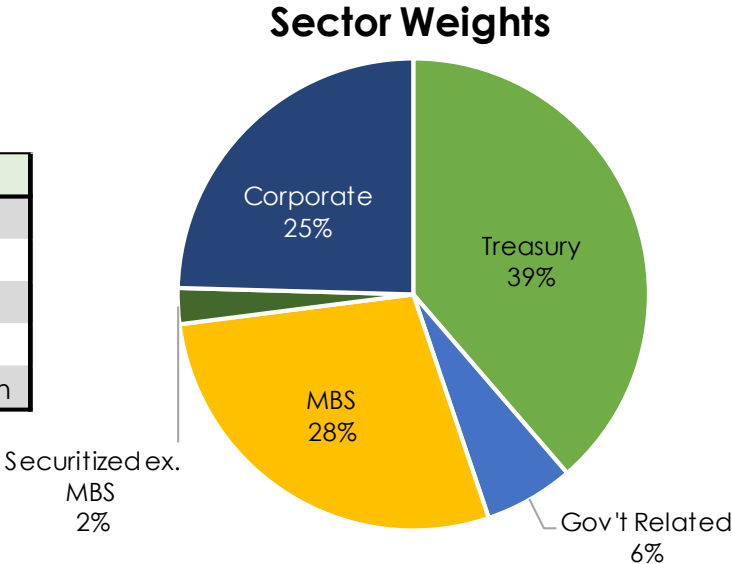


Fixed Income Markets

- Bloomberg Barclays U.S. Aggregate Index is OPFRS primary Fixed Income benchmark
 - Broadly represents U.S. Investment Grade Fixed Income

6/30/2019 Composition
(BB U.S. Aggregate Index)

Characteristics*	
Yield	3.28
Coupon	3.19
Duration	5.84
Average Credit Quality	AA
Market Capitalization	\$20.7 trillion

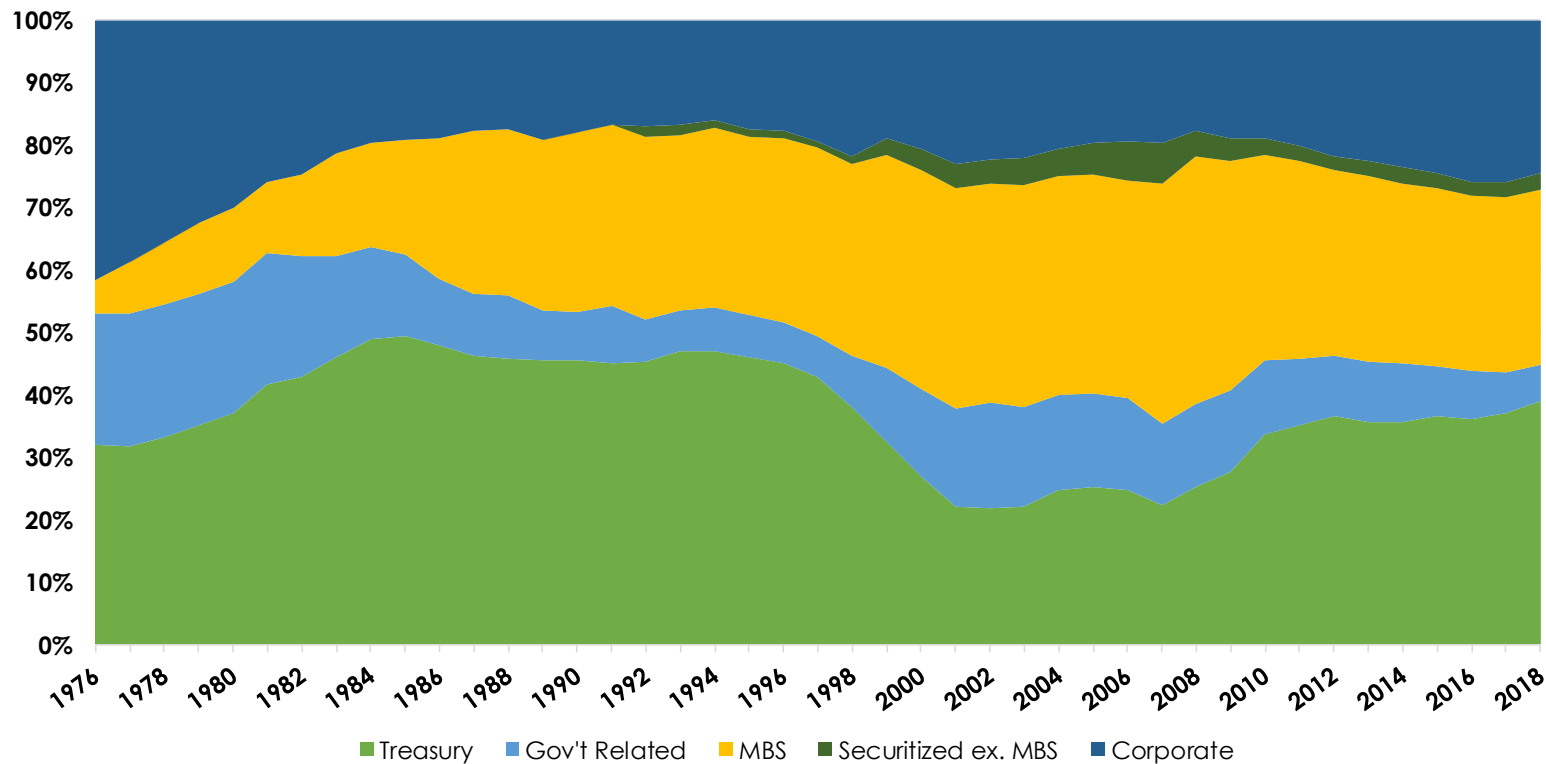


*Definitions in the appendix
Source: Bloomberg

Fixed Income Markets

- Contrary to popular belief, the sector composition of the index has remained relatively consistent through recent history
 - Greatest change was from securitization (i.e., mortgages) in the 1980s

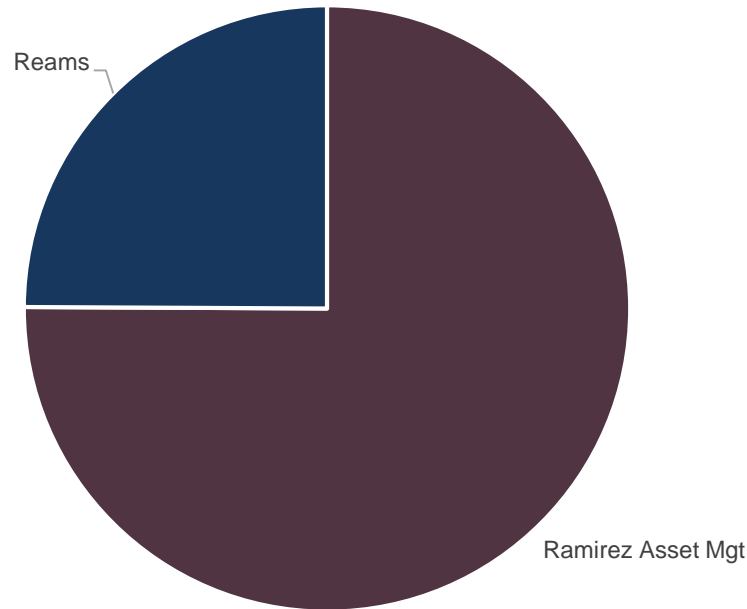
Bloomberg Barclays U.S. Aggregate Index - Sector Weights



Source: Bloomberg, AllianceBernstein

Review of OPFRS Fixed Income Allocation

OPFRS Fixed Income Allocation - June 2019



*Diverse manager

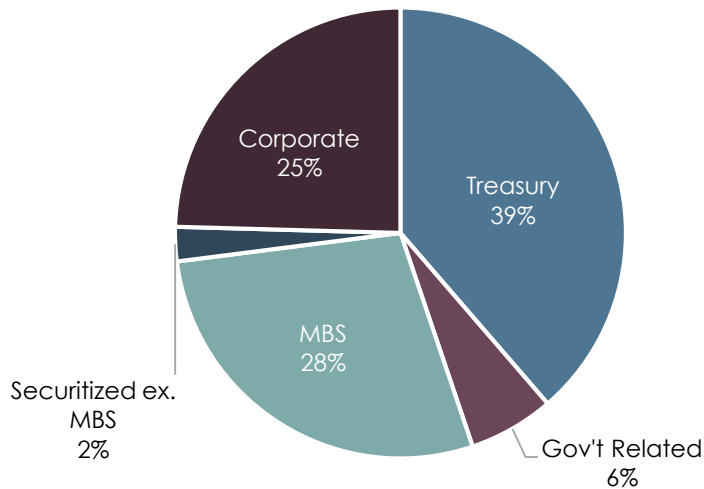
- ≈75% of the current allocation is managed by Ramirez
- The goal of reviewing the portfolio is review the diversification level and allocation amounts

Fixed Income Markets

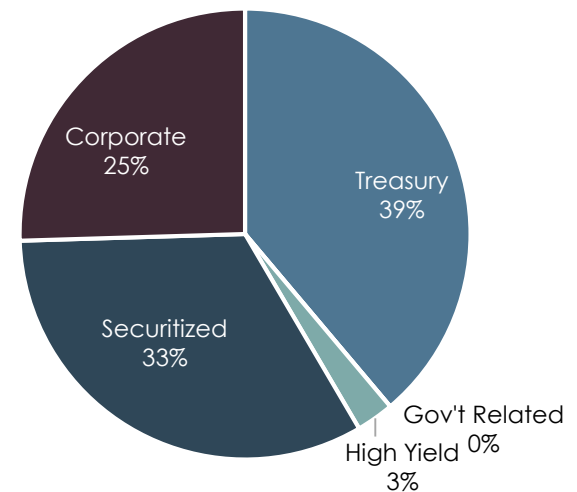
- Ramirez– Active Fixed Income manager
 - Compared to the BB Aggregate Index, Ramirez is underweight government-related and overweight High Yield

6/30/2019 Composition

BB U.S. Aggregate Index



Ramirez

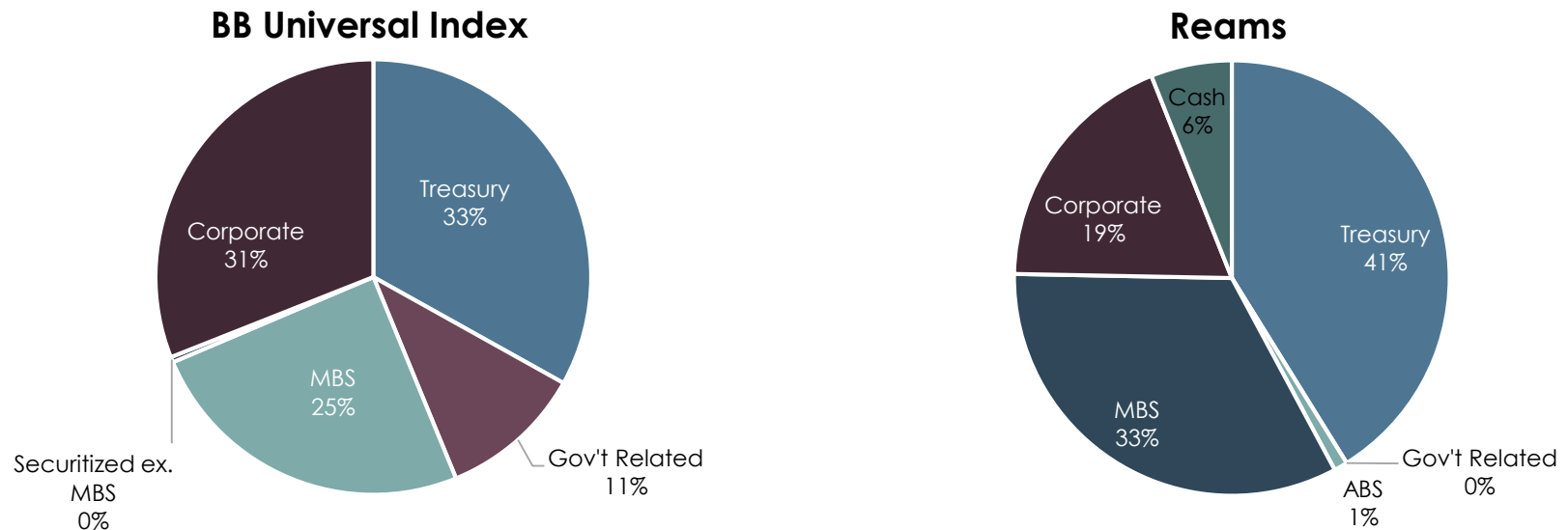


*Definitions in the appendix
Source: Bloomberg

Fixed Income Markets

- Reams– Active Fixed Income manager
 - Compared to the BB Universal Index, Reams is overweight Treasuries and MBS while underweight Government-Related and Investment Grade Corporate Credit

6/30/2019 Composition



*Definitions in the appendix
Source: Bloomberg

	Mkt Value (\$000)	Quarter	1-Year	3-Year	5-Year	Since Inception
Core Fixed Income	---					
Ramirez	73,338	3.3 (16)	8.5 (21)	---	---	4.8 (10)
<i>Blmbg. Barc. U.S. Aggregate Index</i>		3.1	7.9	---	---	3.8
Excess Return		0.2	0.6	---	---	1.0
Core-Plus Fixed Income	---					
Reams	24,345	3.0 (82)	8.1 (61)	2.8 (84)	3.4 (62)	5.6 (54)
<i>Bbg Barclays Universal (Hybrid)</i>		3.1	8.1	2.8	3.2	5.0
Excess Return		-0.1	0.0	0.0	0.2	0.6

- Since inception both Fixed Income managers have been able to provide consistent outperformance relative to their respective benchmark.
 - Ramirez has outperformed the Bloomberg Barclays Aggregate Index over all time periods measured.
 - Reams trailed the Bloomberg Barclays Universal Index over the most recent quarter but has bested its benchmark over the longer periods.

Next Steps

- Present specific OPFRS Fixed Income policy structures at October Investment Committee meeting

- If the OPFRS Board concurs with the direction presented:
 - 4Q-1Q 2020
 - Meketa & Staff will review the Investment Policy Statement for fixed income
 - Meketa & Staff will work begin reviewing the implementation of a new fixed income mandate.
 - 4-1Q 2020
 - Implementation of new mandates

Disclaimer, Glossary and Notes

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.

Yield: The yield-to-maturity (YTM) of a bond given potential optionality (e.g., callable, puttable, exchangeable, etc.). YTM represents the total return (i.e., IRR) of a bond over its remaining life.

Coupon: The annual interest payment based on a bond's par value.

Average Credit Quality: Bloomberg's composite rating based on S&P, Fitch, Moody's, and DBRS.

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

Government Related: A bond sector that primarily consists of debt from agency, local authority, and supranational entities.

MBS: Mortgage-backed securities. A type of asset-backed debt instrument that is secured by a collection of mortgages. The corresponding coupon payments are driven by pass-through payments from the underlying mortgages. In investment grade bond markets, MBS are typically explicitly or implicitly guaranteed by the U.S. government (i.e., agency MBS).

Securitized ex. MBS: A broader collection of asset-backed debt that can be collateralized by items such as commercial real estate debt, credit card receivables, and auto loans, among others.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



MEMORANDUM

To: Teir Jenkins, David Jones
Oakland Police and Fire Retirement System (OPFRS)

From: David Sancewich, Sean Copus, CFA
Meketa Investment Group

Date: September 25, 2019

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 divesture policy, 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 31 thermal coal companies that meet the 50% revenue from coal production criteria as of June 30, 2019. Compared to the previous year, six thermal coal listings were removed from the divesture list while no new listings were added. These changes are documented on the following page.

Thermal Coal Companies as of 6/30/2019

Issuer Name	Issuer ID	Issuer Ticker	Issuer SEDOL	Issuer ISIN	Issuer Country
1 AGRITRADE RESOURCES LIMITED	IID000000002124346	1131	BFWMB94	BMG0130N1130	SG
2 ALLIANCE RESOURCE OPERATING PARTNERS, L.P.	IID000000002764255	ALARP	BD2M5N2	US01879NAA37	US
3 ARCH COAL, INC.	IID000000002132043	ACCA	BYVQGS4	US0393804077	US
4 Banpu Public Company Limited	IID000000002159164	BANPU	B3RJVNO	TH0148036401	TH
5 Bukit Asam Tbk PT	IID000000002186146	PTBA	6565127	ID1000094006	ID
6 CLOUD PEAK ENERGY INC.	IID000000002386343	CLDEQ	BSQ3WQ8	US18911Q2012	US
7 COAL INDIA LTD	IID000000002235890	COALINDIA	B4Z9XF5	INE522F01014	IN
8 CONSOL ENERGY INC.	IID000000002820324	C9X	BDFD769	US20854L1089	US
9 EXXARO RESOURCES LIMITED	IID000000002126148	EXX	6418801	ZAE000084992	ZA
10 FORESIGHT ENERGY LLC	IID000000002597538	FELP	BF1B879	US345525AE90	US
11 GEO COAL INTERNATIONAL PTE. LTD.	IID000000002861777	GEOE	BF25319	US37255AAB70	SG
12 GEO ENERGY RESOURCES LIMITED	IID000000002653872	7GE	B8G3G55	SG2F24986083	SG
13 Hallador Energy Company	IID000000002126834	H7H	B128WH9	US40609P1057	US
14 INNER MONGOLIA YITAI COAL CO., LTD	IID000000002170666	3948	B4PPPY6	CNE100001FW6	CN
15 Lubelski Wegiel Bogdanka SA	IID000000002402375	OMMZ	B466SM7	PLLWBGD00016	PL
16 MURRAY ENERGY CORPORATION	IID000000002284479	MURRE	BWT6K35	USG2704PAE34	US
17 NACCO INDUSTRIES, INC.	IID000000002152662	NA6A	B3FH039	US6295791031	US
18 NEW HOPE CORPORATION LIMITED	IID000000002149750	NHC	6681960	AU000000NHC7	AU
19 PEABODY ENERGY CORPORATION	IID000000002179181	BTU	BDVPZV0	US7045511000	US
20 PT Adaro Energy Tbk	IID000000002355568	A64	B3BQG54	ID1000111305	ID
21 PT Bukit Makmur Mandiri Utama	IID000000002361398	DOID	BYP2536	US74445NAA54	ID
22 PT Bumi Resources Tbk	IID000000002160294	BUMI	6043485	ID1000068703	ID
23 PT Delta Dunia Makmur Tbk	IID000000002163859	D5A	B5W7GK5	ID1000110505	ID
24 SHANGHAI DATUN ENERGY RESOURCES CO., LTD.	IID000000002183325	600508	6397524	CNE000001915	CN
25 Semirara Mining and Power Corporation	IID000000002183138	SCC	BQ13Z04	PHY7628G1124	PH
26 WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED	IID000000002150028	SOL	6821807	AU000000SOL3	AU
27 WESTMORELAND COAL COMPANY	IID000000002189509	OLVT	BG06236	US9608781061	US
28 WHITEHAVEN COAL LIMITED	IID000000002133460	WC2	B1Y1S56	AU000000WHC8	AU
29 YANCOAL AUSTRALIA LTD	IID000000002570123	3668	BGRCMZ9	AU000000YAL0	AU
30 Yancoal International Resources Development Co., Limited	IID000000002646180	YZCLM	B8BTZR3	US984745AB51	HK
31 Yanzhou Coal Mining Company Limited	IID000000002190075	1171	6109893	CNE1000004Q8	CN

The following table outlines the firms that were previously included in the prior thermal coal list but are no longer included on the updated list seen above.

Removed Thermal Coal Listings

Issuer Name	Issuer ID	Issuer Ticker	Issuer SEDOL	Issuer ISIN	Issuer Country
1 Banpu Power Public Company Limited	IID000000002404296	BPP	BD5NFC1	TH7462010003	TH
2 GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED	IID000000002141069	532181	6101639	INE131A01031	IN
3 Indo Tambangraya Megah Tbk PT	IID000000002133986	3IB	B2NBLH7	ID1000108509	ID
4 PT Bumi Resources Minerals Tbk	IID000000002605865	BRMS	B3R5893	ID1000117609	ID
5 PT Harum Energy Tbk	IID000000002573419	44H	B4VN2Q5	ID1000116601	ID
6 WESTMORELAND RESOURCE PARTNERS, LP	IID000000002594997	ZOR1	BV1VRK7	US96108P1030	US

SC/DS/hs



MEMORANDUM

To: Oakland Police and Fire Retirement System (OPFRS)
From: David Sancewich, Sean Copus, CFA – Meketa Inv. Group
Date: September 25, 2019
Re: 2019 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.

2019 Preliminary Investment Project Agenda

Expected Completion Date	Task
October 2019	<ul style="list-style-type: none">Flash Performance Report (3Q 2019)Search Update: Small Cap ValueSearch Update: International and CROManager Update: ParametricService Contract Extension - Parametric
November 2019	<ul style="list-style-type: none">PCA Performance report (3Q2019)Manager Update: Earnest Partners
December 2019	<ul style="list-style-type: none">TBD: Depends on meeting scheduleCash Flow Report (1Q2020)

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.

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency.

Oakland Police and Fire Retirement Board meetings are held in wheelchair accessible facilities. Contact the Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



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

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Adam Benson
Member

Robert W. Nichelini
Member

Robert J. Muszar
Member

John C. Speakman
Member

Steven Wilkinson
Member

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

Wednesday, September 25, 2019 – 11:30 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

--- ORDER OF BUSINESS ---

- A. Adjourn to Closed Session of the PFRS Board**
- B. Report of Board Action from Closed Session (if any)**
- C. Subject: PFRS Board Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE August 28, 2019 PFRS Board meeting minutes.
- D. Subject: PFRS Board and Committee Notices**
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report on PFRS Board and Committee Notices.
- E. 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.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 25, 2019

ORDER OF BUSINESS, continued

F. AUDIT AND OPERATIONS COMMITTEE AGENDA – SEPTEMBER 25, 2019

F1. Subject: Administrative Expenses Report
From: Staff of the PFRS Board

Recommendation: **ACCEPT** an informational report regarding PFRS administrative expenses from July 1, 2019 through July 31, 2019.

F2. Subject: Hearing Procedures, Handling of Confidential Member Medical Files and provide staff direction in this regard

From: PFRS Legal Counsel

Recommendation: **APPROVE** the report and recommendations regarding PFRS Hearing Procedures, Handling of Confidential Member Medical Files for discussion and provide further direction in this regard.

G. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – SEPTEMBER 25, 2019

G1. Subject: Investment Manager Performance Review – Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager
From: Ramirez Asset Management Inc.

Recommendation: **ACCEPT** an Informational Report regarding review of Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager.

G2. Subject: Investment Manager Overview – Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager

From: Meketa Investment Group

Recommendation: **APPROVE** evaluation, review and possible watch status placement of Ramirez Asset Management Inc., a Core Fixed Income asset class Investment Manager.

G3. Subject: Investment Market Overview
From: Meketa Investment Group

Recommendation: **ACCEPT** an informational report on the global investment markets through September 2019.

ORDER OF BUSINESS, continued

- G4. Subject:** **\$13.85 million Drawdown for 4th Quarter 2019 Member Allowances**
From: Staff of the PFRS Board & Meketa Investment Group
-
- Recommendation:** **APPROVE** the Meketa recommendation of \$13.85 million drawdown, which includes an \$10.85 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 2019 through December 2019 member Retirement Allowances.
- G5. Subject:** **PFRS Fixed Income Asset Class Portfolio Review**
From: Meketa Investment Group
-
- Recommendation:** **APPROVE** possible changes to the PFRS Fixed Income Asset Class Investment Portfolio Review as recommended by Meketa.
- G6. Subject:** **Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager (VERBAL REPORT)**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** an Informational Report on the status of the Request for Proposals for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager.
- G7. Subject:** **Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio (VERBAL REPORT)**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** Informational Report on the status of the Request for Proposals for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio.

ORDER OF BUSINESS, continued

- G8. Subject:** Updated List of Thermal Coal Companies Prohibited from the PFRS Investment Portfolio
From: Staff of the PFRS Board and PCA
-
- Recommendation:** **APPROVE** an updated list from PCA of thermal coal companies prohibited from the PFRS Investment portfolio.
- H. Subject:** Resolution No. 7070 – Resolution ratifying the August 28, 2019 motion of the Police and Fire Retirement System Board granting the application of Cheryl Noland for full continuance of her deceased husband, Chesley J. Noland’s retirement allowance
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** Resolution No. 7070 – Resolution ratifying the August 28, 2019 motion of the Police and Fire Retirement System Board granting the application of Cheryl Noland for full continuance of her deceased husband, Chesley J. Noland’s retirement allowance.
- I. Subject:** Resolution No. 7071 – Resolution ratifying the August 28, 2019 motion to hire Strategic Global Advisors to serve as the active International Equity Asset Class Investment Manager for the Oakland Police and Fire Retirement System at a fee rate not to exceed 70 basis points (70 bp or 0.70 percent) of the portfolio’s assets value each year and authorizing the President of the Police and Fire Retirement System Board to execute a professional services agreement with Strategic Global Advisors
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** Resolution No. 7071 – Resolution ratifying the August 28, 2019 motion to hire Strategic Global Advisors to serve as the active International Equity Asset Class Investment Manager for the Oakland Police and Fire Retirement System at a fee rate not to exceed 70 basis points (70 bp or 0.70 percent) of the portfolio’s assets value each year and authorizing the President of the Police and Fire Retirement System Board to execute a professional services agreement with Strategic Global Advisors.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
SEPTEMBER 25, 2019**

ORDER OF BUSINESS, continued

- | | |
|--------------------------------|--|
| J. Subject: | Member Resolution(s) No. 7072-73 |
| From: | Staff of the PFRS Board |
| Recommendation: | APPROVE Member Resolution(s) No. 7072-73 |
| J1. Resolution No. 7072 | Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiaries of deceased member(s) as follows: William V. Crabtree, son of Billy L. Crabtree |
| J2. Resolution No. 7073 | Resolution fixing the monthly allowance of Margaret L. Deadder, spouse of Barry J. Deadder, retired member of the Police and Fire Retirement System, in the amount of \$4,510.93; of Karen J. Halliday, spouse of Marvin W. Halliday, retired member of the police and Fire Retirement System, in the amount of \$3,858.47 |
- K. NEW BUSINESS**
- L. OPEN FORUM**
- M. FUTURE SCHEDULING** – Scheduling of Nov/Dec 2019 meetings in light of Holiday Schedule.

A BOARD MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on August 28, 2019 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California.

Board Members Present:

- Walter L. Johnson, President
- Jaime T. Godfrey, Vice President
- John C. Speakman, Member
- Adam Benson, Member
- R. Steven Wilkinson, Member
- Robert J. Muszar, Member
- Martin J. Melia, Member

Additional Attendees:

- David Jones, PFRS Plan Administrator
- Jennifer Logue, PFRS Legal Counsel
- David Low & Teir Jenkins, Staff Member
- David Sancewich & Sean Copus, Meketa Investment Group

The meeting was called to order at 1:00 p.m.

A. Closed Session – President Johnson convened the closed session meeting at 1:01 p.m.

B. Report of Board Actions from Closed Session – The PFRS Board meeting reconvened following the conclusion of Closed Session at 1:22 pm. President Johnson introduced the new PFRS Mayoral Representative, Adam Benson, to the PFRS Board. President Johnson said no reportable action by the Board was made during closed session.

C. Hearing for the Request for Full Continuance of Cheryl Noland, Spouse of Chesley J. Noland, a Fire Member of the Oakland Police and Fire Retirement System – The PFRS Board heard arguments from counsel for Cheryl Noland, W. David Holsberry (McCracken Stemerma & Holsberry, LLP), and counsel for the City of Oakland, Gregory Stanfield (Hanna Brophy) regarding Mrs. Noland’s application for a full continuance of her deceased husband Chesney J. Noland’s retirement allowance.

MOTION: Member Speakman made a motion to approve Mrs. Noland’s application for full continuance, second by Member Melia. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – ABSTAIN/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 6/ NOES: 0/ ABSTAIN: 1)

PFRS Legal Counsel Jennifer Logue said this matter will return for ratification by PFRS Resolution at the next Board meeting.

D. PFRS Board Meeting Minutes – Member Godfrey made a motion to approve the July 31, 2019 PFRS Board meeting minutes, second by Member Speakman. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- E. Resolution No. 7066 – Resolution Expressing Appreciation for Martin J. Melia’s Dedication and Loyal and Valuable Service as a Member of The Oakland Police and Fire Retirement System Board** – The Board expressed its appreciation to Member Melia for his service to the PFRS Board.

MOTION: Member Speakman made a motion to approve Resolution No. 7066 - Resolution Expressing Appreciation for Martin J. Melia’s Dedication and Loyal and Valuable Service as a Member of The Oakland Police and Fire Retirement System Board, second by Member Benson. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – ABSTAIN/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 6/ NOES: 0/ ABSTAIN: 1)

- F. Resolution No. 7067 – Resolution Expressing Appreciation for Katano Kasaine’s Dedication and Loyal and Valuable Service as Plan Administrator to and as a Member of the Oakland Police and Fire Retirement System Board** – The Board expressed its appreciation to Member Kasaine for her service to the PFRS Board.

MOTION: Member Godfrey made a motion to approve Resolution No. 7067 - Resolution Expressing Appreciation for Katano Kasaine’s Dedication and Loyal and Valuable Service as Plan Administrator to and as a Member of the Oakland Police and Fire Retirement System Board, second by Member Speakman. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- G. Resolution No. 7068 – Resolution Ratifying the July 31, 2019 Motion Terminating Professional Service Agreement with NWQ** – Member Godfrey made a motion to approve Resolution No. 7068, Resolution Ratifying the July 31, 2019 Motion Terminating Professional Service Agreement with NWQ, an Active Small-Cap Value Domestic Equities Asset Class Investment Manager for the Oakland Police and Fire Retirement System, Authorizing the Transfer of Assets Managed by NWQ to an Exchange Traded Fund, and Directing the Plan Investment Consultant to Commence a Search for a Replacement Asset Manager, second by Member Melia. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- H. Resolution No. 7069 – Resolution Ratifying the July 31, 2019 Motion Terminating Professional Service Agreement with State Street Global Advisors** – Member Godfrey made a motion to approve Resolution No. 7069 - Resolution Ratifying the July 31, 2019 Motion Terminating Professional Service Agreement with State Street Global Advisors, a Passive International Equities Asset Class Investment Manager for the Oakland Police and Fire Retirement System, and Authorizing the Transfer of Assets Managed by State Street Global Advisors to An Exchange Traded Fund, second by Member Speakman. Motion Passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

I. PFRS AUDIT COMMITTEE MEETING – AUGUST 28, 2019

- I1. Administrative Expenses Report** – PFRS Investment Officer Teir Jenkins reported the administrative expenses of the PFRS Board through June 30, 2019.

MOTION: Member Speakman made a motion to accept the administrative expenses report of the PFRS Board through June 30, 2019, second by member Melia. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- I2. Resolution No. 7065 – Travel authorization PFRS Board Member Wilkinson** – Member Muszar made a motion approve Resolution No. 7065 - Travel authorization for PFRS Board Member R. Steven Wilkinson to travel and attend the Value Edge Advisors, LLC 2019 Public Funds Forum (“2019 VEA Public Funds Forum”) from September 3, 2019 to September 5, 2019 in Park City, UT with an estimated budget of Two Thousand Five Hundred Dollars (\$2,500.00), second by member Speakman. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – ABSTAIN]
(AYES: 6/ NOES: 0/ ABSTAIN: 1)

- I3. 2006 Management Audit of the PFRS System** – Plan Administrator David Jones reported that staff would provide an updated status report of the previously approved management audit tasks for discussion at the November 2019 Audit Committee meeting.

J. PFRS INVESTMENT COMMITTEE MEETING – AUGUST 28, 2019

- J1. Investment Market Overview** – Sean Copus from Meketa reported the effects of global economic factors to the PFRS Fund.

MOTION: Member Godfrey made a motion accept the Informational Report from Meketa, second by Member Melia. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- J2. Investment Fund Performance for the Quarter Ending June 30, 2019** – Sean Copus from Meketa presented the comprehensive PFRS investment fund performance report for the quarter ending June 30, 2019. He reported that the PFRS Fund underperformed the Policy Benchmark by 20 basis points for the quarter but outperformed the Policy Benchmark for the Fiscal Year, 1-year, 3-year and 5-year periods.

MOTION: Member Godfrey made a motion to approve the Investment Fund Performance for the Quarter Ending June 30, 2019, second by Member Melia. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- J3. Request for Proposal for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager** – David Sancewich from Meketa reported on the status of the Request for Proposal for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager.

MOTION: Member Godfrey made a motion to accept the informational report regarding the Request for Proposal for the new PFRS Active Small Cap Domestic Equity Asset Class Investment Manager, second by member Speakman. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- J4. Request for Proposal for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio** – David Sancewich from Meketa reported on the status of the Request for Proposal for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio.

MOTION: Member Godfrey made a motion to accept the informational report regarding the Request for Proposal for the new Investment Manager to service both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio, second by member Melia. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- J5. New Active International Equities Asset Class Investment Managers Presentations** – Member Godfrey reported the presentation of the investment managers for a new Active International Equities Asset Class Investment Manager for the PFRS Fund.

MOTION: Member Godfrey made a motion to accept the information report regarding the Request for Proposal for the new Investment Manager to serve as both the PFRS Passive International Equity Asset Class Investments and PFRS Crisis Risk Offset (Long Duration Treasury) Investments Portfolio, second by member Melia. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

- J6. Selection of a new Active International Equities Asset Class Investment Manager for the PFRS Fund** – Member Godfrey reported that after hearing the presentations of four potential Active International Equities Asset Class Investment Managers, the Investment Committee recommends that the Board hire Strategic Global Advisors, LLC, as the new Active International Equities Asset Class Investment Manager for the PFRS Fund. He also reported that additional

discussion between staff and SGA will address additional contract details prior to the completion of the service agreement.

MOTION: Member Godfrey made a motion to hire Strategic Global Advisors, LLC as the new PFRS Active International Equities Investment Manager, Second by Member Speakman. Motion passed.

[GODFREY – Y/ JOHNSON – Y/ BENSON – Y/ MELIA – Y/ MUSZAR – Y/ SPEAKMAN – Y/ WILKINSON – Y]
(AYES: 7/ NOES: 0/ ABSTAIN: 0)

Staff was directed to process additional details to complete the hiring process, such as finalizing the professional service agreement, final investment fees, and the Board Resolution for the next Board meeting

K. NEW BUSINESS – No Report.

L. OPEN FORUM – David Sancewich reported the completion of the merger of PCA and Meketa.

M. FUTURE SCHEDULING – No discussion was made regarding future scheduling.

The meeting adjourned at 2:22 p.m.

DAVID JONES, BOARD SECRETARY

DATE



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones

SUBJECT: Board and Committee Notices

DATE: September 16, 2019

PFRS BOARD AND COMMITTEE NOTICES

The Board of the Oakland Police and Fire Retirement System has two new Board members:

- **Adam Benson** replaces Katano Kasaine as the Mayoral Representative on the PFRS Board, effective August 22, 2019. His term runs through January 3, 2022. President Johnson has assigned Member Benson to the Audit and Operations Committee.
- **Robert Nichelini**, retired Police PFRS member, replaces Martin Melia, retired Fire PFRS member, as the 3-year Alternating Police/Fire PFRS Board members. His term begins September 1, 2019 and ends August 30, 2022. President Johnson has assigned Member Nichelini to the Investment and Financial Matters Committee.

Respectfully submitted,

David Jones, Plan Administrator
Oakland Police and Fire Retirement System

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

Approved as to
Form and Legality



RESOLUTION No. 7070

ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION RATIFYING THE AUGUST 28, 2019 MOTION OF THE POLICE AND FIRE RETIREMENT SYSTEM BOARD GRANTING THE APPLICATION OF CHERYL NOLAND FOR FULL CONTINUANCE OF HER DECEASED HUSBAND, CHESLEY J. NOLAND'S RETIREMENT ALLOWANCE.

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

WHEREAS, on May 27, 1992, The PFRS Board passed Resolution No. 5807 retiring Chesley J. Noland, a Fire Member of the Oakland Police and Fire Retirement System ("PFRS"), with a service-connected disability retirement; and

WHEREAS, on June 24, 1992, the PFRS Board passed Resolution No. 5808 fixing Chesley J. Noland's retirement allowance; and

WHEREAS, on October 28, 2015, the PFRS Board passed Resolution No. 6874 fixing the two-third retirement allowance of Cheryl Noland, widow of Chesley J. Noland, due to his death on August 20, 2015; and

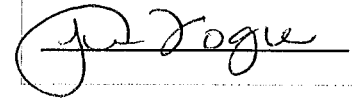
WHEREAS, on February 23, 2018, Cheryl Noland submitted an Application for Continuation of Retirement Allowance to PFRS claiming Chesley Noland's death resulted from injury received in, or illness caused by or arising out of, the performance of duty in the Oakland Fire Department; and

WHEREAS, on August 28, 2019, the PFRS Board conducted a public hearing in accordance with the City of Oakland Charter section 2603; and

WHEREAS, after consideration of the argument of the parties and the evidence presented, the Board passed a motion to grant the application of Cheryl Noland for full continuance of her deceased husband Chesley J. Noland's retirement allowance; now, therefore, be it

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

Approved as to
Form and Legality



RESOLUTION No. 7071

ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION RATIFYING THE AUGUST 28, 2019 MOTION TO HIRE STRATEGIC GLOBAL ADVISORS TO SERVE AS THE ACTIVE INTERNATIONAL EQUITY ASSET CLASS INVESTMENT MANAGER FOR THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM AT A FEE RATE NOT TO EXCEED 70 BASIS POINTS (70 BP OR 0.70 PERCENT) OF THE PORTFOLIO'S ASSETS VALUE EACH YEAR AND AUTHORIZING THE PRESIDENT OF THE POLICE AND FIRE RETIREMENT SYSTEM BOARD TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH STRATEGIC GLOBAL ADVISORS.

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, 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, 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

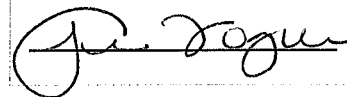
WHEREAS, on February 27, 2019, the PFRS Board approved a motion directing Meketa Investment group to begin a request for proposals (RFP) for a new Active International Equities Asset Class Investment Manager for the PFRS Investment Portfolio to manage the consolidation of the current PFRS Portfolio investments in the Active Growth and Active Value portfolios; and

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

Approved to Form
and Legality

RESOLUTION No. 7072



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION APPROVING DEATH BENEFIT PAYMENTS AND DIRECTING WARRANTS THEREUNDER IN THE TOTAL SUM OF \$1,000.00 PAYABLE TO THE BENEFICIARIES OF DECEASED MEMBER(S) AS FOLLOWS: WILLIAM V. CRABTREE, SON OF BILLY L. CRABTREE

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

WHEREAS, the beneficiaries to whom the death benefit provided in Charter Section 2612 are payable, are the persons whose names are stated in Column (2) opposite the respective names of the deceased retired member; and

WHEREAS, the amount of said death benefit is stated in Column (4) opposite said respective names; now, therefore, be it

RESOLVED: That the Retirement Board does hereby approve the Death Benefit payment to the persons named in Column (2); and be it

FURTHER RESOLVED: That the Director of Finance, be and is hereby directed to draw and sign warrants for the amount in Column (4) payable to the respective persons whose name(s) appear(s) in Column (2):

(1) Name of Deceased Member	(2) Name of Beneficiary(ies)	(3) Relationship of Beneficiary(ies)	(4) Death Benefit Amount
Billy L. Crabtree (P)	William V. Crabtree	Son	\$1,000.00

IN BOARD MEETING, CITY HALL, OAKLAND, CA SEPTEMBER 25, 2019

PASSED BY THE FOLLOWING VOTE:

AYES: BENSON, GODFREY, MUSZAR, NICHELINI, SPEAKMAN, WILKINSON,
AND PRESIDENT JOHNSON

NOES:

ABSTAIN:

ABSENT:

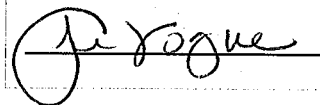
ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

Approved to Form
and Legality

RESOLUTION No. 7073



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION FIXING THE MONTHLY ALLOWANCE OF MARGARET L. DEADDER, SPOUSE OF BARRY J. DEADDER, RETIRED MEMBER OF THE POLICE AND FIRE RETIREMENT SYSTEM, IN THE AMOUNT OF \$4,510.93; OF KAREN J. HALLIDAY, SPOUSE OF MARVIN W. HALLIDAY, RETIRED MEMBER OF THE POLICE AND FIRE RETIREMENT SYSTEM, IN THE AMOUNT OF \$3,858.47

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

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

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

RESOLVED: That the Police and Fire Retirement Board fixes, and it does hereby fix, the amount in Column (7), as the monthly allowance to which said surviving spouses are entitled, effective on the date shown in Column (4):

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name of Deceased Member	Date of Death	Name of Surviving Spouse	Effective Date of Allowance	Form of Retirement	% of Compensation Attached to Avg. Rank Held	Monthly Allowance
Barry J. Deadder (P)	07/15/2019	Margaret L. Deadder	07/16/2019	Disability	33.333%	\$4,510.93
Marvin W. Halliday (P)	7/27/2019	Karen J. Halliday	07/28/2019	Service	28.512%	\$3,858.47

IN BOARD MEETING, CITY HALL, OAKLAND, CA _____ **SEPTEMBER 25, 2019**

PASSED BY THE FOLLOWING VOTE:

AYES: BENSON, GODFREY, MUSZAR, NICHELINI, SPEAKMAN, WILKINSON,
AND PRESIDENT JOHNSON

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency.

Oakland Police and Fire Retirement Board meetings are held in wheelchair accessible facilities. Contact Retirement Unit, 150 Frank Ogawa Plaza, Suite 3349 or call (510) 238-7295 for additional information.



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

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Adam Benson
Member

Robert W. Nichelini
Member

Robert J. Muszar
Member

John C. Speakman
Member

R. Steven Wilkinson
Member

**CLOSED SESSION of the BOARD OF ADMINISTRATION
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

Wednesday, September 25, 2019 - during regular meeting starting at 11:30 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612

- - - ORDER OF BUSINESS - - -

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

Please see the meeting agenda for open session items. The board will convene in open session prior to the closed session. Speakers may address the items of business on the closed session agenda prior to closed session. All speakers must fill out a speaker's card and submit it to the Secretary to the Board. The Board will reconvene in open session following the closed session to report any final decisions that the board makes in closed session.

Pursuant to California Government Code Section 54956.9(a); 54956.9(d)(2) and (4); and 54956.9(e)(3); and 54956.9(d)(4):

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

One Item of Anticipated Litigation.