The Board approved a new benchmark for the risk parity assets included in the OPERS investment portfolio.

Risk parity is a strategy that seeks to balance investment risk among its underlying securities, which can include stocks, bonds and commodities.  OPERS has allocated 5 percent of the Defined Benefit  Fund and 2 percent of the Health Care Fund to risk parity strategies.

The benchmark will transition from a peer-based index to a custom index that will include only the existing risk parity strategies in which OPERS currently is invested. OPERS will adjust the relevant investment policies to reflect the change, which went into effect May 1.

The Board approved a recordkeeping transfer of about $285 million from the Health Care Core Fund to the Health Care Rate Stabilization Fund effective the end of 2020.  Both funds are components of the total Health Care Fund, which held just over $12.8 billion in investment assets at the end of 2020.  The stabilization fund serves as a reserve for times in which fund contributions and/or investments returns don’t meet their targets.