



Reporting Item

BOARD OF DIRECTORS

May 16, 2023

ITEM

Retirement Plan – First Quarter 2023

PURPOSE

To Report the Retirement Plan Fund's First Quarter 2023 Performance Results

FACTS

- The Retirement Plan Fund market value at the end of the first quarter was \$1.11 billion. This compares to the market value at the beginning of the quarter of \$1.06 billion. During the quarter, employee contributions were \$4.99 million and OPPD contributions totaled \$15.10 million. Benefit payments totaled \$27.93 million, and the investment market value (net of expenses) was \$50.72 million.
- As of March 31, 2023, the Retirement Fund asset allocation was 53.3% Equity, 32.8% Fixed Income and 13.9% Alternative Assets, which is within the Investment Policy Guidelines approved by the Board.
- The Retirement Plan Fund sector performance (net of fees) was:

| Sector | Market Value | Quarterly Return | Index |
|-------------------------------|---------------------------|------------------|-------------|
| Domestic Equity | \$331,373,181.00 | 5.7% | 6.0% |
| International Equity | \$257,693,997.00 | 8.8% | 6.0% |
| Domestic Fixed Income | \$317,157,797.00 | 3.0% | 3.1% |
| Global Fixed Income | \$45,036,348.00 | 2.4% | 2.2% |
| Private Real Estate | \$93,898,239.00 | -1.0% | -3.3% |
| Private Credit ⁽¹⁾ | \$59,464,790.00 | — | — |
| Total | \$1,104,624,351.00 | 4.6% | 4.1% |

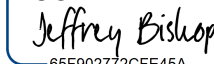
⁽¹⁾ Private Credit Managers have not reported 3-31-2023 return data as of this reporting.

- The Domestic Equity Composite returned 5.7% where growth significantly outperformed value as the Financial and Energy sectors lagged compared to other sectors. Large cap stocks outperformed small caps. The International Equity Composite returned 8.8%. Emerging markets experienced positive results during the quarter.


The Domestic Fixed Income Composite returned 3.0%. Despite another interest rate increase by the Fed, all sectors delivered positive quarterly returns. The Global Fixed Income Composite returned 2.4%. The U.S. dollar depreciated relative to the yen, pound, and euro.

The Real Estate Composite returned -1.0%. Total returns were positive in the Alternatives, Industrial, and Retail sectors. The Office sector continued to have the largest value declines, reflective of uncertain long-term tenant demand.

RECOMMENDED:


65E902772CEE45A
 Jeffrey M. Bishop
 Vice President and Chief Financial Officer

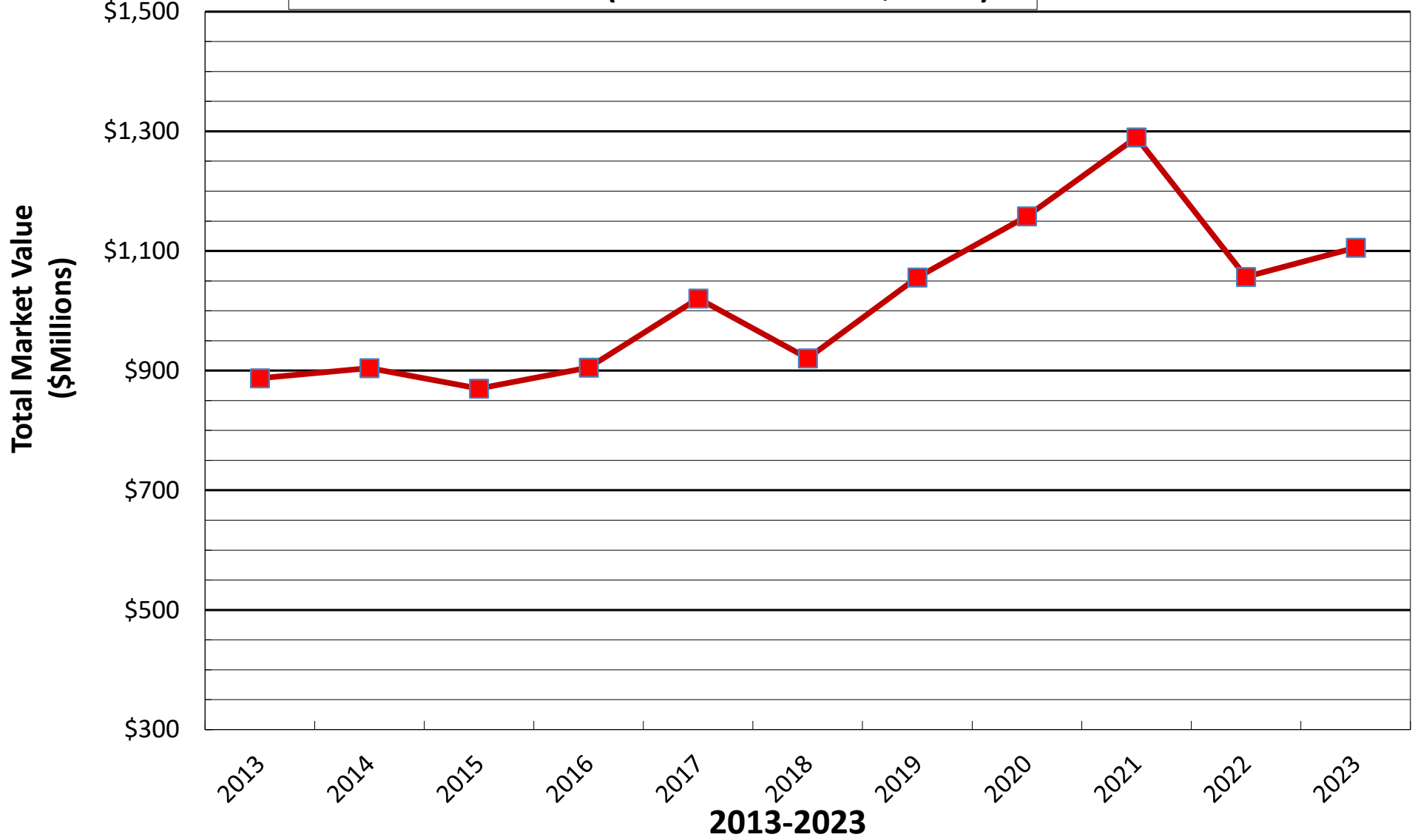
APPROVED FOR REPORTING TO BOARD:


AC399FDCE56247E...
 L. Javier Fernandez
 President and Chief Executive Officer

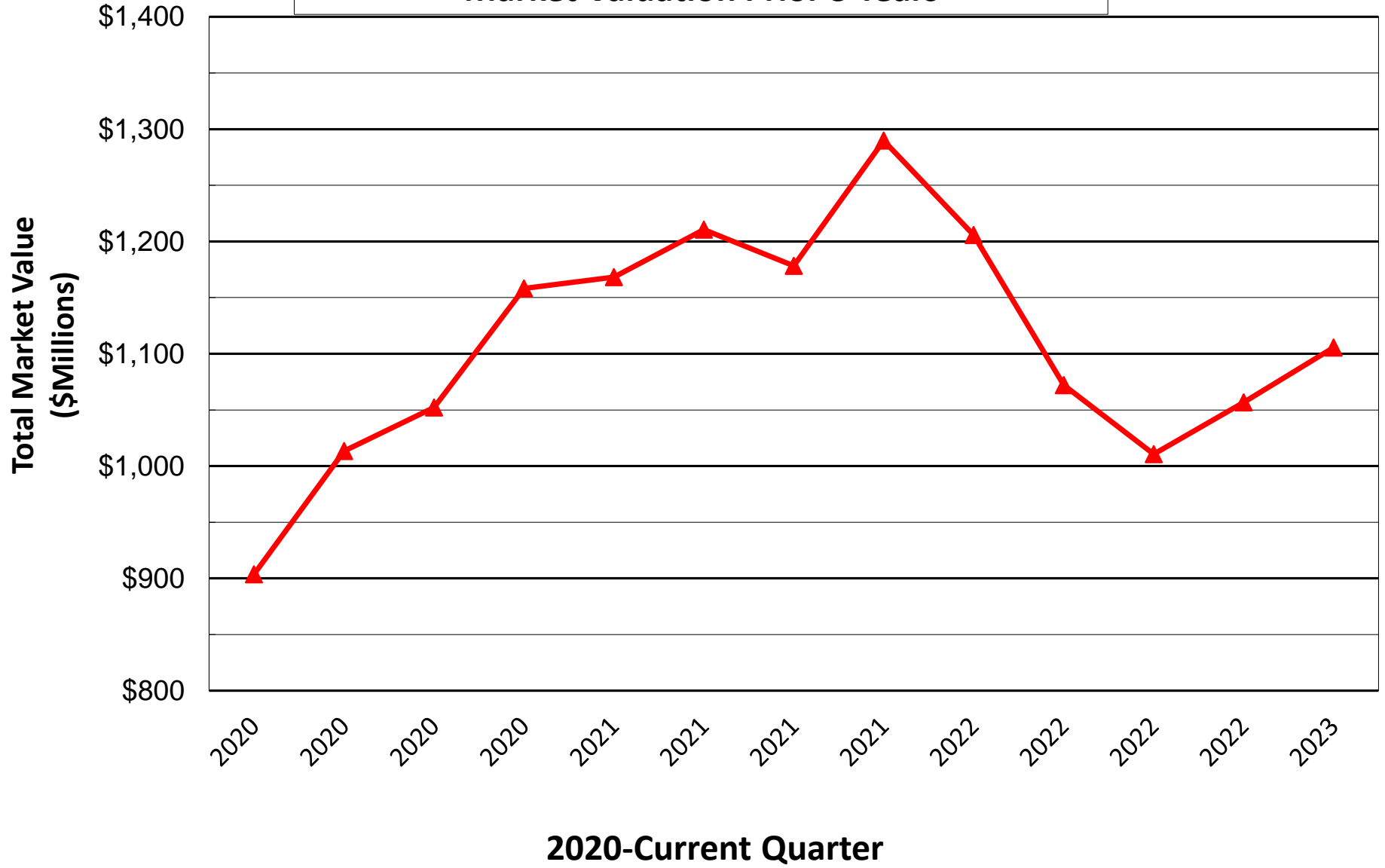
JMB: jap

Attachments: Summary of OPPD Retirement Plan Assets
 OPPD Retirement Plan Total Assets – Annual Market Valuation Graph
 OPPD Retirement Plan Total Assets – Quarterly Market Valuation Graph

OPPD Retirement Plan Total Plan Assets - Annual Market Valuation (2013 to Current Quarter)



**OPPD Retirement Plan Total Plan Assets - Quarterly
Market Valuation Prior 3 Years**



**SUMMARY OF OPPD RETIREMENT PLAN ASSETS
AS OF MARCH 31, 2023**

Manager Valuations, Distributions and Returns

| | FUND TYPE | TOTAL VALUATION | PERCENT OF FUND | NET OF FEES RETURNS | | DIFFERENCE ABOVE/(BELOW) YTD INDEX | |
|---|--|-----------------------------|----------------------------|------------------------|--------------|--|-------|
| | | | | QUARTERLY | YEAR-TO-DATE | | |
| <u>EQUITY MANAGERS:</u> | | | | | | | |
| Domestic Large Capitalization | | | | | | | |
| | State Street Global Advisors Russell 1000 | Index/Core Equity | 199,048,662.60 | 18.0% | 7.5% | 7.5% | 0.0% |
| Domestic Middle Capitalization | | | | | | | |
| | Wellington Management Company LLP | Core/Growth | 69,948,081.95 | 6.3% | 3.9% | 3.9% | 0.1% |
| Domestic Small Capitalization | | | | | | | |
| | LSV Asset Management | Small Capitalization Value | 32,166,705.98 | 2.9% | -0.3% | -0.3% | 0.4% |
| | Frontier Capital Management | Small Capitalization Growth | 30,209,730.00 | 2.7% | 7.8% | 7.8% | 1.7% |
| International | | | | | | | |
| | Global Apha Fund | Small Cap. International | 44,258,305.00 | 4.0% | 8.9% | 8.9% | 4.0% |
| | MFS International Equity | International Equity | 97,144,556.81 | 8.8% | 10.0% | 10.0% | 1.5% |
| | OppenheimerFunds, Inc./Invesco | Emerging Markets | 54,919,327.51 | 5.0% | 11.3% | 11.3% | 7.3% |
| | Wells Capital Management | Emerging Markets | 61,371,807.32 | 5.6% | 4.7% | 4.7% | 0.7% |
| Subtotal Equity | | | \$ 589,067,177.17 | 53.3% | | | |
| <u>FIXED INCOME MANAGERS:</u> | | | | | | | |
| Domestic Bonds | | | | | | | |
| | JP Morgan Investment Management | Investment Grade/Core | 73,012,768.35 | 6.6% | 3.3% | 3.3% | 0.2% |
| | Neuberger Berman Fixed Income LLC | High Yield | 36,195,359.96 | 3.3% | 3.1% | 3.1% | -0.5% |
| | Reams Asset Management Company | Investment Grade/Core | 76,587,714.22 | 6.9% | 3.6% | 3.6% | 0.5% |
| | State Street Global Advisors - Bond Market Index | Investment Grade Index/Core | 84,263,682.88 | 7.6% | 3.1% | 3.1% | 0.1% |
| | State Street Global Advisors - TIPS Index | Investment Grade Index/TIPS | 27,643,942.11 | 2.5% | 3.5% | 3.5% | 0.2% |
| International Bonds | | | | | | | |
| | Stone Harbor Investment Partners L.P. | Emerging Markets | 45,029,553.92 | 4.1% | 2.4% | 2.4% | 0.2% |
| Cash | | | | | | | |
| | Trustee Cash Management Account | Cash & Cash Equivalents | 19,454,330.53 | 1.8% | | | |
| Subtotal Fixed Income | | | \$ 362,187,351.97 | 32.8% | | | |
| <u>ALTERNATIVE ASSETS MANAGERS</u> | | | | | | | |
| | Harrison Street Real Estate Capital | Private Real Estate | 47,416,748.00 | 4.3% | -0.3% | -0.3% | 3.0% |
| | PGIM Real Estate | Private Real Estate | 46,481,491.00 | 4.2% | -1.8% | -1.8% | 1.5% |
| | Corbin ⁽¹⁾ | Private Debt Fund | 11,060,869.93 | 1.0% | NA | NA | NA |
| | Neuberger Berman ⁽¹⁾ | Private Debt Fund | 48,403,920.46 | 4.4% | NA | NA | NA |
| Subtotal Alternative Assets | | | \$ 153,363,029.39 | 13.9% | | | |
| TOTAL | | | \$ 1,104,624,351.00 | 100.0% | 4.6% | 4.6% | 0.5% |
| <u>Asset Allocation</u> | | | | | | | |
| EQUITY ALLOCATION | | | \$ 589,067,177.17 | 53.3% | | | |
| FIXED INCOME ALLOCATION | | | \$ 362,187,351.97 | 32.8% | | | |
| ALTERNATIVE ASSETS ALLOCATION | | | \$ 153,363,029.39 | 13.9% | | | |
| | | | \$ 1,104,624,351.00 | 100.0% | | | |

⁽¹⁾ Private Credit Managers have not reported 3-31-2023 return data as of this reporting.