

## Oakland Police and Fire Retirement System

Quarterly Performance Report as of  
December 31, 2025

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## **Executive Summary**

### Total Portfolio Review<sup>1</sup>

The Oakland Police and Fire Retirement System finished the calendar year with \$500.6 million in assets after net cash flows including monthly benefit payments.

Cash Flow Summary (\$ Millions)	Quarter	FYTD	1 Year
<b>Beginning Market Value</b>	<b>498.1</b>	<b>480.7</b>	<b>463.0</b>
Net Cash Flows (including Benefit Payments)	-6.1	-13.2	-21.8
Net Investment Change (Gain/Loss)	8.7	33.1	59.5
<b>Ending Market Value</b>	<b>500.6</b>	<b>500.6</b>	<b>500.6</b>

→ As of December 31, 2025, all asset classes were within their long-term target allocation ranges.

### Investment Performance

	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Plan (Gross)</b>	<b>1.8</b>	<b>6.7</b>	<b>13.0</b>	<b>12.1</b>	<b>6.6</b>
<b>Total Plan (Net)</b>	<b>1.8</b>	<b>6.5</b>	<b>12.4</b>	<b>11.7</b>	<b>6.2</b>
<i>Policy Benchmark</i>	<i>1.8</i>	<i>6.1</i>	<i>12.2</i>	<i>12.7</i>	<i>6.7</i>
Excess Return (Net)	0.0	0.4	0.3	-1.0	-0.4
<i>Public DB (\$250M-\$1B) Median Fund</i>	<i>1.9</i>	<i>6.7</i>	<i>13.4</i>	<i>12.3</i>	<i>6.9</i>
Total Plan (Net) vs. Peer Median Fund	-0.2	-0.1	-1.0	-0.6	-0.7
<i>Peer Group Percentile Rank</i>	<i>65</i>	<i>54</i>	<i>69</i>	<i>62</i>	<i>77</i>

→ The Plan returned 1.8% for the quarter matching the Policy Benchmark. For the calendar year (1-year period), the Plan returned 12.4% after fees outperforming the Policy Benchmark as well as the 5.0% actuarial rate of return.

<sup>1</sup> Fiscal year (FY) begins on July 1. Peer group is Investment Metrics Public Defined Benefit plans with \$250 million to \$1 billion in assets. The number of peers is around 120 portfolios in each time period. Please see the Benchmark History section for the Policy Benchmark's current and historical compositions.

#### Asset Class and Manager Highlights<sup>1</sup>

- The **Total Plan** matched its Policy Benchmark during the quarter on both gross- and net-of-fees basis. It outperformed the Policy Benchmark for the 2025 calendar year.
  - The Plan's outperformance for the year was driven by the outperformance in International Equity and Fixed Income partially offset by underperformance in Domestic Equity.
- All asset classes and most underlying managers generated positive absolute returns during the quarter. All asset classes except Domestic and International Equities outperformed their respective asset class benchmarks in Q4.
- **Domestic Equity** generated positive absolute returns though it underperformed its broad market benchmark (Russell 3000 Index) across all time periods.
  - Among the active domestic equity managers, Brown and Rice Hall James lagged their respective style-specific benchmarks as well as the broad market benchmark for the quarter.
- **International Equity** and its manager (SGA) trailed their respective benchmarks in Q4 while maintain their outperformance across all other time periods.
- **Fixed Income** generated positive returns and outperformed or matched its custom benchmark<sup>2</sup> during the quarter as well as over the longer trailing periods. All managers except Wellington outperformed their respective benchmarks for the quarter.
- The **Crisis Risk Offset (CRO)** portfolio outperformed its custom benchmark<sup>3</sup> during the quarter and in 2025 but lagged the benchmark over the longer trailing periods. Kepos Alternative Risk Premia outperformed its benchmark across all time periods while Versor Trend Following lagged its benchmark. The passive Vanguard Long-Term Treasury fund slightly trailed its tracked index which was flat for the quarter.

<sup>1</sup> Fiscal year begins on July 1. Please see the Benchmark History section for the custom benchmarks' current and historical compositions.

<sup>2</sup> The Fixed Income custom benchmark is Bloomberg US Aggregate Index since 01/2025; Bloomberg US Universal Index from 04/2006 through 12/2024.

<sup>3</sup> The Crisis Risk Offset custom benchmark is 33.3% SG Trend Index, 33.3% SG Multi Alternative Risk Premia Index, 33.3% Blmbg. U.S. Government: Long Term Bond Index since 01/2023; SG Multi Alternative Risk Premia Index prior.

# **Economic and Market Update**

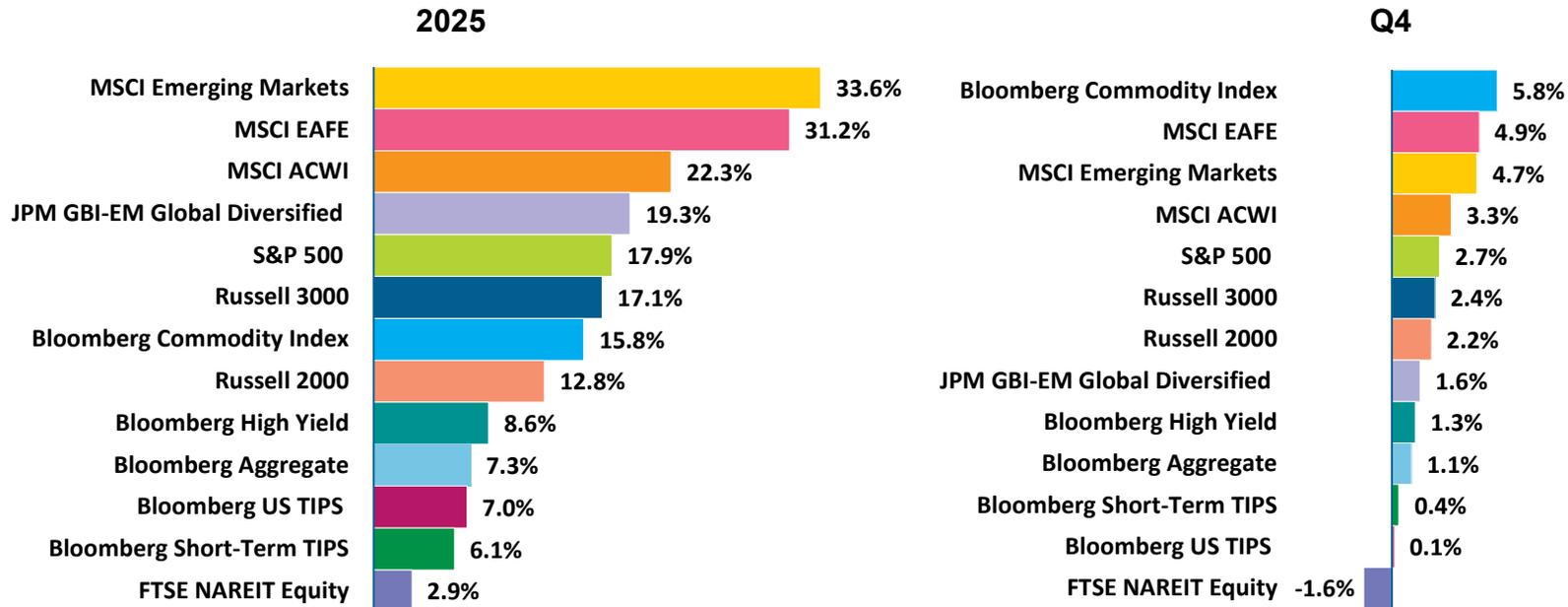
## Data as of December 31, 2025

### Commentary

**Despite considerable policy and trade uncertainty, most major markets posted positive returns in the fourth quarter and for the year, with non-US equities leading the way.**

- In the fourth quarter US equities (Russell 3000) returned 2.4% bringing the full year results to 17.1%. Value outperformed growth for the quarter as market sentiment turned cautious given valuations in the AI related tech sector.
- Non-US equities outperformed US stocks in the fourth quarter and for the year, supported by attractive valuations, a rotation out of US tech stocks, a weaker US dollar, and defense and infrastructure spending.
  - Non-US developed stocks (MSCI EAFE) rose 4.9% in the fourth quarter and 31.2% in 2025.
  - Emerging markets (MSCI Emerging Markets) gained 4.7% for the quarter and led the way in 2025 returning 33.6%. Although Chinese stocks declined in the fourth quarter (MSCI China: -7.8%), the broad emerging market group rallied, supported by strong returns in South Korea and Taiwan.
- Most major bond markets finished the fourth quarter in positive territory with strong overall results for the year, particularly for riskier bonds. In the fourth quarter the broad US bond market (Bloomberg Aggregate) returned 1.1%, while cooling inflation led to lower returns for TIPS (+0.1%) and short-term TIPS (+0.4%). High yield and emerging market debt led the way, returning 1.3% and 1.6%, respectively.
- The government reopened in mid-November but the longest shutdown on record likely had a meaningful short-term impact on the economy, while delayed and, in some cases, skipped economic data releases increased uncertainty for policymakers and financial markets.
- Key questions going forward include how the Fed will manage interest rates given competing pressures on its dual mandate of inflation and employment, will the impact of tariffs on inflation grow, can earnings growth remain resilient in the US, will the significant investment in the AI infrastructure buildout pay off, and how will China's economy and relations with the US track.

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



- In the fourth quarter, except for REITs, markets delivered positive returns. Non-US developed and emerging market stocks outperformed US stocks while bond markets benefited from stable inflation and lower interest rates. Commodities were the top performer given the significant run in precious and industrial metals.
- In 2025, all asset classes rose, with international equities leading the way. Key drivers of the strong performance last year include resilient earnings, AI optimism, a weaker US dollar, and expectations for lower interest rates.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

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

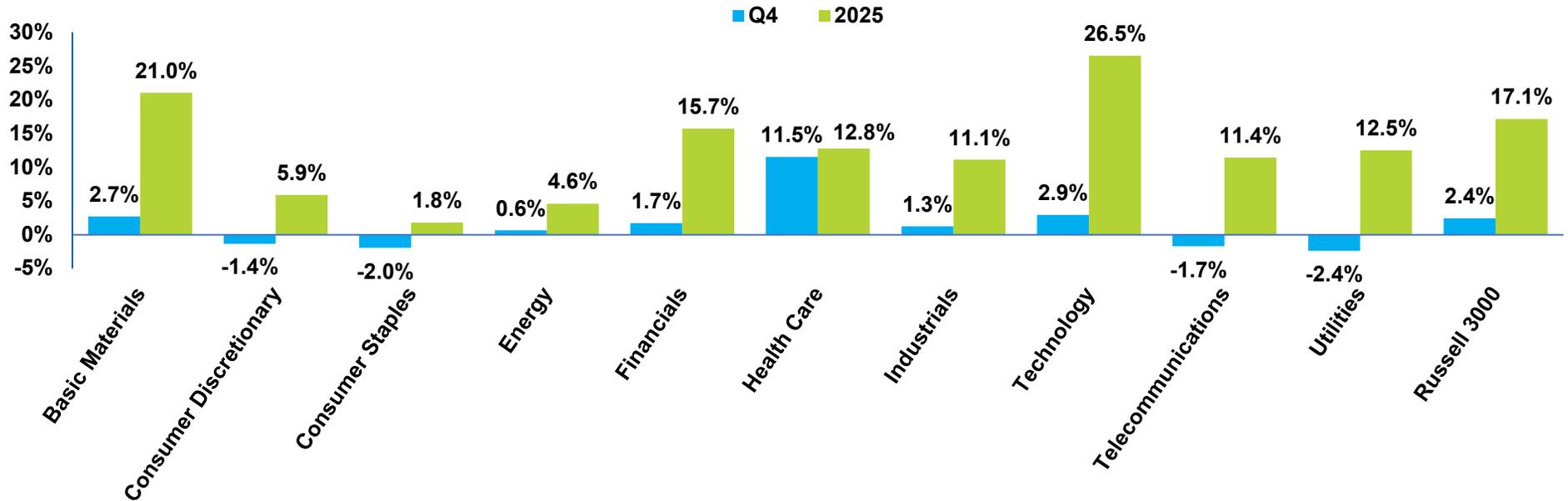
Domestic Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	0.1	2.7	17.9	23.0	14.4	14.8
Russell 3000	0.0	2.4	17.1	22.2	13.1	14.3
Russell 1000	0.0	2.4	17.4	22.7	13.6	14.6
Russell 1000 Growth	-0.6	1.1	18.6	31.1	15.3	18.1
Russell 1000 Value	0.7	3.8	15.9	13.9	11.3	10.5
Russell MidCap	-0.3	0.2	10.6	14.3	8.7	11.0
Russell MidCap Growth	-1.3	-3.7	8.7	18.6	6.6	12.5
Russell MidCap Value	0.1	1.4	11.0	12.3	9.8	9.8
Russell 2000	-0.6	2.2	12.8	13.7	6.1	9.6
Russell 2000 Growth	-1.3	1.2	13.0	15.6	3.2	9.6
Russell 2000 Value	0.2	3.3	12.6	11.7	8.9	9.3

#### US Equities: The Russell 3000 index returned 2.4% in the fourth quarter and 17.1% in 2025.

- The gains in Q4 were driven mainly by a double-digit rebound in health care stocks. For the full calendar year, roughly half the 17.1% return came from the “Magnificent 7” stocks. Besides enthusiasm for the AI trade, the Fed starting to cut interest rates, an overall resilient economy, and strong earnings all helped US equity markets have another double-digit return year.
- Growth stocks trailed value for the quarter given concerns over valuations for AI-related companies and a shift in sentiment toward more “reasonably” priced economically sensitive areas.
- Large (Russell 1000) and small (Russell 2000) cap stocks had similar returns for the quarter, but large cap outperformed by close to 5.0% for the full year. The 2025 outperformance was mostly driven by the “Magnificent 7” stocks. Large cap banks also contributed to this divergence in performance. While small cap stocks rose nearly 13% for the full year, unprofitable stocks rose nearly twice as much as profitable stocks.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

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



- For the quarter, sector results were mixed with seven sectors increasing and four declining.
- Health care stocks (+11.5%) significantly outperformed other sectors in the fourth quarter. Eli Lilly rose over 40% during the quarter as investors expressed enthusiasm for its lead in the GLP-1 market. The technology and materials sectors both returned over 2.0%, given AI momentum and strength in metals/mining, respectively. More defensive sectors like utilities and consumer staples trailed in Q4.
- For the full year, technology led the way, driven by the “Magnificent 7” stocks, plus Broadcom. Materials also rose over 20% in 2025, given easing trade tensions and stronger demand for industrial and energy transition metals.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

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

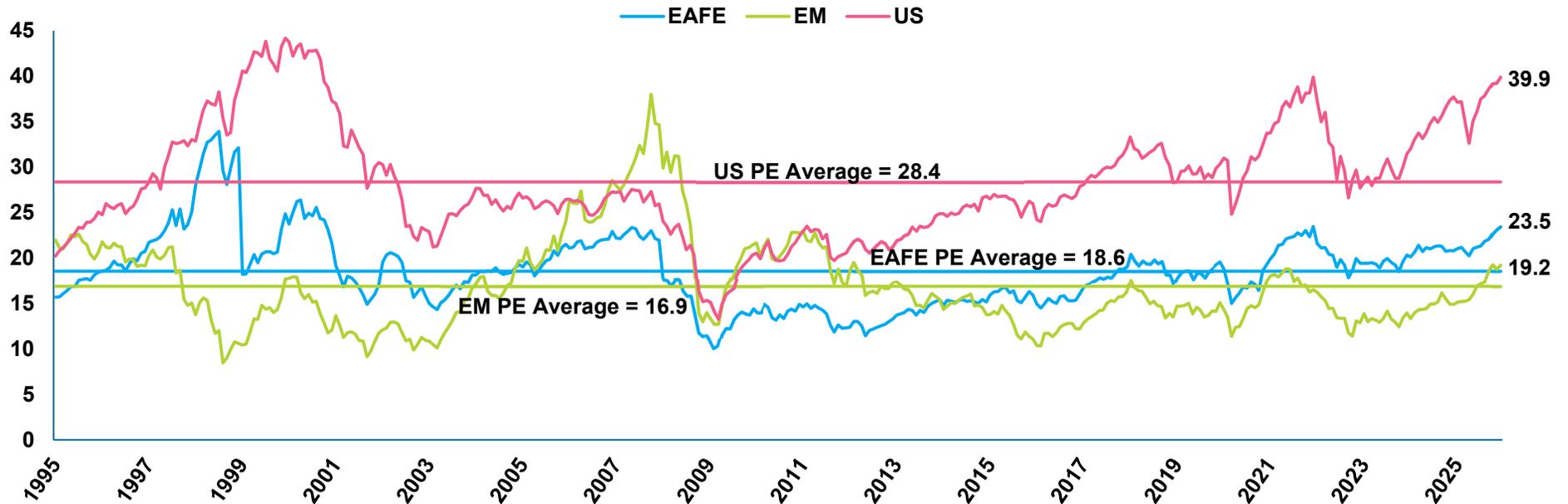
Foreign Equity	December (%)	Q4 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	3.0	5.1	32.4	17.3	7.9	8.4
MSCI EAFE	3.0	4.9	31.2	17.2	8.9	8.2
MSCI EAFE (Local Currency)	2.1	6.1	20.6	15.9	11.5	8.6
MSCI EAFE Small Cap	2.3	2.7	31.8	14.9	5.6	7.5
MSCI Emerging Markets	3.0	4.7	33.6	16.4	4.2	8.4
MSCI Emerging Markets (Local Currency)	2.6	5.6	31.3	17.7	6.6	9.5
MSCI EM ex China	4.7	10.2	34.6	18.7	8.2	9.9
MSCI China	-1.2	-7.4	31.2	11.6	-3.2	5.5

**Foreign Equity: Developed international equities (MSCI EAFE) returned 4.9% in the fourth quarter and 31.2% in 2025. Emerging markets equities rose 4.7% in the fourth quarter, returning 33.6% for the full year.**

- Developed markets posted solid gains in the fourth quarter, outperforming US equities. Eurozone performance was broad-based with financials, health care, and utilities leading. The UK saw similarly strong performance led by financials. Japanese equities rose significantly, with AI investment generating enthusiasm, yen weakness boosting exporters, and the newly elected government announcing stimulus measures.
- Emerging market stocks had strong fourth quarter performance, also benefitting from AI themes and central bank easing. Korea and Taiwan saw solid gains, driven by record-high profits in the tech sector, particularly among semiconductor companies. India rose modestly, benefitting from easing inflation and strong exports, despite steep US tariffs. China fell over the quarter amid lackluster economic data, weak domestic consumption, and slowing US exports.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025.

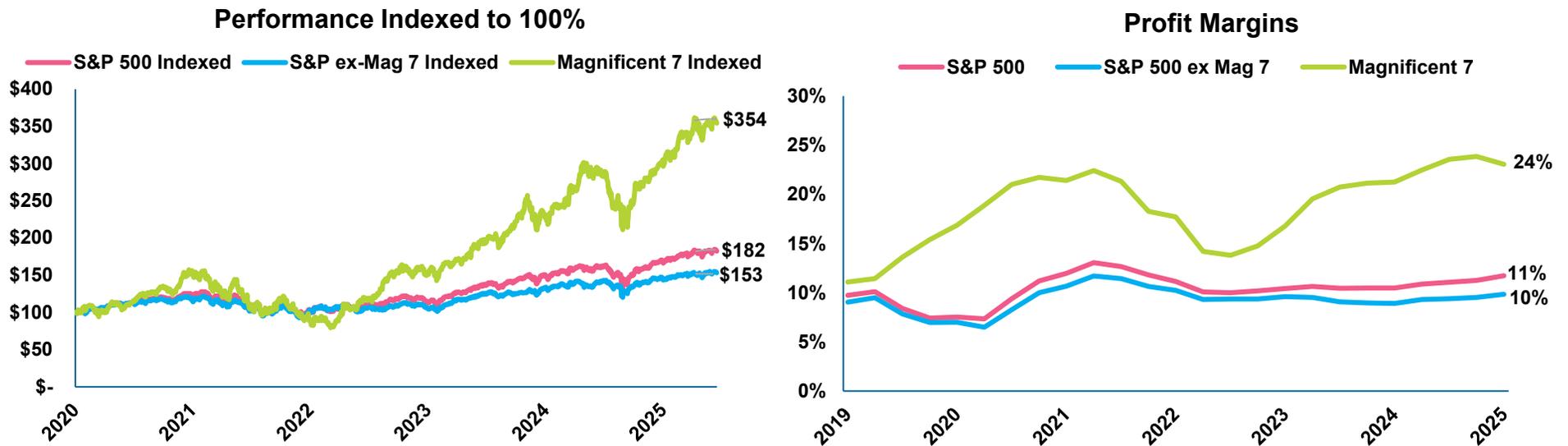
### Equity Cyclically Adjusted P/E Ratios<sup>1</sup>



- Cyclically adjusted US stock valuations finished the year just shy of 40, a level slightly above the post-pandemic peak. AI-related optimism has been a key driver pushing valuations higher since the April lows.
- Given strong results this year in non-US developed stocks, valuations moved further above their long-run P/E ratio (23.5 versus 18.6).
- As emerging market stocks led the way in 2025, their valuations are now also trading at levels above their long-run average (19.2 versus 16.9).

<sup>1</sup> US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 2025. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

### Performance and Profit Margins: S&P 500 and “Magnificent 7”<sup>1</sup>



- Despite an over 25% decline to start last year, the so-called “Magnificent 7” AI-related technology stocks continued to drive market results, gaining close to 25% for 2025. Since 2020, these stocks increased roughly 3.5x while the other members of the S&P 500 increased about 1.5x.
- The relatively strong performance of the “Magnificent 7” has led to them currently comprising roughly a third of the entire S&P 500 index by market-capitalization, making their performance going forward key to overall market results.
- Profit margins have been relatively strong for these companies, with the latest readings more than double the broad market (24% versus 11%).

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025, for index prices and September 30, 2025, for profit margins.

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

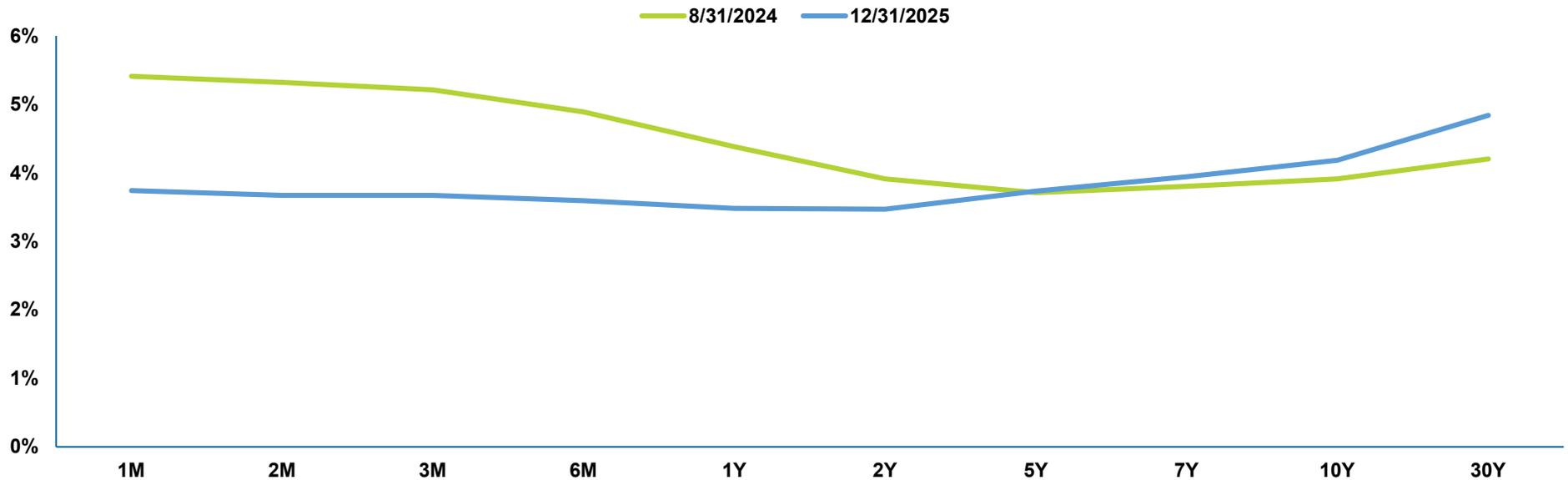
Fixed Income	December (%)	QTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	-0.1	1.2	7.6	5.2	0.1	2.4	4.5	5.8
Bloomberg Aggregate	-0.1	1.1	7.3	4.7	-0.4	2.0	4.3	6.0
Bloomberg US TIPS	-0.4	0.1	7.0	4.2	1.1	3.1	4.0	6.5
Bloomberg Short-term TIPS	0.1	0.4	6.1	5.1	3.5	3.2	3.6	2.4
Bloomberg US Long Treasury	-1.1	0.1	5.6	0.6	-7.2	0.0	4.8	14.5
Bloomberg High Yield	0.6	1.3	8.6	10.0	4.5	6.5	6.5	3.0
JPM GBI-EM Global Diversified (USD)	2.2	1.6	19.3	9.5	1.1	3.9	--	--

**Fixed Income: The Bloomberg Universal index rose 1.2% in the fourth quarter, returning 7.6% in 2025.**

- In the fourth quarter falling short-term interest rates and relatively stable credit spreads led to overall gains in the bond market.
- The broad US bond market (Bloomberg Aggregate) rose 1.1% with longer-dated US Treasuries essentially flat. Shorter and longer-dated TIPS gained 0.4% and 0.1%, respectively, as inflation concerns eased modestly.
- As overall risk appetite remained strong, riskier bonds led the way with emerging market debt and US high yield returning 1.6% and 1.3%, respectively. In 2025 emerging market bonds returned an impressive 19.3% given relatively high yields, an earlier start to central bank easing, and generally contained inflation.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

### US Yield Curve<sup>1</sup>

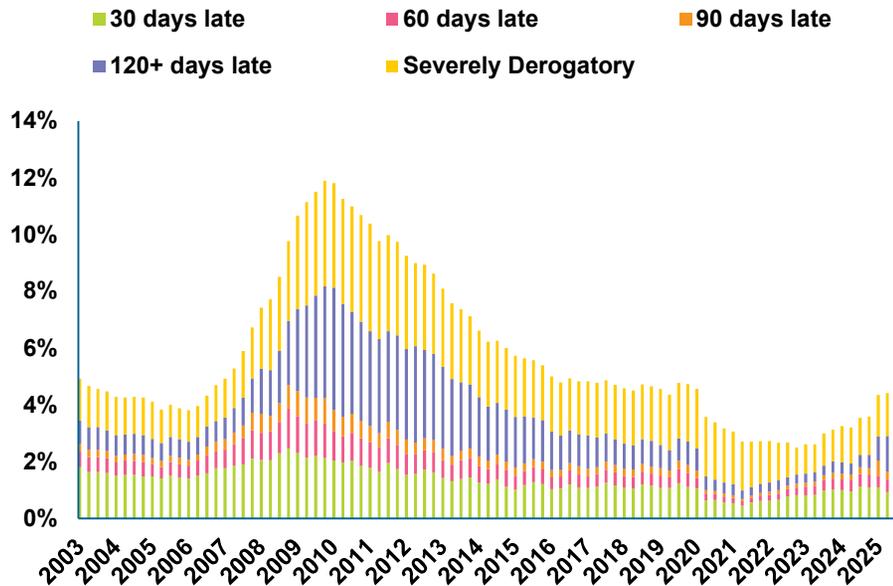


- In the fourth quarter interest rates for shorter maturities fell, while rates for longer-dated maturities stayed stable or rose. These dynamics were driven by expectations for additional interest rate cuts by the Fed and rising term premium, lingering inflation, and fiscal uncertainty.
- The policy-sensitive 2-year nominal Treasury yield fell from 3.61% to 3.48%. The 10-year nominal Treasury yield rose from 4.15% to 4.17%, while the 30-year nominal Treasury yield moved from 4.73% to 4.84%.
- Given these dynamics the yield curve steepened further in the fourth quarter. The spread between a two-year and ten-year Treasury increased from 54 basis points to 70 basis points.

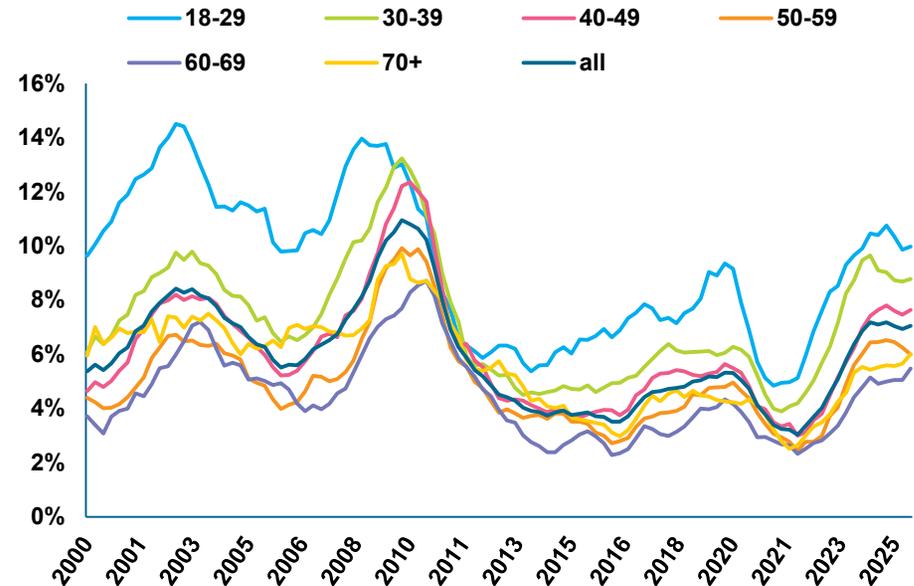
<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025. The August 2024 Treasury yields are shown as a reference before the first interest rate cut.

### Stress is Building Among US Consumers

Percent of Total Outstanding Credit Card Balance by Delinquency Status<sup>1</sup>



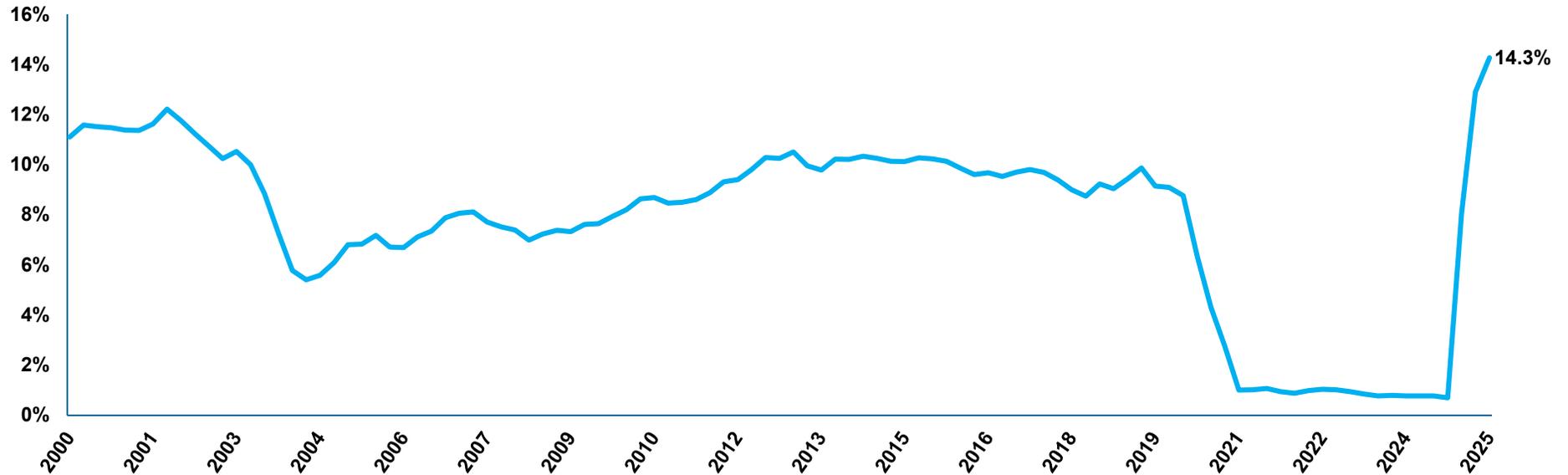
Transition into Serious Delinquency for Credit Cards by Age<sup>1</sup>



- Signs of stress on the US consumer have started to emerge, given persistently higher prices and interest rates.
- After falling to historic lows during the pandemic, loan delinquencies have increased.
- Parts of the credit card market, especially for younger cohorts, have begun to show stress as most borrowers are subject to variable and higher borrowing costs. Total delinquencies are below pre-pandemic levels though.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025.

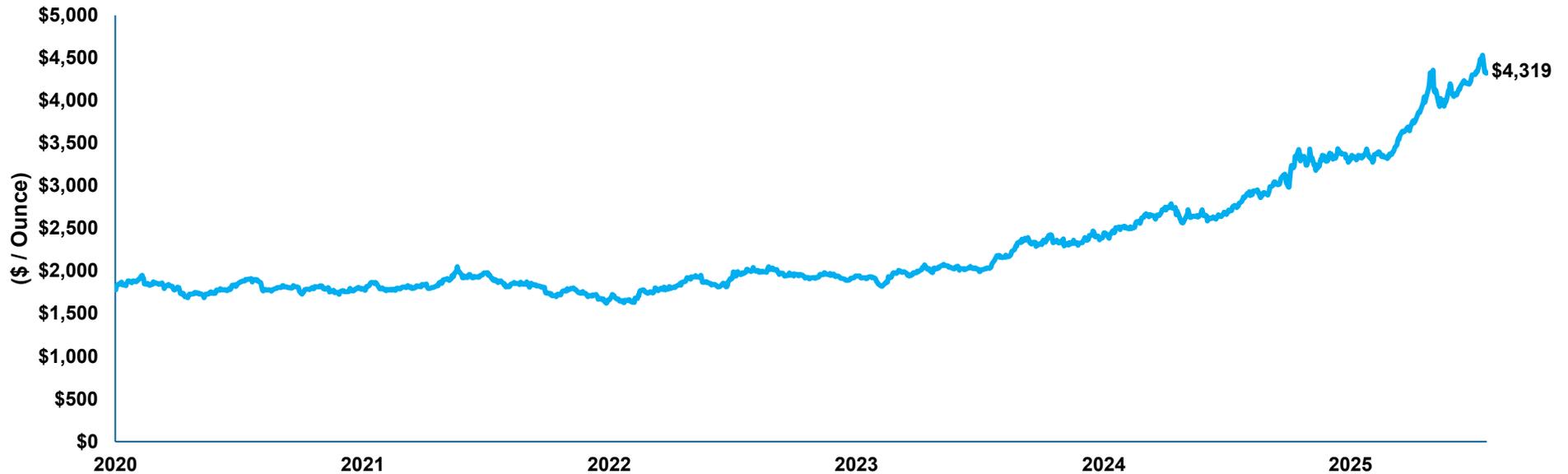
### Transition Into Serious Delinquency (90+ Days) for Student Loans<sup>1</sup>



- The restarting of student loan payments and reporting for those in default could add further pressures to consumers.
- During the pandemic, student loan repayments were suspended with an estimated 43 million borrowers deferring payments.
- Pressures have been growing in the student loan market. Roughly nine million borrowers missed at least one loan payment last year and approximately 14.3% of student debt has moved into seriously delinquent status.

<sup>1</sup> Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of September 30, 2025. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations.

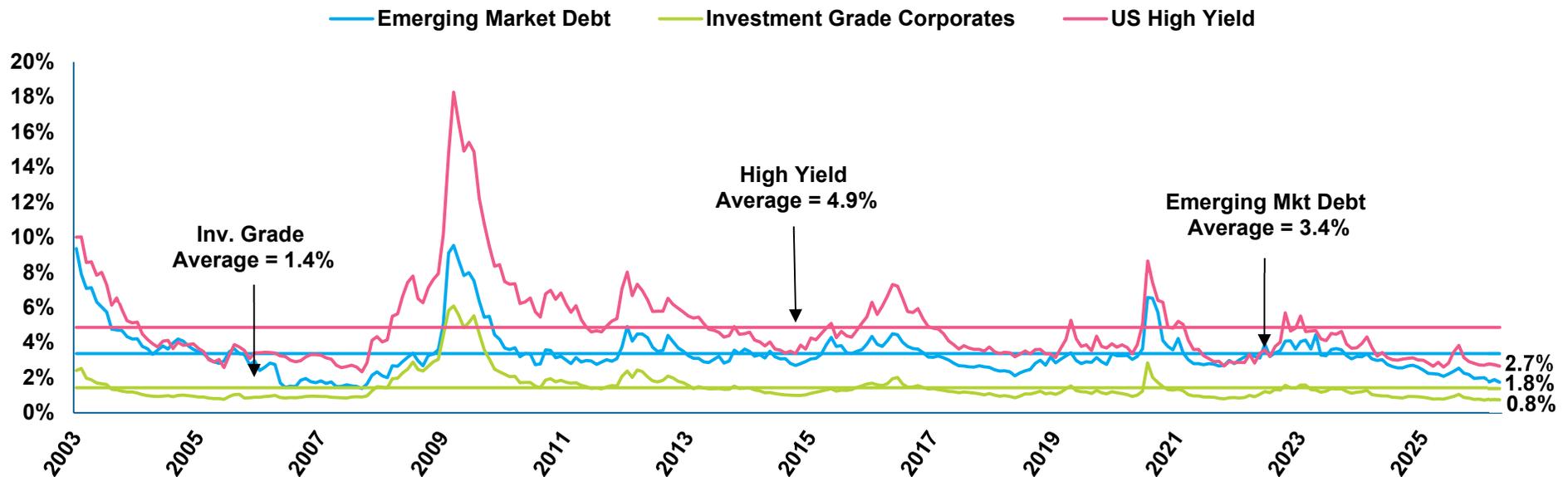
### Gold<sup>1</sup>



- In a year where risk assets did particularly well, gold, which is usually perceived as a safe haven, did even better, gaining close to 65%.
- Key drivers of gold's strong year include central bank demand, a weaker US dollar, inflation concerns, central banks purchasing bullion, and expectations for lower rates.
- In 2025, the price of gold rose from just over \$2,600 an ounce to over \$4,300 an ounce.

<sup>1</sup> Source: Bloomberg as of December 31, 2025. Gold Spot Price is quoted as US Dollars per Troy Ounce.

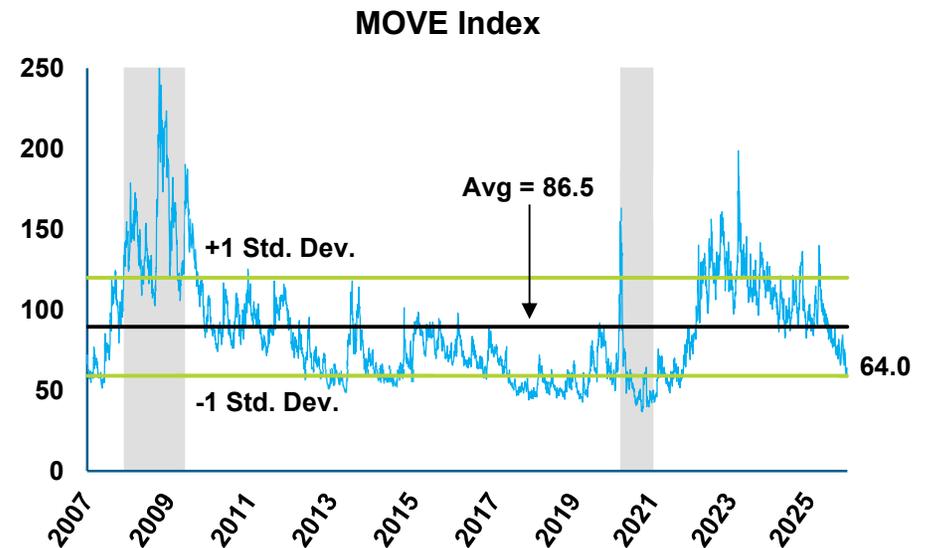
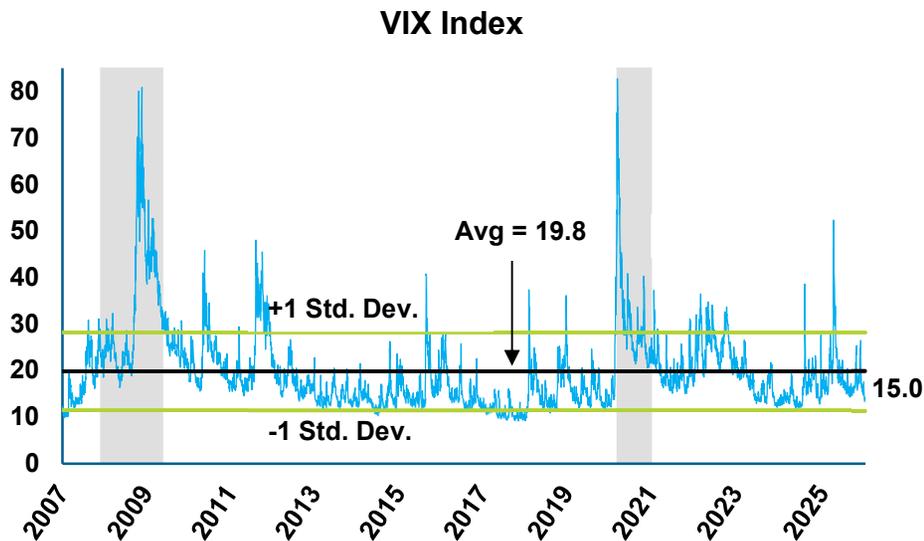
### Credit Spreads vs. US Treasury Bonds<sup>1</sup>



- Credit spreads (the difference in yield from a comparable maturity Treasury) remained relatively stable over the quarter at historically tight levels. A resilient US economy, strong corporate balance sheets/low default rates, and investor demand for yield have all contributed to tight spreads.
- Investment grade spreads remained below 1.0% in December.
- High yield spreads stayed at 2.7% for the quarter, while emerging market spreads tightened from 2.0% to 1.8%.
- All yield spreads remained well below their respective long-run averages, especially high yield (2.7% versus 4.9%).

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

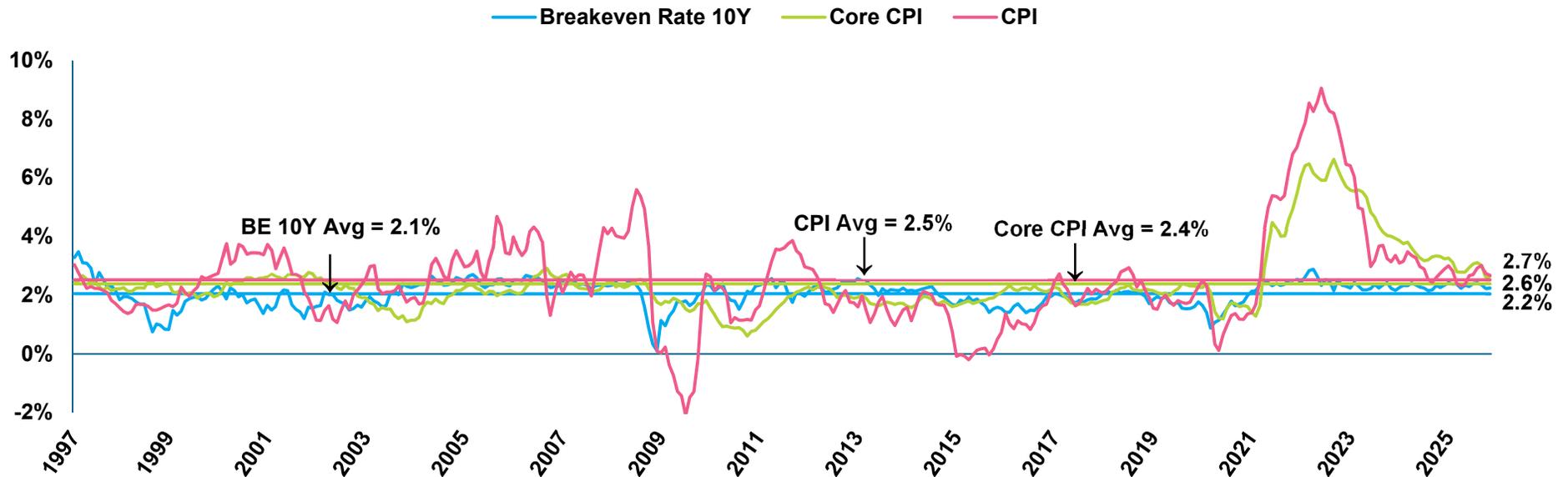
### Equity and Fixed Income Volatility<sup>1</sup>



- Equity and bond market volatility eased in the fourth quarter to levels well below their long-run averages but there were several spikes in volatility during the quarter.
- Equity market volatility (VIX) finished the quarter at 15.0 versus a long-term average of 19.8. There were spikes above the 25 level in October and November in the wake of geopolitical tensions, questions about the path of interest rates given Fed messaging, and mixed economic data.
- Despite several spikes, bond market volatility (MOVE) ended the quarter at 64.0, below a long-term average of 86.5. Interest-rate uncertainty declining as inflation moderated and the Fed's policy path became clearer drove bond market volatility lower over the quarter.

<sup>1</sup> Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of December 31, 2025. The average line indicated is the average of the VIX and MOVE values between January 2007 and December 2025.

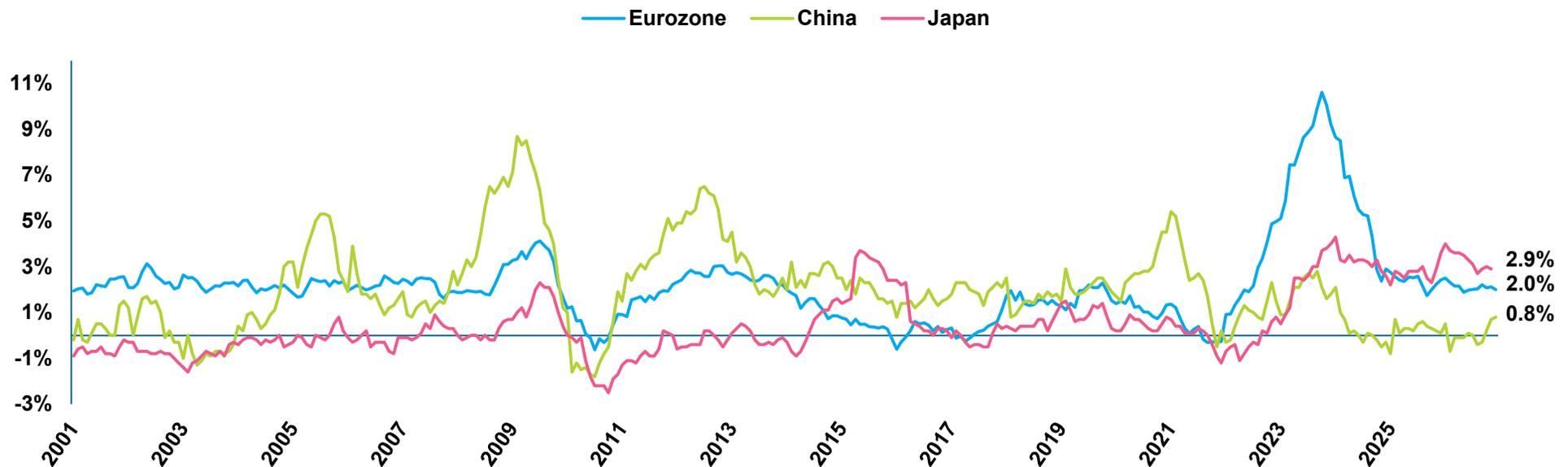
### US Inflation<sup>1</sup>



- In the final quarter of 2025, year-on-year headline inflation fell 0.3% to 2.7% (matching expectations). This was driven by a drop in services, as prices for goods, food, and energy remained stable. The month-on-month rate was 0.3% (like September). This was the only monthly reading during the quarter given the government shutdown.
- Core inflation year-on-year fell from 3.0% to 2.6% (below expectations of 2.7%) in Q4 largely due to a decline in services, particularly shelter. The monthly growth rate came in at 0.2% in December (the same as September) slightly below expectations. This was also the only monthly reading during the quarter.
- Long-term inflation expectations fell slightly over the quarter (2.4% to 2.2%) and remain well anchored close to their long-run average of 2.1%.

<sup>1</sup> Source: FRED. Data is as of December 31, 2025. This represents the latest inflation data. The October report was canceled given the government shutdown.

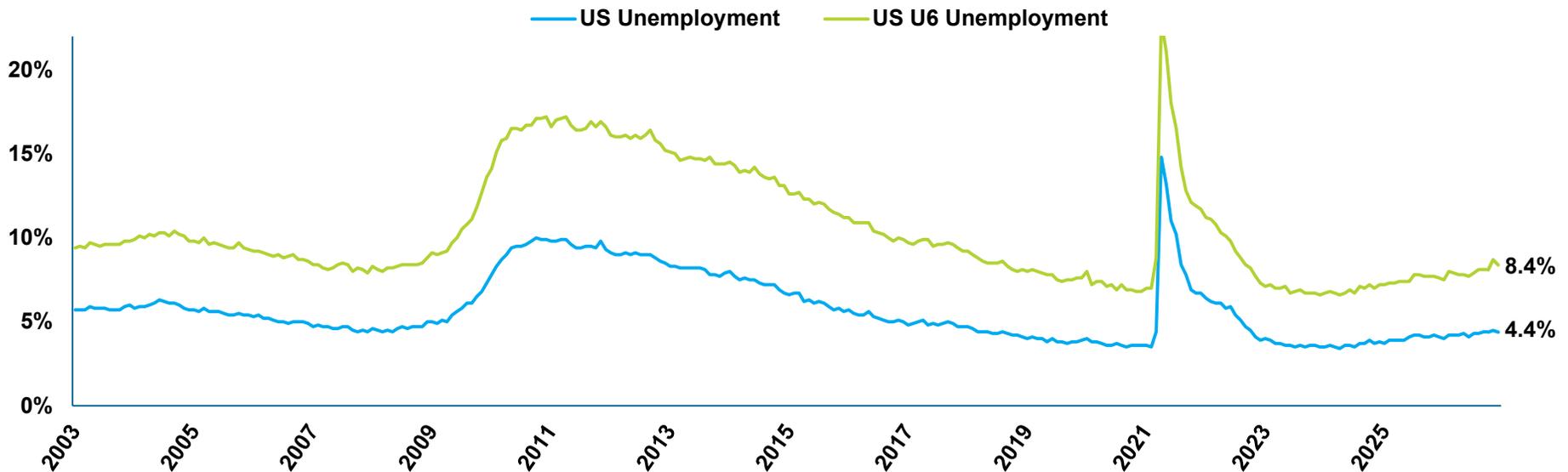
### Global Inflation (CPI Trailing Twelve Months)<sup>1</sup>



- With inflation at its 2.0% target, the ECB has held policy rates steady at 2.0% with disinflationary pressures expected to continue in 2026.
- In December the Bank of Japan raised interest rates to their highest level in three decades from 0.5% to 0.75%. Inflation in Japan fell slightly (3.0% to 2.9%) but remains above target. Despite the slight drop, inflation levels continue to be roughly 1% above the Bank of Japan's target level.
- China's annual inflation rate moved into positive territory in the fourth quarter. It finished the year at 0.8%, the highest level since early 2023, largely driven by higher food prices particularly fresh vegetables (+18.2% yoy). Despite the positive reading, inflation in China remains stubbornly low even after significant stimulus.

<sup>1</sup> Source: Bloomberg. Data is as of December 2025 except Japan which is of November.

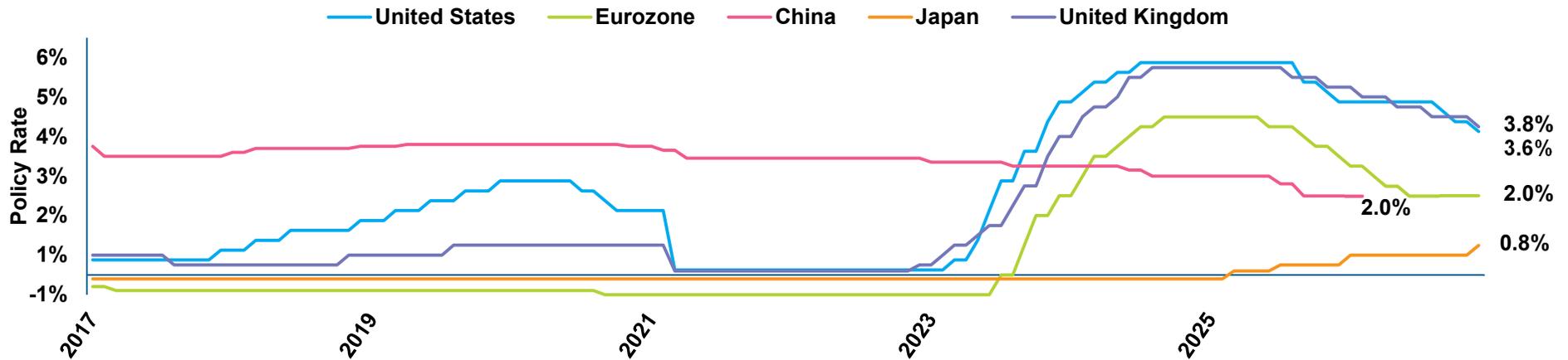
### US Unemployment<sup>1</sup>



- In December, the US added 50,000 new jobs and the unemployment rate declined slightly from 4.6% to 4.4% (the same level as the end of Q3). Over the quarter the US shed 67,000 jobs, driven by the loss of government jobs in October related to the shutdown.
- Food services, health care, and social assistance sectors added the most jobs in December while the retail sector lost jobs. These steady job gains plus fewer people re-entering the labor force and slowing layoffs drove the decline in the unemployment rate.
- In other labor data, job openings continued to decline and hiring slowed, but layoffs have recently fallen and wages continued to grow above the rate of inflation.

<sup>1</sup> Source: FRED. Data is as of December 31, 2025.

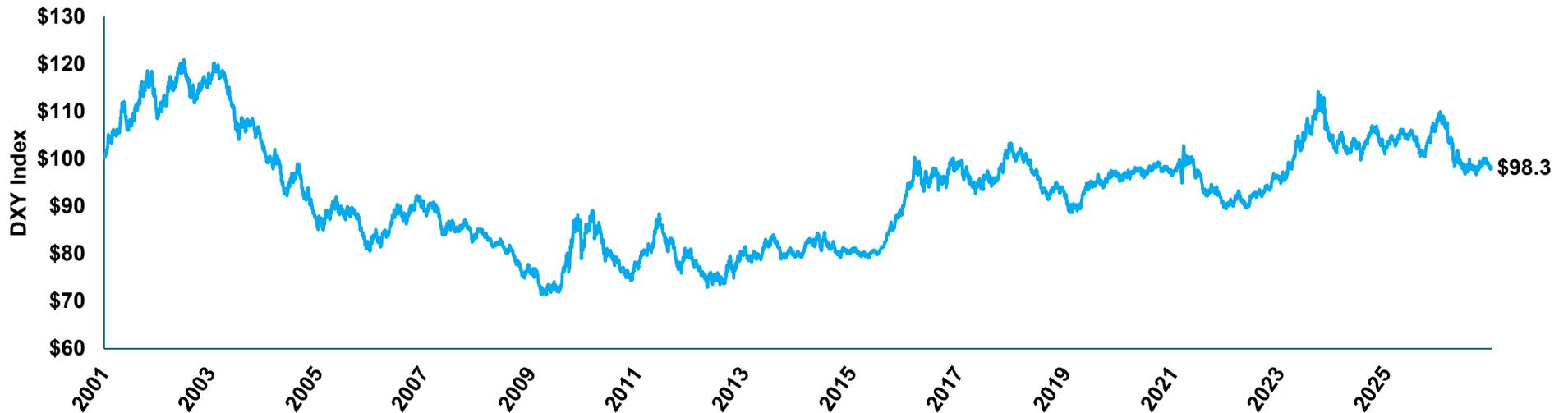
### Global Policy Rates<sup>1</sup>



- It appears that we are moving into an environment in which the Fed may continue to cut interest rates while other central banks are on hold or are moving rates higher.
- The Fed cut interest rates again in December to a range of 3.5% to 3.75% with market expectations for roughly two more cuts over the next 12 months. Based on comments after the recent meeting it appears the Fed will move cautiously, given inflation remaining elevated despite signs of weakness in the labor market.
- The ECB has held rates steady since last summer. In 2026, there are no expectations of further cuts by the ECB, but markets are pricing in nearly two cuts from the BOE.
- After cutting rates in May of last year, China's central bank has held rates steady, although disinflationary pressures continue to be a concern.
- The BOJ increased rates by 0.25% at their last meeting with markets expecting nearly two more hikes this year, given inflation levels remaining above their 2% target.

<sup>1</sup> Source: Bloomberg. Data is as of December 31, 2025, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

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



- The US dollar weakened by over 9% in 2025 on lower rate expectations, slowing growth, and fiscal deficit concerns.
- After a decline in the first half of the year, the dollar largely stayed range bound for the second half of 2025 as expectations for aggressive Fed rate cuts eased, yields in the US remained relatively high, and demand for safe-haven assets rose.

<sup>1</sup> Source: Bloomberg. Data as of December 31, 2025.

### Key Trends

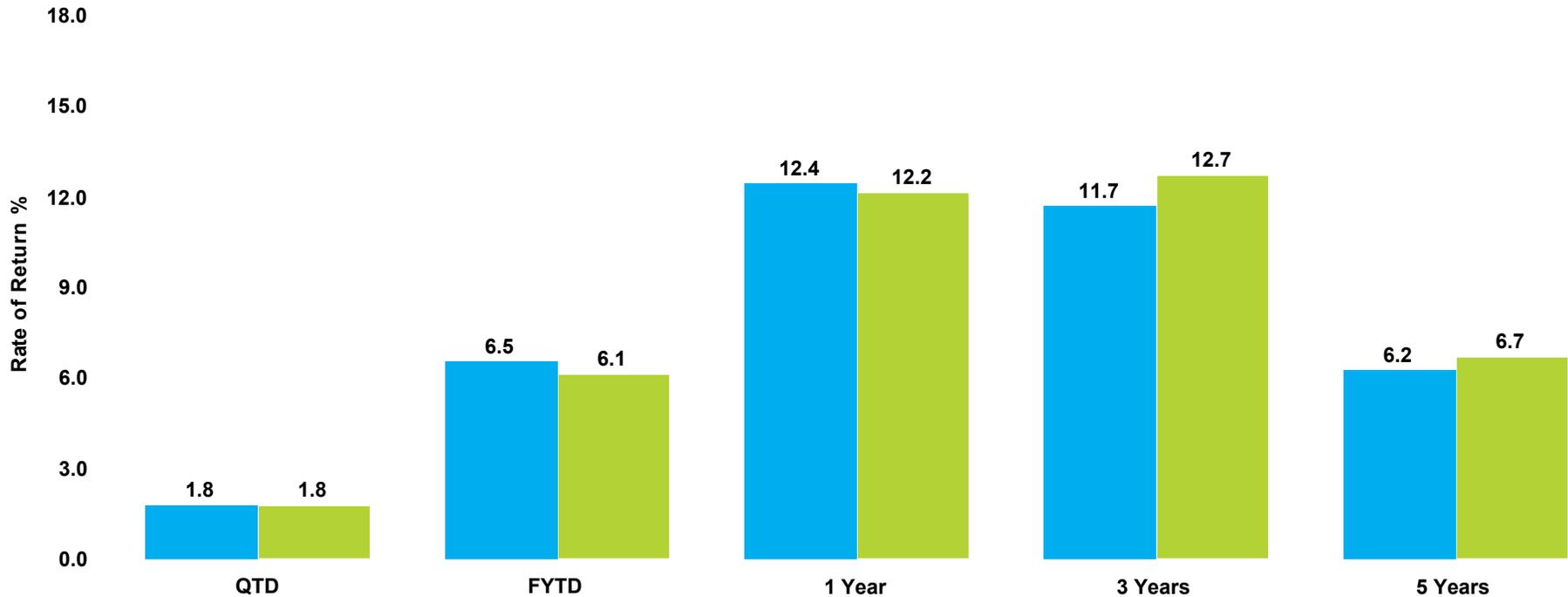
- According to the International Monetary Fund's (IMF) October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The US is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to 4.2% in 2026.
- Despite the decline in tariff rhetoric since earlier in 2025, questions remain about how tariffs will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path.
- Some signs of US consumer stress have started to emerge, with weakness in the jobs market and sentiment deteriorating. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities continue to reach new highs. Relatively strong earnings, AI optimism, and rate cuts from the Fed all helped drive stocks higher last year. How earnings track from here, particularly for the large AI-related companies that make up a significant portion of the market, will be key going forward. Many questions remain about the return on investment for companies making significant investments in building AI infrastructure. We could see this year a divergence in results within the "Magnificent 7" as well as a rotation into other more economically sensitive sectors.
- Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy. President Trump and President Xi met in late October last year and agreed to suspend trade sanctions for a year. However, it is not clear if China and the US will indeed de-escalate strategic high tech and rare earth tensions despite the official truce. How China manages its slowing economy, and deflationary pressures will also be important. Rising geopolitical tensions related to other countries like Venezuela, Denmark/Greenland, and Iran could also add to volatility this year.

**Quarterly Performance**  
as of December 31, 2025

#### Summary of Cash Flows

	QTD (\$)	1 Year (\$)
<b>OPFRS Total Plan</b>		
<b>Beginning Market Value</b>	<b>498,072,195</b>	<b>462,969,798</b>
Net Cash Flow	-6,149,421	-21,819,230
Net Investment Change	8,699,726	59,471,931
<b>Ending Market Value</b>	<b>500,622,499</b>	<b>500,622,499</b>

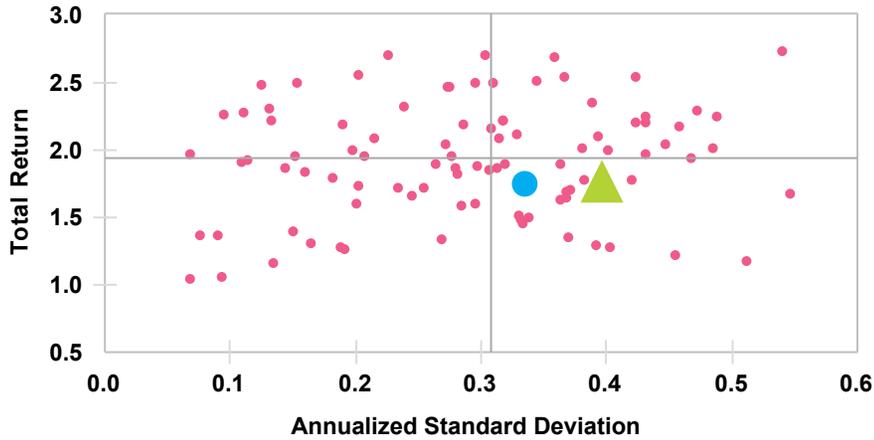
#### Return Summary Ending December 31, 2025



Total Plan performance shown is net of fees.

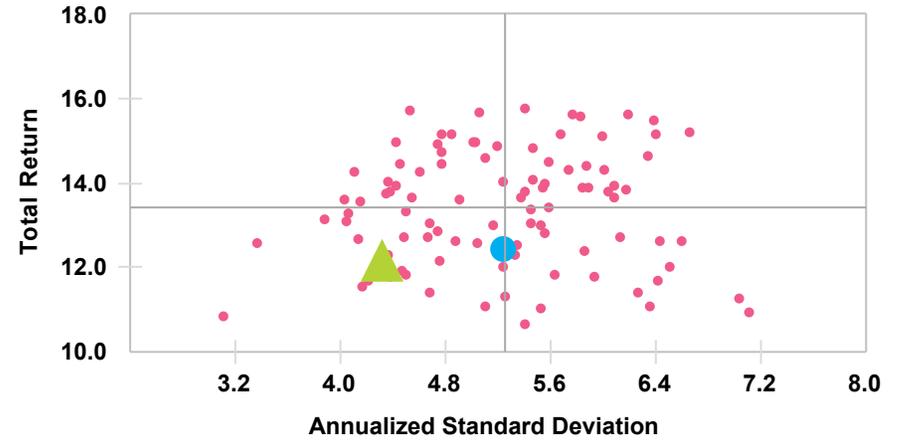
### Total Plan Risk/Return Summary | As of December 31, 2025

#### Risk-Return Summary QTD Ending December 31, 2025



- IM Public DB \$250M-\$1B
- OPFRS Total Plan
- ▲ OPFRS Policy Benchmark

#### Risk-Return Summary 1 Yr Ending December 31, 2025



- IM Public DB \$250M-\$1B
- OPFRS Total Plan
- ▲ OPFRS Policy Benchmark

	Return	Standard Deviation
--	--------	--------------------

OPFRS Total Plan	1.8	0.3
OPFRS Policy Benchmark	1.8	0.4
Median	1.9	0.3

	Return	Standard Deviation
--	--------	--------------------

OPFRS Total Plan	12.4	5.2
OPFRS Policy Benchmark	12.2	4.3
Median	13.4	5.3

Performance shown is net of fees. Calculation is based on monthly periodicity. Plan Sponsor Peer Group shown is net of fees.

## Asset Class Performance: Gross of Fees | As of December 31, 2025

	Asset Class Performance Summary									
	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>OPFRS Total Plan (Gross)</b>	<b>500,622,499</b>	<b>100.0</b>	<b>1.8</b>	<b>6.7</b>	<b>13.0</b>	<b>12.1</b>	<b>6.6</b>	<b>8.4</b>	<b>6.9</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			1.8	6.1	12.2	12.7	6.7	8.3	8.1	
Excess Return			0.0	0.6	0.8	-0.6	-0.1	0.1	-1.2	
<b>Domestic Equity (Gross)</b>	<b>125,273,584</b>	<b>25.0</b>	<b>2.3</b>	<b>10.5</b>	<b>15.2</b>	<b>17.7</b>	<b>11.2</b>	<b>13.0</b>	<b>9.5</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			2.4	10.8	17.1	22.2	13.1	14.3	10.0	
Excess Return			-0.1	-0.3	-1.9	-4.6	-2.0	-1.3	-0.5	
<b>International Equity (Gross)</b>	<b>29,546,279</b>	<b>5.9</b>	<b>4.9</b>	<b>13.6</b>	<b>38.2</b>	<b>21.6</b>	<b>11.1</b>	<b>10.1</b>	<b>6.6</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.1	12.3	32.4	17.3	7.9	8.4	6.0	
Excess Return			-0.2	1.3	5.8	4.2	3.2	1.7	0.6	
<b>Fixed Income (Gross)</b>	<b>293,972,356</b>	<b>58.7</b>	<b>1.2</b>	<b>3.6</b>	<b>8.2</b>	<b>5.4</b>	<b>0.3</b>	<b>2.8</b>	<b>4.8</b>	<b>Jan-94</b>
<i>Fixed Income Benchmark (Blend)</i>			1.1	3.2	7.3	5.1	0.0	2.4	4.6	
Excess Return			0.1	0.5	0.9	0.3	0.3	0.4	0.2	
<b>Crisis Risk Offset (Gross)</b>	<b>39,159,119</b>	<b>7.8</b>	<b>3.1</b>	<b>8.5</b>	<b>6.1</b>	<b>1.2</b>	<b>-3.4</b>	<b>--</b>	<b>-5.2</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			2.7	7.7	5.5	3.3	4.4	--	1.0	
Excess Return			0.4	0.8	0.6	-2.1	-7.8	--	-6.2	
<b>Cash (Gross)</b>	<b>12,671,161</b>	<b>2.5</b>	<b>0.5</b>	<b>1.1</b>	<b>2.0</b>	<b>0.9</b>	<b>0.5</b>	<b>1.0</b>	<b>0.7</b>	<b>Mar-11</b>

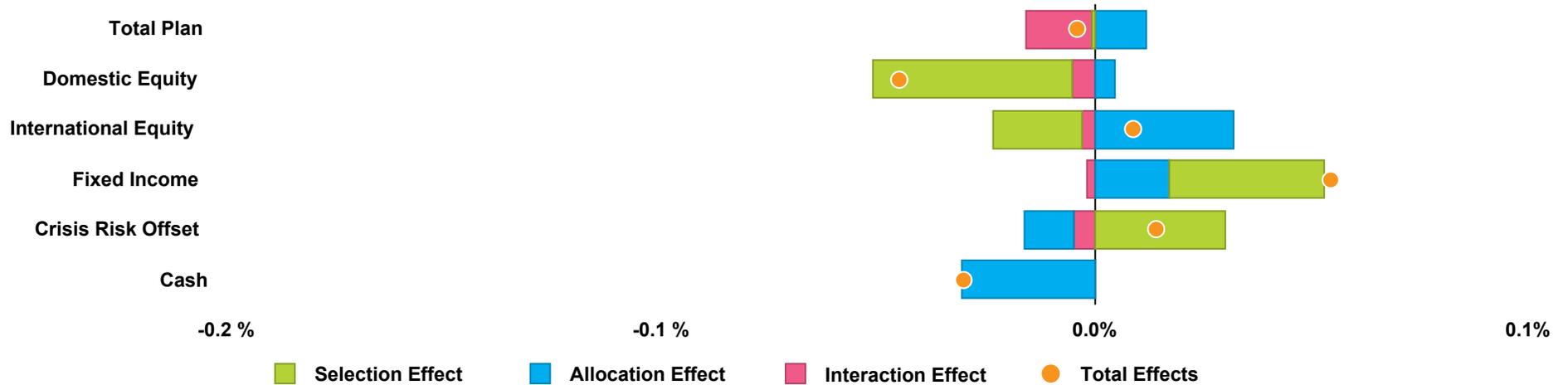
Performance shown is gross of fees. Since Inception Date and Performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

## Asset Class Performance: Net of Fees | As of December 31, 2025

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>OPFRS Total Plan (Net)</b>	<b>500,622,499</b>	<b>100.0</b>	<b>1.8</b>	<b>6.5</b>	<b>12.4</b>	<b>11.7</b>	<b>6.2</b>	<b>8.0</b>	<b>6.8</b>	<b>Dec-88</b>
<i>OPFRS Policy Benchmark</i>			1.8	6.1	12.2	12.7	6.7	8.3	8.1	
Excess Return			0.0	0.4	0.3	-1.0	-0.4	-0.2	-1.3	
<i>IM Public DB \$250M-\$1B Median (Net)</i>			1.9	6.7	13.4	12.3	6.9	8.3	8.0	
Peer Group Rank			65	54	69	62	77	64	100	
<b>Domestic Equity (Net)</b>	<b>125,273,584</b>	<b>25.0</b>	<b>2.2</b>	<b>10.3</b>	<b>14.8</b>	<b>17.3</b>	<b>10.8</b>	<b>12.6</b>	<b>9.4</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			2.4	10.8	17.1	22.2	13.1	14.3	10.0	
Excess Return			-0.2	-0.5	-2.3	-4.9	-2.4	-1.6	-0.6	
<b>International Equity (Net)</b>	<b>29,546,279</b>	<b>5.9</b>	<b>4.7</b>	<b>13.1</b>	<b>37.1</b>	<b>20.8</b>	<b>10.4</b>	<b>9.5</b>	<b>6.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.1	12.3	32.4	17.3	7.9	8.4	6.0	
Excess Return			-0.4	0.8	4.7	3.4	2.5	1.1	0.4	
<b>Fixed Income (Net)</b>	<b>293,972,356</b>	<b>58.7</b>	<b>1.2</b>	<b>3.6</b>	<b>8.0</b>	<b>5.2</b>	<b>0.2</b>	<b>2.6</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Fixed Income Benchmark (Blend)</i>			1.1	3.2	7.3	5.1	0.0	2.4	4.6	
Excess Return			0.1	0.4	0.7	0.1	0.1	0.2	0.0	
<b>Crisis Risk Offset (Net)</b>	<b>39,159,119</b>	<b>7.8</b>	<b>3.0</b>	<b>8.4</b>	<b>5.8</b>	<b>1.0</b>	<b>-3.5</b>	<b>--</b>	<b>-5.4</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			2.7	7.7	5.5	3.3	4.4	--	1.0	
Excess Return			0.3	0.7	0.3	-2.3	-8.0	--	-6.4	
<b>Cash (Net)</b>	<b>12,671,161</b>	<b>2.5</b>	<b>0.5</b>	<b>1.1</b>	<b>2.0</b>	<b>0.9</b>	<b>0.5</b>	<b>1.0</b>	<b>0.7</b>	<b>Mar-11</b>

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

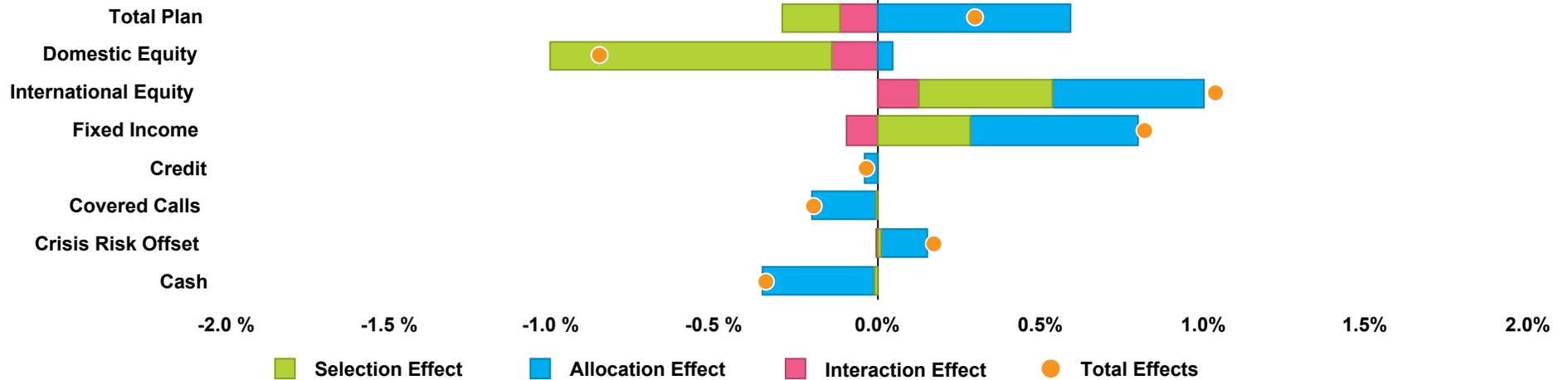
#### Performance Attribution Quarter To Date Ending December 31, 2025



	Actual Weight (%)	Index Weight (%)	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Allocation Effect (%)	Selection Effect (%)	Interaction Effect (%)	Total Effect (%)
Domestic Equity	25.2	25.0	2.2	2.4	-0.2	0.0	0.0	0.0	0.0
International Equity	6.1	5.0	4.7	5.1	-0.4	0.0	0.0	0.0	0.0
Fixed Income	58.5	61.0	1.2	1.1	0.1	0.0	0.0	0.0	0.1
Crisis Risk Offset	7.7	9.0	3.0	2.7	0.3	0.0	0.0	0.0	0.0
Cash	2.5	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
<b>Total Plan</b>	<b>100.0</b>	<b>100.0</b>	<b>1.8</b>	<b>1.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Performance shown is net of fees.  
Total impacts may not sum to excess return due to rounding, rebalancing, and measurement frequencies.

#### Performance Attribution 1 Year Ending December 31, 2025



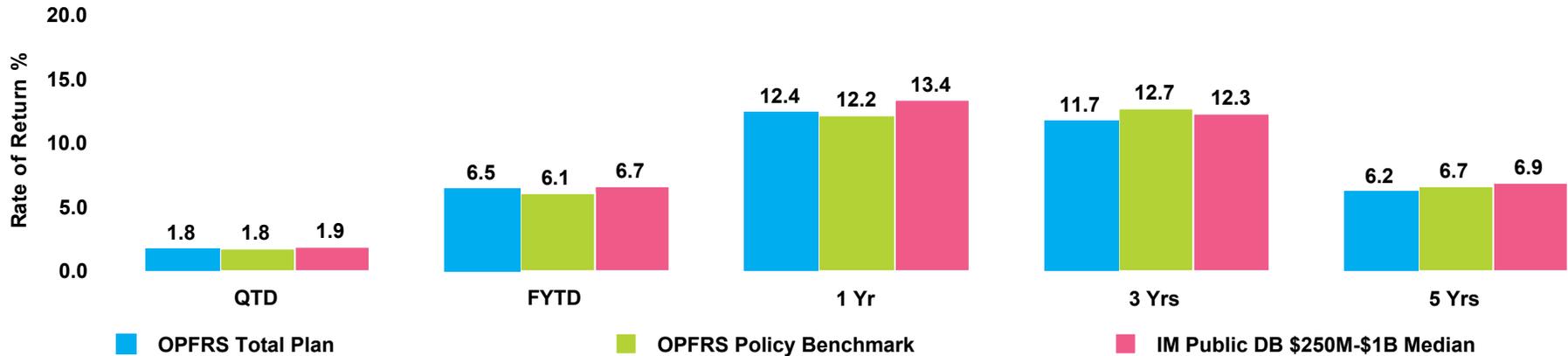
	Actual Weight (%)	Index Weight (%)	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Allocation Effect (%)	Selection Effect (%)	Interaction Effect (%)	Total Effect (%)
Domestic Equity	36.4	30.3	14.8	17.1	-2.3	0.0	-0.9	-0.1	-0.9
International Equity	11.5	9.1	37.1	32.4	4.7	0.5	0.4	0.1	1.0
Fixed Income	38.1	51.1	8.0	7.3	0.7	0.5	0.3	-0.1	0.8
Credit	0.7	0.0	3.8	7.2	-3.4	0.0	0.0	0.0	0.0
Covered Calls	2.2	0.0	1.5	-1.3	2.7	-0.2	0.0	0.0	-0.2
Crisis Risk Offset	7.9	9.6	5.8	5.5	0.3	0.1	0.0	0.0	0.2
Cash	3.2	0.0	2.0	2.0	0.0	-0.3	0.0	0.0	-0.3
<b>Total Plan</b>	<b>100.0</b>	<b>100.0</b>	<b>12.5</b>	<b>12.2</b>	<b>0.3</b>	<b>0.6</b>	<b>-0.2</b>	<b>-0.1</b>	<b>0.3</b>

Performance shown is net of fees.

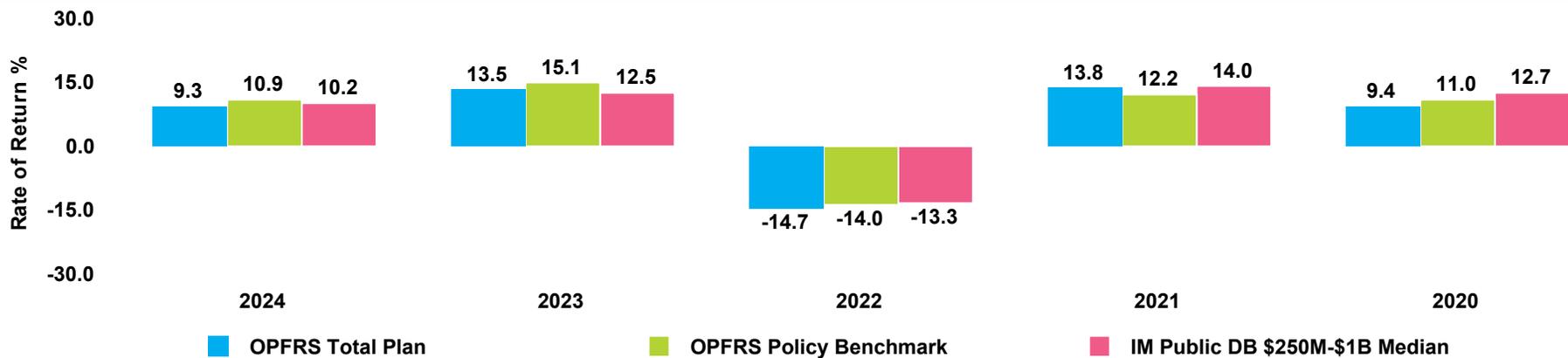
Total impacts may not sum to excess return due to rounding, rebalancing, and measurement frequencies.

### Portfolio Relative Performance Results | As of December 31, 2025

#### Trailing Period Performance Ending December 31, 2025



#### Calendar Year Performance Ending December 31, 2024



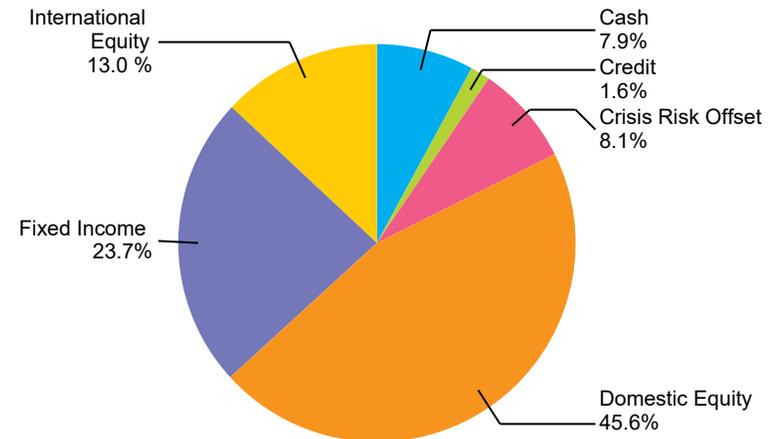
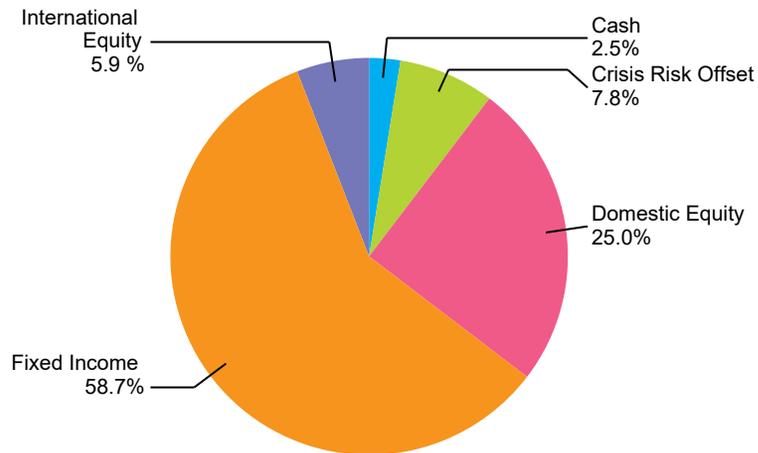
Total Plan performance is a mix of gross and net of fees; performance is gross of fees prior to January 2016 and thereafter. Fiscal year begins on July 1.

### Asset Allocation | As of December 31, 2025

	Balance (\$)	Current Allocation (%)	Long-Term Policy (%)	Difference vs. LT Policy (%)	Long-Term Policy Range (%)	Within Long-Term Range?
Domestic Equity	125,273,584	25.0	25.0	0.0	15.0 - 35.0	Yes
International Equity	29,546,279	5.9	5.0	0.9	0.0 - 10.0	Yes
Fixed Income	293,972,356	58.7	61.0	-2.3	46.0 - 76.0	Yes
Crisis Risk Offset	39,159,119	7.8	9.0	-1.2	4.0 - 14.0	Yes
Cash	12,671,161	2.5	0.0	2.5	0.0 - 5.0	Yes
<b>Total</b>	<b>500,622,499</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

December 31, 2025: \$500,622,499.4

December 31, 2024: \$475,224,986.7



Cash account market value includes cash balances held in ETF accounts at the custodian and residuals from terminated managers. Policy (%) column reflects the long-term allocation targets starting July 1, 2024.

## Manager Performance - Net of Fees | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Domestic Equity</b>	<b>125,273,584</b>	<b>100.0</b>	<b>2.2</b>	<b>10.3</b>	<b>14.8</b>	<b>17.3</b>	<b>10.8</b>	<b>12.6</b>	<b>9.4</b>	<b>Jun-97</b>
<i>Russell 3000 (Blend)</i>			2.4	10.8	17.1	22.2	13.1	14.3	10.0	
Excess Return			-0.2	-0.5	-2.3	-4.9	-2.4	-1.6	-0.6	
Northern Trust Russell 1000	77,039,589	61.5	2.4	10.6	17.3	22.7	13.5	14.5	14.4	Jun-10
<i>Russell 1000 Index</i>			2.4	10.6	17.4	22.7	13.6	14.6	14.5	
Excess Return			0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1	
EARNEST Partners	26,478,647	21.1	4.2	9.5	10.3	11.3	7.7	11.9	9.3	Apr-06
<i>Russell Midcap Index</i>			0.2	5.5	10.6	14.4	8.7	11.0	9.2	
Excess Return			4.0	4.0	-0.3	-3.0	-1.0	0.9	0.1	
eV US Mid Cap Core Equity Rank			7	9	32	66	67	18	49	
Brown Fundamental Small Cap Value	13,531,347	10.8	0.8	11.3	6.4	12.1	--	--	7.9	Apr-21
<i>Russell 2000 Value Index</i>			3.3	16.3	12.6	11.7	--	--	5.0	
Excess Return			-2.4	-4.9	-6.1	0.4	--	--	2.8	
eV US Small Cap Value Equity Rank			67	41	53	41	--	--	26	
Rice Hall James	8,224,002	6.6	-2.5	6.3	12.9	14.4	5.4	--	8.5	Aug-17
<i>Russell 2000 Growth Index</i>			1.2	13.6	13.0	15.6	3.2	--	8.7	
Excess Return			-3.7	-7.3	-0.1	-1.2	2.2	--	-0.3	
eV US Small Cap Growth Equity Rank			91	72	28	37	28	--	77	

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

### Manager Performance - Net of Fees | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>International Equity</b>	<b>29,546,279</b>	<b>100.0</b>	<b>4.7</b>	<b>13.1</b>	<b>37.1</b>	<b>20.8</b>	<b>10.4</b>	<b>9.5</b>	<b>6.4</b>	<b>Jan-98</b>
<i>MSCI ACWI ex US (Blend)</i>			5.1	12.3	32.4	17.3	7.9	8.4	6.0	
Excess Return			-0.4	0.8	4.7	3.4	2.5	1.1	0.4	
<b>SGA ACWI ex-U.S. Equity</b>	<b>29,546,279</b>	<b>100.0</b>	<b>4.7</b>	<b>13.5</b>	<b>37.8</b>	<b>21.9</b>	<b>10.8</b>	<b>--</b>	<b>10.1</b>	<b>Dec-19</b>
<i>MSCI AC World ex USA (Net)</i>			5.1	12.3	32.4	17.3	7.9	--	9.0	
Excess Return			-0.4	1.2	5.4	4.6	2.9	--	1.1	
eV ACWI ex-US All Cap Core Eq Rank			35	16	12	12	13	--	39	

Performance shown is net of fees, except for the International Equity composite which has a mix of gross and net of fees performance. Please see the Addendum for more details. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

## Manager Performance - Net of Fees | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Fixed Income</b>	<b>293,972,356</b>	<b>100.0</b>	<b>1.2</b>	<b>3.6</b>	<b>8.0</b>	<b>5.2</b>	<b>0.2</b>	<b>2.6</b>	<b>4.5</b>	<b>Jan-94</b>
<i>Fixed Income Benchmark (Blend)</i>			<i>1.1</i>	<i>3.2</i>	<i>7.3</i>	<i>5.1</i>	<i>0.0</i>	<i>2.4</i>	<i>4.6</i>	
Excess Return			0.1	0.4	0.7	0.1	0.1	0.2	0.0	
Ramirez Core Fixed Income	80,356,253	27.3	1.2	3.5	7.9	5.0	0.1	--	2.3	Jan-17
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>3.2</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>	<i>--</i>	<i>1.9</i>	
Excess Return			0.1	0.4	0.6	0.4	0.5	--	0.4	
eV US Core Fixed Inc Rank			15	11	13	44	22	--	37	
Loop Core Fixed Income	64,552,734	22.0	1.2	--	--	--	--	--	2.4	Sep-25
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>2.2</i>	
Excess Return			0.1	--	--	--	--	--	0.2	
eV US Core Fixed Inc Rank			25	--	--	--	--	--	14	
Reams Core Plus	83,279,887	28.3	1.3	3.8	8.7	5.7	0.4	3.7	4.9	Feb-98
<i>Fixed Income Benchmark (Blend)</i>			<i>1.1</i>	<i>3.2</i>	<i>7.3</i>	<i>5.1</i>	<i>0.0</i>	<i>2.4</i>	<i>4.2</i>	
Excess Return			0.2	0.6	1.4	0.5	0.4	1.3	0.7	
eV US Core Plus Fixed Inc Rank			11	7	8	46	44	13	29	
Wellington Core Bond Plus	65,783,482	22.4	1.0	3.5	--	--	--	--	5.2	Jun-25
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.1</i>	<i>3.2</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>4.7</i>	
Excess Return			-0.1	0.3	--	--	--	--	0.4	
eV US Core Plus Fixed Inc Rank			81	28	--	--	--	--	43	

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

## Manager Performance - Net of Fees | As of December 31, 2025

	Market Value (\$)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
<b>Crisis Risk Offset</b>	<b>39,159,119</b>	<b>100.0</b>	<b>3.0</b>	<b>8.4</b>	<b>5.8</b>	<b>1.0</b>	<b>-3.5</b>	<b>--</b>	<b>-5.4</b>	<b>Aug-18</b>
<i>Crisis Risk Offset Benchmark</i>			<i>2.7</i>	<i>7.7</i>	<i>5.5</i>	<i>3.3</i>	<i>4.4</i>	<i>--</i>	<i>1.0</i>	
Over/Under			0.3	0.7	0.3	-2.3	-8.0	--	-6.4	
<b>Kepos Alternative Risk Premia</b>	<b>15,026,074</b>	<b>38.4</b>	<b>5.9</b>	<b>14.6</b>	<b>20.0</b>	<b>15.2</b>	<b>--</b>	<b>--</b>	<b>11.0</b>	<b>Feb-22</b>
<i>SG Multi Alternative Risk Premia Index</i>			<i>3.4</i>	<i>7.1</i>	<i>8.1</i>	<i>8.0</i>	<i>--</i>	<i>--</i>	<i>7.1</i>	
Over/Under			2.6	7.5	11.8	7.2	--	--	3.8	
<b>Versor Trend Following</b>	<b>11,721,060</b>	<b>29.9</b>	<b>3.2</b>	<b>8.2</b>	<b>-7.8</b>	<b>-9.8</b>	<b>--</b>	<b>--</b>	<b>-6.4</b>	<b>Apr-22</b>
<i>SG Trend Index</i>			<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>0.2</i>	<i>--</i>	<i>--</i>	<i>2.3</i>	
Over/Under			-1.5	-5.6	-10.2	-10.0	--	--	-8.7	
<b>Vanguard Long-Term Treasury ETF</b>	<b>12,411,985</b>	<b>31.7</b>	<b>-0.4</b>	<b>2.0</b>	<b>5.3</b>	<b>0.7</b>	<b>-7.3</b>	<b>--</b>	<b>-2.8</b>	<b>Jul-19</b>
<i>Bimbg. US Govt: Long Term Bond Index</i>			<i>0.0</i>	<i>2.5</i>	<i>5.6</i>	<i>0.6</i>	<i>-7.2</i>	<i>--</i>	<i>-2.7</i>	
Over/Under			-0.4	-0.4	-0.3	0.0	-0.1	--	-0.1	

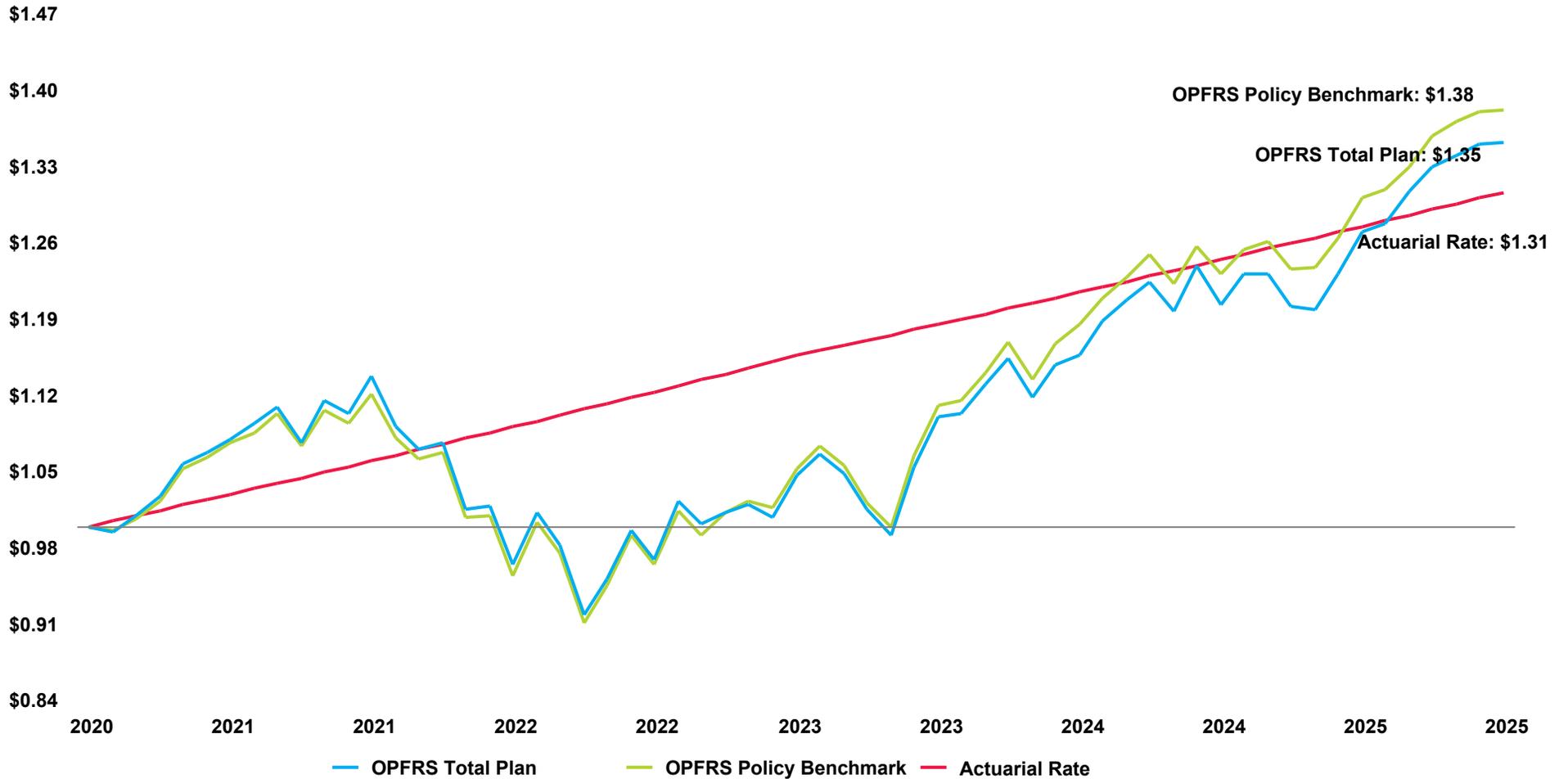
Performance shown is net of fees. Since inception date and performance begin in the month following an investments initial funding. Fiscal year begins on July 1. Please see Benchmark History section for custom benchmark compositions.

### Cash Flow Summary Quarter To Date

	Beginning Market Value (\$)	Net Cash Flow (\$)	Net Investment Change (\$)	Ending Market Value (\$)
Northern Trust Russell 1000	75,227,508	-	1,812,080	77,039,589
EARNEST Partners	25,411,125	-	1,067,522	26,478,647
Brown Fundamental Small Cap Value	15,437,191	-2,000,000	94,155	13,531,347
Rice Hall James	10,836,592	-2,400,000	-212,589	8,224,002
SGA ACWI ex-U.S. Equity	30,388,148	-2,200,000	1,358,132	29,546,279
Ramirez Core Fixed Income	79,401,957	-	954,296	80,356,253
Loop Core Fixed Income	63,806,036	-	746,698	64,552,734
Wellington Core Bond Plus	65,161,166	-	622,316	65,783,482
Reams Core Plus	82,221,128	-	1,058,759	83,279,887
Parametric BXM	457	-	6	463
Parametric DeltaShift	234	-	5	240
Kepos Alternative Risk Premia	14,183,494	-	842,581	15,026,074
Versor Trend Following	11,355,735	-	365,324	11,721,060
Vanguard Long-Term Treasury ETF	12,647,768	-186,180	-49,603	12,411,985
Cash - Money Market	2,396,655	241,803	-	2,638,458
Cash - Treasury	9,597,000	435,000	-	10,032,000
Securities Lending Northern Trust	-	-40,044	40,044	-
<b>Total</b>	<b>498,072,195</b>	<b>-6,149,421</b>	<b>8,699,726</b>	<b>500,622,499</b>

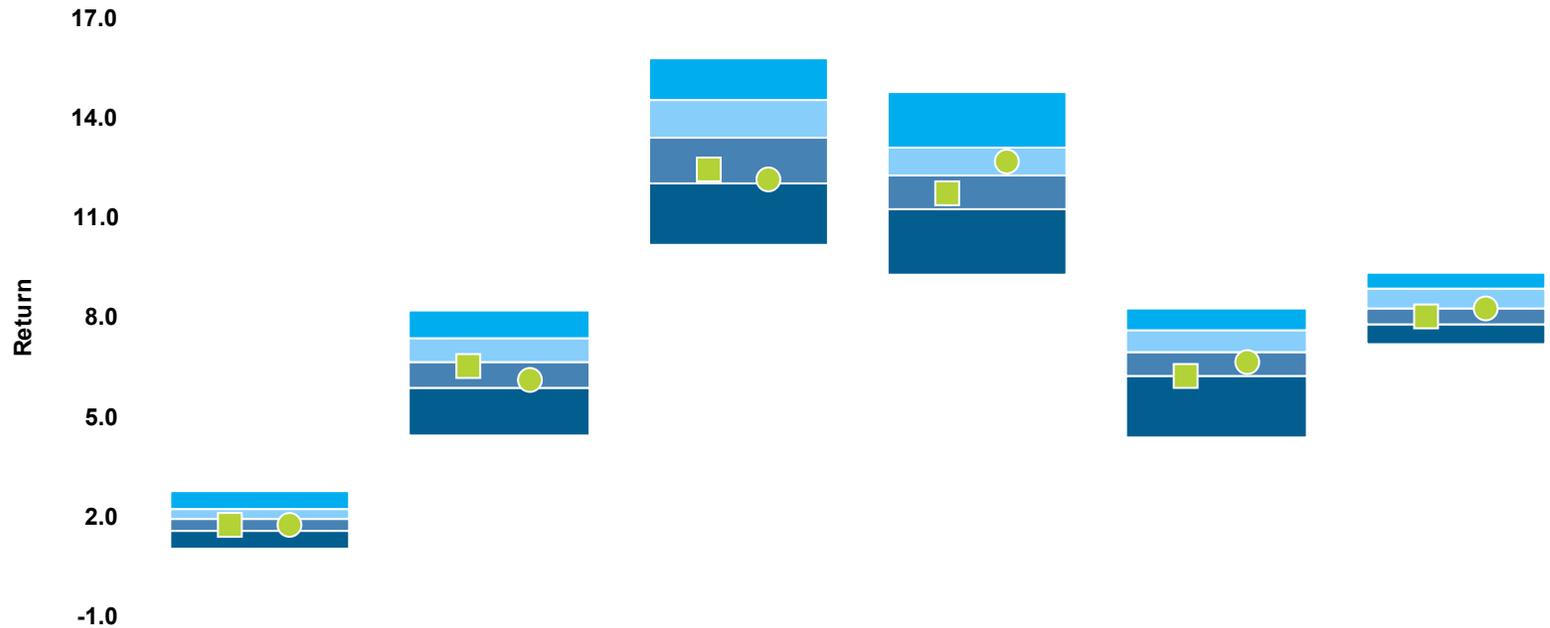
#### Growth of a Dollar

#### 5 Years ending December 31, 2025



The actuarial assumed rate is 8% through June 2009, 7.5% through June 2010, 7% through June 2011, 6.75% through June 2014, 6.5% through December 2017, 6.0% through June 2023, and 5.0% since July 2023.

#### Plan Sponsor Peer Group Performance Comparison vs. InvMetrics Public DB \$250M - \$1B Net



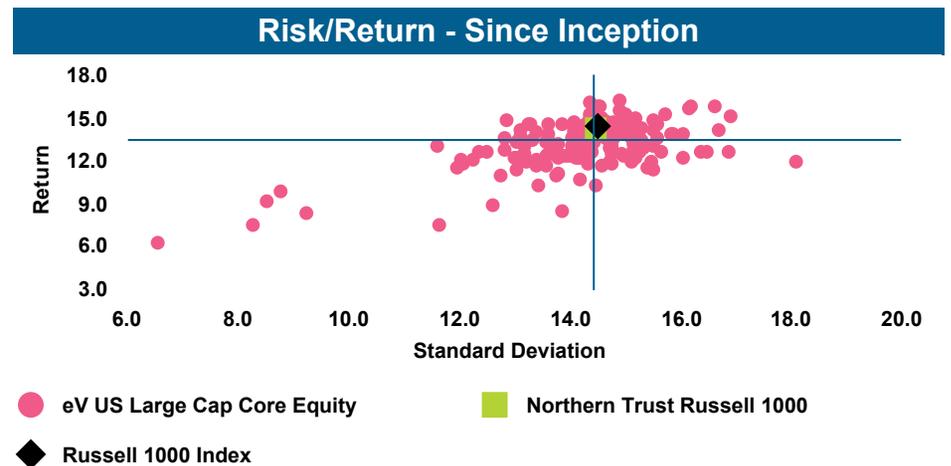
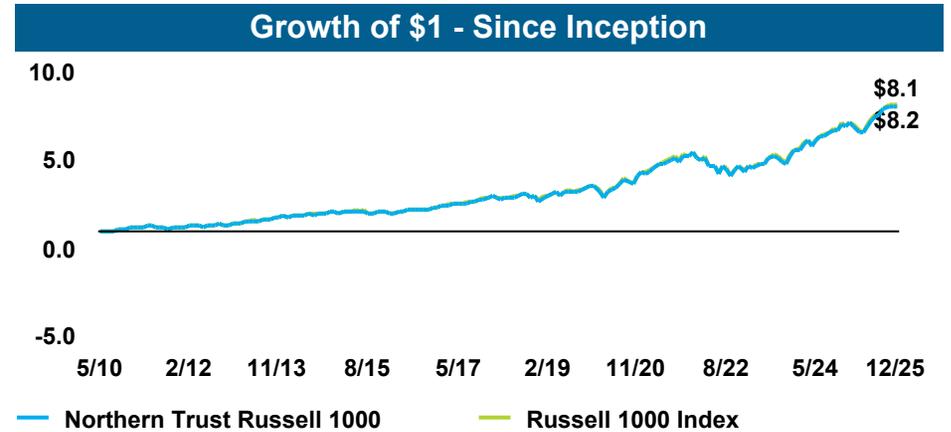
	QTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
■ OPFRS Total Plan	1.8 (65)	6.5 (54)	12.4 (69)	11.7 (62)	6.2 (77)	8.0 (64)
● OPFRS Policy Benchmark	1.8 (65)	6.1 (72)	12.2 (74)	12.7 (37)	6.7 (59)	8.3 (51)
5th Percentile	2.8	8.2	15.8	14.8	8.3	9.3
1st Quartile	2.2	7.4	14.6	13.1	7.6	8.8
Median	1.9	6.7	13.4	12.3	6.9	8.3
3rd Quartile	1.6	5.9	12.0	11.2	6.2	7.8
95th Percentile	1.0	4.4	10.2	9.3	4.4	7.2
Population	117	117	117	117	115	108

Total Plan performance is a mix of gross and net of fees; performance is gross of fees prior to January 2016 and net of fees thereafter. Parentheses contain percentile rankings. Calculation based on monthly periodicity. Fiscal year begins on July 1.

## Investment Manager Profiles

### Northern Trust Russell 1000 | As of December 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Northern Trust Russell 1000	0.00	1.00	-0.61	0.50	0.00	1.00	99.80	-
Russell 1000 Index	0.00	1.00	-	0.50	0.00	1.00	100.00	-



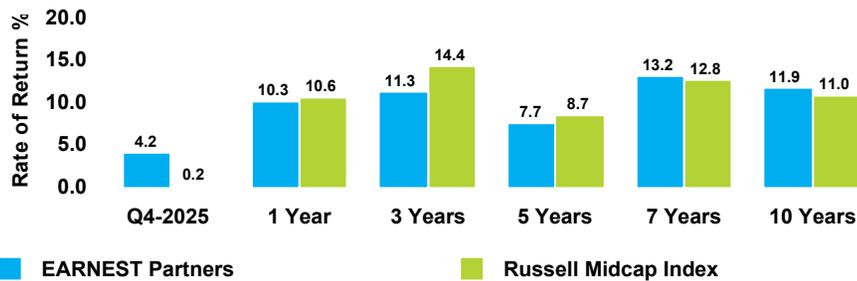
	QTD Return	QTD Risk
Northern Trust Russell 1000	2.41	0.96
Russell 1000 Index	2.41	0.96

Performance shown is net of fees. Risk is measured as Standard Deviation.

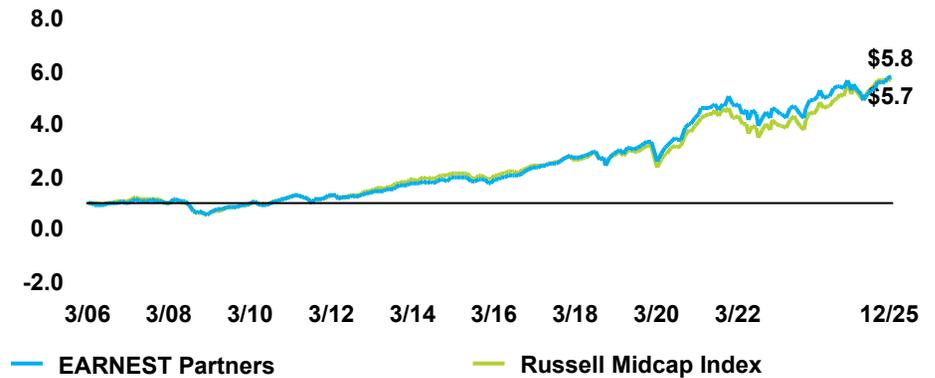
### EARNEST Partners | As of December 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
EARNEST Partners	1.29	1.89	1.67	0.63	0.80	0.99	286.06	-49.66
Russell Midcap Index	0.00	1.00	-	-0.29	0.00	1.00	100.00	100.00

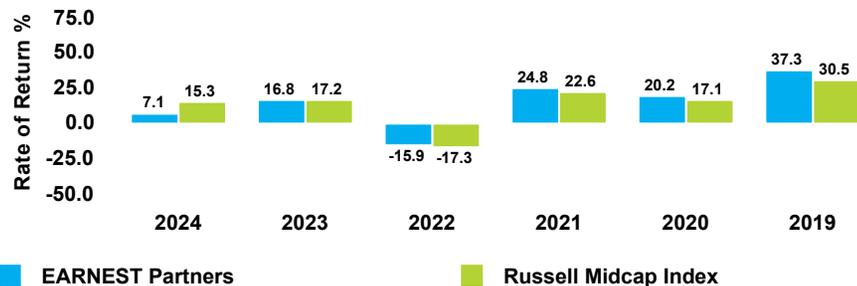
#### Trailing Performance



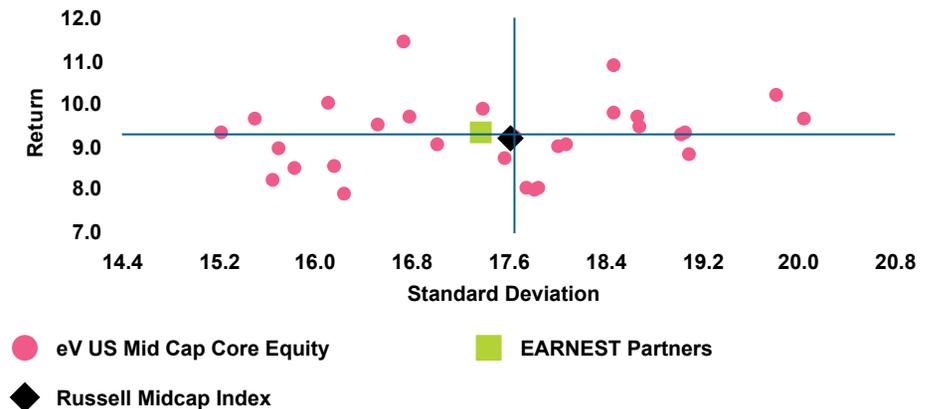
#### Growth of \$1 - Since Inception



#### Calendar Year Returns



#### Risk/Return - Since Inception



	QTD Return	QTD Risk
EARNEST Partners	4.20	1.68
Russell Midcap Index	0.16	0.89

Performance shown is net of fees. Risk is measured as Standard Deviation.

### Brown Fundamental Small Cap Value | As of December 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Brown Fundamental Small Cap Value	-1.20	1.38	-0.70	-0.02	1.13	0.73	26.75	-
Russell 2000 Value Index	0.00	1.00	-	0.60	0.00	1.00	100.00	-

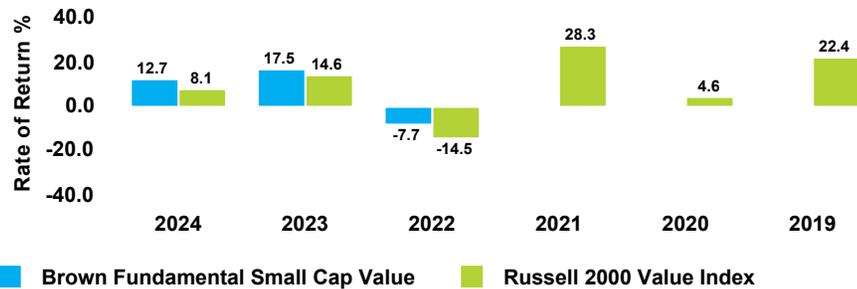
#### Trailing Performance



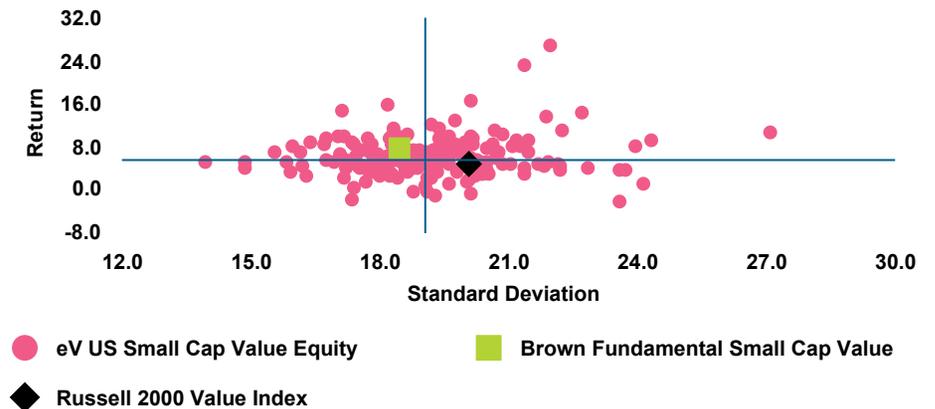
#### Growth of \$1 - Since Inception



#### Calendar Year Returns



#### Risk/Return - Since Inception

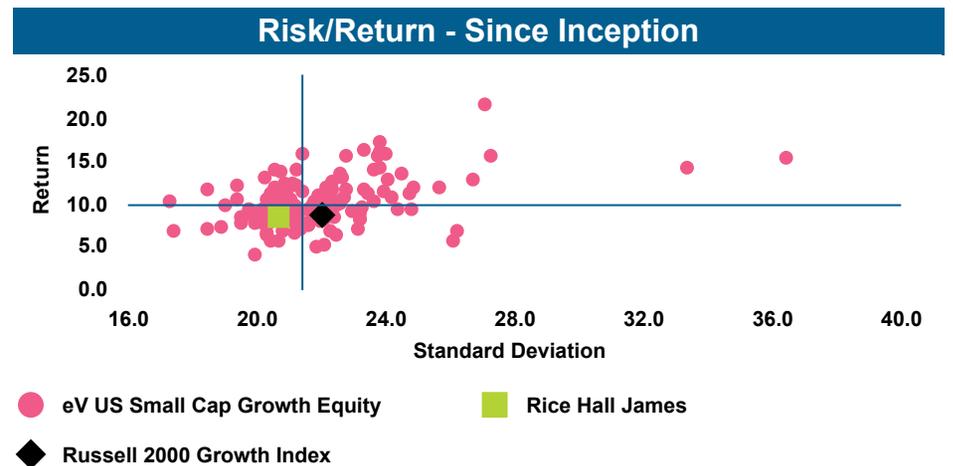
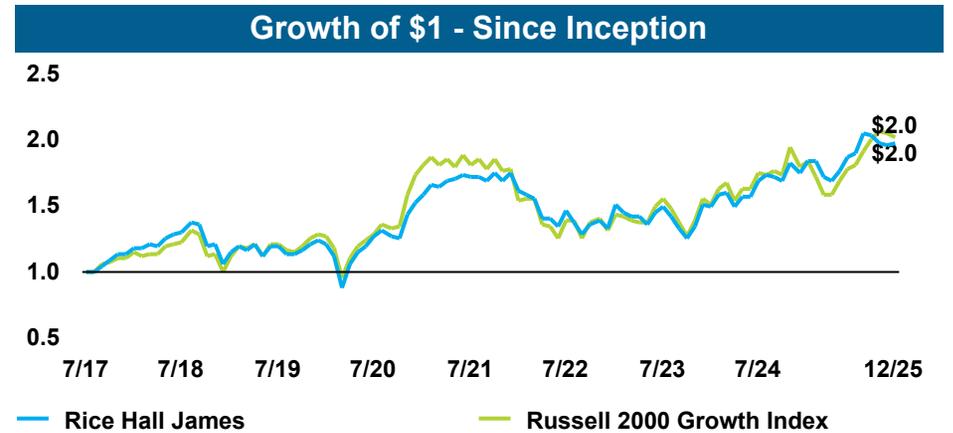


	QTD Return	QTD Risk
Brown Fundamental Small Cap Value	0.81	1.98
Russell 2000 Value Index	3.26	1.22

Performance shown is net of fees. Risk is measured as Standard Deviation.

Rice Hall James | As of December 31, 2025

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
Rice Hall James	-0.54	-0.70	-0.37	-0.80	3.42	0.92	-84.26	-11.03
Russell 2000 Growth Index	0.00	1.00	-	0.05	0.00	1.00	100.00	100.00

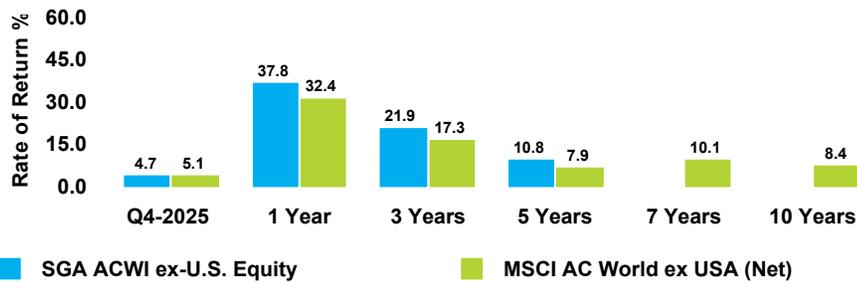


	QTD Return	QTD Risk
Rice Hall James	-2.52	1.45
Russell 2000 Growth Index	1.22	2.00

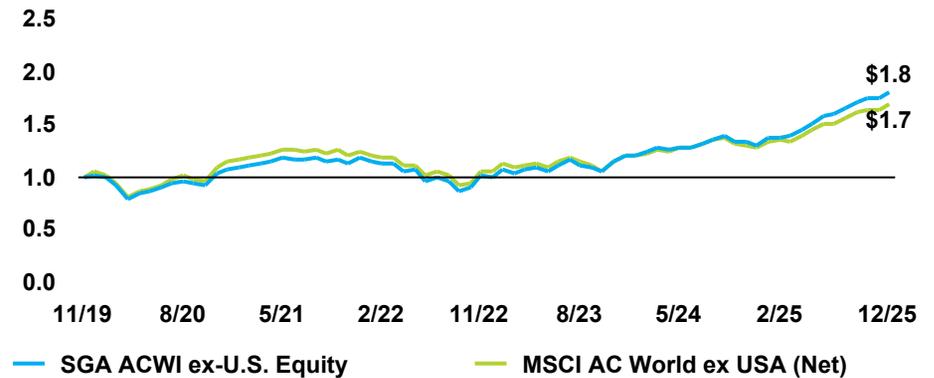
Performance shown is net of fees. Risk is measured as Standard Deviation.

	Alpha	Beta	Information Ratio	Sharpe Ratio	Tracking Error	R-Squared	Up Capture	Down Capture
SGA ACWI ex-U.S. Equity	0.59	0.57	-0.24	1.76	0.55	0.99	79.49	-2,390.20
MSCI AC World ex USA (Net)	0.00	1.00	-	1.09	0.00	1.00	100.00	100.00

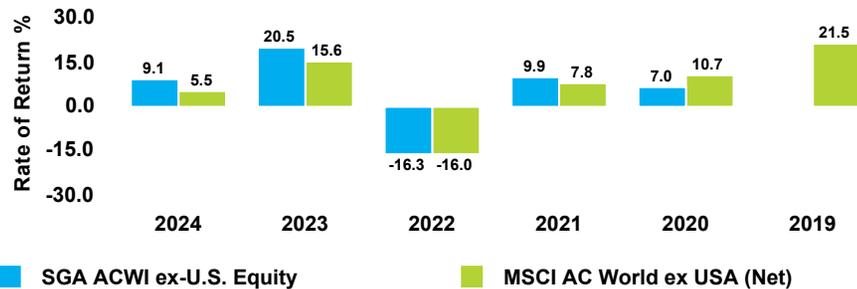
#### Trailing Performance



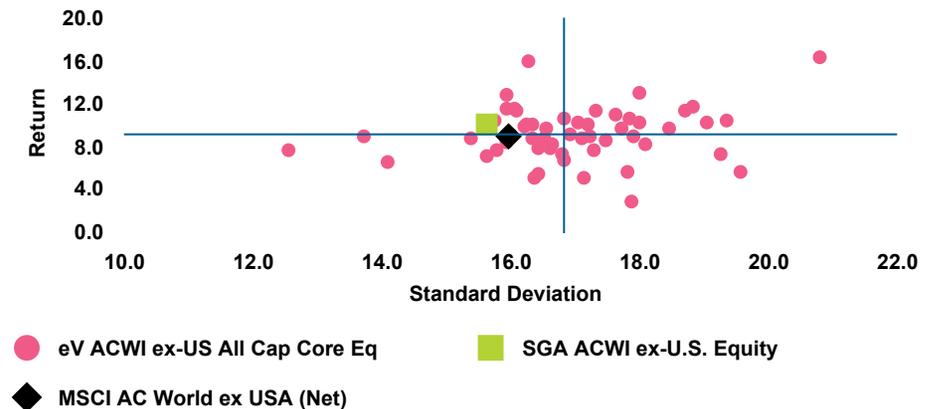
#### Growth of \$1 - Since Inception



#### Calendar Year Returns



#### Risk/Return - Since Inception



	QTD Return	QTD Risk
SGA ACWI ex-U.S. Equity	4.66	0.72
MSCI AC World ex USA (Net)	5.05	1.26

Performance shown is net of fees. Risk is measured as Standard Deviation.

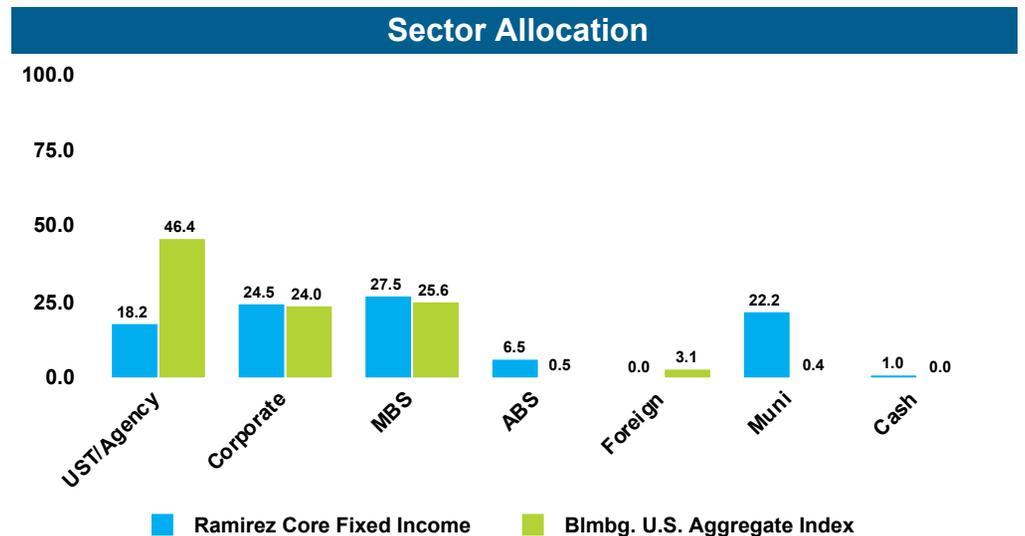
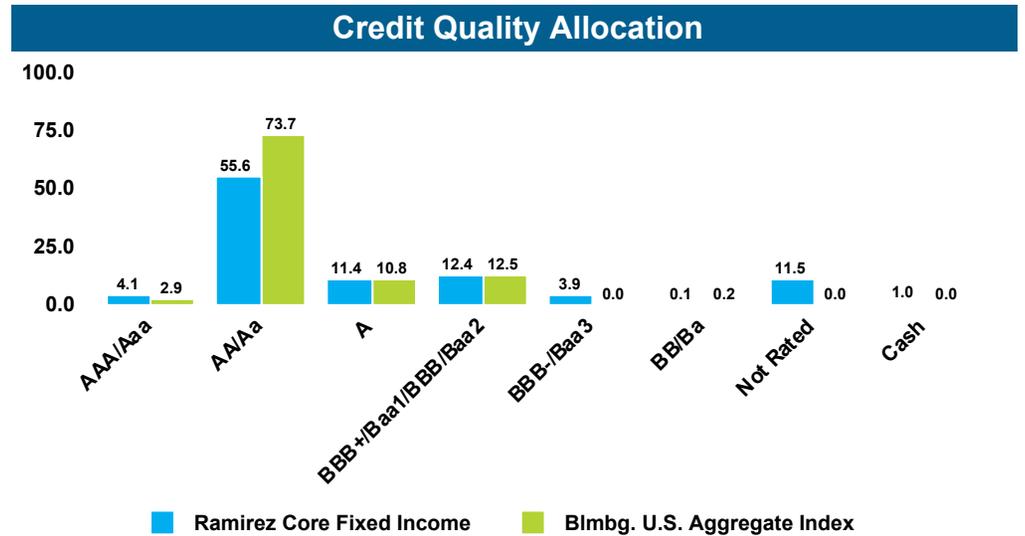
### Ramirez Core Fixed Income | As of December 31, 2025

Account Information	
Account Name	Ramirez Core Fixed Income
Account Structure	Separate Account
Inception Date	01/30/2017
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Fixed Inc

Portfolio Performance Summary				
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Ramirez Core Fixed Income	1.2	7.9	5.0	0.1
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>

Portfolio Fixed Income Characteristics		
	Q4-25 Portfolio	Q3-25 Portfolio
Yield To Maturity	4.8	4.8
Average Duration	6.1	6.3
Average Quality	AA	AA
Weighted Average Maturity	9.0	9.2

Performance shown is net of fees.



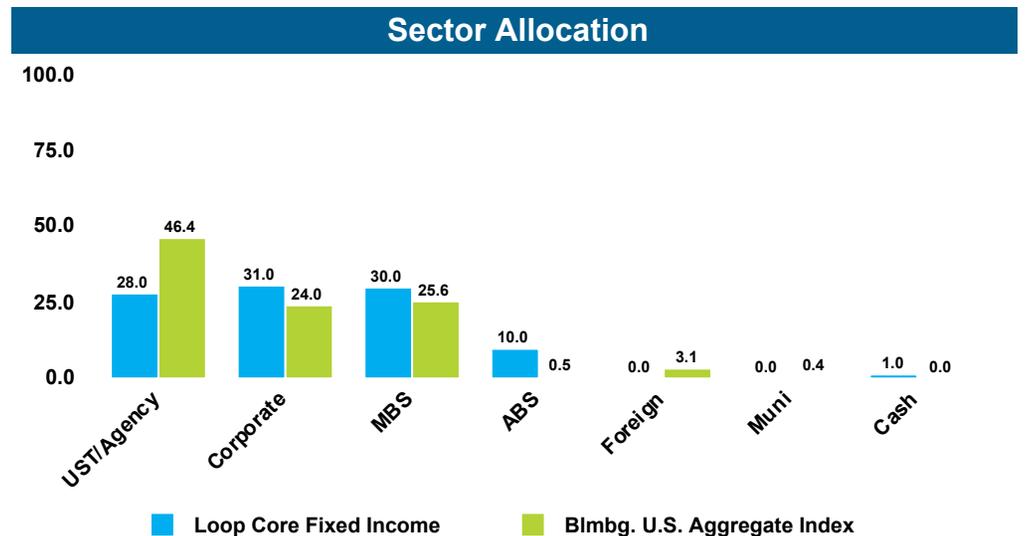
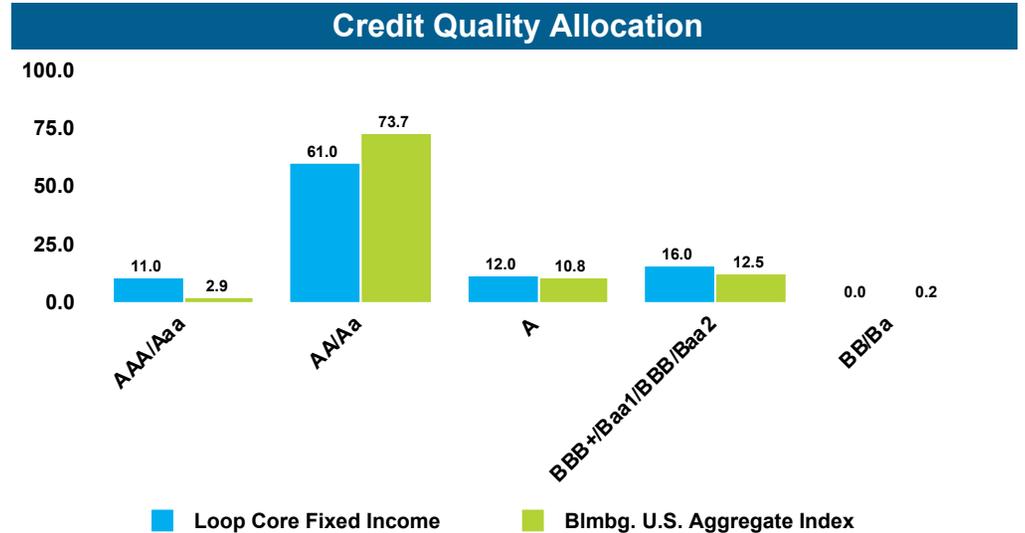
### Loop Core Fixed Income | As of December 31, 2025

Account Information	
Account Name	Loop Core Fixed Income
Account Structure	Separate Account
Inception Date	08/20/2025
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Fixed Inc

Portfolio Performance Summary				
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Loop Core Fixed Income	1.2	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>-</i>	<i>-</i>	<i>-</i>

Portfolio Fixed Income Characteristics		
	Q4-25 Portfolio	Q3-25 Portfolio
Yield To Maturity	4.7	4.7
Average Duration	5.9	6.0
Average Quality	AA	AA
Weighted Average Maturity	8.7	8.8

Performance shown is net of fees.



### Reams Core Plus | As of December 31, 2025

#### Account Information

Account Name	Reams Core Plus
Account Structure	Separate Account
Inception Date	01/01/1998
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Plus Fixed Inc

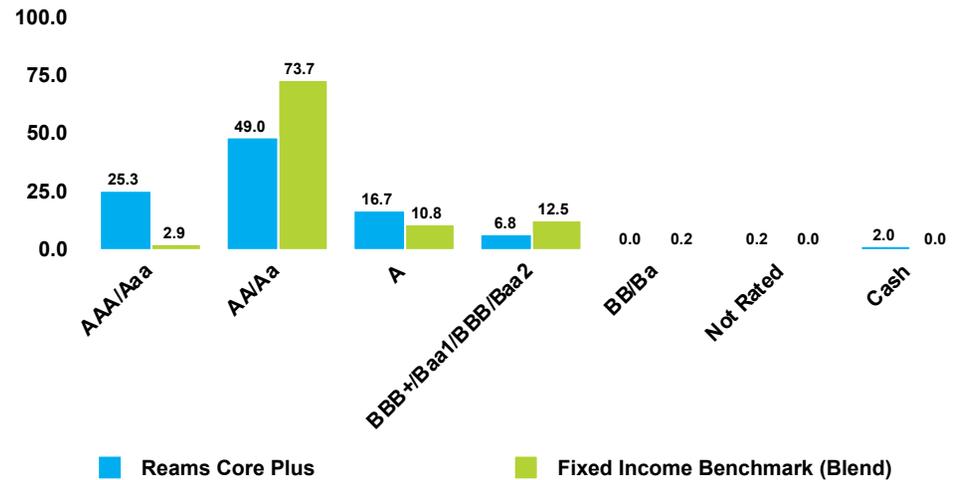
#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Reams Core Plus	1.3	8.7	5.7	0.4
<i>Fixed Income Benchmark (Blend)</i>	<i>1.1</i>	<i>7.3</i>	<i>4.7</i>	<i>-0.4</i>

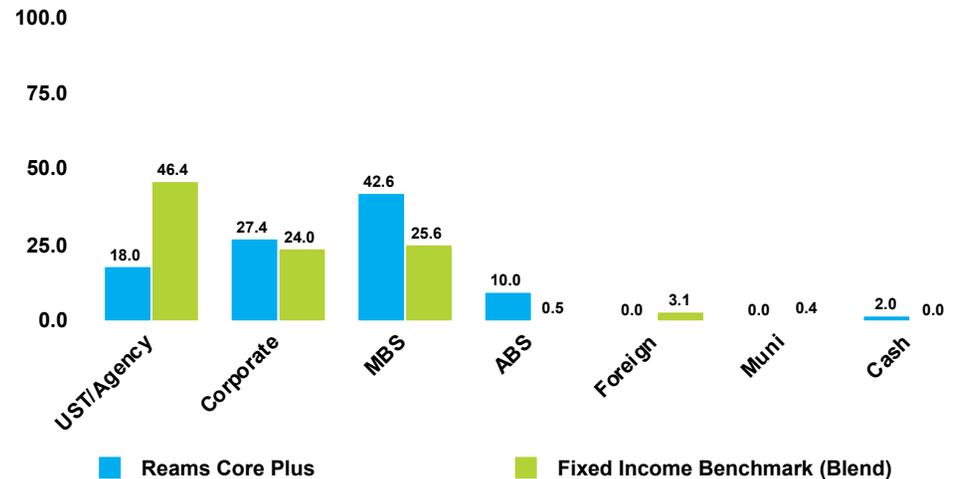
#### Portfolio Fixed Income Characteristics

	Q4-25 Portfolio	Q3-25 Portfolio
Yield To Maturity	4.8	4.9
Average Duration	6.4	6.5
Average Quality	AA	AA
Weighted Average Maturity	9.2	9.2

#### Credit Quality Allocation



#### Sector Allocation



Performance shown is net of fees.

Fixed Income Benchmark (Blend) is Blmbg. U.S. Aggregate Index since 01/01/2025 and Blmbg. U.S. Universal Index from 04/01/2006 through 12/31/2024.

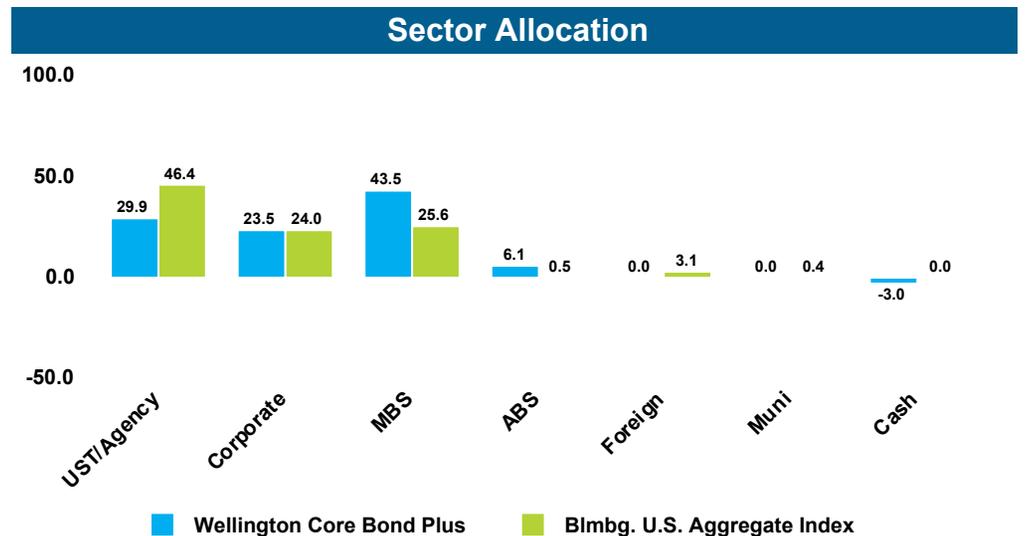
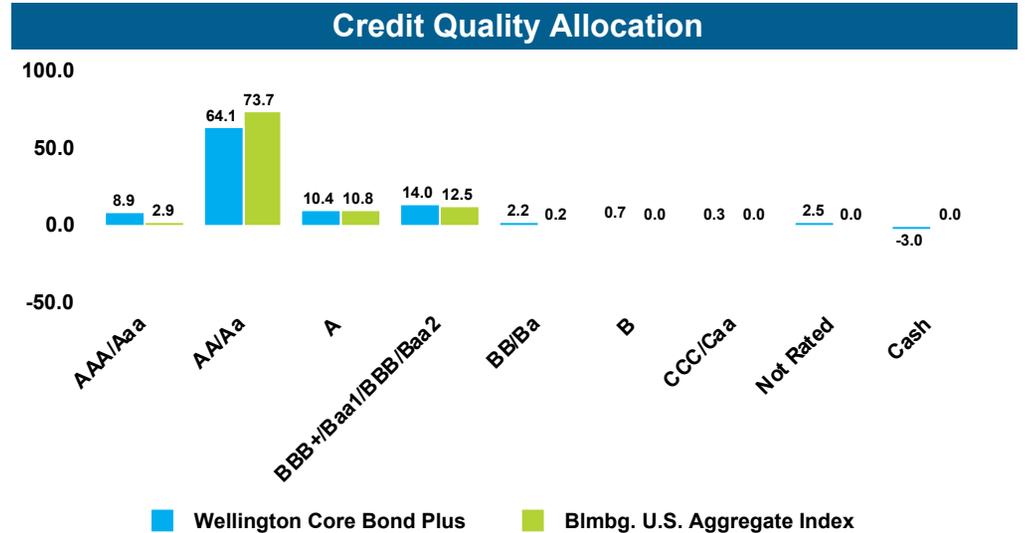
### Wellington Core Bond Plus | As of December 31, 2025

Account Information	
Account Name	Wellington Core Bond Plus
Account Structure	Commingled Fund
Inception Date	05/30/2025
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	eV US Core Plus Fixed Inc

Portfolio Performance Summary				
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Wellington Core Bond Plus	1.0	-	-	-
<i>Blmbg. U.S. Aggregate Index</i>	<i>1.1</i>	<i>-</i>	<i>-</i>	<i>-</i>

Portfolio Fixed Income Characteristics		
	Q4-25 Portfolio	Q3-25 Portfolio
Yield To Maturity	4.9	5.0
Average Duration	6.6	6.2
Average Quality	AA	AA
Weighted Average Maturity	10.0	10.0

Performance shown is net of fees.



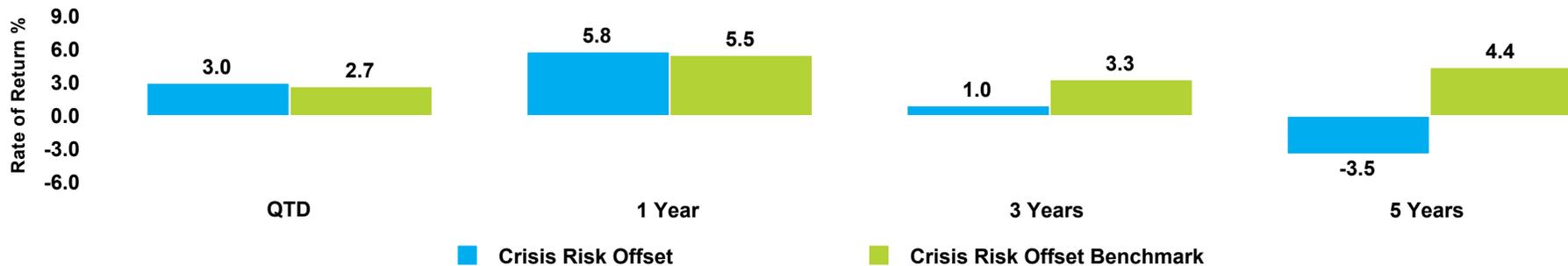
### Crisis Risk Offset | As of December 31, 2025

	Return	Standard Deviation	Alpha	Beta	Information Ratio	Tracking Error	Up Capture	Down Capture	Inception Date
Crisis Risk Offset	-5.4	10.0	-5.8	0.9	-0.7	8.9	45.9	126.6	08/01/2018
<a href="#">Crisis Risk Offset Benchmark</a>	1.0	5.4	0.0	1.0	-	0.0	100.0	100.0	
Kepos Alternative Risk Premia	11.0	7.0	3.6	1.0	0.7	5.0	125.9	78.0	02/01/2022
<a href="#">SG Multi Alternative Risk Premia Index</a>	7.1	4.9	0.0	1.0	-	0.0	100.0	100.0	
Versor Trend Following	-6.4	13.2	-8.4	1.0	-1.5	5.8	69.9	122.0	04/01/2022
<a href="#">SG Trend Index</a>	2.3	11.7	0.0	1.0	-	0.0	100.0	100.0	
Vanguard Long-Term Treasury ETF	-2.8	14.1	-0.1	1.0	-0.1	1.0	100.9	101.3	07/01/2019
<a href="#">Blmbg. U.S. Government: Long Term Bond Index</a>	-2.7	13.9	0.0	1.0	-	0.0	100.0	100.0	

### Correlation Matrix 3 Months Ending December 31, 2025

	Crisis Risk Offset	MSCI AC World Index Value	S&P 500 Index	Blmbg. Global Aggregate Index
Crisis Risk Offset	1.00			
MSCI AC World Index Value	0.08	1.00		
S&P 500 Index	-0.06	-1.00	1.00	
Blmbg. Global Aggregate Index	0.08	1.00	-1.00	1.00

### Trailing Period Performance



Performance shown is net of fees.

Benchmark History		
From Date	To Date	Benchmark
<b>OPFRS Total Plan</b>		
08/01/2025	Present	25.0% Russell 3000 Index, 5.0% MSCI AC World ex USA (Net), 61.0% Fixed Income Benchmark (Blend), 9.0% Crisis Risk Offset Benchmark
01/01/2025	07/31/2025	34.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 44.0% Fixed Income Benchmark (Blend), 10.0% Crisis Risk Offset Benchmark
07/01/2024	12/31/2024	34.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 44.0% Blmbg. U.S. Universal Index, 10.0% Crisis Risk Offset Benchmark
06/01/2022	06/30/2024	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA (Net), 31.0% Blmbg. U.S. Universal Index, 2.0% Blmbg. U.S. Corp: High Yield Index, 5.0% Cboe S&P 500 Buy Write Index, 10.0% Crisis Risk Offset Benchmark
01/01/2019	05/31/2022	40.0% Russell 3000 Index, 12.0% MSCI AC World ex USA Index, 31.0% Blmbg. U.S. Universal Index, 5.0% Cboe S&P 500 Buy Write Index, 2.0% Blmbg. U.S. Treasury: Long, 10.0% Crisis Risk Offset Benchmark
05/01/2016	12/31/2018	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA Index, 20.0% Blmbg. U.S. Universal Index, 20.0% CBOE BXM
10/01/2015	04/30/2016	43.0% Russell 3000 Index, 12.0% MSCI AC World ex USA Index, 20.0% Blmbg. U.S. Universal Index, 15.0% CBOE BXM, 10.0% CPI +3%
01/01/2014	09/30/2015	48.0% Russell 3000 Index, 12.0% MSCI AC World ex USA Index, 20.0% Blmbg. U.S. Universal Index, 10.0% CBOE BXM, 10.0% CPI +3%
03/01/2013	12/31/2013	40.0% Russell 3000 Index, 10.0% MSCI AC World ex USA Index, 17.0% Blmbg. U.S. Universal Index, 33.0% ICE BofA 3 Month U.S. T-Bill
08/01/2012	02/28/2013	20.0% Russell 3000 Index, 7.0% MSCI AC World ex USA Index, 18.0% Blmbg. U.S. Universal Index, 55.0% ICE BofA 3 Month U.S. T-Bill
10/01/2007	07/31/2012	53.0% Russell 3000 Index, 17.0% MSCI AC World ex USA Index, 30.0% Blmbg. U.S. Universal Index
04/01/2006	09/30/2007	35.0% Russell 3000 Index, 15.0% MSCI AC World ex USA Index, 50.0% Blmbg. U.S. Universal Index
01/01/2005	03/31/2006	35.0% Russell 3000 Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI AC World ex USA Index
04/01/1998	12/31/2004	20.0% Russell 1000 Value Index, 10.0% Russell 1000 Index, 5.0% Russell Midcap Index, 50.0% Blmbg. U.S. Aggregate Index, 15.0% MSCI EAFE (Net)
01/01/1978	03/31/1998	40.0% S&P 500 Index, 55.0% Blmbg. U.S. Aggregate Index, 5.0% FTSE 3 Month T-Bill

### Benchmark History

From Date	To Date	Benchmark
<b>Domestic Equity</b>		
01/01/2005	Present	100.0% Russell 3000 Index
04/01/1998	12/31/2004	57.1% Russell 1000 Value Index, 28.6% Russell 1000 Index, 14.3% Russell Midcap Index
09/01/1988	03/31/1998	100.0% S&P 500 Index
<b>International Equity</b>		
01/01/2005	Present	100.0% MSCI AC World ex USA (Net)
01/01/1998	12/31/2004	100.0% MSCI EAFE Index
<b>Fixed Income &amp; Credit</b>		
01/01/2025	Present	100.0% Blmbg. U.S. Aggregate Index
04/01/2006	12/31/2024	100.0% Blmbg. U.S. Universal Index
01/01/1976	03/31/2006	100.0% Blmbg. U.S. Aggregate Index
<b>Crisis Risk Offset</b>		
01/01/2023	Present	33.3% SG Trend Index, 33.3% SG Multi Alternative Risk Premia Index, 33.3% Blmbg. U.S. Government: Long Term Bond Index
08/01/2018	12/31/2022	100.0% SG Multi Alternative Risk Premia Index
<b>Cash</b>		
03/01/2011	Present	FTSE 3 Month T-Bill

## **Manager Monitoring / Probation Status**

### Managers on Watch / Probation Status

Manager & Strategy	Concern Triggering Watch Status	Date of Corrective Action <sup>1</sup>	Months Since Placement	Performance <sup>2</sup> Since Placement	Peer Group Rank Since Placement
Versor Trend Following	Organization / Performance	9/27/2023	27	-13.3	N/A
<i>Benchmark: SG Trend Index</i>	--	--	--	-0.1	--

### Breach of Quantitative Monitoring Criteria

- As of December 31, 2025, EARNEST Mid Cap partially breached the medium- and long-term monitoring criteria as its rolling 3-year excess return and 5-year value relative ratio (VRR)<sup>4</sup> dropped below their respective criterion thresholds over the prior six months consecutively. There is no other concerns for the manager or the strategy.
- All other public equity and fixed income managers pass the quantitative monitoring criteria.

### Investment Manager Monitoring: Quantitative Criteria<sup>3</sup>

Investment managers are evaluated on ongoing and periodic basis using both quantitative performance criteria and qualitative aspects of the managers. The quantitative criteria for the public equity and fixed income asset classes are as follows:

Asset Class	Short-term (Rolling 12 months)	Medium-term (Rolling 36 months)	Long-term (60+ months)
<b>Active US Equity</b>	Fund return < benchmark return by 3.5%	Annualized fund return < benchmark return by 1.75% for 6 consecutive months	VRR <sup>4</sup> < 0.97 for 6 consecutive months
<b>Active Non-US Equity</b>	Fund return < benchmark return by 4.5%	Annualized fund return < benchmark return by 2.0% for 6 consecutive months	VRR < 0.97 for 6 consecutive months
<b>Fixed Income</b>	Fund return < benchmark return by 1.5%	Annualized fund return < benchmark return by 1.0% for 6 consecutive months	VRR < 0.98 for 6 consecutive months

The following pages illustrate the public equity and fixed income managers' performance against these quantitative criteria. Managers with less than one year of performance history are omitted.

<sup>1</sup> Date when the Board voted to either monitor a manager at a heightened level or place it on probation.

<sup>2</sup> Performance Since Placement starts at the beginning of the full month following the date of corrective action. Performance shown is net of fees and annualized after one year mark.

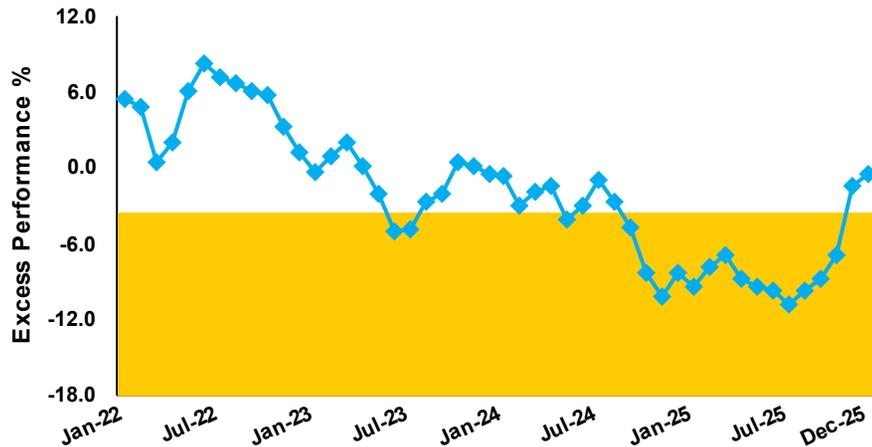
<sup>3</sup> Per Investment Policy Statement and Manager Guidelines ("IPS"), Revised 10/29/2025, section H. Currently, only domestic (US) equity, international (non-US) equity, and fixed income have stated quantitative monitoring criteria in the IPS. Though the passive international equity asset class has a set of monitoring criteria, it is omitted here as there is no current passive international equity investment in the portfolio.

<sup>4</sup> VRR (Value Relative Ratio) is calculated as manager cumulative return/ benchmark cumulative return.

## Oakland Police and Fire Retirement System

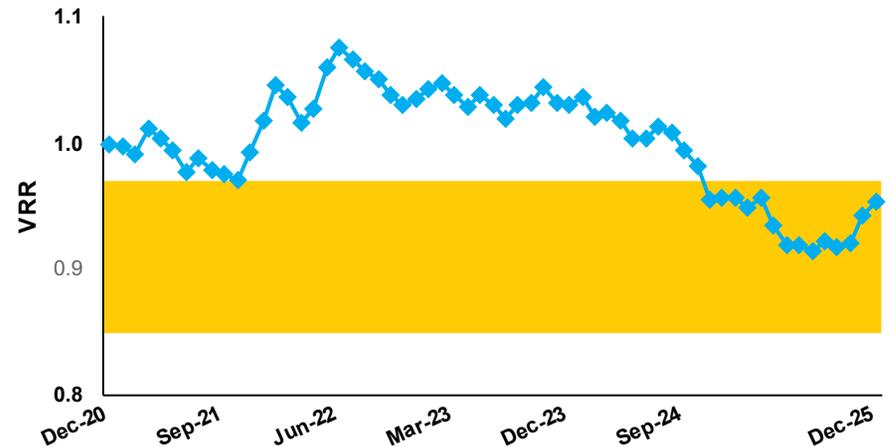
EARNEST Partners | As of December 31, 2025

### Short Term - Rolling 12-Month Excess Return



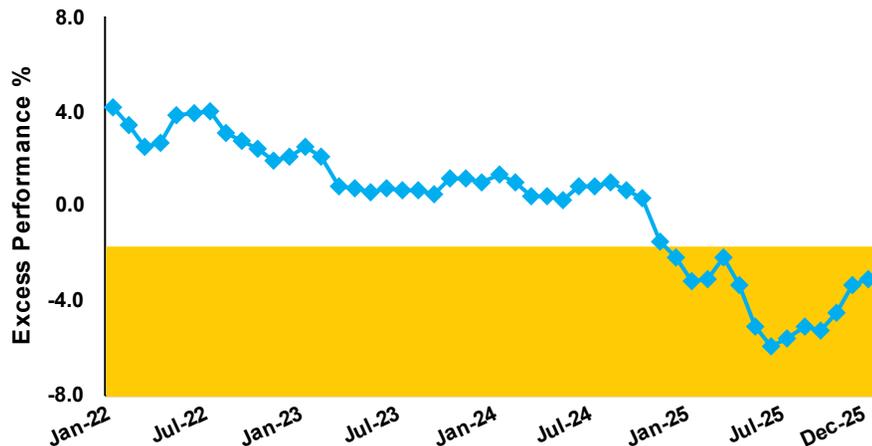
Probationary Threshold: EARNEST Partners underperforming the benchmark (Russell Midcap Index) by -3.5%.

### Long Term - VRR



Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.97 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

### Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: EARNEST Partners underperforming the benchmark (Russell Midcap Index) by -1.75% for six consecutive months.

### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
EARNEST Partners	10.3	11.3	7.7
Russell Midcap Index	10.6	14.4	8.7
eV US Mid Cap Core Equity Rank	32	66	67

### Monitoring Status

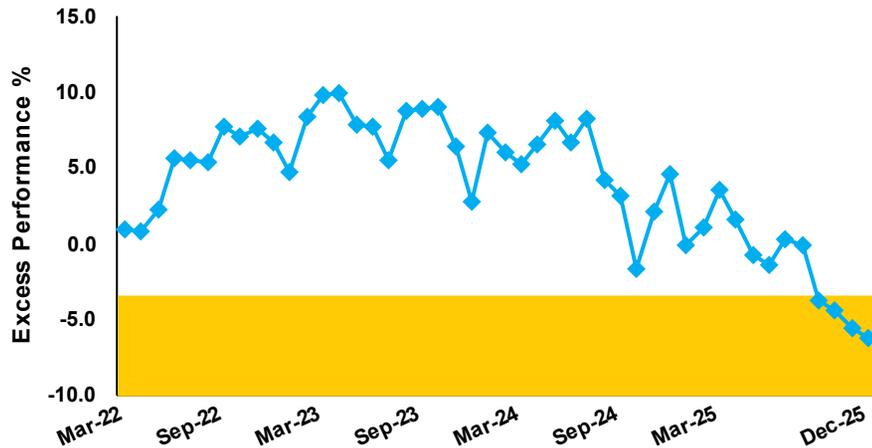
-

#### Long Term - VRR

No data found.

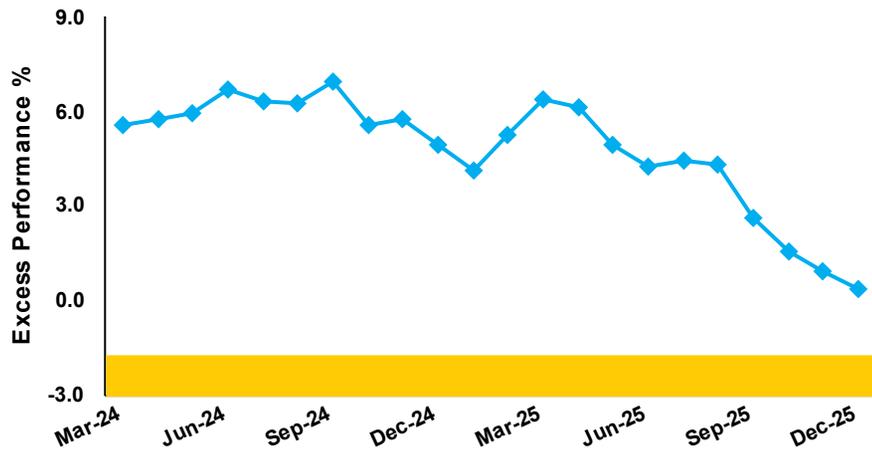
Brown Small Cap Value was incepted in April 2021 and does not have enough history for this monitoring criterion. Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.97 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

#### Short Term - Rolling 12-Month Excess Return



Probationary Threshold: Brown Small Cap Value underperforming the benchmark (Russell 2000 Value Index) by -3.5%.

#### Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: Brown Small Cap Value underperforming the benchmark (Russell 2000 Value Index) by -1.75% for six consecutive months.

#### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Brown Small Cap Value	6.4	12.1	-
Russell 2000 Value Index	12.6	11.7	8.9
eV US Small Cap Value Equity Rank	53	41	-

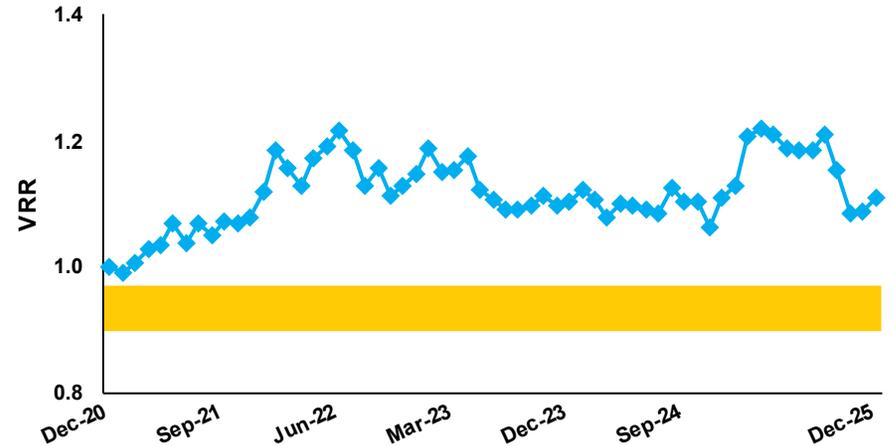
#### Monitoring Status

-

## Oakland Police and Fire Retirement System

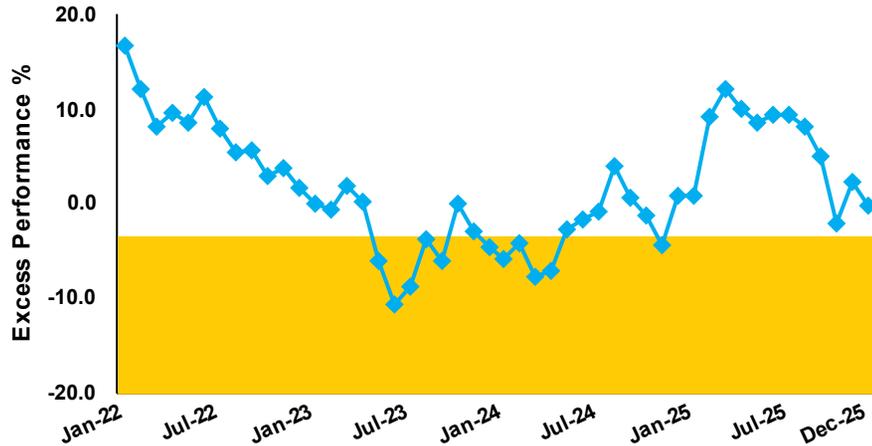
Rice Hall James | As of December 31, 2025

Long Term - VRR



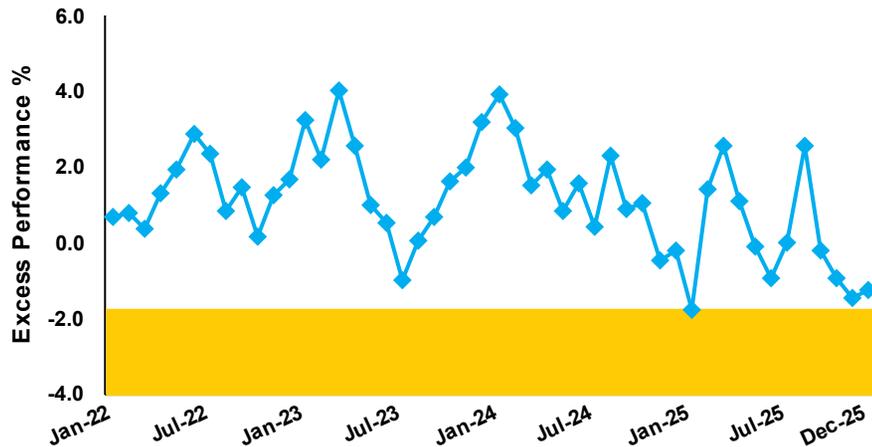
Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.97 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

Short Term - Rolling 12-Month Excess Return



Probationary Threshold: Rice Hall James underperforming the benchmark (Russell 2000 Growth Index) by -3.5%.

Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: Rice Hall James underperforming the benchmark (Russell 2000 Growth Index) by -1.75% for six consecutive months.

### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Rice Hall James	12.9	14.4	5.4
Russell 2000 Growth Index	13.0	15.6	3.2
eV US Small Cap Growth Equity Rank	28	37	28

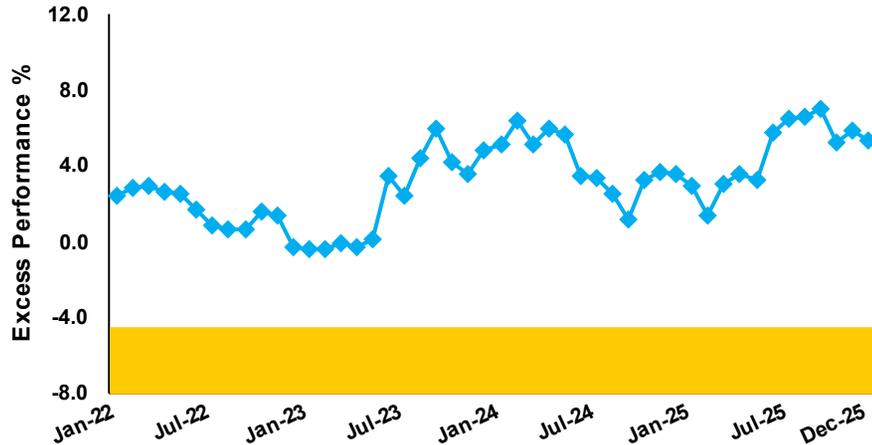
### Monitoring Status

-

## Oakland Police and Fire Retirement System

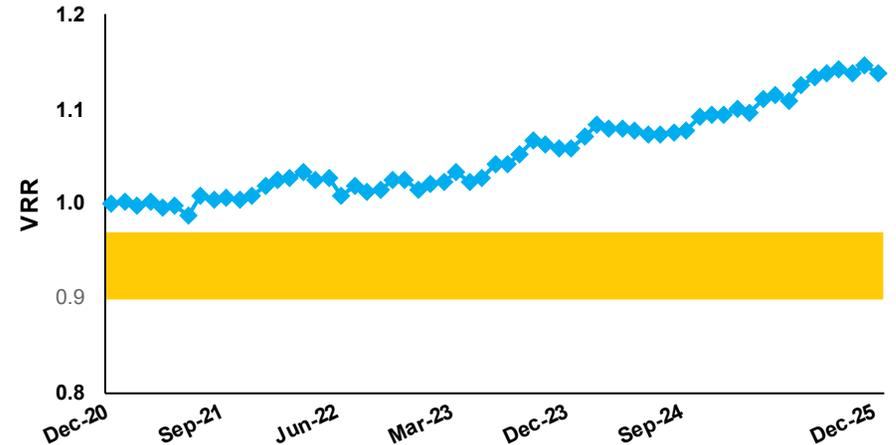
SGA ACWI ex US | As of December 31, 2025

Short Term - Rolling 12-Month Excess Return



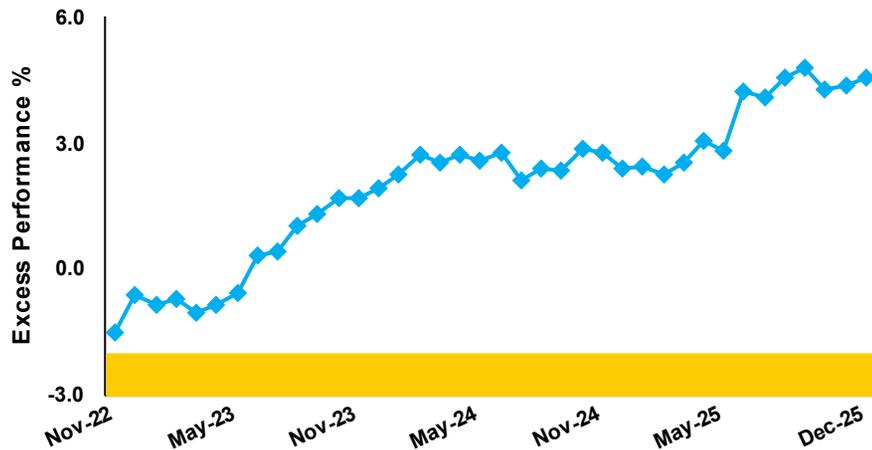
Probationary Threshold: SGA ACWI ex US underperforming the benchmark (MSCI ACWI ex US (Net)) by -4.5%.

Long Term - VRR



Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.97 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: SGA ACWI ex US underperforming the benchmark (MSCI ACWI ex US (Net)) by -2.0% for six consecutive months.

### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
SGA ACWI ex US	37.8	21.9	10.8
MSCI ACWI ex US (Net)	32.4	17.3	7.9
eV ACWI ex-US All Cap Core Eq Rank	12	12	13

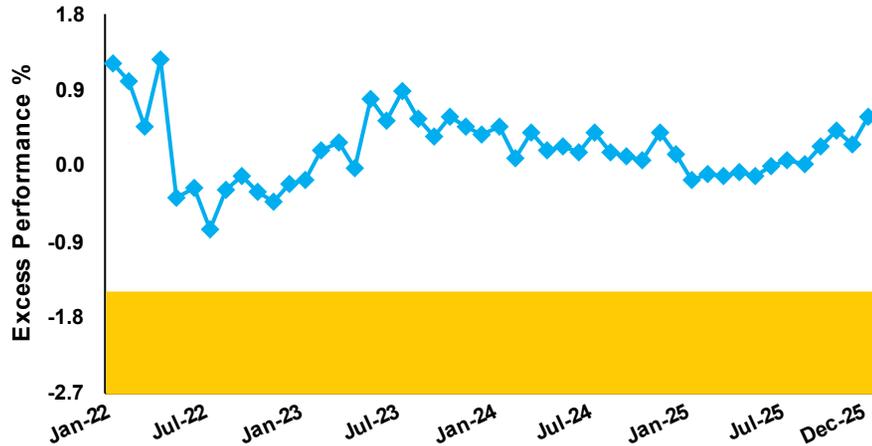
### Monitoring Status

-

## Oakland Police and Fire Retirement System

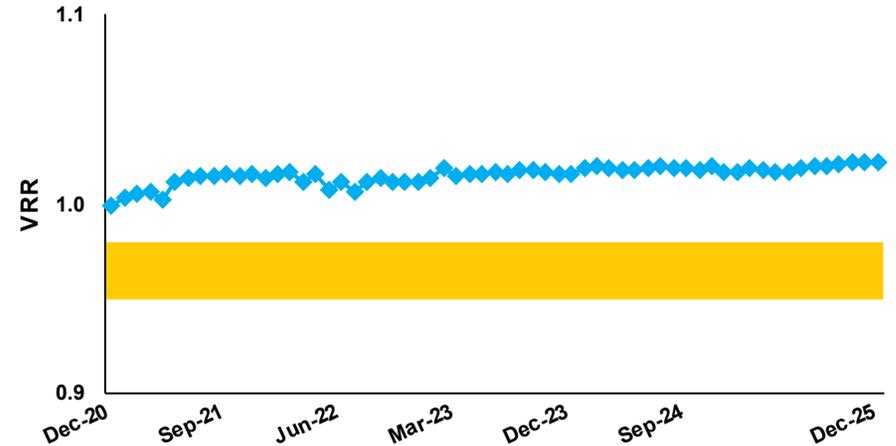
### Ramirez Core Fixed Income | As of December 31, 2025

#### Short Term - Rolling 12-Month Excess Return



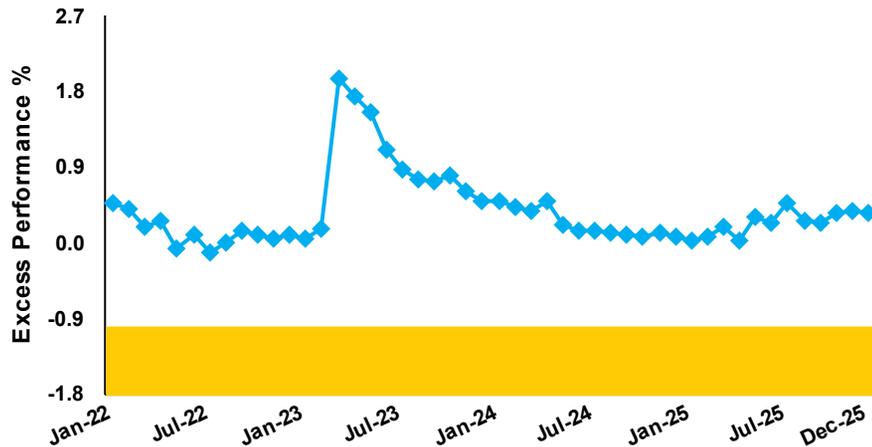
Probationary Threshold: Ramirez Core Fixed Income underperforming the benchmark (Blmbg. U.S. Aggregate Index) by -1.5%.

#### Long Term - VRR



Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.98 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

#### Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: Ramirez Core Fixed Income underperforming the benchmark (Blmbg. U.S. Aggregate Index) by -1.0% for six consecutive months.

#### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Ramirez Core Fixed Income	7.9	5.0	0.1
Blmbg. U.S. Aggregate Index	7.3	4.7	-0.4
eV US Core Fixed Inc Rank	13	44	22

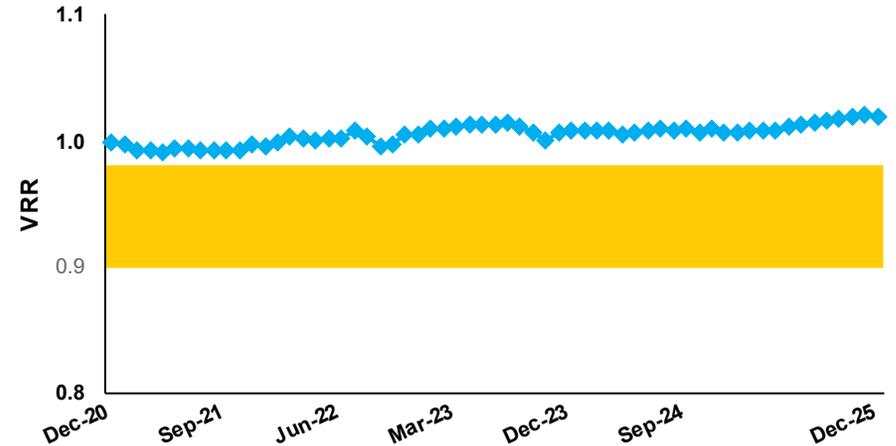
#### Monitoring Status

-

## Oakland Police and Fire Retirement System

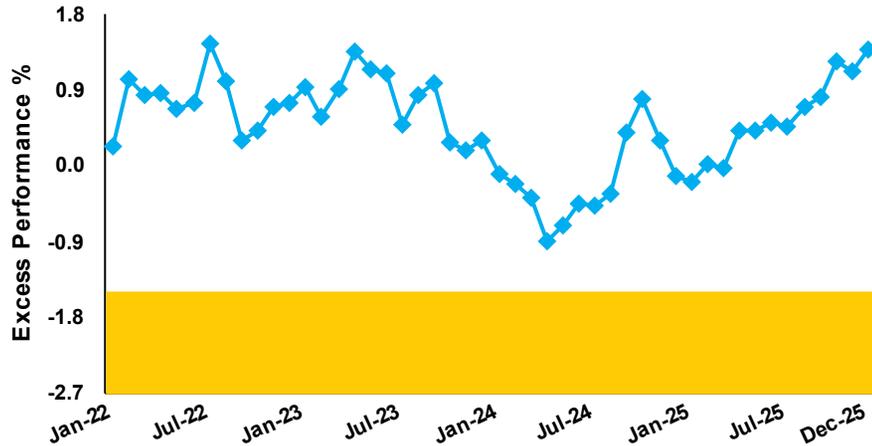
Reams Core Plus | As of December 31, 2025

Long Term - VRR



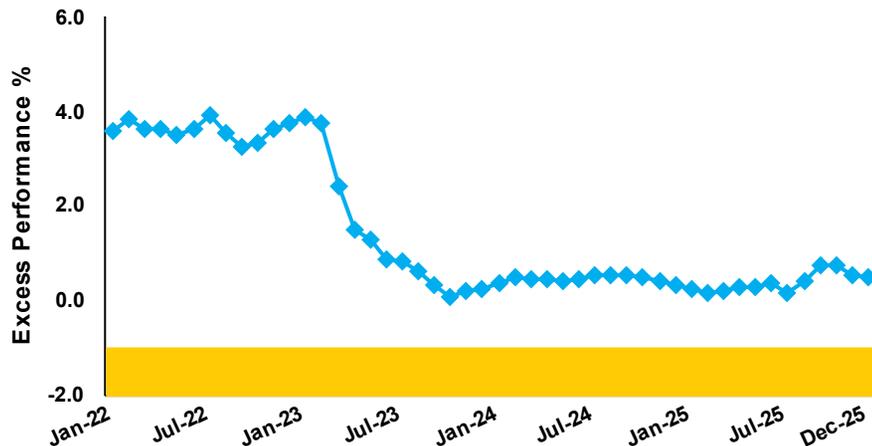
Probationary Threshold: 5-year Value Relative Ratio (VRR) <0.98 for six consecutive months. VRR is the ratio of the cumulative return of the manager over that of the benchmark.

Short Term - Rolling 12-Month Excess Return



Probationary Threshold: Reams Core Plus underperforming the benchmark (Fixed Income Benchmark (Blend)) by -1.5%.

Medium Term - Rolling 36-Month Excess Return



Probationary Threshold: Reams Core Plus underperforming the benchmark (Fixed Income Benchmark (Blend)) by -1.0% for six consecutive months.

### Portfolio Performance Summary

	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Reams Core Plus	8.7	5.7	0.4
Fixed Income Benchmark (Blend)	7.3	5.1	0.0
eV US Core Plus Fixed Inc Rank	8	46	44

### Monitoring Status

-

# Appendix

### Additional Information

**Performance Return Types:** Performance shown is net of fees, except for OPFRS Total Plan, Domestic Equity, and International Equity Composites, which have a mix of gross and net of fees performance. Performance shown for OPFRS Total Plan and International Equity composite is gross of fees prior to January 2016. Performance shown for Domestic Equity composite is gross of fees prior to January 2017.

**Inception Date:** Since inception date and performance begin in the month following an investments initial funding.

**Fiscal Year:** Fiscal year begins on July 1.

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

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.