

# LOPFI

## LOCAL POLICE & FIRE RETIREMENT SYSTEM

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To: Joint Performance Review Committee

From: David B. Clark  
 Executive Director

Re: LOPFI Investments

Date: February 23, 2024

LOPFI was asked to describe its investment relationship, if any, with BlackRock Investment Management. LOPFI has not previously invested with and does not have current investments or contemplation of future investing with BlackRock.

For the investment program, the LOPFI Board of Trustees (the Board) recognizes its obligation to act in the best interests of the plan’s participants and beneficiaries. The Board fulfills this fiduciary duty using an investment portfolio intended to meet or exceed the actuarial assumed rate of return of 7.25%, while ensuring the managers/funds volatility is consistent with their index. Stated another way, the portfolio is designed to generate the best return, minimize risk, and ensure expenses are appropriate.

LOPFI’s investment performance compared to the portfolio policy index shows the following results over the most recent 20 years:

	<u>1 Year</u> <sup>1</sup>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>15 Year</u>	<u>20 Year</u>
Total Fund Return <sup>2</sup>	15.90%	5.02%	9.32%	7.19%	8.60%	6.33%
Policy Index	16.11%	3.16%	8.50%	6.55%	8.54%	6.53%

For LOPFI’s expenses, the five-year results for 2018 through 2022 are:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Expenses <sup>3</sup>	41.0 bps <sup>4</sup>	41.9 bps	38.1 bps	41.0 bps	50.9 bps
NCPERS Survey <sup>5</sup>	64.0 bps	54.0 bps	60.0 bps	55.0 bps	59.7 bps

<sup>1</sup> LOPFI’s fiscal year ends December 31<sup>st</sup>, so the measurements are as of December 31, 2023.

<sup>2</sup> Returns are net of fees.

<sup>3</sup> LOPFI’s 2023 administrative and investment expenses were not finalized when this memo was prepared.

<sup>4</sup> bps = Basis Points. One basis point is equal to 1/100<sup>th</sup> of one percent (0.01%). So, 10 basis points is presented as 0.10%, 50 basis points as 0.50%, etc.

<sup>5</sup> NCPERS is the National Conference on Public Employee Retirement Systems. Each year NCPERS compiles results of a national survey of retirement systems’ investments, expenses, etc.