

## **Pensions Starting To See Some Recovery In Investments**

Market rallies in recent weeks have helped Ohio's retirement systems recover somewhat in their investments from the immediate impacts of the coronavirus pandemic.

**At the Ohio Police & Fire Pension Fund, Chief Investment Officer Ted Hall told trustees Tuesday in a "good news, bad news" report that the system's portfolio is up about \$1.75 billion from its low point in mid-March.**

**The portfolio was valued at \$15.2 billion as of Monday, he said.**

**Despite that improvement, the fund is still trailing its benchmark, with a return of about minus-6.94% for January through May behind the benchmark of minus-2.94%.**

**"Our portfolio is responding. It's just that we've got to keep up with the benchmark," he said.**

**While the worst part of the crisis for markets is over, the system is still experiencing the effects of write-downs dating to the first quarter, he said. In May, that included about \$136 million in write-downs.**

**"That's something to keep in mind," he said.**

Other retirement systems have seen similar experiences, with particularly bad March returns beginning to be offset in the ensuing months.

The State Teachers Retirement System's trustees heard a report in May that the total fund's return was minus-7.7%

in March, despite an "impressive recovery" from public equity markets during the last week.

In April, the STRS total fund return rose 5.9% to an overall return through the first 10 months of the fiscal year of minus-0.2%. That figure was well below the return of about 6.5% reported at the end of January.

The School Employees Retirement System reported in May that its total fund balance as of March 31 was \$13.45 billion, down \$1.11 billion from the figure a month before. That brought its fiscal year total fund return to minus-5.7%.

SERS' return was 0.9% below the benchmark for the fiscal year at the end of March.

The board was told that its performance during the quarter was still better than 84% of pension systems monitored by consultant Wilshire Associates.

For the Public Employees Retirement System, a preliminary report presented to the board in May by consultant NEPC, reported the system's defined benefit fund had returns of minus-11.7% net of fees for the quarter.

OPERS' health care fund had returns of minus-14.6% for the quarter.

**Back to top Volume 89, Report 122, Article 4**

Greg Bennett  
Vice President of Government Affairs  
Byers, Minton & Associates