A BOARD MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held on October 28, 2020 via Zoom Tele-Conference.

Board Members:	▪ Walter L. Johnson	President
	▪ Jaime T. Godfrey	Vice President
	▪ Margaret O'Brien	Member
	▪ Robert W. Nichelini	Member
	▪ John C. Speakman	Member
	▪ Kevin R. Traylor	Member
	▪ R. Steven Wilkinson	Member
Additional Attendees:	▪ David F. Jones	PFRS Plan Administrator
	▪ Jennifer Logue	PFRS Legal Counsel
	▪ Teir Jenkins	PFRS Staff Member
	▪ Maxine Visaya	PFRS Staff Member
	▪ David Sancewich	Meketa Investment Group

The meeting was called to order at 12:01 p.m. PST

A. **PFRS Board Meeting Minutes** Member Nichelini made a motion to approve the September 30, 2020 Regular Board Minutes, second by Member Traylor. The motion passed.

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

B. **AUDIT AND OPERATIONS COMMITTEE AGENDA – OCTOBER 28, 2020**

B1. **Administrative Expenses Report** – Investment Officer Jenkins presented the informational report of the PFRS administrative expenditures as of August 31, 2020.

MOTION: Member Speakman made a motion to accept the administrative expenses report as of August 31, 2020, second by Member Wilkinson. Motion passed.

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

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C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – OCTOBER 28, 2020

C1. **Investment Market Overview** – David Sancewich of Meketa Investment Group presented a summary of the informational report on the global economic factors affecting the PFRS Fund as of September 30, 2020, including the impact of the Coronavirus Pandemic on the world investment markets and the upcoming Presidential Election.

MOTION: Vice President Godfrey made a motion to accept the informational report from Meketa regarding the economic factors affecting the PFRS Fund as of September 30, 2020, second by Member Nichelini. Motion Passed

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

C2. **Preliminary Investment Fund Performance Update as of August 31, 2020** – David Sancewich of Meketa Investment Group reported on the details of the Preliminary Investment Fund Performance Update as of September 30, 2020. Member Wilkinson requested a report explaining to the Board the cause for the poor performance of Parametric Portfolio Associates, LLC (PPA) Systematic Trend Following/Alternative Risk Premia (SARP) Strategy. Meketa will obtain a report from PPA to provide the requested additional information and submit to the Board for review.

MOTION: Vice President Godfrey made a motion to accept the informational report from Meketa regarding the Preliminary Investment Fund Performance Update as of September 30, 2020, second by Member Traylor. Motion Passed.

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

C3. **Informational Presentation – Collapsing Global Interest Rates/Negative Interest Rates** – David Sancewich of Meketa Investment Group presented an informational report for educational purposes on the topic of Collapsing Global Interest Rates and Negative Interest Rates.

MOTION: Vice President Godfrey made a motion to accept the informational report from Meketa regarding collapsing global interest rates and negative interest rates, second by Member Nichelini. Motion passed.

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

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C4. Options to Consider a New PFRS Investment Manager to Implement the Crisis Risk Offset Systematic Trend Following/Alternative Risk Premia (SARP) Investment Strategy – David Sancewich of Meketa Investment Group presented options, including pros and cons, for selecting a new PFRS Investment Manager to Implement the Crisis Risk Offset/SARP Strategic Class. Mr. Sancewich discussed the details of possible options (1) Conduct a new RFP and (2) Review the finalists from the 2018 Alternative Risk Premia search: AQR and Lombard, which would include an updated questionnaire for each candidate concerning diversity across the organization and the firm, investment strategy and conducting interviews with both managers at an upcoming Investment Committee Meeting. Meketa recommends opting to review the remaining finalists from 2018. Member Wilkinson requests we also consider the firm who was the fourth candidate.

MOTION: Vice President Godfrey made a motion to accept the informational report regarding options to consider a new PFRS Investment Manager to Implement the Crisis Risk Offset Investment Strategy presented by Meketa Investment Group, second by Member Nichelini. Motion Passed.

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

MOTION: Vice President Godfrey made a second motion to put in place a following matter for the next Investment Committee Meeting Agenda for discussion and action regarding option two to review the two finalists from 2018, with the addition of the manager who was the fourth candidate, for consideration regarding the implementation for the Crisis Risk Offset Systematic Trend Following/Alternative Risk Premia (SARP) Investment Strategy, second by Member Nichelini. Motion passed.

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

C5. Draft Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets – Plan Administrator Jones reported on the Investment Committee discussion of the draft version of emergency procedures presented by staff for termination or limiting trading discretion of PFRS Investment Managers to protect PFRS Fund Assets. After discussions, staff would like to review and streamline the draft policy to make it more precise, as it was determined to be too general and will come back with more directed emergency procedures in place. PFRS Legal Counsel and Staff will work together with all attempts to make this an action item for approval at the next meeting.

MOTION: Vice President Godfrey made a motion to accept the informational report from staff and staff, at the next meeting, will bring back to the Investment Committee and Board an action item for determination, second by Member Traylor. Motion passed.

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

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C6. Investment Manager Performance Review – Parametric Portfolio Associates, LLC, a PFRS Covered Calls Investment Manager – David Sancewich of Meketa Investment Group provided an overview of the annual informational report presented by Parametric Portfolio Associates, LLC, a PFRS Passive Covered Call Strategy and Active Covered Call Strategy Asset Class Investment Manager. The report consisted of the firms updated organizational structure; specifically the acquisition of Eaton Vance, parent company, by Morgan Stanley and the departure and retirement of investment professionals, as well as a review of investment strategy, market environment, portfolio performance updates, and the firm's diversity policy.

MOTION: Vice President Godfrey made a motion to accept Meketa's review of the annual informational report from Parametric Portfolio Associates, LLC, a PFRS Passive Covered Call Strategy and Active Covered Call Strategy Asset Class Investment Manager, second by Member Nichelini. Motion passed.

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

C7. Investment Manager Performance Review – Parametric Portfolio Associates, LLC, a PFRS Covered Call Investment Manager – David Sancewich of Meketa Investment Group presented a review and evaluation of Parametric Portfolio Associates, LLC, a PFRS Covered Calls Asset Class Investment Manager. Mr. Sancewich expressed confidence in the firm, has no concerns regarding their performance at this time, and recommends exercising the option to extend the agreement for an additional one-year period. Vice President Godfrey expressed concern due to the organizational changes at the firm and suggested to place the firm on Watch Status, as is the standard under these circumstances. Member Wilkinson requested a Diversity Report to be submitted for review in the coming weeks.

Motion: Member Wilkinson made a motion to accept the informational report from Meketa Investment Group, and to continue this item to the next meeting pending the review of the Diversity Report PFRS to exercise the option to extend the service agreement with Parametric Portfolio Associates, LLC for an additional one-year period and place the firm on Watch Status due to recent organizational changes, second by Member Traylor. Motion passed.

[JOHNSON – Y/ GODFREY – N/ O'BRIEN – Y/ NICHELINI – Y/ SPEAKMAN – N/ TRAYLOR – Y/ WILKINSON – Y]
(AYES: 5/ NOES: N/ ABSTAIN: 0)

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D. Convert PFRS from Compensation Attached to the Rank to Cost of Living Allowance (COLA) – Member Nichelini discussed investigating the legal possibility and feasibility of converting PFRS from compensation attached to the rank to cost of living allowance based. PFRS Legal Counsel Logue suggested considering options ranging from issuing an RFP, engaging outside counsel to provide an opinion on how complicated the matter may be including an estimated cost of taking such action, to issuing an RFP or RFI to seek opinions from outside counsel regarding the estimated cost to investigating the matter of conversion.

MOTION: Member Nichelini made a motion to proceed with allowing PFRS Legal Counsel Logue to the PFRS 2026 Funding Committee to obtain a cost estimate for investigating the cost of conversion from compensation attached to rank to cost of living allowance through an RFP or RFI process and for PFRS Legal Counsel Logue to report back to the Board the findings on the matter, second by Member Traylor. Motion passed.

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

E. New Business – No Report.

F. Open Forum – No Report.

G. Future Scheduling – The Board discussed cancelling the PFRS Regular Committee & Board Meetings scheduled for November 25, 2020 and December 30, 2020 and to combine these meetings and convene for Special Meetings of the PFRS Committees and Board on Thursday, December 10, 2020.

MOTION: Member Speakman made a motion to combine the November and December 2020 meetings and schedule Special Meetings of the PFRS Committees & Board for Thursday, December 10, 2020 at the regular times, second by Member Nichelini. Motion passed.

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

H. Adjournment – Member Speakman made a motion to adjourn, second by Member O'Brien. Motion passed.

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

The meeting adjourned at 1:10 p.m. PST

WALTER L. JOHNSON, SR., BOARD PRESIDENT **DATE**

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