

Ohio Police & Fire Pension Fund
MINUTES

Investment Committee/Board
140 East Town Street, Columbus, Ohio
February 23, 2022

Call to Order: The meeting was called to order at 9:38 a.m.

In Attendance:

Committee Members/Trustees: Britt, Czack, Deal, Drum, Heller, Moore and Corvi

Absent 2/23/2022: Maloney Stifler and Miller

Excuse Trustees: Mr. Corvi moved and Mr. Drum seconded a motion to excuse Ms. Maloney Stifler and Mr. Miller from the February 23, 2022 meeting. The motion passed with the roll call vote as follows:

Ayes: Britt, Czack, Deal, Drum, Heller, Moore and Corvi

Nays: None

Staff: Abankwah, Danish, Eichhorn, Eramo, Foley, Galstan, Graham, Hall, Hampton, Harville, Holodnak, Jordan, Luke, Miller, O'Brien, Sparks, Thompson, Weston.

Others Present: David Lindberg from Wilshire; Jeff Leighton from Townsend; Matt Coyne from Aksia TorreyCove; Jeff Bernard from ORSC; Rich Gammill and Jonathan Logan from Proterra Investment Partners.

INVESTMENT COMMITTEE/BOARD

ITEM A: Approve the January 26, 2022 Investment Committee/Board Minutes – 2022 02 001 IC:

Mr. Corvi moved and Ms. Czack seconded a motion to approve the January 26th, 2022 Investment Committee/Board minutes. The motion passed with the roll call vote as follows:

Ayes: Britt, Czack, Deal, Drum, Heller, Moore and Corvi

Nays: None

ITEM B: Monthly Portfolio Valuation Update – Mr. Hall provided an update on the OP&F investment portfolio. OP&F's total investment portfolio value ended January 2022 at \$19.02 billion with an estimated return of -1.84% year-to-date.

ITEM C: Capital Market Assumptions – Wilshire discussed their capital market assumptions for the 5, 10 and 30 year period and expected returns relative to OP&F's current Policy portfolio. As the projections serve as the basis of our assumed rate of return (ARR) of 8%, the Board should consider lowering the ARR.

ITEM D: 4th Qtr. Performance Review – Wilshire presented the Investment Performance Report for periods ended December 31, 2021 as well as the Private Equity & Private Credit Program Analysis for periods ended September 30, 2021. Different than years past, Wilshire said the 30 year projection would no longer support the 8% ARR.

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Board of Trustees Investment Committee/Board
140 East Town Street, Columbus, Ohio
February 23, 2022

ITEM E: Manager Reviews (Causeway, Harvest, Salient, Tortoise, PGIM, Loomis Core FI) – 2022 02 002 IC – Mr. Thompson recommended the following rating recommendations: Harvest Partners – maintain a rating of “2”; Salient Partners – maintain a rating of “2”; Tortoise Advisors – maintain a rating of “2”; Causeway Capital Management – maintain a rating of “1”; PGIM Core Bond – maintain a rating of “1”; Loomis Sayles Core Bond – maintain a rating of “1”.

Mr. Heller moved and Mr. Moore seconded a motion that the Board accepts the investment manager rating recommendations of Investment Staff for Harvest, Salient, Tortoise, Causeway, PGIM and Loomis Sayles as outlined in Investment Staff’s memos to the Board dated Feb. 23, 2022. The motion passed with the roll call vote as follows:

Ayes: Britt, Czack, Deal, Drum, Heller, Moore and Corvi
Nays: None

ITEM F: Private Credit Recommendation (Proterra Credit Fund 2) – 2022 02 003 IC – Staff and Wilshire provided their analysis and investment recommendation for a capital commitment of up to \$50 million to Proterra Credit Fund 2.

Mr. Britt moved and Ms. Czack seconded a motion that the Board accepts the recommendation of Investment Staff and Wilshire for a Capital Commitment of up to \$50,000,000 to Proterra Credit Fund 2, upon the terms outlined in Investment Staff’s memorandum dated February 23, 2022 and attached supplemental materials and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with the roll call vote as follows:

Ayes: Britt, Czack, Deal, Drum, Heller and Moore
Nays: None
Abstain: Corvi

ITEM G: Private Markets Recommendation (Advent International GPE X, L.P.) – 2022 02 004 IC – Staff and Aksia TorreyCove presented their analysis and investment recommendation for a capital commitment of up to \$35 million to Advent International GPE X, L.P.

Mr. Corvi moved and Mr. Heller seconded a motion that the Board accepts the recommendation of Investment Staff and Investment Adviser for a Capital Commitment of up to \$35,000,000 to Advent International GPE X, L.P., upon the terms outlined in Investment Staff’s memorandum dated February 23, 2022 and attached supplemental materials and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with the roll call vote as follows:

Ayes: Britt, Czack, Deal, Drum, Heller, Moore and Corvi
Nays: None

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ITEM H: Open Discussion

Lower Assumed Rate of Return to 7.5% from 8% – 2022 02 005 IC – The Board has discussed the impact of capital market assumptions on the assumed rate of return (ARR) for the last several years and most recently at its October 2021 actuarial training. Capital market assumptions presented by Wilshire Consulting at the February 23, 2022 Investment Committee meeting dictate lowering the (ARR). The ARR along with all actuarial factors will be re-evaluated again in the fall. The motion passed with the roll call vote as follows:

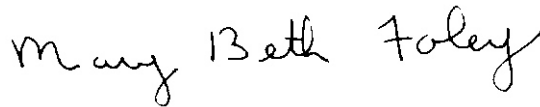
Mr. Corvi moved and Mr. Heller seconded a motion that the Board lower the assumed rate of return from 8% to 7.5% based on the capital market assumptions presented by Wilshire Consultants at the February 23, 2022 Investment Committee meeting. Ms. Maloney Stifler authorize the Executive Director to share with the Board her support of lowering the ARR based upon Wilshire's report.

Ayes: Britt, Czack, Deal, Drum, Heller, Moore and Corvi

Nays: None

ADJOURNMENT:

The Board/Committee adjourned at 11:29am.



Mary Beth Foley, Esq.
Executive Director

Materials Provided/Attached:

1. Memo from Ted Hall regarding the January 26, 2022 Investment Committee Board Meeting Minutes dated 2/23/2022.
2. January 26, 2022 Investment Committee Board Meeting Minutes.
3. Monthly Portfolio Valuation as of January 31, 2022.
4. Presentation from Wilshire regarding the Capital Market Assumptions as of 12/31/2021.
5. Presentation from Wilshire regarding the Executive Summary of Investment Performance as of 12/31/2021.
6. Presentation from Wilshire regarding the Private Equity & Private Credit Performance Analysis as of 9/30/2021.
7. Memo from Ron Thompson, Michael Abankwah and Ted Hall regarding the Investment Manager Rating Reviews dated 2/23/2022.
8. Presentation from Wilshire regarding the Manager Reviews dated February 2022.
9. Memo from Ron Thompson, Michael Abankwah and Ted Hall regarding the Proterra Investment Partners private credit recommendation dated 2/23/2022.
10. Presentation from Wilshire regarding the Proterra Credit Fund II Focus List Report dated February 2022.
11. Presentation from Proterra Investment Partners regarding the Proterra Credit Fund 2, L.P. dated February 2022.
12. Memo from Jennifer Weston and Ted Hall regarding the Advent International GPE X, L.P. private markets recommendation dated 2/23/2022
13. Memo from Aksia TorreyCove regarding Advent International GPE X dated 2/4/2022.
14. Advent International GPE X Investment Due Diligence dated January 2022.
15. Memo from Mary Beth Foley, Esq. to Lower Assumed Rate of Return to 7.5% from 8%