

SERS Retirement Board Meeting Minutes

February 19, 2026

The nine hundred and eighty-eighth meeting of the Retirement Board of the School Employees Retirement System was held in the boardroom at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Thursday, February 19, 2026.

Pledge of Allegiance

The SERS Retirement Board Meeting convened at 8:30 a.m. with the Pledge of Allegiance.

Roll Call

The roll call was as follows: James Rossler, Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz. Absent (excused): Catherine Moss. Also attending was Mary Therese Bridge, representative of the Ohio Attorney General's Office. Various members of the SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Consent Agenda

The Consent Agenda for February 19, 2026, included:

- **Minutes** of the December 18, 2025, Retirement Board Meeting and of the January 15, 2026, Special Retirement Board Meeting.
- **Summary of Investment Transactions** for the period of November 1, 2025, to November 30, 2025, and December 1, 2025, to December 31, 2025.
- **Retirement Report** - Superannuations, Survivor Benefits, Transfers and Special Cases.
- **Disability Report** - Approval of Disability Benefits, Disapproval of Disability Benefits, Termination of Disability Benefits – Any Occupation, Disapproval of Appeal of Disability Benefits, Approval of Appeal of Termination, Approval of Appeal of Termination – Any Occupation.

Frank Weglarz moved and Aimee Russell seconded the motion to approve the Consent Agenda of the Retirement Board Meeting held on Thursday, December 18, 2025. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Absent: Catherine Moss. The motion carried.

Investment Report

Annual Portfolio Review – Global Equities

SERS Investment staff Judi Masri and Hai Yen Le provided an update on the Global Equities portfolio. Ms. Masri reported that the portfolio has a \$9.7B market value. The target allocation is 40% while the actual allocation is 42.9%.

Ms. Masri reported that the portfolio remains overweight equities by 4.6%, underweight U.S. by 1.6%, and overweight emerging markets by 1.5%, with a total market value of \$9.7 billion across 23 externally managed mandates. Performance improved notably in 2025, lifting three-year excess returns to 0.39% with tracking error consistently below 1.5%. The strategy emphasizes a mix of active and passive management—U.S. equity is 72% passive, while non-U.S. developed and emerging markets are fully active. Portable Alpha strategies, representing 11% of U.S. equity, delivered strong results with a 27.04% one-year return versus 17.37% for the Russell 1000. Global mandates have grown to 32% of the portfolio, benchmarked to MSCI ACWI, and include long-short extensions for enhanced return potential. Ms. Le covered market review noting that U.S. equities remain highly valued relative to history, which may dampen future returns, while emerging markets and non-U.S. developed equities outperformed in 2025, benefiting the portfolio's positioning. Overall, the portfolio continues to focus on risk-aware, benchmark-aware strategies, leveraging global diversification and innovative approaches like equity extensions and Portable Alpha to enhance long-term performance.

Following a brief discussion, the Board thanked Ms. Masri and Ms. Le for their report.

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Wilshire Associates Quarterly Performance Report – As of December 31, 2025

Joanna Bewick and Chris Tessman of Wilshire Associates provided the Board with an update of current U.S. economic conditions, and a review of SERS' October-December 2025 quarterly results.

Ms. Bewick reported strong equity market performance, with U.S. stocks up 2.3% for the quarter and 17.1% for the year, led by health care and communication services sectors. Growth outpaced value, and large caps outperformed small caps. Global markets also posted gains, with emerging markets up 34.4% for the year. Fixed income saw modest returns as the Fed cut rates by 50 basis points, bringing the target range to 3.50%-3.75%, while long-term yields remained near 4.17%.

Mr. Tessman reported that SERS' total fund returned 15.6% for 2025, outperforming the policy benchmark by 2.2%, driven by strong global equity and opportunistic strategies. Asset allocation remains overweight in global equity and underweight in fixed income and real estate relative to targets. Mr. Tessman noted key risks include consumer sentiment weakness, inflationary pressures from industrial reshoring and AI investment, and geopolitical factors. Overall, Ohio SERS ranks in the top quartile among public plans for one-year and five-year performance.

After several questions, the Board thanked Ms. Bewick and Mr. Tessman for their report.

Quarterly Investment Report - As of December 31, 2025

Chief Investment Officer, Farouki Majeed, provided a brief update on the investment fund status for the quarter ending December 31, 2025.

Mr. Majeed highlighted strong economic growth with U.S. GDP up 4.4% annualized in Q3 and 2.3% for the year, though forecasts suggest moderation to 2.1% in 2026. Inflation remained contained at 2.7%, and the Fed maintained rates at 3.50%-3.75% after three cuts in 2025. Equity markets posted gains, with U.S. up 16.35%, developed markets up 31.54%, and emerging markets up 42.84% for the year. The total fund returned 15.18% net for calendar year 2025, outperforming the policy benchmark by 1.8%, driven by global equities (+24.7%) and opportunistic strategies (+16.4%). Private equity also added value (+12.3%), while real estate lagged (-4.8%).

Mr. Majeed reported that asset allocation remains overweight in global equities and opportunistic strategies and underweight in fixed income and real estate. Total fund assets reached \$21.96 billion, up from \$19.47 billion a year ago. Ohio SERS continues to rank in the top quartile for multi-year performance among public plans.

Following a robust discussion and several questions, the Board thanked Mr. Majeed and his Investment Staff for their hard work.

Capital Market Assumptions Review – Wilshire Associates

Ms. Bewick introduced the Wilshire report on Capital Market Assumptions, which provided a forward-looking 10-year outlook as of December 31, 2025. This information will be used in the asset-liability study.

The expected geometric return for the current Ohio SERS policy allocation is 6.35% with a standard deviation of 13.35%, implying a wide range of potential outcomes. Ms. Bewick reported that global equity returns are forecasted at 5.05%, while global fixed income is slightly higher at 5.10%, resulting in a negative equity risk premium. Inflation is assumed at 2.30%, based on breakeven rates, and cash yields are projected at 3.25%. U.S. equity forecasts blend three models—Dividend Discount, IGV, and CAPE—yielding a 4.45% expected return, while developed ex-U.S. and emerging markets are projected at 5.45% and 5.70%, respectively.

Ms. Bewick continued, stating that private equity assumptions range from 5.45% for buyouts to 8.55% for venture capital, with private credit forecasted at 7.45%. Real assets, including real estate and infrastructure, are modeled using yield-plus-growth approaches, and commodities are expected to benefit from inflation-linked dynamics. Ms. Bewick reported on the correlation analysis which emphasizes diversification benefits across asset classes.

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Overall, Wilshire's methodology combines historical data with forward-looking adjustments for inflation, interest rates, and valuation metrics to guide long-term asset allocation decisions.

Following several questions, the Board thanked Ms. Bewick for her report.

Investment RFP

SERS Chief Investment Officer, Farouki Majeed, updated the Board on the RFP process to select a new Investment Consultant.

Four responses were received, including one from Wilshire, SERS' current consultant. A team including executive, legal, and investment staff has reviewed the responses and identified three candidates to be interviewed. Based on the interviews staff may recommend two or three candidates to present to the Board in May for final selection. Mr. Majeed agreed to follow up with the Board in March regarding any updates.

Mr. Majeed also reminded the Board that the Investments Team will be providing an educational session on AI at the March 2026 Board Meeting. The Board thanked Mr. Majeed and his staff for their reports.

The Board took a break at 10:31 a.m.

The Board reconvened at 10:46 a.m.

Executive Director's Report

Ohio Retirement Study Council

SERS Executive Director Richard Stensrud reported that the ORSC cancelled the January meeting but met on February 12. Mr. Stensrud provided summaries of recent reports submitted to the council. Those reports included the Pension and Health Care valuations, the Annual Health Care report, and the Iran/Sudan divestment report. A fiduciary audit is forthcoming and RFPs are being requested. The audit should begin in late 2026 and end early 2027 with a final report. The fiduciary audit is a large undertaking and an expensive one that is built into the FY2027 budget.

Advocacy Groups

Mr. Stensrud reported that SERS hosted the annual SERS Pension and Health Care Advocacy Group Roundtable as a hybrid meeting on January 16, which was also attended by several members of the Board. Eight representatives from six different advocacy groups attended to hear presentations about the state of the retirement system as well as a look forward to key activities in 2026. Board members in attendance noted that the reports were informative and well-received. Outreach with stakeholders is scheduled annually with check-ins throughout the year.

State Legislative Activity

Mr. Stensrud reported that the legislature is back in session and SERS staff continue to monitor pension-related legislation, such as HB 413 (TOS Checkbook) and HB 473, the pick-up prohibition bill. SERS staff will keep the Board updated of any related activity at the statehouse.

Board Workshop Announcement

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Mr. Stensrud provided an introduction on the workshop taking place tomorrow, Friday, February 20. Mr. Stensrud highlighted the education sessions that will take place during the workshop and noted that he hoped it would be an informative and enlightening workshop.

Member Services Outreach

Mr. Stensrud reported on the many ways that SERS continues to engage with SERS' active members, retirees, and employers. Mr. Stensrud noted the webinars and training sessions that have been held with employers, and the virtual conferences, benefit fairs, and webinars that have been held with active members. Communication pieces continue to be sent out to educate and bring awareness to issues affecting SERS members.

Mr. Stensrud reported that the eSERS platform has a new live chat feature that was implemented February 11, 2026. Employers can interact live with Employer Services staff members during business hours who can answer questions immediately in real time. Mr. Stensrud reported that the feature is being well-received.

CBIZ Compensation Presentation

Mr. Stensrud introduced Joe Rice, Director at CBIZ, a compensation consulting firm, who provided an annual update to the Board on current labor market salary data that directly affects the salary ranges and salary levels for SERS' staff.

Mr. Rice stated that reviewing and adjusting the salary ranges and overall salary growth on an annual basis is considered a best practice as it helps assure that SERS' compensation levels remain aligned with the compensation for comparable positions. In so doing, this helps assure that compensation is maintained at a level that enables SERS to attract and retain the quality of employees needed for the organization to continue to be successful at its mission.

Mr. Rice reported that there is a continued cooling of wage growth, but still high relative to historical pre-COVID numbers. Public sector wage growth has continued to surpass private sector. The public sector was slower to increase wages and has been playing catchup in the market. The Columbus market continues to experience development, employer growth, and job gains. It was noted employers are seeing benefits cost increases, causing additional strains to budgets.

Based on the labor market data, Mr. Rice suggested a 2.6% increase to current salary ranges with an increase in the total salary budget of 4.0%.

Mr. Stensrud noted that adjusting the salary range(s) does not mean that salaries will increase by that amount. The primary source of salary growth at SERS is through the annual merit adjustment. SERS' employees do not receive step increases or cost-of-living adjustments. Total salary budget growth includes annual merit increases, promotions, and salary adjustments.

Mr. Stensrud noted that no action was required from the Board at this time. The Board will be provided with information regarding the fiscal impact of various combinations of salary structure, salary budget growth and merit levels at the March Board Meeting. At that time, the Board will be asked to decide on a specific salary structure adjustment and total salary budget increase, including the percentage allocated to merit, so that this information can be built into the budget for FY2027.

Following several questions, the Board thanked Mr. Rice for his presentation.

Educational Session under R.C. 171.50 and 3309.051 - Actuarial Fundamentals – CavMac

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SERS Actuary, CavMac Actuarial Consultants, provided an Actuarial Fundamentals educational session for the board in preparation of the upcoming Actuarial Experience Study by reviewing the actuary's role, the actuarial process, and actuarial terminology.

Todd Green, president and consulting actuary with CavMac, explained actuaries are guided by Actuarial Standards of Practice (ASOPs), which define principles for measuring pension obligations, selecting assumptions, valuing assets, and assessing risk.

Mr. Green continued, detailing how actuaries support the retirement system. Actuaries prepare valuations, calculate contribution rates, determine funded status, prepare financial reporting under GASB standards, and assist with regulatory compliance. They also project liquidity needs, support asset allocation, and communicate complex issues in understandable terms.

Mr. Green introduced key funding concepts, contrasting Pay-As-You-Go with Actuarial Pre-funding, and explaining the basic funding equation: contributions plus investment returns equal benefit payments plus expenses. Mr. Green reported that the valuation process involves analyzing membership data, benefit provisions, assets, and assumptions to determine normal cost, actuarial accrued liabilities, and contribution sufficiency. Techniques like asset smoothing help manage volatility in employer contributions, while amortization policies address unfunded liabilities over time.

Finally, Mr. Green emphasized the importance of projections by modeling future membership, contributions, funding levels and investment outcomes over a 30-year horizon. These are strategic tools for boards and staff to evaluate sustainability, guide investment policy, and anticipate future contribution requirements.

Following several questions, the Board thanked Mr. Green for his report.

Review of Administrative Expenses

SERS Chief Financial Officer, Marni Hall, provided a brief update on SERS' FY2026 administrative expenses as of the end of January 2026. Ms. Hall reviewed several line items in the Administrative Expense Reports, noting spending was within the approved budget limits per policy.

Following several questions, the Board thanked Ms. Hall for her report.

Filing of Proposed Amended Administrative Rule

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rule: 3309-1-70 Contribution based benefit cap. Matthew King moved and Jeanine Alexander seconded that proposed amended rule 3309-1-70 be filed with JCARR as discussed. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Absent: Catherine Moss. The motion carried.

Final Filing of Proposed Amended Administrative Rules

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rules: 3309-1-09 Federal Taxation and 3309-1-65 Medicare part B reimbursement account, that have been reviewed

by JCARR and are ready for final adoption by the Board. Frank Weglarz moved and Rebekah Roe seconded that proposed amended rules 3309-1-09 and 3309-1-65 be adopted. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Absent: Catherine Moss. The motion carried.

Technology Committee Report

Technology Committee Update

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SERS Technology Committee Chair, Frank Weglarz, provided an update on the work being done in the Technology Committee. Mr. Weglarz reported that the Technology Committee met in December 2025. The 5 Year Technology Roadmap was discussed, and cybersecurity updates were provided by staff. With no questions, the Board thanked Mr. Weglarz for the update.

Retirement Report

There was no executive session for the retirement report.

Board Communication and Policy Issues

Calendar Dates for Future Board Meetings

The Board members reviewed the 2026 meeting calendar.

CALENDAR DATES FOR SERS BOARD AND COMMITTEE MEETINGS FOR 2026 **

AUDIT COMMITTEE MEETINGS

March 18, 2026 – 2:30 p.m. (Weds.)
June 17, 2026 – 2:30 p.m. (Weds.)
September 16, 2026 - 2:30 p.m. (Weds.)
December 16, 2026 – 2:30 p.m. (Weds.)

COMPENSATION COMMITTEE MEETINGS

March 19, 2026 – 7:30 a.m. (Thurs.)
June 18, 2026 – 7:30 a.m. (Thurs.)
July 16, 2026 – 7:30 a.m. (Thurs.) **** Special Meeting ****
September 17, 2026 – 7:30 a.m. (Thurs.)
December 17, 2026 – 7:30 a.m. (Thurs.)

TECHNOLOGY COMMITTEE MEETINGS

March 19, 2026 – 12:30 p.m. (Thurs.)
June 18, 2026 – 12:30 p.m. (Thurs.)
September 17, 2026 – 12:30 p.m. (Thurs.)
December 17, 2026 – 12:30 p.m. (Thurs.)

BOARD MEETINGS

March 19 – 20, 2026 - 8:30 a.m. (Thurs. and Fri.)
April 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
May 21 – 22, 2026 – 8:30 a.m. (Thurs. and Fri.)

June 18, 2026 – 8:30 a.m. (Thurs.)
July 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
September 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.) **** Board Picture Day ****
October 15 – 16, 2026 – 8:30 a.m. (Thurs. and Fri.)
November 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
December 17 – 18, 2026 – 8:30 a.m. (Thurs. and Fri.)

*** Please note that these dates and times are tentative.**

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Continued or New Business - Board Information Request & Follow Up Items

Jeanine Alexander moved and Aimee Russell seconded the motion that the Board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment of a public employee. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Absent: Catherine Moss. The motion carried.

The Board convened in executive session at 12:17 p.m.

The Board reconvened in open session at 1:30 p.m.

Adjournment

Board Chair, James Rossler, moved to adjourn to meet on Thursday, March 19, 2026, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS board meeting adjourned at 1:31 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director