

**School Employees Retirement System of Ohio**  
**GASB 68 Disclosure Information**  
**June 30, 2015**

|  | <b>Source Document</b>   |             |  |             |                       |             |       |       |       |             |             |             |   |
|--|--|-------------|--|-------------|-----------------------|-------------|-------|-------|-------|-------------|-------------|-------------|---|
| <p><b>Pension Plan Description (paragraph 76)</b></p> <ul style="list-style-type: none"> <li>• The Name of the pension plan</li> <li>• A brief description of the benefit terms</li> <li>• A brief description of the contribution requirements</li> <li>• Access to the Pension Plan’s stand-alone financial report</li> </ul>  | <ul style="list-style-type: none"> <li>• School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2015 Plan Summary, Pages 26-27 and Pages 97-104</li> </ul>   |             |  |             |                       |             |       |       |       |             |             |             |   |
| <p><b>Actuarial Assumptions (paragraph 77)</b></p> <ul style="list-style-type: none"> <li>• Valuation Date : June 30, 2014</li> <li>• Actuarial Cost Method: Entry Age Normal</li> <li>• Wage Inflation: 3.25%</li> <li>• Projected Salary Increases: 4.00% to 22.00%, including inflation</li> <li>• Investment Rate of Return: 7.75%</li> <li>• Cost of Living Increases (COLA): 3.0%</li> <li>• Mortality Tables: 1994 Group Annuity Mortality Table set back one year for both men and women</li> <li>• Date of Most Recent Experience Study: 6/30/2010</li> </ul>   | <ul style="list-style-type: none"> <li>• School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2015 Financial Section, Footnote 8, Page 34</li> <li>• GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2015 Prepared by Cavanaugh Macdonald Consulting, LLC Pages 4 and 9</li> </ul> |             |  |             |                       |             |       |       |       |             |             |             |   |
| <p><b>Sensitivity of Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (paragraph 78)</b></p> <table border="1" data-bbox="205 1045 989 1295"> <thead> <tr> <th colspan="3" data-bbox="205 1045 989 1089">Employer’s Net Pension Liability</th> </tr> <tr> <th data-bbox="205 1091 464 1161">1% Decrease</th> <th data-bbox="466 1091 772 1161">Current Discount Rate</th> <th data-bbox="774 1091 989 1161">1% Increase</th> </tr> </thead> <tbody> <tr> <td data-bbox="205 1162 464 1235">6.75%</td> <td data-bbox="466 1162 772 1235">7.75%</td> <td data-bbox="774 1162 989 1235">8.75%</td> </tr> <tr> <td data-bbox="205 1237 464 1295">\$7,912,306</td> <td data-bbox="466 1237 772 1295">\$5,706,097</td> <td data-bbox="774 1237 989 1295">\$3,848,287</td> </tr> </tbody> </table> | Employer’s Net Pension Liability   |             |  | 1% Decrease | Current Discount Rate | 1% Increase | 6.75% | 7.75% | 8.75% | \$7,912,306 | \$5,706,097 | \$3,848,287 | <ul style="list-style-type: none"> <li>• School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2015 Financial Section, Footnote 8, Page 35</li> <li>• GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2015 Prepared by Cavanaugh Macdonald Consulting, LLC Page 6</li> </ul> |
| Employer’s Net Pension Liability   |  |             |  |             |                       |             |       |       |       |             |             |             |   |
| 1% Decrease  | Current Discount Rate  | 1% Increase |  |             |                       |             |       |       |       |             |             |             |   |
| 6.75%  | 7.75%  | 8.75%       |  |             |                       |             |       |       |       |             |             |             |   |
| \$7,912,306  | \$5,706,097  | \$3,848,287 |  |             |                       |             |       |       |       |             |             |             |   |
| <p><b>Long-term Expected Rate of Return Expectation (paragraph 78)</b></p>   | <ul style="list-style-type: none"> <li>• School Employees Retirement System of Ohio Comprehensive Annual Financial Report</li> </ul>   |             |  |             |                       |             |       |       |       |             |             |             |   |

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| <ul style="list-style-type: none"> <li>The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the <i>Statement of Investment Policy</i>. A forecasted rate of inflation serves as the baseline for the return expectation. 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.</li> </ul> | <p>For the Year Ended June 30, 2015<br/> Financial Section, Footnote 8, Page 34</p> <ul style="list-style-type: none"> <li>GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2015<br/> Prepared by Cavanaugh Macdonald Consulting, LLC<br/> Page 5</li> </ul> |                     |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
|---|---|---------------------|---------------------|------|-------|-------|-----------|--------|-------|---------------|--------|-------|--------------|--------|-------|----------------|--------|--------|-------------|--------|-------|-------------|--------|-------|--|
| <p><b>Long-term Expected Rate of Return by Asset Class (paragraph 78)</b></p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Allocation</th> <th>Real Rate of Return</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>1.00%</td> <td>0.00%</td> </tr> <tr> <td>US Stocks</td> <td>22.50%</td> <td>5.00%</td> </tr> <tr> <td>Non-US Stocks</td> <td>22.50%</td> <td>5.50%</td> </tr> <tr> <td>Fixed Income</td> <td>19.00%</td> <td>1.50%</td> </tr> <tr> <td>Private Equity</td> <td>10.00%</td> <td>10.00%</td> </tr> <tr> <td>Real Estate</td> <td>10.00%</td> <td>5.00%</td> </tr> <tr> <td>Hedge Funds</td> <td>15.00%</td> <td>7.50%</td> </tr> </tbody> </table>  | Asset Class   | Allocation          | Real Rate of Return | Cash | 1.00% | 0.00% | US Stocks | 22.50% | 5.00% | Non-US Stocks | 22.50% | 5.50% | Fixed Income | 19.00% | 1.50% | Private Equity | 10.00% | 10.00% | Real Estate | 10.00% | 5.00% | Hedge Funds | 15.00% | 7.50% | <ul style="list-style-type: none"> <li>School Employees Retirement System of Ohio Comprehensive Annual Financial Report For the Year Ended June 30, 2015<br/> Financial Section, Footnote 8, Page 35</li> <li>GASB Statement No. 68 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2015<br/> Prepared by Cavanaugh Macdonald Consulting, LLC<br/> Page 5</li> </ul> |
| Asset Class   | Allocation  | Real Rate of Return |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Cash  | 1.00%   | 0.00%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| US Stocks   | 22.50%  | 5.00%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Non-US Stocks   | 22.50%  | 5.50%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Fixed Income  | 19.00%  | 1.50%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Private Equity  | 10.00%  | 10.00%              |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Real Estate   | 10.00%  | 5.00%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| Hedge Funds   | 15.00%  | 7.50%               |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |
| <p><b>Net Pension Liability (NPL) as of June 30, 2014</b><br/> Individual employers can apply their proportionate share percentage as identified in the Schedule of Employer Allocations As of and For the Year Ended June 30, 2014 to determine its proportionate share of the June 30, 2013 NPL.</p>  | <ul style="list-style-type: none"> <li>Pension liability and Plan net position figures may be found in:<br/> GASB Statement No. 67 Report for the Basic Benefits Valuation of the School Employees Retirement System of Ohio Prepared as of June 30, 2015<br/> Prepared by Cavanaugh Macdonald Consulting, LLC<br/> Page 8</li> </ul>               |                     |                     |      |       |       |           |        |       |               |        |       |              |        |       |                |        |        |             |        |       |             |        |       |  |

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|  | <ul style="list-style-type: none"><li>• Proportionate share calculation may be found in:<br/>School Employees Retirement System of Ohio<br/>Schedule of Employer Allocations and Schedule of Pension<br/>Amounts by Employer<br/>As of and For the Year Ended June 30, 2015<br/>Audited by RSM US, LLP</li></ul> |
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