

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

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



AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairperson

R. Steve Wilkinson
Member

Kevin Traylor
Member

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

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

Wednesday, March 31, 2021

9:30 AM

**Tele-Conference Board Meeting
via Zoom Webinar**

OBSERVE

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

PUBLIC COMMENTS

There are three ways to submit public comments.

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

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR AUDIT COMMITTEE MEETING
MARCH 31, 2021**

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

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

--- ORDER OF BUSINESS ---

- 1. Subject: Oakland Police and Fire Retirement System (“PFRS”) Audit Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: **APPROVE** February 24, 2021 Audit Committee Meeting Minutes.
- 2. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board

Recommendation: **ACCEPT** an informational report regarding PFRS administrative expenses as of January 31, 2021.
- 3. Subject: Election of a New 5-Year Retired Fire Representative Board Position**
From: Staff of the PFRS Board

Recommendation: **ACCEPT** informational report regarding the Election of a new 5-Year Fire Representative Board Position to fill Board seat held by John C. Speakman.
- 4. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS**
- 5. OPEN FORUM**
- 6. FUTURE SCHEDULING**
- 7. ADJOURNMENT**

AN AUDIT/OPERATIONS COMMITTEE REGULAR MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on Wednesday, January 27, 2021 via Zoom Tele-Conference.

- Committee Members Present:
- John C. Speakman Chairperson
 - Kevin R. Traylor Member
 - R. Steven Wilkinson* Member * (Joined meeting at 9:04 a.m.)
- Additional Attendees:
- David Jones Plan Administrator
 - Teir Jenkins Staff Member
 - Maxine Visaya Staff Member
 - Jennifer Logue PFRS Legal Counsel

The meeting was called to order at 9:02 a.m. PST

1. **PFRS Audit Committee Meeting Minutes** – Member Wilkinson made a motion to approve the January 27, 2021 Audit Committee minutes, second by Member Traylor. Motion passed.

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

2. **Administrative Expenses Report** – Chairperson Speakman noted the agenda referenced the report as of December 31, 2021 in error and should be as of December 31, 2020. Staff Member Jenkins presented an informational report of the PFRS administrative expenditures as of December 31, 2020 including quarterly reporting of approved budget vs. actual expenditures.

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

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

3. **Report of Findings Regarding PFRS Actuarial Funding Date of July 1, 2026** – Legal Counsel Logue presented a report of findings regarding PFRS Actuarial Funding Date of July 1, 2026 in place of Ad Hoc Committee Chairperson M. O’Brien due to a schedule conflict. The Ad Hoc committee will continually monitor the City Council agendas and alert the committee and full board when the 2026 Funding Date will be discussed so they may be in attendance and monitor what the City is doing in regards to this deadline.

MOTION: Member Traylor made a motion to accept the report of findings regarding PFRS Actuarial Funding Date of July 1, 2026 and forward to the Full Board for approval, second by Member Wilkinson. Motion passed.

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

4. **PFRS 2-Year Administrative Budget for Fiscal Years 2021/2022 and 2022/2023** – Staff Member Jenkins presented the proposed PFRS 2-Year Administrative Budget for Fiscal Years 2021/2022 and 2022/2023. Mr. Jenkins noted there were minor line item changes resulting in an overall proposed increase of 0.34% next year and less than 2% in the subsequent year.

MOTION: Member Wilkinson made a motion to accept the proposed PFRS 2-Year Administrative Budget for Fiscal Years 2021/2022 and 2022/2023 and forward to the Full Board for approval, second by Member Traylor. Motion passed.

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

5. **Review of Pending Audit Committee Meeting Agenda Items** – Plan Administrator David F. Jones provided a brief update on the last remaining pending item. The 2006 Management Audit remains pending due to COVID-19 restrictions in place and the need for staff to be on-site to review records.
6. **Open Forum** – No Report
7. **Future Scheduling** – The next regular Audit/Operations Committee meeting is tentatively scheduled for March 31, 2021
8. **Adjournment** – Member Wilkinson made a motion to adjourn, second by Member Traylor. Motion passed.

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

The meeting adjourned at 9:20 a.m. PST

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of January 31, 2021

	Approved Budget		January 2021		FYTD		Remaining		Percent Remaining	
Internal Administrative Costs										
PFRS Staff Salaries	\$	1,200,000	\$	77,502	\$	636,688	\$	563,312		46.9%
Board Travel Expenditures		52,500		-		-		52,500		100.0%
Staff Training		20,000		-		110		19,890		99.5%
Staff Training - Tuition Reimbursement		7,500		-		-		7,500		100.0%
Annual Report & Duplicating Services		4,000		-		-		4,000		100.0%
Board Hospitality		3,600		-		-		3,600		100.0%
Payroll Processing Fees		40,000		-		-		40,000		100.0%
Miscellaneous Expenditures		40,000		247		6,995		33,005		82.5%
Internal Service Fees (ISF)		88,000		-		56,073		31,927		36.3%
Contract Services Contingency		50,000		-		1,200		48,800		97.6%
Internal Administrative Costs Subtotal :	\$	1,505,600	\$	77,749	\$	701,066	\$	804,534		53.4%
Actuary and Accounting Services										
Audit	\$	45,000	\$	-	\$	45,000	\$	-		0.0%
Actuary		46,500		-		6,165		40,335		86.7%
Actuary and Accounting Subtotal:	\$	91,500	\$	-	\$	51,165	\$	40,335		44.1%
Legal Services										
City Attorney Salaries	\$	188,000	\$	15,198	\$	106,143	\$	81,857		43.5%
Legal Contingency		150,000		-		-		150,000		100.0%
Legal Services Subtotal:	\$	338,000	\$	15,198	\$	106,143	\$	231,857		68.6%
Investment Services										
Money Manager Fees	\$	1,353,000	\$	4,883	\$	250,963	\$	1,102,037		81.5%
Custodial Fee		124,000		-		58,250		65,750		53.0%
Investment Consultant		100,000		-		50,000		50,000		50.0%
Investment Subtotal:	\$	1,577,000	\$	4,883	\$	359,213	\$	1,217,787		77.2%
Total Operating Budget	\$	3,512,100	\$	97,831	\$	1,217,587	\$	2,294,513		65.33%

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of January 31, 2021

	January 2021
Beginning Cash as of 12/31/2020	\$ 6,198,225
Additions:	
City Pension Contribution - January	\$ 3,637,333
Investment Draw	\$ 1,000,000
Misc. Receipts	-
Total Additions:	\$ 4,637,333
Deductions:	
Pension Payment (December Pension Paid on 1/1/2021)	(4,397,056)
Expenditures Paid	(148,288)
Total Deductions	\$ (4,545,344)
 Ending Cash Balance as of 1/31/2021*	 \$ 6,290,214

* On 2/1/2021, January pension payment of appx \$4,430,000 will be made leaving a cash balance of \$1,860,000

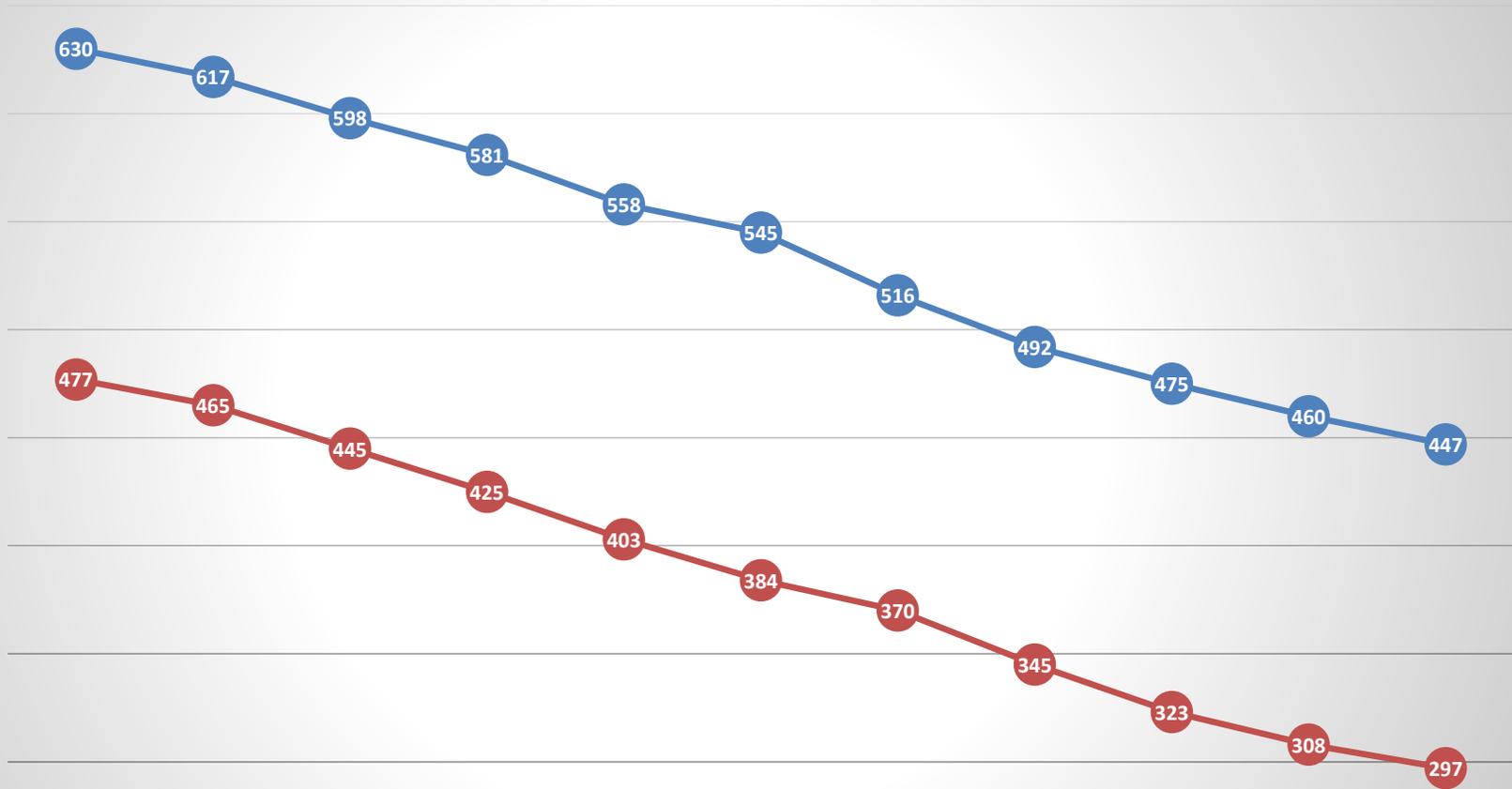
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of January 31, 2021

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	322	188	510
Beneficiary	125	109	234
<i>Total Retired Members</i>	447	297	744
<i>Total Membership:</i>	447	297	744

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	299	151	450
Disability Retirement	136	133	269
Death Allowance	12	13	25
<i>Total Retired Members:</i>	447	297	744
<i>Total Membership as of January 31, 2021:</i>	447	297	744
<i>Total Membership as of June 30, 2020:</i>	460	308	768
<i>Annual Difference:</i>	-13	-11	-24

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 FYTD
Police	630	617	598	581	558	545	516	492	475	460	447
Fire	477	465	445	425	403	384	370	345	323	308	297
Total	1107	1082	1043	1006	961	929	886	837	798	768	744



AGENDA REPORT

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

SUBJECT: Election of 5-Year Fire Department Representative Board Position **DATE:** March 31, 2021

SUMMARY

The 5-year fire member board seat currently held by John C. Speakman expired on August 31, 2020. Pursuant to the PFRS election guidelines outlined in Article 11 of the PFRS Rules and Regulations, an election for this board seat will be conducted by the Staff of the PFRS board with the assistance of the City Clerk's office.

BACKGROUND

John C. Speakman, a retired PFRS Fire member, was elected to the 5-year elected term as the PFRS 5-year member. Member Speakman's board seat expired on August 31, 2020 and a new 5-year fire member will need to be elected to this seat from the retired fire membership.

Following the PFRS Rules & Regulations Article 11, Section 11.2, the PFRS staff has informed the International Association of Fire Fighters, Local 55 (IAFF Local 55) of the board vacancy and delivered to them the election schedules and nomination forms.

Should no more than one (1) nomination form be received by the nomination form submission deadline of 5 pm, May 19, 2021, then the single nominee will be automatically elected to the nominated position; an election would otherwise follow on June 23, 2021. The elected board member will begin the new term immediately following certification of results from the City Clerk's Office.

Attachment (1): *Rules & Regulations - Excerpt of Election: Article 11*
Attachment (2): *Nomination Form - Fire Department Representative 5-Year Position*

Agenda Item B2
PFRS Board Meeting
February 24, 2021

The following timeline shows the due dates for nominees and PFRS staff during this election cycle:

- Last day for furnishing the International Association of Fire Fighters, Local 55 (IAFF Local 55) a notice stating that nominating papers may be obtained from the Retirement Systems office..... April 1, 2021
- Last day for filing nominees to submit nominating papers to the City Clerk's Office..... May 19, 2021
- Last day for City Clerk to certify to Office of the PFRS Board the names of members nominated..... May 19, 2021
- Last day for mailing of ballots to members..... June 8, 2021
- Last day for delivering to City Clerk the Roster of PFRS Retired Fire Department Members..... June 8, 2021
- Ballots due to City Clerk no later than 10 am..... June 23, 2021
- Day for counting of ballots by City Clerk..... June 23, 2021

Respectfully submitted,



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

Attachment (1): Rules & Regulations - Excerpt of Election: Article 11
Attachment (2): Nomination Form - Fire Department Representative 5-Year Position

ATTACHMENT 1

*Rules & Regulations
Excerpt of Election
Article 11*

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING RETIRED MEMBERS OF THE RETIREMENT SYSTEM

Section 11.1: Day for Counting of Ballots

The fourth Wednesday in August of the year in which such election is required to be held is hereby the day for counting of ballots.

In the event of a vacancy of one or more of the elected PFRS Retirement Board seats before the completion of the full term, the day for counting ballots for the election to fill the vacant PFRS Retirement Board seat shall be the fourth Wednesday of the month that follows 90 days after the date of being informed of the vacancy.

Section 11.2: Notice of Nomination

On or before the first business day in June of each year in which an election is required, the office of the Police and Fire Retirement Board shall send a notice stating that nomination papers may be obtained at the office of said Police and Fire Retirement Board, the place where nomination papers shall be filed and the final date of filing thereof, the date when ballots will be counted and such other information as may be appropriate to the following organizations:

- Retired Oakland Police Officers' Association (ROPOA)
- International Association of Fire Fighters, Local 55 (IAFF Local 55)

In the event of a vacancy of one of the elected PFRS Retirement Board seats before the completion of the full term, the office of the Police and Fire Retirement Board shall send notice as stated above no later than ten (10) calendar days after the date of being informed of the vacancy.

Section 11.3: Nomination for Membership

Nomination for membership on the Police and Fire Retirement Board from the retired membership of the Police and Fire Department shall be in writing on forms supplied by the office of said Police and Fire Retirement Board upon request. Nomination papers shall be substantially in the form shown in Appendix A. Nomination papers shall be signed by at least ten retired members of the Police or Fire Department, as the case may be, who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person nominated. Each signatory of a nominating paper shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased members are not eligible to vote in elections.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

Section 11.4: Date of Filing Nomination Papers

Nominating papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not less than thirty-five days before the day of counting ballots. If said date falls on a non-business day for the City of Oakland, it shall be filed on the next business day.

Section 11.5: Determination of Sufficiency of Nominating Papers

The City Clerk of the City of Oakland will determine when a member is nominated and for this purpose shall have access to the records of the Police and Fire Retirement Board the names of those retired members of the respective departments determined by him to have been nominated.

Section 11.6: Winner by Default

In the event that only one person is nominated in accordance with this Article 11 as a member of the Board, that person shall be declared a winner.

Section 11.7: Mailing of Ballots

Not less than fifteen days before the day for the counting of the ballots that shall be prepared by and mailed for the office of the Police and Fire Retirement Board to each retired member of the Police Department of Fire Department who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The Ballots shall contain the names in alphabetical order of the candidates certified by the City Clerk as nominated. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his or her name, may be returned to the City Clerk not later than 10:00 a.m. of the day for the counting of ballots.

Section 11.8: Roster of Eligible Voters

There shall be prepared in the office of the Police and Fire Retirement Board a roster of eligible voters which shall contain the names of the retired members of the Police or Fire Department who are members of the Police and Fire Retirement System, excluding beneficiaries of deceased members. Such roster of eligible voters shall be delivered to the City Clerk not less than fifteen days before the day for the counting of ballots and shall be in such form as to permit appropriate asking thereon by the City Clerk to indicate that an eligible member has voted.

Section 11.9: Counting of Ballots

On the day for the counting of ballots at the hour of 10:00 A.M. thereof, the ballot box shall be opened and no ballot received after said hour shall be counted. The ballots will be counted under the

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

supervision and control of the City Clerk in such manner that the identity of the individual casting any ballot will not be disclosed. No ballot shall be counted unless it is enclosed in an envelope bearing the name of the voter. No ballot shall be counted which contains a vote for a person not nominated in accordance with Article 12. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and the candidate elected and notify each candidate thereof by mail.

Section 11.10: Vote Necessary for Election

The candidate receiving the highest number of eligible votes shall be declared elected.

Section 11.11: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots they shall be kept by the City Clerk in the manner and for the period the ballots of municipal elections are kept.

Section 11.12: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated. The successor shall be elected from the same department of the member who is vacating the seat for the remainder of said unexpired three (3) year, or five (5) year, term. The election shall be governed by Article 11.

ATTACHMENT 2

***Fire Department Representative
5-Year Position***



AGENDA REPORT

TO: Oakland Police and Fire
Retirement Board

FROM: David Jones
Plan Administrator

SUBJECT: Audit Committee Agenda Pending List

DATE: March 31, 2021

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Staff review of the 2006 Management Audit.	TBD	Pending

Respectfully submitted,

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

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

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



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

AGENDA

INVESTMENT COMMITTEE MEMBERS

Jaime T. Godfrey
Chairperson

R. Steve Wilkinson
Member

Robert W. Nichelini
Member

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

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

**Wednesday, March 31, 2021
10:00 AM
Tele-Conference Board Meeting
via Zoom Webinar**

OBSERVE

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

PUBLIC COMMENTS

There are three ways to submit public comments.

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

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
MARCH 31, 2021**

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

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

- - - ORDER OF BUSINESS - - -

- 1. Subject:** **Police and Fire Retirement System (“PFRS”) Investment Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: **APPROVE** February 24, 2021 Investment Committee Meeting Minutes.
- 2. Subject:** **Investment Manager Performance Review – DDJ Capital Investment, LLC a PFRS Fixed Income Asset Class Investment Manager**
From: DDJ Capital Investment, LLC

Recommendation: **ACCEPT** informational report regarding managerial assessment, investment portfolio performance, and diversity and inclusion policy of DDJ Capital Investment, LLC, a PFRS Fixed Income Asset Class Investment Manager.
- 3. Subject:** **Investment Manager Performance Review – DDJ Capital Investment, LLC a PFRS Fixed Income Asset Class Investment Manager**
From: Meketa Investment Group

Recommendation: **ACCEPT** and **RECOMMEND BOARD APPROVAL** of Meketa Investment Group’s evaluation and review regarding managerial assessment, investment portfolio performance, diversity and inclusion policy, watch status update, and recommendation to continue or remove DDJ Capital Investment, LLC watch status of DDJ Capital Investment, LLC, a PFRS Fixed Income Asset Class Investment.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
MARCH 31, 2021

4. **Subject:** Investment Market Overview as of February 28, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report regarding the Global Investment Markets as of February 28, 2021.
5. **Subject:** Preliminary Investment Fund Performance Update as of February 28, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report regarding the Preliminary Investment Fund Performance update as of February 28, 2021.
6. **Subject:** \$13.9 Million Drawdown for Fiscal Year 2020/2021 (Quarter Ending June 2021) Member Allowances April 1, 2021 through June 30, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report and **RECOMMEND BOARD APPROVAL** of the Meketa Investment Group recommendation of \$13.9 million drawdown, which includes a \$10.9 million contribution from the City of Oakland and a \$3.0 million contribution from the PFRS Investment Fund, to be used to pay for the April 2021 through June 2021 Member Retirement Allowances.
7. **Subject:** Select Investment Managers to Invite to Interview to Act as the New PFRS Alternative Risk Premia Asset Class Investment Manager
From: Meketa Investment Group
Recommendation: **RECEIVE** update regarding prospective candidates to serve as the new PFRS Investment Managers to implement the Alternative Risk Premia Investment Strategy. **DISCUSS** and **RECOMMEND BOARD APPROVAL** of Meketa Investment Group's recommendation regarding interviews for the new Alternative Risk Premia Investment Manager.
8. **Subject:** Select Investment Managers to Invite to Interview to Act as the New PFRS Systematic Trend Following Asset Class Investment Manager
From: Meketa Investment Group
Recommendation: **RECEIVE** update regarding prospective candidates to serve as the new PFRS Investment Managers to implement the Systematic Trend Following Investment Strategy. **DISCUSS** and **RECOMMEND BOARD APPROVAL** of Meketa Investment Group's recommendation regarding interviews for the new Systematic Trend Following Investment Manager.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
MARCH 31, 2021

9. **Subject:** **Informational Report Regarding Defensive Equity Investment Strategy**

From: Meketa Investment Group

Recommendation: **ACCEPT** informational report regarding Defensive Equity Investment Strategy.

10. **Subject:** **Select Investment Managers to Invite to Interview to Act as the New PFRS Defensive Equity Asset Class Investment Manager**

From: Meketa Investment Group

Recommendation: **RECEIVE** update regarding prospective candidates to serve as the new PFRS Investment Manager to implement the Defensive Equity Investment Strategy. **DISCUSS** and **RECOMMEND BOARD APPROVAL** of Meketa Investment Group’s recommendation regarding interviews for the new Defensive Equity Asset Class Investment Manager.

11. **Subject:** **Investment Manager Performance Review Update – Reams Asset Management, a PFRS Core Plus Fixed Income Asset Class Investment Manager**

From: Meketa Investment Group

Recommendation: **ACCEPT** performance review update memo provided by Reams Asset Management and presented by Meketa Investment Group addressing the Committee’s concerns regarding “drift” between Core and Core Plus and utilizing beta instrument trades.

12. **Schedule of Pending Investment Committee Meeting Agenda Items**

13. **Open Forum**

14. **Future Scheduling**

15. **Adjournment**

AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE REGULAR MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, February 24, 2021 via Zoom Tele-Conference.

- | | |
|-----------------------|---|
| Committee Members: | <ul style="list-style-type: none">▪ Jamie T. Godfrey Chairperson▪ R. Steven Wilkinson Member * (left meeting at 11:05 a.m.)▪ Robert W. Nichelini Member |
| Additional Attendees: | <ul style="list-style-type: none">▪ David Jones Plan Administrator▪ Jennifer Logue PFRS Legal Counsel▪ Teir Jenkins PFRS Staff Member▪ Maxine Visaya PFRS Staff Member▪ David Sancewich Meketa Investment Group▪ Sidney Kawanguzi Meketa Investment Group▪ Paola Nealon Meketa Investment Group▪ Patmon Malcom Earnest Partners▪ Jeff Jackson Earnest Partners▪ Jason Hoyer Reams Asset Management |

The meeting was called to order at 9:37 a.m. PST

1. **Approval of Investment Committee Meeting Minutes** Member Nichelini made a motion to approve the January 27, 2021 Investment Committee Meeting Minutes, as written, second by Chairperson Godfrey. The motion passed.

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

2. **Investment Manager Performance Review – Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager** – Patmon Malcom and Jeff Jackson of Earnest Partners, LLC presented an update on Earnest Partners as a firm, portfolio performance, market overview, as well as risk as of December 31, 2020. The Committee asked questions to foster discussion on the following topics: future plans of ownership expansion, approach to Environmental Social and Governance (ESG), Principles for Responsible Investment (PRI) Signatories, Diversity and Inclusion Policy, and strategies to address future market volatility.

MOTION: Member Wilkinson made a motion to accept and forward to the Board the informational report presented by Earnest Partners, LLC, second by Member Wilkinson. The motion passed.

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

3. **Investment Manager Performance Review – Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager** – Sidney Kawanguzi of Meketa Investment Group provided brief comments regarding the portfolio performance with Earnest Partners as of December 31, 2020. Meketa has no concerns at this time and is comfortable keeping them in the portfolio.

MOTION: Member Nichelini made a motion to accept the informational report and recommendation by Meketa Investment Group and move to the Full Board for approval, second by Member Wilkinson. The motion passed.

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

4. **Resolution No. 8011 - Resolution Authorizing a One-Year Extension of Professional Services Agreement with Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager**

MOTION: Member Nichelini made a motion to recommend Board approval of Resolution No. 8011 - Resolution Authorizing a One-Year Extension of Professional Services Agreement with Earnest Partners, LLC for Mid-Cap Core Domestic Equity Asset Class Investment Manager, second by Member Wilkinson. Motion Passed.

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

5. **Investment Manager Performance Review – Reams Asset Management a PFRS Core Plus Fixed Income Asset Class Investment Manager** – Jason Hoyer of Reams Asset Management presented a report regarding organizational structure, firm overview, portfolio performance, as well as an in-depth report on the firm’s Diversity and Inclusion Policy, relocation of Headquarters from Columbus, Ohio to Downtown Indianapolis, Indiana. The Committee asked questions to foster discussion on the following topics: apparent drift between Core and Core Plus mandates, Environmental Social and Governance (ESG), Principles for Responsible Investment (PRI) Signatories, structure and career tracking of intern program, outreach to organizations to offer internships, challenges recruiting racially diverse candidates for employment and strategic plans to stay competitive in attracting talent moving forward.

MOTION: Member Wilkinson made a motion to accept the informational report presented by Reams Asset Management. LLC, second by Member Nichelini. The motion passed.

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

6. **Investment Manager Performance Review – Reams Asset Management, a PFRS Core Plus Fixed Income Asset Class Investment Manager** – David Sancewich of Meketa Investment Group provided brief comments regarding portfolio performance with Reams Asset Management. Chairperson Godfrey requested Meketa Investment Group follow up with Reams to provide an informational memo regarding drift and beta trades to be presented at the next meeting.

MOTION: Member Wilkinson made a motion to accept the recommendation of Meketa Investment Group and move to the Full Board for approval, second by Chairperson Godfrey. The motion passed.

[GODFREY – Y/ NICHELINI – Y/ WILKINSON – Y]

(AYES: 3/ NOES: 0/ ABSTAIN: 0)

7. **Draft Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets** – Plan Administrator David Jones presented an overview of the second draft of the Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets. This draft memorializes the agreed upon modifications discussed at the January 27, 2021 Board Meeting. Legal Counsel Logue noted Section 2B contains a typo and the correct language should read “at least one **of** the two” and will make the correction for the final version.

MOTION: Chairperson Godfrey made a motion to move the second draft, with the correction, to the full Board and recommend Board Approval, second by Member Wilkinson. Motion passed.

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

8. **Investment Fund Quarterly Performance Update as of December 31, 2020**– David Sancewich of Meketa Investment Group presented an informational report regarding the Investment Fund Quarterly Performance Updates as of December 31, 2020. D. Sancewich highlighted the total portfolio summary, the world markets overview, US unemployment, the portfolio relative to peers, asset class performance, portfolio relative performance results, and asset allocation vs. target.

MOTION: Chairperson Godfrey made a motion to accept the informational report from Meketa regarding the investment fund quarterly performance update as of December 31, 2020, second by Member Nichelini. Motion passed.

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

9. **Preliminary Investment Fund Performance Update as of January 31, 2021** – David Sancewich of Meketa Investment Group provided an overview of the informational report regarding the PFRS Preliminary Investment Fund Performance Update as of January 31, 2020. D. Sancewich highlighted the Total Plan Allocation vs. Targets and the Policy and Asset Class Performance Summary.

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

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

10. **Informational Report on Alternative Risk Premia Investment Strategy** – Paola Nealon of Meketa Investment Group presented an informational report regarding Alternative Risk Premia Investment Strategy providing a refresher as PFRS moves forward in selecting new managers for consideration in the coming months. P. Nealon defined Risk Premia, reviewed basic concepts and terminology, and discussed the sustainability of Alternative Risk Premiums.

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

[GODFREY – Y/ NICHELINI – Y/ WILKINSON – EXCUSED]

(AYES: 2/ NOES: 0/ ABSTAIN: 0)

11. **Schedule of Pending Investment Committee Meeting Agenda Items** – David Sancewich presented the 2021 Ongoing Strategic Investment Agenda for discussion. PFRS Staff Member T. Jenkins suggested reconsidering Manager Updates and Manager Interviews at the same meeting. Chairperson Godfrey suggested moving the Manager Update of DDJ to the March 2021 meeting with having further discussions at the Investment Committee Agenda Planning Meeting.
12. **Open Forum** – No Report
13. **Future Scheduling** – The next Regular Investment Committee Meeting is tentatively scheduled for March 31, 2021.
14. **Adjournment** – Chairperson Godfrey made a motion to adjourn, second by Member Nichelini. Motion passed.

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

The meeting adjourned at 11:34 a.m. PST

JAMIE T. GODFREY, COMMITTEE CHAIRPERSON

DATE

MARCH 31, 2021

Oakland Police and Fire Retirement System

DDJ Capital Management Group Trust – High Yield Investment Fund Portfolio Review

DDJ Capital Management, LLC



CONFIDENTIAL INFORMATION | This presentation is not intended to be used in connection with the offering of any securities. The information set forth herein is being provided for general informational purposes only without representation or warranty. Certain of the economic and market information contained herein has been obtained from published sources and/or prepared by other parties. While such sources are believed to be reliable, neither DDJ nor its affiliates, representatives, partners, officers, employees or agents assume any responsibility for the accuracy of such information. This presentation contains information dated as of December 31, 2020 unless otherwise noted. This presentation is intended solely for use by Oakland Police and Fire Retirement System and may not be redistributed without the express written permission of DDJ.



“ The DDJ investment philosophy is based upon the belief that by performing exhaustive fundamental and legal/structural analysis of each investment opportunity, we can construct a *concentrated, value-oriented credit portfolio* that can generate compelling risk-adjusted returns over a complete credit cycle. ”

- DAVID BREAZZANO
PRESIDENT, CIO, PORTFOLIO MANAGER

Firm Profile	4
Investment Team	5
Diversity & Inclusion	6
Portfolio Review	11
Appendix	18



24 YEARS
IN OPERATION

\$7.9 BILLION IN
AUM

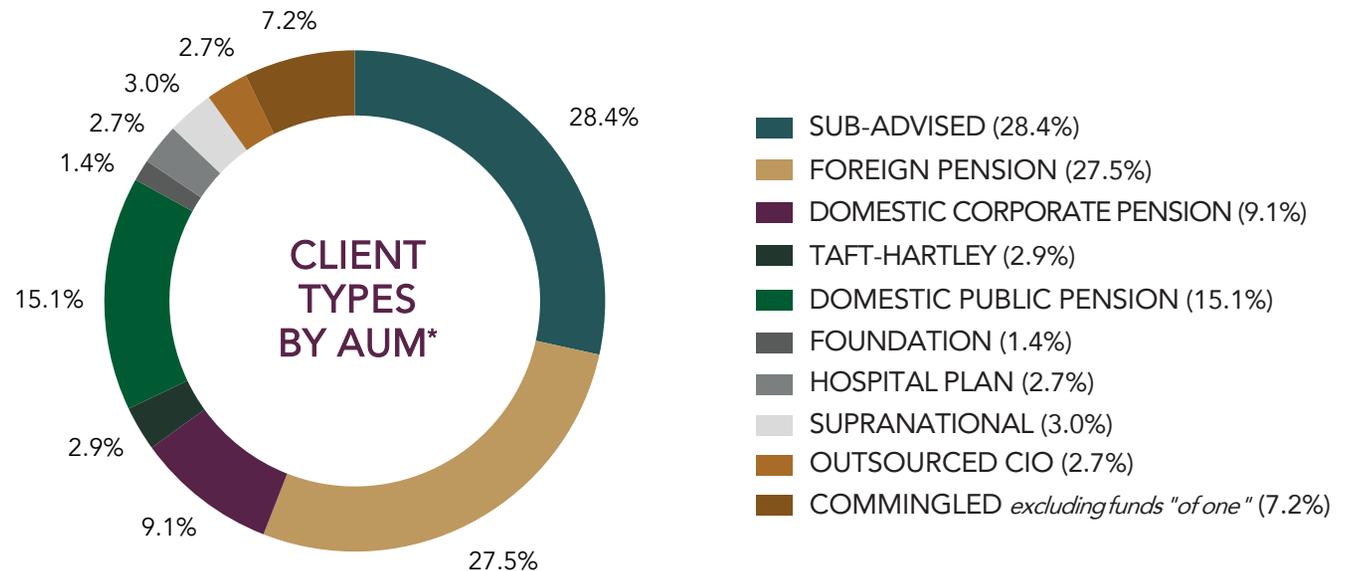
54 EMPLOYEES

18 INVESTMENT
TEAM MEMBERS

2 IN-HOUSE
ATTORNEYS

UNPRI
SIGNATORY
SINCE 2016

DDJ Capital Management is a privately-held investment manager with a sole focus on managing high yield debt portfolios for a diverse and stable institutional client base.



* Does not include assets managed in legacy accounts, which are presently in wind-down.
GIPS Composite Reports are available in the Appendix.

Investment Leadership Team



David Breazzano | President & CIO*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
CO-PM OF UPPER TIER U.S. HIGH YIELD
40 years industry experience
24 years at DDJ



Benjamin Santonelli | Portfolio Manager*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
PM OF TOTAL RETURN CREDIT
16 years industry experience
16 years at DDJ



John Sherman | Portfolio Manager*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
PM OF BANK LOAN
16 years industry experience
13 years at DDJ



Roman Rjanikov | Portfolio Manager*
CO-PM OF UPPER TIER U.S. HIGH YIELD,
DIRECTOR OF RESEARCH, ESG INTEGRATION
17 years industry experience
13 years at DDJ

Additional Key Investment Personnel



Elizabeth Duggan | Assoc. General Counsel*
DEDICATED TRANSACTIONAL ATTORNEY
19 years industry experience
14 years at DDJ



Jason Rizzo | Head Trader
OVERSEES ALL TRADING ACTIVITIES
23 years industry experience
16 years at DDJ

8 Research Analysts

2 In-House Attorneys

2 Traders

- Collaborative 18-member team; key professionals average 21 years industry experience
- Two in-house attorneys provide valuable legal perspective and analysis
- Investment Review Committee provides a regular forum for evaluation and review

* Investment Review Committee personnel

Additional information regarding industry coverage & responsibilities for the investment team can be found in the Appendix.



Diversity & Inclusion



DDJ's Diversity & Inclusion Mission Statement:

DDJ believes that embracing diversity is paramount to creating and maintaining a culture that drives employee collaboration, enhances our business results and advances our commitment to excellence. As part of its *Corporate Citizenship Program*, DDJ is committed to and prioritizes diversity across age, gender, religion, race, sexual orientation, disability, national origin, experience and thought.

Through employee education, community engagement and recruiting efforts, DDJ strives to create a more diverse workplace, foster a greater awareness of the importance of diversity and inclusion and provide opportunities to underrepresented communities. DDJ believes that possessing a broader set of backgrounds and perspectives results in better decision-making, which is critical to the firm's sustainability and long-term success.

Firmwide Diversity & Inclusion Council



Josh Bansal | Investment
RESEARCH ANALYST
3 years industry experience
1 year at DDJ



Tim Dillon | Investment
DIRECTOR, PORTFOLIO ANALYTICS
10 years industry experience
8 years at DDJ



Jennifer Leger | Human Resources
DIRECTOR, HUMAN RESOURCES
27 years industry experience
2 years at DDJ



Victoria Moore | Investment
RESEARCH ANALYST
3 years industry experience
2 years at DDJ



Sameer Bhalla | Investment
SENIOR RESEARCH ANALYST
17 years industry experience
5 years at DDJ



Erika Kennedy | Business Development & Client Service
DIRECTOR, BUSINESS DEVELOPMENT
14 years industry experience
3 years at DDJ*



Meaghan Mahoney | Business Development & Client Service
DIRECTOR, BUSINESS DEVELOPMENT
18 years industry experience
1 year at DDJ

The Diversity & Inclusion Council is tasked with identifying and developing partnership, training, recruitment and other initiatives to further the firm's progress on its Diversity & Inclusion efforts

*In August 2017, DDJ rehired Erika Kennedy to serve as a director on the DDJ business development & client service team; Ms. Kennedy was also previously employed by DDJ from 2008-2016.

Diversity & Inclusion Council

- As an equal opportunity employer, DDJ has an established Affirmative Action Plan and strives to identify the best candidate for all position openings, while recognizing the substantial benefit to the organization that is associated with employing a well-diversified staff
- DDJ is committed to the recruitment and advancement of people regardless of age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make each of its employees unique
- Since 2015, 50% of the firm's new hires have been women and/or minorities, including the two most recent additions to its investment team (a female and a minority male)
- Additionally, as of 12/31/2020, approximately 37% of the firm's employees are women and/or minorities and 20% of its employee equity owners (by count) are women and/or minorities
- Finally, DDJ proactively seeks to partner with vendors that identify as women, minority or veteran-owned businesses

Diversity & Inclusion Council

*Drawing on the experiences of a cross-section of employees across the firm, DDJ officially launched its **Diversity & Inclusion (D&I) Council** in 2020 to formalize its D&I strategy with respect to:*

RECRUITING

- Recruit with intention to identify and ultimately hire from a diverse candidate pool
- Develop internship programs, such as the firm's current partnership with the Posse Foundation, and other engagement opportunities, such as the firm's Whitepaper Challenge, to reach and attract under-represented groups in an effort to help improve the industry "pipeline" problem

DEVELOPING

- Create training and development opportunities for the firm and its employees individually to continue to progress on the D&I journey, including, but not limited to, mandatory annual firmwide training
- Develop an internal mentorship program and affinity groups
- Partner with external organizations, such as 100 Women in Finance and Boston Women in Finance, to augment internal development efforts

RETAINING

- Foster a culture of inclusivity and equality, allowing DDJ to remain a preferred place of employment and to retain its most important asset – its employees



Portfolio Review

Implementing DDJ's Philosophy

Through rigorous due diligence with a strong emphasis on margin of safety, DDJ believes that it can construct concentrated portfolios that can outperform broad high yield indices over a full credit cycle.

MISPRICED RISK

- Focus on most inefficient areas of the market
- Underfollowed companies and misunderstood opportunities

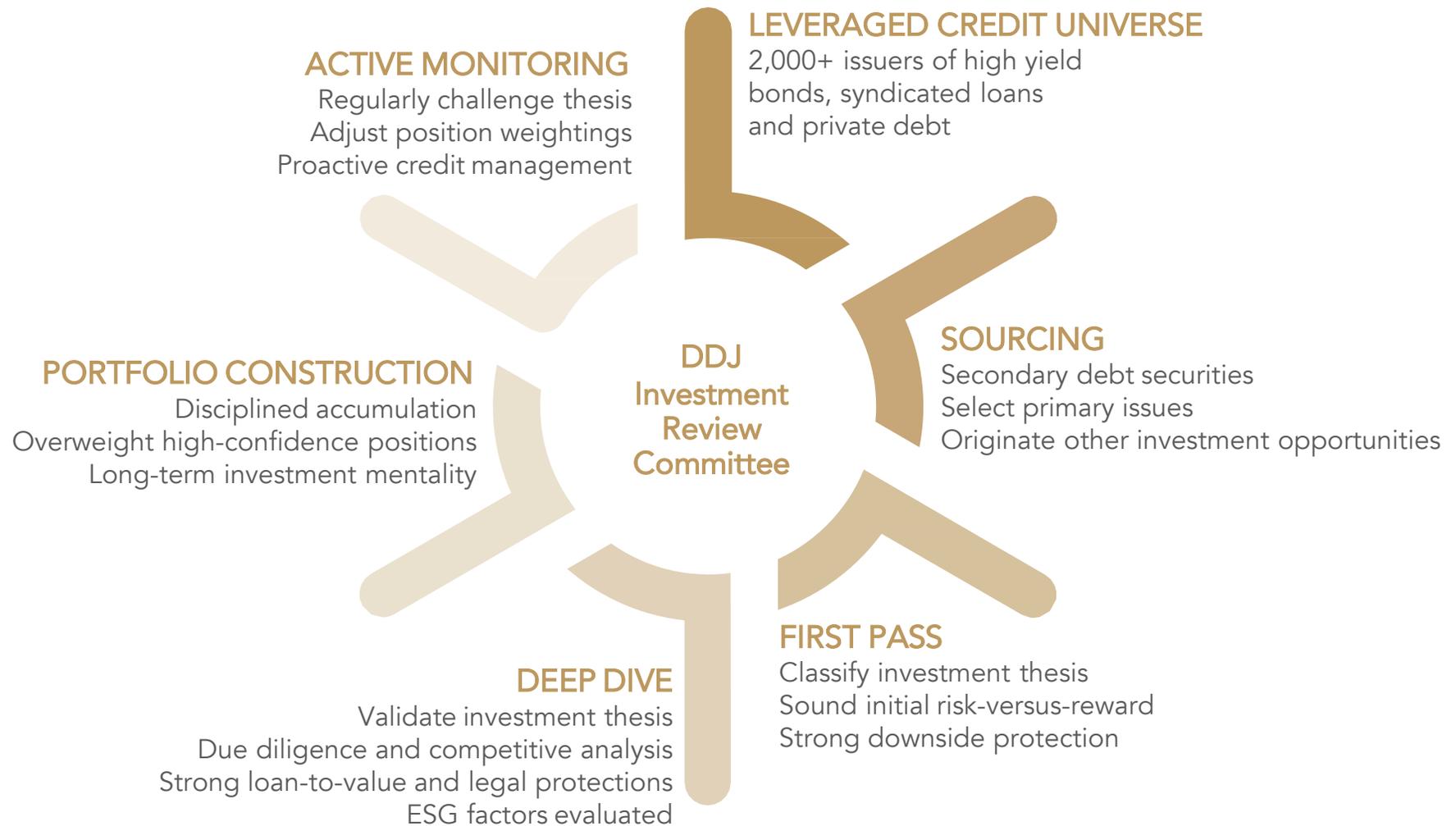
FUNDAMENTAL RESEARCH

- Private equity-like analysis
- Overweight high-confidence positions

"KNOW WHAT YOU OWN"

- Downside protection is the key principle
- Thoroughly understand risk by conducting rigorous due diligence

Process Overview



DDJ U.S. Opportunistic High Yield Strategy Overview

Market Inefficiencies

Middle Market (EBITDA \$75mm–\$250mm)

- Smaller issue size reduces the buyer base and results in liquidity premium
- Rating agencies' view of smaller companies as inherently more risky leads to mis-ratings

Lower Tier (B rated and below)

- Guidelines restricting or prohibiting CCC-rated holdings results in lower tier being “under-researched” relative to higher quality tiers

Special Situations

- The strategy may also target mispricing opportunities in higher-rated “fallen angels”, stressed credits and certain private debt transactions identified by DDJ at various points in the credit cycle

Strategy

- Construct a portfolio with a yield premium relative to the benchmark of 200-400 bps
- Overweight high-confidence positions with 70 to 90 total issuers
- Maintain flexibility to invest across the capital structure – bank loans and bonds
- Focus on downside protection through exhaustive fundamental and legal due diligence
- Limited exposure to stressed or distressed securities under normal market conditions
- Historically low correlation of excess returns to largest institutional high yield managers
- No duration or quality limits; duration typically falls well below benchmark due to structural allocation to bank loans

OBJECTIVE

Outperform a broad-based U.S. high yield index over a full credit cycle by 200 bps on a gross basis while experiencing realized credit losses at or below market level

BENCHMARK

ICE BofA U.S. Non-Financial High Yield Index

PHILOSOPHY

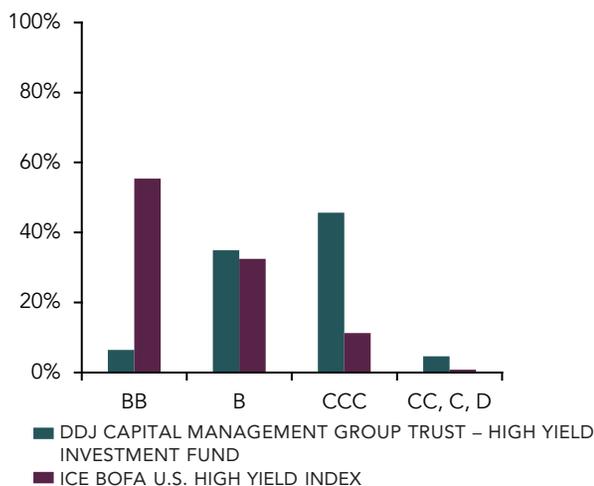
DDJ believes that the middle market and lower tier (B/CCC-rated) components of the high yield market are its most inefficient segments. Through rigorous due diligence with a strong emphasis on margin of safety, DDJ believes that it can construct concentrated portfolios that can outperform broad high yield indices over a full credit cycle.

AS OF 12/31/20

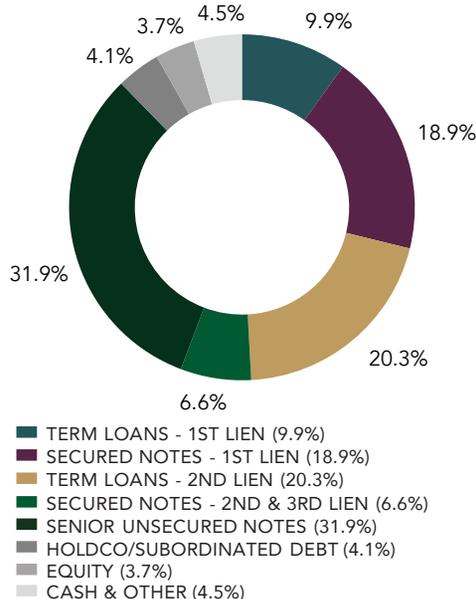
DDJ Capital Management Group Trust – High Yield Investment Fund

Performance	1 Year	3 Year (ann.)	5 Year (ann.)	7 Year (ann.)	Since Inception (ann.)
DDJ Capital Management Group Trust – High Yield Investment Fund (Gross)	8.02%	4.95%	8.74%	5.98%	7.13%
ICE BofA U.S. High Yield Index	6.17%	5.89%	8.43%	5.61%	6.44%

Credit Quality Allocation



Portfolio by Security Type



Portfolio Characteristics

	Fund	ICE BofA HY
Number of issuers	72	871
Top 10 issuers	29.8%	15.4%
Top 25 issuers	58.1%	25.1%
Average rating	CCC1	B1
Average coupon	7.99%	6.01%
Avg. blended yield	7.90%	4.25%
Average price	\$100.53	\$105.84
Adj. effective duration	1.55	3.66
Net Asset Value	\$337,795,440	

The DDJ Capital Management Group Trust – High Yield Investment Fund (the “Fund”) was inceptioned on July 1, 2011. Accordingly, performance since inception set forth above is calculated as of such date. However, the date of the first investment by Oakland Police & Fire Retirement System (“Oakland”) was January 1, 2015. The full name of the index presented is the ICE BofA U.S. High Yield Index (“ICE BofA HY”). The ICE BofA HY is a broad high yield index that tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates (“ICE Data”) and/or its Third Party Suppliers and has been licensed for use by DDJ. ICE Data and its Third Party Suppliers accept no liability in connection with its use. Please contact DDJ for a full copy of the disclaimer. The returns set forth for the Fund are presented gross of all fees except for trading expenses, deal-related legal expenses and withholding taxes. Returns are calculated using daily time weighted rates of return and cash flows are recognized at the beginning of the day. Gross returns also do not reflect the deduction of the investment advisory fee charged by DDJ Capital Management; such expense, as well as other expenses the Fund may incur, will reduce the gross return set forth in the charts above. The investment advisory fees charged to each participating trust in the Fund are set forth in such trust’s subscription agreement. Net returns are available upon request. **Past performance is no guarantee of future returns.** Please also reference the Endnotes on the subsequent slides for more information.

Top 10 Issuers *by size of 12/31/20*

	% NAV Weight
Ford Holdings	4.3%
Asurion	3.7%
One Call Medical	3.4%
Baffinland Iron Mines	2.9%
Internet Brands (WebMD)	2.7%
Tekni-Plex	2.7%
Surgery Center	2.6%
Assured Partners	2.6%
NFP Corp	2.6%
Century Aluminum	2.5%
Total	29.8%

Top 5 by Issuer *YTD as of 12/31/20*

	Avg. Weight	Contrib. to Return
Ford Holdings	2.07%	1.02%
Occidental Petroleum	1.49%	0.65%
One Call Medical	3.12%	0.64%
Plastipak	1.68%	0.55%
Continental Resources	0.19%	0.53%
Total	8.55%	3.39%

Bottom 5 by Issuer *YTD as of 12/31/20*

	Avg. Weight	Contrib. to Return
Dominion Diamond	0.46%	-2.09%
Utex Industries	0.74%	-1.26%
GTT Communications	1.63%	-0.93%
Carlson Travel	1.10%	-0.57%
Forum Energy	1.09%	-0.46%
Total	5.02%	-5.31%

Industry Groups *as of 12/31/20*

	Fund	ICE BofA HY	Difference
Automotive	7.3%	5.3%	2.0%
Banking	0.0%	1.3%	-1.3%
Basic Industry	17.8%	8.9%	8.9%
Capital Goods	15.6%	6.7%	8.9%
Consumer Goods	2.5%	4.9%	-2.5%
Energy	5.5%	13.4%	-7.8%
Financial Services	0.0%	4.2%	-4.2%
Healthcare	14.7%	8.9%	5.8%
Insurance	8.8%	1.1%	7.7%
Leisure	0.0%	6.1%	-6.1%
Media	6.1%	9.2%	-3.1%
Real Estate	1.2%	4.3%	-3.0%
Retail	2.8%	4.8%	-2.1%
Services	7.2%	4.5%	2.8%
Technology & Electronics	2.3%	5.0%	-2.8%
Telecommunications	3.8%	6.8%	-3.0%
Transportation	0.0%	1.5%	-1.5%
Utility	0.0%	3.2%	-3.2%
Cash & Other	4.5%	0.0%	4.5%

The returns set forth for the Fund above are presented gross of all fees except for trading expenses, deal-related legal expenses and withholding taxes. Returns are calculated using daily time weighted rates of return and cash flows are recognized at the beginning of the day. Net returns are available upon request. **Past performance is no guarantee of future returns.** In order to obtain the calculation methodology with respect to the Contribution to Return set forth above, or a list showing a contribution of each holding in the account to the overall Fund's performance during this period, please contact investorrelations@ddjcap.com. The holdings identified above do not represent all of the securities purchased, sold or recommended for the Fund during this period.

Price as of 12/31/20

	Fund	ICE BofA HY	Difference
<70	5.8%	0.8%	5.0%
70-85	0.4%	1.6%	-1.2%
85-95	5.4%	2.4%	3.0%
95-100	29.7%	5.7%	24.0%
100-105	23.2%	35.4%	-12.2%
105-110	20.6%	34.4%	-13.8%
>110	6.8%	19.7%	-12.9%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Blended Yield as of 12/31/20

	Fund	ICE BofA HY	Difference
0-3%	3.0%	29.3%	-26.3%
3-6%	40.3%	58.8%	-18.5%
6-9%	18.8%	7.8%	11.0%
9-12%	22.1%	2.0%	20.1%
12-15%	0.7%	0.6%	0.2%
15-18%	1.1%	0.5%	0.5%
18%+	5.8%	1.0%	4.7%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Issue Size as of 12/31/20

	Fund	ICE BofA HY	Difference
<\$200mm	7.2%	0.0%	7.2%
\$200-400mm	29.0%	12.3%	16.6%
\$400-600mm	21.4%	21.3%	0.1%
\$600mm-\$1bn	19.3%	30.9%	-11.6%
\$1-2bn	8.8%	26.6%	-17.8%
\$2-5bn	6.2%	8.6%	-2.3%
>\$5bn	0.0%	0.4%	-0.4%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Adjusted Effective Duration as of 12/31/20

	Fund	ICE BofA HY	Difference
0-1 yr	47.9%	14.3%	33.7%
1-2 yrs	12.2%	19.3%	-7.1%
2-3 yrs	12.2%	14.9%	-2.7%
3-4 yrs	12.2%	16.3%	-4.1%
4-5 yrs	2.1%	10.8%	-8.7%
5-6 yrs	1.2%	8.5%	-7.3%
>6 yrs	4.0%	16.0%	-12.0%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

The full index name presented is the ICE BofA U.S. High Yield Index ("ICE BofA HY") and is used for comparative purposes only. The average rating characteristic is determined internally by DDJ pursuant to a consistent methodology. It is not an S&P credit rating or a rating issued from a ratings agency, and is not a credit opinion. With respect to the Fund, blended yield is a blend of (i) for securities trading at or above par, yield to worst for bonds, and yield to three year take out for loans, and (ii) for bonds and loans trading at a discount, yield to maturity. With respect to the benchmark, yield is shown as yield to worst. With respect to the Fund, the adjusted effective duration statistic provided is calculated by taking a weighted average of (i) modified duration to next reset date for all floating rate instruments, and (ii) effective duration for all fixed coupon instruments. With respect to the benchmark, duration is shown as effective duration.



Appendix

Investment Team

	Industry Coverage / Responsibilities	Prior Investment Experience	Education
DAVID BREAZZANO PRESIDENT	Chief Investment Officer; Oversees strategies firm-wide; Co-PM on Opportunistic HY Strategy; Co-PM on Upper Tier U.S HY Strategy	Fidelity Investments T. Rowe Price	Cornell University, MBA Union College, BA
BENJAMIN SANTONELLI PORTFOLIO MANAGER	Co-PM on Opportunistic HY Strategy; PM on Total Return Credit Strategy; Assistant PM on Bank Loan Strategy		Amherst College, BA
JOHN SHERMAN PORTFOLIO MANAGER	Co-PM on Opportunistic HY Strategy; PM on Bank Loan Strategy; Assistant PM on Total Return Credit Strategy	Thoma Cressey Equity Partners Citigroup Investment Banking Division	University of Notre Dame, BBA
ROMAN RJANIKOV PORTFOLIO MANAGER	Co-PM on Upper Tier U.S. HY Strategy; Director of Research	MFS Investment Management Fidelity International	Harvard Business School, MBA Plekhanov Russian University of Economics, MSc
SAMEER BHALLA SENIOR RESEARCH ANALYST	Energy, Chemicals, Industrials	Liberty Mutual Group Investor's Bank and Trust	Boston College, MSF Boston University Questrom School of Business, BS
MICHAEL GRAHAM, CFA SENIOR RESEARCH ANALYST	Healthcare	Macquarie Capital	Middlebury College, BA CFA Designation
ERIC HOFF, CFA SENIOR RESEARCH ANALYST	Metals & Mining, Autos, Aerospace & Defense, Consumer & Retail	Newstar Cpaital (f/k/a Feingold O'Keeffe Capital)	Boston University Questrom School of Business, BS CFA Designation
NED HOLE, CFA SENIOR RESEARCH ANALYST	Telecommunications, Cable, Satellite	Putnam Investments BlackRock Financial	Williams College, BA CFA Designation
MARK WEGNER SENIOR RESEARCH ANALYST	Building Materials, Paper & Packaging, Services	Silver Point Capital, L.P. Rothschild Inc.	The Johns Hopkins University, BA

	Industry Coverage / Responsibilities	Prior Investment Experience	Education
DOUGLAS WOODEN SENIOR RESEARCH ANALYST	<i>Media, Technology, Gaming & Leisure</i>	Fort Warren Capital Putnam Investments	University of Pennsylvania, BA
JOSH BANSAL RESEARCH ANALYST	<i>Support on various industries</i>	Citigroup	Yale University, BA
VICTORIA MOORE RESEARCH ANALYST	<i>Support on various industries</i>	Cambridge Associates	Yale University, BA
JASON RIZZO HEAD TRADER	<i>High yield bonds, bank loans, and equity</i>	Grantham, Mayo, Van Oterloo & Co. LLC Colonial Management Associates	State University of New York, BS
CHRIS KAMINSKI, CFA TRADER	<i>High yield bonds, bank loans, and equity</i>	Bank of New York Mellon	Boston University, BA CFA Designation
TIMOTHY DILLON DIRECTOR, PORTFOLIO MANAGEMENT ANALYST	<i>Portfolio Analytics</i>	Brown Brother Harriman & Co.	Middlebury College, BA Bentley University, MBA
MICHAEL WEISSENBURGER MANAGING DIRECTOR	<i>Head of Origination</i>	Wells Fargo Capital Finance Sonus Networks, Inc.	Northeastern University, MBA University of Connecticut, BA
JOSHUA MCCARTHY GENERAL COUNSEL & CHIEF COMPLIANCE OFFICER	<i>Product structuring compliance and general transactional</i>	Testa, Hurwitz & Thibault, LLP	Duke University School of Law, JD Duke University, AB
BETH DUGGAN ASSOCIATE GENERAL COUNSEL	<i>Loans, reorganizations, and general transactional</i>	Goodwin Procter, LLP Pillsbury Winthrop, LLP	Northwestern University School of Law, JD Cornell University, BA

Biographies

DAVID BREAZZANO *President, Chief Investment Officer, Portfolio Manager*

Mr. Breazzano is a co-founder of DDJ and has more than 40 years of experience in high yield, distressed, and special situations investing. At DDJ, he oversees all aspects of the firm and chairs the Management Operating, Remuneration, and Investment Review Committees. In addition, Mr. Breazzano serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield and Upper Tier U.S. High Yield strategies. Prior to forming DDJ, from 1990 to 1996, he was a vice president and portfolio manager in the High-Income Group at Fidelity Investments, where he had investment management responsibility for over \$4 billion in high yield and distressed assets. Specifically, he was a portfolio manager of the Fidelity Capital & Income Fund, which was one of the largest high yield funds in existence at that time. In addition, Mr. Breazzano co-managed the distressed investing operation at Fidelity. Prior to joining Fidelity in 1990, Mr. Breazzano was a vice president and portfolio manager at T. Rowe Price Associates. Before joining T. Rowe Price in 1985, he was a high yield analyst and vice president at First Investors Asset Management, which had over \$1 billion in high yield assets under management. Mr. Breazzano began his professional career at New York Life as an investment analyst. Mr. Breazzano is the author of the chapter entitled "Distressed Investing" in *Leveraged Financial Markets: A Comprehensive Guide to High-Yield Bonds, Loans, and Other Instruments* and co-author of the chapter entitled "Trading in the Distressed Market" in *Investing in Bankruptcies and Turnarounds*. Mr. Breazzano serves as a member of the board of directors for the Children's Trust Fund following his appointment by Massachusetts Governor Charlie Baker in 2016. He received his MBA from the Johnson School at Cornell University where he currently is a member of the university's board of trustees. Mr. Breazzano graduated *cum laude* with a BA from Union College, where he also currently sits on its board of trustees.

BENJAMIN SANTONELLI *Portfolio Manager*

Mr. Santonelli joined DDJ in 2004 and has more than 16 years of experience in sourcing, analyzing, and managing investments across a variety of industries. Mr. Santonelli serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield strategy, portfolio manager of DDJ's Total Return Credit strategy, and assistant portfolio manager of DDJ's Bank Loan strategy. He is also a member of the Investment Review Committee. Mr. Santonelli serves as a member of the board of directors of a portfolio company. Mr. Santonelli received his BA from Amherst College.

JOHN SHERMAN *Portfolio Manager*

Mr. Sherman joined DDJ in 2007 and has more than 16 years of corporate finance and investment experience. Mr. Sherman serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield strategy, portfolio manager of DDJ's Bank Loan strategy, and assistant portfolio manager of DDJ's Total Return Credit strategy. He is also a member of the Investment Review Committee. Mr. Sherman serves as a member of the board of directors of a portfolio company. Prior to joining DDJ, Mr. Sherman was an associate in the Healthcare Group at Thoma Cressey Equity Partners, focusing on private equity investments in middle-market companies. While at Thoma Cressey Equity Partners, Mr. Sherman participated in the due diligence of new standalone investments and tack-on acquisitions for existing portfolio companies. Prior to joining Thoma Cressey Equity Partners, Mr. Sherman was in the Investment Banking Division of Citigroup where he was an analyst in the Global Healthcare Group. While at Citigroup, he participated in the execution of initial public offerings, private placements, mergers and acquisitions, recapitalizations, and other corporate finance transactions. Mr. Sherman graduated *magna cum laude* with a BBA from the University of Notre Dame.

ROMAN RJANIKOV *Portfolio Manager, Director of Research*

Mr. Rjanikov joined DDJ in 2007 and has more than 17 years of experience in sourcing, analyzing, and managing investments across a variety of industries. Mr. Rjanikov serves as the co-portfolio manager of DDJ's Upper Tier U.S. High Yield strategy as well as the Director of Research. He is also a member of the Investment Review Committee and is currently spearheading DDJ's Environmental, Social, and Governance efforts (including the development of the DDJ Environmental Sustainability High Yield Strategy). Prior to joining DDJ, Mr. Rjanikov was an Equity Research Analyst at MFS Investment Management since 2003. While at MFS, Mr. Rjanikov covered a variety of industries with a focus on equities of public US companies. From 1995 to 2001, Mr. Rjanikov was a Senior Financial Analyst at Hewlett-Packard Company in the US, Switzerland and Russia. Mr. Rjanikov earned his MBA (with Distinction) from Harvard Business School and M. Sc. from Plekhanov Russian University of Economics.

MICHAEL WEISSENBURGER *Head of Origination, Managing Director*

Mr. Weissenburger joined DDJ in 2015 and has more than 30 years of industry experience, including 14 years of experience in sourcing, analyzing, and direct lending across a variety of industries. As the Head of Origination, Mr. Weissenburger is primarily responsible for building relationships across several financing channels, including investment banks, commercial lenders, private equity firms, Business Development Companies (BDCs), restructuring advisors/consultants and other non-traditional lenders. Prior to joining DDJ, Mr. Weissenburger served for 10 years as Director of Direct Loan Origination at Wells Fargo Capital Finance, where he originated new transactions by effectively sourcing, reviewing, and establishing relationships from Maine to Pennsylvania as well as in Eastern Canada. Prior to his experience at Wells Fargo, he held financial positions at Sonus Networks, Inc., Cognos, Inc. (since acquired by IBM Corporation) and Converge, Inc. Mr. Weissenburger received his MBA from Northeastern University and his BA at the University of Connecticut.

JASON RIZZO *Head Trader*

Mr. Rizzo joined DDJ in 2004 and has more than 23 years of industry experience. Mr. Rizzo is responsible for the execution of trades in all securities in which DDJ invests including high yield bonds, bank debt, distressed bonds, convertible bonds, and equities as well as general oversight of the trading function. Prior to joining DDJ, Mr. Rizzo served in a trading support role at Grantham, Mayo, Van Otterloo & Co. LLC from 2000 to 2004. From 1999 to 2000, Mr. Rizzo was a pricing analyst with Colonial Management Associates and from 1997 to 1999 he worked at State Street Bank and Trust in the mutual fund accounting area. Mr. Rizzo received his BS from the State University of New York.

JOSHUA McCARTHY *General Counsel & Chief Compliance Officer*

Mr. McCarthy joined the DDJ legal department in 2003 and has over 20 years of experience in the legal profession. As General Counsel, Mr. McCarthy is responsible for overseeing DDJ's legal affairs and providing counsel related to the firm's investment management activities. In addition, in his role as Chief Compliance Officer, Mr. McCarthy administers DDJ's compliance program, including the firm's annual compliance review conducted pursuant to the requirements of the Investment Advisers Act of 1940. He is also a member of the Management Operating, Remuneration, and Fair Value Committees. Prior to joining DDJ, Mr. McCarthy worked as an associate in the business practice group at Testa, Hurwitz & Thibault, LLP, where he represented various publicly and privately held companies as well as venture capital partnerships. Mr. McCarthy received his JD from Duke University School of Law, *magna cum laude*, and his AB from Duke University, *magna cum laude*. Mr. McCarthy is a member of the bar of the Commonwealth of Massachusetts.

ELIZABETH DUGGAN *Associate General Counsel*

Ms. Duggan joined the DDJ legal department in 2006 and has over 19 years of experience structuring and negotiating corporate and finance transactions. She focuses the majority of her work on primary issuances of loans and private placements, mergers and acquisitions, reorganizations and intercreditor issues. She is also a member of the Investment Review Committee. Prior to joining DDJ, she was a senior associate in the Leveraged Finance Group at Goodwin Procter, LLP and an associate in the Corporate, Securities, and Finance Group of Pillsbury Winthrop, LLP, in New York. Ms. Duggan has significant experience representing institutions on various domestic and cross-border financing transactions. Ms. Duggan received her JD from Northwestern University School of Law and her BA from Cornell University. She is a member of the bars of the Commonwealth of Massachusetts and the State of New York.

DAVID LEVINE, CFA Director, Portfolio Specialist

Mr. Levine joined DDJ in 2008 and has more than 20 years of experience in the investment management industry. Mr. Levine works with the members of the business development and client service team to effectively communicate DDJ's investment philosophy and strategies with clients, consultants and prospects. In addition, Mr. Levine heads the group responsible for developing content, performance measurement, analytics and reporting. Before joining the business development and client service team in 2013, he served as performance manager for DDJ's analytics team where he was responsible for performance measurement, portfolio analytics, attribution, and GIPS compliance for the firm. Earlier in his career, he worked at Blackrock, Inc. and State Street Corporation. Mr. Levine received his MS in Finance from Bentley University and his BS from Framingham State University. Mr. Levine is a CFA charterholder.

ANDREW ROSS, CFA Director, Portfolio Specialist

Mr. Ross joined DDJ in 2016 and has more than 19 years of experience in the investment management industry. Mr. Ross works with members of the business development and client service team to effectively communicate DDJ's investment philosophy and strategies with clients, consultants and prospects. Prior to joining DDJ, he served as a fixed income product management analyst at Wellington Management Company, where he acted as a proxy for portfolio managers in communicating to clients, consultants, and prospects on investment strategies, positioning, and market outlook. Prior to that, Mr. Ross worked as an equity research associate at MFS Investment Management, where he built and maintained company models using bottom-up fundamental analysis to forecast various metrics. Mr. Ross graduated *cum laude* with a BS in Finance from the University of Massachusetts and is a CFA charterholder.

JOHN RUSSELL, CPA Chief Financial Officer

Mr. Russell joined DDJ in 1997. Mr. Russell is responsible for all day-to-day financial reporting, accounting, tax-related and back office accounting functions as well as oversight of DDJ's human resource function. He is also a member of the Management Operating, Remuneration, Fair Value, and Business Process Review Committees. Prior to joining DDJ, Mr. Russell worked as an audit manager in the Investment Management Group at Ernst & Young, LLP, and prior to that, as a senior and staff auditor. Mr. Russell earned his MS (accounting) / MBA from Northeastern University and his AB from Brown University. Mr. Russell is a certified public accountant and member of the Massachusetts Society of CPAs and the Private Equity CFO Association (Boston Chapter). Mr. Russell serves on the Board of Advisors of the Greater Boston Food Bank.

JOHN (JACK) O'CONNOR Senior Vice President, Head of Business Development & Client Service

Mr. O'Connor joined DDJ in 2013 and has more than 26 years of industry experience. As the head of business development and client service, Mr. O'Connor provides strategic direction to the team responsible for developing and maintaining all client and consultant relationships. He is also a member of both the Management Operating and Remuneration Committees. Prior to joining DDJ, Mr. O'Connor served for three years as a managing director and head of North American distribution for Morgan Stanley Investment Management, where his team covered intermediaries, registered investment advisers, bank trusts, traditional institutional sales and consultant relations. Prior to that, he was an executive vice president at Pioneer Investments and earlier, a senior vice president at MFS Investment Management. Mr. O'Connor is a former officer in the United States Marine Corps and received his BA from Denison University and he holds his Series 7, 24 and 63 registrations.

MATT HENSHER Director, Business Development & Relationship Management

Mr. Hensher joined DDJ in 2016 and has more than 25 years of experience in the investment management industry. He is a relationship manager for DDJ and also has business development responsibilities. Prior to joining DDJ, he served as a director of relationship management at MFS International (UK) Limited in London for over ten years. Mr. Hensher worked with a broad range of institutional clients in the Nordic, North American and UK regions. Prior to that, Mr. Hensher was a client service manager, also at MFS International, where he set up and managed the London Institutional Client Service team. Earlier in his career, he worked at Goldman Sachs Asset Management, Rothschild Asset Management and Coutts & Co. Private Bank. Mr. Hensher received his Investment Management Certification (IMC) at the London School of Business.

ERIKA KENNEDY *Director, Business Development*

Ms. Kennedy most recently joined DDJ in 2017 and has more than 14 years of industry experience. She is responsible for business development in various regions of the U.S. She also served as a director at DDJ from 2008-2016. Prior to re-joining DDJ in 2017, Ms. Kennedy worked as Vice President of Institutional Sales and Consultant Relations at NWQ Investment Management Company. Prior to initially joining DDJ in 2008, Ms. Kennedy was a compliance analyst at Fidelity Investments. Ms. Kennedy received her MA from the University of Miami and her BS from Syracuse University and she holds her Series 7 and 63 registrations.

MEAGHAN MAHONEY *Director, Business Development & Consultant Relations*

Ms. Mahoney joined DDJ in 2019 and has more than 18 years of experience in the investment management industry. She is responsible for sales and consultant relations for DDJ. Prior to joining DDJ, she served as a senior vice president at Great Elm Capital Management, where she was responsible for investor relations for two publicly-traded, micro-cap companies. Prior to that, Ms. Mahoney was a Partner at MAST Capital Management, where she was responsible for marketing, investor relations and business development strategy. Earlier in her career, she worked at Strategic Value Partners, Avenue Capital, Protégé Partners, and Goldman Sachs. Ms. Mahoney received her BS from Cornell University and she holds her Series 7 and 63 registrations.

BILL PORTER *Director, Business Development & Consultant Relations*

Mr. Porter joined DDJ in 2019 and has more than 28 years of experience in the investment industry. He is responsible for business development and consultant relations for the firm. Prior to joining DDJ, Mr. Porter spent nine years at Amundi Pioneer Asset Management (f/k/a Pioneer Investments), where he served for seven years as senior vice president and head of institutional distribution for North America, and was a member of the firm's U.S. Management Committee. In this capacity, he was responsible for managing a team of business development, consultant relations, relationship management and client portfolio management professionals. During his first two years at Pioneer Investments, he served as head of consultant relations where he built and managed the team in North America. Prior to that, he spent twelve years at State Street Global Advisors (SSgA), where he held senior roles in consultant relations and client portfolio management. Earlier in his career, he worked at Scudder, Stevens & Clark. Mr. Porter received his MBA, with a concentration in Marketing, from Northeastern University and his BA, *magna cum laude*, from St. Lawrence University and he holds his Series 7 and 63 registrations.

KATHERINE (KENZIE) WEDGE *Senior Associate, Business Development & Client Service*

Ms. Wedge joined DDJ in 2015 and has more than six years of experience in the investment management industry. She is responsible for developing and maintaining client and consultant relationships, as well as business development. Prior to joining DDJ, she served as a data integrity analyst at Commonwealth Financial Network, where she supported financial advisors by maintaining and analyzing the data related to both client accounts and sponsor companies. Ms. Wedge received her BS in Mathematics and Finance from the College of Charleston and she holds her Series 7 and 63 registrations.

DDJ Capital Management, LLC
Schedule of Investment Performance - DDJ U.S. Opportunistic High Yield Composite
 March 31, 1998 to December 31, 2020

Year Ended 12/31	Total Gross Return (%)	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Assets at End of Period (\$ millions)	Firm Assets at End of Period (\$ millions)	Composite Dispersion (%)	Composite 3 Yr. Annualized Standard Deviation (%)	Benchmark 3 Yr. Annualized Standard Deviation (%)
2020	8.36%	7.89%	6.04%	22	5,521	7,987	1.25%	11.06%	9.63%
2019	6.18%	5.73%	13.98%	24	6,041	7,861	0.64%	4.31%	4.23%
2018	0.88%	0.40%	-2.20%	25	6,345	8,207	1.75%	4.16%	4.85%
2017**	12.13%	11.56%	7.30%	18	5,643	7,831	0.54%	4.92%	5.93%
2016	17.53%	16.96%	18.33%	21	5,584	7,589	1.40%	4.96%	6.35%
2015	-3.82%	-4.28%	-5.43%	21	5,091	7,401	0.88%	4.04%	5.46%
2014	3.68%	3.12%	2.09%	15	4,091	8,028	1.84%	3.10%	4.51%
2013	10.16%	9.55%	7.23%	15	3,456	7,145	1.01%	4.54%	6.50%
2012	17.61%	16.92%	15.58%	13	2,475	5,032	1.51%	5.27%	7.13%
2011	3.57%	3.04%	4.38%	14	2,459	3,653	1.50%	8.37%	11.15%
2010	19.30%	18.63%	15.19%	10	2,455	3,985	2.86%	14.34%	17.16%
2009	58.52%	57.51%	57.51%	11	2,657	3,414	3.32%	14.19%	17.02%
2008	-29.22%	-29.51%	-26.39%	8	1,231	2,333	1.64%	11.13%	13.50%
2007	3.77%	3.27%	2.19%	7	1,517	2,791	na	3.72%	4.55%
2006	12.15%	11.52%	11.77%	5	1,450	2,835	na	3.85%	3.86%
2005	5.79%	5.32%	2.74%	3	1,425	2,617	na	5.89%	5.47%
2004	13.59%	12.18%	10.87%	2	1,158	2,220	na	7.44%	8.48%
2003	39.51%	34.18%	28.15%	2	914	1,675	na	8.82%	10.63%
2002	10.10%	9.23%	-1.89%	1	468	1,173	na	8.65%	10.30%
2001	7.17%	6.55%	4.48%	1	397	1,166	na	7.40%	7.93%
2000	-7.59%	-8.17%	-5.12%	1	355	1,126	na	na	na
1999	4.68%	4.04%	2.51%	1	363	1,111	na	na	na
1998*	-3.43%	-3.89%	-0.02%	1	347	1,040	na	na	na

*Partial year, inception 3/31/98

DDJ Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. DDJ Capital Management, LLC has been independently verified for the periods March 1, 1996 to December 31, 2019.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The DDJ U.S. Opportunistic High Yield Composite has had a performance examination for the periods January 1, 2005 to December 31, 2019. The verification and performance examination reports are available upon request.

OPPORTUNISTIC HIGH YIELD COMPOSITE DISCLOSURES

DDJ Capital Management, LLC ("the Firm", "DDJ") is an investment adviser, registered with the Securities and Exchange Commission, which specializes in high yield securities and special situations investing.

The DDJ U.S. Opportunistic High Yield Composite ("the Composite") was created in August 2007; valuations and returns are expressed in U.S. dollars. The U.S. Opportunistic High Yield strategy seeks to generate capital appreciation and income by investing in high yield securities or higher rated securities that offer yields similar to those available in the high yield market. The strategy focuses on investments in high yield bonds and has a bias toward lower tier securities. High yield portfolios not denominated in U.S. dollars, where currency hedging is a significant component of the strategy, are excluded from the Composite. Derivatives may be used for hedging purposes only; however, certain credit derivatives may be used in limited circumstances subject to client guidelines. Portfolios within the Composite will be permitted to invest in lower-rated debt securities, equity securities, bank debt, small issues and direct private investments, but allocations to these security types will vary. Portfolios within the Composite will generally invest at least 25% of assets in bank loans and will invest in illiquid securities. In December 2019, the word "generally" was added to the aforementioned description of the threshold for bank loans to clarify that portfolios pursuing the Composite strategy may nonetheless drop below a portfolio weight of 25% in such assets. In January 2021, a lower limit on issuers held by portfolios within the Composite was added.

Gross returns do not reflect the deduction of investment management fees, but are net of trading expenses, deal-related legal expenses and foreign withholding tax. Net returns reflect the application of actual management and, if applicable, performance-based fees to gross returns. Composite dispersion is the equal-weighted standard deviation of annual gross returns of all accounts included in the Composite for the entire year. Composite dispersion is not applicable for composites which contain five accounts or fewer for the entire year. The three-year annualized standard deviation measures the variability of the Composite gross returns and the benchmark returns over the preceding 36-month period. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds as well as policies for valuing portfolio investments, calculating performance, and preparing GIPS Reports are available upon request.

At 12/31/2020, 12% of composite assets were valued using subjective, unobservable inputs.

The custom benchmark, the ICE BofA U.S. Non-Financial High Yield Index, is used for comparative purposes only. Like the investments of the benchmark, the Composite consists primarily of bonds and notes rated BB or lower. However, the benchmark is an unmanaged index and does not include any private (non-144A) obligations, convertible bonds, preferred and common equity, and certain other securities and obligations, and excludes financials. Investments made by DDJ on behalf of the portfolios managed according to the strategy may differ from those of the benchmark and may not have the same investment strategy. Accordingly, investment results for the Composite will differ from those of the benchmark. For periods prior to January 1, 2013, the Composite is measured against the ICE BofA U.S. High Yield Index.

The standard management fee schedule is as follows (per annum):

Separate Account		Commingled Fund	
First \$100 million	55 bps	First \$200 million	55 bps
Next \$100 million	50 bps	Next \$200 million	50 bps
Above \$200 million	45 bps	Above \$400 million	45 bps

From the most recent audited annual report dated 12/31/19, the total expense ratio of DDJ Capital Management Group Trust - High Yield Investment Fund, which is a member of this Composite, was 0.60%

Performance-based fee schedules are available for separate accounts. Management and performance-based fees may vary according to the specific mandate of the account, investment performance, and assets under management.

The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by DDJ. ICE Data and its Third Party Suppliers accept no liability in connection with its use. Please contact DDJ for a full copy of the applicable disclaimer.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is not an indication of future results.

**Following a review of the Composite membership during the fourth quarter of 2017, DDJ removed four portfolios from the Composite, comprising approximately 10% of Composite AUM. Reasons for this removal include changes in client investment guidelines (and associated) constraints) as well as the overall evolution of the DDJ U.S. opportunistic high yield strategy and of the high yield market. Accordingly, DDJ migrated such portfolios, which remain under DDJ's management, to separate composites more appropriate for their respective investment strategies.



INVESTMENT MANAGER

DDJ Capital Management

Stony Brook Office Park

130 Turner Street

Building 3, Suite 600

Waltham, MA 02453

www.ddjcap.com

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 15, 2021
RE: DDJ Capital- Manager Update

Background

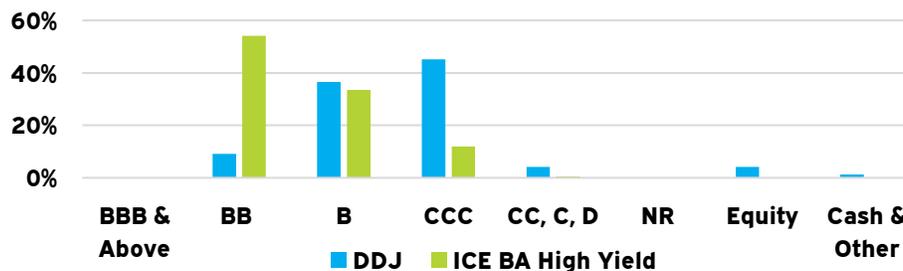
DDJ was placed on “Watch” status in accordance with Investment Performance Criteria in May 2019 due to performance concerns. At that time, DDJ had underperformed the benchmark over the trailing 12-month period. While DDJ struggled in 2019, they were able to recover some of their underperformance in 2020 by successfully navigating the very volatile period. **Meketa therefore recommends removing the “watch” status from DDJ.**

DDJ Update

DDJ was founded in 1996 and is based in Waltham, MA. Co-founder Dave Breazzano remains active in the organization serving as CIO. DDJ manages more than \$7 billion in credit-oriented strategies with the flagship Opportunistic High Yield strategy accounting for more than \$5 billion in assets. The firm had a portfolio manager departure in 2016 but has remained fairly stable at the senior levels since. The Opportunistic High Yield strategy is overseen by Mr. Breazzano as well as Co-Portfolio Managers John Sherman and Ben Santonelli.

The Opportunistic High Yield strategy seeks to outperform the high yield index over a market cycle by building a portfolio that out-yields the index, and minimizing permanent credit losses. DDJ believes that the most inefficient market segments in high yield are the smaller issue and lower credit quality segments. As a result of this view, these market segments are heavily emphasized in DDJ’s portfolios. To partially offset the lower ratings exposure, DDJ will often move up the capital structure from high yield bonds to bank loans in an effort to reduce credit risk and volatility. The result is a very flexible, opportunistic strategy that tends to look very different from the high yield index.

Credit Quality Allocation¹



While DDJ has successfully implemented this investment strategy over various time periods, they experienced significant underperformance in 2019.

¹ Data as of February, 2021

Performance Update & Commentary

DDJ was placed on “watch” status due to poor performance in 2019. During that year the strategy faced significant headwinds due to its structural biases, and these exacerbated some position-specific performance issues. DDJ maintained their investment approach throughout 2020 and investors were rewarded as they were able to take advantage of a very dynamic shift between credit environments and the resulting credit-specific volatility.

The portfolio began 2020 by performing well in January and February, but then lagged the index in March during the worst of the pandemic-related market selloff and also in April in the initial swift snap back. After that, the portfolio outperformed in nearly all other months for the remainder of the year. While DDJ had some specific credit issues in 2020, which will be expected in their portfolio when defaults increase, the vast majority of positions were able to outperform due to strong credit performance.

	YTD	2020	3-year	5-year	Since Inception (Feb-2015)
DDJ Opportunistic High Yield	2.5%	7.9	5.1%	9.5%	7.3%
ICE BofA High Yield TR	0.7%	6.2	6.3%	8.8%	6.4%

Overall in 2020 DDJ outperformed their benchmark by 170 basis points and ranked in the 26th percentile of the eVestment Alliance high yield manager universe. The strategy has continued to outperform so far in 2021 adding approximately another 140 basis points of excess returns year-to-date through February. While the 3-year performance number is heavily weighed down by 2019, longer-term performance shows DDJ’s success versus the index.

Summary & Recommendation

Since OPFRS’ decision in early 2020 to retain the investment in the DDJ Opportunistic High Yield strategy despite underperformance in 2019, the strategy has produced very strong results compared to the benchmark and peers. The main drivers of 2019 underperformance proved to be short-lived as the portfolio bounced back well in 2020, while also navigating a very volatile market environment. While we expect DDJ may continue to face shorter-term periods of underperformance due to their unique strategy that combines 1) a lower credit quality focus, 2) overweight to smaller issuers, 3) a high bank loan allocation and 4) more portfolio concentration, we believe the firm will continue to execute this strategy and has a high likelihood of outperformance over longer time periods. As such we recommend the strategy is removed from “watch” status.

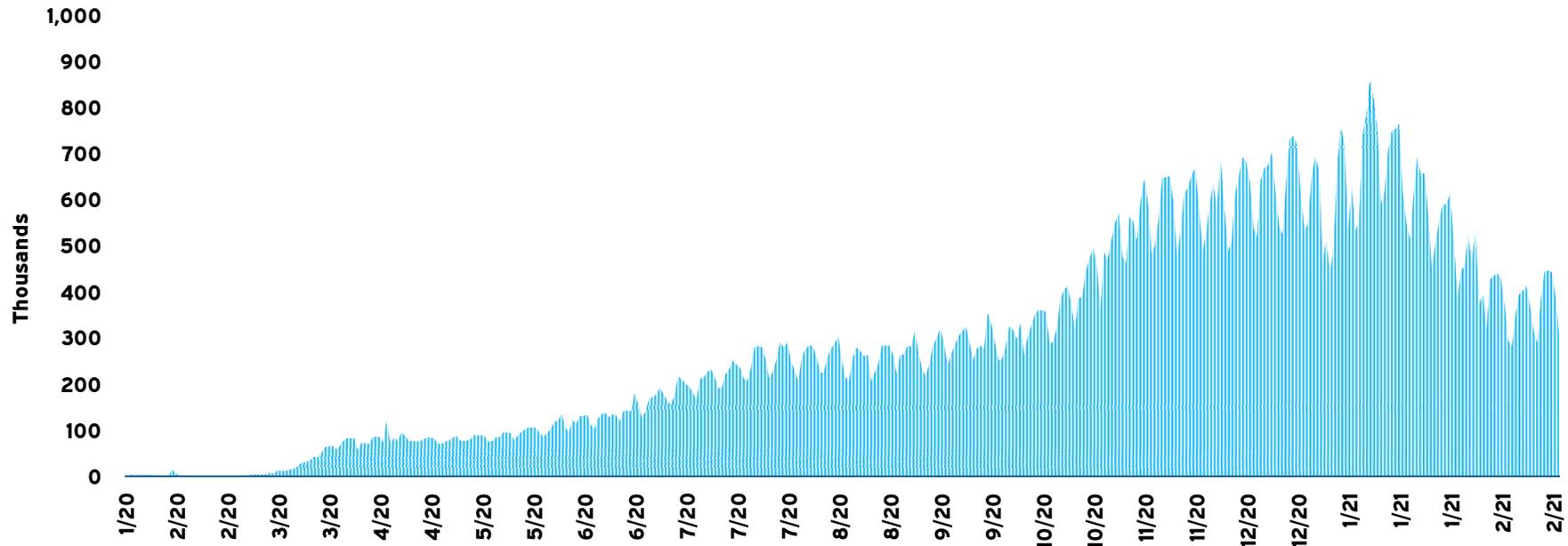
If you have any further questions please feel free to call us at (503)226-1050

DS/PN/SK/pq

Economic and Market Update

Data as of February 28, 2021

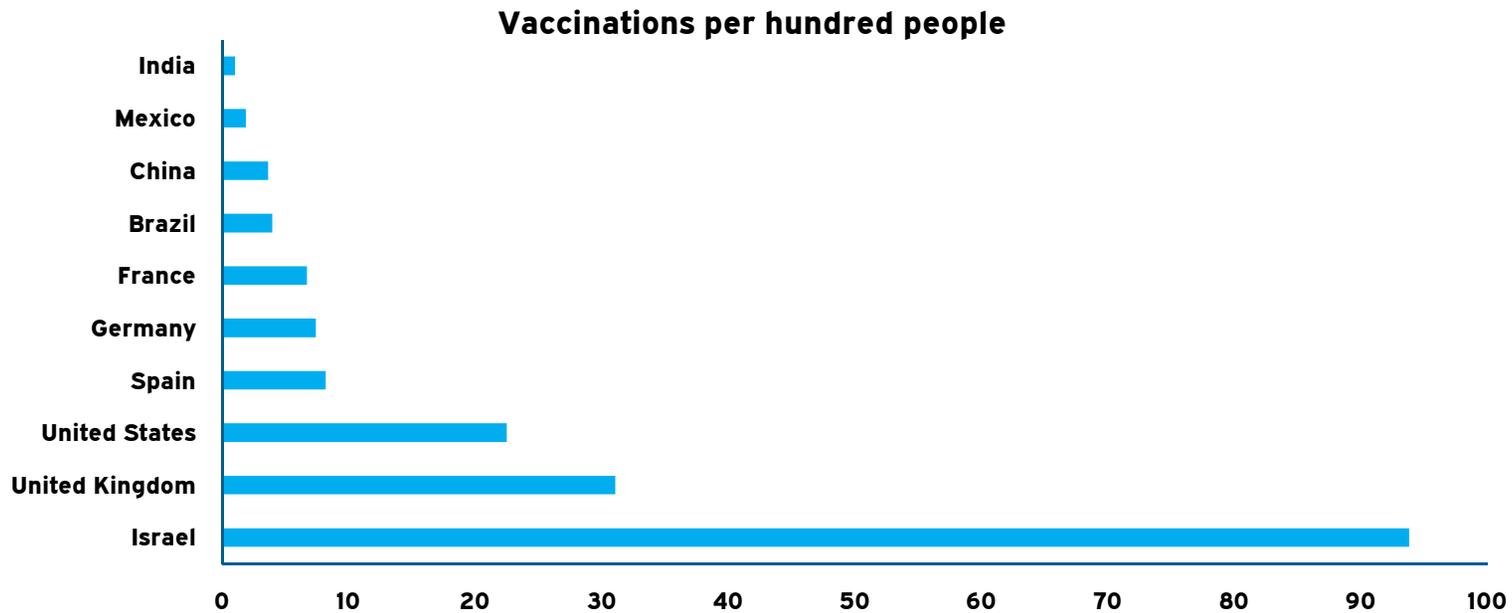
Global Daily Cases¹



- After peaking in early January at ~858,000, the number of global daily cases steadily declined to ~303,000 at the end of February.
- Looking ahead, the rollout of multiple vaccines continues to gather momentum, with over 350 million doses administered and over 160 million people having received at least one dose as of mid-March.
- In the US, the Biden administration recently set a goal of the vaccine being available to the general population by May 1.

¹ Source: Our World in Data. Data is as of February 28, 2021.

Vaccinations by Country¹



- Vaccine distribution has ramped up in many countries, including the Pfizer-BioNTech, Moderna, and Johnson & Johnson vaccines in the US. Outside the US, vaccines have also been developed by China, Russia, India, and the UK.
- Some countries have done better with the vaccine rollout, with Israel being at the forefront. The United Kingdom and the United States' vaccination rates have exceeded many other countries with early immunization efforts focused on the most vulnerable populations.

¹ Source: Our World in Data. Data is as of February 28, 2021.

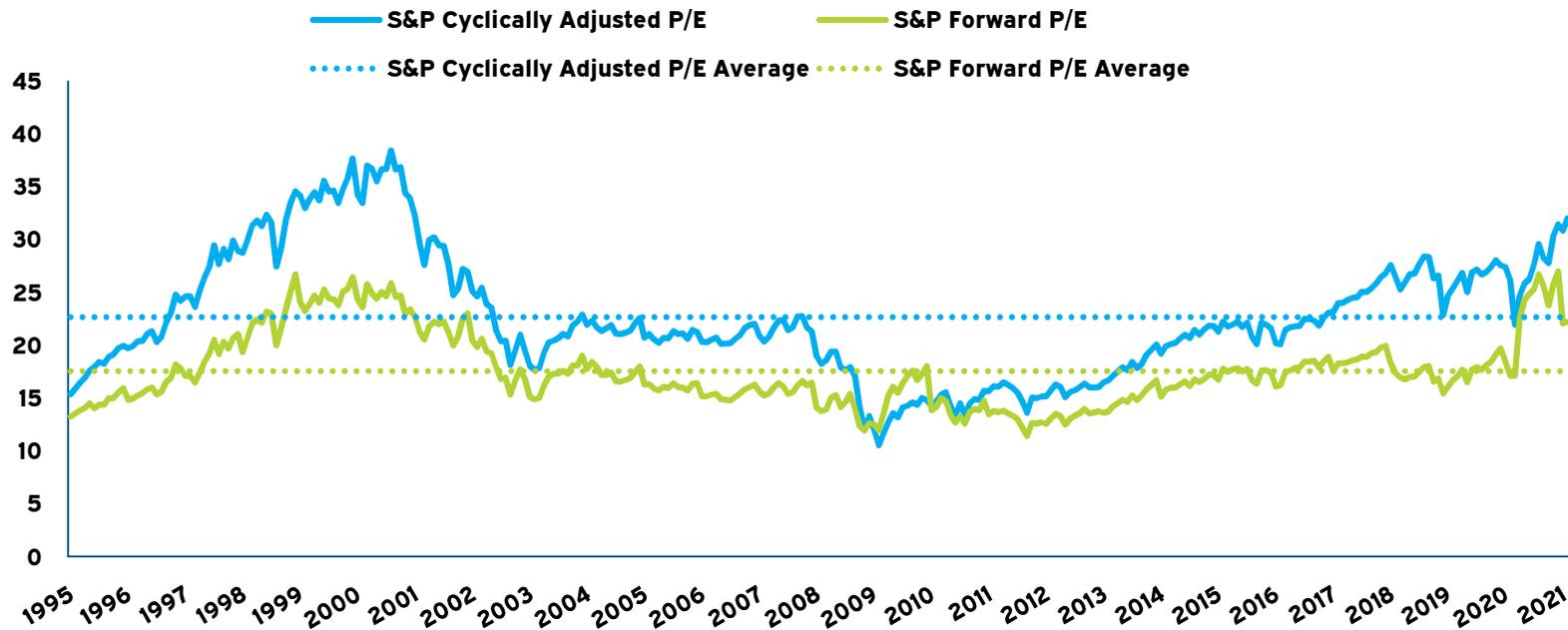
Market Returns¹

Indices	February	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	2.8%	2.2%	24.5%	13.2%	16.6%	13.5%
MSCI EAFE	2.2%	4.2%	16.2%	4.2%	9.7%	5.2%
MSCI Emerging Markets	0.8%	7.3%	31.1%	5.6%	15.2%	4.5%
MSCI China	-1.0%	9.7%	40.1%	8.2%	20.0%	8.7%
Bloomberg Barclays Aggregate	-1.4%	-3.0%	2.1%	5.3%	3.6%	3.6%
Bloomberg Barclays TIPS	-1.6%	-2.5%	6.5%	6.1%	4.3%	3.6%
Bloomberg Barclays High Yield	0.4%	0.8%	7.8%	6.6%	9.1%	6.5%
10-year US Treasury	-2.6%	-4.1%	-1.3%	6.3%	2.3%	4.1%
30-year US Treasury	-6.2%	-10.3%	-9.0%	9.1%	4.1%	7.2%

- Global risk assets recovered meaningfully from their declines earlier in 2020, largely driven by record fiscal and monetary policy stimulus and greater clarity related to the containment of the virus.
- In February, markets rose, particularly developed markets, as the vaccine roll-out supported expectations of a global economic recovery.
- Inflation expectations rose given the stimulus plan passed by Congress and reopening optimism. This caused the yield curve to steepen, resulting in negative monthly returns for high quality bond indices.

¹ Source: Investment Metrics and Bloomberg. Data is as of February 28, 2021.

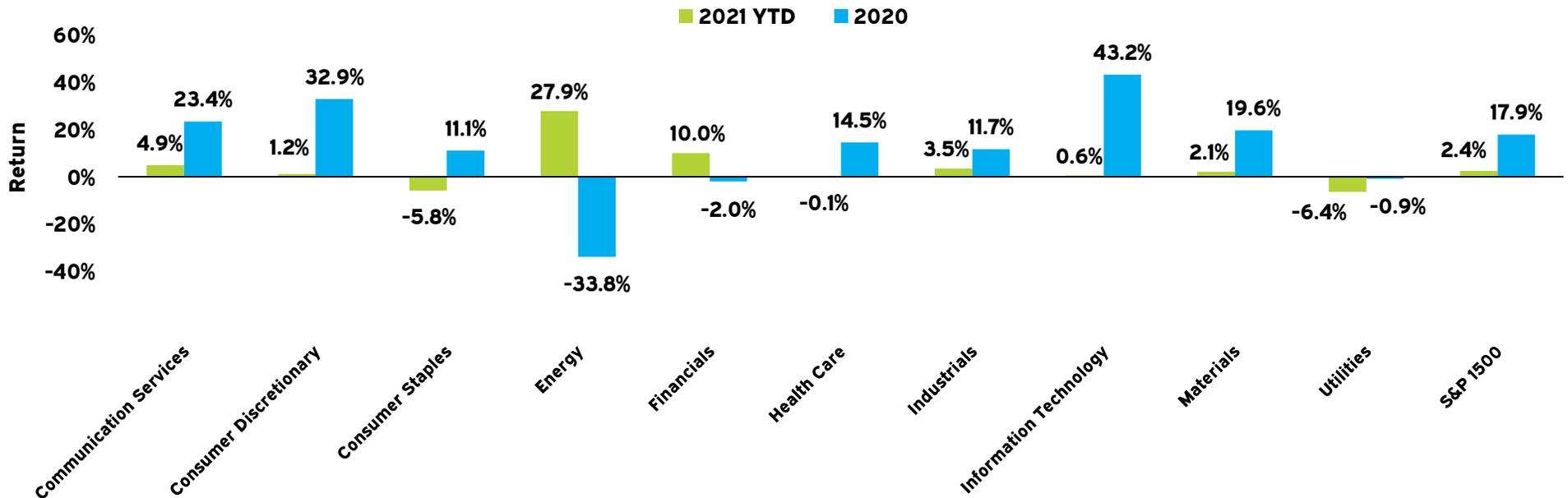
S&P Equity Valuations¹



- With positive developments regarding COVID-19 vaccines, valuations based on backward-looking earnings rose to levels not seen since 2001.
- By contrast, valuations based on forward-looking earnings recently declined given continued improvements in earnings expectations. Despite the decline in forward P/E ratios, they remain well above long-term averages.

¹ Source: Bloomberg. Data is as of February 28, 2021.

Sector Returns¹

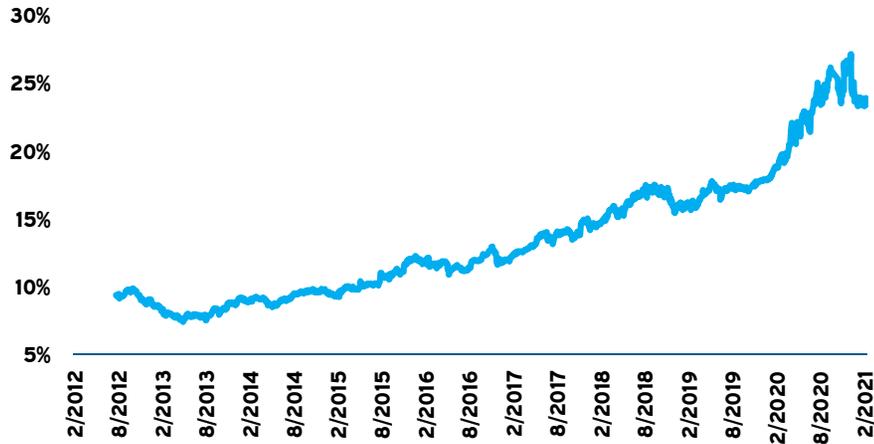


- Value-oriented sectors like energy and financials have led the way in 2021 as investors rotate out of the stay-at-home focused companies in technology, which were the best performers in 2020.
- The recent rotation into value has largely been driven by expectations for the economy to reopen and higher interest rates. Growth stocks typically are expected to produce more of their cash flows further into the future and increased rates lead to a larger discount, reducing their present value.
- Energy has been a particular standout this year, supported by record low active rig counts, Saudi Arabia's reductions in output, and expectations of rising demand later in 2021.

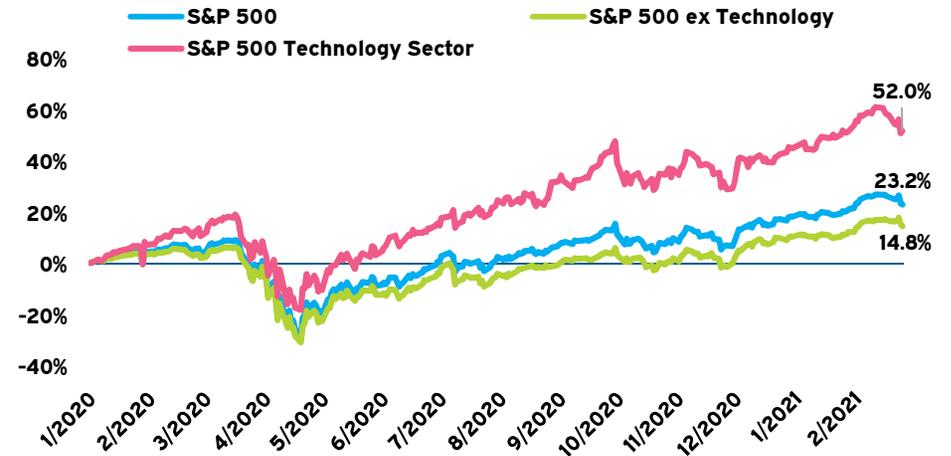
¹ Source: Bloomberg. Data is as of February 28, 2021.

Technology led the way for most of 2020, but has recently lagged

FAANG+M Share of S&P 500¹



Returns from Start of 2020 through February 28 2021²

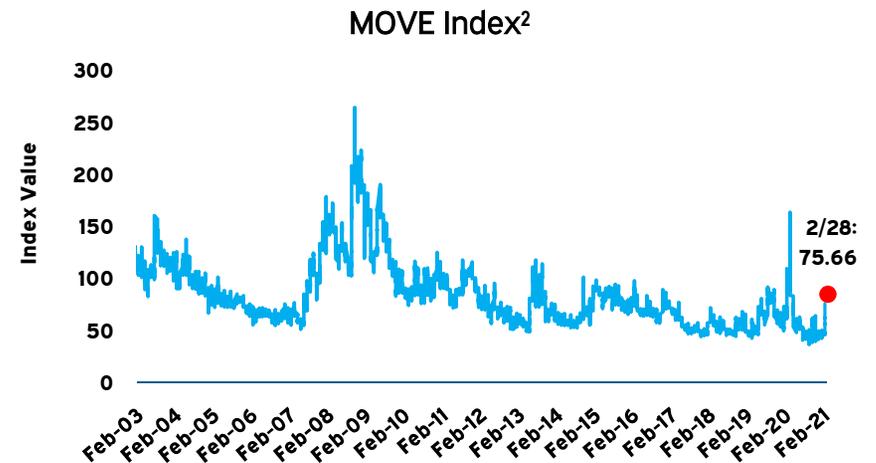
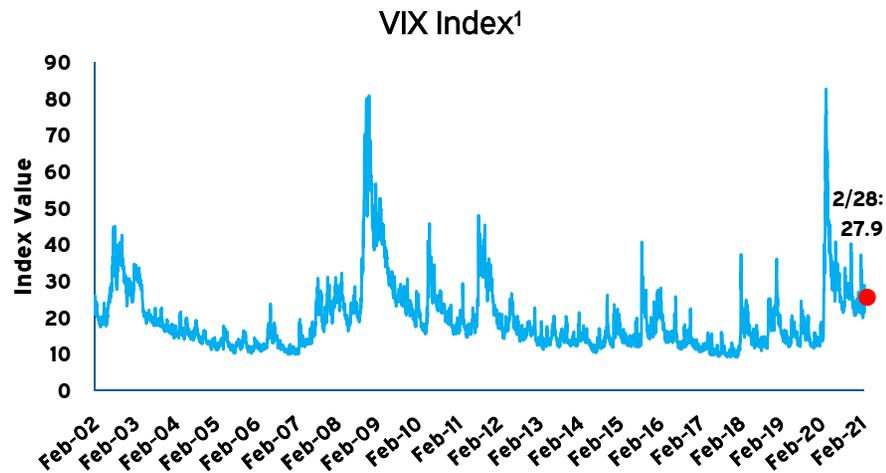


- During much of 2020 markets were driven by a few technology companies that benefited from the stay-at-home environment related to the virus.
- The outsized relative returns of these companies last year caused them to comprise an increasingly large portion (23%) of the S&P 500, making their performance going forward impactful to overall market results.

¹ FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of February 28, 2021.

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

Volatility



- Rotation to cyclical sectors and rising costs of capital have contributed to above average levels of volatility as measured by the VIX.
- Expectations of volatility within fixed income, as represented by the MOVE index, increased again in February as inflation and growth expectations rose, the yield curve steepened, and bond prices fell. Uncertainty regarding the future path of interest rates could keep fixed income volatility elevated.

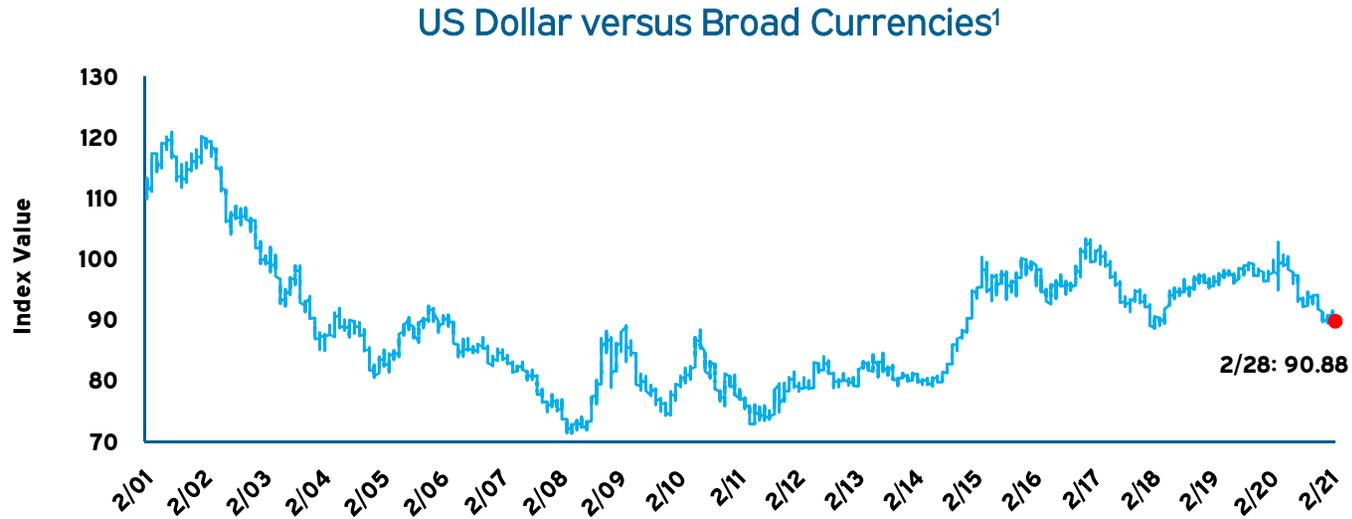
¹ Source: Chicago Board of Exchange. Data is as of February 28, 2021.

² Source: Bloomberg. Data is as of February 28, 2021.

Key Elements of the Latest Round of US Fiscal Stimulus

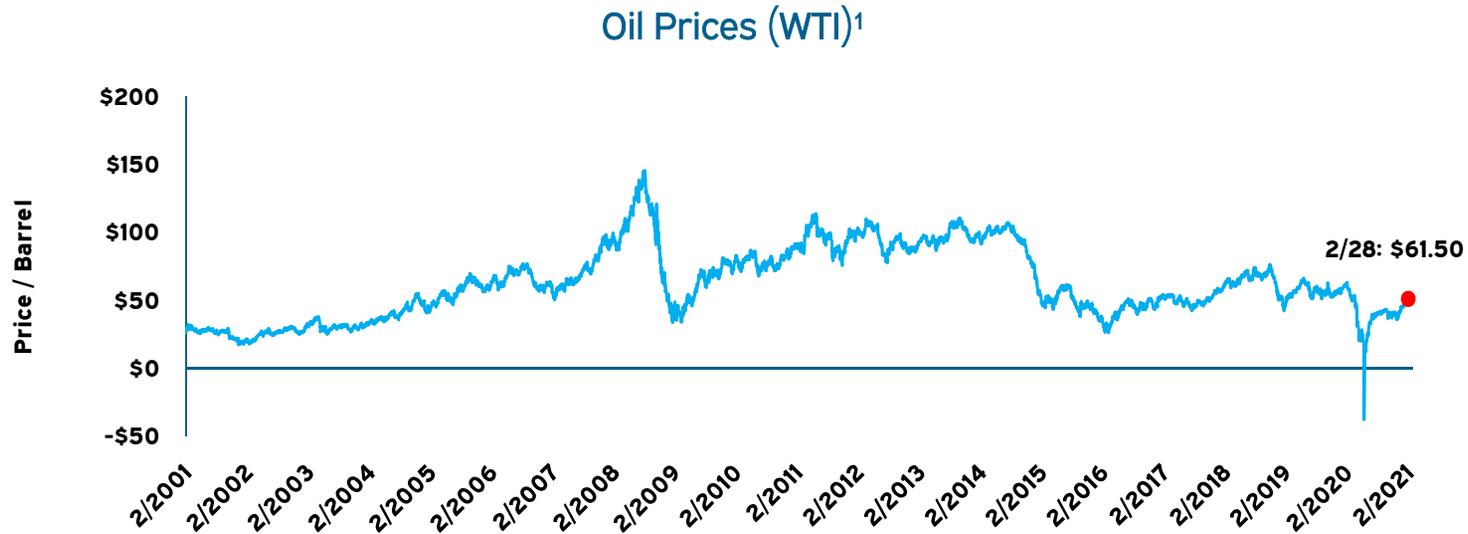
Joint Proposal	
Status	Signed by President Biden on March 11, 2021
Direct Payments	Up to \$1,400 per eligible recipient
Enhanced Unemployment	\$300 per week through September
State & Local Aid	\$360 billion
Vaccines, testing and tracing	\$123 billion
School aid/Education Grants	\$176 billion
Health Insurance Support	\$105 billion
Transportation	\$56 billion
Food / Agriculture aid	\$16 billion
Rental Assistance	\$1 billion
Small Business Assistance	\$59 billion
Total	\$1.9 trillion

- A fiscal stimulus totaling ~\$900 billion, representing the second largest package in history at that time, was finalized in late December 2021.
- President Biden signed an additional \$1.9 trillion stimulus package in March that includes another round of direct payments to individuals, \$300 extra per week in unemployment benefits, and aid to state and local governments.
- Concerns have increased significantly that the historic infusion into the economy could lead to inflation and put pressure on borrowing costs.



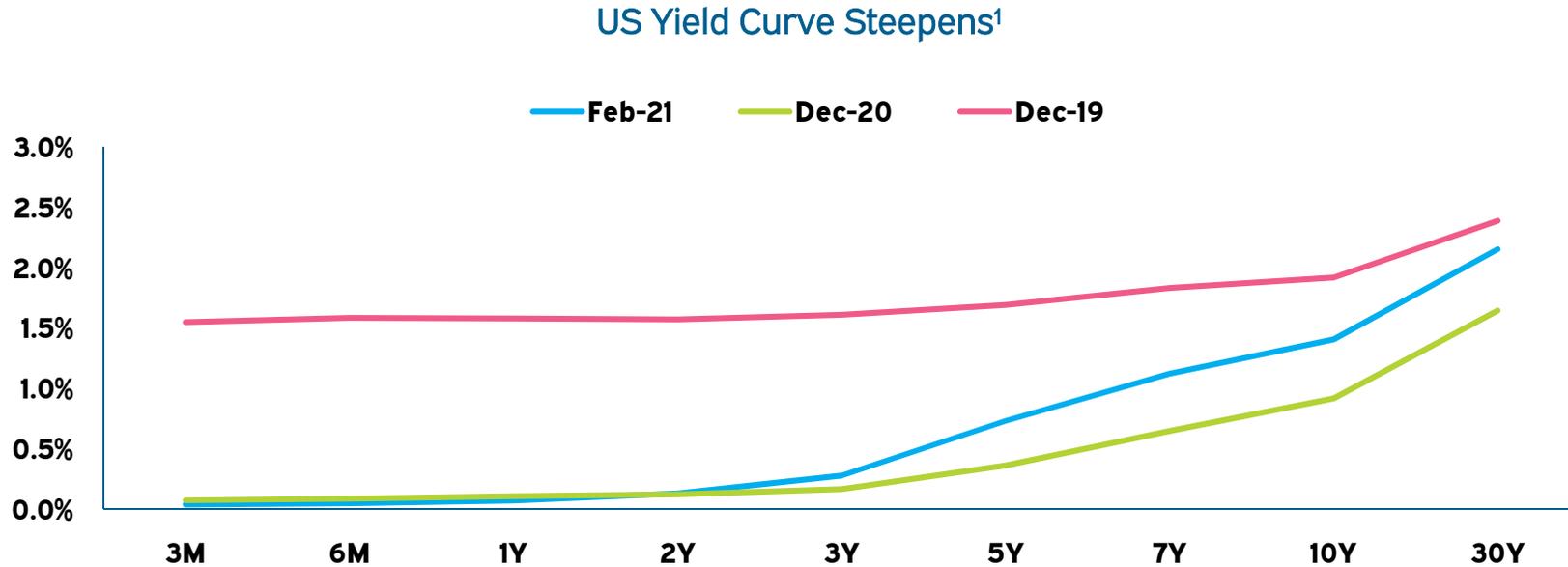
- As the crisis grew into a pandemic in 2020, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills.
- However, the dollar weakened over the last few quarters as the US struggled with containing the virus and investors sought higher growth non-US assets, particularly in emerging markets. This created pressures on already stressed export-focused countries, particularly in Europe, as their goods become relatively more expensive for US consumers.
- Recently, as global investors reevaluate prospects for a US economic recovery given the vaccine roll-out and higher interest rates, the US dollar has stabilized.
- Going forward, the dollar's safe-haven quality and the higher interest rates in the US could provide support.

¹ Source: Bloomberg. Represents the DXY Index. Data is as of February 28, 2021.



- Global oil prices rallied from April 2020 lows, recovering to pre-crisis levels.
- In 2020 the collapse in global oil demand led to the shuttering of active drilling in North America and international markets and production capacity has been slow to come back on line.
- In a surprise decision, OPEC+ recently announced they would not be increasing production despite signs that the global economy could absorb the additional supply.
- Low production capacity and tight supply may help balance oil markets and drawdown reserves offering support for oil prices as global demand recovers.
- Once reserves are used, and if production remains tight, oil prices could continue to rise, contributing to inflationary pressures and weighing on the global economic recovery.

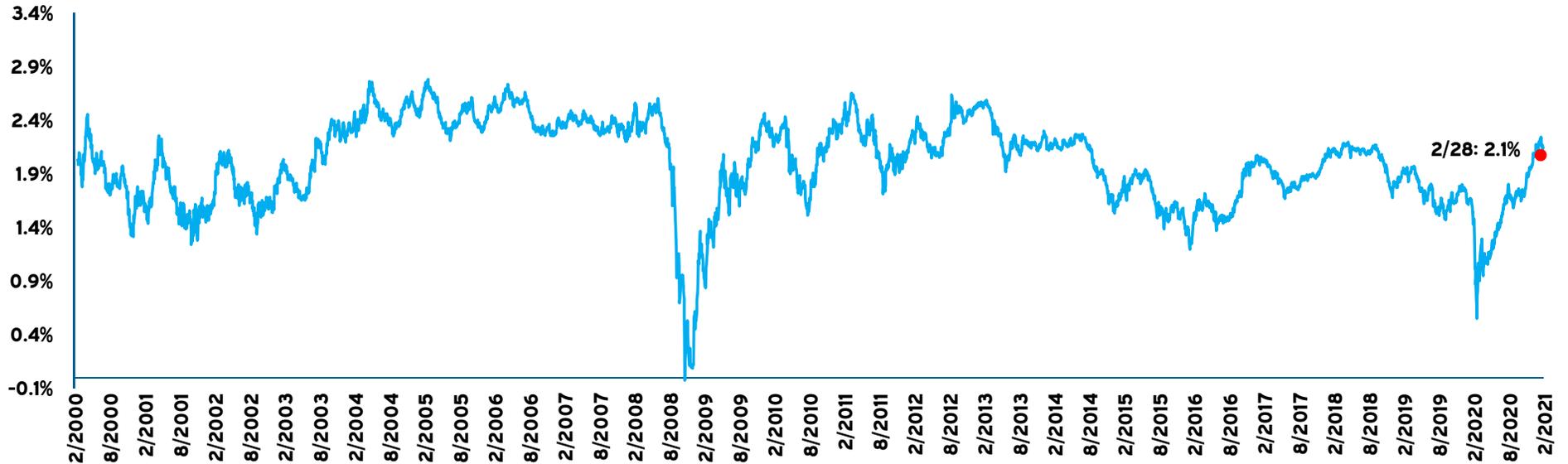
¹ Source: Bloomberg. Represents WTI first available futures contract. Data is as of February 28, 2021.



- The US Treasury yield curve declined materially during 2020, driven by safe-haven demand, Federal Reserve policies (policy rate cuts and the quantitative easing program), and weak US economic fundamentals.
- So far this year, the curve has steepened, given inflation fears related to gradual signs of economic improvement, vaccine developments, and expectations for longer-dated Treasury issuance to support additional fiscal stimulus in the coming months.
- Higher yields relative to other countries and the Fed potentially extending the duration of their purchases could counterbalance steepening trends, but the risk remains that the yield curve could continue to steepen if growth and inflationary pressures build.

¹ Source: Bloomberg. Data is as of February 28, 2021.

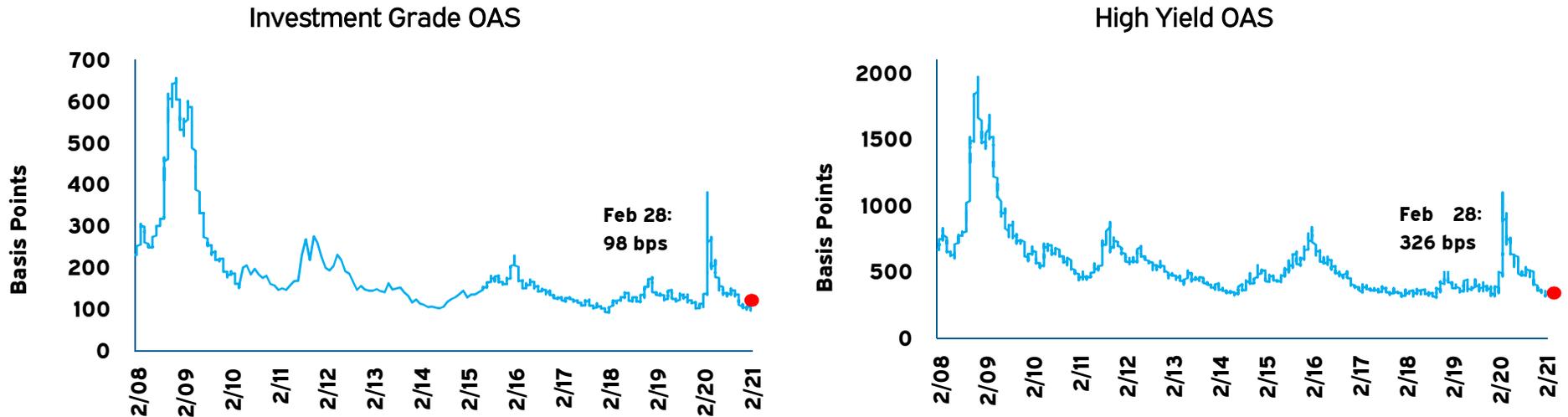
10-Year Breakeven Inflation¹



- Inflation breakeven rates declined sharply in early 2020, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of market volatility. Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated.
- Recently, inflation expectations continued to rise to slightly above long-term averages as the increase in nominal rates outpaced the increase in real rates. The vaccine roll-out and expected additional fiscal stimulus were key drivers.
- Looking forward, the track of economic growth and the inflationary effects of the unprecedented US fiscal response will be key issues. Additionally, changes to Fed policy allowing for greater future inflation will also likely impact inflation market dynamics.

¹ Source: Bloomberg. Data is as of February 28, 2021.

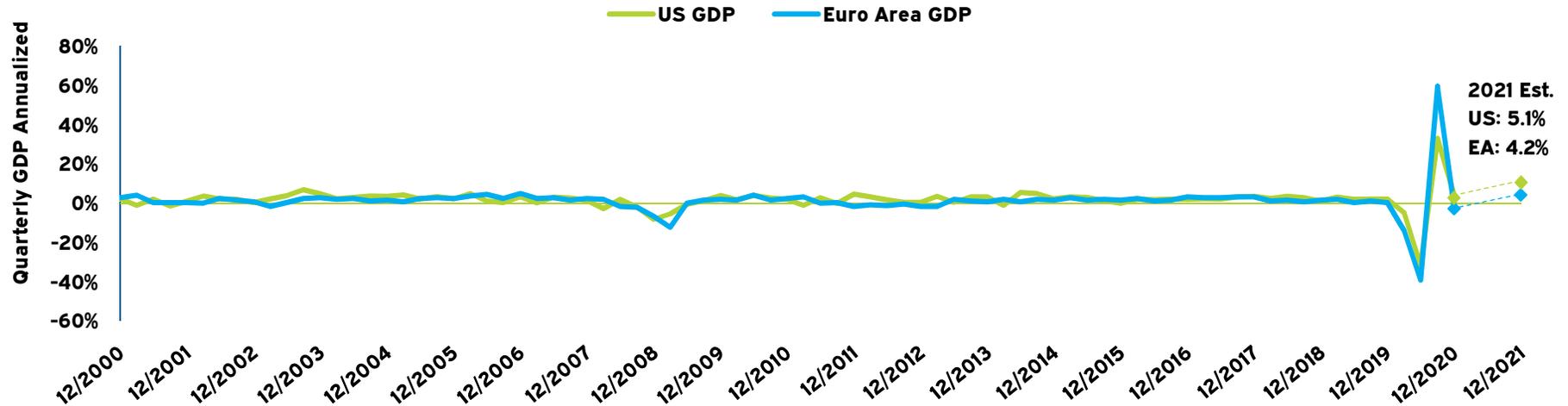
Credit Spreads (High Yield & Investment Grade)¹



- Credit spreads (the spread above a comparable Treasury) for investment grade and high yield corporate debt widened sharply at the start of the pandemic as investors sought safety.
- Policy support, the search for yield in the low rate environment, and recent increases in Treasury rates have led to a decline in credit spreads to below long-term averages, particularly for high yield.
- Overall, corporate debt issuance across both investment grade and high yield sectors broke records in 2020.

¹ Source: Bloomberg. High Yield represents US Corporate High Yield average OAS. Investment grade represents liquid investment grade corporate average OAS. Data is as of February 28, 2021.

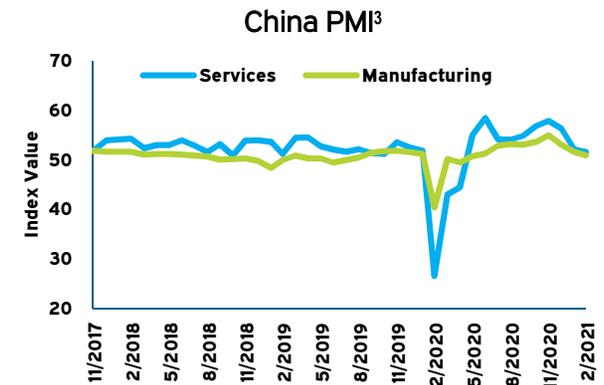
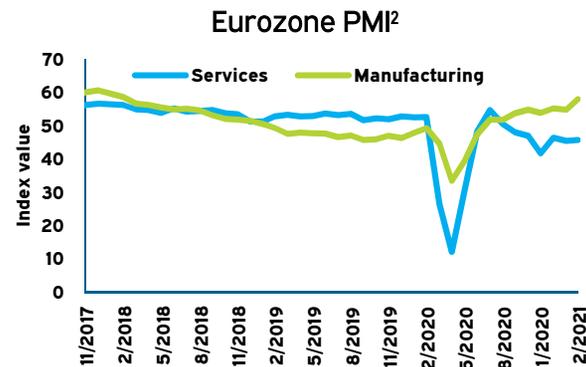
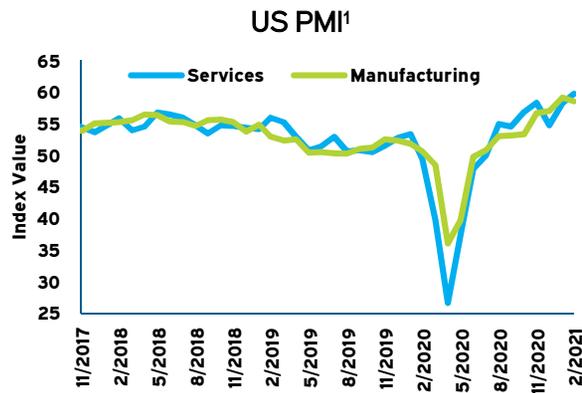
GDP Data Shows Projected Improvements in 2021¹



- The global economy faced major recessionary pressures last year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- Historic declines in US and European growth during the second quarter were followed by record increases in the third quarter, due to pent-up demand from the lockdown measures earlier in the year.
- Fourth quarter US GDP growth was 4.1% (QoQ annualized). Full year US GDP growth declined 2.4%, better than the IMF's forecasted decline of 3.4%.
- In the euro area, increased virus cases and a return to restrictions weighed on fourth quarter growth (-2.8% QoQ annualized). For the year, the euro area economy declined by 4.9%, worse than the US, but also ahead of forecasts of a 7.2% decline.

¹ Source: Bloomberg, and IMF. Q4 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via January 2021 IMF World Economic Outlook and represent annual numbers.

Global PMIs



- Purchasing Managers Indices (PMI), based on surveys of private sector companies, initially collapsed across the world to record lows, as closed economies depressed output, new orders, production, and employment.
- Readings below 50 represent contractions across underlying components and are a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was hit particularly hard by stay-at-home restrictions.
- After a period of underperformance, US services and manufacturing are accelerating. In Europe, manufacturing continues to improve, with services lagging given on-going restrictions. After a blockbuster return to full economic activity in the second half of 2020 the Chinese economy has stabilized in positive territory.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of February 2021.

² Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of February 2021.

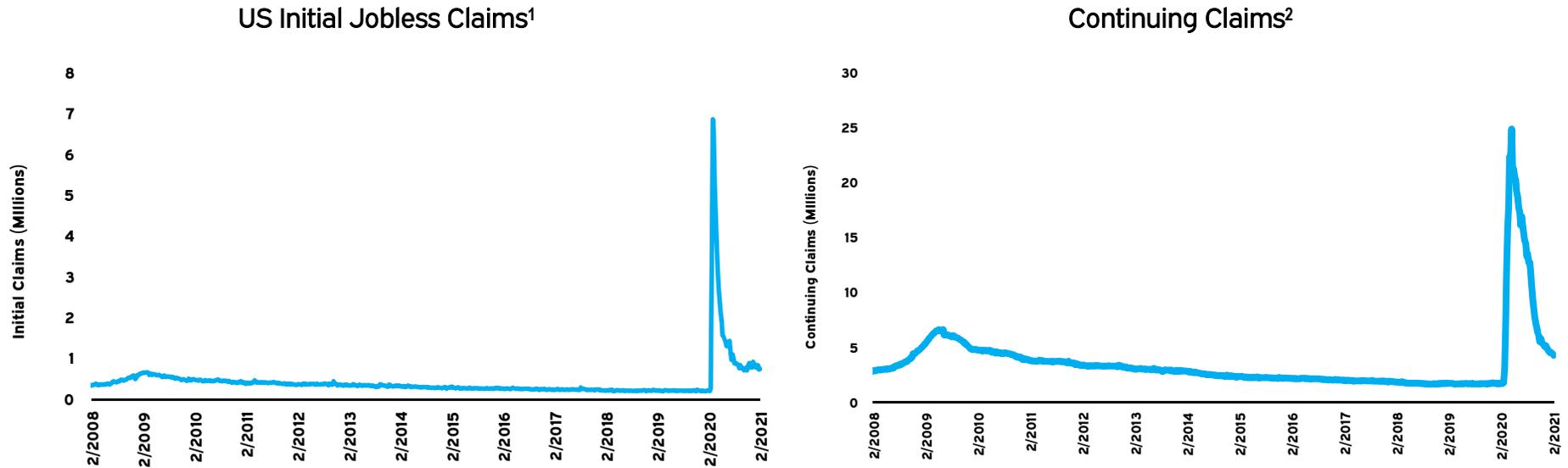
³ Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of February 2021.



- In February, the unemployment rate continued its decline from the April 14.7% peak, falling to 6.2%.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported, as the total labor force participation rate remains below pre-COVID levels.
- A counterforce to the recent inflation concerns remains the slack in the labor market and corresponding weak wage pressures.

¹ Source: Bloomberg. Data is as of February 28, 2021. Bars represent recessions.

US Jobless Claims

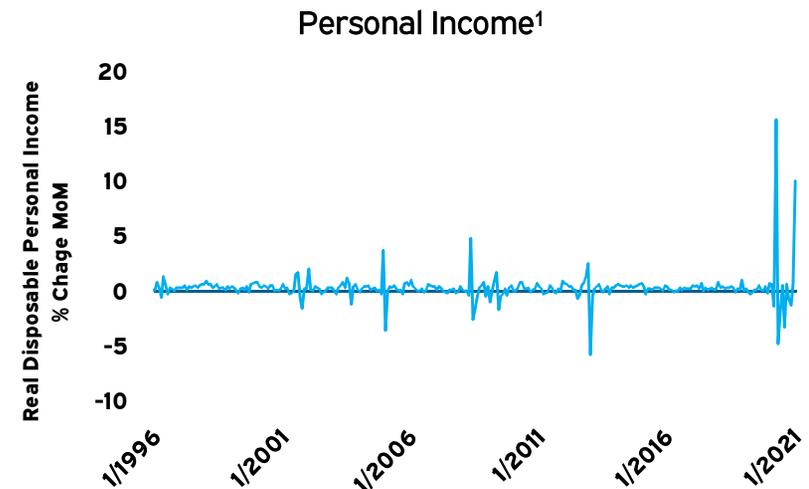
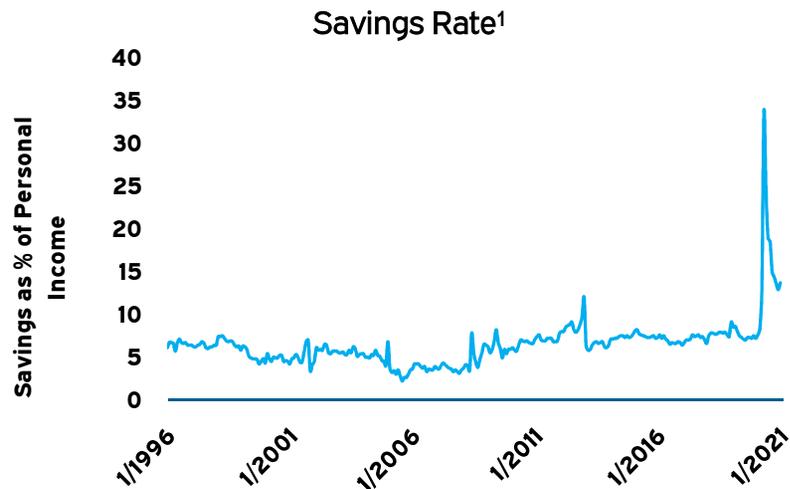


- Since the start of the crisis, ~80 million people filed for initial unemployment. This level is approaching four times the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the stabilization in initial jobless claims to below one million per week, levels remain higher than the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) have also declined from record levels, but remain elevated at 4.3 million.

¹ Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of February 28, 2021.

² Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of February 28, 2021.

Savings and Spending

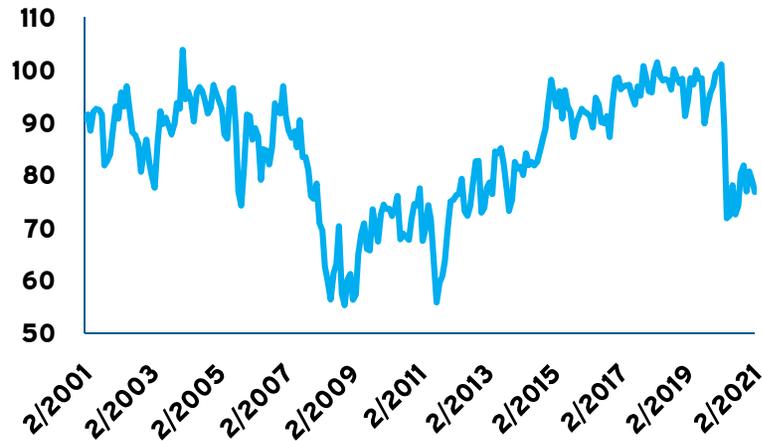


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening. Going forward, questions remain about how consumers will make use of the recently approved stimulus programs with concerns over the potential inflationary impacts.

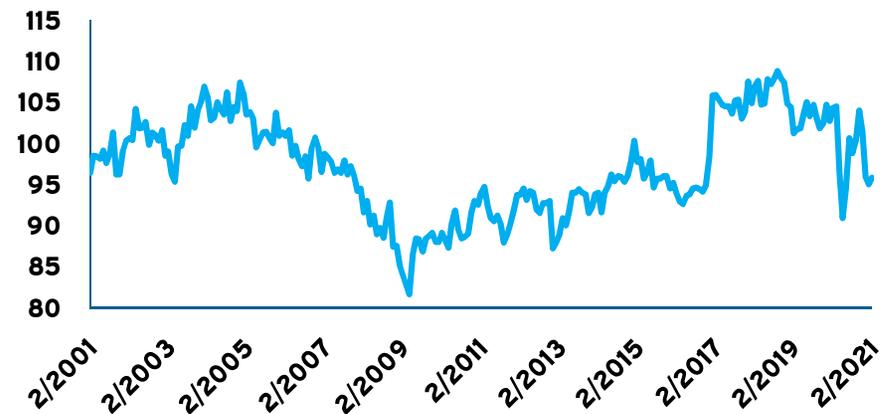
¹ Source: Bloomberg. Latest data is as of January 2021.

Sentiment Indicators

University of Michigan Consumer Sentiment¹



Small Business Confidence²



- The attitudes of businesses and consumers are useful indicators of future economic activity.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important.
- Sentiment indicators showed improvements as the economy re-opened, particularly for small businesses. Increasing cases, including from new variants, and a slow vaccine rollout have recently weighed on short-term sentiment. This trend could change though based on improvements in vaccine distribution and the recent fiscal stimulus.

¹ Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of February 28, 2021.

² Source: Bloomberg. NFIB Small Business Optimism Index. Latest data is as of February 28, 2021.

Disclaimers

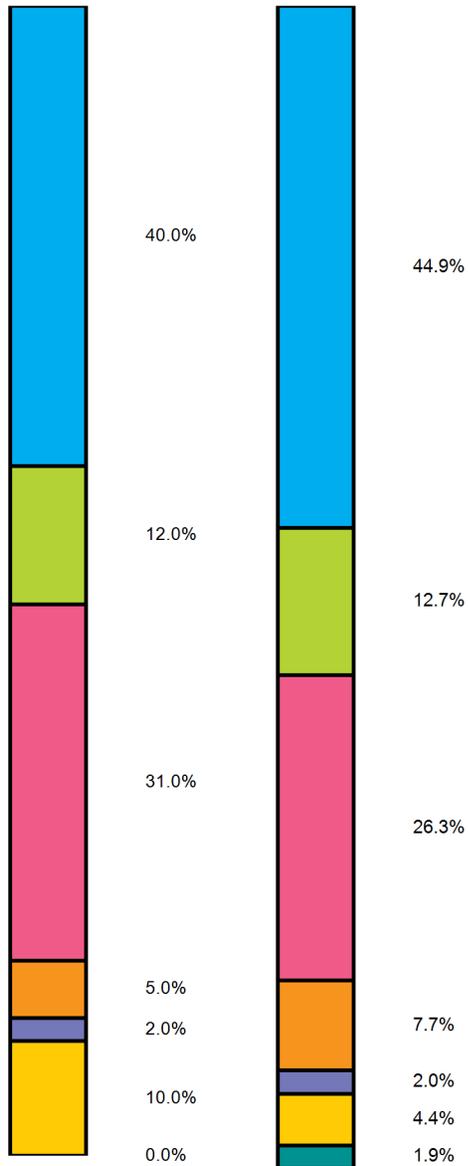
These materials are intended solely for the recipient and may contain information that is not suitable for all investors. This presentation is provided by Meketa Investment Group (“Meketa”) for informational purposes only and no statement is to be construed as a solicitation or offer to buy or sell a security, or the rendering of personalized investment advice. There is no agreement or understanding that Meketa will provide individual advice to any advisory client in receipt of this document. There can be no assurance the views and opinions expressed herein will come to pass. Any data and/or graphics presented herein is obtained from what are considered reliable sources; however, its delivery does not warrant that the information contained is correct. Any reference to a market index is included for illustrative purposes only, as an index is not a security in which an investment can be made and are provided for informational purposes only. For additional information about Meketa, please consult the Firm’s Form ADV disclosure documents, the most recent versions of which are available on the SEC’s Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov) and may otherwise be made available upon written request.

Oakland Police and Fire Retirement System

March 31, 2021

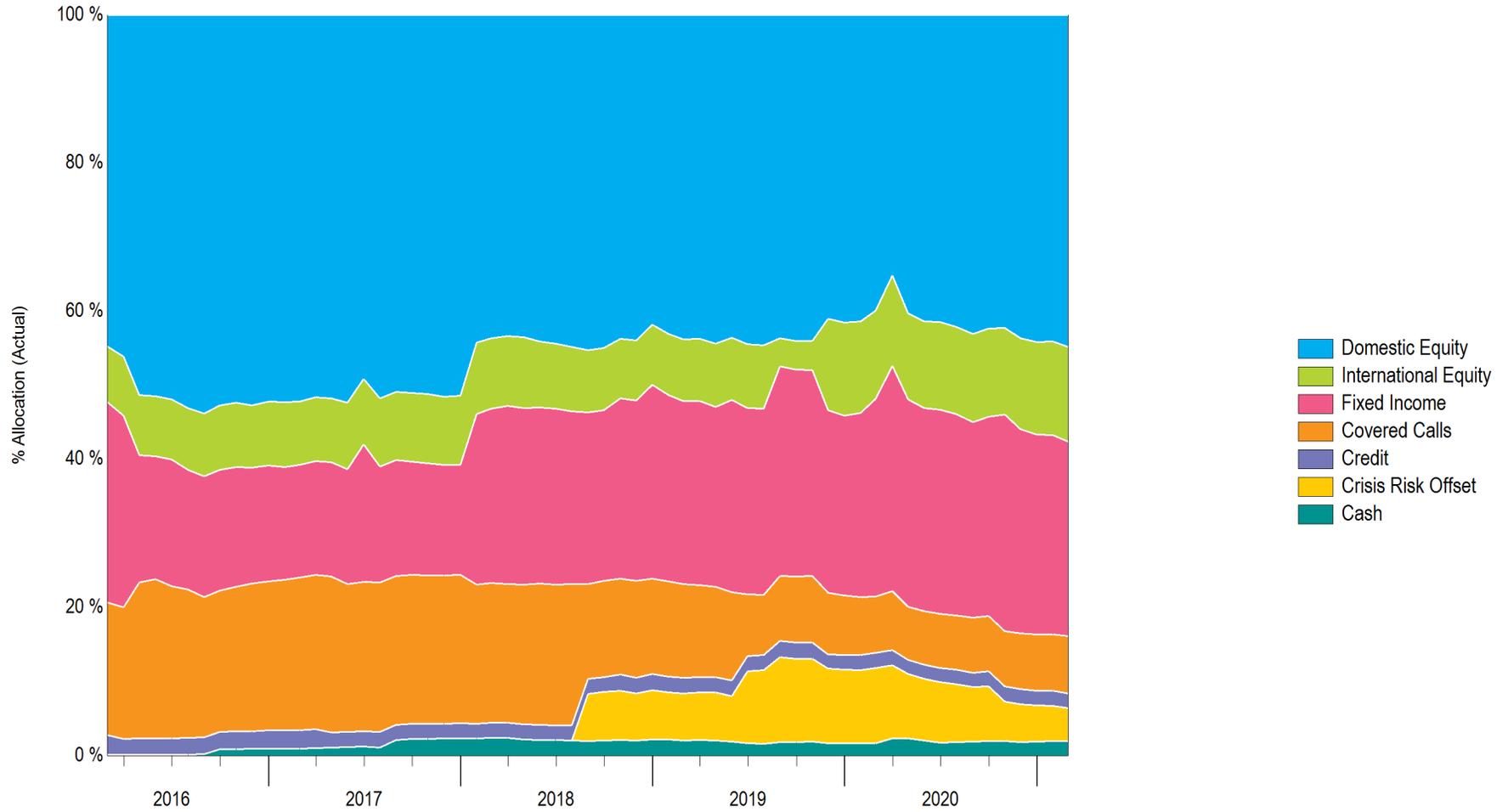
February Flash Report

OPFRS Total Plan As of February 28, 2021



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Within IPS Range?	
Domestic Equity	\$195,805,100	44.9%	40.0%	4.9%	Yes	
International Equity	\$55,547,147	12.7%	12.0%	0.7%	Yes	
Fixed Income	\$114,761,842	26.3%	31.0%	-4.7%	Yes	
Covered Calls	\$33,664,839	7.7%	5.0%	2.7%	Yes	
Credit	\$8,821,149	2.0%	2.0%	0.0%	Yes	
Crisis Risk Offset	\$19,396,506	4.4%	10.0%	-5.6%	No	
Cash	\$8,469,406	1.9%	0.0%	1.9%	Yes	
Total	\$436,465,988	100.0%	100.0%			

Asset Allocation History
5 Years Ending February 28, 2021



Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	436,465,988	100.0	1.4	1.0	16.0	16.1	8.3	11.4	8.1	7.0	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>0.9</i>	<i>0.5</i>	<i>14.5</i>	<i>17.0</i>	<i>8.4</i>	<i>11.0</i>	<i>7.8</i>	<i>8.3</i>	<i>Dec-88</i>
Domestic Equity	195,805,100	44.9	3.5	3.2	28.7	33.2	13.6	17.0	13.1	9.3	Jun-97
<i>Russell 3000 (Blend)</i>			<i>3.1</i>	<i>2.7</i>	<i>28.6</i>	<i>35.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.4</i>	<i>9.4</i>	<i>Jun-97</i>
International Equity	55,547,147	12.7	2.0	2.1	23.1	20.8	5.2	11.8	5.7	5.7	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>6.0</i>	<i>Jan-98</i>
Fixed Income	114,761,842	26.3	-1.3	-1.8	1.4	2.1	5.6	4.7	4.2	5.5	Dec-93
<i>Blmbg BC Universal (Blend)</i>			<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.3</i>	<i>Dec-93</i>
Credit	8,821,149	2.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>BBgBarc US High Yield TR</i>			<i>0.4</i>	<i>0.7</i>	<i>12.1</i>	<i>9.4</i>	<i>6.6</i>	<i>9.0</i>	<i>6.5</i>	<i>6.2</i>	<i>Feb-15</i>
Covered Calls	33,664,839	7.7	2.6	2.1	20.6	23.9	10.2	11.9	--	9.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>			<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Crisis Risk Offset	19,396,506	4.4	-5.7	-9.0	-12.1	-27.6	-9.8	--	--	-11.3	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>			<i>-0.8</i>	<i>0.1</i>	<i>-2.5</i>	<i>-11.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.3</i>	<i>Aug-18</i>
Cash	8,469,406	1.9	0.0	0.0	0.1	0.8	1.8	1.4	0.7	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>

Cash balances held in ETF accounts at the Custodian are reflected in the Cash account market value.

Trailing Net Performance												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	436,465,988	100.0	--	1.4	1.0	16.0	16.1	8.3	11.4	8.1	7.0	Dec-88
<i>OPFRS Policy Benchmark</i>				<i>0.9</i>	<i>0.5</i>	<i>14.5</i>	<i>17.0</i>	<i>8.4</i>	<i>11.0</i>	<i>7.8</i>	<i>8.3</i>	<i>Dec-88</i>
Domestic Equity	195,805,100	44.9	44.9	3.5	3.2	28.7	33.2	13.6	17.0	13.1	9.3	Jun-97
<i>Russell 3000 (Blend)</i>				<i>3.1</i>	<i>2.7</i>	<i>28.6</i>	<i>35.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.4</i>	<i>9.4</i>	<i>Jun-97</i>
Northern Trust Russell 1000	107,960,039	24.7	55.1	2.9	2.1	27.0	34.2	15.0	17.3	13.5	14.9	Jun-10
<i>Russell 1000</i>				<i>2.9</i>	<i>2.1</i>	<i>27.0</i>	<i>34.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.6</i>	<i>14.9</i>	<i>Jun-10</i>
EARNEST Partners	42,793,614	9.8	21.9	4.9	4.5	33.9	37.3	16.3	20.0	14.0	11.1	Apr-06
<i>Russell MidCap</i>				<i>5.6</i>	<i>5.3</i>	<i>35.7</i>	<i>36.1</i>	<i>13.7</i>	<i>15.9</i>	<i>12.3</i>	<i>9.7</i>	<i>Apr-06</i>
Vanguard Russell 2000 Value	9,926,350	2.3	5.1	9.3	14.8	55.6	39.8	--	--	--	17.6	Aug-19
<i>Russell 2000 Value</i>				<i>9.4</i>	<i>15.2</i>	<i>57.5</i>	<i>41.1</i>	<i>10.1</i>	<i>14.2</i>	<i>9.7</i>	<i>17.9</i>	<i>Aug-19</i>
Rice Hall James	16,404,174	3.8	8.4	5.2	9.3	39.9	49.7	13.3	--	--	15.7	Jul-17
<i>Russell 2000 Growth</i>				<i>3.3</i>	<i>8.3</i>	<i>50.4</i>	<i>58.9</i>	<i>18.9</i>	<i>21.1</i>	<i>13.8</i>	<i>18.9</i>	<i>Jul-17</i>
iShares Edge MSCI Min Vol	18,720,922	4.3	9.6	-0.4	-3.1	9.5	--	--	--	--	23.6	Apr-20
<i>MSCI USA Minimum Volatility GR USD</i>				<i>-0.4</i>	<i>-3.0</i>	<i>9.7</i>	<i>9.0</i>	<i>10.3</i>	<i>12.0</i>	<i>12.7</i>	<i>23.8</i>	<i>Apr-20</i>
International Equity	55,547,147	12.7	12.7	2.0	2.1	23.1	20.8	5.2	11.8	5.7	5.7	Jan-98
<i>MSCI ACWI ex US (Blend)</i>				<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>6.0</i>	<i>Jan-98</i>
Vanguard Developed Markets ETF	16,076,869	3.7	28.9	2.4	1.7	23.7	22.7	--	--	--	14.8	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>2.4</i>	<i>1.6</i>	<i>26.1</i>	<i>25.9</i>	<i>5.5</i>	<i>10.0</i>	<i>3.6</i>	<i>16.3</i>	<i>Sep-19</i>
SGA ACWI ex-U.S. Equity	39,142,281	9.0	70.5	1.7	2.3	23.5	21.5	--	--	--	8.5	Dec-19
<i>MSCI ACWI ex USA Gross</i>				<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>14.6</i>	<i>Dec-19</i>

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

OPFRS Total Plan As of February 28, 2021

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Fixed Income	114,761,842	26.3	26.3	-1.3	-1.8	1.4	2.1	5.6	4.7	4.2	5.5	Dec-93
<i>Blmbg BC Universal (Blend)</i>				<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.3</i>	<i>Dec-93</i>
Ramirez	78,098,870	17.9	68.1	-1.2	-1.5	1.6	0.9	5.5	--	--	4.8	Jan-17
<i>BBgBarc US Aggregate TR</i>				<i>-1.4</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.6</i>	<i>4.1</i>	<i>Jan-17</i>
Reams	29,181,745	6.7	25.4	-1.6	-2.5	1.2	12.9	9.4	6.3	5.3	6.0	Feb-98
<i>Blmbg BC Universal (Blend)</i>				<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.0</i>	<i>Feb-98</i>
iShares Core US Aggregate Bond ETF	7,481,183	1.7	6.5	-1.5	-2.3	--	--	--	--	--	-1.3	Nov-20
<i>BBgBarc US Aggregate TR</i>				<i>-1.4</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.6</i>	<i>-1.1</i>	<i>Nov-20</i>
Credit	8,821,149	2.0	2.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>BBgBarc US High Yield TR</i>				<i>0.4</i>	<i>0.7</i>	<i>12.1</i>	<i>9.4</i>	<i>6.6</i>	<i>9.0</i>	<i>6.5</i>	<i>6.2</i>	<i>Feb-15</i>
DDJ Capital	8,821,149	2.0	100.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>0.3</i>	<i>0.7</i>	<i>12.2</i>	<i>8.6</i>	<i>6.3</i>	<i>8.8</i>	<i>6.3</i>	<i>6.1</i>	<i>Feb-15</i>
Covered Calls	33,664,839	7.7	7.7	2.6	2.1	20.6	23.9	10.2	11.9	--	9.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric BXM	15,074,680	3.5	44.8	2.2	1.9	17.0	17.4	7.2	8.9	--	7.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric DeltaShift	18,590,159	4.3	55.2	2.9	2.3	23.8	30.0	13.0	14.7	--	11.7	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Crisis Risk Offset	19,396,506	4.4	4.4	-5.7	-9.0	-12.1	-27.6	-9.8	--	--	-11.3	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.8</i>	<i>0.1</i>	<i>-2.5</i>	<i>-11.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.3</i>	<i>Aug-18</i>
Vanguard Long-Term Treasury ETF	19,396,506	4.4	100.0	-5.7	-9.0	-11.3	-6.1	--	--	--	6.4	Jul-19
<i>BBgBarc US Govt Long TR</i>				<i>-5.5</i>	<i>-8.9</i>	<i>-11.5</i>	<i>-5.9</i>	<i>8.7</i>	<i>4.2</i>	<i>6.8</i>	<i>6.4</i>	<i>Jul-19</i>
Cash	8,469,406	1.9	1.9	0.0	0.0	0.1	0.8	1.8	1.4	0.7	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash	2,112,406	0.5	24.9	0.1	0.1	0.5	1.3	1.9	1.5	0.8	0.8	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash - Treasury	6,357,000	1.5	75.1									

Market value for DDJ Capital is based on manager estimate for the month of February.

Cash balances held in ETF accounts at the Custodian are reflected in the Cash account market value.

Cash Flow Summary
Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$2,060,116	\$7,406	\$44,885	\$2,112,406
Cash - Treasury	\$6,276,000	\$81,000	\$0	\$6,357,000
DDJ Capital	\$8,724,648	\$0	\$96,500	\$8,821,149
EARNEST Partners	\$40,785,434	\$0	\$2,008,180	\$42,793,614
Fisher Transition	\$69,704	\$0	-\$227	\$69,477
Hansberger Transition	\$232,311	\$0	\$26,209	\$258,520
iShares Core US Aggregate Bond ETF	\$7,608,961	\$0	-\$127,778	\$7,481,183
iShares Edge MSCI Min Vol	\$18,792,072	\$0	-\$71,150	\$18,720,922
Northern Trust Russell 1000	\$105,905,966	-\$1,000,000	\$3,054,074	\$107,960,039
Parametric BXM	\$14,750,852	\$0	\$323,827	\$15,074,680
Parametric DeltaShift	\$18,060,028	\$0	\$530,132	\$18,590,159
Ramirez	\$79,025,062	\$0	-\$926,192	\$78,098,870
Reams	\$29,664,252	\$0	-\$482,507	\$29,181,745
Reams Low Duration	\$44	\$0	\$0	\$44
Rice Hall James	\$15,600,031	\$0	\$804,143	\$16,404,174
Securities Lending Northern Trust	\$0	-\$7,406	\$7,406	\$0
SGA ACWI ex-U.S. Equity	\$38,483,146	\$0	\$659,134	\$39,142,281
Vanguard Developed Markets ETF	\$15,695,123	\$0	\$381,746	\$16,076,869
Vanguard Long-Term Treasury ETF	\$20,573,198	\$0	-\$1,176,692	\$19,396,506
Vanguard Russell 2000 Value	\$9,079,627	\$0	\$846,723	\$9,926,350
Total	\$431,386,575	-\$919,000	\$5,998,413	\$436,465,988

Benchmark History
As of February 28, 2021

Total Plan x Securities Lending x Reams LD Exception Comp

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

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.

Oakland Police and Fire Retirement System

March 31, 2021

Cash Flow Report

Asset Class/ Manager Liquidity as of February 28, 2021

Asset Class	Fund	Tier
Domestic Equity	Northern Trust	1
Domestic Equity	iShares MSCI Min Vol ETF	3
Domestic Equity	EARNEST Partners	3
Domestic Equity	Vanguard Russell 2000 Value ETF	3
Domestic Equity	Rice Hall James	3
International Equity	Vanguard Developed ETF	3
International Equity	SGA MSCI ACWI ex-US	3
Covered Calls	Parametric	2
Crisis Risk Offset	Long Duration ETF	3
Domestic Fixed Income	Reams	2
Domestic Fixed Income	Ramirez	2
Domestic Fixed Income	iShares Core US Agg Bond ETF	3
Credit	DDJ	2
Cash	Cash	1

Description of Liquidity Tiers

Tier	Description	\$ Exposure (millions)	in Months
1	Public, Scheduled Withdrawal Allowances	116.4	19.4
2	Public, Accommodating of Withdrawals	149.8	25.0
3	Public, Must Plan Withdrawals	169.9	28.3
4	Closely Held	0.0	-
Total		436.1	

Cash Flow Report

PFRS Asset Allocation Feb 28th Market Values*					Actual Cash flows For Jan - March Benefits Payable the 1st of each month		Suggested Cash flows For April - June Benefits Payable the 1st of each month	
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)	Inflow (\$mm)	Outflow (\$mm)	Inflow (\$mm)	Outflow (\$mm)
Northern Trust	108.0	24.8%	20.0%	20,732,232		(3.0)		(3.0)
iShares MSCI Min Vol ETF	18.7	4.3%	6.0%	(7,447,331)				
EARNEST Partners	42.8	9.8%	8.0%	7,902,893				
Vanguard Russell 2000 Value ETF	9.9	2.3%	3.0%	(3,158,165)				
Rice Hall James	16.4	3.8%	3.0%	3,319,835				
Total Domestic Equity	195.8	44.9%	40.0%	21,349,463				
Vanguard Developed ETF	16.1	3.7%	3.6%	375,871				
SGA MSCI ACWI ex-US	39.1	9.0%	8.4%	2,506,618				
Total International Equity	55.2	12.7%	12.0%	2,882,489				
Total Public Equity	251.0	57.6%	52.0%	24,231,952				
Parametric	33.7	7.7%	5.0%	11,858,897				
Total Covered Calls	33.7	7.7%	5.0%	11,858,897				
Long Duration ETF	19.4	4.4%	3.3%	4,858,559				
TBD Risk Premia Manager			6.7%	(29,075,632)				
Total Crisis Risk Offset	19.4	4.4%	10.0%	(24,217,073)				
Reams	29.2	6.7%	12.0%	(23,154,916)				
DDJ	8.8	2.0%	2.0%	98,372				
Ramirez	78.1	17.9%	19.0%	(4,767,510)				
iShares Core US Agg Bond ETF	7.5	1.7%		7,481,183				
Total Public Fixed	123.6	28.3%	33.0%	(20,342,871)				
Cash	8.5	1.9%	0.0%	8,469,400	10.90	(10.90)	10.90	(10.90)
Total Stable	132.1	30.3%	33.0%	(11,873,471)				
Total Portfolio	436.1	100.0%	100.0%	—	10.90	(13.90)	10.90	(13.90)

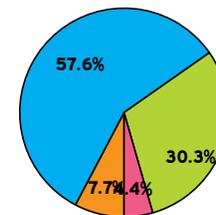
October 31st Market Values by Portfolio Segment

Portfolio Segment	MV (\$mm)
Total Domestic Equity	195.8
Total International Equity	55.2
Total Public Equity	251.0
Total Covered Calls	33.7
Total Crisis Risk Offset	19.4
Total Public Fixed	123.6
Total Stable	132.1
Total Portfolio	436.1

Suggested Cash Withdrawals

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

Projected Equity to Fixed Allocation (MV) As of 2/28/2021



■ Total Covered Calls
■ Total Public Equity
■ Total Stable
■ Total CRO
 \$ difference in MV of Public Equity from 52% allocation: **\$24.2 million**

* Estimated based on PFRS Feb 28th, 2021 Northern Trust statement.

Projected OPFRS Asset Allocation¹²

	Est Mkt Value (\$mm)	Est Mkt Value (%)	Target (%)	Projected % Variance (from target)	Projected \$ Variance (from target)
Northern Trust	102.0	23.7	20.0	3.7	15,932,232
iShares MSCI Min Vol ETF	18.7	4.4	6.0	-1.6	(7,087,331)
EARNEST Partners	42.8	9.9	8.0	1.9	8,382,893
Vanguard Russell 2000 Value ETF	9.9	2.3	3.0	-0.7	(2,978,165)
Rice Hall James	16.4	3.8	3.0	0.8	3,499,835
Total Domestic Equity	189.8	44.1	40.0	4.1	17,749,463
Vanguard Developed ETF	16.1	3.7	3.6	0.1	591,871
SGA MSCI ACWI ex-US	39.1	9.1	8.4	0.7	3,010,618
Total International Equity	55.2	12.8	12.0	0.8	3,602,489
Total Public Equity	245.0	57	52.0	5.0	21,351,952
Parametric	33.7	7.8	5.0	2.8	2,158,897
Total Covered Calls	33.7	7.8	5.0	2.8	12,158,897
Long Duration ETF	19.4	4.5	3.3	1.2	5,058,559
<i>TBD Risk Premia Manager</i>	0.0	0.0	6.7	-6.7	(28,675,636)
Total Crisis Risk Offset	19.4	4.5	10.0	-5.5	(23,617,077)
Reams	29.2	6.8	12.0	-5.2	(22,434,916)
DDJ	8.8	2.1	2.0	0.1	218,372
Ramirez	78.1	18.2	19.0	-0.8	(3,627,510)
iShares Core US Agg Bond ETF	7.5	1.7		1.7	7,481,183
Total Public Fixed	123.6	28.7	33.0	-4.3	(18,362,871)
Cash	8.5	2.0	0.0	2.0	8,469,400
Total Stable	132.1	30.7	33.0	-2.3	(9,893,471)
Total Portfolio	430.1	100.0	100.0		

¹ Report reflects change in asset allocation from February 28, 2021 values listed by Northern Trust, and beneficiary payments estimated at \$13.9 million on a quarterly basis per OPFRS. Report reflects quarterly City contributions of \$10.9 million. Current City of Oakland quarterly contribution amount is based on FY 2020/2021 actuarial annual required contribution of \$43.65 million.

² As of February 28th, 2021, the projected equity portfolio represents 57.0% of the Total Portfolio (\$21.4 million more than the target allocation of 52%).

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

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

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

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

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

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 31, 2021
RE: Crisis Risk Offset – Alternative Risk Premia Finalists Recommendation

Summary and Recommendation

Meketa recommends that OPFRS interview three finalist firms for the Alternative Risk Premia mandate: 1) *Kepos*, 2) *Lombard Odier*, and 3) *TwoSigma*.

As discussed at the January 2021 meeting, the original implementation used by OPFRS combined the allocation to Alternative Risk Premia and Systematic Trend Following by allocating to one manager (Parametric) which had a significant allocation to both strategies. At the September 30, 2020 PFRS board meeting, Meketa discussed with the trustees the pending October closure of the Parametric Systematic Alternative Risk Premia strategy which allocated across both Alternative Risk Premia and Systematic Trend Following. As a result, Parametric returned 100% of OPFRS capital. On an interim basis, the capital was moved into 50% BB Aggregate ETF within the Fixed Income strategic class and 50% to Long Duration. In considering replacements for the Alternative Risk Premia and Alternative Risk Premia components, Meketa recommended that OPFRS fund two separate strategies (one for each component) as opposed to one combined strategy. Since the January meeting, Meketa has reviewed both manager universes and narrowed them down to the three finalists for each component. The full process relating to the Alternative Risk Premia component is detailed below.

Alternative Risk Premia Overview

Alternative Risk Premia is a key component of the Crisis Risk Offset Class and serves as a diversifier to the rest of the portfolio and other components of the Crisis Risk Offset class. The strategy is expected to provide uncorrelated returns not driven by growth (equity) risk. The managers take long and short positions in liquid futures, forwards, and stock markets. These offsetting long and short positions are used to isolate exposures to a variety of alternative risk premiums which are present in equity, fixed income, currency, and commodity markets. The most common risk premiums include Value, Momentum, Carry, and Defensive. Given their market neutral design these strategies can provide positive (or negative) returns regardless of market direction. For example, if a manager is exposed to the value risk premium in a long / short construct, value stocks just need to decline less (or increase more) than the market, to produce a positive result. Allocations to multiple alternative risk premiums is expected to provide a more robust and smooth return profile than any one in isolation. However, they may suffer during periods of market deleveraging or coincidental premia drawdowns.



Alternative Risk Premia Search Process

Over the last ten years, Meketa has conducted more than ten manager searches for Alternative Risk Premia managers, with the most recent search occurring in 2019/2020. These searches represent over \$1.6 billion in client assets. Meketa's experience in the space has resulted in the firm being a leader with respect to manager coverage. This has ultimately resulted in Meketa developing one of the most comprehensive manager databases for Alternative Risk Premia managers.

To begin the process, Meketa reviewed all historical RFP/RFI submissions as well as our internal manager database. To complement our internal information, Meketa also examined potential manager candidates sourced from other manager universes (e.g. eVestment, sell side manager lists, etc.). This resulted in an initial candidate list of 36 firms. Beginning with this list of managers, Meketa embarked on a multi-stage review process to arrive at the three proposed finalist candidates. Each of these phases is outlined below.

Phase One

Meketa reviewed the philosophies, objectives, and approaches for each of the initial 36 strategies. In addition, the stability and long-term posture of the organization (i.e. investment team and firm) were examined along with relevant experience and dedication to the space and strategy. This phase focused on identifying which strategies were aligned with the goals and objectives of OPFRS Crisis Risk Offset class, and which firms represented potential stable, long-term partners. The main areas of emphasis are highlighted below.

- Exposure across all four asset classes (Equities, Fixed Income, Commodities, Currencies)
- Exposure to index level (macro) and single security level (micro) risk premia
- Appropriate market neutral strategy construction
- Straight forward implementation process
- Stability of the investment / portfolio management team
- Stability of the firm and appropriate operational resources
- Experience managing this and similar strategies

Based on the Phase One review, Meketa narrowed the universe from an initial list of 36 firms down to a short-list of 13 candidates.

Phase Two

While Phase One was centered mainly on qualitative reviews of the respective firms and their strategies, Phase Two was designed to examine the remaining 13 candidates on a quantitative basis. In particular performance and characteristics relative to both the SG Multi-Alternative Risk Premia Index and other major market indices such as the MSCI ACWI Index, BB Aggregate Bond Index, and BB Government Long Index. As the strategies may run at different volatility or risk levels than both each other and the SG Multi-Alternative Risk Premia Index, adjustments were made to account for differences when making performance comparisons. For example, a strategy which is managed at a higher volatility than the SG Multi-Alternative Risk Premia Index has historically exhibited would be expected to outperform the index and those which are managed at lower volatility would be expected to underperform the index,



all else equal. For the 13 managers were evaluated to determine the outperformance of the strategies versus the SG Multi-Alternative Risk Premia Index over the longer term time horizons and specifically in 2020 which proved to be a challenging period for many alternative risk premia managers. In addition, managers with relatively lower correlations to the MSCI ACWI Index were also preferred. When examining the managers on this basis, five managers stood out in demonstrating relative outperformance and reasonable correlations. As such, those five firms listed below were advanced to the next stage. Potential diverse manager candidates are noted below (*).

- Aspect
- Kepos (2018 Semi-finalist)
- Lombard Odier (2018 Finalist)
- TwoSigma
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

The five firms above were reviewed further on a qualitative and quantitative basis with trailing performance and risk statistics listed below. All of the managers have exhibited strong performance relative to the SG Multi-Alternative Risk Premia Index (“SG MARP”) and peers.

Based on a further quantitative review including but not limited to the statistics above and qualitative considerations from on-going discussions with the managers, Meketa identified the three managers below as potential best fit for the Oakland portfolio.

- Kepos (2018 Semi-finalist)
- Lombard Odier (2018 Finalist)
- TwoSigma

Alternative Risk Premia Conclusion

Meketa recommends that the OPFRS interview Kepos, Lombard Odier, and TwoSigma as finalist candidates for the Alternative Risk Premia mandate. Following finalist interviews, we would recommend that one firm be selected. Meketa has been researching and monitoring the alternative risk premia segment for over a decade, and Meketa clients currently utilize all three of the finalist candidates for Alternative Risk Premia mandates. Meketa will continue to conduct analysis and due diligence on the finalist candidates with additional materials provided at the next meeting. Descriptions for each of the finalist candidates are provided below and on the following page.

	Kepos	LombardOdier	TwoSigma
Headquarters	New York, NY	Geneva, CHE	New York, NY
Year Founded	2010	1963	2001
Firm AUM (\$ billion)	\$2.0	\$69.4	\$57.2
Strategy AUM (\$ million)	\$470	\$1,394	\$5,147
Proposed Strategy Inception	10/2018	11/2018	8/2015
Volatility Target	10%	10%	7-8%
Liquidity	Monthly	Daily	Monthly

Sources: Managers



Kepos, with approximately \$2.0 billion in total assets, is a systematic investment firm focused largely on alternative risk premia (and related) strategies. The firm also offers shorter-term strategies that are more focused on alpha generation as opposed to risk premia harvesting. Kepos currently manages approximately \$470 million in alternative risk premia strategies. The firm was founded in 2010, is 100% owned by five individuals, and is located in New York, NY. The firm's three founders (Mark Carhart, PhD; Giorgio De Santis, PhD; and Bob Litterman, PhD) are some of the most well renowned researchers, academics, and practitioners in the modern quantitative investing world. Mark Carhart, PhD, is most well-known for conducting the original research on the momentum risk premium in the late 1990s (i.e., Carhart Four-Factor Model). Moreover, the three founders produced one of the seminal papers in the alternative risk premia segment in 2014. Kepos' strategy is focused on harvesting value, carry, and momentum across broad asset classes (e.g., equity, fixed income, currencies, and commodities). The strategy is managed by a team portfolio managers/researchers/analysts (due to the nature of the firm's offerings, these roles are somewhat interchangeable).

Lombard Odier, with approximately \$69.4 billion in total assets, is a diversified asset manager with offerings across the global liquid markets (i.e., equities, fixed income, multi-asset, and liquid alternatives). The firm manages roughly \$1.4 billion in alternative risk premia strategies with a total of nearly \$16 billion in systematic strategies managed by the same team. Lombard Odier is based in Geneva, Switzerland and maintains a client service office in New York, NY. Lombard Odier Investment Managers is one of three groups that make up the broader Lombard Odier entity (Lombard Odier Holdings SA). The broader firm is a private bank based in Geneva, Switzerland and is one of the largest banks in Europe. In addition to the institutional assets under management stated above, the firm also manages a large amount (\$200b+) of private client and custody/banking-related assets. The firm is owned by seven partners (seventh generation of owners) and has existed for over 200 years. The firm was an early entrant into the alternative risk premia space with the launch of its first strategy in 2009. This strategy saw a material evolution in 2014 and received its first institutional client in 2015. The proposed strategy is managed by the firm's Systematic Team. In particular, the proposed strategy has two dedicated portfolio managers and dedicated analysts/product specialists. The creation of the strategy, however, has been a collaborative effort across the entire Systematic Team. The two lead portfolio managers have been working together at Lombard for over 10 years.

TwoSigma, with approximately \$57.2 billion in total assets, is a large and independent asset management firm with a focus on systematic investing. The firm considers itself a technology firm that applies its insights to finance rather than a traditional asset management firm. They employ over 1,000 people in research and development. The firm was founded by John Overdeck, David Seigel, and Matt Picard. The Risk premia strategy invests across equity and macro signals that include carry, momentum, value, seasonality, low volatility (equity), short interest (equity), safety (macro), and liquidity (macro), among many others. Risk Premia models were carved out from the firm's Absolute Return strategy, with the team selecting models that were "slower" (~1 year horizon) and focused on capturing premias or lasting effects, as opposed to the faster, more idiosyncratic and timing based nature of absolute return models.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 31, 2021
RE: Crisis Risk Offset – Systematic Trend Following Finalists Recommendation

Summary and Recommendation

Meketa recommends that OPFRS interview three finalist firms for the Systematic Trend Following mandate: 1) *BH-DG*, 2) *Crabel*, and 3) *Versor Investments*.

As discussed at the January 2021 meeting, the original implementation used by OPFRS combined the allocation to Systematic Trend Following and Alternative Risk Premia by allocating to one manager (Parametric) which had a significant allocation to both strategies. At the September 30, 2020 PFRS board meeting, Meketa discussed with the trustees the pending October closure of the Parametric Systematic Alternative Risk Premia strategy which allocated across both Alternative Risk Premia and Systematic Trend Following. As a result, Parametric returned 100% of OPFRS capital. On an interim basis, the capital was moved into 50% BB Aggregate ETF within the Fixed Income strategic class and 50% to Long Duration. In considering replacements for the Systematic Trend Following and Alternative Risk Premia components, Meketa recommended that OPFRS fund two separate strategies (one for each component) as opposed to one combined strategy. Since the January meeting, Meketa has reviewed both manager universes and narrowed them down to the three finalists for each component. The full process relating to the Systematic Trend Following component is detailed below.

Systematic Trend Following Overview

Systematic Trend Following is a key component of the Crisis Risk Offset Class and serves as a second responder in extended equity/growth market drawdowns. The strategy is expected to be most effective when markets are trending or when there are sustained market regime shifts, while least effective when sharp market reversals occur. At a high level, the managers take long or short positions in liquid futures and forwards markets. The size and direction (long or short) of each position depends on whether markets have been trending up (long) or down (short) and how sustained the trend has been or is expected to be. The investable universe includes equities, fixed income, currencies, and commodities. Related to the naming of the class, these strategies are implemented using pre-set rules and are in other words systematic. As a point of reference, other common terms that are often interchangeable with systematic trend following include managed futures, or CTAs (commodity trading advisors).



Systematic Trend Following Search Process

Over the last ten years, Meketa has conducted more than a half dozen manager searches for Alternative Risk Premia managers, with the most recent search occurring in 2019/2020. These searches represent over \$2.7 billion in client assets. Meketa's experience in the space has resulted in the firm being a leader with respect to manager coverage. This has ultimately resulted in Meketa developing one of the most comprehensive manager databases for Systematic Trend Following.

To begin the process, Meketa reviewed all historical RFP/RFI submissions as well as our internal manager database. To complement our internal information, Meketa also examined potential manager candidates sourced from other manager universes (e.g. eVestment, sell side manager lists, etc.). This resulted in an initial candidate list of 36 firms. Beginning with this list of managers, Meketa embarked on a two-stage review process to arrive at the three proposed finalist candidates. Each of these phases is outlined below.

Phase One

Meketa reviewed the philosophies, objectives, and approaches for each of the initial 36 strategies. In addition, the stability and long-term posture of the organization (i.e. investment team and firm) were examined along with relevant experience and dedication to the space and strategy. This phase focused on identifying which strategies were aligned with the goals and objectives of OPFRS Crisis Risk Offset class, and which firms represented potential stable, long-term partners. The main areas of emphasis are highlighted below.

- Exposure across all four asset classes (Equities, Fixed Income, Commodities, Currencies)
- Straight forward implementation process
- Stability of the investment / portfolio management team
- Stability of the firm and appropriate operational resources
- Experience managing this and similar strategies
- Strategy focused on relevant trend following implementation across asset classes
- Fees

Based on the Phase One review, Meketa narrowed the universe from an initial list of 36 firms down to a short-list of 19 candidates.

Phase Two

While Phase One was centered mainly on qualitative reviews of the respective firms and their strategies, Phase Two was designed to examine the remaining 19 candidates on a quantitative basis. In particular performance and characteristics relative to both the SG Trend Index and other major market indices such as the MSCI ACWI Index, BB Aggregate Bond Index, and BB Government Long Index. As the strategies may run at different volatility or risk levels than both each other and the SG Trend Index, adjustments were made to account for differences when making performance comparisons. For example, a strategy which is managed at a higher volatility than the SG Trend Index has historically exhibited would be expected to outperform the index and those which are managed at lower volatility would be expected to underperform the index, all else equal. For the 19 managers were evaluated to determine the outperformance of the strategies versus the SG Trend Index over the longer term time horizons. In addition, managers with relatively higher correlations to the SG Trend Index were also preferred. When examining the managers on this basis, five managers



stood out in demonstrating relative outperformance and reasonable correlations. As such, those five firms listed below were advanced to the next stage. Potential diverse manager candidates are noted below (*).

- AlphaSimplex
- BH-DG
- Crabel
- LongTail Alpha*
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

The five firms above were reviewed further on a qualitative and quantitative basis with trailing performance and risk statistics listed below. All of the managers have exhibited strong performance relative to the SG Trend Index and peers. In the following tables we show the lower volatility version of Versor’s strategy to provide a longer live look back. However, we would recommend if selected, that OPFRS consider their higher volatility (14-15%) version in line with the offerings of the other managers.

Based on a further quantitative review including but not limited to the statistics above and qualitative considerations from on-going discussions with the managers, Meketa identified the three managers below as potential best fit for the Oakland portfolio. Qualitative considerations included length of track record and focus on medium-to-long term trend following (higher correlation to SG Trend Index) given it is recommended that Oakland hire one manager for the Systematic Trend Following mandate. Potential diverse manager candidates are noted below (*).

- BH-DG
- Crabel
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

Systematic Trend Following Conclusion

Meketa recommends that the OPFRS interview BH-DG, Crabel, and Versor Investments as finalist candidates for the Systematic Trend Following mandate. Following finalist interviews, we would recommend that one firm be selected. Meketa has been researching and monitoring the systematic trend following segment for over a decade, and Meketa clients currently utilize all three of the finalist candidates for Systematic Trend Following mandates. Meketa will continue to conduct analysis and due diligence on the finalist candidates with additional materials provided at the next meeting. Descriptions for each of the finalist candidates are provided below and on the following page.

	BH-DG	Crabel	Versor
Headquarters	London, UK	Los Angeles, CA	New York, NY
Year Founded	2010	1987	2013
Firm AUM (\$M)	\$1,915	\$7,615	\$1,800
Strategy AUM (\$M)	\$1,351	\$1,299	\$60
Proposed Strategy Inception	3/2010	4/2014	5/2017
Volatility Target	15%	15%	14-15%
Liquidity	Daily	Monthly	TBD

Sources: Managers



BH-DG, with approximately \$1.9 billion in total assets, is an alternative investment management firm focused on managing systematic strategies. Brevan Howard – David Gorton (BH-DG) was founded in 2010 as a joint venture between Brevan Howard and Mr. David Gorton. The firm ownership is split between David Gorton, CIO (60%) and Brevan Howard (40%). Prior to forming BH-DG, Mr. Gorton spun out of JP Morgan the London Diversified Fund Management LLP (“LDFM”) and ran the London Diversified Fund, predecessor of the BH-DG’s systematic trading program. BH-DG believes in the existence of a Momentum Style Premium, expressed as the inertia of market sentiment that is quantifiable by medium-term trend following measures. In order to capture this Premium, BH-DG aims to build a highly diversified portfolio that is continuously invested, focused on highly liquid markets, and allocated with much of its risk to trend following signals.

Crabel, is a global alternative investment firm focused on systematic investment strategies. The firm is based in Los Angeles, California, and was founded by Toby Crabel. The firm currently has approximately \$7.6 billion in assets under management, of which \$1.3 billion is accounted for by Advanced Trend. The Advanced Trend portfolio is designed to capture long-term trend following returns across a diverse set of markets. The strategy employs multiple price-based strategies across 200 markets. Individual positions are held on average for 35 to 45 days, a shorter time horizon relative to some other peer managers. The strategy targets a standard deviation of 15% and seeks to mitigate downside risk by sizing their positions relative to market volatility and using stops on all trades throughout the portfolio. Meketa clients began to utilize Crabel’s investment strategies in 2017.

Versor Investments, with approximately \$1.8 billion in total assets, is a systematic investment firm focused exclusively on alternative risk premia (and related) strategies. The firm has offices in New York, NY and Mumbai, India. All of the firm’s assets are in systematic mandates. Versor Investments was founded in 2013 to focus on this market segment and is 100% employee-owned by four employees. The firm’s heritage is in the hedge fund and alternative risk premia segments, with four of the primary professionals spending time at Investcorp with one another as well as separate tenures at other systematic oriented asset management firms. Versor Investments has spent a considerable amount of time building out proprietary data sets and investment models with the sole purpose of providing alternative risk premia strategies for institutional clients. The firm’s construct is somewhat unique in that they wholly own another firm called QR Systems that provides the majority of the engineering talent behind the firm’s investment models and systems. This firm is based in Mumbai, India and was founded by one of Versor Investment’s key investment professionals prior to joining Versor Investments. This entity essentially operates as a less expensive source of high-quality human capital and talent. The strategy is largely managed by individuals in New York with analysis and engineering support provided by the broader team in Mumbai.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi
Meketa Investment Group
DATE: March 31, 2021
RE: Defensive Equity Refresher

Defensive Equity – Defining its Role in the OPFRS portfolio

As part of OPFRS efforts towards de-risking the portfolio, the Board approved the addition of a defensive equity allocation to the U.S. equity sleeve of the portfolio in 2018. The rationale behind this was two-fold: 1) maintain equity exposure in the OPFRS portfolio- as this is essential for meeting long-term objectives, but 2) implement a strategy that seeks to emphasize certain characteristics that can increase risk-adjusted returns and principally, offer better protection in a downward market.

Defensive equity strategies essentially will include one or more of the following characteristics:

Exposure to High Quality Companies	Exposure to Income	Exposure to Stable Companies
Consistency of positive earnings	High dividend yield	Low volatility
Strong balance sheets	Consistency of dividends	Low leverage
Low leverage	Quality of dividends	Little debt burden
Consistency of dividends	Positive outlook for dividends	Earnings stability
Positive outlook for earnings	Reasonable payout ratios	Historical downside protection

The expectation is that by including the various criteria outlined above, defensive strategies will protect better during adverse markets, but lag in rising markets. Defensive equity strategies are expected to provide substantial downside protection in periods of market duress, while not fully participating in strong economic rebounds.

DS/PN/SK/pq

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi
Meketa Investment Group
DATE: March 31, 2021
RE: Defensive Equity Search Update

Background

In 2017 the OPFRS Board approved a recommendation to include the addition of an actively managed defensive equity strategy. The rationale behind the decision at that time, was to reduce the risk tolerance of the portfolio, given OPFRS's closed status and increased sensitivity to the negative consequences of portfolio losses as it moved closer to its scheduled funding date. The prospective active defensive equity manager's primary role within the overall portfolio would be the protection of assets in the case of possible future market downturns.

Subsequently, in 2018, an RFP was issued to fill this mandate. The definition of what constituted a defensive equity manager was broad-based in nature, as the goal was to cast a wide net of responses in order to provide a more robust stable of potential managers. In total, thirty responses were received and evaluated on quantitative measures such as performance and risk as well as qualitative factors such as strength of the organization and investment professionals leading the strategy. The pool of thirty candidates was narrowed to three and ultimately, SPI – Long Alpha Plus strategy was approved to fill the mandate.

In early 2020, Oakland PFRS was notified by SPI strategies that all of its employees and investment software were being acquired by Carillon Tower Advisors. As a result of this organizational announcement, the Board approved the termination of SPI and reallocation of those assets to a defensive equity ETF . This memo serves as a continuation of OPFRS efforts to revisit the original list of active management candidates from 2018, and narrow down the list to include what Meketa believes to be the best candidates to fulfill the role. Upon evaluation, Meketa recommends the following managers be invited to meet the Board for the next stage, the interview process.

Recommended Finalists

Manager	Product
Atlanta	High Quality
Eagle	Eagle Equity
London Company	Income Equity
Wellington	Select Quality Equity

We recognize that none of the managers listed are considered to be an emerging manager, or defined as a minority-owned firm. We also recognize that the original list of 30 firms did not include any minority-owned firms.

Manager Candidates (2018 RFP)

OPFRS Defensive Equity Search Respondants

1	Acadian	<i>Managed Volatility</i>	16	Epoch	<i>Dividend Yield</i>
2	ACR	<i>Equity Quality Return</i>	17	Intech	<i>Adaptive Vol.</i>
3	Advisory Research	<i>Sustainable Dividend</i>	18	London Company	<i>Income Equity</i>
4	AQR	<i>US Defensive Equity</i>	19	MFS	<i>Low Volatility</i>
5	Atlanta	<i>High Quality</i>	20	Montag	<i>Large Cap Growth</i>
6	Barrow Hanley	<i>Dividend Focused Value</i>	21	Oakbrook	<i>Select Equity</i>
7	BMO	<i>Disc. US low Vol.</i>	22	PanAgora	<i>Low Volatility</i>
8	Cadence	<i>Dividend Yield</i>	23	SKBA	<i>Relative Dividend Yield</i>
9	Calamos	<i>Low Vol. Convertibles</i>	24	SPI	<i>Long Alpha Plus</i>
10	Capital Group	<i>Washington Mutual Invest</i>	25	SSI	<i>Convertibles</i>
11	Chilton	<i>High Quality</i>	26	Summit	<i>Low Volatility</i>
12	Coho	<i>Relative Value</i>	27	Syntax	<i>Syntax 500</i>
13	Denali	<i>Large Value</i>	28	Torray	<i>Concentrated Growth</i>
14	Diamond Hill	<i>Large Cap Value</i>	29	Vontobel	<i>High Quality</i>
15	Eagle	<i>Eagle Equity</i>	30	Wellington	<i>Select Quality Equity</i>

Investment Manager Overview

	Atlanta Capital Management	Eagle Capital Management	The London Company	Wellington Management Company
Firm Location	Atlanta, GA	New York, NY	Richmond, VA	Boston, MA
Firm Inception	1969	1988	1994	1928
Ownership Structure	Public Corporation	Private LLC	Private LLC	Private LLP
Strategy Name	High Quality Select Equity	Eagle Equity	Income Equity	Select Quality Equity
Strategy Inception	October 2006	December 1988	December 1999	March 2008
Assets Under Management (Strategy)	\$1.8 billion	\$32.3 billion	\$19.5 billion	\$5.9 billion ¹
Asset Under Management (Firm)	\$28.9 billion	\$32.3 billion	\$30.5 billion	\$1.3 trillion

Historical Performance (Gross of Fees) As of December 31, 2020

	Atlanta Capital	Eagle Capital	TLC	Wellington	Russell 1000
Trailing Period Returns (%):					
1 Year	15.9	15.9	8.6	13.9	21.0
3 Year	17.7	13.6	10.9	15.1	14.8
5 Year	16.1	15.1	11.8	15.1	15.6
7 Year	13.7	12.9	10.9	13.5	13.0
10 Year	15.2	14.8	13.1	14.4	14.0
Calendar Year Returns (%):					
2020	15.9	15.9	8.6	13.9	21.0
2019	40.1	32.3	28.5	31.1	31.4
2018	0.4	-4.3	-2.3	2.1	-4.8
2017	20.9	24.0	14.7	20.5	21.7
2016	6.8	11.0	11.7	10.2	12.1
2015	3.7	2.2	-0.2	4.6	0.9
2014	12.6	13.1	18.2	14.9	13.2
2013	31.3	36.7	27.8	34.6	33.1
2012	21.2	17.9	13.1	11.8	16.4
2011	4.8	5.8	14.8	4.9	1.5
2010	18.9	20.8	14.5	19.4	16.1
2009	24.5	34.8	22.7	39.0	28.4
2008	-29.2	-35.0	-25.1	---	-37.6

¹ Wellington Dividend Growth has an additional \$58.6 billion in assets.

Fees and Terms

	Atlanta Capital	Eagle Capital	TLC	Wellington
Investment Vehicle Type	Separate Account	Separate Account	Separate Account CIT Mutual Fund	US Limited Partnership
Liquidity	Daily	Daily	Daily	Monthly
All-in-Fee	0.60%	0.83%	0.75% (SMA)	0.60% ¹
Peer Group Percentile Rank	53	90	85	53

DS/PN/SK/pq

¹ Wellington's vehicle offers a 0.45% fee, with operating fees capped at 0.15%.

Review of Performance for City of Oakland Police & Fire

To further discussion from the 2/24/21 presentation to the Investment Board, we wanted to provide this memorandum that details 2020 performance in the Oakland account. For the full year 2020, the portfolio returned +20.18% gross of fees vs. the Barclays Universal benchmark return of 7.58%, an outperformance of 1,260 basis points (bps). As stated in the presentation, we entered 2020 in a very defensive posture, underweight risk sectors and overweight cash and liquid securities. This proved prescient in March 2020 when risk assets dislocated sharply amidst the onset of the pandemic effects. After supportive intervention from the Federal Reserve as well as U.S. Government fiscal stimulus efforts, however, risk assets proceeded to perform exceptionally well from April 2020 through the remainder of the year. By participating in sizeable purchases of investment grade corporate bonds, many of which were newly issued in a record supply backdrop during March, April and May 2020, we realized strong returns in this market recovery timeframe. While we also utilized high yield bonds and securitized product, the primary driver of our 2020 return profile was attributable to the large sector overweight in Investment Grade corporate bonds during the final three quarters of the year. This sector call coupled with strong individual security selection impact represented +985 bps of the excess return.

With respect to the High Yield space, since our firm's inception we have utilized High Yield in our Core Plus portfolios as a tactical and opportunistic lever to aid total return performance. While there was a question from the Committee on whether we have experienced "drift" between Core and Core Plus due to our shifting High Yield weight, in fact we have consistently shifted High Yield weights significantly during our 23-year tenure as an investment manager for the Oakland fund. We ascribe no permanent allocation to High Yield and only take on High Yield positions and risk when we find valuations compelling to do so.

Our preferred mechanism to trade within the High Yield space is by means of the CDX Index, a basket of 100 equally-weighted High Yield names. The investment guidelines permit us to utilize up to 10% of portfolio assets for derivatives, and in periods such as Q2 2020, we utilized the full extent of that 10% within the CDX High Yield instrument. This allows us to quickly and efficiently gain broad, diversified exposure to the High Yield market. This trade is inherently a sector call; in other words, we simply desire to participate alongside the broad High Yield market rather than attempt to select individual High Yield issues that we feel can add excess return, or alpha, to the portfolio. Hence, we call this a 'beta' instrument trade, insofar as our position will move up or down in linear fashion with the corresponding broader market index (in this instance, the High Yield index). In addition, we can and do buy individual cash High Yield bonds on occasion for individual credits we find attractively priced. In sum, High Yield was additive +76 bps in excess return during 2020. This result was indicative of our opinion that Investment Grade credit offered superior risk-adjusted returns versus the High Yield market during 2020.

We have a long and distinguished track record of outperforming our benchmarks over market cycles, and certainly 2020 validated our investment process once again.



REAMS ASSET MANAGEMENT

A Division of Scout Investments

227 Washington Street, P.O. Box 727 Columbus, IN 47202 812.372.6606 www.reamsasset.com

Review of Performance for City of Oakland Police & Fire

This presentation is provided for institutional/advisor use only. All investments involve risk, including the possible loss of principal.

This material is provided for informational purposes only and contains no investment advice or recommendations to buy or sell any specific securities. You should not interpret the statements in this presentation as investment, tax, legal, or financial planning advice. Reams Asset Management obtained some information used in this presentation from third party sources it believes to be reliable, but this information is not necessarily comprehensive and Reams Asset Management does not guarantee that it is accurate. Neither Reams Asset Management nor Scout Investments, its affiliates, directors, officers, employees or agents accepts any liability for any loss or damage arising out of your use of all or any part of this presentation. All investments involve risk, including the possible loss of principal. Graphs or other illustrations are provided for illustrative purposes only and not intended as a recommendation to buy or sell securities displaying similar characteristics. Reams Asset Management is a division of Scout Investments, Inc., a registered investment adviser that offers investment management services for both managed accounts and subadvised mutual funds. Scout Investments is a wholly-owned subsidiary of Carillon Tower Advisers, Inc., which in turn is a wholly-owned subsidiary of Raymond James Financial. Additional information is available at www.reamsasset.com or www.scoutinv.com. Copyright © 2021. All Rights Reserved.

The bond quality ratings indicated are assigned by credit rating agencies Standard & Poor's, Moody's, and Fitch as an indication of an issuer's creditworthiness. Unless specified by client investment guidelines, the middle of three or highest of two credit quality ratings available from these rating agencies is used. Credit quality is subject to change. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Ratings information from Standard & Poor's ("S&P") may not be reproduced. S&P credit ratings are statements of opinion and are not statements of fact or recommendations to purchase, hold, or sell securities, nor do they address the suitability of securities for investment purposes, and should not be relied on as investment advice. S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for errors or omissions (negligent or otherwise). S&P gives no express or implied warranties, including but not limited to any warranties of merchantability or fitness for a particular purpose or use. S&P shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of ratings.

NOT FDIC INSURED/NO BANK GUARANTEE/MAY LOSE VALUE



REAMS ASSET MANAGEMENT

A Division of Scout Investments

227 Washington Street, P.O. Box 727 Columbus, IN 47202 812.372.6606 www.reamsasset.com

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi – Meketa Inv. Group
DATE: March 2, 2021
RE: 2021 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 throughout the calendar year (see table below). In an attempt to coordinate the scheduling of these tasks, this memo details a Preliminary Investment Project Agenda by calendaring and prioritizing the expected tasks and deliverables that would be required to fulfill the Agenda. Meketa welcomes any suggestions and/or modifications to the proposed timeline.

2021 Preliminary Investment Project Agenda

Expected Completion Date	Task
March 2021	<ul style="list-style-type: none">Flash Performance- FebruaryMarket OverviewCash Flow Report (2Q 2021)Defensive Equity PrimerDefensive Equity Search UpdateRisk Premia Search updateWatch Update Memo: DDJManager Update: DDJ
April 2021	<ul style="list-style-type: none">Flash Performance (1Q2021)Risk Premia Search Interviews
May 2021	<ul style="list-style-type: none">Quarterly Performance Report (1Q 2021)Defensive Equity Search Interviews
June 2021	<ul style="list-style-type: none">Cash Flow Report (3Q 2021)Manager Update: SGAEducational Item: SPACs2021 Asset Liability Review:
July 2021	<ul style="list-style-type: none">Flash Performance (2Q2021)Watch Update Memo: Rice Hall & JamesManager Update: Rice Hall & James

Expected Completion Date	Task
	<ul style="list-style-type: none"> • Manager Update: BlackRock
August 2021	<ul style="list-style-type: none"> • Quarterly Performance Report (2Q 2021) • Manager Update: Northern Trust R1000 • Contract Renewal: Northern Trust • Educational Item: Cryptocurrency
September 2021	<ul style="list-style-type: none"> • Cash Flow Report (4Q 2021) • Educational Item: Transition from fossil fuels/ ESG Trends • Thermal Coal List Update: 2021
October 2021	<ul style="list-style-type: none"> • Flash Performance (3Q2021) • Manager Update: Ramirez • Contract Renewal: Ramirez
November 2021	<ul style="list-style-type: none"> • Quarterly Performance Report (3Q 2021) • Educational Item: Developments in ESG
December 2021	<ul style="list-style-type: none"> • Cash Flow Report (1Q 2022) • Flash performance- November

Bold are priority strategic items.

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

DS, PN, SK, pq

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

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



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

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Robert W. Nichelini
Member

Kevin R. Traylor
Member

John C. Speakman
Member

R. Steven Wilkinson
Member

Margaret O'Brien
Member

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

Wednesday, March 31, 2021
12:00 PM

Tele-Conference Board Meeting
via Zoom Webinar

OBSERVE

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

PUBLIC COMMENTS

There are three ways to submit public comments.

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

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
MARCH 31, 2021**

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

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

--- ORDER OF BUSINESS ---

- A. Subject: Police and Fire Retirement System (“PFRS”) Board Meeting Minutes**
From: Staff of the PFRS Board
Recommendation: **APPROVE** February 24, 2021 PFRS Board Meeting Minutes.
-
- B. AUDIT & OPERATIONS COMMITTEE AGENDA – MARCH 31, 2021**
- B1. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board
Recommendation: **ACCEPT** informational report regarding PFRS administrative expenses as of January 31, 2021.
- B2. Subject: Election of a New 5-Year Retired Fire Representative Board Position**
From: Staff of the PFRS Board
Recommendation: **ACCEPT** informational report regarding the Election of a new 5-Year Fire Representative Board Position to fill Board seat held by John C. Speakman.
- C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – MARCH 31, 2021**
- C1. Subject: Investment Manager Performance Review – DDJ Capital Investment, LLC a PFRS Fixed Income Asset Class Investment Manager**
From: DDJ Capital Investment, LLC
Recommendation: **ACCEPT** informational report regarding managerial assessment, investment portfolio performance, and diversity and inclusion policy of DDJ Capital Investment, LLC, a PFRS Fixed Income Asset Class Investment Manager.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
MARCH 31, 2021

- C2. **Subject:** Investment Manager Performance Review – DDJ Capital Investment, LLC a PFRS Fixed Income Asset Class Investment Manager
From: Parametric Portfolio Associates, LLC
Recommendation: **ACCEPT** and **APPROVE** Meketa Investment Group’s evaluation and review regarding managerial assessment, investment portfolio performance, diversity and inclusion policy, watch status update, and recommendation to continue or remove DDJ Capital Investment, LLC watch status of DDJ Capital Investment, LLC, a PFRS Fixed Income Asset Class Investment Manager.
- C3. **Subject:** Investment Market Overview as of February 28, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report regarding the Global Investment Markets as of February 28, 2021.
- C4. **Subject:** Preliminary Investment Fund Performance Update as of February 28, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report regarding the Preliminary Investment Fund Performance update as of February 28, 2021.
- C5. **Subject:** \$13.9 Million Drawdown for Fiscal Year 2020/2021 (Quarter Ending June 2021) Member Allowances April 1, 2021 through June 30, 2021
From: Meketa Investment Group
Recommendation: **ACCEPT** informational report and **APPROVE** Meketa Investment Group’s recommendation of \$13.9 million drawdown, which includes a \$10.9 million contribution from the City of Oakland and a \$3.0 million contribution from the PFRS Investment Fund, to be used to pay for the April 2021 through June 2021 Member Retirement Allowances.
- C6. **Subject:** Select Investment Managers to Invite to Interview to Act as the New PFRS Alternative Risk Premia Asset Class Investment Manager
From: Meketa Investment Group
Recommendation: **RECEIVE** update regarding prospective candidates to serve as the new PFRS Investment Managers to implement the Alternative Risk Premia Investment Strategy. **DISCUSS** and **APPROVE** Meketa Investment Group’s recommendation regarding interviews for the new Alternative Risk Premia Investment Manager.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
MARCH 31, 2021

- C7. **Subject:** **Select Investment Managers to Invite to Interview to Act as the New PFRS Systematic Trend Following Asset Class Investment Manager**
From: Meketa Investment Group
-
- Recommendation:** **RECEIVE** update regarding prospective candidates to serve as the new PFRS Investment Managers to implement the Systematic Trend Following Investment Strategy. **DISCUSS** and **APPROVE** Meketa Investment Group’s recommendation regarding interviews for the new Systematic Trend Following Investment Manager.
- C8. **Subject:** **Informational Report Regarding Defensive Equity Investment Strategy**
From: Meketa Investment Group
-
- Recommendation:** **RECEIVE** informational report regarding Defensive Equity Investment Strategy.
- C9. **Subject:** **Select Investment Managers to Invite to Interview to Act as the New PFRS Defensive Equity Asset Class Investment Manager**
From: Meketa Investment Group
-
- Recommendation:** **RECEIVE REPORT AND RECOMMENDATIONS** regarding prospective candidates to serve as the new PFRS Investment Manager to implement the Defensive Equity Investment Strategy. **APPROVE** Meketa Investment Group’s recommendation regarding interviews for the new Defensive Equity Asset Class Investment Manager.
- C10. **Subject:** **Investment Manager Performance Review Update – Reams Asset Management, a PFRS Core Plus Fixed Income Asset Class Investment Manager**
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** performance review update memo provided by Reams Asset Management and presented by Meketa Investment Group addressing the Committee’s concerns regarding “drift” between Core and Core Plus and utilizing beta instrument trades.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
 REGULAR BOARD MEETING
 MARCH 31, 2021**

D. Subject: Member Resolutions No. 8012 – 8013
From: Staff of the PFRS Board
Recommendation: APPROVE member resolutions no. 8012 – 8013

D1. Resolution No. 8012 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 Police and Fire Retirement System:

- Edward Connolly
- Norman S. Faix
- Thomas R. Hardy
- Peder N. Jacobson
- James K. McArthur
- Paddy J. McGrew
- James A. Powers
- Lawrence E. Ross

D2. Resolution No. 8013 Resolution Fixing the Monthly Allowances of Surviving Spouses of the following Retired Members of the Police and Fire Retirement System in the amounts indicated:

	<u>Deceased Members</u>	<u>Surviving Spouses</u>	<u>Monthly Allowance</u>
▪ John H. Korte		Lois Korte	\$5,920.32
▪ Vaune V. Dillman		Barbara M. Dillman	\$3,979.50
▪ Robert A. Heritage		Shirley Heritage	\$4,618.95
▪ James A. Kennemore		Carol Susan Kennemore	\$4,931.55
▪ Jerry Kramer		Joan Kramer	\$4,622.07
▪ Elmer E. Pruitt		Etta Pruitt	\$3,852.28

- E. NEW BUSINESS**
- F. OPEN FORUM**
- G. FUTURE SCHEDULING**
- H. ADJOURNMENT**

A REGULAR BOARD MEETING of the Oakland Police and Fire Retirement System (“PFRS”) was held on Wednesday, February 24, 2021 via Zoom Tele-Conference.

- | | |
|-----------------------|--|
| Board Members: | <ul style="list-style-type: none">▪ Walter L. Johnson President▪ Jaime T. Godfrey Vice President▪ Margaret O’Brien Member▪ Robert W. Nichelini Member▪ John C. Speakman Member▪ Kevin R. Traylor Member▪ R. Steven Wilkinson Member (Excused) |
| Additional Attendees: | <ul style="list-style-type: none">▪ David F. Jones PFRS Plan Administrator▪ Jennifer Logue PFRS Legal Counsel▪ Teir Jenkins PFRS Staff Member▪ Maxine Visaya PFRS Staff Member▪ David Sancewich Meketa Investment Group▪ Paola Nealon Meketa Investment Group |

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

- A. PFRS Board Meeting Minutes** – Member Nichelini made a motion to approve the January 27, 2021 Regular Board Minutes, second by Member Traylor. The motion passed.

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

B. AUDIT AND OPERATIONS COMMITTEE AGENDA – FEBRUARY 24, 2021

- B1. Administrative Expenses Report** – PFRS Staff Member Jenkins presented an informational report of the PFRS administrative expenditures as of December 31, 2020.

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

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

- B2. Report of Findings Regarding PFRS Actuarial Funding Date of July 1, 2026** – – Legal Counsel Logue presented a report of findings regarding PFRS Actuarial Funding Date of July 1, 2026 in place of Ad Hoc Committee Chairperson M. O’Brien due to an earlier schedule conflict. The Ad Hoc committee will continually monitor the City Council agendas and alert the committee and full board when the 2026 Funding Date is scheduled to be discussed ensuring the opportunity for Board and System members to be in attendance to monitor the actions of the City in regards to this deadline.

MOTION: Member Speakman made a motion to accept the report, second by Member Nichelini. Motion Passed.

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

- B3. PFRS 2-Year Administrative Budget for Fiscal Years 2021/2022 and 2022/2023** – Staff Member Jenkins presented the proposed PFRS 2-Year Administrative Budget for Fiscal Years 2021/2022 and 2022/2023. Mr. Jenkins noted there were minor line item changes resulting in an overall proposed increase of 0.34% next year and less than 2% in the subsequent year.

MOTION: Member Speakman made a motion to accept the proposed PFRS 2-Year Administrative Budget, second by Member Traylor. Motion Passed.

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

C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – FEBRUARY 24, 2021

- C1. Investment Manager Performance Review – Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager** – Vice-President Godfrey provided a summary of the presentation from Patmon Malcom of Earnest Partners, LLC regarding the performance review. Topics of the presentation highlighted: overall performance, strength of management team, investment strategy, how they view their team as a group of professionals from various backgrounds dedicated to evaluating investment ideas to provide the best outcome as a result of a diverse viewpoint, and their (Environment, Social, and Governance) ESG platform. Vice-President Godfrey noted that performance overall has been good, and information provided in this update was very comprehensive. David Sancewich of Meketa Investment Group agreed with Vice-President Godfrey's comments and added Earnest Partners have performed well, been in the portfolio since 2006, and are a diverse minority owned organization. Meketa has no concerns at this time.

MOTION: Vice-President Godfrey made a motion to accept the informational report from Earnest Partners, LLC regarding the performance review, second by Member Nichelini. Motion Passed.

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

- C2. Investment Manager Performance Review – Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager** – David Sancewich of Meketa Investment Group provided further comments regarding the performance of Earnest Partners, LLC noting the firm is running approximately \$40 million of PFRS assets, representing 9% of firm-wide assets valued at \$22 billion as of December 31, 2020. The portfolio has outperformed by 3.1% over the past five years on an annualized basis and outperformed by 70 basis points since inception in March 2006.

MOTION: Vice-President Godfrey made a motion to approve the performance review evaluation of Earnest Partners, LLC by Meketa Investment Group, second by Member Traylor. Motion Passed.

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

C3. Resolution No. 8011 - Resolution Authorizing a One-Year Extension of Professional Services Agreement with Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager

MOTION: Vice-President Godfrey made a motion approve Resolution No. 8011 - Resolution Authorizing a One-Year Extension of Professional Services Agreement with Earnest Partners, LLC a PFRS Mid-Cap Core Domestic Equity Asset Class Investment Manager, second by Member Nichelini. Motion passed.

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

C4. Investment Manager Performance Review – Reams Asset Management a PFRS Core Plus Fixed Income Asset Class Investment Manager

– Vice-President Godfrey provided a summary of the presentation from Jason Hoyer of Reams Asset Management, LLC. Vice-President Godfrey noted in addition to providing a portfolio performance update, there were questions from the Board surrounding Reams Diversity and Inclusion Policy. Topics of the presentation highlighted: comprehensive overview as it relates to performance, how they address concerns regarding diversity and inclusion, and the move of their headquarters from Columbus, Ohio to Indianapolis, Indiana. Vice-President Godfrey expressed concern that they could be doing better with performance, which has certainly been good over several reporting periods, but also at adding diverse talent to their organization and we will continue to monitor both performance and their efforts recruiting, developing, and maintaining talent moving forward. Plan Administrator David Jones noted they are trying, but there is a lot of ground to cover and expressed concerns about their outreach efforts and the notable absence of outreach to minority affiliated associations or networking. Vice President Godfrey offered to provide feedback regarding organizations they might want to seek out to serve as a catalyst to assist meet their goals surrounding improvements to diversity and inclusion. Vice-President Godfrey informed the board of the Investment Committee's request for further information from Reams detailing the perception of drift between Core and Core Plus and a recent beta trade and an update should be forthcoming.

MOTION: Vice President Godfrey made a motion to accept the informational report from Reams Asset Management, LLC regarding portfolio performance and diversity and inclusion, second by Member Speakman. Motion Passed

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

- C5. Investment Manager Performance Review – Reams Asset Management a PFRS Core Plus Fixed Income Asset Class Investment Manager** – David Sancewich provided a summary and review of Reams Asset Management Group, LLC. Mr. Sancewich noted Reams is the longest standing portfolio manager in the PFRS allocation. They were hired in February 1998 have been serving PFRS for 22 years. Meketa agrees with Vice President Godfreys assessment at times they look like Core Plus and at other times not, and Meketa will follow-up as requested. They have outperformed The Bloomberg Barclay’s Universal Index by 1.1% since inception, 2.2% over the last five years and 12.4% over the past 12 months.

MOTION: Vice President Godfrey made a motion to approve the evaluation and review from Meketa regarding the performance of Reams Asset Management, LLC, second by Member Traylor. Motion Passed

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

- C6. Draft Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets** – Plan Administrator Jones provided an update as to the actions surrounding the Emergency Procedures for Terminating or Limiting Trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets and presented the second draft memorializing the proposed amendments agreed upon at the January 27, 2021 full board meeting, noting a necessary correction to section 2B that should read “at least one of the two.” Plan Administrator Jones reiterated this policy is effective only in the case we are unable to convene a full quorum of the PFRS Board.

MOTION: Vice President Godfrey made a motion to move forward with the second draft of the Emergency Procedures for Terminating of Limiting trading Discretion of PFRS Investment Managers to Protect PFRS Fund Assets as an approved and final emergency authority and power for the investment team in the event there is an emergency and we are unable to convene a quorum of the full board to make a disposition accordingly, second by Member Speakman. Motion Passed

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

- C7. Investment Fund Quarterly Performance Update as of December 31, 2020** – David Sancewich of Meketa Investment Group reported on the details of the quarterly performance update as of December 31, 2020. D. Sancewich highlighted the total portfolio summary, the world markets overview, the total PFRS plan portfolio, asset class performance, and portfolio relative performance results, noting this report is also provided to City Council.

MOTION: Vice-President Godfrey made a motion to approve the informational report from Meketa regarding the Investment Fund Quarterly Performance Update as of December 31, 2020, second by Member Traylor. Motion Passed

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

- C8. Preliminary Investment Fund Performance Update as of January 31, 2021** – David Sancewich of Meketa Investment Group provide a summary of the Preliminary Investment Fund Performance Update as of January 31, 2021. D. Sancewich drew attention to the Crisis Risk Offset asset class not being within IPS range, but does not recommend any action be taken to rebalance at this time, as we are in the process of hiring a new Investment Manager to handle this asset class. D. Sancewich also reviewed the total plan asset class performance summary.

MOTION: Vice-President Godfrey made a motion to accept the informational report from Meketa regarding the Preliminary Investment Fund Performance Update as of January 31, 2021, second by Member Speakman. Motion Passed.

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

- C9. Informational Report on Alternative Risk Premia Investment Strategy** – David Sancewich and Paola Nealon of Meketa Investment Group provided an informational regarding Alternative Risk Premia Investment Strategy providing a refresher as PFRS moves forward in selecting new managers for consideration in the coming months. P. Nealon defined Risk Premia, reviewed basic concepts and terminology, and discussed the sustainability of Alternative Risk Premiums.

MOTION: Vice-President Godfrey made a motion to accept the informational report regarding the Risk Premia Investment Strategy, second by Member Nichelini. Motion passed.

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

- E. New Business** – No Report.

- F. Open Forum** – No Report.

- G. Future Scheduling** – The next Regular Board Meeting is scheduled for Wednesday, March 31, 2021 with a tentative start time of 12:00 p.m. PST.

- H. Adjournment** – President Johnson made a motion to adjourn, second by Member O'Brien. Motion passed.

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

The meeting adjourned at 1:01 p.m. PST

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of January 31, 2021

	Approved Budget					
	January 2021	FYTD	Remaining	Percent Remaining		
Internal Administrative Costs						
PFRS Staff Salaries	\$ 1,200,000	\$ 77,502	\$ 636,688	\$ 563,312	46.9%	
Board Travel Expenditures	52,500	-	-	52,500	100.0%	
Staff Training	20,000	-	110	19,890	99.5%	
Staff Training - Tuition Reimbursement	7,500	-	-	7,500	100.0%	
Annual Report & Duplicating Services	4,000	-	-	4,000	100.0%	
Board Hospitality	3,600	-	-	3,600	100.0%	
Payroll Processing Fees	40,000	-	-	40,000	100.0%	
Miscellaneous Expenditures	40,000	247	6,995	33,005	82.5%	
Internal Service Fees (ISF)	88,000	-	56,073	31,927	36.3%	
Contract Services Contingency	50,000	-	1,200	48,800	97.6%	
Internal Administrative Costs Subtotal :	\$ 1,505,600	\$ 77,749	\$ 701,066	\$ 804,534	53.4%	
Actuary and Accounting Services						
Audit	\$ 45,000	\$ -	\$ 45,000	\$ -	0.0%	
Actuary	46,500	-	6,165	40,335	86.7%	
Actuary and Accounting Subtotal:	\$ 91,500	\$ -	\$ 51,165	\$ 40,335	44.1%	
Legal Services						
City Attorney Salaries	\$ 188,000	\$ 15,198	\$ 106,143	\$ 81,857	43.5%	
Legal Contingency	150,000	-	-	150,000	100.0%	
Legal Services Subtotal:	\$ 338,000	\$ 15,198	\$ 106,143	\$ 231,857	68.6%	
Investment Services						
Money Manager Fees	\$ 1,353,000	\$ 4,883	\$ 250,963	\$ 1,102,037	81.5%	
Custodial Fee	124,000	-	58,250	65,750	53.0%	
Investment Consultant	100,000	-	50,000	50,000	50.0%	
Investment Subtotal:	\$ 1,577,000	\$ 4,883	\$ 359,213	\$ 1,217,787	77.2%	
Total Operating Budget	\$ 3,512,100	\$ 97,831	\$ 1,217,587	\$ 2,294,513	65.33%	

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Cash in Treasury (Fund 7100) - Preliminary
As of January 31, 2021

		January 2021
Beginning Cash as of 12/31/2020	\$	6,198,225
Additions:		
City Pension Contribution - January	\$	3,637,333
Investment Draw	\$	1,000,000
Misc. Receipts		-
Total Additions:	\$	4,637,333
Deductions:		
Pension Payment (December Pension Paid on 1/1/2021)		(4,397,056)
Expenditures Paid		(148,288)
Total Deductions	\$	(4,545,344)
 Ending Cash Balance as of 1/31/2021*	 \$	 6,290,214
		6,290,214

* On 2/1/2021, January pension payment of appx \$4,430,000 will be made leaving a cash balance of \$1,860,000

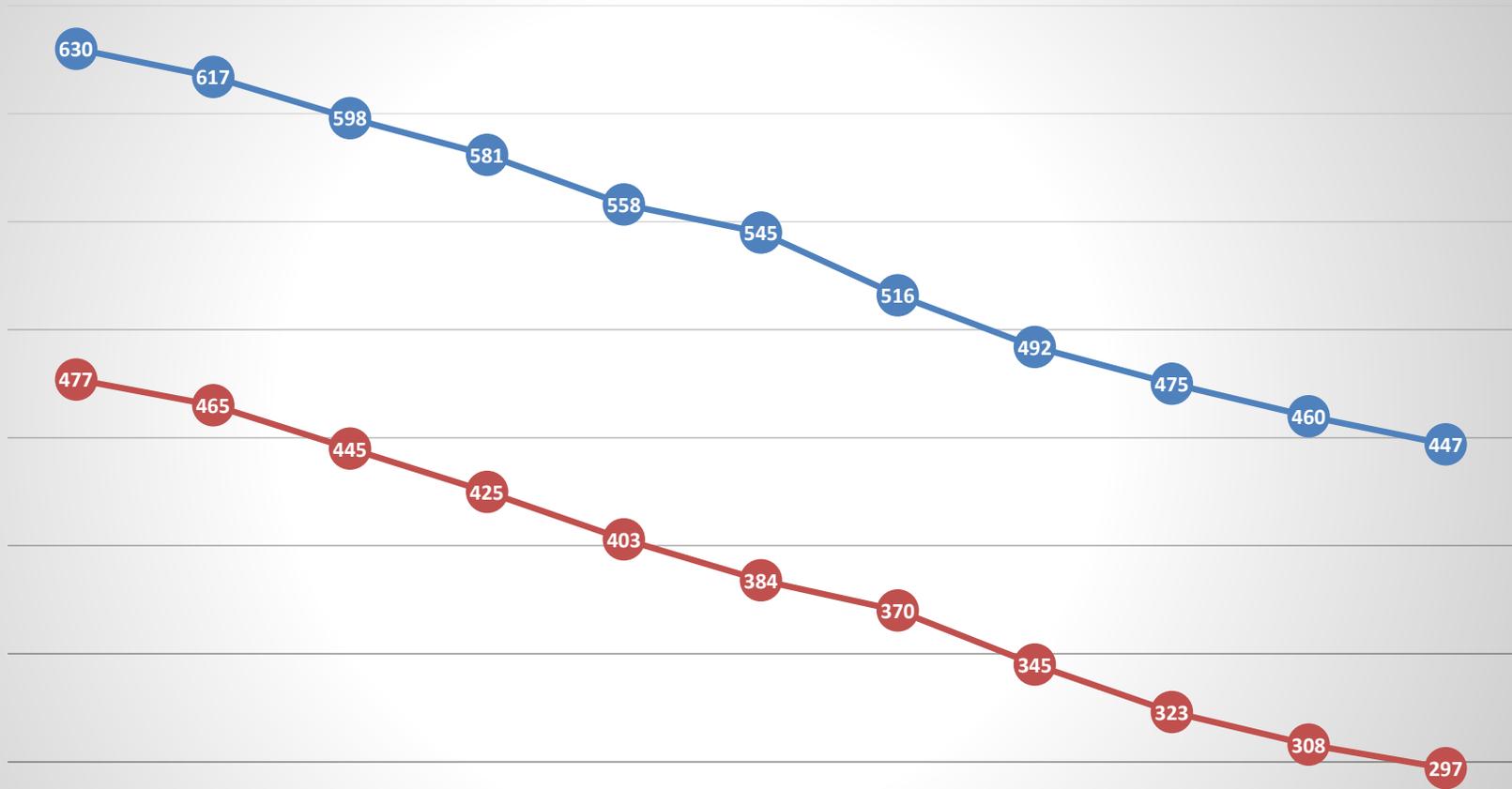
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of January 31, 2021

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	322	188	510
Beneficiary	125	109	234
<i>Total Retired Members</i>	447	297	744
<i>Total Membership:</i>	447	297	744

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	299	151	450
Disability Retirement	136	133	269
Death Allowance	12	13	25
<i>Total Retired Members:</i>	447	297	744
<i>Total Membership as of January 31, 2021:</i>	447	297	744
<i>Total Membership as of June 30, 2020:</i>	460	308	768
<i>Annual Difference:</i>	-13	-11	-24

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



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 FYTD
Police	630	617	598	581	558	545	516	492	475	460	447
Fire	477	465	445	425	403	384	370	345	323	308	297
Total	1107	1082	1043	1006	961	929	886	837	798	768	744



AGENDA REPORT

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

SUBJECT: Election of 5-Year Fire Department Representative Board Position **DATE:** March 31, 2021

SUMMARY

The 5-year fire member board seat currently held by John C. Speakman expired on August 31, 2020. Pursuant to the PFRS election guidelines outlined in Article 11 of the PFRS Rules and Regulations, an election for this board seat will be conducted by the Staff of the PFRS board with the assistance of the City Clerk's office.

BACKGROUND

John C. Speakman, a retired PFRS Fire member, was elected to the 5-year elected term as the PFRS 5-year member. Member Speakman's board seat expired on August 31, 2020 and a new 5-year fire member will need to be elected to this seat from the retired fire membership.

Following the PFRS Rules & Regulations Article 11, Section 11.2, the PFRS staff has informed the International Association of Fire Fighters, Local 55 (IAFF Local 55) of the board vacancy and delivered to them the election schedules and nomination forms.

Should no more than one (1) nomination form be received by the nomination form submission deadline of 5 pm, May 19, 2021, then the single nominee will be automatically elected to the nominated position; an election would otherwise follow on June 23, 2021. The elected board member will begin the new term immediately following certification of results from the City Clerk's Office.

Attachment (1): *Rules & Regulations - Excerpt of Election: Article 11*
Attachment (2): *Nomination Form - Fire Department Representative 5-Year Position*

Agenda Item B2
PFRS Board Meeting
February 24, 2021

The following timeline shows the due dates for nominees and PFRS staff during this election cycle:

- Last day for furnishing the International Association of Fire Fighters, Local 55 (IAFF Local 55) a notice stating that nominating papers may be obtained from the Retirement Systems office..... April 1, 2021
- Last day for filing nominees to submit nominating papers to the City Clerk's Office..... May 19, 2021
- Last day for City Clerk to certify to Office of the PFRS Board the names of members nominated..... May 19, 2021
- Last day for mailing of ballots to members..... June 8, 2021
- Last day for delivering to City Clerk the Roster of PFRS Retired Fire Department Members..... June 8, 2021
- Ballots due to City Clerk no later than 10 am..... June 23, 2021
- Day for counting of ballots by City Clerk..... June 23, 2021

Respectfully submitted,



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

Attachment (1): Rules & Regulations - Excerpt of Election: Article 11
Attachment (2): Nomination Form - Fire Department Representative 5-Year Position

ATTACHMENT 1

*Rules & Regulations
Excerpt of Election
Article 11*

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

Article 11: ELECTION OF MEMBERS OF THE BOARD REPRESENTING RETIRED MEMBERS OF THE RETIREMENT SYSTEM

Section 11.1: Day for Counting of Ballots

The fourth Wednesday in August of the year in which such election is required to be held is hereby the day for counting of ballots.

In the event of a vacancy of one or more of the elected PFRS Retirement Board seats before the completion of the full term, the day for counting ballots for the election to fill the vacant PFRS Retirement Board seat shall be the fourth Wednesday of the month that follows 90 days after the date of being informed of the vacancy.

Section 11.2: Notice of Nomination

On or before the first business day in June of each year in which an election is required, the office of the Police and Fire Retirement Board shall send a notice stating that nomination papers may be obtained at the office of said Police and Fire Retirement Board, the place where nomination papers shall be filed and the final date of filing thereof, the date when ballots will be counted and such other information as may be appropriate to the following organizations:

- Retired Oakland Police Officers' Association (ROPOA)
- International Association of Fire Fighters, Local 55 (IAFF Local 55)

In the event of a vacancy of one of the elected PFRS Retirement Board seats before the completion of the full term, the office of the Police and Fire Retirement Board shall send notice as stated above no later than ten (10) calendar days after the date of being informed of the vacancy.

Section 11.3: Nomination for Membership

Nomination for membership on the Police and Fire Retirement Board from the retired membership of the Police and Fire Department shall be in writing on forms supplied by the office of said Police and Fire Retirement Board upon request. Nomination papers shall be substantially in the form shown in Appendix A. Nomination papers shall be signed by at least ten retired members of the Police or Fire Department, as the case may be, who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person nominated. Each signatory of a nominating paper shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased members are not eligible to vote in elections.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

Section 11.4: Date of Filing Nomination Papers

Nominating papers shall be filed in the Office of the Oakland City Clerk, Room 306 of the Oakland City Hall, not less than thirty-five days before the day of counting ballots. If said date falls on a non-business day for the City of Oakland, it shall be filed on the next business day.

Section 11.5: Determination of Sufficiency of Nominating Papers

The City Clerk of the City of Oakland will determine when a member is nominated and for this purpose shall have access to the records of the Police and Fire Retirement Board the names of those retired members of the respective departments determined by him to have been nominated.

Section 11.6: Winner by Default

In the event that only one person is nominated in accordance with this Article 11 as a member of the Board, that person shall be declared a winner.

Section 11.7: Mailing of Ballots

Not less than fifteen days before the day for the counting of the ballots that shall be prepared by and mailed for the office of the Police and Fire Retirement Board to each retired member of the Police Department of Fire Department who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The Ballots shall contain the names in alphabetical order of the candidates certified by the City Clerk as nominated. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his or her name, may be returned to the City Clerk not later than 10:00 a.m. of the day for the counting of ballots.

Section 11.8: Roster of Eligible Voters

There shall be prepared in the office of the Police and Fire Retirement Board a roster of eligible voters which shall contain the names of the retired members of the Police or Fire Department who are members of the Police and Fire Retirement System, excluding beneficiaries of deceased members. Such roster of eligible voters shall be delivered to the City Clerk not less than fifteen days before the day for the counting of ballots and shall be in such form as to permit appropriate asking thereon by the City Clerk to indicate that an eligible member has voted.

Section 11.9: Counting of Ballots

On the day for the counting of ballots at the hour of 10:00 A.M. thereof, the ballot box shall be opened and no ballot received after said hour shall be counted. The ballots will be counted under the

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

RULES AND REGULATIONS

supervision and control of the City Clerk in such manner that the identity of the individual casting any ballot will not be disclosed. No ballot shall be counted unless it is enclosed in an envelope bearing the name of the voter. No ballot shall be counted which contains a vote for a person not nominated in accordance with Article 12. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and the candidate elected and notify each candidate thereof by mail.

Section 11.10: Vote Necessary for Election

The candidate receiving the highest number of eligible votes shall be declared elected.

Section 11.11: Disposition of Ballots after Counting

Upon conclusion of the counting of the ballots they shall be kept by the City Clerk in the manner and for the period the ballots of municipal elections are kept.

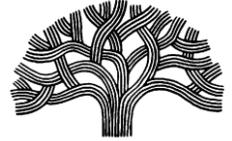
Section 11.12: Procedure to Fill Vacancy of Elected Members

In the event a vacancy occurs before the end of a full term in any of the three (3) elected offices of the Board which are filled by retired members of the Retirement System, a successor shall be elected for the unexpired portion of the term vacated. The successor shall be elected from the same department of the member who is vacating the seat for the remainder of said unexpired three (3) year, or five (5) year, term. The election shall be governed by Article 11.

ATTACHMENT 2

***Fire Department Representative
5-Year Position***

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, SUITE 3349 • OAKLAND, CALIFORNIA 94612-2021

Finance Department
Treasury Bureau
Retirement Unit

PHONE (510) 238-7295
FAX (510) 238-7129
CA RELAY 711

OAKLAND POLICE AND FIRE RETIREMENT BOARD NOMINATION FORM ELECTED RETIRED FIRE REPRESENTATIVE 5-YEAR TERM

I/We, the undersigned, am/are a retired member(s) of the Oakland Fire Department, and a member(s) of the Oakland Police and Fire Retirement Systems. I/we hereby nominate _____, a retired member of the Oakland Police and Fire Retirement Systems, as a candidate for membership on the Police and Fire Retirement Board from the retired membership of the Oakland Fire Department for the term expiring August 31, 2025.

PRINT NOMINEE NAME HERE

<u>Name</u> (please print clearly)	<u>Signature</u>	<u>Date</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____

I accept the nomination and consent to serve, if elected.

Signature of Nominee

Date

NOTE: This nomination paper must be signed by 10 retired members of the Oakland Fire Department who are **also members** of the Police and Fire Retirement System. The person nominated must also be a retired member of the Oakland Fire Department and a member of the Oakland Police and Fire Retirement System. Before filing, the person nominated must sign the above statement accepting the nomination and consenting to serve if elected. Nomination papers must be filed in the Office of the City Clerk, One Frank Ogawa Plaza, 2nd floor, Oakland, CA, no later than **5:00 p.m., Wednesday, May 19, 2021**

MARCH 31, 2021

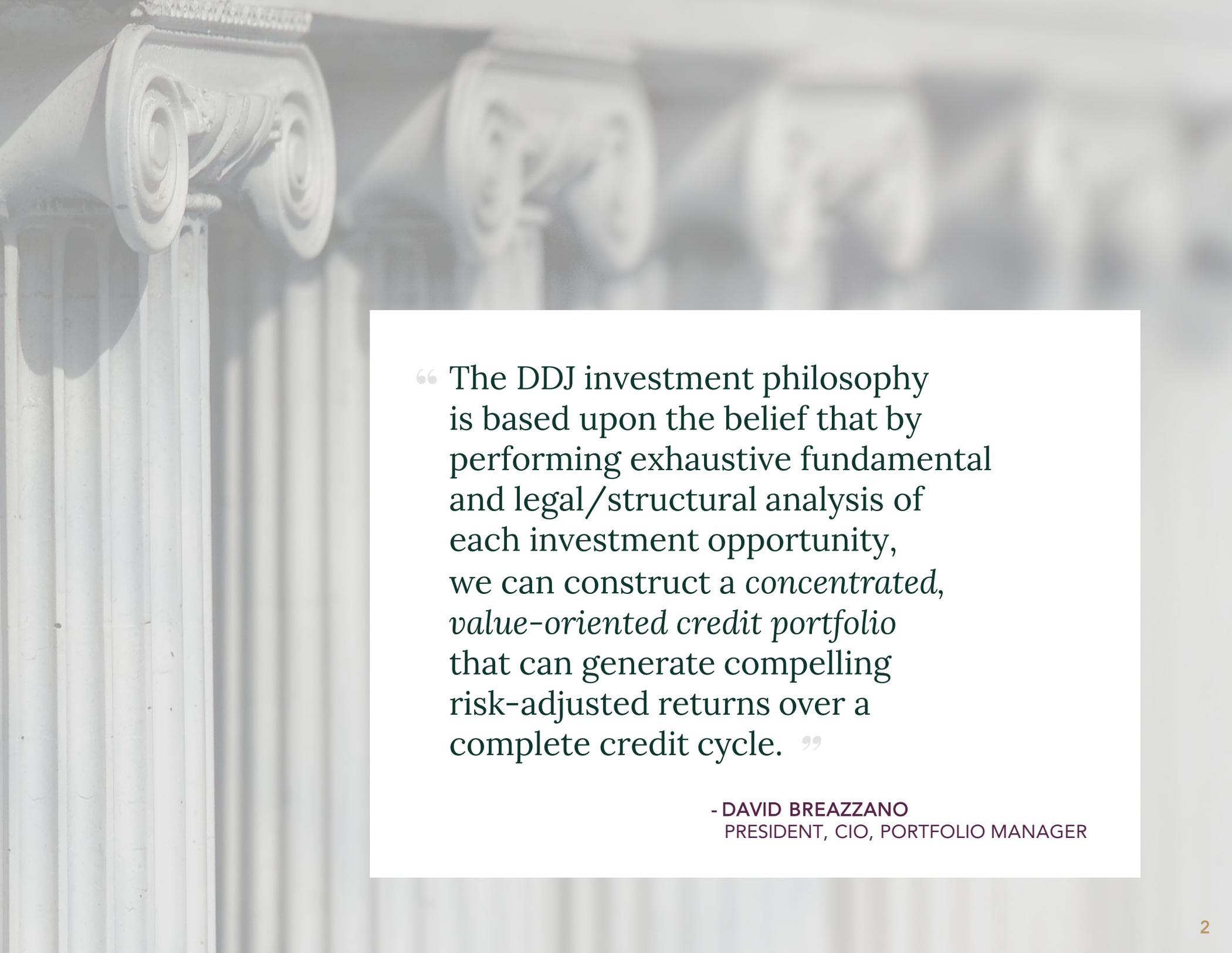
Oakland Police and Fire Retirement System

DDJ Capital Management Group Trust – High Yield Investment Fund Portfolio Review

DDJ Capital Management, LLC



CONFIDENTIAL INFORMATION | This presentation is not intended to be used in connection with the offering of any securities. The information set forth herein is being provided for general informational purposes only without representation or warranty. Certain of the economic and market information contained herein has been obtained from published sources and/or prepared by other parties. While such sources are believed to be reliable, neither DDJ nor its affiliates, representatives, partners, officers, employees or agents assume any responsibility for the accuracy of such information. This presentation contains information dated as of December 31, 2020 unless otherwise noted. This presentation is intended solely for use by Oakland Police and Fire Retirement System and may not be redistributed without the express written permission of DDJ.



“ The DDJ investment philosophy is based upon the belief that by performing exhaustive fundamental and legal/structural analysis of each investment opportunity, we can construct a *concentrated, value-oriented credit portfolio* that can generate compelling risk-adjusted returns over a complete credit cycle. ”

- DAVID BREAZZANO
PRESIDENT, CIO, PORTFOLIO MANAGER

Firm Profile	4
Investment Team	5
Diversity & Inclusion	6
Portfolio Review	11
Appendix	18



24 YEARS
IN OPERATION

\$7.9 BILLION IN
AUM

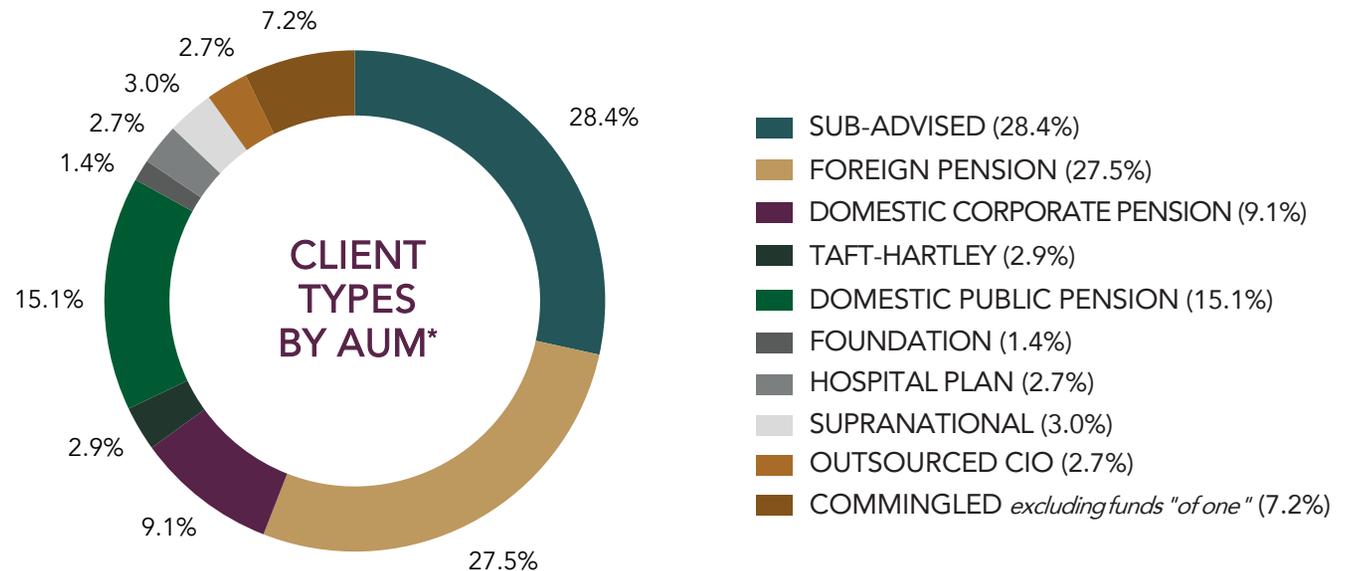
54 EMPLOYEES

18 INVESTMENT
TEAM MEMBERS

2 IN-HOUSE
ATTORNEYS

UNPRI
SIGNATORY
SINCE 2016

DDJ Capital Management is a privately-held investment manager with a sole focus on managing high yield debt portfolios for a diverse and stable institutional client base.



* Does not include assets managed in legacy accounts, which are presently in wind-down.
GIPS Composite Reports are available in the Appendix.

Investment Leadership Team



David Breazzano | President & CIO*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
CO-PM OF UPPER TIER U.S. HIGH YIELD
40 years industry experience
24 years at DDJ



Benjamin Santonelli | Portfolio Manager*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
PM OF TOTAL RETURN CREDIT
16 years industry experience
16 years at DDJ



John Sherman | Portfolio Manager*
CO-PM OF OPPORTUNISTIC HIGH YIELD,
PM OF BANK LOAN
16 years industry experience
13 years at DDJ



Roman Rjanikov | Portfolio Manager*
CO-PM OF UPPER TIER U.S. HIGH YIELD,
DIRECTOR OF RESEARCH, ESG INTEGRATION
17 years industry experience
13 years at DDJ

Additional Key Investment Personnel



Elizabeth Duggan | Assoc. General Counsel*
DEDICATED TRANSACTIONAL ATTORNEY
19 years industry experience
14 years at DDJ



Jason Rizzo | Head Trader
OVERSEES ALL TRADING ACTIVITIES
23 years industry experience
16 years at DDJ

8 Research Analysts

2 In-House Attorneys

2 Traders

- Collaborative 18-member team; key professionals average 21 years industry experience
- Two in-house attorneys provide valuable legal perspective and analysis
- Investment Review Committee provides a regular forum for evaluation and review

* Investment Review Committee personnel

Additional information regarding industry coverage & responsibilities for the investment team can be found in the Appendix.



Diversity & Inclusion



DDJ's Diversity & Inclusion Mission Statement:

DDJ believes that embracing diversity is paramount to creating and maintaining a culture that drives employee collaboration, enhances our business results and advances our commitment to excellence. As part of its *Corporate Citizenship Program*, DDJ is committed to and prioritizes diversity across age, gender, religion, race, sexual orientation, disability, national origin, experience and thought.

Through employee education, community engagement and recruiting efforts, DDJ strives to create a more diverse workplace, foster a greater awareness of the importance of diversity and inclusion and provide opportunities to underrepresented communities. DDJ believes that possessing a broader set of backgrounds and perspectives results in better decision-making, which is critical to the firm's sustainability and long-term success.

Firmwide Diversity & Inclusion Council



Josh Bansal | Investment
RESEARCH ANALYST
3 years industry experience
1 year at DDJ



Tim Dillon | Investment
DIRECTOR, PORTFOLIO ANALYTICS
10 years industry experience
8 years at DDJ



Jennifer Leger | Human Resources
DIRECTOR, HUMAN RESOURCES
27 years industry experience
2 years at DDJ



Victoria Moore | Investment
RESEARCH ANALYST
3 years industry experience
2 years at DDJ



Sameer Bhalla | Investment
SENIOR RESEARCH ANALYST
17 years industry experience
5 years at DDJ



Erika Kennedy | Business Development & Client Service
DIRECTOR, BUSINESS DEVELOPMENT
14 years industry experience
3 years at DDJ*



Meaghan Mahoney | Business Development & Client Service
DIRECTOR, BUSINESS DEVELOPMENT
18 years industry experience
1 year at DDJ

The Diversity & Inclusion Council is tasked with identifying and developing partnership, training, recruitment and other initiatives to further the firm's progress on its Diversity & Inclusion efforts

*In August 2017, DDJ rehired Erika Kennedy to serve as a director on the DDJ business development & client service team; Ms. Kennedy was also previously employed by DDJ from 2008-2016.

Diversity & Inclusion Council

- As an equal opportunity employer, DDJ has an established Affirmative Action Plan and strives to identify the best candidate for all position openings, while recognizing the substantial benefit to the organization that is associated with employing a well-diversified staff
- DDJ is committed to the recruitment and advancement of people regardless of age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make each of its employees unique
- Since 2015, 50% of the firm's new hires have been women and/or minorities, including the two most recent additions to its investment team (a female and a minority male)
- Additionally, as of 12/31/2020, approximately 37% of the firm's employees are women and/or minorities and 20% of its employee equity owners (by count) are women and/or minorities
- Finally, DDJ proactively seeks to partner with vendors that identify as women, minority or veteran-owned businesses

Diversity & Inclusion Council

*Drawing on the experiences of a cross-section of employees across the firm, DDJ officially launched its **Diversity & Inclusion (D&I) Council** in 2020 to formalize its D&I strategy with respect to:*

RECRUITING

- Recruit with intention to identify and ultimately hire from a diverse candidate pool
- Develop internship programs, such as the firm's current partnership with the Posse Foundation, and other engagement opportunities, such as the firm's Whitepaper Challenge, to reach and attract under-represented groups in an effort to help improve the industry "pipeline" problem

DEVELOPING

- Create training and development opportunities for the firm and its employees individually to continue to progress on the D&I journey, including, but not limited to, mandatory annual firmwide training
- Develop an internal mentorship program and affinity groups
- Partner with external organizations, such as 100 Women in Finance and Boston Women in Finance, to augment internal development efforts

RETAINING

- Foster a culture of inclusivity and equality, allowing DDJ to remain a preferred place of employment and to retain its most important asset – its employees



Portfolio Review

Implementing DDJ's Philosophy

Through rigorous due diligence with a strong emphasis on margin of safety, DDJ believes that it can construct concentrated portfolios that can outperform broad high yield indices over a full credit cycle.

MISPRICED RISK

- Focus on most inefficient areas of the market
- Underfollowed companies and misunderstood opportunities

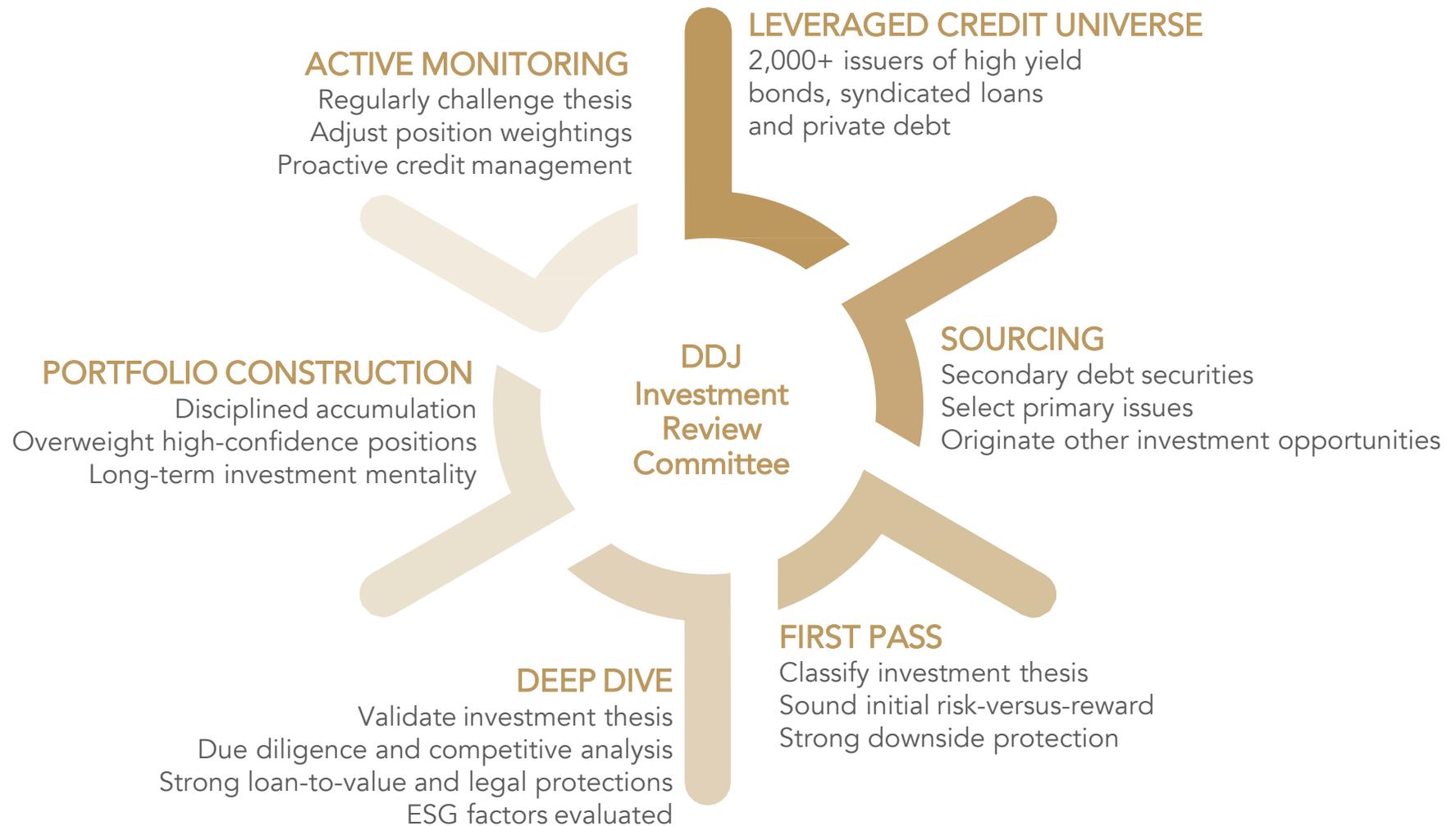
FUNDAMENTAL RESEARCH

- Private equity-like analysis
- Overweight high-confidence positions

"KNOW WHAT YOU OWN"

- Downside protection is the key principle
- Thoroughly understand risk by conducting rigorous due diligence

Process Overview



DDJ U.S. Opportunistic High Yield Strategy Overview

Market Inefficiencies

Middle Market (EBITDA \$75mm–\$250mm)

- Smaller issue size reduces the buyer base and results in liquidity premium
- Rating agencies' view of smaller companies as inherently more risky leads to mis-ratings

Lower Tier (B rated and below)

- Guidelines restricting or prohibiting CCC-rated holdings results in lower tier being “under-researched” relative to higher quality tiers

Special Situations

- The strategy may also target mispricing opportunities in higher-rated “fallen angels”, stressed credits and certain private debt transactions identified by DDJ at various points in the credit cycle

Strategy

- Construct a portfolio with a yield premium relative to the benchmark of 200-400 bps
- Overweight high-confidence positions with 70 to 90 total issuers
- Maintain flexibility to invest across the capital structure – bank loans and bonds
- Focus on downside protection through exhaustive fundamental and legal due diligence
- Limited exposure to stressed or distressed securities under normal market conditions
- Historically low correlation of excess returns to largest institutional high yield managers
- No duration or quality limits; duration typically falls well below benchmark due to structural allocation to bank loans

OBJECTIVE

Outperform a broad-based U.S. high yield index over a full credit cycle by 200 bps on a gross basis while experiencing realized credit losses at or below market level

BENCHMARK

ICE BofA U.S. Non-Financial High Yield Index

PHILOSOPHY

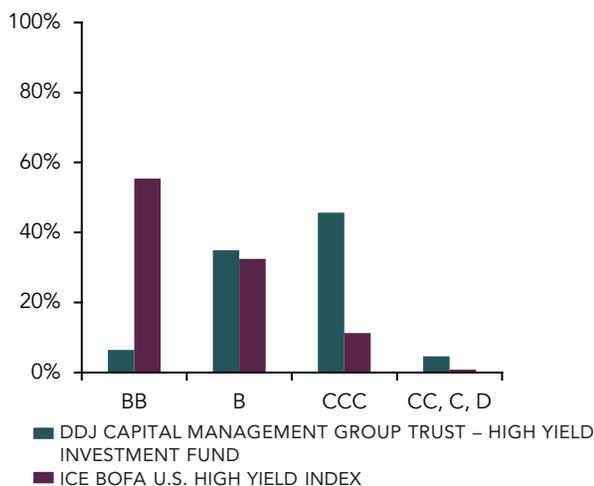
DDJ believes that the middle market and lower tier (B/CCC-rated) components of the high yield market are its most inefficient segments. Through rigorous due diligence with a strong emphasis on margin of safety, DDJ believes that it can construct concentrated portfolios that can outperform broad high yield indices over a full credit cycle.

AS OF 12/31/20

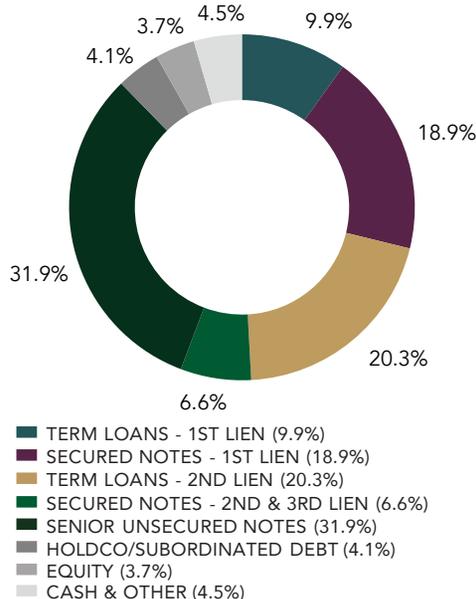
DDJ Capital Management Group Trust – High Yield Investment Fund

Performance	1 Year	3 Year (ann.)	5 Year (ann.)	7 Year (ann.)	Since Inception (ann.)
DDJ Capital Management Group Trust – High Yield Investment Fund (Gross)	8.02%	4.95%	8.74%	5.98%	7.13%
ICE BofA U.S. High Yield Index	6.17%	5.89%	8.43%	5.61%	6.44%

Credit Quality Allocation



Portfolio by Security Type



Portfolio Characteristics

	Fund	ICE BofA HY
Number of issuers	72	871
Top 10 issuers	29.8%	15.4%
Top 25 issuers	58.1%	25.1%
Average rating	CCC1	B1
Average coupon	7.99%	6.01%
Avg. blended yield	7.90%	4.25%
Average price	\$100.53	\$105.84
Adj. effective duration	1.55	3.66
Net Asset Value	\$337,795,440	

The DDJ Capital Management Group Trust – High Yield Investment Fund (the “Fund”) was inceptioned on July 1, 2011. Accordingly, performance since inception set forth above is calculated as of such date. However, the date of the first investment by Oakland Police & Fire Retirement System (“Oakland”) was January 1, 2015. The full name of the index presented is the ICE BofA U.S. High Yield Index (“ICE BofA HY”). The ICE BofA HY is a broad high yield index that tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates (“ICE Data”) and/or its Third Party Suppliers and has been licensed for use by DDJ. ICE Data and its Third Party Suppliers accept no liability in connection with its use. Please contact DDJ for a full copy of the disclaimer. The returns set forth for the Fund are presented gross of all fees except for trading expenses, deal-related legal expenses and withholding taxes. Returns are calculated using daily time weighted rates of return and cash flows are recognized at the beginning of the day. Gross returns also do not reflect the deduction of the investment advisory fee charged by DDJ Capital Management; such expense, as well as other expenses the Fund may incur, will reduce the gross return set forth in the charts above. The investment advisory fees charged to each participating trust in the Fund are set forth in such trust’s subscription agreement. Net returns are available upon request. **Past performance is no guarantee of future returns.** Please also reference the Endnotes on the subsequent slides for more information.

Top 10 Issuers *by size of 12/31/20*

	% NAV Weight
Ford Holdings	4.3%
Asurion	3.7%
One Call Medical	3.4%
Baffinland Iron Mines	2.9%
Internet Brands (WebMD)	2.7%
Tekni-Plex	2.7%
Surgery Center	2.6%
Assured Partners	2.6%
NFP Corp	2.6%
Century Aluminum	2.5%
Total	29.8%

Top 5 by Issuer *YTD as of 12/31/20*

	Avg. Weight	Contrib. to Return
Ford Holdings	2.07%	1.02%
Occidental Petroleum	1.49%	0.65%
One Call Medical	3.12%	0.64%
Plastipak	1.68%	0.55%
Continental Resources	0.19%	0.53%
Total	8.55%	3.39%

Bottom 5 by Issuer *YTD as of 12/31/20*

	Avg. Weight	Contrib. to Return
Dominion Diamond	0.46%	-2.09%
Utex Industries	0.74%	-1.26%
GTT Communications	1.63%	-0.93%
Carlson Travel	1.10%	-0.57%
Forum Energy	1.09%	-0.46%
Total	5.02%	-5.31%

Industry Groups *as of 12/31/20*

	Fund	ICE BofA HY	Difference
Automotive	7.3%	5.3%	2.0%
Banking	0.0%	1.3%	-1.3%
Basic Industry	17.8%	8.9%	8.9%
Capital Goods	15.6%	6.7%	8.9%
Consumer Goods	2.5%	4.9%	-2.5%
Energy	5.5%	13.4%	-7.8%
Financial Services	0.0%	4.2%	-4.2%
Healthcare	14.7%	8.9%	5.8%
Insurance	8.8%	1.1%	7.7%
Leisure	0.0%	6.1%	-6.1%
Media	6.1%	9.2%	-3.1%
Real Estate	1.2%	4.3%	-3.0%
Retail	2.8%	4.8%	-2.1%
Services	7.2%	4.5%	2.8%
Technology & Electronics	2.3%	5.0%	-2.8%
Telecommunications	3.8%	6.8%	-3.0%
Transportation	0.0%	1.5%	-1.5%
Utility	0.0%	3.2%	-3.2%
Cash & Other	4.5%	0.0%	4.5%

The returns set forth for the Fund above are presented gross of all fees except for trading expenses, deal-related legal expenses and withholding taxes. Returns are calculated using daily time weighted rates of return and cash flows are recognized at the beginning of the day. Net returns are available upon request. **Past performance is no guarantee of future returns.** In order to obtain the calculation methodology with respect to the Contribution to Return set forth above, or a list showing a contribution of each holding in the account to the overall Fund's performance during this period, please contact investorrelations@ddjcap.com. The holdings identified above do not represent all of the securities purchased, sold or recommended for the Fund during this period.

Price as of 12/31/20

	Fund	ICE BofA HY	Difference
<70	5.8%	0.8%	5.0%
70-85	0.4%	1.6%	-1.2%
85-95	5.4%	2.4%	3.0%
95-100	29.7%	5.7%	24.0%
100-105	23.2%	35.4%	-12.2%
105-110	20.6%	34.4%	-13.8%
>110	6.8%	19.7%	-12.9%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Blended Yield as of 12/31/20

	Fund	ICE BofA HY	Difference
0-3%	3.0%	29.3%	-26.3%
3-6%	40.3%	58.8%	-18.5%
6-9%	18.8%	7.8%	11.0%
9-12%	22.1%	2.0%	20.1%
12-15%	0.7%	0.6%	0.2%
15-18%	1.1%	0.5%	0.5%
18%+	5.8%	1.0%	4.7%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Issue Size as of 12/31/20

	Fund	ICE BofA HY	Difference
<\$200mm	7.2%	0.0%	7.2%
\$200-400mm	29.0%	12.3%	16.6%
\$400-600mm	21.4%	21.3%	0.1%
\$600mm-\$1bn	19.3%	30.9%	-11.6%
\$1-2bn	8.8%	26.6%	-17.8%
\$2-5bn	6.2%	8.6%	-2.3%
>\$5bn	0.0%	0.4%	-0.4%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

Adjusted Effective Duration as of 12/31/20

	Fund	ICE BofA HY	Difference
0-1 yr	47.9%	14.3%	33.7%
1-2 yrs	12.2%	19.3%	-7.1%
2-3 yrs	12.2%	14.9%	-2.7%
3-4 yrs	12.2%	16.3%	-4.1%
4-5 yrs	2.1%	10.8%	-8.7%
5-6 yrs	1.2%	8.5%	-7.3%
>6 yrs	4.0%	16.0%	-12.0%
Equity	3.7%	0.0%	3.7%
Cash & Other	4.5%	0.0%	4.5%
Total	100.0%	100.0%	

The full index name presented is the ICE BofA U.S. High Yield Index ("ICE BofA HY") and is used for comparative purposes only. The average rating characteristic is determined internally by DDJ pursuant to a consistent methodology. It is not an S&P credit rating or a rating issued from a ratings agency, and is not a credit opinion. With respect to the Fund, blended yield is a blend of (i) for securities trading at or above par, yield to worst for bonds, and yield to three year take out for loans, and (ii) for bonds and loans trading at a discount, yield to maturity. With respect to the benchmark, yield is shown as yield to worst. With respect to the Fund, the adjusted effective duration statistic provided is calculated by taking a weighted average of (i) modified duration to next reset date for all floating rate instruments, and (ii) effective duration for all fixed coupon instruments. With respect to the benchmark, duration is shown as effective duration.



Appendix

Investment Team

	Industry Coverage / Responsibilities	Prior Investment Experience	Education
DAVID BREAZZANO PRESIDENT	Chief Investment Officer; Oversees strategies firm-wide; Co-PM on Opportunistic HY Strategy; Co-PM on Upper Tier U.S HY Strategy	Fidelity Investments T. Rowe Price	Cornell University, MBA Union College, BA
BENJAMIN SANTONELLI PORTFOLIO MANAGER	Co-PM on Opportunistic HY Strategy; PM on Total Return Credit Strategy; Assistant PM on Bank Loan Strategy		Amherst College, BA
JOHN SHERMAN PORTFOLIO MANAGER	Co-PM on Opportunistic HY Strategy; PM on Bank Loan Strategy; Assistant PM on Total Return Credit Strategy	Thoma Cressey Equity Partners Citigroup Investment Banking Division	University of Notre Dame, BBA
ROMAN RJANIKOV PORTFOLIO MANAGER	Co-PM on Upper Tier U.S. HY Strategy; Director of Research	MFS Investment Management Fidelity International	Harvard Business School, MBA Plekhanov Russian University of Economics, MSc
SAMEER BHALLA SENIOR RESEARCH ANALYST	Energy, Chemicals, Industrials	Liberty Mutual Group Investor's Bank and Trust	Boston College, MSF Boston University Questrom School of Business, BS
MICHAEL GRAHAM, CFA SENIOR RESEARCH ANALYST	Healthcare	Macquarie Capital	Middlebury College, BA CFA Designation
ERIC HOFF, CFA SENIOR RESEARCH ANALYST	Metals & Mining, Autos, Aerospace & Defense, Consumer & Retail	Newstar Cpaital (f/k/a Feingold O'Keeffe Capital)	Boston University Questrom School of Business, BS CFA Designation
NED HOLE, CFA SENIOR RESEARCH ANALYST	Telecommunications, Cable, Satellite	Putnam Investments BlackRock Financial	Williams College, BA CFA Designation
MARK WEGNER SENIOR RESEARCH ANALYST	Building Materials, Paper & Packaging, Services	Silver Point Capital, L.P. Rothschild Inc.	The Johns Hopkins University, BA

	Industry Coverage / Responsibilities	Prior Investment Experience	Education
DOUGLAS WOODEN SENIOR RESEARCH ANALYST	<i>Media, Technology, Gaming & Leisure</i>	Fort Warren Capital Putnam Investments	University of Pennsylvania, BA
JOSH BANSAL RESEARCH ANALYST	<i>Support on various industries</i>	Citigroup	Yale University, BA
VICTORIA MOORE RESEARCH ANALYST	<i>Support on various industries</i>	Cambridge Associates	Yale University, BA
JASON RIZZO HEAD TRADER	<i>High yield bonds, bank loans, and equity</i>	Grantham, Mayo, Van Oterloo & Co. LLC Colonial Management Associates	State University of New York, BS
CHRIS KAMINSKI, CFA TRADER	<i>High yield bonds, bank loans, and equity</i>	Bank of New York Mellon	Boston University, BA CFA Designation
TIMOTHY DILLON DIRECTOR, PORTFOLIO MANAGEMENT ANALYST	<i>Portfolio Analytics</i>	Brown Brother Harriman & Co.	Middlebury College, BA Bentley University, MBA
MICHAEL WEISSENBURGER MANAGING DIRECTOR	<i>Head of Origination</i>	Wells Fargo Capital Finance Sonus Networks, Inc.	Northeastern University, MBA University of Connecticut, BA
JOSHUA MCCARTHY GENERAL COUNSEL & CHIEF COMPLIANCE OFFICER	<i>Product structuring compliance and general transactional</i>	Testa, Hurwitz & Thibault, LLP	Duke University School of Law, JD Duke University, AB
BETH DUGGAN ASSOCIATE GENERAL COUNSEL	<i>Loans, reorganizations, and general transactional</i>	Goodwin Procter, LLP Pillsbury Winthrop, LLP	Northwestern University School of Law, JD Cornell University, BA

Biographies

DAVID BREAZZANO *President, Chief Investment Officer, Portfolio Manager*

Mr. Breazzano is a co-founder of DDJ and has more than 40 years of experience in high yield, distressed, and special situations investing. At DDJ, he oversees all aspects of the firm and chairs the Management Operating, Remuneration, and Investment Review Committees. In addition, Mr. Breazzano serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield and Upper Tier U.S. High Yield strategies. Prior to forming DDJ, from 1990 to 1996, he was a vice president and portfolio manager in the High-Income Group at Fidelity Investments, where he had investment management responsibility for over \$4 billion in high yield and distressed assets. Specifically, he was a portfolio manager of the Fidelity Capital & Income Fund, which was one of the largest high yield funds in existence at that time. In addition, Mr. Breazzano co-managed the distressed investing operation at Fidelity. Prior to joining Fidelity in 1990, Mr. Breazzano was a vice president and portfolio manager at T. Rowe Price Associates. Before joining T. Rowe Price in 1985, he was a high yield analyst and vice president at First Investors Asset Management, which had over \$1 billion in high yield assets under management. Mr. Breazzano began his professional career at New York Life as an investment analyst. Mr. Breazzano is the author of the chapter entitled "Distressed Investing" in *Leveraged Financial Markets: A Comprehensive Guide to High-Yield Bonds, Loans, and Other Instruments* and co-author of the chapter entitled "Trading in the Distressed Market" in *Investing in Bankruptcies and Turnarounds*. Mr. Breazzano serves as a member of the board of directors for the Children's Trust Fund following his appointment by Massachusetts Governor Charlie Baker in 2016. He received his MBA from the Johnson School at Cornell University where he currently is a member of the university's board of trustees. Mr. Breazzano graduated *cum laude* with a BA from Union College, where he also currently sits on its board of trustees.

BENJAMIN SANTONELLI *Portfolio Manager*

Mr. Santonelli joined DDJ in 2004 and has more than 16 years of experience in sourcing, analyzing, and managing investments across a variety of industries. Mr. Santonelli serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield strategy, portfolio manager of DDJ's Total Return Credit strategy, and assistant portfolio manager of DDJ's Bank Loan strategy. He is also a member of the Investment Review Committee. Mr. Santonelli serves as a member of the board of directors of a portfolio company. Mr. Santonelli received his BA from Amherst College.

JOHN SHERMAN *Portfolio Manager*

Mr. Sherman joined DDJ in 2007 and has more than 16 years of corporate finance and investment experience. Mr. Sherman serves as co-portfolio manager of DDJ's U.S. Opportunistic High Yield strategy, portfolio manager of DDJ's Bank Loan strategy, and assistant portfolio manager of DDJ's Total Return Credit strategy. He is also a member of the Investment Review Committee. Mr. Sherman serves as a member of the board of directors of a portfolio company. Prior to joining DDJ, Mr. Sherman was an associate in the Healthcare Group at Thoma Cressey Equity Partners, focusing on private equity investments in middle-market companies. While at Thoma Cressey Equity Partners, Mr. Sherman participated in the due diligence of new standalone investments and tack-on acquisitions for existing portfolio companies. Prior to joining Thoma Cressey Equity Partners, Mr. Sherman was in the Investment Banking Division of Citigroup where he was an analyst in the Global Healthcare Group. While at Citigroup, he participated in the execution of initial public offerings, private placements, mergers and acquisitions, recapitalizations, and other corporate finance transactions. Mr. Sherman graduated *magna cum laude* with a BBA from the University of Notre Dame.

ROMAN RJANIKOV *Portfolio Manager, Director of Research*

Mr. Rjanikov joined DDJ in 2007 and has more than 17 years of experience in sourcing, analyzing, and managing investments across a variety of industries. Mr. Rjanikov serves as the co-portfolio manager of DDJ's Upper Tier U.S. High Yield strategy as well as the Director of Research. He is also a member of the Investment Review Committee and is currently spearheading DDJ's Environmental, Social, and Governance efforts (including the development of the DDJ Environmental Sustainability High Yield Strategy). Prior to joining DDJ, Mr. Rjanikov was an Equity Research Analyst at MFS Investment Management since 2003. While at MFS, Mr. Rjanikov covered a variety of industries with a focus on equities of public US companies. From 1995 to 2001, Mr. Rjanikov was a Senior Financial Analyst at Hewlett-Packard Company in the US, Switzerland and Russia. Mr. Rjanikov earned his MBA (with Distinction) from Harvard Business School and M. Sc. from Plekhanov Russian University of Economics.

MICHAEL WEISSENBURGER *Head of Origination, Managing Director*

Mr. Weissenburger joined DDJ in 2015 and has more than 30 years of industry experience, including 14 years of experience in sourcing, analyzing, and direct lending across a variety of industries. As the Head of Origination, Mr. Weissenburger is primarily responsible for building relationships across several financing channels, including investment banks, commercial lenders, private equity firms, Business Development Companies (BDCs), restructuring advisors/consultants and other non-traditional lenders. Prior to joining DDJ, Mr. Weissenburger served for 10 years as Director of Direct Loan Origination at Wells Fargo Capital Finance, where he originated new transactions by effectively sourcing, reviewing, and establishing relationships from Maine to Pennsylvania as well as in Eastern Canada. Prior to his experience at Wells Fargo, he held financial positions at Sonus Networks, Inc., Cognos, Inc. (since acquired by IBM Corporation) and Converge, Inc. Mr. Weissenburger received his MBA from Northeastern University and his BA at the University of Connecticut.

JASON RIZZO *Head Trader*

Mr. Rizzo joined DDJ in 2004 and has more than 23 years of industry experience. Mr. Rizzo is responsible for the execution of trades in all securities in which DDJ invests including high yield bonds, bank debt, distressed bonds, convertible bonds, and equities as well as general oversight of the trading function. Prior to joining DDJ, Mr. Rizzo served in a trading support role at Grantham, Mayo, Van Otterloo & Co. LLC from 2000 to 2004. From 1999 to 2000, Mr. Rizzo was a pricing analyst with Colonial Management Associates and from 1997 to 1999 he worked at State Street Bank and Trust in the mutual fund accounting area. Mr. Rizzo received his BS from the State University of New York.

JOSHUA McCARTHY *General Counsel & Chief Compliance Officer*

Mr. McCarthy joined the DDJ legal department in 2003 and has over 20 years of experience in the legal profession. As General Counsel, Mr. McCarthy is responsible for overseeing DDJ's legal affairs and providing counsel related to the firm's investment management activities. In addition, in his role as Chief Compliance Officer, Mr. McCarthy administers DDJ's compliance program, including the firm's annual compliance review conducted pursuant to the requirements of the Investment Advisers Act of 1940. He is also a member of the Management Operating, Remuneration, and Fair Value Committees. Prior to joining DDJ, Mr. McCarthy worked as an associate in the business practice group at Testa, Hurwitz & Thibault, LLP, where he represented various publicly and privately held companies as well as venture capital partnerships. Mr. McCarthy received his JD from Duke University School of Law, *magna cum laude*, and his AB from Duke University, *magna cum laude*. Mr. McCarthy is a member of the bar of the Commonwealth of Massachusetts.

ELIZABETH DUGGAN *Associate General Counsel*

Ms. Duggan joined the DDJ legal department in 2006 and has over 19 years of experience structuring and negotiating corporate and finance transactions. She focuses the majority of her work on primary issuances of loans and private placements, mergers and acquisitions, reorganizations and intercreditor issues. She is also a member of the Investment Review Committee. Prior to joining DDJ, she was a senior associate in the Leveraged Finance Group at Goodwin Procter, LLP and an associate in the Corporate, Securities, and Finance Group of Pillsbury Winthrop, LLP, in New York. Ms. Duggan has significant experience representing institutions on various domestic and cross-border financing transactions. Ms. Duggan received her JD from Northwestern University School of Law and her BA from Cornell University. She is a member of the bars of the Commonwealth of Massachusetts and the State of New York.

DAVID LEVINE, CFA Director, Portfolio Specialist

Mr. Levine joined DDJ in 2008 and has more than 20 years of experience in the investment management industry. Mr. Levine works with the members of the business development and client service team to effectively communicate DDJ's investment philosophy and strategies with clients, consultants and prospects. In addition, Mr. Levine heads the group responsible for developing content, performance measurement, analytics and reporting. Before joining the business development and client service team in 2013, he served as performance manager for DDJ's analytics team where he was responsible for performance measurement, portfolio analytics, attribution, and GIPS compliance for the firm. Earlier in his career, he worked at Blackrock, Inc. and State Street Corporation. Mr. Levine received his MS in Finance from Bentley University and his BS from Framingham State University. Mr. Levine is a CFA charterholder.

ANDREW ROSS, CFA Director, Portfolio Specialist

Mr. Ross joined DDJ in 2016 and has more than 19 years of experience in the investment management industry. Mr. Ross works with members of the business development and client service team to effectively communicate DDJ's investment philosophy and strategies with clients, consultants and prospects. Prior to joining DDJ, he served as a fixed income product management analyst at Wellington Management Company, where he acted as a proxy for portfolio managers in communicating to clients, consultants, and prospects on investment strategies, positioning, and market outlook. Prior to that, Mr. Ross worked as an equity research associate at MFS Investment Management, where he built and maintained company models using bottom-up fundamental analysis to forecast various metrics. Mr. Ross graduated *cum laude* with a BS in Finance from the University of Massachusetts and is a CFA charterholder.

JOHN RUSSELL, CPA Chief Financial Officer

Mr. Russell joined DDJ in 1997. Mr. Russell is responsible for all day-to-day financial reporting, accounting, tax-related and back office accounting functions as well as oversight of DDJ's human resource function. He is also a member of the Management Operating, Remuneration, Fair Value, and Business Process Review Committees. Prior to joining DDJ, Mr. Russell worked as an audit manager in the Investment Management Group at Ernst & Young, LLP, and prior to that, as a senior and staff auditor. Mr. Russell earned his MS (accounting) / MBA from Northeastern University and his AB from Brown University. Mr. Russell is a certified public accountant and member of the Massachusetts Society of CPAs and the Private Equity CFO Association (Boston Chapter). Mr. Russell serves on the Board of Advisors of the Greater Boston Food Bank.

JOHN (JACK) O'CONNOR Senior Vice President, Head of Business Development & Client Service

Mr. O'Connor joined DDJ in 2013 and has more than 26 years of industry experience. As the head of business development and client service, Mr. O'Connor provides strategic direction to the team responsible for developing and maintaining all client and consultant relationships. He is also a member of both the Management Operating and Remuneration Committees. Prior to joining DDJ, Mr. O'Connor served for three years as a managing director and head of North American distribution for Morgan Stanley Investment Management, where his team covered intermediaries, registered investment advisers, bank trusts, traditional institutional sales and consultant relations. Prior to that, he was an executive vice president at Pioneer Investments and earlier, a senior vice president at MFS Investment Management. Mr. O'Connor is a former officer in the United States Marine Corps and received his BA from Denison University and he holds his Series 7, 24 and 63 registrations.

MATT HENSHER Director, Business Development & Relationship Management

Mr. Hensher joined DDJ in 2016 and has more than 25 years of experience in the investment management industry. He is a relationship manager for DDJ and also has business development responsibilities. Prior to joining DDJ, he served as a director of relationship management at MFS International (UK) Limited in London for over ten years. Mr. Hensher worked with a broad range of institutional clients in the Nordic, North American and UK regions. Prior to that, Mr. Hensher was a client service manager, also at MFS International, where he set up and managed the London Institutional Client Service team. Earlier in his career, he worked at Goldman Sachs Asset Management, Rothschild Asset Management and Coutts & Co. Private Bank. Mr. Hensher received his Investment Management Certification (IMC) at the London School of Business.

ERIKA KENNEDY *Director, Business Development*

Ms. Kennedy most recently joined DDJ in 2017 and has more than 14 years of industry experience. She is responsible for business development in various regions of the U.S. She also served as a director at DDJ from 2008-2016. Prior to re-joining DDJ in 2017, Ms. Kennedy worked as Vice President of Institutional Sales and Consultant Relations at NWQ Investment Management Company. Prior to initially joining DDJ in 2008, Ms. Kennedy was a compliance analyst at Fidelity Investments. Ms. Kennedy received her MA from the University of Miami and her BS from Syracuse University and she holds her Series 7 and 63 registrations.

MEAGHAN MAHONEY *Director, Business Development & Consultant Relations*

Ms. Mahoney joined DDJ in 2019 and has more than 18 years of experience in the investment management industry. She is responsible for sales and consultant relations for DDJ. Prior to joining DDJ, she served as a senior vice president at Great Elm Capital Management, where she was responsible for investor relations for two publicly-traded, micro-cap companies. Prior to that, Ms. Mahoney was a Partner at MAST Capital Management, where she was responsible for marketing, investor relations and business development strategy. Earlier in her career, she worked at Strategic Value Partners, Avenue Capital, Protégé Partners, and Goldman Sachs. Ms. Mahoney received her BS from Cornell University and she holds her Series 7 and 63 registrations.

BILL PORTER *Director, Business Development & Consultant Relations*

Mr. Porter joined DDJ in 2019 and has more than 28 years of experience in the investment industry. He is responsible for business development and consultant relations for the firm. Prior to joining DDJ, Mr. Porter spent nine years at Amundi Pioneer Asset Management (f/k/a Pioneer Investments), where he served for seven years as senior vice president and head of institutional distribution for North America, and was a member of the firm's U.S. Management Committee. In this capacity, he was responsible for managing a team of business development, consultant relations, relationship management and client portfolio management professionals. During his first two years at Pioneer Investments, he served as head of consultant relations where he built and managed the team in North America. Prior to that, he spent twelve years at State Street Global Advisors (SSgA), where he held senior roles in consultant relations and client portfolio management. Earlier in his career, he worked at Scudder, Stevens & Clark. Mr. Porter received his MBA, with a concentration in Marketing, from Northeastern University and his BA, *magna cum laude*, from St. Lawrence University and he holds his Series 7 and 63 registrations.

KATHERINE (KENZIE) WEDGE *Senior Associate, Business Development & Client Service*

Ms. Wedge joined DDJ in 2015 and has more than six years of experience in the investment management industry. She is responsible for developing and maintaining client and consultant relationships, as well as business development. Prior to joining DDJ, she served as a data integrity analyst at Commonwealth Financial Network, where she supported financial advisors by maintaining and analyzing the data related to both client accounts and sponsor companies. Ms. Wedge received her BS in Mathematics and Finance from the College of Charleston and she holds her Series 7 and 63 registrations.

DDJ Capital Management, LLC
Schedule of Investment Performance - DDJ U.S. Opportunistic High Yield Composite
 March 31, 1998 to December 31, 2020

Year Ended 12/31	Total Gross Return (%)	Total Net Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Assets at End of Period (\$ millions)	Firm Assets at End of Period (\$ millions)	Composite Dispersion (%)	Composite 3 Yr. Annualized Standard Deviation (%)	Benchmark 3 Yr. Annualized Standard Deviation (%)
2020	8.36%	7.89%	6.04%	22	5,521	7,987	1.25%	11.06%	9.63%
2019	6.18%	5.73%	13.98%	24	6,041	7,861	0.64%	4.31%	4.23%
2018	0.88%	0.40%	-2.20%	25	6,345	8,207	1.75%	4.16%	4.85%
2017**	12.13%	11.56%	7.30%	18	5,643	7,831	0.54%	4.92%	5.93%
2016	17.53%	16.96%	18.33%	21	5,584	7,589	1.40%	4.96%	6.35%
2015	-3.82%	-4.28%	-5.43%	21	5,091	7,401	0.88%	4.04%	5.46%
2014	3.68%	3.12%	2.09%	15	4,091	8,028	1.84%	3.10%	4.51%
2013	10.16%	9.55%	7.23%	15	3,456	7,145	1.01%	4.54%	6.50%
2012	17.61%	16.92%	15.58%	13	2,475	5,032	1.51%	5.27%	7.13%
2011	3.57%	3.04%	4.38%	14	2,459	3,653	1.50%	8.37%	11.15%
2010	19.30%	18.63%	15.19%	10	2,455	3,985	2.86%	14.34%	17.16%
2009	58.52%	57.51%	57.51%	11	2,657	3,414	3.32%	14.19%	17.02%
2008	-29.22%	-29.51%	-26.39%	8	1,231	2,333	1.64%	11.13%	13.50%
2007	3.77%	3.27%	2.19%	7	1,517	2,791	na	3.72%	4.55%
2006	12.15%	11.52%	11.77%	5	1,450	2,835	na	3.85%	3.86%
2005	5.79%	5.32%	2.74%	3	1,425	2,617	na	5.89%	5.47%
2004	13.59%	12.18%	10.87%	2	1,158	2,220	na	7.44%	8.48%
2003	39.51%	34.18%	28.15%	2	914	1,675	na	8.82%	10.63%
2002	10.10%	9.23%	-1.89%	1	468	1,173	na	8.65%	10.30%
2001	7.17%	6.55%	4.48%	1	397	1,166	na	7.40%	7.93%
2000	-7.59%	-8.17%	-5.12%	1	355	1,126	na	na	na
1999	4.68%	4.04%	2.51%	1	363	1,111	na	na	na
1998*	-3.43%	-3.89%	-0.02%	1	347	1,040	na	na	na

*Partial year, inception 3/31/98

DDJ Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. DDJ Capital Management, LLC has been independently verified for the periods March 1, 1996 to December 31, 2019.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The DDJ U.S. Opportunistic High Yield Composite has had a performance examination for the periods January 1, 2005 to December 31, 2019. The verification and performance examination reports are available upon request.

OPPORTUNISTIC HIGH YIELD COMPOSITE DISCLOSURES

DDJ Capital Management, LLC ("the Firm", "DDJ") is an investment adviser, registered with the Securities and Exchange Commission, which specializes in high yield securities and special situations investing.

The DDJ U.S. Opportunistic High Yield Composite ("the Composite") was created in August 2007; valuations and returns are expressed in U.S. dollars. The U.S. Opportunistic High Yield strategy seeks to generate capital appreciation and income by investing in high yield securities or higher rated securities that offer yields similar to those available in the high yield market. The strategy focuses on investments in high yield bonds and has a bias toward lower tier securities. High yield portfolios not denominated in U.S. dollars, where currency hedging is a significant component of the strategy, are excluded from the Composite. Derivatives may be used for hedging purposes only; however, certain credit derivatives may be used in limited circumstances subject to client guidelines. Portfolios within the Composite will be permitted to invest in lower-rated debt securities, equity securities, bank debt, small issues and direct private investments, but allocations to these security types will vary. Portfolios within the Composite will generally invest at least 25% of assets in bank loans and will invest in illiquid securities. In December 2019, the word "generally" was added to the aforementioned description of the threshold for bank loans to clarify that portfolios pursuing the Composite strategy may nonetheless drop below a portfolio weight of 25% in such assets. In January 2021, a lower limit on issuers held by portfolios within the Composite was added.

Gross returns do not reflect the deduction of investment management fees, but are net of trading expenses, deal-related legal expenses and foreign withholding tax. Net returns reflect the application of actual management and, if applicable, performance-based fees to gross returns. Composite dispersion is the equal-weighted standard deviation of annual gross returns of all accounts included in the Composite for the entire year. Composite dispersion is not applicable for composites which contain five accounts or fewer for the entire year. The three-year annualized standard deviation measures the variability of the Composite gross returns and the benchmark returns over the preceding 36-month period. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds as well as policies for valuing portfolio investments, calculating performance, and preparing GIPS Reports are available upon request.

At 12/31/2020, 12% of composite assets were valued using subjective, unobservable inputs.

The custom benchmark, the ICE BofA U.S. Non-Financial High Yield Index, is used for comparative purposes only. Like the investments of the benchmark, the Composite consists primarily of bonds and notes rated BB or lower. However, the benchmark is an unmanaged index and does not include any private (non-144A) obligations, convertible bonds, preferred and common equity, and certain other securities and obligations, and excludes financials. Investments made by DDJ on behalf of the portfolios managed according to the strategy may differ from those of the benchmark and may not have the same investment strategy. Accordingly, investment results for the Composite will differ from those of the benchmark. For periods prior to January 1, 2013, the Composite is measured against the ICE BofA U.S. High Yield Index.

The standard management fee schedule is as follows (per annum):

Separate Account		Commingled Fund	
First \$100 million	55 bps	First \$200 million	55 bps
Next \$100 million	50 bps	Next \$200 million	50 bps
Above \$200 million	45 bps	Above \$400 million	45 bps

From the most recent audited annual report dated 12/31/19, the total expense ratio of DDJ Capital Management Group Trust - High Yield Investment Fund, which is a member of this Composite, was 0.60%

Performance-based fee schedules are available for separate accounts. Management and performance-based fees may vary according to the specific mandate of the account, investment performance, and assets under management.

The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by DDJ. ICE Data and its Third Party Suppliers accept no liability in connection with its use. Please contact DDJ for a full copy of the applicable disclaimer.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is not an indication of future results.

**Following a review of the Composite membership during the fourth quarter of 2017, DDJ removed four portfolios from the Composite, comprising approximately 10% of Composite AUM. Reasons for this removal include changes in client investment guidelines (and associated) constraints) as well as the overall evolution of the DDJ U.S. opportunistic high yield strategy and of the high yield market. Accordingly, DDJ migrated such portfolios, which remain under DDJ's management, to separate composites more appropriate for their respective investment strategies.



INVESTMENT MANAGER

DDJ Capital Management

Stony Brook Office Park

130 Turner Street

Building 3, Suite 600

Waltham, MA 02453

www.ddjcap.com

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 15, 2021
RE: DDJ Capital- Manager Update

Background

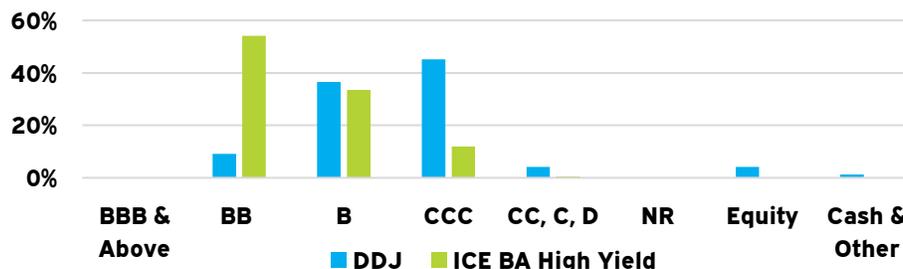
DDJ was placed on “Watch” status in accordance with Investment Performance Criteria in May 2019 due to performance concerns. At that time, DDJ had underperformed the benchmark over the trailing 12-month period. While DDJ struggled in 2019, they were able to recover some of their underperformance in 2020 by successfully navigating the very volatile period. **Meketa therefore recommends removing the “watch” status from DDJ.**

DDJ Update

DDJ was founded in 1996 and is based in Waltham, MA. Co-founder Dave Breazzano remains active in the organization serving as CIO. DDJ manages more than \$7 billion in credit-oriented strategies with the flagship Opportunistic High Yield strategy accounting for more than \$5 billion in assets. The firm had a portfolio manager departure in 2016 but has remained fairly stable at the senior levels since. The Opportunistic High Yield strategy is overseen by Mr. Breazzano as well as Co-Portfolio Managers John Sherman and Ben Santonelli.

The Opportunistic High Yield strategy seeks to outperform the high yield index over a market cycle by building a portfolio that out-yields the index, and minimizing permanent credit losses. DDJ believes that the most inefficient market segments in high yield are the smaller issue and lower credit quality segments. As a result of this view, these market segments are heavily emphasized in DDJ’s portfolios. To partially offset the lower ratings exposure, DDJ will often move up the capital structure from high yield bonds to bank loans in an effort to reduce credit risk and volatility. The result is a very flexible, opportunistic strategy that tends to look very different from the high yield index.

Credit Quality Allocation¹



While DDJ has successfully implemented this investment strategy over various time periods, they experienced significant underperformance in 2019.

¹ Data as of February, 2021

Performance Update & Commentary

DDJ was placed on “watch” status due to poor performance in 2019. During that year the strategy faced significant headwinds due to its structural biases, and these exacerbated some position-specific performance issues. DDJ maintained their investment approach throughout 2020 and investors were rewarded as they were able to take advantage of a very dynamic shift between credit environments and the resulting credit-specific volatility.

The portfolio began 2020 by performing well in January and February, but then lagged the index in March during the worst of the pandemic-related market selloff and also in April in the initial swift snap back. After that, the portfolio outperformed in nearly all other months for the remainder of the year. While DDJ had some specific credit issues in 2020, which will be expected in their portfolio when defaults increase, the vast majority of positions were able to outperform due to strong credit performance.

	YTD	2020	3-year	5-year	Since Inception (Feb-2015)
DDJ Opportunistic High Yield	2.5%	7.9	5.1%	9.5%	7.3%
ICE BofA High Yield TR	0.7%	6.2	6.3%	8.8%	6.4%

Overall in 2020 DDJ outperformed their benchmark by 170 basis points and ranked in the 26th percentile of the eVestment Alliance high yield manager universe. The strategy has continued to outperform so far in 2021 adding approximately another 140 basis points of excess returns year-to-date through February. While the 3-year performance number is heavily weighed down by 2019, longer-term performance shows DDJ’s success versus the index.

Summary & Recommendation

Since OPFRS’ decision in early 2020 to retain the investment in the DDJ Opportunistic High Yield strategy despite underperformance in 2019, the strategy has produced very strong results compared to the benchmark and peers. The main drivers of 2019 underperformance proved to be short-lived as the portfolio bounced back well in 2020, while also navigating a very volatile market environment. While we expect DDJ may continue to face shorter-term periods of underperformance due to their unique strategy that combines 1) a lower credit quality focus, 2) overweight to smaller issuers, 3) a high bank loan allocation and 4) more portfolio concentration, we believe the firm will continue to execute this strategy and has a high likelihood of outperformance over longer time periods. As such we recommend the strategy is removed from “watch” status.

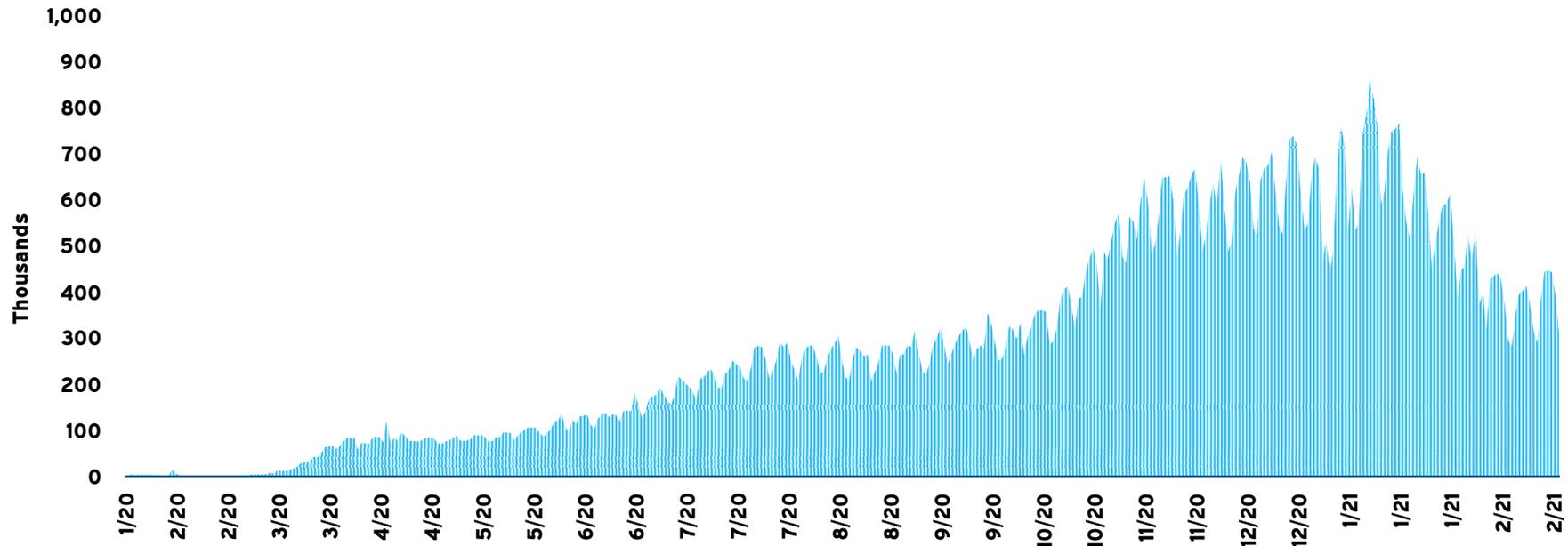
If you have any further questions please feel free to call us at (503)226-1050

DS/PN/SK/pq

Economic and Market Update

Data as of February 28, 2021

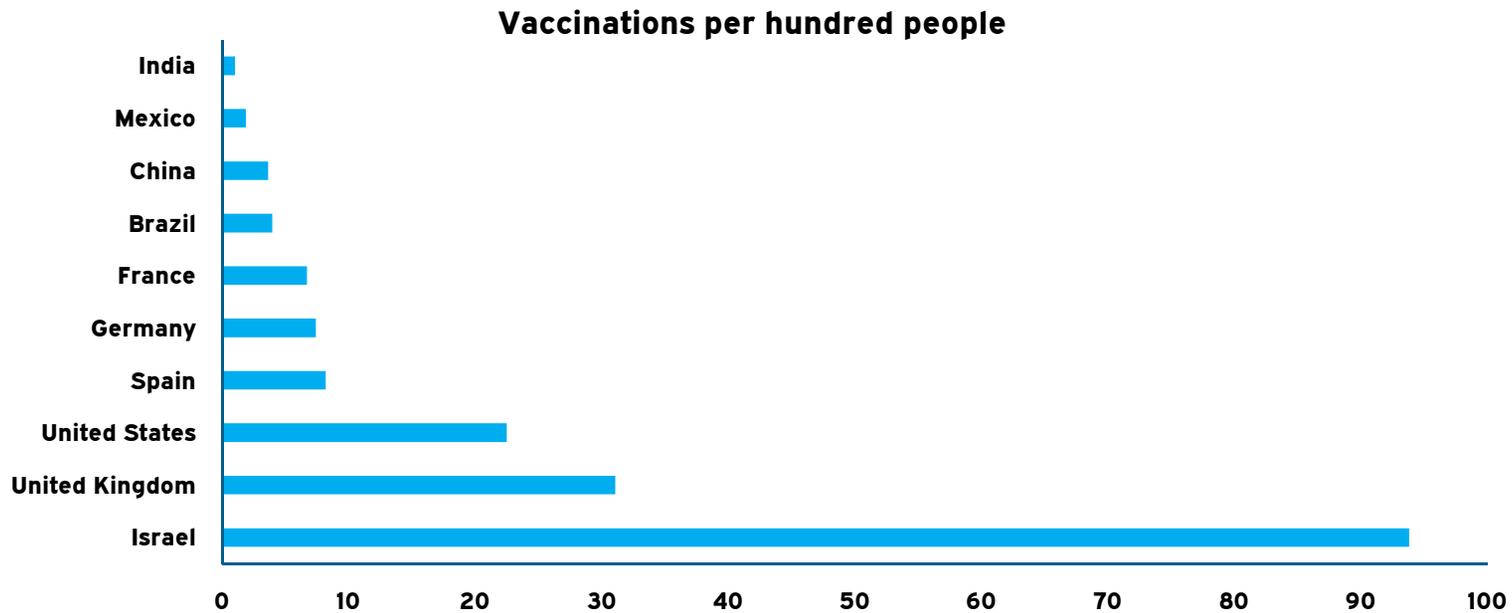
Global Daily Cases¹



- After peaking in early January at ~858,000, the number of global daily cases steadily declined to ~303,000 at the end of February.
- Looking ahead, the rollout of multiple vaccines continues to gather momentum, with over 350 million doses administered and over 160 million people having received at least one dose as of mid-March.
- In the US, the Biden administration recently set a goal of the vaccine being available to the general population by May 1.

¹ Source: Our World in Data. Data is as of February 28, 2021.

Vaccinations by Country¹



- Vaccine distribution has ramped up in many countries, including the Pfizer-BioNTech, Moderna, and Johnson & Johnson vaccines in the US. Outside the US, vaccines have also been developed by China, Russia, India, and the UK.
- Some countries have done better with the vaccine rollout, with Israel being at the forefront. The United Kingdom and the United States' vaccination rates have exceeded many other countries with early immunization efforts focused on the most vulnerable populations.

¹ Source: Our World in Data. Data is as of February 28, 2021.

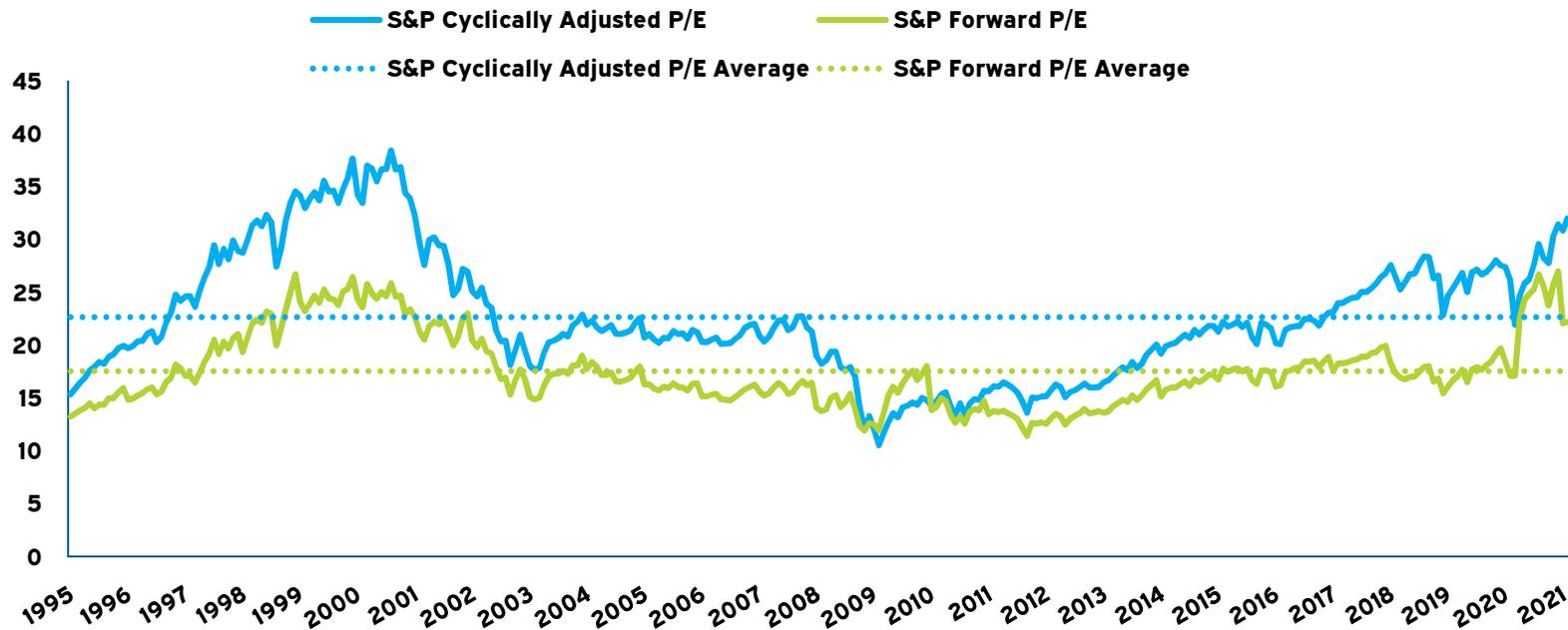
Market Returns¹

Indices	February	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	2.8%	2.2%	24.5%	13.2%	16.6%	13.5%
MSCI EAFE	2.2%	4.2%	16.2%	4.2%	9.7%	5.2%
MSCI Emerging Markets	0.8%	7.3%	31.1%	5.6%	15.2%	4.5%
MSCI China	-1.0%	9.7%	40.1%	8.2%	20.0%	8.7%
Bloomberg Barclays Aggregate	-1.4%	-3.0%	2.1%	5.3%	3.6%	3.6%
Bloomberg Barclays TIPS	-1.6%	-2.5%	6.5%	6.1%	4.3%	3.6%
Bloomberg Barclays High Yield	0.4%	0.8%	7.8%	6.6%	9.1%	6.5%
10-year US Treasury	-2.6%	-4.1%	-1.3%	6.3%	2.3%	4.1%
30-year US Treasury	-6.2%	-10.3%	-9.0%	9.1%	4.1%	7.2%

- Global risk assets recovered meaningfully from their declines earlier in 2020, largely driven by record fiscal and monetary policy stimulus and greater clarity related to the containment of the virus.
- In February, markets rose, particularly developed markets, as the vaccine roll-out supported expectations of a global economic recovery.
- Inflation expectations rose given the stimulus plan passed by Congress and reopening optimism. This caused the yield curve to steepen, resulting in negative monthly returns for high quality bond indices.

¹ Source: Investment Metrics and Bloomberg. Data is as of February 28, 2021.

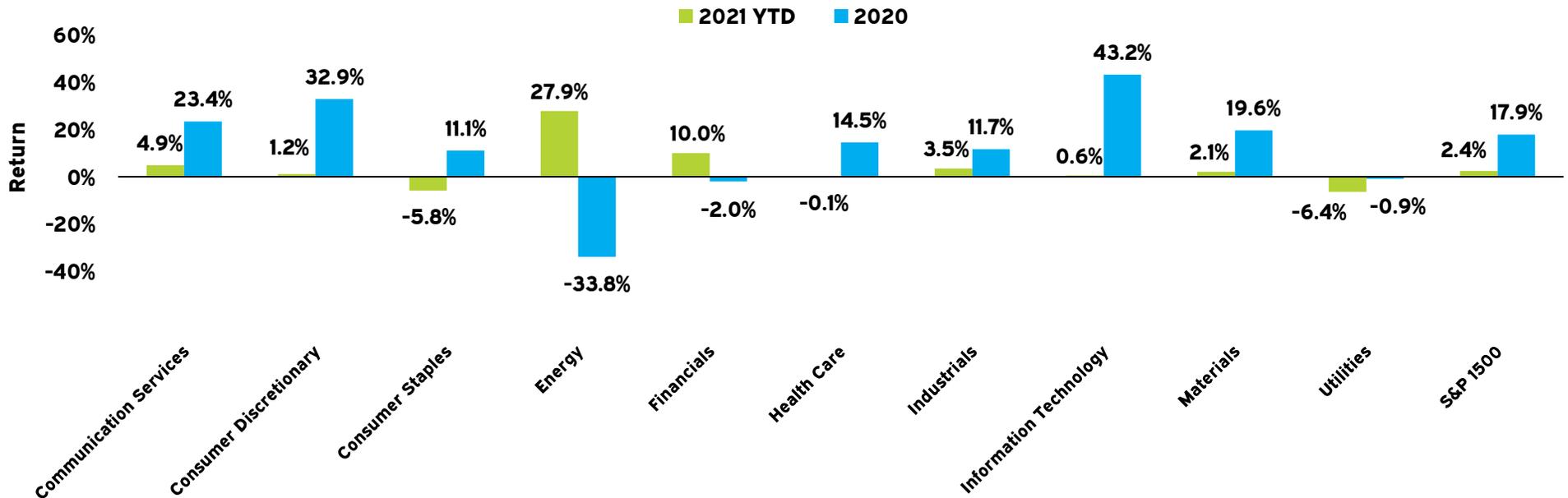
S&P Equity Valuations¹



- With positive developments regarding COVID-19 vaccines, valuations based on backward-looking earnings rose to levels not seen since 2001.
- By contrast, valuations based on forward-looking earnings recently declined given continued improvements in earnings expectations. Despite the decline in forward P/E ratios, they remain well above long-term averages.

¹ Source: Bloomberg. Data is as of February 28, 2021.

Sector Returns¹

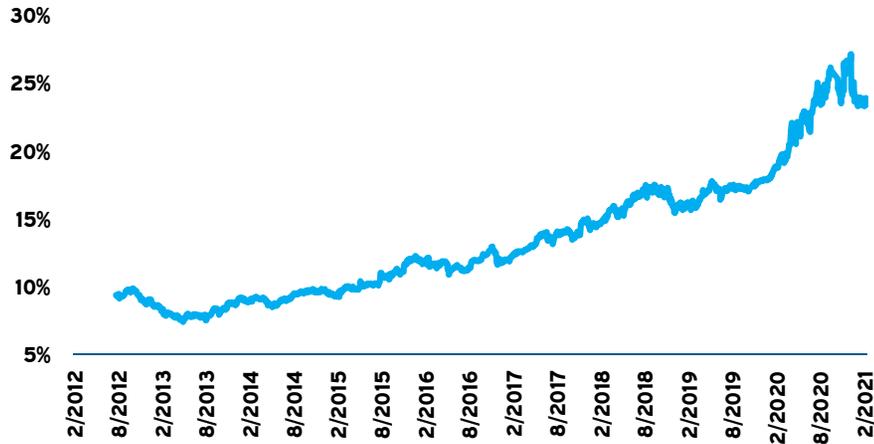


- Value-oriented sectors like energy and financials have led the way in 2021 as investors rotate out of the stay-at-home focused companies in technology, which were the best performers in 2020.
- The recent rotation into value has largely been driven by expectations for the economy to reopen and higher interest rates. Growth stocks typically are expected to produce more of their cash flows further into the future and increased rates lead to a larger discount, reducing their present value.
- Energy has been a particular standout this year, supported by record low active rig counts, Saudi Arabia's reductions in output, and expectations of rising demand later in 2021.

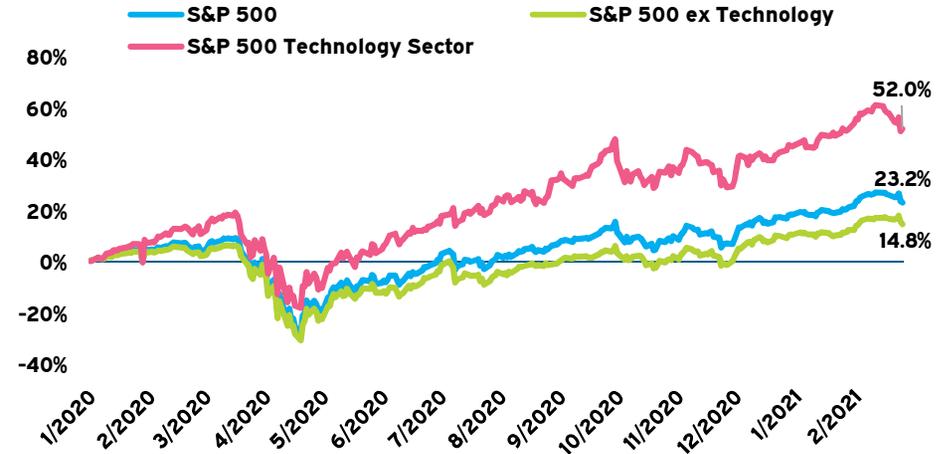
¹ Source: Bloomberg. Data is as of February 28, 2021.

Technology led the way for most of 2020, but has recently lagged

FAANG+M Share of S&P 500¹



Returns from Start of 2020 through February 28 2021²

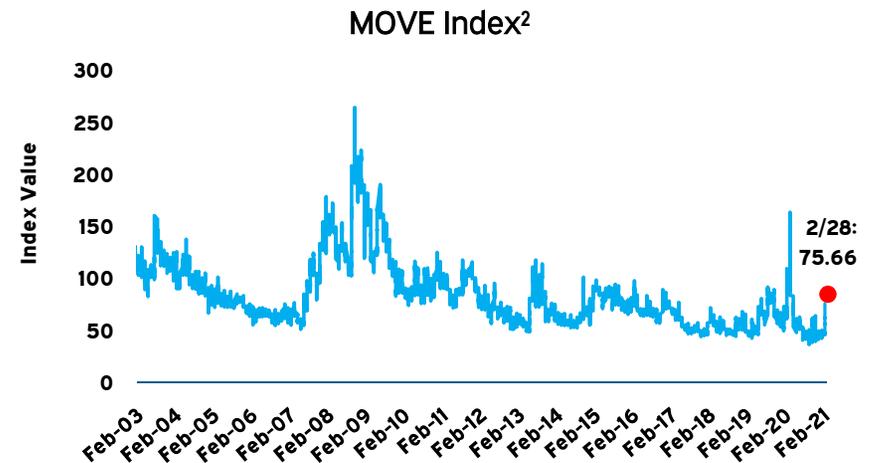
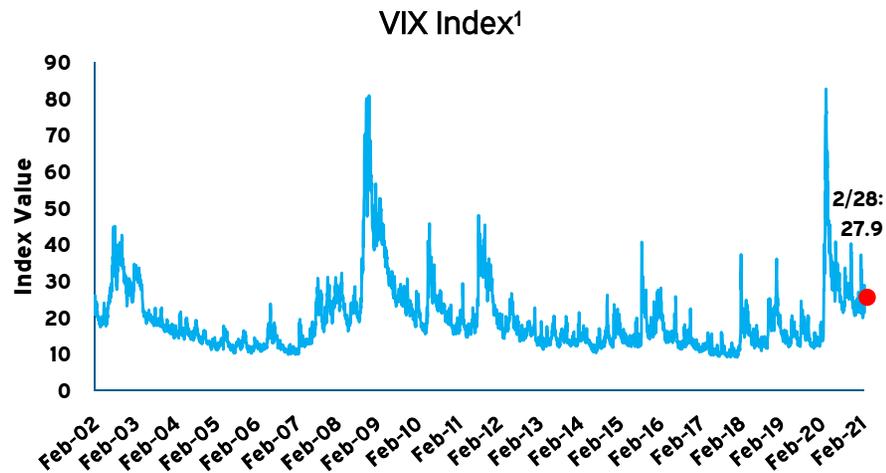


- During much of 2020 markets were driven by a few technology companies that benefited from the stay-at-home environment related to the virus.
- The outsized relative returns of these companies last year caused them to comprise an increasingly large portion (23%) of the S&P 500, making their performance going forward impactful to overall market results.

¹ FAANG+M = Facebook, Amazon, Apple, Netflix, Google (Alphabet), and Microsoft. The percentage represents the aggregate market capitalization of the 6 companies compared to the total market capitalization of the S&P 500 as of February 28, 2021.

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

Volatility



- Rotation to cyclical sectors and rising costs of capital have contributed to above average levels of volatility as measured by the VIX.
- Expectations of volatility within fixed income, as represented by the MOVE index, increased again in February as inflation and growth expectations rose, the yield curve steepened, and bond prices fell. Uncertainty regarding the future path of interest rates could keep fixed income volatility elevated.

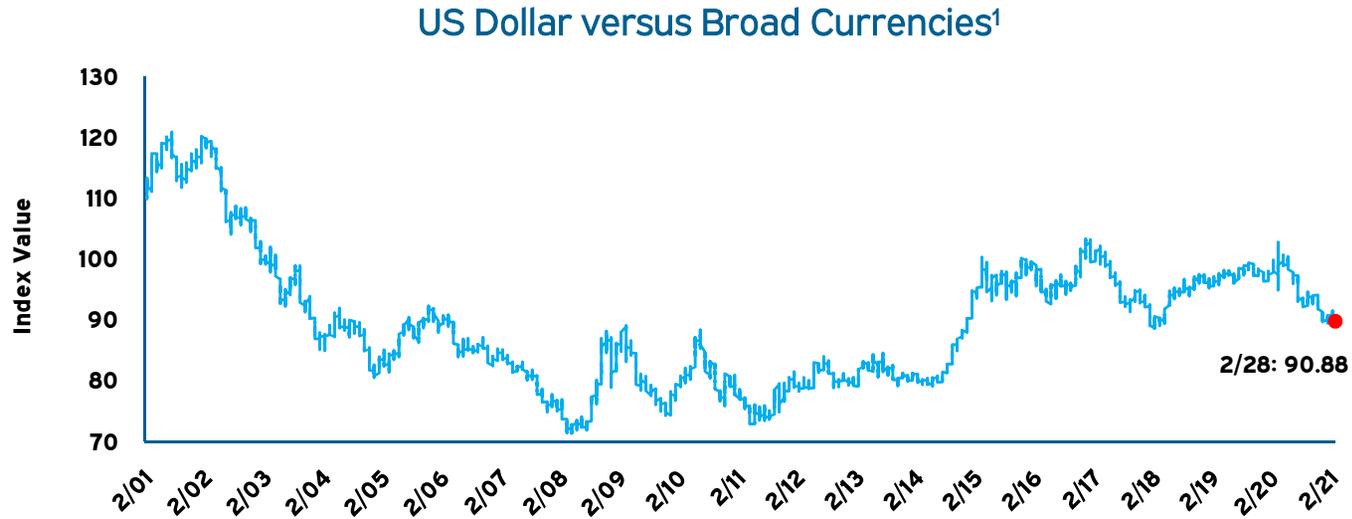
¹ Source: Chicago Board of Exchange. Data is as of February 28, 2021.

² Source: Bloomberg. Data is as of February 28, 2021.

Key Elements of the Latest Round of US Fiscal Stimulus

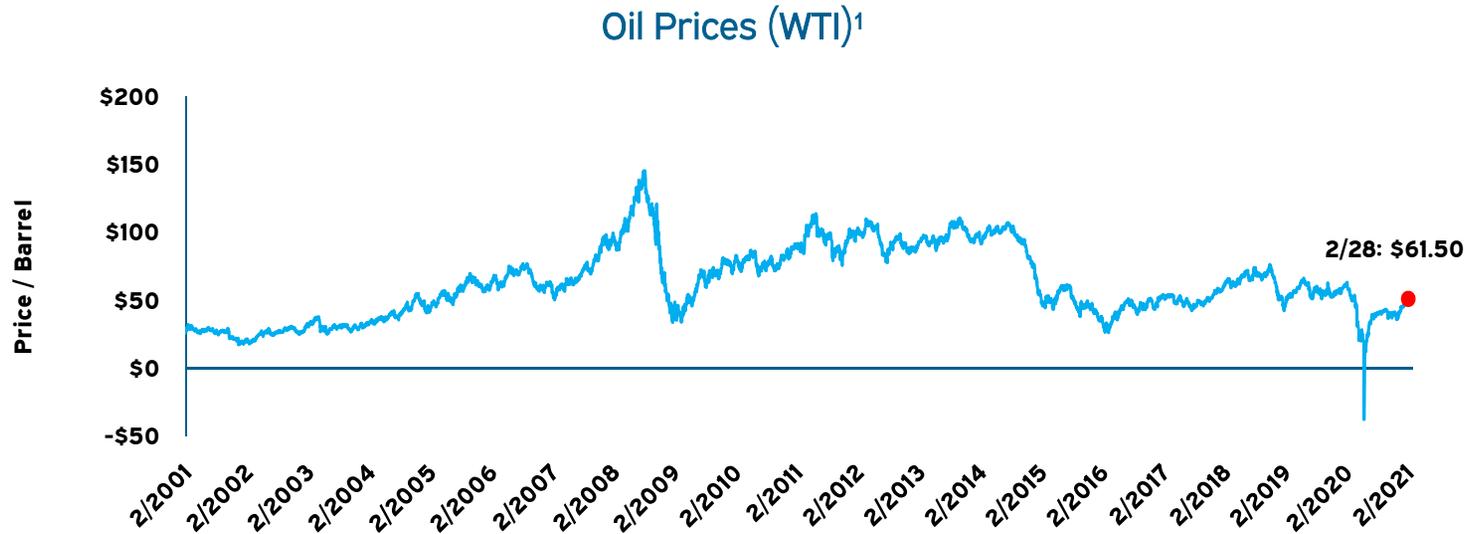
Joint Proposal	
Status	Signed by President Biden on March 11, 2021
Direct Payments	Up to \$1,400 per eligible recipient
Enhanced Unemployment	\$300 per week through September
State & Local Aid	\$360 billion
Vaccines, testing and tracing	\$123 billion
School aid/Education Grants	\$176 billion
Health Insurance Support	\$105 billion
Transportation	\$56 billion
Food / Agriculture aid	\$16 billion
Rental Assistance	\$1 billion
Small Business Assistance	\$59 billion
Total	\$1.9 trillion

- A fiscal stimulus totaling ~\$900 billion, representing the second largest package in history at that time, was finalized in late December 2021.
- President Biden signed an additional \$1.9 trillion stimulus package in March that includes another round of direct payments to individuals, \$300 extra per week in unemployment benefits, and aid to state and local governments.
- Concerns have increased significantly that the historic infusion into the economy could lead to inflation and put pressure on borrowing costs.



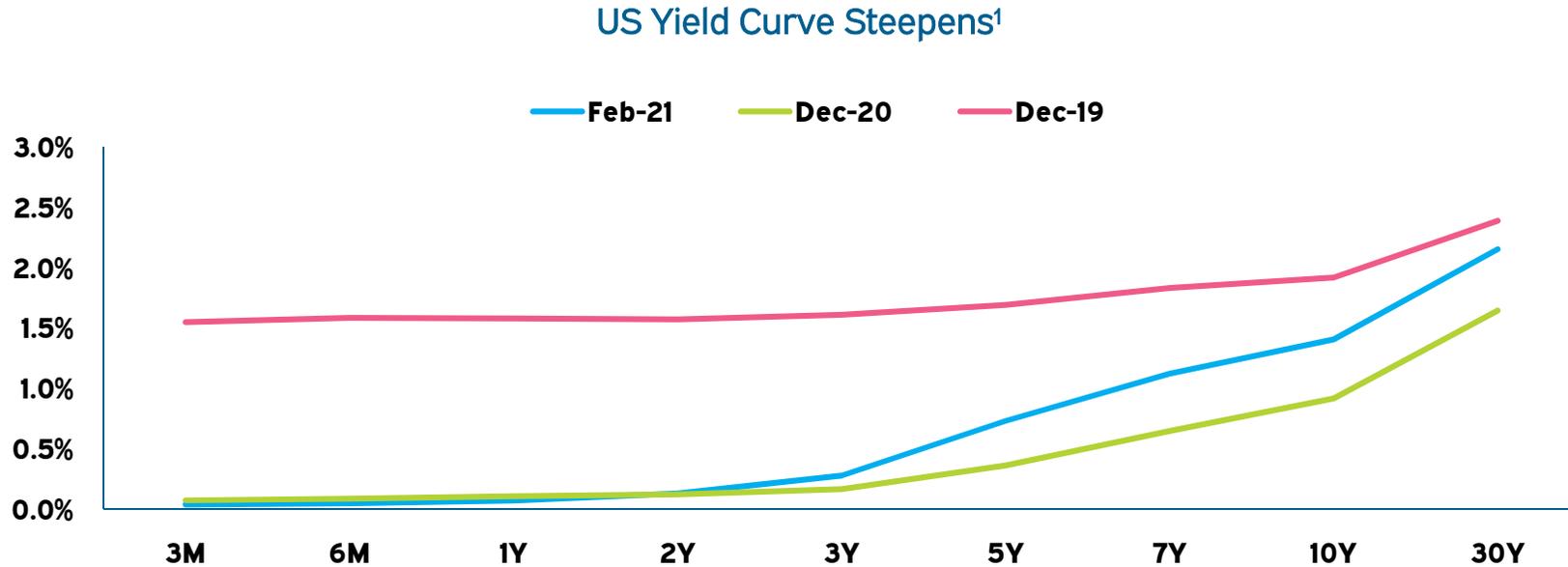
- As the crisis grew into a pandemic in 2020, investors' preferences shifted to holding US dollars and highly liquid, short-term securities like US Treasury bills.
- However, the dollar weakened over the last few quarters as the US struggled with containing the virus and investors sought higher growth non-US assets, particularly in emerging markets. This created pressures on already stressed export-focused countries, particularly in Europe, as their goods become relatively more expensive for US consumers.
- Recently, as global investors reevaluate prospects for a US economic recovery given the vaccine roll-out and higher interest rates, the US dollar has stabilized.
- Going forward, the dollar's safe-haven quality and the higher interest rates in the US could provide support.

¹ Source: Bloomberg. Represents the DXY Index. Data is as of February 28, 2021.



- Global oil prices rallied from April 2020 lows, recovering to pre-crisis levels.
- In 2020 the collapse in global oil demand led to the shuttering of active drilling in North America and international markets and production capacity has been slow to come back on line.
- In a surprise decision, OPEC+ recently announced they would not be increasing production despite signs that the global economy could absorb the additional supply.
- Low production capacity and tight supply may help balance oil markets and drawdown reserves offering support for oil prices as global demand recovers.
- Once reserves are used, and if production remains tight, oil prices could continue to rise, contributing to inflationary pressures and weighing on the global economic recovery.

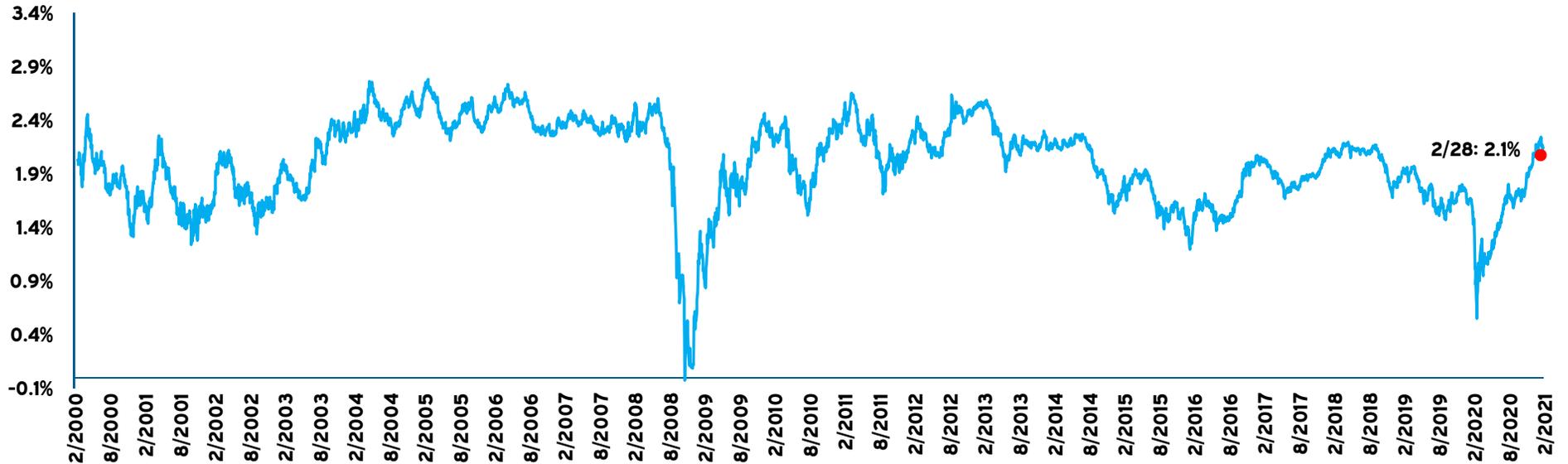
¹ Source: Bloomberg. Represents WTI first available futures contract. Data is as of February 28, 2021.



- The US Treasury yield curve declined materially during 2020, driven by safe-haven demand, Federal Reserve policies (policy rate cuts and the quantitative easing program), and weak US economic fundamentals.
- So far this year, the curve has steepened, given inflation fears related to gradual signs of economic improvement, vaccine developments, and expectations for longer-dated Treasury issuance to support additional fiscal stimulus in the coming months.
- Higher yields relative to other countries and the Fed potentially extending the duration of their purchases could counterbalance steepening trends, but the risk remains that the yield curve could continue to steepen if growth and inflationary pressures build.

¹ Source: Bloomberg. Data is as of February 28, 2021.

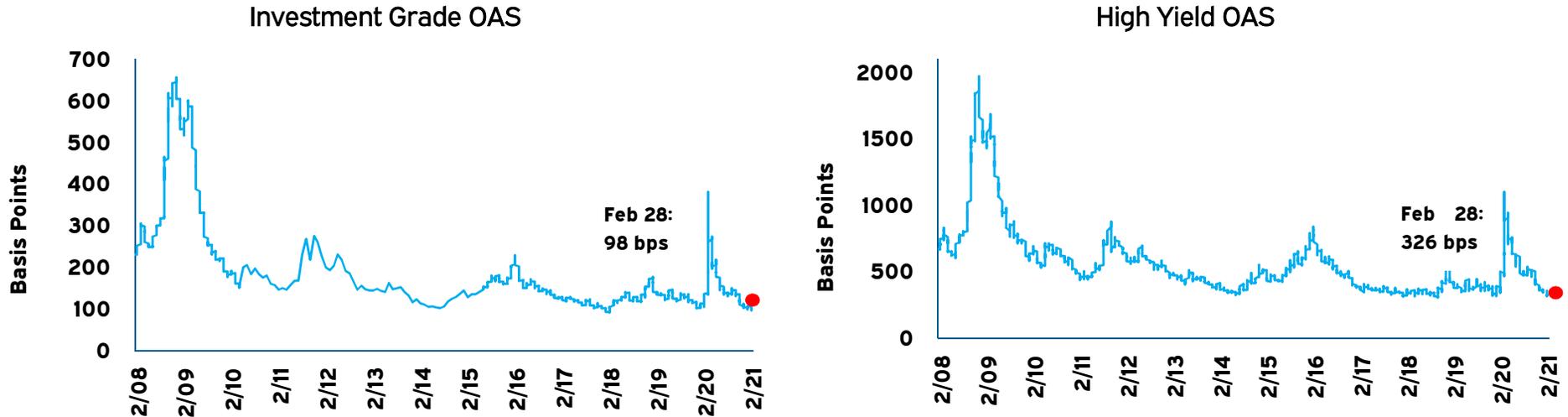
10-Year Breakeven Inflation¹



- Inflation breakeven rates declined sharply in early 2020, due to a combination of lower growth and inflation expectations, as well as liquidity dynamics in TIPS during the height of market volatility. Liquidity eventually improved and breakeven rates increased as deflationary concerns moderated.
- Recently, inflation expectations continued to rise to slightly above long-term averages as the increase in nominal rates outpaced the increase in real rates. The vaccine roll-out and expected additional fiscal stimulus were key drivers.
- Looking forward, the track of economic growth and the inflationary effects of the unprecedented US fiscal response will be key issues. Additionally, changes to Fed policy allowing for greater future inflation will also likely impact inflation market dynamics.

¹ Source: Bloomberg. Data is as of February 28, 2021.

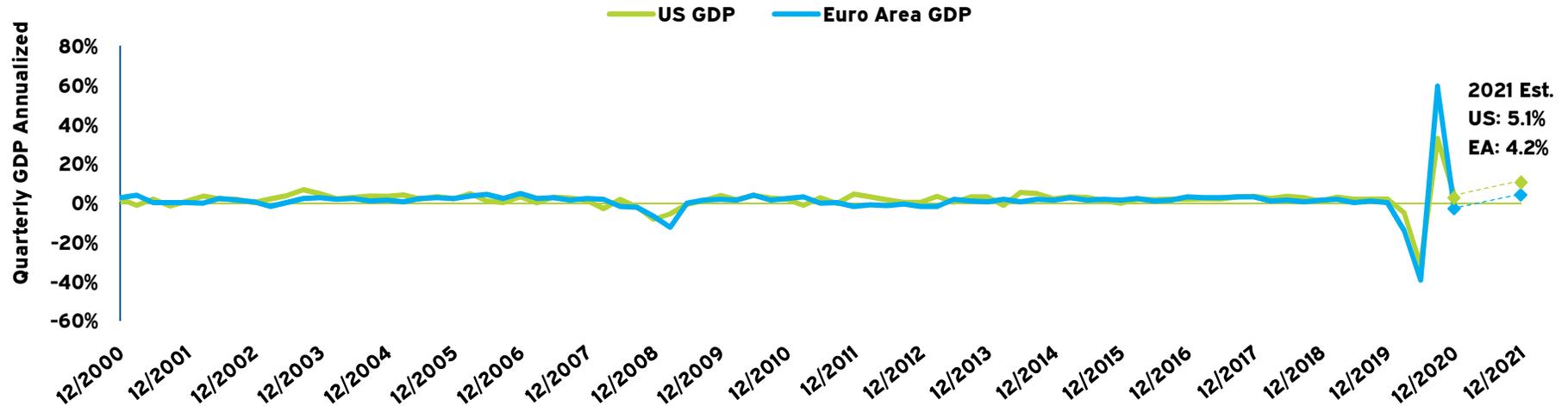
Credit Spreads (High Yield & Investment Grade)¹



- Credit spreads (the spread above a comparable Treasury) for investment grade and high yield corporate debt widened sharply at the start of the pandemic as investors sought safety.
- Policy support, the search for yield in the low rate environment, and recent increases in Treasury rates have led to a decline in credit spreads to below long-term averages, particularly for high yield.
- Overall, corporate debt issuance across both investment grade and high yield sectors broke records in 2020.

¹ Source: Bloomberg. High Yield represents US Corporate High Yield average OAS. Investment grade represents liquid investment grade corporate average OAS. Data is as of February 28, 2021.

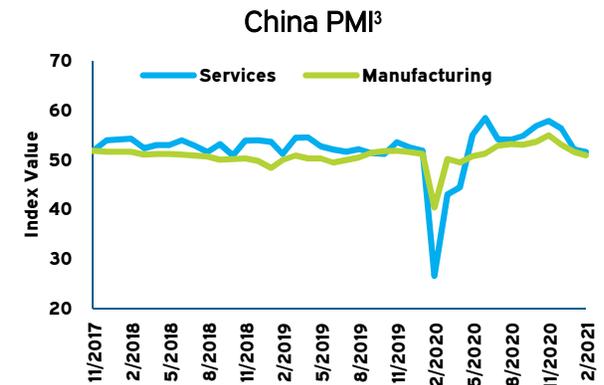
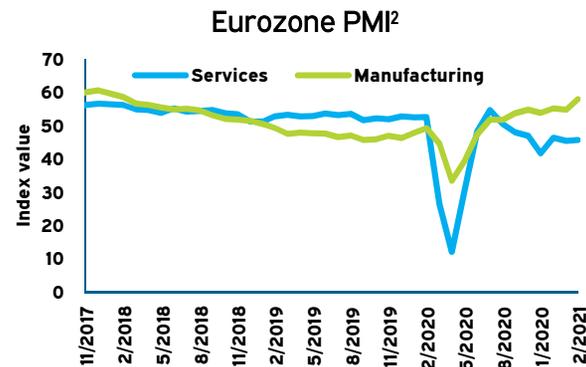
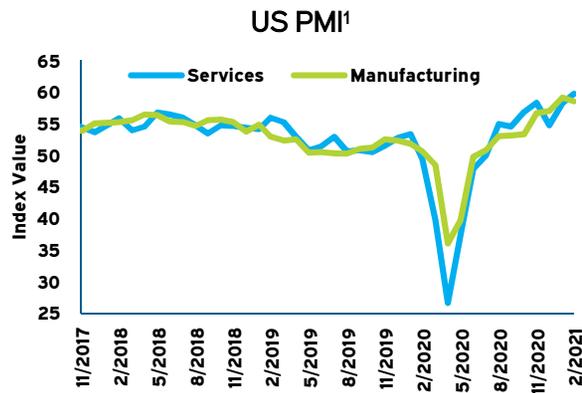
GDP Data Shows Projected Improvements in 2021¹



- The global economy faced major recessionary pressures last year, but optimism remains for improvements in 2021, as economies are expected to gradually reopen.
- Historic declines in US and European growth during the second quarter were followed by record increases in the third quarter, due to pent-up demand from the lockdown measures earlier in the year.
- Fourth quarter US GDP growth was 4.1% (QoQ annualized). Full year US GDP growth declined 2.4%, better than the IMF's forecasted decline of 3.4%.
- In the euro area, increased virus cases and a return to restrictions weighed on fourth quarter growth (-2.8% QoQ annualized). For the year, the euro area economy declined by 4.9%, worse than the US, but also ahead of forecasts of a 7.2% decline.

¹ Source: Bloomberg, and IMF. Q4 2020 data represents the second estimate of GDP for the Euro Area and United States. Euro Area figures annualized by Meketa. Projections via January 2021 IMF World Economic Outlook and represent annual numbers.

Global PMIs



- Purchasing Managers Indices (PMI), based on surveys of private sector companies, initially collapsed across the world to record lows, as closed economies depressed output, new orders, production, and employment.
- Readings below 50 represent contractions across underlying components and are a leading indicator of economic activity, including the future paths of GDP, employment, and industrial production.
- The services sector was hit particularly hard by stay-at-home restrictions.
- After a period of underperformance, US services and manufacturing are accelerating. In Europe, manufacturing continues to improve, with services lagging given on-going restrictions. After a blockbuster return to full economic activity in the second half of 2020 the Chinese economy has stabilized in positive territory.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI. Data is as of February 2021.

² Source: Bloomberg. Eurozone Markit Services and Manufacturing PMI. Data is as of February 2021.

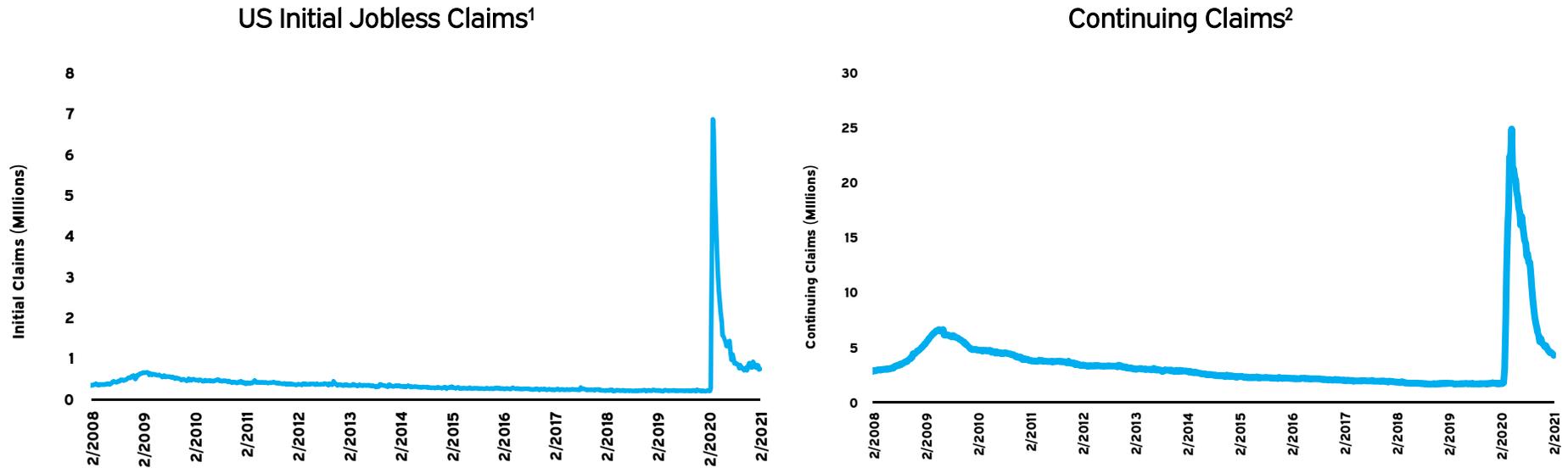
³ Source: Bloomberg. Caixin Services and Manufacturing PMI. Data is as of February 2021.



- In February, the unemployment rate continued its decline from the April 14.7% peak, falling to 6.2%.
- Despite the improvement, unemployment levels remain well above pre-virus readings and are likely higher than reported, as the total labor force participation rate remains below pre-COVID levels.
- A counterforce to the recent inflation concerns remains the slack in the labor market and corresponding weak wage pressures.

¹ Source: Bloomberg. Data is as of February 28, 2021. Bars represent recessions.

US Jobless Claims

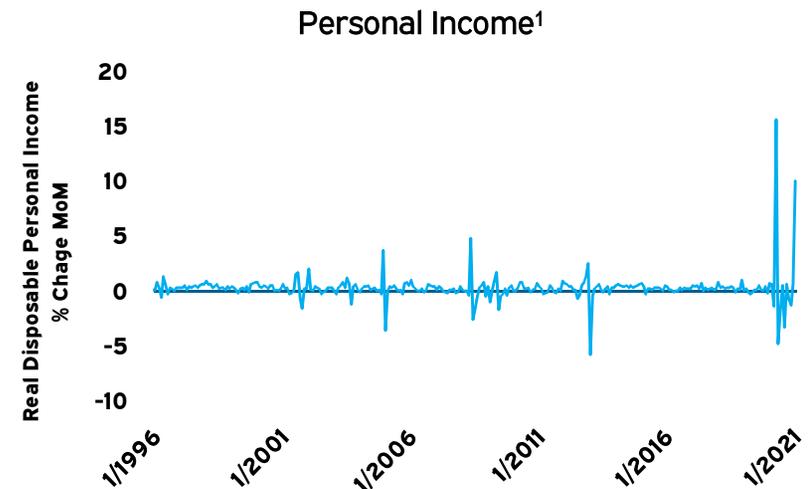
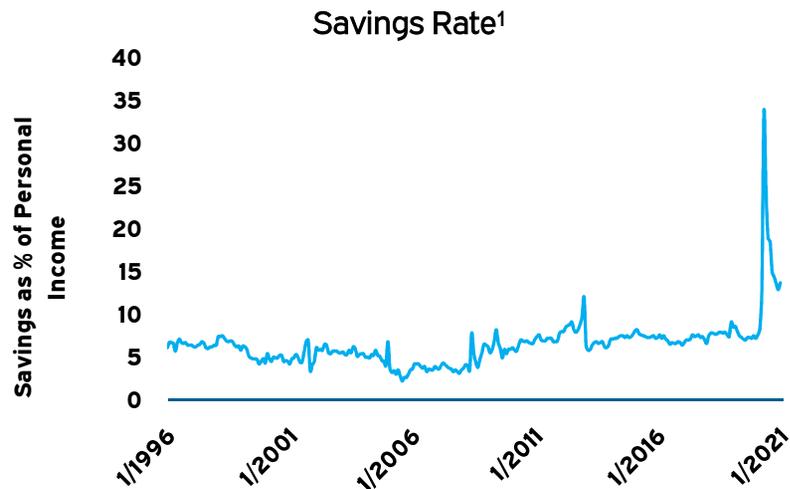


- Since the start of the crisis, ~80 million people filed for initial unemployment. This level is approaching four times the 22 million jobs added since the GFC, highlighting the unprecedented impact of the virus.
- Despite the stabilization in initial jobless claims to below one million per week, levels remain higher than the worst reading during the Global Financial Crisis.
- Continuing jobless claims (i.e., those currently receiving benefits) have also declined from record levels, but remain elevated at 4.3 million.

¹ Source: Bloomberg. First reading of seasonally adjusted initial jobless claims. Data is as of February 28, 2021.

² Source: Bloomberg. US Continuing Jobless Claims SA. Data is as of February 28, 2021.

Savings and Spending

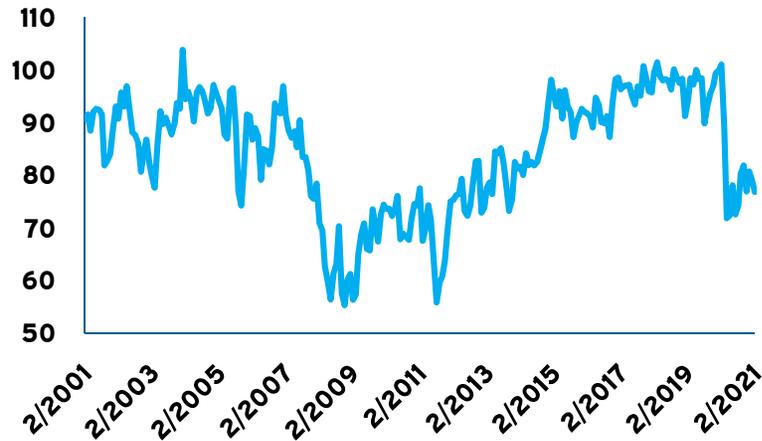


- Fiscal programs including stimulus checks, enhanced unemployment benefits, and loans to small businesses through the Paycheck Protection Program (PPP) have largely supported income levels through the shutdown.
- Despite the income support, the savings rate increased due to the decline in consumer spending, driven by the initial lock-down of the economy, and by uncertainties related to the future of the job market and stimulus programs.
- More recently, the savings rate declined from its peak as spending increased with the economy slowly reopening. Going forward, questions remain about how consumers will make use of the recently approved stimulus programs with concerns over the potential inflationary impacts.

¹ Source: Bloomberg. Latest data is as of January 2021.

Sentiment Indicators

University of Michigan Consumer Sentiment¹



Small Business Confidence²



- The attitudes of businesses and consumers are useful indicators of future economic activity.
- Consumer spending comprises close to 70% of US GDP, making the attitudes of consumers an important driver of economic growth. Additionally, small businesses generate around half of US GDP, making sentiment in that segment important.
- Sentiment indicators showed improvements as the economy re-opened, particularly for small businesses. Increasing cases, including from new variants, and a slow vaccine rollout have recently weighed on short-term sentiment. This trend could change though based on improvements in vaccine distribution and the recent fiscal stimulus.

¹ Source: Bloomberg. University of Michigan Consumer Sentiment Index. Data is as of February 28, 2021.

² Source: Bloomberg. NFIB Small Business Optimism Index. Latest data is as of February 28, 2021.

Disclaimers

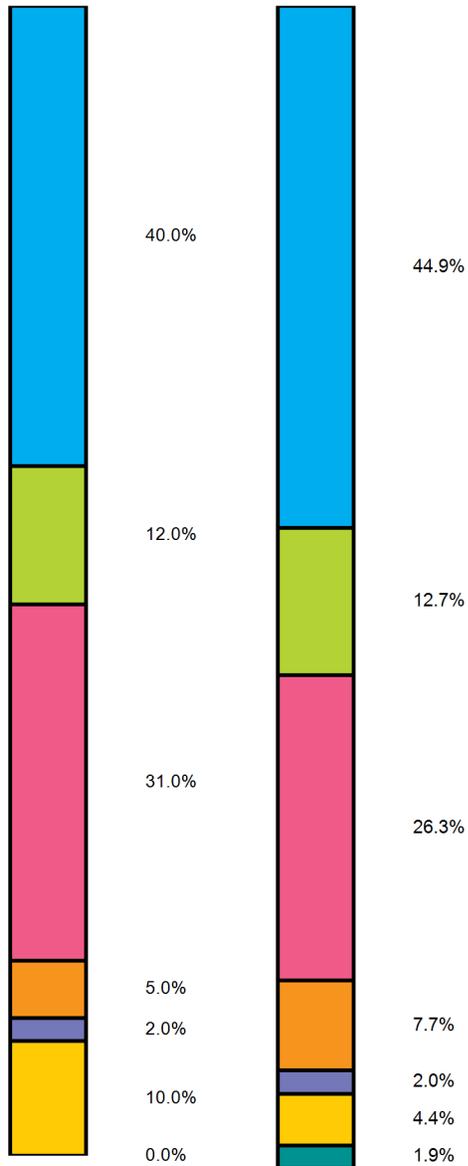
These materials are intended solely for the recipient and may contain information that is not suitable for all investors. This presentation is provided by Meketa Investment Group (“Meketa”) for informational purposes only and no statement is to be construed as a solicitation or offer to buy or sell a security, or the rendering of personalized investment advice. There is no agreement or understanding that Meketa will provide individual advice to any advisory client in receipt of this document. There can be no assurance the views and opinions expressed herein will come to pass. Any data and/or graphics presented herein is obtained from what are considered reliable sources; however, its delivery does not warrant that the information contained is correct. Any reference to a market index is included for illustrative purposes only, as an index is not a security in which an investment can be made and are provided for informational purposes only. For additional information about Meketa, please consult the Firm’s Form ADV disclosure documents, the most recent versions of which are available on the SEC’s Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov) and may otherwise be made available upon written request.

Oakland Police and Fire Retirement System

March 31, 2021

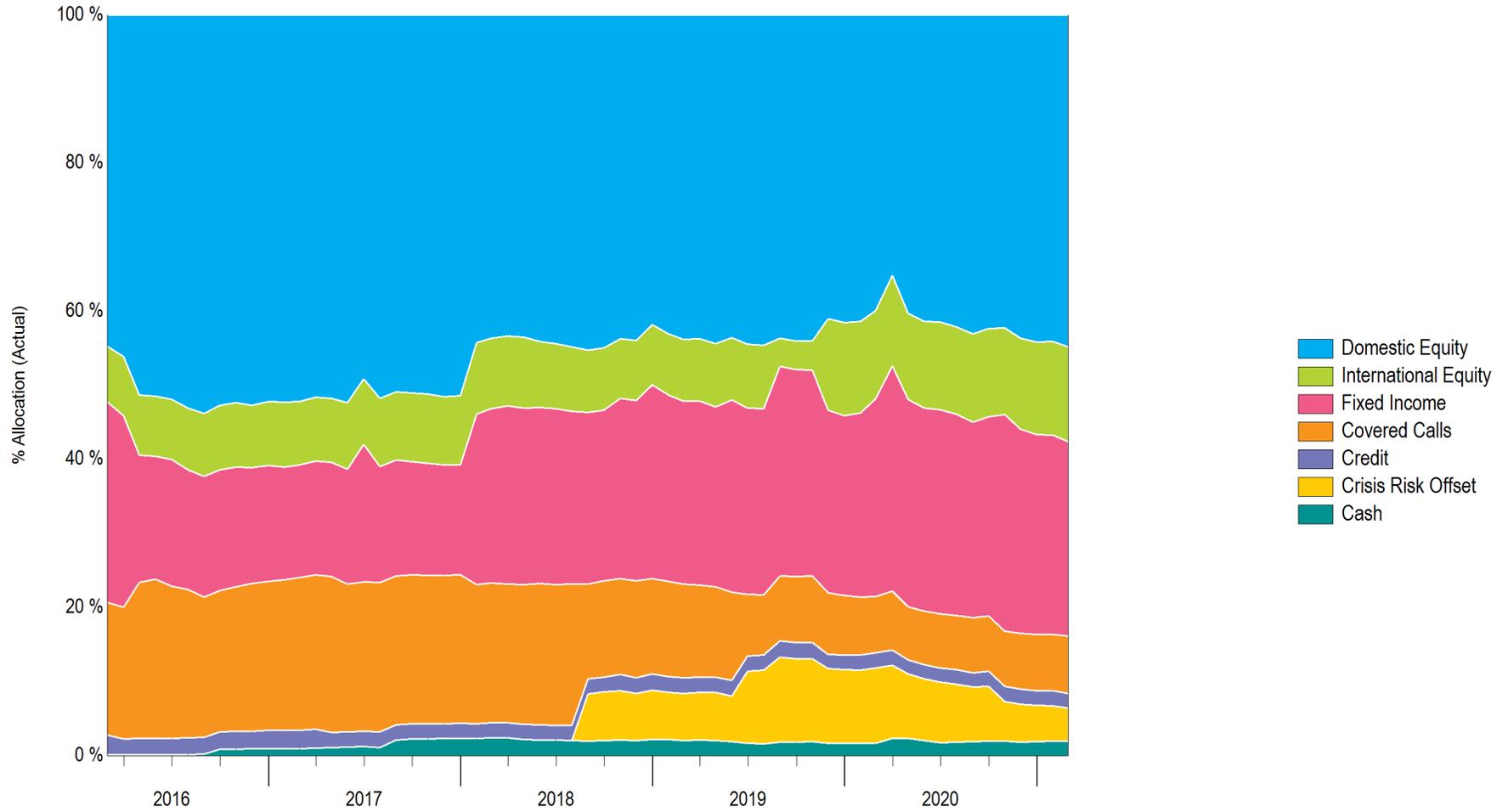
February Flash Report

OPFRS Total Plan As of February 28, 2021



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Within IPS Range?	
Domestic Equity	\$195,805,100	44.9%	40.0%	4.9%	Yes	
International Equity	\$55,547,147	12.7%	12.0%	0.7%	Yes	
Fixed Income	\$114,761,842	26.3%	31.0%	-4.7%	Yes	
Covered Calls	\$33,664,839	7.7%	5.0%	2.7%	Yes	
Credit	\$8,821,149	2.0%	2.0%	0.0%	Yes	
Crisis Risk Offset	\$19,396,506	4.4%	10.0%	-5.6%	No	
Cash	\$8,469,406	1.9%	0.0%	1.9%	Yes	
Total	\$436,465,988	100.0%	100.0%			

Asset Allocation History
5 Years Ending February 28, 2021



Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	436,465,988	100.0	1.4	1.0	16.0	16.1	8.3	11.4	8.1	7.0	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>0.9</i>	<i>0.5</i>	<i>14.5</i>	<i>17.0</i>	<i>8.4</i>	<i>11.0</i>	<i>7.8</i>	<i>8.3</i>	<i>Dec-88</i>
Domestic Equity	195,805,100	44.9	3.5	3.2	28.7	33.2	13.6	17.0	13.1	9.3	Jun-97
<i>Russell 3000 (Blend)</i>			<i>3.1</i>	<i>2.7</i>	<i>28.6</i>	<i>35.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.4</i>	<i>9.4</i>	<i>Jun-97</i>
International Equity	55,547,147	12.7	2.0	2.1	23.1	20.8	5.2	11.8	5.7	5.7	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>6.0</i>	<i>Jan-98</i>
Fixed Income	114,761,842	26.3	-1.3	-1.8	1.4	2.1	5.6	4.7	4.2	5.5	Dec-93
<i>Blmbg BC Universal (Blend)</i>			<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.3</i>	<i>Dec-93</i>
Credit	8,821,149	2.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>BBgBarc US High Yield TR</i>			<i>0.4</i>	<i>0.7</i>	<i>12.1</i>	<i>9.4</i>	<i>6.6</i>	<i>9.0</i>	<i>6.5</i>	<i>6.2</i>	<i>Feb-15</i>
Covered Calls	33,664,839	7.7	2.6	2.1	20.6	23.9	10.2	11.9	--	9.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>			<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Crisis Risk Offset	19,396,506	4.4	-5.7	-9.0	-12.1	-27.6	-9.8	--	--	-11.3	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>			<i>-0.8</i>	<i>0.1</i>	<i>-2.5</i>	<i>-11.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.3</i>	<i>Aug-18</i>
Cash	8,469,406	1.9	0.0	0.0	0.1	0.8	1.8	1.4	0.7	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>

Cash balances held in ETF accounts at the Custodian are reflected in the Cash account market value.

OPFRS Total Plan As of February 28, 2021

Trailing Net Performance												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	436,465,988	100.0	--	1.4	1.0	16.0	16.1	8.3	11.4	8.1	7.0	Dec-88
<i>OPFRS Policy Benchmark</i>				<i>0.9</i>	<i>0.5</i>	<i>14.5</i>	<i>17.0</i>	<i>8.4</i>	<i>11.0</i>	<i>7.8</i>	<i>8.3</i>	<i>Dec-88</i>
Domestic Equity	195,805,100	44.9	44.9	3.5	3.2	28.7	33.2	13.6	17.0	13.1	9.3	Jun-97
<i>Russell 3000 (Blend)</i>				<i>3.1</i>	<i>2.7</i>	<i>28.6</i>	<i>35.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.4</i>	<i>9.4</i>	<i>Jun-97</i>
Northern Trust Russell 1000	107,960,039	24.7	55.1	2.9	2.1	27.0	34.2	15.0	17.3	13.5	14.9	Jun-10
<i>Russell 1000</i>				<i>2.9</i>	<i>2.1</i>	<i>27.0</i>	<i>34.3</i>	<i>15.0</i>	<i>17.4</i>	<i>13.6</i>	<i>14.9</i>	<i>Jun-10</i>
EARNEST Partners	42,793,614	9.8	21.9	4.9	4.5	33.9	37.3	16.3	20.0	14.0	11.1	Apr-06
<i>Russell MidCap</i>				<i>5.6</i>	<i>5.3</i>	<i>35.7</i>	<i>36.1</i>	<i>13.7</i>	<i>15.9</i>	<i>12.3</i>	<i>9.7</i>	<i>Apr-06</i>
Vanguard Russell 2000 Value	9,926,350	2.3	5.1	9.3	14.8	55.6	39.8	--	--	--	17.6	Aug-19
<i>Russell 2000 Value</i>				<i>9.4</i>	<i>15.2</i>	<i>57.5</i>	<i>41.1</i>	<i>10.1</i>	<i>14.2</i>	<i>9.7</i>	<i>17.9</i>	<i>Aug-19</i>
Rice Hall James	16,404,174	3.8	8.4	5.2	9.3	39.9	49.7	13.3	--	--	15.7	Jul-17
<i>Russell 2000 Growth</i>				<i>3.3</i>	<i>8.3</i>	<i>50.4</i>	<i>58.9</i>	<i>18.9</i>	<i>21.1</i>	<i>13.8</i>	<i>18.9</i>	<i>Jul-17</i>
iShares Edge MSCI Min Vol	18,720,922	4.3	9.6	-0.4	-3.1	9.5	--	--	--	--	23.6	Apr-20
<i>MSCI USA Minimum Volatility GR USD</i>				<i>-0.4</i>	<i>-3.0</i>	<i>9.7</i>	<i>9.0</i>	<i>10.3</i>	<i>12.0</i>	<i>12.7</i>	<i>23.8</i>	<i>Apr-20</i>
International Equity	55,547,147	12.7	12.7	2.0	2.1	23.1	20.8	5.2	11.8	5.7	5.7	Jan-98
<i>MSCI ACWI ex US (Blend)</i>				<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>6.0</i>	<i>Jan-98</i>
Vanguard Developed Markets ETF	16,076,869	3.7	28.9	2.4	1.7	23.7	22.7	--	--	--	14.8	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				<i>2.4</i>	<i>1.6</i>	<i>26.1</i>	<i>25.9</i>	<i>5.5</i>	<i>10.0</i>	<i>3.6</i>	<i>16.3</i>	<i>Sep-19</i>
SGA ACWI ex-U.S. Equity	39,142,281	9.0	70.5	1.7	2.3	23.5	21.5	--	--	--	8.5	Dec-19
<i>MSCI ACWI ex USA Gross</i>				<i>2.0</i>	<i>2.2</i>	<i>27.3</i>	<i>26.7</i>	<i>5.9</i>	<i>11.7</i>	<i>5.3</i>	<i>14.6</i>	<i>Dec-19</i>

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

OPFRS Total Plan As of February 28, 2021

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Fixed Income	114,761,842	26.3	26.3	-1.3	-1.8	1.4	2.1	5.6	4.7	4.2	5.5	Dec-93
<i>Blmbg BC Universal (Blend)</i>				<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.3</i>	<i>Dec-93</i>
Ramirez	78,098,870	17.9	68.1	-1.2	-1.5	1.6	0.9	5.5	--	--	4.8	Jan-17
<i>BBgBarc US Aggregate TR</i>				<i>-1.4</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.6</i>	<i>4.1</i>	<i>Jan-17</i>
Reams	29,181,745	6.7	25.4	-1.6	-2.5	1.2	12.9	9.4	6.3	5.3	6.0	Feb-98
<i>Blmbg BC Universal (Blend)</i>				<i>-1.3</i>	<i>-1.9</i>	<i>0.3</i>	<i>2.1</i>	<i>5.5</i>	<i>4.1</i>	<i>3.9</i>	<i>5.0</i>	<i>Feb-98</i>
iShares Core US Aggregate Bond ETF	7,481,183	1.7	6.5	-1.5	-2.3	--	--	--	--	--	-1.3	Nov-20
<i>BBgBarc US Aggregate TR</i>				<i>-1.4</i>	<i>-2.2</i>	<i>-0.9</i>	<i>1.4</i>	<i>5.3</i>	<i>3.6</i>	<i>3.6</i>	<i>-1.1</i>	<i>Nov-20</i>
Credit	8,821,149	2.0	2.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>BBgBarc US High Yield TR</i>				<i>0.4</i>	<i>0.7</i>	<i>12.1</i>	<i>9.4</i>	<i>6.6</i>	<i>9.0</i>	<i>6.5</i>	<i>6.2</i>	<i>Feb-15</i>
DDJ Capital	8,821,149	2.0	100.0	1.1	2.5	18.5	11.0	4.7	9.0	--	6.3	Feb-15
<i>ICE BofA High Yield Master TR</i>				<i>0.3</i>	<i>0.7</i>	<i>12.2</i>	<i>8.6</i>	<i>6.3</i>	<i>8.8</i>	<i>6.3</i>	<i>6.1</i>	<i>Feb-15</i>
Covered Calls	33,664,839	7.7	7.7	2.6	2.1	20.6	23.9	10.2	11.9	--	9.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric BXM	15,074,680	3.5	44.8	2.2	1.9	17.0	17.4	7.2	8.9	--	7.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Parametric DeltaShift	18,590,159	4.3	55.2	2.9	2.3	23.8	30.0	13.0	14.7	--	11.7	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>1.0</i>	<i>1.1</i>	<i>15.9</i>	<i>7.6</i>	<i>3.1</i>	<i>6.3</i>	<i>6.1</i>	<i>5.3</i>	<i>Apr-14</i>
Crisis Risk Offset	19,396,506	4.4	4.4	-5.7	-9.0	-12.1	-27.6	-9.8	--	--	-11.3	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>-0.8</i>	<i>0.1</i>	<i>-2.5</i>	<i>-11.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-5.3</i>	<i>Aug-18</i>
Vanguard Long-Term Treasury ETF	19,396,506	4.4	100.0	-5.7	-9.0	-11.3	-6.1	--	--	--	6.4	Jul-19
<i>BBgBarc US Govt Long TR</i>				<i>-5.5</i>	<i>-8.9</i>	<i>-11.5</i>	<i>-5.9</i>	<i>8.7</i>	<i>4.2</i>	<i>6.8</i>	<i>6.4</i>	<i>Jul-19</i>
Cash	8,469,406	1.9	1.9	0.0	0.0	0.1	0.8	1.8	1.4	0.7	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash	2,112,406	0.5	24.9	0.1	0.1	0.5	1.3	1.9	1.5	0.8	0.8	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>0.3</i>	<i>1.5</i>	<i>1.2</i>	<i>0.6</i>	<i>0.6</i>	<i>Mar-11</i>
Cash - Treasury	6,357,000	1.5	75.1									

Market value for DDJ Capital is based on manager estimate for the month of February.

Cash balances held in ETF accounts at the Custodian are reflected in the Cash account market value.

Cash Flow Summary
Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$2,060,116	\$7,406	\$44,885	\$2,112,406
Cash - Treasury	\$6,276,000	\$81,000	\$0	\$6,357,000
DDJ Capital	\$8,724,648	\$0	\$96,500	\$8,821,149
EARNEST Partners	\$40,785,434	\$0	\$2,008,180	\$42,793,614
Fisher Transition	\$69,704	\$0	-\$227	\$69,477
Hansberger Transition	\$232,311	\$0	\$26,209	\$258,520
iShares Core US Aggregate Bond ETF	\$7,608,961	\$0	-\$127,778	\$7,481,183
iShares Edge MSCI Min Vol	\$18,792,072	\$0	-\$71,150	\$18,720,922
Northern Trust Russell 1000	\$105,905,966	-\$1,000,000	\$3,054,074	\$107,960,039
Parametric BXM	\$14,750,852	\$0	\$323,827	\$15,074,680
Parametric DeltaShift	\$18,060,028	\$0	\$530,132	\$18,590,159
Ramirez	\$79,025,062	\$0	-\$926,192	\$78,098,870
Reams	\$29,664,252	\$0	-\$482,507	\$29,181,745
Reams Low Duration	\$44	\$0	\$0	\$44
Rice Hall James	\$15,600,031	\$0	\$804,143	\$16,404,174
Securities Lending Northern Trust	\$0	-\$7,406	\$7,406	\$0
SGA ACWI ex-U.S. Equity	\$38,483,146	\$0	\$659,134	\$39,142,281
Vanguard Developed Markets ETF	\$15,695,123	\$0	\$381,746	\$16,076,869
Vanguard Long-Term Treasury ETF	\$20,573,198	\$0	-\$1,176,692	\$19,396,506
Vanguard Russell 2000 Value	\$9,079,627	\$0	\$846,723	\$9,926,350
Total	\$431,386,575	-\$919,000	\$5,998,413	\$436,465,988

Benchmark History
As of February 28, 2021

Total Plan x Securities Lending x Reams LD Exception Comp

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

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.

Oakland Police and Fire Retirement System

March 31, 2021

Cash Flow Report

Asset Class/ Manager Liquidity as of February 28, 2021

Asset Class	Fund	Tier
Domestic Equity	Northern Trust	1
Domestic Equity	iShares MSCI Min Vol ETF	3
Domestic Equity	EARNEST Partners	3
Domestic Equity	Vanguard Russell 2000 Value ETF	3
Domestic Equity	Rice Hall James	3
International Equity	Vanguard Developed ETF	3
International Equity	SGA MSCI ACWI ex-US	3
Covered Calls	Parametric	2
Crisis Risk Offset	Long Duration ETF	3
Domestic Fixed Income	Reams	2
Domestic Fixed Income	Ramirez	2
Domestic Fixed Income	iShares Core US Agg Bond ETF	3
Credit	DDJ	2
Cash	Cash	1

Description of Liquidity Tiers

Tier	Description	\$ Exposure (millions)	in Months
1	Public, Scheduled Withdrawal Allowances	116.4	19.4
2	Public, Accommodating of Withdrawals	149.8	25.0
3	Public, Must Plan Withdrawals	169.9	28.3
4	Closely Held	0.0	-
Total		436.1	

Cash Flow Report

PFRS Asset Allocation Feb 28th Market Values*					Actual Cash flows For Jan - March Benefits Payable the 1st of each month		Suggested Cash flows For April - June Benefits Payable the 1st of each month	
	Market Value (\$mm)	Market Value (%)	Target (%)	\$ Variance (from basic target)	Inflow (\$mm)	Outflow (\$mm)	Inflow (\$mm)	Outflow (\$mm)
Northern Trust	108.0	24.8%	20.0%	20,732,232		(3.0)		(3.0)
iShares MSCI Min Vol ETF	18.7	4.3%	6.0%	(7,447,331)				
EARNEST Partners	42.8	9.8%	8.0%	7,902,893				
Vanguard Russell 2000 Value ETF	9.9	2.3%	3.0%	(3,158,165)				
Rice Hall James	16.4	3.8%	3.0%	3,319,835				
Total Domestic Equity	195.8	44.9%	40.0%	21,349,463				
Vanguard Developed ETF	16.1	3.7%	3.6%	375,871				
SGA MSCI ACWI ex-US	39.1	9.0%	8.4%	2,506,618				
Total International Equity	55.2	12.7%	12.0%	2,882,489				
Total Public Equity	251.0	57.6%	52.0%	24,231,952				
Parametric	33.7	7.7%	5.0%	11,858,897				
Total Covered Calls	33.7	7.7%	5.0%	11,858,897				
Long Duration ETF	19.4	4.4%	3.3%	4,858,559				
TBD Risk Premia Manager			6.7%	(29,075,632)				
Total Crisis Risk Offset	19.4	4.4%	10.0%	(24,217,073)				
Reams	29.2	6.7%	12.0%	(23,154,916)				
DDJ	8.8	2.0%	2.0%	98,372				
Ramirez	78.1	17.9%	19.0%	(4,767,510)				
iShares Core US Agg Bond ETF	7.5	1.7%		7,481,183				
Total Public Fixed	123.6	28.3%	33.0%	(20,342,871)				
Cash	8.5	1.9%	0.0%	8,469,400	10.90	(10.90)	10.90	(10.90)
Total Stable	132.1	30.3%	33.0%	(11,873,471)				
Total Portfolio	436.1	100.0%	100.0%	—	10.90	(13.90)	10.90	(13.90)

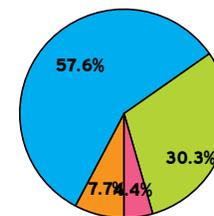
October 31st Market Values by Portfolio Segment

Portfolio Segment	MV (\$mm)
Total Domestic Equity	195.8
Total International Equity	55.2
Total Public Equity	251.0
Total Covered Calls	33.7
Total Crisis Risk Offset	19.4
Total Public Fixed	123.6
Total Stable	132.1
Total Portfolio	436.1

Suggested Cash Withdrawals

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

Projected Equity to Fixed Allocation (MV) As of 2/28/2021



■ Total Covered Calls
■ Total Public Equity
■ Total Stable
■ Total CRO
 \$ difference in MV of Public Equity from 52% allocation: **\$24.2 million**

* Estimated based on PFRS Feb 28th, 2021 Northern Trust statement.

Projected OPFRS Asset Allocation¹²

	Est Mkt Value (\$mm)	Est Mkt Value (%)	Target (%)	Projected % Variance (from target)	Projected \$ Variance (from target)
Northern Trust	102.0	23.7	20.0	3.7	15,932,232
iShares MSCI Min Vol ETF	18.7	4.4	6.0	-1.6	(7,087,331)
EARNEST Partners	42.8	9.9	8.0	1.9	8,382,893
Vanguard Russell 2000 Value ETF	9.9	2.3	3.0	-0.7	(2,978,165)
Rice Hall James	16.4	3.8	3.0	0.8	3,499,835
Total Domestic Equity	189.8	44.1	40.0	4.1	17,749,463
Vanguard Developed ETF	16.1	3.7	3.6	0.1	591,871
SGA MSCI ACWI ex-US	39.1	9.1	8.4	0.7	3,010,618
Total International Equity	55.2	12.8	12.0	0.8	3,602,489
Total Public Equity	245.0	57	52.0	5.0	21,351,952
Parametric	33.7	7.8	5.0	2.8	2,158,897
Total Covered Calls	33.7	7.8	5.0	2.8	12,158,897
Long Duration ETF	19.4	4.5	3.3	1.2	5,058,559
<i>TBD Risk Premia Manager</i>	0.0	0.0	6.7	-6.7	(28,675,636)
Total Crisis Risk Offset	19.4	4.5	10.0	-5.5	(23,617,077)
Reams	29.2	6.8	12.0	-5.2	(22,434,916)
DDJ	8.8	2.1	2.0	0.1	218,372
Ramirez	78.1	18.2	19.0	-0.8	(3,627,510)
iShares Core US Agg Bond ETF	7.5	1.7		1.7	7,481,183
Total Public Fixed	123.6	28.7	33.0	-4.3	(18,362,871)
Cash	8.5	2.0	0.0	2.0	8,469,400
Total Stable	132.1	30.7	33.0	-2.3	(9,893,471)
Total Portfolio	430.1	100.0	100.0		

¹ Report reflects change in asset allocation from February 28, 2021 values listed by Northern Trust, and beneficiary payments estimated at \$13.9 million on a quarterly basis per OPFRS. Report reflects quarterly City contributions of \$10.9 million. Current City of Oakland quarterly contribution amount is based on FY 2020/2021 actuarial annual required contribution of \$43.65 million.

² As of February 28th, 2021, the projected equity portfolio represents 57.0% of the Total Portfolio (\$21.4 million more than the target allocation of 52%).

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

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

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

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

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

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 31, 2021
RE: Crisis Risk Offset – Alternative Risk Premia Finalists Recommendation

Summary and Recommendation

Meketa recommends that OPFRS interview three finalist firms for the Alternative Risk Premia mandate: 1) *Kepos*, 2) *Lombard Odier*, and 3) *TwoSigma*.

As discussed at the January 2021 meeting, the original implementation used by OPFRS combined the allocation to Alternative Risk Premia and Systematic Trend Following by allocating to one manager (Parametric) which had a significant allocation to both strategies. At the September 30, 2020 PFRS board meeting, Meketa discussed with the trustees the pending October closure of the Parametric Systematic Alternative Risk Premia strategy which allocated across both Alternative Risk Premia and Systematic Trend Following. As a result, Parametric returned 100% of OPFRS capital. On an interim basis, the capital was moved into 50% BB Aggregate ETF within the Fixed Income strategic class and 50% to Long Duration. In considering replacements for the Alternative Risk Premia and Alternative Risk Premia components, Meketa recommended that OPFRS fund two separate strategies (one for each component) as opposed to one combined strategy. Since the January meeting, Meketa has reviewed both manager universes and narrowed them down to the three finalists for each component. The full process relating to the Alternative Risk Premia component is detailed below.

Alternative Risk Premia Overview

Alternative Risk Premia is a key component of the Crisis Risk Offset Class and serves as a diversifier to the rest of the portfolio and other components of the Crisis Risk Offset class. The strategy is expected to provide uncorrelated returns not driven by growth (equity) risk. The managers take long and short positions in liquid futures, forwards, and stock markets. These offsetting long and short positions are used to isolate exposures to a variety of alternative risk premiums which are present in equity, fixed income, currency, and commodity markets. The most common risk premiums include Value, Momentum, Carry, and Defensive. Given their market neutral design these strategies can provide positive (or negative) returns regardless of market direction. For example, if a manager is exposed to the value risk premium in a long / short construct, value stocks just need to decline less (or increase more) than the market, to produce a positive result. Allocations to multiple alternative risk premiums is expected to provide a more robust and smooth return profile than any one in isolation. However, they may suffer during periods of market deleveraging or coincidental premia drawdowns.



Alternative Risk Premia Search Process

Over the last ten years, Meketa has conducted more than ten manager searches for Alternative Risk Premia managers, with the most recent search occurring in 2019/2020. These searches represent over \$1.6 billion in client assets. Meketa's experience in the space has resulted in the firm being a leader with respect to manager coverage. This has ultimately resulted in Meketa developing one of the most comprehensive manager databases for Alternative Risk Premia managers.

To begin the process, Meketa reviewed all historical RFP/RFI submissions as well as our internal manager database. To complement our internal information, Meketa also examined potential manager candidates sourced from other manager universes (e.g. eVestment, sell side manager lists, etc.). This resulted in an initial candidate list of 36 firms. Beginning with this list of managers, Meketa embarked on a multi-stage review process to arrive at the three proposed finalist candidates. Each of these phases is outlined below.

Phase One

Meketa reviewed the philosophies, objectives, and approaches for each of the initial 36 strategies. In addition, the stability and long-term posture of the organization (i.e. investment team and firm) were examined along with relevant experience and dedication to the space and strategy. This phase focused on identifying which strategies were aligned with the goals and objectives of OPFRS Crisis Risk Offset class, and which firms represented potential stable, long-term partners. The main areas of emphasis are highlighted below.

- Exposure across all four asset classes (Equities, Fixed Income, Commodities, Currencies)
- Exposure to index level (macro) and single security level (micro) risk premia
- Appropriate market neutral strategy construction
- Straight forward implementation process
- Stability of the investment / portfolio management team
- Stability of the firm and appropriate operational resources
- Experience managing this and similar strategies

Based on the Phase One review, Meketa narrowed the universe from an initial list of 36 firms down to a short-list of 13 candidates.

Phase Two

While Phase One was centered mainly on qualitative reviews of the respective firms and their strategies, Phase Two was designed to examine the remaining 13 candidates on a quantitative basis. In particular performance and characteristics relative to both the SG Multi-Alternative Risk Premia Index and other major market indices such as the MSCI ACWI Index, BB Aggregate Bond Index, and BB Government Long Index. As the strategies may run at different volatility or risk levels than both each other and the SG Multi-Alternative Risk Premia Index, adjustments were made to account for differences when making performance comparisons. For example, a strategy which is managed at a higher volatility than the SG Multi-Alternative Risk Premia Index has historically exhibited would be expected to outperform the index and those which are managed at lower volatility would be expected to underperform the index,



all else equal. For the 13 managers were evaluated to determine the outperformance of the strategies versus the SG Multi-Alternative Risk Premia Index over the longer term time horizons and specifically in 2020 which proved to be a challenging period for many alternative risk premia managers. In addition, managers with relatively lower correlations to the MSCI ACWI Index were also preferred. When examining the managers on this basis, five managers stood out in demonstrating relative outperformance and reasonable correlations. As such, those five firms listed below were advanced to the next stage. Potential diverse manager candidates are noted below (*).

- Aspect
- Kepos (2018 Semi-finalist)
- Lombard Odier (2018 Finalist)
- TwoSigma
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

The five firms above were reviewed further on a qualitative and quantitative basis with trailing performance and risk statistics listed below. All of the managers have exhibited strong performance relative to the SG Multi-Alternative Risk Premia Index (“SG MARP”) and peers.

Based on a further quantitative review including but not limited to the statistics above and qualitative considerations from on-going discussions with the managers, Meketa identified the three managers below as potential best fit for the Oakland portfolio.

- Kepos (2018 Semi-finalist)
- Lombard Odier (2018 Finalist)
- TwoSigma

Alternative Risk Premia Conclusion

Meketa recommends that the OPFRS interview Kepos, Lombard Odier, and TwoSigma as finalist candidates for the Alternative Risk Premia mandate. Following finalist interviews, we would recommend that one firm be selected. Meketa has been researching and monitoring the alternative risk premia segment for over a decade, and Meketa clients currently utilize all three of the finalist candidates for Alternative Risk Premia mandates. Meketa will continue to conduct analysis and due diligence on the finalist candidates with additional materials provided at the next meeting. Descriptions for each of the finalist candidates are provided below and on the following page.

	Kepos	LombardOdier	TwoSigma
Headquarters	New York, NY	Geneva, CHE	New York, NY
Year Founded	2010	1963	2001
Firm AUM (\$ billion)	\$2.0	\$69.4	\$57.2
Strategy AUM (\$ million)	\$470	\$1,394	\$5,147
Proposed Strategy Inception	10/2018	11/2018	8/2015
Volatility Target	10%	10%	7-8%
Liquidity	Monthly	Daily	Monthly

Sources: Managers



Kepos, with approximately \$2.0 billion in total assets, is a systematic investment firm focused largely on alternative risk premia (and related) strategies. The firm also offers shorter-term strategies that are more focused on alpha generation as opposed to risk premia harvesting. Kepos currently manages approximately \$470 million in alternative risk premia strategies. The firm was founded in 2010, is 100% owned by five individuals, and is located in New York, NY. The firm's three founders (Mark Carhart, PhD; Giorgio De Santis, PhD; and Bob Litterman, PhD) are some of the most well renowned researchers, academics, and practitioners in the modern quantitative investing world. Mark Carhart, PhD, is most well-known for conducting the original research on the momentum risk premium in the late 1990s (i.e., Carhart Four-Factor Model). Moreover, the three founders produced one of the seminal papers in the alternative risk premia segment in 2014. Kepos' strategy is focused on harvesting value, carry, and momentum across broad asset classes (e.g., equity, fixed income, currencies, and commodities). The strategy is managed by a team portfolio managers/researchers/analysts (due to the nature of the firm's offerings, these roles are somewhat interchangeable).

Lombard Odier, with approximately \$69.4 billion in total assets, is a diversified asset manager with offerings across the global liquid markets (i.e., equities, fixed income, multi-asset, and liquid alternatives). The firm manages roughly \$1.4 billion in alternative risk premia strategies with a total of nearly \$16 billion in systematic strategies managed by the same team. Lombard Odier is based in Geneva, Switzerland and maintains a client service office in New York, NY. Lombard Odier Investment Managers is one of three groups that make up the broader Lombard Odier entity (Lombard Odier Holdings SA). The broader firm is a private bank based in Geneva, Switzerland and is one of the largest banks in Europe. In addition to the institutional assets under management stated above, the firm also manages a large amount (\$200b+) of private client and custody/banking-related assets. The firm is owned by seven partners (seventh generation of owners) and has existed for over 200 years. The firm was an early entrant into the alternative risk premia space with the launch of its first strategy in 2009. This strategy saw a material evolution in 2014 and received its first institutional client in 2015. The proposed strategy is managed by the firm's Systematic Team. In particular, the proposed strategy has two dedicated portfolio managers and dedicated analysts/product specialists. The creation of the strategy, however, has been a collaborative effort across the entire Systematic Team. The two lead portfolio managers have been working together at Lombard for over 10 years.

TwoSigma, with approximately \$57.2 billion in total assets, is a large and independent asset management firm with a focus on systematic investing. The firm considers itself a technology firm that applies its insights to finance rather than a traditional asset management firm. They employ over 1,000 people in research and development. The firm was founded by John Overdeck, David Seigel, and Matt Picard. The Risk premia strategy invests across equity and macro signals that include carry, momentum, value, seasonality, low volatility (equity), short interest (equity), safety (macro), and liquidity (macro), among many others. Risk Premia models were carved out from the firm's Absolute Return strategy, with the team selecting models that were "slower" (~1 year horizon) and focused on capturing premias or lasting effects, as opposed to the faster, more idiosyncratic and timing based nature of absolute return models.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group
DATE: March 31, 2021
RE: Crisis Risk Offset – Systematic Trend Following Finalists Recommendation

Summary and Recommendation

Meketa recommends that OPFRS interview three finalist firms for the Systematic Trend Following mandate: 1) *BH-DG*, 2) *Crabel*, and 3) *Versor Investments*.

As discussed at the January 2021 meeting, the original implementation used by OPFRS combined the allocation to Systematic Trend Following and Alternative Risk Premia by allocating to one manager (Parametric) which had a significant allocation to both strategies. At the September 30, 2020 OPFRS board meeting, Meketa discussed with the trustees the pending October closure of the Parametric Systematic Alternative Risk Premia strategy which allocated across both Alternative Risk Premia and Systematic Trend Following. As a result, Parametric returned 100% of OPFRS capital. On an interim basis, the capital was moved into 50% BB Aggregate ETF within the Fixed Income strategic class and 50% to Long Duration. In considering replacements for the Systematic Trend Following and Alternative Risk Premia components, Meketa recommended that OPFRS fund two separate strategies (one for each component) as opposed to one combined strategy. Since the January meeting, Meketa has reviewed both manager universes and narrowed them down to the three finalists for each component. The full process relating to the Systematic Trend Following component is detailed below.

Systematic Trend Following Overview

Systematic Trend Following is a key component of the Crisis Risk Offset Class and serves as a second responder in extended equity/growth market drawdowns. The strategy is expected to be most effective when markets are trending or when there are sustained market regime shifts, while least effective when sharp market reversals occur. At a high level, the managers take long or short positions in liquid futures and forwards markets. The size and direction (long or short) of each position depends on whether markets have been trending up (long) or down (short) and how sustained the trend has been or is expected to be. The investable universe includes equities, fixed income, currencies, and commodities. Related to the naming of the class, these strategies are implemented using pre-set rules and are in other words systematic. As a point of reference, other common terms that are often interchangeable with systematic trend following include managed futures, or CTAs (commodity trading advisors).



Systematic Trend Following Search Process

Over the last ten years, Meketa has conducted more than a half dozen manager searches for Alternative Risk Premia managers, with the most recent search occurring in 2019/2020. These searches represent over \$2.7 billion in client assets. Meketa's experience in the space has resulted in the firm being a leader with respect to manager coverage. This has ultimately resulted in Meketa developing one of the most comprehensive manager databases for Systematic Trend Following.

To begin the process, Meketa reviewed all historical RFP/RFI submissions as well as our internal manager database. To complement our internal information, Meketa also examined potential manager candidates sourced from other manager universes (e.g. eVestment, sell side manager lists, etc.). This resulted in an initial candidate list of 36 firms. Beginning with this list of managers, Meketa embarked on a two-stage review process to arrive at the three proposed finalist candidates. Each of these phases is outlined below.

Phase One

Meketa reviewed the philosophies, objectives, and approaches for each of the initial 36 strategies. In addition, the stability and long-term posture of the organization (i.e. investment team and firm) were examined along with relevant experience and dedication to the space and strategy. This phase focused on identifying which strategies were aligned with the goals and objectives of OPFRS Crisis Risk Offset class, and which firms represented potential stable, long-term partners. The main areas of emphasis are highlighted below.

- Exposure across all four asset classes (Equities, Fixed Income, Commodities, Currencies)
- Straight forward implementation process
- Stability of the investment / portfolio management team
- Stability of the firm and appropriate operational resources
- Experience managing this and similar strategies
- Strategy focused on relevant trend following implementation across asset classes
- Fees

Based on the Phase One review, Meketa narrowed the universe from an initial list of 36 firms down to a short-list of 19 candidates.

Phase Two

While Phase One was centered mainly on qualitative reviews of the respective firms and their strategies, Phase Two was designed to examine the remaining 19 candidates on a quantitative basis. In particular performance and characteristics relative to both the SG Trend Index and other major market indices such as the MSCI ACWI Index, BB Aggregate Bond Index, and BB Government Long Index. As the strategies may run at different volatility or risk levels than both each other and the SG Trend Index, adjustments were made to account for differences when making performance comparisons. For example, a strategy which is managed at a higher volatility than the SG Trend Index has historically exhibited would be expected to outperform the index and those which are managed at lower volatility would be expected to underperform the index, all else equal. For the 19 managers were evaluated to determine the outperformance of the strategies versus the SG Trend Index over the longer term time horizons. In addition, managers with relatively higher correlations to the SG Trend Index were also preferred. When examining the managers on this basis, five managers



stood out in demonstrating relative outperformance and reasonable correlations. As such, those five firms listed below were advanced to the next stage. Potential diverse manager candidates are noted below (*).

- AlphaSimplex
- BH-DG
- Crabel
- LongTail Alpha*
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

The five firms above were reviewed further on a qualitative and quantitative basis with trailing performance and risk statistics listed below. All of the managers have exhibited strong performance relative to the SG Trend Index and peers. In the following tables we show the lower volatility version of Versor’s strategy to provide a longer live look back. However, we would recommend if selected, that OPFRS consider their higher volatility (14-15%) version in line with the offerings of the other managers.

Based on a further quantitative review including but not limited to the statistics above and qualitative considerations from on-going discussions with the managers, Meketa identified the three managers below as potential best fit for the Oakland portfolio. Qualitative considerations included length of track record and focus on medium-to-long term trend following (higher correlation to SG Trend Index) given it is recommended that Oakland hire one manager for the Systematic Trend Following mandate. Potential diverse manager candidates are noted below (*).

- BH-DG
- Crabel
- Versor Investments (2018 Semi-finalist, formerly ARP Investments)*

Systematic Trend Following Conclusion

Meketa recommends that the OPFRS interview BH-DG, Crabel, and Versor Investments as finalist candidates for the Systematic Trend Following mandate. Following finalist interviews, we would recommend that one firm be selected. Meketa has been researching and monitoring the systematic trend following segment for over a decade, and Meketa clients currently utilize all three of the finalist candidates for Systematic Trend Following mandates. Meketa will continue to conduct analysis and due diligence on the finalist candidates with additional materials provided at the next meeting. Descriptions for each of the finalist candidates are provided below and on the following page.

	BH-DG	Crabel	Versor
Headquarters	London, UK	Los Angeles, CA	New York, NY
Year Founded	2010	1987	2013
Firm AUM (\$M)	\$1,915	\$7,615	\$1,800
Strategy AUM (\$M)	\$1,351	\$1,299	\$60
Proposed Strategy Inception	3/2010	4/2014	5/2017
Volatility Target	15%	15%	14-15%
Liquidity	Daily	Monthly	TBD

Sources: Managers



BH-DG, with approximately \$1.9 billion in total assets, is an alternative investment management firm focused on managing systematic strategies. Brevan Howard – David Gorton (BH-DG) was founded in 2010 as a joint venture between Brevan Howard and Mr. David Gorton. The firm ownership is split between David Gorton, CIO (60%) and Brevan Howard (40%). Prior to forming BH-DG, Mr. Gorton spun out of JP Morgan the London Diversified Fund Management LLP (“LDFM”) and ran the London Diversified Fund, predecessor of the BH-DG’s systematic trading program. BH-DG believes in the existence of a Momentum Style Premium, expressed as the inertia of market sentiment that is quantifiable by medium-term trend following measures. In order to capture this Premium, BH-DG aims to build a highly diversified portfolio that is continuously invested, focused on highly liquid markets, and allocated with much of its risk to trend following signals.

Crabel, is a global alternative investment firm focused on systematic investment strategies. The firm is based in Los Angeles, California, and was founded by Toby Crabel. The firm currently has approximately \$7.6 billion in assets under management, of which \$1.3 billion is accounted for by Advanced Trend. The Advanced Trend portfolio is designed to capture long-term trend following returns across a diverse set of markets. The strategy employs multiple price-based strategies across 200 markets. Individual positions are held on average for 35 to 45 days, a shorter time horizon relative to some other peer managers. The strategy targets a standard deviation of 15% and seeks to mitigate downside risk by sizing their positions relative to market volatility and using stops on all trades throughout the portfolio. Meketa clients began to utilize Crabel’s investment strategies in 2017.

Versor Investments, with approximately \$1.8 billion in total assets, is a systematic investment firm focused exclusively on alternative risk premia (and related) strategies. The firm has offices in New York, NY and Mumbai, India. All of the firm’s assets are in systematic mandates. Versor Investments was founded in 2013 to focus on this market segment and is 100% employee-owned by four employees. The firm’s heritage is in the hedge fund and alternative risk premia segments, with four of the primary professionals spending time at Investcorp with one another as well as separate tenures at other systematic oriented asset management firms. Versor Investments has spent a considerable amount of time building out proprietary data sets and investment models with the sole purpose of providing alternative risk premia strategies for institutional clients. The firm’s construct is somewhat unique in that they wholly own another firm called QR Systems that provides the majority of the engineering talent behind the firm’s investment models and systems. This firm is based in Mumbai, India and was founded by one of Versor Investment’s key investment professionals prior to joining Versor Investments. This entity essentially operates as a less expensive source of high-quality human capital and talent. The strategy is largely managed by individuals in New York with analysis and engineering support provided by the broader team in Mumbai.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi
Meketa Investment Group
DATE: March 31, 2021
RE: Defensive Equity Refresher

Defensive Equity – Defining its Role in the OPFRS portfolio

As part of OPFRS efforts towards de-risking the portfolio, the Board approved the addition of a defensive equity allocation to the U.S. equity sleeve of the portfolio in 2018. The rationale behind this was two-fold: 1) maintain equity exposure in the OPFRS portfolio- as this is essential for meeting long-term objectives, but 2) implement a strategy that seeks to emphasize certain characteristics that can increase risk-adjusted returns and principally, offer better protection in a downward market.

Defensive equity strategies essentially will include one or more of the following characteristics:

Exposure to High Quality Companies	Exposure to Income	Exposure to Stable Companies
Consistency of positive earnings	High dividend yield	Low volatility
Strong balance sheets	Consistency of dividends	Low leverage
Low leverage	Quality of dividends	Little debt burden
Consistency of dividends	Positive outlook for dividends	Earnings stability
Positive outlook for earnings	Reasonable payout ratios	Historical downside protection

The expectation is that by including the various criteria outlined above, defensive strategies will protect better during adverse markets, but lag in rising markets. Defensive equity strategies are expected to provide substantial downside protection in periods of market duress, while not fully participating in strong economic rebounds.

DS/PN/SK/pq

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: David Sancewich, Paola Nealon, Sidney Kawanguzi
Meketa Investment Group
DATE: March 31, 2021
RE: Defensive Equity Search Update

Background

In 2017 the OPFRS Board approved a recommendation to include the addition of an actively managed defensive equity strategy. The rationale behind the decision at that time, was to reduce the risk tolerance of the portfolio, given OPFRS's closed status and increased sensitivity to the negative consequences of portfolio losses as it moved closer to its scheduled funding date. The prospective active defensive equity manager's primary role within the overall portfolio would be the protection of assets in the case of possible future market downturns.

Subsequently, in 2018, an RFP was issued to fill this mandate. The definition of what constituted a defensive equity manager was broad-based in nature, as the goal was to cast a wide net of responses in order to provide a more robust stable of potential managers. In total, thirty responses were received and evaluated on quantitative measures such as performance and risk as well as qualitative factors such as strength of the organization and investment professionals leading the strategy. The pool of thirty candidates was narrowed to three and ultimately, SPI – Long Alpha Plus strategy was approved to fill the mandate.

In early 2020, Oakland PFRS was notified by SPI strategies that all of its employees and investment software were being acquired by Carillon Tower Advisors. As a result of this organizational announcement, the Board approved the termination of SPI and reallocation of those assets to a defensive equity ETF . This memo serves as a continuation of OPFRS efforts to revisit the original list of active management candidates from 2018, and narrow down the list to include what Meketa believes to be the best candidates to fulfill the role. Upon evaluation, Meketa recommends the following managers be invited to meet the Board for the next stage, the interview process.

Recommended Finalists

Manager	Product
Atlanta	High Quality
Eagle	Eagle Equity
London Company	Income Equity
Wellington	Select Quality Equity

We recognize that none of the managers listed are considered to be an emerging manager, or defined as a minority-owned firm. We also recognize that the original list of 30 firms did not include any minority-owned firms.

Manager Candidates (2018 RFP)

OPFRS Defensive Equity Search Respondants

1	Acadian	<i>Managed Volatility</i>	16	Epoch	<i>Dividend Yield</i>
2	ACR	<i>Equity Quality Return</i>	17	Intech	<i>Adaptive Vol.</i>
3	Advisory Research	<i>Sustainable Dividend</i>	18	London Company	<i>Income Equity</i>
4	AQR	<i>US Defensive Equity</i>	19	MFS	<i>Low Volatility</i>
5	Atlanta	<i>High Quality</i>	20	Montag	<i>Large Cap Growth</i>
6	Barrow Hanley	<i>Dividend Focused Value</i>	21	Oakbrook	<i>Select Equity</i>
7	BMO	<i>Disc. US low Vol.</i>	22	PanAgora	<i>Low Volatility</i>
8	Cadence	<i>Dividend Yield</i>	23	SKBA	<i>Relative Dividend Yield</i>
9	Calamos	<i>Low Vol. Convertibles</i>	24	SPI	<i>Long Alpha Plus</i>
10	Capital Group	<i>Washington Mutual Invest</i>	25	SSI	<i>Convertibles</i>
11	Chilton	<i>High Quality</i>	26	Summit	<i>Low Volatility</i>
12	Coho	<i>Relative Value</i>	27	Syntax	<i>Syntax 500</i>
13	Denali	<i>Large Value</i>	28	Torray	<i>Concentrated Growth</i>
14	Diamond Hill	<i>Large Cap Value</i>	29	Vontobel	<i>High Quality</i>
15	Eagle	<i>Eagle Equity</i>	30	Wellington	<i>Select Quality Equity</i>

Investment Manager Overview

	Atlanta Capital Management	Eagle Capital Management	The London Company	Wellington Management Company
Firm Location	Atlanta, GA	New York, NY	Richmond, VA	Boston, MA
Firm Inception	1969	1988	1994	1928
Ownership Structure	Public Corporation	Private LLC	Private LLC	Private LLP
Strategy Name	High Quality Select Equity	Eagle Equity	Income Equity	Select Quality Equity
Strategy Inception	October 2006	December 1988	December 1999	March 2008
Assets Under Management (Strategy)	\$1.8 billion	\$32.3 billion	\$19.5 billion	\$5.9 billion ¹
Asset Under Management (Firm)	\$28.9 billion	\$32.3 billion	\$30.5 billion	\$1.3 trillion

Historical Performance (Gross of Fees) As of December 31, 2020

	Atlanta Capital	Eagle Capital	TLC	Wellington	Russell 1000
Trailing Period Returns (%):					
1 Year	15.9	15.9	8.6	13.9	21.0
3 Year	17.7	13.6	10.9	15.1	14.8
5 Year	16.1	15.1	11.8	15.1	15.6
7 Year	13.7	12.9	10.9	13.5	13.0
10 Year	15.2	14.8	13.1	14.4	14.0
Calendar Year Returns (%):					
2020	15.9	15.9	8.6	13.9	21.0
2019	40.1	32.3	28.5	31.1	31.4
2018	0.4	-4.3	-2.3	2.1	-4.8
2017	20.9	24.0	14.7	20.5	21.7
2016	6.8	11.0	11.7	10.2	12.1
2015	3.7	2.2	-0.2	4.6	0.9
2014	12.6	13.1	18.2	14.9	13.2
2013	31.3	36.7	27.8	34.6	33.1
2012	21.2	17.9	13.1	11.8	16.4
2011	4.8	5.8	14.8	4.9	1.5
2010	18.9	20.8	14.5	19.4	16.1
2009	24.5	34.8	22.7	39.0	28.4
2008	-29.2	-35.0	-25.1	---	-37.6

¹ Wellington Dividend Growth has an additional \$58.6 billion in assets.

Fees and Terms

	Atlanta Capital	Eagle Capital	TLC	Wellington
Investment Vehicle Type	Separate Account	Separate Account	Separate Account CIT Mutual Fund	US Limited Partnership
Liquidity	Daily	Daily	Daily	Monthly
All-in-Fee	0.60%	0.83%	0.75% (SMA)	0.60% ¹
Peer Group Percentile Rank	53	90	85	53

DS/PN/SK/pq

¹ Wellington's vehicle offers a 0.45% fee, with operating fees capped at 0.15%.

Review of Performance for City of Oakland Police & Fire

To further discussion from the 2/24/21 presentation to the Investment Board, we wanted to provide this memorandum that details 2020 performance in the Oakland account. For the full year 2020, the portfolio returned +20.18% gross of fees vs. the Barclays Universal benchmark return of 7.58%, an outperformance of 1,260 basis points (bps). As stated in the presentation, we entered 2020 in a very defensive posture, underweight risk sectors and overweight cash and liquid securities. This proved prescient in March 2020 when risk assets dislocated sharply amidst the onset of the pandemic effects. After supportive intervention from the Federal Reserve as well as U.S. Government fiscal stimulus efforts, however, risk assets proceeded to perform exceptionally well from April 2020 through the remainder of the year. By participating in sizeable purchases of investment grade corporate bonds, many of which were newly issued in a record supply backdrop during March, April and May 2020, we realized strong returns in this market recovery timeframe. While we also utilized high yield bonds and securitized product, the primary driver of our 2020 return profile was attributable to the large sector overweight in Investment Grade corporate bonds during the final three quarters of the year. This sector call coupled with strong individual security selection impact represented +985 bps of the excess return.

With respect to the High Yield space, since our firm's inception we have utilized High Yield in our Core Plus portfolios as a tactical and opportunistic lever to aid total return performance. While there was a question from the Committee on whether we have experienced "drift" between Core and Core Plus due to our shifting High Yield weight, in fact we have consistently shifted High Yield weights significantly during our 23-year tenure as an investment manager for the Oakland fund. We ascribe no permanent allocation to High Yield and only take on High Yield positions and risk when we find valuations compelling to do so.

Our preferred mechanism to trade within the High Yield space is by means of the CDX Index, a basket of 100 equally-weighted High Yield names. The investment guidelines permit us to utilize up to 10% of portfolio assets for derivatives, and in periods such as Q2 2020, we utilized the full extent of that 10% within the CDX High Yield instrument. This allows us to quickly and efficiently gain broad, diversified exposure to the High Yield market. This trade is inherently a sector call; in other words, we simply desire to participate alongside the broad High Yield market rather than attempt to select individual High Yield issues that we feel can add excess return, or alpha, to the portfolio. Hence, we call this a 'beta' instrument trade, insofar as our position will move up or down in linear fashion with the corresponding broader market index (in this instance, the High Yield index). In addition, we can and do buy individual cash High Yield bonds on occasion for individual credits we find attractively priced. In sum, High Yield was additive +76 bps in excess return during 2020. This result was indicative of our opinion that Investment Grade credit offered superior risk-adjusted returns versus the High Yield market during 2020.

We have a long and distinguished track record of outperforming our benchmarks over market cycles, and certainly 2020 validated our investment process once again.

Review of Performance for City of Oakland Police & Fire

This presentation is provided for institutional/advisor use only. All investments involve risk, including the possible loss of principal.

This material is provided for informational purposes only and contains no investment advice or recommendations to buy or sell any specific securities. You should not interpret the statements in this presentation as investment, tax, legal, or financial planning advice. Reams Asset Management obtained some information used in this presentation from third party sources it believes to be reliable, but this information is not necessarily comprehensive and Reams Asset Management does not guarantee that it is accurate. Neither Reams Asset Management nor Scout Investments, its affiliates, directors, officers, employees or agents accepts any liability for any loss or damage arising out of your use of all or any part of this presentation. All investments involve risk, including the possible loss of principal. Graphs or other illustrations are provided for illustrative purposes only and not intended as a recommendation to buy or sell securities displaying similar characteristics. Reams Asset Management is a division of Scout Investments, Inc., a registered investment adviser that offers investment management services for both managed accounts and subadvised mutual funds. Scout Investments is a wholly-owned subsidiary of Carillon Tower Advisers, Inc., which in turn is a wholly-owned subsidiary of Raymond James Financial. Additional information is available at www.reamsasset.com or www.scoutinv.com. Copyright © 2021. All Rights Reserved.

The bond quality ratings indicated are assigned by credit rating agencies Standard & Poor's, Moody's, and Fitch as an indication of an issuer's creditworthiness. Unless specified by client investment guidelines, the middle of three or highest of two credit quality ratings available from these rating agencies is used. Credit quality is subject to change. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Ratings information from Standard & Poor's ("S&P") may not be reproduced. S&P credit ratings are statements of opinion and are not statements of fact or recommendations to purchase, hold, or sell securities, nor do they address the suitability of securities for investment purposes, and should not be relied on as investment advice. S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for errors or omissions (negligent or otherwise). S&P gives no express or implied warranties, including but not limited to any warranties of merchantability or fitness for a particular purpose or use. S&P shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of ratings.

NOT FDIC INSURED/NO BANK GUARANTEE/MAY LOSE VALUE



OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8012

Approved to Form and Legality

[Signature]

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 MEMBERS EDWARD CONNOLLY, NORMAN S. FAIX, THOMAS R. HARDY, PEDER N. JACOBSON, JAMES K. MCARTHUR, PADDY J. MCGREW, JAMES A. POWERS, AND LAWRENCE E. ROSS.

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

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

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

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

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

Table with 3 columns: (1) Name of Deceased Member, (2) Name of Beneficiary, (3) Death Benefit Amount. Rows include Edward Connolly, Norman S. Faix, Thomas R. Hardy, Peder N. Jacobson, James K. McArthur, Paddy J. McGrew, James A. Powers, and Lawrence E. Ross.

IN BOARD MEETING, VIA ZOOM CONFERENCE _____ MARCH 31, 2021

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ATTEST: _____ PRESIDENT

ATTEST: _____ SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD
 CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8013

*Approved to
 Form
 and Legality*


ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION FIXING THE MONTHLY ALLOWANCE OF LOIS KORTE, SURVIVING SPOUSE OF JOHN H. KORTE; BARBARA M. DILLMAN, SURVIVING SPOUSE OF VAUNE V. DILLMAN; SHIRLEY HERITAGE, SURVIVING SPOUSE OF ROBERT A. HERITAGE; CAROL SUSAN KENNEMORE, SURVIVING SPOUSE OF JAMES A. KENNEMORE JOAN KRAMER, SURVIVING SPOUSE OF JERRY KRAMER; ETTA PRUITT, SURVIVING SPOUSE OF ELMER E. PRUITT; RETIRED MEMBERS OF THE 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, does 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 amounts shown in Column (7) as the monthly allowance that said surviving spouse shall receive beginning on the date shown in Column (4):

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Name of Deceased Member	Date of Death	Name of Surviving Spouse	Effective Date of Allowance	Form of Retirement	% of Compensation Attached to Avg. Rank Held	Monthly Allowance
JOHN H. KORTE	06/09/2020	LOIS KORTE	06/10/2020	DIS	0.4444467	\$5,920.32
VAUNE V. DILLMAN	09/22/2020	BARBARA M. DILLMAN	09/23/2020	DIS	0.3333333	\$3,979.50
ROBERT A. HERITAGE	09/22/2020	SHIRLEY HERITAGE	09/23/2020	DIS	0.3333333	\$4,618.95
JAMES A. KENNEMORE	10/08/2020	CAROL SUSAN KENNEMORE	10/09/2020	SVC	0.3556533	\$4,931.55
JERRY KRAMER	10/17/2020	JOAN KRAMER	10/18/2020	DIS	0.3333333	\$4,622.07
ELMER E. PRUITT	12/15/2020	ETTA PRUITT	12/16/2020	SVC	0.3200666	\$3,852.28

IN BOARD MEETING, VIA ZOOM CONFERENCE _____ MARCH 31, 2021

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY