Ohio Public Employees Retirement System

Cash Policy
March 2022

TABLE OF CONTENTS

Revision History

Cash Policy Established	**June 14, 2005**
Policy Revised	**February 17, 2010**
Policy Revised	**December 15, 2010**
Policy Revised	**December 14, 2011**
Policy Revised	**March 20, 2013**
Policy Revised	**February 19, 2014**
Policy Revised	**February 18, 2015**
Policy Revised	**January 20, 2016**
Policy Revised	**February 15, 2017**
Policy Revised	**March 21, 2018**
Policy Revised	**September 18, 2019**
Policy Revised	**March 17, 2021**
Policy Revised	**March 16, 2022**

I. SCOPE

This Policy applies to cash portfolios of the Ohio Public Employees Retirement System ("OPERS") Defined Benefit Fund ("DB Fund") and the Health Care 115 Trust Funds ("HC Fund"), including cash collateral managed as part of the securities lending program. This Policy is not applicable to investment vehicles or cash-equivalent instruments in commingled accounts.

II. PURPOSE

This Policy provides the broad investment framework for managing cash and cash-equivalent portfolios.

III. INVESTMENT PHILOSOPHY

OPERS' cash management activity seeks to preserve principal, provide adequate liquidity and achieve market returns in excess of the benchmark, net of fees. Cash management involves actively investing cash and securities lending cash collateral relative to the respective benchmarks of each portfolio within established risk parameters.

IV. STRUCTURE

Each portfolio has manager guidelines that establish management parameters such as investment grade ratings, maturity limits and overnight investment requirements to preserve principal, provide adequate liquidity and achieve appropriate market returns.

V. PERMISSIBLE INSTRUMENTS

Guidelines for each portfolio provide for eligible and short-term investment vehicles. Such guidelines limit holdings of securities to those rated investment grade by a Nationally Recognized Statistical Ratings Organization ("NRSRO"), excluding repurchase agreements. Limits on specific security types that may be purchased and held are also included in the guidelines for the individual portfolios.

VI. PERFORMANCE OBJECTIVES

The general objectives of the cash portfolios are to: preserve principal; maintain liquidity; and generate a target rate of return. Specific performance objectives are detailed in guidelines for individual portfolios.

Portfolio	Benchmark
OPERS' STIF	Bloomberg Tier 1 30 Day CP
OPERS' Sec Lend STIF	Overnight Bank Funding Rate
OPERS' Key Lend STIF	Overnight Bank Funding Rate

VII. RISK MANAGEMENT

Risk is managed through a combination of quantitative and qualitative constraints. Investment Staff ("Staff") shall establish parameters in each portfolio's investment guidelines to control such risks as the following:

A. Interest Rate Risk

The duration constraint is the primary risk-mitigating factor in controlling interest rate risk. The weighted-average-maturity-to-reset-date for the cash portfolios will have a maximum limit of 120 days, while the weighted-average-maturity-to-final-maturity-date will have a maximum limit of 1.3 years. The maximum maturity or weighted average life of any security in a portfolio will be 3 years or less at time of purchase. If structured securities should extend their weighted average life past the 3-year limit, they will be addressed within a maximum of 90 days. Guidelines for each portfolio will include a specific duration constraint for that portfolio.

B. Credit Risk

Credit risk is mitigated in the portfolios through credit research and following guidelines that dictate permitted ratings for securities, aggregate exposure to various credit tiers and maximum exposure limits for individual securities.

Excluding repurchase agreements, all securities in the portfolios will be investment grade at time of purchase and any securities that are subsequently downgraded below investment grade will be addressed within a 90-day period. The guidelines for each portfolio shall address minimum specific rating criteria. The cash portfolios shall only hold securities that are rated by an NRSRO or guaranteed by a party that is rated investment grade by an NRSRO.

C. Liquidity Risk

With the exception of transition periods, the portfolios will maintain holdings of at least 50% of their market value in securities that are eligible under Rule 2a-7 (used for day count limits of final maturity) as established and amended from time to time by the United States Securities and Exchange Commission, pursuant to the Investment Company Act of 1940. In addition, the funds will maintain a minimum of 10% of the portfolio in instruments maturing the next business day.

VIII. ROLES AND RESPONSIBILITIES

A. OPERS Retirement Board

The Ohio Public Employees Retirement Board ("Board") is responsible for reviewing and approving this Policy and any changes to it.

In addition, the Board is responsible for reviewing reports related to this Policy.

B. Investment Staff

The Board delegates authority to the Chief Investment Officer ("CIO") to implement this Policy. Staff is responsible for monitoring the Policy and recommending changes to the Board. Staff is also responsible for managing the cash assets within the framework of the Board approved Policies and within the goals and objectives adopted by the Board in the Annual Investment Plan.

All members of Staff are accountable to the CIO. The CIO is responsible for all Staff actions relative to the management of OPERS' investments. In this regard, it is the responsibility of the CIO to satisfy himself/herself that all Policies and directives of the Board are implemented.

C. Investment Compliance

The Investment Compliance area of Investment Accounting, Operations and Compliance ("IC") is responsible for monitoring compliance with this Policy, including guidelines established pursuant to it. If IC determines that an exception to this Policy has occurred, IC shall notify Staff, the CIO, the Executive Director and the Board.

D. Investment Advisor

The role of the Investment Advisor ("Advisor") is specified in the Investment Objective and Asset Allocation Policies.

IX. MONITORING AND REPORTING

To ensure monitoring and compliance with this Policy, the following reports will be reviewed with the Board:

A. Quarterly

Performance reports – Advisor and/or Staff

Report on compliance – Investment Compliance Staff

B. Annually

OPERS Annual Investment Plan – Staff