

SERS Retirement Board Meeting Minutes

March 19, 2026

The nine hundred and ninetieth 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, March 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, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz. Also attending was Maggie O'Shea, 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.

Approval of Out-of-State Board Travel

Catherine Moss moved and Rebekah Roe seconded the motion that the travel requests by two Board Member to travel and receive reimbursement for the following out-of-state conference and meeting expenses be approved. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Consent Agenda

The Consent Agenda for March 19, 2026, included:

- **Minutes** of the February 19, 2026, Retirement Board Meeting and of the February 20, 2026, Annual Retirement Board Workshop.
- **Summary of Investment Transactions** for the period of January 1, 2026, to January 31, 2026.
- **Retirement Report** - Superannuations, Survivor Benefits, and Transfers and Special Cases.
- **Disability Report** - Approval of Disability Benefits, Disapproval of Disability Benefits, 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, March 19, 2026. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Investment Report

Educational Session under R.C. 171.50 and 3309.051 – Artificial Intelligence – Francisco Partners

Abby Johnson, Ezra Perlman, and Evan Daar of Francisco Partners, provided the Board with an educational session on Artificial Intelligence in the investment landscape.

Ms. Johnson outlined how AI has accelerated software development, eroded traditional technical moats, and reshaped competitive dynamics, while also highlighting that incumbency advantages, such as systems of record, embedded workflows, regulatory trust, and contractual lock in remain highly defensible.

Mr. Perlman noted that hyperscalers, or mass cloud service providers, are spending aggressively on AI infrastructure, creating a circular ecosystem with interdependencies that may inflate valuations if real adoption lags. Mr. Perlman also stated that despite market volatility and compressed software valuations, Francisco Partners views the current environment as attractive for public to private opportunities.

Mr. Daar continued the presentation, detailing Francisco Partners' multi-year preparation for AI integration. Francisco Partners is emphasizing internal product launches, efficiency initiatives, and the need for portfolio

SERS Retirement Board Meeting Minutes

March 19, 2026

companies to innovate from within. Mr. Daar also reported that AI has changed software development forever. Mr. Daar stated that the technology has real implications and almost 50% of the code active in software now is being developed by AI coders. Over time, faster apps and faster software will be appealing but the ability to accomplish this quickly threatens the same companies creating the advancements. Accuracy of the data output also continues to be a factor as most organizations require 100% accuracy and AI can not guarantee 100% accuracy.

Francisco Partners' concluding message stressed that AI represents both a major threat and an unprecedented opportunity, and that business leadership teams must act decisively to capture value in this transition. Following several questions and a robust discussion, the Board thanked Francisco Partners for their informative presentation.

Annual Portfolio Review – Real Assets

SERS Chief Investment Officer, Farouki Majeed, introduced Paul Cheng and Michael Browning, SERS Investment staff members, who provided the Board with an overview of SERS' Real Asset Investment Portfolio.

Mr. Cheng reported that the two Real Asset sub-classes are real estate and infrastructure. Real Estate currently comprises 9.7% of the total fund with a market value of \$2.17 billion. SERS' net return for real estate in the one-year period ending January 31, 2026, underperformed the policy benchmark by 132 basis points. Mr. Cheng continued, stating that some portfolio changes in 2025 included receiving \$125 million in redemptions. There have also been recent commitments to a residential fund, a co-investment, a secondary investment in an existing fund, additional to a debt fund, and an addition to the REITs portfolio. Mr. Cheng reported that Real Estate goals for 2026-2027 are to evaluate new strategies that can benefit from the current environment and explore additional co-investment opportunities.

Mr. Browning reported that infrastructure is 7.1% of the total fund and has a market value of \$1.59 billion as of January 31, 2026. Mr. Browning stated that most of SERS' investments are in North America (44%) and Western Europe (34%) with smaller exposure to Eastern Europe, Latin America, Middle East, Asia, and the Pacific rim.

The net return for infrastructure for the period ending January 2026 was 9.83%, which outperformed the benchmark by 214 basis points. Over the 3 and 5-year periods, the portfolio has returns of 8.57% and 9.30%, beating benchmarks by 596 and 258 basis points. Mr. Browning closed, stating goals for the Infrastructure Real Assets portfolio is to enhance sector diversification and explore additional co-investment opportunities. After several questions, the Board thanked the investments staff for the update.

The board took a break at 9:51 a.m.

The board reconvened at 10:01 a.m.

Wilshire Associates 2026 Asset-Only Optimization

Joanna Bewick and Chris Tessman of Wilshire Associates provided the Board with a 2026 Asset-Only Optimization review, emphasizing that asset allocation remains the primary driver of long-term portfolio outcomes and should be revisited periodically as market conditions evolve.

The review outlined SERS' multi-phase asset allocation process, current capital market expectations, and modeling scenarios incorporating constraints such as equity floors, fixed income caps, liquidity requirements, and limited exposure to commodities and gold. Results showed that several alternative portfolios offer similar long-term return expectations but with meaningfully lower volatility, particularly in recessionary and stressed economic regimes. The analysis highlighted industry trends, including modest forward looking public equity returns, improved fixed income attractiveness in the new rate environment, and continued diversification into private markets and real assets.

SERS Retirement Board Meeting Minutes

March 19, 2026

Ms. Bewick closed stating that overall, Wilshire believes that reducing risk—rather than reaching for return—is the most effective lever in the current environment, with efficient portfolios capable of achieving long-term return targets at lower risk than the current policy.

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

Investment Report and Economic Update for the Period Ending January 31, 2026

Chief Investment Officer Farouki Majeed provided an update on the investment fund status as of January 31, 2026.

Mr. Majeed provided the Board with an investment performance review across SERS' strategic asset allocation. Mr. Majeed highlighted moderate GDP growth, softening labor markets, easing inflation, stable interest rates, and mixed equity performance across global markets.

Mr. Majeed reported that the Total Fund ended the period at \$22.4 billion, with allocations generally close to policy targets, though real estate and fixed income remained below target ranges. For the one-year period, the Total Fund returned 15.97% net, outperforming the policy benchmark by 290 basis points. Global equities, private equity, and infrastructure were strong contributors, each generating meaningful value added relative to benchmarks, while real estate and private credit lagged. Public Fixed Income outperformed its benchmark, and Opportunistic & Tactical strategies delivered substantial excess returns.

Mr. Majeed's report also noted continued positive trends in global manufacturing, stable consumer sentiment, and improving housing prices. Upcoming investment agenda items include the annual review of Opportunistic & Tactical strategies and the next phase of the 2026 Asset Liability Study.

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

Executive Session pursuant to R.C. 121.22 (G)(2) to discuss the purchase and sale of property

Rebekah Roe moved and Aimee Russell 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: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

The Board convened in executive session at 11:08 a.m.

The Board reconvened in open session at 11:43 a.m.

Transactional Authority

It was moved by Catherine Moss and seconded by Aimee Russell to grant SERS' Executive Director and Chief Investment Officer authority to implement transactional measures with respect to SERS' Iran/Sudan Investment Policy in accordance with Board direction provided in the Executive Session held on March 19, 2026. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. The motion carried.

Executive Director's Report

Ohio Retirement Study Council

SERS Executive Director Richard Stensrud reported that the ORSC cancelled the March meeting. Mr. Stensrud noted that he had previously provided the Board with correspondence from the ORSC leadership.

SERS Retirement Board Meeting Minutes

March 19, 2026

Advocacy Groups

Mr. Stensrud reported that he met with OFT Retirement Committee and provided them with a 'state of the system' presentation similar to the one provided at the Advocacy Roundtable. The presentation was well received.

Mr. Stensrud also reported that the OASBO Annual Meeting will be held on May 1. The meeting will be a hybrid one, allowing attendees to join in person or virtually.

Mr. Stensrud also reported that he will be making a 'state of the system' presentation at the SERO Board Meeting on May 5.

State Legislative Activity

Mr. Stensrud reported that while there is not a lot of current legislative activity, SERS staff continues to monitor pension-related legislation.

Federal Advocacy

Mr. Stensrud continued, reporting that while in DC earlier this month SERS staff met with legislative aides from several Ohio congressional offices. Staff provided updated SERS system information and educated them on our Wraparound program. Mr. Stensrud also attended the NCTR/NASRA Winter Joint Meeting and provided the Board with a recap of what was discussed. Mr. Stensrud noted that many of the items discussed at the joint meeting are items SERS is already working on.

Member Services Outreach

Mr. Stensrud reported on the multiple and varied 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.

Review of Administrative Expenses

SERS Chief Financial Officer Marni Hall provided a brief update on SERS administrative expenses as of the end of February 2026. Ms. Hall reviewed several line items in the Administrative Expense Reports. Ms. Hall also reported that FY2027 budget season is almost complete with preparations being made for the upcoming fiscal year.

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

Discussion of Salary Budget Information for Preliminary FY2027 Budget

Mr. Stensrud noted that at the February Board meeting SERS' compensation consultant 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.

One item concerned the recommended adjustment to the salary structure (the salary ranges for all employees) 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). In most cases, it is simply the salary range that is changed, not the salary.

SERS Retirement Board Meeting Minutes

March 19, 2026

Mr. Stensrud noted that the second compensation matter was the recommended adjustment to the total salary budget for FY 26-27. Mr. Stensrud noted that this is important 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.

Mr. Stensrud reported that CBIZ made the following recommendations regarding these items: A 2.6% increase to the salary structure; a 4.0% increase in the salary budget; and that the merit increase component of the salary budget be 1.4% more than the structure adjustment.

Mr. Stensrud reported that consistent with past practice, four scenarios were modeled to illustrate the fiscal impact of various combinations of structure, merit and total salary budget growth levels. Mr. Stensrud discussed how the different factors combined in each scenario and what they yielded with respect to merit, salary budget growth and budget impact.

Mr. Stensrud noted as further points of reference, that 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%.

- 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.

Mr. Stensrud explained that the Board was being 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.

After a robust discussion, the Board approved the 2.6% structure adjustment, 4.0% merit, and 4.4% total salary growth scenario as it was closest to the recommendations from CBIZ, and authorized that those numbers be used to provide preliminary salary numbers for the FY2027 budget.

Audit Committee Report

Audit Committee Update

SERS Chief Audit Officer, Steve Ritzer, provided an update on the work being done in the Audit Committee. Mr. Ritzer reported that the Audit Committee met on Wednesday. The External Audit results and the Internal Audit status was discussed, and all audit projects are on track for the fiscal year. The Board thanked Mr. Ritzer for the update.

Compensation Committee Report

Compensation Committee Update

Compensation Committee Chair, Daniel Wilson, provided the Board with an update on the work being done in the Compensation Committee. Mr. Wilson stated that the Committee received an update on the status of the Executive Director recruitment process. Mr. Wilson reported that there will be a special Board Meeting April 27 and 28 to include the first round of interviews for the Executive Director candidates. Mr. Wilson also reported that Mr. Stensrud's third quarter performance review was conducted and it went well. With no questions, the Board thanked Mr. Wilson for his update.

Retirement Report

There was no executive session for the retirement report.

SERS Retirement Board Meeting Minutes

March 19, 2026

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

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

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.**

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

Matthew King 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 12:09 p.m.

The Board reconvened in open session at 1:21 p.m.

The board took a lunch break at 1:23 p.m.

The Board reconvened in open session at 1:56 p.m.

SERS Retirement Board Meeting Minutes

March 19, 2026

The Board reconvened in executive session at 1:57 p.m.

The Board reconvened in open session at 2:11 p.m.

SERS Personnel Matter

It was moved by Aimee Russell and seconded by Frank Weglarz to direct SERS staff to act in accordance with Board direction provided in the Executive Session held on March 19, 2026. 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.

Adjournment

Board Chair, James Rossler, moved to adjourn to meet on Thursday, April 16, 2026, at 8:30 a.m. for the next SERS regularly scheduled Retirement Board meeting.

The SERS Board Meeting adjourned at 2:13 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director