

**Ohio Police & Fire Pension Fund  
MINUTES**

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**Board of Trustees  
140 East Town Street, Columbus, Ohio  
February 26, 2020**

Call to Order: The meeting was called to order at 1:00 p.m. Chairman Desmond asked for a moment of silence for our members who have passed in the last month.

**In attendance:**

**Trustees Present:**

Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott and Desmond

**Trustees Absent:**

Corvi

**AGENDA ITEM 1:**

**Excuse Mr. Corvi**

Mr. Britt moved, and Ms. Maloney Stifler seconded a motion to excuse Mr. Corvi from the February 2020 Board meeting. The motion passed with the roll call vote as follows:

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond

Nays: None

**AGENDA ITEM 2:**

**Approval of January 2020 Minutes**

Mr. Wainscott moved, and Mr. Miller seconded a motion that the Board of Trustees approves the January 2020 Board minutes. The motion passed with the roll call vote as follows:

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond

Nays: None

**AGENDA ITEM 3:**

**Executive Director's Report**

Talking Points for the Executive Director 2/26/2020

**PORTFOLIO UPDATE**

- As of 2/25: \$15.97 billion
- End of January value: \$16.26 billion
- End of December value: \$16.36 billion

**BILLS INTRODUCED**

- Three separate bills were introduced recently at the Statehouse regarding Ohio's retirement systems, including OP&F
- We are working with ORSC and our own legislative consultants to answer questions and inform elected officials of the consequences regarding the legislation

**TRUSTEE ELECTIONS**

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---

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- Petitions and other required items for those interested in the upcoming Board elections are on the website
- We will be electing trustees this spring representing active police, active fire and retired police
- April 6 is the deadline to turn in petitions and other paperwork for potential candidates

**AGENDA ITEM 4 – INVESTMENT COMMITTEE/BOARD TALKING POINTS**

Mr. Heller read the Investment Committee/Board talking points:

Items discussed or reviewed:

- Mr. Robinson commented on the January month-end portfolio values, significant cash movements and year-to-date investment performance.
- Wilshire Associates presented the Investment Performance Report for periods ended December 31, 2019 as well as the Private Equity & Private Credit Program Analysis for periods ended September 30, 2019.
- Townsend presented the Real Estate Performance Review and the Real Assets Performance Review for periods ended September 30, 2019.

Motions Approved:

- The Board approved Staff's and Townsend's recommendation to commit up to \$75 million to iCON Infrastructure Fund V.
- The Board approved Staff's and TorreyCove's recommendation to commit up to \$20 million to Altaris Fund V, L.P.
- The Board approved Staff's and TorreyCove's recommendation to commit up to \$20 million to Francisco Fund VI.
- The Board approved the investment manager rating recommendations for Causeway, PGIM Core Fixed Income and Loomis Sayles Core Fixed Income.

**AGENDA ITEM 5 – DISABILITY COMMITTEE**

Mr. Montgomery read the Disability Committee talking points and motions:

Items discussed or reviewed:

- Staff presented the 2019 Disability Exam Satisfaction Survey Results for the second half of the year.

Motions approved:

- The Committee voted to approve the Disability Committee Minutes for January 21, 2020.
- The Committee recommended the Board approve the three (3) Death Benefit Fund cases.
- The Committee recommended the Board approve the six (6) initial determination hearings.
- There were no reconsiderations for this month.

**Initial Determination Hearings**

Mr. Montgomery moved and Mr. Britt seconded a motion that the Board approves the Committee recommendations for the six (6) initial determination of disability for the members as identified in the initial determination hearings list presented to the Board on February 26, 2020. The motion passed with the roll call vote as follows:

**Ohio Police & Fire Pension Fund  
MINUTES**

---

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February 26, 2020**

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond  
Nays: None

**No Reconsideration Hearings for the month of February 2020**

**Appeal Hearings**

Mr. Montgomery moved and Mr. Wainscott seconded a motion that the Board approves the recommendation for the five (5) appeal hearing for the members as identified in the appeals list presented to the Board on February 26, 2020. The motion passed with the roll call vote as follows:

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond  
Nays: None

**Death Benefit Fund Hearings**

Mr. Montgomery moved and Mr. Britt seconded a motion that the board makes a determination for the member requesting a death benefit. The motion passed with the roll call vote as follows:

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond  
Nays: None

**Reporting Waivers**

Mr. Montgomery moved and Mr. Miller seconded a motion that the Board waives the mandatory medical evaluation and filing of annual earnings statements for future years for the members identified in the disability reporting waivers list presented to the Board on February 26, 2020. The motion passed with the roll call vote as follows:

Ayes: Britt, Heller, Maloney Stifler, Miller, Montgomery, Moore, Wainscott, and Desmond  
Nays: None

**AGENDA ITEM 6 – FINANCE COMMITTEE**

Mr. Moore read the Finance Committee Talking Points:

Items discussed or reviewed:

- The committee reviewed the 4<sup>th</sup> Quarter Budget to Actual Report for 2019;
- The Status of Past Due Employers Report was presented by Mr. Adkins with specific comments regarding City of London Fire and Police, and Oakwood Village Police reporting issues.

Motions Approved:

- The Committee approved the December 3, 2019 Finance Committee minutes.

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MINUTES**

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**AGENDA ITEM 7: GOVERNMENTAL AFFAIRS & POLICY COMMITTEE:**

Mr. Miller read the GAPC Talking Points

Items discussed:

The Committee was updated on the following legislative items:

- Federal legislation;
- Apple Creek and Maumee's contributions payments;
- The introduction of legislation sponsored by Representatives Kelly and Ghanbari:
  - HB 514/ to require the state retirement systems to broadcast board meetings;
  - HB 515 / to require the boards of the state retirement systems to disclose certain financial information on alternative investments;
  - HB 516/ to prohibit the state retirement systems doing business with former state retirement system employee, officer, or board member;
- OP&F's ongoing meetings with legislators regarding these bills. Last week we met with Sen. Craig, Rep Kelly along with Rep Grendell; and
- House and Senate session schedule this election year.

**AGENDA ITEM 8:**

Other Business

Mr. Montgomery read a portion of an email regarding the investment portfolio dated February 24, 2020:

"...as of December 31, 2019, OP&F's 10-year trailing return was 9.2% net of fees vs. the Fund's benchmark return of 8.4%, resulting in 80 bps (0.8%) of excess return earned by taking very calculated risks in the areas of the portfolio where we have greater confidence of achieving outperformance. Additionally, the 8.4% benchmark return can be thought of as the return we would have achieved if we had invested in a passive manner, i.e., in an index fund, for each of our asset classes. Again, please note that, even after paying fees, OP&F's portfolio beat this passive benchmark by 0.8% on an annualized basis over the past 10-year period.

OP&F's 10-year return ranked in the top 4 percent in a universe of 433 public funds, which means OP&F's portfolio outperformed 96% of those funds. OP&F's 5-year return ranked in the top 7 percent in a universe of 500 public funds, outperforming 93% of those funds over the 5 years. OP&F accomplished these strong five-year returns while taking lower absolute risk than 70% of those same 500 public funds, resulting in a risk-adjusted return, or Sharpe Ratio, of 1.14, which is higher than 94% of the same 500 funds.

OP&F's investment philosophy and approach were developed with and continue to evolve under a risk management mindset. OP&F continually evaluates new investment ideas with an eye toward improving our risk/reward tradeoff, while at the same time being mindful of associated costs. The results of those efforts are noted above. Lastly, OP&F's portfolio has done its job in terms of meeting return requirements by handily outperforming the actuarially assumed rate of return. Our total costs of investing of about 60 basis points is not excessive generally or in comparison to peers. Our operating costs are the lowest of the five systems."

**AGENDA ITEM 9:**

Address Audience

None

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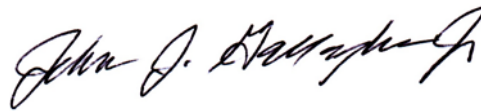
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**AGENDA ITEM 10:**

Adjournment

Chairman Desmond announced that the retirees would meet immediately following today's Board meeting adjournment. The next board meeting will be held on **Wednesday March 25, 2020 around 1:00 p.m.** The meeting adjourned at 1:13 p.m.



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John J. Gallagher Jr.  
Executive Director

**Board materials provided:**

1. Disability Committee Materials.
2. Finance Committee Materials.
3. Governmental Affairs & Policy Committee Materials
4. General Counsel Materials
5. Investment Committee/Board Materials.
6. FYI Section: Pending and Pre-Approved Trustee Travel Report; 4<sup>th</sup> Qtr. 2019 Travel Expense Review.
7. Chart of Motion Practice: FYI.
8. Administration Appendix Materials.
9. Investment Appendix Materials.
10. Member Service Appendix Materials.
11. Executive Director Report Dated 2/26/2020.
12. Disability Committee Motions: Initial Determination Hearings; No Reconsideration Hearings; Appeal Hearings; Death Benefit Fund Hearings and Reporting Waivers.

**Handouts:** February 2020 Disability Committee, Finance Committee, Governmental Affairs & Policy Committee and Investment Committee/Board Talking Points.