



Russia Divestment Update

OP&F continues in its divestment from Russia as quickly as possible while keeping with the fund's fiduciary duty, per a directive from the Board of Trustees.

Significant progress has been made to reduce OP&F's exposure to Russian investments. OP&F's total exposure in Russia is \$10.5 million as of April 1, down from \$59 million at the beginning of March. The value of direct holdings is \$3.9 million. These markets have been frozen, so no additional change in value is expected until those markets re-open. Other funds may report this as a "zero" exposure. In an effort to be transparent, OP&F prefers to report the last known numbers.

Since the beginning of the Ukraine crisis, OP&F managers have been under a directive to not purchase any Russian holdings. OP&F continues to be responsible to our fiduciary duty, responsibly divesting these assets as opportunities arise.

HB 512 Update

A second hearing took place March 30 with proponent testimony for Ohio House Bill 512 in front of the House Insurance Committee. Representatives from several member groups provided testimony in support of the legislation, which would increase employer contribution rates for the first time since 1986.

The bill, co-sponsored by Representatives Cindy Abrams and Brian Baldrige, seeks the increase to improve OP&F's long-term funding outlook and protect pensions for future retirees. Pressures like increased early retirements, difficulty recruiting first responders (which limits payroll growth) coupled with lower capital market assumptions, are expected to create future challenges.

The bill has the support of the OP&F Board of Trustees along with the Fraternal Order of Police of Ohio and the Ohio Association of Professional Firefighters.

Aon to re-brand to Alight this spring

OP&F retirees will notice a new logo and color scheme when they visit the website that services their Health Reimbursement Arrangements or receive mailings. Aon Retiree Health Solutions will become Alight beginning in May.

In 2021, Aon, who partnered with OP&F to provide retiree health care services, announced they were selling its Retiree Health Exchange business to Alight, who was already servicing the Health Reimbursement Arrangements for retirees eligible for the OP&F health care stipend.

For OP&F members, the acquisition is expected to be seamless. All communication will still be co-branded with OP&F to avoid any confusion.

PORTFOLIO UPDATE

OP&F's investment portfolio value:

- Current value (3/29/22): \$19.04 billion
- End of February value: \$18.97 billion
- End of January value: \$19.02 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 and also reviewed administrative rules that were due for required five-year review.
- **HEALTH CARE:** The Board/Committee received a presentation from retiree health care partner Aon, including information on their re-brand to Alight (see article above). Aon also provided data and statistics on enrollment for Medicare and pre-Medicare retirees and a stipend summary. The Committee/Board also reviewed a high level overview of the eligibility and enrollment process for Medicare participants. They reviewed the 2021 yearend report for the Health Care Stabilization Fund and a draft of the annual health care report to be submitted to the Ohio Retirement Study Council. At the request of an OP&F retiree member, the Board re-examined the stipend eligibility rules for member spouses. There are 3,578 Medicare age OP&F spouses not enrolled for a potential additional cost of \$4.1 million.
- **INVESTMENT:** In addition to a review and discussion of the investment portfolio, the Committee/Board had initial discussions with staff and OP&F investment consultant, Wilshire, on ongoing the Asset Liability Study. Also discussed was the Semi-Annual Proxy Voting Report.

Motions:

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

- Approved Staff and Wilshire's recommendation to adopt the amended Investment Policy and Guidelines. Motion passed by unanimous vote (Investment Committee).

- Approved Staff recommendation to adopt the amended Investment Manager Monitoring and Evaluation Policy. Motion passed by unanimous vote (Investment Committee).
- Approved Staff's recommended changes to the Proxy Voting Policy. Motion passed by unanimous vote (Investment Committee).
- Approved the investment manager rating recommendations for Bridgewater's Global Macro and TIPS mandates, Grosvenor Flight Fund, Russell PAO & PIO and Neuberger Berman. Motion passed by unanimous vote (Investment Committee).
- Approved Townsend's recommendation to commit up to \$50 million to EQT Exeter Industrial Core Plus Fund IV. Motion passed by unanimous vote (Investment Committee).
- Approved eight Administrative Rules as outlined in staff's memorandum dated March 29, 2022. Motion passed by unanimous vote (full Board).
 - Approved the following from the Disability Committee:
 - The recommendation for three Death Benefit Fund cases
 - The recommendations for nine Initial Determination Hearings
 - The recommendations for four Appeal Hearings were approved
 - The Disability Reporting Waivers List

NEXT BOARD OF TRUSTEES MEETINGS: April 26-27, 2022

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