



## **OP&F sees 9.2% return for 2020**

At the Feb. 24 meeting of the OP&F Board of Trustees, general investment consultant Wilshire presented the 4th Quarter Performance Review for periods that ended on Dec. 31, 2020, showing that OP&F's portfolio saw a 9.21 percent gross return for the year. The return was above the actuarial assumed rate of return, which is set at 8.0 percent.

Wilshire's report showed that OP&F outpaced its policy benchmark (and the actuarial target) for the three, five and 10-year periods. However, while the return for the year exceeded the actuarial goal, it lagged the total portfolio policy benchmark return of 9.84 percent. Returns from the Midstream Energy Infrastructure asset class (-23.4 percent) and the relatively low target allocation to the strong-performing U.S. equity asset class compared to peer public plans were significant reasons why the returns fell short of the benchmark in 2020.

## **PORTFOLIO UPDATE**

OP&F's investment portfolio value:

- Current value (1/26/21): \$17.2 billion
- End of December value: \$17.0 billion
- End of November value: \$16.5 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.

- **FINANCE:** The Committee received and discussed the 4th Quarter 2020 Budget-to-Actual Report. The Committee was also updated on the status of the annual report from independent financial auditors.
- **ADMINISTRATION/AUDIT:** The Committee was updated on the leadership of the Ohio House and Senate with the beginning of the new General Assembly. The Committee was updated on the PTSD study required by recently passed legislation. The Committee was advised that legislation concerning OP&F's disability process that was not passed before the conclusion of the previous General Assembly is hoped to be expedited this year.
- **INVESTMENT:** Staff discussed the month-end and estimated year-end portfolio values, significant cash movements and investment performance. Wilshire, OP&F's investment consultant, presented the 4th Quarter Investment Performance Report and the Private Equity and Private Credit Program Analysis for periods that ended Sept. 30, 2020.

## **Motions:**

*At its February 2021 meeting, the OP&F Board of Trustees approved the following motions:*

- Approved Staff's recommended manager review ratings for Harvest, Salient, Tortoise, Causeway, and for the PGIM and Loomis Sayles core fixed income mandates. Motion passed by unanimous vote (*Investment Committee*).
- Approved Staff's and Wilshire's recommendation to adopt the revised Non-U.S. Equity investment structure. Motion passed by unanimous vote (*Investment Committee*).
- Approved Staff's and Wilshire's recommendation to adopt the revised Non-U.S. Equity investment structure. Motion passed by unanimous vote (*Investment Committee*).
- Approved Townsend's recommendation to commit up to \$60 million to Cortland Enhanced Value Fund V. Motion passed by a vote of 8-0, with one abstention (*Investment Committee*).
- Adopted the 2020 Annual Audit Report for the Ohio Retirement Study Council effective Feb. 23, 2021. Motion passed by unanimous vote (*Administration/Audit Committee*).
- Adopted the 2021 Annual Audit Plan effective Feb. 23, 2021. Motion passed by unanimous vote (*Administration/Audit Committee*).
- Approved the Internal Audit Charter as presented at the Feb. 23, 2021 Administration and Audit Committee meeting. Motion passed by unanimous vote (*Administration/Audit Committee*).
- Adopted the Risk Management Policy effective Feb. 23, 2021. Motion passed by unanimous vote (*Administration/Audit Committee*).
- Approved the following from the Disability Committee:
  - The recommendations for the eight Initial Determination Hearings.
  - The recommendations for one reconsideration.
  - The recommendations for two Appeal Hearings.
  - The list of waivers for mandatory medical evaluations and future filing of annual earnings statements for the members listed.

***NEXT BOARD OF TRUSTEES MEETINGS: March 30-31***

*Posted 3/4/2021*