

Ohio Police & Fire Pension Fund
MINUTES

Board of Trustees Investment Committee/Board
140 East Town Street, Columbus, Ohio
June 20, 2018

Call to Order: The meeting was called to order at 9:05 am.

In Attendance:

Committee Members/Trustees:

Deighton, Desmond, Heller¹, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Staff:

Abankwah, Bucher, Chiancone, Eichhorn, Foley, Gallagher, Ganjehsani, Graham, Hall, Hampton, Harville, Holodnak, Luke, McCann, Miller, O'Brien, Robinson, Sparks, Weston.

Others Present:

David Lindberg, Felicia Bennett and Joanna Bewick of Wilshire Associates; Martin Rosenberg and Jeff Leighton of the Townsend Group; Michelle Davidson and Matt Coyne from TorreyCove Capital Partners; Jeff Bernard from ORSC.

ITEMS 1: NOMINATION OF VICE CHAIR POSITION:

In accordance with OP&F's Board Governance Policy, every year the Board of Trustees shall hold nominations and elections for the Vice Chair position. The Vice Chair shall be nominated from the "retiree members" of the Board. A Board trustee must have served at least one full year as a member of the Board to be eligible for election to an officer position.

Mr. Patton moved and Moore seconded a motion to nominate John Wainscott as *Vice Chair* of the Ohio Police & Fire Pension Fund Board of Trustees.

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM 2: FY 2017 EXTERNAL AUDIT PRESENTATION

Ms. Terry Bowe, reported that for the year ended December 31, 2017, summarized Ohio Police & Fire Pension Fund certain matters required by professional standards regarding their oversight responsibility for Ohio Police & Fire Pension Fund's financial reporting process. (See RMS Preliminary Draft Report dated June 2018)

INVESTMENT COMMITTEE/BOARD – 9:25 am.

ITEM A: Monthly Portfolio Valuation Update – Mr. Hall provided an update on the OP&F investment portfolio. OP&F's total investment portfolio value ended May 2018 at \$15.79 billion with an estimated return of 2.05% year-to-date.

¹ Mr. Heller departed the meeting at 11:39 am.

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ITEM B: 2018 Real Estate Investment Plan mid-Year Update – 2018 06 001 IC – Townsend presented the 2018 Real Estate Investment Plan Mid-Year Update (originally approved by the Board of Trustees in December 2017). Townsend did not recommend any changes to the 2018 Real Estate Investment Plan.

Ms. Maloney Stifler moved and Mr. Charles Moore seconded a motion that the Board accepts Townsend’s recommendation to adopt the 2018 Real Estate Investment Plan: Mid-Year Update as presented to the Board on June 20, 2018. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM C: 2018 Strategic Portfolio Review & Rebalancing – 2018 06 002 IC – Townsend presented the 2018 Strategic Portfolio Review. Based on a subjective and quantitative analysis of OP&F’s Strategic Portfolio, Townsend recommended no changes.

Ms. Maloney Stifler moved and Mr. Heller seconded a motion that the Board of Trustees accepts Townsend’s recommendation to not make any changes to OP&F’s Strategic Portfolio at this time, upon the terms outlined in Townsend’s memorandum dated June 20, 2018 and such other terms that are favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM D: 2018 Real Assets Investment Plan mid-Year Update – 2018 06 003 IC – Townsend presented the 2018 Real Assets Investment Plan mid-Year Update (originally approved by the Board of Trustees in December 2017). Townsend did not recommend any changes to the 2018 Real Assets Investment Plan.

Mr. Charles Moore moved and Ms. Maloney Stifler seconded a motion that the Board accepts Townsend’s recommendation to adopt the 2018 Real Asset Investment Plan: Mid-Year Update as presented to the Board on June 20, 2018. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM E: Private Markets Recommendation – Vista VII – 2018 06 004 IC – Investment Staff and TorreyCove presented their analysis and investment recommendation for a capital commitment of up to \$30 million to Vista Equity Partners Fund VII, LP.

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Mr. Wainscott moved and Ms. Maloney Stifler seconded a motion that the Board accepts the recommendation of Investment Staff and Investment Adviser for a Capital Commitment of up to \$30,000,000 to Vista Equity Partners Fund VII, L.P., upon the terms outlined in Investment Staff's memorandum dated June 20, 2018 and attached supplemental materials and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM F: Private Credit Investment Policy – 2018 06 005 IC – Investment Staff and Wilshire presented the Private Credit Investment Policy, which will serve as the governing document for the Private Credit allocation.

Mr. Heller moved and Ms. Maloney Stifler seconded a motion that the Board accepts the recommendation of Investment Staff and Wilshire to adopt the Private Credit Investment Policy in the form presented to the Board on June 20, 2018. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM G: Private Credit Investment Plan – 2018 06 006 IC – Investment Staff and Wilshire presented the 2018 Private Credit Investment Plan, which establishes the proposed level of investment activity for the private credit asset class from July 1, 2018 through June 30, 2019.

Mr. Charles Moore moved and Mr. Jeffrey Moore seconded a motion that the Board accepts the recommendation of Investment Staff and Wilshire Associates to target aggregate capital commitments of \$200 million to the private credit asset class for the period of July 1, 2018 through June 30, 2019, subject to market conditions. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Heller, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

ITEM H: PIMCO Platform – 2018 06 007 IC – Investment Staff requested the Board allow staff the discretion to enact changes within the PIMCO Solution in order to improve efficiency and maintain or improve the Solution's expected risk, return, and correlation metrics. Such discretion would include changing weights to existing Solution IV components, or adding or removing PIMCO strategies.

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Ms. Maloney Stifler moved and Mr. Charles Moore seconded a motion that the Board provide Investment Staff with the discretion to approve any changes to the structure of the PIMCO Solution, provided that the Solution consists of only PIMCO-managed funds, as described in Investment Staff's memo to the Board on June 20, 2018. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

Absent: Heller

ITEM I: Investment Manager Guidelines – Harding Loevner – 2018 06 008 IC – Investment Staff presented their recommended Investment Manager Guidelines for Harding Loevner International Equity.

Ms. Maloney Stifler moved and Mr. Charles Moore seconded a motion that the Board accepts the recommendation of Staff and Wilshire Associates to approve the Investment Manager Guidelines for Harding Loevner International Equity as outlined in investment staff's memo to the Board dated June 20, 2018 and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

Ayes: Deighton, Desmond, Maloney Stifler, Montgomery, C. Moore, J. Moore, Wainscott and Patton

Nays: None

Absent: Heller

ITEM J: 2018 – 2019 Investment Committee/Board Schedule – Staff provided the 2018 – 2019 Investment Committee Schedule, which was included in the Board Book for informational purposes.

ITEM K: 1st Qtr. Private Markets Report – Staff provided the 1st Qtr. Private Markets Report for periods ending March 31, 2018.

ITEM L: Open Discussion – None

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ADJOURNMENT:

The Board/Committee adjourned at 12:02 pm.



John J. Gallagher Jr.
Executive Director

Materials Provided/Attached:

1. Nomination Of Vice Chair Position memo w/motion
2. FY 2017 External Audit Presentation
3. Monthly Portfolio Valuation as of May 31, 2018.
4. Memo from the Townsend Group regarding the 2018 Real Estate Investment Plan: Mid-Year Update dated 6/20/2018.
5. Presentation from the Townsend Group regarding the 2018 Real Estate Investment Plan: Mid-Year Update dated June 2018.
6. Memo from the Townsend Group regarding the Strategic Portfolio Review dated 6/20/2018.
7. Presentation from the Townsend Group regarding 2018 Strategic Portfolio Rebalancing dated June 2018.
8. Memo from the Townsend Group regarding the 2018 Real Assets Investment Plan: Mid-Year Update dated 6/20/2018.
9. Presentation from the Townsend Group regarding the 2018 Real Assets Investment Plan: Mid-Year Update dated June 2018.
10. Memo from Jennifer Weston, Bret Luke, Jeffrey Chiancone and Ted Hall regarding Vista Equity Partners Fund VII, LP dated 6/20/2018.
11. Memo from TorreyCove Capital Partners regarding Vista Equity Partners Fund VII, L.P. dated 6/11/2018.
12. Investment Analysis from TorreyCove Capital Partners regarding Vista Equity Partners Fund VII dated 6/11/2018.
13. Memo from Ted Hall, David Robinson and Michael Abankwah regarding the Private Credit Investment Policy dated 6/20/2018.
14. Private Credit Investment Policy dated 6/20/2018.
15. Memo from David Robinson, Michael Abankwah and Ted Hall regarding the 2018 Private Credit Investment Plan dated 6/20/2018.
16. Presentation from Wilshire Associates regarding the Private Credit Pacing Analysis dated 6/20/2018.
17. Memo from David Robinson, Michael Abankwah and Ted Hall regarding PIMCO Solution dated 6/20/2018.
18. PIMCO Asset Allocation and Assumptions Tables.
19. Memo from Michael Abankwah, Dave Robinson and Ted Hall regarding Harding Loevner International Equity Manager Guidelines dated 6/20/2018.
20. Exhibit A to Investment Management Agreement by and between Harding Loevner L.P. and Ohio Police and Fire Pension Fund dated 6/20/2018.
21. Investment Committee Schedule 2018- 2019.
22. Private Markets Report as of 3/31/2018 dated 6/20/2018.