



## December 17, 2020 HPRS Board Meeting Highlights

The Highlights correspondence is aimed at providing timely information to our membership about HPRS meetings, since board minutes cannot be approved and posted until after the next board meeting. Below are the highlights from the December 17, 2020, HPRS Board meeting.

### 2021 Administrative Budget

The Ohio Retirement Study Council reviewed HPRS's administrative budget for 2021, and the board approved it on December 17<sup>th</sup>. The total budget is approximately \$2.2 million, which is a decrease of 0.18% from 2020. The budget includes but is not limited to salaries and wages; health care; office expenses; information technology; rent; and professional services such as banking, audit, actuarial, legal, and investment consultant services.

### Internal Auditor Presented 2020 Report

Our internal auditor, Summit County Internal Audit Department, presented a clean report on internal controls of HPRS. This year the auditors focused on Ohio Revised Code (ORC) compliance and investment managers' fees.

No issues were noted in either area.

### Total Fund Update

One of the most important responsibilities of the board is making investment decisions. Investment returns are critical to the viability of our system, as they provide for more than 2/3 of the benefits paid. The board spends a considerable amount of time working with its investment consultant planning, researching, and discussing ways to enhance our portfolio. The portfolio has bounced back nicely from the market turmoil earlier this year. Year-to-date returns show an estimated gain of 10.5% as of December 15<sup>th</sup>. HPRS assets are currently at approximately \$987 million.

Below is a snapshot of HPRS's portfolio as of December 15, 2020:

## HPRS PORTFOLIO SNAPSHOT: 12/15/2020

	11/30/2020		Market Adjust. Est. 12/15/20		Interim Target	LT Strategic Target Range		Change \$1,000s	Allocation with Pending Changes	
	\$ MM	%	Change	\$1,000s					\$ MM	%
<b>Domestic Equity</b>	<b>\$314.9</b>	<b>32.5%</b>	<b>3.0%</b>	<b>\$324.3</b>	<b>30.0%</b>	<b>30.0%</b>		<b>\$0.0</b>	<b>\$324.3</b>	<b>32.9%</b>
Large/Mid Cap	\$274.1	28.3%	2.3%	\$280.4	25.0%	25.0%			\$280.4	28.4%
Small	\$40.8	4.2%	7.5%	\$43.9	5.0%	5.0%			\$43.9	4.4%
<b>International Equity</b>	<b>\$192.1</b>	<b>19.8%</b>	<b>2.8%</b>	<b>\$197.5</b>	<b>18.0%</b>	<b>18.0%</b>		<b>\$0.0</b>	<b>\$197.5</b>	<b>20.0%</b>
Developed	\$149.0	15.4%	2.5%	\$152.7	14.0%	14.0%			\$152.7	15.5%
Emerging Markets	\$43.1	4.4%	3.9%	\$44.8	4.0%	4.0%			\$44.8	4.5%
<b>Alternatives Investments</b>	<b>\$217.2</b>	<b>22.4%</b>	<b>0.6%</b>	<b>\$218.6</b>	<b>25.0%</b>	<b>25.0%</b>		<b>\$0.0</b>	<b>\$218.6</b>	<b>22.2%</b>
Absolute Return	\$89.1	9.2%	1.0%	\$90.0	9.0%	7.0%			\$90.0	9.1%
Private Equity	\$102.5	10.6%	0.0%	\$102.5	11.0%	13.0%			\$102.5	10.4%
Real Assets	\$25.6	2.6%	2.0%	\$26.1	5.0%	5.0%			\$26.1	2.6%
<b>Real Estate</b>	<b>\$67.5</b>	<b>7.0%</b>	<b>0.0%</b>	<b>\$67.5</b>	<b>7.0%</b>	<b>7.0%</b>			<b>\$67.5</b>	<b>6.8%</b>
<b>Fixed Income</b>	<b>\$178.0</b>	<b>18.4%</b>	<b>0.5%</b>	<b>\$178.9</b>	<b>20.0%</b>	<b>20.0%</b>		<b>\$0.0</b>	<b>\$178.9</b>	<b>18.1%</b>
Core Fixed Income	\$69.2	7.1%	0.2%	\$69.3	10.0%	10.0%			\$69.3	7.0%
Opportunistic	\$80.9	8.3%	1.0%	\$81.7	8.0%	8.0%			\$81.7	8.3%
Cash	\$27.9	2.9%	0.0%	\$27.9	2.0%	2.0%			\$27.9	2.8%
<b>Total Pension</b>	<b>\$969.7</b>	<b>100.0%</b>	<b>1.8%</b>	<b>\$986.8</b>	<b>100.0%</b>	<b>100.0%</b>		<b>\$0.0</b>	<b>\$986.8</b>	<b>100.0%</b>

Estimated Year-to-Date Return (including the above est.): **10.5%**



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## Retirement Applications and Survivor Benefits

Since the October 2020 board meeting, the HPRS board approved zero active member retirement applications for age and service, one deferred retirement application, eight retirements from DROP, and four survivor benefits. Overall, retirements have increased in 2020 as compared to 2019, by 53% (55 vs. 36).

## Upcoming Events

**To protect the health and wellness of all OSP employees current and retired, the Patrol has temporarily postponed all Division planned retiree events.**

For a complete list of upcoming events and information, check the HPRS website at [www.ohprs.org](http://www.ohprs.org).

## Future Meeting Dates

On Wednesday, January 20, 2021, committee meetings will start at 1300 hours, starting with the Health, Wellness, & Disability Committee, followed by the Health Care Funding Committee and the Investment Committee.

On Wednesday, February 17, 2021, committee meetings will start at 1300 hours, starting with the Administration Committee, followed by the Health, Wellness, & Disability Committee, and then the Health Care Funding Committee.

On Thursday, February 18, 2021, beginning at 0900 hours, the Audit Committee will meet, immediately followed by the Investment Committee and the Board meeting.

Some committee meetings may be canceled from time to time. Please check the HPRS website at [www.ohprs.org](http://www.ohprs.org) for the most current meeting dates and times.

**If you have questions about HPRS, board meetings, or individual retirement questions, please contact Executive Director Carl Roark at 614.430.3557.**