



February 20, 2020 HPRS Board Meeting Highlights

The Highlights correspondence is aimed at providing timely information to our membership about HPRS meetings, since board minutes can't be approved and posted until after the next board meeting. The information provided is from the February 20, 2020, HPRS board meeting.

Trustee Election

There is one trustee position up for election:

On July 31, 2020 the term of Staff Lieutenant Matthew Them as an employee-member trustee of the retirement board will end. Pursuant to Ohio Administrative Code 5505-9-01, an election will be held to fill this seat for the next four-year term, from August 1, 2020 through July 31, 2024. Active employees, including DROP members, vote in this election. Eligibility shall be determined on the first Monday in April of the year of the election. If you retire after this date, you will still vote in the employee election. There will be no election if only one Candidacy Form is returned.

Information will be distributed via Virtual Roll Call for active members the beginning of May. The deadline for HPRS receipt of Candidacy Forms is May 29, 2020.

2019 Disability Report

Per Ohio Revised Code 5505.181, the HPRS files an annual disability experience report to the Ohio Retirement Study Council. In 2019, a total of six applications were filed. Four applications were approved for disability retirements (two in-the-line-of-duty and two not-in-the-line-of-duty), and two applications are pending. One recipient was terminated.

Total Fund Update

Investment returns are a critical part of the viability of our retirement system. The board spends a considerable amount of time working with our chief investment officer and the board's investment consultant to enhance our portfolio. The investment return for 2019 was very positive, with the latest report indicating 17.8%. This is encouraging, as it helps overcome the -5% experienced in 2018. Although 2019 was a great year for us, it is important to recognize that we assume a 7.25%; that is, anything short of 7.25% is a "loss" from a funding perspective. If you use 7.25% as the starting point, we beat our expectations in 2019 by 10.55%. However, in 2018, we fell short of our expected return by 12.25%. As you can see from those numbers, HPRS experienced less than expected investment returns over the past two-year period. As you know, we are a long-term investor. If you look at a much larger period of investment return experience, HPRS has experienced investment returns that are on pace with expectations, with over 8% since inception.

Movement like we experienced in 2018 and 2019 are not uncommon. As a result, the actuarial report takes this into consideration and provides the board with the ability to take action that is more like tuning than major change. HPRS assets are currently at approximately \$938 million. A snapshot of the HPRS portfolio is on the following page, that illustrates performance as of February 18, 2020:

HPRS PORTFOLIO SNAPSHOT: 2/18/2020

	12/31/2019		Market Adjust. Est. 2/18/20		Interim Target	LT Strategic		Change \$1,000s	New Allocation	
	\$ MM	%	Change	\$1,000s		Target	Range		\$ MM	%
Domestic Equity	\$288.8	31.2%	4.3%	\$301.3	30.0%	30.0%		-\$9.0	\$292.3	31.2%
Large/Mid Cap	\$252.2	27.3%	4.8%	\$264.3	25.0%	25.0%		-\$9.0	\$255.3	27.2%
Small	\$36.6	4.0%	1.0%	\$37.0	5.0%	5.0%			\$37.0	3.9%
International Equity	\$167.6	18.1%	-1.2%	\$165.7	18.0%	18.0%		\$0.0	\$165.7	17.7%
Developed	\$131.3	14.2%	-1.0%	\$130.0	14.0%	14.0%			\$130.0	13.9%
Emerging Markets	\$36.3	3.9%	-1.7%	\$35.7	4.0%	4.0%			\$35.7	3.8%
Alternatives Investments	\$225.8	24.4%	0.1%	\$226.1	25.0%	25.0%		\$0.0	\$226.1	24.1%
Absolute Return	\$98.9	10.7%	1.0%	\$99.9	9.0%	7.0%			\$99.9	10.6%
Private Equity	\$92.7	10.0%	0.0%	\$92.7	11.0%	13.0%			\$92.7	9.9%
Real Assets	\$34.2	3.7%	-2.0%	\$33.5	5.0%	5.0%			\$33.5	3.6%
Real Estate	\$66.4	7.2%	0.0%	\$66.4	7.0%	7.0%			\$66.4	7.1%
Fixed Income	\$176.1	19.0%	1.5%	\$178.8	20.0%	20.0%		\$9.0	\$187.8	20.0%
Core Fixed Income	\$79.1	8.6%	2.1%	\$80.8	10.0%	10.0%			\$80.8	8.6%
Opportunistic	\$80.5	8.7%	1.2%	\$81.5	8.0%	8.0%		\$5.0	\$86.5	9.2%
Cash	\$16.5	1.8%	0.2%	\$16.5	2.0%	2.0%		\$4.0	\$20.5	2.2%
Total Pension	\$924.7	100.0%	1.5%	\$938.2	100.0%	100.0%		\$0.0	\$938.2	100.0%

Estimated Year-to-Date Return (including the above est.): **1.5%**



1100 Superior Avenue East - Suite 700 - Cleveland, Ohio 44114 - 216.621.1090 - clearstead.com

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Upcoming Events

- **Ham and Bean Luncheons**
Second Wednesday of each month at 12:00 noon (RSVP Lori Pallante at 614-387-6081)
- **Retiree CCW Qualification**
The upcoming retiree qualification dates conveniently coincide with retiree events at the Academy:
 - Wednesday, April 8, 2020 at 1300 hours (Ham and Bean Luncheon at 1200 hours)
 - Friday, June 12, 2020, from 0800-1000 hours (Retiree Cookout at 1100 hours)
 - Wednesday, August 12, 2020, at 1300 hours (Ham and Bean Luncheon at 1200 hours)
 - Wednesday, October 14, 2020, at 1300 hours (Ham and Bean Luncheon at 1200 hours)
- **2020 33rd Annual Retirees' Association Snowbird Reunion**
March 6-7, 2020, at the Marriott Orlando Lake Mary in Lake Mary, FL. Please visit the HPRS website at www.ohprs.org for further information, as well as other upcoming events.
- **OSP Memorial**
May 8, 2020 at 1:00PM at the Academy
- **OSP Retiree Cookout and CCW Qualification**
June 12, 2020 at the Academy

For a complete list of upcoming events and information, check the HPRS website at www.ohprs.org.

preRetirement and Survivor Benefit Transactions Update

The HPRS board approved one active member retirement application for age and service, three retirements from DROP, and one survivor benefit.

Future Meeting Dates

The Health, Wellness and Disability Committee is scheduled to meet on Wednesday, March 25, 2020 at 1300 hours.

On Wednesday, April 15, 2020, 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, April 16, 2020 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. Check the HPRS website at 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.