



**SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**  
**BOARD MEETING HIGHLIGHTS**  
**MARCH 2016**

**Three Candidates Chosen for Special Board Election Interview**

From a pool of six candidates, Board members selected Hugh Garside, Jr., James Haller, and Edward Sobnosky as candidates to be interviewed for the open employee-member Board seat.

At the April 21 Board meeting, the Board will interview the candidates and discuss their qualifications. The candidate that receives a majority vote of the Board will fill the open seat.

The term for this Board seat runs from April 21, 2016 to June 30, 2017.

**Executive Director’s Update**

The House Ways and Means Committee’s Social Security Subcommittee held a hearing regarding “Social Security and Public Servants: Ensuring Equal Treatment,” on March 22, 2016.

This hearing is an important development in reforming the Social Security Windfall Elimination Provision (WEP) that affects most public servants in Ohio.

The proportional formula proposed in H.R. 711, The Equal Treatment of Public Servants Act, was discussed during the hearing.

The bill has gained support from notable organizations, including the Social Security Advisory Board and AARP, who recently described the legislation as “a fair solution to a longstanding problem for workers who have both private sector and state and local government service.”

Sixty legislators throughout the country have signed on as co-sponsors, including 10 from Ohio.

[Click here](#) to find out how to submit a written statement or letter for consideration by the Committee. All statements must be submitted by April 5, 2016.

**Investment Consultant Search Narrowed to Three Finalists**

As a best practice, SERS conducts an investment consultant search at least every five years.

The latest RFP was issued in January 2015, and the staff investment committee narrowed the field to three finalists: Pension Consulting Alliance, Summit Strategies Group, and Wilshire. All three firms made presentations to the Board.

The Board is expected to make its final decision at the April meeting.

**SERS Commits to Currency Manager and Private Equity Fund**

The SERS Staff Investment Committee chose Fischer Francis Trees & Watts to manage \$1 billion of the System’s currency risk for global investments. This selection completes an RFP that was issued in October 2015.

The Staff Investment Committee also approved a \$50 million commitment to Leonard Green Equity Investors VII, a buyout strategy within SERS’ Private Equity portfolio. Previously, SERS invested in the Leonard Green V and VI funds.

This investment will be funded from cash reserves.

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RETIREMENT BOARD

CATHERINE D. MOSS <i>Chair, Retiree-Member</i>	BARBRA M. PHILLIPS <i>Vice-Chair, Employee-Member</i>	VACANT SEAT <i>Employee-Member</i>	NANCY D. EDWARDS <i>Appointed Member</i>
MADONNA D. FARAGHER <i>Employee-Member</i>	CHRISTINE D. HOLLAND <i>Employee-Member</i>	JAMES A. ROSSLER, JR. <i>Appointed Member</i>	DANIEL L. WILSON <i>Appointed Member</i>
			BEVERLY A. WOOLRIDGE <i>Retiree-Member</i>

## Total Fund Update

TOTAL FUND BALANCE		
December 31	January 31	Difference
\$12.36 billion	\$11.93 billion	▼\$430 million
TOTAL FUND RETURN (net of fees)		
Fiscal Year	Calendar Year	3-Year
▼4.42%	▼3.16%	▲5.93%
TOTAL FUND RETURN vs. BENCHMARK		
Fiscal Year	Calendar Year	3-Year
▼0.24%	▼0.34%	▲0.06%

## Health Care Update

Health Care Department Program Coordinator-PBM Penny Baker discussed the early Medicare initiative.

The initiative identifies those in the SERS under 65 coverage who may be eligible for early Medicare due to a disability, and assists them with the process of applying for this benefit. Such employees are identified as Medicare-Qualified Government Employees.

She also reviewed the status of the RFP for a vendor to assist with the project.

In addition, Medical Plans Coordinator Mark Jarvis examined the Marketplace wraparound coverage initiative, and explained how the coverage would work. He also provided an update on the status of the RFP for a vendor to administer the wraparound coverage on behalf of SERS.

## Information Security Program Update

Staff presented its FY2016 third quarter update on the Information Security Program. Accomplishments for the quarter included a SMART-related initiative (SERS' new member benefits computer system), with a successful test for capacity and performance of the Business Continuity Site Project, as well as a Mobile Device Management (MDM) initiative, which evaluated MDM providers, selected AirWatch as a provider, and conducted tests with AirWatch.

Initiatives still in progress include developing a three-to-five year strategy for the program, annual benchmark assessment analysis, and deploying MDM.

## Internal Audit Update

Joe Bell, SERS' chief audit officer, presented the status of several internal audits.

Of the 16 audits scheduled for this fiscal year, nine are complete. The remaining audits are on track for completion before the end of FY2016.

## Monthly Retirement and Survivor Benefit Transactions

For March, the SERS Board approved 352 active members for service retirements, and 19 survivor benefits for spouses and/or dependents.

## April Meeting Dates

The next Board meeting will take place Thursday, April 21, and Friday, April 22 (if necessary) at 8:30 a.m.

## Board Retreat Highlights

The SERS Board met on Feb. 17, for its annual Board Retreat. Topics included capital markets outlook, sustainable investment strategies, actuarial basics overview, and sustainable health care strategies.

The Board Retreat Highlights are [available on our website](#).