

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

Meetings are held in wheelchair accessible facilities.

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

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



# AGENDA

## AUDIT COMMITTEE MEMBERS

**John C. Speakman**  
Chairperson

**R. Steven Wilkinson**  
Member

**Martin J. Melia**  
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.*

## MEETING of the AUDIT & OPERATIONS COMMITTEE of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

WEDNESDAY, JANUARY 31, 2024

10:00 AM

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

### OBSERVE

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

### PUBLIC COMMENTS

There are two ways to submit public comments:

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

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

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## ORDER OF BUSINESS

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1. **Subject:** OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) AUDIT & OPERATIONS COMMITTEE MEETING MINUTES  
**From:** Staff of the PFRS Board  

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**Recommendation:** **APPROVE** the December 06, 2023 Audit & Operations Committee Meeting Minutes
  
2. **Subject:** ADMINISTRATIVE EXPENSES REPORT  
**From:** Staff of the PFRS Board  

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**Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of November 30, 2023
  
3. **Subject:** RESOLUTION NO. 8089  
**From:** Staff of the PFRS Board  

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**Recommendation:** **RECOMMEND BOARD APPROVAL** of Resolution No. 8089 authorizing request of Oakland Police and Fire Retirement System Board Member R. Steven Wilkinson to travel and attend the California Association of Public Retirement Systems (CALAPERS) 2024 General Assembly conference from March 2, 2024 through March 5, 2024 in Rancho Mirage, CA and authorizing reimbursement of registration fees and travel-related expenses in an amount not to exceed two-thousand seven hundred fifty dollars (\$2,750.00)
  
4. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS
5. OPEN FORUM
6. FUTURE SCHEDULING
7. ADJOURNMENT

**A MEETING OF THE AUDIT & OPERATIONS COMMITTEE** of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, December 6, 2023, at One Frank Ogawa Plaza, Hearing Room 2, Oakland, California.

Committee Members	▪ John C. Speakman	Chairperson
	▪ Martin J. Melia	Member
	▪ R. Steven Wilkinson	Member (EXCUSED)
Additional Attendees	▪ David Jones	PFRS Secretary & Plan Administrator (EXCUSED)
	▪ Téir Jenkins	PFRS Investment & Operations Manager
	▪ Maxine Visaya	PFRS Staff Member
	▪ Selia Warren	PFRS Legal Counsel
	▪ Craig Harner	Macias, Gini, & O'Connell LLP

The meeting was called to order at 10:09 a.m. Pacific

## 1. PFRS AUDIT & OPERATIONS COMMITTEE MEETING MINUTES

Member Melia made a motion to approve the October 25, 2023, Audit & Operations Committee Meeting minutes, second by Chairperson Speakman. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – EXCUSED]  
(AYES:2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

## 2. REPORT OF THE AUDIT OF PFRS FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2023

Craig Harner of Macias, Gini, & O'Connell, LLP (MGO) presented an informational report regarding the Audit of PFRS Financial Statements for the Year Ended June 30, 2023. Craig Harner noted the report provided as supporting agenda materials in the Board Packet was a draft version and the final version provided in hard copy format to the Board at the meeting contained no significant changes. C. Harner defined the purpose of the audit was to express an opinion about the fair presentation of the financial statements. It was reported MGO issued an unmodified opinion on the financial statements, which is the highest-level assurance that an independent auditor can give an organization, on December 05, 2023. C. Harner noted MGO did not identify any findings, there were no disagreements with management or significant difficulties performing the audit, and there were no material adjustments or uncorrected misstatements.

**MOTION:** Member Melia made a motion to accept the report of the Audit of PFRS Financial Statements for the Year Ended June 30, 2023 and forward to the Board, second by Chairperson Speakman. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – EXCUSED]  
(AYES:2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

### 3. ADMINISTRATIVE EXPENSES REPORT

PFRS Investment & Operations Manager Jenkins presented an informational report regarding PFRS' administrative expenditures as of October 31, 2023. PFRS has an approved annual budget of approximately \$3.8 million and expensed approximately \$559,000 to date for fiscal year 2023/2024. Membership consisted of 646 retired members and beneficiaries, which included 403 Police Members and 243 Fire Members.

**MOTION:** Member Melia made a motion to accept the administrative expenses report as of October 31, 2023, and forward to the Board, second by Chairperson Speakman. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – EXCUSED]  
(AYES:2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

### 4. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS

Chairperson Speakman reported on the two (2) items on the Audit and Operations Committee Agenda pending list. Item 1) Status Report of the Ad Hoc Committee regarding the Actuarial Funding Date of July 1, 2026: The Ad Hoc Committee met December 04, 2023 and directed Legal Counsel Warren to provide the update at the Full Board meeting . Item 2) Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the 2026 Actuarial Funding Date: Chairperson Speakman noted this is tied to Item 1 and any updates can be provided at the Full Board as well.

### 5. OPEN FORUM – No Report

### 6. FUTURE SCHEDULING

The next Audit & Operations Committee Meeting will be held in-person and is tentatively scheduled to occur January 31, 2024 at One Frank Ogawa Plaza, Oakland, CA.

### 7. ADJOURNMENT – Member Melia made a motion to adjourn, second by Chairperson Speakman. Motion passed.

[SPEAKMAN – Y / MELIA – Y / WILKINSON – EXCUSED]  
(AYES:2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

The meeting adjourned at 10:18 a.m. Pacific

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JOHN C. SPEAKMAN  
COMMITTEE CHAIRPERSON

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DATE

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of November 30, 2023

	Approved Budget		November 2023		FYTD		Remaining		Percent Remaining	
<b>Internal Administrative Costs</b>										
PFRS Staff Salaries	\$	1,459,000	\$	105,289	\$	509,031	\$	949,969		65.1%
Board Travel Expenditures		52,500		392		2,197		50,303		95.8%
Staff Training		20,000		-		-		20,000		100.0%
Staff Training - Tuition Reimbursement		7,500		-		-		7,500		100.0%
Board Hospitality		3,600		174		1,804		1,796		49.9%
Payroll Processing Fees		40,000		-		-		40,000		100.0%
Miscellaneous Expenditures		45,000		3,073		6,938		38,062		84.6%
Internal Service Fees (ISF)		88,000		41,500		41,500		46,500		52.8%
Contract Services Contingency		50,000		500		500		49,500		99.0%
<b>Internal Administrative Costs Subtotal :</b>	<b>\$</b>	<b>1,765,600</b>	<b>\$</b>	<b>150,928</b>	<b>\$</b>	<b>561,970</b>	<b>\$</b>	<b>1,203,630</b>		<b>68.2%</b>
<b>Actuary and Accounting Services</b>										
Audit	\$	52,800	\$	-	\$	18,941	\$	33,859		64.1%
Actuary		49,400		-		-		49,400		100.0%
<b>Actuary and Accounting Subtotal:</b>	<b>\$</b>	<b>102,200</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>18,941</b>	<b>\$</b>	<b>83,259</b>		<b>81.5%</b>
<b>Legal Services</b>										
City Attorney Salaries	\$	212,100	\$	-	\$	-	\$	212,100		100.0%
Legal Contingency		150,000		-		-		150,000		100.0%
<b>Legal Services Subtotal:</b>	<b>\$</b>	<b>362,100</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>362,100</b>		<b>100.0%</b>
<b>Investment Services</b>										
Money Manager Fees	\$	1,353,000	\$	137,521	\$	255,936	\$	1,097,064		81.1%
Custodial Fee		124,500		-		-		124,500		100.0%
Investment Consultant		100,000		-		25,000		75,000		75.0%
<b>Investment Subtotal:</b>	<b>\$</b>	<b>1,577,500</b>	<b>\$</b>	<b>137,521</b>	<b>\$</b>	<b>280,936</b>	<b>\$</b>	<b>1,296,564</b>		<b>82.2%</b>
<b>Total Operating Budget</b>	<b>\$</b>	<b>3,807,400</b>	<b>\$</b>	<b>288,449</b>	<b>\$</b>	<b>861,847</b>	<b>\$</b>	<b>2,945,553</b>		<b>77.36%</b>

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of November 30, 2023

	November 2023	
<b>Beginning Cash as of 11/1/2023</b>	\$	10,442,496
<b>Additions:</b>		
City Pension Contribution - November	\$	3,396,917
Investment Draw	\$	1,000,000
Misc. Receipts		800
<b>Total Additions:</b>	\$	4,397,717
<b>Deductions:</b>		
Pension Payment (October Pension Paid on 11/1/2023)		(4,217,599)
Expenditures Paid		(346,682)
<b>Total Deductions</b>	\$	(4,564,281)
 <b>Ending Cash Balance as of 11/30/2023*</b>	 \$	 10,275,932

\* On 12/1/2023, November pension payment of appx \$4,197,000 will be made leaving a cash balance of \$6,079,000.

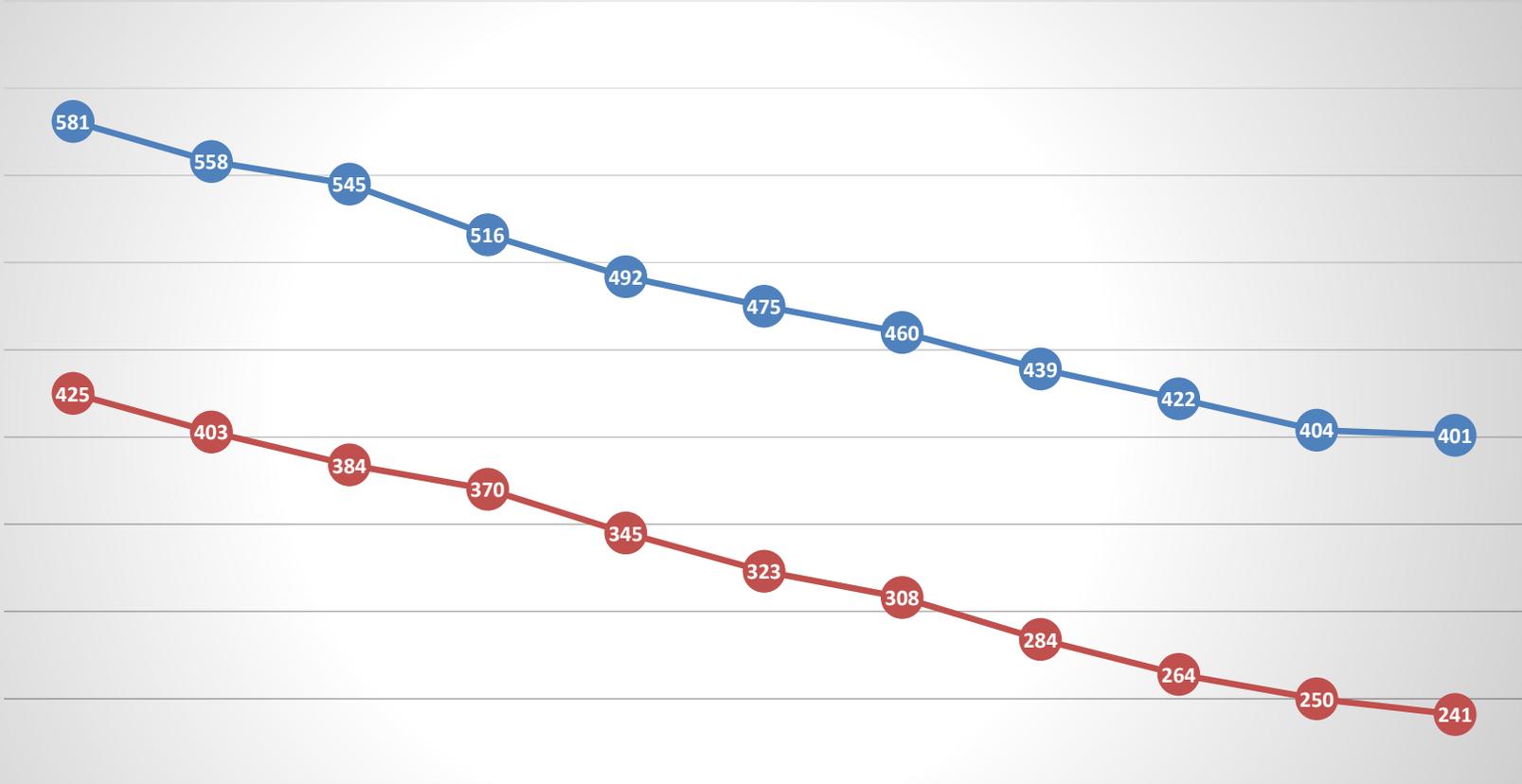
**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

Census  
As of November 30, 2023

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	273	153	426
Beneficiary	128	88	216
<b><i>Total Retired Members</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	268	113	381
Disability Retirement	124	117	241
Death Allowance	9	11	20
<b><i>Total Retired Members:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership as of November 30, 2023:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership as of June 30, 2023:</i></b>	<b>404</b>	<b>250</b>	<b>654</b>
<b><i>Annual Difference:</i></b>	<b>-3</b>	<b>-9</b>	<b>-12</b>

## Oakland Police and Fire Retirement System Pension Plan Membership Count As of November 30, 2023 (FY 2014 - FY 2024)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 FYTD
Police	581	558	545	516	492	475	460	439	422	404	401
Fire	425	403	384	370	345	323	308	284	264	250	241
Total	1006	961	929	886	837	798	768	723	686	654	642



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System Board (PFRS)      **FROM:** David F. Jones  
Plan Administrator & Secretary

**SUBJECT:** Authorization and Reimbursement of Board Member Wilkinson's Travel/Education Expenses      **DATE:** January 31, 2024

**R. Steven Wilkinson**, Board Member of the **Oakland Police and Fire Retirement System** Board, requests authorization for reimbursement of travel and/or board education related funds for the event detailed below. Staff has verified that budgeted funds are available for this Board Member to be reimbursed.

Staff recommends the reimbursement of travel/education funds for the event below be approved by board motion.

Travel/Education Event: CALAPRS 2024 General Assembly

Event Location: Omni Rancho Los Palmas in Ranch Mirage, CA

Event Date: March 2, 2024 - March 5, 2024

Estimated Event Expense: \$1,725.00

Notes: \_\_\_\_\_

\* If enrollment, registration or admission expenses are required, the fund will process a check in advance and pay vendor directly; all other board-approved reimbursements will be made upon delivery of receipts to staff by the travelling party. Cancellation of event attendance requires return of all reimbursed funds paid to attendee to the fund.

Respectfully submitted,

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

For questions, please contact Maxine Visaya, Administrative Assistant II, at 510.238.7295

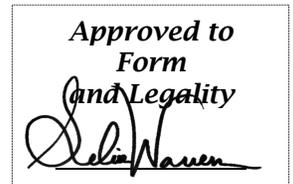
Attachments:  
(1) Resolution 8089  
(2) Conference Agenda

Agenda Item B2  
PFRS Board of Administration Meeting  
January 31, 2024

# **ATTACHMENT 1**

***RESOLUTION NO.  
8089***

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA  
RESOLUTION No. 8089



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION APPROVING REQUEST OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD MEMBER R. STEVEN WILKINSON TO TRAVEL AND ATTEND THE 2024 CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS GENERAL ASSEMBLY (CALAPRS 2024 GENERAL ASSEMBLY) FROM MARCH 2, 2024 THROUGH MARCH 5, 2024 IN RANCHO MIRAGE, CALIFORNIA AND FOR REIMBURSEMENT OF REGISTRATION FEES AND TRAVEL-RELATED EXPENSES IN AN AMOUNT NOT TO EXCEED TWO THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$2750.00)**

**WHEREAS**, the Oakland Police and Fire Retirement System (PFRS) Education and Travel Policy (“Travel Policy”) requires that PFRS Board members and staff obtain prior Board approval of all education and travel-related expenses that will be reimburse by PFRS; and;

**WHEREAS**, PFRS Board Member Wilkinson would like to attend the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly (“the Conference”) in Rancho Mirage, CA from March 2, 2024 through March 5, 2024; and

**WHEREAS**, in compliance with Section IV(13)(c) of the Travel Policy, Member Wilkinson has submitted documentation showing the registration fees and estimated travel-related expenses to attend the Conference will be approximately Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00); and, therefore be it

**RESOLVED:** That PFRS Board Member R. Steven Wilkinson’s request to attend the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly in in Rancho Mirage, CA from March 2, 2024 through March 5, 2024 at an estimated cost of Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00) is approved; and be it

**FURTHER RESOLVED:** That the PFRS Board authorizes reimbursement of the registration fees and travel-related expensed in an amount not to exceed Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00) for Member Wilkinson’s attendance at the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly Conference.

IN BOARD MEETING, CITY HALL, OAKLAND, CA \_\_\_\_\_ JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

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

NOES:

ABSTAIN: WILKINSON

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

# **ATTACHMENT 2**

## ***Conference Agenda***

### ***CALAPRS 2024 General Assembly***

# Forward Focus: Resilience Strategies for Public Pensions



## GENERAL ASSEMBLY March 2 – 5, 2024

The California Association of Public Retirement Systems (CALAPRS) invites you to attend the annual General Assembly, March 2 – March 5, 2024 at the Omni Rancho Las Palmas in Rancho Mirage, CA! The General Assembly is an educational conference for retirement system trustees, senior staff, and our annual sponsors. Attendees will learn from experts and peers, while getting the opportunity to network with colleagues.

### REGISTRATION

Register online at [www.calaprs.org/events](http://www.calaprs.org/events)

- Retirement System Fee: \$250/person
- Sponsor Fee: \$2,500 annual sponsorship includes registration for 2 representatives at no additional cost.

### LODGING

CALAPRS has arranged for a discounted room rate at the meeting hotel, the Omni Rancho Las Palmas, 41000 Bob Hope Drive, Rancho Mirage, CA for the duration of the meeting. The room rate is \$245/night, plus taxes and fees. The \$38/night per room resort fee is waived for those who book a room within the CALAPRS room block.

- Book Online: [https://bit.ly/CALAPRS\\_GA2024](https://bit.ly/CALAPRS_GA2024)
- By Phone: 1-800-THE-OMNI (1-800-843-6664); use group code 030324calaprs2024gen

Cut-off Date: The room rate is available until **February 9, 2024** or until the block is sold out, whichever comes first.

### HEALTH & SAFETY

CALAPRS is dedicated to providing a safe event experience for all participants involved including attendees, sponsors, staff, and guests. CALAPRS will conduct the General Assembly as advised by government (local, state, and national) regulations, CDC recommendations, and venue requirements at the time of the event. Read the fully in-person event policy here: [www.calaprs.org/page/eventpolicy](http://www.calaprs.org/page/eventpolicy)

[register@calaprs.org](mailto:register@calaprs.org) | [www.calaprs.org](http://www.calaprs.org)

# General Assembly Program

SATURDAY,  
MARCH 2

4:00 – 6:00 PM | Registration Open

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SUNDAY,  
MARCH 3

9:30 AM – 5:00 PM | Registration

**10:00 AM – Noon | AB1234 Ethics for Trustees**

Presenter: Ashley Dunning, Partner & Co-chair Pension, Benefits & Investments Group, Nossaman LLP

**2:00 – 2:15 PM | Opening Remarks**

**2:15 – 3:15 PM | Approaching the (Employer Contribution) Cliff – A Case Study with SamCERA**

Presenters: Scott Hood, CEO, San Mateo County Employees' Retirement Association; Joe Abdou, CFA, Consultant, Verus Investments; and Nick Collier, ASA, EA, MAAA, FCA, Principal, Consulting Actuary, Milliman

3:15 – 3:30 PM | Networking Break

**3:30 – 4:30 PM | AI Today and the Investment Opportunities Ahead**

Presenter: Mark Casey, Portfolio Manager, Capital Group

7:00 – 9:30 PM | Strolling Dinner at the Omni Rancho Last Palmas

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MONDAY,  
MARCH 4

7:00 AM – 4:00 PM | Registration

7:15 – 8:15 AM | Breakfast

**8:15 – 8:30 AM | Opening Remarks**

**8:30 – 9:30 AM | A Conversation with Frances Donald, Chief Global Economist & Strategist, Manulife**

Moderator: Thomas Kim, Senior Investment Officer, San Bernardino County Employees' Retirement Association

9:30 – 10:00 AM | Networking Break

**10:00 – 11:00 AM | Envisioning an AI Future for Public Pensions**

Presenters: Joel Levinson, Vice-President, Member and Employer Experience, BC Pension Corporation and Steve Delaney, CEO, Orange County Employees' Retirement System

**11:00 AM – 12:00 PM | Geopolitics and Investing**

Presenter: Thomas Mucha, Geopolitical Strategist, Wellington Management

12:00 – 1:00 PM | Lunch

**MONDAY,  
MARCH 4**  
*(continued)*

**1:30 – 2:30 PM | New SEC Rules on Private Fund Advisers**

Presenters: Yuliya Nossaman, Partner & Co-chair Pensions, Benefits & Investments Group, Nossaman LLP and Jim Van Horn, Partner, Hills Stern & Morley LLP

2:30 – 3:00 PM | Networking Break

**3:00 – 4:00 PM | Investment Trends in Public Plans**

Presenter: Alison Romano, CEO & CIO, San Francisco Employees' Retirement System

5:00 – 6:00 PM | Hosted Reception at the Omni Rancho Las Palmas

**TUESDAY,  
MARCH 5**

7:30 – 11:00 AM | Registration Open

7:30 – 8:30 AM | Breakfast

**8:30 – 10:00 AM | Perspectives: CalPERS' CEO Discusses Pensions, Policy and Private Markets**

Presenter: Marcie Frost, CEO, California Public Employees' Retirement System

10:00 – 10:15 AM | Networking Break

**10:15 – 11:00 AM | Innovative Approaches to Stakeholder Outreach & Communications**

Panelists: Amy Herron, Retirement Administrator, Ventura County Employees' Retirement Association; Greg Levin, CEO, Santa Barbara County Employees' Retirement System; Thomas Stadelmaier, Executive Director, Stanislaus County Employees' Retirement Association; and Eric Stern, CEO, Sacramento County Employees' Retirement System

11:00 AM | Closing Remarks & Program Adjourns

**THANK YOU  
TO OUR  
2024  
GENERAL  
ASSEMBLY  
PLANNING  
COMMITTEE**

**Debby Cherney**, CEO, San Bernardino County Employees' Retirement Association  
*(Chair)*

**Greg Levin**, CEO, Santa Barbara County Employees' Retirement System  
*(Co-Chair)*

**Steve Delaney**, CEO, Orange County Employees Retirement System

**Scott Hood**, CEO, San Mateo County Employees' Retirement Association

**Kim Malm**, Deputy Executive Officer of Customer Services and Support Branch, California Public Employees' Retirement System

**Alison Romano**, CEO & CIO · San Francisco Employees' Retirement System



# AGENDA REPORT

**TO:** Oakland Police and Fire  
Retirement System Audit &  
Operations Committee

**FROM:** David F. Jones  
Plan Administrator & Secretary

**SUBJECT:** Audit Committee Agenda  
Pending List

**DATE:** January 31, 2024

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	Meeting was scheduled for 01/29/2024
2	Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the July 1, 2026 Actuarial Funding Date	Ongoing	Ongoing

Respectfully submitted,

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

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

# AGENDA

## INVESTMENT COMMITTEE MEMBERS

**Jaime T. Godfrey**  
Chairperson

**R. Steven Wilkinson**  
Member

**Robert W. Nichelini**  
Member

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## MEETING of the INVESTMENT AND FINANCIAL MATTERS COMMITTEE of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

**WEDNESDAY, JANUARY 31, 2024**

**10:30 AM**

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

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- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
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There are two ways to submit public comments.

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

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

ORDER OF BUSINESS

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1. **Subject:** POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING MINUTES

**From:** Staff of the PFRS Board

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**Recommendation:** **APPROVE** the December 06, 2023 Investment and Financial Matters Committee Meeting Minutes
  
2. **Subject:** INVESTMENT MANAGER PERFORMANCE UPDATE: EARNEST PARTNERS, LLC

**From:** Earnest Partners, LLC

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**Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; local brokerage usage; and investment strategy and portfolio performance of PFRS’ Domestic Equity Mid-Cap Core Investment Strategy Manager Earnest Partners, LLC
  
3. **Subject:** INVESTMENT MANAGER PERFORMANCE REVIEW: EARNEST PARTNERS, LLC

**From:** Meketa Investment Group

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**Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation regarding a firm overview and managerial assessment; peer ranking; and investment portfolio performance of PFRS’ Domestic Equity Mid-Cap Core Investment Strategy Manager Earnest Partners, LLC
  
4. **Subject:** RESOLUTION 8090  
RESOLUTION AUTHORIZING A ONE-YEAR EXTENSION OF PROFESSIONAL SERVICES AGREEMENT WITH EARNEST PARTNERS, LLC FOR THE PROVISION OF DOMESTIC EQUITY MID-CAP CORE INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

**From:** Staff of the PFRS Board

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**Recommendation:** **RECOMMEND BOARD APPROVAL** of Resolution No. 8090 authorizing the execution of a one-year extension of professional services agreement with Earnest Partners, LLC for the provision of Domestic Equity Mid-Cap Core Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
INVESTMENT & FINANCIAL MATTERS COMMITTEE MEETING  
JANUARY 31, 2024

5. **Subject:** **ECONOMIC AND INVESTMENT MARKET OVERVIEW  
AS OF DECEMBER 31, 2023**  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of December 31, 2023
6. **Subject:** **PRELIMINARY INVESTMENT FUND PERFORMANCE UPDATE  
AS OF DECEMBER 31, 2023**  
**From:** Meketa Investment Group  
**Recommendation:** **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of December 31, 2023
7. **Subject:** **ASSET-LIABILITY STUDY OF THE PFRS FUND**  
**From:** Meketa Investment Group  
**Recommendation:** **RECEIVE** and **DISCUSS** informational report regarding Meketa's Asset-Liability Study of the PFRS Fund. **RECOMMEND BOARD APPROVAL** of Meketa Investment Group's recommended course of action moving forward
8. **SCHEDULE OF PENDING INVESTMENT COMMITTEE MEETING AGENDA ITEMS**
9. **NEW BUSINESS** **REQUEST/RECOMMENDATION** to schedule an educational item on the PFRS Investment Committee agenda regarding investment opportunities in Africa. (Member Wilkinson)
10. **OPEN FORUM**
11. **FUTURE SCHEDULING**
12. **ADJOURNMENT**

**PFRS INVESTMENT & FINANCIAL MATTERS COMMITTEE**  
**SPECIAL MEETING MINUTES**  
**DECEMBER 06, 2023**  
**PAGE 1 OF 4**

**A MEETING OF THE INVESTMENT AND FINANCIAL MATTERS COMMITTEE** of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, December 6, 2023, at One Frank H. Ogawa Plaza, Hearing Room 2, Oakland, CA.

Committee Members	▪ Jaime T. Godfrey	Chairperson
	▪ Robert W. Nichelini	Member
	▪ R. Steven Wilkinson	Member (Excused)
Additional Attendees	▪ David F. Jones	PFRS Secretary & Plan Administrator (Excused)
	▪ Téir Jenkins	PFRS Investment & Operations Manager
	▪ Maxine Visaya	PFRS Staff Member
	▪ Selia Warren	PFRS Legal Counsel
	▪ David Sancewich	Meketa Investment Group
	▪ James Haddon	Ramirez Asset Management, Inc.
	▪ Louis Sarno	Ramirez Asset Management, Inc.

The meeting was called to order at 10:31 a.m. Pacific

**1. APPROVAL OF INVESTMENT & FINANCIAL MATTERS COMMITTEE MEETING MINUTES**

Member Nichelini made a motion to approve the October 25, 2023 Investment & Financial Matters Committee Meeting Minutes as submitted, second by Chairperson Godfrey. Motion Passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**2. INVESTMENT MANAGER PERFORMANCE UPDATE: RAMIREZ ASSET MANAGEMENT, INC.**

James Haddon and Louis Haddon of Ramirez Asset Management, Inc. (Ramirez) presented an informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; investment strategy and portfolio performance of PFRS’ Core Fixed Income Investment Strategy. Ramirez highlighted the firm’s recent acquisition of Thomas White International (TWI) and launch of the Ramirez Core Bond Fund and the Ramirez Government Money Market Fund.

Chairperson Godfrey and Investment & Operations Manager Jenkins made inquiries to further the discussion regarding the following topics: organizational impacts as a result of the recent acquisition of TWI and the launch of Ramirez Core Bond and Ramirez Government Money Market Funds and investment strategy.

**MOTION:** Member Nichelini made a motion to accept the informational report from Ramirez and forward to the Board, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**3. INVESTMENT MANAGER PERFORMANCE REVIEW: RAMIREZ ASSET MANAGEMENT, INC.**

David Sancewich of Meketa Investment Group (“Meketa”) presented an informational memo regarding a firm overview and managerial assessment; peer ranking; and investment portfolio performance of Ramirez, PFRS’ Core Fixed Income Investment Strategy Manager. D. Sancewich advised Ramirez has performed well and managed their growth, therefore Meketa has no concerns and does not recommend any changes at this time.

**MOTION:** Member Nichelini made a motion to accept Meketa’s evaluation of Ramirez and forward to the Board, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**4. RESOLUTION NO. 8086**

A Resolution authorizing the execution of a third amendment to renew the professional services agreement with Ramirez Asset Management, Inc. for the provision of Core Fixed Income Investment Strategy Manager Services for the Oakland Police and Fire Retirement System.

**MOTION:** Member Nichelini made a motion to recommend Board approval of Resolution No. 8086, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**5. ECONOMIC AND INVESTMENT MARKET OVERVIEW AS OF OCTOBER 31, 2023**

David Sancewich of Meketa presented an informational report regarding the Economic and Investment Market Overview as of October 31, 2023, and highlighted Index Returns; Domestic Equity Returns; S&P 1500 Sector Returns; Foreign Equity Returns; Fixed Income Returns; Equity Cyclically Adjusted P/E Ratios; US Consumer Under Stress; and noted current factors impacting outcomes.

**MOTION:** Member Nichelini made a motion to accept the informational report presented by Meketa regarding the Economic and Investment Market Overview as of October 31, 2023, and forward to the Board, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**6. PRELIMINARY INVESTMENT PERFORMANCE UPDATE AS OF OCTOBER 31, 2023**

David Sancewich of Meketa presented an informational report regarding the Preliminary Investment Performance Update as of October 31, 2023 and highlighted Allocation vs. Policy Targets and Asset Class Performance Summary and noted current factors impacting outcomes.

**MOTION:** Member Nichelini made a motion to accept the informational report presented by Meketa regarding the Preliminary Investment Performance Update as of October 31, 2023, and forward to the Board, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**7. PFRS INVESTMENT FUND QUARTERLY PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2023**

David Sancewich of Meketa presented PFRS' Investment Fund Quarterly Performance Update as of September 30, 2023 and highlighted the Total Portfolio Review; Portfolio Relative Performance Results; and Manager Performance.

**MOTION:** Member Nichelini made a motion to accept the informational report presented by Meketa regarding the PFRS Investment Fund Quarterly Performance Update as of September 30, 2023, and forward to the Board, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**8. \$13.2 MILLION DRAWDOWN FOR MEMBER RETIREMENT ALLOWANCES  
QUARTER ENDING MARCH 31, 2024 (FISCAL YEAR 2023/2024)**

PFRS Investment & Operations Manager Jenkins presented Meketa's informational report and recommendation for a \$13.2 million drawdown, which included a \$10.2 Million contribution from the City of Oakland and a \$3.0 Million contribution from the PFRS Investment Fund, to be used to pay Member Retirement Allowances from January 1, 2024, through March 31, 2024 and for funds to be drawn from the Earnest Partners Portfolio.

**MOTION:** Member Nichelini made a motion to accept the informational report and Meketa's recommendation regarding the \$13.2 million drawdown to pay Member Retirement Allowances from January 1, 2024, through March 31, 2024 and forward to the Board for approval, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**9. ASSET-LIABILITY STUDY OF THE PFRS FUND (2023)**

Chairperson Godfrey made a motion to forward this item to the Full Board meeting, second by Member Nichelini. Motion Passed. No action was taken on this item.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

**10. SCHEDULE OF PENDING INVESTMENT COMMITTEE MEETING AGENDA ITEMS**

David Sancewich of Meketa presented the 2024 Strategic Investment Agenda Plan for review and discussion. No changes or additions were proposed.

**11. NEW BUSINESS**

Chairperson Godfrey tabled Member Wilkinson's request to discuss bringing an educational item presentation to the Full Board regarding investment opportunities in Africa because Member Wilkinson was excused from this meeting and will take the matter up when he is in attendance.

**12. OPEN FORUM – No Report**

**13. FUTURE SCHEDULING**

The next Investment Committee Meeting will be held in-person and is tentatively scheduled to occur January 31, 2024 at One Frank Ogawa Plaza, Oakland, CA.

**14. ADJOURNMENT**

Member Nichelini made a motion to adjourn, second by Chairperson Godfrey. Motion passed.

[GODFREY – Y / NICHELINI – Y / WILKINSON – EXCUSED]  
(AYES: 2 / NOES: 0 / ABSTAIN: 0 / ABSENT: 0 / EXCUSED: 1)

The meeting adjourned at 11:21 a.m. Pacific

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**JAIM T. GODFREY**  
**COMMITTEE CHAIRPERSON**

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**DATE**

DRAFT



**EARNEST**  
PARTNERS

1180 PEACHTREE STREET + SUITE 2300  
ATLANTA + GA + 30309

INVEST@EARNESTPARTNERS.COM  
WWW.EARNESTPARTNERS.COM

***Oakland Police and Fire Retirement Board  
December 31, 2023***

***Jeffrey Jackson***  
*Director*

Mr. Jackson is a member of the product management team at EARNEST Partners. Prior to joining EARNEST Partners, he worked for the global investment bank, Evercore, in New York where he helped lead their Real Estate advisory practice as a Managing Director. His extensive background also includes experience in acquisitions, development and debt restructuring within Real Estate. He is a graduate of the Tuck School of Business at Dartmouth where he holds an MBA and was a Consortium Fellow and he holds a BS in Finance from Hampton University where he was a Presidential Scholar. Mr. Jackson was a member of the SEO Career Program and later served as a member of the SEO Junior Leadership Board. Mr. Jackson is a former collegiate basketball player and maintains an active lifestyle with his passion for cycling.

***Patmon Malcom, CFA***  
*Partner*

Mr. Malcom is responsible for product management at EARNEST Partners. Prior to joining EARNEST Partners, he worked for JPMorgan Chase in New York. He was a member of the Global Investment Bank providing corporate finance coverage to natural resource companies. He is a graduate of the United States Military Academy at West Point and holds an MBA from Emory University, where he was a Donald Keough Scholar. Mr. Malcom led the Varsity Football team at West Point in scoring for three consecutive years. In his senior year, he was named the "Chevrolet Player of the Game" in the annual Army-Navy game. He also served as a helicopter pilot in the United States Army for more than seven years, an experience that included commanding a Blackhawk Helicopter Company along the demilitarized zone between North and South Korea. Mr. Malcom is a member of the CFA Institute and the CFA Society Atlanta.



# Guidelines and Investment Policy Audit

	Yes	No
• Benchmark: Exceed Russell Midcap <sup>®</sup> Index over a full market cycle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Cash position is less than 10% of total portfolio value*	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No industry sector weight greater than 25% of total portfolio	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No security held is greater than 5% of total portfolio value* or 8% at market	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Proxies voted in accordance with guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No prohibited securities held	<input checked="" type="checkbox"/>	<input type="checkbox"/>

*EARNEST Partners believes that the attached information, along with other submissions, represents all the required reporting information. Please notify us immediately if any required information is missing.*

*\*Threshold may be temporarily exceeded due to market conditions.*

## Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 12/31/2023

Firm Name	EARNEST Partners
Product Name	Mid Cap Core
Total No. of Employees	45

Race and Ethnicity*	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
African American/Black	11.0%	22.0%	20.0%
Asian/Hawaiian/Pacific Islander	33.0%	22.0%	27.0%
Latino/Hispanic	0.0%	0.0%	0.0%
White	56.0%	56.0%	53.0%
American Indian/Alaska Native	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
<b>Gender</b>			
Male	78.0%	64.0%	80.0%
Female	22.0%	36.0%	20.0%
Non-Identified/Other	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%
	100.0%	100.0%	100.0%

\* Racial/ethnic categories appear as defined by EEOC guidance.

Global equity markets were generally positive in the fourth quarter of 2023 as investors' concerns about inflation and the Federal Reserve's posture were alleviated by encouraging CPI data. The S&P 500® rose by 11.7% to finish the year up over 26%, to come within 1% of the record high set in January of 2022. The U.S. Large Cap Market, represented by the Russell 1000®, rose by 12.0%, while the Midcap market, represented by the Russell Midcap® index, rose by 12.8%. Small cap equities were the standout winner during the quarter, as the Russell 2000®, rose by 14.0%. International markets, as represented by the MSCI ACWI ex US, rose by 9.8%. Developed Markets outperformed Emerging markets as the MSCI Emerging Markets Index rose by 7.9%, while the MSCI EAFE rose by 10.5%.

The "holiday rally" was in full swing in November and December as equities sprinted towards the finish line in the final quarter of the year, rebounding from a correction in September and October. Investors found renewed optimism as they caught a glimmer of light at the end of the "rate-hike" tunnel, with inflation numbers softening and the Federal Reserve acknowledging significant progress in curbing historically high inflation. Earlier in the year, market segments that are highly sensitive to interest rates, such as small-cap stocks and companies in the Real Estate and Financials sectors, grappled with challenges amid persistent inflation. However, these sectors rebounded strongly in the quarter, buoyed by a surge in investor confidence fueled by the belief that the Federal Reserve had concluded its rate-hiking phase and was preparing for a more accommodative approach in the coming year. Energy, a standout performer in the third quarter, experienced a downturn in the fourth quarter, relinquishing some of its gains as demand for energy waned and inflation concerns diminished. Meanwhile, many stocks within the tech-heavy NASDAQ 100 resumed their upward trajectory after a brief pullback in the previous quarter. The index posted a remarkable gain of over 50% for the year, propelled by optimism surrounding artificial intelligence (AI) and related industries, marking its best performance since 1999.

The Federal Reserve continued to play a central role in the financial landscape as it weighs policy choices in the wake of falling CPI numbers on the back of a strong economy. Following CPI readings of 3.7% in September, 3.2% in October, and 3.1% in November, the Fed continued to hold rates steady in the range of 5.25% to 5.5%, underlining the central bank's continued commitment to managing inflation, while also acknowledging that it may be open to more accommodative policy going forward. Currently, the central bank is projecting a Fed Funds Rate of 4.6% by the end of 2024, implying that that it will cut rates about three times over the course of the next year. Previously, following September's rate-pause, the central bank was split on whether it was going to hike again through the end of this year and was projecting a Fed Funds Rate of 5.1% by the end of 2024.

Outside of the U.S., China's economy showed signs of recovery, as its GDP expanded by 1.3% in the third quarter after a sluggish growth rate of 0.5% in the preceding quarter. Despite this positive uptick, the nation's economic landscape continues to grapple with growth challenges as the real estate sector remains in a protracted slump, while trade restrictions within the semiconductor industry pose additional hurdles. In the European Union, third-quarter GDP declined by 0.1%, while the European Central Bank (ECB) opted to maintain its central deposit facility at 4.0%, pausing its course after a 25 basis points hike in September. EU bank officials acknowledged that the impact of tighter financing conditions is tempering demand, contributing to a decline in inflation. However, they also expressed that they expect subdued economic growth in the near-term.

Fixed income markets experienced a strong rally to finish the year, mirroring the upward momentum seen in equities. The Bloomberg U.S. Aggregate Bond Index rose by nearly 7% to yield 4.6% and finished the year up about 5.5%, averting a record three-year losing streak for bond investors. The bond rally was most pronounced on the long end of the curve as the inversion between money market and capital market rates deepened. Long-term yields fell with the 30-year treasury finishing to yield around 4.0% from 4.7% at the end of last quarter. The spread between the 3-month T-bill and the 10-year note widened from about 90 basis points to about 140 as the Fed signaled that it was likely done with its hiking cycle and that cuts could be on the horizon. High-yield spreads narrowed, indicating that investors aren't very concerned with liquidity or economic conditions at this time.

The U.S. Mid Cap equity market, as represented by the Russell Midcap® Index, gained 12.8% during the fourth quarter of 2023 to finish the year up more than 17%. After contracting nearly 110 basis points through the first six weeks of the quarter, the Index gained more than 1300 basis points over the final seven weeks as markets continued to adapt to a gradual easing of inflationary pressures. 10 of the 11 GICS sectors in the Index generated positive returns during the quarter. The Real Estate sector saw the biggest gains for the quarter, up more than 16% as mortgage rates continued to fall from the recent peaks of approximately 8%. Energy was the lone sector to generate negative returns, down 49 bps for the period as the market adjusted to easing demand for the underlying commodity. The EARNEST Partners Mid Cap Core strategy outperformed the Index gross of fees, however underperformed the Index net of fees for the quarter. Underperformance was in part due to the portfolio's relative underweight to Asset Management firms within the Financials sector, a segment of the market that gained more than 20% in the quarter. This was somewhat offset by outperformance in the Industrial sector where we continue to have an overweight and where stock selection largely drove the relative outperformance. EARNEST Partners continues to focus on high-quality companies that we believe are well-positioned to benefit over the long term, which has resulted in the strategy outperforming the Index over the trailing three, five, and ten-year periods, net of fees. Past performance is not a guarantee of future results. Performance data is preliminary.

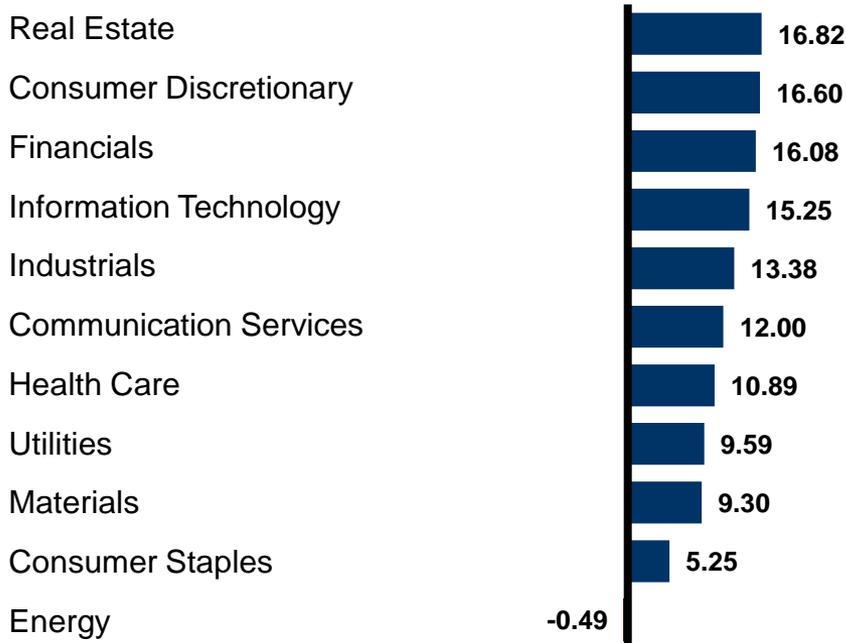
Contributing to performance was D.R. Horton ("DHI"). Based in Arlington, TX, D.R. Horton is one of the largest homebuilders in the U.S. Founded in 1978, the company's footprint spans 118 markets across 33 states including the sunbelt, northwest and east coast. DHI is a market leader in entry level homes but also engages in the move-up, active adult and luxury home markets. DHI shares were up 41% during the quarter after reporting revenue and earnings ahead of consensus earnings estimates. Improved project cycle times combined with improved operating margins grew current and forecasted free cash flow. Management noted a 20% increase to the quarterly dividend while also announcing a \$1.5B share repurchase program. While DHI has grown to represent 14% of all new home sales post pandemic, as the undisputed leader in the single-family homebuilding industry, DHI continues to be well positioned to gain and grow market share. DHI's focus on strategic markets with an emphasis on entry level homes has created a deep pipeline. Continued revenue growth combined with improved operating margins positions the company well for earnings growth ahead of analyst expectations.

Another contributor to performance was Ulta Beauty, Inc. ("ULTA"), a leading specialty retailer selling cosmetics, fragrances, hair and skin-care products in the U.S. Offering products through its stores, website and mobile applications, ULTA sells both branded and private label offerings. Founded in 1990, ULTA is headquartered in Bolingbrook, IL. ULTA shares were up 21% during the quarter after reporting earnings that beat consensus earnings estimates. The company noted that comparable store sales grew 4.5% year-over-year which was 100 basis points ahead of consensus estimates. Management also noted investment in digital channels and supply chains designed to improve customers engagement. ULTA continues to be well positioned for earnings growth by leveraging its retail and e-commerce platforms to build a loyal and expanding membership base, a base that has grown 13% annually over the last 10 years. As the company continues to evolve its product offering, they should continue to see member spend increase, a figure which has grown 4% annually over the same period. Continued member growth combined with increased member spend bode well for future earnings growth.

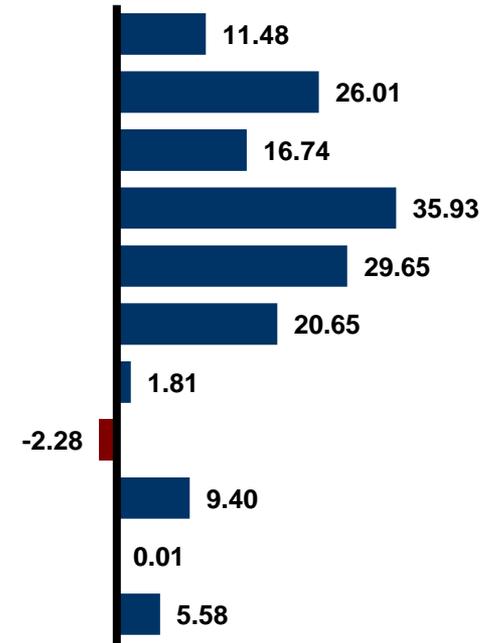
Detracting from performance was Teledyne produces electronic components and systems for commercial and military aircraft as well as sensors and systems used in marine and environmental surveys for defense electronics and satellite communication subsystems. Teledyne shares were up 9% during the quarter however trailed the benchmark's total return. While the Company grew earnings 11% year-over-year through effective cost management, beating consensus estimates, revenue grew only 3%, slightly below consensus. Despite missing revenue growth estimates, management raised its fiscal year guidance. Teledyne continues to be positioned to grow earnings by improving its cost structure across the commercial and defense lines of business. Additionally, because Teledyne works in a regulated industry with high barriers to entry, we forecast limited threat from foreign competition. In many cases there are no commercial alternatives which should insulate the company and provide attractive growth opportunities. Revenue growth and improved margins position the company well for further earnings growth.

## Equity Market Performance By Sector

Russell Midcap® Index  
4<sup>th</sup> Quarter 2023 Returns  
Percent



Russell Midcap® Index  
YTD Returns  
Percent

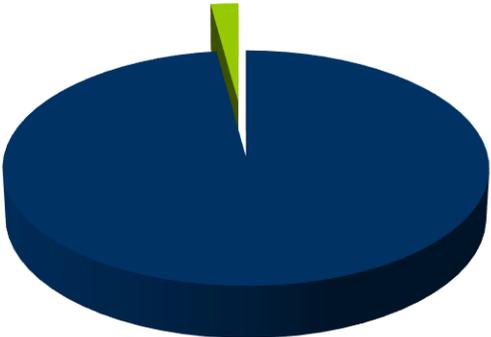




## Fund Totals

Ending Portfolio Value	\$42,297,791
Estimated Annual Income	\$601,351
Yield on Equities	1.5%

## Asset Distribution



	<u>Portfolio %</u>
Equities	97.9%
Short-term Investments	2.1%

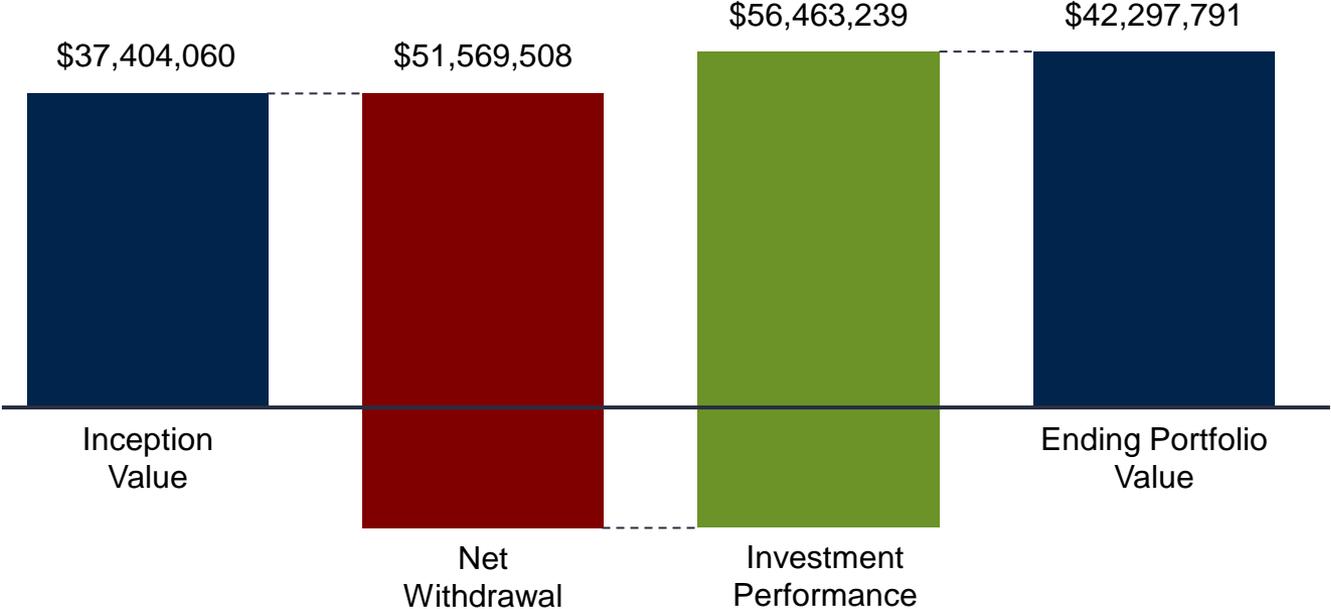


## Performance

	<u>Total Portfolio</u>	<u>Equities</u>	<u>Russell Midcap® Index</u>	<u>Excess Return (Basis Points)</u>
<b>1 Year</b>	17.79%	17.99%	17.23%	56
<b>3 Years</b>	7.84	7.93	5.92	192
<b>5 Years</b>	16.02	16.25	12.67	335
<b>7 Years</b>	13.31	13.48	10.07	324
<b>10 Years</b>	12.07	12.26	9.42	265

Performance Inception is 3/28/2006.  
All returns stated for twelve months and longer are annualized

## Asset Growth Since Inception



### D.R. Horton



- Based in Arlington, TX, D.R. Horton (“DHI”) is one of the largest homebuilders in the U.S. Founded in 1978, the company’s footprint spans 118 markets across 33 states including the sunbelt, northwest and east coast. DHI is a market leader in entry level homes but also engages in the move-up, active adult and luxury home markets.
- DHI shares were up 41% during the quarter after reporting revenue and earnings ahead of consensus earnings estimates. Improved project cycle times combined with improved operating margins grew current and forecasted free cash flow. Management noted a 20% increase to the quarterly dividend while also announcing a \$1.5B share repurchase program.
- While DHI has grown to represent 14% of all new home sales post pandemic, as the undisputed leader in the single-family homebuilding industry, DHI continues to be well positioned to gain and grow market share. DHI’s focus on strategic markets with an emphasis on entry level homes has created a deep pipeline. Continued revenue growth combined with improved operating margins positions the company well for earnings growth ahead of analyst expectations.

### Ulta Beauty, Inc.



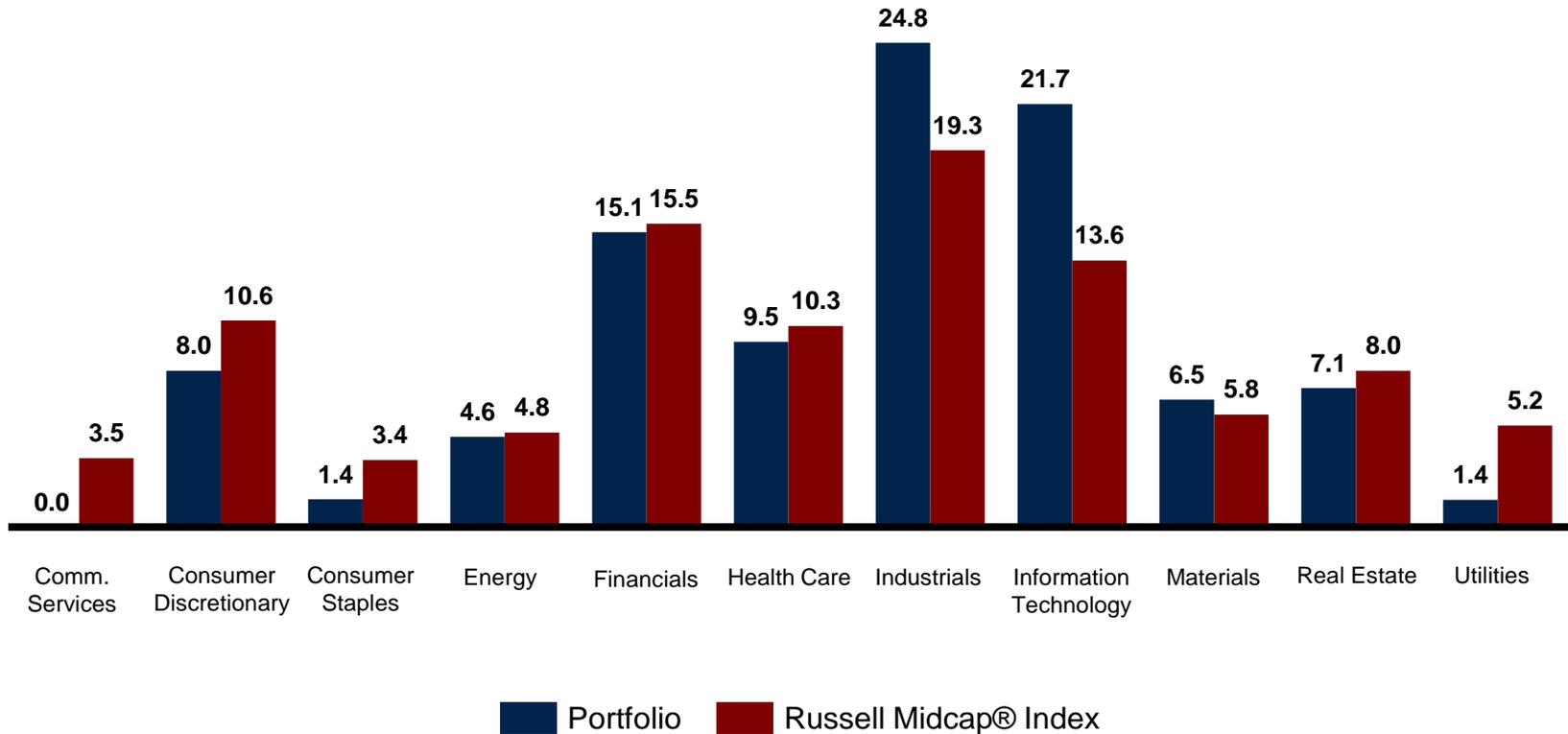
- Ulta Beauty, Inc. (“ULTA”) is a leading specialty retailer selling cosmetics, fragrances, hair and skin-care products in the U.S. Offering products through its stores, website and mobile applications, ULTA sells both branded and private label offerings. Founded in 1990, ULTA is headquartered in Bolingbrook, IL.
- ULTA shares were up 21% during the quarter after reporting earnings that beat consensus earnings estimates. The company noted that comparable store sales grew 4.5% year-over-year which was 100 basis points ahead of consensus estimates. Management also noted investment in digital channels and supply chains designed to improve customers engagement.
- ULTA continues to be well positioned for earnings growth by leveraging its retail and e-commerce platforms to build a loyal and expanding membership base, a base that has grown 13% annually over the last 10 years. As the company continues to evolve its product offering, they should continue to see member spend increase, a figure which has grown 4% annually over the same period. Continued member growth combined with increased member spend bode well for future earnings growth.

### Teledyne Technologies



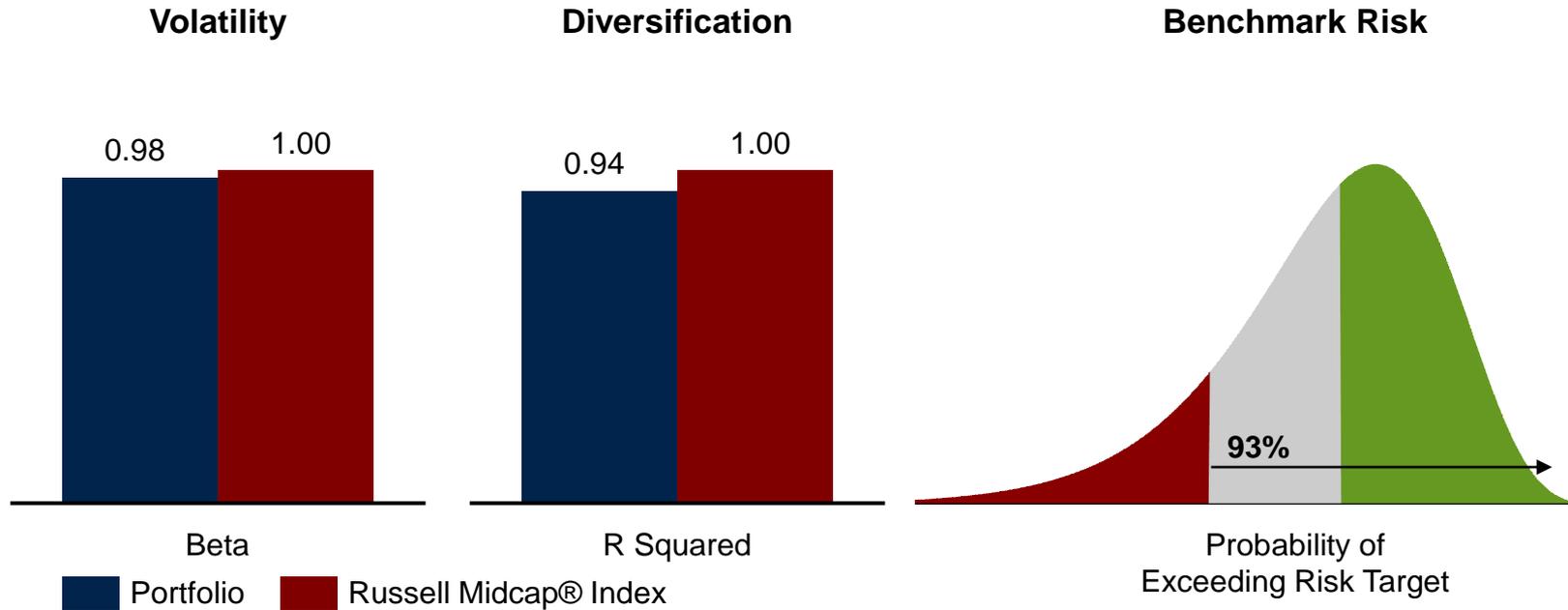
- Teledyne produces electronic components and systems for commercial and military aircraft as well as sensors and systems used in marine and environmental surveys for defense electronics and satellite communication subsystems.
- Teledyne shares were up 9% during the quarter however trailed the benchmark’s total return. While the Company grew earnings 11% year-over-year through effective cost management, beating consensus estimates, revenue grew only 3%, slightly below consensus. Despite missing revenue growth estimates, management raised its fiscal year guidance.
- Teledyne continues to be positioned to grow earnings by improving its cost structure across the commercial and defense lines of business. Additionally, because Teledyne works in a regulated industry with high barriers to entry, we forecast limited threat from foreign competition. In many cases there are no commercial alternatives which should insulate the company and provide attractive growth opportunities. Revenue growth and improved margins position the company well for further earnings growth.

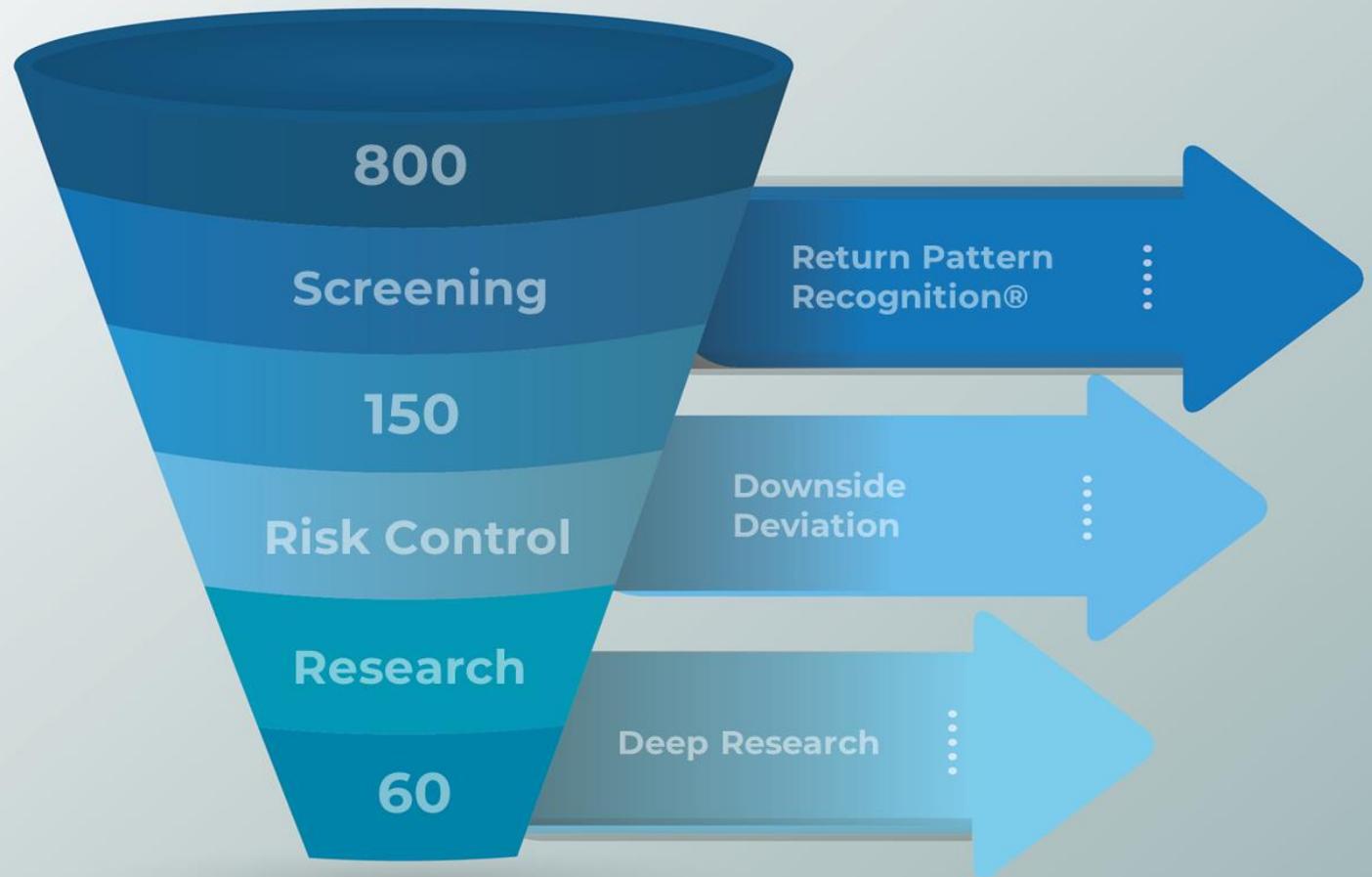
## Percentage Held





## Risk Profile





This slide is for illustrative purposes only

For those clients on whose behalf the Firm votes proxies, clients can elect to have the Firm utilize (a) the client's own proxy voting policies and procedures ("P&P") or (b) the Firm's P&P.

## Proxy Policy-Overview

- As a general rule, the Firm will seek to vote the proxies received timely and in good order, in accordance with its then current proxy voting policies and procedures. A partial list of issues that may require special attention are as follows: classified boards, change of state of incorporation, poison pills, unequal voting rights plans, provisions requiring supermajority approval of a merger, executive severance agreements, and provisions limiting shareholder rights.
- In addition, the following will generally be adhered to:
  - The Firm will not (1) actively engage in conduct that involves an attempt to change or influence the control of a portfolio company, (2) announce its voting intentions or the reasons for a particular vote, (3) participate in a proxy solicitation or otherwise seek proxy voting authority from any other portfolio company shareholder, or (4) act in concert with any other portfolio company shareholders in connection with any proxy issue or other activity involving the control or management of a portfolio company.
  - All communications with portfolio companies or fellow shareholders will be for the sole purpose of expressing and discussing the Firm's concerns for its Clients' interests and not in an attempt to influence the control of management.

## Proxy Procedures-Overview

The Firm has designated a Proxy Director. The Proxy Director, in consultation with the Firm's Investment Team, will consider each issue presented on each portfolio company proxy. The Proxy Director will also use available resources, including proxy evaluation services, to assist in the analysis of proxy issues. Absent any written direction from the Client, proxy issues presented to the Proxy Director will be voted in accordance with the judgment of the Proxy Director, taking into account the general policies outlined above and the Firm's Proxy Voting Guidelines. Therefore, it is possible that actual votes may differ from the general policies and the Firm's Proxy Voting Guidelines. In the case where the Firm believes it has a material conflict of interest with a Client, the Proxy Director will utilize the services of outside third party professionals (currently ISS) to assist in its analysis of voting issues and the actual voting of proxies to ensure that a decision to vote the proxies was based on the Client's best interest and was not the product of a conflict of interest. In the event the services of an outside third party professional are not available in connection with a conflict of interest, the Firm will seek the advice of the Client.

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Common Stock						
Consumer Discretionary						
6,802.00	DR HORTON INC	151.98	1,033,767.96	2.44	8,276.76	0.80
5,839.00	DARDEN RESTAURANT	164.30	959,347.70	2.27	30,386.04	3.17
6,545.00	TJX COS INC	93.81	613,986.45	1.45	8,754.31	1.43
1,431.00	ULTA BEAUTY INC	489.99	701,175.69	1.66	0.00	0.00
			3,308,277.80	7.82	47,417.12	1.43
Consumer Staples						
7,995.00	SYSCO CORP	73.13	584,674.35	1.38	15,712.83	2.69
			584,674.35	1.38	15,712.83	2.69
Energy						
9,435.00	MURPHY OIL CORP	42.66	402,497.10	0.95	10,354.23	2.57
14,425.00	CHAMPIONX CORP	29.21	421,354.25	1.00	4,957.11	1.18
26,311.00	COTERRA ENERGY I	25.52	671,456.72	1.59	20,909.51	3.11
11,343.00	HELMERICH & PAYN	36.22	410,843.46	0.97	11,286.91	2.75
			1,906,151.53	4.51	47,507.76	2.49
Financials						
6,907.00	HOULIHAN LOKEY I	119.91	828,218.37	1.96	15,300.03	1.85
6,917.00	INTERCONTINENTAL	128.43	888,350.31	2.10	11,802.52	1.33
41,422.00	KEYCORP	14.40	596,476.80	1.41	33,477.82	5.61
5,190.00	PROGRESSIVE CORP	159.28	826,663.20	1.95	2,045.82	0.25

### Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
5,295.00	REINSURANCE GROU	161.78	856,625.10	2.03	17,849.64	2.08
7,661.00	RAYMOND JAMES RENAISSANCERE HOLDINGS	111.50	854,201.50	2.02	13,691.56	1.60
3,454.00	LTD	196.00	676,984.00	1.60	5,141.48	0.76
10,361.00	STIFEL FINANCIAL	69.15	716,463.15	1.69	14,887.54	2.08
			6,243,982.43	14.76	114,196.41	1.83
Health Care						
5,801.00	AGILENT TECH INC	139.03	806,513.03	1.91	5,487.20	0.68
1,737.00	BIO-RAD LABS-A	322.89	560,859.93	1.33	0.00	
3,483.00	CENCORA INC	205.38	715,338.54	1.69	6,997.65	0.98
13,080.00	CATALENT INC	44.93	587,684.40	1.39	0.00	
3,149.00	LABORATORY CP	227.29	715,736.21	1.69	8,863.61	1.24
15,092.00	DENTSPLY SIRONA	35.59	537,124.28	1.27	8,442.03	1.57
			3,923,256.39	9.28	29,790.49	0.76
Industrials						
17,372.00	AIR LEASE C	41.94	728,581.68	1.72	14,876.24	2.04
2,414.00	CUMMINS INC	239.57	578,321.98	1.37	16,113.79	2.79
21,913.00	CSX CORP	34.67	759,723.71	1.80	9,655.65	1.27
4,847.00	DOVER CORP	153.81	745,517.07	1.76	10,037.32	1.35
4,637.00	GATX CORP	120.22	557,460.14	1.32	10,181.08	1.83
2,777.00	GENERAL DYNAMICS	259.67	721,103.59	1.70	14,723.23	2.04
7,566.00	HEXCEL CORP	73.75	557,992.50	1.32	3,837.11	0.69

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
15,550.00	MASCO CORP	66.98	1,041,539.00	2.46	17,836.18	1.71
7,604.00	REPUBLIC SVCS	164.91	1,253,975.64	2.96	16,269.60	1.30
2,748.00	SNAP-ON INC	288.84	793,732.32	1.88	20,452.20	2.58
25,958.00	SPIRIT AEROSYS-A	31.78	824,945.24	1.95	0.00	0.00
8,434.00	STERICYCLE INC	49.56	417,989.04	0.99	0.00	0.00
15,913.00	SENSATA TECHNOLO	37.57	597,851.41	1.41	7,730.84	1.29
4,990.00	WOODWARD INC	136.13	679,288.70	1.61	4,428.61	0.65
			10,258,022.02	24.25	146,141.84	1.42
Information Technology						
8,443.00	AKAMAI TECHNOLOG	118.35	999,229.05	2.36	0.00	
3,940.00	APPLIED MATERIAL	162.07	638,555.80	1.51	5,294.76	0.83
2,672.00	ANSYS INC	362.88	969,615.36	2.29	0.00	
5,162.00	ARROW ELECTRONIC	122.25	631,054.50	1.49	0.00	
3,492.00	BROADRIDGE FINL	205.75	718,479.00	1.70	11,501.99	1.60
9,082.00	ENTEGRIS INC	119.82	1,088,205.24	2.57	3,816.92	0.35
5,352.00	GLOBAL PAYMENTS	127.00	679,704.00	1.61	5,344.85	0.79
5,696.00	KEYSIGHT TEC	159.09	906,176.64	2.14	0.00	
9,836.00	LUMENTUM HOL	52.42	515,603.12	1.22	0.00	
2,214.00	SYNOPSIS INC	514.91	1,140,010.74	2.70	0.00	
6,001.00	SKYWORKS SOLUTIO	112.42	674,632.42	1.59	16,817.89	2.49
			8,961,265.87	21.19	42,776.41	0.48

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Materials						
3,158.00	ALBEMARLE CORP	144.48	456,267.84	1.08	4,969.90	1.09
6,888.00	EASTMAN CHEMICAL	89.82	618,680.16	1.46	22,426.98	3.62
3,263.00	PACKAGING CORP	162.91	531,575.33	1.26	16,217.44	3.05
13,452.00	SEALED AIR CORP	36.52	491,267.04	1.16	10,671.02	2.17
9,378.00	SCOTTS MIRACLE	63.75	597,847.50	1.41	24,511.84	4.10
			2,695,637.87	6.37	78,797.18	2.92
Real Estate						
11,362.00	CBRE GROUP INC-A	93.09	1,057,688.58	2.50	0.00	
			1,057,688.58	2.50	0.00	0.00
Utilities						
6,783.00	WEC ENERGY GROUP	84.17	570,925.11	1.35	22,090.94	3.87
			570,925.11	1.35	22,090.94	3.87
			39,509,881.95	93.41	544,430.98	1.38
Real Estate Investment Trust						
Real Estate						
7,413.00	BOSTON PROPRTIE	70.17	520,170.21	1.23	28,281.10	5.44
22,076.00	AMERICOLD REALTY	30.27	668,240.52	1.58	19,407.65	2.90
2,729.00	SBA COMM CORP	253.69	692,320.01	1.64	9,231.66	1.33
			1,880,730.74	4.45	56,920.40	3.03
			1,880,730.74	4.45	56,920.40	3.03

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Cash and Equivalents						
866,696.85	U.S. DOLLARS	1.00	866,696.85	2.05	0.00	
40,481.92	USD - DIVIDENDSRECEIVABLE	1.00	40,481.92	0.10	0.00	
			907,178.77	2.14	0.00	0.00
			907,178.77	2.14	0.00	0.00
Total Portfolio			42,297,791.46	100.00	601,351.38	1.42

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
PURCHASES				
1,468.00	ULTA BEAUTY INC	ULTA	413.23	606,618.41
				<u>606,618.41</u>
SALES				
37.00	ULTA BEAUTY INC	ULTA	494.25	18,287.10
303.00	AGILENT TECH INC	A	115.49	34,992.63
915.00	AIR LEASE C	AL	36.48	33,378.89
441.00	AKAMAI TECHNOLOG	AKAM	108.08	47,663.88
165.00	ALBEMARLE CORP	ALB	128.25	21,161.46
1,153.00	AMERICOLD REALTY	COLD	26.71	30,800.29
139.00	ANSYS INC	ANSS	276.14	38,383.36
507.00	APPLIED MATERIAL	AMAT	141.78	71,882.13
269.00	ARROW ELECTRONIC	ARW	114.83	30,889.56
90.00	BIO-RAD LABS-A	BIO	290.63	26,157.12
398.00	BOSTON PROPERTIE	BXP	57.70	22,964.47
182.00	BROADRIDGE FINL	BR	179.18	32,611.00
695.00	CATALENT INC	CTLT	38.98	27,090.45
594.00	CBRE GROUP INC-A	CBRE	73.52	43,670.30
181.00	CENCORA INC	COR	193.32	34,990.25

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
753.00	CHAMPIONX CORP	CHX	29.28	22,045.31
1,375.00	COTERRA ENERGY I	CTRA	26.24	36,074.58
1,157.00	CSX CORP	CSX	31.24	36,142.38
126.00	CUMMINS INC	CMI	223.23	28,126.47
305.00	DARDEN RESTAURANT	DRI	152.08	46,384.62
798.00	DENTSPLY SIRONA	XRAY	31.36	25,027.73
261.00	DOVER CORP	DOV	136.03	35,505.13
356.00	DR HORTON INC	DHI	117.43	41,805.00
360.00	EASTMAN CHEMICAL	EMN	78.39	28,220.08
475.00	ENTEGRIS INC	ENTG	95.98	45,591.74
242.00	GATX CORP	GATX	106.34	25,735.43
145.00	GENERAL DYNAMICS	GD	243.72	35,339.81
280.00	GLOBAL PAYMENTS	GPN	110.84	31,034.00
597.00	HELMERICH & PAYN	HP	37.27	22,247.83
395.00	HEXCEL CORP	HXL	65.04	25,691.16
361.00	HOULIHAN LOKEY I	HLI	105.16	37,963.66
361.00	INTERCONTINENTAL	ICE	108.70	39,239.60
2,182.00	KEYCORP	KEY	11.44	24,968.74
297.00	KEYSIGHT TEC	KEYS	129.42	38,436.76

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
166.00	LABORATORY CP	LH	209.22	34,729.93
523.00	LUMENTUM HOL	LITE	38.84	20,314.62
813.00	MASCO CORP	MAS	56.93	46,286.03
493.00	MURPHY OIL CORP	626717102	42.78	21,088.89
171.00	PACKAGING CORP	PKG	156.40	26,744.23
813.00	PROGRESSIVE CORP	PGR	159.55	129,713.55
400.00	RAYMOND JAMES	RJF	99.71	39,883.15
277.00	REINSURANCE GROU	RGA	153.35	42,477.49
180.00	RENAISSANCERE HOLDINGS LTD	RNR	207.34	37,321.72
397.00	REPUBLIC SVCS	RSG	153.50	60,941.31
142.00	SBA COMM CORP	SBAC	228.13	32,394.75
490.00	SCOTTS MIRACLE	SMG	52.74	25,842.04
717.00	SEALED AIR CORP	SEE	31.59	22,647.71
831.00	SENSATA TECHNOLO	ST	33.70	28,002.22
314.00	SKYWORKS SOLUTIO	SWKS	94.13	29,557.85
144.00	SNAP-ON INC	SNA	266.08	38,315.52
1,356.00	SPIRIT AEROSYS-A	SPR	24.53	33,261.60
440.00	STERICYCLE INC	SRCL	44.08	19,394.55
541.00	STIFEL FINANCIAL	SF	59.33	32,097.65



## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
266.00	SYNOPSIS INC	SNPS	510.01	135,661.74
424.00	SYSCO CORP	SYX	68.77	29,156.54
342.00	TJX COS INC	TJX	87.89	30,057.49
362.00	WEC ENERGY GROUP	WEC	82.90	30,011.54
260.00	WOODWARD INC	WWD	126.93	33,002.63
				<u>2,119,407.67</u>



# Historical Performance Measurement

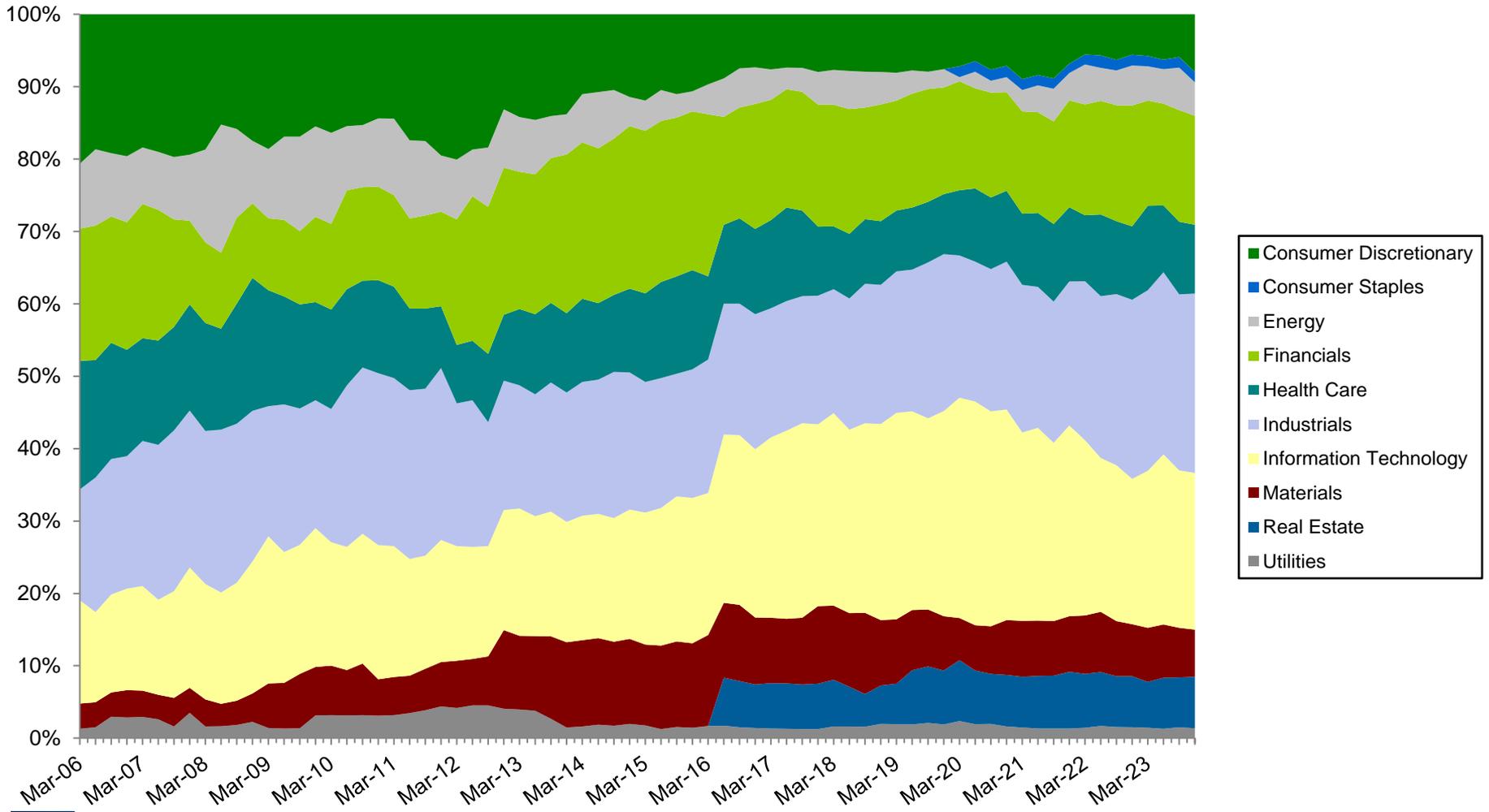
## Performance

	<u>Total Portfolio</u>	<u>Russell Midcap® Index</u>
<i>Inception 3/28/2006</i>		
2006	3.56%	7.92%
2007	8.78	5.60
2008	-37.51	-41.46
2009	37.48	40.48
2010	27.22	25.47
2011	-0.79	-1.56
2012	16.36	17.29
2013	31.25	34.78
2014	10.32	13.22
2015	1.40	-2.44
2016	16.55	13.80
2017	26.22	18.52
2018	-9.63	-9.05

## Performance

	<u>Total Portfolio</u>	<u>Russell Midcap® Index</u>
2019	38.36	30.54
2020	21.20	17.10
2021	25.73	22.59
2022	-15.33	-17.32
3/31/2023	4.69	4.06
6/30/2023	4.15	4.76
9/30/2023	-4.36	-4.68
12/31/2023	12.96	12.82
<b>Year-to-Date</b>	17.78	17.22
<b>Since Inception</b>		
-Annualized	10.43	8.83
-Cumulative	483.40	350.28

## EARNEST Partners' Model Portfolio



## Asset Growth

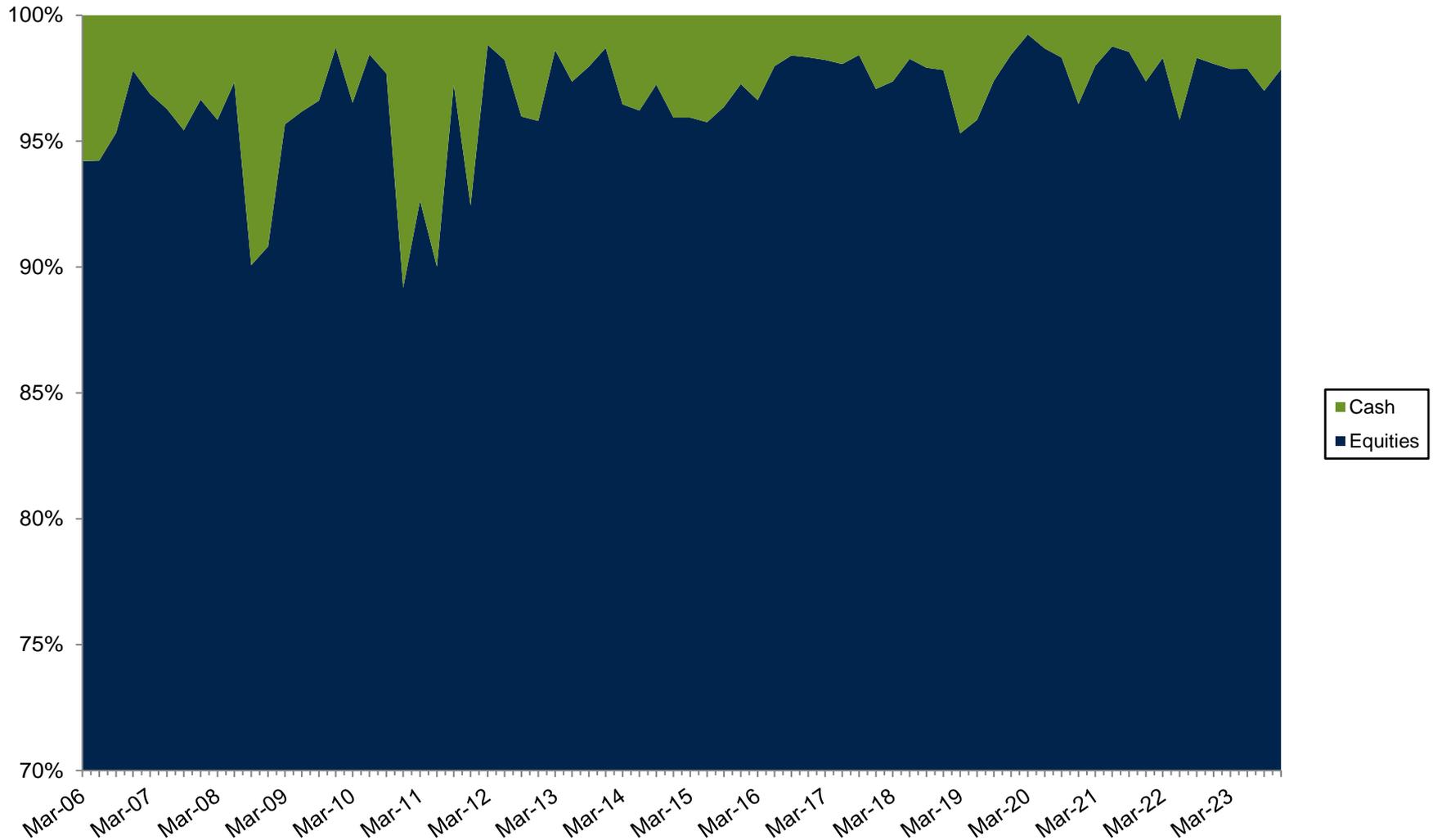
Period Ending	Ending Portfolio Value	Withdrawals	Contributions	Investment Change	
				Period	Since Inception
3/28/2006	\$37,404,060				
2006	\$38,599,735	\$0	\$0	\$1,195,675	\$1,195,675
2007	51,982,630	3,500,000	14,238,849	2,644,046	3,839,721
2008	26,001,788	10,000,000	0	-15,980,842	-12,141,121
2009	32,406,299	3,000,000	0	9,404,511	-2,736,610
2010	31,053,473	8,500,000	0	7,147,174	4,410,564
2011	23,758,477	7,500,000	0	205,004	4,615,568
2012	27,646,027	0	0	3,887,550	8,503,118
2013	40,899,931	0	3,802,146	9,451,898	17,955,016
2014	31,527,407	13,001,627	0	3,629,103	21,584,119
2015	29,934,966	2,000,704	0	408,263	21,992,382

## Asset Growth

Period Ending	Ending Portfolio Value	Withdrawals	Contributions	Investment Change	
				Period	Since Inception
2016	\$27,890,394	\$6,500,289	\$0	\$4,455,717	\$26,448,099
2017	29,426,736	5,000,733	0	6,537,075	32,985,174
2018	25,674,345	1,000,929	0	-2,751,462	30,233,712
2019	33,800,363	1,601,235	0	9,727,253	39,960,965
2020	40,963,482	0	0	7,163,875	47,124,840
2021	51,504,585	1,082	0	10,542,185	57,667,025
2022	43,611,637	1,385	0	-7,891,563	49,775,462
3/31/2023	45,655,123	0	0	2,043,780	51,819,242
6/30/2023	41,234,066	6,000,394	0	1,579,337	53,398,579
9/30/2023	39,435,604	0	0	-1,797,984	51,600,595
12/31/2023	\$42,297,791	2,000,441	0	4,862,628	\$56,463,239

# Asset Allocation

Oakland Police and Fire Retirement Board  
December 31, 2023





## **Russell Midcap® Index**

The Russell Midcap® Index offers investors access to the mid-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The Russell Midcap® Index includes the smallest 800 securities in the Russell 1000® Index. The index is unmanaged and it is not possible to invest directly in an index.

Nothing presented herein is intended to constitute investment advice and no investment decision should be made based on any information provided herein. Investments cited may not represent current or future holdings of EARNEST Partners, LLC (“EP”) investment products and nothing presented should be construed as a recommendation to purchase or sell a particular type of security or follow any investment technique or strategy. Information provided reflects EP’s views as of a particular time. Such views are subject to change at any point and EP shall not be obligated to provide any notice of such change. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While EP has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. Performance assumes the reinvestment of dividends and capital gains. No guarantee of investment performance is being provided and no inference to the contrary should be made.

Sample Holdings Disclosures: Inclusion of references to individual securities are intended to illustrate contributors to and detractors from performance or market trends and to provide examples of thematic or security-specific catalysts identified by EARNEST Partners’ investment team as part of its investment process. References to specific securities should not be viewed as representative of an entire portfolio, nor should the performance of any particular security be viewed as representative of the performance experienced by any other security or portfolio. A complete listing of all EARNEST Partners investment selections for this strategy for the past 12 months is available upon request. It should not be assumed that future recommendations will be profitable or will equal the performance of securities included in these materials. Past specific investment advice does not guarantee future results.

## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (OPFRS)  
**FROM:** Meketa Investment Group (Meketa)  
**DATE:** January 31, 2024  
**RE:** EARNEST Partners—Manager Update

### Manager: EARNEST Partners, LLC (“EARNEST”)

<b>Inception Date:</b>	April 2006	<b>OPFRS AUM (12/31/2023):</b>	\$42.3 million
<b>Strategy:</b>	Domestic Mid Cap Equity	<b>Strategy AUM (9/30/2023):</b>	\$1.8 billion
<b>Benchmark:</b>	Russell Mid Cap Index	<b>Firm-wide AUM (9/30/2023):</b>	\$28.3 billion

### Summary & Recommendation

EARNEST Partners has managed a part of OPFRS’s domestic equity portfolio since April 2006. As of 12/31/2023, the portfolio is approximately \$42.3 million or about 10% of OPFRS’s Total Fund. The strategy has performed within expectations and guidelines for the portfolio, and no major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. *Therefore, Meketa does not have any major concerns with EARNEST and the Mid Cap Core Equity strategy.*

### Investment Performance Review Summary

As of 12/31/2023, EARNEST Mid-Cap Core strategy has outperformed its benchmark (Russell Mid Cap Index) across all time periods on gross of fees basis. On net of fees basis, it has slightly trailed its benchmark over the most recent quarter and in 2023, while outperforming the benchmark over the longer 3- and 5-year periods as well as since inception. In comparison with its peers in the eVestment US Mid Cap Core Equity (Net) universe, it has ranked above average across all periods except for the 1- and 3-year trailing periods.

### OPFRS Portfolio Returns (as of 12/31/2023)<sup>1</sup>

Portfolio	Balance (\$000)	QTD (%)	YTD / 1 Yr (%)	3 Yrs (%)	5 Yrs (%)	S.I. (%)	Inception Date
<b>EARNEST (Gross)</b>	<b>42,300.9</b>	<b>13.0</b>	<b>17.7</b>	<b>7.8</b>	<b>16.0</b>	<b>10.4</b>	<b>4/2006</b>
<i>Russell Mid Cap Index</i>	---	<i>12.8</i>	<i>17.2</i>	<i>5.9</i>	<i>12.7</i>	<i>8.8</i>	---
Excess Return	---	<b>0.2</b>	<b>0.5</b>	<b>1.9</b>	<b>3.3</b>	<b>1.6</b>	---
<b>EARNEST (Net)</b>	<b>42,300.9</b>	<b>12.7</b>	<b>16.8</b>	<b>7.0</b>	<b>15.1</b>	<b>9.4</b>	<b>4/2006</b>
<i>Russell Mid Cap Index</i>	---	<i>12.8</i>	<i>17.2</i>	<i>5.9</i>	<i>12.7</i>	<i>8.8</i>	---
Excess Return	---	<b>-0.1</b>	<b>-0.4</b>	<b>1.1</b>	<b>2.4</b>	<b>0.6</b>	---
Peer Group Rank (Net) <sup>2</sup>		<b>29</b>	<b>51</b>	<b>65</b>	<b>20</b>	<b>33</b>	---

<sup>1</sup> Performance is annualized for periods longer than one year. “S.I.” signifies Since Inception.

<sup>2</sup> Peer group is eVestment US Mid Cap Core (Net) as of 12/31/2023.

## Product and Organization Review Summary

EARNEST Partners, LLC	Areas of Potential Impact				
	Level of Concern	Investment Process	Investment Team	Performance Track Record	Team/Firm Culture
<b>Product</b>					
Key people changes	None				
Changes to team structure or individuals' roles	None				
Product client gain/losses	None				
Changes to investment process	None				
Personnel turnover	None				
<b>Organization</b>					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
<b>Recommended Action</b>	<b>None - X</b>	<b>Watch Status</b>		<b>Termination</b>	

A review of EARNEST Partners, LLC and the Mid Cap Core strategy revealed no concerning organizational issues or changes since last review in February 2023.

### Investment Philosophy & Process, per Manager<sup>3</sup>

EARNEST Partners is a fundamental, bottom-up investment manager. The Firm's investment objective is to outperform the assigned benchmark while seeking to control volatility and risk. EARNEST Partners implements this philosophy using a screen developed in-house called Return Pattern Recognition®, thorough fundamental analysis, and risk management that seeks to minimize the likelihood of meaningfully underperforming the assigned benchmark.

EARNEST Partners does not target sector or industry weights. Instead, the weightings are an outgrowth of our bottom-up, fundamental stock selection process. The process is designed to put the client in the individual securities that the firm believes have the most attractive expected returns; relative overweights and underweights are an outgrowth of where the team is finding those individual opportunities. The risk management process also influences the weights taken in any one sector. As a general rule, larger sectors will not represent more than 2x the benchmark weight. No individual holding generally exceeds 5.0% of the portfolio's value.

DS/PN/JLC/mn

<sup>3</sup> Source: eVestment. Abridged.



## Disclosure

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

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

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

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

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



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System (PFRS) Board of Administration  
**FROM:** David F. Jones  
Plan Administrator  
**SUBJECT:** Expiration Notice of PFRS Investment Manger Service Agreement and Action to Extend Service Agreements  
**DATE:** January 31, 2024

## SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 24, 2024. The PFRS Board is asked to consider acting to extend the service agreement for this manager for one additional year pursuant to their service agreements.

## BACKGROUND

The Service Agreement for the following Investment Manager who provides services for the PFRS Board will expire shortly. The following table describes the investment manager contract:

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Earnest Partners, LLC	Domestic Equity Mid-Cap Core	March 16, 2006	March 24, 2024

## RECOMMENDATION

Staff recommends that the PFRS Board approve the implementation of the relevant service agreement provision for the manager to extend the service agreement between the above mentioned PFRS Investment Manager and PFRS.

Respectfully submitted,

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

Attachments:  
Resolution # 8090

Agenda Item C3  
PFRS Board of Administration Meeting  
January 31, 2024

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA

RESOLUTION NO. 8090

Approved to Form  
and Legality



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION AUTHORIZING ONE-YEAR EXTENSION OF PROFESSIONAL SERVICES AGREEMENT WITH EARNEST PARTNERS, LLC FOR THE PROVISION OF DOMESTIC EQUITY MID-CAP CORE INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**WHEREAS**, Oakland City Charter section 2601(e) states 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**, Oakland City Charter section 2601(e) also states that the PFRS Board may secure from competent investment counsel such counsel and advice as to investing the funds of the Retirement System as it deems necessary and that discretionary powers granted such investment counsel will be at the option of the Board; and

**WHEREAS**, at the November 30, 2005 Board meeting, the PFRS Board awarded a professional service agreement (“the Agreement”) to Earnest Partners, LLC (“Investment Counsel”) to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”) for a five-year term commencing March 24, 2006 and ending March 24, 2011; and

**WHEREAS**, Section XXVII of the Agreement allows for modification of the Agreement by written agreement of all parties; and

**WHEREAS**, Section IV(B) of the Agreement gave the PFRS Board the option to extend the initial term of the Agreement for three addition one-year terms; and

**WHEREAS**, on January 26, 2011, the Agreement with Investment Counsel was extended by Board motion for an additional five-year term, commencing March 24, 2011, and

**WHEREAS**, on March 30, 2016, the Agreement with Investment Counsel was extended by Board motion for an addition one-year term, effective March 24, 2016, and

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**  
CITY OF OAKLAND, CALIFORNIA

**RESOLUTION NO. 8090**

**WHEREAS**, on March 29, 2017, the PFRS Board passed Resolution No. 6957 which authorized amendment of Section IV(B) of the Agreement to provide the PFRS Board with unlimited one-year extension options, and

**WHEREAS**, on January 31, 2018, the PFRS Board passed Resolution No. 6993 which authorized a one-year extension of the Agreement with Investment Counsel commencing March 24, 2018, and

**WHEREAS**, on January 30, 2019, the PFRS Board passed Resolution No. 7036 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2019, and

**WHEREAS**, on January 29, 2020, the PFRS Board passed Resolution No. 7080 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2020, and

**WHEREAS**, on February 24, 2021, the PFRS Board passed Resolution No. 8011 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2021, and

**WHEREAS**, on February 23, 2022, the PFRS Board passed Resolution No. 8038 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2022, and

**WHEREAS**, on February 22, 2023, the PFRS Board passed Resolution No. 8074 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2022, and

**WHEREAS**, the Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing March 24, 2024 at the annual fee rate of 1.00 percent of the first \$10.0 million; 0.75% of the next \$15.0 million; and 0.60% of the next \$25.0 million; and 0.50% thereafter of Fund assets under management (presently valued at approximately \$42.3 million dollars (\$42,300,000.00), which fees are estimated to be approximately Three Hundred Sixteen Thousand Dollars (\$316,000.00); now, therefore, be it

**RESOLVED:** That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Earnest Partners, LLC for the provision of Domestic Equity Mid-Cap Core Investment Strategy Manager Services, commencing March 24, 2024 and ending March 24, 2025; and be it

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

**RESOLUTION NO. 8090**

**FURTHER RESOLVED:** That the President of the PFRS Board is hereby authorized to execute, on behalf of PFRS, a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Earnest Partners, LLC.

IN BOARD MEETING, CITY HALL, OAKLAND, CA JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

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

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

# Economic and Market Update

December 2023 Report

## Commentary

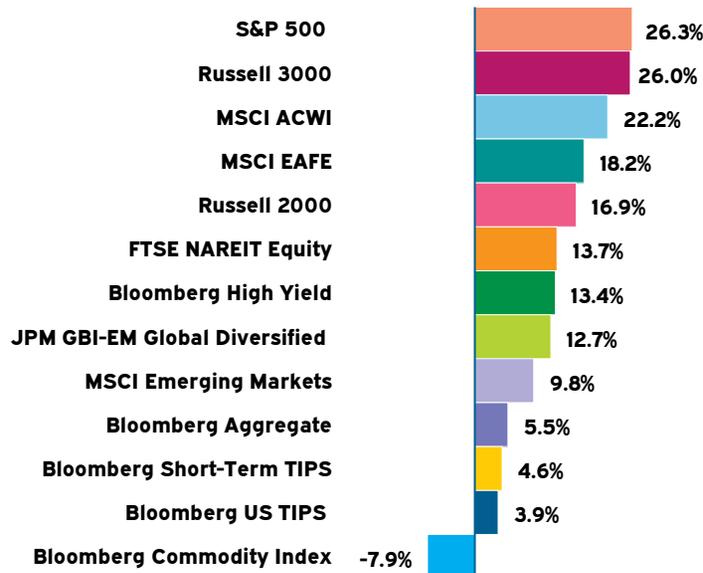
→ Most markets rallied in the fourth quarter in anticipation that policy rates cuts were ahead in 2024.

- Major central banks have largely paused interest rates hikes. Markets are now largely expecting the FOMC to maintain interest rates at the current levels and begin cutting rates as soon as Q1 2024.
- Inflation rose in December in the US and Europe, but both finished the year much lower than where they started. China remained in deflationary territory (-0.3%) at year-end.
- US equity markets (Russell 3000 index) posted strong gains for the quarter (12.1%), raising full year results to +26.0%. Most sectors rallied, with more defensive sectors lagging.
- Non-US developed equity markets also rallied in the fourth quarter (MSCI EAFE 10.4%), with the weakening of the US dollar contributing meaningfully (10.4% versus 5.0% ex.-US dollar influence). The performance difference between US and international developed equities for the year remained wide (26.0% versus 18.2%).
- Emerging market equities were up 7.9% in the fourth quarter and 9.8% for calendar 2023 but trailed developed markets due to lagging returns in China (-4.2% Q4/-11.2% one-year). Emerging market equities ex.-China returned 20% in 2023.
- Interest rates generally fell in the fourth quarter, particularly for longer-dated maturities. The broad US bond market rallied (6.8%) for the quarter, lifting 2023 returns into positive territory (5.5%).

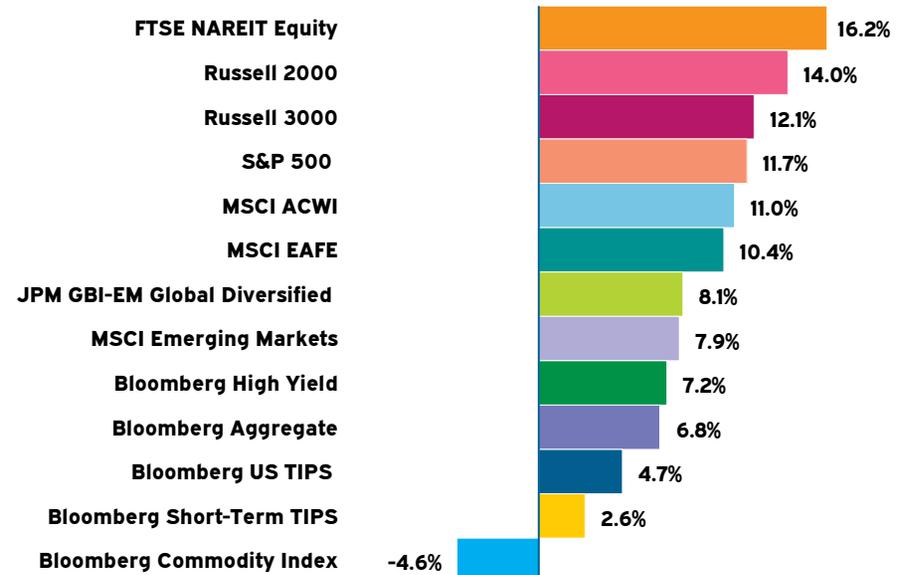
→ Looking to 2024, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, and the wars in Ukraine and Israel, will be key.

### Index Returns<sup>1</sup>

2023



Q4



→ After a tough start to the quarter on lingering fears that the Federal Reserve might keep interest rates “higher for longer”, markets rallied in November and December. Economic data generally coming in below expectations sparked expectations that the Federal Reserve might really be done raising policy rates for this cycle.

→ Strong results for the quarter built on gains for the year with all asset classes finishing in positive territory in 2023, except commodities.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Domestic Equity Returns<sup>1</sup>

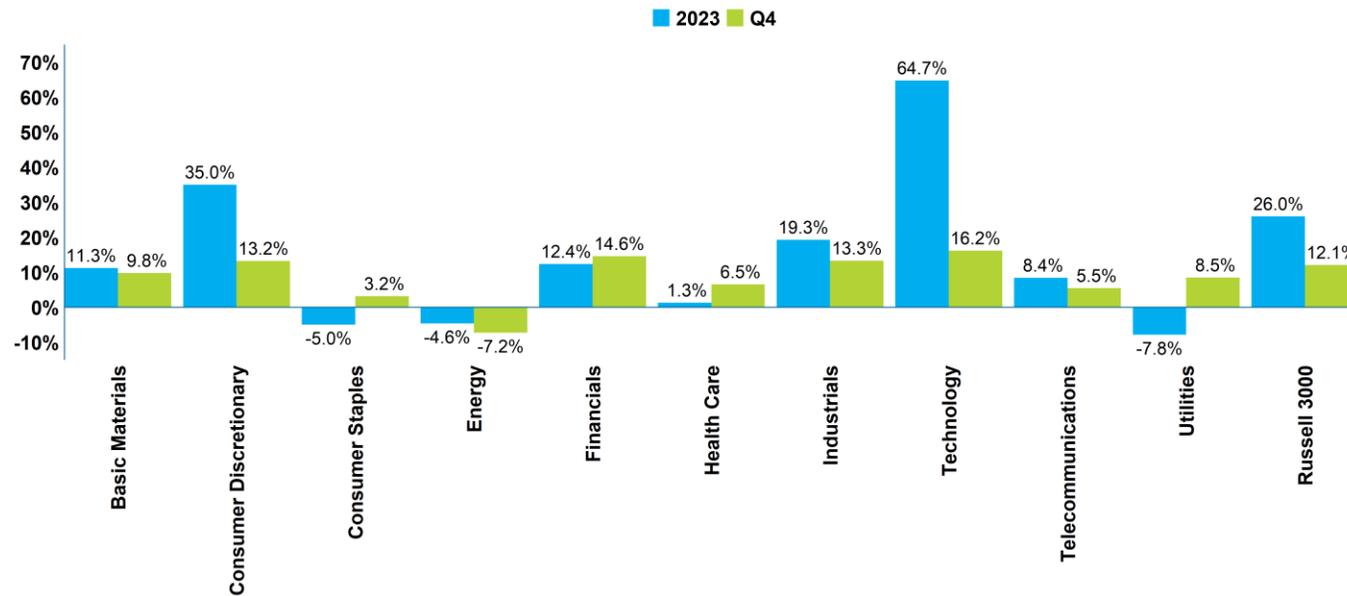
Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	4.5	11.7	26.3	10.0	15.7	12.0
Russell 3000	5.3	12.1	26.0	8.6	15.2	11.5
Russell 1000	4.9	12.0	26.5	9.0	15.5	11.8
Russell 1000 Growth	4.4	14.2	42.7	8.9	19.5	14.9
Russell 1000 Value	5.5	9.5	11.5	8.9	10.9	8.4
Russell MidCap	7.7	12.8	17.2	5.9	12.7	9.4
Russell MidCap Growth	7.6	14.5	25.9	1.3	13.8	10.6
Russell MidCap Value	7.8	12.1	12.7	8.4	11.2	8.3
Russell 2000	12.2	14.0	16.9	2.2	10.0	7.2
Russell 2000 Growth	12.0	12.7	18.7	-3.5	9.2	7.2
Russell 2000 Value	12.4	15.3	14.6	8.0	10.0	6.8

**US Equities: The Russell 3000 rallied 5.3% in December, bringing fourth quarter results to +12.1%. US stocks were up 26.0% in 2023.**

- US equities had a strong final quarter of the year, driven by expectations that rate cuts may be ahead in 2024.
- Small cap stocks outperformed their large cap peers for the quarter while growth outpaced value with the exception of small cap. Large cap stocks outperformed small cap stocks by a wide margin for the calendar year and growth outpaced value across market caps.
- Calendar year results were clearly driven by large cap technology stocks. Within the S&P 500 index, the “Magnificent 7” stocks generated more than 50% of the total gains.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023. Magnificent Seven stocks include: Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta.

### Russell 3000 Sector Returns<sup>1</sup>



→ All sectors posted gains for the fourth quarter, except for energy (-7.2%) given oil's recent declines. Technology (+16.2%) led the way for the quarter followed by financials (+14.6%).

→ In 2023, technology (+64.7%) and consumer discretionary (+35.0%) sectors had the best results, helped respectively by artificial intelligence optimism and a healthy US consumer. Traditionally defensive sectors like utilities (-7.8%) and consumer staples (-5.0%) trailed.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Foreign Equity Returns<sup>1</sup>

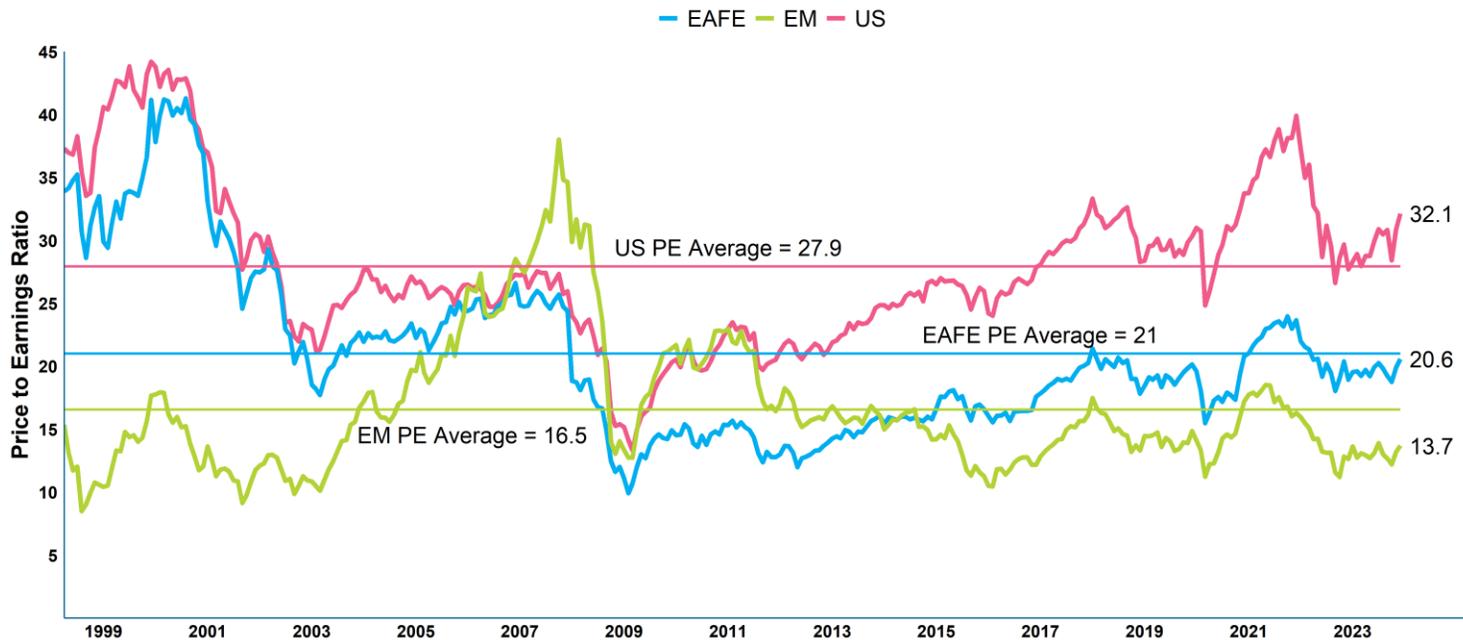
Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	5.0	9.8	15.6	1.5	7.1	3.8
MSCI EAFE	5.3	10.4	18.2	4.0	8.2	4.3
MSCI EAFE (Local Currency)	2.9	5.0	16.2	8.7	9.5	6.6
MSCI EAFE Small Cap	7.3	11.1	13.2	-0.7	6.6	4.8
MSCI Emerging Markets	3.9	7.9	9.8	-5.1	3.7	2.7
MSCI Emerging Markets (Local Currency)	3.1	5.6	9.9	-2.5	5.4	5.2
MSCI China	-2.4	-4.2	-11.2	-18.5	-2.8	0.9

Foreign Equity: Developed international equities (MSCI EAFE) gained 5.3% in December and 10.4% in the fourth bringing calendar year results to 18.2%. Emerging market equities (MSCI EM) rose 3.9% in December, 7.9% for the quarter, and 9.8% for the year.

- Optimism around lower inflation and potentially peaking and declining policy rates drove gains in the UK and Europe. Japan had weaker results for the quarter as concerns over a strengthening yen weighed on returns in December. Overall weakness in the US dollar also contributed to quarterly and full year results across developed markets.
- Emerging markets also experienced strong performance in the fourth quarter but trailed developed markets. China weighed on relative results for the quarter and year, declining 4.2% and 11.2%, respectively. Slowing growth, issues in the property sector, and on-going tensions with the US all weighed on results.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

**Equity Cyclically Adjusted P/E Ratios<sup>1</sup>**



- Given the strong technology-driven rally last year, the US equity price-to-earnings ratio increased above its 21st century average. Fourth quarter gains brought valuations to their highest level for the year.
- International market valuations also increased in the fourth quarter, but remain below the US. In the case of developed markets, valuations finished the year close to the their long-term average, while emerging markets remained well below their average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of December 2023. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

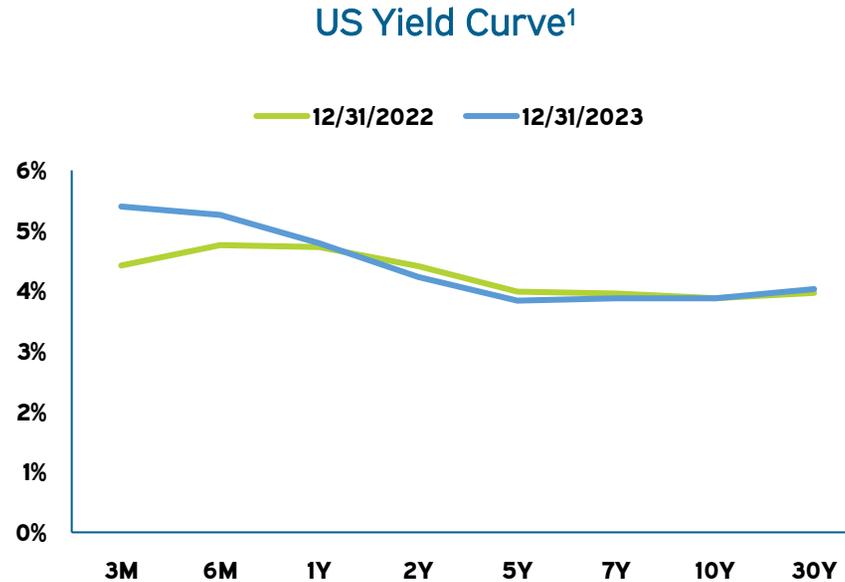
### Fixed Income Returns<sup>1</sup>

Fixed Income	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	3.8	6.8	6.2	-3.0	1.4	2.1	4.8	6.1
Bloomberg Aggregate	3.8	6.8	5.5	-3.3	1.1	1.8	4.5	6.3
Bloomberg US TIPS	2.7	4.7	3.9	-1.0	3.2	2.4	4.2	6.7
Bloomberg Short-term TIPS	1.1	2.6	4.6	2.3	3.4	2.0	4.5	2.4
Bloomberg High Yield	3.7	7.2	13.4	2.0	5.4	4.6	7.6	3.8
JPM GBI-EM Global Diversified (USD)	3.2	8.1	12.7	-3.2	1.1	0.1	6.5	5.0

**Fixed Income: The Bloomberg Universal index rose 3.8% in December, 6.8% for the quarter, and 6.2% for the year.**

- Policy rate expectations swung from pessimism to optimism in November and December. Signs of the labor market cooling and improving inflation led investors to bring forward expectations for interest rate cuts to early 2024, leading to one of the best quarterly results in over twenty years.
- The broad US bond market (Bloomberg Aggregate) rallied 6.8% for the quarter, lifting full-year performance into positive territory (+5.5%). The broader TIPS index rose 4.7% for the quarter and 3.9% for the year, while the less interest-rate-sensitive short-term TIPS index rose 2.6% and 4.6% over the same periods.
- High yield bonds rallied on better risk sentiment (+7.2%), as did emerging market bonds (+8.1%). Both asset classes produced double-digit results last year.

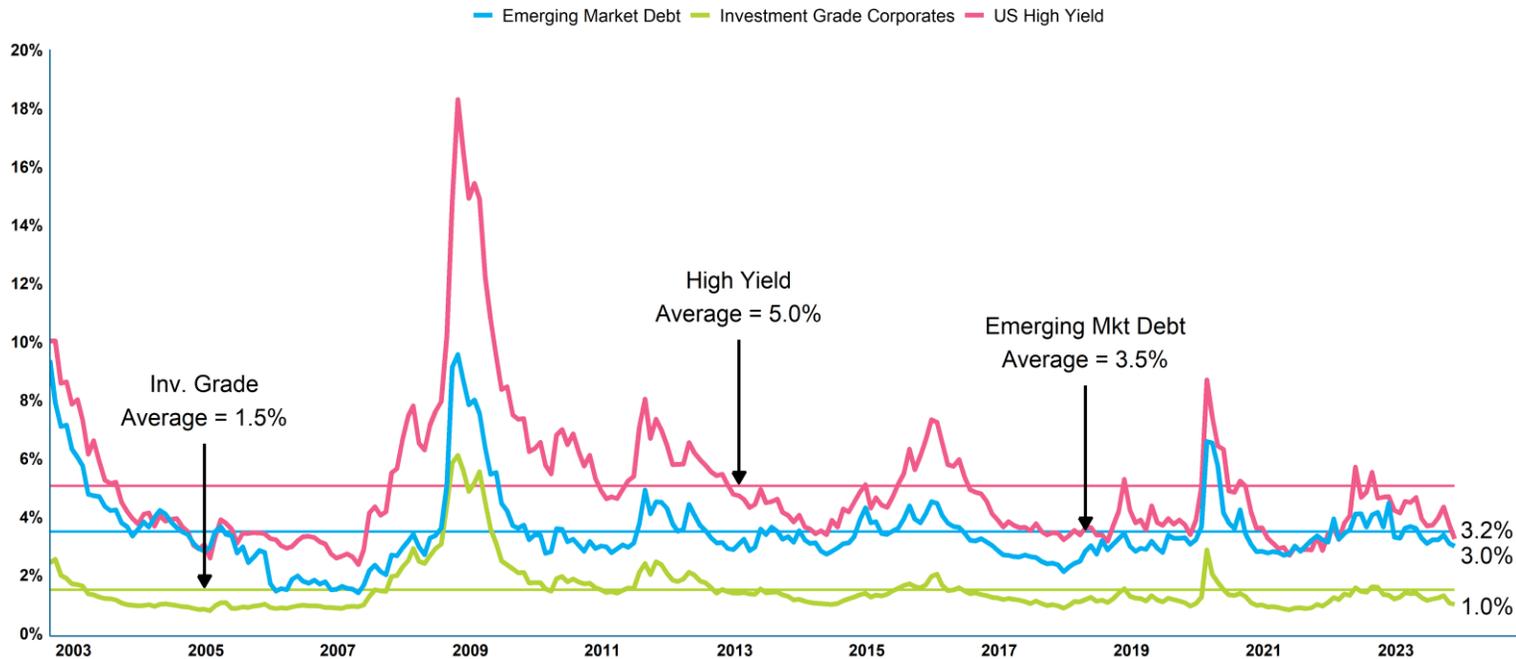
<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of December 31, 2023. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.



- The more policy sensitive short-term maturities were higher this year while longer-term maturities finished the year where they started.
- Still, rates declined sharply over the quarter, particularly at the longer end of the yield curve on continued easing of inflation-related risks and speculation that the Federal Reserve is done with their policy rate increases for this cycle.
- For the quarter, two-year Treasury yields fell from 5.05% to 4.24% while ten-year Treasury yields declined from 4.56% to 3.88%.
- The yield curve remained inverted at year-end despite a recent flattening trend. The spread between the 2-year and 10-year Treasury was -0.37% at the end of December.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

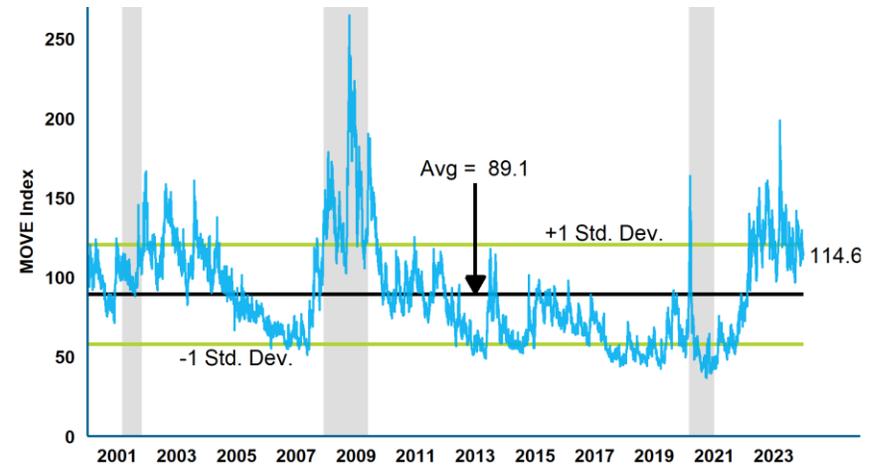
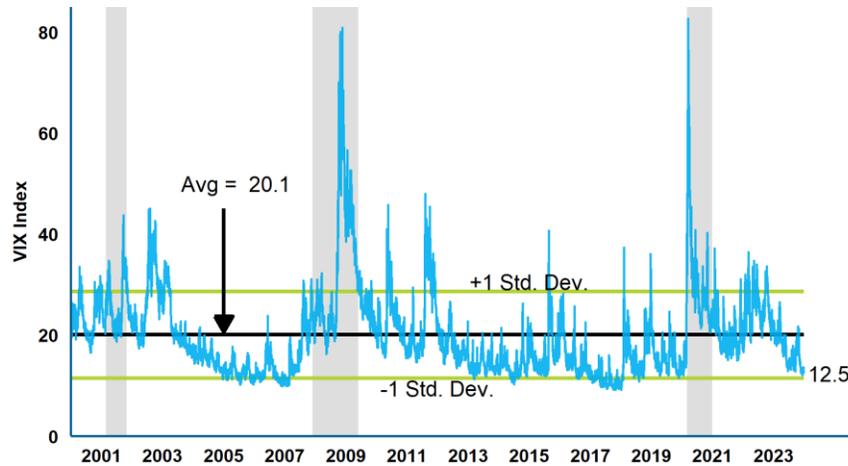
**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**



- Expectations of peaking policy rates and the corresponding increase in risk appetite benefited credit in the fourth quarter with spreads (the added yield above a comparable maturity Treasury) narrowing. All spreads remain below their respective long run averages.
- High yield spreads continue to be the furthest below their long-term average given the overall risk appetite last year and lower duration. Investment-grade corporate and emerging market spreads are also below their respective long-term averages, but by smaller margins.

<sup>1</sup> Sources: Bloomberg. Data is as of December 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

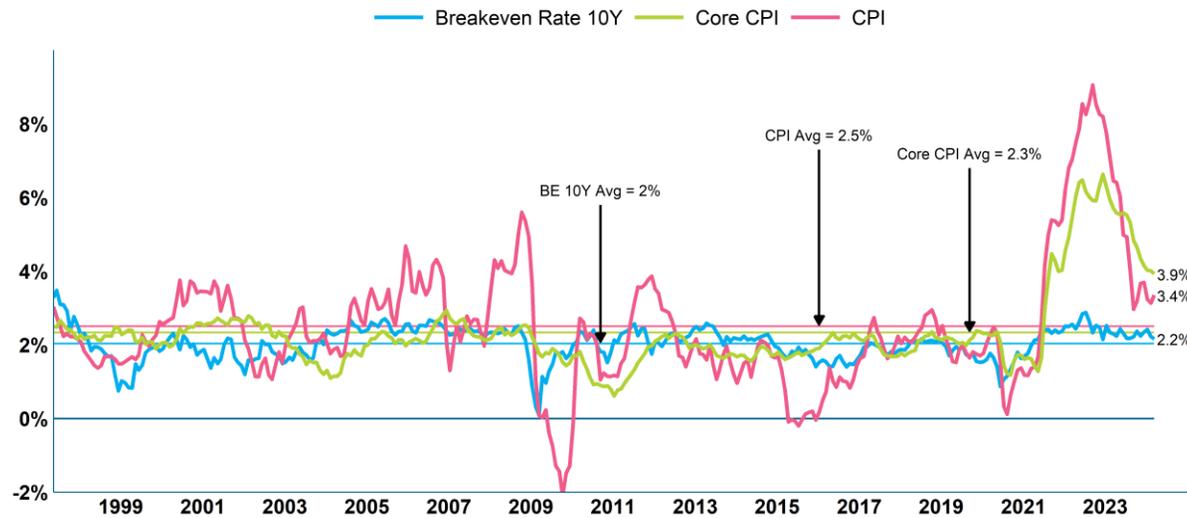
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the year close to its lows, remaining well below the long-term average as the focus shifted to peaking policy rates and the potential for a soft landing.
- Volatility in the bond market (MOVE) remained elevated to close out 2023 and is well above its long-run average (89.1). The bond market remained on edge for most of 2024 largely driven by uncertainty about the ultimate path of monetary policy.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2023.

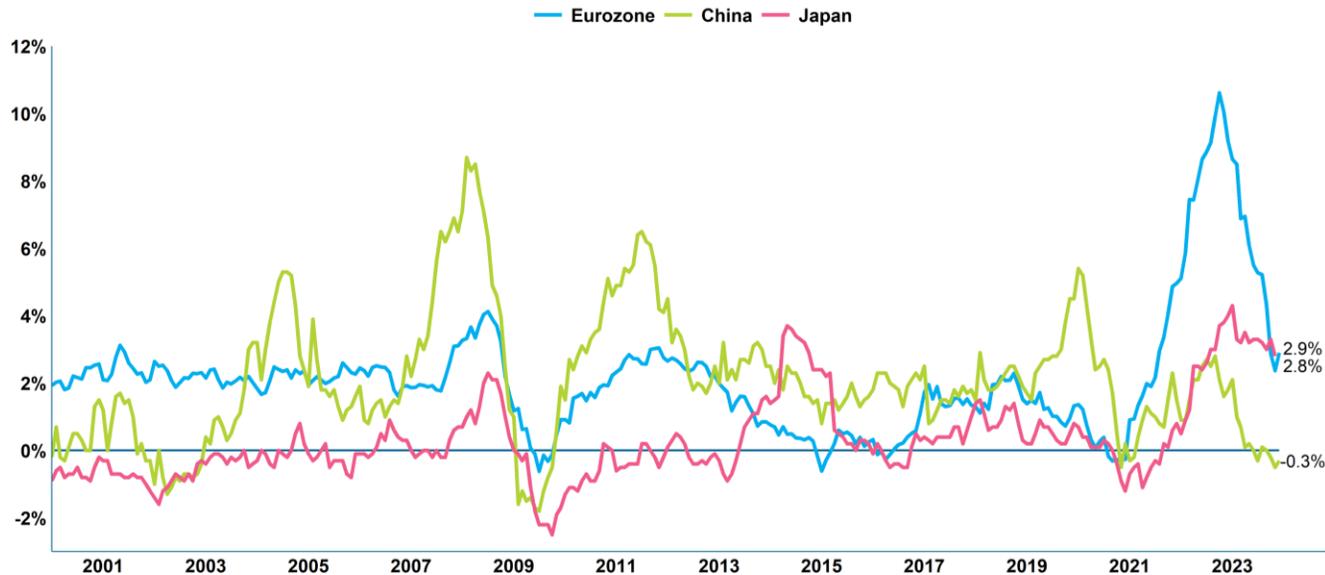
**US Ten-Year Breakeven Inflation and CPI<sup>1</sup>**



- Year-over-year headline inflation rose from 3.1% to 3.4% in December, coming in above expectations of 3.2%. An increase in shelter (+6.2%) drove results, with food also increasing from a year prior (+2.7%) and energy prices falling (-2.0%). Month-over-month inflation came in at 0.3%, above expectations of 0.2% and the prior reading of 0.1%.
- Core inflation - excluding food and energy – declined in December (3.9% versus 4.0%) year-over-year, with shelter costs again driving the total core index increase.
- Inflation expectations (breakevens) have remained relatively stable despite the recent significant volatility in inflation.

<sup>1</sup> Source: FRED. Data is as December 2023. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

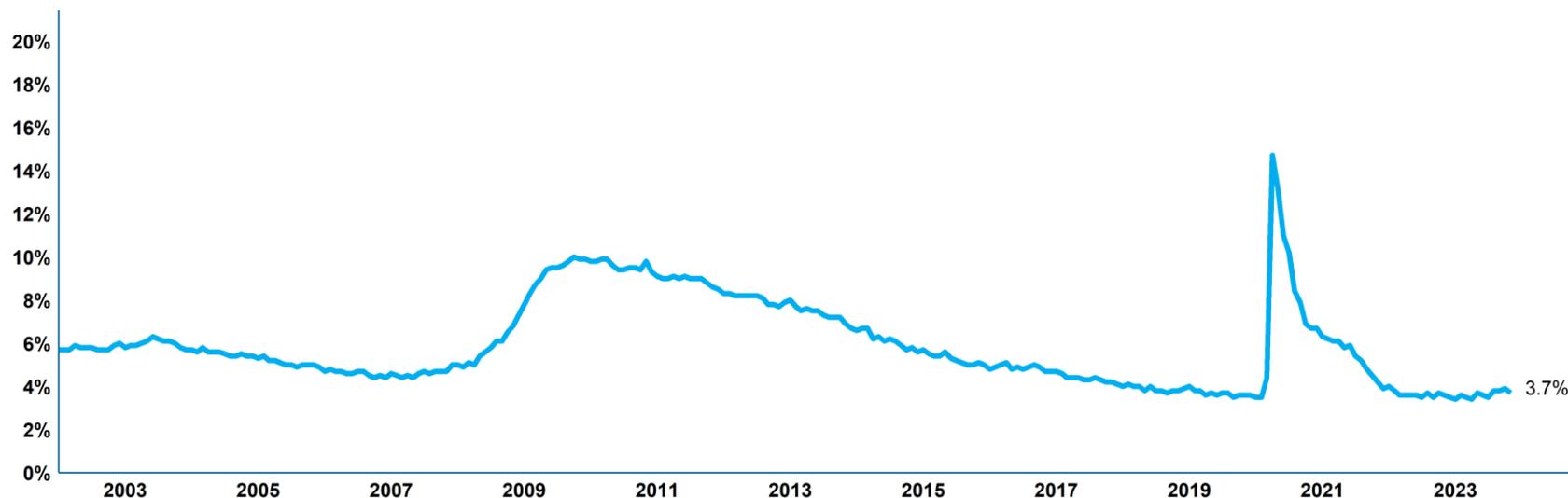
**Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Outside the US, inflation is also falling across major economies with China slipping into deflation.
- In the eurozone, inflation experienced a dramatic decline last year. Despite a small increase in December (2.9% versus 2.4%) it finished the year below the 3.4% year-over-year reading in the US.
- Inflation in Japan remains near levels not seen in almost a decade, driven by food and home related items.

<sup>1</sup> Source: FRED for United States CPI and Eurozone CPI. Source: Bloomberg for Japan CPI, China CPI, and Eurozone December flash estimate. Data is as December 31, 2023, except Japan which is as of November 30, 2023.

### US Unemployment<sup>1</sup>

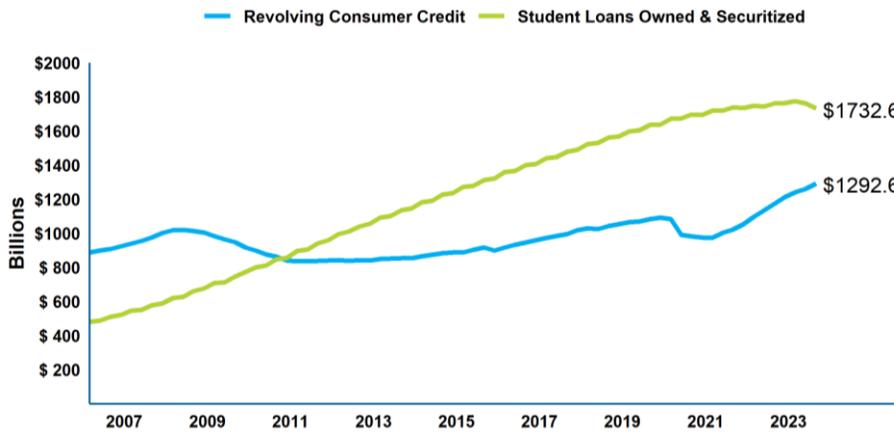


- Overall, the US labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- In December, US unemployment remained unchanged (3.7%) and came in slightly below expectations of an increase to 3.8%. The number of jobs added did come in above expectations (216k versus 175k) though with the most jobs added in the government, leisure and hospitality, and health care sectors.
- The labor force participation remained relatively stable at 62.5%, well off the lows of the pandemic (60.1%) but not back to pre-pandemic levels (63.3%).
- The pace of hourly wage growth has declined from its peak of close to 6.0% finishing 2023 at 4.1% yoy. Wage growth remains positive in real terms though.

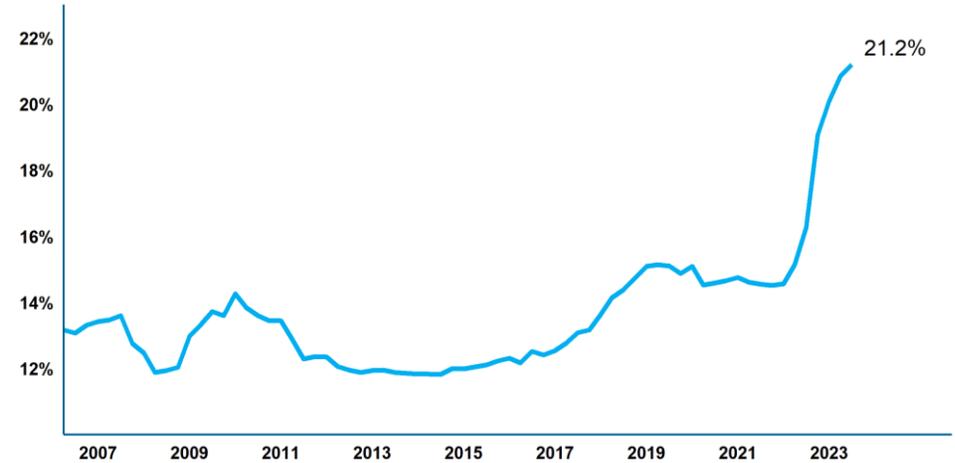
<sup>1</sup>Source: FRED. Data is as December 31, 2023.

### US Consumer Under Stress?<sup>1</sup>

#### Revolving Consumer Credit & Student Loans (\$B)



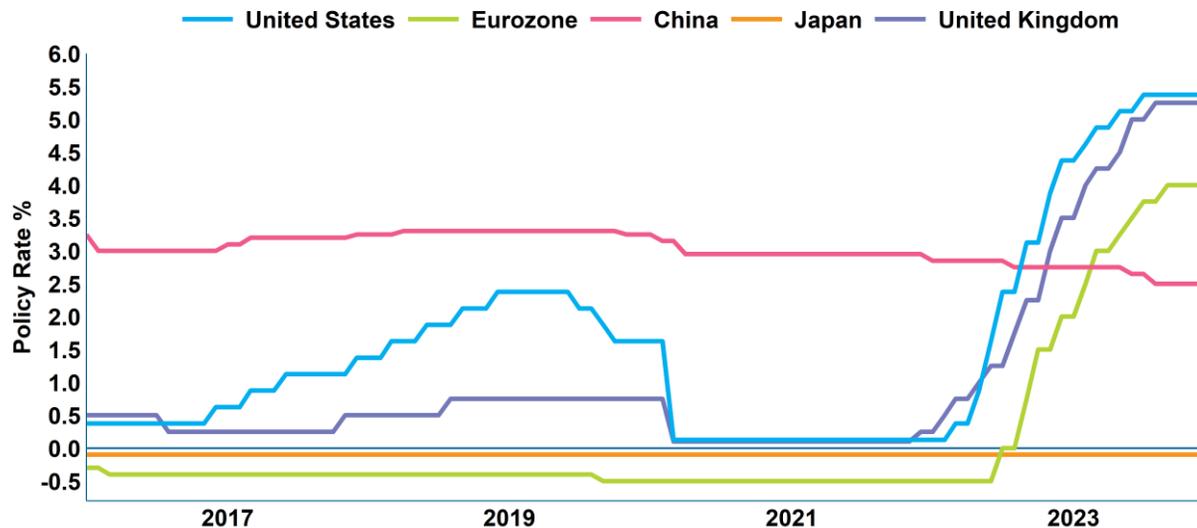
#### Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s).
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

<sup>1</sup> Source: FRED. Data is as of September 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

### Policy Rates<sup>1</sup>



- Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening.
- The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are pricing in six rate cuts next year given the track of economic data and recent comments from the Fed, while the Fed itself is only predicting three. How this discrepancy is resolved will be key this year.
- The European and UK central banks also recently paused their rate increases on slowing inflation. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

<sup>1</sup> Source: Bloomberg. Data is as of December 2023.

### US Dollar vs. Broad Currencies<sup>1</sup>



- The US dollar declined around 5% in the fourth quarter as generally weaker economic data led investors to anticipate the end of FOMC tightening and interest rate cuts in 2024.
- Overall, the dollar finished the year only slightly below where it started but it was a volatile year for the US currency as expectations related to monetary policy evolved.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2023.

## Summary

### Key Trends:

- The impact of inflation still above policy targets will remain important, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession. In the case of the US the resolution of the disparity between market expectations for the path of interest rates versus the Fed's dot plot will be key.
- Global growth is expected to slow next year, with some economies forecasted to tip into recession. However, optimism has been building that certain economies could experience soft landings. Inflation, monetary policy, and geopolitical issues will remain key in 2024.
- US consumers could feel pressure as certain components of inflation (e.g., shelter), remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward, will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including the potential for China's economic slowdown and on-going weakness in the real estate sector could spill over into key trading partners' economies. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.
- Recent, heightened tensions in Israel could add to overall uncertainty and drive safe haven flows.

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.

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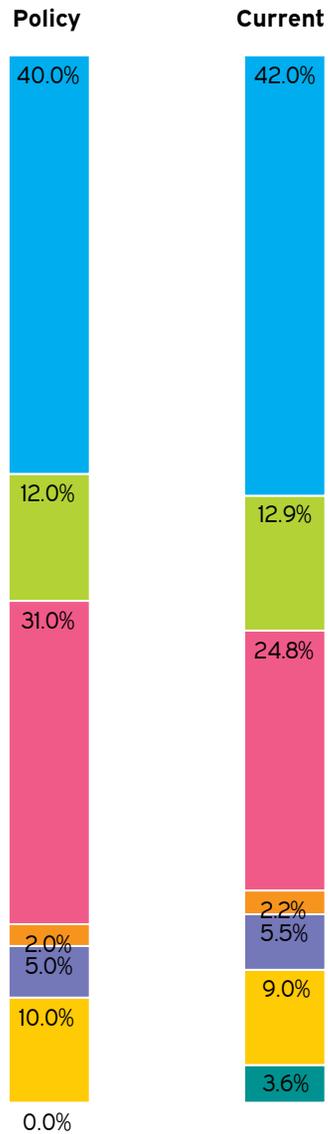
PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

## Oakland Police and Fire Retirement System

January 31, 2024

December Flash Report

As of December 31, 2023



Allocation vs. Targets and Policy						
	Current Balance (\$)	Current (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	183,174,978	42.0	40.0	2.0	30.0 - 50.0	Yes
International Equity	56,347,608	12.9	12.0	0.9	8.0 - 14.0	Yes
Fixed Income	107,983,596	24.8	31.0	-6.2	25.0 - 40.0	No
Credit	9,697,822	2.2	2.0	0.2	1.0 - 3.0	Yes
Covered Calls	23,783,695	5.5	5.0	0.5	5.0 - 10.0	Yes
Crisis Risk Offset	39,450,916	9.0	10.0	-1.0	5.0 - 15.0	Yes
Cash	15,499,650	3.6	0.0	3.6	0.0 - 5.0	Yes
<b>Total</b>	<b>435,938,266</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Asset Class Performance Summary | As of December 31, 2023

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>OPFRS Total Plan</b>	<b>435,938,266</b>	<b>100.0</b>	<b>4.4</b>	<b>8.3</b>	<b>13.5</b>	<b>3.3</b>	<b>7.8</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			4.3	8.7	15.1	3.6	8.0	6.8	7.9	
Excess Return			0.1	-0.4	-1.6	-0.3	-0.2	-0.3	-1.3	
<b>Domestic Equity</b>	<b>183,174,978</b>	<b>42.0</b>	<b>6.0</b>	<b>12.0</b>	<b>19.9</b>	<b>7.4</b>	<b>13.8</b>	<b>10.6</b>	<b>8.9</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			5.3	12.1	26.0	8.5	15.2	11.5	9.3	
Excess Return			0.7	-0.1	-6.1	-1.1	-1.4	-0.9	-0.4	
<b>International Equity</b>	<b>56,347,608</b>	<b>12.9</b>	<b>5.1</b>	<b>9.4</b>	<b>19.5</b>	<b>3.6</b>	<b>8.5</b>	<b>4.9</b>	<b>5.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.0	9.8	15.6	1.5	7.1	3.8	5.1	
Excess Return			0.1	-0.4	3.9	2.1	1.4	1.1	0.3	
<b>Fixed Income</b>	<b>107,983,596</b>	<b>24.8</b>	<b>3.8</b>	<b>6.7</b>	<b>6.1</b>	<b>-2.8</b>	<b>1.5</b>	<b>2.2</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.6	
Excess Return			0.0	-0.1	-0.1	0.2	0.1	0.1	-0.1	
<b>Credit</b>	<b>9,697,822</b>	<b>2.2</b>	<b>2.5</b>	<b>3.9</b>	<b>12.7</b>	<b>4.1</b>	<b>4.8</b>	<b>--</b>	<b>4.9</b>	<b>Feb-15</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			3.7	7.2	13.4	2.0	5.4	4.6	4.8	
Excess Return			-1.2	-3.3	-0.7	2.1	-0.6	--	0.1	
<b>Covered Calls</b>	<b>23,783,695</b>	<b>5.5</b>	<b>2.5</b>	<b>7.3</b>	<b>20.0</b>	<b>9.2</b>	<b>12.1</b>	<b>--</b>	<b>9.0</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			0.6	3.1	8.2	3.1	5.9	--	3.5	
<b>Crisis Risk Offset</b>	<b>39,450,916</b>	<b>9.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.8</b>	<b>-6.5</b>	<b>-6.9</b>	<b>--</b>	<b>-7.7</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			2.5	2.3	2.6	5.0	0.5	--	0.1	
Excess Return			-1.8	-2.0	-1.8	-11.5	-7.4	--	-7.8	

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

## Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>OPFRS Total Plan</b>	<b>435,938,266</b>	<b>100.0</b>	<b>4.4</b>	<b>8.3</b>	<b>13.5</b>	<b>3.3</b>	<b>7.8</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			4.3	8.7	15.1	3.6	8.0	6.8	7.9	
Excess Return			0.1	-0.4	-1.6	-0.3	-0.2	-0.3	-1.3	
<b>Domestic Equity</b>	<b>183,174,978</b>	<b>42.0</b>	<b>6.0</b>	<b>12.0</b>	<b>19.9</b>	<b>7.4</b>	<b>13.8</b>	<b>10.6</b>	<b>8.9</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			5.3	12.1	26.0	8.5	15.2	11.5	9.3	
Excess Return			0.7	-0.1	-6.1	-1.1	-1.4	-0.9	-0.4	
Northern Trust Russell 1000	88,252,834	20.2	4.9	12.0	26.5	8.8	15.4	11.7	13.5	Jun-10
<i>Russell 1000 Index</i>			4.9	12.0	26.5	9.0	15.5	11.8	13.6	
Excess Return			0.0	0.0	0.0	-0.2	-0.1	-0.1	-0.1	
EARNEST Partners	42,300,855	9.7	7.5	12.7	16.8	7.0	15.1	11.1	9.4	Apr-06
<i>Russell Midcap Index</i>			7.7	12.8	17.2	5.9	12.7	9.4	8.8	
Excess Return			-0.2	-0.1	-0.4	1.1	2.4	1.7	0.6	
Wellington Select Quality Equity	24,458,953	5.6	1.7	9.8	10.2	--	--	--	6.5	May-22
<i>Russell 1000 Index</i>			4.9	12.0	26.5	9.0	15.5	11.8	10.7	
Excess Return			-3.2	-2.2	-16.3	--	--	--	-4.2	
Brown Fundamental Small Cap Value	12,835,326	2.9	9.7	12.9	17.5	--	--	--	6.7	Apr-21
<i>Russell 2000 Value Index</i>			12.4	15.3	14.6	7.9	10.0	6.8	1.4	
Excess Return			-2.7	-2.4	2.9	--	--	--	5.3	
Rice Hall James	15,327,009	3.5	12.6	13.4	14.1	-0.3	7.5	--	6.6	Aug-17
<i>Russell 2000 Growth Index</i>			12.0	12.7	18.7	-3.5	9.2	7.2	7.1	
Excess Return			0.6	0.7	-4.6	3.2	-1.7	--	-0.5	

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

## Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>International Equity</b>	<b>56,347,608</b>	<b>12.9</b>	<b>5.1</b>	<b>9.4</b>	<b>19.5</b>	<b>3.6</b>	<b>8.5</b>	<b>4.9</b>	<b>5.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.0	9.8	15.6	1.5	7.1	3.8	5.1	
Excess Return			0.1	-0.4	3.9	2.1	1.4	1.1	0.3	
Vanguard Developed Markets ETF	16,040,034	3.7	5.6	11.0	17.9	3.7	--	--	7.5	Sep-19
<i>FTSE Developed All Cap ex-U.S. Index</i>			5.7	10.9	18.3	3.9	8.7	4.8	7.8	
Excess Return			-0.1	0.1	-0.4	-0.2	--	--	-0.3	
SGA ACWI ex-U.S. Equity	40,307,575	9.2	4.9	8.8	20.5	3.5	--	--	4.4	Dec-19
<i>MSCI AC World ex USA (Net)</i>			5.0	9.8	15.6	1.5	7.1	3.8	4.8	
Excess Return			-0.1	-1.0	4.9	2.0	--	--	-0.4	
<b>Fixed Income</b>	<b>107,983,596</b>	<b>24.8</b>	<b>3.8</b>	<b>6.7</b>	<b>6.1</b>	<b>-2.8</b>	<b>1.5</b>	<b>2.2</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.6	
Excess Return			0.0	-0.1	-0.1	0.2	0.1	0.1	-0.1	
Ramirez	73,247,942	16.8	3.8	6.6	5.9	-2.8	1.4	--	1.7	Jan-17
<i>Blmbg. U.S. Aggregate Index</i>			3.8	6.8	5.5	-3.3	1.1	1.8	1.3	
Excess Return			0.0	-0.2	0.4	0.5	0.3	--	0.4	
Wellington Core Bond	6,993,592	1.6	4.0	7.3	7.1	--	--	--	-2.5	Apr-21
<i>Blmbg. U.S. Aggregate Index</i>			3.8	6.8	5.5	-3.3	1.1	1.8	-2.4	
Excess Return			0.2	0.5	1.6	--	--	--	-0.1	
Reams	27,742,062	6.4	3.9	7.0	6.5	-2.7	3.6	3.1	4.9	Feb-98
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.2	
Excess Return			0.1	0.2	0.3	0.3	2.2	1.0	0.7	

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

### Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Credit</b>	<b>9,697,822</b>	<b>2.2</b>	<b>2.5</b>	<b>3.9</b>	<b>12.7</b>	<b>4.1</b>	<b>4.8</b>	<b>--</b>	<b>4.9</b>	<b>Feb-15</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			3.7	7.2	13.4	2.0	5.4	4.6	4.8	
Excess Return			-1.2	-3.3	-0.7	2.1	-0.6	--	0.1	
Polen Capital	9,697,822	2.2	2.5	3.9	12.7	4.1	4.8	--	4.9	Feb-15
<i>ICE BofA High Yield Master II</i>			3.7	7.1	13.5	2.0	5.2	4.5	4.7	
Excess Return			-1.2	-3.2	-0.8	2.1	-0.4	--	0.2	
<b>Covered Calls</b>	<b>23,783,695</b>	<b>5.5</b>	<b>2.5</b>	<b>7.3</b>	<b>20.0</b>	<b>9.2</b>	<b>12.1</b>	<b>--</b>	<b>9.0</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			0.6	3.1	8.2	3.1	5.9	--	3.5	
Parametric BXM	11,662,453	2.7	1.7	5.0	15.8	7.5	8.9	--	7.1	Apr-14
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			-0.2	0.8	4.0	1.4	2.7	--	1.6	
Parametric DeltaShift	12,121,242	2.8	3.3	9.6	24.3	10.7	15.0	--	11.1	Apr-14
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			1.4	5.4	12.5	4.6	8.8	--	5.6	

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

### Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Crisis Risk Offset</b>	<b>39,450,916</b>	<b>9.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.8</b>	<b>-6.5</b>	<b>-6.9</b>	<b>--</b>	<b>-7.7</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			<i>2.5</i>	<i>2.3</i>	<i>2.6</i>	<i>5.0</i>	<i>0.5</i>	<i>--</i>	<i>0.1</i>	
Excess Return			-1.8	-2.0	-1.8	-11.5	-7.4	--	-7.8	
<b>Kepos Alternative Risk Premia</b>	<b>10,884,494</b>	<b>2.5</b>	<b>-2.9</b>	<b>-0.8</b>	<b>10.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.5</b>	<b>Feb-22</b>
<i>SG Multi Alternative Risk Premia Index</i>			<i>-1.4</i>	<i>-1.4</i>	<i>6.4</i>	<i>6.3</i>	<i>1.2</i>	<i>--</i>	<i>5.4</i>	
Excess Return			-1.5	0.6	4.2	--	--	--	-0.9	
<b>Versor Trend Following</b>	<b>14,879,873</b>	<b>3.4</b>	<b>-2.9</b>	<b>-8.0</b>	<b>-6.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.5</b>	<b>Apr-22</b>
<i>SG Trend Index</i>			<i>0.2</i>	<i>-4.6</i>	<i>-3.7</i>	<i>10.2</i>	<i>9.2</i>	<i>5.1</i>	<i>2.4</i>	
Excess Return			-3.1	-3.4	-3.2	--	--	--	-2.9	
<b>Vanguard Long-Term Treasury ETF</b>	<b>13,686,549</b>	<b>3.1</b>	<b>8.2</b>	<b>12.3</b>	<b>2.8</b>	<b>-11.6</b>	<b>--</b>	<b>--</b>	<b>-3.9</b>	<b>Jul-19</b>
<i>Blmbg. U.S. Gov Long Index</i>			<i>8.6</i>	<i>12.7</i>	<i>3.1</i>	<i>-11.3</i>	<i>-1.2</i>	<i>2.3</i>	<i>-3.6</i>	
Excess Return			-0.4	-0.4	-0.3	-0.3	--	--	-0.3	
<b>Cash</b>	<b>15,499,650</b>	<b>3.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>Mar-11</b>

Performance shown is net of fees. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see the Benchmark History for custom benchmark compositions. Versor Trend Following's market value is estimated using the manager return due to statement availability.

**Cash Flow Summary  
Month to Date**

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Northern Trust Russell 1000	84,103,691	-	4,149,143	88,252,834
EARNEST Partners	40,316,223	-1,000,000	2,984,632	42,300,855
Wellington Select Quality Equity	24,042,264	-	416,689	24,458,953
Brown Fundamental Small Cap Value	11,702,482	-	1,132,844	12,835,326
Rice Hall James	13,606,524	-	1,720,485	15,327,009
Vanguard Developed Markets ETF	15,390,395	-204,167	853,805	16,040,034
SGA ACWI ex-U.S. Equity	38,395,527	-	1,912,048	40,307,575
Ramirez	70,566,449	-	2,681,493	73,247,942
Wellington Core Bond	6,721,391	-	272,201	6,993,592
Reams	26,694,133	-	1,047,929	27,742,062
Polen Capital	9,458,960	-	238,863	9,697,822
Parametric BXM	11,463,983	-	198,471	11,662,453
Parametric DeltaShift	11,733,681	-	387,561	12,121,242
Kepos Alternative Risk Premia	11,214,542	-	-330,047	10,884,494
Versor Trend Following	15,316,391	-	-436,517	14,879,873
Vanguard Long-Term Treasury ETF	12,725,621	-58,772	1,019,700	13,686,549
Cash - Money Market	4,818,101	274,549	-	5,092,650
Cash - Treasury	10,290,773	116,227	-	10,407,000
Securities Lending Northern Trust	-	-13,661	13,661	-
<b>OPFRS Total Plan</b>	<b>418,561,130</b>	<b>-885,825</b>	<b>18,262,961</b>	<b>435,938,266</b>

Versor Trend Following's market value is estimated using the manager return due to statement availability.

Benchmark History		
From Date	To Date	Benchmark
<b>OPFRS Total Plan</b>		
06/01/2022	Present	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 31.0% Blmbg. U.S. Universal Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 5.0% CBOE S&P 500 Buy Write Index, 10.0% Crisis Risk Offset Benchmark
01/01/2019	06/01/2022	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 31.0% Blmbg. U.S. Universal Index, 5.0% CBOE S&P 500 Buy Write Index, 2.0% Blmbg. U.S. Treasury: Long, 10.0% Crisis Risk Offset Benchmark
05/01/2016	01/01/2019	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 20.0% CBOE BXM
10/01/2015	05/01/2016	43.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 15.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
01/01/2014	10/01/2015	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 10.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
03/01/2013	01/01/2014	40.0% Russell 3000 Index, 10.0% MSCI AC World ex USA index, 17.0% Blmbg. U.S. Universal Index, 33.0% ICE BofA 3 Month U.S. T-Bill
08/01/2012	03/01/2013	20.0% Russell 3000 Index, 7.0% MSCI AC World ex USA index, 18.0% Blmbg. U.S. Universal Index, 55.0% ICE BofA 3 Month U.S. T-Bill
10/01/2007	08/01/2012	53.0% Russell 3000 Index, 17.0% MSCI AC World ex USA index, 30.0% Blmbg. U.S. Universal Index
04/01/2006	10/01/2007	35.0% Russell 3000 Index, 15.0% MSCI AC World ex USA index, 50.0% Blmbg. U.S. Universal Index
01/01/2005	04/01/2006	35.0% Russell 3000 Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index
04/01/1998	01/01/2005	20.0% Russell 1000 Value Index, 10.0% Russell 1000 Index, 5.0% Russell Midcap Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
09/01/1988	04/01/1998	40.0% S&P 500 Index, 55.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill

**Benchmark History**

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

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

## Oakland Police & Fire Retirement System Pension Plan

January 2023

Asset Liability Study – Part III

#### Agenda

- Recap objectives of this study from the prior meeting
- Review pros and cons of sample portfolios Meketa has drafted for Board consideration
- Discuss implementation considerations, short-term and longer term

## **Sample Objectives and Asset Allocations**

### Sample Objectives

→ The following policy would achieve the following objectives:

1. Lower the funded status volatility to create a predictable funded status and required contribution.
2. Portfolio diversification that is expected to return more than the liability growth.

→ To accomplish these objectives, we focus on assets classes that:

1. Produce income (instead of appreciation) at the pace necessary to fulfil annual cash outflow (benefit payments, expenses) until all outflow is paid out (est. 50 years).
2. Have the same duration as the liability (~ 7 years) to hedge any movements in interest rates and credit spreads.

Sample Policies

- This study is produced assuming the System is 100% funded.
- Implementation towards desired asset allocation can occur in tranches or immediately assuming the “receivable contribution” is built into the asset allocation.

Asset Group	Current Policy (CP)	Long-term Growth (LTG)	Reduce Volatility (RV)	EROA Match	100% LDI
<b>Return-Seeking Assets</b>					
US Equity	40%	30%	18%	0%	0%
Developed Market Equity (non-US)	12%	15%	5%	0%	0%
Buy Write (Covered Calls)	5%	0%	0%	0%	0%
<b>Crisis Risk Offset</b>					
CTA (Trend Following)	6.7%	6.7%	3%	0%	0%
Alternative Risk Premia (ARP)	6.7%	6.7%	3%	0%	0%
Long-term Government Bonds	6.6%	6.6%	3%	3%	6%
<b>Liability Driven Investments</b>					
Core/Core Plus Fixed Income*	23%	35%	68%	97%	83%
Intermediate Government Bonds	0%	0%	0%	0%	0%
Long-term Corporate Bonds	0%	0%	0%	0%	11%
10-year Geometric Return**	7.1%	7.4%	6.3%	5.1%	4.4%
Return Volatility (St. Dev.)	10.2%	10.0%	6.6%	4.1%	4.5%
Sharpe Ratio	0.39	0.43	0.49	0.49	0.3

\* Includes domestic investment grade and below investment grade bonds

\*\* Based on Meketa’s 2023 10-year Capital Market Assumptions, updated for changes in interest rates through 12/31/2023

\*\*\* Asset allocation that minimizes funded status volatility but does not decrease the expected return below the current 5.08% actuarial assumption.

#### Asset Risk – Distribution Example

→ Below is a graph of the expected return volatility of each sample portfolio.

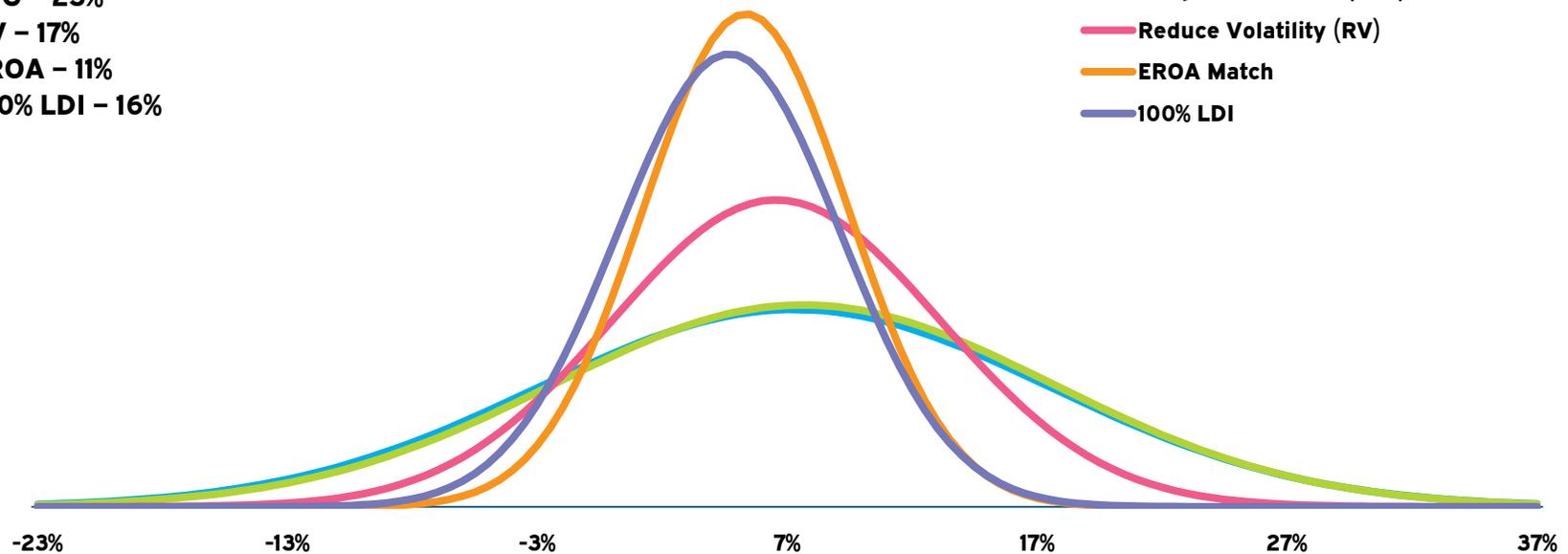
→ “Long-term Growth” portfolio has the highest expected return, but lowest predictability. The LDI portfolio has lowest expected return, but highest predictability

#### Portfolio Return Distribution (%)

##### Probability of Negative Annual Return:

- CP – 25%
- LTG – 23%
- RV – 17%
- EROA – 11%
- 100% LDI – 16%

- Current Policy (CP)
- Long-term Growth (LTG)
- Reduce Volatility (RV)
- EROA Match
- 100% LDI



### Asset Risk – Distribution Example (continued)

→ Below is a graph of the expected funded status volatility of each sample portfolio.

→ The LDI portfolio has the highest annual funded status certainty. The other sample portfolios have progressively less annual certainty.

→ 1% of funded status is ~\$5M as of June 2023.

### Funded Status Distribution (%)

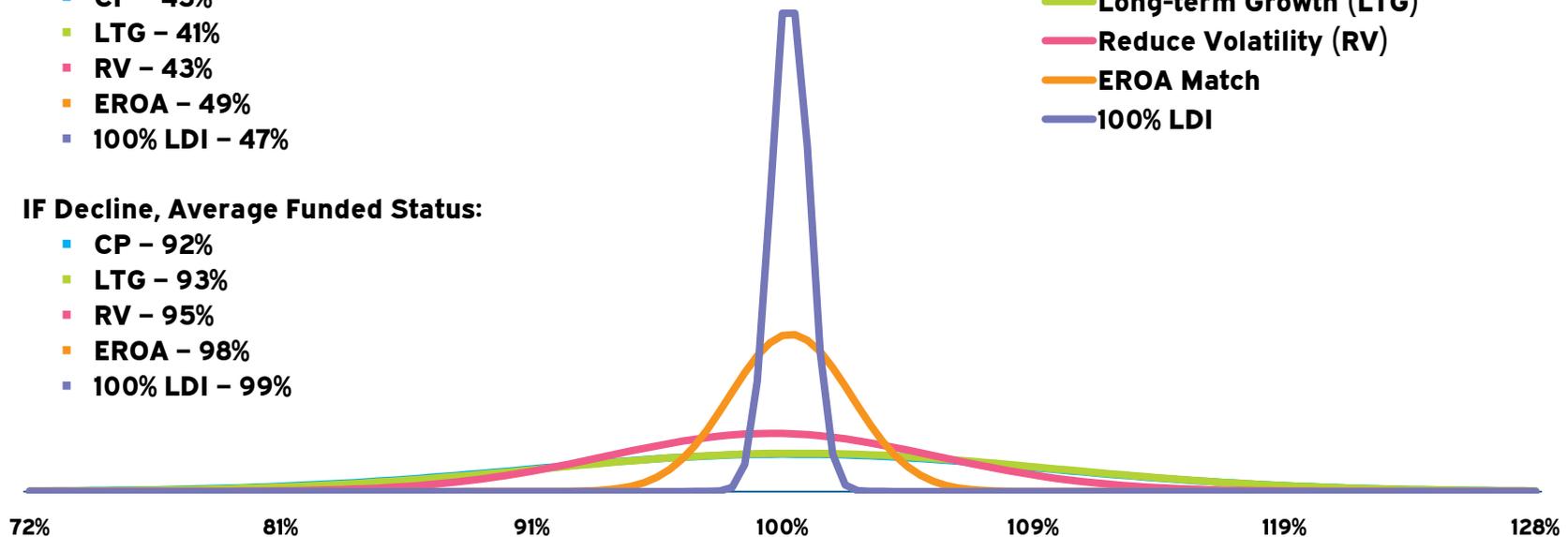
**Probability of Funded Status Decline:**

- CP – 43%
- LTG – 41%
- RV – 43%
- EROA – 49%
- 100% LDI – 47%

**IF Decline, Average Funded Status:**

- CP – 92%
- LTG – 93%
- RV – 95%
- EROA – 98%
- 100% LDI – 99%

- Current Policy (CP)
- Long-term Growth (LTG)
- Reduce Volatility (RV)
- EROA Match
- 100% LDI



### Recap and Notes

- Better aligning liability cash flow with asset cash flow is anticipated to result in a higher allocation to fixed income assets.
- LDI portfolios trade off long-term expected returns for short-term funded status volatility declines.
- Going to a full LDI strategy (sample “100% LDI”) would be expected to increase the contribution requirements (~\$30M) due to a decrease in the expected return on assets assumption from 5.1% to 4.4%.

## **Appendix: Assumptions**

### Assumptions and Methods

- Capital Market Assumptions: Meketa 10-year assumptions
- Assets: Market value of assets as of September 30, 2023.
- Liabilities: Liabilities as of September 30, 2023 were estimated using the 7/1/2022 projected benefit payments supplied by Cheiron. All other assumptions, methods and plan provisions are documented in the valuation report provided by Cheiron as of 7/1/2022.
- Risk calculations: Risk calculations exclude the impact of contributions. It is assumed that the System will contribute the necessary cash to achieve a 100% funded status as of 6/30/2026.

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## MEMORANDUM

**FTO:** Oakland Police and Fire Retirement System (OPFR)  
**FROM:** Meketa Investment Group (Meketa)  
**DATE:** January 31, 2024  
**RE:** 2024 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 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.

### 2024 Preliminary Investment Project Agenda

Expected Completion Date	Task
February 2024	Flash Performance (2024 Jan) Quarterly Performance Report (2023 Q4) Annual Diversity Survey Results Manager Update: <b>Rice Hall James</b> Contract Renewal: Rice Hall James
March 2024	Flash Performance (2024 Feb) Cash Flow Report (2024 Q2) Informational: <b>2024 Meketa Capital Market Assumptions</b> Manager Update: <b>Reams</b>
April 2024	Flash Performance (2024 Mar) Manager Update: <b>Polen</b>
May 2024	Flash Performance (2024 Apr) Quarterly Performance Report (2024 Q1) Manager Update: <b>Wellington Core Bonds</b>
June 2024	Flash Performance (2024 May) Cash Flow Report (2024 Q3) Manager Update: <b>Brown Advisory</b>
July 2024	Flash Performance (2024 Jun) Manager Update: <b>Kepos</b>



Expected Completion Date	Task
August 2024	Flash Performance (2024 Jul) Quarterly Performance Report (2023 Q2) Manager Update: <b>Strategic Global Advisors (SGA)</b> Contract Renewal: Strategic Global Advisors (SGA)
September 2024	Flash Performance (2024 Aug) Cash Flow Report (2024 Q4) Manager Update: <b>Parametric</b> Contract Renewal: Parametric
October 2024	Flash Performance (2024 Sep) Thermal Coal List Update: 2024 Manager Update: <b>Ramirez</b> Contract Renewal: Ramirez
November 2024	Flash Performance (2024 Oct) Informational Item: TBD
December 2024	Flash Performance (2024 Nov) Quarterly Performance Report (2024 Q3) Cash Flow Report (2025 Q1) Manager Update: <b>Versor</b>

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

DS/PN/JLC/mn

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

Meetings are held in wheelchair accessible facilities.

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

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



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

# AGENDA

## RETIREMENT BOARD MEMBERS

**Walter L. Johnson, Sr.**  
President

**Jaime T. Godfrey**  
Vice President

**Martin J. Melia**  
Member

**Robert W. Nichelini**  
Member

**John C. Speakman**  
Member

**R. Steven Wilkinson**  
Member

**Erin Roseman**  
Member

## MEETING of the BOARD OF ADMINISTRATION of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”)

**WEDNESDAY, JANUARY 31, 2024**

**11:30 AM**

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

### **OBSERVE**

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

### **PUBLIC COMMENTS**

There are two ways to submit public comments.

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

If you have any questions, please email Maxine Visaya, Administrative Assistant II at [mvisaya@oaklandca.gov](mailto:mvisaya@oaklandca.gov)

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## ORDER OF BUSINESS

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A. **Subject:** POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) BOARD OF ADMINISTRATION MEETING MINUTES  
**From:** Staff of the PFRS Board  
**Recommendation:** **APPROVE** the December 06, 2023 PFRS Board of Administration Meeting Minutes

**B. AUDIT & OPERATIONS COMMITTEE AGENDA – JANUARY 31, 2024**

B1. **Subject:** ADMINISTRATIVE EXPENSES REPORT  
**From:** Staff of the PFRS Board  
**Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of November 30, 2023

B2. **Subject:** RESOLUTION NO. 8089  
**From:** Staff of the PFRS Board  
**Recommendation:** **APPROVE** Resolution No. 8089 authorizing request of Oakland Police and Fire Retirement System Board Member R. Steven Wilkinson to travel and attend the California Association of Public Retirement Systems (CALAPERS) 2024 General Assembly conference from March 2, 2024 through March 5, 2024 in Rancho Mirage, CA and authorizing reimbursement of registration fees and travel-related expenses in an amount not to exceed two-thousand seven hundred fifty dollars (\$2,750.00)

**C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – JANUARY 31, 2024**

C1. **Subject:** INVESTMENT MANAGER PERFORMANCE UPDATE: EARNEST PARTNERS, LLC  
**From:** Earnest Partners, LLC  
**Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; local brokerage usage; and investment strategy and portfolio performance of PFRS’ Domestic Equity Mid-Cap Core Investment Strategy Manager Earnest Partners, LLC

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION MEETING  
JANUARY 31, 2024

- C2. **Subject:** INVESTMENT MANAGER PERFORMANCE REVIEW:  
EARNEST PARTNERS, LLC  
**From:** Meketa Investment Group  
**Recommendation:** ACCEPT Meketa Investment Group's review and evaluation regarding a firm overview and managerial assessment; peer ranking; and investment portfolio performance of PFRS' Domestic Equity Mid-Cap Core Investment Strategy Manager Earnest Partners, LLC
- C3. **Subject:** RESOLUTION NO. 8090  
RESOLUTION AUTHORIZING A ONE-YEAR EXTENSION OF PROFESSIONAL SERVICES AGREEMENT WITH EARNEST PARTNERS, LLC FOR THE PROVISION OF DOMESTIC EQUITY MID-CAP CORE INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
**From:** Staff of the PFRS Board  
**Recommendation:** APPROVE Resolution No. 8090 authorizing the execution of a one-year extension of professional services agreement with Earnest Partners, LLC for the provision of Domestic Equity Mid-Cap Core Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System
- C4. **Subject:** ECONOMIC AND INVESTMENT MARKET OVERVIEW  
AS OF DECEMBER 31, 2023  
**From:** Meketa Investment Group  
**Recommendation:** ACCEPT informational report regarding the Global Investment Markets as of December 31, 2023
- C5. **Subject:** PRELIMINARY INVESTMENT FUND PERFORMANCE UPDATE  
AS OF DECEMBER 31, 2023  
**From:** Meketa Investment Group  
**Recommendation:** ACCEPT informational report regarding the Preliminary Investment Fund Performance Update as of December 31, 2023
- C6. **Subject:** ASSET-LIABILITY STUDY OF THE PFRS FUND  
**From:** Meketa Investment Group  
**Recommendation:** RECEIVE informational report and APPROVE Meketa Investment Group's recommended course of action moving forward

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM  
 BOARD OF ADMINISTRATION MEETING  
 JANUARY 31, 2024**

**D. Subject: MEMBER RESOLUTIONS NOS. 8091 – 8092**  
**From: Staff of the PFRS Board**  


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**Recommendation: APPROVE** Member Resolution Nos. 8091 – 8092

<b>D1. RESOLUTION NO. 8091</b>	Resolution fixing the monthly allowance of the surviving spouse of the following retired members of the Oakland Police and Fire Retirement System in the amount indicated:  <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Deceased Member</u></th> <th style="text-align: left;"><u>Surviving Spouse</u></th> <th style="text-align: left;"><u>Monthly Allowance</u></th> </tr> </thead> <tbody> <tr> <td>▪ Robert L. Dutton</td> <td>Suzzane B. Dutton</td> <td>\$4,436.71</td> </tr> </tbody> </table>	<u>Deceased Member</u>	<u>Surviving Spouse</u>	<u>Monthly Allowance</u>	▪ Robert L. Dutton	Suzzane B. Dutton	\$4,436.71
<u>Deceased Member</u>	<u>Surviving Spouse</u>	<u>Monthly Allowance</u>					
▪ Robert L. Dutton	Suzzane B. Dutton	\$4,436.71					

<b>D2. RESOLUTION NO. 8092</b>	Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased members of the Oakland Police and Fire Retirement System:  <ul style="list-style-type: none"> <li>▪ George M. Drennon</li> <li>▪ James E. Parr</li> </ul>
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- E. PENDING ITEMS**
- F. NEW BUSINESS**
- G. OPEN FORUM**
- H. FUTURE SCHEDULING**
- I. ADJOURNMENT**

**A MEETING OF THE OAKLAND POLICE AND FIRE RETIREMENT SYSTEM (“PFRS”) BOARD OF ADMINISTRATION** was held on Wednesday, December 06, 2023, at One Frank H. Ogawa Plaza, Hearing Room 2, Oakland, CA.

Board Members:

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

Additional Attendees:

- David F. Jones PFRS Secretary & Plan Administrator (Excused)
- Téir Jenkins PFRS Investment & Operations Manager
- Maxine Visaya PFRS Staff Member
- Jessica Lloyd PFRS Staff Member
- Selia Warren PFRS Legal Counsel
- Graham Schmidt Cheiron, Inc.
- Anne Harper Cheiron, Inc.
- David Sancewich Meketa Investment Group
- Jonathan Camp Meketa Investment Group

The meeting was called to order at 11:34 a.m. Pacific  
Investment & Operations Manager Jenkins introduced new PFRS Staff Member Jessica Lloyd

**A. APPROVAL OF THE PFRS BOARD OF ADMINISTRATION MEETING MINUTES**

Member Nichelini made a motion to approve the October 25, 2023 PFRS Board of Administration Meeting Minutes, second by Member Melia. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**B. 2023 PRELIMINARY ACTUARIAL VALUATION AS OF JULY 1, 2023 AND EXPERIENCE STUDY / ASSUMPTION REVIEW**

Anne Harper and Graham Schmidt of Cheiron, Inc. presented an informational report regarding key findings of the preliminary valuation under the current actuarial assumptions (as of July 1, 2022) and the Experience Study/Assumption Review and made a recommendation to update PFRS current assumptions to align with CalPERS base mortality tables and the Society of Actuaries mortality improvement scales published in 2021.

**MOTION:** Member Nichelini made a motion to accept the informational report regarding the 2023 Preliminary Actuarial Valuation as of July 1, 2023, second by Member Melia. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**C. AUDIT AND OPERATIONS COMMITTEE AGENDA – DECEMBER 06, 2023**

- c1. REPORT OF THE AUDIT OF PFRS FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2023**  
Member Speakman made a motion to accept the Audit Report of PFRS Financial Statements for fiscal year ended June 30, 2023.

**MOTION:** Member Melia made a motion to accept the Audit Report of PFRS Financial Statements for fiscal year ended June 30, 2023, second by Vice President Godfrey. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**c2. ADMINISTRATIVE EXPENSES REPORT**

Investment & Operations Manager Jenkins presented an informational report on PFRS' administrative expenditures as of October 31, 2023. PFRS has an approved annual budget of \$3.8 million and have expensed approximately \$560,000 to date for fiscal year 2023/2024. Membership consisted of 646 retired members and beneficiaries, which included 403 Police Members and 243 Fire Members.

**MOTION:** Member Nichelini made a motion to accept the informational report regarding PFRS' Administrative Expenses Report, second by Member Speakman. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – DECEMBER 06, 2023**

- D1. INVESTMENT MANAGER PERFORMANCE UPDATE: RAMIREZ ASSET MANAGEMENT, INC.**  
Vice President Godfrey presented a brief overview of the presentation provided by Ramirez Asset Management, Inc. (Ramirez), PFRS' Core Fixed Income Investment Strategy Investment Manager and noted the firm's recent acquisition of Thomas White International (TWI) and launch of the Ramirez Core Bond Fund and the Ramirez Government Money Market Fund and recognized they have performed well since inception and expressed confidence they will be able to continue to deliver the same level of service moving forward.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Ramirez, second by Member Melia. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D2. INVESTMENT MANAGER PERFORMANCE REVIEW: RAMIREZ ASSET MANAGEMENT, INC.**

David Sancewich of Meketa Investment Group (“Meketa”) presented an informational memo regarding a firm overview and managerial assessment; peer ranking; and investment portfolio performance of Ramirez, PFRS’ Core Fixed Income Investment Strategy Manager. D. Sancewich advised Ramirez has performed well relative to the benchmark and have been able to manage their organizational growth. Meketa will closely monitor the firm’s ability to maintain focus and current levels of service moving forward.

**MOTION:** Member Nichelini made a motion to accept Meketa’s evaluation of Ramirez, second by Member Speakman. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D3. RESOLUTION NO. 8086**

A Resolution authorizing the execution of a third amendment to renew the professional services agreement with Ramirez Asset Management, Inc. for the provision of Core Fixed Income Investment Strategy Manager Services for the Oakland Police and Fire Retirement System

**MOTION:** Vice President Godfrey made a motion to approve Resolution No. 8086, second by Member Nichelini. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D4. ECONOMIC AND INVESTMENT MARKET OVERVIEW AS OF OCTOBER 31, 2023**

David Sancewich of Meketa presented an informational report regarding the Economic and Investment Market Overview as of October 31, 2023 and highlighted Index Returns; US Consumer Under Stress; and current factors impacting outcomes.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Economic and Investment Market Overview as of October 31, 2023, second by Member Speakman. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**D5. PRELIMINARY INVESTMENT FUND PERFORMANCE UPDATE AS OF OCTOBER 31, 2023**

David Sancewich of Meketa presented the Preliminary Investment Fund Performance Update as of October 31, 2023 and highlighted the Asset Class Performance Summary.

**MOTION:** Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Preliminary Investment Fund Performance Update as of October 31, 2023, second by Member Nichelini. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

D6. **PFRS INVESTMENT FUND QUARTERLY PERFORMANCE UPDATE AS OF SEPTEMBER 30, 2023**  
David Sancewich of Meketa presented the PFRS Investment Fund Quarterly Performance Update as of September 30, 2023 and highlighted the Total Portfolio Review and Asset Class Performance Summary.

**MOTION:** Vice President Godfrey made a motion to accept the PFRS Investment Fund Quarterly Performance Update as of September 30, 2023 provided by Meketa, second by Member Nichelini. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

D7. **\$13.2 MILLION DRAWDOWN FOR MEMBER RETIREMENT ALLOWANCES  
QUARTER ENDING MARCH 31, 2024 (FISCAL YEAR 2023/2024)**

Vice President Godfrey provided a summary of Meketa's informational report and recommendation regarding a \$13.2 million drawdown, which included a \$10.2 Million contribution from the City of Oakland and a \$3.0 Million contribution from the PFRS Investment Fund, to be used to pay Member Retirement Allowances from January 1, 2024, through March 31, 2024.

**MOTION:** Vice President Godfrey made a motion to approve Meketa's recommendation regarding a \$13.2 million drawdown, which included a \$10.2 Million contribution from the City of Oakland and a \$3.0 Million contribution from the PFRS Investment Fund, second by Member Nichelini. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

D8. **ASSET-LIABILITY STUDY OF THE PFRS FUND (2023)**

Jonathan Camp of Meketa presented an informational report regarding the 2023 Asset-Liability Study of the PFRS Fund. J. Camp discussed liability driven investing concepts; current overview of the pension plan's key metrics; and asset liability and funded status growth expectations and volatility.

**MOTION:** Member Speakman made a motion to accept Meketa's informational report regarding the 2023 Asset-Liability Study of the PFRS Fund, second by Vice President Godfrey. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

E. **MEMBER RESOLUTIONS NOS. 8087 – 8088**

E1. **RESOLUTION NO. 8087**

Resolution fixing the monthly allowance of surviving spouse of the following retired member of the Oakland Police and Fire Retirement System in the amount indicated:

<u>Deceased Member</u>	<u>Surviving Spouse</u>	<u>Monthly Allowance</u>
▪ Garrett J. Kunath	Lynne Kunath	\$4,443.33
▪ Thomas C. O'Brien Jr.	Dolores O'Brien	\$5,161.35

**MOTION:** Member Nichelini made a motion to approve Resolution No. 8087, second by Member Speakman. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**E2. RESOLUTION NO. 8088**

Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased member of the Oakland Police and Fire Retirement System:

- Richard J. Mahanay
- Wayne E. Schuette

**MOTION:** Member Nichelini made a motion to approve Resolution No. 8088, second by Member Speakman. Motion Passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

**F. PENDING ITEMS** – PFRS Legal Counsel Warren provided an update regarding the December 04, 2023 2026 Ad Hoc Committee Meeting and noted the following matters were discussed: 1) Property Tax Override and 2) 2026 Actuarial Funding Date: They recognized the importance of the forthcoming reports from Meketa and Cheiron, as well as the official position from the City regarding the viability of extending the PTO beyond 2026, which is also pending. 3) Possible Charter amendment to open the composition of the Board to member beneficiaries: They recognized there isn't much difference between the ages of members and their beneficiaries and therefore the matter will require a more critical analysis of potential Charter amendment options that extend beyond beneficiaries. The Ad Hoc Committee acknowledged it did not come to a resolution regarding these matters in order to come forward with a recommendation to the Board and will continue to meet.

**G. NEW BUSINESS** – President Johnson directed this item to stay in Investment Committee to be vetted before it comes before the Board.

**H. OPEN FORUM** – No Speaker Cards were submitted

**I. FUTURE SCHEDULING**

The next Regular Board Meeting will be held in-person and is tentatively scheduled to occur January 31, 2024 at One Frank Ogawa Plaza, Oakland, CA.

**J. ADJOURNMENT**

Member Melia made a motion to adjourn, second by Member Speakman. Motion passed.

[JOHNSON: Y / GODFREY: Y / MELIA: Y / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]  
(AYES: 6 / NOES: 0 / ABSENT: 0 / ABSTAIN: 0 / EXCUSED: 1)

The meeting adjourned at 1:05 p.m.

---

DAVID F. JONES  
PLAN ADMINISTRATOR & SECRETARY

---

DATE

**Table 1**

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**Administrative Budget Spent to Date (Preliminary)**

As of November 30, 2023

	Approved Budget		November 2023		FYTD		Remaining		Percent Remaining	
<b>Internal Administrative Costs</b>										
PFRS Staff Salaries	\$	1,459,000	\$	105,289	\$	509,031	\$	949,969		65.1%
Board Travel Expenditures		52,500		392		2,197		50,303		95.8%
Staff Training		20,000		-		-		20,000		100.0%
Staff Training - Tuition Reimbursement		7,500		-		-		7,500		100.0%
Board Hospitality		3,600		174		1,804		1,796		49.9%
Payroll Processing Fees		40,000		-		-		40,000		100.0%
Miscellaneous Expenditures		45,000		3,073		6,938		38,062		84.6%
Internal Service Fees (ISF)		88,000		41,500		41,500		46,500		52.8%
Contract Services Contingency		50,000		500		500		49,500		99.0%
<b>Internal Administrative Costs Subtotal :</b>	<b>\$</b>	<b>1,765,600</b>	<b>\$</b>	<b>150,928</b>	<b>\$</b>	<b>561,970</b>	<b>\$</b>	<b>1,203,630</b>		<b>68.2%</b>
<b>Actuary and Accounting Services</b>										
Audit	\$	52,800	\$	-	\$	18,941	\$	33,859		64.1%
Actuary		49,400		-		-		49,400		100.0%
<b>Actuary and Accounting Subtotal:</b>	<b>\$</b>	<b>102,200</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>18,941</b>	<b>\$</b>	<b>83,259</b>		<b>81.5%</b>
<b>Legal Services</b>										
City Attorney Salaries	\$	212,100	\$	-	\$	-	\$	212,100		100.0%
Legal Contingency		150,000		-		-		150,000		100.0%
<b>Legal Services Subtotal:</b>	<b>\$</b>	<b>362,100</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>362,100</b>		<b>100.0%</b>
<b>Investment Services</b>										
Money Manager Fees	\$	1,353,000	\$	137,521	\$	255,936	\$	1,097,064		81.1%
Custodial Fee		124,500		-		-		124,500		100.0%
Investment Consultant		100,000		-		25,000		75,000		75.0%
<b>Investment Subtotal:</b>	<b>\$</b>	<b>1,577,500</b>	<b>\$</b>	<b>137,521</b>	<b>\$</b>	<b>280,936</b>	<b>\$</b>	<b>1,296,564</b>		<b>82.2%</b>
<b>Total Operating Budget</b>	<b>\$</b>	<b>3,807,400</b>	<b>\$</b>	<b>288,449</b>	<b>\$</b>	<b>861,847</b>	<b>\$</b>	<b>2,945,553</b>		<b>77.36%</b>

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of November 30, 2023

	November 2023	
<b>Beginning Cash as of 11/1/2023</b>	\$	10,442,496
<b>Additions:</b>		
City Pension Contribution - November	\$	3,396,917
Investment Draw	\$	1,000,000
Misc. Receipts		800
<b>Total Additions:</b>	\$	4,397,717
<b>Deductions:</b>		
Pension Payment (October Pension Paid on 11/1/2023)		(4,217,599)
Expenditures Paid		(346,682)
<b>Total Deductions</b>	\$	(4,564,281)
 <b>Ending Cash Balance as of 11/30/2023*</b>	 \$	 10,275,932

\* On 12/1/2023, November pension payment of appx \$4,197,000 will be made leaving a cash balance of \$6,079,000.

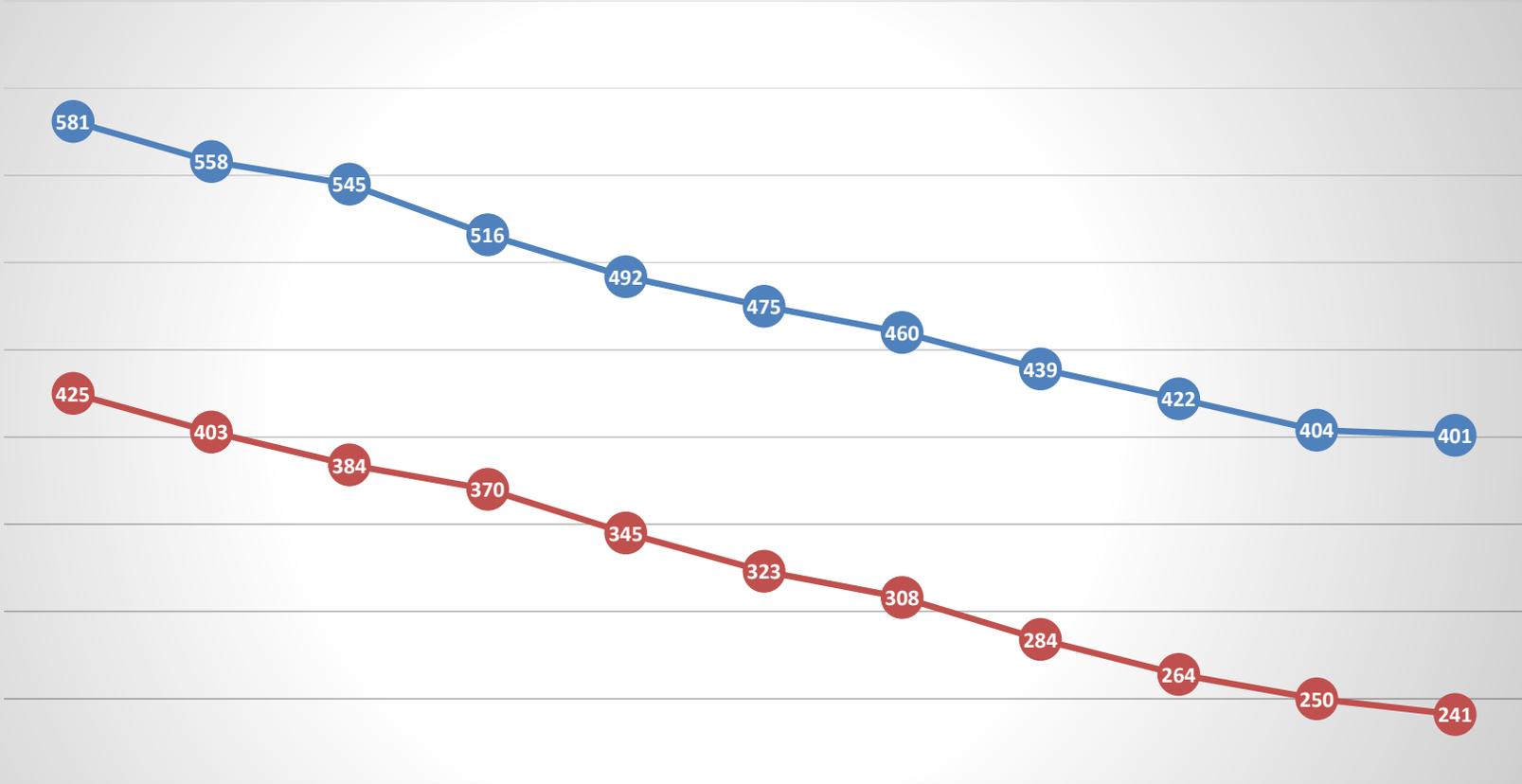
**Table 3**  
**CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

Census  
As of November 30, 2023

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Retiree	273	153	426
Beneficiary	128	88	216
<b><i>Total Retired Members</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>

COMPOSITION	POLICE	FIRE	TOTAL
<b>Retired Member:</b>			
Service Retirement	268	113	381
Disability Retirement	124	117	241
Death Allowance	9	11	20
<b><i>Total Retired Members:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership as of November 30, 2023:</i></b>	<b>401</b>	<b>241</b>	<b>642</b>
<b><i>Total Membership as of June 30, 2023:</i></b>	<b>404</b>	<b>250</b>	<b>654</b>
<b><i>Annual Difference:</i></b>	<b>-3</b>	<b>-9</b>	<b>-12</b>

# Oakland Police and Fire Retirement System Pension Plan Membership Count As of November 30, 2023 (FY 2014 - FY 2024)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 FYTD
Police	581	558	545	516	492	475	460	439	422	404	401
Fire	425	403	384	370	345	323	308	284	264	250	241
Total	1006	961	929	886	837	798	768	723	686	654	642



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System Board (PFRS)      **FROM:** David F. Jones  
Plan Administrator & Secretary

**SUBJECT:** Authorization and Reimbursement of Board Member Wilkinson's Travel/Education Expenses      **DATE:** January 31, 2024

**R. Steven Wilkinson**, Board Member of the **Oakland Police and Fire Retirement System** Board, requests authorization for reimbursement of travel and/or board education related funds for the event detailed below. Staff has verified that budgeted funds are available for this Board Member to be reimbursed.

Staff recommends the reimbursement of travel/education funds for the event below be approved by board motion.

Travel/Education Event: CALAPRS 2024 General Assembly

Event Location: Omni Rancho Los Palmas in Ranch Mirage, CA

Event Date: March 2, 2024 - March 5, 2024

Estimated Event Expense: \$1,725.00

Notes: \_\_\_\_\_

\* If enrollment, registration or admission expenses are required, the fund will process a check in advance and pay vendor directly; all other board-approved reimbursements will be made upon delivery of receipts to staff by the travelling party. Cancellation of event attendance requires return of all reimbursed funds paid to attendee to the fund.

Respectfully submitted,

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

For questions, please contact Maxine Visaya, Administrative Assistant II, at 510.238.7295

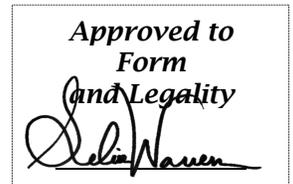
Attachments:  
(1) Resolution 8089  
(2) Conference Agenda

Agenda Item B2  
PFRS Board of Administration Meeting  
January 31, 2024

# **ATTACHMENT 1**

***RESOLUTION NO.  
8089***

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA  
RESOLUTION No. 8089



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION APPROVING REQUEST OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM BOARD MEMBER R. STEVEN WILKINSON TO TRAVEL AND ATTEND THE 2024 CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS GENERAL ASSEMBLY (CALAPRS 2024 GENERAL ASSEMBLY) FROM MARCH 2, 2024 THROUGH MARCH 5, 2024 IN RANCHO MIRAGE, CALIFORNIA AND FOR REIMBURSEMENT OF REGISTRATION FEES AND TRAVEL-RELATED EXPENSES IN AN AMOUNT NOT TO EXCEED TWO THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$2750.00)**

**WHEREAS**, the Oakland Police and Fire Retirement System (PFRS) Education and Travel Policy (“Travel Policy”) requires that PFRS Board members and staff obtain prior Board approval of all education and travel-related expenses that will be reimburse by PFRS; and;

**WHEREAS**, PFRS Board Member Wilkinson would like to attend the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly (“the Conference”) in Rancho Mirage, CA from March 2, 2024 through March 5, 2024; and

**WHEREAS**, in compliance with Section IV(13)(c) of the Travel Policy, Member Wilkinson has submitted documentation showing the registration fees and estimated travel-related expenses to attend the Conference will be approximately Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00); and, therefore be it

**RESOLVED:** That PFRS Board Member R. Steven Wilkinson’s request to attend the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly in in Rancho Mirage, CA from March 2, 2024 through March 5, 2024 at an estimated cost of Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00) is approved; and be it

**FURTHER RESOLVED:** That the PFRS Board authorizes reimbursement of the registration fees and travel-related expensed in an amount not to exceed Two-Thousand Seven Hundred Fifty Dollars (\$2,750.00) for Member Wilkinson’s attendance at the 2024 California Association of Public Retirement Systems (CALAPRS) General Assembly Conference.

IN BOARD MEETING, CITY HALL, OAKLAND, CA \_\_\_\_\_ JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

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

NOES:

ABSTAIN: WILKINSON

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

# **ATTACHMENT 2**

## ***Conference Agenda***

***CALAPRS***

***2024***

***General Assembly***

# Forward Focus: Resilience Strategies for Public Pensions



## GENERAL ASSEMBLY March 2 – 5, 2024

The California Association of Public Retirement Systems (CALAPRS) invites you to attend the annual General Assembly, March 2 – March 5, 2024 at the Omni Rancho Las Palmas in Rancho Mirage, CA! The General Assembly is an educational conference for retirement system trustees, senior staff, and our annual sponsors. Attendees will learn from experts and peers, while getting the opportunity to network with colleagues.

### REGISTRATION

Register online at [www.calaprs.org/events](http://www.calaprs.org/events)

- Retirement System Fee: \$250/person
- Sponsor Fee: \$2,500 annual sponsorship includes registration for 2 representatives at no additional cost.

### LODGING

CALAPRS has arranged for a discounted room rate at the meeting hotel, the Omni Rancho Las Palmas, 41000 Bob Hope Drive, Rancho Mirage, CA for the duration of the meeting. The room rate is \$245/night, plus taxes and fees. The \$38/night per room resort fee is waived for those who book a room within the CALAPRS room block.

- Book Online: [https://bit.ly/CALAPRS\\_GA2024](https://bit.ly/CALAPRS_GA2024)
- By Phone: 1-800-THE-OMNI (1-800-843-6664); use group code 030324calaprs2024gen

Cut-off Date: The room rate is available until **February 9, 2024** or until the block is sold out, whichever comes first.

### HEALTH & SAFETY

CALAPRS is dedicated to providing a safe event experience for all participants involved including attendees, sponsors, staff, and guests. CALAPRS will conduct the General Assembly as advised by government (local, state, and national) regulations, CDC recommendations, and venue requirements at the time of the event. Read the fully in-person event policy here: [www.calaprs.org/page/eventpolicy](http://www.calaprs.org/page/eventpolicy)

[register@calaprs.org](mailto:register@calaprs.org) | [www.calaprs.org](http://www.calaprs.org)

# General Assembly Program

SATURDAY,  
MARCH 2

4:00 – 6:00 PM | Registration Open

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SUNDAY,  
MARCH 3

9:30 AM – 5:00 PM | Registration

**10:00 AM – Noon | AB1234 Ethics for Trustees**

Presenter: Ashley Dunning, Partner & Co-chair Pension, Benefits & Investments Group, Nossaman LLP

**2:00 – 2:15 PM | Opening Remarks**

**2:15 – 3:15 PM | Approaching the (Employer Contribution) Cliff – A Case Study with SamCERA**

Presenters: Scott Hood, CEO, San Mateo County Employees' Retirement Association; Joe Abdou, CFA, Consultant, Verus Investments; and Nick Collier, ASA, EA, MAAA, FCA, Principal, Consulting Actuary, Milliman

3:15 – 3:30 PM | Networking Break

**3:30 – 4:30 PM | AI Today and the Investment Opportunities Ahead**

Presenter: Mark Casey, Portfolio Manager, Capital Group

7:00 – 9:30 PM | Strolling Dinner at the Omni Rancho Last Palmas

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MONDAY,  
MARCH 4

7:00 AM – 4:00 PM | Registration

7:15 – 8:15 AM | Breakfast

**8:15 – 8:30 AM | Opening Remarks**

**8:30 – 9:30 AM | A Conversation with Frances Donald, Chief Global Economist & Strategist, Manulife**

Moderator: Thomas Kim, Senior Investment Officer, San Bernardino County Employees' Retirement Association

9:30 – 10:00 AM | Networking Break

**10:00 – 11:00 AM | Envisioning an AI Future for Public Pensions**

Presenters: Joel Levinson, Vice-President, Member and Employer Experience, BC Pension Corporation and Steve Delaney, CEO, Orange County Employees' Retirement System

**11:00 AM – 12:00 PM | Geopolitics and Investing**

Presenter: Thomas Mucha, Geopolitical Strategist, Wellington Management

12:00 – 1:00 PM | Lunch

**MONDAY,  
MARCH 4**  
*(continued)*

**1:30 – 2:30 PM | New SEC Rules on Private Fund Advisers**

Presenters: Yuliya Nossaman, Partner & Co-chair Pensions, Benefits & Investments Group, Nossaman LLP and Jim Van Horn, Partner, Hills Stern & Morley LLP

2:30 – 3:00 PM | Networking Break

**3:00 – 4:00 PM | Investment Trends in Public Plans**

Presenter: Alison Romano, CEO & CIO, San Francisco Employees' Retirement System

5:00 – 6:00 PM | Hosted Reception at the Omni Rancho Las Palmas

**TUESDAY,  
MARCH 5**

7:30 – 11:00 AM | Registration Open

7:30 – 8:30 AM | Breakfast

**8:30 – 10:00 AM | Perspectives: CalPERS' CEO Discusses Pensions, Policy and Private Markets**

Presenter: Marcie Frost, CEO, California Public Employees' Retirement System

10:00 – 10:15 AM | Networking Break

**10:15 – 11:00 AM | Innovative Approaches to Stakeholder Outreach & Communications**

Panelists: Amy Herron, Retirement Administrator, Ventura County Employees' Retirement Association; Greg Levin, CEO, Santa Barbara County Employees' Retirement System; Thomas Stadelmaier, Executive Director, Stanislaus County Employees' Retirement Association; and Eric Stern, CEO, Sacramento County Employees' Retirement System

11:00 AM | Closing Remarks & Program Adjourns

**THANK YOU  
TO OUR  
2024  
GENERAL  
ASSEMBLY  
PLANNING  
COMMITTEE**

**Debby Cherney**, CEO, San Bernardino County Employees' Retirement Association  
*(Chair)*

**Greg Levin**, CEO, Santa Barbara County Employees' Retirement System  
*(Co-Chair)*

**Steve Delaney**, CEO, Orange County Employees Retirement System

**Scott Hood**, CEO, San Mateo County Employees' Retirement Association

**Kim Malm**, Deputy Executive Officer of Customer Services and Support Branch,  
California Public Employees' Retirement System

**Alison Romano**, CEO & CIO · San Francisco Employees' Retirement System



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WWW.EARNESTPARTNERS.COM

***Oakland Police and Fire Retirement Board  
December 31, 2023***

***Jeffrey Jackson***  
*Director*

Mr. Jackson is a member of the product management team at EARNEST Partners. Prior to joining EARNEST Partners, he worked for the global investment bank, Evercore, in New York where he helped lead their Real Estate advisory practice as a Managing Director. His extensive background also includes experience in acquisitions, development and debt restructuring within Real Estate. He is a graduate of the Tuck School of Business at Dartmouth where he holds an MBA and was a Consortium Fellow and he holds a BS in Finance from Hampton University where he was a Presidential Scholar. Mr. Jackson was a member of the SEO Career Program and later served as a member of the SEO Junior Leadership Board. Mr. Jackson is a former collegiate basketball player and maintains an active lifestyle with his passion for cycling.

***Patmon Malcom, CFA***  
*Partner*

Mr. Malcom is responsible for product management at EARNEST Partners. Prior to joining EARNEST Partners, he worked for JPMorgan Chase in New York. He was a member of the Global Investment Bank providing corporate finance coverage to natural resource companies. He is a graduate of the United States Military Academy at West Point and holds an MBA from Emory University, where he was a Donald Keough Scholar. Mr. Malcom led the Varsity Football team at West Point in scoring for three consecutive years. In his senior year, he was named the "Chevrolet Player of the Game" in the annual Army-Navy game. He also served as a helicopter pilot in the United States Army for more than seven years, an experience that included commanding a Blackhawk Helicopter Company along the demilitarized zone between North and South Korea. Mr. Malcom is a member of the CFA Institute and the CFA Society Atlanta.



# Guidelines and Investment Policy Audit

	Yes	No
• Benchmark: Exceed Russell Midcap <sup>®</sup> Index over a full market cycle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Cash position is less than 10% of total portfolio value*	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No industry sector weight greater than 25% of total portfolio	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No security held is greater than 5% of total portfolio value* or 8% at market	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Proxies voted in accordance with guidelines	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• No prohibited securities held	<input checked="" type="checkbox"/>	<input type="checkbox"/>

*EARNEST Partners believes that the attached information, along with other submissions, represents all the required reporting information. Please notify us immediately if any required information is missing.*

*\*Threshold may be temporarily exceeded due to market conditions.*

## Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 12/31/2023

Firm Name	EARNEST Partners
Product Name	Mid Cap Core
Total No. of Employees	45

Race and Ethnicity*	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
African American/Black	11.0%	22.0%	20.0%
Asian/Hawaiian/Pacific Islander	33.0%	22.0%	27.0%
Latino/Hispanic	0.0%	0.0%	0.0%
White	56.0%	56.0%	53.0%
American Indian/Alaska Native	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
<b>Gender</b>			
Male	78.0%	64.0%	80.0%
Female	22.0%	36.0%	20.0%
Non-Identified/Other	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%
	100.0%	100.0%	100.0%

\* Racial/ethnic categories appear as defined by EEOC guidance.

Global equity markets were generally positive in the fourth quarter of 2023 as investors' concerns about inflation and the Federal Reserve's posture were alleviated by encouraging CPI data. The S&P 500® rose by 11.7% to finish the year up over 26%, to come within 1% of the record high set in January of 2022. The U.S. Large Cap Market, represented by the Russell 1000®, rose by 12.0%, while the Midcap market, represented by the Russell Midcap® index, rose by 12.8%. Small cap equities were the standout winner during the quarter, as the Russell 2000®, rose by 14.0%. International markets, as represented by the MSCI ACWI ex US, rose by 9.8%. Developed Markets outperformed Emerging markets as the MSCI Emerging Markets Index rose by 7.9%, while the MSCI EAFE rose by 10.5%.

The "holiday rally" was in full swing in November and December as equities sprinted towards the finish line in the final quarter of the year, rebounding from a correction in September and October. Investors found renewed optimism as they caught a glimmer of light at the end of the "rate-hike" tunnel, with inflation numbers softening and the Federal Reserve acknowledging significant progress in curbing historically high inflation. Earlier in the year, market segments that are highly sensitive to interest rates, such as small-cap stocks and companies in the Real Estate and Financials sectors, grappled with challenges amid persistent inflation. However, these sectors rebounded strongly in the quarter, buoyed by a surge in investor confidence fueled by the belief that the Federal Reserve had concluded its rate-hiking phase and was preparing for a more accommodative approach in the coming year. Energy, a standout performer in the third quarter, experienced a downturn in the fourth quarter, relinquishing some of its gains as demand for energy waned and inflation concerns diminished. Meanwhile, many stocks within the tech-heavy NASDAQ 100 resumed their upward trajectory after a brief pullback in the previous quarter. The index posted a remarkable gain of over 50% for the year, propelled by optimism surrounding artificial intelligence (AI) and related industries, marking its best performance since 1999.

The Federal Reserve continued to play a central role in the financial landscape as it weighs policy choices in the wake of falling CPI numbers on the back of a strong economy. Following CPI readings of 3.7% in September, 3.2% in October, and 3.1% in November, the Fed continued to hold rates steady in the range of 5.25% to 5.5%, underlining the central bank's continued commitment to managing inflation, while also acknowledging that it may be open to more accommodative policy going forward. Currently, the central bank is projecting a Fed Funds Rate of 4.6% by the end of 2024, implying that that it will cut rates about three times over the course of the next year. Previously, following September's rate-pause, the central bank was split on whether it was going to hike again through the end of this year and was projecting a Fed Funds Rate of 5.1% by the end of 2024.

Outside of the U.S., China's economy showed signs of recovery, as its GDP expanded by 1.3% in the third quarter after a sluggish growth rate of 0.5% in the preceding quarter. Despite this positive uptick, the nation's economic landscape continues to grapple with growth challenges as the real estate sector remains in a protracted slump, while trade restrictions within the semiconductor industry pose additional hurdles. In the European Union, third-quarter GDP declined by 0.1%, while the European Central Bank (ECB) opted to maintain its central deposit facility at 4.0%, pausing its course after a 25 basis points hike in September. EU bank officials acknowledged that the impact of tighter financing conditions is tempering demand, contributing to a decline in inflation. However, they also expressed that they expect subdued economic growth in the near-term.

Fixed income markets experienced a strong rally to finish the year, mirroring the upward momentum seen in equities. The Bloomberg U.S. Aggregate Bond Index rose by nearly 7% to yield 4.6% and finished the year up about 5.5%, averting a record three-year losing streak for bond investors. The bond rally was most pronounced on the long end of the curve as the inversion between money market and capital market rates deepened. Long-term yields fell with the 30-year treasury finishing to yield around 4.0% from 4.7% at the end of last quarter. The spread between the 3-month T-bill and the 10-year note widened from about 90 basis points to about 140 as the Fed signaled that it was likely done with its hiking cycle and that cuts could be on the horizon. High-yield spreads narrowed, indicating that investors aren't very concerned with liquidity or economic conditions at this time.

The U.S. Mid Cap equity market, as represented by the Russell Midcap® Index, gained 12.8% during the fourth quarter of 2023 to finish the year up more than 17%. After contracting nearly 110 basis points through the first six weeks of the quarter, the Index gained more than 1300 basis points over the final seven weeks as markets continued to adapt to a gradual easing of inflationary pressures. 10 of the 11 GICS sectors in the Index generated positive returns during the quarter. The Real Estate sector saw the biggest gains for the quarter, up more than 16% as mortgage rates continued to fall from the recent peaks of approximately 8%. Energy was the lone sector to generate negative returns, down 49 bps for the period as the market adjusted to easing demand for the underlying commodity. The EARNEST Partners Mid Cap Core strategy outperformed the Index gross of fees, however underperformed the Index net of fees for the quarter. Underperformance was in part due to the portfolio's relative underweight to Asset Management firms within the Financials sector, a segment of the market that gained more than 20% in the quarter. This was somewhat offset by outperformance in the Industrial sector where we continue to have an overweight and where stock selection largely drove the relative outperformance. EARNEST Partners continues to focus on high-quality companies that we believe are well-positioned to benefit over the long term, which has resulted in the strategy outperforming the Index over the trailing three, five, and ten-year periods, net of fees. Past performance is not a guarantee of future results. Performance data is preliminary.

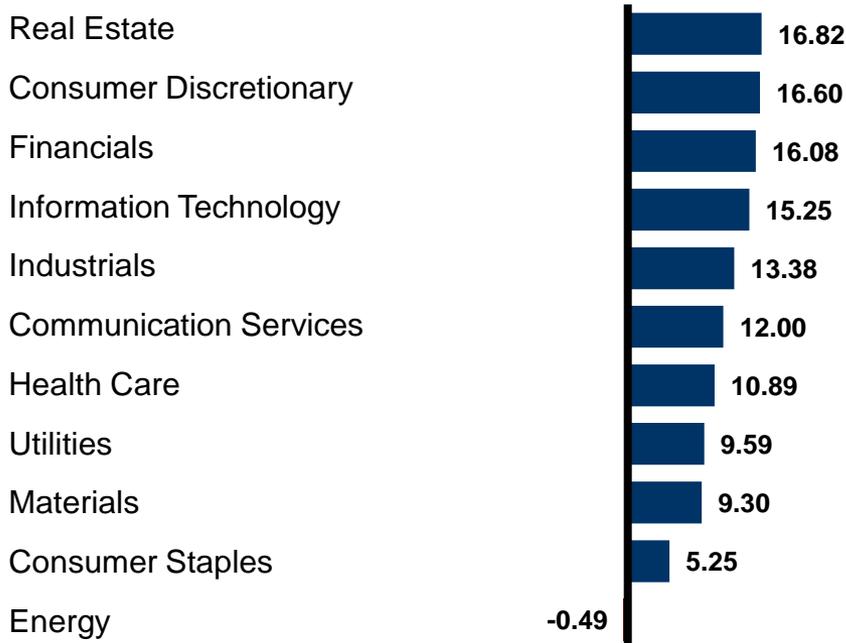
Contributing to performance was D.R. Horton ("DHI"). Based in Arlington, TX, D.R. Horton is one of the largest homebuilders in the U.S. Founded in 1978, the company's footprint spans 118 markets across 33 states including the sunbelt, northwest and east coast. DHI is a market leader in entry level homes but also engages in the move-up, active adult and luxury home markets. DHI shares were up 41% during the quarter after reporting revenue and earnings ahead of consensus earnings estimates. Improved project cycle times combined with improved operating margins grew current and forecasted free cash flow. Management noted a 20% increase to the quarterly dividend while also announcing a \$1.5B share repurchase program. While DHI has grown to represent 14% of all new home sales post pandemic, as the undisputed leader in the single-family homebuilding industry, DHI continues to be well positioned to gain and grow market share. DHI's focus on strategic markets with an emphasis on entry level homes has created a deep pipeline. Continued revenue growth combined with improved operating margins positions the company well for earnings growth ahead of analyst expectations.

Another contributor to performance was Ulta Beauty, Inc. ("ULTA"), a leading specialty retailer selling cosmetics, fragrances, hair and skin-care products in the U.S. Offering products through its stores, website and mobile applications, ULTA sells both branded and private label offerings. Founded in 1990, ULTA is headquartered in Bolingbrook, IL. ULTA shares were up 21% during the quarter after reporting earnings that beat consensus earnings estimates. The company noted that comparable store sales grew 4.5% year-over-year which was 100 basis points ahead of consensus estimates. Management also noted investment in digital channels and supply chains designed to improve customers engagement. ULTA continues to be well positioned for earnings growth by leveraging its retail and e-commerce platforms to build a loyal and expanding membership base, a base that has grown 13% annually over the last 10 years. As the company continues to evolve its product offering, they should continue to see member spend increase, a figure which has grown 4% annually over the same period. Continued member growth combined with increased member spend bode well for future earnings growth.

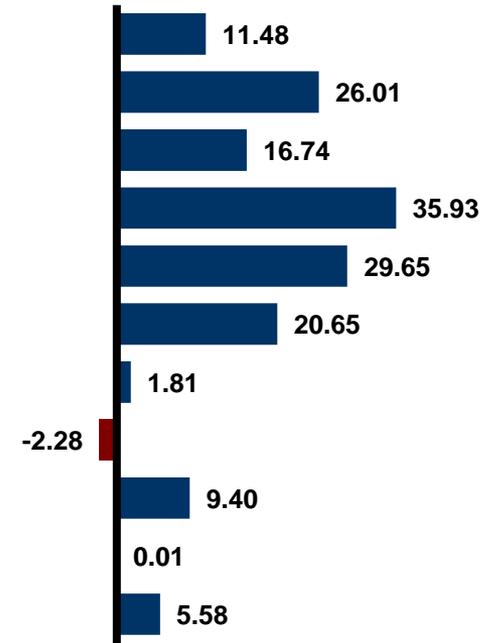
Detracting from performance was Teledyne produces electronic components and systems for commercial and military aircraft as well as sensors and systems used in marine and environmental surveys for defense electronics and satellite communication subsystems. Teledyne shares were up 9% during the quarter however trailed the benchmark's total return. While the Company grew earnings 11% year-over-year through effective cost management, beating consensus estimates, revenue grew only 3%, slightly below consensus. Despite missing revenue growth estimates, management raised its fiscal year guidance. Teledyne continues to be positioned to grow earnings by improving its cost structure across the commercial and defense lines of business. Additionally, because Teledyne works in a regulated industry with high barriers to entry, we forecast limited threat from foreign competition. In many cases there are no commercial alternatives which should insulate the company and provide attractive growth opportunities. Revenue growth and improved margins position the company well for further earnings growth.

## Equity Market Performance By Sector

Russell Midcap® Index  
4<sup>th</sup> Quarter 2023 Returns  
Percent



Russell Midcap® Index  
YTD Returns  
Percent

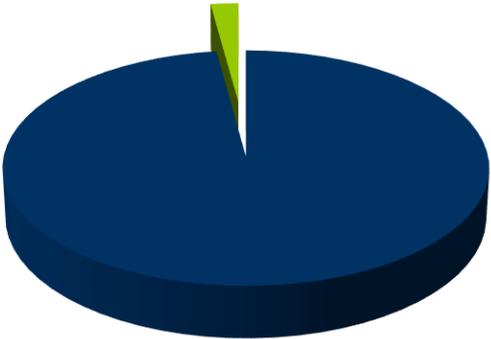




## Fund Totals

Ending Portfolio Value	\$42,297,791
Estimated Annual Income	\$601,351
Yield on Equities	1.5%

## Asset Distribution



	<u>Portfolio %</u>
Equities	97.9%
Short-term Investments	2.1%

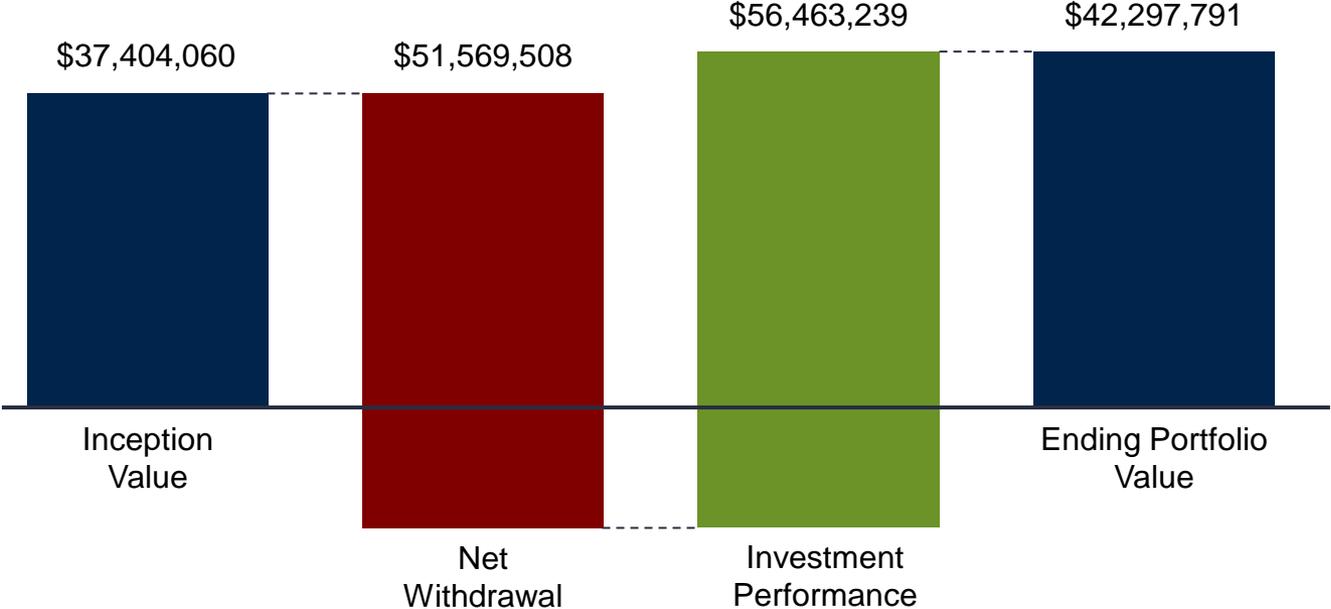


## Performance

	<u>Total Portfolio</u>	<u>Equities</u>	<u>Russell Midcap® Index</u>	<u>Excess Return (Basis Points)</u>
<b>1 Year</b>	17.79%	17.99%	17.23%	56
<b>3 Years</b>	7.84	7.93	5.92	192
<b>5 Years</b>	16.02	16.25	12.67	335
<b>7 Years</b>	13.31	13.48	10.07	324
<b>10 Years</b>	12.07	12.26	9.42	265

Performance Inception is 3/28/2006.  
All returns stated for twelve months and longer are annualized

## Asset Growth Since Inception



### D.R. Horton



- Based in Arlington, TX, D.R. Horton (“DHI”) is one of the largest homebuilders in the U.S. Founded in 1978, the company’s footprint spans 118 markets across 33 states including the sunbelt, northwest and east coast. DHI is a market leader in entry level homes but also engages in the move-up, active adult and luxury home markets.
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### Ulta Beauty, Inc.



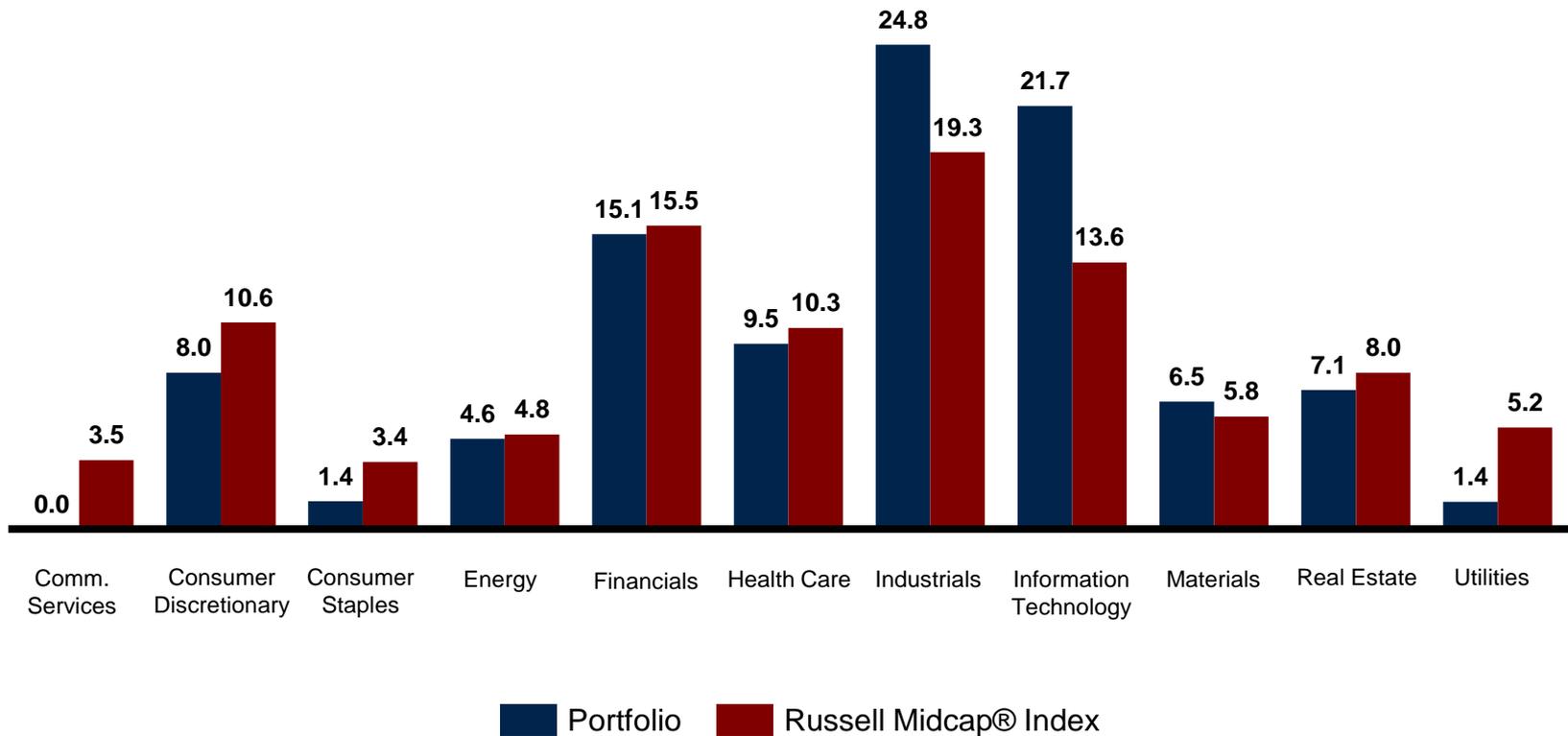
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### Teledyne Technologies



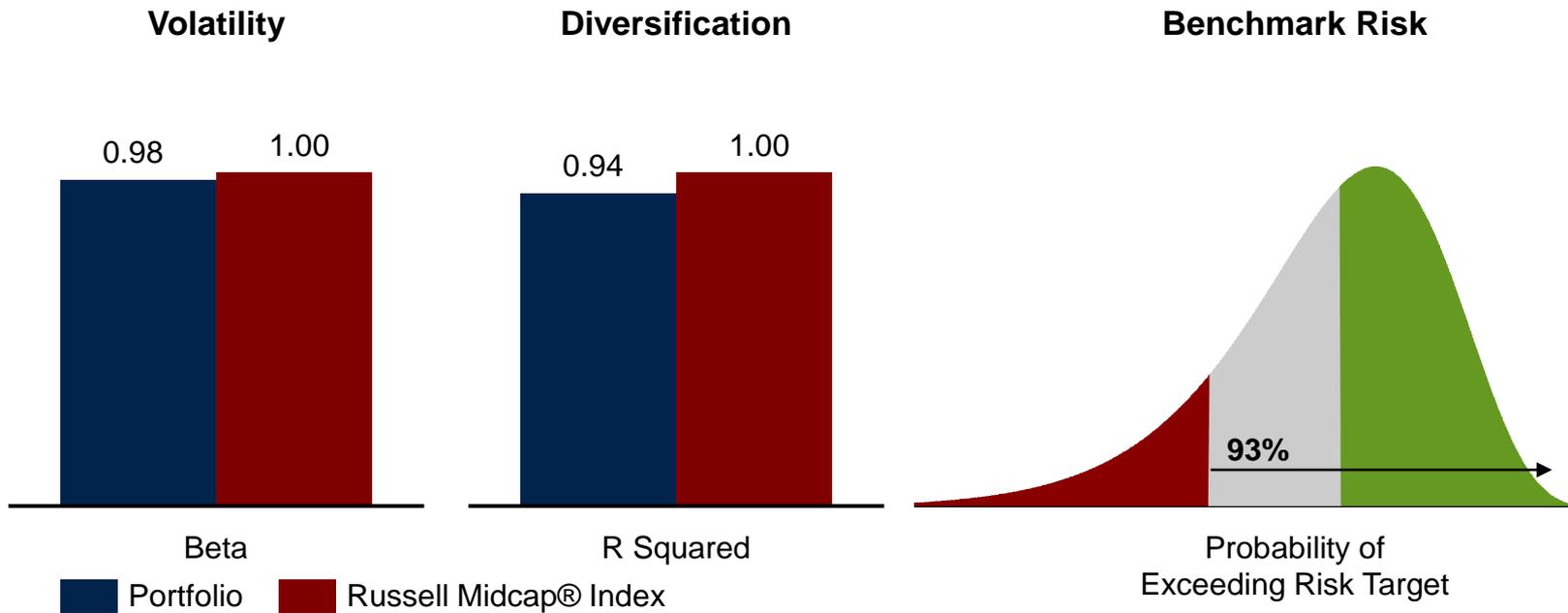
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- Teledyne continues to be positioned to grow earnings by improving its cost structure across the commercial and defense lines of business. Additionally, because Teledyne works in a regulated industry with high barriers to entry, we forecast limited threat from foreign competition. In many cases there are no commercial alternatives which should insulate the company and provide attractive growth opportunities. Revenue growth and improved margins position the company well for further earnings growth.

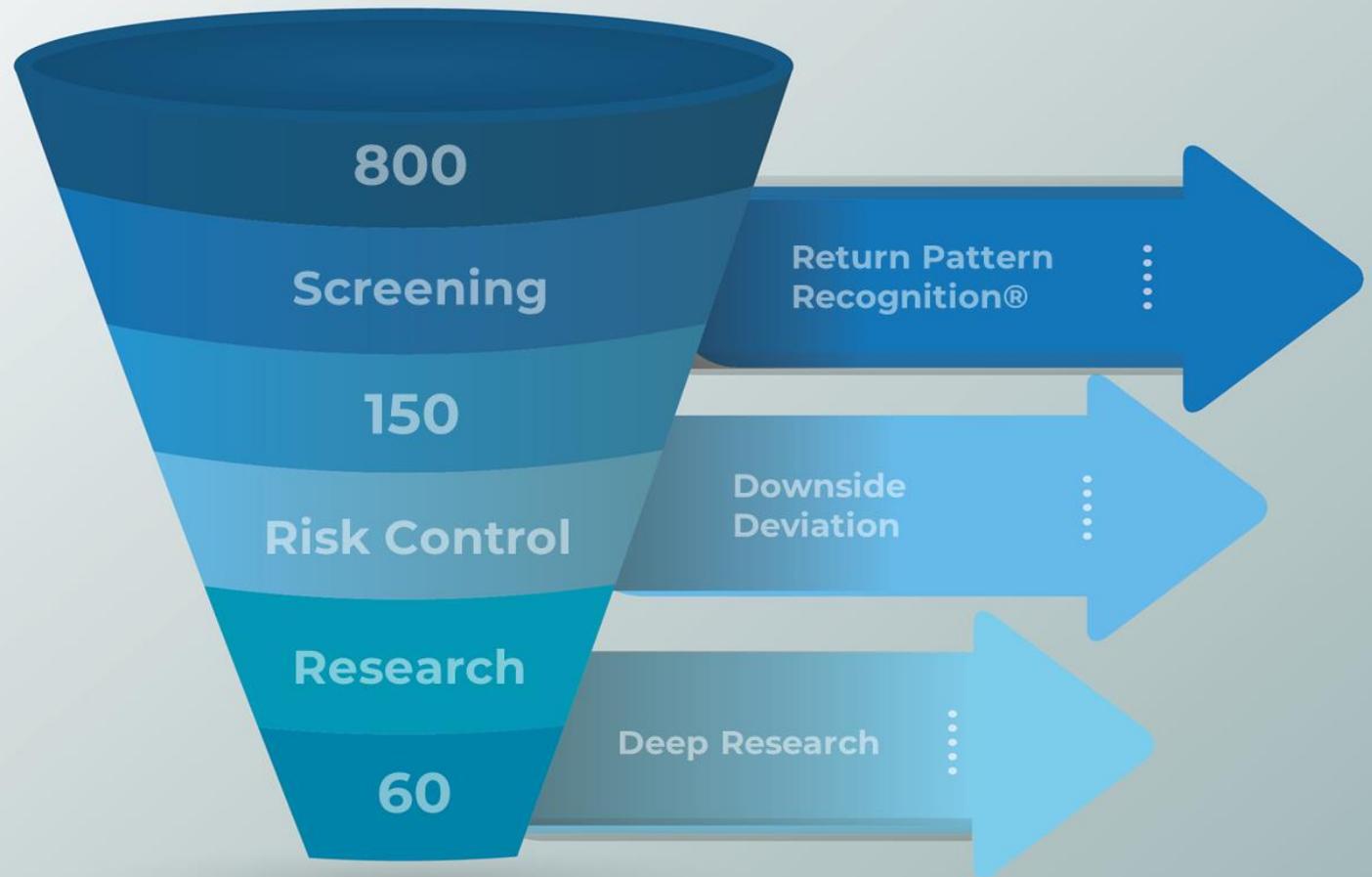
## Percentage Held





## Risk Profile





This slide is for illustrative purposes only

For those clients on whose behalf the Firm votes proxies, clients can elect to have the Firm utilize (a) the client's own proxy voting policies and procedures ("P&P") or (b) the Firm's P&P.

## Proxy Policy-Overview

- As a general rule, the Firm will seek to vote the proxies received timely and in good order, in accordance with its then current proxy voting policies and procedures. A partial list of issues that may require special attention are as follows: classified boards, change of state of incorporation, poison pills, unequal voting rights plans, provisions requiring supermajority approval of a merger, executive severance agreements, and provisions limiting shareholder rights.
- In addition, the following will generally be adhered to:
  - The Firm will not (1) actively engage in conduct that involves an attempt to change or influence the control of a portfolio company, (2) announce its voting intentions or the reasons for a particular vote, (3) participate in a proxy solicitation or otherwise seek proxy voting authority from any other portfolio company shareholder, or (4) act in concert with any other portfolio company shareholders in connection with any proxy issue or other activity involving the control or management of a portfolio company.
  - All communications with portfolio companies or fellow shareholders will be for the sole purpose of expressing and discussing the Firm's concerns for its Clients' interests and not in an attempt to influence the control of management.

## Proxy Procedures-Overview

The Firm has designated a Proxy Director. The Proxy Director, in consultation with the Firm's Investment Team, will consider each issue presented on each portfolio company proxy. The Proxy Director will also use available resources, including proxy evaluation services, to assist in the analysis of proxy issues. Absent any written direction from the Client, proxy issues presented to the Proxy Director will be voted in accordance with the judgment of the Proxy Director, taking into account the general policies outlined above and the Firm's Proxy Voting Guidelines. Therefore, it is possible that actual votes may differ from the general policies and the Firm's Proxy Voting Guidelines. In the case where the Firm believes it has a material conflict of interest with a Client, the Proxy Director will utilize the services of outside third party professionals (currently ISS) to assist in its analysis of voting issues and the actual voting of proxies to ensure that a decision to vote the proxies was based on the Client's best interest and was not the product of a conflict of interest. In the event the services of an outside third party professional are not available in connection with a conflict of interest, the Firm will seek the advice of the Client.

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Common Stock						
Consumer Discretionary						
6,802.00	DR HORTON INC	151.98	1,033,767.96	2.44	8,276.76	0.80
5,839.00	DARDEN RESTAURANT	164.30	959,347.70	2.27	30,386.04	3.17
6,545.00	TJX COS INC	93.81	613,986.45	1.45	8,754.31	1.43
1,431.00	ULTA BEAUTY INC	489.99	701,175.69	1.66	0.00	0.00
			3,308,277.80	7.82	47,417.12	1.43
Consumer Staples						
7,995.00	SYSCO CORP	73.13	584,674.35	1.38	15,712.83	2.69
			584,674.35	1.38	15,712.83	2.69
Energy						
9,435.00	MURPHY OIL CORP	42.66	402,497.10	0.95	10,354.23	2.57
14,425.00	CHAMPIONX CORP	29.21	421,354.25	1.00	4,957.11	1.18
26,311.00	COTERRA ENERGY I	25.52	671,456.72	1.59	20,909.51	3.11
11,343.00	HELMERICH & PAYN	36.22	410,843.46	0.97	11,286.91	2.75
			1,906,151.53	4.51	47,507.76	2.49
Financials						
6,907.00	HOULIHAN LOKEY I	119.91	828,218.37	1.96	15,300.03	1.85
6,917.00	INTERCONTINENTAL	128.43	888,350.31	2.10	11,802.52	1.33
41,422.00	KEYCORP	14.40	596,476.80	1.41	33,477.82	5.61
5,190.00	PROGRESSIVE CORP	159.28	826,663.20	1.95	2,045.82	0.25

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
5,295.00	REINSURANCE GROU	161.78	856,625.10	2.03	17,849.64	2.08
7,661.00	RAYMOND JAMES RENAISSANCERE HOLDINGS	111.50	854,201.50	2.02	13,691.56	1.60
3,454.00	LTD	196.00	676,984.00	1.60	5,141.48	0.76
10,361.00	STIFEL FINANCIAL	69.15	716,463.15	1.69	14,887.54	2.08
			6,243,982.43	14.76	114,196.41	1.83
Health Care						
5,801.00	AGILENT TECH INC	139.03	806,513.03	1.91	5,487.20	0.68
1,737.00	BIO-RAD LABS-A	322.89	560,859.93	1.33	0.00	
3,483.00	CENCORA INC	205.38	715,338.54	1.69	6,997.65	0.98
13,080.00	CATALENT INC	44.93	587,684.40	1.39	0.00	
3,149.00	LABORATORY CP	227.29	715,736.21	1.69	8,863.61	1.24
15,092.00	DENTSPLY SIRONA	35.59	537,124.28	1.27	8,442.03	1.57
			3,923,256.39	9.28	29,790.49	0.76
Industrials						
17,372.00	AIR LEASE C	41.94	728,581.68	1.72	14,876.24	2.04
2,414.00	CUMMINS INC	239.57	578,321.98	1.37	16,113.79	2.79
21,913.00	CSX CORP	34.67	759,723.71	1.80	9,655.65	1.27
4,847.00	DOVER CORP	153.81	745,517.07	1.76	10,037.32	1.35
4,637.00	GATX CORP	120.22	557,460.14	1.32	10,181.08	1.83
2,777.00	GENERAL DYNAMICS	259.67	721,103.59	1.70	14,723.23	2.04
7,566.00	HEXCEL CORP	73.75	557,992.50	1.32	3,837.11	0.69

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
15,550.00	MASCO CORP	66.98	1,041,539.00	2.46	17,836.18	1.71
7,604.00	REPUBLIC SVCS	164.91	1,253,975.64	2.96	16,269.60	1.30
2,748.00	SNAP-ON INC	288.84	793,732.32	1.88	20,452.20	2.58
25,958.00	SPIRIT AEROSYS-A	31.78	824,945.24	1.95	0.00	0.00
8,434.00	STERICYCLE INC	49.56	417,989.04	0.99	0.00	0.00
15,913.00	SENSATA TECHNOLO	37.57	597,851.41	1.41	7,730.84	1.29
4,990.00	WOODWARD INC	136.13	679,288.70	1.61	4,428.61	0.65
			10,258,022.02	24.25	146,141.84	1.42
Information Technology						
8,443.00	AKAMAI TECHNOLOG	118.35	999,229.05	2.36	0.00	
3,940.00	APPLIED MATERIAL	162.07	638,555.80	1.51	5,294.76	0.83
2,672.00	ANSYS INC	362.88	969,615.36	2.29	0.00	
5,162.00	ARROW ELECTRONIC	122.25	631,054.50	1.49	0.00	
3,492.00	BROADRIDGE FINL	205.75	718,479.00	1.70	11,501.99	1.60
9,082.00	ENTEGRIS INC	119.82	1,088,205.24	2.57	3,816.92	0.35
5,352.00	GLOBAL PAYMENTS	127.00	679,704.00	1.61	5,344.85	0.79
5,696.00	KEYSIGHT TEC	159.09	906,176.64	2.14	0.00	
9,836.00	LUMENTUM HOL	52.42	515,603.12	1.22	0.00	
2,214.00	SYNOPSIS INC	514.91	1,140,010.74	2.70	0.00	
6,001.00	SKYWORKS SOLUTIO	112.42	674,632.42	1.59	16,817.89	2.49
			8,961,265.87	21.19	42,776.41	0.48

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Materials						
3,158.00	ALBEMARLE CORP	144.48	456,267.84	1.08	4,969.90	1.09
6,888.00	EASTMAN CHEMICAL	89.82	618,680.16	1.46	22,426.98	3.62
3,263.00	PACKAGING CORP	162.91	531,575.33	1.26	16,217.44	3.05
13,452.00	SEALED AIR CORP	36.52	491,267.04	1.16	10,671.02	2.17
9,378.00	SCOTTS MIRACLE	63.75	597,847.50	1.41	24,511.84	4.10
			2,695,637.87	6.37	78,797.18	2.92
Real Estate						
11,362.00	CBRE GROUP INC-A	93.09	1,057,688.58	2.50	0.00	
			1,057,688.58	2.50	0.00	0.00
Utilities						
6,783.00	WEC ENERGY GROUP	84.17	570,925.11	1.35	22,090.94	3.87
			570,925.11	1.35	22,090.94	3.87
			39,509,881.95	93.41	544,430.98	1.38
Real Estate Investment Trust						
Real Estate						
7,413.00	BOSTON PROPRTIE	70.17	520,170.21	1.23	28,281.10	5.44
22,076.00	AMERICOLD REALTY	30.27	668,240.52	1.58	19,407.65	2.90
2,729.00	SBA COMM CORP	253.69	692,320.01	1.64	9,231.66	1.33
			1,880,730.74	4.45	56,920.40	3.03
			1,880,730.74	4.45	56,920.40	3.03

## Statement of Assets

Quantity	Security	Price	Market Value	Pct. Asset	Annual Income	Yield
Cash and Equivalents						
866,696.85	U.S. DOLLARS	1.00	866,696.85	2.05	0.00	
40,481.92	USD - DIVIDENDSRECEIVABLE	1.00	40,481.92	0.10	0.00	
			907,178.77	2.14	0.00	0.00
			907,178.77	2.14	0.00	0.00
Total Portfolio			42,297,791.46	100.00	601,351.38	1.42

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
PURCHASES				
1,468.00	ULTA BEAUTY INC	ULTA	413.23	606,618.41
				<u>606,618.41</u>
SALES				
37.00	ULTA BEAUTY INC	ULTA	494.25	18,287.10
303.00	AGILENT TECH INC	A	115.49	34,992.63
915.00	AIR LEASE C	AL	36.48	33,378.89
441.00	AKAMAI TECHNOLOG	AKAM	108.08	47,663.88
165.00	ALBEMARLE CORP	ALB	128.25	21,161.46
1,153.00	AMERICOLD REALTY	COLD	26.71	30,800.29
139.00	ANSYS INC	ANSS	276.14	38,383.36
507.00	APPLIED MATERIAL	AMAT	141.78	71,882.13
269.00	ARROW ELECTRONIC	ARW	114.83	30,889.56
90.00	BIO-RAD LABS-A	BIO	290.63	26,157.12
398.00	BOSTON PROPERTIE	BXP	57.70	22,964.47
182.00	BROADRIDGE FINL	BR	179.18	32,611.00
695.00	CATALENT INC	CTLT	38.98	27,090.45
594.00	CBRE GROUP INC-A	CBRE	73.52	43,670.30
181.00	CENCORA INC	COR	193.32	34,990.25

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
753.00	CHAMPIONX CORP	CHX	29.28	22,045.31
1,375.00	COTERRA ENERGY I	CTRA	26.24	36,074.58
1,157.00	CSX CORP	CSX	31.24	36,142.38
126.00	CUMMINS INC	CMI	223.23	28,126.47
305.00	DARDEN RESTAURANT	DRI	152.08	46,384.62
798.00	DENTSPLY SIRONA	XRAY	31.36	25,027.73
261.00	DOVER CORP	DOV	136.03	35,505.13
356.00	DR HORTON INC	DHI	117.43	41,805.00
360.00	EASTMAN CHEMICAL	EMN	78.39	28,220.08
475.00	ENTEGRIS INC	ENTG	95.98	45,591.74
242.00	GATX CORP	GATX	106.34	25,735.43
145.00	GENERAL DYNAMICS	GD	243.72	35,339.81
280.00	GLOBAL PAYMENTS	GPN	110.84	31,034.00
597.00	HELMERICH & PAYN	HP	37.27	22,247.83
395.00	HEXCEL CORP	HXL	65.04	25,691.16
361.00	HOULIHAN LOKEY I	HLI	105.16	37,963.66
361.00	INTERCONTINENTAL	ICE	108.70	39,239.60
2,182.00	KEYCORP	KEY	11.44	24,968.74
297.00	KEYSIGHT TEC	KEYS	129.42	38,436.76

## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
166.00	LABORATORY CP	LH	209.22	34,729.93
523.00	LUMENTUM HOL	LITE	38.84	20,314.62
813.00	MASCO CORP	MAS	56.93	46,286.03
493.00	MURPHY OIL CORP	626717102	42.78	21,088.89
171.00	PACKAGING CORP	PKG	156.40	26,744.23
813.00	PROGRESSIVE CORP	PGR	159.55	129,713.55
400.00	RAYMOND JAMES	RJF	99.71	39,883.15
277.00	REINSURANCE GROU	RGA	153.35	42,477.49
180.00	RENAISSANCERE HOLDINGS LTD	RNR	207.34	37,321.72
397.00	REPUBLIC SVCS	RSG	153.50	60,941.31
142.00	SBA COMM CORP	SBAC	228.13	32,394.75
490.00	SCOTTS MIRACLE	SMG	52.74	25,842.04
717.00	SEALED AIR CORP	SEE	31.59	22,647.71
831.00	SENSATA TECHNOLO	ST	33.70	28,002.22
314.00	SKYWORKS SOLUTIO	SWKS	94.13	29,557.85
144.00	SNAP-ON INC	SNA	266.08	38,315.52
1,356.00	SPIRIT AEROSYS-A	SPR	24.53	33,261.60
440.00	STERICYCLE INC	SRCL	44.08	19,394.55
541.00	STIFEL FINANCIAL	SF	59.33	32,097.65



## Statement Of Transactions

From 10/1/2023 to 12/31/2023

<u>Quantity</u>	<u>Security</u>	<u>Sec Symbol</u>	<u>Unit Price</u>	<u>Total Amount</u>
266.00	SYNOPSIS INC	SNPS	510.01	135,661.74
424.00	SYSCO CORP	SYX	68.77	29,156.54
342.00	TJX COS INC	TJX	87.89	30,057.49
362.00	WEC ENERGY GROUP	WEC	82.90	30,011.54
260.00	WOODWARD INC	WWD	126.93	33,002.63
				<u>2,119,407.67</u>



# Historical Performance Measurement

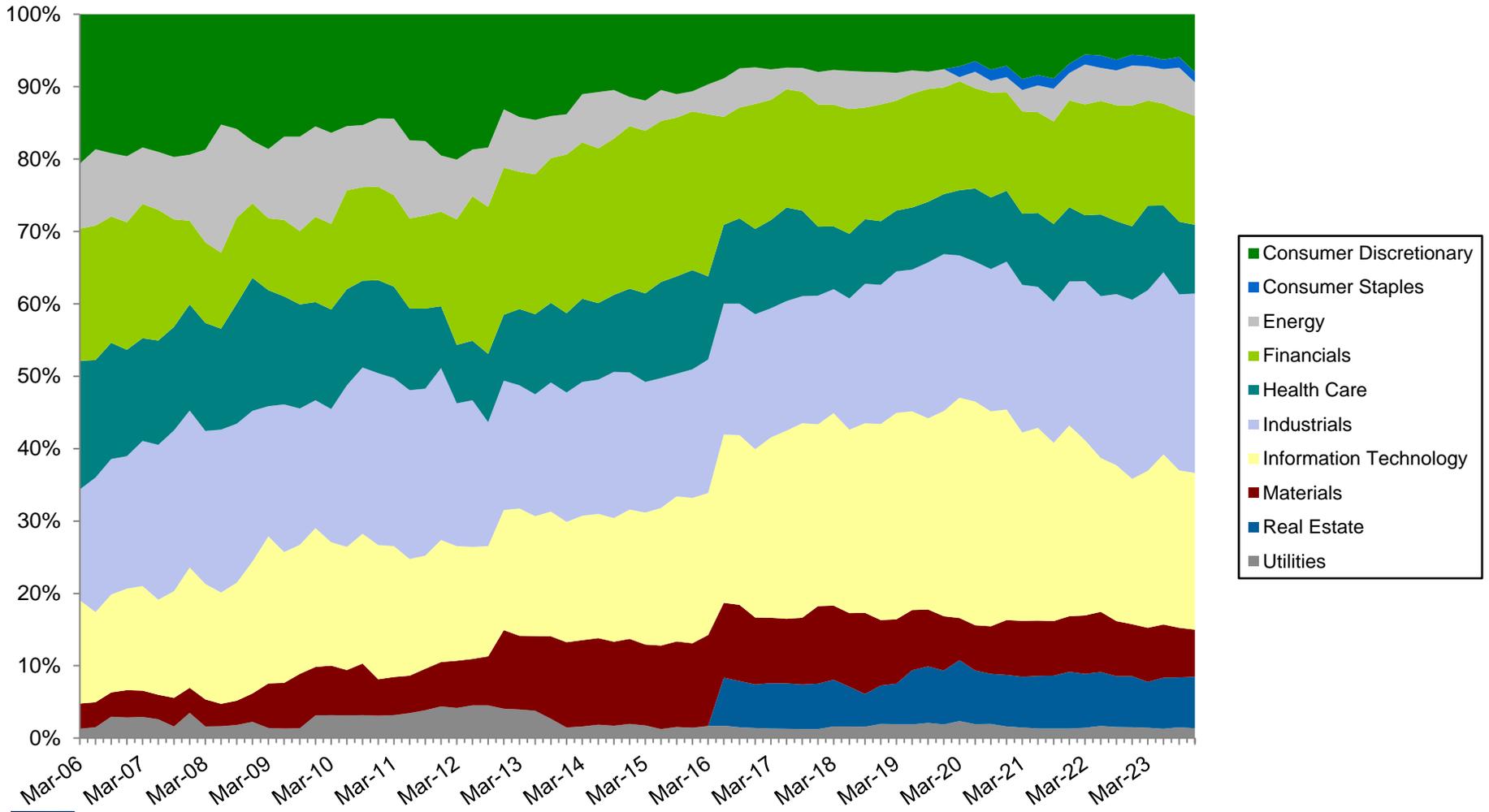
## Performance

	<u>Total Portfolio</u>	<u>Russell Midcap® Index</u>
<i>Inception 3/28/2006</i>		
2006	3.56%	7.92%
2007	8.78	5.60
2008	-37.51	-41.46
2009	37.48	40.48
2010	27.22	25.47
2011	-0.79	-1.56
2012	16.36	17.29
2013	31.25	34.78
2014	10.32	13.22
2015	1.40	-2.44
2016	16.55	13.80
2017	26.22	18.52
2018	-9.63	-9.05

## Performance

	Total Portfolio	Russell Midcap® Index
2019	38.36	30.54
2020	21.20	17.10
2021	25.73	22.59
2022	-15.33	-17.32
3/31/2023	4.69	4.06
6/30/2023	4.15	4.76
9/30/2023	-4.36	-4.68
12/31/2023	12.96	12.82
<b>Year-to-Date</b>	17.78	17.22
<b>Since Inception</b>		
<b>-Annualized</b>	10.43	8.83
<b>-Cumulative</b>	483.40	350.28

## EARNEST Partners' Model Portfolio



## Asset Growth

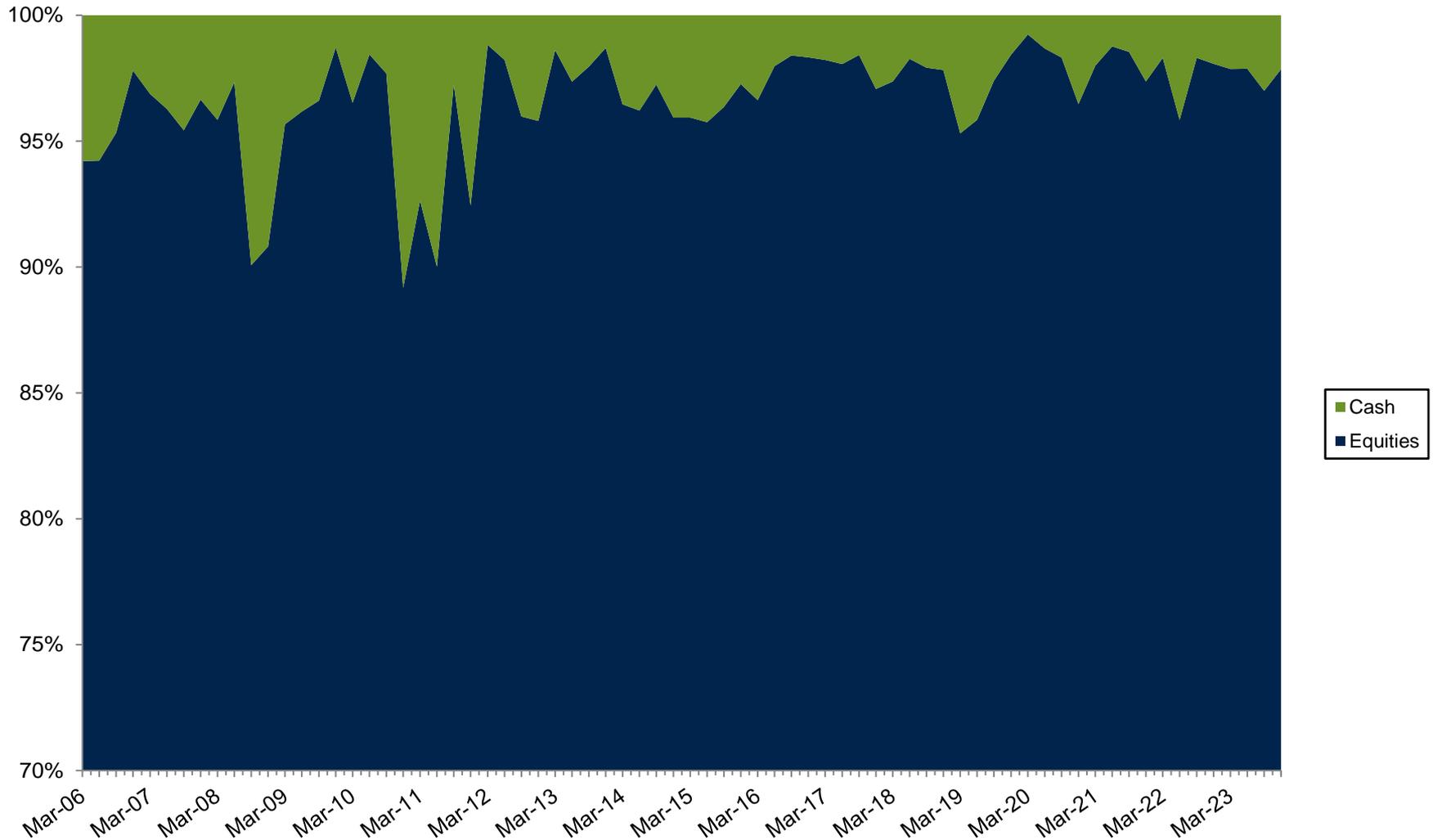
Period Ending	Ending Portfolio Value	Withdrawals	Contributions	Investment Change	
				Period	Since Inception
3/28/2006	\$37,404,060				
2006	\$38,599,735	\$0	\$0	\$1,195,675	\$1,195,675
2007	51,982,630	3,500,000	14,238,849	2,644,046	3,839,721
2008	26,001,788	10,000,000	0	-15,980,842	-12,141,121
2009	32,406,299	3,000,000	0	9,404,511	-2,736,610
2010	31,053,473	8,500,000	0	7,147,174	4,410,564
2011	23,758,477	7,500,000	0	205,004	4,615,568
2012	27,646,027	0	0	3,887,550	8,503,118
2013	40,899,931	0	3,802,146	9,451,898	17,955,016
2014	31,527,407	13,001,627	0	3,629,103	21,584,119
2015	29,934,966	2,000,704	0	408,263	21,992,382

## Asset Growth

Period Ending	Ending Portfolio Value	Withdrawals	Contributions	Investment Change	
				Period	Since Inception
2016	\$27,890,394	\$6,500,289	\$0	\$4,455,717	\$26,448,099
2017	29,426,736	5,000,733	0	6,537,075	32,985,174
2018	25,674,345	1,000,929	0	-2,751,462	30,233,712
2019	33,800,363	1,601,235	0	9,727,253	39,960,965
2020	40,963,482	0	0	7,163,875	47,124,840
2021	51,504,585	1,082	0	10,542,185	57,667,025
2022	43,611,637	1,385	0	-7,891,563	49,775,462
3/31/2023	45,655,123	0	0	2,043,780	51,819,242
6/30/2023	41,234,066	6,000,394	0	1,579,337	53,398,579
9/30/2023	39,435,604	0	0	-1,797,984	51,600,595
12/31/2023	\$42,297,791	2,000,441	0	4,862,628	\$56,463,239

# Asset Allocation

Oakland Police and Fire Retirement Board  
December 31, 2023





## **Russell Midcap® Index**

The Russell Midcap® Index offers investors access to the mid-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The Russell Midcap® Index includes the smallest 800 securities in the Russell 1000® Index. The index is unmanaged and it is not possible to invest directly in an index.

Nothing presented herein is intended to constitute investment advice and no investment decision should be made based on any information provided herein. Investments cited may not represent current or future holdings of EARNEST Partners, LLC (“EP”) investment products and nothing presented should be construed as a recommendation to purchase or sell a particular type of security or follow any investment technique or strategy. Information provided reflects EP’s views as of a particular time. Such views are subject to change at any point and EP shall not be obligated to provide any notice of such change. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While EP has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. Performance assumes the reinvestment of dividends and capital gains. No guarantee of investment performance is being provided and no inference to the contrary should be made.

Sample Holdings Disclosures: Inclusion of references to individual securities are intended to illustrate contributors to and detractors from performance or market trends and to provide examples of thematic or security-specific catalysts identified by EARNEST Partners’ investment team as part of its investment process. References to specific securities should not be viewed as representative of an entire portfolio, nor should the performance of any particular security be viewed as representative of the performance experienced by any other security or portfolio. A complete listing of all EARNEST Partners investment selections for this strategy for the past 12 months is available upon request. It should not be assumed that future recommendations will be profitable or will equal the performance of securities included in these materials. Past specific investment advice does not guarantee future results.

## MEMORANDUM

**TO:** Oakland Police and Fire Retirement System (OPFRS)  
**FROM:** Meketa Investment Group (Meketa)  
**DATE:** January 31, 2024  
**RE:** EARNEST Partners—Manager Update

### Manager: EARNEST Partners, LLC (“EARNEST”)

<b>Inception Date:</b>	April 2006	<b>OPFRS AUM (12/31/2023):</b>	\$42.3 million
<b>Strategy:</b>	Domestic Mid Cap Equity	<b>Strategy AUM (9/30/2023):</b>	\$1.8 billion
<b>Benchmark:</b>	Russell Mid Cap Index	<b>Firm-wide AUM (9/30/2023):</b>	\$28.3 billion

### Summary & Recommendation

EARNEST Partners has managed a part of OPFRS’s domestic equity portfolio since April 2006. As of 12/31/2023, the portfolio is approximately \$42.3 million or about 10% of OPFRS’s Total Fund. The strategy has performed within expectations and guidelines for the portfolio, and no major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. *Therefore, Meketa does not have any major concerns with EARNEST and the Mid Cap Core Equity strategy.*

### Investment Performance Review Summary

As of 12/31/2023, EARNEST Mid-Cap Core strategy has outperformed its benchmark (Russell Mid Cap Index) across all time periods on gross of fees basis. On net of fees basis, it has slightly trailed its benchmark over the most recent quarter and in 2023, while outperforming the benchmark over the longer 3- and 5-year periods as well as since inception. In comparison with its peers in the eVestment US Mid Cap Core Equity (Net) universe, it has ranked above average across all periods except for the 1- and 3-year trailing periods.

### OPFRS Portfolio Returns (as of 12/31/2023)<sup>1</sup>

Portfolio	Balance (\$000)	QTD (%)	YTD / 1 Yr (%)	3 Yrs (%)	5 Yrs (%)	S.I. (%)	Inception Date
<b>EARNEST (Gross)</b>	<b>42,300.9</b>	<b>13.0</b>	<b>17.7</b>	<b>7.8</b>	<b>16.0</b>	<b>10.4</b>	<b>4/2006</b>
<i>Russell Mid Cap Index</i>	---	<i>12.8</i>	<i>17.2</i>	<i>5.9</i>	<i>12.7</i>	<i>8.8</i>	---
Excess Return	---	<b>0.2</b>	<b>0.5</b>	<b>1.9</b>	<b>3.3</b>	<b>1.6</b>	---
<b>EARNEST (Net)</b>	<b>42,300.9</b>	<b>12.7</b>	<b>16.8</b>	<b>7.0</b>	<b>15.1</b>	<b>9.4</b>	<b>4/2006</b>
<i>Russell Mid Cap Index</i>	---	<i>12.8</i>	<i>17.2</i>	<i>5.9</i>	<i>12.7</i>	<i>8.8</i>	---
Excess Return	---	<b>-0.1</b>	<b>-0.4</b>	<b>1.1</b>	<b>2.4</b>	<b>0.6</b>	---
Peer Group Rank (Net) <sup>2</sup>		<b>29</b>	<b>51</b>	<b>65</b>	<b>20</b>	<b>33</b>	---

<sup>1</sup> Performance is annualized for periods longer than one year. “S.I.” signifies Since Inception.

<sup>2</sup> Peer group is eVestment US Mid Cap Core (Net) as of 12/31/2023.

## Product and Organization Review Summary

EARNEST Partners, LLC	Areas of Potential Impact				
	Level of Concern	Investment Process	Investment Team	Performance Track Record	Team/Firm Culture
<b>Product</b>					
Key people changes	None				
Changes to team structure or individuals' roles	None				
Product client gain/losses	None				
Changes to investment process	None				
Personnel turnover	None				
<b>Organization</b>					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
<b>Recommended Action</b>	<b>None - X</b>	<b>Watch Status</b>		<b>Termination</b>	

A review of EARNEST Partners, LLC and the Mid Cap Core strategy revealed no concerning organizational issues or changes since last review in February 2023.

### Investment Philosophy & Process, per Manager<sup>3</sup>

EARNEST Partners is a fundamental, bottom-up investment manager. The Firm’s investment objective is to outperform the assigned benchmark while seeking to control volatility and risk. EARNEST Partners implements this philosophy using a screen developed in-house called Return Pattern Recognition®, thorough fundamental analysis, and risk management that seeks to minimize the likelihood of meaningfully underperforming the assigned benchmark.

EARNEST Partners does not target sector or industry weights. Instead, the weightings are an outgrowth of our bottom-up, fundamental stock selection process. The process is designed to put the client in the individual securities that the firm believes have the most attractive expected returns; relative overweights and underweights are an outgrowth of where the team is finding those individual opportunities. The risk management process also influences the weights taken in any one sector. As a general rule, larger sectors will not represent more than 2x the benchmark weight. No individual holding generally exceeds 5.0% of the portfolio’s value.

DS/PN/JLC/mn

<sup>3</sup> Source: eVestment. Abridged.



## Disclosure

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

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

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

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

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



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System (PFRS) Board of Administration

**FROM:** David F. Jones  
Plan Administrator

**SUBJECT:** Expiration Notice of PFRS Investment Manger Service Agreement and Action to Extend Service Agreements

**DATE:** January 31, 2024

## SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 24, 2024. The PFRS Board is asked to consider acting to extend the service agreement for this manager for one additional year pursuant to their service agreements.

## BACKGROUND

The Service Agreement for the following Investment Manager who provides services for the PFRS Board will expire shortly. The following table describes the investment manager contract:

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Earnest Partners, LLC	Domestic Equity Mid-Cap Core	March 16, 2006	March 24, 2024

## RECOMMENDATION

Staff recommends that the PFRS Board approve the implementation of the relevant service agreement provision for the manager to extend the service agreement between the above mentioned PFRS Investment Manager and PFRS.

Respectfully submitted,

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

Attachments:  
Resolution # 8090

Agenda Item C3  
PFRS Board of Administration Meeting  
January 31, 2024

OAKLAND POLICE AND FIRE RETIREMENT BOARD  
CITY OF OAKLAND, CALIFORNIA

RESOLUTION NO. 8090

Approved to Form  
and Legality



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION AUTHORIZING ONE-YEAR EXTENSION OF PROFESSIONAL SERVICES AGREEMENT WITH EARNEST PARTNERS, LLC FOR THE PROVISION OF DOMESTIC EQUITY MID-CAP CORE INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**WHEREAS**, Oakland City Charter section 2601(e) states 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**, Oakland City Charter section 2601(e) also states that the PFRS Board may secure from competent investment counsel such counsel and advice as to investing the funds of the Retirement System as it deems necessary and that discretionary powers granted such investment counsel will be at the option of the Board; and

**WHEREAS**, at the November 30, 2005 Board meeting, the PFRS Board awarded a professional service agreement (“the Agreement”) to Earnest Partners, LLC (“Investment Counsel”) to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”) for a five-year term commencing March 24, 2006 and ending March 24, 2011; and

**WHEREAS**, Section XXVII of the Agreement allows for modification of the Agreement by written agreement of all parties; and

**WHEREAS**, Section IV(B) of the Agreement gave the PFRS Board the option to extend the initial term of the Agreement for three addition one-year terms; and

**WHEREAS**, on January 26, 2011, the Agreement with Investment Counsel was extended by Board motion for an additional five-year term, commencing March 24, 2011, and

**WHEREAS**, on March 30, 2016, the Agreement with Investment Counsel was extended by Board motion for an addition one-year term, effective March 24, 2016, and

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**  
CITY OF OAKLAND, CALIFORNIA

**RESOLUTION NO. 8090**

**WHEREAS**, on March 29, 2017, the PFRS Board passed Resolution No. 6957 which authorized amendment of Section IV(B) of the Agreement to provide the PFRS Board with unlimited one-year extension options, and

**WHEREAS**, on January 31, 2018, the PFRS Board passed Resolution No. 6993 which authorized a one-year extension of the Agreement with Investment Counsel commencing March 24, 2018, and

**WHEREAS**, on January 30, 2019, the PFRS Board passed Resolution No. 7036 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2019, and

**WHEREAS**, on January 29, 2020, the PFRS Board passed Resolution No. 7080 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2020, and

**WHEREAS**, on February 24, 2021, the PFRS Board passed Resolution No. 8011 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2021, and

**WHEREAS**, on February 23, 2022, the PFRS Board passed Resolution No. 8038 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2022, and

**WHEREAS**, on February 22, 2023, the PFRS Board passed Resolution No. 8074 which authorized a one-year extension of the Agreement with Investment Counsel, commencing March 24, 2022, and

**WHEREAS**, the Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing March 24, 2024 at the annual fee rate of 1.00 percent of the first \$10.0 million; 0.75% of the next \$15.0 million; and 0.60% of the next \$25.0 million; and 0.50% thereafter of Fund assets under management (presently valued at approximately \$42.3 million dollars (\$42,300,000.00), which fees are estimated to be approximately Three Hundred Sixteen Thousand Dollars (\$316,000.00); now, therefore, be it

**RESOLVED:** That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Earnest Partners, LLC for the provision of Domestic Equity Mid-Cap Core Investment Strategy Manager Services, commencing March 24, 2024 and ending March 24, 2025; and be it

**OAKLAND POLICE AND FIRE RETIREMENT BOARD**

CITY OF OAKLAND, CALIFORNIA

**RESOLUTION NO. 8090**

**FURTHER RESOLVED:** That the President of the PFRS Board is hereby authorized to execute, on behalf of PFRS, a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Earnest Partners, LLC.

IN BOARD MEETING, CITY HALL, OAKLAND, CA JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

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

NOES:

ABSTAIN:

ABSENT:

ATTEST: \_\_\_\_\_  
PRESIDENT

ATTEST: \_\_\_\_\_  
SECRETARY

# Economic and Market Update

December 2023 Report

## Commentary

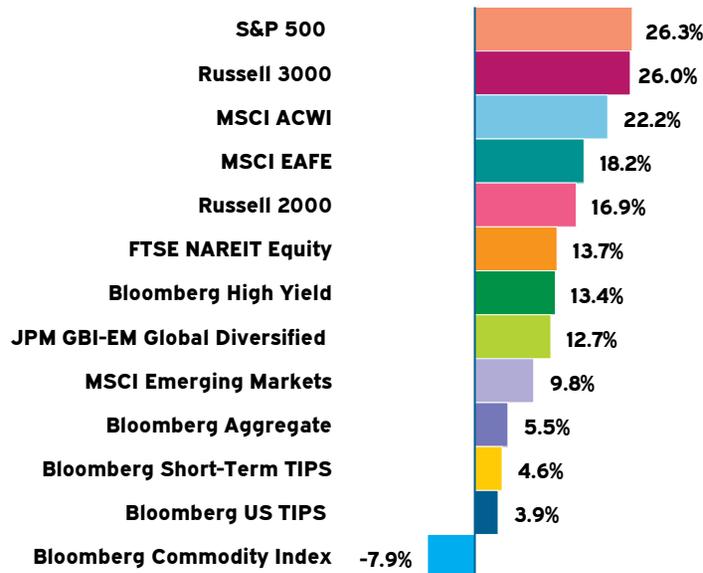
→ Most markets rallied in the fourth quarter in anticipation that policy rates cuts were ahead in 2024.

- Major central banks have largely paused interest rates hikes. Markets are now largely expecting the FOMC to maintain interest rates at the current levels and begin cutting rates as soon as Q1 2024.
- Inflation rose in December in the US and Europe, but both finished the year much lower than where they started. China remained in deflationary territory (-0.3%) at year-end.
- US equity markets (Russell 3000 index) posted strong gains for the quarter (12.1%), raising full year results to +26.0%. Most sectors rallied, with more defensive sectors lagging.
- Non-US developed equity markets also rallied in the fourth quarter (MSCI EAFE 10.4%), with the weakening of the US dollar contributing meaningfully (10.4% versus 5.0% ex.-US dollar influence). The performance difference between US and international developed equities for the year remained wide (26.0% versus 18.2%).
- Emerging market equities were up 7.9% in the fourth quarter and 9.8% for calendar 2023 but trailed developed markets due to lagging returns in China (-4.2% Q4/-11.2% one-year). Emerging market equities ex.-China returned 20% in 2023.
- Interest rates generally fell in the fourth quarter, particularly for longer-dated maturities. The broad US bond market rallied (6.8%) for the quarter, lifting 2023 returns into positive territory (5.5%).

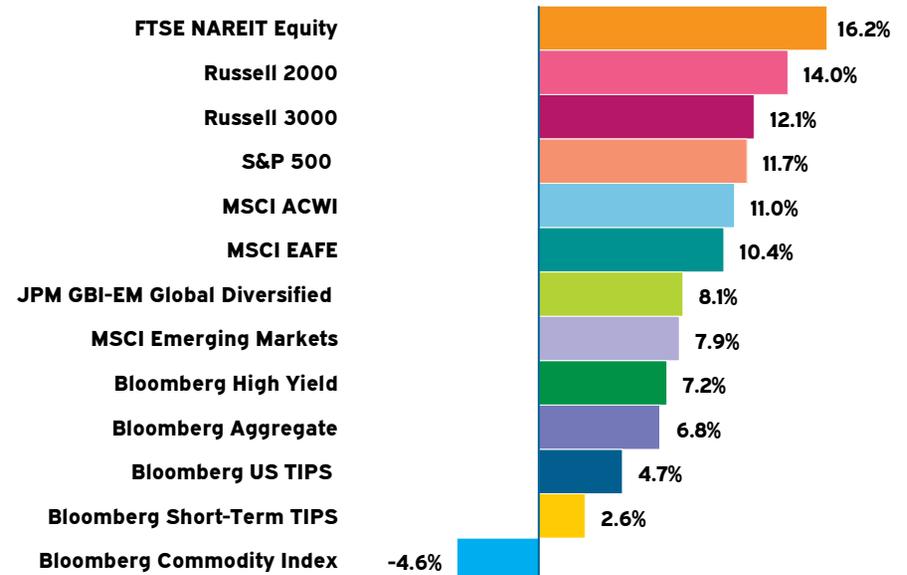
→ Looking to 2024, the paths of inflation and monetary policy, China's economic disorder and slowing economic growth, and the wars in Ukraine and Israel, will be key.

### Index Returns<sup>1</sup>

2023



Q4



→ After a tough start to the quarter on lingering fears that the Federal Reserve might keep interest rates “higher for longer”, markets rallied in November and December. Economic data generally coming in below expectations sparked expectations that the Federal Reserve might really be done raising policy rates for this cycle.

→ Strong results for the quarter built on gains for the year with all asset classes finishing in positive territory in 2023, except commodities.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

Domestic Equity Returns<sup>1</sup>

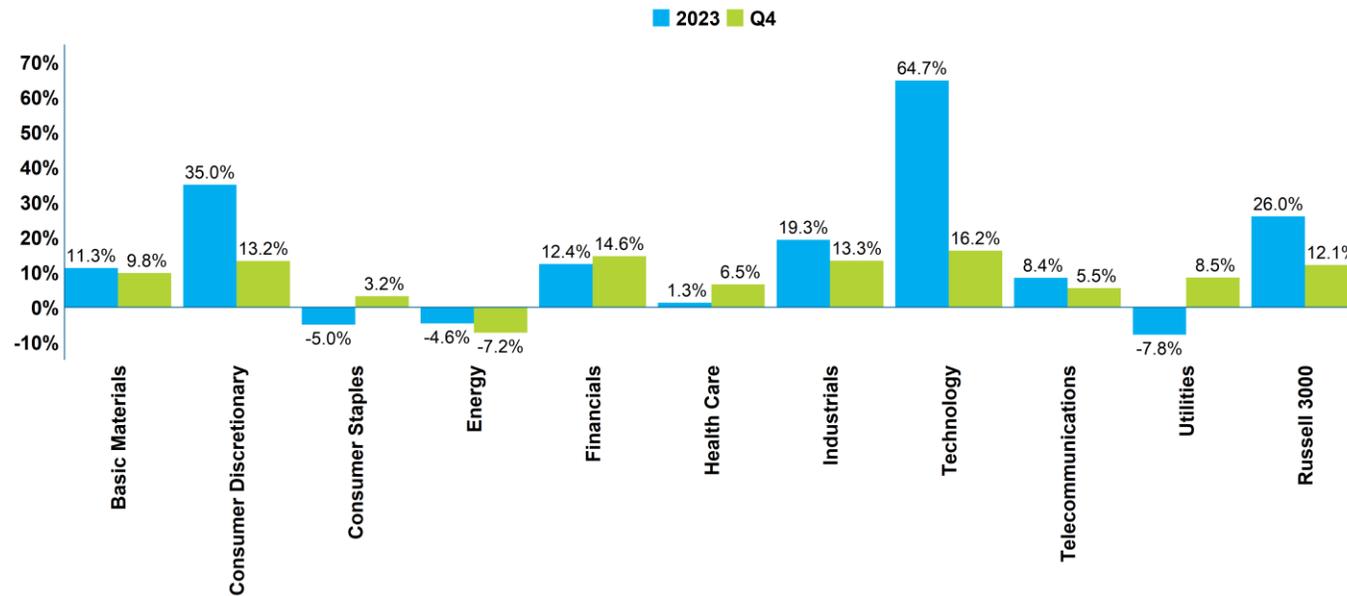
Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	4.5	11.7	26.3	10.0	15.7	12.0
Russell 3000	5.3	12.1	26.0	8.6	15.2	11.5
Russell 1000	4.9	12.0	26.5	9.0	15.5	11.8
Russell 1000 Growth	4.4	14.2	42.7	8.9	19.5	14.9
Russell 1000 Value	5.5	9.5	11.5	8.9	10.9	8.4
Russell MidCap	7.7	12.8	17.2	5.9	12.7	9.4
Russell MidCap Growth	7.6	14.5	25.9	1.3	13.8	10.6
Russell MidCap Value	7.8	12.1	12.7	8.4	11.2	8.3
Russell 2000	12.2	14.0	16.9	2.2	10.0	7.2
Russell 2000 Growth	12.0	12.7	18.7	-3.5	9.2	7.2
Russell 2000 Value	12.4	15.3	14.6	8.0	10.0	6.8

**US Equities: The Russell 3000 rallied 5.3% in December, bringing fourth quarter results to +12.1%. US stocks were up 26.0% in 2023.**

- US equities had a strong final quarter of the year, driven by expectations that rate cuts may be ahead in 2024.
- Small cap stocks outperformed their large cap peers for the quarter while growth outpaced value with the exception of small cap. Large cap stocks outperformed small cap stocks by a wide margin for the calendar year and growth outpaced value across market caps.
- Calendar year results were clearly driven by large cap technology stocks. Within the S&P 500 index, the “Magnificent 7” stocks generated more than 50% of the total gains.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023. Magnificent Seven stocks include: Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta.

### Russell 3000 Sector Returns<sup>1</sup>



→ All sectors posted gains for the fourth quarter, except for energy (-7.2%) given oil's recent declines. Technology (+16.2%) led the way for the quarter followed by financials (+14.6%).

→ In 2023, technology (+64.7%) and consumer discretionary (+35.0%) sectors had the best results, helped respectively by artificial intelligence optimism and a healthy US consumer. Traditionally defensive sectors like utilities (-7.8%) and consumer staples (-5.0%) trailed.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Foreign Equity Returns<sup>1</sup>

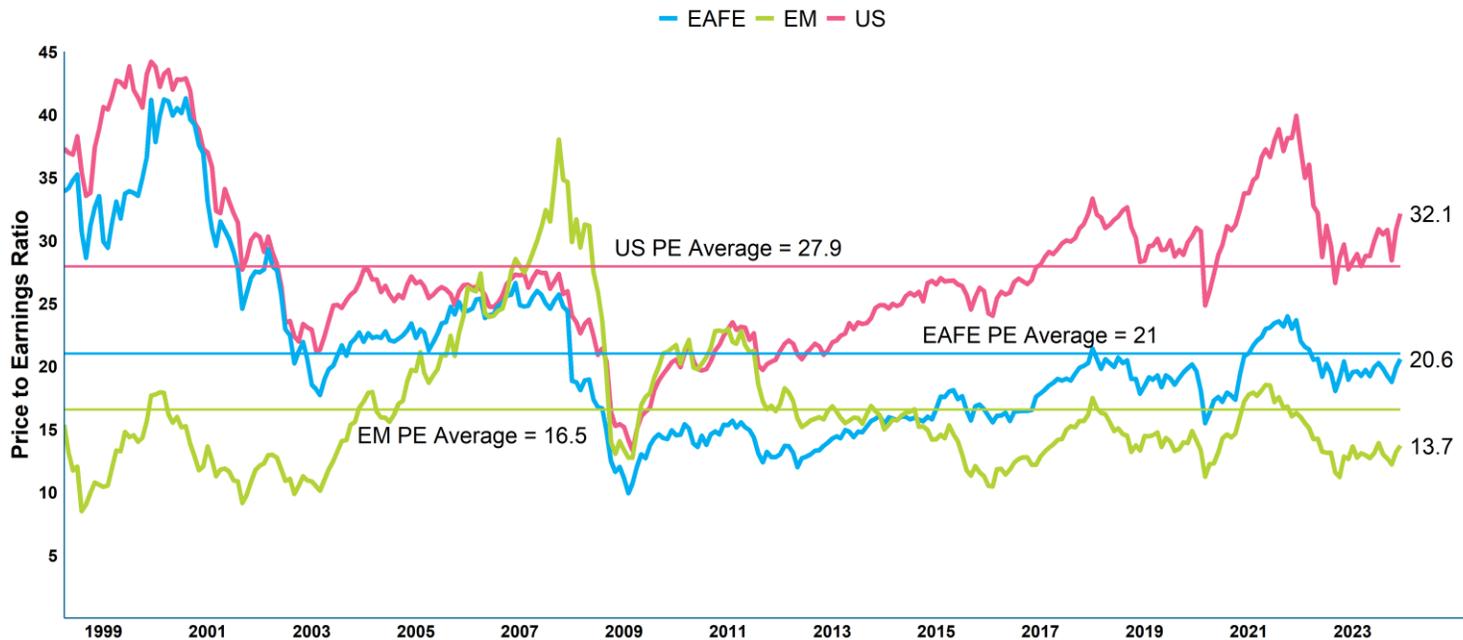
Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	5.0	9.8	15.6	1.5	7.1	3.8
MSCI EAFE	5.3	10.4	18.2	4.0	8.2	4.3
MSCI EAFE (Local Currency)	2.9	5.0	16.2	8.7	9.5	6.6
MSCI EAFE Small Cap	7.3	11.1	13.2	-0.7	6.6	4.8
MSCI Emerging Markets	3.9	7.9	9.8	-5.1	3.7	2.7
MSCI Emerging Markets (Local Currency)	3.1	5.6	9.9	-2.5	5.4	5.2
MSCI China	-2.4	-4.2	-11.2	-18.5	-2.8	0.9

Foreign Equity: Developed international equities (MSCI EAFE) gained 5.3% in December and 10.4% in the fourth bringing calendar year results to 18.2%. Emerging market equities (MSCI EM) rose 3.9% in December, 7.9% for the quarter, and 9.8% for the year.

- Optimism around lower inflation and potentially peaking and declining policy rates drove gains in the UK and Europe. Japan had weaker results for the quarter as concerns over a strengthening yen weighed on returns in December. Overall weakness in the US dollar also contributed to quarterly and full year results across developed markets.
- Emerging markets also experienced strong performance in the fourth quarter but trailed developed markets. China weighed on relative results for the quarter and year, declining 4.2% and 11.2%, respectively. Slowing growth, issues in the property sector, and on-going tensions with the US all weighed on results.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- Given the strong technology-driven rally last year, the US equity price-to-earnings ratio increased above its 21st century average. Fourth quarter gains brought valuations to their highest level for the year.
- International market valuations also increased in the fourth quarter, but remain below the US. In the case of developed markets, valuations finished the year close to the their long-term average, while emerging markets remained well below their average.

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of December 2023. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end respectively.

### Fixed Income Returns<sup>1</sup>

Fixed Income	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	3.8	6.8	6.2	-3.0	1.4	2.1	4.8	6.1
Bloomberg Aggregate	3.8	6.8	5.5	-3.3	1.1	1.8	4.5	6.3
Bloomberg US TIPS	2.7	4.7	3.9	-1.0	3.2	2.4	4.2	6.7
Bloomberg Short-term TIPS	1.1	2.6	4.6	2.3	3.4	2.0	4.5	2.4
Bloomberg High Yield	3.7	7.2	13.4	2.0	5.4	4.6	7.6	3.8
JPM GBI-EM Global Diversified (USD)	3.2	8.1	12.7	-3.2	1.1	0.1	6.5	5.0

**Fixed Income: The Bloomberg Universal index rose 3.8% in December, 6.8% for the quarter, and 6.2% for the year.**

- Policy rate expectations swung from pessimism to optimism in November and December. Signs of the labor market cooling and improving inflation led investors to bring forward expectations for interest rate cuts to early 2024, leading to one of the best quarterly results in over twenty years.
- The broad US bond market (Bloomberg Aggregate) rallied 6.8% for the quarter, lifting full-year performance into positive territory (+5.5%). The broader TIPS index rose 4.7% for the quarter and 3.9% for the year, while the less interest-rate-sensitive short-term TIPS index rose 2.6% and 4.6% over the same periods.
- High yield bonds rallied on better risk sentiment (+7.2%), as did emerging market bonds (+8.1%). Both asset classes produced double-digit results last year.

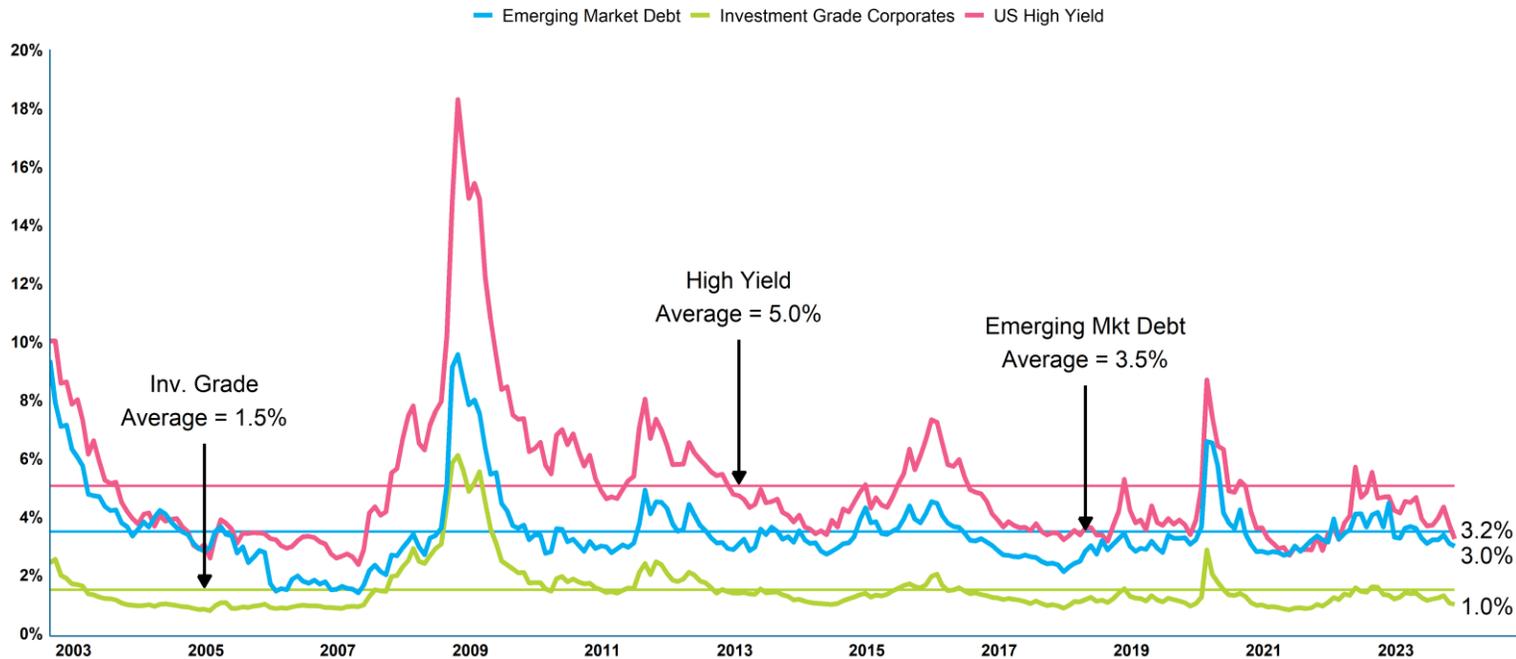
<sup>1</sup> Source: Bloomberg. JPM GBI-EM data is from InvestorForce. Data is as of December 31, 2023. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration respectively.



- The more policy sensitive short-term maturities were higher this year while longer-term maturities finished the year where they started.
- Still, rates declined sharply over the quarter, particularly at the longer end of the yield curve on continued easing of inflation-related risks and speculation that the Federal Reserve is done with their policy rate increases for this cycle.
- For the quarter, two-year Treasury yields fell from 5.05% to 4.24% while ten-year Treasury yields declined from 4.56% to 3.88%.
- The yield curve remained inverted at year-end despite a recent flattening trend. The spread between the 2-year and 10-year Treasury was -0.37% at the end of December.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2023.

**Credit Spreads vs. US Treasury Bonds<sup>1</sup>**

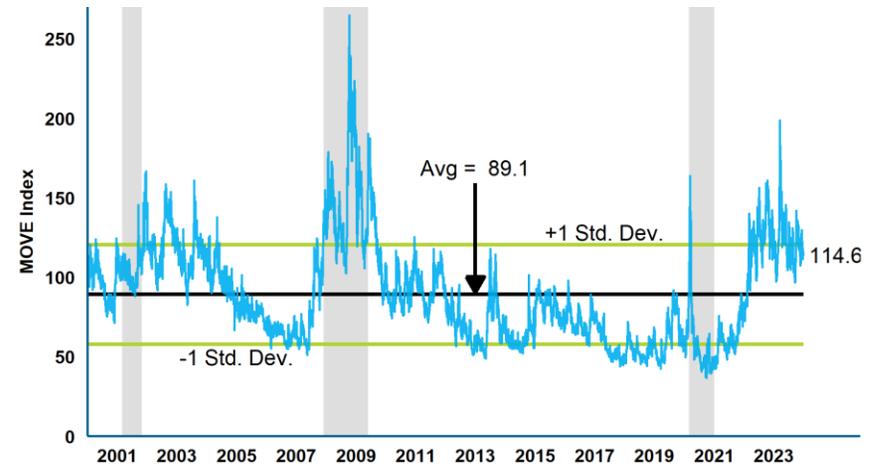
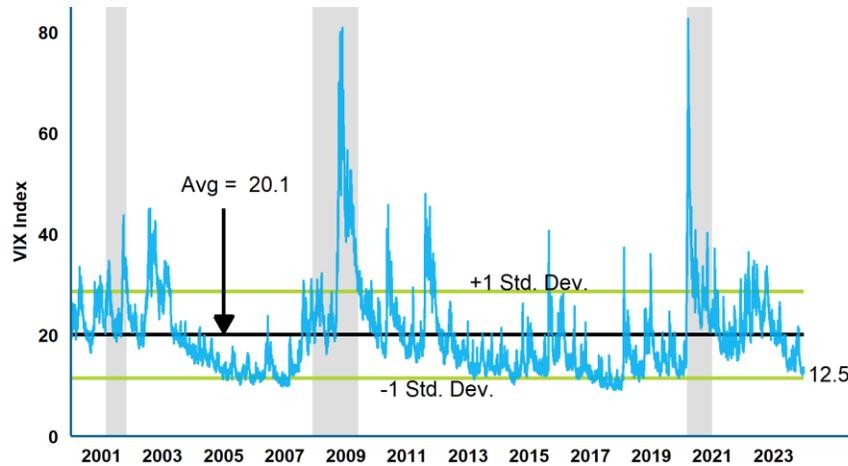


→ Expectations of peaking policy rates and the corresponding increase in risk appetite benefited credit in the fourth quarter with spreads (the added yield above a comparable maturity Treasury) narrowing. All spreads remain below their respective long run averages.

→ High yield spreads continue to be the furthest below their long-term average given the overall risk appetite last year and lower duration. Investment-grade corporate and emerging market spreads are also below their respective long-term averages, but by smaller margins.

<sup>1</sup> Sources: Bloomberg. Data is as of December 31, 2023. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

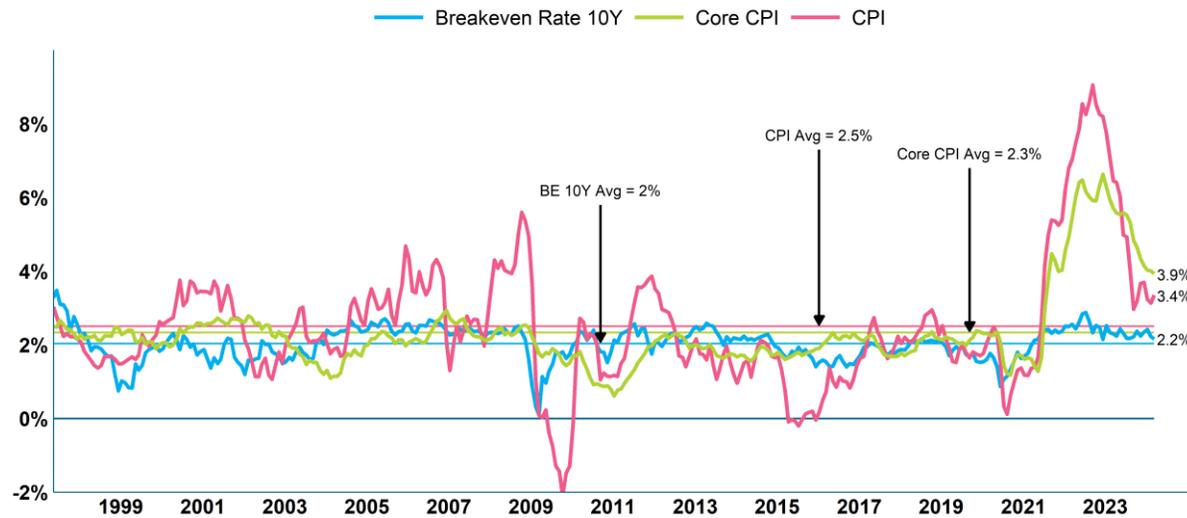
### Equity and Fixed Income Volatility<sup>1</sup>



- Volatility in equities (VIX) finished the year close to its lows, remaining well below the long-term average as the focus shifted to peaking policy rates and the potential for a soft landing.
- Volatility in the bond market (MOVE) remained elevated to close out 2023 and is well above its long-run average (89.1). The bond market remained on edge for most of 2024 largely driven by uncertainty about the ultimate path of monetary policy.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 2023. The average line indicated is the average of the VIX and MOVE values between January 2000 and December 2023.

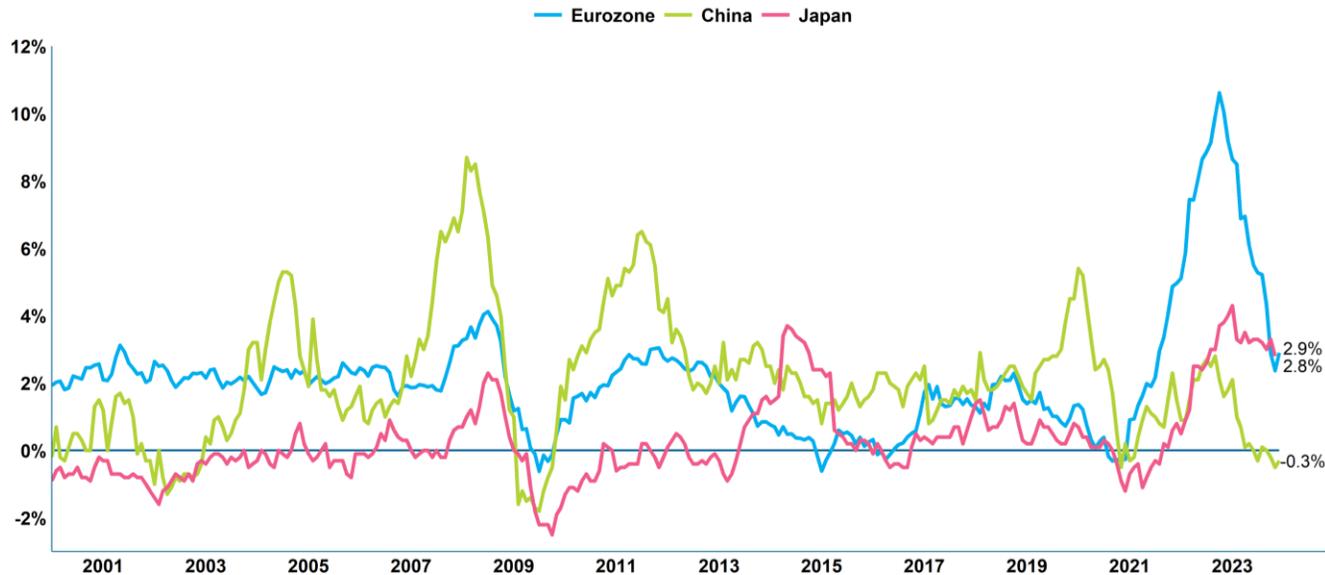
### US Ten-Year Breakeven Inflation and CPI<sup>1</sup>



- Year-over-year headline inflation rose from 3.1% to 3.4% in December, coming in above expectations of 3.2%. An increase in shelter (+6.2%) drove results, with food also increasing from a year prior (+2.7%) and energy prices falling (-2.0%). Month-over-month inflation came in at 0.3%, above expectations of 0.2% and the prior reading of 0.1%.
- Core inflation - excluding food and energy – declined in December (3.9% versus 4.0%) year-over-year, with shelter costs again driving the total core index increase.
- Inflation expectations (breakevens) have remained relatively stable despite the recent significant volatility in inflation.

<sup>1</sup> Source: FRED. Data is as December 2023. The CPI and 10 Year Breakeven average lines denote the average values from February 1997 to the present month-end, respectively. Breakeven values represent month-end values for comparative purposes.

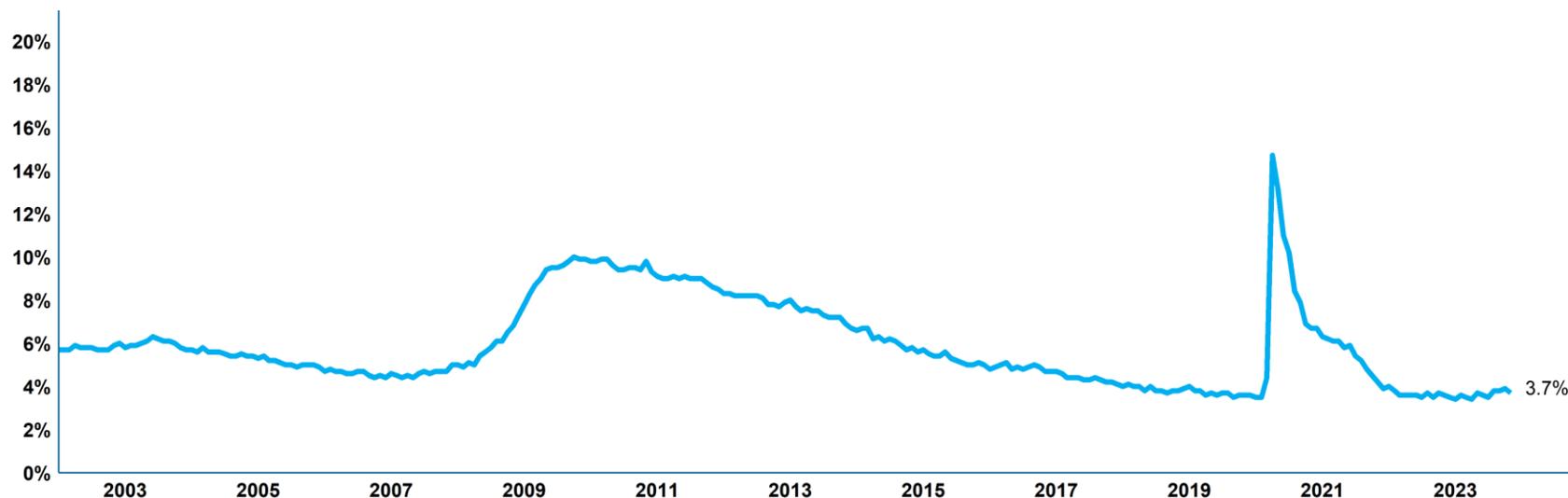
**Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>**



- Outside the US, inflation is also falling across major economies with China slipping into deflation.
- In the eurozone, inflation experienced a dramatic decline last year. Despite a small increase in December (2.9% versus 2.4%) it finished the year below the 3.4% year-over-year reading in the US.
- Inflation in Japan remains near levels not seen in almost a decade, driven by food and home related items.

<sup>1</sup> Source: FRED for United States CPI and Eurozone CPI. Source: Bloomberg for Japan CPI, China CPI, and Eurozone December flash estimate. Data is as December 31, 2023, except Japan which is as of November 30, 2023.

### US Unemployment<sup>1</sup>

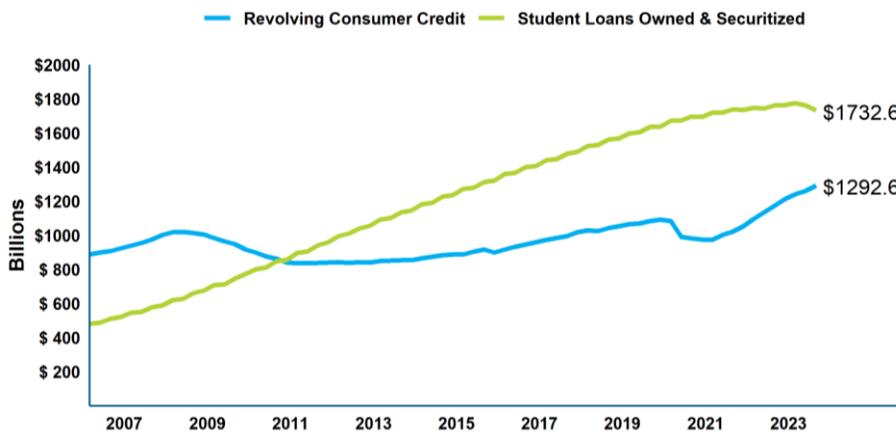


- Overall, the US labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued.
- In December, US unemployment remained unchanged (3.7%) and came in slightly below expectations of an increase to 3.8%. The number of jobs added did come in above expectations (216k versus 175k) though with the most jobs added in the government, leisure and hospitality, and health care sectors.
- The labor force participation remained relatively stable at 62.5%, well off the lows of the pandemic (60.1%) but not back to pre-pandemic levels (63.3%).
- The pace of hourly wage growth has declined from its peak of close to 6.0% finishing 2023 at 4.1% yoy. Wage growth remains positive in real terms though.

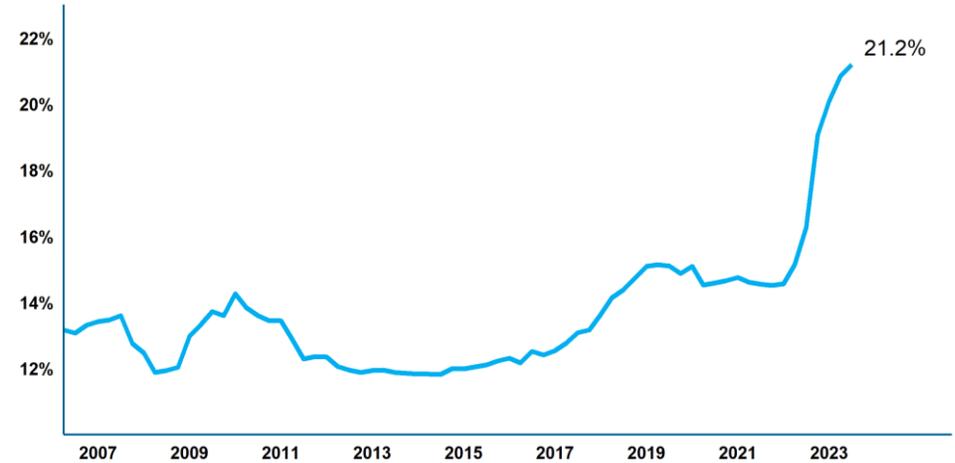
<sup>1</sup>Source: FRED. Data is as December 31, 2023.

### US Consumer Under Stress?<sup>1</sup>

#### Revolving Consumer Credit & Student Loans (\$B)



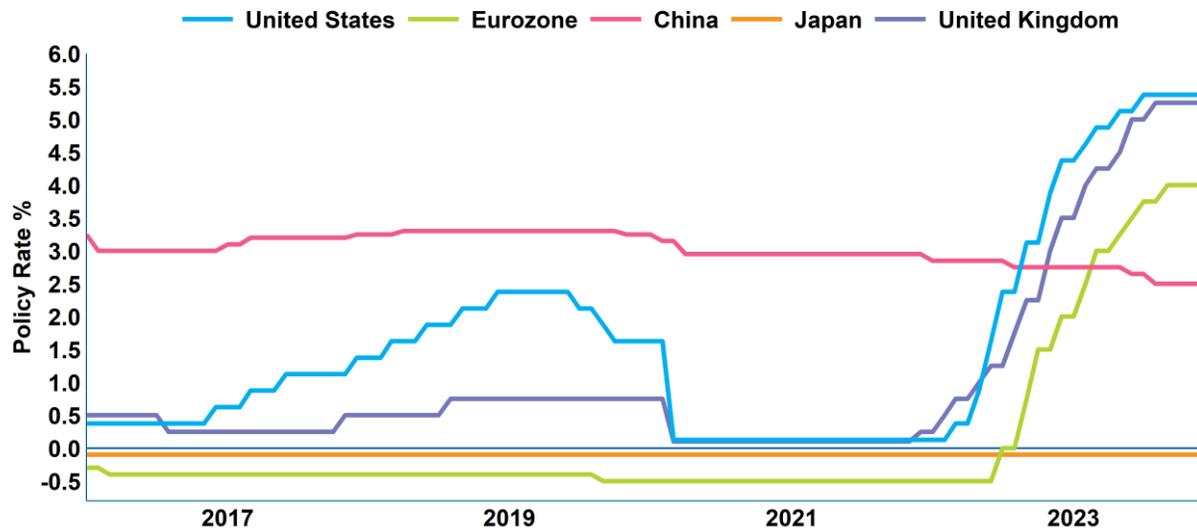
#### Consumer Credit Card Interest Rates (%)



- Despite the strong labor market and higher wages, pressures have started to build on the US consumer. This is an important consideration as consumer spending has been a key driver of economic growth.
- Revolving consumer credit surged to new highs in 2023 even as credit card interest rates hit levels not seen before (the prior peak was around 19% in the 1980s).
- The return of student loan repayments after a three-year pandemic-related reprieve could add to pressures on consumers' budgets. This might be partially mitigated by recently initiated repayment and forgiveness programs.
- As we look ahead, the strength of the US consumer will remain key as this sector makes up most of the domestic economy (GDP).

<sup>1</sup> Source: FRED. Data is as of September 30, 2023. Revolving Consumer Credit data is seasonally adjusted to remove distortions during the holiday season.

### Policy Rates<sup>1</sup>



- Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening.
- The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are pricing in six rate cuts next year given the track of economic data and recent comments from the Fed, while the Fed itself is only predicting three. How this discrepancy is resolved will be key this year.
- The European and UK central banks also recently paused their rate increases on slowing inflation. In Japan, the BoJ has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising.
- The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

<sup>1</sup> Source: Bloomberg. Data is as of December 2023.

### US Dollar vs. Broad Currencies<sup>1</sup>



- The US dollar declined around 5% in the fourth quarter as generally weaker economic data led investors to anticipate the end of FOMC tightening and interest rate cuts in 2024.
- Overall, the dollar finished the year only slightly below where it started but it was a volatile year for the US currency as expectations related to monetary policy evolved.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2023.

## Summary

### Key Trends:

- The impact of inflation still above policy targets will remain important, with bond market volatility likely to stay high.
- Global monetary policies could diverge going forward. The risk of policy errors remains elevated as central banks try to further reduce inflation toward targets while not tipping their economies into recession. In the case of the US the resolution of the disparity between market expectations for the path of interest rates versus the Fed's dot plot will be key.
- Global growth is expected to slow next year, with some economies forecasted to tip into recession. However, optimism has been building that certain economies could experience soft landings. Inflation, monetary policy, and geopolitical issues will remain key in 2024.
- US consumers could feel pressure as certain components of inflation (e.g., shelter), remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward, will be whether earnings can remain resilient if growth continues to slow. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including the potential for China's economic slowdown and on-going weakness in the real estate sector could spill over into key trading partners' economies. Japan's recent hint at potentially tightening monetary policy along with changes in corporate governance in the country could influence relative results.
- Recent, heightened tensions in Israel could add to overall uncertainty and drive safe haven flows.

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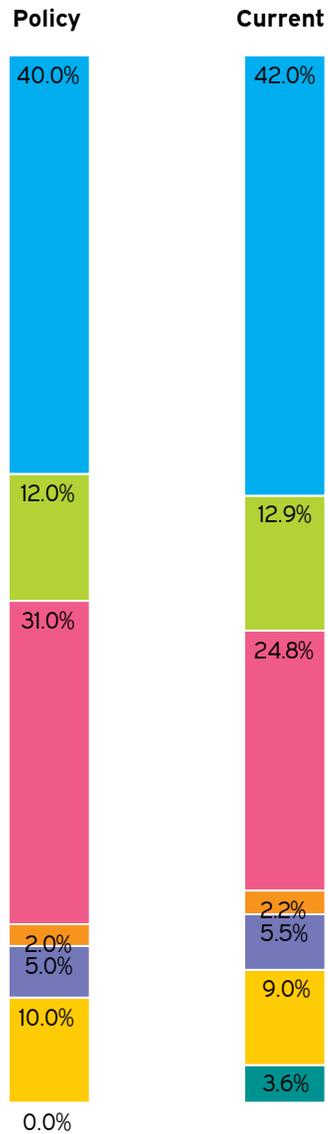
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## Oakland Police and Fire Retirement System

January 31, 2024

December Flash Report

As of December 31, 2023



Allocation vs. Targets and Policy						
	Current Balance (\$)	Current (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	183,174,978	42.0	40.0	2.0	30.0 - 50.0	Yes
International Equity	56,347,608	12.9	12.0	0.9	8.0 - 14.0	Yes
Fixed Income	107,983,596	24.8	31.0	-6.2	25.0 - 40.0	No
Credit	9,697,822	2.2	2.0	0.2	1.0 - 3.0	Yes
Covered Calls	23,783,695	5.5	5.0	0.5	5.0 - 10.0	Yes
Crisis Risk Offset	39,450,916	9.0	10.0	-1.0	5.0 - 15.0	Yes
Cash	15,499,650	3.6	0.0	3.6	0.0 - 5.0	Yes
<b>Total</b>	<b>435,938,266</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Asset Class Performance Summary | As of December 31, 2023

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>OPFRS Total Plan</b>	<b>435,938,266</b>	<b>100.0</b>	<b>4.4</b>	<b>8.3</b>	<b>13.5</b>	<b>3.3</b>	<b>7.8</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			4.3	8.7	15.1	3.6	8.0	6.8	7.9	
Excess Return			0.1	-0.4	-1.6	-0.3	-0.2	-0.3	-1.3	
<b>Domestic Equity</b>	<b>183,174,978</b>	<b>42.0</b>	<b>6.0</b>	<b>12.0</b>	<b>19.9</b>	<b>7.4</b>	<b>13.8</b>	<b>10.6</b>	<b>8.9</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			5.3	12.1	26.0	8.5	15.2	11.5	9.3	
Excess Return			0.7	-0.1	-6.1	-1.1	-1.4	-0.9	-0.4	
<b>International Equity</b>	<b>56,347,608</b>	<b>12.9</b>	<b>5.1</b>	<b>9.4</b>	<b>19.5</b>	<b>3.6</b>	<b>8.5</b>	<b>4.9</b>	<b>5.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.0	9.8	15.6	1.5	7.1	3.8	5.1	
Excess Return			0.1	-0.4	3.9	2.1	1.4	1.1	0.3	
<b>Fixed Income</b>	<b>107,983,596</b>	<b>24.8</b>	<b>3.8</b>	<b>6.7</b>	<b>6.1</b>	<b>-2.8</b>	<b>1.5</b>	<b>2.2</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.6	
Excess Return			0.0	-0.1	-0.1	0.2	0.1	0.1	-0.1	
<b>Credit</b>	<b>9,697,822</b>	<b>2.2</b>	<b>2.5</b>	<b>3.9</b>	<b>12.7</b>	<b>4.1</b>	<b>4.8</b>	<b>--</b>	<b>4.9</b>	<b>Feb-15</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			3.7	7.2	13.4	2.0	5.4	4.6	4.8	
Excess Return			-1.2	-3.3	-0.7	2.1	-0.6	--	0.1	
<b>Covered Calls</b>	<b>23,783,695</b>	<b>5.5</b>	<b>2.5</b>	<b>7.3</b>	<b>20.0</b>	<b>9.2</b>	<b>12.1</b>	<b>--</b>	<b>9.0</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			0.6	3.1	8.2	3.1	5.9	--	3.5	
<b>Crisis Risk Offset</b>	<b>39,450,916</b>	<b>9.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.8</b>	<b>-6.5</b>	<b>-6.9</b>	<b>--</b>	<b>-7.7</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			2.5	2.3	2.6	5.0	0.5	--	0.1	
Excess Return			-1.8	-2.0	-1.8	-11.5	-7.4	--	-7.8	

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

## Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>OPFRS Total Plan</b>	<b>435,938,266</b>	<b>100.0</b>	<b>4.4</b>	<b>8.3</b>	<b>13.5</b>	<b>3.3</b>	<b>7.8</b>	<b>6.5</b>	<b>6.6</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			4.3	8.7	15.1	3.6	8.0	6.8	7.9	
Excess Return			0.1	-0.4	-1.6	-0.3	-0.2	-0.3	-1.3	
<b>Domestic Equity</b>	<b>183,174,978</b>	<b>42.0</b>	<b>6.0</b>	<b>12.0</b>	<b>19.9</b>	<b>7.4</b>	<b>13.8</b>	<b>10.6</b>	<b>8.9</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			5.3	12.1	26.0	8.5	15.2	11.5	9.3	
Excess Return			0.7	-0.1	-6.1	-1.1	-1.4	-0.9	-0.4	
Northern Trust Russell 1000	88,252,834	20.2	4.9	12.0	26.5	8.8	15.4	11.7	13.5	Jun-10
<i>Russell 1000 Index</i>			4.9	12.0	26.5	9.0	15.5	11.8	13.6	
Excess Return			0.0	0.0	0.0	-0.2	-0.1	-0.1	-0.1	
EARNEST Partners	42,300,855	9.7	7.5	12.7	16.8	7.0	15.1	11.1	9.4	Apr-06
<i>Russell Midcap Index</i>			7.7	12.8	17.2	5.9	12.7	9.4	8.8	
Excess Return			-0.2	-0.1	-0.4	1.1	2.4	1.7	0.6	
Wellington Select Quality Equity	24,458,953	5.6	1.7	9.8	10.2	--	--	--	6.5	May-22
<i>Russell 1000 Index</i>			4.9	12.0	26.5	9.0	15.5	11.8	10.7	
Excess Return			-3.2	-2.2	-16.3	--	--	--	-4.2	
Brown Fundamental Small Cap Value	12,835,326	2.9	9.7	12.9	17.5	--	--	--	6.7	Apr-21
<i>Russell 2000 Value Index</i>			12.4	15.3	14.6	7.9	10.0	6.8	1.4	
Excess Return			-2.7	-2.4	2.9	--	--	--	5.3	
Rice Hall James	15,327,009	3.5	12.6	13.4	14.1	-0.3	7.5	--	6.6	Aug-17
<i>Russell 2000 Growth Index</i>			12.0	12.7	18.7	-3.5	9.2	7.2	7.1	
Excess Return			0.6	0.7	-4.6	3.2	-1.7	--	-0.5	

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

## Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>International Equity</b>	<b>56,347,608</b>	<b>12.9</b>	<b>5.1</b>	<b>9.4</b>	<b>19.5</b>	<b>3.6</b>	<b>8.5</b>	<b>4.9</b>	<b>5.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.0	9.8	15.6	1.5	7.1	3.8	5.1	
Excess Return			0.1	-0.4	3.9	2.1	1.4	1.1	0.3	
Vanguard Developed Markets ETF	16,040,034	3.7	5.6	11.0	17.9	3.7	--	--	7.5	Sep-19
<i>FTSE Developed All Cap ex-U.S. Index</i>			5.7	10.9	18.3	3.9	8.7	4.8	7.8	
Excess Return			-0.1	0.1	-0.4	-0.2	--	--	-0.3	
SGA ACWI ex-U.S. Equity	40,307,575	9.2	4.9	8.8	20.5	3.5	--	--	4.4	Dec-19
<i>MSCI AC World ex USA (Net)</i>			5.0	9.8	15.6	1.5	7.1	3.8	4.8	
Excess Return			-0.1	-1.0	4.9	2.0	--	--	-0.4	
<b>Fixed Income</b>	<b>107,983,596</b>	<b>24.8</b>	<b>3.8</b>	<b>6.7</b>	<b>6.1</b>	<b>-2.8</b>	<b>1.5</b>	<b>2.2</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.6	
Excess Return			0.0	-0.1	-0.1	0.2	0.1	0.1	-0.1	
Ramirez	73,247,942	16.8	3.8	6.6	5.9	-2.8	1.4	--	1.7	Jan-17
<i>Blmbg. U.S. Aggregate Index</i>			3.8	6.8	5.5	-3.3	1.1	1.8	1.3	
Excess Return			0.0	-0.2	0.4	0.5	0.3	--	0.4	
Wellington Core Bond	6,993,592	1.6	4.0	7.3	7.1	--	--	--	-2.5	Apr-21
<i>Blmbg. U.S. Aggregate Index</i>			3.8	6.8	5.5	-3.3	1.1	1.8	-2.4	
Excess Return			0.2	0.5	1.6	--	--	--	-0.1	
Reams	27,742,062	6.4	3.9	7.0	6.5	-2.7	3.6	3.1	4.9	Feb-98
<i>Bloomberg Universal (Blend)</i>			3.8	6.8	6.2	-3.0	1.4	2.1	4.2	
Excess Return			0.1	0.2	0.3	0.3	2.2	1.0	0.7	

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

### Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Credit</b>	<b>9,697,822</b>	<b>2.2</b>	<b>2.5</b>	<b>3.9</b>	<b>12.7</b>	<b>4.1</b>	<b>4.8</b>	<b>--</b>	<b>4.9</b>	<b>Feb-15</b>
<i>Blmbg. U.S. Corp: High Yield Index</i>			3.7	7.2	13.4	2.0	5.4	4.6	4.8	
Excess Return			-1.2	-3.3	-0.7	2.1	-0.6	--	0.1	
Polen Capital	9,697,822	2.2	2.5	3.9	12.7	4.1	4.8	--	4.9	Feb-15
<i>ICE BofA High Yield Master II</i>			3.7	7.1	13.5	2.0	5.2	4.5	4.7	
Excess Return			-1.2	-3.2	-0.8	2.1	-0.4	--	0.2	
<b>Covered Calls</b>	<b>23,783,695</b>	<b>5.5</b>	<b>2.5</b>	<b>7.3</b>	<b>20.0</b>	<b>9.2</b>	<b>12.1</b>	<b>--</b>	<b>9.0</b>	<b>Apr-14</b>
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			0.6	3.1	8.2	3.1	5.9	--	3.5	
Parametric BXM	11,662,453	2.7	1.7	5.0	15.8	7.5	8.9	--	7.1	Apr-14
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			-0.2	0.8	4.0	1.4	2.7	--	1.6	
Parametric DeltaShift	12,121,242	2.8	3.3	9.6	24.3	10.7	15.0	--	11.1	Apr-14
<i>CBOE S&amp;P 500 Buy Write Index</i>			1.9	4.2	11.8	6.1	6.2	5.7	5.5	
Excess Return			1.4	5.4	12.5	4.6	8.8	--	5.6	

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

### Asset Class & Manager Performance | As of December 31, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	Inception Date
<b>Crisis Risk Offset</b>	<b>39,450,916</b>	<b>9.0</b>	<b>0.7</b>	<b>0.3</b>	<b>0.8</b>	<b>-6.5</b>	<b>-6.9</b>	<b>--</b>	<b>-7.7</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			<i>2.5</i>	<i>2.3</i>	<i>2.6</i>	<i>5.0</i>	<i>0.5</i>	<i>--</i>	<i>0.1</i>	
Excess Return			-1.8	-2.0	-1.8	-11.5	-7.4	--	-7.8	
<b>Kepos Alternative Risk Premia</b>	<b>10,884,494</b>	<b>2.5</b>	<b>-2.9</b>	<b>-0.8</b>	<b>10.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.5</b>	<b>Feb-22</b>
<i>SG Multi Alternative Risk Premia Index</i>			<i>-1.4</i>	<i>-1.4</i>	<i>6.4</i>	<i>6.3</i>	<i>1.2</i>	<i>--</i>	<i>5.4</i>	
Excess Return			-1.5	0.6	4.2	--	--	--	-0.9	
<b>Versor Trend Following</b>	<b>14,879,873</b>	<b>3.4</b>	<b>-2.9</b>	<b>-8.0</b>	<b>-6.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-0.5</b>	<b>Apr-22</b>
<i>SG Trend Index</i>			<i>0.2</i>	<i>-4.6</i>	<i>-3.7</i>	<i>10.2</i>	<i>9.2</i>	<i>5.1</i>	<i>2.4</i>	
Excess Return			-3.1	-3.4	-3.2	--	--	--	-2.9	
<b>Vanguard Long-Term Treasury ETF</b>	<b>13,686,549</b>	<b>3.1</b>	<b>8.2</b>	<b>12.3</b>	<b>2.8</b>	<b>-11.6</b>	<b>--</b>	<b>--</b>	<b>-3.9</b>	<b>Jul-19</b>
<i>Blmbg. U.S. Gov Long Index</i>			<i>8.6</i>	<i>12.7</i>	<i>3.1</i>	<i>-11.3</i>	<i>-1.2</i>	<i>2.3</i>	<i>-3.6</i>	
Excess Return			-0.4	-0.4	-0.3	-0.3	--	--	-0.3	
<b>Cash</b>	<b>15,499,650</b>	<b>3.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>Mar-11</b>

Performance shown is net of fees. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see the Benchmark History for custom benchmark compositions. Versor Trend Following's market value is estimated using the manager return due to statement availability.

**Cash Flow Summary  
Month to Date**

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Northern Trust Russell 1000	84,103,691	-	4,149,143	88,252,834
EARNEST Partners	40,316,223	-1,000,000	2,984,632	42,300,855
Wellington Select Quality Equity	24,042,264	-	416,689	24,458,953
Brown Fundamental Small Cap Value	11,702,482	-	1,132,844	12,835,326
Rice Hall James	13,606,524	-	1,720,485	15,327,009
Vanguard Developed Markets ETF	15,390,395	-204,167	853,805	16,040,034
SGA ACWI ex-U.S. Equity	38,395,527	-	1,912,048	40,307,575
Ramirez	70,566,449	-	2,681,493	73,247,942
Wellington Core Bond	6,721,391	-	272,201	6,993,592
Reams	26,694,133	-	1,047,929	27,742,062
Polen Capital	9,458,960	-	238,863	9,697,822
Parametric BXM	11,463,983	-	198,471	11,662,453
Parametric DeltaShift	11,733,681	-	387,561	12,121,242
Kepos Alternative Risk Premia	11,214,542	-	-330,047	10,884,494
Versor Trend Following	15,316,391	-	-436,517	14,879,873
Vanguard Long-Term Treasury ETF	12,725,621	-58,772	1,019,700	13,686,549
Cash - Money Market	4,818,101	274,549	-	5,092,650
Cash - Treasury	10,290,773	116,227	-	10,407,000
Securities Lending Northern Trust	-	-13,661	13,661	-
<b>OPFRS Total Plan</b>	<b>418,561,130</b>	<b>-885,825</b>	<b>18,262,961</b>	<b>435,938,266</b>

Versor Trend Following's market value is estimated using the manager return due to statement availability.

Benchmark History		
From Date	To Date	Benchmark
<b>OPFRS Total Plan</b>		
06/01/2022	Present	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 31.0% Blmbg. U.S. Universal Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 5.0% CBOE S&P 500 Buy Write Index, 10.0% Crisis Risk Offset Benchmark
01/01/2019	06/01/2022	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 31.0% Blmbg. U.S. Universal Index, 5.0% CBOE S&P 500 Buy Write Index, 2.0% Blmbg. U.S. Treasury: Long, 10.0% Crisis Risk Offset Benchmark
05/01/2016	01/01/2019	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 20.0% CBOE BXM
10/01/2015	05/01/2016	43.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 15.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
01/01/2014	10/01/2015	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA index, 20.0% Blmbg. U.S. Universal Index, 10.0% CBOE BXM, 10.0% CPI - All Urban Consumers (unadjusted) +3%
03/01/2013	01/01/2014	40.0% Russell 3000 Index, 10.0% MSCI AC World ex USA index, 17.0% Blmbg. U.S. Universal Index, 33.0% ICE BofA 3 Month U.S. T-Bill
08/01/2012	03/01/2013	20.0% Russell 3000 Index, 7.0% MSCI AC World ex USA index, 18.0% Blmbg. U.S. Universal Index, 55.0% ICE BofA 3 Month U.S. T-Bill
10/01/2007	08/01/2012	53.0% Russell 3000 Index, 17.0% MSCI AC World ex USA index, 30.0% Blmbg. U.S. Universal Index
04/01/2006	10/01/2007	35.0% Russell 3000 Index, 15.0% MSCI AC World ex USA index, 50.0% Blmbg. U.S. Universal Index
01/01/2005	04/01/2006	35.0% Russell 3000 Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA index
04/01/1998	01/01/2005	20.0% Russell 1000 Value Index, 10.0% Russell 1000 Index, 5.0% Russell Midcap Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
09/01/1988	04/01/1998	40.0% S&P 500 Index, 55.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill

### Benchmark History

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

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## Oakland Police & Fire Retirement System Pension Plan

January 2023

Asset Liability Study – Part III

#### Agenda

- Recap objectives of this study from the prior meeting
- Review pros and cons of sample portfolios Meketa has drafted for Board consideration
- Discuss implementation considerations, short-term and longer term

## **Sample Objectives and Asset Allocations**

### Sample Objectives

→ The following policy would achieve the following objectives:

1. Lower the funded status volatility to create a predictable funded status and required contribution.
2. Portfolio diversification that is expected to return more than the liability growth.

→ To accomplish these objectives, we focus on assets classes that:

1. Produce income (instead of appreciation) at the pace necessary to fulfil annual cash outflow (benefit payments, expenses) until all outflow is paid out (est. 50 years).
2. Have the same duration as the liability (~ 7 years) to hedge any movements in interest rates and credit spreads.

Sample Policies

- This study is produced assuming the System is 100% funded.
- Implementation towards desired asset allocation can occur in tranches or immediately assuming the “receivable contribution” is built into the asset allocation.

Asset Group	Current Policy (CP)	Long-term Growth (LTG)	Reduce Volatility (RV)	EROA Match	100% LDI
<b>Return-Seeking Assets</b>					
US Equity	40%	30%	18%	0%	0%
Developed Market Equity (non-US)	12%	15%	5%	0%	0%
Buy Write (Covered Calls)	5%	0%	0%	0%	0%
<b>Crisis Risk Offset</b>					
CTA (Trend Following)	6.7%	6.7%	3%	0%	0%
Alternative Risk Premia (ARP)	6.7%	6.7%	3%	0%	0%
Long-term Government Bonds	6.6%	6.6%	3%	3%	6%
<b>Liability Driven Investments</b>					
Core/Core Plus Fixed Income*	23%	35%	68%	97%	83%
Intermediate Government Bonds	0%	0%	0%	0%	0%
Long-term Corporate Bonds	0%	0%	0%	0%	11%
10-year Geometric Return**	7.1%	7.4%	6.3%	5.1%	4.4%
Return Volatility (St. Dev.)	10.2%	10.0%	6.6%	4.1%	4.5%
Sharpe Ratio	0.39	0.43	0.49	0.49	0.3

\* Includes domestic investment grade and below investment grade bonds

\*\* Based on Meketa’s 2023 10-year Capital Market Assumptions, updated for changes in interest rates through 12/31/2023

\*\*\* Asset allocation that minimizes funded status volatility but does not decrease the expected return below the current 5.08% actuarial assumption.

#### Asset Risk – Distribution Example

→ Below is a graph of the expected return volatility of each sample portfolio.

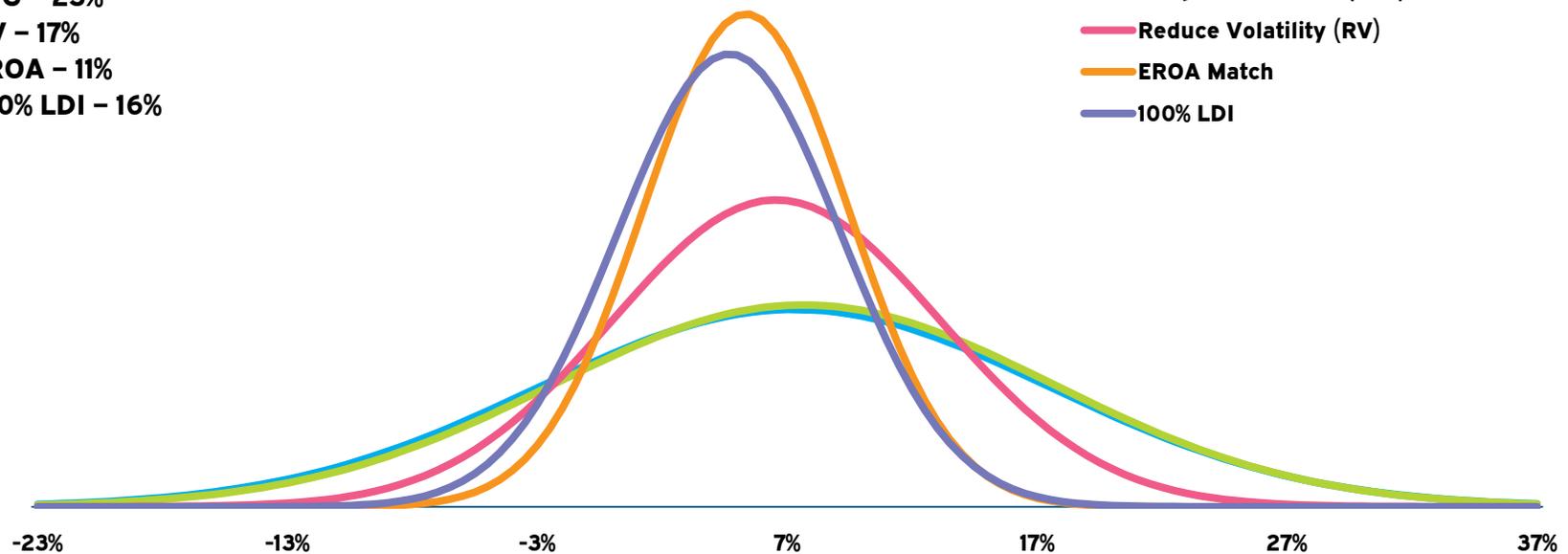
→ “Long-term Growth” portfolio has the highest expected return, but lowest predictability. The LDI portfolio has lowest expected return, but highest predictability

#### Portfolio Return Distribution (%)

##### Probability of Negative Annual Return:

- CP – 25%
- LTG – 23%
- RV – 17%
- EROA – 11%
- 100% LDI – 16%

- Current Policy (CP)
- Long-term Growth (LTG)
- Reduce Volatility (RV)
- EROA Match
- 100% LDI



### Asset Risk – Distribution Example (continued)

→ Below is a graph of the expected funded status volatility of each sample portfolio.

→ The LDI portfolio has the highest annual funded status certainty. The other sample portfolios have progressively less annual certainty.

→ 1% of funded status is ~\$5M as of June 2023.

### Funded Status Distribution (%)

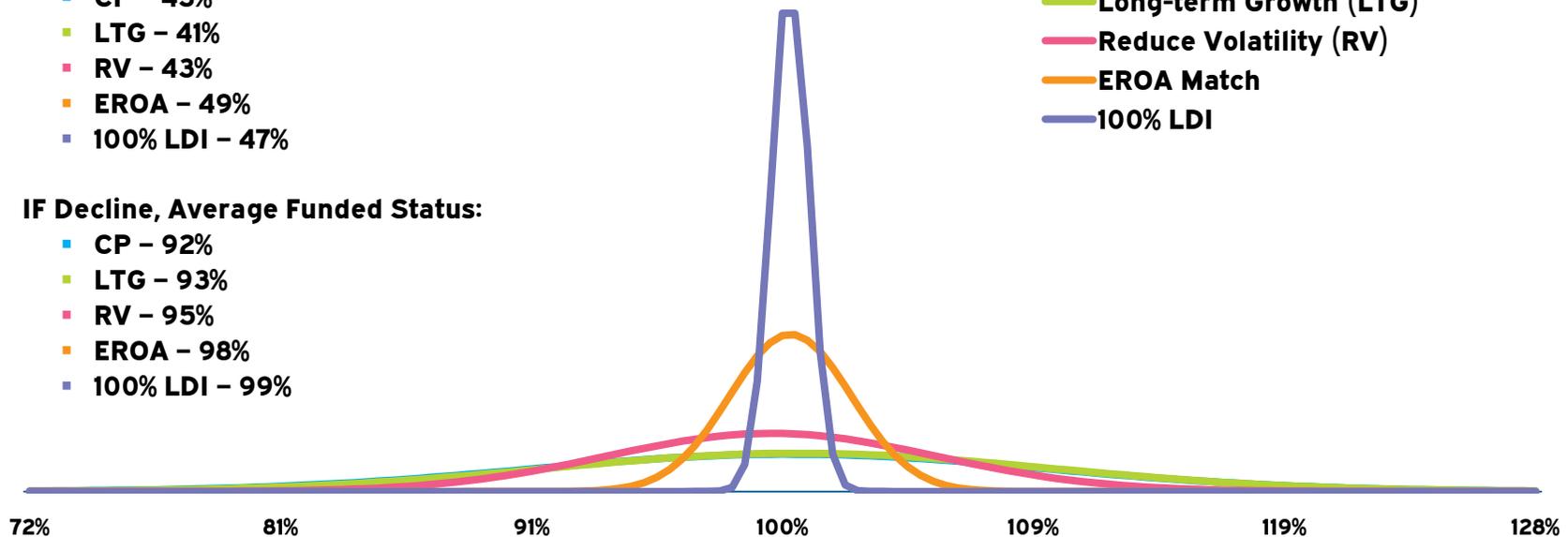
#### Probability of Funded Status Decline:

- CP – 43%
- LTG – 41%
- RV – 43%
- EROA – 49%
- 100% LDI – 47%

#### IF Decline, Average Funded Status:

- CP – 92%
- LTG – 93%
- RV – 95%
- EROA – 98%
- 100% LDI – 99%

- Current Policy (CP)
- Long-term Growth (LTG)
- Reduce Volatility (RV)
- EROA Match
- 100% LDI



### Recap and Notes

- Better aligning liability cash flow with asset cash flow is anticipated to result in a higher allocation to fixed income assets.
- LDI portfolios trade off long-term expected returns for short-term funded status volatility declines.
- Going to a full LDI strategy (sample “100% LDI”) would be expected to increase the contribution requirements (~\$30M) due to a decrease in the expected return on assets assumption from 5.1% to 4.4%.

## **Appendix: Assumptions**

### Assumptions and Methods

- Capital Market Assumptions: Meketa 10-year assumptions
- Assets: Market value of assets as of September 30, 2023.
- Liabilities: Liabilities as of September 30, 2023 were estimated using the 7/1/2022 projected benefit payments supplied by Cheiron. All other assumptions, methods and plan provisions are documented in the valuation report provided by Cheiron as of 7/1/2022.
- Risk calculations: Risk calculations exclude the impact of contributions. It is assumed that the System will contribute the necessary cash to achieve a 100% funded status as of 6/30/2026.

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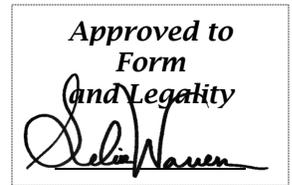
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**OAKLAND POLICE AND FIRE RETIREMENT BOARD**  
 CITY OF OAKLAND, CALIFORNIA  
**RESOLUTION No. 8091**



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

**RESOLUTION FIXING THE MONTHLY ALLOWANCE OF SUZZANE B. DUTTON, SURVIVING SPOUSE OF ROBERT L. DUTTON; RETIRED MEMBER OF THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM**

**WHEREAS**, the retired member of the Police and Fire Retirement System, whose name appears in Column (1) below, died on the date shown in Column (2) below; and

**WHEREAS**, the surviving spouse, whose name appears in Column (3) below, 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 in Column (7) below 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 does hereby fix the amount shown in Column (7) as the monthly allowance that said surviving spouse shall receive beginning on the date shown in Column (4):

(1) Name of Deceased Member	(2) Date of Death	(3) Name of Surviving Spouse	(4) Effective Date of Allowance	(5) Form of Retirement	(6) % of Compensation Attached to Avg. Rank Held	(7) Monthly Allowance
Robert L. Dutton	01/03/2024	Suzanne B. Dutton	01/04/2024	DIS	33.33%	\$4,436.71

IN BOARD MEETING, CITY HALL, OAKLAND, CA \_\_\_\_\_ JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

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

NOES:

ABSTAIN:

EXCUSED:

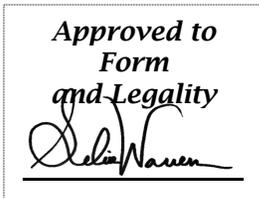
ATTEST: \_\_\_\_\_  
 PRESIDENT

ATTEST: \_\_\_\_\_  
 SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8092



ON MOTION OF MEMBER \_\_\_\_\_ SECONDED BY MEMBER \_\_\_\_\_

RESOLUTION APPROVING DEATH BENEFIT PAYMENTS AND DIRECTING WARRANTS THEREUNDER IN THE AMOUNT OF \$1,000.00 PAYABLE TO THE BENEFICIARIES OF DECEASED CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM MEMBERS GEORGE M. DRENNON AND JAMES E. PARR.

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

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

WHEREAS, the amount of said death benefit is stated in Column (3) opposite the name of the beneficiaries; now, therefore, be it

RESOLVED: That the Police and Fire Retirement System Board does hereby approve the Death Benefit payments to the people named in Column (2); and be it

FURTHER RESOLVED: That the Director of Finance, be and is hereby directed to draw and sign a warrant for the amount in Column (3) payable to the people whose names appears in Column (2):

Table with 3 columns: (1) Name of Deceased Member, (2) Names of Beneficiaries, (3) Death Benefit Amount. Rows include George M. Drennon and James E. Parr.

IN BOARD MEETING, CITY HALL, OAKLAND, CA \_\_\_\_\_ JANUARY 31, 2024

PASSED BY THE FOLLOWING VOTE:

- AYES: GODFREY, MELIA, NICHELINI, ROSEMAN, SPEAKMAN, WILKINSON, & PRESIDENT JOHNSON
NOES:
ABSTAIN:
ABSENT:

ATTEST: \_\_\_\_\_ PRESIDENT

ATTEST: \_\_\_\_\_ SECRETARY



# AGENDA REPORT

**TO:** Oakland Police and Fire Retirement System Board (PFRS)      **FROM:** David F. Jones  
Plan Administrator & Secretary

**SUBJECT:** PFRS Board of Administration Agenda Pending List      **DATE:** January 31, 2024

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	Ad Hoc Meeting was scheduled for 01/29/2024

Respectfully submitted,

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