



**SERS Retirement Board Agenda  
March 19, 2026  
8:30am**

**Click the Zoom Link to Join the Meeting:**

<https://ohsers.zoom.us/j/92843328789?pwd=eW6G6HoLzc2OBI7YsgaGJppLpbCadj.1>

**Meeting ID:** 928 4332 8789    **Password:** 12345

**To join by phone, dial:** (312) 626-6799 **Meeting ID:** 928 4332 8789 **Password:** 12345

**PLEDGE OF ALLEGIANCE**

1. Roll Call
2. Approval of Out-of-State Board Travel (R)

**CONSENT AGENDA**

3. Minutes of the:
  - **February 19, 2026 Retirement Board Meeting**
  - **February 20, 2026 Annual Board Workshop**
4. Summary of Investment Transactions – **January 1, 2026, to January 31, 2026**
5. Retirement Report
  - Superannuations, Survivor Benefits, and Transfers
  - Special Cases
6. Disability Report
  - Approval of Disability Benefits
  - Disapproval of Disability Benefits
  - Approval of Appeal of Termination – Any Occupation

**INVESTMENT REPORT**

7. Educational Session under R.C. 171.50 and 3309.051 – Artificial Intelligence – Francisco Partners
8. Annual Portfolio Review –Real Assets
9. 2026 Asset-Only Optimization, presented by Wilshire Advisors
10. Investment Report and Economic Update for the period ended January 31, 2026
11. Executive session pursuant to R.C. 121.22 (G)(2) to discuss the purchase and sale of property (R)

**EXECUTIVE DIRECTOR'S REPORT**

12. Executive Director's Update
13. Review of Administrative Expenses
14. Discussion of Salary Growth Information for Preliminary FY2027 Budget

**RETIREMENT REPORT**

15. Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits (R) *if needed*

**AUDIT REPORT**

16. Audit Committee Update

**COMPENSATION REPORT**

17. Compensation Committee Update

**BOARD COMMUNICATION AND POLICY ISSUES**

18. Calendar Dates for Future Board Meetings
19. Continued or New Business - Board Information Requests and Follow-up Items

**ADJOURNMENT (R)**

FY2026 SERS Board Roll Call

- James Rossler \_\_\_\_\_
- Daniel Wilson \_\_\_\_\_
- Jeanine Alexander \_\_\_\_\_
- Jeffrey DeLeone \_\_\_\_\_
- Matthew King \_\_\_\_\_
- Catherine Moss \_\_\_\_\_
- Rebekah Roe \_\_\_\_\_
- Aimee Russell \_\_\_\_\_
- Frank Weglarz \_\_\_\_\_

**APPROVAL OF OUT-OF-STATE BOARD TRAVEL**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the travel requests by two Board Members to travel and receive reimbursement for the following out-of-state conferences and meeting expenses be approved.

<b>Conference</b>	<b>Attendee</b>	<b>Conference Date(s)</b>	<b>Conference Location</b>	<b>Estimate of Expenses</b>
NCPERS Annual Conference and Exhibition	Aimee Russell	May 17, 2026 – May 20, 2026	Las Vegas, NV	\$3456.56
IFEBP Health Care Management and Investments Institute	James Rossler	April 20, 2026 – April 2, 2026	Austin, TX	\$6709.97

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

## **MARCH 2026 CONSENT AGENDA**

1. Minutes of the
  - a. **February 19, 2026**, Retirement Board Meeting
  - b. **February 20, 2026**, Annual Retirement Board Workshop
  
2. Summary of Investment Transactions:
  - a. **January 1, 2026, to January 31, 2026.**
  
3. Retirement Report
  - a. Superannuations, Survivor Benefits, and Transfers
  - b. Special Cases
  
4. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Approval of Appeal of Termination – Any Occupation

**APPROVAL OF CONSENT AGENDA**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion to approve the Consent Agenda for **March 19, 2026**, which includes the following items:

1. Minutes of the
  - a. **February 19, 2026**, Retirement Board Meeting
  - b. **February 20, 2026**, Annual Retirement Board Workshop
  
2. Summary of Investment Transactions:
  - a. **January 1, 2026, to January 31, 2026.**
  
3. Retirement Report
  - a. Superannuations, Survivor Benefits, and Transfers
  - b. Special Cases
  
4. Disability Report
  - a. Approval of Disability Benefits
  - b. Disapproval of Disability Benefits
  - c. Approval of Appeal of Termination – Any Occupation

Upon roll call, the vote was as follows:

<u><b>ROLL CALL:</b></u>	<u><b>YEA</b></u>	<u><b>NAY</b></u>	<u><b>ABSTAIN</b></u>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

# **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.

# **SERS Retirement Board Meeting Minutes**

## **February 19, 2026**

### **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**

## **SERS Retirement Board Meeting Minutes February 19, 2026**

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. R.C. 171.50 and 3309.051 - Actuarial Fundamentals – CavMac**

# **SERS Retirement Board Meeting Minutes**

## **February 19, 2026**

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**

# SERS Retirement Board Meeting Minutes

## February 19, 2026

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.

# **SERS Retirement Board Meeting Minutes**

## **February 19, 2026**

### **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

DRAFT

# **SERS Retirement Board Annual Workshop Meeting Minutes February 20, 2026**

The nine hundred and eighty-ninth meeting of the Retirement Board of the School Employees Retirement System was held in the O’Keefe Conference Center at 300 E. Broad Street, Columbus, Ohio, and streamed via Zoom videoconferencing on Wednesday, February 20, 2026. The purpose of this special meeting is to provide a continuing education program under R.C. 171.60 and 3309.051.

## **Roll Call**

The Annual Board Workshop convened at 8:30 a.m. with the roll call. Present: James Rossler, Daniel Wilson, Jeffrey DeLeone, Matthew King, James Haller, Aimee Russell, and Frank Weglarz. Absent: Jeanine Alexander, Catherine Moss (excused).

## **Introduction**

SERS’ Executive Director, Richard Stensrud outlined the day’s sessions.

Mr. Stensrud noted that the first workshop presenter would be Dr. Anirban Basu who would present on current U. S. economic conditions. Dr. Basu has presented to SERS in the past and is Chairman and CEO of Sage Policy Group, Inc., an economic and policy consulting firm headquartered in Baltimore, Maryland.

Mr. Stensrud noted that the second presenter would be Jared Gross from JP Morgan. Mr. Gross would provide a presentation on global growth and economic trends and the implications for asset allocation.

Mr. Stensrud stated that following lunch, the third presentation would be provided by Wilshire Associates and SERS CIO, Farouki Majeed. Mr. Majeed and Joanna Bewick and Chris Tessman of Wilshire Associates would provide information on asset allocation and asset class liability.

Mr. Stensrud stated that CavMac, SERS’ actuary, would then provide the annual report analyzing and modeling the potential risks to SERS’ pension fund sustainability.

Mr. Stensrud reported that the educational sessions would wrap up with a presentation by Tom Lussier, Director of the Coalition to Preserve Retirement Security regarding the ramifications of mandatory participation of Ohio public employees in Social Security.

## **First Brood: Educational Session on Current U.S. Economic Conditions – Dr. Anirban Basu, Sage Policy Group, Inc.**

Dr. Anirban Basu, Chairman and CEO of Sage Policy Group, Inc., provided a presentation that focused on the current economic conditions in Ohio, the region, and the United States. Dr. Basu noted that consumer sentiment remains subdued despite ongoing economic growth, with persistent frustration over high prices and inflationary pressures across categories such as shelter, food, and transportation.

## **SERS Retirement Board Annual Workshop Meeting Minutes February 20, 2026**

Dr. Basu reported that the Federal Reserve's interest rate hikes have contributed to tighter financial conditions, while "Big Tech" companies have significantly increased capital expenditures, particularly in AI. The S&P 500 has seen robust gains, largely driven by a handful of large technology firms, while the top 20% of earners continue to account for nearly 40% of consumer spending.

Dr. Basu continued, reporting that the U.S. GDP growth has remained positive, and job growth continues, though job cuts and openings reflect a dynamic labor market. Ohio added more than 53,000 jobs between December 2023 and December 2025, with Columbus leading regional employment gains.

Dr. Basu reported that the housing market shows declining mobility and a slowdown in new construction, while office vacancy rates remain elevated in many major cities. Fiscal stress is mounting in large U.S. cities, with budget gaps and credit downgrades reported. Dr. Basu stated that while looking ahead, most major forecasters expect moderate GDP growth in 2026, but recession risks remain, with inflation and higher interest rates posing ongoing challenges for consumers and asset prices.

Following a robust discussion, the Board thanked Dr. Basu for his entertaining and informative report.

The Board took a break at 9:39 a.m.  
The Board reconvened at 9:55 a.m.

### **Institutional Asset Allocation Educational Session: Jared Gross – JP Morgan**

Jared Gross, Managing Director at JP Morgan Asset Management, provided an institutional asset allocation update focused on long-term capital market assumptions and strategic considerations for Ohio and SERS. Mr. Gross reported on key themes shaping the outlook including economic nationalism, fiscal stimulus, and significant capital investment needs for AI and energy infrastructure, which are expected to drive slower growth and persistent inflation. U.S. equities remain expensive and highly concentrated, while non-U.S. markets appear more attractively valued and likely to outperform.

Mr. Gross continued his presentation, stating that fixed income offers improved return prospects due to higher yields and steeper curves, though spread normalization is anticipated. Alternatives such as private equity, private credit, real assets, and infrastructure were highlighted as essential for diversification and enhanced returns amid public market concentration and volatility.

Mr. Gross reported that the 2026 long-term assumptions project modest equity returns (6.7% for U.S. large cap, 7.5% for EAFE) and stronger performance from private markets (10.2% for private equity, 7.7% for direct lending).

Mr. Gross closed his presentation by emphasizing liquidity management, risk budgeting, and tactical flexibility as critical components of the strategic allocation process in an environment of evolving macroeconomic and geopolitical risks. He also stated that looking forward, he is confident that U.S. returns look positive but there could be negative consequences later down the line.

After a robust discussion, the Board thanked Mr. Gross for his presentation.

## **SERS Retirement Board Annual Workshop Meeting Minutes February 20, 2026**

The Board took a lunch break at 11:02 a.m.

Jeffrey DeLeone and Matthew King left the Board workshop at 11:00 a.m.

The Board reconvened at 11:45 a.m.

### **Asset Allocation Discussion: Educational Session - SERS Chief Investment Officer, Farouki Majeed and Wilshire Associates**

SERS' Chief Investment Officer, Farouki Majeed, reviewed historical allocation issues and current risk dynamics. Mr. Majeed noted that traditional assumptions—such as persistent equity return premiums and stable correlations—do not always hold, as seen in periods like 2000–2010 and recent equity-bond correlation spikes.

Mr. Majeed stated that the current portfolio, while diversified by asset class, remains concentrated in equity risk, contributing nearly 60% of total risk. Changes since 2012 include shifting to global equity weighting, increasing private equity to 14%, expanding real assets (real estate and infrastructure) to 20%, and introducing private credit at 5%, funded by eliminating the hedge fund portfolio. These adjustments have improved returns relative to prior allocations.

Mr. Majeed stated that capital market assumptions from multiple firms project moderate equity returns and higher expected returns for private markets over the next decade. Mr. Majeed noted that stress on valuation metrics, such as elevated P/E ratios and low dividend yields, was highlighted as a factor influencing future outcomes.

In closing, Mr. Majeed emphasized the need for continued monitoring of economic regimes, risk concentration, and diversification strategies to manage volatility and funding stability.

Joanna Bewick, Managing Director of Wilshire Associates, introduced the framework for evaluating SERS' investment strategy in relation to its long-term liabilities. Ms. Bewick outlined the phased approach of the 2025–2026 ALM (Asset-Liability Management) study, including asset-only optimization and integration of liability data to assess funded status, contribution requirements, and risk-return trade-offs.

Ms. Bewick reminded the SERS Board Members that the Asset Liability Study is upcoming and will occur over several phases. Key concepts will include efficient frontier analysis, diversification challenges, factor-based bucketing, liquidity considerations, and economic regime modeling.

Chris Tessman, Senior Vice President of Wilshire Associates, emphasized that correlations are unstable over time, requiring thoughtful diversification beyond “DINO” (Diversification in Name Only). Mr. Tessman stated that the current policy portfolio has a forward-looking 10-year expected return of 6.35% with a 13.35% standard deviation, implying significant volatility and a wide range of potential outcomes. The study will also highlight practical constraints such as liquidity and investability, and the need for nimble governance to adapt to modest equity return expectations, rising interest rates, and evolving market risks. Future phases will incorporate liability impacts to finalize recommendations for optimal asset allocation aligned with SERS' funding objectives.

**SERS Retirement Board**  
**Annual Workshop Meeting Minutes**  
**February 20, 2026**

Following several questions, the Board thanked Mr. Majeed, Ms. Bewick, and Mr. Tessman for their presentations.

The Board took a lunch break at 12:42 p.m.

The Board reconvened at 12:51 p.m.

**Pension Sustainability Update: Educational Session – Todd Green of CavMac**

Todd Green, president and consulting actuary of CavMac, provided an update on risks to SERS' pension sustainability and reviewed SERS' pension fund's financial condition as of June 30, 2025. Mr. Green noted that his report would include fiscal analysis and modeling regarding investment return variability, demographic changes such as longevity and retirement patterns, payroll growth assumptions, and contribution rate constraints. Mr. Green reported that the overall results on SERS' sustainability were positive.

Mr. Green highlighted an improved risk profile since 2024 due to strong investment performance, accelerated funding policies, and higher-than-assumed payroll growth. Mr. Green noted that stress testing and sensitivity analyses demonstrated the system's resilience to single shock returns and sustained low-return periods, though ongoing monitoring is essential.

Mr. Green reported that SERS' funding policy, amortization strategies, and authority over cost-of-living adjustments were critical tools for risk mitigation. Stochastic modeling indicated a median 30-year compounded return of 7.00% and projected funded ratios ranging widely under different scenarios, underscoring the importance of proactive governance to maintain sustainability.

Mr. Green discussed the process of layered amortization, explaining that it establishes a series of amortization bases for the Unfunded Actuarial Liability (UAL). The first layer is based on the initial UAL as of June 30, 2025, and each subsequent valuation adds a new layer for any incremental change in the UAL, amortized over a closed period. The total UAL equals the sum of all layers, and the total amortization payment is the combined payments for each layer. Mr. Green reported that he did not believe that this approach was necessary for SERS but will be considered during the next experience study.

Following several questions and a robust discussion, the Board thanked Mr. Green for his presentation.

The Board took a break at 1:36 p.m.

Frank Weglarz left the Board workshop at 1:40 p.m.

The Board reconvened at 1:45 p.m.

**Ramifications of Mandatory Participation in Social Security: Educational Session, Tom Lussier of LGV&A**

Tom Lussier from Coalition to Preserve Retirement Security (CPRS) provided a presentation that focused on the ramifications of mandating Social Security participation and contributions by state and local government employees in Ohio.

**SERS Retirement Board**  
**Annual Workshop Meeting Minutes**  
**February 20, 2026**

Mr. Lussier highlighted growing concerns about the solvency of the Social Security Trust Fund, particularly following the repeal of the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) under the Social Security Fairness Act, which is projected to accelerate insolvency by approximately six months.

Mr. Lussier outlined emerging proposals to require Social Security participation for public sector employees starting in 2032, noting potential consequences such as increased costs estimated at \$45–\$60 billion over five years, disruption to existing retirement plans, and loss of local control in favor of a federal mandate—all without effectively addressing Social Security’s funding challenges.

Mr. Lussier continued, stating that CPRS has an action plan to address potential mandatory participation, which includes mobilizing coalition partners, updating cost studies, and engaging in Congressional outreach to oppose these measures.

Mr. Lussier concluded with a challenge to pension systems to develop state and local impact statements. He said that CPRS is developing a supplemental white paper to demonstrate the widespread, non-partisan implications of this unfunded federal mandate.

After several questions, the Board thanked Mr. Lussier for his presentation.

Mr. Stensrud thanked the presenters and everyone who attended the SERS Annual Board Workshop. The Board commented on how much they enjoyed the presentations this year and several Board members expressed that this was the best Board workshop they have ever attended.

The meeting adjourned at 2:32 p.m.

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

Summary of Investment Transactions to be  
Reported to the Retirement Board for  
Ratification in March

The following is a summary of the investment transactions made during the period of January 1, 2026, through January 31, 2026. A detailed list of these transactions can be found in the Board Agenda provided prior to the Retirement Board Meeting.

A. PURCHASES/ CAPITAL CALLS

Asset Class	Approximate Cost (in millions)
Global Equities	\$178.1
Fixed Income	437.4
Private Equity Capital Calls	60.2
Real Estate Capital Calls	1.6
Infrastructure Capital Calls	95.3
Opportunistic & Tactical	9.2
Global Private Credit	1.2
Cash Equivalents	245.5

B. SALES/ DISTRIBUTIONS

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	409.6	104.1
Fixed Income	335.0	0.9
Private Equity	13.3	n/a
Real Estate	26.0	n/a
Infrastructure	12.4	n/a
Opportunistic & Tactical	5.8	n/a
Global Private Credit	81.6	n/a
Cash Equivalents	361.2	2.5



# Firm Overview



## EZRA PERLMAN AND EVAN DAAR

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**EZRA PERLMAN**  
CO-PRESIDENT

Ezra Perlman is a Co-President of Francisco Partners. Based in San Francisco, he joined the firm in 2003. Ezra serves on the board of directors of Avalon, bswift, Edifecs, Merative, QGenda, and Renaissance. His former board service includes Aconex, AdvancedMD, Aesynt, API Healthcare, Attachmate, Atteni, Availity, Connecture, CoverMyMeds, eSolutions, HealthcareSource, Healthland, Kyruus, Landmark Health, LYNX Medical Systems, myOn, Nextech, QuadraMed, RedPrairie, Smart Modular, T-System, and TRC Healthcare.

Ezra has an A.B. in Applied Mathematics at Harvard College as well as an MBA from Stanford GSB.

He previously worked at Battery Ventures, Advanta, and Oliver Wyman.



**EVAN DAAR**  
PARTNER

Evan Daar is a Partner at Francisco Partners. Based in San Francisco, he joined the firm in 2011. Evan currently serves on the boards of Black Duck, Elite, New Relic, Perforce, SmartBear, SonicWall and Sumo Logic. He also previously served on the boards of Discovery Education, Forcepoint, Optanix, and Verifone.

Evan has a B.A. from Columbia University as well as an MBA from Stanford GSB.

He previously worked at McKinsey & Company.

# FRANCISCO PARTNERS OVERVIEW

## FOUNDED IN 1999



San Francisco

Opened: 1999



London

Opened: 2003



New York City

Opened: 2017

## 100% TECHNOLOGY

Healthcare IT



Vertical Software



Hardware / Semis



Education Software



Infrastructure Software



Security



FinTech



Communication Software



Consumer Internet



## EXPERIENCED INVESTORS

520+ Acquisitions over 25 Years



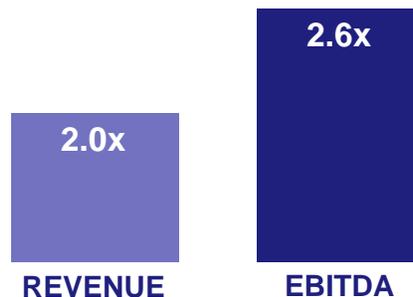
## FLEXIBLE CAPITAL

**\$50B+**  
Capital Raised<sup>(1)</sup>

Divisional Carve-Out	Growth Equity	Private Buyouts
Take Privates	Private Credit	Structured Equity

## COMPLEXITY ARBITRAGE

Realized and Partially Realized Median Uplifts between Entry and Exit<sup>(2)</sup>



## SCALED PORTFOLIO

Revenues

Employees



Across Our Portfolio Companies Since Inception<sup>(3)</sup>

# DEEP FOCUS IN KEY TECH SECTORS



HEALTHCARE IT
FINTECH
SECURITY
INFRASTRUCTURE SOFTWARE
VERTICAL MARKET SOFTWARE
EDUCATION SOFTWARE
HARDWARE / SEMIS / COMMUNICATIONS
CONSUMER INTERNET / DIGITAL

## EXITED PORTFOLIO

## CURRENT PORTFOLIO

# SECTOR-FOCUSED SENIOR INVESTMENT TEAM

## CROSS-SECTOR



**DIPANJAN "DJ" DEB**  
CO-FOUNDER & CEO



**DAVID GOLOB**  
CO-CIO



**DEEP SHAH**  
VICE CHAIRMAN



**EZRA PERLMAN**  
CO-PRESIDENT



**CHRIS ADAMS**  
PARTNER



**JUSTIN CHEN**  
PARTNER



**ANDERS MIKKELSEN**  
PRINCIPAL

## SECURITY & INFRASTRUCTURE



**BRIAN DECKER**  
CO-CIO



**ANDREW KOWAL**  
PARTNER



**KARL SHUM**  
PARTNER



**JASON BREIN**  
CO-PRESIDENT



**CHRISTINE WANG**  
PARTNER



**MAC FOUNTAIN**  
PRINCIPAL



**NICHOLAS RUSH**  
PRINCIPAL

## ED TECH / CONSUMER INTERNET

## APPLICATION SOFTWARE



**EVAN DAAR**  
PARTNER



**PETER CHRISTODOULO**  
PARTNER



**ASHLEY EVANS**  
PARTNER



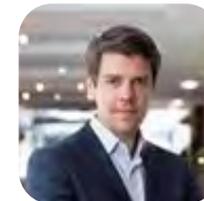
**PETRI OKSANEN**  
PARTNER



**MARIO RAZZINI**  
PARTNER



**ERAN GOREV**  
PARTNER



**QUENTIN LATHUILLE**  
PARTNER



**AYLA AHMED**  
PRINCIPAL

## EUROPE & MIDDLE EAST

# FP TEAM – FUNCTIONAL EXPERTS; OTHER SENIOR PROFESSIONALS

## CAPITAL MARKETS



**MEGAN KARLEN**  
PARTNER, CAPITAL  
MARKETS



**GEORGI CHILIKOV**  
MANAGING DIRECTOR,  
EMEA CAPITAL MARKETS



**RICHARD SAUM**  
DIRECTOR, CAPITAL  
MARKETS



**TOM LUDWIG**  
COO



**JOHN HERR**  
CFO



**EDWARD CHUNG**  
SENIOR DIRECTOR OF  
OPERATIONS



**TIM YAEGER**  
SENIOR DIRECTOR OF  
FINANCE

## OPERATIONS & FINANCE

## CREDIT



**SCOTT  
EISENBERG**  
HEAD OF CREDIT &  
STRUCTURED SOLUTIONS

## EMERITUS



**KEITH GEESLIN**  
PARTNER EMERITUS

## LEGAL, COMPLIANCE, & TAX



**STEVE EISNER**  
GENERAL COUNSEL



**BRIAN ELROD**  
PARTNER, TAX



**ERIN BLAKE**  
PARTNER, LEGAL M&A



**KATHLEEN  
O'DONNELL**  
EUROPEAN COUNSEL



**KATE EVERS**  
CCO

## INVESTOR RELATIONS



**ANDREW BROWN**  
GLOBAL HEAD OF  
INVESTOR RELATIONS &  
MARKETING



**ABIGAIL JOHNSON**  
PARTNER



**JASMINE KHIRI**  
PARTNER



**JASON WARNER**  
MANAGING DIRECTOR OF  
DATA SCIENCE



**TULSI BYRNE**  
DIRECTOR,  
SUSTAINABILITY



**GRACE KIM**  
HEAD OF TALENT



**BRIAN MAURY**  
CTO

## DATA

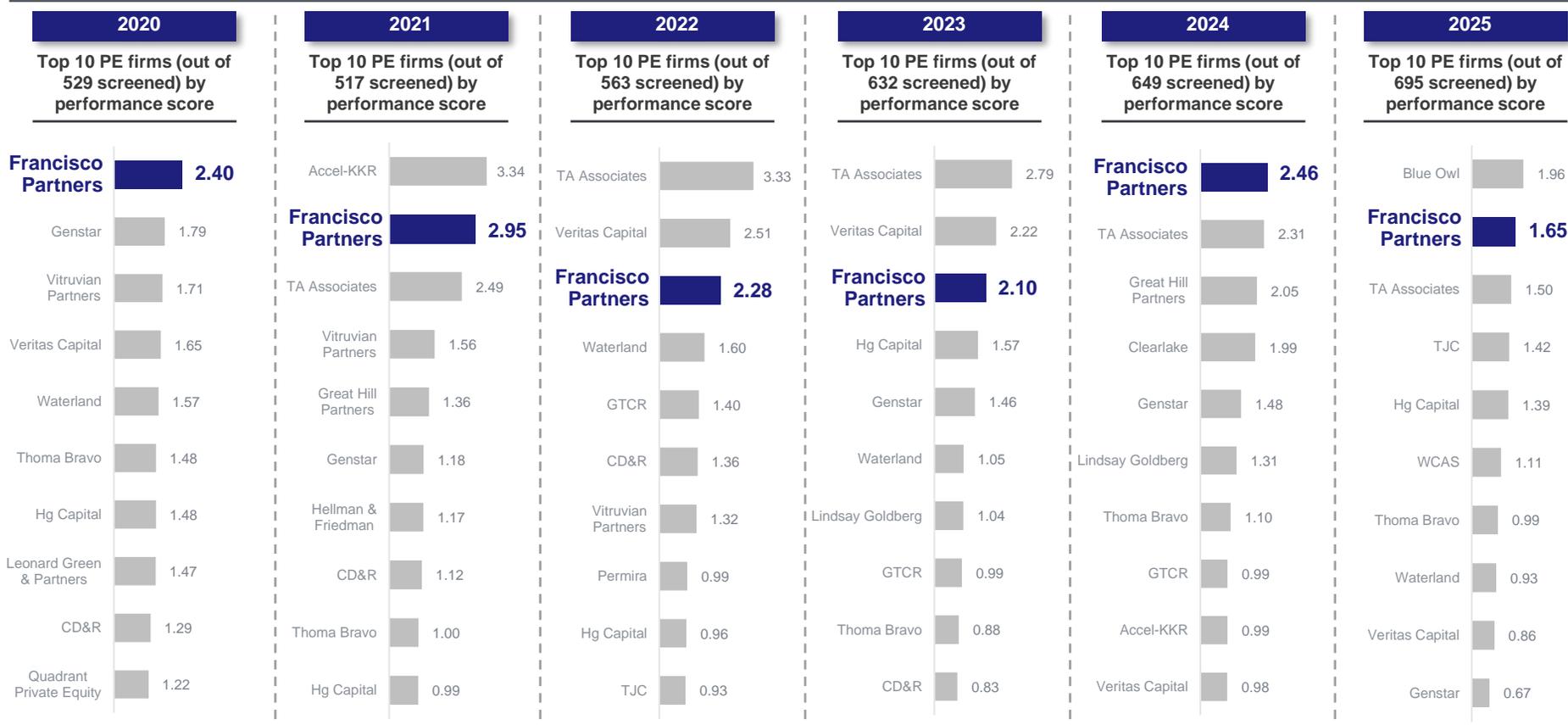
## SUSTAINABILITY

## HR

## IT

# FP PE PERFORMANCE IS TOP OF CLASS

Named #2 performer in the 2025 HEC Paris–Dow Jones Private Equity Performance Ranking, representing sixth consecutive year in the top 3 and 15 years of consistent results



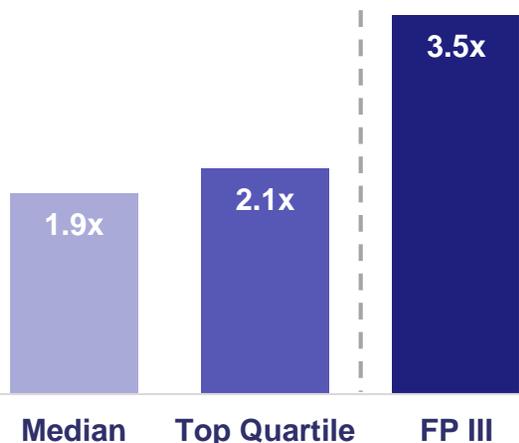
- Annual analysis performed by HEC Paris Dow Jones published in January 2021 and 2022 and February 2023, 2024, 2025, and 2026
- **Francisco Partners 2025 performance was 1.65 standard deviations above the average**
- Quantitative performance ranking based on six components including realized and unrealized IRR, Cash DPI, and TVPI, each on both an absolute basis and relative to vintage year score
- For further details, please visit the HEC Paris Private Equity Ranking [website](#)



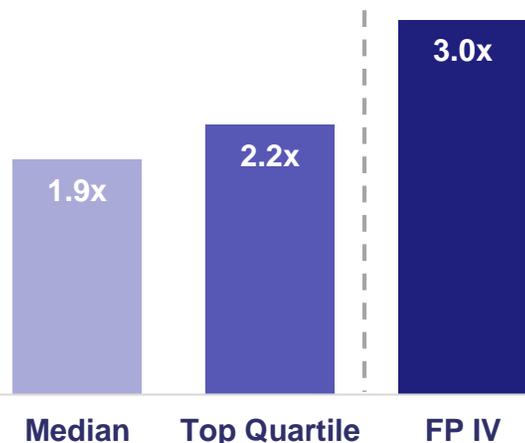
Source: 2025 HEC Paris–Dow Jones Large Buyout Private Equity Performance Rankings. For full methodology and rankings, see the [2025](#), [2024](#), [2023](#), [2022](#), [2021](#), and [2020](#) studies. Rankings are based on buyout funds raised between 2012–2021 (2025), 2011–2020 (2024), 2010–2019 (2023), 2009–2018 (2022), 2008–2017 (2021), and 2007–2016 (2020) by managers with at least \$7.5B (2025), \$5B (2024–2023), or \$3B (2022–2020) in aggregate capital, 10 observation years, and a minimum of two qualifying funds. The studies reviewed 695 (2025), 649 (2024), 632 (2023), 563 (2022), 517 (2021), and 529 (2020) firms, ranking 58, 111, 101, 75, 64, and 102 firms, respectively. Rankings are not endorsements of FP, may differ from other surveys, and do not reflect client experience. Past performance and rankings are not guarantees of future results.

# ATTRACTIVE NET MULTIPLES OF INVESTED CAPITAL

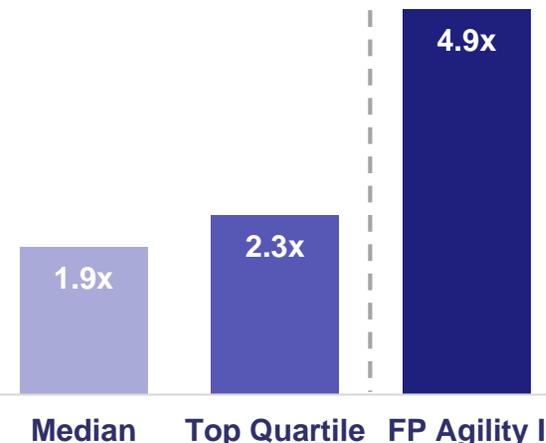
FP III (2011) Q3



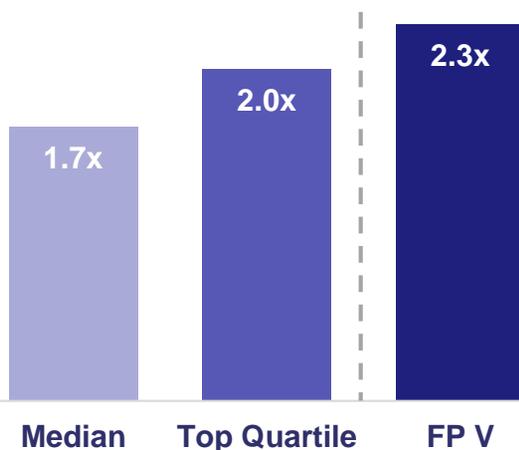
FP IV (2015) Q3



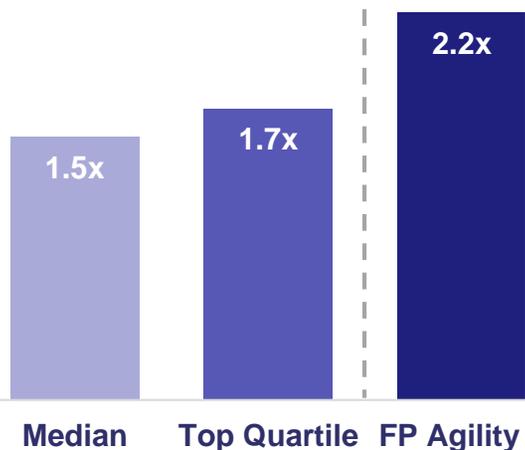
FP AGILITY I (2016) Q3



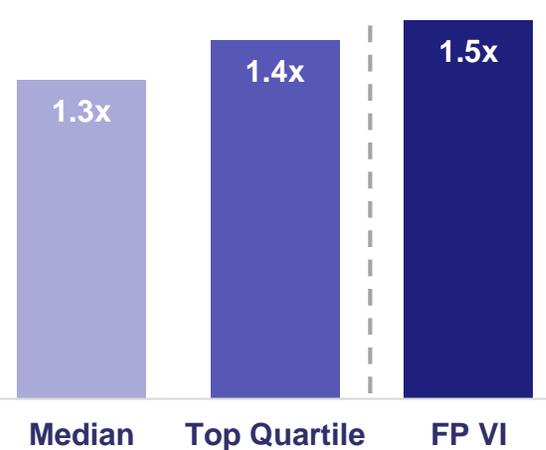
FP V (2018) Q3



FP AGILITY II (2020) Q3



FP VI (2021) Q3



Note: Unless otherwise noted, FP Fund returns and valuations are as of September 30, 2025 and are preliminary estimates, unaudited, and subject to change. FP performance shown above includes use of each Fund's subscription line; net performance without use of subscription line is available on Slide 22, and there can be no assurance that FP Fund benchmarking would be as favorable if such performance was used. Vintage benchmark data from Burgiss Group Private iQ Database through June 30, 2025. Past performance is not a guarantee, prediction or indication of future results. See concluding "Disclosures" section for important disclaimers and additional information regarding, among other things, risks, benchmarks, fees, gross and net returns, how performance is calculated, and the impact of the use (or non-use) of subscription line.

# FRANCISCO PARTNERS OPERATING EXECUTIVES MANDATE

COLLABORATION: EXPERIENCED OPERATING EXECUTIVES W/ FP TEAM & COMPANY CXO



# AI Overview



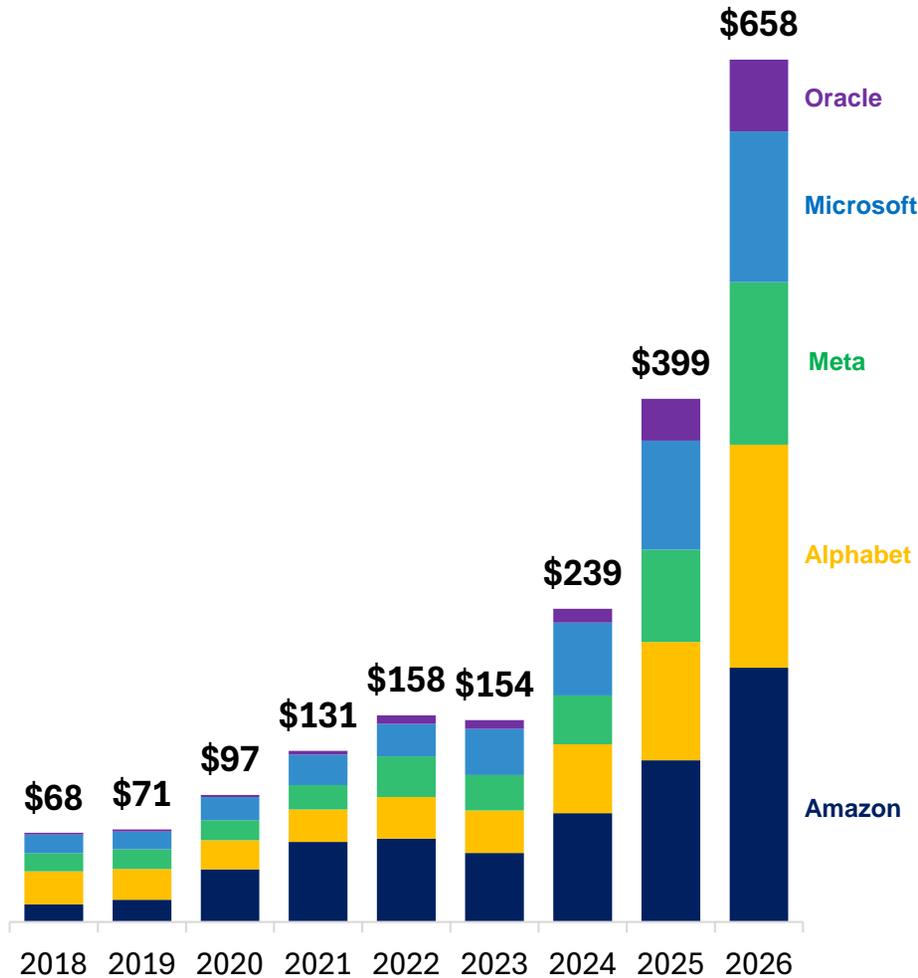
# EVERY TECH CYCLE FEELS SCARIER AND FASTER THAN THE ONE BEFORE

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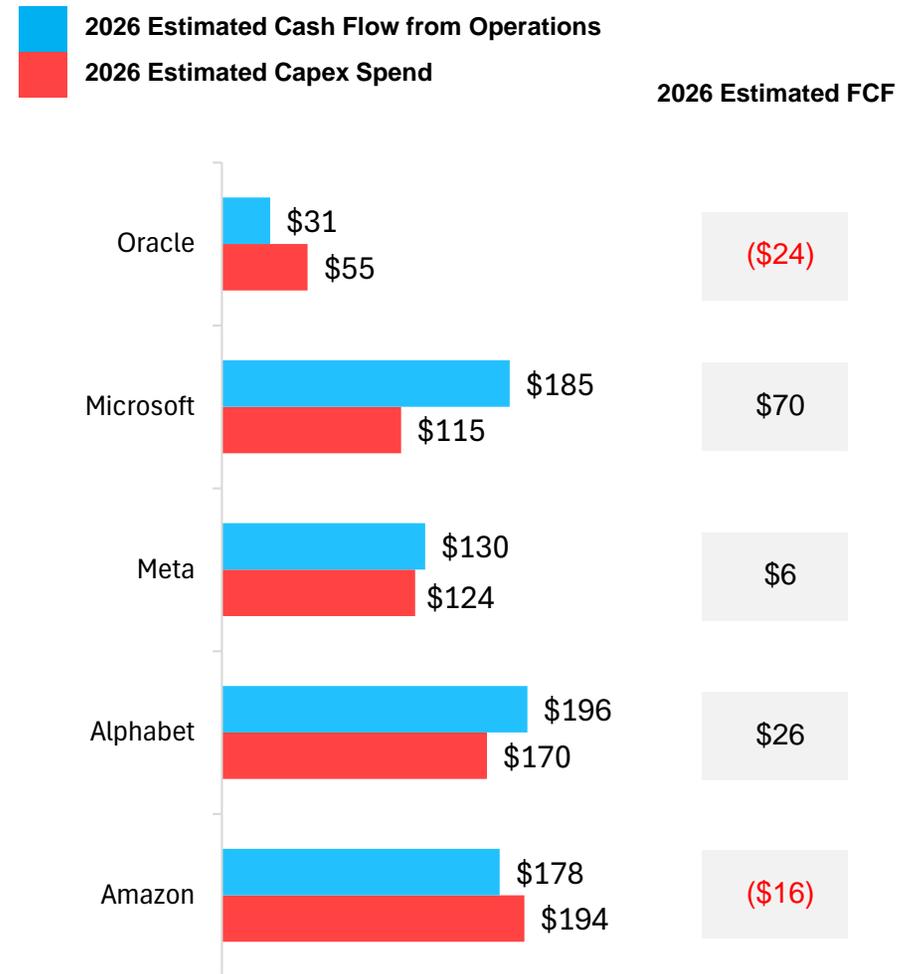


# BIGGEST TECH COMPANIES ARE SPENDING 100% OF FCF ON CAPEX

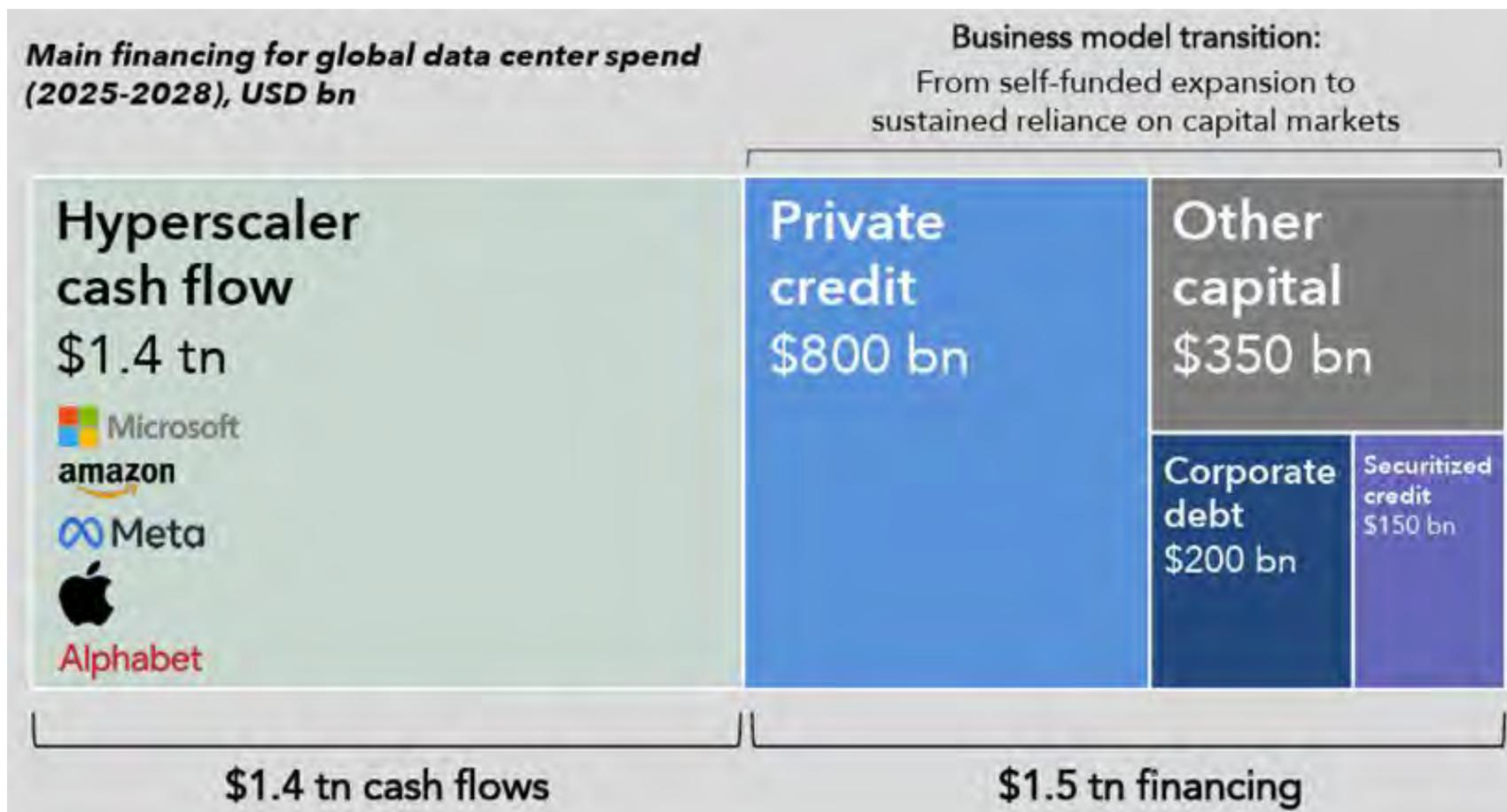
HYPERSCALER CAPEX SPEND (\$ IN B)



2026 FCF FORECAST (\$ IN B)

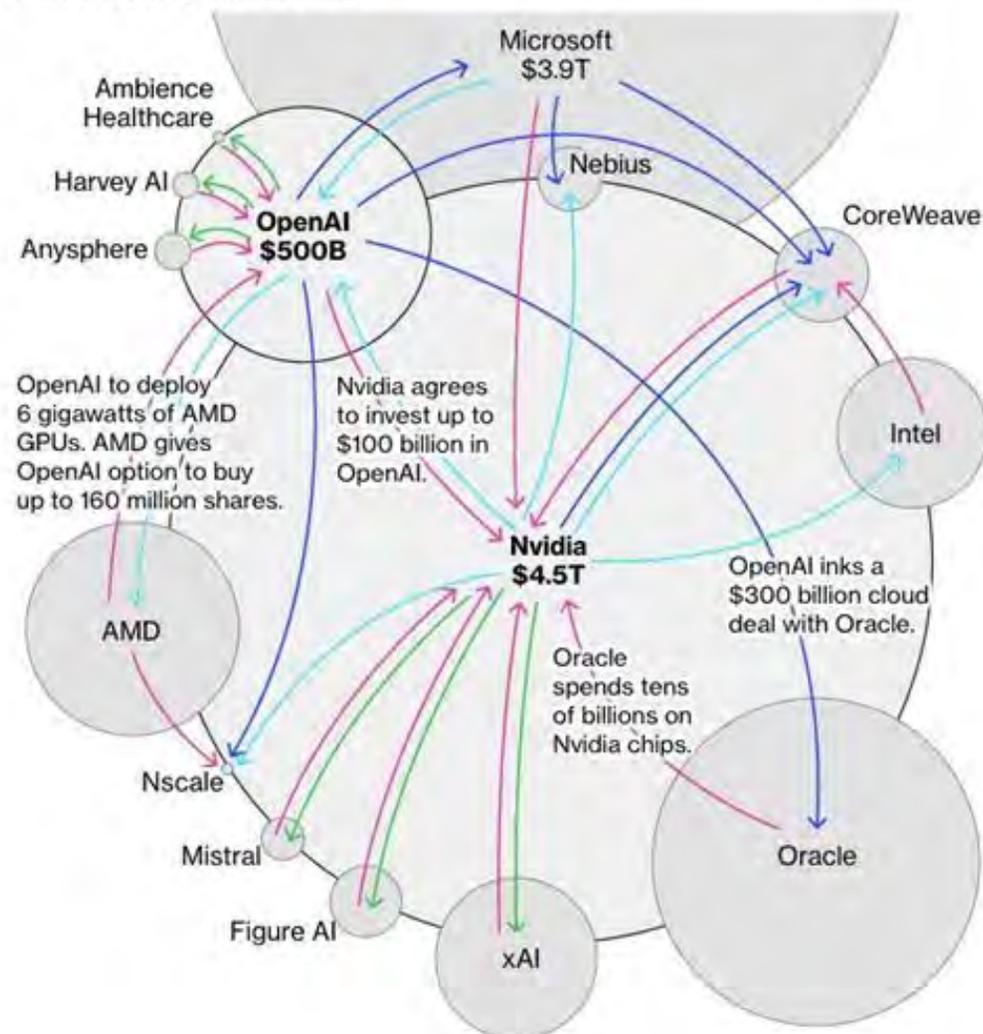


# WHICH RESULTS IN AN INCREASED RELIANCE ON DEBT MARKETS



# HOWEVER, THERE IS A VIRTUOUS AND CONCERNING CYCLE FOR AI

Hardware or Software / Investment / Services / Venture Capital  
Circles sized by market value



## KEY TAKEAWAYS

- **AI ecosystem:** The AI landscape is becoming increasingly centered on a few large players
- **Interdependence across the AI value chain:** The same few players are both major customers and investors in one another, creating a circular flow of capital and demand
- **Revenues fueled by internal ecosystem spending:** This virtuous cycle risks inflating revenues and valuations if underlying enterprise or consumer adoption lags

# AND EXPECTATIONS TYPICALLY GET WELL AHEAD OF IMPLEMENTATION



# BUT AI HAS CHANGED SOFTWARE DEVELOPMENT FOREVER

---

**Technical Moat Is Eroding**

**Five Forces Shifting**

**UI Moat Collapsing**

**46%**

Of Production Code  
Is AI-Generated<sup>1</sup>

**88%**

Of AI Code is  
Retained by Devs<sup>1</sup>

**55%**

Faster Task Completion  
for Devs<sup>2</sup>

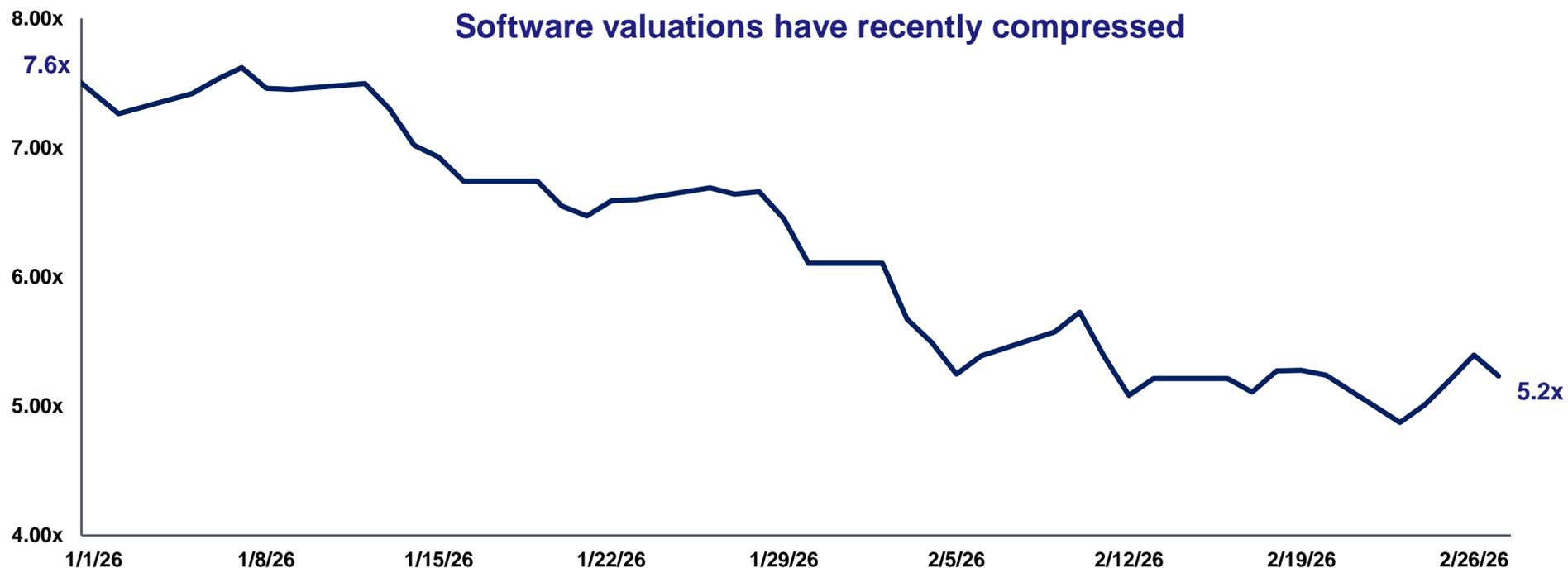
**75%**

Reduction in Product  
Release Cycle Times<sup>3</sup>

# THE SELL-OFF IN Q1 HAS AMPLIFIED THAT SENTIMENT

## YTD Software Index TEV / NTM Revenue

(x)



SaaS Index: ALKT, AMPL, APP, APTI, ARBA, ASAN, ATHN, AVDX, AVLR, BAND, BIGC, BILL, BL, BLND, BNFT, BOX, BRZE, CALD, CFLT, CISN, CNQR, CNVO, COUP, CRM, CSOD, CTCT, CVT, CXM, DAY, DBX, DCT, DDOG, DOCN, DOCS, DOCU, DOMO, DSP, DT, DV, DWRE, ELOQ, EVBG, EVCN, EXFY, FIG, FIVN, FLTX, FROG, FRSH, GTLB, HUBS, IAS, IL, INST, JAMF, KLTR, KNXA, KVYO, LAW, LOGM, LPSN, MDLA, MDSO, MKTG, MKTO, MNDY, MNTV, N, NCNO, NOW, OKTA, OLO, ONTF, OPWR, OS, PAYC, PCOR, PCTY, PD, PLAN, PS, PWSC, PYCR, QTWO, RALY, RAMP, RNG, RNOW, RP, SAAS, SEMR, SEND, SFSF, SHOP, SLRY, SMAR, SMWB, SNCR, SNOW, SPSC, SPT, SQI, SUMO, TEAM, TLEO, TRAK, TTAN, TWLO, TXTR, ULTI, UPLD, USER, VEEV, VOCS, VTEX, WDAY, WEBX, WK, WORK, XM, YEXT, ZEN, ZETA, ZI, ZM, ZS, and ZUO.

# “SAAS IS DEAD” DEBATE: BEAR VS. BULL CASE

## Bear Case: SaaS Is Dead

- **Public SaaS Re-Acceleration Never Materialized**  
SaaS growth decelerated from ~30% post-COVID to low / mid teens; the expected AI driven inflection has not appeared yet
- **AI Value is Accruing Outside of SaaS**  
The fastest growth is accruing to infrastructure and AI-native application layers (NVDA, Hyperscalers, Anthropic, OpenAI), not SaaS
- **To Grow, Legacy SaaS Must Spend More**  
AI-driven competition requires higher R&D + compute, pressuring margins before revenue impact materializes
- **Foundation Models Commoditize Features**  
General-purpose models reduce Enterprise SaaS differentiation and switching costs, weakening SaaS pricing power
- **Data is Overstated as a Moat**  
Enterprise data isn't defensible; context & intent increasingly live in the agent layers
- **Seat-Based Monetization is Structurally Impaired**  
Value shifts from seats to outcomes / consumption, slowing NRR expansion and compressing pricing models

## Bull Case: SaaS is Evolving

- **This is a Duration + Visibility Problem**  
AI-driven growth is not visible in reported KPIs. Clear disclosure of AgenticAI adoption + monetization can restore confidence in platform adoption, stable growth, and cash flow
- **Incumbents Can Still Win by Owning Workflow & Data**  
System of record platforms retain leverage via data, permissions, governance, compliance, and distribution
- **Margin Compression is Transitional**  
Near-term AI costs decline over time as agents scale, drive labor substitution, and improve EBITDA / FCF
- **Platforms Monetize Workflow Ownership**  
The model layer is not the product. Enterprise SaaS packages models into workflow automation, integration, governance, and outcome guarantees
- **Data, Workflow + Feedback Loops Are the Moat**  
Defensibility shifts to execution, telemetry, outcomes, and integration that improve agents and deepen lock-in
- **Pricing is Shifting, Not Collapsing**  
Seat pricing will give way to hybrid pricing; TAM expands through monetizing work performance (not headcount)

# WE STARTED PREPARING FOR THIS OVER THREE YEARS AGO



# AS TECHNICAL MOAT FADES, OTHER MOATS BECOME MORE IMPORTANT

## MOATS PROVIDE A *WINDOW OF OPPORTUNITY* FOR COMPANIES TO ADOPT AI FUNCTIONALITY

### More Durable in AI Era



#### System of Record

“Source of truth” – AI can’t just replicate functionality; must provide safe migration path and switching is high-risk



#### Irreplicable Data Source

Accumulated historical data and customer context cannot be recreated by AI alternatives



#### Network Effects

AI must convince entire ecosystems to switch simultaneously, not individually



#### Trust / Regulatory Framework

Compliance credentials and audit history take years to rebuild from scratch



#### Contractual Lock-In

Multi-year commitments delay adoption even if AI alternatives are better, buying incumbents time to respond

### Moderately Durable



#### Embedded Workflows

Deep integration into daily operations creates switching costs; AI must replicate entire process flows



#### Ecosystems & Certifications

Partner networks and technical credentials provide distribution advantage but are relatively easily commoditized by platforms

### Eroded by AI

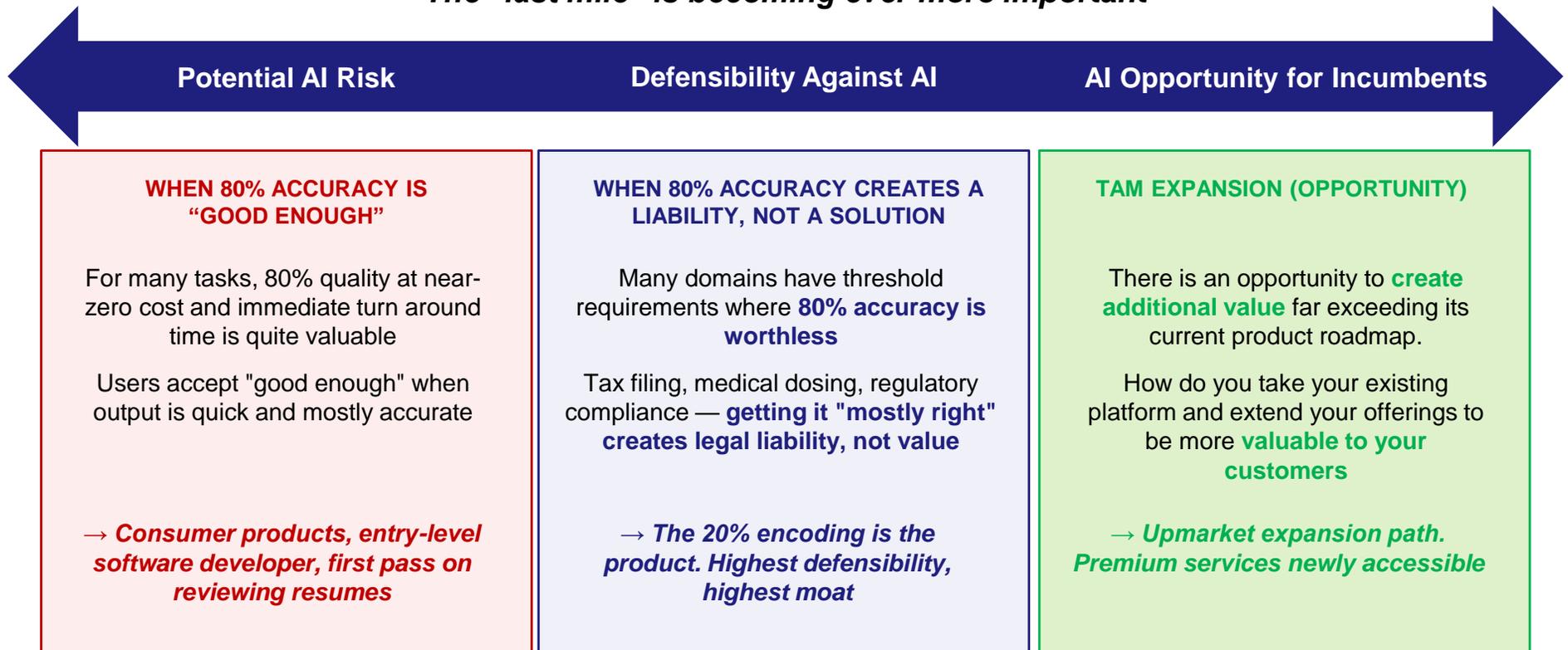


#### Technical Moat

AI coding assistants compress the cost and time to build software, enabling faster replication and lowering barriers to entry

# ADOPTION AT THE ENTERPRISE IS NOT MONOLITHIC

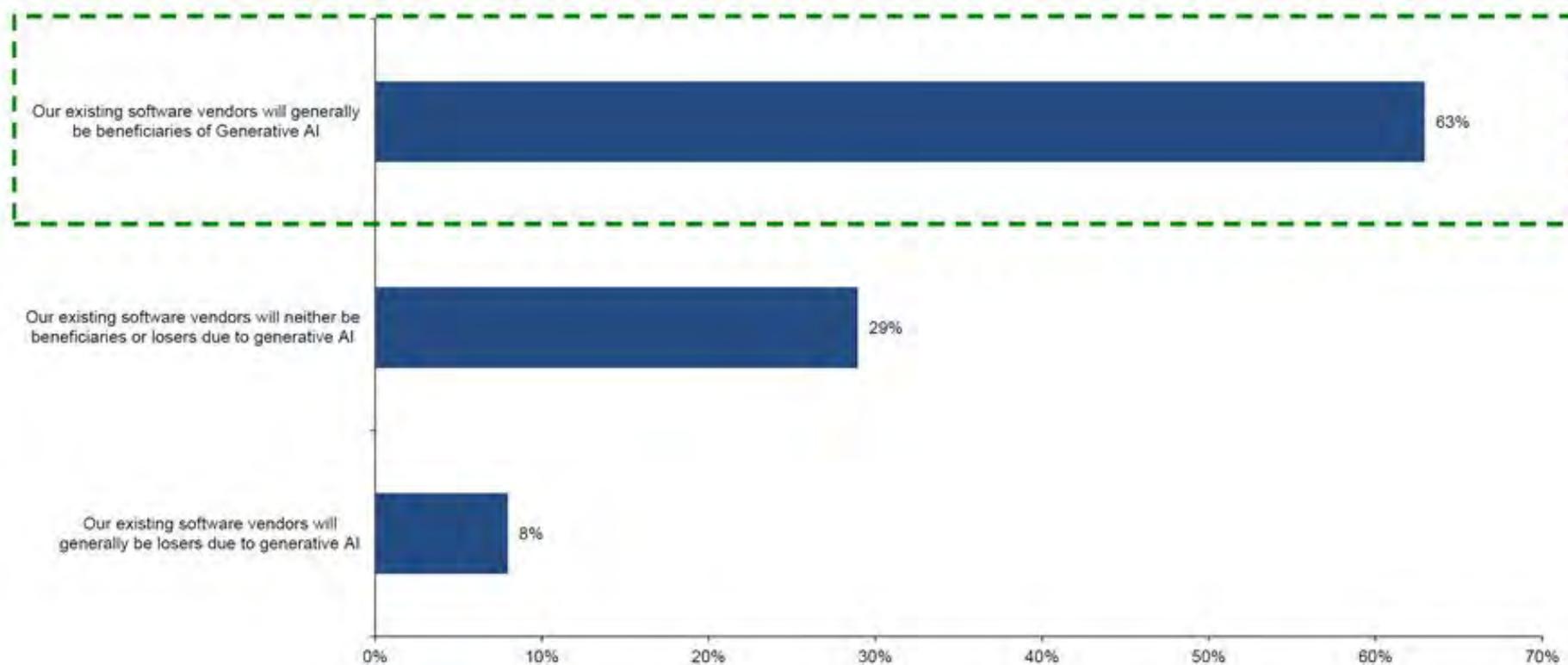
*The “last mile” is becoming ever more important*



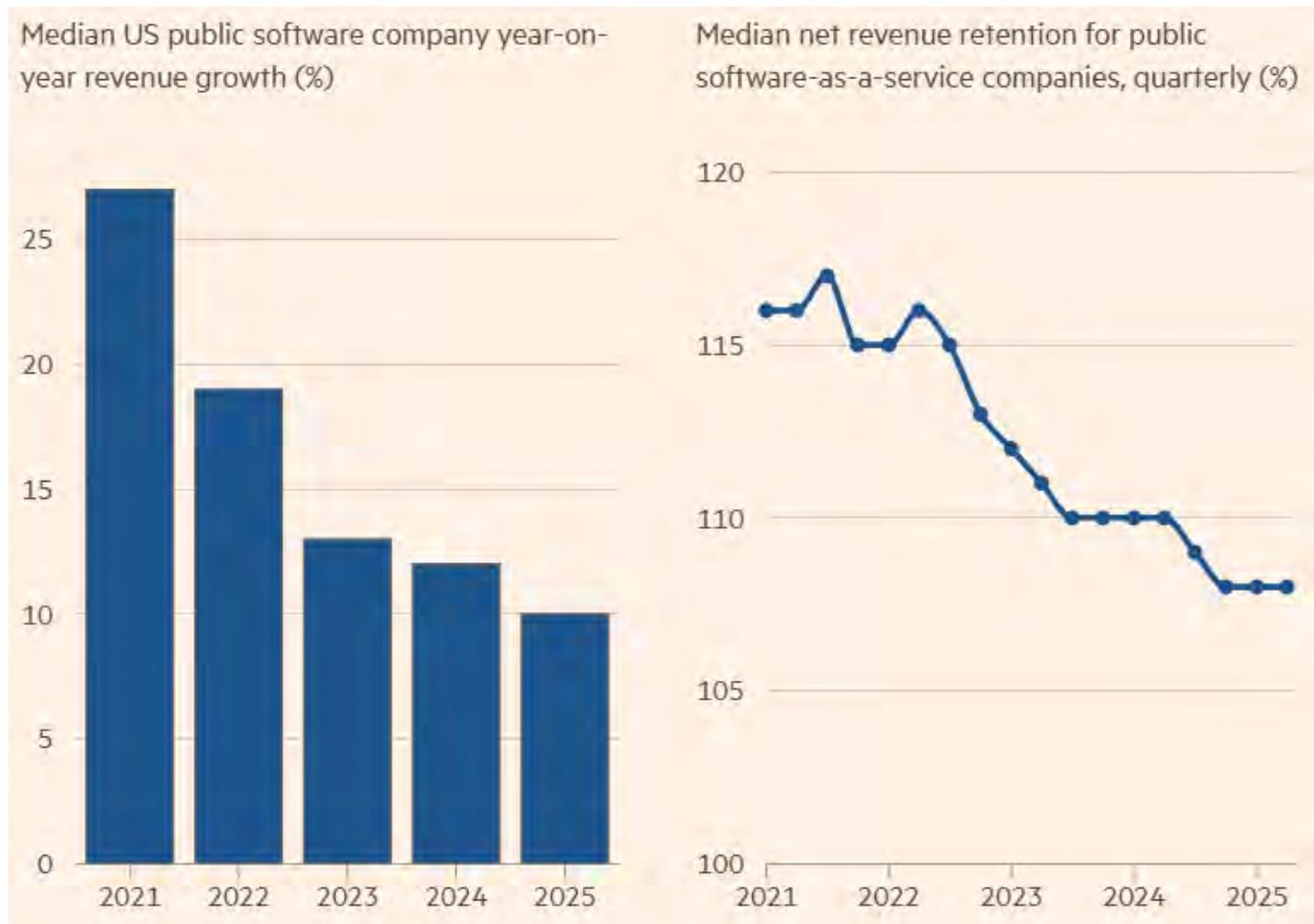
# VALUE OF INCUMBENCY SHOULD NOT BE UNDERESTIMATED

	Feature Completeness	Ecosystem Partnerships	Brand Value / Familiarity	Security and Predictability	Proximity to Data	Customization	Total Cost of Ownership
SaaS Incumbents	●	●	●	●	◐	◐	◐
Discount Alternatives	◐	◐	◐	◐	◐	◐	◐
Vibe-Coded Internal Software	◐	◐	○	◐	◐	◐	◐

# CUSTOMERS BELIEVE INCUMBENTS WILL CAPTURE VALUE FROM GEN AI

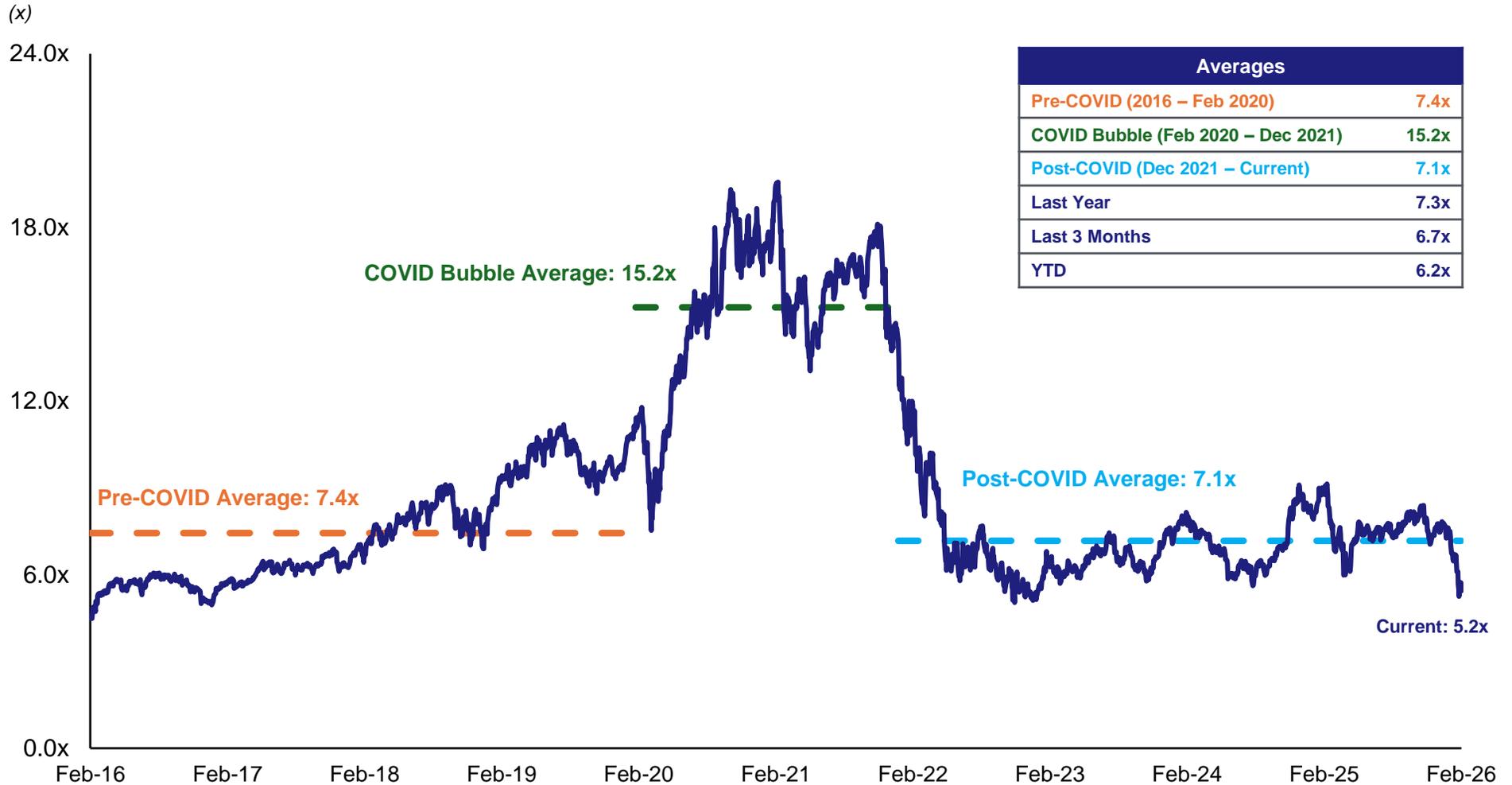


## SLOWING GROWTH IS BAD FOR STOCKS, BUT GOOD FOR FP OPPTY SET



# VALUATIONS ARE MORE APPROACHABLE FOR PUBLIC TO PRIVATE

## Last 10 Years Software Index TEV / NTM Revenue



SaaS Index: ALKT, AMPL, APP, APTI, ARBA, ASAN, ATHN, AVDX, AVLK, BAND, BIGC, BILL, BL, BLND, BNFT, BOX, BRZE, CALD, CFLT, CISN, CNQR, CNVO, COUP, CRM, CSOD, CTCT, CVT, CXM, DAY, DBX, DCT, DDOG, DOCN, DOCS, DOCU, DOMO, DSP, DT, DV, DWRE, ELOQ, EVBG, EVCM, EXFY, FIG, FIVN, FLTX, FROG, FRSH, GTLB, HUBS, IAS, IL, INST, JAMF, KLTR, KNXA, KVYO, LAW, LOGM, LPSN, MDLA, MDSO, MKTG, MKTO, MNDY, MNTV, N, NCNO, NOW, OKTA, OLO, ONTF, OPWR, OS, PAYC, PCOR, PCTY, PD, PLAN, PS, PWSC, PYCR, QTWO, RALY, RAMP, RNG, RNOW, RP, SAAS, SEMR, SEND, SFSF, SHOP, SLRY, SMAR, SMWB, SNCR, SNOW, SPSC, SPT, SQI, SUMO, TEAM, TLEO, TRAK, TTAN, TWLO, TXTR, ULTI, UPLD, USER, VEEV, VOCS, VTEX, WDAY, WEBX, WK, WORK, XM, YEXT, ZEN, ZETA, ZI, ZM, ZS, and ZUO.

# CONCLUSION

**THIS TECHNOLOGY TRANSITION WILL BE GAME CHANGING FOR MANY COMPANIES**



**COMPANIES NEED TO ACT - OUR TEAMS NEED TO DISRUPT FROM WITHIN**



**AI IS BOTH A THREAT AND OPPORTUNITY - LEADERS NEED TO THINK BIGGER**



**ATTRACTIVE VALUATION ENVIRONMENT, BUT DEAL MARKET WILL BE SLOW**



# APPENDIX

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# FP PE TRACK RECORD BY VINTAGE

(\$ IN MILLIONS)

FUND NAME	VINTAGE		GROSS	NET	NET
	YEAR				W/O LINE
FRANCISCO PARTNERS VII <sup>(1)</sup>	2023	MOIC	1.2x	NM	NM
		IRR	20.3%	NM	NM
FRANCISCO PARTNERS AGILITY III <sup>(2)</sup>	2023	MOIC	1.3x	NM	NM
		IRR	33.1%	NM	NM
FRANCISCO PARTNERS VI	2021	MOIC	1.8x	1.5x	1.5x
		IRR	18.6%	14.1%	12.8%
FRANCISCO PARTNERS AGILITY II	2020	MOIC	2.6x	2.2x	2.2x
		IRR	31.5%	28.0%	23.4%
FRANCISCO PARTNERS V	2018	MOIC	2.7x	2.3x	2.2x
		IRR	22.8%	18.1%	17.3%
FRANCISCO PARTNERS AGILITY	2016	MOIC	5.8x	4.9x	4.8x
		IRR	86.1%	82.2%	65.7%
FRANCISCO PARTNERS IV	2015	MOIC	3.7x	3.0x	3.0x
		IRR	32.2%	25.5%	24.3%
FRANCISCO PARTNERS III	2011	MOIC	4.0x	3.5x	3.5x
		IRR	30.3%	23.0%	23.0%
FRANCISCO PARTNERS II	2006	MOIC	1.9x	1.7x	1.7x
		IRR	16.8%	10.4%	10.4%

Note: FP changed leadership prior to launching FP II in 2005 when Dipanjan (DJ) Deb took over as CEO/Managing Partner and adjusted the Firm's strategy. Unless otherwise noted, FP Fund returns and valuations are as of September 30, 2025 and are preliminary estimates, unaudited, and subject to change. Unless otherwise indicated, the table is presented on a gross basis and the gross performance metrics do not reflect the deduction of fees and expenses that a client or investor has paid or would have paid. As a result, the returns to an investor are lower than the gross returns shown herein. Actual results may vary materially and adversely. Past performance is not a guarantee, prediction or indication of future results. See concluding "Disclosures" section for important disclaimers and additional information regarding, among other things, risks, fees, gross and net returns, how performance is calculated, the "NM" designation, and the impact of the use (or non-use) of a subscription line. Net returns for FP VII and Agility III are available upon request. (1) FP VII figures include Jamf, which is pending transaction close. There can be no assurance that the anticipated transaction will be ultimately consummated. (2) FP Agility III figures include Quest Analytics, which closed in November 2025.

# Disclosures



# DISCLAIMERS

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**Benchmarks.** MSCI and S&P Indices: The MSCI World Index and the S&P 500 Price Index (collectively, “MSCI and S&P Indices”) are broad-based securities indexes shown for informational purposes only. The investment characteristics of the MSCI World Index and S&P 500 Price Index are materially different from those of any Fund, and an investment in a Fund is not comparable to an investment in the index or in the stocks that comprise the index. The S&P 500 is designed to reflect the performance of large capitalization U.S. companies. The MSCI World Index is designed to reflect large and mid-cap companies across 23 Developed Markets (DM) countries. Index returns reflect the returns (as of date of realization for realized FP Fund investments or the date indicated for unrealized FP Fund investments) that would have been achieved if the capital deployed in FP Fund investments was instead invested in the relevant index, and assume dividends are not reinvested. Any comparison of the performance of the Funds to the MSCI World Index or the S&P 500 Price Index is based upon the assumption that capital was invested in and withdrawn from each at identical times in identical amounts. Any comparison of performance should be interpreted accordingly. Burgiss: Vintage benchmark data from Burgiss Group Private iQ Database (“Burgiss”) as of June 30, 2025 for all buyout funds above \$1 billion in fund size for FP III and FP IV (29 funds in 2011, 38 funds in 2015); above \$500 million for Agility I and Agility II (74 funds in 2016, 85 funds in 2020); above \$2 billion for FP V (35 funds in 2018); and above \$4 billion for FP VI (25 funds in 2021). The FP Equity Funds likely will not pursue strategies followed by some or all of the funds included in the benchmarks, nor is FP or any FP Equity Funds expected to invest in the funds comprising such benchmarks. In addition, the funds comprising the benchmarks invested across a variety of industries whereas FP intends to focus, and the FP Equity Funds have focused, on technology. The returns of the funds included in the Burgiss benchmarks are net of all applicable fees, expenses and carried interest. Investors generally cannot invest directly in the benchmarks, each of which is presented for reference purposes only. An investment in any FP Fund, is subject to expenses, management fees and carried interest charged or payable by the applicable fund, which are not necessarily the same as reflected in the Burgiss benchmarks. Therefore, the returns achieved by FP and the funds in the Burgiss database should not necessarily be considered comparable.

**EBITDA and Adjusted EBITDA.** EBITDA and Adjusted EBITDA are non-GAAP measures that are used for company reporting and are often bespoke for a given company as determined by management, their board or the associated FP investment team. EBITDA and Adjusted EBITDA generally reflect earnings before interest, taxes, depreciation and amortization and can be adjusted for certain non-recurring items related to restructurings, cost reductions, discontinued operations, acquisitions or other similar types of non-routine items. Cash EBITDA generally reflects EBITDA or adjusted EBITDA further adjusted for changes in deferred revenue related to cash collections or billings. Portfolio company revenue and EBITDA and related growth rates are not indicative of any investment returns and should not be viewed as such. Investment returns and valuations involve various inputs and estimates and are not based solely on revenue and EBITDA.

## DISCLAIMERS (CONT'D)

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Presentation updated March 9, 2026.

# MATERIAL RISK FACTORS

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## **Business Risks**

The Funds' portfolios are expected to be invested primarily in securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

## **Financial Market Fluctuations**

FP's Funds face potential risks from fluctuations in market prices of securities and economic conditions, which may reduce the availability of attractive investment opportunities and may also negatively impact the performance and/or valuation of a Fund's portfolio companies. Any reduction in the availability or favorability of terms of senior bank debt, high yield debt or other forms of financing to finance operating businesses and/or make acquisitions could adversely affect a Fund's portfolio companies as well as a Fund's ability to make or exit its investments. Additionally, financial sector volatility and illiquidity may adversely affect a Fund's ability to exit its investments in a timely manner or at desirable prices. The ability to realize investments depends not only on a portfolio company's success, historical results, and future prospects, but also on political, market, and economic conditions.

## **Concentration of Investments**

A concentrated portfolio involves risks greater than those generally associated with diversified portfolios. FP's Funds expect to concentrate their investments in middle market and lower-middle market technology or tech-enabled companies with diversification across many industry verticals. Instability, fluctuation or an overall decline within the technology industry as whole or within a particular industry vertical may have a substantially negative effect on a Fund's portfolio and, in turn, investor returns.

## **Risks Inherently Associated with Technology Companies**

By concentrating its investment strategy in technology and tech-enabled companies, FP's Fund's will be exposed to specific risks such as rapidly changing science and technologies, new competitors and/or improvements in existing products, scarcity of adequate management, technical, scientific, research, and marketing personnel, patent-related lawsuits, and changing investor sentiments and preferences. Target portfolio companies relying on intellectual property may struggle to protect proprietary rights, potentially impacting revenues due to piracy or infringement allegations from competitors with substantially equivalent or superior technologies. The absence of harmonized patent laws poses more challenges, and reductions in legal protection for software intellectual property rights could adversely affect portfolio companies as well.

## NOTES AND DEFINITIONS

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Unless otherwise noted, FP Fund returns and valuations are as of September 30, 2025 and are preliminary estimates, unaudited, and subject to change. Past performance, including historical returns achieved by any prior investments, is not a guarantee, prediction or indication of future results. Unless otherwise noted, returns include unrealized values. The actual realized returns of unrealized investments may vary materially and adversely and will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. FP believes that the unrealized values used are reasonable and appropriate. However, there can be no assurance that proceeds will actually be realized on these investments, or that, if and when realized, the proceeds will be equal to the values used herein.

Unless otherwise noted, the information contained herein is unaudited and may be preliminary and subject to change, and the Firm and its members, partners, stockholders, managers, directors, officers, employees, and agents do not have any obligation to update any such information. Certain figures in this Presentation have been rounded.

“Invested Capital” is the amount invested by FP including follow-on investments and excludes asset-level leverage.

“Realized Value” means the proceeds received by an FP Fund in connection with the sale of all or a portion of a portfolio company or in connection with a portfolio company dividend, recapitalization or interest receipt.

“Publicly Traded” means the value of an investment listed on a public exchange.

“Unrealized Value” represents the “fair value” of an unrealized investment or the unrealized portion of a partially realized investment in accordance with FP’s valuation methodology.

“Total Value” is the sum of Realized Value, Publicly Traded Value (if applicable), and Unrealized Value.

“DPI” is the amount of capital distributed to investors divided by the amount of capital paid-in (i.e., capital called).

**Gross MOIC** (i.e., Gross Multiple of Invested Capital) is Total Value divided by Invested Capital and is based on investment-level cash flows.

**Net MOIC** (i.e., Net Multiple of Invested Capital) is the ratio of an investor’s remaining value in an FP Fund, plus all distributions to date, divided by the investor’s total amount of capital paid into the Fund.

**Gross IRR** (i.e., Gross Internal Rate of Return) is based on investment-level cash flows using quarter-end date convention for cash flow grouping.

**Net IRR** (i.e., Net Internal Rate of Return) is discussed in more detail below.

When presented as **Gross MOIC** and **Gross IRR**, performance does not reflect the deduction of management fees, carried interest, and other expenses borne by investors. When presented as **Net MOIC** and **Net IRR**, performance does reflect deduction of the foregoing.

## NOTES AND DEFINITIONS (CONT'D)

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When presented as **Net MOIC** and **Net IRR** for individual investments, each is estimated, based on investment-level cash flows, and is calculated by applying to the applicable gross calculations: (i) an expense assumption, which is derived from the inception-to-date fund-level expenses and management fees, applied based on a combination of each investment's cost and duration held in the fund; and (ii) the fund's carried interest percentage, if applicable. Additionally, **Net IRR** for individual investments applies the same cash flow date convention as **Gross IRR**.

All performance information is presented with the highest fee rates applied. Additionally, returns shown for each Fund represent returns based on the aggregate cash flows of all funds within a fund family. **Net IRR** will be lower for investors that elected to participate in a feeder fund entity intended to block ECI and UBTI on flow-through investments.

The FP Funds utilize a subscription line to fund investments in anticipation of calling capital from investors. All individual investment performance and FP Fund **Gross MOIC** and **Gross IRR** are based on investment-level cash flows and therefore are unaffected by the use of the subscription line. **Net MOIC** and **Net IRR** for each FP Fund are presented with and without use of the subscription line as follows:

- "Total Fund" (i.e., with use of the subscription line) is calculated using date of capital contribution by investors to repay amounts borrowed under subscription line rather than date investment was funded from subscription line; based on precise date of cash flow convention. As a result, Total Fund performance metrics will, under certain circumstances, result in a higher performance metrics than if a subscription line had not been utilized.
- "Net Performance w/o Subscription Line" or "Net w/o Line" (i.e., without use of the subscription line) reflects estimated performance had FP Funds not utilized subscription line (i.e., the same start date as used for **Gross MOIC** and **Gross IRR**); based on precise date of cash flow convention assuming no use of subscription line or related fees and expenses.

"N/M", "NM", "n/m" or "nm", unless otherwise defined, in the context of FP Funds, means "not meaningful" and is used when performance figures are calculated over a term that FP believes too short to be meaningful, such as (i) when an individual investment is held less than one year as of the date the investment was made or the calculation date indicated, (ii) during an FP Fund's initial period of operation when FP believes the impact of organizational costs and other fees and expenses typically incurred early in the life of an FP Fund do not accurately represent an FP Fund's overall performance or (iii) early in an FP Fund's investment period (i.e., the period when a minimal amount of capital has been called from investors to fund investments) when FP believes the performance figures, specifically certain net calculations, appear overstated or not reflective of long-term performance.





# Global Real Assets Portfolio Review

Presented by Investment Staff

*Meeting Date: March 19, 2026*

Paul Cheng and Michael Browning



## Role

- Asset Classes: Real Estate, Infrastructure
- Role: 1) Diversification; 2) Inflation protection; 3) Yield (Income Return)

## Objective

- Outperform benchmarks on a net of fees basis
  - Real Estate: Expanded NCREIF Property Index (ENPI)
  - Infrastructure: Quarterly (4) smoothed CPI + 1.20% per quarter

## Allocation

- Real Estate target allocation is 13% with a range of 10-15%
- Infrastructure target allocation is 7% with a range of 5-10%

## Risk Management

- Focus on (1) Operating and stabilized assets; 2) Moderate leverage; 3) Institutional quality managers and assets



# Real Estate Portfolio Summary

## \$2.17 Billion in Market Value

- Real Estate: 9.7% of Total Fund
- Unfunded commitments: \$250 million
- New commitments: \$160 million in 2025
- Redemptions submitted: \$594 million over past 5 years
- 17 general partners, 24 funds\*, 3 co-investments\*\*, 1 public REIT
  - 5 ranked A
  - 5 ranked B
  - 5 ranked C
  - 2 not ranked – newer additions to portfolio

## Performance\*\*\*

- 3.07% net return for 1-year period ending Jan 31, 2026 underperformed the policy benchmark (ENPI) by 132 basis points (bps)
- 5 and 10-year performance outperformed benchmark by 79 and 90 bps

## Portfolio Activities in 2025

- Received \$125 million of redemptions
- Recent commitments: a residential fund, a co-investment, secondary investment in an existing fund, addition to a debt fund; addition to the REITs portfolio

Notes:

\*The 23 funds include 1 farmland fund

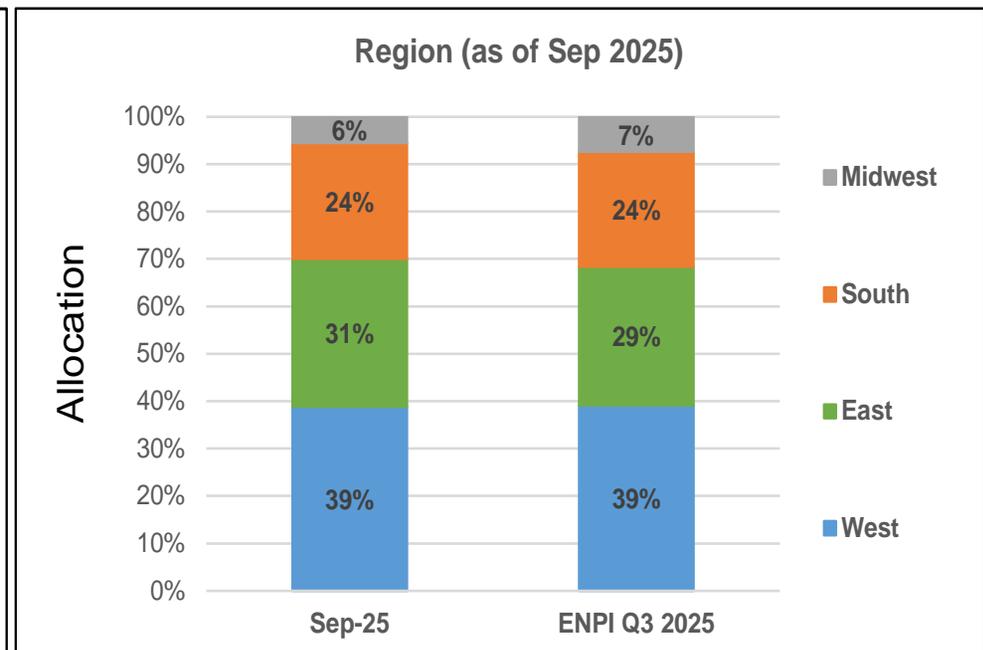
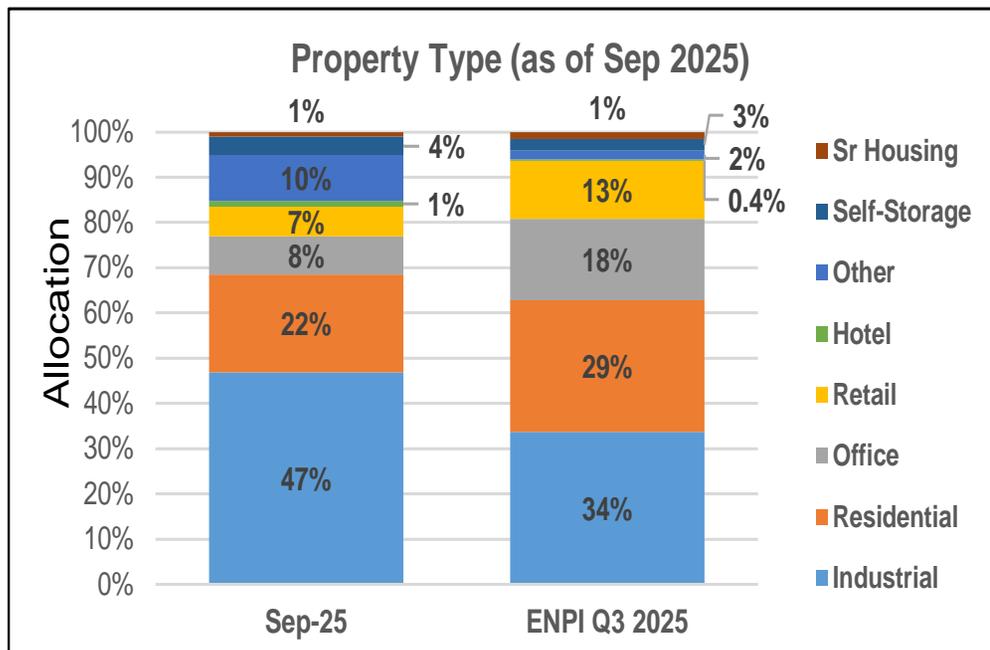
\*\*1 co-investment unfunded as of Jan-31

\*\*\*Real asset returns are one quarter in arrears.



# Property Type and Geography

- Fundamentals across most property types have improved over the past 18 months
- SERS' portfolio is overweight in Industrial and Other (Niche)\*
  - Underweight Office, Retail, and Residential
- Region: SERS' US real estate geographic exposure is inline with the benchmark

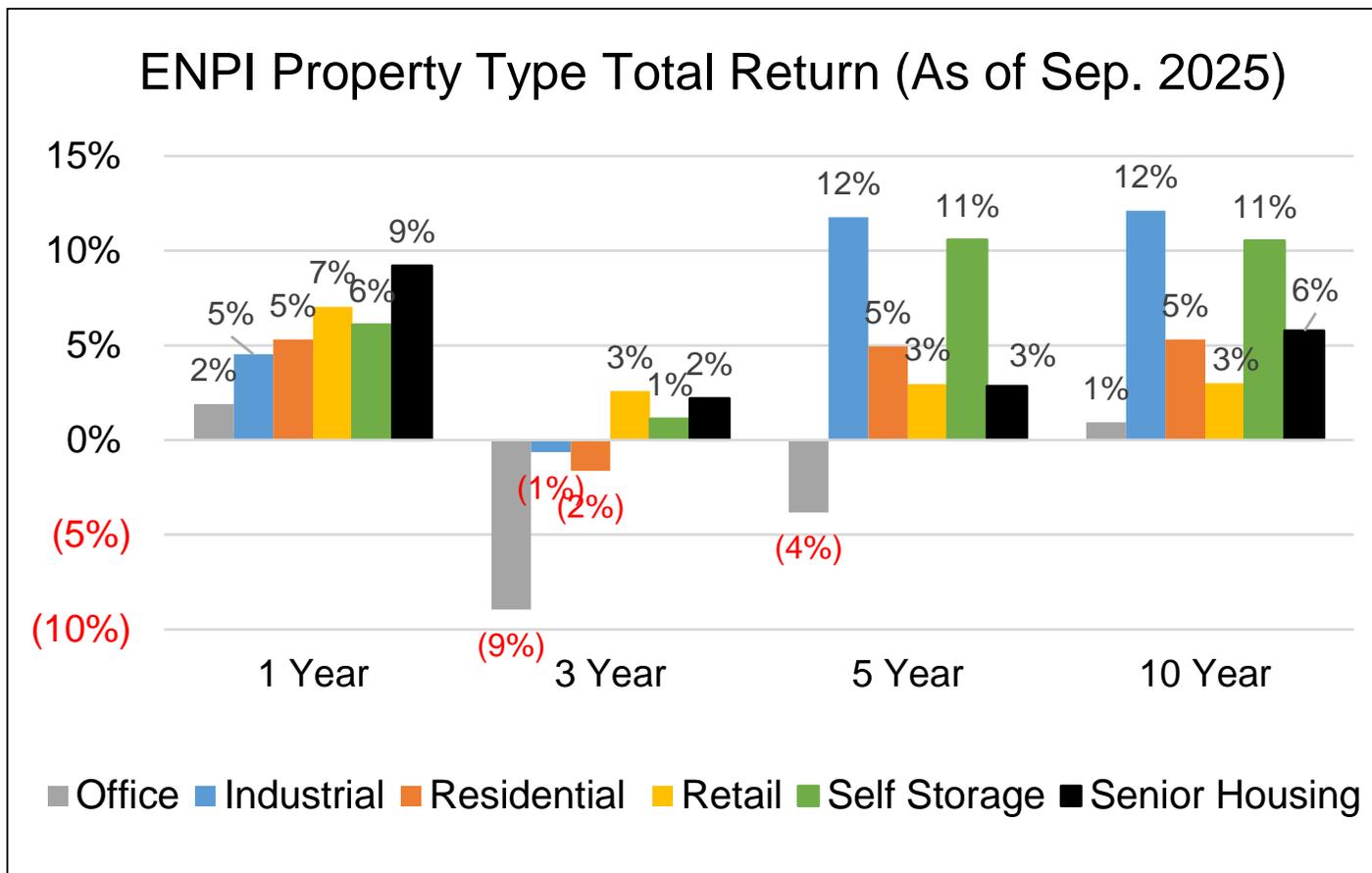


Note:  
 \*Other (Niche) includes data center, operating land, entertainment, parking



# Property Type Performance

- All sectors positive in 1 year with Senior and Retail best performers
- Office, Industrial, and Residential declined the most in the 3-year period
- Industrial, Self-Storage, and Residential performed the best over the 5 and 10-year periods





- PREA's overall real estate market total return forecasts: 5.9% and 6.9% in 2026 - 27
- Senior Housing: Expected to outperform: 10.8% and 10.2% in 2026 - 27
- Retail: Second best forecasts: 7.3% and 7.6% in 2026 - 27
- Office: Lags with lower forecasts but recovering

	2026	2027
<b>National, All Property Types (NPI)</b>	5.9%	6.9%
<b>Office</b>	4.8%	6.0%
<b>Retail</b>	7.3%	7.6%
<b>Industrial</b>	5.8%	6.7%
<b>Residential</b>	6.3%	7.5%
<b>Senior Housing</b>	10.8%	10.2%
<b>Self-Storage</b>	5.4%	7.1%



# Real Estate Performance

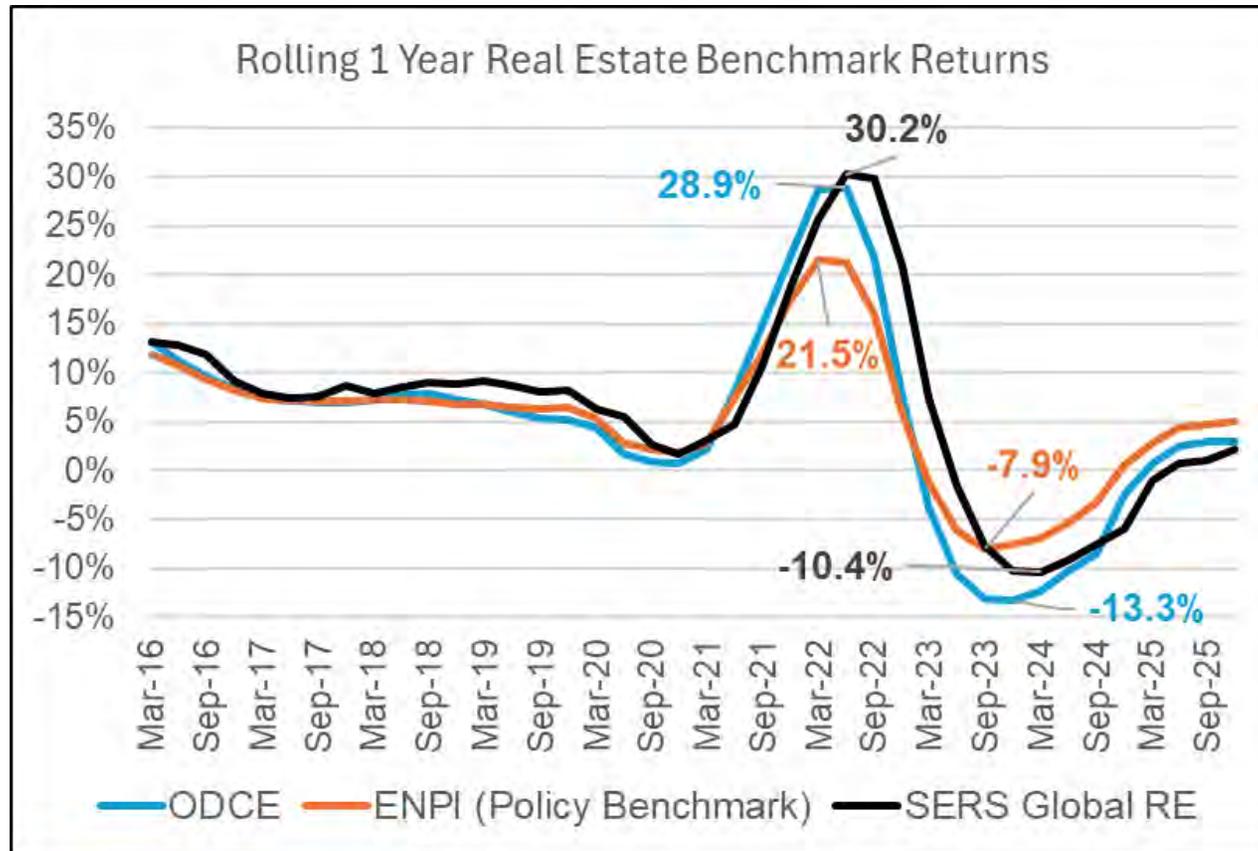
- Real Estate returns turning positive after drawdown in 2022-24
- Total Real Estate: Underperformed in 1 and 3-year because of leverage (ENPI is an unlevered benchmark). Leverage adds to gains in up markets and detracts in down markets. Outperformed policy benchmark in 5 and 10-year periods by 79 and 90 bps
- Private Real Estate Core: Outperformed in the 5 and 10-year periods
- Private Real Estate Non-Core: Underperformed across 1 and 3-year periods
- Public Real Estate: Small allocation but outperformed in all key periods

Asset Class / Strategy	Allocation	3M	1 Year	3 Year	5 Year	10 Year
<b>Total Real Estate*</b>	<b>100.0%</b>	1.39%	3.07%	(4.26%)	4.59%	5.93%
<b>Private Real Estate Core</b>	<b>83.2%</b>	1.60%	3.97%	(4.20%)	5.32%	6.35%
<b>Private Real Estate Non-Core</b>	<b>13.4%</b>	0.26%	(2.61%)	(5.29%)	0.58%	4.01%
<b>Public Real Estate</b>	<b>2.3%</b>	1.31%	4.94%	6.18%	7.34%	6.71%
<b>Farmland</b>	<b>1.1%</b>	0.00%	2.28%	NA	NA	NA
<b>Policy Benchmark (ENPI)</b>	<b>NA</b>	1.22%	4.39%	(2.54%)	3.80%	5.03%
<b>Excess Return</b>	<b>NA</b>	0.17%	(1.32%)	(1.72%)	0.79%	0.90%



# Real Estate Benchmarks

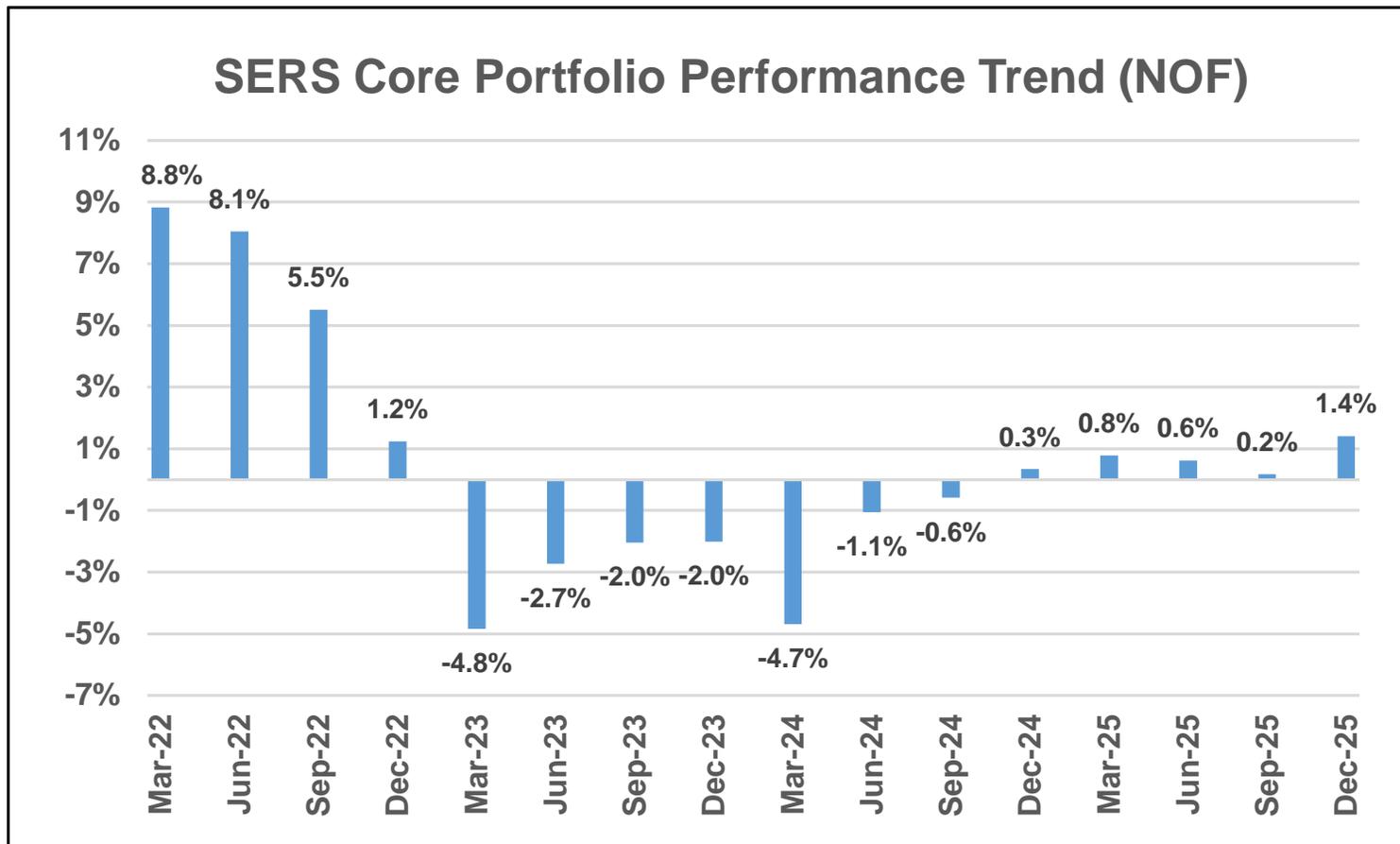
- Leverage amplifies gains and losses: At the peak in early/mid-2022, the levered portfolios - SERS (30.2%) and ODCE (28.9%) - were above the unlevered benchmark ENPI (21.5%). During the late 2022-24 downturn, the levered portfolios declined more
- However, in the current recovery, SERS is so far lagging the unlevered ENPI, likely due to lagged mark downs in closed-end funds



- Real asset returns are one quarter in arrears
- ODCE: Open-end Diversified Core Equity
- Source: NCREIF and IAD



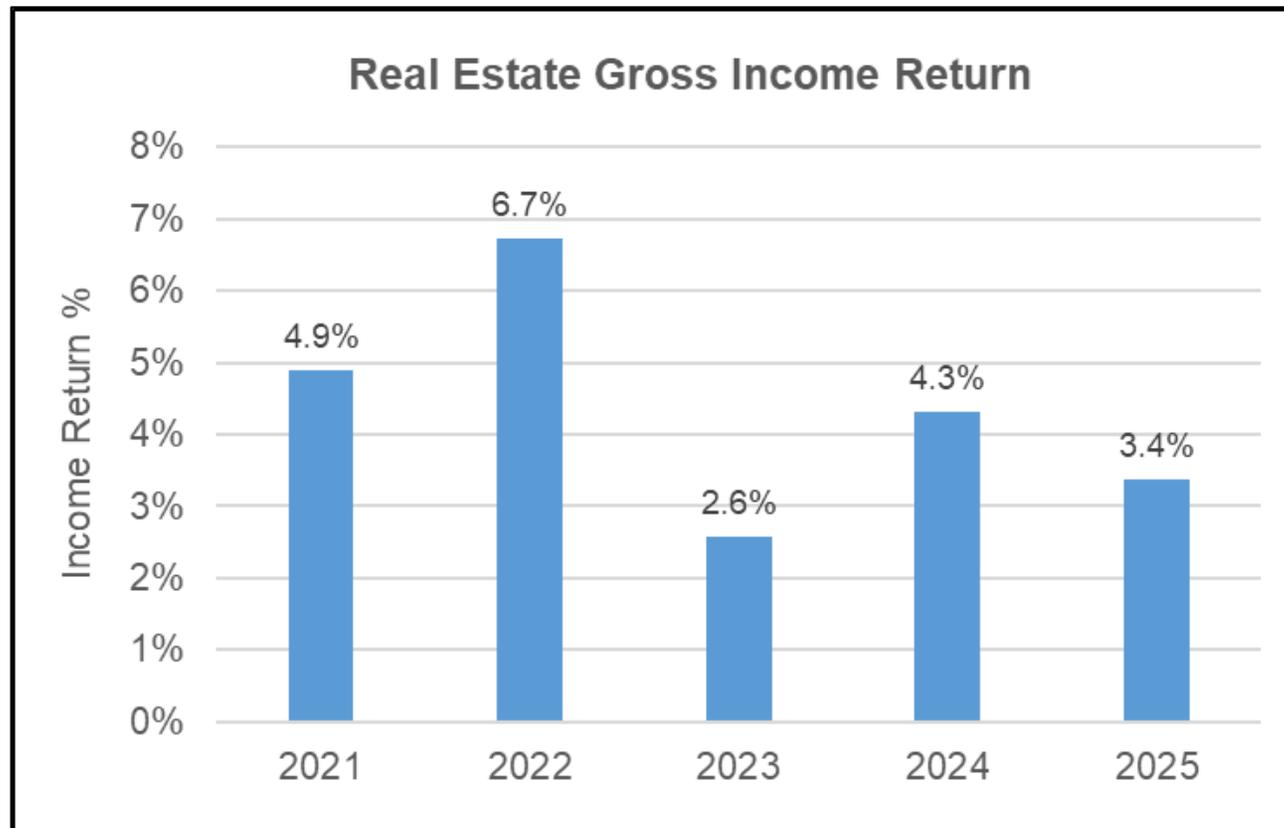
- SERS' open funds have posted positive quarterly returns since 4Q-2024, relatively inline with the broader real estate market





# Gross Income Return

- Real Estate gross income return was 3.4% in 2025
- Medium and long-term income target of 4.0 - 4.5% is achievable due to improved market conditions, managers' renewed focus on income yield, and SERS' commitment to funds that have higher income return





# Portfolio Summary

## \$1.59 Billion in Market Value

- Infrastructure: 7.1% of Total Fund
- Unfunded commitments: \$828 million
- New commitments: \$625 million in 2025
- 10 general partners, 13 funds, 12 co-investments & continuation funds\*, 2 public ETFs
  - 4 ranked as A
  - 2 ranked as B
  - 4 not ranked – newer additions to portfolio

## Performance\*\*

- 9.83% net return for the one-year period ending January 31, 2026, which outperformed the policy benchmark (CPI+) by 214 basis points
- 3 and 5-year net returns were 8.57% and 9.30%, beating benchmark by 596 and 258 bps

## Portfolio Activities in 2025

- Increased new commitments with goal of reaching long-term target of 10%
- Funded \$188 million in commitments
- Diversified portfolio by adding new strategies and managers
- Grew co-investments allocation for improved fee economics

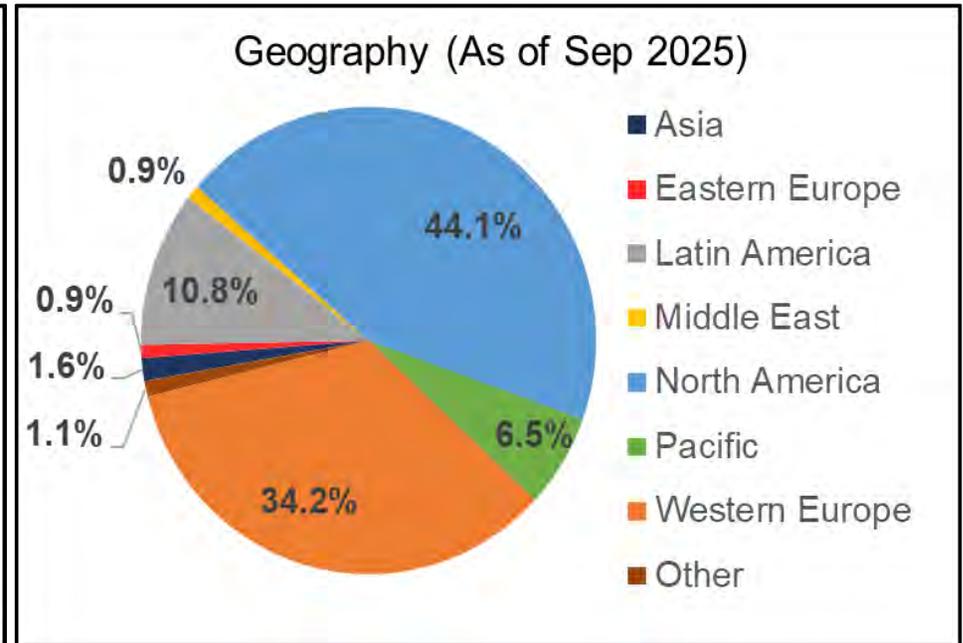
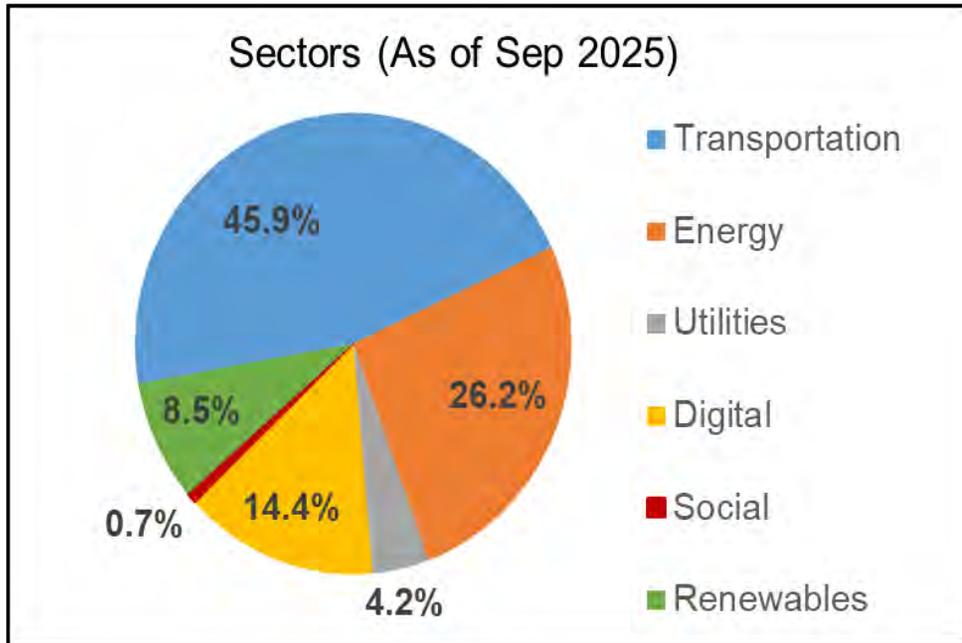
Notes:

- \*5 co-investments reside in 3 sidecars. 2 of the co-investments unfunded as of Jan-31.
- \*\*Real asset returns are one quarter in arrears



# Portfolio Overview

- Sector Allocation: Large exposure to transportation and energy sectors. Digital and renewables allocations have doubled in past 4 years.
- Geographical Allocation: Primarily North America (44%) and Western Europe (34%)





# Infrastructure Performance

- Total Infrastructure: Outperformed the policy benchmark in all periods\*
- Core & Non-Core outperformed in all periods
- Co-investments and continuation funds (CFs) have grown to 7.4% of the asset class. Outperforming in all periods

Asset Class / Strategy	Allocation	3 Month	1 Year	3 Year	5 Year	10 Year
<b>Total Infrastructure</b>	<b>100%</b>	<b>2.54%</b>	<b>9.83%</b>	<b>8.57%</b>	<b>9.30%</b>	<b>10.19%</b>
<b>Private Infrastructure Core &amp; Non-Core</b>	<b>89.6%</b>	2.32%	9.57%	8.54%	9.28%	10.18%
<b>Private Infrastructure Co-Invest &amp; CF**</b>	<b>7.4%</b>	2.11%	14.17%	7.71%	NA	NA
<b>Public Infrastructure***</b>	<b>3.0%</b>	11.15%	6.48%	NA	NA	NA
<b>Policy Benchmark (CPI+)****</b>	<b>NA</b>	1.87%	7.69%	2.61%	6.72%	6.43%
<b>Excess Return</b>	<b>NA</b>	<b>0.67%</b>	<b>2.14%</b>	<b>5.96%</b>	<b>2.58%</b>	<b>3.75%</b>

Note:

\* Real asset returns are one quarter in arrears

\*\*CF = Continuation Fund

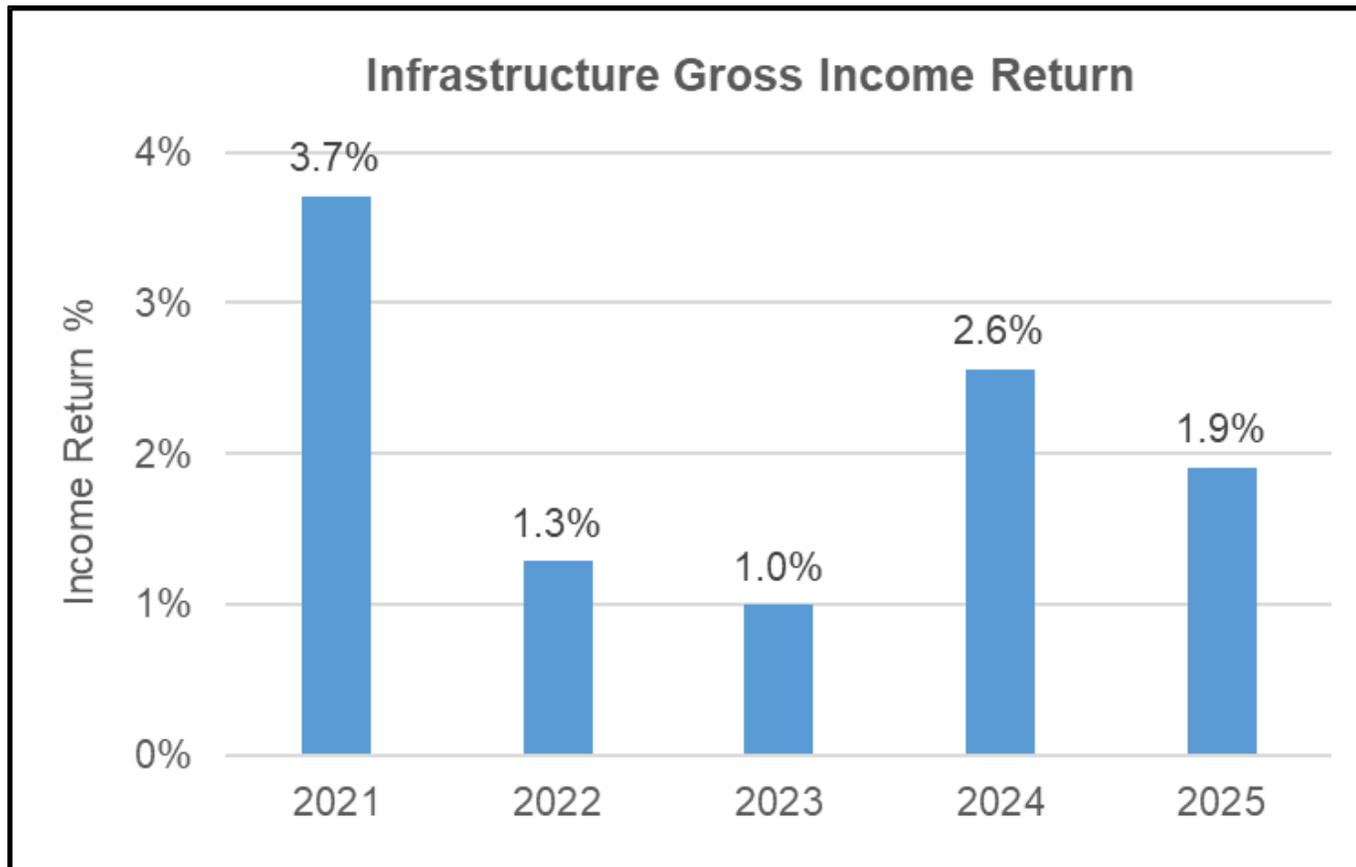
\*\*\* Public Infrastructure since inception (7/2024) net return is 10.31%.

\*\*\*\*Infrastructure policy benchmark prior to January 2024 was Real Estate NPI



# Gross Income Return

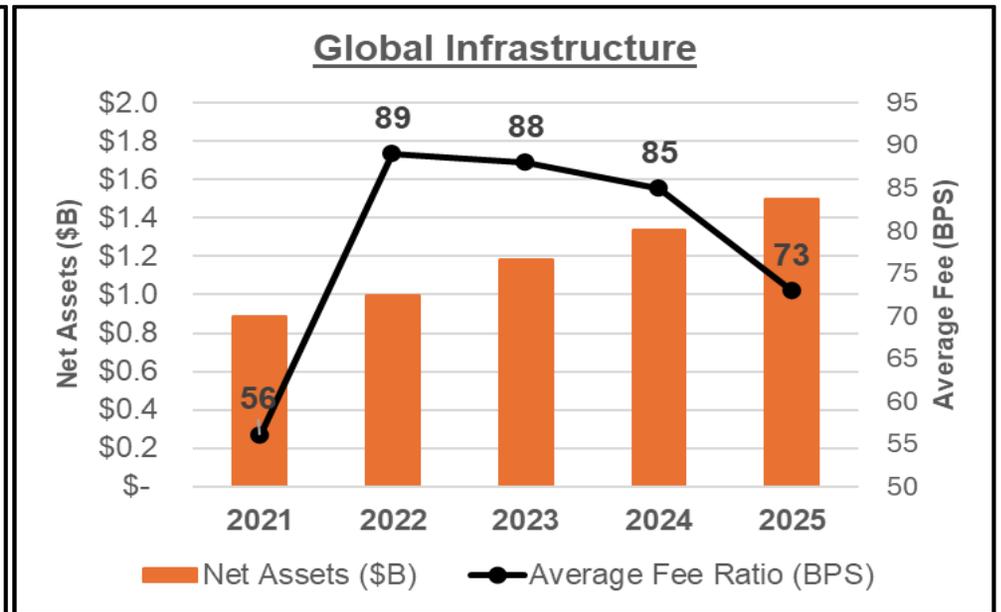
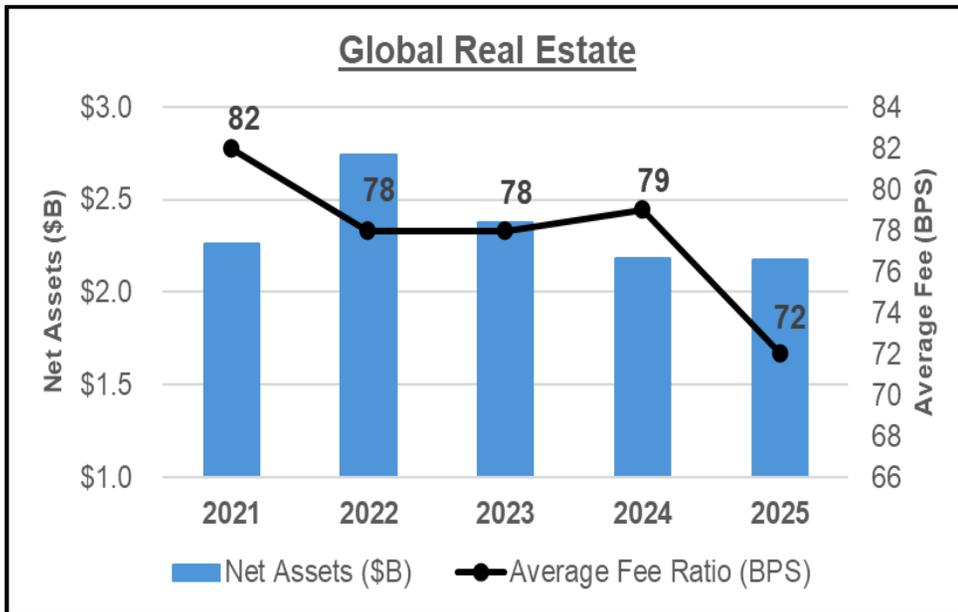
- Infrastructure gross income return was 1.9% in 2025
- Staff expects income return to grow to 3-4% over time from recent commitments that focus on cash yield





# Real Assets Fees Trending Down

- Overall fees for Real Estate and Infrastructure have declined as a percentage of net assets
  - Real Estate: Declined from 82 bps in 2021 to 72bps in 2025
  - Infrastructure: After an increase in 2021-22, fees have trended down from 89bps in 2022 to 73bps in 2025





# Co-Investments Gaining Traction

<p>Description and Benefits</p>	<p><u>Description</u></p> <ul style="list-style-type: none"> <li>• An investment alongside a fund managed by an external manager</li> <li>• Can be standalone or in a sidecar where other co-investments will also reside</li> </ul> <p><u>Benefits</u></p> <ul style="list-style-type: none"> <li>• GPs: (1) Invest in larger assets; (2) Raise additional capital from LPs</li> <li>• LPs: (1) Reduced or no fees; (2) Increase exposure to high conviction managers and assets in a desired sector or geography</li> </ul>
<p>SERS' Exposure*</p>	<ul style="list-style-type: none"> <li>• 15 committed co-investments and single asset continuation vehicles - 12 infrastructure; 3 real estate</li> </ul>
<p>Performance**</p>	<ul style="list-style-type: none"> <li>• Funded co-investments have achieved a since inception net internal rate of return (IRR) of 8.49% and multiple on invested capital (MOIC) of 1.14x</li> <li>• Best performing co-investment: Since inception net IRR of 34% and net MOIC of 1.79x</li> <li>• Total distributions of \$24.7 million on invested capital of \$146.0 million</li> </ul>
<p>Estimated Savings***</p>	<ul style="list-style-type: none"> <li>• Estimated annual management fee savings of \$3.1 million</li> <li>• Total potential savings (management fee + carried interest) of \$61.9 million</li> </ul>

Notes:  
 \*5 co-investments reside in 3 sidecars. 3 of the co-investments unfunded as of Jan-31, 2026. One infrastructure co-investment sold in 2025 for an estimated 14.5% gross IRR  
 \*\*Total performance since inception date is January 2022, Best performing co-investment since inception date is January 2024  
 \*\*\*Estimated annual management fee savings assume all co-investments and sidecar commitments called in a single calendar year and estimated total potential savings include all annual management fees and carried interest earned assuming base case returns and hold periods



## Real Estate

- Evaluate new strategies that can benefit from current environment
- Explore additional co-investment opportunities

## Infrastructure

- Enhance sector diversification
- Explore additional co-investment opportunities

## Income and Inflation Protection

- Focus on income component of returns over the long run
- Focus on investments with economic resiliency but with inflation protection characteristics



**Cap Rate** – Net Operating Income divided by Purchase Price or Current Market Value. Cap rate is a valuation metric.

**Capital Call** – Capital calls for previously committed capital are issued to LPs when the GP has made a new investment.

**Co-investments** – A more direct and concentrated investment alongside a fund. Co-investments are economically advantageous as they typically have lower or no fees. They can also help an asset owner increase exposure to certain sectors and geographies. Co-investments can be done on a one-by-one basis or through a co-investment sidecar. (See sidecar definition)

**Committed Capital** – This is the amount of capital that a limited partner (L.P.) commits to investing in fund or investment. It is considered a legal liability that the L.P. must honor when a capital call is issued by the general partner (G.P.) to fund an investment.

**Continuation Fund** – Investment manager will create a new investment vehicle to continue owning and managing an existing asset for a longer period of time. Usually, a single asset fund is used to provide liquidity for specific assets. Also known as a continuation vehicle.

**Core** – Substantially leased, institutional quality assets located in major metropolitan markets. Core strategies usually have a focus on income return and use low to moderate amounts of leverage.

**Distribution** – Income from operations or return of capital from asset sales are distributions issued to LPs from the Fund

**Exchange Traded Fund (ETF)** – It is similar to a mutual fund in that it is a portfolio of publicly traded securities. Unlike a mutual fund which trades only once a day at the end of the trading day, an ETF has better liquidity and can trade at any time during exchange hours. As well, it is more tax efficient.

**Farmland** – Private land used to grow permanent and annual crops throughout the United States. Core assets will be leased to farmers with scale and expertise on long-term contracts.

**Fund** – fund means a limited partnership, trust or commingled investment vehicle in which SERS invests or may invest (e.g., private credit fund, private equity fund, or real estate fund).

**General Partner (G.P.)** – The managing partner of a fund or investment who is responsible for day-to-day operations and earns a management fee and incentive if certain return targets are met.

**Infrastructure** – The essential facilities and services upon which the economic productivity of society depends. Infrastructure involves the movement of goods, people, water, and energy. Biggest sectors include transportation, power, social, communications, utilities, and energy.

**Leverage** – A measure of debt in an investment. In finance, this is the relationship of debt to equity on a company's balance sheet in the form of the debt/equity ratio. Core Real Estate leverage averages about 25-30%.

**Limited Partner (L.P.)** – An asset owner who invests in a fund managed by a General Partner. An L.P. is primarily a financial sponsor and is not involved in day-to-day management of a fund or assets and have limited legal liabilities.



**Master Limited Partnership or MLP:** A listed energy company that owns and operates pipelines and storage for the transportation of gas and oil. MLPs are a legal structure designed for tax advantages.

**Multiple on Invested Capital (MOIC):** Total value of realized and unrealized gains relative to the initial capital investment

**NCREIF** – The National Council of Real Estate Investment Fiduciaries is an industry association that provides the benchmarks industry participants use.

**Niche** – Also referred to as “Other” or “Alternatives”. Niche refers to non-traditional property types like data centers, life science (aka lab space), manufactured housing, medical office, senior housing, single family rental, storage, and student housing.

**ENPI (Expanded NCREIF Property Index)** – An aggregate of United States investment manager members property data. NPI provides benchmark returns for the Real Asset portfolio. Expanded NPI includes reporting for additional real estate sector like senior housing, self-storage, and other compared to NPI classic. Performance is at the property level and does not include leverage.

**Non-Core (Value-Add and Opportunistic)** – Assets that require repositioning and optimization, and in the case of Opportunistic, may require significant re-development and ground-up construction. Compared to core strategies, non-core strategies generally use higher amounts of leverage, involve greater risk due to the uncertainty of cash flows, and have higher return expectations.

**Open-end Diversified Core Equity or ODCE:** Private real estate benchmark from NCREIF that produces a composite performance at the fund level of ~25 underlying funds. ODCE includes leverage whereas ENPI is at the property level and does not include leverage.

**Pension Real Estate Association (PREA)** – An industry trade group that organizes conferences, publishes academic journals, and provides real estate industry and sectors forecasts based on its surveys to which managers respond.

**Public Infrastructure** – Publicly traded infrastructure companies and master limited partnerships (MLP). MLP securities provide immediate access to public infrastructure pipeline companies with attractive cash yield.

**REITs** – Publicly-traded real estate companies. REIT securities provide immediate access to real estate assets but exhibit greater volatility than privately-held properties.

**Sidecar** – A vehicle or additional fund that is alongside a fund commitment to invest in co-investments. A sidecar could be discretionary (the G.P. decides which investments to make) or non-discretionary in nature.

**Secondaries** – Opportunities to acquire a stake in an existing fund from an L.P. or asset / platform from a G.P. Typically, a secondary is purchased at a discount to net asset value. A secondary is in contrast to a “primary” commitment for the first time.

**Unfunded Commitments** – These are financial obligations to a fund or investment by an L.P. whereby the G.P. has not yet asked for payments but remain a liability for the L.P.

**Wilshire**

Prepared for



# School Employees Retirement System of Ohio

2026 Asset-Only Optimization

Joanna Bewick, CFA, Managing Director  
Christopher Tessman, Senior Vice President

March 2026

## Contents

- Background & Overview
- Asset Allocation Approach
- Asset Allocation Inputs & Outputs
- Observations & Recommendations
- Appendix

# Background & Overview

## Background & Overview

- The asset allocation decision is the most important decision an investor can make
  - The asset allocation decision drives 90% of return variability among portfolios
- Wilshire recommends revisiting the asset allocation decision every three to five years, or sooner, as market conditions warrant
  - Ohio School Employees Retirement System (“SERS”) last reviewed asset allocation in February 2023
- The 2026 review of asset allocation will occur over several phases
  - December 2025 and January 2026
    - OH SERS team and Wilshire map the project and complete foundational work
  - February 2026
    - Review asset class expected return and risk assumptions with the Board
  - March 2026
    - Review asset-only optimization
    - Asset-only optimization serves as a useful tool in comparing risk/return trade-off among various alternative policy portfolios
  - April 2026
    - Introduce SERS’ liability information to the modeling process and finalize a recommendation to Board

## Considerations

- [Board has allowed the asset allocation decision to be very long-term focused](#)
  - Diversification and illiquidity premium are expected to benefit the portfolio over the long-term
  - Over the past 10 years, changes to asset allocation have been incremental but impactful over the long-term
    - Modest shift from public equity to private equity
    - Introduced private credit
    - Phased out the multi asset strategies allocation
    - Increased the real asset allocation, created distinct real estate and infrastructure targets
- [Focus of the 2026 asset allocation review](#)
  - Continue to remain long-term focused
  - Preserve liquidity and maintain an income focus
  - A new interest rate regime improves the risk/reward profile of fixed income
  - With compressed returns across asset classes, the more significant portfolio lever is risk rather than reward

## Industry Asset Allocation Trends

### Modest forward-looking returns for public equities

- Public Equities → Private Assets

### Deglobalization, inflation, market concentration and other risks drive dispersion and volatility

- Nimble governance and decision making → Total Portfolio Approach
- Revisit multi-asset strategies/hedge funds → Portable Alpha

### Pursuit of uncorrelated return streams

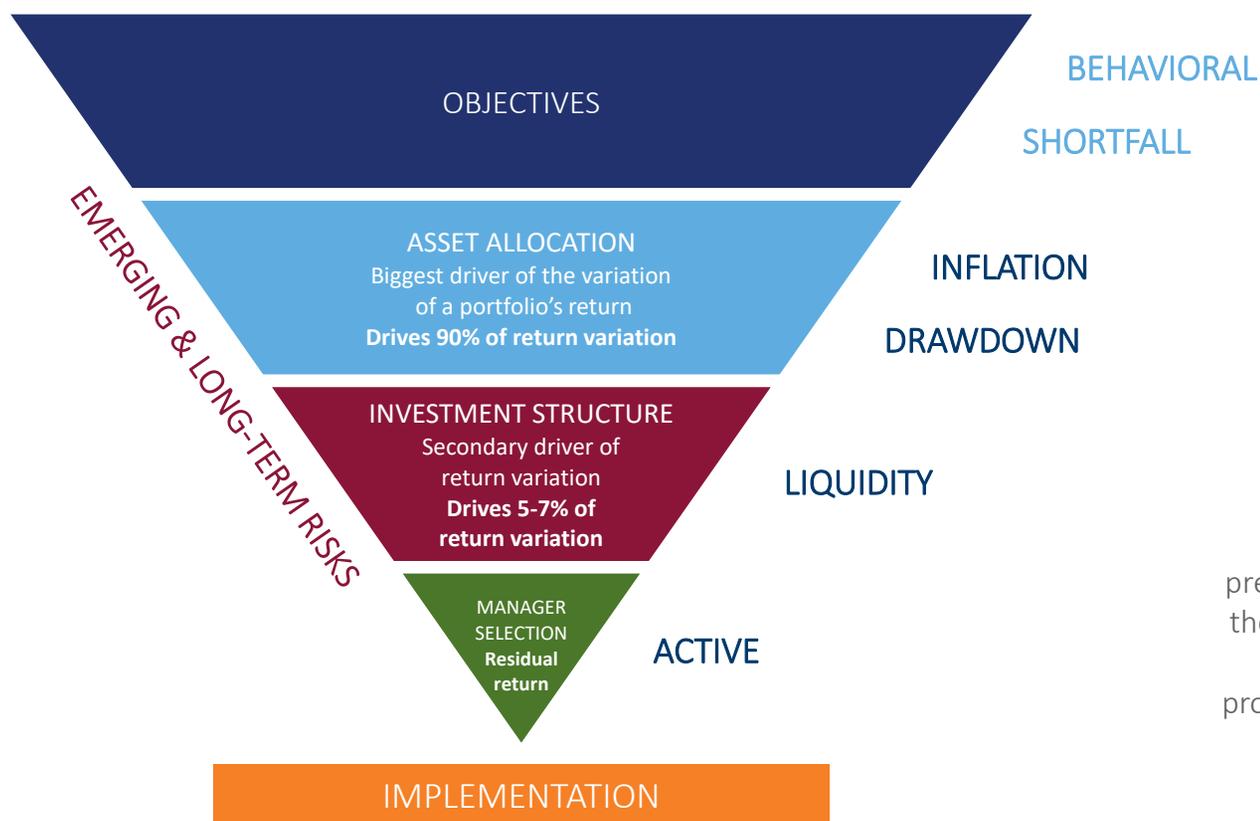
- Real Assets
- Bitcoin/Crypto?

### Reassessment of fixed income given rates volatility and Federal debt levels

- Higher interest rates post-COVID
- Less benchmark aware fixed income → In 2024, OH SERS transitioned to the Bloomberg Universal Index
- Private credit

# Asset Allocation Approach

## Focus on Decisions That Matter



### Address Key Risks Throughout the Investment Process

Many of the key risks are present at multiple points in the investment process, but each distinct step in the process is focused on one or two primary risks.

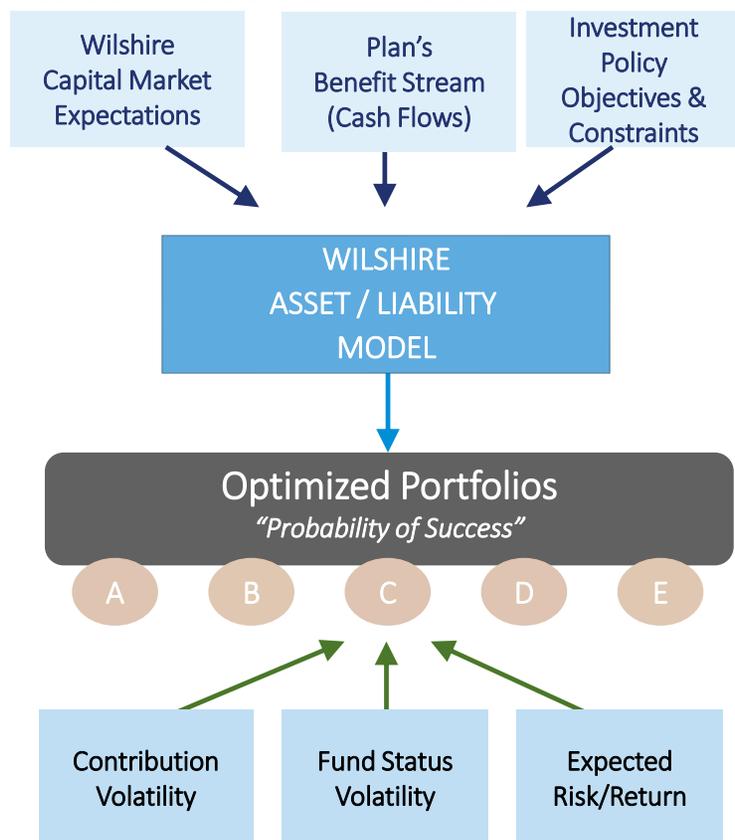
## Risk Assessment Framework

Wilshire’s multi-dimensional view of risk integrates organizational and investment considerations into a comprehensive framework for evaluating strategic decisions.

- **Shortfall:** Support distributions and long-term growth
- **Behavioral:** Instill strong governance
- **Drawdown:** Limit portfolio losses
- **Inflation:** Preserve long-term purchasing power
- **Liquidity:** Balance near-term needs, long-term opportunities
- **Active:** Ensure unique exposures
- **Emerging & Long-Term:** Environmental, Social & Governance risks, such as externalities, intangibles and reputation may be linked to various risk lenses



## Asset Allocation Process



- Wilshire believes the mission of a defined benefit plan is to fund benefits
- The role of asset allocation is to manage risk in order to fulfill that core mission
  - **Maximize safety** of benefits
  - **Minimize cost** of funding these benefits
- Wilshire’s Asset Liability Model provides a methodology for selecting a target portfolio that considers both goals
- Rigorously developed capital market assumptions for risk and return (see appendix)
- Given that short-term volatility is also important, we identify the impact of the asset allocation decision on funded ratios, annual contribution requirements, and other metrics
- Strategic asset allocation is not a guide to outperforming in every market ... but it should provide a roadmap for success over a market cycle

# Asset Allocation Inputs

## SERS Customized Capital Market Assumptions (CMAs) as of 4Q 2025

	Equity		Fixed Income			Real Assets			
	Global Stocks	Global Private Equity	Global Private Credit	Global Fixed Income	Cash	Global Real Estate	Global Infrastructure	Commodities	Gold
Compounded Return (%)	5.05	6.30	7.65	5.10	3.25	6.65	6.50	4.80	5.45
Arithmetic Return (%)	6.40	8.00	8.15	5.20	3.25	7.95	7.40	6.00	6.95
Risk (%)	17.05	19.30	10.90	4.60	0.75	16.90	13.95	16.00	18.00
Return/Risk	0.30	0.33	0.70	1.11	4.33	0.39	0.47	0.30	0.30
Yield (%)	1.65	0.00	7.55	6.30	3.25	3.10	3.00	3.25	0.00
Factor Exposure: Growth	8.00	14.00	4.20	-0.35	0.00	3.75	7.50	0.00	-5.00
Factor Exposure: Inflation	-1.85	-4.25	-0.60	-2.20	0.00	1.00	5.50	12.00	7.00
<b>Correlations</b>									
<b>Global Stocks</b>	1.00								
<b>Global Private Equity</b>	0.73	1.00							
<b>Global Private Credit</b>	0.56	0.25	1.00						
<b>Global Fixed Income</b>	0.35	0.37	0.30	1.00					
<b>Cash</b>	-0.06	0.00	-0.05	0.13	1.00				
<b>Global Real Estate</b>	0.55	0.50	0.61	0.34	-0.05	1.00			
<b>Global Infrastructure</b>	0.73	0.59	0.61	0.29	-0.05	0.50	1.00		
<b>Commodities</b>	0.31	0.28	0.31	0.07	0.00	0.26	0.45	1.00	
<b>Gold</b>	0.04	-0.02	-0.02	0.21	-0.05	0.11	0.15	0.30	1.00

Asset classes illustrated on this page are a selected group relevant to Ohio SERS' asset allocation modeling.

**CMA Footnotes:**

- Global Equity: 64% US, 25% Developed ex US and 11% Emerging Markets Equity
- Global Private Equity: 55% US Buyouts, 25% Non-US Buyouts and 20% Venture Capital
- Global Private Credit: 80% Direct Lending, 20% Distressed
- Global Fixed Income: 39.1% Treasuries, 3.4% Government Related, 20.4% Corporate, 22.1% Securitized, 10% High Yield and 5% Emerging Market Debt (HC)
- Cash: 100% Cash
- Global Real Estate: 75% Core, 12.5% Value Added and 12.5% Opportunistic Private Real Estate
- Global Infrastructure: 100% Private Infrastructure
- Risk inputs for Private Equity, Real Estate and Infrastructure adjusted to match SERS BARRA forecast of 19.30%, 16.90% and 13.95% respectively

## Efficient Frontiers & Constraints

Scenario 1 is more unconstrained.

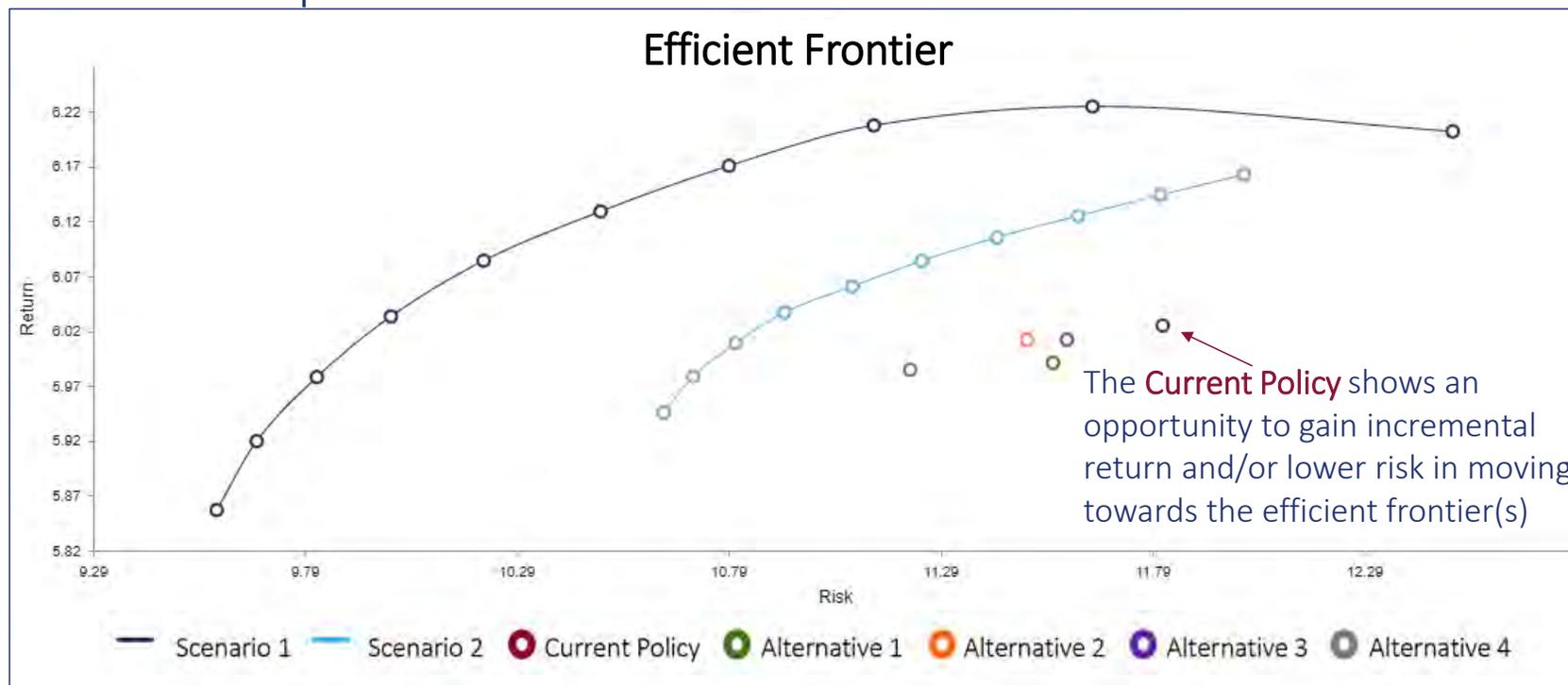
Constraints in Scenario 2 include:

- 40% floor for Global Equities with ranges that allow for underweights as a concession to high valuations
- 20% ceiling for Global Fixed Income. While Global Fixed Income offers attractive return and yield, constraints were introduced to mitigate potential bond market volatility.
- 3% floor for Cash given liquidity needs to meet benefit payments
- Introduction of Commodities and Gold as standalone asset classes, but constrained to 5% of the portfolio

	Scenario 1	Scenario 2
<b>Global Stocks</b>	35 - 100%	<b>40</b> - 100%
<b>Global Private Equity</b>	10 - 15%	10 - 15%
<b>Global Private Credit</b>	0 - 7%	0 - 7%
<b>Global Fixed Income</b>	10 - 30%	10 - <b>20%</b>
<b>Cash</b>	0 - 5%	<b>3</b> - 5%
<b>Global Real Estate</b>	5 - 10%	5 - 10%
<b>Global Infrastructure</b>	5 - 10%	5 - 10%
<b>Commodities</b>	0 - 5%	0 - 5%
<b>Gold</b>	0 - 5%	0 - 5%

# Optimization Output

## Optimization Output



**Scenario 1:** 35% minimum Global Equity Constraint  
 10 – 30% Global Fixed Income  
 0 – 5% Cash  
 Total Allocation to Commodities and Gold may not exceed 5%

**Scenario 2:** 40% minimum Global Equity Constraint  
 10 – 20% Global Fixed Income  
 3 – 5% Cash  
 Total Allocation to Commodities and Gold may not exceed 5%

## Portfolios Modeled

Asset Class	Current Target	Optimization Constraints	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Global Stocks	40.00%	40% - 100%	40.00%	40.00%	40.00%	40.00%
Global Private Equity	14.00%	10% - 15%	14.00%	14.00%	14.00%	12.00%
<b>Total Growth Assets</b>	<b>54.00%</b>		<b>54.00%</b>	<b>54.00%</b>	<b>54.00%</b>	<b>52.00%</b>
Global Private Credit	5.00%	0% - 7%	5.00%	5.00%	5.00%	5.00%
<b>Total Defensive Growth Assets</b>	<b>5.00%</b>		<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
Global Fixed Income	18.00%	0% - 20%	18.00%	18.00%	18.00%	20.00%
Cash	3.00%	3% - 5%	3.00%	3.00%	3.00%	3.00%
<b>Total Defensive/Rate Sensitive Assets</b>	<b>21.00%</b>		<b>21.00%</b>	<b>21.00%</b>	<b>21.00%</b>	<b>23.00%</b>
Global Real Estate	13.00%	5% - 10%	7.00%	7.00%	8.00%	7.00%
Global Infrastructure	7.00%	5% - 10%	10.00%	10.00%	10.00%	10.00%
Diversifying Real Assets	0.00%	0% - 5%	3.00%	3.00%	2.00%	3.00%
Commodities	0.00%		1.50%	0.00%	0.00%	0.00%
Gold	0.00%		1.50%	3.00%	2.00%	3.00%
<b>Total Real Assets / Inflation Sensitive Assets</b>	<b>20.00%</b>		<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>
<b>Total Assets</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Expected Return - 10 Years (%)</b>	<b>6.02</b>		<b>5.99</b>	<b>6.01</b>	<b>6.01</b>	<b>5.98</b>
<b>Expected Return - 30 Years (%)</b>	<b>7.06</b>		<b>7.04</b>	<b>7.06</b>	<b>7.07</b>	<b>7.00</b>
<b>Standard Deviation of Return (%)</b>	<b>11.81</b>		<b>11.55</b>	<b>11.49</b>	<b>11.58</b>	<b>11.21</b>
<b>+ / (-) in Expected Return - 10 Years (bps)</b>			<b>(3)</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>
<b>+ / (-) in Expected Return - 30 Years (bps)</b>			<b>(2)</b>	<b>0</b>	<b>1</b>	<b>(6)</b>
<b>+ / (-) in SD of Return (bps)</b>			<b>(26)</b>	<b>(32)</b>	<b>(23)</b>	<b>(60)</b>

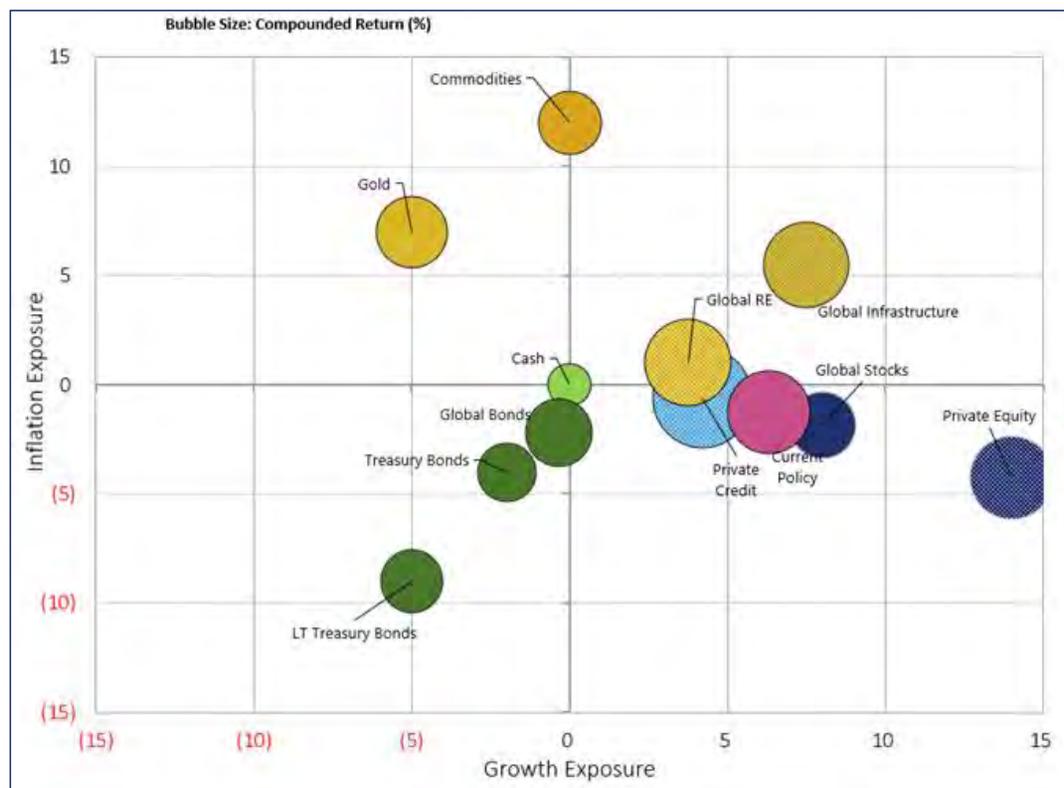
## Portfolios Modeled

Asset Class	Current Target	Alternative 1	Alternative 2	Alternative 3	Alternative 4
<i>Sharpe Ratio</i>	0.23	0.24	0.24	0.24	0.24
<i>Contribution to Asset Volatility (%):</i>					
<i>Growth</i>	76.3	74.8	75.2	74.8	73.7
<i>Defensive Growth</i>	2.4	3.4	3.4	3.4	3.6
<i>Defensive/Rate Sensitive</i>	2.9	2.8	2.8	2.8	3.3
<i>RA/Inflation Sensitive</i>	18.5	19.0	18.6	19.0	19.4
<i>Cash Yield</i>	2.9	2.8	2.8	2.8	2.9
<i>Growth Factor</i>	6.3	6.3	6.2	6.3	5.9
<i>Inflation Factor</i>	-1.2	-0.9	-1.0	-1.0	-0.9
<i>Liquidity</i>					
<i>Market</i>	60.1	62.8	62.8	61.9	64.7
<i>Stressed</i>	16.0	17.5	17.4	16.9	18.8

## Asset Allocation: Economic Factor Exposure

Concentrated factor tilts can represent portfolio vulnerability (e.g., reliance on growth markets)

To the extent possible, a portfolio with factor neutrality is desirable for weathering unexpected future market environments



## Economic Regimes: Alternative Portfolios Protect on the Downside

- Applying Wilshire’s Economic Regime Framework, the table to the right shows the Current Policy versus the four Alternative Policies across five distinct economic regimes.
- The Alternative Policies deliver lower risk numbers than the Current Policy in all economic scenarios. Lower volatility means less downside and upside return.
- Asymmetric payoffs: Versus the Current Policy, the Alternative Policies preserve more return on the downside than we give-up in an Expansionary/Above Growth Trend scenario.

	Current Policy	Alternative 1	Alternative 2	Alternative 3	Alternative 4
<b>Expansionary/Above Growth Trend</b>					
Return (%)	10.00	9.90	9.85	9.90	9.65
Risk (%)	10.90	10.80	10.70	10.80	10.30
<b>Baseline/Trend Growth</b>					
Return (%)	6.02	5.99	6.01	6.01	5.98
Risk (%)	11.81	11.55	11.49	11.58	11.21
<b>Slow Growth/Below Trend</b>					
Return (%)	4.00	4.00	4.05	4.00	4.10
Risk (%)	17.90	17.80	17.70	17.85	17.10
<b>Recessionary/Negative Growth</b>					
Return (%)	(1.90)	(1.80)	(1.60)	(1.80)	(1.30)
Risk (%)	23.45	23.10	22.90	23.15	22.05
<b>Severe Recession/Deflation</b>					
Return (%)	(27.00)	(26.20)	(25.45)	(26.20)	(24.15)
Risk (%)	32.40	26.75	30.50	31.20	29.25

# Observations & Recommendation

## Observations

### Key Takeaways

- Modest equity return expectations argue for a lower allocation within the optimization exercise. However, 30-year return expectations are supportive of maintaining a significant allocation. While a 40% floor has been utilized for Global Equities, we recommend a nimble approach within the allocation range of 35%-45%.
- Liquidity needs require a minimum of 18% to Global Fixed Income and 3% to cash. While fixed income returns are attractive based on current yield, qualitative concerns for a fixed income volatility event limit the preferred allocation to no more than 20% of the portfolio.
- Across various optimization scenarios, real assets maintain a similar 20% allocation versus the current portfolio. However, the optimizer favors a more diversified real asset mix that incorporates gold/commodities in addition to real estate and infrastructure.
- 10 year expected returns fall short of the SERS 7% discount rate; 30-year expected returns show efficient portfolios capable of achieving a 7% discount rate with lower risk than the current strategic asset allocation. Investment Manager excess returns versus their benchmarks may also have the effect of increasing (or decreasing) total portfolio returns.

### Overarching Theme:

#### *Reducing Risk > Reaching for Return*

Given muted return expectations with lower dispersion of returns between asset classes, risk expectations are the greatest marginal change between portfolios in the optimization exercise.

Given high valuations, emerging macroeconomic uncertainties, and geopolitical risks, now may be a good time to prioritize a broad portfolio that is expected to dampen volatility while maintaining current return expectations.

# Appendix – Correlation Matrix

## Wilshire Capital Market Assumptions (CMAs) as of 4Q 2025

	EQUITY						FIXED INCOME							REAL ASSETS				US CPI
	US Stock	Dev ex-US Stock	Emg Stock	Global ex-US Stock	Global Stock	US Buyouts	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Prvt Crdt Direct Lending	Dev ex-US Bond (Hdg)	Real Estate				
		US RES	Global RES	Private (Core)	Cmdty													
<b>Compounded Return (%)</b>	4.45	5.45	5.70	5.80	5.05	5.45	3.25	4.90	5.15	4.45	6.05	7.80	3.25	5.80	5.95	6.00	4.80	2.30
<b>Arithmetic Return (%)</b>	5.80	6.95	8.70	7.45	6.40	9.35	3.25	5.05	5.65	4.60	6.50	8.25	3.35	7.20	7.20	6.65	6.00	2.30
<b>Risk (%)</b>	17.00	18.00	26.00	19.15	17.05	30.00	0.75	4.75	9.95	6.00	10.00	10.00	4.00	17.50	16.55	12.00	16.00	1.75
<b>Yield (%)</b>	1.20	2.70	2.05	2.50	1.65	0.00	3.25	5.75	5.85	5.15	9.70	9.45	4.40	4.05	4.05	3.80	3.25	0.00
<b>Factor Exposure: Growth</b>	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-1.00	-2.75	-3.00	4.00	3.00	-1.00	6.00	6.00	4.00	0.00	0.00
<b>Factor Exposure: Inflation</b>	-3.00	-1.00	3.00	0.20	-1.85	-5.00	0.00	-2.65	-7.10	2.50	-1.00	0.00	-3.00	1.00	1.65	1.00	12.00	1.00

Correlation	EQUITY						FIXED INCOME							REAL ASSETS				Inflation (CPI)	
	US Stocks	Dev ex-US Stocks	Emg Mkt Stock	Global ex-US Stocks	Global Stocks	Private Equity	Cash	Core Bonds	LT Core Bonds	TIPS	High Yield Bonds	Private Credit	Dev ex-US Bonds (Hdg)	US RE Securities	Global RE Securities	Private RE	Commodities		Real Assets
US Stocks	1.00																		
Dev ex-US Stocks	0.81	1.00																	
Emg Mkt Stock	0.74	0.74	1.00																
Global ex-US Stocks	0.84	0.96	0.90	1.00															
Global Stocks	0.98	0.90	0.83	0.94	1.00														
Private Equity	0.72	0.63	0.61	0.66	0.73	1.00													
Cash	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00												
Core Bonds	0.27	0.12	-0.01	0.08	0.20	0.29	0.18	1.00											
LT Core Bonds	0.29	0.15	0.00	0.10	0.23	0.30	0.11	0.95	1.00										
TIPS	-0.05	0.00	0.15	0.06	-0.01	-0.03	0.20	0.59	0.47	1.00									
High Yield Bonds	0.54	0.39	0.49	0.46	0.53	0.31	-0.10	0.24	0.31	0.05	1.00								
Private Credit	0.68	0.55	0.58	0.60	0.68	0.44	0.00	0.23	0.29	0.00	0.76	1.00							
Dev ex-US Bonds (Hdg)	0.16	0.25	-0.01	0.16	0.17	0.26	0.10	0.68	0.66	0.39	0.26	0.22	1.00						
US RE Securities	0.57	0.47	0.44	0.49	0.56	0.49	-0.05	0.16	0.21	0.10	0.56	0.62	0.05	1.00					
Global RE Securities	0.62	0.55	0.52	0.58	0.63	0.54	-0.05	0.16	0.21	0.11	0.61	0.67	0.04	0.99	1.00				
Private RE	0.55	0.45	0.45	0.49	0.54	0.50	-0.05	0.18	0.24	0.09	0.58	0.63	0.05	0.79	0.79	1.00			
Commodities	0.25	0.34	0.39	0.38	0.31	0.28	0.00	-0.03	-0.04	0.25	0.29	0.29	-0.10	0.25	0.28	0.25	1.00		
Real Assets	0.62	0.62	0.64	0.67	0.66	0.57	-0.03	0.24	0.25	0.32	0.64	0.69	0.06	0.79	0.84	0.78	0.64	1.00	
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	0.00	-0.08	0.05	0.04	0.05	0.44	0.21	1.00

# Appendix – Asset Allocation Ranges

## Expected Asset Allocation Ranges

Wilshire’s Asset Allocation Committee (WAAC) maintains standard asset allocation parameters which reflect generally observed market practices for institutional asset owners. While Wilshire expects most client portfolios will fall within these asset allocation ranges. Wilshire recognizes and occasionally recommends portfolio allocations that may diverge from these general ranges based on a client’s particular circumstances, goals or needs.

Asset Segment	Corporate DB	Public DB	E&F
Total Equity (Public+Private)	0% - 80%		
Private Equity (Aggregate)	0% - 15%	0% - 20%	0% - 30%
Fixed Income (Core/High-quality - Liquid IG)	10% - 100%	10% - 50%	
Other Fixed Income/Credit (Aggregate)	0% - 25%		
Private/Illiquid Credit (Aggregate)	0% - 15%		
High Yield	0% - 10%		
Other: EMD, Loans, Convertibles	0% - 7.5%		
Total Real Assets (Public + Private)	0% - 25%		
Total Real Estate (Public + Private)	0% - 25%		
RA Other: Commodities, Gold, Infra, GLI, MLPs, O&G, Timber	0% - 5%		
Marketable Alternatives (Aggregate)	0% - 12.5%		0% - 20%
Cash	0% - 5%		
Leverage	0% - 20%		
Total Private/Illiquid	0% - 25%	0% - 35%	0% - 50%

These thresholds were informed by allocation information from Greenwich Associates, and Wilshire Advisors, LLC, universe data and will be reviewed for reasonableness from time to time.

*\*Last Updated 04/2024*

# Appendix – Asset Allocation Evolution

## Asset Allocation Evolution



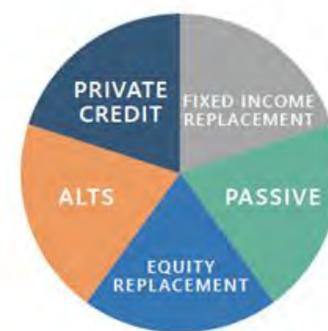
Foundations  
1930s–1980



Age of 60/40  
1980s–2000



Barbell Portfolio  
2001–2020



Replacement  
Now

Source: Apollo Chief Economist

# Appendix – Efficient Frontiers

## Efficient Frontier (Scenario 2) Portfolios

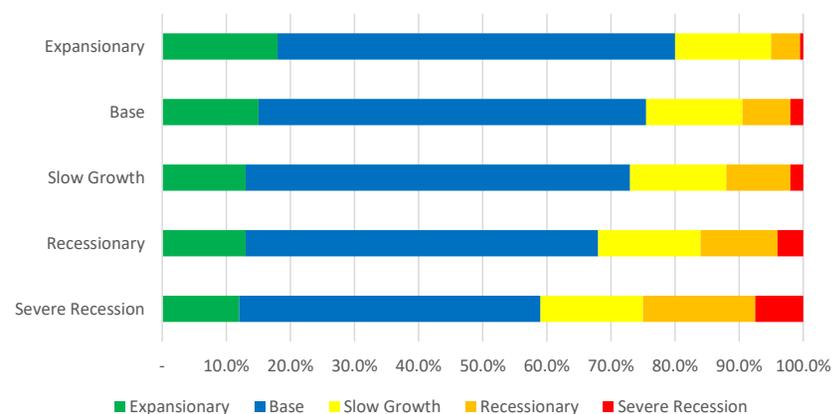
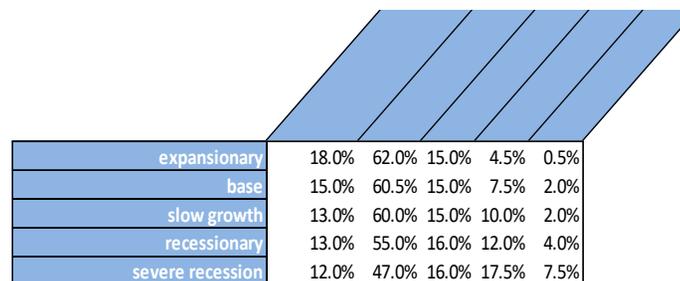
Asset	Current Policy	Optimization Constraints	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Portfolio 10
Global Public Equity	40.00	40% - 100%	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Global Private Equity	14.00	10% - 15%	10.00	10.00	10.00	10.00	10.00	10.00	10.71	12.14	13.57	15.00
<b>Total Growth Assets</b>	<b>54.00</b>		<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.71</b>	<b>52.14</b>	<b>53.57</b>	<b>55.00</b>
Global Private Credit	5.00	0% - 7%	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<b>Total Defensive Growth Assets</b>	<b>5.00</b>		<b>7.00</b>									
Global Fixed Income	18.00	0% - 20%	20.00	20.00	20.00	19.53	17.72	15.91	14.29	12.86	11.43	10.00
Cash	3.00	3% - 5%	5.00	4.48	3.63	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Total Defensive/Rate Sensitive Assets</b>	<b>21.00</b>		<b>25.00</b>	<b>24.48</b>	<b>23.63</b>	<b>22.53</b>	<b>20.72</b>	<b>18.91</b>	<b>17.29</b>	<b>15.86</b>	<b>14.43</b>	<b>13.00</b>
Global Real Estate	13.00	5% - 10%	5.27	8.52	9.37	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Global Infrastructure	7.00	5% - 10%	7.73	5.00	5.00	5.47	7.28	9.09	10.00	10.00	10.00	10.00
Diversifying Real Assets	0.00	0% - 5%	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Commodities	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gold	0.00		5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Total Real Assets/Inflation Sensitive Assets</b>	<b>20.00</b>		<b>18.00</b>	<b>18.52</b>	<b>19.37</b>	<b>20.47</b>	<b>22.28</b>	<b>24.09</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>	<b>25.00</b>
<b>Expected Return - 10 Years (%)</b>	6.02		5.94	5.97	6.00	6.03	6.06	6.08	6.10	6.12	6.14	6.16
<b>Standard Deviation of Return (%)</b>	11.81		10.63	10.70	10.80	10.92	11.08	11.24	11.42	11.61	11.80	12.00
<b>Return/Risk</b>	0.51		0.56	0.56	0.56	0.55	0.55	0.54	0.53	0.53	0.52	0.51
<b>Yield</b>	2.88		3.01	3.01	3.01	2.99	2.93	2.87	2.80	2.71	2.62	2.53

# Appendix – Economic Regimes

## Efficient Frontier Portfolios

Managing drawdown risk – the “uncertainty around the uncertainty”

- Most simulation models assume returns are log-normally distributed
- Though reasonable in most years, left-tail events occur more frequently than predicted
- A regime switching model can help us pre-experience uncomfortable return paths that fall outside a normal distribution’s field of view



## Differentiator: Economic Regime Assumptions

- In below trend and worse economic regimes, the portfolio’s return expectations are materially lower, and the volatility is materially higher
- Volatility in the below trend and worse environments are left-skewed, i.e. negative-skewed

	US Stocks	Dev ex US Stocks	EM Stocks	Private Markets	Cash	Core Bonds	LT Bonds	US TIPS	High Yield	US RE Securities	Private Real Estate	Commodities	Current Policy
<b>Expansionary/Above Trend Growth</b>													
Return(%)	9.80	10.80	11.05	15.65	3.25	4.25	3.30	2.45	8.70	9.80	9.00	4.80	10.00
Risk(%)	12.00	13.00	21.00	22.15	0.75	5.25	10.95	6.50	8.00	13.50	10.75	16.00	10.90
<b>Baseline/Trend Growth</b>													
Return(%)	4.46	5.47	5.72	6.30	3.25	4.94	5.18	4.43	6.03	5.80	6.55	4.81	6.00
Risk(%)	17.00	18.00	26.00	29.65	0.75	4.75	9.95	6.00	10.00	17.50	13.95	16.00	13.55
<b>Slow Growth/Below Trend</b>													
Return(%)	1.80	2.80	3.05	1.65	3.25	5.25	6.05	5.45	4.70	3.80	5.30	4.80	4.00
Risk(%)	22.00	23.00	31.00	37.15	0.75	5.75	11.95	7.50	12.00	21.50	17.15	18.00	17.90
<b>Recessionary/Negative Growth</b>													
Return(%)	(5.55)	(4.55)	(4.30)	(11.20)	3.25	6.15	8.60	8.20	1.05	(1.70)	1.95	4.80	(1.90)
Risk(%)	27.00	28.00	36.00	44.65	0.75	6.75	13.95	9.00	15.00	27.50	21.95	21.00	23.45
<b>Severe Recession/Deflation</b>													
Return(%)	(43.55)	(42.55)	(42.30)	(50.00)	3.25	10.90	21.65	22.45	(17.95)	(30.20)	(15.65)	4.80	(27.00)
Risk(%)	42.00	43.00	51.00	54.65	0.75	14.75	29.95	21.00	20.00	42.50	33.95	26.00	32.40

Explanatory Note: The risk assumptions used in the above table reflect Wilshire’s estimate of capital market assumptions. In preceding pages, the analysis revises some risk numbers to better reflect OH SERS’s actual portfolio experience as modeled by Barra One. Risk estimates for Private Equity, Real Estate and Infrastructure have been revised from 29.65%, 13.55%, and 22.50% (Wilshire estimates) to 19.30%, 16.90%, and 13.95% (OH SERS’ estimates), respectively. Furthermore, the Private Real Estate risk number in the above table assumes Wilshire’s standard basket of 70% Core, 15% Value Add, and 15% Opportunistic (Risk = 13.95%) while the basket has been revised for OH SERS to 75% Core, 12.5% Value Add, and 12.5% Opportunistic (Risk = 13.55%).

## Stress Testing: Regime Descriptions

### Regime Descriptions

- **Expansionary/Above Trend Growth** – Regime when the economy is coming out of a recession or the economy is running above long-run capacity. Wilshire does not project the economy to remain in this regime over longer periods.
- **Baseline/Trend Growth** – The long term expected state of the economy. Wilshire's capital market assumptions are based on this regime.
- **Slow Growth/Below Trend** – Regime when the economy is running at less than full capacity.
- **Recessionary/Negative Growth** – Regime when the economy has below zero growth. Wilshire expects the economy would be in a recession.
- **Severe Recession/Deflation** – Regime when the economy defined by significantly negative growth. Wilshire does not project the economy to remain in this regime over longer periods.

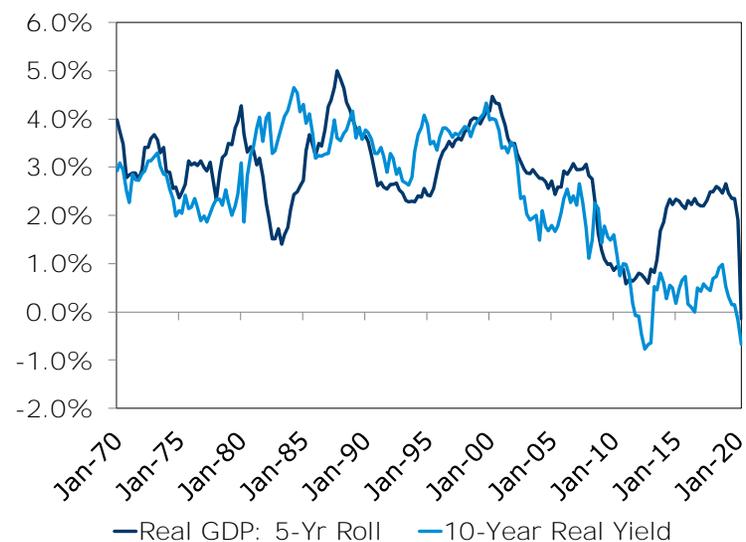
# Appendix – Economic Factor Exposures

## Why Introduce Factors?

- **Risk Assessment:** Including factors within the asset allocation process provides an opportunity to measure asset class (and portfolio) exposures to key economic factors
- **Economic Efficiency:** If the underlying economic activity that drives asset performance can be identified, perhaps it can be used to assist in building economically-efficient portfolios
- **Portfolio Stability:** Macroeconomic risk factors – when separated from the valuation component inherent in investment pricing – may exhibit more stable correlations and, therefore, can better inform the allocation process

## Growth Proxy

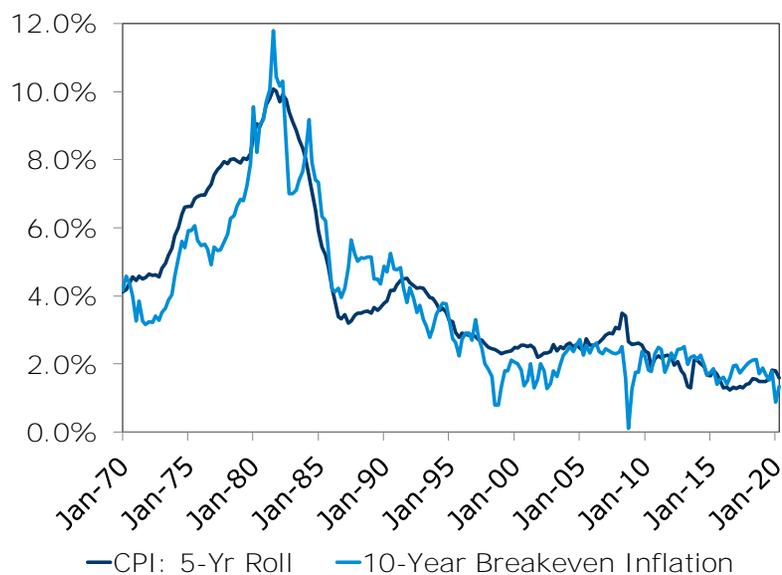
- Interest rates contain information and can reflect economic factors
- Nominal yields aggregate two important and distinct sources of economic information – real yields and expected inflation
- Disaggregating these factors should prove beneficial in developing a set of factors with improved explanatory power



Data Source: Federal Reserve, Bridgewater

## Inflation Proxy

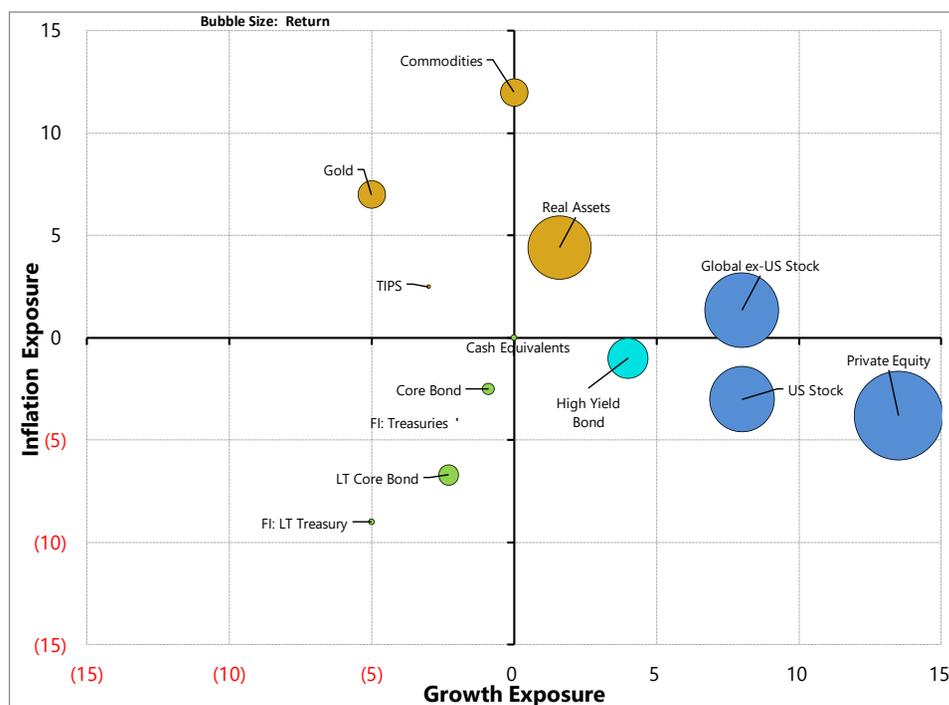
- Breakeven inflation is the market’s expectation for inflation
- Tends to follow closely with actual, recent inflation and can act as a timely signal of trends in consumer prices



Data Source: Federal Reserve, Bridgewater

## Wilshire's Approach

- Employ a 2-factor regression model (growth and inflation) to formulate factor assumptions
- Growth proxy is enhanced by high yield bond spreads to better capture shifts in growth forecasts



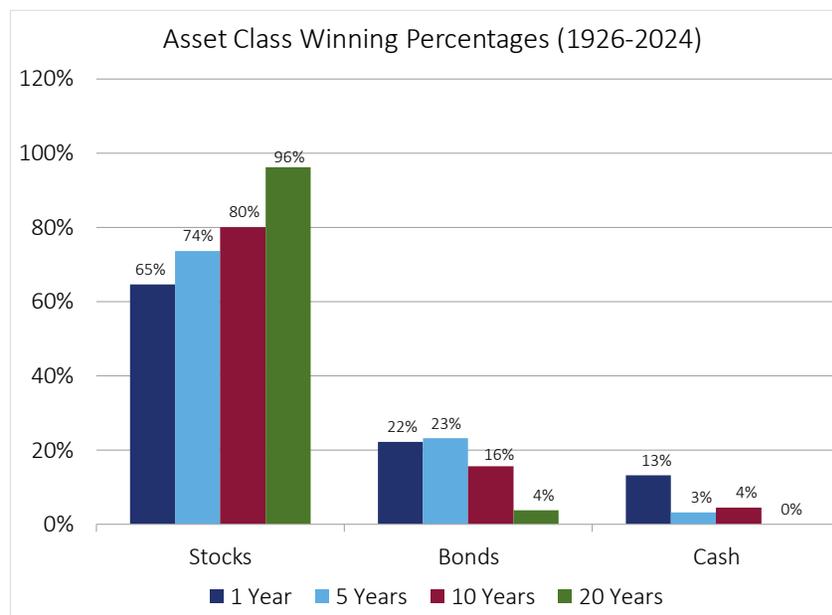
# Appendix – Liquidity

## Liquidity Risk: What Are The Consequences?

Default/Insolvency is the most severe outcome from having insufficient liquidity, but...

There are many other, more likely, disruptive impacts that a lack of liquidity can impose on an investment portfolio

- Liquidity breaches can rob an investor of their biggest advantage: a long-term investment horizon
- The timing and price of such sales dictated by liquidity needs rather than by explicit investment rationale
- Can destroy portfolio value and effectively strip a portfolio from its ability to recover from market sell-offs



## Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Stressed Level of Liquidity**

### Market Level of Liquidity

- Quantified on scale from 0% (low liquidity) to 100% (high liquidity)
- Designed to capture general notion of marketable versus private/off-market transactions
  - Marketable asset classes typically reflect a 90% or 100%
  - Private asset classes reflect 0%
- Goal is to reflect the tradability of assets, which is helpful in connecting these values back to our definitional framework (i.e., to quantify the differences between Convertible Liquidity and Delayed Liquidity)

## Wilshire Liquidity Metric

Wilshire's Liquidity Metric framework has two levels:

- **Market Level of Liquidity**
- **Stressed Level of Liquidity**

### Stressed Liquidity Metric

Includes a penalty process to reflect the loss in practical liquidity due to asset class volatility and sensitivity to particular economic environments

Penalty components:

1. **Growth Penalty:**
  - Impacts asset classes with vulnerability to slowing growth
  - Recognizes the hit to liquidity that can occur during growth related bear markets
2. **Inflation Penalty:**
  - Impacts asset classes with vulnerability to rising inflation
  - Recognizes the hit to liquidity that can occur during inflation driven bear markets
3. **Volatility Penalty:**
  - Impacts higher volatility asset classes
  - Recognizes the hit to liquidity that can occur from any form of volatility

## Wilshire Stressed Liquidity Metric

### Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Applied Penalty	Stressed Liquidity
		Growth	Inflation	Volatility		
US Equity	100	50		24	50	0
Dev ex-US Equity	100	50		26	50	0
EM Equity	90	50		40	50	0
Private Equity	0	50		40	0	0
Cash Equivalents	100				0	100
Core Bonds	100		8		8	86
High Yield Bonds	80	40		10	40	0
US Real Estate Securities	90	50		24	50	0
Private Real Estate	0	50		18	0	0
Commodities	90			20	20	55

Applied Penalty =  $\text{Min}(\text{Max}(\text{Growth} + \text{Inflation}, \text{Volatility}), \text{Market Liquidity})$

Stressed Liquidity \* =  $\text{Market Liquidity} - (1.75 \times \text{Applied Penalty})$

\* If less than 20, Stressed Liquidity is assumed to be 0

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# Ohio SERS Investment Report

## Monthly Report to the Board

For the period ending: January 31, 2026

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

*Meeting Date: March 2026*



## Investment Agenda

- Board Education Session on Artificial Intelligence, presented by Francisco Partners
- Annual Portfolio Review – Real Assets
- 2026 Strategic Asset Allocation: Asset-only Optimization, presented by Wilshire Associates.
- Investment report and economic update for the period ended January 31, 2026



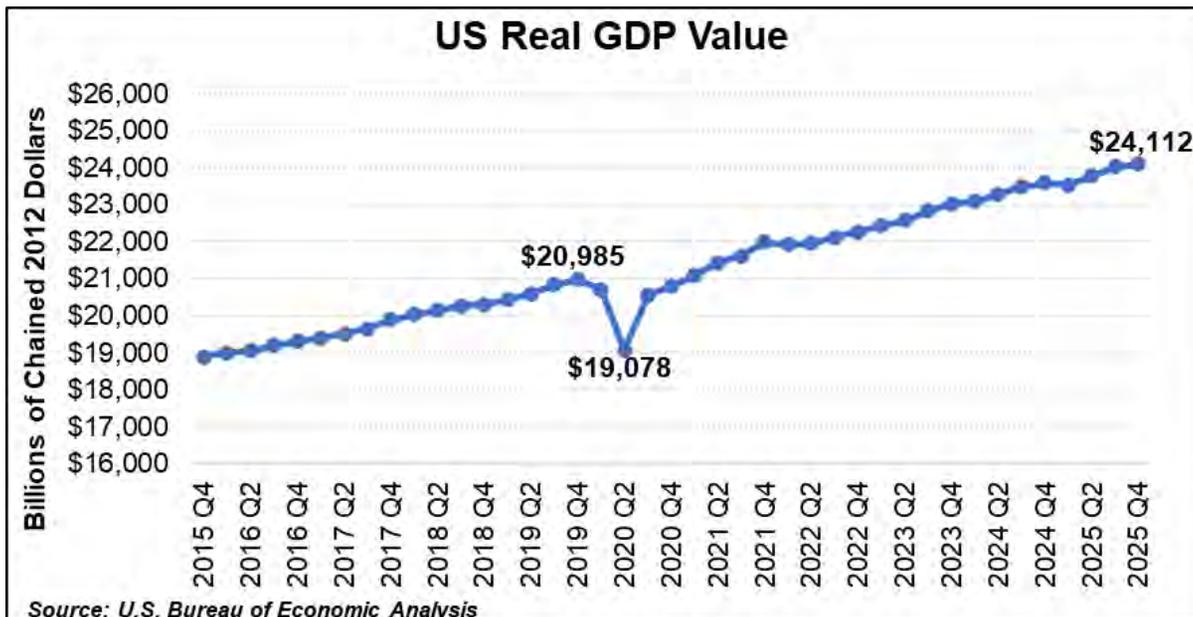
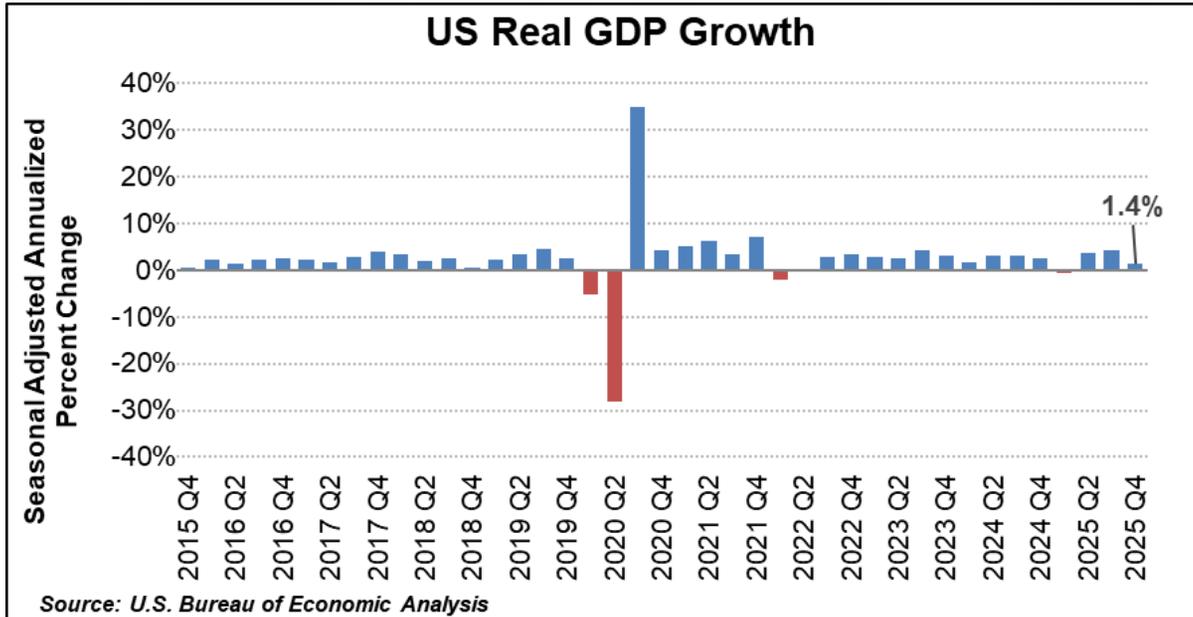
# Economic and Financial Market Outlook

- GDP grew 1.4% annualized in Q4, 2025, and 2.2% over the past year, mainly driven by personal consumption expenditures (PCE) and private investments. The February Blue Chip Economic Indicators (BCEI) predicts GDP growth at 2.4% in 2026 (*Source: Bureau of Economic Analysis and Blue Chip Economic Indicators*).
- Bureau of Labor Statistics reported the US nonfarm payrolls fell 92,000 in February, after a strong gain of 126,000 in January. The unemployment rate also rose to 4.4%. The total nonfarm employment for 2025 was significantly revised down by 403,000 to 181,000. The labor force participation rate remained relatively stable at 62.5% (*Source: Bureau of Labor Statistics*).
- US headline inflation was 2.4% in January, down from 2.7% in the previous month. The food index increased 2.9% while the energy index declined 0.1% in the last 12 months. Core inflation, which excludes food and energy, declined by 0.1% to 2.5%. (*Source: Bureau of Labor Statistics*). However, the war in Iran could raise headline inflation as the energy prices soar.
- The 10-year Treasury nominal yield decreased 29 basis points to 3.97% in February. As of January, the current 10-year real yield, estimated by the difference between the 10-year Treasury nominal yield and current headline inflation, stood at 1.84%, which is 0.06% above the historical average. The Federal Reserve has paused its interest rate cuts, maintaining the federal funds rate at 3.5%–3.75% following three 25 basis point cuts in 2025.
- The housing market slowed as the S&P Case-Shiller 20-City home price index declined by 0.13% for the month, resulting in a one-year return of 1.38% as of December 2025.
- The Consumer Sentiment Index released by Thomson Reuters and the University of Michigan was 56.6 in February, up 0.4% from the previous month but 12.5% lower than last year. Both the US and Global Economic Surprise indices were positive in February, indicating that the actual economic data were better than expected. The US reading moderated to 31.9 from 40.3 last month; the Global reading slightly declined to 27.8 from 29.1. The latest Leading Economic Index (LEI), issued by the Conference Board, was 97.6 for December. The index was down 0.2% for the month and 1.2% for the 6-month period, indicating slower economic growth ahead.
- US Manufacturing PMI maintained an expansion level of 52.4 in February, the second expansion reading after ten consecutive contraction months. An over-50 level indicates an increase in business activities. Global Manufacturing PMI also rose to 51.9 in February; the index has posted expansion levels for the past seven months. (*Source: Institute for Supply Management and S&P Global*).
- In February, equity markets had mixed results. The US market (Russell 3000) fell 0.48% while Non-US Developed markets (MSCI World ex-USA) and Emerging markets (MSCI EM) rose 4.81% and 5.50%, respectively.
- The US fixed income market, Bloomberg US Universal Bond Index, gained 1.52% in February.



**ECONOMY**

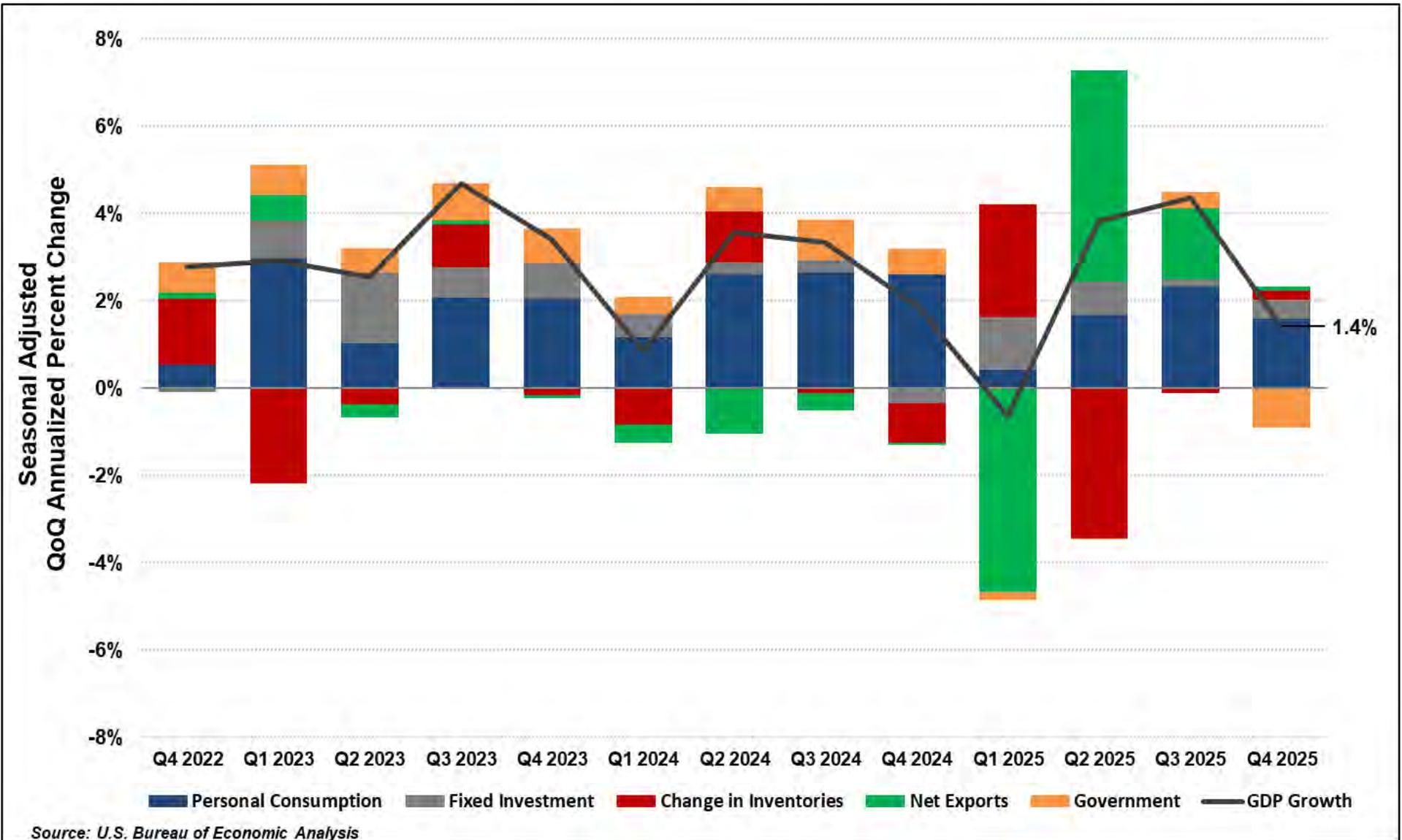
**US Real Gross Domestic Product**





**ECONOMY**

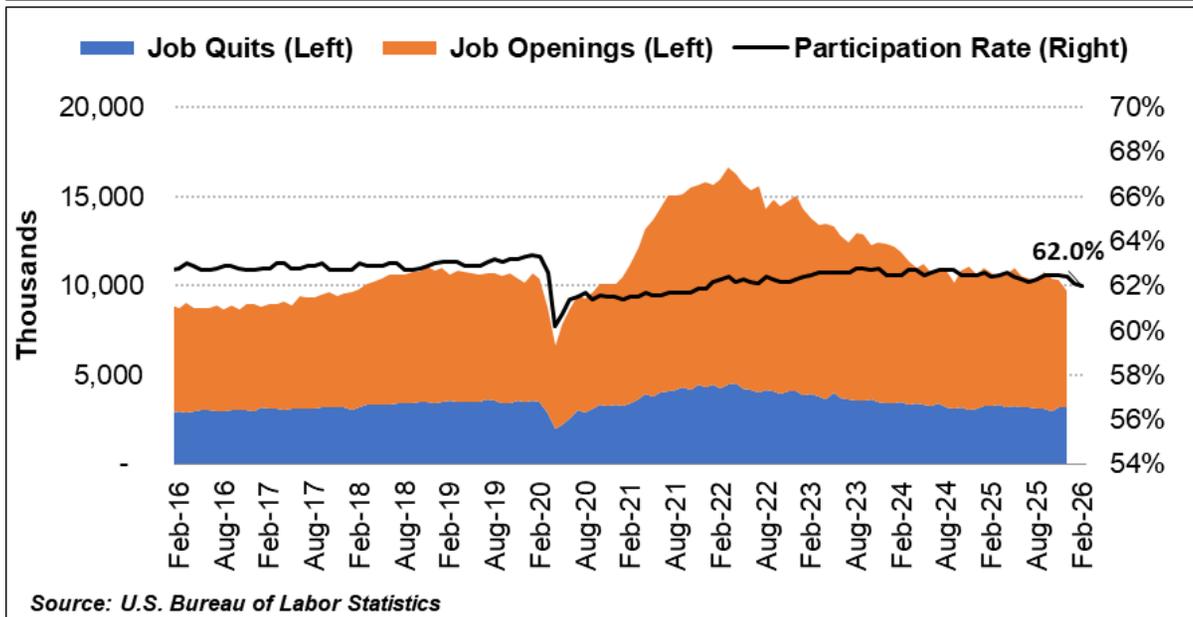
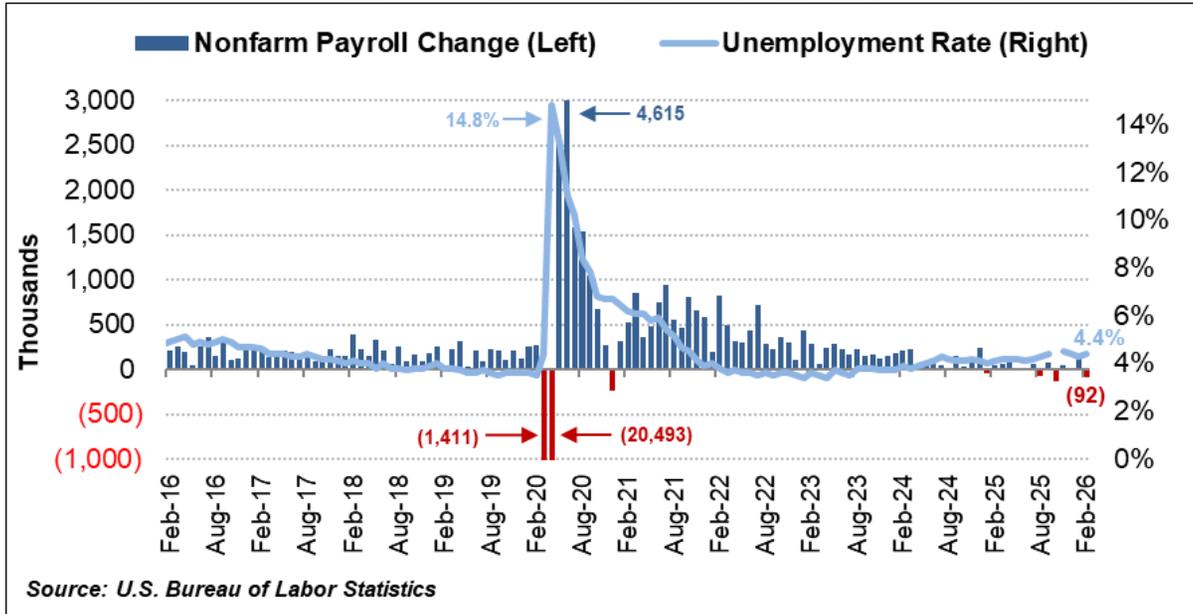
**GDP Growth and its Component Contributions**





**ECONOMY**

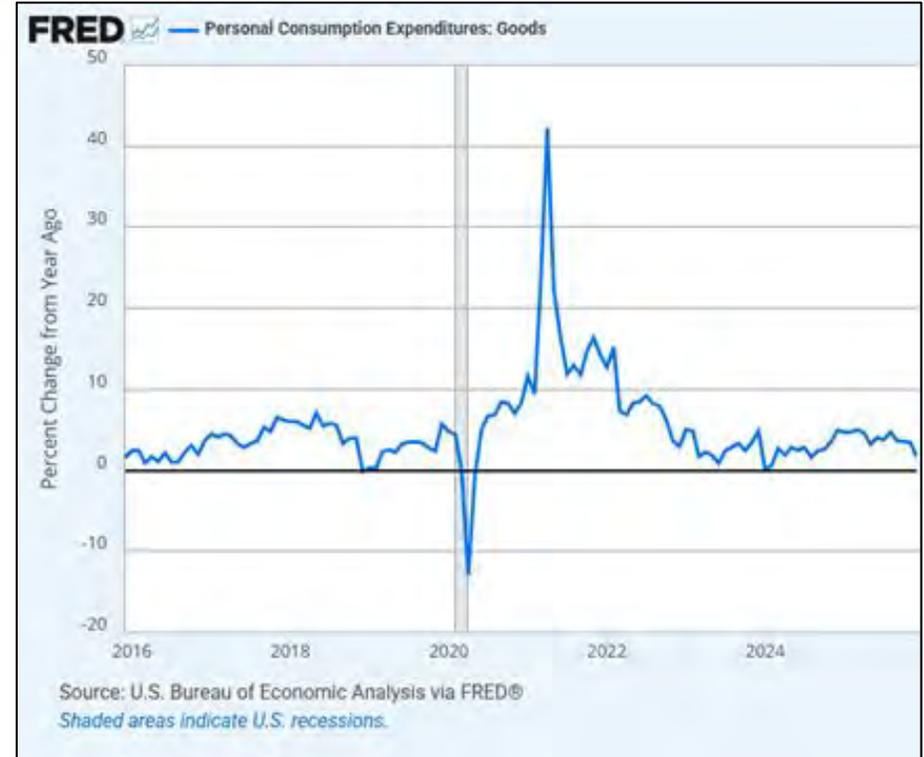
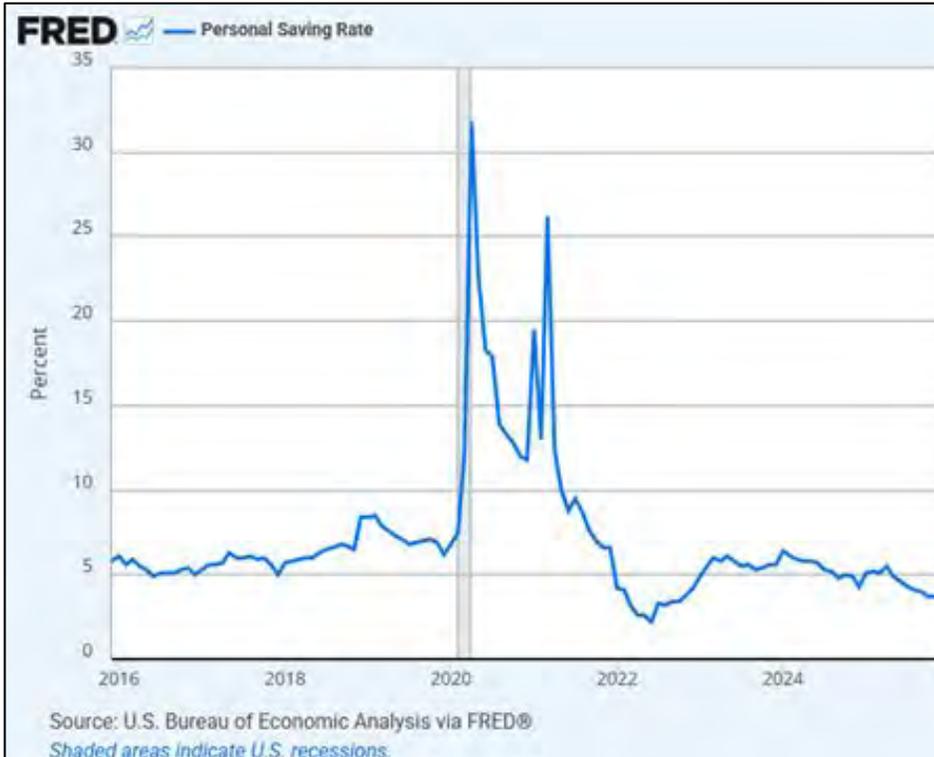
**US Labor Market**





**ECONOMY**

**Personal Savings Rate & Personal Expenditures: Goods**



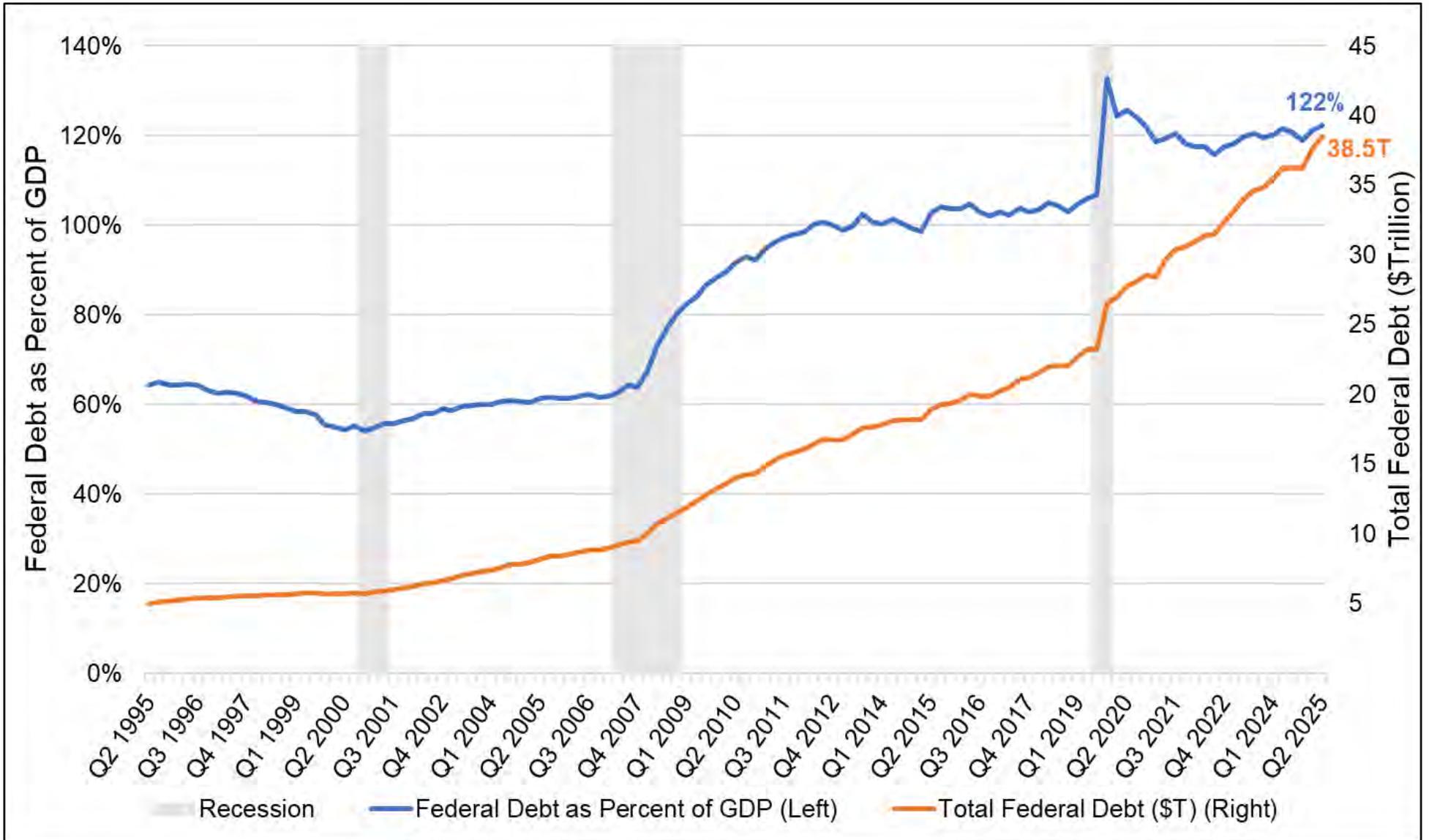
Date	Annual Personal Savings Rate
Jun-22	2.2%
Jun-23	5.8%
Jun-24	5.7%
Jun-25	4.6%
Dec-25	3.6%

Date	Personal Consumption Expenditures: Goods Change from Prior Year
Jun-22	8.5%
Jun-23	0.9%
Jun-24	2.5%
Jun-25	4.0%
Dec-25	1.6%



**ECONOMY**

**Federal Debt in USD and Percentage of GDP**

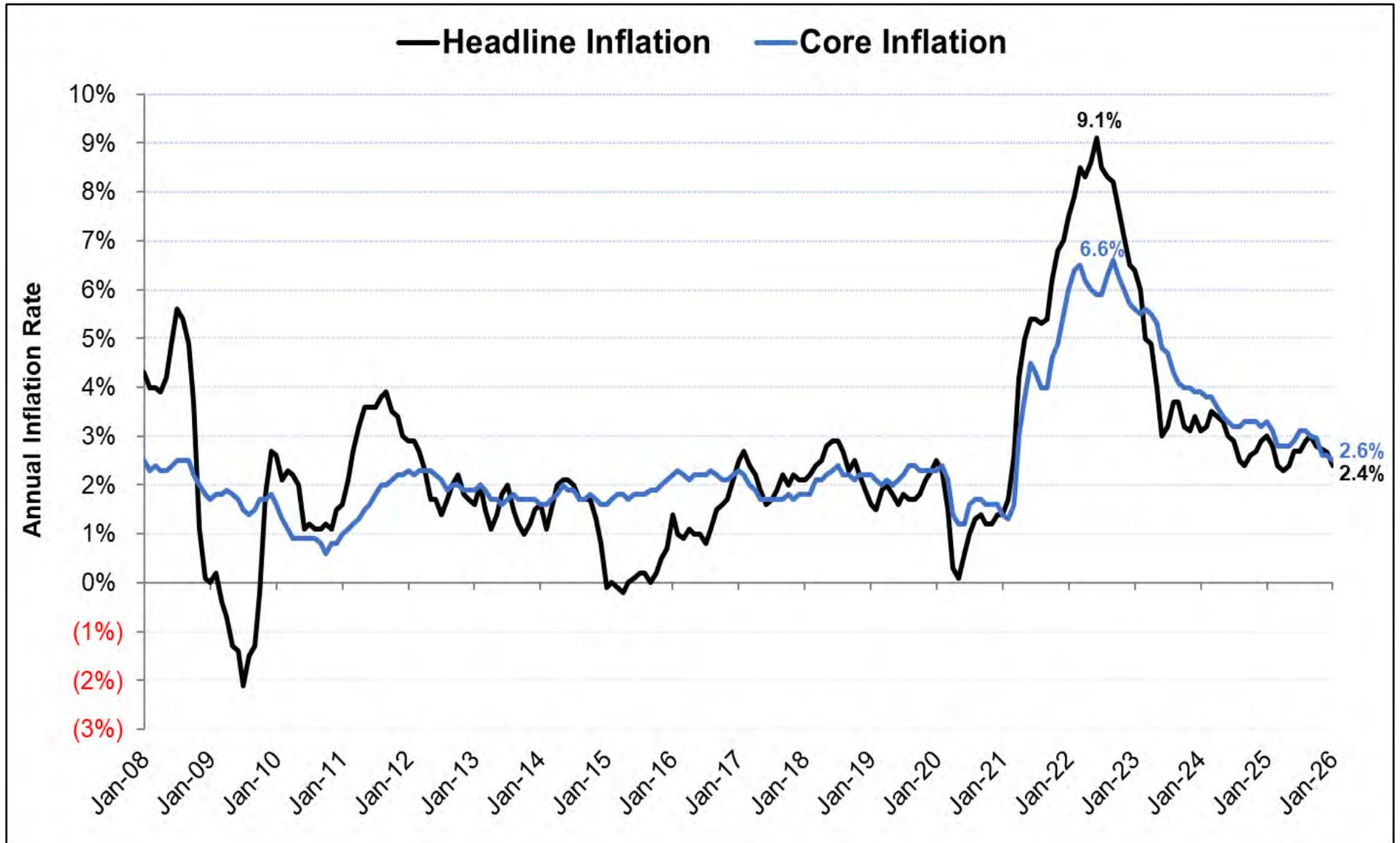


Source: Federal Reserve Bank of St. Louis, U.S. Office of Management and Budget



**ECONOMY**

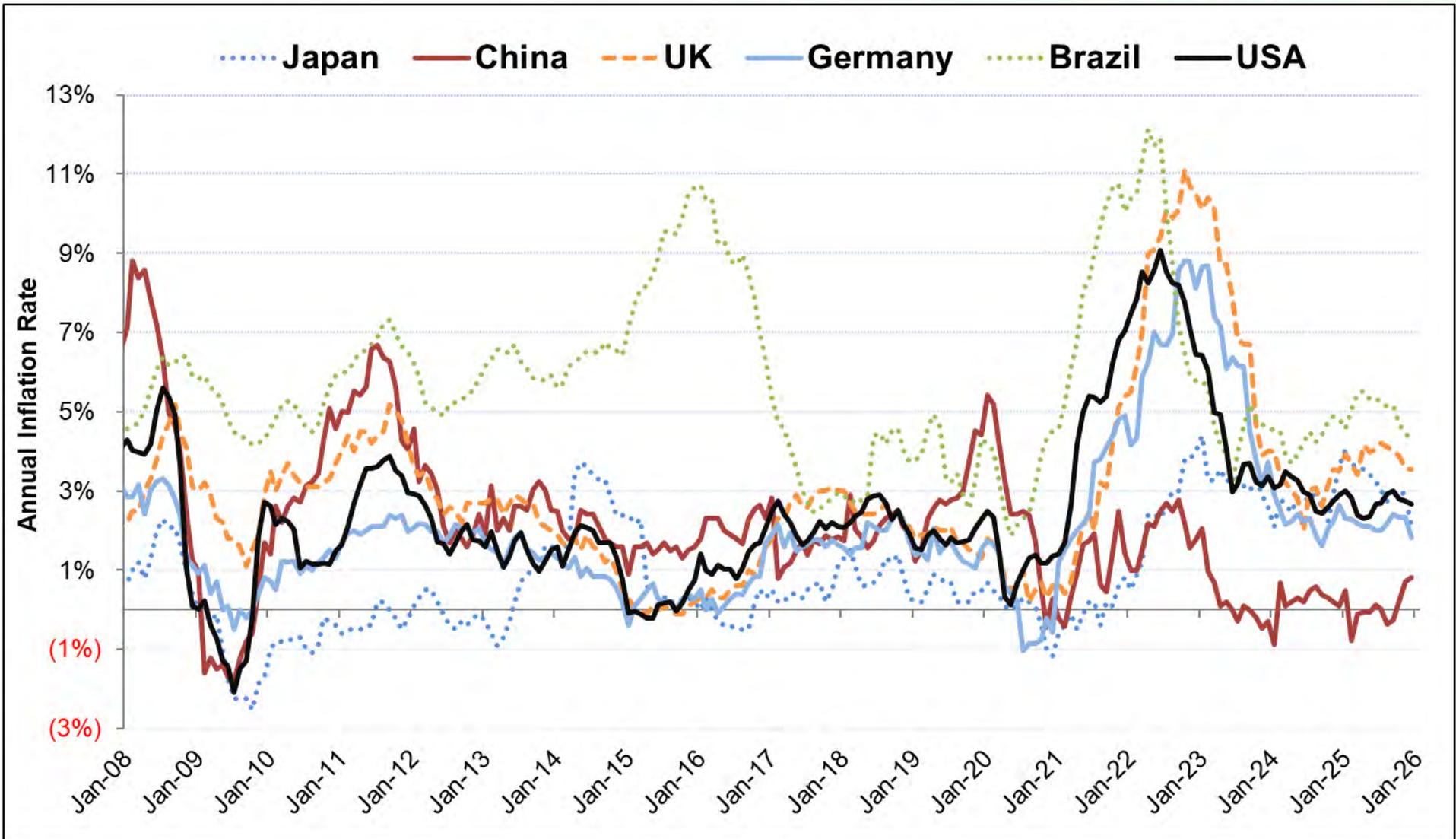
**US Inflation**





**ECONOMY**

**Global Headline Inflation**

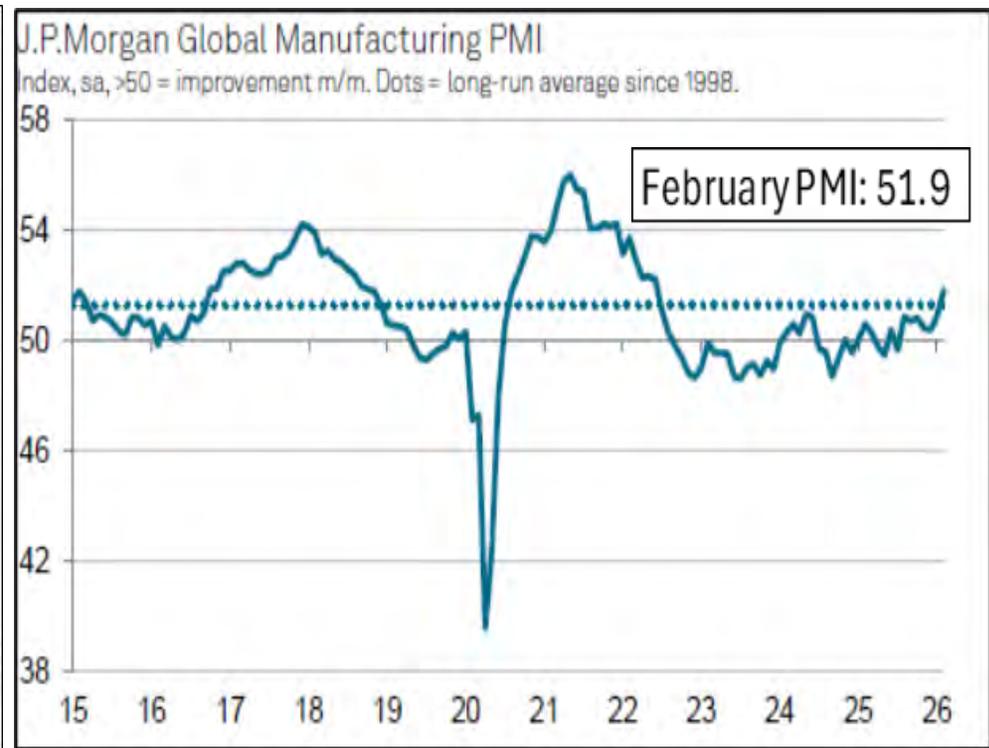


	Japan	China	UK	Germany	Brazil	USA
Jan-26	1.53	0.23	3.18	2.08	4.44	2.39



**ECONOMY**

**US & Global Manufacturing Activities**

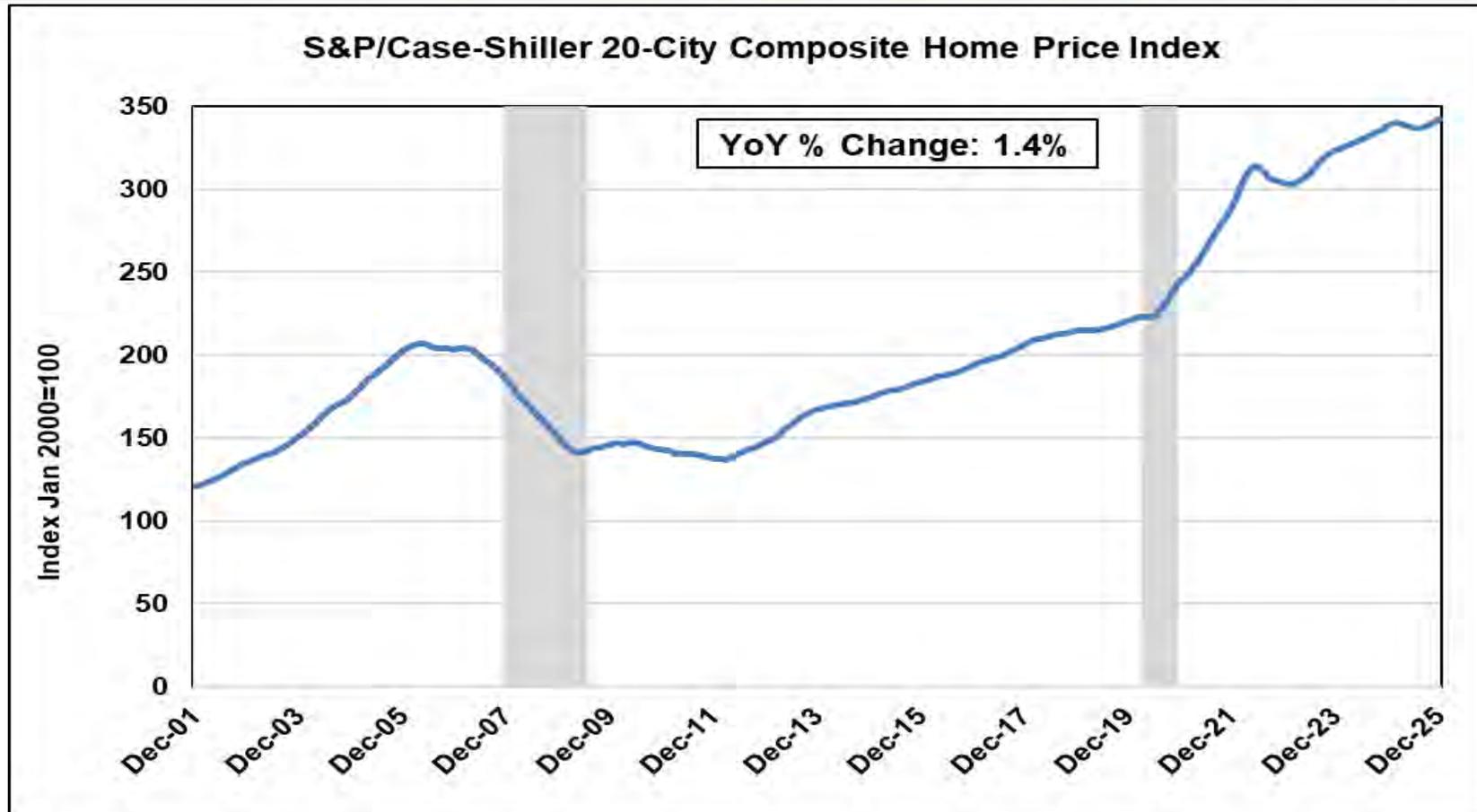


Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™  
 Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



**ECONOMY**

**US Housing Market**

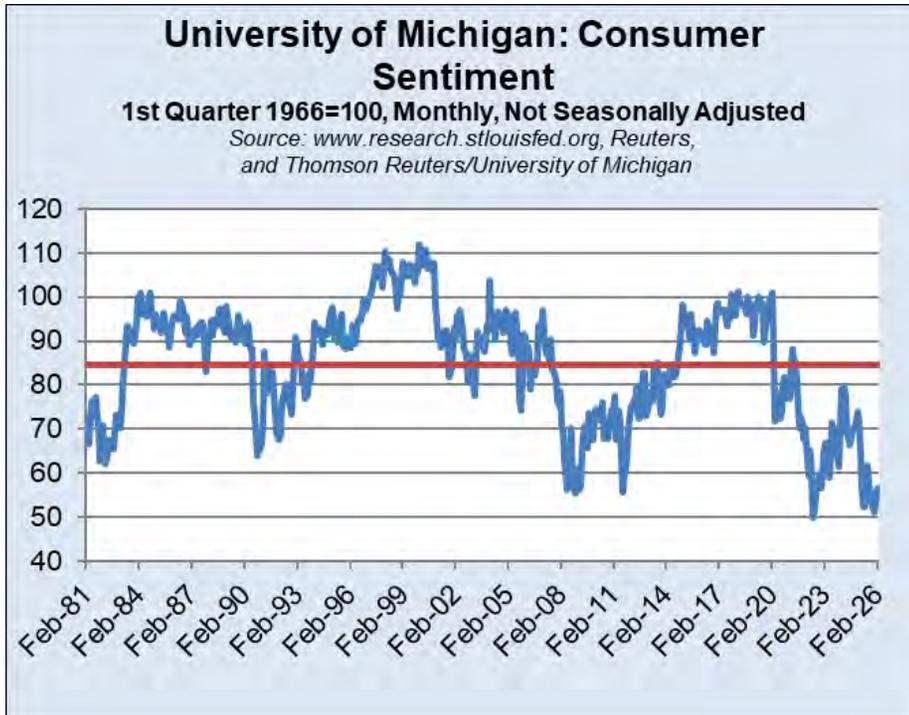


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-21	269.29
Jul-22	312.08
Jul-23	312.39
Jul-24	330.71
Jul-25	336.77
Dec-25	342.51



# ECONOMY

## Consumer Sentiment



Index of Consumer Sentiment				
Feb-26	Jan-26	Feb-25	M-M Change	Y-Y Change
56.6	56.4	64.7	0.4%	-12.5%

## The Leading Economic Index (LEI)



Index	Nov-25	Dec-25	1-Month Change	6-Month Change
LEI	97.8 r	97.6 p	-0.2	-1.2

p Preliminary; r Revised; Indexes equal 100 in 2016



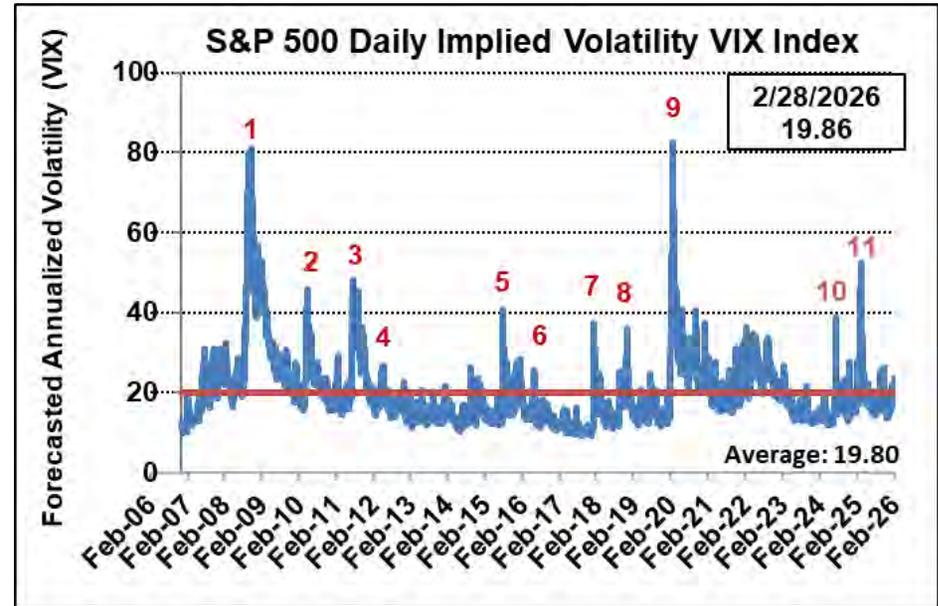
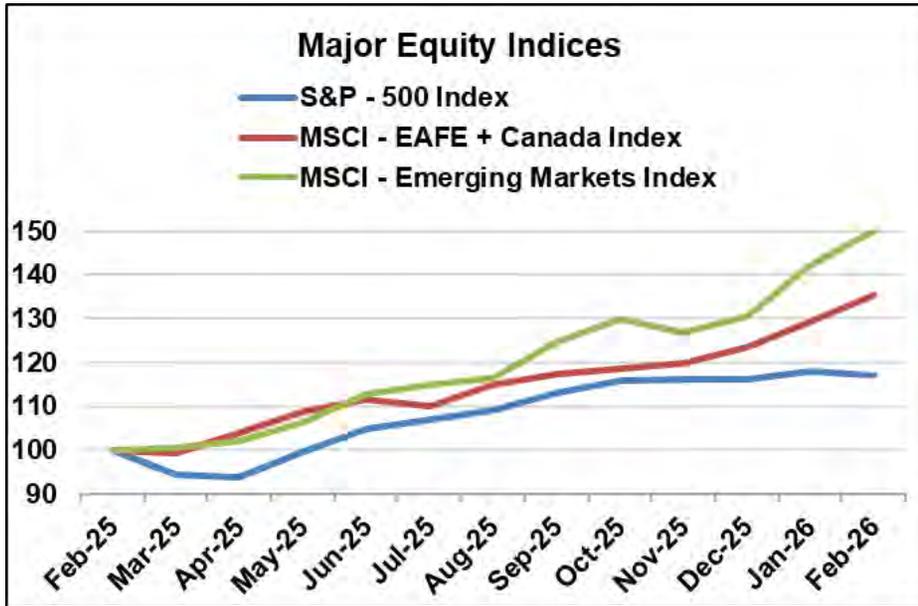
**ECONOMY**





**MARKETS**

**Equity**

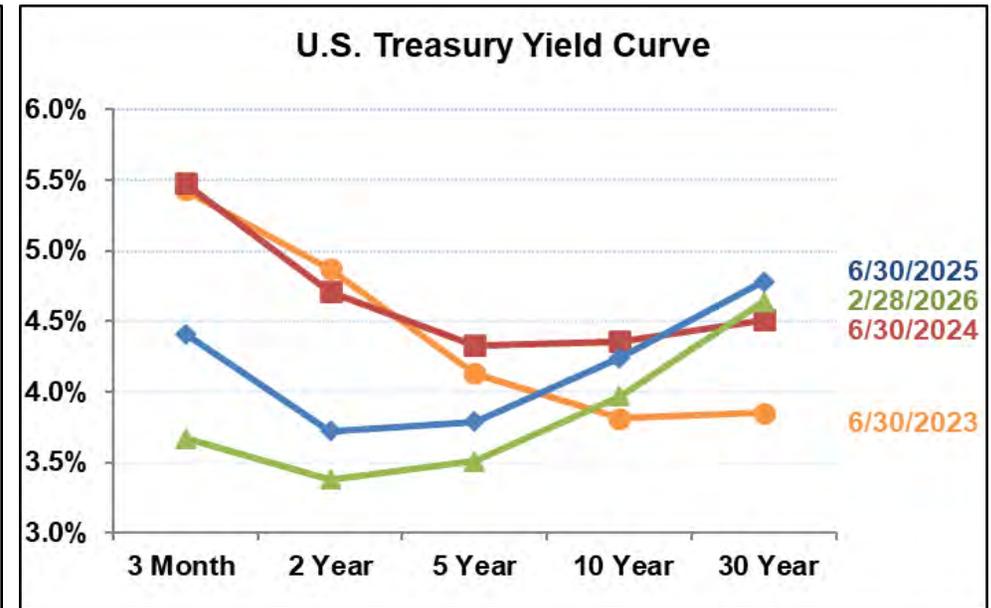
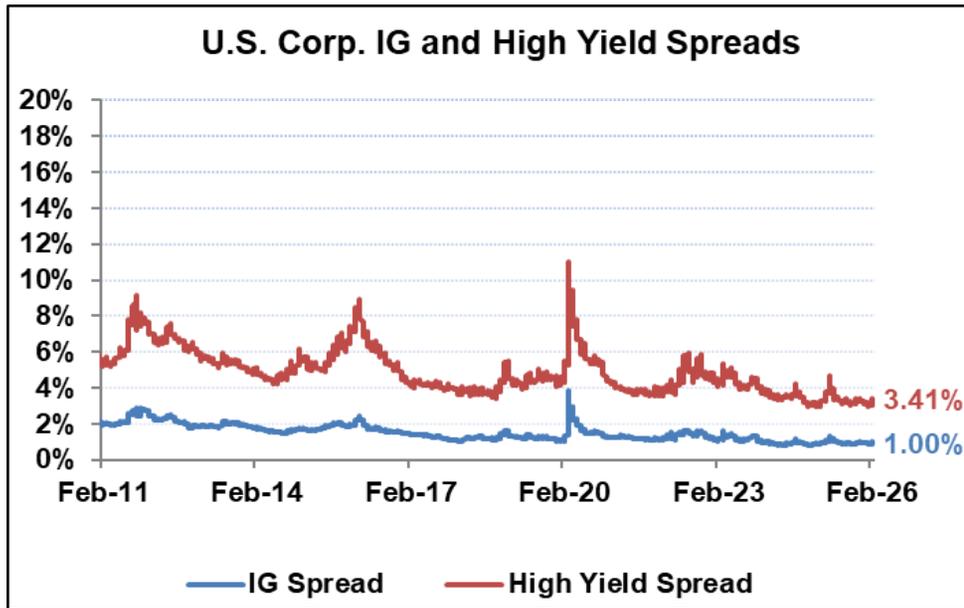


	Return as of 2/28/2026	
	1 Year	FYTD
<b>S&amp;P 500 Index</b>	17.0	11.7
<b>MSCI - EAFE + Canada Index</b>	35.5	21.6
<b>MSCI - Emerging Markets Index</b>	50.0	33.1

- 1** 2008 (Nov.) Financial Crisis S&P 500: - 48.8%
- 2** 2010 (May) Flash crash; Europe/ Greece debt S&P 500: -16%
- 3** 2011 (Aug.) US down grade, Europe periphery S&P 500: -19.4%
- 4** 2012 (June) Eurozone double dip S&P 500: -9.9%
- 5** 2015 (Aug.) Global slow down, China, Fed S&P 500: -12.4%
- 6** 2016 (Feb.) Oil crash, US recession fear, China S&P 500: -10.5%
- 7** 2018 (Feb.) Inflation, trade, tech S&P 500 : -10.2%
- 8** 2018 (Dec.) Interest rate hike, trade tension, global slow down S&P 500: -10.5%
- 9** 2020 (Mar.) Coronavirus, S&P 500 : -23.7%
- 10** 2024 (Aug.) Crow ded FX (Japanese Yen) trade, recession fear S&P 500: -6.0%
- 11** 2025 (Apr.) Tariff tantrum, S&P 500: -11.5%

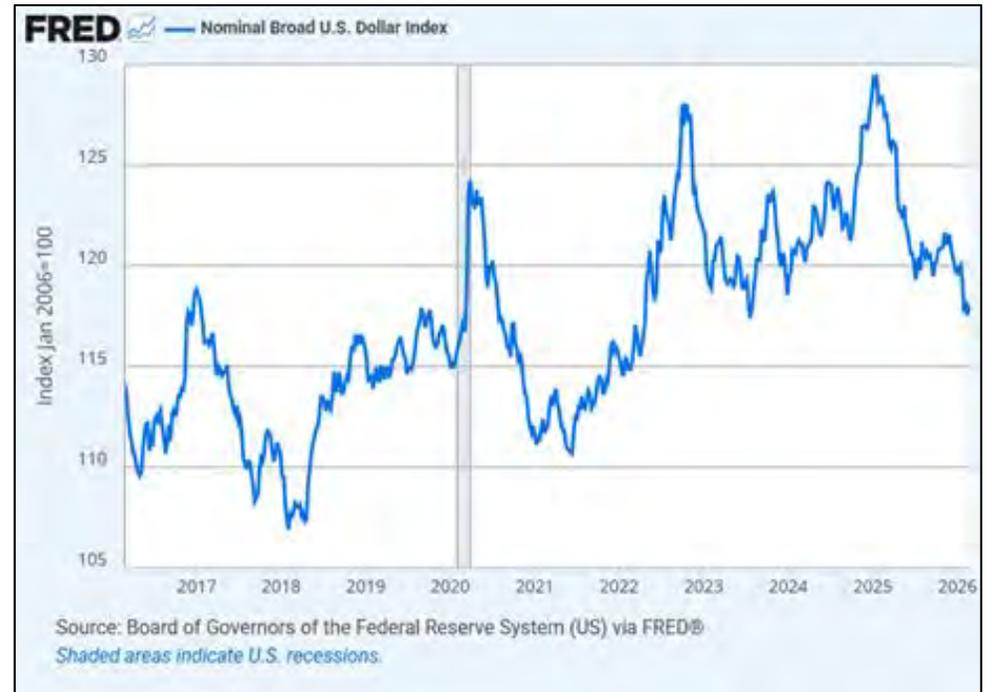
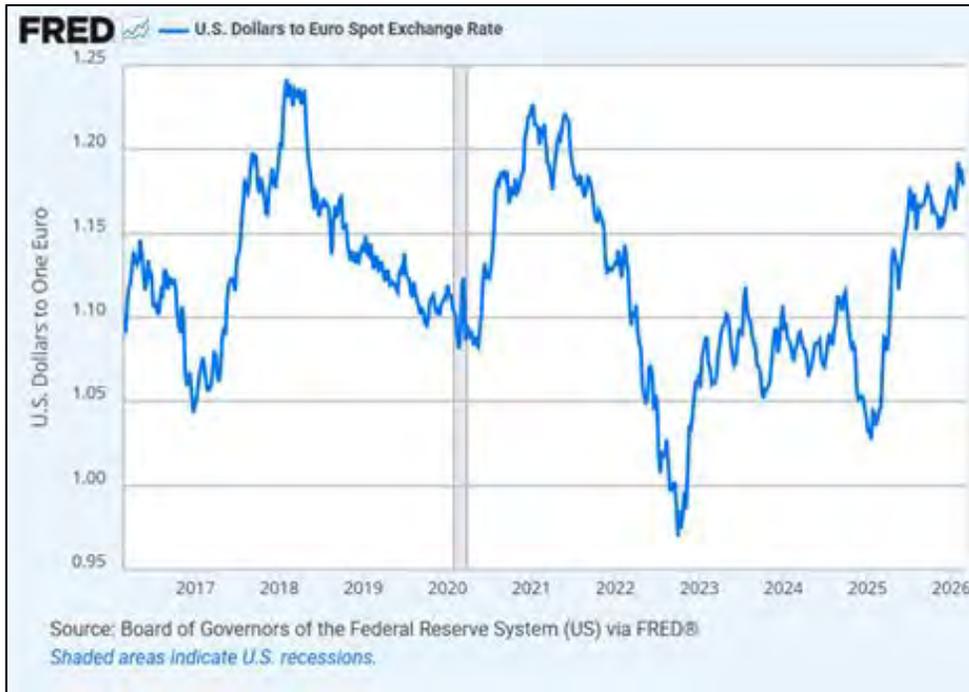


**MARKETS** Fixed Income





# MARKETS Foreign Exchange



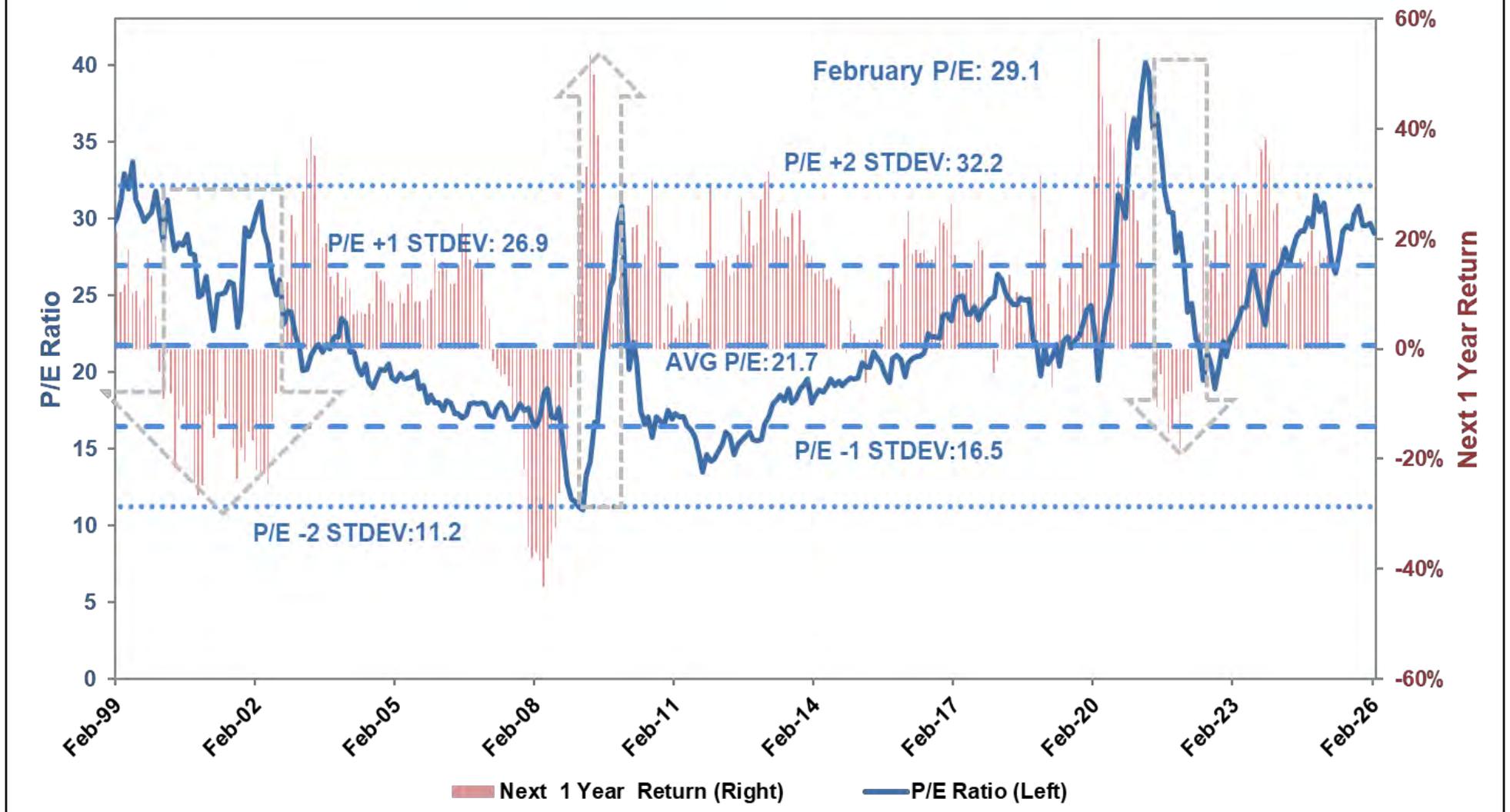
Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-22	1.05
June-23	1.09
June-24	1.07
June-25	1.18
February 27, 2026	1.18

Date	Nominal Broad U.S. Dollar Index January 2006=100
June-22	121.1
June-23	119.9
June-24	124.5
June-25	119.8
February 27, 2026	117.8



# VALUATION US Equity

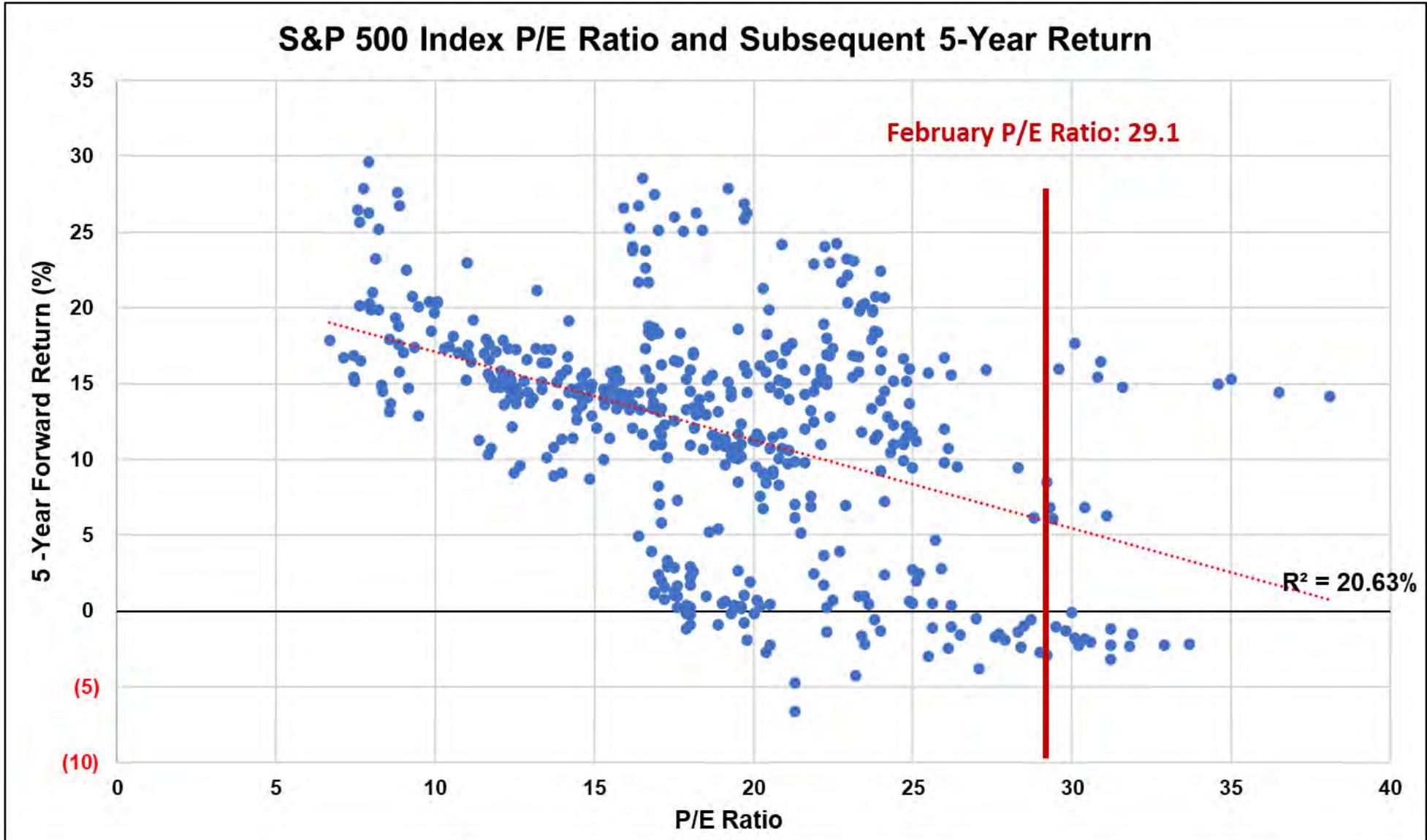
## S&P 500 Index P/E Ratio and Next 1 Year Returns





VALUATION

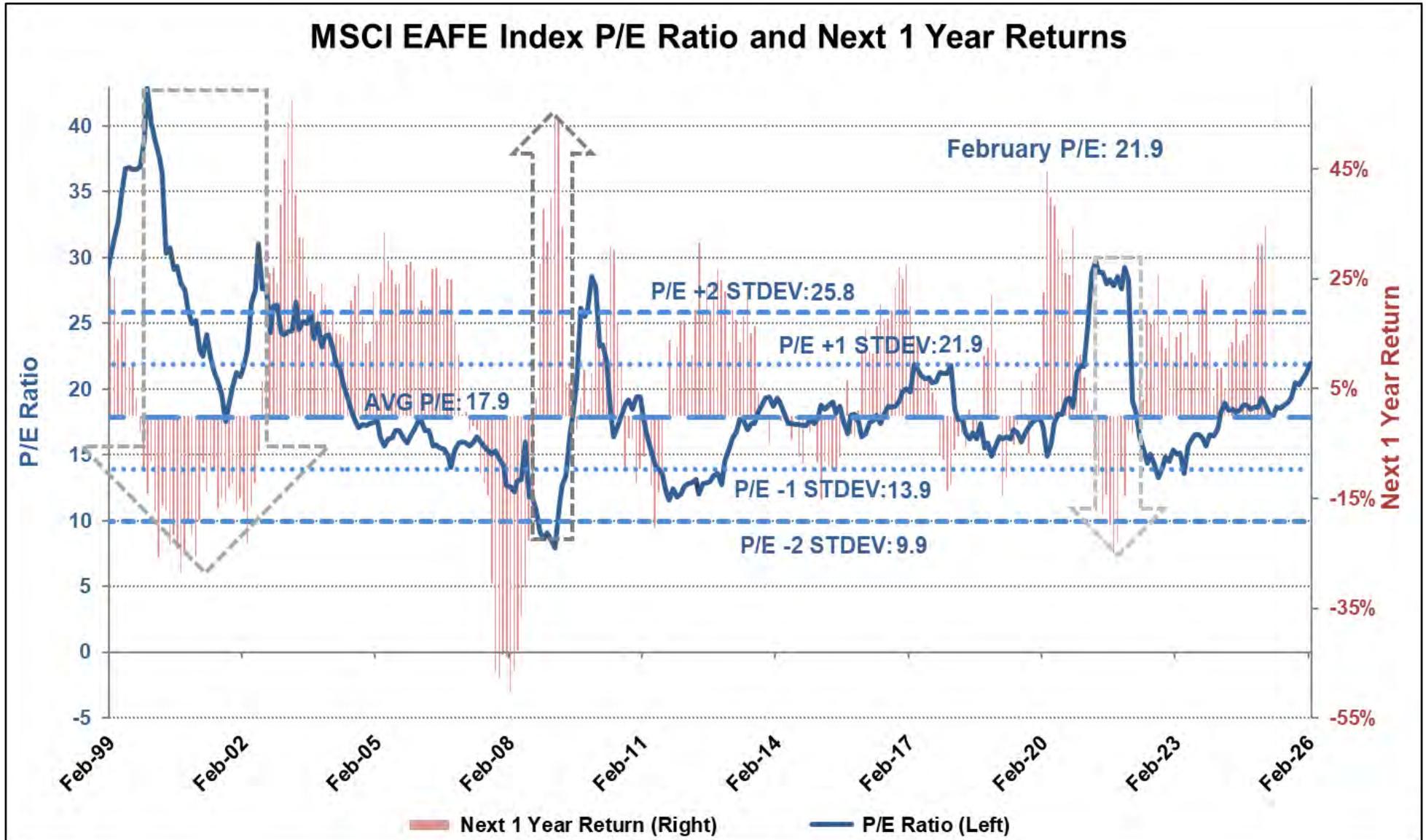
US Equity





**VALUATION**

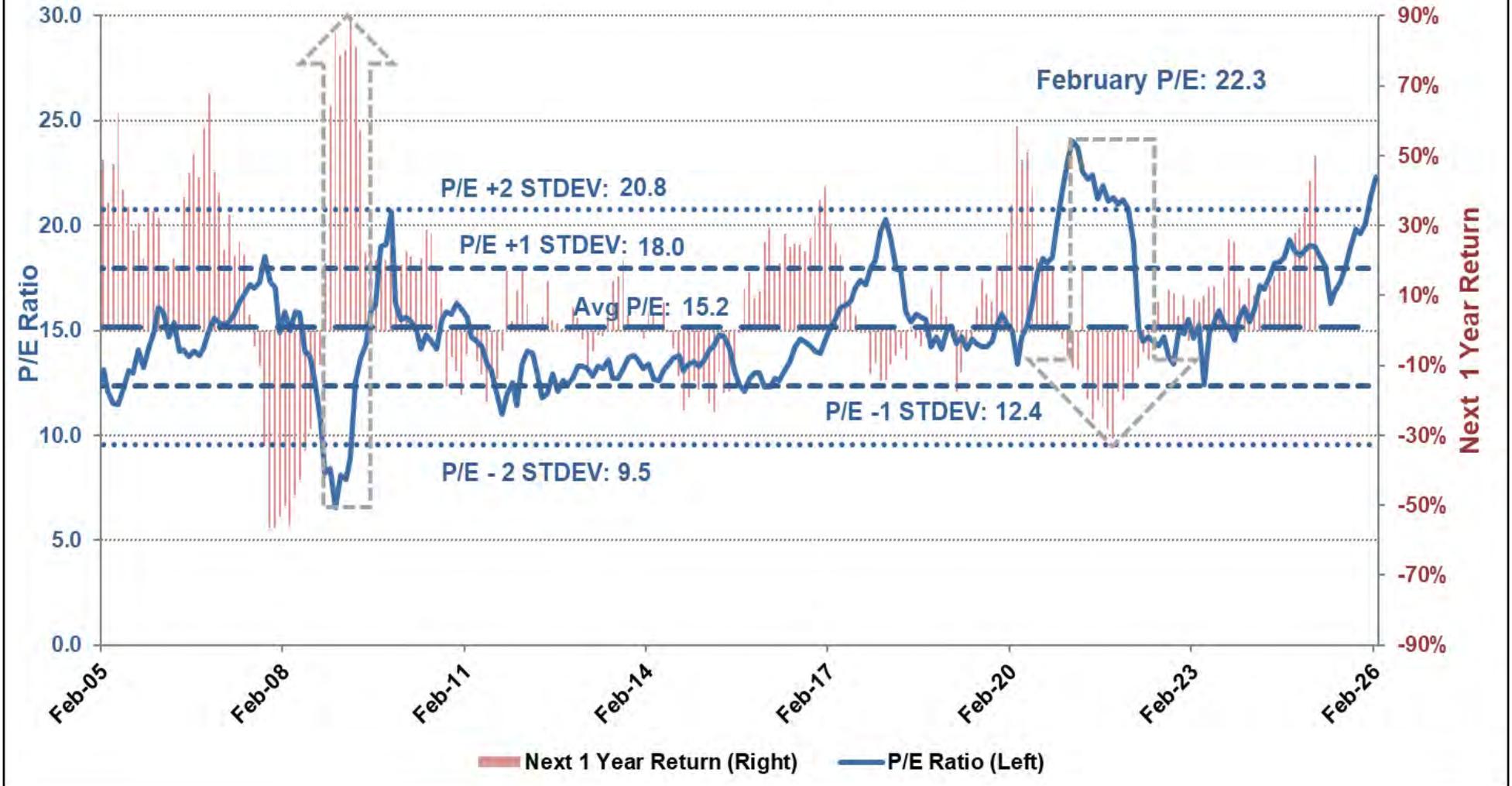
# Non US Developed Market Equity





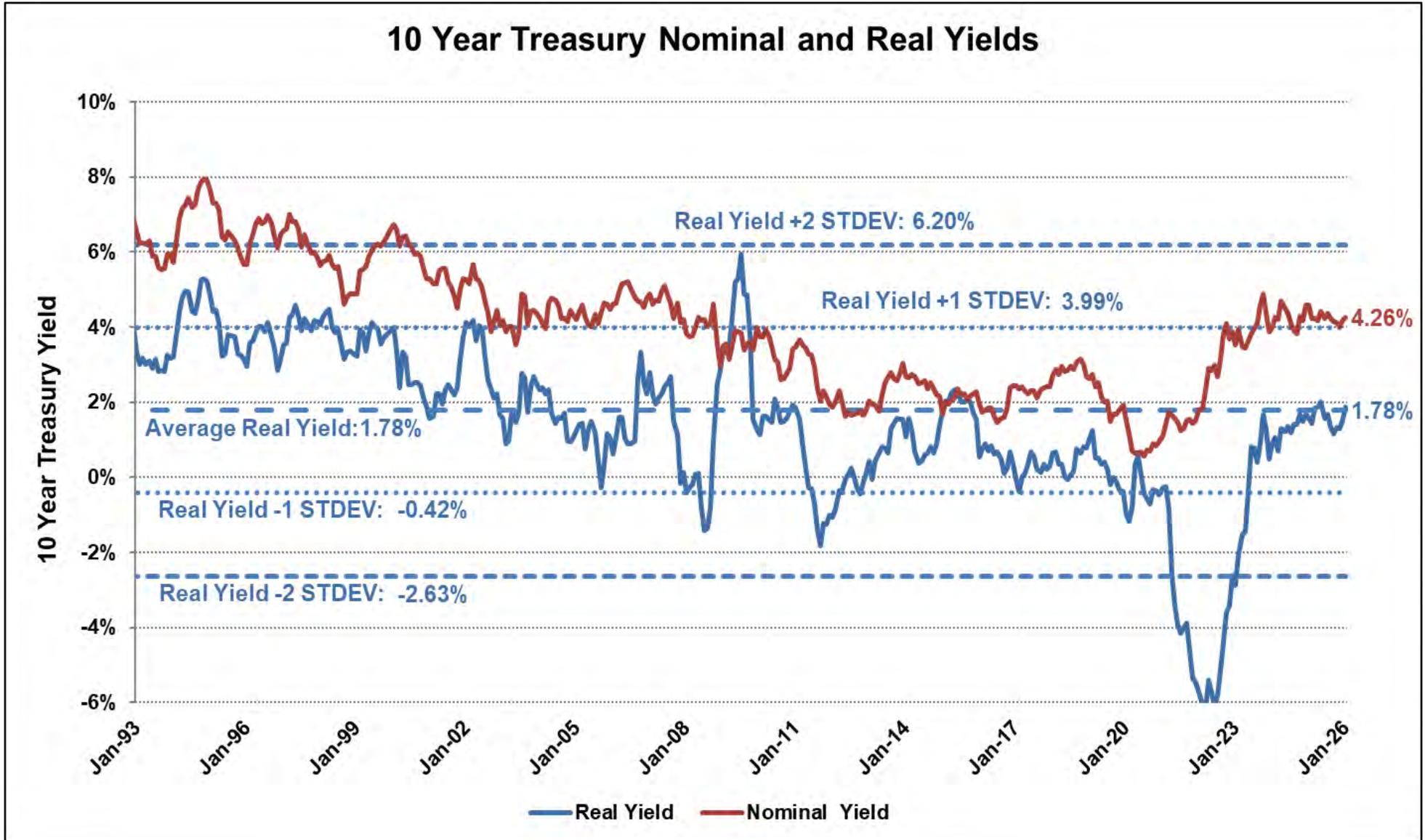
# VALUATION Emerging Market Equity

## MSCI Emerging Markets Index P/E Ratio and Next 1 Year Returns





# VALUATION US Treasury Bonds



Sources: Department of the Treasury, Bureau of Labor Statistics



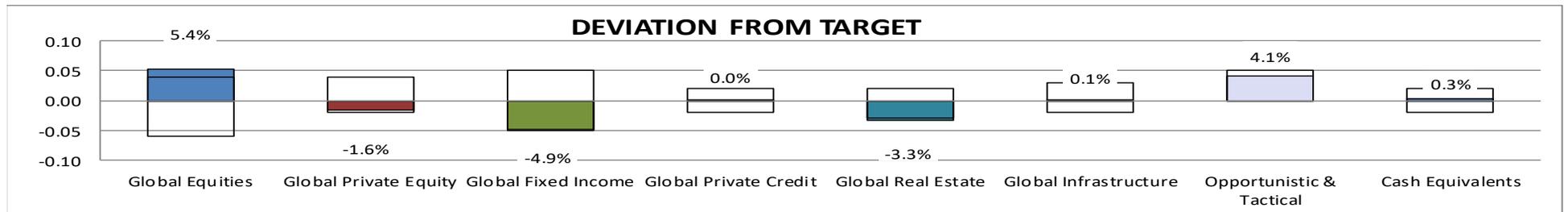
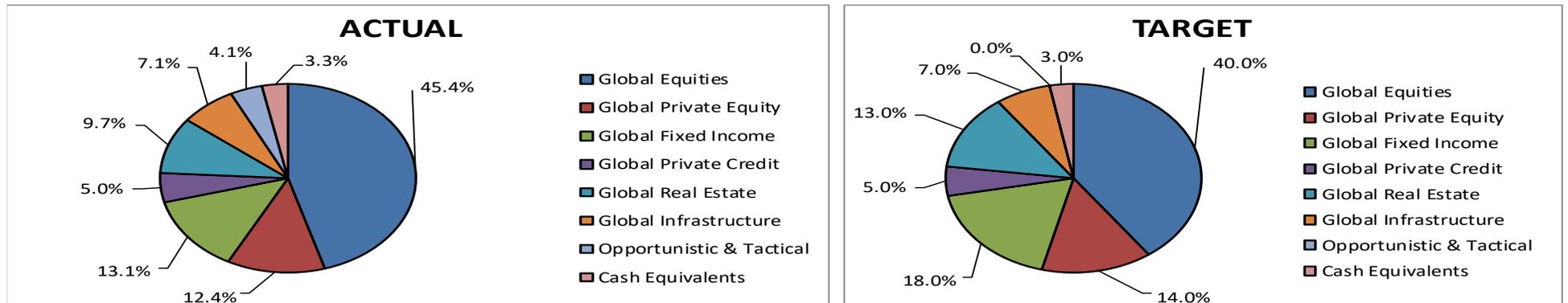
# SERS' Investment Portfolios Review



# Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
<b>Global Equities</b>	<b>10,173,212,194</b>	<b>45.4%</b>	<b>40.0%</b>	35% - 45%
<b>Global Private Equity</b>	<b>2,779,441,747</b>	<b>12.4%</b>	<b>14.0%</b>	11% - 17%
<b>Global Fixed Income</b>	<b>2,947,525,315</b>	<b>13.1%</b>	<b>18.0%</b>	13% - 23%
<b>Global Private Credit</b>	<b>1,124,824,956</b>	<b>5.0%</b>	<b>5.0%</b>	3% - 7%
<b>Global Real Estate</b>	<b>2,170,946,439</b>	<b>9.7%</b>	<b>13.0%</b>	10% - 15%
<b>Global Infrastructure</b>	<b>1,587,347,530</b>	<b>7.1%</b>	<b>7.0%</b>	5% - 10%
<b>Opportunistic &amp; Tactical</b>	<b>912,873,766</b>	<b>4.1%</b>	<b>0.0%</b>	0% - 5%
<b>Cash Equivalents</b>	<b>736,270,215</b>	<b>3.3%</b>	<b>3.0%</b>	1% - 5%
Short-Term	1,565,701	0.0%	2.0%	
Russell EA Overlay	0	0.0%	0.0%	
Direct Rebalance Overlay	6,012,808	0.0%	0.0%	
Transition / Operational Account	699,743	0.0%	0.0%	
Currency Overlay	16,143,403	0.1%	0.0%	
SERS Cash	711,848,559	3.2%	0.0%	
<b>Total Fund</b>	<b>22,432,442,162</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: Clearwater Analytics





# Total Fund Performance

## Current Benchmark:

40% MSCI ACWI (Net Dividends)

14.00% Burgiss All Private Equity

benchmark (1q lag) (BAPE)

18.00% Bloomberg US Universal Bond

13.00% Expanded NCREIF Property Index

(one quarter in arrears)

7.00% Quarterly (4 qtrs.) smoothed CPI

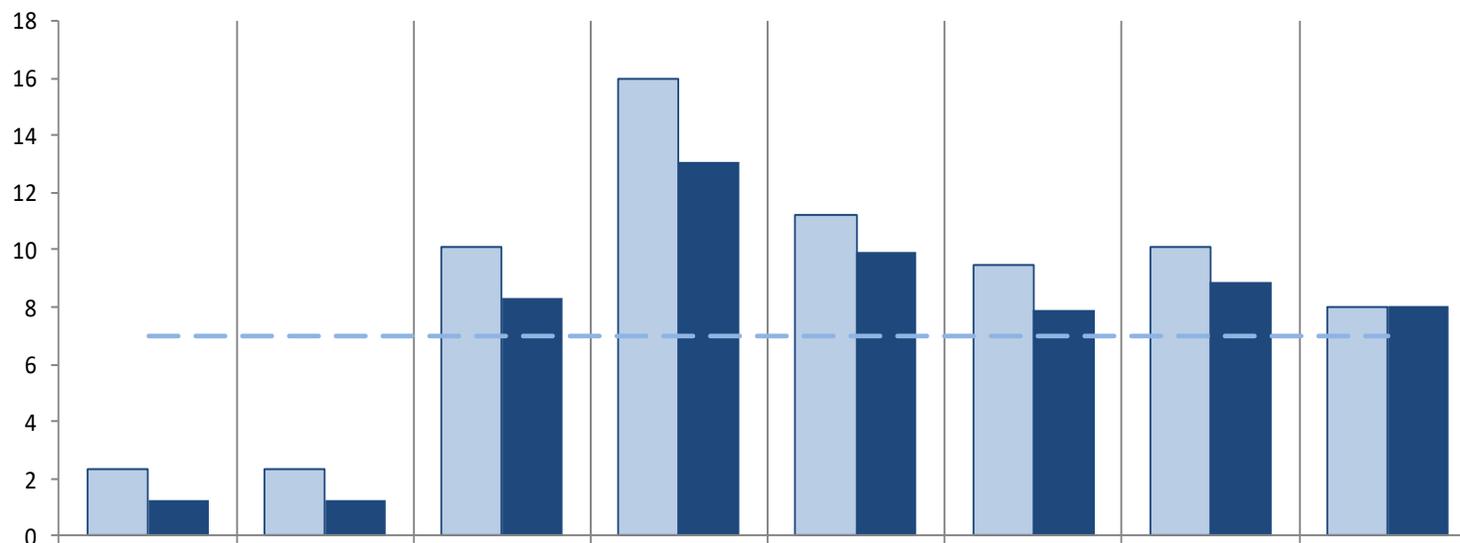
+1.20% per quarter

5.00% 90 day SOFR rate + 4.5%

(one quarter in arrears)

3.00% FTSE 30 Day T-Bill

■ Total Fund (Net)   
 ■ OSERS Policy   
 --- Actuarial Rate



### Actuarial Rate

(7.0% effective 07/01/2021, adopted 04/15/2021)

	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	2.39	2.39	10.20	16.46	11.89	10.18	10.78	8.70
Total Fund (Net)	2.35	2.35	10.08	15.97	11.21	9.48	10.09	8.15
OSERS Policy	1.26	1.26	8.29	13.07	9.89	7.90	8.88	8.00
Value Added (Net of Fee)	1.10	1.10	1.79	2.90	1.32	1.58	1.20	0.16

Estimated Cumulative Net Value Added (\$MM)**	<b>\$232.8</b>	<b>\$232.8</b>	<b>\$333.6</b>	<b>\$565.1</b>	<b>\$802.1</b>	<b>\$1,678.2</b>	<b>\$2,667.4</b>
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Source: Clearwater Analytics

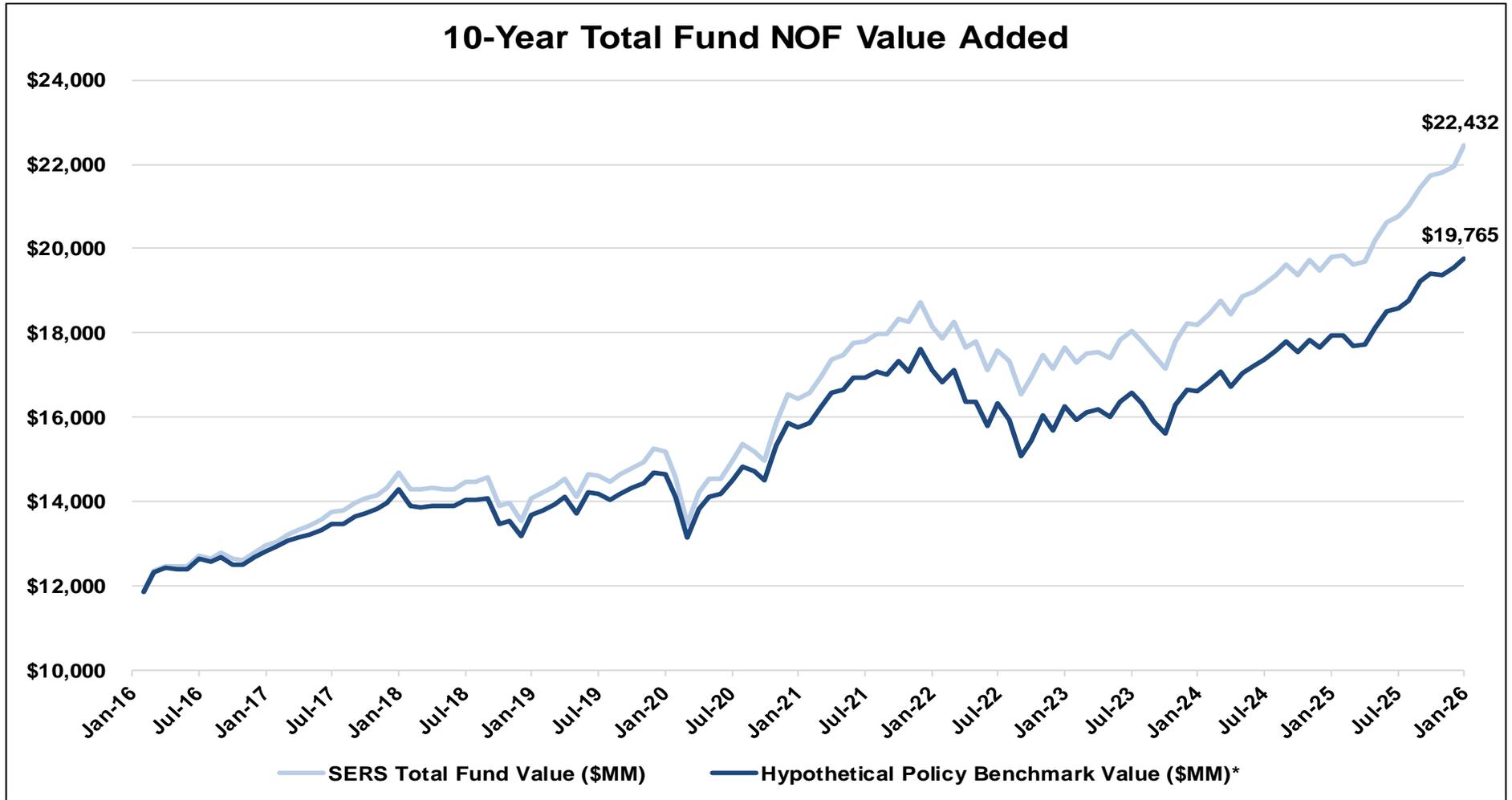
\*ITD is Inception date 10/1/1994 (31 years and 4 months)

\*\*For each period, calculated as the difference between the actual change in fund assets and the hypothetical change in fund assets under a benchmark-returns scenario.

\*\*Assumes portfolio in benchmark-returns scenario is rebalanced monthly to target weights after deducting calculated net cash flow, with no allowance for fees.



# Total Fund Performance



Fiscal Year Net Excess Return (%)									
FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
0.33	1.50	0.86	0.06	(0.64)	2.66	3.01	0.23	0.90	1.05

Source: Clearwater Analytics

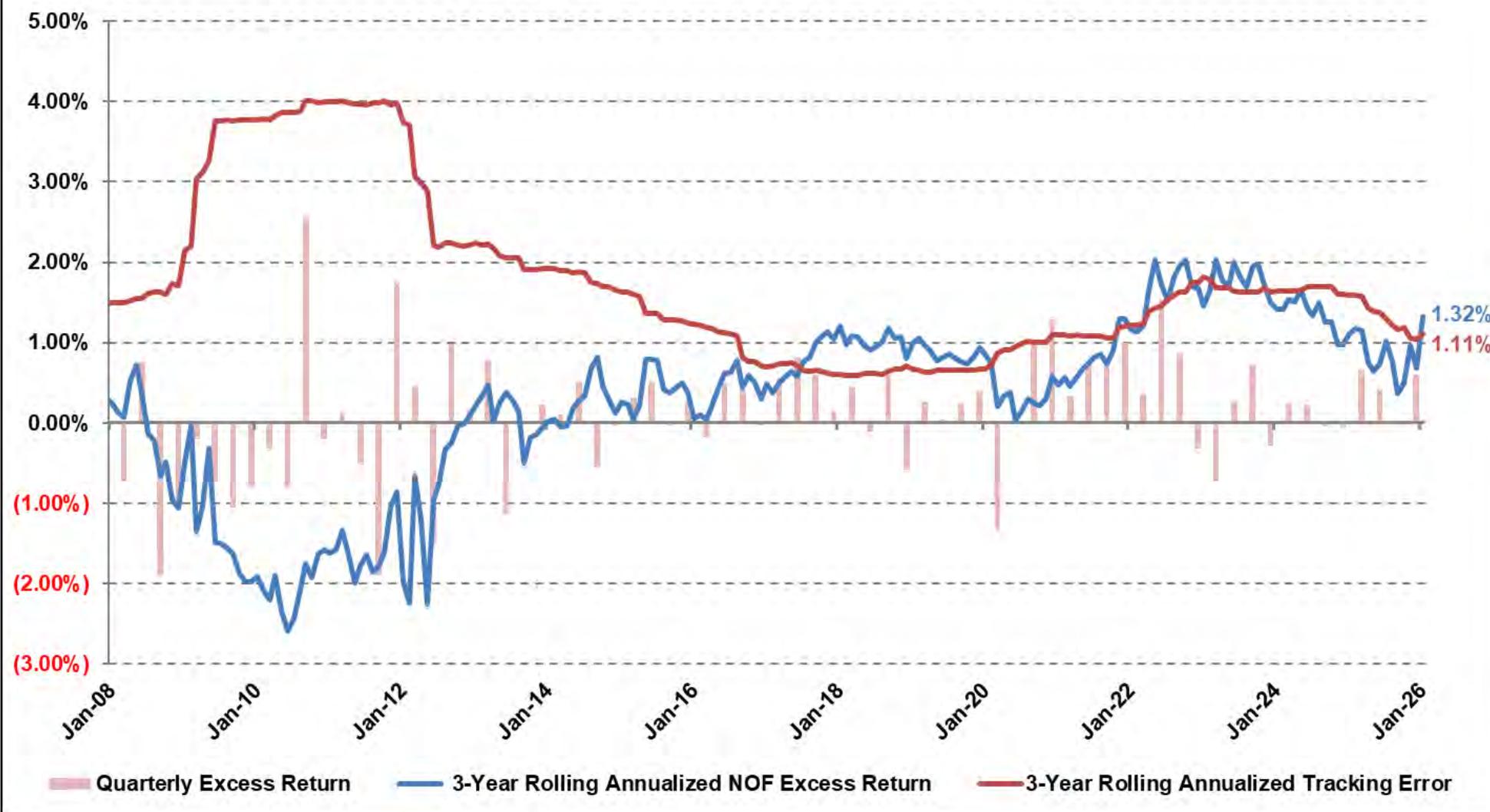
\*Calculated as the hypothetical change in fund assets under a policy benchmark-returns scenario.

\*Assumes portfolio in benchmark-returns scenario is rebalanced monthly to target weights after deducting calculated net cash flow, with no allowance for fees.



# Total Fund Performance

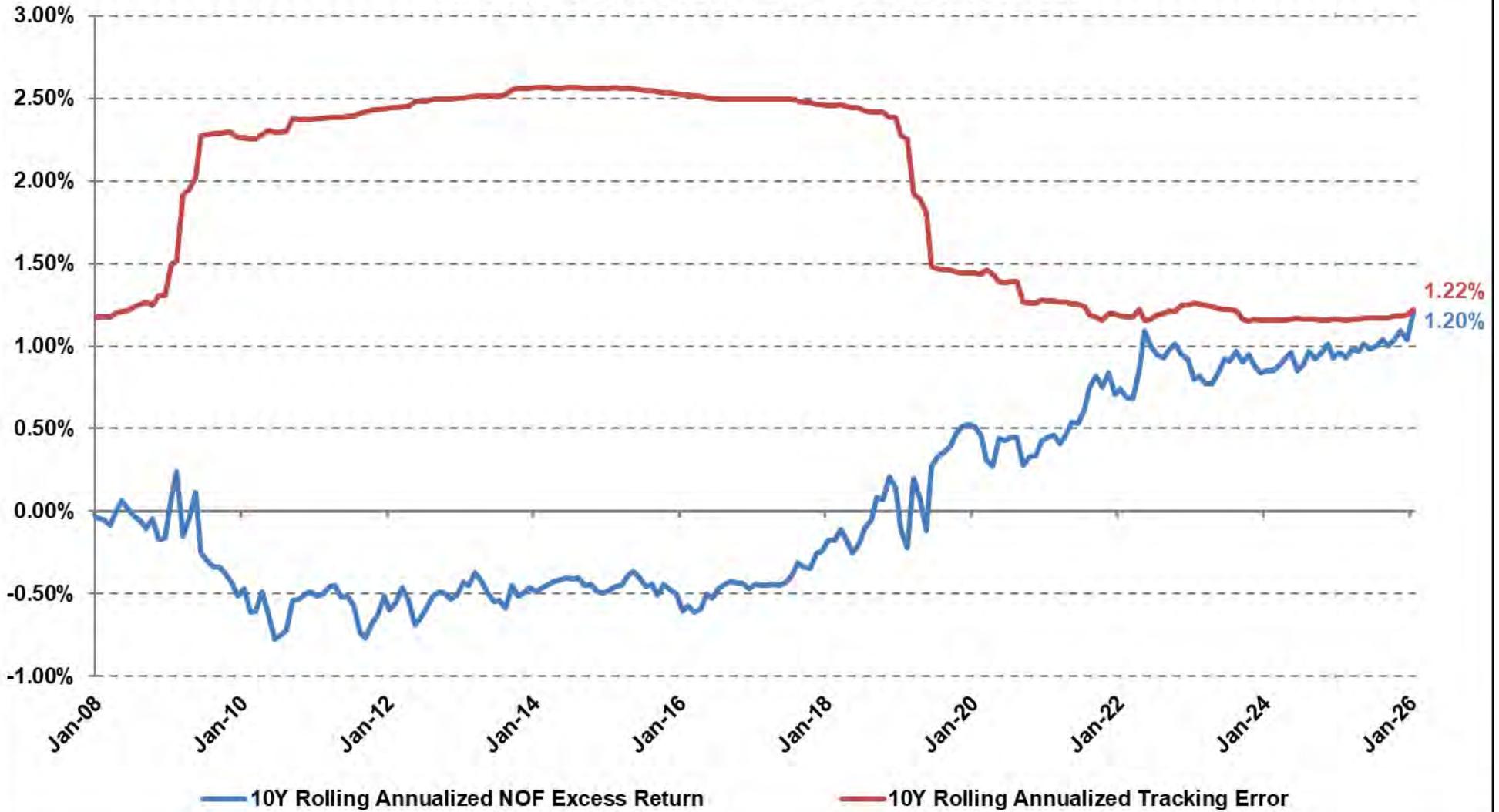
### 3-Year Total Fund NOF Excess Return





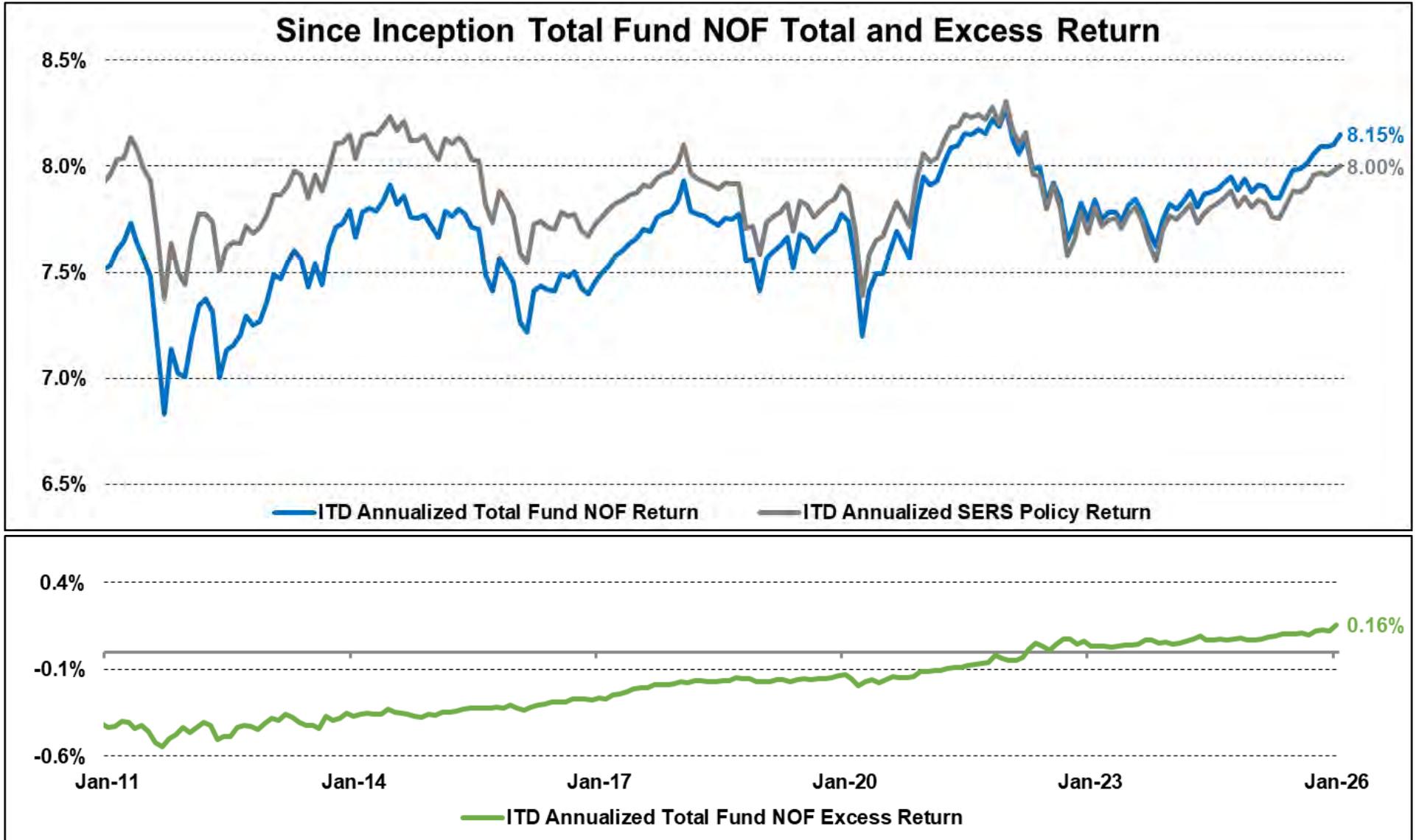
# Total Fund Performance

### 10-Year Total Fund NOF Excess Return





# Total Fund Performance





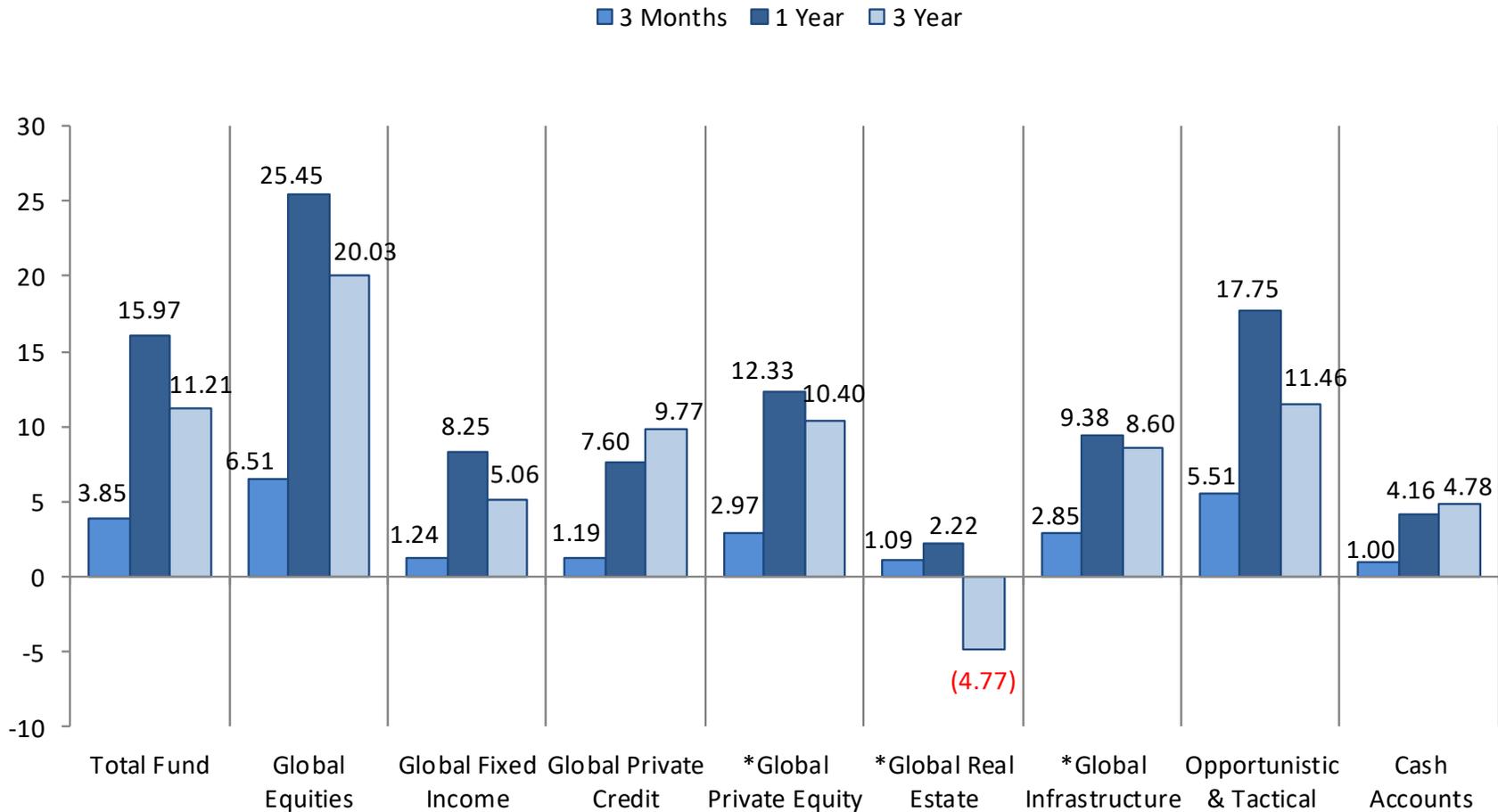
# Total Fund Performance

## 10-Year Total Fund NOF Total Return





# Total Fund and Asset Class Performance (Net)



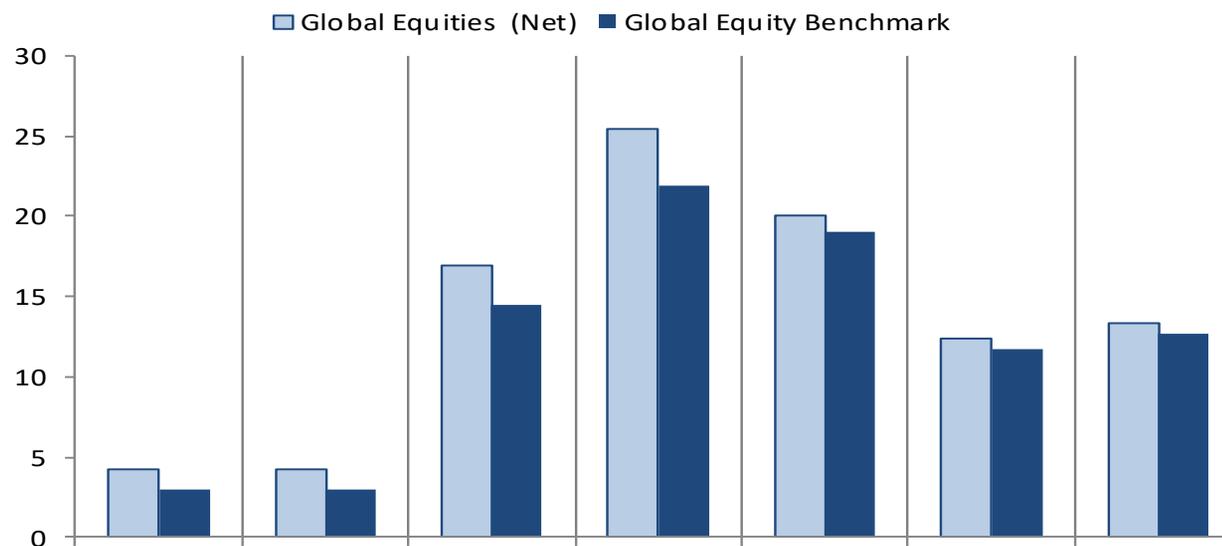
\* Global Private Equity, Global Real Estate, and Global Infrastructure results are as of 12/31/2025

Source: Clearwater Analytics



# Global Equities Performance

**Current Benchmark:**  
MSCI ACWI (Net Dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	4.33	4.33	17.13	25.82	20.38	12.76	13.66
Global Equities (Net)	4.24	4.24	16.94	25.45	20.03	12.43	13.32
Global Equity Benchmark	2.96	2.96	14.46	21.87	19.04	11.70	12.66
Value Added (Net of Fee)	1.28	1.28	2.48	3.58	0.99	0.73	0.66
Regional US Equity	1.65	1.65	12.74	15.80	19.33	13.03	14.63
Russell 3000 Index	1.55	1.55	12.49	15.32	20.16	13.59	15.12
Value Added (Net of Fee)	0.10	0.10	0.25	0.48	(0.83)	(0.56)	(0.49)
Regional Non-US Equity	6.58	6.58	19.55	36.05	16.95	9.72	10.91
Custom Non-US Equity BM	5.98	5.98	19.01	34.87	16.54	9.04	9.78
Value Added (Net of Fee)	0.60	0.60	0.54	1.18	0.41	0.68	1.13

Source: Clearwater Analytics

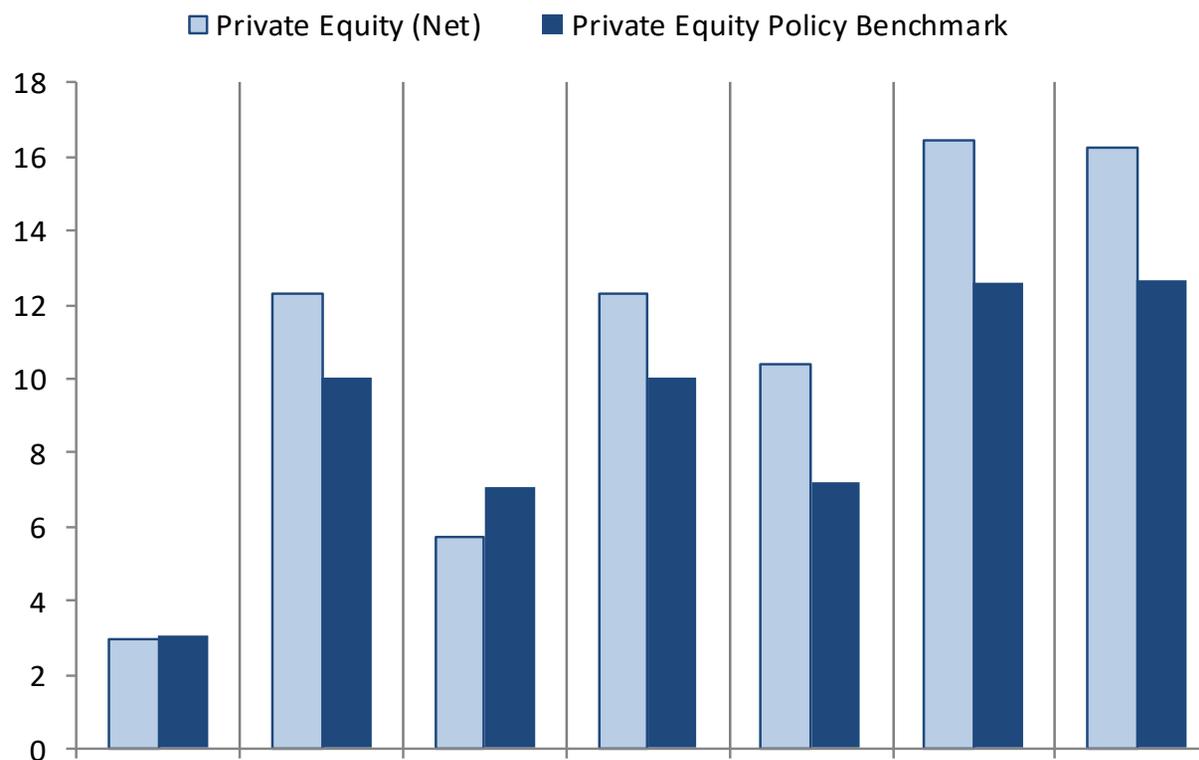


# Global Private Equity Performance

**Results as of: 12/31/2025**

**Current Benchmark:**

*Burgiss All Private Equity Index*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	2.97	13.48	5.85	13.48	12.13	18.33	17.98
Private Equity (Net)	2.97	12.33	5.69	12.33	10.40	16.46	16.27
Private Equity Policy Benchmark	3.03	10.00	7.10	10.00	7.22	12.59	12.63
Value Added (Net of Fee)	(0.06)	2.33	(1.40)	2.33	3.18	3.87	3.64

Source: Clearwater Analytics

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

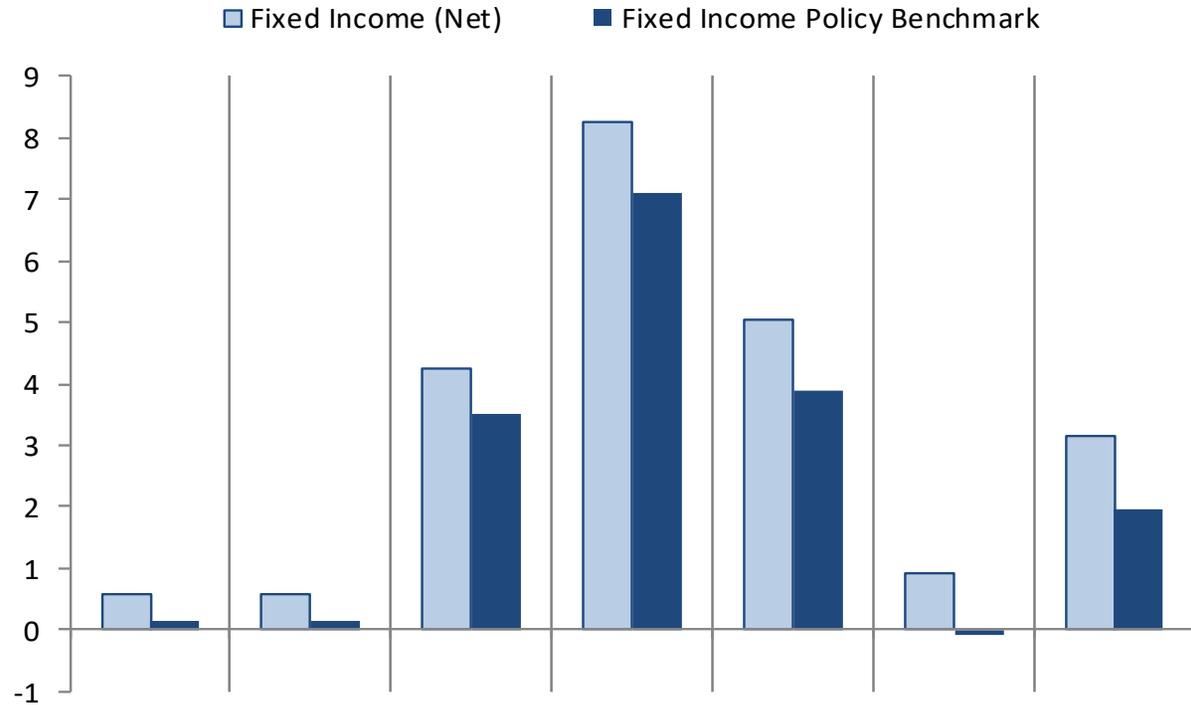
Global Private Equity performance is reported one quarter in arrears.



# Global Fixed Income Performance

**Current Benchmark:**

*Bloomberg US Universal Bond Index*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.58	0.58	4.33	8.50	5.32	1.20	3.40
Fixed Income (Net)	0.57	0.57	4.24	8.25	5.06	0.93	3.15
Fixed Income Policy Benchmark	0.15	0.15	3.51	7.10	3.87	(0.07)	1.94
Value Added (Net of Fee)	0.42	0.42	0.73	1.15	1.19	1.00	1.21

Source: Clearwater Analytics



# Global Private Credit Performance

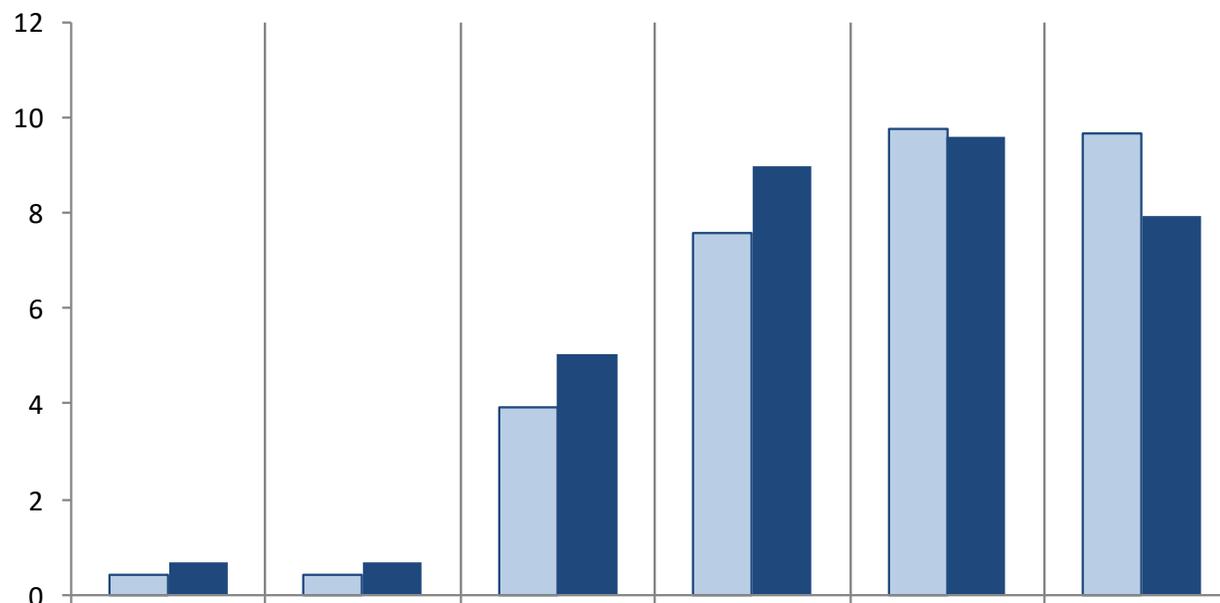
■ Global Private Credit (Net)

■ Global Private Credit Policy Benchmark

## Current Benchmark:

90 day SOFR rate + 4.5%

(one quarter in arrears)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Global Private Credit (Gross)	0.41	0.41	3.99	8.33	11.09	11.10
Global Private Credit (Net)	0.41	0.41	3.95	7.60	9.77	9.66
Global Private Credit Policy Benchmark	0.70	0.70	5.06	8.96	9.58	7.93
Value Added (Net of Fee)	(0.29)	(0.29)	(1.11)	(1.37)	0.19	1.73

Source: Clearwater Analytics

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.



# Global Real Estate Performance

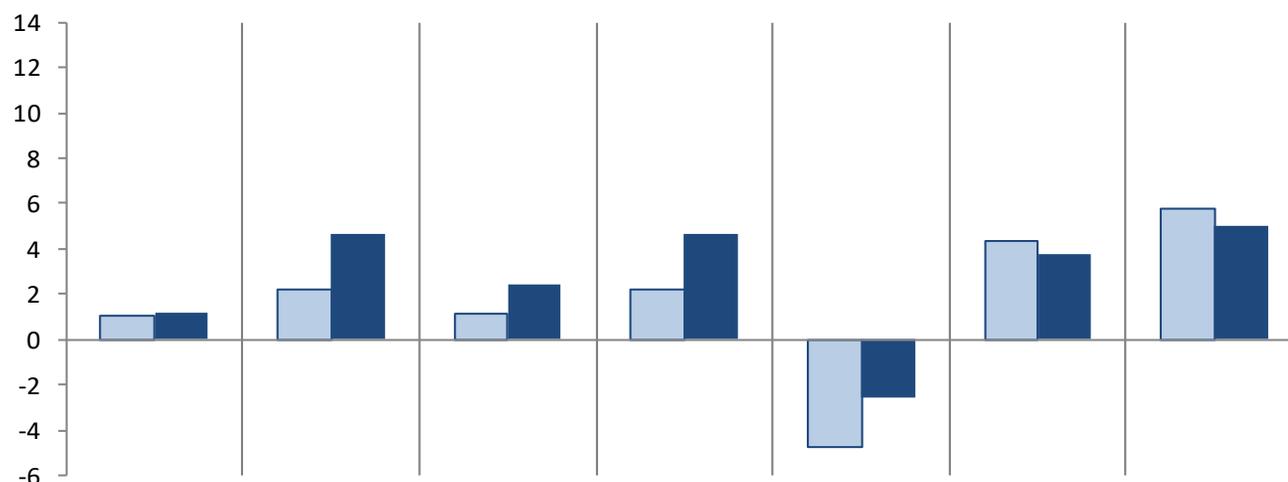
Real Estate Portfolio (Net)

Real Estate Policy Benchmark

Results as of: 12/31/2025

Current Benchmark:

NCREIF Property Index (1q lag)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Estate Portfolio (Gross)	1.09	2.74	1.15	2.74	(4.08)	5.26	6.75
Real Estate Portfolio (Net)	1.09	2.22	1.15	2.22	(4.77)	4.38	5.81
Real Estate Policy Benchmark	1.22	4.70	2.45	4.70	(2.54)	3.80	5.03
Real Estate Value Added (NOF)	(0.13)	(2.48)	(1.31)	(2.48)	(2.24)	0.58	0.78
Real Estate Core (Net)	1.41	3.00	1.58	3.00	(4.86)	5.09	6.23
Real Estate Policy Benchmark	1.22	4.70	2.45	4.70	(2.54)	3.80	5.03
Real Estate Core Value Added (NOF)	0.19	(1.70)	(0.87)	(1.70)	(2.32)	1.29	1.20
Real Estate Non-Core (Net)	(0.43)	(2.62)	(1.61)	(2.62)	(5.25)	0.54	4.00
Real Estate Policy Benchmark	1.22	4.70	2.45	4.70	(2.54)	3.80	5.03
Real Estate Non-Core Value Added (NOF)	(1.65)	(7.32)	(4.07)	(7.33)	(2.72)	(3.26)	(1.03)

Source: Clearwater Analytics

The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Estate performance is reported one quarter in arrears.



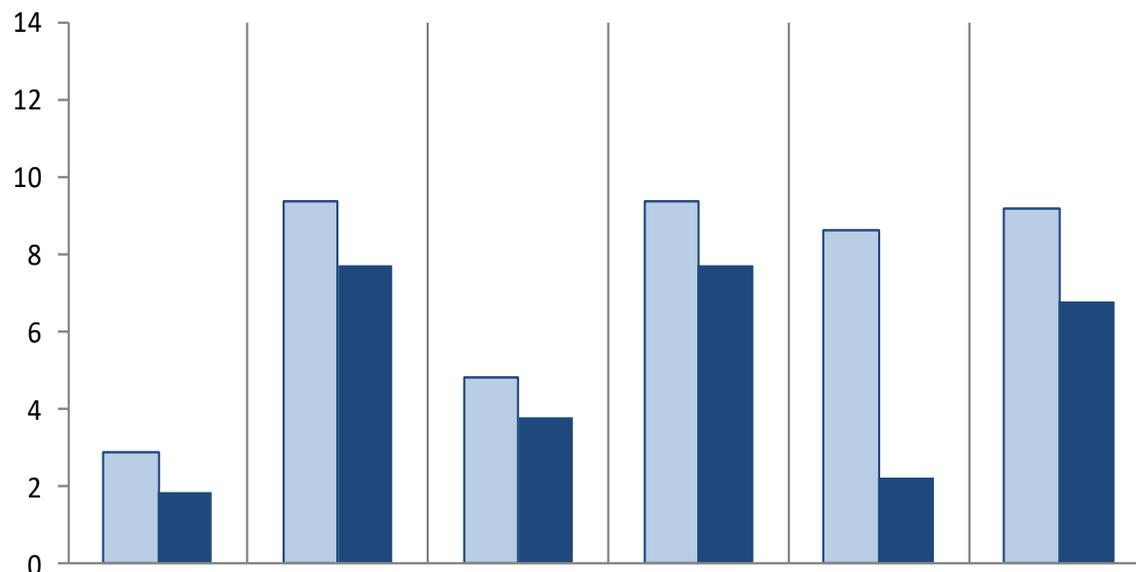
# Global Infrastructure Performance

Results as of: 12/31/2025

**Current Benchmark:**

Quarterly (4 qtrs.) smoothed CPI  
+1.20% per quarter

Global Infrastructure (Net)      Global Infrastructure Policy Benchmark



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year
Global Infrastructure (Gross)	2.85	9.88	4.82	9.88	9.49	10.02
Global Infrastructure (Net)	2.85	9.38	4.79	9.38	8.60	9.17
Global Infrastructure Policy Benchmark	1.87	7.69	3.79	7.69	2.20	6.80
Global Infrastructure Value Added (NOF)	0.98	1.69	1.00	1.69	6.40	2.37

Source: Clearwater Analytics

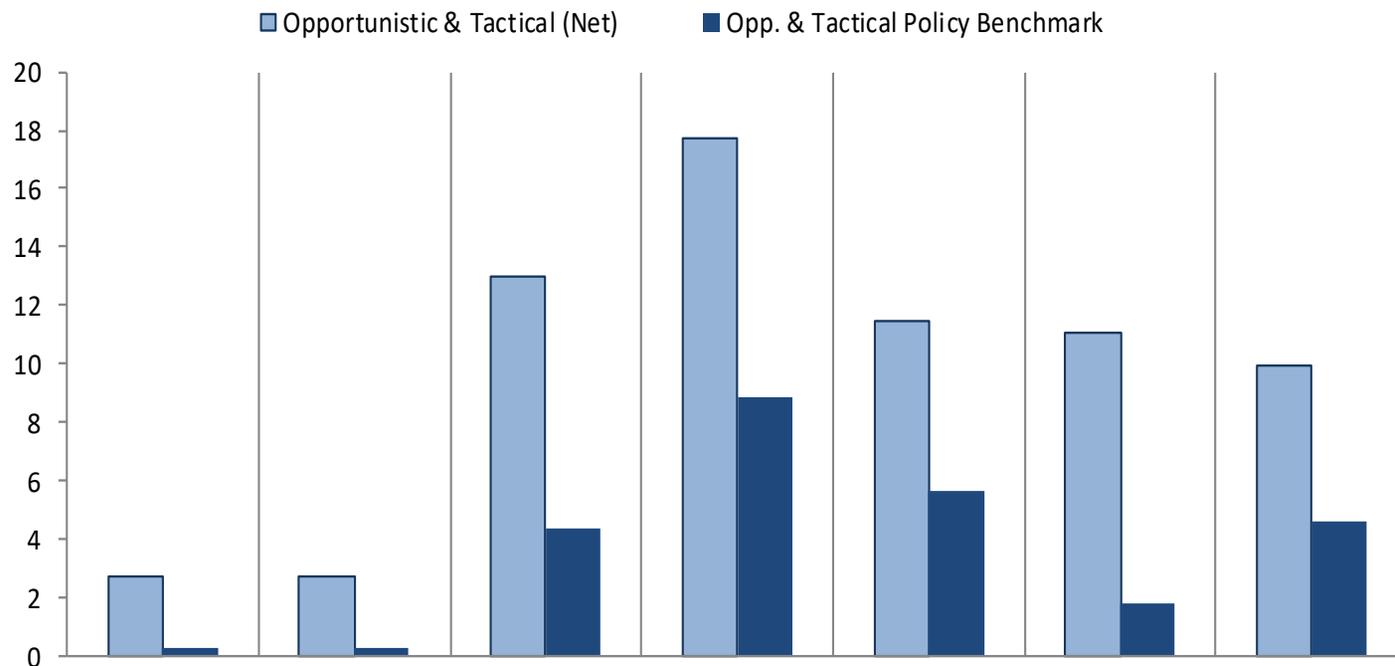
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Infrastructure performance is reported one quarter in arrears.



# Opportunistic & Tactical Performance

**Current Benchmark:**  
 Bloomberg Aggregate  
 Bond Index + 2%



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Opportunistic & Tactical (Gross)	2.69	2.69	12.96	18.36	12.43	12.17	11.17
Opportunistic & Tactical (Net)	2.69	2.69	12.96	17.75	11.46	11.04	9.90
Opp. & Tactical Policy Benchmark	0.25	0.25	4.40	8.85	5.64	1.80	4.59
Opp. & Tactical Policy Value Added (NOF)	2.44	2.44	8.56	8.90	5.81	9.24	5.31

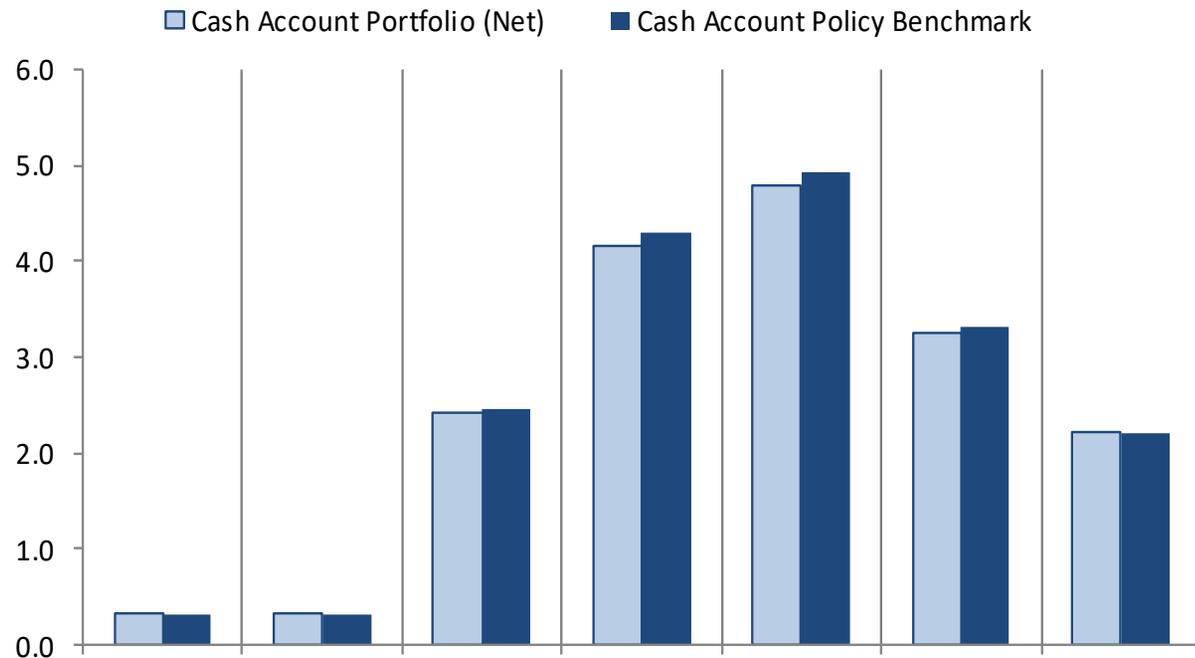
Source: Clearwater Analytics



# Cash Account Performance

**Current Benchmark:**

*FTSE 30 Day Treasury Bill Index*



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Cash Account Portfolio (Gross)	0.34	0.34	2.42	4.17	4.79	3.24	2.22
Cash Account Portfolio (Net)	0.33	0.33	2.41	4.16	4.78	3.24	2.22
Cash Account Policy Benchmark	0.31	0.31	2.45	4.29	4.93	3.31	2.20
Value Added (Net of Fee)	0.02	0.02	(0.04)	(0.13)	(0.15)	(0.07)	0.02

Source: Clearwater Analytics



## Overlay Performance

	3 mo	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Overlay Cumulative Net Value Added (\$MM)	(\$14.4)	(\$6.7)	(\$1.3)	\$18.3	(\$107.9)	(\$17.7)	(\$14.5)
Overlay Cumulative Net Value Added (%)	(0.07)	(0.03)	(0.04)	0.08	(0.24)	(0.04)	(0.03)

Source: Clearwater Analytics



## Proposed Investment Agenda – Next Meeting

- Annual Portfolio Review – Opportunistic & Tactical
- Asset Liability Study, presented by Wilshire (possible vote)
- Investment report and economic update for the period ended February 28, 2026

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Retirement Board convene in Executive Session pursuant to R.C. 121.22 (G)(2) to discuss the purchase and sale of property.

Upon roll call, the vote was as follows:

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

**CONVENE IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M./P.M.**

**RETURN TO OPEN SESSION AT \_\_\_\_\_ A.M. / P.M.**

**FEDERAL LEGISLATION BOARD REPORT**  
**119<sup>th</sup> United States Congress**  
**(Prepared by Chris Collins as of March 11, 2026)**

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**H.R.1**

SPONSOR: Rep. Arrington, Jodey C. [R-TX-19]

LAST ACTIONS: 07/04/2025 Became Public Law No: 119-21.CAPTION: One Big Beautiful Bill Act

COMMENT: This bill reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government. It is known as a reconciliation bill and includes legislation submitted by 11 House committees pursuant to provisions in the FY2025 congressional budget resolution (H Con. Res. 14) that directed the committees to submit legislation to the House Budget Committee that will increase or decrease the deficit and increase the statutory debt limit by specified amounts. (Reconciliation bills are considered by Congress using expedited legislative procedures that prevent a filibuster and restrict amendments in the Senate.)

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**H.Con.Res.14**

SPONSOR: Rep. Arrington, Jodey C. [R-TX-19]

LAST ACTIONS: House - 05/20/2025 Star Print ordered on the reported concurrent resolution. (All Actions)

CAPTION: Establishing the congressional budget for the United States Government.

COMMENT: This concurrent resolution establishes the congressional budget for the federal government for FY2025, sets forth budgetary levels for FY2026-FY2034, and provides reconciliation instructions for legislation that increases or decreases the deficit and increases the statutory debt limit by specified amounts.

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**S.526**

SPONSOR: Sen. Grassley, Chuck [R-IA]

LAST ACTIONS: Senate - 02/11/2025 Read twice and referred to the Committee on Commerce, Science, and Transportation.

CAPTION: Pharmacy Benefit Manager (PBM) Transparency Act:

COMMENT: A bill to prevent unfair and deceptive acts or practices and the dissemination of false information related to pharmacy benefit management services for prescription drugs, and for other purposes.

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**H.R.950**

SPONSOR: Rep. Landsman, Greg [D-OH-1]

LAST ACTIONS: House - 02/04/2025 Referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

CAPTION: Saving Seniors Money on Prescriptions Act

COMMENT: To amend title XVIII of the Social Security Act to establish pharmacy benefit manager reporting requirements with respect to prescription drug plans and MA-PD plans under Medicare part D.

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**H.R.6703**

SPONSOR: Rep. Miller-Meeks, Mariannette [R-IA-1] Introduced

LAST ACTIONS: House - 12/18/2025 Received in Senate. 12/17/2025 Passed by the House on a vote of 216 – 211.

CAPTION: Lower Health Care Premiums for All Americans Act

COMMENT: This bill would establish new rules for association health plans, modify requirements for individual and group health coverage, require contracts between plan sponsors and PBMs to meet certain standards, and appropriate funding for reductions in cost sharing.

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# Memo

**To:** Retirement Board  
**From:** Chris Collins  
**cc:** Richard Stensrud, Karen Roggenkamp  
**Date:** March 6, 2026  
**Re:** **Federal Legislative Report**

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## War with Iran

President Donald Trump announced “major combat operations”, in coordination with Israel, targeting Iran early Saturday, February 28<sup>th</sup>.

“The United States military began major combat operations in Iran. Our objective is to defend the American people by eliminating imminent threats from the Iranian regime, a vicious group of very hard, terrible people,” the President said in a video message “Its menacing activities directly endanger the United States, our troops, our bases overseas, and our allies throughout the world.”

U.S. and Israeli aircraft and ships hit multiple targets inside Iran, leading to the death of Supreme Leader Ali Khamenei.

Republicans fanned out to defend Trump’s decision in the hours after the attacks. But their statements did not neatly align, leaving the administration’s end goals very much in question.

In the days since the start of the war, SERS and the other Ohio state retirement systems have been reviewing our remaining holdings as detailed in our annual Iran-Sudan divestiture report as leaders of the Ohio Retirement Study Council urge us to reduce our exposure to zero now that hostilities have commenced.

Recently in Congress, House lawmakers rejected, 212-219, a war powers resolution that sought to curb ongoing U.S. military operations in Iran, one day after the Senate voted similarly to quash its own effort.

The concurrent resolution, sponsored by Rep. Thomas Massie (R-KY) was essentially a messaging vehicle that would have been nonbinding even if adopted in both chambers, as it would not have required the president’s signature. The Supreme Court in 1983 ruled that a “legislative veto” on executive branch actions, undertaken without the president’s signature, is unconstitutional.

Still, the vote was an opportunity for lawmakers to take a position on the issue. The votes fell largely along party lines, as most Republicans voted against the measure in a bid to give President Donald Trump room to maneuver, and most Democrats supported it as a check on the president’s ability to wage war.

Democratic Reps. Greg Landsman (D-OH), Henry Cuellar (D-TX), Jared Golden (D-ME) and Juan C. Vargas (D-CA) joined 215 Republicans to help sink the resolution. Massie and Rep. Warren Davidson (R-OH) bucked their party in voting for the resolution along with 210 Democrats. Rep. Ro Khanna (D-CA), was the resolution's lead Democrat co-sponsor.

### **President Trump delivers State of the Union on February 24<sup>th</sup>**

The State of the Union speech by President Trump offered few new policy proposals, he did use the speech to highlight accomplishments from the One Big Beautiful Bill Act, including no tax on tips and overtime.

In his speech, President Trump did offer one new tax proposal, noting that millions of workers do not have access to an employer-sponsored retirement savings plan and floated a proposal for a new tax-advantaged savings account. This 401(k)-type plan would be modeled after the federal Thrift Savings Plan, with workers receiving as much as a \$1,000 contribution match from the government. Details were not made immediately available, and it appears it may use the "Saver's Match" provision of the SECURE 2.0 Act of 2022, which is set to take effect starting in 2027. Treasury Secretary Scott Bessent suggested in an interview that the Administration can pursue this agenda item through a second reconciliation.

Senate Majority Leader John Thune (R-SD) is not ruling out the possibility of a second reconciliation bill to accomplish these and other Republican priorities, and that congressional leadership has "encouraged our relevant committees to come up with ideas" for what could be included. Tepid support for this path was echoed when White House Economic Advisor Kevin Hassett told reporters that the Administration is weighing the merits of a second reconciliation bill and further tax cuts. However, despite ongoing talk about reconciliation, key Republicans, including Ways and Means Committee Chairman Jason Smith (R-MO) and the President himself, have said a second reconciliation is not needed and very difficult to pursue.

### **Stand-off over DHS funding continues**

The ouster of Homeland Security Secretary Kristi Noem on March 5<sup>th</sup> appeared to have no immediate impact on her department's partial shutdown, as the two parties sparred anew over a Democratic demand for an immigration enforcement overhaul.

Within minutes of President Donald Trump's announcement that he was replacing Noem with Sen. Markwayne Mullin (R-OK), Democrats vowed to press on in their campaign for new curbs on the Immigration and Customs Enforcement agency. Public outrage over ICE tactics has held up passage of a long-delayed Homeland Security spending bill.

Since immigration agents fatally shot two Americans in Minneapolis in January, Democrats have been insisting on new restrictions on ICE and Customs and Border Protection. Those include no masks for agents and requiring judicial warrants to enter private property to uphold a 4<sup>th</sup> Amendment protection against unreasonable searches and seizures.

The White House and Democrats have exchanged multiple offers on the matter, but progress has been scant. Republicans have said unmasking immigration agents would expose them to doxing and other harassment by protesters, while requiring judicial warrants would lead to court backlogs that would make an immigration crackdown nearly impossible to implement.

With both sides dug in, Senate leadership tried for a second time in as many months to bring up a House-passed Homeland Security appropriations bill, knowing Democrats would block it again. And the outcome largely mirrored the vote last month, with the Senate voting 51-45 along party lines, falling nine votes short of the 60 required.

The immigration agencies Democrats take issue with are still receiving some funding thanks to the GOP's sprawling budget reconciliation law from last summer. But agencies like the Transportation Security Administration and Federal Emergency Management Agency aren't funded by that law and are now feeling the squeeze.

Senator Patty Murray (D-WA), top Democrat on the Senate Appropriations Committee, sought unanimous consent to pass a bill that would fund the Department of Homeland Security except for ICE and CBP. Sen. Katie Britt (R-AL) blocked the effort. Britt, in turn, sought unanimous consent for a three-week stopgap measure for the entire department, which Murray blocked.

The House, meanwhile, voted 221-209 for another Homeland Security funding bill that is nearly identical to the one it passed in January, although the new version would provide retroactive pay to department employees who lost pay during the shutdown. The Senate is not expected to pass the new version either. Stay tuned.

### **Supreme Court rules against Trump tariffs, Congress considers alternatives**

Following the U.S. Supreme Court ruling February 20<sup>th</sup> limiting the President's authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA), Joint Economic Committee (JEC) Chairman David Schweikert (R-AZ) argued the decision highlights broader instability in U.S. trade and tax policy. He contended that uncertainty surrounding tariffs and economic rules discourages investment and job creation, and he called for structural tax reform as a more durable alternative.

Chairman Schweikert believes the U.S. should move toward a border-adjusted, destination-based cash flow tax [(DBCFT)]. He argues that border-adjusted DBCFT achieves many of the same aims without the pernicious consequences of tariffs while proving to be more stable and predictable. Republicans considered a similar tax in early versions of the 2017 Tax Cuts and Jobs Act, but it did not survive to final passage.

A JEC hearing entitled "Evaluating the U.S. Competitiveness and Investment Advantages of a Destination-Based Cash Flow Tax" originally scheduled for Wednesday, March 4<sup>th</sup> was postponed.

### **Former SSA Administrator O'Malley speaks to NIRS conference about solving the solvency of Social Security**

Martin O'Malley, former Social Security Administrator and Governor of Maryland, spoke to attendees of the National Institute on Retirement Security conference last week in Washington, DC. SERS staff attended the conference to hear a variety of speakers discuss issues related to retirement security and how to remove obstacles for individuals to save for retirement.

While raising concerns about immediate operational cuts at SSA, O'Malley also stated that Social Security is "not on a path toward bankruptcy" in the long term, arguing that the funding issue facing the program is a "solvable problem". He also emphasized the need for increased, not decreased, staffing to manage the workload and reduce backlogs.

In his remarks, to ensure long-term solvency and 100% benefit payments, O'Malley advocated for having higher earners pay more into the system. He supported raising the cap on taxable income for Social Security, suggesting that all income above \$250,000 should be subject to the tax.

He expressed optimism that Congress would act in time to address the funding issues, although he admitted that they likely would cut it close to the deadline of 2033 when trust funds are expected to reach zero and benefit payments will be limited to amount of revenue being paid into the system.

### **CMS announces new initiative to combat fraud in federal health care programs**

The Centers for Medicare and Medicaid Services (CMS) have introduced several new measures to combat fraud, waste, and abuse in federal health programs, aiming to protect patients and improve affordability. CMS leadership, along with officials from the Department of Health and Human Services, announced at the White House that the actions include deferring \$259.5 million in federal Medicaid funds for Minnesota while “questionable” claims are reviewed. Additionally, CMS announced a six-month nationwide moratorium on new Medicare enrollments for certain durable medical equipment suppliers, as well as measures to increase stakeholder involvement in shaping CMS policies.

The announcement also invites stakeholders to share ideas for further improving program integrity efforts across Medicare, Medicaid, the Children’s Health Insurance Program, and the Health Insurance Marketplace. CMS emphasized its ongoing efforts to prevent improper payments, which include suspending billions of dollars in suspected fraudulent Medicare claims, revoking billing privileges from ineligible providers, and forwarding billions of potentially fraudulent claims to law enforcement.

**STATE LEGISLATION BOARD REPORT**  
**(Prepared by Chris Collins as of March 11, 2026)**

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**136<sup>th</sup> General Assembly**

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**HB18** DIGITAL ASSET INVESTMENT, CRYPTOCURRENCY RESERVE (Demetriou, S) - To address investments in exchange-traded products by the state retirement systems, to create a Ohio Strategic Reserve Fund, to permit the Treasurer of State to invest interest earnings from certain state funds in digital assets, and to name this act the Ohio Strategic Reserve Act.

Current Status: 10/14/2025 House Technology and Innovation, (Fifth Hearing)

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**HB96** OPERATING BUDGET (Stewart, B) - To make operating appropriations for the biennium beginning July 1, 2025, and ending June 30, 2027, to levy taxes, and to provide authorization and conditions for the operation of state programs.

Current Status: 10/01/2025 Consideration of Governor's Veto; Senate Overrides Veto on Item 66, Vote 21-11

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**HB116** DIGITAL ASSET MINING, TAXATION, REGULATION (Demetriou, S) - To address mining, taxation, and regulation of digital assets and digital asset investments by the state retirement systems.

Current Status: 06/25/2025 Referred to Financial Institutions, Insurance and Technology Committee

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**HB413** CREATE LOCAL GOVERNMENT EXPENDITURE DATABASE (Young, Peterson) - To create the Ohio Local Government Expenditure Database and require political subdivision participation, to require the state retirement systems to participate in the Ohio State Government Expenditure Database, and to make an appropriation.

Current Status: 02/17/2026 House Technology and Innovation, (Fourth Hearing)

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**HB473** PROHIBIT PUBLIC EMPLOYER CONTRIBUTION PAYMENTS (Thomas, D) - To prohibit a public employer from paying employee contributions to a state retirement system.

Current Status: 02/25/2026 House Public Insurance and Pensions, (Third Hearing)

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**HB609** PUBLIC TESTIMONY REQUIREMENT (Thomas, Craig) - To require a public body to allow for public commentary and testimony before taking formal action on any item.

Current Status: 02/24/2026 SUBSTITUTE BILL ACCEPTED, House General Government, (First Hearing)

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**HB674** SCHOOL TRANSPORTATION AUTHORIZATION-NETWORK COMPANY (Miller, K) -  
To authorize a public or private school to transport students using a transportation network company.

Current Status: 03/10/2026 House Education (Second Hearing)

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**SB69** INTENTION TO REFORM-STATE PUBLIC RETIREMENT SYSTEMS (Romanchuk, M) -  
To declare the General Assembly's intent to enact legislation to reform the law governing the state's public retirement systems.

Current Status: 02/12/2025 Referred to Financial Institutions, Insurance and Technology Committee

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# Finance Headline News – March 2026



- Budget Administration
  - FY26 SERS administrative expenses are tracking under budget through February 2026
    - Medical and Prescription claims exceed budget but are within policy tolerance
  - FY27 budget cycle – FY26 forecast is being calculated (9 actuals + 3 forecast). FY27 draft Personnel scenarios presented in March. FY27 budget in ORSC format will be presented in April.
- The following detailed reports are attached for further analysis:
  - FY26 Budget Administrative expense reports
    - Administrative expense summary for February 2026
    - Administrative expense detail for February 2026
    - Parameters report for February 2026
  - Financial highlights
    - As of January 2026

**School Employees Retirement System of Ohio**  
**SERS Summary Admin Expenses**  
**Feb 2026**

Financial Row	Amount
<b>Summary Admin Expenses</b>	
<b>Expense</b>	
<b>53100.0 - Staff Salaries Expense</b>	
53100 - Salaries & Wages	\$1,346,050.25
53110 - Salaries & Wages - Overtime	\$3,404.49
53111 - Staff Vacation Leave Expense	\$129,308.34
53112 - Staff Sick Leave Expense	\$57,010.19
53113 - Staff Voluntary Life Insurance Reimbursement	\$311.76
<b>Total - 53100.0 - Staff Salaries Expense</b>	<b>\$1,536,085.03</b>
<b>53200.0 - Staff Retirement Contribution Expense</b>	
53200 - Staff Employer Contributions - PERS	\$199,888.59
53205 - Staff Employer Paid Member Contributions	\$2,653.84
<b>Total - 53200.0 - Staff Retirement Contribution Expense</b>	<b>\$202,542.43</b>
<b>53300.0 - Staff Benefit Expenses</b>	
53300 - Staff Group Life	\$7,797.37
53310 - Staff Long Term Disability	\$3,738.08
53315 - Staff Short Term Disability	\$3,277.21
53320 - Staff Group Health Claims	\$304,669.61
53321 - Staff Group Health - Admin Fees	\$7,997.81
53322 - Staff Prescription Claims	\$94,159.94
53324 - Staff Group Health - Stop Loss Admin	\$37,031.12
53326 - Staff Vision Claims	\$2,919.99
53330 - Staff Group Health - Employee Cost	(\$45,462.51)
53331 - Staff Group Health - Wellness Incentive	\$4,245.00
53332 - Staff Group Health - Tobacco Premiums	(\$560.00)
53340 - Staff Medicare Premium - Employer	\$19,710.43
53380 - Staff Deferred Compensation Match	\$4,905.00
<b>Total - 53300.0 - Staff Benefit Expenses</b>	<b>\$444,429.05</b>
54100 - Actuarial Services	\$52,150.83
54200 - Audit Services	\$30,000.00
<b>54300.0 - Banking Fee Expenses</b>	
54310 - Custodial Fees	\$85,988.27
54320 - Custodial Banking	\$12,576.93
<b>Total - 54300.0 - Banking Fee Expenses</b>	<b>\$98,565.20</b>
<b>54400.0 - Investment Related Expenses</b>	
54410 - Master Recordkeeper Fees	\$64,668.80
54460 - Bloomberg Terminal Rentals	\$15,645.00
<b>Total - 54400.0 - Investment Related Expenses</b>	<b>\$80,313.80</b>
54520 - Medical Consultant	\$4,000.00
<b>54600.0 - Technical Expenses</b>	
54610 - Special Counsel	(\$36,920.00)
54620 - Technical	\$4,864.97
54630 - Other Professional Services	\$64,761.82
<b>Total - 54600.0 - Technical Expenses</b>	<b>\$32,706.79</b>
55100 - Postage	\$26,553.96
55200 - Telecommunications Services	\$3,032.03
55300 - Member/Employer Education	(\$330.00)
<b>55400.0 - Printing &amp; Publication Expenses</b>	
55400 - Printing Paper	\$2,211.05
55420 - Communications & Publications	\$9,109.80
<b>Total - 55400.0 - Printing &amp; Publication Expenses</b>	<b>\$11,320.85</b>

<b>56000.0 - Computer Support Service Expenses</b>	
56030 - Software Maintenance	\$37,285.47
56035 - Software Subscriptions	\$249,344.43
56040 - Hardware < \$5,000	\$2,327.15
56050 - Software < \$25,000	\$577.85
<b>Total - 56000.0 - Computer Support Service Expenses</b>	<b>\$289,534.90</b>
<b>56100.0 - Office Equipment &amp; Supply Expenses</b>	
56110 - Equipment Repairs & Maintenance	\$1,265.10
56120 - Equipment Rental	\$399.99
56130 - Office Supplies & Expenses	\$777.12
56160 - Records Storage	\$125.00
<b>Total - 56100.0 - Office Equipment &amp; Supply Expenses</b>	<b>\$2,567.21</b>
<b>56200.0 - Staff Training Expenses</b>	
56210 - Seminars & Conferences	\$2,339.00
56220 - In House Training	\$603.10
<b>Total - 56200.0 - Staff Training Expenses</b>	<b>\$2,942.10</b>
<b>56300.0 - Transportation &amp; Travel Expenses</b>	
56310 - Travel & Transportation	\$5,146.78
56311 - Mileage	\$1,399.87
<b>Total - 56300.0 - Transportation &amp; Travel Expenses</b>	<b>\$6,546.65</b>
<b>56400.0 - Membership &amp; Subscription Expenses</b>	
56410 - Subscriptions	\$9,518.19
56420 - Memberships	\$8,568.50
<b>Total - 56400.0 - Membership &amp; Subscription Expenses</b>	<b>\$18,086.69</b>
<b>56600.0 - Maintenance Expenses</b>	
56630 - Interior Landscaping	\$1,396.37
56640 - Vehicle Expense	\$145.70
<b>Total - 56600.0 - Maintenance Expenses</b>	<b>\$1,542.07</b>
<b>56650.0 - Staff Support Expenses</b>	
56620 - Staff Support	\$4,719.04
56621 - Recruiting Expenses	\$488.61
<b>Total - 56650.0 - Staff Support Expenses</b>	<b>\$5,207.65</b>
56900 - Reimbursement of Leased Svcs from OSERS Broad St	(\$25,416.67)
<b>Total - Expense</b>	<b>\$2,822,380.57</b>
<b>Total Admin Expenses</b>	<b>\$2,822,380.57</b>

**School Employees Retirement System of Ohio  
SERS Detail Admin Expenses  
Feb 2026**

Financial Row	Vendor Bill Name	Amount
<b>Summary Admin Expenses</b>		
<b>Expense</b>		
53100.0 - Staff Salaries Expense		
53100 - Salaries & Wages		
	0133 ADP, LLC	\$1,346,050.25
<b>Total - 53100 - Salaries &amp; Wages</b>		<b>\$1,346,050.25</b>
53110 - Salaries & Wages - Overtime		
	0133 ADP, LLC	\$3,404.49
<b>Total - 53110 - Salaries &amp; Wages - Overtime</b>		<b>\$3,404.49</b>
53111 - Staff Vacation Leave Expense		
	0133 ADP, LLC	\$129,308.34
<b>Total - 53111 - Staff Vacation Leave Expense</b>		<b>\$129,308.34</b>
53112 - Staff Sick Leave Expense		
	0133 ADP, LLC	\$57,010.19
<b>Total - 53112 - Staff Sick Leave Expense</b>		<b>\$57,010.19</b>
53113 - Staff Voluntary Life Insurance Reimbursement		
	0133 ADP, LLC	\$311.76
<b>Total - 53113 - Staff Voluntary Life Insurance Reimbursement</b>		<b>\$311.76</b>
<b>Total - 53100.0 - Staff Salaries Expense</b>		<b>\$1,536,085.03</b>
53200.0 - Staff Retirement Contribution Expense		
53200 - Staff Employer Contributions - PERS		
	0133 ADP, LLC	\$199,888.59
<b>Total - 53200 - Staff Employer Contributions - PERS</b>		<b>\$199,888.59</b>
53205 - Staff Employer Paid Member Contributions		
	0133 ADP, LLC	\$2,653.84
<b>Total - 53205 - Staff Employer Paid Member Contributions</b>		<b>\$2,653.84</b>
<b>Total - 53200.0 - Staff Retirement Contribution Expense</b>		<b>\$202,542.43</b>
53300.0 - Staff Benefit Expenses		
53300 - Staff Group Life		
	0267 American United Life Insurance Company	\$7,797.37
<b>Total - 53300 - Staff Group Life</b>		<b>\$7,797.37</b>
53310 - Staff Long Term Disability		
	0267 American United Life Insurance Company	\$3,738.08
<b>Total - 53310 - Staff Long Term Disability</b>		<b>\$3,738.08</b>
53315 - Staff Short Term Disability		
	0267 American United Life Insurance Company	\$3,277.21
<b>Total - 53315 - Staff Short Term Disability</b>		<b>\$3,277.21</b>
53320 - Staff Group Health Claims		
	3555 Aetna Daily Wires - ESERS	\$304,669.61
<b>Total - 53320 - Staff Group Health Claims</b>		<b>\$304,669.61</b>
53321 - Staff Group Health - Admin Fees		
	3552 Aetna Admin - ESERS	\$7,997.81
<b>Total - 53321 - Staff Group Health - Admin Fees</b>		<b>\$7,997.81</b>
53322 - Staff Prescription Claims		
	2811 Express Scripts - ESERS	\$94,159.94
<b>Total - 53322 - Staff Prescription Claims</b>		<b>\$94,159.94</b>
53324 - Staff Group Health - Stop Loss Admin		
	3552 Aetna Admin - ESERS	\$37,031.12
<b>Total - 53324 - Staff Group Health - Stop Loss Admin</b>		<b>\$37,031.12</b>
53326 - Staff Vision Claims		
	0266 VSP - (OH)	\$2,919.99
<b>Total - 53326 - Staff Vision Claims</b>		<b>\$2,919.99</b>
53330 - Staff Group Health - Employee Cost		
	Employee Premiums	(\$45,462.51)
<b>Total - 53330 - Staff Group Health - Employee Cost</b>		<b>(\$45,462.51)</b>
53331 - Staff Group Health - Wellness Incentive		
	0133 ADP, LLC	\$4,245.00
<b>Total - 53331 - Staff Group Health - Wellness Incentive</b>		<b>\$4,245.00</b>

53332 - Staff Group Health - Tobacco Premiums		
	0133 ADP, LLC	(\$560.00)
<b>Total - 53332 - Staff Group Health - Tobacco Premiums</b>		<b>(\$560.00)</b>
53340 - Staff Medicare Premium - Employer		
	0133 ADP, LLC	\$19,710.43
<b>Total - 53340 - Staff Medicare Premium - Employer</b>		<b>\$19,710.43</b>
53380 - Staff Deferred Compensation Match		
	0133 ADP, LLC	\$4,905.00
<b>Total - 53380 - Staff Deferred Compensation Match</b>		<b>\$4,905.00</b>
<b>Total - 53300.0 - Staff Benefit Expenses</b>		<b>\$444,429.05</b>
54100 - Actuarial Services		
	3241 CavMac	\$52,150.83
<b>Total - 54100 - Actuarial Services</b>		<b>\$52,150.83</b>
54200 - Audit Services		
	5222 Plante & Moran, PLLC	\$30,000.00
<b>Total - 54200 - Audit Services</b>		<b>\$30,000.00</b>
54300.0 - Banking Fee Expenses		
54310 - Custodial Fees		
	5482 Fifth Third - Investments	\$26,008.70
	0273 BNY Mellon Asset Servicing	\$59,979.57
<b>Total - 54310 - Custodial Fees</b>		<b>\$85,988.27</b>
54320 - Custodial Banking		
	0386 Huntington National Bank	\$12,576.93
<b>Total - 54320 - Custodial Banking</b>		<b>\$12,576.93</b>
<b>Total - 54300.0 - Banking Fee Expenses</b>		<b>\$98,565.20</b>
54400.0 - Investment Related Expenses		
54410 - Master Recordkeeper Fees		
	0273 BNY Mellon Asset Servicing	(\$19,200.42)
	5897 Clearwater Analytics, LLC	\$83,869.22
<b>Total - 54410 - Master Recordkeeper Fees</b>		<b>\$64,668.80</b>
54460 - Bloomberg Terminal Rentals		
	2700 Bloomberg Finance LP	\$15,645.00
<b>Total - 54460 - Bloomberg Terminal Rentals</b>		<b>\$15,645.00</b>
<b>Total - 54400.0 - Investment Related Expenses</b>		<b>\$80,313.80</b>
54520 - Medical Consultant		
	1021 Glen G Borchers, M.D.	\$4,000.00
<b>Total - 54520 - Medical Consultant</b>		<b>\$4,000.00</b>
54600.0 - Technical Expenses		
54610 - Special Counsel		
	0276 Ice Miller LLP	\$3,872.50
	3361 Seyfarth Shaw LLP	\$21,707.50
	5580 Sharpen Technologies Inc	(\$62,500.00)
<b>Total - 54610 - Special Counsel</b>		<b>(\$36,920.00)</b>
54620 - Technical		
	3296 LexisNexis Risk Data Management, Inc	\$2,021.22
	5215 ComResource	\$2,843.75
<b>Total - 54620 - Technical</b>		<b>\$4,864.97</b>
<b>54630 - Other Professional Services</b>		
	0311 Government Finance Officers Association	\$1,205.00
	5031 Vorys Advisors LLC	\$4,000.00
	5632 MRA	\$8,800.00
	5957 Dawson	\$2,217.60
	1098 Hudepohl & Associates Inc.	\$33,747.72
	3463 Courtyard by Marriott	\$262.00
	5550 Sage Policy Group	\$10,000.00
	5423 Contoural, Inc.	\$1,529.50
	5532 CBIZ Talent and Compensation Solutions	\$3,000.00
<b>Total - 54630 - Other Professional Services</b>		<b>\$64,761.82</b>
<b>Total - 54600.0 - Technical Expenses</b>		<b>\$32,706.79</b>
55100 - Postage		
	2489 FedEx	\$45.18
	0254 Unishippers Association	\$132.20
	0251 United States Postal Service	\$25,000.00
	0060 Pitney Bowes Inc.	\$815.13
	4906 Quadient	\$561.45
<b>Total - 55100 - Postage</b>		<b>\$26,553.96</b>

<b>55200 - Telecommunications Services</b>		
	5555 Everstream Solutions LLC	\$1,255.00
	5543 Spectrum AWS	\$1,230.00
	1605 AT&T - 7258	\$50.09
	0087 Spectrum	\$267.44
	0253 T-Mobile	\$60.10
	4732 Verizon Wireless	\$169.40
<b>Total - 55200 - Telecommunications Services</b>		<b>\$3,032.03</b>
<b>55300 - Member/Employer Education</b>		
	4834 Event Brite - event payments	(\$330.00)
<b>Total - 55300 - Member/Employer Education</b>		<b>(\$330.00)</b>
<b>55400.0 - Printing &amp; Publication Expenses</b>		
<b>55400 - Printing Paper</b>		
	0407 Sterling Paper Company	\$2,211.05
<b>Total - 55400 - Printing Paper</b>		<b>\$2,211.05</b>
<b>55420 - Communications &amp; Publications</b>		
	5304 Tension Envelope Corporation	\$2,499.80
	0127 Bindery and Specialties, Inc.	\$6,610.00
<b>Total - 55420 - Communications &amp; Publications</b>		<b>\$9,109.80</b>
<b>Total - 55400.0 - Printing &amp; Publication Expenses</b>		<b>\$11,320.85</b>
<b>56000.0 - Computer Support Service Expenses</b>		
<b>56030 - Software Maintenance</b>		
	2263 Dell Marketing LP	\$2,285.47
	4518 Sagitec Solutions, LLC	\$35,000.00
<b>Total - 56030 - Software Maintenance</b>		<b>\$37,285.47</b>
<b>56035 - Software Subscriptions</b>		
	5409 Amazon Web Services	\$112.37
	5473 Wellable LLC	\$481.00
	5501 Expedient	\$12,254.50
	5665 Total Communication Solutions	\$101,920.47
	5422 WordFence	\$149.00
	5601 RoadMunk.com	\$635.04
	0133 ADP, LLC	\$5,524.16
	5849 GuidePoint Security, LLC	\$49,376.60
	5648 Oracle America, Inc.	\$12,202.49
	2263 Dell Marketing LP	\$6,199.80
	4139 Shi International Corp.	\$2,684.00
	5269 Workiva Inc.	\$57,805.00
<b>Total - 56035 - Software Subscriptions</b>		<b>\$249,344.43</b>
<b>56040 - Hardware &lt; \$5,000</b>		
	0411 Amazon.com	\$1,300.15
	2263 Dell Marketing LP	\$1,027.00
<b>Total - 56040 - Hardware &lt; \$5,000</b>		<b>\$2,327.15</b>
<b>56050 - Software &lt; \$25,000</b>		
	2263 Dell Marketing LP	\$577.85
<b>Total - 56050 - Software &lt; \$25,000</b>		<b>\$577.85</b>
<b>Total - 56000.0 - Computer Support Service Expenses</b>		<b>\$289,534.90</b>
<b>56100.0 - Office Equipment &amp; Supply Expenses</b>		
<b>56110 - Equipment Repairs &amp; Maintenance</b>		
	5332 Canon Financial Services, Inc	\$544.00
	4620 Ricoh USA, Inc	\$721.10
<b>Total - 56110 - Equipment Repairs &amp; Maintenance</b>		<b>\$1,265.10</b>
<b>56120 - Equipment Rental</b>		
	0411 Amazon.com	\$399.99
<b>Total - 56120 - Equipment Rental</b>		<b>\$399.99</b>
<b>56130 - Office Supplies &amp; Expenses</b>		
	0172 Staples Business Advantage	\$777.12
<b>Total - 56130 - Office Supplies &amp; Expenses</b>		<b>\$777.12</b>
<b>56160 - Records Storage</b>		
	0007 Vital Records Holdings, LLC	\$125.00
<b>Total - 56160 - Records Storage</b>		<b>\$125.00</b>
<b>Total - 56100.0 - Office Equipment &amp; Supply Expenses</b>		<b>\$2,567.21</b>
<b>56200.0 - Staff Training Expenses</b>		
<b>56210 - Seminars &amp; Conferences</b>		
	0303 NASRA	\$1,780.00
	5994 eCare Behavioral Health Institute	\$59.00
	1535 Ohio State University	\$500.00
<b>Total - 56210 - Seminars &amp; Conferences</b>		<b>\$2,339.00</b>
<b>56220 - In House Training</b>		
	0133 ADP, LLC	\$603.10
<b>Total - 56220 - In House Training</b>		<b>\$603.10</b>
<b>Total - 56200.0 - Staff Training Expenses</b>		<b>\$2,942.10</b>

**56300.0 - Transportation & Travel Expenses****56310 - Travel & Transportation**

5993 AIF Global LLC	\$89.00
4790 Jay Patel	\$162.91
4588 Farouki Majeed	\$731.00
5989 Wade Rooker	\$884.29
4246 Sam's Club	\$92.19
5380 Chris Collins	\$343.63
0024 James Rossler	\$282.25
0564 Kroger	\$8.63
0109 John Grumney	\$456.95
5889 Jeanine Alexander	\$534.88
5669 Veera Podila	\$373.40
0017 Daniel L Wilson	\$293.00
4824 Frank Weglarz	\$360.65
5418 Matt King	\$262.00
5639 Aimee Russell	\$272.00

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**Total - 56310 - Travel & Transportation** **\$5,146.78****56311 - Mileage**

0024 James Rossler	\$205.90
5946 Rebekah Roe	\$73.38
0017 Daniel L Wilson	\$216.06
5639 Aimee Russell	\$119.04
5889 Jeanine Alexander	\$285.66
4824 Frank Weglarz	\$236.36
4116 Cameron Vaughan	\$89.47
5418 Matt King	\$174.00

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**Total - 56311 - Mileage** **\$1,399.87****Total - 56300.0 - Transportation & Travel Expenses****\$6,546.65****56400.0 - Membership & Subscription Expenses****56410 - Subscriptions**

2887 PayrollOrg	\$100.00
5865 Cleveland.Com	\$12.50
5433 Modern Healthcare	\$399.00
2700 Bloomberg Finance LP	\$299.00
0305 Columbus Dispatch	\$45.00
5511 Toledo Blade	\$12.99
0304 Wall Street Journal	\$90.70
4547 Constant Contact	\$674.00
5996 PEI Media LTD	\$3,785.00
0996 Gongwer News Service, Inc	\$4,100.00

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**Total - 56410 - Subscriptions** **\$9,518.19****56420 - Memberships**

5427 Accountancy Board of Ohio	\$183.50
0311 Government Finance Officers Association	\$500.00
5211 Association for Information and Image Management	\$160.00
0886 Public Retirement Information Systems Managemen	\$500.00
0372 Institutional Limited Partners Association	\$6,825.00
0473 Public Pension Financial Forum	\$400.00

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**Total - 56420 - Memberships** **\$8,568.50****Total - 56400.0 - Membership & Subscription Expenses****\$18,086.69****56600.0 - Maintenance Expenses****56630 - Interior Landscaping**

3039 Ambius Inc. (05)	\$1,396.37
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**Total - 56630 - Interior Landscaping** **\$1,396.37****56640 - Vehicle Expense**

3720 Batteries Plus Commercial	\$36.70
0070 BP Oil Company	\$42.00
5573 Sheetz	\$35.00
5069 Moo Moo Car Wash	\$32.00

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**Total - 56640 - Vehicle Expense** **\$145.70****Total - 56600.0 - Maintenance Expenses****\$1,542.07**

**56650.0 - Staff Support Expenses**  
**56620 - Staff Support**

1683 Premier ProduceOne	\$338.70
0411 Amazon.com	\$233.90
5574 Aetna Behavioral Health, LLC	\$282.60
5971 Milo's Catering	\$165.83
0477 Panera Bread	\$230.35
4620 Ricoh USA, Inc	\$198.85
5551 Freedom A La Cart	\$250.00
0133 ADP, LLC	\$2,175.00
4750 Inspira Financial	\$332.50
0259 Continental Cafe, LLC	\$75.74
5303 Culligan Bottled Water of Columbus	\$73.92
3990 Acorn Distributors Inc.	\$361.65

**Total - 56620 - Staff Support** **\$4,719.04**

**56621 - Recruiting Expenses**

5460 Indeed	\$408.00
5430 ADP Screening & Selection Services	\$80.61

**Total - 56621 - Recruiting Expenses** **\$488.61**

**Total - 56650.0 - Staff Support Expenses**

**\$5,207.65**

**56900 - Reimbursement of Leased Svcs from OSERS Broad St**

**(\$25,416.67)**

**Total - 56900 - Reimbursement of Leased Svcs from OSERS Broad St**

**(\$25,416.67)**

**Total - Expense**

**\$2,822,380.57**

**Total Admin Expenses**

**\$2,822,380.57**

**School Employees Retirement System of Ohio  
Broad Street Detail Admin Expenses  
Feb 2026**

Financial Row	Vendor Bill Name	Amount
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
41010 - Suite Income - OSERS Broad St		
		\$39,410.37
<b>Total - 41010 - Suite Income - OSERS Broad St</b>		<b>\$39,410.37</b>
41205.0 - Parking Income		
		\$23,025.00
41206 - Parking Income - OSERS Broad St		\$23,025.00
41600 - Miscellaneous Income - OSERS Broad St		
		\$150.00
<b>Total - 41600 - Miscellaneous Income - OSERS Broad St</b>		<b>\$150.00</b>
<b>Total - Income</b>		<b>\$62,585.37</b>
<b>Gross Profit</b>		<b>\$62,585.37</b>
<b>Expense</b>		
50110.0 - Property Management & Labor		
50110 - Admin. Service Contracts - OSERS Broad St		
	0041 SERS	\$25,416.67
<b>Total - 50110 - Admin. Service Contracts - OSERS Broad St</b>		<b>\$25,416.67</b>
<b>Total - 50110.0 - Property Management &amp; Labor</b>		<b>\$25,416.67</b>
50200.0 - Administrative Expenses		
50241 - Bank Fees - OSERS Broad St		
	5801 Park National Bank	\$77.07
<b>Total - 50241 - Bank Fees - OSERS Broad St</b>		<b>\$77.07</b>
<b>Total - 50200.0 - Administrative Expenses</b>		<b>\$77.07</b>
50300.0 - Building Operations		
50305 - HVAC Repairs & Maintenance - OSERS Broad St		
	5698 Metro Group, Inc.	\$559.80
	5753 GI Industries Inc	\$541.26
	0391 Grainger	\$315.39
	5769 DeBra-Kuempel	\$1,493.50
<b>Total - 50305 - HVAC Repairs &amp; Maintenance - OSERS Broad St</b>		<b>\$2,909.95</b>
50307 - Plumbing Repairs & Maintenance - OSERS Broad St		
	0391 Grainger	\$47.22
	4642 Zoro Tools	\$692.48
	0411 Amazon.com	\$448.00
	5720 Rescue Rooter	\$495.00
<b>Total - 50307 - Plumbing Repairs &amp; Maintenance - OSERS Broad St</b>		<b>\$1,682.70</b>
50308 - Paint, Wallcovering, Refinish - OSERS Broad St		
	5775 Midwest Floor Restore	\$7,500.00
<b>Total - 50308 - Paint, Wallcovering, Refinish - OSERS Broad St</b>		<b>\$7,500.00</b>
50312 - Equip & Tools < \$5,000 - OSERS Broad St		
	1137 Home Depot	\$253.45
<b>Total - 50312 - Equip &amp; Tools &lt; \$5,000 - OSERS Broad St</b>		<b>\$253.45</b>
50317 - Janitorial Services - OSERS Broad St		
	0411 Amazon.com	\$152.76
	3990 Acorn Distributors Inc.	\$1,533.04
	5811 Harvard Maintenance, Inc	\$16,718.47
<b>Total - 50317 - Janitorial Services - OSERS Broad St</b>		<b>\$18,404.27</b>
50318 - Lighting - Bulbs, Fixtures - OSERS Broad St		
	0411 Amazon.com	\$383.88
	3545 eBay	\$516.11
<b>Total - 50318 - Lighting - Bulbs, Fixtures - OSERS Broad St</b>		<b>\$899.99</b>

50321 - Generator Repairs & Maintenance - OSERS Broad St		
	5699 Ohio CAT	\$1,343.91
<b>Total - 50321 - Generator Repairs &amp; Maintenance - OSERS Broad St</b>		<b>\$1,343.91</b>
50325 - Security - OSERS Broad St		
	5749 Remus Borcila	\$568.00
	5883 Trenton Kincade	\$1,082.75
	5857 Cassandra Eschweiler	\$1,331.25
	5751 Kyle Kincade	\$2,236.50
	5856 Shayne McAndrew	\$1,384.50
	5879 Joel George	\$1,260.25
	5955 Ryan Beardsley	\$2,005.75
	5748 Oliver George	\$852.00
	5798 Jeffrey Kracht	\$408.25
	5677 Allied Universal Security Services	\$35,859.98
	5997 Nathan Campbell	\$426.00
	5754 Stephen Galentine Jr.	\$213.00
<b>Total - 50325 - Security - OSERS Broad St</b>		<b>\$47,628.23</b>
50327 - Elevator Repairs & Maintenance - OSERS Broad St		
	5690 Fujitec America, Inc.	\$6,919.37
<b>Total - 50327 - Elevator Repairs &amp; Maintenance - OSERS Broad St</b>		<b>\$6,919.37</b>
50328 - Pest Control - OSERS Broad St		
	5689 Terminix International Company, LP	\$167.10
<b>Total - 50328 - Pest Control - OSERS Broad St</b>		<b>\$167.10</b>
50329 - Life Safety - OSERS Broad St		
	5693 T. P. Mechanical Contractors	\$208.00
<b>Total - 50329 - Life Safety - OSERS Broad St</b>		<b>\$208.00</b>
50330 - Trash & Refuse - OSERS Broad St		
	5770 Rumpke of Ohio Inc	\$621.73
	5241 Royal Document Destruction	\$532.78
<b>Total - 50330 - Trash &amp; Refuse - OSERS Broad St</b>		<b>\$1,154.51</b>
50350 - Landscaping & Grounds - OSERS Broad St		
	0411 Amazon.com	\$115.00
	5761 SiteOne Landscape Supply	\$1,280.96
<b>Total - 50350 - Landscaping &amp; Grounds - OSERS Broad St</b>		<b>\$1,395.96</b>
50370 - Licenses & Permits - OSERS Broad St		
	5705 City of Columbus Treasurer/License Section	\$525.00
<b>Total - 50370 - Licenses &amp; Permits - OSERS Broad St</b>		<b>\$525.00</b>
<b>Total - 50300.0 - Building Operations</b>		<b>\$90,992.44</b>
50400.0 - Utilities		
50405 - Heat & Gas - OSERS Broad St		
	5686 Columbia Gas	\$22,624.57
<b>Total - 50405 - Heat &amp; Gas - OSERS Broad St</b>		<b>\$22,624.57</b>
50410 - Electricity - OSERS Broad St		
	5794 American Electric Power - 87617	\$176.58
	5795 American Electric Power - 16108	\$367.47
	5678 American Electric Power - 23018	\$25,232.81
<b>Total - 50410 - Electricity - OSERS Broad St</b>		<b>\$25,776.86</b>
50415 - Water & Sewer - OSERS Broad St		
	5681 Columbus City Treasurer	\$1,556.90
<b>Total - 50415 - Water &amp; Sewer - OSERS Broad St</b>		<b>\$1,556.90</b>
<b>Total - 50400.0 - Utilities</b>		<b>\$49,958.33</b>
50600 - Real Estate Taxes - OSERS Broad St		
	5696 Franklin County Treasurer	\$136,156.32
<b>Total - 50600 - Real Estate Taxes - OSERS Broad St</b>		<b>\$136,156.32</b>
51010.0 - Other Fees		
51010 - Special Counsel - OSERS Broad St		
	3514 Bailey Cavalieri, LLC	\$1,087.50
<b>Total - 51010 - Special Counsel - OSERS Broad St</b>		<b>\$1,087.50</b>
51013 - Building Remodeling - OSERS Broad St		
	1137 Home Depot	\$457.04
	5704 Genesis Planning & Design	\$3,129.00
<b>Total - 51013 - Building Remodeling - OSERS Broad St</b>		<b>\$3,586.04</b>
<b>Total - 51010.0 - Other Fees</b>		<b>\$4,673.54</b>
<b>Total - Expense</b>		<b>\$307,274.37</b>
<b>Net Budgeted Expense</b>		<b>\$244,689.00</b>
<b>Net Building Occupancy</b>		<b>\$219,272.33</b>

FY2026 Administrative Budget  
Board Expense to Budget Reporting  
Year-to-Date Through February 28, 2026

Major Category/Sub-Major Category	Line Item	Vendor	FY2026 Budget Approved	Year to Date Expense	Additional Information
<b>PROFESSIONAL SERVICES</b>			<b>\$ 7,044,466</b>	<b>\$ 4,209,111</b>	
ACTUARIAL ADVISORS			\$ 357,700	\$ 278,385	
	Actuarial	Cavanaugh Macdonald	\$ 357,700	\$ 278,385	Actuarial Consultant
AUDITING			\$ 220,000	\$ 136,112	
	Auditing	Plante Moran	\$ 180,000	\$ 135,000	External Auditor
<b>BANKING FEES</b>			<b>\$ 1,343,000</b>	<b>\$ 756,748</b>	
	Custodial Banking		\$ 1,188,000	\$ 663,529	
		Fifth Third	\$ 396,000	\$ 211,140	Domestic Custodian
		BNYM	\$ 792,000	\$ 452,389	International Custodian
	Administrative Banking	Huntington National Bank/ TOS	\$ 155,000	\$ 93,219	Banking Services
<b>INVESTMENT RELATED</b>			<b>\$ 2,694,215</b>	<b>\$ 1,928,286</b>	
	Master Recordkeeper		\$ 1,532,000	\$ 1,129,720	
		BNYM	\$ 400,000	\$ 286,312	
		Clearwater Analytics	\$ 980,000	\$ 608,083	
		MSCI (Burgiss)	\$ 132,000	\$ 215,325	
	Investment Consulting & Advisory Services		\$ 450,000	\$ 225,000	
		Wilshire	\$ 450,000	\$ 225,000	Investment Consulting
	Performance Analytics Services		\$ 492,416	\$ 397,000	
		Barra-One Risk Mgmt Sys	\$ 238,445	\$ 178,834	Investment Risk Analytics
		BNY Mellon GRS	\$ 137,607	\$ 103,205	Investment Performance Analytics
<b>TECHNICAL</b>			<b>\$ 2,383,426</b>	<b>\$ 1,079,081</b>	
	Special Counsel		\$ 396,000	\$ 172,768	
	Technical		\$ 1,400,912	\$ 458,716	
		Merative	\$ 124,000	\$ 62,000	Data Warehouse
		Sagitec	\$ 590,912	\$ 291,620	SMART Development Resources
		Board Initiative	\$ 100,000	\$ -	Board Initiatives
	Other Professional Services		\$ 586,514	\$ 447,597	
		Gartner	\$ 105,414	\$ 105,414	Management Consulting
		Managed Security Service Provider (MSSP)	\$ 100,000	\$ 49,854	
<b>OTHER OPERATING EXPENSE</b>			<b>\$ 4,548,745</b>	<b>\$ 2,612,863</b>	
<b>COMPUTER SUPPORT SERVICES</b>			<b>\$ 3,195,613</b>	<b>\$ 1,743,184</b>	
	Software Maintenance		\$ 1,023,833	\$ 760,470	
		Dell	\$ 280,000	\$ 276,418	Microsoft Enterprise Agreement/ True Up
		Sagitec	\$ 420,000	\$ 280,000	SMART Silver Support
		Hyland	\$ 122,640	\$ 121,810	ImageNow
	Software Subscriptions		\$ 1,905,891	\$ 910,754	
		DRaaS	\$ 150,000	\$ 110,177	Expedient
		Dynamo	\$ 146,320	\$ 114,589	Dynamo Software, INC
		Carahsoft	\$ 168,152	\$ 168,123	ServiceNow System
		Zoom	\$ 127,000	\$ 101,920	Telecommunication Services
<b>PROPERTY MANAGEMENT LIABILITY INSURANCE</b>			<b>\$ 518,428</b>	<b>\$ 483,838</b>	
	Management Liability Insurance		\$ 518,428	\$ 483,838	
		Cyber Liability Insurance	\$ 155,976	\$ 124,861	ARC Excess & Surplus, LLC
		Crime Fiduciary D&O Insurance	\$ 362,452	\$ 358,977	ARC Excess & Surplus, LLC

**PROJECT ITEMS**

Major Category/Sub-Major Category	Line Item	Project	FY2025 Budget	YTD Expense	Additional Information
<b>PROFESSIONAL SERVICES</b>					
	TECHNICAL				

**SERS**

**UNBUDGETED PROJECT ITEMS**

Major Category/Sub-Major Category	Line Item	Project	FY2026 Budget	YTD Expense	Additional Information
			\$ -		
Professional Services	2nd Installment CAO Search		\$ -	\$ 51,250	Hudepohl & Associates
Professional Services	Executive Director Search		\$ -	\$ 62,864	Hudepohl & Associates

**OSERS BROAD STREET, LLC**

**UNBUDGETED PROJECT ITEMS**

Major Category	Line Item	Project	FY2026 Budget	YTD Expense
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# SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

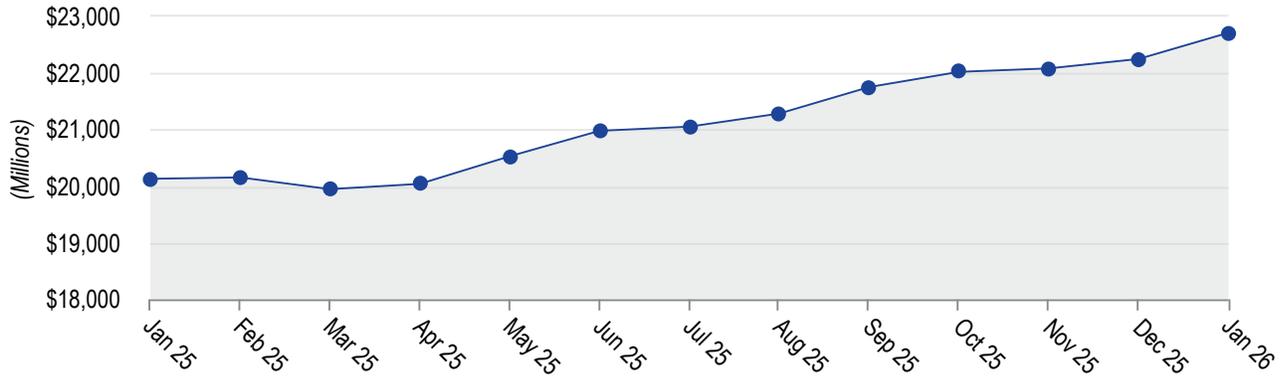
## FINANCIAL HIGHLIGHTS

As of January 31, 2026 and 2025

(unaudited)

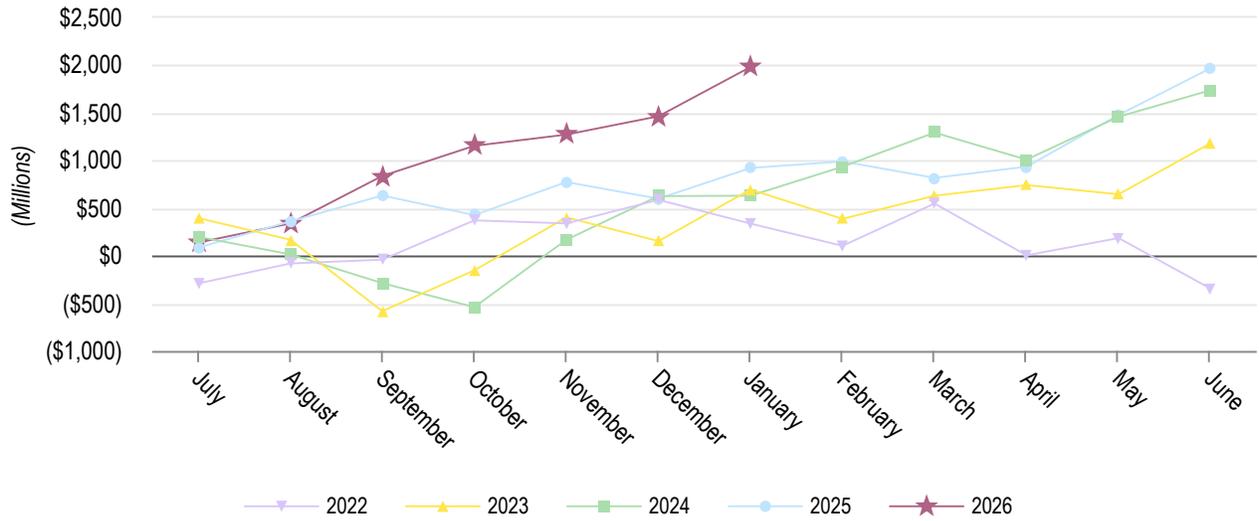
<b>SERS (All Funds)</b>	1/31/26 YTD	1/31/25 YTD	Comparative Difference	% Difference
<b><u>ADDITIONS</u></b>				
Employer Contributions	\$402,767,749	\$389,677,261	\$13,090,488	3%
Member Contributions	262,918,774	253,812,240	9,106,534	4
Other Income	49,677,445	56,638,109	(6,960,664)	(12)
Total Investment Income, Net	1,982,946,015	922,206,919	1,060,739,096	115
<b>TOTAL ADDITIONS</b>	<b>2,698,309,983</b>	<b>1,622,334,529</b>	<b>1,075,975,454</b>	<b>66</b>
<b><u>DEDUCTIONS</u></b>				
Retirement, Disability, Survivor & Death Benefits	902,869,724	861,554,533	41,315,191	5
Health Care Expenses	76,754,996	76,699,838	55,158	—
Refunds & Transfers	64,577,350	54,776,868	9,800,482	18
Administrative Expenses (excluding Investments)	20,063,975	19,256,353	807,622	4
<b>TOTAL DEDUCTIONS</b>	<b>1,064,266,045</b>	<b>1,012,287,592</b>	<b>51,978,453</b>	<b>5</b>
Changes in Net Position	1,634,043,938	610,046,937	1,023,997,001	168
Net Position - Beginning	21,081,732,005	19,520,714,290	1,561,017,715	8
<b>SERS Net Position - Ending</b>	<b>\$22,715,775,943</b>	<b>\$20,130,761,227</b>	<b>\$2,585,014,716</b>	<b>13%</b>
 <b>HEALTH CARE FUND</b>				
<b><u>HEALTH CARE ADDITIONS</u></b>				
Employer Contributions	\$35,694,606	\$34,999,990	\$694,616	2%
Health Care Premiums	32,508,240	33,195,929	(687,689)	(2)
Federal Subsidies & Other Receipts	17,107,217	23,425,558	(6,318,341)	(27)
Total Investment Income, Net	81,821,975	32,779,987	49,041,988	150
<b>TOTAL HEALTH CARE ADDITIONS</b>	<b>167,132,038</b>	<b>124,401,464</b>	<b>42,730,574</b>	<b>34</b>
<b>TOTAL HEALTH CARE DEDUCTIONS</b>	<b>78,875,243</b>	<b>78,528,149</b>	<b>347,094</b>	<b>—</b>
Changes in Net Position	88,256,795	45,873,315	42,383,480	(92)
Net Position - Beginning	939,812,471	816,468,867	123,343,604	15
<b>SERS Health Care Fund Net Position - Ending</b>	<b>\$1,028,069,266</b>	<b>\$862,342,182</b>	<b>\$165,727,084</b>	<b>19%</b>

### Total SERS Fund Balance for Previous 12 Months

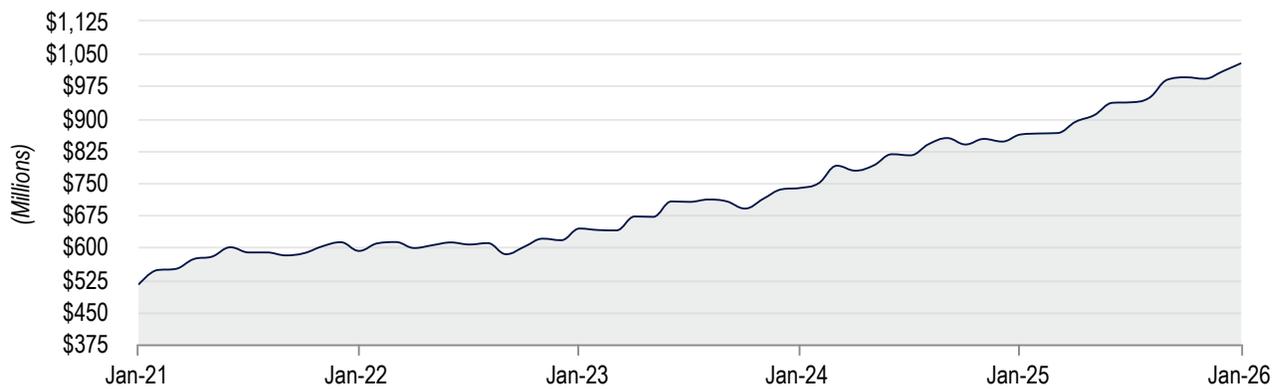


\*The Total SERS Fund Balance is based on unaudited, preliminary June 2025 financial statements.

### Investment Income (includes realized and unrealized gains & losses)



### Health Care Fund Balance Trend



# Memo

To: Retirement Board  
From: Richard Stensrud  
CC: Karen Roggenkamp, Michelle Miller, Joe Marotta  
Date: March 9, 2026  
Re: Cost Impact of Compensation Recommendations

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## Background:

As you will recall, at the February Board meeting CBiZ provided the Board with guidance on two compensation-related matters. Both matters are addressed annually as part of the development of the next year's budget, and are important for maintaining the compensation structure and objectives established in the comprehensive compensation study.

First, pursuant to the Compensation Policy, each year the salary structure (i.e., all of the salary ranges for all employees) is reviewed and adjusted as necessary based on the changes to the labor market salary data for the markets against which SERS' positions are benchmarked (public sector or private sector depending on the position). This is important because it is the mechanism by which SERS' salary ranges are kept aligned with the salaries for comparable positions, and in so doing, it helps assure that the salary ranges allow SERS to attract and retain the quality of employees that will enable SERS to continue to be successful at our mission. The annual adjustment also reduces the potential for having to make larger adjustments when market-competitive pay is assessed every three to five years in the full compensation study.

A few things to note about the salary structure adjustment:

- The annual salary range adjustment is the same for all positions.
- Changes to salary ranges do not mean that employees receive a salary increase in the amount of the change. In most cases, it is simply the salary range that is changed, not the salary. In some cases, however, an employee's salary may fall below the new salary range minimum, and in such a case the salary is raised to the new salary range minimum. Typically, this is a small salary adjustment.

The second compensation matter is the adjustment to the total salary budget for FY 26-27. Adjusting the salary budget annually to match market trends for annual salary growth is important and a best practice because it assures that wages remain competitive in the relevant markets and that larger salary increases are not required when the next compensation study is performed.

As you will recall, annual merit increases are the primary source of salary growth for most SERS employees. Salary growth can also come via a promotion; be based on expanded job duties; for an equity adjustment to keep the employee appropriately placed in her/his salary range; or because the employee is below the minimum of her/his salary range. SERS' employees do not receive automatic step increases or cost of living adjustments.

Discussion:

In February, CBiZ made the following recommendations based on the labor market data for SERS' positions:

- A 2.6% increase to the salary structure (the increase in the salary range for all positions).
- A 4.0% increase in the salary budget (the amount needed to address merit growth, however, planned promotions, equity adjustments, and bringing people up to the new minimum of their salary range are not included in that number).
- CBiZ further recommended that the merit component of the salary budget be greater than the structure adjustment (range increase) so that people continue to advance within their salary range and not simply remain clustered in the lower part of the range. Specifically, CBiZ recommended that the merit growth be approximately 1.4% more than the structure adjustment.

Consistent with past practice, with the CBiZ recommendations in mind, the following scenarios were modeled to illustrate the fiscal impact of various combinations of structure, merit and total salary budget growth levels. The calculations are built off of a projected base salary total for the end of FY 25-26 of \$18,638,977.

- Scenario 1 assumes the CBiZ 4.0% salary budget adjustment recommendation as the starting point. This would result in a lower salary structure adjustment of 2.2%, a 3.6% merit assumption, and promotions/adjustments of 0.4%. This would be an increase of \$745,559 over the FY 25-26 year-end total.
- Scenario 2 uses the CBiZ 2.6% structure adjustment recommendation as the starting point. Per the discussion above, that would mean a 4.0% merit assumption, and with promotions/adjustments of 0.4%, would result in a 4.4% increase in the salary budget – an increase of \$820,115 over the FY 25-26 year-end total.

Scenarios 3 and 4 illustrate variations on the two CBiZ recommendations that fall between Scenarios 1 and 2.

- Scenario 3 assumes a slightly higher salary structure adjustment than Scenario 1 and slightly lower than Scenario 2 (2.35% versus 2.2% and 2.6%). This would result in a 4.0% merit adjustment, and with promotions/adjustments of 0.40%, a 4.15% salary budget adjustment. The salary budget increase would be \$773,518 greater than FY 25-26 year-end.
- Scenario 4 assumes a slightly higher salary budget adjustment recommendation than Scenario 1 and a slightly lower salary budget adjustment than Scenario 2 (4.25% versus 4.0% and 4.40%). This would result in a 3.85% merit adjustment with 0.40% for promotions/adjustments. The increase in the salary budget would be \$792,157.

As further points of reference, the merit adjustment for calendar year 2026 at OPERS is 5.0% and 4.0% at OP&F. The proposed merit adjustment at STRS for FY 26-27 is 4.0%.

At the March Board Meeting the Board will be asked to approve a specific salary structure and salary budget adjustment, and merit level, so that this information can be built into the budget for FY 26-27. You will recall that pursuant to policy and practice, a preliminary budget is presented to the ORSC in April, the draft budget is presented for Board discussion in May, and the proposed final budget is presented for Board approval in June.

I hope this information is helpful. Please let me know if you have any questions.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<b>Salary Structure Update*</b>	<b>2.2%</b>	<b>2.6%</b>	<b>2.35%</b>	<b>2.45%</b>
<b>Merit Assumption</b>	<b>3.6%</b>	<b>4.0%</b>	<b>3.75%</b>	<b>3.85%</b>
<b>Promotions &amp; Adjustments</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.40%</b>	<b>0.40%</b>
<b>New FTE</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total Base Salary Growth</b>	<b>4.00%</b>	<b>4.40%</b>	<b>4.15%</b>	<b>4.25%</b>
<b>Total Projected Base Salary Increase</b>	<b>\$745,559</b>	<b>\$820,115</b>	<b>\$773,518</b>	<b>\$792,157</b>
<b>Total Personnel Budget Growth</b>	<b>3.44%</b>	<b>3.76%</b>	<b>3.56%</b>	<b>3.64%</b>

\*Adjustments to the range do not automatically result in pay increases for employees. This is the percentage the structure moves for all positions to keep the ranges competitive with the labor market.

CBIZ Recommendation 2.6% structure update and 4.0% salary budget increase.

<b>Based On Projected Actual</b>		
Projected Base Salary Ending FY26	<b>\$18,638,977.50</b>	
Total Projected Increases for FY27	<b>\$745,559.10</b>	
Budgeted Promotions and Adjustments	\$78,268.66	<b>0.4%</b>
Merit Budget	\$667,290.44	<b>3.6%</b>
<b>Projected Total Base Salary</b>	<b>\$19,384,536.60</b>	<b>4.0%</b>

<b>Based On Projected Actual</b>		
Projected Base Salary Ending FY26	<b>\$18,638,977.50</b>	
Total Projected Increases for FY27	<b>\$820,115.01</b>	
Budgeted Promotions and Adjustments	\$78,268.66	<b>0.4%</b>
Merit Budget	\$741,846.35	<b>4.0%</b>
<b>Projected Total Base Salary</b>	<b>\$19,459,092.51</b>	<b>4.4%</b>

<b>Based On Projected Actual</b>		
Projected Base Salary Ending FY26	<b>\$18,638,977.50</b>	
Total Projected Increases for FY27	<b>\$773,517.57</b>	
Budgeted Promotions and Adjustments	\$78,268.66	<b>0.42%</b>
Merit Budget	\$695,248.91	<b>3.73%</b>
<b>Projected Total Base Salary</b>	<b>\$19,412,495.07</b>	<b>4.15%</b>

<b>Based On Projected Actual</b>		
Projected Base Salary Ending FY26	<b>\$18,638,977.50</b>	
Total Projected Increases for FY27	<b>\$792,156.54</b>	
Budgeted promotions and Adjustments	\$78,268.66	<b>0.42%</b>
Merit Budget	\$713,887.88	<b>3.83%</b>
<b>Projected Total Base Salary</b>	<b>\$19,431,134.04</b>	<b>4.25%</b>

Projections as of 3/5/2026

**ONLY IF NEEDED**

**EXECUTIVE SESSION**

\_\_\_\_\_ moved and \_\_\_\_\_ seconded the motion that the Board go into Executive Session pursuant to R.C. 121.22 (G)(5) to review applications for Disability Retirement Benefits.

<b><u>ROLL CALL:</u></b>	<b><u>YEA</u></b>	<b><u>NAY</u></b>	<b><u>ABSTAIN</u></b>
Daniel Wilson	_____	_____	_____
Jeanine Alexander	_____	_____	_____
Jeffrey DeLeone	_____	_____	_____
Matthew King	_____	_____	_____
Catherine Moss	_____	_____	_____
Rebekah Roe	_____	_____	_____
Aimee Russell	_____	_____	_____
Frank Weglarz	_____	_____	_____
James Rossler	_____	_____	_____

**CONVENED IN EXECUTIVE SESSION AT \_\_\_\_\_ A.M./P.M.**

**RETURNED TO OPEN SESSION AT \_\_\_\_\_ A.M. / P.M.**

**SERS  
AUDIT  
COMMITTEE  
REPORT**

**SERS  
COMPENSATION  
COMMITTEE  
REPORT**

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

**AUDIT COMMITTEE MEETINGS**

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**

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**

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**

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.**

**CONTINUED OR NEW BUSINESS**

**Board Information Requested**

**BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS**

1. \_\_\_\_\_  
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**ADJOURNMENT (R)**

\_\_\_\_\_ moved that the SERS Retirement board adjourn to meet on Thursday, April 16, 2026, for the next retirement board meeting.

The meeting adjourned at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
James Rossler – Chair

\_\_\_\_\_  
Richard Stensrud - Secretary