



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

BOARD MEETING HIGHLIGHTS

JULY 2025

Board Members Take Oath

Employee-member Jeanine Alexander, employee-member Rebekah Roe, and retiree-member Frank Weglarz took the oath of office at this month's Board meetings.

Alexander is the treasury services assistant at Rossford Exempted Village Schools, where she has worked since 2015. This is her first full term on the Board.

Roe is the director of human resources administration for Columbus City Schools. She is also a member of OASBO. This is her first term on the Board, as well.

Weglarz retired from the Cleveland Heights-University Heights City Schools. He is currently president of AFSCME 1184/SC 120 and a member of SERO. He is serving his third term on the Board.

All three terms run from July 1, 2025, to June 30, 2029.



Employee-member Jeanine Alexander, left, and General Counsel Joseph Marotta, right



Retiree-member Frank Weglarz, left, and General Counsel Joseph Marotta, right



Employee-member Rebekah Roe, left, and General Counsel Joseph Marotta, right

RETIREMENT BOARD

JAMES A. ROSSLER, JR.
Chair, Appointed Member

DANIEL L. WILSON
Vice-Chair, Appointed Member

JEANINE ALEXANDER
Employee-Member

JEFFREY T. DELEONE
Appointed Member

MATTHEW KING
Employee-Member

CATHERINE P. MOSS
Retiree-Member

REBEKAH R. ROE
Employee-Member

AIMEE RUSSELL
Employee-Member

FRANK A. WEGLARZ
Retiree-Member

Board Appoints Audit, Compensation, and Technology Committee Chairs

For FY2026 and FY2027, Board Chair Jamie Rossler appointed Aimee Russell as Audit Committee chair, Dan Wilson as Compensation Committee chair, and Frank Weglarz as Technology Committee chair.

Monthly Investment Report

Chief Investment Officer Farouki Majeed recapped the May 2025 U.S. economic conditions and SERS' investment results.

As of May, the U.S. gross domestic product (GDP) ventured into negative territory at -0.5%. This was due in part to lower government and consumer spending and a surge in import activity to avoid impending tariffs.

A negative GDP generally indicates that economic activity will slow down in the coming months.

In the labor sector, unemployment dropped slightly to 4.1% from 4.2% and has remained stable over the last few months. Job openings and layoffs have remained virtually unchanged, which means that most people who want a job should be able to find one.

Inflation increased in May and even more in June, so the year-over-year increase in the consumer price index (CPI) from June-to-June measured 2.6%. With the exception of China, inflation increased internationally, specifically in the UK, Japan, Germany, and Brazil.

If U.S. inflation remains sticky, there is little chance that the Federal reserve will lower interest rates in the coming months.

SERS' cost-of-living adjustments (COLAs) are based on the June-to-June CPI with input from the system's actuary. The Board plans to discuss the 2026 COLA increase at its September meeting.

Although a recession in the near term seems unlikely, the Leading Economic Index (LEI) has dipped substantially since the second quarter of 2022. The LEI uses statistical measures to anticipate changes in a business cycle and similar downward trends preceded the recessions in 2001 and 2008.

The value of the U.S. dollar has been declining against other currencies which increases the costs to buy U.S. stocks and lowers expected returns. This situation makes non-U.S. equities more appealing as an investment target.

In June, SERS' assets totaled \$20.6 billion and for the fiscal year ended June 30, 2025, SERS' preliminary return is estimated to be 11.17%, which is 1.2% above the Total Fund benchmark.

Investment Committee Approves Three Investments

The SERS Staff Investment Committee approved a commitment to Ardian Secondaries IX of up to \$70 million along with a \$35 million sidecar co-investment commitment, as well as a \$50 million commitment along with a \$25 million sidecar co-investment commitment to GIP Capital Solutions Fund III, both infrastructure strategies within the real assets portfolio.

The committee also approved a commitment to Atlantic Park Strategic Capital Fund III, a direct lending strategy in the private credit portfolio, of up to \$50 million.

These investments will be funded from cash reserves.

Total Fund Update

TOTAL FUND BALANCE		
April 30	May 31	Difference
\$19.70 billion	\$20.21 billion	▲ \$510 million
TOTAL FUND RETURN (net of fees)		
Fiscal Year	Calendar Year	3-Year
▲ 8.53%	▲ 4.55%	▲ 7.21%
TOTAL FUND RETURN vs. BENCHMARK		
Fiscal Year	Calendar Year	3-Year
▲ 1.16%	▲ 1.21%	▲ 0.63%

Board Approves Final Filing of Amended Administrative Rule

The Board approved the final filing of an amended administrative rule regarding spousal consent.

The amendment waives the requirement for spousal consent when the member elects Plan D at retirement and designates the current spouse as beneficiary. Plan D provides a lower monthly payment to the retiree, which continues to be paid in the same amount to the surviving spouse after the retiree's death.

Educational Session on Fiduciary Duties

Joe Marotta, SERS' general counsel, provided the Board with an educational session on fiduciary duties.

A fiduciary relationship exists when a person assumes control or responsibility over the administration of the plan or management of assets. This can include Board members, senior pension fund staff, investment managers and consultants, and others who have agreed to be held to a fiduciary standard.

Marotta described the Board's major fiduciary duties as loyalty, impartiality, prudence, the duty to manage costs, and the duty to comply with laws.

A more in-depth presentation on public pension fiduciary duties is planned for the annual Joint Trustee Training in November.

Executive Director's Update

ORSC Update

Following the Board's approval of SERS' FY2026 budget, a copy was sent to the ORSC for their records.

State Legislation

SERS will be working with the other Ohio retirement systems to draft a plan for implementing the payment of local school taxes from pension payments.

This mandate was included in Ohio's budget bill and will be effective for the retirement systems on January 1, 2027.

This will be a complex process that requires input from individual retirees who wish to do it.

Federal Legislation

The Social Security Administration recently announced that all payments owed to public employees following the repeal of the GPO and WEP in the Social Security Fairness Act have been delivered.

Staff Gives Back to Charity

SERS staff participated in the Operation Feed Campaign organized by the Mid-Ohio Food Collective. Through various fundraising activities, Staff donated \$3,058, which equals 7,642 meals.

Member and Employer Outreach

Currently, Member Services is scheduling counseling sessions six weeks out. Surveys indicate that 93% of those counseled were highly satisfied with their counseling visit. The number of calls for the last month has been consistent with the same period last year.

In FY2025, there was a 6% increase in retirements compared to FY2024.

Following the July 1 implementation of the new pensionable compensation rule, Employer Services staff responded to numerous calls about previous compensation determinations. Staff also held employer webinars on the topics of Covered Compensation and How Penalties are Generated; hosted a hands-on training session at SERS; and sent an Employer Hotline publication to all employers on the new compensation rule.

Monthly Retirement and Survivor Benefit Transactions

For July, the SERS Board approved 162 active members for service retirements, and 6 survivor benefits for spouses and/or dependents.

September Meeting Dates

There will not be a regular Board meeting in August. The next Board meeting will take place on Thursday, September 18, at 8:30 a.m.