AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held October 28, 2020 via Zoom Tele-Conference.

Committee Members:	▪ Jamie T. Godfrey	Chairperson
	▪ R. Steven Wilkinson	Member
	▪ Robert W. Nichelini	Member
Additional Attendees:	▪ David Jones	Plan Administrator
	▪ Jennifer Logue	PFRS Legal Counsel
	▪ Teir Jenkins	PFRS Staff Member
	▪ Maxine Visaya	PFRS Staff Member
	▪ David Sancewich	Meketa Investment Group
	▪ Sidney Kawanguzi	Meketa Investment Group
	▪ Dan Ryan	Parametric Portfolio Associates, LLC
	▪ Jim Roccas	Parametric Portfolio Associates, LLC

The meeting was called to order at 10:00 am

Chairperson Godfrey moved Agenda Items #7 & #8 to occur after Agenda Item #1 to accommodate guests from Parametric Portfolio Associates, LLC, and follow with Agenda Item #2.

1. **Approval of Investment Committee Meeting Minutes** Chairperson Godfrey made a motion to approve the September 30, 2020 Investment Committee Meeting Minutes, second by Member Wilkinson. The motion passed.

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

7. **Investment Manager Performance Review – Parametric Portfolio Associates, LLC, a PFRS Covered Calls Investment Manager** – Dan Ryan and Jim Roccas of Parametric Portfolio Associates, LLC, a PFRS Passive Covered Call Strategy and Active Covered Call Strategy Asset Class Investment Manager, presented an annual informational report detailing the firms updated organizational structure, focusing on the acquisition of Eaton Vance Corporation, parent company, by Morgan Stanley Investment Management and recent changes surrounding the retirement of Jay Strohmaier, Managing Director, Investment Strategy and John Orsik, Managing Director, Investment Manager. A review of the investment strategy for each portfolio, the market environment, portfolio performance updates, and the firm's diversity policy was also presented. Member Wilkinson requested a Diversity Report to be submitted to the committee for review in the coming weeks.

MOTION: Chairperson Godfrey made a motion to accept the informational report regarding the annual update from Parametric Portfolio Associates, LLC, a PFRS Covered Calls Asset Class Investment Manager, second by Member Wilkinson. Motion passed.

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

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8. **Investment Manager Performance Review – Parametric Portfolio Associates, LLC, a PFRS Covered Call Investment Manager** – David Sancewich of Meketa Investment Group presented a summarized 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 year. Chairperson Godfrey expressed concern due to the recent major organizational changes at the firm.

   MOTION: Member Wilkinson made a motion to accept the informational report from Meketa Investment Group, recommend PFRS exercise the option to extend the service agreement with Parametric Portfolio Associates, LLC for an additional year and place the firm on Watch Status due to recent organizational changes, second by Chairperson Godfrey. The motion passed.

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

2. **Investment Market Overview** – David Sancewich of Meketa Investment Group provided an 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. Chairperson Godfrey and Plan Administrator Jones posed questions regarding market volatility. Mr. Sancewich emphasized the importance of diversifying the PFRS Portfolio in the interest of capital preservation.

   MOTION: Chairperson Godfrey made a motion to accept the informational report from Meketa regarding the investment market overview as of September 30, 2020, second by Member Nichelini. Motion passed.

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

3. **Preliminary Investment Fund Quarterly Performance Update as of September 30, 2020** – David Sancewich of Meketa Investment Group reported on the details of the Preliminary Investment Fund Performance Update as of September 30, 2020. Mr. Sancewich reported out PFRS Staff Member Jenkins has implemented the action from the last board meeting thus liquidating the Parametric Risk Premia Strategy and placed 50% of those assets into Fixed Income and 50% into the Long Duration Portfolio, a part of Crisis Risk Offset.

   MOTION: Chairperson Godfrey made a motion to accept the informational report regarding the preliminary investment fund quarterly performance update as of September 30, 2020 from Meketa, second by Member Nichelini. Motion passed.

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

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4. **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: Chairperson 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.

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

5. **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 for selecting a new PFRS Investment Manager to Implement the Crisis Risk Offset Strategic Class. Mr. Sancewich discussed the details of possible options (1) Conduct a new RFP and (2) Review the remaining finalists from the 2018 Alternative Risk Premia search: AQR and Lombard. Meketa recommends opting to review the remaining finalists from 2018. Member Wilkinson requests we also consider the firm who was the fourth candidate. Chairperson Godfrey requested that diversity be incorporated in the review of candidates.

   MOTION: Chairperson 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 Wilkinson. Motion Passed.

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

6. **Draft Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets** – – Plan Administrator Jones presented a draft version of emergency procedures for termination or limiting trading discretion of PFRS Investment Managers to protect PFRS Fund Assets for discussion. Members and staff discussed the draft policy and determined it was too general and specific scenarios need to be identified defining what constitutes an emergency and what procedures/actions might be taken to remedy a financial emergency. PFRS Legal Counsel and Staff will work together to return with a final version to present to the Committee and Board as an action item at the next meeting.

   MOTION: Chairperson Godfrey made a motion to continue this item to the next committee meeting as an action item to bring to the Full Board, second by Member Nichelini. Motion passed.

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

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9. **Schedule of Pending Investment Committee Meeting Agenda Items** – Chairperson Godfrey requests to bring back subject item #5 to the Investment Committee and Board next month as an action item and will make a motion at the Full Board Meeting. David Sancewich submitted a report regarding the agenda items scheduled for the upcoming Investment Committee meeting but was not discussed in the interest of time.

10. **Open Forum** – No Report

11. **Future Scheduling** – The next Regular Investment Committee Meeting would typically be scheduled for Wednesday, November 25, 2020. In consideration of the upcoming holidays, the committee would like to cancel this Regular Meeting and hold a Special Meeting on a date yet to be determined. Scheduling of the next Investment Committee Meeting will be forwarded to the Full Board for consensus.

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

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

The meeting adjourned at 11:54 a.m. PST

JAMIE T. GODFREY, COMMITTEE CHAIRPERSON **DATE**

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