

# Ohio Police & Fire Pension Fund

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February 20, 2014

Bethany Rhodes  
Director and General Counsel  
Ohio Retirement Study Council  
88 East Broad Street, Suite 1175  
Columbus, Ohio 43215

Dear Ms Rhodes:

During the most recent meeting of the Ohio Retirement Study Council (ORSC), Chairman Wachtmann questioned the need for each retirement system to continue to submit the annual Ohio Qualified broker and manager report, which was first required under Senate Bill 133 in 2004.

After a discussion with our Chief Investment Officer, we believe that this report is no longer relevant and does not provide any meaningful information to the ORSC. Our investment structure and today's brokerage world no longer resemble the environment that prevailed in 2004. Specifically:

- In 2004, OP&F employed seven traditional U.S. equity managers that traded and generated commissions with Ohio qualified brokers. With our current structure, we employ only one traditional U.S. equity manager. Therefore it simply is not possible for commissions or trading volume to approach those from 2004.
- While OPERS maintains the Ohio qualified broker list, it would appear that there are no longer any Ohio qualified minority brokers on the qualified list, meaning that OP&F's report annually shows zero dollars traded with minority brokers, which on its own can be misleading.
- Recently, one of OP&F's Ohio qualified managers, Western Asset Management, sold off some operations in our state, causing them to no longer be an Ohio qualified manager. Consequently, without any actions on OP&F's part, we were no longer able to count \$728 million managed by Western as Ohio qualified manager assets.

Finally, the report consumes a considerable amount of time to produce and it has become apparent it is very difficult to get some qualified firms to complete the paperwork to get on the Ohio qualified list.

As the Chairman questioned during the February meeting, we agree that this report is obsolete and should no longer be required. We believe that Ohio's retirement systems and the ORSC are better served investing our time and resources in other projects. Given these circumstances, we respectfully ask that the ORSC consider the suggestion to no longer submit this report.

Sincerely,



John Gallagher  
Executive Director

cc: ORSC members  
Darryl Dever