

Ohio Police & Fire Pension Fund
MINUTES

Board of Trustees Investment Committee/Board
140 East Town Street, Columbus, Ohio
September 25, 2019

Call to Order: The meeting was called to order at 8:30 a.m.

In Attendance:

Committee Members/Trustees:

Britt, Corvi, Heller¹, Miller, Montgomery, Moore, Wainscott and Desmond

Absent: Maloney Stifler

Staff:

Abankwah, Duncan, Eichhorn, Foley, Gallagher, Graham, Hall, Hampton, Harville, Holodnak, Luke, Miller, O'Brien, Robinson, Weston.

Others Present:

David Lindberg and Felicia Bennett from Wilshire Associates; Jeff Leighton and Martin Rosenberg from Townsend; Matt Coyne from TorreyCove Capital Partners; David Schnadig from the Cortec Group; Dave Fazekas, Tom McGonagle and Andrea Karp from the Black Creek Group; Jeff Bernard, Ali Yongmour and Bethany Rhodes from the ORSC; Asa Derry from Treasurer of State's office; Jonathan Trummell from QED; Peter McCarthy and Rick Ille from PNC Capital Advisors.

Excuse Trustee Maloney Stifler

Mr. Desmond moved, and Mr. Montgomery seconded a motion, to excuse Ms. Maloney Stifler from the September 2019 Board meeting. The motion passed with the roll call vote as follows:

Ayes: Britt, Corvi, Miller, Montgomery, Moore, Wainscott, and Desmond

Nays: None

Enter Executive Session

Mr. Desmond moved and Mr. Montgomery seconded a motion to enter into executive session pursuant to R.C. 121.22(G) (3) to conference with general counsel concerning pending or imminent court action. The motion passed with the roll call vote as follows

Ayes: Britt, Corvi, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

Exit Executive Session

Mr. Desmond moved and Mr. Montgomery seconded a motion exit executive session and continue with today's scheduled committee meetings, Benefits Committee, Investment Committee and Health Care Committee. The motion passed with the roll call vote as follows

Ayes: Britt, Corvi, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

¹ Mr. Heller entered the meeting at 8:45 a.m.

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INVESTMENT COMMITTEE/BOARD 10:06 am.

ITEM A: Monthly Portfolio Valuation Update – Mr. Luke provided an update on the OP&F investment portfolio. OP&F’s total investment portfolio value ended August 2019 at \$15.68 billion with an estimated return of 10.39% year-to-date.

ITEM B: Private Credit Manager Reviews – 2019 09 001 IC – Mr. Robinson recommended the following rating actions: Capital Spring Partners V – maintain a rating of “P1”; GSO Capital Partners – maintain a rating of “P1”; Kohlberg Kravis Roberts & Co (KKR) – maintain a rating of “P1”; MC Credit Partners – maintain a rating of “P1”; Owl Rock Capital Corporation – maintain a rating of “P1”; Tennenbaum Enhanced Yield Fund – maintain a rating of “P1”; Tennenbaum Direct Lending Fund VIII – maintain a rating of “P1”; ArrowMark Global Opportunity Fund II – assign an initial rating of “P1”.

Mr. Moore moved and Mr. Heller seconded a motion that the Board accepts the rating recommendations of Investment Staff for OP&F’s Private Credit Investment Managers as outlined in Investment Staff’s memorandum to the Board dated September 25, 2019. The motion passed with roll call vote as follows:

Ayes: Britt, Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

ITEM C: Private Credit Recommendation (Blackrock Direct Lending Fund IX) – 2019 09 002 IC – Investment Staff and Wilshire presented their analysis and investment recommendation for a capital commitment of up to \$50 million to the Blackrock Direct Lending Fund IX.

Mr. Heller moved and Mr. Moore seconded a motion that the Board accepts the recommendation of Investment Staff and Wilshire to make a Capital Commitment of up to \$50,000,000 to Blackrock Direct Lending Fund IX upon the terms outlined in Investment Staff’s memorandum dated September 25, 2019 and attached supplemental materials and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

Ayes: Britt, Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

ITEM D: Investment Manager Rating Reviews (Bridgewater GM, MacKay Shields HYAC) – 2019 09 003 IC – Staff recommended the following rating actions: Bridgewater Associates (Global Macro Overlay Account) - maintain a rating of “2”; MacKay Shields (High Yield Active Core Account) - downgrade to a rating of “2”.

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Mr. Moore moved and Mr. Heller seconded a motion that the Board accepts the investment manager rating recommendations of Investment Staff for OP&F's Bridgewater Global Macro and MacKay Shields HYAC mandates as outlined in Investment Staff's memos to the Board dated September 25, 2019. The motion passed with roll call vote as follows:

Ayes: Britt, Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

ITEM E: Real Estate Recommendation (Black Creek Industrial Fund) – 2019 09 004 IC – Representatives from Black Creek Group presented their current fund offering, and Townsend provided their analysis and investment recommendation for a capital commitment of up to \$50 million to Black Creek Industrial Fund.

Mr. Heller moved and Mr. Moore seconded a motion that the Board of Trustees accepts Townsend's recommendation to commit up to \$50 million to Black Creek Industrial Fund, upon the terms outlined in Townsend's memorandum dated September 25, 2019 and such other terms that are favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

Ayes: Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: Britt

ITEM F: Real Estate Manager Reviews – 2019 09 005 IC – Townsend recommended the following rating actions: Heitman – maintain a "P1" rating; Jamestown – maintain a "P1" rating; JP Morgan – maintain a "P1" rating; LaSalle – maintain a "P1" rating; Morgan Stanley – maintain a "P1" rating; Prudential – maintain a "P1" rating; UBS Trumbull Property Fund – downgrade to a "P2" rating; AEW Partners – maintain a "P1" rating; Almanac Realty – maintain a "P1" rating; Asana Partners – maintain a "P1" rating; Blackstone RE Partners – maintain a "P1" rating; Brookfield – maintain a "P1" rating; Colony Investors – maintain a "P3" rating; Cortland Partners – assign an initial rating of "P1"; DivcoWest – maintain a "P1" rating; Exeter Property Group – maintain a "P1" rating; Fortress (Japan) – maintain a "P1" rating; Gerrity – maintain a "P1" rating; Greystar Equity Partners – maintain a "P1" rating; Heitman (Asia) – maintain a "P1" rating; Hunt Commercial Realty Partners – maintain a "P2" rating; John Hancock – maintain a "P1" rating; LoneStar – maintain a "P1" rating; Clarion (Industrial Team) – maintain a "P1" rating; Lubert Adler – maintain a "P3" rating; Aermont Capital (previously PW Real Estate) – maintain a "P1" rating; Savanna Real Estate – maintain a "P1" rating; Starwood Capital – maintain a "P1" rating; Stockbridge Capital Partners - maintain a "P3" rating; TA Associates Realty – maintain a "P2" rating; TriContinental Capital – maintain a "P3" rating; TriGate Capital – maintain a "P1" rating; USAA Real Estate – maintain a "P1" rating; VBI Brazil Real Estate – maintain a "P1" rating; Walton Street Capital – maintain a "P3" rating; Westbrook Partners – maintain a "P1" rating.

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Mr. Heller moved and Mr. Corvi seconded a motion that the Board of Trustees accepts the rating recommendations of Townsend for real estate investment managers, as outlined in Townsend's memorandum to the Board dated September 25, 2019. The motion passed with roll call vote as follows:

Ayes: Britt, Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

ITEM G: Private Markets Recommendation (Cortec VII) – 2019 09 006 IC – A representative from the Cortec Group presented their current fund offering, and Staff and TorreyCove presented their analysis and investment recommendation for a capital commitment of up to \$20 million to Cortec Group Fund VII, L.P.

Mr. Heller moved and Mr. Moore seconded a motion that the Board accepts the recommendation of Investment Staff and Investment Adviser for a Capital Commitment of up to \$20,000,000 to Cortec Group Fund VII, L.P., upon the terms outlined in Investment Staff's memorandum dated September 25, 2019 and attached supplemental materials and such other terms favorable or protective to OP&F, as determined by the Executive Director. The motion passed with roll call vote as follows:

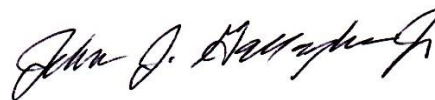
Ayes: Britt, Corvi, Heller, Miller, Montgomery, Moore, Wainscott and Desmond

Nays: None

ITEM H: Open Discussion – None

ADJOURNMENT:

The Board/Committee adjourned at 12:11pm.



John J. Gallagher Jr.
Executive Director

Materials Provided/Attached:

1. Monthly Portfolio Valuation as of August 31, 2019.
2. Memo from Michael Abankwah, Dave Robinson and Ted Hall regarding the Private Credit Investment Manager Rating Reviews dated 9/25/2019.
3. Presentation regarding the Private Credit Investment Manager Rating Reviews dated September 25, 2019.
4. Memo from David Robinson, Michael Abankwah and Ted Hall regarding the Blackrock Direct Lending Fund IX – Direct Lending Investment Recommendation dated 9/25/2019.
5. Presentation from Wilshire Associates regarding the Due Diligence Report: Blackrock Direct Lending Fund IX dated September 2019.
6. Memo from Michael Abankwah, Dave Robinson, Bret Luke and Ted Hall regarding the Investment Manager Rating Reviews dated 9/25/2019.
7. Presentation from Wilshire Associates regarding Manager Reviews dated September 2019.
8. Memo from The Townsend Group regarding the Investment Recommendation - Black Creek Industrial Fund dated 9/25/2019.
9. Presentation from The Townsend Group regarding the Recommendation to Commit up to \$50 Million to Black Creek Industrial Fund dated September 2019.
10. Presentation from Black Creek Group regarding Black Creek Industrial Fund dated September 25, 2019.
11. Memo from The Townsend Group regarding the Real Estate Manager Reviews dated 9/25/2019.
12. Presentation from The Townsend Group regarding 2019 Real Estate Manager Reviews dated September 2019.
13. Memo from Jennifer Weston, Bret Luke and Ted Hall regarding the Cortec Group Fund VII, L.P. dated 9/25/2019.
14. Memo from TorreyCove Capital Partners regarding the Cortec Group Fund VII, L.P. dated 9/06/2019.
15. Investment Analysis from TorreyCove Capital Partners regarding the Cortec Group Fund VII L.P. dated 9/06/2019.
16. Presentation from the Cortec Group dated September 25, 2019.