



## Minutes

### Investment Committee

Board Room, 1900 Polaris Parkway, Suite 201, Columbus, Ohio 43240

Thursday, December 20, 2018 – immediately following the Audit Committee meeting

**Present:** Captain Cory Davies, *Chair*; Major (ret.) Darryl L. Anderson, *Vice-Chair*; Major (ret.) JP Allen; Kenneth Boyer; Joseph Thomas

**Absent:** none

**Others Present:** Mark Atkeson, *Executive Director*; Michael Press, *Chief Investment Officer*; Brian Fike, *Finance Director*; Holly Carr, *Executive Assistant*; Grant Guyuron & Adam Blake, *Clearstead*; Mary Therese Bridge, *Assistant Attorney General*; Brice Nihiser, Andre Swinerton, *Trustees*; Peter McCarthy, *PNC*; Bethany Rhodes, *ORSC*

### Proceedings:

- At 9:31 a.m., Chair Davies called the meeting to order and the roll was called.
- **Motion: To approve the minutes of the October 18, 2018 meeting, (motion by Allen; second by Anderson; motion carried unanimously.)**
- Chair Davies gave the Chair Report, and updated the committee on the due diligence trip to Cleveland and meetings with Clearstead.
- Blake gave a brief explanation on Hartland's name change to Clearstead, and the company re-branding.
- Guyuron gave an update on the system's 2018 Accomplishments and 2019 Initiatives. He then presented the 2019 Dashboard, which shows agenda items for each month.
- Davies went around the room asking the committee members for their thoughts on current asset allocation and re-adjusting. Much discussion ensued.
- Blake presented a review of strategic asset allocation and a ten year forward looking analysis with several different options and noted Clearstead's recommendation of Mix 3.
- After discussion, the committee agreed on Mix 3.
- **Motion: To recommend the board approve the Strategic Asset Allocation (Mix 3) as presented by staff, (motion by Thomas; second by Anderson; motion carried unanimously.)**
- Guyuron gave a brief update on the trip to Cleveland for manager interviews. Blake and Guyuron also discussed the Kayne Anderson Energy Income II fund, and recommended meeting with the management team to determine whether HPRS should invest.
- Davies commented he would like to interview Kayne Anderson and asked Thomas and Press to join.

- Guyuron presented the October 2018 Flash Report and a portfolio snapshot as of today. Although the total fund was positive through September, he estimated the fund was now down 4.6% year to date.
- Guyuron reviewed updates and recommendations to the manager review list, and recommended terminating one manager.
- **Motion: To terminate Standard Life Global Absolute Return, (motion by Thomas; second by Allen; motion carried unanimously.)**
- Press presented the annual review of investment policies that staff is required to present to the board. The changes were mainly clean-up and non-substantive and reflected date changes and updating Hartland with Clearstead.
- **Motion: To recommend the board approve the Investment Policy Statement as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- **Motion: To recommend the board approve the Selection of Investment Managers and Agents Policy as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- **Motion: To recommend the board approve the Investment Consultant Evaluation Policy as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- **Motion: To recommend the board approve the Manager Search and Termination Policy as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- **Motion: To recommend the board approve the Manager Review Policy as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- **Motion: To recommend the board approve the Annual Investment Plan as presented by staff, (motion by Anderson; second by Boyer; motion carried unanimously.)**
- Allen commented that hedge funds have been under-performing and asked Clearstead to put together a history of hedge fund performance to present to the committee at the February meeting.
- At 11:05 a.m., Chair Davies declared the meeting adjourned.
- The next regular meeting of the Investment Committee is scheduled immediately following the Audit Committee meeting on February 21, 2019, at 1900 Polaris Parkway, Suite 201, Columbus, Ohio 43240.

*Minutes submitted by Holly Carr, Executive Assistant*

**Signature on file**

**February 21, 2019**

Approved by Capt. Cory Davies, Chair

Date

To review any referenced documents, please contact Holly Carr, 614-430-3555 (direct), [hcarr@ohprs.org](mailto:hcarr@ohprs.org).