

Pursuant to California +Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairperson

R. Steven Wilkinson
Member

Martin J. Melia
Member

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

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

WEDNESDAY, OCTOBER 26, 2022

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.

- 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
OCTOBER 26, 2022**

- 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](https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar).
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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 the September 28, 2022 Audit Committee Meeting Minutes
- 2. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board

Recommendation: ACCEPT informational report regarding PFRS administrative expenses as of August 31, 2022
- 3. REVIEW OF PENDING AUDIT COMMITTEE MEETING AGENDA ITEMS**
- 4. OPEN FORUM**
- 5. FUTURE SCHEDULING**
- 6. ADJOURNMENT**

A REGULAR MEETING OF THE AUDIT/OPERATIONS COMMITTEE of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, August 31, 2022 via Zoom Webinar.

Committee Members	▪ John C. Speakman	Chairperson
	▪ Martin J. Melia	Member
	▪ R. Steven Wilkinson	Member
Additional Attendees	▪ David Jones	PFRS Secretary & Plan Administrator
	▪ Téir Jenkins	PFRS Staff Member
	▪ Maxine Visaya	PFRS Staff Member
	▪ Mitesh Bhakta	PFRS Legal Counsel

The meeting was called to order at 9:35 a.m. Pacific

- 1. PFRS Audit Committee Meeting Minutes** – Member Speakman made a motion to approve the August 31, 2022 Audit Committee Regular Meeting, second by Member Wilkinson. Motion passed.

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

- 2. Administrative Expenses Report** – Staff Member Jenkins presented an informational report on PFRS’ administrative expenditures as of July 31, 2022. PFRS has an approved annual budget of approximately \$3.6 million and have expensed approximately \$100,000.00 to date for fiscal year 2022-2023. Membership consisted of 686 retired members, which included 422 Police Members and 264 Fire Members. Member Jenkins noted City staff received a 5% cost of living adjustment which was not budgeted at the time this budget was initially approved. It may be necessary to make an adjustment to staff salaries moving forward and staff will monitor and keep the Board updated.

MOTION: Member Speakman made a motion to accept the administrative expenses report as of July 31, 2022 and forward to the Board, second by Member Wilkinson. Motion passed.

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

- 3. Review of Pending Audit Committee Meeting Agenda Items** – Plan Administrator Jones reported on the two (2) pending items on the Audit and Committee Agenda. Item 1) Staff Review of the 2006 Management Audit: Staff will continue to move forward to determine which firms provide management audit services that entail the scope of services requested and make inquiries regarding fees and estimated time line to complete the project and report findings in the first quarter of 2023. Item 2) Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the 2026 Actuarial Funding Date: Plan Administrator and Legal Counsel Bhakta advised here are no updates at this time.

- 4. Open Forum** – Plan Administrator Jones welcomed Member Martin Melia back to the Board.

5. **Future Scheduling** – The next regular Audit Committee meeting is tentatively scheduled to occur October 26, 2022.

6. **Adjournment** – Member Speakman made a motion to adjourn, second by Member Wilkinson. Motion passed.

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

The meeting adjourned at 9:48 a.m. Pacific

JOHN C. SPEAKMAN
COMMITTEE CHAIRPERSON

DATE

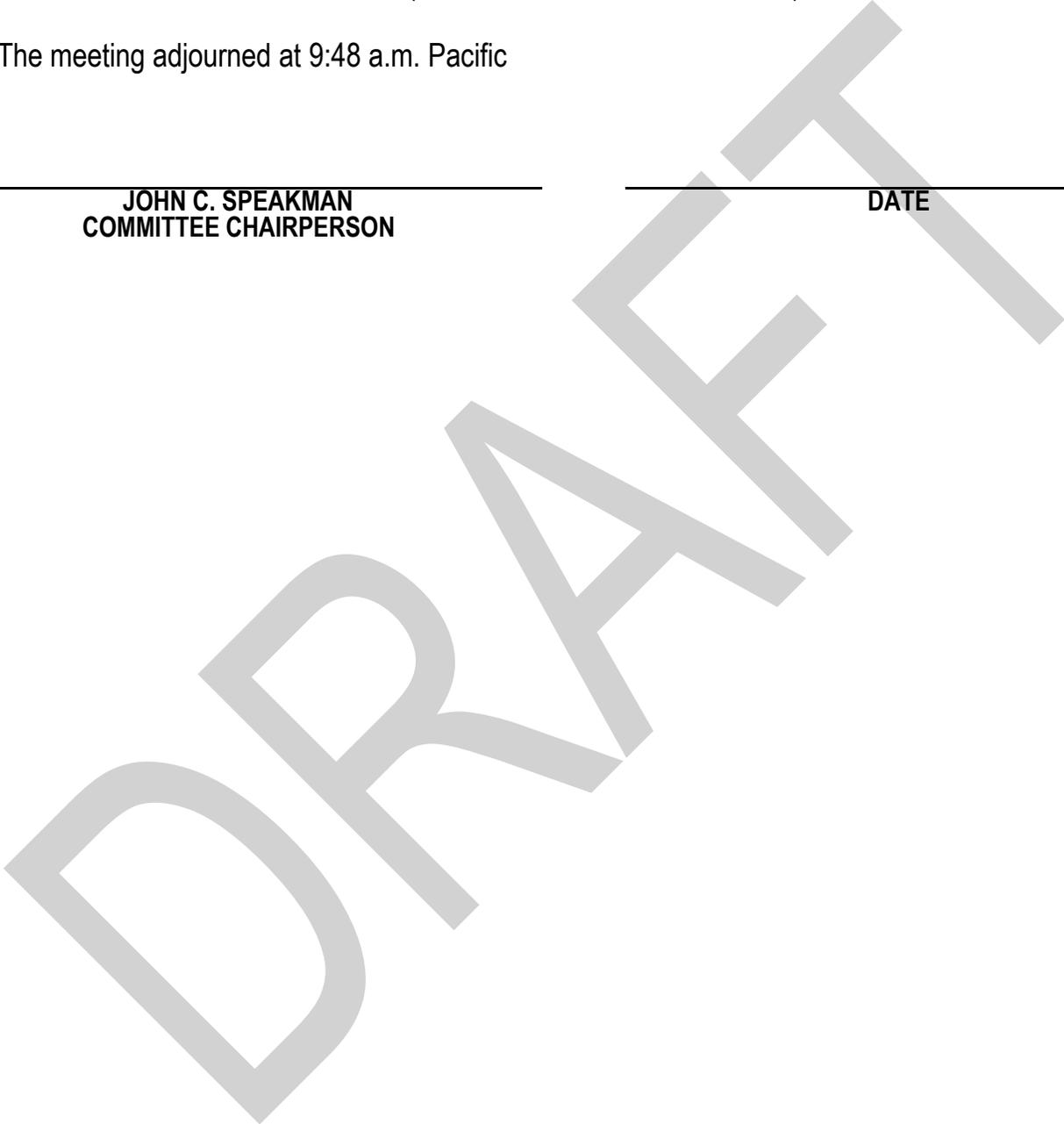


Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of August 31, 2022

	Approved Budget					Percent Remaining
		August 2022	FYTD	Remaining		
Internal Administrative Costs						
PFRS Staff Salaries	\$ 1,330,000	\$ 96,558	\$ 196,368	\$ 1,133,633		85.2%
Board Travel Expenditures	52,500	-	-	52,500		100.0%
Staff Training	20,000	-	-	20,000		100.0%
Staff Training - Tuition Reimbursement	7,500	-	-	7,500		100.0%
Board Hospitality	3,600	-	-	3,600		100.0%
Payroll Processing Fees	40,000	-	-	40,000		100.0%
Miscellaneous Expenditures	45,000	1,145	1,420	43,580		96.8%
Internal Service Fees (ISF)	88,000	-	-	88,000		100.0%
Contract Services Contingency	50,000	-	1,500	48,500		97.0%
Internal Administrative Costs Subtotal :	\$ 1,636,600	\$ 97,704	\$ 199,287	\$ 1,437,313		87.8%
Actuary and Accounting Services						
Audit	\$ 50,500	\$ -	\$ -	\$ 50,500		100.0%
Actuary	47,900	-	-	47,900		100.0%
Actuary and Accounting Subtotal:	\$ 98,400	\$ -	\$ -	\$ 98,400		100.0%
Legal Services						
City Attorney Salaries	\$ 194,000	\$ -	\$ 28	\$ 193,972		100.0%
Legal Contingency	150,000	-	-	150,000		100.0%
Legal Services Subtotal:	\$ 344,000	\$ -	\$ 28	\$ 343,972		100.0%
Investment Services						
Money Manager Fees	\$ 1,353,000	\$ 11,804	\$ 11,804	\$ 1,341,196		99.1%
Custodial Fee	124,000	-	-	124,000		100.0%
Investment Consultant	100,000	-	-	100,000		100.0%
Investment Subtotal:	\$ 1,577,000	\$ 11,804	\$ 11,804	\$ 1,565,196		99.3%
Total Operating Budget	\$ 3,656,000	\$ 109,507	\$ 211,118	\$ 3,444,882		94.23%

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of August 31, 2022

	August 2022
Beginning Cash as of 7/31/2022	\$ 6,680,692
Additions:	
City Pension Contribution - August	\$ 2,726,000
Investment Draw	\$ 2,000,000
Misc. Receipts	800
Total Additions:	\$ 4,726,800
Deductions:	
Pension Payment (July Pension Paid on 8/1/2022)	(4,331,770)
Expenditures Paid	(163,195)
Total Deductions	\$ (4,494,965)
 Ending Cash Balance as of 8/31/2022*	 \$ 6,912,527

* On 9/1/2022, August pension payment of appx \$4,318,000 will be made leaving a cash balance of \$2,595,000.

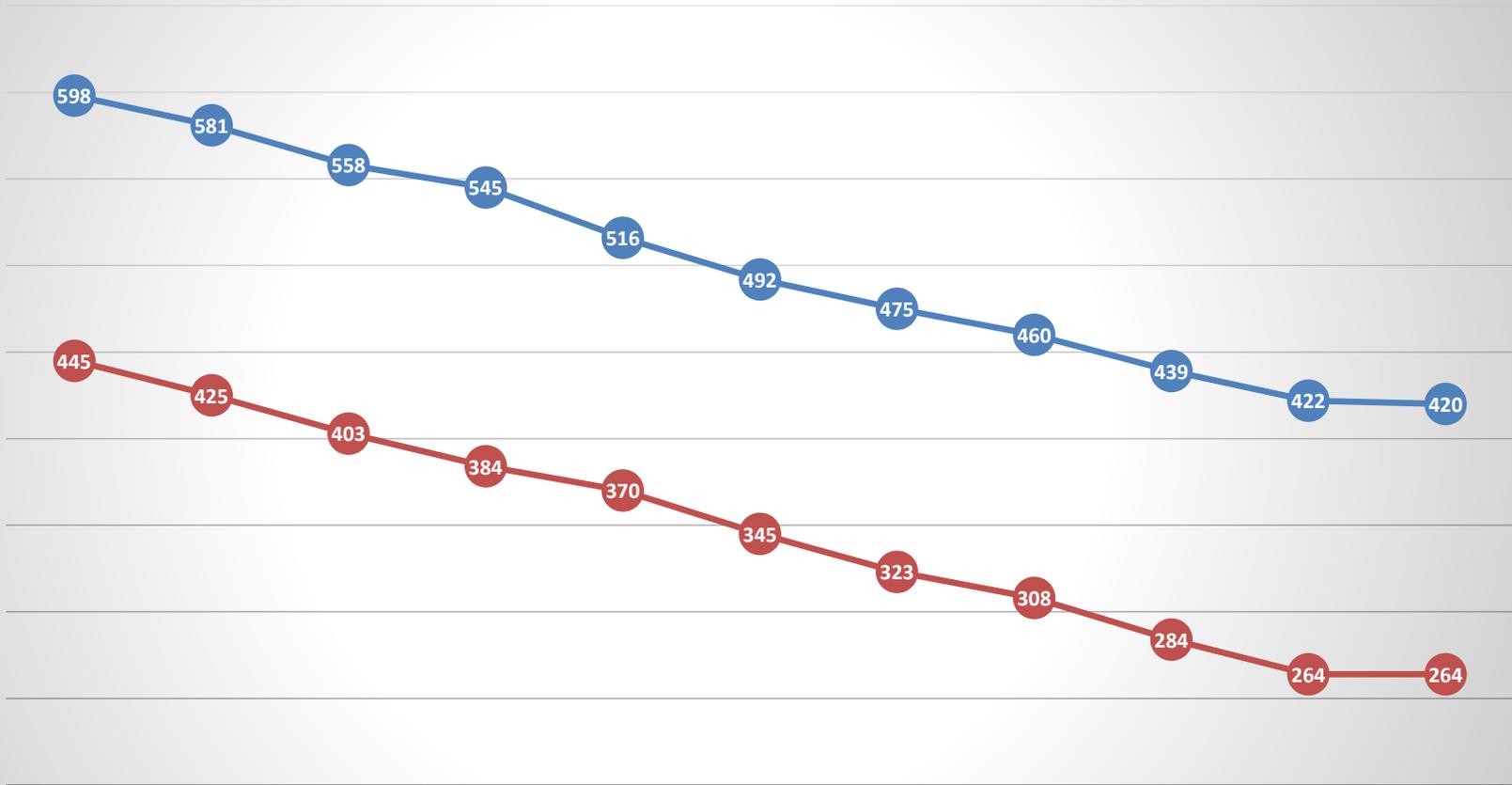
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of August 31, 2022

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	292	167	459
Beneficiary	128	97	225
<i>Total Retired Members</i>	420	264	684
<i>Total Membership:</i>	420	264	684

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	283	133	416
Disability Retirement	127	120	247
Death Allowance	10	11	21
<i>Total Retired Members:</i>	420	264	684
<i>Total Membership as of August 31, 2022:</i>	420	264	684
<i>Total Membership as of June 30, 2022:</i>	422	264	686
<i>Annual Difference:</i>	-2	0	-2

Oakland Police and Fire Retirement System Pension Plan Membership Count As of August 31, 2022 (FY 2013 - FY 2023)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 FYTD
Police	598	581	558	545	516	492	475	460	439	422	420
Fire	445	425	403	384	370	345	323	308	284	264	264
Total	1043	1006	961	929	886	837	798	768	723	686	684



AGENDA REPORT

TO: Oakland Police and Fire Retirement System Board (PFRS) **FROM:** Téir Jenkins
Investment & Operations Manager

SUBJECT: Audit Committee Agenda Pending List **DATE:** October 26, 2022

	SUBJECT	TENTATIVE SCHEDULED MTG DATE	STATUS
1	Staff Review of the 2006 Management Audit	TBD	Ongoing
2	Status Report of the Ad Hoc Committee regarding Actuarial Funding date of July 1, 2026	TBD	First meeting scheduled for Nov. 8, 2022
3	Monitor & Update PFRS Board of Upcoming City Council Agendas Regarding Discussion of the July 1, 2026 Actuarial Funding Date	Ongoing	Ongoing

Respectfully submitted,

Téir Jenkins
Investment & Operations Manager Oakland
Police & Fire Retirement Systems

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

INVESTMENT COMMITTEE MEMBERS

- Jaime T. Godfrey**
Chairperson
- R. Steven Wilkinson**
Member
- Robert W. Nichelini**
Member

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

WEDNESDAY, OCTOBER 26, 2022
10:30 AM
TELE-CONFERENCE BOARD MEETING
VIA ZOOM WEBINAR

OBSERVE

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- US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099
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**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
OCTOBER 26, 2022**

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ORDER OF BUSINESS

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

Recommendation: **APPROVE** September 28, 2022 Investment Committee Meeting Minutes

- 2. Subject:** Investment Manager Performance Update – Rice Hall James & Associates
From: Staff of the PFRS Board

Recommendation: **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; and investment strategy and portfolio performance of Rice Hall James & Associates, a PFRS’ Domestic Equity Small-Cap Growth Investment Strategy Manager

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
OCTOBER 26, 2022

3. **Subject:** Investment Manager Performance Review – Rice Hall James & Associates
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation regarding a firm overview and managerial assessment; investment portfolio performance; watch status update; and recommendations to continue/remove watch status and to extend/terminate the professional services agreement with Rice Hall James & Associates, a PFRS’ Domestic Equity Small-Cap Growth Investment Strategy Manager. **DISCUSS** possible Board action in response to Meketa’s recommendations, including but not limited to exercising the option to terminate the professional service agreement with Rice Hall James & Associates and transfer PFRS assets managed by Rice Hall James & Associates, LLC to another investment manager or a comparable Exchange Traded Fund (ETF), **RECOMMEND BOARD APPROVAL** of the Committee’s recommended course of action with regard to Rice Hall James & Associates
4. **Subject:** Resolution No. 8065 – Resolution Authorizing A One-Year Extension of the Professional Services Agreement with Rice Hall James & Associates for the Provision of Domestic Equity Small-Cap Growth Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System Commencing March 1, 2023 and Ending March 1, 2024
From: Staff of the PFRS Board
-
- Recommendation:** **RECOMMEND BOARD APPROVAL** of Resolution No. 8065 authorizing a one-year extension of the professional services agreement with Rice Hall James & Associates, for the provision of Domestic Equity Small-Cap Growth Investment Strategy Manager Services for the City of Oakland Police And Fire Retirement System commencing March 1, 2023 and ending March 1, 2024
5. **Subject:** Investment Market Overview as of September 30, 2022
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of September 30, 2022

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR INVESTMENT COMMITTEE MEETING
OCTOBER 26, 2022

6. **Subject:** Preliminary Investment Fund Performance Update as of September 30, 2022
From: Meketa Investment Group

Recommendation: **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of September 30, 2022

7. **Subject:** Thermal Coal Companies Prohibited from the PFRS Investment Portfolio – 2022 Update
From: Meketa Investment Group

Recommendation: **ACCEPT** and **RECOMMEND BOARD APPROVAL** of Meketa Investment Group’s updated list of thermal coal companies prohibited from the PFRS Investment Portfolio

8. **Subject:** Resolution No. 8066 – Resolution Authorizing a One-Year Extension of the Professional Services Agreement with Parametric Portfolio Associates, LLC for the Provision of Covered Calls Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System Commencing December 23, 2023 and Ending December 23, 2024
From: Staff of the PFRS Board

Recommendation: **RECOMMEND BOARD APPROVAL** of Resolution No. 8066 authorizing a one-year extension of the professional services agreement with Parametric Portfolio Associates, LLC for the provision of Covered Calls Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System commencing December 23, 2023 and ending December 23, 2024

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

A REGULAR MEETING OF THE INVESTMENT AND FINANCIAL MATTERS COMMITTEE of the Oakland Police and Fire Retirement System (“PFRS”) was held Wednesday, September 28, 2022 via Zoom Webinar.

Committee Members	▪ Jaime T. Godfrey	Chairperson
	▪ Robert W. Nichelini	Member
	▪ R. Steven Wilkinson	Member
Additional Attendees	▪ David F. Jones	PFRS Secretary & Plan Administrator
	▪ Mitesh Bhakta	PFRS Legal Counsel
	▪ Téir Jenkins	PFRS Staff Member
	▪ Maxine Visaya	PFRS Staff Member
	▪ David Sancewich	Meketa Investment Group
	▪ Jason Leong Campbell	Meketa Investment Group
	▪ Sam Ramirez Jr.	Ramirez Asset Management Inc.
	▪ Louis Sarno	Ramirez Asset Management Inc.
	▪ Helen Yee	Ramirez Asset Management Inc.
	▪ James Haddon	Ramirez Asset Management Inc.
	▪ Kenzie Wedge	Polen Capital Credit
	▪ John Sherman	Polen Capital Credit
	▪ Jim Haymes	Polen Capital Credit

The meeting was called to order at 10:00 a.m. Pacific

1. **Approval of Investment Committee Meeting Minutes** – Chairperson Godfrey made a motion to approve the June 29, 2022 Investment Committee Regular Meeting Minutes, as written, second by Chairperson Wilkinson. Motion Passed.

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

2. **Approval of Investment Committee Meeting Minutes** – Member Wilkinson made a motion to approve the August 31, 2022 Investment Committee Regular Meeting Minutes, as written, second by Member Nichelini. Motion Passed.

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

3. **Investment Manager Performance Update – Ramirez Asset Management Inc.** – Sam Ramirez, Jr., Louis Sarno, Helen Yee, and James Haddon of Ramirez Asset Management Inc., a PFRS Core Fixed Income Investment Strategy Manager, presented an informational report regarding a management and firm overview; investment philosophy and strategies; PFRS investment portfolio performance; and the firm’s Diversity, Equity, & Inclusion policy and practices.

Member Wilkinson, Chairperson Godfrey, and Staff Member Jenkins made inquiries to further discussion regarding the firm’s investment strategies and the current state of the markets and economy.

MOTION: Member Wilkinson made a motion to accept the informational report presented by Ramirez Asset Management, Inc, and forward to the Board, second by Member Nichelini. Motion passed.

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

4. **Investment Manager Performance Review – Ramirez Asset Management Inc.** – David Sancewich of Meketa Investment Group (“Meketa”) provided an overview memo regarding a review and evaluation of Ramirez Asset Management Inc. (Ramirez), a PFRS Core Fixed Income Investment Strategy Manager. D. Sancewich noted Meketa does not have any concerns regarding Ramirez at this time, as they continue to do well and did not recommended any change to their status. Additionally, Meketa recommended the PFRS Board retain Ramirez and approve the proposed contract extension on the next agenda item.

MOTION: Chairperson Godfrey made a motion to accept Meketa’s recommendations regarding Ramirez, second by Member Wilkinson. Motion passed.

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

5. **Resolution No. 8063** – Resolution authorizing the execution of a second amendment to the professional services agreement with Ramirez Asset Management, Inc. for the provision of Core Fixed Income Investment Strategy Manager Services for the Oakland Police And Fire Retirement System to renew the agreement for an additional one-year term.

MOTION: Chairperson Godfrey made a motion to recommend Board Approval of Resolution 8063, second by Member Nichelini. Motion passed.

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

6. **Investment Manager Performance Update – Polen Capital Credit** – David Sancewich noted Polen Capital Credit (Polen) is a PFRS High Yield Investment Strategy Manager, not a Covered Calls Investment Strategy Manager as indicated on the published agenda. Kenzie Wedge, John Sherman, and Jim Haymes of Polen Capital Credit, a PFRS High Yield Investment Strategy Manager, presented an informational report regarding recent organizational changes; a management and firm overview; investment philosophy and strategies; PFRS investment portfolio performance; and the firm’s Diversity, Equity, & Inclusion policy and practices.

Member Wilkinson and Chairperson Godfrey made inquiries to further discussion regarding the firm’s diversity, equity, and inclusion strategy and practices, the firm’s investment strategy, and portfolio performance. Additionally, the Committee requested Polen provide updated data to reflect current portfolio performance, as the information provided is dated to June 30, 2022.

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

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

7. **Investment Manager Performance Review – Polen Capital Credit** – David Sancewich of Meketa Investment Group (“Meketa”) provided an overview memo regarding a review and evaluation of Polen, a PFRS High Yield Income Investment Strategy Manager. D. Sancewich noted Polen has been a watch for quite a bit of time, initially for performance and most recently for organizational changes. Meketa does not have any concerns at this time, as portfolio performance has improved and the concerns regarding recent organizational changes no longer exist. Meketa recommended Polen be removed from watch status.

Member Wilkinson opined the firm does not appear to be well run, noted an unprofessional interaction with an individual from the firm, and the customized index provides challenges to accurately gauge performance in relation to their peers. Additionally, Member Wilkinson noted, despite them being acquired by a more professional firm, collectively the issues are cause for concern and suggested the PFRS Board consider looking for a new firm to manage the High Yield Investment Strategy if they do not continue to make improvements. Meketa suggested they perform a credit asset class review with attention to the segments which they are invested in and include a performance review as compared to their peers and evaluate if Polen continues to be a good fit with the direction PFRS is headed moving forward. Chairperson Godfrey suggested we continue to monitor performance for an additional quarter and requested Meketa provide the suggested report in the first quarter of 2023.

MOTION: Member Nichelini made a motion to accept Meketa’s evaluation regarding Polen Capital Credit and to maintain watch status, second by Member Wilkinson. Motion passed.

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

8. **Investment Market Overview as of August 31, 2022** – David Sancewich of Meketa presented an informational report regarding the Investment Market Overview as of August 31, 2022 and current factors impacting outcomes. D. Sancewich highlighted Index Returns, Equity and Fixed Income Volatility, Equity Cyclically Adjusted P/E Ratio, US Yield Curve, Central Bank Response, and Unemployment.

MOTION: Chairperson Godfrey made a motion to accept the informational report presented by Meketa regarding the Investment Market Overview as of August 31, 2022 and forward to the Board, second by Member Nichelini. Motion passed.

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

9. **Preliminary Investment Performance Update as of August 31, 2022** – Chairperson Godfrey forwarded this item to the Full Board Meeting in the interest of time.

MOTION: No action was taken on this item, as it was forwarded to the Full Board Meeting.

10. **\$14.2 Million Drawdown for Member Retirement Allowances Fiscal Year 2022/2023 (Quarter Ending December 31, 2022)** – David Sancewich of Meketa Investment Group presented an informational report and recommendation regarding a \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the from the Covered Calls Portfolio within the PFRS Investment Fund to be used to pay the October 1, 2022 through December 31, 2022 Member Retirement Allowances.

MOTION: Chairperson Godfrey made a motion to accept Meketa’s recommendation regarding the \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund and forward to the Board for approval, second by Member Nichelini. Motion passed.

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

11. **Schedule of Pending Investment Committee Meeting Agenda Items** – David Sancewich presented the 2022 Ongoing Strategic Investment Agenda for discussion and noted it is contingent upon Board action regarding the scheduling of the November and December meetings in consideration of the upcoming holidays and will work towards conducting the review of Polen and the credit markets as requested earlier in today’s meeting.

12. **Open Forum** – Member Wilkinson notified the Investment Committee he will be unable to attend the Regular Board Meeting to follow.

13. **Future Scheduling** – The next regular Investment Committee meeting is tentatively scheduled to occur Wednesday, October 26, 2022.
14. **Adjournment** – Member Wilkinson made a motion to adjourn, second by Member Nichelini. Motion passed.

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

The meeting adjourned at 11:38 a.m. Pacific

JAIM T. GODFREY
COMMITTEE CHAIRPERSON

DATE

DRAFT

Rice Hall James & Associates, LLC

RHJ Small Cap
Opportunities Strategy

October 26, 2022



RICE HALL JAMES
& ASSOCIATES, LLC

Rice Hall James & Associates, LLC
600 West Broadway, Suite 1000
San Diego, California 92101

Telephone: (619) 239-4855
E-mail: info@ricehall.com
Website: www.ricehalljames.com

For one-on-one presentation only, not for public distribution.

Firm Profile

September 30, 2022

Investment-led firm, founded in 1974

Firm AUM + AUA: \$2.0 billion¹

Ownership

Independent and 100% employee-owned. RHJ is focused solely on investment management with no other lines of business

Personnel

27 employees, including 12 owners averaging 29 years of industry experience and 21 years with Rice Hall James

Time-Tested Investment Strategies

RHJ's professionals have been managing micro-, small-, and SMID-cap portfolios for more than three decades

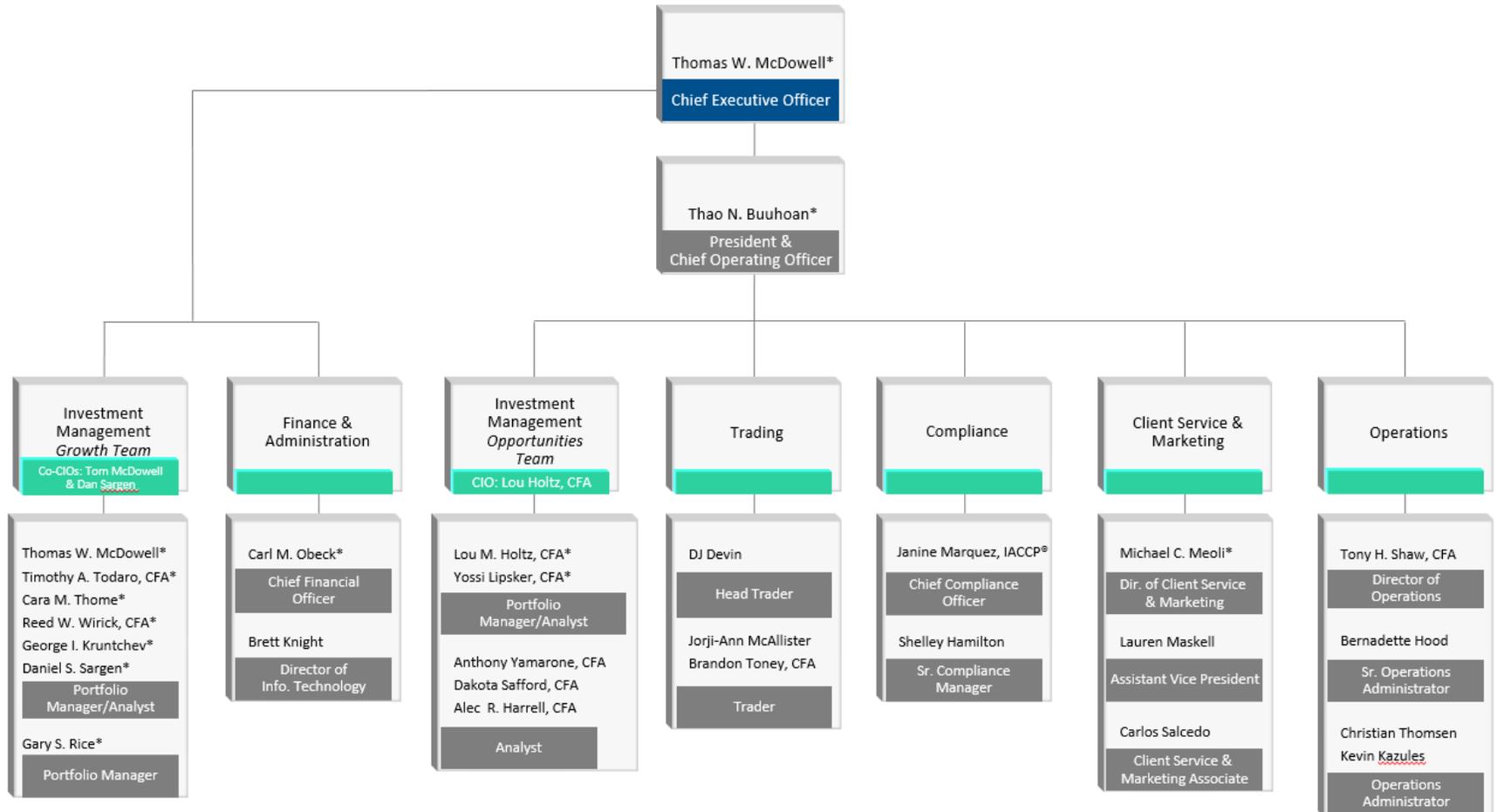
Established Client Base

34 institutional clients, representing 81% of assets

¹Assets include assets under management and assets under advisement.



RHJ Organization Chart



SEPTEMBER 2022

*Employee Owners



RICE HALL JAMES
& ASSOCIATES, LLC

Diversity

Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 09/30/2022

Firm Name	Rice Hall James & Associates, LLC
Product Name	RHJ Small Cap Opportunities
Total Number of Employees	27

Race and Ethnicity*	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
African American/Black	0%	0%	0%
Asian/Hawaiian/Pacific Islander	17%	7%	0%
Latino/Hispanic	0%	4%	0%
White	83%	85%	93%
American Indian/Alaska Native	0%	4%	7%
Other	0%	0%	0%
Gender			
Male	67%	70%	80%
Female	33%	30%	20%
Non-Identified/Other	0%	0%	0%

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



RHJ Diversity Equity & Inclusion Initiatives

Created a firm-wide DEI Policy and are pursuing the following goals:

- ▶ Increase our outreach to organizations that support underrepresented groups in the finance industry
- ▶ Work with a local expert on employee education and training on DEI issues
- ▶ Plan for a summer internship program



Value Proposition

Long-Term Oriented

- Portfolio Manager/Analysts have an investment horizon that is longer than other micro, small, and SMID cap growth managers, typically 3 to 5 years.
- Long-term focus allows us to develop an **informational edge** on companies and their management teams relative to our peer group universe.

Experienced & Stable

- Portfolio Manager/Analysts average 29 years of investment experience and 23 years working together.
- Knowledge base that includes a **deep understanding** of the companies' management teams, competitors, and customers.

Quality-Focused

- Portfolio is comprised of companies that generate high returns on invested capital or have the potential to do so in the near future.
- We invest in those companies that we believe have a **sustainable competitive advantage** compared to rivals.

Risk-Controlled

- Structure portfolio weightings in **most compelling ideas** on a risk-adjusted basis.
- Carefully monitor guideposts which are established at the time of initial investment.



Portfolio Review



RICE HALL JAMES
& ASSOCIATES, LLC

Oakland Police & Fire Retirement System

As of September 30, 2022

Portfolio Details

Inception Date: July 13, 2017

Initial Value: \$10,537,872.22

Market Value as of February 28, 2022: \$12,874,347.30

Net Flows Since Inception: (\$987,084.61)

	3Q22	YTD	1 Year*	3 Years*	5 Years*	Since Inception* July 31, 2017
Oakland Police & Fire Ret System [Gross]	-4.27%	-26.16%	-22.79%	5.49%	5.29%	6.02%
Oakland Police & Fire Ret System [Net]	-4.44%	-26.62%	-23.45%	4.51%	4.29%	5.05%
Russell 2000 Growth Index	0.24%	-29.28%	-29.27%	2.94%	3.60%	4.52%
<i>Difference (Net) vs. Russell 2000 Growth</i>	<i>-468 bps</i>	<i>+266 bps</i>	<i>+582 bps</i>	<i>+157 bps</i>	<i>+69 bps</i>	<i>+53 bps</i>

*Annualized

Source: FactSet



RICE HALL JAMES
& ASSOCIATES, LLC

Past performance does not guarantee future results. Performance is reported in U.S. Dollars, gross and net of fees and is annualized for periods greater than one year. For performance calculation purposes, the portfolio's inception date is July 31, 2017. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees.

RHJ Attribution Report

3Q22 Attribution Analysis

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

GICS Sector	City of Oakland			Russell 2000 Growth			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	-4.24	-4.24	100.00	0.24	0.24	-0.08	-4.40	-4.48
Financials	7.54	10.14	0.41	6.03	-0.81	-0.06	0.02	0.72	0.74
Real Estate	--	--	--	2.40	-17.65	-0.40	0.45	--	0.45
Communication Services	8.51	-0.90	-0.15	2.46	-6.27	-0.13	-0.38	0.45	0.08
Utilities	--	--	--	1.80	-3.11	-0.09	0.06	--	0.06
Materials	2.11	-3.98	-0.13	4.37	-2.06	-0.15	0.06	-0.04	0.02
Telecommunication Services	--	--	--	0.09	11.41	0.05	-0.01	--	-0.01
[Cash]	3.16	0.65	0.02	--	--	--	-0.11	--	-0.11
Energy	--	--	--	6.25	3.97	0.06	-0.22	--	-0.22
Health Care	25.19	5.93	1.30	23.92	8.13	1.75	0.16	-0.48	-0.32
Consumer Discretionary	12.28	-3.03	-0.24	10.95	1.33	0.14	0.06	-0.57	-0.51
Industrials	11.74	-4.40	-0.53	17.38	0.11	-0.02	0.01	-0.53	-0.52
Consumer Staples	2.94	-39.13	-1.30	4.34	-6.69	-0.28	0.09	-1.28	-1.19
Information Technology	26.53	-13.88	-3.62	20.02	-4.56	-0.62	-0.28	-2.66	-2.94

Sources: FactSet, GICS Sector Classification, & FTSE Russell

Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.



RHJ Attribution Report

YTD Attribution Analysis as of September 30, 2022

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

GICS Sector	City of Oakland			Russell 2000 Growth			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	-26.12	-26.12	100.00	-29.28	-29.28	-0.96	4.12	3.16
Health Care	23.80	-9.27	-1.25	24.13	-25.98	-5.52	0.34	3.26	3.60
Consumer Discretionary	12.78	-24.46	-2.82	13.07	-34.37	-5.08	0.07	1.38	1.45
Communication Services	8.14	-22.65	-1.94	2.68	-39.48	-1.16	-0.63	1.44	0.81
[Cash]	3.14	0.98	0.03	--	--	--	0.81	--	0.81
Real Estate	--	--	--	2.79	-48.02	-1.60	0.60	--	0.60
Financials	7.21	-25.40	-1.88	5.87	-29.25	-1.73	0.03	0.29	0.32
Utilities	--	--	--	0.88	-20.51	-0.11	-0.05	--	-0.05
Materials	2.00	-15.44	-0.38	3.83	-18.66	-0.83	-0.14	0.08	-0.06
Telecommunication Services	--	--	--	0.30	0.96	0.01	-0.08	--	-0.08
Information Technology	28.20	-37.84	-11.78	21.23	-37.66	-8.40	-0.56	-0.05	-0.61
Consumer Staples	3.29	-46.57	-1.71	4.32	-17.98	-0.65	-0.03	-1.02	-1.06
Energy	--	--	--	4.42	18.78	-0.14	-1.15	--	-1.15
Industrials	11.43	-35.47	-4.38	16.49	-25.03	-4.07	-0.17	-1.26	-1.44

Sources: FactSet, GICS Sector Classification, & FTSE Russell

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3Q22 Top/Bottom 5 Performers

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

Ticker		Average Weight	Total Return	Contribution To Return
5 Highest				
AERI	Aerie Pharmaceuticals, Inc.	1.19	101.73	0.67
RVNC	Revance Therapeutics, Inc.	1.09	95.37	0.66
DFIN	Donnelley Financial Solutions, Inc.	3.16	26.22	0.51
WNS	WNS (Holdings) Limited Sponsored ADR	4.86	9.65	0.37
WWE	World Wrestling Entertainment, Inc. Class A	3.31	12.49	0.37
5 Lowest				
MED	Medifast, Inc.	2.94	-39.13	-1.30
SMTC	Semtech Corporation	2.34	-46.50	-1.18
EEFT	Euronet Worldwide, Inc.	3.22	-24.68	-0.88
ACIW	ACI Worldwide, Inc.	3.27	-19.27	-0.60
RXT	Rackspace Technology, Inc.	0.97	-43.10	-0.50

Sources: FactSet, GICS Sector Classification, & FTSE Russell



YTD Top/Bottom 5 Performers

As of September 30, 2022

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

Ticker		Average Weight	Total Return	Contribution To Return
	Total			
	5 Highest			
LRN	Stride, Inc.	3.31	26.10	0.88
WWE	World Wrestling Entertainment, Inc. Class A	2.87	43.04	0.79
AERI	Aerie Pharmaceuticals, Inc.	0.78	115.53	0.69
RVNC	Revance Therapeutics, Inc.	0.88	65.44	0.54
BHVN.1	Biohaven Pharmaceutical Holding Company Ltd.	2.22	9.69	0.41
	5 Lowest			
SMTC	Semtech Corporation	2.80	-66.93	-2.44
MED	Medifast, Inc.	3.29	-46.57	-1.71
ZD	Ziff Davis, Inc.	3.47	-38.23	-1.54
EEFT	Euronet Worldwide, Inc.	3.43	-36.43	-1.48
DOOR	Masonite International Corp.	3.37	-39.56	-1.48

Sources: FactSet, GICS Sector Classification, & FTSE Russell



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3Q22 Transactions: RHJ Small Cap Opportunities

3Q22 Portfolio Purchases

Doximity, Inc.	DOCS
TechTarget, Inc.	TTGT

3Q22 Portfolio Sales

Collegium Pharmaceuticals, Inc.	COLL
Global Blood Therapeutics, Inc.	GBT



2022 Transactions: RHJ Small Cap Opportunities

YTD as of September 30, 2022

Portfolio Purchases		Portfolio Sales	
Digital Turbine, Inc.	APPS	Arena Pharmaceuticals, Inc.	ARNA
Neurocrine Biosciences, Inc.	NBIX	Zogenix, Inc.	ZGNX
Arlo Technologies, Inc.	ARLO	Points.com, Inc.	PCOM
Doximity, Inc.	DOCS	Mimecast Ltd.	MIME
TechTarget, Inc.	TTGT	Collegium Pharmaceuticals, Inc.	COLL
		Global Blood Therapeutics, Inc.	GBT



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Past performance is no guarantee of future results. Securities mentioned do not make up entire portfolio and, in the aggregate, may represent a small percentage of the portfolio. Holdings are subject to change and are based on a representative account. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities in this presentation. Rice Hall James & Associates, LLC, or one or more of its officers, may have a position in the securities discussed herein and may purchase or sell such securities from time to time.

Appendix



RICE HALL JAMES
& ASSOCIATES, LLC

Investment Philosophy

We believe that superior, long-term, risk-adjusted returns are generated by building a portfolio of companies with three primary characteristics – **high earnings growth, high or improving returns on invested capital and better sustainability characteristics** than that of the index.



Why Earnings Growth & ROIC ?

The probability of alpha generation increases when high earnings growth is coupled with high returns on invested capital.

		EARNINGS GROWTH ¹				
		Less than 0%	0%-10%	10-20%	20%-25%	More than 25%
PERFORMANCE OF RUSSELL 2000 COMPANIES RELATIVE TO OVERALL INDEX						
5-YEAR AVG ROIC ²	More than 15%	(27%)	(45%)	5%	96%	379%
	10% - 15%	(80%)	(58%)	2%	40%	159%
	5% - 10%	(27%)	(64%)	(24%)	11%	39%
	Less than 5%	(86%)	(57%)	(64%)	(17%)	32%

Historical performance does not guarantee future results.

¹ 5-year Earnings Per Share (EPS) growth, compounded annually.

Sources: FactSet & FTSE Russell

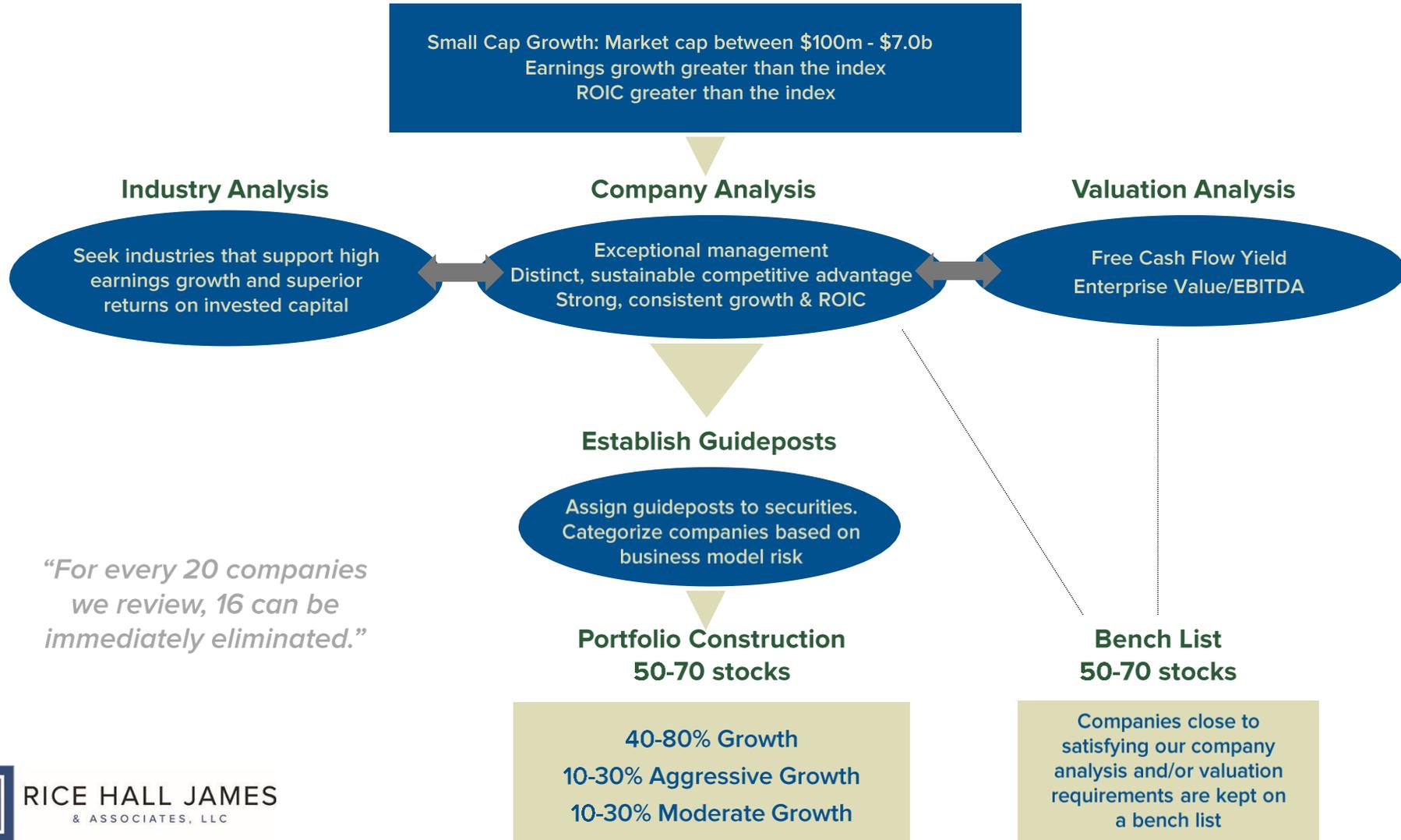
² ROIC = Return on Invested Capital.

Relative performance compares individual Russell[®] 2000 constituent performance vs. an equal-weighted index (Russell 2000) return. Only the Russell 2000 constituents (as of 12/31/2021) with 5 years of measurable history (EPS, ROIC and Performance) were used in the study. The index return is calculated using the combined equal-weighted 5 year return of these Russell 2000 constituents as of 12/31/2021. The Russell[®] 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000[®] Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The index is calculated on a total-return basis with dividends reinvested.



Portfolio Construction

Investable universe is significantly reduced by adhering to this discipline.



Industry Analysis

A large initial universe allows us the freedom to identify and implement our investment strategy within traditional, non-traditional, and emerging growth industries.

- ▶ Industries which have been **historically identified** by companies with high earnings growth and superior returns on invested capital
- ▶ Industries exhibiting **changing dynamics**, supporting high growth and superior returns on invested capital
- ▶ New and **emerging industries** that can support companies with high earnings growth and superior returns on invested capital



Investment Process - Company Analysis

We perform in-depth research to identify:

▶ **Companies that generate strong and consistent ROIC and earnings growth**

- Large or growing addressable markets
- Stability of existing revenue stream
- Ability to maintain or increase pricing
- High probability of retaining or widening margins

▶ **Capable management teams**

- Experience and integrity
- Track record of success
- Clear goals and viable long-term business model

▶ **Unique, sustainable competitive advantages**

- Proprietary products, services, distribution/manufacturing advantages
- Strategy for defending against competition
- High barriers to entry
- High or improving market share
- Brand name recognition

We maintain contact with management teams of companies we own and all those considered for investment (our bench list)



Investment Process - Valuation Analysis

- ▶ Valuation analysis is a key component of our determination in how we assess a company's absolute & relative attractiveness

Valuation Analysis

- Cash flow analysis that incorporates ROIC & the duration of earnings growth
- Analyze companies across industries and sectors, using common valuation techniques
- Analyze companies relative to valuation of securities in existing portfolio

Other valuation methods:

- P/E to Growth Rate (PEG Ratio)
- Free Cash Flow Yield
- Price to earnings (P/E Ratio)
- Enterprise Value/EBITDA



Investment Process – Establishing Guideposts

- ▶ As part of our research process, we create guideposts for each security:
 - Specific factors unique to each company used to monitor company progress
 - Examples: new drug filings in Health Care, or new store sales productivity in Retail
 - Through this ongoing monitoring process, position sizes are increased or decreased
 - Guideposts help to identify deteriorating or improving fundamentals before they are reflected in the stock price



Investment Process – Portfolio Construction

- ▶ Portfolio Construction is a function of our bottom-up selection process – each holding is grouped into one of the three categories below:

Growth

40-80% of portfolio

- Industry leader and/or gaining market share
- ROIC greater than 10%
- Earnings growth higher than the relative index
- Sustainable competitive advantage
- Proven successful operating history
- High confidence in management

Aggressive Growth

10-30% of portfolio

- Emerging high growth companies with improving ROIC
- Companies in a unique/turnaround situation
- Higher volatility, but higher potential return candidates

Moderate Growth

10-30% of portfolio

- Dominant position in their industry
- Moderate, consistent earnings growth and stable ROIC
- Self-funding and generating strong cash flow



Sell Discipline

Sell discipline is a function of a review and violation of one or more of the following:

- ▶ Change in fundamentals or competitive advantages
- ▶ Missing Guideposts
- ▶ Change in management team
- ▶ Relative Valuation



Summary

- ▶ Disciplined research process with focus on high growth, high return on invested capital companies with good sustainability characteristics
- ▶ Experienced Portfolio Manager/Analysts average 29 years of investment experience and 23 years working together.
- ▶ Proven long-term results with success through a variety of economic environments



Small Cap Opportunities Portfolio

As of September 30, 2022

Communication Services	9.1%	Health Care	27.4%	Industrials	11.5%
Shutterstock, Inc.	1.6%	ACADIA Pharmaceuticals, Inc.	0.7%	Armstrong World Industries, Inc.	2.0%
TechTarget, Inc.	0.7%	Aerie Pharmaceuticals, Inc.	1.7%	Franklin Covey Co.	0.9%
World Wrestling Entertainment, Inc.	3.7%	Albireo Pharma, Inc.	0.7%	GXO Logistics, Inc.	0.4%
Ziff Davis, Inc.	3.1%	Amicus Therapeutics, Inc.	0.6%	IAA, Inc.	1.3%
		Ascendis Pharma A/S	1.3%	Masonite International Corp.	3.1%
Consumer Discretionary	12.4%	Biohaven Pharmaceutical Holding Company Ltd.	1.2%	MSC Industrial Direct Co., Inc.	0.5%
Century Casinos, Inc.	0.7%	Doximity, Inc.	0.6%	PGT Innovations, Inc.	1.4%
LCI Industries	2.4%	Emergent BioSolutions, Inc.	0.1%	Willdan Group, Inc.	0.5%
Overstock.com, Inc.	1.1%	Fate Therapeutics, Inc.	0.4%	XPO Logistics, Inc.	1.4%
Pool Corp.	1.3%	Insmed, Inc.	0.4%		
Sleep Number Corp.	0.6%	Iovance Biotherapeutics, Inc.	1.0%	Information Technology	25.6%
Strategic Education, Inc.	0.6%	Karyopharm Therapeutics, Inc.	0.4%	ACI Worldwide, Inc.	3.3%
Stride, Inc.	4.3%	Kiniksa Pharmaceuticals Ltd.	0.7%	Arlo Technologies, Inc.	0.7%
Vail Resorts, Inc.	1.6%	Ligand Pharmaceuticals, Inc.	2.0%	Cambium Networks Corp.	0.8%
		Medpace Holdings, Inc.	3.2%	CEVA, Inc.	1.1%
Consumer Staples	2.4%	Neurocrine Biosciences, Inc.	1.5%	Consensus Cloud Solutions, Inc.	0.7%
Medifast, Inc.	2.4%	OptiNose, Inc.	0.2%	Digital Turbine, Inc.	2.0%
		Pacira Biosciences, Inc.	1.7%	Euronet Worldwide, Inc.	3.2%
Financials	7.8%	Premier, Inc.	2.8%	Ituran Location and Control Ltd.	0.2%
Axos Financial, Inc.	2.1%	Prestige Consumer Healthcare, Inc.	3.2%	MAXIMUS, Inc.	1.4%
Bank OZK	1.4%	Puma Biotechnology, Inc.	0.1%	Qualys, Inc.	1.5%
Donnelley Financial Solutions, Inc.	3.4%	Revance Therapeutics, Inc.	1.6%	Rackspace Technology, Inc.	0.8%
Federal Agricultural Mortgage Corp.	0.9%	Supernus Pharmaceuticals, Inc.	1.5%	Radware Ltd.	1.6%
				Semtech Corp.	1.6%
Materials	2.1%			Silicon Motion Technology Corp.	0.7%
Ingevity Corp.	2.1%			SolarWinds Corp.	0.1%
				Wix.com Ltd.	0.8%
				WNS Holdings Ltd.	5.1%

Total Equity	98.3%
Total Cash	1.7%

Sources: FactSet & S&P Dow Jones Indices LLC

Past performance is no guarantee of future results. Holdings are subject to change and are based on a representative account. Sector weightings may not add up to 100% due to rounding. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities in this article. Rice Hall James & Associates, LLC, or one or more of its officers, may have a position in the securities discussed herein and may purchase or sell such securities from time to time.

Portfolio Guidelines

Position Limit Parameters

Position size is scaled up or down based on evolving reward to risk profile

Position Limit at Market	6%
Portfolio Holdings	50-70
Cash Weight	Typically less than 5%

Market Cap Range

Between \$100 million and \$7.0 billion market capitalization at time of purchase

Sector Weight Parameters

Sector weights are +/-1000 basis points of the benchmark weights of the major economic sectors

Sector Allocations as of September 30, 2022

	Small Cap Opportunities	Russell 2000 Growth Index
Communication Services	9.1%	2.4%
Consumer Discretionary	12.4%	10.8%
Consumer Staples	2.4%	4.2%
Energy	--%	6.5%
Financials	7.8%	6.0%
Health Care	27.4%	25.3%
Industrials	11.5%	17.1%
Information Technology	25.6%	19.5%
Materials	2.1%	4.3%
Real Estate	--%	2.2%
Utilities	--%	1.8%
[Cash]	1.7%	--%

Capitalization	Small Cap Opportunities	Russell 2000 Growth Index
>\$5 billion	14.4	11.4
\$2 billion- 5 billion	43.6	54.1
\$750 million- 2 billion	33.5	26.4
\$400 million- 750 million	6.5	5.7
<\$400 million	2.1	2.4

Sources: FactSet & GICS Sector Classification

The information above is based on a representative account. Sector and market capitalization weightings may not add up to 100% due to rounding. Please see important disclosure information at the end of this presentation regarding the indices and sector classification shown above.



Small Cap Opportunities

Portfolio Characteristics as of September 30, 2022

	RHJ Small Cap Opportunities	Russell 2000 Growth Index
Number of Holdings	67	1,121
Portfolio Turnover (3Y annual avg)	21.1%	--
Long-Term Earnings Growth Forecast	14.2%	15.9%
P/E - 1 Year Forecast*	13.4	12.8
Return on Equity (5 Years)	11.1%	-3.2%
Weighted Median Market Cap	\$2.39 billion	\$2.58 billion
Weighted Average Market Cap	\$3.05 billion	\$2.92 billion
Active Share	94.9%	--

*P/E Ratio calculation excludes companies with negative earnings.

Sources: FactSet & eVestment Analytics

The information above is based on a representative account. Please see important disclosure information at the end of this presentation regarding the indices shown above.

Small Cap Opportunities Performance

Returns for periods ending September 30, 2022

	3Q22	YTD	1 Year*	3 Year*	5 Year*	7 Year*	10 Year*	Since Inception* October 10, 1994*
RHJ Small Cap Opportunities [Gross]	-4.26%	-26.28%	-22.91%	5.38%	5.21%	9.08%	11.08%	12.41%
RHJ Small Cap Opportunities [Net]	-4.41%	-26.62%	-23.38%	4.69%	4.51%	8.38%	10.36%	11.50%
Russell 2000 Growth Index	0.24%	-29.28%	-29.27%	2.94%	3.60%	7.12%	8.81%	7.17%

*Annualized

Sources: FactSet

Past performance does not guarantee future results. Composite returns are shown both gross and net of fees in U.S. dollars. Rice Hall James & Associates, LLC's compliance with the GIPS standards has been verified for the period January 1, 1993 through December 31, 2021.



RICE HALL JAMES
& ASSOCIATES, LLC

Small Cap Opportunities

	Small Cap Opportunities [Gross]	Small Cap Opportunities [Net]	Russell 2000 Growth Index
2021	16.13 %	15.38 %	2.83 %
2020	24.50 %	23.65 %	34.63 %
2019	18.85 %	18.04 %	28.48 %
2018	-6.49 %	-7.11 %	-9.31 %
2017	28.71 %	27.93 %	22.17 %
2016	11.93 %	11.28 %	11.32 %
2015	-0.06 %	-0.60 %	-1.38 %
2014	8.41 %	7.69 %	5.60 %
2013	56.34 %	55.12 %	43.30 %
2012	14.56 %	13.62 %	14.59 %
2011	9.55 %	8.68 %	-2.91 %
2010	38.73 %	37.65 %	29.09 %
2009	48.47 %	47.27 %	34.47 %
2008	-43.34 %	-43.71 %	-38.54 %
2007	10.48 %	9.50 %	7.05 %
2006	7.10 %	6.11 %	13.35 %
2005	11.46 %	10.42 %	4.15 %
2004	10.03 %	9.04 %	14.31 %
2003	50.70 %	49.31 %	48.54 %
2002	-29.41 %	-30.07 %	-30.26 %
2001	-28.87 %	-29.52 %	-9.23 %
2000	-13.23 %	-14.01 %	-22.43 %
1999	87.81 %	86.06 %	43.09 %
1998	16.33 %	15.20 %	1.23 %
1997	28.67 %	27.41 %	12.95 %
1996	53.30 %	51.78 %	11.26 %
1995	25.69 %	24.45 %	31.04 %



Additional Documentation



RICE HALL JAMES
& ASSOCIATES, LLC

RHJ Diversity, Equity, and Inclusion Policy

Our Commitment

RHJ is keenly aware of the need to actively promote diversity, equity, and inclusion (DEI) within our industry, and this policy formalizes our commitment to improve DEI at the firm. Even as a small boutique firm with low personnel turnover, the composition of our ownership and employee base evidences our commitment to DEI.

We maintain that diversity encompasses every employee's distinctive attributes and unique qualities. Respecting these differences is key to building a sense of inclusion. We foster diversity of thought and value innovative thinking. RHJ has a "diverse" investment team in the sense that we have historically hired individuals with considerably different backgrounds and experience. Having a diverse group of decision makers in senior management and within our investment teams challenges conventional thinking. It helps us avoid "group-think" and the "following the herd" mentality which can be prevalent in the industry. We believe that this leads to improved investment decisions over time, and ultimately allows us to generate superior results, thus better serving our clients.

Our History

RHJ has a longstanding commitment to DEI. Thirty percent of RHJ is women-owned (and within that share, 15% is minority woman-owned). Furthermore, there are 4 women with senior management positions. From its inception, RHJ has been a long-time supporter of organizations that promote diversity. We actively seek to expand our reach of support to additional DEI-related organizations.

Exercising Diversity, Equity, and Inclusion

RHJ is also dedicated to ensuring that our firm is a workplace where every employee feels included, comfortable, respected, and provided with opportunities for continued growth. The firm will encourage initiatives focused on promoting awareness of DEI topics through training opportunities and creating a safe space for employees to express DEI-related concerns. RHJ's Management Committee will oversee and track progress made by the firm in relation to DEI, and ensure firm adherence to this policy.



Biographies

Portfolio Management & Analysis Team

Lou Holtz, CFA

Chief Investment Officer & Portfolio Manager/Analyst

Lou joined RHJ in October 2008 and has 31 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. Prior to that, Lou was a business valuation analyst at a national independent appraisal firm and an analyst for a regional real estate appraisal firm. Lou holds a Bachelor of Arts degree in business economics with honors from the University of California, Santa Barbara and an M.B.A. with an emphasis in finance from the University of Southern California, where he was on the Dean's List. Lou is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Yossi Lipsker, CFA

Portfolio Manager/Analyst

Yossi joined RHJ in October 2008 and has 28 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. He received an M.B.A. with an emphasis in finance from Columbia Business School. While at Columbia he excelled academically, gaining membership in both the Beta Gamma Sigma Honor Society and the Dean's List. Additionally, Yossi holds a B.R.S. degree in religious studies from the Rabbinical College of America. Yossi is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Anthony S. Yamarone, CFA

Analyst

Tony joined RHJ in September 2016. Prior to joining the firm, he worked at Ameriprise Financial as a member of their financial planning team. He received a B.S. in Business Administration from San Francisco State University and an M.S. in Financial Analysis and Investment Management from Saint Mary's College of California. Tony is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Dakota Safford, CFA

Analyst

Dakota joined RHJ in August 2017. Prior to joining the firm, he worked at Advanced Financial Strategies as a financial analyst. He received a B.A. in Business Economics from the University of California, Irvine. While at UCI, he was involved in the Student Managed Investment Fund, where he performed equity research and evaluated portfolio structures. Dakota is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Alec R. Harrell, CFA

Analyst

Alec joined RHJ in December 2017 and has 19 years of investment experience. Prior to joining the firm he was a Senior Portfolio Manager/Analyst at Northern Trust Asset Management. Prior to that, Alec worked as a Portfolio Manager/Analyst for Convergent Fund Management and an Analyst for Needelman Asset Management. His experience includes fundamental research on U.S. and international securities as well as the development of quantitative equity strategies. He received a B.A. in politics, philosophy and economics from Claremont McKenna College and a J.D. and M.B.A. from the University of Southern California [USC]. Alec is a CFA® charterholder. He is a member of CFA Society Los Angeles.



Biographies

Thomas W. McDowell

Chief Executive Officer & Co-Chief Investment Officer

Tom joined RHJ in 1984 as a Portfolio Manager and Analyst and has 42 years of investment experience. Tom assumed leadership of the company in 1994. Previously, he was a Portfolio Manager with California First Bank and specialized in the consumer-related industries. Tom completed a B.A. at the University of California, Los Angeles, and an M.B.A. at San Diego State University.

Thao N. Buuhoan

President & Chief Operating Officer

Thao joined RHJ in June of 2000 and was initially responsible for Institutional Marketing and Client Service. In 2009, Thao assumed responsibility as President and Chief Operating Officer and leads the growth and strategic initiatives of the firm. She also oversees Compliance, Operations, and Trading, in addition to her Marketing and Client Service responsibilities. Prior to joining RHJ, she was a Marketing Manager at State Street Global Advisors in Hong Kong, responsible for sales and marketing to Asian institutions. Thao is a former board member of AAAIM (Association of Asian American Investment Managers) and continues to be active with a number of affinity groups focused on Diversity, Equity, and Inclusion. She received a B.A. from the University of Pennsylvania.

Michael C. Meoli

Director of Client Service & Marketing

Mike joined RHJ in March 2011 and is responsible for Institutional Marketing and Consultant Relations. Prior to joining the firm, he worked at Everest Capital where he focused on consultant relations and business development. Other previous work experience includes business development at Pathway Capital Management and conducting research on investment managers at an institutional investment consulting firm. Mike holds a B.A. from Concordia University and an M.B.A. from the University of California, Irvine.

Lauren Maskell

Assistance Vice President

Lauren joined RHJ in 2016 and has performed various functions in the Administration and Operations departments. In December 2018, she joined the Client Service and Marketing Team and is currently responsible for servicing institutional client, consultant, and third party relationships. Lauren oversees firm RFPs and questionnaires, institutional database updates, and marketing material production. Lauren holds a B.A degree in Liberal Studies from San Diego State University.



Biographies

Trading

DJ Devin

Head Securities Trader

DJ joined the firm in June 1981 and served in several administrative and trade-related positions. In 1986, she assumed responsibility for the execution of all trades and management of soft dollars and commissions. She received a Certificate in Personal Financial Planning from San Diego State University and is a member of the Security Traders Association of Los Angeles.

Jorji-Ann McAllister

Trader

Jorji-Ann joined RHJ in May 1987 and has served in several administrative and trade related positions. Jorji-Ann completes all trading functions, including placement and execution of orders. She received a B.S. from Kearney State College, Kearney, Nebraska.

Brandon Toney, CFA

Trader

Brandon joined RHJ in March 2017. Prior to joining the firm, he worked at Wall Street Associates for two years as a trader. He received a B.S. in Finance from San Diego State University. Brandon is a CFA® charterholder. He is a member of CFA Society San Diego.



Biographies

Administration

Carl M. Obeck

Chief Financial Officer

Carl joined RHJ as Marketing Manager in 2003 and was promoted to Chief Administrative Officer in 2004 and Chief Financial Officer in 2009. Prior to joining the firm, Carl was responsible for Institutional Consulting Relationships and Marketing at Freeman Associates Investment Management. He also served as Director of Marketing at Messner & Smith. Previous experience includes Corporate Vice President at Montgomery Asset Management and Product Manager for Citibank London NA. Carl has a B.A. from the University of Delaware and an M.A. from Webster University in Vienna, Austria.

Janine Marquez, IACCP

Chief Compliance Officer

Janine joined RHJ in July 2002. Janine was appointed Chief Compliance Officer (CCO) for RHJ in June 2009. As CCO, she is responsible for oversight and implementation of the compliance program and regulatory requirements for the firm. Throughout her tenure with RHJ, Janine has held various roles within Marketing, Trading and Compliance. Previously, she was a Senior Investment Analyst at Callan Associates Inc. She was responsible for researching and analyzing money management firms for pension fund plan sponsors. She holds a B.S. degree from California Polytechnic State University, San Luis Obispo, California. Additionally, Janine holds the designation of Investment Adviser Certified Compliance Professional® (IACCP®).

Shelley Hamilton

Senior Compliance Manager

Shelley joined RHJ in February 1997, and has 33 years of industry experience. Shelley was promoted to Senior Compliance Manager for RHJ in November 2018. Throughout her tenure with RHJ, Shelley has held various roles within the Operations Department, including Operations Manager, Project Manager and Operations Administrator.

Tony Shaw, CFA

Director of Operations

Tony joined the firm in August 2010 and has 29 years of experience in the financial services industry. Prior to joining RHJ, he served as Vice President at LPL Financial overseeing areas in operations and client services as well as issue resolution. Tony holds a B.A. degree from San Diego State University. Tony is a CFA® charterholder.

Brett Knight

Director of Information Technology

Brett joined RHJ in April 2015 as Director of Information Technology and the acting Information Security Officer. He has 23 years of industry experience. Prior to joining the firm, Brett was a founding partner at Bravura Networks Inc., a managed service provider in the IT industry. Brett has a B.S. in Business Administration with an emphasis in Management Information Systems from San Diego State University; additionally, Brett holds a Microsoft Certified Systems Engineer (MCSE) certification.



Investment Statistics: Definitions & Formulas

Active Share - This is a measure of the percentage of stock holdings in the portfolio that differs from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the portfolio versus the weight of each holding in the benchmark index and dividing by two.

Long-Term Earnings Growth Forecast - Long-Term Growth [LTG] is the annual EPS growth that the company can sustain over the next 3 or 5 years.

P/E Ratio - 1 Year Forecast - A forward-looking valuation measure of a company's common stock, excluding negative earnings. It encapsulates the amount of earnings estimated for next year per dollar of current share price. For the portfolio, the individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole.

Return on Equity - This statistic reflects the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. Net income is for the full fiscal year (before dividends paid to common stock holders but after dividends to preferred stock.)

Sources: eVestment Analytics & FactSet



Important Disclosures

Rice Hall James, LLC (“RHJ”) obtained some of the information provided herein from third party sources believed to be reliable but it is not guaranteed. Data contained herein is for informational purposes only and should not be considered a recommendation to buy or sell any securities. Nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based solely on any information provided herein. RHJ has not taken into account the investment objectives, financial situation or particular needs of any individual investor who may view this report. There is a risk of loss from an investment in securities, including the risk of loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable or suitable for a particular investor’s financial situation or risk tolerance. Asset allocation and portfolio diversification cannot assure or guarantee better performance and cannot eliminate the risk of investment losses.

GICS Sector Classification

The Global Industry Classification Standard (GICS[®]) was developed by and is the exclusive property and a trademark of S&P and MSCI. Neither MSCI, S&P nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Source: S&P Dow Jones Indices LLC

Indices Disclosure

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. See below for a description of each index used in this presentation.

Russell 2000[®] Growth Index

The Russell 2000[®] Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.



GIPS Report

RHJ Small Cap Opportunities Composite

Year End	Annual Performance Results				3-Year Annualized Standard Deviation	
	Composite Gross Returns	Composite Net Returns	Russell 2000 Growth	Composite Dispersion Gross Returns	Composite Gross Returns	Russell 2000 Growth
2021	16.13%	15.38%	2.83%	0.10%	23.68%	23.07%
2020	24.50%	23.65%	34.63%	0.43%	26.10%	25.10%
2019	18.85%	18.04%	28.48%	0.11%	15.65%	16.37%
2018	-6.49%	-7.11%	-9.31%	0.28%	16.34%	16.46%
2017	28.71%	27.93%	22.17%	0.14%	14.14%	14.59%
2016	11.93%	11.28%	11.32%	0.13%	15.57%	16.67%
2015	-0.06%	-0.60%	-1.38%	0.41%	14.26%	14.95%
2014	8.41%	7.69%	5.60%	N/A ¹	13.02%	13.82%
2013	56.34%	55.12%	43.30%	N/A ¹	14.91%	17.27%
2012	14.56%	13.62%	14.59%	N/A ¹	18.25%	20.72%
2011	9.55%	8.68%	-2.91%	N/A ¹	22.77%	24.31%
2010	38.73%	37.65%	29.09%	N/A ¹	28.56%	27.70%
2009	48.47%	47.27%	34.47%	N/A ¹	26.27%	24.85%
2008	-43.34%	-43.71%	-38.54%	N/A ¹	21.32%	21.26%
2007	10.48%	9.50%	7.05%	N/A ¹	13.87%	14.23%
2006	7.10%	6.11%	13.35%	N/A ¹	15.82%	15.57%
2005	11.46%	10.42%	4.15%	N/A ¹	17.92%	16.51%
2004	10.03%	9.04%	14.31%	N/A ¹	23.95%	21.40%
2003	50.70%	49.31%	48.54%	N/A ¹	34.03%	27.00%
2002	-29.41%	-30.07%	-30.26%	N/A ¹	43.88%	33.33%
2001	-28.87%	-29.52%	-9.23%	N/A ¹	46.49%	33.58%
2000	-13.23%	-14.01%	-22.43%	N/A ¹	42.60%	33.28%
1999	87.81%	86.06%	43.09%	N/A ¹	32.26%	26.31%
1998	16.33%	15.20%	1.23%	N/A ¹	28.77%	25.03%
1997	28.67%	27.41%	12.95%	N/A ¹	21.20%	18.27%
1996	53.30%	51.78%	11.26%	N/A ¹		
1995	25.69%	24.45%	31.04%	N/A ¹		
1994 [*]	20.70%	20.39%	1.40%	N/A ¹		



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N/A¹ - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire calendar year (five or fewer).

*Results shown for the year 1994 represent partial period performance from October 10 through December 31, 1994.

GIPS Report

RHJ Small Cap Opportunities Composite

Year End	Composite Assets		Firm Assets (\$ M)			Strategy Assets (\$ M)		
	Number of Accounts	USD (\$ M)	Total Assets Under Management	Total Advisory-Only Assets	Total Assets Under Management + Advisory-Only Assets*	Total Assets Under Management	Total Advisory-Only Assets	Total Assets Under Management + Advisory-Only Assets
2021	18	1,267	2,948	347	3,295	1,546	20	1,566
2020	19	1,333	3,120	205	3,325	1,634	19	1,653
2019	20	1,110	3,359	207	3,566	1,495	25	1,520
2018	20	991	3,051	199	3,250	1,383	19	1,402
2017	19	1,121	3,607	235	3,842	1,634	14	1,648
2016	20	813	2,843	65	2,907	1,194	-	1,194
2015	17	557	2,258	-	2,258	784	-	784
2014	10	255	1,955	2	1,958	434	-	434
2013	Five or fewer	54	1,514	2	1,516	66	-	66
2012	Five or fewer	30	1,087	8	1,095	31	-	31
2011	Five or fewer	35	1,144	6	1,150	36	-	36
2010	Five or fewer	50	1,312	2	1,314	50	-	50
2009	Five or fewer	40	1,203	1	1,205	41	-	41
2008	Five or fewer	27	1,030	-	1,030	28	-	28
2007	Five or fewer	187	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2006	Five or fewer	211	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2005	Five or fewer	254	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2004	Five or fewer	369	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2003	Five or fewer	360	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2002	Five or fewer	259	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2001	Five or fewer	463	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2000	Five or fewer	407	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1999	Five or fewer	244	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1998	Five or fewer	101	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1997	Five or fewer	53	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1996	Five or fewer	9	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1995	Five or fewer	2	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1994	Five or fewer	0	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹



RICE HALL JAMES
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N/A¹ - Performance presented prior to September 30, 2008, occurred while the portfolio management team was affiliated with another firm. Firm and strategy assets prior to 2008 are not presented because the composite was not part of the firm.

*Assets Under Management + Advisory-Only Assets totals may differ from Total Assets Under Management and Total Advisory-Only Assets due to rounding.

GIPS Report

The RHJ Small Cap Opportunities Composite contains all fully discretionary, tax-exempt, institutional, and high net worth portfolios invested in small cap companies that have three primary characteristics: high earnings growth, high or improving return-on-invested capital, and sustainable competitive advantages. The composite was created on April 1, 1999, and the inception date is October 10, 1994. The performance presented prior to October 1, 2008, represents that of a prior firm and was known as the Small Cap Growth Institutional Composite. The portfolio management team members were the only individuals responsible for selecting securities to buy and sell. The minimum account size for this composite is \$1 million. From January 1, 1996 to March 31, 2004, the minimum account size was \$5 million. Prior to January 1, 1996, there was no minimum. For comparison purposes the composite is measured against the Russell 2000 Growth index.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. As of January 1, 2005, composite policy requires the temporary removal of any portfolios incurring a client initiated significant cash inflow or outflow of 50% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the month after the cash flow is fully invested. From January 1, 2005 to June 30, 2006, the temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. From July 1, 2006 to September 30, 2008, the temporary removal of such an account occurs at the beginning of the quarter in which the significant cash flow occurs and the account re-enters the composite the second calendar quarter after the cash flow. As of September 30, 2008, the temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

Founded in 1974, Rice Hall James & Associates, LLC is an SEC registered investment adviser. The firm is 100% employee owned.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees, and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the gross returns of accounts in the composite the entire year. Additional information regarding policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The firm maintains a complete list of pooled funds and composite descriptions, which is available upon request.

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends, and do not reflect transaction costs, management, or other fees. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The management fee schedule is as follows: 1.0% flat rate. Actual investment advisory fees incurred by clients may vary.

Rice Hall James & Associates, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Rice Hall James & Associates, LLC has been independently verified for the periods January 1, 1993 through December 31, 2021. 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 RHJ Small Cap Opportunities Composite has had a performance examination for the periods October 1, 2008 through December 31, 2021. The verification and performance examination reports are available upon request at the following address: 600 West Broadway, Suite 1000, San Diego, California 92101.

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MEMORANDUM

TO: Oakland Police and Fire Retirement System (“OPFRS”)
FROM: Meketa Investment Group (“Meketa”)
DATE: October 26, 2022
RE: Rice Hall James—Manager Update

Manager: Rice Hall James

Inception Date:	July 2017	OPFRS AUM (9/30/2022):	\$12.9 million
Strategy:	Small Cap Opportunities	Firm-wide AUM (6/30/2022):	\$2.2 billion
Benchmark:	Russell 2000 Growth	Strategy AUM (6/30/2022):	\$1.2 billion

Summary & Recommendation

Rice Hall James has managed a part of OPFRS’s small cap equity portfolio since July 2017. As of 9/30/2022, the portfolio is approximately \$12.9 million or about 3% of OPFRS’s total plan.

The strategy was put on the Watch status in May 2019 for performance concerns, as Rice Hall James experienced poor relative performance in 2019 and 2020. As of the last review in March 2022 and thereafter, Rice Hall James has performed within expectations and guidelines for the portfolio. No major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. ***Therefore, from investment management process and performance perspective, Meketa does not have any major concerns with Rice Hall James and the Small Cap Opportunities strategy, and recommends that it be removed from the Watch status.***

Investment Performance Review Summary

As of 9/30/2022, Rice Hall James’s Small Cap Opportunities strategy has outperformed benchmark on both gross- and net-of-fees bases over all the trailing time periods measured. Since inception in July 2017, it has outperformed the benchmark by 0.1% net-of-fees posting a positive annualized investment return of 5.7% over this period.

In comparison with the other US small cap growth managers, the portfolio ranks in the first quartile over the shorter year-to-date and 1-year periods, while ranking below average for the longer 3- and 5-year as well as since inception, reflecting the past underperformance in 2019 and 2020.

OPFRS Portfolio Annualized Returns (as of 9/30/2022)¹

Portfolio	Market Value (\$000)	YTD	1 YR	3 YR	5 YR	Since Inception	Inception Date
Rice Hall James (Gross)	12.875	(26.2)	(22.8)	5.5	5.3	5.7	7/2017
<i>Russell 2000 Growth</i>	---	(29.3)	(29.3)	2.9	3.6	4.6	---
Excess Return (Gross)	---	3.1	6.5	2.6	1.7	1.1	---
Rice Hall James (Net)	---	(26.7)	(23.5)	4.4	4.3	4.7	---
<i>Russell 2000 Growth</i>	---	(29.3)	(29.3)	2.9	3.6	4.6	---
Excess Return (Net)	---	2.6	5.8	1.5	0.7	0.1	---
Peer Group Ranking ²	---	15	14	64	80	83	---
Reference: Median Net Return	---	(31.5)	(30.3)	5.5	7.7	8.4	---

Product and Organization Review Summary

Rice Hall James		Areas of Potential Impact			
	Level of Concern	Investment process (Client Portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
Product					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
Organization					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
Recommended Action	None - X		Watch Status		Termination

A review of Rice Hall James and the Small Cap Opportunities strategy revealed no concerning organizational issues or changes since last review in March 2022.

¹ Performance is annualized for periods longer than one year.

² Peer group is eVestment US Small Cap Growth Equity Managers Net.

Investment Philosophy & Process, per Manager

The Small Cap Opportunities strategy employs a fundamental, bottom-up analytical process to identify companies that meet three primary criteria: high earnings growth, high or improving return-on-invested capital (“ROIC”), and sustainable competitive advantages.

RHJ’s philosophy is rooted in historical analysis indicating the high relative return potential of these factors in combination. They believe that superior results can be achieved by owning companies that exhibit not only high earnings growth, but also the ability to sustainably generate high ROIC over long periods of time. RHJ’s investment universe consists of companies with market capitalizations between \$100 million and \$4 billion at the time of purchase.

The heart of RHJ’s process is fundamental, bottom-up analysis at the company level. The portfolio managers conduct all research on every company held in the portfolio. As generalists, each with over twenty years of investment experience, both portfolio managers bring to bear extensive knowledge of the companies they own or follow, understanding of industries, and general expertise on the small cap landscape in various market environments. Cornerstones of the bottom-up fundamental investment process include:

- Clear understanding of a firm’s competitive context and advantages
- Assessment of the sustainability characteristics of the underlying business
- Emphasis on high or improving ROIC; a clear sense of the future direction of ROIC
- Estimation of ability to generate and grow free cash flow over life of the investment
- Valuation that affords a reasonable return over investment horizon
- Scrutiny of company management, ability to identify/ execute on the right plan

Idea generation begins with an analysis of companies within the FactSet universe with market caps ranging from \$100 million to \$4 billion, with an emphasis on growth-oriented industries comprised of companies that feature high earnings growth and high ROIC criteria. Health Care, Technology, and Consumer traditionally have been rich with such companies. They also look for new or emerging industries that can support high growth companies going forward. While these types of investments typically carry more risk, certain areas of the internet and biotechnology, for example, management believes they can create space for attractive long-term growth characteristics.

Finally, RHJ looks for catalysts within industries that are not typically associated with growth characteristics, seeking to capitalize on tactical growth opportunities that arise due to demographic, regulatory and supply/demand issues. Cyclical industries can provide the landscape for attractive growth opportunities to crop up due to such changes.

At the company level, RHJ focuses on businesses that can generate above-average earnings and free cash flow relative to the benchmark. Management favors companies that they believe can achieve these results in tandem with sustained high ROIC, or that can increase their returns to above-average

levels over the relevant investment horizon. It is essential that a company can protect these attributes through a well-defined, competitive position, which will protect growth, margins and returns.

Since strong relative results tend to manifest over longer holding periods, RHJ focuses on long-term sustainability factors rather than short-term data points and market movements; as such, low turnover is a notable characteristic of the portfolio.

DS/PN/JLC/jls



Disclosure

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

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

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

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

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



AGENDA REPORT

TO: Oakland Police and Fire Retirement System (PFRS) Board of Administration
FROM: Téir Jenkins
Investment & Operations Manager
SUBJECT: Expiration Notice of PFRS Investment Manager Service Agreement and Action to Extend Service Agreement
DATE: October 26, 2022

SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 1, 2023. The PFRS Board is asked to consider acting to extend the agreement for this manager for one additional year pursuant to the professional service agreement.

BACKGROUND

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

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Rice Hall James & Associates	Domestic Equity Small -Cap Growth	March 1, 2017	March 1, 2023

RECOMMENDATION

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

Respectfully submitted,

Téir Jenkins
Investment & Operations Manager
Oakland Police and Fire Retirement System

Attachments:
(1) Resolution # 8065

Agenda Item C3
PFRS Regular Board Meeting
October 26, 2022

ATTACHMENT 1

Resolution No. 8065

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8065

*Approved to Form
and Legality*


ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION TO AUTHORIZE A ONE-YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH RICE HALL JAMES & ASSOCIATES FOR THE PROVISION OF DOMESTIC EQUITY SMALL-CAP GROWTH INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM COMMENCING MARCH 1, 2023 AND ENDING MARCH 1, 2024.

WHEREAS, Article XVI §17 of the California Constitution, commonly referred to as the Pension Protection Act or Proposition 162, and Article XXVI of the Oakland City Charter (“Charter”) vest the Oakland Police and Fire Retirement System Board (“PFRS Board”) with exclusive control of the administration and investment of the assets of the Police and Fire Retirement Fund (the “Fund”); and

WHEREAS, the PFRS Board manages and administers the Police and Fire Retirement System (“PFRS”), pursuant to the requirements of Article XXVI of the Charter; and

WHEREAS, Charter section 2601(e) gives the Board power to make all necessary rules and regulation for its guidance and exclusive control of the administration and investment of the funds established for the maintenance and operation of the system; and

WHEREAS, Article XXVI of the Charter expressly authorizes the PFRS Board to secure competent investment counsel to provide advice and counsel regarding the investment of the Fund and further provides that discretionary powers granted to such investment counsel will be at the option of the Board; and

WHEREAS, on December 21, 2016, the PFRS Board passed a motion to enter into a professional service agreement (“the Agreement”) with Rice Hall James & Associates, LLC (“Investment Counsel”) to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”) for the provision of Domestic Equity Small-Cap Growth Investment Manager Services; and

WHEREAS, on February 22, 2017 the PFRS Board ratified the December 21, 2016 motion by approving Resolution No. 6942 authorizing the PFRS Board to enter into the Agreement with Investment Counsel for the provision of Domestic Equity Small-Cap Growth Investment Manager Services; and

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION NO. 8065

WHEREAS, the Agreement between the PFRS Board and Investment Counsel commenced March 1, 2017 for a five-year term; and

WHEREAS, on March 30, 2022, the Board approved Resolution 8044 which authorized an amendment to the Agreement provision in Section IV(B) in order to (1) provide for unlimited one-year extension options under section iv(b) and (2) authorize a one-year extension of the professional services agreement for the provision of domestic equity small-cap growth investment manager services for the City of Oakland Police and Fire Retirement System; and

WHEREAS, the PFRS Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing March 1, 2023, at the annual fee rate of 0.80 percent of the Fund assets under management (presently valued at approximately \$13 Million Dollars (\$13,000,000.00), which fees are estimated to be approximately One Hundred Four Thousand Dollars (\$104,000.00); now, therefore, be it

RESOLVED: That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Rice Hall James & Associates, LLC for the provision of Domestic Equity Small-Cap Growth Investment Manager Services, commencing March 1, 2023 and ending March 1, 2024; and be it

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

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE OCTOBER 26, 2022

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

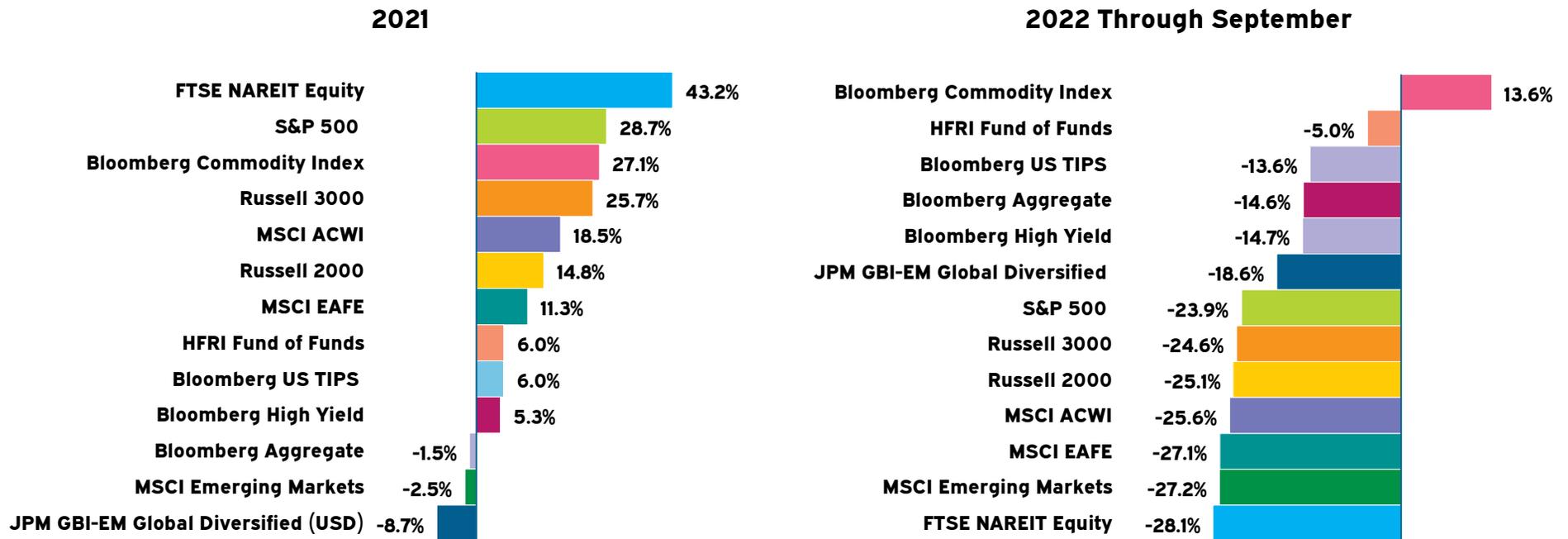
Economic and Market Update

September 2022 Report

Commentary

- After a strong July, global markets sold off in August and September, leading to quarterly declines as slower growth and higher inflation weighed on sentiment.
- The Federal Reserve maintained its aggressive tightening campaign with future hikes expected as US inflation continues to surprise to the upside and labor markets remain tight.
 - In Europe, inflation hit a multi-decade high on energy prices. In the UK, Liz Truss became the new prime minister with her government quickly announcing a fiscal package in September. The proposal was poorly received by markets, as it undermined efforts of the central bank to lower inflation.
 - Equity markets significantly declined for the month leading to quarterly losses with international markets declining the most. The war in Ukraine has elevated prices in Europe, while tight COVID-19 policies, slowing growth, and property market issues have weighed on China. Continued US dollar strength has been a further headwind.
 - For the quarter, in a reversal of the prior trend, growth outpaced value across the capitalization spectrum but continued to trail year-to-date.
 - Interest rates rose significantly across the US yield curve for the month and quarter with the curve remaining inverted (ten-year yield minus the two-year yield) by 44 basis points. This is by far the worst start to a calendar year for bond investors.
- Persistently high inflation and the likely increased pace of the policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable consequences for the global economy.

Index Returns¹



→ Except for emerging markets and the broad US investment grade bond market (Bloomberg Aggregate), most asset classes appreciated in 2021.

→ After a brief rally in July most asset classes declined significantly in August and September as it became clear further policy tightening would be taken to try to control inflation. Except for commodities, all major assets classes have experienced significant declines year-to-date.

¹ Source: Bloomberg and FactSet. Data is as of September 30, 2022.

Domestic Equity Returns¹

Domestic Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-9.2	-4.9	-23.9	-15.5	8.2	9.2	11.7
Russell 3000	-9.3	-4.5	-24.6	-17.6	7.7	8.6	11.4
Russell 1000	-9.3	-4.6	-24.6	-17.2	7.9	9.0	11.6
Russell 1000 Growth	-9.7	-3.6	-30.7	-22.6	10.7	12.2	13.7
Russell 1000 Value	-8.8	-5.6	-17.8	-11.4	4.4	5.3	9.2
Russell MidCap	-9.3	-3.4	-24.3	-19.4	5.2	6.5	10.3
Russell MidCap Growth	-8.5	-0.7	-31.5	-29.5	4.3	7.6	10.8
Russell MidCap Value	-9.7	-4.9	-20.4	-13.6	4.5	4.7	9.4
Russell 2000	-9.6	-2.2	-25.1	-23.5	4.3	3.6	8.5
Russell 2000 Growth	-9.0	0.2	-29.3	-29.3	2.9	3.6	8.8
Russell 2000 Value	-10.2	-4.6	-21.1	-17.7	4.7	2.9	7.9

US Equities: Russell 3000 Index fell 9.3% for September and 4.5% for the quarter.

- US stocks fell sharply during September and finished down for the third quarter.
- Each of the 11 sectors declined in September with six sectors (Real Estate, Communication Services, Technology, Utilities, Materials, and Industrials) falling by 10% or more. Health Care stocks fared best and declined 3.1%. For the quarter all sectors were down except for consumer discretionary and energy.
- For the second straight month, value stocks outperformed growth stocks in the large cap segment of the market, while the reverse was true in the small cap segment. The underperformance of technology stocks, which account for 43% of the large cap growth market, drove this dynamic.

¹ Source: Bloomberg. Data is as of September 30, 2022.

Foreign Equity Returns¹

Foreign Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0
MSCI EAFE	-9.4	-9.4	-27.1	-25.1	-1.8	-0.8	3.7
MSCI EAFE (Local Currency)	-6.2	-3.6	-14.5	-11.1	2.5	2.8	7.4
MSCI EAFE Small Cap	-11.5	-9.8	-32.1	-32.1	-2.2	-1.8	5.3
MSCI Emerging Markets	-11.7	-11.6	-27.2	-28.1	-2.1	-1.8	1.0
MSCI Emerging Markets (Local Currency)	-9.4	-8.2	-20.8	-21.5	1.1	1.1	4.5
MSCI China	-14.6	-22.5	-31.2	-35.4	-7.2	-5.5	2.4

International equities (MSCI EAFE) fell 9.4%, while emerging markets (MSCI EM) returned -11.7% in September leading to quarterly declines of similar amounts.

- Non-US developed market stocks again broadly trailed the US for the month, leading to the steepest declines year-to-date. High inflation in Europe, particularly related to gas and electricity, the ongoing war in Ukraine, and relatively slower growth globally continue to weigh on sentiment.
- Emerging market equities were deep in the red for the month, driven by China’s (-14.6%) on-going property market issues and strict COVID-19 policies. The upcoming National Communist Party Congress in China in October is highly anticipated.
- The strength of the US dollar continued as a headwind to international equities for the month and year-to-date, both in developed and emerging markets.

¹ Source: Bloomberg. Data is as of September 30, 2022.

Fixed Income Returns¹

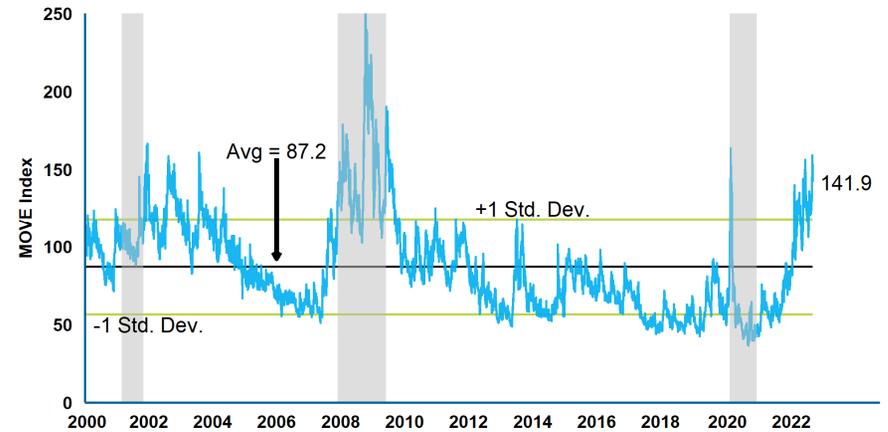
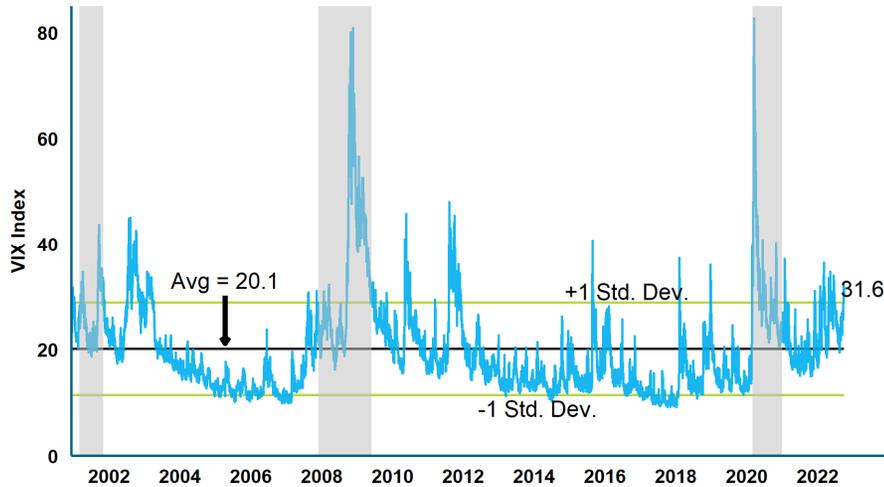
Fixed Income	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	5.2	6.2
Bloomberg Aggregate	-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	4.8	6.4
Bloomberg US TIPS	-6.6	-5.1	-13.6	-11.6	0.8	1.9	1.0	4.3	6.9
Bloomberg High Yield	-4.0	-0.6	-14.7	-14.1	-0.5	1.6	3.9	9.7	4.6
JPM GBI-EM Global Diversified (USD)	-4.9	-4.7	-18.6	-20.6	-7.1	-3.9	-2.4	7.6	4.8

Fixed Income: The Bloomberg Universal declined 4.3% in September and 4.5% for the quarter.

- A sharp rise in bond yields driven by central banks confirming commitments to fight inflation weighed on fixed income in September leading to declines for the quarter as well. Year-to-date the US bond market is off by far to its worst calendar year start on record.
- TIPS declined the most for the month and quarter as investors' confidence grew that tighter monetary policy would ultimately get inflation under control.
- Riskier US bonds declined the least with the high yield index falling slightly less than the broad US bond market (-4.0% versus -4.3%). Emerging market bonds finished down close to 5% for the month with significant declines year-to-date.

¹ Source: Bloomberg. JPM GBI-EM is from InvestorForce. Data is as of September 30, 2022.

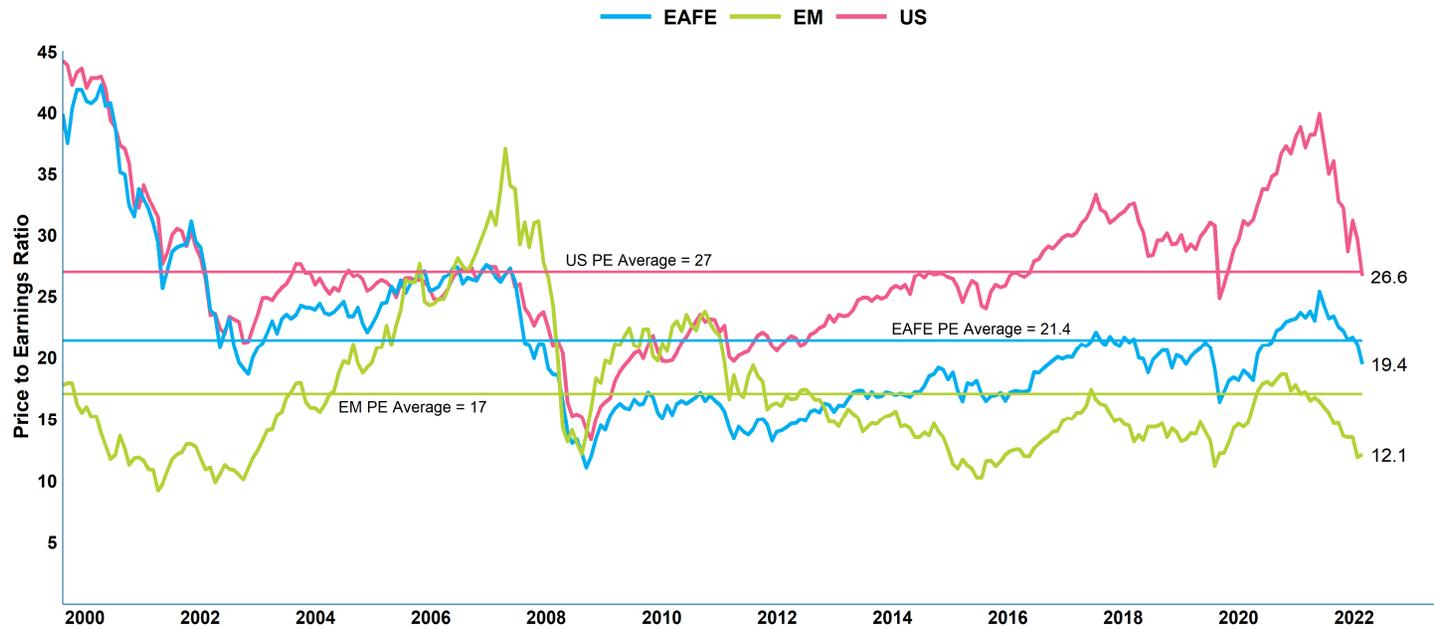
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) and fixed income (MOVE) rose in September and finished higher overall for the quarter as the Federal Reserve and other central banks made it clear that they were committed to aggressively tightening monetary policy to fight high inflation.
- Fixed income volatility remains particularly high due to the uncertain path of short-term interest rates given stubbornly high inflation. Issues related to the UK’s announcement to offer tax breaks despite the central bank’s efforts to fight inflation also contributed to volatility in fixed income markets.

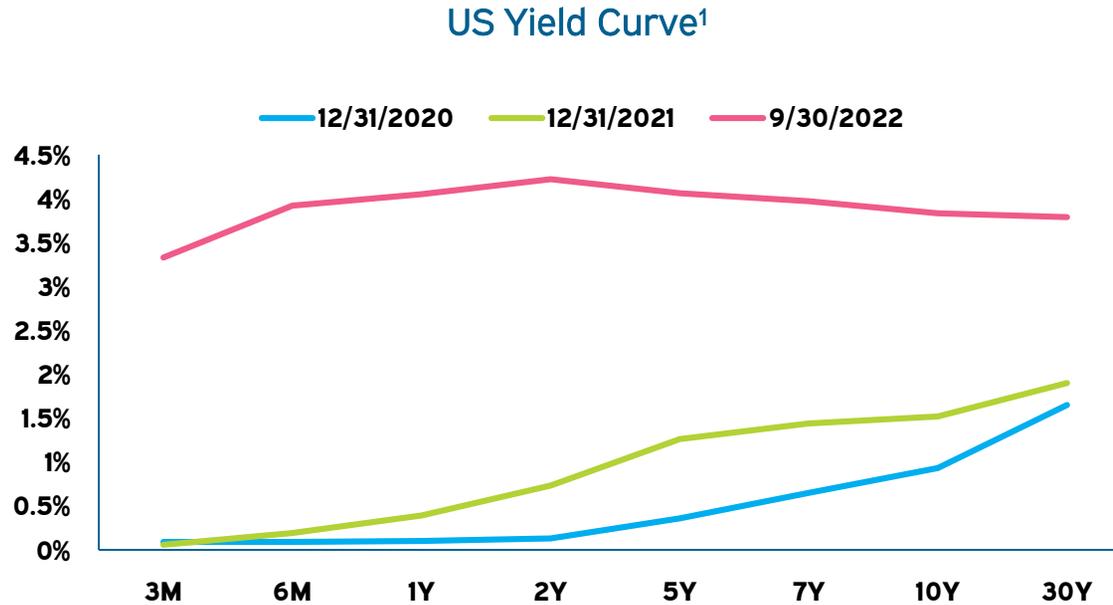
¹ Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of September 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

Equity Cyclically Adjusted P/E Ratios¹



- September price declines brought US equity price-to-earnings ratios slightly below the long-term (21st Century) average.
- International developed market valuations remain below the US and are below their own long-term average, with those for emerging markets the lowest and well under the long-term average.

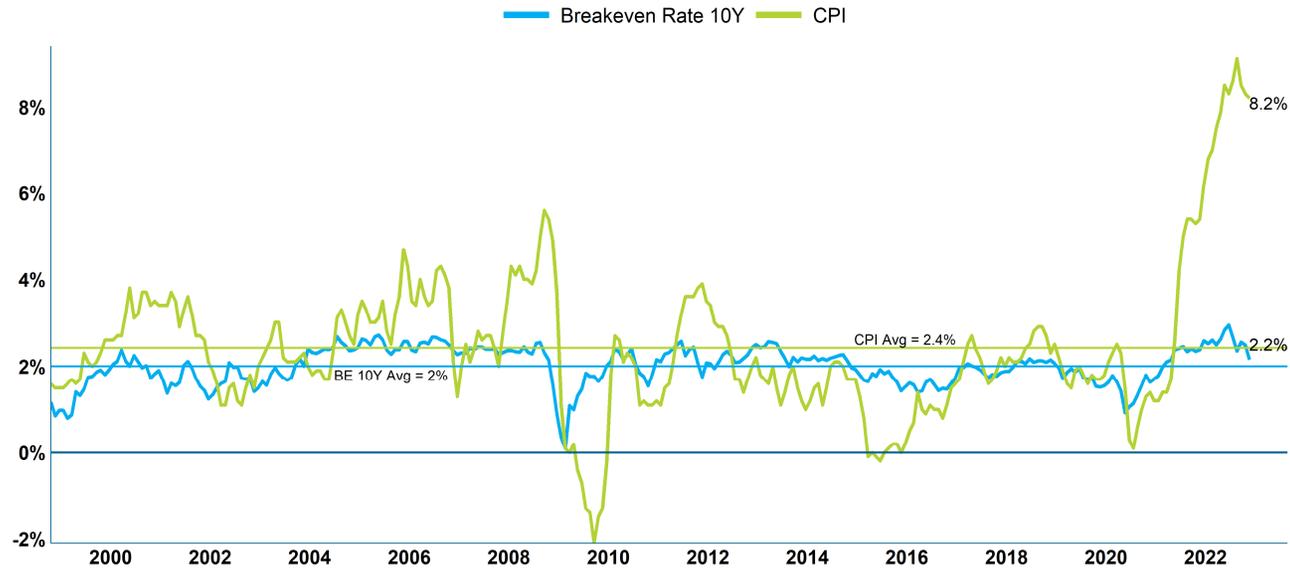
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of September 30, 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.



- Rates across the yield curve remain far higher than at the start of the year.
- In September, rates rose across the yield curve, finishing the quarter significantly higher. Yields on two-year Treasuries increased 0.79% just in the month of September bring the quarterly increase to 1.32%, while ten-year Treasuries rose 0.64% for the month and 0.82% for the quarter.
- The Fed remains strongly committed to fighting inflation, as it increased rates another 75 basis points to a range of 3.0% and 3.25%. This was the fifth increase this year and the third consecutive increase of this amount.
- The yield spread between two-year and ten-year Treasuries remained negative, finishing September at -0.44%. Inversions in the yield curve have historically often preceded recessions.

¹ Source: Bloomberg. Data is as of September 30, 2022.

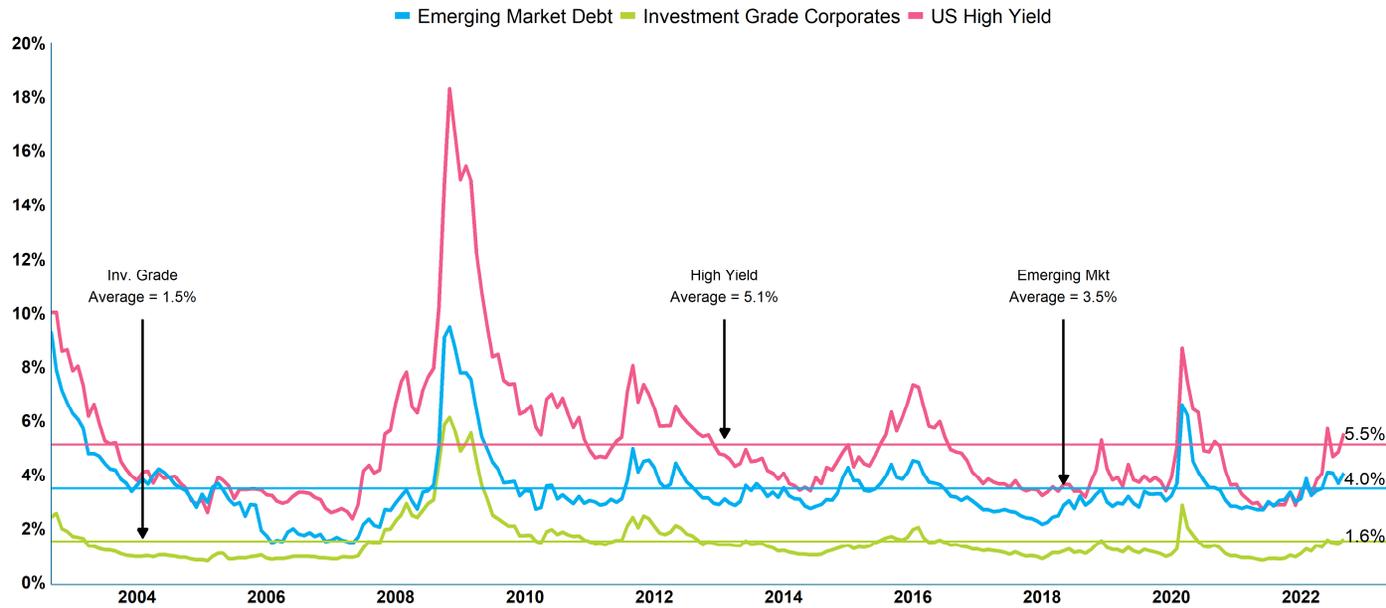
Ten-Year Breakeven Inflation and CPI¹



- Inflation expectations (breakevens) declined for the month and finished the quarter slightly below the long-run average on the belief that tighter monetary policy would lower long-run inflation.
- Trailing twelve-month CPI declined in September (8.2% versus 8.3%) but surprised markets by coming in above expectations.
- Over the last year rising prices for energy (particularly oil), food, housing, and for new and used cars remain key drivers of inflation.

¹ Source: Bloomberg. Data is as of September 30, 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

Credit Spreads vs. US Treasury Bonds¹



- Credit spreads (the spread above a comparable maturity Treasury) widened in September, finishing the quarter above long-term averages. Fears related to the impact of tighter monetary policy on economic growth was a key driver of wider spreads.
- In the US, spreads for high yield increased sharply (5.5% versus 4.8%), with investment grade spreads rising more modestly (1.6% versus 1.4%). Emerging market spreads also increased (4.0% versus 3.6%).

¹ Sources: Bloomberg. Data is as of September 30, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

Global Economic Outlook

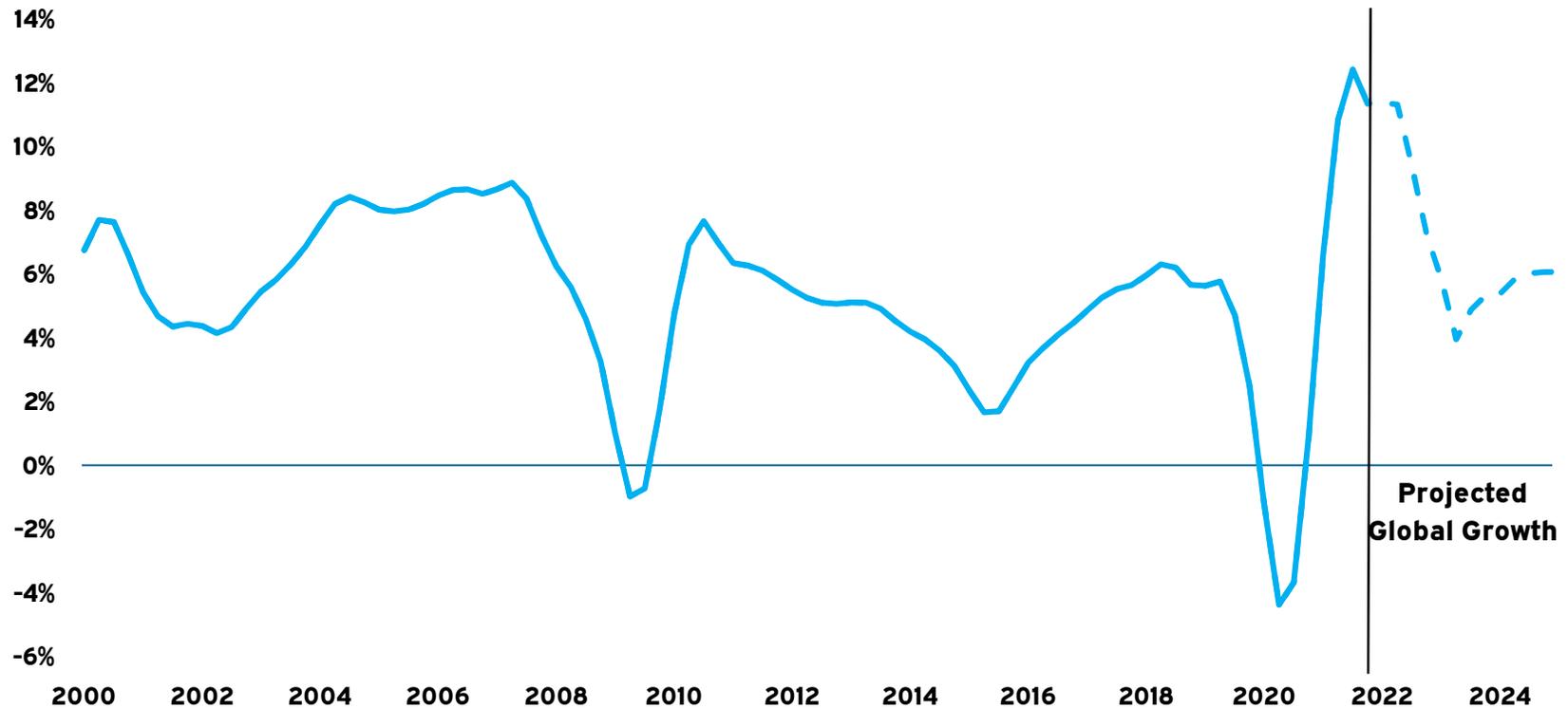
In their October update, the IMF maintained lowered global growth forecasts, driven by the economic impacts of persistent inflation and corresponding tighter policy, as well as issues related to the war in Ukraine and the lingering pandemic.

- The IMF forecasts global GDP growth to come in at 3.2% in 2022 (like the July estimate) and 2.7% in 2023 (0.2% below the prior estimate).
- In advanced economies, GDP is projected to grow 2.4% in 2022 and 1.1% in 2023. The US saw another downgrade in the 2022 (1.6% versus 2.3%) forecast largely due to accelerated policy tightening, given persistently high inflation. The euro area saw an upgrade in expected growth (3.1% versus 2.6%) on substantial fiscal stimulus in 2022 but a downgrade in 2023 (0.5% versus 1.2%) as rising energy prices weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 1.7% this year and 1.6% in 2023.
- Growth projections for emerging markets are higher than developed markets, at 3.7% in 2022 and 2023. China’s growth was downgraded for 2022 (3.2% versus 3.3%) and 2023 (4.4% versus 4.6%) given tight COVID-19 restrictions and continued property sector problems.
- The global inflation forecast was significantly increased for 2022 (8.8% versus 7.4%).

	Real GDP (%) ¹			Inflation (%) ¹		
	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average
World	3.2	2.7	3.2	8.8	6.5	3.6
Advanced Economies	2.4	1.1	1.6	7.2	4.3	1.6
US	1.6	1.0	2.1	8.1	3.5	2.0
Euro Area	3.1	0.5	1.0	8.3	5.7	1.3
Japan	1.7	1.6	0.8	2.0	1.4	0.4
Emerging Economies	3.7	3.7	4.4	9.9	8.1	5.3
China	3.2	4.4	7.3	2.2	2.2	2.4

¹ Source: IMF World Economic Outlook. Real GDP and Inflation forecasts from October 2022 Update. “Actual 10 Year Average” represents data from 2012 to 2021.

Global Nominal Gross Domestic Product (GDP) Growth¹

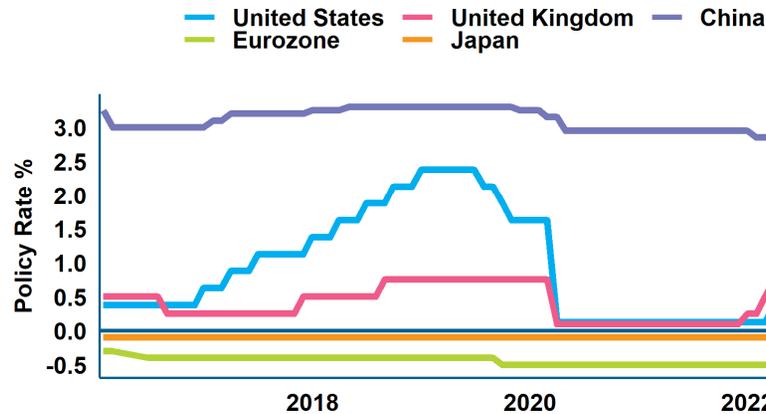


- Global economies are expected to slow in 2022 compared to 2021, with risks of recession increasing given persistently high inflation and related tighter monetary policy.
- The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

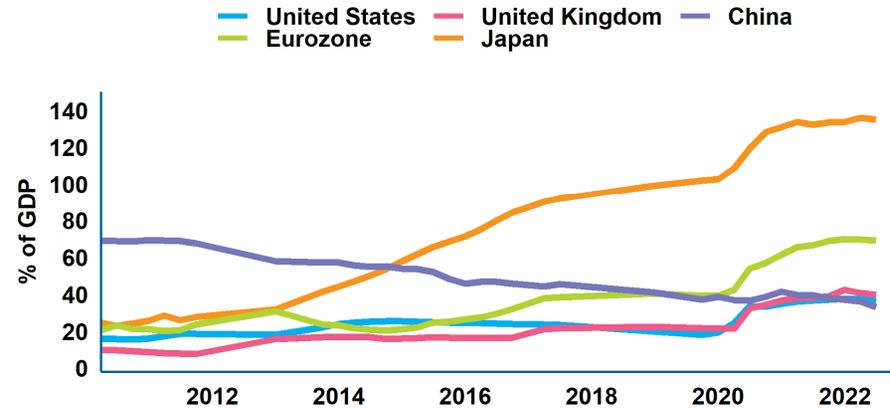
¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY). Updated September 2022. Nominal expectations for GDP remain much higher than real GDP expectations given the elevated inflation levels.

Central Bank Response¹

Policy Rates



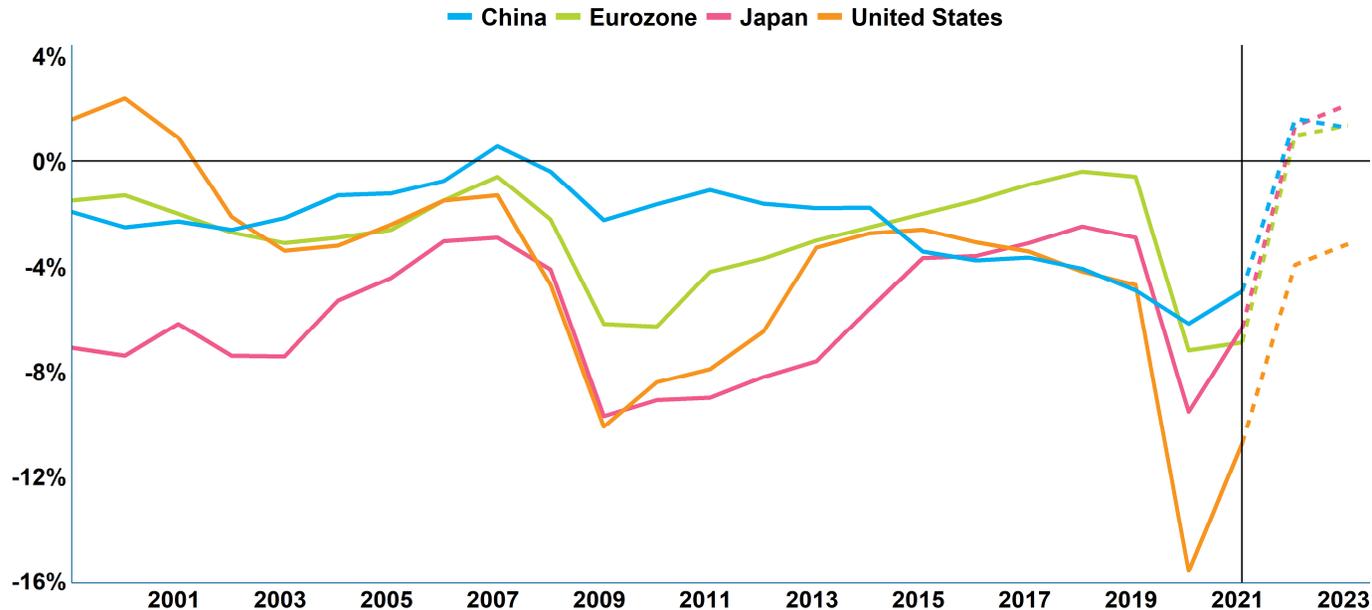
Balance Sheet as % of GDP



- After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative easing (QE), many are now aggressively reducing support in the face of high inflation.
- The pace of withdrawing support varies across central banks with the US taking a more aggressive approach. The UK is also aggressively increasing rates, but recent talks of easing fiscal policy (this ultimately did not happen) created significant volatility that spilled over into other markets.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.
- The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth.

¹ Source: Bloomberg. Policy rate data is as of September 30, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of June 30, 2022.

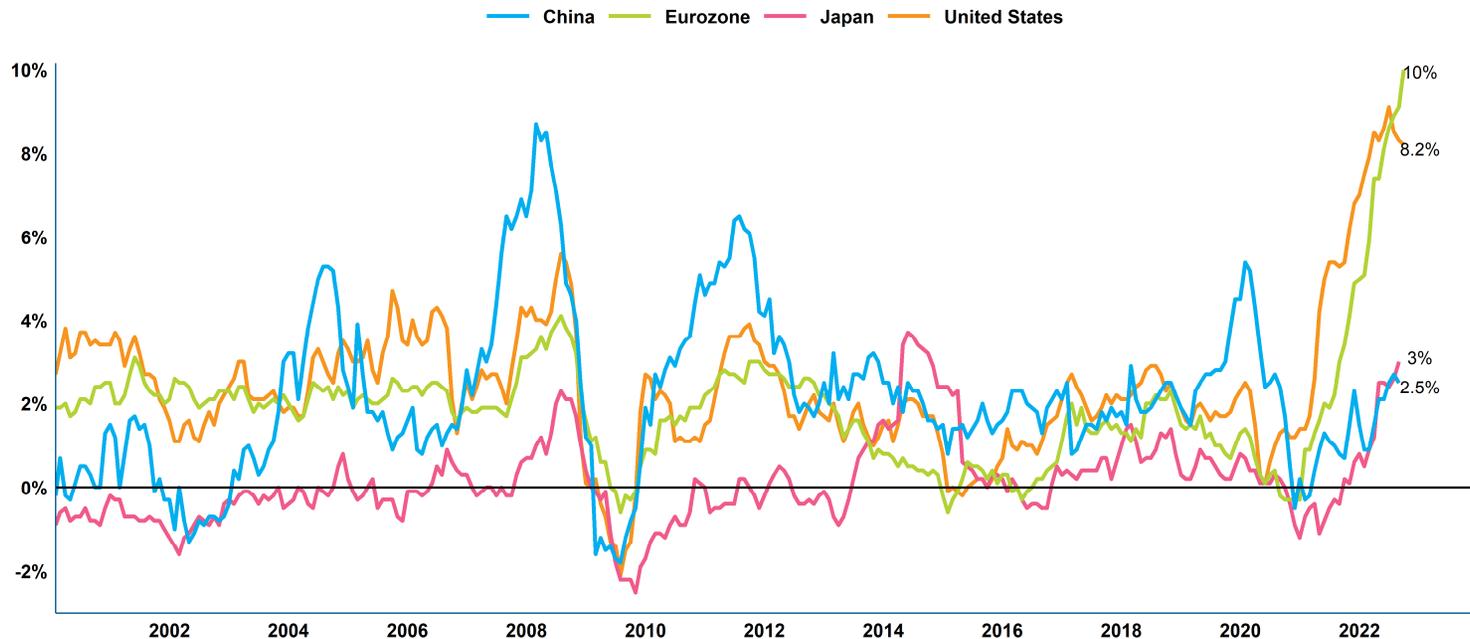
Budget Surplus / Deficit as a Percentage of GDP¹



- Budget deficits as a percentage of GDP drastically increased for major world economies, particularly the US, due to massive fiscal support and the severe economic contraction's effect on tax revenue in 2020 and 2021.
- As fiscal stimulus programs end, and economic recoveries continue, deficits should improve.
- Questions remain about how some countries will respond fiscally as inflation, particularly energy prices, weigh on consumers. Policies that undermine central banks' efforts to fight inflation could lead to additional market volatility like was seen in the UK.

¹ Source: Bloomberg. Data is as of September 30, 2022. Projections via IMF Forecasts from October 2022 Report. Dotted lines represent 2022 and 2023 forecasts.

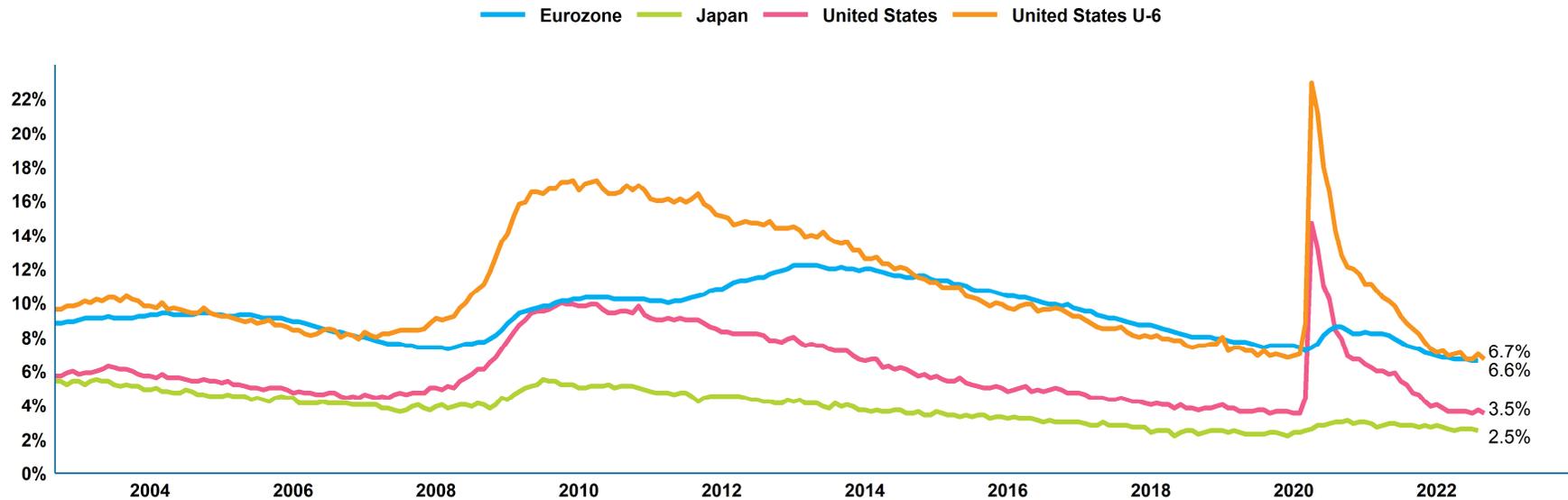
Inflation (CPI Trailing Twelve Months)¹



- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key global drivers of inflation.

¹ Source: Bloomberg. Data is as of September 2022. The most recent data for Japan and China is as of August 31, 2022.

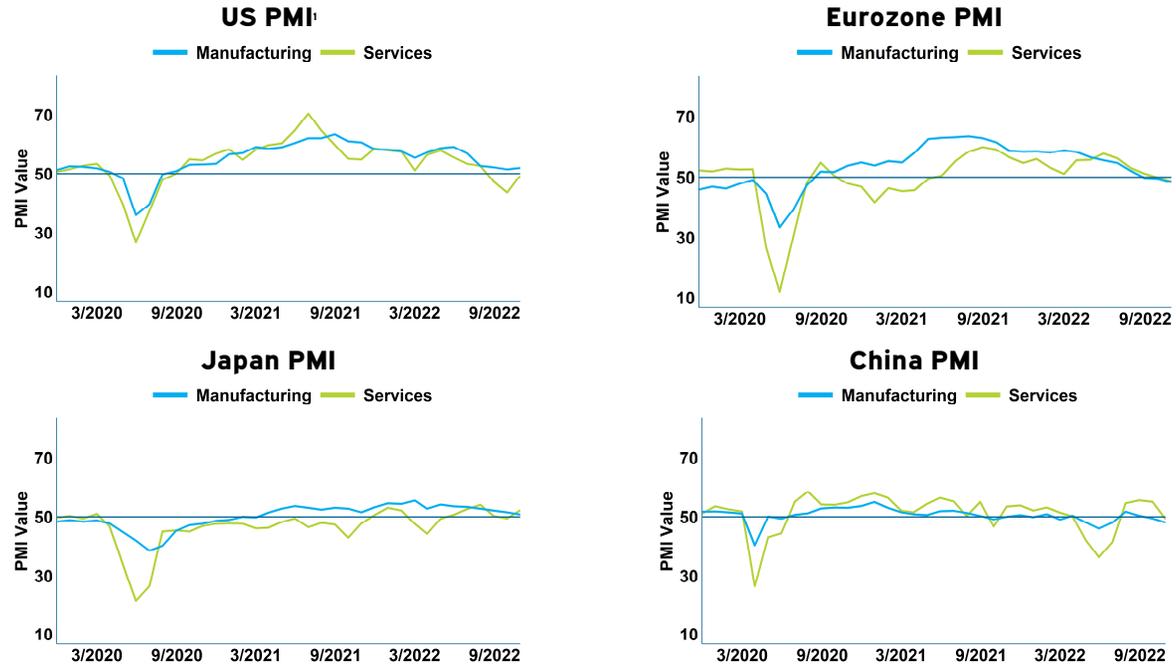
Unemployment¹



- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- Despite slowing growth and high inflation the US labor market remains a bright spot. Unemployment in the US, which experienced the steepest rise from the pandemic, declined to pre-pandemic (3.5%) levels. The broader measure (U-6) that includes discouraged and underemployed workers declined but is much higher at 6.7%.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed’s efforts to fight inflation, likely leading to eventually higher unemployment.

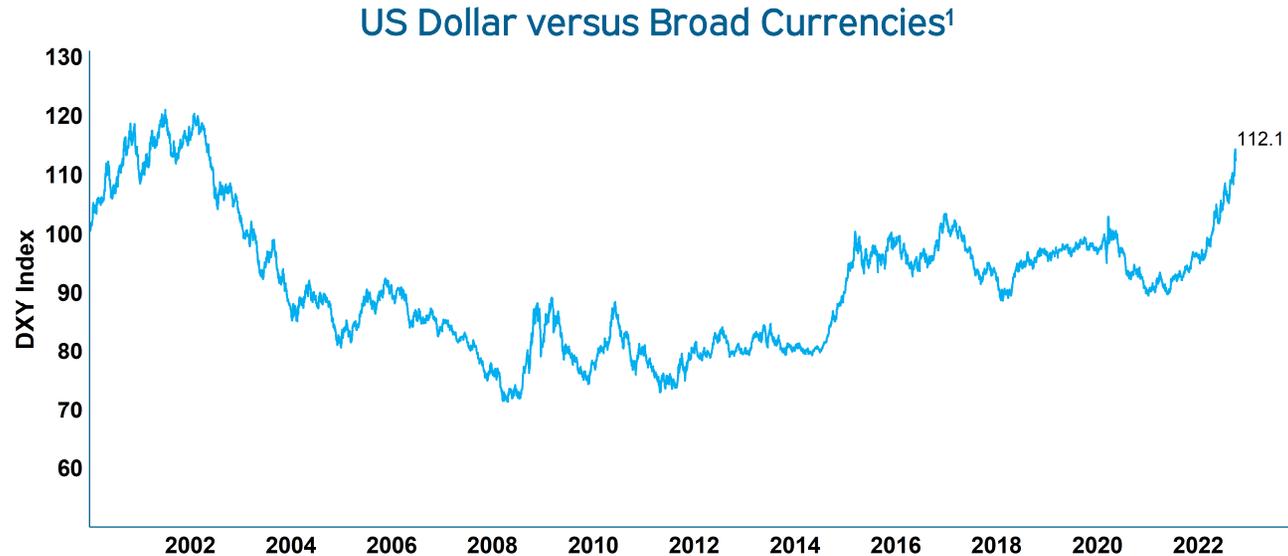
¹ Source: Bloomberg. Data is as of September 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of August 31, 2022.

Global PMIs



- After improvements from the lows of the pandemic, Purchasing Managers Indices (PMI), based on surveys of private sector companies, have largely experienced downward pressure recently.
- Service sector PMIs, except Japan, are all in contraction territory. The US service sector recovered somewhat but remains in negative territory due to weak demand, a sharp decline in new orders, and softening employment.
- Manufacturing PMIs are also slowing across China and developed markets given declines in demand and inflationary pressures with the Eurozone and China in contraction territory.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI, Caixin Services and Manufacturing PMI, Eurozone Markit Services and Manufacturing PMI, Jibun Bank Services and Manufacturing PMI. Data is as of September 2022. Readings below 50 represent economic contractions.



- The US dollar continued to strengthen in September, increasing 7.1% overall for the quarter and reaching levels not seen in two decades.
- The increased pace of policy tightening, stronger relative growth, and safe-haven flows all contributed to the dollar’s strength this year.
- The euro, yen, pound, and yuan have all experienced significant declines versus the dollar this year, adding to inflation.

¹ Source: Bloomberg. Data as of September 30, 2022.

Summary

Key Trends in 2022:

- The impacts of record high inflation will remain key, with market volatility likely to remain high.
- The pace of monetary tightening globally will be faster than previously expected, with the risk of overtightening.
- Expect growth to slow globally in 2022 and into 2023 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- In the US the end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Valuations have significantly declined in the US to below long-term averages.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but major risks remain, including continued strength in the US dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.

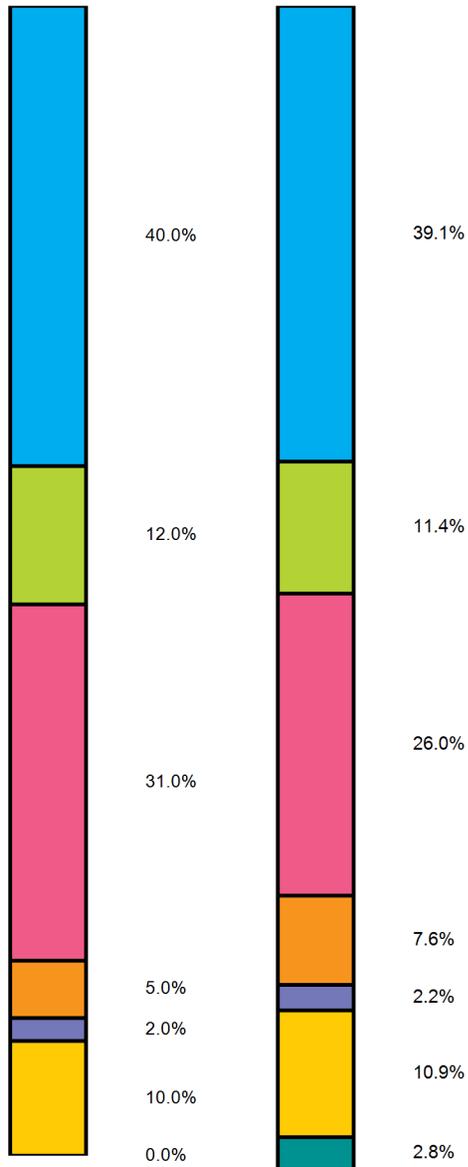
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Oakland Police and Fire Retirement System

October 26, 2022

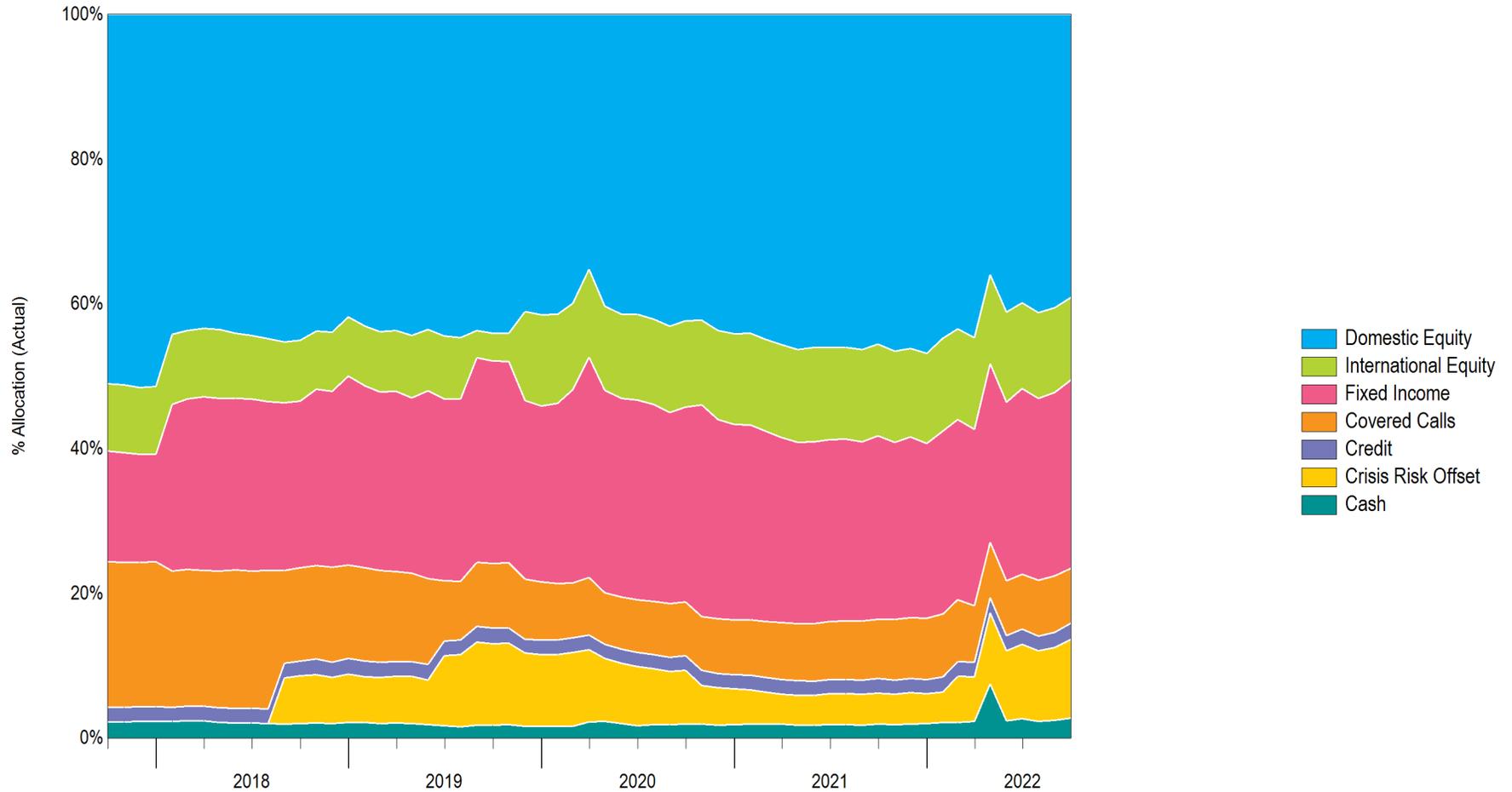
September Flash Report

As of September 30, 2022



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Domestic Equity	\$149,632,829	39.1%	40.0%	-0.9%	30.0% - 50.0%	Yes
International Equity	\$43,464,153	11.4%	12.0%	-0.6%	8.0% - 14.0%	Yes
Fixed Income	\$99,482,210	26.0%	31.0%	-5.0%	25.0% - 40.0%	Yes
Covered Calls	\$29,207,716	7.6%	5.0%	2.6%	5.0% - 10.0%	Yes
Credit	\$8,450,960	2.2%	2.0%	0.2%	0.0% - 100.0%	Yes
Crisis Risk Offset	\$41,648,656	10.9%	10.0%	0.9%	5.0% - 15.0%	Yes
Cash	\$10,571,515	2.8%	0.0%	2.8%	0.0% - 5.0%	Yes
Total	\$382,458,040	100.0%	100.0%			

Asset Allocation History
5 Years Ending September 30, 2022



As of September 30, 2022

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	382,458,040	100.0	-6.3	-4.5	-18.9	-14.3	2.2	4.2	6.5	6.4	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>-6.6</i>	<i>-4.6</i>	<i>-19.3</i>	<i>-15.7</i>	<i>2.0</i>	<i>3.7</i>	<i>6.0</i>	<i>7.6</i>	<i>Dec-88</i>
Excess Return			0.3	0.1	0.4	1.4	0.2	0.5	0.5	-1.2	
Domestic Equity	149,632,829	39.1	-8.9	-4.8	-23.1	-15.6	7.3	8.3	11.3	8.4	Jun-97
<i>Russell 3000 (Blend)</i>			<i>-9.3</i>	<i>-4.5</i>	<i>-24.6</i>	<i>-17.6</i>	<i>7.7</i>	<i>8.6</i>	<i>11.4</i>	<i>8.5</i>	<i>Jun-97</i>
Excess Return			0.4	-0.3	1.5	2.0	-0.4	-0.3	-0.1	-0.1	
International Equity	43,464,153	11.4	-9.7	-9.6	-26.7	-24.2	-1.3	-0.2	4.4	4.4	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>-10.0</i>	<i>-9.9</i>	<i>-26.5</i>	<i>-25.2</i>	<i>-1.5</i>	<i>-0.8</i>	<i>3.0</i>	<i>4.2</i>	<i>Jan-98</i>
Excess Return			0.3	0.3	-0.2	1.0	0.2	0.6	1.4	0.2	
Fixed Income	99,482,210	26.0	-4.4	-4.6	-14.7	-14.6	-2.7	0.3	1.4	4.7	Dec-93
<i>Bloomberg Universal (Blend)</i>			<i>-4.3</i>	<i>-4.5</i>	<i>-14.9</i>	<i>-14.9</i>	<i>-3.1</i>	<i>-0.2</i>	<i>1.2</i>	<i>4.5</i>	<i>Dec-93</i>
Excess Return			-0.1	-0.1	0.2	0.3	0.4	0.5	0.2	0.2	
Credit	8,450,960	2.2	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>Bloomberg US High Yield TR</i>			<i>-4.0</i>	<i>-0.6</i>	<i>-14.7</i>	<i>-14.1</i>	<i>-0.5</i>	<i>1.6</i>	<i>3.9</i>	<i>3.3</i>	<i>Feb-15</i>
Excess Return			0.4	0.1	5.3	5.2	3.8	1.3		1.2	
Covered Calls	29,207,716	7.6	-8.1	-5.1	-18.8	-11.3	6.2	6.4	--	7.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>			<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return			-1.5	2.5	-1.8	-0.1	5.5	4.3		3.2	
Crisis Risk Offset	41,648,656	10.9	1.4	0.0	-10.1	-7.8	-12.9	--	--	-8.7	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>			<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>-1.0</i>	<i>Aug-18</i>
Excess Return			0.7	-0.7	-13.1	-12.3	-10.7			-7.7	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

Fiscal year begins on July 1. Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers.

As of September 30, 2022

Performance Summary												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	382,458,040	100.0	--	-6.3	-4.5	-18.9	-14.3	2.2	4.2	6.5	6.4	Dec-88
<i>OPFRS Policy Benchmark</i>				<i>-6.6</i>	<i>-4.6</i>	<i>-19.3</i>	<i>-15.7</i>	<i>2.0</i>	<i>3.7</i>	<i>6.0</i>	<i>7.6</i>	<i>Dec-88</i>
Excess Return				0.3	0.1	0.4	1.4	0.2	0.5	0.5	-1.2	
Domestic Equity	149,632,829	39.1	39.1	-8.9	-4.8	-23.1	-15.6	7.3	8.3	11.3	8.4	Jun-97
<i>Russell 3000 (Blend)</i>				<i>-9.3</i>	<i>-4.5</i>	<i>-24.6</i>	<i>-17.6</i>	<i>7.7</i>	<i>8.6</i>	<i>11.4</i>	<i>8.5</i>	<i>Jun-97</i>
Excess Return				0.4	-0.3	1.5	2.0	-0.4	-0.3	-0.1	-0.1	
Northern Trust Russell 1000	67,029,399	17.5	44.8	-9.2	-4.6	-24.8	-17.5	7.8	8.9	11.6	12.2	Jun-10
<i>Russell 1000</i>				<i>-9.3</i>	<i>-4.6</i>	<i>-24.6</i>	<i>-17.2</i>	<i>7.9</i>	<i>9.0</i>	<i>11.6</i>	<i>12.2</i>	<i>Jun-10</i>
Excess Return				0.1	0.0	-0.2	-0.3	-0.1	-0.1	0.0	0.0	
Wellington Select Quality Equity	19,520,651	5.1	13.0	-7.5	-5.9	--	--	--	--	--	-11.3	May-22
<i>Russell 1000</i>				<i>-9.3</i>	<i>-4.6</i>	<i>-24.6</i>	<i>-17.2</i>	<i>7.9</i>	<i>9.0</i>	<i>11.6</i>	<i>-12.7</i>	<i>May-22</i>
Excess Return				1.8	-1.3						1.4	
EARNEST Partners	40,474,607	10.6	27.0	-9.7	-5.6	-21.4	-12.5	8.8	10.1	12.9	9.6	Apr-06
<i>Russell MidCap</i>				<i>-9.3</i>	<i>-3.4</i>	<i>-24.3</i>	<i>-19.4</i>	<i>5.2</i>	<i>6.5</i>	<i>10.3</i>	<i>7.9</i>	<i>Apr-06</i>
Excess Return				-0.4	-2.2	2.9	6.9	3.6	3.6	2.6	1.7	
Brown Fundamental Small Cap Value	9,733,085	2.5	6.5	-8.3	-1.6	-17.3	-9.1	--	--	--	-5.6	Apr-21
<i>Russell 2000 Value</i>				<i>-10.2</i>	<i>-4.6</i>	<i>-21.1</i>	<i>-17.7</i>	<i>4.7</i>	<i>2.9</i>	<i>7.9</i>	<i>-11.3</i>	<i>Apr-21</i>
Excess Return				1.9	3.0	3.8	8.6				5.7	
Rice Hall James	12,875,087	3.4	8.6	-6.6	-4.3	-26.2	-22.8	5.5	5.3	--	5.7	Jul-17
<i>Russell 2000 Growth</i>				<i>-9.0</i>	<i>0.2</i>	<i>-29.3</i>	<i>-29.3</i>	<i>2.9</i>	<i>3.6</i>	<i>8.8</i>	<i>4.6</i>	<i>Jul-17</i>
Excess Return				2.4	-4.5	3.1	6.5	2.6	1.7		1.1	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of September 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
International Equity	43,464,153	11.4	11.4	-9.7	-9.6	-26.7	-24.2	-1.3	-0.2	4.4	4.4	Jan-98
<i>MSCI ACWI ex US (Blend)</i>				-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0	4.2	Jan-98
Excess Return				0.3	0.3	-0.2	1.0	0.2	0.6	1.4	0.2	
Vanguard Developed Markets ETF	12,175,691	3.2	28.0	-9.9	-10.6	-27.5	-25.6	-1.2	--	--	-0.2	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				-10.0	-9.5	-27.2	-25.3	-0.8	-0.2	4.1	0.2	Sep-19
Excess Return				0.1	-1.1	-0.3	-0.3	-0.4			-0.4	
SGA ACWI ex-U.S. Equity	31,288,462	8.2	72.0	-9.6	-9.1	-26.2	-23.9	--	--	--	-4.2	Dec-19
<i>MSCI ACWI ex USA</i>				-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0	-3.1	Dec-19
Excess Return				0.4	0.8	0.3	1.3				-1.1	
Fixed Income	99,482,210	26.0	26.0	-4.4	-4.6	-14.7	-14.6	-2.7	0.3	1.4	4.7	Dec-93
<i>Bloomberg Universal (Blend)</i>				-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	4.5	Dec-93
Excess Return				-0.1	-0.1	0.2	0.3	0.4	0.5	0.2	0.2	
Ramirez	67,871,550	17.7	68.2	-4.1	-4.4	-14.5	-14.5	-2.9	0.3	--	0.9	Jan-17
<i>Bloomberg US Aggregate TR</i>				-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.3	Jan-17
Excess Return				0.2	0.4	0.1	0.1	0.4	0.6		0.6	
Wellington Core Bond	6,413,320	1.7	6.4	-4.8	-4.8	-15.9	-16.0	--	--	--	-9.8	Apr-21
<i>Bloomberg US Aggregate TR</i>				-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	-8.9	Apr-21
Excess Return				-0.5	0.0	-1.3	-1.4				-0.9	
Reams	25,197,341	6.6	25.3	-5.0	-4.9	-14.8	-14.4	0.4	2.2	2.3	5.0	Feb-98
<i>Bloomberg Universal (Blend)</i>				-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	4.0	Feb-98
Excess Return				-0.7	-0.4	0.1	0.5	3.5	2.4	1.1	1.0	
Credit	8,450,960	2.2	2.2	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>Bloomberg US High Yield TR</i>				-4.0	-0.6	-14.7	-14.1	-0.5	1.6	3.9	3.3	Feb-15
Excess Return				0.4	0.1	5.3	5.2	3.8	1.3		1.2	
Polen Capital	8,450,960	2.2	100.0	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>ICE BofA High Yield Master TR</i>				-4.0	-0.7	-14.6	-14.1	-0.7	1.4	3.9	3.3	Feb-15
Excess Return				0.4	0.2	5.2	5.2	4.0	1.5		1.2	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of September 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Covered Calls	29,207,716	7.6	7.6	-8.1	-5.1	-18.8	-11.3	6.2	6.4	--	7.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-1.5	2.5	-1.8	-0.1	5.5	4.3		3.2	
Parametric BXM	14,882,217	3.9	51.0	-7.3	-5.5	-15.6	-9.8	3.7	4.2	--	5.8	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-0.7	2.1	1.4	1.4	3.0	2.1		1.6	
Parametric DeltaShift	14,325,499	3.7	49.0	-8.9	-4.6	-21.6	-13.0	8.2	8.2	--	9.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-2.3	3.0	-4.6	-1.8	7.5	6.1		5.1	
Crisis Risk Offset	41,648,656	10.9	10.9	1.4	0.0	-10.1	-7.8	-12.9	--	--	-8.7	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>-1.0</i>	<i>Aug-18</i>
Excess Return				0.7	-0.7	-13.1	-12.3	-10.7			-7.7	
Kepos Alternative Risk Premia	9,742,494	2.5	23.4	0.6	2.3	--	--	--	--	--	-2.1	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>				<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>2.2</i>	<i>Feb-22</i>
Excess Return				-0.1	1.6						-4.3	
Versor Trend Following	17,905,977	4.7	43.0	10.6	7.8	--	--	--	--	--	19.4	Apr-22
<i>SG Trend Index</i>				<i>5.8</i>	<i>5.3</i>	<i>44.9</i>	<i>43.1</i>	<i>17.3</i>	<i>12.7</i>	<i>6.7</i>	<i>23.1</i>	<i>Apr-22</i>
Excess Return				4.8	2.5						-3.7	
Vanguard Long-Term Treasury ETF	14,000,185	3.7	33.6	-7.9	-9.7	-28.5	-26.7	-8.6	--	--	-5.8	Jul-19
<i>Bloomberg US Govt Long TR</i>				<i>-7.9</i>	<i>-9.6</i>	<i>-28.8</i>	<i>-26.6</i>	<i>-8.5</i>	<i>-1.6</i>	<i>0.6</i>	<i>-5.7</i>	<i>Jul-19</i>
Excess Return				0.0	-0.1	0.3	-0.1	-0.1			-0.1	
Cash	10,571,515	2.8	2.8	3.1	3.1	3.1	3.1	1.6	1.8	1.0	0.9	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.2</i>	<i>0.4</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>1.1</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				2.9	2.7	2.5	2.5	1.0	0.7	0.3	0.3	
Cash	3,406,515	0.9	32.2	0.8	0.8	0.8	0.8	1.0	1.4	0.8	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.2</i>	<i>0.4</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>1.1</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				0.6	0.4	0.2	0.2	0.4	0.3	0.1	0.1	
Cash - Treasury	7,165,000	1.9	67.8									

As of September 30, 2022

Cash Flow Summary

Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Brown Fundamental Small Cap Value	\$10,617,354	\$0	-\$884,269	\$9,733,085
Cash	\$3,381,135	\$0	\$25,380	\$3,406,515
Cash - Treasury	\$6,874,000	\$0	\$291,000	\$7,165,000
EARNEST Partners	\$44,843,317	\$0	-\$4,368,710	\$40,474,607
Kepos Alternative Risk Premia	\$9,687,710	\$0	\$54,784	\$9,742,494
Northern Trust Russell 1000	\$75,849,580	-\$2,000,000	-\$6,820,181	\$67,029,399
Parametric BXM	\$16,049,770	\$0	-\$1,167,553	\$14,882,217
Parametric DeltaShift	\$15,731,830	\$0	-\$1,406,331	\$14,325,499
Polen Capital	\$8,775,813	\$0	-\$324,853	\$8,450,960
Ramirez	\$70,752,030	\$0	-\$2,880,480	\$67,871,550
Reams	\$26,520,239	\$0	-\$1,322,898	\$25,197,341
Rice Hall James	\$13,783,469	\$0	-\$908,381	\$12,875,087
Securities Lending Northern Trust	\$0	\$0	\$0	\$0
SGA ACWI ex-U.S. Equity	\$34,623,319	\$0	-\$3,334,857	\$31,288,462
Vanguard Developed Markets ETF	\$13,548,638	\$0	-\$1,372,947	\$12,175,691
Vanguard Long-Term Treasury ETF	\$15,236,935	\$0	-\$1,236,750	\$14,000,185
Versor Trend Following	\$16,186,153	\$0	\$1,719,824	\$17,905,977
Wellington Core Bond	\$6,739,771	\$0	-\$326,451	\$6,413,320
Wellington Select Quality Equity	\$21,108,425	\$0	-\$1,587,774	\$19,520,651
Total	\$410,309,488	-\$2,000,000	-\$25,851,448	\$382,458,040

Benchmark History

As of September 30, 2022

Total Plan x Securities Lending x Reams LD Exception Comp

6/1/2022	Present	40% Russell 3000 / 12% MSCI ACWI ex USA / 31% Bloomberg US Universal TR / 5% CBOE BXM / 10% SG Multi Alternative Risk Premia Index / 2% Bloomberg US High Yield TR
1/1/2019	5/31/2022	40% Russell 3000 / 12% MSCI ACWI ex USA Gross / 33% Bloomberg US Universal TR / 5% CBOE BXM / 6.7% SG Multi Alternative Risk Premia Index / 3.3% Bloomberg US Treasury Long TR
5/1/2016	12/31/2018	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 20% CBOE BXM
10/1/2015	4/30/2016	43% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg 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% Bloomberg 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% Bloomberg 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% Bloomberg 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% Bloomberg US Universal TR
4/1/2006	9/30/2007	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Universal TR
1/1/2005	3/31/2006	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Aggregate TR
4/1/1998	12/31/2004	50% Bloomberg US Aggregate TR / 10% Russell 1000 / 20% Russell 1000 Value / 5% Russell MidCap / 15% MSCI EAFE

Domestic Equity

1/1/2005	Present	Russell 3000
4/1/1998	12/31/2004	28.57% Russell 1000 / 57.14% Russell 1000 Value / 14.29% Russell MidCap
6/1/1997	3/31/1998	S&P 500

International Equity

1/1/2005	Present	MSCI ACWI ex USA
1/1/1998	12/31/2004	MSCI EAFE Gross

Fixed Income

4/1/2006	Present	Bloomberg US Universal TR
12/31/1993	3/31/2006	Bloomberg US Aggregate 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.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group (“Meketa”)
DATE: October 26, 2022
RE: Fossil Fuels—Thermal Coal Divestment List Update

Summary

On May 25, 2016, the OPFRS Board approved a recommendation to divest the portfolio from thermal coal producing companies. In July 2016, PCA provided an initial list of 26 thermal coal companies (defined as a company whose primary use of coal is in the generation of heat to produce electricity) that receive more than 50% of their revenue from coal production. OPFRS formally implemented the divestment policy on August 1, 2016.

As part of the ongoing thermal coal divestiture policy, Meketa is providing OPFRS staff with an updated list of thermal coal companies that should not be held in any separate account mandates within the OPFRS portfolio. The table on the following page represents an updated list of 36 thermal coal companies that meet the 50% revenue from coal production criteria as of June 30, 2022.

Restricted Thermal Coal Companies as of 6/30/2022

Issuer Name	Ticker	CUSIP	SEDOL	ISIN	Issuer Country
Alliance Holdings GP, LP	AHGP	01861G100	B14WZB4	US01861G1004	US
Alliance Resource Partners, LP	ARLP	01877R108	2478650	US01877R1086	US
Arch Resources, Inc. (Formerly, Arch Coal Inc.)	ARCH	03940R107		US03940R1077	US
Banpu Public Co Ltd (F Share)	BANPU-F	BJFHB7900	BJFHBT4	TH0148A10Z14	Thailand
Banpu Public Co Ltd (L Share)	BANPU			TH0148A10Z06	Thailand
Banpu Public Co Ltd (NVDR Share)	BANPU-R	636834905	6368348	TH0148010R15	Thailand
Banpu Public Co Ltd (ADR)	BNPJY			US06670N1054	Thailand
China Coal Energy Co. Ltd. (H Share)	1898	Y1434L100	B1JNK84	CNE100000528	China
China Coal Energy Co. Ltd. (A Share)	601898				China
Coal India Limited (BSE-listed)	533278		B4Z9XF5	INE522F01014	India
Coal India Limited (NSE-listed)	COALINDIA		B4Z9XF5	INE522F01014	India
Exxaro Resources Ltd	EXX	S26949107	6418801	ZAE000084992	South Africa
Exxaro Resources Ltd (ADR)	EXXAY				South Africa
Exxaro Resources Ltd (Bond)	EXX04			ZAG000160326	South Africa
Exxaro Resources Ltd (Bond)	EXX05			ZAG000160334	South Africa
Foresight Energy LP	FELP			US34552U1043	US
Gujarat Mineral Development Corporation (NSE-listed)	GMDCLTD	Y2946M131	6101639	INE131A01031	India
Gujarat Mineral Development Corporation (BSE-listed)	532181			INE131A01031	India
Hallador Energy Company	HNRG	40609P10	2404978	US40609P1057	US
PT Indo Tambangraya Megah TBK	ITMG	Y71244100	B29SK75	ID1000108509	Indonesia
PT Indo Tambangraya Megah TBK (ADR)	ITAYY	45578T103	B3PJOL3	US45578T1034	Indonesia
Inner Mongolia Yitai Coal Company (A Share)	900948	Y40848106	6019011	CNE000000SK7	China
Inner Mongolia Yitai Coal Company (H Share)	3948	Y40848213	B4PPPY6	CNE100001FW6	China
Lubelski Wegiel Bogdanka SA	LWB	X5152C102	B543NN3	PLLWBGD00016	Poland
Peabody Energy Corporation	BTUUQ	704549203	BZ2Y3W7	US7045492037	US
Peabody Energy Corporation	BTU			US7045511000	US
PT Adaro Energy Indonesia TBK	ADRO IJ	B3BQFC902	B3BQFC4	ID1000111305	Indonesia
PT Adaro Energy Indonesia TBK (ADR)	ADOOY	00652F107		US00652F1075	Indonesia
PT Adaro Indonesia (Debt 144A)		69368KAB2		US69368KAB26	Indonesia
PT Bukit Asam (Persero) TBK	PTBA	Y8520P101	6565127	ID1000094006	Indonesia
PT Bukit Asam (Persero) TBK (ADR)	TBNGY	74445Y103		US74445Y1038	Indonesia
PT Bumi Resources TBK (ADR)	PBMRY	69367Y107		US69367Y1073	Indonesia



Issuer Name	Ticker	CUSIP	SEDOL	ISIN	Issuer Country
PT Bumi Resources TBK	BUMI	Y7122M110	6043485	ID1000068703	Indonesia
PT Harum Energy TBK	HRUM		B4KDQG4	ID1000116601	Indonesia
Rhino Resource Partners LP	RHNO	76218Y103	B4667K8	US76218Y2028	US
Whitehaven Coal Ltd.	WHC	Q97664108	B1XQXC4	AU000000WHC8	Australia



AGENDA REPORT

TO: Oakland Police and Fire Retirement System (PFRS) Board of Administration **FROM:** Téir Jenkins
Investment & Operations Manager

SUBJECT: Expiration Notice of PFRS Investment Manager Service Agreement and Action to Extend Service Agreement **DATE:** October 26, 2022

SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 1, 2023. The PFRS Board is asked to consider acting to extend the agreement for this manager for one additional year pursuant to the professional service agreement.

BACKGROUND

Parametric Portfolio Associates, LLC (Parametric) presented a portfolio performance update at the August 31, 2022 PFRS Investment Committee Meeting. Additionally, Meketa provided a Manager Performance Review regarding Parametric and the Board passed a motion to remove Parametric from watch status.

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

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Parametric Portfolio Associates, LLC	Covered Calls	December 23, 2013	December 23, 2022

RECOMMENDATION

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

Respectfully submitted,

Téir Jenkins
Investment & Operations Manager
Oakland Police and Fire Retirement System

Attachments:
(1) Resolution # 8066

Agenda Item C7
PFRS Regular Board Meeting
October 26, 2022

ATTACHMENT 1

Resolution No. 8066

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8066

Approved to Form
and Legality



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION TO AUTHORIZE A ONE-YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH PARAMETRIC PORTFOLIO ASSOCIATES, LLC FOR THE PROVISION OF COVERED CALLS INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM COMMENCING DECEMBER 23, 2022 AND ENDING DECEMBER 23, 2023.

WHEREAS, Article XVI §17 of the California Constitution, commonly referred to as the Pension Protection Act or Proposition 162, and Article XXVI of the Oakland City Charter (“Charter”) vest the Oakland Police and Fire Retirement System Board (“PFRS Board”) with exclusive control of the administration and investment of the assets of the Police and Fire Retirement Fund (the “Fund”); and

WHEREAS, the PFRS Board manages and administers the Police and Fire Retirement System (“PFRS”), pursuant to the requirements of Article XXVI of the Charter; and

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

WHEREAS, Article XXVI of the Charter expressly authorizes the PFRS Board to secure competent investment counsel to provide advice and counsel regarding the investment of the Fund and further provides that discretionary powers granted to such investment counsel will be at the option of the Board; and

WHEREAS, on June 19, 2013, the PFRS Board passed a motion to enter into an agreement (“The Agreement”) with Parametric Portfolio Associates, LLC (“Investment Counsel”), to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”); and

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

WHEREAS, Section IV(B) of the Agreement gave the PFRS Board the option to extend the initial term of the Agreement for three additional one-year terms by giving Investment Counsel written notice of its intent to exercise its option not less than sixty days prior to the expiration of the term or extended term of the agreement; and

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8066

WHEREAS, on November 28, 2018, the PFRS Board passed Resolution No. 7033 authorizing amendment of Section IV(B) of the Agreement to provide the Board with unlimited one-year extension options, and

WHEREAS, on October 30, 2019, the PFRS Board passed Resolution No. 7074 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2019 and ending December 23, 2020; and

WHEREAS, on December 10, 2020, the PFRS Board passed Resolution No. 8006 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2020 and ending December 23, 2021; and

WHEREAS, on November 17, 2021, the PFRS Board passed Resolution No. 8032 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2021 and ending December 23, 2022; and

WHEREAS, the PFRS Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing December 23, 2022, and ending December 23, 2023; and

WHEREAS, the Fund assets under management in Delta Shift strategy (presently valued at approximately 15 Million Dollars (\$15,000,000.00), at the annual fee rate of 0.44 percent, which fees are estimated to be approximately Sixty Six Thousand Dollars (\$66,000.00); and

WHEREAS, the Fund assets under management in BXM strategy (presently valued at approximately 15 Million Dollars (\$15,000,000.00), at the annual fee rate of 0.25 percent, which fees are estimated to be approximately Thirty Seven Thousand Five Hundred Dollars (\$37,500.00); now, therefore, be it

RESOLVED: That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Parametric Portfolio Associates, LLC for the provision of Covered Calls Investment Manager Services, commencing December 23, 2022 and ending commencing December 23, 2023; and be it

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8066

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

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE _____ **OCTOBER 26, 2022**

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

PRESIDENT

ATTEST: _____

SECRETARY

MEMORANDUM

TO: Oakland Police and Fire Retirement System (“OPFRS”)
FROM: Meketa Investment Group (“Meketa”)
DATE: October 26, 2022
RE: 2022 Ongoing Strategic Investment Agenda

On an ongoing (monthly) basis, Meketa develops a list of projects that we expect to work closely with OPFRS to complete over throughout the calendar year (see table below). In an attempt to coordinate the scheduling of these tasks, this memo details a Preliminary Investment Project Agenda by calendaring and prioritizing the expected tasks and deliverables that would be required to fulfill the Agenda. Meketa welcomes any suggestions and/or modifications to the proposed timeline.

2022 Preliminary Investment Project Agenda

Expected Completion Date	Task
November 2022	→ Quarterly Performance Report (3Q 2022)
	→ Flash Performance Report (Oct 2022)
	→ Manager Update: Strategic Global Advisors
	→ Manager Update: Reams
December 2022	→ Flash Performance Report (Nov 2022)
	→ Cash Flow Report (1Q 2023)
	→ Educational Topic: TBD

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/JLC/jls

Pursuant to California Government Code section 54953(e), the Oakland Police & Fire Retirement System Board and Committee Members, as well as City staff, will participate via phone/video conference, and no physical teleconference locations are required.

Please see the agenda to participate in the meeting. For additional information, contact the Retirement Unit by calling (510) 238-7295.



AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President

Jaime T. Godfrey
Vice President

Martin J. Melia
Member

Robert W. Nichelini
Member

John C. Speakman
Member

R. Steven Wilkinson
Member

Erin Roseman
Member

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

WEDNESDAY, AUGUST OCTOBER 26, 2022

11:30 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 BOARD MEETING
OCTOBER 26, 2022**

- 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](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 of Administration Meeting Minutes**
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** the September 28, 2022 PFRS Board of Administration Meeting Minutes
- B. AUDIT & OPERATIONS COMMITTEE AGENDA – OCTOBER 26, 2022**
- B1. Subject: Administrative Expenses Report**
From: Staff of the PFRS Board
-
- Recommendation:** **ACCEPT** informational report regarding PFRS administrative expenses as of August 31, 2022
- C. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – OCTOBER 26, 2022**
- C1. Subject: Investment Manager Performance Update – Rice Hall James & Associates**
From: Rice Hall James & Associates
-
- Recommendation:** **ACCEPT** informational report regarding a firm overview and managerial assessment; diversity and inclusion policy and practices; and investment strategy and portfolio performance of Rice Hall James & Associates, a PFRS’ Domestic Equity Small-Cap Growth Investment Strategy Manager

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
OCTOBER 26, 2022

- C2. **Subject:** Investment Manager Performance Review – Rice Hall James & Associates
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** Meketa Investment Group’s review and evaluation regarding a firm overview and managerial assessment; investment portfolio performance; watch status update; and recommendations to continue/remove watch status and to extend/terminate the professional services agreement with Rice Hall James & Associates, a PFRS’ Domestic Equity Small-Cap Growth Investment Strategy Manager; **DISCUSS** possible Board action in response to Meketa’s recommendations, including but not limited to exercising the option to terminate the professional service agreement with Rice Hall James & Associates and transfer PFRS assets managed by Rice Hall James & Associates to another investment manager or a comparable Exchange Traded Fund (ETF); **APPROVE** Committee’s recommended course of action with regard to Rice Hall James & Associates
- C3. **Subject:** Resolution No. 8065 – Resolution Authorizing A One-Year Extension of the Professional Services Agreement with Rice Hall James & Associates for the Provision of Domestic Equity Small-Cap Growth Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System Commencing March 1, 2023 and Ending March 1, 2024
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** Resolution No. 8065 authorizing a one-year extension of the professional services agreement with Rice Hall James & Associates for the provision of Domestic Equity Small-Cap Growth Investment Strategy Manager Services for the City of Oakland Police And Fire Retirement System commencing March 1, 2023 and ending March 1, 2024
- C4. **Subject:** Investment Market Overview as of September 30, 2022
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** informational report regarding the Global Investment Markets as of September 30, 2022
- C5. **Subject:** Preliminary Investment Fund Performance Update as of September 30, 2022
From: Meketa Investment Group
-
- Recommendation:** **ACCEPT** informational report regarding the Preliminary Investment Fund Performance Update as of September 30, 2022

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
 REGULAR BOARD MEETING
 OCTOBER 26, 2022

C6. **Subject:** Thermal Coal Companies Prohibited from the PFRS Investment Portfolio – 2022 Update
From: Meketa Investment Group
Recommendation: **ACCEPT** and **APPROVE** Meketa Investment Group’s updated list of thermal coal companies prohibited from the PFRS Investment Portfolio

C7. **Subject:** Resolution No. 8066 – Resolution Authorizing a One-Year Extension of the Professional Services Agreement with Parametric Portfolio Associates, LLC for the Provision of Covered Calls Investment Strategy Manager Services for the City of Oakland Police and Fire Retirement System Commencing December 23, 2023 and Ending December 23, 2024
From: Meketa Investment Group
Recommendation: **APPROVE** Resolution No. 8066 authorizing a one-year extension of the professional services agreement with Parametric Portfolio Associates, LLC for the provision of Covered Calls Investment Strategy Manager Services for The City of Oakland Police and Fire Retirement System commencing December 23, 2023 and ending December 23, 2024

D. **Subject:** Member Resolution 8067 – 8068
From: Staff of the PFRS Board
Recommendation: **APPROVE** Member Resolution Nos. 8067 – 8068

D1. **Resolution No. 8067** Resolution fixing the monthly allowance of surviving spouse of the following retired members of the Oakland Police and Fire Retirement System in the amount indicated:

<u>Deceased Member</u>	<u>Surviving Spouse</u>	<u>Monthly Allowance</u>
▪ Robert Crawford	Nancy J. Crawford	\$ 7,129.28
▪ Donald Jensen	Pearl J. Jensen	\$ 3,892.28
▪ Filbert Silva	Winifred S. Silva	\$ 3,899.62

D2. **Resolution No. 8068** Resolution approving death benefit payments and directing warrants thereunder in the total sum of \$1,000.00 payable to the beneficiary of the following deceased members of the Oakland Police and Fire Retirement System:

- William Boyd
- Bernard Gerhard
- Larry Newman
- Bette Peters

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
OCTOBER 26, 2022

E. Subject: Resolution No. 8069 – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E).

From: Staff of the PFRS Board

Recommendation: **APPROVE** Resolution No. 8069 – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E)

F. PENDING ITEMS – None

G. NEW BUSINESS

H. OPEN FORUM

I. FUTURE SCHEDULING – Nov/Dec 2022 meeting dates in consideration of upcoming holidays

J. ADJOURNMENT

A REGULAR MEETING of the Oakland Police and Fire Retirement System (“PFRS”) Board of Administration was held on Wednesday, September 28, 2022 via Zoom Webinar.

- | | | |
|-----------------------|------------------------|-------------------------------------|
| Board Members: | ▪ Walter L. Johnson | President |
| | ▪ Jaime T. Godfrey | Vice President |
| | ▪ Martin J. Melia | Member |
| | ▪ Robert W. Nichelini | Member |
| | ▪ Erin Roseman | Member |
| | ▪ John C. Speakman | Member |
| | ▪ R. Steven Wilkinson | Member (EXCUSED) |
| Additional Attendees: | ▪ David F. Jones | PFRS Secretary & Plan Administrator |
| | ▪ Mitesh Bhakta | PFRS Legal Counsel |
| | ▪ Téir Jenkins | PFRS Staff Member |
| | ▪ Maxine Visaya | PFRS Staff Member |
| | ▪ David Sancewich | Meketa Investment Group |
| | ▪ Jason Leong Campbell | Meketa Investment Group |

The meeting was called to order at 11:40 a.m. Pacific

- A. PFRS Board Meeting Minutes** – Member Speakman made a motion to approve the August 31, 2022 Board of Administration Regular Meeting Minutes, second by Member Roseman. Motion passed.

[JOHNSON: Y / GODFREY: ABSTAIN / MELIA: ABSTAIN / NICHELINI: Y / ROSEMAN: Y / SPEAKMAN: Y / WILKINSON: EXCUSED]
(AYES: 4 / NOES: 0 / ABSTAIN: 2 / EXCUSED: 1)

- B. Election of PFRS Board President & Vice President** – President Johnson declared the President & Vice President positions are vacant and welcomed comments from Board Members as how to proceed. Member Speakman commented, as stated in the past, that we have a very efficient and smooth running board and if the current President and Vice President are willing, will make a motion for them to continue in their positions and was seconded by Nichelini. President Johnson accepted the nomination, as well as Vice President Godfrey, but noted it will be his last year in the position. Plan Administrator Jones requested clarification from Legal Counsel Bhakta if the elected officers should abstain from voting and the Board was advised that would be the best procedure.

FIRST MOTION: Member Speakman made a motion for Walter Johnson to serve as Board President and Jaime Godfrey to serve as Board Vice President, second by Member Nichelini. Motion Passed.

[JOHNSON – ABSTAIN / GODFREY – ABSTAIN / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – EXCUSED]
(AYES:4 / NOES: 0 / ABSTAIN: 2 / EXCUSED: 1)

President Johnson requested further clarification if both elected officers should abstain from the vote, or if they should be allowed to vote for the other officer and only abstain from voting for their respective posts. Voting for the other officer is allowed and an amended motion was made and amended vote was taken regarding the election of Board President. A second motion was made regarding the election of Board Vice President.

AMENDED FIRST MOTION: Member Speakman made a motion for Walter Johnson to serve as PFRS Board President, second by Member Nichelini. Motion Passed.

AMENDED VOTE

[JOHNSON – ABSTAIN / GODFREY – Y / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – EXCUSED]
(AYES:5 / NOES: 0 / ABSTAIN: 1 / EXCUSED: 1)

SECOND MOTION: Member Speakman made a motion for Jaime Godfrey to serve as PFRS Board Vice President, second by Member Nichelini. Motion Passed.

[JOHNSON – Y / GODFREY – ABSTAIN / MELIA - Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – EXCUSED]
(AYES: 5 / NOES: 0 / ABSTAIN: 1 / EXCUSED: 1)

C. AUDIT AND OPERATIONS COMMITTEE AGENDA – SEPTEMBER 28, 2022

- c1. Administrative Expenses Report** – Staff Member Jenkins presented an informational report on PFRS’ administrative expenditures as of July 31, 2022. PFRS has an approved annual budget of approximately \$3.6 million and have expensed approximately \$100,000.00 to date for fiscal year 2022-2023. Membership consisted of 686 retired members, which included 422 Police Members and 264 Fire Members.

MOTION: Member Speakman made a motion to accept the administrative expenses report as of July 31, 2022, second by Member Nichelini. Motion passed.

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

D. INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA – SEPTEMBER 28, 2022

- D1. Investment Manager Performance Update – Ramirez Asset Management Inc. – Vice President Godfrey** provided an overview of the presentation by Ramirez Asset Management Inc. a PFRS Core Fixed Income Investment Strategy Manager. Vice President Godfrey highlighted the firm overview, investment strategy, use of local brokerages, portfolio performance, and the firm’s Diversity, Equity, and Inclusion policy and practices.

MOTION: Vice President Godfrey made a motion to accept the informational report regarding the Investment Manager Performance of Ramirez Asset Management, Inc. a PFRS Core Fixed Income Investment Strategy Manager, second by Member Melia. Motion Passed.

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

- D2. **Investment Manager Performance Review – Ramirez Asset Management Inc.** – David Sancewich of Meketa Investment Group (“Meketa”) presented an overview memo regarding by Ramirez Asset Management Inc., a PFRS Core Fixed Income Investment Strategy Manager. and noted Meketa continues to have confidence in the firm, does not have any concerns at this time and does not recommended any changes.

MOTION: Vice President Godfrey made a motion to accept Meketa’s recommendation regarding Ramirez Asset Management Inc. , second by Member Nichelini. Motion Passed.

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

- D3. **Resolution No. 8063** – Resolution authorizing the execution of a second amendment to the Professional Services Agreement with Ramirez Asset Management, Inc. for the provision of Core Fixed Income Investment Strategy Manager Services for the Oakland Police and Fire Retirement System to renew the Agreement for an additional one-year term.

MOTION: Vice President Godfrey made a motion to approve Resolution No. 8063, second by Member Melia. Motion Passed.

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

- D4. **Investment Manager Performance Update – Polen Capital Credit**– Vice President Godfrey provided an overview of the presentation by Polen Capital Credit, a PFRS High Yield Investment Strategy Manager. Vice President Godfrey highlighted recent organizational changes, a firm overview, investment strategy, portfolio performance, and discussion regarding clarification specific to the index they utilize relative to PFRS and how to evaluate performance, and the firm’s Diversity, Equity, and Inclusion strategy, culture, and climate.

MOTION: Vice President Godfrey made a motion to accept the informational report provided by Polen Capital Credit, second by Member Speakman. Motion Passed.

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

- D5. **Investment Manager Performance Review – Polen Capital Credit**– David Sancewich of Meketa Investment Group (“Meketa”) presented an overview memo regarding Polen Capital Credit, a PFRS High Yield Income Investment Strategy Manager. Manager. D. Sancewich noted Polen has been a watch for quite a bit of time, initially for performance and most recently for organizational changes. Meketa does not have any concerns at this time relative to investments, as portfolio performance has improved relative to the index. and the concerns regarding recent organizational changes no longer exist.

Vice President Godfrey provided a summary of the discussion during the Committee meeting and noted a Committee Member's concern regarding long-term performance and issues relative to a particular staff member of the firm. Vice President Godfrey made a recommendation to continue to monitor the firm for an additional quarter and for Meketa to provide an update in the first quarter of 2023 regarding portfolio performance, performance relative to peers, and of the High Yield Investment Strategy. D. Sancewich added Meketa's memo recommended Polen be removed from watch status, however at the direction of the Committee Polen will remain on watch status pending the review outlined in the discussion.

MOTION: Vice President Godfrey made a motion to accept Meketa's informational report regarding Polen Capital Credit and to maintain watch status and schedule a review, as outlined in the discussion, in the first quarter of 2023, second by Member Nichelini. Motion Passed.

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

- D6. **Investment Market Overview as of August 31, 2022** – David Sancewich of Meketa presented an informational report regarding the Investment Market Overview as of August 31, 2022 and highlighted Index Returns and the current factors impacting outcomes.

MOTION: Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Investment Market Overview as of August 31, 2022, second by Member Melia. Motion passed.

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

- D7. **Preliminary Investment Fund Performance Update as of August 31, 2022** David Sancewich of Meketa provided a summary of the Preliminary Investment Fund Performance Update as of August 31, 2022 and highlighted Allocation vs. Targets and Policy and the Asset Class Performance Summary.

MOTION: Vice President Godfrey made a motion to accept the informational report provided by Meketa regarding the Preliminary Investment Fund Performance Update as of August 31, 2022, second by Member Nichelini. Motion Passed.

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

- D8. **\$14.2 Million Drawdown for Member Retirement Allowances Fiscal Year 2022/2023 (Quarter Ending December 31, 2022)** – Vice President Godfrey provided a summary of Meketa’s informational report and recommendation regarding a \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the from the Covered Calls Portfolio within the PFRS Investment Fund to be used to pay the October 1, 2022 through December 31, 2022 Member Retirement Allowances.

MOTION: Vice President Godfrey made a motion to approve Meketa’s recommendation regarding the \$14.2 million drawdown, which includes a \$8.2 Million contribution from the City of Oakland and a \$6.0 Million contribution from the PFRS Investment Fund, second by Member Nichelini. Motion Passed.

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

- E. **Resolution No. 8064** – Resolution Electing to Continue to Conduct Police and Fire Retirement System Board and Committee Meetings Using Teleconferencing in Accordance with California Government Code Section 54953(E). Plan Administrator Jones noted the originally posted agenda was corrected to reflect the accurate Resolution Number.

MOTION: Member Speakman made a motion to approve Resolution No. 8064, second by Member Nichelini. Motion passed.

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

- F. **Pending Items** – No Report

- G. **New Business** – 1) Member Speakman noted that committee assignments are set to come up and President Johnson confirmed he will look at assignments between now and the next meeting. 2) Member Speakman, considering the upcoming elections, expressed interest in setting up a meeting with the new mayor to discuss the 2026 Actuarial Funding Date and Property Tax Override. President Johnson assigned Members Nichelini, Roseman, and Speakman, Legal Counsel, and Staff to the Ad Hoc Committee regarding the 2026 Actuarial Funding Date and directed the Committee to start preliminary work and organizing now in order to be prepared to hold discussions with the incoming mayor regarding the 2026 Actuarial Funding Date and Property Tax Override concerns.

- H. **Open Forum** – President Johnson and Vice President Godfrey welcomed Member Melia back to the Board.

I. **Future Scheduling** – The next regular Board meeting is tentatively scheduled to occur Wednesday, October 26, 2022. President Johnson requested staff provide possible dates for the November and December meetings, possibly a combined meeting, in consideration of the upcoming holidays for discussion at the October meeting.

J. **Adjournment** – Member Speakman made a motion to adjourn, second by Member Melia. Motion passed.

[JOHNSON – Y / GODFREY – ABSENT / MELIA – Y / NICHELINI – Y / ROSEMAN – Y / SPEAKMAN – Y / WILKINSON – EXCUSED]
(AYES: 5 / NOES: 0 / ABSENT: 1 / EXCUSED: 1)

The meeting adjourned at 12:33 p.m. Pacific

DAVID F. JONES PLAN ADMINISTRATOR & SECRETARY	DATE
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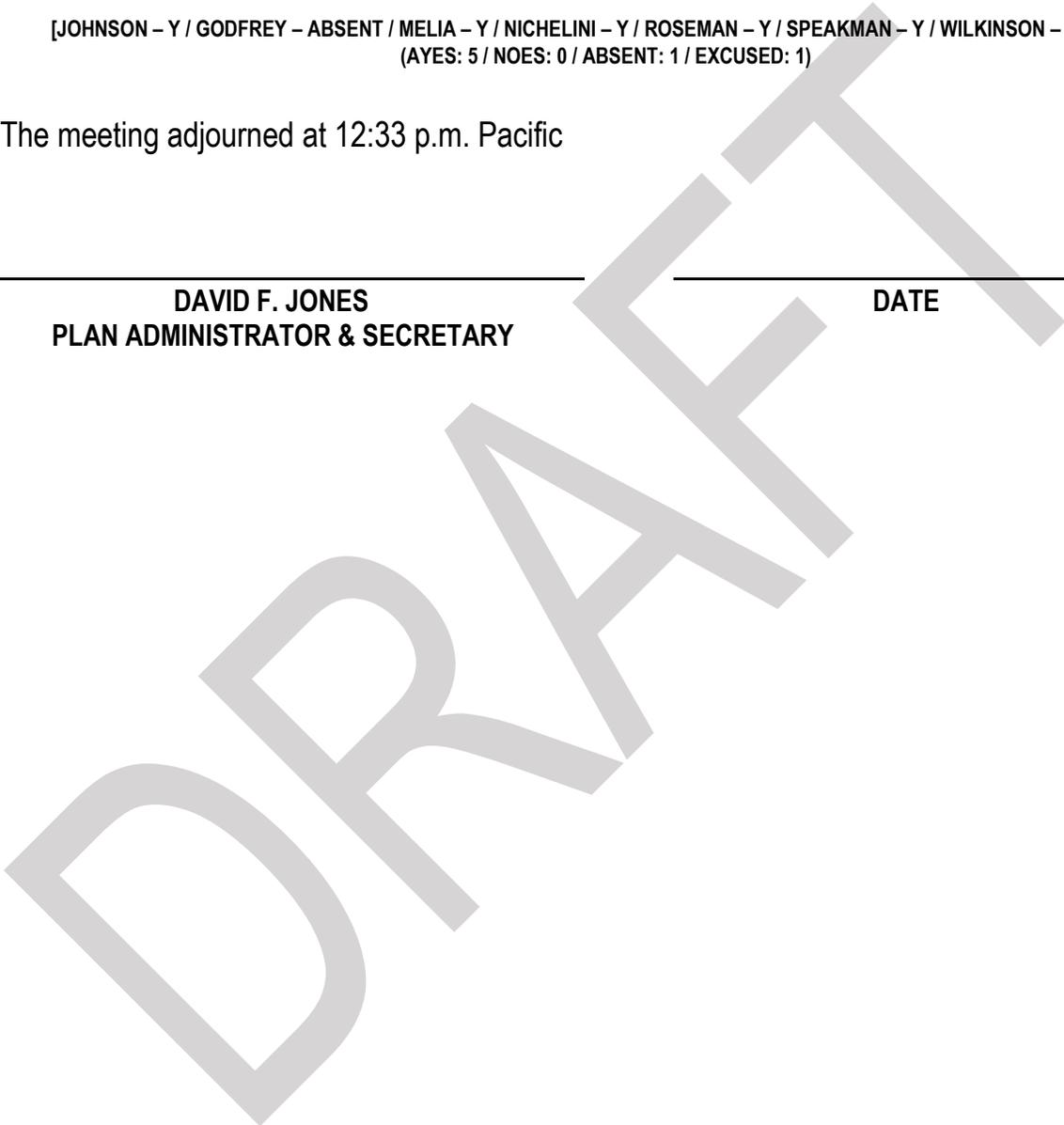


Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Administrative Budget Spent to Date (Preliminary)

As of August 31, 2022

	Approved Budget					Percent Remaining
		August 2022	FYTD	Remaining		
Internal Administrative Costs						
PFRS Staff Salaries	\$ 1,330,000	\$ 96,558	\$ 196,368	\$ 1,133,633		85.2%
Board Travel Expenditures	52,500	-	-	52,500		100.0%
Staff Training	20,000	-	-	20,000		100.0%
Staff Training - Tuition Reimbursement	7,500	-	-	7,500		100.0%
Board Hospitality	3,600	-	-	3,600		100.0%
Payroll Processing Fees	40,000	-	-	40,000		100.0%
Miscellaneous Expenditures	45,000	1,145	1,420	43,580		96.8%
Internal Service Fees (ISF)	88,000	-	-	88,000		100.0%
Contract Services Contingency	50,000	-	1,500	48,500		97.0%
Internal Administrative Costs Subtotal :	\$ 1,636,600	\$ 97,704	\$ 199,287	\$ 1,437,313		87.8%
Actuary and Accounting Services						
Audit	\$ 50,500	\$ -	\$ -	\$ 50,500		100.0%
Actuary	47,900	-	-	47,900		100.0%
Actuary and Accounting Subtotal:	\$ 98,400	\$ -	\$ -	\$ 98,400		100.0%
Legal Services						
City Attorney Salaries	\$ 194,000	\$ -	\$ 28	\$ 193,972		100.0%
Legal Contingency	150,000	-	-	150,000		100.0%
Legal Services Subtotal:	\$ 344,000	\$ -	\$ 28	\$ 343,972		100.0%
Investment Services						
Money Manager Fees	\$ 1,353,000	\$ 11,804	\$ 11,804	\$ 1,341,196		99.1%
Custodial Fee	124,000	-	-	124,000		100.0%
Investment Consultant	100,000	-	-	100,000		100.0%
Investment Subtotal:	\$ 1,577,000	\$ 11,804	\$ 11,804	\$ 1,565,196		99.3%
Total Operating Budget	\$ 3,656,000	\$ 109,507	\$ 211,118	\$ 3,444,882		94.23%

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100) - Preliminary

As of August 31, 2022

	August 2022
Beginning Cash as of 7/31/2022	\$ 6,680,692
Additions:	
City Pension Contribution - August	\$ 2,726,000
Investment Draw	\$ 2,000,000
Misc. Receipts	800
Total Additions:	\$ 4,726,800
Deductions:	
Pension Payment (July Pension Paid on 8/1/2022)	(4,331,770)
Expenditures Paid	(163,195)
Total Deductions	\$ (4,494,965)
 Ending Cash Balance as of 8/31/2022*	 \$ 6,912,527

* On 9/1/2022, August pension payment of appx \$4,318,000 will be made leaving a cash balance of \$2,595,000.

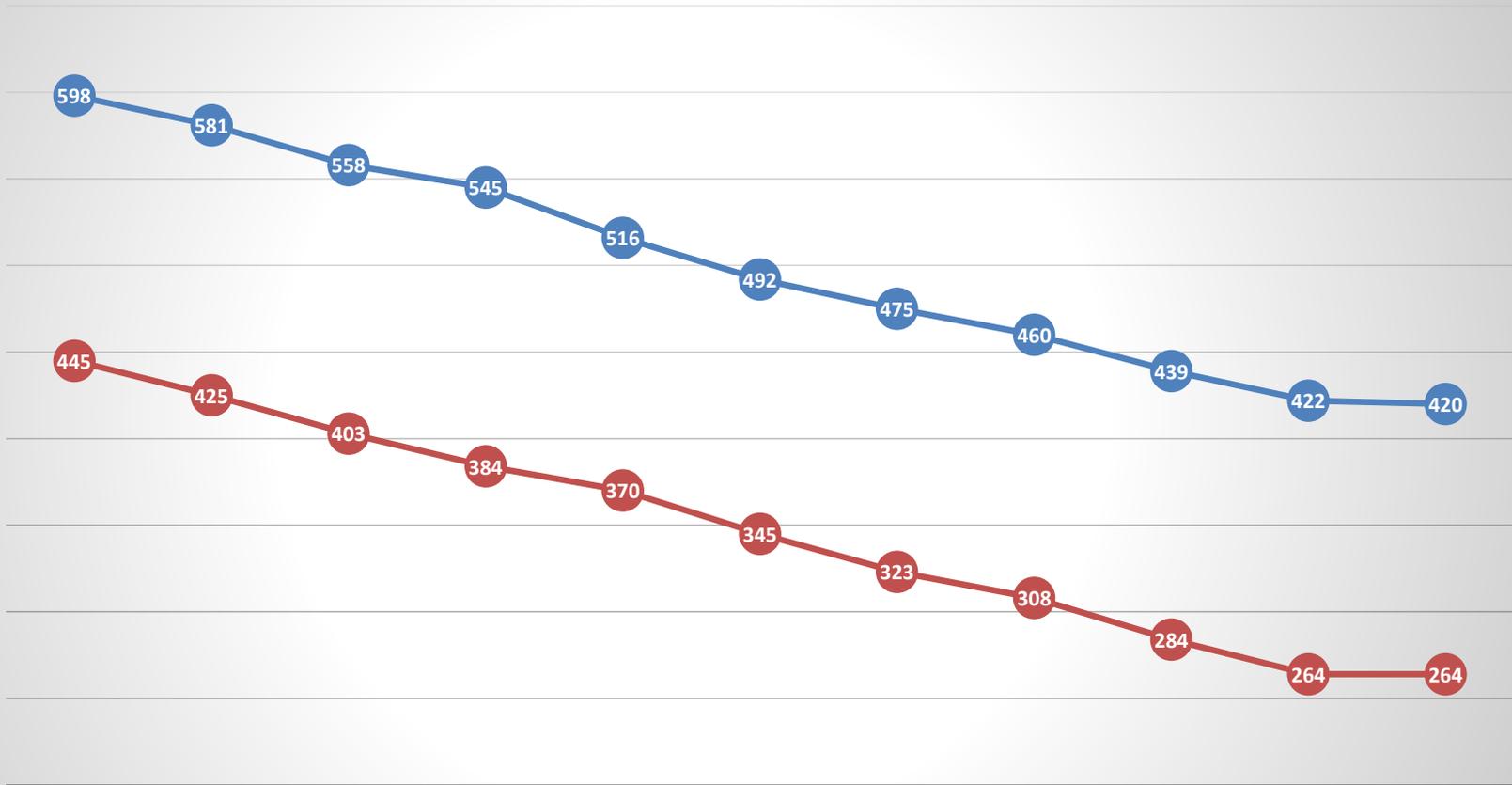
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of August 31, 2022

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	292	167	459
Beneficiary	128	97	225
<i>Total Retired Members</i>	420	264	684
<i>Total Membership:</i>	420	264	684

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	283	133	416
Disability Retirement	127	120	247
Death Allowance	10	11	21
<i>Total Retired Members:</i>	420	264	684
<i>Total Membership as of August 31, 2022:</i>	420	264	684
<i>Total Membership as of June 30, 2022:</i>	422	264	686
<i>Annual Difference:</i>	-2	0	-2

Oakland Police and Fire Retirement System Pension Plan Membership Count As of August 31, 2022 (FY 2013 - FY 2023)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 FYTD
Police	598	581	558	545	516	492	475	460	439	422	420
Fire	445	425	403	384	370	345	323	308	284	264	264
Total	1043	1006	961	929	886	837	798	768	723	686	684

Rice Hall James & Associates, LLC

RHJ Small Cap
Opportunities Strategy

October 26, 2022



RICE HALL JAMES
& ASSOCIATES, LLC

Rice Hall James & Associates, LLC
600 West Broadway, Suite 1000
San Diego, California 92101

Telephone: (619) 239-4855
E-mail: info@ricehall.com
Website: www.ricehalljames.com

For one-on-one presentation only, not for public distribution.

Firm Profile

September 30, 2022

Investment-led firm, founded in 1974

Firm AUM + AUA: \$2.0 billion¹

Ownership

Independent and 100% employee-owned. RHJ is focused solely on investment management with no other lines of business

Personnel

27 employees, including 12 owners averaging 29 years of industry experience and 21 years with Rice Hall James

Time-Tested Investment Strategies

RHJ's professionals have been managing micro-, small-, and SMID-cap portfolios for more than three decades

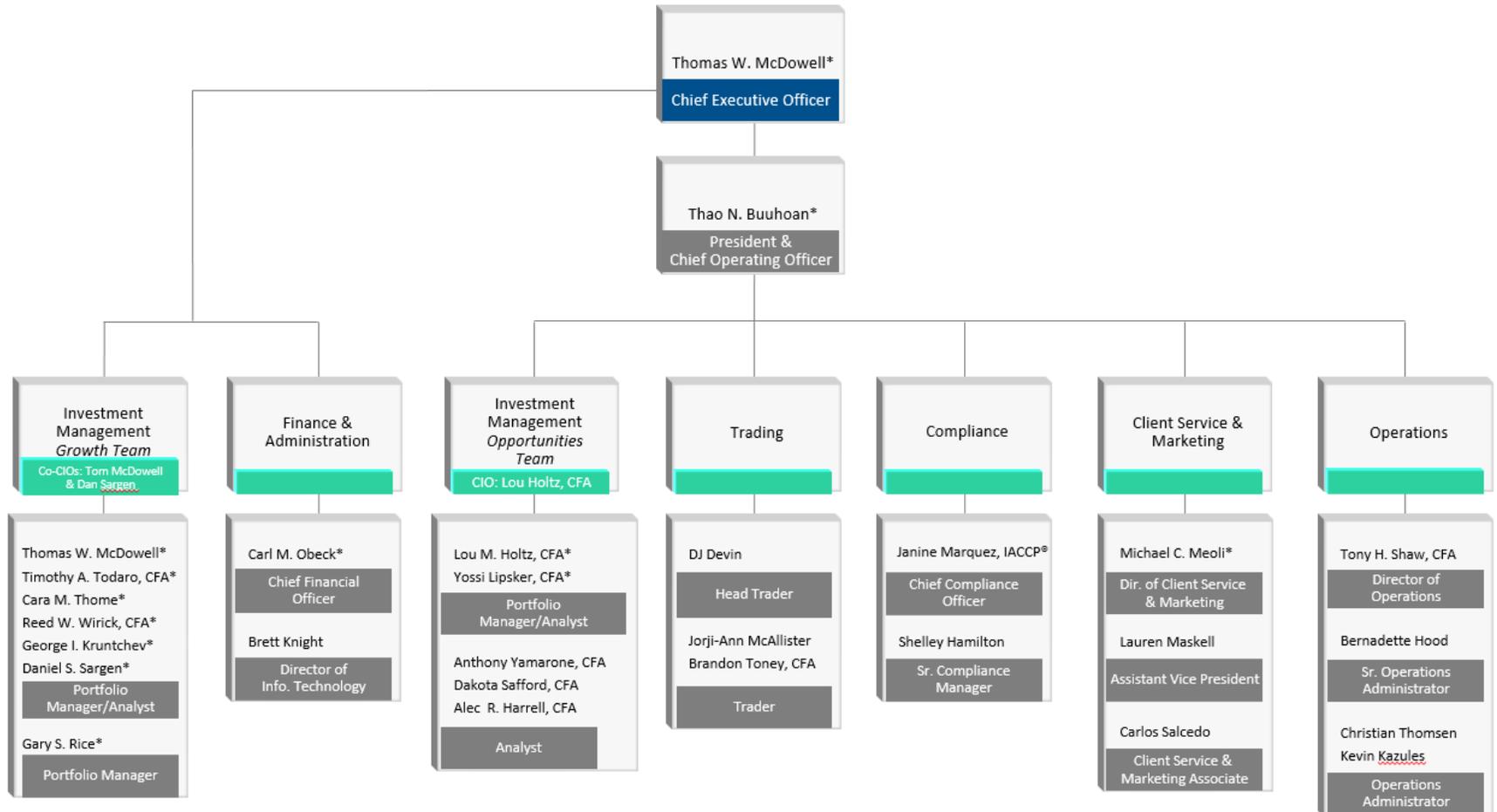
Established Client Base

34 institutional clients, representing 81% of assets

¹Assets include assets under management and assets under advisement.



RHJ Organization Chart



SEPTEMBER 2022

*Employee Owners



RICE HALL JAMES
& ASSOCIATES, LLC

Diversity

Diversity Representation Survey for Oakland Police and Fire

DATA AS OF 09/30/2022

Firm Name	Rice Hall James & Associates, LLC
Product Name	RHJ Small Cap Opportunities
Total Number of Employees	27

Race and Ethnicity*	Percentage (%) of Board of Directors / Managing Members	Percentage(%) of Firm (Entire Staff)	Percentage (%) of Firm (Investment Professionals)
African American/Black	0%	0%	0%
Asian/Hawaiian/Pacific Islander	17%	7%	0%
Latino/Hispanic	0%	4%	0%
White	83%	85%	93%
American Indian/Alaska Native	0%	4%	7%
Other	0%	0%	0%
Gender			
Male	67%	70%	80%
Female	33%	30%	20%
Non-Identified/Other	0%	0%	0%

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



RHJ Diversity Equity & Inclusion Initiatives

Created a firm-wide DEI Policy and are pursuing the following goals:

- ▶ Increase our outreach to organizations that support underrepresented groups in the finance industry
- ▶ Work with a local expert on employee education and training on DEI issues
- ▶ Plan for a summer internship program



Value Proposition

Long-Term Oriented

- Portfolio Manager/Analysts have an investment horizon that is longer than other micro, small, and SMID cap growth managers, typically 3 to 5 years.
- Long-term focus allows us to develop an **informational edge** on companies and their management teams relative to our peer group universe.

Experienced & Stable

- Portfolio Manager/Analysts average 29 years of investment experience and 23 years working together.
- Knowledge base that includes a **deep understanding** of the companies' management teams, competitors, and customers.

Quality-Focused

- Portfolio is comprised of companies that generate high returns on invested capital or have the potential to do so in the near future.
- We invest in those companies that we believe have a **sustainable competitive advantage** compared to rivals.

Risk-Controlled

- Structure portfolio weightings in **most compelling ideas** on a risk-adjusted basis.
- Carefully monitor guideposts which are established at the time of initial investment.



Portfolio Review



RICE HALL JAMES
& ASSOCIATES, LLC

Oakland Police & Fire Retirement System

As of September 30, 2022

Portfolio Details

Inception Date: July 13, 2017

Initial Value: \$10,537,872.22

Market Value as of February 28, 2022: \$12,874,347.30

Net Flows Since Inception: (\$987,084.61)

	3Q22	YTD	1 Year*	3 Years*	5 Years*	Since Inception* July 31, 2017
Oakland Police & Fire Ret System [Gross]	-4.27%	-26.16%	-22.79%	5.49%	5.29%	6.02%
Oakland Police & Fire Ret System [Net]	-4.44%	-26.62%	-23.45%	4.51%	4.29%	5.05%
Russell 2000 Growth Index	0.24%	-29.28%	-29.27%	2.94%	3.60%	4.52%
<i>Difference (Net) vs. Russell 2000 Growth</i>	<i>-468 bps</i>	<i>+266 bps</i>	<i>+582 bps</i>	<i>+157 bps</i>	<i>+69 bps</i>	<i>+53 bps</i>

*Annualized

Source: FactSet



RICE HALL JAMES
& ASSOCIATES, LLC

Past performance does not guarantee future results. Performance is reported in U.S. Dollars, gross and net of fees and is annualized for periods greater than one year. For performance calculation purposes, the portfolio's inception date is July 31, 2017. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees.

RHJ Attribution Report

3Q22 Attribution Analysis

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

GICS Sector	City of Oakland			Russell 2000 Growth			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	-4.24	-4.24	100.00	0.24	0.24	-0.08	-4.40	-4.48
Financials	7.54	10.14	0.41	6.03	-0.81	-0.06	0.02	0.72	0.74
Real Estate	--	--	--	2.40	-17.65	-0.40	0.45	--	0.45
Communication Services	8.51	-0.90	-0.15	2.46	-6.27	-0.13	-0.38	0.45	0.08
Utilities	--	--	--	1.80	-3.11	-0.09	0.06	--	0.06
Materials	2.11	-3.98	-0.13	4.37	-2.06	-0.15	0.06	-0.04	0.02
Telecommunication Services	--	--	--	0.09	11.41	0.05	-0.01	--	-0.01
[Cash]	3.16	0.65	0.02	--	--	--	-0.11	--	-0.11
Energy	--	--	--	6.25	3.97	0.06	-0.22	--	-0.22
Health Care	25.19	5.93	1.30	23.92	8.13	1.75	0.16	-0.48	-0.32
Consumer Discretionary	12.28	-3.03	-0.24	10.95	1.33	0.14	0.06	-0.57	-0.51
Industrials	11.74	-4.40	-0.53	17.38	0.11	-0.02	0.01	-0.53	-0.52
Consumer Staples	2.94	-39.13	-1.30	4.34	-6.69	-0.28	0.09	-1.28	-1.19
Information Technology	26.53	-13.88	-3.62	20.02	-4.56	-0.62	-0.28	-2.66	-2.94

Sources: FactSet, GICS Sector Classification, & FTSE Russell

Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.



RHJ Attribution Report

YTD Attribution Analysis as of September 30, 2022

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

GICS Sector	City of Oakland			Russell 2000 Growth			Attribution Analysis		
	Avg. Port. Wt.	Port. Return	Port. Contrib.	Avg. Bmrk. Wt.	Bmrk. Return	Bmrk. Contrib.	Alloc. Effect	Select Effect	Total Effect
Total	100.00	-26.12	-26.12	100.00	-29.28	-29.28	-0.96	4.12	3.16
Health Care	23.80	-9.27	-1.25	24.13	-25.98	-5.52	0.34	3.26	3.60
Consumer Discretionary	12.78	-24.46	-2.82	13.07	-34.37	-5.08	0.07	1.38	1.45
Communication Services	8.14	-22.65	-1.94	2.68	-39.48	-1.16	-0.63	1.44	0.81
[Cash]	3.14	0.98	0.03	--	--	--	0.81	--	0.81
Real Estate	--	--	--	2.79	-48.02	-1.60	0.60	--	0.60
Financials	7.21	-25.40	-1.88	5.87	-29.25	-1.73	0.03	0.29	0.32
Utilities	--	--	--	0.88	-20.51	-0.11	-0.05	--	-0.05
Materials	2.00	-15.44	-0.38	3.83	-18.66	-0.83	-0.14	0.08	-0.06
Telecommunication Services	--	--	--	0.30	0.96	0.01	-0.08	--	-0.08
Information Technology	28.20	-37.84	-11.78	21.23	-37.66	-8.40	-0.56	-0.05	-0.61
Consumer Staples	3.29	-46.57	-1.71	4.32	-17.98	-0.65	-0.03	-1.02	-1.06
Energy	--	--	--	4.42	18.78	-0.14	-1.15	--	-1.15
Industrials	11.43	-35.47	-4.38	16.49	-25.03	-4.07	-0.17	-1.26	-1.44

Sources: FactSet, GICS Sector Classification, & FTSE Russell

Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.



3Q22 Top/Bottom 5 Performers

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

Ticker		Average Weight	Total Return	Contribution To Return
5 Highest				
AERI	Aerie Pharmaceuticals, Inc.	1.19	101.73	0.67
RVNC	Revance Therapeutics, Inc.	1.09	95.37	0.66
DFIN	Donnelley Financial Solutions, Inc.	3.16	26.22	0.51
WNS	WNS (Holdings) Limited Sponsored ADR	4.86	9.65	0.37
WWE	World Wrestling Entertainment, Inc. Class A	3.31	12.49	0.37
5 Lowest				
MED	Medifast, Inc.	2.94	-39.13	-1.30
SMTC	Semtech Corporation	2.34	-46.50	-1.18
EEFT	Euronet Worldwide, Inc.	3.22	-24.68	-0.88
ACIW	ACI Worldwide, Inc.	3.27	-19.27	-0.60
RXT	Rackspace Technology, Inc.	0.97	-43.10	-0.50

Sources: FactSet, GICS Sector Classification, & FTSE Russell



YTD Top/Bottom 5 Performers

As of September 30, 2022

Oakland Police & Fire Retirement System vs. Russell 2000 Growth Index

Ticker		Average Weight	Total Return	Contribution To Return
	Total			
	5 Highest			
LRN	Stride, Inc.	3.31	26.10	0.88
WWE	World Wrestling Entertainment, Inc. Class A	2.87	43.04	0.79
AERI	Aerie Pharmaceuticals, Inc.	0.78	115.53	0.69
RVNC	Revance Therapeutics, Inc.	0.88	65.44	0.54
BHVN.1	Biohaven Pharmaceutical Holding Company Ltd.	2.22	9.69	0.41
	5 Lowest			
SMTC	Semtech Corporation	2.80	-66.93	-2.44
MED	Medifast, Inc.	3.29	-46.57	-1.71
ZD	Ziff Davis, Inc.	3.47	-38.23	-1.54
EEFT	Euronet Worldwide, Inc.	3.43	-36.43	-1.48
DOOR	Masonite International Corp.	3.37	-39.56	-1.48

Sources: FactSet, GICS Sector Classification, & FTSE Russell



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Past performance does not guarantee future results. Attribution results are based on sector returns, which are gross of fees and include reinvestment of all income. Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. Please refer to disclosures at the end of this document.

3Q22 Transactions: RHJ Small Cap Opportunities

3Q22 Portfolio Purchases

Doximity, Inc.	DOCS
TechTarget, Inc.	TTGT

3Q22 Portfolio Sales

Collegium Pharmaceuticals, Inc.	COLL
Global Blood Therapeutics, Inc.	GBT



2022 Transactions: RHJ Small Cap Opportunities

YTD as of September 30, 2022

Portfolio Purchases		Portfolio Sales	
Digital Turbine, Inc.	APPS	Arena Pharmaceuticals, Inc.	ARNA
Neurocrine Biosciences, Inc.	NBIX	Zogenix, Inc.	ZGNX
Arlo Technologies, Inc.	ARLO	Points.com, Inc.	PCOM
Doximity, Inc.	DOCS	Mimecast Ltd.	MIME
TechTarget, Inc.	TTGT	Collegium Pharmaceuticals, Inc.	COLL
		Global Blood Therapeutics, Inc.	GBT



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Past performance is no guarantee of future results. Securities mentioned do not make up entire portfolio and, in the aggregate, may represent a small percentage of the portfolio. Holdings are subject to change and are based on a representative account. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities in this presentation. Rice Hall James & Associates, LLC, or one or more of its officers, may have a position in the securities discussed herein and may purchase or sell such securities from time to time.

Appendix



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Investment Philosophy

We believe that superior, long-term, risk-adjusted returns are generated by building a portfolio of companies with three primary characteristics – **high earnings growth, high or improving returns on invested capital and better sustainability characteristics** than that of the index.



Why Earnings Growth & ROIC ?

The probability of alpha generation increases when high earnings growth is coupled with high returns on invested capital.

		EARNINGS GROWTH ¹				
		Less than 0%	0%-10%	10-20%	20%-25%	More than 25%
PERFORMANCE OF RUSSELL 2000 COMPANIES RELATIVE TO OVERALL INDEX						
5-YEAR AVG ROIC ²	More than 15%	(27%)	(45%)	5%	96%	379%
	10% - 15%	(80%)	(58%)	2%	40%	159%
	5% - 10%	(27%)	(64%)	(24%)	11%	39%
	Less than 5%	(86%)	(57%)	(64%)	(17%)	32%

Historical performance does not guarantee future results.

¹ 5-year Earnings Per Share (EPS) growth, compounded annually.

Sources: FactSet & FTSE Russell

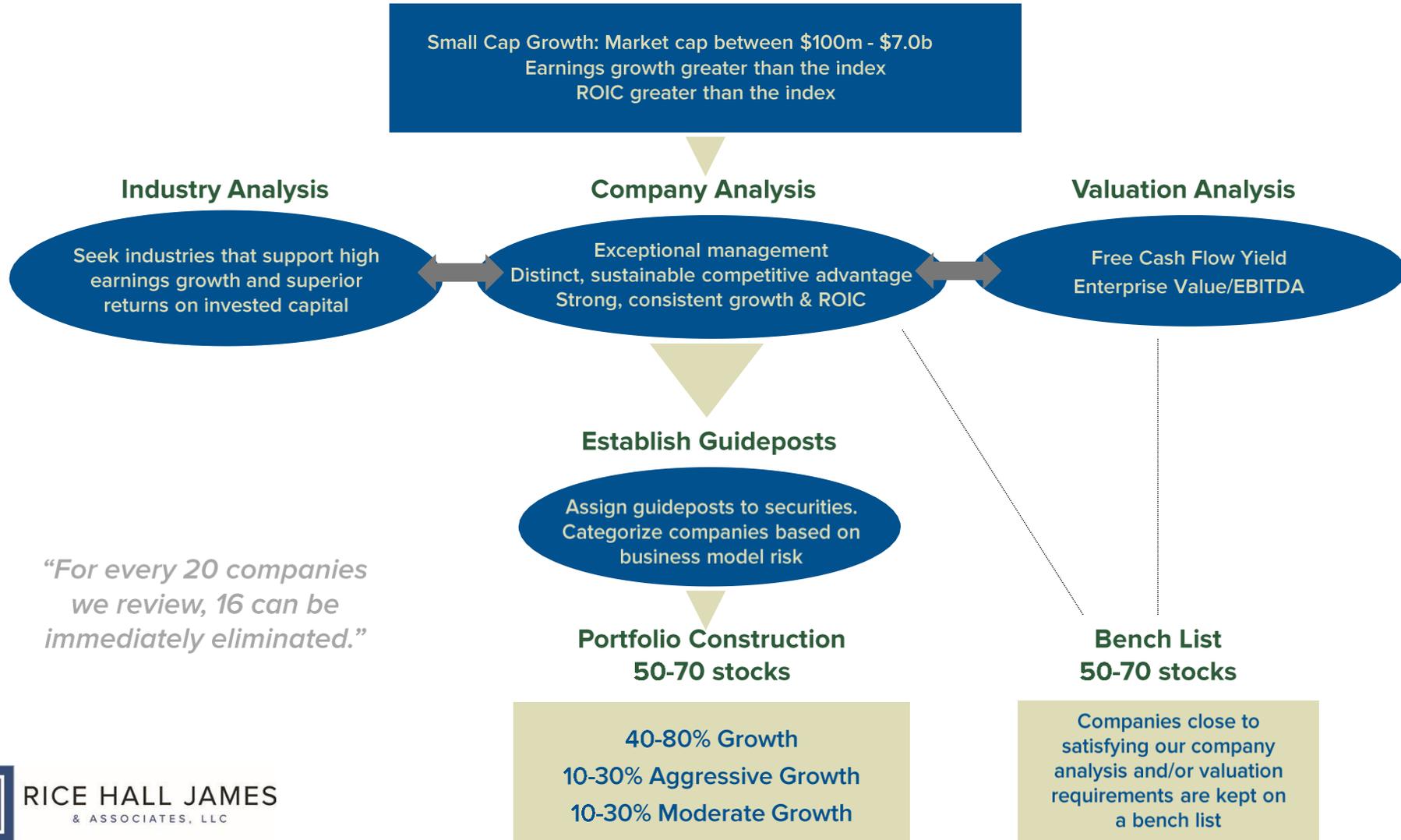
² ROIC = Return on Invested Capital.

Relative performance compares individual Russell® 2000 constituent performance vs. an equal-weighted index (Russell 2000) return. Only the Russell 2000 constituents (as of 12/31/2021) with 5 years of measurable history (EPS, ROIC and Performance) were used in the study. The index return is calculated using the combined equal-weighted 5 year return of these Russell 2000 constituents as of 12/31/2021. The Russell® 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The index is calculated on a total-return basis with dividends reinvested.



Portfolio Construction

Investable universe is significantly reduced by adhering to this discipline.



Industry Analysis

A large initial universe allows us the freedom to identify and implement our investment strategy within traditional, non-traditional, and emerging growth industries.

- ▶ Industries which have been **historically identified** by companies with high earnings growth and superior returns on invested capital
- ▶ Industries exhibiting **changing dynamics**, supporting high growth and superior returns on invested capital
- ▶ New and **emerging industries** that can support companies with high earnings growth and superior returns on invested capital



Investment Process - Company Analysis

We perform in-depth research to identify:

▶ **Companies that generate strong and consistent ROIC and earnings growth**

- Large or growing addressable markets
- Stability of existing revenue stream
- Ability to maintain or increase pricing
- High probability of retaining or widening margins

▶ **Capable management teams**

- Experience and integrity
- Track record of success
- Clear goals and viable long-term business model

▶ **Unique, sustainable competitive advantages**

- Proprietary products, services, distribution/manufacturing advantages
- Strategy for defending against competition
- High barriers to entry
- High or improving market share
- Brand name recognition

We maintain contact with management teams of companies we own and all those considered for investment (our bench list)



Investment Process - Valuation Analysis

- ▶ Valuation analysis is a key component of our determination in how we assess a company's absolute & relative attractiveness

Valuation Analysis

- Cash flow analysis that incorporates ROIC & the duration of earnings growth
- Analyze companies across industries and sectors, using common valuation techniques
- Analyze companies relative to valuation of securities in existing portfolio

Other valuation methods:

- P/E to Growth Rate (PEG Ratio)
- Free Cash Flow Yield
- Price to earnings (P/E Ratio)
- Enterprise Value/EBITDA



Investment Process – Establishing Guideposts

- ▶ As part of our research process, we create guideposts for each security:
 - Specific factors unique to each company used to monitor company progress
 - Examples: new drug filings in Health Care, or new store sales productivity in Retail
 - Through this ongoing monitoring process, position sizes are increased or decreased
 - Guideposts help to identify deteriorating or improving fundamentals before they are reflected in the stock price



Investment Process – Portfolio Construction

- ▶ Portfolio Construction is a function of our bottom-up selection process – each holding is grouped into one of the three categories below:

Growth

40-80% of portfolio

- Industry leader and/or gaining market share
- ROIC greater than 10%
- Earnings growth higher than the relative index
- Sustainable competitive advantage
- Proven successful operating history
- High confidence in management

Aggressive Growth

10-30% of portfolio

- Emerging high growth companies with improving ROIC
- Companies in a unique/turnaround situation
- Higher volatility, but higher potential return candidates

Moderate Growth

10-30% of portfolio

- Dominant position in their industry
- Moderate, consistent earnings growth and stable ROIC
- Self-funding and generating strong cash flow



Sell Discipline

Sell discipline is a function of a review and violation of one or more of the following:

- ▶ Change in fundamentals or competitive advantages
- ▶ Missing Guideposts
- ▶ Change in management team
- ▶ Relative Valuation



Summary

- ▶ Disciplined research process with focus on high growth, high return on invested capital companies with good sustainability characteristics
- ▶ Experienced Portfolio Manager/Analysts average 29 years of investment experience and 23 years working together.
- ▶ Proven long-term results with success through a variety of economic environments



Small Cap Opportunities Portfolio

As of September 30, 2022

Communication Services	9.1%	Health Care	27.4%	Industrials	11.5%
Shutterstock, Inc.	1.6%	ACADIA Pharmaceuticals, Inc.	0.7%	Armstrong World Industries, Inc.	2.0%
TechTarget, Inc.	0.7%	Aerie Pharmaceuticals, Inc.	1.7%	Franklin Covey Co.	0.9%
World Wrestling Entertainment, Inc.	3.7%	Albireo Pharma, Inc.	0.7%	GXO Logistics, Inc.	0.4%
Ziff Davis, Inc.	3.1%	Amicus Therapeutics, Inc.	0.6%	IAA, Inc.	1.3%
		Ascendis Pharma A/S	1.3%	Masonite International Corp.	3.1%
Consumer Discretionary	12.4%	Biohaven Pharmaceutical Holding Company Ltd.	1.2%	MSC Industrial Direct Co., Inc.	0.5%
Century Casinos, Inc.	0.7%	Doximity, Inc.	0.6%	PGT Innovations, Inc.	1.4%
LCI Industries	2.4%	Emergent BioSolutions, Inc.	0.1%	Willdan Group, Inc.	0.5%
Overstock.com, Inc.	1.1%	Fate Therapeutics, Inc.	0.4%	XPO Logistics, Inc.	1.4%
Pool Corp.	1.3%	Insmed, Inc.	0.4%		
Sleep Number Corp.	0.6%	Iovance Biotherapeutics, Inc.	1.0%	Information Technology	25.6%
Strategic Education, Inc.	0.6%	Karyopharm Therapeutics, Inc.	0.4%	ACI Worldwide, Inc.	3.3%
Stride, Inc.	4.3%	Kiniksa Pharmaceuticals Ltd.	0.7%	Arlo Technologies, Inc.	0.7%
Vail Resorts, Inc.	1.6%	Ligand Pharmaceuticals, Inc.	2.0%	Cambium Networks Corp.	0.8%
		Medpace Holdings, Inc.	3.2%	CEVA, Inc.	1.1%
Consumer Staples	2.4%	Neurocrine Biosciences, Inc.	1.5%	Consensus Cloud Solutions, Inc.	0.7%
Medifast, Inc.	2.4%	OptiNose, Inc.	0.2%	Digital Turbine, Inc.	2.0%
		Pacira Biosciences, Inc.	1.7%	Euronet Worldwide, Inc.	3.2%
Financials	7.8%	Premier, Inc.	2.8%	Ituran Location and Control Ltd.	0.2%
Axos Financial, Inc.	2.1%	Prestige Consumer Healthcare, Inc.	3.2%	MAXIMUS, Inc.	1.4%
Bank OZK	1.4%	Puma Biotechnology, Inc.	0.1%	Qualys, Inc.	1.5%
Donnelley Financial Solutions, Inc.	3.4%	Revance Therapeutics, Inc.	1.6%	Rackspace Technology, Inc.	0.8%
Federal Agricultural Mortgage Corp.	0.9%	Supernus Pharmaceuticals, Inc.	1.5%	Radware Ltd.	1.6%
				Semtech Corp.	1.6%
Materials	2.1%			Silicon Motion Technology Corp.	0.7%
Ingevity Corp.	2.1%			SolarWinds Corp.	0.1%
				Wix.com Ltd.	0.8%
				WNS Holdings Ltd.	5.1%

Total Equity	98.3%
Total Cash	1.7%

Sources: FactSet & S&P Dow Jones Indices LLC

Past performance is no guarantee of future results. Holdings are subject to change and are based on a representative account. Sector weightings may not add up to 100% due to rounding. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities in this article. Rice Hall James & Associates, LLC, or one or more of its officers, may have a position in the securities discussed herein and may purchase or sell such securities from time to time.

Portfolio Guidelines

Position Limit Parameters

Position size is scaled up or down based on evolving reward to risk profile

Position Limit at Market	6%
Portfolio Holdings	50-70
Cash Weight	Typically less than 5%

Market Cap Range

Between \$100 million and \$7.0 billion market capitalization at time of purchase

Sector Weight Parameters

Sector weights are +/-1000 basis points of the benchmark weights of the major economic sectors

Sector Allocations as of September 30, 2022

	Small Cap Opportunities	Russell 2000 Growth Index
Communication Services	9.1%	2.4%
Consumer Discretionary	12.4%	10.8%
Consumer Staples	2.4%	4.2%
Energy	--%	6.5%
Financials	7.8%	6.0%
Health Care	27.4%	25.3%
Industrials	11.5%	17.1%
Information Technology	25.6%	19.5%
Materials	2.1%	4.3%
Real Estate	--%	2.2%
Utilities	--%	1.8%
[Cash]	1.7%	--%

Capitalization	Small Cap Opportunities	Russell 2000 Growth Index
>\$5 billion	14.4	11.4
\$2 billion- 5 billion	43.6	54.1
\$750 million- 2 billion	33.5	26.4
\$400 million- 750 million	6.5	5.7
<\$400 million	2.1	2.4

Sources: FactSet & GICS Sector Classification

The information above is based on a representative account. Sector and market capitalization weightings may not add up to 100% due to rounding. Please see important disclosure information at the end of this presentation regarding the indices and sector classification shown above.



Small Cap Opportunities

Portfolio Characteristics as of September 30, 2022

	RHJ Small Cap Opportunities	Russell 2000 Growth Index
Number of Holdings	67	1,121
Portfolio Turnover (3Y annual avg)	21.1%	--
Long-Term Earnings Growth Forecast	14.2%	15.9%
P/E - 1 Year Forecast*	13.4	12.8
Return on Equity (5 Years)	11.1%	-3.2%
Weighted Median Market Cap	\$2.39 billion	\$2.58 billion
Weighted Average Market Cap	\$3.05 billion	\$2.92 billion
Active Share	94.9%	--

*P/E Ratio calculation excludes companies with negative earnings.

Sources: FactSet & eVestment Analytics

The information above is based on a representative account. Please see important disclosure information at the end of this presentation regarding the indices shown above.



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Small Cap Opportunities Performance

Returns for periods ending September 30, 2022

	3Q22	YTD	1 Year*	3 Year*	5 Year*	7 Year*	10 Year*	Since Inception* October 10, 1994*
RHJ Small Cap Opportunities [Gross]	-4.26%	-26.28%	-22.91%	5.38%	5.21%	9.08%	11.08%	12.41%
RHJ Small Cap Opportunities [Net]	-4.41%	-26.62%	-23.38%	4.69%	4.51%	8.38%	10.36%	11.50%
Russell 2000 Growth Index	0.24%	-29.28%	-29.27%	2.94%	3.60%	7.12%	8.81%	7.17%

*Annualized

Sources: FactSet

Past performance does not guarantee future results. Composite returns are shown both gross and net of fees in U.S. dollars. Rice Hall James & Associates, LLC's compliance with the GIPS standards has been verified for the period January 1, 1993 through December 31, 2021.



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Small Cap Opportunities

	Small Cap Opportunities [Gross]	Small Cap Opportunities [Net]	Russell 2000 Growth Index
2021	16.13 %	15.38 %	2.83 %
2020	24.50 %	23.65 %	34.63 %
2019	18.85 %	18.04 %	28.48 %
2018	-6.49 %	-7.11 %	-9.31 %
2017	28.71 %	27.93 %	22.17 %
2016	11.93 %	11.28 %	11.32 %
2015	-0.06 %	-0.60 %	-1.38 %
2014	8.41 %	7.69 %	5.60 %
2013	56.34 %	55.12 %	43.30 %
2012	14.56 %	13.62 %	14.59 %
2011	9.55 %	8.68 %	-2.91 %
2010	38.73 %	37.65 %	29.09 %
2009	48.47 %	47.27 %	34.47 %
2008	-43.34 %	-43.71 %	-38.54 %
2007	10.48 %	9.50 %	7.05 %
2006	7.10 %	6.11 %	13.35 %
2005	11.46 %	10.42 %	4.15 %
2004	10.03 %	9.04 %	14.31 %
2003	50.70 %	49.31 %	48.54 %
2002	-29.41 %	-30.07 %	-30.26 %
2001	-28.87 %	-29.52 %	-9.23 %
2000	-13.23 %	-14.01 %	-22.43 %
1999	87.81 %	86.06 %	43.09 %
1998	16.33 %	15.20 %	1.23 %
1997	28.67 %	27.41 %	12.95 %
1996	53.30 %	51.78 %	11.26 %
1995	25.69 %	24.45 %	31.04 %



Additional Documentation



RICE HALL JAMES
& ASSOCIATES, LLC

RHJ Diversity, Equity, and Inclusion Policy

Our Commitment

RHJ is keenly aware of the need to actively promote diversity, equity, and inclusion (DEI) within our industry, and this policy formalizes our commitment to improve DEI at the firm. Even as a small boutique firm with low personnel turnover, the composition of our ownership and employee base evidences our commitment to DEI.

We maintain that diversity encompasses every employee's distinctive attributes and unique qualities. Respecting these differences is key to building a sense of inclusion. We foster diversity of thought and value innovative thinking. RHJ has a "diverse" investment team in the sense that we have historically hired individuals with considerably different backgrounds and experience. Having a diverse group of decision makers in senior management and within our investment teams challenges conventional thinking. It helps us avoid "group-think" and the "following the herd" mentality which can be prevalent in the industry. We believe that this leads to improved investment decisions over time, and ultimately allows us to generate superior results, thus better serving our clients.

Our History

RHJ has a longstanding commitment to DEI. Thirty percent of RHJ is women-owned (and within that share, 15% is minority woman-owned). Furthermore, there are 4 women with senior management positions. From its inception, RHJ has been a long-time supporter of organizations that promote diversity. We actively seek to expand our reach of support to additional DEI-related organizations.

Exercising Diversity, Equity, and Inclusion

RHJ is also dedicated to ensuring that our firm is a workplace where every employee feels included, comfortable, respected, and provided with opportunities for continued growth. The firm will encourage initiatives focused on promoting awareness of DEI topics through training opportunities and creating a safe space for employees to express DEI-related concerns. RHJ's Management Committee will oversee and track progress made by the firm in relation to DEI, and ensure firm adherence to this policy.



Biographies

Portfolio Management & Analysis Team

Lou Holtz, CFA

Chief Investment Officer & Portfolio Manager/Analyst

Lou joined RHJ in October 2008 and has 31 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. Prior to that, Lou was a business valuation analyst at a national independent appraisal firm and an analyst for a regional real estate appraisal firm. Lou holds a Bachelor of Arts degree in business economics with honors from the University of California, Santa Barbara and an M.B.A. with an emphasis in finance from the University of Southern California, where he was on the Dean's List. Lou is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Yossi Lipsker, CFA

Portfolio Manager/Analyst

Yossi joined RHJ in October 2008 and has 28 years of investment experience. Prior to joining the firm he was a Managing Director and Portfolio Manager at Engemann Asset Management. He received an M.B.A. with an emphasis in finance from Columbia Business School. While at Columbia he excelled academically, gaining membership in both the Beta Gamma Sigma Honor Society and the Dean's List. Additionally, Yossi holds a B.R.S. degree in religious studies from the Rabbinical College of America. Yossi is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Anthony S. Yamarone, CFA

Analyst

Tony joined RHJ in September 2016. Prior to joining the firm, he worked at Ameriprise Financial as a member of their financial planning team. He received a B.S. in Business Administration from San Francisco State University and an M.S. in Financial Analysis and Investment Management from Saint Mary's College of California. Tony is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Dakota Safford, CFA

Analyst

Dakota joined RHJ in August 2017. Prior to joining the firm, he worked at Advanced Financial Strategies as a financial analyst. He received a B.A. in Business Economics from the University of California, Irvine. While at UCI, he was involved in the Student Managed Investment Fund, where he performed equity research and evaluated portfolio structures. Dakota is a CFA® charterholder. He is a member of CFA Society Los Angeles.

Alec R. Harrell, CFA

Analyst

Alec joined RHJ in December 2017 and has 19 years of investment experience. Prior to joining the firm he was a Senior Portfolio Manager/Analyst at Northern Trust Asset Management. Prior to that, Alec worked as a Portfolio Manager/Analyst for Convergent Fund Management and an Analyst for Needelman Asset Management. His experience includes fundamental research on U.S. and international securities as well as the development of quantitative equity strategies. He received a B.A. in politics, philosophy and economics from Claremont McKenna College and a J.D. and M.B.A. from the University of Southern California [USC]. Alec is a CFA® charterholder. He is a member of CFA Society Los Angeles.



Biographies

Thomas W. McDowell

Chief Executive Officer & Co-Chief Investment Officer

Tom joined RHJ in 1984 as a Portfolio Manager and Analyst and has 42 years of investment experience. Tom assumed leadership of the company in 1994. Previously, he was a Portfolio Manager with California First Bank and specialized in the consumer-related industries. Tom completed a B.A. at the University of California, Los Angeles, and an M.B.A. at San Diego State University.

Thao N. Buuhoan

President & Chief Operating Officer

Thao joined RHJ in June of 2000 and was initially responsible for Institutional Marketing and Client Service. In 2009, Thao assumed responsibility as President and Chief Operating Officer and leads the growth and strategic initiatives of the firm. She also oversees Compliance, Operations, and Trading, in addition to her Marketing and Client Service responsibilities. Prior to joining RHJ, she was a Marketing Manager at State Street Global Advisors in Hong Kong, responsible for sales and marketing to Asian institutions. Thao is a former board member of AAAIM (Association of Asian American Investment Managers) and continues to be active with a number of affinity groups focused on Diversity, Equity, and Inclusion. She received a B.A. from the University of Pennsylvania.

Michael C. Meoli

Director of Client Service & Marketing

Mike joined RHJ in March 2011 and is responsible for Institutional Marketing and Consultant Relations. Prior to joining the firm, he worked at Everest Capital where he focused on consultant relations and business development. Other previous work experience includes business development at Pathway Capital Management and conducting research on investment managers at an institutional investment consulting firm. Mike holds a B.A. from Concordia University and an M.B.A. from the University of California, Irvine.

Lauren Maskell

Assistance Vice President

Lauren joined RHJ in 2016 and has performed various functions in the Administration and Operations departments. In December 2018, she joined the Client Service and Marketing Team and is currently responsible for servicing institutional client, consultant, and third party relationships. Lauren oversees firm RFPs and questionnaires, institutional database updates, and marketing material production. Lauren holds a B.A degree in Liberal Studies from San Diego State University.



Biographies

Trading

DJ Devin

Head Securities Trader

DJ joined the firm in June 1981 and served in several administrative and trade-related positions. In 1986, she assumed responsibility for the execution of all trades and management of soft dollars and commissions. She received a Certificate in Personal Financial Planning from San Diego State University and is a member of the Security Traders Association of Los Angeles.

Jorji-Ann McAllister

Trader

Jorji-Ann joined RHJ in May 1987 and has served in several administrative and trade related positions. Jorji-Ann completes all trading functions, including placement and execution of orders. She received a B.S. from Kearney State College, Kearney, Nebraska.

Brandon Toney, CFA

Trader

Brandon joined RHJ in March 2017. Prior to joining the firm, he worked at Wall Street Associates for two years as a trader. He received a B.S. in Finance from San Diego State University. Brandon is a CFA® charterholder. He is a member of CFA Society San Diego.



Biographies

Administration

Carl M. Obeck

Chief Financial Officer

Carl joined RHJ as Marketing Manager in 2003 and was promoted to Chief Administrative Officer in 2004 and Chief Financial Officer in 2009. Prior to joining the firm, Carl was responsible for Institutional Consulting Relationships and Marketing at Freeman Associates Investment Management. He also served as Director of Marketing at Messner & Smith. Previous experience includes Corporate Vice President at Montgomery Asset Management and Product Manager for Citibank London NA. Carl has a B.A. from the University of Delaware and an M.A. from Webster University in Vienna, Austria.

Janine Marquez, IACCP

Chief Compliance Officer

Janine joined RHJ in July 2002. Janine was appointed Chief Compliance Officer (CCO) for RHJ in June 2009. As CCO, she is responsible for oversight and implementation of the compliance program and regulatory requirements for the firm. Throughout her tenure with RHJ, Janine has held various roles within Marketing, Trading and Compliance. Previously, she was a Senior Investment Analyst at Callan Associates Inc. She was responsible for researching and analyzing money management firms for pension fund plan sponsors. She holds a B.S. degree from California Polytechnic State University, San Luis Obispo, California. Additionally, Janine holds the designation of Investment Adviser Certified Compliance Professional® (IACCP®).

Shelley Hamilton

Senior Compliance Manager

Shelley joined RHJ in February 1997, and has 33 years of industry experience. Shelley was promoted to Senior Compliance Manager for RHJ in November 2018. Throughout her tenure with RHJ, Shelley has held various roles within the Operations Department, including Operations Manager, Project Manager and Operations Administrator.

Tony Shaw, CFA

Director of Operations

Tony joined the firm in August 2010 and has 29 years of experience in the financial services industry. Prior to joining RHJ, he served as Vice President at LPL Financial overseeing areas in operations and client services as well as issue resolution. Tony holds a B.A. degree from San Diego State University. Tony is a CFA® charterholder.

Brett Knight

Director of Information Technology

Brett joined RHJ in April 2015 as Director of Information Technology and the acting Information Security Officer. He has 23 years of industry experience. Prior to joining the firm, Brett was a founding partner at Bravura Networks Inc., a managed service provider in the IT industry. Brett has a B.S. in Business Administration with an emphasis in Management Information Systems from San Diego State University; additionally, Brett holds a Microsoft Certified Systems Engineer (MCSE) certification.



Investment Statistics: Definitions & Formulas

Active Share - This is a measure of the percentage of stock holdings in the portfolio that differs from the benchmark index. Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the portfolio versus the weight of each holding in the benchmark index and dividing by two.

Long-Term Earnings Growth Forecast - Long-Term Growth [LTG] is the annual EPS growth that the company can sustain over the next 3 or 5 years.

P/E Ratio - 1 Year Forecast - A forward-looking valuation measure of a company's common stock, excluding negative earnings. It encapsulates the amount of earnings estimated for next year per dollar of current share price. For the portfolio, the individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole.

Return on Equity - This statistic reflects the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. Net income is for the full fiscal year (before dividends paid to common stock holders but after dividends to preferred stock.)

Sources: eVestment Analytics & FactSet



Important Disclosures

Rice Hall James, LLC (“RHJ”) obtained some of the information provided herein from third party sources believed to be reliable but it is not guaranteed. Data contained herein is for informational purposes only and should not be considered a recommendation to buy or sell any securities. Nothing presented herein is or is intended to constitute investment advice, and no investment decision should be made based solely on any information provided herein. RHJ has not taken into account the investment objectives, financial situation or particular needs of any individual investor who may view this report. There is a risk of loss from an investment in securities, including the risk of loss of principal. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable or suitable for a particular investor’s financial situation or risk tolerance. Asset allocation and portfolio diversification cannot assure or guarantee better performance and cannot eliminate the risk of investment losses.

GICS Sector Classification

The Global Industry Classification Standard (GICS[®]) was developed by and is the exclusive property and a trademark of S&P and MSCI. Neither MSCI, S&P nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Source: S&P Dow Jones Indices LLC

Indices Disclosure

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. See below for a description of each index used in this presentation.

Russell 2000[®] Growth Index

The Russell 2000[®] Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.



GIPS Report

RHJ Small Cap Opportunities Composite

Year End	Annual Performance Results				3-Year Annualized Standard Deviation	
	Composite Gross Returns	Composite Net Returns	Russell 2000 Growth	Composite Dispersion Gross Returns	Composite Gross Returns	Russell 2000 Growth
2021	16.13%	15.38%	2.83%	0.10%	23.68%	23.07%
2020	24.50%	23.65%	34.63%	0.43%	26.10%	25.10%
2019	18.85%	18.04%	28.48%	0.11%	15.65%	16.37%
2018	-6.49%	-7.11%	-9.31%	0.28%	16.34%	16.46%
2017	28.71%	27.93%	22.17%	0.14%	14.14%	14.59%
2016	11.93%	11.28%	11.32%	0.13%	15.57%	16.67%
2015	-0.06%	-0.60%	-1.38%	0.41%	14.26%	14.95%
2014	8.41%	7.69%	5.60%	N/A ¹	13.02%	13.82%
2013	56.34%	55.12%	43.30%	N/A ¹	14.91%	17.27%
2012	14.56%	13.62%	14.59%	N/A ¹	18.25%	20.72%
2011	9.55%	8.68%	-2.91%	N/A ¹	22.77%	24.31%
2010	38.73%	37.65%	29.09%	N/A ¹	28.56%	27.70%
2009	48.47%	47.27%	34.47%	N/A ¹	26.27%	24.85%
2008	-43.34%	-43.71%	-38.54%	N/A ¹	21.32%	21.26%
2007	10.48%	9.50%	7.05%	N/A ¹	13.87%	14.23%
2006	7.10%	6.11%	13.35%	N/A ¹	15.82%	15.57%
2005	11.46%	10.42%	4.15%	N/A ¹	17.92%	16.51%
2004	10.03%	9.04%	14.31%	N/A ¹	23.95%	21.40%
2003	50.70%	49.31%	48.54%	N/A ¹	34.03%	27.00%
2002	-29.41%	-30.07%	-30.26%	N/A ¹	43.88%	33.33%
2001	-28.87%	-29.52%	-9.23%	N/A ¹	46.49%	33.58%
2000	-13.23%	-14.01%	-22.43%	N/A ¹	42.60%	33.28%
1999	87.81%	86.06%	43.09%	N/A ¹	32.26%	26.31%
1998	16.33%	15.20%	1.23%	N/A ¹	28.77%	25.03%
1997	28.67%	27.41%	12.95%	N/A ¹	21.20%	18.27%
1996	53.30%	51.78%	11.26%	N/A ¹		
1995	25.69%	24.45%	31.04%	N/A ¹		
1994 ¹	20.70%	20.39%	1.40%	N/A ¹		



RICE HALL JAMES
& ASSOCIATES, LLC

N/A¹ - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire calendar year (five or fewer).

¹Results shown for the year 1994 represent partial period performance from October 10 through December 31, 1994.

GIPS Report

RHJ Small Cap Opportunities Composite

Year End	Composite Assets		Firm Assets (\$ M)			Strategy Assets (\$ M)		
	Number of Accounts	USD (\$ M)	Total Assets Under Management	Total Advisory-Only Assets	Total Assets Under Management + Advisory-Only Assets*	Total Assets Under Management	Total Advisory-Only Assets	Total Assets Under Management + Advisory-Only Assets
2021	18	1,267	2,948	347	3,295	1,546	20	1,566
2020	19	1,333	3,120	205	3,325	1,634	19	1,653
2019	20	1,110	3,359	207	3,566	1,495	25	1,520
2018	20	991	3,051	199	3,250	1,383	19	1,402
2017	19	1,121	3,607	235	3,842	1,634	14	1,648
2016	20	813	2,843	65	2,907	1,194	-	1,194
2015	17	557	2,258	-	2,258	784	-	784
2014	10	255	1,955	2	1,958	434	-	434
2013	Five or fewer	54	1,514	2	1,516	66	-	66
2012	Five or fewer	30	1,087	8	1,095	31	-	31
2011	Five or fewer	35	1,144	6	1,150	36	-	36
2010	Five or fewer	50	1,312	2	1,314	50	-	50
2009	Five or fewer	40	1,203	1	1,205	41	-	41
2008	Five or fewer	27	1,030	-	1,030	28	-	28
2007	Five or fewer	187	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2006	Five or fewer	211	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2005	Five or fewer	254	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2004	Five or fewer	369	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2003	Five or fewer	360	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2002	Five or fewer	259	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2001	Five or fewer	463	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
2000	Five or fewer	407	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1999	Five or fewer	244	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1998	Five or fewer	101	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1997	Five or fewer	53	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1996	Five or fewer	9	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1995	Five or fewer	2	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
1994	Five or fewer	0	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹



RICE HALL JAMES
& ASSOCIATES, LLC

N/A¹ - Performance presented prior to September 30, 2008, occurred while the portfolio management team was affiliated with another firm. Firm and strategy assets prior to 2008 are not presented because the composite was not part of the firm.

*Assets Under Management + Advisory-Only Assets totals may differ from Total Assets Under Management and Total Advisory-Only Assets due to rounding.

GIPS Report

The RHJ Small Cap Opportunities Composite contains all fully discretionary, tax-exempt, institutional, and high net worth portfolios invested in small cap companies that have three primary characteristics: high earnings growth, high or improving return-on-invested capital, and sustainable competitive advantages. The composite was created on April 1, 1999, and the inception date is October 10, 1994. The performance presented prior to October 1, 2008, represents that of a prior firm and was known as the Small Cap Growth Institutional Composite. The portfolio management team members were the only individuals responsible for selecting securities to buy and sell. The minimum account size for this composite is \$1 million. From January 1, 1996 to March 31, 2004, the minimum account size was \$5 million. Prior to January 1, 1996, there was no minimum. For comparison purposes the composite is measured against the Russell 2000 Growth index.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. As of January 1, 2005, composite policy requires the temporary removal of any portfolios incurring a client initiated significant cash inflow or outflow of 50% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the month after the cash flow is fully invested. From January 1, 2005 to June 30, 2006, the temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. From July 1, 2006 to September 30, 2008, the temporary removal of such an account occurs at the beginning of the quarter in which the significant cash flow occurs and the account re-enters the composite the second calendar quarter after the cash flow. As of September 30, 2008, the temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurred and the account is re-entered into the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

Founded in 1974, Rice Hall James & Associates, LLC is an SEC registered investment adviser. The firm is 100% employee owned.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees, and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the gross returns of accounts in the composite the entire year. Additional information regarding policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The firm maintains a complete list of pooled funds and composite descriptions, which is available upon request.

Indices are provided for comparative purposes only. An investor cannot invest directly in an index. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends, and do not reflect transaction costs, management, or other fees. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

The management fee schedule is as follows: 1.0% flat rate. Actual investment advisory fees incurred by clients may vary.

Rice Hall James & Associates, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Rice Hall James & Associates, LLC has been independently verified for the periods January 1, 1993 through December 31, 2021. 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 RHJ Small Cap Opportunities Composite has had a performance examination for the periods October 1, 2008 through December 31, 2021. The verification and performance examination reports are available upon request at the following address: 600 West Broadway, Suite 1000, San Diego, California 92101.

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MEMORANDUM

TO: Oakland Police and Fire Retirement System (“OPFRS”)
FROM: Meketa Investment Group (“Meketa”)
DATE: October 26, 2022
RE: Rice Hall James—Manager Update

Manager: Rice Hall James

Inception Date:	July 2017	OPFRS AUM (9/30/2022):	\$12.9 million
Strategy:	Small Cap Opportunities	Firm-wide AUM (6/30/2022):	\$2.2 billion
Benchmark:	Russell 2000 Growth	Strategy AUM (6/30/2022):	\$1.2 billion

Summary & Recommendation

Rice Hall James has managed a part of OPFRS’s small cap equity portfolio since July 2017. As of 9/30/2022, the portfolio is approximately \$12.9 million or about 3% of OPFRS’s total plan.

The strategy was put on the Watch status in May 2019 for performance concerns, as Rice Hall James experienced poor relative performance in 2019 and 2020. As of the last review in March 2022 and thereafter, Rice Hall James has performed within expectations and guidelines for the portfolio. No major organizational changes or personnel turnover in the portfolio management team have been observed since the last review. ***Therefore, from investment management process and performance perspective, Meketa does not have any major concerns with Rice Hall James and the Small Cap Opportunities strategy, and recommends that it be removed from the Watch status.***

Investment Performance Review Summary

As of 9/30/2022, Rice Hall James’s Small Cap Opportunities strategy has outperformed benchmark on both gross- and net-of-fees bases over all the trailing time periods measured. Since inception in July 2017, it has outperformed the benchmark by 0.1% net-of-fees posting a positive annualized investment return of 5.7% over this period.

In comparison with the other US small cap growth managers, the portfolio ranks in the first quartile over the shorter year-to-date and 1-year periods, while ranking below average for the longer 3- and 5-year as well as since inception, reflecting the past underperformance in 2019 and 2020.

OPFRS Portfolio Annualized Returns (as of 9/30/2022)¹

Portfolio	Market Value (\$000)	YTD	1 YR	3 YR	5 YR	Since Inception	Inception Date
Rice Hall James (Gross)	12.875	(26.2)	(22.8)	5.5	5.3	5.7	7/2017
<i>Russell 2000 Growth</i>	---	(29.3)	(29.3)	2.9	3.6	4.6	---
Excess Return (Gross)	---	3.1	6.5	2.6	1.7	1.1	---
Rice Hall James (Net)	---	(26.7)	(23.5)	4.4	4.3	4.7	---
<i>Russell 2000 Growth</i>	---	(29.3)	(29.3)	2.9	3.6	4.6	---
Excess Return (Net)	---	2.6	5.8	1.5	0.7	0.1	---
Peer Group Ranking ²	---	15	14	64	80	83	---
Reference: Median Net Return	---	(31.5)	(30.3)	5.5	7.7	8.4	---

Product and Organization Review Summary

Rice Hall James		Areas of Potential Impact			
	Level of Concern	Investment process (Client Portfolio)	Investment Team	Performance Track Record	Team/Firm Culture
Product					
Key people changes	None				
Changes to team structure/individuals' roles	None				
Product client gain/losses	None				
Changes to the investment process	None				
Personnel turnover	None				
Organization					
Ownership changes	None				
Key people changes	None				
Firm wide client gain/losses	None				
Recommended Action	None - X		Watch Status		Termination

A review of Rice Hall James and the Small Cap Opportunities strategy revealed no concerning organizational issues or changes since last review in March 2022.

¹ Performance is annualized for periods longer than one year.

² Peer group is eVestment US Small Cap Growth Equity Managers Net.

Investment Philosophy & Process, per Manager

The Small Cap Opportunities strategy employs a fundamental, bottom-up analytical process to identify companies that meet three primary criteria: high earnings growth, high or improving return-on-invested capital (“ROIC”), and sustainable competitive advantages.

RHJ’s philosophy is rooted in historical analysis indicating the high relative return potential of these factors in combination. They believe that superior results can be achieved by owning companies that exhibit not only high earnings growth, but also the ability to sustainably generate high ROIC over long periods of time. RHJ’s investment universe consists of companies with market capitalizations between \$100 million and \$4 billion at the time of purchase.

The heart of RHJ’s process is fundamental, bottom-up analysis at the company level. The portfolio managers conduct all research on every company held in the portfolio. As generalists, each with over twenty years of investment experience, both portfolio managers bring to bear extensive knowledge of the companies they own or follow, understanding of industries, and general expertise on the small cap landscape in various market environments. Cornerstones of the bottom-up fundamental investment process include:

- Clear understanding of a firm’s competitive context and advantages
- Assessment of the sustainability characteristics of the underlying business
- Emphasis on high or improving ROIC; a clear sense of the future direction of ROIC
- Estimation of ability to generate and grow free cash flow over life of the investment
- Valuation that affords a reasonable return over investment horizon
- Scrutiny of company management, ability to identify/ execute on the right plan

Idea generation begins with an analysis of companies within the FactSet universe with market caps ranging from \$100 million to \$4 billion, with an emphasis on growth-oriented industries comprised of companies that feature high earnings growth and high ROIC criteria. Health Care, Technology, and Consumer traditionally have been rich with such companies. They also look for new or emerging industries that can support high growth companies going forward. While these types of investments typically carry more risk, certain areas of the internet and biotechnology, for example, management believes they can create space for attractive long-term growth characteristics.

Finally, RHJ looks for catalysts within industries that are not typically associated with growth characteristics, seeking to capitalize on tactical growth opportunities that arise due to demographic, regulatory and supply/demand issues. Cyclical industries can provide the landscape for attractive growth opportunities to crop up due to such changes.

At the company level, RHJ focuses on businesses that can generate above-average earnings and free cash flow relative to the benchmark. Management favors companies that they believe can achieve these results in tandem with sustained high ROIC, or that can increase their returns to above-average

levels over the relevant investment horizon. It is essential that a company can protect these attributes through a well-defined, competitive position, which will protect growth, margins and returns.

Since strong relative results tend to manifest over longer holding periods, RHJ focuses on long-term sustainability factors rather than short-term data points and market movements; as such, low turnover is a notable characteristic of the portfolio.

DS/PN/JLC/jls



Disclosure

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

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

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

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

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



AGENDA REPORT

TO: Oakland Police and Fire Retirement System (PFRS) Board of Administration **FROM:** Téir Jenkins
Investment & Operations Manager

SUBJECT: Expiration Notice of PFRS Investment Manager Service Agreement and Action to Extend Service Agreement **DATE:** October 26, 2022

SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 1, 2023. The PFRS Board is asked to consider acting to extend the agreement for this manager for one additional year pursuant to the professional service agreement.

BACKGROUND

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

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Rice Hall James & Associates	Domestic Equity Small -Cap Growth	March 1, 2017	March 1, 2023

RECOMMENDATION

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

Respectfully submitted,

Téir Jenkins
Investment & Operations Manager
Oakland Police and Fire Retirement System

Attachments:
(1) Resolution # 8065

Agenda Item C3
PFRS Regular Board Meeting
October 26, 2022

ATTACHMENT 1

Resolution No. 8065

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8065

Approved to Form
and Legality



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION TO AUTHORIZE A ONE-YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH RICE HALL JAMES & ASSOCIATES FOR THE PROVISION OF DOMESTIC EQUITY SMALL-CAP GROWTH INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM COMMENCING MARCH 1, 2023 AND ENDING MARCH 1, 2024.

WHEREAS, Article XVI §17 of the California Constitution, commonly referred to as the Pension Protection Act or Proposition 162, and Article XXVI of the Oakland City Charter (“Charter”) vest the Oakland Police and Fire Retirement System Board (“PFRS Board”) with exclusive control of the administration and investment of the assets of the Police and Fire Retirement Fund (the “Fund”); and

WHEREAS, the PFRS Board manages and administers the Police and Fire Retirement System (“PFRS”), pursuant to the requirements of Article XXVI of the Charter; and

WHEREAS, Charter section 2601(e) gives the Board power to make all necessary rules and regulation for its guidance and exclusive control of the administration and investment of the funds established for the maintenance and operation of the system; and

WHEREAS, Article XXVI of the Charter expressly authorizes the PFRS Board to secure competent investment counsel to provide advice and counsel regarding the investment of the Fund and further provides that discretionary powers granted to such investment counsel will be at the option of the Board; and

WHEREAS, on December 21, 2016, the PFRS Board passed a motion to enter into a professional service agreement (“the Agreement”) with Rice Hall James & Associates, LLC (“Investment Counsel”) to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”) for the provision of Domestic Equity Small-Cap Growth Investment Manager Services; and

WHEREAS, on February 22, 2017 the PFRS Board ratified the December 21, 2016 motion by approving Resolution No. 6942 authorizing the PFRS Board to enter into the Agreement with Investment Counsel for the provision of Domestic Equity Small-Cap Growth Investment Manager Services; and

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8065

WHEREAS, the Agreement between the PFRS Board and Investment Counsel commenced March 1, 2017 for a five-year term; and

WHEREAS, on March 30, 2022, the Board approved Resolution 8044 which authorized an amendment to the Agreement provision in Section IV(B) in order to (1) provide for unlimited one-year extension options under section iv(b) and (2) authorize a one-year extension of the professional services agreement for the provision of domestic equity small-cap growth investment manager services for the City of Oakland Police and Fire Retirement System; and

WHEREAS, the PFRS Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing March 1, 2023, at the annual fee rate of 0.80 percent of the Fund assets under management (presently valued at approximately \$13 Million Dollars (\$13,000,000.00), which fees are estimated to be approximately One Hundred Four Thousand Dollars (\$104,000.00); now, therefore, be it

RESOLVED: That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Rice Hall James & Associates, LLC for the provision of Domestic Equity Small-Cap Growth Investment Manager Services, commencing March 1, 2023 and ending March 1, 2024; and be it

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

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE OCTOBER 26, 2022

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY

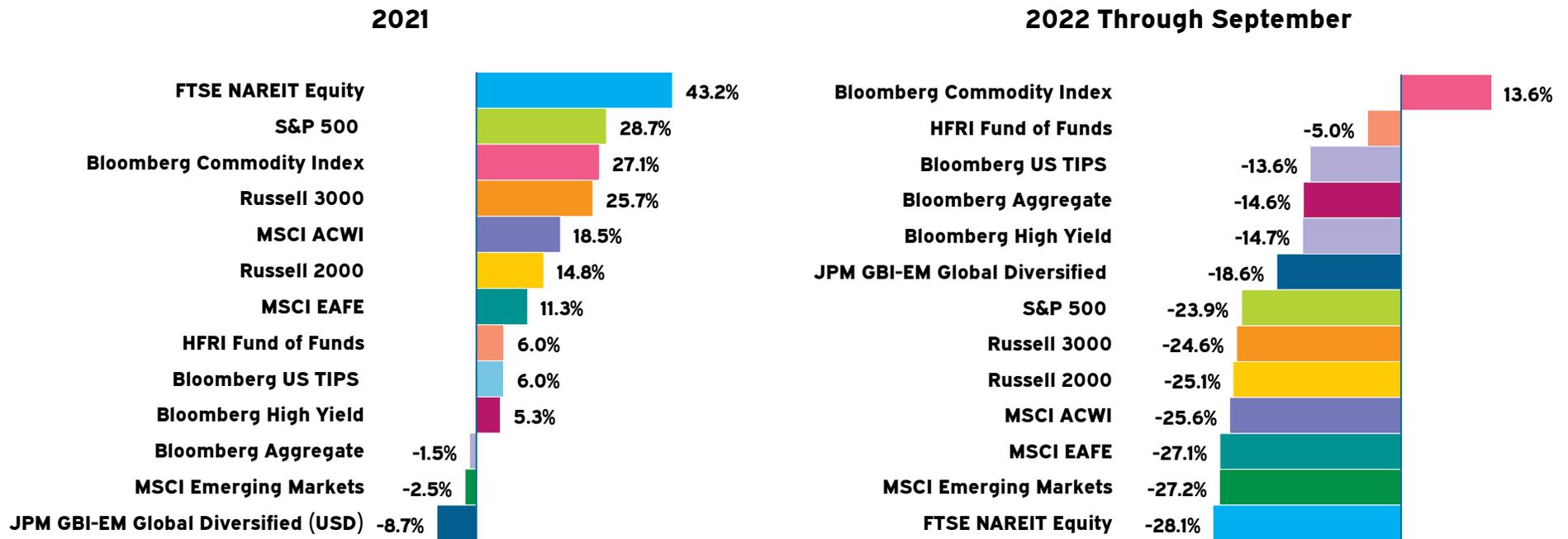
Economic and Market Update

September 2022 Report

Commentary

- After a strong July, global markets sold off in August and September, leading to quarterly declines as slower growth and higher inflation weighed on sentiment.
- The Federal Reserve maintained its aggressive tightening campaign with future hikes expected as US inflation continues to surprise to the upside and labor markets remain tight.
 - In Europe, inflation hit a multi-decade high on energy prices. In the UK, Liz Truss became the new prime minister with her government quickly announcing a fiscal package in September. The proposal was poorly received by markets, as it undermined efforts of the central bank to lower inflation.
 - Equity markets significantly declined for the month leading to quarterly losses with international markets declining the most. The war in Ukraine has elevated prices in Europe, while tight COVID-19 policies, slowing growth, and property market issues have weighed on China. Continued US dollar strength has been a further headwind.
 - For the quarter, in a reversal of the prior trend, growth outpaced value across the capitalization spectrum but continued to trail year-to-date.
 - Interest rates rose significantly across the US yield curve for the month and quarter with the curve remaining inverted (ten-year yield minus the two-year yield) by 44 basis points. This is by far the worst start to a calendar year for bond investors.
- Persistently high inflation and the likely increased pace of the policy response, the war in Ukraine, lingering COVID-19 issues, and lockdowns in China will all have considerable consequences for the global economy.

Index Returns¹



→ Except for emerging markets and the broad US investment grade bond market (Bloomberg Aggregate), most asset classes appreciated in 2021.

→ After a brief rally in July most asset classes declined significantly in August and September as it became clear further policy tightening would be taken to try to control inflation. Except for commodities, all major assets classes have experienced significant declines year-to-date.

¹ Source: Bloomberg and FactSet. Data is as of September 30, 2022.

Domestic Equity Returns¹

Domestic Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-9.2	-4.9	-23.9	-15.5	8.2	9.2	11.7
Russell 3000	-9.3	-4.5	-24.6	-17.6	7.7	8.6	11.4
Russell 1000	-9.3	-4.6	-24.6	-17.2	7.9	9.0	11.6
Russell 1000 Growth	-9.7	-3.6	-30.7	-22.6	10.7	12.2	13.7
Russell 1000 Value	-8.8	-5.6	-17.8	-11.4	4.4	5.3	9.2
Russell MidCap	-9.3	-3.4	-24.3	-19.4	5.2	6.5	10.3
Russell MidCap Growth	-8.5	-0.7	-31.5	-29.5	4.3	7.6	10.8
Russell MidCap Value	-9.7	-4.9	-20.4	-13.6	4.5	4.7	9.4
Russell 2000	-9.6	-2.2	-25.1	-23.5	4.3	3.6	8.5
Russell 2000 Growth	-9.0	0.2	-29.3	-29.3	2.9	3.6	8.8
Russell 2000 Value	-10.2	-4.6	-21.1	-17.7	4.7	2.9	7.9

US Equities: Russell 3000 Index fell 9.3% for September and 4.5% for the quarter.

- US stocks fell sharply during September and finished down for the third quarter.
- Each of the 11 sectors declined in September with six sectors (Real Estate, Communication Services, Technology, Utilities, Materials, and Industrials) falling by 10% or more. Health Care stocks fared best and declined 3.1%. For the quarter all sectors were down except for consumer discretionary and energy.
- For the second straight month, value stocks outperformed growth stocks in the large cap segment of the market, while the reverse was true in the small cap segment. The underperformance of technology stocks, which account for 43% of the large cap growth market, drove this dynamic.

¹ Source: Bloomberg. Data is as of September 30, 2022.

Foreign Equity Returns¹

Foreign Equity	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI ex. US	-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0
MSCI EAFE	-9.4	-9.4	-27.1	-25.1	-1.8	-0.8	3.7
MSCI EAFE (Local Currency)	-6.2	-3.6	-14.5	-11.1	2.5	2.8	7.4
MSCI EAFE Small Cap	-11.5	-9.8	-32.1	-32.1	-2.2	-1.8	5.3
MSCI Emerging Markets	-11.7	-11.6	-27.2	-28.1	-2.1	-1.8	1.0
MSCI Emerging Markets (Local Currency)	-9.4	-8.2	-20.8	-21.5	1.1	1.1	4.5
MSCI China	-14.6	-22.5	-31.2	-35.4	-7.2	-5.5	2.4

International equities (MSCI EAFE) fell 9.4%, while emerging markets (MSCI EM) returned -11.7% in September leading to quarterly declines of similar amounts.

- Non-US developed market stocks again broadly trailed the US for the month, leading to the steepest declines year-to-date. High inflation in Europe, particularly related to gas and electricity, the ongoing war in Ukraine, and relatively slower growth globally continue to weigh on sentiment.
- Emerging market equities were deep in the red for the month, driven by China’s (-14.6%) on-going property market issues and strict COVID-19 policies. The upcoming National Communist Party Congress in China in October is highly anticipated.
- The strength of the US dollar continued as a headwind to international equities for the month and year-to-date, both in developed and emerging markets.

¹ Source: Bloomberg. Data is as of September 30, 2022.

Fixed Income Returns¹

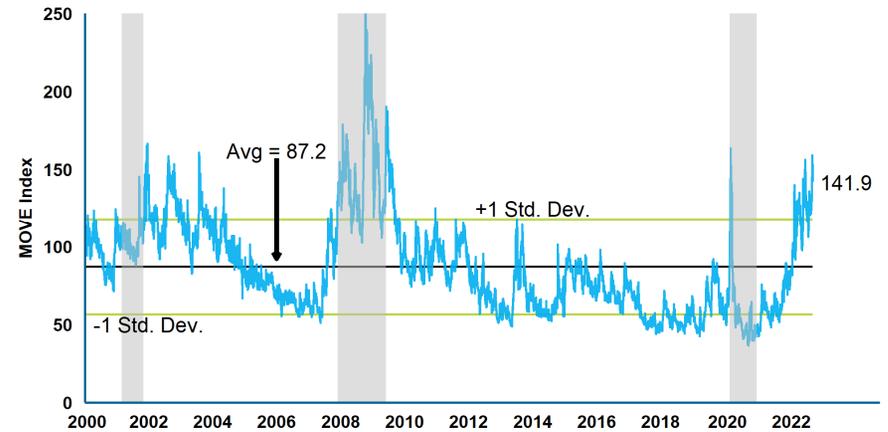
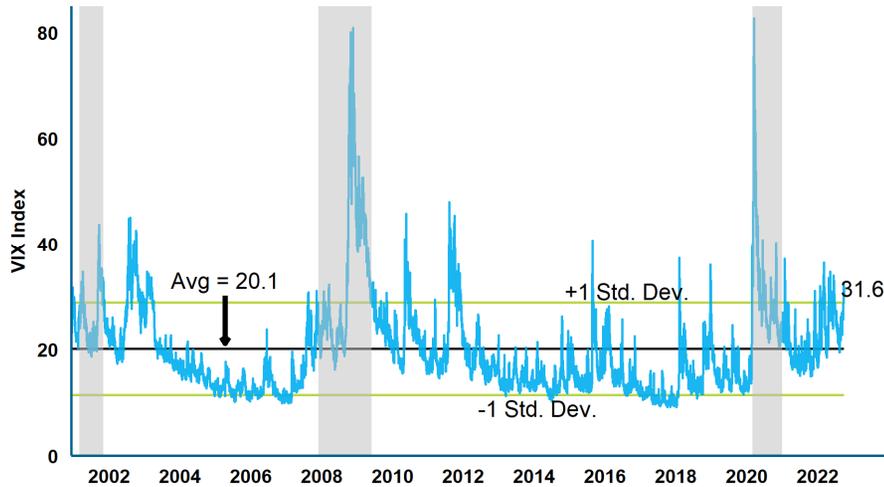
Fixed Income	September (%)	Q3 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	5.2	6.2
Bloomberg Aggregate	-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	4.8	6.4
Bloomberg US TIPS	-6.6	-5.1	-13.6	-11.6	0.8	1.9	1.0	4.3	6.9
Bloomberg High Yield	-4.0	-0.6	-14.7	-14.1	-0.5	1.6	3.9	9.7	4.6
JPM GBI-EM Global Diversified (USD)	-4.9	-4.7	-18.6	-20.6	-7.1	-3.9	-2.4	7.6	4.8

Fixed Income: The Bloomberg Universal declined 4.3% in September and 4.5% for the quarter.

- A sharp rise in bond yields driven by central banks confirming commitments to fight inflation weighed on fixed income in September leading to declines for the quarter as well. Year-to-date the US bond market is off by far to its worst calendar year start on record.
- TIPS declined the most for the month and quarter as investors' confidence grew that tighter monetary policy would ultimately get inflation under control.
- Riskier US bonds declined the least with the high yield index falling slightly less than the broad US bond market (-4.0% versus -4.3%). Emerging market bonds finished down close to 5% for the month with significant declines year-to-date.

¹ Source: Bloomberg. JPM GBI-EM is from InvestorForce. Data is as of September 30, 2022.

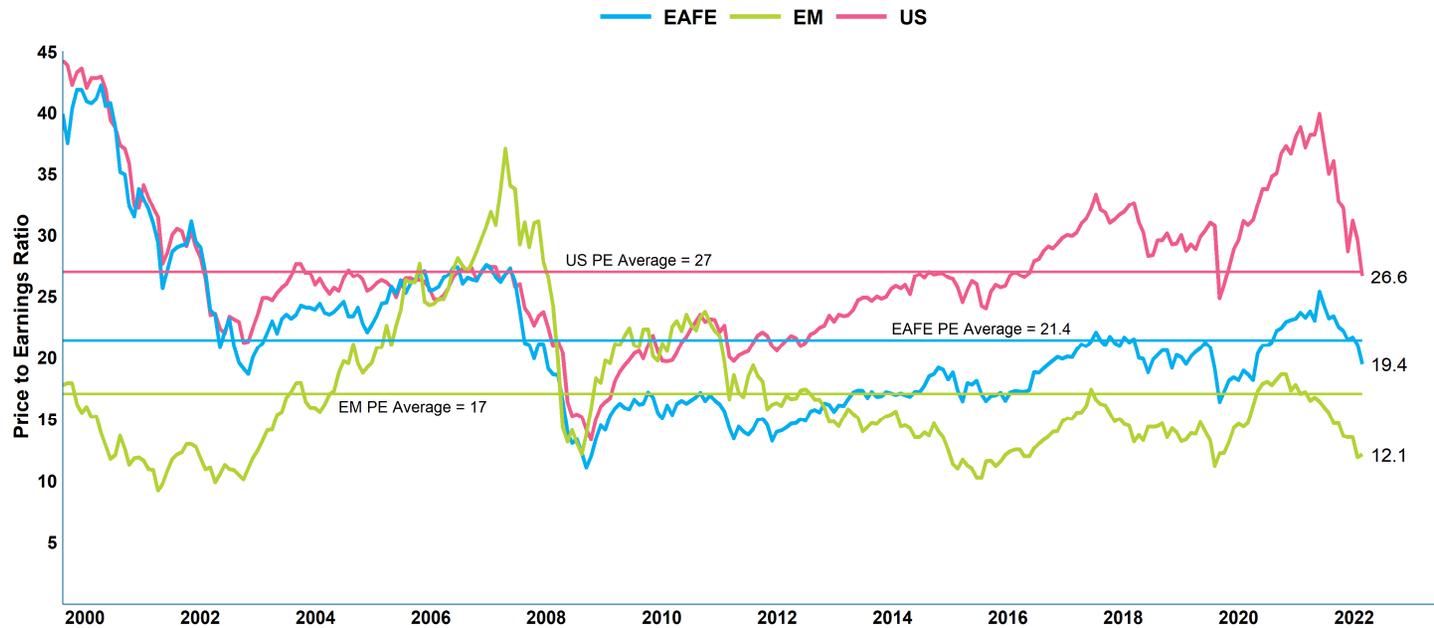
Equity and Fixed Income Volatility¹



- Volatility in equities (VIX) and fixed income (MOVE) rose in September and finished higher overall for the quarter as the Federal Reserve and other central banks made it clear that they were committed to aggressively tightening monetary policy to fight high inflation.
- Fixed income volatility remains particularly high due to the uncertain path of short-term interest rates given stubbornly high inflation. Issues related to the UK’s announcement to offer tax breaks despite the central bank’s efforts to fight inflation also contributed to volatility in fixed income markets.

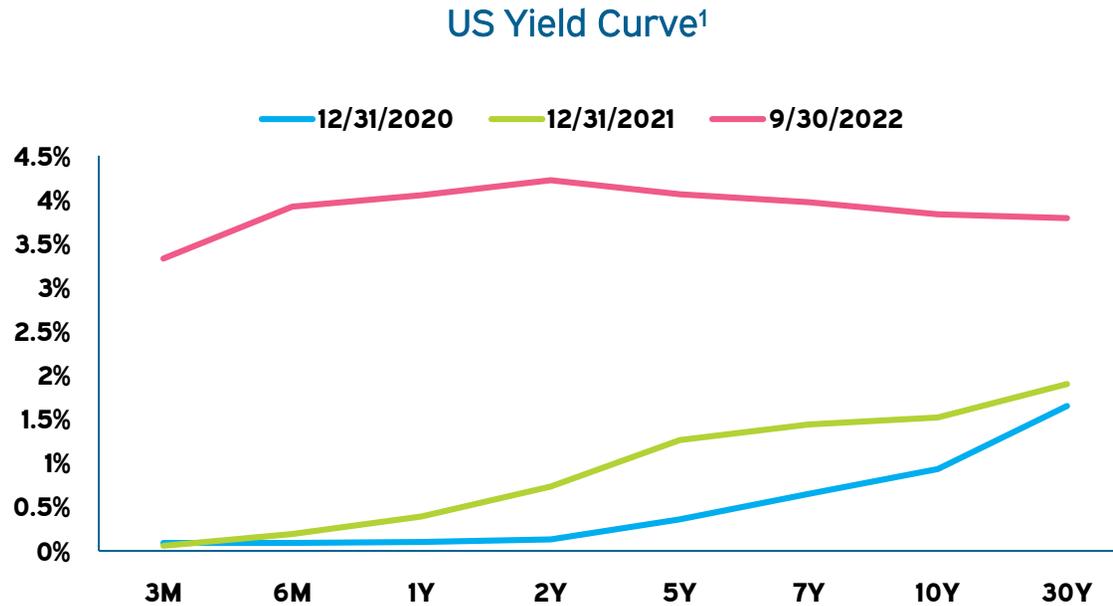
¹ Equity and Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of September 2022. The average line indicated is the average of the VIX and MOVE values between January 2000 and the recent month-end respectively.

Equity Cyclically Adjusted P/E Ratios¹



- September price declines brought US equity price-to-earnings ratios slightly below the long-term (21st Century) average.
- International developed market valuations remain below the US and are below their own long-term average, with those for emerging markets the lowest and well under the long-term average.

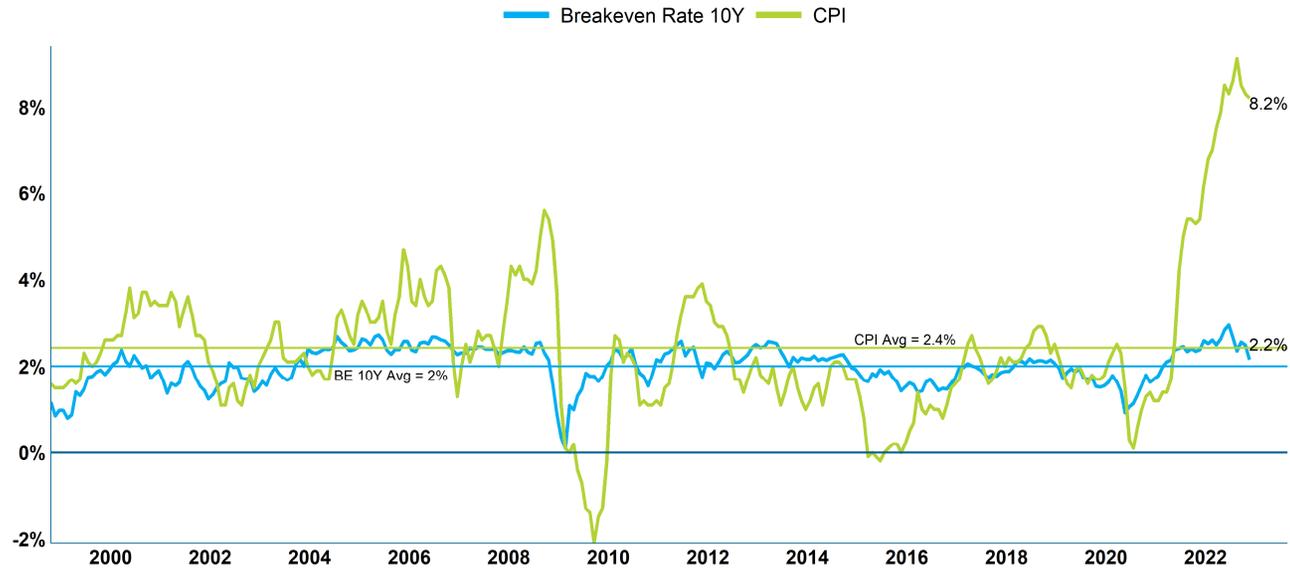
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E – Source: MSCI and Bloomberg. Earnings figures represent the average of monthly “as reported” earnings over the previous ten years. Data is as of September 30, 2022. The average line is the long-term average of the US, EM, and EAFE PE values from December 1999 to the recent month-end respectively.



- Rates across the yield curve remain far higher than at the start of the year.
- In September, rates rose across the yield curve, finishing the quarter significantly higher. Yields on two-year Treasuries increased 0.79% just in the month of September bring the quarterly increase to 1.32%, while ten-year Treasuries rose 0.64% for the month and 0.82% for the quarter.
- The Fed remains strongly committed to fighting inflation, as it increased rates another 75 basis points to a range of 3.0% and 3.25%. This was the fifth increase this year and the third consecutive increase of this amount.
- The yield spread between two-year and ten-year Treasuries remained negative, finishing September at -0.44%. Inversions in the yield curve have historically often preceded recessions.

¹ Source: Bloomberg. Data is as of September 30, 2022.

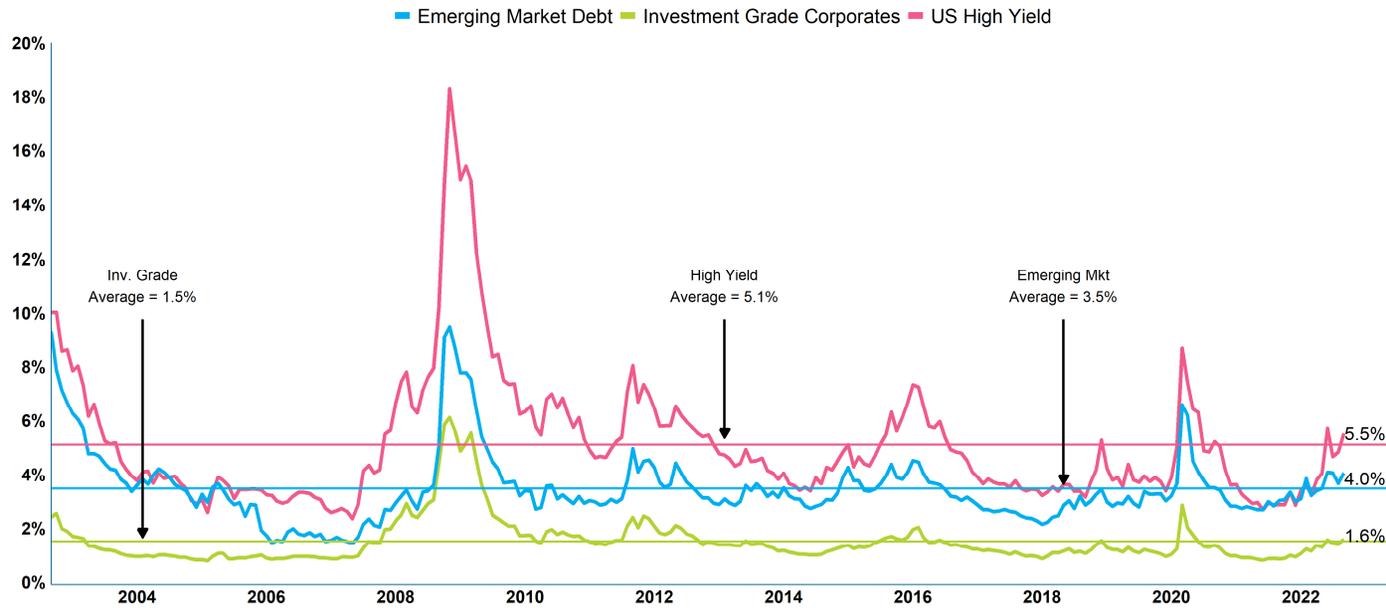
Ten-Year Breakeven Inflation and CPI¹



- Inflation expectations (breakevens) declined for the month and finished the quarter slightly below the long-run average on the belief that tighter monetary policy would lower long-run inflation.
- Trailing twelve-month CPI declined in September (8.2% versus 8.3%) but surprised markets by coming in above expectations.
- Over the last year rising prices for energy (particularly oil), food, housing, and for new and used cars remain key drivers of inflation.

¹ Source: Bloomberg. Data is as of September 30, 2022. The CPI and 10 Year Breakeven average lines denote the average values from August 1998 to the present month-end respectively. Breakeven values represent month-end values for comparative purposes.

Credit Spreads vs. US Treasury Bonds¹



- Credit spreads (the spread above a comparable maturity Treasury) widened in September, finishing the quarter above long-term averages. Fears related to the impact of tighter monetary policy on economic growth was a key driver of wider spreads.
- In the US, spreads for high yield increased sharply (5.5% versus 4.8%), with investment grade spreads rising more modestly (1.6% versus 1.4%). Emerging market spreads also increased (4.0% versus 3.6%).

¹ Sources: Bloomberg. Data is as of September 30, 2022. Average lines denote the average of the investment grade, high yield, and emerging market spread values from August 2000 to the recent month-end respectively.

Global Economic Outlook

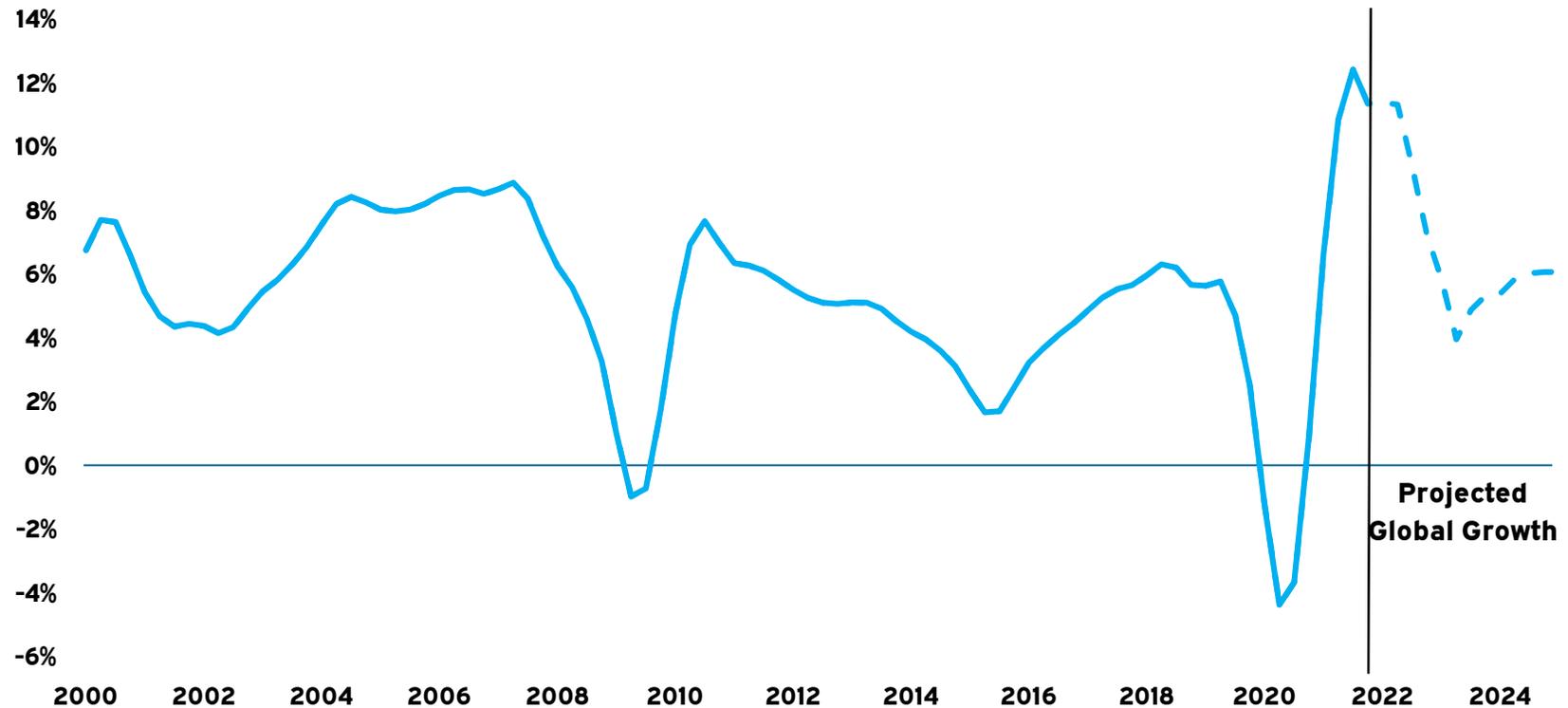
In their October update, the IMF maintained lowered global growth forecasts, driven by the economic impacts of persistent inflation and corresponding tighter policy, as well as issues related to the war in Ukraine and the lingering pandemic.

- The IMF forecasts global GDP growth to come in at 3.2% in 2022 (like the July estimate) and 2.7% in 2023 (0.2% below the prior estimate).
- In advanced economies, GDP is projected to grow 2.4% in 2022 and 1.1% in 2023. The US saw another downgrade in the 2022 (1.6% versus 2.3%) forecast largely due to accelerated policy tightening, given persistently high inflation. The euro area saw an upgrade in expected growth (3.1% versus 2.6%) on substantial fiscal stimulus in 2022 but a downgrade in 2023 (0.5% versus 1.2%) as rising energy prices weigh on the region that is a net importer of energy. The Japanese economy is expected to grow 1.7% this year and 1.6% in 2023.
- Growth projections for emerging markets are higher than developed markets, at 3.7% in 2022 and 2023. China’s growth was downgraded for 2022 (3.2% versus 3.3%) and 2023 (4.4% versus 4.6%) given tight COVID-19 restrictions and continued property sector problems.
- The global inflation forecast was significantly increased for 2022 (8.8% versus 7.4%).

	Real GDP (%) ¹			Inflation (%) ¹		
	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average	IMF 2022 Forecast	IMF 2023 Forecast	Actual 10 Year Average
World	3.2	2.7	3.2	8.8	6.5	3.6
Advanced Economies	2.4	1.1	1.6	7.2	4.3	1.6
US	1.6	1.0	2.1	8.1	3.5	2.0
Euro Area	3.1	0.5	1.0	8.3	5.7	1.3
Japan	1.7	1.6	0.8	2.0	1.4	0.4
Emerging Economies	3.7	3.7	4.4	9.9	8.1	5.3
China	3.2	4.4	7.3	2.2	2.2	2.4

¹ Source: IMF World Economic Outlook. Real GDP and Inflation forecasts from October 2022 Update. “Actual 10 Year Average” represents data from 2012 to 2021.

Global Nominal Gross Domestic Product (GDP) Growth¹



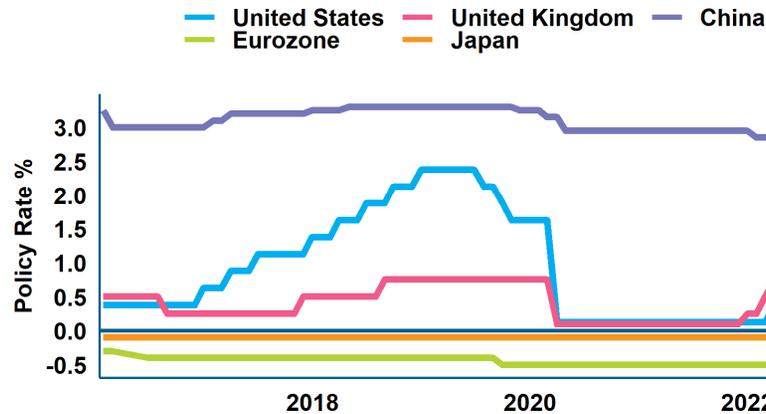
→ Global economies are expected to slow in 2022 compared to 2021, with risks of recession increasing given persistently high inflation and related tighter monetary policy.

→ The delicate balancing act of central banks trying to reduce inflation without dramatically impacting growth will remain key.

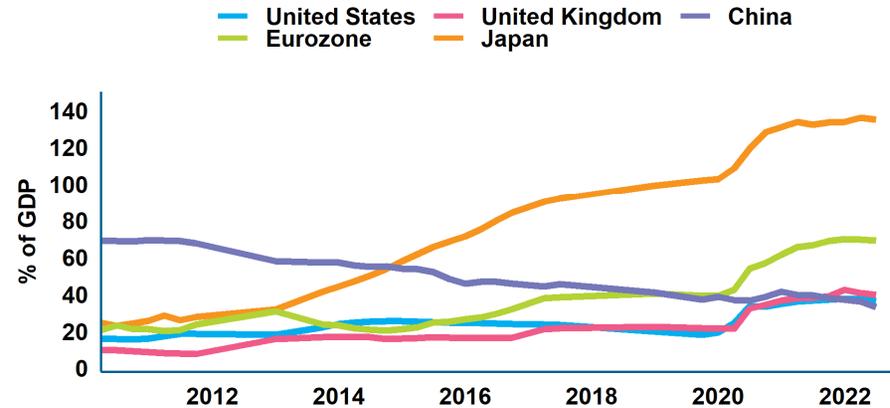
¹ Source: Oxford Economics (World GDP, US\$ prices & PPP exchange rate, nominal, % change YoY). Updated September 2022. Nominal expectations for GDP remain much higher than real GDP expectations given the elevated inflation levels.

Central Bank Response¹

Policy Rates



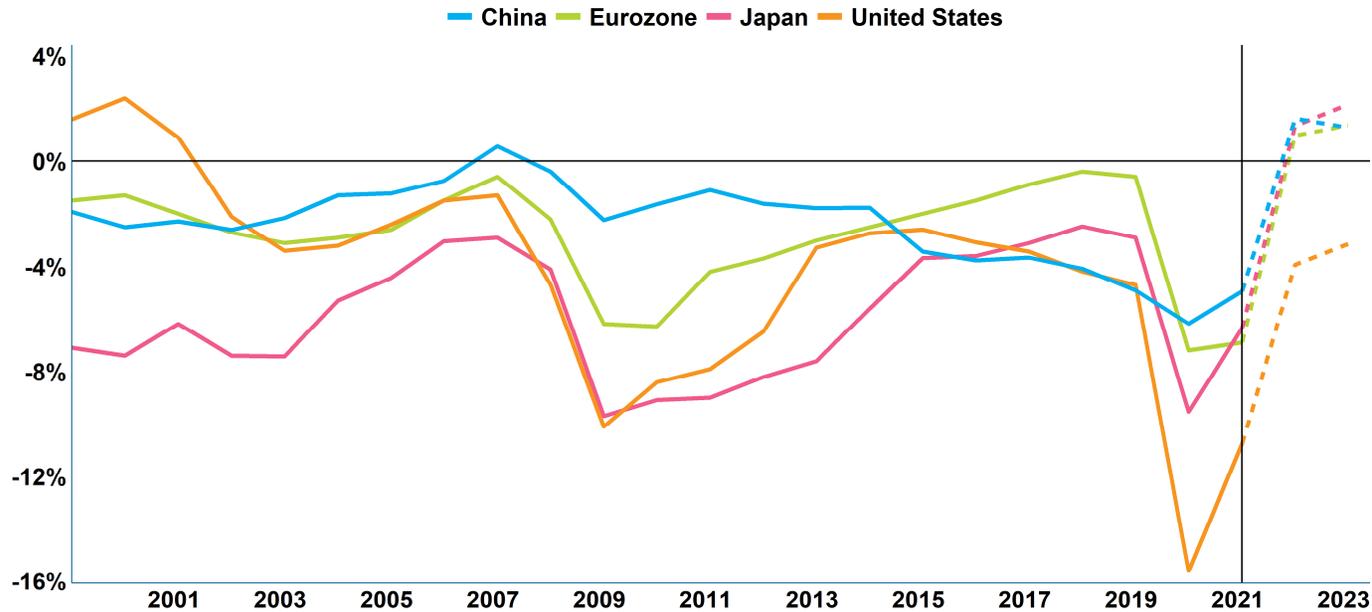
Balance Sheet as % of GDP



- After global central banks took extraordinary action to support economies during the pandemic, including policy rate cuts and emergency stimulus through quantitative easing (QE), many are now aggressively reducing support in the face of high inflation.
- The pace of withdrawing support varies across central banks with the US taking a more aggressive approach. The UK is also aggressively increasing rates, but recent talks of easing fiscal policy (this ultimately did not happen) created significant volatility that spilled over into other markets.
- The one notable central bank outlier is China, where the central bank has lowered rates and reserve requirements in response to slowing growth.
- The risk remains for a policy error, particularly overtightening, as record inflation, the war in Ukraine, and a tough COVID-19 policy in China could suppress global growth.

¹ Source: Bloomberg. Policy rate data is as of September 30, 2022. China policy rate is defined as the medium-term lending facility 1 year interest rate. Balance sheet as % of GDP is based on quarterly data and is as of June 30, 2022.

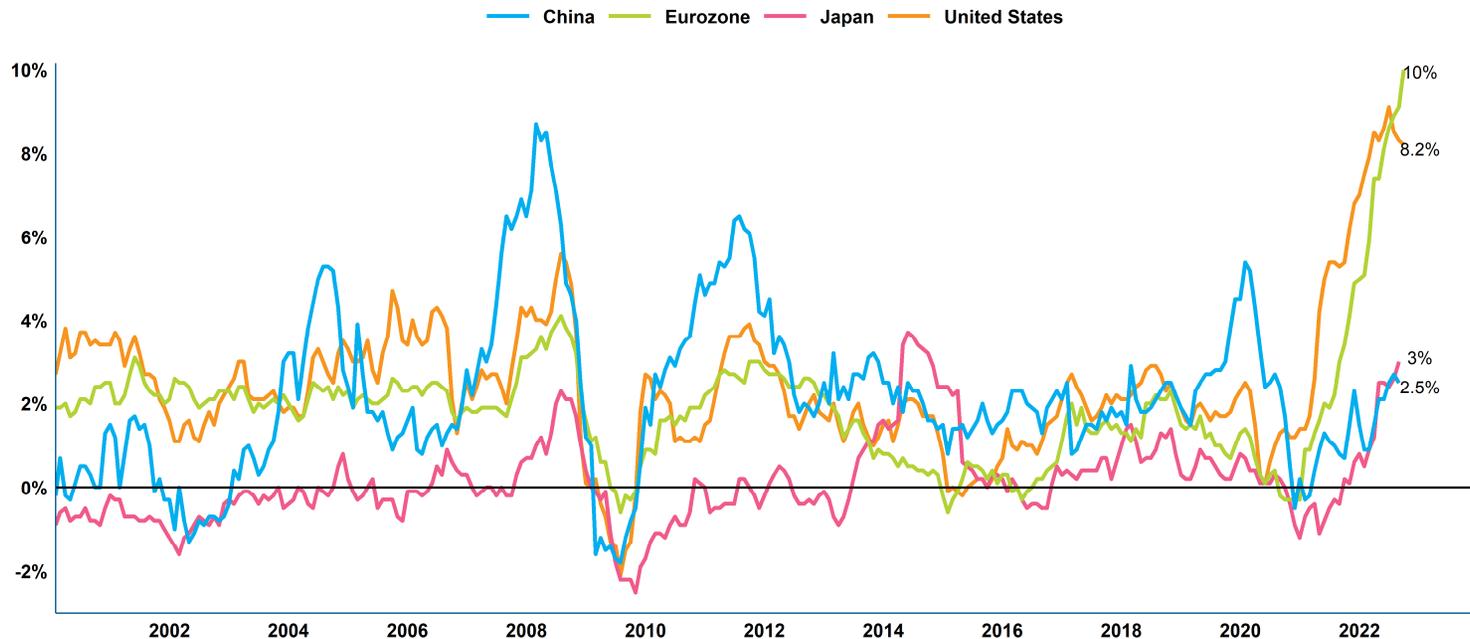
Budget Surplus / Deficit as a Percentage of GDP¹



- Budget deficits as a percentage of GDP drastically increased for major world economies, particularly the US, due to massive fiscal support and the severe economic contraction's effect on tax revenue in 2020 and 2021.
- As fiscal stimulus programs end, and economic recoveries continue, deficits should improve.
- Questions remain about how some countries will respond fiscally as inflation, particularly energy prices, weigh on consumers. Policies that undermine central banks' efforts to fight inflation could lead to additional market volatility like was seen in the UK.

¹ Source: Bloomberg. Data is as of September 30, 2022. Projections via IMF Forecasts from October 2022 Report. Dotted lines represent 2022 and 2023 forecasts.

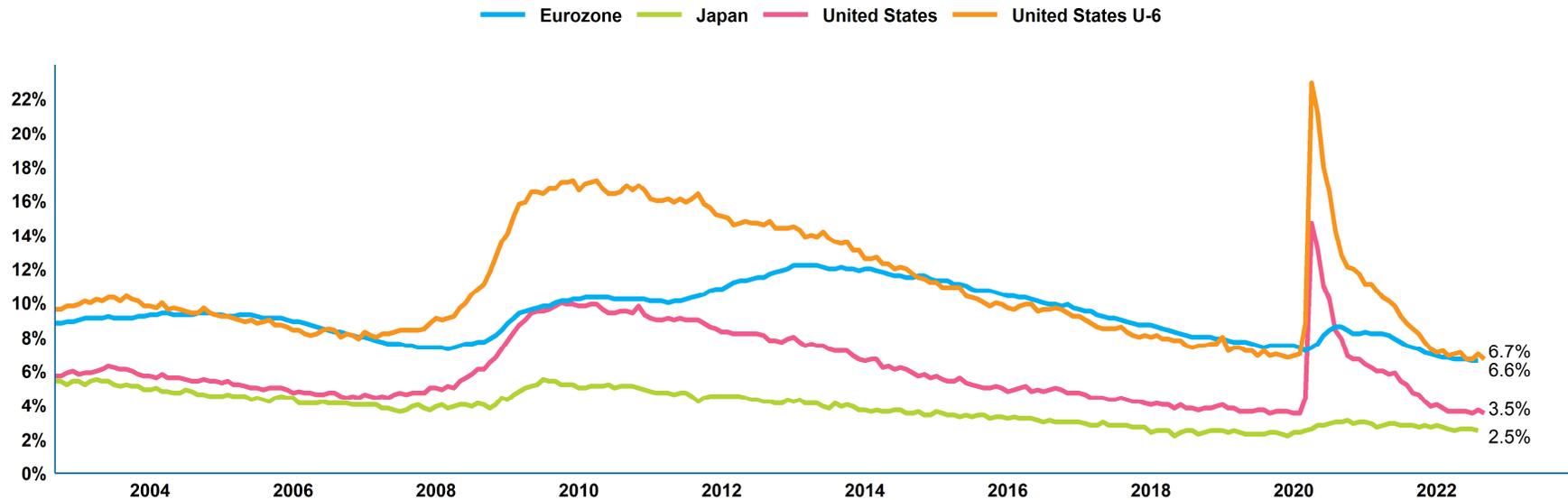
Inflation (CPI Trailing Twelve Months)¹



- Inflation increased dramatically from the lows of the pandemic, particularly in the US and Eurozone where it has reached levels not seen in many decades.
- Supply issues related to the pandemic, record monetary and fiscal stimulus, strict COVID-19 restrictions in China, and higher prices in many commodities driven by the war in Ukraine have been key global drivers of inflation.

¹ Source: Bloomberg. Data is as of September 2022. The most recent data for Japan and China is as of August 31, 2022.

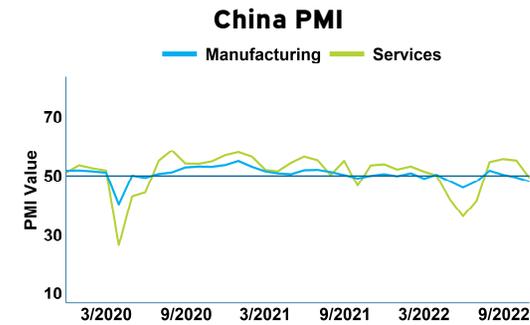
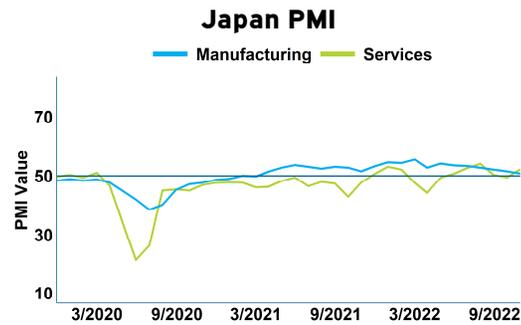
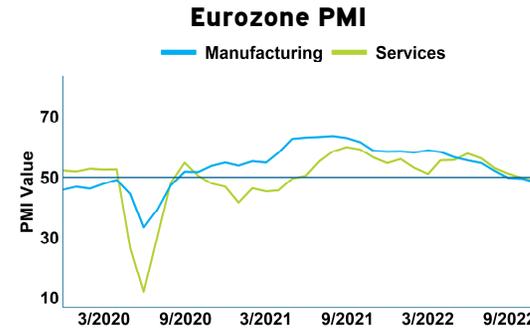
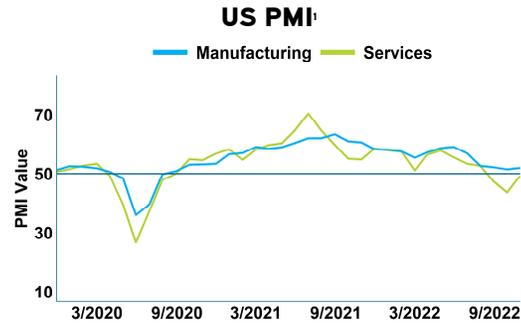
Unemployment¹



- As economies have largely reopened, helped by vaccines for the virus, improvements have been seen in the labor market.
- Despite slowing growth and high inflation the US labor market remains a bright spot. Unemployment in the US, which experienced the steepest rise from the pandemic, declined to pre-pandemic (3.5%) levels. The broader measure (U-6) that includes discouraged and underemployed workers declined but is much higher at 6.7%.
- The strong labor market and higher wages, although beneficial for workers, motivates the Fed’s efforts to fight inflation, likely leading to eventually higher unemployment.

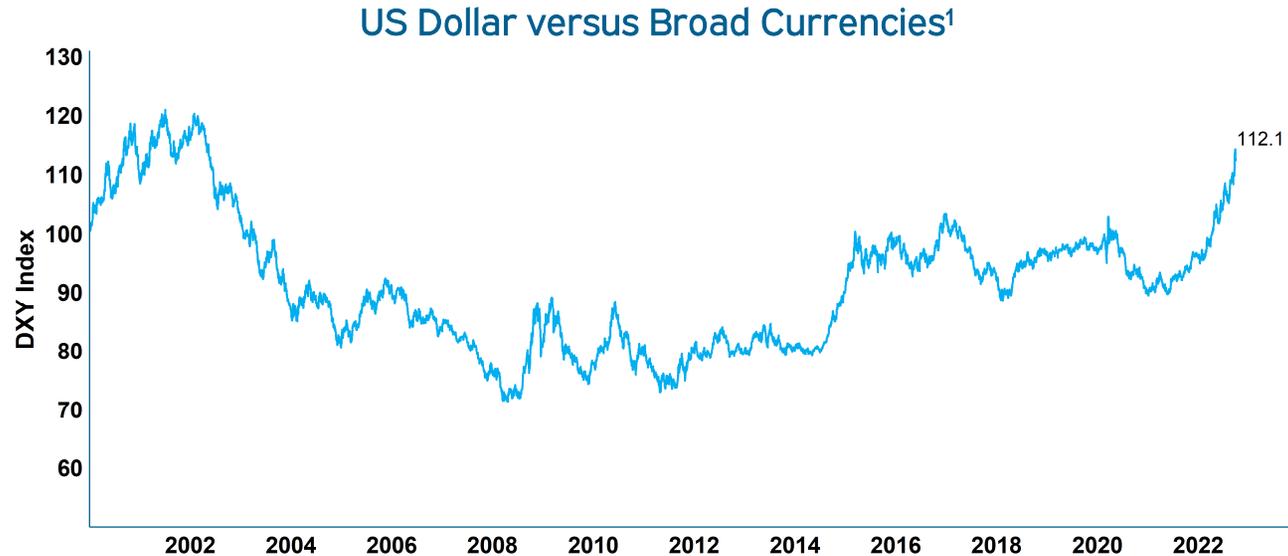
¹ Source: Bloomberg. Data is as of September 2022, for the US. The most recent data for Eurozone and Japanese unemployment is as of August 31, 2022.

Global PMIs



- After improvements from the lows of the pandemic, Purchasing Managers Indices (PMI), based on surveys of private sector companies, have largely experienced downward pressure recently.
- Service sector PMIs, except Japan, are all in contraction territory. The US service sector recovered somewhat but remains in negative territory due to weak demand, a sharp decline in new orders, and softening employment.
- Manufacturing PMIs are also slowing across China and developed markets given declines in demand and inflationary pressures with the Eurozone and China in contraction territory.

¹ Source: Bloomberg. US Markit Services and Manufacturing PMI, Caixin Services and Manufacturing PMI, Eurozone Markit Services and Manufacturing PMI, Jibun Bank Services and Manufacturing PMI. Data is as of September 2022. Readings below 50 represent economic contractions.



- The US dollar continued to strengthen in September, increasing 7.1% overall for the quarter and reaching levels not seen in two decades.
- The increased pace of policy tightening, stronger relative growth, and safe-haven flows all contributed to the dollar’s strength this year.
- The euro, yen, pound, and yuan have all experienced significant declines versus the dollar this year, adding to inflation.

¹ Source: Bloomberg. Data as of September 30, 2022.

Summary

Key Trends in 2022:

- The impacts of record high inflation will remain key, with market volatility likely to remain high.
- The pace of monetary tightening globally will be faster than previously expected, with the risk of overtightening.
- Expect growth to slow globally in 2022 and into 2023 to the long-term trend or below. Inflation, monetary policy, and the war will all be key.
- In the US the end of many fiscal programs is expected to put the burden of continued growth on consumers. Higher energy and food prices will depress consumers' spending in other areas.
- Valuations have significantly declined in the US to below long-term averages.
- Outside the US, equity valuations remain lower in both emerging and developed markets, but major risks remain, including continued strength in the US dollar, higher inflation particularly weighing on Europe, and China maintaining its restrictive COVID-19 policies.

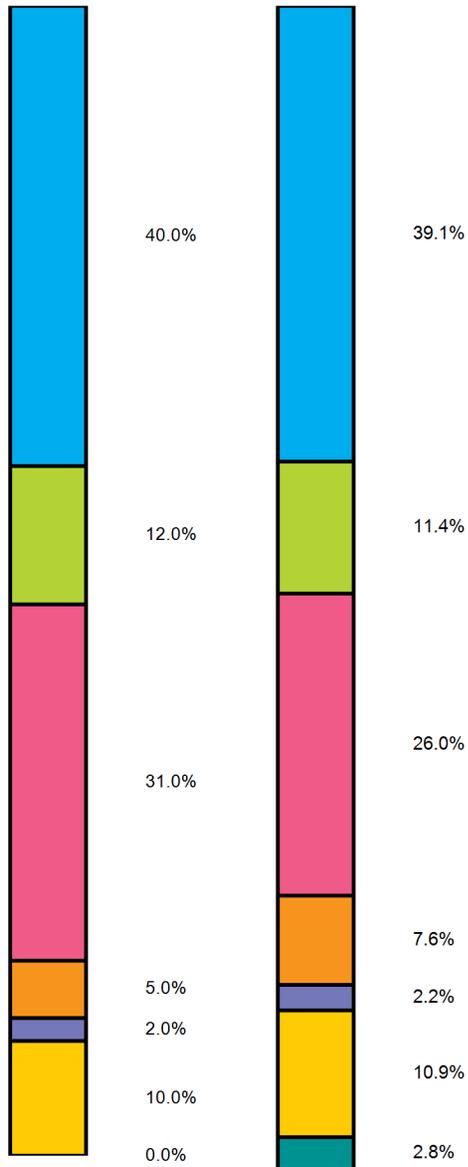
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Oakland Police and Fire Retirement System

October 26, 2022

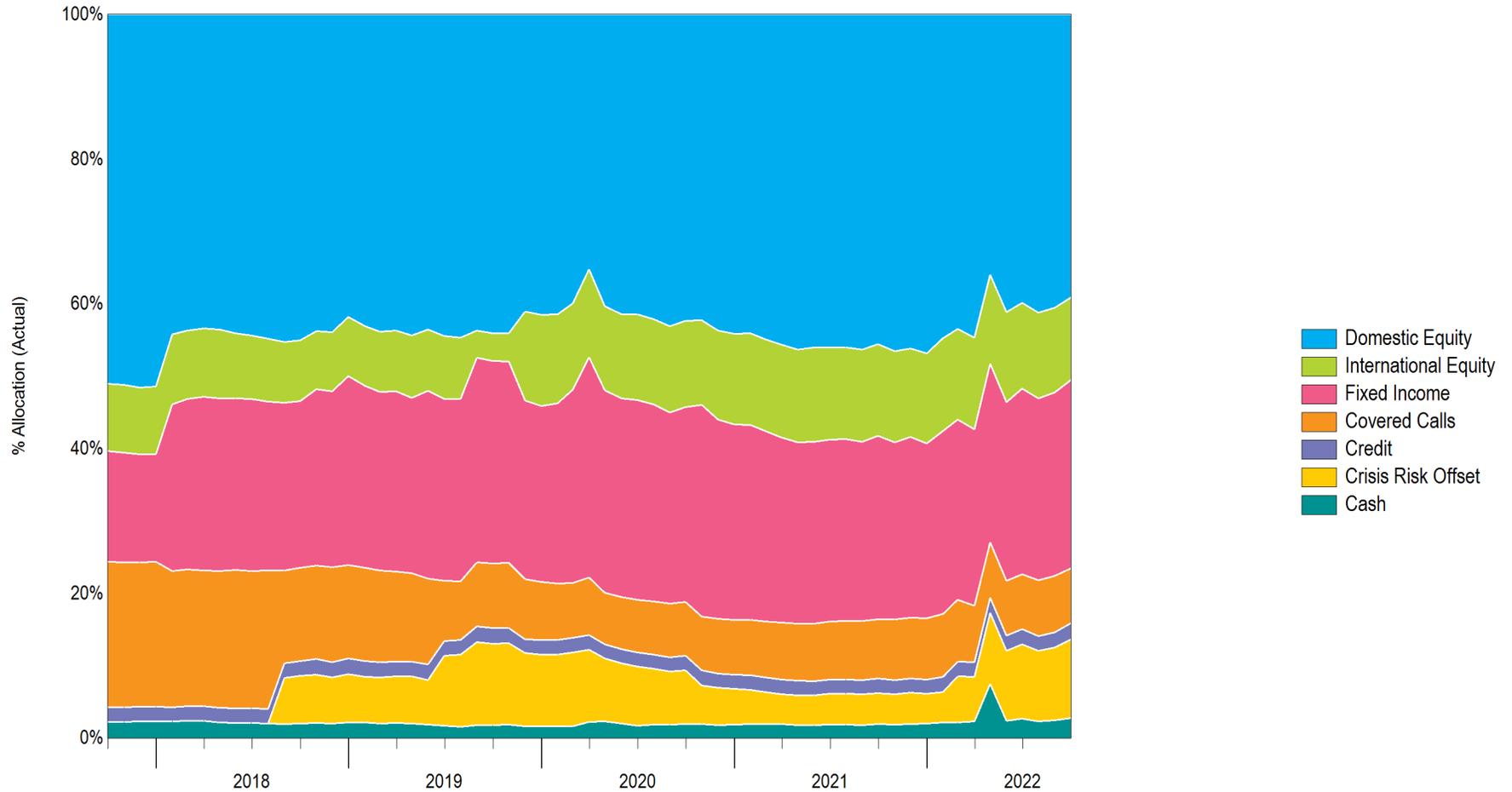
September Flash Report

As of September 30, 2022



Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Domestic Equity	\$149,632,829	39.1%	40.0%	-0.9%	30.0% - 50.0%	Yes
International Equity	\$43,464,153	11.4%	12.0%	-0.6%	8.0% - 14.0%	Yes
Fixed Income	\$99,482,210	26.0%	31.0%	-5.0%	25.0% - 40.0%	Yes
Covered Calls	\$29,207,716	7.6%	5.0%	2.6%	5.0% - 10.0%	Yes
Credit	\$8,450,960	2.2%	2.0%	0.2%	0.0% - 100.0%	Yes
Crisis Risk Offset	\$41,648,656	10.9%	10.0%	0.9%	5.0% - 15.0%	Yes
Cash	\$10,571,515	2.8%	0.0%	2.8%	0.0% - 5.0%	Yes
Total	\$382,458,040	100.0%	100.0%			

Asset Allocation History
5 Years Ending September 30, 2022



As of September 30, 2022

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	382,458,040	100.0	-6.3	-4.5	-18.9	-14.3	2.2	4.2	6.5	6.4	Dec-88
<i>OPFRS Policy Benchmark</i>			<i>-6.6</i>	<i>-4.6</i>	<i>-19.3</i>	<i>-15.7</i>	<i>2.0</i>	<i>3.7</i>	<i>6.0</i>	<i>7.6</i>	<i>Dec-88</i>
Excess Return			0.3	0.1	0.4	1.4	0.2	0.5	0.5	-1.2	
Domestic Equity	149,632,829	39.1	-8.9	-4.8	-23.1	-15.6	7.3	8.3	11.3	8.4	Jun-97
<i>Russell 3000 (Blend)</i>			<i>-9.3</i>	<i>-4.5</i>	<i>-24.6</i>	<i>-17.6</i>	<i>7.7</i>	<i>8.6</i>	<i>11.4</i>	<i>8.5</i>	<i>Jun-97</i>
Excess Return			0.4	-0.3	1.5	2.0	-0.4	-0.3	-0.1	-0.1	
International Equity	43,464,153	11.4	-9.7	-9.6	-26.7	-24.2	-1.3	-0.2	4.4	4.4	Jan-98
<i>MSCI ACWI ex US (Blend)</i>			<i>-10.0</i>	<i>-9.9</i>	<i>-26.5</i>	<i>-25.2</i>	<i>-1.5</i>	<i>-0.8</i>	<i>3.0</i>	<i>4.2</i>	<i>Jan-98</i>
Excess Return			0.3	0.3	-0.2	1.0	0.2	0.6	1.4	0.2	
Fixed Income	99,482,210	26.0	-4.4	-4.6	-14.7	-14.6	-2.7	0.3	1.4	4.7	Dec-93
<i>Bloomberg Universal (Blend)</i>			<i>-4.3</i>	<i>-4.5</i>	<i>-14.9</i>	<i>-14.9</i>	<i>-3.1</i>	<i>-0.2</i>	<i>1.2</i>	<i>4.5</i>	<i>Dec-93</i>
Excess Return			-0.1	-0.1	0.2	0.3	0.4	0.5	0.2	0.2	
Credit	8,450,960	2.2	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>Bloomberg US High Yield TR</i>			<i>-4.0</i>	<i>-0.6</i>	<i>-14.7</i>	<i>-14.1</i>	<i>-0.5</i>	<i>1.6</i>	<i>3.9</i>	<i>3.3</i>	<i>Feb-15</i>
Excess Return			0.4	0.1	5.3	5.2	3.8	1.3		1.2	
Covered Calls	29,207,716	7.6	-8.1	-5.1	-18.8	-11.3	6.2	6.4	--	7.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>			<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return			-1.5	2.5	-1.8	-0.1	5.5	4.3		3.2	
Crisis Risk Offset	41,648,656	10.9	1.4	0.0	-10.1	-7.8	-12.9	--	--	-8.7	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>			<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>-1.0</i>	<i>Aug-18</i>
Excess Return			0.7	-0.7	-13.1	-12.3	-10.7			-7.7	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

Fiscal year begins on July 1. Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers.

As of September 30, 2022

Performance Summary												
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
OPFRS Total Plan	382,458,040	100.0	--	-6.3	-4.5	-18.9	-14.3	2.2	4.2	6.5	6.4	Dec-88
<i>OPFRS Policy Benchmark</i>				<i>-6.6</i>	<i>-4.6</i>	<i>-19.3</i>	<i>-15.7</i>	<i>2.0</i>	<i>3.7</i>	<i>6.0</i>	<i>7.6</i>	<i>Dec-88</i>
Excess Return				0.3	0.1	0.4	1.4	0.2	0.5	0.5	-1.2	
Domestic Equity	149,632,829	39.1	39.1	-8.9	-4.8	-23.1	-15.6	7.3	8.3	11.3	8.4	Jun-97
<i>Russell 3000 (Blend)</i>				<i>-9.3</i>	<i>-4.5</i>	<i>-24.6</i>	<i>-17.6</i>	<i>7.7</i>	<i>8.6</i>	<i>11.4</i>	<i>8.5</i>	<i>Jun-97</i>
Excess Return				0.4	-0.3	1.5	2.0	-0.4	-0.3	-0.1	-0.1	
Northern Trust Russell 1000	67,029,399	17.5	44.8	-9.2	-4.6	-24.8	-17.5	7.8	8.9	11.6	12.2	Jun-10
<i>Russell 1000</i>				<i>-9.3</i>	<i>-4.6</i>	<i>-24.6</i>	<i>-17.2</i>	<i>7.9</i>	<i>9.0</i>	<i>11.6</i>	<i>12.2</i>	<i>Jun-10</i>
Excess Return				0.1	0.0	-0.2	-0.3	-0.1	-0.1	0.0	0.0	
Wellington Select Quality Equity	19,520,651	5.1	13.0	-7.5	-5.9	--	--	--	--	--	-11.3	May-22
<i>Russell 1000</i>				<i>-9.3</i>	<i>-4.6</i>	<i>-24.6</i>	<i>-17.2</i>	<i>7.9</i>	<i>9.0</i>	<i>11.6</i>	<i>-12.7</i>	<i>May-22</i>
Excess Return				1.8	-1.3						1.4	
EARNEST Partners	40,474,607	10.6	27.0	-9.7	-5.6	-21.4	-12.5	8.8	10.1	12.9	9.6	Apr-06
<i>Russell MidCap</i>				<i>-9.3</i>	<i>-3.4</i>	<i>-24.3</i>	<i>-19.4</i>	<i>5.2</i>	<i>6.5</i>	<i>10.3</i>	<i>7.9</i>	<i>Apr-06</i>
Excess Return				-0.4	-2.2	2.9	6.9	3.6	3.6	2.6	1.7	
Brown Fundamental Small Cap Value	9,733,085	2.5	6.5	-8.3	-1.6	-17.3	-9.1	--	--	--	-5.6	Apr-21
<i>Russell 2000 Value</i>				<i>-10.2</i>	<i>-4.6</i>	<i>-21.1</i>	<i>-17.7</i>	<i>4.7</i>	<i>2.9</i>	<i>7.9</i>	<i>-11.3</i>	<i>Apr-21</i>
Excess Return				1.9	3.0	3.8	8.6				5.7	
Rice Hall James	12,875,087	3.4	8.6	-6.6	-4.3	-26.2	-22.8	5.5	5.3	--	5.7	Jul-17
<i>Russell 2000 Growth</i>				<i>-9.0</i>	<i>0.2</i>	<i>-29.3</i>	<i>-29.3</i>	<i>2.9</i>	<i>3.6</i>	<i>8.8</i>	<i>4.6</i>	<i>Jul-17</i>
Excess Return				2.4	-4.5	3.1	6.5	2.6	1.7		1.1	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of September 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
International Equity	43,464,153	11.4	11.4	-9.7	-9.6	-26.7	-24.2	-1.3	-0.2	4.4	4.4	Jan-98
<i>MSCI ACWI ex US (Blend)</i>				-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0	4.2	Jan-98
Excess Return				0.3	0.3	-0.2	1.0	0.2	0.6	1.4	0.2	
Vanguard Developed Markets ETF	12,175,691	3.2	28.0	-9.9	-10.6	-27.5	-25.6	-1.2	--	--	-0.2	Sep-19
<i>FTSE Developed All Cap Ex US TR USD</i>				-10.0	-9.5	-27.2	-25.3	-0.8	-0.2	4.1	0.2	Sep-19
Excess Return				0.1	-1.1	-0.3	-0.3	-0.4			-0.4	
SGA ACWI ex-U.S. Equity	31,288,462	8.2	72.0	-9.6	-9.1	-26.2	-23.9	--	--	--	-4.2	Dec-19
<i>MSCI ACWI ex USA</i>				-10.0	-9.9	-26.5	-25.2	-1.5	-0.8	3.0	-3.1	Dec-19
Excess Return				0.4	0.8	0.3	1.3				-1.1	
Fixed Income	99,482,210	26.0	26.0	-4.4	-4.6	-14.7	-14.6	-2.7	0.3	1.4	4.7	Dec-93
<i>Bloomberg Universal (Blend)</i>				-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	4.5	Dec-93
Excess Return				-0.1	-0.1	0.2	0.3	0.4	0.5	0.2	0.2	
Ramirez	67,871,550	17.7	68.2	-4.1	-4.4	-14.5	-14.5	-2.9	0.3	--	0.9	Jan-17
<i>Bloomberg US Aggregate TR</i>				-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.3	Jan-17
Excess Return				0.2	0.4	0.1	0.1	0.4	0.6		0.6	
Wellington Core Bond	6,413,320	1.7	6.4	-4.8	-4.8	-15.9	-16.0	--	--	--	-9.8	Apr-21
<i>Bloomberg US Aggregate TR</i>				-4.3	-4.8	-14.6	-14.6	-3.3	-0.3	0.9	-8.9	Apr-21
Excess Return				-0.5	0.0	-1.3	-1.4				-0.9	
Reams	25,197,341	6.6	25.3	-5.0	-4.9	-14.8	-14.4	0.4	2.2	2.3	5.0	Feb-98
<i>Bloomberg Universal (Blend)</i>				-4.3	-4.5	-14.9	-14.9	-3.1	-0.2	1.2	4.0	Feb-98
Excess Return				-0.7	-0.4	0.1	0.5	3.5	2.4	1.1	1.0	
Credit	8,450,960	2.2	2.2	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>Bloomberg US High Yield TR</i>				-4.0	-0.6	-14.7	-14.1	-0.5	1.6	3.9	3.3	Feb-15
Excess Return				0.4	0.1	5.3	5.2	3.8	1.3		1.2	
Polen Capital	8,450,960	2.2	100.0	-3.6	-0.5	-9.4	-8.9	3.3	2.9	--	4.5	Feb-15
<i>ICE BofA High Yield Master TR</i>				-4.0	-0.7	-14.6	-14.1	-0.7	1.4	3.9	3.3	Feb-15
Excess Return				0.4	0.2	5.2	5.2	4.0	1.5		1.2	

Performance shown is gross-of-fees. Since inception date and performance begins in the month following an investments initial funding.

As of September 30, 2022

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Covered Calls	29,207,716	7.6	7.6	-8.1	-5.1	-18.8	-11.3	6.2	6.4	--	7.4	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-1.5	2.5	-1.8	-0.1	5.5	4.3		3.2	
Parametric BXM	14,882,217	3.9	51.0	-7.3	-5.5	-15.6	-9.8	3.7	4.2	--	5.8	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-0.7	2.1	1.4	1.4	3.0	2.1		1.6	
Parametric DeltaShift	14,325,499	3.7	49.0	-8.9	-4.6	-21.6	-13.0	8.2	8.2	--	9.3	Apr-14
<i>CBOE S&P 500 BuyWrite USD</i>				<i>-6.6</i>	<i>-7.6</i>	<i>-17.0</i>	<i>-11.2</i>	<i>0.7</i>	<i>2.1</i>	<i>4.8</i>	<i>4.2</i>	<i>Apr-14</i>
Excess Return				-2.3	3.0	-4.6	-1.8	7.5	6.1		5.1	
Crisis Risk Offset	41,648,656	10.9	10.9	1.4	0.0	-10.1	-7.8	-12.9	--	--	-8.7	Aug-18
<i>SG Multi Alternative Risk Premia Index</i>				<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>-1.0</i>	<i>Aug-18</i>
Excess Return				0.7	-0.7	-13.1	-12.3	-10.7			-7.7	
Kepos Alternative Risk Premia	9,742,494	2.5	23.4	0.6	2.3	--	--	--	--	--	-2.1	Feb-22
<i>SG Multi Alternative Risk Premia Index</i>				<i>0.7</i>	<i>0.7</i>	<i>3.0</i>	<i>4.5</i>	<i>-2.2</i>	<i>--</i>	<i>--</i>	<i>2.2</i>	<i>Feb-22</i>
Excess Return				-0.1	1.6						-4.3	
Versor Trend Following	17,905,977	4.7	43.0	10.6	7.8	--	--	--	--	--	19.4	Apr-22
<i>SG Trend Index</i>				<i>5.8</i>	<i>5.3</i>	<i>44.9</i>	<i>43.1</i>	<i>17.3</i>	<i>12.7</i>	<i>6.7</i>	<i>23.1</i>	<i>Apr-22</i>
Excess Return				4.8	2.5						-3.7	
Vanguard Long-Term Treasury ETF	14,000,185	3.7	33.6	-7.9	-9.7	-28.5	-26.7	-8.6	--	--	-5.8	Jul-19
<i>Bloomberg US Govt Long TR</i>				<i>-7.9</i>	<i>-9.6</i>	<i>-28.8</i>	<i>-26.6</i>	<i>-8.5</i>	<i>-1.6</i>	<i>0.6</i>	<i>-5.7</i>	<i>Jul-19</i>
Excess Return				0.0	-0.1	0.3	-0.1	-0.1			-0.1	
Cash	10,571,515	2.8	2.8	3.1	3.1	3.1	3.1	1.6	1.8	1.0	0.9	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.2</i>	<i>0.4</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>1.1</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				2.9	2.7	2.5	2.5	1.0	0.7	0.3	0.3	
Cash	3,406,515	0.9	32.2	0.8	0.8	0.8	0.8	1.0	1.4	0.8	0.7	Mar-11
<i>FTSE T-Bill 3 Months TR</i>				<i>0.2</i>	<i>0.4</i>	<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>1.1</i>	<i>0.7</i>	<i>0.6</i>	<i>Mar-11</i>
Excess Return				0.6	0.4	0.2	0.2	0.4	0.3	0.1	0.1	
Cash - Treasury	7,165,000	1.9	67.8									

As of September 30, 2022

Cash Flow Summary

Month to Date

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Brown Fundamental Small Cap Value	\$10,617,354	\$0	-\$884,269	\$9,733,085
Cash	\$3,381,135	\$0	\$25,380	\$3,406,515
Cash - Treasury	\$6,874,000	\$0	\$291,000	\$7,165,000
EARNEST Partners	\$44,843,317	\$0	-\$4,368,710	\$40,474,607
Kepos Alternative Risk Premia	\$9,687,710	\$0	\$54,784	\$9,742,494
Northern Trust Russell 1000	\$75,849,580	-\$2,000,000	-\$6,820,181	\$67,029,399
Parametric BXM	\$16,049,770	\$0	-\$1,167,553	\$14,882,217
Parametric DeltaShift	\$15,731,830	\$0	-\$1,406,331	\$14,325,499
Polen Capital	\$8,775,813	\$0	-\$324,853	\$8,450,960
Ramirez	\$70,752,030	\$0	-\$2,880,480	\$67,871,550
Reams	\$26,520,239	\$0	-\$1,322,898	\$25,197,341
Rice Hall James	\$13,783,469	\$0	-\$908,381	\$12,875,087
Securities Lending Northern Trust	\$0	\$0	\$0	\$0
SGA ACWI ex-U.S. Equity	\$34,623,319	\$0	-\$3,334,857	\$31,288,462
Vanguard Developed Markets ETF	\$13,548,638	\$0	-\$1,372,947	\$12,175,691
Vanguard Long-Term Treasury ETF	\$15,236,935	\$0	-\$1,236,750	\$14,000,185
Versor Trend Following	\$16,186,153	\$0	\$1,719,824	\$17,905,977
Wellington Core Bond	\$6,739,771	\$0	-\$326,451	\$6,413,320
Wellington Select Quality Equity	\$21,108,425	\$0	-\$1,587,774	\$19,520,651
Total	\$410,309,488	-\$2,000,000	-\$25,851,448	\$382,458,040

Benchmark History

As of September 30, 2022

Total Plan x Securities Lending x Reams LD Exception Comp

6/1/2022	Present	40% Russell 3000 / 12% MSCI ACWI ex USA / 31% Bloomberg US Universal TR / 5% CBOE BXM / 10% SG Multi Alternative Risk Premia Index / 2% Bloomberg US High Yield TR
1/1/2019	5/31/2022	40% Russell 3000 / 12% MSCI ACWI ex USA Gross / 33% Bloomberg US Universal TR / 5% CBOE BXM / 6.7% SG Multi Alternative Risk Premia Index / 3.3% Bloomberg US Treasury Long TR
5/1/2016	12/31/2018	48% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg US Universal TR / 20% CBOE BXM
10/1/2015	4/30/2016	43% Russell 3000 / 12% MSCI ACWI ex USA Gross / 20% Bloomberg 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% Bloomberg 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% Bloomberg 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% Bloomberg 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% Bloomberg US Universal TR
4/1/2006	9/30/2007	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Universal TR
1/1/2005	3/31/2006	35% Russell 3000 / 15% MSCI ACWI ex USA Gross / 50% Bloomberg US Aggregate TR
4/1/1998	12/31/2004	50% Bloomberg US Aggregate TR / 10% Russell 1000 / 20% Russell 1000 Value / 5% Russell MidCap / 15% MSCI EAFE

Domestic Equity

1/1/2005	Present	Russell 3000
4/1/1998	12/31/2004	28.57% Russell 1000 / 57.14% Russell 1000 Value / 14.29% Russell MidCap
6/1/1997	3/31/1998	S&P 500

International Equity

1/1/2005	Present	MSCI ACWI ex USA
1/1/1998	12/31/2004	MSCI EAFE Gross

Fixed Income

4/1/2006	Present	Bloomberg US Universal TR
12/31/1993	3/31/2006	Bloomberg US Aggregate 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.

MEMORANDUM

TO: Oakland Police and Fire Retirement System (OPFRS)
FROM: Meketa Investment Group (“Meketa”)
DATE: October 26, 2022
RE: Fossil Fuels—Thermal Coal Divestment List Update

Summary

On May 25, 2016, the OPFRS Board approved a recommendation to divest the portfolio from thermal coal producing companies. In July 2016, PCA provided an initial list of 26 thermal coal companies (defined as a company whose primary use of coal is in the generation of heat to produce electricity) that receive more than 50% of their revenue from coal production. OPFRS formally implemented the divestment policy on August 1, 2016.

As part of the ongoing thermal coal divestiture policy, Meketa is providing OPFRS staff with an updated list of thermal coal companies that should not be held in any separate account mandates within the OPFRS portfolio. The table on the following page represents an updated list of 36 thermal coal companies that meet the 50% revenue from coal production criteria as of June 30, 2022.

Restricted Thermal Coal Companies as of 6/30/2022

Issuer Name	Ticker	CUSIP	SEDOL	ISIN	Issuer Country
Alliance Holdings GP, LP	AHGP	01861G100	B14WZB4	US01861G1004	US
Alliance Resource Partners, LP	ARLP	01877R108	2478650	US01877R1086	US
Arch Resources, Inc. (Formerly, Arch Coal Inc.)	ARCH	03940R107		US03940R1077	US
Banpu Public Co Ltd (F Share)	BANPU-F	BJFHB7900	BJFHBT4	TH0148A10Z14	Thailand
Banpu Public Co Ltd (L Share)	BANPU			TH0148A10Z06	Thailand
Banpu Public Co Ltd (NVDR Share)	BANPU-R	636834905	6368348	TH0148010R15	Thailand
Banpu Public Co Ltd (ADR)	BNPJY			US06670N1054	Thailand
China Coal Energy Co. Ltd. (H Share)	1898	Y1434L100	B1JNK84	CNE100000528	China
China Coal Energy Co. Ltd. (A Share)	601898				China
Coal India Limited (BSE-listed)	533278		B4Z9XF5	INE522F01014	India
Coal India Limited (NSE-listed)	COALINDIA		B4Z9XF5	INE522F01014	India
Exxaro Resources Ltd	EXX	S26949107	6418801	ZAE000084992	South Africa
Exxaro Resources Ltd (ADR)	EXXAY				South Africa
Exxaro Resources Ltd (Bond)	EXX04			ZAG000160326	South Africa
Exxaro Resources Ltd (Bond)	EXX05			ZAG000160334	South Africa
Foresight Energy LP	FELP			US34552U1043	US
Gujarat Mineral Development Corporation (NSE-listed)	GMDCLTD	Y2946M131	6101639	INE131A01031	India
Gujarat Mineral Development Corporation (BSE-listed)	532181			INE131A01031	India
Hallador Energy Company	HNRG	40609P10	2404978	US40609P1057	US
PT Indo Tambangraya Megah TBK	ITMG	Y71244100	B29SK75	ID1000108509	Indonesia
PT Indo Tambangraya Megah TBK (ADR)	ITAYY	45578T103	B3PJOL3	US45578T1034	Indonesia
Inner Mongolia Yitai Coal Company (A Share)	900948	Y40848106	6019011	CNE000000SK7	China
Inner Mongolia Yitai Coal Company (H Share)	3948	Y40848213	B4PPPY6	CNE100001FW6	China
Lubelski Wegiel Bogdanka SA	LWB	X5152C102	B543NN3	PLLWBGD00016	Poland
Peabody Energy Corporation	BTUUQ	704549203	BZ2Y3W7	US7045492037	US
Peabody Energy Corporation	BTU			US7045511000	US
PT Adaro Energy Indonesia TBK	ADRO IJ	B3BQFC902	B3BQFC4	ID1000111305	Indonesia
PT Adaro Energy Indonesia TBK (ADR)	ADOOY	00652F107		US00652F1075	Indonesia
PT Adaro Indonesia (Debt 144A)		69368KAB2		US69368KAB26	Indonesia
PT Bukit Asam (Persero) TBK	PTBA	Y8520P101	6565127	ID1000094006	Indonesia
PT Bukit Asam (Persero) TBK (ADR)	TBNGY	74445Y103		US74445Y1038	Indonesia
PT Bumi Resources TBK (ADR)	PBMRY	69367Y107		US69367Y1073	Indonesia



Issuer Name	Ticker	CUSIP	SEDOL	ISIN	Issuer Country
PT Bumi Resources TBK	BUMI	Y7122M110	6043485	ID1000068703	Indonesia
PT Harum Energy TBK	HRUM		B4KDQG4	ID1000116601	Indonesia
Rhino Resource Partners LP	RHNO	76218Y103	B4667K8	US76218Y2028	US
Whitehaven Coal Ltd.	WHC	Q97664108	B1XQXC4	AU000000WHC8	Australia



AGENDA REPORT

TO: Oakland Police and Fire Retirement System (PFRS) Board of Administration **FROM:** Téir Jenkins
Investment & Operations Manager

SUBJECT: Expiration Notice of PFRS Investment Manager Service Agreement and Action to Extend Service Agreement **DATE:** October 26, 2022

SUMMARY

The Service Contract for the following Investment Manager for the Oakland Police & Fire Retirement Systems (PFRS) is set to expire March 1, 2023. The PFRS Board is asked to consider acting to extend the agreement for this manager for one additional year pursuant to the professional service agreement.

BACKGROUND

Parametric Portfolio Associates, LLC (Parametric) presented a portfolio performance update at the August 31, 2022 PFRS Investment Committee Meeting. Additionally, Meketa provided a Manager Performance Review regarding Parametric and the Board passed a motion to remove Parametric from watch status.

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

Investment Manager	Investment Strategy	Hire Date	Contract/Extension Expiration Date
Parametric Portfolio Associates, LLC	Covered Calls	December 23, 2013	December 23, 2022

RECOMMENDATION

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

Respectfully submitted,

Téir Jenkins
Investment & Operations Manager
Oakland Police and Fire Retirement System

Attachments:
(1) Resolution # 8066

ATTACHMENT 1

Resolution No. 8066

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8066

Approved to Form
and Legality



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION TO AUTHORIZE A ONE-YEAR EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT WITH PARAMETRIC PORTFOLIO ASSOCIATES, LLC FOR THE PROVISION OF COVERED CALLS INVESTMENT STRATEGY MANAGER SERVICES FOR THE CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM COMMENCING DECEMBER 23, 2022 AND ENDING DECEMBER 23, 2023.

WHEREAS, Article XVI §17 of the California Constitution, commonly referred to as the Pension Protection Act or Proposition 162, and Article XXVI of the Oakland City Charter (“Charter”) vest the Oakland Police and Fire Retirement System Board (“PFRS Board”) with exclusive control of the administration and investment of the assets of the Police and Fire Retirement Fund (the “Fund”); and

WHEREAS, the PFRS Board manages and administers the Police and Fire Retirement System (“PFRS”), pursuant to the requirements of Article XXVI of the Charter; and

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

WHEREAS, Article XXVI of the Charter expressly authorizes the PFRS Board to secure competent investment counsel to provide advice and counsel regarding the investment of the Fund and further provides that discretionary powers granted to such investment counsel will be at the option of the Board; and

WHEREAS, on June 19, 2013, the PFRS Board passed a motion to enter into an agreement (“The Agreement”) with Parametric Portfolio Associates, LLC (“Investment Counsel”), to provide advice and counsel regarding investments of the assets of the Police and Fire Retirement Fund (“Fund”); and

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

WHEREAS, Section IV(B) of the Agreement gave the PFRS Board the option to extend the initial term of the Agreement for three additional one-year terms by giving Investment Counsel written notice of its intent to exercise its option not less than sixty days prior to the expiration of the term or extended term of the agreement; and

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CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8066

WHEREAS, on November 28, 2018, the PFRS Board passed Resolution No. 7033 authorizing amendment of Section IV(B) of the Agreement to provide the Board with unlimited one-year extension options, and

WHEREAS, on October 30, 2019, the PFRS Board passed Resolution No. 7074 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2019 and ending December 23, 2020; and

WHEREAS, on December 10, 2020, the PFRS Board passed Resolution No. 8006 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2020 and ending December 23, 2021; and

WHEREAS, on November 17, 2021, the PFRS Board passed Resolution No. 8032 authorizing an extension of the Agreement with Investment Counsel for an additional one-year term commencing December 23, 2021 and ending December 23, 2022; and

WHEREAS, the PFRS Board now wishes to exercise its option to renew the Agreement with Investment Counsel for an additional one-year term, commencing December 23, 2022, and ending December 23, 2023; and

WHEREAS, the Fund assets under management in Delta Shift strategy (presently valued at approximately 15 Million Dollars (\$15,000,000.00), at the annual fee rate of 0.44 percent, which fees are estimated to be approximately Sixty Six Thousand Dollars (\$66,000.00); and

WHEREAS, the Fund assets under management in BXM strategy (presently valued at approximately 15 Million Dollars (\$15,000,000.00), at the annual fee rate of 0.25 percent, which fees are estimated to be approximately Thirty Seven Thousand Five Hundred Dollars (\$37,500.00); now, therefore, be it

RESOLVED: That the Board hereby authorizes a one-year extension of the professional service agreement between the City of Oakland Police and Fire Retirement System and Parametric Portfolio Associates, LLC for the provision of Covered Calls Investment Manager Services, commencing December 23, 2022 and ending commencing December 23, 2023; and be it

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

IN BOARD MEETING, VIA ZOOM TELE-CONFERENCE _____ **OCTOBER 26, 2022**

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

PRESIDENT

ATTEST: _____

SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8068

Approved to Form and Legality

Mitesh Bhatia

ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

RESOLUTION APPROVING DEATH BENEFIT PAYMENT AND DIRECTING A WARRANT THEREUNDER IN THE AMOUNT OF \$1,000.00 PAYABLE TO THE BENEFICIARIES OF DECEASED CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM MEMBERS WILLIAM BOYD; BERNARD GERHARD; LARRY NEWMAN; AND BETTE PETERS.

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

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

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

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

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

Table with 3 columns: (1) Name of Deceased Member, (2) Name of Beneficiary, (3) Death Benefit Amount. Rows include William Boyd, Bernard Gerhard, Larry Newman, and Bette Peters.

IN BOARD MEETING, VIA ZOOM CONFERENCE _____ OCTOBER 26, 2022

PASSED BY THE FOLLOWING VOTE:

- AYES:
NOES:
ABSENT:

ATTEST: _____ PRESIDENT

ATTEST: _____ SECRETARY

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA
RESOLUTION No. 8069

Approved to
Form
and Legality



ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

**RESOLUTION ELECTING TO CONTINUE TO CONDUCT
POLICE AND FIRE RETIREMENT SYSTEM BOARD AND
COMMITTEE MEETINGS USING TELECONFERENCING
IN ACCORDANCE WITH CALIFORNIA GOVERNMENT
CODE SECTION 54953(E).**

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a state of emergency related to COVID-19, pursuant to California Government Code Section 8625, and said declaration has not been lifted or rescinded, see <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf>; and

WHEREAS, on March 9, 2020, the City Administrator, as the Director of the Emergency Operations Center (EOC), issued a proclamation of local emergency due to the spread of COVID-19 in Oakland, and on March 12, 2020, the City Council passed Resolution No. 88075 C.M.S. ratifying the proclamation of local emergency pursuant to Oakland Municipal Code (O.M.C.) section 8.50.050(C); and

WHEREAS, City Council Resolution No. 88075 remains in full force and effect to date; and

WHEREAS, the Centers for Disease Control (CDC) recommends physical distancing of at least six (6) feet whenever possible, avoiding crowds, and avoiding spaces that do not offer fresh air from the outdoors, particularly for people who are not fully vaccinated or who are at high risk of getting very sick from COVID-19, see <https://www.cdc.gov/coronavirus/2019-ncov/preventgetting-sick/prevention.html> ; and

WHEREAS, the CDC recommends that people who live with unvaccinated people avoid activities that make physical distancing difficult, see <https://www.cdc.gov/coronavirus/2019-ncov/your-health/about-covid-19/caring-for-children/families.html> ; and

WHEREAS, the CDC recommends that older adults limit in-person interactions as much as possible, particularly when indoors, see <https://www.cdc.gov/aging/covid19/covid19-older-adults.html> ; and

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CITY OF OAKLAND, CALIFORNIA

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WHEREAS, the CDC, the California Department of Public Health, and the Alameda County Public Health Department all recommend that people experiencing COVID-19 symptoms stay home, see <https://www.cdc.gov/coronavirus/2019-ncov/if-you-are-sick/steps-when-sick.html> ; and

WHEREAS, people without symptoms may be able to spread the COVID-19 virus, see <https://www.cdc.gov/coronavirus/2019-ncov/prevent-gettingsick/prevention.html> ; and

WHEREAS, fully vaccinated people who become infected with the COVID-19 Delta variant can spread the virus to others, see <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html> ; and

WHEREAS, as of December 20, 2021, the Omicron variant has been detected in most states and territories and is rapidly increasing the proportion of COVID-19 cases it is causing, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

WHEREAS, the CDC does not yet know how easily the Omicron variant spreads, the severity of illness it causes, or how well available vaccines and medications work against it, see <https://www.cdc.gov/coronavirus/2019-ncov/variants/omicron-variant.html>; and

WHEREAS, the City's public-meeting facilities are indoor facilities that are not designed to provide circulation of fresh/outdoor air, particularly during periods of cold or rainy weather; and

WHEREAS, the City's public-meeting facilities are not designed to ensure that attendees can remain six (6) feet apart; and

WHEREAS, most of the members of the Police and Fire Retirement System are at higher risk of becoming very sick from COVID-19 due to their age; and

WHEREAS, holding in-person meetings will bring people from different households together in an indoor facility against CDC guidance; and

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 8069

WHEREAS, some attendees may use public transportation to travel to an in-person meeting, which will expose them to additional people outside of their household and put them at further risk of contracting COVID-19; and

WHEREAS, in light of the above, on January 26, 2022, the Police and Fire Retirement System Board (“PFRS Board”) determined that conducting in-person meetings of the PFRS Board and its committees would present imminent risk to health or safety of attendees and elected to continue to conduct PFRS Board and committee meetings using teleconferencing in accordance with California Government Code section 54953(e) (Resolution No. 8037); and

WHEREAS, pursuant to California Government Code section 54953(e)(3), the PFRS Board has reconsidered the circumstances of the state of emergency and determines that the state of emergency continues to directly impact the ability of the members of the PFRS Board to meet safely in person and that state and local officials continue to recommend measures to promote social distancing; now, therefore, be it:

RESOLVED: that the Police and Fire Retirement System Board (“PFRS Board”) finds and determines that the foregoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: that, based on these findings, the PFRS Board determines that conducting in-person board and committee meetings continues to pose imminent risks to the health of attendees; and be it

FURTHER RESOLVED: that the PFRS Board firmly believes that the community’s health and safety and the community’s right to participate in local government are critically and equally important, and is committed to balancing the two by continuing to use teleconferencing to conduct public meetings, in accordance with California Government Code Section 54953(e); and be it

OAKLAND POLICE AND FIRE RETIREMENT BOARD

CITY OF OAKLAND, CALIFORNIA

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FURTHER RESOLVED: That the PFRS Board will reconsider the state of emergency and determine whether the state of emergency continues to directly impact the ability of members to meet safely in person at least every thirty (30) days in accordance with California Government Code section 54953(e) until the state of emergency related to COVID-19 has been lifted, or the PFRS Board finds that in-person meetings no longer pose imminent risks to the health of attendees, whichever occurs first.

IN BOARD MEETING, VIA ZOOM CONFERENCE _____ OCTOBER 26, 2022

PASSED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY