

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency. Presentations are limited to three minutes.

Oakland Police and Fire Retirement Board meetings are held in wheelchair accessible facilities. Contact Retirement Systems, 150 Frank Ogawa Plaza, Suite 3332 or call (510) 238-7295 for additional information.



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

AGENDA

RETIREMENT BOARD MEMBERS

Walter L. Johnson, Sr.
President
Jaime T. Godfrey
Vice President
James F. Cooper
Member
Steven Wilkinson
Member
Ronald Oznowicz
Member
John C. Speakman
Member
Osborn Solitei
Member

Attached here is the Agenda Package for the upcoming committee and board meetings of the Oakland Police and Fire Retirement System.

Please contact the Retirement Systems office at 510.238.7295 with any questions regarding the agenda package or upcoming meetings.

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

AUDIT COMMITTEE MEMBERS

John C. Speakman
Chairman
James F. Cooper
Member
Osborn Solitei
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.*

AGENDA

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

**Wednesday, May 27, 2015 – 10:00 am
One Frank H. Ogawa Plaza, Hearing Room 3
Oakland, California 94612**

- - - ORDER OF BUSINESS - - -

1. **Subject:** **April 29, 2015 PFRS Audit Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE April 29, 2015 Audit Committee meeting minutes.
2. **Subject:** **Administrative Expenses Report**
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS Administrative Expenses from July 1, 2014 through March 31, 2015.
3. **Subject:** **Proposed Update to PFRS Rules & Regulations, section 9.8 & 9.9**
From: Ronald Oznowicz, Trustee, PFRS Board

Recommendation: RECOMMEND BOARD APPROVAL of update to PFRS Board Rules & Regulations Sections 9.8 and 9.9 regarding modifying how items are added to committee and board agendas.
4. Open Forum
5. Future Scheduling

D R A F T

PFRS Audit/Operations Committee Meeting Minutes

April 29, 2015

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A SPECIAL AUDIT/OPERATIONS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held Wednesday, April 29, 2015 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California.

- Committee Members Present:
- James F. Cooper, Member
 - Osborn Solitei, Member
- Committee Members Absent:
- John C. Speakman, Chairman
- Additional Attendees:
- Pelayo Llamas, Deputy City Attorney / PFRS Legal Counsel
 - Katano Kasaine, Plan Administrator
 - Teir Jenkins & David Low, Staff Members

The meeting was called to order at 10:08 am. Chairman Speakman was absent from the committee meeting.

1. **Approval of Committee meeting minutes** – Member Solitei made a motion to approve the March 25, 2015 Audit Committee meeting minutes, second by member Cooper. Motion passed.

[SOLITEI – Y / COOPER – Y / SPEAKMAN – ABSENT]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

2. **Proposed Update to PFRS Rules and Regulations, section 9.8 & 9.9** – PFRS Board Member Ronald Oznowitz presented his report asking the Audit Committee to recommend Board approval of his request to revise section 9.8 and section 9.9 of the PFRS rules and regulations, which outlines how any board members may add agenda items to the committee or board agendas. Member Oznowitz said the current methods present restrictions that do not favor the addition of agenda items by any board members who may wish to hear an agenda item if neither the Board President addresses the request directly nor at least 4 members of the quorum of the board agree to add the agenda item request at NEW BUSINESS. He added that the current process exposes the Board to potential violations of the Brown Act and Oakland Sunshine Ordinance.

As the Committee discussed the matter, Plan Administrator Katano Kasaine addressed Member Oznowitz's concerns about potential Brown Act/Sunshine Ordinance violations by saying future requests for NEW BUSINESS items will be added to the Board agenda at the time of publication. Only items on the published agendas would be available for board consideration for scheduling on future agendas. Also, no subject matter discussion could be had during NEW BUSINESS; only board member scheduling and the voting of adding or not adding the agenda item for the future agenda.

Member Oznowitz said the Brown Act and Sunshine Ordinance requires that matters be heard in a due process manner; open and transparent. He views the way these rules are currently written limits any openness or transparency on a topic by virtue of the Board President or the majority of the Board deeming they do not want to hear the matter. He believed that any subject matter can therefore be shut down without any form of board review if a group doesn't want to hear it. Member Oznowitz believed it to be important that a matter at least be heard, regardless of how board members decide to vote on the matter.

As discussion concluded, member Cooper made a motion to recommend Board Approval of the proposed revision to the PFRS Rules and Regulations, section 9.8 & 9.9. Motion was not voted on because there was no second. Member Cooper asked staff if this matter could be carried over to next month's Audit Committee meeting for reconsideration. Ms. Kasaine said that carry over would also require a motion.

Member Cooper made a motion to bring this matter back to the Committee at the May 2015 Audit Committee meeting. The Motion was not voted on because there was no second to the motion.

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D R A F T

PFRS Audit/Operations Committee Meeting Minutes

April 29, 2015

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3. **Administrative Expenses Report through February 28, 2015** – Member Solitei made a motion to move the Administrative Expenses Report from July 1, 2014 through February 28, 2015 to the Board meeting for presentation by staff, second by member Cooper. Motion passed.

[SOLITEI – Y / COOPER – Y / SPEAKMAN – ABSENT]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

4. **Travel Reimbursement Resolution No. 6843 for Steve Wilkinson** – Member Solitei made a motion to recommend Board approval of Resolution No. 6843 giving travel authorization and expense reimbursement to Board Member Steve Wilkinson for his travel and registration to the 2015 National Association of Securities Professionals Pension and Financial Services Conference on June 15 through June 17, 2015, in Chicago, IL, second by Member Cooper. Motion passed.

[SOLITEI – Y / COOPER – Y / SPEAKMAN – ABSENT]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

5. **Travel Reimbursement Resolution No. 6844 for Osborn Solitei** – Some confusion regarding whether Member Solitei could make a motion or second a motion on a committee or board action led to the postponement of committee action on this matter until clarity on the rule was made.

6. **Travel Reimbursement Resolution No. 6845 for Maria Martinez** – Member Solitei made a motion to recommend Board approval of Resolution No. 6845 giving travel authorization and expense reimbursement to Staff Member Maria Martinez for her travel and registration to the 2015 International Federation of Employee Benefits Plans Accounting & Auditing Conference on June 15 through June 17, 2015, in San Francisco, CA, second by Member Cooper. Motion passed.

[SOLITEI – Y / COOPER – Y / SPEAKMAN – ABSENT]
(AYES: 2 / NOES: 0 / ABSTAIN: 0)

7. **Open Forum** – No Report.

8. **Future Scheduling** – The next scheduled Audit Committee meeting was scheduled for Wednesday, May 27, 2015.

The meeting adjourned at 10:36 am.

JOHN C. SPEAKMAN, COMMITTEE CHAIRMAN

DATE

D R A F T

Table 1

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Administrative Budget Spent to Date
Fiscal Year as of March 31, 2015

	Approved Budget					
		March 2015		YTD 3/31/2015	Remaining	Percent Remaining
Internal Administrative costs						
PFRS Staff Salaries	\$ 602,847	\$ 25,092	\$ 374,259	\$ 228,588	37.9%	
Board Travel Expenditures	52,500	358	7,496	45,004	85.7%	
Staff Training	7,500	30	3,317	4,183	55.8%	
Annual Report & Duplicating Services	4,000	1,126	1,848	2,152	53.8%	
Board Hospitality	2,200	199	1,332	868	39.5%	
Payroll Processing Fees	25,000	25,000	25,000	-	0.0%	
Miscellaneous Expenditures	26,500	2,191	17,412	9,088	34.3%	
Internal costs Subtotal :	\$ 720,547	\$ 53,996	\$ 430,664	\$ 289,884	40.2%	
Actuary and Accounting Services						
Audit (b)	\$ 44,118	\$ -	\$ 28,395	\$ 15,723	35.6%	
Actuary (c) (d)	45,000	-	60,148	(15,148)	-33.7%	
Actuary and Accounting Subtotal:	\$ 89,118	\$ -	\$ 88,543	\$ 575	0.6%	
Legal Services						
City Attorney Salaries	\$ 98,075	\$ 11,464	\$ 85,099	\$ 12,976	13.2%	
City Attorney: JLM Collection Litigation	-	-	-	-	-	
Outside Counsel (OLH) (a)	21,353	5,238	25,002	(3,649)	100.0%	
Contract Services	40,000	-	1,200	38,800	97.0%	
Legal Contingency (a)	23,647	-	-	23,647	100.0%	
Legal Services Subtotal:	\$ 183,075	\$ 16,702	\$ 111,301	\$ 71,774	39.2%	
Investment Services						
Money Manager Fees	\$ 2,305,752	\$ -	\$ 821,548	\$ 1,484,204	64.4%	
Custodial Fee	180,000	-	58,250	121,750	67.6%	
Investment Consultant (PCA)	100,000	-	22,500	77,500	77.5%	
Investment Subtotal:	\$ 2,585,752	\$ -	\$ 902,298	\$ 1,683,454	65.1%	
Total Operating Budget	\$ 3,578,492	\$ 70,698	\$ 1,532,806	\$ 2,045,686	57.17%	

(a) Per Resolution 6766, transferred \$10,000 from Legal Contingency to Outside Counsel(Olson Hagel) and per Per Resolution 6807 transferred \$20,000 to OLH.

Budgeted amount of \$21,353 represents a carry over of last year's transferred budget.

(b) Reallocated Budget to increase line item by \$14,118, per motion passed at the 12/17/2014 Board Meeting.

(c) Reallocated Budget to increase line item by \$10,000 to conform with Contract agreement, per Board Resolution 6765.

(d) Includes payment of \$25,615.00 for prior year (Fiscal Year 2013-2014) Actuarial Services.

Table 2

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Cash in Treasury (Fund 7100)

As of March 31, 2015

FY 2014-2015

Cash as of 2/28/2015	\$	2,981,472
Additions		
City Contributions	\$	-
Incoming Wires		5,000,000
Death Refunds		-
Misc. Receipts: Adjustments / Collections		
Total additions:	\$	5,000,000
Deductions:		
Pension payment (February pension payable March 1, 2015)		4,841,705
Current month expenses (see Table 1)		70,698
Total deductions	\$	4,912,403
Ending Cash Balance as of 3/31/2015	\$	<u><u>3,069,069</u></u>

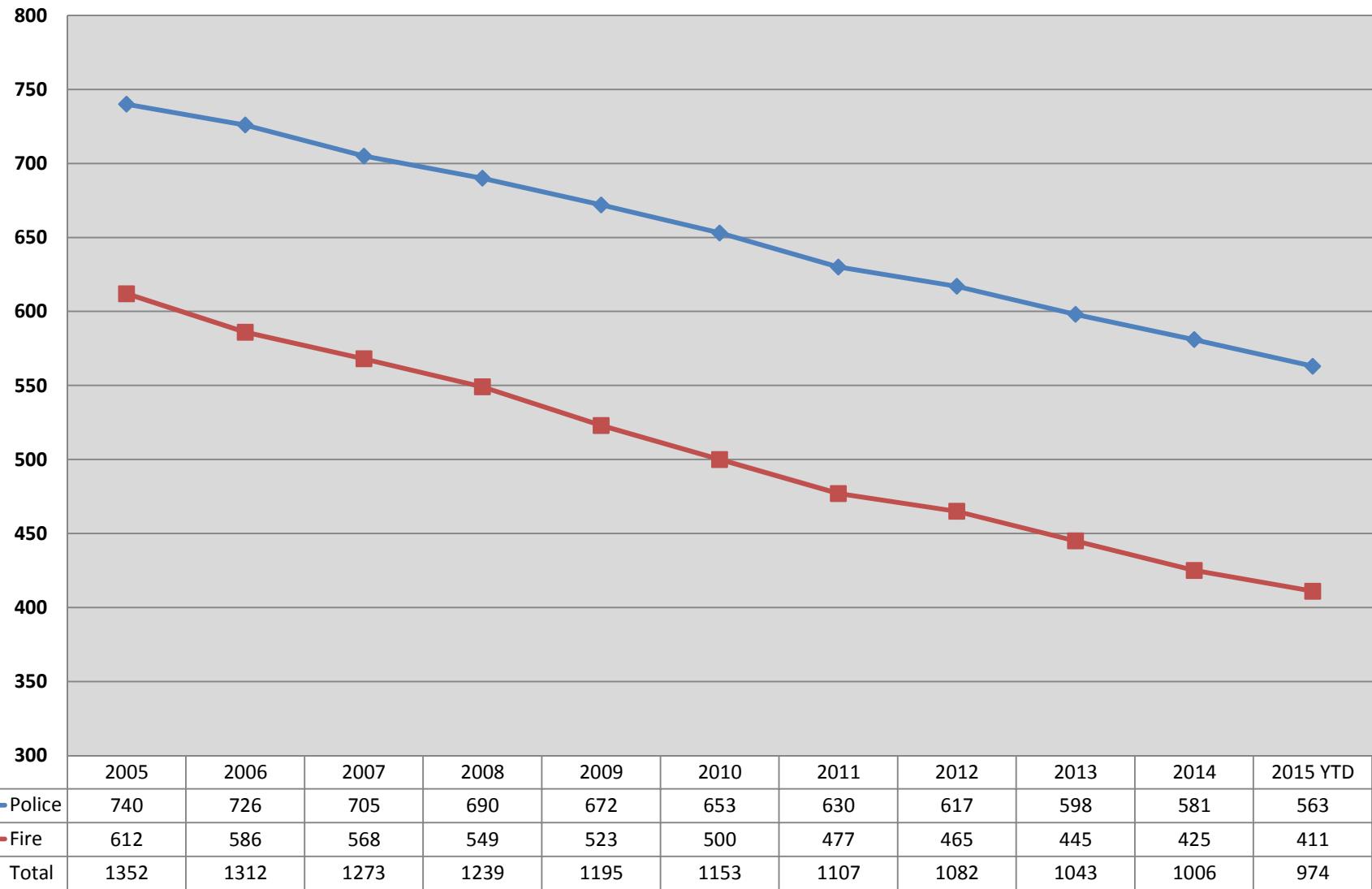
Table 3
CITY OF OAKLAND POLICE AND FIRE RETIREMENT SYSTEM

Census
As of March 31, 2015

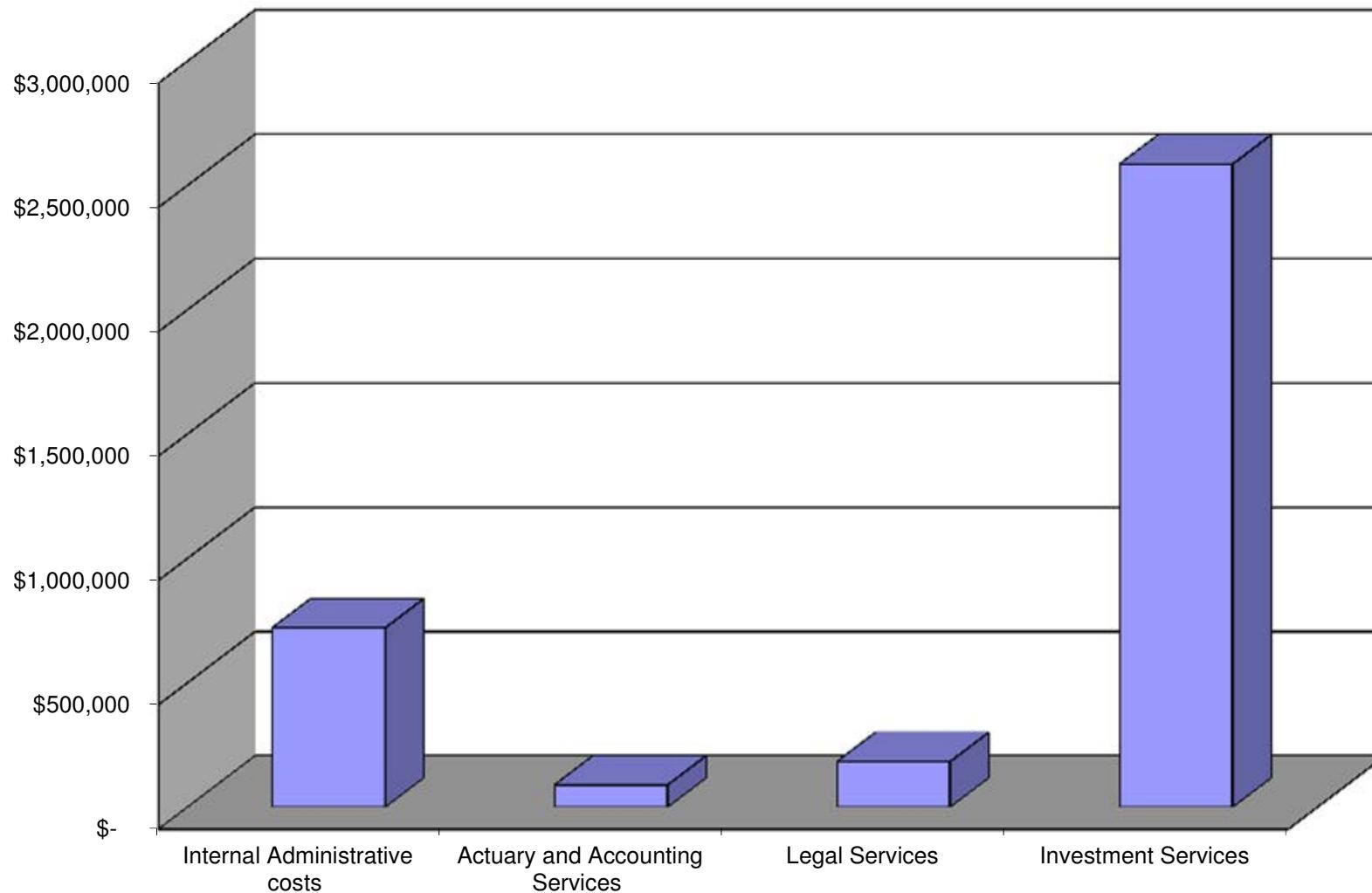
COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Retiree	412	271	683
Beneficiary	151	140	291
Total Retired Members:	563	411	974
Total Membership:	563	411	974

COMPOSITION	POLICE	FIRE	TOTAL
Retired Member:			
Service Retirement	371	223	594
Disability Retirement	179	172	351
Death Allowance	13	16	29
Total Retired Members:	563	411	974
Total Membership as of March 31, 2015:	563	411	974
Total Membership as of June 30 2014:	581	425	1,006
Annual Difference:	-18	-14	-32

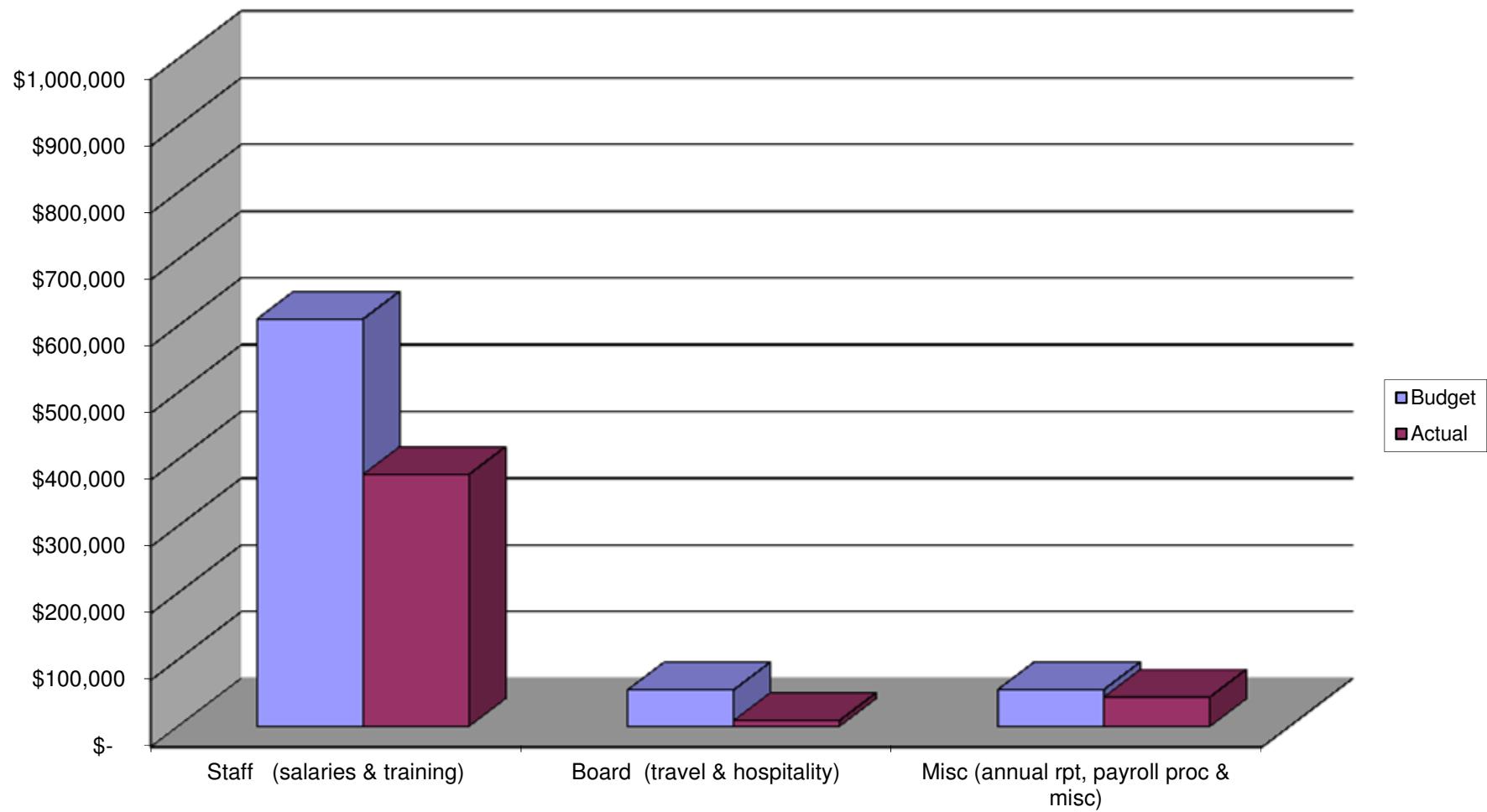
Oakland Police and Fire Retirement System
Pension Plan Membership
Fiscal Year Ended June 30, FY2005 - FY2015



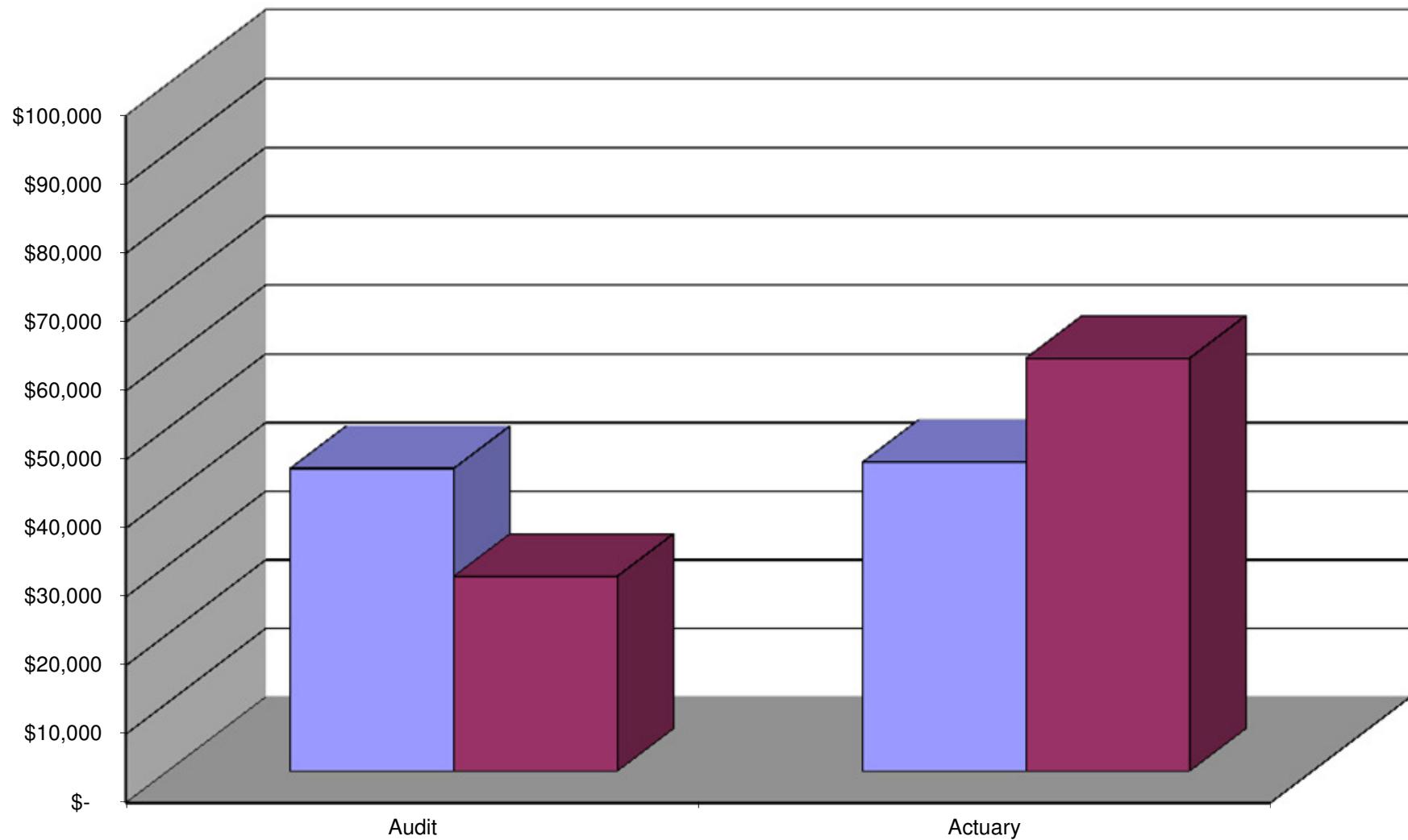
OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Approved Budget
FY 2014-2015



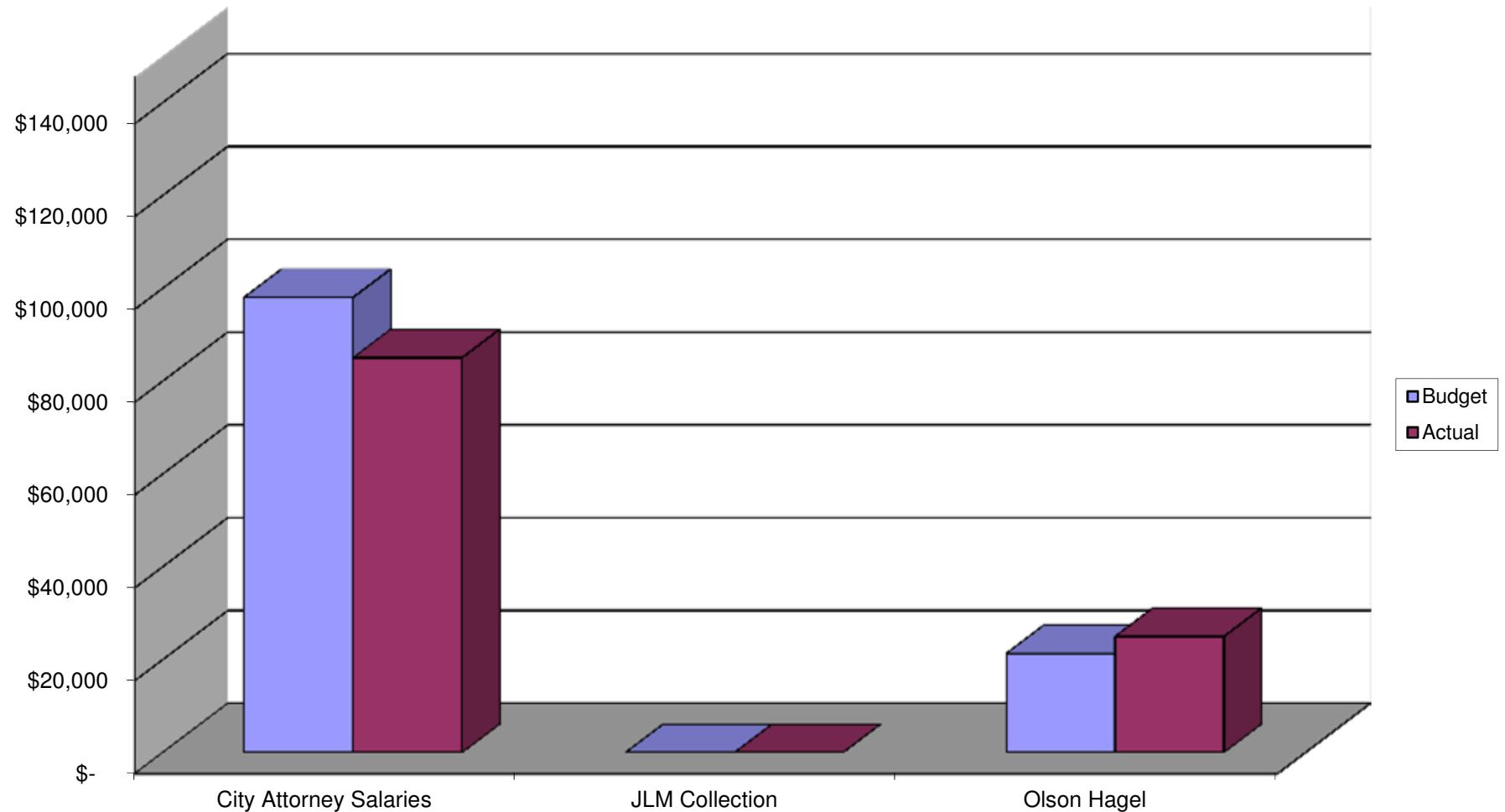
OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Budget vs Actual as of March 31, 2015
Internal Administrative Costs



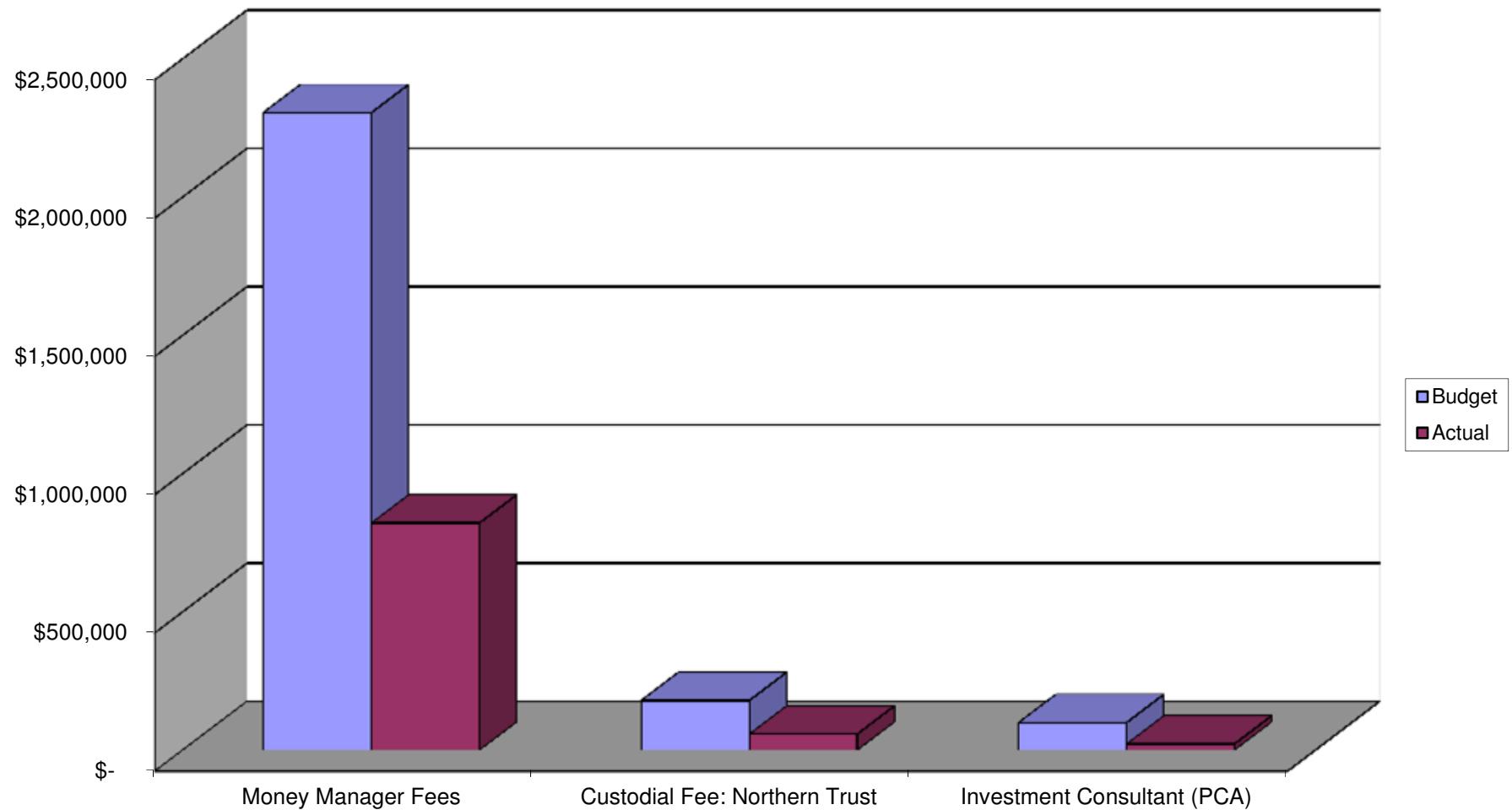
OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Budget vs. Actual as March 31, 2015
Actuary and Accounting Services



OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Budget vs. Actual as of March 31, 2015
Legal Services



OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
Budget vs. Actual as of March 31, 2015
Investment Services



MEMORANDUM

From: Ron Oznowicz
Member, Trustee
Oakland Police and Fire Retirement System

To: Chairman John Speakman
Audit/Operations Committee

Cc: President Walter Johnson
Oakland Police and Fire Retirement System

[via Staff, Board Secretary Katano Kasaine]

Date: April 16, 2015

Subject: PFRS Rules & Regulations
Recommended Changes

Chairman Speakman, President Johnson,

Respecting the responsibilities of the Audit/Operations Committee, with regard to its role in developing and recommending changes to Board rules, recent Board activities have highlighted a needed change. I feel invited by staff and Committee comments in the past that Rules changes are a simple matter of reconsideration at any time.

My recent requested introduction of a few topics to our agendas have been stymied by arbitrary Presidential veto action and also by minimum majority Board action. However well intended, such easy denial to place issues on the agenda also denies the public and our plan membership the right to hear discussion and deliberation of issues of interest. As an elected Trustee representing the Plan police membership I have been prompted to introduce a number of issues of expressed and considerable interest to my constituents for inclusion on a future Board agenda, and these were summarily denied. Under current rules it could happen to any other member expressing pressing concerns in the future. Knowing that the contemporaneous discussions regarding my motions at the times I've made them likely violated the Brown Act, it only further frustrates such attempts to introduce topics. I suppose such frustrations have occurred elsewhere in the past, and if unchanged will repeat in the future if not altered. We cannot deserve respect for our Board if we cannot respect the concerns of each of our members.

I would like to have placed on the April meeting agenda of the Audit/Operations Committee the following item for discussion, deliberation and action:

1. Section 9.8: Procedure for Placing New Items on Agenda [and] Section 9.9: Procedure to Add, Remove Agenda Items

- **Recommended Change:** [Replace Section 9.8] For any new business by any Board member, any member requesting to add the item to future agendas of any meeting will suffice to have the item so placed.

- **Recommended Change:** [Add to Section 9.9] At any time, after the Board has met, but before the agenda is published, whenever a board member requests to add an item to a future agenda of any meeting it shall thus be added. In such case, no other authorization is required.
- **Recommended Change:** [Add to Section 9.9 ...For Committee items,] At any time, after the Committee has met, but before the agenda is published, any Board member may request an item be placed on a Committee agenda of any Committee meeting, and it shall thus be added. In such case, no other authorization is required.

Discussion: Note that the President now has the authority to withhold permission for agenda inclusion of any topic presented by any board member(s), and also the majority [4] of Board members may similarly vote to block any proposed agenda item. These changes would assure at least some topic consideration, better appearance of propriety, eliminate contentions of abuse, and in our case importantly would allow opportunities to discuss items of minority interest. Otherwise, either the President or only four Board members may appear to stifle and block discussion, consideration, deliberation, or action of any item deemed objectionable without any open discussion or debate at all. The President's unilateral prerogative or the simple majority can arbitrarily block any future agendized discussion of any topic, and thus the only recourse enabling discussion is to have a fair and respectful consideration of a member's agenda request, and change our Rules, to at least place a topic on a future meeting agenda. We must better facilitate legitimate minority concerns.

Respectfully,
Ron Oznowicz
Member, Trustee
Oakland Police and Fire Retirement System

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

minutes; if the presiding officer exercises his/her discretion under Section 9.4 to reduce each speaker's time to one (1) minute, speakers who submit four or more speaker's cards shall be allotted one (1) minute per item up to a maximum of 5 minutes.

Section 9.6: Ceding Time

In case the allotted time for each public speaker is less than two (2) minutes on an agendized item, a public speaker may extend his or her speaking time if other public speakers who have submitted their names to speak agree to cede their time to the recipient public speaker. The recipient public speaker will receive one (1) minute speaking time from each ceding public speaker, up to a maximum of five (5) minutes. At the presiding officer's discretion, a public speaker may be allotted more than five (5) minutes based on ceded time. The recipient public speaker must submit the ceding public speakers' speaking cards, and the ceding public speakers must be present at the time the recipient public speaker speaks.

Section 9.7: Open Forum

Public speakers submitting their names to speak under open forum shall be allotted a maximum of three (3) minutes. A public speaker may speak only once under open forum during any one meeting, subject to the discretion of the presiding officer. The presiding officer may reduce each public speaker's allotted time to one (1) minute if he or she publicly states all reasons justifying any reduction in speaker time, which reasons shall be based at least on consideration of the time allocated or anticipated for the meeting, the number and complexity of agenda items and the number of persons wishing to address the local body, and whether there will be sufficient time available during the meeting to consider all agenda items if all public speakers are allowed two (2) minutes to speak.

The Board cannot take any action under Open Forum unless it is deemed an emergency or urgency matter under the Sunshine Ordinance and Brown Act by a vote of the Board.

Section 9.8: Procedure for Placing New Items on an Agenda

For any new business by any board member, the full Board is authorized to add the item to future agendas of any meeting by an affirmative vote of a majority of the quorum of Board members present.

Section 9.9: Procedure to Add, Remove Agenda Items

For Board items, any Board member wishing to add (or remove) a Board agenda item after the Board has met, but before the agenda is published, must obtain authorization from the President of the Board.

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS

For Committee items, any Board member wishing to add (or remove) a Committee agenda item after the Committee has met, but before the agenda is published, must obtain authorization from the President of the Board and the Chair of the Committee.

Section 9.10: Minutes

The Secretary shall cause to be recorded in the minutes, the time and place of each meeting of the Board, the names of Board members present and all official acts of the Board along with a summation of the Board discussion along with the votes, and shall cause the minutes to be written and presented for approval no later than the second succeeding regular meeting.

Draft minutes shall be prepared and forwarded to Board members for review by the 15th business day following each meeting. The minutes or a true copy thereof, submitted and signed by the Secretary after approval by the Board shall form part of the permanent records of the Board.

Section 9.11: Other Requests

Other requests by the plan sponsor, other entities or the public will be directed to the Plan Administrator, who will review and respond administratively. To the extent the request need to be addressed to or by the Board, the request will be brought to the full board for further direction or authorization.

Section 9.12: Requests by the Board

Any research, analyses and reports from staff as are necessary for the Board's effective oversight of PFRS operations shall be initiated by placing that item on a future agenda in accordance with section 9.8. Such requests will be agendized and considered at regularly scheduled Board meetings. If approved, the Plan Administrator will be responsible for coordinating the completion of the approved project or report within a reasonable time or by the completion date specified in the Board action.

Section 9.13: Requests by Individual Board Members

Board members making individual requests for information will be advised to place the item on the Board meeting agenda in accordance with section 9.8 unless the information is readily available and the Plan Administrator determines that a response will not require any significant commitment of staff time or other PFRS resources.

Section 9.14: Resolutions

The Board shall act either by order or by resolutions, numbered in sequence of passage. In every instance, authorization by Board resolution shall be required for the following:

All persons wishing to address the Board must complete a speaker's card, stating their name and the agenda item (including "Open Forum") they wish to address. The Board may take action on items not on the agenda only if findings pursuant to the Sunshine Ordinance and Brown Act are made that the matter is urgent or an emergency.

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INVESTMENT COMMITTEE MEMBERS

Jaime T. Godfrey

Chairman

Steve Wilkinson

Member

Ronald Oznowicz

Member

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

AGENDA

**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.*

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

**Wednesday, May 27, 2015 – 10:30 am
One Frank H. Ogawa Plaza, Hearing Room 3
Oakland, California 94612**

- - - ORDER OF BUSINESS - - -

- 1. Subject:** **April 29, 2015 PFRS Investment Committee Meeting Minutes**
From: Staff of the PFRS Board

Recommendation: APPROVE April 29, 2015 Investment Committee meeting minutes.
- 2. Subject:** **Investment Manager Performance Report – T. Rowe Price**
From: T. Rowe Price

Recommendation: ACCEPT an informational report regarding fund performance for PFRS assets invested with T. Rowe Price, a fixed core Investment Manager.
- 3. Subject:** **Investment Manager Overview – T. Rowe Price**
From: Pension Consulting Alliance

Recommendation: ACCEPT an informational review of Organization and Performance of T. Rowe Price, PFRS fixed core Investment Manager.
- 4. Subject:** **Investment Market Overview**
From: Pension Consulting Alliance (PCA)

Recommendation: ACCEPT Informational Report regarding overview of the global investment market through May 2015.
- 5. Subject:** **Quarterly investment fund performance report for the quarter ending March 31, 2015**
From: Pension Consulting Alliance

Recommendation: APPROVE the quarterly investment fund performance report for the quarter ending March 31, 2015.
- 6. Open Forum**
- 7. Future Scheduling**

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PFRS Investment & Financial Matters Committee Minutes

April 29, 2015

Page 1 of 3

AN INVESTMENT AND FINANCIAL MATTERS COMMITTEE MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held April 29, 2015 in Hearing Room 3, One Frank Ogawa Plaza, Oakland, California

Committee Members Present:

- Jaime T. Godfrey, Chairman
- Steve Wilkinson, Member
- Ronald Oznovicz, Member

Additional Attendees:

- Pelayo Llamas, Deputy City Attorney / PFRS Legal Counsel
- Katano Kasaine, Plan Administrator
- David Low & Teir Jenkins, Staff Members
- Eric White & Sean Copus, Pension Consulting Alliance

The meeting was called to order at 10:41 am.

1. **Approval of Committee meeting minutes** – Member Oznovicz made a motion to approve the March 25, 2015 investment committee meeting minutes, second by Member Wilkinson. Chairman Godfrey Abstained from voting due to his absence from the 3/25 meeting. Motion passed.

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

2. **Investment Manager Performance Review – Hansberger** – CEO Thomas Tibbles and Greg Zdzienicki from Hansberger Growth Investors presented a review of the PFRS International Equity funds management. After discussion, Member Oznovicz made a motion to accept the investment manager performance review by Hansberger, second by member Wilkinson. Motion passed.

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

Chairman Godfrey advised staff to note and correct the Hansberger company name as Hansberger Growth Investors.

3. **Investment Manager Watch Status Review – Hansberger** – Sean Copus and Eric White from Pension Consulting Alliance presented a performance and management overview of Hansberger Growth Investors. After discussion on the Pros and Cons to consider termination of the service contract or place them on watch status, Member Wilkinson made a motion to recommend board approval to extend the watch status of Hansberger Growth Investors with a conservative, modified watch status, second by member Oznovicz. Motion passed.

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

4. **Investment Market Overview** – Mr. White reported the global market factors presently affecting the PFRS investment fund. Following this report, Member Oznovicz made a motion accept the Investment Market overview report, second by Member Wilkinson. Motion passed.

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

5. **Preliminary Quarterly Investment Performance Report through 3/31/2015** – Eric White reviewed the preliminary investment performance report of the PFRS investment fund for the quarterly period ending March 31, 2015. Following this report, Member Wilkinson made a motion to accept the informational report by PCA, second by member Oznovicz. Motion passed.

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

6. **Resolution No. 6846 – Amendment to T. Rowe Price Investment Management Agreement** – Teir Jenkins, PFRS Investment Officer, reported this item was returning to the Committee for action after

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being tabled from the March 25, 2015 Investment Committee meeting. Mr. Jenkins reported that PFRS legal counsel drafted a counter proposal to T. Rowe Price to amend the PFRS contract to allow the delegation of certain non-discretionary administrative tasks from T. Rowe Price to BNY Mellon. He said T. Rowe Price management accepted the recommended amendments. After some discussion, Member Oznovicz made a motion recommending Board approval of Resolution No. 6846, second by member Wilkinson. Motion passed.

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

7. **Local Broker Policy Report as of March 31, 2015** – Teir Jenkins reported the usage of local brokers by PFRS investment managers for Fiscal Years 2013-2014 and FY 2014-15 (Year-To-Date). He said that each PFRS investment manager would be required to submit a quarterly report with their billing statements on their activities with local brokers. The Committee discussed the nature of the investment managers who are able to use local brokers and options to improve the use of local brokers by these investment managers. Upon review of the Local Broker section of the Service Agreement, staff was directed to update section F(3) to state “quarterly” review of the investment counsel’s compliance with the section. After some committee discussion, Member Oznovicz made a motion to recommend Board approval of the Local Broker Policy Report with an amendment to the term of review in section F(3) of the Service Agreement stating “quarterly” review, second by member Wilkinson. Motion passed.

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

8. **Renewal of Service Contract – Lord Abbott** – Mr. White reported that the service contract for Lord Abbott was expiring and recommended Board approval of its renewal. He said Lord Abbott submitted a statement regarding its local broker usage. Member Wilkinson made a motion to recommend board approval of the renewal of the service contract with Lord Abbott, second by member Oznovicz. Motion passed.

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

9. **Renewal of Service Contract – The Northern Trust Company** – Mr. White reported that the Service Contract for Northern Trust was expiring and recommended Board approval of its renewal. Member Wilkinson made a motion to recommend board approval of the renewal of the service contract with the Northern Trust Company, second by member Oznovicz. Motion passed.

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

10. **Renewal of Service Contract – Transition Managers** – Mr. White reported that the service contracts of the Investment Transition Managers will be expiring soon. He recommended the transition manager pool should be renewed. Mr. Jenkins reported that the PFRS board had previously hired 4 transition managers, Credit Suisse, BNY Global Transition, State Street and Russell Implementation Services. He said only two of these four managers still provide transition management and requested Board approval to renew the service agreements for the two remaining transition managers. Mr. Jenkins recommended that the remaining Transition Investment managers pool be renewed and proceed with an RFP for additional managers. Member Oznovicz made a motion to recommend Board approval of the renewal of the service agreements for the two remaining transition managers in the Transition Manager pool, second by member Wilkinson. Motion passed.

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

11. **PCA, Inc. transformation into PCA, LLC** – Eric White reported the transformation of Pension Consulting Alliance, Inc. from a corporation to an LLC. The Committee discussed the effect of this conversion and Mr. Llamas and staff reported their work to create a new service agreement for the new business entity. Member Oznovicz made a motion to accept the informational report from PCA, second by member Wilkinson. Motion passed.

D R A F T

PFRS Investment & Financial Matters Committee Minutes

April 29, 2015

Page 3 of 3

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

Open Forum – No Report.

12. Future Scheduling – The next scheduled investment committee meeting is scheduled for Wednesday, May 27, 2015.

The meeting adjourned at 12:09 pm.

JAIME T. GODFREY, COMMITTEE CHAIRMAN

DATE

D R A F T

Presentation To:



27 May 2015

Jeffrey S. DeVack, CFA
Portfolio Specialist

John F. Masdea, CFA
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United Arab Emirates

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- 3 Investment Environment**
- 4 Oakland Police & Fire Retirement System**
- 5 Current Market Views**
- 6 Appendix**
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 - Independent Credit Research
 - GIPS® Disclosure
 - Fee Schedule
 - Biographical Backgrounds

Organizational Overview

T. Rowe Price Global Investment Platform



As of 31 March 2015

● T. Rowe Price Investment Office ● Equity Teams¹ ● Fixed Income Teams¹ ★ Trading Desk

Proprietary fundamental research is the key driver of our value-added active management

- Over 400 investment professionals and over 200 analysts globally
- Analysts and sector specialists are evaluated on near- and long-term performance and on their record of communicating ideas affecting and impacting client portfolios
- Active analyst recruitment program in all regions

Stability and Collaboration Help Promote Consistency of Approach

There is no substitute for combining individual insights with the collective experience

Long Tenure Perpetuates Our Philosophy and Investment Approach



As of 31 March 2015

Focus on Collaboration and Multiple Perspectives

- Integrating the individual perspectives of talented professionals with diverse experiences contributes to effective idea generation
- Collaboration between fixed income and equity research professionals globally enhances our fundamental research by providing insights across the capital structure
- Investment research and trading information is systematically shared across the organization to encourage knowledge transfer and transparency

Financial Strength Supports our Capabilities

- Assets under management (\$772.7 billion¹) are diversified by product and client segment
- Balance sheet remains strong and allows for continued investment in our global team

¹The combined assets under management of the T. Rowe Price group of companies as of 31 March 2015. The T. Rowe Price group of companies includes T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., and T. Rowe Price (Canada), Inc.

Perspectives and Research

As of 31 March 2015



The 2015 T. Rowe Price Investment Symposium will be held in Baltimore from September 30 - October 2, 2015. At the Symposium, you will gain timely insights into the global investment environment, engage with our seasoned investment professionals, and hear from global macro, economic and cyber security experts. We hope you can join us for this unique exchange of ideas held exclusively for our clients.

Perspectives Highlight

– International Equities: Combining Diversified and Concentrated Strategies May Improve Performance

Despite an uncertain global economic and political environment, developed international equities appear attractively priced relative to the U.S. market and their own long-term valuation averages. However, careful analysis is required to identify the traits historically associated with active management success. By combining diversified strategies and quality-oriented concentrated strategies, investors may be able to improve absolute and risk-adjusted returns.

For additional insights, visit troweprice.com/institutional. Recent pieces include:

- Traveling the Frontier Markets: Sri Lanka
- U.S. Equities: Steady As She Goes!
- EM Corporate Debt: A Bubble of Growing Opportunity

The report cover features the T. Rowe Price logo at the top right. The title 'International Equity' and 'COMBINING DIVERSIFIED AND CONCENTRATED STRATEGIES MAY IMPROVE PERFORMANCE.' are prominently displayed. Below the title, there is a section titled 'EXECUTIVE SUMMARY' containing several bullet points. At the bottom left, there is a photo of a man identified as Sam Privately, Strategic Resources Group. On the right side, there is a small note about Japanese GDP growth turning negative during the second and third quarters of 2014, and a reference to the European Central Bank's new round of aggressive stimulus measures. The bottom right corner includes a source note and a page number.

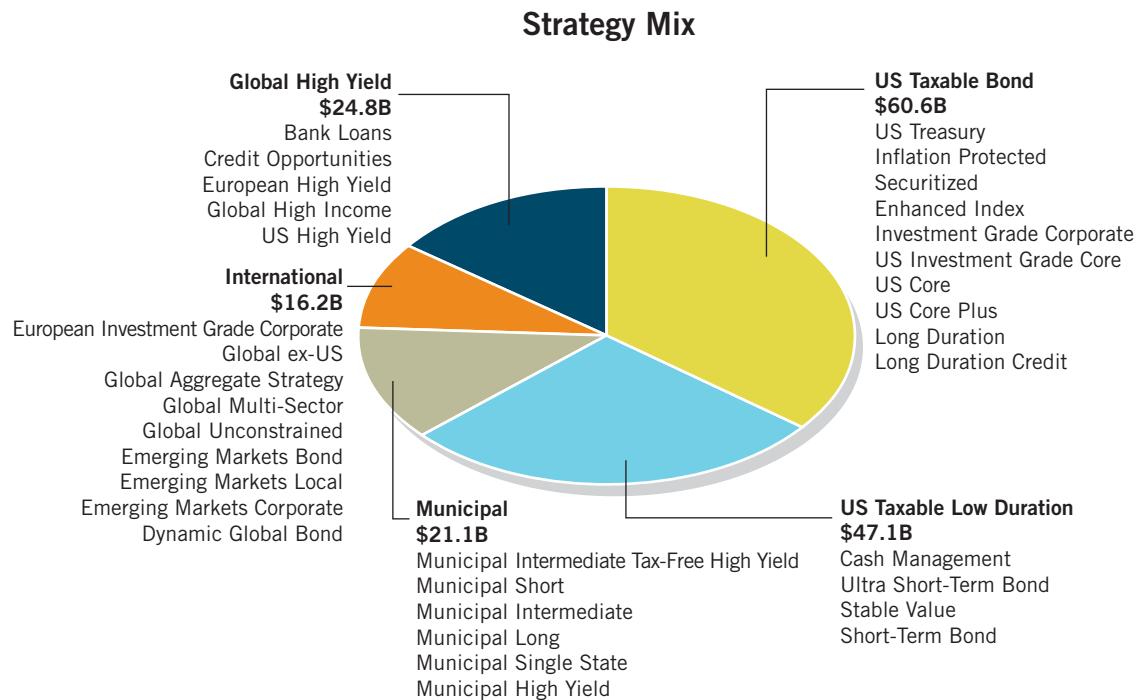
Certain of the above materials were prepared by T. Rowe Price Associates, Inc., a Registered Investment Advisor. T. Rowe Price Associates, Inc. and T. Rowe Price Investment Services, Inc. are affiliated companies.

T. Rowe Price Fixed Income Assets

Assets: \$169.8 Billion¹

As of 31 March 2015

Figures Shown in U.S. Dollars



Diversified range of strategies supported by broad sector expertise.

¹ The total fixed income assets in fixed income portfolios managed by T. Rowe Price group of companies.
Fixed income assets are categorized by management team.

T. Rowe Price Fixed Income Overview

162 Fixed Income Professionals

As of 31 March 2015

Figures Shown in U.S. Dollars

Fixed Income Profile
Established 1971 — \$169.8 billion ¹ fixed income assets under management
Diversified range of strategies supported by broad sector expertise
Seasoned portfolio management team supported by deep research resources
Portfolio management and credit research teams average 22 years ² and 13 years ³ of investment experience, respectively

Number of Professionals	
Portfolio Managers	25
Associate Portfolio Managers	5
Portfolio Manager/Analysts	6
Credit Analysts	46
Quantitative Analysts	27
Solutions	3
Economists	1
Traders	24
Trading Analysts	13
Portfolio Specialists	7
Management	5
Total Fixed Income Professionals	162

- **Investment process centered around multidisciplinary, proprietary fundamental research**
 - Focus on diversified sources of potential excess return and security selection
 - Close collaboration between fixed income and equity analysts enables broad perspective
- **Multilevel risk management process**
 - Multiple levels of review at portfolio management and steering committee levels
 - Process supported by fundamental and quantitative inputs

¹ Total fixed income assets under management of the T. Rowe Price group of companies as of 31 March 2015.

² The portfolio management team average is composed of portfolio managers and associate portfolio managers.

³ The credit research team average is composed of portfolio manager/analysts and credit analysts.

The T. Rowe Price group of companies includes T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd., and T. Rowe Price (Canada), Inc.

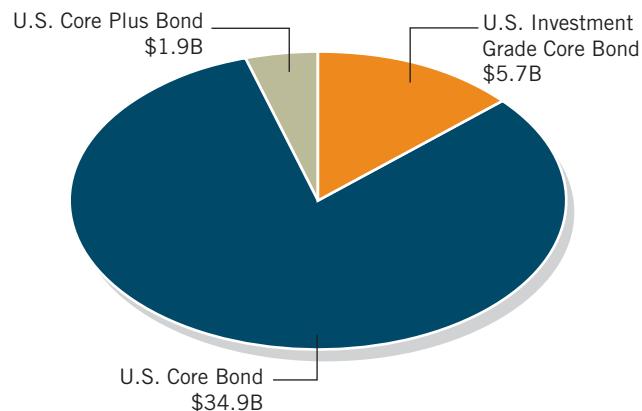
Core/Core Plus Composite Assets

Assets: \$42.5 Billion¹

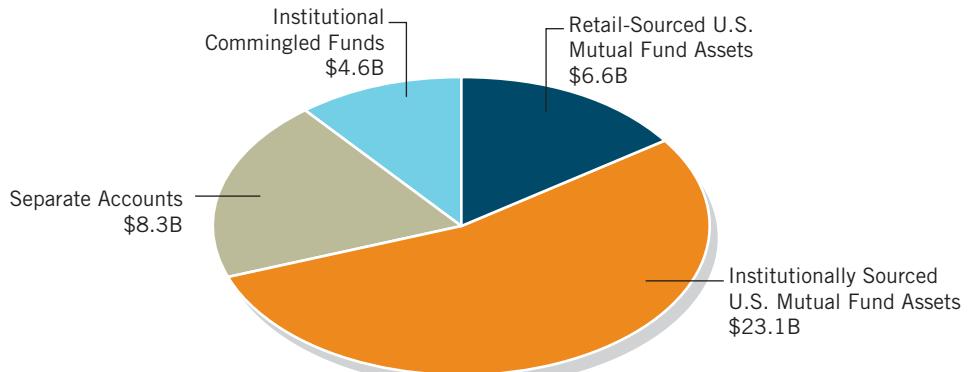
As of 31 March 2015

Figures Shown in U.S. Dollars

Total Core/Core Plus Strategy Mix



Investor Mix



Over 80% of Core/Core Plus assets are institutionally-sourced.

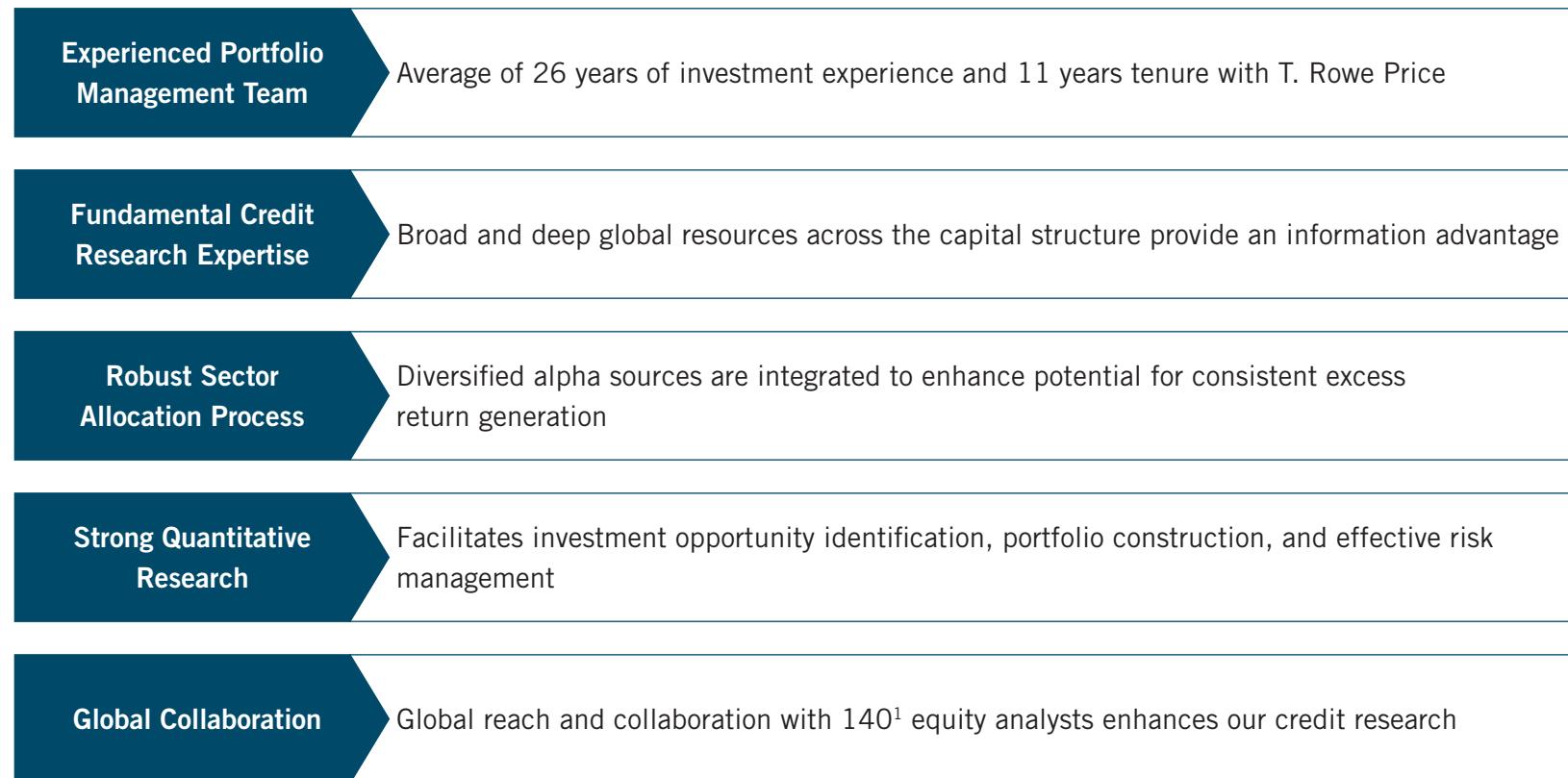
¹ The Core/Core Plus assets include the Core Fixed Income portions of the Stable Value portfolios and Personal Strategy Funds, which are grouped under different Strategies in the pie chart on page 5.

Strategy assets under management for the T. Rowe Price Mutual Funds and Common Trust Funds are calculated based on the closing price of the security in its respective market and may differ from the net asset value of the fund.

This information is not intended to be an offer or solicitation of the sale of any product to any investor in which distribution or purchase is not authorized based on the investor's domicile. The T. Rowe Price Mutual Funds are not registered for sale outside of the U.S.
Numbers may not total due to rounding.

The T. Rowe Price Core/Core Plus Advantage

As of 31 March 2015



¹ 11 sector portfolio managers, 82 research analysts, 34 associate research analysts, 6 quantitative analysts, and 7 specialty analysts as of 31 March 2015.

U.S. Investment Grade Core Bond Strategy Overview

Oakland Police & Fire Retirement System Strategy Profile

Excess Return and Tracking Error Targets

Strategy Profile	Oakland Police & Fire Retirement System
Target Value Added	50 bps
Tracking Error Range	50–100 bps
Information Ratio Range	0.5–1.0
Expected Sources of Value Added	
Sector Allocation	50%
Security Selection	30%
Duration/Yield Curve	20%
Representative Guidelines	
Primary Benchmark	Barclays U.S. Aggregate Bond Index
Duration	+/-20% Index
Quality	AA- or Better
Foreign (Hedged and Unhedged) ¹	—
High Yield	—
Below-IG Emerging Debt	—
Maximum Below-IG	—

¹ Foreign bonds include any non-U.S. dollar-denominated issue. Note that U.S. dollar-denominated investment-grade issuance is included in the Barclays government-related sector.

Investment Philosophy

Our portfolios are built on the foundation of a strong ***global research platform*** which informs both the top down strategy targets and bottom up security selection.

We believe using a ***variety of alpha levers*** enhances return generation across a range of market environments, while also providing diversification and some level of downside protection.

Our strategy is biased toward a ***valuation framework*** using a one year time horizon, with shorter term allocations ***informed by technical factors***, including flows and positioning.

We are ***risk aware*** in our approach, tailoring our risk posture to our level of conviction and available opportunities in the market.

Portfolio Management Team

As of 31 March 2015

Portfolio Strategy Team	<p>Primary Responsibilities:</p> <ul style="list-style-type: none">– Set sector/currency allocation targets– Set duration and yield curve targets– Determine portfolio risk budget	 <p>Daniel O. Shackelford, CFA Lead Portfolio Manager – US Investment-Grade Core Bond</p> <ul style="list-style-type: none">• 34 years of investment experience;• 16 years with T. Rowe Price.- B.S., University of North Carolina, Chapel Hill- M.B.A., Fuqua School of Business, Duke University	 <p>Steven C. Huber, CFA, FSA Portfolio Manager – Global Multi-Sector Bond</p> <ul style="list-style-type: none">• 27 years of investment experience;• 8 years with T. Rowe Price.- B.S., Virginia Tech- M.B.A., University of North Carolina	 <p>Brian J. Brennan, CFA Lead Portfolio Manager – US Core Plus Bond</p> <ul style="list-style-type: none">• 28 years of investment experience;• 14 years with T. Rowe Price.- B.S., Trinity College- M.A., Trinity College	 <p>Robert M. Larkins, CFA Portfolio Manager – Enhanced Aggregate Bond</p> <ul style="list-style-type: none">• 11 years of investment experience;• 11 years with T. Rowe Price.- B.S., Brigham Young University- M.B.A., The Wharton School, University of Pennsylvania	 <p>Andrew McCormick Head of U.S. Taxable Bond Portfolio Manager – Securitized Strategies Securitized Products</p> <ul style="list-style-type: none">• 32 years of investment experience;• 7 years with T. Rowe Price.- B.S., Syracuse University	 <p>Jeffrey S. DeVack, CFA Portfolio Specialist</p> <ul style="list-style-type: none">• 15 years of investment experience;• 4 years with T. Rowe Price.- B.B.A., Loyola University Maryland	<p>• Fixed Income Research Team – 79¹ Total Analysts</p> <ul style="list-style-type: none">– 52² PM/Analysts and Credit Research Analysts– 27 Quantitative Analysts and Strategists– Collaborate with 140³ Equity Research Professionals worldwide	<p>• Fixed Income Trading</p> <ul style="list-style-type: none">– 24 Dedicated Sector Traders

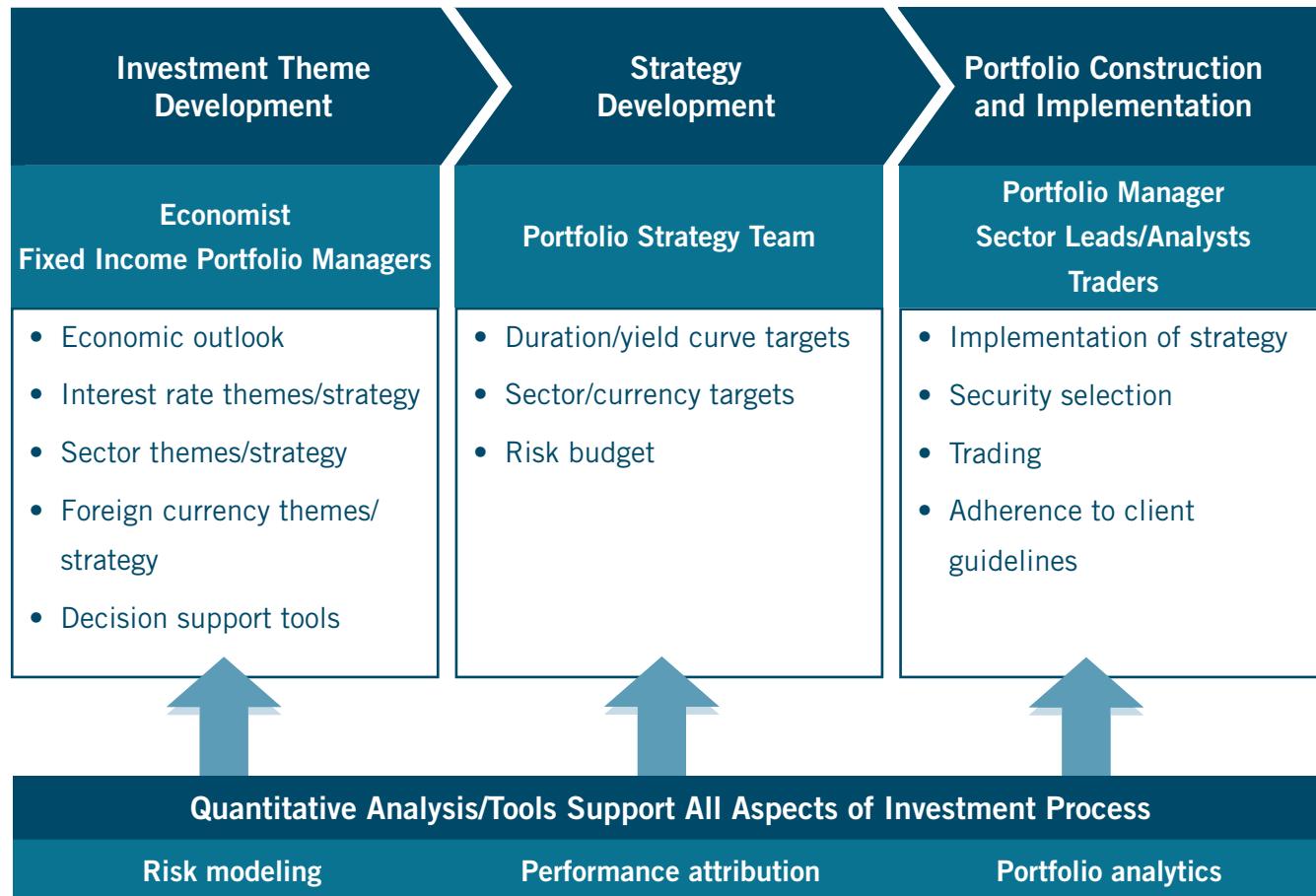
¹ Consists of 6 portfolio manager/analysts, 46 credit analysts, and 27 quantitative analysts and strategists.

² Consists of 6 portfolio managers/analysts and 46 credit analysts.

³ Consists of 11 sector portfolio managers, 82 research analysts, 34 associate research analysts, 6 quantitative analysts, and 7 specialty analysts.

Investment Process Overview

A Three-Step Process...



Formal monthly process reinforced through weekly global strategy reviews and a continual assessment of value and targets.

Investment Theme Development

Meeting Goals

	Global Economics	Interest Rate & Currency Strategy	Sector Strategy
Meeting Goals	<ul style="list-style-type: none"> • Set global economic backdrop • Discuss monetary/fiscal policy outlook scenarios • Highlight any up/downside risk factors 	<ul style="list-style-type: none"> • Highlight potential signposts/themes • Understand divergences for correlated developed markets • Screen/highlight provocative global rates opportunities • Identify major currency themes • Explore contrarian scenarios 	<ul style="list-style-type: none"> • Place each sector's valuation into an overall systematic risk and valuation framework • Sector experts provide fundamental and technical investment case for their coverage area • Highlight trends/risks/conviction and relative value within each sector
Meeting Take-Aways	<ul style="list-style-type: none"> • Baseline macro view input for interest rate and strategy meetings • PMs: Understanding of main economic risk factors which may influence market direction 	<ul style="list-style-type: none"> • PMs gain full context and conviction in rates and currency views/opportunities • PMs seeking to express rate/curve/ currency bias leave with better understanding of the cost/benefit of various expressions of their view 	<ul style="list-style-type: none"> • PMs should understand overall valuation comparison across sectors • PMs should have overview of individual sector fundamentals and risk factors
Meeting Chair	Arif Husain, CFA Head of International Fixed Income	Andrew C. McCormick Head of U.S. Taxable Bond	Steven C. Huber, FSA, CFA Head of Portfolio Strategy

Individual Portfolio Strategy Teams

Leverage analysis gathered to best optimize targets for their respective strategies

Sector Allocation

Curve / Duration

Currency and Local Rates

Risk Budget

Portfolio Construction and Implementation

As of 31 March 2015

Baltimore Associate
London Associate
Hong Kong Associate

GLOBAL HIGH YIELD/BANK LOANS

Mark J. Vasilkov <i>Head of Global High Yield Team</i>	Paul Karpers, CFA <i>Portfolio Manager</i>	Paul M. Massaro, CFA <i>Portfolio Manager</i>
--	--	---

GLOBAL HIGH YIELD/BANK LOANS PORTFOLIO MANAGER/ANALYSTS

Michael F. Connelly, CFA <i>European High Yield, Services</i>	Stephen M. Finamore, CFA <i>High Yield – Entertainment and Leisure, Financials</i>
Michael Della Vedova <i>European High Yield</i>	

GLOBAL HIGH YIELD/BANK LOANS CREDIT RESEARCH ANALYSTS

Jason A. Bauer, CFA¹ <i>Broadcasting, Cable, Consumer Products, Telecommunications</i>	Michael T. Hyland <i>Chemicals, Manufacturing</i>
Andrew L. Cohen, CFA <i>Automotives, Metals & Mining, Utilities</i>	Andrew P. Jamison, CFA, CPA <i>Energy, Technology</i>
Carson R. Dickson, CFA, CPA <i>Aerospace/Defense, Airlines, Containers, Forest Products, Publishing, Retail, Transportation</i>	Rodney Rayburn, CFA <i>Distressed and Special Situations</i>
Divya Gopal <i>Food & Tobacco, Restaurants, Services, Supermarkets</i>	Jamie Shin <i>Health Care, Wireless Telecommunications</i>
	Michael J. Trivino, CFA <i>Building Products, Gaming, Homebuilders, Lodging, REITs</i>
	David A. Yatzeck, CFA <i>European High Yield</i>

GLOBAL HIGH YIELD/BANK LOANS QUANTITATIVE RESEARCH ANALYSTS

John Fitzgerald <i>Portfolio Investment Analyst</i>
Gregory A. Lewis, CPA <i>Manager – Portfolio Modeling</i>
Peggy A. Meckel <i>Portfolio Investment Analyst</i>

GLOBAL HIGH YIELD/BANK LOANS TRADERS

Joseph B. Amoyal
Brian E. Burns
Paul M. Cable
Brian A. Rubin, CPA

GLOBAL SOVEREIGN & EMERGING MARKETS

Arif Husain, CFA <i>Head of International Team</i>	Michael J. Conelius, CFA <i>Portfolio Manager</i>	Andrew J. Keirle <i>Portfolio Manager</i>
Steven C. Huber, CFA, FSA <i>Portfolio Manager</i>	Ju Yen Tan <i>Portfolio Manager</i>	Chris J. Rothery <i>Portfolio Manager</i>

GLOBAL SOVEREIGN & EMERGING MARKETS PORTFOLIO MANAGER/ANALYSTS

Samy B. Muaddi, CFA <i>Emerging Markets Banks</i>	Kenneth A. Orchard, CFA <i>Developed Sovereign</i>
---	--

SOVEREIGN CREDIT RESEARCH ANALYSTS

Roy Adkins <i>Africa and Middle East Sovereign</i>
Peter Botoucharov <i>Central and East European Sovereign</i>
Richard L. Hall <i>Latin America Sovereign</i>
Christopher J. Kushlis, CFA <i>Asia Sovereign</i>
Ivan Morozov, CFA <i>European Sovereign</i>
Michael D. Oh, CFA <i>Latin America Sovereign</i>

CORPORATE CREDIT RESEARCH ANALYSTS

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Sheldon Chan <i>Asian Corporates</i>
Carolyn Chu, CPA¹ <i>Asian Corporates</i>
Christopher C. Loop, CFA¹ <i>EMEA Corporates</i>
Mariel Santiago <i>Latin America Corporates</i>
Siby Thomas, CFA <i>Latin America Corporates</i>

GLOBAL SOVEREIGN & EM QUANTITATIVE RESEARCH ANALYSTS

Chris Copsey <i>Portfolio Investment Analyst</i>	Diana H. Panunzio <i>Portfolio Investment Analyst</i>
Lucy Dwyer, CFA <i>Portfolio Investment Analyst</i>	Rebecca L. Setcavage <i>Portfolio Investment Analyst</i>
David J. Hynes <i>Portfolio Investment Analyst</i>	Alexander Strey, CFA <i>Quantitative Investment Analyst</i>
Oliver Gjoneski, PhD <i>Quantitative Investment Analyst</i>	Richard Wagreich, Ph.D.¹ <i>Quantitative Investment Analyst</i>
Ricky Kotecha, CFA¹ <i>Quantitative Investment Analyst</i>	Victor Weinblatt, CFA <i>Portfolio Investment Analyst</i>
Claire Ng <i>Portfolio Investment Analyst</i>	Grace Zheng, PhD, CFA, FRM <i>Quantitative Investment Analyst</i>

GLOBAL SOVEREIGN, EM AND CURRENCY TRADERS

Toby Baker
Paul M. Cable
Carolyn Contney
Bridget A. Ebner
Griffin Frank
Joseph S. Gilbert
Alastair Gilmour
Leonard C. Kwan, CFA

Associates
24

Average years of investment experience
14

Assets under management²
\$27B^{3,4}

Associates
40

Average years of investment experience
12

Assets under management²
\$19B^{3,4}

¹ Team Leader.

² This figure represents investments in this strategy across all fixed income products excluding some asset allocation accounts.

³ As of 31 March 2015.

⁴ Contains High Yield assets that are tied to Emerging Market Countries.

Portfolio Construction and Implementation

As of 31 March 2015

Baltimore Associate
London Associate
Hong Kong Associate

GLOBAL INVESTMENT GRADE CORPORATE

David A. Tiberii, CFA Portfolio Manager	David X. Stanley Portfolio Manager	Steven E. Boothe, CFA Associate Portfolio Manager
---	--	---

GLOBAL INVESTMENT GRADE CORPORATE PORTFOLIO MANAGER/ANALYST

Howard Woodward, CFA

European Consumer Products, Building Materials, Global Autos, Retail

GLOBAL INVESTMENT GRADE CORPORATE CREDIT RESEARCH ANALYSTS

Steven G. Brooks, CFA¹

Aerospace/Defense, Building Products, Consumer Products, Leisure

Michael Lambe, CFA¹

European Energy, Telecommunications, Utilities

Matthew Lawton

Health Care, Pharmaceuticals, Transportation, U.S. Regional Banks

Alex S. Obaza, CFA

Capital Goods, Global Insurance, Manufacturing, Technology

Miso Park, CFA

European Chemicals, Aerospace/Defense, Industrials, Services, Global Tobacco/Beverages

Theodore E. Robson, CFA

Brokers, REITs, U.S. Money Center Banks, Asian Banks

Brian M. Ropp, CPA

Energy, Natural Gas Pipelines

Elliot J. Shue, CFA

Chemicals, Metals & Mining, Paper

Kimberly A. Stokes

Electric Utilities

Robert D. Thomas

European Banks, Supranationals

Lauren M. Wagandt, CFA

Cable, Media, Retail, Telecommunications

GLOBAL INVESTMENT GRADE CORPORATE QUANTITATIVE RESEARCH ANALYSTS

Scott D. Solomon, CFA

Portfolio Investment Analyst

Timothy J. Techathuvanan, Ph.D.

Quantitative Investment Analyst

GLOBAL INVESTMENT GRADE CORPORATE TRADERS

Michael P. Daley

Michael J. Grogan, CFA

Vernon A. Reid

SECURITIZED

Andrew C. McCormick Head of U.S. Taxable Bond Team	Chris Brown, CFA Associate Portfolio Manager	Keir R. Joyce, CFA Associate Portfolio Manager
--	--	--

SECURITIZED CREDIT RESEARCH ANALYSTS

Alisa Fiumara-Yoch, CFA

Commercial Mortgage Backed Securities (CMBS), Asset Backed Commercial Paper (ABCP)

Ramon R. de Castro

Residential Mortgage Backed Securities (RMBS)

Theodore E. Robson, CFA

Commercial Mortgage Backed Securities (CMBS)

Evan S. Shay

Government Sponsored Enterprises (GSE) Credit, Asset Backed Securities (ABS)

Susan G. Troll, CPA¹

Asset Backed Securities (ABS), Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS)

SECURITIZED QUANTITATIVE RESEARCH ANALYSTS

Anil Andhavarapu, CFA

Quantitative Investment Analyst

Steven Kohlenstein, CFA

Portfolio Investment Analyst

Andrew T. Molchan

Portfolio Investment Analyst

Anne Wang, Ph.D., CFA¹

Quantitative Investment Analyst

Rick Zhang, CFA

Quantitative Investment Analyst

SECURITIZED TRADERS

Michael Sewell, CFA

John D. Wells

Associates

20

Average years of investment experience

15

Assets under management²

\$30B³

Associates

15

Average years of investment experience

15

Assets under management²

\$30B³

¹ Team Leader.

² This figure represents investments in this strategy across all fixed income products excluding some asset allocation accounts.

³ As of 31 December 2014.

Portfolio Construction and Implementation

As of 31 March 2015

Baltimore Associate
London Associate
Hong Kong Associate

MUNICIPAL

Hugh D. McGuirk, CFA <i>Head of U.S. Municipal Team</i>	Charlie B. Hill, CFA <i>Portfolio Manager</i>	Konstantine B. Mallas <i>Portfolio Manager</i>
James M. Murphy, CFA <i>Portfolio Manager</i>		

MUNICIPAL RESEARCH ANALYSTS

Austin L. Applegate, CFA <i>Transportation, Hospitals, Real Estate</i>	Sarah J. Engle <i>General Obligations, Public Power, Water and Sewer</i>
R. Lee Arnold, CFA¹ <i>Life Care/Nursing, Real Estate, Tribal Gaming</i>	Marianna Korpusova, CFA <i>General Obligations, Water and Sewer</i>
Colin T. Bando <i>Ground Transportation, Tobacco</i>	Marcy M. Lash <i>Hospitals</i>
G. Richard Dent, J.D. <i>Charter Schools, Education, Student Housing</i>	Linda A. Murphy¹ <i>General Obligations, Hotels/Conference Centers, Housing, Water and Sewer</i>
Charles E. Emrich <i>General Obligations, Public Power, Solid Waste, Water and Sewer</i>	

MUNICIPAL QUANTITATIVE RESEARCH ANALYST

James T. Lynch, CFA <i>Portfolio Investment Analyst</i>	MUNICIPAL TRADERS
	Timothy G. Taylor, CFA T. Dylan Jones, CFA

Associates
16

Average years of investment experience
17

Assets under management²
\$21B³

¹ Team Leader.

² This figure represents investments in this strategy across all fixed income products excluding some asset allocation accounts.

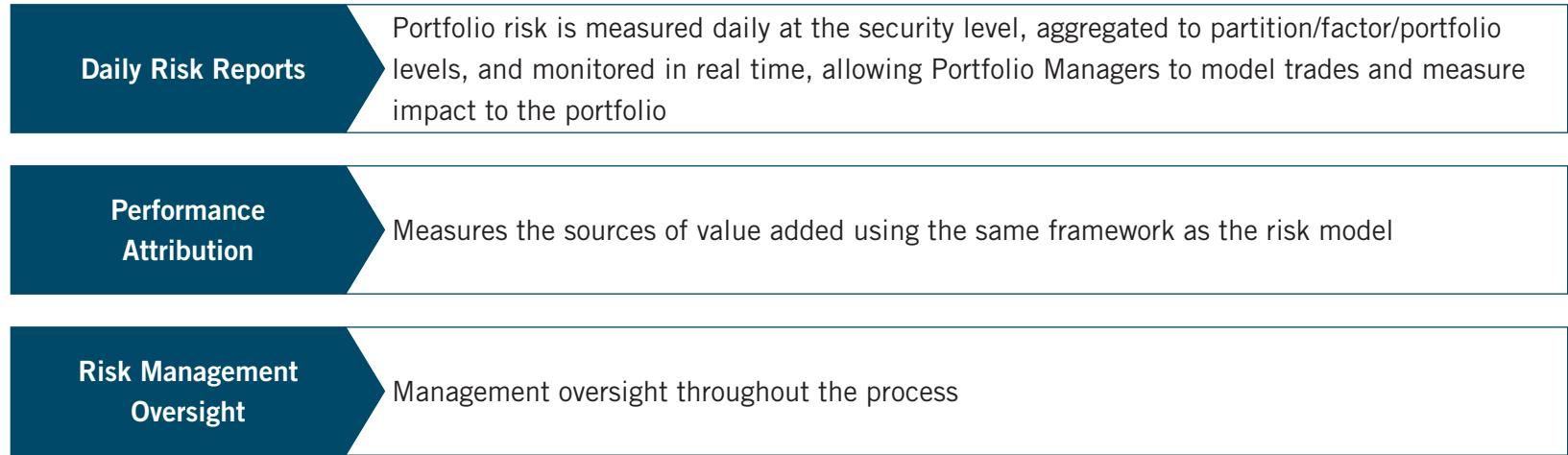
³ As of 31 December 2014.

A Culture of Collaboration

As of 1 April 2015

HEAD OF EQUITY		DIRECTORS OF EQUITY RESEARCH				ASSOCIATE DIRECTORS OF EQUITY RESEARCH			
William Stromberg, CFA	BAL	Jason Polun, CFA North America	BAL	Thomas Watson, CFA North America	BAL	Mitchell Todd, CA Developed Europe	LON	Andrew Davis North America	BAL
Eric Veiel, CFA North America	BAL	Kamran Baig EMEA and Latin America	LON	Kes Visuvalingam, CFA Asia	SGP	Viral Patel Australia	SYD		
HEALTH CARE		INDUSTRIALS		TECHNOLOGY		CONSUMER/RETAIL		FINANCIAL SERVICES	
Ziad Bakri, CFA, MD U.S. Biotech	BAL	Peter Bates, CFA ¹ U.S. Conglomerates	BAL	Kennard Allen ¹ U.S. Hardware/Software	BAL	Gbemi Adeniyi-Williams LON EMEA Generalist/Consumer		Malik Asif EMEA Banks	LON
Melissa Gallagher, Ph.D. O.U.S. Pharma	LON	Andrew Davis U.S. Transports	BAL	Rhett Hunter U.S. Smid-Cap Generalist	BAL	Paulina Amieva BAL Latin America Generalist		Hari Balkrishna Europe Banks & Autos	LON
Adam Poussard, CFA U.S. Services & Equipment	BAL	Ryan Ferro U.S. Smid Industrials	BAL	Tobias Mueller, CFA LON Europe Semi./Software	BAL	Ira Carnahan, CFA BAL U.S. Consumer Discretionary		Christopher Fortune, CFA U.S. Small Cap Banks	BAL
Kyle Rasbach, Ph.D., Pharm.D. U.S. Pharma/Biotech	BAL	Joel Grant U.S. Autos	BAL	Hiroaki Owaki, CFA TOK Japan Generalist	BAL	Eric DeVilbiss, CFA BAL U.S. Restaurants/Agriculture		Jon Friar U.S. Banks/Payment	BAL
Taymour Tamaddon, CFA ¹ U.S. Pharma/Biotech	BAL	Curt Organ, CFA U.S. Small Cap Generalist	BAL	Joshua Spencer, CFA ¹ U.S. Semi./Equipment	BAL	Amanda Hall, CFA LON Europe Consumer		Tetsuji Inoue, CPA Japan Banks/REITs	TOK
Jon Wood, CFA U.S. Medical Devices/Tools	BAL	Austin Powell, CFA TOK Japan Manufacturing/Autos	BAL	Alan Tu U.S. Software	BAL	Barry Henderson U.S. Hard Goods/Gaming		Nina Jones, CPA ¹ U.S. Real Estate	BAL
Jeneiv Shah European Industrials	LON	David Rowlett, CFA U.S. Aerospace & Defense	BAL	Thomas Watson, CFA U.S. Software	BAL	Michael Jacobs Japan Retail/Leisure		Yoichiro Kai, CMA Asia Banks/Insurance	SGP
Rouven Wool-Lewis, Ph.D. U.S. Services & Hospitals	BAL	Eunbin Song, CFA HKG Asia Ex Japan Auto/C&E	HKG	Alison Yip Asia Ex-Japan Hardware	HKG	Robert Quinn, Jr. U.S. Consumer Staples		Gregory Locraft, Jr. U.S. P&C Insurance	BAL
						Sebastian Schrott LON European Luxury/Retail		Ian McDonald, CFA U.S. Exchanges/Life Ins.	BAL
BUSINESS SERVICES						Amit Seth U.S. Brands/Footwear		Jihong Min Southeast Asia Banks	SGP
Michael Flanagan, CFA BAL U.S. Bus. Serv./Industrials						Vivian Si U.S. Mass Merch. / Apparel		Preeta Ragavan U.S. Real Estate	BAL
Clark Shields U.S. Trans. Processors/Other								Frederick Rizzo, CFA Europe Banks	LON
								Matt Snowling, CFA U.S. Asset Managers/ Brokers	BAL
								Gabriel Solomon ¹ U.S. Money Center/Insur.	BAL
								Zenon Voyatzis Europe Insur./Financials	LON
								John Sherman European Chemicals/Indus.	LON
								John Williams, CFA U.S. Refining/Pipelines	BAL
								Rick de los Reyes ¹ Metals & Mining	BAL
								Thomas Shelmerdine SYD Australian Metals & Mining	
								John Sherman European Chemicals/Indus.	LON
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Risk Management and Performance Measurement



Risk modeling and portfolio simulation allows Portfolio Strategy Team to explicitly budget risk across active bets.

Risk Management: Scenario Analysis

- Our proprietary scenario tool leverages our internal risk model to provide portfolio managers on-demand modeling capabilities based on a variety of predefined or custom scenarios
- Risk model features over 150 individual factors
- Expected returns summarized by factor and a detailed breakdown, according to strategy

The screenshot displays the Quantifi Scenario Analysis Tool interface. On the left, a sidebar lists historical events and scenarios, including "APPBQ06", "FXIBF34", "Sep-Oct 2008 (12-Sep-2008 - 27-Oct-2008)", "2007-2009 Credit Crisis (22-Feb-2007 - 09-Mar-2009)", "2007-2008 Oil Price Run-up (18-Jan-2007 - 03-Jul-2008)", "2003 Bond Market Decline (13-Jun-2003 - 31-Jul-2003)", "FED's tapering news (18-Jun-2013 - 25-Jun-2013)", "Spread Tightening (31-Mar-2009 - 31-Aug-2009)", "DXY Depreciates (07-Jun-2010 - 06-Aug-2010)", "September 11th (9-Sep-2001 - 21-Sep-2001)", ".com Slowdown (10-Mar-2000 - 9-Oct-2002)", "Long-Term Capital Management (23-Sept-1998 - 8-Oct-1998)", "1998 Russian Crisis (17-Aug-1998 - 13-Oct-1998)", "Debt Ceiling Resolution (28-Dec-2012 - 11-Jan-2013)", and "LNDAG30".

The main window shows a table of historical shocks as bps for various scenarios. The columns include User Shocks, Forecasted Shocks, Current Level, Shocked Market Level, Portfolio Exposure, Benchmark Exposure, Net Exposure, Portfolio Shocks (bps), Benchmark Return Shocks (bps), and Relative Return Shocks (bps). A summary table on the right provides a breakdown of absolute and relative returns for different asset classes.

Item	Absolute Return (bps)	Relative Return (bps)
ABS	13	11
Cash	-156	-156
CMBS	80	54
Corporates	273	-121
CPRMBS	59	59
Cvt/Eq./Other	-62	-62
Government Related	27	18
High Yield	103	102
INTL - Developed Non-Dollar	308	180
INTL - Emerging Dollar	125	122
INTL - Emerging Non-Dollar	50	50
Leveraged Loans (Bank Debt)	307	307
Miscellaneous	0	0
Mortgages	-22	-7
NA	0	0
Total = 1,084	Total = 536	

This information demonstrates, in part, the firm's risk/return analysis. This material is provided for informational purposes only and should not be used to forecast future returns for any investment product. This material is not intended to be investment advice or a recommendation to take any particular investment action.

Investment Environment

U.S. Economic Outlook

As of April 2015

Base case outlook

- **Growth:** Gradual firming as headwinds fade. Q1 weakness due to harsh winter, oil industry capital expenditures correction to prove short-lived
 - Structural fiscal policy stance easing in 2015, first time since 2009.
 - Upturn in household formation points to resumption of housing recovery.
 - Consumer spending buoyed by income growth, easing non-mortgage credit terms.
 - Business capital spending replacement cycle has further to run.
- **Labor market/unemployment:** continued healing
 - 2015 employment growth pegged at 220,000/month (2014 avg. 246,000).
 - Unemployment rate falls to 5.1% at end-2015 (assuming stable participation rate).
- **Inflation:** gradual cyclical core reflation, with overlay pass-through of lower oil prices
 - Core inflation making a gradual cyclical turn higher, driven over time by diminishing economic slack, particularly in housing, labor markets.
 - Impact of 2014 H2 oil price plunge on headline price indexes is over; weight of Jul14-Mar15 dollar appreciation on non-energy tradable goods prices beginning to ease.
- **Monetary Policy:** Gradual, data-dependent policy normalization to begin at mid-year
 - “Liftoff” – the initial rate hike – is slated for mid-2015. The threshold is high for deviating from this timing: progress toward the full employment side of the Fed’s dual mandate is the primary driver, and financial stability concerns are motivating the Fed to get off of zero.
 - Progress toward the Fed’s 2% inflation objective will figure more prominently in the pace of subsequent rate hikes. FOMC participants’ forecasts center on 50 basis points of rate hikes this year, 125 bp in 2016.
 - The Fed will maintain its policy of reinvesting proceeds from its securities portfolio until after it begins raising interest rates. We expect this approach to carry the reinvestment policy well into 2016, until the cycle of interest rate normalization is well-established.

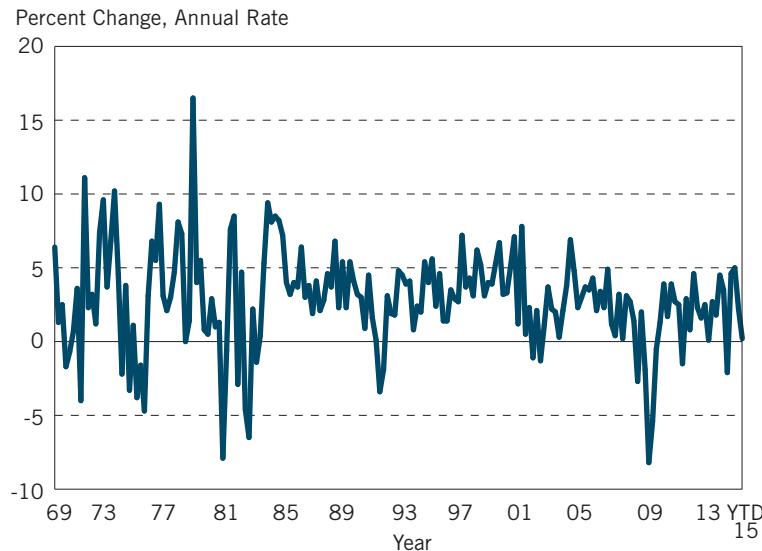
Key risk factors

- **Upside**
 - **Faster consumer spending:** solid nominal labor income growth, lower oil prices and falling food inflation, easier credit terms, could boost the spending pace.
 - **Faster housing recovery:** vacancy rates are low, and household formation is showing signs of a belated pickup, raising the possibility of a sharper recovery in new construction.
- **Downside**
 - **Weakness abroad** could slow U.S. exports and export-related capital spending.
 - **A deeper energy sector shake-out** would impose a more significant drag on business hiring and capital investment, and could have noticeable spillover to other sectors of the economy.

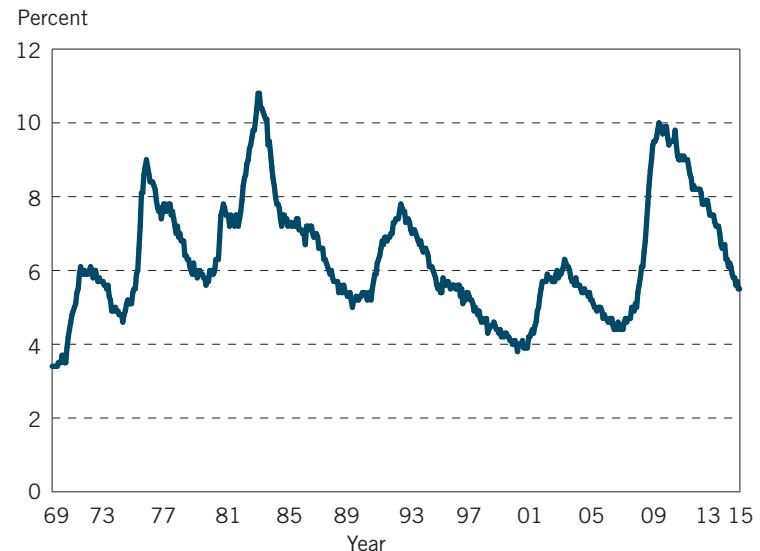
U.S. Economic Data

As of 31 March 2015

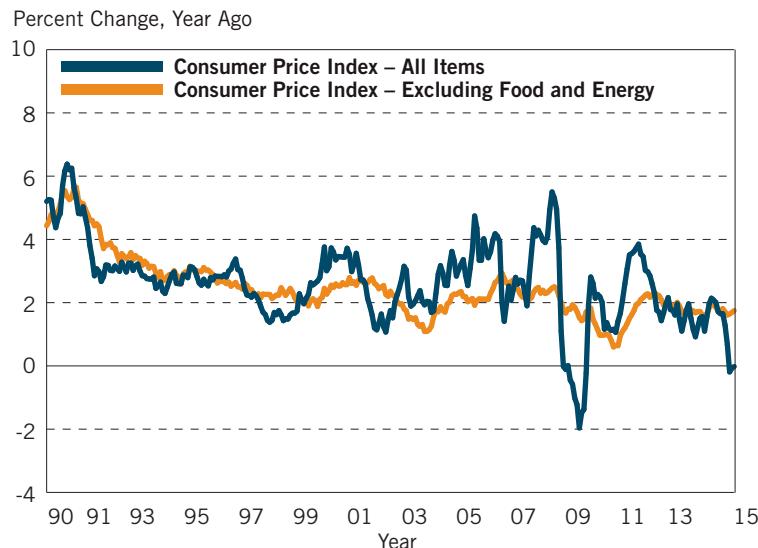
Real GDP



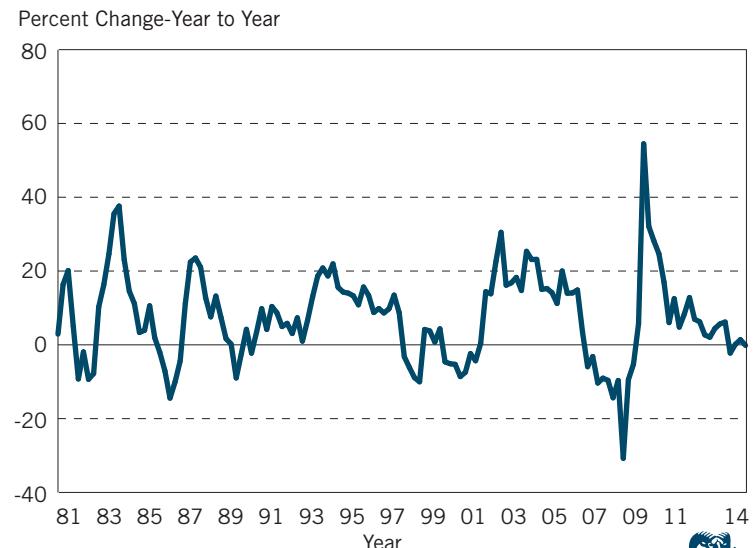
Unemployment Rate



Inflation



Corporate Profits¹

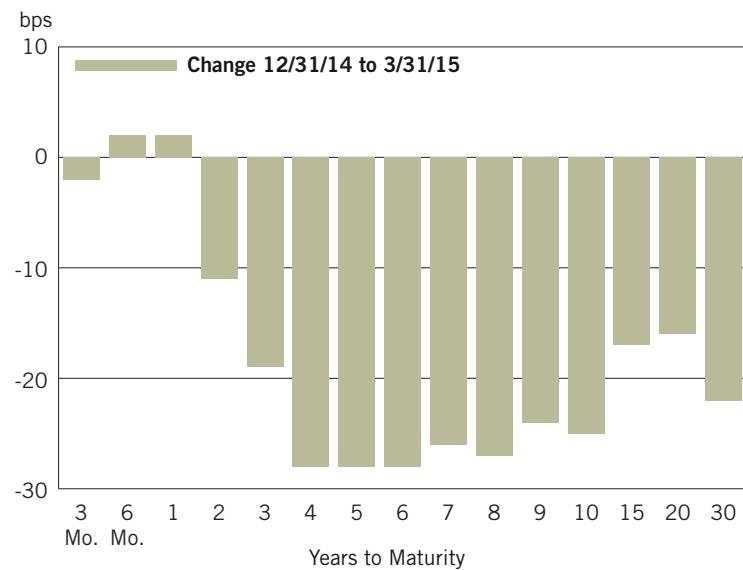
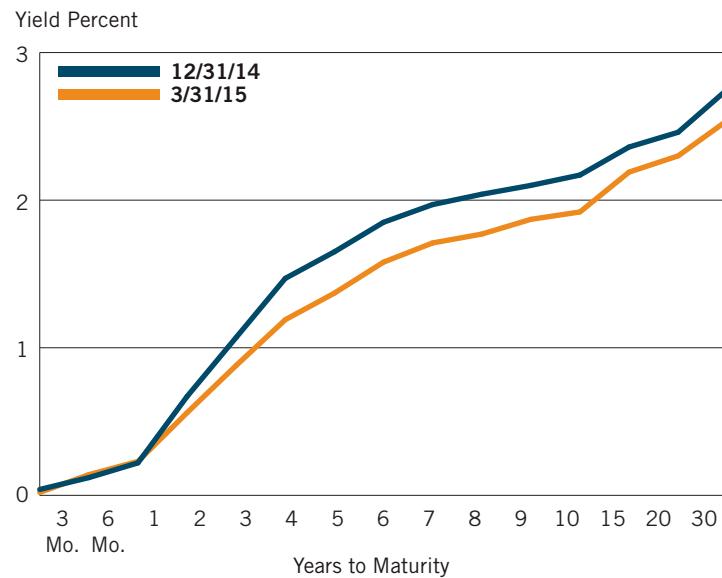


¹ As of 31 December 2014.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, and Haver Analytics.

U.S. Treasuries — Interest Rate Levels

Three Months Ended 31 March 2015



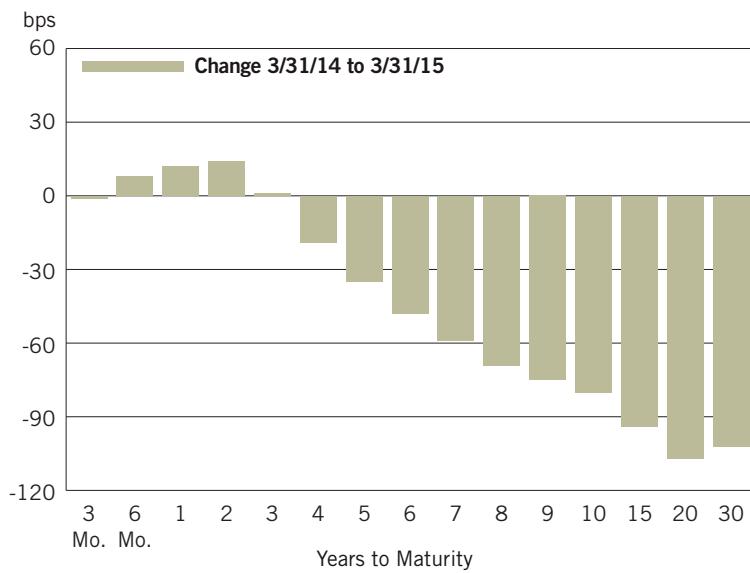
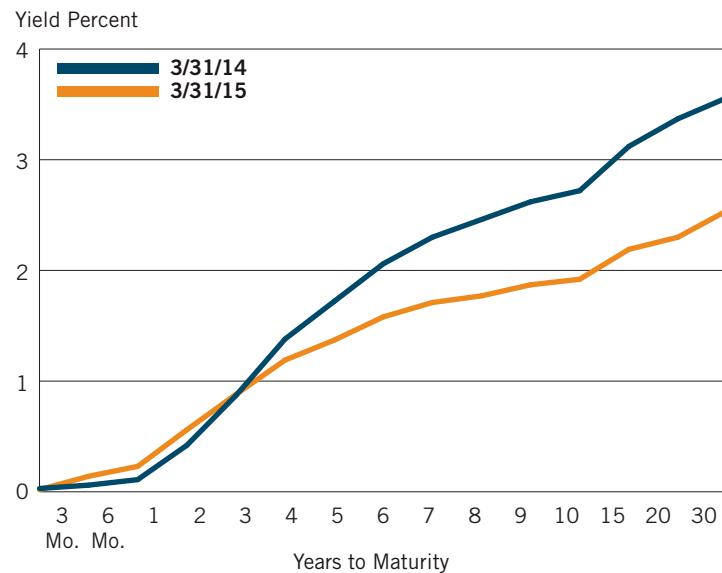
	12/31/14	3/31/15	Change in bps
2 Years	0.67%	0.56%	-11
5 Years	1.65	1.37	-28
10 Years	2.17	1.92	-25
30 Years	2.75	2.54	-22

Source: Yieldbook.

Past performance cannot guarantee future results.

U.S. Treasuries — Interest Rate Levels

One Year Ended 31 March 2015



	3/31/14	3/31/15	Change in bps
2 Years	0.42%	0.56%	14
5 Years	1.72	1.37	-35
10 Years	2.72	1.92	-80
30 Years	3.56	2.54	-102

Source: Yieldbook.

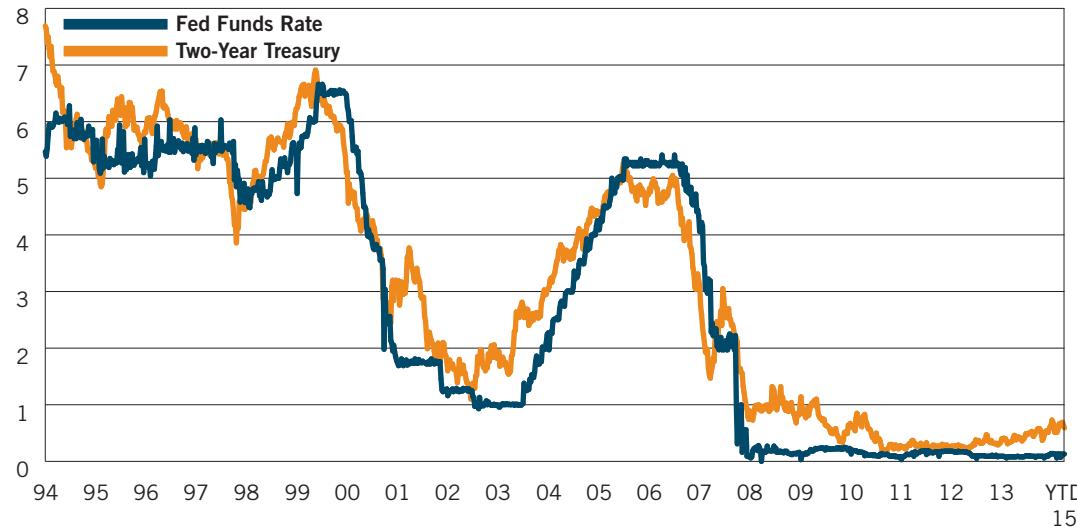
Past performance cannot guarantee future results.

Selected Interest Rates

Weekly Closing Levels

31 December 1994 Through 31 March 2015

Percent



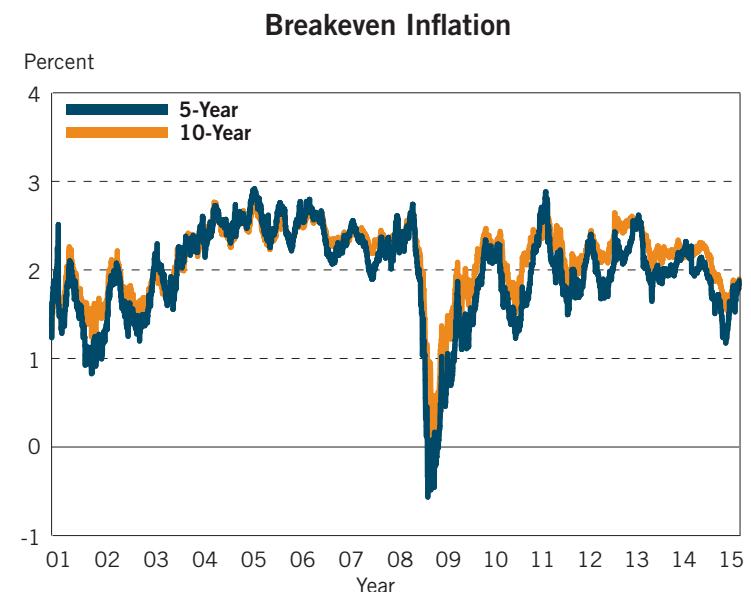
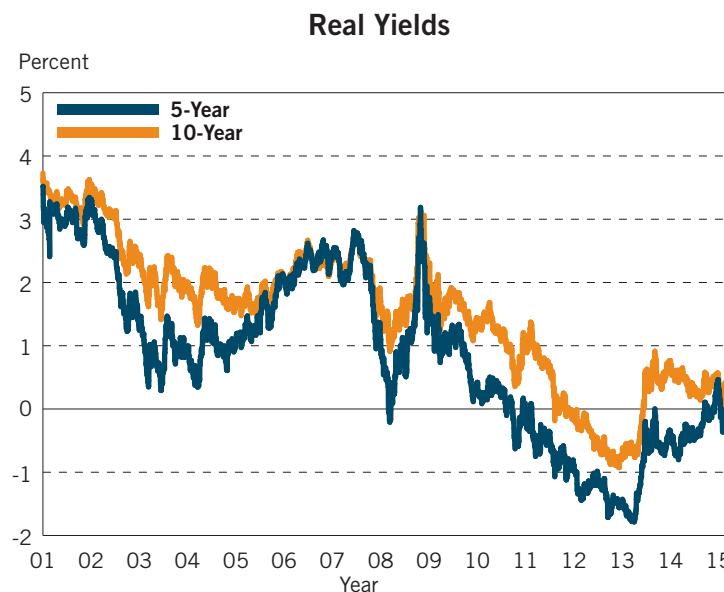
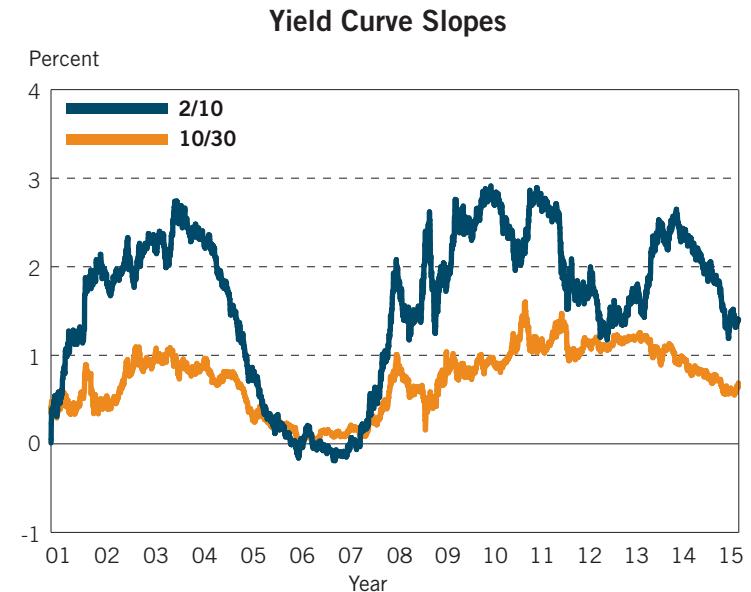
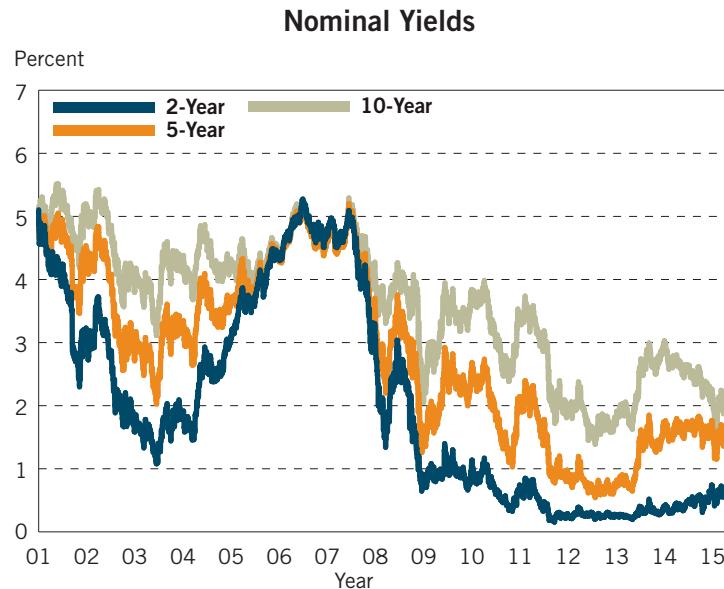
Two Year Treasury Yield Minus Fed Funds Rate

Basis Points



Historical Treasury Yields and Breakeven Inflation

As of 31 March 2015

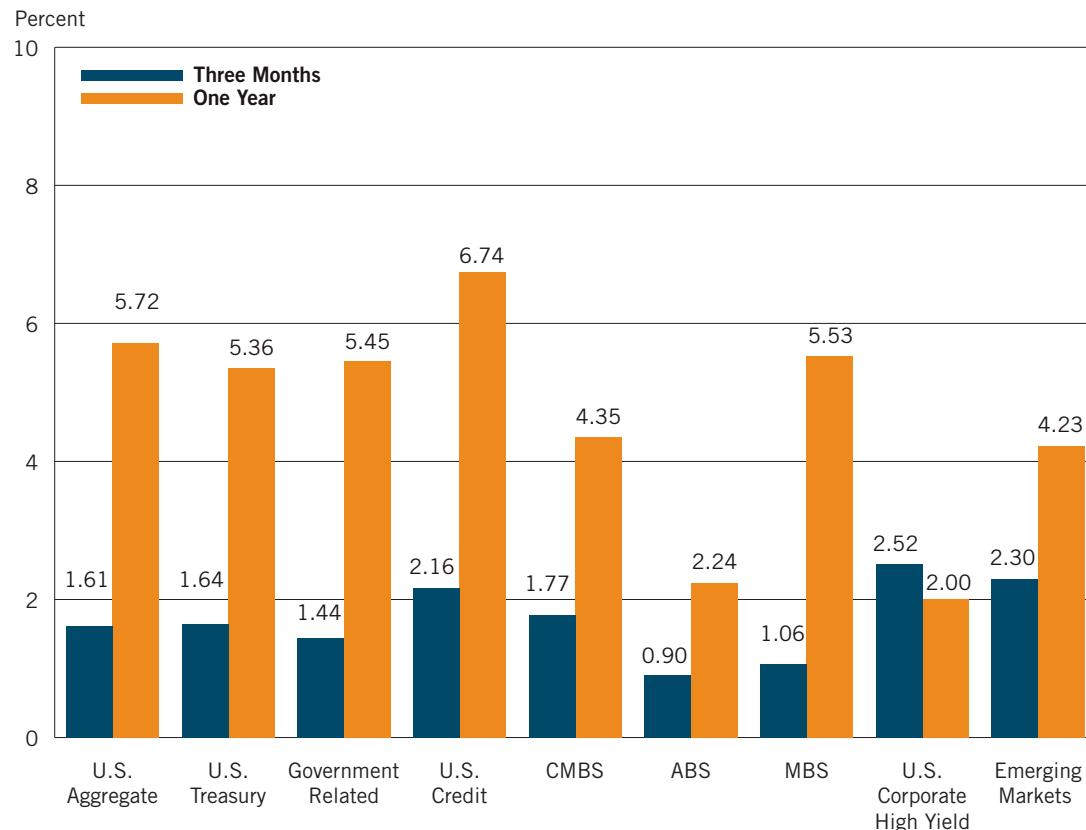


Sources: Barclays and T. Rowe Price.

Total Return by Sector

Nominal

As of 31 March 2015



Source: Barclays.

Performance shown represents sectors within the Barclays U.S. Aggregate Bond Index. U.S. Corporate High Yield is the U.S. portion of the Global High Yield Index.

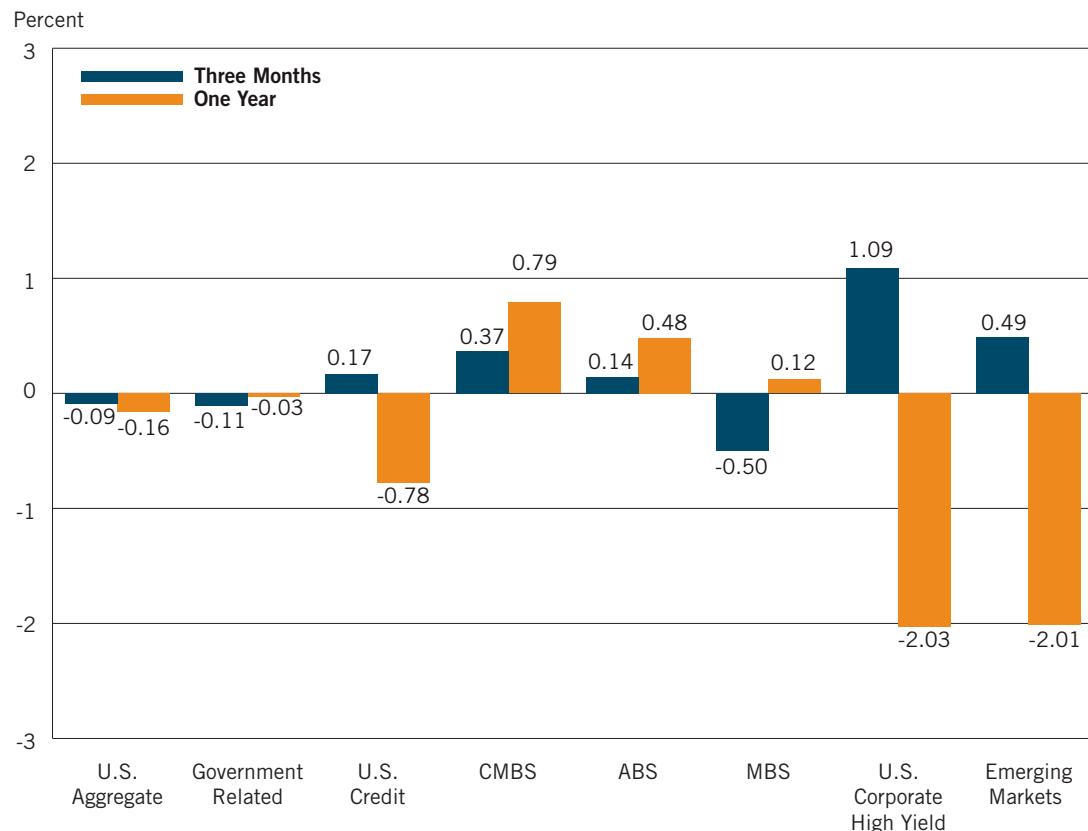
Emerging Markets is represented by the index group in Barclay's Live.

Past performance cannot guarantee future results.

Total Return by Sector

Excess¹

As of 31 March 2015



¹ Duration-adjusted returns. The returns are the excess returns over treasuries.

Source: Barclays.

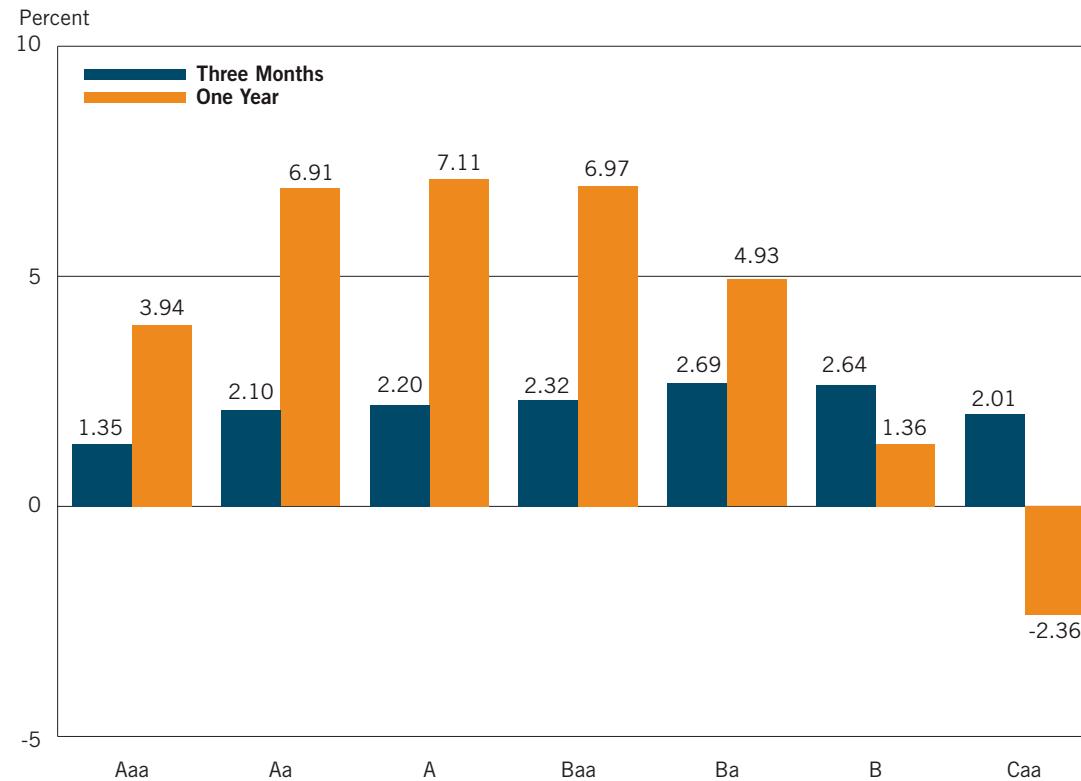
Performance shown represents sectors within the Barclays U.S. Aggregate Bond Index. U.S. Corporate High Yield is the U.S. portion of the Global High Yield Index. Emerging Markets is represented by the index group in Barclay's Live.

Past performance cannot guarantee future results.

Total Return by Credit Quality

Nominal

As of 31 March 2015



Source: Barclays.

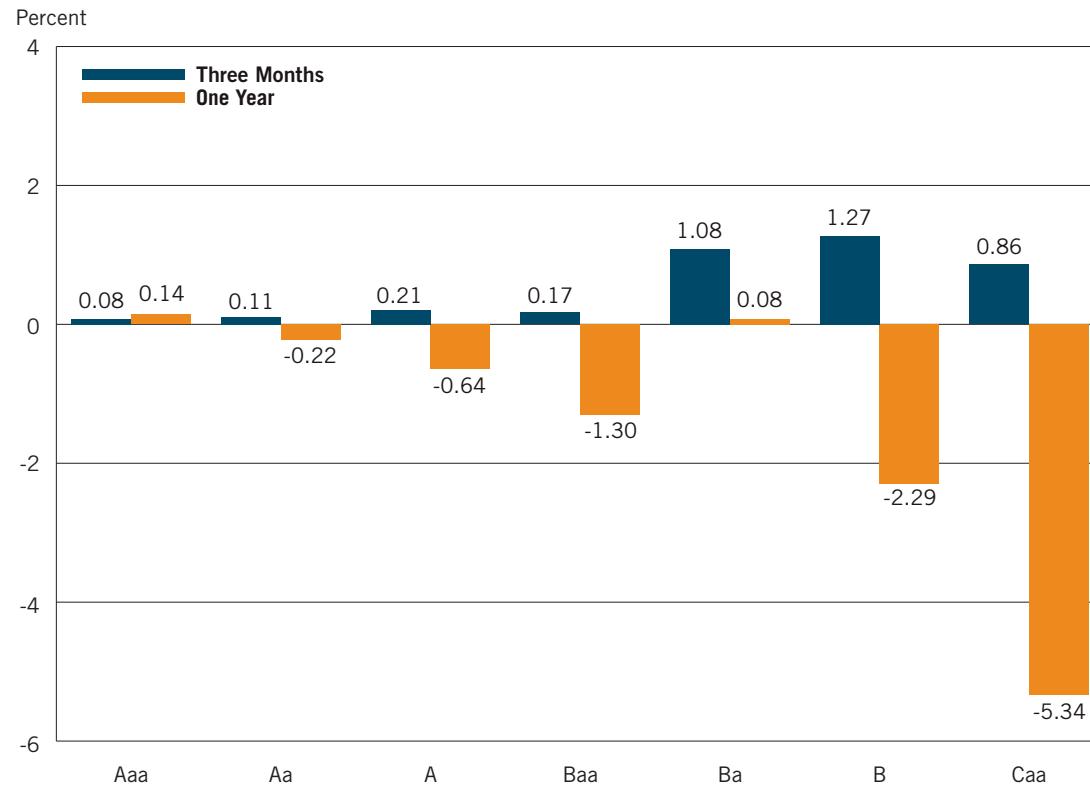
Performance shown represents sectors within the Barclays U.S. Credit and U.S. High Yield Indices.

Past performance cannot guarantee future results.

Total Return by Credit Quality

Excess¹

As of 31 March 2015



¹ Duration-adjusted returns. The returns are the excess returns over treasuries.

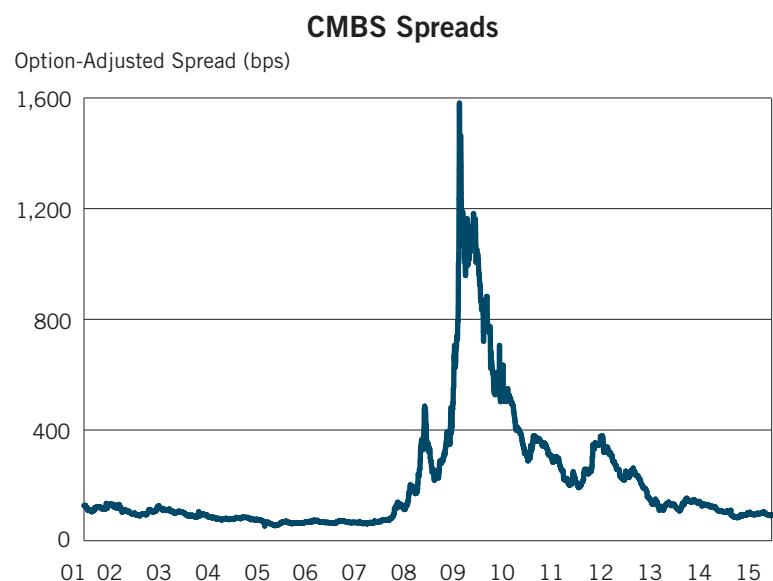
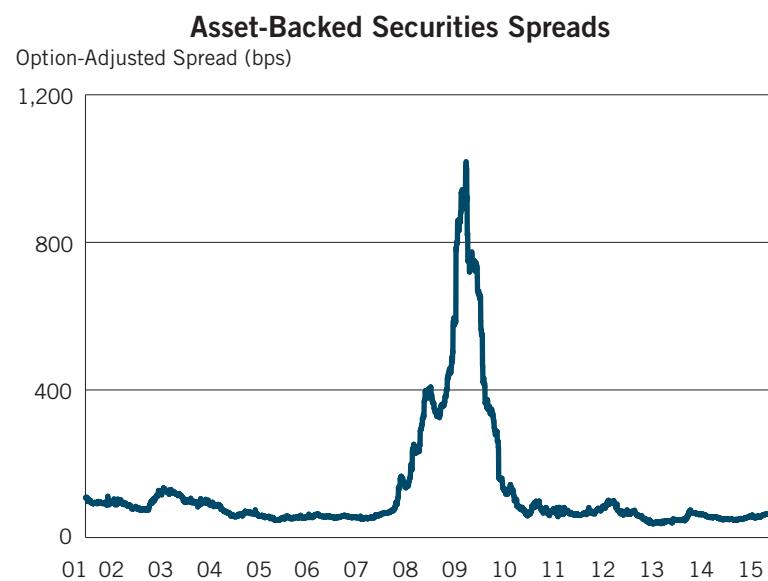
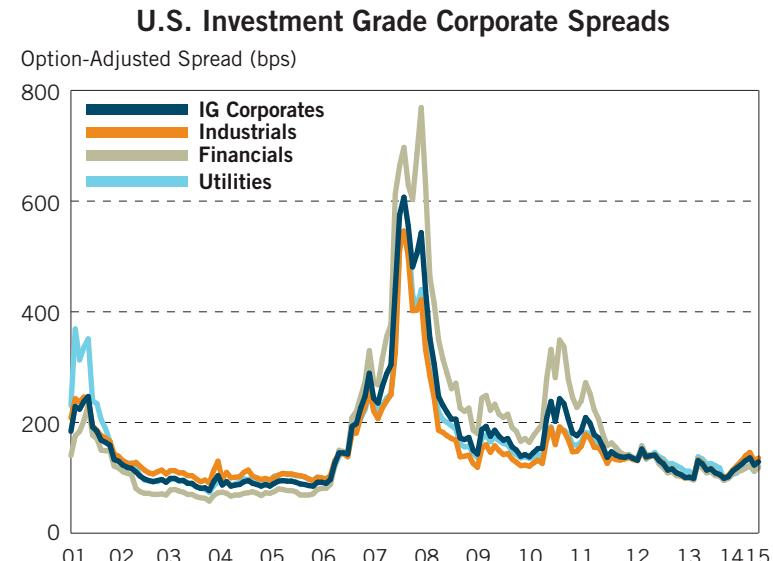
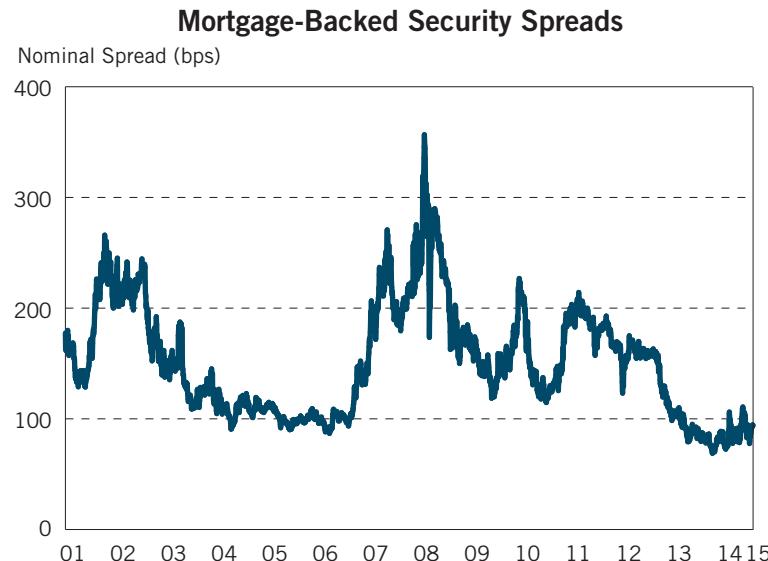
Source: Barclays.

Performance shown represents sectors within the Barclays U.S. Credit and U.S. High Yield Indices.

Past performance cannot guarantee future results.

Historical Spreads to Treasuries

As of 31 March 2015



Source: Barclays.



Oakland Police & Fire Retirement System

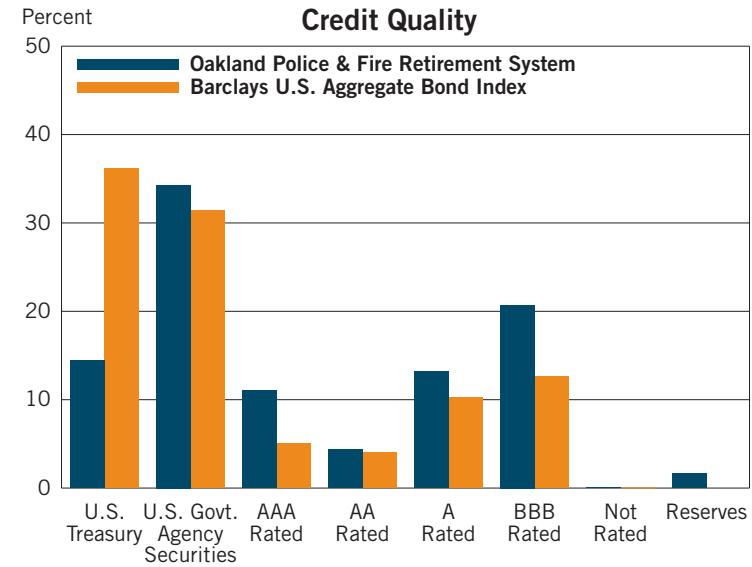
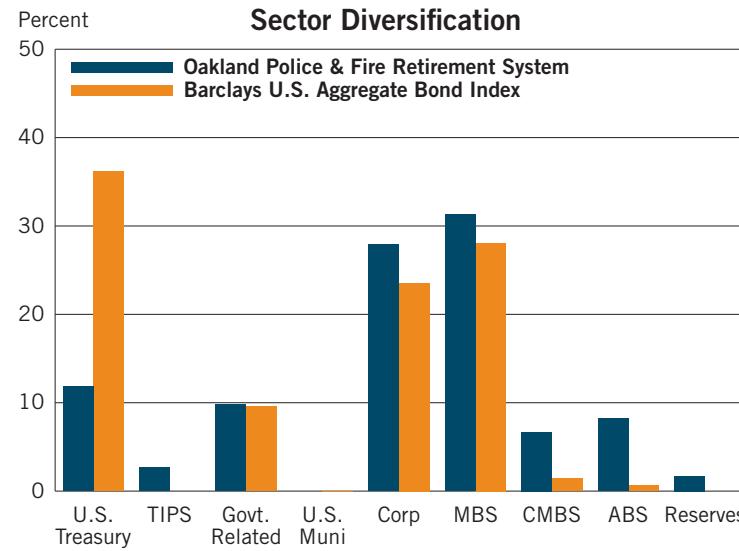
Portfolio Characteristics

Oakland Police & Fire Retirement System

As of 31 March 2015

	Oakland Police & Fire Retirement System	Barclays U.S. Aggregate Bond Index
Average Quality	AA	AA+/AA
Weighted Average Maturity	7.38 Years	7.62 Years
Weighted Average Duration	5.19 Years	5.34 Years
Yield to Maturity	2.31%	2.05%
Number of Issues	417	9,196

Duration is a measure of a bond's sensitivity to interest rate changes.



Sources: Moody's Investors Service; if Moody's does not rate a security, then Standard & Poor's (S&P) is used as a secondary source. When available, T. Rowe Price will use Fitch for securities that are not rated by Moody's or S&P. T. Rowe Price does not evaluate these ratings but simply assigns them to the appropriate credit quality category as determined by the rating agency. T. Rowe Price uses the rating of the underlying investment vehicle for credit default swaps.

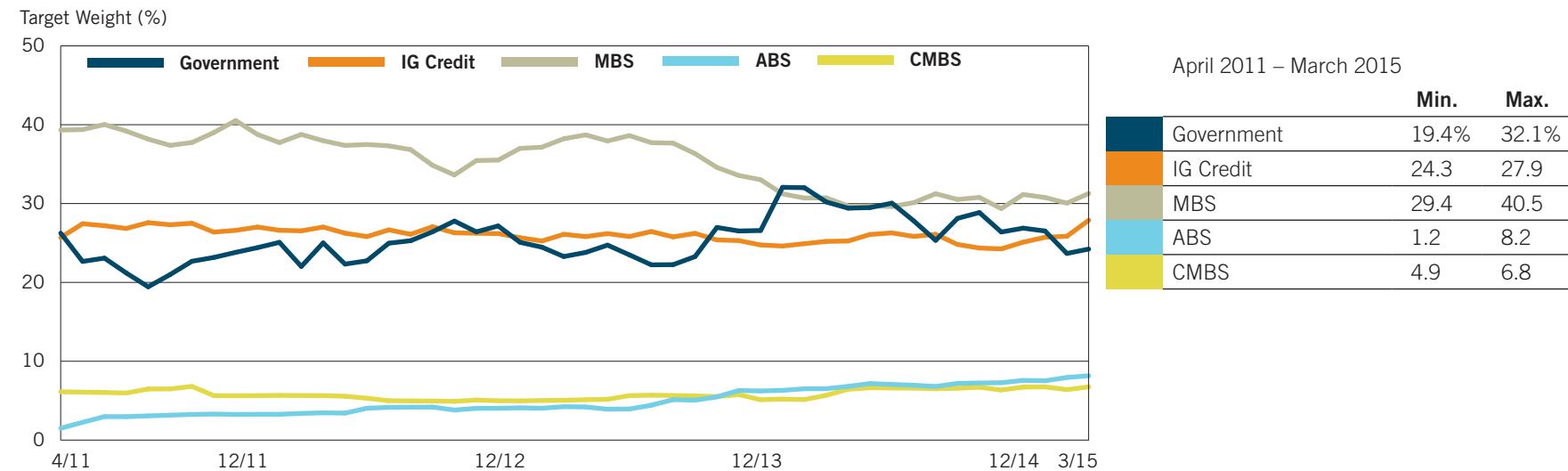
U.S. government agency securities are issued or guaranteed by a U.S. government agency and may include conventional pass-through securities and collateralized mortgage obligations; unlike Treasuries, government agency securities are not issued directly by the U.S. government and are generally unrated but may have credit support from the U.S. Treasury (e.g., FHLMC and FNMA issues) or a direct government guarantee (e.g., GNMA issues). Therefore, this category may include rated and unrated securities.

U.S. Treasury securities are issued by the U.S. Treasury and are backed by the full faith and credit of the U.S. government. The ratings of U.S. Treasury securities are derived from the ratings of the U.S. government.

Investment-Grade Core Historical Sector Allocation

As of 31 March 2015

Oakland Police & Fire Retirement System Actual Weights — Core Sectors



Developed non-dollar cash bonds may be either unhedged or currency-hedged. If unhedged, the portfolio weight will be included in both the cash bond and the FX categories. FX includes unhedged cash bonds plus the direct notional currency exposure taken through forwards, futures and options contracts.

Risk Management

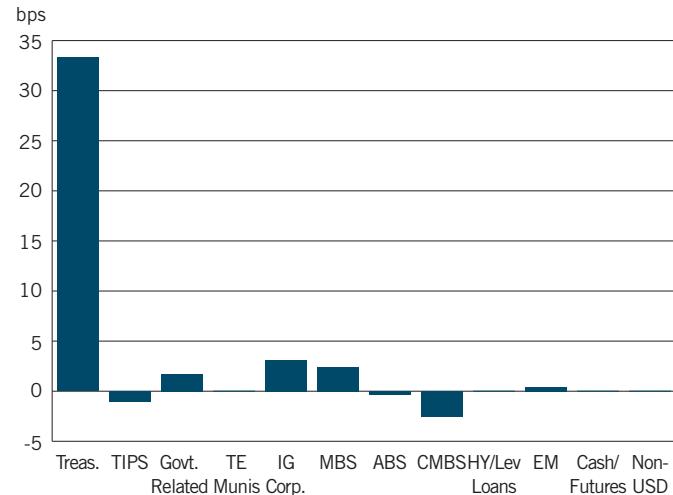
Oakland Police & Fire Retirement System

As of 31 March 2015

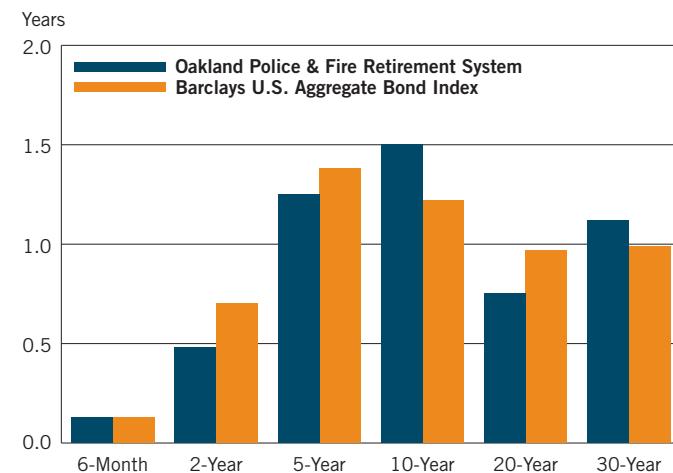
	Risk Factor Contribution	Contribution to TEV (Annualized)
Systematic		30.7 bps
Curve		-0.4
Inflation Linked		6.9
Swap Spreads		1.3
Volatility		0.8
Spread Govt.-Related		5.8
Spread Credit and EM		6.2
Spread Securitized		10.1
Spread Other		0.0
Equity		-0.1
Idiosyncratic		6.3
Total		30.7 bps

- Risk model measures the total tracking error (TE) and also breaks out contributions from explicit risk factors.
- Performance attribution is based on the same platform and consistent risk factors.
- Key rate durations measure the market value sensitivity of a portfolio to a 1% change in the specific duration bucket of the yield curve holding all other durations constant.

Sector Contribution to Risk vs. Benchmark



Key Rate Duration

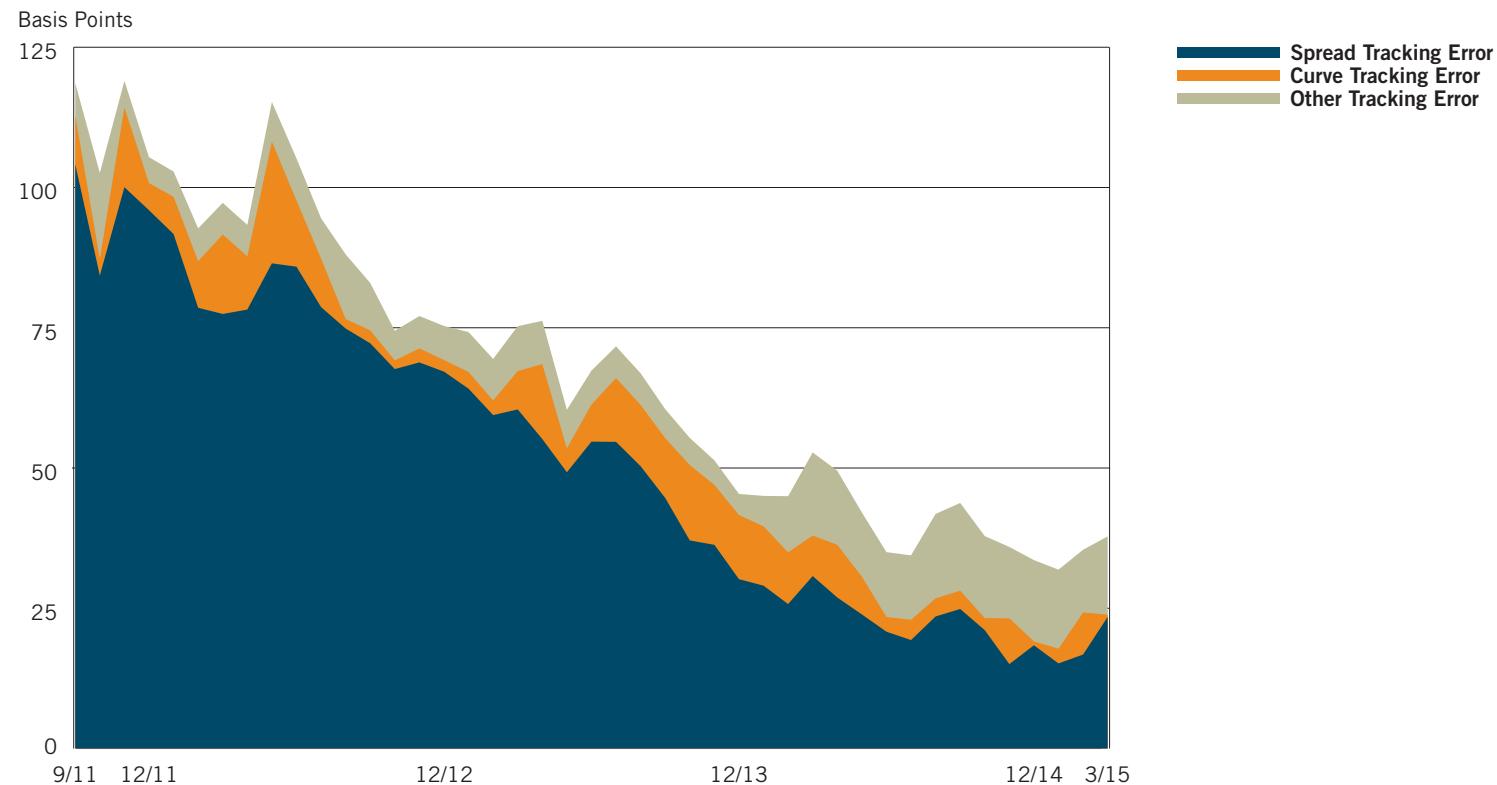


Source: Barclays POINT.

TEV, or Tracking Error Volatility, is the standard deviation of the difference between portfolio and benchmark returns. It is the square root of the Tracking Error Variance, or TE Variance. The TE Variance is the projected variance of the difference between portfolio and benchmark returns. It is estimated from historical return data and from portfolio and benchmark characteristics. It can be decomposed into three sources: Systematic, Idiosyncratic and Default. Systemic (Market) Risk is the risk due to the effect of all systematic factors of the Barclays risk model. Idiosyncratic (Non Systematic) Risk is the risk not explained by the combination of all systematic or default factors. It represents risk due to non-default events that affect only the individual issuer or bond. The Contribution to TEV is the contribution, in basis points, of a specific risk factor to Total TEV. This measure includes the effect of correlation. The risk factors included in this analysis and shown above are credit spreads, currency, and interest rate duration.

Ex-Ante Tracking Error Analysis

Oakland Police & Fire Retirement System As of 31 March 2015



Other Tracking Error includes the following risk factors: inflation indexed, volatility, equity, idiosyncratic and credit default.
Sources: Barclays POINT, T. Rowe Price.

Risk Management

US Investment Grade Core Bond Representative Portfolio

As of 31 March 2015

Curve Scenarios		
Scenario	Absolute Change in Market Value (bps)	Relative to Barclays U.S. Aggregate Bond Index
U.S. Bull Flat	277	-3
U.S. Bear Flat	-194	18
U.S. Bull Steep	-42	-7
U.S. Bear Steep	-277	3

Spread Scenarios		
Scenario	Absolute Change in Market Value (bps)	Relative to Barclays U.S. Aggregate Bond Index
U.S. IG +59	-198	-50
U.S. MBS +26	-167	-51
U.S. CMBS +146	-205	-82
U.S. ABS +97	-238	-89

- **Curve scenarios measure the market value sensitivity of the US Investment Grade Core Bond Representative Portfolio to a non-parallel shift in the yield curve. Assumptions:**
 - Bull flattener: the 10-year Treasury yield is decreased 60 bps and the 2-year yield is decreased 30 bps
 - Bear flattening: the 10-year Treasury yield is increased 30 bps and the 2-year yield is increased 60 bps
 - Bull steepening: the 10-year Treasury yield is increased 15 bps and the 2-year is decreased 15 bps
 - Bear steepening: the 10-year Treasury yield is increased 60 bps and the 2-year yield is increased 30 bps
- **Spread scenario measures the market value sensitivity of the US Investment Grade Core Bond Representative Portfolio to a two standard deviation widening in spreads relative to Treasuries, holding Treasury yields constant.**

The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. Information regarding the representative portfolio and, where applicable, the other accounts in the composite is available upon request. Please see the GIPS® Disclosure page for additional information on the composite.

Supplemental information.

The scenarios reflected above are hypothetical and intended to demonstrate the portfolio's sensitivity to certain changes in the shape of the yield curve and sector spreads relative to Treasuries. Other scenarios will produce different results. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Performance Snapshot

Oakland Police & Fire Retirement System

Periods Ended 31 March 2015

Figures Shown in U.S. Dollars

	Three Months	One Year	Two Years	Three Years	Annualized Since Inception 2 May 2011
Oakland Police & Fire Retirement System (Gross of Fees)	1.70%	5.85%	2.99%	3.51%	4.20%
Oakland Police & Fire Retirement System (Net of Fees) ¹	1.63	5.59	2.74	3.25	3.94
Barclays U.S. Aggregate Bond Index	1.61	5.72	2.77	3.10	4.00
Value Added (Gross of Fees) ¹	0.09	0.13	0.22	0.41	0.20

¹ Value added is shown as Oakland Police & Fire Retirement System (Gross of Fees) minus Barclays U.S. Aggregate Bond Index.

Oakland Police & Fire Retirement System (Gross of Fees)

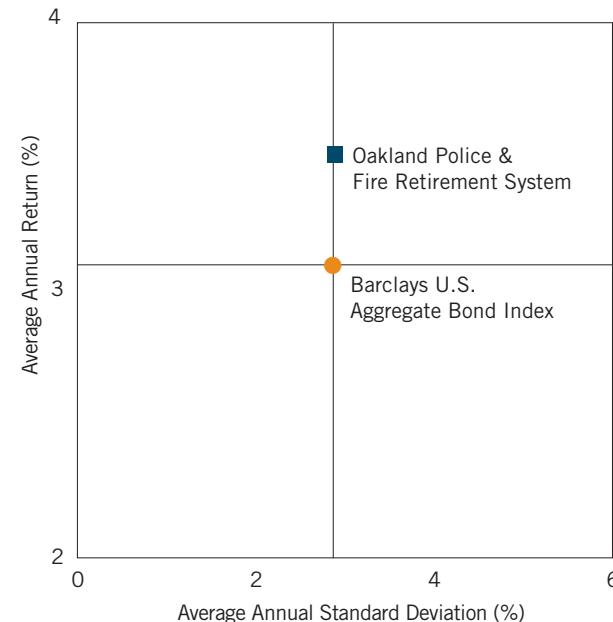
Three Years Ended 31 March 2015

Figures Shown in U.S. Dollars

	Oakland Police & Fire Retirement System	Barclays U.S. Aggregate Bond Index
Annualized Total Return	3.51%	3.10%
Annualized Standard Deviation	2.88%	2.86%
Beta	1.00	1.00
R-Squared	0.97	1.00
Alpha	0.40%	0.00%
Sharpe Ratio	1.18	1.05
Information Ratio	0.86	0.00
Historical Tracking Error	0.47%	0.00%

Risk/Return (Gross of Fees)

Three Years Ended 31 March 2015



Statistics are based on monthly gross returns. Returns would have been lower as the result of the deduction of applicable fees. Past performance cannot guarantee future results.

Performance Snapshot

Oakland Police & Fire Retirement System

Periods Ended 30 April 2015

Figures Shown in U.S. Dollars

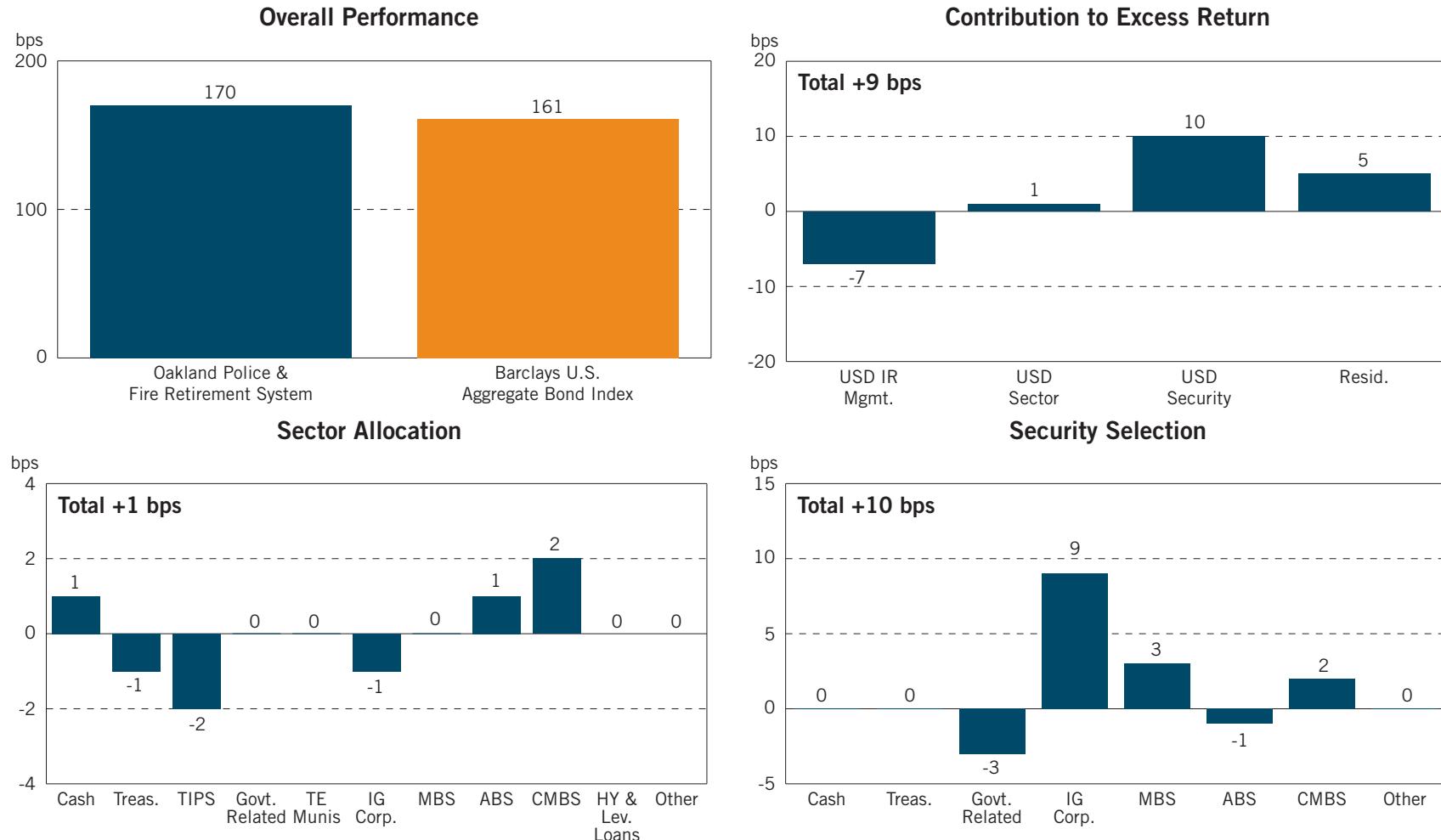
	Year-to-Date	One Year	Annualized		
			Two Years	Three Years	Since Inception 2 May 2011
Oakland Police & Fire Retirement System (Gross of Fees)	1.47%	4.71%	2.38%	3.07%	4.05%
Oakland Police & Fire Retirement System (Net of Fees) ¹	1.38	4.44	2.12	2.81	3.79
Barclays U.S. Aggregate Bond Index	1.24	4.46	2.07	2.60	3.82
Value Added (Gross of Fees) ¹	0.23	0.25	0.31	0.47	0.23

¹ Value added is shown as Oakland Police & Fire Retirement System (Gross of Fees) minus Barclays U.S. Aggregate Bond Index.

Performance Attribution

Oakland Police & Fire Retirement System vs. Barclays U.S. Aggregate Bond Index

Three Months Ended 31 March 2015



The Barclays Hybrid Performance Attribution Model is used to separate (attribute) the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the performance to a set of portfolio decisions such as duration and yield curve exposures, relative sector weightings, and specific security selections. The portfolio return is calculated by a daily compounding of returns from changes in present value, additional interest accruals, and trading activities.

Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees. Past performance cannot guarantee future results.

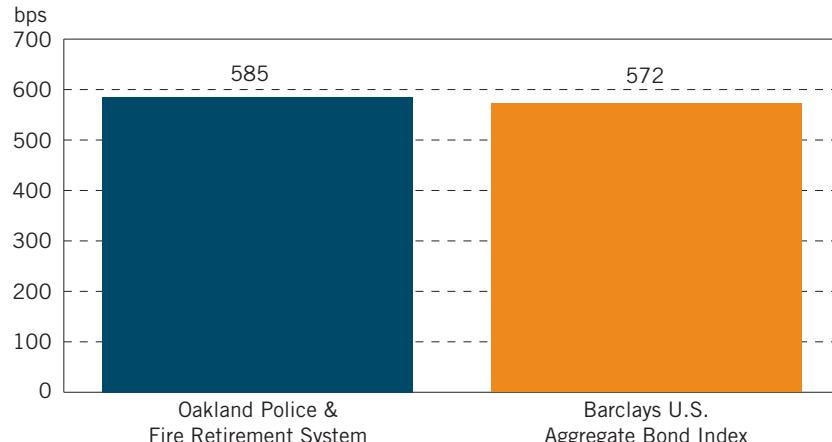
The Residual (Resid) is due to the difference in performance calculated methodology between Barclays POINT and T. Rowe Price's internal performance tool. Numbers may not total due to rounding.

Performance Attribution

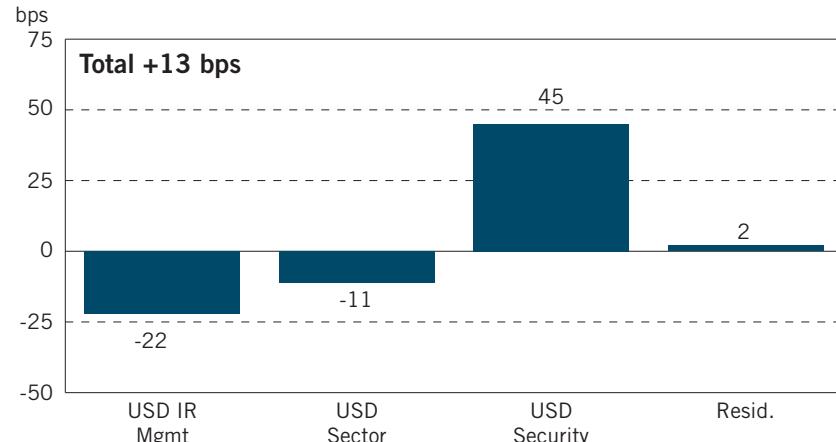
Oakland Police & Fire Retirement System vs. Barclays U.S. Aggregate Bond Index

One Year Ended 31 March 2015

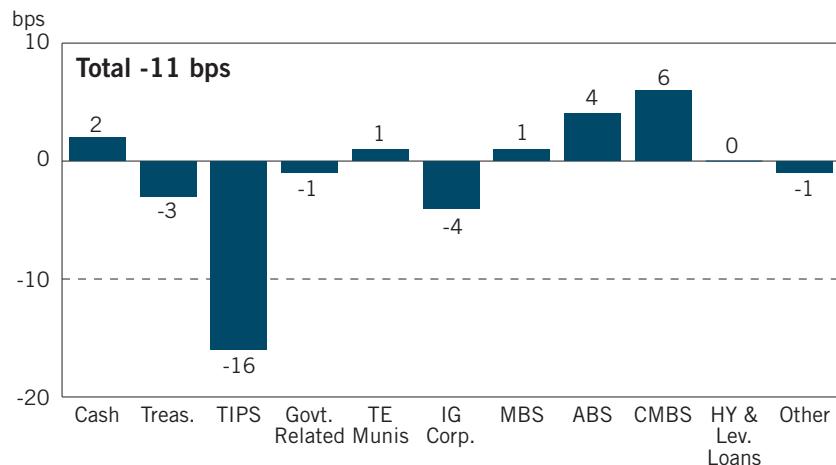
Overall Performance



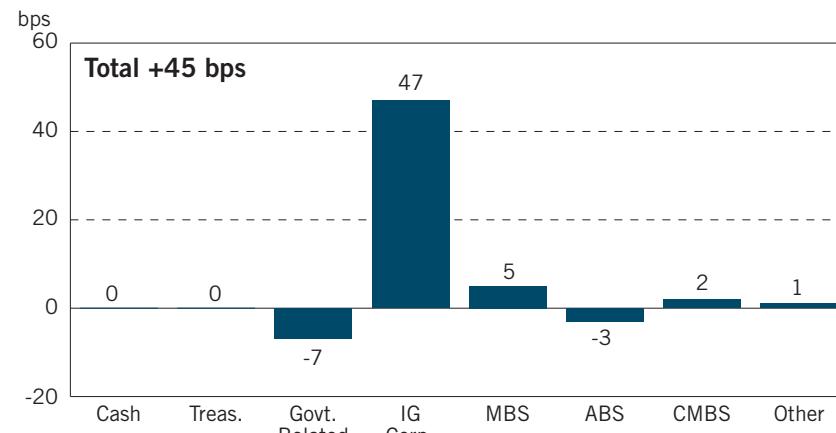
Contribution to Excess Return



Sector Allocation



Security Selection



The Barclays Hybrid Performance Attribution Model is used to separate (attribute) the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the performance to a set of portfolio decisions such as duration and yield curve exposures, relative sector weightings, and specific security selections. The portfolio return is calculated by a daily compounding of returns from changes in present value, additional interest accruals, and trading activities.

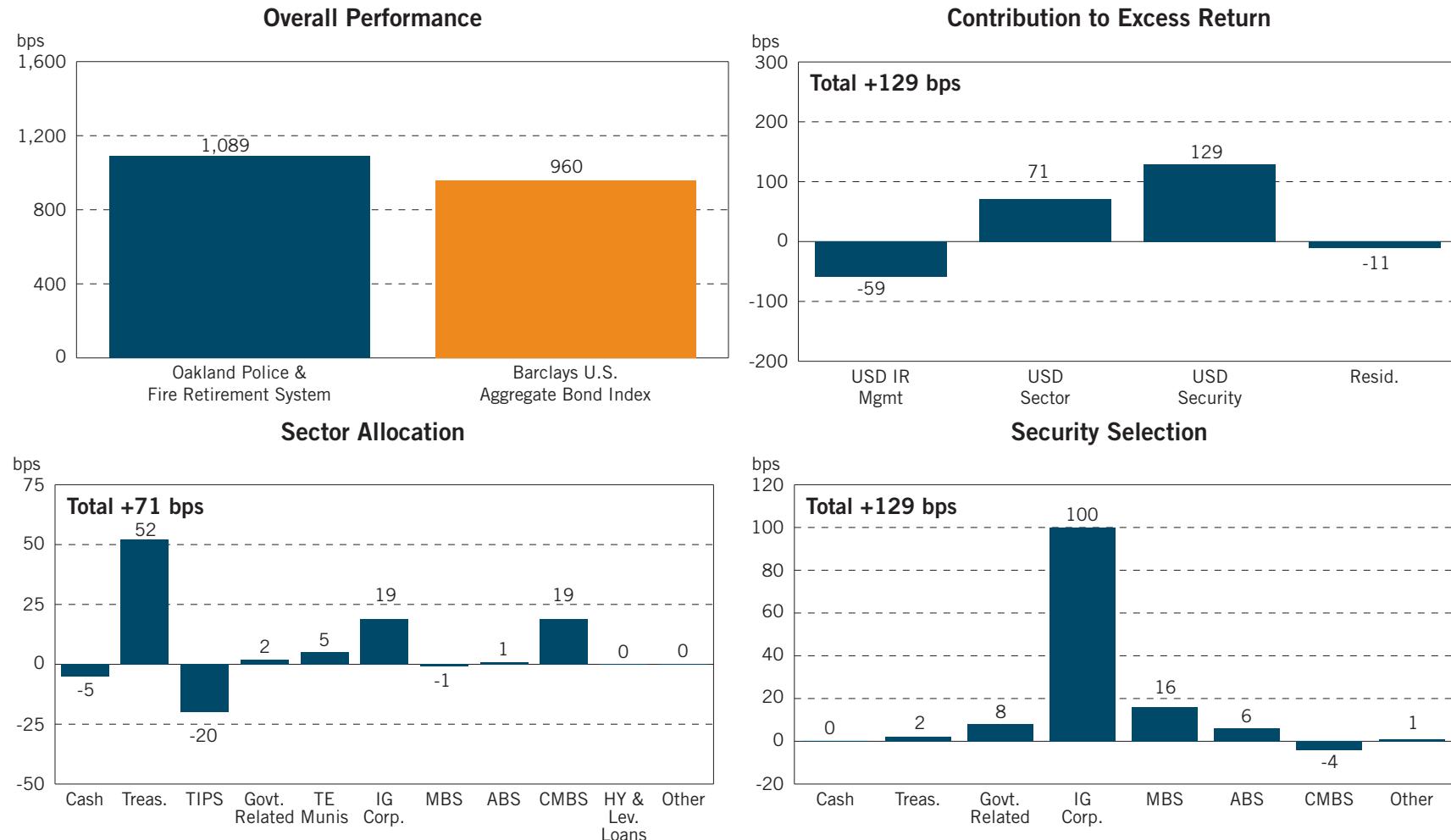
Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees. Past performance cannot guarantee future results.

The Residual (Resid.) is due to the difference in performance calculated methodology between Barclays POINT and T. Rowe Price's internal performance tool. Numbers may not total due to rounding.

Performance Attribution

Oakland Police & Fire Retirement System vs. Barclays U.S. Aggregate Bond Index

Three Years Ended 31 March 2015



The Barclays Hybrid Performance Attribution Model is used to separate (attribute) the period outperformance (or underperformance) of a portfolio relative to its benchmark. The system attributes the performance to a set of portfolio decisions such as duration and yield curve exposures, relative sector weightings, and specific security selections. The portfolio return is calculated by a daily compounding of returns from changes in present value, additional interest accruals, and trading activities.

Performance for each security is obtained in the local currency and, if necessary, is converted using an exchange rate determined by an independent third party. Figures are shown gross of fees. Past performance cannot guarantee future results.

The Residual (Resid) is due to the difference in performance calculated methodology between Barclays POINT and T. Rowe Price's internal performance tool. Numbers may not total due to rounding.

Current Market Views

Sector Allocation Targets

As of 4 May 2015

	Index ¹	Oakland Police & Fire Retirement System	
		Target	Difference
Treasury	36.2%	14.3%	-21.9%
TIPS	0.0	2.5	2.5
Govt. Related	9.4	8.5	-0.9
Munis	0.0	0.0	0.0
Corporate	23.7	27.0	3.3
MBS	28.2	30.5	2.3
RMBS	0.0	1.5	1.5
ABS	0.5	8.0	7.5
CMBS	2.0	7.0	5.0
Total		100.0%	
Duration		-0.25	

Differences shaded in blue represent differences greater than 5% in comparison with the Barclays U.S. Aggregate Bond Index.

¹ Barclays U.S. Aggregate Bond Index.

Sources: Barclays, T. Rowe Price.

Numbers may not total 100% due to rounding.

This information demonstrates, in part, the firm's sector allocation analysis. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Fixed Income Sector Strategy Drivers and Outlook

As of 8 April 2015

Sector Outlook and
Relative Value Key



Upgrade from
the prior month Downgrade from
the prior month



Sector	Level/ Spread	Drivers	Sector Outlook	Relative Value	Rationale
Treasury (10-year)	1.85%	A dovish March Federal Open Market Committee (FOMC) policy statement, weak first-quarter economic data, and a surprisingly poor March jobs report moved 10-year rates from the upper end of their 1.75% to 2.25% range in early March to near the bottom by early April. The market has nearly priced out the possibility of a 2015 rate hike, while even the dovish FOMC sees two rate increases this year. Inflation and oil prices have stabilized while the dollar has retraced some of its recent surge. However, these factors have shown a lower correlation to U.S. rates in the past month. Instead, weak economic data and debate about the potential hiking cycle have dominated the market's attention.	3	4	The dovish turn of the FOMC, weak data, and modestly attractive relative valuations are the focus of the current market narrative. Poor volatility-adjusted carry, market positioning which now leans long, and the potential for winter-affected first-quarter economic data to reverse in the second quarter provide cross currents. The 10-year yield has been in a somewhat violent consolidation between 1.75% and 2.25% this year; it is likely this trend continues near term.
TIPS (10-year breakeven)	184 basis points (bps)	10-year breakeven spreads have traversed a 165 to 188 bps range since early March. Fresh lows in oil prices in mid-March punctuated the trough, while a solid February inflation report, a strong 10-year TIPS auction, and the dovish pivot by the FOMC led to outperformance in the second half of March. Expected stronger carry starting in April due to seasonal factors has been a tailwind for the sector.	3	3	TIPS breakevens have been supported by stable oil prices, a somewhat softer dollar, and expected strong carry in the coming months. Cross-market macro factors are now largely neutral, while recent inflation data has firmed somewhat. We expect breakevens to remain somewhat range bound, with a bias for 10-year spreads to continue to firm in the near term. Front-end breakevens should become more interesting as the month progresses given very strong seasonal carry trends. However, a continued decline in oil prices remains a risk.
Municipals (10-year)	Ratio at 105%	Valuations and supply bear watching, as opportunities may arise for crossover investors in coming weeks. The 10-year Municipal to Treasury yield ratio is unchanged since last month, although it is being skewed higher by payroll-driven rate volatility.	3	4	Valuations are somewhat compelling, and there may be opportunities to execute crossover trades in coming weeks. The muni market is approaching a seasonally strong period, where supply tends to recede and reinvestment activity increases. In addition, as we get closer to Fed tightening, there is potential for Treasury underperformance, particularly if rates move to even lower levels. On the other hand, refunding supply remains elevated (weighing on the intermediate curve); the availability of large, liquid blocks for crossover buying is limited; and munis appear rich against corporate valuations.
MBS	MBS Index +67 bps zero volatility spread	The directionality between rates and spreads persists, with the move to lower Treasury yields widening mortgage spreads into the rally. The market's attention on the timing of eventual Fed tightening has longer-term implications, but near-term technicals appear supportive, and concerns over a spike in refinancing activity have eased.	3	3	Mortgage valuations for production coupons have pushed to the wider end of their range against Treasuries. Improving demand trends, manageable net supply, and favorable carry may help mitigate further spread widening and hedge against the elevated levels of volatility in the Treasury market.
ABS	+62 bps	A strengthening U.S. economy and consumer remains supportive of valuations, and this low-duration sector should remain well-bid.	3	3	High-quality ABS are attractive for those seeking a low-risk (but relatively low-return) sector to put cash to work. The esoteric parts of the market—for example, timeshare and whole business deals—continue to offer the best opportunities for higher returns.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Source: Sources for yields and spreads: Barclays, Haver Analytics, J.P. Morgan Chase & Co., Thomson Reuters Municipal Market Data, and T. Rowe Price. Other information reflects the views of T. Rowe Price Fixed Income investment staff.

Fixed Income Sector Strategy Drivers and Outlook

As of 8 April 2015

Sector Outlook and
Relative Value Key



Upgrade from
the prior month Downgrade from
the prior month



Sector	Level/ Spread	Drivers	Sector Outlook	Relative Value	Rationale
CMBS	+117 bps	A supportive backdrop of improving real estate values and lower odds of downside economic scenario.	3	3	CMBS have remained resilient even as volatility has picked up over the last several months in other spread sectors. After seeing a bit of spread widening into lower rates, the sector as a whole looks fairly valued relative to competing spread product. Supply estimates for 2015 are moderately higher than 2014. But given the amount of legacy paper rolling off, the technical back drop will continue to be a supporting factor.
US Investment Grade Corporate	+136 bps	Higher-beta commodity-related sectors and steeper credit curves as risk-free rates collapse have been contributing to increased volatility and wider spreads.	4	4	Non-financial credit fundamentals have peaked for this cycle, leaving technicals as the primary support for valuations. We continue to find opportunity in select financials and lower beta sectors.
Euro Corporate	+99 bps	Spreads widened last month as the European Central Bank (ECB) finally began its long-anticipated bond buying program. Underperformance relative to government bonds was principally due to corporates lagging the continued strong performance of sovereigns rather than falling corporate bond prices. Some corporate weakness, however, was a result of very heavy new issuance in March depleting investors' cash positions.	3	3	The medium-term picture remains unchanged. Quantitative easing (QE) should provide strong (albeit indirect) positive technical support as money flows into the asset class. Although valuations are unexciting, euro corporates still offer reasonable yield pickup versus peripheral European sovereigns.
US High Yield	+573 bps	The overall fundamental picture and outlook remain intact outside of the commodities space. A muted default rate is expected in 2015, with the 2016 default outlook dependent on energy prices. The main driver of the market continues to be commodity prices given the size of the sector and its large impact on the market.	3	3	Overall valuations and market yields are still interesting but not as attractive as in January. Volatility is still likely given the energy sector's impact on the market. Spread levels are still implying a higher default rate than we are currently expecting. If oil prices remain low for a more extended period of time, we will need to evaluate the impact to our 2016 default outlook.
Euro High Yield	+436 bps	A supportive macro backdrop and accommodative central bank policies have continued to result in a stable environment for the asset class. This resulted in European high yield outperforming other global high yield markets last month as continued inflows to the asset class were readily absorbed. This was highlighted by spread tightening despite the highest level of issuance in 11 months.	4	4	In relative terms, European high yield spreads are 137 bps inside of the U.S. and have been relatively stable over the past month. With QE, inflows, and a positive tone, strong performance is expected to continue despite valuations looking less compelling on a spread and yield basis.
Bank Loans	+423 bps	The fundamental picture remains intact, with low forward default expectations and a minimal near-term maturity profile. The asset class continues to experience retail outflows, but overall net demand has still been solid given strong offsetting collateralized loan obligation (CLO) issuance. The largest current market drivers are technical in nature, with strong CLO issuance, a light new issue calendar, and a meaningful amount of paydowns.	3	3	Loans still appear to offer a more defensive way to play solid high yield fundamentals with lower volatility, although the market is not quite as cheap as in January. The market has been supported by a strong CLO bid. There are still some discounts to be found, but dollar prices have grinded higher, with light new issuance in March reducing the discounted opportunity set. The asset class has benefited from a materially lower exposure to commodities than the high yield bond market.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Source: Sources for yields and spreads: Barclays, Haver Analytics, J.P. Morgan Chase & Co., Thomson Reuters Municipal Market Data, and T. Rowe Price. Other information reflects the views of T. Rowe Price Fixed Income investment staff.

Fixed Income Sector Strategy Drivers and Outlook

As of 8 April 2015

Sector	Level/ Spread	Drivers	Sector Outlook	Relative Value	Sector Outlook and Relative Value Key					Upgrade from the prior month	Downgrade from the prior month
					1 Positive	2	3	4	5 Negative		
EM Dollar Sovereign	+397 bps	1. Sovereigns are attractive versus U.S. credit (both high yield and investment grade) but stories are increasingly idiosyncratic—Russia, Brazil, Venezuela, and other oil-related names in particular; 2. Commodity price and foreign exchange moves will claim victims, and Fed lift off may challenge less-liquid asset markets.	3	3							
EM Corporate	+387 bps	1. Valuations are attractive relative to U.S. investment grade and high yield across the rating spectrum. This now applies to single B rated bonds as well; 2. Commodity price weakness has a mixed impact on issuers but is generally a headwind to spread compression; 3. Our enthusiasm is tempered by poor liquidity, particularly in the high yield portion of the market.	3	3							
EM Local	+495 bps/ 5-year	Yield spreads have widened over the past month as U.S. Treasuries rallied. Some stability in emerging currencies has been helpful following a period where the competing trends of weakening currencies and strong bond performance have been extended. Local bonds remain relatively cheap compared with global bonds. After outperformance, EM local looks close to fair value versus dollar sovereigns and U.S. high yield. Signposts: <ul style="list-style-type: none">Flows have improved modestly but are likely to remain low; inflows are not expected to pick up notably until the U.S. dollar bid steadies.Valuations are globally attractive but increasingly bifurcated.Growth rates remain subdued in emerging markets. Until they pick up, emerging currencies will remain under a cloud.	3	2							
Eurozone (Germany 10-year)	0.17%	The ECB has launched an aggressive program of sovereign QE, buying two times the expected net issuance in 2015-2016 across the curve. The growth and inflation outlooks are already improving, but monetary policy is likely to remain accommodative for the foreseeable future.	4	4							
Japan (10-year)	0.38%	Core inflation continues to undershoot, dragged lower by weaker energy prices. Fourth-quarter growth was revised lower due to weaker-than-expected business investment and inventories, and exports remain soft.	4	4							
UK (10-year)	1.53%	Benign inflation and concern about the drag from a weak eurozone has seen market pricing push back the timing of rate hikes; the Bank of England has validated that the first move will not come until late 2015 or early 2016. A general election in May could see a potentially messy result.	3 ↑	3 ↑							

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Source: Sources for yields and spreads: Barclays, Haver Analytics, J.P. Morgan Chase & Co., Thomson Reuters Municipal Market Data, and T. Rowe Price. Other information reflects the views of T. Rowe Price Fixed Income investment staff.

Fixed Income Sector Strategy Drivers and Outlook

As of 8 April 2015

Sector Outlook and
Relative Value Key

1
Positive

2
Neutral

3
Neutral

4
Negative

Upgrade from
the prior month



Downgrade from
the prior month



Sector	Level/ Spread	Drivers	Sector Outlook	Relative Value	Rationale
Canada (10-year)	1.27%	Although current growth has been reasonable and inflation close to target, the Bank of Canada (BoC) has shown itself to be more concerned about downside growth risks following the sharp decline in oil prices. The BoC delivered a surprise rate cut and looks likely to maintain a dovish bias.	3	3	The market is very expensive by any historical measure, but an easing bias and threat of a further rate cut could keep the market better supported even in the face of rising U.S. yields.
Australia (10-year)	2.47%	The Reserve Bank of Australia (RBA) has also opportunistically cut rates, taking advantage of the benign inflation environment and trend of easing monetary policy globally. There are downside growth risks given an ongoing decline in commodity prices and terms of trade.	3	3	A further rate cut is possible, and the RBA is likely to remain accommodative for a considerable period.

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

Source: Sources for yields and spreads: Barclays, Haver Analytics, J.P. Morgan Chase & Co., Thomson Reuters Municipal Market Data, and T. Rowe Price. Other information reflects the views of T. Rowe Price Fixed Income investment staff.

The T. Rowe Price Advantage

**Stable Organization and
Experienced Portfolio
Management Team**

Underpins Our Ability to Deliver Long-Term Value-Added for Our Clients

**Global Bond and Equity
Research Platform**

Provides Alpha-Generating Insights Across the Capital Structure and Markets

**Independent Portfolio
Strategy Team**

Provides Broad Perspective and Enhances Sector Allocation Process

**Sector-Specific Teams
Across Investment Spectrum**

Delivers Diversified Alpha Sources and Increases Potential for Security Selection Success

Risk-Aware Culture

Supported by Robust Quantitative Risk-Modeling Tools

Appendix

Historical Fixed Income Sector Returns
Independent Credit Research
GIPS® Disclosure
Fee Schedule
Biographical Backgrounds

Sector Performance

As of 31 March 2015

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	1Q15
EM - Local 23.0%	EM - Sov. 10.3%	EM - Local 15.2%	EM - Local 18.1%	Gov't Rel 8.5%	High Yield 58.9%	CMBS 20.4%	U.S. I.G. Corp 8.2%	EM - Sov. 17.4%	Convert. 26.6%	Convert. 10.0%	Convert. 3.4%
I.G. Euro Corp 15.9%	EM - Local 6.3%	I.G. Euro Corp 12.4%	I.G. Euro Corp 10.9%	MBS 8.3%	Bank Loans 52.5%	Convert. 15.7%	U.S. Agg 7.8%	EM - Local 16.8%	High Yield 7.4%	U.S. I.G. Corp 7.5%	High Yield 2.5%
EM - Sov. 11.6%	Bank Loans 5.3%	Convert. 12.0%	Gov't Rel 8.0%	U.S. Agg 5.2%	Convert. 45.6%	EM - Local 15.7%	EM - Sov. 7.4%	High Yield 16.2%	I.G. Euro Corp 7.0%	EM - Sov. 7.4%	Bank Loans 2.3%
High Yield 11.6%	High Yield 3.1%	High Yield 11.5%	U.S. Agg 7.0%	U.S. I.G. Corp -4.9%	EM - Sov. 29.8%	High Yield 15.1%	Gov't Rel 6.7%	I.G. Euro Corp 15.4%	Bank Loans 5.4%	Gov't Rel 6.1%	U.S. I.G. Corp 2.3%
Convert. 8.3%	MBS 2.6%	EM - Sov. 9.9%	MBS 6.9%	EM - Local -5.2%	CMBS 28.5%	EM - Sov. 12.2%	MBS 6.2%	Convert. 13.6%	CMBS 0.2%	MBS 6.1%	EM - Sov. 2.0%
U.S. I.G. Corp 5.4%	Gov't Rel 2.6%	Bank Loans 6.9%	EM - Sov. 6.2%	I.G. Euro Corp -8.5%	ABS 24.7%	Bank Loans 10.4%	CMBS 6.0%	U.S. I.G. Corp 9.8%	ABS -0.3%	U.S. Agg 6.0%	CMBS 1.8%
Bank Loans 5.3%	U.S. Agg 2.4%	MBS 5.2%	CMBS 5.6%	EM - Sov. -12.0%	EM - Local 22.0%	U.S. I.G. Corp 9.0%	High Yield 5.7%	Bank Loans 9.8%	MBS -1.4%	CMBS 3.9%	U.S. Agg 1.6%
MBS 4.7%	ABS 2.1%	CMBS 4.7%	U.S. I.G. Corp 4.6%	ABS -12.7%	I.G. Euro Corp 19.4%	U.S. Agg 6.5%	ABS 5.1%	CMBS 9.7%	U.S. I.G. Corp -1.5%	ABS 1.9%	Gov't Rel 1.4%
U.S. Agg 4.3%	CMBS 1.8%	ABS 4.7%	Convert. 4.0%	CMBS -20.5%	U.S. I.G. Corp 18.7%	ABS 5.9%	Bank Loans 1.5%	Gov't Rel 4.9%	U.S. Agg -2.0%	Bank Loans 1.8%	MBS 1.1%
CMBS 4.1%	U.S. I.G. Corp 1.7%	U.S. Agg 4.3%	High Yield 2.9%	High Yield -26.8	U.S. Agg 5.9%	MBS 5.4%	EM - Local -1.8%	U.S. Agg 4.2%	Gov't Rel -2.7%	High Yield 1.7%	ABS 0.9%
Gov't Rel 3.6%	Convert. -0.2%	U.S. I.G. Corp 4.3%	ABS 2.2%	Bank Loans -29.3%	MBS 5.9%	Gov't Rel 5.0%	I.G. Euro Corp -1.8%	ABS 3.7%	EM - Sov. 5.3%	I.G. Euro Corp -4.8%	EM - Local -4.0%
ABS 3.0%	I.G. Euro Corp -9.8%	Gov't Rel 4.3%	Bank Loans 2.0%	Convert. -29.4%	Gov't Rel 2.5%	I.G. Euro Corp -2.1%	Convert. -3.8%	MBS 2.6%	EM - Local -9.0%	EM - Local -5.7%	I.G. Euro Corp -10.0%

Gov't Related

MBS

CMBS

Emerging Markets Debt

Global High Yield

I.G. U.S. Corporates

ABS

I.G. Euro Corporates (hedged)

Emerging Markets Local (unhedged)

Bank Loans

Convertibles

Barclays U.S. Agg.

Source: T. Rowe Price; "Gov't Related." represents the Barclays U.S. Aggregate Government Related Index, "MBS." represents the Barclays MBS Index, "CMBS" represents the Barclays CMBS Index, "Emerging Markets Debt" represents the JPM Emerging Mkt. Bond Global Index, "Global High Yield" represents the JPM Global High Yield Index., "I.G. U.S. Corporates" represents the Barclays U.S. Aggregate Corporates Index, "ABS" represents the Barclays ABS Index, "Banks Loans" represents the S&P/LSTA Performing Loan Index, and "I.G. Euro Corporates (hedged)" represents the Barclays Euro-Aggregate Corporates Index, "Emerging Markets Local (unhedged)" represents the JPMorgan GBI-EM Global Diversified Index, "Convertibles" represents the BofA ML Convertibles Bonds Index, All Qualities, "Barclays U.S. Agg." represents the Barclays U.S. Aggregate Bond Index.

Past performance cannot guarantee future results.

Independent Credit Research

As of 31 March 2015

Our independent thinking typically differs from the major rating agencies

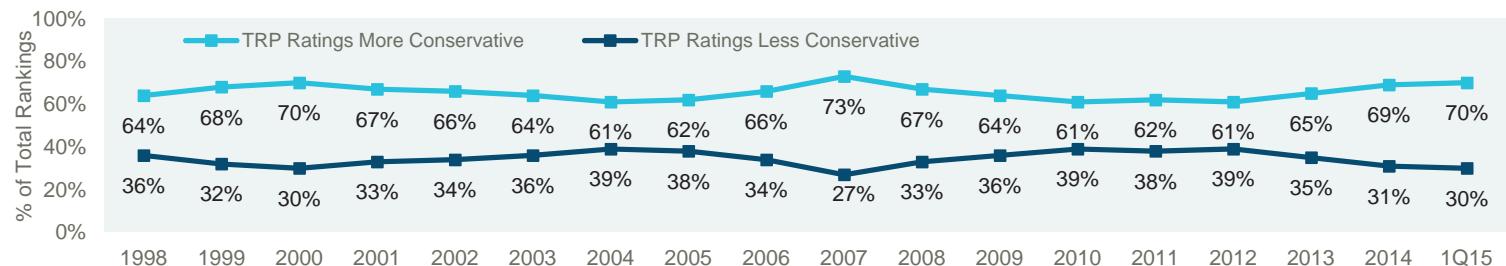
Our view has tended to be more conservative

Our ratings have consistently added value

* The study data currently ends in 2011 since it requires 24-36 months to gather a statistically significant number of win/loss counts from the initial sample of rating differences

Percentage of Total Where T. Rowe Price (TRP) Ratings Differ From the Rating Agencies

50.1%	47.9%	48.8%	50.9%	51.4%	46.3%	46.3%	47.3%	47.1%	52.0%	53.9%	51.5%	51.3%	52.2%	52.0%	51.4%	48.4%	46.4%
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	1Q15



T. Rowe Price vs. Moody's and S&P Ratings

TRP WINS: Bond Rating Difference Was Resolved In Our Favor

Our credit outlook and bond rating were correct and Rating Agencies adjusted their ratings over time either up or down to match our rating

TRP LOSSES: Bond Rating Difference Was Not In Our Favor

Our credit outlook and bond rating was incorrect and we adjusted our rating over time either up or down to match the Rating Agencies



TRP wins when Agency adjusts its prior rating to match TRP's rating. TRP loses when TRP adjusts its prior ratings to match an Agency's rating. T.RP Ratings Comparison vs. the Agencies –Material assumptions: TRP credit analysts perform independent credit evaluations for several thousand securities (TRP Ratings). Internal TRP systems maintain ratings from Moody's, Fitch, and Standard & Poor's (collectively known as External Rating Agencies) and Current and Historical TRP Holdings classified by Issuer and Debt Level. TRP analysts compare TRP Ratings with each of the External Rating Agencies—using Notch Ratings, which converts all the ratings into a single numeric scale—to generate variance data for specified dates. Aggregate reporting compares each External Rating Agency's rating and determines the total number of ratings that are the same, higher, or lower compared with the TRP Ratings. The comparison of these results is then used to determine the percentage where TRP ratings are either the same as, more conservative (higher) than, or less conservative (lower) than the External Rating Agency ratings (Variance Reporting). The comparison excludes TRP short-term securities (those with maturities of less than 397 days), TRP taxable money market securities, GSE (Government Sponsored Enterprise) mortgages, escrowed-to-maturity, and pre-refunded securities. A security is excluded from TRP's conclusions if either TRP or the External Ratings Agencies have not rated the security. Past performance cannot guarantee future results.

GIPS® Disclosure

US Investment Grade Core Bond Composite

Period Ended March 31, 2015

Figures Shown in U.S. dollar

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>YTD 2015</u>
Gross Annual Returns (%)	2.82	4.51	7.02	1.76	13.39	7.42	6.91	5.58	-1.79	6.20	1.60
Net Annual Returns (%) ¹	2.56	4.25	6.75	1.51	13.11	7.16	6.65	5.32	-2.03	5.93	1.53
Barclays U.S. Aggregate Bond Index (%)	2.43	4.33	6.97	5.24	5.93	6.54	7.84	4.21	-2.02	5.97	1.61
Composite 3-Yr St. Dev.	4.02	3.19	2.81	3.90	4.11	4.09	2.68	2.21	2.70	2.66	2.84
Barclays U.S. Aggregate Bond Index 3-Yr St. Dev.	4.07	3.21	2.77	3.97	4.11	4.17	2.78	2.38	2.71	2.63	2.86
Composite Dispersion	N/A	0.16	0.10	N/A							
Comp. Assets (Millions)	498.5	379.1	424.1	272.3	275.5	220.6	230.9	959.5	1,043.5	677.6	752.4
# of Accts. in Comp.	3	3	3	2	2	2	3	9	9	6	6
Total Firm Assets (Billions)	268.9	333.8	397.5	275.7	395.2	485.0	493.1	579.8	696.3	749.6	775.4

¹Reflects deduction of highest applicable fee schedule without benefit of breakpoints. Investment return and principal value will vary. Past performance cannot guarantee future results. See below for further information related to net of fee calculations.

T. Rowe Price ("TRP") has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). TRP has been independently verified for the 10-year period ended June 30, 2014 by KPMG LLP. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

TRP is a U.S. investment management firm with various investment advisers registered with the U.S. Securities and Exchange Commission, the U.K. Financial Conduct Authority, and other regulatory bodies in various countries and holds itself out as such to potential clients for GIPS purposes. TRP further defines itself under GIPS as a discretionary investment manager providing services primarily to institutional clients with regard to various mandates, which include U.S., international, and global strategies but excluding the services of the Private Asset Management group. The minimum asset level for equity portfolios to be included in composites is \$5 million and prior to January 2002 the minimum was \$1 million. The minimum asset level for fixed income and asset allocation portfolios to be included in composites is \$10 million; prior to October 2004 the minimum was \$5 million; and prior to January 2002 the minimum was \$1 million. Valuations are computed and performance reported in U.S. dollars.

Gross performance returns are presented before management and all other fees, where applicable, but after trading expenses. Net of fees performance reflects the deduction of the highest applicable management fee that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints. Gross and net performance returns are net of nonreclaimable withholding taxes on dividends, interest income, and capital gains. Effective June 30, 2013, portfolio valuation and assets under management are calculated based on the closing price of the security in its respective market. Previously portfolios holding international securities may have been adjusted for after-market events. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within a composite for the full year. Dispersion is not calculated for the composites in which there are five or fewer portfolios.

Some portfolios may trade futures, options, and other potentially high-risk derivatives which generally represent less than 10% of a portfolio.

Benchmarks are taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the composite.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow greater than or equal to 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the measurement period in which the significant cash flow occurs and the account re-enters the composite on the last day of the current month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The firm's list of composite descriptions and/or a presentation that adheres to the GIPS® standards are available upon request.

Fee Schedule

US Investment Grade Core Bond Composite

As of 31 March 2015

Figures Shown in U.S. Dollars

The US Investment Grade Core Bond Composite seeks current income and capital appreciation primarily through investment in sectors and investment grade securities in U.S. Fixed Income Indices, including the Barclays U.S. Aggregate Index. The strategy does not typically deviate significantly from the benchmark, but has flexibility to do so when market conditions warrant. (Created June 2006) (Formerly known as the U.S. Core Fixed Income Composite)

First \$50 million	25 basis points
Next \$50 million	20 basis points
Above \$100 million	17.5 basis points on all assets ¹
Above \$250 million	12.5 basis points on all assets ¹
Minimum separate account size	\$50 million

¹ A transitional credit is applied to the fee schedule as assets approach or fall below the breakpoint.

Biographical Backgrounds

Brian J. Brennan, CFA

Brian Brennan is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Brennan has lead portfolio management responsibilities for the US Treasury, US Core Plus Bond, and Stable Value Strategies. He also is a member of the portfolio strategy team for T. Rowe Price's core and core plus mandates. Mr. Brennan is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, and T. Rowe Price Trust Company.

Mr. Brennan has 28 years of investment experience, 14 of which have been at T. Rowe Price. Prior to joining T. Rowe Price in 2000, he was a fixed income manager with Howard Hughes Medical Institute, responsible for Treasury, emerging, nondollar, and derivative strategies for core plus. Mr. Brennan began his career at CIGNA Investments, Inc., as a portfolio analyst for immunized and indexed fixed income accounts.

Mr. Brennan earned a B.S. in economics and computer sciences and an M.A. in economics from Trinity College in Hartford, Connecticut. He also earned the Chartered Financial Analyst (CFA) designation and is a former president and treasurer of the Baltimore CFA Society.

Michael J. Conelius, CFA

Michael Conelius is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Conelius is lead manager of T. Rowe Price's Emerging Markets Bond and Emerging Markets Corporate Bond Strategies. He is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., and T. Rowe Price International Ltd.

Mr. Conelius has 26 years of investment experience, all of them at T. Rowe Price. Prior to joining the firm in 1988, he was a consultant for Booz Allen Hamilton.

Mr. Conelius earned a B.S. in finance from Towson University and an M.S. in finance from Loyola University Maryland. Mr. Conelius has also earned the Chartered Financial Analyst designation.

Biographical Backgrounds

Jeffrey S. DeVack, CFA

Jeff DeVack is an assistant vice president of T. Rowe Price Associates, Inc., and is a portfolio specialist in the Fixed Income Division. He is a member of the U.S. Core, U.S. Core Plus, U.S. Investment Grade Core, Enhanced Index, U.S. Treasury, Inflation Protected, and Securitized teams, working closely with clients, consultants, and prospects. Jeff was previously a senior portfolio analyst for the Fixed Income Division, covering U.S. multi-sector, global multi-sector, and government securities-related funds. Prior to joining T. Rowe Price in 2011, he was a partner in an investment consulting group at UBS Financial Services, where he worked with both institutional clientele and high-net-worth families. Jeff started his career at J.P. Morgan Chase & Co., spending a majority of the time as an investment banking analyst in a group that structured asset-backed securities transactions for Fortune 500 companies. He graduated magna cum laude from Loyola University Maryland, with concentrations in finance and economics, and is a member of the Beta Gamma Sigma business national honor society. Jeff earned the Chartered Financial Analyst (CFA) designation and is a member of both the CFA Institute and the Baltimore CFA Society.

Edward A. Wiese, CFA

Ted Wiese is head of the Fixed Income Division for T. Rowe Price, overseeing fixed income investment management. He is chairman of the Fixed Income Steering Committee and is a member of the firm's Management Committee. Mr. Wiese also is a portfolio manager in the Fixed Income Division and serves as president and chairman of the Investment Advisory Committees of the Short-Term Bond Fund and the Limited-Term Bond Portfolio. He is on the Board of the T. Rowe Price Trust Company and is a member of the firm's Valuation and Counterparty Risk Committees.

Mr. Wiese has 30 years of investment experience, all of which have been at T. Rowe Price. He joined the firm in 1984.

Mr. Wiese earned a B.A. in geology from Yale University, an M.S. in biotechnology from The Johns Hopkins University, and an M.B.A. in finance from the Tuck School of Business at Dartmouth. He also has earned the Chartered Financial Analyst designation.

Biographical Backgrounds

Steven C. Huber, CFA, FSA

Steve Huber is a portfolio manager in the Fixed Income Division at T. Rowe Price and head of the portfolio strategy team for the global multi-sector and core/core plus mandates. This team is responsible for overall strategy, including sector, duration, currency, and yield curve targets. He is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Mr. Huber has 27 years of investment experience, eight of which have been at T. Rowe Price. Prior to joining the firm in 2006, he was chief investment officer for the Maryland State Retirement and Pension System. Prior to that, Mr. Huber spent over 15 years in money management as a director of fixed income, director of asset allocation/quantitative strategy, and portfolio manager with Aeltus Investment Management. He also served as an actuarial assistant with pension consulting firm William Mercer, Inc.

Mr. Huber earned a B.S. in mathematics from Virginia Tech and an M.B.A. from the University of North Carolina at Chapel Hill. He is a member of Phi Beta Kappa and is a Fellow of the Society of Actuaries. Mr. Huber also has earned the Chartered Financial Analyst designation.

Arif Husain, CFA

Arif Husain is head of International Fixed Income at T. Rowe Price. He is co-portfolio manager for the firm's International Bond and Institutional International Bond Strategies. Mr. Husain is also lead portfolio manager for the Global Aggregate Bond Strategy. He is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price International Ltd.

Mr. Husain has 19 years of investment experience. Prior to joining the firm in 2013, he spent 14 years as director of both European Fixed Income and Euro Portfolio Management at AllianceBernstein. He was also a member of the global fixed income and absolute return portfolio management teams. Mr. Husain previously worked as assistant director of European Derivatives Trading at Greenwich NatWest and also traded interest rate swaps at Bank of America National Trust & Savings Association.

Mr. Husain received a B.Sc. (hons.) in banking and international finance from the City University, London Business School. He also earned the Chartered Financial Analyst designation.

Biographical Backgrounds

Robert M. Larkins, CFA

Robert Larkins is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Larkins is lead portfolio manager of the U.S. Fixed Income Enhanced Index Strategy and also manages the firm's active custom core and long government/credit mandates. He is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Mr. Larkins has 11 years of investment experience, all of which have been with T. Rowe Price. Prior to joining the firm in 2003, he worked for Dow Chemical Company for four years as a research engineer.

Mr. Larkins earned a B.S. in chemical engineering from Brigham Young University and an M.B.A. in finance from The Wharton School at the University of Pennsylvania. He also has earned the Chartered Financial Analyst designation.

Martin G. Lee

Martin Lee is the director of Quantitative Research in the Fixed Income Division of T. Rowe Price, as well as a member of the Fixed Income Steering Committee. Mr. Lee is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Mr. Lee has 22 years of investment experience, seven of which have been at T. Rowe Price. Prior to joining the firm in 2007, he was a principal at Investcorp, a hedge fund group, where he specialized in asset allocation and quantitative research. His prior experience includes seven years at Citigroup Asset Management, where he was the director of Fixed Income Quantitative Research. Prior to Citigroup, he held quantitative research positions at Goldman Sachs and Solomon Smith Barney.

Mr. Lee earned a B.S. in electrical engineering from the University of California-Berkeley, an M.S. in electrical engineering from the California Institute of Technology, and an M.B.A. from The Wharton School at the University of Pennsylvania.

Biographical Backgrounds

Alan D. Levenson, Ph.D.

Alan Levenson is T. Rowe Price's chief U.S. economist. In addition to contributing to the formulation of investment strategy in the firm's Fixed Income Division, he supports investment and client development activities throughout T. Rowe Price. In particular, he focuses on the outlook for the U.S. economy, inflation, and monetary policy. Mr. Levenson is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Mr. Levenson has 27 years of investment experience, 16 of which have been at T. Rowe Price. Prior to joining the firm in 1998, he was a senior vice president and director of research at Aubrey G. Lanston & Co., Inc., in New York City. Mr. Levenson was also a vice president and money market economist at UBS Securities.

Mr. Levenson earned a B.A. in philosophy, with a minor concentration in economics, from Yale University and an M.B.A. and Ph.D. in economics from New York University, Leonard N. Stern School of Business.

Biographical Backgrounds

John F. Masdea, CFA

John Masdea is an institutional sales executive covering the Americas for the Global Investment Services division of T. Rowe Price, the organization responsible for the firm's institutional business worldwide. He is a vice president of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc.

Mr. Masdea has 11 years of experience in institutional investment management sales. Prior to joining T. Rowe Price in 2010, he was vice president of institutional sales for RS Investments.

Mr. Masdea earned an M.B.A. from Oxford University and a B.S. in physiology from the University of Southern California. He is a Series 6 and 63 registered representative and has earned the Chartered Financial Analyst designation.

Andrew McCormick

Andrew McCormick is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. McCormick is head of the U.S. Taxable Bond team and lead portfolio manager of the firm's US GNMA Bond Strategy. He is a member of the Fixed Income Steering Committee. Mr. McCormick is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., and T. Rowe Price Trust Company.

Mr. McCormick has 32 years of investment experience, seven of which have been with T. Rowe Price. Prior to joining the firm in 2008, he spent 13 years on Wall Street trading mortgages and agency securities, 10 years at Fannie Mae managing significant mortgage assets, and two years working with a hedge fund manager and mortgage real estate investment trust firm.

Mr. McCormick earned a B.S. in finance from Syracuse University.

Biographical Backgrounds

Hugh D. McGuirk, CFA

Hugh D. McGuirk is head of T. Rowe Price's municipal bond team and a member of the Fixed Income Steering Committee.

Mr. McGuirk is also a portfolio manager for the US Municipal Long-Term Bond Strategy and is a vice president of T. Rowe Price Group, Inc.

Mr. McGuirk has 23 years of investment experience, 21 of which have been at T. Rowe Price. Prior to joining the firm in 1993, he was an assistant vice president and municipal underwriter with Alex. Brown & Sons in Baltimore, Maryland.

Mr. McGuirk earned a B.S. in applied mathematics from the University of Virginia and an M.B.A. from Harvard Business School. He has earned the Chartered Financial Analyst designation. Mr. McGuirk is the past president of the Municipal Bond Club of Baltimore and a member of the Baltimore Securities Analyst Society.

Daniel O. Shackelford, CFA

Dan Shackelford is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Shackelford has lead portfolio management responsibilities for the US Inflation Protected, US Inflation Focused, US Core Plus, US Core, and US Investment Grade Core Bond Strategies. He also is a member of the portfolio strategy team for T. Rowe Price's core and core plus mandates. Mr. Shackelford chairs the Fixed Income Derivatives Committee and is a member of the firm's Asset Allocation Committee. He is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., and T. Rowe Price Trust Company.

Mr. Shackelford has 34 years of investment experience, 16 of which have been with T. Rowe Price. Prior to joining the firm in 1999, he was the principal and head of fixed income for Investment Counselors of Maryland. Mr. Shackelford began his career at North Carolina National Bank (now Bank of America), where he served as an assistant vice president in the Treasury division.

Mr. Shackelford earned a B.S. in business administration from the University of North Carolina at Chapel Hill and an M.B.A. in finance from Duke University, The Fuqua School of Business, where he was a Fuqua Scholar. He also earned the Chartered Financial Analyst (CFA) designation and is a former president of the Baltimore CFA Society.

Biographical Backgrounds

David A. Tiberii, CFA

David Tiberii is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Tiberii has lead portfolio management responsibilities for the US Investment Grade Corporate Bond Strategy. He is also a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., T. Rowe Price International Ltd, and T. Rowe Price Trust Company.

Mr. Tiberii has 18 years of investment experience, 11 of which have been with T. Rowe Price. He started at the firm in 2003 with extensive experience in the fixed income investment field. Between 2002 and 2003, Mr. Tiberii was a portfolio manager for GE Asset Management. Between 2000 and 2002, he was a vice president of Goldman Sachs, working on the trading desk as a corporate bond strategist. Mr. Tiberii began his investment career at Smith Breeden Associates, where he worked from 1996 to 2000.

Mr. Tiberii earned a B.A. in physics from the College of the Holy Cross and served five years as a submarine line officer and nuclear engineer in the U.S. Navy. He earned his M.B.A. in finance from Duke University, The Fuqua School of Business, where he was named a Fuqua Scholar. Mr. Tiberii has earned the Chartered Financial Analyst designation and is a Series 7 and 63 registered representative.

Mark J. Vaselkiv

Mark Vaselkiv is a portfolio manager in the Fixed Income Division at T. Rowe Price. Mr. Vaselkiv is head of the High Yield team and lead portfolio manager of the firm's High Yield Strategy. He is a member of both the Fixed Income Steering Committee and the firm's Asset Allocation Committee. Mr. Vaselkiv is a vice president of T. Rowe Price Group, Inc., T. Rowe Price Associates, Inc., and T. Rowe Price Trust Company.

Mr. Vaselkiv has 31 years of investment experience, 27 of which have been at T. Rowe Price. He started at the firm in 1988 as a high yield corporate credit analyst with a special focus on forest products and gaming and was appointed to the high yield portfolio management team in 1996. He began his investment career in 1984 as a credit analyst for Prudential Insurance Company. In 1986, he became a credit analyst and vice president at Shenkman Capital Management.

Mr. Vaselkiv earned a B.A. in political science from Wheaton College and an M.B.A. in finance from the New York University, Leonard N. Stern School of Business.

MEMORANDUM

Date: May 27, 2015

To: Oakland Police and Fire Retirement System (OPFRS)

From: Pension Consulting Alliance, Inc. (PCA)

CC: David Sancewich – PCA
 Sean Copus – PCA
 Teir Jenkins – OPFRS
 Katano Kasaine - OPFRS

RE: T. Rowe Price – Update

Discussion

In reviewing T. Rowe Price, PCA considered investment performance and recent organizational / personnel issues.

Investment Performance (as of 3/31/2015)

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
T. Rowe Price	46,623	Core	1.7	5.9	3.5	---	4.2	5/2011
<i>BC Aggregate Index</i>	---	---	1.6	5.7	3.1	---	4.0	---

** Inception date reflects the month when portfolio received initial funding.

Since being retained as OPFRS's core fixed income manager in May 2011, T. Rowe Price has outperformed its benchmark by 20 basis points since inception. T. Rowe Price has also outperformed over the most recent quarter, 1-, and 3-year periods by 10, 20, and 40 basis points, respectively.

Organizational Issues

Since funding T. Rowe Price as OPFRS's core fixed income manager in 2011 there have been zero turnover among the core investment team. While turnover among analysts and traders has been common over each recent calendar year, no portfolio managers have departed or been added to the management team. PCA does not see any material concerns with the T. Rowe Price organization at this time.

Investment Process per manager

T. Rowe Price believes consistent, long-term alpha generation and attractive risk-adjusted returns can be captured through exposure to diversified sources of return. T. Rowe Price begins its process with a combination of macro-economic analysis, credit analysis, and security selection

research efforts. These factors are evaluated within a framework of T. Rowe Price's fundamental and quantitative global fixed-income and equity research capabilities with accurate risk management as a control mechanism for decisions and allocations.

The objective of the investment team is to construct a well-diversified portfolio based on the best investment opportunities identified by a dedicated fixed-income research team. T. Rowe's extensive research effort allows them to identify bond pricing anomalies in a particular issuer's valuation where valuation is divergent from others in the same industry, and with the same credit quality. Inefficiencies existing between sectors of the bond market and along the yield curve also can contribute to returns. Through active management, these mispricings, predicated on disciplined risk management processes and understanding of headline factors that may be causing the mispricing, present opportunities for positive returns in the long term.

The portfolio managers are responsible for implementation of the overall portfolio strategy and day-to-day risk management, ensuring that portfolios are within risk and investment guidelines and exposures are in line with targets. Security selection responsibility resides with the heads of the various sector teams, who manage their sector exposures within risk guidelines and look to add alpha versus sector benchmarks.

In order to identify when a relative value opportunity exists between sectors, or when to sell an individual security, the portfolio strategy and analyst team continually monitors sector and individual security valuations. Economic outlooks, price valuations, technical indicators, liquidity, and transactional costs are all included in these determinations. Analysts will identify and communicate liquidity issues or rating changes that affect the portfolio to the portfolio management team. If a bond is identified for sale for credit reasons, the team will talk to the analyst to ascertain the urgency of the situation. Then the team will discuss the best method of liquidation, devise a plan, and implement it. Most importantly, the decision makers will have input from all relevant parties—the analyst, portfolio manager(s), and trader(s). By reviewing a credit before purchasing, the team generally mitigates selling for credit reasons. Once a decision is reached on a position, traders execute the trade most advantageously contingent upon needs for speed, liquidity, or transaction cost economization.

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PCA INVESTMENT MARKET RISK METRICS

Monthly Report



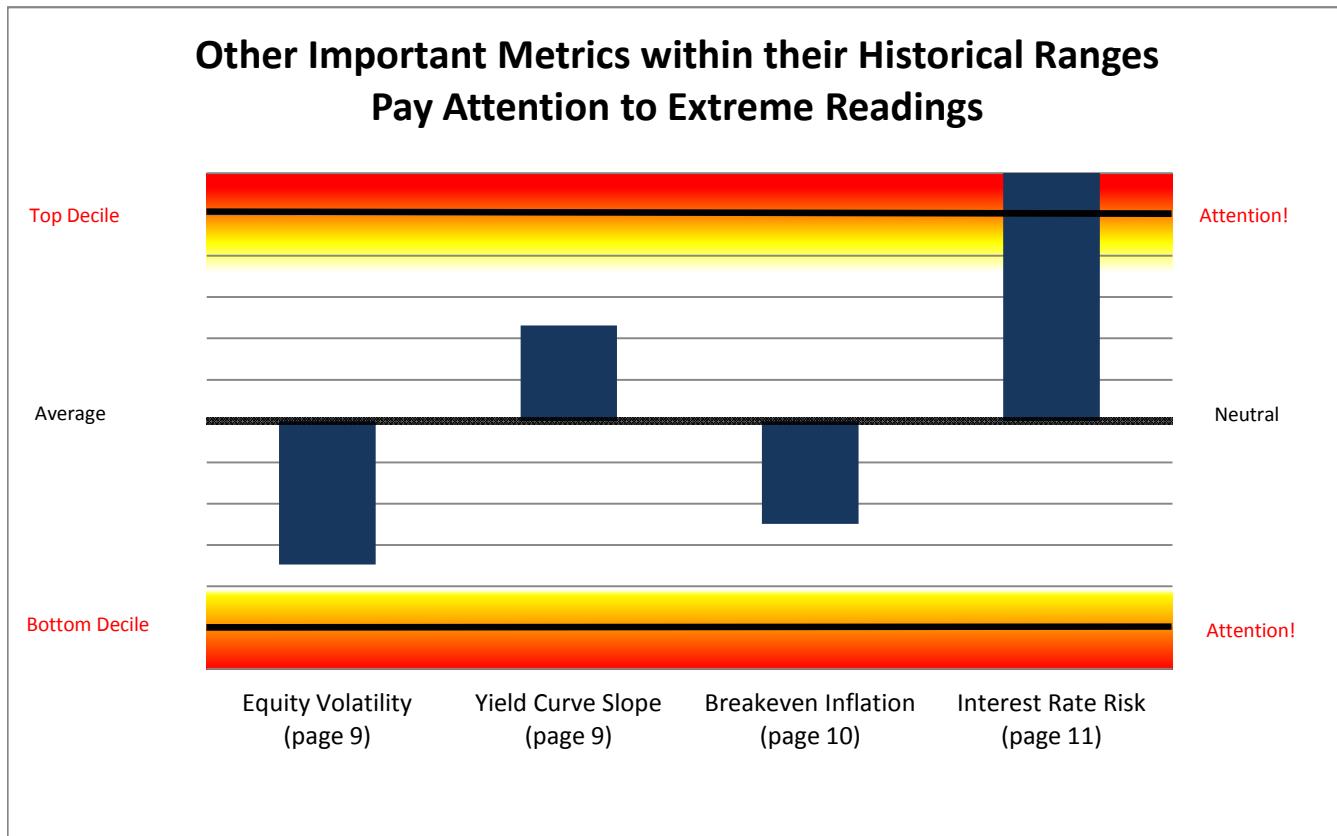
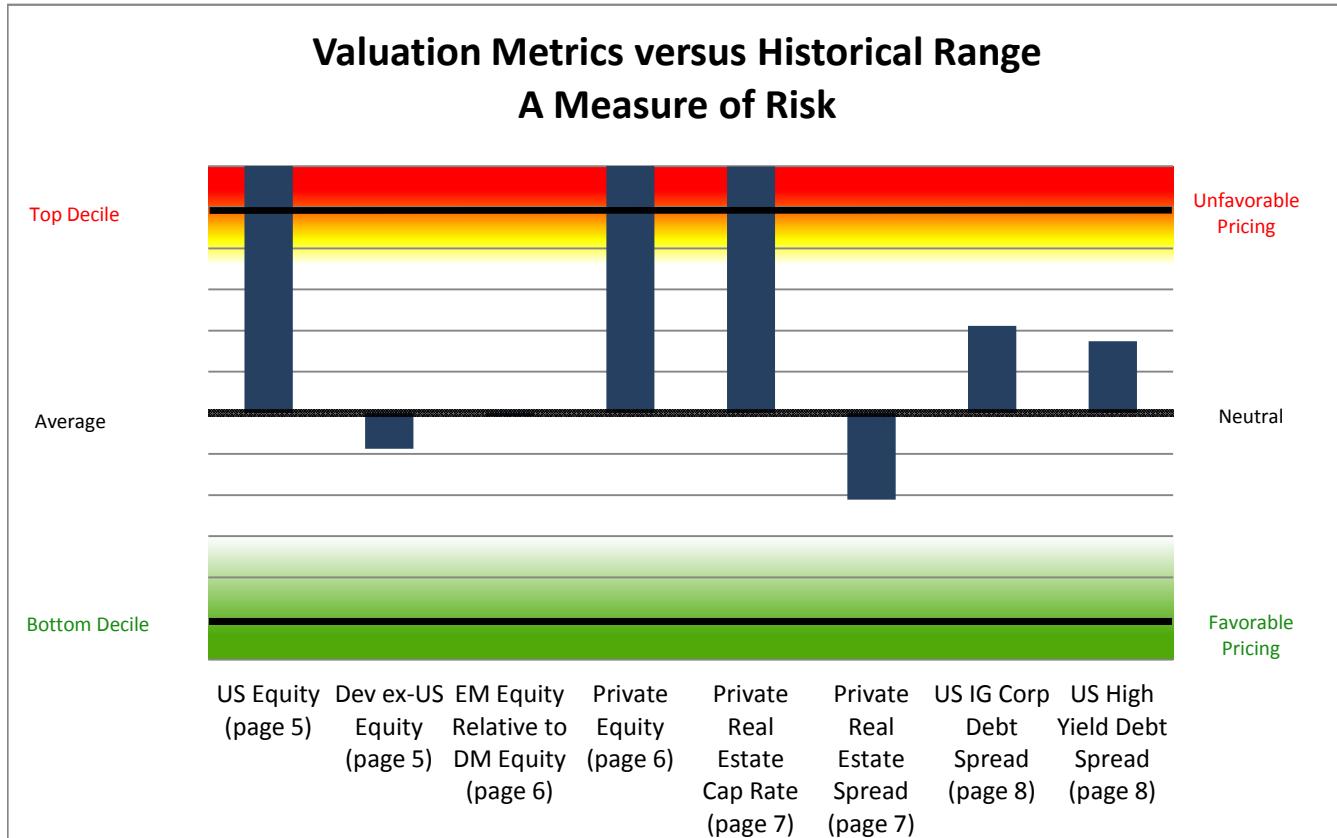
May 2015

Takeaways

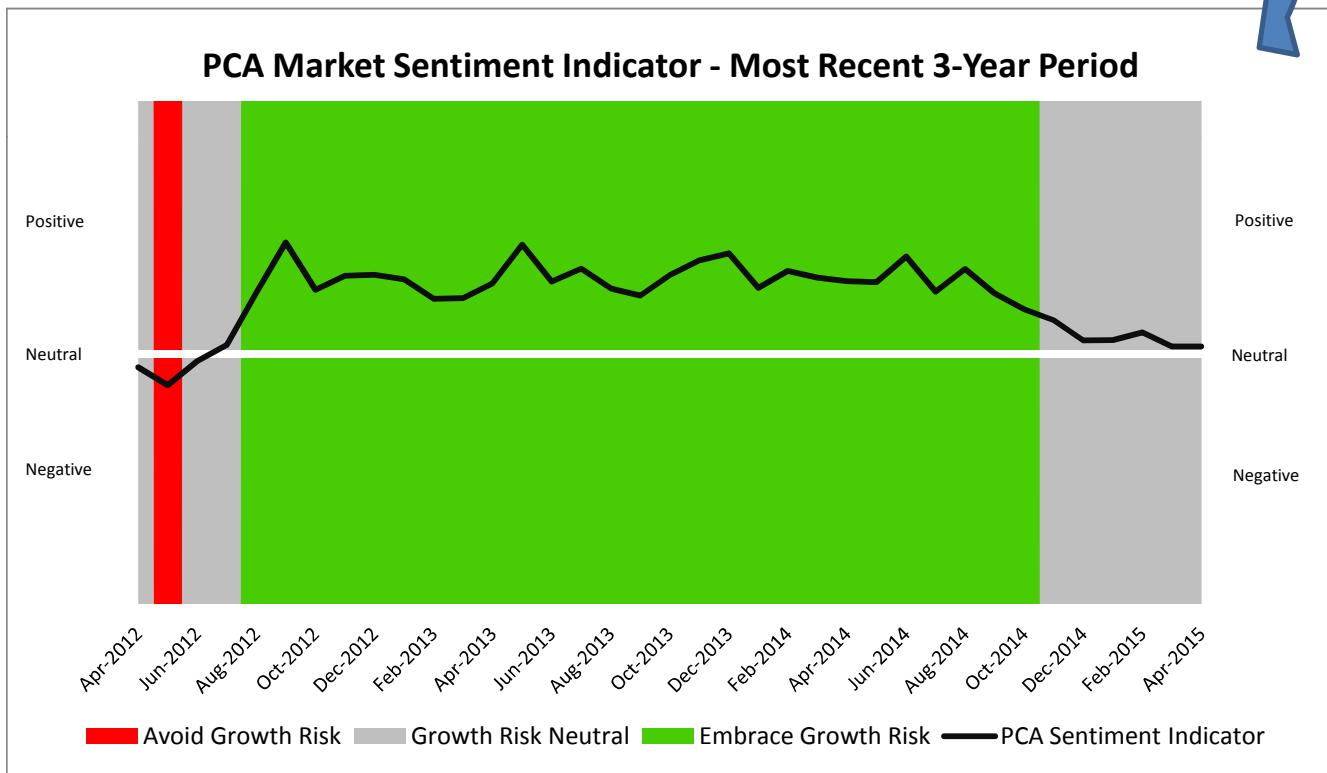
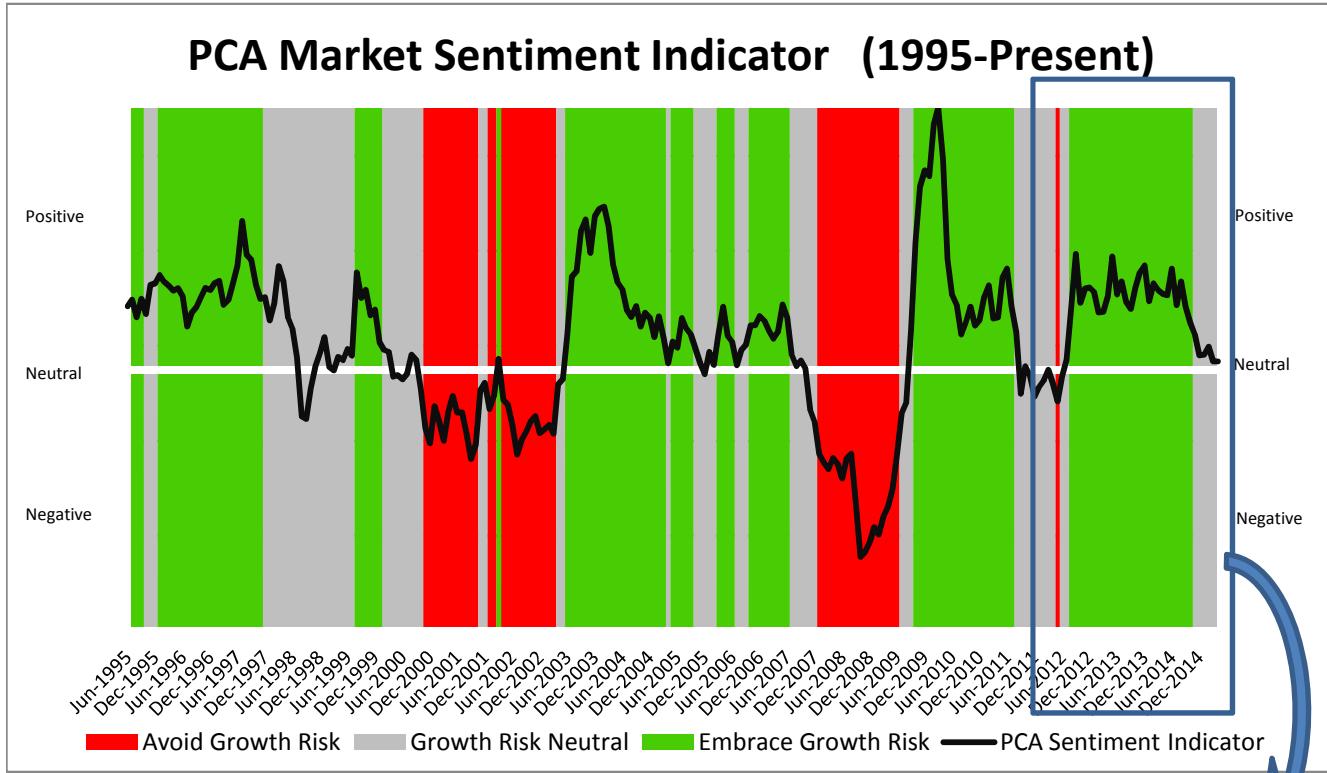
- U.S. equity, U.S. private equity and U.S. private real estate (on a cap rate basis) are all registering top decile valuations levels relative to their histories.
- The U.S. 10-year interest rate ended April at approximately 2%. The timing of any interest rate increase continues to be pushed out, as the advanced estimate for Q1 U.S. GDP registered an anemic 0.2%.
- Even after year-to-date price gains, international equity valuations are below their historical average valuation levels.
- With the compression of interest rates year-over-year, the spread between the core real estate cap rates and 10-year Treasury rate increased from 2014 levels, indicating valuations may have room to rise, on this basis.
- Bond spreads have tightened slightly year-to-date.
- The 10-year breakeven inflation rate approached 2%, and the freefall in commodity prices since mid-2014 seems to have stabilized.
- The PCA Market Sentiment Indicator remained **neutral. (page 4)**

¹See Appendix for the rationale for selection and calculation methodology used for the risk metrics.

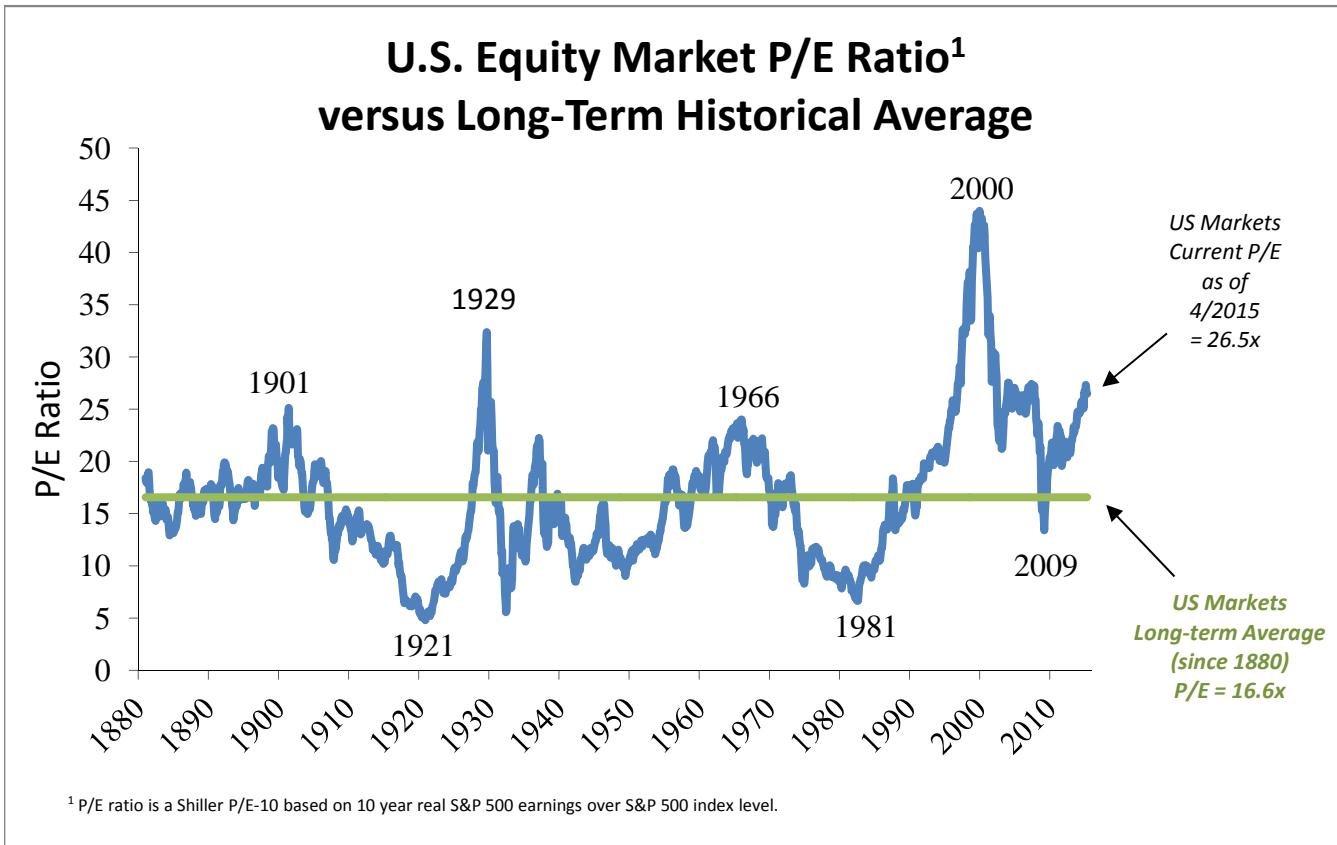
Risk Overview



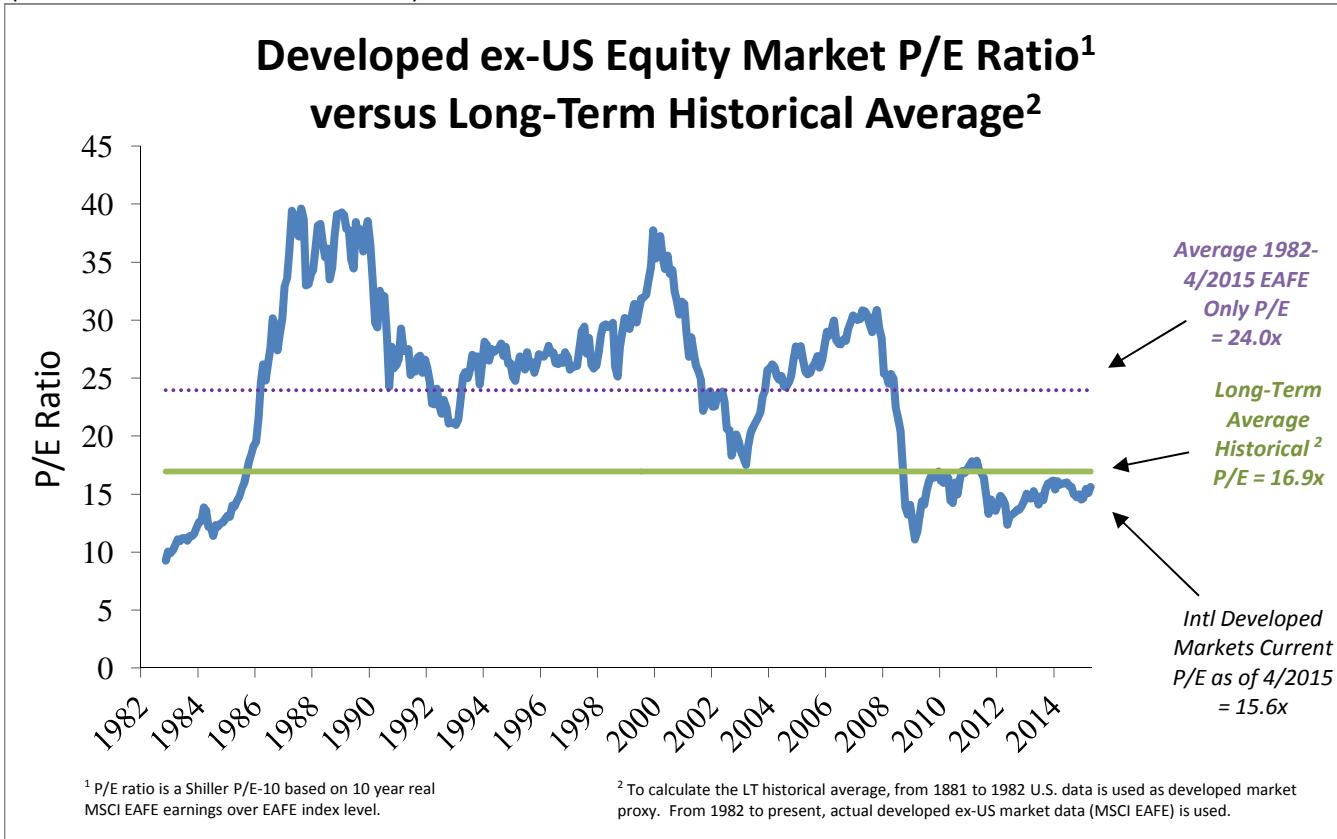
Market Sentiment

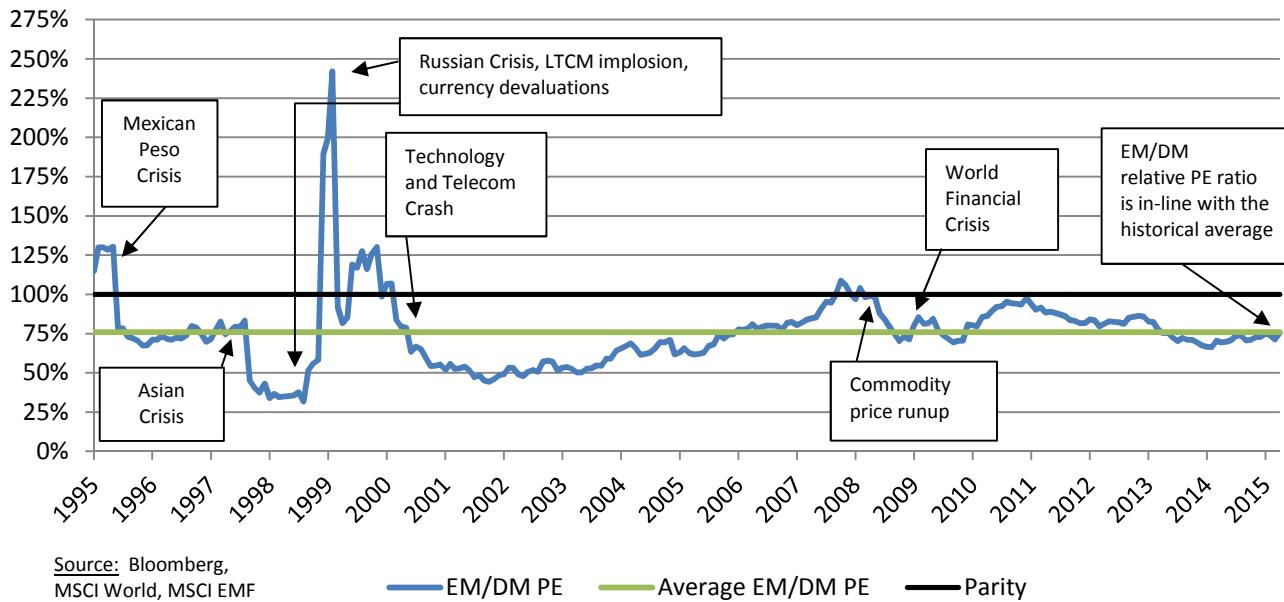


Bond Spread Momentum Trailing-Twelve Months	Negative
Equity Return Momentum Trailing-Twelve Months	Positive
Agreement Between Bond Spread and Equity Spread Momentum Measures?	Disagree
Growth Risk Visibility (Current Overall Sentiment)	Neutral

Developed Public Equity Markets

(Please note the different time scales)

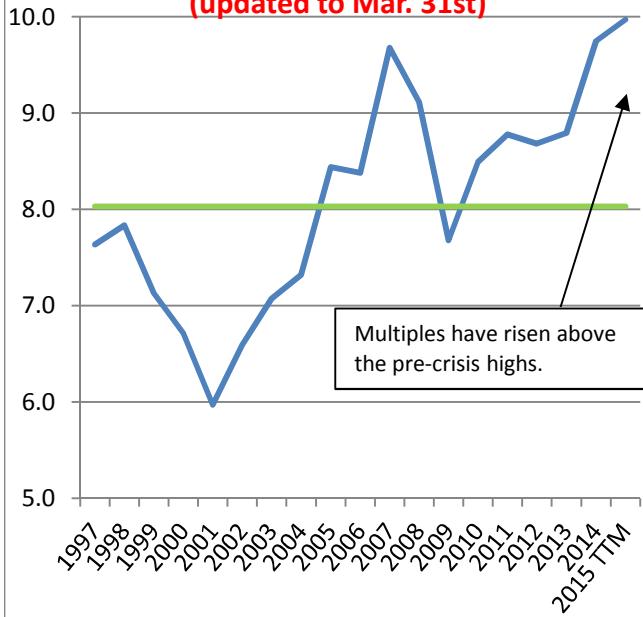
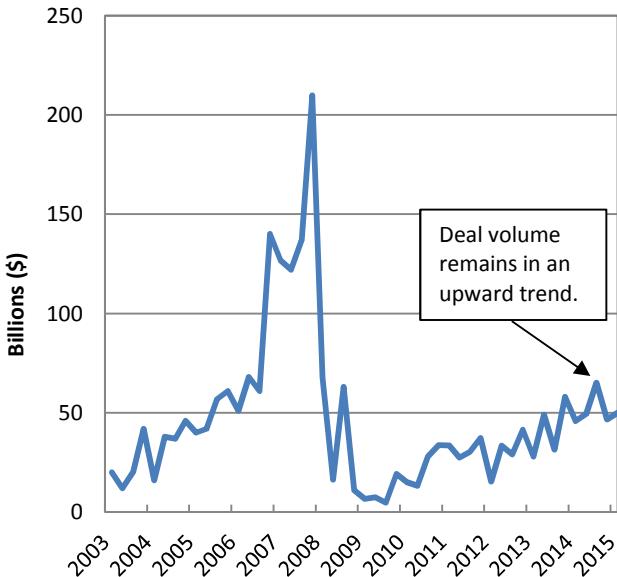


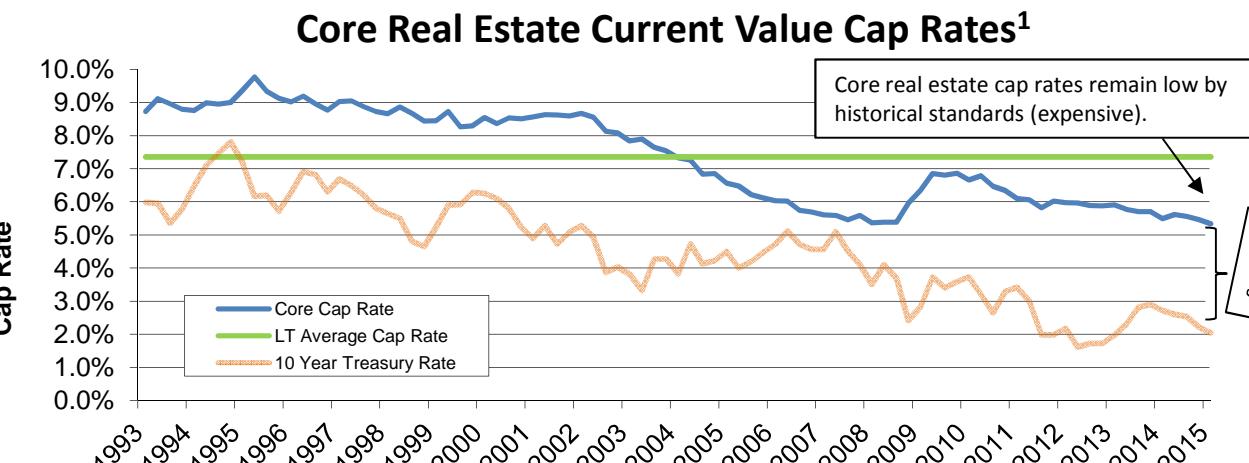
Emerging Market Public Equity Markets**Emerging Markets PE / Developed Markets PE
(100% = Parity between PE Ratios)**US Private Equity

Quarterly Data, Updated to Mar. 31st

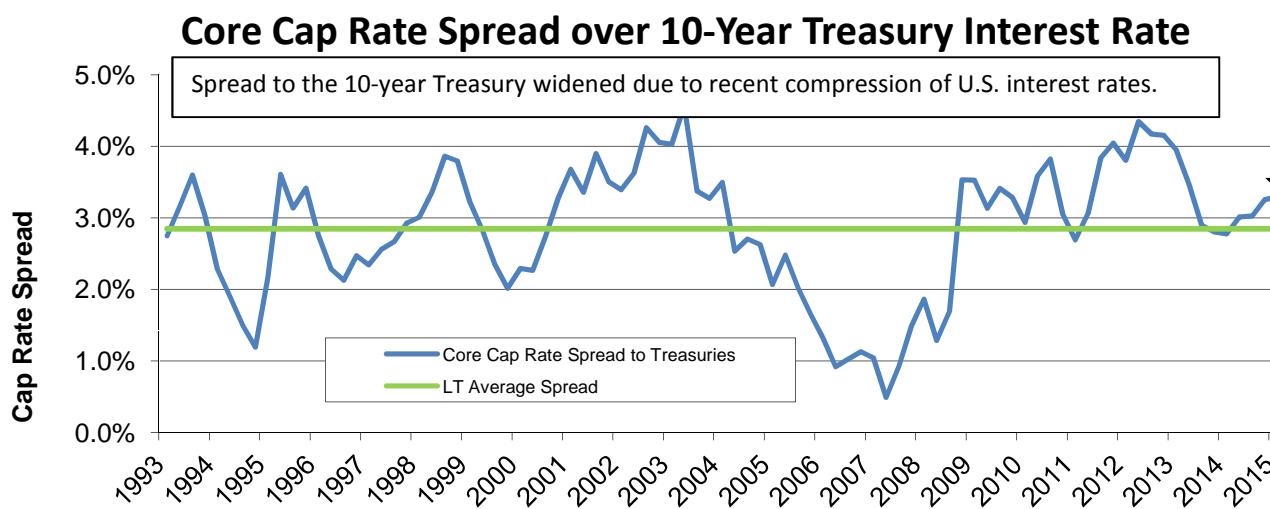
**Price to EBITDA Multiples
Paid in LBOs**

(updated to Mar. 31st)

**Disclosed U.S. Quarterly
Deal Volume***

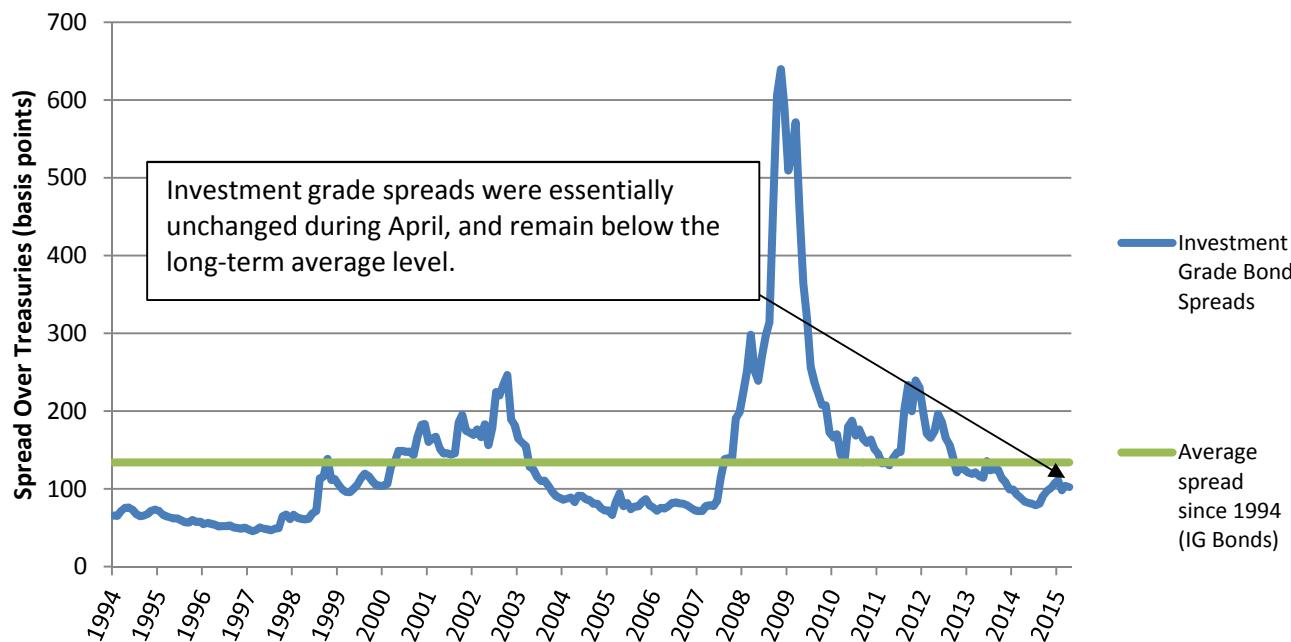
Private Real Estate Markets**Quarterly Data, Updated to Mar. 31st**

Sources: NCREIF, www.ustreas.gov

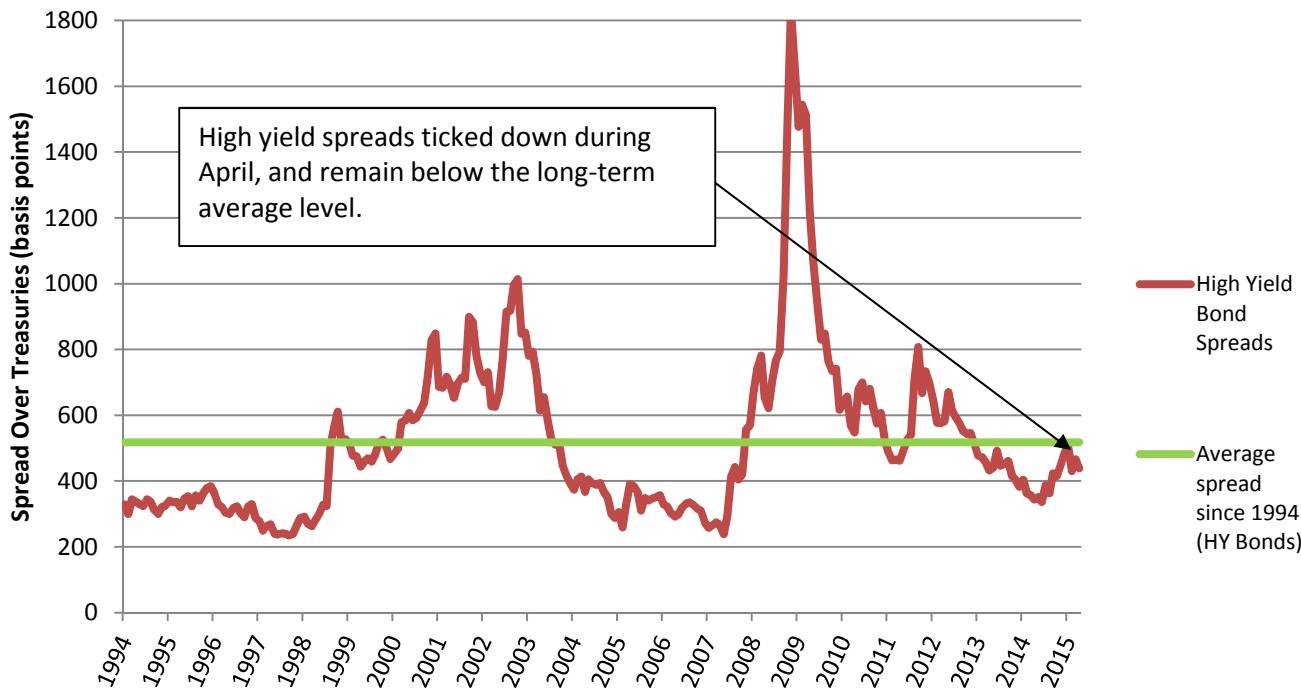
¹A cap rate is the current annual income of the property divided by an estimate of the current value of the property. It is the current yield of the property. Low cap rates indicate high valuations.

Transactions as a % of Market Value Trailing-Four Quarters (a measure of property turnover activity)



Credit Markets US Fixed Income**Investment Grade Corporate Bond Spreads**

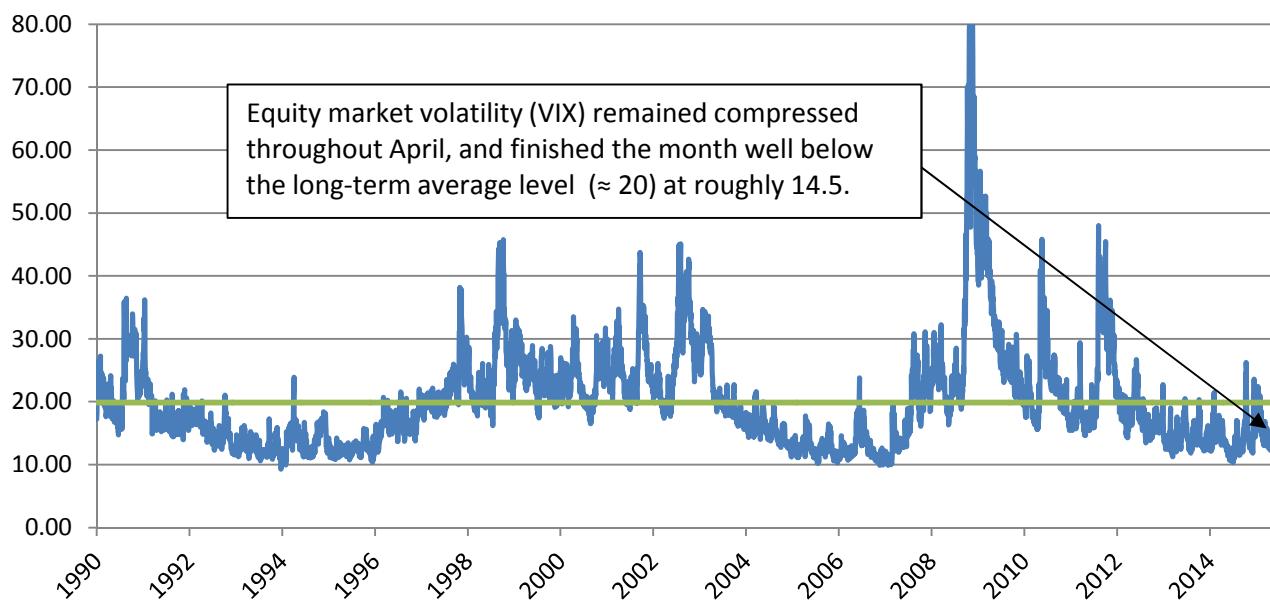
Source: LehmanLive: Barclays Capital US Corporate Investment Grade Index Intermediate Component.

High Yield Corporate Bond Spreads

Source: LehmanLive: Barclays Capital U.S. Corporate High Yield Index.

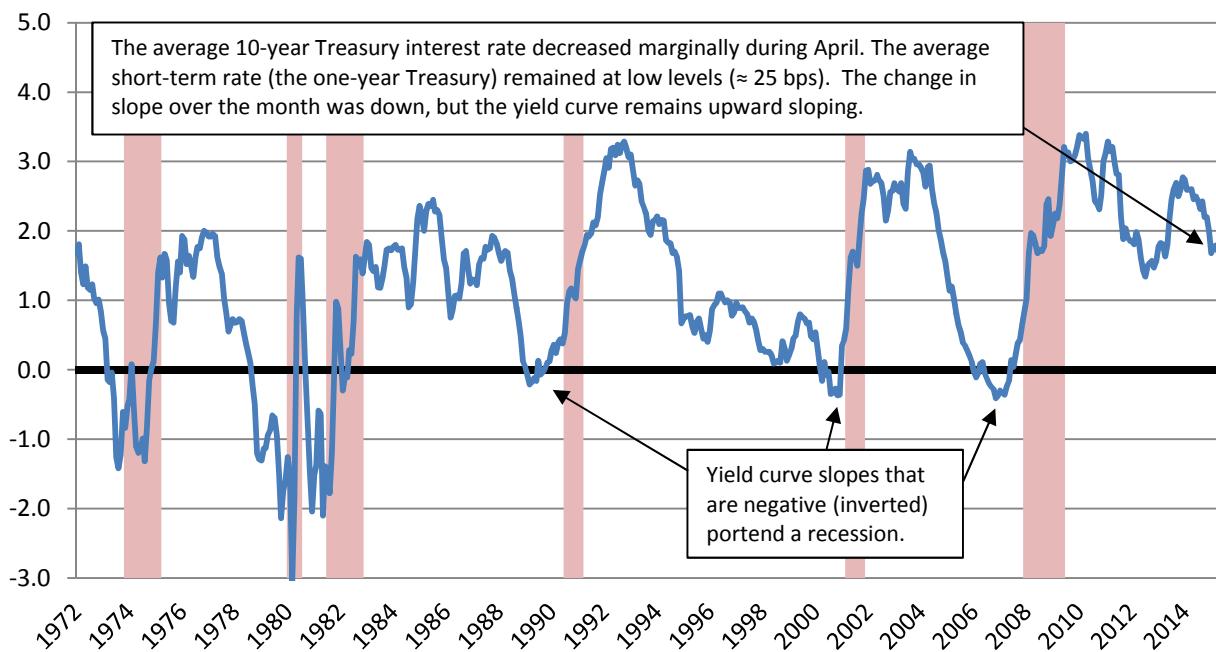
Other Market Metrics

VIX - a measure of equity market fear / uncertainty



Source: <http://www.cboe.com/micro/vix/historical.aspx>

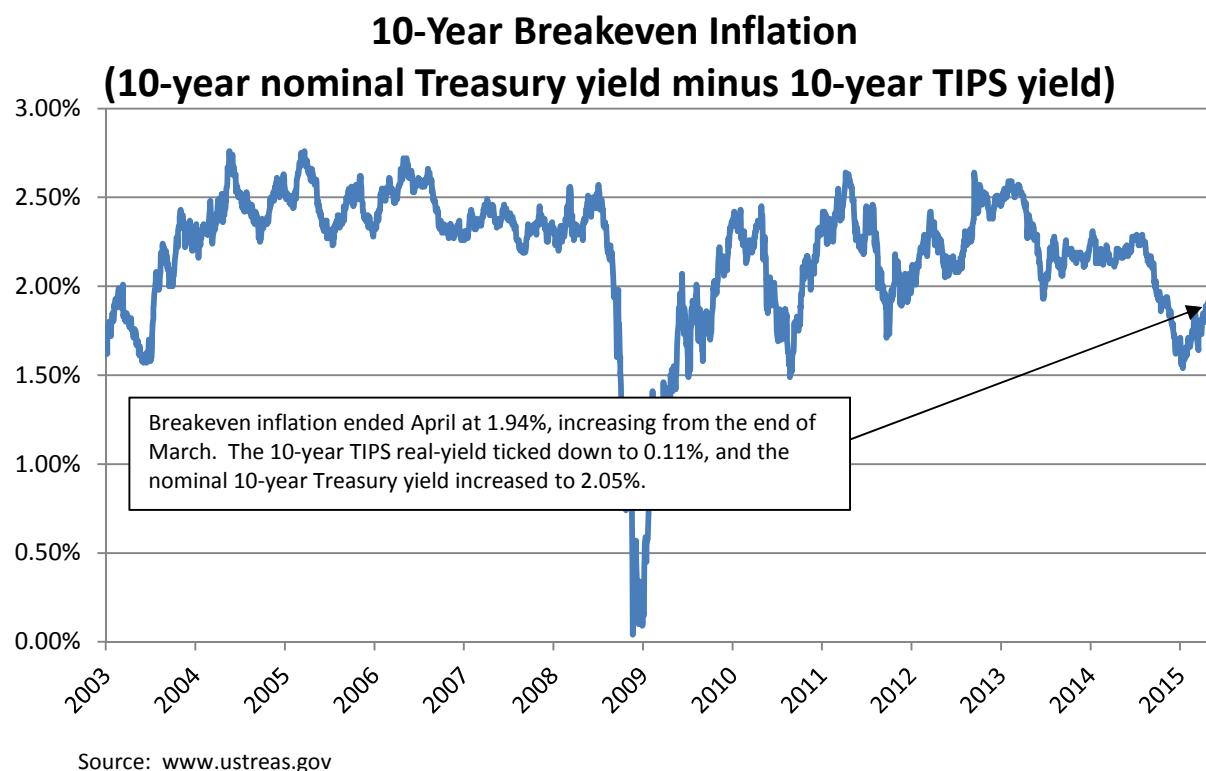
Yield Curve Slope



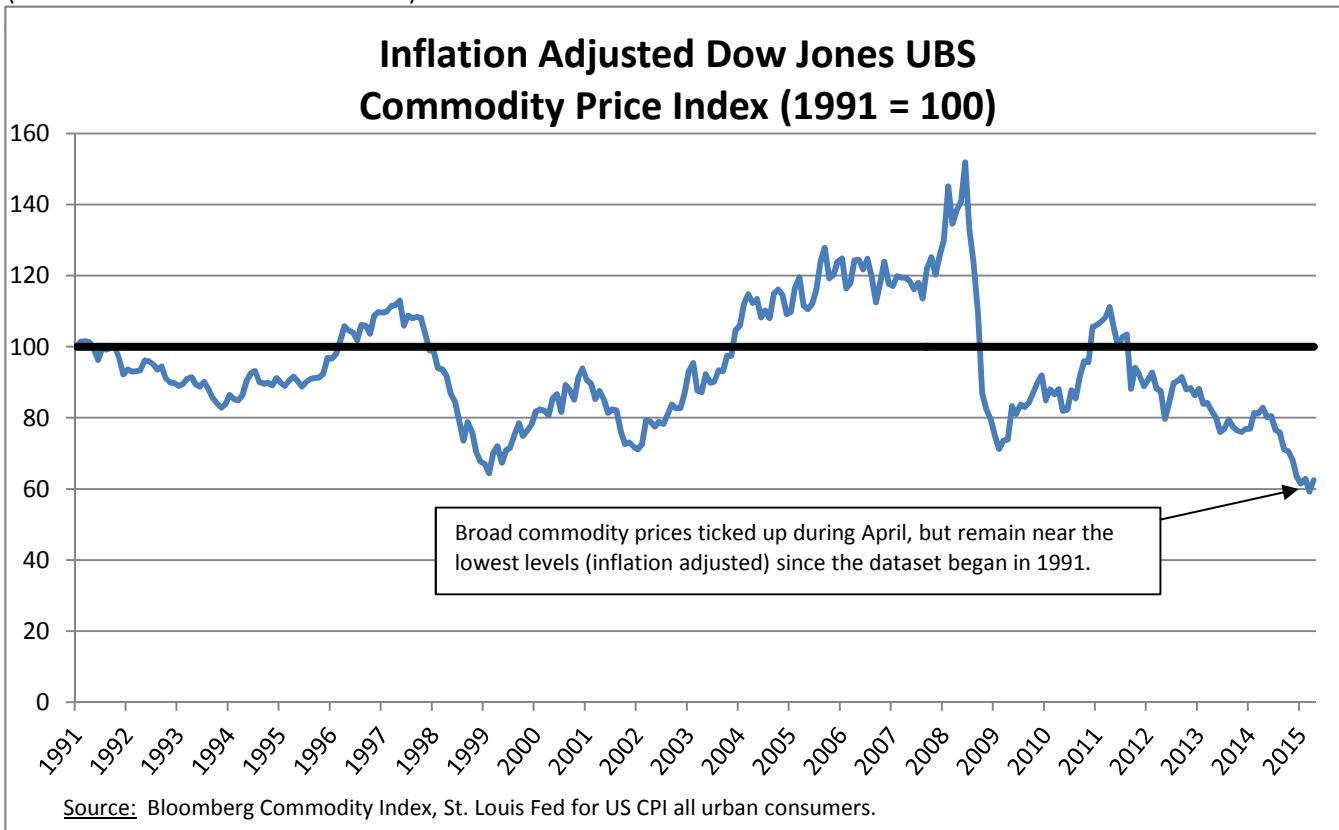
Source: www.ustreas.gov (10 yr treasury yield minus 1 year treasury yield)

Recession Dating: NBER <http://www.nber.org/cycles.html>

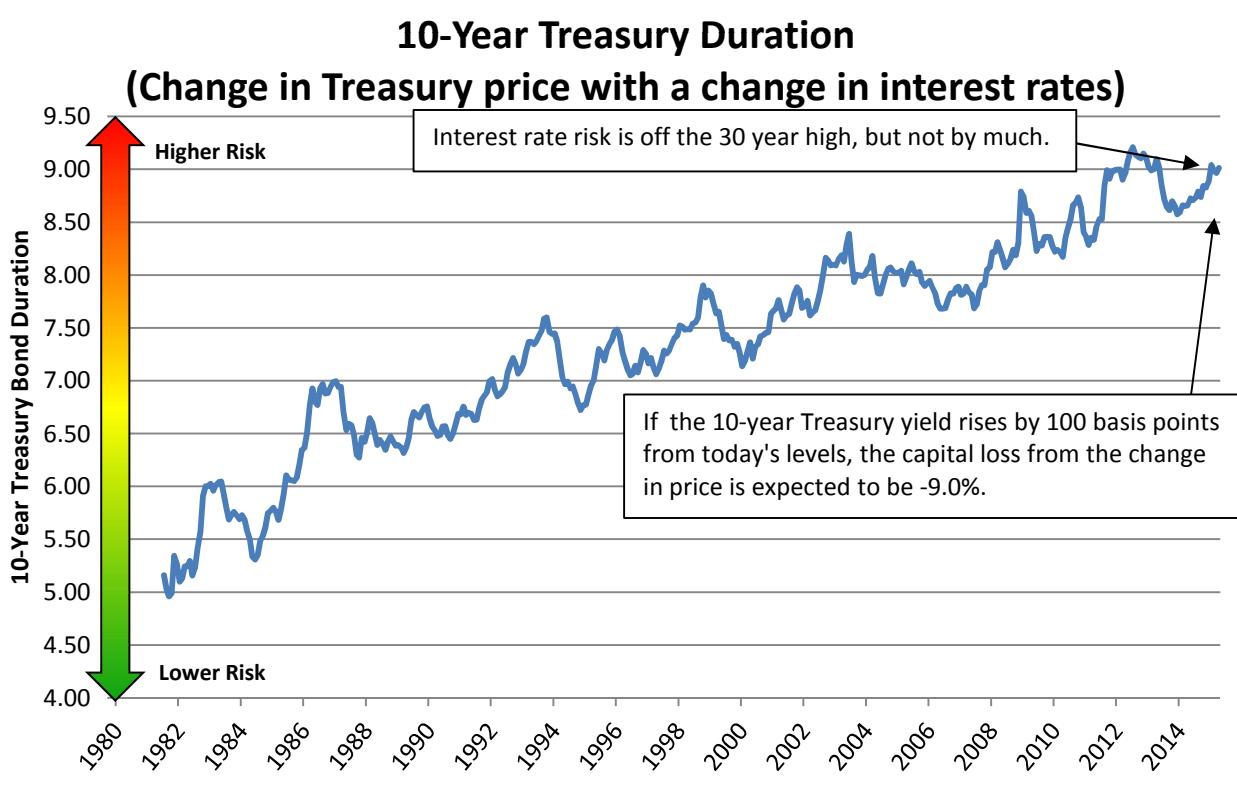
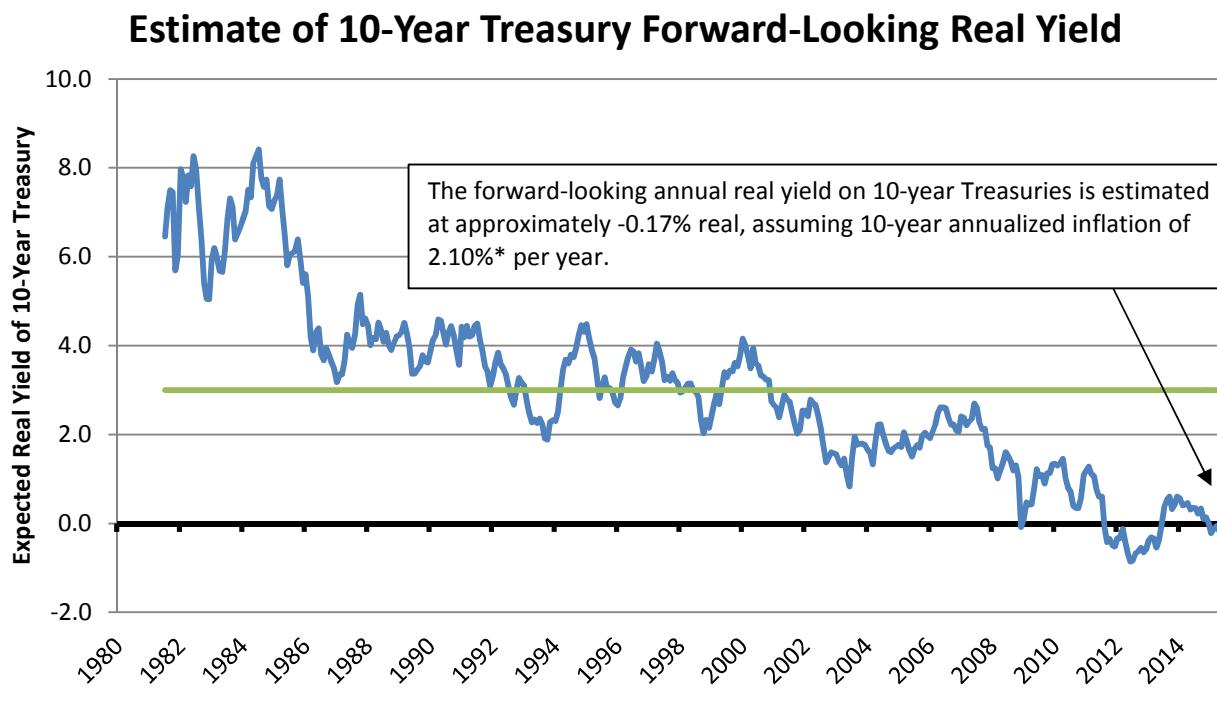
Measures of Inflation Expectations



(Please note the different time scales)



Measures of U.S. Treasury Interest Rate Risk



Appendix

Appendix

METRIC DESCRIPTION, RATIONALE FOR SELECTION AND CALCULATION METHODOLOGY

US Equity Markets:

Metric: P/E ratio = Price / "Normalized" earnings for the S&P 500 Index

To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price=P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power (E) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller's data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].

Developed Equity Markets Excluding the US:

Metric: P/E ratio = Price / "Normalized" earnings for the MSCI EAFE Index

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price=P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings (E). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.

Appendix

METRIC DESCRIPTION, RATIONALE FOR SELECTION AND CALCULATION METHODOLOGY

Emerging Market Equity Markets:

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.

US Private Equity Markets:

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.

US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

U.S Private Real Estate Markets:

Metrics: US Cap Rates, Cap Rate Spreads, and Transactions as a % of Market Value

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The data, published by NCREIF, describes completed and leased properties (core) on an unleveraged basis. We chose to use current value cap rates. These are capitalization rates from properties that were revalued during the quarter. This data relies on estimates of value and therefore tends to be lagging (estimated prices are slower to rise and slower to fall than transaction prices). The data is published quarterly.

Spreads between the cap rate (described above) and the 10-year nominal Treasury yield, indicate a measure of the cost of properties versus a current measure of the cost of financing.

Transactions as a % of Market Value Trailing-Four Quarters is a measure of property turnover activity in the NCREIF Universe. This quarterly metric is a measure of activity in the market.

Credit Markets US Fixed Income:

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Barclays Capital US Corporate High Yield Index.

Appendix

METRIC DESCRIPTION, RATIONALE FOR SELECTION AND CALCULATION METHODOLOGY

Measure of Equity Market Fear / Uncertainty

Metric: VIX – Measure of implied option volatility for U.S. equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.

Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates an acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPs. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year U.S. Treasury Bond is a measure of valuation risk for U.S. Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. PCA estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.

Definition of “extreme” metric readings

A metric reading is defined as “extreme” if the metric reading is in the top or bottom decile of its historical readings. These “extreme” reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.

PCA Market Sentiment Indicator

Explanation, Construction and Q&A

By:

Pension Consulting Alliance, Inc.

John Linder, CFA, CPA

Neil Rue, CFA

PCA has created the PCA Market Sentiment Indicator (PMSI) to complement our valuation-focused PCA Investment Market Risk Metrics. This measure of sentiment is meant to capture significant and persistent shifts in long-lived market trends of economic growth risk, either towards a risk-seeking trend or a risk-aversion trend.

This paper explores:

- What is the PCA Market Sentiment Indicator (PMSI)?
- How do I read the indicator graph?
- How is the PCA Market Sentiment Indicator (PMSI) constructed?
- What do changes in the indicator mean?



PCA Market Sentiment Indicator

PCA has created a market sentiment indicator for monthly publication (the PMSI – see below) to complement PCA's Investment Market Risk Metrics.

PCA's Investment Market Risk Metrics, which rely significantly on standard market measures of relative valuation, often provide valid early signals of increasing long-term risk levels in the global investment markets. However, as is the case with numerous valuation measures, the Risk Metrics may convey such risk concerns long before a market corrections take place. The PMSI helps to address this early-warning bias by measuring whether the markets are beginning to acknowledge key Risk Metrics trends, and / or indicating non-valuation based concerns. Once the PMSI indicates that the market sentiment has shifted, it is our belief that investors should consider significant action, particularly if confirmed by the Risk Metrics. Importantly, PCA believes the Risk Metrics and PMSI should always be used in conjunction with one another and never in isolation. The questions and answers below highlight and discuss the basic underpinnings of the PCA PMSI:

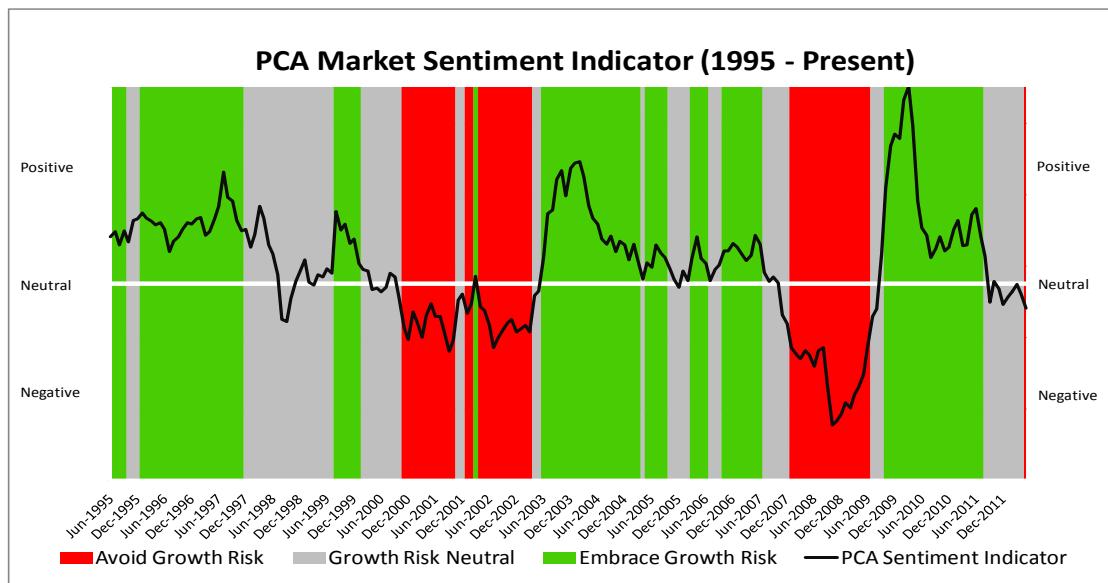
What is the PCA Market Sentiment Indicator (PMSI)?

The PMSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The PMSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the PCA Market Sentiment Indicator (PMSI) graph?

Simply put, the PMSI is a color coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the PMSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the PMSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.

Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.



PCA Market Sentiment Indicator

How is the PCA Market Sentiment Indicator (PMSI) Constructed?

The PMSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

1. Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
2. Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight). The scale of this measure is adjusted to match that of the stock return momentum measure.

The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure. The color reading on the graph is determined as follows:

1. If both stock return momentum and bond spread momentum are positive = GREEN (positive)
2. If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
3. If both stock return momentum and bond spread momentum are negative = RED (negative)

What does the PCA Market Sentiment Indicator (PMSI) mean? Why might it be useful?

There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12 month period. The PMSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

ⁱ Momentum as we are defining it is the use of the past behavior of a series as a predictor of its future behavior.

ⁱⁱ "Time Series Momentum" Moskowitz, Ooi, Pedersen, August 2010
<http://pages.stern.nyu.edu/~lpederse/papers/TimeSeriesMomentum.pdf>

1Q | 2015

OAKLAND POLICE & FIRE RETIREMENT SYSTEM
QUARTERLY PERFORMANCE REPORT



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- B INVESTMENT MARKET RISK METRICS
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- F INDIVIDUAL MANAGER PERFORMANCE

TOTAL PORTFOLIO SUMMARY

As of March 31, 2015, the City of Oakland Police and Fire Retirement System (OPFRS) portfolio had an aggregate value of \$440.9 million. This represents a (\$3.1) million decrease in value over the quarter. During the previous one-year period, the OPFRS Total Portfolio decreased by (\$29.5) million, including (\$60) million in withdrawals during the period.

Asset Allocation Trends

The asset allocation targets (see table on page 19) reflect those as of March 31, 2015. Target weightings reflect the Plan's evolving asset allocation (effective 3/31/2014).

With respect to policy targets, the portfolio ended the latest quarter *overweight Domestic Equity, Covered Calls, Real Return, and cash, while underweight International Equity and Fixed Income.*

Recent Investment Performance

During the most recent quarter, the OPFRS Total Portfolio generated an absolute return of 2.8%, gross of fees, outperforming its policy benchmark by 80 basis points. The portfolio has outperformed its benchmark over the latest fiscal year-to-date, 3-, and 5-year periods, while slightly underperforming over the 1-year period.

The Total Portfolio outperformed the Median fund's return over the most recent quarter, fiscal year-to-date and 1-year period, but underperformed the Median fund over the 3- and 5-year periods. Performance differences with respect to the Median Fund continue to be attributed largely to differences in asset allocation.

	Quarter	Fiscal YTD	1 Year	3 Year	5 Year
Total Portfolio ¹	2.8	4.0	7.6	8.7	9.3
<i>Policy Benchmark²</i>	2.0	3.7	7.7	7.6	8.3
Excess Return	0.8	0.3	(0.1)	1.1	1.0
Reference: Median Fund ³	2.3	2.9	6.9	9.8	9.7
Reference: Total Net of Fees ⁴	2.7	3.7	7.2	8.3	8.9

¹ Gross of Fees. Performance since 2005 includes securities lending.

² Evolving Policy Benchmark consists of 48% Russell 3000, 12% MSCI ACWI ex U.S., 20% BC Universal, 10% CBOE BXM and 10% CPI+3%.

³ Mellon Total Funds Public Universe.

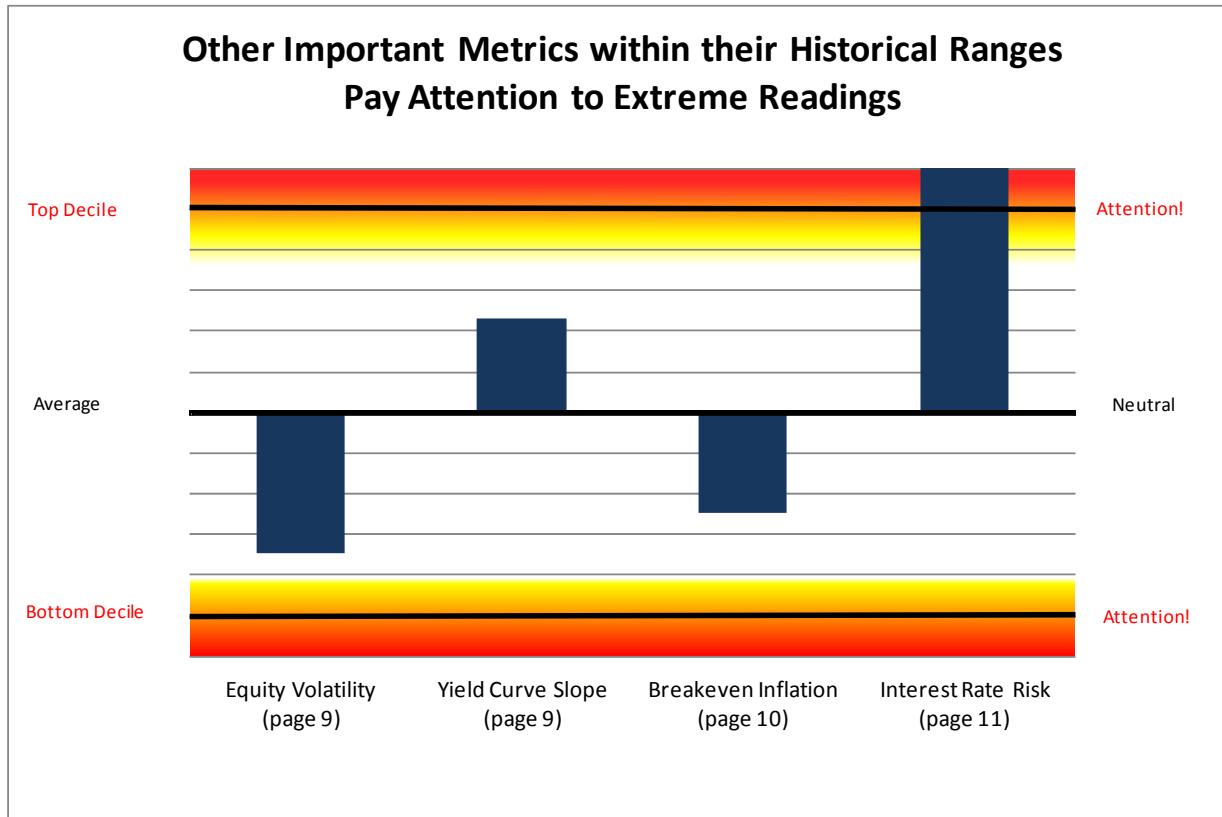
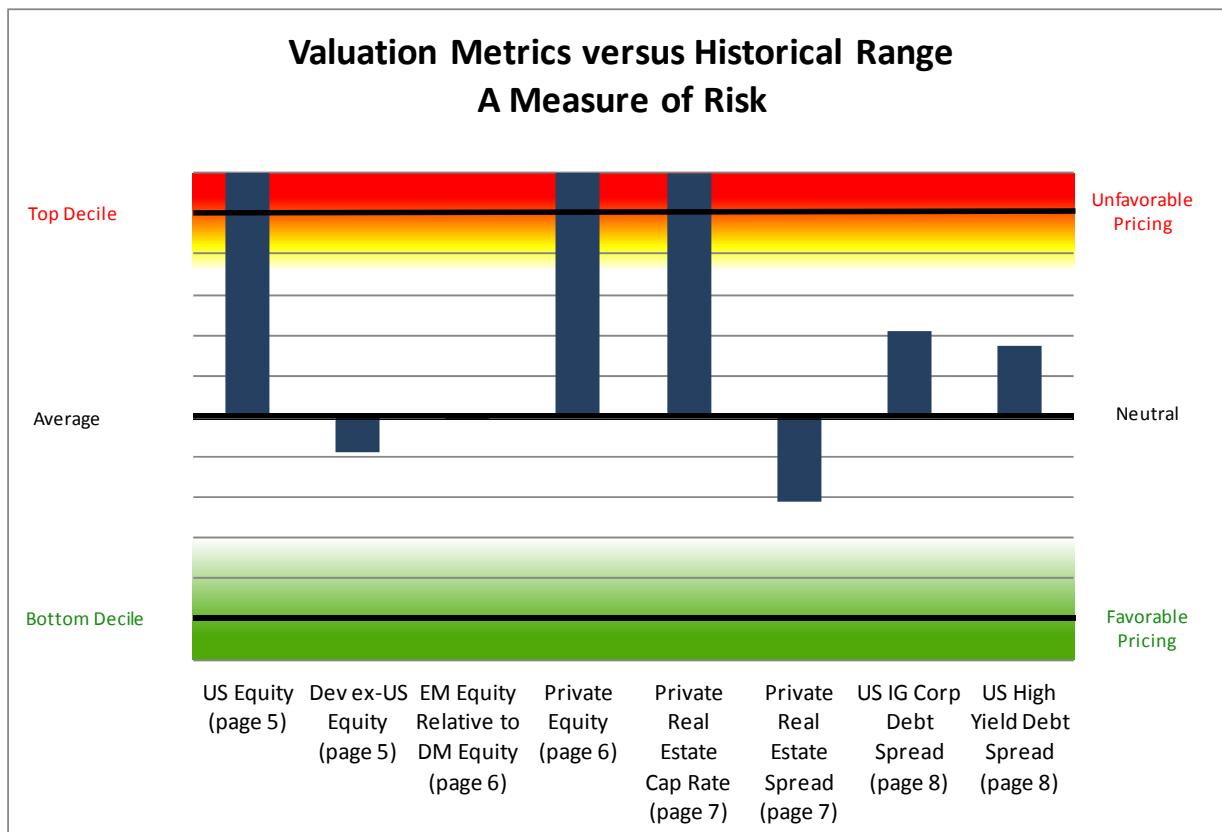
⁴ Net of fee returns are estimated based on OPFRS manager fee schedule.

INVESTMENT MARKET RISK METRICS

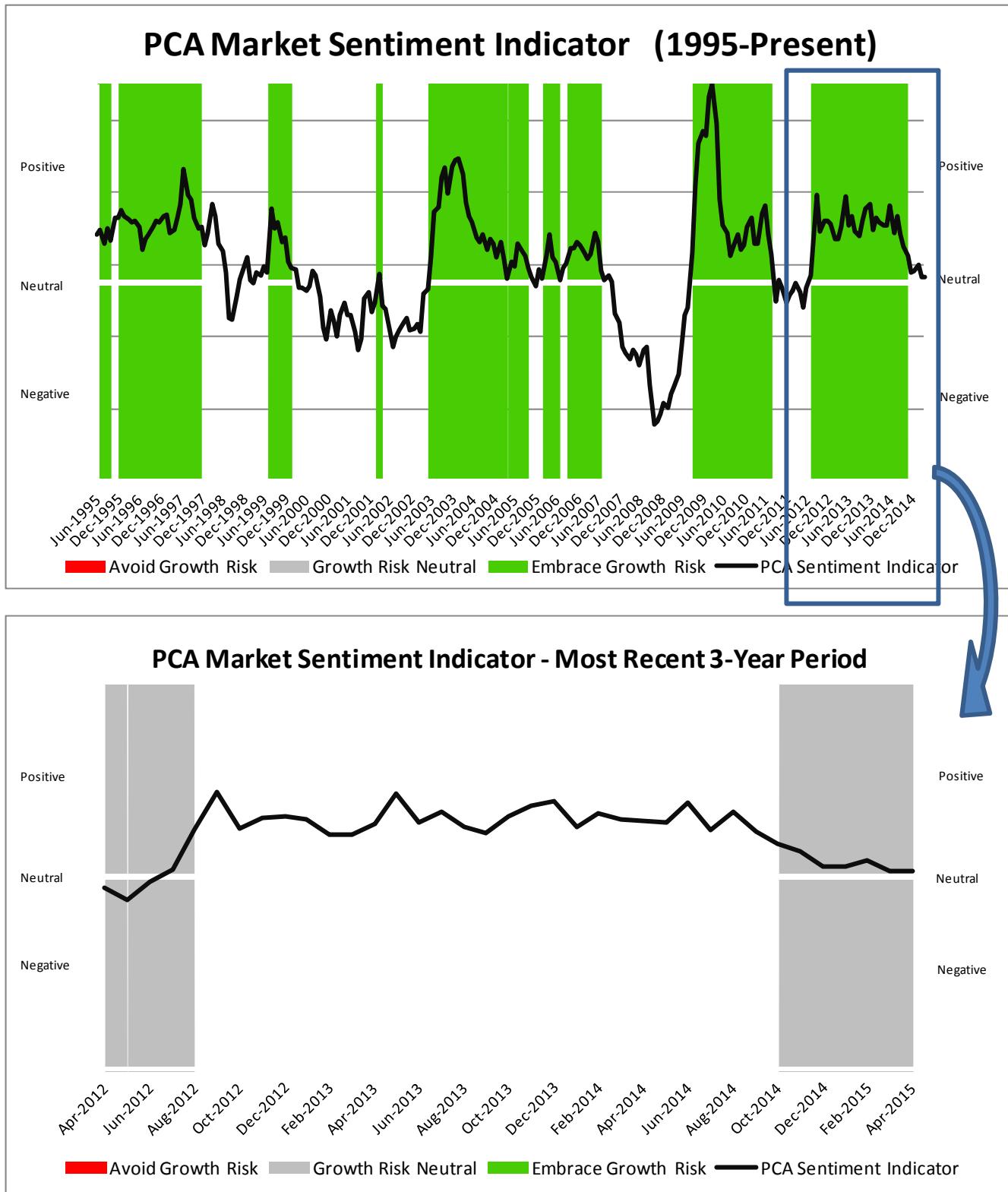
Takeaways

- The U.S. 10-year Treasury interest rate rose before the March Federal Reserve policy meeting, but ended March below 2%, as the timing of any interest rate increase continues to be pushed out.
- U.S. equity, private equity, and private real estate metrics all remain in top decile valuation territory.
- Despite significant first quarter gains, international equity valuations are below their historical average levels.
- With the compression of interest rates year-over-year, the spread between the core real estate cap rate and the 10-year Treasury interest rate increased from 2014 levels, indicating valuations have room to rise.
- Interest rate risk remains significant, with duration on the 10-year Treasury note at approximately 9. (A 100 basis point rise in rates leads to a -9% capital loss.)
- The 10-year breakeven inflation rate moved off of its low for the year, but remains below 2%, and commodity prices declined again in March. The market is pricing (expecting) low future inflation.
- The PCA Market Sentiment Indicator remained **neutral** in March.

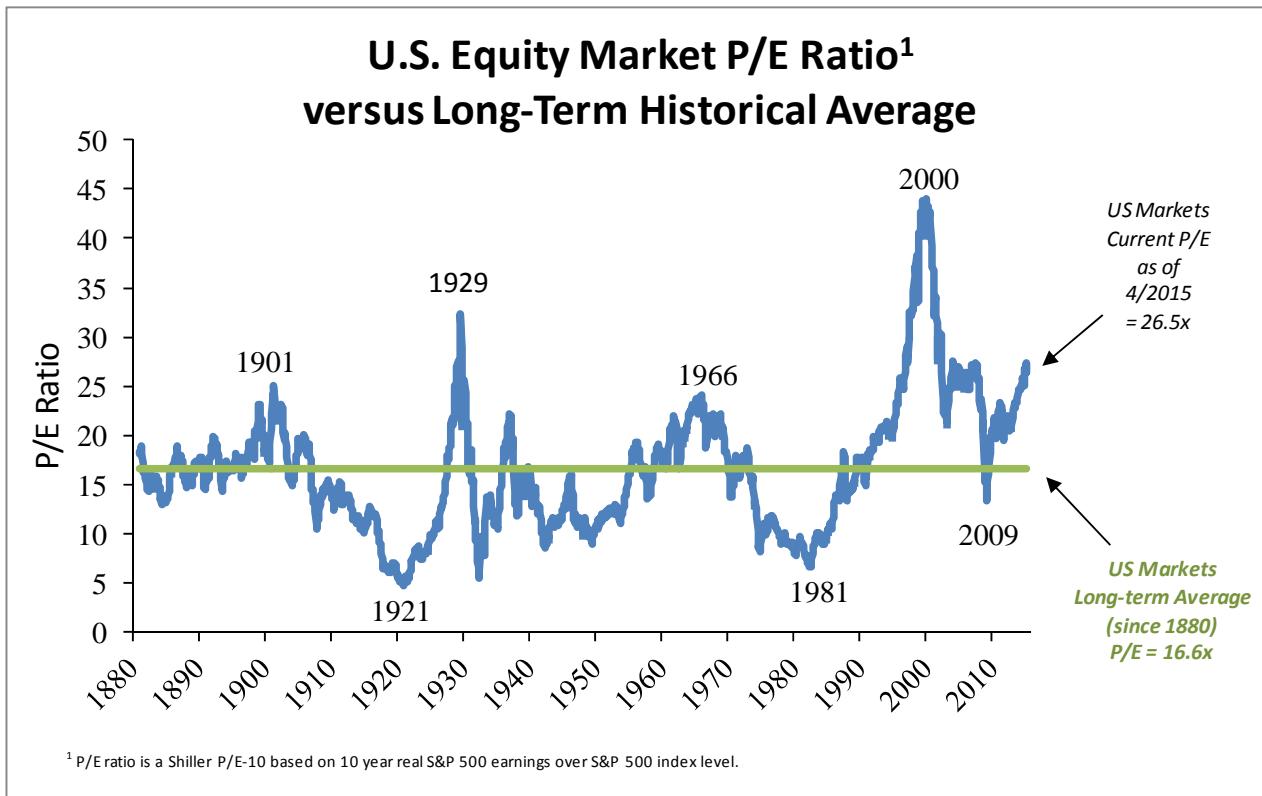
Risk Overview



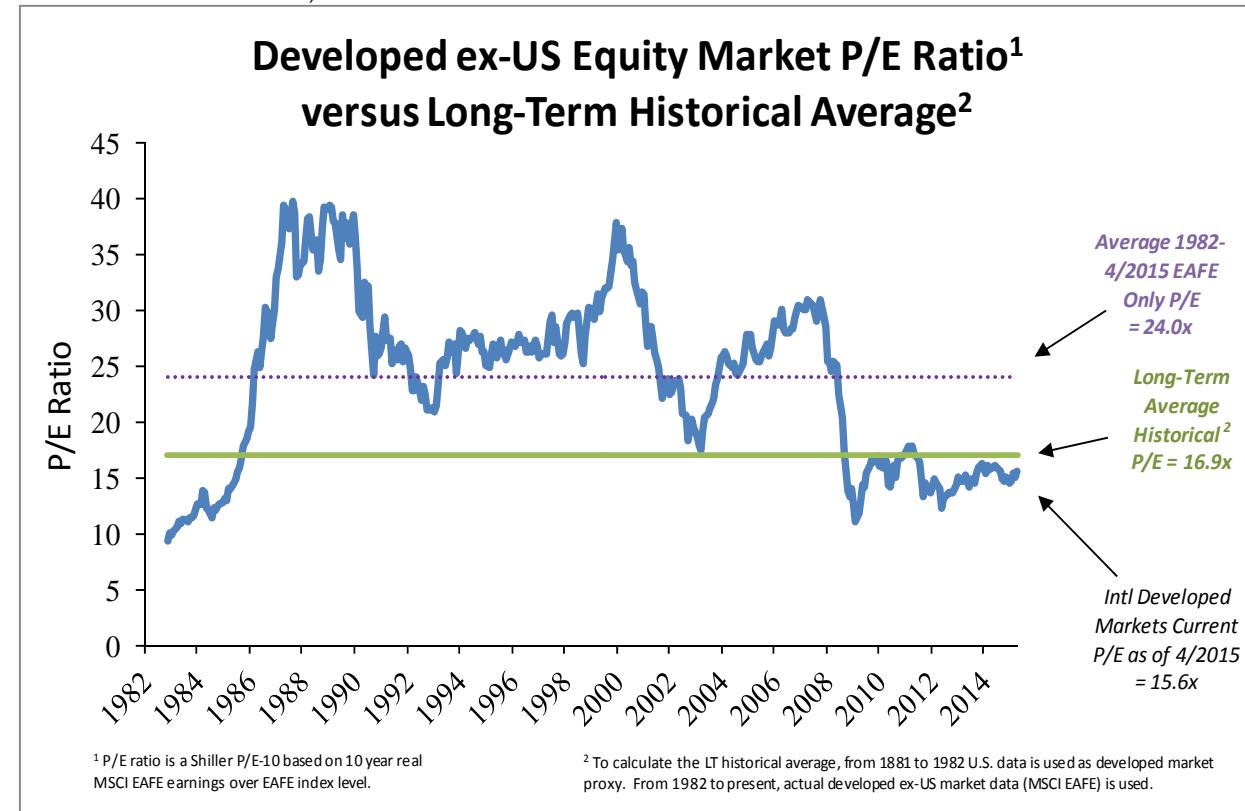
Market Sentiment



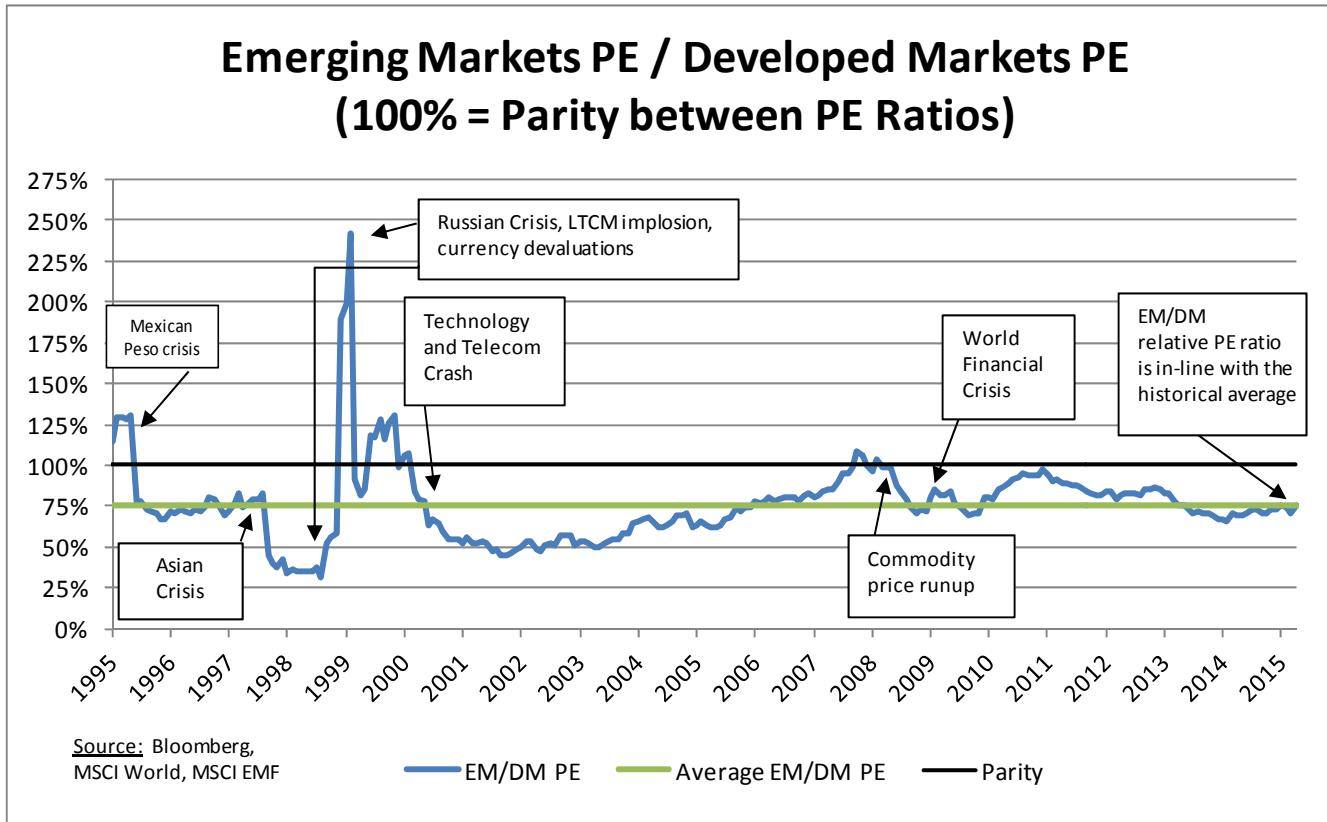
Developed Equity Markets



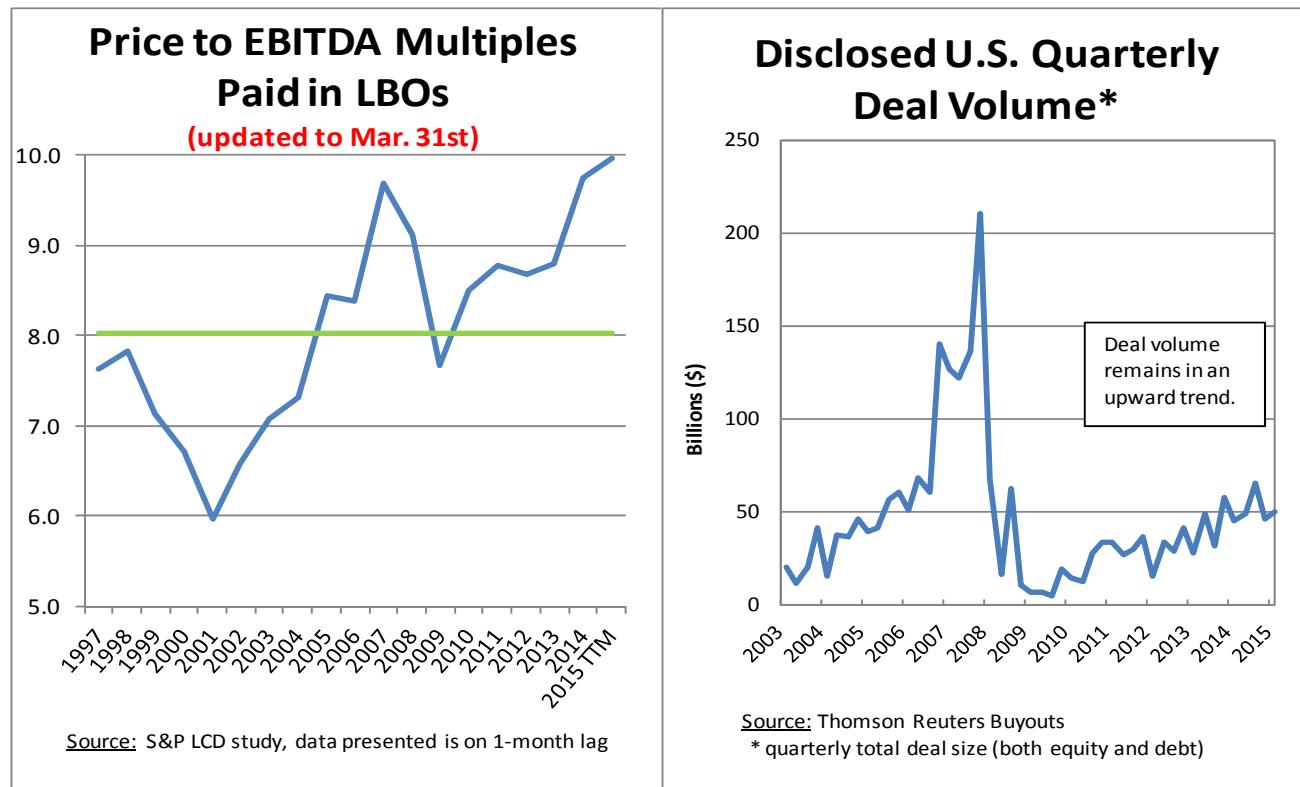
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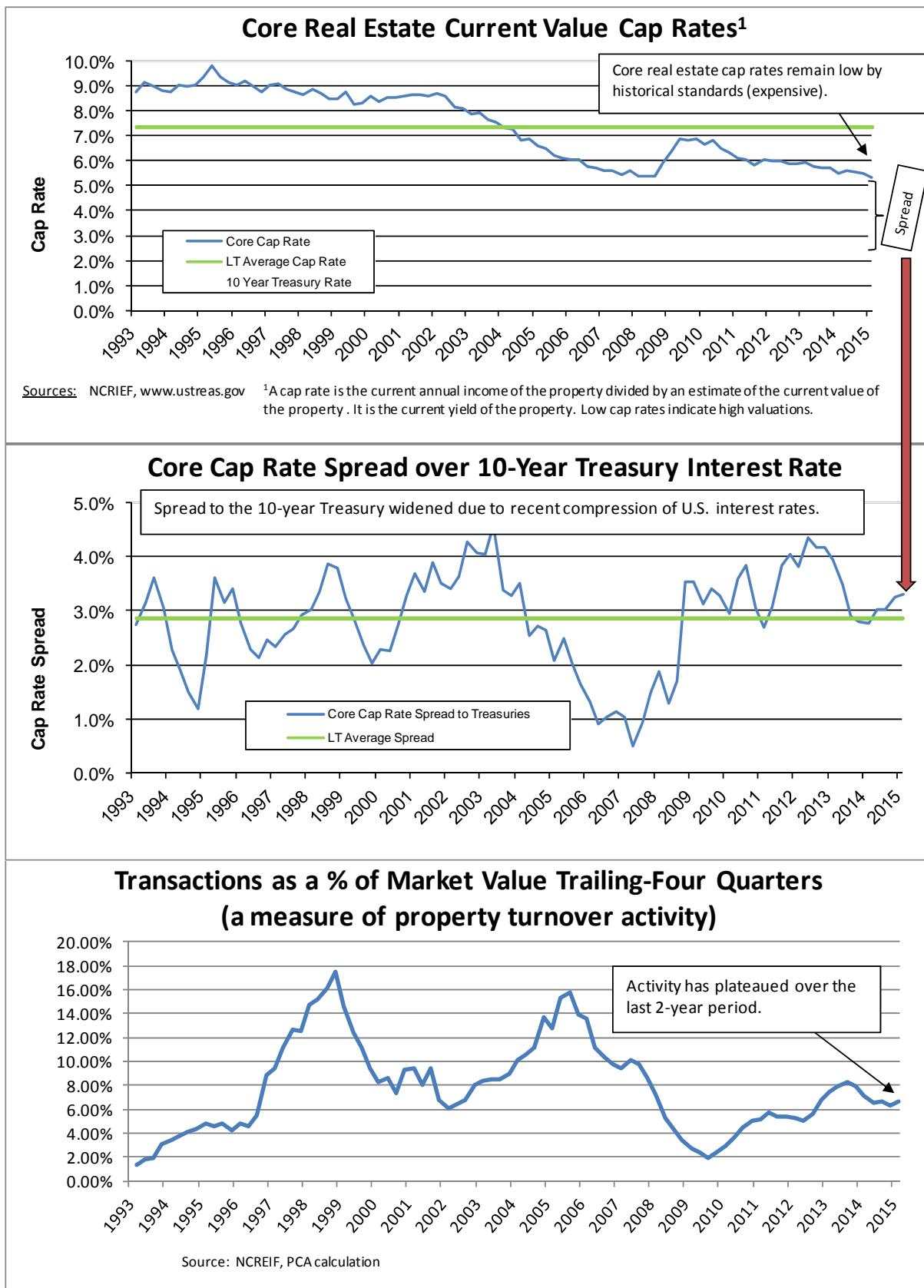
Emerging Market Equity Markets



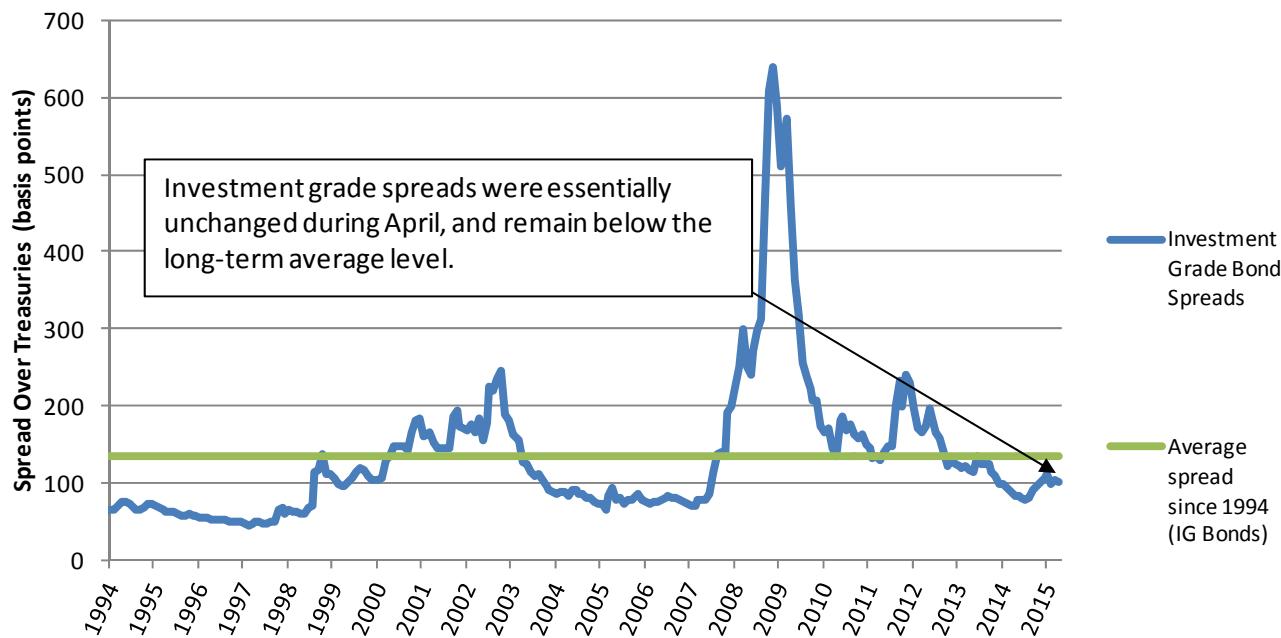
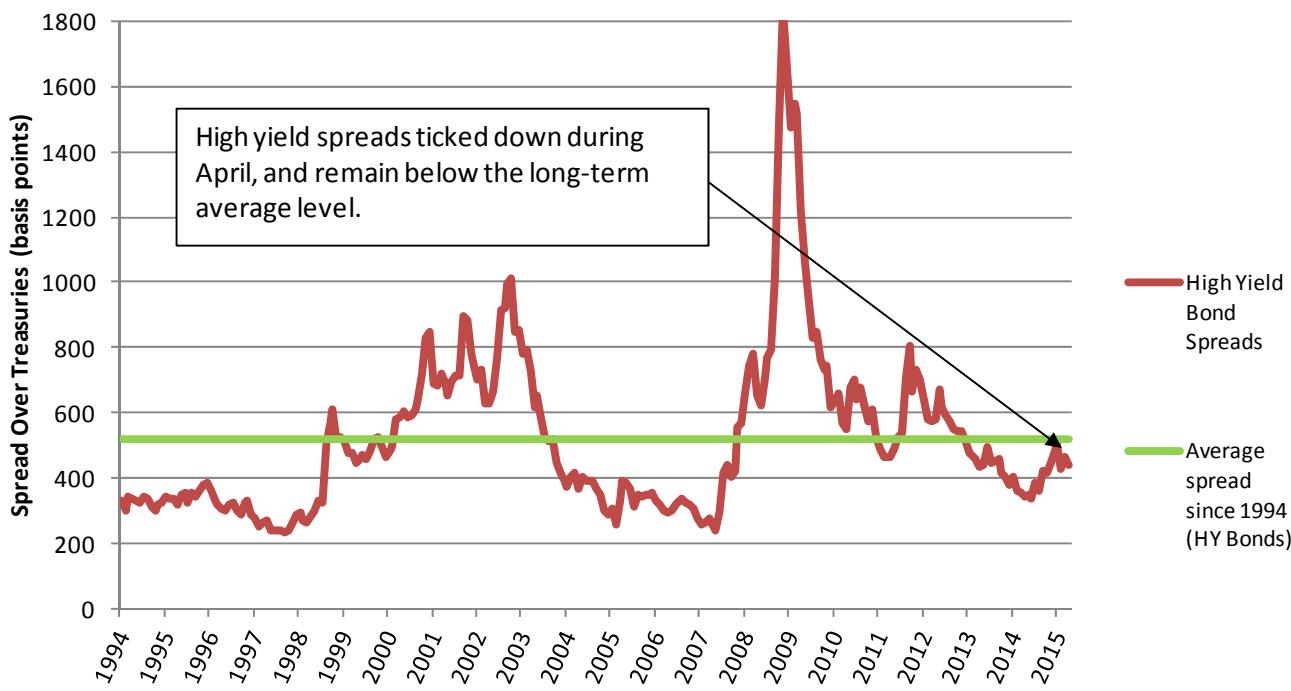
US Private Equity



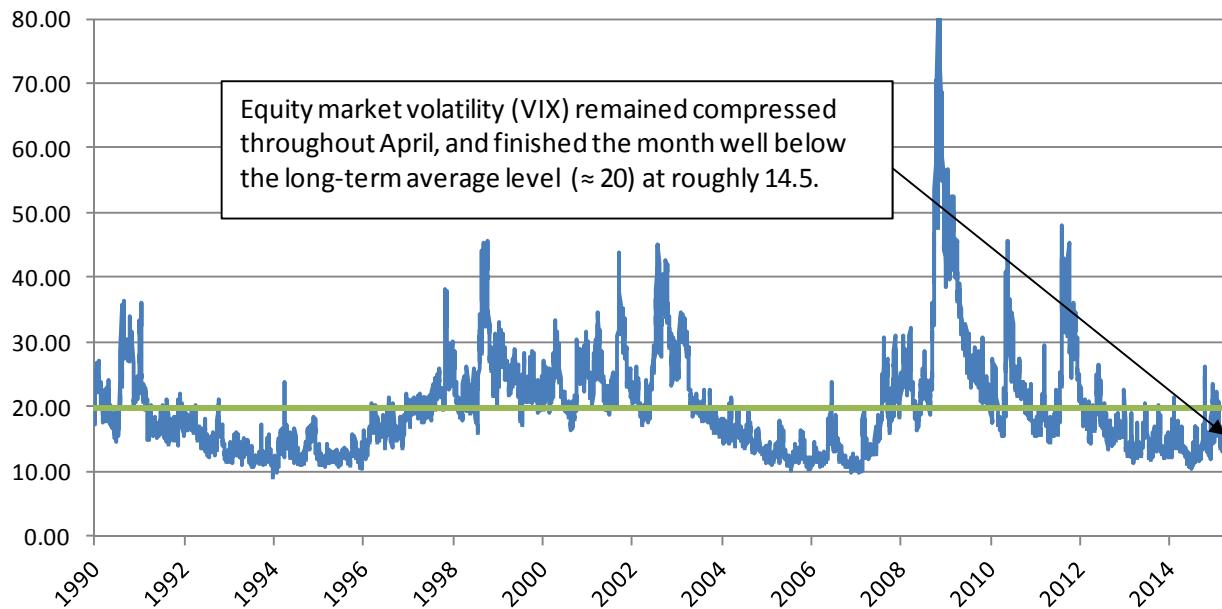
Private Real Estate Markets



US Fixed Income

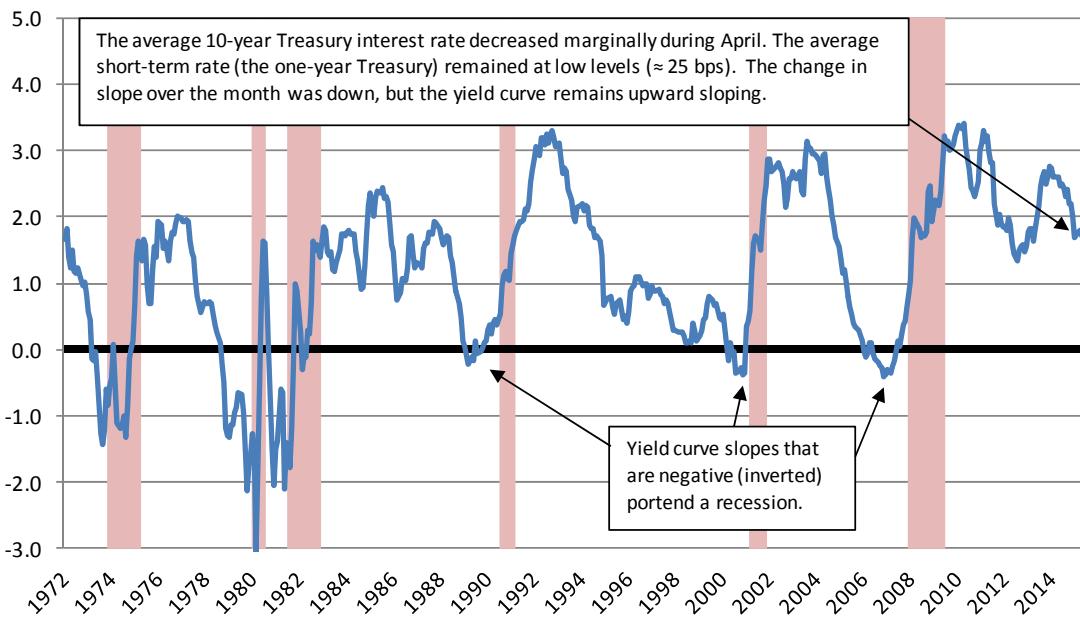
Investment Grade Corporate Bond Spreads**High Yield Corporate Bond Spreads**

Other Market Metrics

VIX - a measure of equity market fear / uncertainty

Source: <http://www.cboe.com/micro/vix/historical.aspx>

(Please note time scale difference)

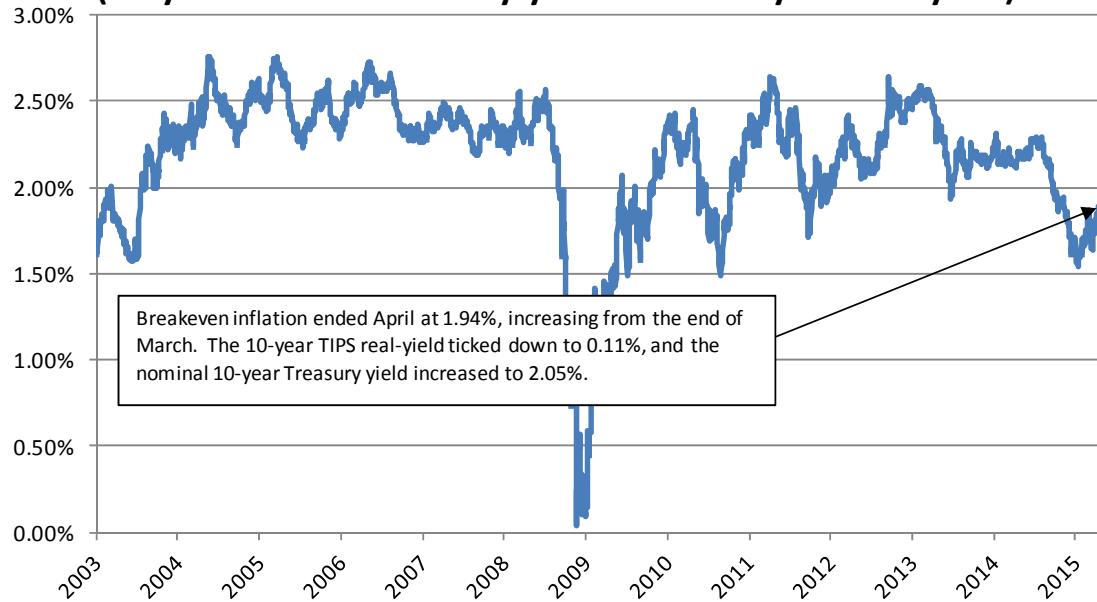
Yield Curve Slope

Source: www.ustreas.gov (10 yr treasury yield minus 1 year treasury yield)

Recession Dating: NBER <http://www.nber.org/cycles.html>

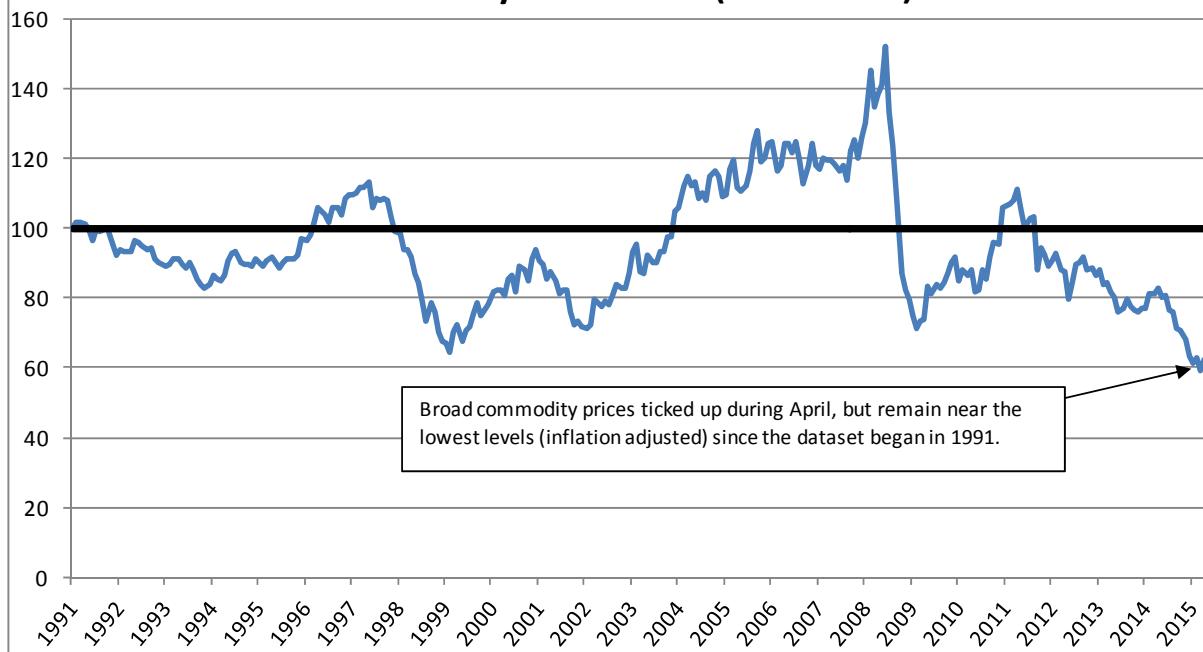
Measures of Inflation Expectations

10-Year Breakeven Inflation (10-year nominal Treasury yield minus 10-year TIPS yield)



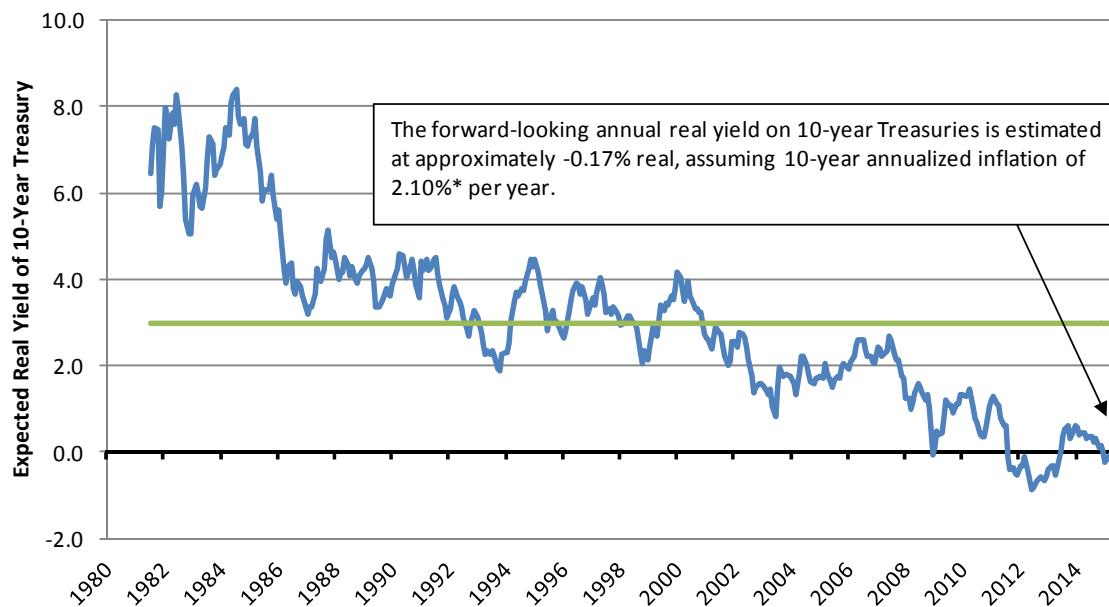
Source: www.ustreas.gov
Daily Yield Curve Rates (10-year nominal treasury yield minus 10-year TIPS yield)

Inflation Adjusted Dow Jones UBS Commodity Price Index (1991 = 100)



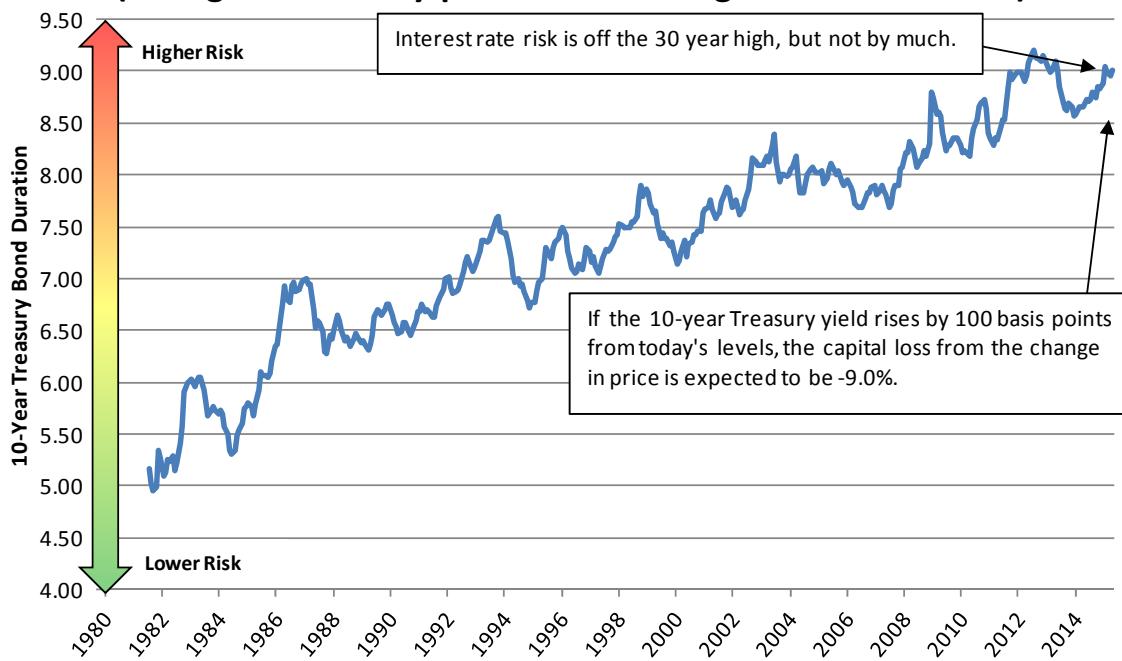
Source: Bloomberg Commodity Index, St. Louis Fed for US CPI all urban consumers.

Measures of US Treasury Interest Rate Risk

Estimate of 10-Year Treasury Forward-Looking Real Yield

Sources: www.ustreas.gov for 10-year constant maturity rates

*Federal Reserve Bank of Philadelphia survey of professional forecasts for inflation estimates

10-Year Treasury Duration**(Change in Treasury price with a change in interest rates)**

Source: www.ustreas.gov for 10-year constant maturity rates, calculation of duration

ECONOMIC OVERVIEW

US GDP slowed to a crawl during the first quarter of 2015 based on the advanced estimate of growth at 0.2%. Downturns in exports, nonresidential fixed investment, and state and local government spending were offset by positive contributions from personal consumption expenditures and private inventory investment during the quarter. The unemployment rate also held fairly steady quarter-over-quarter as it declined another (0.1%) to 5.5%. Inflation over the 1-year period was 0.0% as it declined for a second consecutive quarter. Commodities declined for a third straight quarter, declining (27%) for the trailing 1-year. The US dollar continued to rally against the Euro, appreciating another 11.3% during the quarter. US Equities finished the quarter in positive territory despite investor concerns over future rising rates and slowing economic conditions, producing volatility during the quarter. International equities outperformed US equities during the quarter as they benefited from a strong dollar driven by increased central bank intervention and signs of renewed economic growth.

Economic Growth

- Real GDP increased at an annualized rate of 0.2 percent in the first quarter of 2015 after increasing at an annualized rate of 2.2 percent in the fourth quarter of 2014.
- Downturns in exports, nonresidential fixed investment, and state and local government spending had a negative impact on GDP growth during the quarter.
- Positive contributions from personal consumption expenditures and private inventory investments were the main contributors to positive growth during the quarter.

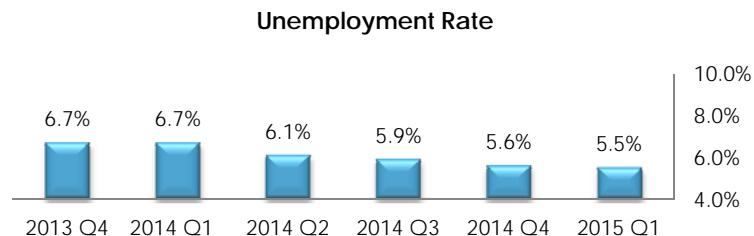
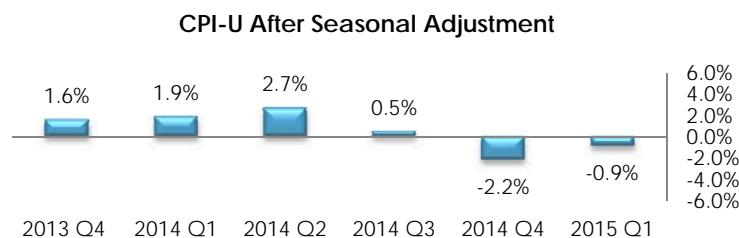
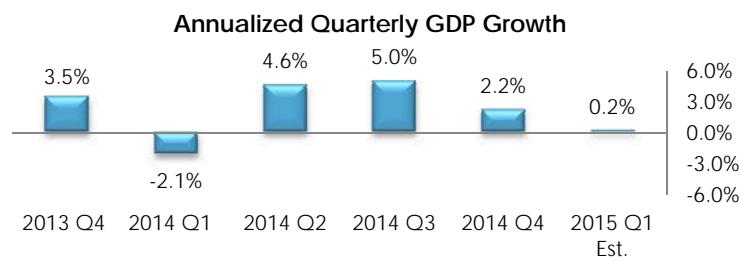
Inflation

- The Consumer Price Index for All Urban Consumers (CPI-U) decreased by 0.9 percent in the quarter on an annualized basis, after seasonal adjustment.
- Quarterly percent changes may be adjusted between data publications due to periodic updates in seasonal factors.
- Core CPI-U increased by 2.3 percent for the quarter on an annualized basis.
- Over the last 12 months, core CPI-U increased 1.6 percent after seasonal adjustment.

Unemployment

- The US economy gained approximately 591,000 jobs in the quarter.
- The official unemployment rate dropped to 5.5 percent at quarter end.

The majority of jobs gained occurred in professional and business services, education and health services, and leisure and hospitality.

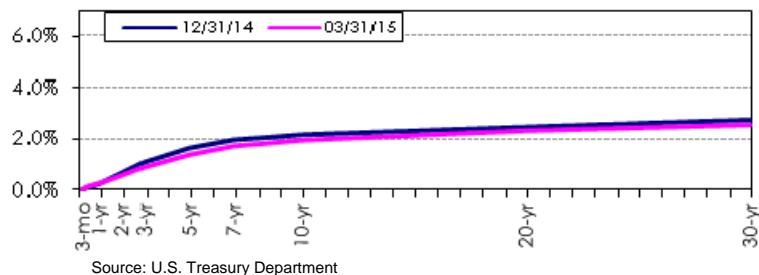


Interest Rates & U.S. Dollar

- US Treasury yields fell on average over the quarter.
- The Federal Reserve has maintained the federal funds rate between 0.00 percent and 0.25 percent since December 2008.

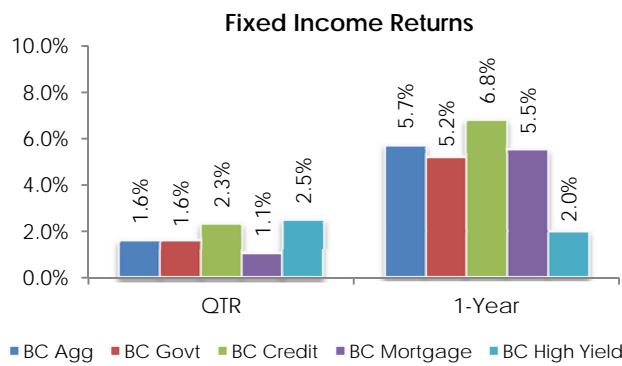
The US dollar appreciated against the Euro, Yen and Sterling by 11.3 percent, 0.3 percent, and 4.9 percent, respectively.

Treasury Yield Curve Changes



Fixed Income

- US bond markets delivered positive returns during the quarter, led by credit and high yield.
- High yield trailed all other bond sectors over the trailing 1-year period.

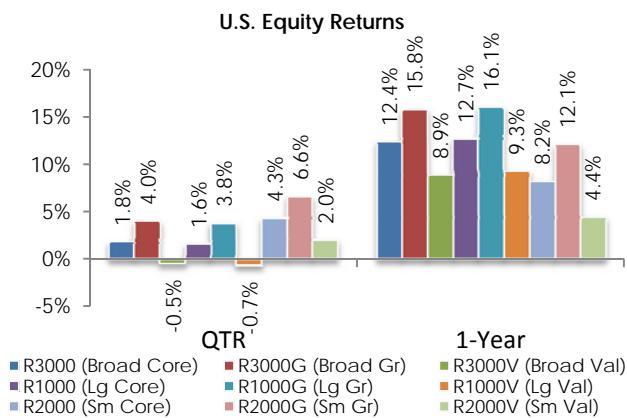


U.S. Fixed Income Sector Performance (BC Aggregate Index)			
Sector	Weight	QTR	1 Year
Governments*	40.6%	1.6%	5.2%
Agencies	5.0%	1.2%	3.6%
Inv. Grade Credit	23.6%	2.3%	6.8%
MBS	28.2%	1.1%	5.5%
ABS	0.6%	0.9%	2.2%
CMBS	2.0%	1.8%	4.4%

*U.S. Treasuries and Government Related

U.S. Equities

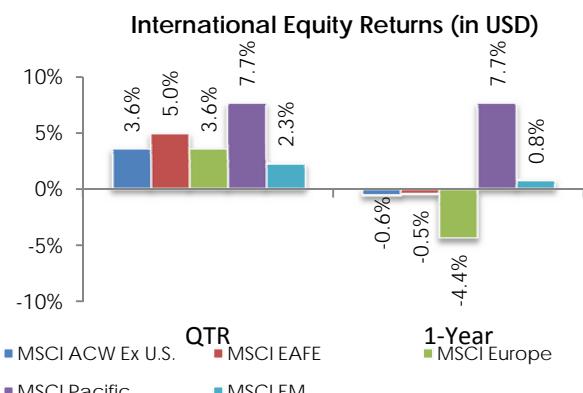
- Large cap US equities were outpaced by small cap stocks during the quarter but remained ahead during the longer 1-year period.
- During the quarter and 1-year periods, growth outperformed value stocks across all market capitalizations.



U.S. Equity Sector Performance (Russell 3000 Index)			
Sector	Weight	QTR	1 Year
Information Tech.	19.0%	1.7%	17.3%
Financials	17.6%	-0.7%	10.5%
Health Care	14.6%	7.8%	27.6%
Consumer Disc.	13.2%	4.7%	16.8%
Industrials	11.3%	0.4%	7.9%
Consumer Staples	8.5%	1.3%	16.6%
Energy	7.2%	-2.2%	-13.4%
Materials	3.6%	1.0%	3.7%
Utilities	3.1%	-4.6%	10.6%
Telecomm. Serv.	2.0%	1.9%	4.0%

International Equities

- International markets started the year with strong returns across the board the first quarter of 2015.
- One year returns remained negative in broad developed market equities while emerging markets equities turned slightly positive.



International Equity Region Performance (in USD) (MSCI ACW Index ex U.S.)			
Sector	Weight	QTR	1 Year
Europe Ex. UK	32.6%	5.7%	-4.0%
Emerging Markets	21.6%	2.3%	0.8%
Japan	16.0%	10.3%	12.4%
United Kingdom	14.2%	-1.0%	-5.5%
Pacific Ex. Japan	8.7%	3.2%	-0.2%
Canada	6.9%	-5.9%	-5.5%

Market Summary – Long-term Performance*

Indexes	1 Year	3 Year	5 Year	10 Year	20 Year
Global Equity					
MSCI All Country World	6.0%	11.3%	9.6%	7.0%	7.4%
Domestic Equity					
S&P 500	12.7%	16.1%	14.5%	8.0%	9.4%
Russell 3000	12.4%	16.4%	14.7%	8.4%	9.6%
Russell 3000 Growth	15.8%	16.4%	15.7%	9.4%	8.6%
Russell 3000 Value	8.9%	16.3%	13.7%	7.2%	10.0%
Russell 1000	12.7%	16.4%	14.7%	8.3%	9.6%
Russell 1000 Growth	16.1%	16.3%	15.6%	9.4%	8.8%
Russell 1000 Value	9.3%	16.4%	13.8%	7.2%	10.0%
Russell 2000	8.2%	16.3%	14.6%	8.8%	9.6%
Russell 2000 Growth	12.1%	17.7%	16.6%	10.0%	7.9%
Russell 2000 Value	4.4%	14.8%	12.5%	7.5%	10.9%
CBOE BXM	4.9%	6.8%	7.2%	4.9%	7.8%
International Equity					
MSCI All Country World ex US	-0.6%	6.9%	5.3%	5.9%	6.0%
MSCI EAFE	-0.5%	9.5%	6.6%	5.4%	5.6%
MSCI Pacific	7.7%	8.6%	6.1%	5.4%	2.4%
MSCI Europe	-4.4%	10.0%	7.0%	5.5%	7.9%
MSCI EM (Emerging Markets)	0.8%	0.7%	2.1%	8.8%	6.8%
Fixed Income					
BC Universal Bond	5.3%	3.5%	4.7%	5.2%	6.2%
BC Global Agg – Hedged	7.4%	4.6%	4.6%	4.8%	6.1%
BC Aggregate Bond	5.7%	3.1%	4.4%	4.9%	6.0%
BC Government	5.2%	2.3%	3.8%	4.5%	5.7%
BC Credit Bond	6.7%	4.9%	6.2%	5.8%	6.7%
BC Mortgage Backed Securities	5.5%	2.5%	3.6%	4.9%	5.9%
BC High Yield Corporate Bond	2.0%	7.5%	8.6%	8.2%	7.8%
BC WGILB - Hedged	9.0%	3.3%	5.2%	5.1%	N/A
BC Emerging Markets	4.2%	4.7%	6.9%	8.2%	11.5%
Real Estate					
NCREIF (Private RE)	12.7%	11.5%	12.8%	8.4%	9.7%
NAREIT (Public RE)	21.9%	14.1%	15.4%	8.8%	11.3%
Commodity Index					
Bloomberg Commodity (formerly DJUBS)	-27.0%	-11.5%	-5.7%	-3.6%	2.8%

* Performance is annualized for periods greater than one year.

TOTAL PORTFOLIO REVIEW

OPFRS Portfolio Performance

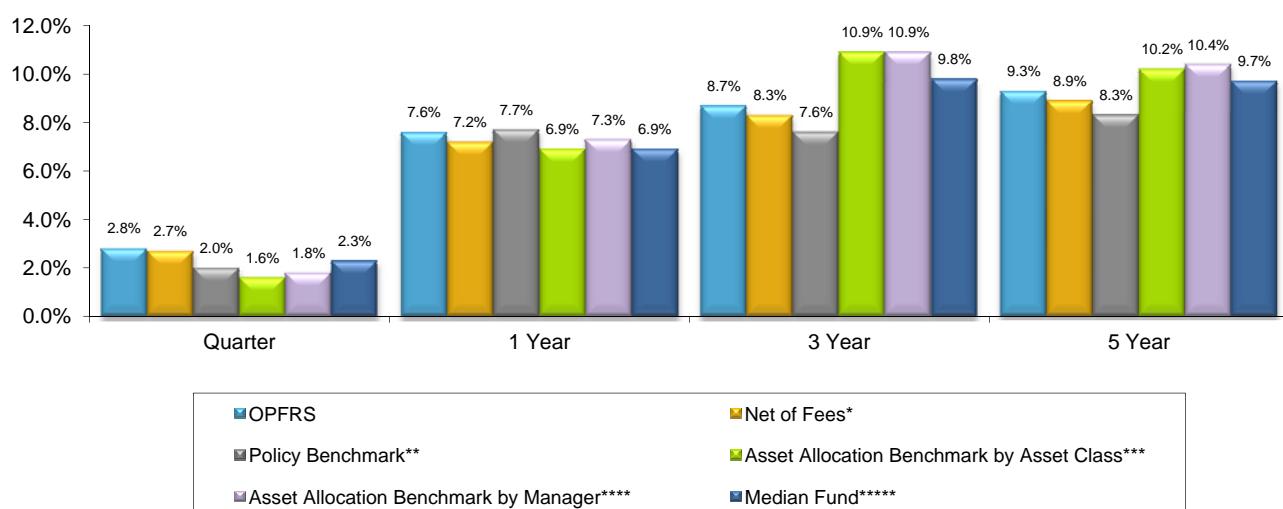
This section includes an overview of the performance of the OPFRS investment portfolio, as well as a detailed analysis of asset classes and specific mandates.

Portfolio Performance Overview

During the latest quarter ending March 31, 2015, the OPFRS Total Portfolio generated a return of 2.8%, gross of fees, outperforming its benchmark by 80 basis points. The Plan's Domestic and International Equity both outperformed their respective benchmarks by 0.6% and 2.7%, respectively. The Plan's Fixed Income and Covered Calls allocation both slightly underperformed their respective benchmarks by (0.1%) each, while Real Return handily outperformed its benchmark by 3.6%.

The Total Portfolio produced positive relative results versus the policy benchmark over the quarter, 3-, and 5-year time periods, while slightly underperforming over the 1-year period, gross of fees. Relative to the Median Fund, the Total Portfolio underperformed over the 3- and 5-year time periods, but beat the median fund over the most recent quarter, fiscal year-to-date, and 1-year periods. Relative performance with respect to the Median Fund can be largely attributed to differences in asset allocation.

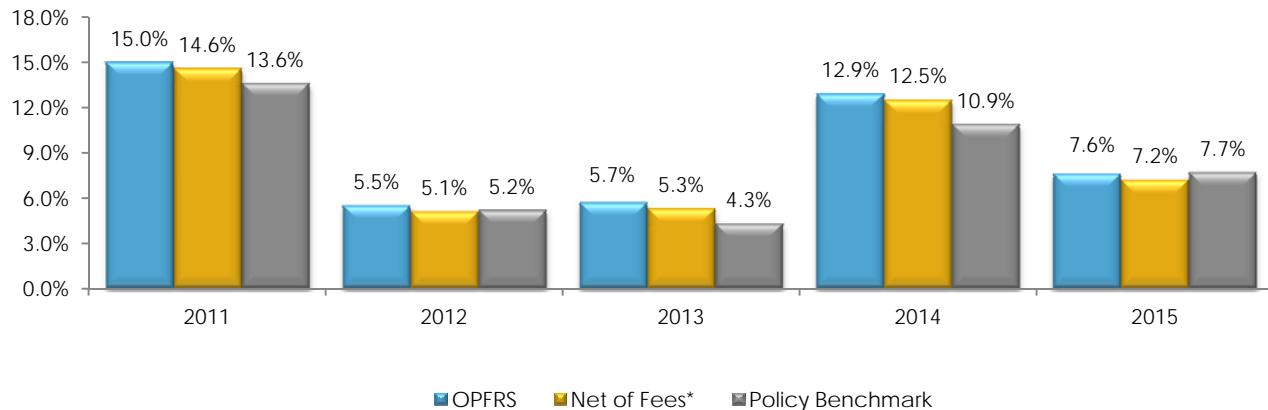
Periods Ending March 31, 2015 (annualized)



- * Net of fee returns are estimated based on OPFRS manager fee schedule.
- ** The Evolving Policy Benchmark consists of 48% Russell 3000, 12% MSCI ACWI ex U.S., 20% BC Universal, 10% CBOE BXM and 10% CPI+3%.
- *** Asset Allocation Benchmark by Asset Class is calculated using actual weightings of the broad asset classes.
- **** Asset Allocation Benchmark by Manager consists of weighted average return of individual manager benchmarks, based on managers' actual allocations.
- ***** Median Fund is the Mellon Total Public Funds Universe.

Absolute performance results have been positive in each of the last five 12-month periods ending March 31. The Plan also outperformed its policy benchmark in four out of the last five periods, gross of fees.

12-Month Performance – Periods Ending March 31



*Net of fee returns are estimated based on OPFRS manager fee schedule

Portfolio Valuation

The OPFRS portfolio had an aggregate value of \$440.9 million as of March 31, 2015. During the latest quarter, the portfolio decreased by (\$3.1) million. Over the latest year, the portfolio decreased by (\$29.5) million, including (\$60) million in net benefit payments.

Investment Portfolio Valuation as of March 31, 2015*

	March 31, 2015	December 31, 2014	Quarterly Change	Percentage Change	March 31, 2014	Annual Change	Percentage Change
OPFRS	\$440.9	\$444.0	(\$3.1)	(0.7%)	\$470.4	(\$29.5)	(6.7%)

*The calculations listed above represent change in dollar value and not investment returns.

Actual vs. Target Allocations

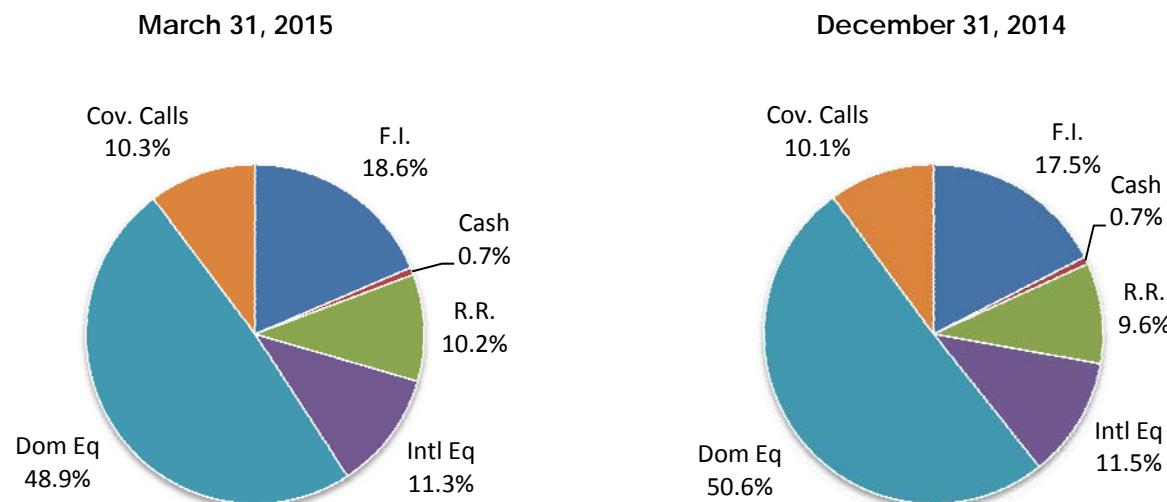
With respect to policy targets, the portfolio ended the latest quarter ***overweight Domestic Equity, Covered Calls, Real Return, and cash, while underweight International Equity and Fixed Income.*** Target weightings reflect the Plan's evolving asset allocation (effective 3/31/2014).

As of March 31, 2015

<u>Segment</u>	<u>Actual \$ (000)</u>	<u>Actual %*</u>	<u>Target %</u>	<u>Variance</u>
Total Investment Portfolio	440,874	100.0%	100.0%	---
Domestic Equity	215,369	48.9%	48.0%	0.9%
Large Cap Equity	157,574	35.7%	34.0%	1.7%
Mid Cap Equity	32,747	7.4%	8.0%	-0.6%
Small Cap Equity	25,048	5.7%	6.0%	-0.3%
International Equity	50,006	11.3%	12.0%	-0.7%
Total Equity	265,375	60.2%	60.0%	0.2%
Fixed Income	82,038	18.6%	20.0%	-1.4%
Covered Calls	45,596	10.3%	10.0%	0.3%
Real Return	44,821	10.2%	10.0%	0.2%
Cash	3,044	0.7%	0.0%	0.7%

* In aggregate, asset class allocations equal 100% of total investment portfolio. Differences due to rounding.

During the latest quarter, Domestic Equity decreased its weighting by (1.7%), Fixed Income increased its weighting by 1.1%, and International Equity's weighting decreased by (0.2%). Actual weighting for Covered Calls and Real Return both increased by 0.2% and 0.6%, respectively, while Cash's weighting remained constant.

Investment Portfolio Actual Asset Allocation Comparison

Asset Class Performance

The **Domestic Equity** asset class outperformed the policy benchmark by 60 basis points over the most recent quarter, but underperformed by (70) basis points over the 1-year period. Domestic Equity matched its benchmark over the 3-year period, while outperforming over the 5-year period by 50 basis points.

The **International Equity** portfolio has performed very well as of late, outperforming its policy benchmark by 2.7% during the most recent quarter and by 2.3% over the 1-year period. The International Equity portfolio also outperformed over the 3- and 5-year periods by 0.9% and 0.5%, respectively.

The **Fixed Income** asset class slightly underperformed its index by (10) basis points over both the most recent quarter and 3-year periods while outperforming over both the 1- and 5-year periods by 20 basis points.

The **Covered Calls** asset class underperformed by (0.1%) over the most recent quarter, but has outperformed over the 1-year period by 1.6%.

The **Real Return** asset class had a very strong quarter, outperforming its benchmark by 3.6%, but the portfolio still trails its benchmark by (2.4%) over the 1-year period.

Periods ending March 31, 2015

Asset Class	Quarter	1-Year	3-Year	5-Year
Total Investment Portfolio	2.8	7.6	8.7	9.3
<i>Policy Benchmark¹</i>	2.0	7.7	7.6	8.3
Public Equity	3.1	9.7	14.5	13.1
<i>Policy Benchmark²</i>	2.2	9.7	14.3	12.6
Domestic Equity	2.4	11.7	16.4	15.2
<i>Blended Benchmark⁴</i>	1.8	12.4	16.4	14.7
Large Cap	1.6	12.3	16.0	14.6
<i>Russell 1000</i>	1.6	12.7	16.4	14.7
Mid Cap	3.9	10.5	15.8	15.4
<i>Russell Midcap</i>	4.0	13.7	18.1	16.2
Small Cap	5.5	9.9	20.4	19.4
<i>Russell 2000</i>	4.3	8.2	16.3	14.6
International Equity	6.3	1.7	7.8	5.8
<i>Blended Benchmark⁵</i>	3.6	-0.6	6.9	5.3
Fixed Income	1.6	5.5	3.4	4.9
<i>BC Universal (blend)⁶</i>	1.7	5.3	3.5	4.7
<i>Covered Calls</i>	1.6	6.5	---	---
<i>CBOE BXM</i>	1.7	4.9	---	---
<i>Real Return</i>	4.9	0.5	---	---
<i>CPI + 3%</i>	1.3	2.9	---	---

¹ The Evolving Policy Benchmark consists of 48% Russell 3000, 12% MSCI ACWI ex U.S., 20% BC Universal, 10% CBOE BXM, and 10% CPI+3%.

² The Public Equity benchmark consists of 80% Russell 3000 and 20% MSCI ACWI ex U.S.

⁴ Domestic Equity Benchmark consists of S&P 500 thru 3/31/98, 29% R1000, 57% R1000V, 14% RMC from 4/1/98 - 12/31/04, and Russell 3000 from 1/1/05 to the present.

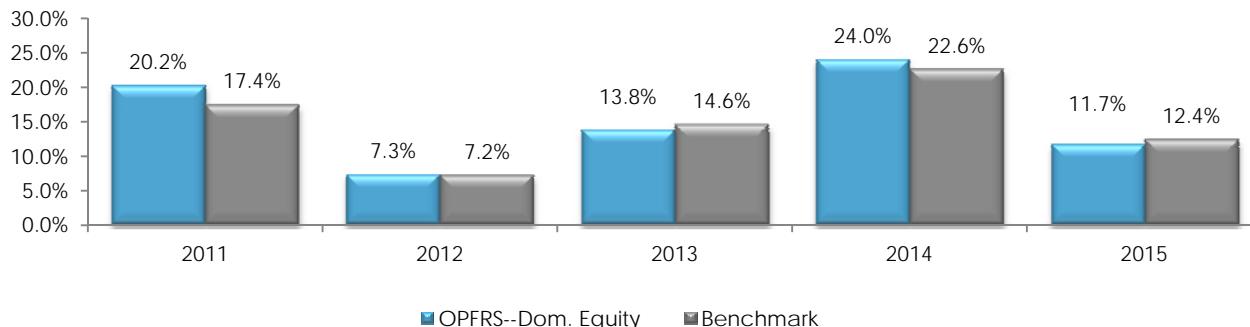
⁵ International Equity Benchmark consists of MSCI EAFE thru 12/31/04, and MSCI ACWI x U.S. thereafter.

⁶ Fixed Income Benchmark consists of BC Aggregate prior to 4/1/06, BC Universal prior to 7/1/2012, and a blend of 75%tbills, 25% BC Universal thereafter.

Asset Class Performance

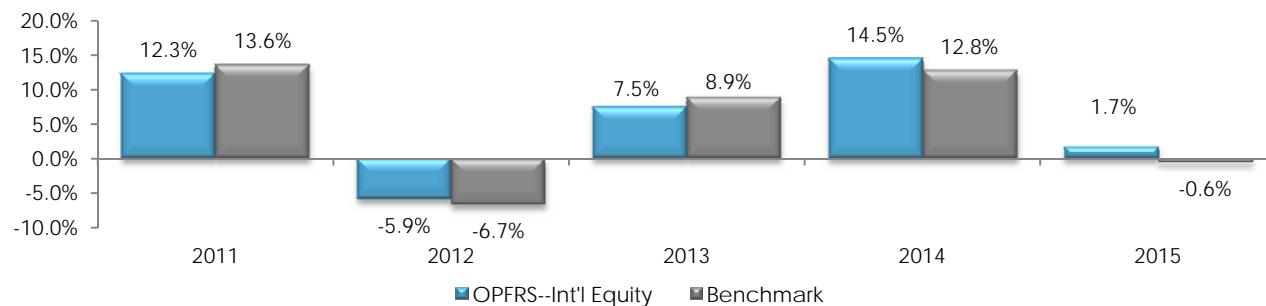
The Domestic Equity portfolio outperformed the policy benchmark in three out of five of latest 12-month periods. The Plan finished the latest 12-month period ending March 31, 2015, with a return of 11.7%, underperforming the policy benchmark by (70) basis points.

Domestic Equity 12-Month Performance – Periods Ending March 31



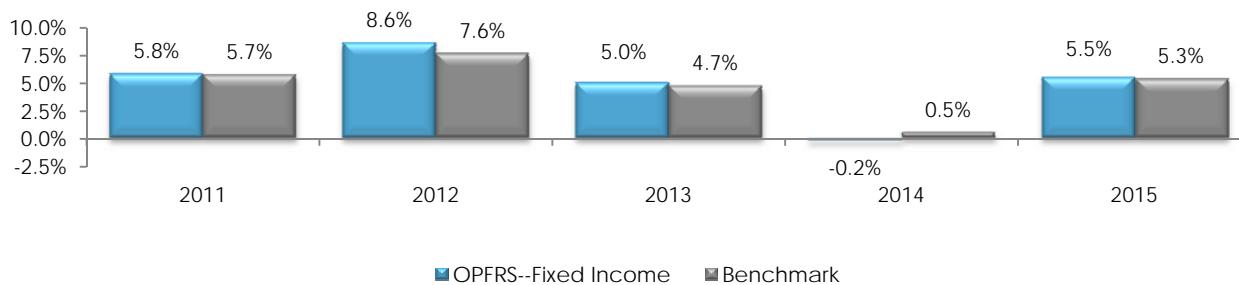
The International Equity portfolio outperformed or matched the policy benchmark in three of the five latest 12-month periods. The Plan finished the latest 12-month period ending March 31, 2015, with a return of 1.7%, outperforming the policy benchmark by 2.3%.

International Equity 12-Month Performance – Periods Ending March 31



The Fixed Income portfolio outperformed or matched the policy benchmark in four of the last five 12-month periods. The Plan finished the latest 12-month period ending March 31, 2015, with a return of 5.5%, outperforming the policy benchmark by 20 basis points.

Fixed Income 12-Month Performance – Periods Ending March 31



Manager Performance

Domestic Equity – Periods ending March 31, 2015

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Northern Trust R1000 Index	97,486	Large Cap Core	1.6	12.7	16.4	---	16.1	5/2010
Russell 1000 Index	---	---	1.6	12.7	16.4	---	15.1	---
SSgA Russell 1000 Value	29,308	Large Cap Value	-0.7	---	---	---	3.4	10/2014
Russell 1000 Value Index	---	---	-0.7	---	---	---	3.3	---
SSgA Russell 1000 Growth	30,780	Large Cap Growth	3.8	---	---	---	7.2	10/2014
Russell 1000 Growth Index	---	---	3.8	---	---	---	7.2	---
Earnest	32,747	Mid Cap Core	3.9	10.5	15.8	15.4	8.9	3/2006
Russell MidCap	---	---	4.0	13.7	18.1	16.2	9.1	---
NWQ	12,442	Small Cap Value	4.0	10.2	20.7	19.0	7.6	1/2006
Russell 2000 Value Index	---	---	2.0	4.4	14.8	12.5	6.2	---
Lord Abbett	12,606	Small Cap Growth	7.2	9.8	20.6	---	23.1	6/2010
Russell 2000 Growth Index	---	---	6.6	12.1	17.7	---	19.9	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflects the month when portfolio received initial funding.

During the latest three-month period ending March 31, 2015, two of OPFRS' three active domestic equity managers outperformed their respective benchmarks.

Northern Trust, the Plan's passive large cap core transition account continues to perform in-line with its benchmark over all time periods measured. This performance is within expectations for a passive mandate.

SSgA Russell 1000 Value, the Plan's new passive large cap value account was funded in October 2014 and has continued to perform within expectations for a passive mandate.

SSgA Russell 1000 Growth, the Plan's new passive large cap growth account was funded in October 2014 and has continued to perform within expectations for a passive mandate.

Earnest Partners, the Plan's mid cap core manager, completed the quarter with an 3.9% return, slightly underperforming the Russell Midcap Index by (0.1%). Over the latest 1-, 3-, and 5-year periods, Earnest underperformed its benchmark by (3.2%), (2.3%), and (0.8%), respectively.

NWQ, one of the Plan's small cap value managers, outperformed the Russell 2000 Value Index by 2.0% over the latest 3-month period. NWQ's also handily beat its benchmark over the longer-term as it outperformed by 5.8%, 5.9%, and 6.5% over the 1-, 3-, and 5-year periods, respectively.

Lord Abbett, one of the Plan's small cap growth managers, outperformed the Russell 2000 Growth Index by 0.6% for the quarter. Over the 1-year period, Lord Abbett underperformed the benchmark by (2.3%), while outperforming over the 3-year period by 2.9%.

International Equity – Periods ending March 31, 2015

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
SSgA	14,976	International	5.0	-0.6	9.4	6.8	8.3	7/2002
<i>MSCI EAFE Index</i>	---	---	5.0	-0.5	9.5	6.6	8.3	---
Hansberger	16,992	International	7.1	1.7	7.2	5.0	4.5	1/2006
<i>MSCI ACWI x US</i>	---	---	3.6	-0.6	6.9	5.3	4.9	---
Fisher	18,038	International	6.7	3.9	7.6	---	5.0	4/2011
<i>MSCI ACWI x US</i>	---	---	3.6	-0.6	6.9	---	3.8	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflects the month when portfolio received initial funding.

During the latest three-month period ending March 31, 2015, both of OPFRS' two active International Equity managers easily outperformed their benchmarks.

The **SSgA** account has performed roughly in-line with its benchmark over all time periods measured. This performance is within expectations for a passive mandate.

Hansberger, one of OPFRS' active international equity managers, outperformed the MSCI ACWI x US Index during the quarter by 3.5%. During the latest 1- and 3-year periods, the portfolio outperformed its benchmark by 2.3% and 0.3%, respectively. Over the latest 5-year period, the portfolio underperformed the benchmark by (30) basis points.

Fisher, one of OPFRS' active international equity managers, outperformed the MSCI ACWI x US Index by 3.1% during the quarter. Over the latest 1-year period, Fisher beat its benchmark target by 4.5%, and outperformed by 70 basis points over the 3-year period.

Fixed Income – Periods ending March 31, 2015

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception **	Inception Date ***
Reams	25,256	Core Plus	1.6	4.8	3.7	5.5	6.2	1/1998
<i>BC Universal Index (blend)*</i>	---	---	1.7	5.3	3.5	4.7	5.5	---
T. Rowe Price	46,623	Core	1.7	5.9	3.5	---	4.2	5/2011
<i>BC Aggregate Index</i>	---	---	1.6	5.7	3.1	---	4.0	---
<i>DDJ</i>	10,159	<i>H.Y. / B.L.</i>	---	---	---	---	1.9	1/2015
<i>BofAML US HY Master II</i>	---	---	---	---	---	---	1.8	---

* Previously the benchmark for Reams was the BC Aggregate; this was changed to the BC Universal beginning 4/1/2006.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflects the month when portfolio received initial funding.

During the latest three-month period ending March 31, 2015, one of OPFRS' two active Fixed Income managers outperformed its respective benchmark.

Reams, the Plan's core plus fixed income manager, produced a quarterly return of 1.6%, underperforming the BC Universal (blend) Index by (10) basis points. During the latest 1-year period, the portfolio trailed its benchmark by (50) basis points while outperforming the benchmark over the 3- and 5-year periods by 20 and 80 basis points, respectively.

T. Rowe Price, the Plan's core fixed income manager, produced a quarterly return of 1.7%, outperforming the BC Aggregate Index by 10 basis points. Over the most recent 1- and 3-year periods, the fund outperformed its benchmark by 20 and 40 basis points, respectively.

DDJ, the Plan's new High Yield & Bank Loan manager, has not yet been funded for a full quarter, but is currently outperforming its benchmark, the BofAML US High Yield Master II index, by 10 basis points since inception.

Covered Calls & Total Real Return – Periods ending March 31, 2015

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception **	Inception Date ***
Parametric	45,596	Covered Calls	1.6	6.5	---	---	6.6	3/2014
<i>CBOE BXM</i>	---	---	1.7	4.9	---	---	4.5	---
Wellington	44,821	Total Real Return	4.9	0.5	---	---	1.7	1/2014
<i>CPI + 3%</i>	---	---	1.3	2.9	---	---	3.8	---

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflects the month when portfolio received initial funding.

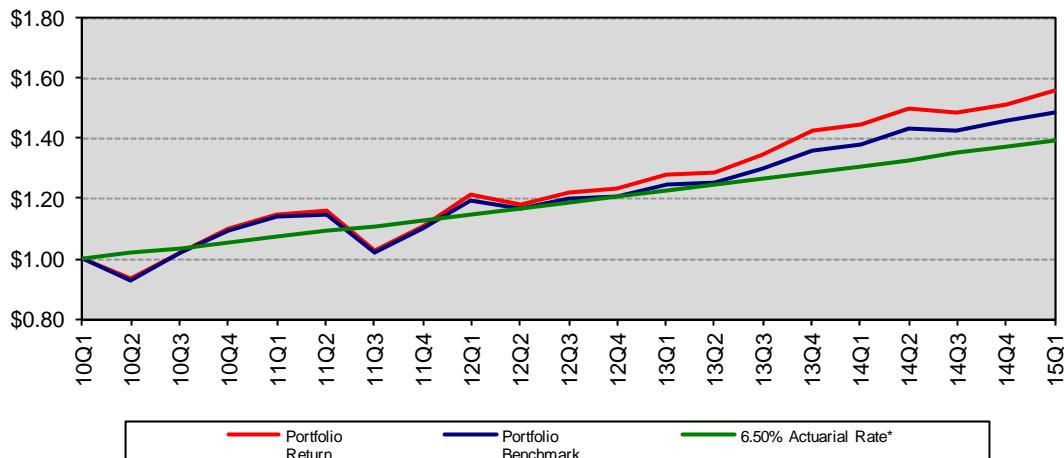
During the latest three-month period ending March 31, 2014, OPFRS' Covered Calls manager underperformed its benchmark while OPFRS' Real Return manager outperformed its benchmark.

Parametric, the Plan's Covered Calls manager, produced a quarterly return of 1.6%, underperforming its benchmark by (10) basis points. Over the most recent 1-year period, the portfolio outperformed by 1.6%

Wellington, the Plan's Total Real Return manager, produced a strong quarterly return of 4.9%, outperforming its benchmark by 3.6%. However, the fund still trails its benchmark by (2.4%) over the 1-year period.

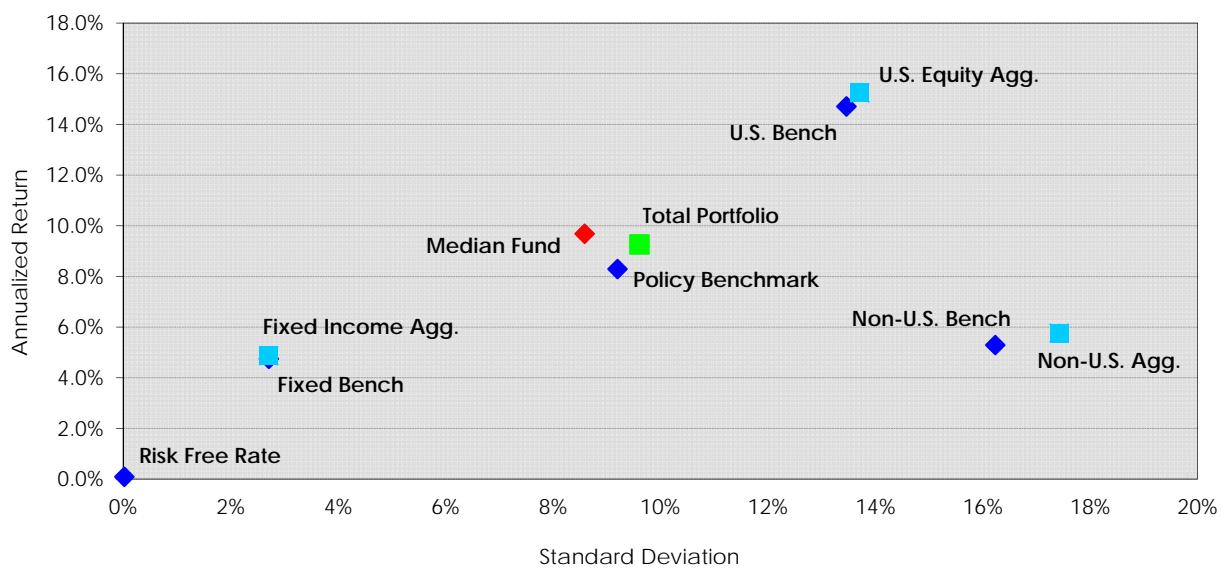
OPFRS Risk/Return Analysis
Period ending March 31, 2015

**Growth of a Dollar
Past 5 Years**



* The actuarial expected rate of return was 8% through 6/30/2009, 7.5% through 6/30/2010, 7% through 6/30/2011, 6.75% through 6/30/2014, and 6.5% currently

Five-Year Annualized Risk/Return



**City of Oakland Police & Fire Retirement, Asset Allocation
as of 3/31/15**

Manager	Style	Market Value \$(000)	Target	Actual ¹	Difference
Total Plan		\$440,874	100.0%	100.0%	0.0%
Public Equity		\$265,375	60.0%	60.2%	0.2%
Domestic Equity		\$215,369	48.0%	48.9%	0.9%
Large Cap Equity					
Northern Trust	Large Cap Core	97,486	19.2%	22.1%	2.9%
SSgA Russell 1000 Value	Large Cap Value	29,308	7.4%	6.6%	-0.8%
SSgA Russell 1000 Growth	Large Cap Growth	30,780	7.4%	7.0%	-0.4%
Mid Cap Equity					
Earnest Partners	Mid Cap Core	32,747	8.0%	7.4%	-0.6%
Small Cap Equity					
NWQ	Small Cap Value	12,442	3.0%	2.8%	-0.2%
Lord Abbett	Small Cap Growth	12,606	3.0%	2.9%	-0.1%
International Equity		\$50,006	12.0%	11.3%	-0.7%
SSgA	International	14,976	3.6%	3.4%	-0.2%
Hansberger	International	16,992	4.2%	3.9%	-0.3%
Fisher	International	18,038	4.2%	4.1%	-0.1%
Fixed Income		\$82,038	20.0%	18.6%	-1.4%
Reams	Core Plus	25,256	8.0%	5.7%	-2.3%
T. Rowe Price	Core	46,623	10.0%	10.6%	0.6%
DDJ	High Yield/Bank Loans	10,159	2.0%	2.3%	0.3%
Transition (Reams) ³	Transition Portfolio	0	0.0%	0.0%	---
Covered Calls		\$45,596	10.0%	10.3%	0.3%
Parametric (Eaton Vance)	Active/Replication	45,596	---	10.3%	---
Real Return		\$44,821	10.0%	10.2%	0.2%
Wellington		44,821	---	10.2%	---
Total Cash²		\$3,044	0.0%	0.7%	0.7%

1. In aggregate, asset class allocations equal to 100% of total investment portfolio.

2. Includes cash balance with City Treasury and Torrey Pines Bank as of 3/31/2015.

3. Includes a residual \$84 in the Reams transition account.

MANAGER MONITORING / PROBATION LIST

Monitoring/Probation Status

As of March 31, 2015
Return vs. Benchmark since Corrective Action

Portfolio	Status	Concern	Months Since Corrective Action	Performance [^] Since Corrective Action	Date of Corrective Action*
Hansberger	On Watch	Organizational	10	-0.9	5/28/2014
MSCI ACWI ex-US	---	---	10	-3.9	---

[^] Annualized performance if over one year.

* Approximate date based on when Board voted to either monitor a manager at a heightened level or place it on probation.

**Investment Performance Criteria
For Manager Monitoring/Probation Status**

Asset Class	Short-term (rolling 12 mth periods)	Medium-term (rolling 36 mth periods)	Long-term (60 + months)
Active Domestic Equity	Fd return < bench return – 3.5%	Fd annlzd return < bench annlzd return – 1.75% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
Active International Equity	Fd return < bench return – 4.5%	Fd annlzd return < bench annlzd return – 2.0% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
Passive International Equity	Tracking Error > 0.50%	Tracking Error > 0.45% for 6 consecutive months	Fd annlzd return < bench annlzd return – 0.40% for 6 consecutive months
Fixed Income	Fd return < bench return – 1.5%	Fd annlzd return < bench annlzd return – 1.0% for 6 consecutive months	VRR < 0.98 for 6 consecutive months

All critelized basis.

VRR – Value Relative Ratio – is calculated as: manager cumulative return / benchmark cumulative return.

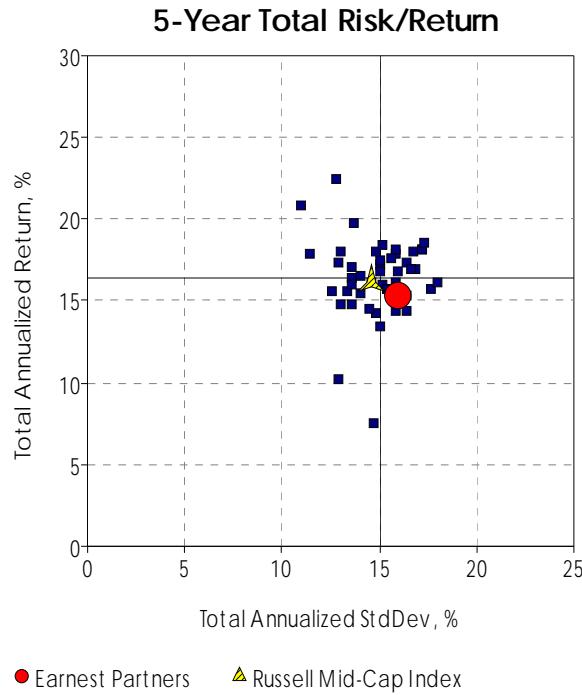
**Oakland Police & Fire
Performance Summary and Universe Rankings
Period Ending March 31, 2015**

Mellon Total Funds - Public Universe		Quarter	1- Year	3-Year	5-Year
Maximum		4.5	15.2	14.1	11.6
Percentile 25		2.6	7.9	10.8	10.1
Median		2.3	6.9	9.8	9.7
Percentile 75		2.0	5.7	8.8	8.8
Minimum		0.0	2.5	4.7	6.1
Number of Portfolios		102	96	90	86
Oakland Police & Fire Total					
Return		2.8	7.6	8.7	9.3
Quartile Rank		1st	2nd	4th	3rd

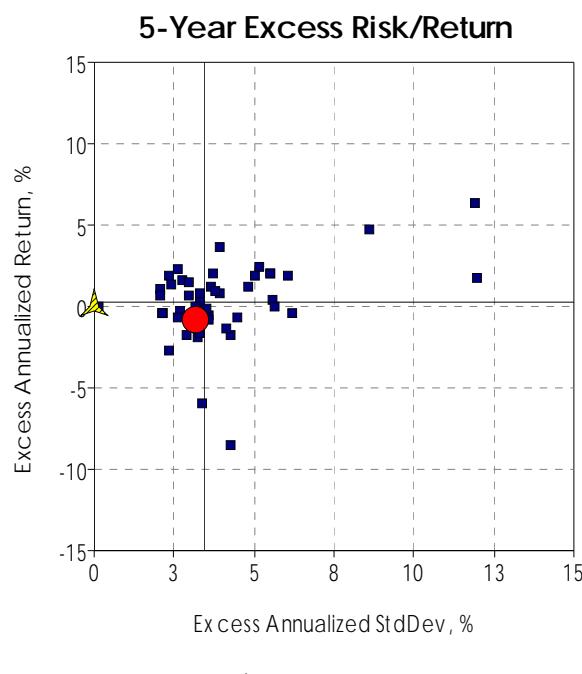
Notes:

Source: Mellon Total Public Funds Universe
All performance is shown **gross of fees**.

Oakland Mid Cap Core Manager Comparisons as of March 31, 2015

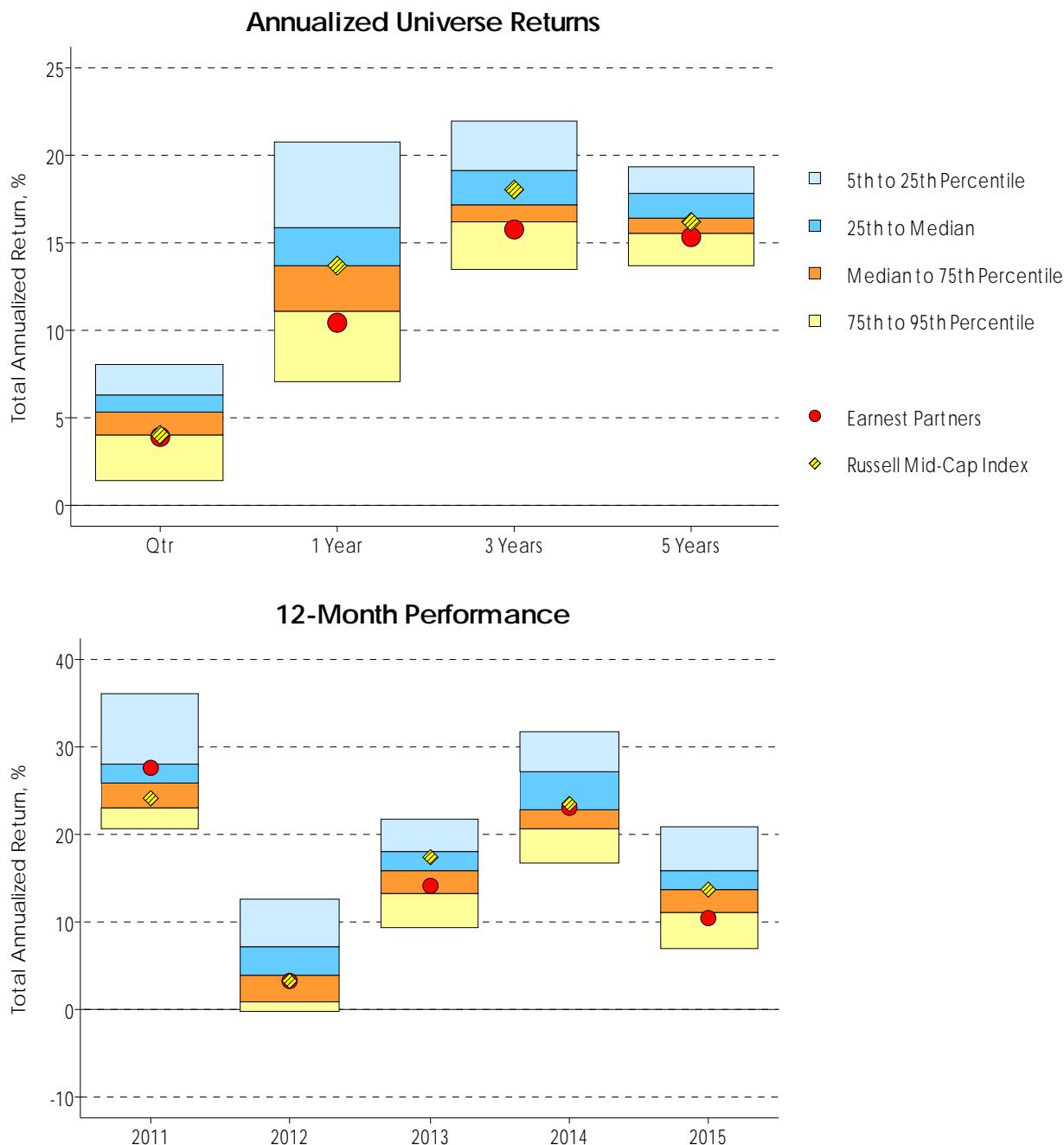


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Earnest Partners	15.37	15.95	0.96
Russell Mid-Cap Index	16.16	14.60	1.11
Mid Cap Core Universe Median	16.48	15.08	1.08

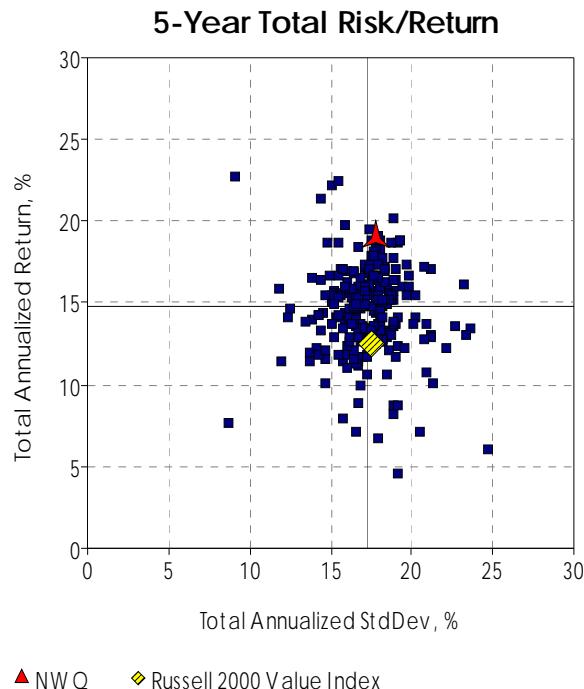


	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Earnest Partners	-0.78	3.20	-0.25
Russell Mid-Cap Index	0.00	0.00	NA
Mid Cap Core Universe Median	0.32	3.45	0.11

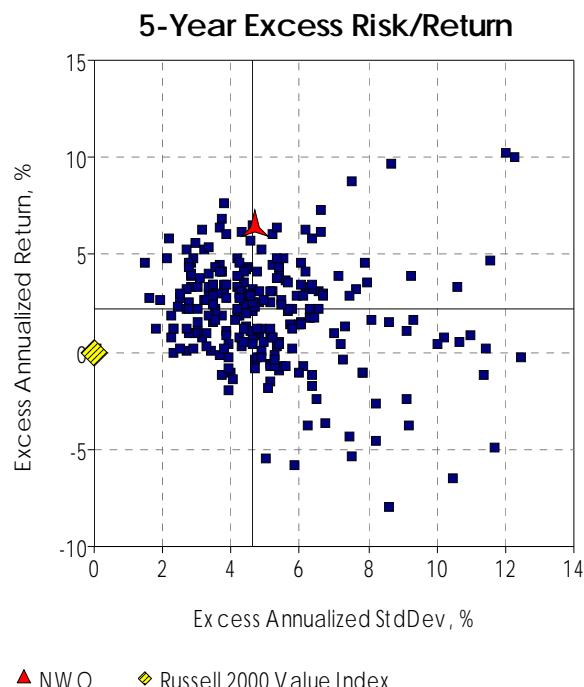
Oakland Mid Cap Core Manager Comparisons as of March 31, 2015



Oakland Small Cap Value Manager Comparisons as of March 31, 2015

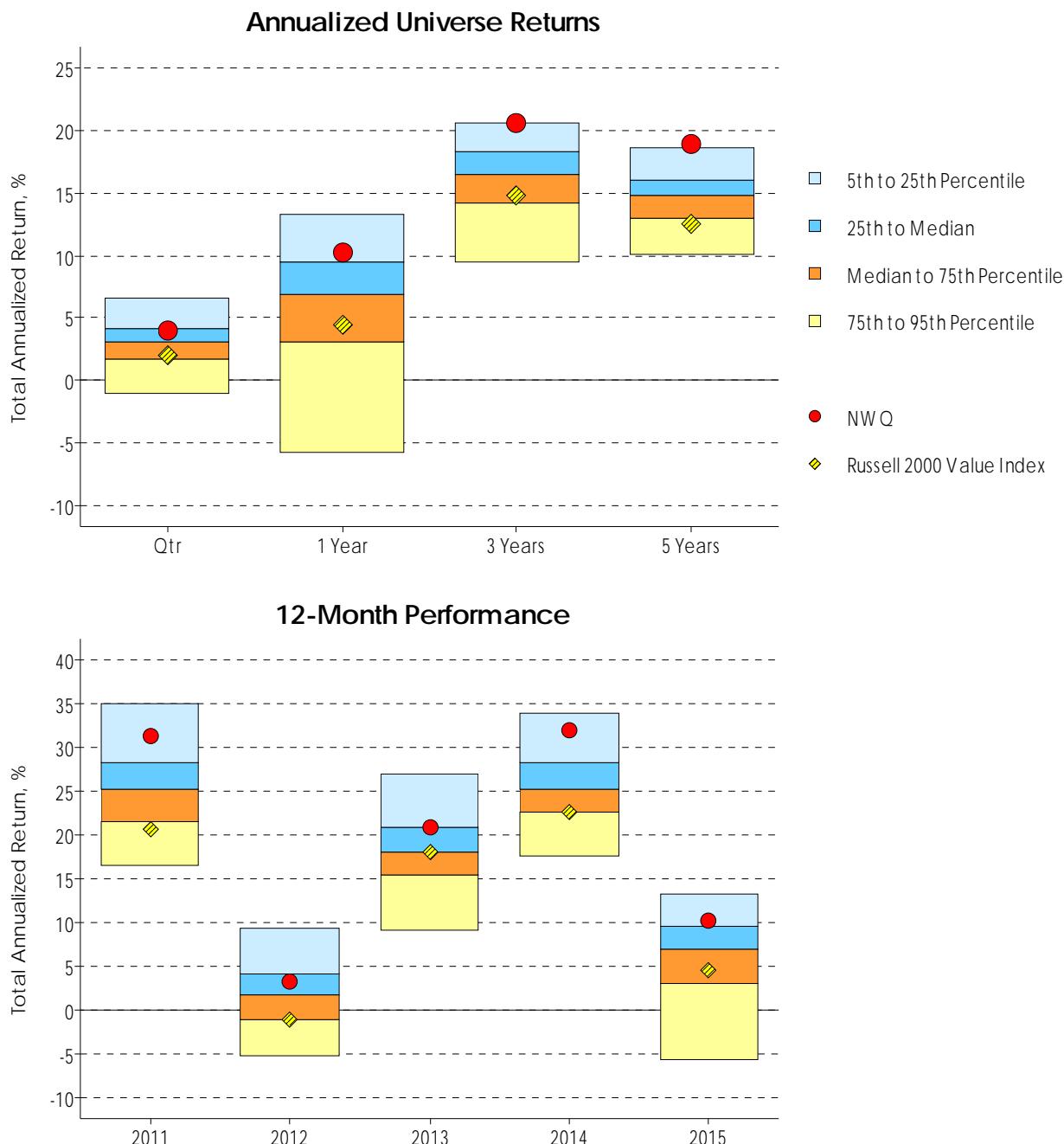


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
NW Q	18.95	17.83	1.06
Russell 2000 Value Index	12.54	17.49	0.72
Small Cap Value Universe Median	14.76	17.23	0.86



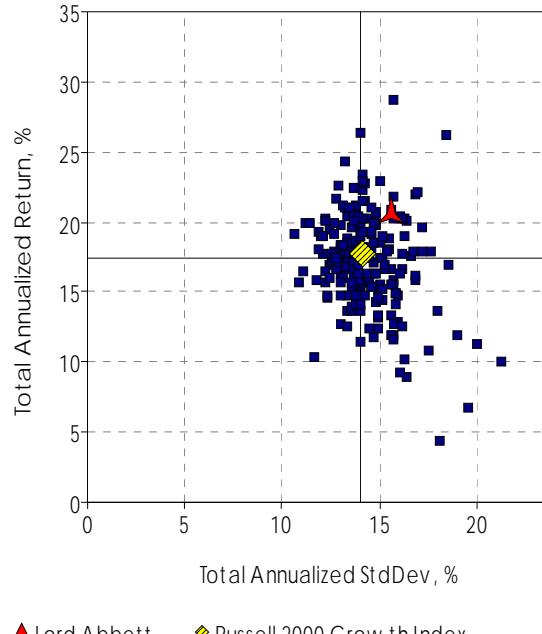
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
NW Q	6.41	4.68	1.37
Russell 2000 Value Index	0.00	0.00	NA
Small Cap Value Universe Median	2.22	4.65	0.48

Oakland Small Cap Value Manager Comparisons as of March 31, 2015



Oakland Small Cap Growth Manager Comparisons as of March 31, 2015

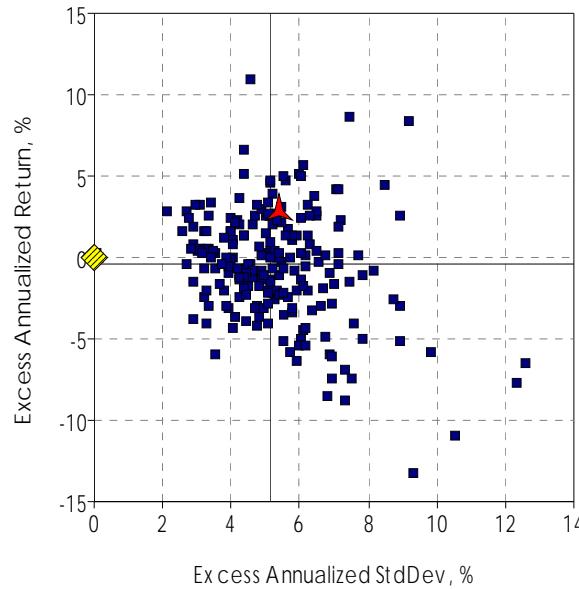
3 -Year Total Risk/Return



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Lord Abbett	20.57	15.58	1.32
Russell 2000 Growth Index	17.74	14.12	1.26
Small Cap Growth Universe Median	17.40	14.03	1.26

▲ Lord Abbett ♦ Russell 2000 Growth Index

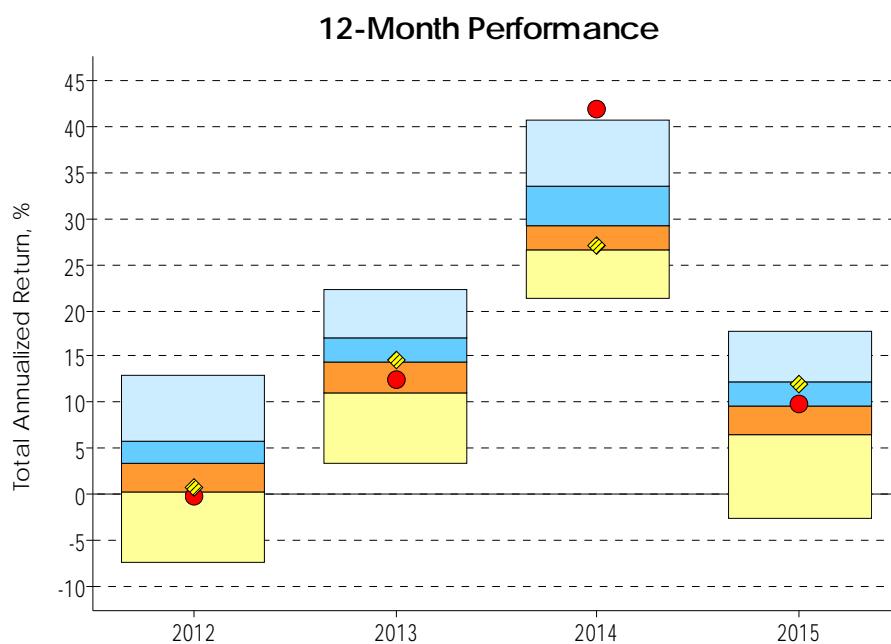
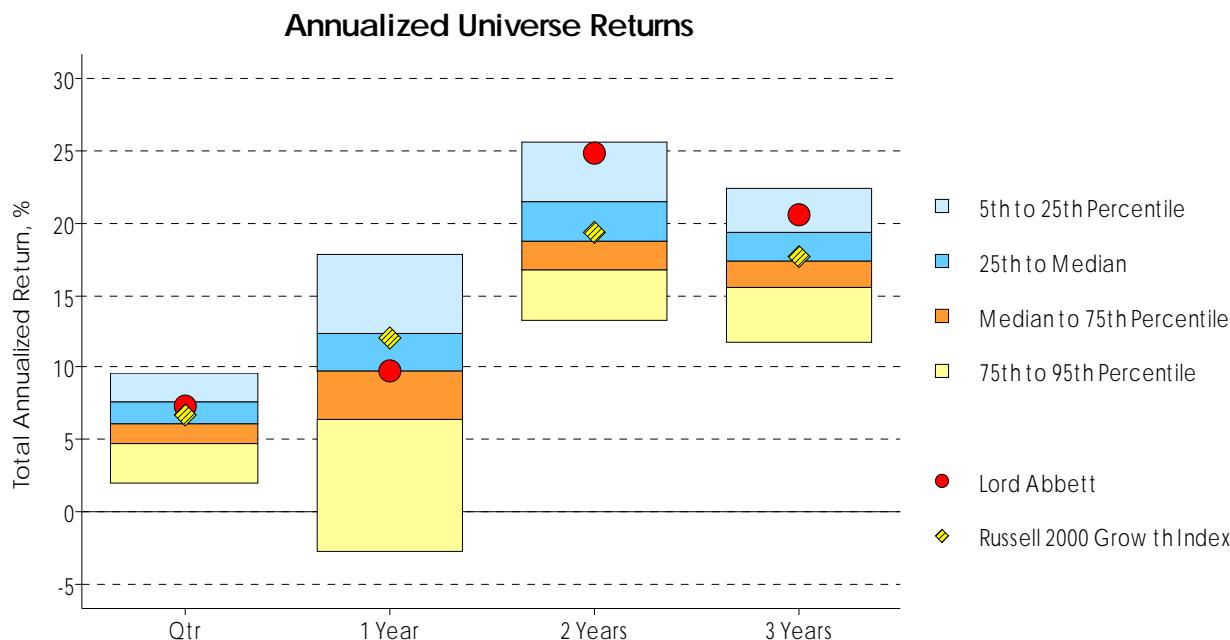
3 -Year Excess Risk/Return



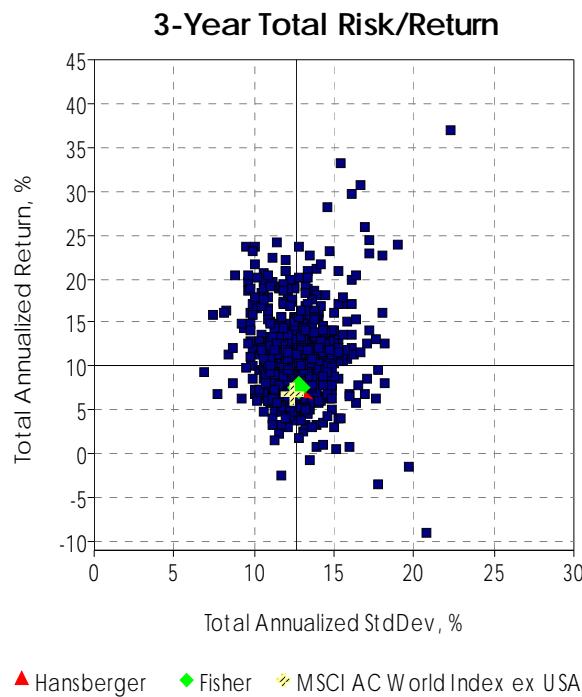
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Lord Abbett	2.83	5.40	0.52
Russell 2000 Growth Index	0.00	0.00	NA
Small Cap Growth Universe Median	-0.35	5.11	-0.09

▲ Lord Abbett ♦ Russell 2000 Growth Index

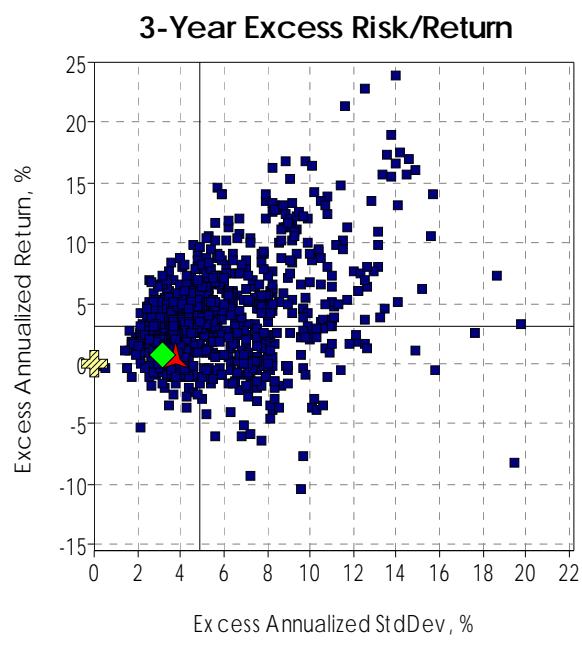
Oakland Small Cap Growth Manager Comparisons as of March 31, 2015



Oakland International Equity Manager Comparisons as of March 31, 2015

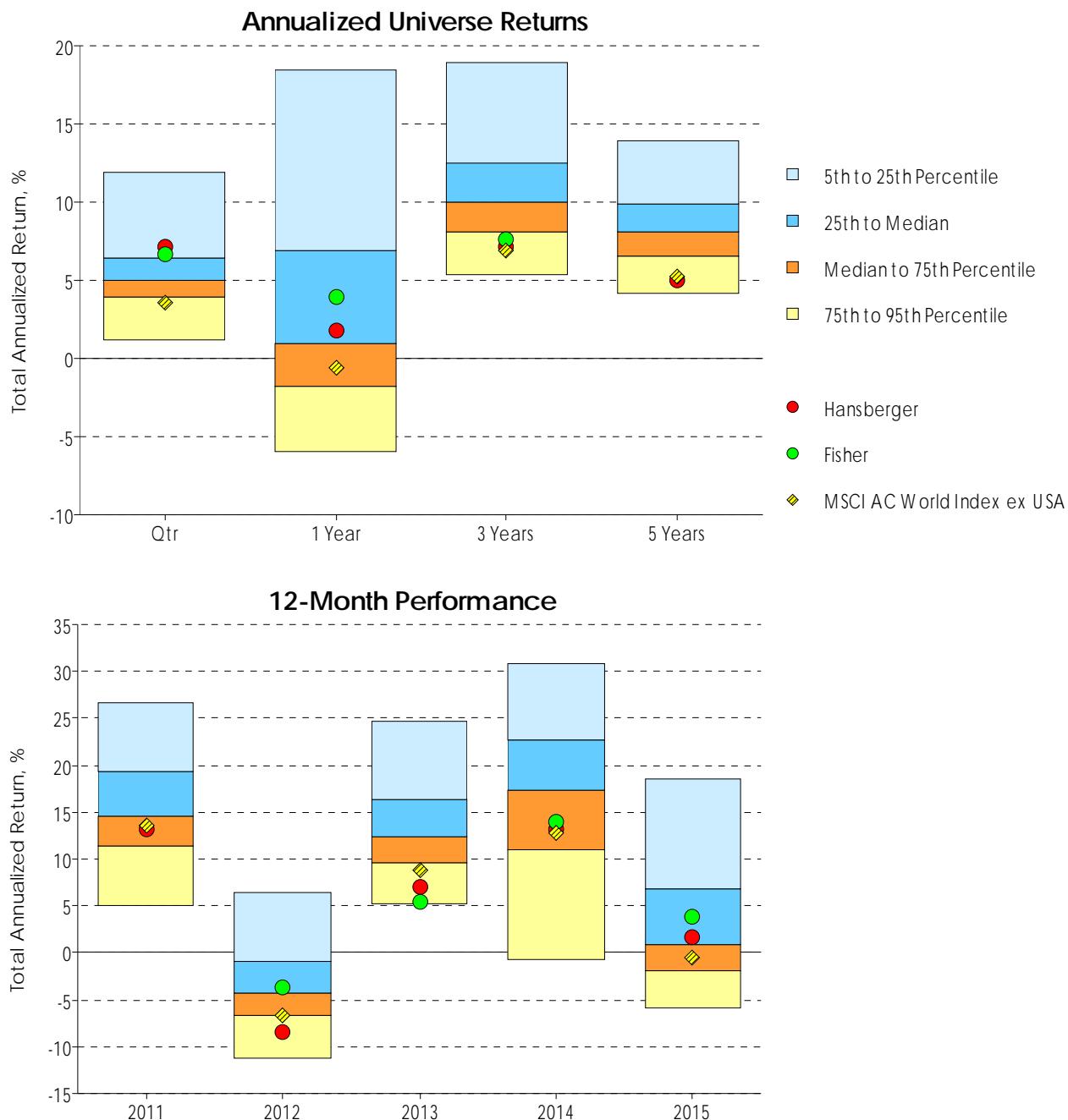


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Hansberger	7.17	12.90	0.56
Fisher	7.63	12.82	0.60
MSCI AC World Index ex USA	6.88	12.45	0.55
International Equity Universe Median	9.98	12.66	0.79



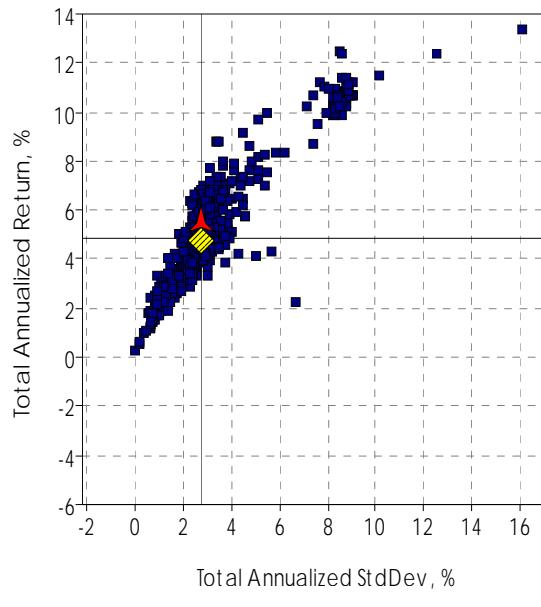
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Hansberger	0.28	3.76	0.08
Fisher	0.75	3.14	0.24
MSCI AC World Index ex USA	0.00	0.00	NA
International Equity Universe Median	3.10	4.87	0.68

Oakland International Equity Manager Comparisons as of March 31, 2015



Oakland Fixed Income Manager Comparisons as of March 31, 2015

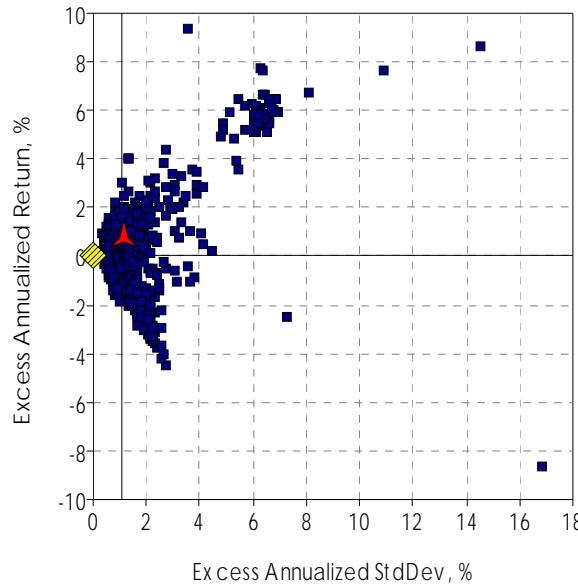
5-Year Total Risk/Return



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Reams	5.48	2.70	2.03
Oakland BC Universal Blend	4.75	2.71	1.75
U.S. Fixed Income Universe Median	4.84	2.76	1.78

▲ Reams ♦ Oakland BC Universal Blend

5-Year Excess Risk/Return

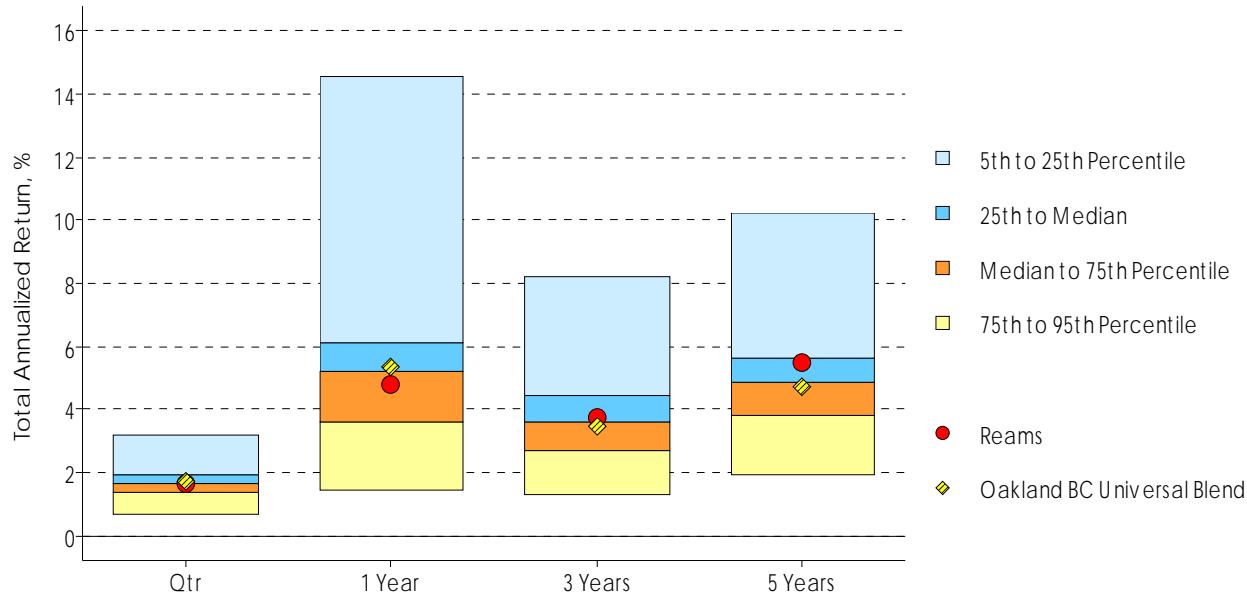


	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Reams	0.73	1.19	0.62
Oakland BC Universal Blend	0.00	0.00	NA
U.S. Fixed Income Universe Median	0.09	1.03	0.10

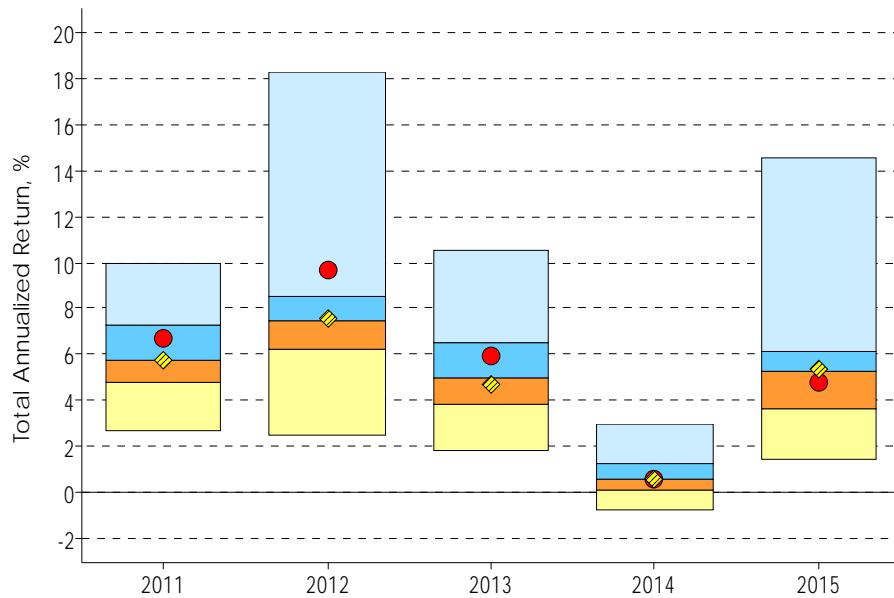
▲ Reams ♦ Oakland BC Universal Blend

Oakland Fixed Income Manager Comparisons as of March 31, 2015

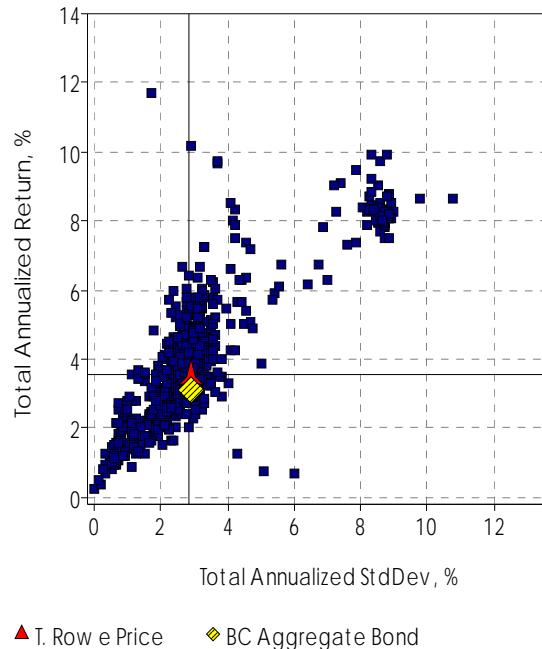
Annualized Universe Returns



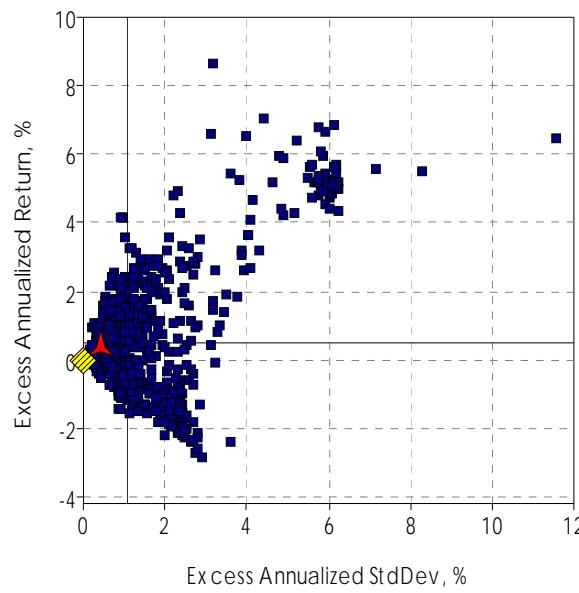
12-Month Performance



Oakland Fixed Income Manager Comparisons as of March 31, 2015

3-Year Total Risk/Return

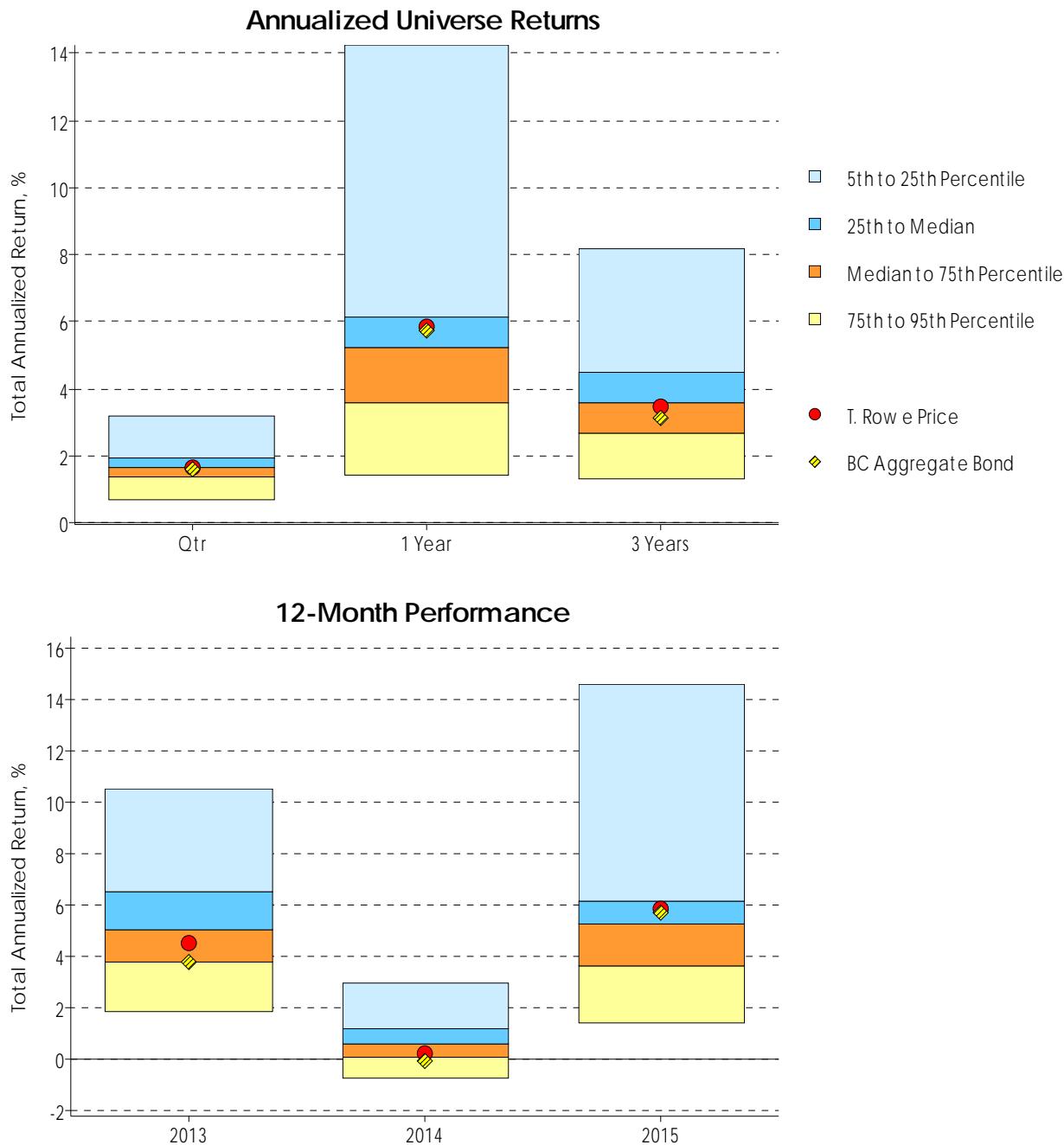
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
T. Rowe Price	3.48	2.89	1.21
BC Aggregate Bond	3.10	2.90	1.07
U.S. Fixed Income Universe Median	3.57	2.82	1.33

3-Year Excess Risk/Return

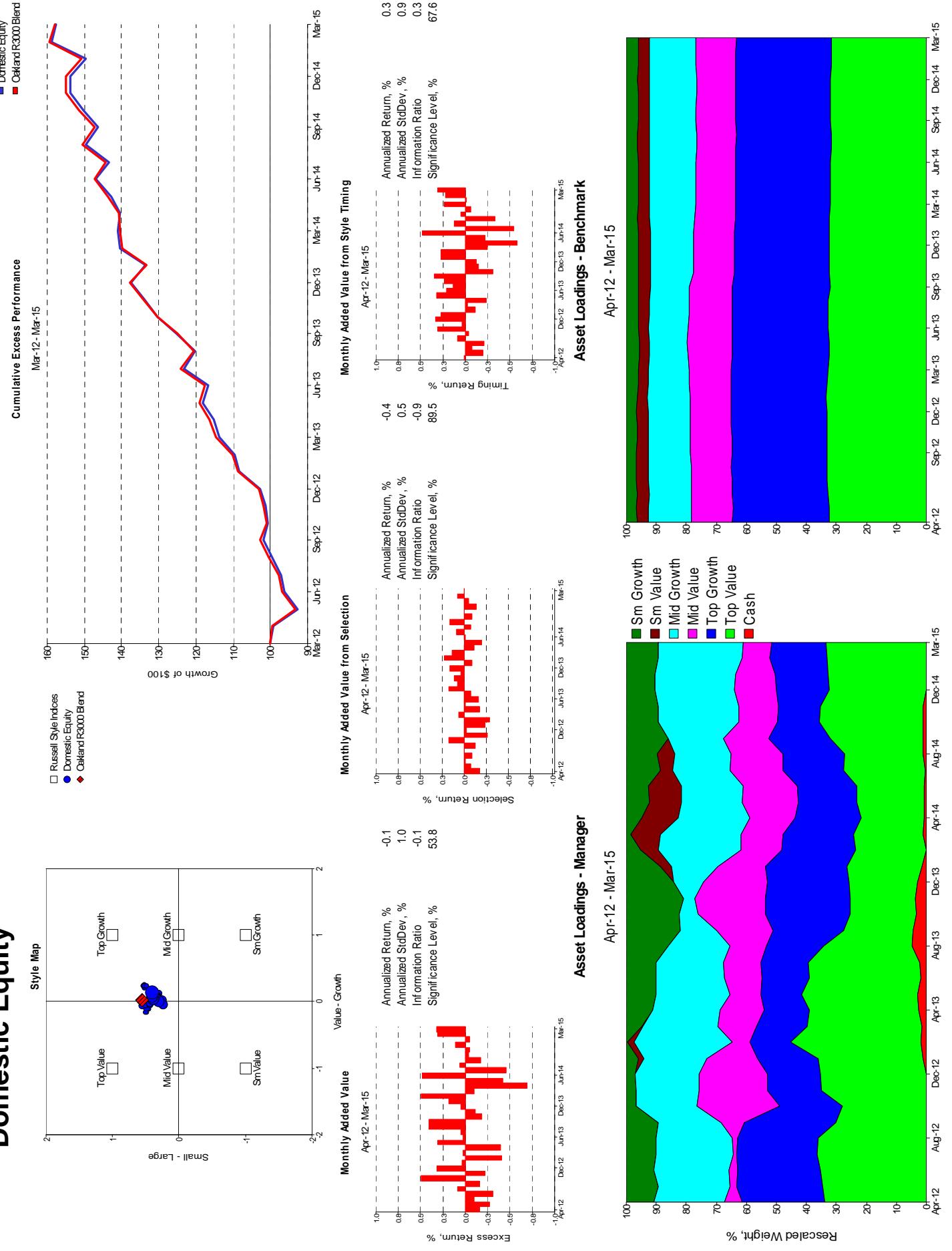
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
T. Rowe Price	0.38	0.45	0.84
BC Aggregate Bond	0.00	0.00	NA
U.S. Fixed Income Universe Median	0.46	1.10	0.61

▲ T. Rowe Price ♦ BC Aggregate Bond

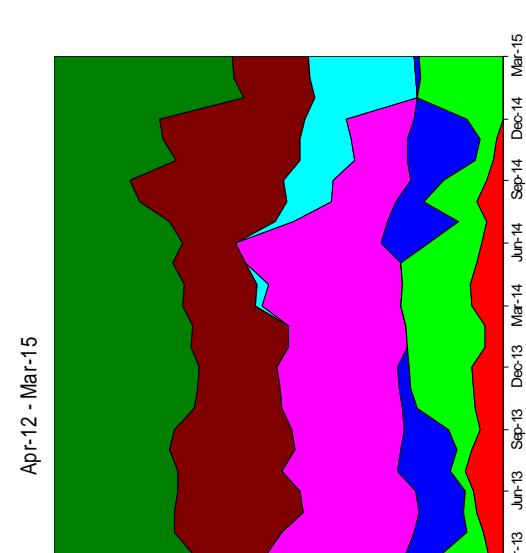
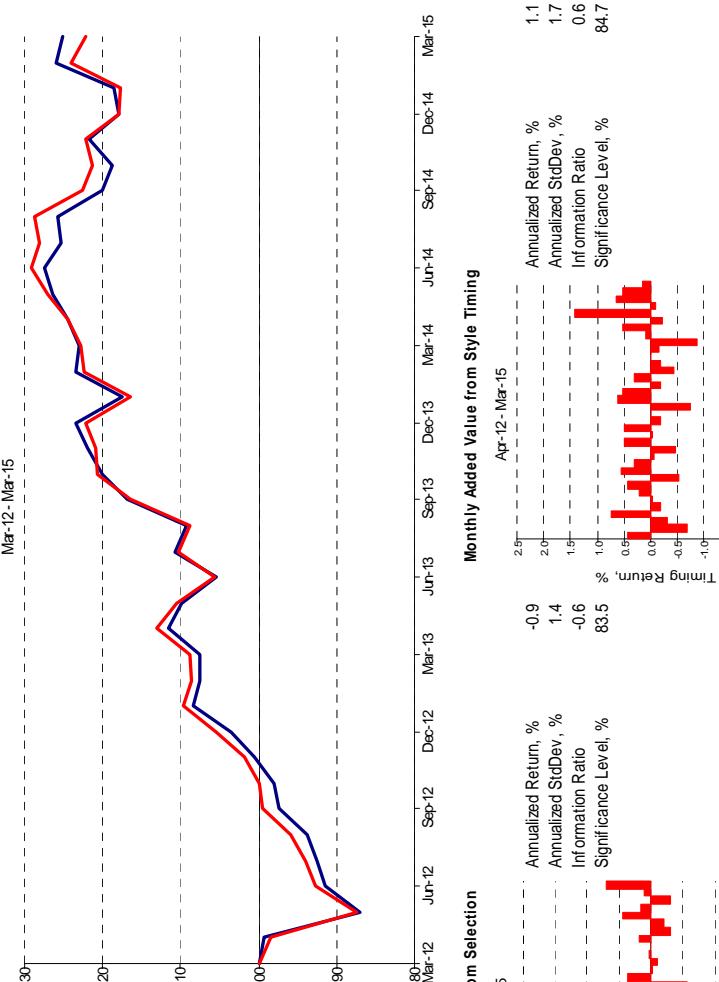
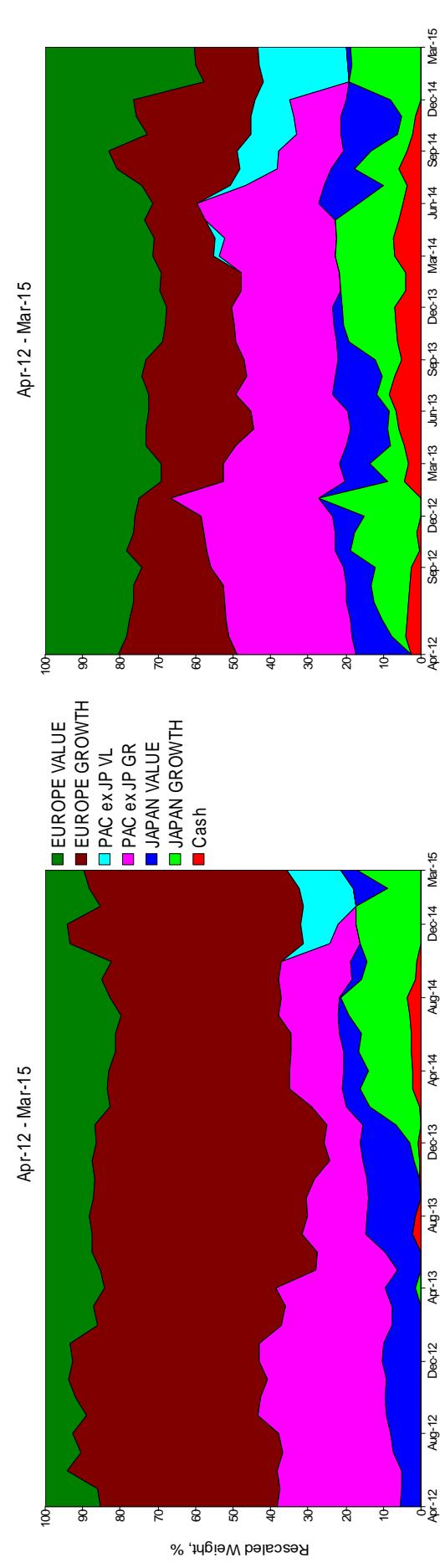
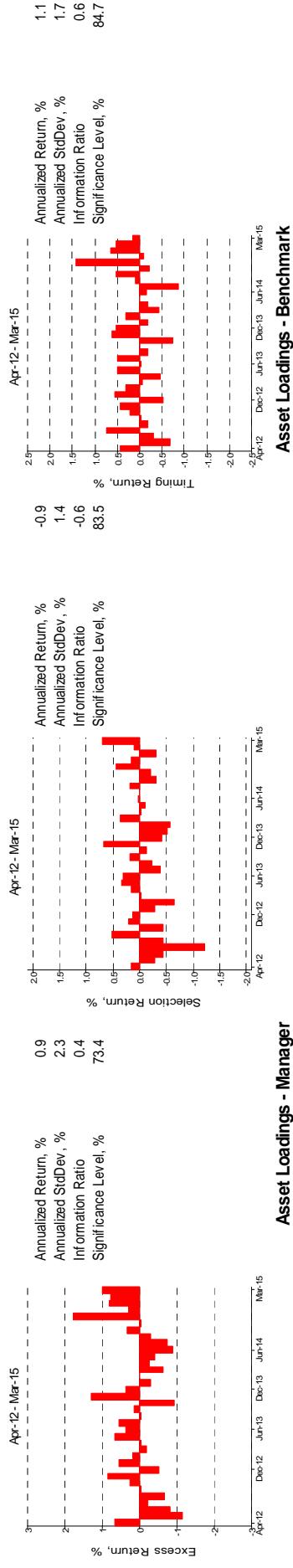
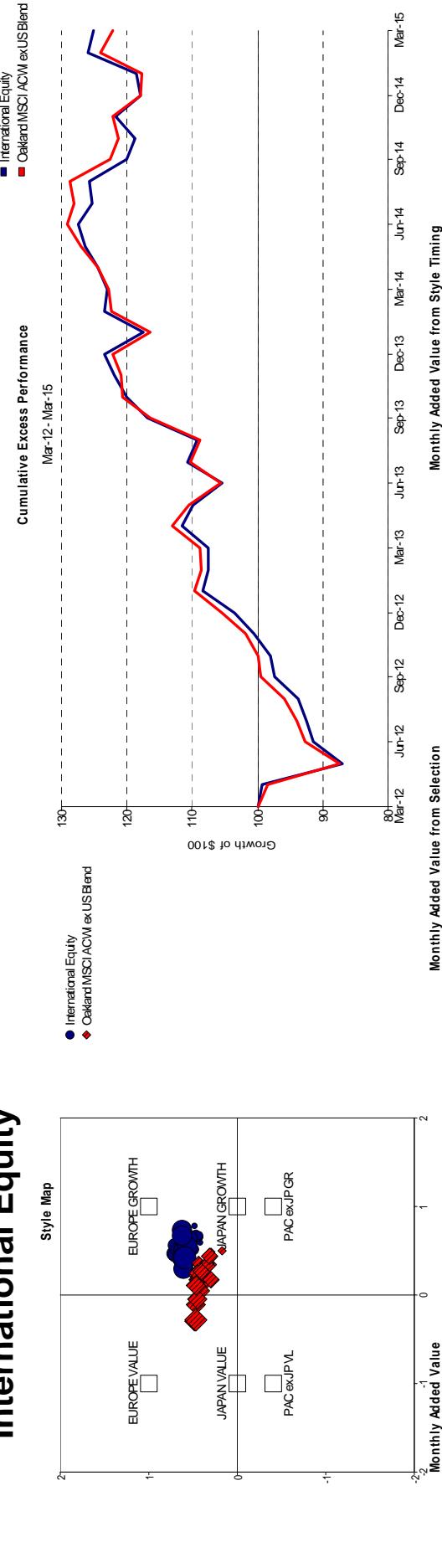
Oakland Fixed Income Manager Comparisons as of March 31, 2015



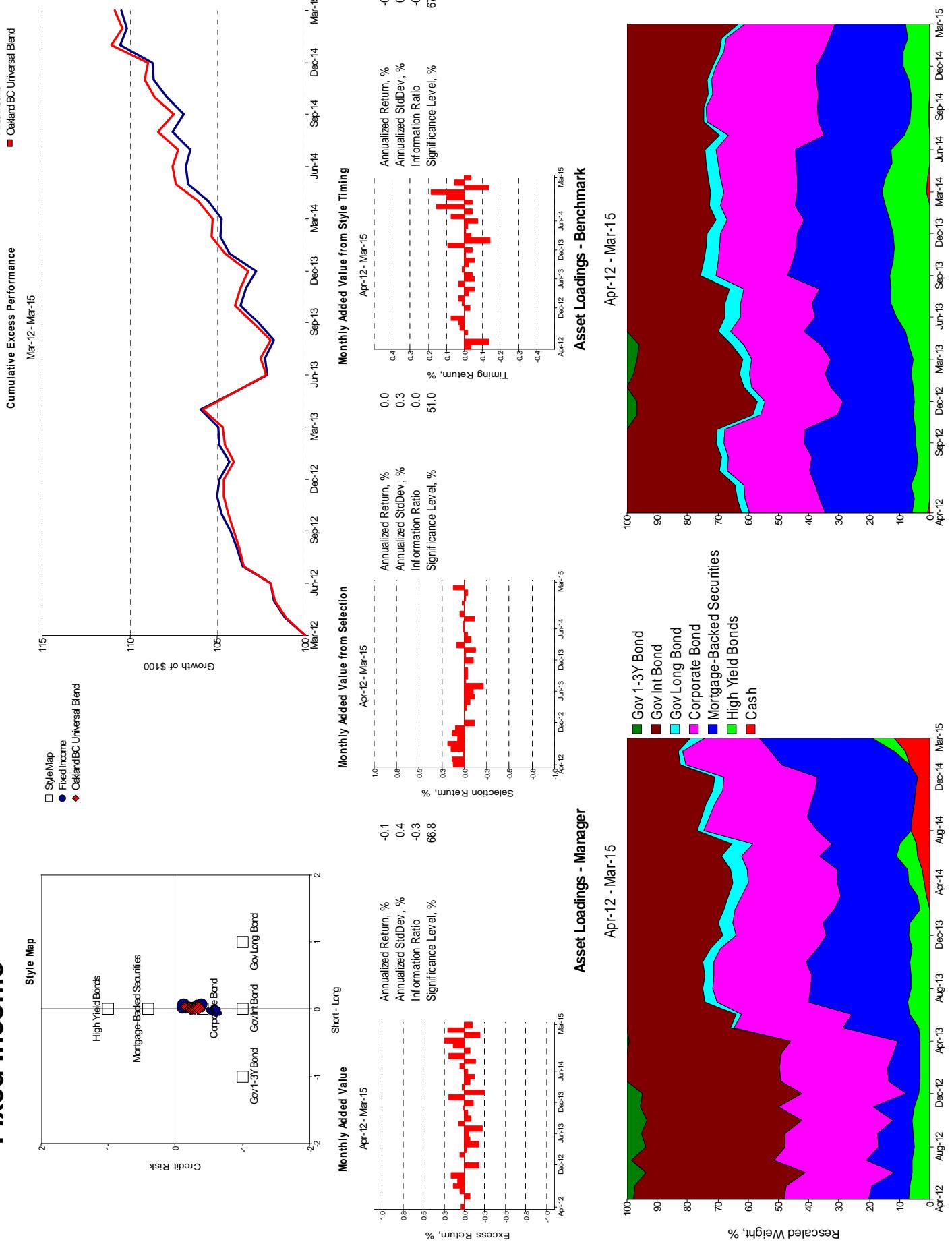
Domestic Equity



International Equity



Fixed Income



Appendix

Glossary

Alpha

The premium an investment earns above a set standard. This is usually measured in terms of a common index (i.e., how the stock performs independent of the market). An Alpha is usually generated by regressing a security's excess return on the S&P 500 excess return.

Annualized Performance

The annual rate of return that when compounded t times generates the same t period holding return as actually occurred from period 1 to period t .

Batting Average

Percentage of periods a portfolio outperforms a given index.

Beta

The measure of an asset's risk in relation to the Market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a security with a Beta of 1.5, will have moved, on average, 1.5 times the market return.

Bottom-up

A management style that de-emphasizes the significance of economic and market cycles, focusing instead on the analysis of individual stocks.

Dividend Discount Model

A method to value the common stock of a company that is based on the present value of the expected future dividends.

Growth Stocks

Common stock of a company that has an opportunity to invest money and earn more than the opportunity cost of capital.

Information Ratio

The ratio of annualized expected residual return to residual risk. A central measurement for active management, value added is proportional to the square of the information ratio.

R-Squared

Square of the correlation coefficient. The proportion of the variability in one series that can be explained by the variability of one or more other series a regression model. A measure of the quality of fit. 100% R-square means perfect predictability.

Standard Deviation

The square root of the variance. A measure of dispersion of a set of data from its mean.

Sharpe Ratio

A measure of a portfolio's excess return relative to the total variability of the portfolio.

Style Analysis

A returns -based analysis using a multi-factor attribution model. The model calculates a product's average exposure to particular investment styles over time (i.e., the product's normal style benchmark).

Top-down

Investment style that begins with an assessment of the overall economic environment and makes a general asset allocation decision regarding various sectors of the financial markets and various industries.

Tracking Error

The standard deviation of the difference between the performance of a portfolio and an appropriate benchmark.

Turnover

For mutual funds, a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. A turnover rate of 25% means that the value of trades represented one-fourth of the assets of the fund.

Value Stocks

Stocks with low price/book ratios or price/earnings ratios. Historically, value stocks have enjoyed higher average returns than growth stocks (stocks with high price/book or P/E ratios) in a variety of countries.

Benchmark Definitions

Barclays Capital Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, in that order with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

MSCI ACWI x US: MSCI ACWI (All Country World Index) Free excluding US (gross dividends): is a free-floating adjusted market capitalization index designed to measure equity performance in the global developed and emerging markets. As of April 2002, the index consisted of 49 developed and emerging market country indices.

MSCI EAFE (Europe, Australasia, Far East): is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada.

Russell 1000: measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization-weighted.

Russell 1000 Growth: measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value: measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell MidCap: measures the performance of the smallest 800 companies in the Russell 1000 Index, as ranked by total market capitalization.

Russell 2000: measures the performance of the 2,000 smallest securities in the Russell 3000 Index. Russell 2000 is market capitalization-weighted.

Russell 2000 Growth: measures the performance of those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value: measures the performance of those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios.

CBOE BXM: measures the performance of a hypothetical buy-write strategy on the S&P 500 Index.

CPI + 3%: measures changes in the price level of the Consumer Price Index (CPI) with the addition of an additional 300 basis points. The CPI is a sample estimate which tracks the price level changes of a market basket of consumer goods and services purchased by households.

RISK METRIC DESCRIPTION – Rationale for selection and calculation methodology

US Equity Markets:

Metric: P/E ratio = Price / “Normalized” earnings for the S&P 500 Index

To represent the price of US equity markets, we have chosen the S&P 500 index. This index has the longest published history of price, is well known, and also has reliable, long-term, published quarterly earnings. The price=P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the S&P 500 index). Equity markets are very volatile. Prices fluctuate significantly during normal times and extremely during periods of market stress or euphoria. Therefore, developing a measure of earnings power (E) which is stable is vitally important, if the measure is to provide insight. While equity prices can and do double, or get cut in half, real earnings power does not change nearly as much. Therefore, we have selected a well known measure of real, stable earnings power developed by Yale Professor Robert Shiller known as the Shiller E-10. The calculation of E-10 is simply the average real annual earnings over the past 10 years. Over 10 years, the earnings shenanigans and boom and bust levels of earnings tend to even out (and often times get restated). Therefore, this earnings statistic gives a reasonably stable, slow-to-change estimate of average real earnings power for the index. Professor Shiller's data and calculation of the E-10 are available on his website at <http://www.econ.yale.edu/~shiller/data.htm>. We have used his data as the base for our calculations. Details of the theoretical justification behind the measure can be found in his book *Irrational Exuberance* [Princeton University Press 2000, Broadway Books 2001, 2nd ed., 2005].

Developed Equity Markets Excluding the US:

Metric: P/E ratio = Price / “Normalized” earnings for the MSCI EAFE Index

To represent the price of non-US developed equity markets, we have chosen the MSCI EAFE index. This index has the longest published history of price for non-US developed equities. The price=P of the P/E ratio is the current price of the market index (the average daily price of the most recent full month for the MSCI EAFE index). The price level of this index is available starting in December 1969. Again, for the reasons described above, we elected to use the Shiller E-10 as our measure of earnings (E). Since 12/1972, a monthly price earnings ratio is available from MSCI. Using this quoted ratio, we have backed out the implied trailing-twelve month earnings of the EAFE index for each month from 12/1972 to the present. These annualized earnings are then inflation adjusted using CPI-U to represent real earnings in US dollar terms for each time period. The Shiller E-10 for the EAFE index (10 year average real earnings) is calculated in the same manner as detailed above.

However, we do not believe that the pricing and earnings history of the EAFE markets are long enough to be a reliable representation of pricing history for developed market equities outside of the US. Therefore, in constructing the Long-Term Average Historical P/E for developed ex-US equities for comparison purposes, we have elected to use the US equity market as a developed market proxy, from 1881 to 1982. This lowers the Long-Term Average Historical P/E considerably. We believe this methodology provides a more realistic historical comparison for a market with a relatively short history.

Emerging Market Equity Markets:

Metric: Ratio of Emerging Market P/E Ratio to Developed Market P/E Ratio

To represent the Emerging Markets P/E Ratio, we have chosen the MSCI Emerging Market Free Index, which has P/E data back to January 1995 on Bloomberg. To represent the Developed Markets PE Ratio, we have chosen the MSCI World Index, which also has data back to January 1995 on Bloomberg. Although there are issues with published, single time period P/E ratios, in which the denominator effect can cause large movements, we feel that the information contained in such movements will alert investors to market activity that they will want to interpret.

US Private Equity Markets:

Metrics: S&P LCD Average EBITDA Multiples Paid in LBOs and US Quarterly Deal Volume

The Average Purchase Price to EBITDA multiples paid in LBOs is published quarterly by S&P in their LCD study. This is the total price paid (both equity and debt) over the trailing-twelve month EBITDA (earnings before interest, taxes, depreciation and amortization) as calculated by S&P LCD. This is the relevant, high-level pricing metric that private equity managers use in assessing deals. Data is published monthly.

US quarterly deal volume for private equity is the total deal volume in \$ billions (both equity and debt) reported in the quarter by Thomson Reuters Buyouts. This metric gives a measure of the level of activity in the market. Data is published quarterly.

U.S Private Real Estate Markets:

Metrics: US Cap rates and Annual US Real Estate Deal Volume

Real estate cap rates are a measure of the price paid in the market to acquire properties versus their annualized income generation before financing costs (NOI=net operating income). The date is published by NCREIF. We chose to use current value cap rate. These are capitalization rates from properties that were revalued during the quarter. While this data does rely on estimates of value and therefore tends to be lagging, (estimated prices are slower to rise and slow to fall than transaction prices), the data series goes back to 1979, providing a long data series for valuation comparison. Data is published quarterly.

Annual US real estate deal volume is the total deal transaction volume in \$ billions (both equity and debt) reported by Real Capital Analytics during the trailing-twelve months. This metric gives the level of activity in the market. Data is published monthly.

Measure of Equity Market Fear / Uncertainty

Metric: VIX – Measure of implied option volatility for U.S. equity markets

The VIX is a key measure of near-term volatility conveyed by implied volatility of S&P 500 index option prices. VIX increases with uncertainty and fear. Stocks and the VIX are negatively correlated. Volatility tends to spike when equity markets fall.

Measure of Monetary Policy

Metric: Yield Curve Slope

We calculate the yield curve slope as the 10 year treasury yield minus the 1 year treasury yield. When the yield curve slope is zero or negative, this is a signal to pay attention. A negative yield curve slope signals lower rates in the future, caused by a contraction in economic activity. Recessions are typically preceded by an inverted (negatively sloped) yield curve. A very steep yield curve (2 or greater) indicates a large difference between shorter-term interest rates (the 1 year rate) and longer-term rates (the 10 year rate). This can signal expansion in economic activity in the future, or merely higher future interest rates.

Definition of “extreme” metric readings

A metric reading is defined as “extreme” if the metric reading is in the top or bottom decile of its historical readings. These “extreme” reading should cause the reader to pay attention. These metrics have reverted toward their mean values in the past.

Credit Markets US Fixed Income:

Metric: Spreads

The absolute level of spreads over treasuries and spread trends (widening / narrowing) are good indicators of credit risk in the fixed income markets. Spreads incorporate estimates of future default, but can also be driven by technical dislocations in the fixed income markets. Abnormally narrow spreads (relative to historical levels) indicate higher levels of valuation risk, wide spreads indicate lower levels of valuation risk and / or elevated default fears. Investment grade bond spreads are represented by the Barclays Capital US Corporate Investment Grade Index Intermediate Component. The high yield corporate bond spreads are represented by the Barclays Capital US Corporate High Yield Index.

Measures of US Inflation Expectations

Metrics: Breakeven Inflation and Inflation Adjusted Commodity Prices

Inflation is a very important indicator impacting all assets and financial instruments. Breakeven inflation is calculated as the 10 year nominal treasury yield minus the 10 year real yield on US TIPS (treasury inflation protected securities). Abnormally low long-term inflation expectations are indicative of deflationary fears. A rapid rise in breakeven inflation indicates acceleration in inflationary expectations as market participants sell nominal treasuries and buy TIPs. If breakeven inflation continues to rise quarter over quarter, this is a signal of inflationary worries rising, which may cause Fed action and / or dollar decline.

Commodity price movement (above the rate of inflation) is an indication of anticipated inflation caused by real global economic activity putting pressure on resource prices. We calculate this metric by adjusted in the Dow Jones UBS Commodity Index (formerly Dow Jones AIG Commodity Index) by US CPI-U. While rising commodity prices will not necessarily translate to higher US inflation, higher US inflation will likely show up in higher commodity prices, particularly if world economic activity is robust.

These two measures of anticipated inflation can, and often are, conflicting.

Measures of US Treasury Bond Interest Rate Risk

Metrics: 10-Year Treasury Forward-Looking Real Yield and 10-Year Treasury Duration

The expected annualized real yield of the 10 year US Treasury Bond is a measure of valuation risk for US Treasuries. A low real yield means investors will accept a low rate of expected return for the certainty of receiving their nominal cash flows. PCA estimates the expected annualized real yield by subtracting an estimate of expected 10 year inflation (produced by the Survey of Professional Forecasters as collected by the Federal Reserve Bank of Philadelphia), from the 10 year Treasury constant maturity interest rate.

Duration for the 10-Year Treasury Bond is calculated based on the current yield and a price of 100. This is a measure of expected percentage movements in the price of the bond based on small movements in percentage yield. We make no attempt to account for convexity.

RISK METRICS DESCRIPTION – PCA Market Sentiment Indicator

What is the PCA Market Sentiment Indicator (PMSI)?

The PMSI is a measure meant to gauge the market's sentiment regarding economic growth risk. Growth risk cuts across most financial assets, and is the largest risk exposure that most portfolios bear. The PMSI takes into account the momentum (trend over time, positive or negative) of the economic growth risk exposure of publicly traded stocks and bonds, as a signal of the future direction of growth risk returns; either positive (risk seeking market sentiment), or negative (risk averse market sentiment).

How do I read the PCA Market Sentiment Indicator (PMSI) graph?

Simply put, the PMSI is a color coded indicator that signals the market's sentiment regarding economic growth risk. It is read left to right chronologically. A green indicator on the PMSI indicates that the market's sentiment towards growth risk is positive. A gray indicator indicates that the market's sentiment towards growth risk is neutral or inconclusive. A red indicator indicates that the market's sentiment towards growth risk is negative. The black line on the graph is the level of the PMSI. The degree of the signal above or below the neutral reading is an indication the signal's current strength.

How is the PCA Market Sentiment Indicator (PMSI) Constructed?

The PMSI is constructed from two sub-elements representing investor sentiment in stocks and bonds:

1. Stock return momentum: Return momentum for the S&P 500 Equity Index (trailing 12-months)
2. Bond yield spread momentum: Momentum of bond yield spreads (excess of the measured bond yield over the identical duration U.S. Treasury bond yield) for corporate bonds (trailing 12-months) for both investment grade bonds (75% weight) and high yield bonds (25% weight). The scale of this measure is adjusted to match that of the stock return momentum measure.

The black line reading on the graph is calculated as the average of the stock return momentum measure and the bonds spread momentum measure. The color reading on the graph is determined as follows:

1. If both stock return momentum and bond spread momentum are positive = GREEN (positive)
2. If one of the momentum indicators is positive, and the other negative = GRAY (inconclusive)
3. If both stock return momentum and bond spread momentum are negative = RED (negative)

What does the PCA Market Sentiment Indicator (PMSI) mean? Why might it be useful?

There is strong evidence that time series momentum is significant and persistent. In particular, across an extensive array of asset classes, the sign of the trailing 12-month return (positive or negative) is indicative of future returns (positive or negative) over the next 12 month period. The PMSI is constructed to measure this momentum in stocks and corporate bond spreads. A reading of green or red is agreement of both the equity and bond measures, indicating that it is likely that this trend (positive or negative) will continue over the next 12 months. When the measures disagree, the indicator turns gray. A gray reading does not necessarily mean a new trend is occurring, as the indicator may move back to green, or into the red from there. The level of the reading (black line) and the number of months at the red or green reading, gives the user additional information on which to form an opinion, and potentially take action.

Momentum is defined as the persistence of relative performance. There is a significant amount of academic evidence indicating that positive momentum (e.g., strong performing stocks over the recent past continue to post strong performance into the near future) exists over near-to-intermediate holding periods. See, for example, "Understanding Momentum," *Financial Analysts Journal*, Scowcroft, Sefton, March, 2005.

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

RETIREMENT BOARD MEMBERS

Walter L. Johnson

President

Jaime T. Godfrey

Vice President

James F. Cooper

Member

Steven Wilkinson

Member

Ronald Oznowicz

Member

John C. Speakman

Member

Osborn Solitei

Member

AGENDA

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

Wednesday, May 27, 2015 – 11:30 am

One Frank H. Ogawa Plaza, Hearing Room 1

Oakland, California 94612

- - - ORDER OF BUSINESS - - -

A. CLOSED SESSION

B. Report of PFRS Board Action from Closed Session (if any).

C. Subject: April 29, 2015 PFRS Board Meeting Minutes
From: Staff of the PFRS Board

Recommendation: APPROVE April 29, 2015 Board meeting minutes.

D. MAY 27, 2015 – AUDIT & BUDGET MATTERS COMMITTEE AGENDA

D1. Subject: Administrative Expenses Report
From: Staff of the PFRS Board

Recommendation: ACCEPT an informational report regarding PFRS Administrative Expenses from July 1, 2014 through March 31, 2015.

D2. Subject: Proposed Update to PFRS Rules & Regulations, section 9.8 & 9.9
From: Ronald Oznowicz, Trustee, PFRS Board

Recommendation: RECOMMEND BOARD APPROVAL of update to PFRS Board Rules & Regulations Sections 9.8 and 9.9 regarding modifying how items are added to committee and board agendas.

E. MAY 27, 2015 – INVESTMENT & FINANCIAL MATTERS COMMITTEE AGENDA

E1. Subject: Investment Manager Performance Report – T. Rowe Price
From: T. Rowe Price

Recommendation: ACCEPT an informational report regarding fund performance for PFRS assets invested with T. Rowe Price, a fixed core Investment Manager.

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
REGULAR BOARD MEETING
MAY 27, 2015**

ORDER OF BUSINESS, continued

- E2. Subject:** **Investment Manager Overview – T. Rowe Price**
From: Pension Consulting Alliance
-
- Recommendation:** **ACCEPT** an informational review of Organization and Performance of T. Rowe Price, PFRS fixed core Investment Manager.
- E3. Subject:** **Investment Market Overview**
From: Pension Consulting Alliance (PCA)
-
- Recommendation:** **ACCEPT** Informational Report regarding overview of the global investment market through May 2015.
- E4. Subject:** **Quarterly investment fund performance report for the quarter ending March 31, 2015**
From: Pension Consulting Alliance
-
- Recommendation:** **APPROVE** the quarterly investment fund performance report for the quarter ending March 31, 2015.
- F. Subject:** **Election to fill vacancy of expiring 5-year Retired Fire Member Board**
From: Staff of the PFRS Board
-
- Recommendation:** **ACCEPT** an informational report regarding election to fill vacancy of expiring 5-year Retired Fire Member Board.
- G. Subject:** **Member Resolution No. 6850**
From: Staff of the PFRS Board
-
- Recommendation:** **APPROVE** Resolution No. 6850:
- | | |
|----------------------------|--|
| Resolution No. 6850 | Resolution Approving Death Benefit Allowance Payment to the Estate of Charles A. Carr (P). |
|----------------------------|--|
-
- H. New Business - None**
- I. Open Forum**
- J. Future Scheduling**

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RETIREMENT BOARD MEMBERS

Walter L. Johnson
President
Jaime T. Godfrey
Vice President
James F. Cooper
Member
Steven Wilkinson
Member
Ronald Oznowicz
Member
John C. Speakman
Member
Osborn Solitei
Member

AGENDA

**CLOSED SESSION of the BOARD OF ADMINISTRATION
of the OAKLAND POLICE AND FIRE RETIREMENT SYSTEM ("PFRS")**

**Wednesday, May 27, 2015 –during regular meeting starting at 11:30 am
One Frank H. Ogawa Plaza, Hearing Room 1
Oakland, California 94612**

--- ORDER OF BUSINESS ---

**THE PFRS BOARD WILL MEET IN CLOSED SESSION
DURING ITS SCHEDULED BOARD MEETING**

Please see the meeting agenda for open session items. The board will convene in open session prior to the closed session. Speakers may address the items of business on the closed session agenda prior to closed session. All speakers must fill out a speaker's card and submit it to the Secretary to the Board. The Board will reconvene in open session following the closed session to report any final decisions that the board makes in closed session.

Pursuant to California Government Code Section 54956.9(d)(1):

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Retired Oakland Police Officers Association v. Oakland Police and Fire Retirement System, et al.,
Alameda County Superior Court Action No. RG14753080

2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Retired Oakland Police Officers Association v. Oakland Police and Fire Retirement System, et al.,
Alameda County Superior Court Action No. RG15758831

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PFRS Board Meeting Minutes

April 29, 2015

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A REGULAR BOARD MEETING of the Oakland Police and Fire Retirement System ("PFRS") was held April 29, 2015 in Hearing Room 1, One Frank Ogawa Plaza, Oakland, California

Board Members Present:	<ul style="list-style-type: none">• Jaime T. Godfrey, Vice President• John C. Speakman, Member• Steven Wilkinson, Member• Osborn Solitei, Member• James F. Cooper, Member• Ronald Oznovicz, Member
Board Members Absent:	<ul style="list-style-type: none">• Walter L. Johnson, President;
Additional Attendees:	<ul style="list-style-type: none">• Pelayo Llamas, Deputy City Attorney / PFRS Legal Counsel• Katano Kasaine, Plan Administrator• David Low & Teir Jenkins, Staff Members• Eric White & Sean Copus, Pension Consulting Alliance (PCA)

The meeting was called to order at 1:02 pm. President Johnson was absent and Member Speakman was expected to arrive late to the meeting. Vice President Godfrey chaired the meeting and postponed item A (closed session) and item B (closed session action report) until Member Speakman arrived at the meeting.

C. **Staff report of failed motion on Item I from February 25, 2015 meeting, previously reported as approved** – PFRS Legal Counsel Pelayo Llamas explained that Member Oznovicz' motion previously reported as "approved" at the February 25, 2015 meeting (motion to table Item I, "Adopt Resolution No. 6832" until settlement of the lawsuits) was, in fact, not approved. The vote count to table this matter was AYE: 3 NAY: 2 ABSTAIN: 2. Mr. Llamas explained that the City Charter requires an affirmative vote by four (4) board members. He recommended that the February meeting minutes be amended to include a footnote stating this point. After some Board discussion, Member Oznovicz moved to accept the informational report, second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

D. **Approval of February 25, 2015 Board meeting minutes** – After some discussion about corrections to the February 25, 2015 PFRS board meeting minutes that were requested at the March 25, 2015 Board meeting, Member Solitei made a motion to approve the corrected February 25, 2015 Board meeting minutes with the addition of a footnote to agenda Item I of the February 25, 2015 explaining that the motion of member Oznovicz to table action on agenda Item I did not pass. Second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

E. **Approval of March 25, 2015 Board meeting minutes** – Member Solitei made a motion to approve the March 25, 2015 Board meeting minutes, second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

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PFRS Board Meeting Minutes

April 29, 2015

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- F. **Approval of April 9, 2015 Special Board meeting minutes** – Member Solitei made a motion to approve the April 9, 2015 Special Board meeting minutes, second by member Wilkinson. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

G. PFRS AUDIT COMMITTEE MEETING – APRIL 29, 2015

- G1. **Proposed Update to PFRS Rules and Regulations, section 9.8 & 9.9** – Member Cooper reported that the Audit Committee heard from Member Oznowicz on his proposal for an update to the PFRS Rules and Regulations sections 9.8 & 9.9. Member Cooper reported that the agenda item was not forwarded to the Board because there was no second to the motion. He said a question about returning this item to a future committee meeting was made to PFRS Legal Counsel. Mr. Llamas said the committee chair can carry the item over for further consideration at a future committee meeting.

- G2. **Administrative Expenses Report through February 28, 2015** – Mr. Jenkins presented the details of the administrative expenses report from July 1, 2014 through February 28, 2015. Member Cooper made a motion to accept the Administrative Expenses Report from July 1, 2014 through February 28, 2015, second by member Solitei. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

- G3. **Travel Reimbursement Resolution No. 6843 for Steve Wilkinson** – Member Cooper made a motion to recommend Board approval of Resolution No. 6843 giving travel authorization and expense reimbursement to Board Member Steve Wilkinson for his travel and registration to the 2015 National Association of Securities Professionals Pension and Financial Services Conference on June 15 through June 17, 2015, in Chicago, IL, second by Member Solitei. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – ABSTAIN]
(AYES: 4 / NOES: 0 / ABSTAIN: 1)

- G4. **Travel Reimbursement Resolution No. 6844 for Osborn Solitei** – Member Cooper reported that Member Solitei said he needed to review his schedule before committing to attend the Board Training and Travel made by his travel request. Member Cooper reported that this matter was not advanced because there was no second to the motion to recommend Board approval of Resolution No. 6844. Member Cooper said this matter would be moved to a future audit committee for review.

- G5. **Travel Reimbursement Resolution No. 6845 for Maria Martinez** – Member Cooper made a motion to approve Resolution No. 6845 giving travel authorization and expense reimbursement to Staff Member Maria Martinez for her travel and registration to the 2015 International Federation of Employee Benefits Plans Accounting & Auditing Conference on June 15 through June 17, 2015, in San Francisco, CA, second by Member Solitei. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

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PFRS Board Meeting Minutes

April 29, 2015

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H. PFRS INVESTMENT COMMITTEE MEETING – APRIL 29, 2015

- H1. **Investment Manager Performance Review – Hansberger Growth Investors** – Vice President Godfrey reported the presentation of the investment manager performance and management review by Hansberger Growth Investors. Following Board discussion, Member Godfrey made a motion to accept the investment manager performance and management review by Hansberger Growth Investors, second by member Solitei. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

- H2. **Investment Manager Watch Status Review – Hansberger** – Vice President Godfrey said the Investment Committee reviewed the current watch status of Hansberger Growth Investors. Vice President Godfrey made a motion to approve extending Hansberger Growth Investor's watch status with a quarter-to-quarter review, second by member Oznowicz. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

- H3. **Investment Market Overview** – Eric White from Pension Consulting Alliance reported the global market factors presently affecting the PFRS investment fund and provided a financial outlook for the fund. Vice President Godfrey made a motion accept the Investment Market overview report, second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

- H4. **Preliminary Quarterly Investment Performance Report through 3/31/2015** – Mr. White reported the preliminary investment performance report of the PFRS investment fund for the quarterly period ending March 31, 2015. He said the PFRS Investment Managers all performed well for the quarter and provided individual performance results for each PFRS investment manager for the quarter. Following this report, Vice President Godfrey made a motion to accept the informational report by PCA, second by member Oznowicz. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – ABSENT / SOLITEI – Y / WILKINSON – Y]
(AYES: 5 / NOES: 0 / ABSTAIN: 0)

Member Speakman arrived and joined the Board meeting at 1:34 pm.

- H5. **Resolution No. 6846 – Amendment to T. Rowe Price Investment Management Agreement** – Teir Jenkins, PFRS Investment Officer, reported the request by T. Rowe Price for board approval of its outsourcing of certain non-discretionary back-office functions. Following some board discussion, Vice President Godfrey made a motion to approve Resolution No. 6846 amending the investment management agreement with T. Rowe Price for outsourcing of certain non-discretionary back-office functions, second by Member Speakman. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

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PFRS Board Meeting Minutes

April 29, 2015

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- H6. **Local Broker Policy Report as of March 31, 2015** – Teir Jenkins reported the usage and details of local brokers by PFRS investment managers for Fiscal Years 2013-2014 and FY 2014-15 (Year-To-Date). He said that each relevant PFRS investment manager will be required to submit a report with their billing statements, which arrive quarterly, on their activities with local brokers. Following some Board discussion, Vice President Johnson made a motion to approve the Local Broker Policy Report, second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- H7. **Renewal of Service Contract – Lord Abbett** – Mr. White reported that the Service Agreement for Lord Abbett was expiring and recommended Board approval of the renewal of the service agreement for Lord Abbett. Vice President Godfrey directed staff to communicate the revised local broker contract information to Lord Abbett. Vice President Godfrey made a motion to approve the renewal of the service agreement with Lord Abbett, second by member Speakman. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- H8. **Renewal of Service Contract – The Northern Trust Company** – Mr. White reported that the Service Agreement for Northern Trust was expiring and recommended Board approval of the renewal of the service agreement for the Northern Trust Company. Vice President Godfrey made a motion to recommend board approval of the renewal of the service agreement with the Northern Trust Company, second by member Speakman. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- H9. **Renewal of Service Contract – Transition Managers** – Mr. Jenkins reported that the service contracts of the Investment Transition Managers will be expiring soon. He reported that the PFRS board had previously hired 4 transition managers, Credit Suisse, BNY Global Transition, State Street and Russell Implementation Services and that two of these managers had retired from the Transition Manager business. He said the Investment Committee recommended that the Board extend the service contract to the two (2) current Transition Managers and review the addition of new transition managers after the Asset Class review in July 2015. Vice President Godfrey made a motion to approve the renewal of the service agreements for the two remaining transition managers, second by member Oznowicz. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

- H10. **PCA, Inc. transformation into PCA, LLC** – Eric White reported the details of the transformation of Pension Consulting Alliance from a corporation to an LLC. The Board discussed the need for a completely new Service Agreement for PCA, LLC due to the possible liabilities from this transformation. Vice President Godfrey made a motion to accept the informational report from staff and PCA, second by member Cooper. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

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PFRS Board Meeting Minutes

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- I. **Resolutions No. 6847, 6848, and 6849** – Member Speakman made a motion to approve resolutions No. 6847 through 6849 inclusive, second by member Solitei. Motion passed.

[JOHNSON – ABSENT / GODFREY – Y / COOPER – Y
OZNOWICZ – Y / SPEAKMAN – Y / SOLITEI – Y / WILKINSON – Y]
(AYES: 6 / NOES: 0 / ABSTAIN: 0)

Resolution No. 6847	Resolution Approving Death Benefit Allowance Payment to Muriel Perkins-Whitener, Spouse of Raymond W. Whitener (F)
Resolution No. 6848	Resolution Fixing the Monthly Allowance of Diane M. Taylor, surviving spouse of Godwin Taylor (F).
Resolution No. 6849	Resolution Fixing the Monthly Allowance of Joan H. Gaskin, surviving spouse of Clyde H. Gaskin (F).

- A. **Closed Session** (moved backward from start of meeting) – Vice President Godfrey convened the PFRS Board meeting for Closed session at 1:49 pm.
- B. **Report of PFRS Board Action from Closed Session (if any)** – Open Session of the PFRS board meeting resumed at 2:19 pm. Member Cooper made a motion that closed session meetings of the PFRS board be recorded. He later retracted the motion. Vice President Godfrey reported no Board action from Closed session.
- J. **New Business** – Plan Administrator Katano Kasaine reported that the NEW BUSINESS agenda item will be treated differently, and oral new business requests will not be considered. NEW BUSINESS items must be submitted prior to agenda publishing. If approved by the President, the title of the proposed new item will be published in the New Business section of the agenda for consideration by Board members as to whether to schedule the proposed item at a future meeting. The Board will then have the opportunity to vote to approve its addition to a future agenda, limiting discussion only to a member's availability to attend and not to provide subject matter discussion.

Member Oznowitz asked for clarification on the new process and expressed his confusion to the implementation of this process because of recent events highlighting the challenge of Board members requests to add agenda items future agendas.

Ms. Kasaine said the recent procedural update was a response to concerns about Brown Act and/or Oakland Sunshine Ordinance compliance made at recent Board meetings during NEW BUSINESS. Mr. Llamas said the ROPOA attorney's had raised the point at the March 2015 Board Meeting during the New Business portion of the agenda, asserting that the verbal-only method does not provide members of the public the opportunity to attend the meeting to address the matter. Ms. Kasaine said the restructured procedure of putting NEW BUSINESS items in advance on the agenda mirrors the method used by the City Council with their Rules Committee, which manages how agenda items get onto the City Council Agenda and satisfies public notice requirements.

The Board further discussed the process to add agenda items to the agenda in light of the new procedure.

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PFRS Board Meeting Minutes

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- K. **Open Forum** – The Board discussed the authority of the Office of the City Attorney to hire outside counsel for the PFRS board when the Board itself does not arrive at a hiring decision. Mr. Llamas said he previously informed the Board that if no Board decision was made to hire a firm, the City Attorney would act under her Charter powers to protect the System and the Individuals as needed on these matters.

Mr. Oznowicz said he echoes Member Speakman's request that the PFRS board start thinking as a group.

- L. **Future Scheduling** – The next PFRS Board meeting was scheduled for Wednesday, May 27, 2015.

The meeting adjourned at 2:40 pm.

KATANO KASAIN, BOARD SECRETARY

DATE

D R A F T



A G E N D A R E P O R T

TO: Oakland Police and Fire Retirement Board **FROM:** Katano Kasaine
SUBJECT: Election for 5-year Fire Board Position **DATE:** May 13, 2015

SUMMARY

The 5-year fire member board seat currently held by John Speakman will expire on August 31, 2015. Pursuant to the PFRS election guidelines outlined in section 12 of the PFRS Rules and Regulations, an election for this board seat will be conducted by the Staff of the PFRS board with the assistance of the City Clerk's office.

BACKGROUND

Member Speakman, a retired PFRS Fire member, was elected to the 5-year elected term as the PFRS 5-year member. His board seat is set to expire on August 31, 2015 and a new 5-year fire member will need to be elected to this seat **from the retired fire membership**.

Following the PFRS rules & regulations section 12.2, the PFRS staff informed Local 55 of the upcoming board vacancy and delivered to them the election schedules and nomination forms.

Should no more than one (1) nomination form be received by the nomination form submission deadline of 5 pm, July 16, 2015, then the single nominee will be automatically elected to the nominated position; an election would otherwise follow on August 19, 2015. The incumbent board member will complete his board term through August 31, 2015 and the elected board member will begin the new term at the September 2015 board meeting.

(continued on next page)

Board of Administration, Oakland Police and Fire Retirement System

Subject: Election for 5-Year Fire Board Position

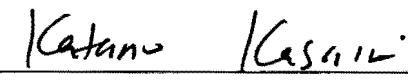
Date: May 13, 2015

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

- Last day for furnishing the Oakland Police and Fire Retired Association(s) a notice stating that nominating papers may be obtained from the Retirement Systems office **June 1, 2015**
- Last day for filing nominees to submit nominating papers to the City Clerk's Office **July 16, 2015**
- Last day for City Clerk to certify to Office of P&F Board the names of members nominated **July 16, 2015**
- Last day for mailing of ballots to members **August 4, 2015**
- Last day for delivering to City Clerk the Roster of Police Department **August 4, 2015**
- Ballots due to City Clerk no later than 10 am **August 19, 2015**
- Day for counting of ballots by City Clerk **August 19, 2015**

Respectfully submitted,



Katano Kasaine, Plan Administrator
Oakland Police and Fire Retirement System

Prepared by:

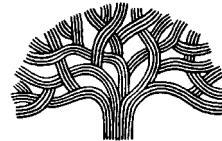
*David Low, Administrative Assistant
Oakland Police and Fire Retirement System
510-238-7295*

Attachment:

- Nomination Form – 5-year Position
- Rules & Regulations – Excerpt of Election

ATTACHMENT A

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, 3RD FLOOR • OAKLAND, CALIFORNIA 94612-2021

Finance Department
Treasury Bureau
Retirement Systems

(510) 238-3307
FAX (510) 238-7129
TDD (510) 839-6451

OAKLAND POLICE AND FIRE RETIREMENT SYSTEMS BOARD – NOMINATION FORM

I / We, the undersigned, am / are a retired member(s) of the Oakland Fire Department, and a member(s) of the Oakland Police and Fire Retirement Systems. I / We hereby nominate, _____, a retired member of the Oakland Police and Fire Retirement Systems, as a candidate for membership on the Police and Fire Retirement Board from the retired membership of the Oakland Fire Department for the term beginning **September 1, 2015** and ending **August 31, 2020**.

<u>Print Name</u>	<u>Signature</u>	<u>Date</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

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

Signature of Nominee

NOTE: 10 retired members of the Oakland Fire Department who are also members of the Oakland Police and Fire Retirement System must sign this nominating paper. The person nominated must also be a retired member of the Oakland Fire Department and a member of the Oakland Police and Fire Retirement System. Before filing, the person nominated must sign the above statement accepting the nomination and consenting to serve if elected. **Nominating papers must be filed in the Office of the City Clerk, One Frank Ogawa Plaza, Room 101, Oakland, CA, no later than 5:00 p.m. July 16, 2015.**

ATTACHMENT B

**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS**

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

Section 11.1: Day for Counting of Ballots

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

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

ATTACHMENT B**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS****Section 11.2: Notice of Nomination**

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

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

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

Section 11.3: Nomination for Membership

Nomination for membership on the Police and Fire Retirement Board from the active membership of the Police and Fire Department shall be in writing on forms supplied by the office of said Police and Fire Retirement Board upon request therefore. Nomination papers shall be substantially in the form shown in Appendix A.

Nomination papers shall be signed by at least ten retired members of the Police or Fire Department, as the case may be, who are members of the POLICE AND FIRE RETIREMENT SYSTEM, other than the person nominated. Each signator of a nominating paper shall write the date of his/her signature at the end of the line opposite his/her signature. Beneficiaries of deceased members are not eligible to vote in elections.

Section 11.4: Date of Filing Nomination Papers

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

Section 11.5: Determination of Sufficiency of Nominating Papers

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

ATTACHMENT B

OAKLAND POLICE AND FIRE RETIREMENT SYSTEM RULES AND REGULATIONS

Section 11.6: Winner by Default

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

Section 11.7: Mailing of Ballots

11Not less than fifteen days before the day for the counting of the ballots that shall be prepared by and mailed for the office of the Police and Fire Retirement Board to each active or retired member of the Police Department of Fire Department who is a member of the Police and Fire Retirement System a ballot addressed to his or her address as shown by the records of the Police and Fire Retirement Board. The Ballots shall contain the names in alphabetical order of the candidates certified by the City Clerk as nominated. Such ballot, sealed in a blank envelope provided for this purpose, which shall be enclosed in another envelope, also provided for such purpose, upon which the voter shall place his or her name, may be returned to the City Clerk not later than 10:00 a.m. of the day for the counting of ballots.

Section 11.8: Roster of Eligible Voters

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

Section 11.9: Counting of Ballots

11On the day for the counting of ballots at the hour of 10:00 A.M. thereof, the ballot box shall be opened and no ballot received after said hour shall be counted. The ballots will be counted under the supervision and control of the City Clerk in such manner that the identity of the individual casting any ballot will not be disclosed. No ballot shall be counted unless it is enclosed in an envelope bearing the name of the voter. No ballot shall be counted which contains a vote for a person not nominated in accordance with Article 12. Upon the conclusion of the counting of the ballots, the City Clerk will certify the count and the candidate elected, and notify each candidate thereof by mail.

Section 11.10: Vote Necessary for Election

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

Section 11.11: Disposition of Ballots after Counting

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

ATTACHMENT B**OAKLAND POLICE AND FIRE RETIREMENT SYSTEM
RULES AND REGULATIONS****Section 11.12: Procedure to Fill Vacancy of Elected Members**

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

OAKLAND POLICE AND FIRE RETIREMENT BOARD
CITY OF OAKLAND, CALIFORNIA

RESOLUTION No. 6850

ON MOTION OF MEMBER _____ SECONDED BY MEMBER _____

**RESOLUTION APPROVING DEATH BENEFIT ROLL NUMBER 8555 AND DIRECTING
WARRANTS THEREUNDER IN THE TOTAL SUM OF \$1,000.00.**

WHEREAS, due proof having been received of the death of the person(s) named in Column (1) below, active or retired member(s) of the Police and Fire Department, under Article XIV, XV or XXVI of the Charter of the City of Oakland; and

WHEREAS, the beneficiary(ies) to whom the death benefit provided in Charter Section stated in Column (3) is payable, is the person(s) whose name(s) is/are stated in Column (4) opposite the respective name(s) of the deceased active or retired member; and

WHEREAS, the amount of said death benefit is stated in Column (6) opposite said respective name(s); now, therefore, be it

RESOLVED: That the Retirement Board approves, and it does hereby approve Death Benefit Roll Number 8555, a copy of which is attached hereto, providing for payment of such death benefit to the person(s) named in Column (4); and be it

FURTHER RESOLVED: That the Director of Finance, be and is hereby directed to draw and sign warrant(s) for the amount in Column (6) payable to the respective person(s) whose name(s) appear(s) in Column (4):

(1)	(2)	(3)	(4)	(5)	(6)
Name of Deceased Member	Status of Member	Charter Section	Name of Beneficiary	Relationship of Beneficiary	Death Benefit Amount
Charles A. Carr (P)	Retired	2612	Estate		\$1,000.00

IN BOARD MEETING, CITY HALL, OAKLAND, CA _____ **MAY 27, 2015**

PASSED BY THE FOLLOWING VOTE:

AYES: JOHNSON, GODFREY, SPEAKMAN, COOPER, OZNOWICZ, WILKINSON, SOLITEI

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
PRESIDENT

ATTEST: _____
SECRETARY