



9.7 Selection of Investment Managers and Agents

INTRODUCTION:

The Highway Patrol Retirement System (HPRS) investment portfolio is primarily managed externally. A list of portfolio holdings is available in the most recent annual report at www.ohprs.org.

Pursuant to Ohio Revised Code Section 5505.06 (B), and consistent with its fiduciary duty, the Retirement Board prefers investments that enhance the general welfare of the State of Ohio and its citizens, provided that the investments offer quality, return, and safety comparable to other options. Further, the Retirement Board seeks investments that involve firms that are owned and controlled by minorities or women (and joint ventures involving firms that are owned and controlled by minorities or women) when they meet these criteria.

MANAGERS:

Organizations with investment proposals are invited to forward materials to the HPRS Investment Consultant for a preliminary review.

Adam Blake, Senior Managing Director
Clearstead
1100 Superior Avenue East, Suite 700
Cleveland, Ohio 44114
www.clearstead.com
(216) 621-1090
ablake@clearstead.com

Investment managers may be selected based upon an RFP process. The RFP process is detailed within the "Manager Search and Termination Policy." Each RFP is posted at www.ohprs.org and distributed as a press release to at least three nationally recognized investment trade publications.

Pursuant to Ohio Revised Code Section 5505.0610 (B), and consistent with its fiduciary duty, the Retirement Board prefers to utilize Ohio-qualified investment managers when they offer quality, services, and safety comparable to other options. Further, the Retirement Board seeks to utilize firms that are owned and controlled by minorities or women when they meet these criteria.

In conjunction with the other Ohio public pensions, HPRS maintains a process for the certification of Ohio-qualified investment managers. Details about the process are available at:

<https://www.ohprs.org/ohprs/Investments.jsp>.

BROKERS/AGENTS:

In separately-managed equity accounts, HPRS investment managers are offered the use of brokers that are under contract with HPRS to provide execution-only brokerage. Every five years, these brokers are reviewed and the Investment Committee may issue an RFP.

Broker selection is based upon the following:

- Commission costs on a per share basis and in the aggregate
- Trading execution efficiency
- Execution speed
- Settlement capabilities
- Responsiveness, reliability, and integrity
- Special capabilities

A periodic performance review by a third party will evaluate each broker on these criteria.

Since the HPRS broker program is based on execution-only, brokers are not evaluated on the nature and value of research provided.

Pursuant to Ohio Revised Code Section 5505.068 (D), and consistent with its fiduciary duty, the Retirement Board prefers to utilize Ohio-qualified domestic equity and fixed income brokers when they offer quality, services, and safety comparable to other options. Further, the Retirement Board seeks to utilize firms that are owned and controlled by minorities or women (and joint ventures involving firms that are owned and controlled by minorities or women) when they meet these criteria.

In conjunction with the other Ohio public pensions, HPRS maintains a process for the certification of Ohio-qualified agents. Details about the process are available at <https://www.ohprs.org/ohprs/Investments.jsp>.

REVISIONS:

Approved and Revised, December 19, 2019

Approved and Revised, December 20, 2018

Reformatted with no revisions, December 15, 2017

Approved, Revisions, December 14, 2017

Approved, No revisions, December 15, 2016

Approved, Revised, December 17, 2015

Approved, Revised, December 18, 2014

Approved, No Revisions, December 19, 2013

Approved, No Revisions, December 20, 2012

Revised, October 27, 2011

Policy adopted by Investment Committee, December 16, 2010

Policy adopted by Retirement Board, December 16, 2010