Ohio Police & Fire Pension Fund

# 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED
DECEMBER 31, 2024

Ohio Police & Fire Pension Fund

**2024 Annual Comprehensive Financial Report**
For year ended Dec. 31, 2024
*Prepared through the combined efforts of OP&F staff*

**Prudence • Integrity • Empathy**
*Securing the future for Ohio's police and firefighters*

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# 2024

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED DEC. 31, 2024

*PREPARED THROUGH THE COMBINED EFFORTS OF OHIO POLICE & FIRE PENSION FUND STAFF*

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# INTRODUCTION

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT


**BOARD OF TRUSTEES**
**ADMINISTRATIVE STAFF**
**PROFESSIONAL CONSULTANTS**
**AWARDS**
**LETTER OF TRANSMITTAL**
**DEMOGRAPHICS AND ECONOMIC IMPACT**

# BOARD OF TRUSTEES


Mark E. Drum


John R. Deal


Stephen A. Corvi


Clayton R. Cozart


Marco J. Miller


Brian A. Steel


J. David Heller


Charles O. Moore


Karin Maloney Stifler

## ABOUT THE BOARD OF TRUSTEES

Ohio law provides for the Ohio Police & Fire Pension Fund (OP&F) Board of Trustees to be comprised of nine members. There are six employee members elected to four-year terms by their respective member groups: two active representatives of police departments, two active representatives of fire departments, one retired police officer and one retired firefighter. The Board of Trustees also includes three statutory members. Each statutory member – one appointed by the Governor of Ohio, one by the Ohio Treasurer of State and one appointed jointly by the Ohio Senate President and the Ohio Speaker of the House – must have professional investment expertise.

The OP&F Board of Trustees appoints the Executive Director, an actuary and other advisors necessary for the transaction of business. By law, the Ohio Treasurer of State is custodian of OP&F's funds. The Board of Trustees meets periodically throughout the year and receives no compensation, but is reimbursed for necessary expenses.

## BOARD OF TRUSTEE MEMBERS

**Mark E. Drum, Chair**
Retired, Delaware Police

**John R. Deal, Vice Chair**
Cincinnati Fire

**Stephen A. Corvi**
Columbus Fire

**Clayton R. Cozart**
Akron Police

**Marco J. Miller**
Retired, Columbus Fire

**Brian A. Steel**
Columbus Police

**J. David Heller**
Investment Expert Member, appointed by the Ohio Senate and the Ohio House of Representatives

**Charles O. Moore**
Investment Expert Member, appointed by the Governor of Ohio

**Karin Maloney Stifler**
Investment Expert Member, appointed by the Ohio Treasurer of State

# ADMINISTRATIVE STAFF

(L-R): Mary Beth Foley, John Danish, Kevin McCann, Theodore Hall, Jennifer Harville, Scott Miller, Caren Sparks, Keisha Proctor, and David Graham

## EXECUTIVE STAFF

**Mary Beth Foley**
Executive Director

**John J. Danish**
General Counsel

**Kevin M. McCann**
Information Technology Director

**Theodore G. Hall**
Chief Investment Officer

**Jennifer L. Harville**
Member Services Director

**Scott K. Miller**
Chief Financial Officer

**Caren R. Sparks**
Chief Audit Executive/Privacy and Ethics Officer

**Keisha D. Proctor**
Human Resources Director

**David B. Graham**
Communications Director

## PROFESSIONAL CONSULTANTS
(NOT PICTURED)

**Actuary**
CavMac Consulting, LLC

**Legal Counsel**
Ohio Attorney General, the Honorable Dave Yost

**Custodian of OP&F's Funds**
Ohio Treasurer of State, Robert Sprague

**Custodial Banks**
The Huntington National Bank - Domestic
Northern Trust - Domestic
Northern Trust - International

**Independent Auditor**
Crowe LLP, Columbus, OH
(Under contract with the Ohio Auditor of State)

**Health Care**
Alight Retiree Health Solutions

**Medical Advisors**
Joel S. Steinberg, M.D.
OP&F Board Medical Advisor

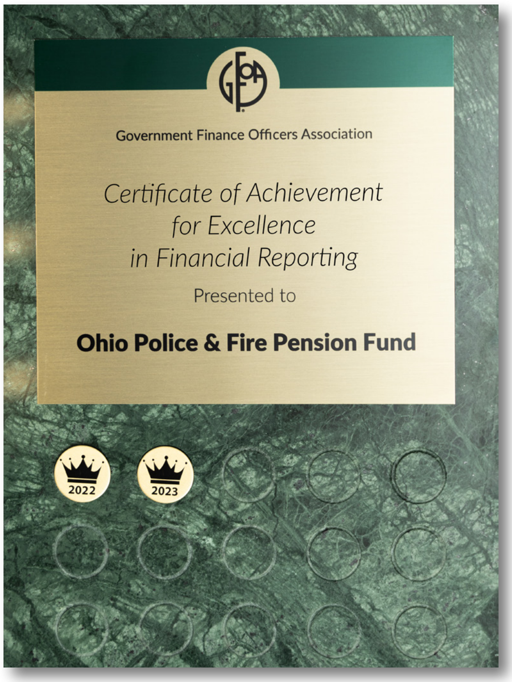
James B. Talmage, M.D.
Disability Evaluation Panel Medical Advisor

**Investment Consultants and Money Managers**
(See Page 64)

**Schedule of Brokers' Fees Paid**
(See Page 66)

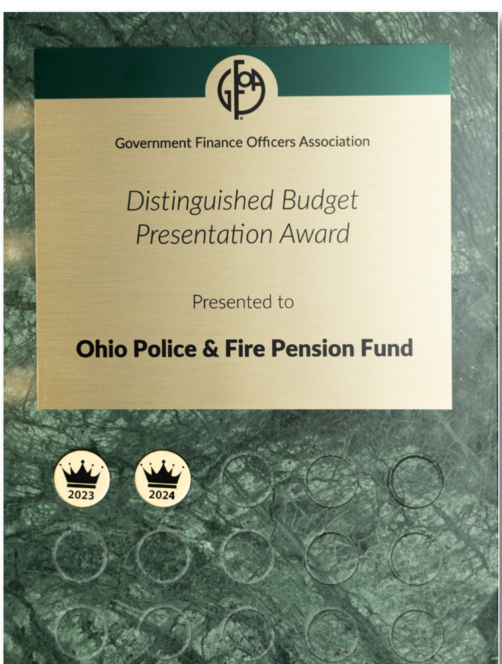
# AWARDS

***OP&F has been recognized by financial experts for their commitment to the highest possible fiscal standards. OP&F is honored to have been recognized with the following:***



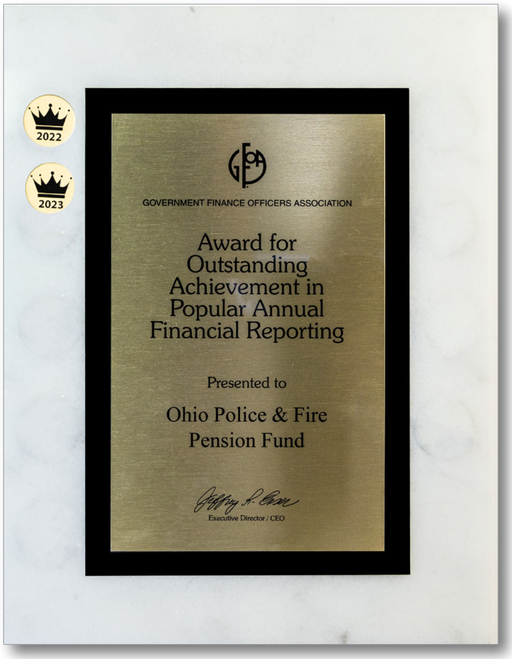

## 2023 CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

For 35 years, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to OP&F for its Annual Comprehensive Financial Report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable legal requirements.




## 2024 DISTINGUISHED BUDGET PRESENTATION AWARD

OP&F was again recognized by GFOA's Distinguished Budget Presentation Award in 2024, representing the 23rd consecutive year OP&F has achieved this distinction. OP&F has received the award annually since 2002. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.




## 2023 AWARD FOR OUTSTANDING ACHIEVEMENT IN POPULAR ANNUAL FINANCIAL REPORTING

For 23 years, the GFOA has awarded a Certificate of Outstanding Achievement in Popular Annual Financial Reporting to OP&F for the Popular Annual Financial Report. This award is a prestigious national award recognizing conformance with the highest standards of creativity, presentation, understandability and reader appeal for preparation of governmental popular reports.


PPCC

Public Pension Coordinating Council

***Recognition Award for Administration 2024***

Presented to

***Ohio Police & Fire Pension Fund***

In recognition of meeting professional standards for plan administration as set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

## 2024 PUBLIC PENSION STANDARDS AWARD

Awarded to OP&F by the Public Pension Coordinating Council (PPCC). OP&F has received the award annually since 2009. This award recognizes OP&F's professional standards attained for administration. The PPCC's standards were established in 2002 to promote excellence in pension plan design and administration. These standards serve as a benchmark by which to measure current practices of defined benefit plans.

# LETTER OF TRANSMITTAL

Ohio Police & Fire Pension Fund
140 East Town Street / Columbus, Ohio 43215-5164 / 1-888-864-8363 / www.op-f.org

June 30, 2025

Dear Members of OP&F, Members of the Board of Trustees and other interested parties:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Ohio Police & Fire Pension Fund (OP&F) for the fiscal year ending Dec. 31, 2024. OP&F's management is responsible for the accuracy of the data presented here, as well as the completeness and fairness of the presentation. This ACFR was prepared to aid interested parties in assessing OP&F's financial status on Dec. 31, 2024 and its results for the year then ended.

### ACCOUNTING SYSTEM AND INTERNAL CONTROLS

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) applicable to governmental units, including the pronouncements of the Governmental Accounting Standards Board (GASB). Additional information on OP&F's significant accounting policies is contained in the Notes to the Basic Financial Statements in the Financial Section.

Management is responsible for establishing and maintaining an effective internal control structure designed to ensure that the assets of OP&F are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of Basic Financial Statements in conformity with accounting principles generally accepted in the U.S. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and
(2) the valuation of costs and benefits requires estimates and judgments by management.

Management believes its internal control structure meets these objectives.

### OP&F HISTORY AND OVERVIEW

OP&F is a cost-sharing, multiple-employer public employee retirement system that was created by the Ohio General Assembly in 1965, replacing 454 separate local police and firefighter relief and pension funds in Ohio. OP&F began operating as a statewide retirement fund on Jan. 1, 1967. On that date, the local pension funds transferred their assets and liabilities to OP&F. Assets transferred to OP&F totaled approximately $75 million, while OP&F's actuary computed the liabilities accrued up to 1966 at approximately $490 million, creating an unfunded deficit of $415 million which resulted in a funded ratio of 15% at OP&F's inception. As of the Jan. 1, 2024 actuarial valuation, OP&F had a funded ratio of 68.1%. Employers are paying the remaining local funds receivable, which began in 1969, over a 67-year period. As of Dec. 31, 2024, the remaining balance due totaled $13.8 million.

OP&F provides pension, disability, Deferred Retirement Option Plan (DROP) and health care stipend benefits to qualified members. In addition, OP&F provides survivor benefits, death benefits and health care stipend benefits for eligible survivors, spouses, children and dependent parents. Please refer to the Plan Summary in the Actuarial Section for further information on plan benefits.

Membership in OP&F is mandatory under Ohio law for all full-time police officers employed by Ohio municipalities and appointed under the required statutory provisions.  Membership is also mandatory for all full-time firefighters employed by Ohio municipalities, townships, villages, joint fire districts or other political subdivisions. In order to become a member of OP&F, a full-time firefighter is required to satisfactorily complete or have satisfactorily completed a firefighter training course approved under former Section 3303.07, Section 4765.55, or conducted under Section 3737.33 of the Ohio Revised Code (ORC). The table below is a tabulation of current participating employers at Dec. 31, 2024:

**PARTICIPATING EMPLOYERS**

| | Police | Fire | Total |
|---|---|---|---|
| Municipalities | 250 | 210 | 460 |
| Townships | – | 202 | 202 |
| Villages | 278 | 42 | 320 |
| **TOTAL** | **528** | **454** | **982** |

The table below is a tabulation of current participating members and beneficiaries based on data from the Jan. 1, 2024 actuarial valuation:

**MEMBERS AND BENEFICIARIES**

| | Police | Fire | Total |
|---|---|---|---|
| Vested Active Members | 6,153 | 5,992 | 12,145 |
| Rehired Retirees | 197 | 86 | 283 |
| Non-Vested Active Members | 9,149 | 8,997 | 18,146 |
| Retirees | 13,459 | 10,140 | 23,599 |
| Beneficiaries and Survivors | 4,585 | 3,241 | 7,826 |
| Vested Former Members | 181 | 110 | 291 |
| **TOTAL** | **33,724** | **28,566** | **62,290** |

## FINANCIAL OVERVIEW

OP&F receives funds from the following sources: investment earnings, employer contributions, member contributions, state subsidies, and other income and reimbursements.  Additions to the fiduciary net position were $2,856.4 million in 2024 which included contributions received from employers and members as well as appreciation on investments of 11.13%.

Overall contributions increased by $63.3 million or 6.4% in 2024. This increase is due to an increase in member and employer contributions and is offset slightly by the decrease in state subsidies.

The statutory employer contribution rate remained at 19.5% for police employers and 24.0% for fire employers. The statutory employer contribution rates have been unchanged since Jan. 1, 1986. OP&F has sought legislation to increase the police employer rate from 19.5% to 24.0% to be equal with the fire employer rate. This legislation is still pending. The statutory member contribution rate remained unchanged from the prior year at 12.25% for both police and fire members. Both member and employer contributions are due monthly.

Statutory penalties are assessed if payments and/or the member contribution reports are received late and if a pre-employment physical is received late. It is OP&F's goal to help employers avoid penalty situations through employer education, courtesy reminders and online tools. OP&F offers employers the ability to report electronically using OP&F's secured Employer Self-Serve Web and to pay electronically using the online Automated Clearing House (ACH) payment options. OP&F will continue promoting these options and train employers on how to use them.

| | 2024 | |
|---|---|---|
| **Additions to Fiduciary Net Position** (dollars in millions) | **Amount** | **Percent** |
| Net Investment Gain | $1,797.4 | 62.9% |
| Contributions | 1,057.7 | 37.0% |
| Other Additions | 1.3 | 0.1% |
| **TOTAL ADDITIONS** | **$2,856.4** | **100.0%** |

| | 2024 | |
|---|---|---|
| **Deductions to Fiduciary Net Position** (dollars in millions) | **Amount** | **Percent** |
| Benefit Payments | $1,775.7 | 97.2% |
| Refund of Member Contributions | 27.9 | 1.5% |
| Administrative and Other Expenses | 22.8 | 1.3% |
| **TOTAL DEDUCTIONS** | **$1,826.4** | **100.0%** |

Benefit payments represent the largest deduction and usage of the additions to fiduciary net position. In 2024, OP&F experienced:

- A 5.3% increase in service retirement benefits. This increase is due to a 3.3% increase in the number of service retirees receiving pension benefits and a Cost-Of-Living Allowance (COLA) for eligible benefit recipients.
- A 7.8% increase in the amount of health care benefit payments. This is due to a 0.50% increase in participants and an increase in the amount of stipend benefits paid to members and beneficiaries.
- A 9.4% increase in DROP benefits. DROP benefits paid out fluctuate from year-to-year based on the timing of member requests to withdraw their funds on account.
- A 9.8% increase in contributions refunded. Upon termination of active service in a police or fire department, a member may withdraw their accumulated employee contributions on deposit with OP&F. Similar to DROP benefits, contribution refunds paid out fluctuate from year-to-year based on the timing of member requests to withdraw their funds on account.
- A 1.3% increase in administrative and other expenses. This increase of $0.3 million is primarily due to computer technology and related depreciation expenses within the other operating expense category.

Please refer to the Management's Discussion and Analysis in the Financial Section for additional financial details.

**FUNDING PRACTICES AND ACTUARIAL OVERVIEW**

Funds are derived from the excess of additions over deductions and are accumulated by OP&F in order to meet current and future benefit obligations to retirees and other beneficiaries. OP&F experienced a $1,030.0 million increase in the 2024 fiduciary net position primarily due to the appreciation of the fair value of investments. In addition, a portion of employer contributions and a portion of investment income (and losses) are allocated to operate OP&F's health care stipend program.

In 2024, OP&F's investment portfolio returned a positive 11.13%. As of Dec. 31, 2024, total investments at fair value stood at $18.69 billion.

In the annual actuarial report dated Jan. 1, 2024 completed by CavMac, OP&F achieved a 29.77 year amortization period. OP&F continues to be compliant with Ohio's requirement of a funding period of 30 years or less. A funding period is the amount of time it is estimated to pay off all unfunded obligations. The actuarial report also showed a slight decrease in the funded ratio as of Jan. 1, 2024 to 68.1% (compared to 70.0% as of Jan. 1, 2023). The funded ratio indicates the percentage of the actuarial value of assets available to pay off all pension obligations of the system. The actuarial valuation confirms that OP&F is able to meet its current and future pension obligations. For more information on actuarial assumptions please refer to the Actuarial Section.

OP&F is not required by statute or GASB to pre-fund health care. As of Jan. 1, 2024 OP&F's Health Care Stabilization Fund (HCSF) had a solvency period until August 2040, or approximately 16 more years, assuming 7.50% annual returns. Maintaining the solvency period of the HCSF can be attributed to the transition from a self-insured health care model to a stipend-based model for retirees and beneficiaries, which was implemented on Jan. 1, 2019.

A report by Wilshire Advisors LLC (Wilshire), an investment consultant, showed that OP&F's investment portfolio continues to weather challenging market fluctuations. In 2024, the total portfolio's investment return was positive 11.13% placing it in the 35th percentile of Wilshire's All Public Plans – Total Fund Universe, a common source to establish peer group rankings. With 2024's result, OP&F's three-year annualized return now stands at 3.56%, while the five-year annualized return was 7.63%. OP&F's 10-year annualized return was 7.85%, which is in line with OP&F's 7.50% assumed rate of return. As mentioned earlier, the total portfolio's 2024 results ranked in the 35th percentile of Wilshire's All Public Plans – Total Fund Universe, while the three-year, five-year and 10-year results ranked in the top 28th, 29th and 16th percentiles, respectively, of that same peer universe.

Please see the Notes to the Basic Financial Statements, the Statistical Section and the Required Supplementary Information (RSI) Sections of this report for more detailed information.

**INVESTMENT POLICY**

OP&F invests all available funds in order to maximize both current income and long-term appreciation. The primary objective of OP&F's investment policy is to ensure that OP&F meets its responsibilities for providing retirement and other benefits. The investment portfolio is diversified to provide adequate cash flow and to provide the highest possible total return for OP&F's assets while maintaining an acceptable level of risk. Over calendar year 2024, OP&F's total gross rate of return on its investment portfolio was a positive 11.13%.

Details of portfolio composition, rates of return, analysis of significant economic conditions, and additional information concerning OP&F's investment policy are provided in the Investment Section of this report.

**MATERIAL PLAN AMENDMENTS**

There were no material plan amendments in 2024. See the Actuarial Section for the assumptions used within this report.

**INDEPENDENT AUDIT**

Crowe LLP, independent certified public accountants, audited the financial statements of OP&F for the year ended Dec. 31, 2024, and their opinion thereon is included in the Financial Section.

**NOTES TO BASIC FINANCIAL STATEMENTS**

The Notes to the Basic Financial Statements, which follow the Basic Financial Statements, contain additional information and are an integral part of such statements.

**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to OP&F for its Annual Comprehensive Financial Report for the fiscal year ended Dec. 31, 2023. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the U.S. and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. OP&F believes the current report continues to conform to the Certificate of Achievement Program requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGMENTS**

The preparation and contents of this report reflect the combined efforts of OP&F's staff under the direction of the Board of Trustees and are the responsibility of OP&F's management. It is intended to provide complete and reliable information as a basis for making management decisions, to disclose compliance with legal provisions and as a means of demonstrating responsible stewardship for the assets contributed by the members and their employers.

The cooperation of OP&F's employers is vital to our success and is greatly appreciated.

Respectfully submitted,

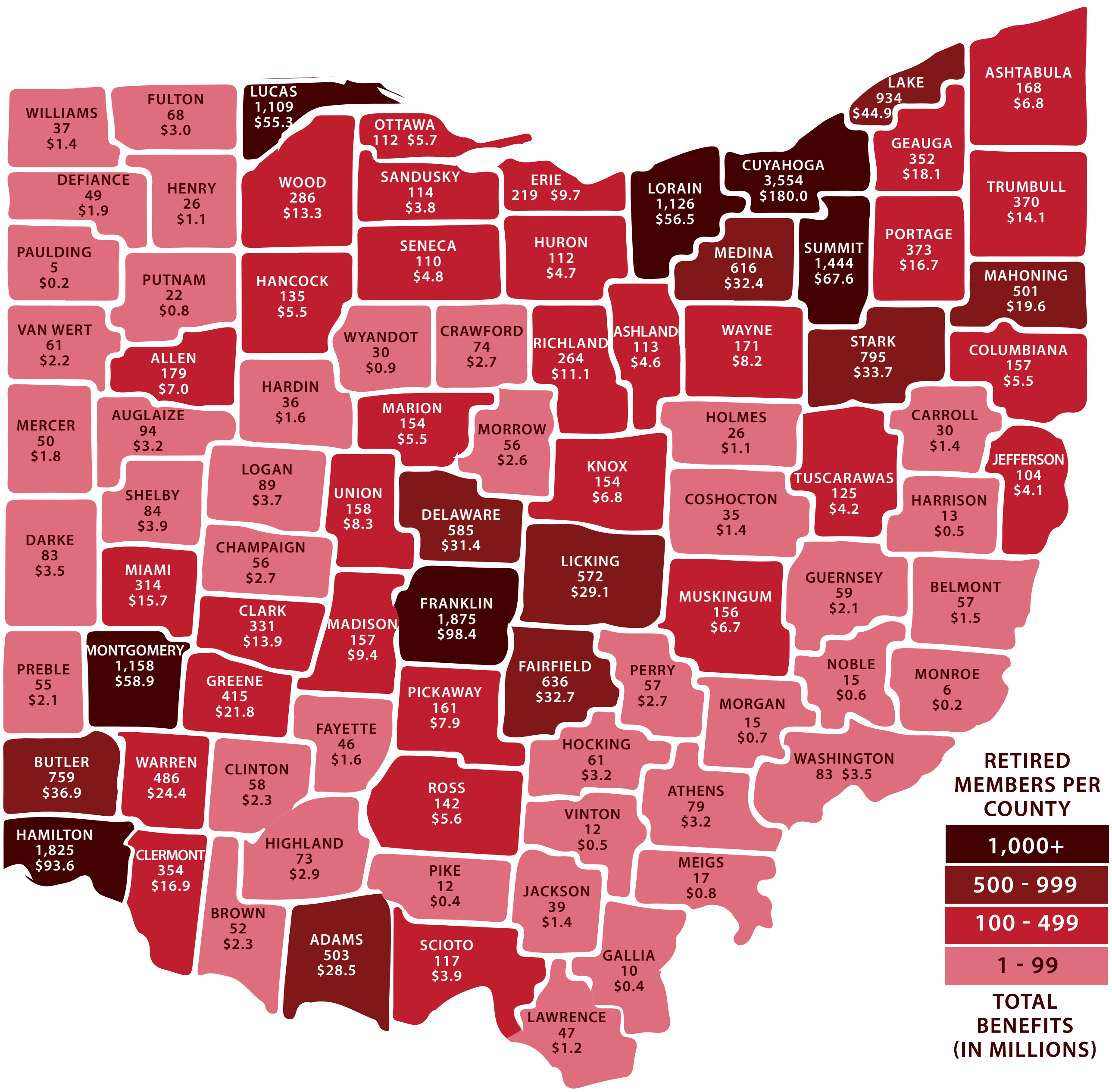
| | |
|---|---|
| Mary Beth Foley<br>Executive Director | Scott K. Miller<br>Chief Financial Officer |

# DEMOGRAPHICS AND ECONOMIC IMPACT

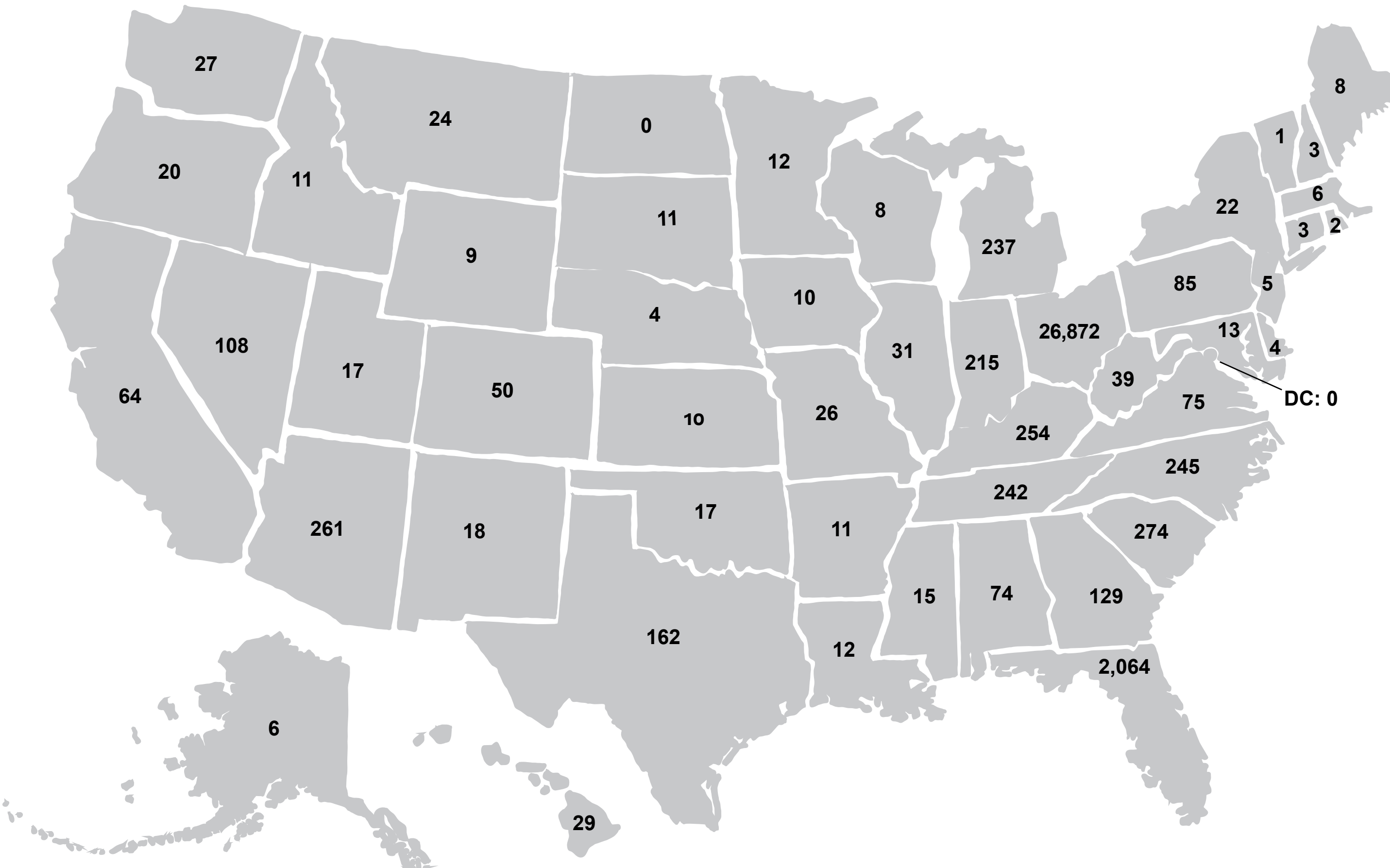
## MEMBERSHIP RESIDENCE- AS OF DEC. 31, 2024

| Type of Member | Total Persons | Ohio Residents | Non-Residents | Percent of Non-Residents |
|---|---|---|---|---|
| Active Members (including DROP) | 31,016 | 30,358 | 658 | 2.1% |
| Retirees | 24,986 | 21,273 | 3,713 | 14.9% |
| Survivors | 6,886 | 5,599 | 1,287 | 18.7% |
| **TOTAL** | **62,888** | **57,230** | **5,658** | **9.00%** |
| Active Members in DROP | 4,275 | 4,216 | 59 | 1.4% |

## RETIREES AND BENEFITS PAID BY COUNTY- AS OF DEC. 31, 2024



## BENEFICIARIES BY STATE- AS OF DEC. 31, 2024




## BENEFICIARIES BY COUNTRY- AS OF DEC. 31, 2024

| Location | Retirees |
|---|---|
| United States | 31,845 |
| Canada | 7 |
| France | 1 |
| Germany | 1 |
| Ireland | 2 |
| Philippines | 5 |
| Puerto Rico | 2 |
| Romania | 1 |
| South Africa | 1 |
| Spain | 1 |
| Thailand | 1 |
| Virgin Islands | 3 |
| Armed Forces, Europe | 2 |

## ECONOMIC IMPACT ANALYSIS

OP&F hired the University of Cincinnati Economics Center to conduct an economic impact analysis of the Ohio Police & Fire Pension Fund in 2018. The Economics Center calculated the economic and fiscal impacts of OP&F's operations and capital expenditures using salary, non-wage expenditure, and capital expenditure data provided. This data, provided by OP&F, was applied to Economic Modeling Specialists International (EMSI) input-output model multipliers. The EMSI model captures the interdependencies of an economy's various industries, quantifying how direct expenditures on goods or services by a particular industry (or to individuals in the form of wages) yield additional expenditures within that economy. The State of Ohio is the primary geographic area of analysis for this study.

OP&F provides vital pension and disability benefits to the State's full-time and retired police officers and firefighters, as well as their beneficiaries. OP&F members totaled approximately 59,000 individuals as of year-end 2018, with a nearly even split between active members and retirees and their beneficiaries. OP&F paid out $1.17 billion in gross benefits to members worldwide in 2018, with approximately $1.00 billion going to Ohio residents. Of this total, these Ohioans spent approximately $811 million on products and services in the Ohio economy in 2018. This direct spending supported nearly 7,100 direct jobs and approximately $276 million in employee earnings. The direct spending, in turn, generated indirect impacts of approximately $871 million in spending, 6,885 jobs, and nearly $312 million in earnings. The Economics Center estimates that household spending impacts in Ohio resulting from OP&F pension payments totaled $1.68 billion in output, supported nearly 14,000 jobs, and more than $587 million in employee earnings.

OP&F operations and capital spending also benefited the Ohio economy in 2018, with combined total economic impacts of approximately $147 million in spending, 410 jobs, and nearly $29 million in employee earnings. The Economics Center estimates that OP&F's total economic impact in 2018 to the Ohio economy included approximately $1.83 billion in output, more than 14,000 jobs, and more than $616 million in employee earnings.

OP&F's operations and pension distributions also generated substantial fiscal impacts to the State of Ohio, Ohio Counties and Transit Authorities, and the City of Columbus in 2018. OP&F distributions to Ohio residents generated approximately $23.5 million in income tax revenues for the State of Ohio. In addition, beneficiaries' purchases of goods and services generated approximately $13.8 million in State sales tax revenues, as well as $2.7 million in County sales tax revenues and $0.7 million in Transit Authority revenues. Earnings paid to OP&F employees in 2018 resulted in income tax collections of approximately $338,000 by the State of Ohio and approximately $266,000 by the City of Columbus. Total fiscal impacts of OP&F operations, pension distributions, and resulting household spending in 2018 totaled $41.3 million which included approximately $37.6 million to the State of Ohio, $2.7 million to Ohio Counties, $0.7 million to Ohio Transit Authorities, and $0.3 million to the City of Columbus.

The complete report of the economic impact analysis of OP&F conducted by the University Of Cincinnati Economic Center can be found on OP&F's website.

# FINANCIAL

## 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT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# INDEPENDENT AUDITOR'S REPORT

Crowe

**Crowe LLP**
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ohio Police & Fire Pension Fund
Columbus, Ohio

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Ohio Police & Fire Pension Fund (the Fund), as of and for the years ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Fund, as of December 31, 2024, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The schedules of administrative expenses and investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of administrative expenses and investment expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introduction, Investments, Actuarial and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our report dated June 16, 2025 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Columbus, Ohio
June 16, 2025

# MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This Management Discussion and Analysis (MD&A) of OP&F's financial performance provides a narrative overview of financial activities for the fiscal year ended Dec. 31, 2024. The MD&A is designed to focus on the current year's activities, resulting changes and currently known facts. OP&F encourages reading this in conjunction with the Basic Financial Statements, Notes to the Basic Financial Statements and the Letter of Transmittal included in the Introductory Section of this Annual Report.

## FINANCIAL HIGHLIGHTS

Additions are received primarily from investment income and employer and member pension contributions. For fiscal year 2024, these additions totaled $2,856.4 million compared to $2,529.2 million in 2023, which is a 12.9% increase. Investment income can fluctuate dramatically because it includes realized and unrealized investment gains and losses which are largely based on the performance of global capital markets.

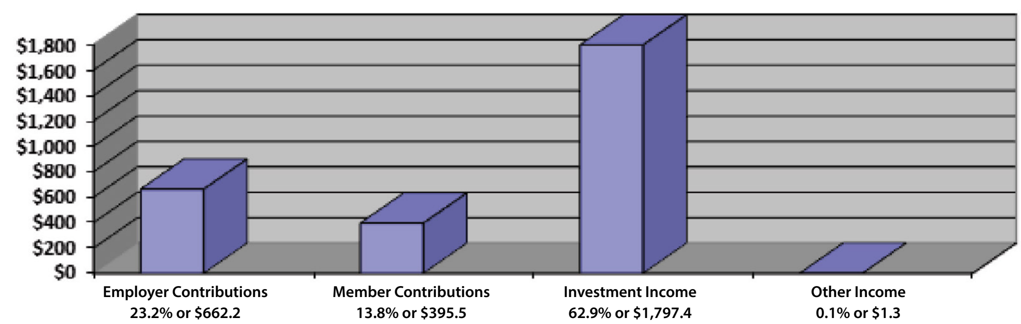
The employer contribution rates of 19.5% for police and 24.0% for fire remained unchanged in both 2024 and 2023. The member contribution rate was 12.25% for both police and fire in 2024 and 2023.

Deductions are incurred primarily for the purpose for which OP&F was created; the payment of pension, disability and survivor benefits to qualified members and survivors. Included in the deductions from OP&F's fiduciary net position for 2024 were benefits for retirement, DROP, disability, health care and survivors. Also included were contribution refunds, administrative and other expenses. Pension benefits are funded through a combination of investment earnings and employer and member contributions. Health care stipends are funded through an allocation of employer contributions and investment income. Deductions totaled $1,826.4 million in 2024 and were $1,735.8 million in 2023, which is a 5.2% increase over 2023. Please refer to the Plan Summary in the Actuarial Section for further information on plan benefits.

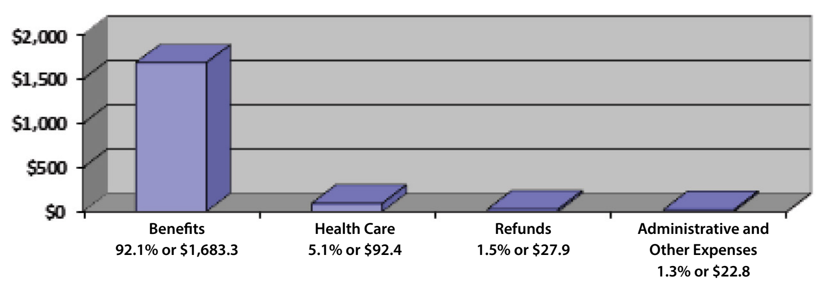
In 2024, the actuarial assumption for the long-term expected rate of return was 7.50%. The long-term expected rate of return is reviewed as part of the actuarial five-year experience study. The next review of the actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation, covering the five-year period 2022-2026.

OP&F administers the State of Ohio Public Safety Officers Death Benefit Fund (DBF). This program was established by the State of Ohio to provide monthly benefit payments to eligible surviving family members of Ohio public safety officers who have been killed in the line of duty or die of a duty-related injury or illness. Funds are disbursed to OP&F on a quarterly basis and are paid monthly by OP&F to eligible recipients. OP&F assesses a fee of 1.5% on benefits paid to cover the cost of administering the DBF. The DBF assets and related liability for unpaid benefits were $1.2 million and $1.6 million at Dec. 31, 2024 and 2023, respectively. This fund is included in the accompanying financial statements.

**2024 ADDITIONS (DOLLARS IN MILLIONS) $2,856.4**




**2024 DEDUCTIONS (DOLLARS IN MILLIONS) $1,826.4**



## OVERVIEW OF FINANCIAL STATEMENTS

Following the MD&A are the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position. OP&F's financial statements are prepared using the accrual basis of accounting and are in compliance with applicable GASB Statements.

The Statement of Fiduciary Net Position provides a snapshot view at year-end for the amount OP&F has accumulated in assets to pay for benefits. The Statement of Changes in Fiduciary Net Position reflects what has happened to OP&F's assets during the fiscal year. If the fiduciary net position increased, then additions were greater than the deductions. If the fiduciary net position decreased, then additions were less than the deductions.

In addition to the Basic Financial Statements and accompanying Notes to the Basic Financial Statements, certain RSI is provided. The RSI consists of information pertaining to OP&F's actuarial methods and assumptions and provides data on the net pension liability and the changes in net pension liability. Also included in the RSI is data on contributions from employers, along with other information useful in evaluating the financial condition of OP&F. Following the RSI are the Schedule of Administrative Expenses and the Schedule of Investment Expenses.

In accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which significantly revised accounting for pension costs and liabilities, OP&F recorded as a liability its proportionate share of the OPERS Net Pension Liability (NPL). However, OP&F is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer.

Employee contribution rates are set by Ohio law. State law permits the Board of Trustees to adjust the employee contribution rate if, in consultation with its actuary following an actuarial review, OP&F determines that an adjustment to the rate is appropriate. The Board of Trustees may increase the employee contribution rate if it determines that the increase is necessary to preserve the fiscal integrity of the pension fund. Likewise, the Board of Trustees may decrease the employee contribution rate if it determines that the decrease would not materially impair the fiscal integrity of the pension fund.

Employer contribution rates are also set by Ohio law. A change in the employer rates requires action by the General Assembly and approval by the Governor. OP&F's benefit provisions are also determined by state statute.

In Ohio, at this time it does not appear that there are any legal means to enforce payments of the net pension liability of the pension system by public employers. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave) are satisfied through paid time-off or termination payments. There is no repayment schedule for the NPL. Changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability, but are outside the control of the public employer. In the event that contributions, investment returns and other changes are insufficient to keep up with required pension payments, state statute does not assign/identify the responsible party for the unfunded portion.

In 2017, OP&F implemented GASB Statement No. 74, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, which resulted in an additional note disclosure to the financial statements and additional RSI related to OP&F's Retiree Health Care program. In 2018, OP&F implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions, and recorded a liability representing OP&F's proportionate share of OPEB liability.

GASB Statement No. 75 is very similar to GASB Statement No. 68, in that, OP&F is not responsible for certain key factors affecting the balance of this OPEB liability. Both standards affect financial reporting only, not funding. The requirement to report these liabilities may represent a significant figure on OP&F's financial statements, but does not affect the amount OP&F is required to fund under Ohio law. In Ohio, governmental employers are not legally bound to pay off the unfunded liabilities of OPERS. The intent of the standards is to enhance both the pension and OPEB related information in financial reports by providing greater transparency and to standardize the valuation practices from entity to entity.

A condensed version of OP&F's financial information is being provided as part of this discussion.

### CONDENSED FIDUCIARY NET POSITION INFORMATION (DOLLARS IN MILLIONS)

| | | | 2024 Change | |
|---|---|---|---|---|
| | 2024 | 2023 | Amount | Percent |
| Cash and Short-term Investments | $1,694.1 | $1,856.6 | $(162.5) | (8.8)% |
| Receivables | 199.8 | 274.6 | (74.8) | (27.2)% |
| Investments, at Fair Value | 17,937.0 | 16,148.9 | 1,788.1 | 11.1% |
| Capital Assets, Net of Depreciation | 18.4 | 20.0 | (1.6) | (8.0)% |
| Other Assets | 0.1 | 0.2 | (0.1) | (50.0)% |
| **TOTAL ASSETS** | **19,849.4** | **18,300.3** | **1,549.1** | **8.5%** |
| DEFERRED OUTFLOWS | 8.1 | 12.6 | (4.5) | (35.7)% |
| Benefits and Accounts Payable | 97.5 | 89.6 | 7.9 | 8.8% |
| Investments Payable | 1 ,037.7 | 530.4 | 507.3 | 95.6% |
| **TOTAL LIABILITIES** | **1,135.2** | **620.0** | **515.2** | **83.1%** |
| DEFERRED INFLOWS | 1.7 | 2.3 | (0.6) | (26.1)% |
| **FIDUCIARY NET POSITION, END OF YEAR** | **$18,720.6** | **$17,690.6** | **$1,030.0** | **5.8%** |

### CONDENSED CHANGES IN FIDUCIARY NET POSITION INFORMATION (DOLLARS IN MILLIONS)

| | | | 2024 Change | |
|---|---|---|---|---|
| | 2024 | 2023 | Amount | Percent |
| Contributions | $1,057.7 | $994.4 | $63.3 | 6.4% |
| Net Investment Gain (Loss) | 1,797.4 | 1,533.2 | 264.2 | 17.2% |
| Other Additions | 1.3 | 1.6 | (0.3) | (18.8)% |
| **TOTAL ADDITIONS** | **2,856.4** | **2,529.2** | **327.2** | **12.9%** |
| Benefit Payments | 1,775.7 | 1,687.9 | 87.8 | 5.2% |
| Refund of Member Contributions | 27.9 | 25.4 | 2.5 | 9.8% |
| Administrative Expenses and Other | 22.8 | 22.5 | 0.3 | 1.3% |
| **TOTAL DEDUCTIONS** | **1,826.4** | **1,735.8** | **90.6** | **5.2%** |
| **Net Increase (Decrease)** | **1,030.0** | **793.4** | **236.6** | **29.8%** |
| **Fiduciary Net Position, Beginning of Year** | **17,690.6** | **16,897.2** | **793.4** | **4.7%** |
| **FIDUCIARY NET POSITION, END OF YEAR** | **$18,720.6** | **$17,690.6** | **$1,030.0** | **5.8%** |

## FINANCIAL ANALYSIS

**FIDUCIARY NET POSITION**

The fiduciary net position available for benefits and expenses in 2024 was $18,720.6 million versus $17,690.6 million in 2023, which represents a 5.8% net increase. The overall net increase in 2024 can be primarily attributed to net appreciation on the fair value of investments. Please refer to the Investment Section for additional information on OP&F's investment activities in 2024.

**REVENUE ADDITIONS TO FIDUCIARY NET POSITION**

Based on the numbers found on page seven, overall contributions received by OP&F in 2024 increased 6.4% or $63.3 million compared to 2023. This increase is primarily due to the increase in member and employer contributions received in 2024.

Pension contributions from employers increased $41.5 million, or 6.7%, in 2024. Employer pension contribution increases are also due to an increase in the average annual salary and total annual payroll. Employer contributions are not impacted by DROP and the employer contributions associated with DROP participation are not allocated to the individual DROP accounts.

In 2024, pension contributions from members increased $21.8 million, or 5.8%. The increase in 2024 can be attributed to the 4.6% increase in the average annual salary, from $90,046 to $94,197. The active member population, or contributing members, increased by 389, or 1.3%, to 30,574 in 2024.

In 2024, members purchasing service credit or transferring in their member contributions decreased by $1.9 million, or 8.0% compared to 2023. These purchases and transfers-in fluctuate year-to-year based on the number and amount of the service credit being purchased by the membership and the number and amount of members transferring contributions from other retirement systems.

In 2024, contributions received through the state-subsidy decreased $5,495, or 3.5%. The state-subsidy decreased from $155,139 to $149,644. This trend is due to a normal decline in the population of survivors receiving this subsidized benefit.

Investment net appreciation totaled $1,797.4 million in 2024. The net appreciation of 2024 can be attributed to a positive gross return of 11.13% from OP&F's investment portfolio. In 2023, investment net appreciation totaled $1,533.2 million. The net appreciation of 2023 can be attributed to a positive gross return of 9.52% from OP&F's investment portfolio.

**EXPENSE DEDUCTIONS FROM NET POSITION**

Overall pension benefits for service retirement, disability, survivors, and DROP increased $81.1 million or 5.1% in 2024. This is due to an increase in pension benefits paid to service and disability retirees, and survivors and beneficiaries of $58.0 million or 4.3%. The number of service retirees increased by 574 individuals, or 3.3% in 2024. Survivors and beneficiaries decreased by 28 individuals, or 0.4% and disability retirees decreased by 55 individuals, or 1.0%. In addition, DROP benefit distributions increased $23.1 million or 9.4% in 2024 compared to 2023.

In 2024, health care benefits increased by 7.8% and gross health care payments totaled $92.4 million and represented 5.1% of all plan deductions. In 2023, health care benefits totaled $85.7 million and represented 4.9% of all plan deductions. The increases in health care benefits in 2024 can be attributed to the increase in the amount of stipend payments made to members and beneficiaries.

Refunds to members increased by $2.5 million in 2024, from $25.4 million in 2023 to $27.9 million in 2024. These refunds include actual refunds of member contributions on deposit for inactive members.

Administrative and other expenses increased by $0.3 million or 1.3% in 2024 compared to 2023. This increase is primarily due to a $0.3 million increase in software technology from $3.6 million in 2023 to $3.9 million in 2024.

# BASIC FINANCIAL STATEMENTS

## STATEMENT OF FIDUCIARY NET POSITION (UNAUDITED)

AS OF DEC. 31, 2024

| | Pensions | Post-Employment Health Care | 2024 Total | Death Benefit Fund |
|---|---|---|---|---|
| **Assets:** | | | | |
| Cash and Short-term Investments | $1,622,854,807 | $71,253,788 | $1,694,108,595 | $1,199,532 |
| **Receivables:** | | | | |
| Employers' Contributions | 54,611,015 | 1,293,185 | 55,904,200 | - |
| Members' Contributions | 31,309,862 | - | 31,309,862 | - |
| Accrued Investment Income | 49,747,527 | 2,184,237 | 51,931,764 | - |
| Investment Sales Proceeds | 44,837,212 | 1,968,643 | 46,805,855 | - |
| Local Funds Receivable | 13,806,123 | - | 13,806,123 | - |
| **TOTAL RECEIVABLES** | **194,311,739** | **5,446,065** | **199,757,804** | **-** |
| **Investments, at fair value:** | | | | |
| Bonds-Domestic | 3,232,577,653 | 141,930,999 | 3,374,508,652 | - |
| Bonds-International | 57,533 | 2,526 | 60,059 | - |
| Mortgage and Asset-Backed Securities | 848,543,213 | 37,256,517 | 885,799,730 | - |
| Stocks-Domestic | 4,609,863,812 | 202,402,740 | 4,812,266,552 | - |
| Stocks-International | 2,322,943,079 | 101,992,176 | 2,424,935,255 | - |
| Real Estate | 1,813,124,883 | 79,607,871 | 1,892,732,754 | - |
| Private Debt | 533,931,912 | 23,443,053 | 557,374,965 | - |
| Private Equity | 1,388,456,326 | 60,962,184 | 1,449,418,510 | - |
| Real Assets | 1,139,349,006 | 50,024,766 | 1,189,373,772 | - |
| Master Limited Partnerships | 388,479,106 | 17,056,737 | 405,535,843 | - |
| Derivatives-Domestic | (943,260) | (41,415) | (984,675) | - |
| Derivatives-International | 391,162 | 17,175 | 408,337 | - |
| **TOTAL INVESTMENTS** | **16,276,774,425** | **714,655,329** | **16,991,429,754** | **-** |
| Collateral on Loaned Securities | 905,829,067 | 39,771,736 | 945,600,803 | - |
| **Capital Assets, net of accumulated depreciation, where applicable:** | | | | |
| Land | 3,200,000 | - | 3,200,000 | - |
| Building and Improvements | 7,848,693 | - | 7,848,693 | - |
| Furniture and Equipment | 10,654 | - | 10,654 | - |
| Computer Software and Hardware | 7,357,038 | - | 7,357,038 | - |
| TOTAL CAPITAL ASSETS, NET | 18,416,385 | - | 18,416,385 | - |
| Prepaid Expenses and Other | 148,422 | - | 148,422 | - |
| **TOTAL ASSETS** | **19,018,334,845** | **831,126,918** | **19,849,461,763** | **1,199,532** |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred Outflows- Pension and OPEB | 8,051,877 | - | 8,051,877 | - |
| **Liabilities:** | | | | |
| Investment Commitments Payable | 88,208,110 | 3,872,905 | 92,081,015 | - |
| Accrued Administrative Expenses | 36,130,180 | - | 36,130,180 | - |
| Due to State of Ohio | - | - | - | 1,199,532 |
| Obligations Under Securities Lending | 905,829,067 | 39,771,736 | 945,600,803 | - |
| Other Liabilities | 61,407,084 | - | 61,407,084 | - |
| **TOTAL LIABILITIES** | **1,091,574,441** | **43,644,641** | **1,135,219,082** | **1,199,532** |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred Inflows - Pension and OPEB | 1,699,449 | - | 1,699,449 | - |
| **FIDUCIARY NET POSITION HELD IN TRUST FOR PENSION AND POST-EMPLOYMENT HEALTH CARE BENEFITS** | **$17,933,112,832** | **$787,482,277** | **$18,720,595,109** | **$-** |

See the Notes to the Basic Financial Statements. The accompanying notes are an integral part of the financial statements.

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (UNAUDITED)

FOR THE YEAR ENDED DEC. 31, 2024

| | Pensions | Post-Employment Health Care | 2024 Total | Death Benefit Fund |
|---|---|---|---|---|
| **Additions:** | | | | |
| From Contributions: | | | | |
| Members' | $395,474,143 | $- | $395,474,143 | $- |
| Employers' | 646,758,070 | 15,316,094 | 662,074,164 | - |
| State of Ohio-Subsidies | 149,644 | - | 149,644 | - |
| State of Ohio-Death Benefit Fund | - | - | - | 37,376,526 |
| **TOTAL CONTRIBUTIONS** | **1,042,381,857** | **15,316,094** | **1,057,697,951** | **37,376,526** |
| **From Investment Income (Loss):** | | | | |
| Net Appreciation (Depreciation) | | | | |
| Value of Investments | 1,258,987,409 | 56,723,066 | 1,315,710,475 | - |
| Bond Interest | 158,461,691 | 7,139,414 | 165,601,105 | - |
| Dividends | 98,588,218 | 4,441,844 | 103,030,062 | - |
| Alternative Investment Income | 140,379,724 | 6,324,740 | 146,704,464 | - |
| Master Limited Partnerships Income | 34,329,791 | 1,546,712 | 35,876,503 | - |
| Other Investment Income (Loss) | 83,642,707 | 3,768,482 | 87,411,189 | - |
| Less Investment Expenses | (57,170,777) | (2,575,802) | (59,746,579) | - |
| **NET INVESTMENT INCOME (LOSS)** | **1,717,218,763** | **77,368,456** | **1,794,587,219** | **-** |
| **From Securities Lending Activities:** | | | | |
| Securities Lending Income | 33,943,184 | 1,529,294 | 35,472,478 | - |
| Securities Lending Expense | (31,210,154) | (1,406,158) | (32,616,312) | - |
| **NET INCOME FROM SECURITIES LENDING** | **2,733,030** | **123,136** | **2,856,166** | **-** |
| Interest on Local Funds Receivable | 615,239 | - | 615,239 | - |
| Other Income | 639,650 | 70,957 | 710,607 | - |
| **TOTAL ADDITIONS** | **2,763,588,539** | **92,878,643** | **2,856,467,182** | **37,376,526** |
| **Deductions:** | | | | |
| Service Retirement Benefits | 1,039,916,241 | - | 1,039,916,241 | - |
| Disability Benefits | 265,913,592 | - | 265,913,592 | - |
| Health Care Benefits | - | 92,380,897 | 92,380,897 | - |
| Survivor Benefits | 107,489,708 | - | 107,489,708 | - |
| Death Fund Benefits | - | - | - | 37,376,526 |
| DROP Withdrawals | 269,992,787 | - | 269,992,787 | - |
| Contribution Refunds | 27,927,227 | - | 27,927,227 | - |
| Administrative Expenses | 22,374,205 | 422,541 | 22,796,746 | - |
| Other Expenses | 33,300 | - | 33,300 | - |
| **TOTAL DEDUCTIONS** | **1,733,647,060** | **92,803,438** | **1,826,450,498** | **37,376,526** |
| CHANGE IN FIDUCIARY NET POSITION | 1,029,941,479 | 75,205 | 1,030,016,684 | - |
| **FIDUCIARY NET POSITION - BEG OF YEAR** | **16,903,171,353** | **787,407,072** | **17,690,578,425** | **-** |
| **FIDUCIARY NET POSITION - END OF YEAR** | **$17,933,112,832** | **$787,482,277** | **$18,720,595,109** | **$ -** |

See the Notes to the Basic Financial Statements. The accompanying notes are an integral part of the financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS
(DEC. 31, 2024)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by OP&F.

### BASIS OF ACCOUNTING

OP&F's financial statements have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred. Contributions are earned based on statutory requirements under Chapter 742 of the ORC.

### NEW ACCOUNTING PRONOUNCEMENTS

During the year ended Dec. 31, 2024, OP&F adopted the provisions of GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62, and GASB Statement No. 101, Compensated Absences. The adoption of these pronouncements had no material impact on the financial statements.

The GASB has issued the following pronouncements: GASB Statement No. 102, Certain Risk Disclosures, effective for fiscal years beginning after June 15, 2024, GASB Statement No. 103, Financial Reporting Model Improvements, effective for fiscal years beginning after June 15, 2025, and GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for fiscal years beginning after June 15, 2025. OP&F is analyzing the impact that these GASB pronouncements will have on the financial statements.

### MANAGEMENT USE OF ESTIMATES

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to estimates and assumptions include the fair value of certain investments, carrying amount of capital assets and assets and obligations related to employee and member benefits. Actual results could differ from those estimates.

### INVESTMENTS

Investment purchases and sales are recorded on a trade-date basis. Dividend income is recognized on the ex-dividend date. Income on bonds, private equity, private debt, real estate funds and interest income are recognized when earned.

Investments are reported at fair value. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Securities traded on a national or international exchange, including master limited partnerships (MLPs), are valued at the last reported sales price at the then current exchange rates. Mortgages are valued on the basis of future principal payments discounted at prevailing interest rates for similar instruments. Commingled assets that are not traded on a national exchange are valued by the commingled manager. The fair value of real estate and timber are based on independent appraisal or internal manager valuations. The value of OP&F's private interests are based on values established by each partnership's valuation committee. Investments, for which no national exchanges or pricing services exist, such as private equity assets are valued at fair value by the investment partnership based on the valuation methodology outlined in the partnership agreement.

OP&F performs due diligence reviews of the investment pricing, process and infrastructure of private investments to assure that asset values provided by the managers are reasonable. Investments that do not have an established market such as private markets, real estate, and private credit partnerships, along with other commingled assets, are reported at estimated fair value received from the investment managers.

Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the end of the year and the beginning of the year, less the cost of investments purchased, plus reinvested proceeds from sales of investments at fair value. Investment expense consists of administrative expenses directly related to OP&F's investment operations and a proportional amount of all other administrative expenses allocated based on the ratio of OP&F's investment staff to total OP&F staff.

### FEDERAL INCOME TAX STATUS

OP&F was determined to be a qualified trust under section 401(a) of the Internal Revenue Service (IRS) Code that is exempt from federal income taxes under Section 501(a) of the IRS Code. OP&F's DROP plan was also determined to be part of the 401(a) trust. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

### ADMINISTRATIVE COSTS

The cost of administering the plan is financed by investment income.

### CONTRIBUTIONS, BENEFITS AND REFUNDS

Employer and member contributions are recognized when due or in the period the related member salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

### PROPERTY AND EQUIPMENT

Capital projects related to the acquisition of property and equipment, greater than or equal to $5,000, are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the related assets. The range of estimated useful life is as follows:

| | |
|---|---|
| Buildings and Improvements: | 40 years |
| Furniture and Equipment: | 3 to 10 years |
| Computer Software and Hardware: | 2 to 7 years |

### CHANGES IN CAPITAL ASSETS*

| Non-Depreciable Capital Assets | Jan. 1, 2024 | Additions | Disposals | Dec. 31, 2024 |
|---|---|---|---|---|
| Land | $3,200,000 | $- | $- | $3,200,000 |
| | | | | |
| **Depreciable Capital Assets** | **Jan. 1, 2024** | **Additions** | **Disposals** | **Dec. 31, 2024** |
| Building and Improvements | $21,395,605 | $- | $- | $21,395,605 |
| Furniture and Equipment | 3,224,441 | 5,500 | (30,110) | 3,199,831 |
| Computer Software and Hardware | 28,528,506 | 1,808,803 | (6,465) | 30,330,844 |
| **TOTAL DEPRECIABLE CAPITAL ASSETS** | **53,148,552** | **1,814,303** | **(36,575)** | **54,926,280** |
| | | | | |
| **Accumulated Depreciation** | **Jan. 1, 2024** | **Additions** | **Disposals** | **Dec. 31, 2024** |
| Building and Improvements | 13,021,683 | 525,229 | - | 13,546,912 |
| Furniture and Equipment | 3,207,824 | 11,463 | (30,110) | 3,189,177 |
| Computer Software and Hardware | 20,144,745 | 2,834,584 | (5,523) | 22,973,806 |
| **TOTAL ACCUMULATED DEPRECIATION** | **36,374,252** | **3,371,276** | **(35,633)** | **39,709,895** |
| **TOTAL DEPRECIABLE CAPITAL ASSETS, NET** | **$16,774,300** | **$(1,556,973)** | **$(942)** | **$15,216,385** |

* Additions in capital assets are related to purchases of property and equipment in 2024. Increases in accumulated depreciation are a result of depreciation expensed over the useful life of the asset which was expensed in 2024. Decreases in both the capital assets and accumulated depreciation are related to the disposal of property and equipment in 2024.

## 2. DESCRIPTION OF THE SYSTEM

### ORGANIZATION

OP&F is a cost-sharing, multiple-employer public employee retirement system established by the ORC Chapter 742 in 1965 to consolidate the various individual local police and firefighter's relief and pension funds into one statewide plan. OP&F is administered by a nine member Board of Trustees, consisting of two active representatives of police departments, two active representatives of fire departments, one retired police officer and one retired firefighter. The Board of Trustees also includes three statutory members. Each statutory member (one appointed by the Governor of Ohio, one by the Ohio Treasurer of State and one appointed jointly by the Ohio Senate President and Ohio Speaker of the House of Representatives) must have professional investment expertise.

OP&F administers pension, disability, DROP and health care stipend benefits to qualified members. In addition, OP&F administers survivor benefits, death benefits and a health care stipend benefit for eligible survivors, spouses, children and dependent parents. OP&F is a separate financial reporting entity in accordance with criteria established by GASB Statement No.14. Since OP&F is a legally separate entity, a voting majority of the governing board is not appointed by the state and it is fiscally independent of other state and local governments. OP&F also has a variety of professional consultants and money managers as listed on Page vii and Page 64.

### PLAN MEMBERSHIP

Member data as of Jan. 1, 2024 actuarial valuation and employer data as of Dec. 31, 2024, as follows:

| | | 2024 | |
|---|---|---|---|
| **Employee Members** | **Police** | **Fire** | **Total** |
| **Retirees and Beneficiaries** | | | |
| Currently receiving benefits | 18,044 | 13,381 | 31,425 |
| Terminated employees entitled to benefits but not yet receiving them | 181 | 110 | 291 |
| **TOTAL BENEFIT MEMBERS** | **18,225** | **13,491** | **31,716** |
| **Current Members** | | | |
| Vested* | 6,350 | 6,078 | 12,428 |
| Non-vested | 9,149 | 8,997 | 18,146 |
| **TOTAL CURRENT MEMBERS** | **15,499** | **15,075** | **30,574** |
| **TOTAL EMPLOYEE MEMBERS** | **33,724** | **28,566** | **62,290** |
| **Employer Members** | | | |
| Municipalities | 250 | 210 | 460 |
| Townships | - | 202 | 202 |
| Villages | 278 | 42 | 320 |
| **TOTAL EMPLOYER MEMBERS** | **528** | **454** | **982** |

* Includes Rehired Retirees.

### BENEFITS

Plan benefits are established under ORC Chapter 742. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's allowable average annual salary.

Since average annual salary is subject to certain statutory and administrative limitations, not all salary, earnings, or compensation may be used in the calculation. OP&F calculates allowable average annual salary as follows:

- For OP&F members with 15 or more years of service credit as of July 1, 2013, average annual salary is an average of the three years of highest allowable earnings, regardless of when in their career the highest years occurred.
- For OP&F members with less than 15 years of service credit as of July 1, 2013, average annual salary is an average of the five years of highest allowable earnings, regardless of when in their career the highest years occurred.
- A salary benchmark is established for members with 15 or more years of service credit as of July 1, 2013, under which certain increases are excluded from salary for the purpose of determining allowable average annual salary. This benchmarking does not apply to members with less than 15 years of service credit as of July 1, 2013.

### NORMAL SERVICE RETIREMENT

#### ELIGIBILITY

- For members hired into an OP&F-covered position after July 1, 2013, minimum retirement age is 52 with at least 25 years of service credit.
- For members hired into an OP&F-covered position on or before July 1, 2013, minimum retirement age is 48 with 25 years of service credit.

#### BENEFIT

An annual pension equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service credit, 2.0% for each of the next five years of service credit and 1.5% for each year of service credit in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

**SERVICE COMMUTED RETIREMENT**

**ELIGIBILITY**

- For members hired into an OP&F-covered position after July 1, 2013, the minimum retirement age is 52, they must have at least 15 years of service credit and 25 years have elapsed from the date of their full-time hire.
- For members hired into an OP&F-covered position on or before July 1, 2013, the minimum retirement age is 48, they must have at least 15 years of service credit and 25 years have elapsed from the date of their full-time hire.

**BENEFIT**

An annual pension equal to 1.5% of the allowable average annual salary multiplied by the number of full years of service credit (up to 25 years of service credit).

**AGE/SERVICE COMMUTED RETIREMENT**

**ELIGIBILITY**

Age 62, 15 years of service credit and still working as a full-time police officer or firefighter.

**BENEFIT**

An annual pension that uses the same formula as the Normal Service Retirement benefit (up to 25 years of service credit).

**ACTUARIALLY REDUCED**

**ELIGIBILITY**

For members hired into an OP&F-covered position after July 1, 2013, age 48 with 25 years of service credit.

**BENEFIT**

An annual pension reduced to the actuarial equivalent of the amount payable had the member retired at age 52.

**OTHER BENEFITS**

In addition to retirement benefits, OP&F also provides disability and survivor benefits. Disability benefits are available to all members and vary by length of service and type of disability. Statutory survivor benefits are specified dollar amounts paid to an eligible surviving spouse, children and dependent parents upon the death of an active member or retiree. A one-time lump sum death benefit of $1,000 is payable to the surviving spouse, designated beneficiary or estate, as applicable, of each deceased retired member.

OP&F also administers the DBF, which is funded by the State of Ohio and provides special benefits to eligible survivors of public safety officers who are killed in the line of duty or who die from injuries or disease incurred in the performance of official duties. If the public safety officer had not qualified for age and service retirement these eligible survivors are entitled to receive the member's full base pay until the officer would have been eligible to retire as of the maximum age and service pension for the officer's position, which will be reduced at the member's maximum pension eligibility date. If the public safety officer would have qualified for maximum age and service retirement, the survivors are eligible for a transitional benefit equal to 75% of the monthly base pay. The transitional benefit is paid in addition to any other payment that they might be eligible to receive without offset.

**DEFERRED RETIREMENT OPTION PLAN (DROP)**

DROP is an optional benefit that allows eligible police officers and firefighters to accumulate a lump sum of money for retirement, subject to the member meeting certain criteria.

At Dec. 31, 2024, 4,296 members were enrolled in the DROP program, with total values of the DROP accounts equaling $2,252.9 million.

**ELIGIBILITY**

A member is eligible to participate in DROP when he or she is eligible for a normal service retirement.

- For members hired into an OP&F-covered position after July 1, 2013, normal service retirement eligibility is age 52 with at least 25 years of service credit.
- For members hired into an OP&F-covered position on or before July 1, 2013, normal service retirement eligibility is age 48 with at least 25 years of service credit.

**BENEFIT**

DROP is a cost neutral benefit offered by OP&F. Upon the DROP effective date, the member's pension is calculated as if that were their date of retirement. While the member continues to work and draw their normal salary, the amount they would have received in retirement benefits accumulates tax-deferred at OP&F on their behalf, as well as a portion of their OP&F employee contributions and interest. Since the member's pension has already been calculated:

- The years of DROP service do not apply towards the member's normal service retirement.
- If a member earns a higher salary after their DROP effective date due to a raise, job promotion, etc., it will not be used to recalculate their pension and, therefore, will not result in that member receiving a higher pension upon retirement.

The DROP interest rate is set by administrative rule and is subject to change at any time. OP&F credits interest to all DROP balances each month at a rate equal to the 10-year U.S. Treasury Note Business Day Series, as published by the U.S. Department of the Treasury, with a cap of 5.0% and a floor of 2.5%. This variable interest rate is compounded annually and adjusted quarterly to match the published 10-year U.S. Treasury Note Business Day Series rate for the last trading business day of the preceding quarter and is in effect for the subsequent quarter.

Members who elect to participate in DROP do not qualify for an annual COLA at any time during DROP. Member contributions are credited to their DROP account based on the number of years of DROP service. OP&F applies contributions to DROP in the following manner:

| Years of DROP Service | Percentage of Member Contributions |
|---|---|
| Years 1-3 | 50% of member's contributions |
| Years 4-5 | 75% of member's contributions |
| Years 6-8 | 100% of member's contributions |

The minimum participation in DROP, without penalty, is five years and the maximum is eight years.

- If a member terminates employment within the first five years of electing to participate in DROP, then the member forfeits all of their DROP interest. In addition to losing their accumulated interest, members who choose to terminate employment before completing the required participation period cannot withdraw any of the funds in their DROP account until the minimum participation period has expired. The only exception to this rule is if the member dies during the DROP minimum participation period. The member's surviving spouse, designated beneficiary or estate, as applicable, will receive the entire DROP account balance determined at time of death.
- If a member chooses to continue working after eight years in DROP, the member forfeits all DROP benefits and receives the Normal Service Retirement benefit upon retirement, which will be calculated to include the service credit and salary earned during the DROP participation period.

All DROP members retiring before the eight-year maximum participation period will receive their Normal Service Retirement benefit determined at the time of DROP entry to their date of retirement when eligible. These members will also receive the DROP account balance as a lump sum or monthly distribution.

If a member dies while participating in DROP, the member's surviving spouse, designated beneficiary or estate will receive the entire DROP account balance determined at the time of death. Also, the member' surviving spouse or contingent dependent beneficiary will receive either a 50% joint and survivor annuity or the annuity plan selected by the member, whichever is greater. All other statutory death benefits will apply.

If the member becomes disabled while in DROP, and has not terminated employment, the member must choose between receiving a disability benefit or DROP and a service retirement benefit. If the member stays in DROP, the disability benefit is forfeited. If the member chooses the disability benefit, the member forfeits all DROP benefits and receives the disability benefit, with service credit during the DROP period included.

## REFUNDS

Upon separation from service, a member can receive the contributions that he or she made to the plan or the employee share of member contributions picked-up on the member's behalf by their employer. Acceptance of a refund of employee contributions cancels the member's rights, benefits and total service with OP&F. Employer contributions to OP&F are not refundable.

## HEALTH CARE

A stipend funded by OP&F via the HCSF is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15 year future solvency projection in the HCSF.

Health care costs paid from the funds of the plan are included in the employer contribution rates, which are currently 19.5% and 24.0% of salaries for police and fire employers, respectively. During 2024, the Board of Trustees has allocated employer contributions equal to 0.5% of annual covered payroll to the HCSF. The HCSF is part of the Pension Reserve Fund.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

## 3. CONTRIBUTIONS AND RESERVES

### CONTRIBUTIONS

The ORC Chapter 742 requires contributions by active members and their employers. Contribution rates are subject to annual review by the Ohio Retirement Study Council (ORSC). Additionally, an actuary is used to determine the actuarial implications of the requirement. The adequacy of contribution rates is determined annually using the entry age normal actuarial cost method. Rates are at the statutory maximums and the maximum rates have been taken into consideration in the projection of pension benefits for financial accounting measurement purposes.

Rates established by the ORC Jan. 1, 2024 through Dec. 31, 2024:

| Percentage of active member payroll | Police | Fire | Percent Contributed |
|---|---|---|---|
| Member | 12.25% | 12.25% | 100% |
| Employer | 19.50% | 24.00% | 100% |
| **TOTAL STATUTORY RATE*** | **31.75%** | **36.25%** | **100%** |

* Combined member and employer contributions as a percentage of the total active member payroll required and made Jan. 1, 2024 through Dec. 31, 2024.

The ORC establishes the length of the amortization period for unfunded pension liability as the primary measure of OP&F's financial status, with a period of 30 years or less being considered satisfactory. This 30-year target was to be attained by Dec. 31, 2006 and maintained thereafter. As of Jan. 1, 2024, OP&F's amortization period was 29.77 years.

In accordance with the ORC, the State of Ohio is required to contribute additional amounts to finance the cost of certain state-legislated benefit improvements. The total amount contributed by the State of Ohio was $149,644 for the year ended Dec. 31, 2024.

The chart below summarizes the member and employer contributions for 2024:

### LOCAL FUNDS RECEIVABLE

Local governments are required by state statute to pay the unfunded portion of the actuarially-determined liability of the local police and firefighter's relief and pension funds that were merged to form OP&F in 1967. The ORC designates this obligation of the local governments to the Employers' Accrued Liability. Interest on the outstanding balance is being accrued at the rate of 4.25%, compounded semi-annually. Local governments began repayment in 1969 and payments are required to be made until 2035.

The following is a summary of the amounts due on the local funds receivable:

| Local Funds Receivable | |
|---|---|
| Year ending December 2025 | $1,647,764 |
| Year ending December 2026 | 1,646,577 |
| Year ending December 2027 | 1,646,577 |
| Year ending December 2028 | 1,646,577 |
| Year ending December 2029 | 1,646,577 |
| Thereafter | 8,908,560 |
| **TOTAL PROJECTED PAYMENTS** | **17,142,632** |
| Less future interest portion | (3,336,509) |
| **BALANCE AT DEC. 31, 2024*** | **$13,806,123** |

* The Local Funds Receivable balance due at Dec. 31, 2024 includes $16,713 due from two employers, which had previously underpaid their semi-annual payment.

### SUMMARY OF MEMBER AND EMPLOYER CONTRIBUTIONS

| Year Ended Dec. 31 | Police Member Contributions | Police Employer Contributions | Percent Contributed | Fire Member Contributions | Fire Employer Contributions | Percent Contributed |
|---|---|---|---|---|---|---|
| 2024 | $201,691,813 | $377,382,273 | 100% | $193,782,330 | $284,691,891 | 100% |

**RESERVES**

The ORC requires that several reserve funds be maintained annually for tracking fund activities for both police and fire. Each year-end the reserve funds are managed and allocations are done to reflect the revenue and expense activities and funding balance transfers due to changes in membership status from active to retired.

The Guarantee Fund and Expense Fund are always zero at the end of each year as they are used to fund the Pension Reserve Fund from investment gains and losses and to account for the administrative operation expenses.

As required by the ORC, the following accounts have been established for the reserves held for current and future benefits and are separated between police and fire:

*The Police Officers' and Firefighters' Contribution Fund*
This fund accumulates the contributions deducted from the salaries of members. Upon retirement, a member's accumulated contributions are transferred to the Police Officers' or Firefighters' Pension Reserve Fund.

*The Police Officers' and Firefighters' Employers' Contribution Fund*
This fund is the depository for employer contributions. Based on actuarial valuations, amounts are transferred from this account to the Police Officers' and Firefighters' Pension Reserve Fund.

*The Police Officers' and Firefighters' Pension Reserve Fund*
This fund is the account from which all retirement, disability, DROP, health care stipend and survivor benefits are paid. Included in this Fund is the HCSF from which payments for the health care stipend are made. Amounts are transferred into the Pension Reserve Fund from the Contribution Funds and the Guarantee Fund.

*The Guarantee Fund*
This fund records all investment earnings of OP&F. In addition, contributions from the State of Ohio, exclusive of death benefit contributions, are recorded in this fund. Annually, investment earnings are transferred to the Pension Reserve Fund and the Expense Fund, as defined below.

Ohio law provides that any deficit occurring in any other fund that will not be covered by payments to that fund, as otherwise provided by sections 742.01 to 742.61 of the ORC, must be paid by transfers of amounts from the Guarantee Fund to such fund or funds. Should the amount in the Guarantee Fund be insufficient at any time to meet the amounts payable therefrom, the amount of such deficiency, with regular interest, must be paid by an additional employer rate of current contributions as determined by the actuary and must be approved by the Board of Trustees of OP&F and the amount of such additional employer contribution will be credited to the Guarantee Fund.

*The Expense Fund*
This fund is used to record all expenses for the administration and management of OP&F. Annually funds are transferred from the Guarantee Fund to cover expenses incurred.

Fiduciary net position held in trust for benefits for the various funds were as follows:

| | 2024 |
|---|---|
| Members' Contribution | $3,928,665,788 |
| Employers' Contribution | (1,071,389,679) |
| Pension Reserve* | 15,863,319,000 |
| **TOTAL** | **$18,720,595,109** |

* Pension Reserve includes Health Care Stabilization Fund balance of $787,482,277.

## 4. FAIR VALUE MEASUREMENT

OP&F measures and records its investments using fair value measurement guidelines established by the generally accepted accounting principles. These guidelines categorize the inputs to valuation techniques into three hierarchal levels, as follows:

**Level 1:** Quoted (unadjusted) prices for identical investments in active markets.

**Level 2:** Inputs other than quoted prices that are observable for the investments directly or indirectly. These inputs are quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active and observable inputs other than quoted prices. Such inputs may include interest rates, yield curves, implied volatilities and credit spreads.

**Level 3:** Inputs are prices based on unobservable sources. These inputs include the best information available under the circumstances, which can include OP&F's own data and takes into account all information about market participant assumptions.

The classification of the levels, within the hierarchy, is based on the asset type and the pricing transparency.

Level 1 assets are valued based on prices quoted by external pricing vendors furnished to OP&F's custodial banks.

Level 2 equity securities are valued using bid evaluation while fair values for debt and derivative securities in Level 2 are based on bid evaluations or matrix pricing method. Bid evaluations are typically based on market quotations, yields, maturities, call features and ratings. The matrix pricing technique is used to value securities based on the securities relationship to benchmark quoted prices.

Level 3 real asset securities consist primarily of investments in timberlands. Due to the significance of certain unobservable assumptions in the valuation of timberland this investment is valued using Income Capitalization, Sales Comparison or Cost methods. The Income Capitalization method involves using a range of discount rates to determine the present value of the future income that can be produced over the holding period. The sales comparison approach is a method of estimating the fair value based on open market prices recently paid for similar timberland properties in the market area. The cost approach is a method of estimating the fair value based on the concept that a market participant would pay no more than the real asset property than the cost to purchase and develop a comparable property having utility.

Level 3 bond and equity investments are non-publicly or infrequently traded assets. Prices for these investments are derived from valuation techniques in which significant inputs or significant value drivers are unobservable. The remainder of the assets are primarily securities which are in default and valued by the bank or manager using internally developed valuation estimates.

The fair value of investments in certain equity, fixed income and marketable alternative funds are based on the investments' net asset value. Investments that are measured at fair value using the net asset value as practical expedient are not classified in the fair value hierarchy.

The following table shows the classification of OP&F fair value measurement for its investments as of Dec. 31, 2024 (Dollars in thousands):

| | | Fair Value Measurements Using: | | |
|---|---|---|---|---|
| | Dec. 31, 2024 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Investments by fair value level** | | | | |
| Corporate Bond Obligations | $2,009,199 | $1,609 | $1,972,327 | $35,263 |
| Domestic Equities | 1,684,607 | 1,678,901 | 330 | 5,376 |
| International Equities | 1,484,922 | 1,484,495 | - | 427 |
| Master Limited Partnerships | 405,536 | 405,536 | - | - |
| Non-Agency Mortgage and Asset-Backed Securities | 476,587 | - | 475,641 | 946 |
| Municipal Bond Obligations | 2,626 | - | 2,626 | - |
| International Bonds | 60 | - | 60 | - |
| Real Assets | 93,404 | - | - | 93,404 |
| U.S. Agency Mortgage and Asset-Backed Securities | 409,213 | - | 409,213 | - |
| U.S. Government Treasury Obligations | 409,722 | - | 409,722 | - |
| U.S. Government Treasury STRIPS* | 11,286 | - | 11,286 | - |
| **TOTAL INVESTMENTS BY FAIR VALUE LEVEL** | **$6,987,162** | **$3,570,541** | **$3,281,205** | **$135,416** |
| **Investments measured at Net Asset Value (NAV)** | | | | |
| Domestic Stocks | $1,585,614 | | | |
| Domestic Commingled Bonds | 941,675 | | | |
| Domestic Pool Stocks | 1,542,045 | | | |
| International Equities | 940,013 | | | |
| Private Debt | 557,375 | | | |
| Private Equity | 1,449,419 | | | |
| Real Assets | 1,095,970 | | | |
| Real Estate | 1,892,733 | | | |
| **TOTAL INVESTMENTS MEASURED AT NAV** | **$10,004,844** | | | |
| **Investment Derivatives** | | | | |
| Options/Swaptions | $(545) | $- | $(545) | $- |
| Foreign Currency Forwards | 408 | - | 408 | - |
| Credit Default Swaps - Domestic | (439) | - | (439) | - |
| **TOTAL INVESTMENT DERIVATIVES** | **$(576)** | **$-** | **$(576)** | **$-** |
| **TOTAL INVESTMENTS** | **$16,991,430** | | | |
| **Securities not leveled in investment portfolio** | | | | |
| **Cash Equivalents** | **$1,694,159** | | | |

* Separate Trading of Registered Interest and Principal Securities (STRIPS).

## INVESTMENTS MEASURED AT THE NET ASSET VALUE (DOLLARS IN THOUSANDS)

| | Dec. 31, 2024 | Unfunded Commitments[1] | Redemption Frequency (If Currently Eligible) | Redemption Notice Period[2] |
|---|---|---|---|---|
| Bond/Credit Funds[3] | $1,499,050 | $252,042 | Daily, Not Eligible | 1 Days - Not Eligible |
| Domestic Equity Funds[4] | 769,668 | - | Daily | 0 Days |
| Hedge Funds[5] | | | | |
| *Global Macro* | 772,377 | - | Monthly | 5 Days |
| Hedge Fund of Funds[6] | | | | |
| *Multi-Strategy* | 1,585,569 | - | Daily | 5 Days |
| *Market Neutral* | 45 | - | Daily | 0 Days |
| International Equity Funds[7] | 940,013 | - | Daily, Bi-monthly | 0-9 Days |
| Private Equity/Venture Capital Funds[8] | 1,449,419 | 490,054 | Not Eligible | Not Eligible |
| Real Estate Funds | | | | |
| *Open-End*[9] | 1,175,836 | - | Quarterly | 30-90 Days |
| *Closed-End*[10] | 716,897 | 453,386 | Not Eligible | Not Eligible |
| Real Assets Funds | | | | |
| *Open-End*[11] | 545,378 | 125,000 | Annually, Quarterly | 90 day period, 90 days |
| *Closed-End*[12] | 550,592 | 164,959 | Not Eligible | Not Eligible |
| **TOTAL INVESTMENTS MEASURED AT THE NAV** | **$10,004,844** | | | |

(1) Unfunded Commitments do not include distributions subject to recall.

(2) Days = Business or Calendar Days.

(3) **Bond/Credit Funds:** Consisting of two credit/bond funds and 21 private debt funds. Each is valued at the net asset value at the end of the period based on the value of the underlying assets. Distributions from the private debt funds are received when the underlying assets are liquidated. This is estimated to occur between from five to eight years.

(4) **Domestic Equity Funds:** Consists of one fund, which tracks the Russell 1000 Index. It is valued at net asset value on a daily basis. The fund is eligible for redemption on a daily basis.

(5) **Hedge Funds:** Consisting of one Global Macro commingled fund held in two separate accounts. This fund can be redeemed monthly with five days' notice.

(6) **Hedge Fund of Funds:** Consisting of one multi strategy and one market neutral fund. The multi strategy fund can be redeemed daily with five days' notice while the market neutral fund can be redeemed daily with zero days' notice. Both funds are subject to the liquidity of the underlying investments.

(7) **International Equity Funds:** Consisting of three commingled funds which invest in international developed and emerging markets equity securities. These investments are valued at net asset value on a daily basis. These funds are eligible for redemption on a daily to bi-monthly basis with zero to nine days' notice.

(8) **Private Equity/Venture Capital Funds:** Consisting of 71 commingled funds involving domestic, international and global buyout, distressed debt, special situations, growth equity and venture capital funds. These are long-term lock-up vehicles, typically with 10-year terms plus available extensions. These investments are valued at net asset value, typically on a quarterly basis, as reported by the fund. The unfunded commitments can be called to make new investments or pay fees and expenses. Distributions are received when underlying assets are liquidated and typically occurs from five to fifteen years.

(9) **Open-End Real Estate Funds:** Consisting of 16 commingled funds which invest primarily in operating and substantially leased institutional quality properties located in the U.S. These investments are valued at net asset value, typically on a quarterly basis, as reported by the fund. The unfunded commitments can be called to make new investments or pay fees and expenses. These funds are eligible for redemption on a quarterly basis subject to available liquidity with thirty to ninety days' notice.

(10) **Closed-End Real Estate Funds:** Consisting of 39 commingled funds which invest in properties on a global basis having more risk and correspondingly higher expected returns than those in the Open-End Real Estate Funds. These are long-term lock-up vehicles, typically with 10-year terms plus available extensions. These investments are valued at net asset value, typically on a quarterly basis, as reported by the fund. The unfunded commitments can be called to make new investments or pay fees and expenses.

(11) **Open-End Real Assets Funds:** Consisting of four commingled funds, two of which invests primarily in a diversified portfolio of infrastructure assets on a global basis while the other two invests primarily in a diversified portfolio of infrastructure assets in the U.S. These investments are valued at net asset value, typically on a quarterly basis, as reported by the fund. The unfunded commitments can be called to make new investments or pay fees and expenses. One fund is eligible for redemption annually subject to available liquidity with a 90-day notice period. The other funds are eligible for redemption on a quarterly basis subject to available liquidity with 90 days notice.

(12) **Closed-End Real Assets Funds:** Consisting of 11 commingled funds which invest either in in timberland markets, agriculture or infrastructure assets on a global basis. These are long-term lock-up vehicles, typically with 10-year terms plus available extensions. These investments are valued at net asset value, typically on a quarterly basis, as reported by the fund. The unfunded commitments can be called to make new investments or pay fees and expenses. These funds are not eligible for redemption and distributions are received when underlying assets are liquidated and this typically occurs from five to fifteen years.

## 5. CASH AND INVESTMENTS

A summary of cash and short-term securities and investments held at Dec. 31, 2024 is as follows:

| Category | 2024 Fair Value |
|---|---|
| Cash and Cash Equivalents* | $1,694,159,296 |
| Corporate Bond Obligations | 2,009,199,172 |
| Domestic and International Derivatives | (576,338) |
| Domestic Commingled Bonds | 941,675,427 |
| Domestic Equities | 3,270,221,757 |
| Domestic Pooled Equities | 1,542,044,795 |
| International Bonds | 60,059 |
| International Equities | 2,424,935,255 |
| Master Limited Partnerships | 405,535,843 |
| Municipal Bond Obligations | 2,625,633 |
| Non-Agency Mortgage and Asset-Backed Securities | 476,587,230 |
| Private Debt | 557,374,965 |
| Private Equity | 1,449,418,510 |
| Real Assets | 1,189,373,772 |
| Real Estate | 1,892,732,754 |
| U.S. Agency Mortgage and Asset-Backed Securities | 409,212,500 |
| U.S. Government Treasury Obligations | 409,721,967 |
| U.S. Government Treasury STRIPS | 11,286,453 |
| **GRAND TOTAL** | **$18,685,589,050** |

The investment type classification is based on the characteristics of the individual securities.
* Cash and cash equivalents are included in cash and short-term investments on the Statement of Fiduciary Net Position.

### MONEY WEIGHTED RETURN ON INVESTMENT

The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended Dec. 31, 2024, the annual money weighted rate of return on investments, net of investment expense was 10.752%.

### CUSTODIAL CREDIT RISK

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an organization will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the failure of the counterparty to a transaction, an organization will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

In accordance with ORC 135.18, the Ohio Treasurer of State, the statutory custodian for OP&F, requires that the amount in any demand deposit and securities lending account not covered by federal deposit insurance be collateralized with securities permitted under ORC 135.18 at 102% of the value of the cash. Collateral is held in the Ohio Treasurer of State’s name by a third party trustee for the benefit of OP&F. All of OP&F's depository-eligible securities are held in the custodial bank or its agent’s nominee, for the benefit of OP&F. Any physical securities are held in the vaults of the custodial bank, or its agent. The custodial bank provides book entry accounting for OP&F's real estate, private market assets, private credit and real assets. The custody agreement between the custodial bank and the Ohio Treasurer of State has historically restricted the right of the custodial bank or its agents from putting any right, charge, security interest, lien or claim of any kind on the securities they hold. Despite OP&F objections, the Ohio Treasurer of State allowed language in the custody agreement that grants a security interest in OP&F assets. The cash held in foreign local banks for immediate settlement of pending trade transactions are not collateralized.

**DEPOSITS EXPOSED TO CUSTODIAL CREDIT RISK AS OF DEC. 31, 2024**

| | 2024 |
|---|---|
| Uninsured deposits collateralized with securities held by the pledging financial institution | $406,711 |
| Uninsured and uncollateralized deposits | $6,320,103 |

**CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. OP&F's risk management policy regarding credit risk is based on the type of fixed income instruments. For credit risk purposes, OP&F classifies its fixed income securities into four main types: core, high yield, private credit and short-term fixed income. The credit risk policies related to these types are as follows:

**CORE FIXED INCOME**

OP&F's two core fixed income portfolios, all managed externally, contain government, mortgage and asset-backed securities, U.S. Agency and corporate bonds. These external managers invest in securities based on guidelines provided by the OP&F Board of Trustees. It is the policy of OP&F that a security in the core fixed income portfolio shall be rated BBB- or better by two standard rating services at the time of purchase. OP&F allows some of its investment managers to purchase securities that are not rated as long as they deem these securities to be at least equivalent to the minimum ratings at the time of purchase.

- Government instruments include those issued by the U.S. Treasury as well as fixed income instruments, other than mortgage-backed securities, of an agency or instrumentality of the U.S. government.
- Agency mortgage-backed instruments include collateralized mortgage obligations and Real Estate Mortgage Investment Conduits (REMIC's), whose payment of principal and interest is insured by the full faith and credit of the U.S. government, or an agency or instrumentality thereof. Also included in this category are secured assets issued by Government National Mortgage Association (GNMA) project loans, pools and participation certificates, Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC).
- Non-agency mortgage and asset-backed instruments refer to mortgage and asset-backed securities that are made up of mortgage loans not guaranteed by U.S. government supported agency.
- Corporate bonds consist of debt instruments issued by domestic corporations or U.S. dollar-denominated debt issued by foreign entities and managed by a U.S. based investment manager.

The following tables show ratings by asset class in OP&F's fixed income portfolio as of Dec. 31, 2024:

**RATINGS BY ASSET CLASS – 2024**

| S&P* Ratings | Corporate Bond Obligations | Domestic Commingled Bonds | Municipal Bond Obligations | International Bonds | U.S. Government Treasury Obligations | U.S. Government Treasury STRIPS | U.S. Agency Mortgage and Asset-Backed Securities | Non-Agency Mortgage and Asset-Backed Securities | GRAND TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| AAA | $811,817 | $- | $715,478 | $- | $- | $- | $180,741 | $376,713,709 | $378,421,745 |
| AA+ | 4,897,022 | 941,675,427 | 79,379 | - | - | - | 405,205,386 | 12,545,837 | 1,364,403,051 |
| AA | 4,763,500 | - | 1,011,985 | - | - | - | - | 47,583,866 | 53,359,351 |
| AA- | 28,645,582 | - | 818,791 | - | - | - | - | 3,355,631 | 32,820,004 |
| A+ | 44,439,495 | - | - | - | - | - | - | 1,800,843 | 46,240,338 |
| A | 55,919,064 | - | - | - | - | - | - | 15,366,522 | 71,285,586 |
| A- | 118,731,528 | - | - | - | - | - | 1,447,516 | 2,717,750 | 122,896,794 |
| BBB+ | 91,551,287 | - | - | - | - | - | 828,317 | 252,887 | 92,632,491 |
| BBB | 129,724,392 | - | - | - | - | - | - | 1,618,020 | 131,342,412 |
| BBB- | 141,306,644 | - | - | - | - | - | - | 1,401,971 | 142,708,615 |
| BB+ | 202,824,904 | - | - | - | - | - | 1,550,540 | - | 204,375,444 |
| BB | 234,808,612 | - | - | - | - | - | - | 1,641,702 | 236,450,314 |
| BB- | 294,799,729 | - | - | - | - | - | - | 588,800 | 295,388,529 |
| B+ | 150,140,458 | - | - | - | - | - | - | 525,029 | 150,665,487 |
| B | 199,978,540 | - | - | - | - | - | - | 355,322 | 200,333,862 |
| B- | 134,510,685 | - | - | - | - | - | - | - | 134,510,685 |
| CCC+ | 88,131,740 | - | - | - | - | - | - | 820,670 | 88,952,410 |
| CCC | 23,729,150 | - | - | - | - | - | - | 2,084,092 | 25,813,242 |
| CCC- | 11,745,445 | - | - | - | - | - | - | 1,813,230 | 13,558,675 |
| CC | 6,149,726 | - | - | - | - | - | - | 3,534,283 | 9,684,009 |
| C | 2,354,224 | - | - | - | - | - | - | 210,337 | 2,564,561 |
| D | 1,069,655 | - | - | 60,059 | - | - | - | 457,887 | 1,587,601 |
| NR** | 38,165,973 | - | - | - | - | - | - | 1,198,842 | 39,364,815 |
| FF&C*** | - | - | - | - | 409,721,967 | 11,286,453 | - | - | 421,008,420 |
| **GRAND TOTAL** | **$2,009,199,172** | **$941,675,427** | **$2,625,633** | **$60,059** | **$409,721,967** | **$11,286,453** | **$409,212,500** | **$476,587,230** | **$4,260,368,441** |

* Standard & Poor's (S&P). ** Not Rated (NR). *** Full Faith and Credit (FF&C).

**HIGH YIELD FIXED INCOME**

As of Dec. 31 2024, OP&F had three high yield fixed-income portfolios that invest in publicly traded securities. All these portfolios were managed externally. The high yield bond asset class consists of the portion of the U.S. corporate bond market that is rated below BBB- by Standard and Poors (S&P) or below Baa3 by Moody's. Accordingly, credit risks associated with these bonds are greater than with core fixed income bonds. OP&F's policy is to invest in high yield bonds issued by U.S. corporations with a minimum credit rating of CCC or equivalent. OP&F allows some of its investment managers to purchase securities that are not rated as long as they deem these securities to be at least equivalent to the minimum ratings at the time of purchase. It is possible after purchase that the security is downgraded. In the event of an investment guideline violation and in the event of a security downgrade, such that the ratings (Moody's, S&P, or Fitch Investor's Service) are below the allowable minimum security quality, the investment manager will inform OP&F in writing within five business days of such violation. Such notice will include the action the manager intends to take with regard to the violation and over what time period that action will be taken. Both the method and timing of the violation resolution must be agreeable to OP&F.

**PRIVATE CREDIT**

As of Dec. 31 2024, OP&F had 23 private credit strategies consisting of 22 limited partnership funds managed by 17 different investment firms. One of the private credit strategies is a common stock holding of an investment company that manages private credit strategies.

The limited partnership funds are not publicly listed and as such do not have specific credit rating. However, most of OP&F's private credit securities range from the equivalent of B to BB+ in terms of comparable S&P credit rating.

**SHORT-TERM INVESTMENTS**

All short-term investments are managed externally and consist mainly of commercial paper and U.S. Treasury Bills. The management of short-term investments are governed by the applicable investment manager guidelines. The following table lists the short-term investment ratings as of Dec. 31, 2024:

| S&P/Moody's Rating | Fair Value 2024 | Percent 2024 |
|---|---:|---:|
| A-1+/P-1 | $254,274,229 | 91.00% |
| A-1/P-1 | 25,142,162 | 9.00% |
| **GRAND TOTAL** | **$279,416,391** | **100.00%** |

## INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income investments. This relationship can be measured using duration, which shows the sensitivity of the price of a fixed-income investment to a change in interest rates. OP&F uses effective duration to measure the interest rate risk of the core fixed income portfolio. The effective duration takes into account that expected cash flows will fluctuate as interest rates change.

All the core fixed income managers are also required to monitor and report the effective duration of their portfolio(s) on a monthly basis. As of Dec. 31, 2024, the permissible ranges for the two core fixed income portfolio managers and the U.S Treasury Inflation Protected Securities (TIPS) portfolio manager were:

| Portfolio Benchmark | 2024 Benchmark Duration (years) | Portfolio Manager | Portfolio Permissible Range |
|---|---|---|---|
| Bloomberg U.S. Government Inflation-Linked Bond Index | 13.29 | Bridgewater Associates* | Replicate benchmark |
| Bloomberg U.S. Aggregate Bond Index | 6.08 | PGIM Core Bond | Benchmark +/- 2 years |
| Bloomberg U.S. Aggregate Bond Index | 6.08 | Loomis Core Bond | Benchmark +/- 2 years |

* Bridgewater Associates holds a 2:1 levered portfolio.

Since portfolio level duration is the best measure of interest rate risk, OP&F does not require its managers to measure or report on the duration of each security sector. OP&F does not measure the duration of their high yield portfolios because interest rate risk is a very small part of the total risk of high yield securities. The major risks for high yield bonds are credit risk and interest rate spread risk.

The following table lists the effective duration for OP&F's fixed-income portfolio as of Dec. 31, 2024:

| Investment Type | Fair Value 2024 | Effective Duration (years) |
|---|---|---|
| U.S. Government Treasury Obligations | $409,721,967 | 5.59 |
| U.S. Government Treasury STRIPS | 11,286,453 | 16.25 |
| U.S. Agency Mortgage and Asset- Backed Securities | 409,212,500 | 6.02 |
| Non-Agency Mortgage and Asset-Backed Securities | 476,587,230 | 1.84 |
| Municipal Bond Obligations | 2,625,633 | 13.94 |
| Corporate Bond Obligations | 2,009,199,172 | 3.45 |
| International Bonds | 60,059 | - |
| Domestic Commingled Bonds | 941,675,427 | 13.29 |
| **TOTAL FIXED INCOME EFFECTIVE DURATION** | **$4,260,368,441** | **5.94** |

## COLLATERALIZED MORTGAGE OBLIGATIONS

In general, mortgage-backed securities entitle their holders to receive both principal and interest payments from the payments made by the borrowers of the underlying mortgages over the lives of those loans. The life of the mortgage that underlies a mortgage-backed security can be shortened by several economic events, including borrower refinancing. When interest rates fall and remain very low, a growing number of borrowers will refinance their existing loans causing mortgage-backed security holders to be repaid more quickly than anticipated. This early repayment is a form of market risk assumed by OP&F and other owners of mortgage-backed securities.

To the contrary, when interest rates begin to rise, the refinancing of existing mortgages begins to slow. If the rates remain high for long periods of time, fewer borrowers refinance their mortgages. This causes mortgage-backed security holders to be repaid over longer periods of time. This prolonged repayment is known as extension risk and is another form of market risk assumed by OP&F and other owners of mortgage-backed securities.

These securities are based on cash flows from interest payments on underlying loans. Therefore, they are sensitive to prepayments by the debtor, which may result from a decline in interest rates.

## VARIABLE RATE SECURITIES

OP&F's core fixed income and high yield managers are permitted to hold variable-rate coupons whose rates may vary directly or inversely with changes in a related interest rate. As of Dec. 31, 2024, OP&F did not hold any security with a variable-rate coupon that had a multiplier greater than one or any security with an inverse variable rate.

## CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. OP&F does not permit more than 10% of the core fixed income portfolio to be invested in the securities of any one issuer, and no more than 5.0% in any one issue on a dollar duration basis, with the exception of U.S. Government or Agency securities. For the high yield portfolio, no more than 10% of the entire portfolio at market shall be invested in securities of a single issue or issuer, unless otherwise approved by the Board of Trustees. At Dec. 31, 2024, OP&F did not hold investments in any one issuer that represented 5.0% or more of OP&F's net assets.

## SECURITIES LENDING

As of Dec. 31, 2024, OP&F participates in securities lending program managed by one of its custody banks, as authorized by the Board of Trustees. Securities are loaned to investment broker/dealers (borrower). Securities loaned are collateralized by the borrower at 102% of the domestic and 105% of the international loaned securities' fair value. OP&F has minimized its exposure to credit risk due to borrower default by having the lending agent bank determine daily that the required collateral meets the specified collateral requirements. There are no restrictions on the amount of the securities that can be loaned. Contracts with lending agents require them to indemnify OP&F if the borrowers fail to return the securities or fail to pay OP&F for income distributions by the securities' issuer while the securities are on loan. All securities loans can be terminated on demand and the maturities of the investments made with an acceptable form of the collateral generally matches the maturities of the securities loans.

At year end, OP&F has no credit risk exposure to borrowers because the amounts that OP&F owes the borrowers exceed the amounts the borrowers owe OP&F. OP&F does have the ability to pledge or sell collateral securities in case of a borrower default. The following represents the balances relating to the securities lending transactions at Dec. 31, 2024:

### SECURITIES LENT AS OF DEC. 31, 2024

| Securities Lent | Underlying Security | Collateral Received | Collateral Fair Value | Type of Collateral |
|---|---|---|---|---|
| Domestic Corporate Fixed Income | $279,476,408 | $285,352,586 | $285,352,586 | Cash |
| Domestic Equities | 171,937,522 | 176,219,171 | 176,219,171 | Cash |
| U.S. Government and Treasuries | 81,311,223 | 82,793,818 | 82,793,818 | Cash |
| International Equities | 36,870,556 | 38,790,589 | 38,790,589 | Cash |
| Domestic Corporate Fixed Income | 115,185,281 | - | - | Treasuries |
| Domestic Equities | 142,666,755 | - | - | Treasuries |
| U.S. Government and Treasuries | 92,331,858 | - | - | Treasuries |
| International Equities | 4,308,660 | - | - | Treasuries |
| International Fixed Income | 724,700 | - | - | Treasuries |
| Treasury Collateral | - | 362,444,639 | 362,444,639 | Treasuries |
| **TOTAL SECURITIES LENT** | **$924,812,963** | **$945,600,803** | **$945,600,803** | |

### FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of Dec. 31, 2024, OP&F is working towards its long-term target allocation of 12.4% to international equity. OP&F has no specific policy regarding the international custodial credit risk; however, the five international equity mangers are allowed to hold 5.0% to 10% of their holdings in cash and cash equivalents. Apart from cash needed for immediate settlement of pending trade transactions, (local cash awaiting repatriation), any excess cash received in OP&F's trust accounts is swept into designated money market funds. For the year ending Dec. 31, 2024, OP&F's exposure to foreign currency risk is as follows:

## 2024 EXPOSURE TO CURRENCY RISK

| Currency | Fair Value (Cash Deposits) | Fair Value (Fixed Income) | Fair Value (Currency Contracts) | Fair Value (Equities) | Fair Value (Private Equity and Real Estate) | Fair Value (Derivatives) | Total Fair Value (Cash Deposits and Securities) |
|---|---|---|---|---|---|---|---|
| Australian Dollar | $19,721 | $- | $28,255 | $12,440,236 | $- | $(19,256) | $12,468,956 |
| Brazilian Real | 3,524 | - | - | 4,563,438 | 63,584 | - | 4,630,546 |
| British Pound | 92,520 | - | 46,517 | 201,077,660 | - | (31,985) | 201,184,712 |
| Canadian Dollar | - | - | 41,432 | 52,444,437 | - | (53,239) | 52,432,630 |
| China Offshore Yuan | - | - | - | 28,158,654 | - | - | 28,158,654 |
| Danish Krone | 99,568 | - | - | 20,174,568 | - | - | 20,274,136 |
| Euro | 55,277 | 60,059 | 152,733 | 345,306,260 | 145,616,940 | (86,541) | 491,104,728 |
| Hong Kong Dollar | - | - | 101 | 84,962,763 | - | 3,376 | 84,966,240 |
| Indonesian Rupiah | - | - | - | 10,865,139 | - | - | 10,865,139 |
| Israeli New Shekel | 16,486 | - | - | 3,664,310 | - | - | 3,680,796 |
| Japanese Yen | 445,849 | - | 136,145 | 217,887,350 | 1,119,162 | 49,880 | 219,638,386 |
| Malaysian Ringgit | - | - | - | 2,770,487 | - | - | 2,770,487 |
| Mexican Peso | - | - | - | 6,350,331 | - | - | 6,350,331 |
| New Turkish Lira | - | - | - | 2,592,083 | - | - | 2,592,083 |
| New Zealand Dollar | 1 | - | - | 289,486 | - | - | 289,487 |
| Norwegian Krone | 65,705 | - | - | 2,171,052 | - | - | 2,236,757 |
| Philippines Peso | - | - | - | 690,990 | - | - | 690,990 |
| Polish Zloty | - | - | - | 1,128,843 | - | - | 1,128,843 |
| Qatari Riyal | - | - | - | 602,164 | - | - | 602,164 |
| Russian Ruble | 5,511,001 | - | - | - | - | - | 5,511,001 |
| Singapore Dollar | - | - | - | 35,804,158 | - | - | 35,804,158 |
| South African Rand | - | - | - | 1,786,298 | - | - | 1,786,298 |
| South Korean Won | - | - | - | 24,055,136 | - | - | 24,055,136 |
| Swedish Krona | 10,453 | - | 642 | 64,196,982 | - | (5,910) | 64,202,167 |
| Swiss Franc | - | - | - | 48,594,562 | - | - | 48,594,562 |
| Taiwanese New Dollar | - | - | - | 38,489,268 | - | - | 38,489,268 |
| Thai Baht | - | - | - | 1,399,220 | - | - | 1,399,220 |
| United Arab Emirates Dirham | - | - | - | 2,198,681 | - | - | 2,198,681 |
| **GRAND TOTAL** | **$6,320,105** | **$60,059** | **$405,825** | **$1,214,664,556** | **$146,799,686** | **$(143,675)** | **$1,368,106,556** |

**DERIVATIVES**

Derivatives are generally defined as investment instruments whose value depends on, or is derived from, the value of an underlying asset, reference rate, or index.

OP&F has classified the following as derivatives:

- Mortgage and Asset-Backed Securities: OP&F invested in Planned Amortization Class and Sequential Pay Real Estate Mortgage Investment Conduit bonds issued by GNMA, FHLMC, and FNMA. Planned Amortization Class bonds are retired according to a payment schedule so as to have a stable average life and yield even if expected prepayment rates change within a specified broad range of prepayment possibilities. Sequential pay bonds begin to pay principal when classes with an earlier priority have paid to a zero balance. Such bonds enjoy uninterrupted payment of principal until paid to a zero balance. In terms of credit risk, the U.S. government explicitly backs GNMA mortgage securities programs and is viewed by the market as implicitly backing FHLMC and FNMA mortgage securities programs.
- Futures Contracts: Futures contracts are contracts to buy or sell units of an index or financial instrument on a specified future date at a price agreed upon when the contract is originated. OP&F had futures exposure with eight external managers constituting $6.75 billion of notional value as of Dec. 31, 2024. This amount represented 36.09% of the total portfolio. OP&F uses this exposure to synthetics to maintain market exposure while also increasing liquidity and flexibility.
- Forward-Currency Contracts: Forward currency contracts are legal agreements between two parties to purchase and sell a foreign currency, for a price specified at the contract date, with delivery and settlement in the future. OP&F, through its external investment managers, enters into forward currency contracts to hedge underlying foreign currency exposure in its non-U.S. equity and fixed income portfolios back to the U.S. dollar or to provide the quantity of foreign currency needed to settle trades.

All the contracts are valued at the spot foreign exchange rate at Dec. 31, 2024. The changes in the value of the open contracts are recognized as unrealized appreciation (depreciation). A realized gain or loss is recorded at the time of the delivery/closing of the contract. The realized gain or loss is the difference between the value of the original contract and the closing/delivery value of such contracts. Both realized and unrealized gains and losses are included in the Statement of Changes in Fiduciary Net Position as net appreciation (depreciation). The following tables represent the balances of the outstanding currency transactions as of Dec. 31, 2024:

**OPEN CURRENCY CONTRACTS AS OF DEC. 31, 2024**

| Purpose | Fair Value (Outstanding Purchases) | Fair Value (Outstanding Sales) | Unrealized Appreciation (Depreciation) |
|---|---|---|---|
| Trade Settlement | $7,280,388 | $7,305,659 | $25,271 |
| Position Hedging | 18,015,869 | 18,396,424 | 380,555 |
| **GRAND TOTAL** | **$25,296,257** | **$25,702,083** | **$405,826** |

On delivered/closed currency contracts OP&F had a realized gain of $5,844,960 in 2024.

- Options: An option is the right, but not the obligation, to buy or sell a specific amount of a given security or other financial assets at a specified price during a specified period of time. OP&F invests in swaptions as part of its fixed income program. OP&F's exposure represented less than 1.0% of the total portfolio fair value at year-end.
- Swaps: A swap is a derivative contract through which two parties exchange financial instruments that involve cash flows based on a notional principal amount that both parties agree to. Usually, the principal does not change hands but each cash flow comprises one leg of the swap. One cash flow is generally fixed, while the other is variable and based on a benchmark interest rate, floating currency exchange rate or index price.

OP&F invested in interest rate and credit default swaps through one external manager. The fair value for the total swap position at Dec. 31, 2024 was:

**SWAP HOLDINGS AS OF DEC. 31, 2024**

| Type of Swap | Fair Value (Receive Side) | Fair Value (Pay Side) | Fair Value (Total Swap Position) |
|---|---|---|---|
| Credit Default Swap | $- | $(438,917) | $(438,917) |
| **TOTAL SWAP POSITION** | **$-** | **$(438,917)** | **$(438,917)** |

OP&F has not violated any legal, regulatory, or contractual provisions by its participation in these types of derivative instruments and there is no known undue credit, market, or legal risk. These instruments were purchased in order to enhance OP&F's overall rate of return.

## 6. DEFERRED COMPENSATION PLAN

OP&F does not sponsor a deferred compensation program. OP&F employees are eligible to participate in the deferred compensation plan sponsored by the State of Ohio. The state-sponsored plan was created in accordance with IRS Code Section 457. The plan is available to all OP&F employees and permits them to defer a portion of their salary until future years. Deferred compensation assets are not available to employees until termination, retirement, death, or unforeseeable emergency.

IRS Code Section 457 requires that the amount of compensation assets deferred under a plan, all property and rights and all income attributable to those amounts, property or rights, be held in trust for the benefit of the participants. This insulates IRS Code Section 457 benefits from the claims of an employer's general creditors. Accordingly, OP&F does not include the deferred compensation assets or liabilities of the Ohio Deferred Compensation Plan in its financial statements.

## 7. COMPENSATED ABSENCES

As of Dec. 31, 2024, $3,130,864 was accrued for unused vacation and sick leave for OP&F employees. The beginning balance on Jan. 1, 2024 was $2,959,482 which resultis in a net increase of $171,382. To help OP&F reduce and manage the vacation liability, all employees with at least two years of continuous service as of the beginning of the current calendar year are required to use five consecutive workdays of vacation leave each year. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of work. Three-fourths of accrued but unused sick leave will be paid at the employee's base rate upon termination of employment.

## 8. SELF-INSURED HEALTH CARE FOR EMPLOYEES OF OP&F

OP&F is self-insured for employee benefits for medical, dental, vision and prescription coverage. A third-party administrator manages the program. OP&F holds a stop-loss policy per covered life per year with a $100,000 specific deductible.

## 9. COMMITMENTS AND CONTINGENCIES

From time to time, OP&F is named as a defendant in lawsuits pertaining to matters that are incidental to performing routine business functions. OP&F's management is of the opinion that ultimate resolution of such claims will not result in a material, adverse effect on OP&F's financial position as of Dec. 31, 2024.

OP&F is committed to making additional capital contributions to the following investment types as of Dec. 31, 2024:

| Asset Class | Unfunded Commitments | Fair Value At Dec. 31, 2024 |
|---|---|---|
| Private Equity | $490,054,531 | $1,449,418,510 |
| Private Debt | 252,042,322 | 557,374,965 |
| Real Estate | 453,385,670 | 1,892,732,754 |
| Real Assets | 289,958,754 | 1,189,373,772 |
| **TOTAL** | **$1,485,441,277** | **$5,088,900,001** |

Unfunded Commitments do not include distributions subject to recall.

## 10. STATE OF OHIO PUBLIC SAFETY OFFICERS DEATH BENEFIT FUND

Pursuant to ORC Section 742.62, the OP&F Board of Trustees administers the DBF. This program was established by the State of Ohio to provide monthly benefit payments to eligible surviving family members of Ohio public safety officers who have been killed in the line of duty or die of a duty-related injury or illness. Funds are disbursed to OP&F on a quarterly basis each state fiscal year (July 1-June 30) and are paid monthly by OP&F to eligible recipients. The DBF is considered to be a custodial fund administered by OP&F and, accordingly, its assets and related liabilities for unpaid benefits of $1,199,532 are included in the accompanying financial statements as of Dec. 31, 2024.

## 11. EMPLOYERS' NET PENSION LIABILITY (ASSET)

The components of the net pension liability of employers as of Dec. 31, 2024:

| Year Ending Dec. 31 | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a)-(b)=(c) Net Pension Liability (Asset) | (b) / (a) Plan Fiduciary Net Pension as a Percentage of Total Pension Liability | (d) Covered Payroll | (c) / (d) Net Pension Liability (Asset) as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2024 | $27,480,847,455 | $17,933,112,832 | $9,547,734,623 | 65.26% | $2,990,057,908 | 319.32% |

The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

The Schedule of Employers' Net Pension Liability presents multi-year trend information about whether the fiduciary net positions are increasing or decreasing over time relative to the total pension liability. These schedules are presented in the RSI section. The total pension liability as of Dec. 31, 2024, is based on the results of an actuarial valuation date of Jan. 1, 2024 and rolled-forward using generally accepted actuarial procedures.

A summary of the actuarial assumptions as of the latest actuarial valuation (except see note on investment rate of return) is shown below:

| Actuarial Assumptions | |
|---|---|
| Valuation date | Jan. 1, 2024 |
| Actuarial cost method | Entry age |
| Investment rate of return | 7.50% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll growth | 3.25% |
| Inflation assumptions | 2.75% |
| Cost-of-living adjustments | 2.20% simple |
| Service Retiree and Vested Former Member Mortality | Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Disability Mortality | Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Contingent Annuitant Mortality | Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Pre-Retirement Mortality | Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale. |

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Investment Policy and Guidelines statement. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of Dec. 31, 2024 are summarized below:

**TARGET ALLOCATIONS (SOURCE: WILSHIRE)**

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return** |
|---|---|---|
| Domestic Equity | 18.6% | 3.8% |
| International Equity | 12.4% | 4.6% |
| Private Markets | 10.0% | 5.6% |
| Core Fixed Income* | 25.0% | 2.6% |
| High Yield Fixed Income | 7.0% | 4.3% |
| Private Credit | 5.0% | 6.7% |
| U.S. Inflation Linked Bonds* | 15.0% | 2.4% |
| Midstream Energy Infrastructure | 5.0% | 5.2% |
| Real Assets | 8.0% | 6.1% |
| Gold | 5.0% | 3.2% |
| Private Real Estate | 12.0% | 5.3% |
| Commodities | 2.0% | 2.5% |
| **TOTAL** | **125.0%** | |

Note: Assumptions are geometric.
* Levered 2.0x.
** Geometric mean, net of expected inflation..

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation and its overall asset allocation. Risk parity has a goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.25 times due to the application of leverage in core fixed income and U.S. inflation linked bonds and the implementation approach for gold.

Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% lower, 6.50%, or 1.0% higher, 8.50%, than the current rate.

**CHANGES IN DISCOUNT RATE**

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE AT DEC. 31, 2024

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---|---:|---:|---:|
| Discount Rate | 6.50% | 7.50% | 8.50% |
| Total Pension Liability | $30,718,421,788 | $27,480,847,455 | $24,788,274,198 |
| Plan Fiduciary Net Position | 17,933,112,832 | 17,933,112,832 | 17,933,112,832 |
| **NET PENSION LIABILITY (ASSET)** | **$12,785,308,956** | **$9,547,734,623** | **$6,855,161,366** |

## 12. NET OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY AND ACTUARIAL INFORMATION

### PLAN ADMINISTRATION

The OP&F Board of Trustees consists of four elected active members, two elected retired members and three state appointed professional investment experts. The OP&F Board of Trustees is responsible for administering the OP&F retiree health care stipend program, a cost-sharing, multiple-employer, defined benefit OPEB plan that provides various levels of health care to eligible benefit recipients and their eligible dependents.

### PLAN MEMBERSHIP

As of Jan. 1, 2024, OP&F's health care plan membership consisted of the following:

### PARTICIPANTS BY STATUS

| Status | Number |
|---|---|
| Active Members* | 25,117 |
| Inactive Members Eligible for Allowances | 291 |
| Retiree Members or their Beneficiaries Currently Receiving Benefits | 30,291 |
| **TOTAL** | **55,699** |

* Excludes Rehired Retirees.

### BENEFITS PROVIDED

A stipend funded by OP&F via the HCSF is available to eligible members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15-year future solvency projection in the HCSF.

### CONTRIBUTIONS

OP&F's health care plan is financed through a combination of employer contributions and investment returns. A portion of OP&F's investment gain (loss) is allocated to the HCSF. In 2024, OP&F's investment portfolio had a favorable gross return of 11.13%. During 2024, the Board of Trustees allocated employer contributions equal to 0.5% of annual covered payroll to the HCSF.

### INVESTMENT POLICY

The health care stipend program follows the same investment policy and guidelines as the pension plan.

### DISCOUNT RATE

The discount rate used to measure the total OPEB liability at Jan. 1, 2024 and rolled forward to Dec. 31, 2024 was 4.69% (using Dec. 31, 2024's S&P Municipal Bond 20-Year High Grade Rate Index of 4.04%). The discount rate used to measure the total OPEB liability as of Jan. 1, 2023 and rolled forward to Dec. 31, 2023 was 2.84% (using Dec. 31, 2023's S&P Municipal Bond 20-Year High Grade Rate Index of 3.65%). The projection of cash flows used to determine the discount rate assumed that OP&F will contribute at a rate equal to 0.50% of payroll. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2039. After that time, the funding of benefit payments is uncertain. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis on the municipal bond 20-year index rate.

### RATE OF RETURN

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covered fiscal years 2017 through 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, each major investment asset class and expected inflation. The long-term expected rate of return is 7.50% which is the same as 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Investment Policy and Guidelines statement. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

### PERIODS OF PROJECTED BENEFIT PAYMENTS

Future benefit payments for all current plan members were projected through 2124.

## ASSUMED ASSET ALLOCATION

The target asset allocation and best estimates of geometric real rates of return for each major asset class is summarized as follows:

### TARGET ALLOCATIONS (SOURCE: WILSHIRE)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return** |
|---|---|---|
| Domestic Equity | 18.6% | 3.8% |
| International Equity | 12.4% | 4.6% |
| Private Markets | 10.0% | 5.6% |
| Core Fixed Income* | 25.0% | 2.6% |
| High Yield Fixed Income | 7.0% | 4.3% |
| Private Credit | 5.0% | 6.7% |
| U.S. Inflation Linked Bonds* | 15.0% | 2.4% |
| Midstream Energy Infrastructure | 5.0% | 5.2% |
| Real Assets | 8.0% | 6.1% |
| Gold | 5.0% | 3.2% |
| Private Real Estate | 12.0% | 5.3% |
| Commodities | 2.0% | 2.5% |
| **TOTAL** | **125.0%** | |

Note: Assumptions are geometric.
* Levered 2.0x.
** Geometric mean, net of expected inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation and its overall asset allocation. Risk parity has a goal of reducing equity risk exposure, which reduces overall total portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the total portfolio may be levered up to 1.25 times due to the application of leverage in core fixed income and U.S. inflation linked bonds and the implementation approach of gold.

## NET OPEB LIABILITY OF OP&F

The total OPEB liability as of Dec. 31, 2024 was determined based on a no gain (loss) roll-forward of the Jan. 1, 2024 valuation. The components of the net OPEB liability of OP&F at Dec. 31, 2024, were as follows:

| Net OPEB Liability of OP&F | |
|---|---|
| Total OPEB Liability | $1,405,044,846 |
| Plan Fiduciary Net Position | 787,482,277 |
| **OP&F'S NET OPEB LIABILITY** | **$617,562,569** |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 56.05% |
| Net OPEB Liability as a Percentage of Covered Payroll | 20.65% |

**ACTUARIAL ASSUMPTIONS**

The actuarial assumptions used in the valuation were adopted as of Jan. 1, 2022 and were based on the results from the most recent actuarial experience review covering the period 2017 through 2021. The total OPEB liability as of Dec. 31, 2024, is based on the results of an actuarial valuation dated Jan. 1, 2024 and rolled-forward using generally accepted actuarial procedures.

The total OPEB liability used the following assumptions and other inputs:

| Actuarial Assumptions | |
|---|---|
| Valuation Date | Jan. 1, 2024 |
| Long-Term Return on Plan Assets | 7.50% |
| Dec. 31, 2024 Discount Rate | 4.69% |
| Dec. 31, 2024 Municipal Bond Index | 4.04% |
| Actuarial Cost Method | Entry age normal cost. |
| Payroll Growth | 3.25% per annum |
| Salary Increases, including price inflation | 3.50% - 10.50% |
| Stipend Increase Rate | The stipend is not assumed to increase over the projection period. |
| Projected Depletion Year of OPEB Assets | 2039 (per GASB Statement No. 74 and 75 Report) |
| Health Care Cost Trend Rate | N/A* - based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. |
| Service Retiree and Vested Former Member Mortality | Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Disabled Mortality | Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Contingent Annuitant Mortality | Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale. |
| Pre-Retirement Mortality | Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale. |
| Age of Spouse | Wives are assumed to be three years younger than their husbands. |
| Dependent Children | Each member is assumed to have two children, born when the member was age 26. Dependency is assumed to cease when the child is 22. |

* Not Applicable (N/A).

### SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the net OPEB liability of OP&F as of Dec. 31, 2024, calculated using the discount rate of 4.69%, as well as what OP&F's net OPEB liability would be if it were calculated using a discount rate that is 1.0% lower, 3.69%, or 1.0% higher, 5.69%, than the current discount rate:

### CHANGES IN DISCOUNT RATE

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE AT DEC. 31, 2024

| | 1.0% Decrease | Current Discount Rate | 1.0% Increase |
|---|---|---|---|
| Discount Rate | 3.69% | 4.69% | 5.69% |
| Total OPEB Liability | $1,554,286,763 | $1,405,044,846 | $1,278,613,372 |
| Fiduciary Net Position | 787,482,277 | 787,482,277 | 787,482,277 |
| **NET OPEB LIABILITY (ASSET)** | **$766,804,486** | **$617,562,569** | **$491,131,095** |

## 13. PENSION PLANS FOR EMPLOYEES OF OP&F

All OP&F employees are required to participate in a contributory retirement plan administered by OPERS. OPERS is a cost-sharing, multi-employer public employee retirement system that administers three pension plans that include a defined benefit plan, a defined contribution plan and a combined plan. Participation in these plans is a choice members make at the time their employment commences.

The member and employer contribution rates are 10.0% and 14.0% of covered payroll, respectively. The required employer contributions for the current year and the two preceding years are shown in the table below.

OP&F's Required Employer Contributions to OPERS:

| Year Ended Dec. 31 | Annual Required Contributions | Percent Contributed |
|---|---|---|
| 2024 | $1,377,762 | 100% |
| 2023 | 1,375,025 | 100% |
| 2022 | 1,267,313 | 100% |

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires OP&F to record a net pension liability based on its proportionate share of OPERS' total net pension liability. Likewise, OP&F's proportionate share of OPERS' deferred outflows and deferred inflows of resources related to pensions and pension expense are recorded in the Statements of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for the fiscal year ending Dec. 31, 2024.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPERS also provides post-employment health care coverage which is considered an OPEB as described in GASB Statement No. 75. OPERS has the discretion to direct a portion of employer contributions to fund retiree health care. The employer rate allocated to post employment health care in the defined benefit plan and combined plan was 0.0% in calendar year 2023. The portion of the employer rated allocation to post employment health care in the defined contribution plan was 4.0% in calendar year 2023.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the OPEB fiduciary net position of OPERS and additions to/deductions from OPEB fiduciary net position of OPERS have been determined on the same basis as they are reported by OPERS. For this purpose, health care benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Historical trend information showing the progress of OPERS in accumulating sufficient assets to pay pension and OPEB benefits when due is presented in the OPERS ACFR. OPERS' ACFR is available on their website at www.OPERS.org.

# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

## REQUIRED SUPPLEMENTARY PENSION INFORMATION
## SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY

| Total Pension Liability | Year Ending Dec. 31, 2024 | Year Ending Dec. 31, 2023 | Year Ending Dec. 31, 2022 | Year Ending Dec. 31, 2021 | Year Ending Dec. 31, 2020 |
|---|---|---|---|---|---|
| Service Cost | $452,862,069 | $428,771,868 | $432,828,079 | $360,427,328 | $357,200,509 |
| Interest | 1,963,294,640 | 1,892,722,255 | 1,851,865,191 | 1,826,859,097 | 1,763,487,122 |
| Plan Changes | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 211,378,788 | 264,036,415 | 80,765,641 | (168,232,265) | 134,816,300 |
| Changes in Assumptions | - | - | (223,737,455) | 1,312,414,800 | - |
| Benefit Payments, Including Refunds of Member Contributions | (1,711,239,555) | (1,627,583,986) | (1,559,456,438) | (1,535,344,021) | (1,400,413,884) |
| NET CHANGE IN TOTAL PENSION LIABILITY | 916,295,942 | 957,946,552 | 582,265,018 | 1,796,124,939 | 855,090,047 |
| TOTAL PENSION LIABILITY - BEGINNING | 26,564,551,513 | 25,606,604,961 | 25,024,339,943 | 23,228,215,004 | 22,373,124,957 |
| **TOTAL PENSION LIABILITY - ENDING (a)** | **$27,480,847,455** | **$26,564,551,513** | **$25,606,604,961** | **$25,024,339,943** | **$23,228,215,004** |
| | | | | | |
| **Plan Fiduciary Net Position:** | | | | | |
| Contributions - Employer | $646,907,714 | $606,606,416 | $575,675,549 | $539,335,665 | $518,430,203 |
| Contributions - Member | 395,474,143 | 373,663,497 | 352,964,203 | 337,025,068 | 312,628,926 |
| Net Investment Income (Loss) | 1,721,206,682 | 1,465,085,965 | (2,025,855,021) | 3,034,386,114 | 1,362,818,981 |
| Benefit Payments, Including Refunds of Member Contributions | (1,711,239,555) | (1,627,583,986) | (1,559,456,438) | (1,535,344,021) | (1,400,413,884) |
| Administrative Expense | (22,407,505) | (22,174,839) | (12,672,374) | (9,609,702) | (18,929,776) |
| Other Changes | - | - | - | - | - |
| NET CHANGES IN PLAN FIDUCIARY NET POSITION | 1,029,941,479 | 795,597,053 | (2,669,344,081) | 2,365,793,124 | 774,534,450 |
| PLAN FIDUCIARY NET POSITION - BEGINNING | 16,903,171,353 | 16,107,574,300 | 18,776,918,381 | 16,411,125,257 | 15,636,590,807 |
| **PLAN FIDUCIARY NET POSITION - ENDING (b)** | **$17,933,112,832** | **$16,903,171,353** | **$16,107,574,300** | **$18,776,918,381** | **$16,411,125,257** |
| | | | | | |
| **NET PENSION LIABILITY (SURPLUS) - ENDING (a)-(b)** | **$9,547,734,623** | **$9,661,380,160** | **$9,499,030,661** | **$6,247,421,562** | **$6,817,089,747** |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 65.26% | 63.63% | 62.90% | 75.03% | 70.65% |
| Covered Payroll | $2,990,057,908 | $2,823,066,800 | $2,654,917,807 | $2,526,179,170 | $2,475,784,283 |
| Net Pension Liability as a Percentage of Covered Payroll | 319.32% | 342.23% | 357.79% | 247.31% | 275.35% |

## SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY (CONTINUED)

| **Total Pension Liability** | **Year Ending Dec. 31, 2019** | **Year Ending Dec. 31, 2018** | **Year Ending Dec. 31, 2017** | **Year Ending Dec. 31, 2016** | **Year Ending Dec. 31, 2015** |
|---|---|---|---|---|---|
| Service Cost | $343,991,701 | $331,600,261 | $289,911,106 | $273,592,476 | $267,624,727 |
| Interest | 1,741,126,879 | 1,663,040,537 | 1,623,441,004 | 1,570,560,385 | 1,519,848,287 |
| Plan Changes | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (421,664,871) | 322,601,323 | 109,199,474 | 2,143,161 | (21,544,278) |
| Changes in Assumptions | - | - | 318,479,524 | - | - |
| Benefit Payments, Including Refunds of Member Contributions | (1,394,027,927) | (1,314,608,496) | (1,256,254,446) | (1,187,020,466) | (1,170,476,866) |
| NET CHANGE IN TOTAL PENSION LIABILITY | 269,425,782 | 1,002,633,625 | 1,084,776,662 | 659,275,556 | 595,451,870 |
| TOTAL PENSION LIABILITY - BEGINNING | 22,103,699,175 | 21,101,065,550 | 20,016,288,888 | 19,357,013,332 | 18,761,561,462 |
| **TOTAL PENSION LIABILITY - ENDING (a)** | **$22,373,124,957** | **$22,103,699,175** | **$21,101,065,550** | **$20,016,288,888** | **$19,357,013,332** |
| **Plan Fiduciary Net Position:** | | | | | |
| Contributions - Employer | $502,303,770 | $478,595,785 | $462,394,203 | $455,143,532 | $428,972,949 |
| Contributions - Member | 303,413,682 | 295,472,374 | 282,006,793 | 268,594,295 | 245,834,623 |
| Net Investment Income (Loss) | 2,305,254,776 | (458,734,784) | 1,812,565,572 | 1,240,580,488 | (11,259,198) |
| Benefit Payments, Including Refunds of Member Contributions | (1,394,027,927) | (1,314,608,496) | (1,256,254,446) | (1,187,020,466) | (1,170,476,866) |
| Administrative Expense | (21,410,301) | (16,234,396) | (19,487,358) | (18,851,765) | (15,635,762) |
| Other Changes | - | (7,047,680) | - | - | (6,940,426) |
| NET CHANGES IN PLAN FIDUCIARY NET POSITION | 1,695,534,000 | (1,022,557,197) | 1,281,224,764 | 758,446,084 | (529,504,680) |
| PLAN FIDUCIARY NET POSITION - BEGINNING | 13,941,056,807 | 14,963,614,004 | 13,682,389,240 | 12,923,943,156 | 13,453,447,836 |
| **PLAN FIDUCIARY NET POSITION - ENDING (b)** | **$15,636,590,807** | **$13,941,056,807** | **$14,963,614,004** | **$13,682,389,240** | **$12,923,943,156** |
| **NET PENSION LIABILITY (SURPLUS) - ENDING (a)-(b)** | **$6,736,534,150** | **$8,162,642,368** | **$6,137,451,546** | **$6,333,899,648** | **$6,433,070,176** |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.89% | 63.07% | 70.91% | 68.36% | 66.77% |
| Covered Payroll | $2,373,429,623 | $2,302,436,015 | $2,224,675,422 | $2,094,550,962 | $2,046,601,668 |
| Net Pension Liability as a Percentage of Covered Payroll | 283.83% | 354.52% | 275.88% | 302.40% | 314.33% |

## SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET)

| Year Ended Dec. 31 | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a)-(b)=(c) Net Pension Liability (Surplus) | (b) / (a) Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | (d) Covered Payroll | (c) / (d) Net Pension Liability (Surplus) as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2024 | $27,480,847,455 | $17,933,112,832 | $9,547,734,623 | 65.26% | $2,990,057,908 | 319.32% |
| 2023 | 26,564,551,513 | 16,903,171,353 | 9,661,380,160 | 63.63% | 2,823,066,800 | 342.23% |
| 2022 | 25,606,604,961 | 16,107,574,300 | 9,499,030,661 | 62.90% | 2,654,917,807 | 357.79% |
| 2021 | 25,024,339,943 | 18,776,918,381 | 6,247,421,562 | 75.03% | 2,526,179,170 | 247.31% |
| 2020 | 23,228,215,004 | 16,411,125,257 | 6,817,089,747 | 70.65% | 2,475,784,283 | 275.35% |
| 2019 | 22,373,124,957 | 15,636,590,807 | 6,736,534,150 | 69.89% | 2,373,429,623 | 283.83% |
| 2018 | 22,103,699,175 | 13,941,056,807 | 8,162,642,368 | 63.07% | 2,302,436,015 | 354.52% |
| 2017 | 21,101,065,550 | 14,963,614,004 | 6,137,451,546 | 70.91% | 2,224,675,422 | 275.88% |
| 2016 | 20,016,288,888 | 13,682,389,240 | 6,333,899,648 | 68.36% | 2,094,550,962 | 302.40% |
| 2015 | 19,357,013,332 | 12,923,943,156 | 6,433,070,176 | 66.77% | 2,046,601,668 | 314.33% |

## SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST FUND

| Year Ended Dec. 31 | (a) Statutorily Due Employer Contributions | (b) Actual Employer Contributions | (a)-(b)=(c) Contribution Deficiency (Excess) | (d) Covered Payroll* | (a) / (d) Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $646,758,070 | $646,758,070 | $- | $2,750,593,949 | 23.51% |
| 2023 | 606,451,277 | 606,451,277 | - | 2,596,223,885 | 23.36% |
| 2022 | 575,492,871 | 575,492,871 | - | 2,443,620,260 | 23.55% |
| 2021 | 539,130,428 | 539,130,428 | - | 2,381,764,788 | 22.64% |
| 2020 | 518,204,527 | 518,204,527 | - | 2,313,631,090 | 22.40% |
| 2019 | 502,043,282 | 502,043,282 | - | 2,218,017,387 | 22.63% |
| 2018 | 478,294,974 | 478,294,974 | - | 2,209,258,449 | 21.65% |
| 2017 | 462,047,728 | 462,047,728 | - | 2,180,910,604 | 21.19% |
| 2016 | 454,745,371 | 454,745,371 | - | 2,060,850,564 | 22.07% |
| 2015 | 428,526,214 | 428,526,214 | - | 1,986,568,535 | 21.57% |

* Actuarial Estimate

## SCHEDULE OF INVESTMENT RETURNS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 10.752% | 9.650% | (10.703)% | 19.230% | 9.212% | 17.279% | (2.854)% | 13.867% | 10.048% | 0.187% |

# NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION

**1. SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY**

The total pension liability contained in this schedule was provided by OP&F's actuary, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the amount of OP&F's fiduciary net position.

**2. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

The required employer contributions and percent of those contributions actually made are presented in the schedule of employer contributions.

**3. ACTUARIAL ASSUMPTIONS**

The actuarial assumptions, aside from the discount rate, were adopted as of Jan. 1, 2022, based on a five-year experience review covering the period of 2017 through 2021. The discount rate of 7.50% was adopted by the Board of Trustees in February 2022. The next review of actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation.

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of calculating the actuarially determined contribution rate. The assumptions and methods used for this actuarial valuation were recommended by the actuary and adopted by the Board of Trustees. Additional information as of the latest actuarial valuation follows.

**DEFINED BENEFIT PLAN – PENSION TRUST FUND**

| Actuarial Assumptions | |
|---|---|
| Valuation date | Jan. 1, 2024 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of payroll, open |
| Amortization period | 29.77 years |
| Asset valuation method | Four-year adjusted fair value with a corridor of 20% of the fair value. |
| Investment rate of return | 7.50% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll growth | 3.25% |
| Inflation assumptions | 2.75% |
| Cost-of-living adjustments | 2.20% simple |

## REQUIRED SUPPLEMENTARY OPEB INFORMATION

# SCHEDULE OF CHANGES IN NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS*

| **Total OPEB Liability** | **Year Ending Dec. 31, 2024** | **Year Ending Dec. 31, 2023** | **Year Ending Dec. 31, 2022** | **Year Ending Dec. 31, 2021** |
|---|---|---|---|---|
| Service Cost | $40,032,647 | $38,270,177 | $64,434,939 | $63,158,602 |
| Interest | 61,531,919 | 63,942,266 | 59,164,352 | 58,048,633 |
| Changes of Benefit Terms | - | - | - | - |
| Differences Between Expected and Actual Experience | (32,167,667) | (31,021,751) | (29,034,862) | 57,238,179 |
| Changes in Assumptions | (89,509,060) | 30,441,835 | (567,177,221) | 30,190,286 |
| Net Benefit Payments | (92,380,897) | (85,706,913) | (88,563,565) | (86,947,802) |
| NET CHANGE IN TOTAL OPEB LIABILITY | (112,493,058) | 15,925,614 | (561,176,357) | 121,687,898 |
| TOTAL OPEB LIABILITY - BEGINNING | 1,517,537,904 | 1,501,612,290 | 2,062,788,647 | 1,941,100,749 |
| **TOTAL OPEB LIABILITY - ENDING (a)** | **$1,405,044,846** | **$1,517,537,904** | **$1,501,612,290** | **$2,062,788,647** |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - Employer | $15,316,094 | $14,118,199 | $13,381,154 | $12,758,046 |
| Net Investment Income (Loss) | 77,562,549 | 69,771,317 | (101,643,506) | 159,553,600 |
| Benefit Payments | (92,380,897) | (85,706,913) | (88,563,565) | (86,947,802) |
| Administrative Expenses | (422,541) | (419,709) | (235,504) | (245,662) |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | 75,205 | (2,237,106) | (177,061,421) | 85,118,182 |
| PLAN FIDUCIARY NET POSITION - BEGINNING | 787,407,072 | 789,641,178 | 966,702,599 | 881,584,417 |
| **PLAN FIDUCIARY NET POSITION - ENDING (b)** | **$787,482,277** | **$787,404,072** | **$789,641,178** | **$966,702,599** |
| **NET OPEB LIABILITY (SURPLUS) - ENDING (a)-(b)** | **$617,562,569** | **$730,133,832** | **$711,971,112** | **$1,096,086,048** |
| Plan Fiduciary Net Position as a Percentage of the total OPEB Liability | 56.05% | 51.89% | 52.59% | 46.86% |
| Covered Payroll | $2,989,971,628 | $2,823,066,800 | $2,654,830,178 | $2,526,179,170 |
| Net OPEB Liability as a Percentage of Covered Payroll | 20.65% | 25.86% | 26.82% | 43.39% |

* Schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

## SCHEDULE OF CHANGES IN NET OTHER POST-EMPLOYMENT BENEFIT (OPEB) LIABILITY AND RELATED RATIOS* (CONTINUED)

| Total OPEB Liability | Year Ending Dec. 31, 2020 | Year Ending Dec. 31, 2019 | Year Ending Dec. 31, 2018 | Year Ending Dec. 31, 2017 |
|---|---|---|---|---|
| Service Cost | $56,072,373 | $43,042,991 | $269,913,915 | $230,753,065 |
| Interest | 66,955,703 | 79,675,059 | 220,193,164 | 220,886,126 |
| Changes of Benefit Terms | - | - | (4,945,194,650) | - |
| Differences Between Expected and Actual Experience | (98,438,400) | (99,155,482) | - | (32,754,010) |
| Changes in Assumptions | 134,298,234 | 214,763,191 | (293,714,580) | 633,696,010 |
| Net Benefit Payments | (84,249,181) | (76,303,134) | (144,706,189) | (103,062,283) |
| NET CHANGE IN TOTAL OPEB LIABILITY | 74,638,729 | 162,022,625 | (4,893,508,340) | 949,518,908 |
| TOTAL OPEB LIABILITY - BEGINNING | 1,866,462,020 | 1,704,439,395 | 6,597,947,735 | 5,648,428,827 |
| **TOTAL OPEB LIABILITY - ENDING (a)** | **$1,941,100,749** | **$1,866,462,020** | **$1,704,439,395** | **$6,597,947,735** |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - Employer | $12,166,558 | $11,973,144 | $11,337,852 | $18,894,974 |
| Net Investment Income (Loss) | 75,292,783 | 149,595,598 | (4,191,504) | 115,417,360 |
| Benefit Payments | (84,249,181) | (76,303,134) | (144,706,189) | (103,062,283) |
| Administrative Expenses | (314,740) | (362,607) | (741,952) | (815,977) |
| NET CHANGE IN PLAN FIDUCIARY NET POSITION | 2,895,420 | 84,903,001 | (138,301,793) | 30,434,074 |
| PLAN FIDUCIARY NET POSITION - BEGINNING | 878,688,997 | 793,785,996 | 932,087,789 | 901,653,715 |
| **PLAN FIDUCIARY NET POSITION - ENDING (b)** | **$881,584,417** | **$878,688,997** | **$793,785,996** | **$932,087,789** |
| **NET OPEB LIABILITY (SURPLUS) - ENDING (a)-(b)** | **$1,059,516,332** | **$987,773,023** | **$910,653,399** | **$5,665,859,946** |
| Plan Fiduciary Net Position as a Percentage of the total OPEB Liability | 45.42% | 47.08% | 46.57% | 14.13% |
| Covered Payroll | $2,475,784,283 | $2,373,429,623 | $2,302,436,015 | $2,180,910,604 |
| Net OPEB Liability as a Percentage of Covered Payroll | 42.80% | 41.62% | 39.55% | 259.79% |

* Schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

## SCHEDULE OF NET OPEB LIABILITY (ASSET)*

| Year Ended Dec. 31 | (a) Total OPEB Liability | (b) Plan Fiduciary Net Position | (a)-(b)=(c) Net OPEB Liability (Surplus) | (b) / (a) Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | (d) Covered Payroll | (c) / (d) Net OPEB Liability (Surplus) as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2024 | $1,405,044,846 | $787,482,277 | $617,562,569 | 56.05% | $2,989,971,628 | 20.65% |
| 2023 | 1,517,537,904 | 787,407,072 | 730,130,832 | 51.89% | 2,823,066,800 | 25.86% |
| 2022 | 1,501,612,290 | 789,641,178 | 711,971,112 | 52.59% | 2,654,830,178 | 26.82% |
| 2021 | 2,062,788,647 | 966,702,599 | 1,096,086,048 | 46.86% | 2,526,179,170 | 43.39% |
| 2020 | 1,941,100,749 | 881,584,417 | 1,059,516,332 | 45.42% | 2,475,784,283 | 42.80% |
| 2019 | 1,866,462,020 | 878,688,997 | 987,773,023 | 47.08% | 2,373,429,623 | 41.62% |
| 2018 | 1,704,439,395 | 793,785,996 | 910,653,399 | 46.57% | 2,302,436,015 | 39.55% |
| 2017 | 6,597,947,735 | 932,087,789 | 5,665,859,946 | 14.13% | 2,180,910,604 | 259.79% |

* Schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

## SCHEDULE OF EMPLOYER CONTRIBUTIONS - HEALTH CARE TRUST FUND

| Year Ended Dec. 31 | (a) Statutorily Due Employer Contributions | (b) Actual Employer Contributions | (a)-(b)=(c) Contribution Deficiency (Excess) | (d) Covered Payroll* | (a) / (d) Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $15,316,094 | $15,316,094 | $- | $2,750,593,949 | 0.56% |
| 2023 | 14,118,199 | 14,118,199 | - | 2,596,223,885 | 0.54% |
| 2022 | 13,381,154 | 13,381,154 | - | 2,443,620,260 | 0.55% |
| 2021 | 12,758,046 | 12,758,046 | - | 2,381,764,788 | 0.54% |
| 2020 | 12,166,558 | 12,166,558 | - | 2,313,631,090 | 0.53% |
| 2019 | 11,973,144 | 11,973,144 | - | 2,218,017,387 | 0.54% |
| 2018 | 11,337,852 | 11,337,852 | - | 2,209,258,449 | 0.51% |
| 2017 | 10,871,479 | 10,871,479 | - | 2,180,910,604 | 0.50% |
| 2016 | 10,708,739 | 10,708,739 | - | 2,060,850,584 | 0.52% |
| 2015 | 10,211,723 | 10,211,723 | - | 1,986,568,535 | 0.51% |

* Actuarial Estimate.

## SCHEDULE OF INVESTMENT RETURNS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual Money Weighted Rate of Return, Net of Investment Expenses | 10.752% | 9.650% | (10.703)% | 19.230% | 9.212% | 17.279% | (2.854)% | 13.867% | 10.048% | 0.187% |

# NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION

**1. SCHEDULE OF CHANGES IN THE EMPLOYERS' NET OPEB LIABILITY**

The total OPEB liability contained in this schedule was provided by OP&F's actuary, Cavanaugh Macdonald Consulting, LLC. The net OPEB liability is measured as the total OPEB liability less the amount of OP&F's fiduciary net position.

**2. SCHEDULE OF EMPLOYER CONTRIBUTIONS**

The required employer contributions and percent of those contributions actually made are presented in the schedule of employer contributions.

**3. ACTUARIAL ASSUMPTIONS**

The actuarial assumptions, aside from the discount rate, were adopted as of Jan. 1, 2022, based on a five-year experience review covering the period of 2017 through 2021. The discount rate of 7.50% was adopted by the Board of Trustees in February 2022. The next review of actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation.

The information presented in the required supplementary schedules was used in the actuarial valuation for purposes of calculating the actuarially determined contribution rate. The assumptions and methods used for this actuarial valuation were recommended by the actuary and adopted by the Board of Trustees. Additional information as of the latest actuarial valuation follows:

**RETIREE HEALTH CARE BENEFITS– HEALTH CARE TRUST FUND**

| Actuarial Assumptions | |
|---|---|
| Valuation date | Jan. 1, 2024 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of payroll, open |
| Amortization period | 29.77 years |
| Asset valuation method | Fair value |
| Investment rate of return | 7.50% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll growth | 3.25% |
| Inflation assumptions | 2.75% |

## OPERS RELATED REQUIRED SUPPLEMENTARY PENSION INFORMATION
# SCHEDULE OF OHIO POLICE & FIRE PENSION FUND'S (OP&F) PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) PLAN*

| Traditional Pension Plan | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| OP&F's proportion of the net pension liability (asset) | $15,356,905 | $17,536,447 | $5,780,636 | $9,451,241 | $12,222,305 |
| OP&F's proportionate share of the net pension liability (asset) | 0.059% | 0.059% | 0.066% | 0.064% | 0.062% |
| OP&F's covered payroll | $9,655,193 | $9,202,193 | $9,642,643 | $8,989,514 | $8,700,257 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 159.05% | 190.57% | 59.95% | 105.14% | 140.48% |
| Plan fiduciary net position as a percentage of the total pension liability | 79.01% | 75.74% | 92.62% | 86.88% | 82.17% |
| **Combined Pension Plan** | | | | | |
| OP&F's proportion of the net pension liability (asset) | $(421,236) | $(339,424) | $(559,554) | $(427,358) | $(312,234) |
| OP&F's proportionate share of the net pension liability (asset) | 0.137% | 0.144% | 0.142% | 0.148% | 0.150% |
| OP&F's covered payroll | $539,371 | $620,471 | $647,450 | $652,443 | $666,550 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (78.10)% | (54.70)% | (86.42)% | (65.50)% | (46.84)% |
| Plan fiduciary net position as a percentage of the total pension liability | 144.55% | 137.14% | 169.88% | 157.67% | 145.28% |
| **Member Directed Plan** | | | | | |
| OP&F's proportion of the net pension liability (asset) | $(21,166) | $(14,411) | $(35,074) | $(37,311) | $(9,296) |
| OP&F's proportionate share of the net pension liability (asset) | 0.190% | 0.184% | 0.193% | 0.205% | 0.246% |
| OP&F's covered payroll | $1,071,357 | $928,521 | $865,093 | $878,064 | $1,044,186 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (1.98)% | (1.55)% | (4.05)% | (4.25)% | (0.89)% |
| Plan fiduciary net position as a percentage of the total pension liability | 134.44% | 126.74% | 171.84% | 188.21% | 118.84% |

* The amounts presented were determined as of Dec. 31 of the prior calendar year.

# SCHEDULE OF OHIO POLICE & FIRE PENSION FUND'S (OP&F) PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) PLAN (CONTINUED*)

| Traditional Pension Plan | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|
| OP&F's proportion of the net pension liability (asset) | $17,148,431 | $9,597,642 | $13,874,911 | $10,779,540 | $7,534,305 |
| OP&F's proportionate share of the net pension liability (asset) | 0.063% | 0.061% | 0.061% | 0.062% | 0.062% |
| OP&F's covered payroll | $8,457,043 | $7,507,300 | $7,290,938 | $7,745,508 | $7,649,967 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 202.77% | 127.84% | 190.30% | 139.17% | 98.49% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% |
| **Combined Pension Plan** | | | | | |
| OP&F's proportion of the net pension liability (asset) | $(139,322) | $(175,453) | $(69,235) | $(63,275) | $(52,363) |
| OP&F's proportionate share of the net pension liability (asset) | 0.125% | 0.129% | 0.124% | 0.130% | 0.136% |
| OP&F's covered payroll | $532,871 | $490,143 | $446,969 | $473,208 | $478,275 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (26.15)% | (35.80)% | (15.49)% | (13.37)% | (10.95)% |
| Plan fiduciary net position as a percentage of the total pension liability | 126.64% | 137.28% | 116.55% | 116.90% | 114.83% |
| **Member Directed Plan** | | | | | |
| OP&F's proportion of the net pension liability (asset) | $(5,909) | $(8,942) | $(1,011) | $(837) | $(1,441) |
| OP&F's proportionate share of the net pension liability (asset) | 0.259% | 0.256% | 0.243% | 0.219% | 0.245% |
| OP&F's covered payroll | $1,058,871 | $1,002,986 | $900,093 | $1,045,000 | $1,076,864 |
| OP&F's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | (0.56)% | (0.89)% | (0.11)% | (0.08)% | (0.13)% |
| Plan fiduciary net position as a percentage of the total pension liability | 113.42% | 124.46% | 103.40% | 103.91% | N/A |

* The amounts presented were determined as of Dec. 31 of the prior calendar year.

# SCHEDULE OF CONTRIBUTIONS- OPERS PLAN
**LAST 10 FISCAL YEARS**

| Traditional Pension Plan | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Contractually required contributions | $1,351,727 | $1,288,307 | $1,349,970 | $1,258,532 | $1,218,036 |
| Contributions in relation to the contractually required contributions | $1,351,727 | $1,288,307 | $1,349,970 | $1,258,532 | $1,218,036 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $9,655,193 | $9,202,193 | $9,642,643 | $8,989,514 | $8,700,257 |
| Contributions as a percentage of covered payroll | 14% | 14% | 14% | 14% | 14% |
| **Combined Pension Plan** | | | | | |
| Contractually required contributions | $75,512 | $86,866 | $90,643 | $91,342 | $93,317 |
| Contributions in relation to the contractually required contributions | **$75,512** | $86,866 | $90,643 | $91,342 | $93,317 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $539,371 | $620,471 | $647,450 | $652,443 | $666,550 |
| Contributions as a percentage of covered payroll | 14% | 14% | 14% | 14% | 14% |
| **Member Directed Plan** | | | | | |
| Contractually required contributions | $149,990 | $129,993 | $121,113 | $122,929 | $146,186 |
| Contributions in relation to the contractually required contributions | $149,990 | $129,993 | $121,113 | $122,929 | $146,186 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $1,071,357 | $928,521 | $865,093 | $878,064 | $1,044,186 |
| Contributions as a percentage of covered payroll | 14% | 14% | 14% | 14% | 14% |

# SCHEDULE OF CONTRIBUTIONS- OPERS PLAN (CONTINUED*)

| **Traditional Pension Plan** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|
| Contractually required contributions | $1,183,986 | $1,051,022 | $947,822 | $929,461 | $917,996 |
| Contributions in relation to the contractually required contributions | $1,183,986 | $1,051,022 | $947,822 | $929,461 | $917,996 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $8,457,043 | $7,507,300 | $7,290,938 | $7,745,508 | $7,649,967 |
| Contributions as a percentage of covered payroll | 14% | 14% | 13% | 12% | 12% |
| **Combined Pension Plan** | | | | | |
| Contractually required contributions | $74,602 | $68,620 | $58,106 | $56,785 | $57,393 |
| Contributions in relation to the contractually required contributions | $74,602 | $68,620 | $58,106 | $56,785 | $57,393 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $532,871 | $490,143 | $446,969 | $473,208 | $478,275 |
| Contributions as a percentage of covered payroll | 14% | 14% | 13% | 12% | 12% |
| **Member Directed Plan** | | | | | |
| Contractually required contributions | $148,242 | $140,418 | $126,013 | $146,300 | $150,761 |
| Contributions in relation to the contractually required contributions | $148,242 | $140,418 | $126,013 | $146,300 | $150,761 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- |
| OP&F's covered payroll | $1,058,871 | $1,002,986 | $900,093 | $1,045,000 | $1,076,864 |
| Contributions as a percentage of covered payroll | 14% | 14% | 14% | 14% | 14% |

* The amounts presented were determined as of Dec. 31 of the prior calendar year. GASB 68 was implemented in 2015.

## OPERS RELATED REQUIRED SUPPLEMENTARY OPEB INFORMATION

### SCHEDULE OF OP&F'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY- OPERS PLAN*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| OP&F's proportion of the net OPEB liability (asset) | $597,245 | $421,370 | $(2,310,088) | $(1,280,653) | $9,900,318 | $9,413,176 | $7,679,441 | $7,047,680 |
| OP&F's proportionate share of the net OPEB liability (asset) | 0.066% | 0.067% | 0.074% | 0.072% | 0.072% | 0.072% | 0.071% | 0.070% |
| OP&F's covered payroll** | $10,194,569 | $9,822,664 | $10,290,093 | $9,641,957 | $9,366,807 | $8,989,914 | $7,997,443 | $7,737,907 |
| OP&F's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll** | 5.86% | 4.29% | (22.45)% | (13.28)% | 105.70% | 104.71% | 96.02% | 91.08% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 107.76% | 94.79% | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% | 54.05% |

### SCHEDULE OF OPEB CONTRIBUTIONS- OPERS PLAN*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| Contractually required contributions** | $- | $- | $- | $- | $- | $- | $- | $77,379 |
| Contributions in relation to the contractually required contributions** | $- | $- | $- | $- | $- | $- | $- | $77,379 |
| Contribution deficiency (excess) | $- | $- | $- | $- | $- | $- | $- | $- |
| OP&F's covered payroll** | $10,194,569 | $9,822,664 | $10,290,093 | $9,641,957 | $9,366,807 | $8,989,914 | $7,997,443 | $7,737,907 |
| Contributions as a percentage of covered payroll | -% | -% | -% | -% | -% | -% | -% | 1.00% |

* The amounts presented were determined as of Dec. 31 of the prior calendar year. GASB 75 was implemented in 2018. This schedule is intended to show information for 10-years. Additional years will be displayed as they become available.

** Excludes contributions and covered payroll related to OPERS - Member Directed Plan.

# ADDITIONAL INFORMATION

## SCHEDULE OF ADMINISTRATIVE EXPENSES*

| | | For the year ended Dec. 31, 2024 |
|---|---|---|
| **Personnel Services** | Salaries and Wages | $12,684,980 |
| | OPERS Contributions | 2,409,622 |
| | Insurance | 3,505,263 |
| | Fringe Benefits/Employee Recognition | 5,564 |
| | Tuition Reimbursement | 14,800 |
| | **TOTAL PERSONNEL SERVICES** | **18,620,229** |
| **Professional Services** | Actuarial | 325,125 |
| | Audit | 166,743 |
| | Custodial Banking Fees | 394,578 |
| | Investment Fees and Consulting | 54,165,380 |
| | Other Consulting (Disability, Software, Legal and Health Care) | 1,705,179 |
| | Banking Expense | 8,278 |
| | **TOTAL PROFESSIONAL SERVICES** | **56,765,283** |
| **Communications Expense** | Printing and Postage | 254,208 |
| | Telephone | 51,458 |
| | Member/Employer Education | 9,549 |
| | Other Communications | 87,000 |
| | **TOTAL COMMUNICATIONS EXPENSE** | **402,215** |
| **Other Operating Expense** | Conferences and Education | 72,957 |
| | Travel | 65,843 |
| | Computer Technology | 1,345,774 |
| | Other Operating | 451,530 |
| | Warrant Clearing | - |
| | ORSC Expense | 59,782 |
| | Depreciation Expense - Capital | 3,371,276 |
| | **TOTAL OTHER OPERATING EXPENSES** | **5,367,162** |
| **NET BUILDING EXPENSES (includes rent)** | | **1,388,436** |
| **TOTAL OPERATING EXPENSES** | | **82,543,325** |
| **INVESTMENT EXPENSES** | | **(59,746,579)** |
| **NET ADMINISTRATIVE EXPENSES** | | **$22,796,746** |

* Includes investment related administrative expenses.

## SCHEDULE OF INVESTMENT EXPENSES**

| Category | 2024 |
|---|---|
| Investment Manager Services | $51,899,783 |
| Custodial Banking Fees | 394,578 |
| Investment Consulting Services | 2,265,597 |
| Other Direct Investment Expenses | 2,933,358 |
| Allocation of Other Administrative Expenses | 2,253,263 |
| **INVESTMENT EXPENSES** | **$59,746,579** |

** A portion of the non-Investment Department administrative expenses is allocated to Investment Expense based on the ratio of investment staff to total OP&F staff.

# INVESTMENTS

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT



INVESTMENT REPORT
INVESTMENT PORTFOLIO SUMMARY
TEN LARGEST COMMON STOCKS
TEN LARGEST BONDS AND OBLIGATIONS
TEN LARGEST REAL ESTATE HOLDINGS
SCHEDULE OF INVESTMENT RESULTS
INVESTMENT CONSULTANTS AND MONEY MANAGERS
SCHEDULE OF BROKERS' FEES PAID
INVESTMENT POLICY AND GUIDELINES

# INVESTMENT REPORT

**(PREPARED THROUGH A COMBINED EFFORT WITHIN THE INVESTMENT DEPARTMENT)**

## INTRODUCTION

The investment authority of OP&F is specified in Chapter 742 of the ORC. Importantly, the ORC requires that the Board of Trustees (Board) and other fiduciaries discharge their duties solely in the interest of the participants and beneficiaries, for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering OP&F. Within the guidelines of the ORC, OP&F has developed an Investment Policy and Guideline statement that provides for appropriate diversification of assets and an acceptable expected return on investments after consideration of investment risks. Investment performance return calculations are prepared by Wilshire Advisors LLC. Investment activities are presented on a trade date basis and measurements are calculated using time-weighted rates of return, unless otherwise noted, consistent with investment industry standards.

## SIGNIFICANT DEVELOPMENTS IN 2024

As a result of the 2022 fiduciary performance audit of OP&F performed by Funston Advisory Services, OP&F, working with its consultants, spent a considerable amount of time reviewing OP&F's investment procedures vs. those of other institutions in terms of best practices in 2024. Funston Advisory Services believed that the Board's delegation of investment approval authority to the Chief Investment Officer and/or investment staff under specified guidelines is considered a leading practice and would be appropriate for OP&F. In addition, those delegations, within established policy parameters, would reduce the volume of meeting materials and free up the Board to focus on strategic and other high-level issues. Those delegations could also reduce the number of Board meetings. To continue to move OP&F toward leading practice, the Board in 2024 approved amending the Investment Policy & Guidelines statement, OP&F Broker Policy, Investment Manager Search Policy, Ohio Qualified Investment Manager Policy, Investment Manager Monitoring & Evaluation Policy, Private Markets Investment Policy, Private Credit Investment Policy, Real Estate Investment Policy, and Real Assets Investment Policy. In general, the changes to these policies allow the Board to retain authority on strategic, high-level topics such as asset allocation, investment structure, total fund benchmarking, and rebalancing ranges along with policy review and approval. Additionally, the Board retains control of the hiring of all investment managers within the public asset classes along with all termination decisions. For private asset classes, the Board continues to approve all new investments with new investment managers, all new investments offered by existing investment managers for a different investment strategy than previously approved by the Board, and new investments offered by existing investment managers for the same investment strategy previously approved by the Board where the capital commitment is greater than $50 million. Those responsibilities that are now delegated to investment staff from the Board include approving new and existing investment manager guidelines, evaluating and assigning all investment managers to a rating category, and approving new investments offered by existing investment managers for the same investment strategy previously approved by the Board where the capital commitment is less than or equal to $50 million. Along with the delegation of some responsibilities from the Board to investment staff, changes to the policies also included using a targeted Request for Proposal (RFP) process as the default option for all public asset class searches while maintaining the ability to use a public RFP process in certain circumstances. Finally, the revised policies removed a numbered rating category system for investment managers in favor of a "Good Standing" or "Watch List" system. Other significant noteworthy investment endeavors and issues addressed last year include the following:

- Formed a Staff Investment Committee (SIC) to discuss and decide on actions relating to the staff's new authority
- Restructured the portable alpha program within U.S. equity
- Terminated Barings LLC international equity small capitalization (cap) mandate
- Approved an investment manager search process for an international equity small cap manager to replace Barings LLC
- Reviewed OP&F's U.S. Proxy Voting Policy and OP&F's International Proxy Voting Policy for possible revisions
- Adopted a total fund benchmark transition plan for the period Q2 2024 through Q2 2025
- Continued to work toward target allocation to private markets:
    - Approved commitments to Clearlake Capital Partners VIII, PSOO, Spark Capital VIII, Spark Capital Growth Fund V, Tenex Capital Partners IV and Veritas Capital Fund IX
- Approved the 2025 private markets investment plan
- Approved the 2024-2025 private credit investment plan
- Continued to work toward target allocation to private credit:
    - Approved commitments to Cerberus Levered Loan Opportunities Fund V, Crescent European Specialty Lending Fund III, Fortress Lending Fund IV, MC Credit Fund IV, OHA

Senior Private Lending Fund, Proterra Capital Fund 3 and PSOO Credit (now named PSOO 2).

- Approved the 2024 real estate investment plan
- Continued to work toward target allocation to real estate:
  - Approved commitments to AEW Partners Real Estate Fund X, Fairfield Multifamily Value Fund IV, Oaktree Real Estate Opportunity Fund IX, WCP New Cold III and continued to close on a portion of the commitment to Blackstone Property Partners made in 2023 via purchasing additional secondary interests
- Approved the 2025 real estate investment plan
- Approved the 2024 real assets investment plan
- Continued to work toward target allocation to real assets:
  - Approved commitments to Blackstone Infrastructure Partners and Grain Communications Opportunity Fund IV
- Approved the 2025 real assets investment plan

## ECONOMIC ENVIRONMENT

The U.S. economy expanded at a solid pace in 2024 with U.S. real gross domestic product (GDP) rising by 2.4%. Consumer spending continued to be the main driver for the economy. Consumer spending continued to be resilient due to the continued strength in the labor market, helping consumers maintain strong balance sheets.

The U.S. economy continued to add new jobs in 2024. Although labor demand still exceeds the supply of workers, the labor market did come into better balance in 2024. As such, nominal wage growth eased materially in 2024. The nation's unemployment rate continued to remain low, ending the year at 4.1%. Given the labor market remaining solid, inflation remained above the Federal Open Market Committee's (FOMC) objective of 2.0%. As measured by the U.S. Consumer Price Index (CPI), inflation rose by 2.9% in 2024, down from an increase of 3.4% in 2023. Furthermore, the FOMC's preferred inflation measure, the U.S. Personal Consumption Expenditure (PCE) Core Price Index, rose by 2.9% last year, mostly unchanged from the year before which saw the same index rise by 3.0%. But like the U.S. CPI, this was well above the FOMC's target.

After having maintained the range for the U.S. Federal Funds Target Rate of 5.25% to 5.50% for 14 months, the FOMC began lowering the U.S. Federal Funds Target Rate beginning in September 2024 by lowering the target range 50 basis points (bps). The FOMC followed with two 25 bps cuts in the remainder of the year, one in November and one in December. The range for the U.S. Federal Funds Target Rate ended the year at 4.25% to 4.50% and remains there as of this writing. Additionally, the FOMC continued to reduce its securities holdings. Given the easing in the level of interest rates, interest rate sensitive sectors such as housing stabilized as 2024 ended.

As for the rest of the world, growth was very uneven and not consistent with prior year's growth. Eurozone real GDP in 2024 came in at 0.90%, up from an annual growth rate in 2023 of 0.40%. However, in China, real GDP grew at a 5.0% annual rate in 2024, down from 5.40% in 2023. Japan's real GDP grew by 0.10% in 2024 compared to 1.50% in 2023.

As 2025 began, economic activity continued to solidly expand. The labor market remained solid with unemployment remaining steady at a low level. Although inflation remained elevated, long-term inflation expectations remained well anchored. Despite these readings, the FOMC still projects that economic conditions will warrant policy rate cuts in 2025.

Although the probability for a U.S. recession in 2025 remains below 50%, the chances have increased due to escalating trade wars. With respect to inflation, based on history, inflation tends to come in waves and typically ends only when there is a recession. Current factors that may contribute to inflation remaining more sticky are the continued trend of de-globalization, increasing use of tariffs, elevated deficit spending, and elevated wage pressure. As an aside, it should be noted that 3.0% inflation is more typical than 2.0% as the mean U.S. CPI over the past 40 years is 2.8%.

## TOTAL FUND

The total portfolio, on a trade date basis, was valued at $18.62 billion at the end of 2024, up from $17.64 billion at the end of 2023. Within OP&F's portfolio, strong absolute returns in U.S. equity, high yield, private credit, midstream energy infrastructure and commodities, especially gold, were offset by weak returns in U.S. TIPS, real estate and core fixed income. Worth noting was the absolute strength of midstream energy infrastructure as OP&F's midstream energy infrastructure composite returned 43.29% on a net of fees basis in 2024. The magnitude of the strong returns in the aforementioned asset classes, along with their weights within the total portfolio, combined to deliver a positive total portfolio return in 2024. For calendar year 2024, the total portfolio's investment return was 11.13% gross of fees, and 10.58% net, compared to a policy index return of 10.03%. This represents an outperformance of the total portfolio's policy index return by 110 bps gross and 55 bps net. OP&F's investments in U.S. equity, international equity, private credit, U.S. TIPS, real estate and commodities, including gold, were the asset class composites to outperform their respective asset class benchmarks over the course of 2024.

In addition to last year's positive absolute performance, OP&F experienced good relative peer group performance. The total portfolio's 2024 results ranked in the 35th percentile of Wilshire's All Public Plans – Total Fund Universe. Long-term peer group performance still remains attractive with the three-year, five-year and 10-year results ranked in the 28th, 29th and 16th percentiles, respectively, of that same peer universe. With 2024's result, OP&F's three-year annualized gross of fees return now stands at 3.56%, and 2.99% net, while the five-year annualized gross of fees return is 7.63%, and 7.01% net. OP&F's 10-year annualized gross of fees return is 7.85%, and 7.23% net. Given the relatively good outperformance versus the policy index in 2024, OP&F's three-year annualized returns, both gross and net, are above the policy index return of 2.77%, while OP&F's five-year annualized returns, both gross and net, also beat the policy index return of 6.76%. The 10-year annualized returns, both gross and net, also bested the policy index return of 6.76%.

The total portfolio value stood at approximately $19.13 billion as of March 31, 2025, which equates to an unaudited, estimated return of 3.10% for the first quarter of 2025, compared to a policy index return of 2.20%. The performance of OP&F's U.S. equity, international equity, U.S. TIPS and real assets investment managers vs. their respective benchmarks contributed to the outperformance vs. the policy index return in the first quarter.

The Board and investment staff believe that a well-diversified portfolio will serve OP&F well over the long term. As mentioned in prior reports, the Board's 2010 adoption of risk parity at the asset allocation level and their ongoing reaffirmation and implementation of that approach demonstrate that OP&F is committed to creating and maintaining a well-diversified portfolio. Investment staff and consultants are constantly evaluating the environment and different approaches to maintain a risk-balanced portfolio within the risk parity construct. As in the past, OP&F has and will continue to evaluate non-correlated, non-traditional strategies and asset classes in its search for optimal risk-adjusted returns.

## EQUITIES – U.S. AND INTERNATIONAL

Equity prices in the U.S. and international markets continued to rise in 2024 following a strong performance in 2023. In 2024, stock market returns for the calendar year were positive 23.76% as measured by the Financial Times (FT) Wilshire 5000 Total Return (TR) Index and positive 25.02% for the S&P 500 TR Index. The Russell 2000 TR Index, an index that tracks smaller cap companies, gained 11.54%. In 2024, large cap growth stocks significantly outperformed large cap value stocks, and small cap growth stocks outperformed small cap value stocks.

Large cap growth benefitted from strong performance from technology, especially stocks related to artificial intelligence (AI) and cloud storage, and communications stocks while small cap growth benefitted from gains in communications and technology stocks.

International equity returns underperformed those of U.S. stocks. The Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex-U.S. Net TR Index, which includes both developed and emerging market companies, gained 5.53% (in U.S. dollar terms), underperforming the S&P 500 TR Index by 19.49%. Emerging markets, as measured by the MSCI Emerging Markets Net TR Index, gained 7.50% (in U.S. dollar terms). In international markets, growth stocks outperformed value stocks due to strong performance from communications and technology stocks. For calendar year 2024, the U.S. dollar strengthened against almost all developed country and emerging market currencies due to relatively higher U.S. interest rates, which was a negative factor for U.S. based investors in overseas markets.

In calendar year 2024, OP&F's U.S. equity composite gained 26.57% (net of fees). This compared favorably to the policy index, which gained 23.76% and the S&P 500 TR Index which gained 25.02%. The portable alpha component within U.S. equity drove the U.S. equity composite's outperformance as the portable alpha composite returned 28.74% (net of fees) in 2024.

The OP&F total international equity composite gained 5.56% (net of fees) in 2024 which outperformed the policy index, which gained 5.23%, by 0.33%.

## MIDSTREAM ENERGY INFRASTRUCTURE

For the fourth consecutive year, midstream energy infrastructure performed well, with the asset class policy index returning 44.53% in 2024. OP&F's midstream energy infrastructure composite underperformed the policy index in 2024 with a return of 43.29% (net of fees).

Midstream energy infrastructure's performance in 2024 was driven by strong growth in energy demand, increased exports and a focus on capital returns. Midstream energy infrastructure assets continued to be attractive to investors due to their high and stable free cash flow generation and yield, inflation protection and reasonable valuation.

Management teams of midstream energy infrastructure companies have maintained their discipline in reducing capital spending and increasing free cash flow generation. The improved free cash flow has been used to increase dividends, buy back stock and reduce leverage. This has resulted in healthier balance sheets and improved financial flexibility. Additionally, the midstream energy infrastructure opportunity set has continued to improve with significant Liquefied Natural Gas (LNG) export opportunities, as well as opportunities related to the energy transition. Midstream energy infrastructure assets also have benefitted from the significant growth in demand to power data centers due in part to the increased adoption of AI.

As stated in prior ACFRs, there has been a structural shift in the midstream energy infrastructure space, with a gradual reduction of publicly traded MLPs, to the point where public traded MLP's make up less than half of the public midstream energy infrastructure market.

Midstream energy infrastructure companies often supply services under long-term contracts with annual inflation adjustments. These contracts usually obligate their upstream exploration and production customers and downstream utilities to pay regardless of the volume that goes through their pipelines. This results in a stable revenue stream with inflation protection. Importantly, midstream energy infrastructure securities' prices have become less correlated with crude oil and natural gas prices over the last few years as investors recognize the fundamental attributes and stability of the asset class. However, extreme moves in crude oil prices can still affect midstream energy infrastructure securities' prices.

The target allocation to midstream energy infrastructure is 5.0%. OP&F's actual weight as of Dec. 31, 2024, was 6.40%.

## COMMODITIES AND GOLD

OP&F has a target allocation of 2.0% to commodities. Commodities were added to the total portfolio in 2023 to provide further portfolio diversification and additional inflation protection.

For the year ended Dec. 31, 2024, OP&F's commodity composite gained 9.12% (net of fees), outperforming the policy index return of 5.38%. Strength in the energy sector, precious metals and soft commodities were the main contributors to the positive returns.

The broad energy sector, except for natural gas, performed well during the period. Crude oil set the pace for the rest of the petroleum complex. Increasing geopolitical tensions were a main boost to crude oil prices, most notably an escalation of hostilities by Yemen-based Houthi rebels on commercial shipping in the Red Sea which raised concerns about the conflict impacting the flow of crude oil. Natural gas broke with the rest of the sector as abundant inventories and strong U.S. production put downward pressure on prices.

Precious metals had a strong year as both gold and silver posted solid gains. Industrial metals performance was modestly positive during the period. Tentative signs of a rebound in Chinese demand helped to steady market sentiment and lift the sector.

Within the agriculture group, soft commodities were significant outperformers. Coffee prices soared during the period due to volatile weather. Cocoa prices rose even more dramatically, up 338%, with ongoing supply challenges in the Ivory Coast sending prices to a record high in December. On the other hand, grains such as wheat and soybeans came under pressure from higher-than-expected supply outlooks.

Separate from the 2.0% allocation to commodities, OP&F has a target allocation of 5.0% to gold. Gold was added to the total portfolio in 2020 to further improve risk and economic factor balance and is a substitute for additional fixed income exposure. Gold has historically been a strong diversifier to growth-oriented investments, providing downside protection in notable equity sell-offs given its zero or negative correlation.

For the year ended Dec. 31, 2024, OP&F's gold composite returned 20.93% on both a gross and net of fees basis, outperforming the policy index return of 20.31%. Gold's strong performance was driven by geopolitical tensions, central bank buying and the FOMC's pivot to lowering interest rates.

## FIXED INCOME – CORE AND INFLATION PROTECTED BONDS

As previously stated, the economy expanded at a solid pace in 2024 due to strong consumer spending, a good labor market and a continued increase in corporate earnings. This provided upward pressure on the 10-year U.S. Treasury yield in 2024. The 10-year U.S. Treasury yield was 3.88% at year-end 2023 and increased to 4.57% by year-end 2024.

The yield curve, as displayed by the difference between 10-year U.S. Treasury yields and 2-year U.S. Treasury yields, steepened significantly in 2024 as the FOMC reduced short-term interest rates while longer maturity yields rose.

The OP&F core fixed income composite returned 2.38% (net of fees) for the year, outperforming its policy index return of 1.25% by 1.13%.

OP&F's fixed income composite, which includes core and a U.S. Treasury overlay, returned a negative 2.98% (net of fees) in 2024.

The OP&F U.S. TIPS composite declined in 2024 by negative 0.23% (net of fees) outperforming the policy index return of negative 2.11%.

## HIGH YIELD

In 2024, the high yield bond market rallied, with the asset class policy index finishing the year up 8.20% as high yield credit spreads and short-term interest rates declined, and inflation eased.

In 2024, lower quality, more leveraged company bonds such as CCCs significantly outperformed higher quality ones such as BBs. The communication services sector was the best performer in 2024 followed by information technology and financial services, while the energy, healthcare and materials sectors were the worst performers.

The OP&F high yield portfolio returned 8.12% (net of fees) in 2024, underperforming the policy index by 0.08%.

## REAL ESTATE

For the year ended Dec. 31, 2024, OP&F's real estate composite portfolio delivered a negative 3.38% return (net of fees). OP&F's net return outperformed the policy index return of negative 8.04%.

The portfolio is designed to exceed the Open-End Diversified Core Equity (ODCE) Index, the policy index, by 50 bps per year on a net basis over full market cycles. It has accomplished that goal over all standard long-term measurement periods. Over the trailing 10-year period, OP&F's portfolio exceeded the policy index by 2.17% per year (net of fees).

To help manage and measure risk, OP&F's real estate program is divided into categories based on risk and return. The "traditional core" category is designed to follow the benchmark closely and carry the lowest risk. At Dec. 31, 2024, based on manager submissions, OP&F's exposure to the traditional core portfolio stood at 32.1% of the total real estate program, which was within the permitted range.

Other categories provide OP&F varying degrees of flexibility to deviate from the benchmark and to take calculated risk in pursuit of higher returns. The highest risk category is the "non-core" portfolio, which is expected to deliver long-term performance that exceeds the ODCE Index, while also introducing higher risk levels and short-term volatility. OP&F is well within the permitted range for the non-core portion of the real estate program, reflecting an effort to strike a balance between the pursuit of returns and risk management.

OP&F has maintained, and seeks to continue, an overweight to the industrial sector. OP&F has also maintained or added exposure to some non-traditional property-types such as self-storage, medical office, industrial outdoor storage, and the cold storage space.

OP&F's real estate portfolio is U.S. focused (over 95% as of Dec. 31, 2024, based on manager submissions), with select investments in other parts of the world.

In addition to seeking to achieve its return target, OP&F remains focused on real estate's other strategic objectives: diversifying OP&F's broader portfolio and serving as a partial inflation hedge. Each investment is selected based on its individual merits as well as its expected contribution to a broader investment program that is designed to advance all of OP&F's goals for the real estate program.

At the end of 2024, OP&F's market exposure to real estate was 9.88%. Exposure was below the 12% target allocation, but within the targeted range for real estate. OP&F is maintaining its philosophy of investing patiently and prioritizing attractive risk-adjusted returns.

## REAL ASSETS

OP&F's real assets program covers timberland, agriculture, and infrastructure, and is distinct from the separate allocations that OP&F has established for real estate and for midstream energy infrastructure. The program is designed to provide diversification, to hedge against inflation, to preserve capital, and to generate attractive risk-adjusted returns through a combination of income and appreciation.

For the year ended Dec. 31, 2024, the real assets composite portfolio delivered a 6.25% return (net of fees). For the trailing five-year period, the net return was 5.72% per year.

The real assets portfolio is designed to deliver a return that exceeds a custom benchmark, which is constructed by blending a private-market timberland index, a private-market farmland index, and a public market infrastructure index. The program does not yet have a sufficient history to measure a full market cycle. Based on the trailing five-year return, the real assets portfolio is underperforming the benchmark by 108 bps per year.

The real assets program, while still in development, is beginning to mature. At the end of the year, the program represented 6.28% of OP&F's total portfolio relative to a long-term target of 8.0%. Unfunded commitments represented another 2.1% of OP&F's total portfolio. The portfolio is tilted toward lower risk (and lower expected return) strategic investments, and away from higher risk (and higher expected return) tactical investments.

Ongoing portfolio construction objectives include building the total exposure gradually; calibrating the appropriate balance between lower-risk strategic and higher-risk tactical investments; maintaining a focus on developed markets; and building long-term returns while controlling risk.

## PRIVATE MARKETS

OP&F has adopted the Public Markets Equivalent (PME) approach to evaluate the performance of its private markets portfolio. A PME comparison utilizes an Internal Rate of Return (IRR) calculation of all historical cash flows and compares the resulting performance to a public market proxy index, by assuming that all of the same cash flows are invested on the same dates in the public market index. This methodology allows for the purest comparison of the private markets program performance to that of a public market alternative. Secondarily, the performance of the private markets program is evaluated relative to the Refinitiv (Thompson One) Private Equity Pooled Horizon IRR: Net to Limited Partners peer universe, or equivalent. The peer universe data allows OP&F to compare the private markets program to other private markets programs and managers over specified time periods. For the ten-year period ending Sept. 30, 2024, OP&F's private markets program provided a net IRR of 15.3%, outperforming both the FT Wilshire 5000 PME of 12.5% and the S&P 500 PME of 12.6%. In addition, OP&F's private markets program has outperformed both the FT Wilshire 5000 PME and S&P 500 PME on a net of fees basis since inception. Relative to the Refinitiv (Thompson One) Private Equity Pooled Horizon IRR: Net to Limited Partners peer universe, as of Sept. 30, 2024, OP&F's private markets program's net of fees IRR ranks second quartile for the three-year, 10-year and since inception basis, and first quartile for the five-year basis.

The private markets landscape in 2024 faced several challenges, including a higher interest rate environment, a difficult fundraising environment, and limited exit opportunities. Deal activity in 2024 showed signs of a gradual recovery from the slowdown experienced in the previous two years; however, the overall deal volume remained below the 2021 peak levels. A modest uptick in deal volume was mostly driven by stabilizing interest rates throughout 2024, dry powder, and sector resilience. The pace of large-scale buyouts has remained subdued, with sponsors favoring smaller add-on acquisitions, platform building and minority stakes over mega deals. AI was a significant driver of deal activity for venture capital funds. Fundraising activity declined in 2024 in both the number of funds raised and the total capital committed; however, the capital raised continues to be concentrated among larger, well-established managers with proven track records for both buyout and venture capital funds. Emerging managers and first-time funds faced prolonged fundraising timelines and increased scrutiny. Valuations became more disciplined in 2024, aligning closer with public market comparables. Although the exit environment improved in 2024, it remained well below the record levels of 2021. While traditional exits, such as initial public offerings (IPOs), disappeared over the past few years, managers successfully utilized alternative exits such as sponsor-to-sponsor sales, minority investments and continuation funds.

The current long-term target allocation to private markets is 10%; however, the interim policy target as of year-end was 8.50%. On an invested basis, private markets comprised 7.72% of OP&F's total assets as of year-end. Although the year-end allocation is below the long-term target, the private markets program is within its policy range. OP&F will continue to manage the private markets allocation to OP&F's long-term target by adopting annual private markets investment plans that allow OP&F the flexibility to manage the private markets portfolio based on suitable investment opportunities while also taking into consideration current market conditions. In addition, the annual private markets investment plans will seek to maintain appropriate vintage year diversification for the private markets portfolio. OP&F will mainly target commitments to primary partnerships, and on an opportunistic basis, co-investments and secondary partnerships. OP&F's co-investment program began in 2020 and allows OP&F to average down overall program costs, provide greater control over vintage year, geographical, and industry exposure and enhance program returns through proper deal selection. As always, OP&F and its dedicated private markets investment consultant will prudently recommend commitments that allow the private markets portfolio to remain compliant with applicable policies and guidelines.

## PRIVATE CREDIT

Since the adoption of the private credit asset class in 2014, OP&F has focused on senior secured lending in the corporate middle market space, also known as direct lending. As has been the case for the prior couple of years, the private credit allocation will increase going forward as OP&F reduces its high yield bond allocation and reallocates to private credit to build toward its 5% long-term asset class target. Research has demonstrated that historically the relatively higher quality end of the direct lending market (direct loans to mostly private, corporate small and mid-sized companies) has provided better yields and returns, better loan covenant protections, lower default rates and higher recoveries than the public high yield bond market. Private lending has become more competitive and has grown to an equivalent size of the high yield bond and syndicated bank loan markets in recent years, so it will be interesting to see if these dynamics unfold similarly to past recessions during the next economic slowdown. In consideration of the competitive dynamics within private credit, in 2024, OP&F modified its Private Credit Investment Policy to allow for a core-satellite implementation approach that would still direct a majority of asset deployment to senior-focused lending strategies, but would also allow for diversifying allocations to uncorrelated and potentially higher returning strategies within areas of specialty finance, special situations, mezzanine, and distressed credit.

In 2024, private companies started to adjust to the higher interest rate environment, compared to the near-zero interest rate environment prior to 2022, as the economy remained strong. In 2024, lending standards were relaxed as loan yields and credit spreads declined. OP&F works to reduce some of these risks by committing to strategies that invest mostly in senior secured first-lien loans, and by investing with experienced managers who have a history of operating in difficult environments while generating good overall returns through cycles.

As described above in the Private Markets section, OP&F has also adopted a PME approach to evaluate the performance of its private credit portfolio. Since the initial investment in April of 2014 through Sept. 30, 2024, the net IRR for OP&F's private credit program was 8.0%. This return compares very favorably to its benchmark's PME annualized return of 4.4%.

## 2025 DEVELOPMENTS AND CHALLENGES AHEAD

Upon review of OP&F's investment procedures vs. those of other institutions in terms of best practice and to continue to move OP&F towards leading practice, OP&F conducted an annual review of each public asset class in early 2025. The overview provided the Board with a review of structure, objectives, results and outlook for each public asset class. This is a new procedure for OP&F and will be conducted annually going forward. The procedure allows the Board to focus at a higher level than the previous process that included investment manager reviews and ensures the Board remains informed while allowing the quarterly performance reviews to be more concise. Based on the public asset class reviews, OP&F anticipates conducting investment structure reviews for U.S. equity, high yield and core fixed income later in 2025. Besides those investment structure reviews, for the remainder of 2025, OP&F anticipates spending much time and attention shifting the portfolio toward the benchmark targets throughout the implementation period while intensely focusing on liquidity needs within the broader economic and capital markets environment. Additionally, OP&F will continue to compare OP&F's current investment procedures to other approaches to identify areas of improvement. As always, OP&F will continue to look for ways to reduce the costs of OP&F's operations. Below are some of the other items already addressed in 2025 and a number that still lie ahead:

- Revised the SIC responsibilities to include proxy voting referrals from managers and to include all members in decisions about private equity and private credit co-investment recommendations
- Amended OP&F's Investment Policy and Guidelines statement
- Amended OP&F's U.S. Proxy Voting Policy
- Amended OP&F's International Proxy Voting Policy
- Terminated an enhanced cash allocation and its manager, Western Asset Management
- Hired Wellington Management Company to manage an international equity small cap mandate
- Worked toward finalizing the commitment to Blackstone Property Partners made in 2023 via purchasing additional secondary interests
- Began implementation of the 2025 real assets investment plan:
    - Approved commitment to iCon Infrastructure VII
- Began implementation of the 2025 private markets investment plan:
    - Approved commitments to GTCR Strategic Growth Fund III, PSOO and PSOO 2
- Approved a total fund benchmark transition plan for the period Q3 2025 through Q3 2026
- Implement the 2025 real estate investment plan
- Complete implementation of the 2024-2025 private credit investment plan
- Approve the 2025-2026 private credit investment plan
- Begin implementation of the 2025-2026 private credit investment plan
- Approve the 2026 private markets investment plan
- Approve the 2026 real estate investment plan
- Approve the 2026 real assets investment plan
- Review OP&F's Private Credit Investment Policy for possible revisions
- Review OP&F's Real Estate Investment Policy for possible revisions
- Review OP&F's Real Assets Investment Policy for possible revisions
- Review OP&F's Private Markets Investment Policy for possible revisions

# INVESTMENT PORTFOLIO SUMMARY

## INVESTMENT PORTFOLIO SUMMARY - AS OF DEC. 31, 2024

| Investment Type | Percent of Net Investment Value | Fair Value |
|---|---|---|
| Cash and Cash Equivalents* | 9.06% | $1,694,159,296 |
| Corporate Bond and Obligations | 10.75% | 2,009,199,172 |
| Domestic and International Derivatives | -% | (576,338) |
| Domestic Commingled Bonds | 5.04% | 941,675,427 |
| Domestic Equities | 17.50% | 3,270,221,757 |
| Domestic Pooled Equities | 8.25% | 1,542,044,795 |
| International Bonds | -% | 60,059 |
| International Equities | 12.97% | 2,424,935,255 |
| Master Limited Partnerships | 2.17% | 405,535,843 |
| Municipal Bond Obligations | 0.01% | 2,625,633 |
| Non-Agency Mortgage and Asset-Backed Securities | 2.55% | 476,587,230 |
| Private Debt | 2.98% | 557,374,965 |
| Private Equity | 7.75% | 1,449,418,510 |
| Real Assets | 6.36% | 1,189,373,772 |
| Real Estate | 10.13% | 1,892,732,754 |
| U.S. Agency Mortgage and Asset-Backed Securities | 2.19% | 409,212,500 |
| U.S. Government Treasury Obligations | 2.19% | 409,721,967 |
| U.S. Government Treasury STRIPS | 0.06% | 11,286,453 |
| **TOTAL FAIR VALUE - CASH AND SECURITIES** | **99.96%** | **$18,685,589,050** |
| Accrued Income | 0.28% | 51,931,764 |
| Sales Receivable | 0.25% | 46,805,855 |
| Purchases Payable | (0.49)% | (92,081,015) |
| **NET INVESTMENT VALUE (TRADE DATE BASIS)** | **100.00%** | **$18,692,245,654** |

* Cash and cash equivalents are included in cash and short-term investments on the Statement of Fiduciary Net Position.

## TEN LARGEST COMMON STOCKS- AS OF DEC. 31, 2024
(BY FAIR VALUE)

| Stocks | Shares | Fair Value |
|---|---|---|
| IShares Core S&P 500 ETF | 502,416 | $295,762,251 |
| SPDR S&P 500 | 400,804 | 234,903,208 |
| Williams Companies | 2,519,142 | 136,335,965 |
| Targa Resources Corp. | 699,468 | 124,855,038 |
| Cheniere Energy Inc. | 459,155 | 98,658,635 |
| Blue Owl Capital Corp. | 4,926,982 | 74,495,968 |
| TC Energy Corp. | 1,564,057 | 72,775,572 |
| Oneok Inc. | 678,589 | 68,130,336 |
| Western Midstream Partners | 1,670,232 | 64,187,016 |
| Enbridge Inc. | 967,221 | 41,039,187 |

## TEN LARGEST BONDS AND OBLIGATIONS- AS OF DEC. 31, 2024
(BY FAIR VALUE)

| Description | Coupon | Maturity Date | Par Value | Fair Value |
|---|---|---|---|---|
| U.S. Treasury Note | 5.000 | Oct. 31, 2025 | $28,160,000 | $28,322,342 |
| U.S. Treasury Note | 0.375 | Jul. 15, 2025 | 17,000,000 | 22,494,902 |
| U.S. Treasury Note | 0.125 | Apr. 15, 2025 | 18,000,000 | 21,864,436 |
| U.S. Treasury Bond | 2.375 | Jan. 15, 2025 | 12,050,000 | 20,170,598 |
| Freddie Mac Pool | 2.500 | Apr. 01, 2052 | 24,158,271 | 19,738,105 |
| U.S. Treasury Note | 4.125 | Mar. 31, 2029 | 19,790,000 | 19,592,872 |
| U.S. Treasury Bond | 2.000 | Nov. 15, 2041 | 29,120,000 | 19,575,221 |
| U.S. Treasury Note | 4.250 | Feb. 28, 2029 | 19,635,000 | 19,540,654 |
| U.S. Treasury Bond | 4.750 | Nov. 15, 2043 | 18,485,000 | 18,270,537 |
| U.S. Treasury Note | 3.875 | Mar. 31, 2025 | 16,290,000 | 16,273,319 |

## TEN LARGEST REAL ESTATE HOLDINGS- AS OF DEC. 31, 2024
(BY FAIR VALUE)

| Description | Fair Value |
|---|---|
| Prudential PRISA | $158,948,631 |
| Morgan Stanley Prime Property | 128,851,472 |
| Lion Industrial Trust | 126,333,316 |
| Prologis Targeted U.S. Logistics | 120,098,221 |
| JP Morgan Strategic Property | 116,205,249 |
| Exeter Industrial Value Fund V | 89,108,484 |
| LaSalle Property Fund LP | 77,923,543 |
| Asana Partners Fund I LP | 66,047,224 |
| Heitman America Real Estate | 65,730,995 |
| Blackstone Property Partners | 59,370,788 |

A complete listing of portfolio holdings is available upon request.

# SCHEDULE OF INVESTMENT RESULTS
## (Gross of fees)- FOR THE YEAR ENDED DEC. 31, 2024

| | Annualized Rates of Return | | |
|---|---|---|---|
| | 1-Year | 3-Year | 5-Year |
| **U.S. Equity** | | | |
| **OP&F** | **27.17%** | **9.03%** | **15.14%** |
| FT Wilshire 5000 Total Market TR Index | 23.76% | 8.11% | 14.10% |
| **International Equity** | | | |
| **OP&F** | **6.00%** | **2.28%** | **6.10%** |
| MSCI ACWI ex-U.S. Iran/Sudan Free IMI Index ($N) | 5.23% | 0.50% | 4.12% |
| **Private Markets**** | | | |
| **OP&F** | **6.93%** | **1.23%** | **14.41%** |
| Actual Private Markets Composite (NOF) | 6.93% | 1.23% | 14.41% |
| **High Yield** | | | |
| **OP&F** | **8.46%** | **3.20%** | **4.32%** |
| ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index | 8.20% | 2.92% | 4.03% |
| **Private Credit**** | | | |
| **OP&F** | **13.97%** | **11.95%** | **9.85%** |
| Morningstar LSTA U.S. Leveraged Loan Index + 2% | 11.79% | 8.60% | 7.86% |
| **Treasury Inflation Protected Securities (TIPS)** | | | |
| **OP&F** | **0.72%** | **(7.42)%** | **1.93%** |
| Custom Index | (2.11)% | (9.44)% | 0.46% |
| **Real Estate**** | | | |
| **OP&F** | **(2.79)%** | **2.45%** | **5.99%** |
| NCREIF ODCE Index | (8.04)% | (1.04)% | 2.05% |
| **Real Assets* **** | | | |
| **OP&F** | **7.59%** | **8.36%** | **7.08%** |
| Custom Index | 19.18% | 8.98% | 6.80% |
| **Commodities*** | | | |
| **OP&F** | **9.36%** | **N/A** | **N/A** |
| Bloomberg Commodity Index TR | 5.38% | N/A | N/A |
| **Gold** | | | |
| **OP&F** | **20.93%** | **8.19%** | **N/A** |
| S&P GSCI Gold Index TR (-) Cost of Financing | 20.31% | 7.78% | N/A |
| **Midstream Energy Infrastructure*** | | | |
| **OP&F** | **44.05%** | **30.80%** | **18.46%** |
| Alerian Midstream Energy Index TR Index | 44.53% | 26.05% | 16.27% |
| **Fixed Income** | | | |
| **OP&F** | (2.84)% | **(9.39)%** | **(4.98)%** |
| Custom Index | (2.95)% | (9.25)% | (4.81)% |
| **Total Portfolio** | | | |
| **OP&F** | 11.13% | **3.56%** | **7.63%** |
| Policy Index*** | 10.03% | 2.77% | 6.76% |

* a) Midstream Energy Infrastructure benchmark is a blend of the Alerian MLP Index from July 1, 2013 through June 30, 2019, and the Alerian Midstream Energy TR Index from July 1, 2019 forward. b) Real Assets benchmark updated in 2024 and made retroactive - blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index. c) Commodities first funded in the 4Q 2023.

** One quarter in arrears.

*** Interim Policy Index: 20.2% FT Wilshire 5000 Total Market TR Index, 13% MSCI ACWI ex-U.S. Iran/Sudan Free IMI Index ($N), 25% Bloomberg U.S. Aggregate 2x (-) Cost of Financing, 8.0% ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index, 4.0% Morningstar LSTA U.S. Leveraged Loan Index + 2.0% Lagged, 15% Bloomberg U.S. Gov't Inflation Linked Bond Index X2 (-) SOFR, 12% NCREIF ODCE Index (Net) Lagged, 8.5% Actual Private Markets Composite (NOF) Lagged, 6.8% Blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index Lagged, 5.0% Alerian Midstream Energy TR Index, 5.5% S&P GSCI Gold Index Total Return (-) Cost of Financing, 2.0% Bloomberg Commodity Index TR.

Long-Term Policy: 18.6% FT Wilshire 5000 Total Market TR Index, 12.4% MSCI ACWI ex-U.S. Iran/Sudan Free IMI Index ($N), 25% Bloomberg U.S. Aggregate X2 (-) Cost of Financing, 7.0% ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index, 5.0% Morningstar LSTA U.S. Leveraged Loan Index + 2.0% Lagged, 15% Bloomberg U.S. Gov't Inflation Linked Bond Index X2 (-) SOFR, 12% NCREIF ODCE Index (Net) Lagged, 10% Actual Private Markets Composite (NOF) Lagged, 8.0% Blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index Lagged, 5.0% Alerian Midstream Energy TR Index, 5.0% S&P GSCI Gold Index Total Return (-) Cost of Financing, 2.0% Bloomberg Commodity Index TR. (adds to 125% as "Risk Parity" approach uses 2x levered U.S. Gov't Inflation-Protected Securities and 2x levered Core Fixed Income).

Time Weighted methodology, based upon fair values, is used when calculating performance.
Acronyms and abbreviations used in this chart are explained at the end of the Statistical Section, in the List of Professional Acronyms, Symbols and Abbreviations.

# INVESTMENT CONSULTANTS AND MONEY MANAGERS

(FOR THE YEAR ENDED DEC. 31, 2024)

**INVESTMENT CONSULTANTS**

Aksia CA, LLC
(The) Townsend Group
Wilshire Advisors, LLC

**INVESTMENT MANAGERS – U.S. EQUITY**

Bridgewater Associates, LP
Grosvenor Capital Management, LP
Macquarie Investment Management
N.A. Investcorp, LLC
State Street Global Advisors

**INVESTMENT MANAGERS – INTERNATIONAL EQUITY**

Arrowstreet Capital, LP
Barings, LLC
Causeway Capital Management, LLC
Dimensional Fund Advisors
Harding Loevner, LP

**INVESTMENT MANAGERS - REAL ESTATE**

AEW Capital Management
Affinius Capital Advisors LLC
Almanac Realty Investors
Aermont Capital, LLP
Alterra IOS Manager, LLC
Ares Management, LLC
Asana Partners
(The) Blackstone Group
Brookfield Asset Management, Inc.
Clarion Partners
Cortland Partners
EQT Exeter
Fairfield Realty Advisors, LLC
Fortress Japan Opportunity Management, LLC
(The) Gerrity Group
Greystar Investment Group, LLC
Heitman Capital Management, LLC
Jamestown Premier GP, LP
JP Morgan Investment Management, Inc.
LaSalle Investment Management
Lone Star Funds
Manulife Investment Management
Morgan Stanley Real Estate Advisors, Inc.
Oaktree Capital Management
Prologis Inc.
Prudential Real Estate Investors
Savanna Investment Management, LLC
Starwood Capital Group
Stockbridge Real Estate Fund
Tricon Capital Group, Inc.
TriGate Capital
UBS Realty Investors, LLC
VBI Real Estate
Ventas Inc.
Walton Street Capital, LLC
Waterton Associates, LP
Westbrook Partners, LLC
Westport Capital Partners, LLC

**INVESTMENT MANAGERS – MIDSTREAM ENERGY INFRASTRUCTURE**

Harvest Fund Advisors, LLC
Tortoise Capital Advisors, LLC
Westwood Management Corp.

**INVESTMENT MANAGERS – REAL ASSETS**

ACM Management Company, LLC
Axium Infrastructure Inc.
Blackstone Infrastructure Advisors, LLC
Brookfield Asset Management, Inc.
Brookfield Timberlands Management
EnCap Investments, LP
Forest Investment Associates
Global Forest Partners
iCon Infrastructure Inc, LLP
IFM Investors
Kohlberg, Kravis Roberts & Co., LP
Manulife Investment Management Timberland and Agriculture Inc.
Meridiam Infrastructure North America Corporation

**INVESTMENT MANAGERS – FIXED INCOME**

Bridgewater Associates, LP
Loomis Sayles & Company, LP
MacKay Shields, LLC
Neuberger Berman
Pacific Investment Management Company, LLC
PGIM Inc.
Western Asset Management

# INVESTMENT CONSULTANTS AND MONEY MANAGERS

(FOR THE YEAR ENDED DEC. 31, 2024) CONTINUED

**INVESTMENT MANAGERS – PRIVATE CREDIT**

Aksia CA, LLC
ArrowMark Partners
BlackRock, Inc.
CapitalSpring Direct Lending Partners
Cerberus Capital Management, LP
Comvest Credit Advisors, LLC
Crayhill Capital Management, LLC
Crescent Capital Group, LP
Fortress Investment Group, LLC
GSO Capital Partners, LP
H.I.G. Whitehorse Middle Market Unlevered Loan Advisors, LP
HPS Investment Partners, LLC
Kohlberg Kravis Roberts & Co., LP
Littlejohn & Co., LLC
MC Credit Partners, LP
Proterra Investment Partners, LP
Raven Capital Management, LLC
Tennenbaum Capital Partners, LLC

**INVESTMENT MANAGERS – PRIVATE EQUITY**

Advent International
Aksia CA LLC
Altaris Capital Partners, LLC
Apollo Management, LP
Blackstone Capital Partners
Blue Point Capital Partners, LP
Cinven
Clearlake Capital Group
Cortec
EQT
Francisco Partners
GTCR, LLC
HarbourVest Partners, LLC
Harvest Partners
(The) Jordan Company
Kohlberg Kravis Roberts & Co., LP
Littlejohn & Co., LLC
Marlin Equity Partners
MBK Partners
Morgenthaler Venture Partners
NGP Energy Capital Management
Odyssey Investment Partners
Primus Venture Partners
Rhône Capital, LLC
Riverstone Investment Group, LLC
RRJ Capital
Spark Capital
Stonepoint Capital
Summit Partners
TA Associates, LP
Tenex Capital Management, LP
Trinity Hunt Management, LP
Veritas Capital
Vista Equity Partners

**INVESTMENT MANAGERS- COMMODITIES**

Parametric Portfolio Associates, LLC

**INVESTMENT MANAGERS- IMPLEMENTATION SERVICES**

Russell Investments Implementation Services, LLC

**SECURITIES LENDING AGENTS**

Northern Trust

**OTHER PROFESSIONAL CONSULTANTS**

(See Page vii)

# SCHEDULE OF BROKERS' FEES PAID

(FOR THE YEAR ENDED DEC. 31, 2024)

| Broker Name | Fees Paid | Units Traded | Average Cost Per Unit |
|---|---|---|---|
| Goldman Sachs | $1,028,038 | 4,999,974 | $0.2056 |
| Northern Trust Company | 83,902 | 3,891,126 | 0.0216 |
| UBS Securities | 82,752 | 3,813,109 | 0.0217 |
| Morgan Stanley And Co. Intl. | 69,604 | 14,089,118 | 0.0049 |
| Instinet | 68,645 | 31,412,337 | 0.0022 |
| Raymond James & Associates Inc. | 64,107 | 3,538,772 | 0.0181 |
| Citigroup Global Markets | 60,661 | 15,891,529 | 0.0038 |
| Jefferies & Co., Inc. | 59,529 | 8,835,232 | 0.0067 |
| Bank of America Securities LLC | 58,596 | 3,323,766 | 0.0176 |
| Credit Lyonnais Securities | 53,008 | 10,930,078 | 0.0048 |
| FBR Capital Markets | 46,863 | 1,572,300 | 0.0298 |
| RBC Capital Markets | 45,778 | 8,032,973 | 0.0057 |
| JP Morgan | 41,582 | 7,146,534 | 0.0058 |
| Sanford C. Bernstein | 40,287 | 4,717,958 | 0.0085 |
| HSBC Securities Inc. | 37,049 | 15,710,752 | 0.0024 |
| Barclays Securities Inc. | 28,075 | 1,447,871 | 0.0194 |
| Macquarie Securities Inc. | 21,974 | 21,289,882 | 0.0010 |
| Brokers Less than $20,000 | 174,073 | 22,178,657 | 0.0078 |
| **TOTAL** | **$2,064,523** | **182,821,968** | **$0.0113** |

# INVESTMENT POLICY AND GUIDELINES

*Minor formatting edits have been made to the Board of Trustee approved Investment Policy and Guidelines in order to provide style consistency throughout the Annual Comprehensive Financial Report.*

## 1. INTRODUCTION

The purpose of this Investment Policy and Guidelines (Policy or Statement) is to define the framework for investing the assets (Total Portfolio) of the Ohio Police & Fire Pension Fund (OP&F or Plan). This Statement is intended to provide general principles for establishing the goals of OP&F, the allocation of assets and the employment of outside asset management. The statutory investment authority of the Board of Trustees (or the Board) is set forth in Sections 742.11 to 742.113 and Sections 742.114, 742.116 of the Ohio Revised Code (ORC), as amended from time to time. The Board may delegate these duties to an investment committee (Investment Committee).

The objectives of OP&F have been established in conjunction with a comprehensive review of the current and projected financial requirements. These objectives are:

- To have the ability to pay all benefit and expense obligations when due.
- To maintain the purchasing power of the current assets and all future contributions by maximizing the rate of return on OP&F's assets at a reasonable level of risk.
- To maintain 30-year funding and achieve full funding on an actuarial accrued liability basis.
- To control the costs of administering OP&F and managing the investments.

The investment objectives of the Total Portfolio are:

- Long-term returns on Plan investments, in addition to contributions received from members and employers, should satisfy any current funding obligations of the Plan when and as prescribed by law and, once the Plan is fully funded, should keep pace with the growth of Plan liabilities.
- The investment performance goal for the Total Portfolio is to meet or exceed the return of the Total Portfolio policy benchmark over a full market cycle, generally measured over three-to five-years, without taking on additional risk as measured by standard deviation of returns and without materially altering the contributions to risk by asset class relative to the expectations for same as outlined in the strategic investment policy (Asset Allocation Policy). The Total Portfolio policy benchmark is a weighted average, based on the allocation target defined in Section three below, of each asset class benchmark.

In order to achieve these objectives, the Board of Trustees will conduct itself in accordance with ORC Section 742.11, which provides "The Board and other Fiduciaries shall discharge their duties with respect to OP&F solely in the interest of the participants and beneficiaries." These duties shall also be carried out "with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims", as referenced in ORC Section 742.11. All aspects of this Statement should be interpreted in a manner consistent with OP&F's objectives. At least annually, the Board shall review and adopt policies, objectives or criteria for the operation of the investment program and make such changes as appropriate.

Investment policies and investment managers' (Investment Manager(s)) guidelines referenced in this document are separate policies governing specific aspects of managing the Total Portfolio and are not reproduced in this Statement, but are incorporated by reference as governing documents of the Plan.

## 2. DEFINITION OF RESPONSIBILITIES

### A. BOARD OF TRUSTEES/INVESTMENT COMMITTEE

The statutory investment authority of the Board with regard to the Plan is set forth in Chapter 742, as described above, provides that in its capacity as a fiduciary, the Board of Trustees/ Investment Committee must discharge its duties in a prudent manner and for the exclusive benefit of the participants and beneficiaries of the Plan.

In discharging its duties, the responsibilities of the Board of Trustees/Investment Committee pursuant to this Policy include the following:

- Establish the Asset Allocation Policy for OP&F in accordance with the above goals, and periodically review Asset Allocation Policy in light of any changes in actuarial variables and/or market conditions.
- Approve the investment structure for applicable asset classes identified in the Asset Allocation Policy.
- Approve asset class rebalancing ranges.
- Select qualified investment consultant(s) (Investment Consultant(s)) to advise on OP&F's assets recognizing the goals set forth in ORC Sections 742.11 and 742.116.
- Select qualified Investment Manager(s) to manage OP&F's assets, excluding the asset classes of private markets, private credit, real estate and real assets, as outlined in OP&F's Investment Manager Search Policy, while recognizing the goals set forth in ORC Sections 742.11 and 742.116.

- Terminate Investment Manager(s) as outlined in OP&F's Investment Manager Monitoring and Evaluation Policy.
- Approve capital commitments, for the asset classes of private markets, private credit, real estate and real assets, to funds offered by new Investment Manager(s) to OP&F, to funds offered by existing Investment Manager(s) to OP&F for a different investment strategy than previously approved by the Board of Trustees/ Investment Committee, and to funds offered by existing Investment Manager(s) to OP&F for the same investment strategy as previously approved by the Board of Trustees/Investment Committee and where the capital commitment is greater than $50 million.
- Monitor and review the performance of Investment Manager(s) to determine achievement of goals and compliance with policy guidelines.
- Monitor the costs of the investment operations at least annually.
- Review, at least annually, the current investment policies of OP&F and make such changes as appropriate.
- Review applicable annual investment plan(s) prepared by the staff and/or Investment Consultant(s). As conditions warrant, revise the annual investment plan(s) as the year progresses.
- Monitor investment activity for compliance with Board policies and adherence by Investment Manager(s) to strategy and direction.
- Review and evaluate overall investment performance and risk and determine if appropriate given the goals and objectives of OP&F.
- Review suggested changes or additions to the functions and operations regarding the investment operations of similar institutional investors.
- Review the proposed investment department annual operating budget and report its recommendations to the Finance Committee.
- Fulfill any other responsibilities as provided in the ORC and Investment Committee Charter.

The Board of Trustees/Investment Committee may authorize others such as OP&F staff, and may utilize the services of external advisors, such as actuaries, auditors, consultants and legal counsel, to implement decisions made by the Board. The comments and recommendations of such parties will be considered by the Board in conjunction with Board discussion of the issues for the purpose of making informed and prudent decisions.

**B. STAFF**

Staff will be the primary liaison between the Board of Trustees/ Investment Committee and the Investment Consultant(s), the Investment Manager(s), and the custodial bank(s). In doing so, the staff will:

- Manage OP&F assets under its care and/or control in accordance with this Policy's objectives and guidelines set forth herein.
- Implement Board decisions regarding asset allocation, investment structure, Investment Manager(s) selection where applicable, and portfolio rebalancing procedures.
- Coordinate the Investment Manager(s) selection and retention decisions for the Plan's investments, excluding the asset classes of private markets, private credit, real estate and real assets, consistent with OP&F's Investment Manager Search Policy and OP&F's Investment Manager Monitoring and Evaluation Policy.
- Approve capital commitments for the asset classes of private markets, private credit, real estate and real assets, to funds offered by existing Investment Manager(s) to OP&F for the same investment strategy previously approved by the Board of Trustees/ Investment Committee and where the capital commitment is less than or equal to $50 million.
- Where applicable, approve Investment Manager's guidelines, which may set forth the purpose, Investment Manager(s) philosophy and approach, authorized investments, prohibitions, typical portfolio characteristics, performance objectives and evaluation, and Investment Manager(s) communications. Provide the Board of Trustees/Investment Committee with periodic updates on applicable Investment Manager's compliance with guidelines as part of the Board Appendix.
- Evaluate and assign all Investment Manager(s) to a rating category as outlined in OP&F's Investment Manager Monitoring and Evaluation Policy. Provide the Board of Trustees/Investment Committee updates on the rating category of each Investment Manager as part of the Board Appendix.
- Monitor externally managed assets to ensure compliance with guidelines set forth in this Policy.
- Establish a process to promptly vote all proxies and related actions in a manner consistent with OP&F's long-term interests and objectives set forth herein and OP&F's U.S. Proxy Voting Policy and OP&F's International Proxy Voting Policy. Maintain detailed records of said voting of proxies and related actions per OP&F's retention schedule and comply with all regulatory objectives related thereto.

- Manage the overall liquidity in the Total Portfolio to ensure timely payment of member benefit payments and Plan expenses and the investment of contributions consistent with established asset allocation and portfolio rebalancing policies.
- Report to the Board at least quarterly regarding the status of the Total Portfolio and its performance for various time periods. Meet with the Board at least annually to report on Investment Manager(s) performance and compliance with goals and objectives.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with this Policy set forth herein, and as modified in the future.
- Where applicable, utilize various committees to execute certain delineated duties.

The Chief Investment Officer or Deputy Chief Investment Officer is authorized in between meetings of the Board to take such actions as necessary in the best interests of the Total Portfolio and the Plan in keeping with the policies, strictures and guidelines which apply to the Board of Trustees. The Chief Investment Officer and Deputy Chief Investment Officer's transactional authority is limited to ten percent of the Total Portfolio.

**C. INVESTMENT CONSULTANT(S)**

The Board of Trustees/Investment Committee may retain Investment Consultants to assist in the overall strategic investment direction of the Total Portfolio, or specific asset classes, and its implementation. Each such Investment Consultant, in recognition of its role as a fiduciary of the Plan, will assume specific duties. These duties shall generally include the following:

- Provide independent and unbiased information.
- Assist in the development of this Policy and other policies that govern the Plan investments.
- Assist in monitoring compliance with this Policy.
- Assist in the development and recommendation of strategic asset allocation targets, investment structure, and rebalancing procedures for the Total Portfolio or for a specified asset class.
- Assist in the development of performance measurement standards.
- Assist in the Investment Manager(s) search and selection process consistent with OP&F's Investment Manager Search Policy.
- Monitor, evaluate and report to the Board on Total Portfolio and/or asset class and Investment Manager(s) performance on an ongoing basis.
- Conduct due diligence when an Investment Manager(s) fails to meet a standard.
- Establish a procedural due diligence search process.

**D. INVESTMENT MANAGER(S)**

The Investment Manager(s) have certain responsibilities that include the following:

- Manage OP&F assets under its care, custody, where applicable, and/or control in accordance with this Policy's objectives and guidelines set forth herein and its governing agreement with OP&F.
- Exercise full investment discretion over the assets in their care within the guidelines set forth in this Policy and, where applicable, the specific guidelines established for the Investment Manager(s) in the governing agreements with OP&F.
- Constructing a portfolio of securities that reflects the execution of a specific and intended investment strategy.
- Promptly inform the Board and staff in writing regarding all changes of a material nature pertaining to the firm's organization and professional staff.
- If directed, promptly vote all proxies and related actions in a manner consistent with OP&F's long-term interests and objectives set forth herein and OP&F's U.S. Proxy Voting Policy and OP&F's International Proxy Voting Policy. Each Investment Manager designated to vote shall keep detailed records of said voting of proxies and related actions per applicable retention schedules and will comply with all regulatory obligations related thereto.
- Provide reporting to the Board or staff or Investment Consultant(s) regarding the status of the portion of the Total Portfolio managed by the Investment Manager(s) and its performance for various time periods. Meet or participate via teleconference or webcast with the Board or staff or Investment Consultant(s) periodically to report on their performance and compliance with goals and objectives.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with this Policy set forth herein, and as modified in the future.

**E. OFFICE OF THE OHIO TREASURER/BOARD OF DEPOSIT/CUSTODIAN(S)**

Per Section 742.11 of the ORC, the Treasurer of the State of Ohio (the Treasurer of State) is designated as custodian of investment assets. As custodian, the Treasurer of State or its designee (as described below) will be responsible for holding and safekeeping Plan assets, settling purchases and sales of securities; and identifying and collecting income which becomes due and payable on assets held. The Treasurer of State may engage a qualified bank or trust company, as authorized agent of the Treasurer of State, to perform certain services on behalf of the Treasurer of State to fulfill its responsibilities as custodian, including sweeping any available uninvested cash into designated money market funds.

## 3. ASSET ALLOCATION AND REBALANCING

It is the responsibility of the Board to determine the allocation of assets among distinct public and private market asset classes. The allocation will be completed in a manner consistent with commonly recognized financial principles. Application of these principles is expected to lead to a portfolio with the highest level of return consistent with the risk tolerance of OP&F.

The procedure for determining the allocation will consider the relevant characteristics of the liabilities and potential assets of OP&F. The liability considerations shall include, but not be limited to, current and expected future values of the benefits, and future contributions. These factors are important for identifying the investment horizon of OP&F and its cash flow requirements. The asset characteristics considered shall include, but not be limited to, current asset value, the potential return relative to the potential risk, and diversification characteristics. The objectives and constraints contained within this Policy are also considered. It should also be noted that a multi-dimensional view of risk is integrated into the process where organizational (i.e. behavioral and shortfall) and investment (drawdown, inflation, liquidity, and active) risks are taken into account for determining the appropriate Asset Allocation Policy.

The asset allocation must be consistent with the investment standards specified in ORC Section 742.11.

The risk/return characteristics of OP&F shall be reviewed on a periodic basis (no less than every five years) through a comprehensive asset liability valuation study. On an interim basis, an asset-only allocation study may be conducted. OP&F recognizes the importance in understanding the critical asset class return, risk and correlation assumptions (i.e. the capital market assumptions) used in either an asset liability valuation study or asset-only allocation study given these assumptions are a critical input within the Asset Allocation Policy decision. For the assumptions used to determine the current Asset Allocation Policy, please see Appendix 1 and 2. Furthermore, OP&F understands that the Asset Allocation Policy decision is the most important investment decision the Plan undertakes, driving approximately 90% of the Plan's variation in returns. The goal of each study shall be to formulate an Asset Allocation Policy that improves the probabilities of funding OP&F's benefits over the long-term, while maximizing the safety of promised benefits and minimizing the cost of funding these benefits through the most efficient combination of acceptable asset classes under the prudent person standard. Given that short-term volatility is also important, OP&F evaluates the impact of the Asset Allocation Policy decision on funded ratios, annual contribution requirements and other relevant metrics over both short- and long-term time periods.

Based on an asset liability valuation study or asset-only allocation study, which analyzed the expected returns, risk and correlations of various asset classes, projected liabilities (only in the case of an asset liability valuation study), liquidity, and the risks associated with alternative asset mix strategies, the Board has established the following Asset Allocation Policy. The asset classes are bucketed or grouped together into macro-asset class buckets (i.e. Growth, Defensive Growth, Defensive, and Inflation-Oriented) based on their expected correlations to one another to create a better understanding of risk and diversification, and based on asset class exposures to the economic factors of growth and inflation.

| Asset Class | Long-Term Target Allocation - Notional Exposure | Range |
|---|---|---|
| Domestic Equity | 18.6% | ± 5.6% |
| Non-U.S. Equity | 12.4% | ± 3.7% |
| Private Markets | 10.0% | ± 3.0% |
| **TOTAL GROWTH ASSETS** | **41.0%** | **± 8.2%** |
| High Yield | 7.0% | ± 2.1% |
| Private Credit | 5.0% | ± 1.5% |
| **TOTAL DEFENSIVE GROWTH ASSETS** | **12.0%** | **± 2.4%** |
| Core Fixed Income | 25.0% | ± 5.0% |
| Cash | -% | + 6.3% |
| **TOTAL DEFENSIVE ASSETS** | **25.0%** | **- 5.0% / +11.3%** |
| U.S. Inflation Linked Bonds | 15.0% | ± 3.0% |
| Real Estate | 12.0% | ± 3.6% |
| Real Assets | 8.0% | ± 2.4% |
| Midstream Energy Infrastructure | 5.0% | ± 1.5% |
| Commodities | 2.0% | + 0.6% |
| Gold | 5.0% | ± 1.5% |
| **TOTAL INFLATION-ORIENTED ASSETS** | **47.0%** | **± 9.4%** |
| **TOTAL** | **125.0%** | **± 5.0%** |

The most recent study has shown that this is a favorable asset mix for meeting longer-term goals under multiple market conditions. In addition, this study incorporates the risk parity concept into OP&F's asset allocation with the goal of balancing economic factor risk exposures. The Total Portfolio has long-term target allocations that total 125% due to the application of leverage in core fixed income and U.S. inflation linked bonds and the implementation approach for gold.

The Asset Allocation Policy represents a long-term strategy and thus, the Total Portfolio should strategically meet its performance objectives in the long-term but not necessarily every year. Please see Appendix 3 for the expected returns, risk, contribution to asset volatility, and other relevant metrics for the current Asset Allocation Policy.

Short term market shifts may cause the asset mix to drift from the allocation targets. Should the actual percentage fall out of the indicated range for a particular asset class, the staff shall direct rebalancing transactions to reallocate assets from the over-allocated asset class to the under-allocated asset class. In determining where to reallocate assets within asset classes, where applicable, actual percentages are compared to target weightings for each individual mandate. These rebalancing transactions are accomplished through the coordination of staff with the written directive executed by one or more of the Executive Director, Chief Investment Officer, General Counsel, or Chief Financial Officer. This rebalancing discipline is intended to encourage buying low and selling high and to keep the Total Portfolio invested at an appropriate overall risk level. Except when there is a perceived extraordinary downside risk in a particular asset class, movement outside the normal ranges should be avoided.

Investments in private markets, private credit, private real estate and private real assets are generally less liquid than investments in public markets securities and are typically implemented via periodic commitments to funds with limited partnership structures. As a result, actual allocations to these asset classes may deviate from their strategic targets for extended periods. Actual vs. target deviations for these asset classes shall not be considered in violation of the Asset Allocation Policy. Under/overweight to these asset classes shall be invested in public markets securities with the most similar risk/return characteristics as a short-term proxy for the private asset classes. Similarly, resulting deviations to those public market asset classes shall not be considered in violation of the Asset Allocation Policy. However, broad economic factor bucket ranges of Growth, Defensive Growth, Defensive, and Inflation-Oriented Assets shall remain within their targeted ranges.

To assist in rebalancing, OP&F has retained a derivative overlay Investment Manager(s) which provides several benefits including: (1) reduce OP&F's tracking error relative to target allocations; (2) improve Total Portfolio returns; (3) enhance liquidity, and (4) reduce the administrative burden associated with management of monthly cash flows.

The Board may adopt interim Asset Allocation Policy target allocations to reflect the transition from previous policy target allocations to new policy target allocations. The interim target allocations will reflect dollar cost averaging and/or opportunistic implementation to most prudently reach the new policy target allocations over time. Please see Appendix 4 for interim Asset Allocation Policy target allocations, if applicable.

## 4. INVESTMENT IMPLEMENTATION

The implementation of an investment portfolio designed to achieve the Total Portfolio objectives must be consistent with governing statutes as specified in Sections 742.11 to 742.113, 742.114, 742.116 and with the OP&F Ohio-Qualified Investment Manager Policy, the Ohio-Qualified Broker Policy, and OP&F's Broker Policy.

Where appropriate, OP&F will invest assets through the use of qualified Investment Manager(s). The allocations to these Investment Manager(s) will be made in accordance with the results of the asset liability valuation study or asset-only allocation study, investment structure analysis, and established procedures. For a complete description of the selection of Investment Manager(s), please see OP&F's Investment Manager Search Policy.

## 5. ASSET CLASS OBJECTIVES, CHARACTERISTICS AND INVESTMENT STRUCTURE

Investment structure targets will be established within applicable asset classes to address risk and return factors present in the respective asset class. For example, the domestic equity composite portfolio structural targets will be established to ensure style (growth vs. value) and market capitalization neutrality relative to the overall market, and to address active versus passive implementation decisions. External Investment Manager(s) will be hired to implement the structural targets in a diversified manner and will therefore have derived target weightings within the overall investment program. Where applicable, these are set forth below. Furthermore, please see Appendix 5 for alpha expectations for the applicable asset classes.

### *A. GROWTH ASSETS*

#### 1. DOMESTIC EQUITY

*Investment Objectives*

Total return of the domestic equity composite portfolio should exceed the return of the FT Wilshire 5000 Total Return Index over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment

Manager's guidelines or applicable documentation.

*Investment Characteristics*
The main focus of investing will be on companies headquartered and/or domiciled in the United States. The domestic equity composite portfolio shall have similar portfolio characteristics as that of the FT Wilshire 5000 Total Return Index, and should not exhibit size (market capitalization) or style (value vs. growth) bias.

*Investment Structure*
The structure of the domestic equity composite portfolio will be diversified among passive and active investment strategies as follows:

*1. Passive Large Capitalization Core Exposure*
The passive large capitalization core component has a target allocation of 32.5% of the domestic equity composite portfolio. This passive portfolio is intended to provide broad market exposure for and diversification to OP&F's domestic equity composite portfolio through holdings in large-and middle (mid)-capitalization equities or futures.

*2. Active Large Capitalization Portable Alpha Exposure*
The active large capitalization portable alpha component has a target allocation of 60% of the domestic equity composite portfolio. The implementation of this portable alpha component will not be considered leverage in relation to the long-term target allocations for the Total Portfolio. The overall objective is to provide risk-adjusted returns greater than the return of the Standard & Poor's (S&P) 500 Total Return Index. S&P 500 market exposure, obtained through the use of derivatives and/or physicals, will be combined with strategies that represent diversified sources of alpha with a broad range of risk characteristics. For a complete description of the appropriate use of derivatives, please see OP&F's Derivatives Policy Statement.

*3. Active Small Capitalization Core Exposure*
The active small capitalization core component has a target allocation of 7.5% of the domestic equity composite portfolio.

**2. NON-U.S. EQUITY**

*Investment Objectives*
Total return of the non-U.S. equity composite portfolio should exceed the return of the Morgan Stanley Capital International All Country World Index ex-U.S. Investible Market Index – ($ Net) (MSCI ACWI ex-U.S. IMI Index) over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation.

*Investment Characteristics*
The main focus of investing will be on companies headquartered or domiciled in the MSCI ACWI ex-U.S. IMI countries, which includes both developed and emerging markets. The non-U.S. equity composite portfolio shall have similar portfolio characteristics as that of the MSCI ACWI ex-U.S. IMI Index.

*Investment Structure*
Non-U.S. equity assets will be managed on an active basis in order to exploit the perceived inefficiencies in the non-U.S. equity markets. The structure of the non-U.S. equity composite portfolio will be diversified among active ACWI ex-U.S. strategies and dedicated ACWI ex-U.S. small capitalization strategies as follows:

1. Active ACWI ex-U.S. Large and Mid Capitalization Exposure
The active ACWI ex-U.S. large and mid capitalization component has a target allocation of 85% of the non-U.S. equity composite portfolio.

2. Active ACWI ex-U.S. Small Capitalization Exposure
The dedicated active ACWI ex-U.S. small capitalization component has a target allocation of 15% of the non-U.S. equity composite portfolio.

**3. PRIVATE MARKETS**

*Investment Objectives*
The performance objectives for the private markets composite portfolio and for individual investments are set forth in the Private Markets Investment Policy. Both the returns for the private markets composite portfolio and respective benchmark are lagged one quarter.

*Investment Characteristics*
Investments will be diversified by certain criteria as set forth in the Private Markets Investment Policy.

*Investment Structure*
The target allocation of Total Portfolio assets to private markets will be established by OP&F's long-term Asset Allocation Policy, including a range around the target allocation to allow flexibility as the underlying private markets investments are funded over time. In order to meet this allocation target, the Board of Trustees/Investment Committee approves a private markets investment plan setting forth the proposed investment

activity for a specified period of time. The private markets investment plan shall be reviewed at least annually, and more frequently if necessary or appropriate, to reflect market conditions. For a complete description of the selection of Investment Managers in private markets, please see the Private Markets Investment Policy.

## B. DEFENSIVE GROWTH ASSETS

### 1. HIGH YIELD

*Investment Objectives*

Total return of the high yield fixed income composite portfolio should exceed the return of the ICE Bank of America Merrill Lynch (BofA ML) U.S. High Yield Master II Constrained Index over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation.

*Investment Characteristics*

The main focus of investing will be on below investment grade fixed income securities, those securities rated below BBB- or equivalent. Positions may include publicly traded high yield bonds as well as public and private bank loans. The high yield fixed income composite portfolio shall have similar portfolio characteristics as that of the ICE BofA ML U.S. High Yield Master II Constrained Index. Each Investment Manager's portfolio shall have similar portfolio characteristics as that of their respective benchmark.

*Investment Structure*

High yield fixed income assets will be managed solely on an active basis in order to exploit the perceived inefficiencies in the high yield fixed income markets and to minimize the probability of exposure to securities in default.

### 2. PRIVATE CREDIT

*Investment Objectives*

The performance objectives for the private credit composite portfolio are set forth in OP&F's Private Credit Investment Policy. Both the returns for the private credit composite portfolio and respective benchmark are lagged one quarter.

*Investment Characteristics*

Investments will be diversified by certain criteria as set forth in OP&F's Private Credit Investment Policy.

*Investment Structure*

The target allocation of Total Portfolio assets to private credit will be established by OP&F's long-term Asset Allocation Policy, including a range around the target allocation to allow flexibility as the underlying private credit investments are funded over time. In order to meet this allocation target, the Board of Trustees/Investment Committee approves a private credit investment plan setting forth the proposed investment activity for a specified period of time. The private credit investment plan shall be reviewed at least annually, and more frequently if necessary or appropriate, to reflect market conditions. For a complete description of the selection of Investment Managers in private credit, please see OP&F's Private Credit Investment Policy.

## C. DEFENSIVE ASSETS

### 1. CORE FIXED INCOME

*Investment Objectives*

Total return of the core fixed income composite should exceed the applicable levered return of the Bloomberg U.S. Aggregate Index minus the cost of financing over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation.

*Investment Characteristics*

The main focus of investing will be a diversified mix of traditional fixed income securities. The core fixed income composite portfolio shall have similar portfolio characteristics as that of the Bloomberg U.S. Aggregate Index.

*Investment Structure*

Given the core fixed income allocation target set forth in the Asset Allocation Policy above, the core fixed income composite portfolio will be levered approximately 2.0x. The structure of the core fixed income composite portfolio shall be diversified among active investment strategies and synthetic overlays as follows:

1. Active Core Fixed Income Exposure
The active core fixed income component has a target allocation of 50% of the core fixed income composite portfolio on a notional basis. The overall objective is to provide risk-adjusted returns greater than the return of the Bloomberg U.S. Aggregate Index.

2. Synthetic Core Fixed Income Exposure
The synthetic core fixed income component has a target allocation of 50% of the core fixed income composite portfolio on a notional basis. The synthetic core fixed income component shall be implemented to provide either U.S. Treasury exposure or Bloomberg U.S. Aggregate exposure or some combination of both.

**2. CASH**

*Investment Objectives*
Total return of the cash composite should exceed the return of the 90 Day U.S. Treasury Bill over a full market cycle on an annualized basis.

*Investment Characteristics*
For the uninvested cash that is swept at OP&F's custodial bank, the designated money market fund is a government money market fund that invests within the limitations or guidelines prescribed for the fund.

*Investment Structure*
For any available uninvested cash at OP&F's custodial bank, cash is swept into a designated money market fund.

### *D. INFLATION-ORIENTED ASSETS*

**1. U.S. INFLATION LINKED BONDS (TIPS)**

*Investment Objectives*
Total return of the TIPS composite portfolio should exceed two times the Bloomberg U.S. Government Inflation-Linked Bond Index minus the cost of financing over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation. In addition, there is a portable alpha component to the TIPS composite portfolio whereas the overall objective is to provide risk-adjusted returns greater than two times the return of the Bloomberg U.S. Government Inflation-Linked Bond Index minus the cost of financing. The implementation of this portable alpha component will not be considered leverage in relation to the long-term target allocations for the Total Portfolio.

*Investment Characteristics*
The main focus of investing will be on U.S. inflation-linked securities. The TIPS composite portfolio, as well as each Investment Manager's portfolio, shall have similar portfolio characteristics as that of the Bloomberg U.S. Government Inflation-Linked Bond Index.

*Investment Structure*
The TIPS allocation will be managed on an active basis. Given the TIPS allocation target set forth in the Asset Allocation Policy above, the TIPS composite portfolio will be levered approximately 2.0x, excluding the portable alpha component. TIPS exposure, obtained through the use of derivatives and/or physical bonds, may be combined with a strategy that provides a diversified source of alpha with customized risk tolerances. Implementation of the TIPS composite portfolio will be consistent with OP&F's Derivatives Policy Statement, which provides a complete description of the appropriate use of derivatives in the Plan.

**2. REAL ESTATE**

*Investment Objectives*
The performance objectives for the real estate composite portfolio are set forth in OP&F's Real Estate Investment Policy. Both the returns for the real estate composite portfolio and respective benchmark(s) are lagged one quarter.

*Investment Characteristics*
Investments will be diversified by certain criteria as set forth in OP&F's Real Estate Investment Policy.

*Investment Structure*
The target allocation of Total Portfolio assets to real estate will be established by OP&F's long-term Asset Allocation Policy, including a range around the target allocation to allow flexibility as the underlying private real estate investments are funded over time. In order to meet this allocation target, the Board of Trustees/Investment Committee approves a real estate investment plan setting forth the proposed investment activity for a specified period of time. The real estate investment plan shall be reviewed at least annually, and more frequently if necessary or appropriate, to reflect market conditions. For a complete description of the selection of Investment Managers in real estate, please see OP&F's Real Estate Investment Policy.

**3. REAL ASSETS**

*Investment Objectives*
The performance objectives for the real assets composite portfolio are set forth in OP&F's Real Assets Investment Policy. Both the returns for the real assets composite portfolio and respective benchmark are lagged one quarter.

*Investment Characteristics*
Real assets investments will be diversified by certain criteria as set forth in OP&F's Real Assets Investment Policy.

*Investment Structure*
The target allocation of Total Portfolio assets to real assets will be established by OP&F's long-term Asset Allocation Policy, including a range around the target allocation to allow flexibility as the underlying real assets investments are funded over time. In order to meet this allocation target, the Board of Trustees/Investment Committee approves a real assets investment plan setting forth the proposed investment activity for a specified period of time. The real assets investment plan shall be reviewed at least annually, and more frequently if necessary or appropriate, to reflect market conditions. For a complete description of the selection of Investment Managers in real assets, please see OP&F's Real Assets Investment Policy.

**4. MIDSTREAM ENERGY INFRASTRUCTURE**

*Investment Objectives*
Total return of the midstream energy infrastructure composite portfolio should exceed the return of the Alerian Midstream Energy Total Return Index over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation.

*Investment Characteristics*
The main focus of investing will be on publicly traded midstream energy infrastructure opportunities. Investments may consist of master limited partnerships (MLPs) and securities of energy related C-corporations. The midstream energy infrastructure composite portfolio as well as each Investment Manager's portfolio shall have similar portfolio characteristics as that of the Alerian Midstream Energy Total Return Index.

*Investment Structure*
Midstream energy infrastructure assets will be managed solely on an active basis in order to exploit the perceived inefficiencies in the publicly traded midstream energy infrastructure markets.

**5. GOLD**

*Investment Objectives*
Total return of the gold composite portfolio should match the return of the S&P GSCI Gold Index Total Return minus the cost of financing over a full market cycle on an annualized basis.

*Investment Characteristics*
The gold allocation will be implemented through the derivatives markets and will be unfunded with the exception of necessary cash collateral and where gold is used to address deviations in certain private market asset classes with similar risk/return characteristics. Gold has been identified as one of the asset classes to hold an underweight for the asset class of real assets. In these cases, the gold allocation will be fully funded with cash collateral so as not to increase the Total Portfolio leverage from this purpose.

*Investment Structure*
The gold allocation will be managed on a passive basis. Given the gold allocation target set forth in the Asset Allocation Policy above, the gold composite portfolio should be considered as leverage, except where gold is used to address deviations in certain private market asset classes with similar risk/return characteristics. Implementation of the gold composite portfolio will be consistent with OP&F's Derivatives Policy Statement, which provides a complete description of the appropriate use of derivatives in the Plan.

**6. COMMODITIES**

*Investment Objectives*
Total return of the commodities composite portfolio should exceed the return of the Bloomberg Commodity Index Total Return over a full market cycle on an annualized basis. Total return of each Investment Manager's portfolio should rank above the median when compared to their peer group, if applicable, over a full market cycle on an annualized basis and should exceed their benchmark return as specified in each Investment Manager's guidelines or applicable documentation.

*Investment Characteristics*
The commodities allocation will be implemented through the derivatives markets and/or with commodity-linked equities. For a complete description of the appropriate use of derivatives, please see OP&F's Derivatives Policy Statement.

*Investment Structure*
The commodities allocation will be managed primarily on an active basis in order to exploit the perceived inefficiencies in the commodities markets; however, on an interim basis, a passive approach may be employed. Given the commodities allocation target set forth in the Asset Allocation Policy above, the commodities allocation will be fully funded with cash collateral and therefore the commodities composite portfolio will not be considered as leverage in relation to the long-term target allocations for the Total Portfolio.

## 6. PROXY VOTING

OP&F's Board of Trustees believes that the right to vote is an investment asset and should be voted in the best long-term interests of OP&F's plan beneficiaries. For a complete description of OP&F's philosophy, administration, reporting requirements, voting guidelines, etc., please see OP&F's U.S. Proxy Voting Policy and OP&F's International Proxy Voting Policy.

## 7. SECURITIES LENDING

The investment objective for the securities lending program is to generate incremental income within a high quality investment program that safeguards the return of principal, maintains adequate daily liquidity, ensures diversification and tightly controls exposure to fluctuating interest rates. The program may be operated by a bank trustee or a third party lending agent. Marking to market shall be performed daily by the agent(s) and a minimum average of at least 102 percent for domestic, and 105 percent for non-U.S. collateral shall be diligently maintained. Securities lending reports shall be provided monthly by the agent(s) to staff. Staff will present a semi-annual summary report to Board of Trustees/Investment Committee as part of the Board Appendix.

## 8. INVESTMENT MANAGER MONITORING AND EVALUATION POLICY

The purpose of OP&F's Investment Manager Monitoring and Evaluation Policy is to establish the process and discipline for managing the Investment Manager(s) relationship. The policy states the process, responsibilities and important factors for consideration in the monitoring and evaluation process. For a complete description of the monitoring and evaluation process, please see OP&F's Investment Manager Monitoring and Evaluation Policy.

## 9. COMMUNICATIONS

Each Investment Manager will provide reports, including performance measurement, asset inventories, transaction summaries, market commentary or anything else deemed significant at the time of reporting. Each Investment Manager is expected to meet or participate via teleconference or webcast with OP&F's Board or staff or Investment Consultant(s) periodically.

## 10. INVESTMENT MANAGER SEARCH POLICY

When applicable, the selection of Investment Manager(s) will be conducted using a targeted Request for Proposal (RFP) process. OP&F may utilize a public RFP process in certain circumstances. For a complete description of the selection of Investment Manager(s) for all asset classes except private markets, private credit, real estate and real assets, please see OP&F's Investment Manager Search Policy.

## 11. SECURITIES LITIGATION POLICY

The Securities Litigation Policy has been adopted to ensure that OP&F takes prudent, effective, appropriate, and efficient actions to protect and increase the value of OP&F investments and to ensure that OP&F receives all money or assets which are due it as a result of the resolution of class action suits in a cost effective manner consistent with the Board's fiduciary duties. For a complete description of the policy objectives, monitoring, reporting requirements, procedures, etc., please see OP&F's Securities Litigation Policy.

## 12. IRAN AND SUDAN DIVESTMENT POLICY

As required by uncodified provisions of Chapter 742 of the ORC, OP&F has adopted the OP&F Iran and Sudan Divestment Policy, the purpose of which is to divest and restrict the purchase of stocks and bonds issued by a publicly traded company with scrutinized business operations in Iran and Sudan, subject to the fiduciary responsibilities of the Board of Trustees, as set forth in Chapter 742 of the ORC. For a complete description of the responsibilities, process, reporting requirements, etc., please see OP&F's Iran and Sudan Divestment Policy and Iran and Sudan Divestment Processes.

## 13. DERIVATIVES POLICY STATEMENT

The OP&F Derivatives Policy Statement is intended to supplement this Statement and serves as the overall guideline on the use of derivatives within OP&F and its related investment manager guidelines. The OP&F Derivatives Policy Statement sets forth controls and risk management procedures for traditional investment strategies that may employ derivatives but are primarily invested in equity or fixed income securities, and separately for investment strategies which OP&F determines to be implemented primarily through the use of derivative securities.

## 14. BROKER POLICY AND OHIO-QUALIFIED BROKER POLICY

The OP&F Broker Policy sets forth the general and specific directions toward trading activities of all assets of OP&F. The Ohio-Qualified Broker Policy sets forth the specific criteria regarding OP&F's goal to increase the utilization of Ohio-qualified agents (brokers) for the execution of domestic equity and domestic fixed income trades.

## 15. OHIO-QUALIFIED INVESTMENT MANAGER POLICY

The OP&F Ohio-Qualified Investment Manager Policy sets forth the specific criteria regarding OP&F's goal to increase the utilization of Ohio-qualified investment managers.

## 16. HEALTH CARE

A stipend funded by OP&F via the health care stabilization fund is available to eligible members through a health reimbursement arrangement and can be used to reimburse retirees for qualified health care expenses. A portion of employer contributions and a portion of investment income (and losses) are allocated to operate OP&F's health care stipend program. The health care stipend program follows the same investment policy and guidelines as the pension plan. For a more complete description, please see the annual comprehensive financial reports or other OP&F documentation.

# APPENDIX 1

## WILSHIRE'S JUNE 30, 2022 CAPITAL MARKET ASSUMPTIONS

The following capital market assumptions were used to determine the current Asset Allocation Policy adopted in August 2022 via a comprehensive asset liability study.

| ASSET CLASSES | EXPECTED RETURN 10-YEARS | EXPECTED RETURN 20-YEARS | EXPECTED RETURN 30-YEARS | RISK | YIELD | FACTOR EXPOSURE GROWTH | FACTOR EXPOSURE INFLATION | LIQUIDITY MARKET LEVEL | LIQUIDITY STRESSED METRIC |
|---|---|---|---|---|---|---|---|---|---|
| Domestic Equity | 6.00% | 6.50% | 6.95% | 17.00% | 1.65% | 8.00 | (3.00) | 100 | - |
| Non-U.S. Equity | 7.25% | 7.50% | 7.70% | 19.10% | 3.10% | 8.00 | (1.50) | 90 | - |
| Private Markets | 10.05% | 10.20% | 10.35% | 28.00% | - | 13.50 | (3.80) | - | - |
| High Yield | 6.25% | 6.45% | 6.65% | 10.00% | 9.10% | 4.00 | (1.00) | 80 | - |
| Private Credit | 8.25% | 8.05% | 7.85% | 12.10% | 11.80% | 6.00 | - | 90 | 40 |
| Core Fixed Income | 4.05% | 4.25% | 4.45% | 4.25% | 4.55% | (0.85) | (2.50) | 100 | 85 |
| Cash | 3.15% | 3.20% | 3.20% | 0.75% | 3.15% | - | - | 100 | 100 |
| U.S. TIPS | 3.15% | 3.60% | 4.00% | 6.00% | 3.80% | (3.00) | 2.50 | 90 | 85 |
| Real Estate | 7.20% | 7.55% | 7.85% | 15.65% | 1.90% | 3.50 | 1.00 | - | - |
| Real Assets | 7.05% | 7.65% | 8.30% | 16.95% | 1.85% | 4.60 | 5.60 | - | - |
| Midstream Energy Infrastructure | 7.80% | 8.05% | 8.30% | 19.00% | 6.05% | 5.00 | 5.80 | 90 | - |
| Commodities | 5.50% | 5.55% | 5.65% | 16.00% | 3.15% | - | 12.00 | 90 | 50 |
| Gold | 5.50% | 5.55% | 5.65% | 18.00% | - | (5.00) | 7.00 | 90 | 45 |
| Leverage | 3.40% | 3.45% | 3.45% | 0.75% | 3.40% | - | - | N/A | N/A |

## APPENDIX 1(CONTINUED)

| ASSET CLASSES | Domestic Equity | Non-U.S. Equity | Private Markets | High Yeild | Private Credit | Core Fixed Income | Cash | U.S. Tips | Real Estate | Real Assets | Midstream Energy Infrastructure | Commodities | Gold | Leverage |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Domestic Equity | 1.00 | | | | | | | | | | | | | |
| Non-U.S. Equity | 0.83 | 1.00 | | | | | | | | | | | | |
| Private Markets | 0.74 | 0.67 | 1.00 | | | | | | | | | | | |
| High Yield | 0.54 | 0.45 | 0.34 | 1.00 | | | | | | | | | | |
| Private Credit | 0.50 | 0.46 | 0.22 | 0.64 | 1.00 | | | | | | | | | |
| Core Fixed Income | 0.28 | 0.09 | 0.31 | 0.25 | 0.04 | 1.00 | | | | | | | | |
| Cash | (0.05) | (0.08) | - | (0.10) | (0.13) | 0.19 | 1.00 | | | | | | | |
| U.S. TIPS | (0.05) | 0.05 | (0.03) | 0.05 | (0.01) | 0.59 | 0.20 | 1.00 | | | | | | |
| Real Estate | 0.53 | 0.47 | 0.51 | 0.57 | 0.56 | 0.19 | (0.05) | 0.07 | 1.00 | | | | | |
| Real Assets | 0.59 | 0.71 | 0.55 | 0.53 | 0.52 | 0.11 | (0.06) | 0.16 | 0.46 | 1.00 | | | | |
| Midstream Energy Infrastructure | 0.40 | 0.39 | 0.44 | 0.50 | 0.45 | 0.13 | - | 0.20 | 0.45 | 0.56 | 1.00 | | | |
| Commodities | 0.25 | 0.38 | 0.27 | 0.29 | 0.30 | (0.02) | - | 0.25 | 0.24 | 0.49 | 0.35 | 1.00 | | |
| Gold | (0.05) | 0.16 | (0.02) | 0.05 | - | 0.21 | (0.05) | 0.30 | 0.11 | 0.15 | 0.05 | 0.30 | 1.00 | |
| Leverage | (0.05) | (0.08) | - | (0.10) | (0.13) | 0.19 | 1.00 | 0.20 | (0.05) | (0.06) | - | - | (0.05) | 1.00 |

- Wilshire's asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends.
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

## APPENDIX 2

Following actuarial assumptions were used in the adoption of the Asset Allocation Policy in August 2022.

| ACTUARIAL ASSUMPTIONS | |
|---|---|
| Valuation Date | Jan. 1, 2021 |
| Actuarial Cost Method | Entry age |
| Investment Rate of Return | 7.50% |
| Projected Salary Increases | 3.75% - 10.50% |
| Payroll Increases | 3.25% |
| Inflation Assumptions | 2.75% |
| Cost-of-living Assumptions | 2.20% simple |
| Amortization Method | Level percent of payroll, open |
| Amortization Period | 25-years |
| Asset Valuation Method | Four-years adjusted fair value with a corridor of 20% of the fair value. |
| Healthy Mortality | Mortality for non-disability participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted accordingly and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. |
| Disability Mortality | Mortality for disabled participants is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted accordingly and projected with the Buck Modified 2016 Improvement Scale. |

## APPENDIX 3

Figures were derived using the assumptions as of June 30, 2022 which are included in Appendix 1.

| METRIC | CURRENT ASSET ALLOCATION POLICY |
|---|---|
| **RETURNS AND RISK (%)** | |
| Expected Return – 10-Years | 7.38% |
| Expected Return – 20-Years | 7.74% |
| Expected Return – 30-Years | 7.96% |
| Standard Deviation of Return | 11.75% |
| **CONTRIBUTION TO ASSET VOLATILITY (%)** | |
| Growth | 60.5% |
| Defensive Growth | 6.8% |
| Defensive/Rate Sensitive | 3.5% |
| RA/Inflation Sensitive | 29.2% |
| **ACTUARIAL ACCRUED LIABILITIES (AAL) MARKET VALUE OF ASSETS (MVA) FUNDED RATIO (%)** | |
| Median (Expected) – 1-Year | 71.13% |
| Median (Expected) – 3-Years | 71.36% |
| Median (Expected) – 5-Years | 72.25% |
| Median (Expected) – 10-Years | 74.65% |
| **ACTUARIAL ACCRUED LIABILITIES (AAL) ACTUARIAL VALUE OF ASSETS (AVA) FUNDED RATIO (%)** | |
| Median (Expected) – 1-Year | 73.36% |
| Median (Expected) – 3-Years | 74.23% |
| Median (Expected) – 5-Years | 72.53% |
| Median (Expected) – 10-Years | 74.54% |

# APPENDIX 4

| | BENCHMARK PERIOD START DATE | | | | | |
|---|---|---|---|---|---|---|
| ASSET CLASS | APRIL 1, 2024 | JULY 1, 2024 | OCT. 1, 2024 | JAN. 1, 2025 | APRIL 1, 2025 | LONG-TERM TARGET ALLOCATION |
| Domestic Equity | 20.40% | 20.30% | 20.20% | 20.20% | 20.10% | 18.60% |
| Non-U.S. Equity | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 12.40% |
| Private Markets | 8.50% | 8.50% | 8.50% | 8.50% | 8.50% | 10.00% |
| **TOTAL GROWTH ASSETS** | **41.90%** | **41.80%** | **41.70%** | **41.70%** | **41.60%** | **41.00%** |
| High Yield | 8.00% | 8.00% | 8.00% | 8.00% | 8.00% | 7.00% |
| Private Credit | 4.00% | 4.00% | 4.00% | 4.00% | 4.00% | 5.00% |
| **TOTAL DEFENSIVE GROWTH ASSETS** | **12.00%** | **12.00%** | **12.00%** | **12.00%** | **12.00%** | **12.00%** |
| Core Fixed Income | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% |
| Cash | -% | -% | -% | -% | -% | -% |
| **TOTAL DEFENSIVE ASSETS** | **25.00%** | **25.00%** | **25.00%** | **25.00%** | **25.00%** | **25.00%** |
| U.S. TIPS | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% | 15.00% |
| Real Estate | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% | 12.00% |
| Real Assets | 6.60% | 6.70% | 6.80% | 6.90% | 7.00% | 8.00% |
| Midstream Energy Infrastructure | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% |
| Commodities | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Gold | 5.50% | 5.50% | 5.50% | 5.40% | 5.40% | 5.00% |
| **TOTAL INFLATION-ORIENTED ASSETS** | **46.10%** | **46.20%** | **46.30%** | **46.30%** | **46.40%** | **47.00%** |
| **TOTAL NOTIONAL EXPOSURE** | 125.00% | 125.00% | 125.00% | 125.00% | 125.00% | 125.00% |

# APPENDIX 5

| ASSET CLASS | ALPHA EXPECTATION |
|---|---|
| Domestic Equity | 1.00% |
| Non-U.S. Equity | 1.00% |
| Private Markets | 1.00% |
| High Yield | 0.50% |
| Private Credit | 0.50% |
| Core Fixed Income | 0.40% |
| U.S. TIPS | 1.00% |
| Midstream Energy Infrastructure | 1.00% |
| Real Estate | 1.00% |
| Real Assets | -% |
| Commodities | 0.75% |
| Gold | -% |

# ACTUARIAL

## 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT



REPORT OF ACTUARY- PENSION TRUST FUND

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS- PENSION TRUST FUND

PLAN SUMMARY- PENSION TRUST FUND

ANALYSIS OF FINANCIAL EXPERIENCE – PENSION TRUST FUND

ACTIVE MEMBER VALUATION DATA – PENSION TRUST FUND

RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS – PENSION TRUST FUND

SHORT-TERM SOLVENCY TEST – PENSION TRUST FUND

CALCULATION OF ACTUARIAL VALUE ASSETS – PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS – PENSION TRUST FUND

EMPLOYER CONTRIBUTION RATES

MEMBER CONTRIBUTION RATES

REPORT OF ACTUARY - HEALTH CARE TRUST FUND

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS - HEALTH CARE TRUST FUND

MONTHLY STIPEND LEVELS - HEALTH CARE TRUST FUND

CURRENT ENROLLMENT OF RETIRED PARTICIPANTS - HEALTH CARE TRUST FUND

RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS - HEALTH CARE TRUST FUND

# REPORT OF ACTUARY- PENSION TRUST FUND

CavMac
Actuarial Consulting Services

October 30,2024

Board of Trustees
Ohio Police & Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215

Members of the Board:

Cavanaugh Macdonald (CavMac) is pleased to present this report on the results of the actuarial valuation of the Ohio Police & Fire Pension Fund (OP&F). This report presents the results of the annual actuarial valuation of the assets and liabilities of OP&F as of January 1, 2024, prepared in accordance with Chapter 742 of the Ohio Revised Code (ORC), as amended by Senate Bill No. 340. The valuation takes into account all of the promised benefits to which members are entitled, including pension and survivor benefits.

The principal results of the valuation do not take into account Medicare Part B premium reimbursements or any other health care benefits. However, at the request of the Ohio Retirement Study Council (ORSC), supplemental results have been prepared that do take into account the liability for Medicare Part B premium reimbursements and are presented in Table 1A in the report.

The purpose of the valuation is to determine the financial status of OP&F on an actuarial basis. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. CavMac will not accept any liability for any statement made about the report without prior review by CavMac.

Where presented, references to “funded ratio” and “unfunded accrued liability” typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using fair value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the plan if the plan were to settle (i.e. purchase annuities) for a portion or all of its liabilities.

This report does not include accounting disclosure information under Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68. CavMac will provide disclosure information under Statement Nos. 67 and 68 in a separate report after OP&F’s 2024 year-end. CavMac also prepares a separate valuation of OP&F retiree health care benefits.

Board of Trustees
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The valuation was based on the actuarial assumptions and methods that have been adopted by the Board of Trustees, including a valuation interest rate of 7.50 percent per annum compounded annually. The assumptions were effective January 1, 2023 and recommended by the actuary based on a quinquennial experience review covering the period 2017-2021. The next experience review will cover the five-year period 2022-2026. Actuarial Standards of Practice require that the likelihood and extent of future mortality improvements be considered.

***Assets and Membership Data***

OP&F reported to the actuary the individual data for members as of the valuation date. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the pension trust fund taken into account in the valuation was based on financial statements prepared for us by OP&F.

An assumption is made by CavMac to account for salary adjustments reported by employers assumed to occur after the census information has been provided to CavMac by OP&F.

***Funding Objectives and Progress***

The actuary uses an actuarial cost method to determine the portion of OP&F's liabilities accrued by the members as of the valuation date and the portion that is attributable to future years of service. The rate of contribution necessary to systematically fund the future service liabilities, the normal cost rate, is calculated under the cost method to be a level percentage of active member payroll. The portion of the liabilities accrued as of the valuation date, the actuarial accrued liability (AAL), is compared to a market-related, actuarial value of OP&F's assets. The amount of liabilities in excess of the assets is called the unfunded actuarial accrued liability (UAAL).

The actuary determines how many years are required by OP&F to completely amortize the UAAL (the funding period), using the member and employer contributions reduced by the amount allocated to health care and the amount of normal cost for the year. For 2003-2012, the funding period was infinite years, meaning the annual contribution toward the unfunded when compared to the unfunded amount was not sufficient to pay it off. As a result of benefit and member contribution changes under Senate Bill No. 340, changes to the DROP program, and a reduction in the contribution allocation to the Health Care Stabilization Fund by the Board of Trustees, and favorable asset investment gains, the pension funding period has decreased from 47 years as of January 1, 2013 to 26.71 years as of January 1, 2023. As of January 1, 2024, the funding period increased to 29.77 years primarily due to deferred investment experience, administrative expenses and payroll growth that was higher than anticipated. As seen in Table 7, the UAAL is expected to start decreasing during calendar 2033.

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Section 742.16 of the ORC, as adopted by Senate Bill No. 82, sets forth an objective that the funding period is no more than 30 years. If the funding period exceeds 30 years, a plan shall be developed and presented by the Board of Trustees to the ORSC to reduce the funding period to not more than 30 years. Section 742.14 of the ORC, as amended by Senate Bill No. 340, sets forth that the 30-year funding analysis be performed every three years and the 30-year funding plan, if necessary, be developed and presented not later than 90 days after the Board of Trustees' receipt of the actuarial valuation and 30-year funding analysis. The most recent triennial analysis is based on the January 1, 2022 actuarial valuation, and shows the funding period is 28.07 years, so no 30-year funding plan is required. The next analysis will be performed based on the January 1, 2025 actuarial valuation.

The funded ratio (i.e., the ratio of actuarial assets to the AAL) determined as of January 1, 2024 is 68.1 percent, compared to 70.0 percent as of as of January 1, 2023. If measured using the fair value of assets, the funded ratio would be lower at 64.1 percent on account of net investment losses not yet reflected in the actuarial assets. Taking into account the AAL for Medicare Part B premium reimbursements, the funded ratio would be 67.5 percent using the actuarial assets and 63.5 percent using the fair value of assets. The funded ratio is not intended to measure the adequacy of funding in any analysis of a possible settlement of plan liabilities.

***Supporting Schedules and Certification***

The valuation report shows detailed summaries of the financial results of the valuation and membership data used in preparing this valuation. The actuary prepared the following supporting schedules for inclusion in the Actuarial and Statistical Sections of the OP&F Annual Comprehensive Financial Report: Analysis of Financial Experience, Short-Term Solvency Test, Schedule of Funding Progress, Calculation of Actuarial Value of Assets, and Retirees and Beneficiaries Added to and Removed from the Rolls.

The valuation assumptions were chosen by the Board of Trustees with the advice of the actuary and first used in the January 1, 2022 valuation. The assumptions used to develop the January 1, 2024 valuation are individually reasonable and in combination represent our best estimate of anticipated experience under the plan.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, CavMac performed no analysis of the potential range of such future differences.

During 2018 OP&F retained CavMac as their actuary. The January 1, 2019 valuation was the first valuation completed by CavMac. All results presented in this report for years prior to the December 31, 2018 were performed by the prior actuary(s).

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The consultants who worked on this assignment are pension actuaries. CavMac's advice is not intended to be a substitute for qualified legal or accounting counsel.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries, have experience in performing valuations for public retirement plans, and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board and the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement plan and on actuarial assumptions that are internally consistent and reasonable based on the actual experience of the Fund and future expectations. However, the Board of Trustees has the final decision regarding the selection of the assumptions and adopted them as indicated in Appendix C.

Respectfully submitted,

Wendy Ludbrook

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

Wendy T. Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary

Ryan Gundersen

Ryan Gundersen
Senior Consultant

# DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS- PENSION TRUST FUND

The actuarial assumptions were adopted as of Jan. 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation. The combined effect of the assumptions is expected to have no significant bias.

## INTEREST RATE

7.50% per annum, compounded annually.

## SALARY INCREASE RATES

Assumed annual salary increases are as follows:

| Years of Service | Salary Increase Rate |
|---|---|
| Less than 1 | 10.50% |
| 1 | 9.00% |
| 2 | 8.00% |
| 3 | 6.00% |
| 4 | 4.50% |
| 5 or more | 3.75% |

## PAYROLL GROWTH

3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.5%.

## DROP INTEREST CREDITING RATE

3.75% per annum, compounded annually.

## CPI-BASED COLA

2.20% simple for increases based on the lesser of the increase in CPI and 3.0%.

## WITHDRAWAL RATES

The following sample withdrawal rates are based on age and service (for causes other than death, disability, or retirement):

| Years of Service | Firefighters | Police |
|---|---|---|
| 0 | 5.00% | 14.00% |
| 5 | 1.00% | 2.00% |
| 10 | 0.75% | 1.50% |
| 15 | 0.50% | 1.00% |
| 20 | 0.20% | 0.65% |
| 24 | 0.20% | 0.25% |

## RATES OF DISABILITY

The following are sample rates of disability and occurrence of disability by type:

| Age | Firefighters | Police |
|---|---|---|
| 20 | 0.0004% | 0.0005% |
| 25 | 0.0020% | 0.0032% |
| 30 | 0.0088% | 0.0401% |
| 35 | 0.0364% | 0.0693% |
| 40 | 0.0816% | 0.1814% |
| 45 | 0.1388% | 0.2399% |
| 50 | 0.5348% | 0.6080% |
| 55 | 0.8100% | 0.5036% |
| 60 | 1.2240% | 0.9351% |
| 64 | 2. 8760% | 1.3946% |

| Type of Disability | |
|---|---|
| On duty permanent and total | 17% |
| On duty partial | 58% |
| Off duty partial | 25% |

## RETIREMENT RATES

The following rates apply to members who are not currently in DROP, but either have reached DROP eligibility or may become eligible for DROP in the future. Upon first eligibility for retirement, the rate is 15% for Firefighters and 20% for Police. After first eligibility the rates are as follows:

| Years of Service | Firefighters | Police |
|---|---|---|
| 25 | 15% | 20% |
| 26 | 5% | 8% |
| 27 | 5% | 8% |
| 28 | 5% | 8% |
| 29 | 5% | 8% |
| 30 | 5% | 8% |
| 31 | 5% | 15% |
| 32 | 5% | 15% |
| 33 | 5% | 15% |
| 34 | 5% | 15% |
| 35+ | 100% | 100% |

The following rates apply to members who will not reach retirement eligibility prior to age 62:

| FIREFIGHTERS | YEARS OF SERVICE | |
|---|---|---|
| Age | 15-23 | 24 |
| 62 | 25% | 15% |
| 63 | 25% | 15% |
| 64 | 25% | 15% |
| 65 | 100% | 100% |

| POLICE | YEARS OF SERVICE | |
|---|---|---|
| Age | 15-23 | 24 |
| 62 | 25% | 20% |
| 63 | 25% | 20% |
| 64 | 25% | 20% |
| 65 | 100% | 100% |

### DEFERRED RETIREMENT OPTION PLAN ELECTIONS

80% of members who do not retire when first eligible are assumed to elect DROP.

### DROP RETIREMENT RATES

The following rates of retirement apply to members in DROP as of the valuation date:

| Years of Service | Firefighters | Police |
|---|---|---|
| 25 | 4.75% | 7.25% |
| 26 | 4.75% | 6.00% |
| 27 | 4.75% | 6.25% |
| 28 | 6.00% | 6.00% |
| 29 | 9.00% | 8.50% |
| 30 | 15.75% | 16.75% |
| 31 | 11.00% | 16.25% |
| 32 | 44.00% | 50.00% |
| 33+ | 100.00% | 100.00% |

### RETIREMENT AGE FOR INACTIVE VESTED PARTICIPANTS

Commencement at age 48 and 25 years of service from full-time hire date, whichever is later.

**SERVICE RETIREE AND VESTED FORMER MEMBER MORTALITY**

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

**DISABLED MORTALITY**

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

**CONTINGENT ANNUITANT MORTALITY**

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

**PRE-RETIREMENT MORTALITY**

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**CREDITED SERVICE**

Credited service on the valuation date, as provided by OP&F, includes all service credited under the plan, including service transferred from other municipal plans and purchased service. The valuation assumes future service will be credited at the rate of one year per year worked, with no assumed future crediting of transferred service or purchased service.

**415 LIMITS**

Benefits are limited by the Internal Revenue Code (IRC) Section 415, assumed to increase 2.75% per annum.

**ADMINISTRATIVE EXPENSES**

Administrative Expenses are based on the previous year's ACFR administrative expense less the GASB 68 and 75 expenses. For determination of the Funding Period this dollar amount is projected into the future to increase at the rate of inflation.

**STATE SUBSIDY RECEIVED FROM THE STATE OF OHIO**

The actual State Subsidy paid in the valuation year is used for determination of the Funding Policy. Future years after the valuation year the State Subsidy is assumed to be zero.

**UNKNOWN DATA FOR MEMBERS**

Same as those exhibited by members with similar known characteristics. Deferred benefits are estimated at termination until OP&F has determined the actual amount at retirement. Reported salaries that are less than $10,000 when annualized are assumed to be anomalous and are reset to $60,000. The adjustment for late reported salaries is not applied in this case.

**LATE REPORTED SALARIES**

A 1.089% load is added to the 2023 reported salaries to account for salaries accrued but not reported for the valuation. This adjustment is based on an average of plan experience from the prior three years. The raw adjustment rates for each year are as follows:

| Pay for Calendar Year | Raw Adjustment |
|---|---|
| 2023 | 0.818% |
| 2022 | 1.032% |
| 2021 | 1.418% |

This adjustment will be reviewed annually for future late reported salaries.

**PERCENT MARRIED**

80% of active members are assumed to be married.

**AGE OF SPOUSE**

Wives are assumed to be three years younger than their husbands.

**OPTIONAL FORM ELECTION**

40% of service retirees and 15% of disability retirees are assumed to elect a 45% Joint and Survivor pension at retirement. If the joint annuitant predeceases the retiree, the increase, or pop-up, in the retiree's benefit associated with the 45% Joint and Survivor pension is assumed to be 14.36% for disability retirees and 10.50% for all other retirees.

**DROP ACCOUNT DISTRIBUTIONS**

For currently retired members who have an outstanding DROP balance we assume they will take their balance in installments over 10 years. For members who terminate DROP before the required three or five years, distribution of the account balance is assumed to be made in a lump sum payment at the end of the three- or five-year period. Distributions for active members are assumed to be made in a lump sum or installments at retirement in a pattern equivalent to 25% receiving lump sums, 30% receiving installments over two years, and 45% receiving installments over 10 years.

### DEPENDENT PARENTS

None anticipated, but dependency of any dependent parent in receipt of benefits is assumed to continue for the parent's lifetime.

### DEPENDENT CHILDREN

Each member is assumed to have two children, born when the member was age 26. Dependency is assumed to cease when the child is 22.

### MEDICARE PART B PREMIUM REIMBURSEMENT

For service and disability retirements, as well as survivors, OP&F reimburses the standard Medicare Part B premium ($107.00 per month for 2024) provided the retiree is not eligible for reimbursement from any other sources.

It is assumed that 70% of members are eligible for reimbursement once they reach age 65.

The Medicare Part B Premium assumptions are only used to determine the cost if the Medicare Part B reimbursement payments were to be paid from the pension trust instead of the Health Care Stabilization Fund.

### CHANGES IN ACTUARIAL ASSUMPTIONS SINCE THE JAN. 1, 2023 VALUATION:

CavMac recommended and implemented a change in the administrative expense assumption used to calculate the Funding Period. In the Jan. 1, 2023 actuarial valuation, the administrative expense assumption was based on the ACFR administrative expenses. For this actuarial valuation, we have removed the GASB 68 and 75 OPERS expense from the ACFR administrative expense. The actual contributions to OPERS is still included in the administrative expense assumption.

The assumptions used for the Jan. 1, 2024 actuarial valuation are based on the quinquennial experience review prepared as of Dec. 31, 2021 and adopted by the Board of Trustees on Oct. 26, 2022 and used for the Jan. 1, 2022 actuarial valuation. CavMac implemented the change to the administrative expense assumption effective with the Jan. 1, 2024 actuarial valuation.

## METHODS

### ACTUARIAL COST METHOD

Projected benefit method with individual level percentage entry age normal cost and actuarial accrued liability. Gains and losses are reflected in the actuarial accrued liability. Prior to Jan. 1, 2015, to be consistent with the asset methodology employed by OP&F, DROP balances were netted out of the liabilities.

### ADJUSTMENT FOR RE-EMPLOYED RETIREES

The present value of future benefits and the actuarial accrued liability are increased by an amount for the re-employed retirees' defined contribution plan benefit equal to two times the re-employed retirees' post-retirement contribution balances on the valuation date.

### ADJUSTMENT FOR EMPLOYER ACCRUED LIABILITY

The actuarial accrued liability is reduced by the present value of special employer contributions referred to as "Local Funds." Local governments are required by state statute to pay the unfunded portion of the actuarially determined liability of the local police and firefighter's relief and pension funds that were merged to form OP&F in 1967. The ORC designates this obligation of the local governments to the Employers' Accrued Liability. Interest on the outstanding balance is being accrued at the rate of 4.25%, compounded semiannually. Local governments began repayment in 1969 and payments are required to be made until 2035. The present value of the remaining payments on the valuation date is determined using the valuation interest rate.

### ASSET VALUATION METHOD

A four-year moving average fair value of assets that spreads the difference between the actual investment income and the expected income on the fair value (based on the valuation interest rate) over a period of four years. The actuarial value shall not be less than 80% or more than 120% of fair value.

### OUTPUT SMOOTHING METHODS

No output smoothing methods are being used.

### CONTRIBUTION LAG

The valuation does not utilize a contribution lag..

## DATA

### CENSUS AND ASSETS

The valuation was based on members of OP&F as of the valuation date and does not take into account future members. All census and asset data was supplied by OP&F. Salaries and benefits tabulated in the tables in this report were summed to pennies, but displayed to whole dollars, thus, totals may not be consistent with amounts displayed due to rounding.

# PLAN SUMMARY- PENSION TRUST FUND

### SUMMARY OF MAIN BENEFIT PROVISIONS

The following is intended to summarize the key provisions valued in this valuation. Members of OP&F and other parties should not rely on this summary as a substitute for or legal interpretation of the laws and rules covering this retirement plan.

### MEMBERSHIP

Membership in OP&F is mandatory under Ohio law for all full-time police officers employed by Ohio municipalities and appointed under the required statutory provisions. Membership is also mandatory for all full-time firefighters employed by Ohio municipalities, townships, villages, joint fire districts or other political subdivisions. In order to become members of OP&F, full-time firefighters are required to satisfactorily complete, or have satisfactorily completed, a firefighter training course approved under former Section 3303.07, or Section 4765.55 or conducted under Section 3737.33 of the ORC.

### ELIGIBILITY FOR MEMBERSHIP

Full-time police officers or firefighters are eligible for membership in OP&F immediately upon commencement of employment as a full-time police officer or firefighter.

### CONTRIBUTIONS

Employer and member contributions are established by statute and both are due monthly. Employers of police officers pay 19.5% of salary; employers of firefighters pay 24% of salary. The member contribution rate equaled 12.25% in 2024.

### EMPLOYER CONTRIBUTION RATES – PERCENTAGE OF ACTIVE MEMBER PAYROLL:

| Time Frame of Rates | Police | Fire |
|---|---|---|
| Jan 1, 1986 through Present | 19.50% | 24.00% |

### MEMBER CONTRIBUTION RATES – PERCENTAGE OF ACTIVE MEMBER PAYROLL:

| Time Frame of Rates | Police | Fire |
|---|---|---|
| July 2, 2015 through Present | 12.25% | 12.25% |

## BENEFITS

### SERVICE RETIREMENT

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's allowable average annual salary.

Since average annual salary is subject to certain statutory and administrative limitations, not all salary, earnings, or compensation may be used in the calculation. OP&F calculates allowable average annual salary as follows:

- For OP&F members with 15 or more years of service credit as of July 1, 2013, average annual salary is an average of the three years of highest allowable earnings, regardless of when in their career the highest years occurred.
- For OP&F members with less than 15 years of service credit as of July 1, 2013, average annual salary is an average of the five years of highest allowable earnings, regardless of when in their career the highest years occurred.
- A salary benchmark is established for members with 15 or more years of service credit as of July 1, 2013, under which certain increases are excluded from salary for the purpose of determining allowable average annual salary. This benchmarking does not apply to members with less than 15 years of service credit as of July 1, 2013.

### NORMAL SERVICE RETIREMENT

#### ELIGIBILITY

- For members hired into an OP&F-covered position after July 1, 2013, minimum retirement age is 52 with at least 25 years of service credit.
- For members hired into an OP&F-covered position on or before July 1, 2013, minimum retirement age is 48 with 25 years of service credit.

#### BENEFIT

An annual pension equal to a percentage of the allowable average annual salary. The percentage equals 2.5% for each of the first 20 years of service, 2.0% for each of the next five years of service, and 1.5% for each year of service in excess of 25 years. The maximum pension of 72% of the allowable average annual salary is paid after 33 years of service credit.

### SERVICE COMMUTED RETIREMENT

#### ELIGIBILITY

- For members hired into an OP&F-covered position after July 1, 2013, the minimum retirement age is 52, they must have at least 15 years of service credit and 25 years have elapsed from the date of their full-time hire.
- For members hired into an OP&F-covered position on or before July 1, 2013, the minimum retirement age is 48, they must have at least 15 years of service credit and 25 years have elapsed from the date of their full-time hire.

#### BENEFIT

An annual pension equal to 1.5% of the allowable average annual salary multiplied by the number of full years of service credit (up to 25 years of service credit).

### AGE/SERVICE COMMUTED RETIREMENT

#### ELIGIBILITY

Age 62, 15 years of service credit and still working as a full-time police officer or firefighter.

#### BENEFIT

An annual pension that uses the same formula as the Normal Service Retirement benefit (up to 25 years of service credit).

### ACTUARIALLY REDUCED

#### ELIGIBILITY

For members hired into an OP&F-covered position after July 1, 2013, age 48 with 25 years of service.

#### BENEFIT

An annual pension reduced to the actuarial equivalent of the amount payable had the member retired at age 52.

## RIGHTS UPON SEPARATION FROM SERVICE

### DEFERRED PENSION

If a member meets the years of service credit required for any of the service retirement pensions but leaves service before attaining the minimum retirement age, a pension becomes payable upon attainment of the qualifying age and filing the appropriate paperwork with OP&F.

### REFUND OF EMPLOYEE CONTRIBUTIONS

Upon separation from service, a member can receive the contributions that he or she made to the plan or the employee share of member contributions picked-up on the member's behalf by their employer. Acceptance of a refund of employee contributions cancels the member's rights, benefits and total service with OP&F. Employer contributions are not refundable.

### TERMINATION BEFORE RETIREMENT WITH 25 YEARS OF SERVICE CREDIT

#### BENEFIT

Same as the Normal Service Retirement benefit, except benefit commences once the member reaches minimum retirement age.

- For members hired into an OP&F-covered position after July 1, 2013, minimum retirement age is 52.
- For members hired into an OP&F-covered position on or before July 1, 2013, minimum retirement age is 48.

### TERMINATION BEFORE RETIREMENT WITH 15 YEARS OF SERVICE CREDIT

#### BENEFIT

Same as the Service Commuted Retirement, except benefit commences once the member reaches minimum retirement age and 25 years have elapsed from the date of full-time hire.

- For members hired into an OP&F-covered position after July 1, 2013, the minimum retirement age is 52.
- For members hired into an OP&F-covered position on or before July 1, 2013, the minimum retirement age is 48.

### TERMINATION BEFORE RETIREMENT WITH LESS THAN 15 YEARS OF SERVICE CREDIT

#### BENEFIT

A lump sum amount equal to the sum of the member's contributions to OP&F.

### DEFERRED RETIREMENT OPTION PLAN

#### ELIGIBILITY

When a member is eligible for a normal service retirement they can enter DROP by delaying retirement and continuing to work as a full-time police officer or firefighter.

- For members hired into an OP&F-covered position after July 1, 2013, normal service retirement eligibility is age 52 with at least 25 years of service credit.
- For members hired into an OP&F-covered position on or before July 1, 2013, normal service retirement eligibility is age 48 with at least 25 years of service credit.

#### BENEFIT

DROP is a cost neutral benefit offered by OP&F. Upon the DROP effective date, the member's pension is calculated as if that were their date of retirement. While the member continues to work and draw their normal salary, the amount they would have received in retirement benefits accumulates tax-deferred at OP&F on their behalf, as well as a portion of their OP&F employee contributions and interest. Since the member's pension has already been calculated:

- The years of DROP service do not apply towards the member's normal service retirement.
- If a member earns a higher salary after their DROP effective date due to a raise, job promotion, etc., it will not be used to recalculate their pension and, therefore, will not result in that member receiving a higher pension upon retirement.

The DROP interest rate is set by administrative rule and is subject to change at any time. OP&F credits interest to all DROP balances each month at a rate equal to the 10-year United States (U.S.) Treasury Note Business Day Series, as published by the U.S. Department of the Treasury, with a cap of 5.0% and a floor of 2.5%. This variable interest rate is compounded annually and adjusted quarterly to match the published 10-year U.S. Treasury Note rate for the last trading business day of the preceding quarter and is in effect for the subsequent quarter.

Members who participate in DROP do not qualify for annual COLA at any time during their DROP participation.

Member contributions are credited to their DROP account based on the number of years of DROP service. OP&F applies contributions to DROP in the following manner:

| Years of DROP Service | Percentage of Member Contributions |
|---|---|
| Years 1-3 | 50% of member's contributions |
| Years 4-5 | 75% of member's contribution |
| Years 6-8 | 100% of member's contributions |

The minimum participation in DROP, without penalty, is five years and the maximum is eight years.

- If a member terminates employment within the first five years of electing to participate in DROP, then the member forfeits all of their DROP interest. In addition to losing their accumulated interest, members who choose to terminate employment before completing their required participation period cannot withdraw any of the funds in their DROP account until the minimum participation period has expired. The only exception to this rule is if the member dies during the minimum participation period. The member's surviving spouse, designated beneficiary or estate, as applicable, will receive the entire DROP account balance determined at the time of death.
- If a member chooses to continue working after eight years in DROP, the member forfeits all DROP benefits and receives the Normal Service Retirement benefit upon retirement, which will be calculated to include the service credit earned during the DROP participation period.

All DROP members retiring before the eight-year max receive their Normal Service Retirement benefit determined at the time of DROP entry, with the COLA adjustment (if applicable) to their date of retirement when eligible. These members will also receive the DROP account balance as a lump sum or monthly distribution.

If a member dies while participating in DROP, the member's surviving spouse, designated beneficiary or estate will receive the entire DROP account balance determined at the time of death. Also, the member's surviving spouse or contingent dependent beneficiary will receive either a 50% joint and survivor annuity or the annuity plan selected by the member, whichever is greater. All other statutory death benefits will apply.

If the member becomes disabled while in DROP, and has not terminated employment, the member must choose either to receive a disability benefit or a service retirement with DROP. If the member chooses the disability benefit, the member forfeits all DROP benefits and receives the disability benefit, with service credit during the DROP period included.

## DISABILITY BENEFITS

Members who become unable to perform their official duties and whose earning capacities are impaired may qualify for disability benefits. Disability benefits are classified as either service-incurred (on-duty) or non-service-incurred (off-duty) and differ in eligibility requirements and benefit formulas. Annual medical evaluations are required for disability benefit recipients who would not have met the age and service requirements for a Normal Service Retirement, unless the Board of Trustees waives this requirement based upon an OP&F physician's certification that the disability is ongoing and further evaluation would not be cost effective. Annual earnings statements are also required to be submitted to OP&F.

## PERMANENT AND TOTAL DISABILITY (ON-DUTY)

### ELIGIBILITY

No age or service requirement.

### BENEFIT

An annual benefit equal to 72% of the allowable average annual salary.

## PARTIAL DISABILITY (ON-DUTY)

### ELIGIBILITY

No age or service requirement.

### BENEFIT

If the member has less than 25 years of service credit, an annual benefit fixed by the Board of Trustees to be a certain percent up to 60% of the allowable average annual salary. If the member has 25 or more years of service credit, the annual disability benefit is equal to the Normal Service Retirement amount.

## NON-SERVICE INCURRED DISABILITY (OFF-DUTY)

### ELIGIBILITY

Any age and at least five years of service credit.

### BENEFIT

An annual amount is the percent awarded by the Board of Trustees and may not exceed 60% of the allowable average annual salary. Service over 25 years cannot be used in calculating an off-duty disability award.

## PRE-RETIREMENT SURVIVOR ANNUITY

### ELIGIBILITY

Upon death before retirement, but after having satisfied the requirements for a Normal Service Retirement or an Age/Service Commuted retirement.

### BENEFIT

The surviving spouse or contingent dependent beneficiary will receive the equivalent of a 50% joint and survivor annuity, calculated under the assumption that the decedent had retired effective the day following his/her death.

## STATUTORY SURVIVOR BENEFITS

### ELIGIBILITY

Upon death of any active or retired member of OP&F.

### BENEFIT

*Surviving Spouse Benefit*

An annual amount equal to $6,600 ($550 monthly), plus an annual COLA of 3.0% of the original base benefit, paid each July 1, beginning July 1, 2000. The benefit is paid to the surviving spouse for life.

*Surviving Child Benefit*

An annual amount equal to $1,800 ($150 monthly), payable until such child attains age 22 or marries, whichever occurs first. A dependent disabled child, regardless of age at time of member's death, is entitled to a benefit until death or recovery from disability. A COLA of 3.0% of the original base benefit is payable each July 1.

*Dependent Parent Benefit*

If there is no surviving spouse or dependent children, an annual amount of $2,400 ($200 monthly) is payable to one dependent parent or $1,200 ($100 monthly) each to two dependent parents for life or until dependency ceases or remarriage. A COLA of 3.0% of the original base benefit is payable each July 1.

## STATUTORY SURVIVOR BENEFITS CHART

| Survivors | Monthly Benefit | Causes of Termination |
|---|---|---|
| Widow / Widower | current amount + future COLA | Death |
| Child | current amount + future COLA | Death<br>Marriage<br>Attainment of age 22 |
| Dependent disabled child | current amount + future COLA | Death<br>Recovery from disability |
| One dependent parent | current amount + future COLA | Death<br>Re-marriage<br>Termination of dependency |
| Two dependent parents | ½ current amount (each)<br>+ future COLA | |

| Benefit Type | Base Monthly Benefit Amount | Base Monthly Benefit Amount Plus Increases Through July 1, 2023 | Monthly Increases Effective July 1, 2024 |
|---|---|---|---|
| Spouse | $550 | $941.50* | $16.50 |
| Child | 150 | 256.80** | 4.50 |
| One Parent | 200 | 342.40*** | 6.00 |
| Two Parents | 100 | 171.20 | 3.00 |

* On July 1, 2000 the Statutory Surviving Spouse Benefit increased by $12.10 per month. This increase was a percentage of the original benefit amount, equaling the percentage increase in the CPI plus unused prior increases, to a maximum of 3.0%. Every year after 2000, the monthly increase was $16.50 or 3.0% of the base benefit.
** On July 1, 2000 the Statutory Child Benefit increased by $3.30 per month. This increase was a percentage of the original benefit amount, equaling the percentage increase in the CPI plus unused prior increases, to a maximum of 3.0%. Every year after 2000, the monthly increase was $4.50 or 3.0% of base benefit.
*** On July 1, 2000 the Statutory Surviving One Parent Benefit increased by $4.40 per month. This increase was a percentage of the original benefit amount, equaling the percentage increase in the CPI plus unused prior increases, to a maximum of 3.0%. Every year after 2000, the monthly increase was $6.00 or 3.0% of base benefit.

### LUMP SUM DEATH BENEFIT

#### ELIGIBILITY

Upon death of any retired or disabled member of OP&F.

#### BENEFIT

A lump sum payment of $1,000 is paid to the member's surviving spouse or, if no surviving spouse, to a designated beneficiary. If there is no surviving spouse or beneficiary, then it is paid to the member's estate.

### STATE OF OHIO PUBLIC SAFETY OFFICERS DEATH BENEFIT FUND (DBF)

#### BENEFIT

The Death Benefit Fund is funded by the State of Ohio and provides special benefits to eligible survivors of public safety officers who are killed in the line of duty or who die from injuries or disease incurred in the performance of official duties. These eligible survivors are entitled to receive the member's full monthly salary received by the public safety officer prior to his or her death in the line of duty, plus any increases in salary that would have been granted to the deceased public safety officer. The benefit is paid to the public safety officer's eligible survivors as a group until the public safety officer's maximum pension eligibility date.

This is the date on which the deceased public safety officer would have become eligible for the maximum annual retirement allowance or pension that may be paid to a member from the member's retirement system (OP&F, OPERS, State Highway Patrol Retirement System (SHPRS) or the Cincinnati Retirement System) had the member continued to accrue service credit from that system, which will be reduced at the member's maximum pension eligibility date. These death benefit payments are in addition to the statutory survivor benefit and any optional payment plan benefits elected by the member.

## ANNUITIES

Effective Feb. 28, 1980, for those members who are retiring on either a service pension or a disability benefit, optional annuity plans can be chosen, subject to certain limitations. The member can elect actuarially reduced benefits under a joint and survivor annuity, life annuity certain and continuous, or multiple beneficiary annuity plan. The optional annuity plans allow the member's beneficiary(ies) to receive a lifetime payment upon the member's death.

## ANNUITY TYPES

### SINGLE LIFE ANNUITY

For unmarried members, this is the standard annuity plan. Married members may elect this plan only if the spouse consents to the selection in writing. This plan pays the maximum retirement allowance that the member is entitled to receive and, upon the member's death, none of the pension or benefit is continued to any beneficiary.

### JOINT AND SURVIVOR ANNUITY (JSA)

Under this plan, a member designates that, upon his or her death, a certain percentage of the member's actuarially reduced benefit is continued to a surviving designated beneficiary for life.

Any percentage between 1.0% and 100% of the member's reduced pension may be continued to the surviving designated beneficiary, but the percent continued may be limited based on the beneficiary's age. If a member is married at the time benefits are elected, the standard plan is a 50% JSA continuing one-half of the member's reduced monthly benefit to his or her surviving spouse. If the member wants to select a plan which provides for the continuation of benefits for someone other than the spouse or less than 50% JSA to the spouse, the spouse must consent in writing to this choice. This plan automatically terminates upon death of the beneficiary, to be effective the month following OP&F's receipt of notice of death. Also, this plan may be cancelled upon divorce or dissolution of marriage with the consent of the member's spouse or a specific court order, at which point the annuity reverts to the single life annuity to the member. An elected option may be cancelled within one year after benefits commence, with the consent of the beneficiary.

### MULTIPLE BENEFICIARY ANNUITY

Under the multiple beneficiary annuity plan, a member may designate up to four beneficiaries at the time of retirement so that, upon death, a certain percentage of the member's actuarially reduced benefit is continued to the surviving beneficiaries for their lives. If the member is married at the time of retirement, the spouse must consent in writing for an annuity selection that provides for less than 50% JSA payable to the spouse.

### LIFE ANNUITY CERTAIN AND CONTINUOUS (LACC)

This plan provides a lifetime allowance to the member and will only be paid to a designated beneficiary if the member dies and the period elected by the member has not expired. The minimum guarantee period is five years and the maximum is 20 years. 100% of the member's reduced pension continues to the beneficiary for the guarantee period selected. An elected option may be cancelled within one-year after benefits commence, with the consent of the beneficiary. If the member is married at the time of retirement, the spouse must consent in writing for an annuity selection that provides for less than a 50% JSA payable to the spouse.

### TIERED RETIREMENT PLAN – COLA OR TERMINAL PAY (NON-COLA)

Members retiring on or after July 24, 1986, who had 15 or more years of service credit as of Jan. 1, 1989, are eligible to select between two different pension calculation plans. Under the terminal pay method, a member's monthly pension benefit is calculated using terminal payouts at the time of retirement such as accrued sick leave and vacation compensation to increase the amount of the average annual salary, but subject to certain limitations, and these members are not eligible to receive cost-of-living allowance adjustments. Under the COLA method, terminal payments are not included in the calculation of a member's average annual salary, but the member is eligible to receive COLA increases. The COLA method is the automatic calculation method for any active member with fewer than 15 years of service as of Jan. 1, 1989.

Under the COLA method, members who are at least 55 years old and have been receiving OP&F pension benefits for at least one year are eligible for cost-of-living allowance adjustments. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans and statutory survivors.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013 and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is $360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

### RE-EMPLOYED RETIREE'S DEFINED CONTRIBUTION PLAN BENEFIT

Effective June 30, 1991, every person who is retired under an Ohio public pension plan and who is re-employed in an OP&F covered position must contribute to OP&F at the same rate as other police officers or firefighters. The employer pays the normal rate as well. If the re-employed member terminates employment before age 60, Ohio law allows the member to receive a lump sum payment of post-retirement employee contributions made during the period of reemployment, plus interest. If the member waits until age 60 to receive this benefit, he or she can choose to receive either a lump sum payment in an amount equal to twice his or her contributions, plus interest, or a lifetime annuity paid monthly. If, after calculation, the member's lifetime monthly annuity is less than $25, the member may only select the lump sum payment option. If the member is married, spousal consent is required before payment can occur.

### HEALTH CARE STIPEND AND MEDICARE

Although support for retiree health care is not a vested right and is a discretionary benefit from OP&F subject to change at any time, a stipend funded by OP&F via the HCSF is available to eligible members through a Health Reimbursement Arrangement. The stipend can be used to reimburse retirees for qualified health care expenses. This stipend model allows eligible members the option of choosing an appropriate health care plan on the insurance exchange. Implementation of the stipend model has helped OP&F meet the funding goal of a 15 year future solvency projection in the HCSF.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment.

Note: This benefit is not included in the principal valuation results, but it is included in the results of the retiree health care valuation.

# ANALYSIS OF FINANCIAL EXPERIENCE - PENSION TRUST FUND

## ANALYSIS OF FINANCIAL EXPERIENCE GAINS (LOSS) - PENSION TRUST FUND - AS OF JAN. 1, 2024

| Type of Activity | Experience Gain (Loss) |
|---|---|
| **Plan experience:** | |
| **Turnover**<br>If more liabilities are released by withdrawal separations from active membership than assumed, there is a gain. If smaller releases, there is a loss. | **$(48,015)** |
| **Retirement**<br>If members retire at older ages than assumed, there is a gain. If younger, there is a loss. | **(16,191,921)** |
| **Death among retired members and beneficiaries**<br>If more deaths occur than assumed, there is a gain. If fewer deaths than assumed, there is a loss. | **(56,353,507)** |
| **Disability Retirements**<br>If disability claims are less than assumed, there is a gain. If more claims, there is a loss. | **(17,616,467)** |
| **Salary increase (decrease)**<br>If there are smaller pay increases than assumed, there is a gain. If greater increases, there is a loss. | **(146,248,615)** |
| **Return to work**<br>If participants return to work with previous service restored, there is a loss. | **(3,980,664)** |
| **New Entrants**<br>If new entrants join OP&F, there is a loss. | **(18,419,599)** |
| **Deaths among actives**<br>If claim costs are less than assumed, there is a gain. If more claim costs, there is a loss. | **1,381,097** |
| **Other Experience and Payroll Growth**<br>If other experience, including less than expected payroll growth, increases the unfunded liability, there is a loss. Otherwise, there is a gain. | **(98,594,334)** |
| **Adjustment for Late Reported Pays**<br>Change in liability due to the pay being loaded to reflect late reported pay. | **66,454** |
| **Investment**<br>If there is a greater investment return than assumed, there is a gain. If less return, there is a loss. | **(434,734,284)** |
| **NET GAIN (LOSS) DURING THE YEAR DUE TO PLAN EXPERIENCE** | **$(790,739,855)** |

## ACTIVE MEMBER VALUATION DATA - PENSION TRUST FUND

| Valuation as of Jan. 1 | Number of Employers | | | Number of Active Members* | | | Average Annual Salary | | | Percentage of Average Annual Salary Increases | | | Annual Payroll (Millions) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Police | Fire | TOTAL | Police | Fire | TOTAL | Police | Fire | TOTAL | Police | Fire | TOTAL | |
| 2024 | 528 | 454 | **982** | 15,499 | 15,075 | **30,574** | $93,777 | $94,626 | **$94,197** | 5.6% | 3.6% | **4.6%** | $2,750.6 |
| 2023 | 531 | 447 | **978** | 15,612 | 14,573 | **30,185** | 88,830 | 91,343 | **90,046** | 5.5% | 3.0% | **4.3%** | 2,596.2 |
| 2022 | 531 | 437 | **968** | 15,579 | 14,039 | **29,618** | 84,233 | 88,652 | **86,333** | 3.6% | 4.7% | **4.2%** | 2,443.6 |
| 2021 | 527 | 426 | **953** | 15,620 | 13,743 | **29,363** | 81,303 | 84,632 | **82,866** | 2.2% | 3.4% | **2.8%** | 2,381.8 |
| 2020 | 525 | 419 | **944** | 15,840 | 13,711 | **29,551** | 79,568 | 81,845 | **80,628** | 2.6% | 2.8% | **2.7%** | 2,313.6 |
| 2019 | 526 | 408 | **934** | 15,630 | 13,457 | **29,087** | 77,544 | 79,579 | **78,488** | 1.5% | 2.2% | **1.8%** | 2,218.0 |
| 2018 | 528 | 398 | **926** | 15,214 | 13,194 | **28,408** | 76,397 | 77,870 | **77,083** | 0.8% | 0.4% | **0.6%** | 2,209.3 |
| 2017 | 530 | 396 | **926** | 15,205 | 12,970 | **28,175** | 75,772 | 77,583 | **76,608** | 3.8% | 4.5% | **4.1%** | 2,180.9 |
| 2016 | 527 | 388 | **915** | 14,846 | 12,778 | **27,624** | 72,976 | 74,229 | **73,557** | 4.2% | 4.2% | **4.2%** | 2,060.9 |
| 2015 | 529 | 388 | **917** | 14,919 | 12,850 | **27,769** | 70,033 | 71,228 | **70,587** | 1.9% | 1.6% | **1.8%** | 1,986.6 |

* Includes rehired retirees.

## RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS - PENSION TRUST FUND
(DOLLARS IN THOUSANDS)

| | Added to Rolls | | Removed From Rolls | | Rolls End of Year | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Year Ended Dec. 31 | Number | Annual Allowances | Number | Annual Allowances | Number* | Annual Allowances | Percentage Change in Allowance | Average Annual Allowances | Percentage Change in Membership |
| 2023 | 1,541 | $87,309 | 1,050 | $32,405 | 31,708 | $1,360,799 | 4.20% | $42.92 | 1.57% |
| 2022 | 1,677 | 90,752 | 1,259 | 35,878 | 31,217 | 1,305,894 | 4.39% | 41.83 | 1.36% |
| 2021 | 1,755 | 91,332 | 1,328 | 39,601 | 30,799 | 1,251,020 | 4.31% | 40.62 | 1.41% |
| 2020 | 1,550 | 79,764 | 1,169 | 31,201 | 30,372 | 1,199,289 | 4.22% | 39.49 | 1.27% |
| 2019 | 1,552 | 73,909 | 1,127 | 29,045 | 29,991 | 1,150,725 | 4.06% | 38.37 | 1.44% |
| 2018 | 1,292 | 66,129 | 1,087 | 28,036 | 29,566 | 1,105,862 | 3.57% | 37.40 | 0.70% |
| 2017 | 1,458 | 50,476 | 1,010 | 24,321 | 29,361 | 1,067,769 | 4.53% | 36.37 | 1.55% |
| 2016 | 1,401 | 47,436 | 890 | 21,186 | 28,913 | 1,021,509 | 4.67% | 35.33 | 1.80% |
| 2015 | 1,450 | 48,864 | 1,011 | 22,141 | 28,402 | 975,929 | 4.81% | 34.36 | 1.57% |
| 2014 | 1,261 | 41,378 | 859 | 17,204 | 27,963 | 931,176 | 4.59% | 33.30 | 1.46% |

* Includes rehired retirees and excludes vested former members.

## SHORT-TERM SOLVENCY TEST

A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the plan's valuation assets are compared with: (1) Active member contributions on deposit; (2) The liability for future benefits to present retired lives; (3) The liability for service already rendered by active members. In a system that has been following the discipline of level percent of payroll financing, the liability for active member contributions on deposit (Liability 1) and the liabilities for future benefits to present retired lives (Liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (Liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level cost financing, the funding portion of the Liability 3 will increase over time. Liability 3 being fully funded is very rare.

## SHORT-TERM SOLVENCY TEST - PENSION TRUST FUND

(DOLLARS IN THOUSANDS)

| | Valuation as of Jan. 1 | (1) Active Member Contributions | (2) Retirants and Beneficiaries | (3) Active Members (Employer Financed Portion) | Valuation Assets | Portion of Accrued Liabilities Covered by Valuation Assets (1) | (2) | (3) |
|---|---|---|---|---|---|---|---|---|
| Police | 2024 | $1,818,750 | $9,083,511 | $3,508,392 | $9,818,759 | 100% | 88% | -% |
| Fire | 2024 | 1,767,255 | 6,779,808 | 3,404,427 | 8,143,198 | 100% | 94% | -% |
| **TOTAL** | **2024** | **3,586,005** | **15,863,319** | **6,912,819** | **17,961,957** | **100%** | **91%** | **-%** |
| Police | 2023 | 1,770,848 | 8,717,927 | 3,402,408 | 9,726,221 | 100% | 91% | -% |
| Fire | 2023 | 1,683,546 | 6,527,449 | 3,261,243 | 8,032,543 | 100% | 97% | -% |
| **TOTAL** | **2023** | **3,454,394** | **15,245,376** | **6,663,651** | **17,758,764** | **100%** | **94%** | **-%** |
| Police | 2022 | 1,733,321 | 8,320,429 | 3,396,237 | 9,378,524 | 100% | 92% | -% |
| Fire | 2022 | 1,613,606 | 6,252,725 | 3,201,259 | 7,717,306 | 100% | 98% | -% |
| **TOTAL** | **2022** | **3,346,927** | **14,573,154** | **6,597,496** | **17,095,830** | **100%** | **94%** | **-%** |
| Police | 2021 | 1,703,012 | 7,687,534 | 3,015,833 | 8,833,660 | 100% | 93% | -% |
| Fire | 2021 | 1,552,817 | 5,881,373 | 2,788,022 | 7,278,477 | 100% | 97% | -% |
| **TOTAL** | **2021** | **3,255,829** | **13,568,907** | **5,803,855** | **16,112,137** | **100%** | **95%** | **-%** |
| Police | 2020 | 1,650,362 | 7,361,618 | 3,077,379 | 8,423,682 | 100% | 92% | -% |
| Fire | 2020 | 1,489,023 | 5,589,542 | 2,876,359 | 6,936,411 | 100% | 97% | -% |
| **TOTAL** | **2020** | **3,454,394** | **15,245,376** | **6,663,651** | **17,758,764** | **100%** | **94%** | **-%** |
| Police | 2019 | 1,584,057 | 7,107,922 | 2,987,107 | 8,102,788 | 100% | 92% | -% |
| Fire | 2019 | 1,423,619 | 5,373,749 | 2,788,255 | 6,650,372 | 100% | 97% | -% |
| **TOTAL** | **2019** | **3,007,676** | **12,481,671** | **5,775,362** | **14,753,160** | **100%** | **94%** | **-%** |
| Police | 2018 | 1,515,993 | 6,870,423 | 3,138,109 | 8,052,548 | 100% | 95% | -% |
| Fire | 2018 | 1,345,237 | 5,150,080 | 2,867,386 | 6,542,014 | 100% | 100% | 2% |
| **TOTAL** | **2018** | **2,861,230** | **12,020,503** | **6,005,495** | **14,594,562** | **100%** | **98%** | **-%** |
| Police | 2017 | 1,451,473 | 6,576,192 | 3,184,383 | 7,825,895 | 100% | 97% | -% |
| Fire | 2017 | 1,276,582 | 4,922,990 | 2,878,774 | 6,336,593 | 100% | 100% | 5% |
| **TOTAL** | **2017** | **2,728,055** | **11,499,182** | **6,063,157** | **14,162,488** | **100%** | **99%** | **-%** |
| Police | 2016 | 1,386,649 | 6,085,896 | 3,002,889 | 7,473,979 | 100% | 100% | -% |
| Fire | 2016 | 1,213,330 | 4,614,250 | 2,832,862 | 6,179,025 | 100% | 100% | 12% |
| **TOTAL** | **2016** | **2,599,979** | **10,700,146** | **5,835,751** | **13,653,004** | **100%** | **100%** | **6%** |
| Police | 2015 | 1,210,400 | 5,857,146 | 3,015,390 | 7,141,575 | 100% | 100% | 2% |
| Fire | 2015 | 1,062,097 | 4,337,819 | 2,912,741 | 5,887,716 | 100% | 100% | 17% |
| **TOTAL** | **2015** | **2,272,497** | **10,194,965** | **5,928,131** | **13,029,291** | **100%** | **100%** | **9%** |

## CALCULATION OF ACTUARIAL VALUE OF ASSETS - PENSION TRUST FUND

| Item | Amount |
|---|---|
| 1. Fair Value of Assets as of Dec. 31, 2023 | $16,903,171,353 |
| 2. Determination of Deferred Gain (Loss) | |

| Year | Return on Fair Value of Assets: Actual | Expected | Gain (Loss) | Percentage Deferred | Deferred Amount |
|---|---|---|---|---|---|
| 2023 | $1,463,523,765 | $1,183,573,630 | $280,050,135 | 75% | $210,037,601 |
| 2022 | (2,026,682,064) | 1,384,604,734 | (3,411,286,798) | 50% | (1,705,643,399) |
| 2021 | 3,033,463,876 | 1,286,183,190 | 1,747,280,686 | 25% | 436,820,172 |
| 2020 | 1,361,969,084 | 1,227,428,820 | 134,540,264 | 0% | - |
| | Total Deferred Gain (Loss) | | | | (1,058,785,626) |

| | |
|---|---|
| Total Deferred Gain (Loss) | (1,058,785,626) |
| 3. Adjustment for 20% corridor | - |
| 4. Actuarial Value of Assets available for benefits (1) - (2) + (3) | $17,961,956,979 |

## SCHEDULE OF FUNDING PROGRESS - PENSION TRUST FUND

### FOR THE VALUATION YEAR ENDING JAN. 1, 2024
### (DOLLARS IN MILLIONS)*

| Valuation Year Jan. 1 | Valuation Assets* | Actuarial Accrued Liabilities (AAL) | Unfunded Actuarial Accrued Liabilities (UAAL) | Ratio of Assets to AAL | Active Member Payroll | UAAL as a Percentage of Active Member Payroll |
|---|---|---|---|---|---|---|
| 2024 | $17,962.0 | $26,362.1 | 8,400.1 | 68.1% | $2,750.6 | 305.4% |
| 2023 | 17,758.8 | 25,363.4 | 7,604.6 | 70.0% | 2,596.1 | 292.9% |
| 2022 | 17,095.8 | 24,517.6 | 7,421.8 | 69.7% | 2,443.6 | 303.7% |
| 2021 | 16,112.1 | 22,628.6 | 6,516.5 | 71.2% | 2,381.8 | 273.6% |
| 2020 | 15,360.1 | 22,044.3 | 6,684.2 | 69.7% | 2,313.6 | 288.9% |
| 2019 | 14,753.2 | 21,264.7 | 6,511.5 | 69.4% | 2,218.0 | 293.6% |
| 2018 | 14,594.6 | 20,887.2 | 6,292.6 | 69.9% | 2,209.3 | 284.8% |
| 2017 | 14,162.5 | 20,290.4 | 6,127.9 | 69.8% | 2,180.9 | 281.0% |
| 2016 | 13,653.0 | 19,135.9 | 5,482.9 | 71.3% | 2,060.9 | 266.1% |
| 2015 | 13,029.3 | 18,395.6 | 5,366.3 | 70.8% | 1,986.6 | 270.1% |

* The amounts reported in this schedule do not include assets or liabilities for post-employment health care benefits. In addition, see schedules in the Required Supplementary Information of the Financial Section showing the 10-year schedule of actuarially determined contributions and actual contributions paid.

## EMPLOYER CONTRIBUTION RATES
(1967 - PRESENT)*

| | Employer Rates | |
|---|---|---|
| Time Frame of Rates | Police | Fire |
| Jan. 1, 1986 through Present | 19.50% | 24.00% |
| Jan. 1, 1985 through Dec. 31, 1985 | 20.03% | 24.59% |
| Jan. 1, 1984 through Dec. 31, 1984 | 21.35% | 24.59% |
| Jan. 1, 1983 through Dec. 31, 1983 | 18.45% | 23.57% |
| Jan. 1, 1982 through Dec. 31, 1982 | 16.62% | 22.39% |
| Jan. 1, 1981 through Dec. 31, 1981 | 15.60% | 20.72% |
| Jan. 1, 1980 through Dec. 31, 1980 | 15.70% | 19.87% |
| Jan. 1, 1979 through Dec. 31, 1979 | 18.40% | 20.11% |
| Jan. 1, 1978 through Dec. 31, 1978 | 17.53% | 18.90% |
| Jan. 1, 1977 through Dec. 31, 1977 | 15.34% | 16.77% |
| Jan. 1, 1976 through Dec. 31, 1976 | 14.02% | 15.57% |
| Jan. 1, 1975 through Dec. 31, 1975 | 12.49% | 13.78% |
| Jan. 1, 1974 through Dec. 31, 1974 | 12.88% | 13.60% |
| Jan. 1, 1973 through Dec. 31, 1973 | 12.85% | 13.41% |
| Jan. 1, 1972 through Dec. 31, 1972 | 12.96% | 13.26% |
| Jan. 1, 1971 through Dec. 31, 1971 | 12.81% | 12.96% |
| Jan. 1, 1970 through Dec. 31, 1970 | 15.52% | 15.52% |
| Jan. 1, 1969 through Dec. 31, 1969 | 14.68% | 14.49% |
| Jan. 1, 1968 through Dec. 31, 1968 | 13.66% | 13.50% |
| Jan. 1, 1967 through Dec. 31, 1967 | 13.55% | 13.13% |

* For employer billing purposes, the September 1988 billing was carried through Sept. 30, 1988 and was not cut off at Sept. 8, 1988. The same goes for the employee rates for the most part.

## MEMBER CONTRIBUTION RATES
(1967 - PRESENT)

| | Member Rates | |
|---|---|---|
| Time Frame of Rates | Police | Fire |
| July 2, 2015 through Present | 12.25% | 12.25% |
| July 2, 2014 through July 1, 2015 | 11.50% | 11.50% |
| July 2, 2013 through July 1, 2014 | 10.75% | 10.75% |
| Sept. 9, 1988 through July 1, 2013 | 10.00% | 10.00% |
| Aug. 1, 1986 through Sept. 8, 1988 | 9.50% | 9.50% |
| March 1, 1980 through July 31, 1986 | 8.50% | 8.50% |
| Jan. 1, 1968 through Feb. 28, 1980 | 7.00% | 7.00% |
| Jan. 1, 1967 through Dec. 31, 1967 | 6.00% | 6.00% |

# REPORT OF ACTUARY- HEALTH CARE TRUST FUND

October 30, 2024

Board of Trustees
Ohio Police & Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215

Members of the Board:

Cavanaugh Macdonald Consulting (CMC)), is pleased to present this report on the results of the actuarial valuation of the Ohio Police & Fire Pension Fund (OP&F). This report presents the results of the January 1, 2024 actuarial solvency projection of the OP&F Health Care Stabilization Fund used for retiree health care benefits.

Plan benefits include OP&F's move to an Exchange solution effective January 1, 2019, which provides eligible retirees/survivors with a fixed monthly stipend earmarked to pay for health care, and OP&F's reimbursement of Medicare Part B premiums.

The purpose of the valuation is to determine the solvency of the fund for retiree health care benefits. The valuation projects cash flows and uses two assumed actual rates of return (7.50 percent and 5.50 percent) to determine how long the health care stabilization fund might remain solvent. The purpose of these two scenarios is to demonstrate what the impact to the fund might be if the rate of return varies.

The valuation was based on the actuarial assumptions and methods that have been adopted by the Board of Trustees. The assumptions are effective January 1, 2022 and recommended by the actuary based on a quinquennial experience review covering the period 2017-2021. The next experience review will cover the five-year period 2022-2026. Actuarial Standards of Practice require that the likelihood and extent of future mortality improvements be considered.

To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. It should be recognized, however, that significant differences between actual experience and these assumptions could occur. Moreover, other sets of reasonable assumptions can yield materially lesser or greater results.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

Board of Trustees
October 30, 2024
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Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, CMC performed no analysis of the potential range of such future differences.

We, Larry F. Langer, ASA and Wendy T. Ludbrook, FSA are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

Respectfully submitted,

Wendy Ludbrook

Larry F. Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

Wendy T. Ludbrook, FSA, EA, FCA, MAAA
Consulting Actuary

Ryan Gundersen

Ryan Gundersen
Senior Consultant

# DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS - HEALTH CARE TRUST FUND

### ASSUMPTIONS

The actuarial assumptions were adopted as of Jan. 1, 2022, based on a quinquennial experience review covering the period 2017 through 2021. The next review of the actuarial assumptions is to be completed for adoption with the Jan. 1, 2027 valuation.

### ASSUMED RATE OF RETURN

Assumed long-term rate of return of 7.50% per annum, compounded annually. For projection sensitivity, 5.50% per annum, compounded annually.

### STIPEND INCREASE RATE

The stipend is not assumed to increase over the projection period.

### MEMBER PARTICIPATION

For medical and prescription drug stipends, 60% of eligible non-Medicare members are assumed to elect coverage and 80% of Medicare eligible members are assumed to elect coverage. 50% of non-Medicare members who elect coverage are assumed to elect coverage for their spouses and children, and 60% of Medicare members who elect coverage are assumed to elect coverage for their spouses and children. 70% of future Medicare eligible members are assumed to elect the Medicare Part B benefit. Additionally, 25% of all non-Medicare members who waived coverage are assumed to elect plan coverage once they become Medicare eligible.

### ADMINISTRATIVE EXPENSE

For projection purposes, future administrative expenses are assumed to increase at the assumed inflation assumption of 2.75%.

### ACTUARIAL PROJECTION METHOD

Benefits payable from the trust are actuarially projected for each calendar year in the future starting with the year of the valuation date. The projection takes into account benefits payable to current retirees and dependents as of the valuation date, as well as for current active, terminated and future new members who are assumed to receive benefits in the future. This is referred to as an open group projection.

Fund assets are projected starting with the fair value of assets on the valuation date and projecting inflows and outflows until the fund balance is zero. Inflows include employer contributions and investment earnings. Outflows include benefit payments and expenses.

All census and asset data was supplied by OP&F.

### CHANGES IN ACTUARIAL ASSUMPTIONS SINCE THE JAN. 1, 2023 VALUATION:

None.

## BENEFIT PROVISIONS

Following is a summary of the major Fund provisions used in the actuarial valuation of the Fund. For purposes of this report, only the post-retirement medical benefit is valued for liabilities. The full benefit provisions are included because they are relevant for assumptions and funding provisions.

### ELIGIBILITY FOR COVERAGE

All new retirees are eligible to receive the stipend as long as he or she is not eligible for coverage through another employer or retirement system. Members who were hired prior to July 1, 2013 are eligible to receive a pension at age 48 with 25 years of service or 62 with 15 years of service. Members who were hired after July 1, 2013 are eligible to receive a pension at age 52 with 25 years of service or age 62 with 15 years of service. In addition, a member is eligible to enroll in the plan if they are receiving a disability pension or they are the survivor of a member. A member may enroll a spouse, dependent children, generally until age 26. Only benefit recipients are eligible for reimbursement of Medicare Part B reimbursement.

Retirees must submit an enrollment form to OP&F and become enrolled in a new plan within 60-days of their loss of employer health care coverage. If the retiree is enrolled prior to the 15th of the month, the plan effective date will be the 1st day of the following month.

### MEDICARE PART B PREMIUM REIMBURSEMENT

For service and disability retirements, as well as survivors, Ohio Police & Fire reimburses the standard Medicare Part B premium ($107.00 per month for 2023) provided the retiree is not eligible for reimbursement from any other sources.

## MONTHLY STIPEND LEVELS - HEALTH CARE TRUST FUND

In the spring of 2017, the OP&F Board of Trustees made the decision to restructure the retiree health care plan, ending the group-sponsored model. A new model was implemented on Jan. 1, 2019 providing eligible retirees with a fixed monthly stipend earmarked to pay for health care. The following table summarizes the stipend levels as of Jan. 1, 2024.

| | Medicare Status | | Monthly Medical/RX Stipend | Monthly Medicare Part B Reimbursement | Total OP&F Monthly Support for Health Care |
|---|---|---|---|---|---|
| | Retiree | Spouse | | | |
| **Retiree only:** | Medicare | | $143 | $107 | $250 |
| | Non-Medicare | | $685 | $- | $685 |
| **Retiree + Spouse:** | Medicare | Medicare | $239 | $107 | $346 |
| | Medicare | Non-Medicare | $525 | $107 | $632 |
| | Non-Medicare | Medicare | $788 | $- | $788 |
| | Non-Medicare | Non-Medicare | $1,074 | $- | $1,074 |
| **Retiree + Dependent(s):** | Medicare | | $203 | $107 | $310 |
| | Non-Medicare | | $865 | $- | $865 |
| **Retiree + Spouse + Dependent(s):** | Medicare | Either Medicare or Non-Medicare | $525 | $107 | $632 |
| | Non-Medicare | Either Medicare or Non-Medicare | $1,074 | $- | $1,074 |
| **Surviving Spouse:** | Medicare | | $143 | $107 | $250 |
| | Non-Medicare | | $685 | $- | $685 |

## CURRENT ENROLLMENT OF RETIRED PARTICIPANTS - HEALTH CARE TRUST FUND

| Status | Jan. 1, 2024 | Jan. 1, 2023 | Percent Increase (Decrease) |
|---|---|---|---|
| **Not Eligible for Medicare** | | | |
| Benefit Recipients | 4,191 | 4,167 | 0.58% |
| Spouses | 1,889 | 1,873 | 0.85% |
| Children | 985 | 986 | (0.10)% |
| **Eligible for Medicare** | | | |
| Benefit Recipients | 13,735 | 13,675 | 0.44% |
| Spouses | 4,317 | 4,291 | 0.61% |
| Children | - | - | -% |

Excludes those non-Medicare eligible retirees who waived coverage who will return when Medicare eligible.

## RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS - HEALTH CARE TRUST FUND

(DOLLARS IN THOUSANDS)

| | Added to Rolls | | Removed from Rolls | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year Ended Dec. 31, | Number | Annual Subsidies | Number | Annual Subsidies | Number on Rolls End of Year | Annual Subsidies | Average Annual Subsidies | Increase in Average Subsidies |
| 2023 | 737 | $6,020 | 612 | $5,237 | 25,117 | $94,488 | $3.762 | $0.013 |
| 2022 | 818 | 6,505 | 904 | 6,515 | 24,992 | 93,705 | 3.749 | 0.012 |
| 2021 | 983 | 8,136 | 585 | 5,811 | 25,078 | 93,715 | 3.737 | 0.034 |
| 2020 | 813 | 6,782 | 229 | 3,519 | 24,680 | 91,390 | 3.703 | 0.046 |
| 2019 | 716 | 5,621 | 1,589 | 10,876 | 24,096 | 88,128 | 3.657 | (0.083) |
| 2018 | 693 | 5,032 | 2,044 | 31,610 | 24,969 | 93,383 | 3.740 | (0.818) |
| 2017 | 1,360 | 6,199 | 1,627 | 9,251 | 26,320 | 119,960 | 4.558 | (1.128) |
| 2016 | 1,928 | 10,962 | 1,660 | 9,002 | 26,587 | 151,172 | 5.686 | 0.263 |
| 2015 | 1,837 | 9,962 | 2,340 | 11,373 | 26,319 | 142,730 | 5.423 | 0.563 |
| 2014 | 1,845 | 8,967 | 1,817 | 8,509 | 26,822 | 130,360 | 4.860 | 0.177 |

# STATISTICAL

## 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT


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# STATISTICAL OBJECTIVES

The objectives of the statistical section are to provide additional historical perspective, context and relevant details to assist readers in using information in the financial statements, notes to the financial statements and RSI in order to understand and assess OP&F's overall financial condition. In support of these objectives, OP&F reports information in this section in compliance with GASB Statement 44, Economic Condition Reporting: The Statistical Section. This statement establishes standardized reporting requirements relative to the supplementary information provided in this section.

The schedules that follow show financial trend information about the growth of OP&F's assets for the past 10 years. These schedules provide detailed information about the trends of key sources of additions and deductions to OP&F's assets, which assist in providing a context framing how OP&F's financial position has changed over time. The financial trend schedules presented are:

- Changes in Fiduciary Net Position.
- Benefit Expenses by Type.
- DROP Program Balances.

The schedules beginning on Page 119 show revenue capacity information, demographic and economic information and operating information. The demographic and economic information is designed to assist in understanding the environment in which OP&F operates. The operating information is intended to provide contextual information about OP&F's operations to assist in assessing OP&F's economic condition. The revenue capacity information, the demographic and economic information and the operating information presented include:

- Active Member and Total Payroll Base Statistics.
- Active Membership Data.
- Retired Membership by Type of Benefits.
- Retirees and Beneficiaries Statistics.
- Average Monthly Benefit Payments.
- Member Health Care Information.
- Health Care Enrollment of Retired Participants.
- State of Ohio Subsidy Payments.
- OP&F's Cost-of-Living Allowance (COLA) History.
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- Schedule of Average Benefits.
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- Personnel Salaries by Year.
- OP&F Budget.
- Other Operating Statistics.
- Death Benefit Fund.

To help readers of this ACFR, OP&F has added a List of Professional Acronyms, Symbols and Abbreviations at the end of the statistical section.

# FINANCIAL TRENDS

## CHANGES IN FIDUCIARY NET POSITION - COMBINED TRUST FUND
(DOLLARS IN MILLIONS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Additions** | | | | | | | | | | |
| Employer Contributions | $662.2 | $620.7 | $589.1 | $552.1 | $530.6 | $514.3 | $489.9 | $473.2 | $465.4 | $438.7 |
| Member Contributions and Purchases | 395.5 | 373.7 | 352.9 | 337.0 | 312.6 | 303.4 | 295.5 | 282.0 | 268.6 | 245.8 |
| Investment Income (Loss) | 1,797.4 | 1,533.2 | (2,128.5) | 3,192.8 | 1,436.7 | 2,434.3 | (487.9) | 1,923.5 | 1,317.4 | (10.0) |
| Health Care Contributions | - | - | - | - | - | 0.5 | 73.2 | 74.5 | 73.2 | 71.2 |
| Other Revenues | 1.3 | 1.6 | 1.0 | 1.2 | 1.4 | 20.5 | 24.9 | 28.6 | 36.3 | 29.2 |
| **TOTAL ADDITIONS** | **2,856.4** | **2,529.2** | **(1,185.5)** | **4,083.1** | **2,281.3** | **3,273.0** | **395.6** | **2,781.8** | **2,160.9** | **774.9** |
| **Deductions** | | | | | | | | | | |
| Benefit Payments | 1,775.7 | 1,687.9 | 1,621.4 | 1,598.2 | 1,467.2 | 1,457.1 | 1,514.1 | 1,429.2 | 1,396.4 | 1,369.9 |
| Refund of Member Contributions | 27.9 | 25.4 | 26.6 | 24.1 | 17.5 | 13.7 | 18.3 | 20.6 | 14.2 | 13.8 |
| Administrative Expenses | 22.8 | 22.5 | 12.9 | 9.9 | 19.2 | 21.8 | 17.0 | 20.3 | 19.6 | 16.3 |
| **TOTAL DEDUCTIONS** | **1,826.4** | **1,735.8** | **1,660.9** | **1,632.2** | **1,503.9** | **1,492.6** | **1,549.4** | **1,470.1** | **1,430.2** | **1,400.0** |
| **CHANGES IN FIDUCIARY NET POSITION** | **1,030.0** | **793.4** | **(2,846.4)** | **2,450.9** | **777.4** | **1,780.4** | **(1,153.8)** | **1,311.7** | **730.7** | **(625.1)** |
| **FIDUCIARY NET POSITION - BEGINNING OF YEAR** | **$17,690.6** | **$16,897.2** | **$19,743.6** | **$17,292.7** | **$16,515.3** | **$14,734.9** | **$15,888.7** | **$14,577.0*** | **$13,853.3** | **$14,478.4 ** ** |
| **FIDUCIARY NET POSITION - END OF YEAR** | **$18,720.6** | **$17,690.6** | **$16,897.2** | **$19,743.6** | **$17,292.7** | **$16,515.3** | **$14,734.9** | **$15,881.7** | **$14,584.0** | **$13,853.3** |
| **Reserve Fund Balances:** | | | | | | | | | | |
| Employers' Contribution Reserves | $(1,071.4) | $(1,343.8) | $(1,309.7) | $2,712.6 | $1,030.8 | $883.3 | $(291.5) | $1,535.3 | $1,155.8 | $1,058.3 |
| Members' Contribution Reserves | 3,928.7 | 3,789.0 | 3,633.7 | 3,462.1 | 3,310.7 | 3,150.3 | 3,005.9 | 2,861.2 | 2,728.1 | 2,600.0 |
| Health Care Contribution Reserves | 787.5 | 787.4 | 789.6 | 966.7 | 881.6 | 878.7 | 793.8 | 932.1 | 901.6 | 929.4 |
| Pension Reserves | 15,075.8 | 14,458.0 | 13,783.6 | 12,602.2 | 12,069.6 | 11,603.0 | 11,226.7 | 10,560.1 | 9,798.5 | 9,265.6 |
| **TOTAL FIDUCIARY NET POSITION** | **$18,720.6** | **$17,690.6** | **$16,897.2** | **$19,743.6** | **$17,292.7** | **$16,515.3** | **$14,734.9** | **$15,881.7** | **$14,584.0** | **$13,853.3** |

* Net Position was restated due to the implementation of GASB 75 during 2018.

** Net Position was restated due to the implementation of GASB 68 during 2015.

## CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUND
(DOLLARS IN MILLIONS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Additions** | | | | | | | | | | |
| Employer Contributions | $646.9 | $606.6 | $575.7 | $539.3 | $518.4 | $502.3 | $478.6 | $462.3 | $454.7 | $428.5 |
| Member Contributions and Purchases | 395.5 | 373.7 | 352.9 | 337.0 | 312.6 | 303.4 | 295.5 | 282.0 | 268.6 | 245.8 |
| Investment Income (Loss) | 1,719.9 | 1,463.5 | (2,026.6) | 3,033.5 | 1,362.0 | 2,304.3 | (460.3) | 1,808.1 | 1,232.6 | (16.7) |
| Health Care Contributions | - | - | - | - | - | - | - | - | - | - |
| Other Revenues | 1.2 | 1.5 | 0.8 | 1.0 | 0.8 | 0.9 | 1.5 | 4.5 | 8.4 | 5.9 |
| **TOTAL ADDITIONS** | **2,763.5** | **2,445.3** | **(1,097.2)** | **3,910.8** | **2,193.8** | **3,110.9** | **315.3** | **2,556.9** | **1,964.3** | **663.5** |
| **Deductions** | | | | | | | | | | |
| Benefit Payments | 1,683.3 | 1,602.2 | 1,532.8 | 1,511.2 | 1,382.9 | 1,380.3 | 1,296.2 | 1,235.6 | 1,172.8 | 1,156.7 |
| Refund of Member Contributions | 27.9 | 25.4 | 26.6 | 24.1 | 17.5 | 13.7 | 18.3 | 20.6 | 14.2 | 13.8 |
| Administrative Expenses | 22.4 | 22.1 | 12.7 | 9.7 | 18.9 | 21.4 | 16.3 | 19.5 | 18.8 | 15.6 |
| **TOTAL DEDUCTIONS** | **1,733.6** | **1,649.7** | **1,572.1** | **1,545.0** | **1,419.3** | **1,415.4** | **1,330.8** | **1,275.7** | **1,205.8** | **1,186.1** |
| **CHANGES IN FIDUCIARY NET POSITION** | **1,029.9** | **795.6** | **(2,669.3)** | **2,365.8** | **774.5** | **1,695.5** | **(1,015.5)** | **1,281.2** | **758.5** | **(522.6)** |
| **FIDUCIARY NET POSITION - BEGINNING OF YEAR** | **$16,903.2** | **$16,107.6** | **$18,776.9** | **$16,411.1** | **$15,636.6** | **$13,941.1** | **$14,956.6** | **$13,675.4*** | **$12,923.9** | **$13,446.5**** |
| **FIDUCIARY NET POSITION - END OF YEAR** | **$17,933.1** | **$16,903.2** | **$16,107.6** | **$18,776.9** | **$16,411.1** | **$15,636.6** | **$13,941.1** | **$14,956.6** | **$13,682.4** | **$12,923.9** |
| **Reserve Fund Balances:** | | | | | | | | | | |
| Employers' Contribution Reserves | $(1,071.4) | $(1,343.8) | $(1,309.7) | $2,712.6 | $1,030.8 | $883.3 | $(291.5) | $1,535.3 | $1,155.8 | $1,058.3 |
| Members' Contribution Reserves | 3,928.7 | 3,789.0 | 3,633.7 | 3,462.1 | 3,310.7 | 3,150.3 | 3,005.9 | 2,861.2 | 2,728.1 | 2,600.0 |
| Pension Reserves | 15,075.8 | 14,458.0 | 13,783.6 | 12,602.2 | 12,069.6 | 11,603.0 | 11,226.7 | 10,560.1 | 9,798.5 | 9,265.6 |
| **TOTAL FIDUCIARY NET POSITION** | **$17,933.1** | **$16,903.2** | **$16,107.6** | **$18,776.9** | **$16,411.1** | **$15,636.6** | **$13,941.1** | **$14,956.6** | **$13,682.4** | **$12,923.9** |

* Net Position was restated due to the implementation of GASB 75 during 2018.

** Net Position was restated due to the implementation of GASB 68 during 2015.

# CHANGES IN FIDUCIARY NET POSITION - RETIREE HEALTH CARE TRUST FUND
(DOLLARS IN MILLIONS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Additions** | | | | | | | | | | |
| Employer Contributions | $15.3 | $14.1 | $13.4 | $12.8 | $12.2 | $12.0 | $11.3 | $10.9 | $10.7 | $10.2 |
| Member Contributions and Purchases | - | - | - | - | - | - | - | - | - | - |
| Investment Income (Loss) | 77.5 | 69.7 | (101.9) | 159.3 | 74.7 | 130.0 | (27.6) | 115.4 | 84.8 | 6.7 |
| Health Care Contributions | - | - | - | - | - | 0.5 | 73.2 | 74.5 | 73.2 | 71.2 |
| Other Revenues | 0.1 | 0.1 | 0.2 | 0.2 | 0.6 | 19.6 | 23.4 | 24.1 | 27.9 | 23.3 |
| **TOTAL ADDITIONS** | **92.9** | **83.9** | **(88.3)** | **172.3** | **87.5** | **162.1** | **80.3** | **224.9** | **196.6** | **111.4** |
| **Deductions** | | | | | | | | | | |
| Benefit Payments | 92.4 | 85.7 | 88.6 | 87.0 | 84.3 | 76.8 | 217.9 | 193.6 | 223.6 | 213.2 |
| Refund of Member Contributions | - | - | - | - | - | - | - | - | - | - |
| Administrative Expenses | 0.4 | 0.4 | 0.2 | 0.2 | 0.3 | 0.4 | 0.7 | 0.8 | 0.8 | 0.7 |
| **TOTAL DEDUCTIONS** | **92.8** | **86.1** | **88.8** | **87.2** | **84.6** | **77.2** | **218.6** | **194.4** | **224.4** | **213.9** |
| **CHANGES IN FIDUCIARY NET POSITION** | **0.1** | **(2.2)** | **(177.1)** | **85.1** | **2.9** | **84.9** | **(138.3)** | **30.5** | **(27.8)** | **(102.5)** |
| **FIDUCIARY NET POSITION - BEGINNING OF YEAR** | **$787.4** | **$789.6** | **$966.7** | **$881.6** | **$878.7** | **$793.8** | **$932.1** | **$901.6** | **$929.4** | **$1,031.9** |
| **FIDUCIARY NET POSITION - END OF YEAR** | **$787.5** | **$787.4** | **$789.6** | **$966.7** | **$881.6** | **$878.7** | **$793.8** | **$932.1** | **$901.6** | **$929.4** |
| **Reserve Fund Balances:** | | | | | | | | | | |
| Health Care Contribution Reserves | $787.5 | $787.4 | $789.6 | $966.7 | $881.6 | $878.7 | $793.8 | $932.1 | $901.6 | $929.4 |
| **TOTAL FIDUCIARY NET POSITION** | **$787.5** | **$787.4** | **$789.6** | **$966.7** | **$881.6** | **$878.7** | **$793.8** | **$932.1** | **$901.6** | **$929.4** |

## BENEFIT EXPENSES BY TYPE
(DOLLARS IN MILLIONS)

| Year | Service | Disability | Survivor | DROP | Total Pension | Health Care | Total Combined |
|---|---|---|---|---|---|---|---|
| 2024 | $1,039.9 | $265.9 | $107.5 | $270.0 | $1,683.3 | $92.4 | $1,775.7 |
| 2023 | 987.5 | 263.0 | 104.8 | 246.9 | 1,602.2 | 85.7 | 1,687.9 |
| 2022 | 932.4 | 260.0 | 102.0 | 238.4 | 1,532.8 | 88.6 | 1,621.4 |
| 2021 | 878.7 | 259.6 | 97.9 | 275.0 | 1,511.2 | 87.0 | 1,598.2 |
| 2020 | 828.6 | 258.8 | 94.8 | 200.7 | 1,382.9 | 84.3 | 1,467.2 |
| 2019 | 789.1 | 257.4 | 92.5 | 241.3 | 1,380.3 | 76.8 | 1,457.1 |
| 2018 | 749.2 | 254.3 | 89.7 | 203.0 | 1,296.2 | 217.9 | 1,514.1 |
| 2017 | 710.3 | 252.0 | 86.9 | 186.4 | 1,235.6 | 193.6 | 1,429.2 |
| 2016 | 672.6 | 248.9 | 84.6 | 166.7 | 1,172.8 | 223.6 | 1,396.4 |
| 2015 | 631.6 | 245.7 | 82.1 | 197.3 | 1,156.7 | 213.2 | 1,369.9 |

## DEFERRED RETIREMENT OPTION PLAN (DROP) PROGRAM BALANCES
(DOLLARS IN MILLIONS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Police** | | | | | | | | | | |
| DROP Program Beginning Balance | $1,142.1 | $1,075.9 | $1,024.1 | $991.5 | $921.6 | $880.2 | $819.3 | $770.6 | $721.9 | $687.8 |
| Accrued Pension and COLA | 134.6 | 134.8 | 133.5 | 135.4 | 131.7 | 123.7 | 117.4 | 111.3 | 108.2 | 103.0 |
| Accrued Member Share Contributions | 22.0 | 16.9 | 20.1 | 19.8 | 19.1 | 18.1 | 17.3 | 16.8 | 18.7 | 15.2 |
| Accrued Interest | 44.5 | 40.6 | 28.3 | 23.1 | 22.5 | 18.8 | 22.4 | 18.2 | 13.8 | 14.6 |
| Withdrawals | (137.4) | (126.1) | (130.1) | (145.7) | (103.4) | (119.2) | (96.2) | (97.6) | (92.0) | (98.7) |
| **DROP PROGRAM ENDING BALANCE - POLICE** | **1,205.8** | **1,142.1** | **1,075.9** | **1,024.1** | **991.5** | **921.6** | **880.2** | **819.3** | **770.6** | **721.9** |
| **Fire** | | | | | | | | | | |
| DROP Program Beginning Balance | 981.1 | 924.9 | 871.8 | 846.9 | 793.4 | 776.3 | 739.9 | 692.2 | 641.0 | 616.4 |
| Accrued Pension and COLA | 132.3 | 124.4 | 118.0 | 116.2 | 114.8 | 111.0 | 108.3 | 104.1 | 101.3 | 101.3 |
| Accrued Member Share Contributions | 21.1 | 16.1 | 18.6 | 18.2 | 17.3 | 16.4 | 16.2 | 15.9 | 17.2 | 14.9 |
| Accrued Interest | 38.9 | 35.7 | 25.0 | 20.1 | 19.2 | 16.5 | 20.2 | 16.5 | 12.2 | 13.1 |
| Withdrawals | (126.3) | (120.0) | (108.5) | (129.6) | (97.8) | (126.8) | (108.3) | (88.8) | (79.5) | (104.7) |
| **DROP PROGRAM ENDING BALANCE - FIRE** | **1,047.1** | **981.1** | **924.9** | **871.8** | **846.9** | **793.4** | **776.3** | **739.9** | **692.2** | **641.0** |
| **Combined Police and Fire** | | | | | | | | | | |
| DROP Program Beginning Balance | 2,123.2 | 2,000.8 | 1,895.9 | 1,838.4 | 1,715.0 | 1,656.5 | 1,559.2 | 1,462.8 | 1,362.9 | 1,304.2 |
| Accrued Pension and COLA | 266.9 | 259.2 | 251.5 | 251.6 | 246.5 | 234.7 | 225.7 | 215.4 | 209.5 | 204.3 |
| Accrued Member Share Contributions | 43.1 | 33.0 | 38.7 | 38.0 | 36.4 | 34.5 | 33.5 | 32.7 | 35.9 | 30.1 |
| Accrued Interest | 83.4 | 76.3 | 53.3 | 43.2 | 41.7 | 35.3 | 42.6 | 34.7 | 26.0 | 27.7 |
| Withdrawals | (263.7) | (246.1) | (238.6) | (275.3) | (201.2) | (246.0) | (204.5) | (186.4) | (171.5) | (203.4) |
| **DROP PROGRAM ENDING BALANCE - COMBINED** | **$2,252.9** | **$2,123.2** | **$2,000.8** | **$1,895.9** | **$1,838.4** | **$1,715.0** | **$1,656.5** | **$1,559.2** | **$1,462.8** | **$1,362.9** |

# REVENUE CAPACITY INFORMATION

## ACTIVE MEMBER AND TOTAL PAYROLL BASE STATISTICS
(DOLLARS IN MILLIONS)

| Year | Total Annual Payroll | Member Contributions | Number of Active Members* | Percentage Change in Payroll | Percentage Change in Member Contributions | Percentage Change in Members |
|---|---|---|---|---|---|---|
| 2024 | $2,750.6 | $395.5 | 30,574 | 5.9% | 5.8% | 1.3% |
| 2023 | 2,596.2 | 373.7 | 30,185 | 6.2% | 5.9% | 1.9% |
| 2022 | 2,443.6 | 352.9 | 29,618 | 2.6% | 4.7% | 0.9% |
| 2021 | 2,381.8 | 337.0 | 29,363 | 2.9% | 7.8% | (0.6)% |
| 2020 | 2,313.6 | 312.6 | 29,551 | 4.3% | 3.0% | 1.6% |
| 2019 | 2,218.0 | 303.4 | 29,087 | 0.4% | 2.7% | 2.4% |
| 2018 | 2,209.3 | 295.5 | 28,408 | 1.3% | 4.8% | 0.8% |
| 2017 | 2,180.9 | 282.0 | 28,175 | 5.8% | 5.0% | 2.0% |
| 2016 | 2,060.9 | 268.6 | 27,624 | 3.7% | 9.3% | (0.5)% |
| 2015 | 1,986.6 | 245.8 | 27,769 | 2.3% | 9.7% | 0.6% |

* Includes rehired retirees.

## ACTIVE MEMBERSHIP DATA
NUMBER AND ALLOWABLE AVERAGE ANNUAL SALARY AS OF JAN. 1, 2024*

| | Years of Service | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Age** | **0-4** | **5-9** | **10-14** | **15-19** | **20-24** | **25-29** | **30-34** | **35-39** | **40+** | **TOTAL** |
| Under 25 | 1,797 | 5 | - | - | - | - | - | - | - | **1,802** |
| | $66,292 | $81,273 | $- | $- | $- | $- | $- | $- | $- | **$66,334** |
| 25-29 | 3,160 | 778 | 1 | - | - | - | - | - | - | **3,939** |
| | $73,949 | $90,117 | $179,280 | $- | $- | $- | $- | $- | $- | **$77,169** |
| 30-34 | 2,121 | 2,348 | 413 | - | - | - | - | - | - | **4,882** |
| | $73,930 | $92,924 | $98,064 | $- | $- | $- | $- | $- | $- | **$85,107** |
| 35-39 | 994 | 1,711 | 1,541 | 436 | 2 | - | - | - | - | **4,684** |
| | $73,023 | $92,666 | $100,507 | $107,238 | $151,619 | $- | $- | $- | $- | **$92,459** |
| 40-44 | 377 | 683 | 990 | 1,473 | 511 | 1 | - | - | - | **4,035** |
| | $71,103 | $92,199 | $99,768 | $106,579 | $112,965 | $145,398 | $- | $- | $- | **$99,978** |
| 45-49 | 169 | 204 | 366 | 781 | 1,665 | 560 | 2 | - | - | **3,747** |
| | $69,310 | $88,662 | $98,650 | $104,547 | $111,156 | $116,706 | $152,898 | $- | $- | **$106,296** |
| 50-54 | 97 | 90 | 137 | 437 | 1,159 | 1,776 | 488 | 7 | - | **4,191** |
| | $66,294 | $84,790 | $97,701 | $101,459 | $106,805 | $113,954 | $118,703 | $113,841 | $- | **$108,967** |
| 55-59 | 40 | 29 | 40 | 119 | 389 | 837 | 739 | 88 | 3 | **2,284** |
| | $64,036 | $82,712 | $94,849 | $93,195 | $101,783 | $111,351 | $114,172 | $120,324 | $112,746 | **$108,554** |
| 60-64 | 10 | 16 | 22 | 40 | 82 | 216 | 215 | 28 | 8 | **637** |
| | $71,196 | $87,718 | $89,432 | $90,845 | $97,263 | $107,629 | $107,052 | $112,015 | $131,314 | **$103,836** |
| Over 64 | 2 | 1 | 5 | 5 | 11 | 35 | 25 | 2 | 4 | **90** |
| | $48,635 | $73,902 | $74,827 | $88,375 | $90,192 | $103,626 | $102,538 | $115,752 | $97,914 | **$97,698** |
| **TOTAL** | **8,767** | **5,865** | **3,515** | **3,291** | **3,819** | **3,425** | **1,469** | **125** | **15** | **30,291** |
| | **$71,919** | **$92,041** | **$99,529** | **$104,801** | **$108,785** | **$113,305** | **$114,490** | **$118,026** | **$118,694** | **$94,197** |

* Excludes rehired retirees.

## RETIRED MEMBERSHIP BY TYPE OF BENEFITS
(SOURCE: ACTUARIAL VALUATION)
AS OF JAN. 1, 2024

| | Service | | Survivors | | Disability | | |
|---|---|---|---|---|---|---|---|
| Year | Police | Fire | Police | Fire | Police | Fire | Total Beneficiaries |
| 2024 | 10,330 | 7,892 | 4,585 | 3,241 | 3,326 | 2,334 | 31,708 |
| 2023 | 9,982 | 7,666 | 4,588 | 3,266 | 3,351 | 2,364 | 31,217 |
| 2022 | 9,633 | 7,410 | 4,610 | 3,314 | 3,426 | 2,406 | 30,799 |
| 2021 | 9,270 | 7,162 | 3,515 | 2,449 | 4,624 | 3,352 | 30,372 |
| 2020 | 8,995 | 6,948 | 4,592 | 3,394 | 3,582 | 2,480 | 29,991 |
| 2019 | 8,729 | 6,759 | 4,560 | 3,398 | 3,634 | 2,486 | 29,566 |
| 2018 | 8,558 | 6,612 | 4,540 | 3,414 | 3,710 | 2,527 | 29,361 |
| 2017 | 8,307 | 6,406 | 4,484 | 3,433 | 3,732 | 2,551 | 28,913 |
| 2016 | 8,048 | 6,207 | 4,424 | 3,406 | 3,754 | 2,563 | 28,402 |
| 2015 | 7,842 | 5,972 | 4,403 | 3,386 | 3,784 | 2,576 | 27,963 |

## RETIREES AND BENEFICIARIES STATISTICS
(DOLLARS IN MILLIONS)

| Year | Benefit Payments* | Refunds | Total Payments* | Number of Benefit Recipients** | Percentage Change in Benefit Recipients | Percentage Change in Total Benefit Payments |
|---|---|---|---|---|---|---|
| 2024 | $1,683.3 | $27.9 | $1,711.2 | 31,716 | 1.5% | 5.1% |
| 2023 | 1,602.2 | 25.4 | 1,627.6 | 31,243 | 1.4% | 4.4% |
| 2022 | 1,532.8 | 26.6 | 1,559.4 | 30,817 | 1.3% | 1.6% |
| 2021 | 1,511.2 | 24.1 | 1,535.3 | 30,414 | 1.3% | 9.6% |
| 2020 | 1,382.9 | 17.5 | 1,400.4 | 30,014 | 0.7% | 0.5% |
| 2019 | 1,380.3 | 13.7 | 1,394.0 | 29,792 | 0.3% | 6.0% |
| 2018 | 1,296.2 | 18.3 | 1,314.5 | 29,707 | 2.0% | 4.6% |
| 2017 | 1,235.6 | 20.6 | 1,256.2 | 29,113 | 1.7% | 5.8% |
| 2016 | 1,172.8 | 14.2 | 1,187.0 | 28,638 | 1.8% | 1.4% |
| 2015 | 1,156.7 | 13.8 | 1,170.5 | 28,143 | 1.6% | 3.9% |

* Excludes health care benefits.
** Includes terminated employees entitled to benefits but not yet receiving them.

# AVERAGE MONTHLY BENEFIT PAYMENTS
## (FOR MEMBERS PLACED ON RETIREMENT ROLLS)

### SERVICE RETIREMENT*

| Year | Normal | Service Commuted | Age Commuted | Age / Service |
|---|---|---|---|---|
| 2024 | $4,519 | $1,681 | $- | $3,228 |
| 2023 | 4,359 | 1,570 | - | 3,382 |
| 2022 | 4,352 | 1,661 | - | 2,858 |
| 2021 | 4,148 | 1,804 | - | 3,173 |
| 2020 | 3,931 | 1,520 | - | 2,773 |
| 2019 | 3,948 | 1,688 | - | 3,166 |
| 2018 | 3,859 | 1,445 | - | 3,061 |
| 2017 | 3,797 | 1,268 | - | 2,569 |
| 2016 | 3,681 | 1,444 | - | 2,724 |
| 2015 | 3,651 | 1,522 | - | 2,707 |

### DISABILITY RETIREMENT*

| Year | Permanent and Total | Permanent and Total Presumptive | Partial | Partial Presumptive | Off Duty |
|---|---|---|---|---|---|
| 2024 | $5,404 | $5,510 | $3,652 | $4,510 | $3,515 |
| 2023 | 5,024 | 5,158 | 3,891 | 3,428 | 3,489 |
| 2022 | 5,132 | 5,395 | 3,623 | 4,020 | 3,455 |
| 2021 | 4,222 | 4,608 | 3,559 | 4,019 | 3,269 |
| 2020 | 4,422 | 4,767 | 3,321 | 4,229 | 3,508 |
| 2019 | 4,614 | 4,313 | 3,100 | 5,172 | 2,368 |
| 2018 | 4,618 | 4,295 | 3,299 | 3,465 | 3,222 |
| 2017 | 4,466 | 3,998 | 2,970 | 2,696 | 2,809 |
| 2016 | 4,681 | 4,074 | 2,882 | 3,047 | 2,563 |
| 2015 | 3,864 | 3,602 | 2,757 | 3,239 | 2,647 |

* Source: Numbers calculated by taking an average of final placements for retirees as listed in OP&F Board of Trustees monthly reports.

## MEMBER HEALTH CARE INFORMATION
(DOLLARS IN MILLIONS)

| Year | Premium Contributions | Percentage Change in Premium Contributions Received | Number of Covered Lives | Health Care Benefit Payments | Percentage of Benefit Payments Covered by Premium Contributions | Net Benefit Payment Per Covered Life |
|---|---|---|---|---|---|---|
| 2024 | $- | -% | 25,117 | $92.4 | -% | $0.004 |
| 2023 | - | -% | 24,992 | 85.7 | -% | 0.003 |
| 2022 | - | -% | 25,078 | 88.6 | -% | 0.004 |
| 2021 | - | -% | 24,680 | 87.0 | -% | 0.004 |
| 2020 | - | (100)% | 24,096 | 84.3 | -% | 0.003 |
| 2019 | 0.5 | (99)% | 24,969 | 76.8 | 1% | 0.003 |
| 2018 | 73.2 | (2)% | 26,320 | 217.9 | 34% | 0.005 |
| 2017 | 74.5 | 2% | 26,587 | 193.6 | 38% | 0.004 |
| 2016 | 73.2 | 3% | 26,319 | 223.6 | 33% | 0.006 |
| 2015 | 71.2 | 2% | 26,822 | 213.2 | 33% | 0.005 |

## HEALTH CARE ENROLLMENT OF RETIRED PARTICIPANTS*
(DOLLARS IN MILLIONS)

| | Not Eligible for Medicare | | | Eligible for Medicare | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| As of Jan. 1 | Benefit Recipients | Spouses | Children | Benefit Recipients | Spouses | Children | Total | Annual Subsidies | Average Annual Subsidies |
| 2024 | 4,191 | 1,889 | 985 | 13,735 | 4,317 | - | 25,117 | $94,488 | $3.762 |
| 2023 | 4,167 | 1,873 | 986 | 13,675 | 4,291 | - | 24,992 | $93,705 | $3.749 |
| 2022 | 4,138 | 1,852 | 984 | 13,734 | 4,370 | - | 25,078 | $93,715 | $3.737 |
| 2021 | 3,949 | 1,750 | 859 | 13,615 | 4,507 | - | 24,680 | $91,390 | $3.703 |
| 2020 | 3,703 | 1,634 | 676 | 13,610 | 4,473 | - | 24,096 | $88,128 | $3.657 |
| 2019** | 4,368 | 1,502 | 501 | 14,286 | 4,312 | - | 24,969 | $93,383 | $3.740 |
| 2018 | 5,232 | 2,166 | 891 | 14,061 | 4,419 | 22 | 26,791 | $119,960 | $4.478 |
| 2017 | 5,336 | 2,374 | 976 | 13,599 | 4,276 | 26 | 26,587 | $151,172 | $5.686 |
| 2016 | 5,435 | 2,337 | 995 | 13,263 | 4,259 | 30 | 26,319 | $142,730 | $5.423 |
| 2015 | 5,593 | 2,589 | 1,146 | 13,144 | 4,319 | 31 | 26,822 | $130,360 | $4.860 |

* Exlcudes those Non-Medicare eligible retirees who waived coverage who will return when Medicare eligible.

** Beginning on Jan. 1, 2019, a stipend-based health care model replaced the self-insured group health care plan.

## STATE OF OHIO SUBSIDY PAYMENTS

| Year | Subsidy Amount | Percentage Change |
|---|---|---|
| 2024 | $149,644 | (4)% |
| 2023 | 155,139 | (15)% |
| 2022 | 182,678 | (11)% |
| 2021 | 205,237 | (9)% |
| 2020 | 225,676 | (13)% |
| 2019 | 260,488 | (13)% |
| 2018 | 300,811 | (13)% |
| 2017 | 346,475 | (13)% |
| 2016 | 398,161 | (11)% |
| 2015 | 446,735 | (11)% |

## OP&F'S COST-OF-LIVING ALLOWANCE (COLA) HISTORY

| COLA Payment Dates | 55 Years Old With <15 Years on July 1, 2013 and COLA Paid | 55 Years Old With 15> Years on July 1, 2013 and COLA Paid | EDOR* July 1, 2000 to June 30, 2012 COLA Paid | EDOR* July 1, 1999 to June 30, 2000 COLA Paid | EDOR* July 1, 1998 to June 30, 1999 COLA Paid | EDOR* July 1, 1997 to June 30, 1998 COLA Paid |
|---|---|---|---|---|---|---|
| Nov. 1, 2024 thru Oct. 31, 2025 | 2.20% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2023 thru Oct. 31, 2024 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2022 thru Oct. 31, 2023 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2021 thru Oct. 31, 2022 | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2020 thru Oct. 31, 2021 | 1.50% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2019 thru Oct. 31, 2020 | 1.50% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2018 thru Oct. 31, 2019 | 2.30% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2017 thru Oct. 31, 2018 | 2.30% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2016 thru Oct. 31, 2017 | 1.20% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2015 thru Oct. 31, 2016 | -% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2014 thru Oct. 31, 2015 | 1.70% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Nov. 1, 2013 thru Oct. 31, 2014 | 1.20% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2013 thru Oct. 31, 2013 | 2.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2012 thru June 30, 2013 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2011 thru June 30, 2012 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2010 thru June 30, 2011 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2009 thru June 30, 2010 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2008 thru June 30, 2009 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2007 thru June 30, 2008 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2006 thru June 30, 2007 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2005 thru June 30, 2006 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2004 thru June 30, 2005 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2003 thru June 30, 2004 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2002 thru June 30, 2003 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2001 thru June 30, 2002 | | | 3.00% | 3.00% | 3.00% | 3.00% |
| July 1, 2000 thru June 30, 2001 | | | | 2.20% | 2.20% | 2.20% |
| July 1, 1999 thru June 30, 2000 | | | | | 1.30% | 1.30% |
| July 1, 1998 thru June 30, 1999 | | | | | | 2.30% |
| July 1, 1997 thru June 30, 1998 | | | | | | |
| July 1, 1996 thru June 30, 1997 | | | | | | |
| July 1, 1995 thru June 30, 1996 | | | | | | |
| July 1, 1994 thru June 30, 1995 | | | | | | |
| July 1, 1993 thru June 30, 1994 | | | | | | |
| July 1, 1992 thru June 30, 1993 | | | | | | |
| July 1, 1991 thru June 30, 1992 | | | | | | |
| July 1, 1990 thru June 30, 1991 | | | | | | |
| July 1, 1989 thru June 30, 1990 | | | | | | |
| July 1, 1988 thru June 30, 1989 | | | | | | |

* Effective Date of Retirement (EDOR).
Additional Notes:
1) First COLAs were paid July 1, 1988 through June 30, 1989.
2) July 1, 2002 COLAs were a flat 3.0% CPI.
3) Beginning July 1, 2013:
A) Retired members who are at least 55 years old and have been receiving benefits for at least one year may be eligible for a cost-of-living allowance adjustment.
B) The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, statutory survivors and annuity beneficiaries.

## OP&F'S COST-OF-LIVING ALLOWANCE (COLA) HISTORY - CONTINUED

| EDOR* July 1, 1996 to June 30, 1997 COLA Paid | EDOR* July 1, 1995 to June 30, 1996 COLA Paid | EDOR* July 1, 1994 to June 30, 1995 COLA Paid | EDOR* July 1, 1993 to June 30, 1994 COLA Paid | EDOR* July 1, 1992 to June 30, 1993 COLA Paid | EDOR* July 1, 1991 to June 30, 1992 COLA Paid | EDOR* July 1, 1990 to June 30, 1991 COLA Paid | EDOR* July 1, 1986 to June 30, 1990 COLA Paid |
|---|---|---|---|---|---|---|---|
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 2.20% | 3.00% |
| 1.30% | 1.30% | 2.90% | 2.70% | 2.70% | 1.30% | 2.90% | 3.00% |
| 2.30% | 2.30% | 3.00% | 3.00% | 3.00% | 2.40% | 3.00% | 3.00% |
| 2.90% | 2.90% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| | 2.90% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| | | -% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| | | | -% | -% | 3.00% | 3.00% | 3.00% |
| | | | | 3.00% | 3.00% | 3.00% | 3.00% |
| | | | | | 3.00% | 3.00% | 3.00% |
| | | | | | | 3.00% | 3.00% |
| | | | | | | | 3.00% |
| | | | | | | | 3.00% |
| | | | | | | | 3.00% |

C) Members with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.0% or the percent increase, if any, in the CPI over the 12-month period ending on Sept. 30 of the immediately preceding year, whichever is less.

D) The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.0% of their base pension or disability benefit.

## EMPLOYER CONTRIBUTION RATES
(1967 - PRESENT)*

| | Employer Rates | |
|---|---|---|
| Time Frame of Rates | Police | Fire |
| Jan. 1, 1986 through Present | 19.50% | 24.00% |
| Jan. 1, 1985 through Dec. 31, 1985 | 20.03% | 24.59% |
| Jan. 1, 1984 through Dec. 31, 1984 | 21.35% | 24.59% |
| Jan. 1, 1983 through Dec. 31, 1983 | 18.45% | 23.57% |
| Jan. 1, 1982 through Dec. 31, 1982 | 16.62% | 22.39% |
| Jan. 1, 1981 through Dec. 31, 1981 | 15.60% | 20.72% |
| Jan. 1, 1980 through Dec. 31, 1980 | 15.70% | 19.87% |
| Jan. 1, 1979 through Dec. 31, 1979 | 18.40% | 20.11% |
| Jan. 1, 1978 through Dec. 31, 1978 | 17.53% | 18.90% |
| Jan. 1, 1977 through Dec. 31, 1977 | 15.34% | 16.77% |
| Jan. 1, 1976 through Dec. 31, 1976 | 14.02% | 15.57% |
| Jan. 1, 1975 through Dec. 31, 1975 | 12.49% | 13.78% |
| Jan. 1, 1974 through Dec. 31, 1974 | 12.88% | 13.60% |
| Jan. 1, 1973 through Dec. 31, 1973 | 12.85% | 13.41% |
| Jan. 1, 1972 through Dec. 31, 1972 | 12.96% | 13.26% |
| Jan. 1, 1971 through Dec. 31, 1971 | 12.81% | 12.96% |
| Jan. 1, 1970 through Dec. 31, 1970 | 15.52% | 15.52% |
| Jan. 1, 1969 through Dec. 31, 1969 | 14.68% | 14.49% |
| Jan. 1, 1968 through Dec. 31, 1968 | 13.66% | 13.50% |
| Jan. 1, 1967 through Dec. 31, 1967 | 13.55% | 13.13% |

* For employer billing purposes, the September 1988 billing was carried through Sept. 30, 1988 and was not cut off at Sept. 8, 1988. The same goes for the employee rates for the most part.

## MEMBER CONTRIBUTION RATES

| | Member Rates | |
|---|---|---|
| Time Frame of Rates | Police | Fire |
| July 2, 2015 through Present | 12.25% | 12.25% |
| July 2, 2014 through July 1, 2015 | 11.50% | 11.50% |
| July 2, 2013 through July 1, 2014 | 10.75% | 10.75% |
| Sept. 9, 1988 through July 1, 2013 | 10.00% | 10.00% |
| Aug. 1, 1986 through Sept. 8, 1988 | 9.50% | 9.50% |
| March 1, 1980 through July 31, 1986 | 8.50% | 8.50% |
| Jan. 1, 1968 through Feb. 28, 1980 | 7.00% | 7.00% |
| Jan. 1, 1967 through Dec. 31, 1967 | 6.00% | 6.00% |

## HEALTH CARE ALLOCATION RATES FROM EMPLOYER CONTRIBUTIONS

| Time Frame of Rates | Percentage |
|---|---|
| Jan. 1, 2014 through Present | 0.50% |
| June 1, 2013 through Dec. 31, 2013 | 2.85% |
| Jan. 1, 2013 through May 31, 2013 | 4.69% |
| Jan. 1, 2007 through Dec. 31, 2012 | 6.75% |
| Jan. 1, 2002 through Dec. 31, 2006 | 7.75% |
| Jan. 1, 2001 through Dec. 31, 2001 | 7.50% |
| Jan. 1, 2000 through Dec. 31, 2000 | 7.25% |
| Jan. 1, 1999 through Dec. 31, 1999 | 7.00% |
| Jan. 1, 1992 through Dec. 31, 1998 | 6.50% |
| Jan. 1, 1974 through Dec. 31, 1991 | Rate equal to dollar of Benefits Paid |

## ACTUARIAL INTEREST RATES

| | Actuarial Interest Rates | |
|---|---|---|
| Time Frame of Rates | Police | Fire |
| Feb. 23, 2022 through Present | 7.500% | 7.500% |
| Jan. 1, 2017 through Feb. 22, 2022 | 8.000% | 8.000% |
| Jan. 1, 1989 through Dec. 31, 2016 | 8.250% | 8.250% |
| Jan. 1, 1986 through Dec. 31, 1988 | 7.750% | 7.750% |
| Jan. 1, 1983 through Dec. 31, 1985 | 7.500% | 7.500% |
| Jan. 1, 1980 through Dec. 31, 1982 | 6.375% | 6.375% |
| Jan. 1, 1979 through Dec. 31, 1979 | 6.000% | 6.000% |
| Jan. 1, 1974 through Dec. 31, 1978 | 5.000% | 5.000% |
| Jan. 1, 1972 through Dec. 31, 1973 | 4.750% | 4.750% |
| Jan. 1, 1970 through Dec. 31, 1971 | 4.625% | 4.625% |
| Jan. 1, 1967 through Dec. 31, 1969 | 4.250% | 4.250% |

## DROP AND RE-EMPLOYED INTEREST RATES

| | Member Rates | |
|---|---|---|
| Time Frame of Rates* | DROP | Re-Employed |
| April 1, 2025 through June 30, 2025 | 4.23% | 4.23% |
| Jan. 1, 2025 through March 31, 2025 | 4.58% | 4.58% |
| Oct. 1, 2024 through Dec. 31, 2024 | 3.81% | 3.81% |
| July 1, 2024 through Sept. 30, 2024 | 4.36% | 4.36% |
| April 1, 2024 through June 30, 2024 | 4.20% | 4.20% |
| Jan. 1, 2024 through March 31, 2024 | 3.88% | 3.88% |
| Oct. 1, 2023 through Dec. 31, 2023 | 4.59% | 4.59% |
| July 1, 2023 through Sept. 30, 2023 | 3.81% | 3.81% |
| April 1, 2023 through June 30, 2023 | 3.48% | 3.48% |
| Jan. 1, 2023 through March 31, 2023 | 3.88% | 3.88% |
| Oct. 1, 2022 through Dec. 31, 2022 | 3.83% | 3.83% |
| July 1, 2022 through Sept. 30, 2022 | 2.98% | 2.98% |
| April 1, 2022 through June 30, 2022 | 2.50% | 2.32% |
| Jan. 1, 2022 through March 31, 2022 | 2.50% | 1.52% |
| Oct. 1, 2021 through Dec. 31, 2021 | 2.50% | 1.52% |
| July 1, 2021 through Sept. 30, 2021 | 2.50% | 1.45% |
| April 1, 2021 through June 30, 2021 | 2.50% | 1.74% |
| Jan. 1, 2021 through March 31, 2021 | 2.50% | 0.93% |
| Oct. 1, 2020 through Dec. 31, 2020 | 2.50% | 0.69% |
| July 1, 2020 through Sept. 30, 2020 | 2.50% | 0.66% |
| April 1, 2020 through June 30, 2020 | 2.50% | 0.70% |
| Jan. 1, 2020 through March 31, 2020 | 2.50% | 1.92% |
| Oct. 1, 2019 through Dec. 31, 2019 | 1.68% | 1.68% |
| July 1, 2019 through Sept. 30, 2019 | 2.00% | 2.00% |
| April 1, 2019 through June 30, 2019 | 2.41% | 2.41% |
| Jan. 1, 2019 through March 31, 2019 | 2.69% | 2.69% |
| Oct. 1, 2018 through Dec. 31, 2018 | 3.05% | 3.05% |

| | Member Rates | |
|---|---|---|
| Time Frame of Rates* | DROP | Re-Employed |
| July 1, 2018 through Sept. 30, 2018 | 2.85% | 2.85% |
| April 1, 2018 through June 30, 2018 | 2.74% | 2.74% |
| Jan. 1, 2018 through March 31, 2018 | 2.40% | 2.40% |
| Oct. 1, 2017 through Dec. 31, 2017 | 2.33% | 2.33% |
| July 1, 2017 through Sept. 30, 2017 | 2.31% | 2.31% |
| April 1, 2017 through June 30, 2017 | 2.40% | 2.40% |
| Jan. 1, 2017 through March 31, 2017 | 2.45% | 2.45% |
| Oct. 1, 2016 through Dec. 31, 2016 | 1.60% | 1.60% |
| July 1, 2016 through Sept. 30, 2016 | 1.49% | 1.49% |
| April 1, 2016 through June 30, 2016 | 1.78% | 1.78% |
| Jan. 1, 2016 through March 31, 2016 | 2.27% | 2.27% |
| Oct. 1, 2015 through Dec. 31, 2015 | 2.06% | 2.06% |
| July 1, 2015 through Sept. 30, 2015 | 2.35% | 2.35% |
| April 1, 2015 through June 30, 2015 | 1.94% | 1.94% |
| Jan. 1, 2015 through March 31, 2015 | 2.17% | 2.17% |
| Oct. 1, 2014 through Dec. 31, 2014 | 2.52% | 2.52% |
| July 1, 2014 through Sept. 30, 2014 | 2.53% | 2.53% |
| April 1, 2014 through June 30, 2014 | 2.73% | 2.73% |
| Jan. 1, 2014 through March 31, 2014 | 3.04% | 3.04% |
| Oct. 1, 2013 through Dec. 31, 2013 | 2.64% | 2.64% |
| July 1, 2013 through Sept. 30, 2013 | 2.52% | 2.52% |
| April 1, 2013 through June 30, 2013 | 1.87% | 1.87% |
| Jan. 1, 2013 through March 31, 2013 | 1.78% | 1.78% |
| Oct. 1, 2012 through Dec. 31, 2012 | 1.65% | 1.65% |
| July 1, 2012 through Sept. 30, 2012 | 1.67% | 1.67% |
| April 2, 2012 through June 30, 2012 | 2.23% | 2.23% |
| Jan. 19, 2003 through April 1, 2012 | 5.00% | 5.00% |

* Effective April 2, 2012 the interest rate is equal to the 10-year U.S. Treasury Note Business Day Series, as published by the U.S. Department of the Treasury, with a cap of 5.0%. Effective Jan. 1, 2020 the Board of Trustees approved a floor for the DROP interest rate equal to 2.5%.

## DROP MEMBER COUNT ROLL FORWARD
(AS OF DEC. 31)

| POLICE | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance Beginning of Year | | **2,246** | 2,232 | 2,373 | 2,270 | 2,331 | 2,245 | 2,158 | 2,050 | 2,001 | 1,918 |
| Number of members that entered into DROP | Increases | 295 | 385 | 360 | 478 | 440 | 435 | 388 | 415 | 369 | 364 |
| Number of members that terminated DROP | Decreases | (372) | (371) | (501) | (375) | (501) | (349) | (301) | (307) | (320) | (281) |
| **SUB-TOTAL AT YEAR END - POLICE** | | **2,169** | **2,246** | **2,232** | **2,373** | **2,270** | **2,331** | **2,245** | **2,158** | **2,050** | **2,001** |
| **FIRE** | | | | | | | | | | | |
| Balance Beginning of Year | | 2,064 | 2,006 | 2,023 | 1,975 | 2,026 | 2,028 | 1,996 | 1,902 | 1,887 | 1,907 |
| Number of members that entered into DROP | Increases | 369 | 364 | 361 | 352 | 340 | 307 | 328 | 369 | 301 | 290 |
| Number of members that terminated DROP | Decreases | (306) | (306) | (378) | (304) | (391) | (309) | (296) | (275) | (286) | (310) |
| **SUB-TOTAL AT YEAR END - FIRE** | | **2,127** | **2,064** | **2,006** | **2,023** | **1,975** | **2,026** | **2,028** | **1,996** | **1,902** | **1,887** |
| **COMBINED POLICE AND FIRE** | | | | | | | | | | | |
| Balance Beginning of Year | | 4,310 | 4,238 | 4,396 | 4,245 | 4,357 | 4,273 | 4,154 | 3,952 | 3,888 | 3,825 |
| Number of members that entered into DROP | Increases | 664 | 749 | 721 | 830 | 780 | 742 | 716 | 784 | 670 | 654 |
| Number of members that terminated DROP | Decreases | (678) | (677) | (879) | (679) | (892) | (658) | (597) | (582) | (606) | (591) |
| **TOTAL AT YEAR END - COMBINED** | | **4,296** | **4,310** | **4,238** | **4,396** | **4,245** | **4,357** | **4,273** | **4,154** | **3,952** | **3,888** |

## ACTUARIAL VALUATION INFORMATION - PENSION TRUST FUND
(DOLLARS IN MILLIONS)*

| As of Jan. 1 | Valuation Assets* | Actuarial Accrued Liabilities (AAL)* | Unfunded Actuarial Accrued Liabilities (UAAL) | Ratio of Assets to AAL | Active Member Payroll | UAAL as a Percentage of Active Member Payroll |
|---|---|---|---|---|---|---|
| 2024 | $17,962.0 | $26,362.1 | $8,400.1 | 68.1% | $2,750.6 | 305.4% |
| 2023 | 17,758.8 | 25,363.4 | 7,604.6 | 70.0% | 2,596.2 | 292.9% |
| 2022 | 17,095.8 | 24,517.6 | 7,421.8 | 69.7% | 2,443.6 | 303.7% |
| 2021 | 16,112.1 | 22,628.6 | 6,516.5 | 71.2% | 2,381.8 | 273.6% |
| 2020 | 15,360.1 | 22,044.3 | 6,684.2 | 69.7% | 2,313.6 | 288.9% |
| 2019 | 14,753.2 | 21,264.7 | 6,511.5 | 69.4% | 2,218.0 | 293.6% |
| 2018 | 14,594.6 | 20,887.2 | 6,292.6 | 69.9% | 2,209.3 | 284.8% |
| 2017 | 14,162.5 | 20,290.4 | 6,127.9 | 69.8% | 2,180.9 | 281.1% |
| 2016 | 13,653.0 | 19,135.9 | 5,482.9 | 71.3% | 2,060.9 | 266.1% |
| 2015 | 13,029.3 | 18,395.6 | 5,366.3 | 70.8% | 1,986.6 | 270.1% |

* The amounts reported in this schedule do not include assets or liabilities for post-employment health care benefits.

## HISTORICAL ANNUAL INVESTMENT RESULTS (Gross of Fees)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Domestic Equity** | | | | | | | | | | |
| OP&F | 27.17% | 23.13% | (17.23)% | 30.14% | 22.80% | 31.77% | (3.30)% | 22.41% | 15.60% | 0.53% |
| **International Equity** | | | | | | | | | | |
| OP&F | 6.00% | 19.82% | (15.75)% | 11.78% | 12.42% | 23.35% | (17.32)% | 29.12% | 2.75% | (0.77)% |
| **Private Markets**** | | | | | | | | | | |
| OP&F | 6.93% | 7.68% | (9.91)% | 54.51% | 22.30% | 13.65% | 15.65% | 21.80% | 14.37% | 12.06% |
| **High Yield*** | | | | | | | | | | |
| OP&F - High Yield | 8.46% | 12.24% | (9.57)% | 5.39% | 6.71% | 13.49% | (0.48)% | 7.05% | 12.80% | (0.95)% |
| **Private Credit**** | | | | | | | | | | |
| OP&F | 13.97% | 17.38% | 4.87% | 15.80% | 3.10% | 11.62% | 7.51% | N/A | N/A | N/A |
| **Treasury Inflation Protected Securities (TIPS)** | | | | | | | | | | |
| OP&F - TIPS | 0.72% | (0.05)% | (21.16)% | 15.47% | 20.11% | 15.70% | (0.26)% | 2.89% | 18.76% | 0.26% |
| **Real Estate**** | | | | | | | | | | |
| OP&F | (2.79)% | (10.80)% | 23.99% | 24.22% | 0.11% | 8.76% | 13.69% | 10.30% | 13.14% | 16.83% |
| **Real Assets* **** | | | | | | | | | | |
| OP&F | 7.59% | 6.20% | 11.37% | 9.37% | 1.15% | 7.08% | 11.81% | 4.65% | 2.99% | 1.03% |
| **Commodities*** | | | | | | | | | | |
| OP&F | 9.36% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Gold** | | | | | | | | | | |
| OP&F | 20.93% | 7.34% | (2.45)% | (3.63)% | N/A | N/A | N/A | N/A | N/A | N/A |
| **Midstream Energy Infrastructure*** | | | | | | | | | | |
| OP&F | 44.05% | 19.03% | 30.50% | 41.02% | (26.09)% | 13.46% | (13.06)% | (4.08)% | 20.42% | (29.31)% |
| Fixed Income | | | | | | | | | | |
| OP&F | (2.84)% | 4.72% | (17.89)% | (2.97)% | 7.35% | 8.13% | 1.24% | 4.26% | 4.14% | 1.45% |
| OP&F - Commercial Mortgage** | N/A | N/A | N/A | N/A | N/A | 6.73% | 5.29% | 2.87% | 5.63% | 3.21% |
| **Total Portfolio** | | | | | | | | | | |
| OP&F | 11.13% | 9.52% | (8.73)% | 20.48% | 9.21% | 17.89% | (1.78)% | 14.30% | 11.51% | 0.65% |
| Policy Index*** | 10.03% | 10.30% | (10.79)% | 16.27% | 9.84% | 16.32% | (2.67)% | 12.41% | 11.45% | (2.18)% |

* a) High Yield benchmark is a blend of the CS First Boston Dev. Countries HY through Aug. 31, 2016, the CS First Boston High Yield from Sept. 1, 2016 through Nov. 30, 2016, and the ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index from Dec. 1, 2016 forward. b) Midstream Energy Infrastructure benchmark is a blend of the Alerian MLP Index from July 1, 2013 through June 30, 2019, and the Alerian Midstream Energy TR Index from July 1, 2019 forward. c) Real Assets benchmark updated in 2024 and made retroactive - blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index. d) Commodities first funded in the 4Q2023.

** One quarter in arrears.

*** Interim Policy Index: 20.2% FT Wilshire 5000 Total Market TR Index, 13% MSCI ACWI ex-U.S. Iran/Sudan Free IMI Index ($N), 25% Bloomberg U.S. Aggregate 2x (-) Cost of Financing, 8.0% ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index, 4.0% Morningstar LSTA U.S. Leveraged Loan Index + 2.0% Lagged, 15% Bloomberg U.S. Gov't Inflation Linked Bond Index X2 (-) SOFR, 12% NCREIF ODCE Index (Net) Lagged, 8.5% Actual Private Markets Composite (NOF) Lagged, 6.8% Blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index Lagged, 5.0% Alerian Midstream Energy TR Index, 5.5% S&P GSCI Gold Index Total Return (-) Cost of Financing, 2.0% Bloomberg Commodity Index TR.

Long-Term Policy: 18.6% FT Wilshire 5000 Total Market TR Index, 12.4% MSCI ACWI ex-U.S. Iran/Sudan Free IMI Index ($N), 25% Bloomberg U.S. Aggregate X2 (-) Cost of Financing, 7.0% ICE BofA Merrill Lynch U.S. High Yield Master II Constrained Index, 5.0% Morningstar LSTA U.S. Leveraged Loan Index + 2.0% Lagged, 15% Bloomberg U.S. Gov't Inflation Linked Bond Index X2 (-) SOFR, 12% NCREIF ODCE Index (Net) Lagged, 10% Actual Private Markets Composite (NOF) Lagged, 8.0% Blend of 60% FTSE Dev. Core 50/50 Infrastructure Index, 20% NCREIF Timberland Index, and 20% NCREIF Farmland Index Lagged, 5.0% Alerian Midstream Energy TR Index, 5.0% S&P GSCI Gold Index Total Return (-) Cost of Financing, 2.0% Bloomberg Commodity Index TR. (adds to 125% as "Risk Parity" approach uses 2x levered U.S. Gov't Inflation-Protected Securities and 2x levered Core Fixed Income).

Time Weighted methodology, based upon fair values, is used when calculating performance.
Acronyms and abbreviations used in this chart are explained at the end of the Statistical Section, in the List of Professional Acronyms, Symbols and Abbreviations.

# DEBT CAPACITY INFORMATION

OP&F does not have any outstanding debt, nor are there any plans to ever pursue issuing debt anytime in the future.

# DEMOGRAPHIC AND ECONOMIC INFORMATION

## NUMBER OF EMPLOYER UNITS*

| | Municipalities | | Townships | | Villages | | Total | | Total |
|---|---|---|---|---|---|---|---|---|---|
| Year | Police | Fire | Police | Fire | Police | Fire | Police | Fire | Combined |
| 2024 | 250 | 210 | - | 202 | 278 | 42 | 528 | 454 | 982 |
| 2023 | 250 | 208 | - | 198 | 281 | 41 | 531 | 447 | 978 |
| 2022 | 250 | 205 | - | 190 | 281 | 42 | 531 | 437 | 968 |
| 2021 | 249 | 204 | - | 182 | 278 | 40 | 527 | 426 | 953 |
| 2020 | 248 | 204 | - | 178 | 277 | 37 | 525 | 419 | 944 |
| 2019 | 248 | 201 | - | 170 | 278 | 37 | 526 | 408 | 934 |
| 2018 | 248 | 197 | - | 161 | 280 | 40 | 528 | 398 | 926 |
| 2017 | 248 | 199 | - | 162 | 282 | 35 | 530 | 396 | 926 |
| 2016 | 248 | 221 | - | 130 | 279 | 37 | 527 | 388 | 915 |
| 2015 | 249 | 220 | - | 131 | 280 | 37 | 529 | 388 | 917 |

* Beginning in 2017 OP&F reclassified Fire Districts under Townships.

# OPERATING INFORMATION

## RETIRED MEMBERSHIP BY TYPE OF BENEFITS AND AVERAGE ANNUAL ALLOWANCE

(SOURCE: ACTUARIAL VALUATION) AS OF JAN. 1, 2024

| Age Last Birthday | Number | Annual Allowance | Average Annual Allowance |
|---|---|---|---|
| **Service Retirees** | | | |
| Under 60 | 3,493 | $180,181,625 | $51,584 |
| 60 - 64 | 3,360 | 187,849,413 | 55,908 |
| 65 - 69 | 3,491 | 206,078,233 | 59,031 |
| 70 - 74 | 3,012 | 177,570,914 | 58,954 |
| 75 - 79 | 2,428 | 138,410,858 | 57,006 |
| Over 79 | 2,438 | 114,515,004 | 46,971 |
| **TOTAL** | **18,222** | **$1,004,606,047** | **$55,131** |
| **Survivors and Beneficiaries** | | | |
| Under 60 | 1,113 | $11,077,925 | $9,953 |
| 60 - 64 | 452 | 6,587,485 | 14,574 |
| 65 - 69 | 766 | 10,755,334 | 14,041 |
| 70 - 74 | 1,077 | 14,438,569 | 13,406 |
| 75 - 79 | 1,302 | 16,709,390 | 12,834 |
| Over 79 | 3,116 | 36,791,185 | 11,807 |
| **TOTAL** | **7,826** | **$96,359,888** | **$12,313** |
| **Disability Retirees** | | | |
| Under 60 | 1,614 | $68,227,316 | $42,272 |
| 60 - 64 | 738 | 36,094,598 | 48,909 |
| 65 - 69 | 890 | 44,630,790 | 50,147 |
| 70 - 74 | 925 | 45,351,560 | 49,029 |
| 75 - 79 | 834 | 39,155,603 | 46,949 |
| Over 79 | 659 | 26,373,097 | 40,020 |
| **TOTAL** | **5,660** | **$259,832,964** | **$45,907** |

# SCHEDULE OF AVERAGE BENEFITS*

This schedule displays the number of new retirees each year, grouped by years of credited service. Prior year numbers are not adjusted as members roll off the rolls. Retirement benefits are calculated based on the Final Average Salary (FAS) of the member. For members with 15 years or more of service credit as of July 1, 2013, FAS represents the member's three highest years of allowable earnings. For members with less than 15 years of service credit as of July 1, 2013, FAS represents the member's five highest years of allowable earnings.

The Total New Retirees column represents the average monthly benefit and average FAS for the retiree counts listed in each year.

| RETIREMENT EFFECTIVE DATES | | YEARS CREDITED SERVICE 0 - 4 | 5 - 9 | 10 - 14 | 15 - 19 | 20 - 24 | 25 - 29 | 30+ | TOTAL NEW RETIREES |
|---|---|---|---|---|---|---|---|---|---|
| 2024 | Average Monthly Benefit | $1,441 | $2,612 | $3,383 | $3,005 | $4,052 | $4,704 | $5,823 | $4,628 |
| | Average Final Average Salary | $58,800 | $78,685 | $82,091 | $80,428 | $92,529 | $92,615 | $99,989 | $92,204 |
| | Number of Active Recipients | 1 | 3 | 8 | 35 | 36 | 878 | 25 | 986 |
| 2023 | Average Monthly Benefit | $1,422 | $2,710 | $3,229 | $2,971 | $2,975 | $4,465 | $5,422 | $4,342 |
| | Average Final Average Salary | $72,763 | $78,278 | $76,567 | $81,882 | $81,154 | $88,947 | $96,006 | $88,310 |
| | Number of Active Recipients | 2 | 6 | 10 | 40 | 38 | 904 | 21 | 1,021 |
| 2022 | Average Monthly Benefit | $3,211 | $4,331 | $3,377 | $2,939 | $3,265 | $4,350 | $5,496 | $4,282 |
| | Average Final Average Salary | $85,487 | $78,331 | $74,290 | $78,733 | $77,254 | $86,845 | $97,030 | $86,337 |
| | Number of Active Recipients | 1 | 3 | 15 | 42 | 33 | 1,075 | 26 | 1,195 |
| 2021 | Average Monthly Benefit | $1,486 | $4,274 | $3,394 | $3,051 | $3,630 | $4,308 | $5,446 | $4,283 |
| | Average Final Average Salary | $59,442 | $74,899 | $70,148 | $75,490 | $84,296 | $84,481 | $90,595 | $84,353 |
| | Number of Active Recipients | 1 | 2 | 8 | 23 | 47 | 1,037 | 37 | 1,155 |
| 2020 | Average Monthly Benefit | $3,701 | $3,227 | $2,950 | $2,282 | $3,380 | $4,191 | $4,926 | $4,112 |
| | Average Final Average Salary | $61,675 | $71,464 | $65,660 | $72,417 | $83,497 | $81,323 | $80,717 | $80,941 |
| | Number of Active Recipients | 1 | 5 | 8 | 28 | 36 | 896 | 26 | 1,000 |
| 2019 | Average Monthly Benefit | $1,013 | $3,467 | $3,351 | $2,479 | $3,486 | $4,170 | $5,211 | $4,112 |
| | Average Final Average Salary | $51,667 | $70,342 | $69,191 | $71,050 | $77,710 | $79,431 | $81,773 | $79,011 |
| | Number of Active Recipients | 1 | 3 | 11 | 26 | 55 | 777 | 41 | 914 |
| 2018 | Average Monthly Benefit | $- | $3,001 | $3,753 | $2,691 | $3,352 | $4,240 | $5,419 | $4,153 |
| | Average Final Average Salary | $- | $60,515 | $78,920 | $73,634 | $76,564 | $79,029 | $84,710 | $78,769 |
| | Number of Active Recipients | - | 4 | 12 | 35 | 49 | 720 | 29 | 849 |
| 2017 | Average Monthly Benefit | $- | $1,892 | $2,792 | $2,781 | $3,119 | $4,139 | $4,707 | $4,019 |
| | Average Final Average Salary | $- | $46,107 | $68,897 | $69,634 | $70,690 | $77,000 | $74,777 | $76,051 |
| | Number of Active Recipients | - | 2 | 11 | 39 | 49 | 731 | 33 | 865 |
| 2016 | Average Monthly Benefit | $1,395 | $2,314 | $2,638 | $2,477 | $3,234 | $4,075 | $4,277 | $3,925 |
| | Average Final Average Salary | $34,158 | $59,041 | $59,716 | $63,590 | $73,762 | $75,132 | $69,681 | $73,889 |
| | Number of Active Recipients | 1 | 6 | 14 | 44 | 40 | 737 | 31 | 873 |
| 2015 | Average Monthly Benefit | $- | $1,332 | $2,387 | $2,445 | $3,175 | $4,127 | $4,944 | $3,976 |
| | Average Final Average Salary | $- | $49,515 | $59,939 | $64,106 | $71,568 | $75,267 | $77,280 | $74,128 |
| | | - | 5 | 17 | 48 | 43 | 728 | 40 | 881 |

* All years begin Jan. 1 and end Dec. 31.

## PRINCIPAL PARTICIPATING EMPLOYERS
### AS OF DEC. 31, 2024

| Employer Name | Covered Employees* | Rank | Percentage of Total Covered Members |
|---|---|---|---|
| City of Columbus | 3,825 | 1 | 12.5% |
| City of Cleveland | 2,154 | 2 | 7.0% |
| City of Cincinnati | 1,932 | 3 | 6.3% |
| City of Toledo | 1,290 | 4 | 4.2% |
| City of Akron | 925 | 5 | 3.0% |
| City of Dayton | 727 | 6 | 2.4% |
| City of Canton | 338 | 7 | 1.1% |
| City of Springfield | 267 | 8 | 0.9% |
| City of Youngstown | 263 | 9 | 0.9% |
| City of Parma | 238 | 10 | 0.8% |
| All Others | 18,615 | | 60.9% |
| **TOTAL** | **30,574** | | **100.0%** |

* Total covered employees ties to the actuarial report.

## PRINCIPAL PARTICIPATING EMPLOYERS
### AS OF DEC. 31, 2015

| Employer Name | Covered Employees* | Rank | Percentage of Total Covered Members |
|---|---|---|---|
| City of Columbus | 3,526 | 1 | 12.7% |
| City of Cleveland | 2,490 | 2 | 9.0% |
| City of Cincinnati | 1,904 | 3 | 6.9% |
| City of Toledo | 1,204 | 4 | 4.3% |
| City of Akron | 831 | 5 | 3.0% |
| City of Dayton | 649 | 6 | 2.3% |
| City of Canton | 331 | 7 | 1.2% |
| City of Youngstown | 306 | 8 | 1.1% |
| City of Springfield | 265 | 9 | 1.0% |
| City of Hamilton | 210 | 10 | 0.8% |
| All Others | 16,053 | | 57.7% |
| **TOTAL** | **27,769** | | **100.0%** |

* Total covered employees ties to the actuarial report.

*Note: Reporting employers include Pension and Health Care plans.*

## PERSONNEL SALARIES BY YEAR
(DOLLARS IN THOUSANDS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Salaries and Wages | $12,685.0 | $12,028.5 | $11,525.5 | $11,611.4 | $11,318.5 | $11,227.3 | $10,801.4 | $10,317.3 | $9,971.3 | $9,635.1 |
| Average Salary per Budgeted Staff | $92.6 | $85.9 | $81.2 | $80.1 | $76.5 | $75.9 | $74.0 | $69.7 | $68.8 | $67.4 |
| Total Budgeted Full-Time Positions | 137 | 140 | 142 | 145 | 148 | 148 | 146 | 148 | 145 | 143 |

## OP&F BUDGET
(DOLLARS IN MILLIONS)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Administrative Expenses (Actual)* | $79.2 | $76.9 | $68.6 | $66.1 | $68.8 | $75.9 | $67.3 | $70.3 | $63.6 | $59.4 |
| Administrative Expenses (Budget)* | $79.0 | $83.4 | $81.8 | $70.1 | $77.3 | $77.3 | $72.5 | $70.2 | $66.0 | $65.4 |
| Percentage of Budget vs. Actual | 100% | 92% | 84% | 94% | 89% | 98% | 93% | 100% | 96% | 91% |
| *** Excludes depreciation expense.** | | | | | | | | | | |
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Capital (Actual) | $1.8 | $1.9 | $5.3 | $5.5 | $0.8 | $1.1 | $0.5 | $0.4 | $0.5 | $1.3 |
| Capital (Budget) | $5.3 | $5.2 | $9.5 | $11.4 | $4.3 | $3.1 | $2.9 | $4.3 | $4.6 | $3.0 |
| Percentage of Budget vs. Actual | 34% | 37% | 56% | 48% | 19% | 35% | 17% | 9% | 11% | 43% |
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Operating Expenses (Actual)* | $19.4 | $19.3 | $10.3 | $8.1 | $18.1 | $20.5 | $15.8 | $18.9 | $17.9 | $14.6 |
| Investment Expenses (Actual)* | $59.8 | $57.6 | $58.3 | $58.0 | $50.7 | $55.4 | $51.5 | $51.4 | $45.7 | $44.8 |

* Excludes depreciation expense.

## OTHER OPERATING STATISTICS

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Staff | 137 | 140 | 142 | 145 | 148 | 148 | 146 | 148 | 145 | 143 |
| Investment Staff | 15 | 15 | 16 | 17 | 17 | 17 | 16 | 16 | 15 | 14 |
| Investment Actual Expenses | $59.8 | $57.6 | $58.3 | $58.0 | $50.7 | $55.4 | $51.5 | $51.4 | $45.7 | $44.8 |
| Investment Income (Loss) | $1,797.4 | $1,533.2 | $(2,128.5) | $3,192.8 | $1,436.7 | $2,434.3 | $(487.9) | $1,923.5 | $1,317.4 | $(10.0) |
| Investment Staff to Investment Expense Ratio | $4.0 | $3.8 | $3.6 | $3.4 | $3.0 | $3.3 | $3.2 | $3.2 | $3.0 | $3.2 |
| Total Staff to Investment Income (Loss) Ratio | $13.1 | $11.0 | $(15.0) | $22.0 | $9.7 | $16.4 | $(3.3) | $13.0 | $9.1 | $(0.1) |
| Investment Staff to Investment Income (Loss) Ratio | $119.8 | $102.2 | $(133.0) | $187.8 | $84.5 | $143.2 | $(30.5) | $120.2 | $87.8 | $(0.7) |

## DEATH BENEFIT FUND

Pursuant to Section 742.62 of the Ohio Revised Code, the Board of Trustees of OP&F administers the State of Ohio DBF. This program was established by the State of Ohio to provide monthly benefit payments to surviving family members of Ohio fire fighters and law enforcement officers who have been killed in the line of duty or die of a duty-related accident or illness. Funds are disbursed to OP&F, on a quarterly basis, each state fiscal year (July 1-June 30) and benefits are paid monthly by OP&F to eligible recipients. OP&F assesses a fee of 1.5% on benefits paid to cover the cost of administering the State of Ohio Death Benefit Fund. The assets and liabilities of the DBF are included in OP&F's combining statement of plan net assets as of Dec. 31, 2024. The following is a schedule of DBF financial activity:

| | |
|---|---|
| **Balance Jan. 1, 2024** | **$ 1,626,526** |
| Less: Survivor Benefits Paid Jan. 1 through June 30, 2024 | (18,116,349) |
| Less: Administrative Fees | (534,671) |
| State Funding Received | 35,750,000 |
| Less: Survivor Benefits Paid July 1 through Dec. 31, 2024 | (17,525,974) |
| **BALANCE DEC. 31, 2024** | **$ 1,199,532** |

# LIST OF PROFESSIONAL ACRONYMS, SYMBOLS AND ABBREVIATIONS

AAL = Actuarial Accrued Liabilities

ACFR = Annual Comprehensive Financial Report

ACH = Automated Clearing House

ACWI Ex-U.S. = All Country World Index excluding the U.S.

Board = Board of Trustees

BofA = Bank of America

bps = Basis Points

CMC = Cavanaugh Macdonald

COLA = Cost-of-Living Allowance

CPI = Consumer Price Index

CS = Credit Suisse

DBF = State of Ohio Public Safety Officers Death Benefit Fund

Dev. = Developed

DROP = Deferred Retirement Option Plan

EDOR = Effective Date of Retirement

EMSI = Economic Modeling Specialist International

€ = Euro

FAS = Final Average Salary

FED = Federal Reserve

FF&C = Full Faith and Credit

FHLMC = Federal Home Loan Mortgage Corporation

FNMA = Federal National Mortgage Association

401(h) Account = 401(h) Health Care Account

4Q = 4th Quarter

FOMC = Federal Open Market Committee

FT = Financial Times

FTSE Dev. = Financial Times Stock Exchange and Developed

GASB = Government Accounting Standards Board

GDP = Gross Domestic Product

GFOA = Government Finance Officers Association of the U.S. and Canada

GNMA = Government National Mortgage Association

Gov't = Government

GSCI = Goldman Sachs Commodity Index

HCSF = Health Care Stabilization Fund

HY = High Yield

ICE = Intercontinental Exchange

IMI = Investible Market Index

IPO = Initial Public Offering

IRC = Internal Revenue Code

IRR = Internal Rate of Return

IRS = Internal Revenue Service

JSA = Joint and Survivor Annuity

LACC = Life Annuity Certain and Continuous

LNG = Liquefied Natural Gas

LSTA = Loan Syndication and Trading Association

MD&A = Management Discussion and Analysis

Midstream = Midstream Energy Infrastructure

MLPs = Master Limited Partnerships

MSCI = Morgan Stanley Capital International

MVA = Market Value of Assets

N/A = Not Applicable

NAV = Net Asset Value

NCREIF = National Council of Real Estate Investment Fiduciaries

NOF = Net of Fees

# LIST OF PROFESSIONAL ACRONYMS, SYMBOLS AND ABBREVIATIONS - CONTINUED

NPL = Net Pension Liability

NR = Not Rated

ODCE = Open-End Diversified Core Equity

OP&F = Ohio Police & Fire Pension Fund

OPEB = Other Post-Employment Benefit

OPERS = Ohio Public Employees Retirement System

ORC = Ohio Revised Code

ORSC = Ohio Retirement Study Council

PME = Public Market Equivalent

Policy or Statement = Investment Policy and Guidelines

PPCC = Public Pension Coordination Council

REMICs = Real Estate Mortgage Investment Conduits

RFP = Request for Proposal

RSI = Required Supplementary Information

S&P = Standard and Poor's

SOFR = Secured Overnight Financing Rate

STRIPS = Separate Trading of Registered Interest and Principal Securities

TIPS = Treasury Inflation Protected Securities

TR = Total Return

X2 = Times Two

2x = Two Times

TTY = TeletypeWriter

UAAL = Unfunded Actuarial Accrued Liabilities

U.S. = United States of America

U.S.D. = United States Dollar

Vs. = Verses

($N) = U.S.D. Net

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