

Ohio Police & Fire Pension Fund
MINUTES

Board of Trustees Investment Committee/Board
140 East Town Street, Columbus, Ohio
April 25, 2018

Call to Order: The meeting was called to order at 8:49am.

In Attendance:

Committee Members/Trustees:

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

Staff:

Abankwah, Chiancone, Eichhorn, Foley, Gallagher, Ganjehsani, Graham, Hall, Hampton, Harville, Holodnak, Luke, Miller, Robinson, Sparks.

Others Present:

David Lindberg and Craig Morton of Wilshire Associates; Martin Rosenberg and Jeff Leighton of the Townsend Group; Matt Coyne from TorreyCove Capital Partners; Jeff Bernard and Ali Yomour from ORSC; Aristotle Hutras from Aristotle Group; Peter McCarthy from PNC.

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 March 2018 at \$15.5 billion with an estimated return of -0.57% year-to-date.

ITEM B: U.S. Equity Investment Structure Review – 2018 04 001 IC – Wilshire presented their U.S. Equity Structure analysis, which identified optimal manager structures. Based on this analysis, Staff and Wilshire recommended the board adopt a manager structure that increased portable alpha from 50% to 60% of the U.S. equity allocation.

Ms. Maloney Stifler moved and Mr. Charles Moore seconded a motion that the Board adopts the U.S. Equity structure as outlined in Investment Staff’s memo to the Board dated April 25, 2018. The motion passed with roll call vote as follows:

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

Nays: None

ITEM C: Non-U.S. Equity Investment Structure Review – 2018 04 002 IC – Wilshire completed additional non-U.S. equity structure analysis following the hiring of Arrowstreet at the March board meeting. The new analysis included Arrowstreet and considered the other two finalists along with the existing managers to determine an optimal structure. Based on this analysis, Staff and Wilshire recommended hiring Harding Loevner to replace Fidelity International Growth.

¹ Mr. Heller entered the meeting at 9:19am.

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Mr. Heller moved and Ms. Maloney Stifler seconded that the Board 1) adopt the Non-U.S. Equity Structure presented, 2) hire Harding Loevner International Equity as an ACWI ex-U.S. manager, and 3) terminate Fidelity International Growth as ACWI ex U.S. manager as outlined in investment Staff's memo to the Board dated April 25, 2018. The motion passed with roll call vote as follows:

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

Nays: None

ITEM D: Amended Investment Policy & Guideline Statement – 2018 04 003 IC –

Investment Staff recommended revisions to OP&F's Investment Policy & Guidelines statement to more accurately reflect the new asset allocation policy approved last year, updated asset class investment objectives, characteristics and investment structures as well as included the new private credit allocation. The Board approved Staff's and Wilshire's recommendation to adopt changes to the Investment Policy & Guideline Statement.

Mr. Jeffrey Moore moved and Ms. Maloney Stifler seconded a motion that the Board accepts the recommendation of Investment Staff and Wilshire to adopt the Investment Policy and Guidelines statement in the form presented to the Board on April 25, 2018. The motion passed with roll call vote as follows:

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

Nays: None

ITEM E: Manager Reviews (Bridgewater TIPS, Loomis Sayles, PRIMA) – 2018 04 004 IC

– Mr. Robinson recommended the following rating actions: Bridgewater Associates TIPS mandate – maintain a rating of "2"; Loomis Sayles – maintain a rating of "1"; Prima Capital Advisors – maintain a rating of "P1".

Mr. Jeffrey Moore moved and Ms. Maloney Stifler seconded a motion that the Board accepts the investment manager rating recommendations of Investment Staff for OP&F's investment mandates with Bridgewater Associates (TIPS mandate), Loomis Sayles and Prima Capital as outlined in Investment Staff's memos to the Board dated April 25, 2018. The motion passed with roll call vote as follows:

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

Nays: None

ITEM F: 4th Quarter Real Estate Performance Review – The Townsend Group presented the Real Estate Performance and Portfolio Review for periods ended December 31, 2017.

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ITEM G: 4th Quarter Real Assets Report – The Townsend Group presented the Real Assets Performance and Portfolio Review for periods ended December 31, 2017.

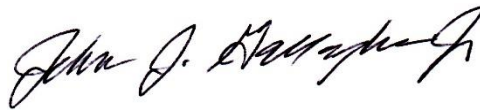
ITEM H: Open Discussion – None

ADJOURNMENT:

The Board/Committee adjourned at 10:22am.

EXECUTIVE SESSION:

Mr. Desmond moved and Mr. Patton seconded a motion to enter into executive session for the purpose of consulting counsel as well as to discuss personnel matters pursuant to ORC149.



John J. Gallagher Jr.
Executive Director

Materials Provided/Attached:

1. Monthly Portfolio Valuation as of March 31, 2018.
2. Memo from Ted Hall, Bret Luke, David Robinson and Michael Abankwah regarding the U.S. Equity Investment Structure Analysis dated 4/25/2018.
3. Presentation from Wilshire Associates regarding the U.S. Equity Structure Analysis dated 4/25/2018.
4. Memo from David Robinson, Michael Abankwah and Ted Hall regarding the Non-U.S. Equity Structure Review dated 4/25/2018.
5. Presentation from Wilshire Associates regarding the Non-U.S. Equity Structure Analysis dated 4/25/2018.
6. Memo from Ted Hall, Bret Luke and David Robinson regarding the Investment Policy and Guidelines dated 4/25/2018.
7. Ohio Police and Fire Pension Fund Investment Policy and Guidelines – Marked Version – amended 4/25/2018.
8. Ohio Police and Fire Pension Fund Investment Policy and Guidelines – Clean Version – amended 4/25/2018.
9. Memo from Michael Abankwah, David Robinson and Ted Hall regarding the Investment Manager Rating Reviews dated 4/25/2018.
10. Presentation from Wilshire Associates regarding Manager Reviews dated 4/25/2018.
11. Presentation from Townsend regarding Fourth Quarter 2017 Real Estate Performance and Portfolio Review dated April 2018.
12. Presentation from Townsend regarding Fourth Quarter 2017 Real Assets Performance and Portfolio Review dated April 2018.