

Ohio Police & Fire Pension Fund

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COPY

July 19, 2017

The Honorable Dave Yost
Auditor of State
88 E. Broad Street
Columbus, OH 43215

Auditor Yost,

As you stated in your letter of July 11, we appreciate your concern with the assumed rate of return used for investments at the Ohio Police & Fire Pension Fund. We are also aware of the position taken by Fitch on the ability of pension funds to meet expected returns.

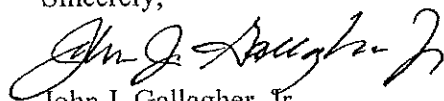
We rely on trusted independent actuaries, investment consultants and auditors to establish our benchmarks, including the assumed investment rate. Our Board of Trustees are the fiduciaries of OP&F and are trusted to make decisions on governing the pension fund independent of outside influences.

We are proud of the past performance of our investment program and the progress we have made in 50 years of providing reliable retirement benefits to Ohio's police and firefighters. In order to avoid the temptation of reactionary decisions, we adhere to an established schedule to examine our assumed investment rate. In fact, the five-year actuarial review of the economic experience of the system is due to be completed and presented to the Board of Trustees at its October meeting. We would welcome either yourself or a representative from your office to attend this presentation to see the process that has worked for us over the years.

We have always maintained a professional and courteous relationship with the independent firms assigned to OP&F as they conduct our annual audit. It is our experience that these firms are well informed on economic conditions, forecasts and current investment trends. We hope that these firms can continue to do their important work and offer their opinions independently.

Again, thank you for your interest in OP&F and if there are any questions I can answer, please contact me directly at (614) 628-8399, or by email at jgallagher@op-f.org.

Sincerely,



John J. Gallagher, Jr.
Executive Director

cc: OP&F Board of Trustees