



2021 financial audit a success

OP&F has received a clean financial audit from Ohio Auditor of State Keith Faber. The audit was successfully completed in June for the year 2021. The audit opinion from RSM, an independent firm selected by the Ohio Auditor of State, concluded that OP&F finances are in order and reported in the appropriate fashion. The audit came with no recommendations for improvements.

Annual financial reports posted to op-f.org

Both the Annual Comprehensive Financial Report and the Popular Annual Financial Report have been completed and are now available on the OP&F website. The Annual Financial Report offers a detailed look at OP&F's financial and investment statements as well as member demographics. The Popular report is an overview of OP&F's financial statements and a review of pension fund activities from the past year. In addition to the 2021 reports, those for recent years are also available online.

No Board meeting in July

The OP&F Board of Trustees will not meet in July. The next scheduled meeting will be Aug. 30-31.

PORTFOLIO UPDATE

OP&F's investment portfolio value:

- Current value (6/28/22): \$17.4 billion
- End of May value: \$18.3 billion
- End of April value: \$18.3 billion

Board of Trustees Committee Notes

(Motions voted on by the Board are listed separately)

- **DISABILITY:** The Committee conducted its scheduled initial determination and appeal hearings.
- **ADMINISTRATION/AUDIT:** The Committee received an Information Technology update that included security and data protection measures at OP&F and an update on the new pension administration system upgrade. The Committee also reviewed the Risk Management Policy, Internal Audit Department Activity Charter and the 2021 Annual Audit Report for the Ohio Retirement Study Council before approving each item.
- **FINANCE:** A representative from the audit firm RSM presented results of the annual financial statement audit. The audit received a clean opinion with no audit findings. The Annual Comprehensive Financial Report with the audit opinion included will be submitted to the Auditor of State to complete the annual review. The Committee also reviewed the April 2022 financial statements and the 2023 Finance Committee schedule.
- **HEALTH CARE:** Representatives from Alight presented the 2022 individual market purchasing power analysis for Medicare and pre-Medicare participants. They discussed some of the benefits of Medicare Advantage plans and pledged to provide more education to retirees in the future. Overall, they suggested no changes are needed in the stipend levels.
- **INVESTMENT:** In addition to a review and discussion of the investment portfolio, the Board also received an update on Russian divestment efforts and the results from the Private Markets secondary sale.
- **PERSONNEL:** The Executive Director provided the Committee with an update on the succession plan implementation to date, realignment over the departments and execution of strategic goals.

Motions:

At its June 2022 meeting, the OP&F Board of Trustees approved the following motions:

- Approved the investment manager rating recommendations for Bridgewater's Global Macro and TIPS mandates. Motion passed by unanimous vote (Investment Committee).
- Approved Townsend's recommendation to commit up to \$50 million to Exeter Industrial Value Fund VI. Motion passed by unanimous vote (Investment Committee).
- Approved Townsend's rating recommendations for OP&F's Real Assets managers. Motion passed by unanimous vote (Investment Committee).
- Approved Staff's and Wilshire's recommendation to commit up to \$50 million to Comvest Credit Partners Fund VI. Motion passed by unanimous vote (Investment Committee).
- Approved Staff's and Wilshire's recommendation to make no changes to the Private Credit Investment Policy. Motion passed by unanimous vote (Investment Committee).
- Approved Staff's and Wilshire's 2022-2023 Private Credit Investment Plan. Motion passed by unanimous vote (Investment Committee).
- Approved the Ohio Retirement Study Council Annual Audit Report. Motion passed by unanimous vote (Administration/Audit Committee).

- Approved the Internal Audit Department Charter. Motion passed by unanimous vote (Administration/Audit Committee).
- Approved the Risk Management Policy. Motion passed by unanimous vote (Administration/Audit Committee).
- Approved the Administrative Rules outlined in staff's memorandum dated May 24, 2022, and authorizes the required filing of the rules with the proper agencies. Motion passed by unanimous vote (Benefits Committee).
- Approved the following from the Disability Committee (motions passed by unanimous votes):
 - Four Death Benefit Fund cases
 - Nine Initial Determination Hearings (two were disapproved)
 - Six Appeal Hearings
 - The Disability Reporting Waivers List

NEXT BOARD OF TRUSTEES MEETINGS: August 30-31, 2022