



Ohio Police & Fire Pension Fund

POPULAR ANNUAL REPORT

FOR YEAR ENDED DECEMBER 31, 2022

WELCOME TO YOUR PENSION FUND

In 1965, the Ohio General Assembly created the Ohio Police & Fire Pension Fund (OP&F) to provide pension and disability benefits to the state's full-time police officers and firefighters, along with survivor benefits. OP&F's first headquarters opened in 1967 and the first benefit checks were mailed in January of that year.

As one of five public retirement systems in Ohio, OP&F has established a financially secure pension fund that operates on an actuarial reserve basis. The system's disability benefit program and the investment portfolio management have routinely been recognized for excellence.

For more than 54 years, OP&F has played a central role in assuring a secure and dignified retirement for those men and women who have served Ohio ably and bravely. Today, OP&F serves more than 29,000 active members and nearly 30,000 retirees and their beneficiaries.



MISSION

Securing the future for Ohio's police and firefighters.



VISION

The Ohio Police & Fire Pension Fund will continue to be a leader and model among retirement systems, providing peace of mind to our members and a level of service that exceeds expectations.



CORE VALUE

Three core values guide the Ohio Police & Fire Pension Fund in its daily work:

- » **Prudence.** OP&F will make prudent decisions while delivering our benefit services, selecting our investment strategies and executing our operational practices.
- » **Integrity.** The integrity of our organization is based on accuracy, credibility and ethical conduct at all times.
- » **Empathy.** OP&F will respond in an appropriate and timely manner with respect and honesty to all inquiries from every audience.

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MESSAGE FROM THE EXECUTIVE DIRECTOR



The Ohio Police & Fire Pension Fund must keep a constant eye on the future in order to prepare to pay promised benefits regardless of other circumstances. In 2022, that was highlighted by the work we put in with our elected officials at the Ohio Statehouse.

In late 2021, a bill was introduced that would modernize the pension contributions that help fund our system. The proposed changes would have increased the employer share of contributions for the first time since 1986 and established stability to our long-term funding. In the end, the bill ran out of time and House Bill 512 did not pass before the end of the legislative session. However, much was accomplished and we continue to push forward for these vital changes. We succeeded in educating much of the General Assembly to our funding dilemma. Efforts continue in 2023, and will continue until a solution is found.

The issue is our funding formula. Police employers pay 19.5 percent towards a member's pension, while fire employers pay 24 percent. Though actuarial experts have pointed out these unequal rates are unsustainable, no legislative action has been taken for nearly 40 years.

The National Association of State Retirement Administrators released a study of public safety retirement systems that shows the average employee contribution for non-Social Security retirement plans (like OP&F) is 10 percent, OP&F members pay 12.25 percent. The average employer rate for these plans is 26.4 percent. OP&F employers pay 21.69 percent when combined. It is clear that it is time for a change, and we will continue to fight for a strong funding basis for our membership.

OP&F pays out \$135 million each month in benefits, while contributions from members and employers bring in \$78 million. The gap must be made up with investment returns. The current economic environment makes these returns very difficult to reach.

Our commitment remains to provide first class customer service and deliver promised benefits on time to our retirees and survivors. Despite changing investment market conditions, our members need not worry about their pension, disability or survivor benefits arriving in their accounts every month. We also continue to make improvements to our systems and operations in order to provide the service and benefits Ohio's first responders deserve.

Please enjoy this annual report for 2022, which highlights our achievements and challenges moving forward.

Sincerely,

A handwritten signature in black ink that reads "Mary Beth Foley".

Mary Beth Foley, Esq.
OP&F Executive Director

BOARD OF TRUSTEES



The governing body of OP&F is the Board of Trustees. The Board adopts rules for administration of the pension system. With input from executive staff, employees and professional consultants, the Board makes decisions that position the organization's future to ensure a reliable source of retirement income for our members. The Board's chief responsibilities include:

- » Adopting administrative rules and policies for the operation of the investment program
- » Approving and disapproving disability grants and retirement applications and applications for the Ohio Public Safety Officers Death Fund benefits
- » Approving and disapproving the appointment of external investment managers
- » Adopting the annual administrative budget
- » Reviewing annual actuarial reports and the financial audit

- » Approving a plan design and retaining an administrator to manage the health care program available to eligible retirees and their dependents

The OP&F Board consists of nine members. Six are either active or retired members and elected to four-year terms by their membership groups:

- » Two active police officers
- » Two active firefighters
- » One retired firefighter
- » One retired police officer

The Board includes three additional members with professional investment experience:

- » One appointed by the Governor
- » One appointed by the Treasurer of State
- » One appointed jointly by the Ohio Senate President and the Speaker of the Ohio House of Representatives



ROBERT E. BRITT, II

CHAIR - Active
Toledo Police
Trustee since 06/03/19
Term exp. 06/04/23



MARCO J. MILLER

VICE CHAIR - Retired
Columbus Fire
Trustee since 06/03/19
Term exp. 06/04/23



STEPHEN A. CORVI

Active
Columbus Fire
Trustee since 06/03/19
Term exp. 06/04/23



TANYA S. CZACK

Active
Parma Heights Police
Trustee since 01/04/21
Term exp. 06/02/24



JOHN R. DEAL

Active
Cincinnati Fire
Trustee since 01/04/21
Term exp. 06/02/24



MARK E. DRUM

Retired
Delaware Police
Trustee since 01/04/21
Term exp. 06/02/24

STATUTORY MEMBERS



J. DAVID HELLER

Investment Expert
Ohio Senate/House
Trustee since 12/16/08
Term exp. 11/5/24



KARIN MALONEY STIFLER

Investment Expert
Treasurer of State
Trustee since 03/04/15
Term exp. 03/04/23



CHARLES MOORE

Investment Expert
Appointed by Governor
Trustee since 06/06/17
Term exp. 09/27/24

Steel elected to represent active police officers

Brian Steel from the Columbus Division of Police was the successful candidate in the spring 2023 election for a seat on the OP&F Board of Trustees. Steel will represent active police officers for a four-year term beginning June 5, 2023. Steel replaces Robert Britt of Toledo, whose term expired in 2023.



EXECUTIVE STAFF

Members of OP&F's executive staff manage their respective departments and provide information and institutional knowledge required for the Board of Trustees to make well-informed decisions. The executive staff relies on OP&F's diverse and talented employees to develop and implement procedures and decisions guided by OP&F's mission, vision and core values to provide a dignified retirement for Ohio's first responders.



OP&F executive staff (Back row L-R): Brian O'Brien, Information Technology Director; Mary Beth Foley, Executive Director; Ted Hall, Chief Investment Officer; Jennifer Harville, Member Services Director; David Graham, Communications Director; (Front row L-R): Scott Miller, Chief Financial Officer; Caren Sparks, Chief Audit Executive; Keisha Proctor, Human Resources Director; Pam Vest-Boratyn, Deputy Executive Director; John Danish, General Counsel.

OP&F STAFF



**OP&F's headcount allocation is 142 fulltime staff that work in one of five departments:
Administration, Member Services, Information Technology, Finance and Investment.**

ADMINISTRATION

The OP&F Administration Department serves a number of key groups, including members, the Board of Trustees, elected officials, the media and other OP&F Departments. Areas within Administration include:

- » Communications
- » Human Resources
- » Internal Audit
- » Legal
- » Procurement
- » Operations
- » Records, Imaging and Mail Services

and beyond. The Benefit Payment and Compliance team administers the retiree health care program and works closely with Alight Retiree Health Solutions to ensure retirees receive the appropriate health care coverage and support they need. The Benefit Payments and Compliance Group manages the health care eligibility and enrollment processes and assigns appropriate stipend levels for funding to health reimbursement accounts.

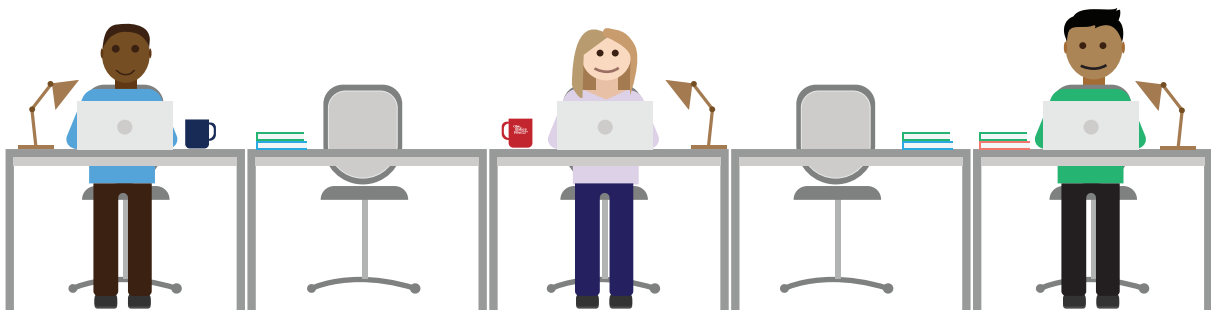
- » Benefit Payments and Compliance
- » Customer Service
- » Member Education

INFORMATION TECHNOLOGY

The Information Technology Department is responsible for computer-related equipment and associated software programs, along with the control and maintenance of telecommunications equipment and OP&F's internal help desk. IT also works to ensure that the data entrusted to OP&F remains secure.

MEMBER SERVICES

The Member Services Department supports active and retired OP&F members and their families through a Customer Service call center and Member Education team who are dedicated to answering incoming calls and conducting educational interviews and seminars to give a complete and cohesive experience to members as they transition from careers in public safety into retirement



FINANCE

The Finance Department manages OP&F's accounting, budgeting, tax, insurance and financial reporting functions, and has as its overriding concern strong financial stewardship of the contributions from our members. The department is a service provider to both our members and their employers. Additionally, the Employer Services Group oversees employer payroll reporting and is the primary contact at OP&F for employers.

- » Benefit Calculations
- » Employer Services
- » Accounting

INVESTMENT

OP&F's Investment Department consists of the Investment Management, Oversight and Operations groups. The department is charged with effectively and prudently investing and monitoring OP&F's assets to maximize total return at an acceptable level of risk while adhering to all laws, regulations and policy guidelines. The Investment staff implements and maintains the Board of Trustees' asset allocation decisions and recommends new policies and actions as appropriate.

Fiduciary performance audit shows OP&F is well run; good steward of funds

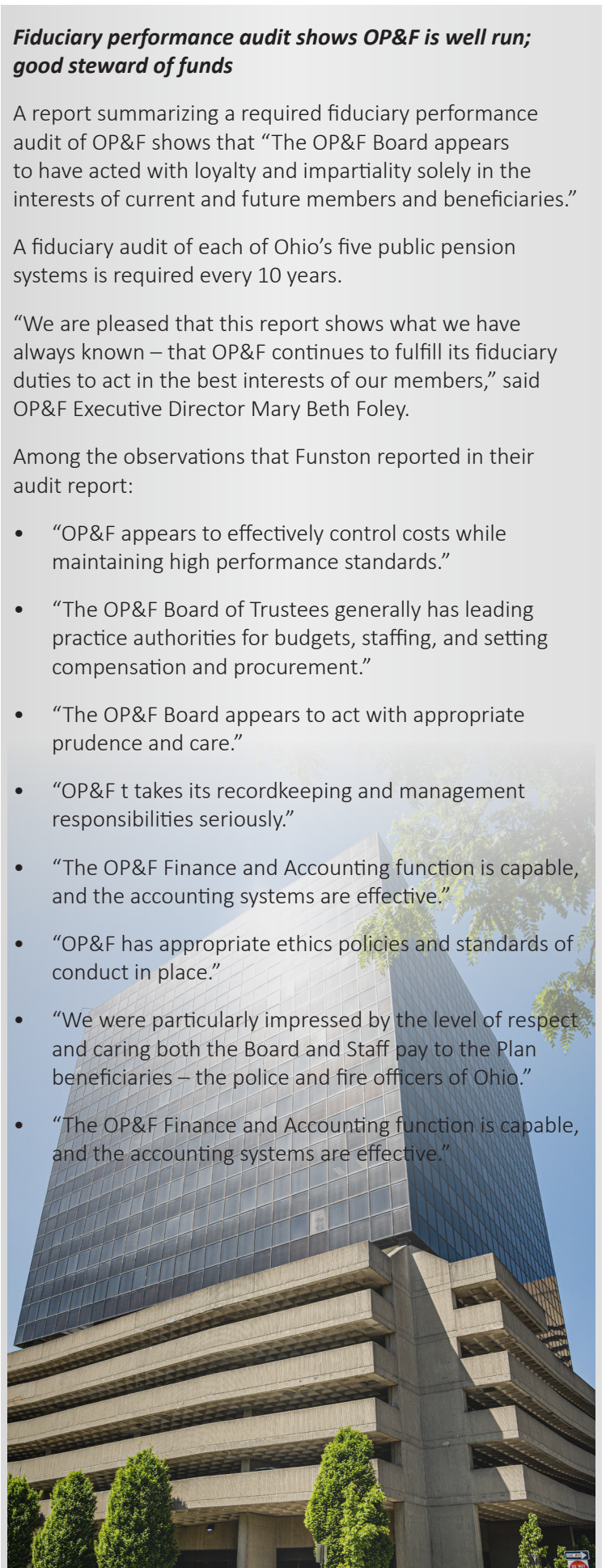
A report summarizing a required fiduciary performance audit of OP&F shows that "The OP&F Board appears to have acted with loyalty and impartiality solely in the interests of current and future members and beneficiaries."

A fiduciary audit of each of Ohio's five public pension systems is required every 10 years.

"We are pleased that this report shows what we have always known – that OP&F continues to fulfill its fiduciary duties to act in the best interests of our members," said OP&F Executive Director Mary Beth Foley.

Among the observations that Funston reported in their audit report:

- "OP&F appears to effectively control costs while maintaining high performance standards."
- "The OP&F Board of Trustees generally has leading practice authorities for budgets, staffing, and setting compensation and procurement."
- "The OP&F Board appears to act with appropriate prudence and care."
- "OP&F takes its recordkeeping and management responsibilities seriously."
- "The OP&F Finance and Accounting function is capable, and the accounting systems are effective."
- "OP&F has appropriate ethics policies and standards of conduct in place."
- "We were particularly impressed by the level of respect and caring both the Board and Staff pay to the Plan beneficiaries – the police and fire officers of Ohio."
- "The OP&F Finance and Accounting function is capable, and the accounting systems are effective."





FINANCIAL OVERVIEW

If paying promised benefits to members is our primary objective, a close second must be providing adequate means of funding these benefits.

Budgetary additions are received primarily from investment income and employer and member pension contributions. For fiscal year 2022, these additions totaled negative \$1,185.5 million compared to \$4,083.1 million in 2021, a 129.0 percent decrease. Investment market performance led to these lower than expected revenues.

OP&F has long realized that investment income can fluctuate dramatically from year-to-year, and has built its portfolio to withstand these changes and continue to operate without disruption.

OP&F's budget deductions are incurred primarily for the purpose for which OP&F was created; the payment of pension, disability and survivor benefits.

Pension benefits are funded through a combination of investment earnings and employer and member contributions. The employer contribution rates of 19.5 percent for police and 24.0 percent for fire remained unchanged in 2022. The member contribution rate was 12.25 percent for both police and fire in 2022.

Health care stipends are funded through an allocation of employer contributions and investment income. Deductions totaled \$1,660.9 million in 2022, which is a 1.8 percent increase over 2021.

In February 2022, based on market data and in consultation with OP&F's actuarial and investment consultants, the Board of Trustees reduced the actuarial assumption for the long-term expected rate of return from 8.0 percent to 7.5 percent. The long-term expected rate of return is also reviewed as part of the actuarial five-year experience study. The next review of the actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation.

In the annual actuarial report completed by Cavanaugh Macdonald Consulting, dated Jan. 1, 2022, OP&F achieved a 29-year amortization period, up from 25 years in the previous years' report. OP&F continues to be compliant with Ohio's requirement of a funding period of 30 years or less. A funding period is the amount of time it is estimated to pay off all unfunded obligations. The actuarial report also showed a funded ratio of 69.7 percent (compared to 71.2 percent in 2021). The funded ratio indicates the percentage of the actuarial value of assets available to pay off all pension obligations of the system. The lowering of the assumed rate of return to 7.5 percent was incorporated into the Jan. 1, 2022 actuarial valuation.



A major retirement bill, which is commonly known as the SECURE Act 2.0, in the end-of-year omnibus appropriations bill, cleared Congress on Dec, 27, 2022, and signed into law by President Biden. OP&F worked on many of the provisions in the SECURE Act 2.0 and also we were the originator and sponsor of the language which removed the "direct payment" requirement from the public safety officers' tax exclusion for health care.

STATEMENT OF FIDUCIARY NET POSITION

AS OF DEC. 31, 2022

The following information provides an abbreviated version of OP&F's financial statements. OP&F issued an audited Annual Comprehensive Financial Report [ACFR] for the year ending in December 31, 2022, in June 2023. The 2022 ACFR and those from other years can be downloaded from OP&F's website at www.op-f.org. *Numbers below are unaudited.

	Pensions	Post-Employment Health Care	2022 Total	Death Benefit Fund
Assets:				
Cash and Short-term Investments	\$1,319,736,254	\$64,789,780	\$1,384,526,034	\$(27,401)
Receivables:				
Employers' Contributions	52,709,098	1,206,697	53,915,795	-
Members' Contributions	30,235,413	-	30,235,413	-
Accrued Investment Income	41,198,556	2,022,560	43,221,116	-
Investment Sales Proceeds	189,408,980	9,298,651	198,707,631	-
Local Funds Receivable	16,077,596	-	16,077,596	-
TOTAL RECEIVABLES	329,629,643	12,527,908	342,157,551	-
Investments, at fair value:				
Bonds-Domestic	2,806,508,882	137,779,874	2,944,288,756	-
Bonds-International	29,502	1,448	30,950	-
Mortgage and Asset-Backed Securities	787,381,096	38,654,881	826,035,977	-
Stocks-Domestic	3,910,870,609	191,996,278	4,102,866,887	-
Stocks-International	2,133,720,413	104,750,685	2,238,471,098	-
Real Estate	1,839,811,077	90,321,801	1,930,132,878	-
Private Debt	411,945,973	20,223,654	432,169,627	-
Private Equity	1,393,634,070	68,417,644	1,462,051,714	-
Real Assets	898,497,413	44,109,912	942,607,325	-
Master Limited Partnerships	453,560,168	22,266,619	475,826,787	-
Derivatives-Domestic	(175,750)	(8,628)	(184,378)	-
Derivatives-International	1,023,779	50,260	1,074,039	-
TOTAL INVESTMENTS	14,636,807,232	718,564,428	15,355,371,660	-
Collateral on Loaned Securities	498,174,046	24,456,847	522,630,893	-
Capital Assets, net of accumulated depreciation, where applicable:				
Land	3,200,000	-	3,200,000	-
Building and Improvements	8,899,151	-	8,899,151	-
Furniture and Equipment	47,537	-	47,537	-
Computer Software and Hardware	8,850,455	-	8,850,455	-
TOTAL CAPITAL ASSETS, NET	20,997,143	-	20,997,143	-
Prepaid Expenses and Other	275,686	-	275,686	-
TOTAL ASSETS	16,805,620,004	820,338,963	17,625,958,967	(27,401)
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Pension and OPEB	5,853,866	-	5,853,866	-
Liabilities:				
Investment Commitments Payable	127,124,870	6,240,938	133,365,808	-
Accrued Administrative Expenses	23,523,858	-	23,523,858	-
Due to State of Ohio	-	-	-	(27,401)
Obligations Under Securities Lending	498,174,046	24,456,847	522,630,893	-
Other Liabilities	46,539,634	-	46,539,634	-
TOTAL LIABILITIES	695,362,408	30,697,785	726,060,193	(27,401)
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Pension and OPEB	8,537,162	-	8,537,162	-
FIDUCIARY NET POSITION HELD IN TRUST FOR PENSION AND POST-EMPLOYMENT HEALTH CARE BENEFITS	\$16,107,574,300	\$789,641,178	\$16,897,215,478	\$-

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED DEC. 31, 2022

The following information provides an abbreviated version of OP&F's financial statements. OP&F issued an audited Annual Comprehensive Financial Report [ACFR] for the year ending in December 31, 2022, in June 2023. The 2022 ACFR and those from other years can be downloaded from OP&F's website at www.op-f.org. *Numbers below are unaudited.

	Pensions	Post-Employment Health Care	2022 Total	Death Benefit Fund
Additions:				
From Contributions:				
Members'	\$352,964,203	\$-	\$352,964,203	\$-
Employers'	575,492,871	13,381,154	588,874,025	-
State of Ohio-Subsidies	182,678	-	182,678	-
State of Ohio-Death Benefit Fund	-	-	-	34,777,401
TOTAL CONTRIBUTIONS	928,639,752	13,381,154	942,020,906	34,777,401
From Investment Income/(Loss):				
Net Appreciation/(Depreciation)				
Value of Investments	(2,537,410,795)	(127,491,173)	(2,664,901,968)	-
Bond Interest	119,896,846	6,024,168	125,921,014	-
Dividends	87,859,591	4,414,469	92,274,060	-
Alternative Investment Income	302,028,842	15,175,316	317,204,158	-
Master Limited Partnerships Income	37,731,447	1,895,801	39,627,248	-
Other Investment Income	16,031,774	805,510	16,837,284	-
Less Investment Expenses	(55,480,506)	(2,787,596)	(58,268,102)	-
NET INVESTMENT INCOME/(LOSS)	(2,029,342,801)	(101,963,505)	(2,131,306,306)	-
From Securities Lending Activities:				
Securities Lending Income	13,665,044	686,595	14,351,639	-
Securities Lending Expense	(11,004,307)	(552,907)	(11,557,214)	-
NET INCOME FROM SECURITIES LENDING	2,660,737	133,688	2,794,425	-
Interest on Local Funds Receivable	706,219	-	706,219	-
Other Income	120,824	186,311	307,135	-
TOTAL ADDITIONS	(1,097,215,269)	(88,262,352)	(1,185,477,621)	34,777,401
Deductions:				
Service Retirement Benefits	932,368,722	-	932,368,722	-
Disability Benefits	260,063,356	-	260,063,356	-
Health Care Benefits	-	88,563,565	88,563,565	-
Survivor Benefits	101,970,902	-	101,970,902	-
Death Fund Benefits	-	-	-	34,777,401
DROP Withdrawals	238,409,694	-	238,409,694	-
Contribution Refunds	26,643,764	-	26,643,764	-
Administrative Expenses	12,574,505	235,504	12,810,009	-
Other Expenses	97,869	-	97,869	-
TOTAL DEDUCTIONS	1,572,128,812	88,799,069	1,660,927,881	34,777,401
CHANGE IN FIDUCIARY NET POSITION	(2,669,344,081)	(177,061,421)	(2,846,405,502)	-
FIDUCIARY NET POSITION - BEG OF YEAR	18,776,918,381	966,702,599	19,743,620,980	-
FIDUCIARY NET POSITION - END OF YEAR	\$16,107,574,300	\$789,641,178	\$16,897,215,478	\$ -

CONDENSED FIDUCIARY NET POSITION INFORMATION

(DOLLARS IN MILLIONS)

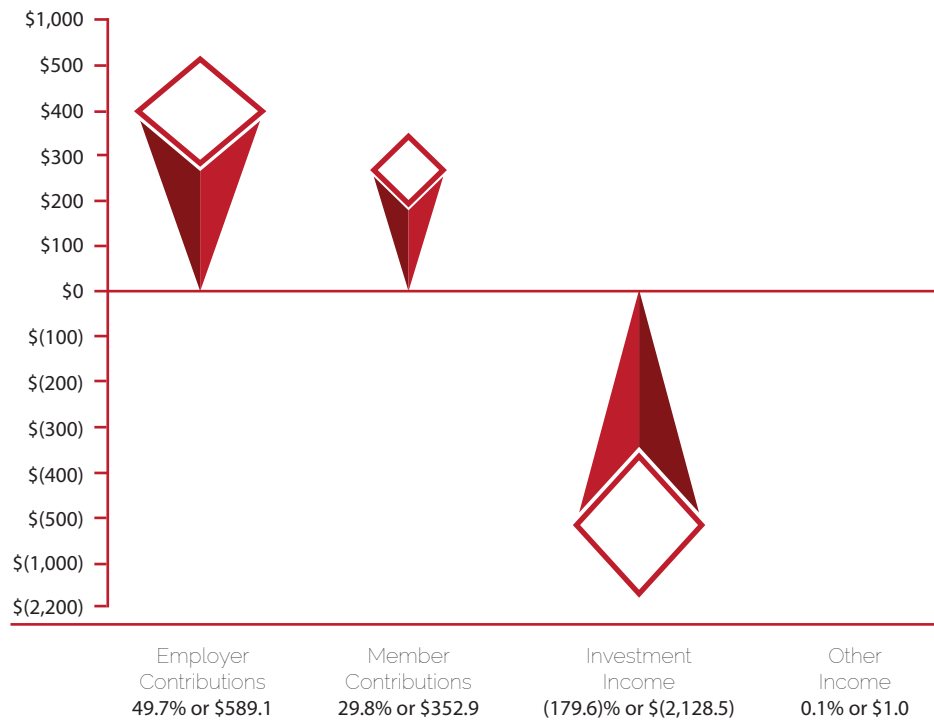
	2022	2021	2022 CHANGE	
			Amount	Percent
Cash and Short-term Investments	\$1,384.5	\$2,026.5	\$(642.0)	(31.7)%
Receivables	342.2	145.1	197.1	135.8%
Investments, at Fair Value	15,878.0	18,394.0	(2,516.0)	(13.7)%
Capital Assets, Net of Depreciation	21.0	18.4	2.6	14.1%
Other Assets	0.3	0.3	-	-%
TOTAL ASSETS	17,626.0	20,584.3	(2,958.3)	(14.4)%
DEFERRED OUTFLOWS	5.8	2.9	2.9	100.0%
Benefits and Accounts Payable	70.1	69.8	0.3	0.4%
Investments Payable	656.0	765.0	(109.0)	(14.2)%
TOTAL LIABILITIES	726.1	834.8	(108.7)	(13.0)%
DEFERRED INFLOWS	8.5	8.8	(0.3)	(3.4)%
FIDUCIARY NET POSITION, END OF YEAR	\$16,897.2	\$19,743.6	\$(2,846.4)	(14.4)%

CONDENSED CHANGES IN FIDUCIARY NET POSITION INFORMATION

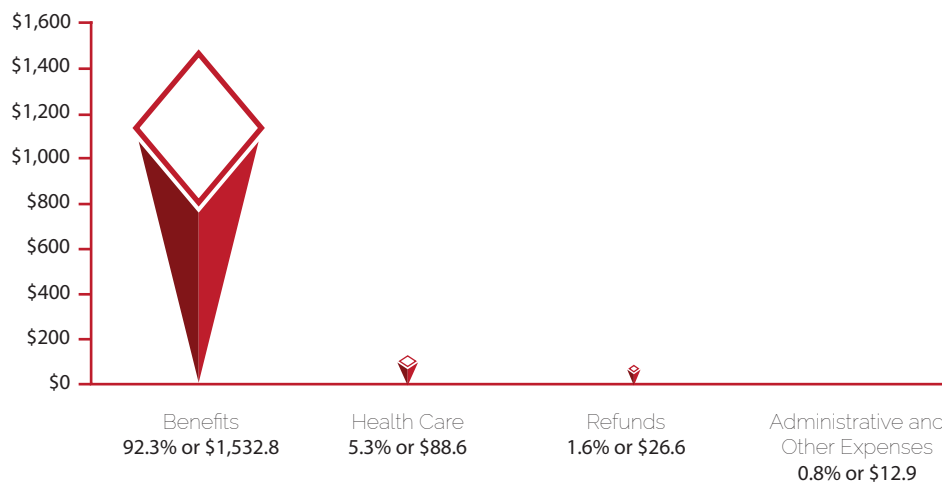
(DOLLARS IN MILLIONS)

	2022	2021	2022 CHANGE	
			Amount	Percent
Contributions	\$942.0	\$889.1	\$52.9	5.9%
Net Investment Gain/(Loss)	(2,128.5)	3,192.8	(5,321.3)	(166.7)%
Other Additions	1.0	1.2	(0.2)	(16.7)%
TOTAL ADDITIONS	(1,185.5)	4,083.1	(5,268.6)	(129.0)%
Benefits	1,621.4	1,598.2	23.2	1.5%
Refunds	26.6	24.1	2.5	10.4%
Administrative Expenses and Other	12.9	9.9	3.0	30.3%
TOTAL DEDUCTIONS	1,660.9	1,632.2	28.7	1.8%
Net Increase/(Decrease)	(2,846.4)	2,450.9	(5,297.3)	(216.1)%
Fiduciary Net Position, Beginning of Year	19,743.6	17,292.7	2,450.9	14.2%
FIDUCIARY NET POSITION, END OF YEAR	\$16,897.2	\$19,743.6	\$(2,846.4)	(14.4)%

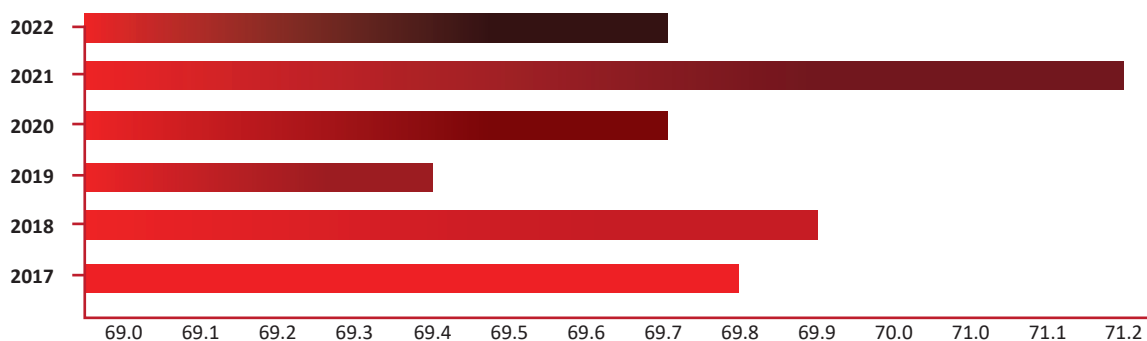
2022 ADDITIONS (DOLLARS IN MILLIONS) \$(1,185.5)



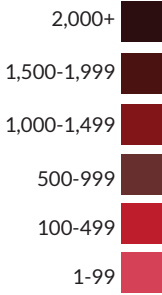
2022 DEDUCTIONS (DOLLARS IN MILLIONS) \$1,660.9



FUNDING RATIO



(BY COUNTY)



10 LARGEST OP&F EMPLOYERS

		Covered Employees	% of total covered members
1	City of Columbus	3,896	13.2%
2	City of Cleveland	2,295	7.7%
3	City of Cincinnati	1,902	6.4%
4	City of Toledo	1,287	4.3%
5	City of Akron	880	3.0%
6	City of Dayton	696	2.3%
7	City of Canton	354	1.2%
8	City of Springfield	287	1.0%
9	City of Youngstown	260	0.9%
10	City of Hamilton	242	0.8%
	All Others	17,519	59.1%
TOTAL		29,618	100.0%

OP&F manages its investments with a long-term view in order to help ensure retirement security for Ohio's police and firefighters. With this goal squarely in our sights, ample diversification and an appropriate level of risk are not only strategies, but mandates in order to meet our obligations.

The total portfolio, on a trade date basis, was valued at \$16.85 billion at the end of 2022, down from \$19.71 billion at the end of 2021. Within OP&F's portfolio, very weak absolute returns in U.S. equity, Non-U.S. equity, U.S. TIPS and core fixed income were offset by strong returns in midstream energy infrastructure and real estate. The magnitude of the weak returns in the aforementioned asset classes, along with their weights within the total portfolio, combined to deliver a negative total portfolio return in 2022.

For calendar year 2022, the total portfolio's investment return was negative 8.73 percent gross of fees, and negative 9.38 percent net. The portfolio did out-perform the policy index return of negative 10.79 percent.

Despite last year's negative absolute performance, OP&F experienced good relative peer group performance. The total portfolio's 2022 results ranked in the 14th percentile of Wilshire's All Public Plans – Total Fund Universe, while the three-year, five-year and 10-year results ranked in the 10th, 8th and 10th percentiles, respectively, of that same peer universe.

With 2022's result, OP&F's three-year annualized gross of fees return now stands at 6.25 percent, and 5.56 percent net, while the five-year annualized gross of fees return is 6.76 percent, and 6.08 percent net. OP&F's 10-year gross of fees return is 8.24 percent, and 7.62 percent net.

The strong outperformance versus the policy index in 2022 kept OP&F's three-year relative return above the policy index return of 4.45 percent for the same period, while OP&F's five-year return also beat the policy return of 5.25 percent. The 10-year return also bested the policy return of 6.78 percent.

BUILDING IMPROVEMENTS

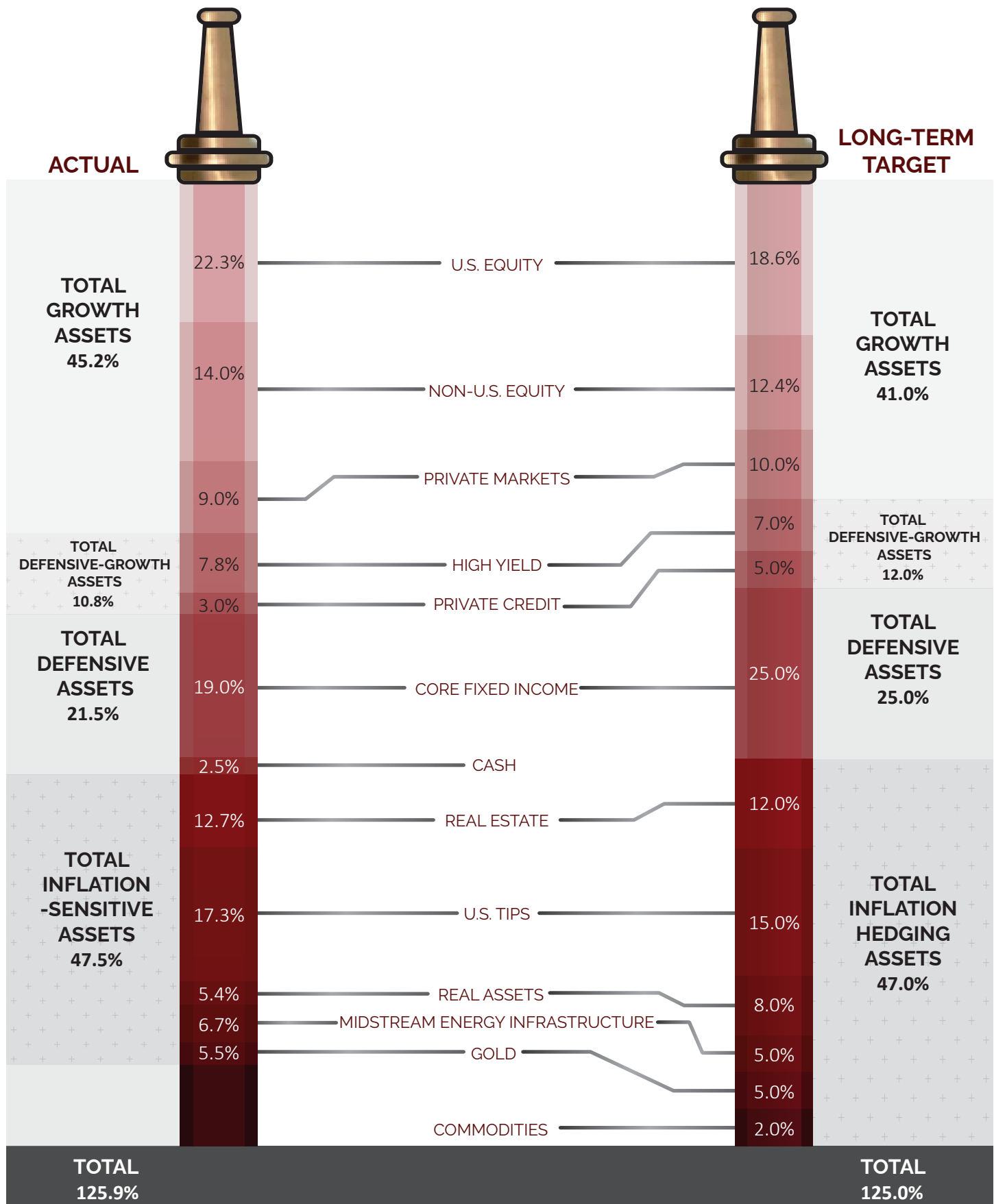
Our headquarters at 140 E. Town Street in downtown Columbus received a facelift in 2022 with several improvements designed to modernize and improve security in our workplace and to make our offices a more inviting place for our guests.

New carpet was installed throughout all floors, while painting, lighting, and bathroom remodels were completed. Additionally, the Board room was remodeled and new audio-visual equipment was installed. Police and fire-themed walls were designed and installed on the 7th floor to create a more inviting experience for our members who visit.

As part of our security improvements, cameras were installed in the lobbies on each floor and outside the building and additional security was added in our garage.

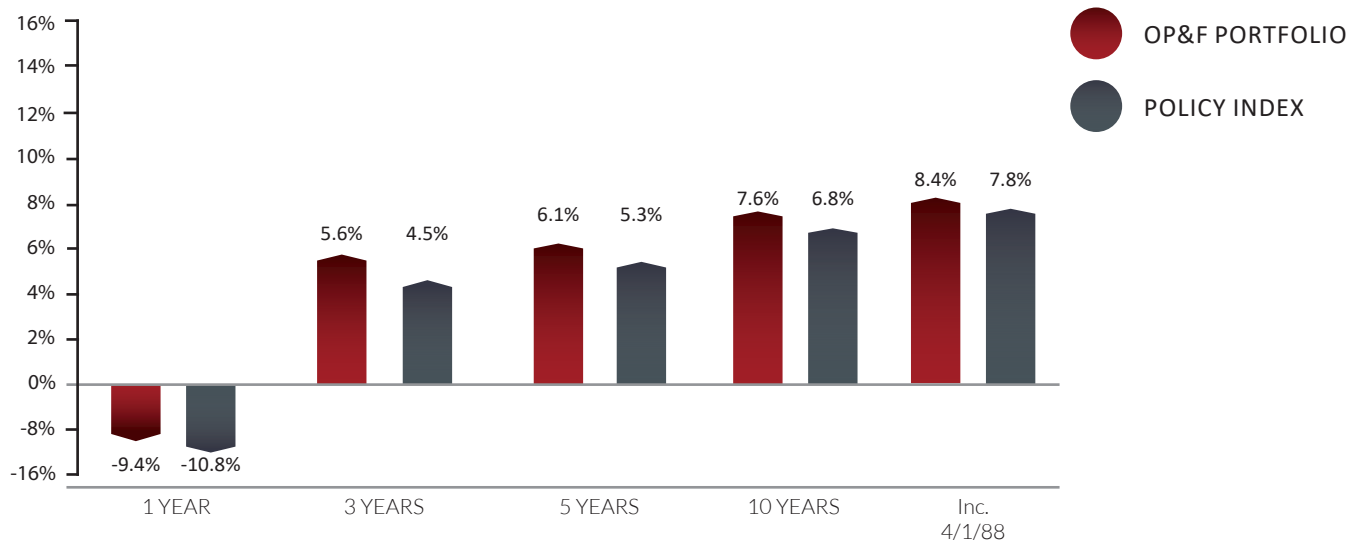


ASSET ALLOCATION (AS OF 12/31/2022)

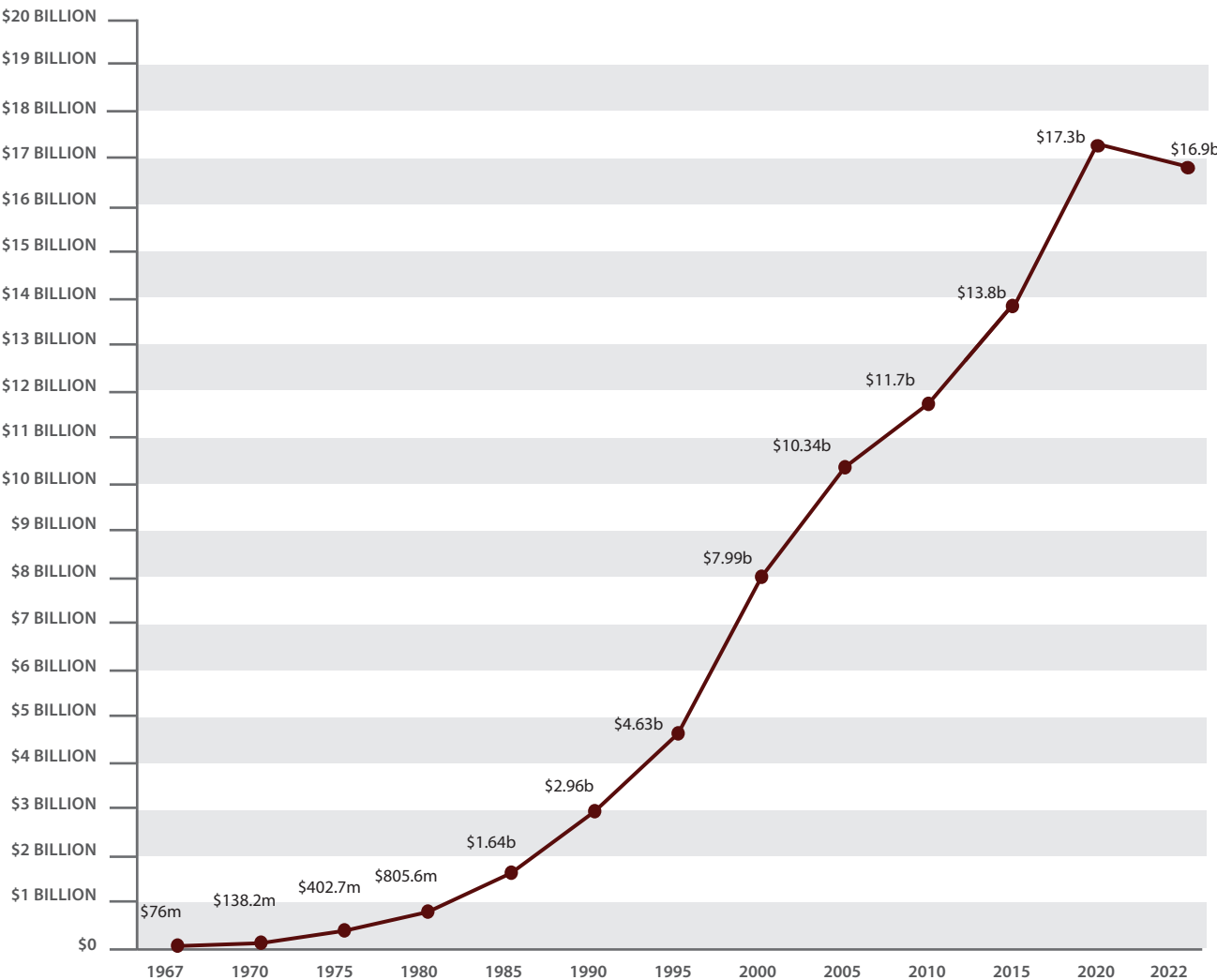


The total portfolio has long term target allocations that total 125% due to the implementation of leverage in core fixed income and U.S. Inflation linked bonds and the implementation approach for gold.

FUND PERFORMANCE (NET OF FEES)



INVESTMENT PORTFOLIO = GROWTH (AS OF 12/31/2022)





OP&F

MEMBERS

Serving the needs of our membership is more than ensuring benefits payments are made on time. Each department at OP&F serves our members in different ways, from customer service to benefit calculations. Ongoing initiatives include:

- Each year OP&F hosts a series of in-person seminars and live webinars for members who are nearing retirement eligibility. These seminars and webinars feature information on qualifying for retirement, calculation of benefits, retiree health care information and annuity and survivor options. A recording of a webinar is available online for viewing throughout the year.
- OP&F's retiree health care partners, Alight and YSA, introduced a new mobile app in 2022 that assists with managing a member's health reimbursement arrangement (HRA). The Your Spending Account Reimburse Me app can be downloaded to Apple or Android devices for free through the Apple App Store or Google Play. The Reimburse Me app makes it easier to access, view, and manage individual HRAs, get quicker reimbursements, and find answers.
- OP&F continues to sponsor assistance for low-income retirees and their families to receive additional support to pay for health care expenses. The Low-Income Stipend Increase program provides a 30 percent increase in the health care stipend for those who qualify.

Retiree health care

OP&F provides eligible benefit recipients with a stipend-based health care program and collaborates with the Alight Retiree Health Exchange to administer a Health Reimbursement Arrangement (HRA) that retirees may use to offset the cost of medical plan premiums and expenses. Alight provides these retirees with support and offers greater choice and affordability to make personalized buying decisions based on their current medical and prescription needs. They offer one-on-one phone and on-line support and numerous plan options that are available.

In 2022, OP&F had an average of 13,758 Medicare enrolled members, which includes retirees and surviving spouses over the age of 65, and those eligible for early Medicare. Medicare participants may choose from more than 100 national and regional insurance carriers, which includes many Medicare Advantage, Medicare Supplement and prescription drug plans.

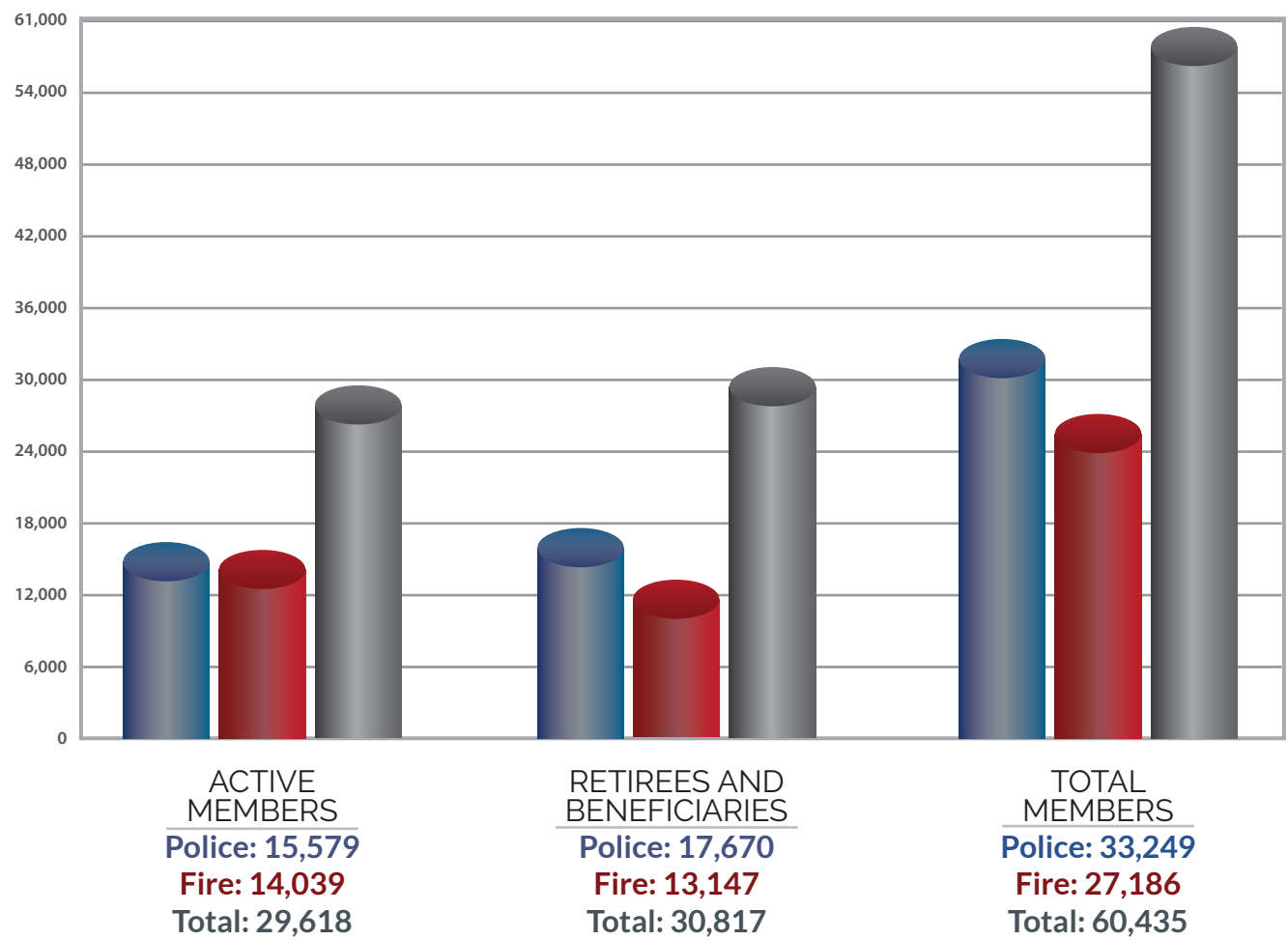
OP&F had an average of 4,258 pre-Medicare enrolled members in 2022, which includes retirees and surviving spouses under the age of 65. Pre-Medicare retirees were able to select the best individual or family plan through the individual marketplace that best fit their family's needs, including the network of providers and level of coverage.

The most recent health care actuarial study conducted as of Jan. 1, 2022, found that the health care fund's solvency is 24 years, which is above the 15 year solvency goal. OP&F will continue to offer retirees this elective benefit while working with members and key stakeholders to address the longer-term solvency of the health care fund for the next generation of retirees.

DROP

The Deferred Retirement Option Plan (DROP) continues to be a popular benefit enhancement for OP&F members who are eligible for the program. DROP was implemented in 2003 to allow members who are eligible for a normal service retirement to stay on the job and accumulate a lump sum of money for retirement. Participants must stay in DROP a minimum of five years and no more than eight years to realize the benefits of the plan. At the end of 2022, 4,281 members were participating in DROP, or 91.0 percent of who are eligible.

2022 MEMBERSHIP BREAKDOWN



HEALTH CARE STIPEND CHART

	Medicare Status		Monthly Medical/Rx Stipend	Monthly Medicare Part B Reimbursement	Total OP&F Monthly Support for Health Care
	Retiree	Spouse			
Retiree only:	Medicare		\$143	\$107	\$250
	Non-Medicare		\$685	\$0	\$685
Retiree + Spouse:	Medicare	Medicare	\$239	\$107	\$346
	Medicare	Non-Medicare	\$525	\$107	\$632
	Non-Medicare	Medicare	\$788	\$0	\$788
	Non-Medicare	Non-Medicare	\$1,074	\$0	\$1,074
Retiree + Dependent(s):	Medicare		\$203	\$107	\$310
	Non-Medicare		\$865	\$0	\$865
Retiree + Spouse + Dependent(s):	Medicare	Either Medicare or Non-Medicare	\$525	\$107	\$632
	Non-Medicare	Either Medicare or Non-Medicare	\$1,074	\$0	\$1,074
Surviving Spouse:	Medicare		\$143	\$107	\$250
	Non-Medicare		\$685	\$0	\$685

OP&F CUSTOMER SERVICE NUMBERS



1,330

MEMBER INTERVIEWS
CONDUCTED



46,373

CALLS ANSWERED



926

PENSION ESTIMATES
PROVIDED



1,033

EMAILS HANDLED
THROUGH "QUESTIONS"

3,369 NEW MEMBERS JOINED OP&F IN 2022



STATISTICAL INFORMATION

ACTIVE MEMBER VALUATION DATA

VALUATION AS OF JAN. 1	NUMBER OF EMPLOYERS		NUMBER OF ACTIVE MEMBERS*		AVERAGE ANNUAL SALARY		PERCENTAGE OF AVERAGE ANNUAL SALARY INCREASES		ANNUAL PAYROLL (MILLIONS)
	POLICE	FIRE	POLICE	FIRE	POLICE	FIRE	POLICE	FIRE	
2022	531	437	15,579	14,039	\$84,233	\$88,652	3.6%	4.7%	\$2,443.6
2021	527	426	15,620	13,743	81,303	84,632	2.2%	3.4%	2,381.8
2020	525	419	15,840	13,711	79,568	81,845	2.6%	2.8%	2,313.6
2019	526	408	15,630	13,457	77,544	79,579	1.5%	2.2%	2,218.0
2018	528	398	15,214	13,194	76,397	77,870	0.8%	0.4%	2,209.3
2017	530	396	15,205	12,970	75,772	77,583	3.8%	4.5%	2,180.9
2016	527	388	14,846	12,778	72,976	74,229	4.2%	4.2%	2,060.9
2015	529	388	14,919	12,850	70,033	71,228	1.9%	1.6%	1,986.6
2014	532	386	14,841	12,764	68,724	70,087	0.8%	1.0%	1,942.3
2013	531	380	14,745	12,699	68,163	69,360	1.6%	1.0%	1,913.4

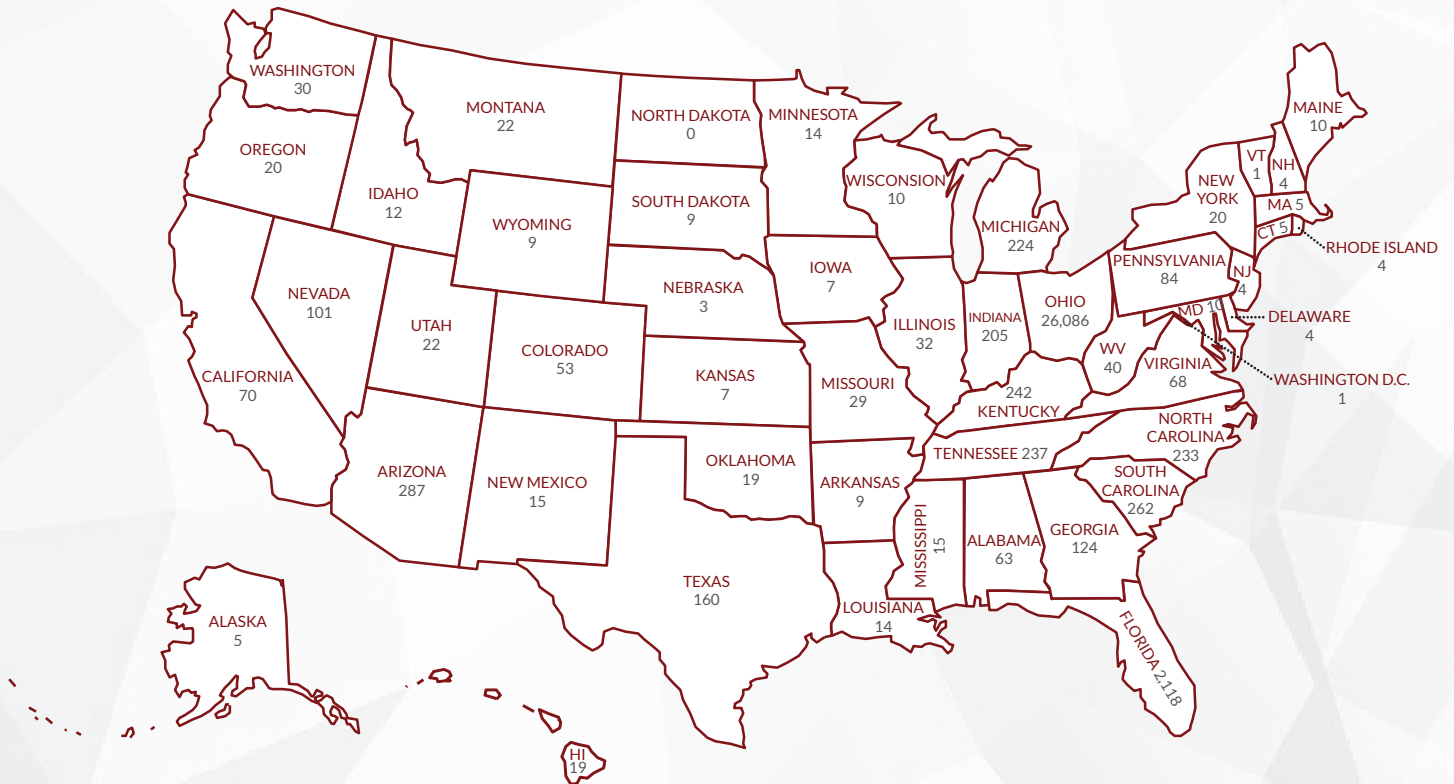
* Includes rehired retirees.

AVERAGE MONTHLY BENEFIT PAYMENTS - SERVICE RETIREMENT

FOR MEMBERS PLACED ON RETIREMENT ROLLS

YEAR	NORMAL	SERVICE COMMUTED	AGE COMMUTED	AGE / SERVICE
2022	\$4,352	\$1,661	\$-	\$2,858
2021	4,148	1,804	-	3,173
2020	3,931	1,520	-	2,773
2019	3,948	1,688	-	3,166
2018	3,859	1,445	-	3,061
2017	3,797	1,268	-	2,569
2016	3,681	1,444	-	2,724
2015	3,651	1,522	-	2,707
2014	3,606	1,698	-	2,455
2013	3,530	1,292	-	2,590

OP&F RETIREES BY STATE



ALABAMA	63	LOUISIANA	14	OKLAHOMA	19
ALASKA	5	MAINE	10	OREGON	20
ARIZONA	287	MARYLAND	10	PENNSYLVANIA	84
ARKANSAS	9	MASSACHUSETTS	5	RHODE ISLAND	4
CALIFORNIA	70	MICHIGAN	224	SOUTH CAROLINA	262
COLORADO	53	MINNESOTA	14	SOUTH DAKOTA	9
CONNECTICUT	5	MISSISSIPPI	15	TENNESSEE	237
D.C.	1	MISSOURI	29	TEXAS	160
DELAWARE	4	MONTANA	22	UTAH	22
FLORIDA	2,118	NEBRASKA	3	VERMONT	1
GEORGIA	124	NEVADA	101	VIRGINIA	68
HAWAII	19	NEW HAMPSHIRE	4	WASHINGTON	30
IDAHO	12	NEW JERSEY	4	WEST VIRGINIA	40
ILLINOIS	32	NEW MEXICO	15	WISCONSIN	10
INDIANA	205	NEW YORK	20	WYOMING	9
IOWA	7	NORTH CAROLINA	233	PUERTO RICO	1
KANSAS	7	NORTH DAKOTA	0	VIRGIN ISLANDS	3
KENTUCKY	242	OHIO	26,086	ARMED FORCES (EU-ROPE)	1

1965-2022

BOARD OF TRUSTEES

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2004-12

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GOVERNOR'S REPRESENTATIVE, 1992-
2003

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MASSILLON FIRE
1965-68, 72-81

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DAYTON POLICE
1992-98, 2000-03

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1987-91

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CLEVELAND FIRE
1969-71

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TOLEDO POLICE
2019-23

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ATTORNEY GENERAL
1970

WILLIAM J. BROWN

ATTORNEY GENERAL
1971-82

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1977-82

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ATTORNEY GENERAL
1984-90

ROGER CLOUD

AUDITOR OF STATE
1965-71

STEPHEN A. CORVI

COLUMBUS FIRE
2019-23

ANTHONY COYNE

CLEVELAND POLICE (RET)
1991-92

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GOVERNOR'S REPRESENTATIVE 1984-85

TANYA S. CZACK

PARMA HEIGHTS POLICE
2021-2023

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CINCINNATI FIRE
2021-2023

LAWRENCE J. DECK

COLUMBUS POLICE
2004-06

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CLEVELAND FIRE (RET)
2003-19

DANIEL DESMOND

TOLEDO FIRE
2014-2020

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1971-79

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76, 79, 87-91

MARK E. DRUM

DELAWARE FIRE (RET)
2021-23

LARRY M. DUKEMAN

AKRON POLICE
1979-84

MARTIN ERBAUGH

AUDITOR OF STATE'S REPRESENTATIVE
1996-98

JOSEPH R. FERGUSON

STATUTORY MEMBER
1971-74

THOMAS E. FERGUSON

AUDITOR OF STATE
1975-94

LEE I. FISHER

ATTORNEY GENERAL
1991-94

JOHN GANNON

CLEVELAND FIRE
1995-97

WILLIAM GALLAGHER

CLEVELAND POLICE, (RET)
1993-95, 98, 2000-11

KENNETH GEHRING

TOLEDO FIRE
1998-2006

DAVID L. GELBAUGH

TREASURER OF STATE'S
REPRESENTATIVE
2004-08

ANTHONY J. GORSEK

CLEVELAND POLICE
2005-07

RICHARD GRABILL

SPRINGFIELD FIRE
1971-74

DAVE HARKER

DAYTON FIRE
1996-2003

KATHLEEN HARRELL

CINCINNATI POLICE
2006-11

SCOTT HUFF

CLEVELAND POLICE
2011-15

RICHARD J. HAUCH

CINCINNATI FIRE
1983-87

J. DAVID HELLER

GENERAL ASSEMBLY'S
REPRESENTATIVE
2008-23

RAYMOND B. JORDAN*

SPRINGFIELD POLICE
1969-76

ELMER J. KHAL

CLEVELAND FIRE
1980-94

SCOTT K. MAYNOR

LYNDHURST FIRE
2006-10

VIRGIL F. MCDANIEL, JR.

DAYTON POLICE
1988-94

WILLIAM J. MCNEA

CLEVELAND POLICE
1977-87

LAWRENCE P. MILLER

STOWE POLICE
1987-91

MARCO J. MILLER

COLUMBUS FIRE, RETIRED
2019-23

BETTY MONTGOMERY

ATTORNEY GENERAL
1995-2003;
AUDITOR OF STATE
2004

EDWARD L. MONTGOMERY

COLUMBUS POLICE
2008-20

CHARLES O. MOOR

GOVERNOR'S REPRESENTATIVE 2018-23

JEFFERY MOORE

WEST CHESTER FIRE
2014-19

DAVID J. OWSIANY

TREASURER OF STATE
2012-14

PATRICK J. PATTON

CLEVELAND FIRE, (RET)
1979, 97-98, 2000-02

TIMOTHY P. PATTON

CLEVELAND POLICE
2015-19

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SHAKER HEIGHTS FIRE
2004-14

CHARLES PETRO

LAKEWOOD POLICE
1965-67

JAMES PETRO

AUDITOR OF STATE
1995-2003;
ATTORNEY GENERAL
2004

GEORGE F. RABE

MARIEMONT FIRE
1965-70

DANIEL F. ROSS

BUCYRUS FIRE
1995

SCOTT D. ROULSTON

GOVERNOR'S REPRESENTATIVE, 2014-
2017

TOM RAVE

CINCINNATI FIRE
1994-95

WAYNE D. RUGH
COLUMBUS POLICE
1971

WILLIAM B. SAXBE
ATTORNEY GENERAL
1965-68

LAWRENCE SCHMOLT
CINCINNATI FIRE
1974-77

EDWARD SCHUELE
GOVERNOR'S REPRESENTATIVE
1965-71

BRIAN A. STEEL
COLUMBUS POLICE
2023

ROBERT M. SHIELDS
COLUMBUS FIRE
1981-94

JOHN P. STANLEY
GOVERNOR'S REPRESENTATIVE
1969-70

KARIN MALONEY STIFLER
TREASURER OF STATE
2015-23

JOSEPH S. VOSS
CINCINNATI FIRE, (RET)
1987-91

JOHN WAINSCOTT
CINCINNATI POLICE (RET)
2011-20

JOSEPH WALTER
TOLEDO FIRE
1991-98

KEVIN M. WATTS
LANCASTER FIRE, (RET)
2002

CLARK WESTFALL
AKRON POLICE
1995-99

PATRICK WHITE
CLEVELAND POLICE
1991-95

GERALD R. WILLIAMS
GENERAL ASSEMBLY'S
REPRESENTATIVE
2004-08

DAVID A. WITNER
CUYAHOGA FALLS FIRE
2010-14

STEVE YOUNG
MARION POLICE
1995-99

EXECUTIVE DIRECTORS

MARY BETH FOLEY
2021 - PRESENT

JOHN J. GALLAGHER, JR.
2013-2021

WILLIAM J. ESTABROOK
2001-2012

ALLEN J. PROCTOR
1997-2001

WILLIAM J. ESTABROOK
1996-1997

HENRY E. HELLING
1988-1996

L. PAUL ROSS
1974-1988

FRANKLIN A. KROPP
1966-1974

**Served as a trustee as both an active and retired member.*





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Police
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