



Retirement Board Agenda May 21, 2026

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PLEDGE OF ALLEGIANCE

1. Roll Call

CONSENT AGENDA (R)

2. [Minutes of the April 16, 2026, Retirement Board meeting](#)
3. [Minutes of the April 27 and 28, 2026, Special Board Meeting](#)
4. [Minutes of the May 15, 2026, Special Board meeting](#)
5. [Summary of Investment Transactions – March 1, 2026 through March 31, 2026](#)
6. Retirement Report
 - [Superannuations, Survivor Benefits, and Transfers](#)
 - [Special Cases](#)
7. Disability Report
 - [Approval of Disability Benefits](#)
 - [Disapproval of Disability Benefits](#)
 - [Approval of Appeal of Termination of Disability Benefits – Any Occupation](#)
 - [Termination of Disability Benefits – Any Occupation](#)

HEALTH CARE REPORT

8. [Presentation of 2027 Self-Insured Rates – CavMac](#)
9. [2027 Health Care Review](#)
10. [Proposed Extension of UMR Contract \(R\)](#)

INVESTMENT REPORT

11. [Investment Consultant Presentations \(R\)](#)
12. [Quarterly Performance Report - Wilshire Associates](#)
13. [Quarterly Investment Report](#)
14. [Statement of Investment Policy – Draft Discussion](#)
15. [FY2027 Annual Investment Plan – Draft Discussion](#)
16. [FY2027 Investment Department Incentive Program – \(Possible Vote\) \(R\)](#)

EXECUTIVE DIRECTOR'S REPORT

17. [Executive Director's Update](#)
18. [Review of Administrative Expenses](#)
19. [Review of Third Quarter Budget to Actual Administrative Expenses for SERS and OSERS Broad Street, LLC](#)
20. [SERS FY2027 Administrative Budget Review](#)
21. [Proposed Extension of Actuarial Contract \(R\)](#)
22. [Proposed Extension of Vocational Rehabilitation Contract \(R\)](#)
23. [Executive Session pursuant to R.C. 121.22\(G\)\(1\) to discuss the employment and compensation of a public employee \(R\)](#)

COMPENSATION REPORT

24. [Compensation Committee Update](#)

RETIREMENT REPORT

25. [Executive Session pursuant to R.C. 121.22 \(G\)\(5\) to review applications for Disability Retirement Benefits \(if needed\) \(R\)](#)

BOARD COMMUNICATION AND POLICY ISSUES

26. [Calendar Dates for Future Board Meetings](#)
27. [Continued or New Business](#)
 - Board Information Requests and Follow-up Items

[ADJOURNMENT](#)

FY2026 SERS Board Roll Call

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

MAY 2026 CONSENT AGENDA

1. Minutes of the
 - a. **April 16, 2026**, Retirement Board Meeting

2. Minutes of the
 - a. **April 27 and 28, 2026**, Special Board Meeting

3. Minutes of the
 - a. **May 15, 2026**, Special Board Meeting

4. Summary of Investment Transactions:
 - a. **March 1, 2026, to March 31, 2026**

5. Retirement Report
 - a. Superannuations, Survivor Benefits, and Transfers
 - b. Special Cases

6. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Approval of Appeal of Termination of Disability Benefits – Any Occupation
 - d. Termination of Disability Benefits – Any Occupation

APPROVAL OF CONSENT AGENDA

_____ moved and _____ seconded the motion to approve the Consent Agenda for **May 21, 2026**, which includes the following items:

1. Minutes of the
 - a. **April 16, 2026**, Retirement Board Meeting

2. Minutes of the
 - a. **April 27 and 28, 2026**, Special Board Meeting

3. Minutes of the
 - a. **May 15, 2026**, Special Board Meeting

4. Summary of Investment Transactions:
 - a. **March 1, 2026, to March 31, 2026**

5. Retirement Report
 - a. Superannuations, Survivor Benefits, and Transfers
 - b. Special Cases

6. Disability Report
 - a. Approval of Disability Benefits
 - b. Disapproval of Disability Benefits
 - c. Approval of Appeal of Termination of Disability Benefits – Any Occupation
 - d. Termination of Disability Benefits – Any Occupation

Upon roll call, the vote was as follows:

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

SERS Retirement Board Meeting Minutes

April 16, 2026

The nine hundred and ninety-first 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, April 16, 2026.

Pledge of Allegiance

The SERS Retirement Board Meeting convened at 9:30 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 Mary Therese Bridge, representative of the Ohio Attorney General's Office. Various members of the public and SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Consent Agenda

The Consent Agenda for April 16, 2026, included:

- **Minutes** of the March 19, 2026, Retirement Board Meeting.
- **Summary of Investment Transactions** for the period of February 1, 2026, to February 28, 2026.
- **Retirement Report** - Superannuations, Survivor Benefits, Transfers and Special Cases.
- **Disability Report** - Approval of Disability Benefits, Disapproval of Disability Benefits, Disapproval of Appeal for Disability Benefits, Termination of Disability Benefits – Any Occupation

Frank Weglarz moved and Aimee Russell seconded the motion to approve the Consent Agenda of the Retirement Board Meeting held on Thursday, April 16, 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.

Due to some scheduling considerations, at the suggestion of the Executive Director, Richard Stensrud, various matters were taken up in a different order than presented in the Regular Agenda.

Executive Director's Report

Review of Administrative Expenses

SERS Chief Financial Officer Marni Hall provided a brief update on SERS administrative expenses as of the end of March 2026, reviewing line items of note in the Administrative Expense Reports.

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

Review FY2027 Draft Administrative Budget – ORSC Submission

Ms. Hall went over the version of the Draft FY2027 budget required to be submitted to the ORSC. The broader budget document considered by the Board will be presented and discussed in greater detail at the May Board Meeting, and no approval was sought at the April meeting for the submission to the ORSC. Ms. Hall reviewed highlights of the ORSC required documents which included FY2026 and FY2027 operating, capital, staff training and travel budget comparisons, investment expenses obtained from the ACFR, and a ten-year categorization of Board expenses and membership statistics.

After questions and discussion, Ms. Hall concluded her presentation.

SERS Retirement Board Meeting Minutes

April 16, 2026

Final Filing of Proposed Amended Administrative Rules (R)

Legal Counsel discussed with the Retirement Board filing with JCARR the following proposed amended rules: 3309-1-56 Alternative retirement programs; and 3309-1-70 Contribution based benefit cap that have been reviewed by JCARR and are ready for final adoption by the Board. No questions were asked regarding the proposed amended rules.

Frank Weglarz moved and Jeanine Alexander seconded that proposed amended rules 3309-1-56 and 3309-1-70 be adopted. 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.

Ohio Retirement Study Council

SERS Executive Director Richard Stensrud reported that the ORSC cancelled the April meeting and the next scheduled ORSC meeting scheduled for May 14. Mr. Stensrud noted that the Board had previously been updated on follow-up correspondence recently provided to the ORSC.

Advocacy Groups

Mr. Stensrud reported that SERS will be making 'state of the system' presentations to two stakeholder organizations in May.

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

Mr. Stensrud also reported that he will be making a similar presentation at the SERO Board Meeting on May 6.

Mr. Stensrud advised the Board they will be provided with information if they are interested in attending.

State Legislative Activity

Mr. Stensrud reported on legislature activity, sharing that the General Assembly's current focus is on primary elections and a potential ballot initiative to repeal property taxes. Mr. Stensrud invited comments and observations from the Board on these topics. After a robust discussion, Mr. Stensrud confirmed the Board would be kept informed as things continue to unfold.

Federal Advocacy

Mr. Stensrud continued, reminding the Board of the February 2026 Annual Board Workshop presentation by Tom Lussier from the Coalition to Preserve Retirement Security (CPRS) that focused on the ramifications of mandating Social Security participation and contributions by state and local government employees in Ohio. Mr. Stensrud noted that the Segal report on the ramifications which has been commissioned by CPRS will be issued at a webinar hosted by CPRS on April 29, 2026. Mr. Stensrud advised the Board they will receive the webinar invitation details, and the Board will continue to be kept informed on this topic.

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.

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Technology Committee Report

Technology Committee Update

Technology Committee Chair, Frank Weglarz, provided the Board with an update on the work being done in the Technology Committee meetings. Mr. Weglarz reported that the Technology Committee met the morning of April 16, 2026, before the Regular board Meeting. The Committee received an Artificial Intelligence (AI) Update as well as updates on quarter three Technology Roadmap project progress from the Chief Technology Officer and Chief Risk Officer. The next Technology Committee meeting is scheduled for Thursday, June 18, 2026. There were no questions from the Board.

Compensation Consultant RFP (R)

Mr. Stensrud explained that approval was being requested from the Board for the Compensation Committee to issue an RFP to select and engage a consultant to conduct a full compensation and classification study for SERS personnel. Mr. Stensrud noted that the last full study had been conducted in 2021 and since that study annual updates and adjustments had been made to help keep SERS' salaries competitive.

Mr. Stensrud explained that the process would be similar to the last study, with the Committee overseeing the review and evaluation of proposals, and selection of the consultant. The Committee will work with the consultant in determining the parameters of the study and keep the Board informed on progress. The final report will be presented to the full Board for consideration. The Board was asked to delegate authority to the Compensation Committee to oversee issuance of the RFP and implement the engagement consistent with the described process.

Jeffrey DeLeone moved and Matthew King seconded authorizing the Compensation Committee to issue a Request for Proposal (RFP) to retain a compensation consultant that will determine the competitiveness and effectiveness of the SERS employee compensation program, and further to delegate to the Compensation Committee authority to select the vendor. The Compensation Committee Chair is authorized to sign a contract to retain the selected vendor. 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.

Five-Year Actuarial Experience Study 2020-2025

Mr. Stensrud introduced Todd Green and Alisa Bennet from CavMac to present the Five-Year Experience Study covering the period ending June 30, 2025, noting that the Study evaluates SERS' demographic and economic experience as compared to the current actuarial assumptions.

Mr. Green discussed the recommended changes to the economic and demographic assumptions and explained the basis for the recommended changes. The assumptions recommended for adjustment included the inflation, wage growth, COLA, and retirement pattern assumptions, as well as adjustments to mortality tables. Mr. Green noted the assumption changes would result in a net \$978 million increase in actuarial accrued liabilities for the pension Basic Benefits. Mr. Green affirmed that SERS' current employer contribution rate continues to be sufficient to fund the Basic Benefits and pay down the unfunded actuarial accrued liability at an accelerated rate. Mr. Green further recommended that SERS' methodology for paying off unfunded liability be changed to a layered amortization approach, which will provide greater transparency into the source of and remaining amortization period for the unfunded liability.

Ms. Bennet reported that the updated assumptions for Medicare participation and adjusted mortality expectations would lower the Health Care liabilities and improve the funded ratio and solvency period for the Health Care Fund.

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Mr. Stensrud outlined the process for implementation of the assumption changes following Board adoption of the assumptions, with final implementation expected in January 2027.

After a robust discussion, the Board thanked CavMac for their presentation and proceeded to the resolution.

Based on the results of the study, the actuary recommended that SERS adopt the long-term assumptions for the basic benefits, as stated in the report, for the following:

- Rate of Price Inflation – 2.50%
- Rate of Investment Return – 7.00%
- Rate of Real Wage Growth – 1.00%
- Cost-of-Living-Adjustments – 2.50%
- Rates of Withdrawal – Liability-Weighted Experience
- Rates of Disability Retirement – As presented in the report dated March 16, 2026
- Rates of Service Retirement – As presented in the report dated March 16, 2026
- Rates of Pre-Retirement Mortality – Using the PUB-2016 General Employee Amount-Weighted Below-Median mortality table
- Rates of Post-Retirement Mortality – Using the PUB-2016 General Employee Amount-Weighted Below-Median Healthy Retiree mortality table projected to 2023 with ages set forward 1 year for males
- Rates of Contingent Survivor Post-Retirement Mortality – Using the PUB-2016 General Amount-Weighted Below-Median Contingent Survivor mortality table projected to 2023 with ages set forward 2 years for males and set forward 1 year for females
- Rates of Disabled Mortality – Using the PUB-2016 General Headcount-Weighted Disabled Retiree mortality table projected to 2023 with ages set forward 4 years for males and females
- Rate of Wage Inflation (includes 2.50% price inflation) – 3.50%
- Other Assumptions and Methods (Percent Married, Re-hired Retirees, Actuarial Cost Method, Amortization Method, Actuarial Value of Assets, and additional assumptions) – As presented in the report dated March 16, 2026

Based on the results of the study, the actuary recommended that SERS adopt the long-term assumptions for other post-employment benefits, as stated in the report, for the following:

- Rate of Investment Return – 7.00%
- Short-term Health Care Trend Rates – Update annually based on SERS' experience and demographics while considering the projected trend from extended sources. Use an ultimate trend rate of price inflation +2.00%, or 4.50%
- Age Related Morbidity – Using the Yamamoto age-based morbidity relative value factors updated for Medicare-eligible retiree from the total allowed to the net allowed factors
- Other Post-Employment Benefit Assumptions and Methods – Participation rates for service retirement, disability retirement and spousal coverage, pre-65 Medicare eligibility for disabled retirees, amortization method, and additional assumptions, as presented in the report dated March 16, 2026

Frank Weglarz moved and Rebekah Roe seconded the motion to adopt the actuary's recommended long-term assumptions. 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 recessed at 11:09 a.m.

The Board reconvened at 11:17 a.m.

Recess for Member Appeal

At 11:17 a.m. the SERS Retirement Board took a recess to consider a member appeal.

The Board reconvened following recess at 11:51 a.m.

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Executive Director's Report (Continued)

Member Appeal Resolution

Rebekah Roe moved and Catherine Moss seconded the motion to affirm the Final Staff Determination to not permit Vincent Spitali to retire under the old retirement eligibility standard of 30 years of service credit at any age, even if he purchases 0.833 years of OPERS refunded service credit, because he did not have 25 years of total service credit on or before August 1, 2017, as required by R.C. 3309.34(A)(1)(b). 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

Annual Portfolio Review – Opportunistic and Tactical

SERS Chief Investment Officer, Farouki Majeed, introduced Adam Messerschmitt and Brad Carr, SERS Investment staff members, who provided the Board with an overview of SERS' Opportunistic and Tactical portfolio.

Mr. Messerschmitt noted that this portfolio consists of tactical or non-traditional strategies designed to capitalize on short-term market dislocations, unique opportunities, or innovative themes that do not fit within existing asset classes. The permissible allocation range for the portfolio is 0–5% of the total fund. As of February 28, 2026, the portfolio represents 4.1% of the total fund with a \$924 million market value and \$417 million in unfunded commitments. Mr. Messerschmitt highlighted strong performance, including a 19.4% one-year return and outperformance of its policy benchmark across all periods. The team reported continued portfolio growth driven by \$119 million in gains and \$186 million in net contributions, alongside new commitments and additional funding to existing strategies. Staff reviewed the portfolio's diversified construction—spanning distressed, tactical, multi-asset, and structured credit investments—and noted the strong results of the Internal ETF Account, which has achieved a 52.5% return since inception while maintaining minimal fees.

Mr. Carr provided the Board with some additional information regarding portfolio construction, performance and next steps.

Following several questions, the Board thanked Mr. Messerschmitt and Mr. Carr for their report.

Investment Report and Economic Update for the Period Ending February 28, 2026

Chief Investment Officer Farouki Majeed provided an update on the investment fund status as of February 28, 2026, which included an economic and market update.

Mr. Majeed reported that GDP grew 2.1% over the prior year, supported by consumption and private investment, while risks remain due to geopolitical tensions and potential inflation pressures. Labor market conditions improved with 178,000 jobs added, unemployment declining to 4.3%, and inflation holding steady at 2.4%. Economic indicators such as consumer sentiment, PMI readings, and the Leading Economic Index signaled mixed but moderating activity across sectors.

Mr. Majeed's report also reviewed market performance, noting equity market declines in March and fixed-income weakness, along with updates across valuation, currency, housing, and inflation data. Total Fund assets stood at \$22.7 billion, with Global Equities at 45.3%, Private Equity at 12.4%, Fixed Income at 13.2%, and Opportunistic & Tactical at 4.1%. Total Fund (Net) performance remained strong, returning 17.27% over one year, exceeding the OSERS Policy benchmark by 3.50%, and generating cumulative value-added of \$683.2 million over the year. Asset class performance highlights included strong results in Global Equities, Private Equity, Infrastructure, and Opportunistic & Tactical.

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Mr. Majeed also previewed the next meeting's investment agenda, including consultant presentations, overlay program review, and drafts of FY2027 planning materials.

A robust discussion, with questions, followed.

Before moving on to the next agenda item, Mr. Stensrud took a moment to share that Mr. Majeed has been peer nominated for a Strategy award for his ability to 'see around corners.' Mr. Stensrud informed that Board that this award would be presented to Mr. Majeed that afternoon at the 12th Annual Ohio Institutional Forum and Board Members were welcome to attend to watch the ceremony and fireside chat.

Asset Liability Study and Recommendation – Wilshire Associates

Mr. Majeed introduced Joanna Bewick, Chris Tessman, and Ned McGuire of Wilshire Associates who 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.

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.

Mr. Majeed joined the discussion and outlined the revised Asset Allocation being recommended by Staff and Wilshire. Significant changes from the current policy are:

1. Decrease in Real Estate target from 13% to 7%.
2. Increase in Infrastructure from 7% to 10%.
3. New allocation to Gold at 3% as a diversifying real asset.

After a robust discussion, Jeffrey DeLeone moved and Jeanine Alexander seconded the motion to approve the revised Asset Allocation targets and ranges as indicated below, effective July 1, 2026.

	Current Policy	New Policy	Range
Asset Class			
Global Equity	40%	40%	35% - 45%
Global Private Equity	14%	14%	11% -17%
Private Credit	5%	5%	3% - 7%
Global Fixed Income	18%	18%	13% - 23%

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Real Estate	13%	7%	4% - 10%
Infrastructure	7%	10%	6% - 14%
Gold	0%	3%	0% - 4%
Cash	3%	3%	1% - 5%
Opportunistic	0%	0%	0% - 5%
Total	100%	100%	
Expected Return (10 yr)	6.02%	6.01%	
Risk (Std. deviation)	11.81%	11.49%	
Sharpe Ratio	0.23	0.24	

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.

Health Care Update

2025 Pharmacy Expenses and 2027 Preview

SERS Director of Health Care Services, Dr. Michael Steiner, provided an update on SERS' 2025 prescription drug cost experience for the Medicare Part D plan and the commercial pharmacy benefit included with the Aetna Choice POS II plan, as well as the major factors influencing 2027 rates.

Dr. Steiner also outlined elements, to the extent they are currently known, of a potential federal program that would provide more favorable pricing for GLP-1 drugs. Dr. Steiner explained that if the program moves forward SERS would likely have to decide whether to participate but at this time there are a number of things that are unclear, including the fiscal impact of participation versus not participating, and changes to the formulary for the Medicare Part D plan.

After a robust discussion, given the lack of clarity around some key considerations, the Board was not comfortable at this time making a decision whether or not to participate. It was agreed, however, that staff would monitor this topic and gather information to share with the Board for potential future conversation.

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. James Rossler noted he will be at a conference and will not be at the May 21 Board Meeting. Catherine Moss noted she will not be at the September 2026 Board Meeting. Mr. Rossler requested that a Special Board Meeting be added to the calendar dates for May 7, 2026.

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April 16, 2026

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 27 – 28, 2026 – 8:30 a.m. (Mon. and Tues.) **** Special Meeting ****
May 7, 2026 – 8:30 a.m. (Thurs.) **** Special Meeting ****
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

No additional follow-up items were noted.

Adjournment

Board Chair, Jamies Rossler, moved to adjourn to meet on Monday, April 27, 2026, at 8:30 a.m. for the next SERS specially scheduled Retirement Board meeting.

The SERS Board Meeting adjourned at 1:42 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director

SERS Special Retirement Board Meeting Minutes April 27 and 28, 2026

The nine hundred and ninety-second meeting of the Retirement Board of the School Employees Retirement System was held in the Dogwood 1 conference room at The Ohioan Hotel and Event Center, 100 Green Meadows Drive South, Lewis Center, OH, 43035, on Monday, April 27, 2026.

The SERS Special Retirement Board Meeting convened at 8:56 a.m.

Roll Call

The roll call was as follows: James Rossler, Daniel Wilson, Jeanine Alexander, Matthew King, Catherine Moss, Rebekah Roe, Aimee Russell, Frank Weglarz. Excused: Jeffrey DeLeone.

Also in attendance was Gary Hudepohl of Hudepohl & Associates, Inc., and SERS Staff Member, Megan Robertson.

Executive session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee (R)

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

The Board convened in executive session at 8:57 a.m.

Board member, Jeffrey DeLeone, arrived and joined the executive session at 9:10 a.m.

The Board returned to open session at 2:39 p.m.

Recess (To Reconvene April 28, 2026)

The Board took a recess at 2:40 p.m.

Reconvene

The Board reconvened in open session on Tuesday, April 28, 2026, at 8:52 a.m.

Executive session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee (R)

Aimee Russell moved, and Rebekah Roe seconded the motion that the Board convene into Executive Session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee. 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 8:52 a.m.

The Board returned to open session at 4:22 p.m.

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Adjournment

Board Chair, Jamies Rossler, moved to adjourn to meet on Thursday, May 7, 2026, at 8:30 a.m. for the SERS Special Retirement Board meeting.

The SERS Special Board Meeting adjourned at 4:23 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director

DRAFT

SERS Special Retirement Board Meeting Minutes

May 15, 2026

The nine hundred and ninety-third 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 Friday, May 15, 2026.

Pledge of Allegiance

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

Oath of Office

Board Member, Daniel Wilson, took his oath of office. His term will end September 27, 2028.

Roll Call

The roll call was as follows: James Rossler, Daniel Wilson, Jeanine Alexander, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz. Excused: Jeffrey DeLeone and Catherine Moss.

Also attending was Gary Hudepohl of Hudepohl & Associates, Inc., and SERS staff attended in person while other SERS staff members and members of the public attended virtually.

Executive session pursuant to R.C. 121.22 (G) (1) to discuss the employment and compensation of a public employee (R)

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

The Board convened in executive session at 8:33 a.m.

The Board returned to open session at 1:45 p.m.

Negotiate Executive Director Employment Terms

It was moved by Rebekah Roe and seconded by Aimee Russell to authorize Hudepohl & Associates to first negotiate employment terms for the SERS Executive Director position with Candidate A, but if negotiations with Candidate A are unsuccessful, then negotiate with Candidate B. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeanine Alexander, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Excused: Jeffrey DeLeone and Catherine Moss. The motion carried.

Adjournment

Board Chair, James Rossler, moved to adjourn to meet on Thursday, May 21, 2026, at 8:30 a.m. for the SERS regularly scheduled Retirement Board meeting.

The SERS Special Board Meeting adjourned at 1:46 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of March 1, 2026, through March 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	\$546.7
Fixed Income	470.4
Private Equity Capital Calls	15.8
Real Estate Capital Calls	23.6
Infrastructure Capital Calls	10.6
Opportunistic & Tactical	2.7
Global Private Credit	106.5
Cash Equivalents	179.3

B. SALES/ DISTRIBUTIONS

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	571.3	140.0
Fixed Income	371.5	(1.2)
Private Equity	45.7	n/a
Real Estate	12.2	n/a
Infrastructure	3.2	n/a
Opportunistic & Tactical	16.6	n/a
Global Private Credit	51.9	n/a
Cash Equivalents	162.8	8.2

Memo

To: SERS Board

From: Michael Steiner, Health Care Director

cc: Richard Stensrud, Executive Director
Karen Roggenkamp, Deputy Executive Director

Date: May 12, 2026

Re: Health Insurance Cost Estimates for Self-Funded Plans

The materials for this month include the annual Health Care funding rate presentation prepared by our consulting actuary from CavMac, Alisa Bennett. Ms. Bennett's analysis reflects the most recent data available from SERS self-funded retiree plans, including 2023–2025 medical claims and 2024–2025 prescription drug claims.


Non-Medicare Plan:

For 2027, total costs are projected to rise approximately 7.0% for retirees, driven by a 4.1% increase in medical costs and a 22% increase in prescription drug costs. Enrollment patterns continue to shift, including movement toward Marketplace coverage paired with the SERS Wraparound HRA. No benefit design changes are recommended for 2027.

Medicare Eligible Plans:

The Medical portion of the Aetna Medicare Advantage plan offered by SERS is fully insured, and therefore Ms. Bennet only projects funding rates for the self-funded Part D plan. The continued implementation of the Inflation Reduction Act (IRA) is significantly reshaping Medicare Part D plan liability. While prescription drug costs are expected to increase, higher CMS reimbursements are projected to offset much of this growth. The highest impact changes introduced by the IRA occurred in 2025. The result is that the projected 2027 rate based on 2025 claims is lower than the projected 2026 rate based on the 2024 claims.

Rates for the Medicare Traditional Choice Plan, a self-funded plan only available to retirees while they experience a disruption in Medicare Part B enrollment, reflect the volatility in 2025 claims, resulting in an overall recommended increase of 7.5%.

The background of the slide features a light blue gradient with various white icons representing data analysis: a bar chart with a line graph, a pie chart, and several horizontal bars. In the center, there is a large orange padlock that is open, with its keyhole facing forward. The main title is positioned on the right side of the slide.

HEALTH INSURANCE COST ESTIMATES FOR SELF FUNDED PLANS

Alisa Bennett, FSA, EA, FCA, MAAA
May 21, 2026

**Preliminary for
Plan Year 2027**



Cost Estimate Design Process



Rate Setting Data

Assumptions and Methods

Non-Medicare Plan Costs

Medicare Plan Costs

Rate Setting Data

PAID CLAIMS AND ENROLLMENT DATA PROVIDED BY SERS

Summarized Separately For

- Medical and prescription drug
- Medicare and non-Medicare
- Medical Plans and Medicare Part D reimbursements

Medical Data Period

- Using 2023, 2024 and 2025 medical data.
- Long-term impact of COVID still unknown.

Prescription Drug Data Period

- Used calendar year 2024 and 2025 Express Scripts prescription drug data
- Large increase in claims from 2024 to 2025. For pre-65 used 75% of 2025 claims experience and 25% of 2024
- Used 2025 for Medicare claims experience

Inflation Reduction Act

DRUG NEGOTIATIONS



Allows the Secretary of Health and Human Services to negotiate prices of certain Medicare drugs each year. Negotiations take effect in 2026 for 10 drugs covered by Medicare, increasing to 20 drugs in 2029.

INSULIN COST CAPPED



Beginning 2023, insulin cost capped at \$35/month for people enrolled in Medicare. Anticipated changes to insulin cost for active and pre-Medicare retiree commercial market.

ADDITIONAL CHANGES



Beginning in 2025, out-of-pocket prescription drug costs capped at \$2,000 per year for Medicare beneficiaries. \$2,100 for 2026, \$2,400 for 2027.

Inflation Reduction Act

DIRECT SUBSIDIES



Health plans will receive increased Direct Subsidy payments from CMS. Amounts were higher than expected for 2025 and are expected to continue for 2026.

PREMIUM STABILIZATION



Increased payments include a premium stabilization contribution of \$15 per member per month for stand-alone Part D prescription drug plan in 2025, lowered to \$10 for 2026, may not continue beyond 2026.



Assumptions and Methods



Used Industry Projections for Future Trend

- Industry projections suggest that projected medical plan cost increases for 2025 and 2026 will be similar or even slightly higher than projected for 2023 and 2024.
- Double-digit specialty Rx cost trend, mostly driven by price increases and new specialty drugs and biologics.
- Did not use Ohio specific trend as historical trend for SERS plans have remained stable.

**HEALTH PLAN COST INCREASES CONTINUE TO
SIGNIFICANTLY OUTPACE GENERAL INFLATION AND
AVERAGE WAGE INCREASES.**



Trend From Mid-Point of Experience Period to Mid-Point of Rate Setting Period (6/30/2027)

Medical

- Plan trend has been stable, so we are recommending staying with 7% for future medical trend for pre-Medicare retirees despite some trend surveys coming in higher.
- Used 7% in first year stepping down to 6.5%.

Prescription Drug

- 7% for Medicare and Non-Medicare.



Spouses and Child(ren)

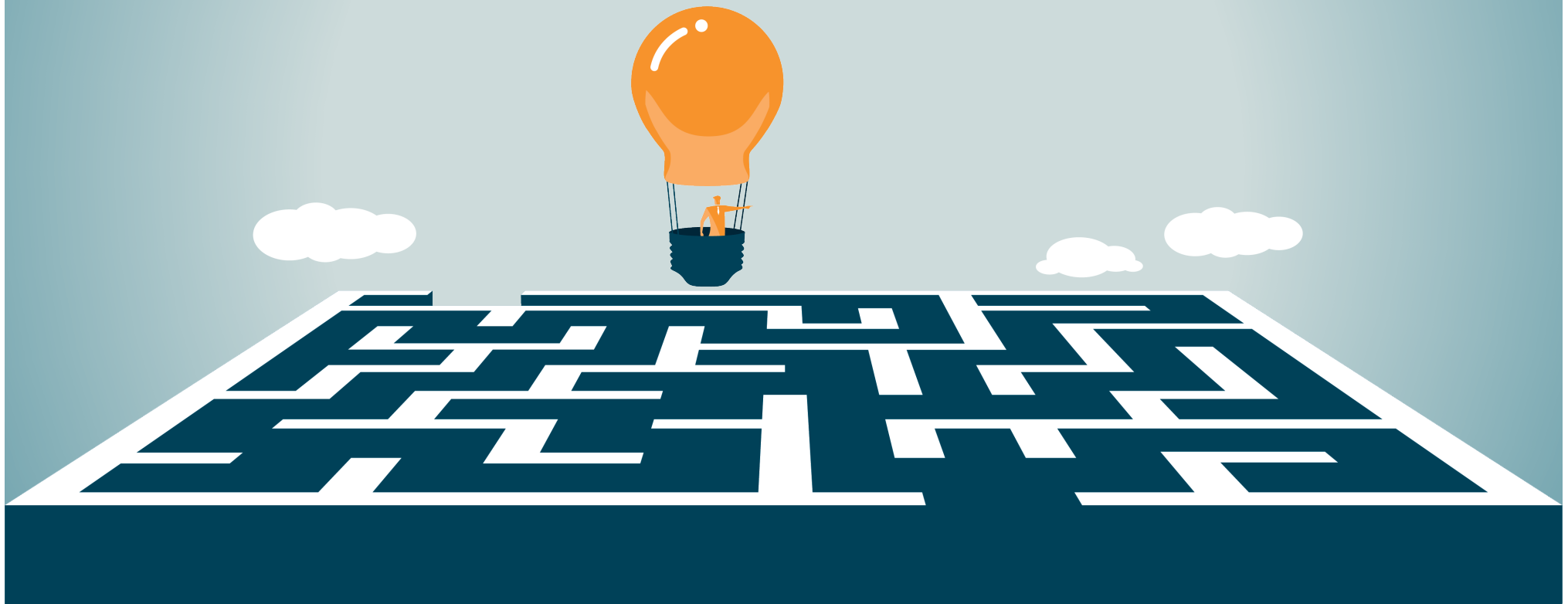
Current recommendation is ratio of:

- 30% of retiree cost for child(ren)
- 90% of retiree cost for spouse

Data fluctuates since the spouse and dependent coverage is a relatively small group, but data supports maintaining these ratios.



2027 Non-Medicare Medical Plan



2027 Non-Medicare Medical Plan



PLAN CHANGES

In 2024 reduced physician co-pays from \$20 to \$10 & specialist co-pays from \$40 to \$25

In 2025 changed ambulance from 20% coinsurance to \$150 co-pay

In 2026 changed to \$10 copay for chiropractic

No changes for 2027

	2026	Proposed Medical 2027
Deductible (Annual)	\$2,000/person \$4,000/family	\$2,000/person \$4,000/family
Co-insurance maximum	none	none
Out-of-Pocket Maximum	\$7,350/\$14,700	\$7,350/\$14,700
Office visit primary care	\$10 co-pay	\$10 co-pay
Specialist	\$25 co-pay	\$25 co-pay
Surgeon fee	20% coinsurance	20% coinsurance
Inpatient Hospital	20% coinsurance after \$250 co-pay	20% coinsurance after \$250 co-pay
Emergency Room	\$150 co-pay	\$150 co-pay
Ambulance	\$150 co-pay	\$150 co-pay
Urgent Care	\$40 co-pay	\$40 co-pay
Outpatient Diagnostic X-Ray	20% coinsurance	20% coinsurance
Outpatient Diagnostic Lab	20% coinsurance	20% coinsurance
Outpatient Surgery/Procedures	20% coinsurance	20% coinsurance
Chiropractic	\$10 copay	\$10 copay
Durable Medical Equipment	20% coinsurance	20% coinsurance
Skilled Nursing Facility	20% coinsurance (100-day max)	20% coinsurance (100-day max)
Home Health Care	20% coinsurance	20% coinsurance
Hospice	100% coverage	100% coverage

Results – Monthly Costs and Rates

4.1% increase in retiree medical costs

22% increase in retiree prescription drug costs

7.0% increase in retiree total cost

Self Funded Non-Medicare		
	<u>Projected 2026</u>	<u>Projected 2027</u>
Medical		
Retiree	\$1,373.00	\$1,429.00
Spouse	\$1,236.00	\$1,286.00
Child	\$412.00	\$429.00
Prescription Drug		
Retiree	\$263.00	\$321.00
Spouse	\$237.00	\$289.00
Child	\$79.00	\$96.00
Total		
Retiree	\$1,636.00	\$1,750.00
Spouse	\$1,473.00	\$1,575.00
Child	\$491.00	\$525.00

12% decrease in headcount – late retirements and possibility that lower cost pre-Medicare retirees choosing Wrap Plan



NON-MEDICARE ELIGIBLE SERS WRAPAROUND HRA PLAN

- The SERS Marketplace Wraparound HRA Plan offers additional benefits to help pay for deductibles, co-pays, and other costs.
- There is no additional premium for the SERS Wraparound Plan.

Marketplace Wraparound HRA Plan - Participants choose insurance from any insurer offering coverage in the federal Marketplace, and if eligible, receive a federal subsidy to lower the premium and cost-sharing amounts.

SERS Wraparound HRA Plan

2027 reimbursement cap is expected to be \$2,250 per participating family per calendar year in accordance with federal limits. This amount will index with inflation for future years.

2019 through 2025 claims experience has been well below cost threshold.



NON-MEDICARE ELIGIBLE SERS WRAPAROUND HRA PLAN

- The American Rescue Plan Act of 2021 (COVID-19 relief) law passed in March 2021 expands Marketplace subsidies. The expansion was extended by the Inflation Reduction Act through 2025.
- This expansion will not be renewed for 2026 and beyond.
- Current plan costs is approximately \$75 PMPM, cost to member is \$0.

2027 Medicare Medical Plan



Medicare Part D Plan (PDP)

Medicare Part D is undergoing dramatic changes starting in 2025 due to the Inflation Reduction Act.



MEDICARE PDP EXPRESS SCRIPTS FOR MEDICARE ELIGIBLE

- Out of pocket maximum is \$2,000 for 2025 and will be \$2,100 for 2026, \$2,400 for 2027.
- Standard Part D plan design changing to put more catastrophic claims liability on plan.
- Once OOP max reached, potentially less incentive to use less expensive drugs.
- Direct Subsidies for 2025 and 2026 are higher than was expected. Expected to continue in 2027.
- Large increases in Medicare-eligible prescription drug claims expected to be mitigated by higher CMS reimbursements.



ESI REBATES AND DIRECT SUBSIDY

- ESI rebates will continue, but Medicare Part D drug negotiations could alter amounts.
- For now, assume rebates and federal reimbursements will cover same proportion of Medicare PDP costs.
- Direct Subsidy higher for 2026, unknown for 2027.

MEDICARE PDP EXPRESS SCRIPTS FOR MEDICARE ELIGIBLE

- Medicare Part D Prescription Drug Plan (PDP) will continue to receive other subsidies but in different amounts:
 - CMS catastrophic reinsurance
 - Manufacturer coverage gap reimbursements
 - Direct Subsidy

Results – Monthly Costs and Rates

MONTHLY MEDICARE ELIGIBLE DRUG COSTS



RETIREE

SPOUSE

CHILD

PROJECTED 2027 RATE
BASED ON 2025 NET
COSTS TRENDED AT 7%

\$148.00

\$148.00

\$148.00

PROJECTED 2026 RATE
BASED ON 2024 NET
COSTS TRENDED AT 7%

\$163.00

\$163.00

\$163.00

Historically Volatile

- Historical medical data for this group was very volatile and PMPM costs were high, so we had been holding the medical rates steady from year to year.

Data Stabilized

- Data had stabilized over the past few years, but the group remains a mix between long time members and members who use the plan for a short time before moving to Medicare Advantage. 2025 claims unusually high.

Recommend Increase to Medical to Keep Overall Increase at 7.5%

- 2025 PMPM costs are up from prior years due to high claims. Therefore, we recommend an increase the medical portion of the Medicare Traditional Choice. Since prescription drug costs are lower, overall rates increase 7.5%.

Results – Monthly Costs and Rates

Self Funded Medicare Traditional Choice Rates

	<u>Projected 2026</u>	<u>Projected 2027</u>
Medical		
Retiree	\$300.00	\$350.00
Spouse	\$300.00	\$350.00
Child	\$300.00	\$350.00
Prescription Drug		
Retiree	\$163.00	\$148.00
Spouse	\$163.00	\$148.00
Child	\$163.00	\$148.00
Total		
Retiree	\$463.00	\$498.00
Spouse	\$463.00	\$498.00
Child	\$463.00	\$498.00



THANK
YOU

Memo

To: SERS Board

From: Michael Steiner, Health Care Director

cc: Richard Stensrud, Executive Director
Karen Roggenkamp, Deputy Executive Director

Date: May 12, 2026

Re: Proposed 2027 Retiree Health Care Premiums and Benefits

At the May meeting, I will present proposed 2027 retiree health care plan premiums and benefit changes. These recommendations are based on the actuarial cost projections prepared by our consulting actuary from CavMac, Alisa Bennett.

Overview of Key Recommendations:

- Dental and Vision Plans: No premium or benefit changes are recommended for 2027, as we are only one year into the two-year enrollment period for supplemental benefits.
- Medical and Prescription Drug Premiums:
 - Aetna Medicare Advantage: No premium change recommended for 2027.
 - Aetna Choice POS II: A 7% increase to the base premium is recommended, with the most common premium rising from \$362 to \$385.
 - AultCare PPO: A 29% base premium increase is recommended, with the most common premium increasing from \$274 to \$343. As the plan is fully insured, these rates are provided by AultCare. This plan continues to offer savings for retirees who reside in eligible counties.
- 2027 Benefit Provisions:
 - Aetna Medicare Advantage: Update the Part D out-of-pocket maximum from \$2,100 to \$2,400 to align with the federally defined standard benefit for 2027.
 - Aetna Choice POS II: No benefit changes recommended.
 - AultCare PPO: No benefit changes recommended.
 - Marketplace Wraparound HRA: Increase the maximum annual reimbursement to the \$2,250, the maximum allowed amount established by the IRS.

These recommendations are designed to maintain the long-term sustainability of the Health Care Fund, and I will review these items in more detail during the presentation. Next month, I will present the final premiums and benefit changes for your approval.



Health Care

May 21, 2026

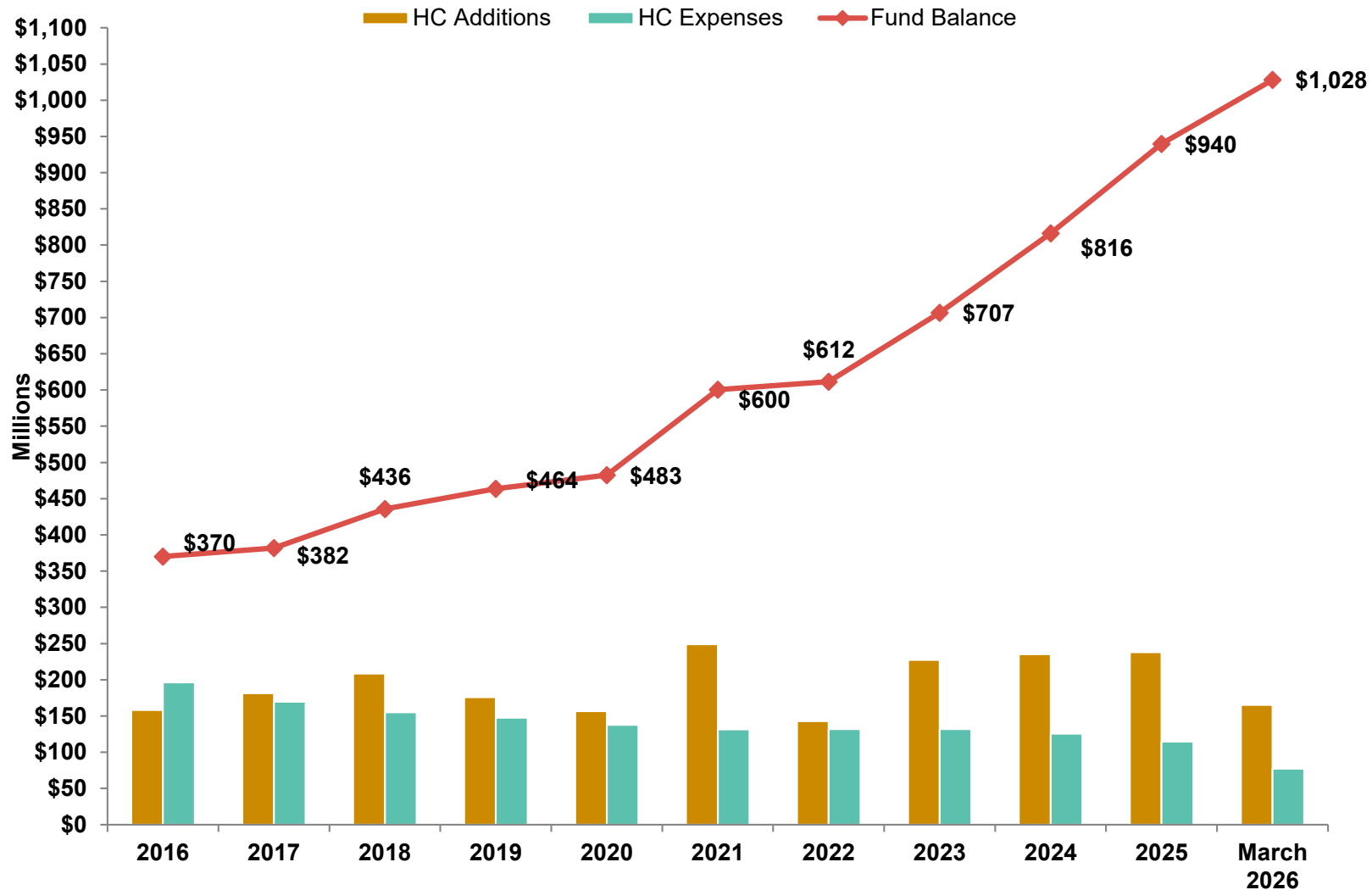
Mike Steiner, PhD

Director - Health Care Services

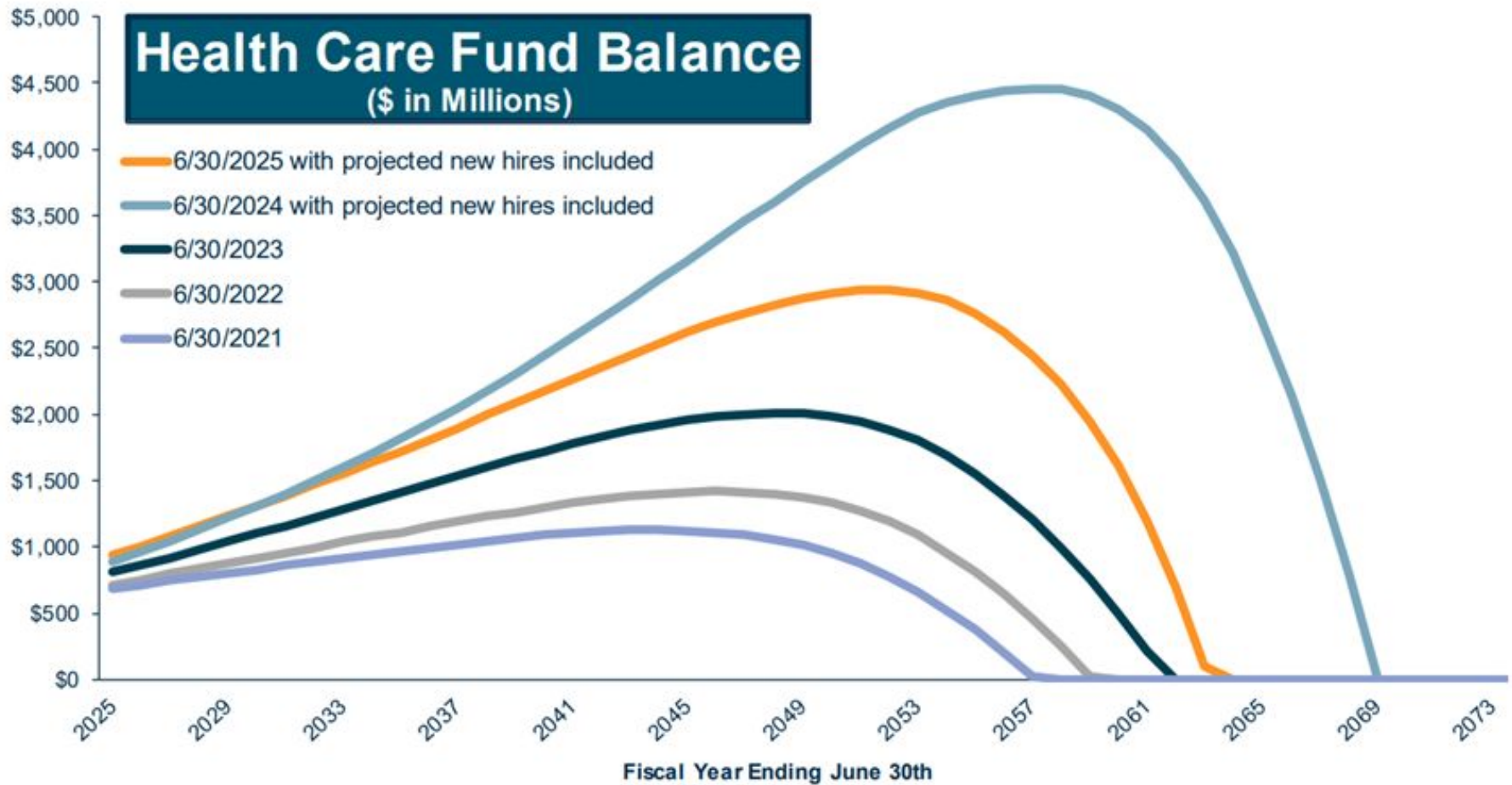
Agenda

- Program Update
- 2027 Dental and Vision
- 2027 Medical and Rx Plans
 - Draft premiums and plan benefits

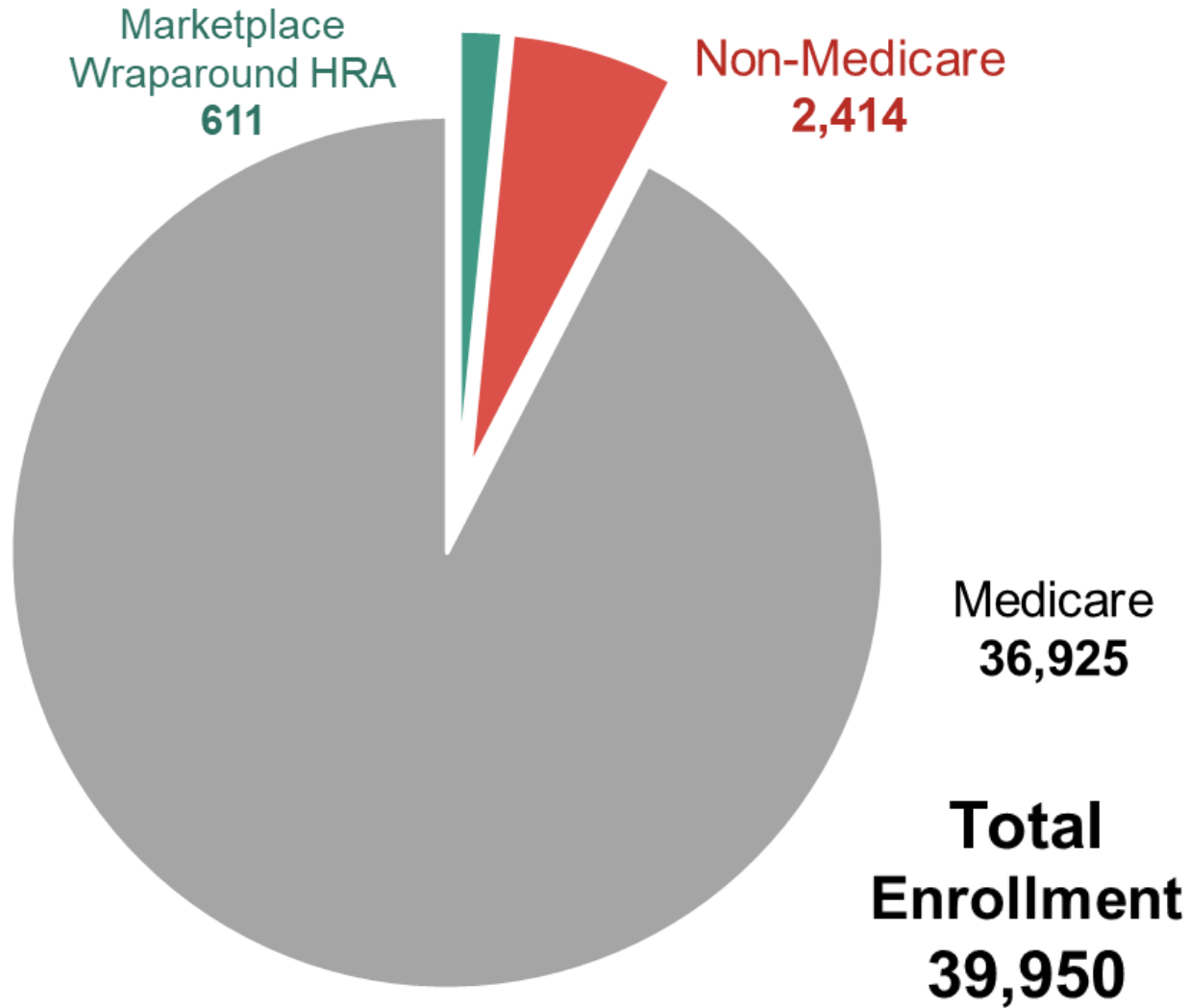
Health Care Fund Net Position: FY2016 to March 2026



Solvency Chart



HC Enrollment – January 2026



2026-2027 Dental and Vision



Delta Dental and VSP Vision enrollees cannot make coverage changes this fall. Premiums and plan benefits remain unchanged for 2027.

- The next biennial Dental and Vision Open Enrollment period will cover the 2028-2029 enrollment period.
- RFPs for next enrollment period will be released this winter.

2027 Premium Expectations



Aetna Medicare Plan (PPO)

- No changes

Aetna Traditional Choice

- No changes

Aetna Choice POS II

- 7% increase for base premium
- Most common premium increasing from \$362 to \$385

AultCare PPO

- 29% increase for base premium
- Most common premium increasing from \$274 to \$343

Proposed 2027 Benefit Changes



Aetna Medicare Plan (PPO)

- Increase the drug plan out-of-pocket max from \$2,100 to \$2,400 matching the federally defined standard benefit.

Aetna Choice POS II

- No changes

AultCare PPO

- No changes

Marketplace Wraparound HRA

- Increase to the federally-authorized maximum reimbursement amount of \$2,250

UMR Renewal



- UMR's services:
 1. Plan selection counseling for non-Medicare enrollees
 2. ACA Marketplace enrollment
 3. Wrap HRA administration
- High customer satisfaction among SERS members.
- Demonstrated excellent financial accuracy for HRA administration in most recent audit.
- RFP for services will be aligned with the recommendations from our consultant, likely released for a contract starting with plan year 2028.
- A resolution to renew for one year is included with today's materials.



Memo

To: Retirement Board

From: Michael Steiner, Health Care Director

CC: Richard Stensrud, Executive Director
Karen Roggenkamp, Deputy Executive Director
Joe Marotta, General Counsel

Date: May 8, 2026

Re: UMR Contract Extension

This month I am requesting the Board's approval to extend SERS' contract with UMR for one year beginning January 1st, 2027, and ending December 31st, 2027. UMR administers the Marketplace Wraparound HRA benefit, provides plan counseling for non-Medicare eligible health plan participants, and provides ACA marketplace plan enrollment services and Medicare eligibility screening. UMR continues to provide consistently high levels of customer service, which we monitor regularly through sample call reviews and contract performance guarantees. Enrollment in the Marketplace Wraparound HRA remains stable at 20% of non-Medicare enrollees, even though the enhanced ACA marketplace premium subsidies expired at the end of 2025, suggesting continued member satisfaction and program value. In 2024, SERS hired a third-party auditor to evaluate UMR's administration of the HRA who found that UMR "exceeded internal goals and industry standards" by achieving a financial accuracy of 99.96%.

The proposed renewal includes a 5 percent increase in the monthly administrative fee for HRA administration, which is consistent with the annual adjustments in the last two renewals of the contract. All other fees associated with counseling and enrollment services will remain unchanged. The total cost impact of this extension is modest, estimated at \$6,000 for the 2027 calendar year.

The Health Care Department anticipates issuing an RFP for non-Medicare plan counseling, Marketplace plan enrollment, and administering the HRA for plan year 2028. Timing the RFP for 2028 will allow us to coordinate with other upcoming procurements and align with the program review being conducted by SERS' consultant later this year. Any recommendations arising from that review will be incorporated into the competitive process.

A resolution to achieve this extension is included with this month's Board materials.

UMR CONTRACT EXTENSION

_____ moved and _____ seconded approval to authorize staff to extend the current contract with UMR for provision of plan counseling services, SERS Wraparound HRA administration, and Medicaid eligibility screening to SERS non-Medicare eligible health care plan participants. The extension shall be for a term of one year beginning January 1, 2027. The Executive Director or Deputy Executive Director shall have the authority to execute any documents necessary to secure these services, subject to documentation satisfactory to legal counsel.

Upon roll call, the vote was as follows:

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

Memo

To: Retirement Board
From: Farouki Majeed
cc: Richard Stensrud, Karen Roggenkamp
Date: May 8, 2026
Re: **Investment Report for the May Board Meeting**

The Investment Report for the Board includes the following agenda items:

- Investment consultant presentation with two finalists. If acceptable to the Board, a resolution has been prepared for a vote to approve the hiring of a consultant.
- Quarterly performance report for the period ended March 31, 2026, presented by Wilshire Associates.
- Investment report and economic update for the period ended March 31, 2026.
- Statement of Investment Policy Amendments – Draft Discussion.
- Draft Annual Investment Plan for fiscal year 2027 will be discussed at the May Board meeting. If acceptable to the Board, a motion will be prepared for a vote to approve the Plan during the June Board meeting.
- The Investment Department Incentive Plan for fiscal year 2027 will be presented by Richard Stensrud for the Board's review. If acceptable to the Board, a motion has been prepared for a vote to approve during the May Board meeting.

Included with the advance Board materials are the following reports prepared by Staff:

- Monthly Top 20 Equity and Fixed Income Holdings Reports – March 31, 2026.
- Monthly Compliance Update memo – March 31, 2026.
- Quarterly Iran/Sudan Investment Activity Report – March 31, 2026.
- Quarterly Securities Lending Review Report – March 31, 2026.
- Quarterly Proxy Voting memo - March 31, 2026.

If anyone has any questions prior to the Board meeting, please email me at fmajeed@ohsers.org.

Presentation for Investment Consulting Services – May 21, 2026



Proposed SERS Team

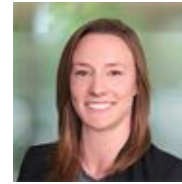
Proposed Client Consulting Team



Leandro Festino, CFA, CAIA
Managing Principal
Consultant



Tim Filla, CAIA, CSRIC
Managing Principal
Consultant



Stephanie Sorg, CAIA
Managing Principal
Consultant



John Haggerty, CFA
Managing Principal
Director of Private Markets

Experience

- 26 years of industry experience
 - Joined Meketa in 2003; Shareholder
 - Member of Meketa's Board of Directors
 - Lead consultant for both general and private markets clients
 - Trustee and Chair of the Investment Committee – University of San Diego
 - Investment Committee member – San Diego Foundation
 - Investment Committee member – Society of Sacred Hearts (US & Canada)
 - MBA: Boston College
BA: University of Evansville
- Over 25 years of industry experience
 - Joined Meketa in 2016; Shareholder
 - Consultant for various institutional funds
 - Member: Global Macroeconomic and Fiduciary Management (OCIO) Investment Committees
 - Over a decade of experience as a buy-side equity research analyst and portfolio manager
 - Chartered Socially Responsible Investing Counselor
 - BA: University of Pennsylvania
- 10 years of industry experience
 - Joined Meketa in 2017; Shareholder
 - Serves as a consultant for public pension, foundation, endowment, non-profit, and defined contribution plans
 - Member: Meketa's Pension Practice Group
 - Member: Women in Institutional Investments Network organization
 - Executive Board Member for the CAIA Southwest Chapter
 - MS and BS: Santa Clara University
- 33 years of industry experience
 - Joined Meketa in 1996; Shareholder
 - Chair: Private Markets Policy and Private Markets Research Committees
 - Member: Board of Directors, Executive Committee, Investment Policy, Operational Due Diligence, and Sustainability Committees
 - Consultant for several public pension funds
 - BA: Cornell University

Why Meketa?

Trust

- Unconflicted advice.
- No revenue or sponsorship from asset managers.
- **100% independently** owned by 70 employee shareholders.

Experience

- 25+ years of providing investment consulting services to public fund clients.
- \$2.6 trillion in assets for **over 100 public funds**, including 28 state funds.
- **Momentum** in the public pension universe. Significant growth in past 5 years. Industry insights across peers.

Culture

- High retention ratio (employees and clients).
- Take pride in building deep, **trusted client relationships**.
- **Excellence** and **integrity** in all we do.

Perspective

- **Fresh perspective** and insights.
- Fully tailor the framework of each client relationship.

Heritage

- We have been advising pension systems in the State of **Ohio since our inception in 1978**.
- We currently advise 6 clients in Ohio totaling \$276 billion in assets.

Client counts as of December 31, 2025; and assets under advisement as of September 30, 2025.

Table of Contents

Firm

Team

Resources and Value Added to the Board

Resources and Value Added to Staff

Complete List of Services

Summary

Appendix: Sample Reports

Firm

Mission and Culture – Alignment with SERS

Our mission is to help solve critical and long-term financial challenges of our broader society, such as funding retirement, education, and health care, by supporting our clients in best achieving their investment objectives.

Our values are demonstrated and experienced through the work we do everyday as we seek to serve our clients, our colleagues and our communities.



Enduring Integrity

We uphold very high ethical standards, putting our **clients' interests first** and acting as responsible stewards of their capital. Through **transparency**, discipline, and a long-term mindset, we build trust and partnerships in an evolving financial landscape.



Relentless Excellence

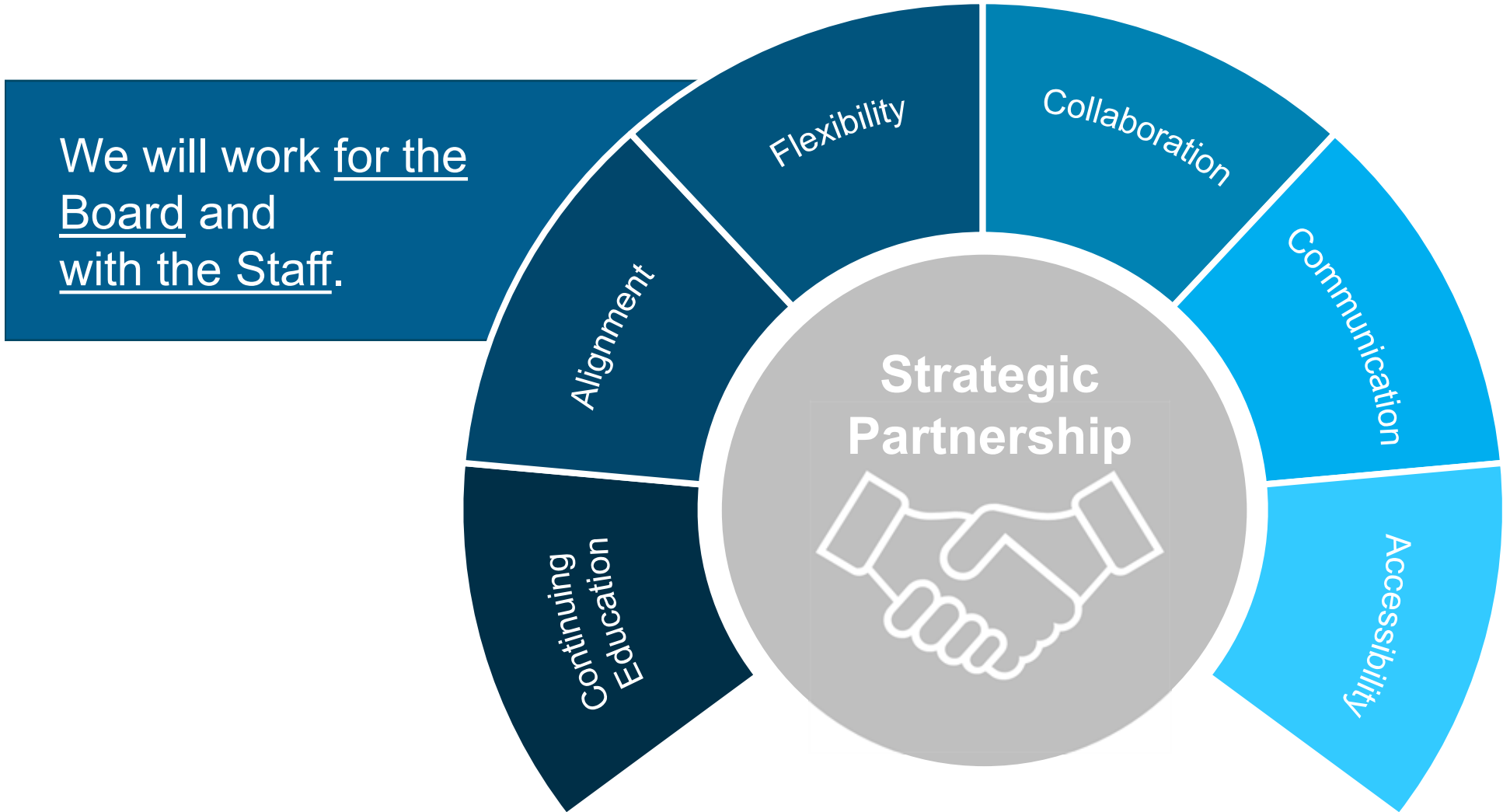
We are committed to delivering service that strives to be **best in class**. By embracing innovation, continuous improvement, and entrepreneurial thinking, we drive success for our clients and our firm. Adaptability and forward-thinking **leadership** keep us versatile in the face of change.



Opportunity, Belonging and Advancement

People are our most important asset. We foster a collaborative environment where employees can grow and advance. This connected culture is essential for achieving our goals and delivering **performance**. Beyond our firm, we lead positive change through industry leadership, volunteerism, and philanthropy.

Strategic Partners with SERS Board and Staff



Meketa Overview

47

Years of Experience

263

Clients

\$2.6 T

In Public Fund
Assets under Advisement

\$27 B

Average Public Fund
Assets under Advisement

Over 100 Public Fund clients

- 41 have total fund assets over \$10 billion¹
- Working with public funds for over 25 years
- 28 are State-run systems

Staff of 251, including 172 investment professionals

- 60 research professionals across public and private markets
- 1:1 Client to Employees ratio

Independently owned

- No parent organization
- One of the last large independent investment consultant firms

Client and employee counts as of December 31, 2025; assets as of September 30, 2025.

¹ Based on total fund assets as of September 30, 2025.

Meketa is Well Positioned for the Future

► **Committed to Remaining Independent**

- Empowering individuals to become owners
- Promotes employee retention

► **Staying True to our Core Competencies**

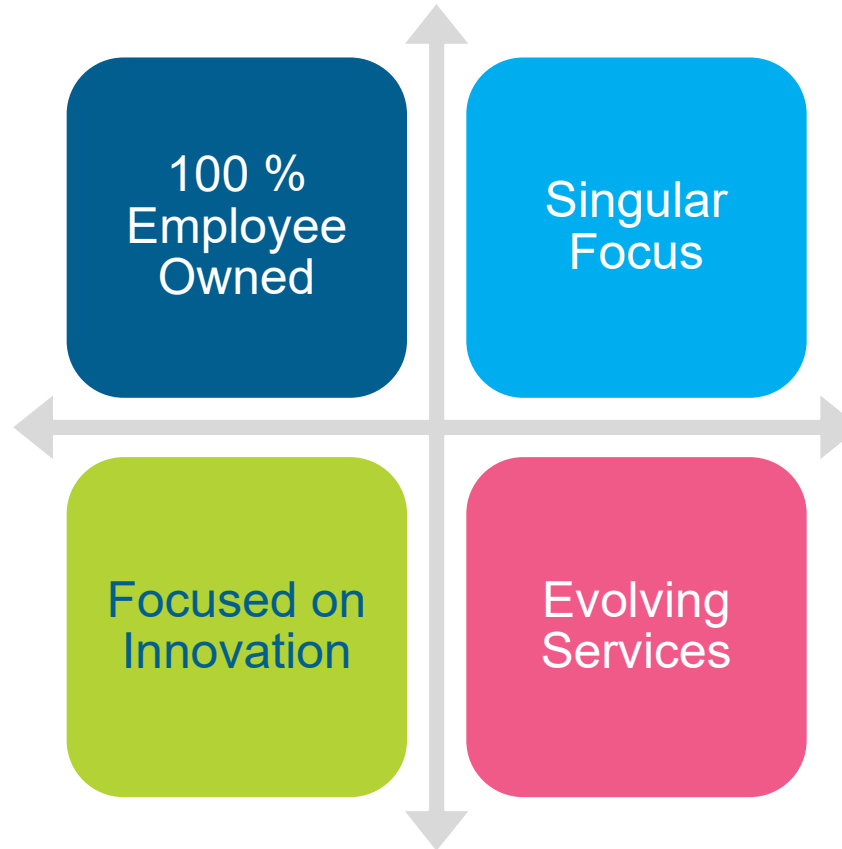
- Dedicated to offering advice to institutional clients
- Consistent and controlled growth

► **Creating Forward Looking Solutions**

- Asset allocation modeling
- Portfolio construction and risk management

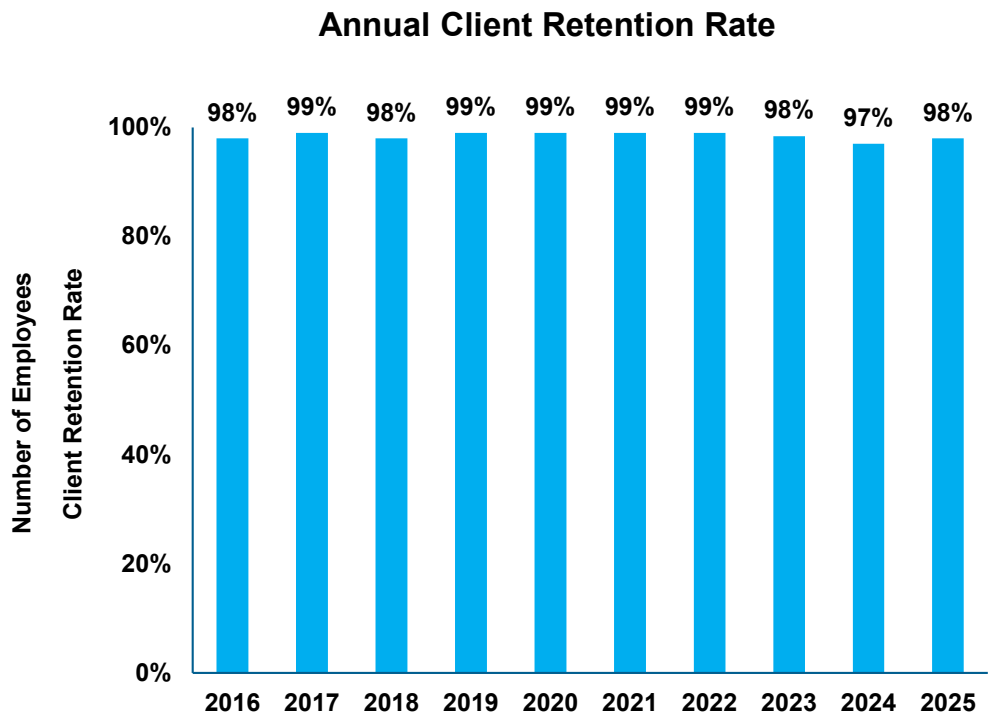
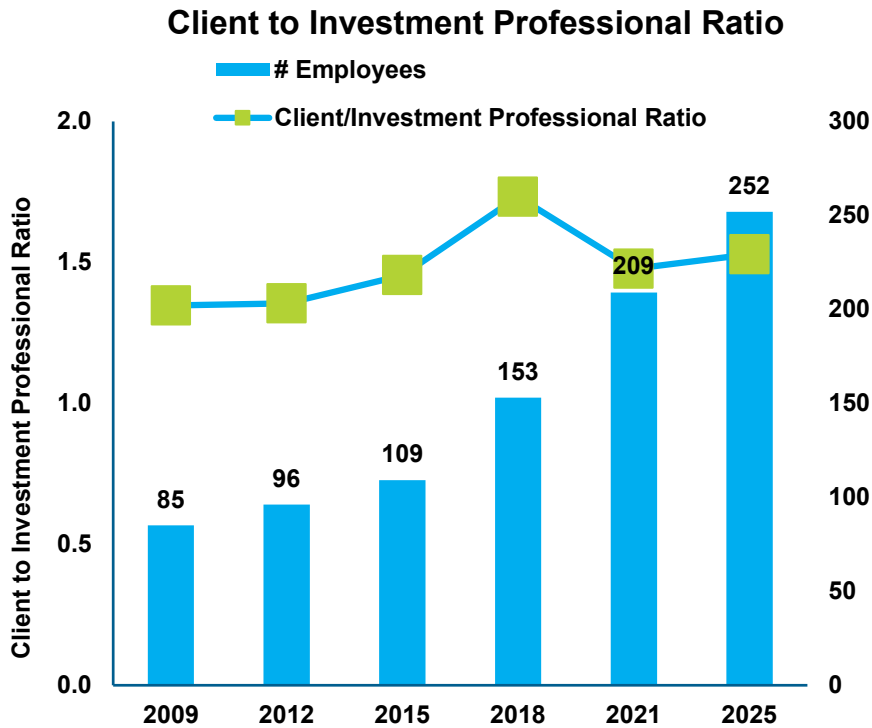
► **Keeping Pace with a Dynamic Industry**

- Dedicated to developing tools and solutions to meet the evolving needs of the marketplace



Consistent and Controlled Growth

- Consistent and controlled growth has resulted in strong retention.
- Highly experienced staff allows us to service your needs.
- Low client to investment professional ratio means we know our clients and their portfolios well.
- Over 98% client retention rate¹ shows we have been able to keep our clients happy.



¹ Average over the previous five years. Client Retention Rate is one minus the number of clients lost divided by the number of clients at prior year end.

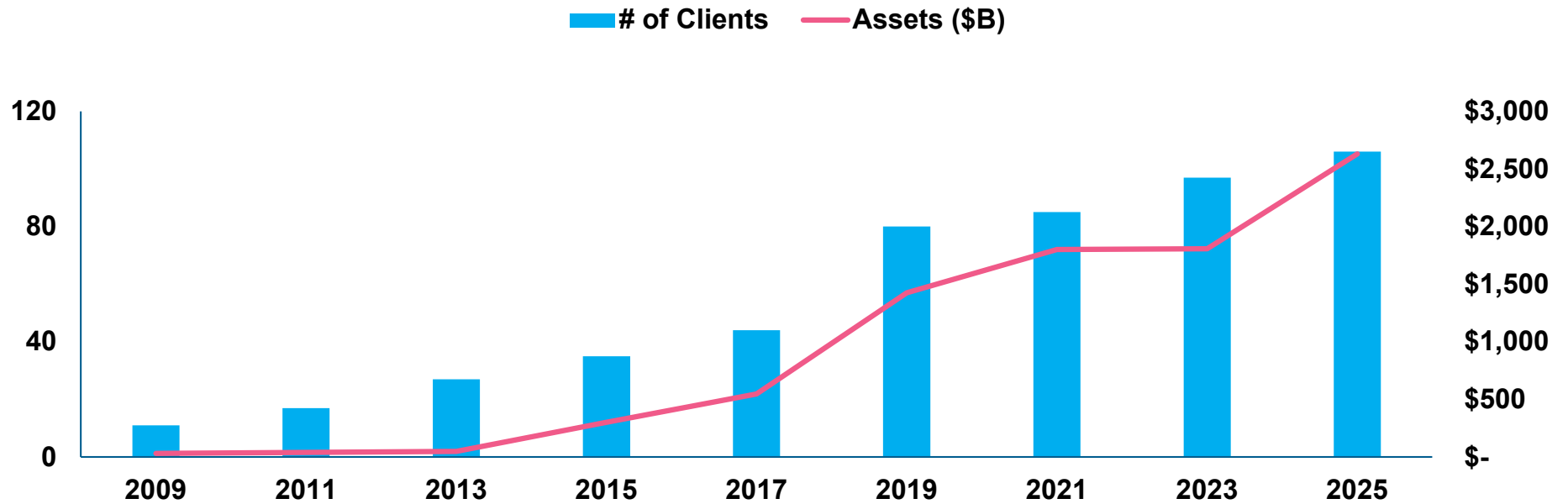
Broad Client Exposure with Significant Public Fund Experience

→ We advise on \$2.6 trillion in assets for more than 100 public fund clients throughout the nation.



Client counts as of December 31, 2025; assets under advisement as of September 30, 2025. The above clients are representative only and not an endorsement by any client listed. It is not known whether the clients listed approve of Meketa or the services we provide.

Meketa's Growth and Presence in the Public Fund Universe



→ We are proud to be members of over two dozen industry related organizations such as below:



Team

We are Staffed to Provide an Intensive Level of Client Service



→ Each of our clients is serviced by a team of consultants, analysts, and support staff.

→ We strive to provide timely and detailed responses to all inquiries from our clients.

* General Consulting, Public Markets, Private Markets, Pensions, and Capital Markets counts include overlap of professionals and includes support staff.
Employee counts as of December 31, 2025.

Team Experience

	Leandro Festino	Timothy Filla	Stephanie Sorg	John Haggerty
Industry Tenure	26	27	10	33
Firm Tenure	23	10	9	30
Shareholder	✓	✓	✓	✓
Number and Size of Clients Managed	8 clients with a total fund value of ~\$110 billion	9 clients with a total fund value of ~\$95 billion	4 clients with a total fund value of ~\$160 billion	10 clients with a total fund value of ~\$590 billion

- Collectively, the proposed team has 86 years of industry experience and over 65 years working with public funds.
- Of the 30 clients the proposed team leads/co-leads, 17 are public funds.
- Client assets under advisement range from \$1 million to \$580 billion.
- Representative team clients:



Client counts as of December 31, 2025; assets as of September 30, 2025.

School Employees Retirement System of Ohio

Resources and Value Added to the Board

How Will We Collaborate with SERS Board?

Why Meketa?

Fresh Perspective

- Comprehensive view of asset allocation, SIP, manager roster.
- We attend more than 100 conferences per year and sit on many committees for institutional organizations.
- Leverage best practices among SERS' peers.

Partnership

- We want to understand your objectives and concerns.
- Experience working with large-scale investors with similar governance structures and delegated authority models is critical.

Education

- Thought leadership available on Meketa.com.
- We seek to provide clear and concise advice in digestible materials.

Reliability


- Stability within the team and the Firm as a whole.
- Team approach allows for coordination and responsiveness.

Meketa's Mission

- We care about providing a dignified retirement for the over 245,000 current and former SERS beneficiaries.

Comprehensive Initial Retirement System Review

- Examines existing Statement of Investment Policy, asset allocation policy, and structure.
- Results in a useful guide for discussions and decision-making.
- Provides current status of the Retirement System's recommendations and priorities.
- Use an iterative process and dialogue among the Retirement Board, Staff, and consultants.



Initial Fund Review
Sample Client Fund

Summary Initial Fund Review

The table below summarizes Meketa Investment Group's initial review of the Sample Client Fund, including recommendations for action and priorities. Each recommendation is described in detail in the following pages.

Fund Governance	Priority
Investment Policy Statement	
• Review and update Investment Policy Statement	One
Investment Manager Guidelines	
• Review and update Investment Manager Guidelines	One
Crisis Response Plan	
• Establish a Crisis Response Plan	One
Fund Asset Allocation & Portfolio Construction	Priority
Asset Allocation Policy & Portfolio Construction	
• Adopt a new asset allocation and target ranges; revise definitions of asset classes; establish rebalancing policy	One
• Meet with the Fund's investment managers on a regular basis	One
• Replace lower conviction, redundant portfolios	Two
• Consider passive investments for large cap equities (domestic and international)	Two
• Diversify broadly across and within asset classes to reduce idiosyncratic risks	Two
Equity	
• Remain market cap neutral relative to the broad domestic equity index	One
• Eliminate value/growth biases in the domestic and international equity portfolio	One
• Consider adding a dedicated emerging market equity portfolio	Two
• Consider redeeming investments in dedicated long-short equities (Manager)	Two
Fixed Income	
• Consider adding an explicit target allocation to TIPS	One
• Consider adding an allocation to emerging markets debt	Two
• Consider adding a dedicated high yield bond mandate	Three

Priority one areas will be addressed by the Trustees and Meketa Investment Group, and any recommendations implemented by Meketa Investment Group within the next nine months. Priority two areas will be addressed over the next six to eighteen months, and any recommended actions implemented within that timeframe. Priority three areas will be addressed over the next twelve to thirty-six months, and any recommended actions implemented within that timeframe.

BOSTON CHICAGO LONDON MIAMI NEW YORK PORTLAND SAN DIEGO

Our Asset Allocation Philosophy

- The asset allocation decision is likely to have the largest impact of any decision you make.
- Asset allocation is the process of accepting and managing both risk and opportunity.
- Hence, asset allocation and risk management should be intricately linked with one another.
 - We strive to use the best tools available to help us understand this relationship.
- The real world risks and objectives faced by investors are complex and often conflicting.
 - These cannot be summarized in a single statistic.
 - Rather, we use a variety of tools to build a more complete picture.
- Our staff has access to leading tools used in the industry, and specialized, proprietary tools developed by our internal team.





Mean-Variance Optimization	Tracking Error vs. Peers
Risk Budgeting	Historical Scenario Analysis
Alpha Assumptions	Factor Stress Tests
Sequence of Returns Impact	Liquidity Stress Tests
Monte Carlo Simulations	Economic Regime Analysis
High Dimension Optimization	Simulation-Based Optimization

- This approach provides a better understanding of how the portfolios might behave.

Continuous Engagement and Education

Transparency and communication are critical to a relationship.

- Investment research papers on industry topics
- Economic and market updates via webinars and newsletters
- Customized educational retreats
- Formal presentations on pertinent investment topics
- Ongoing education at client meetings
- Interim memos on significant market and portfolio-related events

<h3>White Papers & Newsletters</h3>	<h3>Updates & Webinars</h3>
 <p>MEKETA INVESTMENT GROUP</p> <p>Artificial Intelligence</p> <p>Artificial intelligence (AI) is revolutionizing the global marketplace. From healthcare to finance, AI is transforming the way we live and work. This white paper explores the opportunities and challenges of AI in the investment industry.</p> <p>Why are interest rates so low today?</p> <p>A comprehensive analysis of the factors driving low interest rates and their implications for investors.</p>	 <p>MEKETA INVESTMENT GROUP</p> <p>Meketa Investment Perspectives</p> <p>Coronavirus Update</p> <p>Please use the "Questions" box to post questions. Questions will be answered at the end of the presentation, time permitting. Please email webinars@meketa.com to request materials.</p>
<h3>Online Thought Leadership</h3>	<h3>Investment Education</h3>
 <p>MEKETA INVESTMENT GROUP</p> <p>Thought Leadership Providing in-depth analysis, research, and insights to increase understanding and success.</p> <p>ALL MACROECONOMIC NEWSLETTER QUARTERLY MARKET ANALYSIS WEBINAR WHITE PAPER</p> <p>QUARTERLY MARKET ANALYSIS 10/15/2020 First quarter 2020 global macroeconomic outlook</p> <p>WEBINAR 10/15/2020 Meketa's Christy Fields participates in a REIT Radio: Innovations in Real Estate podcast</p> <p>WHITE PAPER 10/15/2020 Meketa's Steve McCourt participates in a World of Multi-Employer Benefit Funds podcast</p> <p>WHITE PAPER 10/15/2020 Factor exposure analysis</p>	 <p>MEKETA INVESTMENT GROUP INTEGRATING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS INTO INVESTMENT DECISIONS</p> <p>ESG INTEGRATION: PART 1</p> <p>Investment Concepts 101</p>

Resources and Value Added to the Staff

How Will We Collaborate with SERS Staff?

Why Meketa?

Deep Resources

→ Full access to capital markets, public markets, and private markets research personnel (60+ professionals).

Innovative Technology

→ Proprietary tools designed to help with asset allocation, portfolio construction, and risk management.

Fee Negotiations

- We have the skill, competence, and scale to effectively negotiate significant fee structures with investment managers.
- Leverage size of the firm and manager relationships to negotiate fee discounts.

Extension of Staff

→ Can act as an extension of Staff to leverage Meketa resources and operate efficiently to support your needs.

Asset Class Coverage

- Proactively source innovative/opportunistic investments.
- Meketa provides in depth coverage of 18 asset classes and models 115 asset classes/sub-asset classes for our CMEs.
- Our willingness to think differently has led us to be early movers in infrastructure and gold as institutional asset classes.
- We look beyond traditional asset class labels to identify strategies that can provide return enhancement or additional diversification benefits. An example is our Risk Mitigating Strategies framework.

Resources – Web-Based Client Portal



Portal into manager research, proprietary asset allocation tools, in-depth portfolio analysis, insights and customized reporting



Manage Portfolios

Proprietary asset allocation, portfolio construction, and risk management tools.



Research Investment Managers

Extensive research on public and private market investment firms and strategies.



Access Thought Leadership

Providing in-depth analysis, research, and insights to increase understanding and success.



Review Portfolio Dashboard







Customizable performance and diversification for private markets portfolios.

Public Markets Manager Research Team



Erika Olson
Director of Public Markets Manager Research (23)



Equities

 Hayley Tran, CFA, CAIA Head of Equity (19)	 Dennis Rafferty, CFA Sr. Research Analyst (9)
 Orianna Grillo Research Analyst (8)	 Merav Kaufman, CFA Research Analyst (12)
 Beckett Cummings Research Associate (4)	 Sean Lockhart Research Associate (5)
 Noah Moore Research Associate (1)	






Fixed Income

 Ricky Pamensky, CFA Head of Fixed Income (11)
 Connor Collins Research Analyst (8)
 Will Watkins Research Associate (1)







Marketable Alternatives

 Zachary Driscoll, CFA Head of Marketable Alternatives (10)
 W. Brian Dana, CAIA Director of OCIO Services (26)
 Colin Bebee, CFA Consultant (16)
 Christine Chang Senior Research Analyst (8)
 Dan McNamara Research Associate (5)




Sustainable Investing / Diverse Manager Engagement

 Hayley Tran, CFA, CAIA Head of Equity (19)	 Zachary Driscoll, CFA Head of Marketable Alternatives (10)
 Ricky Pamensky, CFA Head of Fixed Income (11)	 Orianna Grillo Research Analyst (8)
 Whitman Baker Sustainability Research Associate (2)	

Operational Due Diligence

 Louis Rodriguez, CFE Head of Operational Due Diligence (32)
 Adnan Afzal Operational Due Diligence Analyst (13)
 Joe Gil Private Markets Operations Manager (17)
 Cristen Xhama, CFA Sr. Private Markets Analyst (14)
 Roderick Bastidas Private Markets Operations Analyst (9)
 Michael Adams Information Security Analyst (19)

Passive Management

 Stephen MacLellan, CFA Consultant (19)
 Beckett Cummings Research Associate (4)
 Orianna Grillo Research Analyst (8)

As of March 2026. (Years industry experience)

Private Markets Manager Research Team



John Haggerty, CFA
Director of Private Markets (33)

Private Equity



Steven Hartt, CAIA
Private Markets
Consultant (39)



Jess Downer, CFA
Head of Private Market
Services (23)



Ethan Samson, JD
Dir. of Private Mkts. Client
& Partner Strategy (23)



Jed Constantino, CAIA
Private Markets
Research Consultant (13)



Bradley Dumais
Private Markets
Research Consultant (9)



Luke Riela, CFA
Private Markets
Research Consultant (13)



Jamie Hoffman
Sr. Private Markets
Analyst (5)



Alex De Trane
Private Markets
Analyst (6)



Benjamin Tyler
Private Markets
Analyst (4)



Judy Chambers
Private Markets
Consultant (28)



John Haggerty, CFA
Director of
Private Markets (33)



Molly LeStage
Private Markets
Consultant (33)



Ryan Marie Decker
Private Markets
Consultant (24)



John McCarthy
Private Markets
Consultant (7)



Sabrina Ciampa
Sr. Private Markets
Analyst (5)



Cristen Xhama, CFA
Sr. Private Markets
Analyst (14)



Michael Pellatz, CAIA
Private Markets
Analyst (11)

Private Debt



Mary Bates
Private Markets
Consultant (25)



Maya Ortiz de Montellano, CFA
Private Markets
Consultant (29)



Colin Hill
Real Estate
Consultant (23)



Jed Constantino, CAIA
Private Markets
Research Consultant (13)



John McCarthy
Private Markets
Consultant (7)



Luke Riela, CFA
Private Markets
Research Consultant (13)



Sabrina Ciampa
Private Markets
Analyst (5)



Jamie Hoffman
Sr. Private Markets
Analyst (5)



Alex De Trane
Private Markets
Analyst (6)



Michael Pellatz, CAIA
Private Markets
Analyst (11)



Benjamin Tyler
Private Markets
Analyst (4)

Real Assets



Lisa Bacon, CAIA
Private Markets
Consultant (37)



Adam Toczylowski, CFA
Head of Real Assets
Co-Investments (27)



Steven Hartt, CAIA
Private Markets
Consultant (39)



Ryan Marie Decker
Private Markets
Consultant (24)



Luke Riela, CFA
Private Markets
Research Consultant (13)



Jamie Hoffman
Sr. Private Markets
Analyst (5)



Gerald Chew, CAIA
Private Markets
Consultant (24)



Judy Chambers
Private Markets
Consultant (28)



Jed Constantino, CAIA
Private Markets
Research Consultant (13)



Bradley Dumais
Private Markets
Research Consultant (9)



Sabrina Ciampa
Sr. Private Markets
Analyst (5)



Alex De Trane
Private Markets
Analyst (6)

Real Estate



Christy Fields
Head of
Real Estate (37)



Scott Maynard
Real Estate
Consultant (14)



Rajeev Ranade
Real Estate
Consultant (18)



Chris Andrusis
Sr. Real Estate
Analyst (11)



Paige Junker
Real Estate
Analyst (5)



Colin Hill
Real Estate
Consultant (23)



Derek Proctor
Real Estate
Consultant (14)



Karen Reeves
Real Estate
Research Consultant (30)



Sarah Christo
Real Estate
Analyst (6)

Operational Due Diligence



Louis Rodriguez, CFE
Head of Operational
Due Diligence (32)



Joe Gil
Private Markets
Operations Manager (17)



Roderick Bastidas
Private Markets
Operations Analyst (9)



Adnan Afzal
Operational Due
Diligence Analyst (13)



Cristen Xhama, CFA
Sr. Private Markets
Analyst (14)



Michael Adams
Information Security
Analyst (19)

Add'l Resources

- 4 PM Policy Comm. Members
- 9 Investment Associates
- 6 Operations / Paralegals
- 6 Performance Analysts
- 5 Client Service Administrators

As of March 2026. (Years industry experience)

Private Markets Services

Broad array of service models to meet the needs of investors seeking access to private markets investments.

	Non-Discretionary Advisory	Strategic Advisory	Special Projects	Enhanced Portfolio Monitoring	Discretionary Asset Management
DETAILS	<p>Complete solution for program implementation</p> <p>Client directs policy and approves investment selections</p>	<p>Meketa augments client staff in program implementation</p>	<p>One-time or periodic assignments to achieve specific goals</p>	<p>On-going or one-time fund reviews:</p> <ul style="list-style-type: none"> Fee calculations Carry calculation Policy verifications Valuation reviews 	<p>Complete solution for outsourced private market program</p> <p>Meketa and client collaborate on policy and plan</p>
ADVANTAGES	<p>Full-service solution</p> <p>Retain decision authority</p> <p>Meketa resources & performance</p>	<p>Supplement existing resources</p> <p>Mandate tailored to needs</p> <p>Respond to shifting initiatives</p>	<p>Limited-term projects</p> <p>Supplement existing resources</p> <p>Scope customized for each project</p> <p>Rapid turnaround once goals are set</p>	<p>Supplement existing resources</p> <p>Meet heightened oversight needs</p> <p>Ensure manager compliance with legal requirements</p>	<p>Full-service solution</p> <p>Meketa resources & performance</p> <p>Fast decisions and efficient access</p> <p>Transfer fiduciary responsibility</p>

Suite of available services covers all aspects of portfolio construction and monitoring.

Education	Strategic Planning	Investment Sourcing	Due Diligence	Reporting	Cash Management
Policy Development	Commitment Pacing	Investment Selection	Legal & Negotiations	Monitoring	Enhanced Monitoring

Complete List of Services and Proposed Fee

Comprehensive Delivery of RFP-Defined Scope of Services

III. Scope of Services	Meketa Can Perform All Required Duties
Provide services as fiduciaries and in accordance with all applicable federal and state laws and regulations and with all applicable professional codes and regulations;	✓
Assist in the development of strategic asset allocation recommendations which are approved by the Board;	✓
Report on-site, in person every three months to the Board on the status of SERS' investment portfolio and its multi-period, net of fee performance;	✓
Assist in the development and amendment of investment related policies, procedures, guidelines, and performance measurement standards that will aid both the Board and Staff in developing the strategic objectives of the SERS investment portfolio;	✓
Provide the Board with unbiased research, information, and advice on investment topics and strategies when requested by the Board or when considered relevant by the consultant or Staff;	✓
Monitor, evaluate, and communicate investment portfolio and manager performance as appropriate on an ongoing basis;	✓
Assist Staff on decisions relating to the retention, additional investment in, redemption, or discharge of investment managers;	✓
Collaborate with Staff on the due diligence of potential or existing investment managers;	✓
Provide advice and opinions to the Staff Investment Committee on all investment recommendations; and	✓
Provide access to robust investment manager research or other tools which would be helpful in constructing and managing SERS' investment portfolios.	✓
All duties of the investment consultant defined in the SIP.	✓

Summary

Our Competitive Advantages

Independence and Trust

→ 100% employee-owned by 70 shareholders; no revenue or sponsorship from asset managers allows for fully unconflicted advice.

Experience and Scale

→ 25+ years advising public funds; \$2.6 trillion in assets under advisement across 100+ public funds, including 28 state systems.

Ohio Heritage

→ Advising Ohio pension systems since firm inception in 1978; currently 6 Ohio clients representing \$272 billion in assets.

Deep Resources and Innovation

→ 60+ research professionals across capital, public, and private markets; proprietary tools for asset allocation, portfolio construction, and risk management.

Fee Leverage and Partnership

→ Scale and manager relationships drive meaningful fee negotiations; act as an extension of Staff with a stable, responsive team approach.

Client and employee counts as of December 31, 2025, and assets under advisement as of September 30, 2025.

Closing Comments

THANK YOU



We appreciate the opportunity to meet with you and present our capabilities.

We are excited about the prospect of working with you and believe we would be a great fit for your organization.

It would be an honor and a privilege to serve as your investment consultant.

Appendix: Sample Reports

Portions of the attached sample reports have been redacted to ensure the security of certain confidential or sensitive information.”

Executive Summary

1Q 2025 Executive Summary

Category	QTR Results	Notes
Total Fund Performance	Positive	2.1% net (\$33m net investment change)
Performance vs. Benchmark	Outperformed	2.1% vs -0.9% (policy benchmark)
Performance vs. Peers ¹	Outperformed	2.1% vs. 0.3% median (2 nd percentile)
Asset Allocation Attribution Effects	Negligible	
Active Strategies vs. Benchmarks	Majority Outperformed	6 of 7 active managers matched or beat their respective benchmarks (after fees)
Active Strategies vs. Peer Groups ²	Neutral	3 of 6 active public managers outperformed the peer group median (after fees)
Compliance with Targets and Ranges	In Compliance	All exposure within policy ranges

¹ Peer Group is defined as InvMetrics Public Defined Benefit Plans > \$1B (net)

² eVestment All Global Equity for all equity managers. eVestment Global Credit Fixed Income for PIMCO Global Investment Grade Credit. eVestment US Enhanced Cash Management for PIMCO US Short-Term.

Quarterly Manager Scorecard

	1 YR Outperformance vs. Benchmark	3 YR Outperformance vs. Benchmark	5 YR Outperformance vs. Benchmark	Compliance with Client Investment Policy? ¹
IFP Global Franchise	Yes	Yes	Yes	Yes
Wellington Global Quality Growth	Yes	Yes	No	Yes
WCM Quality Global Growth	Yes	N/A	N/A	Yes
GQG Equity Partners Global Equity	N/A	N/A	N/A	Yes
PIMCO Global Investment Grade Credit	Yes	Yes	Yes	Yes
PIMCO US Short-Term	Yes	Yes	Yes	Yes
Infrastructure Manager A	Yes	N/A	N/A	Yes
Real Estate Manager A	N/A	N/A	N/A	Yes

¹ Duration of bonds does not vary from designated index by more than 20%, overall average quality of A or equivalent, no more than 5% of portfolio in unencumbered cash, no investment in real estate to exceed 3% of total fund.

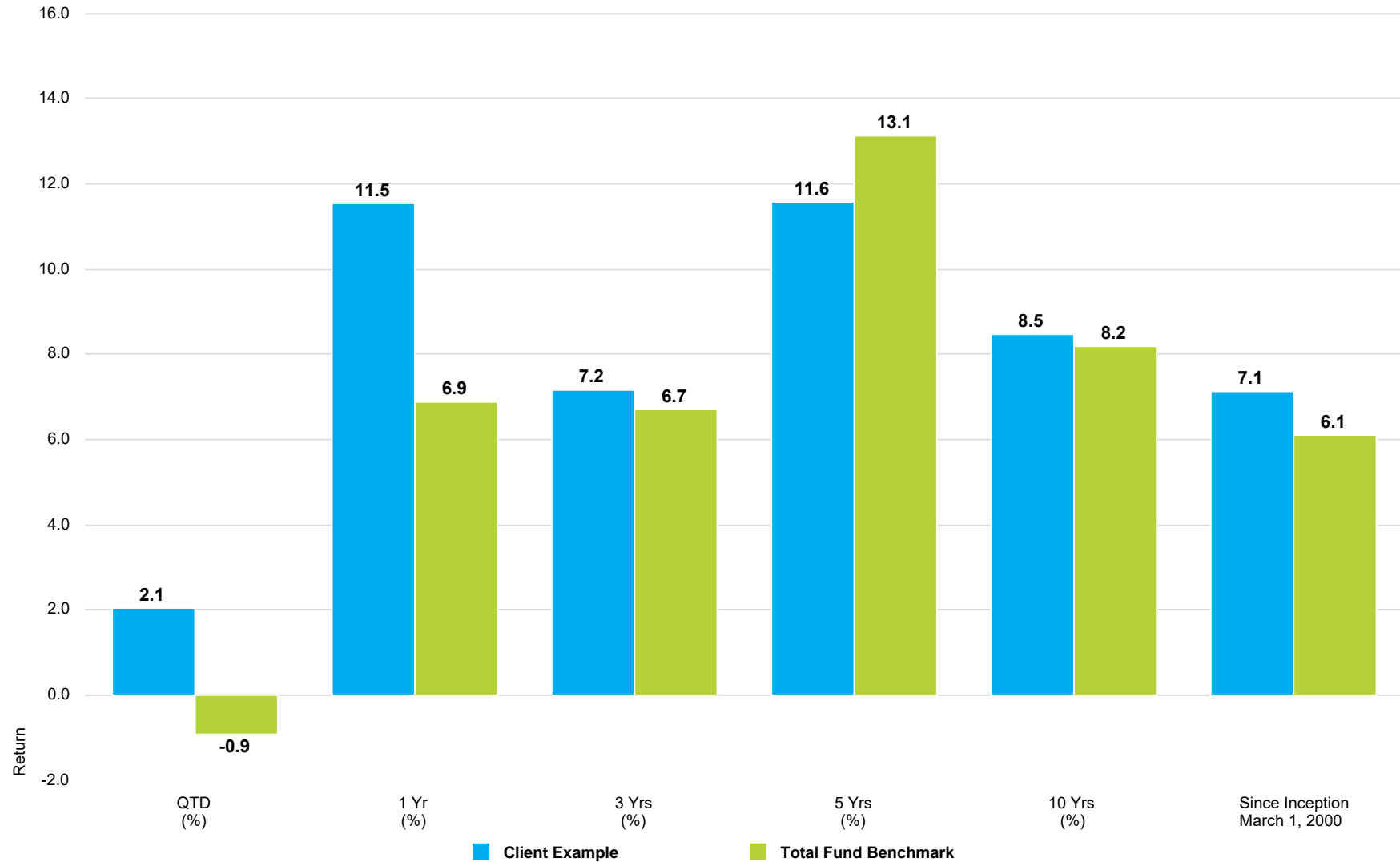
Fund Review

Trailing Net Performance | As of March 31, 2025

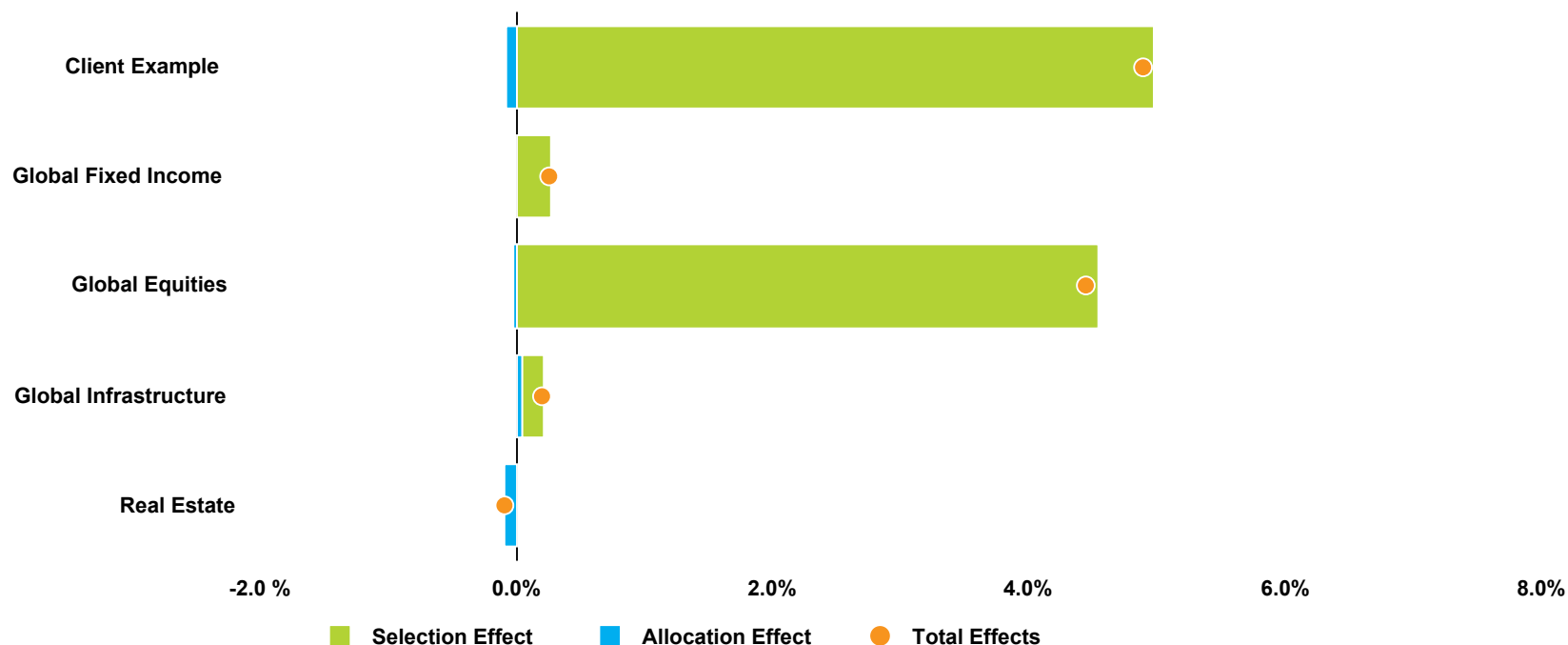
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Client Example	1,639,166,178	100.0	2.1	11.5	7.2	11.6	8.5	7.1	Mar-00
<i>Total Fund Benchmark</i>			<i>-0.9</i>	<i>6.9</i>	<i>6.7</i>	<i>13.1</i>	<i>8.2</i>	<i>6.1</i>	
Global Equities	1,152,386,686	70.3	2.0	12.8	8.3	13.9	10.0	11.6	Jan-10
<i>MSCI World Index (Net)</i>			<i>-1.8</i>	<i>7.0</i>	<i>7.6</i>	<i>16.1</i>	<i>9.5</i>	<i>9.7</i>	
IFP Global Franchise	423,799,712	25.9	7.6	20.8	9.6	16.5	10.9	12.1	Dec-09
<i>MSCI World Index (Net)</i>			<i>-1.8</i>	<i>7.0</i>	<i>7.6</i>	<i>16.1</i>	<i>9.5</i>	<i>9.8</i>	
Wellington Global Quality Growth	250,500,213	15.3	-0.8	7.5	7.6	13.8		11.7	May-17
<i>MSCI AC World Index (Net)</i>			<i>-1.3</i>	<i>7.2</i>	<i>6.9</i>	<i>15.2</i>		<i>9.7</i>	
WCM Quality Global Growth	116,794,975	7.1	-2.5	12.4				13.2	Feb-24
<i>MSCI AC World Index (Net)</i>			<i>-1.3</i>	<i>7.2</i>				<i>12.9</i>	
GQG Equity Partners Global Equity	81,290,615	5.0	-0.9					-1.0	Jun-24
<i>MSCI AC World Index (Net)</i>			<i>-1.3</i>					<i>6.5</i>	
BlackRock Developed World Index Fund	280,001,172	17.1	-2.1	6.9				15.6	Apr-23
<i>MSCI World Index (Net)</i>			<i>-1.8</i>	<i>7.0</i>				<i>15.7</i>	
Global Fixed Income	331,338,477	20.2	1.8	5.9	2.5	2.1	2.6	3.2	Oct-13
<i>Blmbg. Global Aggregate Index (Hedged)</i>			<i>1.2</i>	<i>4.6</i>	<i>1.5</i>	<i>0.4</i>	<i>1.9</i>	<i>2.5</i>	
PIMCO Global Investment Grade Credit	246,505,934	15.0	2.0	6.1	2.3	1.9	2.5	3.1	Oct-13
<i>Blmbg. Global Aggregate - Credit (USD-H)</i>			<i>1.6</i>	<i>5.1</i>	<i>1.8</i>	<i>1.6</i>	<i>2.4</i>	<i>3.0</i>	
PIMCO US Short-Term	84,832,543	5.2	1.1	5.4	4.6	3.3		2.9	Jan-19
<i>FTSE 3 Month T-Bill</i>			<i>1.1</i>	<i>5.2</i>	<i>4.4</i>	<i>2.7</i>		<i>2.6</i>	
Global Infrastructure	75,440,687	4.6	2.7	9.9				9.9	Apr-24
<i>CPI +3% (Unadjusted)</i>			<i>2.1</i>	<i>5.5</i>				<i>5.5</i>	
Infrastructure Fund I	75,440,687	4.6	2.7	9.9				9.9	Apr-24
<i>CPI +3% (Unadjusted)</i>			<i>2.1</i>	<i>5.5</i>				<i>5.5</i>	
Real Estate	80,000,000	4.9							
<i>NCREIF Fund Index-ODCE (VW) (Net)</i>									
Real Estate Fund I	80,000,000	4.9							
<i>NCREIF Fund Index-ODCE (VW) (Net)</i>									
Cash	328	0.0							
CIBC Mellon Cash Reserve Account	328	0.0							
External Cash	10,143,431								
Local Investments (USD)	10,143,431								
Total Assets	1,649,309,609								

Total Fund Benchmark reflects historical SIPP asset class target weights and corresponding benchmarks. As of April 2024, the benchmark is equal to 75% MSCI World (Global Equity), 20% Bloomberg Global Agg (Global Fixed Income) and 5% CPI+3% (Core Infrastructure). The External Cash / Local Investments (USD) line item reflects values as of March 31, 2025, as provided by the Client staff. These values are included only in the "Total Assets" line at the bottom of the report. Real Estate Manager A initial funding took place in March 2025. Returns will be reported from the first full quarter of performance.

Return Summary (Net)



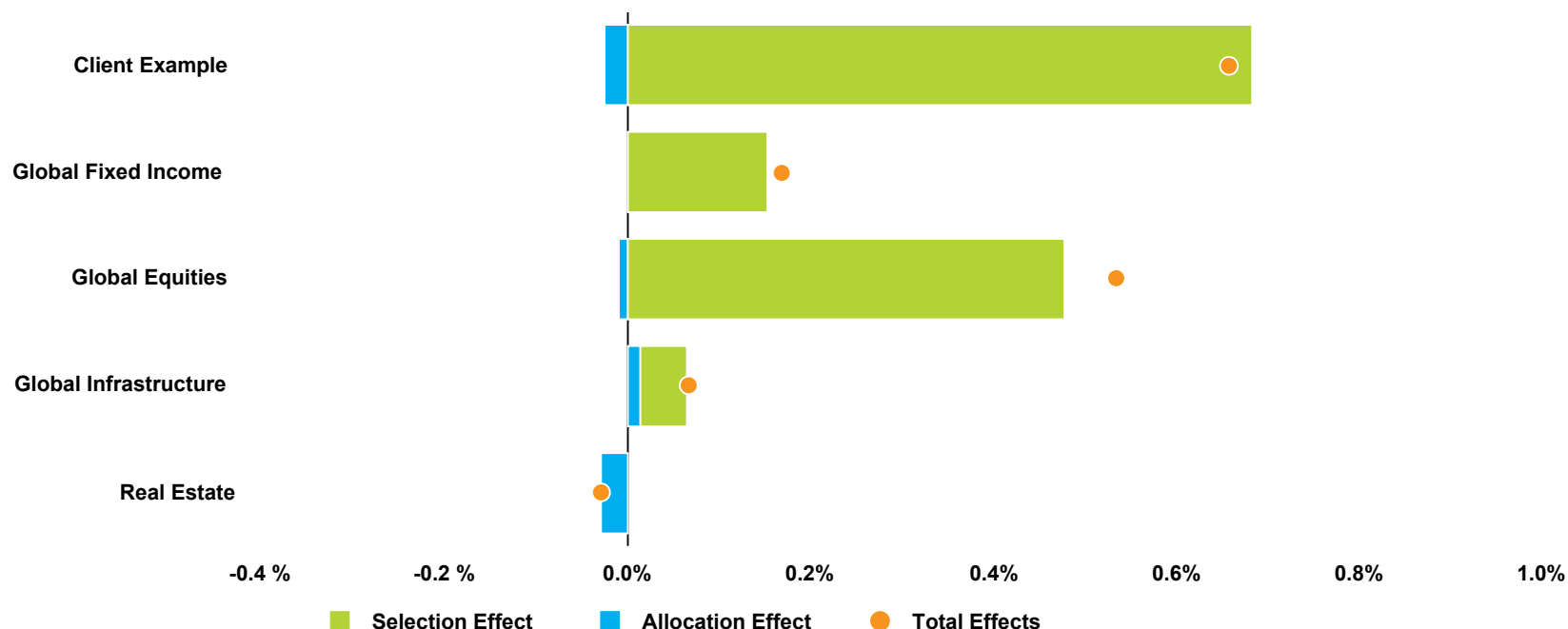
Attribution Effects 1 Year Ending March 31, 2025



Attribution Summary						
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Global Fixed Income	5.9	4.6	1.3	0.3	0.0	0.3
Global Equities	12.8	7.0	5.8	4.5	0.0	4.4
Global Infrastructure	9.9	5.5	4.4	0.2	0.0	0.2
Real Estate	0.0	0.8	-0.8	0.0	-0.1	-0.1
Client Example	11.5	6.7	4.9	5.0	-0.1	4.9

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

Attribution Effects 3 Years Ending March 31, 2025

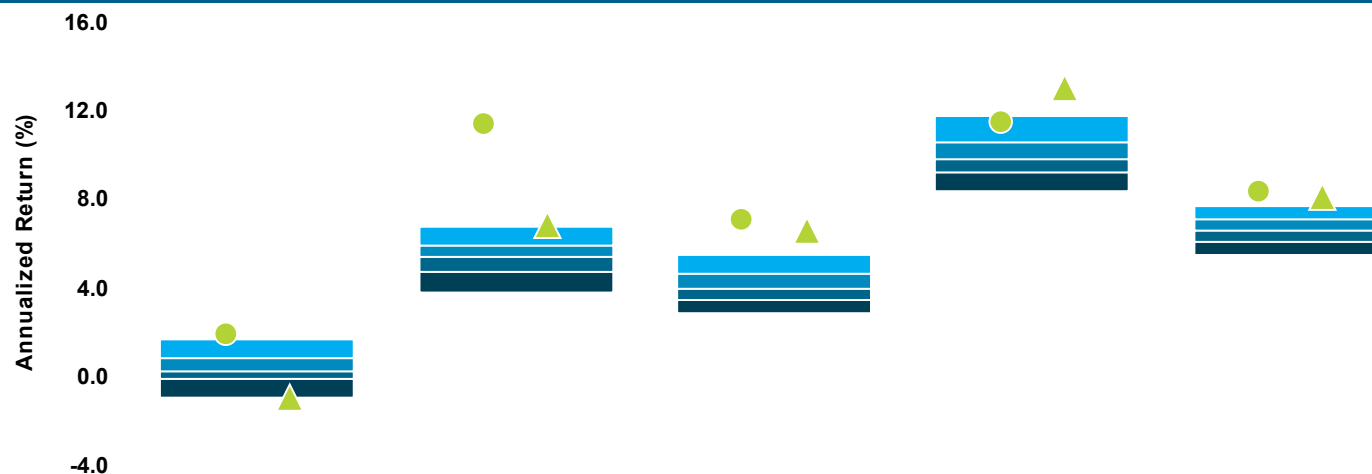


Attribution Summary

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Total Effect (%)
Global Fixed Income	2.5	1.5	0.9	0.2	0.0	0.2
Global Equities	8.3	7.6	0.8	0.5	0.0	0.5
Global Infrastructure	3.2	1.8	1.4	0.1	0.0	0.1
Real Estate	0.0	0.3	-0.3	0.0	0.0	0.0
Client Example	7.2	6.5	0.7	0.7	0.0	0.7

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

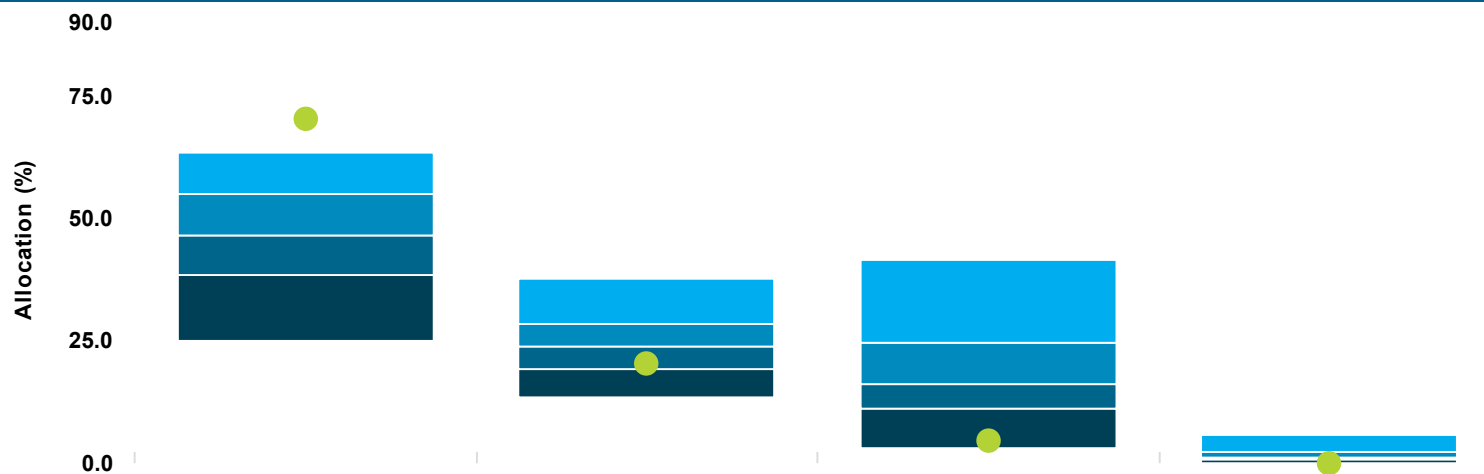
InvMetrics Public DB > \$1B Net Accounts



	Period				
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● Client Example	2.1 (2)	11.5 (1)	7.2 (1)	11.6 (10)	8.5 (2)
▲ Total Fund Benchmark	-0.9 (97)	6.9 (5)	6.7 (1)	13.1 (1)	8.2 (2)
5th Percentile	1.7	6.9	5.5	11.9	7.8
1st Quartile	0.9	6.0	4.7	10.7	7.2
Median	0.3	5.5	4.0	9.9	6.7
3rd Quartile	0.0	4.8	3.5	9.3	6.1
95th Percentile	-0.8	3.9	2.9	8.4	5.6
Population	103	103	101	97	92

Parentheses contain percentile rankings. Calculation based on monthly periodicity.

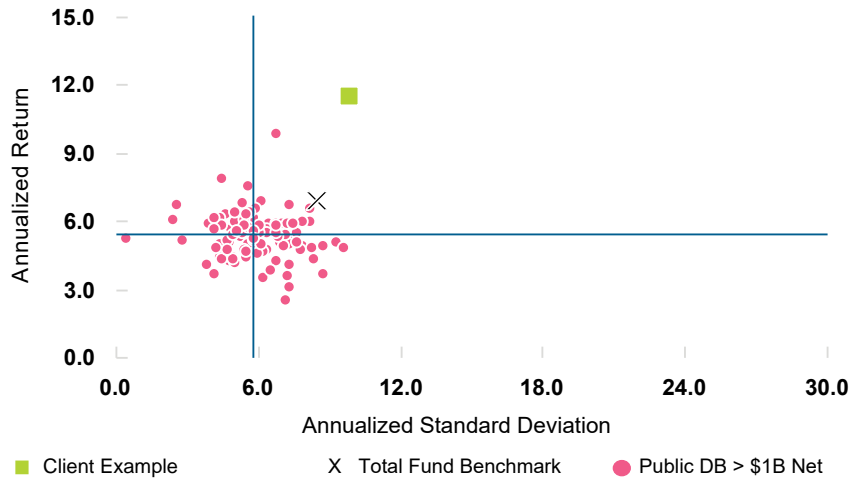
Total Plan Allocation vs. InvMetrics Public DB > \$1B Net As of March 31, 2025



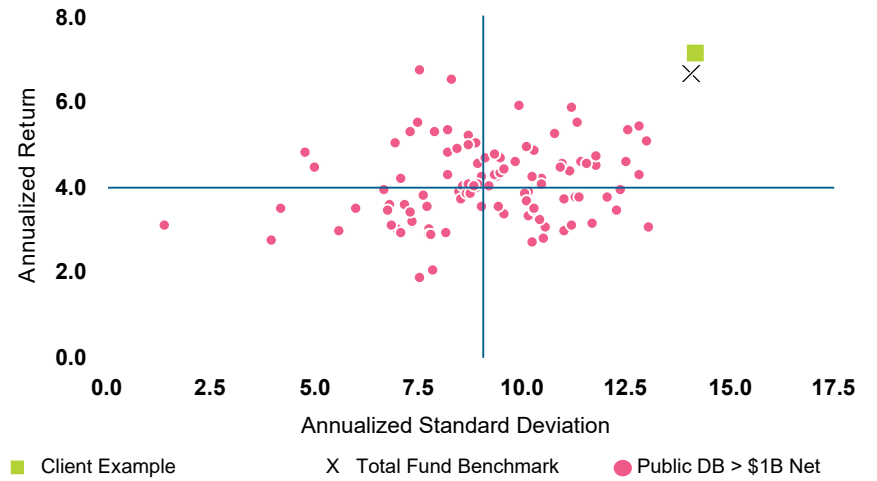
	Total Equity	Total Fixed Income	Alternatives	Cash & Equivalents
● Client Example	70.3 (1)	20.2 (75)	4.6 (91)	0.0 (100)
5th Percentile	63.6	37.9	41.7	5.7
1st Quartile	55.0	28.4	24.7	2.2
Median	46.6	23.9	16.3	1.3
3rd Quartile	38.5	19.3	11.3	0.6
95th Percentile	25.1	13.7	3.2	0.2
Population	107	108	103	104

Parentheses contain percentile rankings.

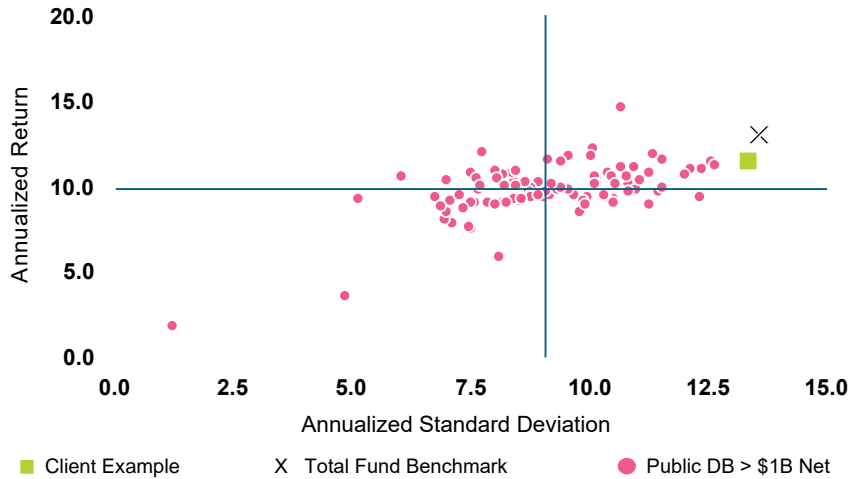
Annualized Return vs. Annualized Standard Deviation
1 Year Ending March 31, 2025



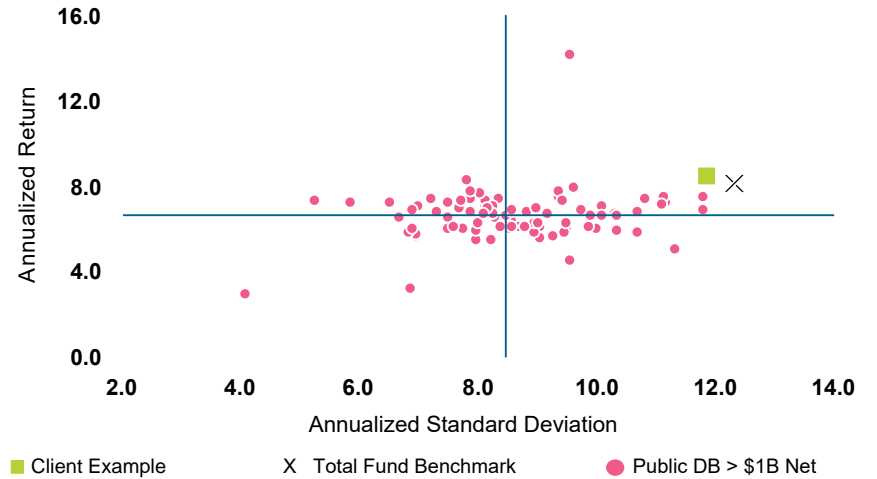
Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2025



Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2025



Annualized Return vs. Annualized Standard Deviation
10 Years Ending March 31, 2025



Fund Summary | As of March 31, 2025



Data on this page represents a 3 year time period.

Asset Class Performance Summary with Universe Rank (Net of Fees) | As of March 31, 2025

Asset Class Performance Summary with Universe Rank (Net of Fees)									
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Client Example	1,639,166,178	100.0	2.1	11.5	7.2	11.6	8.5	7.1	Mar-00
<i>Total Fund Benchmark</i>			-0.9	6.9	6.7	13.1	8.2	6.1	
Over/Under			3.0	4.7	0.5	-1.5	0.3	1.0	
<i>InvMetrics All Public DB Plans > \$1B Median</i>			0.3	5.5	4.0	9.9	6.7	6.1	
<i>InvMetrics All Public DB Plans > \$1B Rank</i>			2	1	1	10	2	2	
Global Equities	1,152,386,686	70.3	2.0	12.8	8.3	13.9	10.0	11.6	Jan-10
<i>MSCI World Index (Net)</i>			-1.8	7.0	7.6	16.1	9.5	9.7	
Over/Under			3.7	5.8	0.8	-2.2	0.5	1.9	
<i>eV All Global Equity Median</i>			-1.3	4.2	5.4	14.0	8.2	8.8	
<i>eV All Global Equity Rank</i>			29	7	20	52	19	10	
IFP Global Franchise	423,799,712	25.9	7.6	20.8	9.6	16.5	10.9	12.1	Dec-09
<i>MSCI World Index (Net)</i>			-1.8	7.0	7.6	16.1	9.5	9.8	
Over/Under			9.4	13.8	2.0	0.4	1.4	2.3	
<i>eV All Global Equity Median</i>			-1.3	4.2	5.4	14.0	8.2	8.9	
<i>eV All Global Equity Rank</i>			7	2	11	24	10	8	
Wellington Global Quality Growth	250,500,213	15.3	-0.8	7.5	7.6	13.8		11.7	May-17
<i>MSCI AC World Index (Net)</i>			-1.3	7.2	6.9	15.2		9.7	
Over/Under			0.5	0.4	0.7	-1.3		2.0	
<i>eV All Global Equity Median</i>			-1.3	4.2	5.4	14.0		8.9	
<i>eV All Global Equity Rank</i>			46	24	28	52		11	
WCM Quality Global Growth	116,794,975	7.1	-2.5	12.4				13.2	Feb-24
<i>MSCI AC World Index (Net)</i>			-1.3	7.2				12.9	
Over/Under			-1.2	5.3				0.2	
<i>eV All Global Equity Median</i>			-1.3	4.2				9.9	
<i>eV All Global Equity Rank</i>			68	8				24	

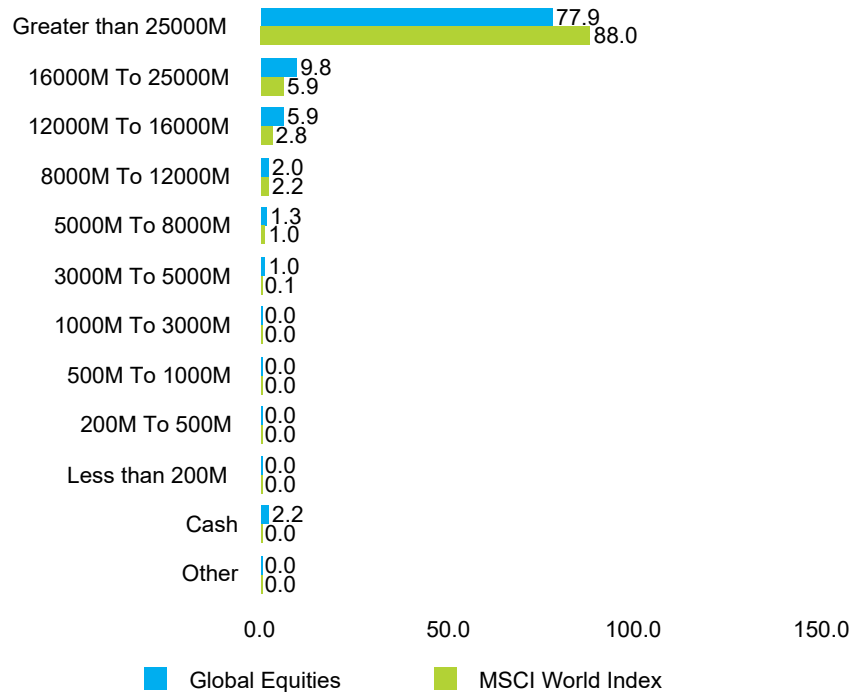
Statistics Summary 3 Years Ending March 31, 2025				
	Return %	Standard Deviation %	Sharpe Ratio	Tracking Error %
Client Example	7.2	14.2	0.3	2.6
Total Fund Benchmark	6.7	14.1	0.2	0.0
Global Equities	8.3	16.2	0.3	3.3
MSCI World Index (Net)	7.6	16.5	0.3	0.0
IFP Global Franchise	9.6	17.0	0.4	6.6
MSCI World Index (Net)	7.6	16.5	0.3	0.0
Wellington Global Quality Growth	7.6	15.2	0.3	3.9
MSCI AC World Index (Net)	6.9	16.1	0.2	0.0
Global Fixed Income	2.5	6.6	-0.2	1.8
Blmbg. Global Aggregate Index (Hedged)	1.5	5.7	-0.4	0.0
PIMCO Global Investment Grade Credit	2.3	7.5	-0.2	0.9
Blmbg. Global Aggregate - Credit (USD-H)	1.8	7.3	-0.3	0.0
PIMCO US Short-Term	4.6	0.9	0.6	0.7
FTSE 3 Month T-Bill	4.4	0.5	1.6	0.0

Calculation based on monthly periodicity.

Asset Allocation on March 31, 2025

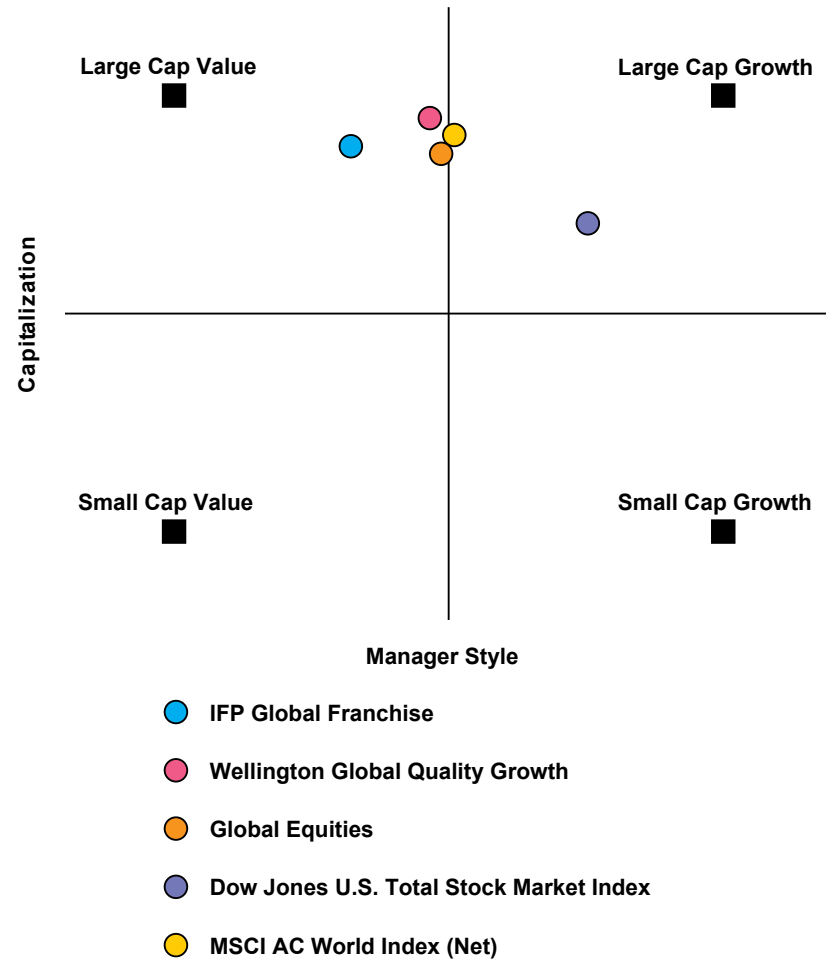
	Total Fund	
	\$	%
IFP Global Franchise	423,799,712	36.8
Wellington Global Quality Growth	250,500,213	21.7
GQG Equity Partners Global Equity	81,290,615	7.1
WCM Quality Global Growth	116,794,975	10.1
BlackRock Developed World Index Fund	280,001,172	24
Global Equities	1,152,386,686	100.0

Market Capitalization As of March 31, 2025



Global Equities | As of March 31, 2025

Global Equities Style Map 3 Years Ending in As of March 31, 2025



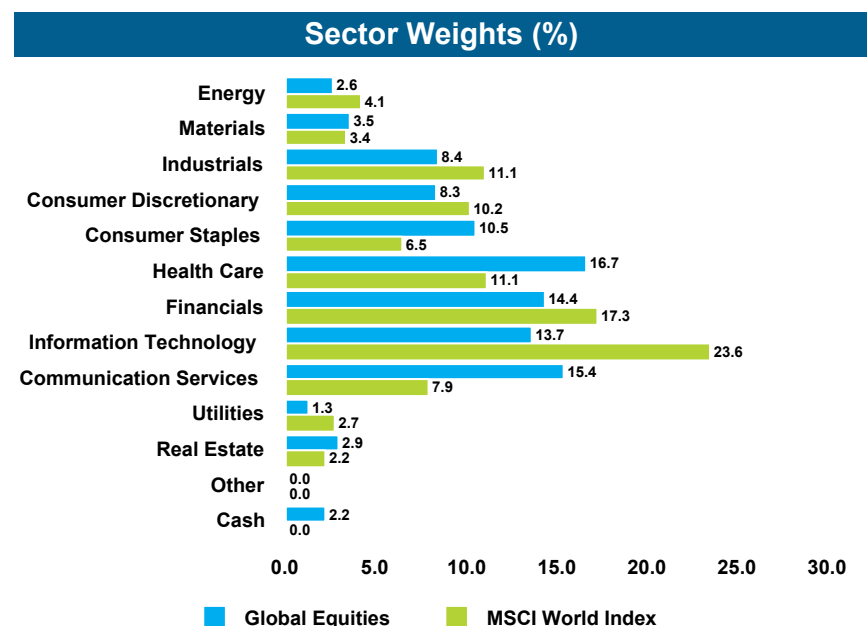
Global Equities | As of March 31, 2025

Top Holdings	
CASH	2.2
Corteva Inc	2.0
NVIDIA Corporation	2.0
Microsoft Corp	2.0
Apple Inc	1.9
Bristol-Myers Squibb Co	1.9
Amazon.com Inc	1.9
GSK plc	1.9
Intercontinental Exchange Inc	1.8
Reckitt Benckiser Group PLC	1.6
% of Portfolio	19.2

Account Information	
Account Name	Global Equities
Account Structure	
Inception Date	01/01/2010
Asset Class	International Equity
Benchmark	MSCI World Index (Net)
Peer Group	eV All Global Equity

Equity Characteristics vs MSCI World Index		
	Portfolio	Benchmark
Number of Holdings	1,425	1,352
Wtd. Avg. Mkt. Cap \$B	351.0	641.9
Median Mkt. Cap \$B	23.1	22.5
P/E Ratio	25.6	22.3
Yield (%)	1.6	1.8
EPS Growth - 5 Yrs. (%)	15.3	17.3
Price to Book	3.9	3.9

Portfolio Performance Summary		
	Since Inception	Inception Date
Global Equities	11.6	01/01/2010
MSCI World Index	10.3	



Global Equities | As of March 31, 2025

Global Equity Composite vs. MSCI World Index Regional Allocation		
	Global Equities	MSCI World Index
United States	59.2	70.2
Non-US Developed	35.2	29.7
Emerging Markets	3.3	0.0
Frontier Markets	0.0	0.0
Cash	2.2	0.0
Other	0.1	0.1
Total	100.0	100.0

Global Equities | As of March 31, 2025

Global Equities vs. MSCI World Country Allocation		
Country	Portfolio Weight (%)	Benchmark Weight (%)
United States	61.4	70.2
United Kingdom	13.7	4.1
Japan	5.0	5.4
Switzerland	4.0	2.8
Ireland	1.9	1.1
Germany	1.9	2.5
France	1.7	2.7
Canada	1.4	3.2
Taiwan	1.2	0.0
Sweden	1.0	0.8
Singapore	0.9	0.5
India	0.9	0.0
China	0.9	0.0
Denmark	0.7	0.6
Netherlands	0.7	1.4
Italy	0.5	0.7
Belgium	0.5	0.2
Spain	0.4	0.8
Australia	0.4	1.6
Hong Kong	0.3	0.5
Austria	0.2	0.0
Brazil	0.2	0.0
Luxembourg	0.1	0.1
Finland	0.1	0.3
Israel	0.1	0.2
United Arab Emirates	0.0	0.0
Norway	0.0	0.2
New Zealand	0.0	0.1

Global Equities | As of March 31, 2025

Country	Portfolio Weight (%)	Benchmark Weight (%)
Portugal	0.0	0.0
Bermuda	0.0	0.0
Macau	0.0	0.0
Cash	0.0	0.0
Total	100.0	100.0

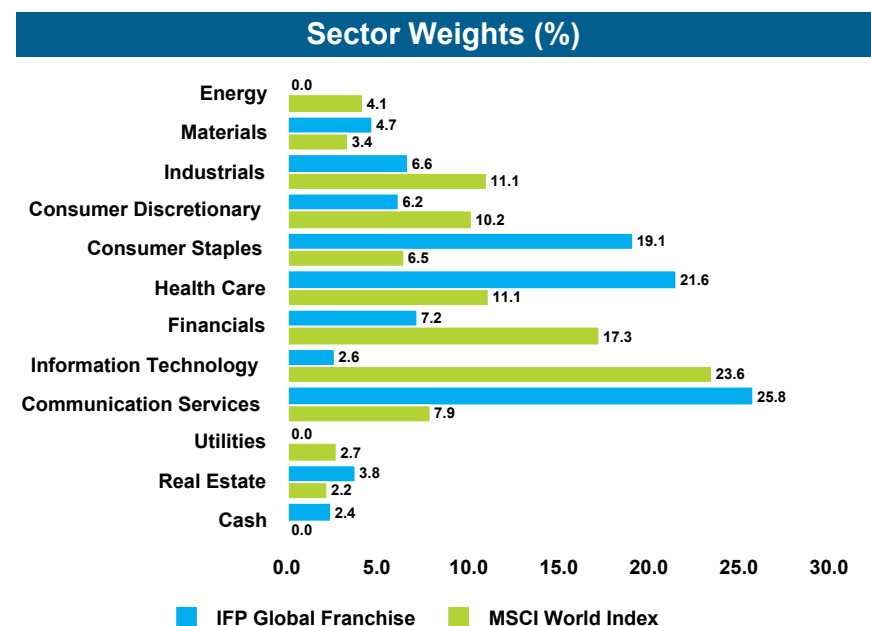
IFP Global Franchise | As of March 31, 2025

Top Holdings	
GSK plc	4.8
Corteva Inc	4.7
Intercontinental Exchange Inc	4.6
Bristol-Myers Squibb Co	4.6
Reckitt Benckiser Group PLC	4.1
Philip Morris International Inc	3.9
Novartis AG	3.8
Nintendo Co Ltd	3.8
News Corp	3.6
Johnson & Johnson	3.6
% of Portfolio	41.5

Account Information	
Account Name	IFP Global Franchise
Account Structure	Separate Account
Inception Date	12/01/2009
Asset Class	Global Equity
Benchmark	MSCI World Index (Net)
Peer Group	eV All Global Equity

Equity Characteristics vs MSCI World Index		
	Portfolio	Benchmark
Number of Holdings	35	1,352
Wtd. Avg. Mkt. Cap \$B	85.3	641.9
Median Mkt. Cap \$B	30.9	22.5
P/E Ratio	28.3	22.3
Yield (%)	1.9	1.8
EPS Growth - 5 Yrs. (%)	2.9	17.3
Price to Book	3.3	3.9

Portfolio Performance Summary							
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception	Inception Date
IFP Global Franchise	7.6	20.8	9.6	16.5	10.9	12.1	12/01/2009
MSCI World Index	-1.8	7.0	7.6	16.1	9.5	9.8	



IFP Global Franchise vs. MSCI World

IFP Regional Allocation vs. MSCI World		
	IFP Global Franchise	MSCI World Index
United States	56.1	70.2
Non-US Developed	41.5	29.7
Emerging Markets	0.0	0.0
Frontier Markets	0.0	0.0
Cash	2.4	0.0
Other	0.0	0.1
Total	100.0	100.0

Account Information

Account Name	Global Fixed Income
Account Structure	
Inception Date	10/01/2013
Asset Class	Global Fixed Income
Benchmark	Blmbg. Global Aggregate Index (Hedged)
Peer Group	eV Global Credit Fixed Inc

Portfolio Performance Summary

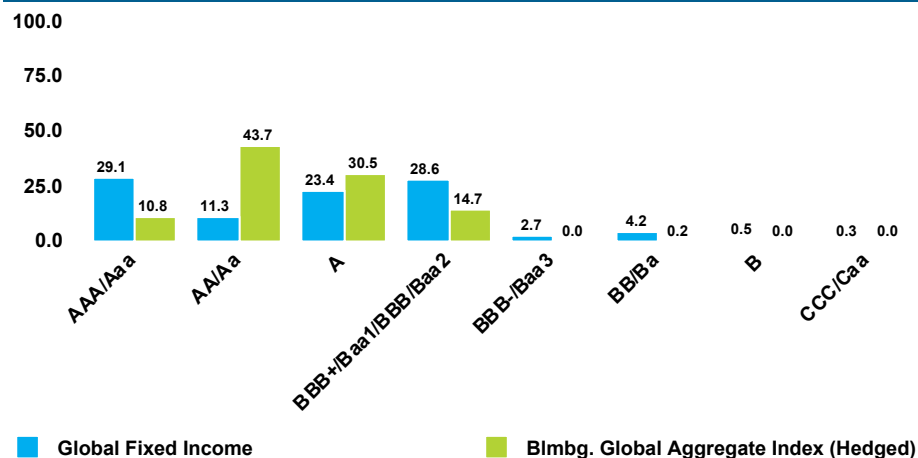
	Since Inception	Inception Date
Global Fixed Income	3.2	10/01/2013
<i>Blmbg. Global Aggregate Index (Hedged)</i>	<i>2.5</i>	

Portfolio Fixed Income Characteristics

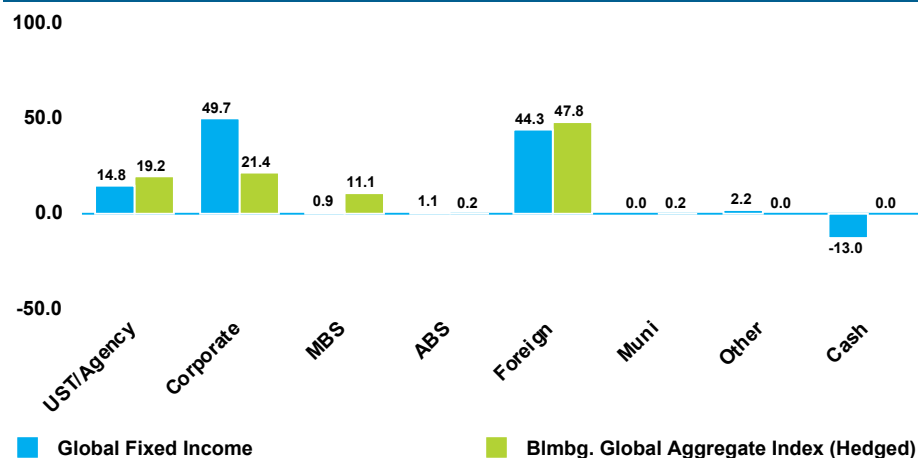
	Q1-25		Q4-24
	Portfolio	Benchmark	Portfolio
Yield To Maturity	5.7	3.6	5.8
Average Duration	5.0	6.3	4.6
Average Quality	A	AA	A
Weighted Average Maturity	7.6	10.1	7.0

Global Fixed Income | As of March 31, 2025

Credit Quality Allocation



Sector Allocation



Account Information

Account Name	PIMCO Global Investment Grade Credit
Account Structure	Commingled Fund
Inception Date	10/01/2013
Asset Class	US Fixed Income
Benchmark	Blmbg. Global Aggregate - Credit (USD-H)
Peer Group	eV Global Credit Fixed Inc

Portfolio Performance Summary

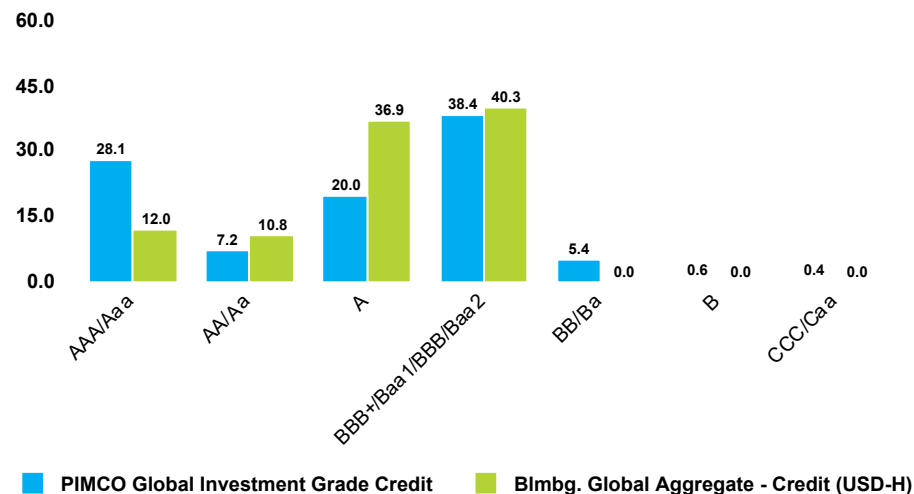
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Incept.	Inception Date
PIMCO Global Investment Grade Credit	2.0	6.1	2.3	1.9	2.5	3.1	10/01/2013
Blmbg. Global Aggregate - Credit (USD-H)	1.6	5.1	1.8	1.6	2.4	3.0	

Portfolio Fixed Income Characteristics

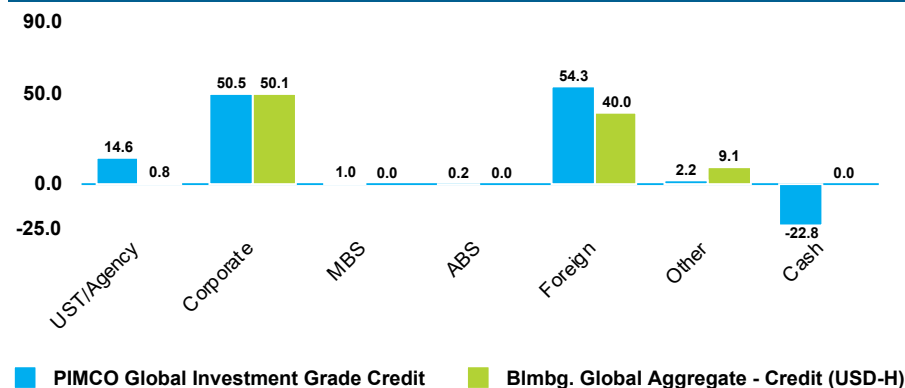
	Q1-25		Q4-24
	PIMCO Global Investment Grade Credit	Blmbg. Global Aggregate - Credit (USD-H)	PIMCO Global Investment Grade Credit
Yield To Maturity	6.0	4.5	6.1
Average Duration	6.7	6.0	5.8
Average Quality	A	A	A
Weighted Average Maturity	10.2	8.5	8.8

PIMCO Global Investment Grade Credit | As of March 31, 2025

Credit Quality Allocation



Sector Allocation



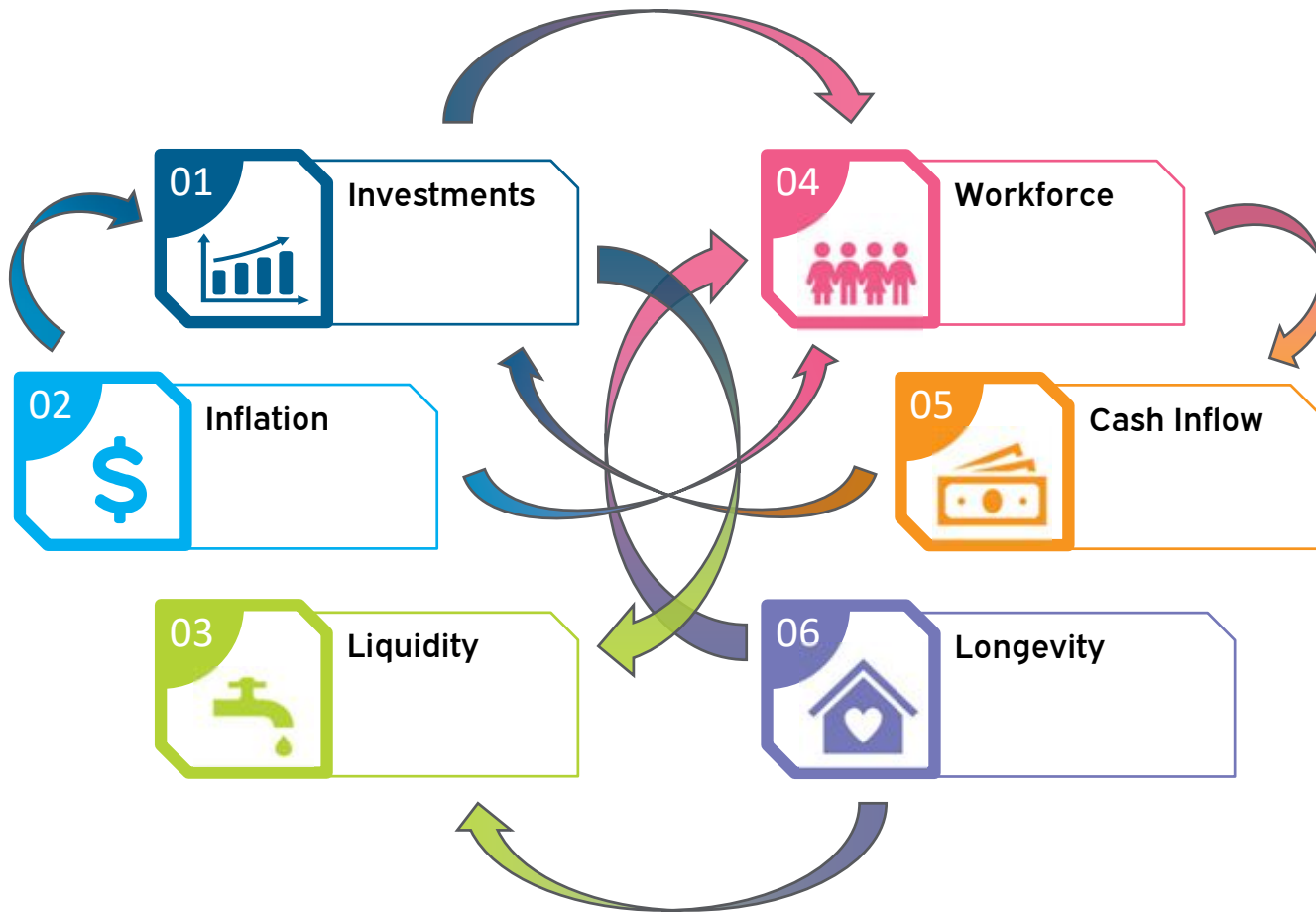
Cash Exposure includes net unsettled trades, broker money, short duration derivatives, (for example Eurodollar futures) and derivatives offsets. Derivative offsets includes offsets associated with investments in futures, swaps, and other derivatives. Such offsets may be taken at the notional value of the derivative position which in certain instances may exceed the actual amount owed on such positions.

Sample Asset-Liability Approach

Key Risk Analysis


Key Risks to the Fund

How does Meketa Evaluate Risks in Total (i.e., Enterprise Risk)?




An asset-liability study aims to bring together all enterprise risks


Key Risks Faced by Pension Funds

01  **Investments**


- Long-term asset appreciation in value
- Asset return volatility

02  **Inflation**


- Depreciating value of the assets
- Strength of the participant benefits

03  **Liquidity**


- Ability of assets to pay benefit payments
- Maintain investment policy targets

04  **Workforce**

- Constant or growing headcount
- Level of wages earned

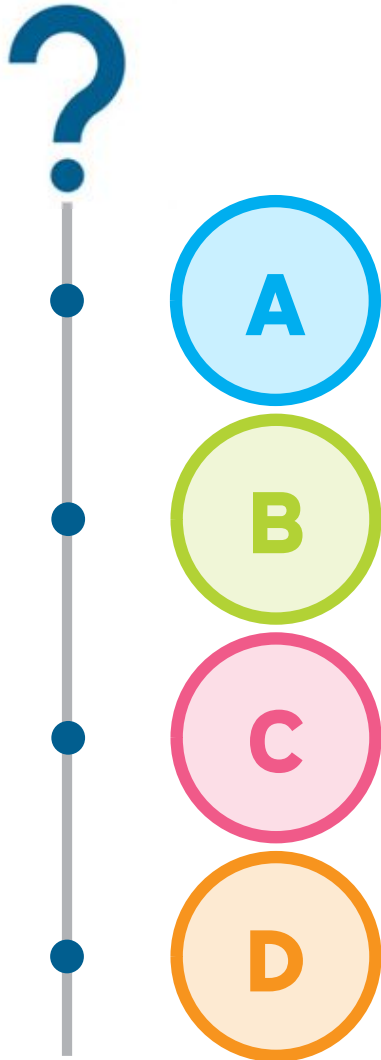
05  **Cash Inflow**

- Volatility of contribution requirements
- Employer ability to make contributions

06  **Longevity**

- Investment capital return expectations
- Participant lifespan

How does Meketa Evaluate Risks in Isolation?



Likelihood

- How likely is a risk to deviate from an assumption?
- *Example:* Investment Risk – The assets have a very low probability of returning precisely the assumed rate of return every year.

Materiality

- If the risk occurs, how detrimental or beneficial will the result be?
- *Example:* Longevity Risk – Less retirees passed away than expected and the outcome increased the liability by 0.001%.

Quantifiable

- Can the outcomes be measured or are the results subject to interpretation?
- *Example:* Inflation Risk – The appreciation a participant has for the size of the pension benefit varies by person. It cannot be measured precisely.

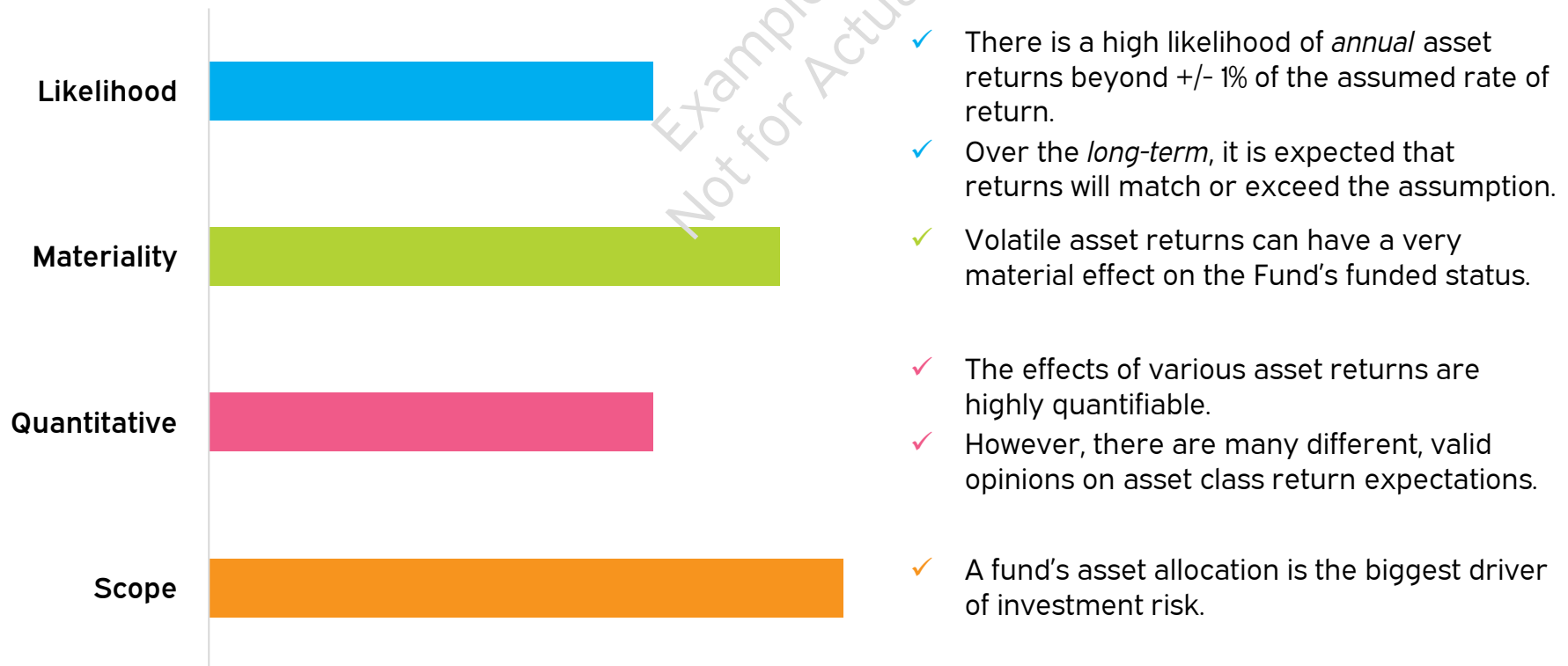
Impact of Asset Allocation

- Can the risk be mitigated with a change to the asset allocation?
- *Example:* Cash Inflow Risk – Will adjusting the asset allocation affect an employer's ability to make required contributions?


Example – Risk Isolation – Investments

01 **Investments**

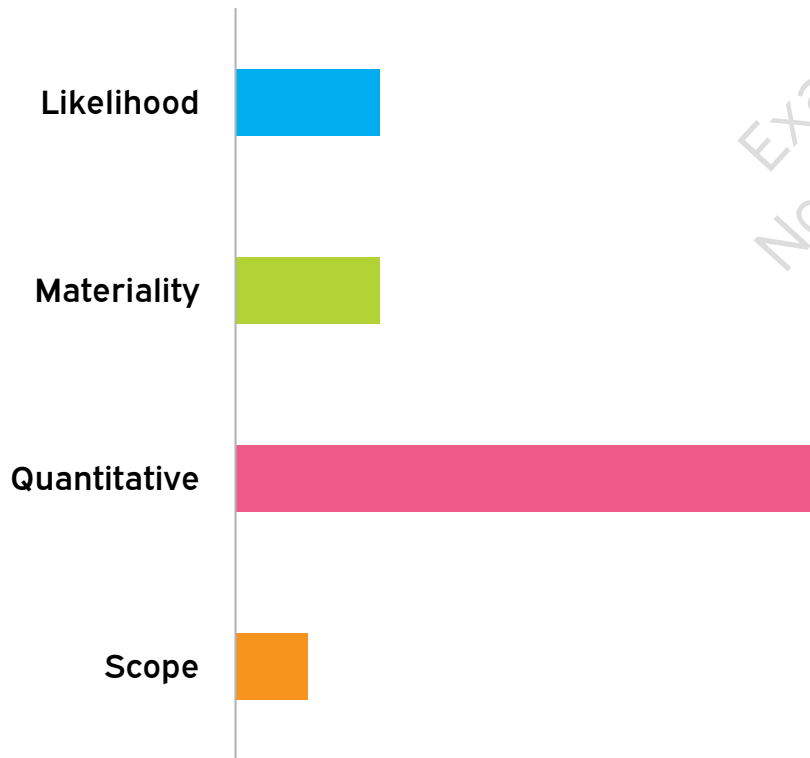
- Long-term asset appreciation in value
- Asset return volatility



Example – Risk Isolation – Longevity

06  **Longevity**

- Investment capital return expectations
- Participant lifespan



Example Only
Not for Actual Use

- ✓ Sufficient historical data on longevity creates accurate assumptions.
- ✓ If everyone in the System lived an additional year over expectation, that would equate to ~\$30m (0.02% of total liability).
- ✓ Analyzing a fund’s sensitivity to mortality rates is a straightforward exercise.
- ✓ Future mortality improvement is subjective and based on a variety of uncontrollable factors.
- ✓ Asset allocation has no correlation to longevity.

Summary of Key Risks

1. **Investments:** Asset return volatility is the biggest risk to the Fund.
2. **Cash Inflow:** The Fund's funded status creates a heightened sensitivity to the employer not making the actuarially recommended contributions.
3. **Inflation:** The impact of rising inflation isn't an immediate concern but will increasingly become a bigger concern if benefits aren't increased at the rate of realized inflation.

Example Only
Not for Actual Use



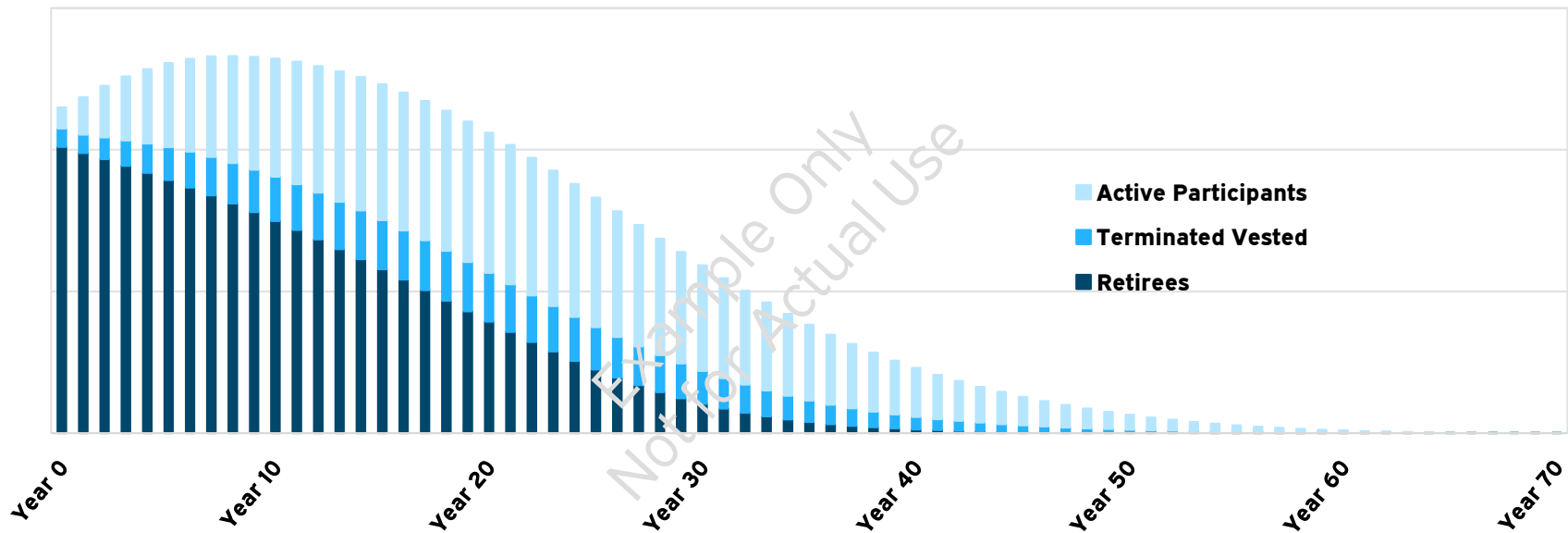
Recommendation: The following risks are recommended to be incorporated into the asset allocation optimization: 1) Investment risk; 2) Cash inflow risk; and 3) Inflation risk.

Sample Asset-Liability Approach

Actuarial Background
and Strategic Considerations

How is the Liability Determined?

Expected Benefit Payments (Obligations)*



- The liability is calculated by discounting the expected benefit payments using the assumed long-term actuarial rate of return.
- Benefit payments are determined by the provisions of a fund, generally based on how long participants work and salary earned.
- *Expected* benefit payments are determined by a fund's actuary using many assumptions, such as future mortality and salary increases.

* Expected benefit payments are requested from the actuary.

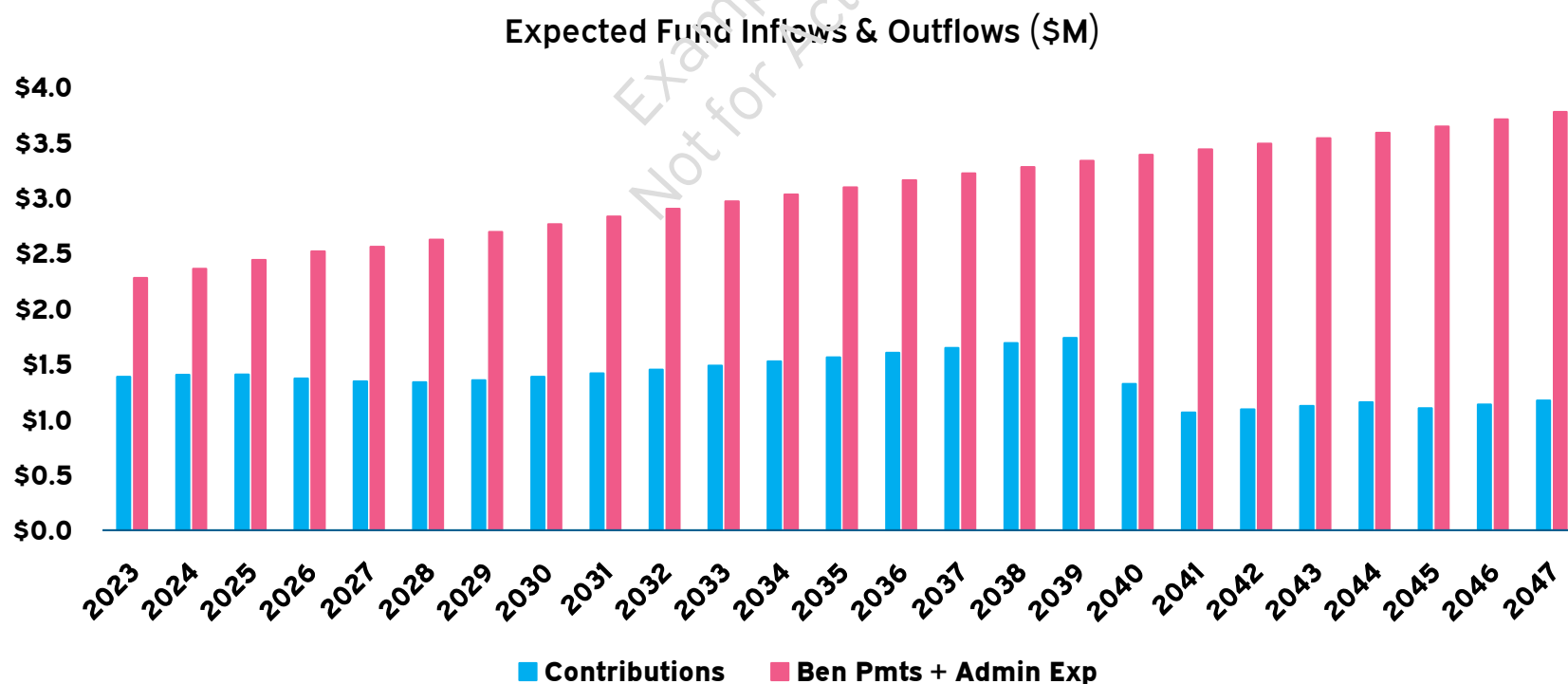
How is the Actuarially Required Contribution Determined?

- Every year, a fund is valued by an actuary and one main output of the analysis is the minimum required contribution (MRC).
- The minimum required contribution represents the amount necessary to maintain the health of the pension fund.
- The minimum required contribution contains two main components: the normal cost and the unfunded amortization.
 - Normal cost (NC) = the value of the benefits participants are expected to accrue in the upcoming year plus any administrative costs related to ongoing operation of the fund.
 - Unfunded amortization (UA) = when a fund is underfunded, this represents the amount necessary to bring the fund to 100% funded over time.

$$\begin{aligned} & \text{Normal Cost} \\ & + \\ & \text{Unfunded Amortization} \\ & = \\ & \text{Minimum Required Contribution} \end{aligned}$$

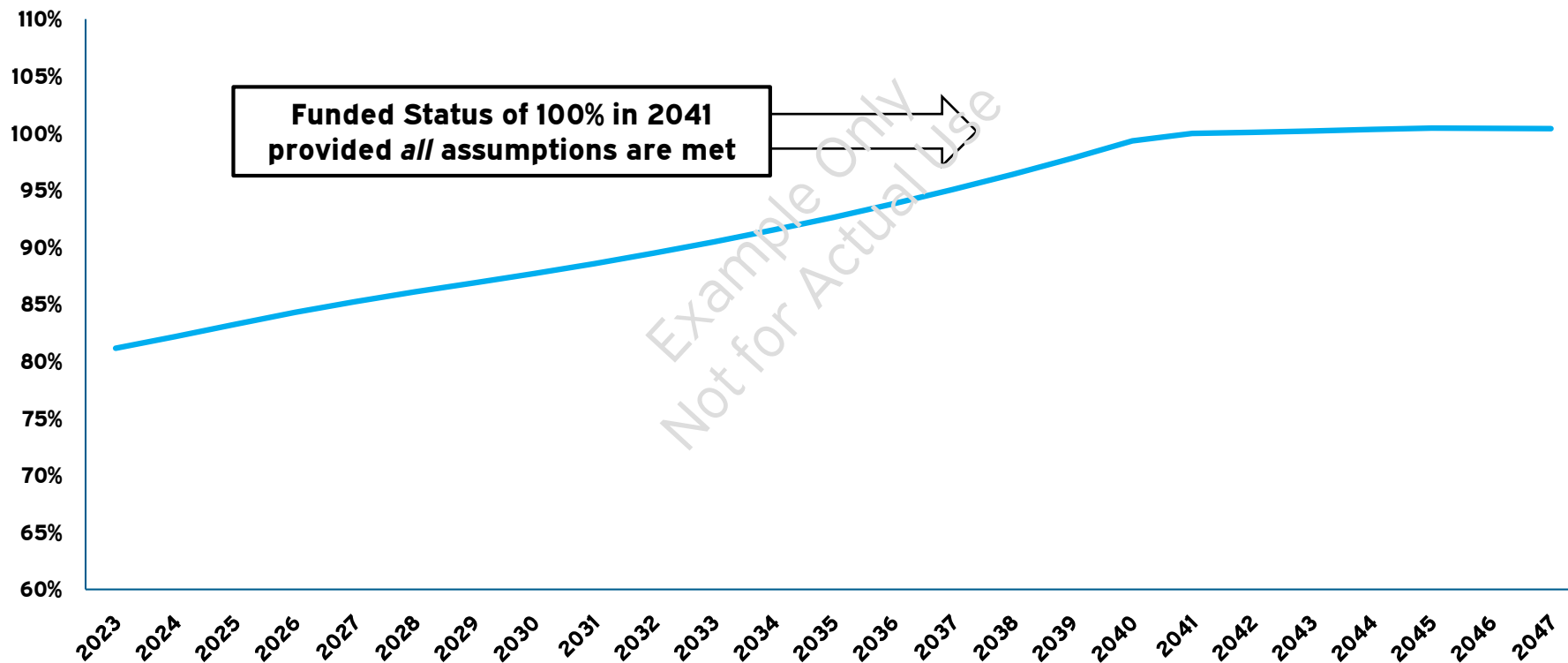
What are the Key Obligations Over the Next Few Decades?

- At the most basic level, the pension fund must pay immediate benefit payment obligations and fund the fund to meet future benefit payment obligations.
- The following example shows the relationship between incoming funds (contributions) and outgoing funds (benefit payments and expenses) from the trust.



Why is it Important to Further Analyze Cash Flow Projections?

Funded Status Projection



- The only guarantee is that all assumptions will NOT be met.
- It is very important to measure obligations when assumptions are not met, so stakeholders can gain an appreciation for the risks being taken.

Sample Asset-Liability Approach

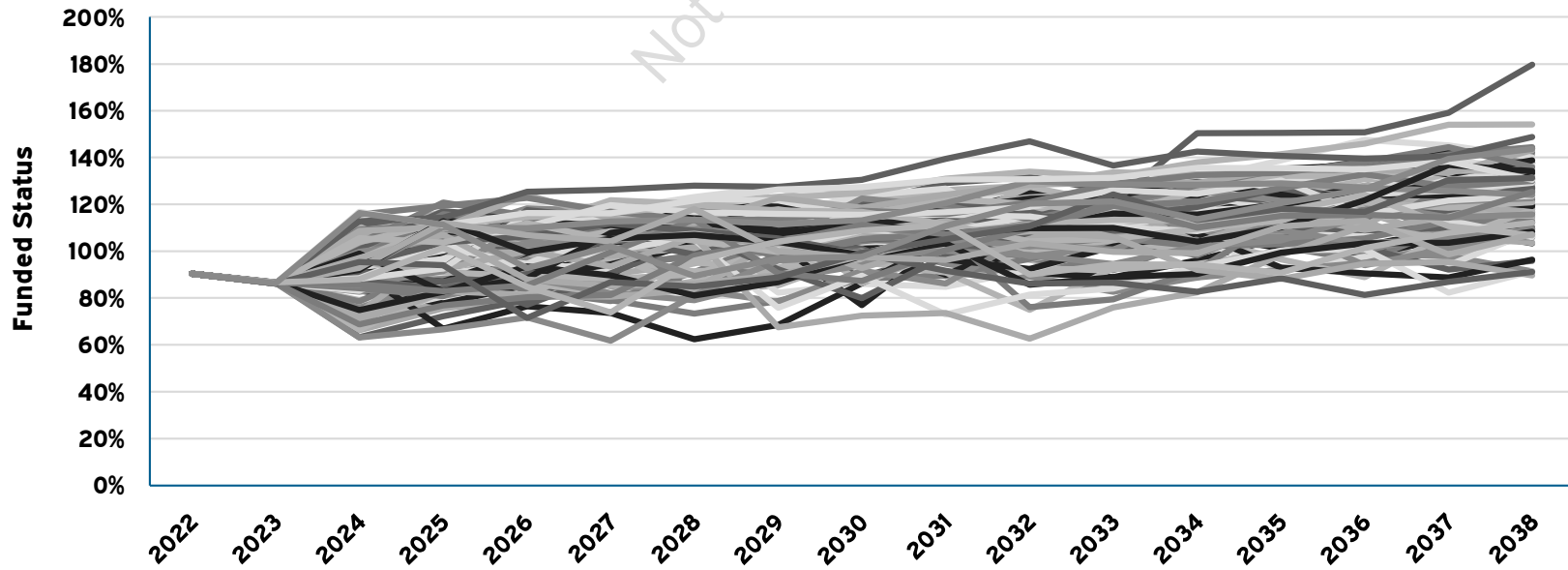
How Meketa Measures Risk

Choose a Lens to Analyze the Risk

- Choose a lens to analyze the risk -> The example below measures Enterprise risk through a Funded Status lens.
- Funded status outcomes are simulated through numerous economic forecasts that are consistent with Meketa's annual capital market assumption setting process.
- Analysis reflects the current:

- ✓ Asset allocation
- ✓ fund provisions
- ✓ Funding policy
- ✓ Projected benefit payments
- ✓ Actuarial assumptions
- ✓ Legislation

Individual Simulations

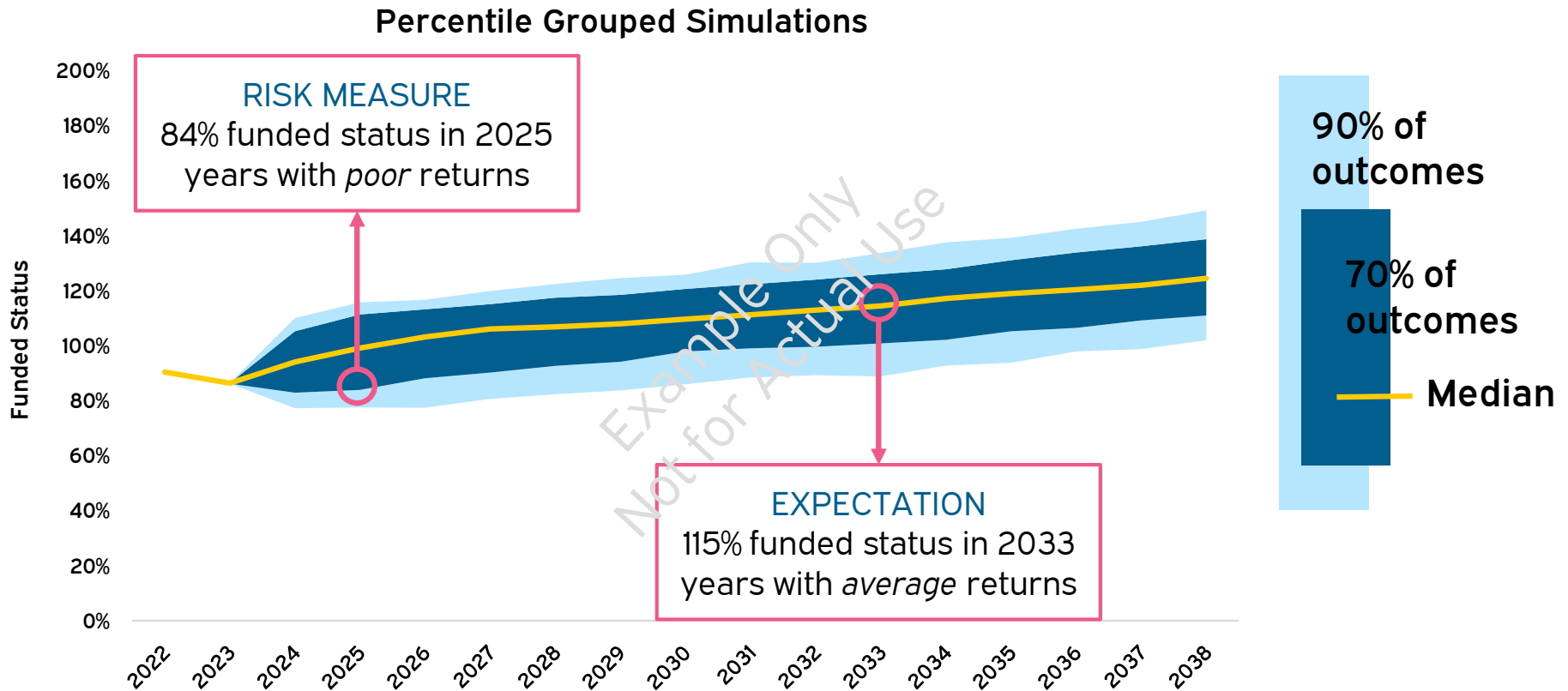


What are Some Examples of Risk Measurement Setups?

- Meketa quantitatively measures risk by comparing an average outcome (Expectation) to an adverse outcome (Risk Measure).
- Risk Measures are typically short-term whereas Expectations are longer-term.
- The comparison of Expectation vs. Risk Measure shows the stakeholder what is at risk. If that level of risk is intolerable, then Meketa can help find alternative asset allocations to mitigate the risk.

Risk Factor	Risk Measure	Expectation
Investments	Funded Status in 2026 with Poor Returns (85 th Percentile)	Funded Status in 2038 with Average Returns (50 th Percentile)
Cash Inflow	Required contribution in 2028 with Poor Returns (85 th Percentile)	Required contribution in 2038 with Average Returns (50 th Percentile)
Workforce	Hourly pension contribution rate in 2038 when Headcount or Hours are Low (85 th Percentile)	Hourly contribution rate in 2038 when Headcount or Hours are Average (50 th Percentile)

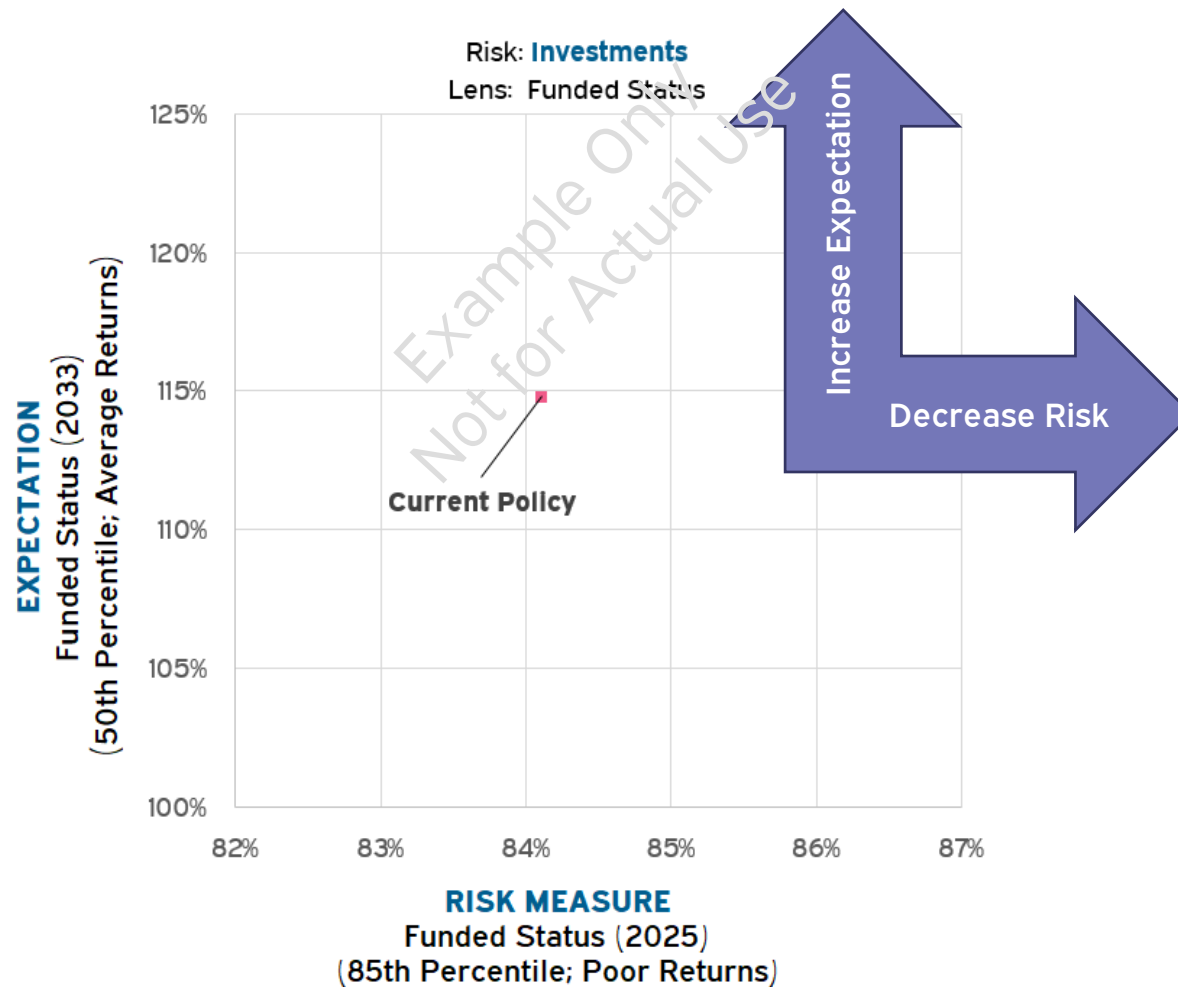
Visual Example of the Enterprise Risk Projections



- The results of the thousands of “simulations” are used to develop percentiles of information.
- These percentiles guide the understanding of the Enterprise Risk.
- As an example, the median (50th Percentile) Funded Status in 2033 is 114% -> there is a 50% probability the Funded Status will be greater than 114% and 50% probability it will be less than 114%.

Optimization Step 1 – Plot the Current Policy

→ The goal of Optimization is to align the projected health of the pension fund to match the objectives of the Board.



Optimization Step 2 – Create Asset Class Constraints for New Policy

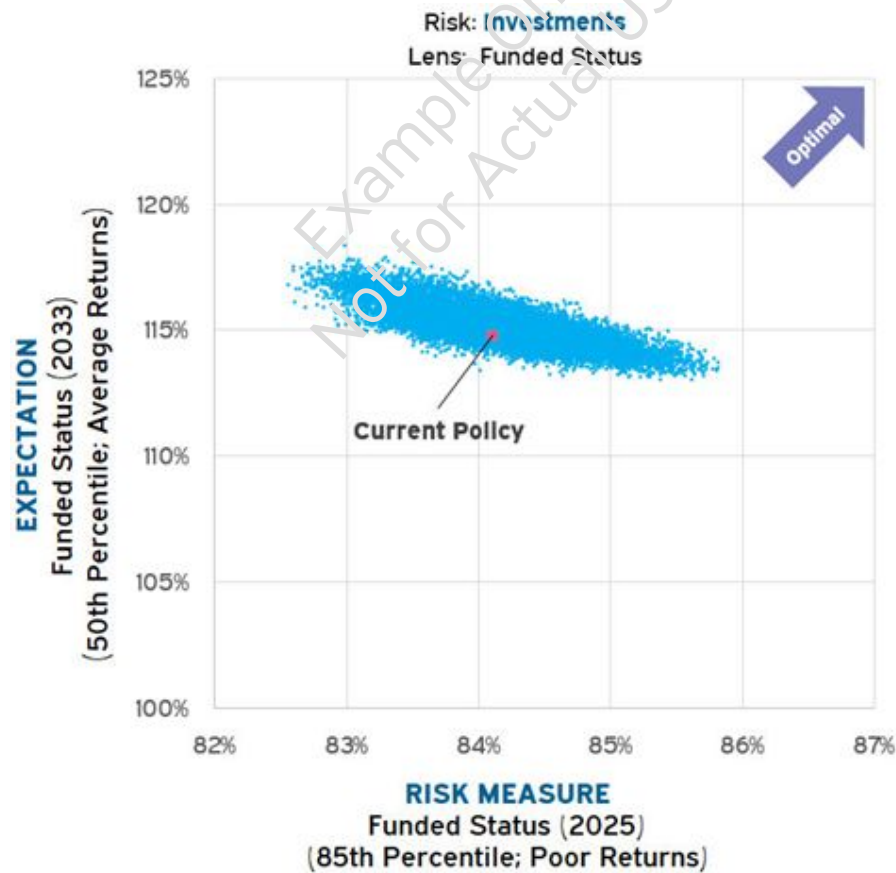
- Each asset class is given a minimum and a maximum allocation. The policies tested are not to fall outside of these constraints.
- Setting constraints is meant to eliminate the possibility of an impractical or unrealistic allocation (example: 100% of the portfolio allocated to private equity or an allocation to asset classes that would require a long transition period.)

Strategic Class	Min	Max	Current Target	10-year Return*	20-year Return*	Standard Deviation
Global Equity	30%	52%	47%	8.8%	9.2%	18%
Private Equity	8%	14%	9%	9.6%	10.9%	27%
Yield Driven	6%	12%	6%	8.0%	7.3%	11%
Private Real Estate	9%	15%	13%	4.6%	7.0%	16%
Real Return	0%	14%	11%	5.5%	6%	12%
Core Fixed Income	5%	30%	10%	4.8%	4.7%	4%
Cash Equivalents	4%	4%	4%	3.1%	2.9%	1%

* Based on Meketa's capital market assumptions

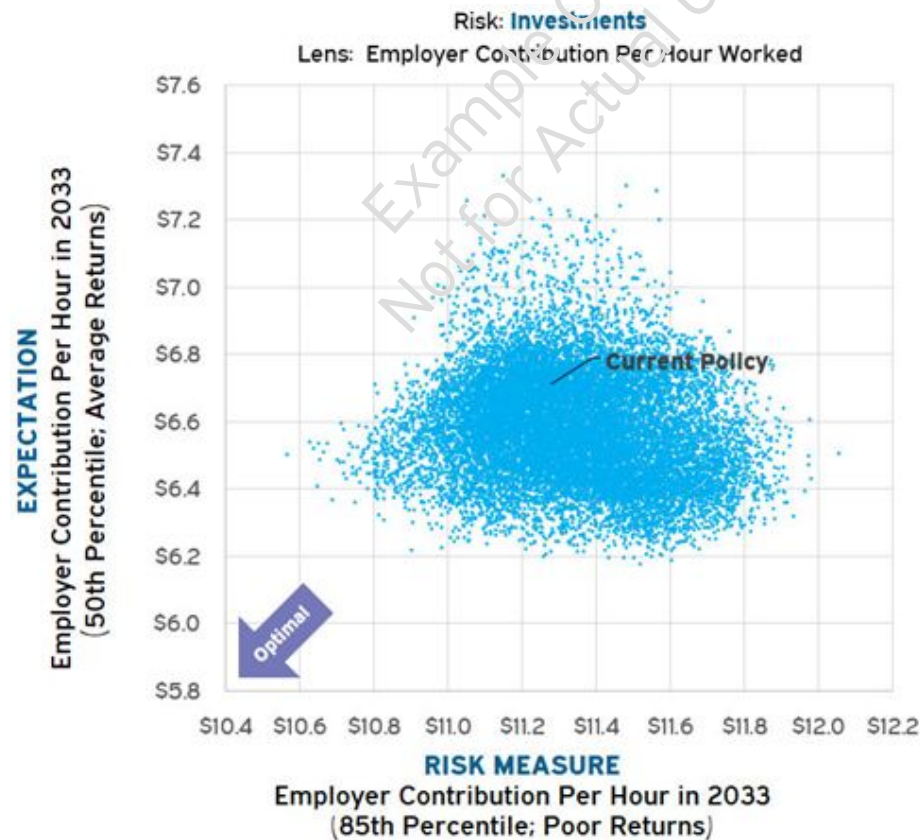
Optimization Step 3a – Compare to Alternative Asset Allocations

- The Current Policy is compared to thousands of alternative allocations (blue dots) to determine if an alternative provides better outcomes.
- The first comparison is shown to analyze the Investments Risk Measure through the lens of the fund's funded status.



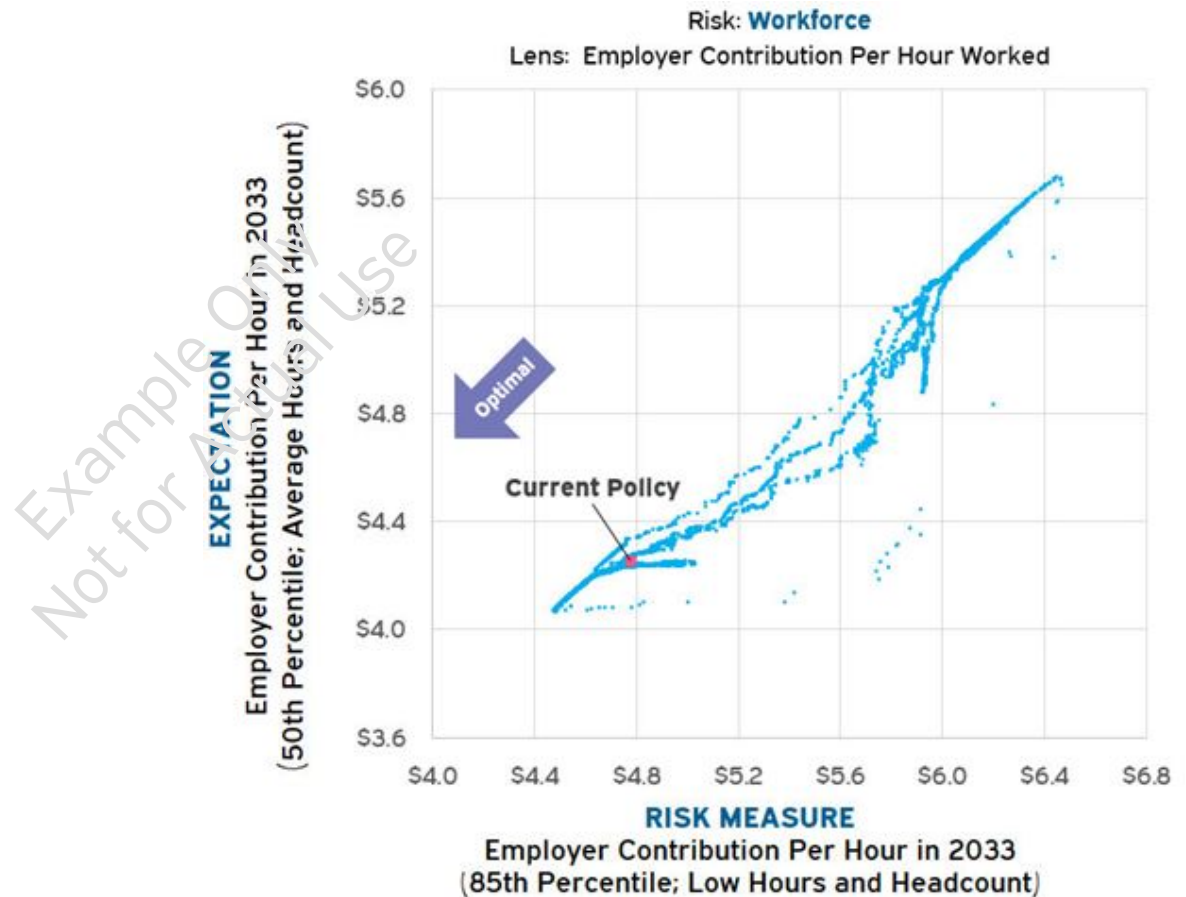
Optimization Step 3b – Change the lens for material risks

- This risk measure again looks at Investments risk, but through the “employer contribution per hour worked” lens.
- This secondary lens provides analysis of the same risk but shown using a different statistic that may be more important to evaluation.



Optimization Step 3c – Analyze Another Risk Measure?

- The Trustees can view all of the Risk Measures (Investments, Inflation, Liquidity, Workforce, Cash Inflow, Longevity) to the extent that the risks can be quantified.
- This comparison example analyzes Workforce Risk Measure through the lens of Contribution Per Hour Worked.

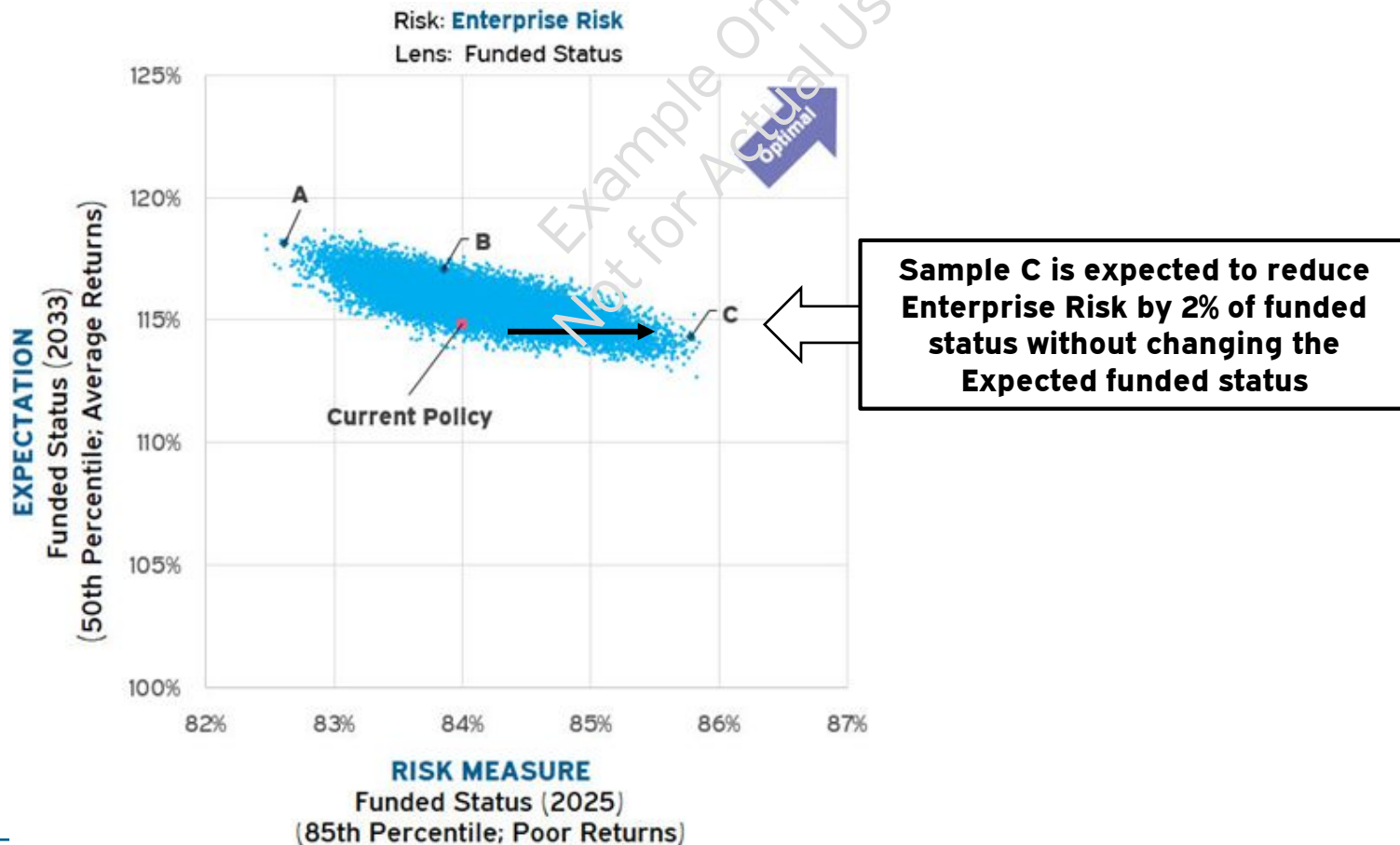


- If we cannot quantify a Risk Measure, we can discuss the qualitative characteristics of the risk.
- There is no “correct” asset allocation. The pension strategy will ultimately guide the amount of risk necessary.

Sample Asset-Liability Approach
Modeling Results and
Recommended Asset Allocations

Optimization Step 4 – Bring the Risks Together and Select Samples

- In this final step, all the analyzed risk measures are brought together to create the Enterprise Risk measure.
- Recommended asset allocations are generally selected at or near “optimal” risk/reward levels.



Optimization Step 5 – Summarize Key Details of Recommendations

Objective ->	Current Policy				Constraints	
		A	B	C	Min	Max
Global Equity	47%	52%	40%	30%	30%	52%
Core Fixed Income	10%	5%	15%	30%	5%	30%
Yield Driven	6%	10%	12%	12%	6%	12%
Inflation Linked Bonds	8%	0%	0%	0%	0%	8%
Infrastructure	3%	2%	2%	2%	2%	6%
Private Real Estate	13%	15%	15%	10%	9%	15%
Private Equity	9%	12%	12%	12%	8%	14%
Cash Equivalents	4%	4%	4%	4%	4%	4%
Total	100%	100%	100%	100%		
Expected Return (20 Years)	8.0%	8.6%	8.1%	7.7%		
Standard Deviation (1st)	12.3%	13.5%	11.7%	9.9%		
Sharpe Ratio	0.45	0.45	0.48	0.52		
Illiquid Allocation	25%	29%	29%	24%		
Reward - Funded Status (2037)	100%	107%	102%	96%	<-	Expected Funded Status in 2037 with Average returns
Risk - Funded Status (2025)	57%	57%	58%	60%	<-	Expected Funded Status in 2025 with Poor returns
Reward - Contributions (2037)	7.6%	3.7%	6.9%	12.2%	<-	Employer Contribution (% payroll) in 2038 with Average returns
Risk - Contributions (2027)	15.2%	15.3%	15.2%	15.1%	<-	Employer Contribution (% payroll) in 2027 with Poor returns

Disclaimer, Glossary, and Notes

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Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds’ leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

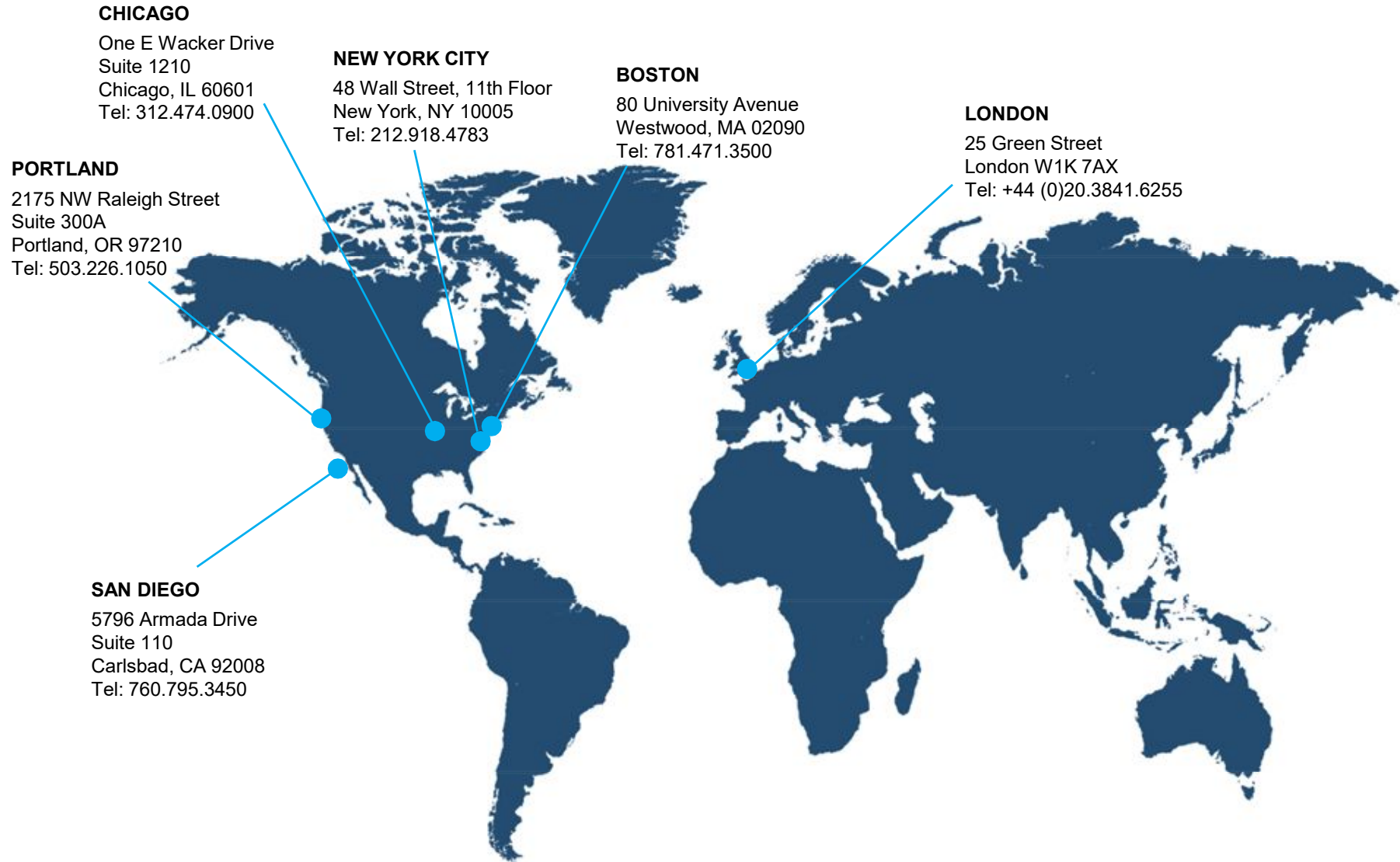
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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

Contact Information



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Meketa merged with Pension Consulting Alliance (PCA) on March 15, 2019. Data presented in this presentation may include information related to PCA prior to the merger with Meketa. This information could include years of tenure with the firm, client inception dates, and services offered, among other items.

Wilshire

Ohio School Employees Retirement System



Joanna Bewick, CFA, Managing Director
Chris Tessman, Senior Vice President
David Lindberg, CFA, Managing Director

May 21, 2026

Agenda

- Wilshire: Firm History & Ownership Structure
- The OH SERS Partnership: Progress & Next Steps
- The Consulting Model
 - Strategic Direction: Focus on Decisions that Matter
 - Innovative Asset/Liability Modeling & Asset Allocation
 - Sourcing best-in-class managers and proprietary structure analysis
 - Enhanced implementation services
- Appendix

Wilshire: Firm History & Ownership Structure

Wilshire Firm Overview

Since 1972, Wilshire has been dedicated to improving investment outcomes for institutional investors and financial intermediaries worldwide.

- Investment advisor and manager to some of the largest institutions in the world
- Full spectrum provider of alternative investment solutions
- Leader in both intermediary and institutional markets
- Market leader in investment cost data, transparency, and analytics

As of 12/31/2025. ¹ Includes institutional investors, financial intermediaries, and Wilshire-sponsored vehicles. Does not include individual retirement plans and retail investors via financial intermediary platforms. ² Assets under management refers to the amount of assets attributable to securities portfolios for which Wilshire provides discretionary and non-discretionary asset management services and is calculated differently than "regulatory assets under management." Assets under advisement refers to the total amount of assets (inclusive of assets under management) attributable to all of Wilshire's advisory relationships, including various consulting and advisory relationships for which Wilshire provides investment advisory services without engaging, on either a discretionary or non-discretionary basis, in the direct management of a client's portfolio. ³ Includes discretionary private markets and hedge fund assets.

M903772 E0327

\$1.6 Trillion

In assets under advisement²

\$176B

In assets under management²

\$30.3B

In **alternative** assets under management³

~300

Client Relationships¹

2,100

Manager research meetings a year on average

Global Presence



As of 12/31/2025.

¹ Employees whose regular responsibilities include providing investment advice or making investment decisions. For Wilshire, investment professionals include portfolio managers, consultants, manager research personnel, research analysts and anyone that assists them directly in the execution of their duties.

² Frankfurt, Germany is the office of XTP, an unregulated Wilshire affiliate that isn't engaged in the provision of advisory services.

M903772 E0327

280

Employees worldwide

92

Investment professionals¹

36

CFA charterholders

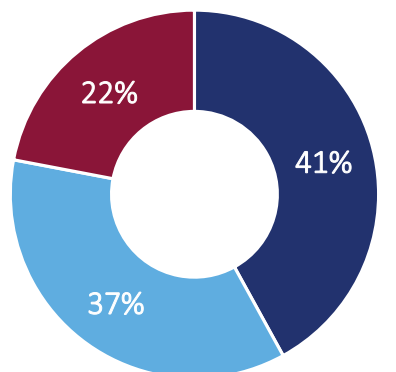
12

CAIA[®] designation

Institutional Client Base

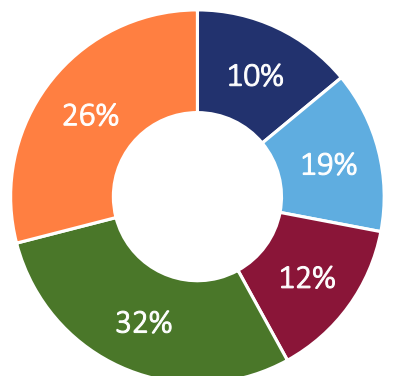
Sample List of Clients

Institutional Client Base by Type



■ Public ■ Corporate ■ Non-Profit

Institutional Client Base by Asset Size (\$M)



■ \$0 - \$100 ■ \$100 - \$500
 ■ \$501 - \$1,000 ■ \$1,001 - \$5,000
 ■ Over \$5,000



As of 12/31/2025. For illustrative and discussion purposes only. Clients listed above utilize one or more services offered by Wilshire and allow Wilshire to disclose the existence of the relationship. Inclusion of a client on the list does not indicate an endorsement of Wilshire or the services provided. Logos are protected trademarks of their respective owners and Wilshire disclaims any association with them and any rights associated with such trademarks.

Our History: Over 50 Years of Growth & Innovation

1970s

Wilshire focuses on intersection in technology and finance, helping investors better measure and manage risk

1990s

Established asset management and private markets practices to meet clients' growing need and demand for alternative investments

2010s

Continued growth in Wilshire products and AUM, notably, expansion in alternatives solutions

Today

Wilshire offers a broad and deep array of multi-asset solutions built on competitive analytics and innovation

Firm founded in Santa Monica, California; an early innovator of equity risk models

1972

Wilshire Trust Universe Comparison Service® (Wilshire TUCS®) created

1978

Pension consulting practice started

1981

Wilshire Mutual Funds, Inc. established

1997

Launched model portfolios for B/Ds and recordkeepers

2008

Suite of multi-asset risk parity indexes launched

2019

Financial Times and Wilshire announced collaboration to create indices

2021

Wilshire acquisition of Lyxor U.S.

2023

Clearwater Analytics acquires risk and performance analytics solutions from Wilshire, creating the Clearwater Wilshire Analytics platform

2024

Wilshire acquisition of ParkLexington Advisors

2025

1974

Wilshire 5000 Total Stock Market Index™ created

1980

Began asset allocation modeling for pension plans

1996

Private equity fund of funds platform launched

2005

Hedge fund managed account platform launched

2014

Liquid alternatives index suite launched

2021

Wilshire acquired by private equity firms CC Capital Partners and Motive Partners

2023

Launched Wilshire Indexes, a new operating entity holding the global index platform

2023

Wilshire surpassed \$100 billion in assets under management

2024

Wilshire joins forces with XTP to enhance cost transparency for global asset owners

1980s

Established leading investment consulting practice to help the fund sponsor community address challenges at every stage of the investment decision-making process

2000s

Wilshire continues to expand alternatives offering and extends into advisor-sold space, translating institutional expertise into solutions designed for individual investors

2020s

New ownership and focus on global investment solutions positions Wilshire for the next stage of innovation and growth

Why Wilshire?

Wilshire's competitive advantage lies in the foundational principles of our client relationships:

- Wilshire focuses on **long-term partnerships**
- **Public plan expertise** – public pensions represent >80% of Wilshire's AUA ¹
- Wilshire's **focus on risk management** is in our DNA
- **Differentiated** asset allocation approach
- Deep capabilities to **source niche managers** in the Public markets and alternatives space
- Harnessing our extensive global research, and qualitative and quantitative tools, we can **tailor investment solutions** to Ohio SERS's specific needs and objectives
- **Value-add services** beyond traditional consulting

Wilshire has one goal: **enhancing our clients' net performance results**

¹As of 12/31/2025.

The OH SERS Partnership: Progress & Next Steps

The Wilshire Team is Supported by the Breadth & Depth of the Entire Organization



Joanna Bewick, CFA,
Managing Director



Christopher Tessman,
Senior Vice President

Team Resources

Wilshire Portfolio Management & Risk Management	Traditional Manager Research	Alternatives Manager Research	Wilshire Capital Markets Research	Wilshire Alpha Strategies
<ul style="list-style-type: none"> • Deep teams of experienced professionals • Focus on portfolio structuring and implementation • Utilize industry leading analytics to establish monitor risk framework 	<ul style="list-style-type: none"> • 30+ professionals contributing to traditional manager research¹ • Conduct more than 1,900 manager meetings a year on average² 	<ul style="list-style-type: none"> • 30+ professionals contributing to alternatives manager research¹ • Global presence • Actively sourcing thousands of investment opportunities each year 	<ul style="list-style-type: none"> • Asset class expectations • Research, white papers, and education • Quarterly market reviews 	<ul style="list-style-type: none"> • Utilize quantitative methods to support investment strategy • Research & development of quantitative signals and solutions • Evaluate investment process for areas of enhancement

As of 12/31/2025.

¹ Includes dual division employees.

² As of 12/31/2024.

OH SERS: A Decade of Progress

- **Performance:** For the 10-years ended December 31, 2025, the OH SERS Portfolio is 172 bp (gross) and 104 bp (net) above the benchmark. This performance ranks the Fund in the top 2% of all public plans.
- **Asset Allocation:** Based on asset/liability studies conducted in 2017, 2020, 2023, and 2026, the asset allocation has moved gradually but deliberately to broaden diversification by increasing allocations to private equity and introducing private credit and infrastructure.
- **Manager selection** has been supported by:
 - Structure analyses: Global equity structure analyses advocated for aligning in global equities (e.g. decreasing small cap and global benchmarking to align regions) and minimizing low volatility exposures while fixed income structure analyses advocated for non-core exposures in fixed income which has been codified with a benchmark change.
 - Supplemental manager due diligence with prudent investor memos for all new public and private market investments (20 new investments and memos in 2025).
- **Idea Generation:** Ongoing quarterly performance analysis and ad-hoc research including total fund leverage, benchmarking, securities lending, Treasury Inflation Protection Securities (TIPS), convertible bonds, private credit, asset allocation, risk measurement, and the value of a diversified portfolio versus a 60/40 portfolio.

Value-Add in All Phases of the Consulting Model

Investment Policy Objectives

Asset Allocation

- Portfolio Optimization → **Diverse Real Assets**
- Liability Projections & Funded Status
- Capital Market Assumptions
- Liquidity Analysis
- Factor Exposure
- Economic Regime Switching
- Annual Review of IPS and AIP

Implementation

- Quarterly Performance Review
- Macroeconomic Insights & Market Research
- Trustee & Staff Education (Annual Client Conference)
- Sustainability and Diverse Manager Initiative
- **Proprietary risk analytics – Wilshire Orion**
- **Annual Benchmark “Best Fit” Analysis**



Bold and italicized indicate areas of proposed, new services

Investment Structure

- Manager Optimization
- Proprietary Alpha Model: Maximize excess return per unit of tracking error
- Active vs Passive vs Peers
- Uncover style and cap size biases
- **Private markets pacing and strategy review**

Manager Selection

- Manager Research Team
- Unbiased Investment Reviews/Memos
- **Broaden scope to include marketable alternatives manager research/memos**
- **Proprietary Manager Databases: Complementary Compass and Connect**
- **Costs matter: Fee Review**

What more can we do?

- **Asset Allocation**
 - Continue to diversify by introducing a diversified real asset exposure
- **Investment Structure**
 - Enhance private market coordination with annual pacing and top-down portfolio review
- **Manager Selection**
 - Marketable Alternatives advisory services to fill a gap in the service model
 - Expand on creative USE exposures, like portable alpha
 - The Wilshire proposal also reinstates OH SERS's access to Compass at no additional cost
 - Tap into Wilshire Connect for private markets investment sourcing
 - Conduct a fee review
- **Implementation:**
 - Wilshire Orion (web-based interactive risk dashboards)
 - Consider limited implementation of Total Portfolio Approach for the Opportunistic & Tactical allocation instead of benchmarking to the Bloomberg Aggregate + 2%

The Consulting Model

The Wilshire Consulting Model

Core Tenets

- Wilshire is a Fiduciary, in service of the Board
- Serve as an extension of Staff
- Personalized attention and customized solutions of a small firm, leveraging the resources of a large firm
- Strategic Asset Allocation is key to long-term success
- Risk management is not risk avoidance. Risks should be compensated.
- Manager selection and access is critical to driving attractive returns especially within alternative investments
- Costs matter and fees should only be paid to access compelling return streams

Investment Policy Objectives



Value-Add in All Phases of the Consulting Model

Investment Policy Objectives

Asset Allocation

- Portfolio Optimization → **Diverse Real Assets**
- Liability Projections & Funded Status
- Capital Market Assumptions
- Liquidity Analysis
- Factor Exposure
- Economic Regime Switching
- Annual Review of IPS and AIP

Implementation

- Quarterly Performance Review
- Macroeconomic Insights & Market Research
- Trustee & Staff Education (Annual Client Conference)
- Sustainability and Diverse Manager Initiative
- **Proprietary risk analytics – Wilshire Orion**
- **Annual Benchmark “Best Fit” Analysis**



Bold and italicized indicate areas of proposed, new services

Investment Structure

- Manager Optimization
- Proprietary Alpha Model: Maximize excess return per unit of tracking error
- Active vs Passive vs Peers
- Uncover style and cap size biases
- **Private markets pacing and strategy review**

Manager Selection

- Manager Research Team
- Unbiased Investment Reviews/Memos
- **Broaden scope to include marketable alternatives manager research/memos**
- **Proprietary Manager Databases: Complementary Compass and Connect**
- **Costs matter: Fee Review**

Why Wilshire?

Wilshire's competitive advantage lies in the foundational principles of our client relationships:

- Wilshire focuses on **long-term partnerships**
- **Public plan expertise** – public pensions represent >80% of Wilshire's AUA ¹
- Wilshire's **focus on risk management** is in our DNA
- **Differentiated** asset allocation approach
- Deep capabilities to **source niche managers** in the Public markets and alternatives space
- Harnessing our extensive global research, and qualitative and quantitative tools, we can **tailor investment solutions** to Ohio SERS's specific needs and objectives
- **Value-add services** beyond traditional consulting

Wilshire has one goal: **enhancing our clients' net performance results**

¹As of 12/31/2025.

Appendix: Personnel

General Investment Consulting Team



Joanna Bewick, CFA, Managing Director

Joanna Bewick is a Managing Director at Wilshire. She is a member of the portfolio management team and has responsibilities for both investment and operational aspects of the firm's work with discretionary clients. Ms. Bewick is a member of the Wilshire Investment Committee. In addition, she serves as senior consultant to public, corporate, and non-profit institutions while chairing the Wilshire Diverse-Owned Managers Committee.

Ms. Bewick joined Wilshire in 2018. Her background includes 10 years of experience as a portfolio manager at Fidelity Investments overseeing \$26 billion in mutual fund assets employing multi-asset total return strategies. Prior to portfolio management, she was an analyst at Fidelity Management & Research Co., J.P. Morgan Asset Management, and Federated Investors. Her experience also includes a position with Bentley College, Waltham, Mass., as an adjunct assistant professor of finance.

She holds an MBA in finance from the University of Pittsburgh, Katz Graduate School of Business, and earned her bachelor's degree in business administration from Ohio University. She holds the Chartered Financial Analyst designation.



Christopher Tessman, Senior Vice President

Chris Tessman is a senior consultant providing client service focusing on public pension plans. He oversees Wilshire Compass. Over his tenure with Wilshire, Mr. Tessman has provided client service to a wide variety of asset owners – public/corporate pension plans, foundations/endowments, insurance companies, family offices, and other wealth managers. He has expertise across a range of topics including asset allocation, manager evaluation and selection, investment structure and risk management.

He joined Wilshire in 2000 and brings more than 25 years of industry experience. He earned a bachelor's degree from the University of Southern California.

General Investment Consulting Team



David Lindberg, CFA, Managing Director

David Lindberg is a Managing Director and leads strategic development efforts for Wilshire's institutional client business.

Mr. Lindberg joined Wilshire in 2001 and has over 30 years of industry experience. He has led several of the firm's largest institutional client relationships. Prior to joining Wilshire, he spent 12 years at Carnegie Mellon University where he was Assistant Treasurer with responsibility for endowment other financial assets.

He earned a bachelor's degree in business from the University of Pittsburgh and holds an MBA with a concentration in finance from Carnegie Mellon University. He holds a Chartered Financial Analyst designation and is a member of the CFA Society Pittsburgh.



Moromoke Adefila, Senior Associate

Moromoke is a Senior Associate on Wilshire's client solutions team focusing on public pension clients and opportunities.

Prior to joining Wilshire in 2023, Moromoke worked at NEPC as a consulting analyst where she helped to advise on multiple insurance and corporate pension plans. She also worked as a data analyst for vestment (Nasdaq) where she helped create new universes, like the ESG and Smart Beta universes, and maintain the constituents of existing universes, sourced and updated indices data and multiple other database maintenance tasks.

Moromoke earned her bachelor's degrees in economics and marketing from Georgia State University. She is fluent in her native tongue of Yoruba and conversational in Korean.

Alternatives Investment Consulting Team



Shawn Quinn, Managing Director

Shawn Quinn is a Managing Director on Wilshire's alternatives team responsible for analyzing primary fund, secondary and direct co-investment opportunities across private asset classes. He also has responsibility for monitoring existing private market investments and sits on the advisory board for a number of private equity, private credit, and private real estate partnerships. Mr. Quinn serves on Wilshire's Alternatives Investment Committee as well as the Private Markets Manager Research Committee. In recent years, he has played an integral role in the firm's investments in the private real estate, private real assets, and private credit segments of the U.S. market.

Mr. Quinn joined Wilshire in 2005. He received a bachelor's degree in business administration (finance) with a minor in political science with university honors from Carnegie Mellon University.



Ben Kahn, Associate

Ben is an Associate within Wilshire's alternatives team, serving on both the manager research and client solutions teams.

Prior to joining Wilshire in 2021, Ben worked as a banker at Wells Fargo, working with community personal banking, retail investment management, and small business clients in southern Orange County.

Ben earned his bachelor's degree in economics and government from Claremont McKenna College and a master's degree in finance from the Drucker School of Management at Claremont Graduate University.

Client Solutions

CHIEF CLIENT OFFICER



Leah Emkin



Tom Toth
Managing Director



Joanna Bewick, CFA
Managing Director



Ali Kazemi
Managing Director



Brian White
Assistant Vice President



Ben Meiselman, PhD., CFA
Assistant Vice President



Jon Lewis, CFA
Senior Vice President



Craig Morton, CFA
Senior Vice President



Christopher Tessman
Senior Vice President



Lauren Gellhaus, CAIA
Vice President



Jerry Hsu
Assistant Vice President



Ting Yeh
Assistant Vice President



Dalia Polishuk
Senior Associate



Moromoke Adefila
Senior Associate



Adam Pintar
Associate



Ruhama Tadesse
Senior Analyst



Steve DiGirolamo, CFA
Managing Director



Felicia Bennett
Managing Director



Julija Kod, CFA
Senior Vice President



LouAnn Eisenhut
Assistant Vice President



Justin Fraser
Associate



Bonnie Xie
Associate



Rob Appling, CFA, CAIA
Managing Director



Brad Baker
Managing Director



Maggie Ralbovsky, CFA
Managing Director



Nathan Howes
Managing Director



Iffy Akwule-Udochi
Senior Vice President



Samie Al Rakaf
Associate



Joyce Shen
Senior Analyst



Jadon Milton
Senior Analyst



David Lindberg, CFA
Managing Director



Nancy Arias
Senior Associate

As of 2/19/2026 Wilshire Advisors has 282 employees.

Traditional Manager Research Team

TRADITIONAL MANAGER RESEARCH



Robert Noe, CFA¹
Managing Director

FIXED INCOME (6*)



Will Beck
Senior Vice President
Core+/Long Duration, Credit, Global, EMD, Muni



Tracy Gage¹
Vice President
Core+/Long Duration, Global, EMD, Muni



Cornell McCullom¹
Assistant Vice President
Credit



Mitchell Green¹
Senior Associate
Core/+, Global, EMD



Cici Zhou¹
Senior Analyst
Generalist



Wendy Feng¹
Senior Analyst
Generalist

MULTI-ASSET (2*)



Chad Wubbena, CFA¹
Senior Vice President
Multi Asset³



Nick Lamb
Assistant Vice President
Multi Asset³

EQUITY (8*)



Robert Noe, CFA¹
Managing Director
Non-U.S., Global, EM



Chad Wubbena, CFA¹
Senior Vice President
U.S. Value



Steve Swartley, CFA
Vice President
U.S. Core



Nick Lamb
Assistant Vice President
Non-U.S., EM



Cornell McCullom¹
Assistant Vice President
Non-U.S., EM



Claire Wang¹
Associate
Non-U.S. Small Cap



Cici Zhou¹
Senior Analyst
Generalist



Wendy Feng¹
Senior Analyst
Generalist

REAL ASSETS (2*)



Steve Swartley, CFA
Vice President
Real Assets²



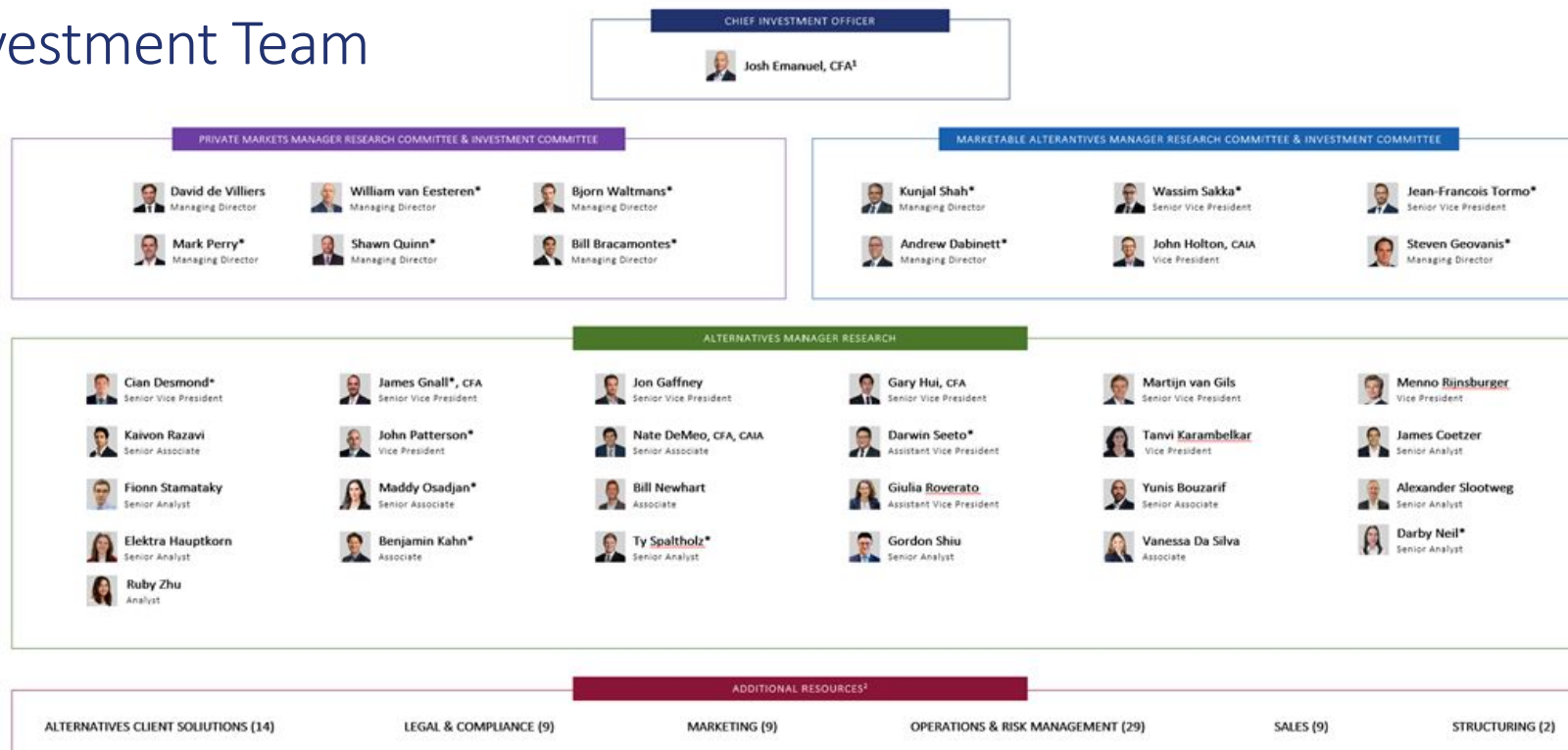
Cornell McCullom¹
Assistant Vice President
Real Assets²

*Includes dual-role personnel double-counted to denote job functions.

¹ Located in the Chicago office. ² Real assets include commodities, real estate, infrastructure, diversified real assets.

³ Multi Asset includes target date, target risk, strategist model portfolios.

Wilshire Alternatives Investment Team



* Includes dual-role personnel. Wilshire has 284 employees (as of 11/20/2025).

¹ Also a member of Wilshire’s Marketable Alternatives Manager Research Committee

² Supports Wilshire’s alternatives team and are shared resources across Wilshire

Appendix

- Detail on the Consulting Model
- Capital Markets Research
- Performance Report
- Private Markets Capabilities
- Wilshire Portable Alpha Solutions
- Cost Optimization

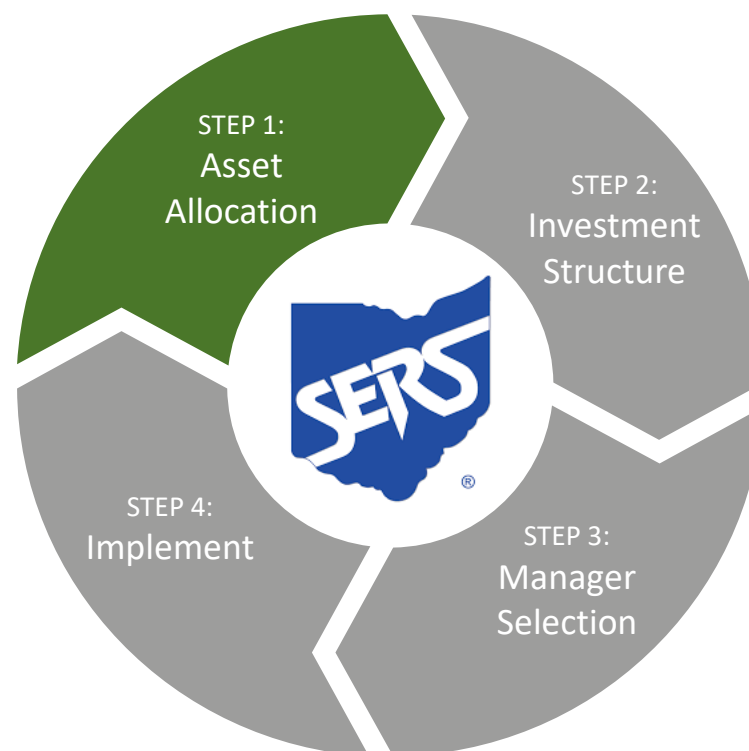
Detail on the Consulting Model

Guiding Principles

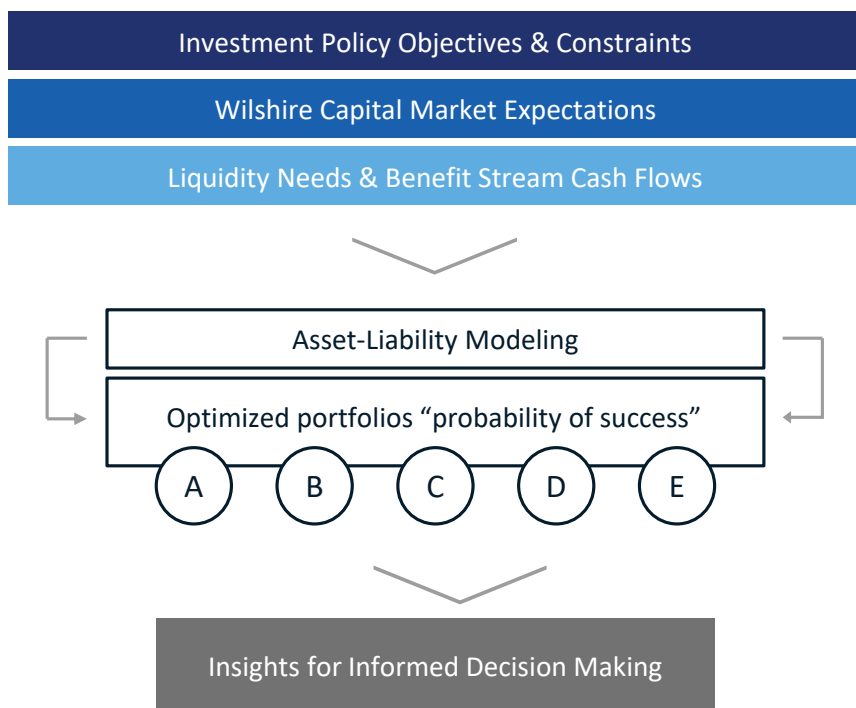
“ Perhaps most importantly, the IPS serves as a policy guide that can offer an objective course of action to be followed during periods of market disruption when emotional or instinctive responses might otherwise motivate less prudent actions... ”

Source: CFA Institute "Elements of an Investment Policy Statement for Institutional Investors" (2010).

Investment Policy Objectives



Asset-Liability Modeling & Asset Allocation Process



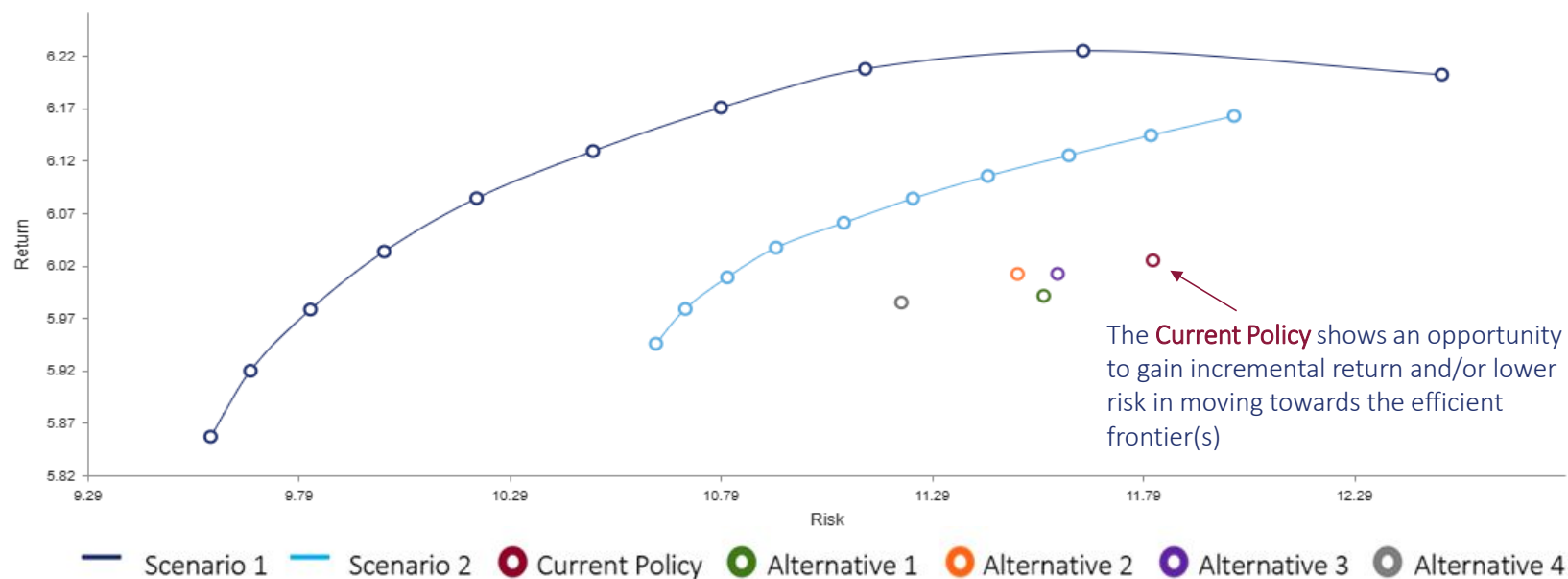
Asset allocation drives >90% of portfolio return variation¹

A rigorous evaluation of key characteristics instills confidence that the portfolio is positioned for long-term success. Critical outputs of the process include:

- Funded Status Analysis
- Contribution Requirements/Scores
- Expected Risk and Return
- Downside Protection/Drawdown Risk
- Economic Factor Exposure
- Component Contribution to Portfolio Risk and Return
- Stress Testing and Scenario Analysis

¹ Brinson, Gary P., Hood, L. Randolph, Beerbower, Gilbert L. (Jul.-Aug. 1986). Determinants of Portfolio Performance. *Financial Analysts Journal*, Vol. 42, pp.39-44.

Efficient Frontier: OH SERS



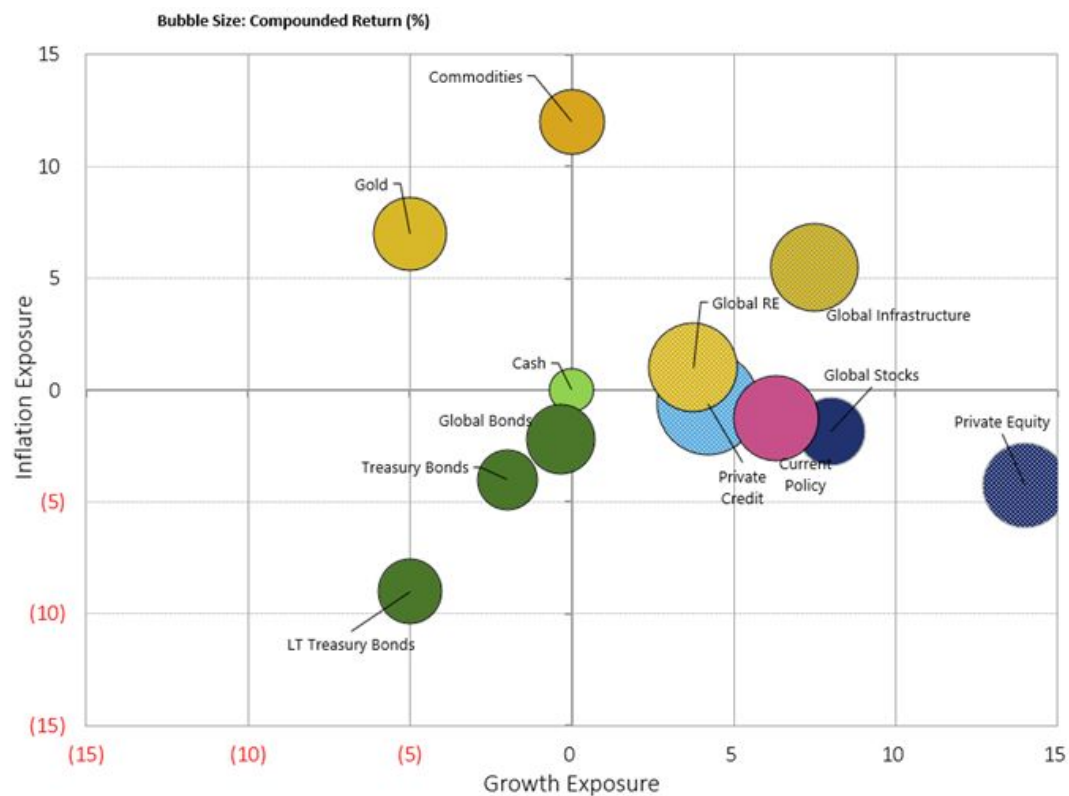
- Diversification optimizes portfolios.
- Scenario 1 includes a broad array of asset classes with looser constraints while Scenario 2 overlays constraints that represent portfolios that are more practical to implement.

The efficient frontier and scenario outcomes shown are hypothetical and for illustration only. They are based on modeled assumptions and do not represent actual or guaranteed results.

Asset Allocation Differentiator: 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



For illustrative purposes only. Exposures and returns shown are model-based estimates that may not reflect actual future results or market conditions.

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

The return and risk assumptions shown reflect modeled scenarios and are for illustrative purposes only. Actual results may differ materially from these estimates.

Differentiator: Liquidity Model

Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Stressed (1.75x) Penalty	Stressed Liquidity Metric
		Growth	Inflation	Volatility		
US Stocks	100%	-50%	-10%	-24%	-105%	0%
Dev ex-US Stocks	95%	-50%	-3%	-26%	-93%	2%
Emg Mkt Stock	85%	-50%	0%	-40%	-88%	0%
Private Equity	0%	-50%	-15%	-40%	-114%	0%
Cash	100%	0%	0%	0%	0%	100%
Core Bonds	100%	0%	-10%	0%	-18%	81%
High Yield Bonds	80%	-40%	-3%	-10%	-75%	5%
Private Credit	15%	-50%	-5%	-14%	-96%	0%
US RE Securities	90%	-50%	0%	-24%	-88%	3%
Commodities	90%	0%	0%	-22%	-39%	52%
Private RE	0%	-35%	0%	-16%	-61%	0%

Stressed Penalty = Min(Max(Growth + Inflation, Volatility), Market Liquidity)

Stressed Liquidity* = Market Liquidity - (1.75 x Stressed Penalty)

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

The liquidity metrics shown are based on proprietary model assumptions and are for illustrative purposes only. Actual asset class liquidity under stress may differ from these estimates.

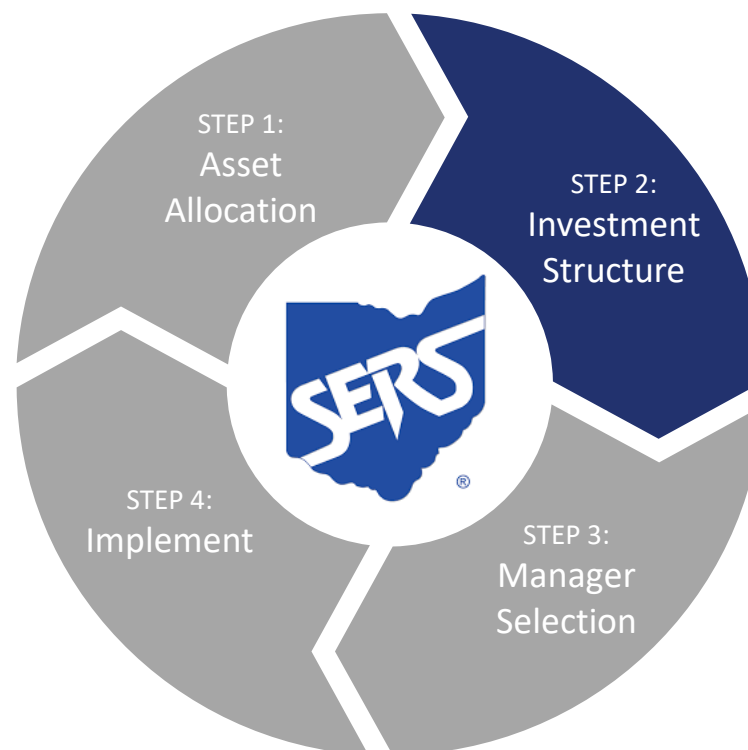
Investment Structure

After Asset Allocation, Wilshire considers Investment Structure to be the **second** most important decision a fund will make because those decisions:

- Account for 5-7% of return variation
- Provide a platform for diversifying risk exposures within asset classes
- Address factors related to style (value or growth) and size (large, mid, small capitalization stocks)
- Address “active” versus “passive” investment management issues
- Establish structure targets for controlling risk and capturing market opportunity

For illustrative purposes only as a basis for further discussion and subject to change.

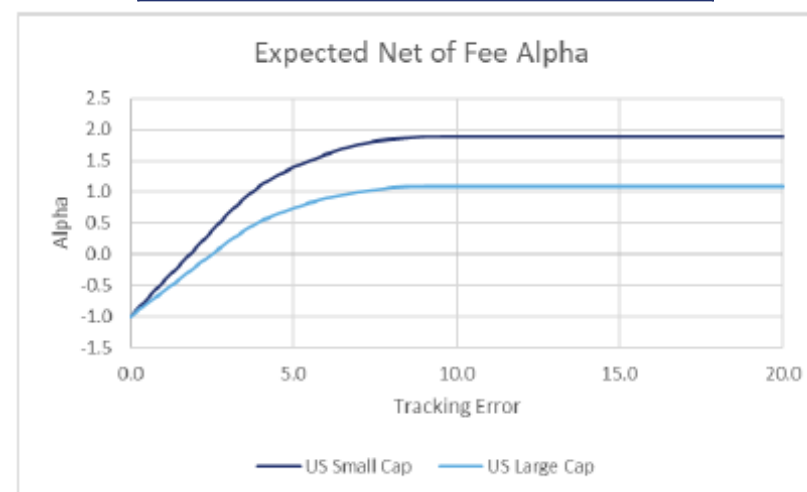
Investment Policy Objectives



Proprietary Alpha Model

- The ability to produce excess returns is dependent on asset class, manager skill and excess risk
 - More efficient asset classes provide less opportunity for managers to add value
 - Higher rated managers are expected to capture more of the alpha opportunity
 - A blend of historical tracking error is used, 5- and 10-year data, if available
- Expected net of fee value add and tracking error to asset class benchmark are used as inputs to the optimizer, which produces an efficient frontier (subject to any constraints that the user adds)

% of Maximum IR Assumption	
Decile	%
1	100%
2	100%
3	90%
4	75%
5	50%
6	10%
7+	0%



Manager Selection

After Asset Allocation and Investment Structure, Wilshire considers Manager Selection to be the **third** most important decision a fund will make because:

- Active excess return accounts for 3-5% of return variation
- Manager selection and access is critical to driving attractive returns especially within alternative investments
- Costs matter: be a prudent consumer of asset management services and leverage Wilshire's buying power

Investment Policy Objectives



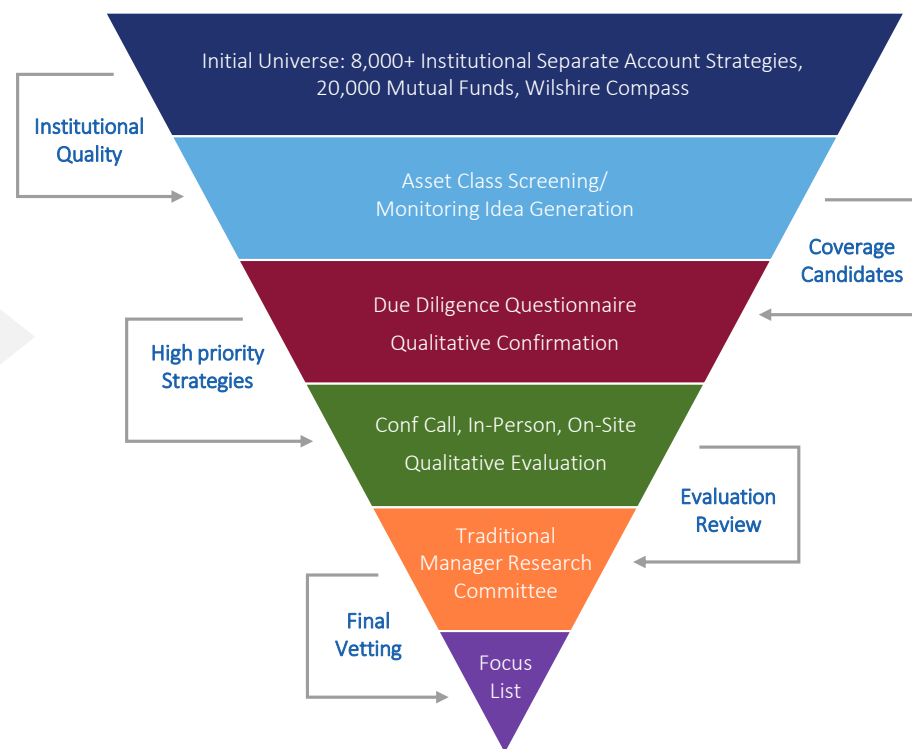
For illustrative purposes only as a basis for further discussion and subject to change.

Wilshire’s Manager Screening & Evaluation Process

Basic screens are used to complement our proprietary quantitative and qualitative research. The entire universe of investments is screened on a regular basis.

Wilshire’s Manager Research team:

- screens by style, market cap and regional focus
- screens for risk-adjusted performance
- performs rolling style analysis
- evaluates portfolio characteristics



Finding an Investment Manager’s Edge



Category/Weighted %	Description	Decile Score	Rationale
Firm/10%	Ownership structure, resources, experience, expertise, cohesiveness	3 rd	<ul style="list-style-type: none"> Highly successful investment boutique Recently became publicly-traded, but majority-owned by founder Talented CIO/PM supported by talented team with diverse backgrounds
Team/10%		1 st	
Information/20%	Edge in gathering and processing of data	1 st	<ul style="list-style-type: none"> Strong bottom-up research Use of non-traditional approaches – investigative journalism and forensic accounting
Forecasting/20%	Competitive advantages, rigor, repeatability and accuracy	1 st	<ul style="list-style-type: none"> Nimble Quality at a Reasonable Price Approach Demonstrated history of strong alpha production
Portfolio Construction/20%	Thoughtfulness in sizing and risk management	3 rd	<ul style="list-style-type: none"> Benchmark agnostic Risk analysis is primarily qualitative at the individual security level
Implementation/10%	Trading desk a source of value-add	5 th	<ul style="list-style-type: none"> Solid team and systems Large asset base and higher turnover versus many EM peers
Attribution/10%	Improvements over time, learning from mistakes	2 nd	<ul style="list-style-type: none"> Solid 3rd-party system with good feedback loop
ESG	Neutral, Integrator, or Leader	Neutral	<ul style="list-style-type: none"> ESG is considered, but not a material part of their process
Overall Score	1 to 10 rating scale	1st	GQG is one of Wilshire's highest rated emerging market equity managers. We think very highly of PM/CIO Rajiv Jain and the investment approach applied by the team. There is key-man risk associated with the product and clients should expect higher tracking error with this strategy.

References made to rankings are not an endorsement by any third party to invest with Wilshire Advisors LLC and are not indicative of future performance. Investors should not rely on rankings for any purpose and should conduct their own review prior to investing.

Enhanced Implementation Services

- Performance reporting
- Capital market research & whitepapers
- Opportunistic investment insights
- Trustee & staff education and training
- Sustainability and Diverse Manager Initiative
- Proprietary risk analytics
- Manager database and optimization software
- Private markets advice & asset pacing
- Discretionary investment capabilities
- Collective investment vehicles
- Cost analysis

Investment Policy Objectives



For illustrative purposes only as a basis for further discussion and subject to change.

Capital Markets Research

Wilshire's Research Excellence: Empowering Strategic Investment Decisions

Research | Investment Strategy

- Wilshire Quarterly Investment Strategy Update
- Weekly Manager Research NewsAlerts
- 2025 Asset Allocation and Risk Assumptions
- 2025 Active Management Review
- Asset Class Returns: The Benefits of Discipline and Diversification
- Wilshire Fair Value Model: Objective Measure of a Key Investment and Economic Statistic

Market/Economic Reviews

- Monthly Market Commentary
- Quarterly Market Commentary
- Weekly Monday Market Flash
- Quarterly Market Update Webinar
- Quarterly Alternatives Commentary
- Annual Alternatives Outlook

To download our most current research and thought leadership, visit:
wilshire.com/research-insights/commentary

Topical White Papers

- Rethinking Risk: The Strategic Edge of Alternative Yield Investments
- Complexity vs. Simplicity: Affirming the Power of Diverse Portfolios
- The Role of Annuities in Defined Contribution Retirement Plans
- Past, Present & Future of Managed Portfolios for DC Plans
- Diversification Benefits for Public Pensions
- The Evergreen Advantage: A Strategic Case for Perpetual Private Markets Allocation
- Risk Mitigating Strategies: Implementation and Active Management
- Investor's Guide to Navigating ESG in the Current Environment

Wilshire

Ohio School Employees Retirement System

Quarterly Executive Summary



Dec 2025

Wilshire

Quarterly Market Review

December 31, 2025

Market Commentary

U.S. Equity

The U.S. stock market was up 2.3% for the fourth quarter and 17.1% for the past twelve months. Sector performance was mostly positive for the quarter, with eight of eleven sectors producing a gain. The two best performing sectors were health care (+11.8%) and communication services (+6.1%). From a size perspective, small caps underperformed large by 80 basis points. Growth stocks outperformed value by a modest amount, in aggregate.

As 2025 comes to an end, the U.S. economy continues to report positive gains. The real GDP measures 2.5% (annualized) through September and expectations are for continued growth. However, signs of concern are present in some data. While the unemployment rate remains low, nonfarm payrolls are only up 600,000 through November, well below longer trends. Two closely watched measures of consumer sentiment – from the University of Michigan and Conference Board thinktank – have fallen this year and are close to their ten-year lows as of December. While sentiment and spending do not always move in unison, U.S. consumers have an outsized importance on economic growth, representing approximately 70% of GDP. As such, all eyes will be focused on any indicator of a household's ability to spend entering the new year.

Non-U.S. Equity

Economic growth in the United Kingdom weakened during the second half of 2025 as most businesses and consumers awaited the central government's latest budget. Announced in November – and despite tax-raising measures – early PMI indicators suggest businesses are comfortable with the results. Germany continues to struggle to produce economic growth as exporters face challenges in their two largest markets, the U.S. and China. China's economy is proving to be resilient, despite continued weakness in property prices that are hampering many in the middle class. An effective "trade truce" was announced by U.S. and Chinese leaders following an October meeting.

Fixed Income

The U.S. Treasury yield curve rotated during the quarter with the 10-year Treasury yield up two basis points to 4.17% while the short-to-intermediate end fell. Credit spreads were little changed as high-yield bond spreads were up in October but fell again by year-end. The FOMC met twice during the quarter and dropped the overnight rate by a total of 50 basis points, targeting a range of 3.50% to 3.75%. The Fed's "dot plot" is messaging that the current expectation is for a decrease in rates of only 0.25% in 2026.

December 2025 Asset Class Assumptions

	Equity						Fixed Income						Real Assets						
	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	U.S. RES	Global RES	Private RE	Cmdty	Real Assets	U.S. CPI
Compound Return (%)	4.45	5.45	5.70	5.80	5.05	6.30	3.25	4.90	5.15	4.45	6.05	7.45	3.25	5.80	5.95	6.55	4.80	6.90	2.30
Arithmetic Return (%)	5.80	6.95	8.70	7.45	6.40	10.10	3.25	5.05	5.65	4.60	6.50	8.20	3.35	7.20	7.20	7.45	6.00	7.60	2.30
Risk (%)	17.00	18.00	26.00	19.15	17.05	29.65	0.75	4.75	9.95	6.00	10.00	12.75	4.00	17.50	16.55	13.95	16.00	12.20	1.75
Yield (%)	1.20	2.70	2.05	2.50	1.65	0.00	3.25	5.75	5.85	5.15	9.70	4.70	4.40	4.05	4.05	2.95	3.25	3.75	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-1.00	-2.75	-3.00	4.00	5.10	-1.00	6.00	6.00	3.70	0.00	2.90	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.20	-1.85	-4.25	0.00	-2.65	-7.10	2.50	-1.00	-1.50	-3.00	1.00	1.65	1.00	12.00	5.25	1.00

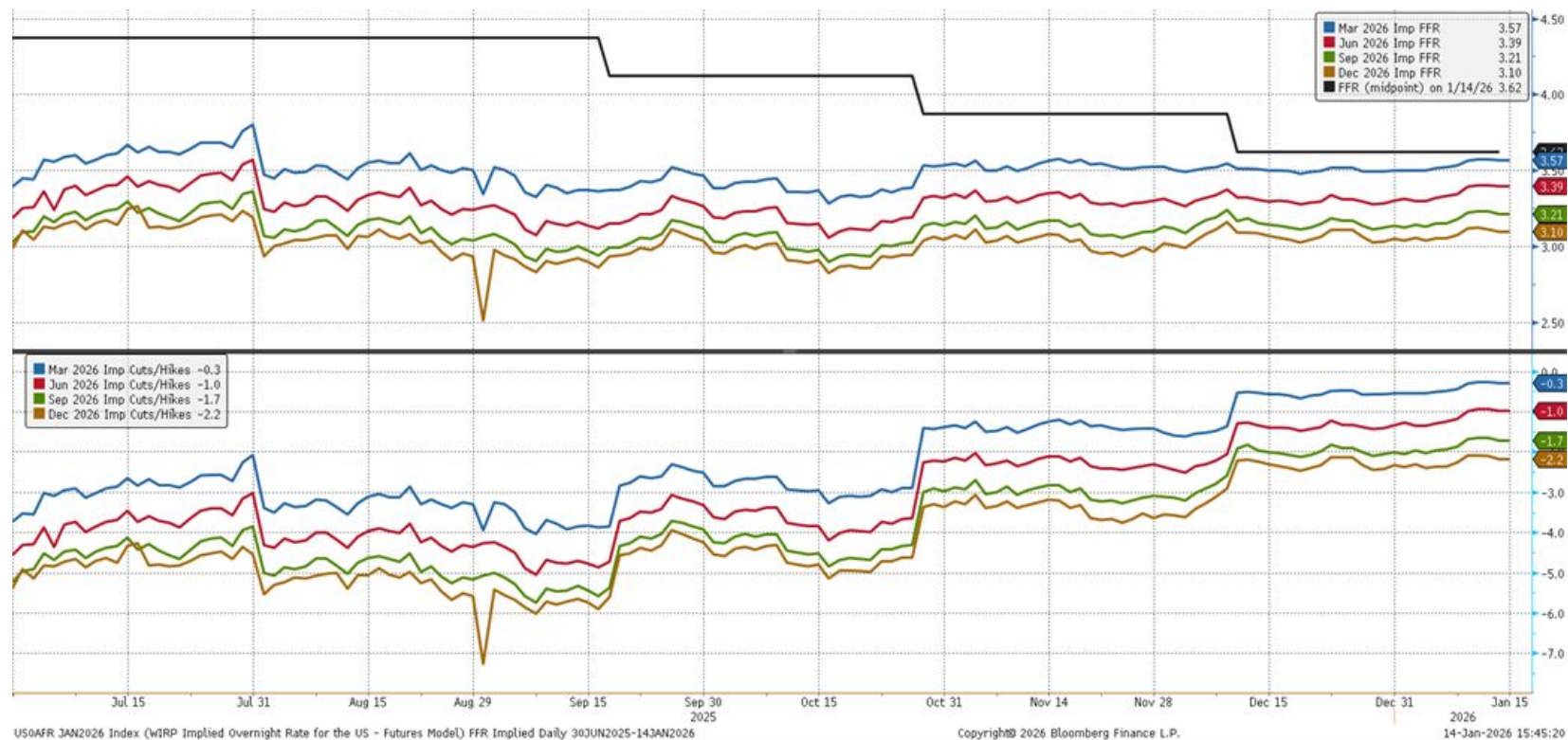
Correlations

U.S. Stock	1.00																			
Dev ex-U.S. Stock (USD)	0.81	1.00																		
Emerging Mkt Stock	0.74	0.74	1.00																	
Global ex-U.S. Stock	0.84	0.96	0.90	1.00																
Global Stock	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 Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00													
Core Bond	0.27	0.12	-0.01	0.08	0.20	0.29	0.18	1.00												
LT Core Bond	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 Bond	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-U.S. Bond (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							
U.S. 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 Real Estate	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	

U.S. Objectives (and Their Related Risks)

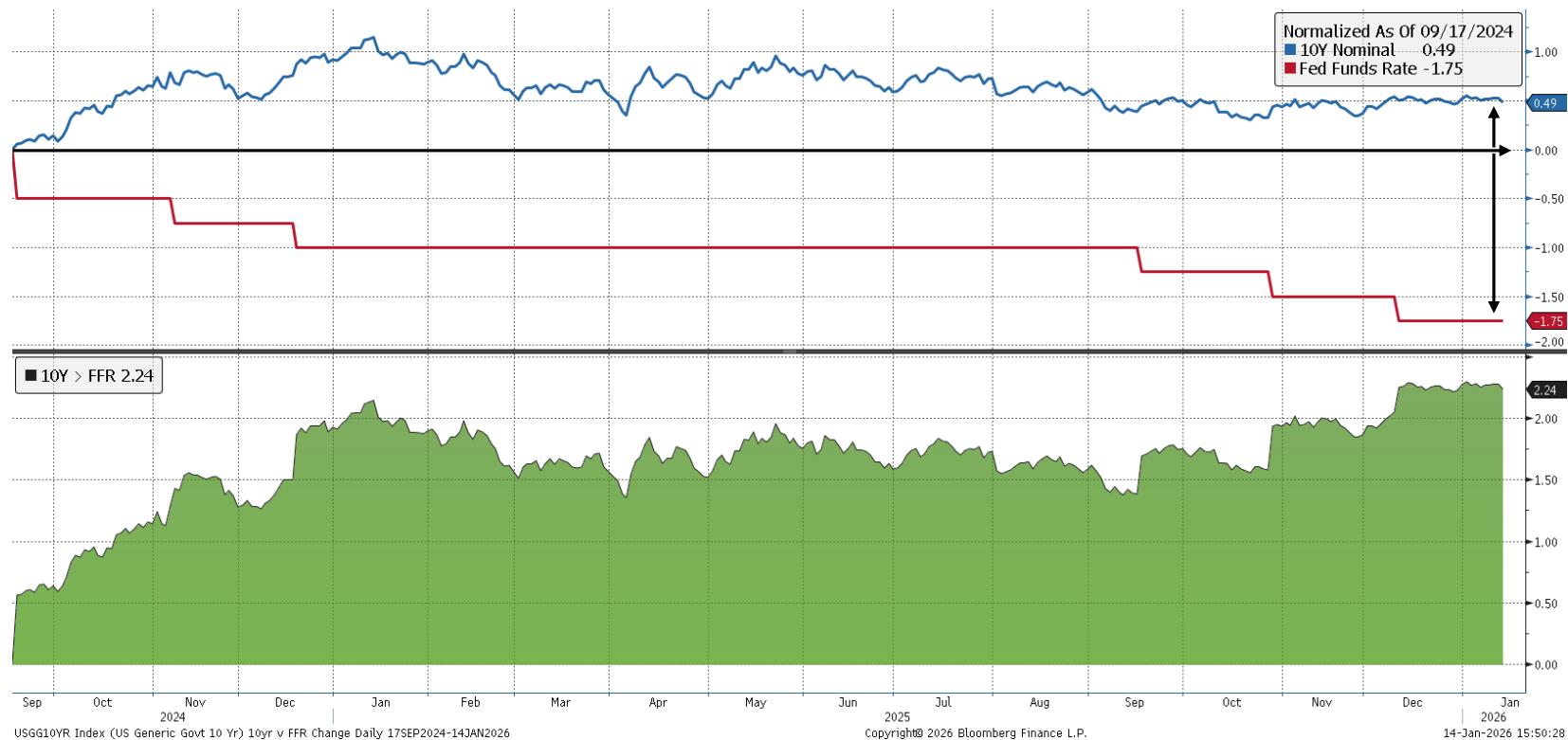
- **U.S. Strategic Objectives (largely tied to geopolitical positioning vs China)**
 - AI Dominance: Win the AI arms race
 - Requires massive investment in compute, energy & rare earth minerals
 - Rebuild Industrial Base: Onshore U.S. manufacturing and reduce external dependencies/vulnerabilities
 - Requires massive investment (internal & FDI)
 - Financial Stability: Address unsustainability of current deficit/debt path
 - Reduce annual % deficits (sustained real growth > rate of expenditure increases)
- **Risks & Tradeoffs (to achieving those objectives)**
 - Rising Interest Rates: Impact on net interest payments makes deficit & debt management challenging
 - Market Drawdown: Government revenues (i.e., tax receipts) are heavily impacted by capital market performance
 - Inflation: Rebuild of U.S. manufacturing (and AI spend) is inflationary (with longer-term offsets from AI efficiency gains)

Implied Fed Funds Rate (and expected easing)



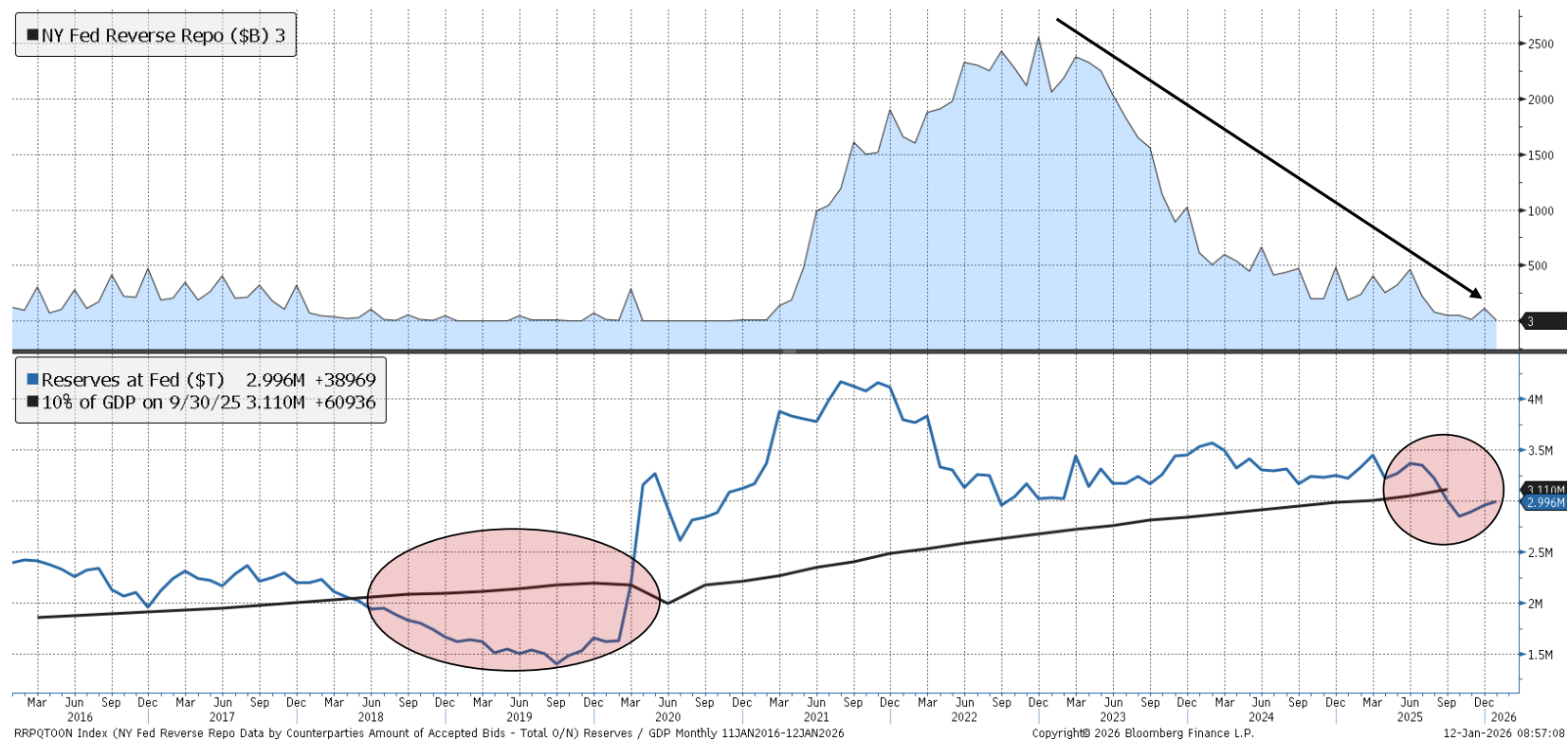
Data Source: Bloomberg

Fed Cuts Don't Necessarily Lead to Lower Long Rates



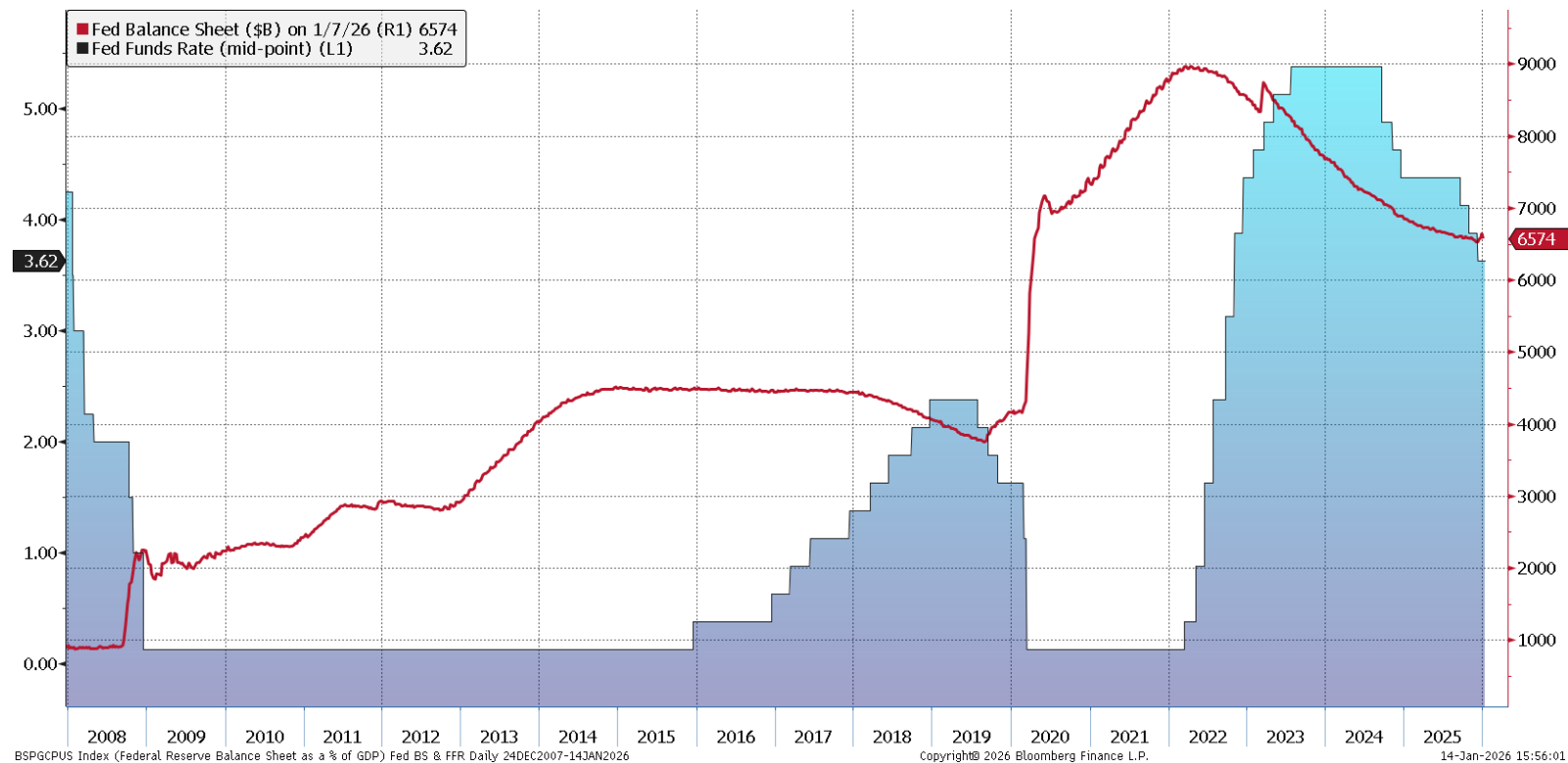
Data Source: Bloomberg

Liquidity Conditions: Reserve Management Purchases (RMP)



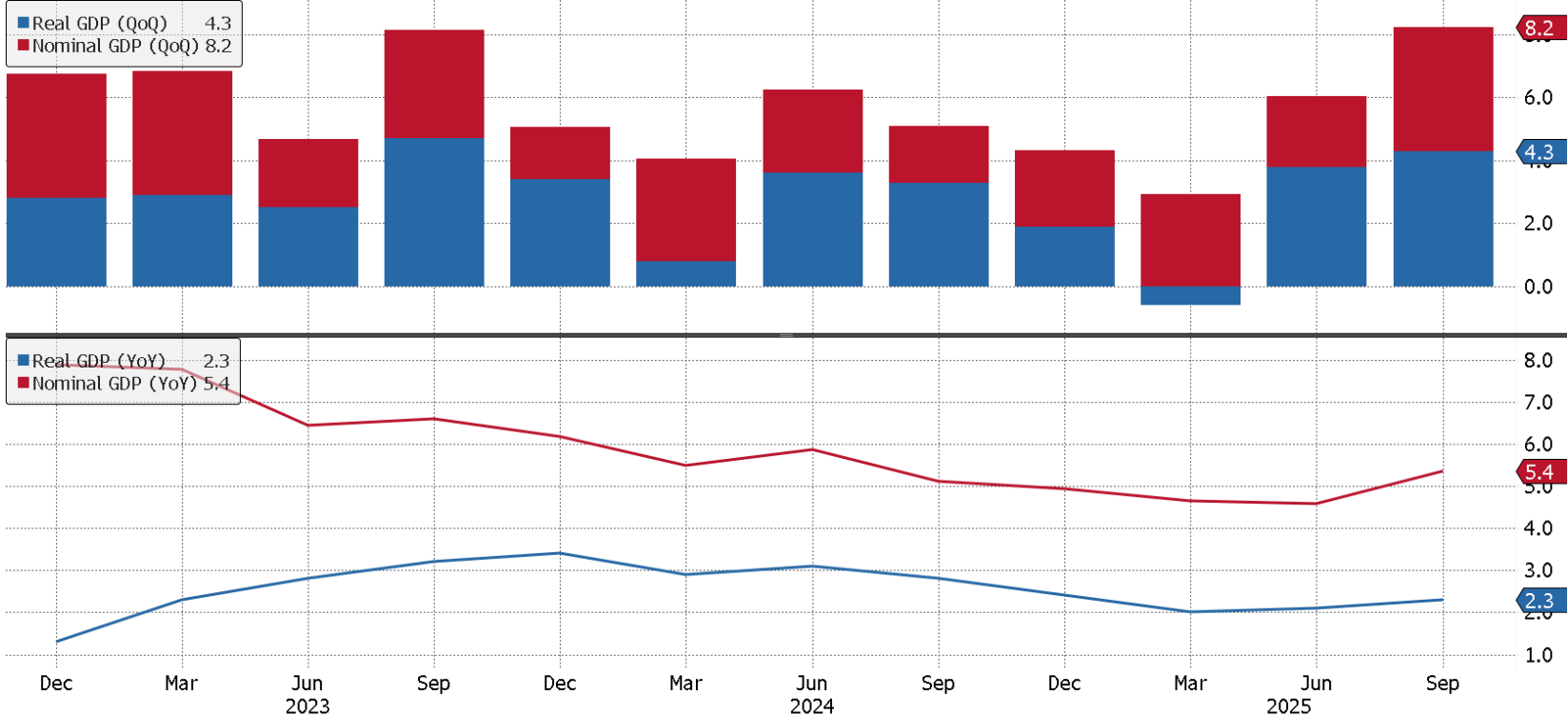
Data Source: Bloomberg

Liquidity Conditions: Fed Balance Sheet



Data Source: Bloomberg

A Glimpse of How “Running it Hot” Might Look



GDP CQOQ Index (GDP US Chained Dollars QoQ SAAR) GDP N v R YoY Quarterly 31DEC2022-30SEP2025 Copyright © 2026 Bloomberg Finance L.P. 05-Jan-2026 08:19:32

Data Source: Bloomberg

K-Shaped Economy: A Tale of Two Economies

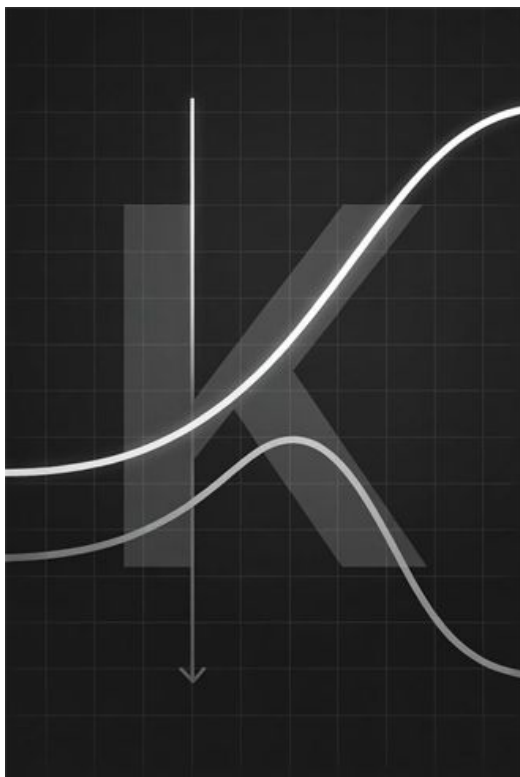


Image Source: Grok

K-Up: The “Haves”

- Who: Own assets/homes, white-collar jobs (i.e., Tech/Finance)
- Situation: Protected/Benefit from inflation. Vulnerable to AI efficiency.
- Impact: Drive aggregate economic output (i.e., concentrated / cap-weighted)

K-Down: The “Have Nots”

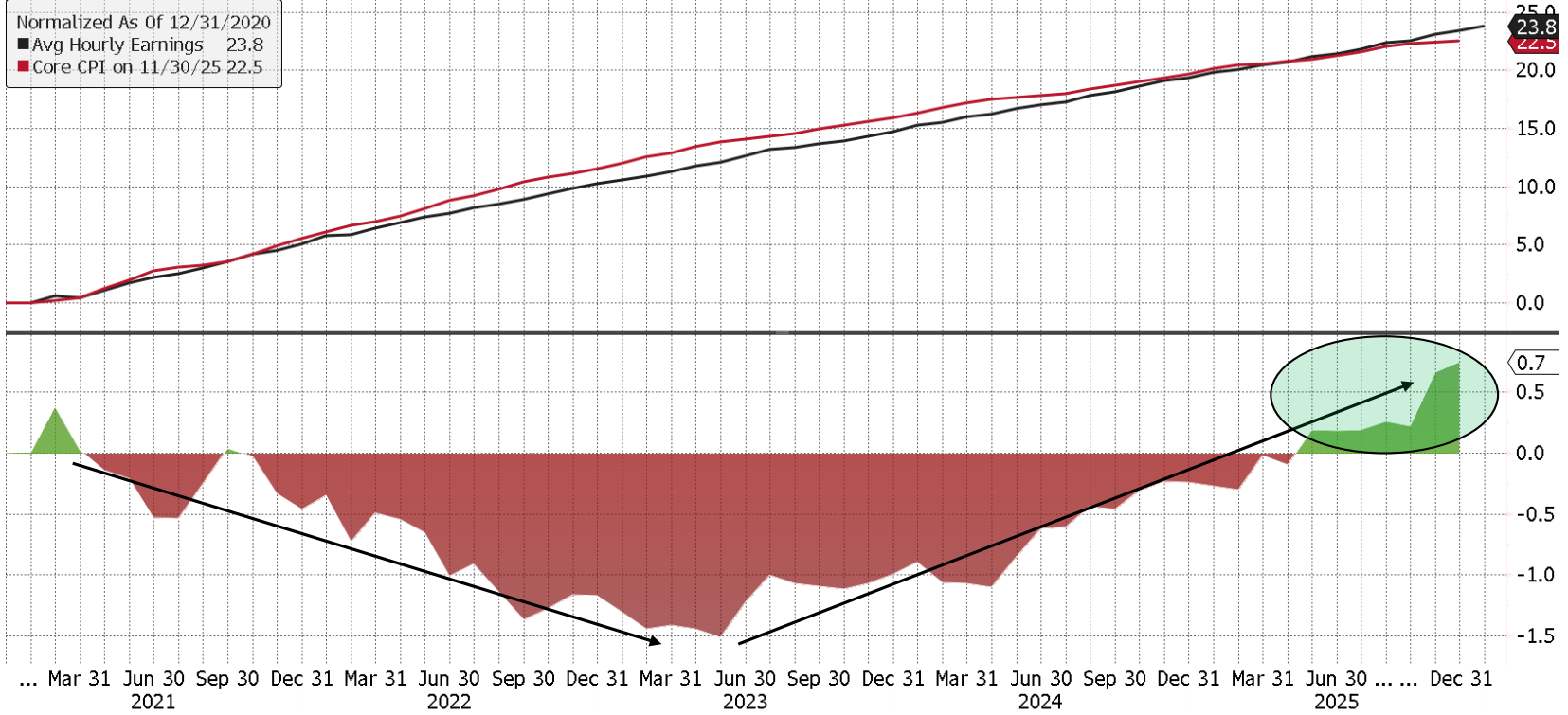
- Who: Don't hold meaningful assets, blue-collar jobs, carry relatively large debt burdens
- Situation: Have suffered from globalization/outsourcing, struggle to keep pace with inflation
- Impact: Muted impact on aggregate economic output but large in # so drive overall confidence stats (i.e., equal-weighted measures)

S&P 500 v Consumer Sentiment



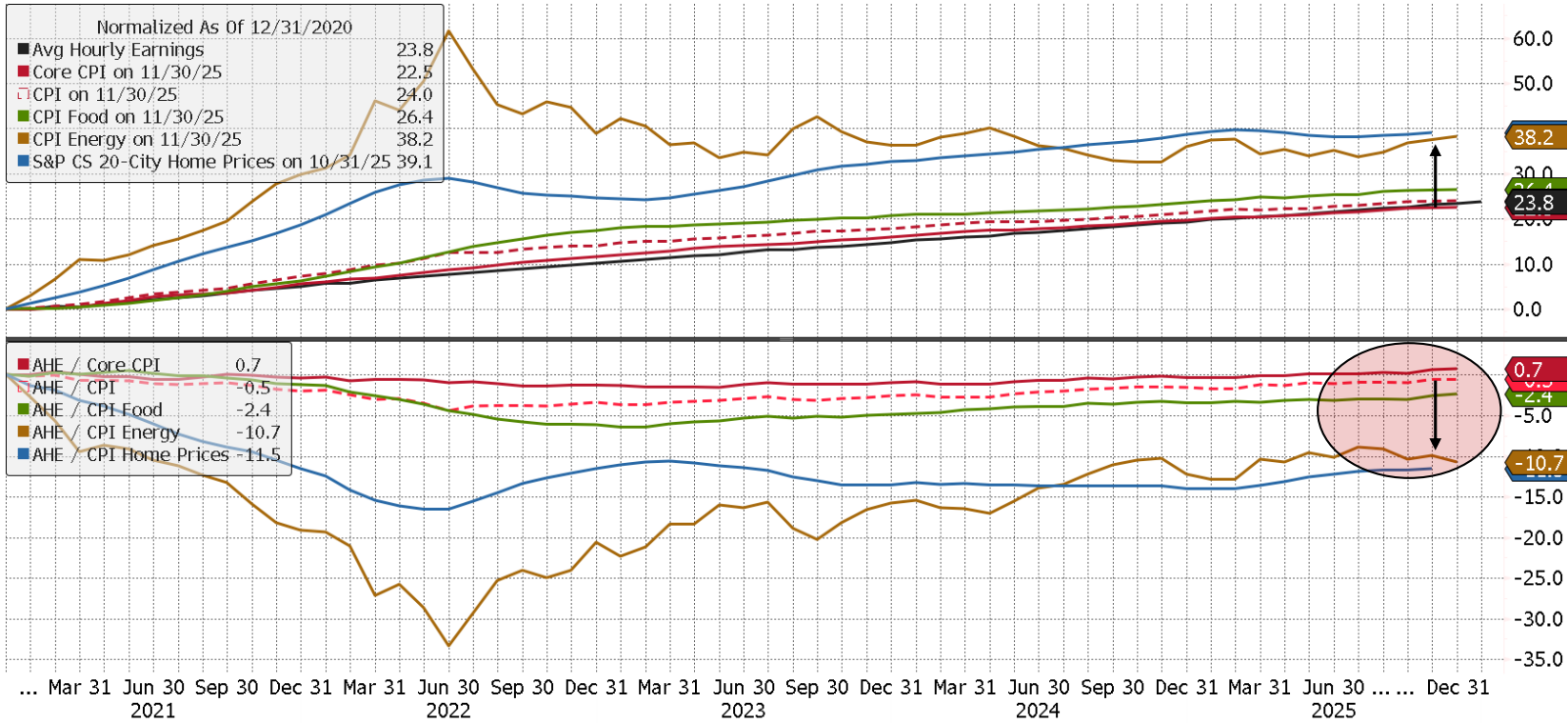
Data Source: Bloomberg

“Affordability” Driving K-Down’s Sentiment... But this Doesn’t Look So Bad



Data Source: Bloomberg

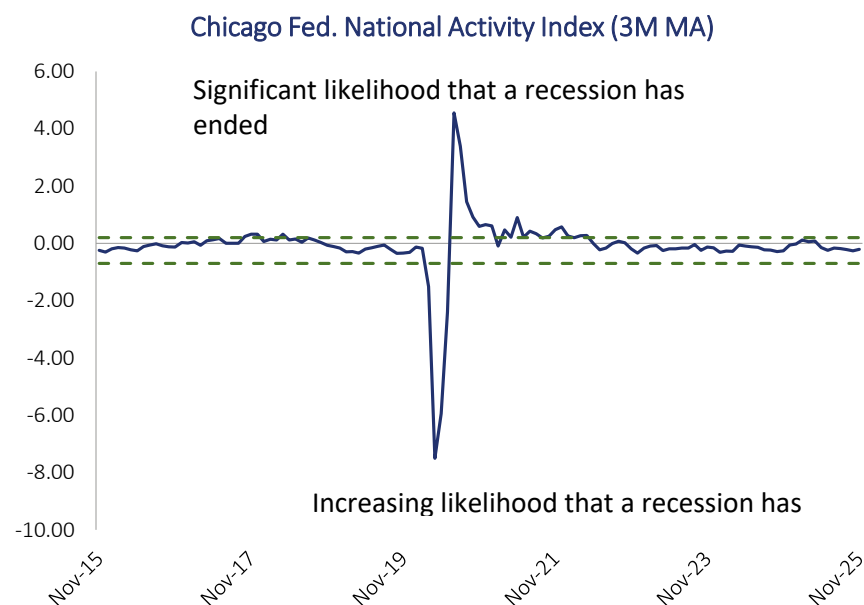
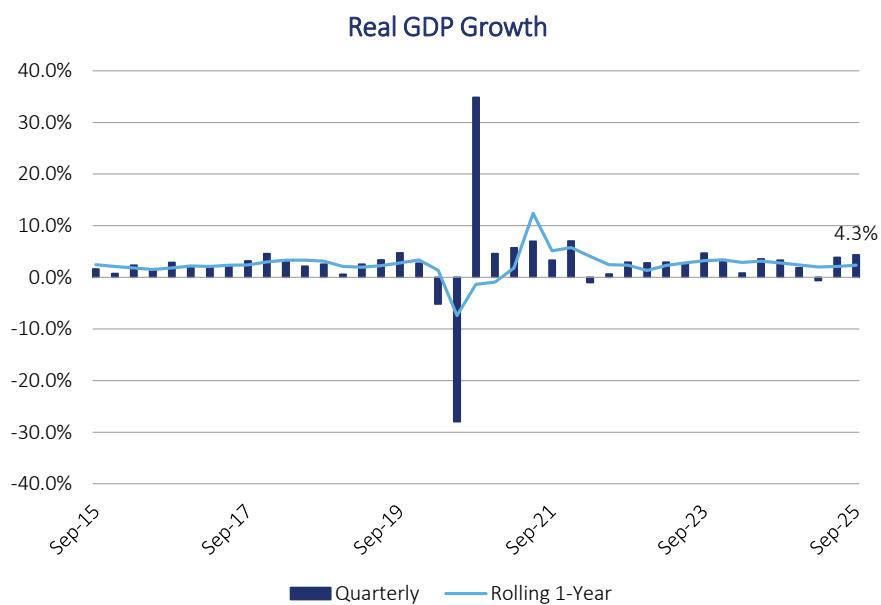
“Affordability” Driving K-Down’s Sentiment... This Looks Much Worse



AHE TOTL Index (US Average Hourly Earnings All Employees Total Private SA) CPI v Wages Daily 30DEC2020-12JAN2026 Copyright© 2026 Bloomberg Finance L.P. 12-Jan-2026 08:40:06
 Data Source: Bloomberg

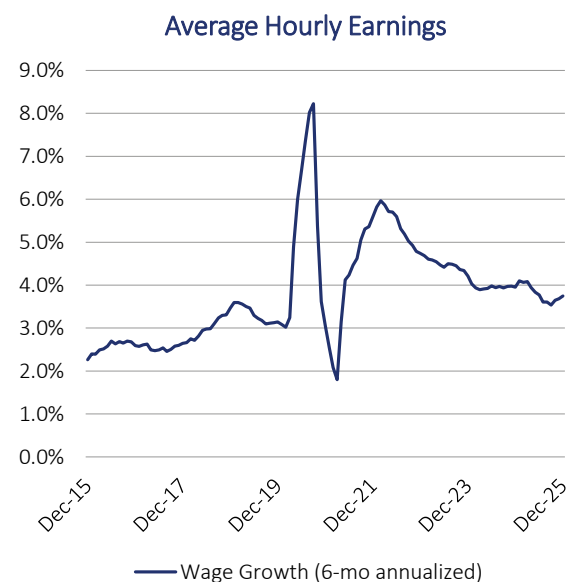
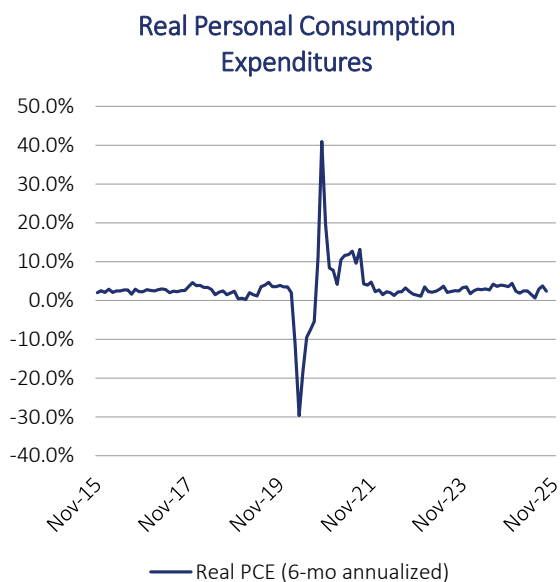
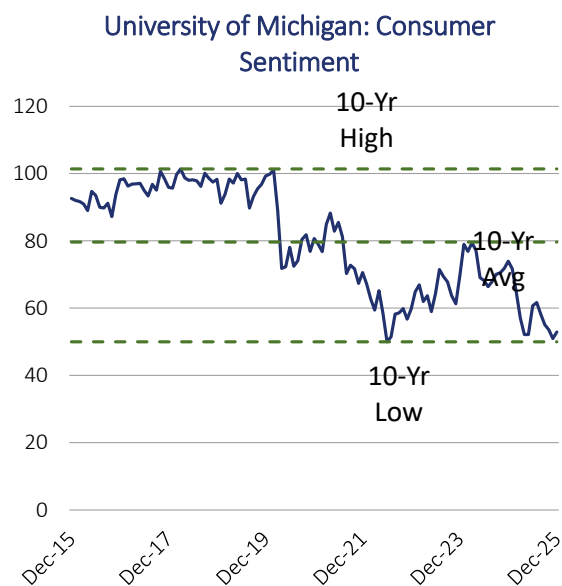
Economic/Market Activity

Economic Growth



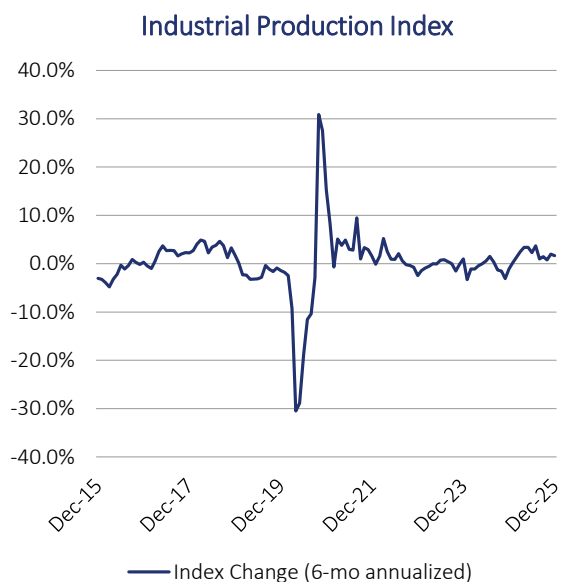
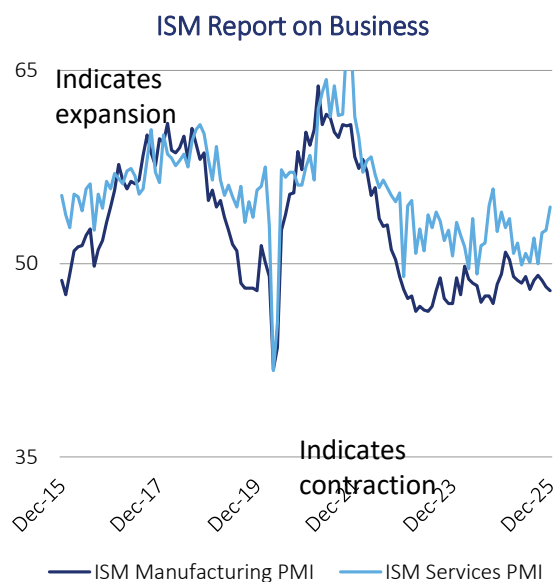
Data Source: Bloomberg

Consumer Activity



Data Source: Bloomberg

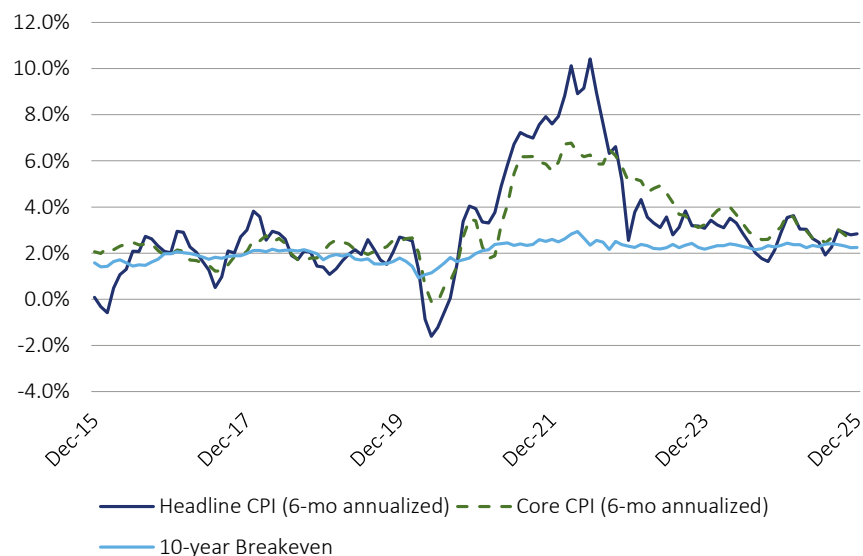
Business Activity



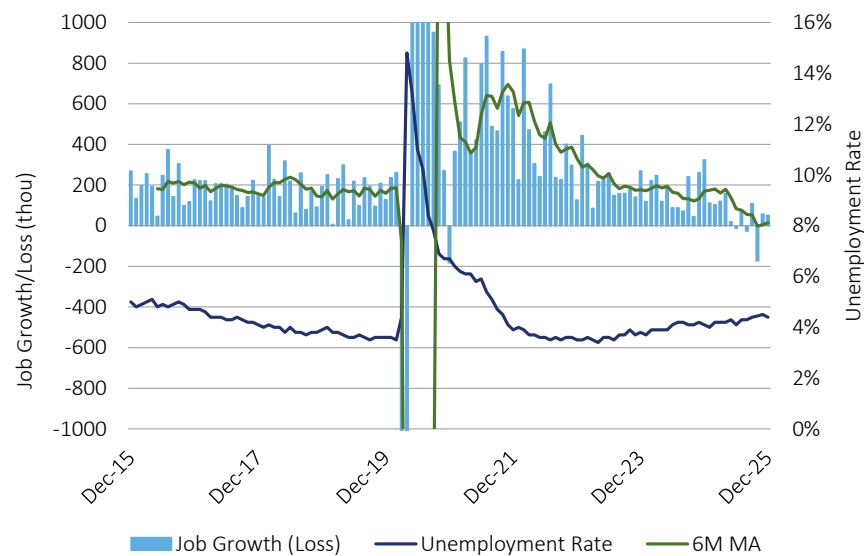
Data Source: Bloomberg

Inflation and Employment

Inflation: Actual & Expected



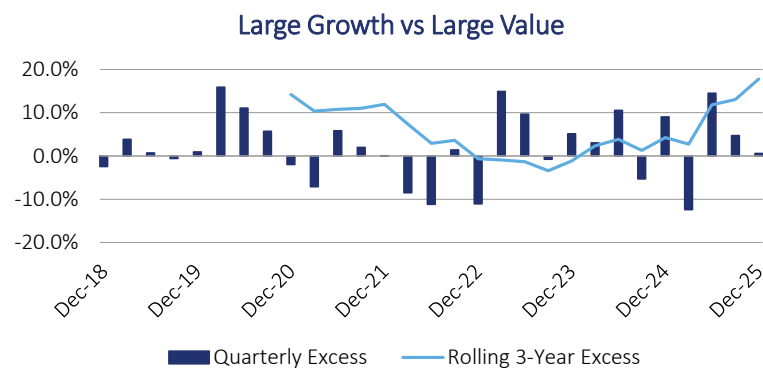
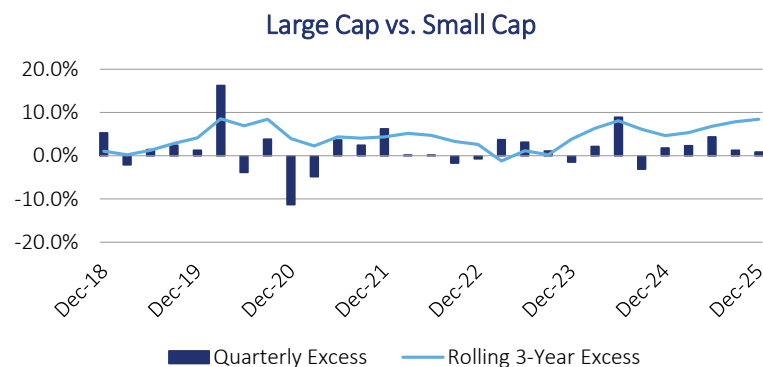
Employment Gains/Losses



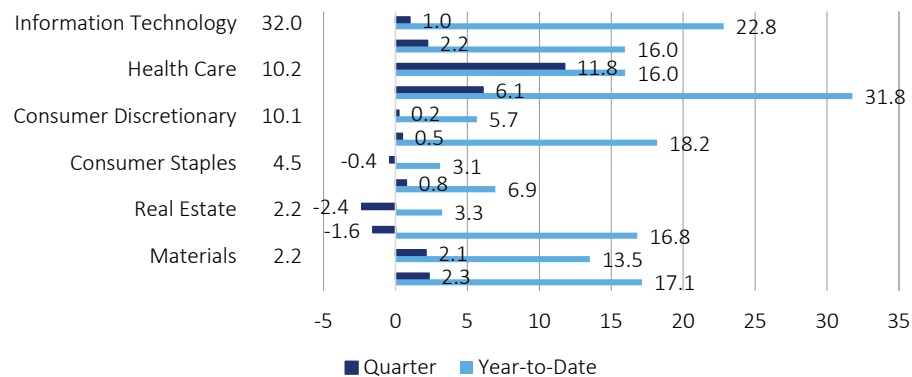
Data Source: Bloomberg

U.S. Equity Market

As of 12/31/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
FT Wilshire 5000	2.3	17.1	17.1	22.3	13.4	14.5
FT Wilshire U.S. Large Cap	2.4	18.3	18.3	23.6	14.3	14.9
FT Wilshire U.S. Small Cap	1.6	8.5	8.5	14.0	7.8	10.6
FT Wilshire U.S. Large Growth	2.7	21.6	21.6	34.0	16.2	n/a
FT Wilshire U.S. Large Value	2.1	15.0	15.0	13.8	12.0	n/a
FT Wilshire U.S. Small Growth	1.0	7.7	7.7	14.9	4.8	n/a
FT Wilshire U.S. Small Value	2.2	9.4	9.4	13.0	10.6	n/a
Wilshire REIT Index	-1.7	2.7	2.7	9.2	6.9	5.5
MSCI USA Min. Vol. Index	-0.5	7.8	7.8	11.2	8.6	10.6
FTSE RAFI U.S. 1000 Index	3.8	16.9	16.9	16.7	14.1	12.9



U.S. Sector Weight and Return (%)

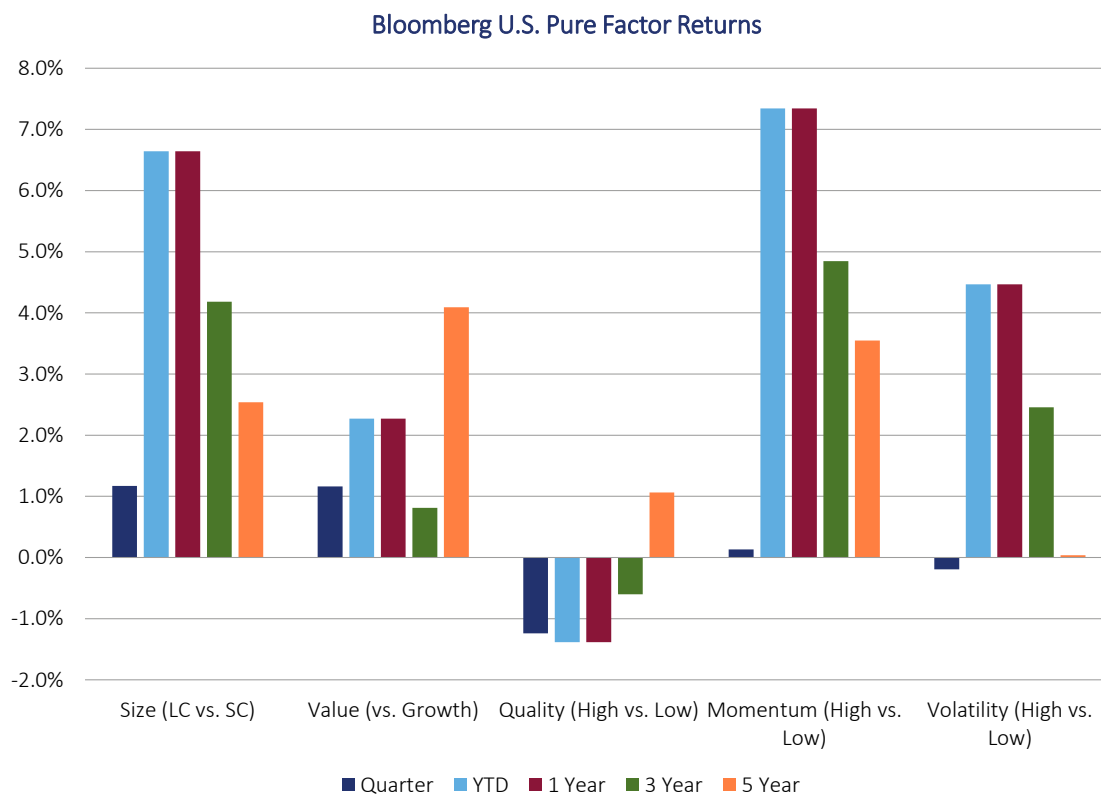


Data Sources: Bloomberg, Wilshire Atlas

U.S. Factor Returns

Factor returns represent the contribution from large cap, value, etc. stocks within Bloomberg's Portfolio & Risk Analytics module

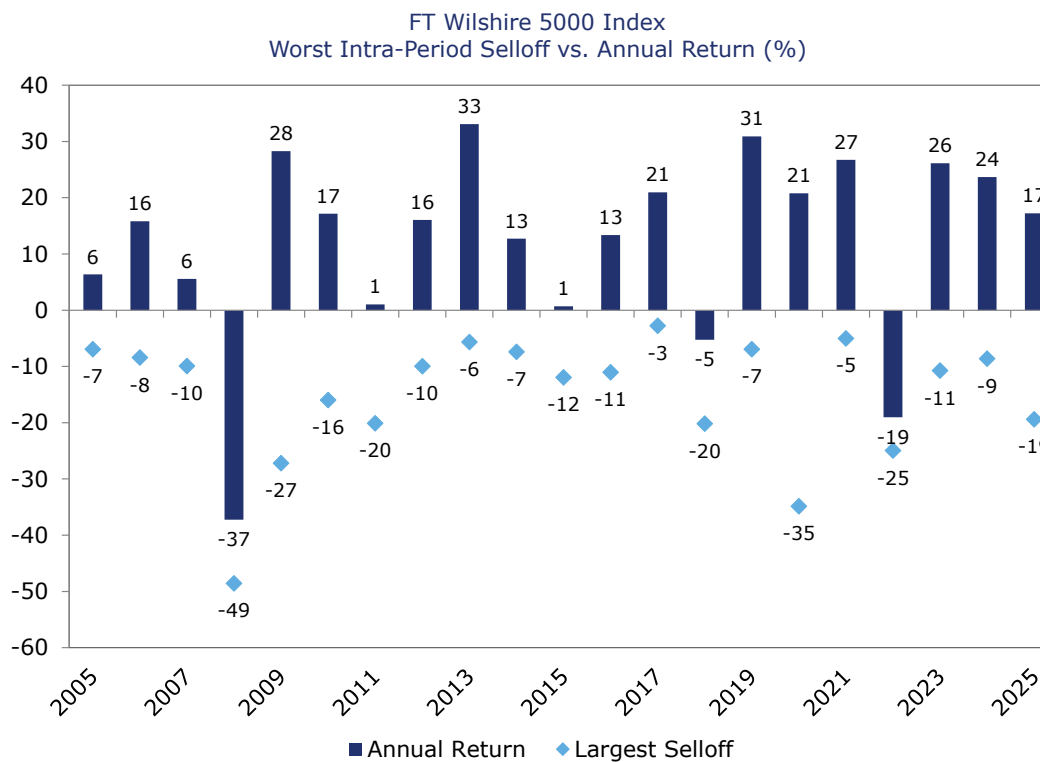
Size and value mainly contributed during Q4



Data Source: Bloomberg

Annual Equity Market Selloffs

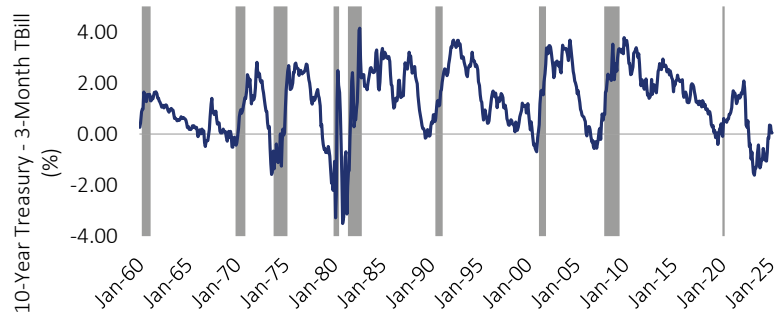
U.S. equity initially reached correction territory in mid-March and then worsened into April; recovering in May and June and up 17% for 2025



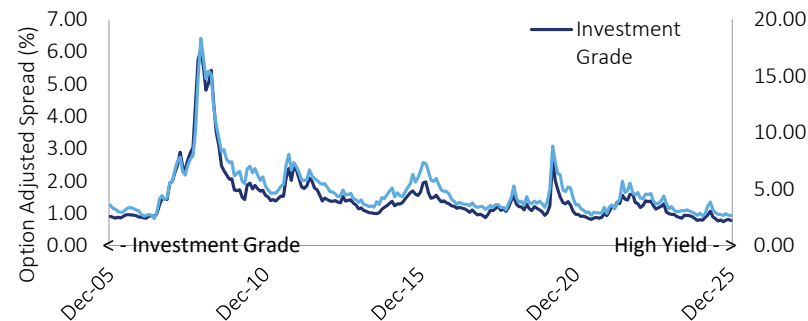
Data Source: Bloomberg

Risk Monitor

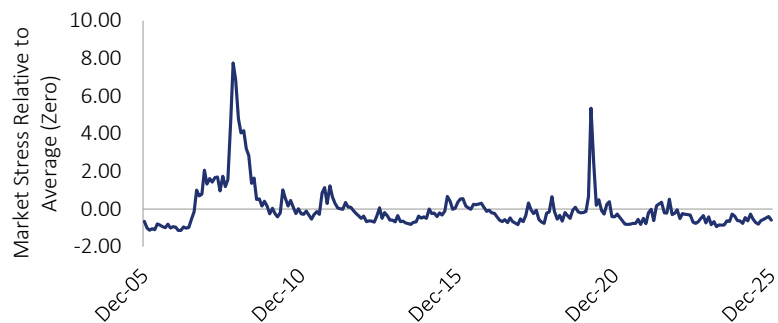
Yield Curve Slope vs Recessions (IN GRAY)



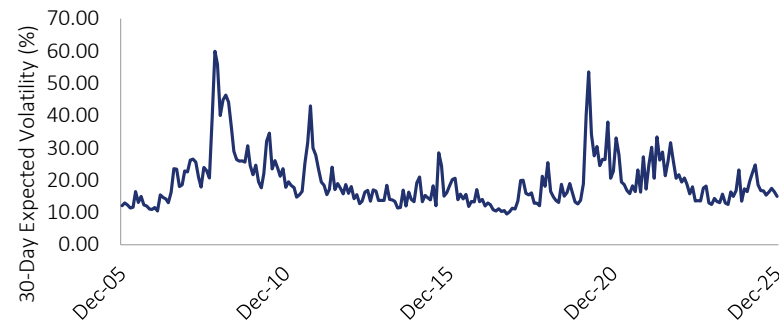
Bloomberg Credit Indexes



St. Louis Fed. Financial Stress Index



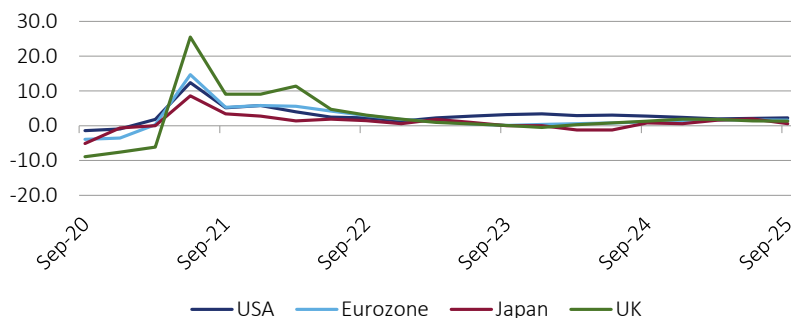
CBOE Volatility Index



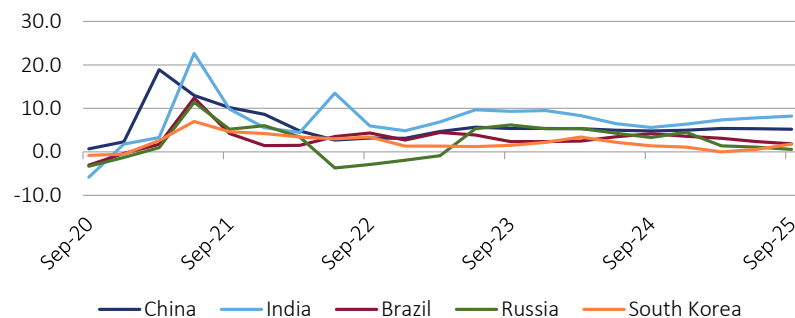
Data Source: Bloomberg

Non-U.S. Growth and Inflation

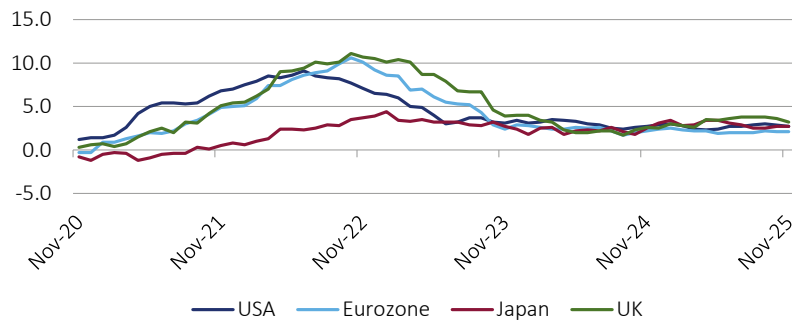
Developed Markets Real GDP Growth YoY (%)



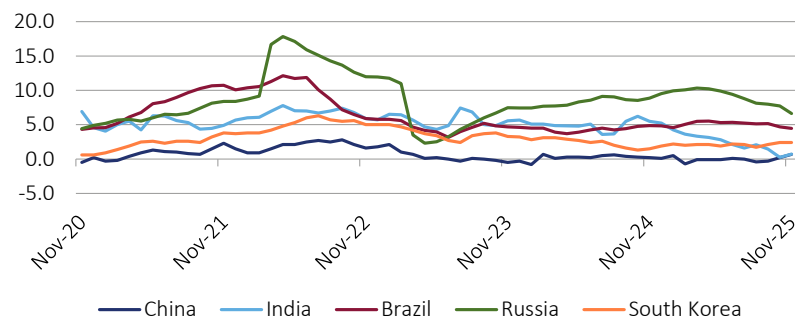
Emerging Markets Real GDP Growth YoY (%)



Developed Markets CPI Growth YoY (%)



Emerging Markets CPI Growth YoY (%)



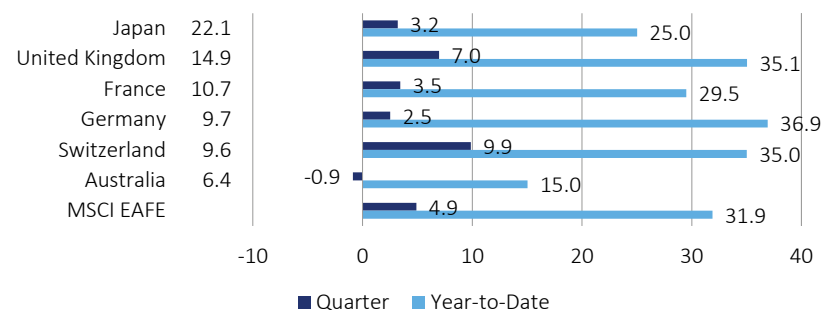
Data Source: Bloomberg

Non-U.S. Equity Market

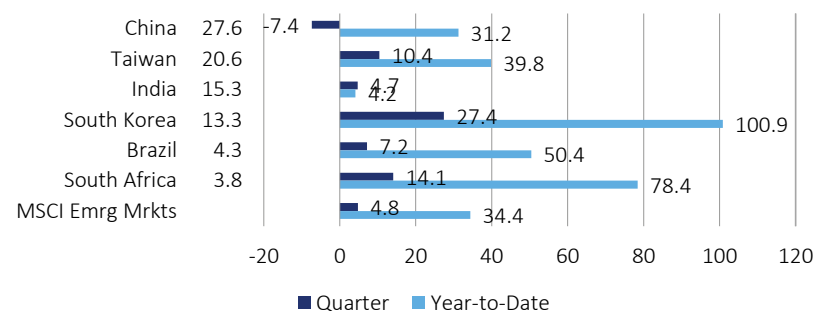
As of 12/31/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex-US (\$G)	5.1	33.1	33.1	18.0	8.5	8.9
MSCI EAFE (\$G)	4.9	31.9	31.9	17.8	9.5	8.7
MSCI Emerging Markets (\$G)	4.8	34.4	34.4	17.0	4.7	8.9
MSCI Frontier Markets (\$G)	7.7	43.7	43.7	19.9	8.2	6.6
MSCI ACWI ex-US Growth (\$G)	2.6	26.0	26.0	15.0	4.3	8.3
MSCI ACWI ex-US Value (\$G)	7.2	39.6	39.6	20.6	12.3	9.4
MSCI ACWI ex-US Small (\$G)	3.0	29.9	29.9	16.2	7.4	8.6
MSCI All Country World Index	3.4	22.9	22.9	21.2	11.7	12.3
MSCI ACWI Minimum Volatility	0.2	11.2	11.2	10.5	6.9	8.3
MSCI EAFE Minimum Volatility	3.2	26.5	26.5	14.7	6.7	6.4
FTSE RAFI Developed ex-US	8.3	41.7	41.7	20.8	13.1	9.8
MSCI EAFE LC (G)	6.2	21.2	21.2	16.5	12.0	9.1
MSCI Emerging Markets LC (G)	5.7	32.1	32.1	18.3	7.1	10.0

Data Source: Bloomberg

Developed Markets Weight and Return (%)



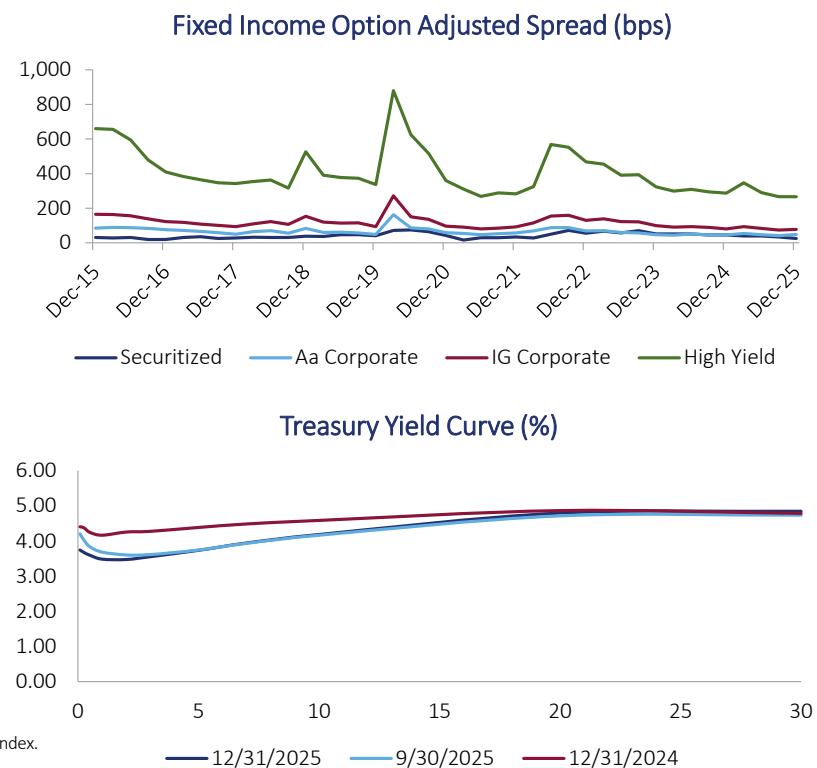
Emerging Markets Weight and Return (%)



U.S. Fixed Income

As of 12/31/2025	YTW	Dur.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Aggregate	4.3	6.0	1.1	7.3	7.3	4.7	-0.4	2.0
Bloomberg Treasury	3.9	5.9	0.9	6.3	6.3	3.6	-1.0	1.4
Bloomberg Gov't-Rel.	4.3	5.3	1.1	7.9	7.9	5.1	0.4	2.4
Bloomberg Securitized	4.6	5.5	1.7	8.5	8.5	5.0	0.2	1.7
Bloomberg Corporate	4.8	6.8	0.8	7.8	7.8	6.1	-0.1	3.3
Bloomberg LT Gov't/Credit	5.2	13.6	0.0	6.6	6.6	3.1	-4.9	2.0
Bloomberg LT Treasury	4.8	14.6	0.0	5.6	5.6	0.6	-7.2	0.0
Bloomberg LT Gov't-Rel.	5.5	11.5	1.0	10.6	10.6	5.5	-2.2	2.9
Bloomberg LT Corporate	5.6	12.7	-0.1	7.4	7.4	5.3	-3.0	3.4
Bloomberg U.S. TIPS*	3.9	6.1	0.1	7.0	7.0	4.2	1.1	3.1
Bloomberg High Yield	6.5	2.8	1.3	8.6	8.6	10.1	4.5	6.5
S&P/LSTA Leveraged Loan	7.0	0.3	1.2	5.9	5.9	9.4	6.4	5.8
Treasury Bills	3.6	0.3	1.0	4.3	4.3	4.9	3.2	2.2

*Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 5-10 Year Index.
Data Source: Bloomberg



Federal Reserve

The Federal Open Market Committee decreased their overnight rate by 0.50% during Q4

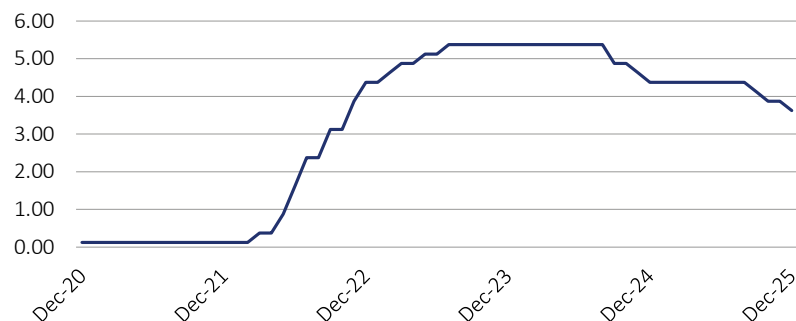
QE4 was larger than the 3 phases of quantitative easing – combined – following the global financial crisis

The Fed’s current balance sheet is roughly equal to its level following the COVID spike

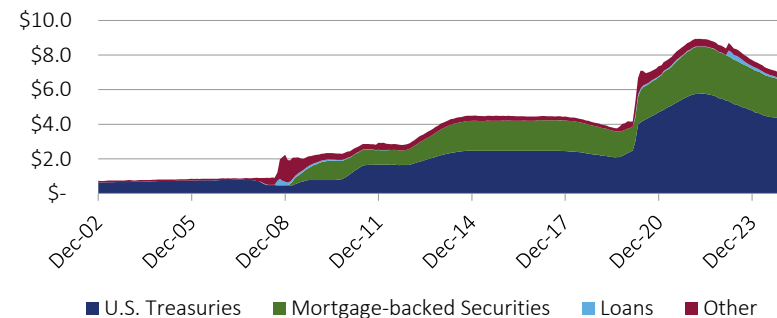
	Announced	Closed	Amount (bil)
QE1	11/25/2008	3/31/2010	\$1,403
QE2	11/3/2010	6/29/2012	\$568
QE3	9/13/2012	10/29/2014	\$1,674
QE4	3/23/2020	3/15/2022	\$4,779

Data Source: Bloomberg

Federal Funds Rate (Mid %)



Federal Reserve Balance Sheet (\$T)



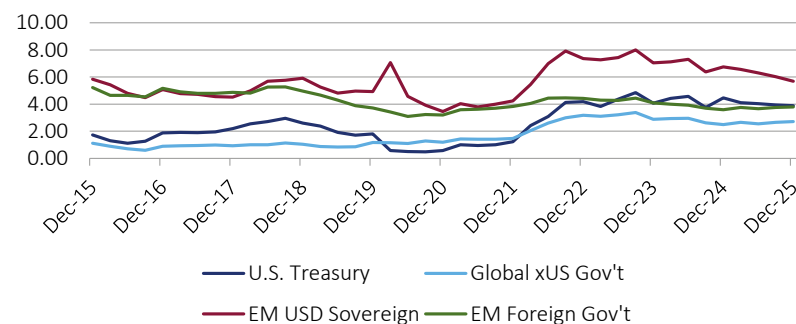
Non-U.S. Fixed Income

As of 12/31/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Developed Markets						
Bloomberg Global Aggregate xUS	-0.5	8.8	8.8	3.3	-3.6	0.6
Bloomberg Global Aggregate xUS*	0.5	2.8	2.8	5.3	0.8	2.6
Bloomberg Global Inflation Linked xUS	1.3	11.0	11.0	3.0	-5.0	0.4
Bloomberg Global Inflation Linked xUS*	1.8	2.3	2.3	1.6	-2.8	2.0
Emerging Markets (Hard Currency)						
Bloomberg EM USD Aggregate	2.4	11.1	11.1	8.9	1.5	4.2
Emerging Markets (Foreign Currency)						
Bloomberg EM Local Currency Gov't	1.7	9.3	9.3	5.9	1.4	3.7
Bloomberg EM Local Currency Gov't*	0.7	4.5	4.5	7.4	3.5	3.9
Euro vs. Dollar	0.1	13.4	13.4	3.1	-0.8	0.8
Yen vs. Dollar	-5.6	0.3	0.3	-5.8	-8.0	-2.6
Pound vs. Dollar	0.2	7.7	7.7	3.7	-0.3	-0.9

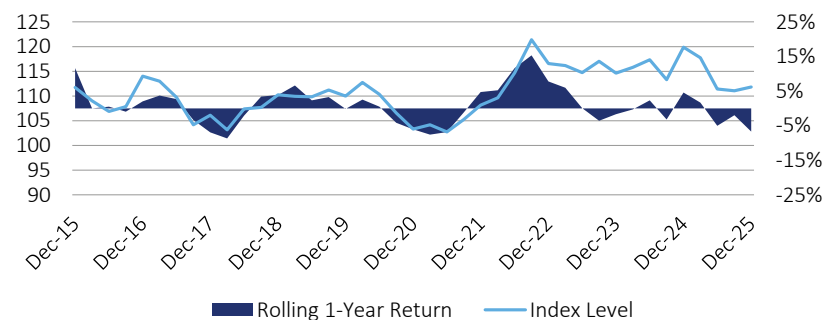
*Returns are reported in terms of local market investors, which removes currency effects.

Data Source: Bloomberg

Global Fixed Income Yield to Worst (%)

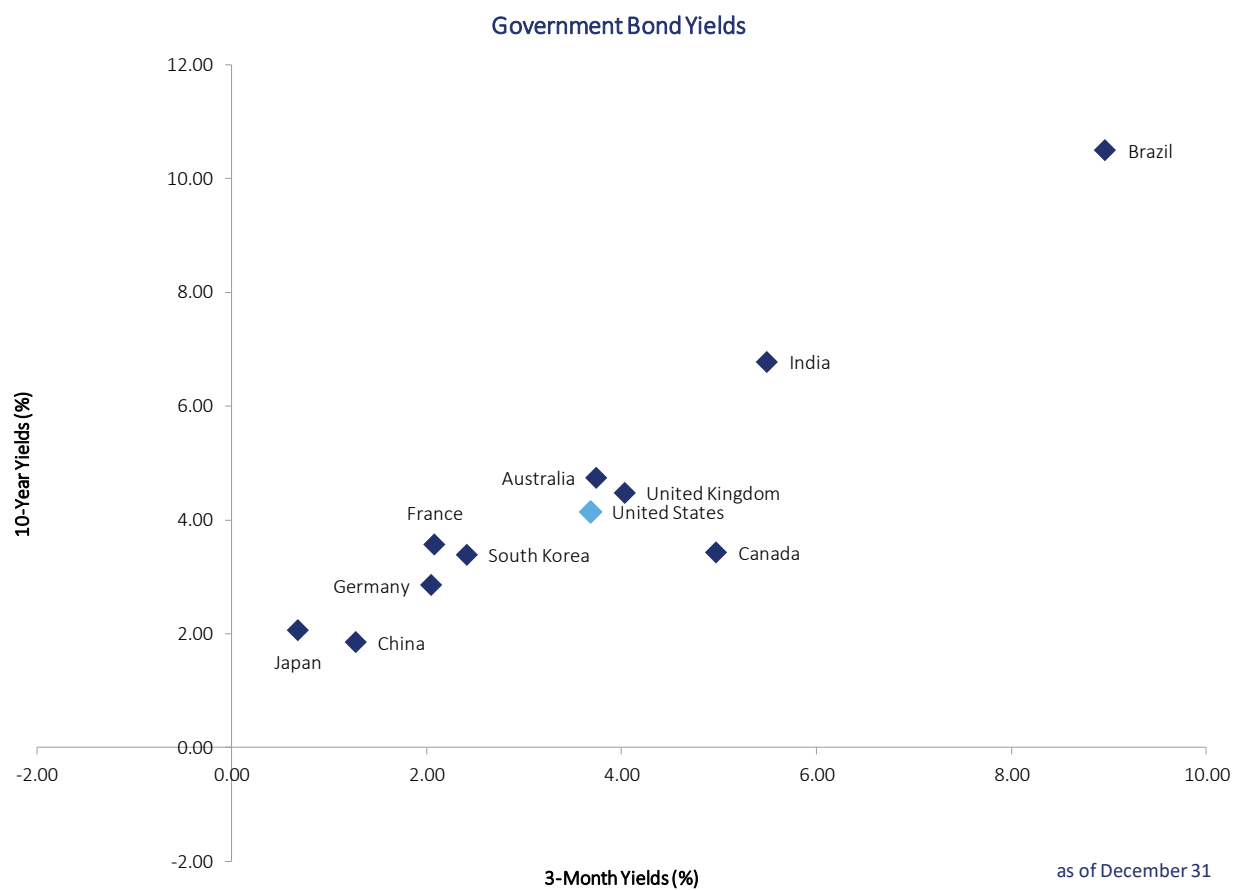


U.S. Dollar Index: Advanced Economies



Global Interest Rates

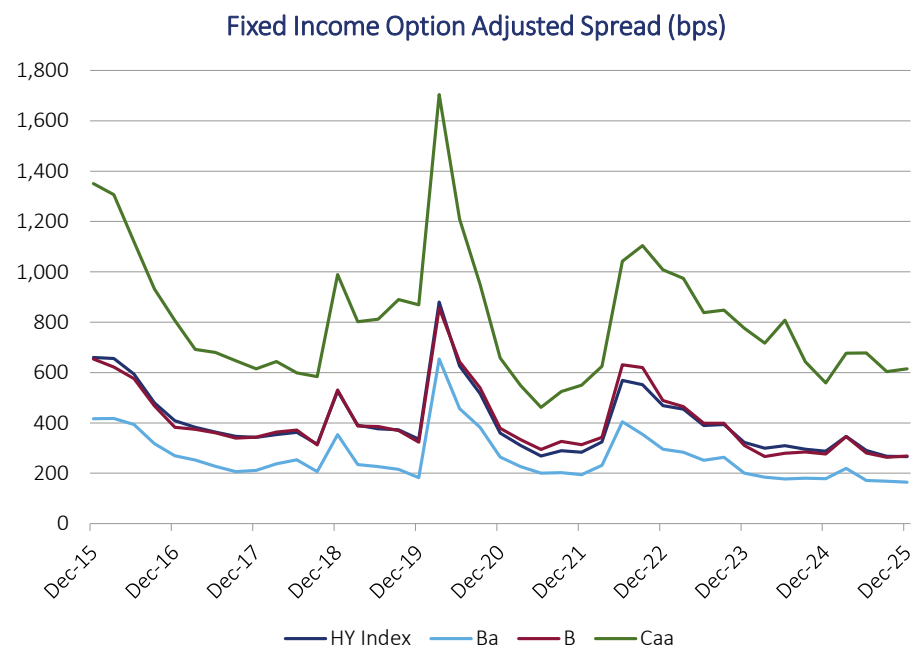
Short-term rates remain positive across the globe; longer-term rates near 4.0% in the U.S., U.K. and Australia



Data Source: Bloomberg

High Yield Bond Market

As of 12/31/2025	Weight	YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg High Yield		6.5	1.3	8.6	8.6	10.1	4.5	6.5
S&P LSTA Leveraged Loan		7.0	1.8	7.2	7.2	9.7	6.3	5.8
High Yield Quality Distribution								
Ba U.S. High Yield	54.8%	5.6	1.5	9.0	9.0	9.0	3.8	6.1
B U.S. High Yield	33.2%	6.5	1.6	8.4	8.4	9.8	4.5	6.2
Caa U.S. High Yield	11.3%	9.8	0.2	8.3	8.3	14.3	6.3	7.8
Ca to D U.S. High Yield	0.7%	30.5	-6.8	-2.9	-2.9	18.8	11.1	13.5



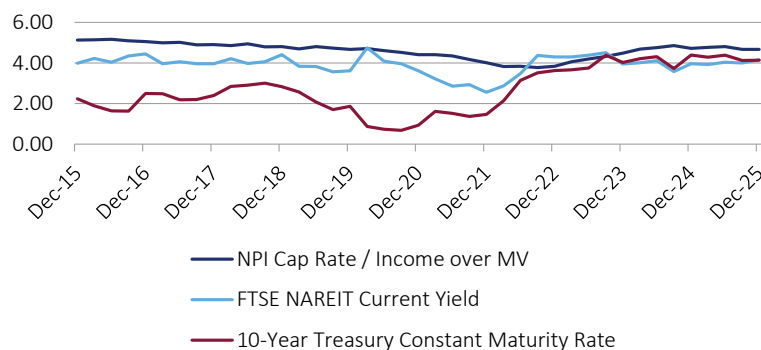
Data Source: Bloomberg

Real Assets

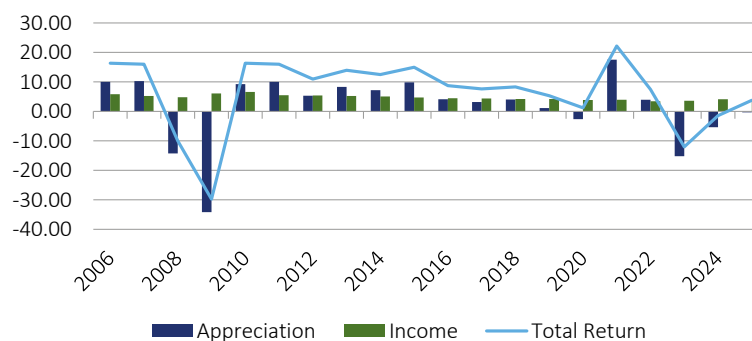
As of 12/31/2025	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. TIPS	0.1	7.0	7.0	4.2	1.1	3.1
Bloomberg Commodity Index	5.8	15.8	15.8	4.0	10.6	5.7
Bloomberg Gold Index	12.2	62.5	62.5	32.4	17.1	14.0
Wilshire Global RESI Index	-1.5	6.3	6.3	8.8	5.3	5.0
NCREIF ODCE Fund Index	0.9	3.8	3.8	-3.4	3.4	4.8
NCREIF Timberland Index	1.6	4.6	4.6	7.0	8.6	5.4
FTSE Global Core Infrastructure	1.0	15.3	15.3	9.5	7.8	8.6
Alerian Midstream Energy	-1.4	5.0	5.0	20.0	23.8	12.1
Bitcoin	-23.5	-6.5	-6.5	74.3	24.8	70.1

Data Sources: Bloomberg, National Council of Real Estate Investment Fiduciaries

Real Estate Valuation (%)



NCREIF ODCE Fund Index Return (%)



Asset Class Performance

Asset Class Returns - Best to Worst

2020	2021	2022	2023	2024	2025 YTD	Annualized 5-Year as of 12/25
U.S. Equity 20.8%	REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 34.4%	U.S. Equity 13.4%
Emrg Mrkts 18.7%	Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 31.9%	Commodities 10.6%
U.S. TIPS 11.0%	U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 17.1%	Developed 9.5%
Developed 8.3%	Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 15.8%	REITs 6.9%
Core Bond 7.5%	U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 8.6%	Emrg Mrkts 4.7%
High Yield 7.1%	High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	Core Bond 7.3%	High Yield 4.5%
T-Bills 0.7%	T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	U.S. TIPS 7.0%	T-Bills 3.2%
Commodities -3.1%	Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	T-Bills 4.3%	U.S. TIPS 1.1%
REITs -7.9%	Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	REITs 2.7%	Core Bond -0.4%

Data Sources: Bloomberg

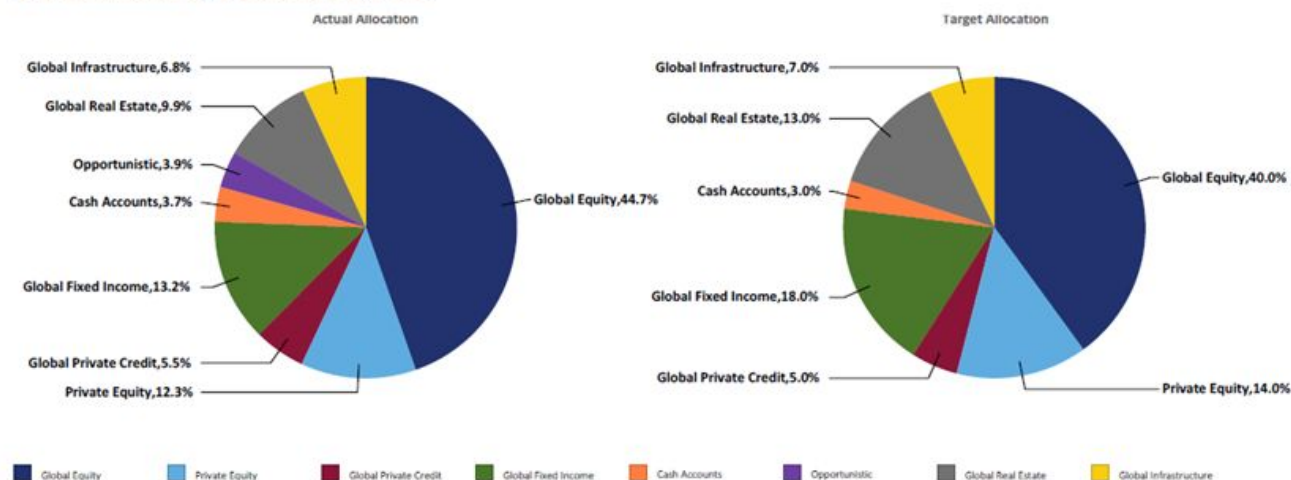
Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

Total Fund

Asset Allocation Compliance

Total Fund

Periods Ended As of December 31, 2025



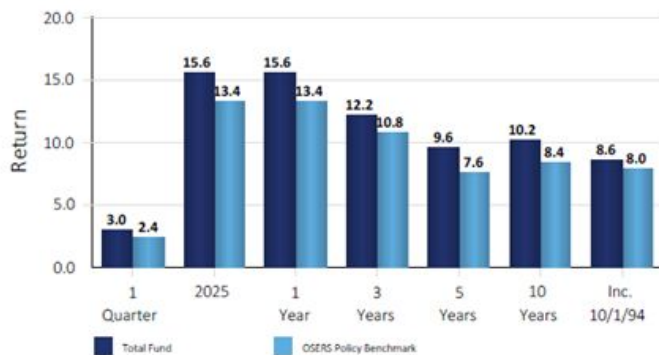
	Asset Allocation \$	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Fund	21,959,007,891	100.0	100.0	0.0
Global Equity	9,793,433,552	44.7	40.0	4.7
Private Equity	2,697,914,334	12.3	14.0	-1.7
Global Private Credit	1,200,626,710	5.5	5.0	0.5
Global Fixed Income	2,887,194,185	13.2	18.0	-4.8
Cash Accounts	849,738,228	3.7	3.0	0.7
Opportunistic	856,222,130	3.9	0.0	3.9
Global Real Estate	2,174,208,331	9.9	13.0	-3.1
Global Infrastructure	1,499,670,421	6.8	7.0	-0.2

Composite Performance Summary

Total Fund

Periods Ended December 31, 2025

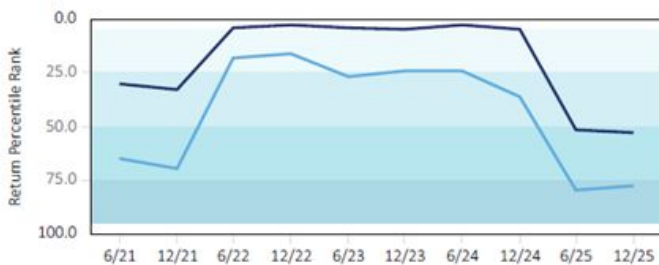
Comparative Performance



Added Value History

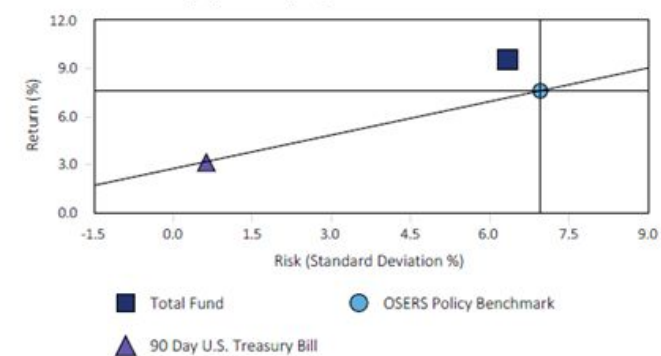


Rolling Percentile Rank: All Public Plans-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	10	6 (60%)	2 (20%)	2 (20%)	0 (0%)
Benchmark	10	4 (40%)	2 (20%)	2 (20%)	2 (20%)

Risk and Return 01/1/21 - 12/31/25

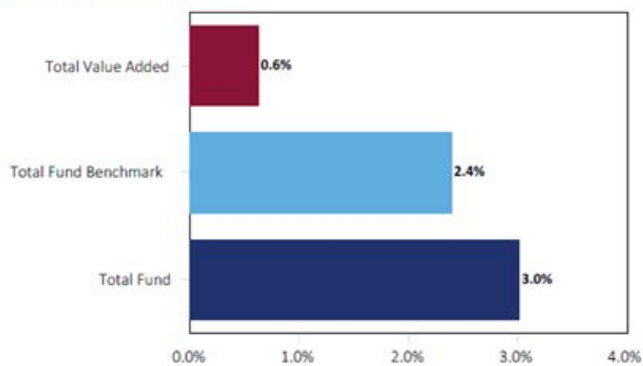


Total Fund Attribution

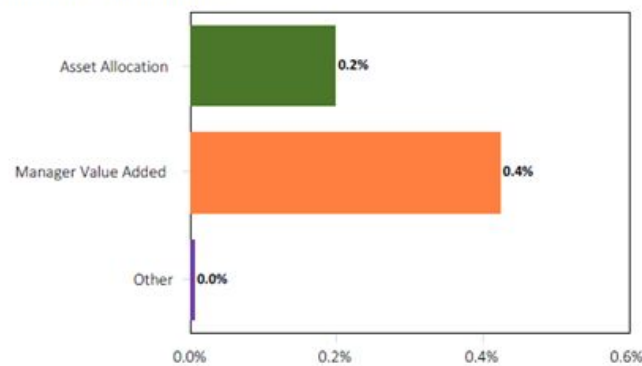
Total Fund

Periods Ended 1 Quarter Ending December 31, 2025

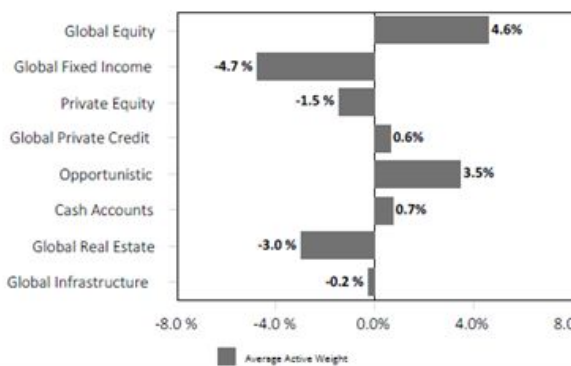
Total Fund Performance



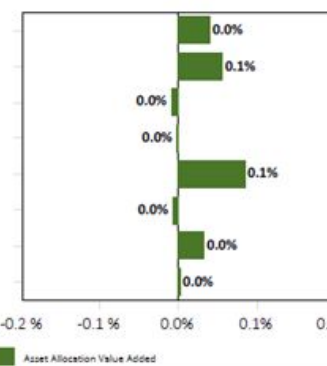
Total Value Added:0.6%



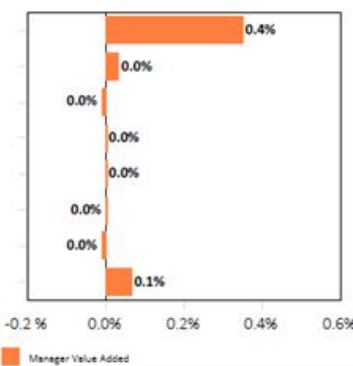
Total Asset Allocation:0.2%



Asset Allocation Value Added:0.2%



Total Manager Value Added:0.4%

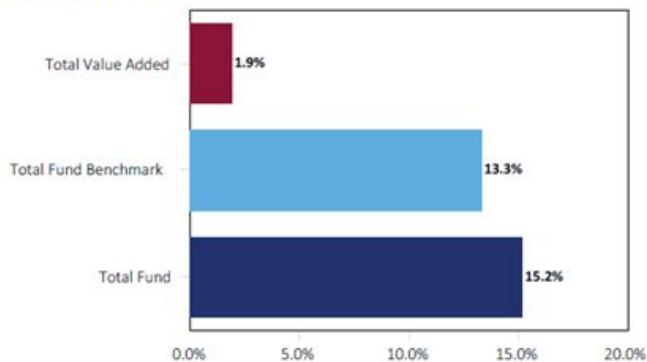


Total Fund Attribution

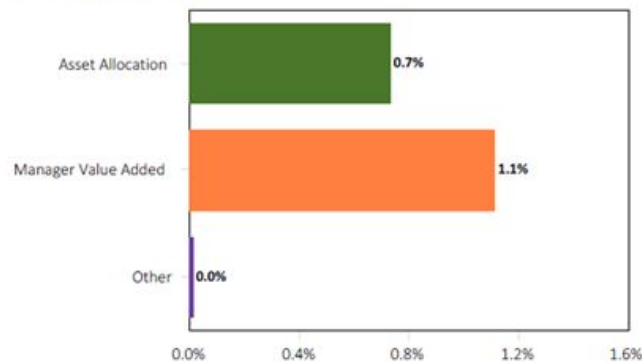
Total Fund

Periods Ended 1 Year Ending December 31, 2025

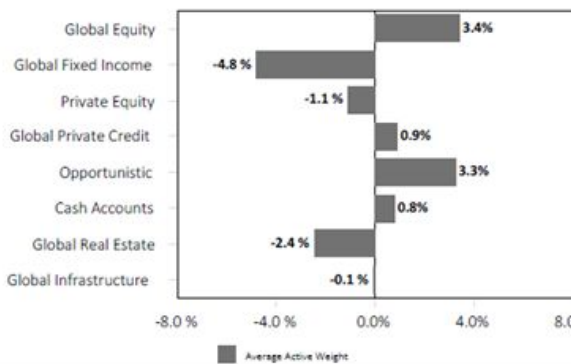
Total Fund Performance



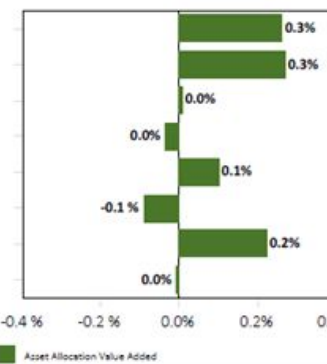
Total Value Added:1.9%



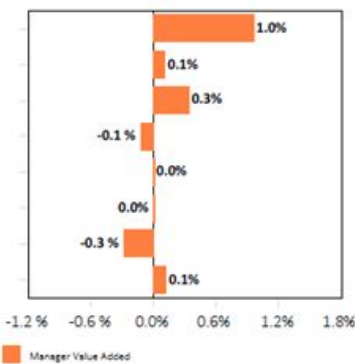
Total Asset Allocation:0.7%



Asset Allocation Value Added:0.7%



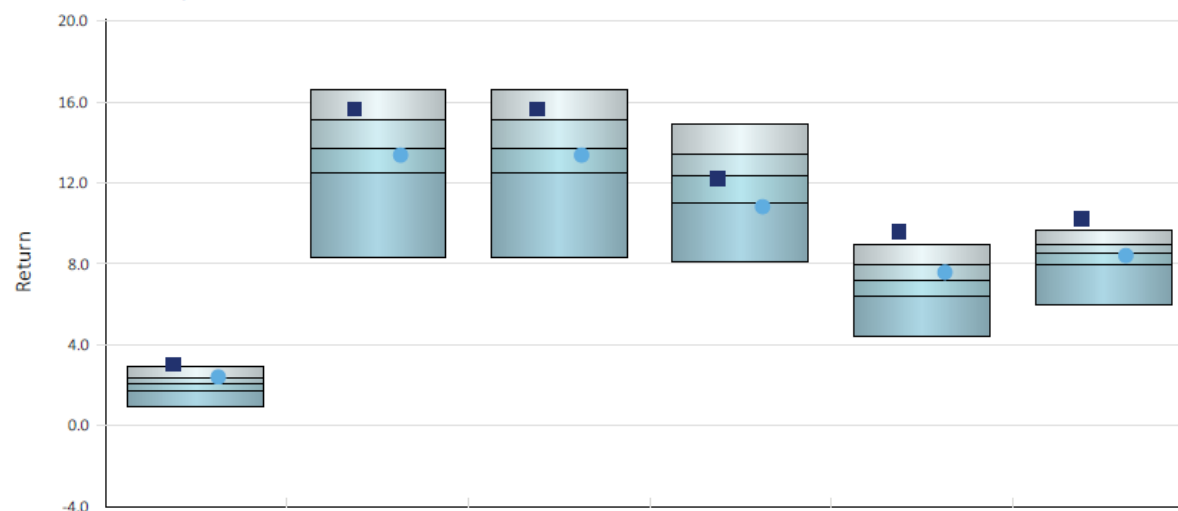
Total Manager Value Added:1.1%



Plan Sponsor Peer Group Analysis

Total Fund vs All Public Plans-Total Fund (GOF)

Periods Ended December 31, 2025

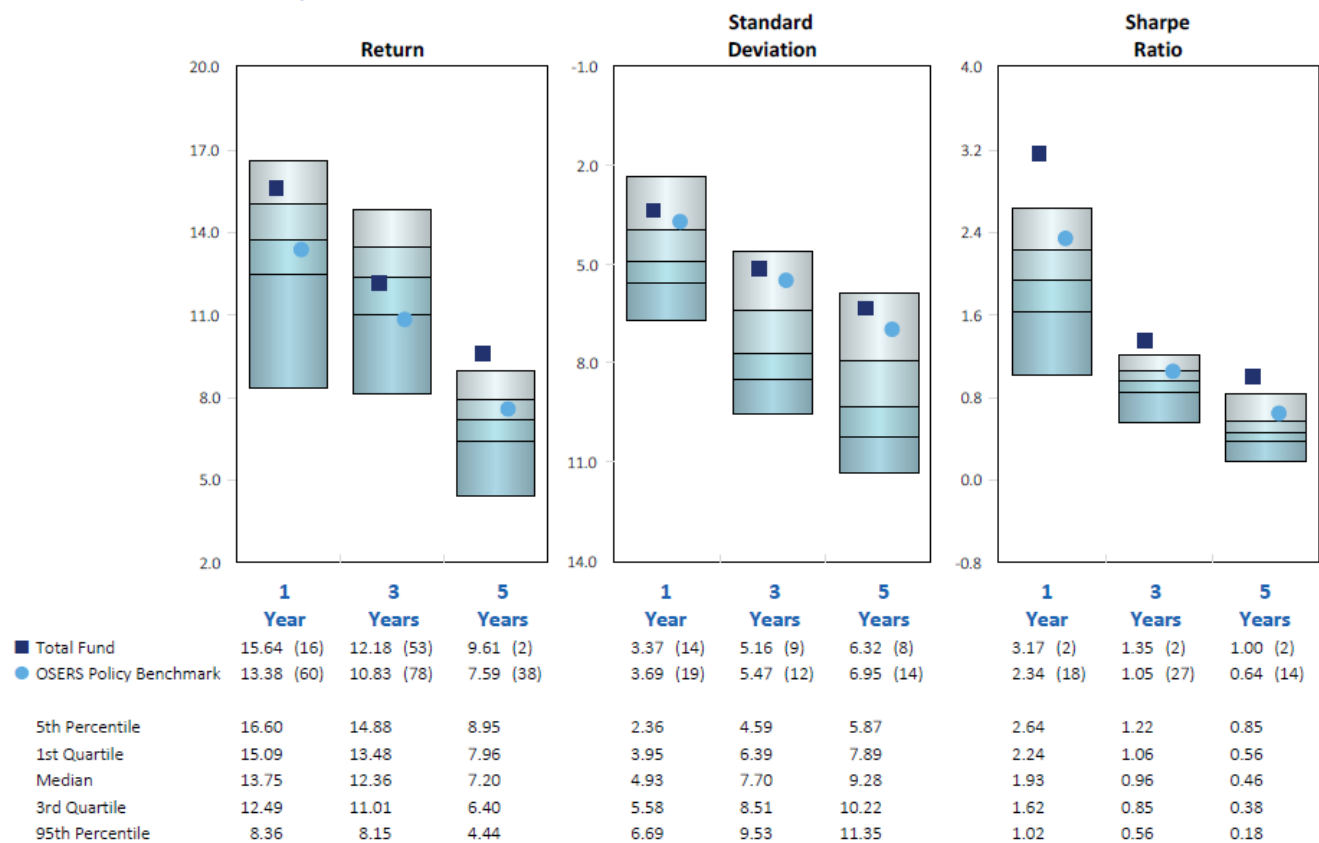


	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ Total Fund	3.03 (3)	15.64 (16)	15.64 (16)	12.18 (53)	9.61 (2)	10.17 (2)
● OSERS Policy Benchmark	2.42 (20)	13.38 (60)	13.38 (60)	10.83 (78)	7.59 (38)	8.45 (55)
5th Percentile	2.87	16.60	16.60	14.88	8.95	9.67
1st Quartile	2.35	15.09	15.09	13.48	7.96	9.00
Median	2.07	13.75	13.75	12.36	7.20	8.53
3rd Quartile	1.74	12.49	12.49	11.01	6.40	7.94
95th Percentile	0.99	8.36	8.36	8.15	4.44	5.98
Population	418	416	416	390	379	345

Plan Sponsor Peer Group Analysis - Multi Statistics

Total Fund vs All Public Plans-Total Fund (GOF)

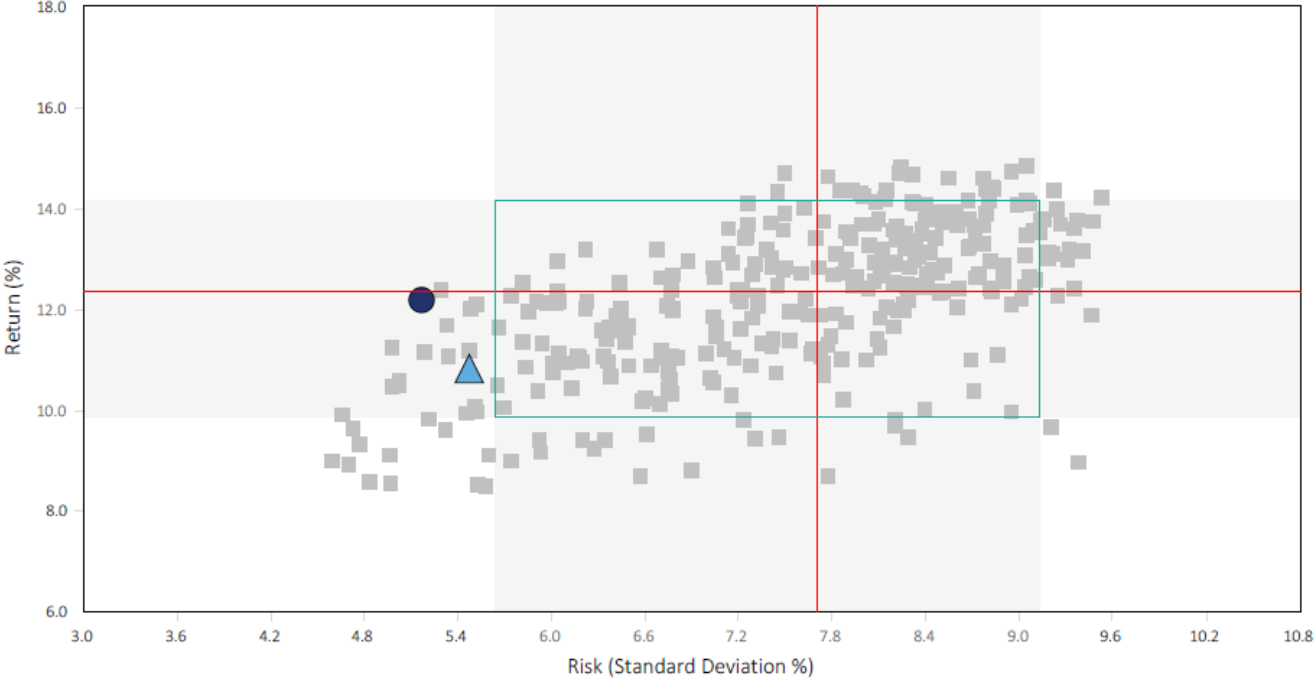
Periods Ended December 31, 2025



Plan Sponsor Scattergram

Total Fund vs All Public Plans-Total Fund

Periods Ended January 1, 2023 To December 31, 2025

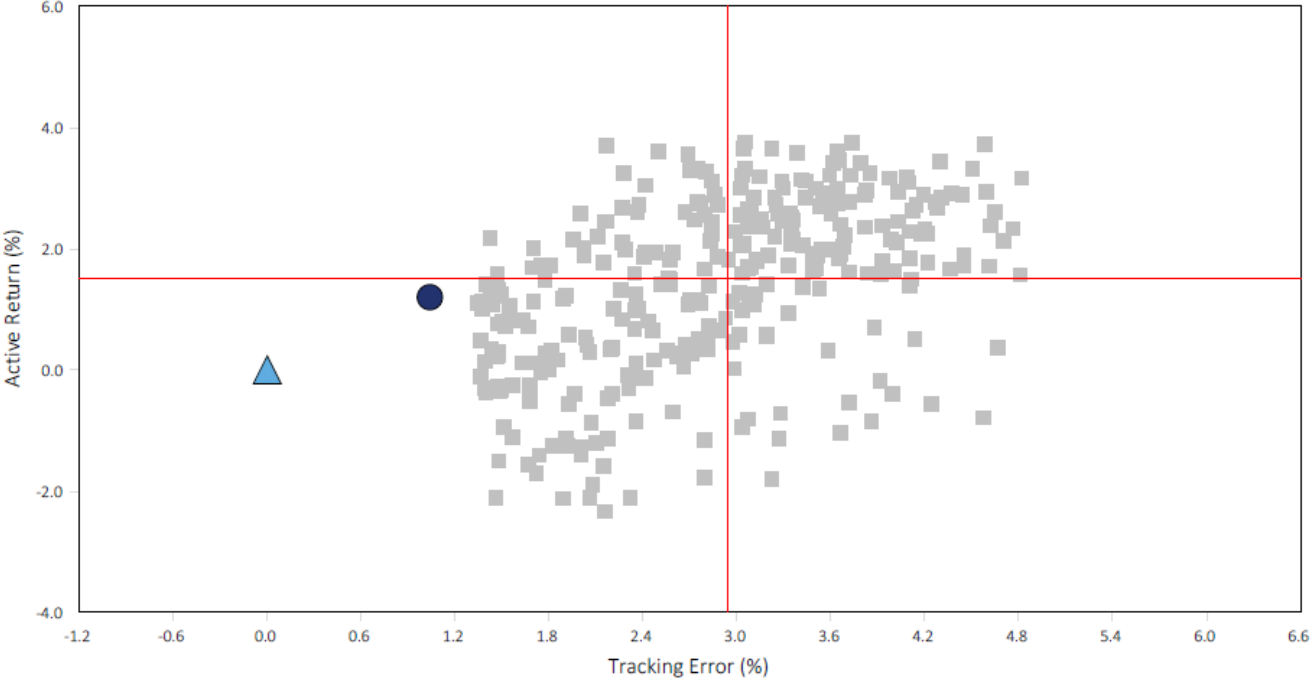


	Return	Standard Deviation
● Total Fund	12.18	5.16
▲ OSERS Policy Benchmark	10.83	5.47
— Median	12.36	7.70

Plan Sponsor Scattergram

Total Fund vs All Public Plans-Total Fund

Periods Ended January 1, 2023 To December 31, 2025



	Active Return	Tracking Error
● Total Fund	1.21	1.04
▲ OSERS Policy Benchmark	0.00	0.00
— Median	1.51	2.94

Asset Allocation & Performance

Total Fund

Periods Ended December 31, 2025

	Allocation		Performance (%) Net of Fees										
	Market Value \$000	%	1 Month	1 Quarter	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception	Inception Date
Total Fund	21,959,008	100.00	0.90	3.02	15.18	7.55	15.18	11.51	8.92	9.48	7.28	8.10	10/1/1994
OSERS Policy Benchmark			1.17	2.42	13.38	6.95	13.38	10.83	7.59	8.45	7.03	7.98	
Value Added			-0.27	0.59	1.80	0.60	1.80	0.68	1.33	1.04	0.25	0.12	
Global Equity	9,793,434	44.66	1.65	4.08	24.70	12.18	24.70	21.02	11.46	12.12	8.48	8.92	7/1/2002
Global Equity Benchmark			1.04	3.29	22.34	11.17	22.34	20.63	11.04	11.61	8.22	8.56	
Value Added			0.61	0.79	2.36	1.02	2.36	0.39	0.42	0.51	0.26	0.36	
Global Private Equity	2,697,914	12.30	0.14	2.97	12.33	5.69	12.33	10.40	16.47	16.28	13.60	13.15	10/1/1994
Global PE Benchmark			3.03	3.03	10.00	7.10	10.00	7.23	12.60	12.64	11.24	12.48	
Value Added			-2.90	-0.06	2.33	-1.40	2.33	3.17	3.87	3.64	2.36	0.66	
Global Private Credit	1,200,627	5.48	0.01	2.13	7.21	3.52	7.21	9.72	9.76			10.32	7/1/2020
Global PC Benchmark			0.71	2.14	9.04	4.33	9.04	9.59	7.87			7.58	
Value Added			-0.70	-0.01	-1.84	-0.81	-1.84	0.12	1.89			2.74	
Global Fixed Income	2,887,194	13.17	0.02	1.44	8.35	3.65	8.35	6.05	0.69	3.16	4.26	5.32	10/1/1994
Fixed Income Benchmark			-0.07	1.20	7.58	3.35	7.58	4.87	-0.24	2.07	3.28	4.64	
Value Added			0.09	0.25	0.77	0.30	0.77	1.17	0.94	1.09	0.98	0.67	
Cash Accounts	849,738	3.73	0.34	1.00	4.20	2.07	4.20	4.79	3.17	2.19	1.90	1.90	7/1/2002
FTSE 1 Month T-Bill			0.34	1.02	4.35	2.13	4.35	4.95	3.25	2.17	1.63	1.64	
Value Added			0.00	-0.03	-0.15	-0.06	-0.15	-0.16	-0.08	0.02	0.27	0.26	

Asset Allocation & Performance

Total Fund

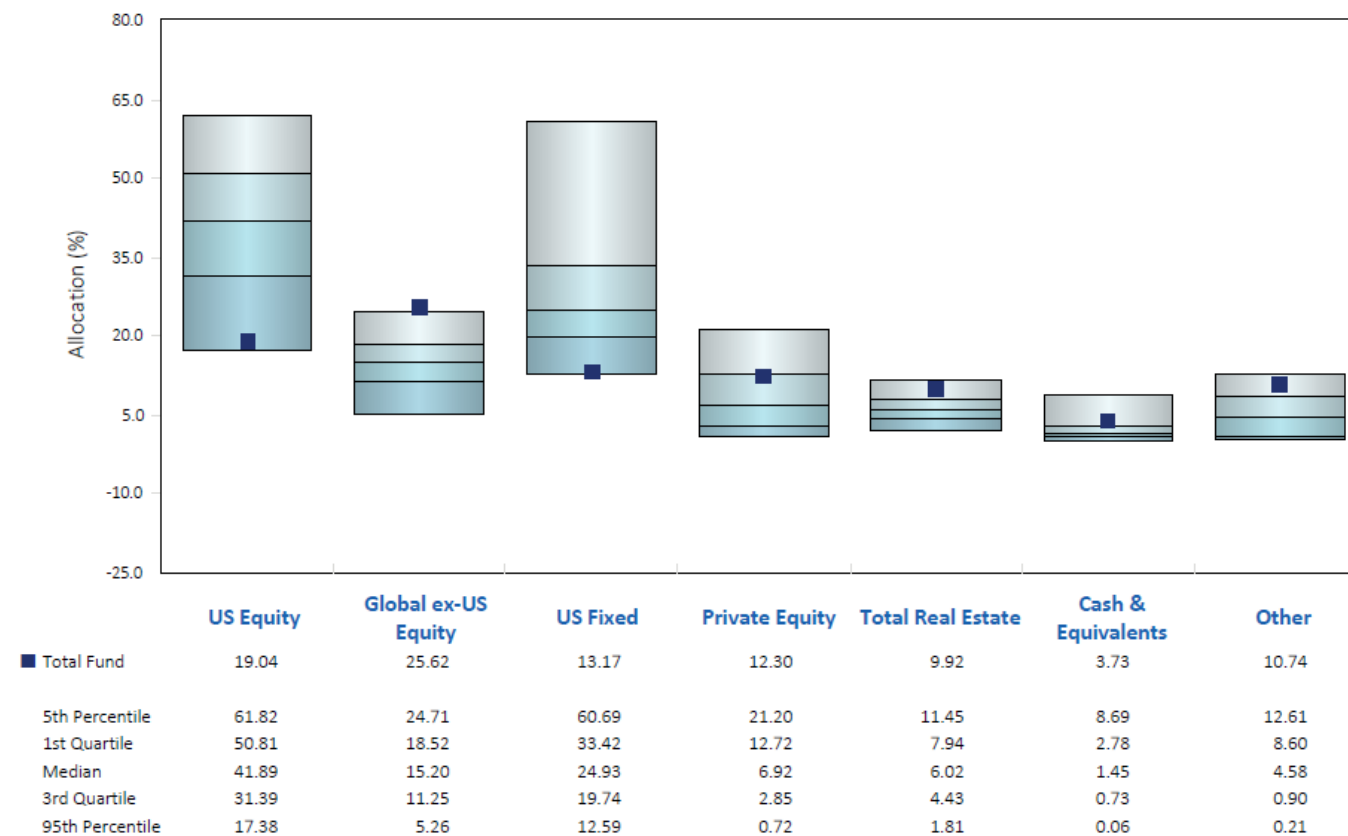
Periods Ended December 31, 2025

	Allocation		Performance (%) Net of Fees										
	Market Value \$000	%	1 Month	1 Quarter	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception	Inception Date
Global Real Estate	2,174,208	9.92	0.16	1.09	2.22	1.15	2.22	-4.78	4.38	5.82	4.86	6.76	9/1/1994
Global Real Estate Benchmark			1.22	1.22	4.70	2.46	4.70	-2.54	3.80	5.03	6.52	8.21	
Value Added			-1.06	-0.13	-2.48	-1.31	-2.48	-2.24	0.58	0.78	-1.66	-1.46	
Global Infrastructure	1,499,670	6.84	1.52	2.85	9.38	4.79	9.38	8.61	9.18	10.16		10.11	10/1/2015
Global Infrastructure Benchmark			1.87	1.87	7.69	3.79	7.69	2.21	6.81	6.54		6.69	
Value Added			-0.35	0.97	1.69	1.00	1.69	6.40	2.37	3.62		3.42	
Opportunistic & Tactical	856,222	3.90	1.29	4.92	16.38	10.00	16.38	11.08	10.59	8.98		7.79	6/1/2013
Opportunistic Benchmark			0.02	1.57	9.30	4.14	9.30	6.66	1.64	4.27		4.69	
Value Added			1.27	3.35	7.08	5.86	7.08	4.42	8.95	4.71		3.10	

Plan Sponsor TF Asset Allocation

Total Fund vs All Public Plans-Total Fund

Periods Ended December 31, 2025



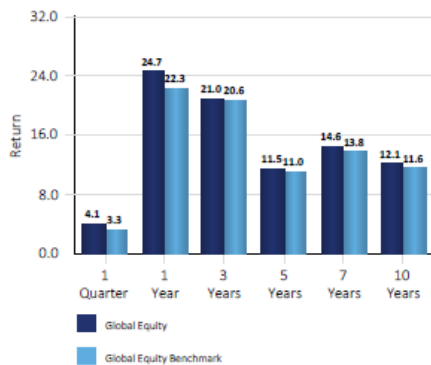
Global Equity

Performance Summary

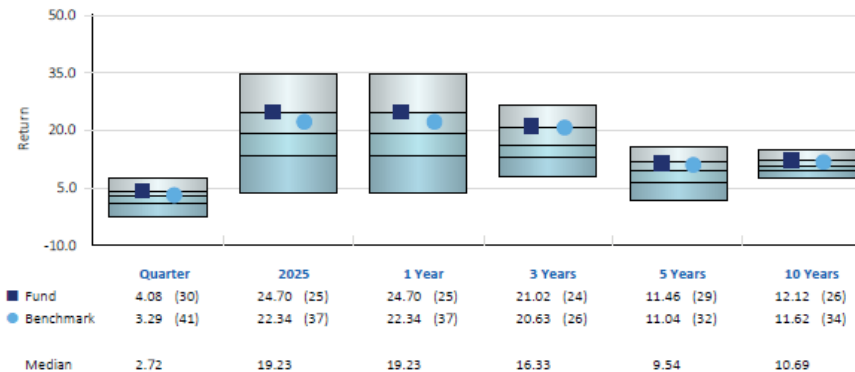
Global Equity

Periods Ended December 31, 2025

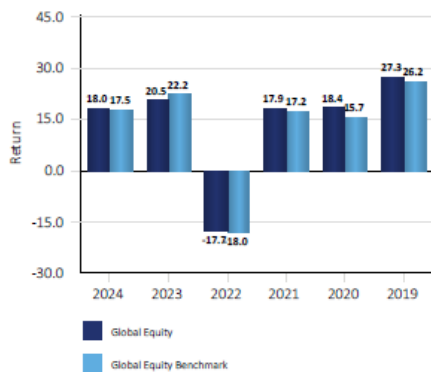
Comparative Performance



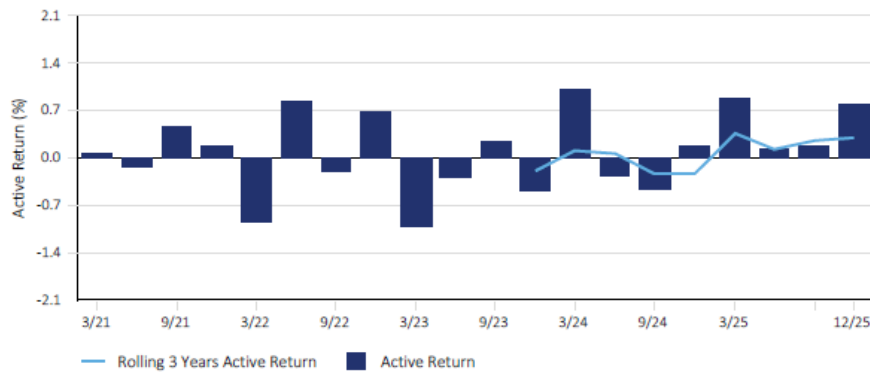
Peer Group Analysis: IM Global Equity (SA+CF)(NOF)



Comparative Performance



Quarterly Active Return



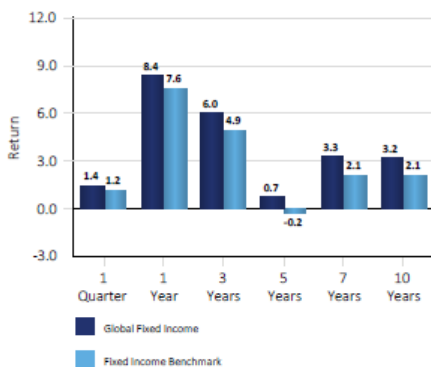
Global Fixed Income

Performance Summary

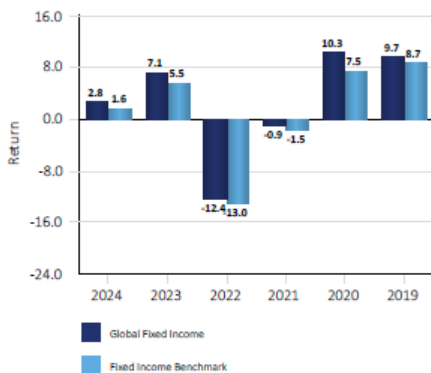
Global Fixed Income

Periods Ended December 31, 2025

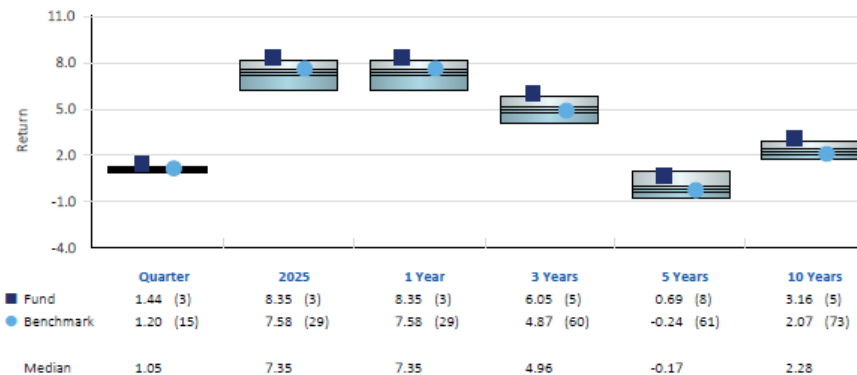
Comparative Performance



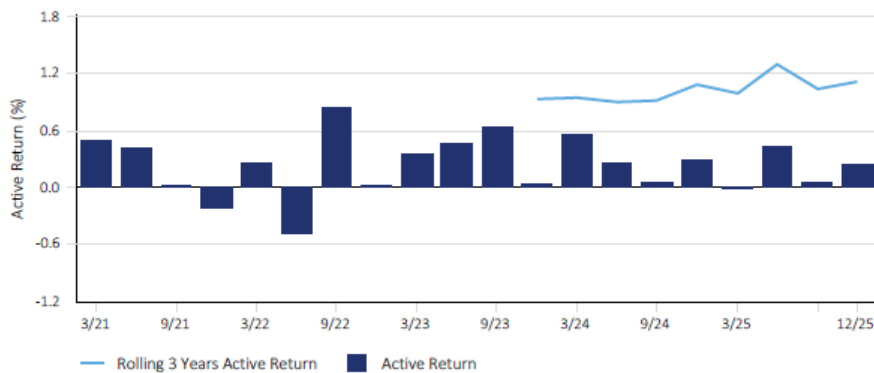
Comparative Performance



Peer Group Analysis: IM U.S. Broad Market Core Fixed Income (SA+CF) (NOF)



Quarterly Active Return



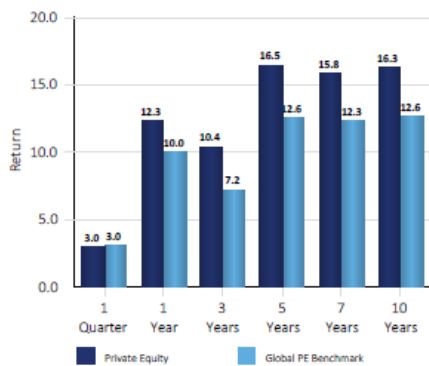
Global Private Equity

Performance Summary

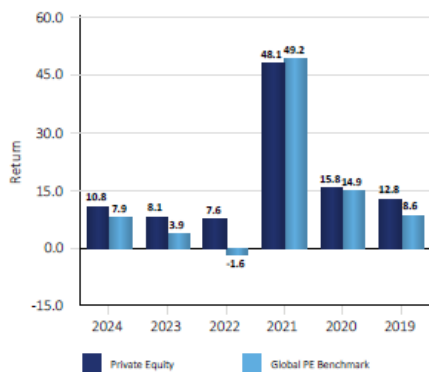
Global Private Equity

Periods Ended December 31, 2025

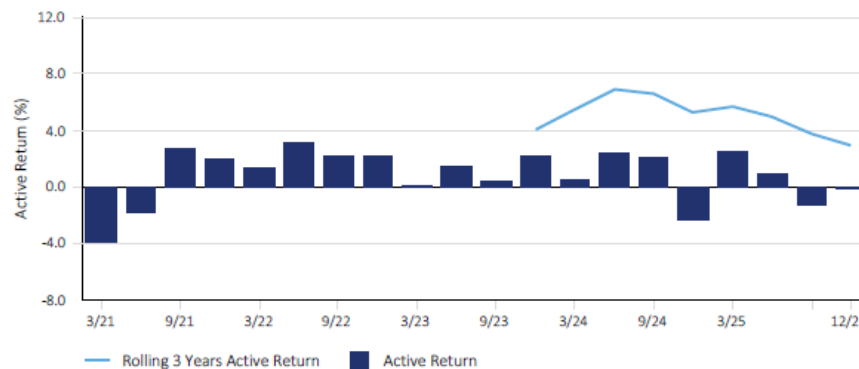
Comparative Performance



Comparative Performance



Quarterly Active Return

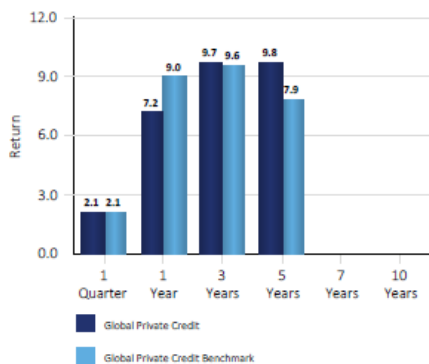


Global Private Credit

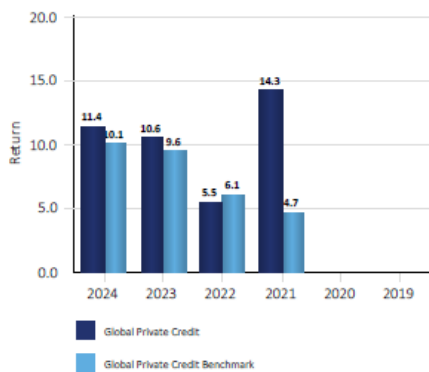
Performance Summary

Global Private Credit
 Periods Ended December 31, 2025

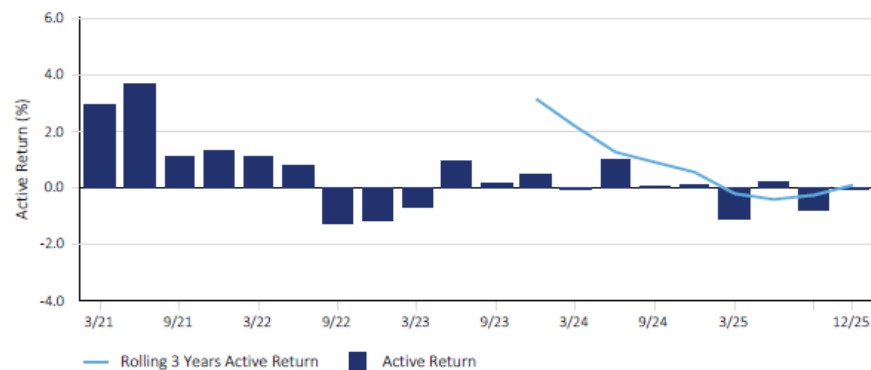
Comparative Performance



Comparative Performance



Quarterly Active Return



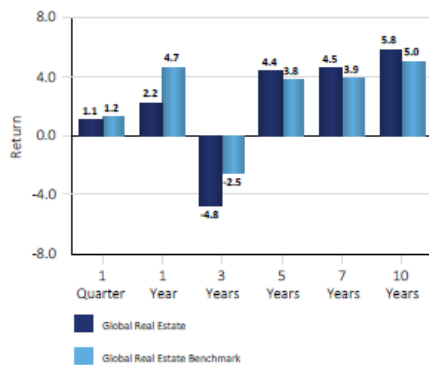
Real Estate & Infrastructure

Performance Summary

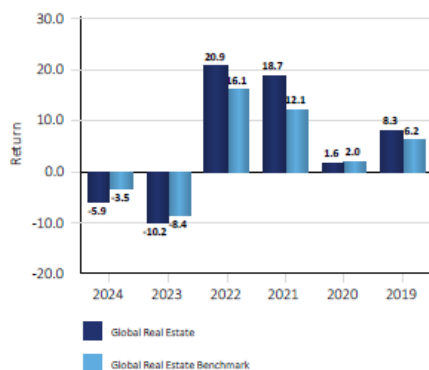
Real Estate

Periods Ended December 31, 2025

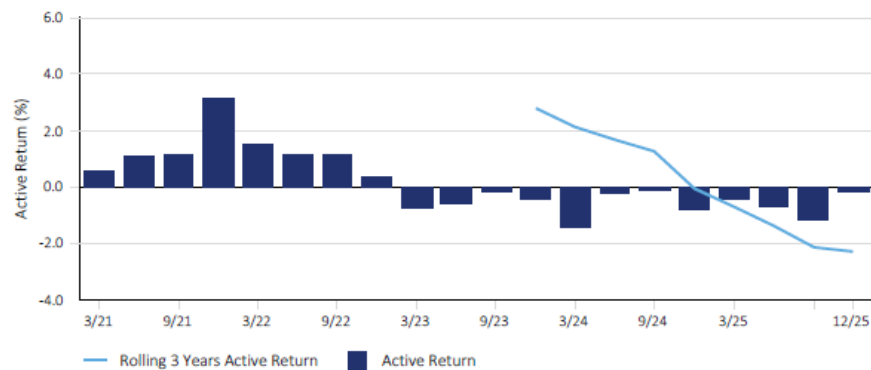
Comparative Performance



Comparative Performance



Quarterly Active Return

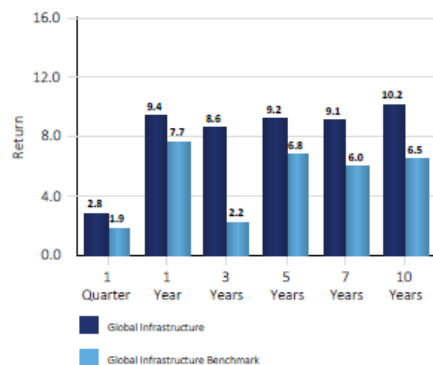


Performance Summary

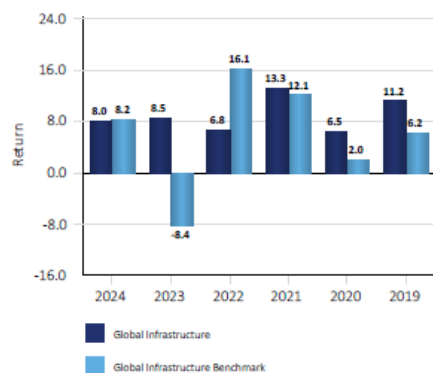
Infrastructure

Periods Ended December 31, 2025

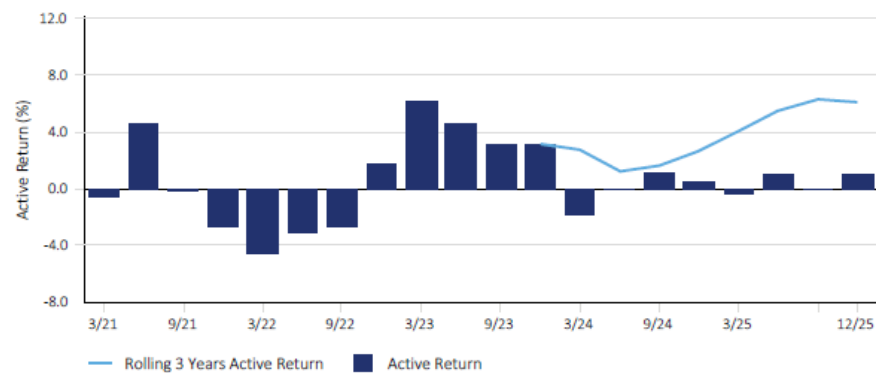
Comparative Performance



Comparative Performance



Quarterly Active Return

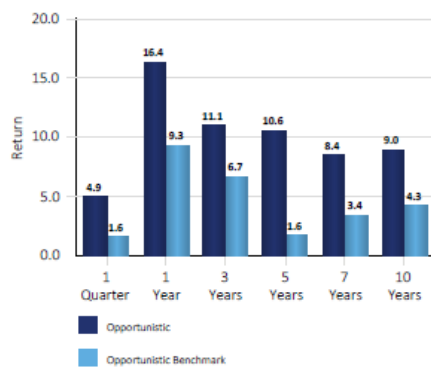


Opportunistic & Tactical

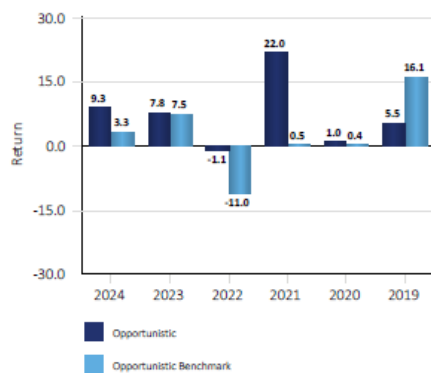
Performance Summary

Opportunistic & Tactical
 Periods Ended December 31, 2025

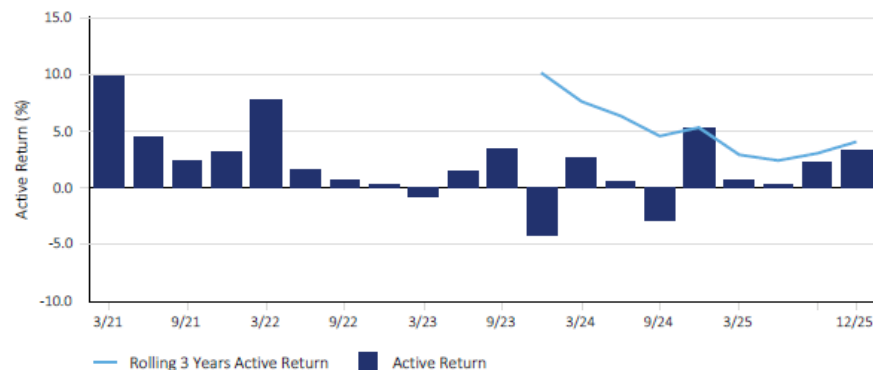
Comparative Performance



Comparative Performance



Quarterly Active Return



Private Markets Capabilities

Alternatives Investment Platform

Diversified Platform	Global Team	Research- and Client-focused	Active Investor
Private Equity Private Credit Private Real Assets Marketable Alternatives Risk Premia	40 Years of Experience Average 17 years of experience for Alternatives Portfolio Management Team	In 2024, 3,300+ investable private markets opportunities sourced + Database of 10,000+ active hedge funds	\$40.8 bn alternative assets under advisement ^{1,3} \$28.8 bn alternative assets under management ^{2,3}
800+ Primary 100+ Secondary 200+ Co-Investment Discretionary investments since-inception	59 Professionals 40 Investment Professionals 13 Operations 6 Offices Worldwide	~200 Institutional Investors Serviced across 55+ Discretionary Vehicles 20+ Advisory Clients	Over 200 Active Manager Relationships Over 100 Advisory Board Relationships

As of 9/30/2025.

¹Includes \$14.4 billion in private markets assets under advisement, and \$26.3 billion hedge funds/liquid alternatives assets under advisement. ² Includes \$5.0 billion in private markets assets under management, and \$23.8 billion hedge funds/liquid alternatives assets under management. ³

Assets under management refers to the amount of assets attributable to securities portfolios for which Wilshire provides discretionary and non-discretionary asset management services and is calculated differently than "regulatory assets under management." Assets under advisement refers to the total amount of assets (inclusive of assets under management) attributable to all of Wilshire's advisory relationships, including various consulting and advisory relationships for which Wilshire provides investment advisory services without engaging, on either a discretionary or non-discretionary basis, in the direct management of a client's portfolio.

There is no assurance that Wilshire will continue to see similar levels of investment opportunities or execute on any particular investment opportunity in the future.

M-851833-E1226

Private Markets Strategy Development

Top-Down Thesis Development



Flexible Portfolio Architecture

Bottom-Up Manager Research



Charts are for illustrative purposes only and are not intended to convey relevant information or be relied upon for any purposes.

Defined Private Markets Approach

INEFFICIENT MARKETS

- Smaller companies
- Scarcity of capital
- Distressed assets
- Emerging strategies

DIFFERENTIATED INVESTMENTS

- Deep value focus
- Specialized expertise
- Management of complexity
- Advantaged access

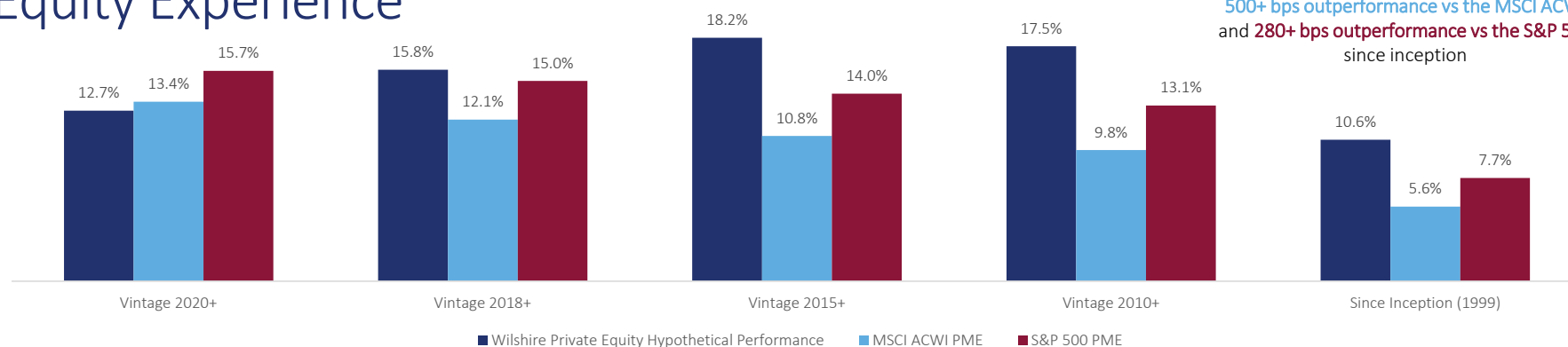
MANAGED PORTFOLIO RISK

- Prudent diversification
- Consistent macro thesis
- Developed PM infrastructure
- Manager alignment

Wilshire Private Equity Experience

730+ bps outperformance vs the MSCI ACWI and 410+ bps outperformance vs the S&P 500 over the last 10 years

500+ bps outperformance vs the MSCI ACWI and 280+ bps outperformance vs the S&P 500 since inception



As of 9/30/2025. Past performance is not indicative of future results.

Performance shown above for Wilshire Private Equity Hypothetical Performance utilizes hypothetical returns and will be referred to henceforth as “Hypothetical Performance”. Hypothetical performance shown is from inception, July 29, 1999, to the as of date indicated above, and comprised the Net IRR of all private equity assets investments (including primary investments, secondary investments, co-investments in buy-out, venture, and growth equity strategies) held in private funds managed on a discretionary basis by Wilshire for the vintage years denoted, taking into consideration the size and timing of cash flows, such as capital calls and distributions, as well as the market value at the time of calculation, as opposed to calculating annual returns assuming even and continual cash flows based on start and end value. “Vintage year” is defined as the year the underlying fund had its first takedown for investment purposes.

“Net IRR” refers to the aggregate, compound, annual internal rate of return for each of the underlying investments, based upon aggregate actual contributions from, and distributions to, the Wilshire discretionary accounts invested in the applicable investment after deducting (a) all fees and expenses of the underlying investment, including management fees and, carried interest charged by the general partners or sponsors of the underlying investments and (b) a 75 bps management fee, which represents the estimated fee that would be applicable to a new fund established with Wilshire to invest in these type of investments. Underlying performance results are taken from the investment level, as certain Wilshire discretionary private funds may have pursued other private markets strategies outside of private equity, and as such, results are not shown on a fund level basis. Performance values include realized funds. Due to the multi-asset nature of many of the Wilshire products that held the private equity fund investments used in calculating the Hypothetical Performance, the performance shown does not include the deduction of Wilshire’s carried interest, taxes, transaction costs and other fund-level expenses that would have been borne at the Wilshire investment vehicle level that may not be specifically related to those vehicle’s private equity investments. Such fund-level fees, if included, would result in lower returns.

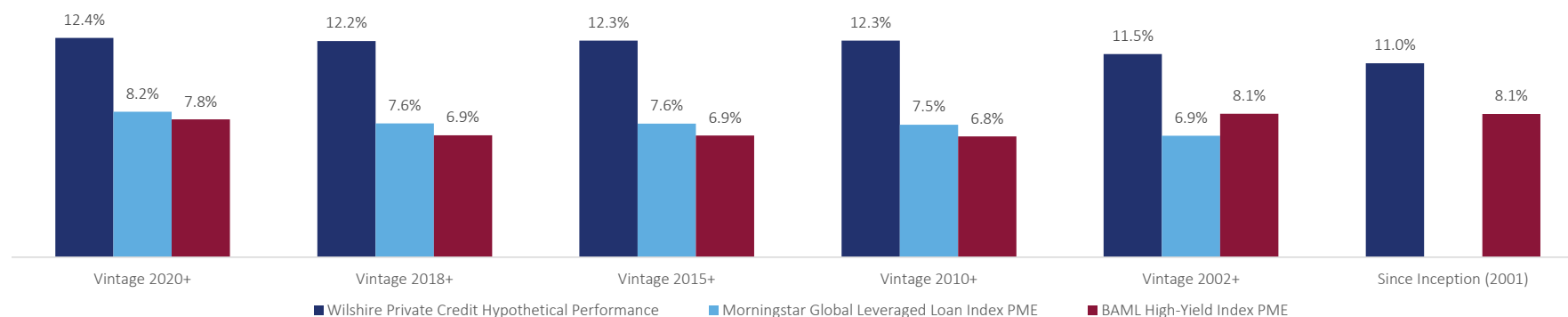
Please refer to the “Hypothetical Performance Disclaimer and Definitions” under “Important Information” at the end of this presentation for additional details regarding hypothetical performance. Investors should not assume that the results of hypothetical returns will be the same for any actual account managed using the strategy described here. These aggregated hypothetical returns are not representative of any single fund or investment and do not reflect actual returns achieved by any investment fund or account managed by Wilshire.

The benchmarks shown above are Public Market Equivalent (“PME”) benchmarks calculated utilizing matching cash flows into the MSCI ACWI and S&P 500 and are calculated using the PME+ methodology. The PME+ methodology matches contributions from the private markets fund and buys index units at each transaction date, and scales interim distributions by a constant factor so that the NAV used to calculate the public benchmark is equivalent to the NAV of the private fund. Wilshire has selected these indices or benchmarks using its own discretion. While Wilshire believes that it has selected this information on a reasonable basis and for reasonable purposes (i.e., to illustrate the potential differences between a private equity investment made by Wilshire and an investment in the public markets), there can be no assurance that any other benchmark or index of relevant investments would bear the same relationship to the Wilshire data included herein.

Wilshire Private Credit Experience

470+ bps outperformance vs the Morningstar Global Leveraged Loan Index and 530+ bps outperformance vs the BAML High Yield Index over the last 10 years

456+ bps outperformance vs the Morningstar Global Leveraged Loan Index* since 2002, 280+ bps outperformance vs the BAML High Yield Index since inception



As of 9/30/2025. Past performance is not indicative of future results.

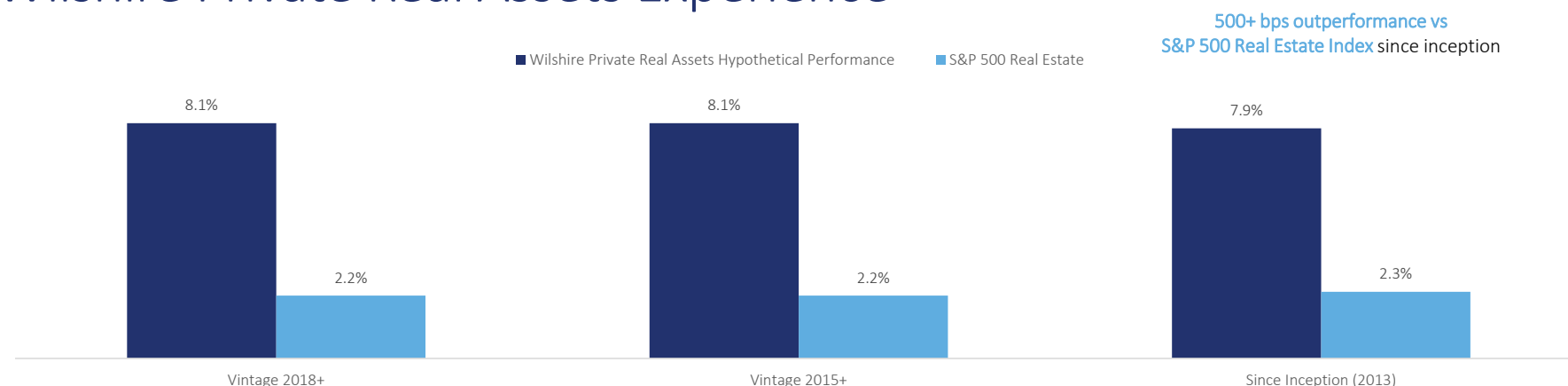
Performance shown above for Wilshire Private Credit Hypothetical Performance utilizes hypothetical returns and will be referred to henceforth as “Hypothetical Performance”. Hypothetical performance shown is from inception, June 1, 2001 to the as of date indicated above, and comprised the Net IRR of all private credit assets investments (including primary investments, secondary investments, co-investments in direct lending, mezzanine, distressed debt, opportunistic credit, and esoteric strategies) held in private funds managed on a discretionary basis by Wilshire for the vintage years denoted, taking into consideration the size and timing of cash flows, such as capital calls and distributions, as well as the market value at the time of calculation, as opposed to calculating annual returns assuming even and continual cash flows based on start and end value. “Vintage year” is defined as the year the underlying fund had its first takedown for investment purposes.

“Net IRR” refers to the aggregate, compound, annual internal rate of return for each of the underlying investments, based upon aggregate actual contributions from, and distributions to, the Wilshire discretionary accounts invested in the applicable investment after deducting (a) all fees and expenses of the underlying investment, including management fees and, carried interest charged by the general partners or sponsors of the underlying investments and (b) a 75 bps management fee, which represents the estimated fee that would be applicable to a new fund established with Wilshire to invest in these type of investments. Underlying performance results are taken from the investment level, as certain Wilshire discretionary private funds may have pursued other private markets strategies outside of private credit, and as such, results are not shown on a fund level basis. Performance values include realized funds. Due to the multi-asset nature of many of the Wilshire products that held the private credit fund investments used in calculating the Hypothetical Performance, the performance shown does not include the deduction of Wilshire’s carried interest, taxes, transaction costs and other fund-level expenses that would have been borne at the Wilshire investment vehicle level that may not be specifically related to those vehicle’s private equity investments. Such fund-level fees, if included, would result in lower returns.

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The benchmarks shown above are Public Market Equivalent (“PME”) benchmarks calculated utilizing matching cash flows into the Morningstar Leveraged Loan Index and BAML High-Yield Index and are calculated using the PME+ methodology. The PME+ methodology matches contributions from the private markets fund and buys index units at each transaction date, and scales interim distributions by a constant factor so that the NAV used to calculate the public benchmark is equivalent to the NAV of the private fund. Wilshire has selected these indices or benchmarks using its own discretion. While Wilshire believes that it has selected this information on a reasonable basis and for reasonable purposes (i.e., to illustrate the potential differences between a private credit investment made by Wilshire and an investment in the public markets), there can be no assurance that any other benchmark or index of relevant investments would bear the same relationship to the Wilshire data included herein.

Wilshire Private Real Assets Experience



As of 9/30/2025. Past performance is not indicative of future results.

Performance shown above for Wilshire Private Real Assets Hypothetical Performance utilizes hypothetical returns and will be referred to henceforth as “Hypothetical Performance”. Hypothetical performance shown is from inception, September 18, 2013 to the as of date indicated above, and comprised the Net IRR of all private real asset investments (including primary investments, secondary investments, co-investments in real estate, infrastructure, energy, and natural resources strategies) held in private funds managed on a discretionary basis by Wilshire for the vintage years denoted, taking into consideration the size and timing of cash flows, such as capital calls and distributions, as well as the market value at the time of calculation, as opposed to calculating annual returns assuming even and continual cash flows based on start and end value. “Vintage year” is defined as the year the underlying fund had its first takedown for investment purposes.

“Net IRR” refers to the aggregate, compound, annual internal rate of return for each of the underlying investments, based upon aggregate actual contributions from, and distributions to, the Wilshire discretionary accounts invested in the applicable investment after deducting (a) all fees and expenses of the underlying investment, including management fees and, carried interest charged by the general partners or sponsors of the underlying investments and (b) a 75 bps management fee, which represents the estimated fee that would be applicable to a new fund established with Wilshire to invest in these type of investments. Underlying performance results are taken from the investment level, as certain Wilshire discretionary private funds may have pursued other private markets strategies outside of private real assets, and as such, results are not shown on a fund level basis. Performance values include realized funds. Due to the multi-asset nature of many of the Wilshire products that held the private real assets fund investments used in calculating the Hypothetical Performance, the performance shown does not include the deduction of Wilshire’s carried interest, taxes, transaction costs and other fund-level expenses that would have been borne at the Wilshire investment vehicle level that may not be specifically related to those vehicle’s private equity investments. Such fund-level fees, if included, would result in lower returns.

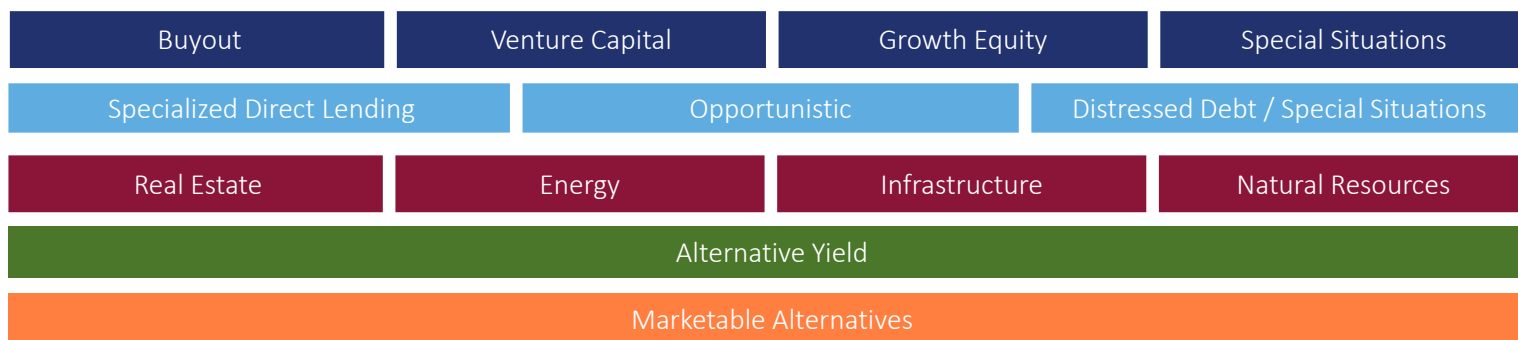
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The benchmarks shown above are Public Market Equivalent (“PME”) benchmarks calculated utilizing matching cash flows into the Wilshire Global REIT Index and are calculated using the PME+ methodology. The PME+ methodology matches contributions from the private markets fund and buys index units at each transaction date, and scales interim distributions by a constant factor so that the NAV used to calculate the public benchmark is equivalent to the NAV of the private fund. Wilshire has selected these indices or benchmarks using its own discretion. While Wilshire believes that it has selected this information on a reasonable basis and for reasonable purposes (i.e., to illustrate the potential differences between a private real assets investment made by Wilshire and an investment in the public markets), there can be no assurance that any other benchmark or index of relevant investments would bear the same relationship to the Wilshire data included herein.

Wilshire Connect

WILSHIRE CONNECT

a curated list of diligenced fund opportunities across the alternatives spectrum



Includes

- Research library
- Manager due diligence on Wilshire approved opportunities*
- Portfolio construction tools
- Online access

Advantages

- Client specific flexibility
- Wilshire advisory support
- Provides extension of staff resources

*Wilshire may offer individual co-investments within a Wilshire managed vehicle.

Wilshire Connect

Advisory service offering a curated list of diligenced fund opportunities across the alternatives spectrum.¹

Strategy

- Private Equity
 - Buyout
 - Venture/Growth Equity
 - Special Situations
- Private Credit
 - Distressed/special situations
 - Specialized direct lending
 - Opportunistic credit
- Private Real Assets
 - Real Estate
 - Energy
 - Infrastructure
- Alternative Yield
- Marketable Alternatives

Advantages & Differentiators

- Portal access to research library containing Wilshire’s due diligence reports for funds on the platform
- Client flexibility in selecting which fund opportunities to invest in and in what amount
- Wilshire advisory support can provide extension of staff resources
- Portfolio planning tools to assist with portfolio construction
- Global 7-person Investment Committee with average 18 years of private markets experience
- Web-accessible information portal with deal-by-deal diligence information

Structure & Terms

- Annual platform fee
- Approximately 40-60 Funds on annual approved list

¹An investment in any alternatives fund on the Wilshire Connect Platform will only be available to parties who are qualified prospective investors pursuant to the private placement offering memorandum and the subscription documents of such fund (“PPM”), all of which should be read in their entirety. Before investing in any fund, potential investors should review the detailed explanation of risks as well as other information in the PPM.

Wilshire Connect Platform:



Wilshire
Connect

HOW IT WORKS

- A curated list of investment opportunities diligenced by Wilshire is made available to the Client
- Client selects which fund opportunities to invest in and in what amount
- Wilshire facilitates interaction with fund manager(s)
- Client completes documentation and legal

Optional: Wilshire to additionally monitor and report on Client investments in an on-going advisory capacity.

Wilshire Connect

- Ability to navigate available funds across the alternatives opportunity set
- Access to Wilshire’s due diligence reports for funds on the platform
- Portfolio planning tools to assist with portfolio construction
- Communication tools to interact with Wilshire professionals

The screenshots illustrate the following features:

- Fund Overview:** Displays fund details such as currency (US Dollar), target size (\$293M), and status (Open).
- Key Highlights:** Provides a summary of fund metrics including target size (300-350), first close date (February 18, 2023), and final close date (September 30, 2024).
- Forward Calendar:** A table listing upcoming fund events with columns for Fund Name, Status, Priority, Geography, Sector, Currency, Target Size, and Expected Close.
- Wilshire Radar:** A radar chart used for portfolio analysis, accompanied by a 'Merits' section listing key strengths and a 'Concerns' section listing potential risks.

Database images are for illustrative purposes only and are not intended to convey relevant information or be relied upon for any purposes.

Wilshire Portable Alpha: Why We Are Different

Wilshire Marketable Alternatives: Experience, Expertise, and Fiduciary

Solutions across advisory, commingled managed accounts and dedicated managed accounts

20+ years

servicing institutional clients globally

\$20+ billion¹

in AUM across multiple hedge fund strategies

One of the largest DMAP Mandates

in the Americas

1,000+

hedge funds

screened over the last 15 years

20+ years

average experience

senior members of the investment team

100+

managed accounts

launched over the last 15 years

¹As of 12/31/2025.

Investor Objectives and Key Considerations

OBJECTIVE

Enhance return of traditional market exposure using alpha from a hedge fund portfolio

CONSIDERATIONS

COST

Cost to establish position

Higher costs raise the hurdle rate

RETURN

Alpha pool needs to be constructed to consistently generate return

Correlation between beta and alpha needs to be carefully managed

LIQUIDITY

Increased leverage requires sufficient liquidity to reduce risk of failure

Liquidity management and risk oversight are crucial



Wilshire Solutions are designed to address these key issues

Portable Alpha: Wilshire Solutions vs. Manager Traditional Approach

	Manager Traditional	Wilshire Traditional	Wilshire MAP Solution
Beta Replication	Manager	BlackRock	BlackRock
Alpha Source	Single	Multiple	Multiple
Independent Fiduciary	No	Yes	Yes
Investor Transparency	Limited	Limited	Enhanced
Alpha Liquidity	Limited	Limited	Enhanced
Beta Finance Costs	Medium-High	Medium-High	Zero-Low
Scale Required	Manager-Dependent	As low as \$25mm	\$300mm+

Both Wilshire solutions:

- Include custom beta sourcing and alpha portfolio construction
- Include Wilshire acting as an independent fiduciary
- Leverage Wilshire’s platform discounts and counterparty scale
- \$900B+ GMV traded
- 150+ counterparty lines
- \$100mm daily margin exchanged

Managed Account Platform (MAP) Solution provides additional benefits

- Collateralizes alpha exposure with beta
- Majority physical beta = Reduced beta swap notional

Objectives

- Lower Financing Hurdle - Reduced beta financing costs
- Higher Net Expected Excess Return
- Improved Liquidity

For illustrative purposes only. There can be no guarantee the objectives outlined herein will be met.

Wilshire Approach



Sample Mandate

- Target Beta: Fixed Income (UST or similar)
- Target Excess Return: 200 to 300 basis points

Wilshire Approach

Liquidity: Conservative cash buffer to withstand stress scenarios

Alpha Portfolio: HF strategies that meet return requirements with downside risk management

- Seek to find best managers to meet the investor mandate (Commingled or MAP)

Managed accounts where possible

- Lower finance costs = lower hurdle rate
- Solves for liquidity mismatch between swap and hedge funds

Wilshire Portable Alpha: Construction Process

The solution should be validated and simulated through various statistical scenarios and stress tests.

The objective of this process is to confirm the overall robustness and that behavior is in accordance with the investment objectives.

Building an Outcome-Oriented Hedge Fund Portfolio

Key Considerations:

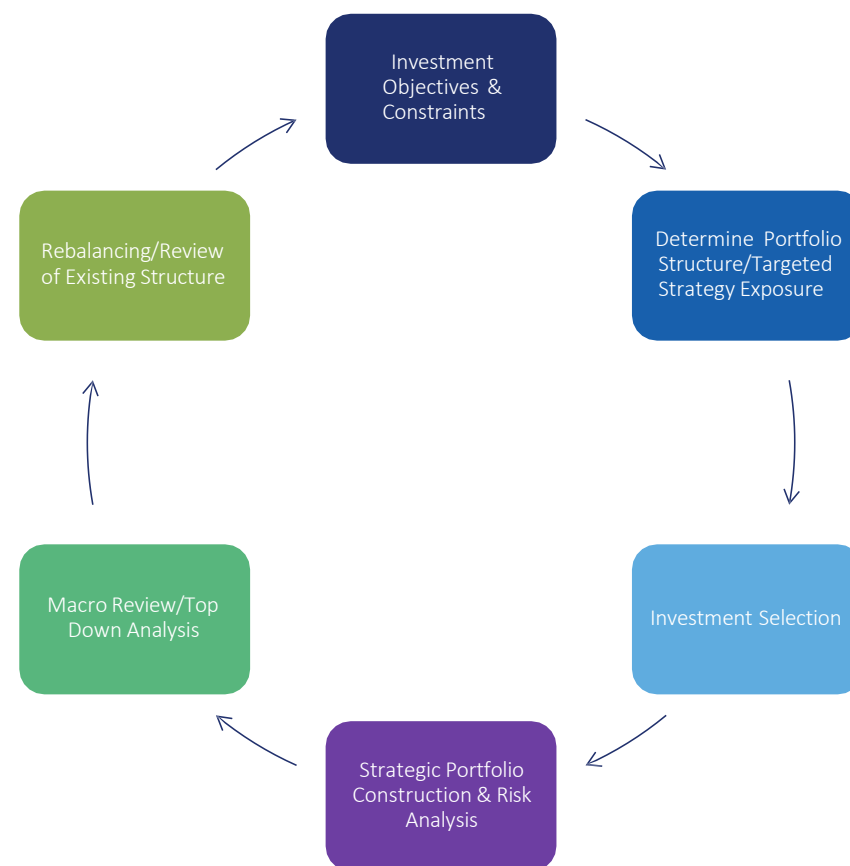
- What is the outcome or role of the hedge fund strategies in the overall portfolio (e.g., risk mitigation, add diversification, custom overlay, gain exposure to or hedge certain factors)?
- What is the desired volatility, correlation and distribution profile of the investment?
- What is the underlying strategy leverage and downside risk of each strategy?
- Is a risk budgeting or other portfolio construction approach most appropriate?
- Are there any product/structure specific restrictions and preferences that need to be considered?

Portfolio Management Process

- Collaborative process that involves all teams such that the portfolio conforms to the requirements specified in the mandate.
- This requires an ongoing assessment of both quantitative and qualitative factors.

The following list of criteria are considered in order to see that the portfolio is in line with its mandate:

- Correlations between hedge fund strategies
- Correlation between hedge fund strategies and beta portfolio
- Volatility and risk profile of funds
- Portfolio allocation model (risk parity, mean variance, equal weight, etc.)
- Risks in the portfolio
- Behavior of the portfolio in various market conditions (stress testing, scenario analysis, etc.)



Wilshire Portable Alpha: Operations and Reporting

Portable Alpha Operational Capabilities

Collateral Management

- Use beta cash-settled securities wherever possible to reduce finance costs
- Use Wilshire’s custom counterparty documentation and margin structures to lessen counterparty exposure

Cash Management

- Focus on cheapest form of cash financing (e.g. repo vs. swap) in an effort to increase yield
- Seek to utilize securities and cash to eliminate debit balances to reduce brokerage costs

*Data as of 10/31/2025.

\$900 Billion

in approx. gross notional risk traded via counterparties and exchanges

150+

Active trading lines

\$100mm

daily margin exchanged/posted

90+

ISDA Relationships

6

Active Custodial and
Administration Relationships

Risk and P&L Reporting



Source: Wilshire. Sample For Illustrative Purposes Only.

Portfolio Monitoring & Reporting

- Analysis of the strategies in the portfolio and drivers of performance
- Rebalancing recommendations
- Reporting frequency based on client needs and mandate
- Periodic in-person presentations to investment staff and investment boards and committees



Source: Wilshire. Sample For Illustrative Purposes Only.

Wilshire Optimization Services: *Total Savings: \$2bn+*

Savings are gross of fees charged and reflects the aggregate estimated reductions in investment-related costs and expenses identified by XTP and ParkLexington Advisors relating to their optimization services. Figures are not investment performance, do not reflect investment returns, and may not be representative for all clients. **Past results are not indicative of future outcomes.**

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Wilshire Optimization Services

Success-Driven Fee Structure That is Fully Aligned With Our Clients:

- ▶ Fees are structured based on the generated pickup: the client only incurs costs when tangible financial benefit is realized
- ▶ We eliminate upfront financial risk and reinforce our commitment to delivering measurable value



XTP – Optimization Services

Cost Efficiency and Investment Governance for Institutional Asset Owners

- Seeks to improve portfolio and investment implementation efficiency and increase net returns for institutional asset owners globally.
- Combine industry experience with proprietary software, databases, AI, and forensic capabilities.
- Determine the Total Cost of Ownership of public and private market investments while verifying accuracy of underlying fees and costs across asset classes.



20 yrs ▶ **>\$1bn**

Track record of increasing implementation efficiency for institutional investors

Savings realized for clients globally¹

180+

Cost elements analyzed among ~1,000 asset managers, custodians, and service providers

>\$3trn

Assets analyzed in client portfolios across multiple jurisdictions

¹ Savings are gross of fees charged and reflects the aggregate estimated reductions in investment-related costs and expenses identified by XTP relating to their optimization services. Figures are not investment performance, do not reflect investment returns, and may not be representative for all clients. Past results are not indicative of future outcomes.

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ParkLexington – Optimization Services

Effective Solutions That Lower Costs, Improves Performance, and Reduces Expense Ratios

- ▶ Optimization and consulting solutions to uncover sources of performance and profitability.
- ▶ Servicing investment managers and funds in over 20 countries.
- ▶ Data Driven Approach: Leverage extensive proprietary database and optimization-management approach to provide transparency into transaction and fund expenses



Park Lexington Advisors LLC (“PLA”) is an affiliate of Wilshire Advisors, LLC (“Wilshire”), and is not an investment adviser or broker-dealer and therefore does not provide investment advice or broker-dealer advice or recommendations. The services described herein are not considered investment advisory or broker-dealer services and are not subject to regulation as such by the Securities and Exchange Commission. Wilshire and PLA are under common control and ownership and therefore Wilshire has an economic incentive to refer you to PLA, which poses a conflict of interest. Engagement of PLA is in no way a condition of receiving investment advisory services from Wilshire and Wilshire’s clients are under no obligation to utilize the services of PLA. There can be no assurance PLA services will be sufficient for your particular circumstances and you should independently evaluate PLA and the terms of any service provided by PLA. M796348 E0326

15 yrs ▶ **~\$1bn**

Experience years helping investment managers Savings realized for clients globally¹

\$5trn+

Client AUM

150+

Years combined industry experience

100+

Client Engagements with managers ranging from <\$1bn to over \$3trn in AUM

50k +

Data points & individual fee benchmarks

¹ Savings are gross of fees charged and reflects the aggregate estimated reductions in investment-related costs and expenses identified by PLA relating to their optimization services. Figures are not investment performance, do not reflect investment returns, and may not be representative for all clients. Past results are not indicative of future outcomes.

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Limitations on Use of Hypothetical Performance Information

In reviewing the Hypothetical Information, you should consider the significant limitations associated with the use of hypothetical performance information. For example, there are frequent differences between hypothetical performance results and actual results subsequently achieved by any particular trading program. The performance of an actual account following the model portfolios described herein will be materially different. Inherent limitations of hypothetical performance information include:

Not Actual Performance. The Hypothetical Information has no operating history or performance and does not represent the results of actual trading of any fund, group of funds, account, or group of accounts. As such, these materials use hypothetical, simulated, related and/or pro forma performance which does not reflect actual allocations done by Wilshire. There are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program, fund, or account, and the Hypothetical Information is not an exception to this.

Material Economic and Market Factors. Hypothetical performance results do not reflect actual trading and therefore do not reflect the impact that economic and market factors, including but not limited to concentration, lack of liquidity, market movements, market disruptions or economic or political developments may have on investments used to calculate the Hypothetical Information. In addition, hypothetical performance does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading within the Hypothetical Information and allocations by Wilshire. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses is a material point which can also adversely affect actual trading results. There are numerous other factors and limitations related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results, all of which can adversely affect actual results. Hypothetical performance may not take into effect any material market or economic conditions during the period represented.

Account Flows. Hypothetical performance may be materially different for various clients depending primarily on such factors as the accounts initiation date and other variations between accounts. Any actual returns will be different from the Hypothetical Information due to fees, expenses, capital account flow and other variables that may differ among accounts. Further, hypothetical results do not take into account any investor-directed cash flows, such as withdrawals or additional capital contributions. Cash flows in or out of the program may substantially change an investor’s actual performance.

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Important Information (cont.)

Potential for Loss. No representation is made that any program or fund will or is likely to achieve its objectives or results comparable to any performance shown or will make any profit or will be able to avoid incurring substantial losses. The value of investments can go down as well as up. Hypothetical performance is not indicative of future results.

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Headquarters

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contactus@wilshire.com

SELECTION OF INVESTMENT CONSULTANT

_____ moved and _____ seconded to select _____ to provide investment consulting services for SERS for a five-year term beginning August 1, 2026 as discussed in the Board meeting held on May 21, 2026, subject to documentation satisfactory to legal counsel and the Chief Investment Officer. Be it further provided that the Executive Director is authorized to execute any documents necessary to finalize this selection.

Upon roll call, the vote was as follows:

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

Wilshire



Ohio School Employees Retirement System

Quarterly Executive Summary

Mar-2026

Wilshire

Quarterly Market Review

March 31, 2026

Market Commentary

U.S. Equity

The U.S. stock market was down -3.9% for the first quarter but up 18.3% for the past twelve months. Sector performance was mixed for the quarter, with six of eleven sectors producing a gain. The best performing sector, by far, was energy (+38.6%) while financials were down by -9.1%. From a size perspective, small caps outperformed large by 670 basis points. Growth stocks underperformed value by a significant margin, in aggregate.

During March of 2026, oil prices surged by the second largest percentage in the past 30 years – second only to the post-COVID rebound in May 2020, which simply saw prices “normalize.” The price per barrel was generally falling last year due to slowing economic growth and increased oil production targets for large producers. However, the United States and Israel’s military actions against Iran, along with the retaliatory act of closing the Strait of Hormuz, led to a surge in oil prices that exceeded the \$100 per barrel mark. This level has been breached a few times in recent history – including a nearly four year period starting in 2011 that commenced with oil supply losses in Libya as the region’s Arab Spring led to the end of Muammar Gaddafi’s 42-year reign.

Non-U.S. Equity

In the United Kingdom, economic output expanded only slightly following weak momentum at the end of 2025, as household spending remained constrained by elevated inflation and softer labor market conditions. Germany’s economy largely stagnated as industrial activity remained subdued, evidenced by modest capacity utilization. China entered the new year with steadier momentum, supported by exports and targeted policy easing. However, domestic demand and the property sector remained weak. Policymakers emphasized stability, selective fiscal support and credit easing rather than broad stimulus measures.

Fixed Income

The U.S. Treasury yield curve was up across the maturity spectrum with the 10-year Treasury yield up 15 basis points to 4.32%. Credit spreads were up as high-yield bond spreads increased by 51 basis points, finishing the quarter at 3.17%. The FOMC left their overnight rate unchanged, targeting a range of 3.50% to 3.75%. The Fed “dot plot” is messaging that the current expectation is for a decrease in rates of only 0.25% in 2026.

March 2026 Asset Class Assumptions

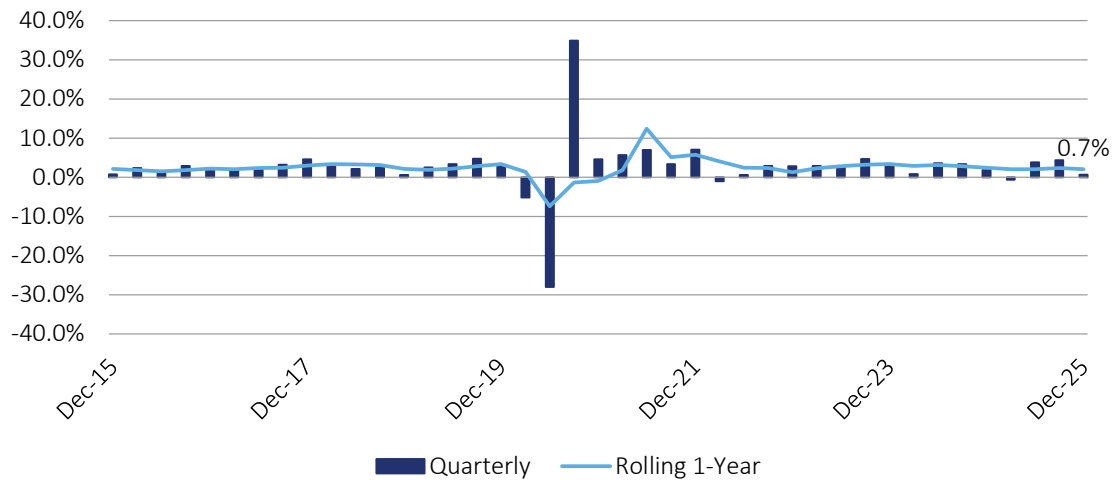
	Equity						Fixed Income						Real Assets						
	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	U.S. RES	Global RES	Private RE	Cmdty	Real Assets	U.S. CPI
Compound Return (%)	4.95	5.95	6.20	6.30	5.55	6.85	3.30	5.15	5.35	4.60	6.45	7.60	3.50	5.75	5.90	6.60	4.80	6.85	2.30
Arithmetic Return (%)	6.30	7.45	9.15	7.95	6.90	10.65	3.30	5.25	5.80	4.75	6.90	8.30	3.60	7.15	7.15	7.50	6.00	7.55	2.30
Risk (%)	17.00	18.00	26.00	19.15	17.05	29.65	0.75	4.75	9.95	6.00	10.00	12.75	4.00	17.50	16.55	13.95	16.00	12.20	1.75
Yield (%)	1.25	2.85	2.15	2.65	1.75	0.00	3.30	5.85	5.90	5.25	10.00	4.75	4.50	4.00	4.00	2.85	3.30	3.65	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-1.00	-2.75	-3.00	4.00	5.10	-1.00	6.00	6.00	3.70	0.00	2.90	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.20	-1.85	-4.25	0.00	-2.65	-7.10	2.50	-1.00	-1.50	-3.00	1.00	1.65	1.00	12.00	5.25	1.00

Correlations

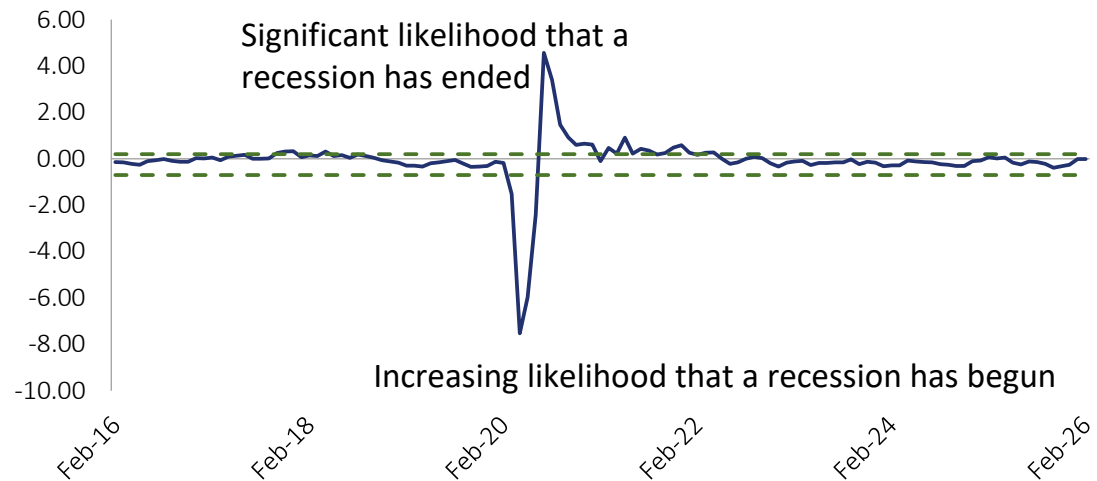
U.S. Stock	1.00																		
Dev ex-U.S. Stock (USD)	0.81	1.00																	
Emerging Mkt Stock	0.74	0.74	1.00																
Global ex-U.S. Stock	0.84	0.96	0.90	1.00															
Global Stock	0.98	0.90	0.83	0.94	1.00														
Private Equity	0.72	0.63	0.61	0.66	0.73	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00												
Core Bond	0.27	0.12	-0.01	0.08	0.20	0.29	0.18	1.00											
LT Core Bond	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 Bond	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-U.S. Bond (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						
U.S. 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 Real Estate	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

Economic Growth

Real GDP Growth



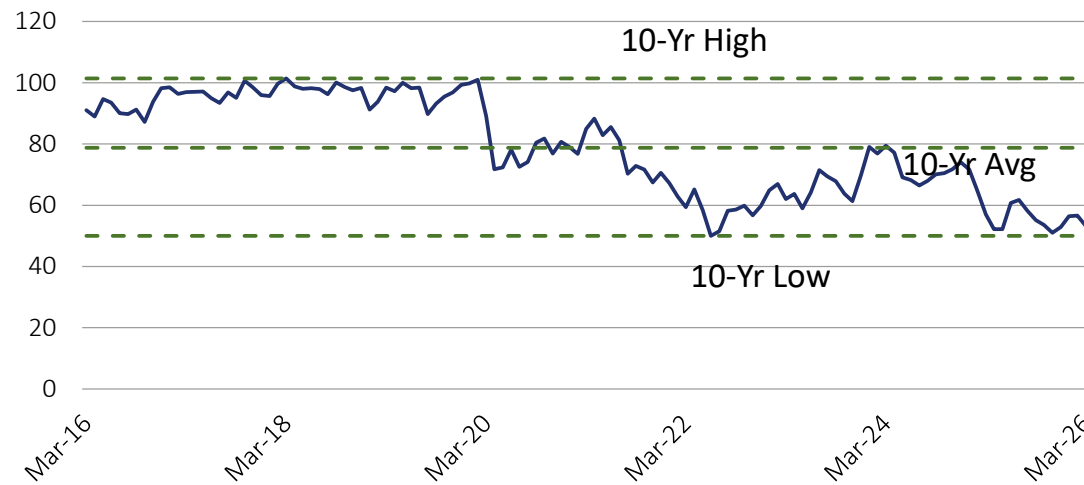
Chicago Fed. National Activity Index (3M MA)



Data Source: Bloomberg

Consumer Activity

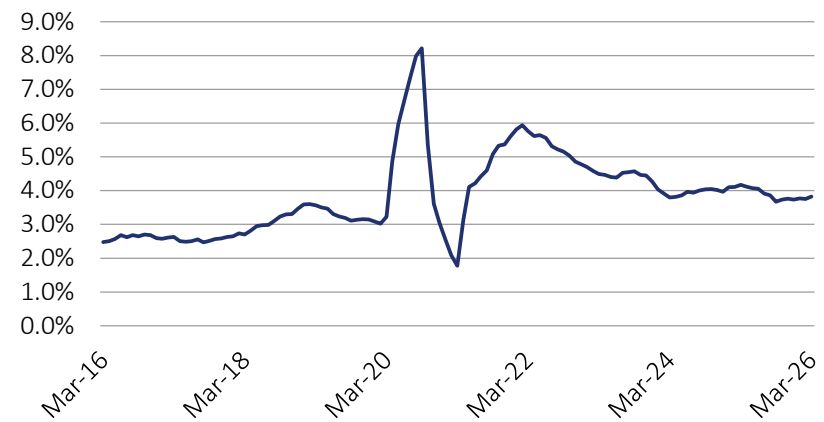
University of Michigan: Consumer Sentiment



Real Personal Consumption Expenditures



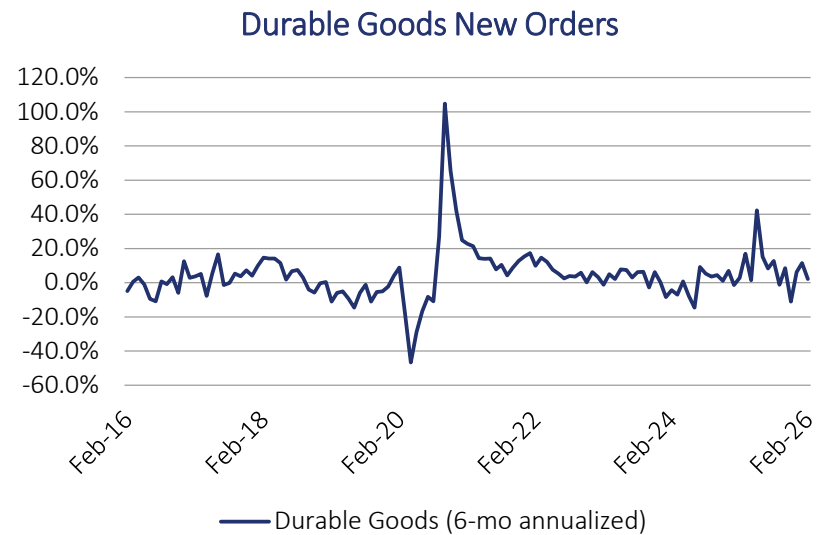
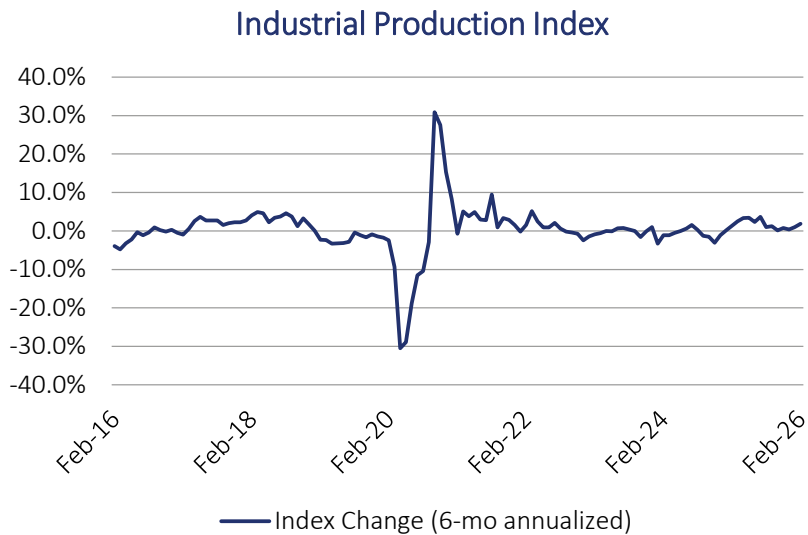
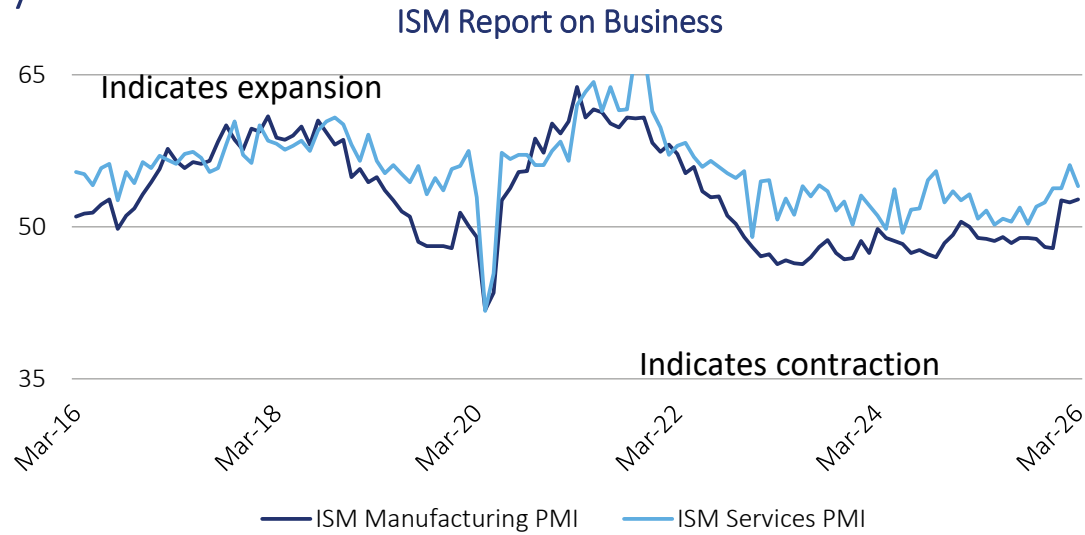
Average Hourly Earnings



Data Source: Bloomberg — Real PCE (6-mo annualized)

— Wage Growth (6-mo annualized)

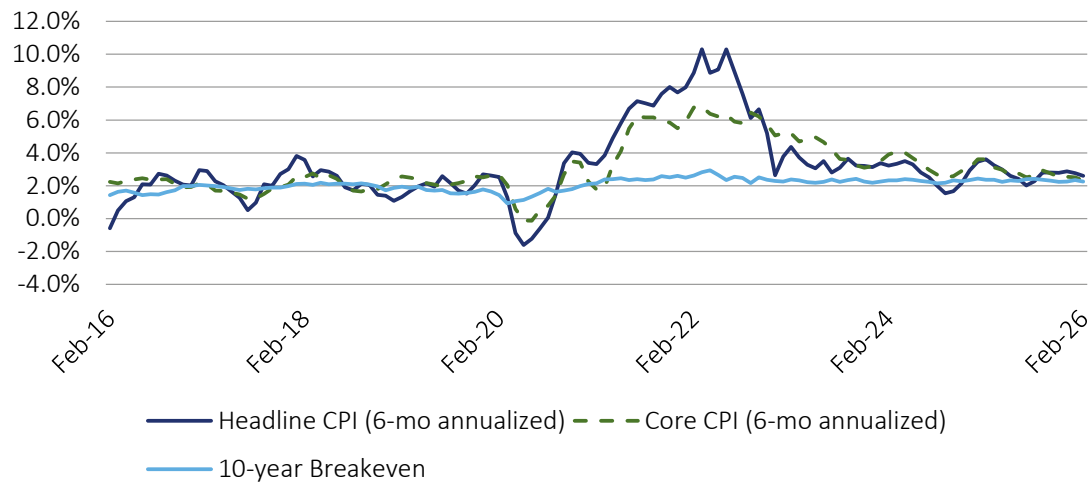
Business Activity



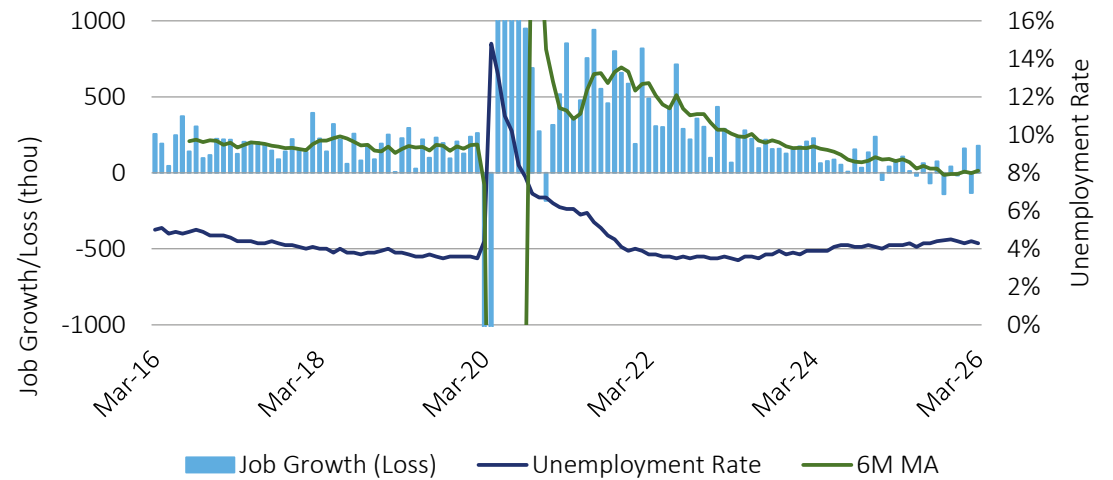
Data Source: Bloomberg

Inflation and Employment

Inflation: Actual & Expected



Employment Gains/Losses

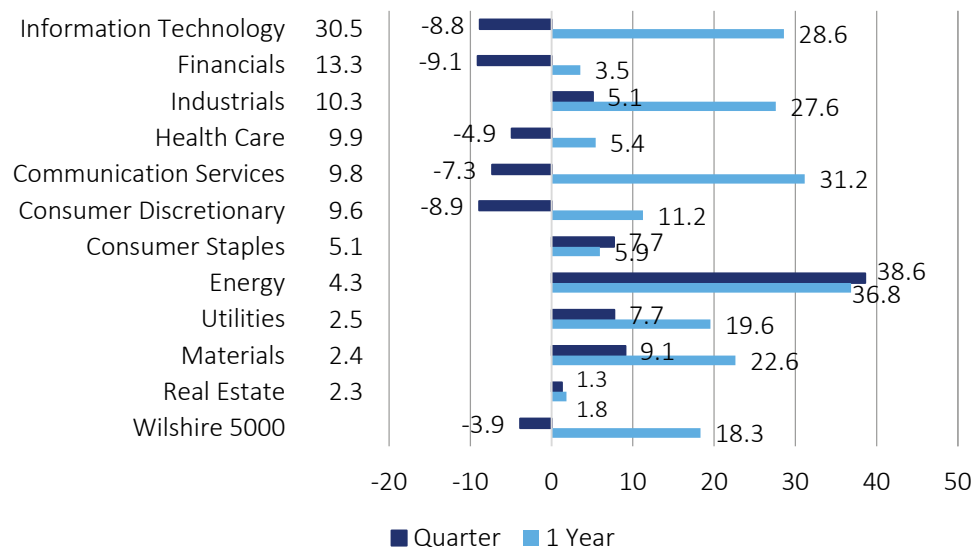


Data Source: Bloomberg

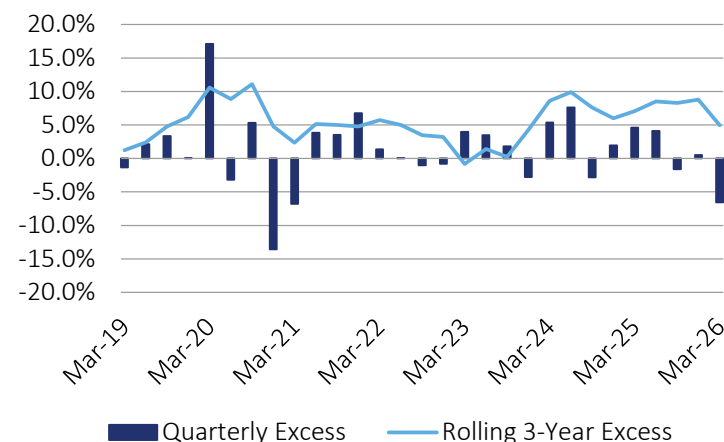
U.S. Equity Market

As of 3/31/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Wilshire 5000	-3.9	-3.9	18.3	17.9	11.1	13.9
Wilshire U.S. Large Cap	-4.3	-4.3	18.0	18.3	11.7	14.2
Wilshire U.S. Small Cap	2.4	2.4	22.7	12.7	4.8	10.1
Wilshire U.S. Large Growth	-9.9	-9.9	16.5	20.8	12.6	n/a
Wilshire U.S. Large Value	3.2	3.2	17.2	14.5	10.0	n/a
Wilshire U.S. Small Growth	1.5	1.5	21.7	12.1	3.1	n/a
Wilshire U.S. Small Value	3.5	3.5	24.1	13.4	6.7	n/a
Wilshire REIT Index	4.8	4.8	6.6	9.7	6.1	5.5
MSCI USA Min. Vol. Index	-1.2	-1.2	0.7	10.3	7.8	9.9
FTSE RAFI U.S. 1000 Index	2.5	2.5	18.9	17.0	11.6	12.9

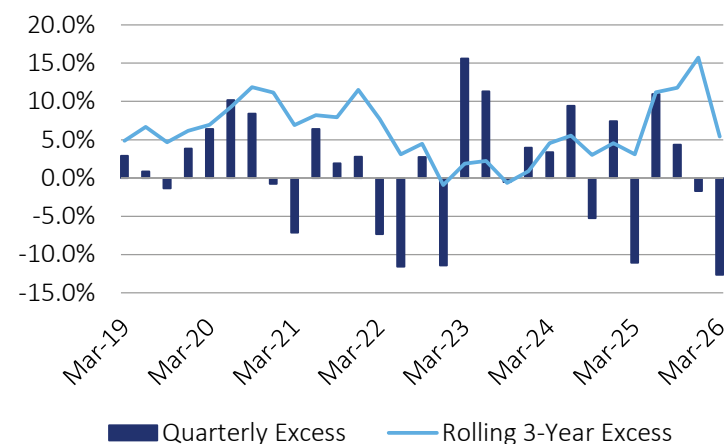
U.S. Sector Weight and Return (%)



Large Cap vs. Small Cap



Large Growth vs Large Value

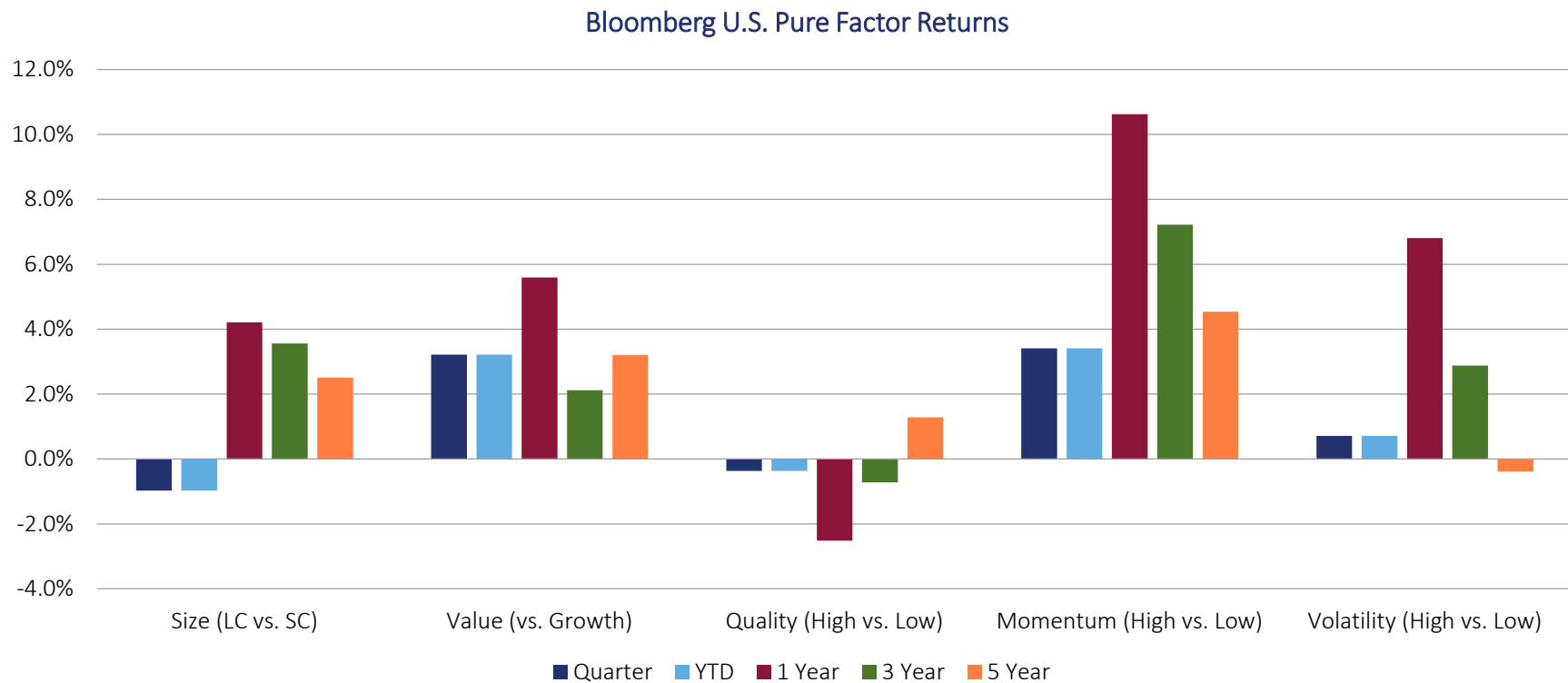


Data Sources: Bloomberg, Clearwater Wilshire Atlas

U.S. Factor Returns

Factor returns represent the contribution from large cap, value, etc. stocks within Bloomberg's Portfolio & Risk Analytics module

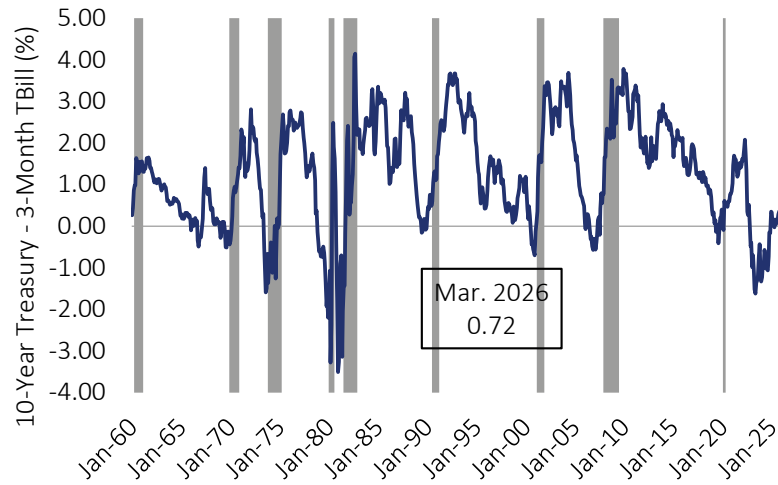
Value and momentum contributed positively for the quarter



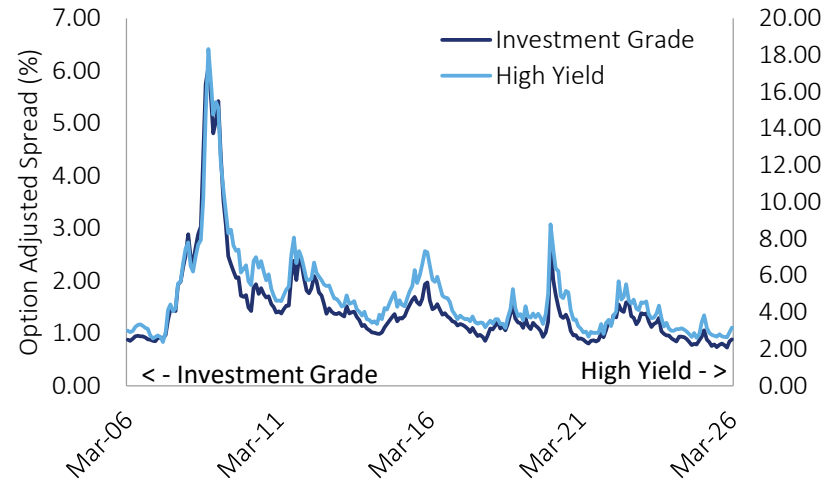
Data Source: Bloomberg

Risk Monitor

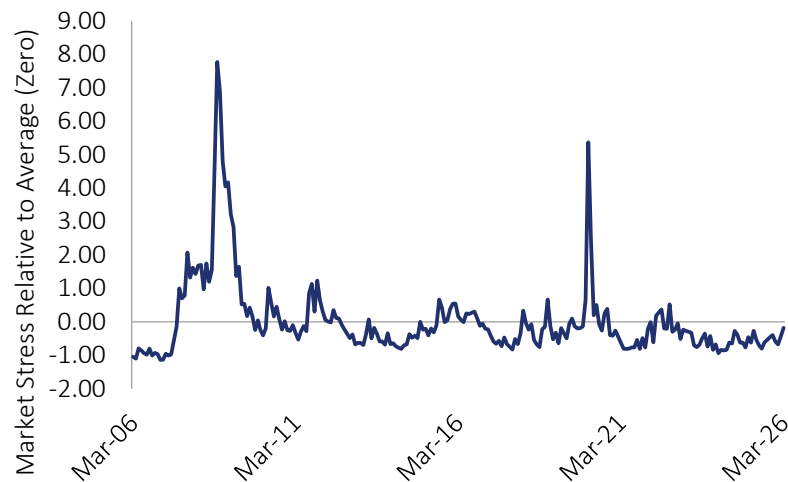
Yield Curve Slope vs Recessions (IN GRAY)



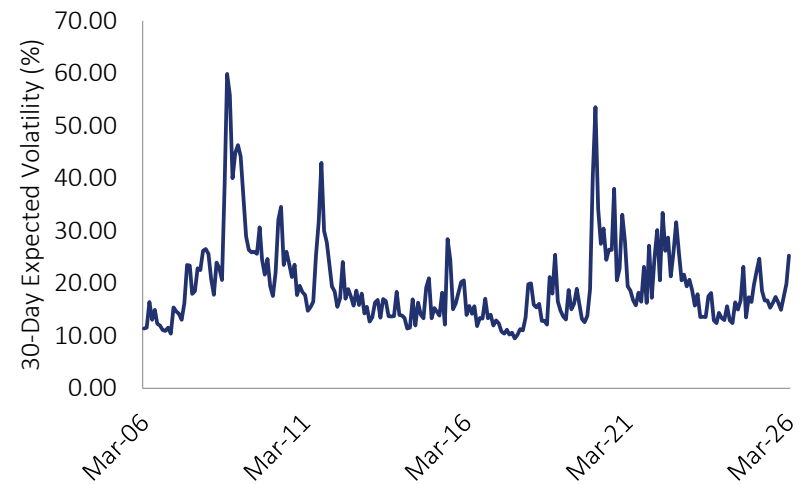
Bloomberg Credit Indexes



St. Louis Fed. Financial Stress Index



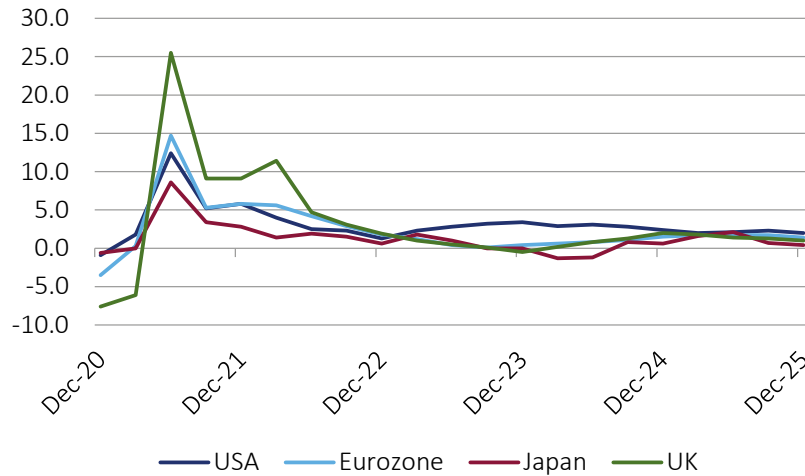
CBOE Volatility Index



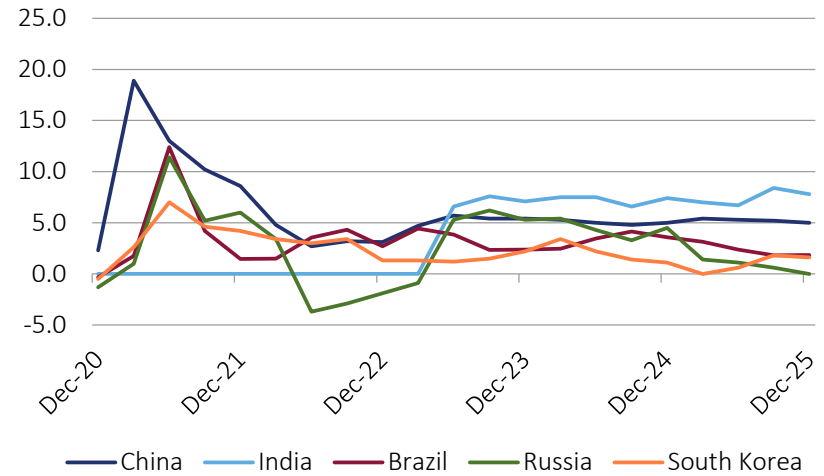
Data Source: Bloomberg

Non-U.S. Growth and Inflation

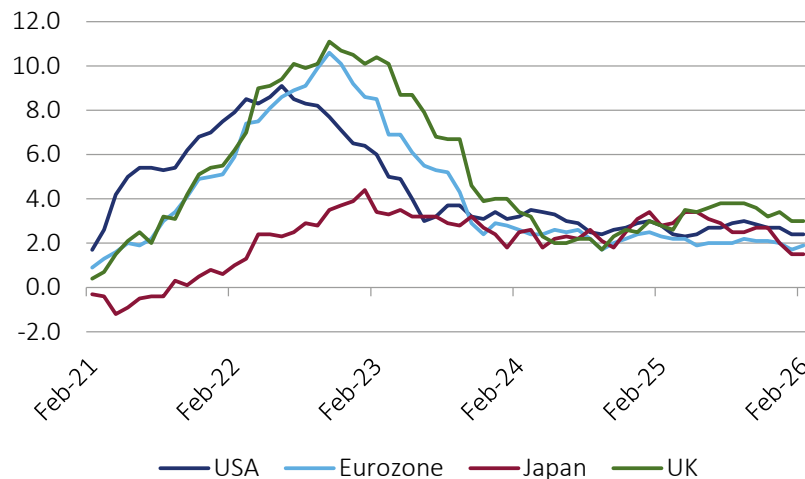
Developed Markets Real GDP Growth YoY (%)



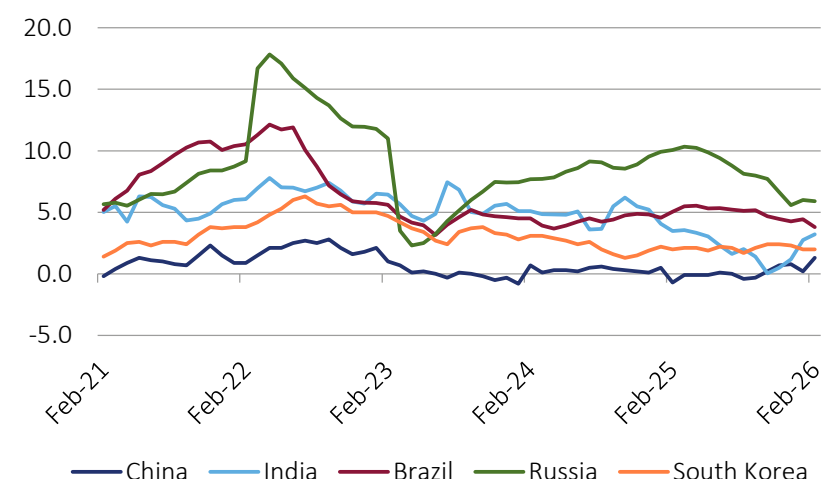
Emerging Markets Real GDP Growth YoY (%)



Developed Markets CPI Growth YoY (%)



Emerging Markets CPI Growth YoY (%)

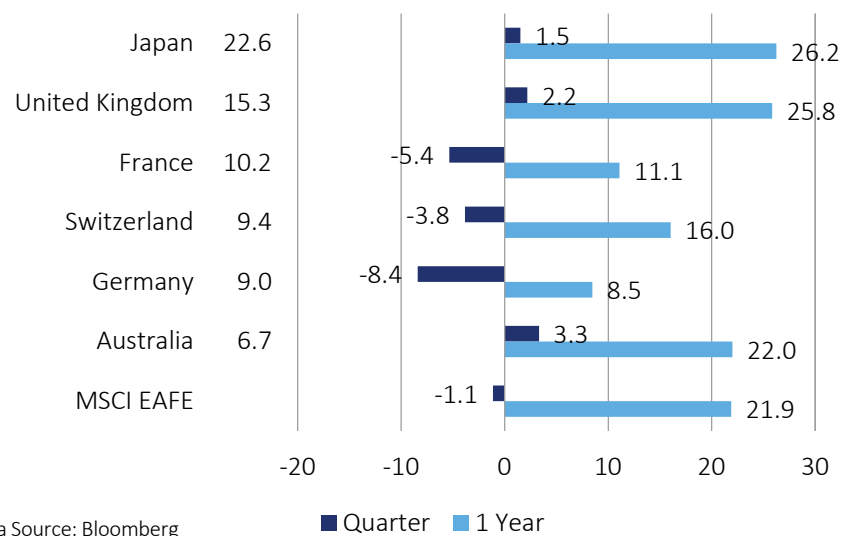


Data Source: Bloomberg

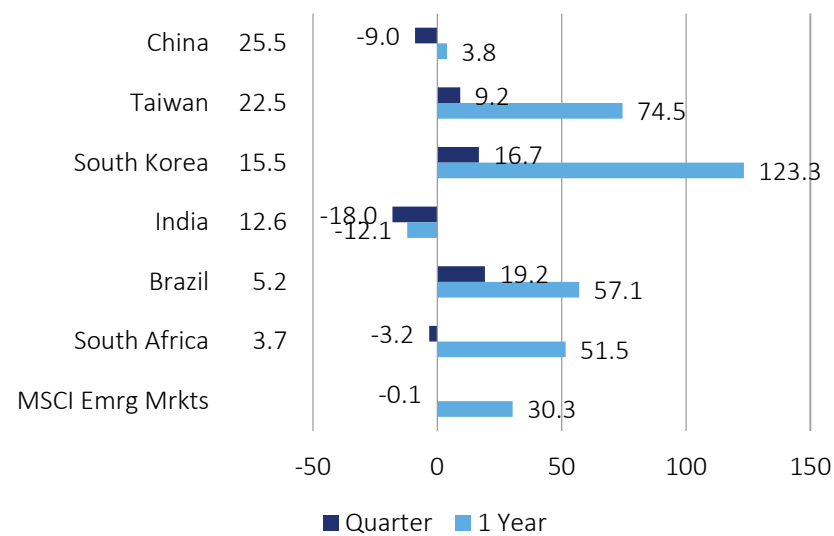
Non-U.S. Equity Market

As of 3/31/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex-US (\$G)	-0.6	-0.6	25.6	15.1	7.6	8.9
MSCI EAFE (\$G)	-1.1	-1.1	21.9	14.2	8.5	8.9
MSCI Emerging Markets (\$G)	-0.1	-0.1	30.3	15.4	4.2	8.2
MSCI Frontier Markets (\$G)	2.7	2.7	38.0	20.0	10.1	6.4
MSCI ACWI ex-US Growth (\$G)	-3.5	-3.5	19.2	10.5	3.6	7.9
MSCI ACWI ex-US Value (\$G)	1.9	1.9	31.8	19.4	11.2	9.6
MSCI ACWI ex-US Small (\$G)	-0.4	-0.4	28.4	14.2	6.2	8.5
MSCI All Country World Index	-3.1	-3.1	20.5	17.1	10.0	11.9
MSCI ACWI Minimum Volatility	-0.2	-0.2	4.4	9.8	6.4	7.7
MSCI EAFE Minimum Volatility	4.5	4.5	20.5	14.2	7.8	6.7
FTSE RAFI Developed ex-US	3.1	3.1	33.8	19.4	12.0	10.5
MSCI EAFE LC (G)	0.3	0.3	18.0	13.8	10.4	9.9
MSCI Emerging Markets LC (G)	2.2	2.2	31.4	17.7	6.7	9.9

Developed Markets Weight and Return (%)



Emerging Markets Weight and Return (%)



Data Source: Bloomberg

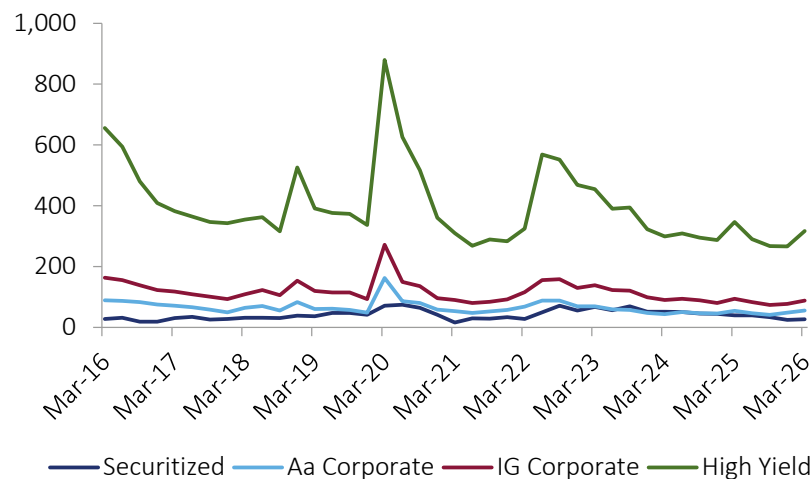
■ Quarter ■ 1 Year

■ Quarter ■ 1 Year

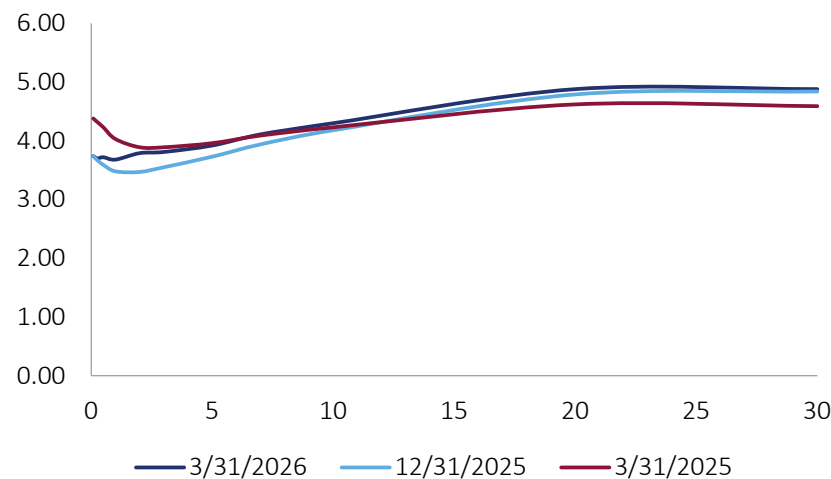
U.S. Fixed Income

As of 3/31/2026	YTW	Dur.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Aggregate	4.6	5.9	0.0	0.0	4.3	3.6	0.3	1.7
Bloomberg Treasury	4.1	5.8	0.0	0.0	3.3	2.6	-0.1	1.0
Bloomberg Gov't-Rel.	4.5	5.3	-0.1	-0.1	5.1	4.1	1.0	2.0
Bloomberg Securitized	4.8	5.2	0.4	0.4	5.7	4.3	0.5	1.5
Bloomberg Corporate	5.1	6.8	-0.5	-0.5	4.8	4.7	0.8	2.8
Bloomberg LT Gov't/Credit	5.4	13.5	-0.8	-0.8	2.2	0.9	-2.9	1.2
Bloomberg LT Treasury	4.9	14.4	-0.4	-0.4	0.5	-1.5	-4.6	-0.8
Bloomberg LT Gov't-Rel.	5.8	11.4	-0.8	-0.8	6.3	3.5	-0.9	2.2
Bloomberg LT Corporate	5.9	12.5	-1.2	-1.2	3.7	3.1	-1.5	2.6
Bloomberg U.S. TIPS*	4.1	6.1	0.3	0.3	3.0	3.2	1.5	2.7
Bloomberg High Yield	7.4	3.0	-0.5	-0.5	7.0	8.6	4.2	6.1
S&P/LSTA Leveraged Loan	7.6	0.3	-0.6	-0.6	4.8	8.0	5.9	5.6
Treasury Bills	3.7	0.3	0.9	0.9	4.1	4.8	3.4	2.3

Fixed Income Option Adjusted Spread (bps)



Treasury Yield Curve (%)



*Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 5-10 Year Index.

Data Source: Bloomberg

Federal Reserve

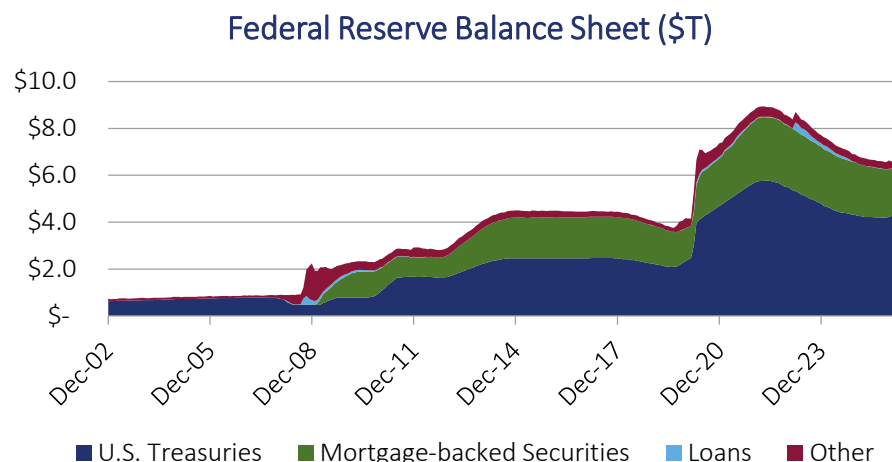
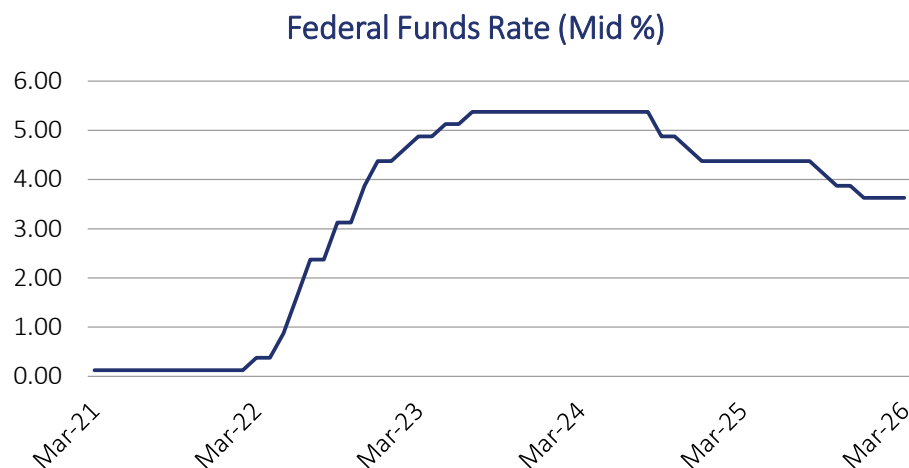
The Federal Open Market Committee left their overnight rate unchanged during Q1

QE4 was larger than the 3 phases of quantitative easing – combined – following the global financial crisis

The Fed’s balance sheet is roughly equal to its level following the COVID spike, but is showing signs of expansion

	Announced	Closed	Amount (bil)
QE1	11/25/2008	3/31/2010	\$1,403
QE2	11/3/2010	6/29/2012	\$568
QE3	9/13/2012	10/29/2014	\$1,674
QE4	3/23/2020	3/15/2022	\$4,779

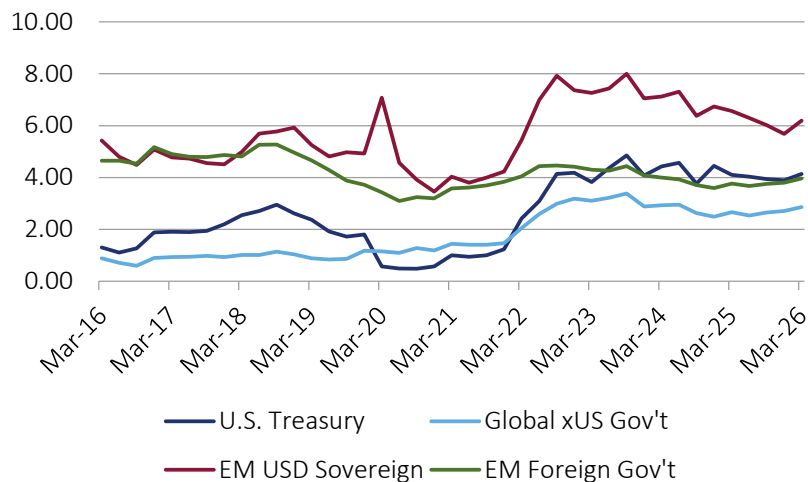
Data Source: Bloomberg



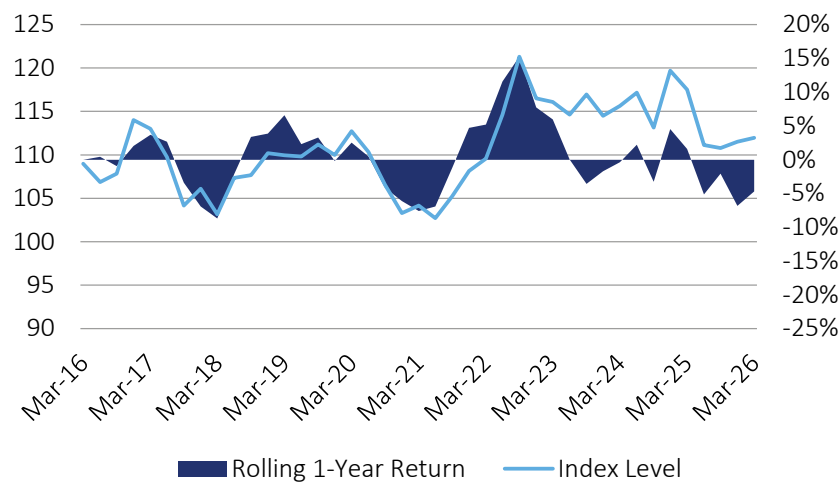
Non-U.S. Fixed Income

As of 3/31/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Developed Markets						
Bloomberg Global Aggregate xUS	-1.9	-1.9	4.2	1.6	-2.9	-0.4
Bloomberg Global Aggregate xUS*	-0.2	-0.2	2.8	4.3	1.1	2.2
Bloomberg Global Inflation Linked xUS	-0.6	-0.6	7.3	1.0	-4.2	-0.2
Bloomberg Global Inflation Linked xUS*	1.5	1.5	4.4	0.8	-1.8	1.8
Emerging Markets (Hard Currency)						
Bloomberg EM USD Aggregate	-1.3	-1.3	7.1	7.7	1.9	3.6
Emerging Markets (Foreign Currency)						
Bloomberg EM Local Currency Gov't	-1.1	-1.1	6.4	4.4	1.9	2.8
Bloomberg EM Local Currency Gov't*	-0.4	-0.4	3.3	6.5	3.9	3.5
Euro vs. Dollar	-1.6	-1.6	6.8	2.1	-0.3	0.2
Yen vs. Dollar	-1.3	-1.3	-5.5	-5.8	-6.9	-3.4
Pound vs. Dollar	-1.8	-1.8	2.4	2.3	-0.8	-0.8

Global Fixed Income Yield to Worst (%)



U.S. Dollar Index: Advanced Economies

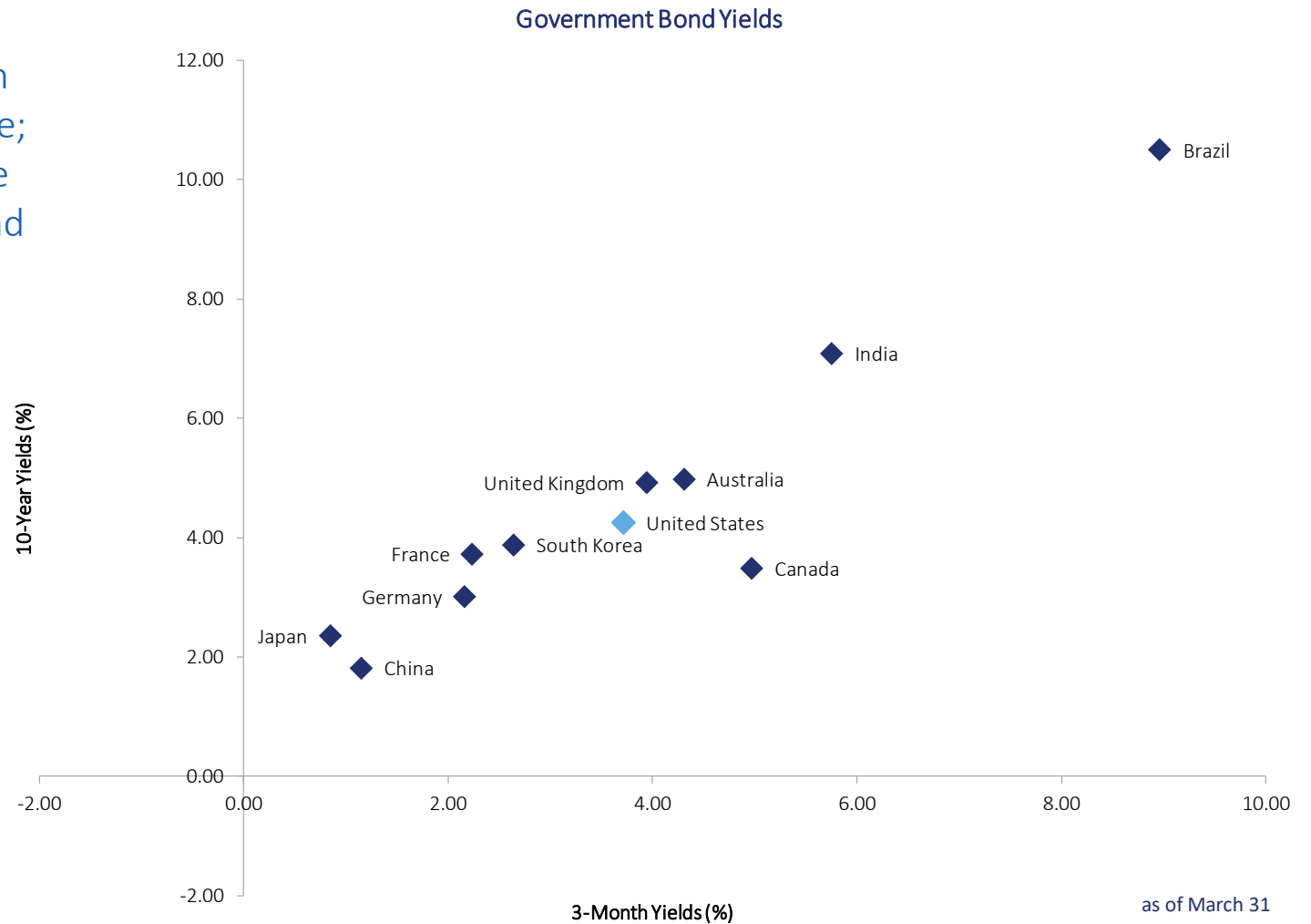


*Returns are reported in terms of local market investors, which removes currency effects.

Data Source: Bloomberg

Global Interest Rates

Short-term rates remain positive across the globe; longer-term rates above 4.0% in the U.S., U.K. and Australia

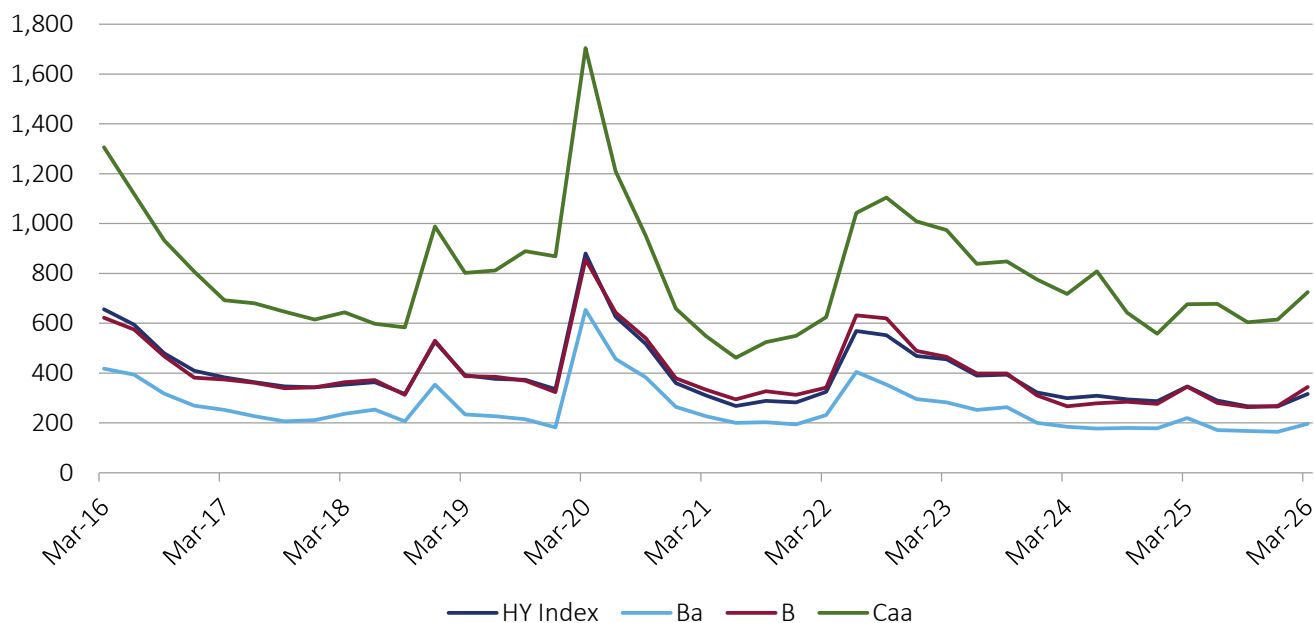


Data Source: Bloomberg

High Yield Bond Market

As of 3/31/2026	Weight	YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg High Yield		7.4	-0.5	-0.5	7.0	8.6	4.2	6.1
S&P LSTA Leveraged Loan		7.6	-0.8	-0.8	5.9	8.4	5.9	5.5
High Yield Quality Distribution								
Ba U.S. High Yield	55.8%	6.2	-0.3	-0.3	7.1	7.6	3.8	5.7
B U.S. High Yield	33.1%	7.7	-0.6	-0.6	7.0	8.4	4.1	5.9
Caa U.S. High Yield	10.5%	11.4	-1.3	-1.3	7.4	12.0	5.3	7.3
Ca to D U.S. High Yield	0.6%	34.2	2.3	2.3	-2.2	21.2	8.6	13.3

Fixed Income Option Adjusted Spread (bps)

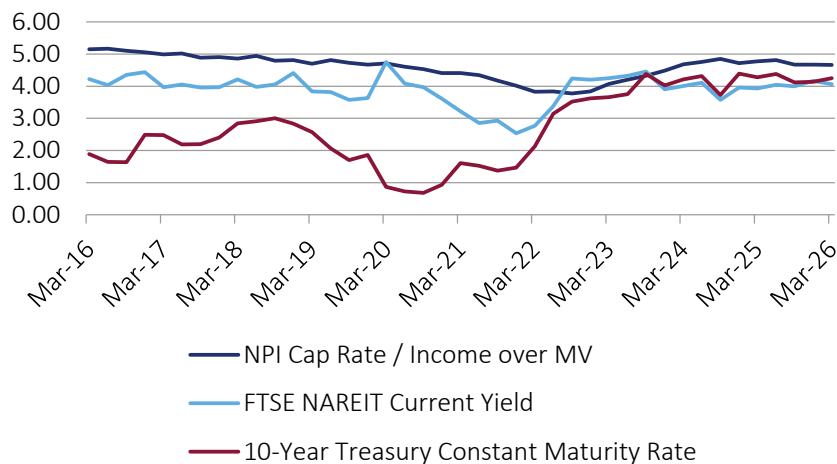


Data Source: Bloomberg

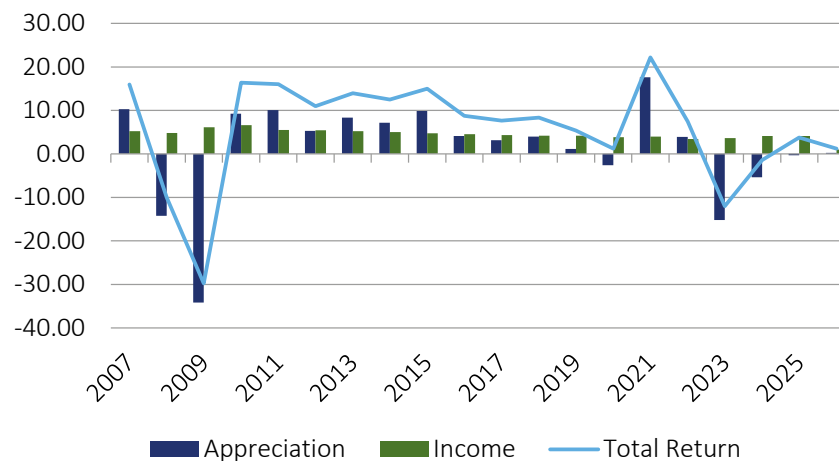
Real Assets

As of 3/31/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. TIPS	0.3	0.3	3.0	3.2	1.5	2.7
Bloomberg Commodity Index	24.4	24.4	32.3	13.9	14.0	8.0
Bloomberg Gold Index	7.1	7.1	47.2	32.0	21.2	13.1
Wilshire Global RESI Index	0.7	0.7	4.4	8.2	4.1	4.5
NCREIF ODCE Fund Index	1.2	1.2	4.0	-2.0	3.2	4.7
NCREIF Timberland Index	1.1	1.1	4.9	6.8	8.7	5.5
FTSE Global Core Infrastructure 50/50	8.3	8.3	18.9	12.2	8.6	8.6
Alerian Midstream Energy	22.9	22.9	21.4	28.3	24.2	14.1
Bitcoin	-22.2	-22.2	-17.3	33.9	3.0	66.5

Real Estate Valuation (%)



NCREIF ODCE Fund Index Return (%)



Data Sources: Bloomberg, National Council of Real Estate Investment Fiduciaries

Asset Class Performance

Asset Class Returns - Best to Worst

2021	2022	2023	2024	2025	2026 YTD	Annualized 5-Year as of 3/26
REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 34.4%	Commodities 24.4%	Commodities 14.0%
Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 31.9%	REITs 4.8%	U.S. Equity 11.1%
U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 17.1%	T-Bills 0.9%	Developed 8.5%
Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 15.8%	U.S. TIPS 0.3%	REITs 6.1%
U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 8.6%	Core Bond 0.0%	High Yield 4.2%
High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	Core Bond 7.3%	Emrg Mrkts -0.1%	Emrg Mrkts 4.2%
T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	U.S. TIPS 7.0%	High Yield -0.5%	T-Bills 3.4%
Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	T-Bills 4.3%	Developed -1.1%	U.S. TIPS 1.5%
Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	REITs 2.7%	U.S. Equity -3.9%	Core Bond 0.3%

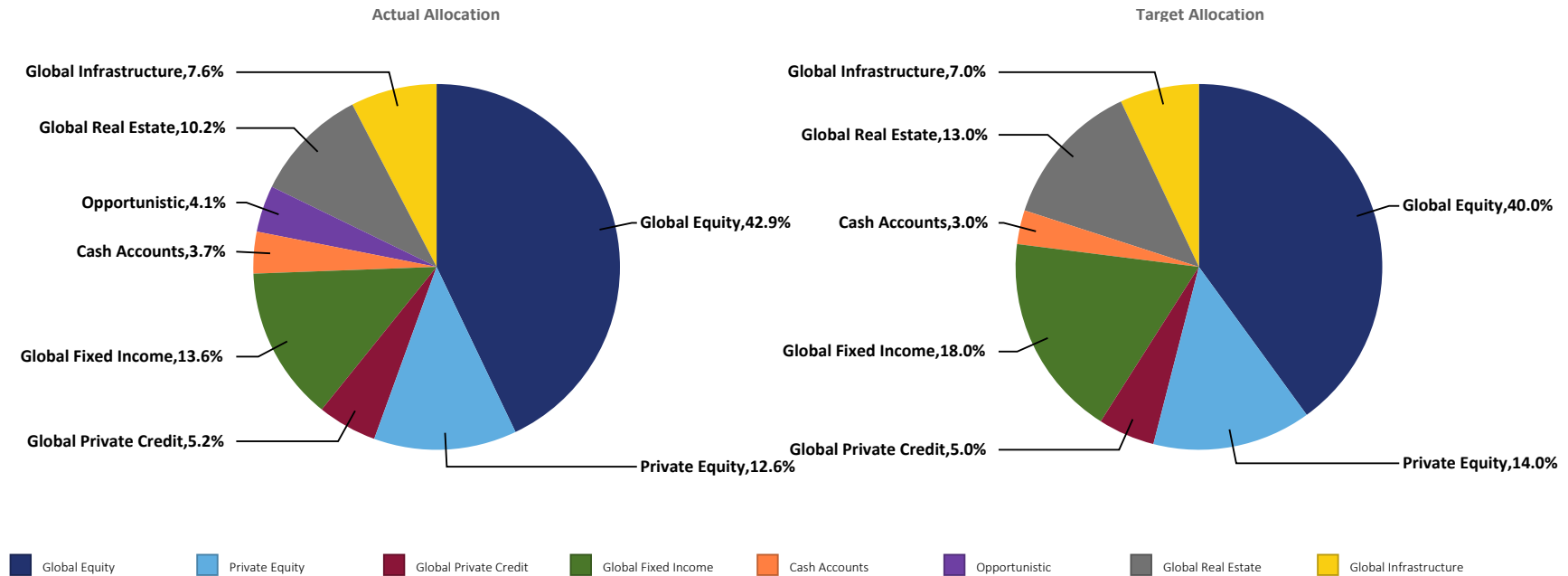
Data Sources: Bloomberg
 Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

Total Fund

Asset Allocation Compliance

Total Fund

Periods Ended As of March 31, 2026



	Asset Allocation \$	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Fund	21,821,511,146	100.0	100.0	0.0
Global Equity	9,364,931,885	42.9	40.0	2.9
Private Equity	2,752,567,702	12.6	14.0	-1.4
Global Private Credit	1,145,562,024	5.2	5.0	0.2
Global Fixed Income	2,975,411,760	13.6	18.0	-4.4
Cash Accounts	803,868,494	3.7	3.0	0.7
Opportunistic	900,376,650	4.1	0.0	4.1
Global Real Estate	2,220,176,071	10.2	13.0	-2.8
Global Infrastructure	1,658,616,560	7.6	7.0	0.6

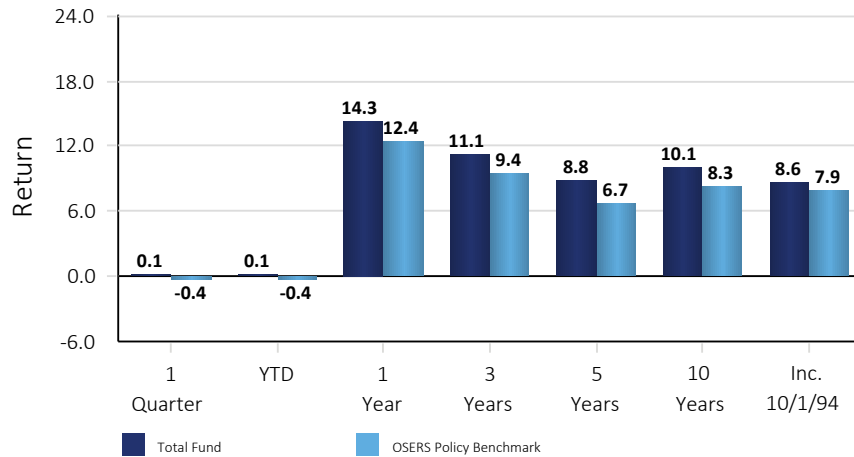
Total Fund assets are greater than the sum of the components due to the addition of notional values from overlay strategies.

Composite Performance Summary

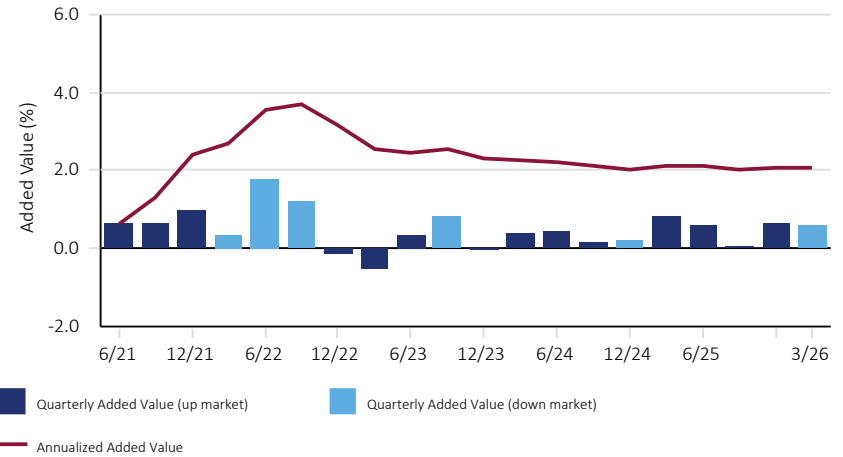
Total Fund

Periods Ended March 31, 2026

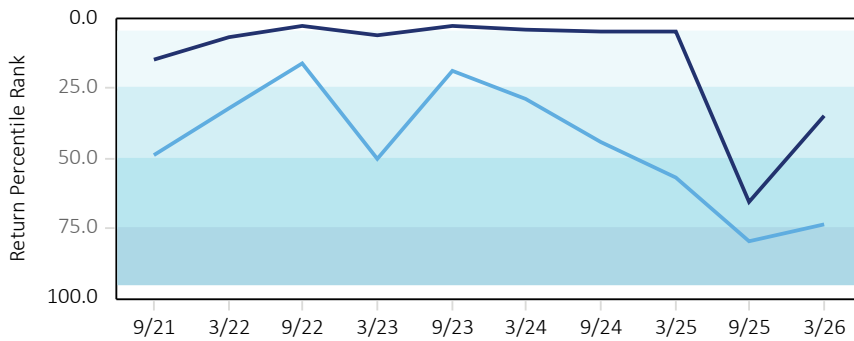
Comparative Performance



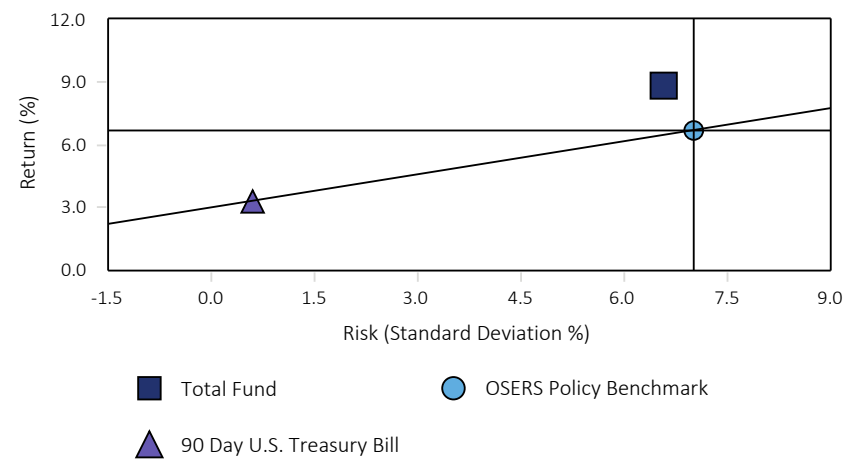
Added Value History



Rolling Percentile Rank: All Public Plans-Total Fund



Risk and Return 04/1/21 - 03/31/26



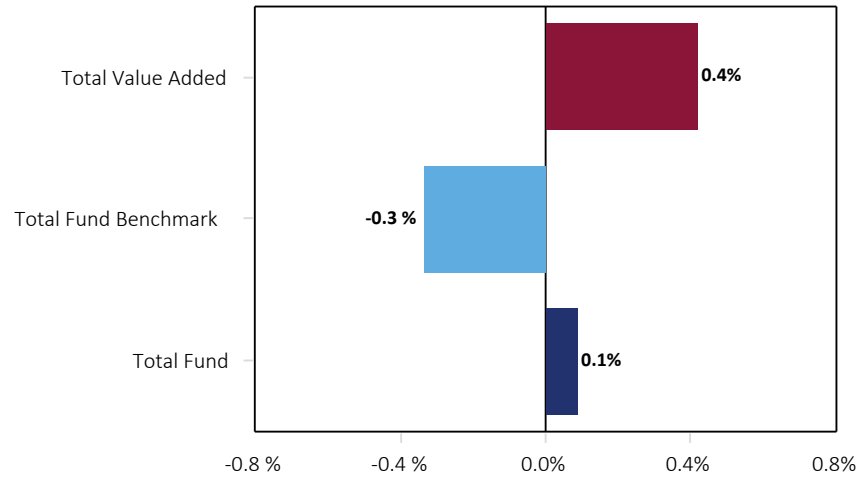
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
— Total Fund	10	8 (80%)	1 (10%)	1 (10%)	0 (0%)
— Benchmark	10	2 (20%)	5 (50%)	2 (20%)	1 (10%)

Total Fund Attribution

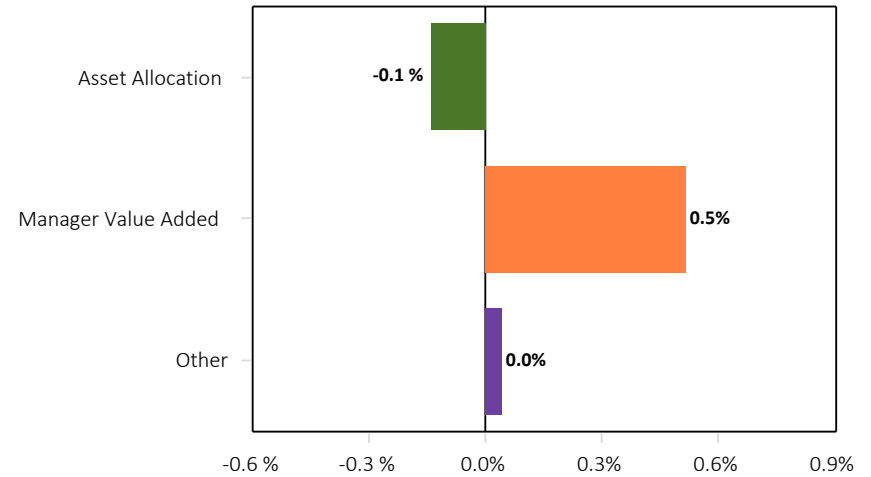
Total Fund

Periods Ended 1 Quarter Ending March 31, 2026

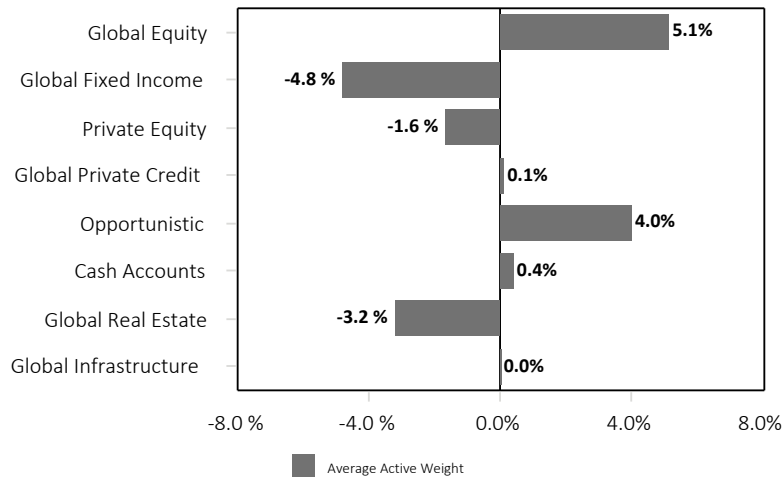
Total Fund Performance



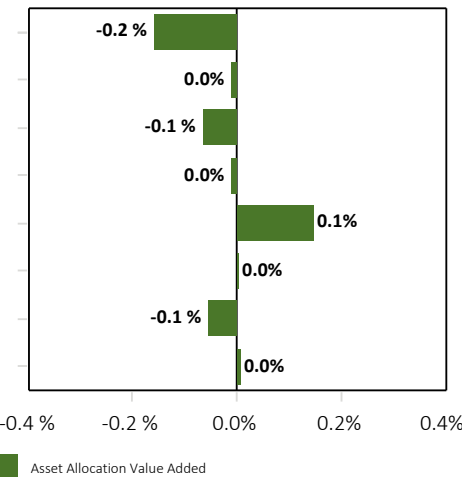
Total Value Added:0.4%



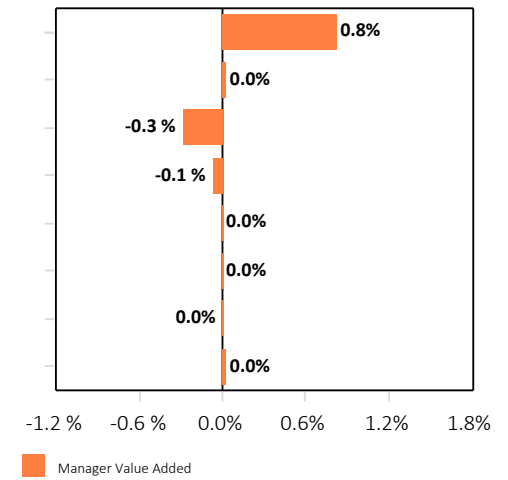
Total Asset Allocation



Asset Allocation Value Added:-0.1%



Total Manager Value Added:0.5%

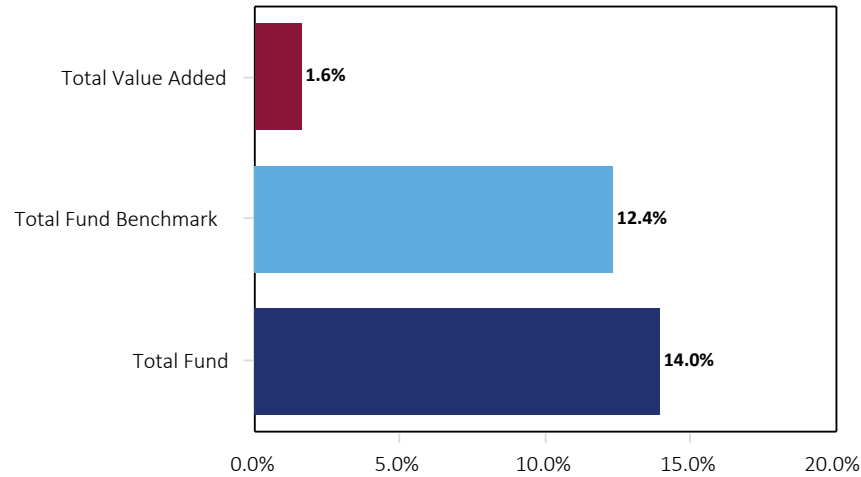


Total Fund Attribution

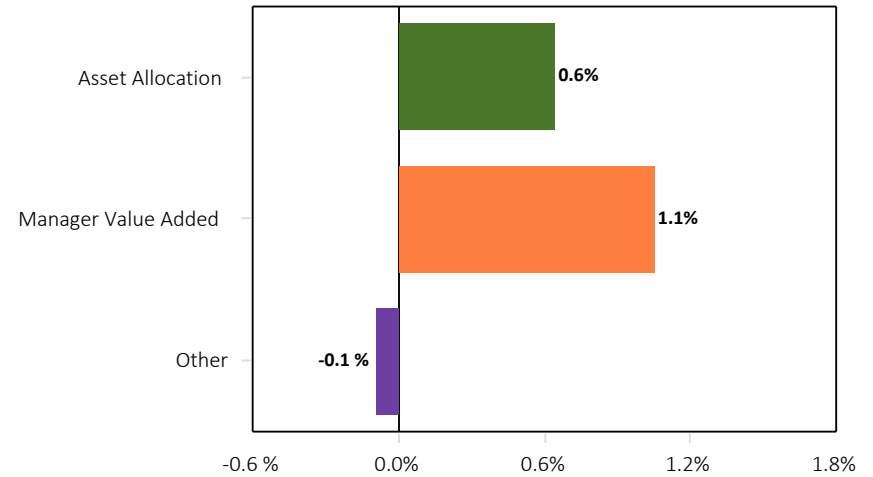
Total Fund

Periods Ended 1 Year Ending March 31, 2026

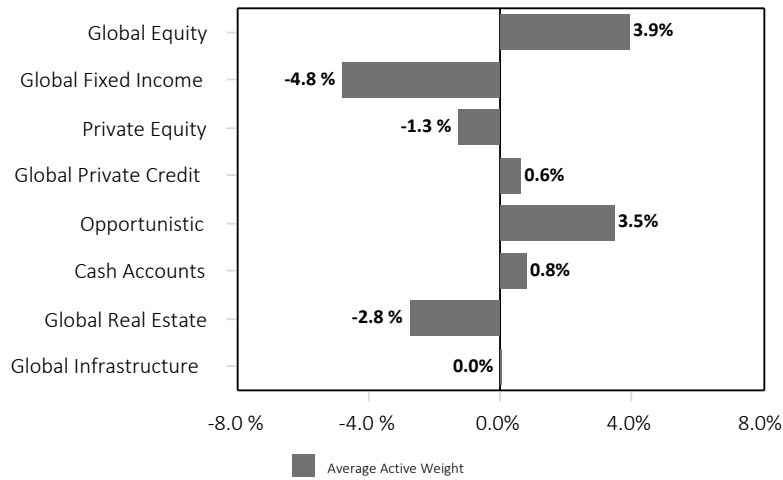
Total Fund Performance



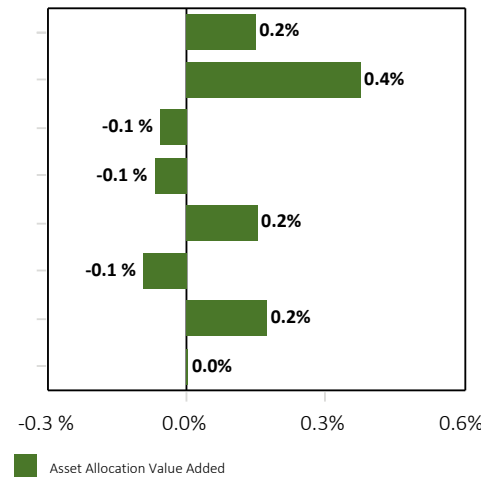
Total Value Added: 1.6%



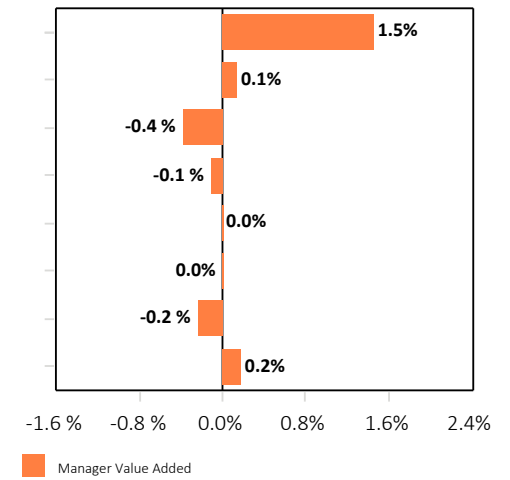
Total Asset Allocation



Asset Allocation Value Added: 0.6%



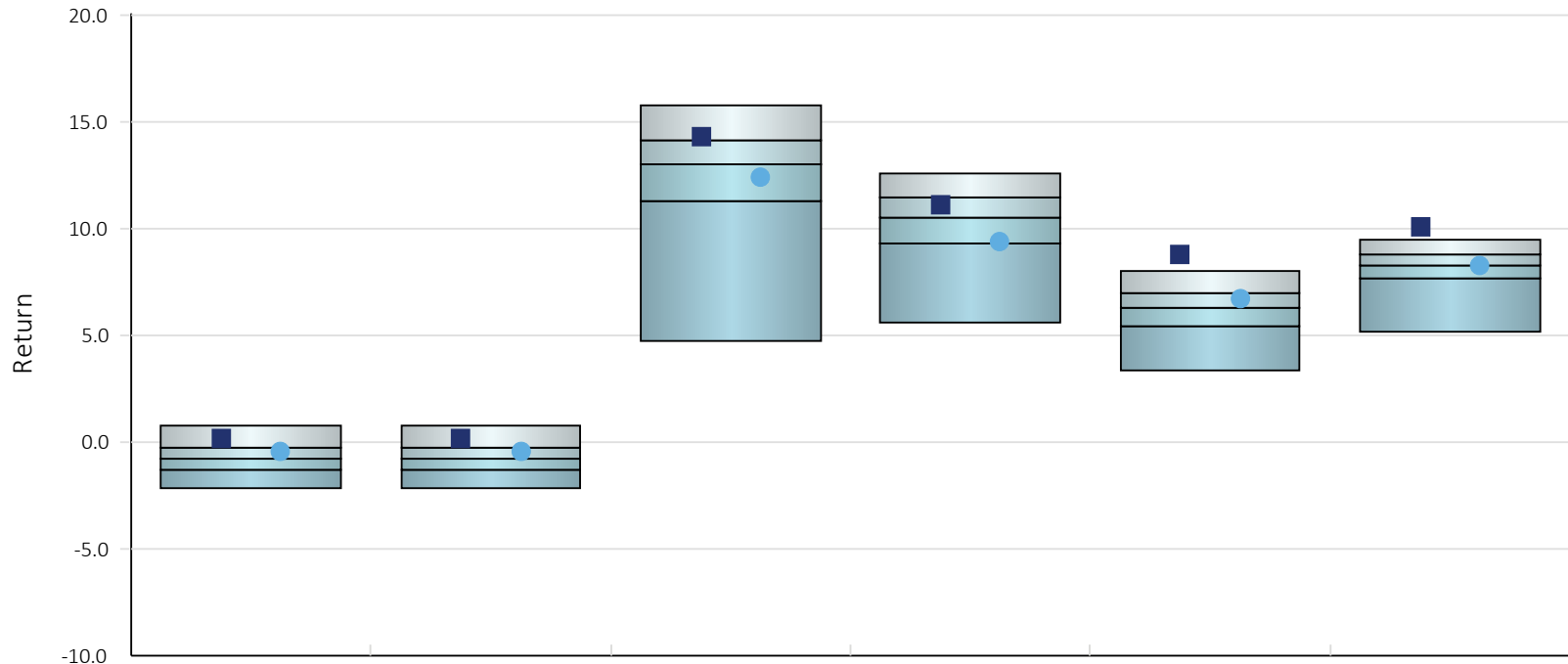
Total Manager Value Added: 1.1%



Plan Sponsor Peer Group Analysis

Total Fund vs All Public Plans-Total Fund (GOF)

Periods Ended March 31, 2026



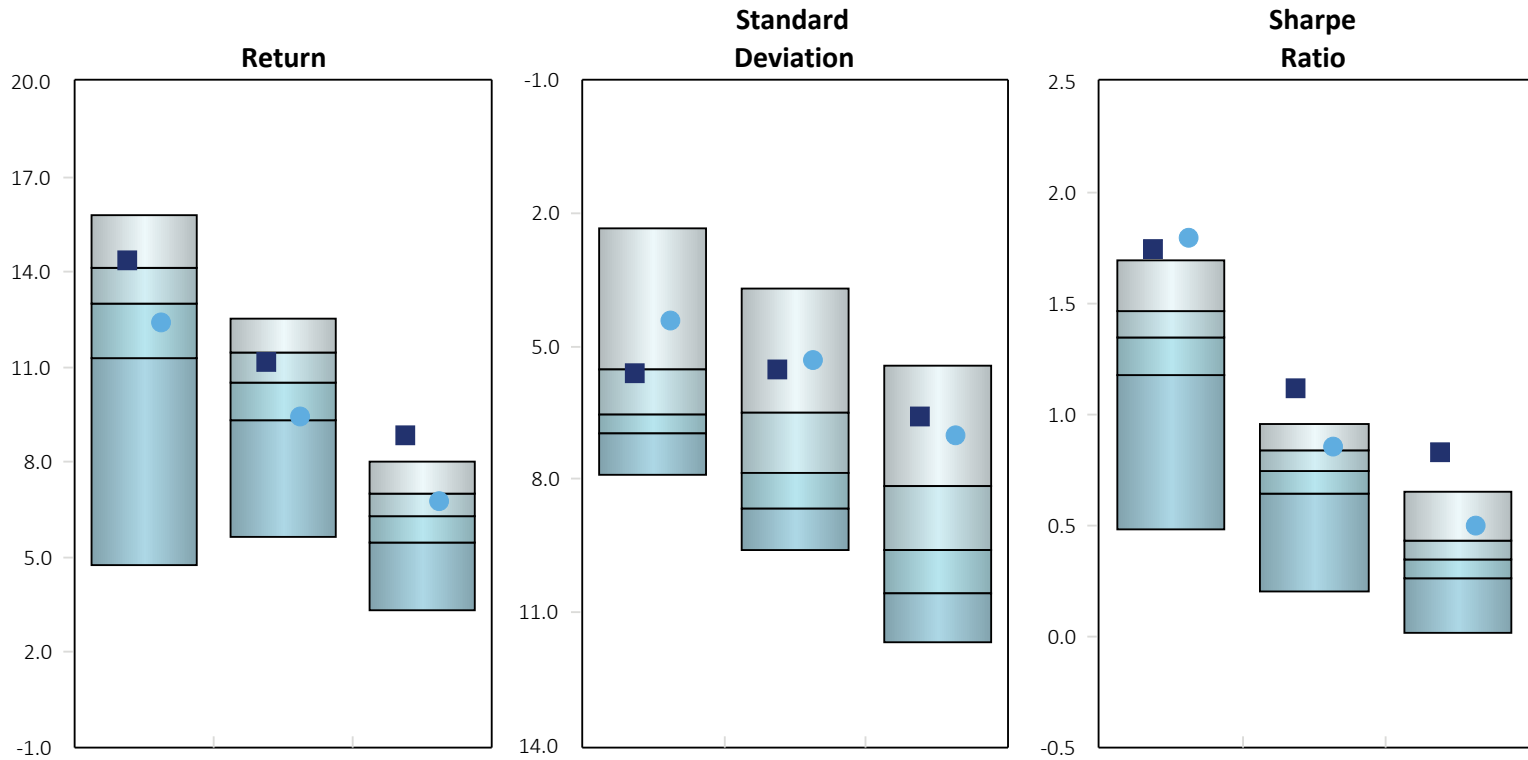
	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ Total Fund	0.15 (16)	0.15 (16)	14.33 (22)	11.14 (35)	8.82 (3)	10.07 (2)
● OSERS Policy Benchmark	-0.39 (30)	-0.39 (30)	12.38 (61)	9.41 (74)	6.75 (33)	8.28 (51)
5th Percentile	0.80	0.80	15.80	12.55	8.04	9.47
1st Quartile	-0.24	-0.24	14.11	11.44	7.00	8.79
Median	-0.74	-0.74	12.98	10.51	6.29	8.31
3rd Quartile	-1.29	-1.29	11.30	9.32	5.46	7.70
95th Percentile	-2.12	-2.12	4.75	5.61	3.34	5.16
Population	457	457	456	437	428	388

Parentheses contain percentile rankings.
 Calculation based on monthly periodicity.
 Ohio SERS performance is Gross of Fees

Plan Sponsor Peer Group Analysis - Multi Statistics

Total Fund vs All Public Plans-Total Fund (GOF)

Periods Ended March 31, 2026



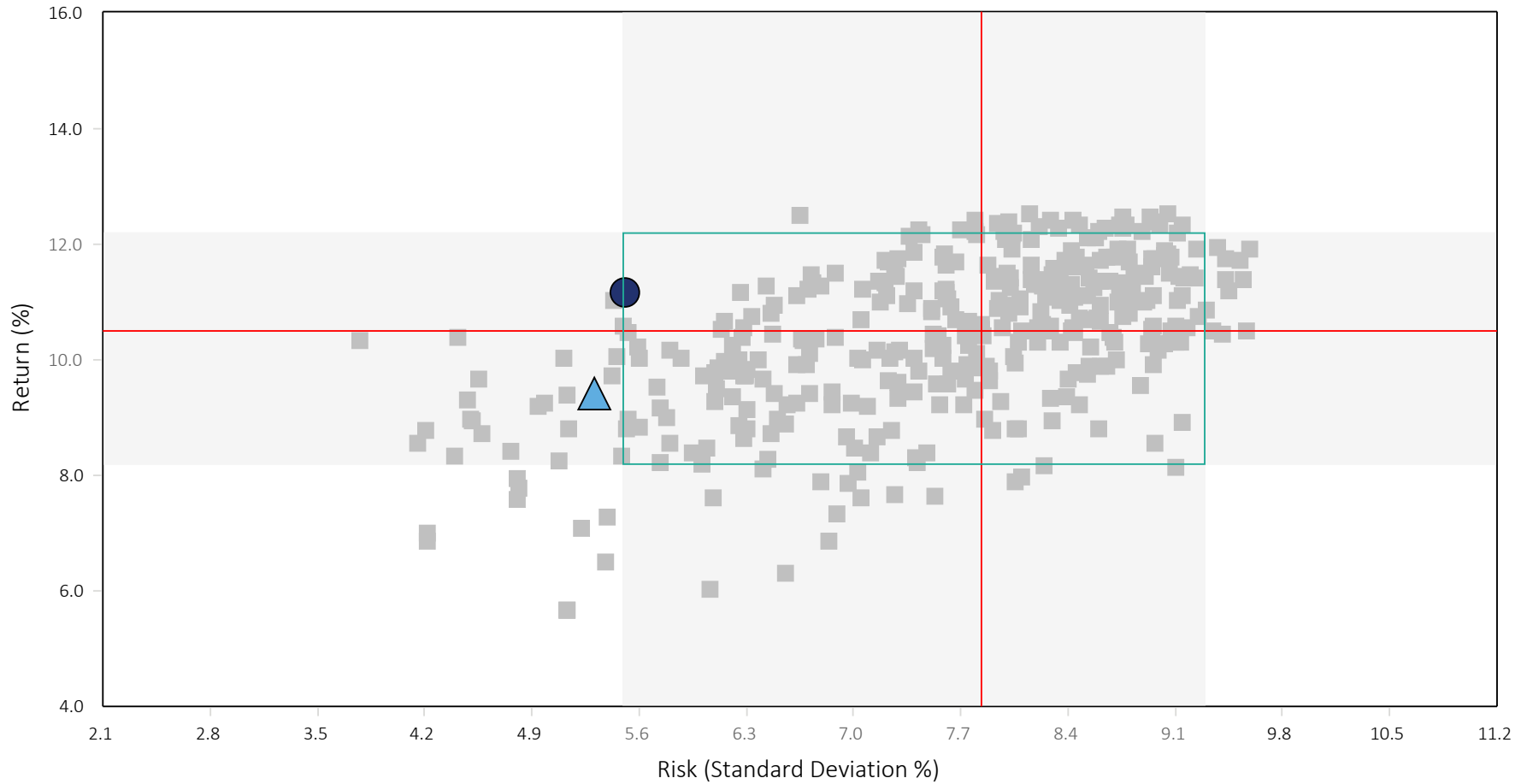
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ Total Fund	14.33 (22)	11.14 (35)	8.82 (3)	5.61 (26)	5.50 (12)	6.58 (10)	1.74 (5)	1.12 (2)	0.83 (2)
● OSERS Policy Benchmark	12.38 (61)	9.41 (74)	6.75 (33)	4.44 (10)	5.31 (11)	7.02 (12)	1.80 (3)	0.86 (22)	0.50 (12)
5th Percentile	15.80	12.55	8.04	2.34	3.72	5.43	1.69	0.96	0.65
1st Quartile	14.11	11.44	7.00	5.54	6.49	8.14	1.47	0.84	0.43
Median	12.98	10.51	6.29	6.53	7.84	9.61	1.35	0.75	0.34
3rd Quartile	11.30	9.32	5.46	6.97	8.65	10.58	1.18	0.64	0.26
95th Percentile	4.75	5.61	3.34	7.89	9.60	11.66	0.48	0.20	0.01

Parentheses contain percentile rankings.
 Calculation based on monthly periodicity.
 Ohio SERS performance is Gross of Fees

Plan Sponsor Scattergram

Total Fund vs All Public Plans-Total Fund

Periods Ended April 1, 2023 To March 31, 2026



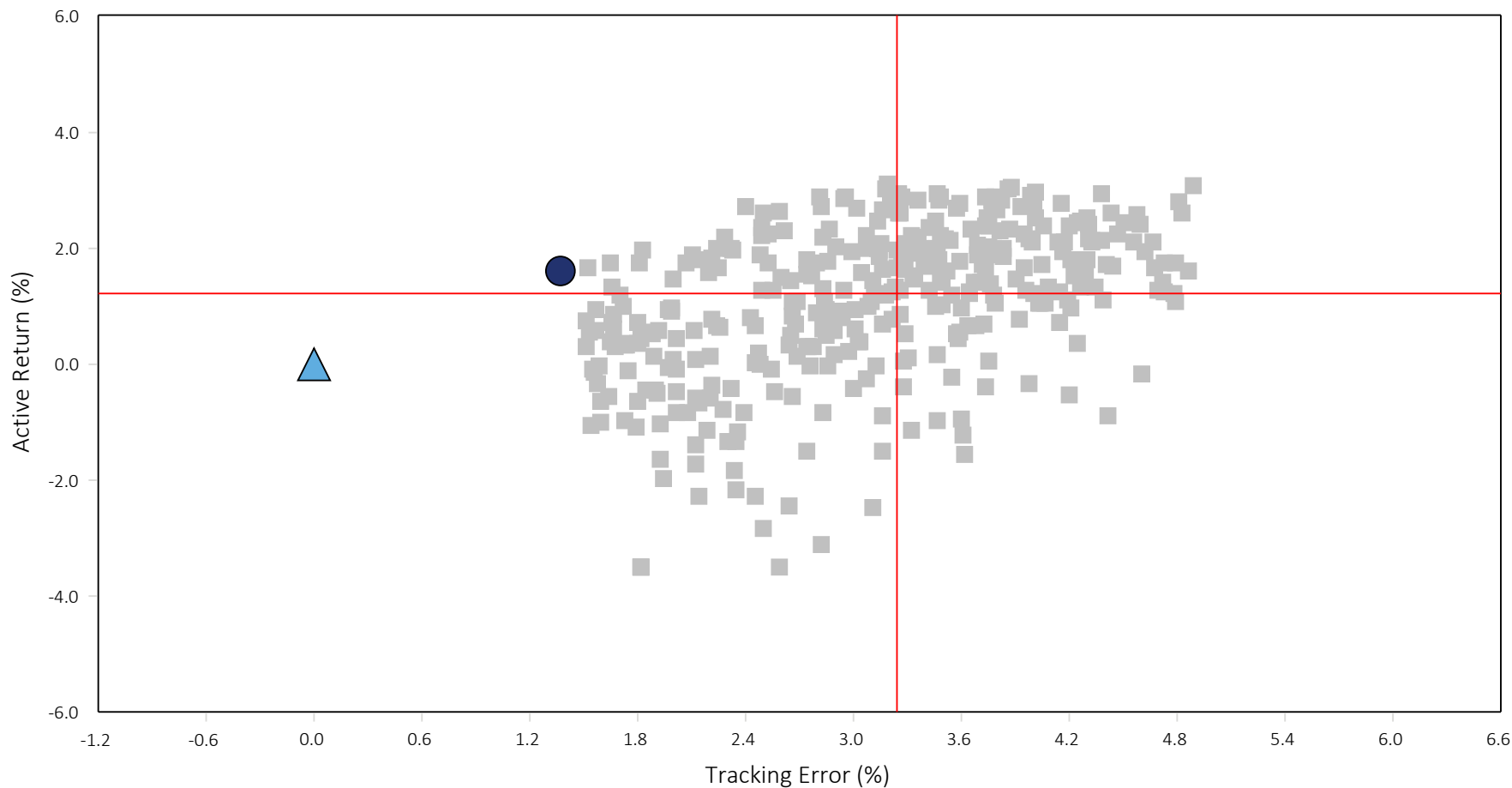
	Return	Standard Deviation
● Total Fund	11.14	5.50
▲ OSERS Policy Benchmark	9.41	5.31
— Median	10.51	7.84

Calculation based on monthly periodicity.
Ohio SERS performance is Gross of Fees

Plan Sponsor Scattergram

Total Fund vs All Public Plans-Total Fund

Periods Ended April 1, 2023 To March 31, 2026



	Active Return	Tracking Error
● Total Fund	1.59	1.36
▲ OSERS Policy Benchmark	0.00	0.00
— Median	1.21	3.24

Calculation based on monthly periodicity.
Ohio SERS performance is Gross of Fees

Asset Allocation & Performance

Total Fund

Periods Ended March 31, 2026

	Allocation		Performance (%) Net of Fees										
	Market Value \$000	%	1 Month	1 Quarter	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception	Inception Date
Total Fund	21,855,077	100.00	-3.64	0.09	0.09	7.64	13.99	10.52	8.15	9.39	6.99	8.04	10/1/1994
OSERS Policy Benchmark			-2.45	-0.39	-0.39	6.52	12.38	9.41	6.75	8.28	6.76	7.90	
Value Added			-1.19	0.48	0.48	1.12	1.62	1.10	1.40	1.11	0.23	0.13	
Global Equity	9,364,932	42.92	-7.59	-1.47	-1.47	10.54	23.43	18.01	10.02	11.99	8.01	8.76	7/1/2002
Global Equity Benchmark			-7.18	-3.20	-3.20	7.61	20.01	16.56	9.23	11.23	7.74	8.32	
Value Added			-0.41	1.73	1.73	2.93	3.42	1.42	0.79	0.76	0.27	0.44	
Global Private Equity	2,752,568	12.61	-0.78	1.32	1.32	7.08	10.04	10.46	14.27	15.91	13.64	13.09	10/1/1994
Global PE Benchmark			3.47	3.47	3.47	10.81	12.82	8.08	10.19	12.83	11.28	12.50	
Value Added			-4.24	-2.15	-2.15	-3.73	-2.79	2.38	4.08	3.07	2.36	0.58	
Global Private Credit	1,145,562	5.25	0.28	0.73	0.73	4.28	6.76	9.42	9.04			9.99	7/1/2020
Global PC Benchmark			0.68	2.10	2.10	6.52	8.84	9.56	8.07			7.63	
Value Added			-0.40	-1.36	-1.36	-2.23	-2.08	-0.13	0.98			2.36	
Global Fixed Income	2,975,412	13.64	-2.15	0.09	0.09	3.73	5.63	4.93	1.30	2.87	4.27	5.27	10/1/1994
Fixed Income Benchmark			-1.79	-0.15	-0.15	3.20	4.64	3.81	0.41	1.75	3.31	4.60	
Value Added			-0.36	0.23	0.23	0.53	0.99	1.12	0.89	1.12	0.96	0.68	
Cash Accounts	837,434	3.68	0.34	0.95	0.95	3.04	4.12	4.75	3.37	2.28	1.89	1.92	7/1/2002
FTSE 1 Month T-Bill			0.32	0.91	0.91	3.06	4.18	4.89	3.44	2.26	1.62	1.66	
Value Added			0.02	0.04	0.04	-0.02	-0.06	-0.13	-0.07	0.02	0.27	0.26	

Ohio SERS performance is Net of Fees.

Total Fund assets are greater than the sum of the components due to the addition of notional values from overlay strategies.

Asset Allocation & Performance

Total Fund

Periods Ended March 31, 2026

	Allocation		Performance (%) Net of Fees										
	Market Value \$000	%	1 Month	1 Quarter	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception	Inception Date
Global Real Estate	2,220,176	10.17	0.04	1.12	1.12	2.28	2.86	-3.02	4.26	5.54	4.58	6.74	9/1/1994
Global Real Estate Benchmark			1.13	1.13	1.13	3.62	4.94	-1.00	3.80	4.85	6.29	8.18	
Value Added			-1.09	-0.01	-0.01	-1.33	-2.08	-2.02	0.46	0.69	-1.72	-1.44	
Global Infrastructure	1,658,617	7.60	1.77	2.36	2.36	7.30	10.39	8.56	9.59	10.35	10.10	10/1/2015	
Global Infrastructure Benchmark			1.93	1.93	1.93	5.79	7.75	4.09	6.97	6.44	6.72		
Value Added			-0.16	0.43	0.43	1.51	2.65	4.47	2.62	3.91	3.38		
Opportunistic & Tactical	900,377	4.13	-1.09	3.40	3.40	13.75	15.93	11.39	9.82	9.79	7.92	6/1/2013	
Opportunistic Benchmark			-1.58	0.41	0.41	4.57	6.35	5.63	2.31	4.19	4.63		
Value Added			0.49	2.99	2.99	9.18	9.58	5.76	7.50	5.60	3.28		

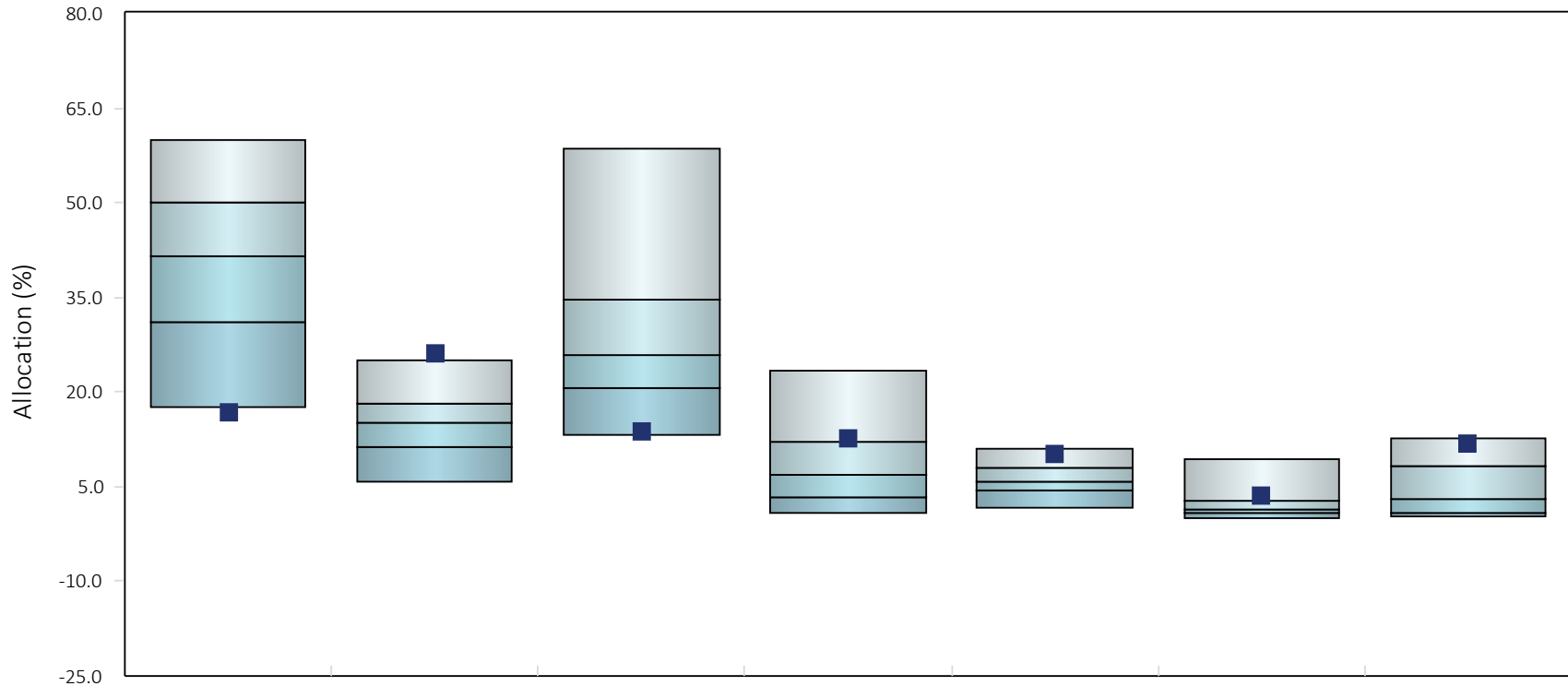
Ohio SERS performance is Net of Fees.

Total Fund assets are greater than the sum of the components due to the addition of notional values from overlay strategies.

Plan Sponsor TF Asset Allocation

Total Fund vs All Public Plans-Total Fund

Periods Ended March 31, 2026



	US Equity	Global ex-US Equity	US Fixed	Private Equity	Total Real Estate	Cash & Equivalents	Other
■ Total Fund	16.90	26.02	13.64	12.61	10.17	3.68	11.73
5th Percentile	60.04	25.09	58.64	23.28	11.00	9.40	12.63
1st Quartile	49.95	18.23	34.55	12.08	7.94	2.70	8.25
Median	41.51	15.00	25.80	6.76	5.87	1.39	3.11
3rd Quartile	30.98	11.27	20.64	3.32	4.30	0.71	0.95
95th Percentile	17.63	5.68	13.15	0.78	1.68	0.08	0.24

*Other: Infrastructure, Opportunistic & Tactical
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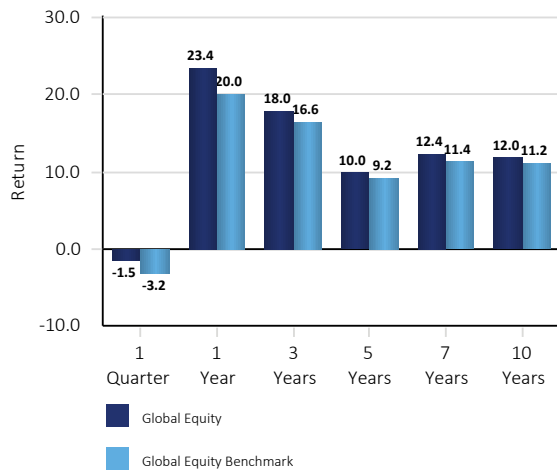
Global Equity

Performance Summary

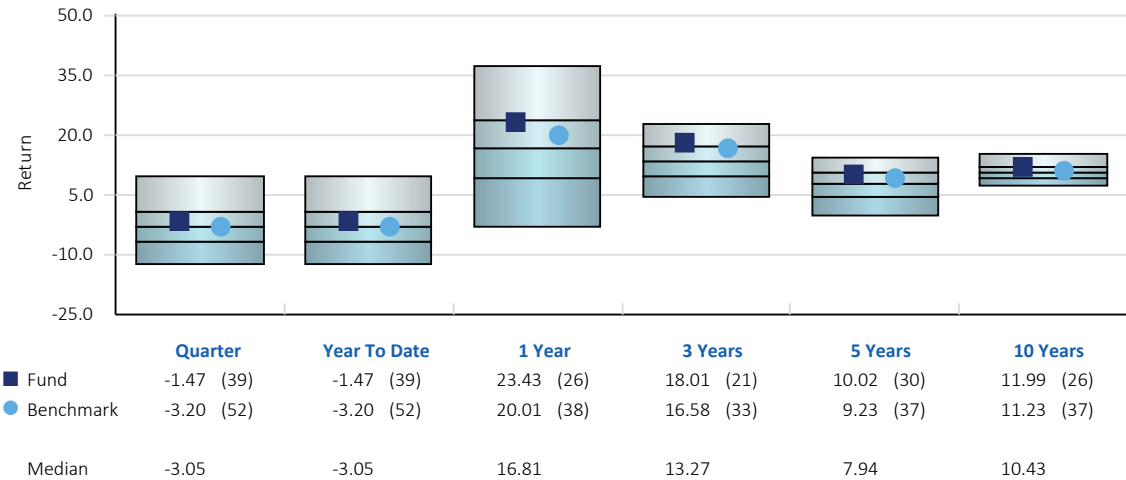
Global Equity

Periods Ended March 31, 2026

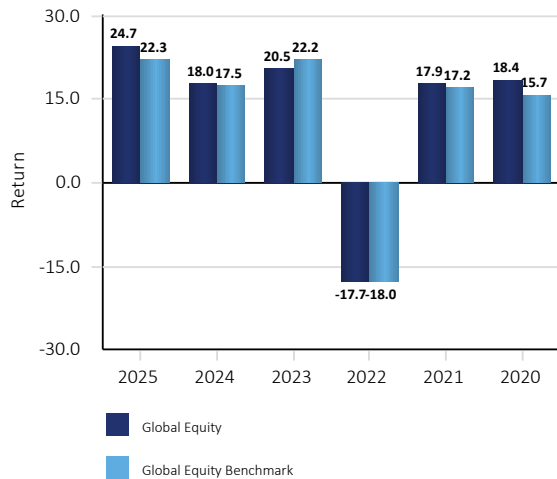
Comparative Performance



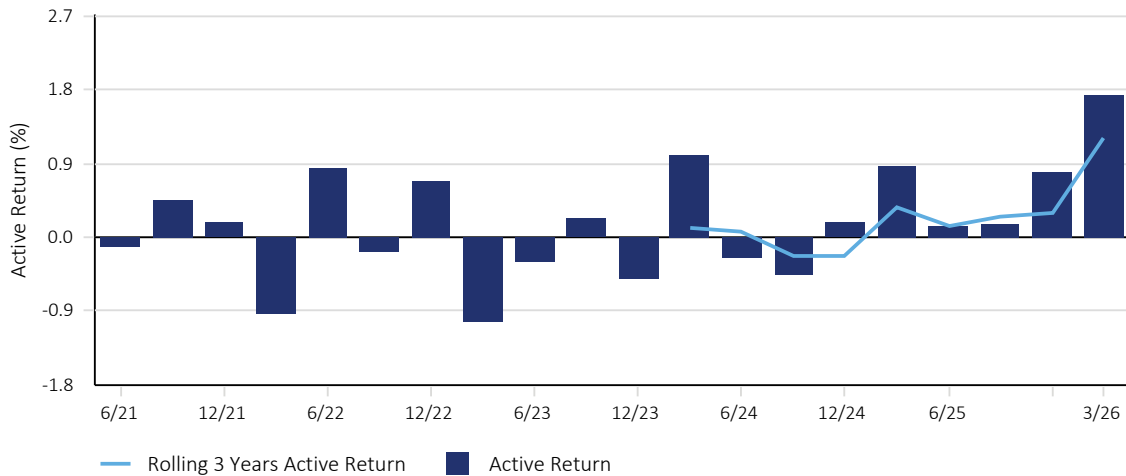
Peer Group Analysis: IM Global Equity (SA+CF)



Comparative Performance



Quarterly Active Return

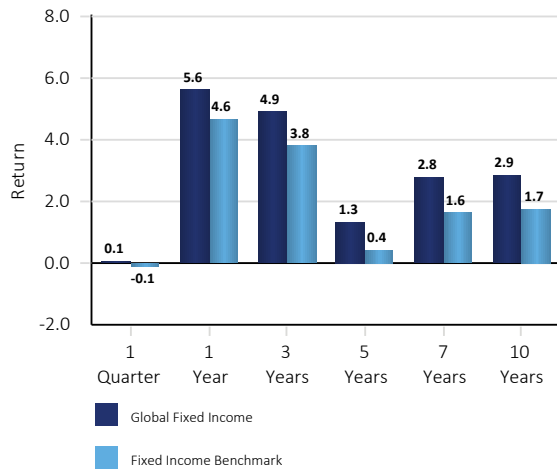


Global Fixed Income

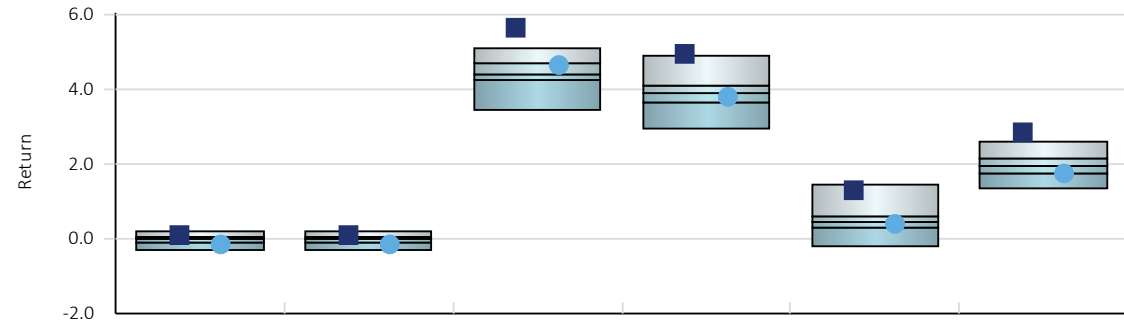
Performance Summary

Global Fixed Income
Periods Ended March 31, 2026

Comparative Performance

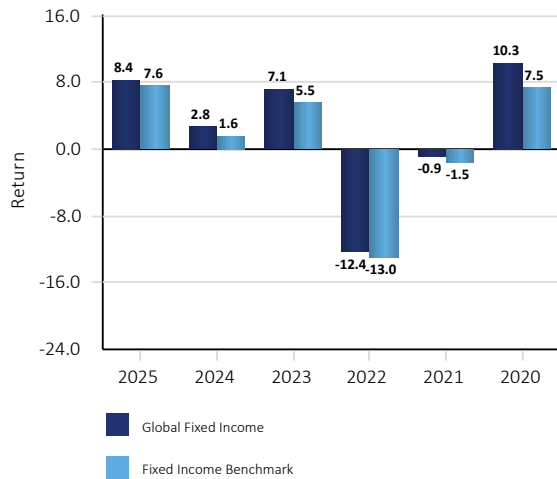


Peer Group Analysis: IM U.S. Broad Market Core Fixed Income (SA+CF)

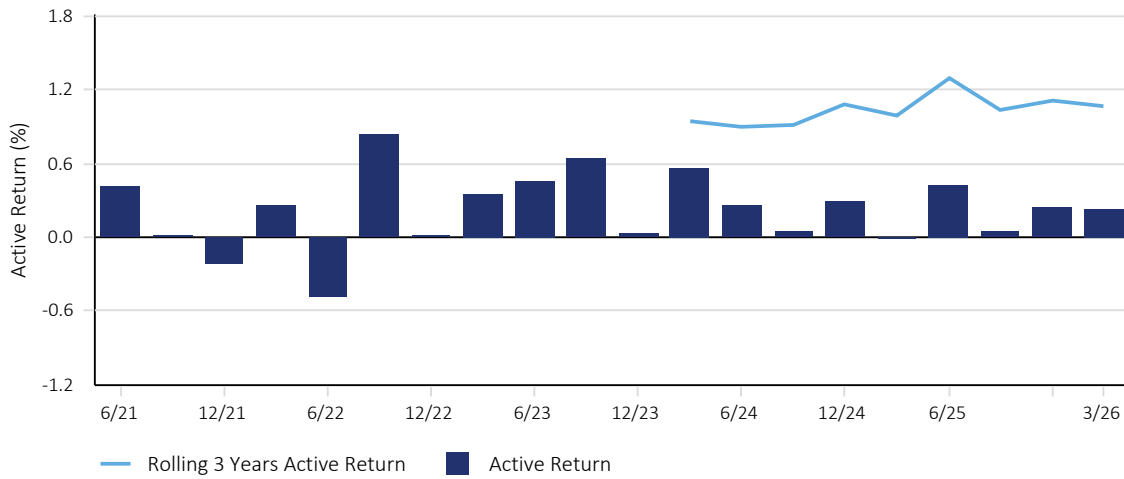


	Quarter	Year To Date	1 Year	3 Years	5 Years	10 Years
■ Fund	0.09 (18)	0.09 (18)	5.63 (2)	4.93 (5)	1.30 (7)	2.87 (4)
● Benchmark	-0.15 (84)	-0.15 (84)	4.64 (27)	3.81 (57)	0.41 (56)	1.75 (74)
Median	-0.01	-0.01	4.38	3.89	0.46	1.97

Comparative Performance



Quarterly Active Return

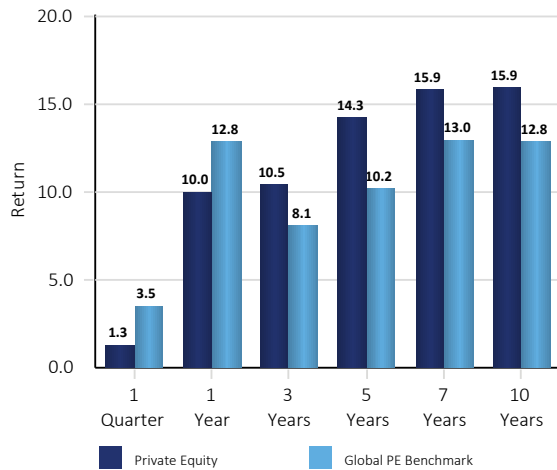


Global Private Equity

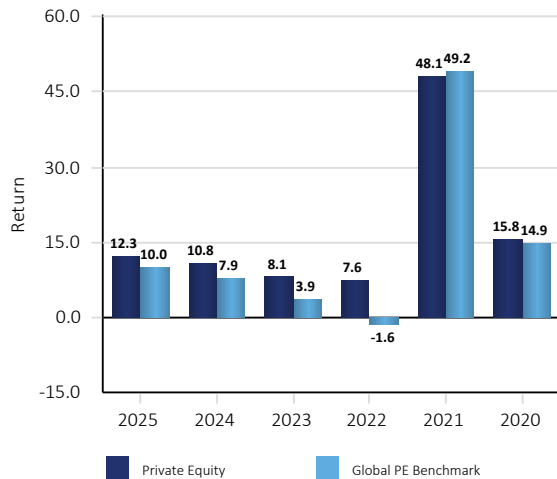
Performance Summary

Global Private Equity
 Periods Ended March 31, 2026

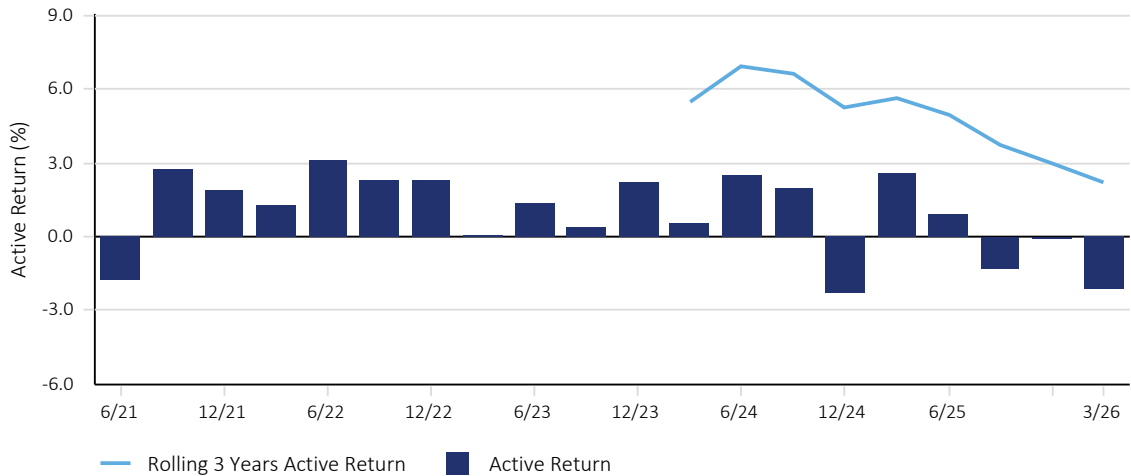
Comparative Performance



Comparative Performance



Quarterly Active Return



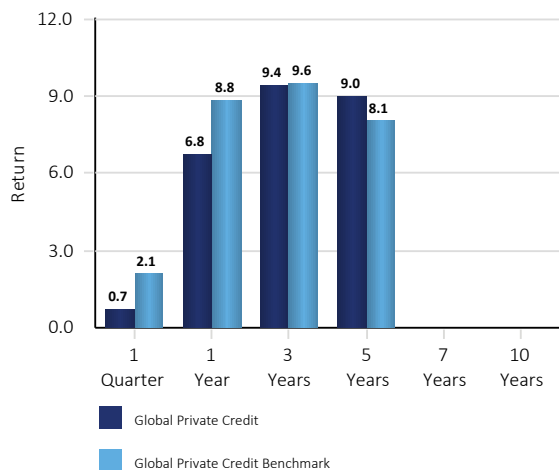
Global Private Credit

Performance Summary

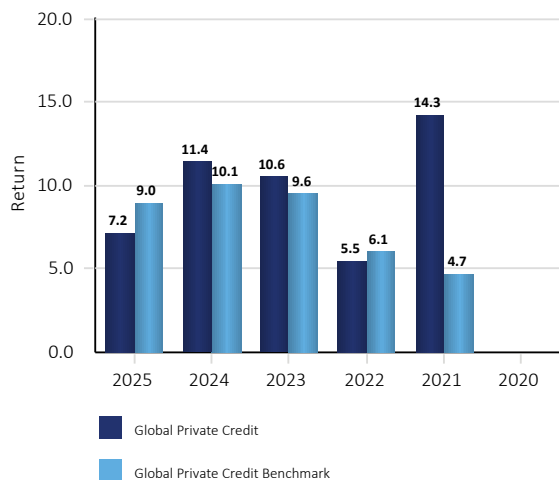
Global Private Credit

Periods Ended March 31, 2026

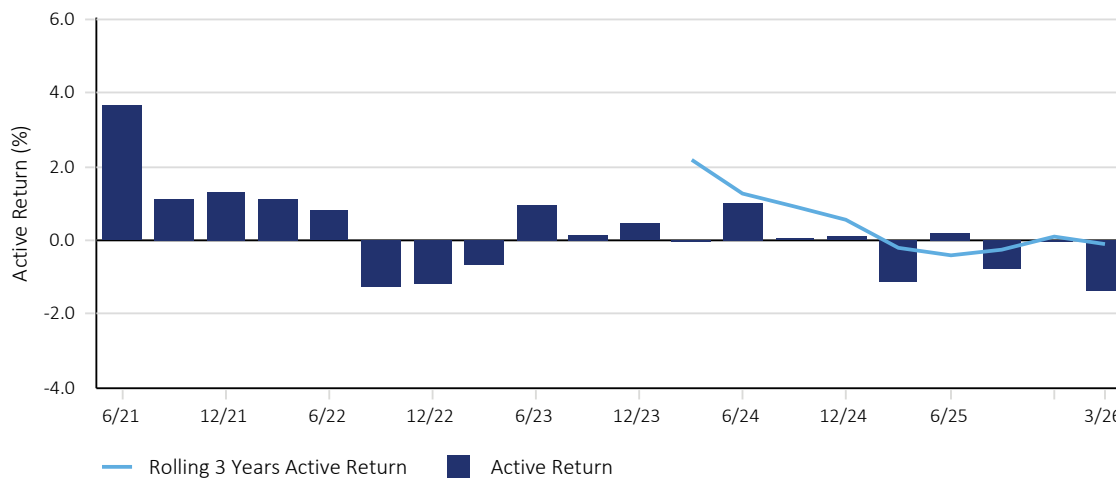
Comparative Performance



Comparative Performance



Quarterly Active Return



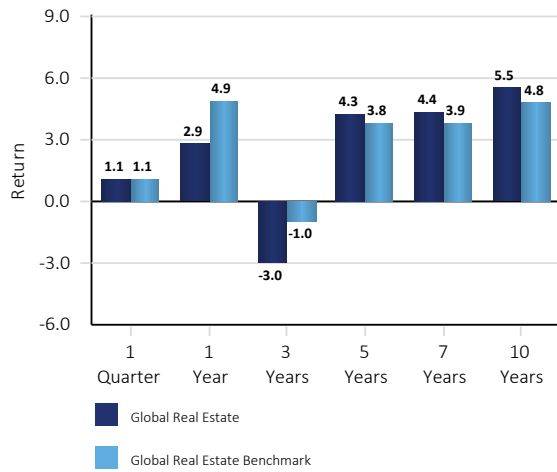
Real Estate & Infrastructure

Performance Summary

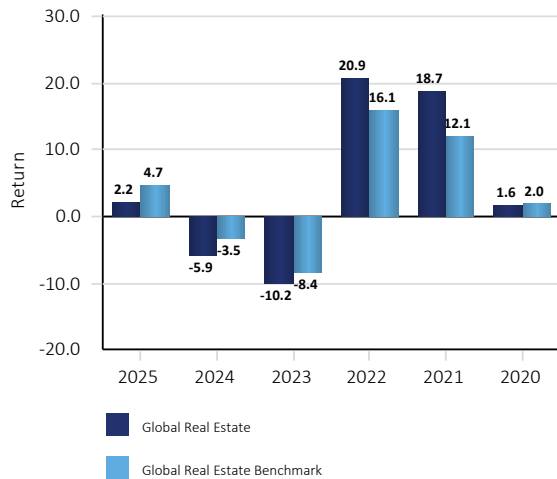
Real Estate

Periods Ended March 31, 2026

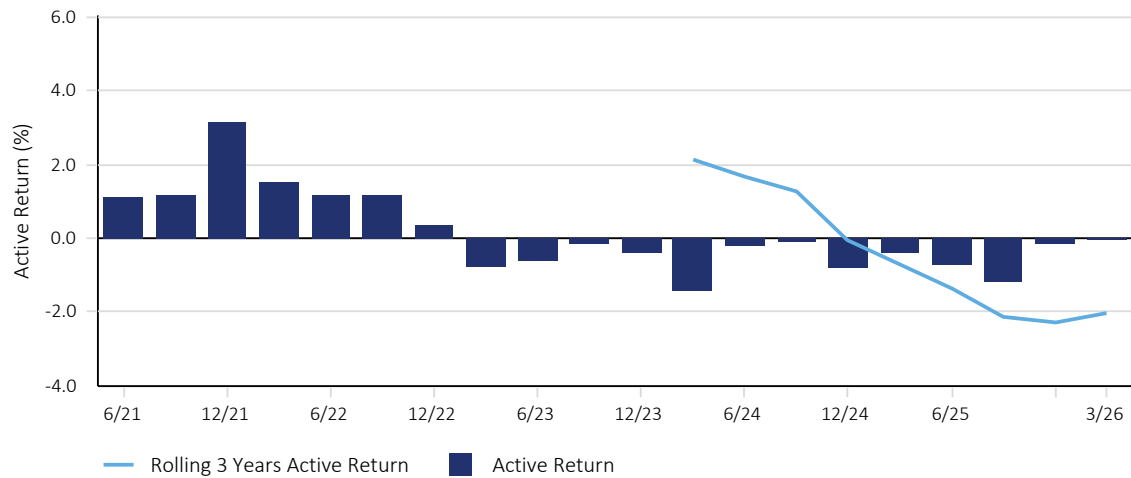
Comparative Performance



Comparative Performance



Quarterly Active Return

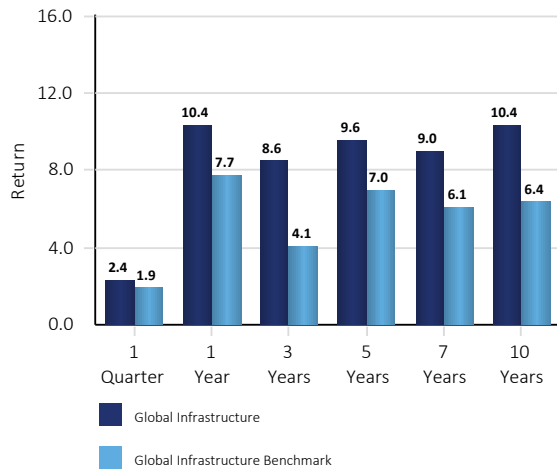


Performance Summary

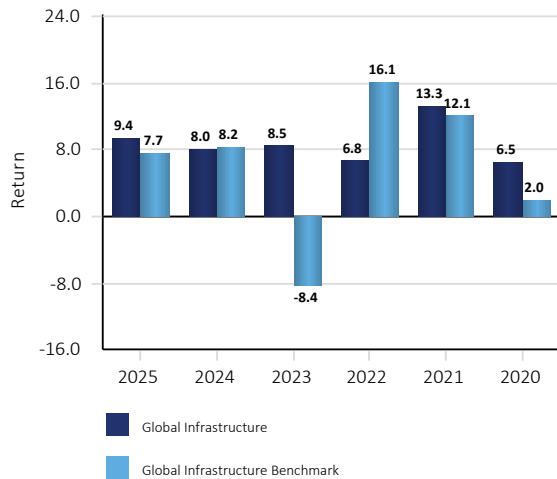
Infrastructure

Periods Ended March 31, 2026

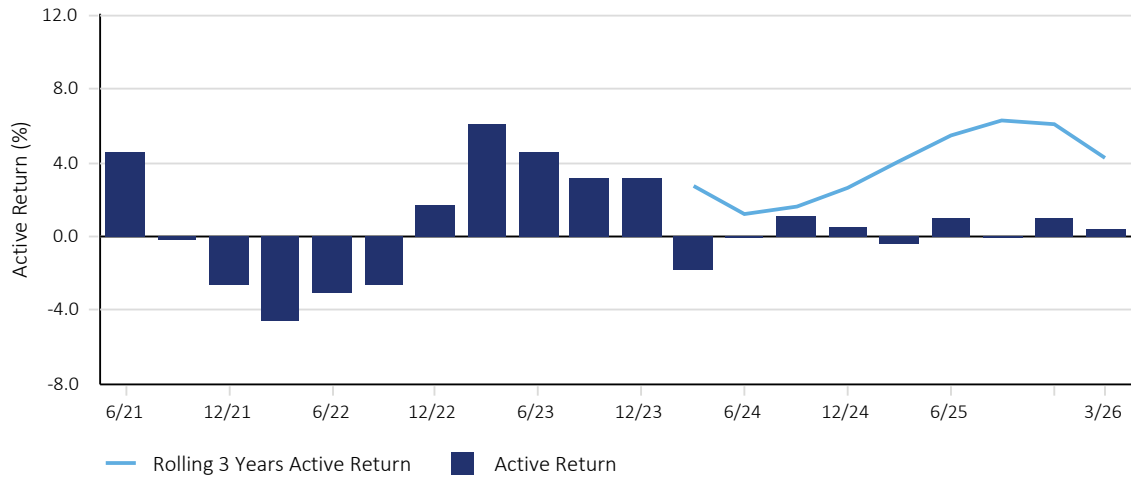
Comparative Performance



Comparative Performance



Quarterly Active Return

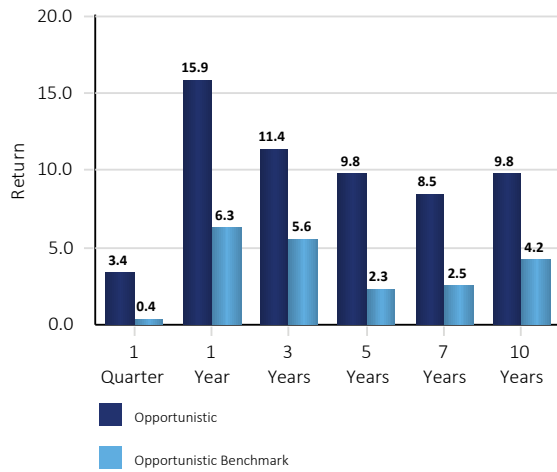


Opportunistic & Tactical

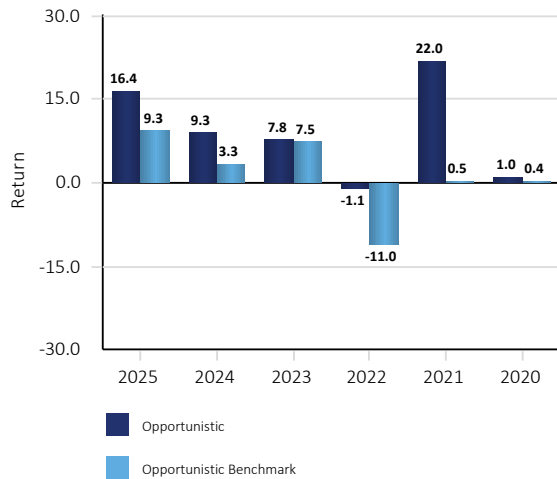
Performance Summary

Opportunistic & Tactical
 Periods Ended March 31, 2026

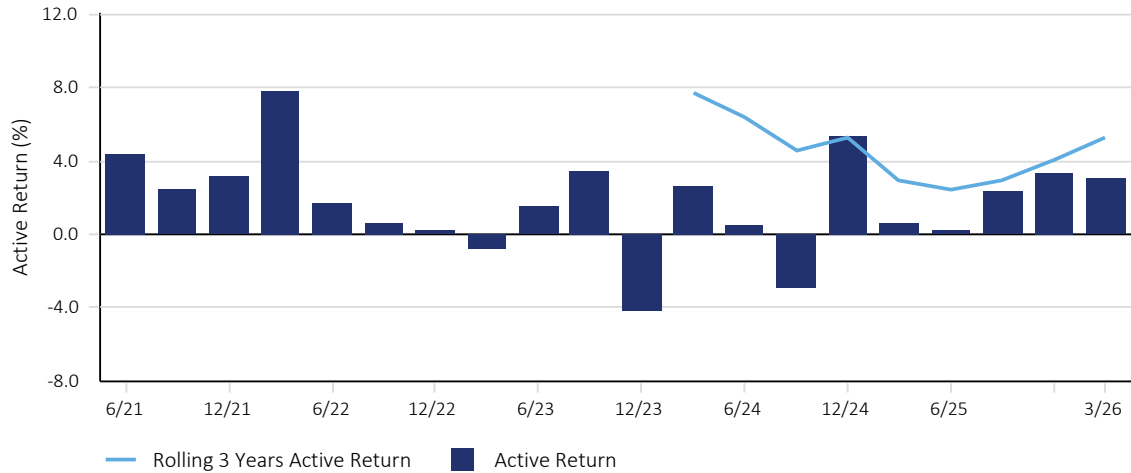
Comparative Performance



Comparative Performance



Quarterly Active Return



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Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: March 31, 2026

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: May 2026



Investment Agenda

- Investment consultant presentations (possible vote).
- Wilshire Quarterly Performance Report (March 31, 2026).
- Quarterly Investment Report (March 31, 2026).
- Statement of Investment Policy Amendments – Draft discussion
- FY27 Annual Investment Plan – Draft discussion.
- FY27 Investment Department Incentive Program (possible vote).



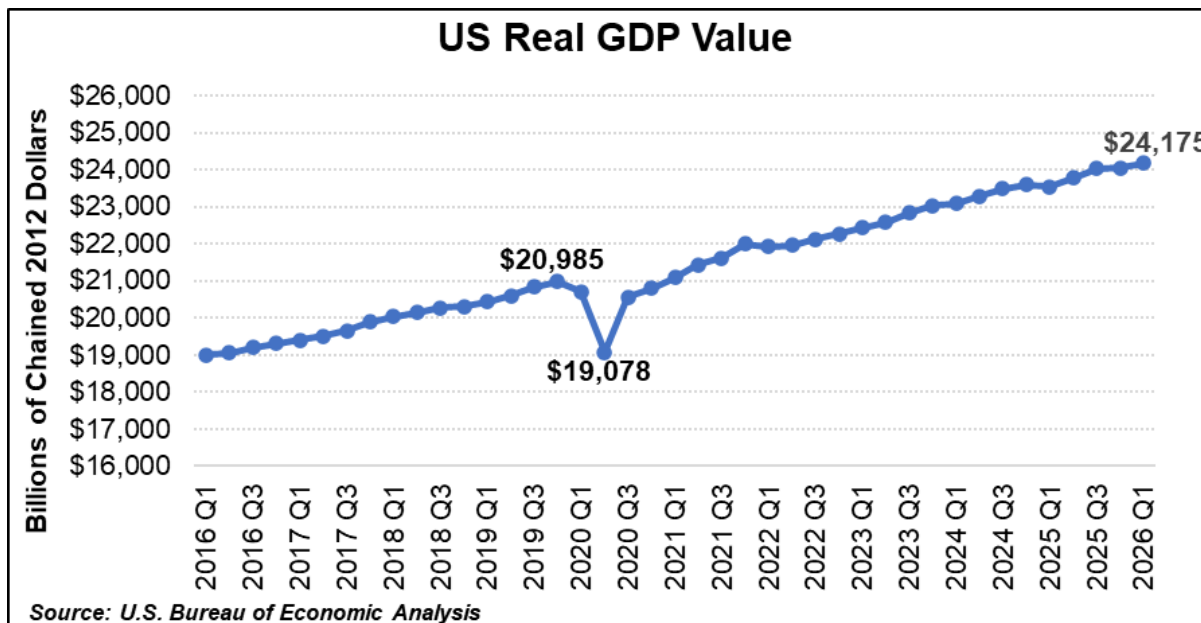
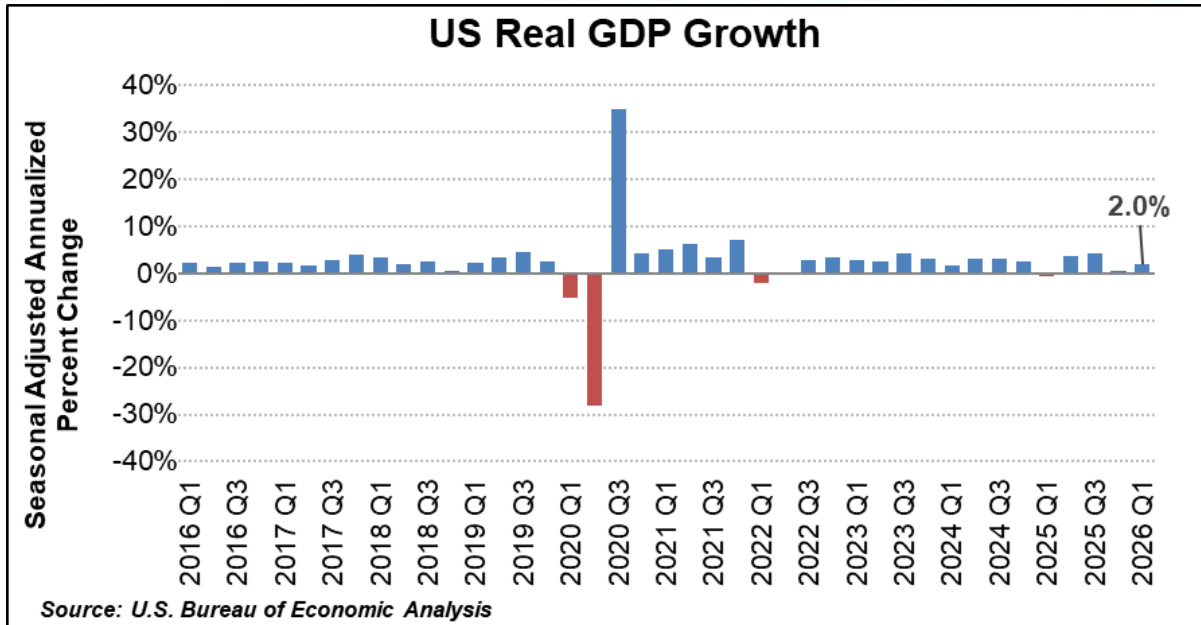
Economic and Financial Market Outlook

- GDP grew at an annualized rate of 2.0% in Q1, up from 0.5% in Q4 2025, largely due to recovery after the government shutdown and strong AI-related investments. Personal consumption expenditures slowed to 1.6% from 1.9%. The April Blue Chip Economic Indicators forecast 2.2% GDP growth for 2026, fueled by ongoing capital spending on AI. However, conflict with Iran could raise oil prices for an extended period and disrupt supply chains, increasing inflation and recession risk. (Source: *Bureau of Economic Analysis and Blue Chip Economic Indicators*).
- The US labor market improved for the second straight month in April, adding 115,000 jobs after a gain of 185,000 in March. The unemployment rate remained at 4.3%. Job gains were led by transportation and warehousing, retail trade, and social assistance sectors. The labor force participation rate ticked down to 61.8%. (Sources: *Bureau of Labor Statistics*).
- US headline inflation rose from 2.4% in February to 3.3% in March as energy prices increased 10.9% for the month and 12.5% for the last 12 months. Core inflation (less food and energy) increased by 0.2% to 2.7% in March. (Source: *Bureau of Labor Statistics*).
- The 10-year Treasury nominal yield increased 10 basis points to 4.40% in April. As of March, the current 10-year real yield, estimated by the difference between the 10-year Treasury nominal yield and current headline inflation, stood at 1.04%, which is 0.74% below the historical average. The Federal Reserve maintains the federal funds rate at 3.5%–3.75%.
- The housing market slowed, with the S&P Case-Shiller 20-City home price index rising 0.9% annually, down from last month's 1.18%.
- The Consumer Sentiment Index from Thomson Reuters and the University of Michigan fell in May to an all-time low of 48.2, which is a decrease of 3.2% compared to the previous month and 7.7% lower than a year ago. Both the US and Global Economic Surprise indices were positive in March, indicating that the actual economic data were better than expected. The US reading increased slightly to 21.1 from 20.5 last month; the Global reading declined to 12.0 from 23.2. The latest Leading Economic Index (LEI), issued by the Conference Board, was 97.3 in March. The index declined by 0.6% over the month and by 1.0% for the 6-month period, suggesting a potential deceleration in economic growth ahead.
- US Manufacturing PMI remained at an expansion level of 52.7 in April. An over-50 level indicates an increase in business activities. Global Manufacturing PMI also rose to 52.6, the highest expansion level over the last four years and business optimism improved from March's five-month low. (Source: *Institute for Supply Management and S&P Global*).
- Equity markets rallied in April: US market (Russell 3000) gained 10.20%, Non-US Developed markets (MSCI World ex-USA) rose 7.39%, and Emerging markets (MSCI EM) advanced 14.71%.
- The US fixed income market, Bloomberg US Universal Bond Index, increased 0.31% in April.



ECONOMY

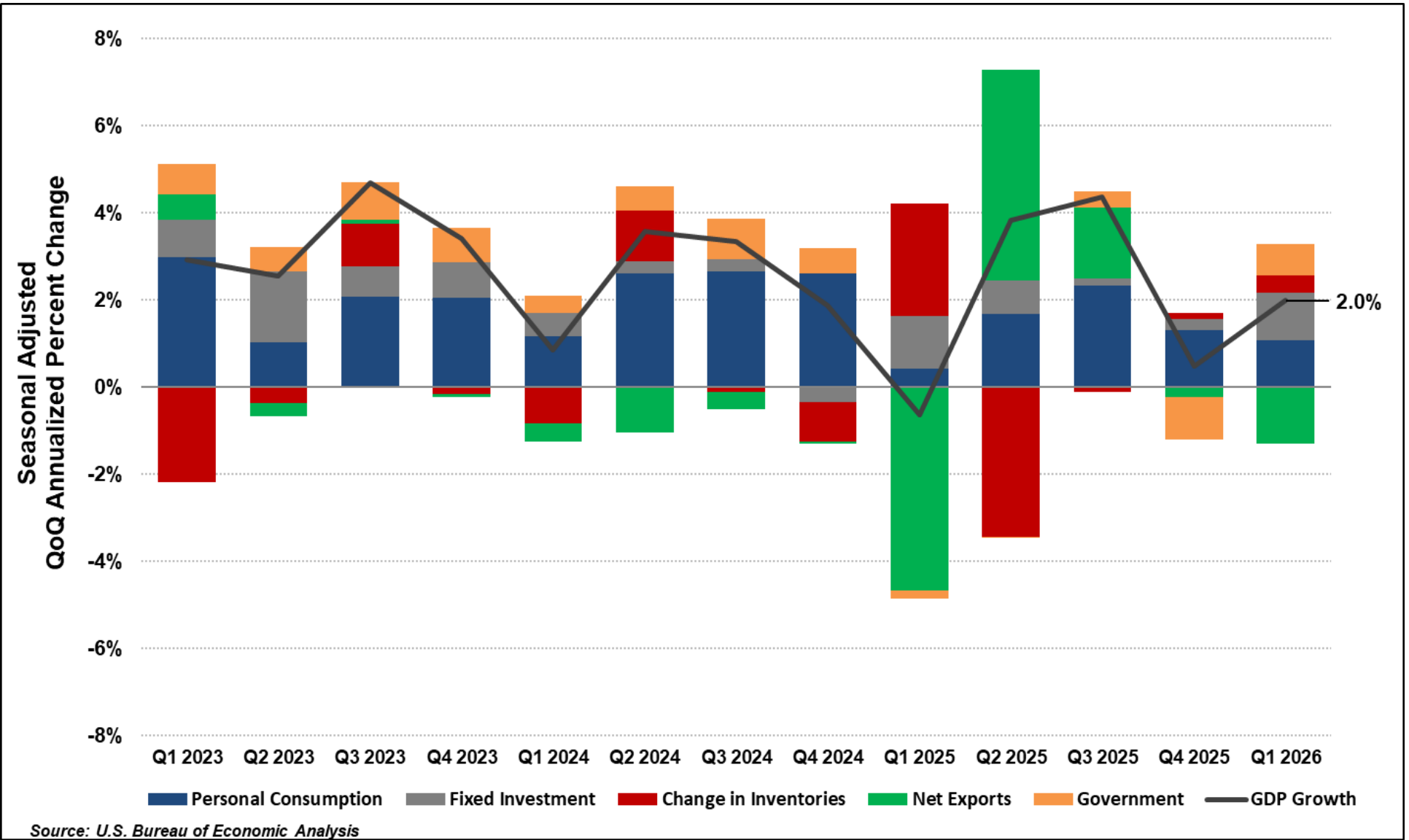
US Real Gross Domestic Product





ECONOMY

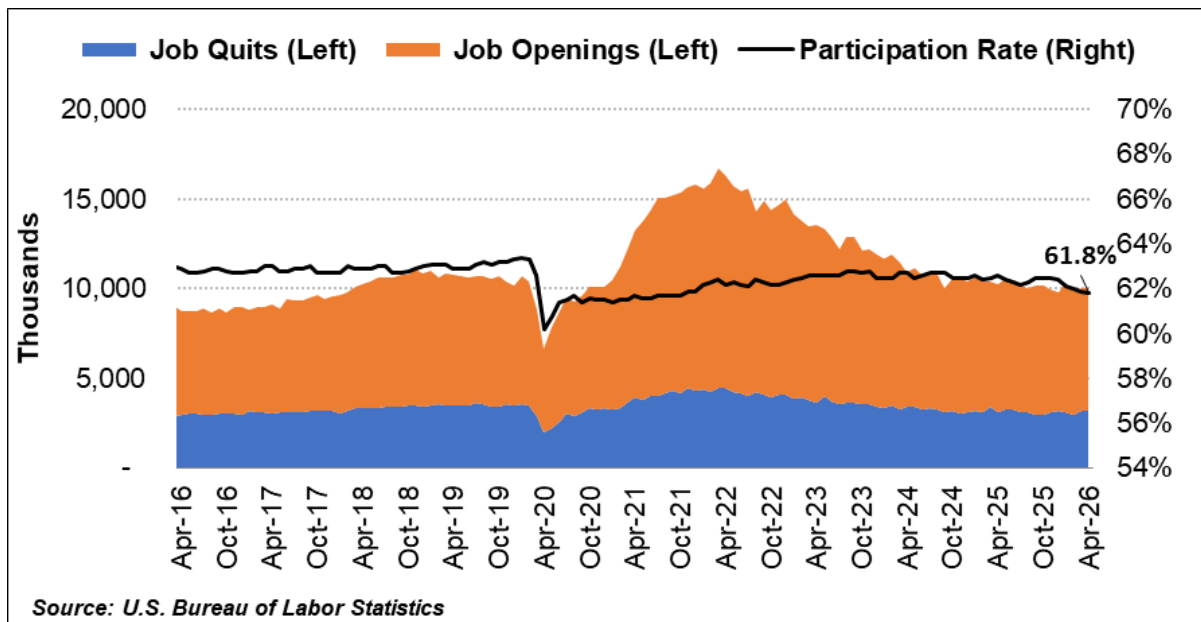
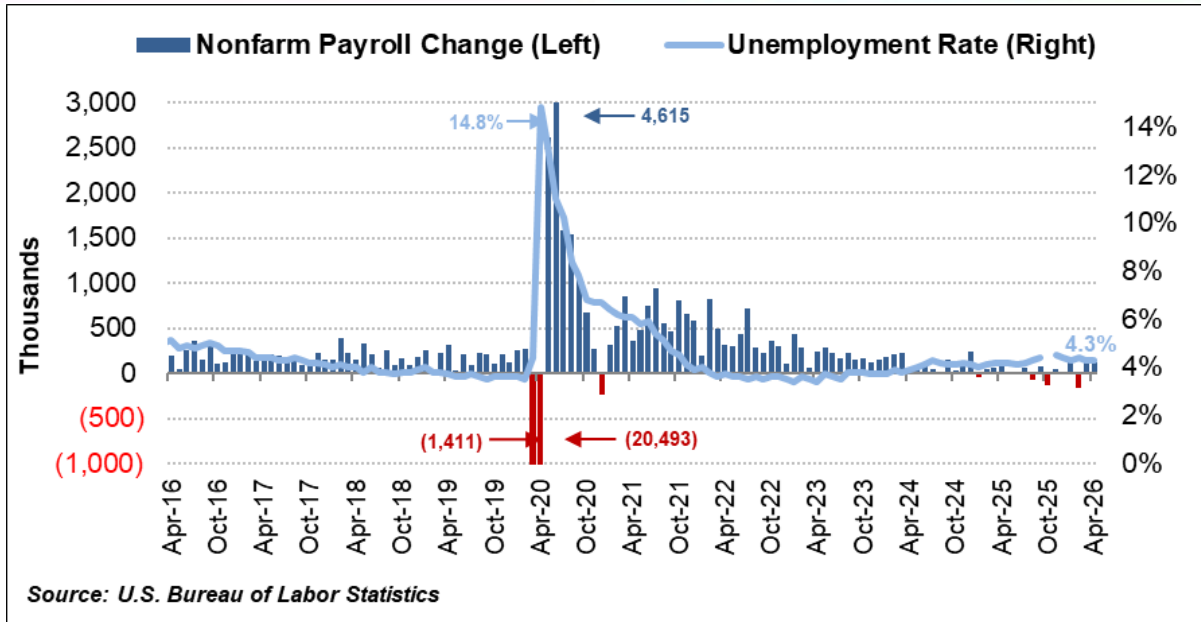
GDP Growth and its Component Contributions





ECONOMY

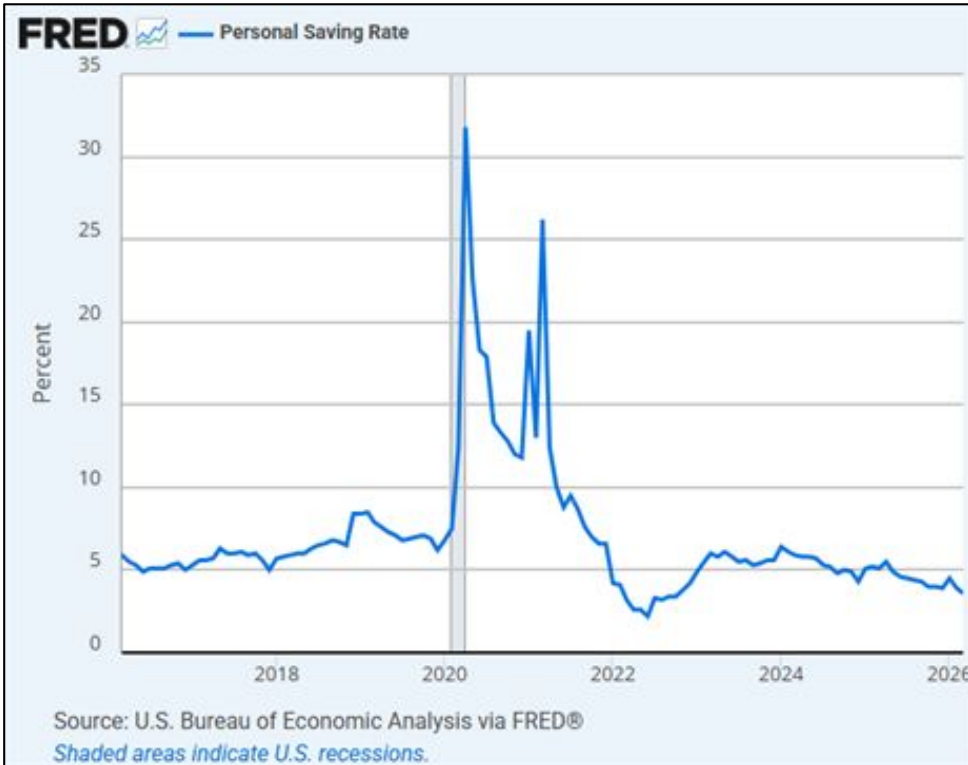
US Labor Market





ECONOMY

Personal Savings Rate & Personal Expenditures: Goods



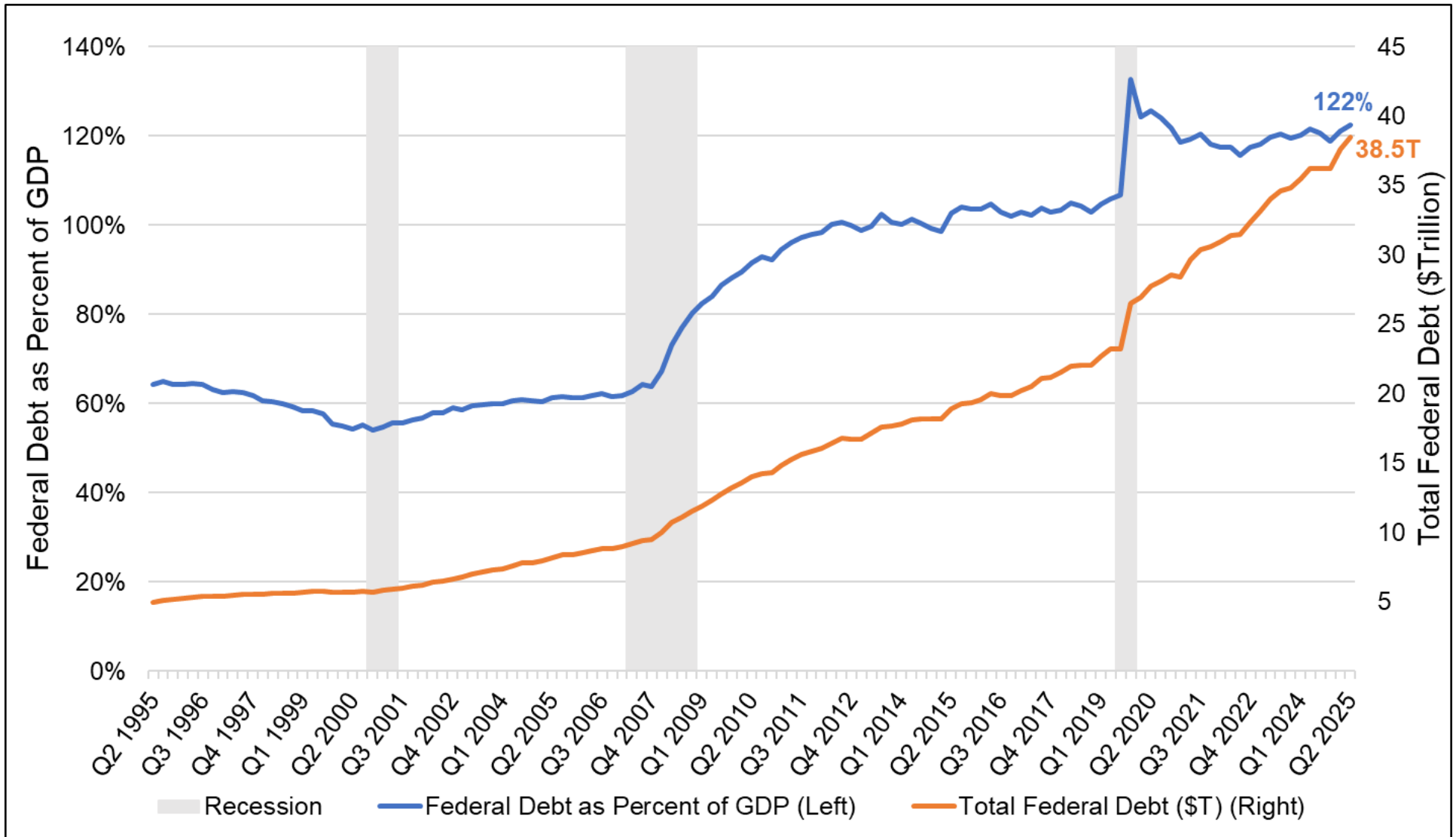
Date	Annual Personal Savings Rate
Jun-22	2.2%
Jun-23	5.8%
Jun-24	5.7%
Jun-25	4.6%
Mar-26	3.6%

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%
Mar-26	4.5%



ECONOMY

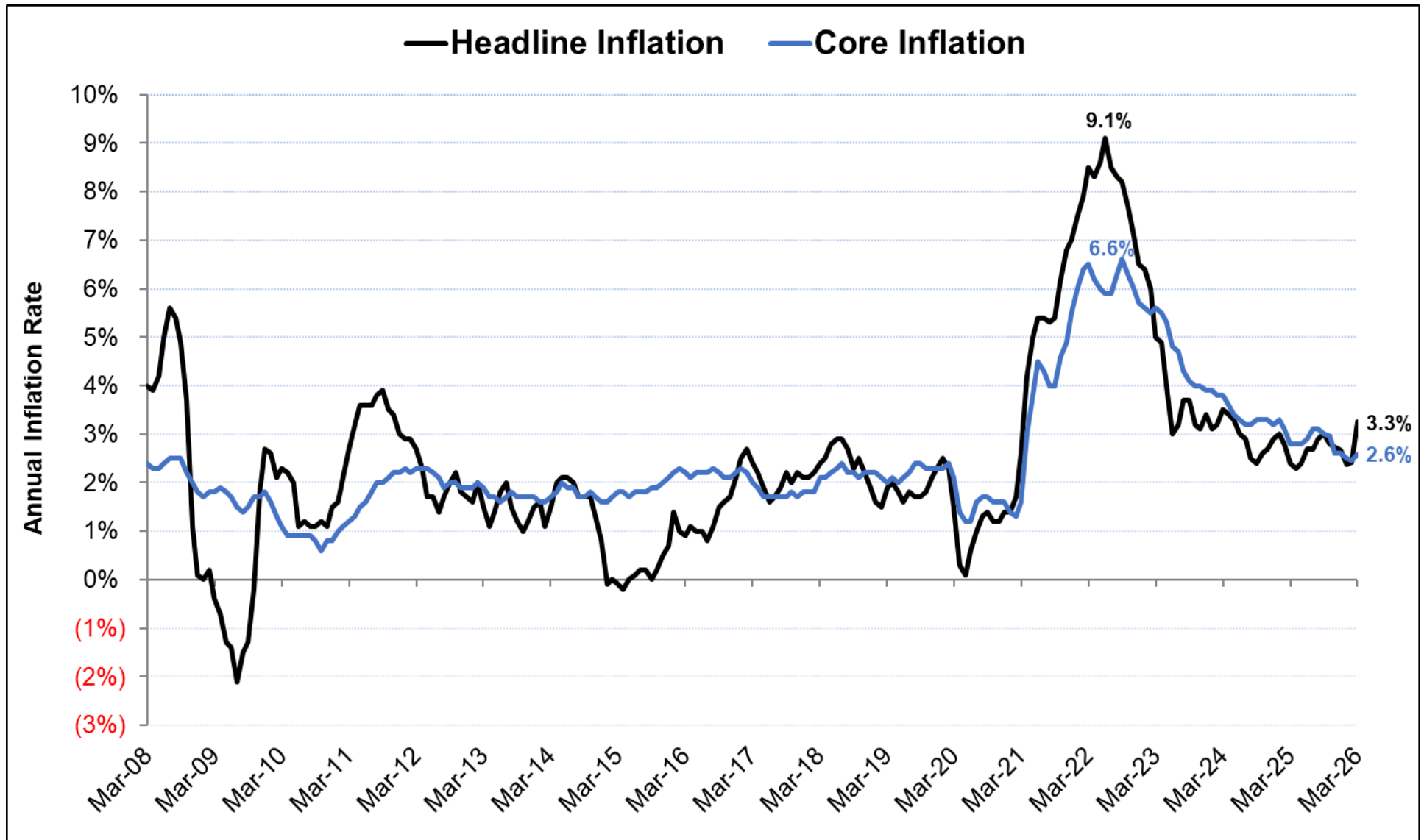
Federal Debt as Percent of GDP





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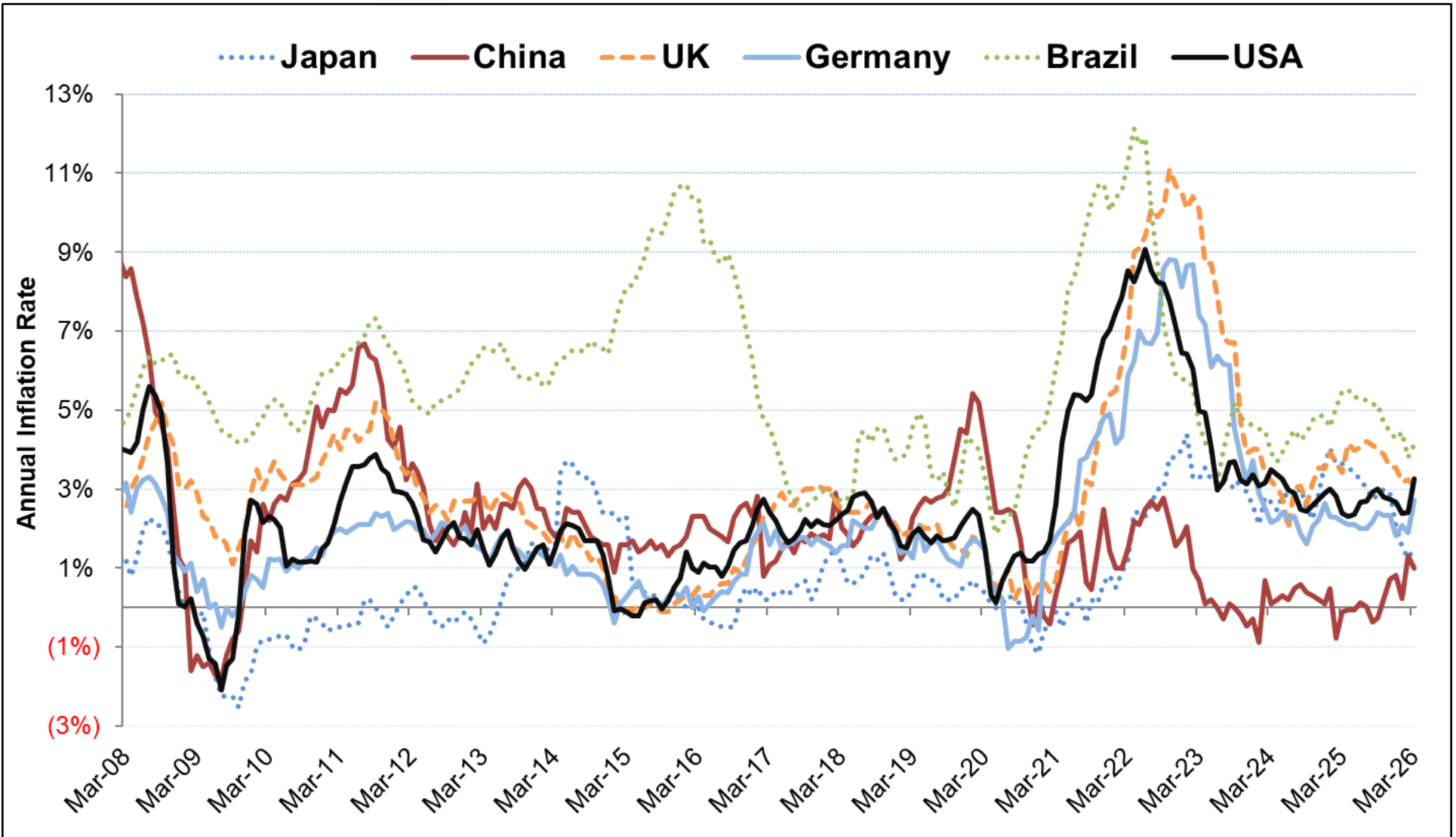
US Inflation





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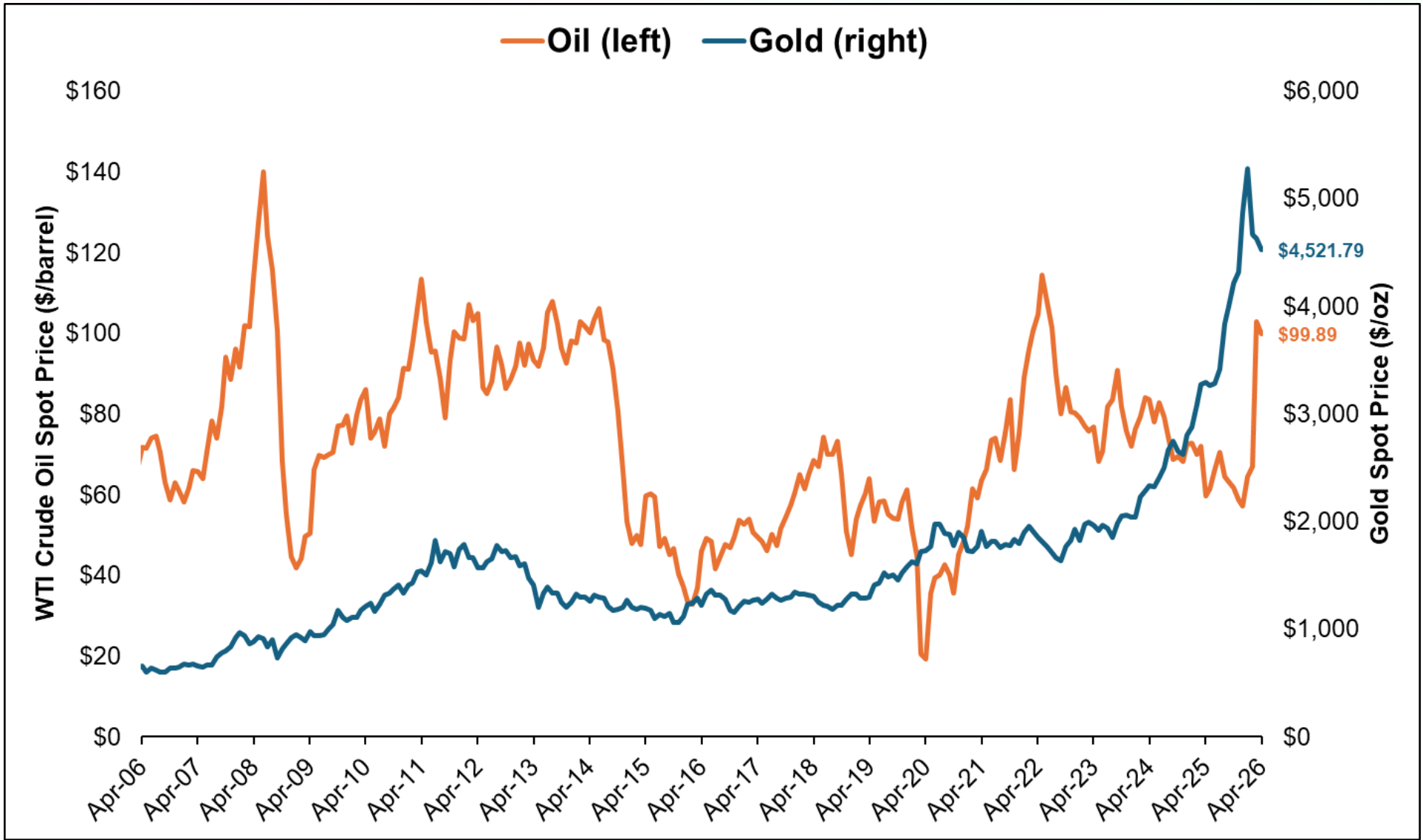
Global Headline Inflation



	Japan	China	UK	Germany	Brazil	USA
Mar-26	1.5	1.0	3.1	2.7	4.1	3.3



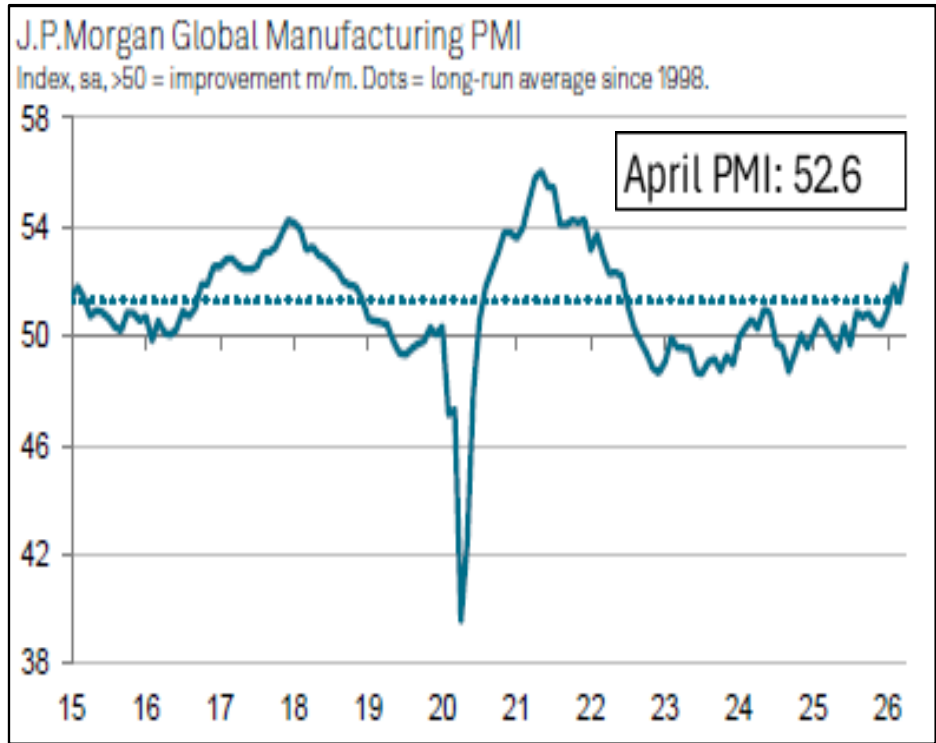
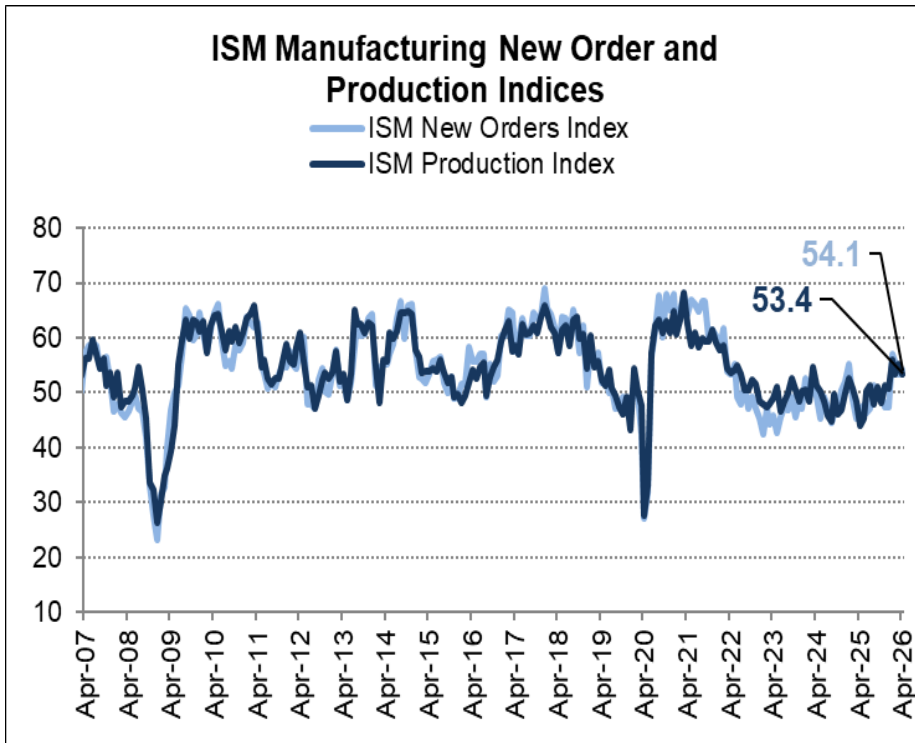
ECONOMY Oil vs Gold price





ECONOMY

US & Global Manufacturing Activities

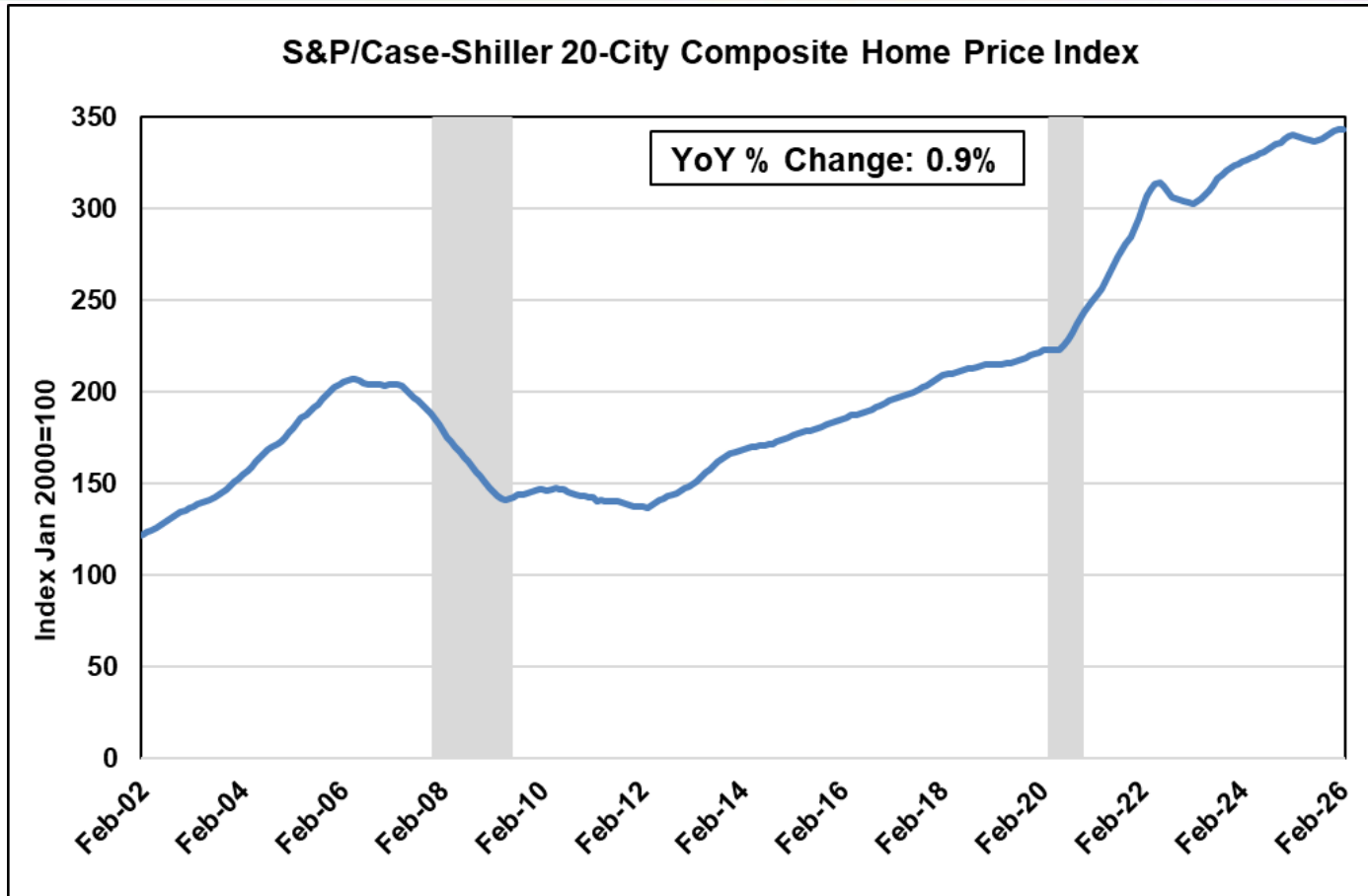


Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™
 Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index



ECONOMY

US Housing Market

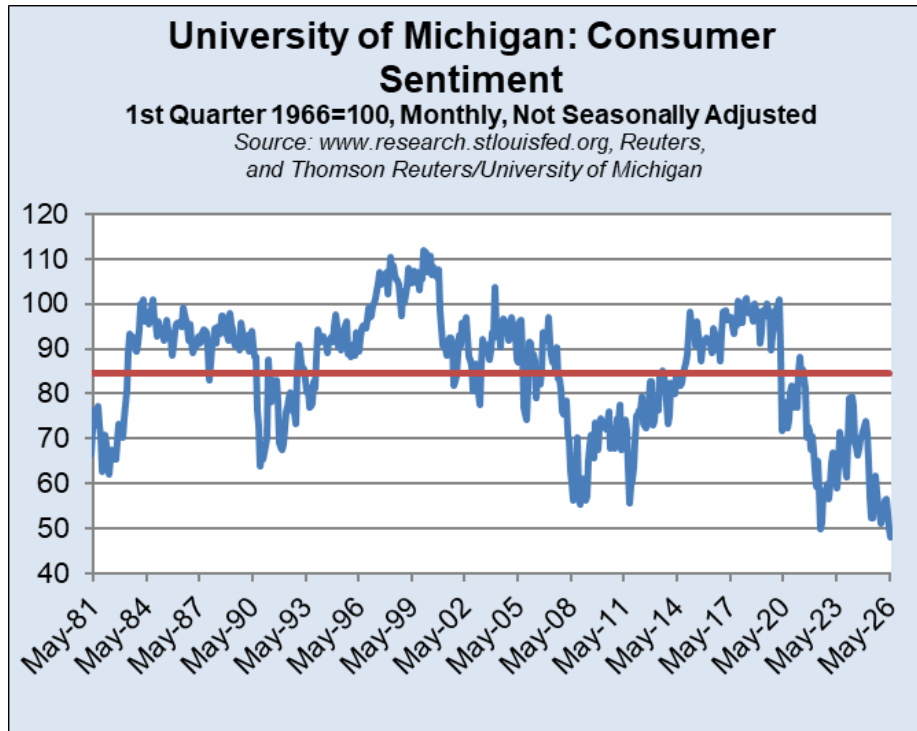


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-21	269.29
Jul-22	312.08
Jul-23	312.39
Jul-24	330.71
Jul-25	336.77
Feb-26	343.00



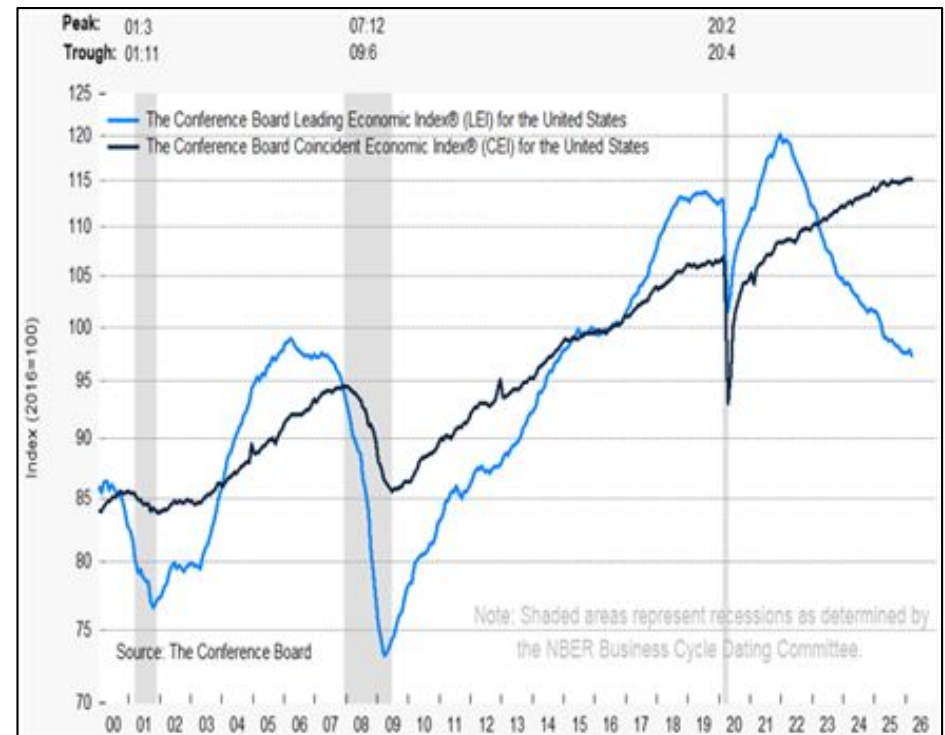
ECONOMY

Consumer Sentiment



Index of Consumer Sentiment				
May-26	Apr-26	May-25	M-M Change	Y-Y Change
48.2	49.8	52.2	-3.2%	-7.7%

The Leading Economic Index (LEI)

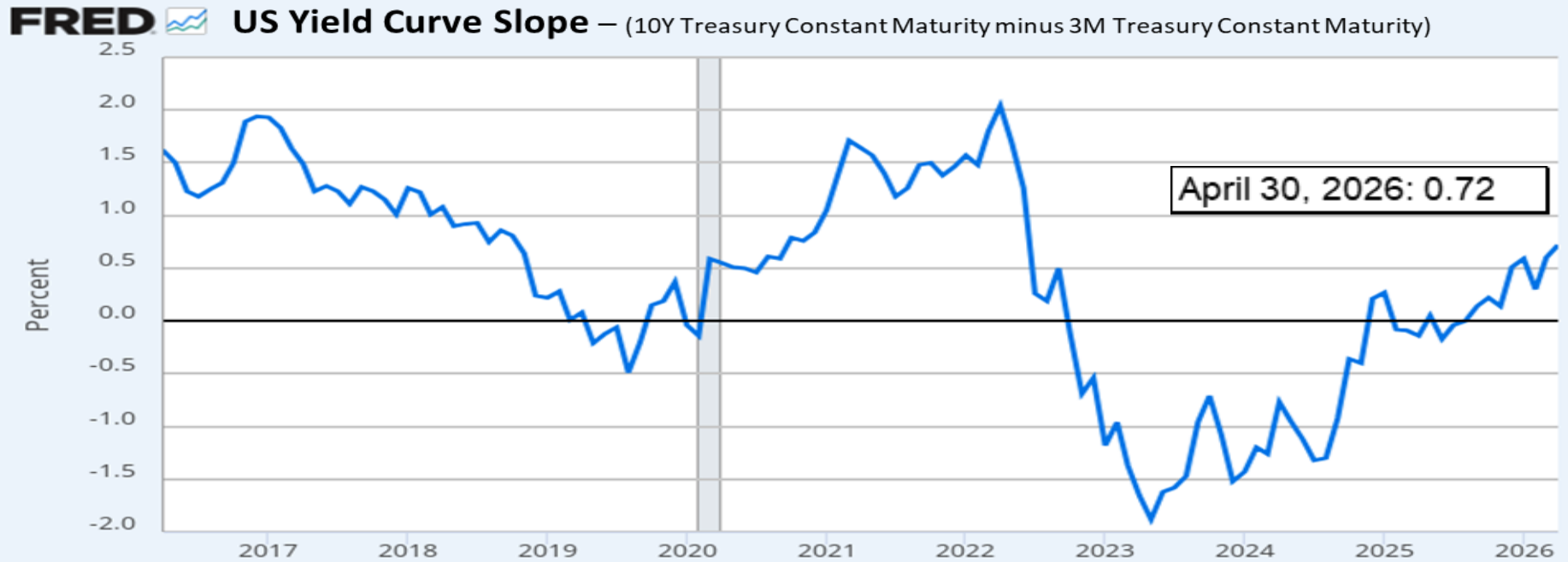


Index	Feb-26	Mar-26	1-Month Change	6-Month Change
LEI	97.9	97.3 p	-0.6	-1.0

p Preliminary; r Revised; Indexes equal 100 in 2016

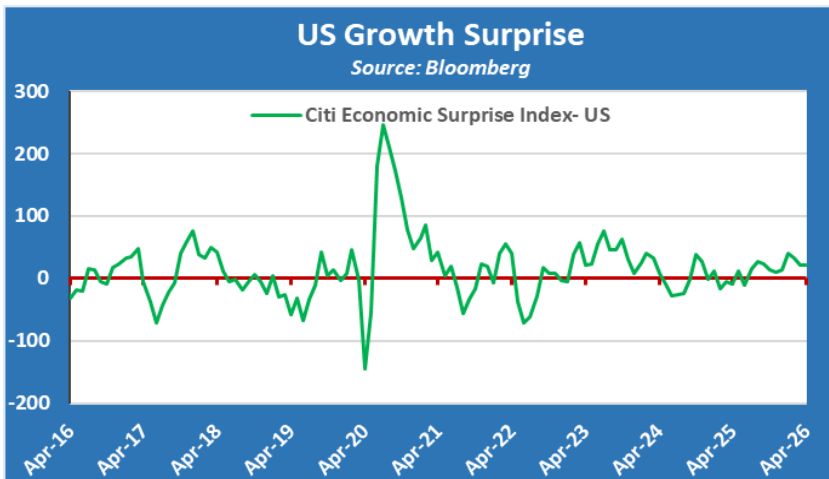


ECONOMY



Source: Federal Reserve Bank of St. Louis via FRED®
Shaded areas indicate U.S. recessions.

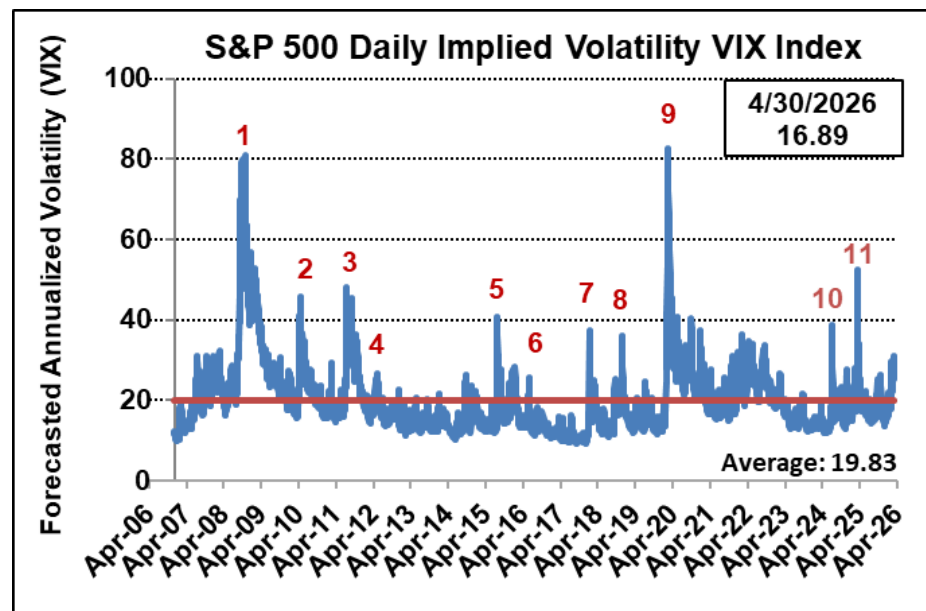
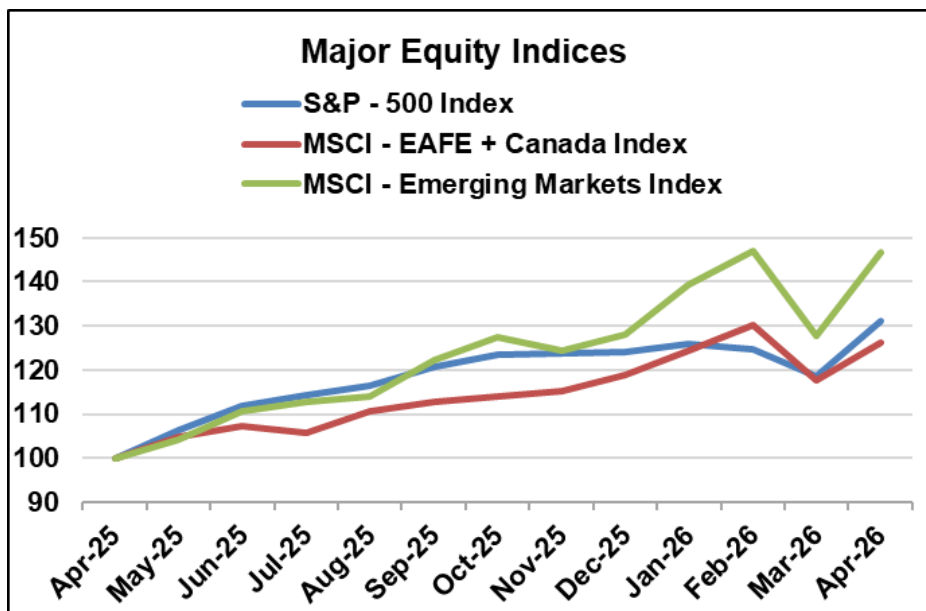
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MARKETS

Equity

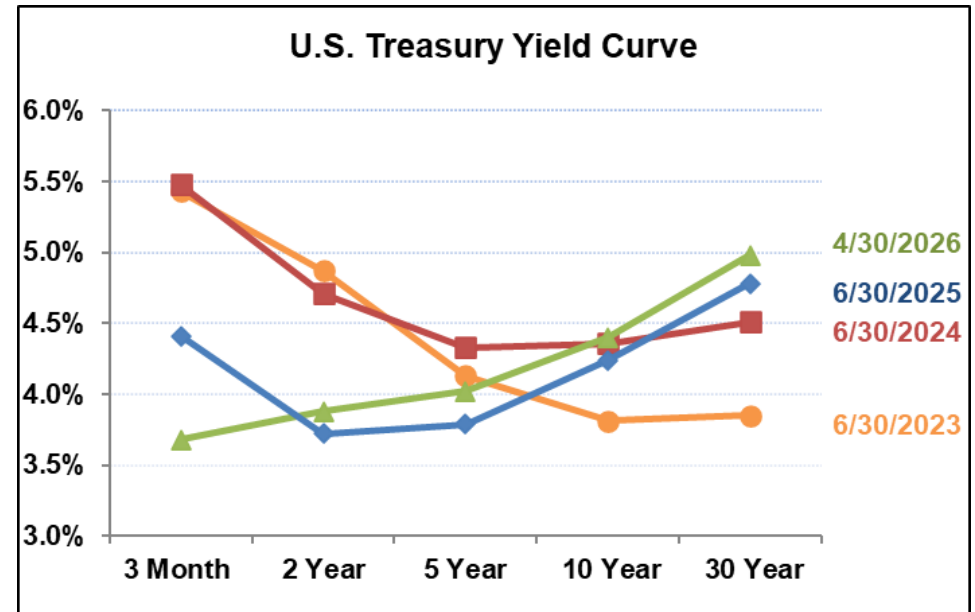
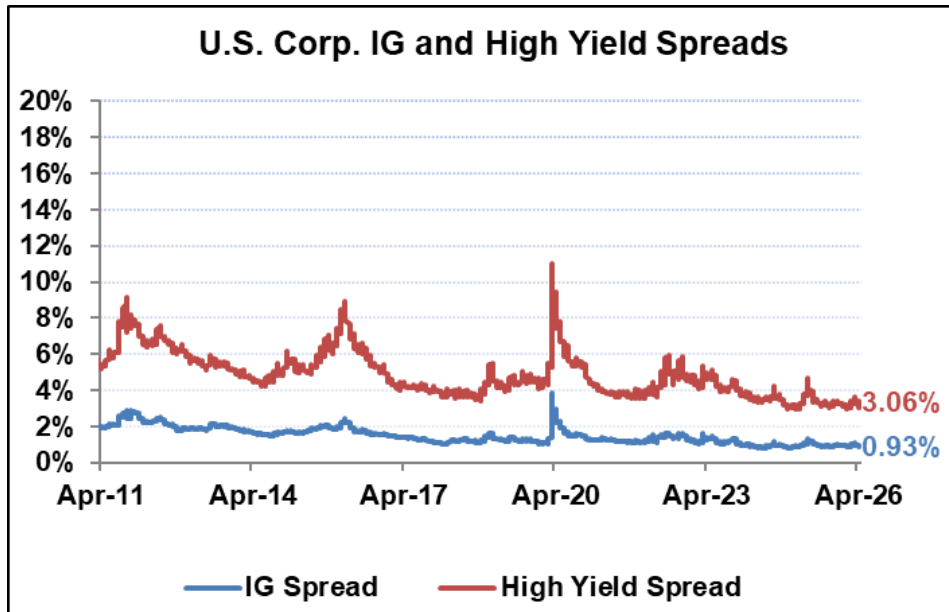


	Return as of 4/30/2026	
	1 Year	FYTD
S&P 500 Index	31.1	17.3
MSCI - EAFE + Canada Index	26.3	17.9
MSCI - Emerging Markets Index	46.7	32.7

- 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

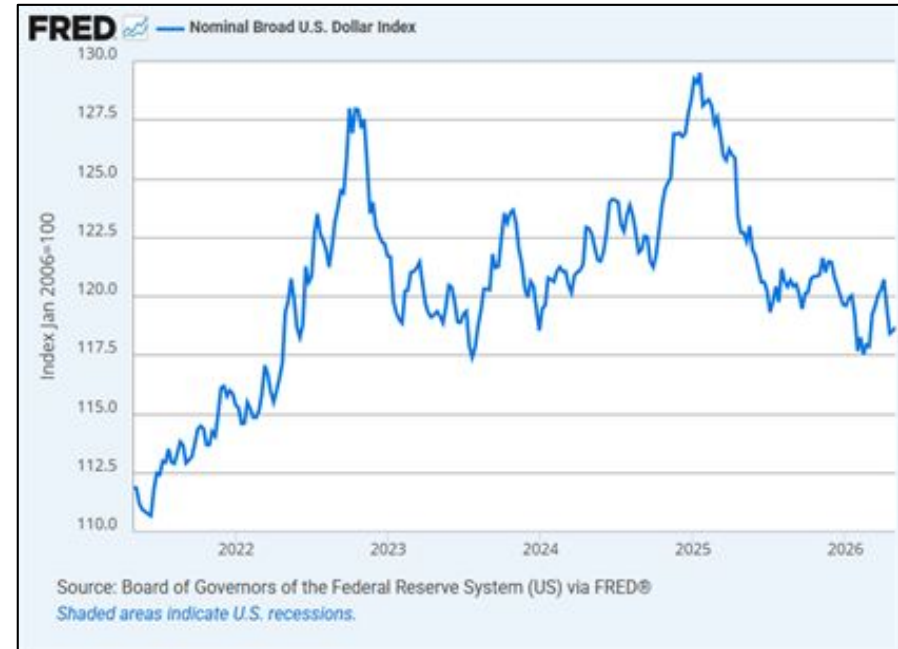




MARKETS Foreign Exchange



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
April 30, 2026	1.17



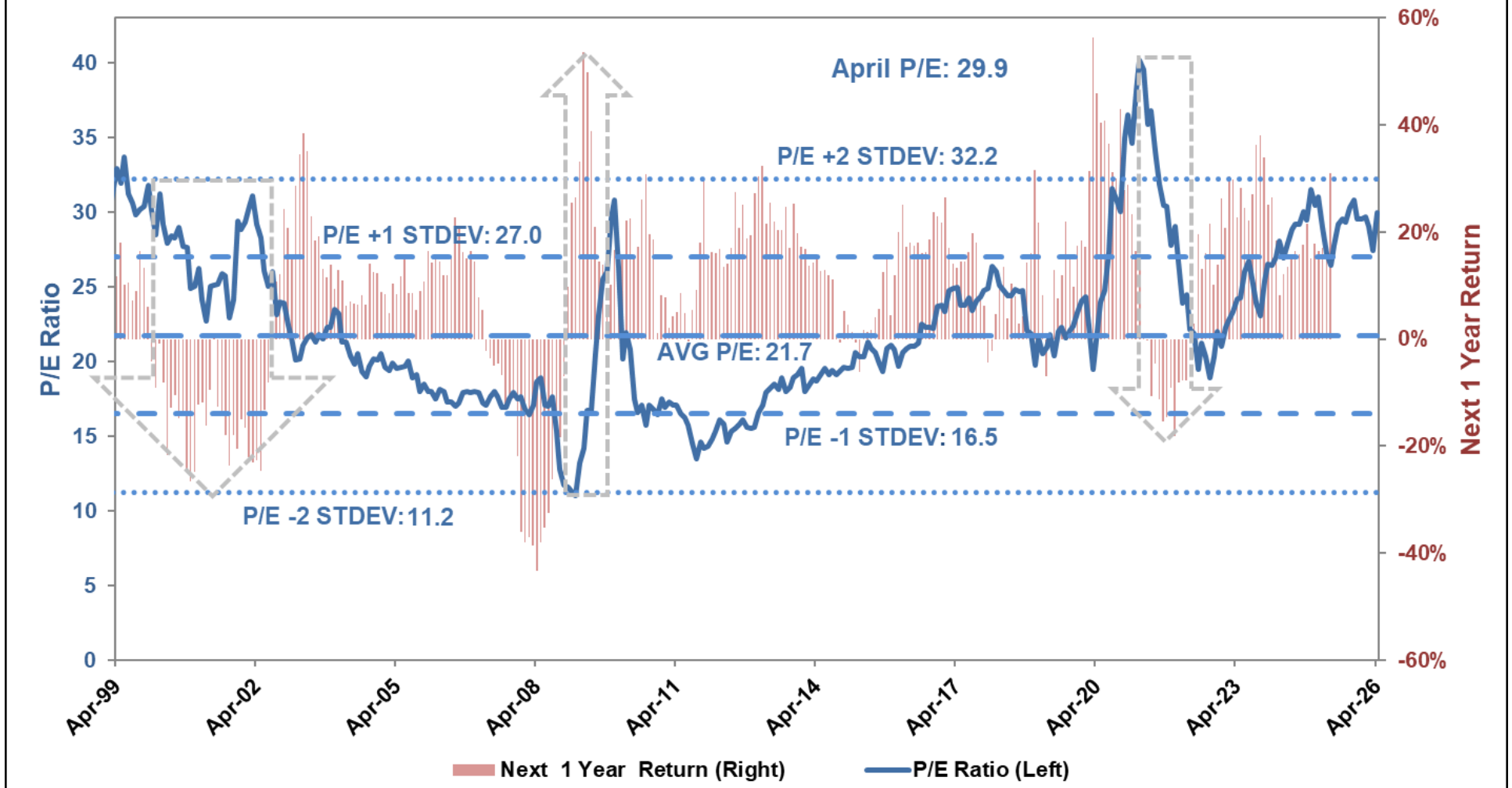
Date	Nominal Broad U.S. Dollar Index Index January 2006=100
June-22	121.1
June-23	119.9
June-24	124.5
June-25	119.8
April 30, 2026	118.7



VALUATION

US Equity

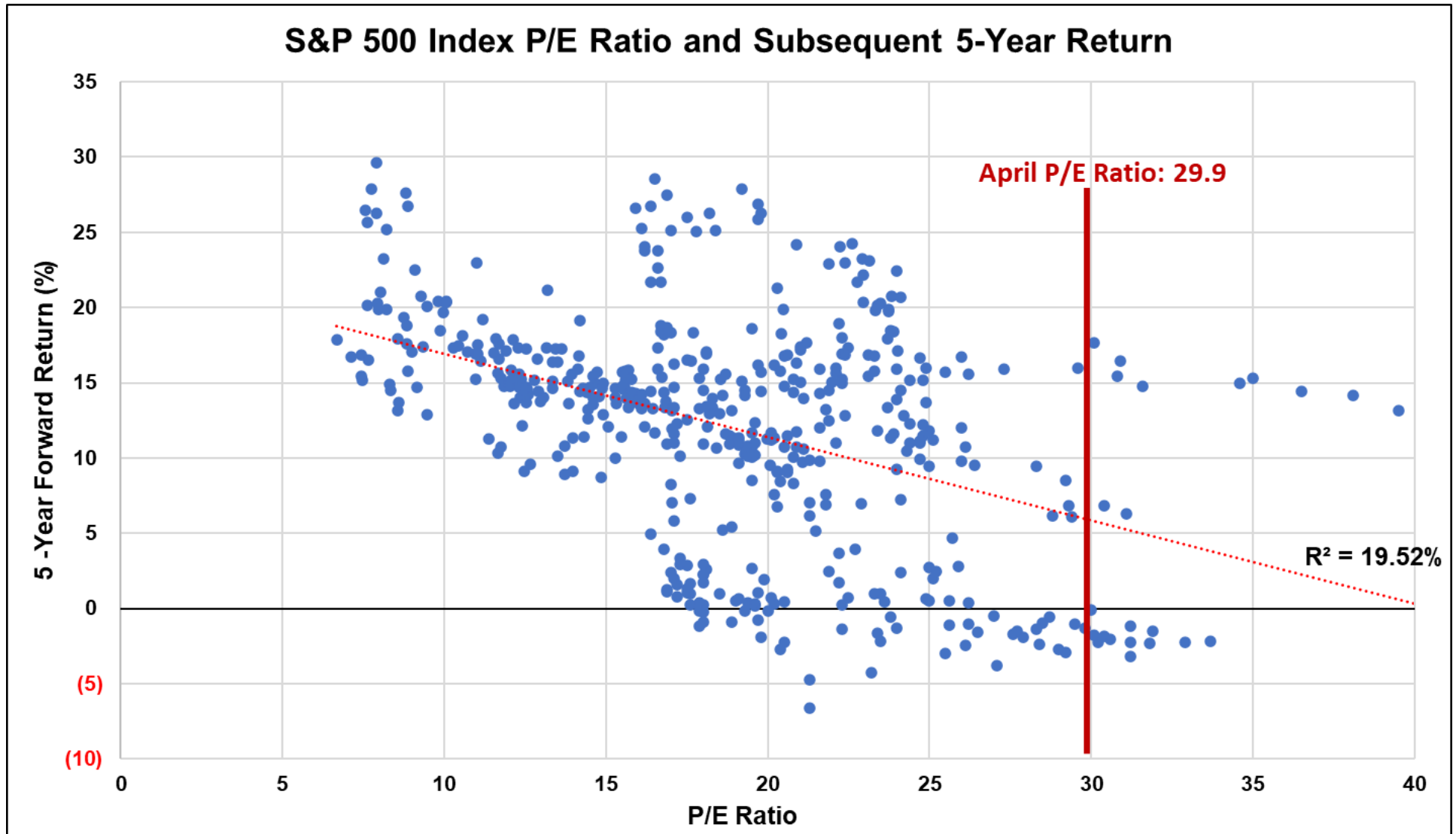
S&P 500 Index P/E Ratio and Next 1 Year Returns





VALUATION

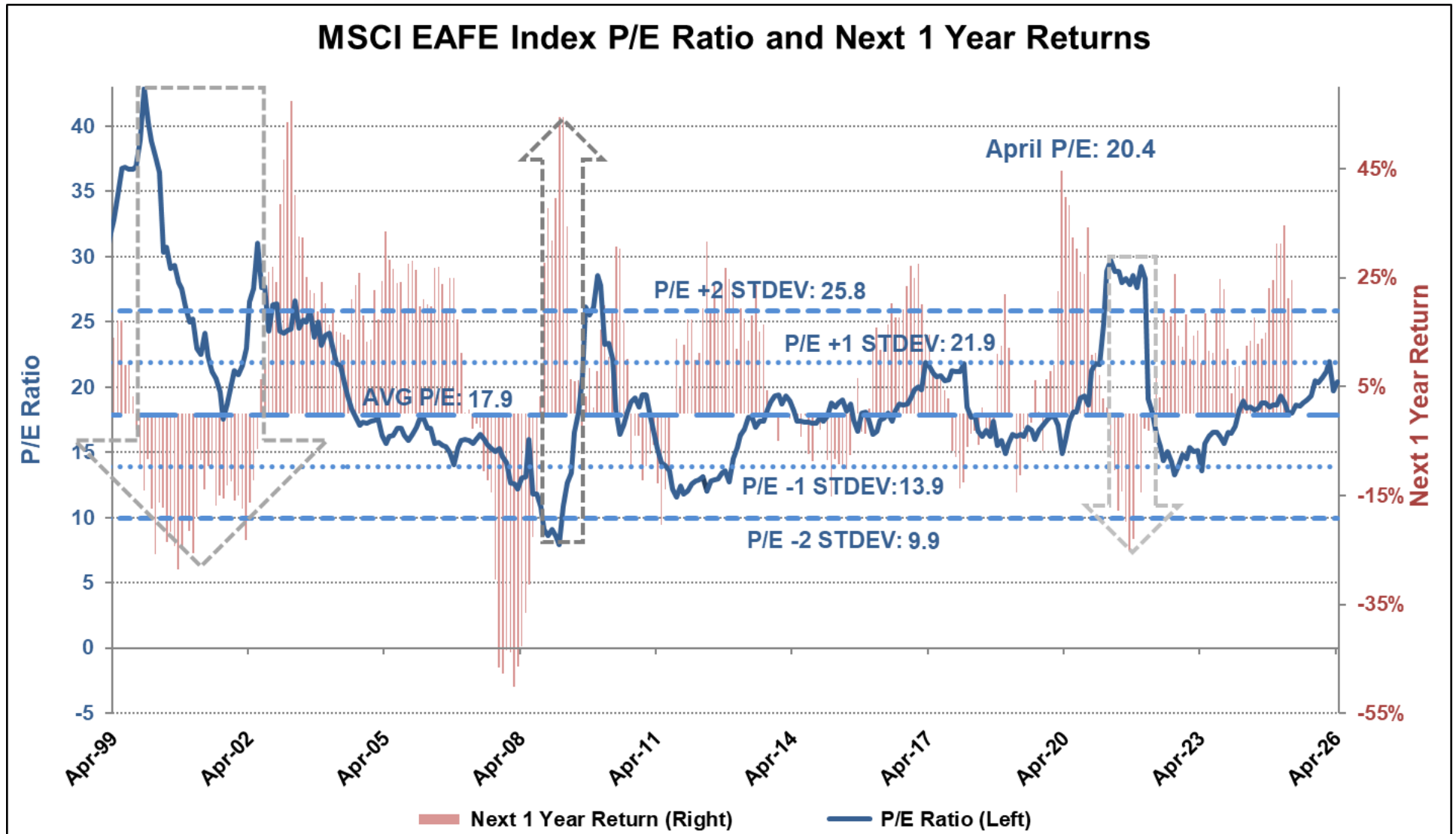
US Equity





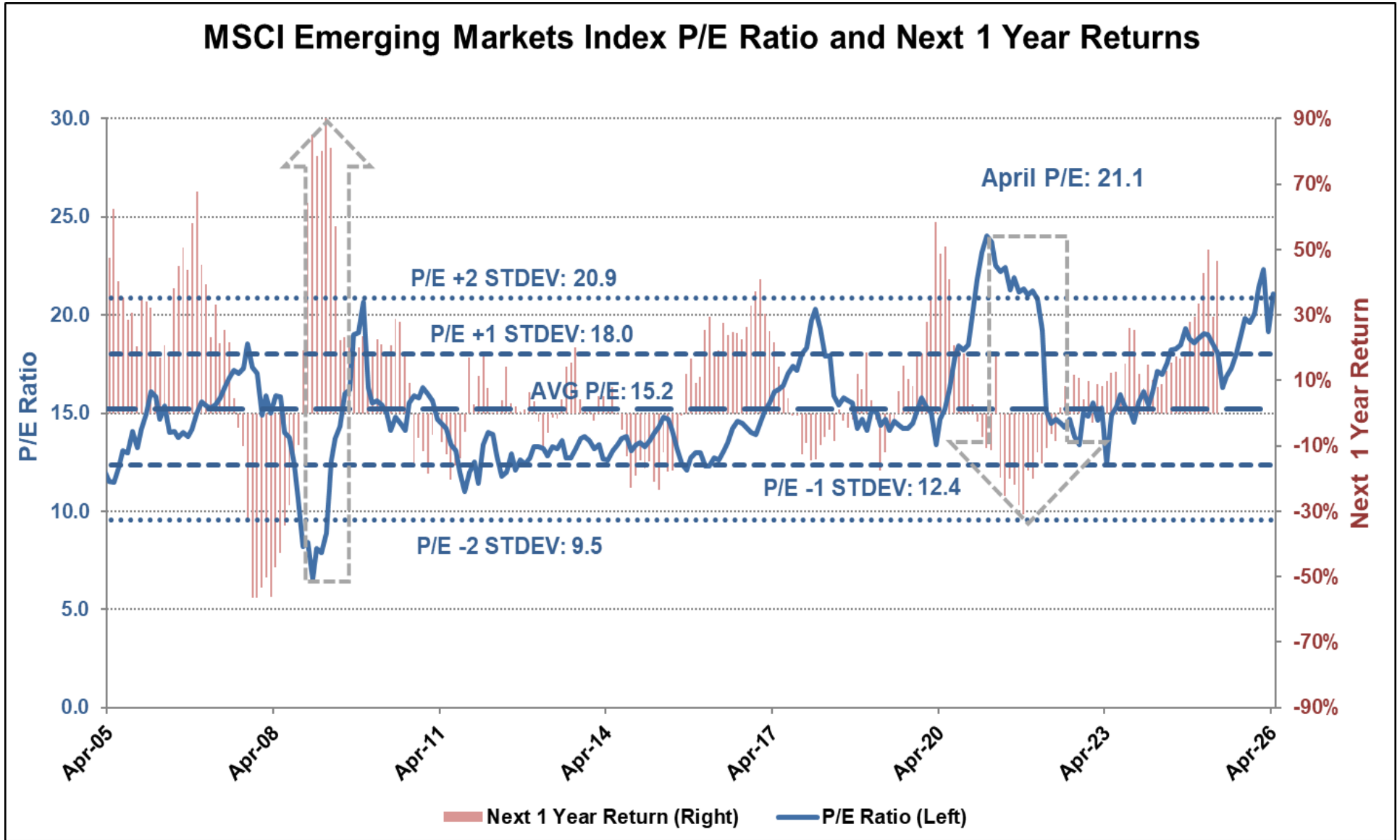
VALUATION

Non US Developed Market Equity



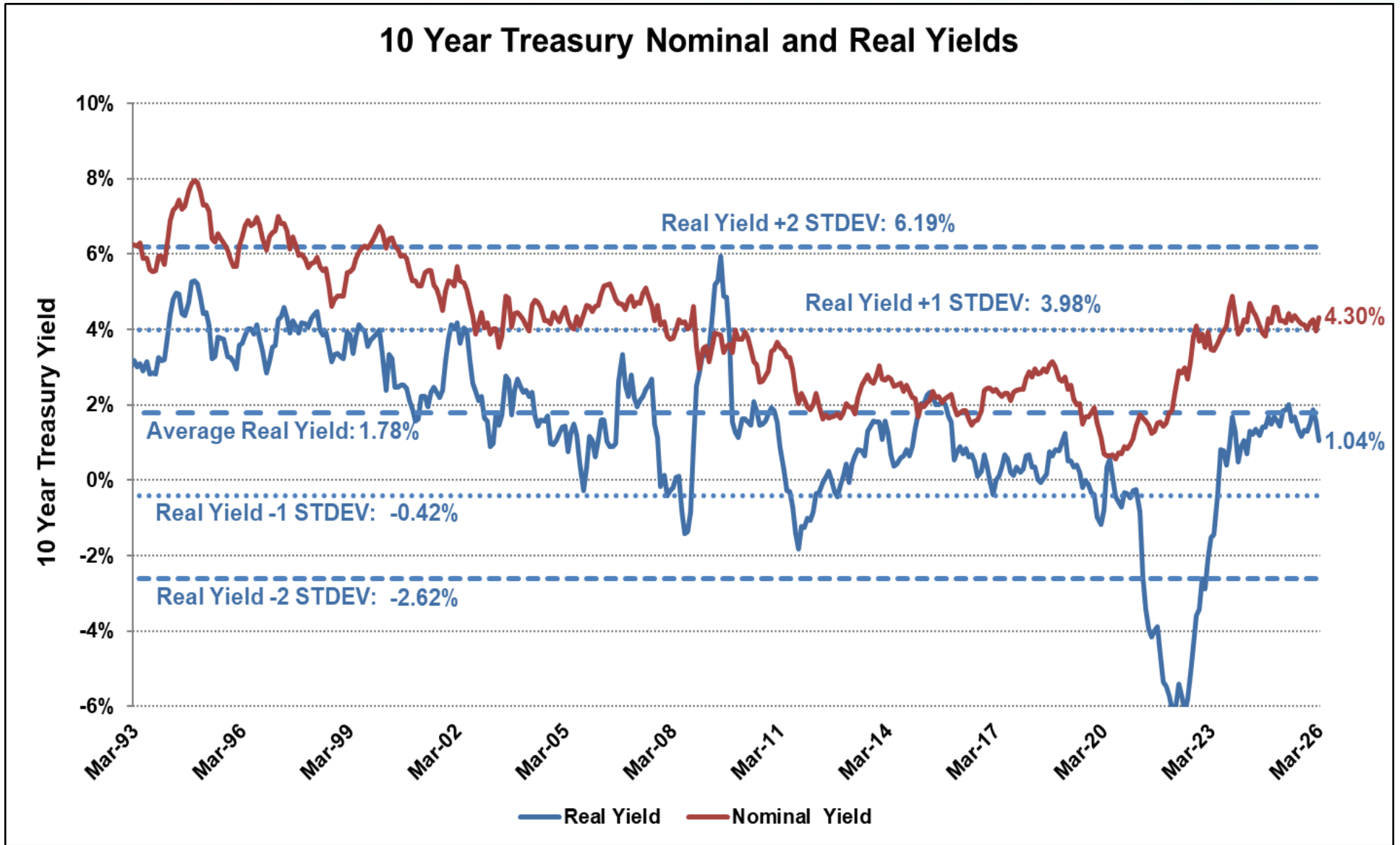


VALUATION Emerging Market Equity





VALUATION US Treasury Bonds



Sources: Department of the Treasury, Bureau of Labor Statistics



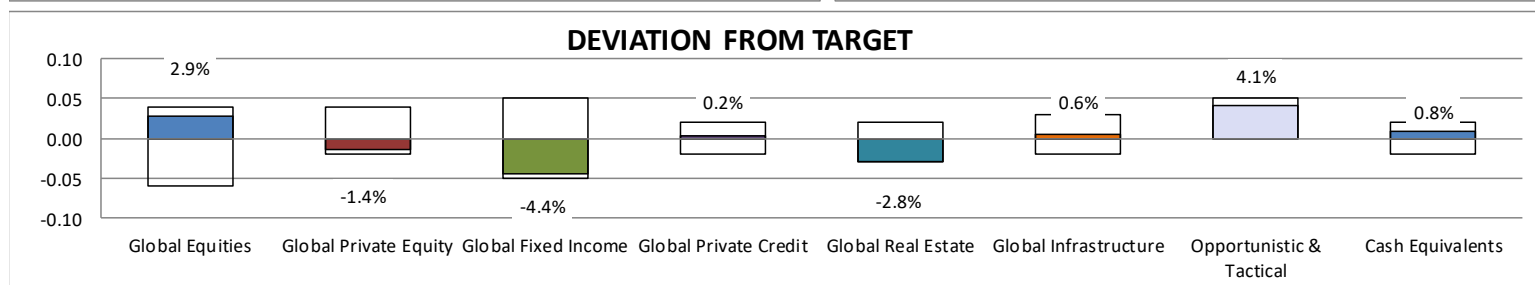
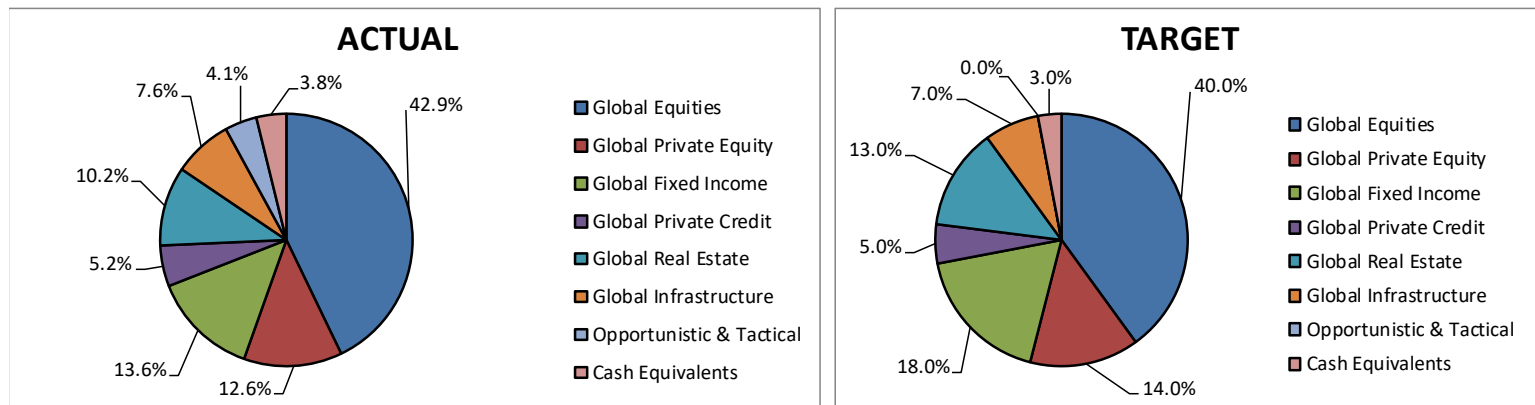
SERS' Investment Portfolios Review



Total Fund Asset Allocation

Asset Class	Market Value \$	Actual	Target	Range
Global Equities	9,364,931,885	42.9%	40.0%	35% - 45%
Global Private Equity	2,752,567,702	12.6%	14.0%	11% - 17%
Global Fixed Income	2,975,411,760	13.6%	18.0%	13% - 23%
Global Private Credit	1,145,562,024	5.2%	5.0%	3% - 7%
Global Real Estate	2,220,176,071	10.2%	13.0%	10% - 15%
Global Infrastructure	1,658,616,560	7.6%	7.0%	5% - 10%
Opportunistic & Tactical	900,376,650	4.1%	0.0%	0% - 5%
Cash Equivalents	837,434,494	3.8%	3.0%	1% - 5%
Short-Term	351,410	0.0%	2.0%	
Russell EA Overlay	0	0.0%	0.0%	
Direct Rebalance Overlay	3,644,533	0.0%	0.0%	
Transition / Operational Account	696,838	0.0%	0.0%	
Currency Overlay	29,224,629	0.1%	0.0%	
SERS Cash	803,517,084	3.7%	0.0%	
Total Fund	21,855,077,146	100.0%	100.0%	

Source: Clearwater Analytics





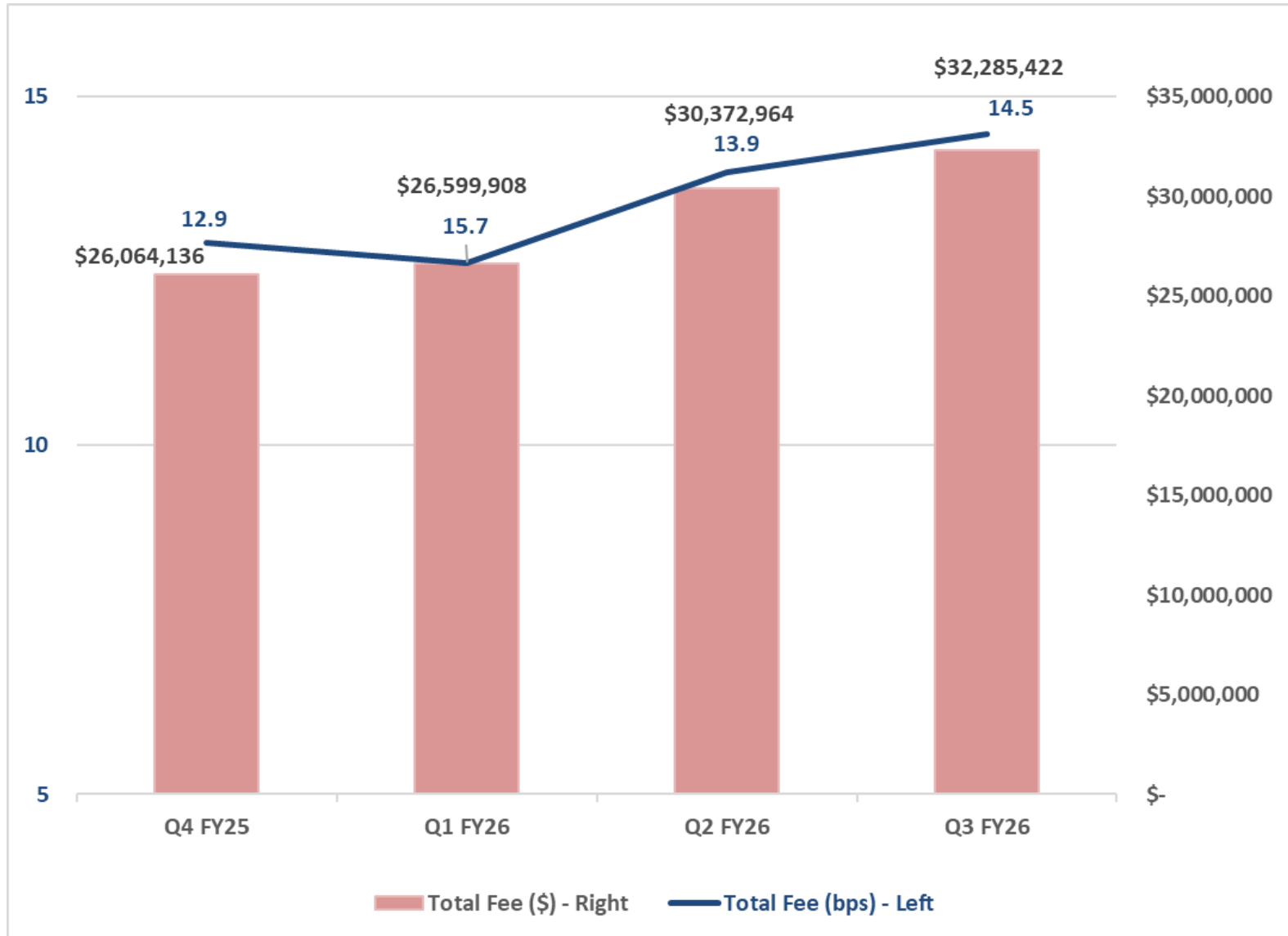
	<i>vs. One Year Ago, since 04/01/2025</i>	<i>vs. Three Years Ago, since 04/01/2023</i>
Beginning Market Value	19,613,116,807	17,490,120,924
Gain/Loss	2,877,139,921	6,258,265,151
Expenses	(110,179,800)	(363,308,726)
Net Transfer	(524,999,900)	(1,529,999,900)
End of Period Market Value	21,855,077,146	21,855,077,146

****Sources of Net Transfer***

<i>Dividends/Interest</i>	<i>198,834,577</i>
<i>Net Distributions</i>	<i>326,165,323</i>
<i>Cash on Hand</i>	<i>Not Required</i>



Total Fund Management Fees by Quarter





Total Fund and Asset Class Performance (Net)

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)

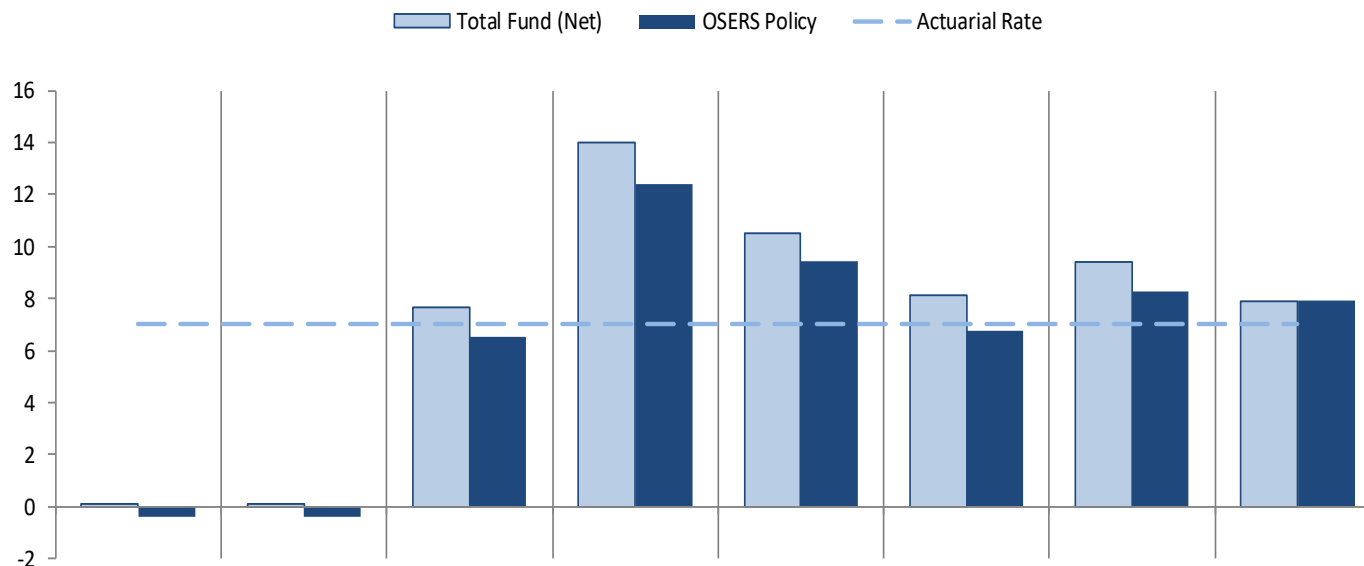
7.00% Quarterly (4 qtrs.) smoothed CPI

+1.20% per quarter

5.00% 90 day SOFR rate + 4.5%

(one quarter in arrears)

3.00% FTSE 30 Day T-Bill



Actuarial Rate

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

	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	0.15	0.15	7.79	14.33	11.14	8.82	10.07	8.58
Total Fund (Net)	0.09	0.09	7.65	14.00	10.51	8.15	9.39	8.03
OSERS Policy	(0.39)	(0.39)	6.53	12.38	9.41	6.74	8.28	7.90
Value Added (Net of Fee)	0.48	0.48	1.12	1.61	1.10	1.40	1.11	0.14

Estimated Cumulative Net Value Added (\$MM)**	\$98.2	\$98.2	\$222.3	\$309.4	\$666.0	\$1,492.0	\$2,446.2
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Source: Clearwater Analytics

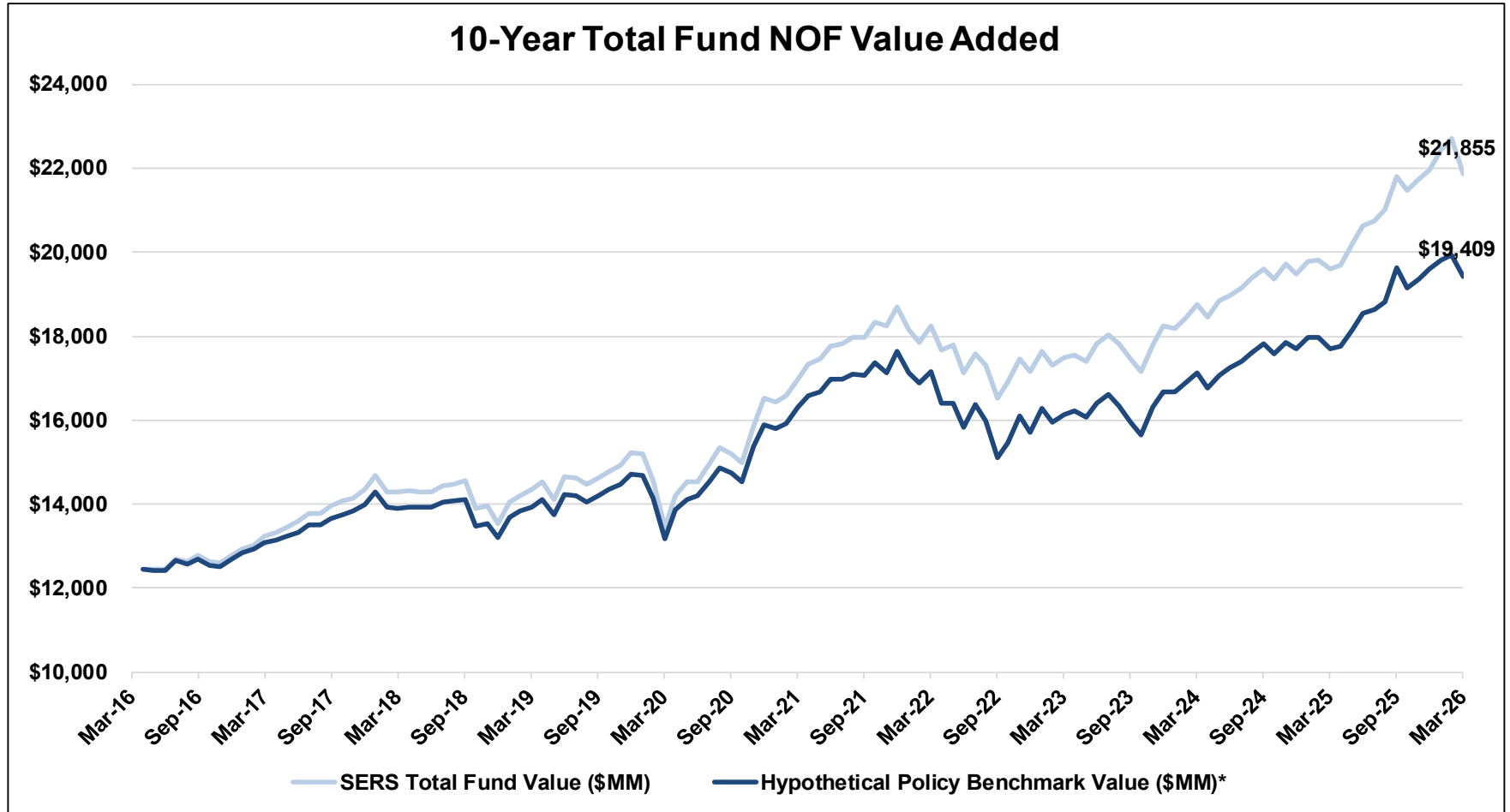
*ITD is Inception date 10/1/1994 (31 years and 6 months)

**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

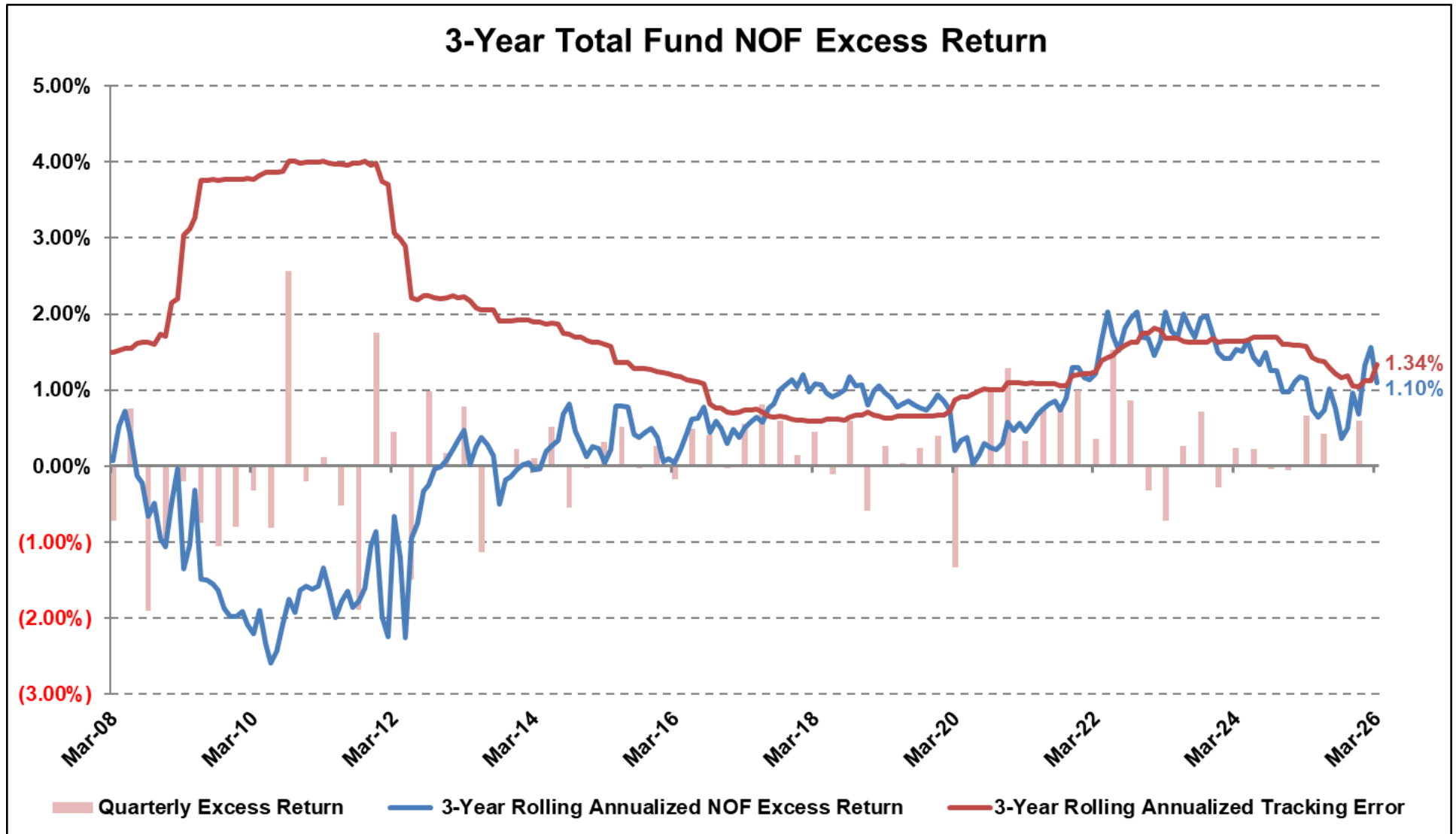
Source: Clearwater Analytics

*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.

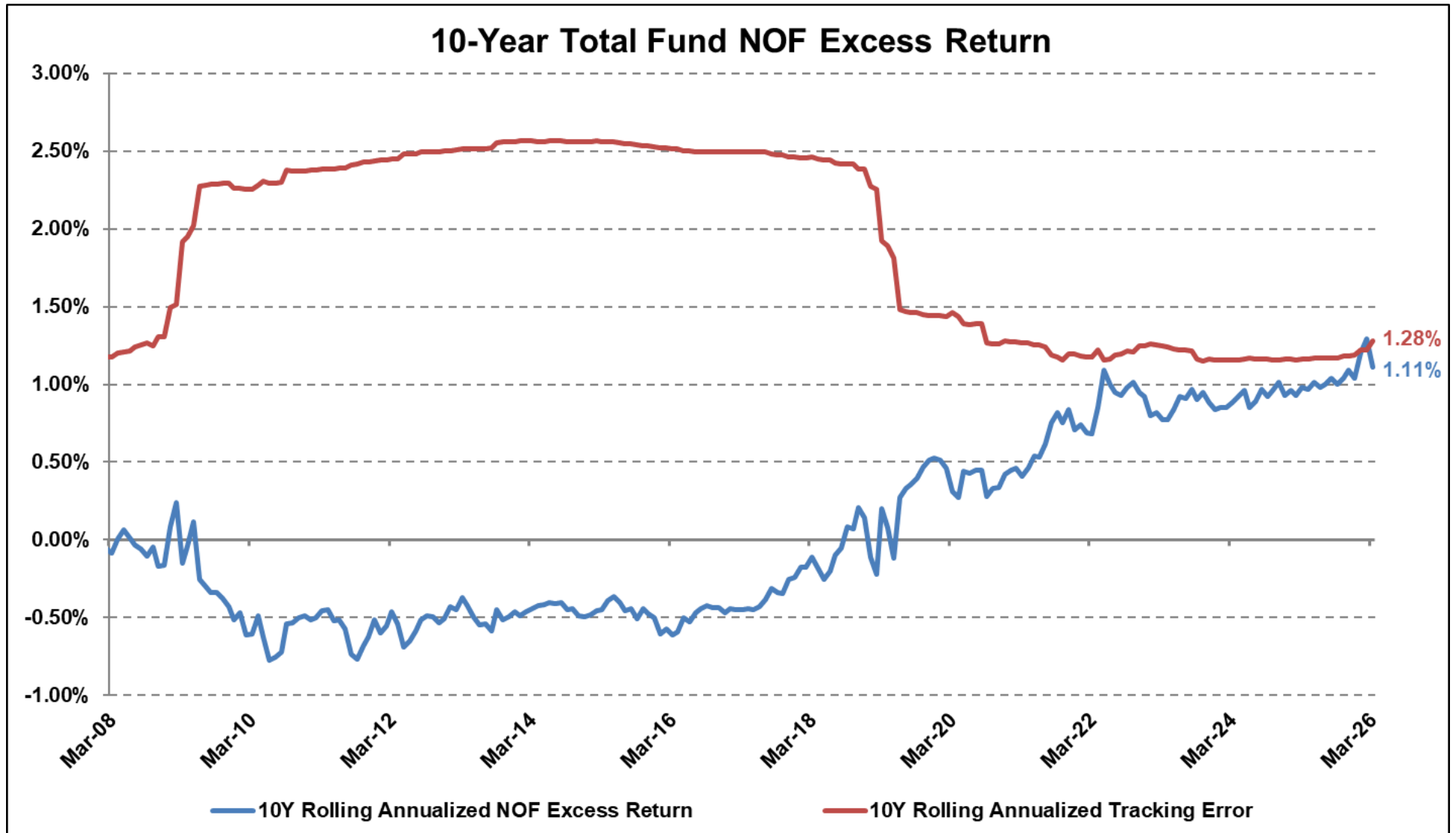


Total Fund Performance



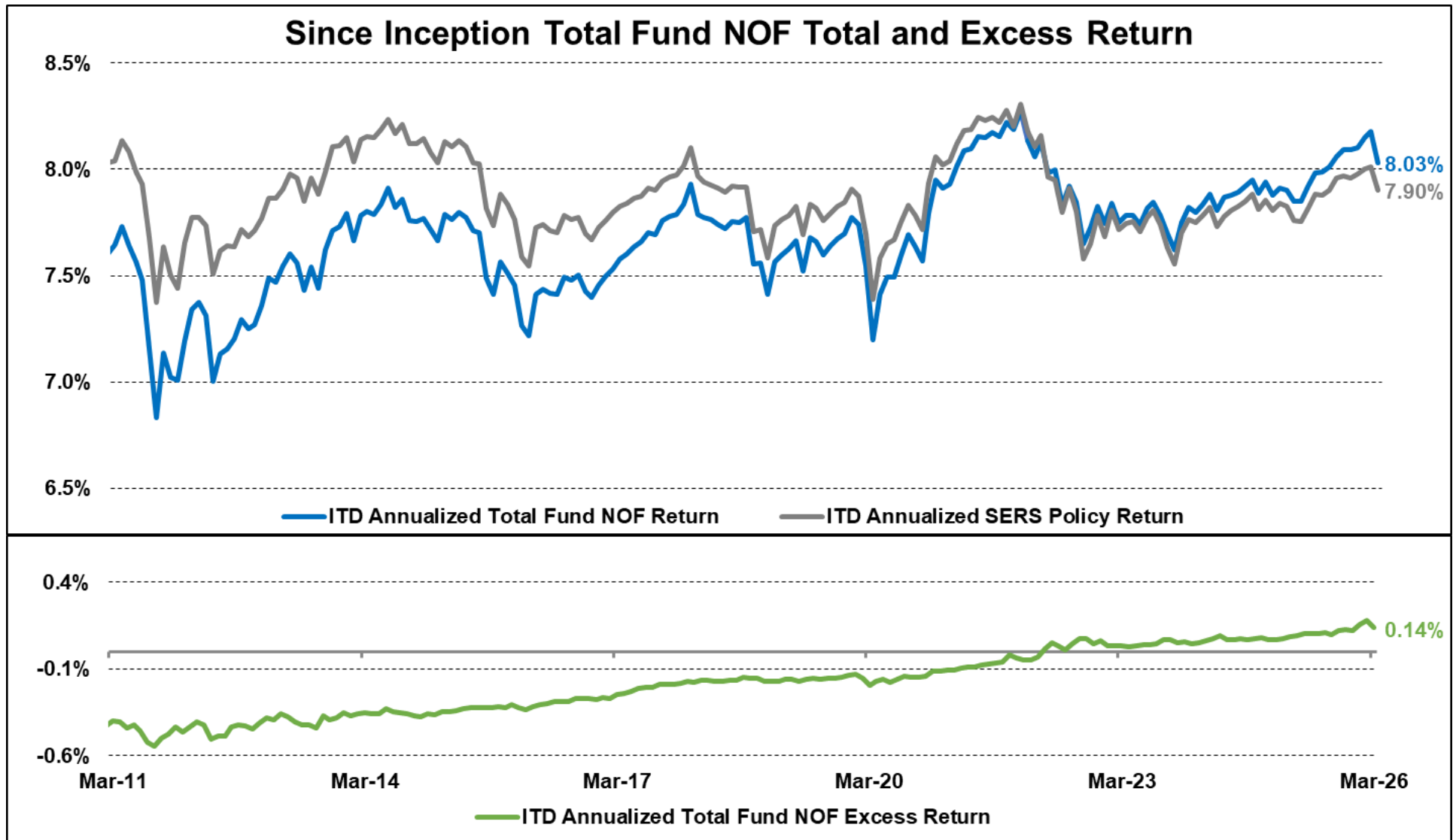


Total Fund Performance



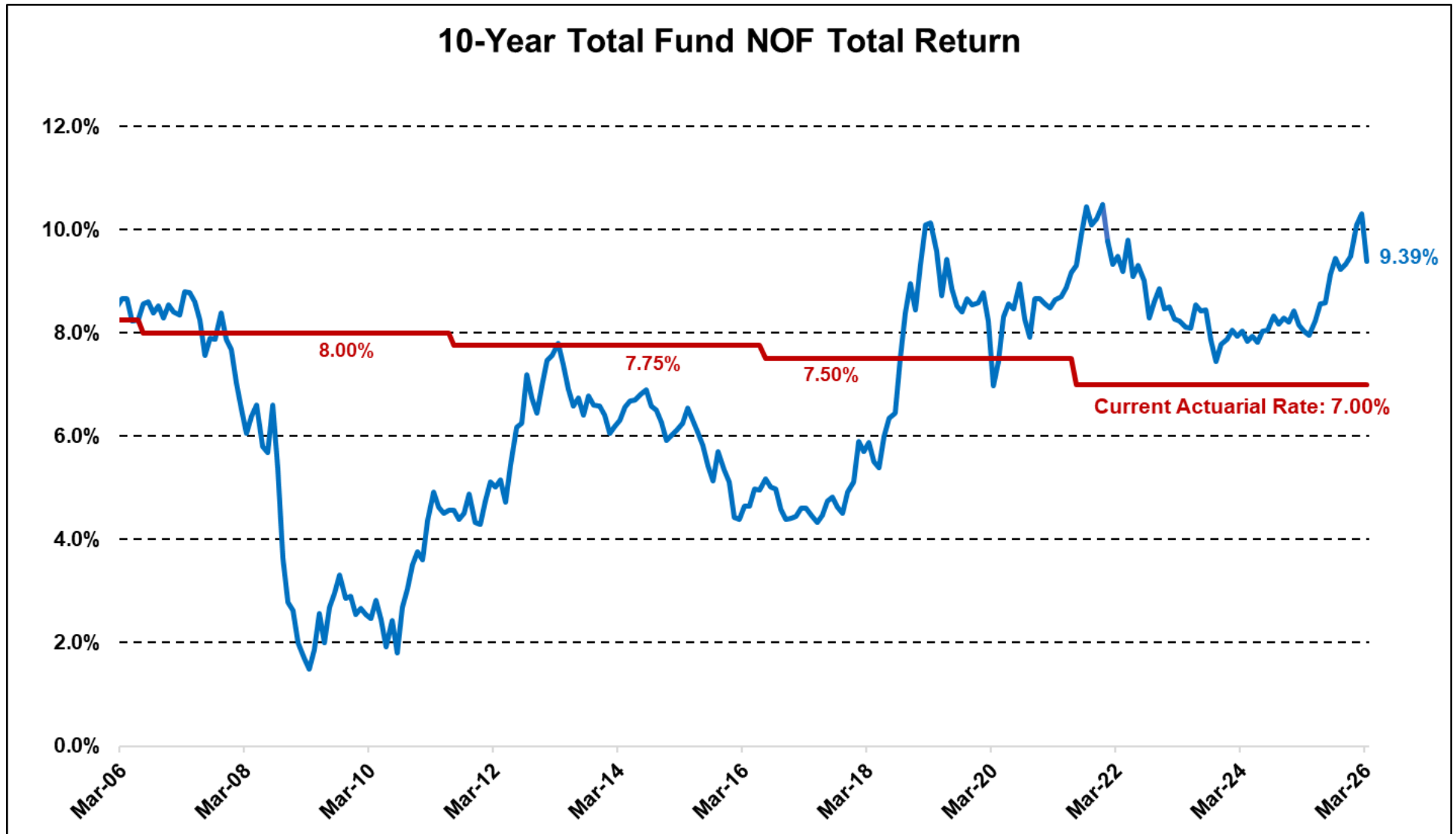


Total Fund Performance



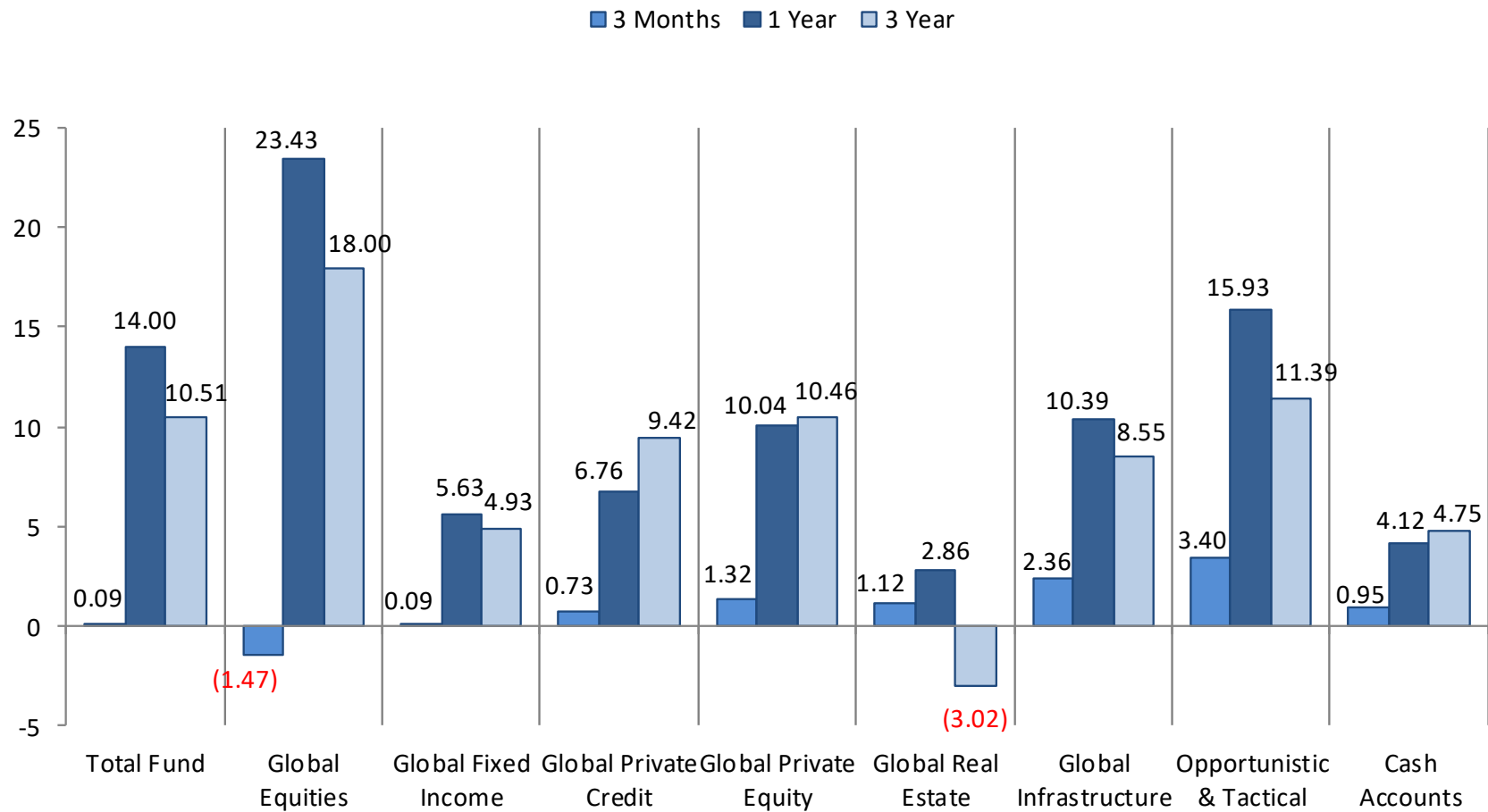


Total Fund Performance





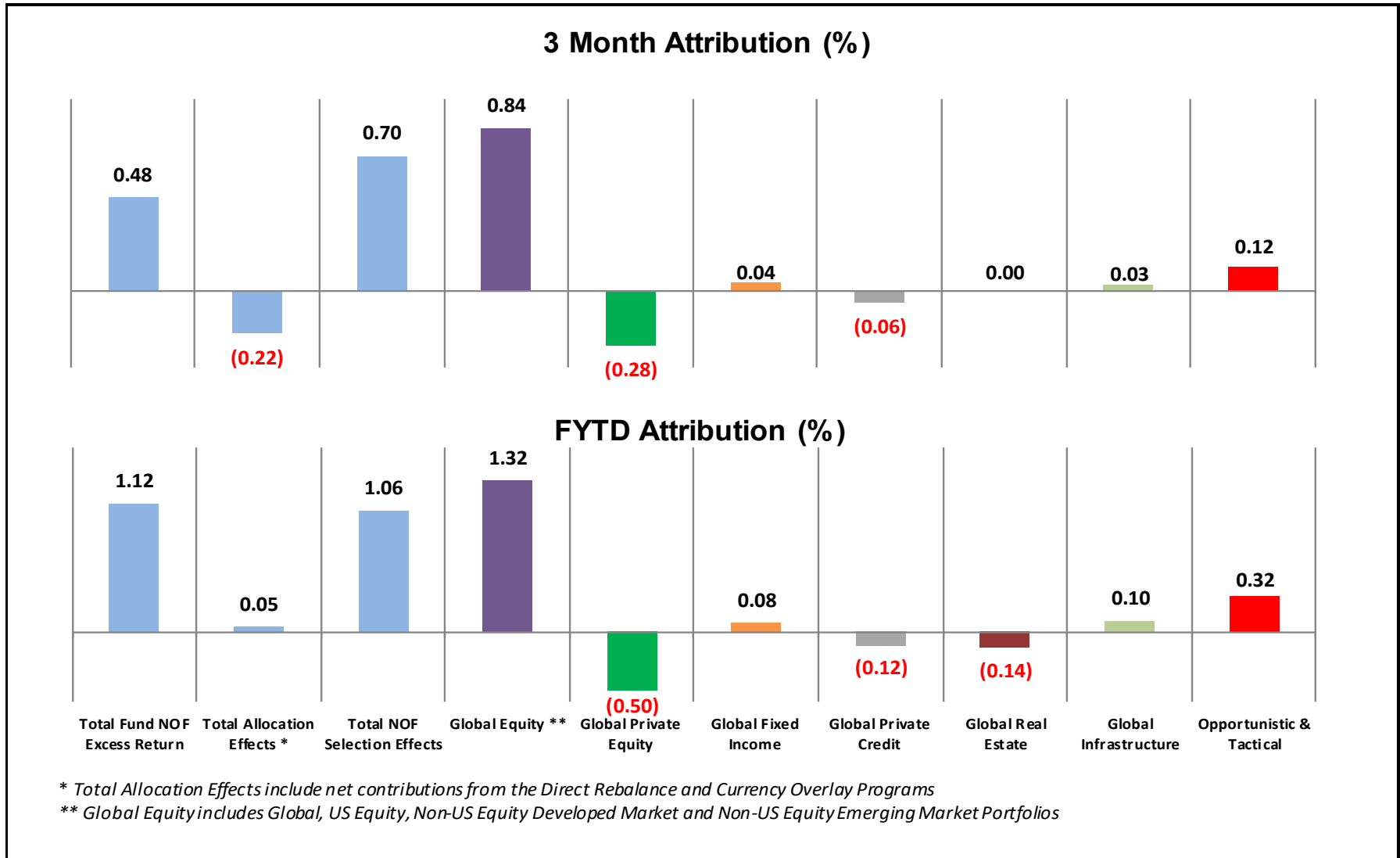
Total Fund and Asset Class Performance (Net)



Source: Clearwater Analytics

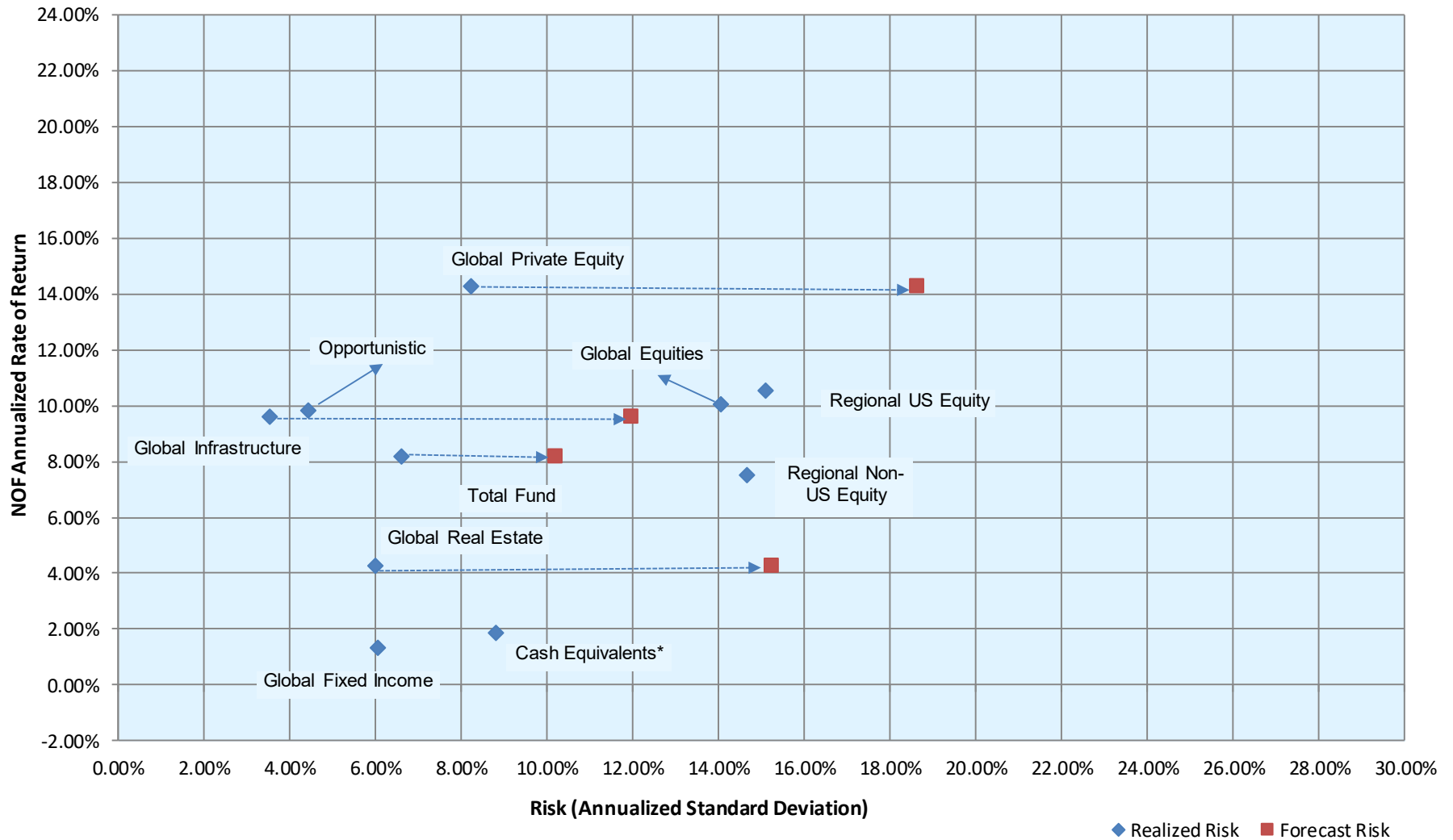


Total Fund Attribution





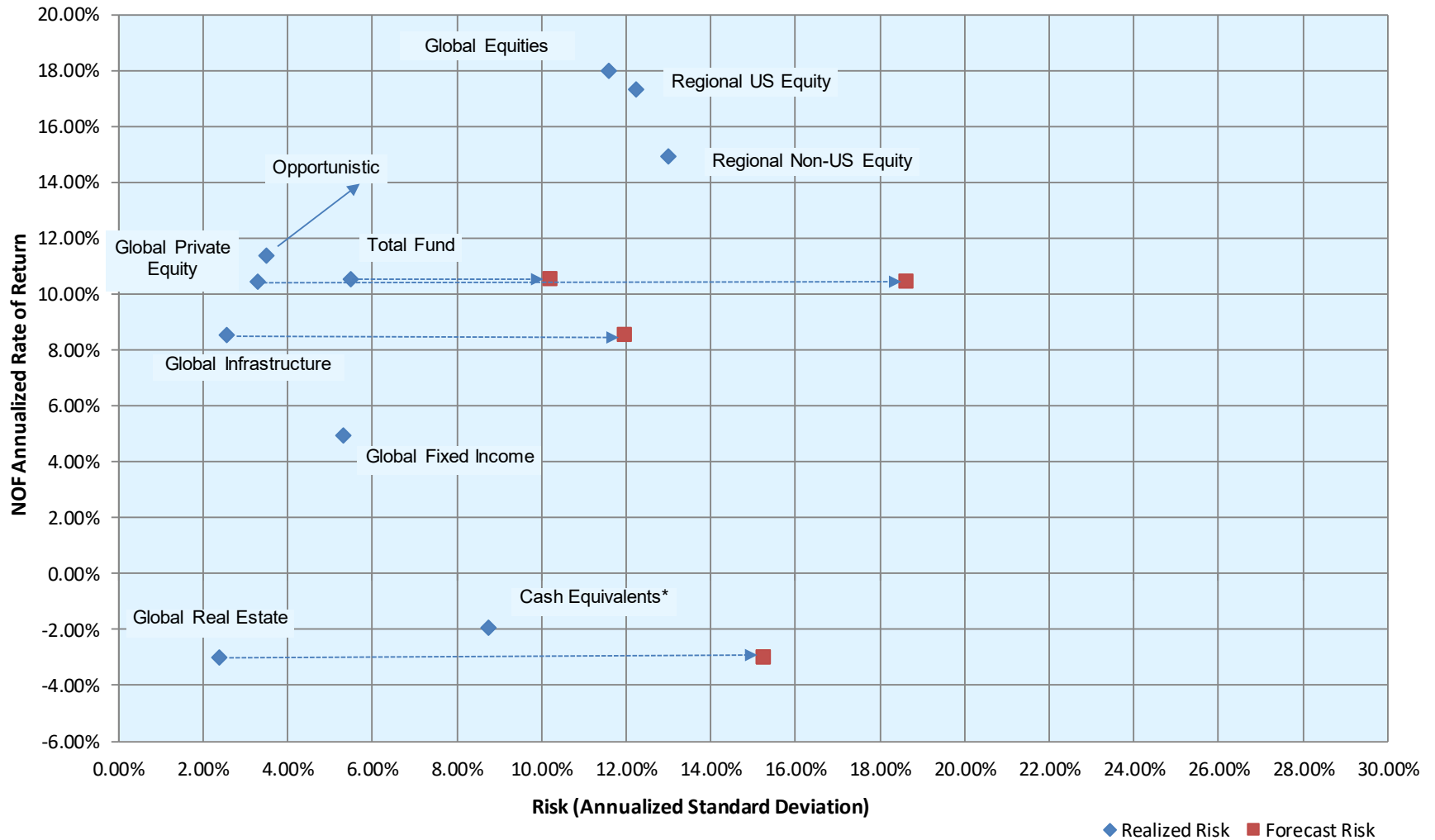
5 Year Risk and Return



*Cash Equivalents include Short-Term, Enhanced Allocation Overlay and Currency Overlay



3 Year Risk and Return



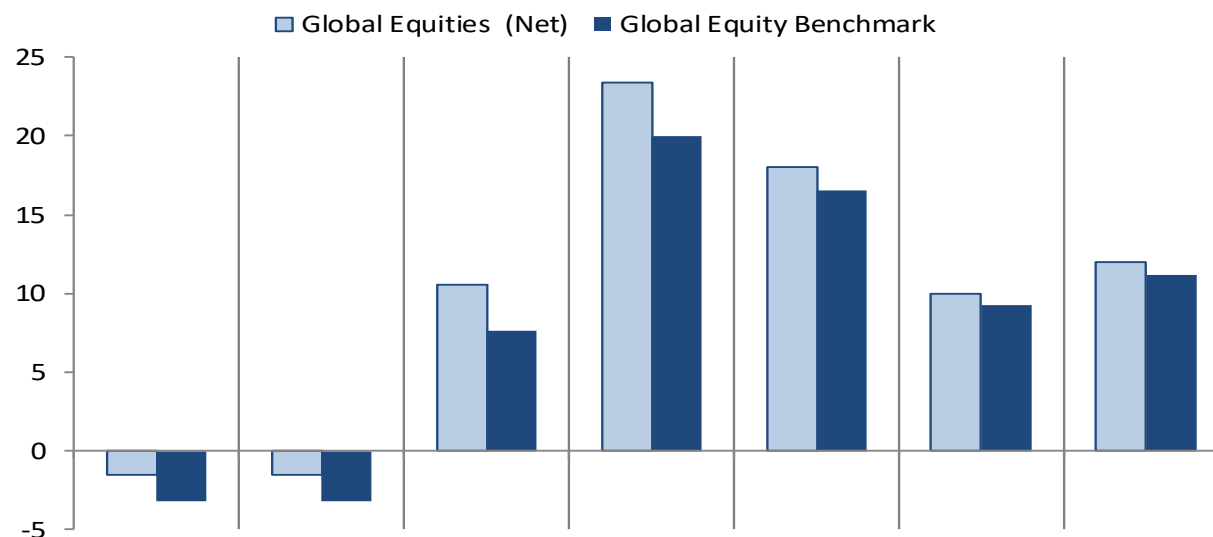
*Cash Equivalents include Short-Term, Enhanced Allocation Overlay and Currency Overlay



Global Equities Performance

Current Benchmark:

MSCI ACWI (Net Dividends)



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	(1.35)	(1.35)	10.78	23.76	18.34	10.35	12.32
Global Equities (Net)	(1.47)	(1.47)	10.54	23.43	18.00	10.03	11.99
Global Equity Benchmark	(3.20)	(3.20)	7.61	20.01	16.56	9.23	11.22
Value Added (Net of Fee)	1.73	1.73	2.93	3.42	1.44	0.80	0.77
Regional US Equity	(3.56)	(3.56)	6.97	18.71	17.34	10.50	13.33
Russell 3000 Index	(3.96)	(3.96)	6.39	18.09	17.84	10.86	13.71
Value Added (Net of Fee)	0.40	0.40	0.58	0.62	(0.50)	(0.36)	(0.38)
Regional Non-US Equity	0.38	0.38	12.59	26.81	14.91	7.49	9.55
Custom Non-US Equity BM	(0.71)	(0.71)	11.50	24.91	14.48	6.96	8.35
Value Added (Net of Fee)	1.09	1.09	1.09	1.90	0.43	0.53	1.20

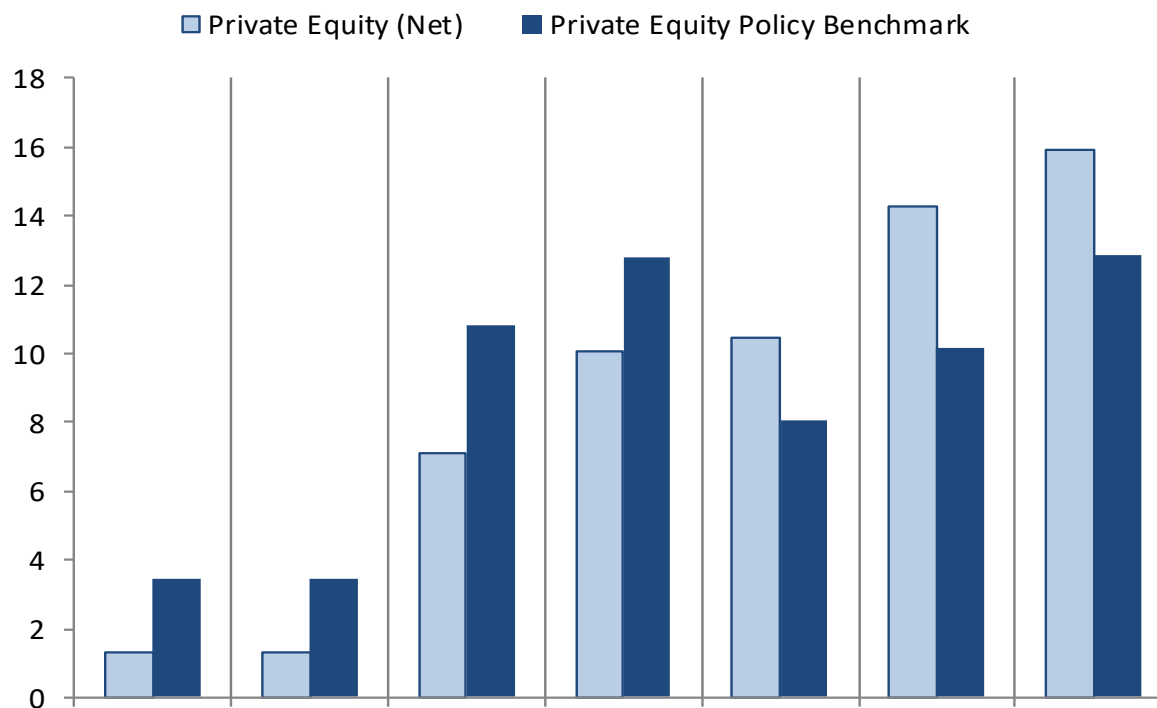
Source: Clearwater Analytics



Global Private Equity Performance

Current Benchmark:

Burgiss All Private Equity Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Private Equity (Gross)	1.32	1.32	7.25	10.57	12.04	16.02	17.57
Private Equity (Net)	1.32	1.32	7.09	10.04	10.46	14.26	15.90
Private Equity Policy Benchmark	3.47	3.47	10.81	12.82	8.07	10.18	12.83
Value Added (Net of Fee)	(2.15)	(2.15)	(3.72)	(2.78)	2.39	4.09	3.07

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.



Public vs Private Equity Performance (Net)

	3 Year	5 Year	10 Year
Regional US Equity	17.34	10.50	13.33
Global Equity	18.00	10.03	11.99
Private Equity	10.46	14.26	15.90

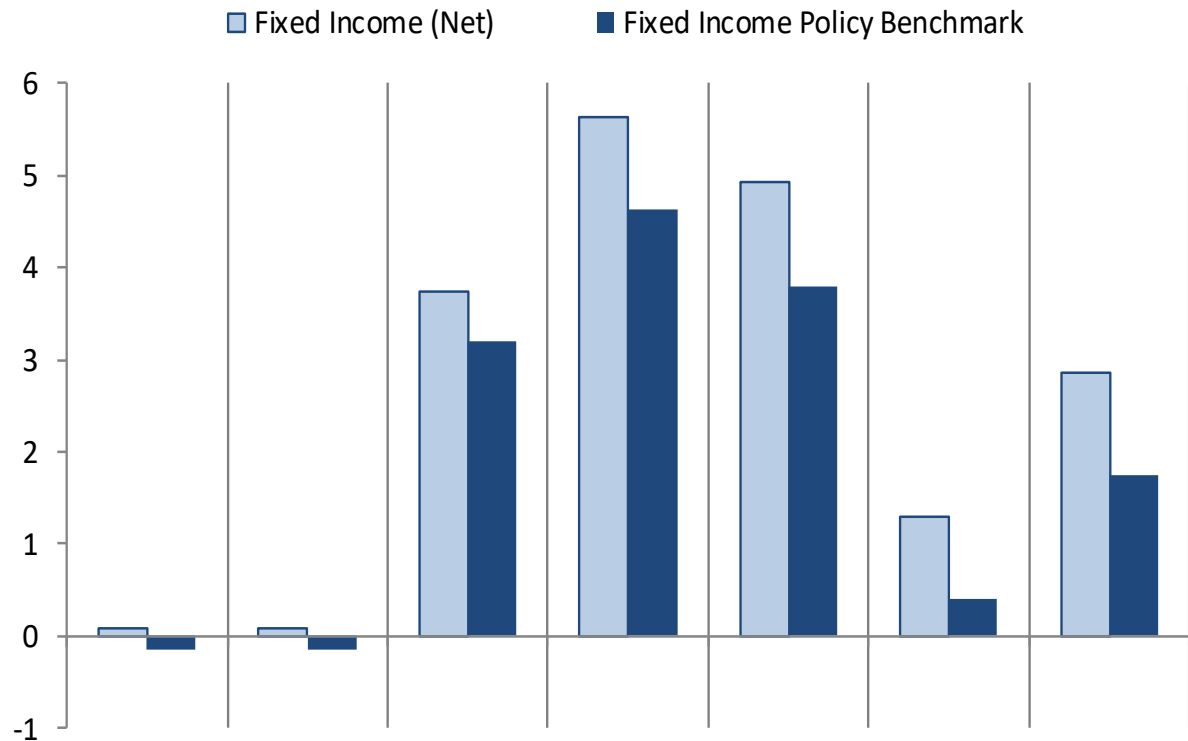
* Private Equity returns are lagged one quarter



Global Fixed Income Performance

Current Benchmark:

Bloomberg US Universal Bond Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.12	0.12	3.85	5.83	5.18	1.56	3.11
Fixed Income (Net)	0.09	0.09	3.73	5.63	4.93	1.30	2.87
Fixed Income Policy Benchmark	(0.15)	(0.15)	3.20	4.64	3.80	0.41	1.75
Value Added (Net of Fee)	0.23	0.23	0.53	0.99	1.12	0.89	1.12

Source: Clearwater Analytics

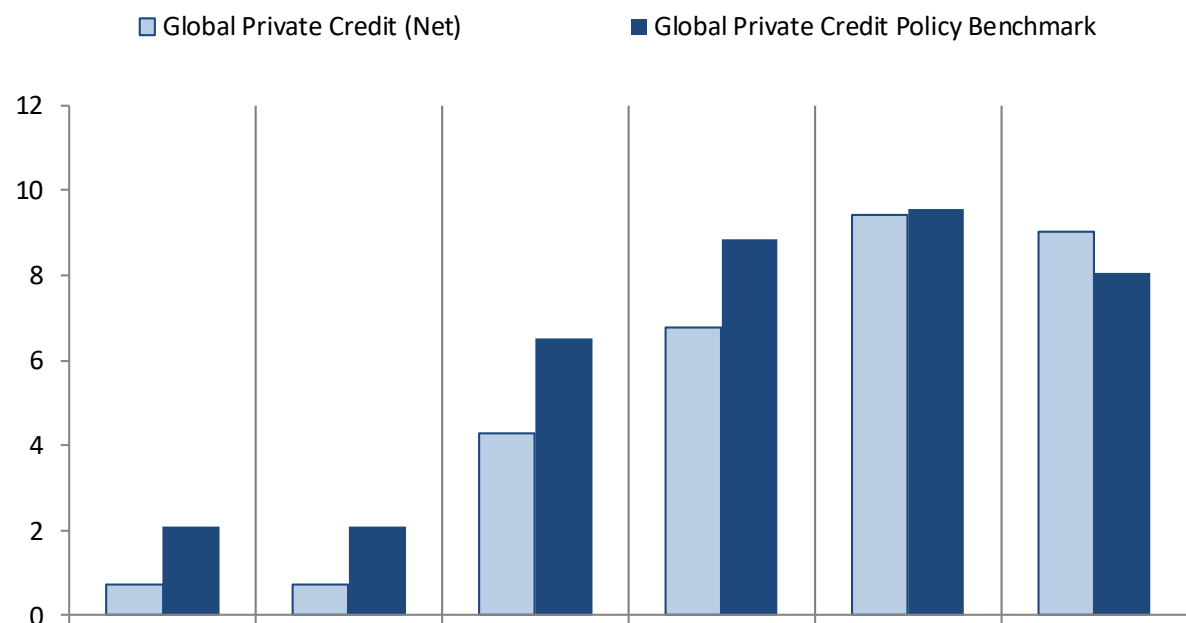


Global Private Credit Performance

Current Benchmark:

90 day SOFR rate + 4.5%

(one quarter in arrears)



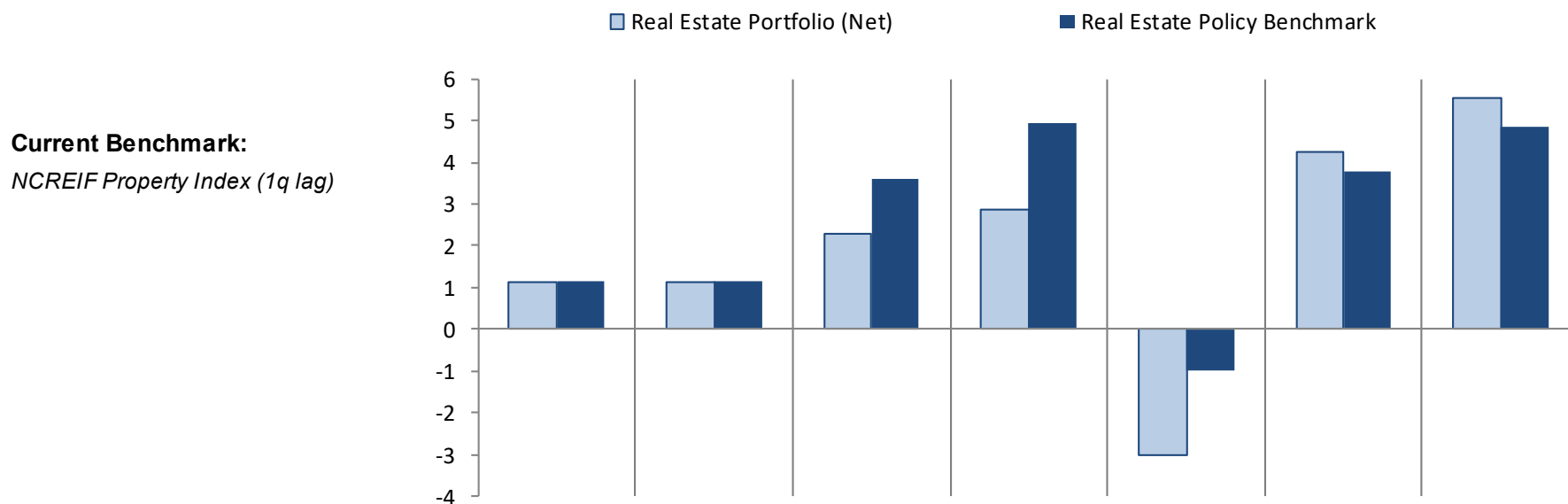
	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year
Global Private Credit (Gross)	0.73	0.73	4.32	7.19	10.57	10.36
Global Private Credit (Net)	0.73	0.73	4.28	6.76	9.42	9.04
Global Private Credit Policy Benchmark	2.10	2.10	6.52	8.84	9.55	8.06
Value Added (Net of Fee)	(1.36)	(1.36)	(2.23)	(2.08)	(0.13)	0.98

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



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Real Estate Portfolio (Gross)	1.12	1.12	2.29	3.20	(2.38)	5.09	6.44
Real Estate Portfolio (Net)	1.12	1.12	2.28	2.86	(3.02)	4.26	5.54
Real Estate Policy Benchmark	1.13	1.13	3.61	4.94	(1.00)	3.80	4.85
Real Estate Value Added (NOF)	(0.01)	(0.01)	(1.33)	(2.08)	(2.02)	0.46	0.69
Real Estate Core (Net)	1.18	1.18	2.78	3.42	(2.90)	4.97	6.08
Real Estate Policy Benchmark	1.13	1.13	3.61	4.94	(1.00)	3.80	4.85
Real Estate Core Value Added (NOF)	0.05	0.05	(0.83)	(1.52)	(1.90)	1.17	1.23
Real Estate Non-Core (Net)	0.38	0.38	(1.24)	(0.91)	(4.68)	0.66	3.40
Real Estate Policy Benchmark	1.13	1.13	3.61	4.94	(1.00)	3.80	4.85
Real Estate Non-Core Value Added (NOF)	(0.75)	(0.75)	(4.85)	(5.85)	(3.68)	(3.14)	(1.45)

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.

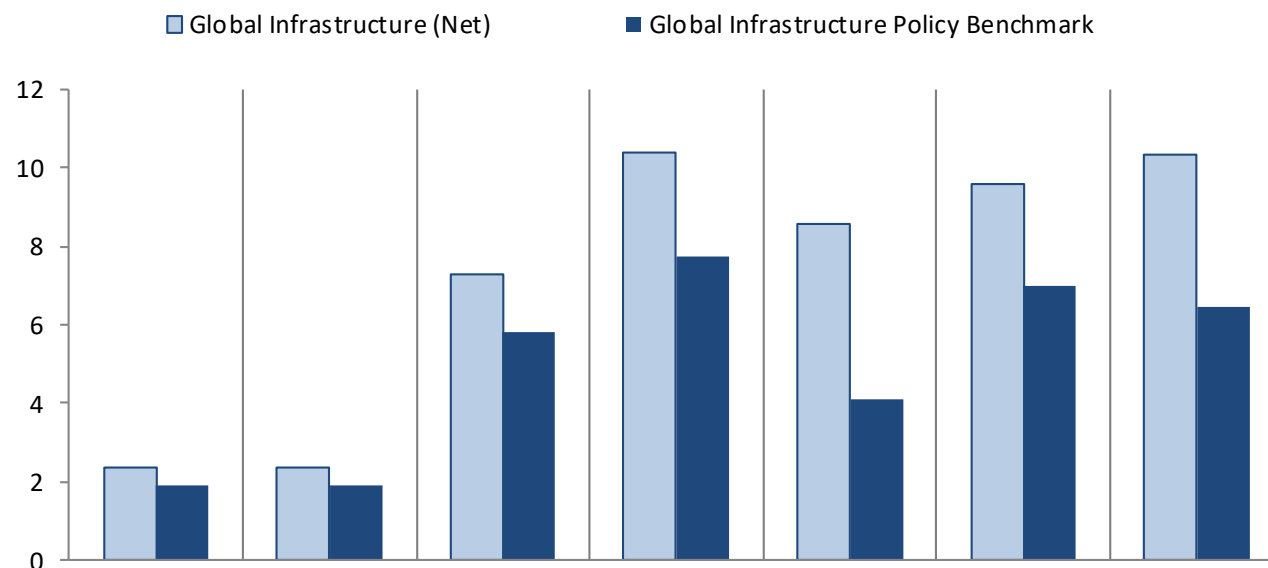


Global Infrastructure Performance

Current Benchmark:

Quarterly (4 qtrs.) smoothed CPI

+1.20% per quarter



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Infrastructure (Gross)	2.36	2.36	7.32	10.62	9.37	10.41	11.33
Global Infrastructure (Net)	2.36	2.36	7.30	10.39	8.55	9.58	10.35
Global Infrastructure Policy Benchmark	1.93	1.93	5.79	7.75	4.08	6.97	6.43
Global Infrastructure Value Added (NOF)	0.43	0.43	1.51	2.65	4.46	2.62	3.91

Source: Clearwater Analytics

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

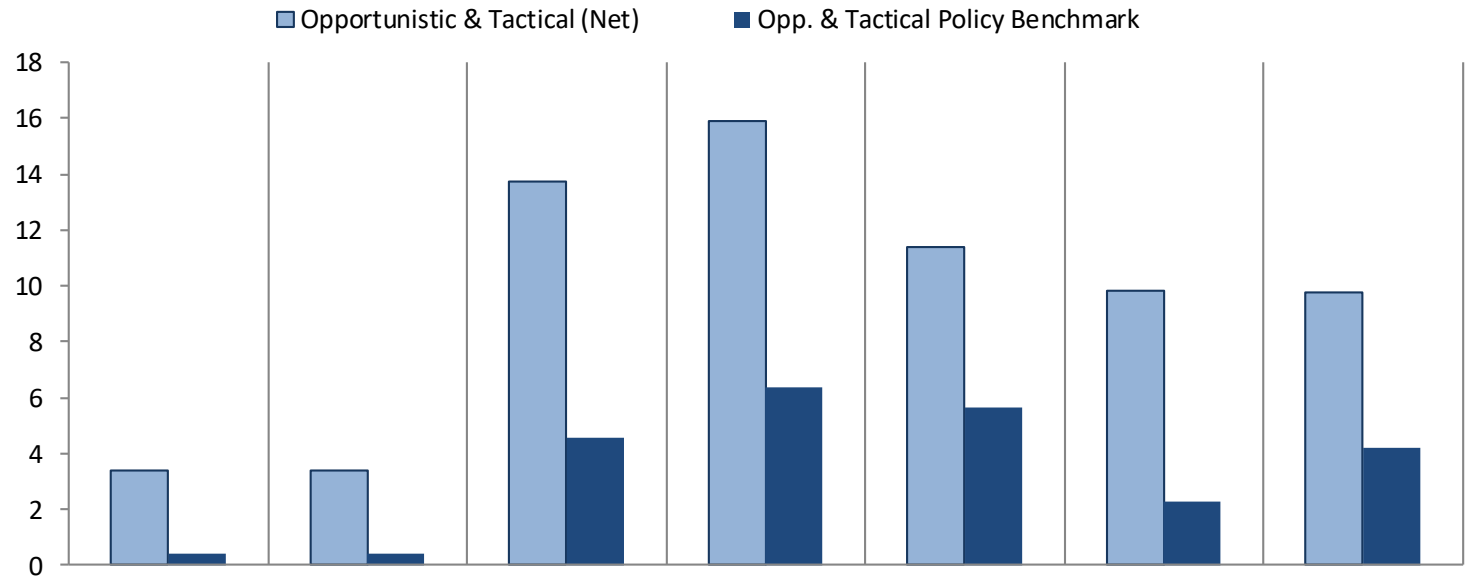
Global Infrastructure performance is reported one quarter in arrears.



Opportunistic & Tactical Performance

Current Benchmark:

*Bloomberg Aggregate
Bond Index + 2%*



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Opportunistic & Tactical (Gross)	3.40	3.40	13.75	16.24	12.27	10.84	11.05
Opportunistic & Tactical (Net)	3.40	3.40	13.75	15.93	11.39	9.81	9.78
Opp. & Tactical Policy Benchmark	0.41	0.41	4.57	6.35	5.63	2.31	4.19
Opp. & Tactical Policy Value Added (NOF)	2.99	2.99	9.18	9.58	5.76	7.50	5.59

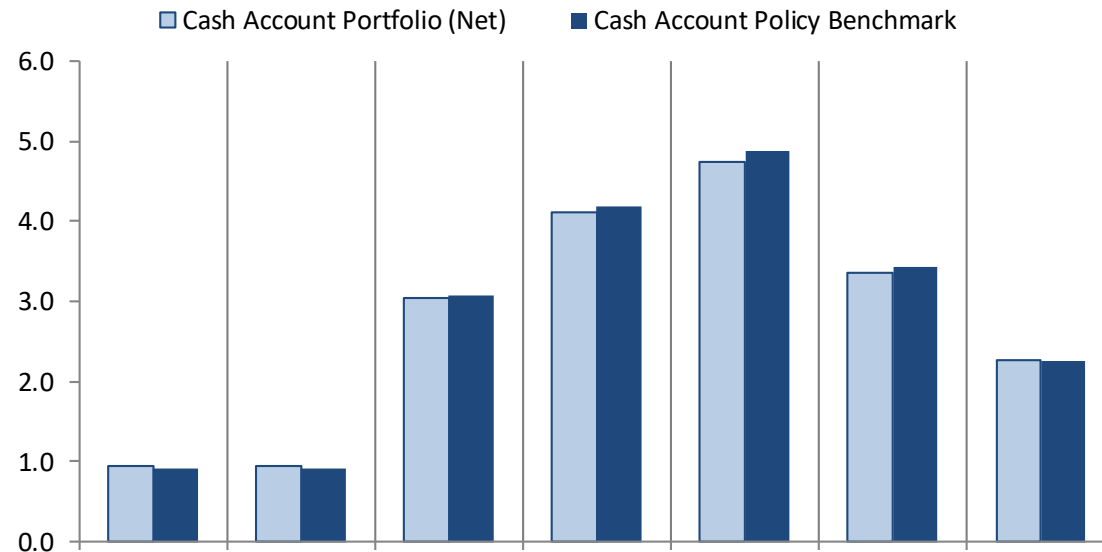
Source: Clearwater Analytics



Cash Account Performance

Current Benchmark:

FTSE 30 Day Treasury Bill Index



	Qtr	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Cash Account Portfolio (Gross)	0.95	0.95	3.04	4.12	4.75	3.37	2.27
Cash Account Portfolio (Net)	0.95	0.95	3.04	4.12	4.75	3.37	2.27
Cash Account Policy Benchmark	0.91	0.91	3.06	4.18	4.88	3.44	2.25
Value Added (Net of Fee)	0.04	0.04	(0.02)	(0.06)	(0.13)	(0.07)	0.02

Source: Cleanwater Analytics



Overlay Performance

	3 mo	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Overlay Cumulative Net Value Added (\$MM)	\$20.1	\$20.1	\$25.3	\$6.8	(\$88.9)	(\$4.0)	\$7.3
Overlay Cumulative Net Value Added (%)	0.05	0.05	0.04	0.00	(0.22)	(0.05)	(0.02)

Source: Clearwater Analytics



Proposed Investment Agenda – Next Meeting

- Annual Overlay Program Review.
- Monthly Investment Report (April 30, 2026).
- FY27 Annual Investment Plan (possible vote).
- Statement of Investment Policy (possible vote).



Statement of Investment Policy

INV1-001

Effective Date:	08/02/1985	Revision Date:	07/01/202 6 ⁵	Audience:	Investments
Owner:	Investments	Certifier:	Richard Stensrud	Co-Owner (s):	Board
Document Links:	Purpose, Policy, Procedure, Definitions, Related Documents, Policy History				

I. Purpose of Statement of Investment Policy

The purpose of this Statement of Investment Policy (SIP) is to set forth the investment philosophy and objectives of the Retirement Board (Board) for the School Employees Retirement System of Ohio (SERS).

This SIP:

- A. incorporates and is subject to all restrictions and obligations set forth in Chapter 3309 of the Ohio Revised Code;
- B. establishes investment policies and describes the organization and division of responsibilities necessary to implement the Board's philosophy and objectives prudently; and
- C. establishes a framework for making investment decisions, and monitoring investment activity, and promotes effective communication between the Board, Staff, and other involved parties.

This SIP is subject to change at any time by the Board. The Board will review the SIP and revise it periodically to ensure it continues to reflect the investment philosophy, objectives, and strategies of the Board.

II. Investment Philosophy

The Board recognizes the need to manage SERS assets prudently (the Total Fund) to meet its statutory and fiduciary obligations and to achieve or exceed its objectives. The Board's investment philosophy is grounded in fundamental, prudent investment principles, incorporating modern portfolio theory, risk management and portfolio management practices. These principles are incorporated in the "Investment Beliefs" below. The Board believes it can provide consistent, long-term performance at appropriate levels of risk. By delineating responsibilities and defining policy objectives, this SIP reflects the Board's investment philosophy and governance.

SERS Investment Beliefs:

Financial Markets

- A. Capital markets are not perfectly efficient. Inefficiencies create opportunities that skilled investors could exploit to generate excess returns. Investment Staff will prudently attempt to add value by exploiting such inefficiencies across different assets selectively, although it is not easily achieved.
- B. Markets generally afford higher prospective returns for riskier assets, such as equity or credit risk premiums over the long term. Anomalies could occur in intermittent periods on account of shifting valuations. When valuations are elevated returns tend to be lower.

Investment Process

- C. Strategic asset allocation is the key determinant of risk and return and represents the Board's tolerance for risk in achieving funding goals. It is important to diversify across risk factors and return sources and to be explicit about the role of asset classes.

- D. Risk is the likelihood of loss or less than expected outcomes and is not fully captured by a single metric such as volatility. Risk has many dimensions, subjective and objective, which must be comprehensively assessed and managed in the investment process.
- E. Long-term horizon is an advantage as it enables SERS to tolerate volatility, capture illiquidity and other risk premia, and take advantage of trends and opportunities.
- F. Costs matter. Managing fees and transaction costs adds value to the Fund. Costs must be judged relative to the expected value added.

Organizational Skills and Design

- G. Investment success is dependent on good governance, decision process, skill, and judgment. Having an experienced and talented staff with appropriate decision authority is an advantage. SERS' Board will delegate authority as appropriate to staff to facilitate execution of the investment process but retain policy and oversight powers.
- H. Explicit investment objectives, guidelines, and collaborative teamwork among staff as well as external partners is essential for success.

Sustainability and Corporate Governance

- I. Good governance of markets and entities comprising the markets improves outcomes for investors. SERS Board and Staff will exercise corporate ownership responsibly and with the best fiduciary interest of members and stakeholders.
- J. SERS Board and Staff must be attentive to important sustainability issues that affect markets and promote its interests in a responsible manner in the best fiduciary interest of members and stakeholders.

III. Investment Objectives

The Investment Objectives of SERS are:

- A. to assure that SERS provides statutorily mandated retirement benefits;
- B. to earn a net-of-fees total return that equals or exceeds over the long term the Actuarial Assumed Rate approved by the Board; and
- C. to enhance risk-adjusted investment returns of the Total Fund in a prudent and cost-effective manner.

IV. Risk Management

- A. The Board evaluates risk in terms of the probability of not earning the actuarial assumed rate over the long term. Diversification across asset classes, within asset classes and across investment styles, sectors and securities is employed to manage overall portfolio risk and volatility.
- B. SERS utilizes a risk budgeting approach in management of volatility risk of investment portfolios. Active risk of the Total Fund, asset class and individual portfolios and their respective risk contribution to total risk are important factors in the management of the capital allocations to individual asset classes and portfolios. The Total Fund shall be managed within a forecast active risk (tracking error) range of 0% to 3.0% relative to the policy benchmark and within the asset allocation range specified elsewhere in this SIP. Active risk is determined by asset allocation deviations and active security selection decisions as well as underlying market volatility. Furthermore, active risk (tracking error) shall be inclusive of any applied leverage. In times of high market volatility, the active risk may exceed 3%. In any event, if the active risk exceeds 3% staff will discuss this with the Board and present appropriate recommendations. The realized tracking error is also expected to be below 3% over rolling three-year periods. Individual asset classes will be managed within the tracking error range specified in the respective asset class implementation guideline. Private asset classes (Private Equity, Private Credit and Real Assets) are excluded at this point from tracking error guidelines.
- C. Other risks, including but not limited to those such as interest rate risk, credit risk, and liquidity risk, will be managed and carefully monitored by Investment Managers and Investment Staff.

V. Implementation Approach

- A. The Board reserves certain responsibilities for itself, while delegating other responsibilities to the Executive Director, the Chief Investment Officer, the Investment Committee, Investment Staff, Investment Managers, Investment Consultants, the Investment Compliance Department, and other Investment Service Providers. These responsibilities are described in this SIP.
- B. In fulfilling its fiduciary duties, the Board utilizes a competent and qualified Staff to implement the investment program and to manage daily operations.
- C. The Board utilizes Investment Managers or Funds selected by Staff to invest most assets of the Total Fund. The Board recognizes that costs associated with external Investment Managers and Funds are typically higher than costs associated with internal management. However, the Board believes external Investment Managers that act as fiduciaries possess specialized investment expertise and economies of scale and can generate higher returns on a net-of-fee basis.
- D. The Board requires regular reporting on the Total Fund's investment program to ensure compliance with its SIP.

VI. Investment Organization and Responsibilities

A. Responsibilities of the **Board**

The Board as a fiduciary is responsible for ensuring that Total Fund assets are managed prudently and effectively, in compliance with applicable laws and with this SIP, for the exclusive benefit of participants and beneficiaries.

Responsibilities of the Board include:

- 1. establishing controls and systems to ensure that Total Fund fiduciaries comply with applicable laws;
- 2. establishing asset allocation and investment policies for SERS assets;
- 3. appointing and discharging the Executive Director and Board Investment Consultants;
- 4. confirming or rejecting the Executive Director's proposed appointment of a Chief Investment Officer for SERS;
- 5. designating the individual as Chief Investment Officer of SERS for purposes of R.C. 3309.043, and then notifying the Ohio Department of Commerce, Division of Securities in writing of the designation as required by the Ohio Revised Code;
- 6. monitoring and reviewing investment performance and policy compliance;
- 7. requesting, receiving, and reviewing reports from Investment Staff, Board Consultants, and other entities, if applicable;
- 8. approving an Annual Investment Plan;
- 9. approving the Statement of Investment Policy and changes thereto; and
- 10. conducting an annual evaluation of the performance of the Board's Investment Consultant.

B. Responsibilities of **Staff**

Staff will administer Total Fund assets as fiduciaries in accordance with applicable federal and state laws and regulations, and in accordance with this SIP, ethics laws, codes of professional conduct (in particular, the CFA Institute Code of Ethics and Standards of Professional Conduct), and other applicable codes and/or regulations. Staff will establish plans, policies, and procedures to perform these duties.

- 1. The **Executive Director** is responsible for:
 - a. ensuring that reports of the Total Fund's investment performance are presented on a timely basis;

- b. retaining vendors, consultants, and advisors as necessary to assist Staff, and assist the Board in the retention of Investment Consultants;
 - c. appointing, discharging, and retaining the Chief Investment Officer and Investment Staff;
 - d. overseeing the investment function,
 - e. executing investment documents, when necessary; and,
 - f. conducting a fiduciary audit of investment operations at least on a seven- to ten-year cycle unless circumstances require an audit to be conducted sooner.
2. The **Chief Investment Officer** is responsible for:
- a. overseeing the investment program and keeping the Executive Director advised;
 - b. conducting periodic asset liability studies with the assistance of Investment Consultants and recommending asset allocation targets and ranges;
 - c. reviewing the SIP on an annual basis and recommending changes as needed for approval by the Board;
 - d. preparing and presenting the Annual Investment Plan to the Board for approval;
 - e. implementing the Annual Investment Plan;
 - f. investigating, researching, and recommending new and emerging investment concepts and strategies, and implementing appropriate strategies in accordance with approved policies and procedures;
 - g. informing Investment Managers, Investment Consultants, and others providing investment services to SERS about the requirements of applicable laws and Board policies, and monitoring their compliance with said laws and policies;
 - h. adjusting allocations to Asset Classes, Investment Managers and Funds as needed, subject to any approved allocation ranges;
 - i. approving implementation guidelines for each asset class to establish allocation ranges for sub-strategies, risk parameters and risk limits, and providing such guidelines to the Board;
 - j. approving trades in Exchange Traded Funds (ETF) in accordance with the Internal ETF Trade Approval and Execution Policy;
 - k. appointing and discharging Investment Managers and approving investments in or redemptions from Funds subject to conditions and guidelines in Section VII.;
 - l. executing investment documents;
 - m. approving Investment Manager guidelines, changes and additions;
 - n. hiring and supervising Investment Staff;
 - o. monitoring and evaluating the effectiveness of executed securities transactions and reporting annually to the Board regarding the performance of agents who execute securities transactions on behalf of SERS;
 - p. regularly reporting to the Board on market conditions, the status of the Total Fund, and its multi-period performance relative to benchmarks. Performance will be calculated on a gross-of-fees and net-of-fees basis; and
 - q. Conducting Investment Committee meetings as the Chair and ensuring appropriate due diligence prior to investment decisions.
3. The **Investment Committee** is responsible for:
- a. ensuring that a policy and procedure are in place defining the Committee's structure and establishing rules for reviewing and approving investments;

- b. reviewing Investment Manager and Fund due diligence; and
 - c. approving Investment Managers or Funds.
4. The **Investment Staff** is responsible for:
- a. regularly reporting the status of the respective asset classes and Total Fund and its multi-period performance to the Chief Investment Officer;
 - b. periodically meeting and speaking with existing or potential Investment Managers to review and assess the quality of their investments and management of assets;
 - c. performing ongoing due diligence to evaluate and monitor Investment Manager capabilities relative to managing Total Fund assets;
 - d. recommending to the Chief Investment Officer implementation guidelines for the respective asset classes to establish allocation ranges for sub-strategies, risk parameters and risk limits, and managing the portfolio to the approved implementation guidelines;
 - e. recommending to the Chief Investment Officer any additions or withdrawals from Investment Manager accounts or Funds, or rebalancing of asset class allocations;
 - f. recommending to the Chief Investment Officer and the Investment Committee the appointment or discharge of Investment Managers and investments in or redemptions from Funds;
 - g. investing assets of the cash equivalents portfolio;
 - h. investigating and researching new and emerging investment concepts and strategies, and recommending those strategies to the Chief Investment Officer;
 - i. preparing periodic reports for the Chief Investment Officer on the performance of agents who execute securities transactions on behalf of SERS; and
 - j. maintaining a list of Ohio-qualified Investment Managers and their investment products.

C. Responsibilities of **Investment Service Providers**

Investment Service Providers who do business or seek to do business with SERS will act in the best interest of SERS when providing services to SERS or the Total Fund. Investment Service Providers will:

1. comply with all applicable federal and state laws and regulations, with this SIP, and with all applicable professional codes and regulations;
2. have established ethics and conflict of interest policies and procedures, and proper internal compliance controls in place as needed;
3. at the earliest opportunity, disclose to Investment Staff any actual or potential conflict of interest;
4. as permitted by law, disclose any investigation of, or litigation involving, its operations to Investment Staff; and
5. provide annual or other periodic disclosures as required.

D. Responsibilities of **Investment Managers**

Investment Managers and Investment Staff managing assets internally are responsible as fiduciaries for investing prudently the Total Fund assets. In addition to those applicable responsibilities described in VI.B., Investment Managers and internal Investment Staff members will:

1. manage assets within their control in compliance with all applicable federal and state laws and regulations, including but not limited to applicable ethics requirements, this SIP, contractual obligations, and applicable professional codes of conduct;
2. inform the Chief Investment Officer and Investment Staff of any substantial changes in investment strategy, portfolio structure, asset value, and of any organizational changes,

including that of ownership, affiliation, organizational structure, financial condition, or changes in professional personnel staffing in the investment management organization;

3. present in-depth reports to Investment Staff;
4. recommend to Investment Staff changes to investment guidelines the Investment Manager believes would enhance investment performance on a risk adjusted basis; and
5. select such agents for the execution of transactions, at such prices, and at such commission rates as in the good faith judgment of the Investment Manager will be in the best interest of the Total Fund, taking into consideration the selection of such agents not only the available prices and rates of brokerage commissions, but also other factors relevant to the transaction.

E. Responsibilities of ***Investment Consultants***

Investment Consultants will:

1. provide services as fiduciaries and in accordance with all applicable federal and state laws and regulations, including but not limited to applicable ethics requirements; in accordance with this SIP and its written Agreement with SERS; and with all applicable professional codes and/or regulations;
2. provide independent and unbiased research, information, and advice to the Board and Staff;
3. assist in the development and amendment of this SIP;
4. assist in the development of investment guidelines as may be requested by Staff;
5. assist in the development of strategic asset allocation targets and ranges;
6. assist in the development of performance measurement standards;
7. monitor and evaluate Investment Manager and Fund performance as appropriate on an ongoing basis;
8. recommend to Staff the retention or discharge of Investment Managers and investment in or redemption from Funds;
9. collaborate with Investment Staff on the due diligence of potential Investment Managers and Funds, and existing Investment Managers and Funds, as requested by Staff;
10. assist in the development of criteria for and procedures to be utilized in the selection of Investment Managers and Funds;
11. provide research, information and advice on investment topics and strategies considered relevant by the Investment Consultant, or when requested by the Board or Investment Staff;
12. provide those services delineated in the Advisory or Consultant Agreement;
13. provide any other advice or services that the Board, Executive Director or Chief Investment Officer determines are necessary, useful, or appropriate to fulfill the objectives of this SIP; and
14. regularly report the status of the Total Fund and its multi-period performance to the Board. Performance will be calculated on a net-of-fee basis.

F. Responsibilities of the ***Investment Compliance Department***

The Investment Compliance Department is responsible for:

1. monitoring and reporting compliance with this SIP and Board Resolutions;
2. ensuring that investment management agreements and related contracts comply with the SIP;
3. ensuring that Investment Service Providers and Investment Managers comply with Section VI., herein; and
4. identifying and, in concert with Investment Staff, resolving compliance violations by Investment Managers and Investment Staff relative to their respective investment guidelines.

Staff will ensure that those accounts with guideline violations are efficiently and effectively brought back into compliance;

G. Responsibilities of the **Government Relations Officer**

The Government Relations Officer is responsible for:

1. promptly voting proxies and related actions in accordance with Board approved procedures, and maintaining detailed records of proxy votes and related actions for the Proxy Review Committee; and
2. reporting proxy voting activity to the Board on a quarterly basis and highlighting any emerging issues related to this activity.

H. Responsibilities of the **Investment Accounting Department**

Responsibilities of the Investment Accounting Department related to the Investments Department are defined in Policy FIN4-004 Investment Valuation.

VII. Conditions and Guidelines for Making Investments

A. Conditions

1. In cooperation with legal counsel, Staff will endeavor to ensure that the legal structure of each investment limits potential losses to no more than the amount invested;
2. Investments will be of institutional quality;
3. Investments will require the approval of the Chief Investment Officer and the Investment Committee;
4. Investment documents must be approved by SERS' Legal Department and the Investment Compliance Department;
5. The Investment Committee will develop and implement definitive procedures for approving investments in accordance with this SIP; and
6. The Chief Investment Officer or the Executive Director must sign the necessary investment documents when making investments.

B. Guidelines

1. Selected Investment Managers and Funds will have proven track records in the strategy;
2. Monthly reporting by the Fund or Investment Manager is preferred, but there should be quarterly reporting at a minimum;
3. The liquidity of an investment will be prudent, both for the strategy and for the Total Fund;
4. The amount invested with an Investment Manager or in a Fund will be prudent for the strategy; and
5. Investment limits established by Board resolution remain in effect until modified or eliminated by the Board.

VIII. Implementation Strategies

A. Asset Allocation

The Board will conduct an asset and liability study every three- to five-years or sooner, if necessary, in order to establish allocation targets and ranges for asset classes within distinct capital markets. Staff, with the assistance of consultants, will review annually the market outlook and expected returns for asset classes with the Board. If there are significant changes in return assumptions, Staff will conduct an interim review of the Asset Allocation Policy.

In order to identify the investment horizon of SERS and its cash flow requirements, liability considerations will include but not be limited to current and expected future values of the benefits, contributions, and total assets.

After giving due consideration to an asset and liability study conducted by the Investment Consultant, which study meets the requirements of this SIP, the Board hereby recognizes and reaffirms the following asset allocation for SERS:

	TARGET		RANGE
<u>Equity</u>		54%	
Global Equities	40%		35% - 45%
Global Private Equity	14%		11% - 17%
<u>Income</u>		26%	
Global Fixed Income	18%		13% - 23%
Global Private Credit	5%		3% - 7%
Cash Equivalents	3%		1% - 5%
<u>Global Real Assets (Inflation)</u>		20%	
Real Estate	7 3%		4 4% - 10 15%
Infrastructure	10 7%		6 5% - 14 10%
<u>STRATEGY</u>			
<u>Gold</u>	<u>3%</u>		<u>0%-4%</u>
Opportunistic and Tactical Investments		0%	0% - 5%
Total	100%	100%	
Leverage		0%	0% - 10%
Total Notional Exposure (Including Leverage)		100%	100% - 110%

B. Derivatives

The Board authorizes the use of derivatives in the Total Fund and authorizes the Chief Investment Officer, with the advice and assistance of the Investment Consultant, to develop and implement derivatives strategies as needed. The Chief Investment Officer will follow the derivatives policy, setting forth general guidelines for the use of derivatives.

C. Leverage

The Board authorizes the use of leverage in the Total Fund and authorizes the Chief Investment Officer, with the advice and assistance of the Investment Consultant, to develop and implement certain leverage strategies. The Chief Investment Officer will follow the leverage policy setting forth general guidelines for the use of leverage. Leverage at the total fund level may be used to gain a higher level of exposure than 100% of the above asset allocation targets subject to a limit of 10% of total fund. Economic leverage is obtained by the use of derivatives (equities, bond, or other liquid assets) and may be employed to balance risk contribution and/or potentially enhance total fund return. Any active risk introduced by the total fund leverage shall be governed by the limits specified in Section IV (Risk Management) above.

D. Rebalancing

The Total Fund rebalancing is conducted by the Chief Investment Officer within the active risk limit specified in Section IV. (Risk Management) as well as asset class portfolio ranges specified in Section VIII. Within individual asset classes, rebalancing is conducted based on the specific targets and ranges of the sub-strategies specified in the implementation guidelines subject to the overall tracking error limit of each asset class.

E. Currency Hedging

The Board authorizes currency hedging in the Total Fund and authorizes the Chief Investment Officer to develop and implement currency hedging strategies as needed. Currency hedging programs and managers shall be approved by the Investment Committee.

F. Transition Management

The Board authorizes the Executive Director and the Chief Investment Officer to hire Transition Managers as needed.

G. Proxy Voting

The Board authorizes the Proxy Review Committee, which consists of staff members from Executive and Investments, to vote proxies of common stock owned by SERS and to hire proxy services as required to implement this strategy. The Proxy Review Committee will follow a process for voting proxies as described in the Proxy Voting Procedures document.

H. Securities Lending

The Board authorizes Investment Staff to develop and implement a securities lending program which may involve the appointment or discharge of third-party securities lending agents by the Executive Director or the Chief Investment Officer. The Board recognizes that while the practice of securities lending can generate meaningful income for the Total Fund, it is not without investment risk. To mitigate investment risk the securities lending program will focus on intrinsic value lending and use conservative collateral reinvestment guidelines as outlined in the securities lending policy. If Staff determines the risk/reward relationship of the program is no longer advantageous for the Total Fund, the program will be discontinued.

I. Opportunistic and Tactical Investments

The Board authorizes Investment Staff to invest up to 5% of Total Assets in Opportunistic and Tactical Investment Strategies. These investments will comply with the Opportunistic and Tactical Investment Policy approved by the Chief Investment Officer.

J. Overlay Program

The Board authorizes Investment Staff to invest in an overlay program which includes tactical asset allocation and active currency strategies. The overlay program trades derivatives of the Total Fund's underlying assets and foreign currency exposures to enhance Total Fund's risk adjusted return. The net notional exposures of the tactical asset allocation should be zero and the gross notional exposure of the currency program is limited to 50% of the Non-US Equity portfolio value. The active risk (tracking error) of the overlay positions is governed by the overall tracking error limit for the Total Fund as stated in Section IV. (Risk Management).

K. Investment Managers and Funds

The Board authorizes the Chief Investment Officer and the Investment Committee to approve Investment Managers and Funds based upon recommendations of Investment Staff or Investment Consultants, as may be appropriate, and discussions with Managers. The Chief Investment Officer is authorized to discharge Investment Managers or Funds and report such actions to the Investment Committee or to present the discharge action to the Investment Committee for approval on a

discretionary basis. Allocations to approved Investment Managers and Funds will be determined or adjusted by the Chief Investment Officer in accordance with Section VI. Allocations and adjustments are subject to any maximum allocation amounts established by the Board.

Investment Managers will adhere to investment guidelines established by Investment Staff, as well as all applicable laws and policies. The Chief Investment Officer is authorized to establish and amend investment guidelines as needed.

It is a goal of the Board to increase the utilization of Ohio-qualified Investment Managers when an Ohio-qualified Investment Manager offers quality, services, and safety comparable to other Investment Managers available to the Board, and the use of such Investment Manager is consistent with the Board's fiduciary duties.

The Board will require that a list of Ohio-qualified Investment Managers and their investment products be maintained, and that public notice be given to Ohio-qualified Investment Managers of Investment Manager searches and search criteria.

SERS will give equal consideration to minority owned and controlled firms, and firms owned and controlled by women.

L. Co-investments

The Board authorizes the Chief Investment Officer to approve co-investments in a single investment within a Fund investment previously approved by the Investment Committee. A single co-investment is limited to \$25 million. Such approvals shall be reported to the Investment Committee with supporting investment memoranda. The Chief Investment Officer may present the co-investment to the Investment Committee for approval (on a discretionary basis) if time permits.

M. Collective Investment Funds

To the extent SERS' assets are invested in a group trust described in IRS Revenue Ruling 81-100, the instruments governing such trusts, as they may be amended from time to time, are hereby incorporated by reference and made part of the SIP as if fully set forth herein.

N. Approved Brokers

Brokers (or broker/dealers) who may provide execution of securities transactions for SERS will be evaluated on the basis of financial soundness, underwriting capabilities, research services, execution costs, and any other capabilities necessary in the execution of such transactions. Investment Managers who use such brokers will use their good faith judgment to ensure that said brokers will perform in the best interest of the Total Fund.

It is a goal of the Board to increase its utilization of Ohio-qualified brokers for the execution of domestic equity and domestic fixed income trades when an Ohio-qualified broker offers quality, services, and safety comparable to other brokers available to the Board or its Investment Managers, and the use of such broker is consistent with the Board's fiduciary duties.

SERS will give equal consideration to minority owned and controlled firms, and firms owned and controlled by women.

O. Soft Dollars

SERS allows investment managers to enter into limited soft dollar trading arrangements as governed by the "safe harbor" provision of Section 28(e) of the Securities and Exchange Act of 1934 and guided by the CFA Institute Soft Dollar Standards. SERS does not support any new soft dollar arrangements outside of these noted provisions.

P. Securities Litigation

SERS will follow the securities litigation policy and procedures as approved by the Board in setting out a course of action that best represents the interests of SERS' participants and beneficiaries.

Q. Other

The strategies listed herein are not meant to constrain the Chief Investment Officer from managing the investment program in a prudent manner. The Chief Investment Officer may develop additional investment strategies as needed and will discuss such additional strategies with the Board prior to implementation.

IX. Performance

A. Performance Measurement Standard

Performance evaluation for the Total Fund will focus on total return, on an accrual accounting basis, including realized and unrealized capital gains and losses, and income. Valuations are to be made at least on a quarterly basis, and period returns are to be geometrically linked. Private market asset returns may be reported one quarter in arrears. Cash and cash equivalents will be included in the portfolio’s return. Performance will be calculated on a gross-of-fee and net-of-fee basis.

B. Performance Benchmark – Total Fund

Performance of the Total Fund relative to benchmarks will be examined monthly and will be reported for multiple time periods as needed. The Board’s Investment Consultant will report performance net-of-fees on a quarterly basis.

The performance benchmark for the Total Fund will be the target-weighted average of the performance benchmark for each asset class and strategy grouping as stated in Section VIII, excluding leverage. Performance for the Total Fund shall be reported including total fund leverage.

In the event of a significant change in policy targets, the Board may approve interim targets for a period to move progressively toward the final target; interim targets may be used for the purpose of calculating the Total Fund policy benchmark in the interim period.

C. Performance Benchmarks – Asset Classes and Strategies

The long-term performance benchmark for each asset class is shown below. Performance benchmarks are determined as appropriate for SERS in cooperation with SERS’ Investment Consultant. For purposes of this section, long-term refers to rolling three- to five-year periods. Performance in each asset class should meet or exceed the Benchmark measure.

ASSET CLASS	BENCHMARK MEASURE
Global Equities	MSCI All Country World Net Total Return Index (USD)
Global Private Equity	MSCI-Burgiss Global Private Equity Funds Index
Global Fixed Income	Bloomberg US Universal Bond Index
Global Private Credit	90 day SOFR rate+4.5% (one quarter in arrears)
Global Real Assets Estate	Expanded NCREIF Property Index (one quarter in arrears)
Global Infrastructure	Quarterly (4 qtrs.) smoothed CPI +1.20% per quarter
Gold	LBMA Gold Price PM (USD) less 10 basis point annuallyIAU Gold ETF
Cash Equivalents	FTSE 30 Day Treasury Bill
STRATEGY	BENCHMARK MEASURE
Opportunistic and Tactical Investments	Bloomberg US Aggregate Bond Index + 2%

D. Performance Benchmarks – Individual Investment Managers

Investment Staff will establish performance benchmarks for each Investment Manager based on its respective style.

X. Review and Evaluation

The Board will review and evaluate periodic reports on the investment performance of Total Fund assets. Greater emphasis will be placed on three- to five-year results. The intended frequency for review and evaluation, subject to change by the Board, is as follows:

- A. Monthly – Investment Report including Total Fund Fair Market value, asset allocation, performance of the Total Fund and each asset class, and the Total Fund’s compliance with this SIP.
- B. Quarterly – Summary Investment Report presented by the Investment Consultant, including highlights and commentary about market conditions, investment performance, asset composition and characteristics for each asset class, and relevant manager level information.

XI. Related Policies and Procedures

A list of related policies and procedures that govern the investment program is attached as Appendix I.

Appendix I - Related Policies

SIP	Number	Document
	INV1-001	Statement of Investment Policy
VIII	INV1-002	Derivatives Policy
VIII	INV1-003	Leverage Policy
VIII	INV1-004	Opportunistic and Tactical Investment Policy
IV	INV1-006	Investment Risk Management Policy
VIII	INV1-007	Securities Lending Policy
VI	INV1-012	Cash Equivalents Portfolio Investment Guidelines Policy
VIII	INV1-014	Cash Equitization Policy
VI	INV1-024	Investment Committee and Investment Approval Policy
VIII	INV1-025	Private Market Co-Investment Policy
VI	INV3-001	Investment Oversight Policy
VIII	BD3-008	Securities Litigation Policy
VIII	EXE6-002	Proxy Voting Policy

Appendix II – Glossary of Terms

Active Risk – See Tracking Error.

Active Share – the Active Share of a fund represents the percent of portfolio holdings that differ from the (declared) benchmark index holdings.

Actuarial Assumed Rate – also referred to as the actuarial discount rate. This rate is used to value a pension fund’s liabilities and is also used as a long-term investment return objective.

Asset and Liability Study – a study to determine the appropriate level of overall investment risk for a pension plan, based on future liabilities and funding resources. The study helps maximize the probability that the return on plan assets exceeds the growth of plan liabilities.

Benchmark – a gauge in the securities market by which investment performance can be measured, such as the Standard & Poor’s 500 Index.

Bloomberg US Aggregate Bond Index – a market capitalization weighted US bond index published by Bloomberg. Most US traded investment grade bonds are represented in the index. SERS’ global fixed income policy benchmark through June 30, 2024.

Bloomberg US Universal Bond Index – a market capitalization index that consists of USD-denominated securities only. The index includes debt issued by the U.S. government and other government-related entities, residential and commercial mortgage-backed securities, investment grade and high yield bonds as well as debt from emerging market countries and other foreign issuers. The policy benchmark for the global fixed income portfolio switched from the US Aggregate index to the US Universal index on July 1, 2024.

Broker – an individual or firm authorized to act on behalf of another, such as executing a transaction. The broker does not assume any financial risk in the transaction, as a dealer would.

Brokerage Commission – fee paid to a broker for the purchase and sale of securities.

Broker/dealer – any individual or firm in the business of buying and selling securities for itself and others. Broker/dealers must register with the SEC. When acting as a broker, a broker/dealer executes orders on behalf of a client. When acting as a dealer, a broker/dealer executes trades for the firm's own account. Securities bought for the firm's own account may be sold to clients or other firms or become a part of the firm's holdings.

Cash Securitization – Cash securitization is a method used to obtain asset-like returns on short-term cash investments in equity, fixed income, or other accounts by overlaying the short-term cash investments with relevant futures. Securitization of equity cash is referred to as cash equitization.

Cash Equivalents – highly liquid, safe investments with maturities of 397 days or less, which can be easily converted into cash. Examples include Treasury Bills, money market funds, and quality commercial paper. The cash equivalents asset class serves as a liquidity pool for SERS.

Chapter 3309, Ohio Revised Code – the Ohio statute governing the School Employees Retirement Board and School Employees Retirement System of Ohio.

Co-investment – a direct investment in a single asset of a private market Fund, made alongside the Fund's investment in the asset; typically involves more attractive terms and shorter time frames than those of the Fund.

Collective Investment Fund – A fund that is operated by a trust or bank and holds commingled (pooled) assets.

Conflict of Interest – a direct or indirect pecuniary interest or a relationship (without regard to whether the relationship is personal, private, commercial, or business) and the interest or relationship could diminish the Investment Service Provider's independence of judgment in the performance of its responsibilities to SERS; or bias the Investment Service Provider's evaluation of, or advice with respect to, a transaction or assignment on behalf of SERS.

Credit Risk – the possibility that a bond issuer will default by failing to repay principal and interest in a timely manner.

Currency Hedging – also known as Currency Management. A technique or strategy used to address foreign exchange fluctuations which affect investment returns on international investments. Currency hedging can be active, passive, or a combination of active and passive. Passive hedging is a strategy to neutralize fluctuations between US and Non-US currencies to a predetermined level. Active hedging is a strategy to manage currency fluctuations in an effort to generate returns.

Default Risk – see Credit Risk.

Derivatives (Derivative Instruments) – financial instruments (securities or contracts) whose values are derived from underlying financial assets, indices, or other instruments. Derivative performance is based on the performance of assets, interest rates, currency exchange rates, and various domestic and foreign indices underlying the instruments. The common forms of derivatives are forward, futures, swap, and options contracts.

Diversification – spreading a portfolio over many investments to avoid excessive exposure to any one source of risk.

Due Diligence – an investigation or audit of a potential or existing investment.

Equity Investment – claims held by the residual owners of a firm. May also be referred to as common stock. Investments in real estate and certain private markets classifications may also be considered equity.

Expanded NCREIF Property Index (ENPI) – a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. The Expanded NCREIF Property Index is a component of SERS' global real estate policy benchmark.

External Management – the management or investment of fund assets by Investment Managers.

Fiduciary – a person, company or association holding assets in trust for a beneficiary. One who can exercise discretionary authority or can control important aspects of a pension plan's management.

Firm Level – as used in this SIP, Firm Level refers to an Investment Management Firm and includes all investment products, strategies or styles offered by the firm.

Fixed Income Investment – a security issued by a borrower that obligates the issuer to make specified payments to the holder over a specific period. May also be referred to as "debt" or "bonds."

Foreign Currency Risk – incurred by investing in foreign countries. Fluctuations in exchange rates between domestic and foreign currencies impact total returns. Impacts may be positive or negative.

FTSE 30 Day Treasury Bill – an index that measures the rate of return for 30-day US Treasury Bills, which are considered representative of the performance of Short-Term money market instruments. The FTSE 30 Day Treasury Bill is SERS' policy benchmark for Cash Equivalents.

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

Global Equities – reflects the consolidation of what had been treated by SERS as US equity and Non-US equity asset classes; includes equities of US and non-US origin, equities of various capitalizations (e.g., large cap, small cap, mid cap, etc.), equities from developed, emerging and frontier markets, growth and value equities, and passive and active strategies. Investments in global equities strategies are made in accordance with investment allocation guidelines established and amended as necessary, by mutual agreement between the Chief Investment Officer and the Investment Consultant.

Global Private Credit - broadly defined as strategies that provide loans and financing to middle market companies in lieu of bank financing. Strategies can have objectives of either preserving capital, with return coming primarily from current pay coupon and fees or maximizing appreciation of more subordinated loans.

Guidelines – refers to an Investment Manager's "Investment Guidelines," established between the Investment Manager and Staff as part of an investment management agreement. Guidelines may be general or specific.

Hedge Fund – a private investment partnership or an offshore investment corporation in which the general partner has made a substantial personal investment, and whose offering memorandum allows for the Fund to take both long and short positions, using leverage and derivatives, and invest in many markets. Hedge funds often use strategies involving program trading, selling short, swaps and arbitrage.

Indexing – the weighting of investments that are in line with one of the major market indices, such as the Standard & Poor's 500 Index. Also referred to as passive investing.

Interest Rate Risk – the risk that an investment's value will change due to a change in the absolute level of interest rates.

Internal Management – the management or investment of fund assets by Investment Staff.

Intrinsic Value Lending – lending that produces returns based upon the securities loan itself, with little incremental benefit from collateral reinvestments.

Investment Committee – a committee comprised of the Chief Investment Officer and Investment Officers from SERS' Investment Department who possess the State Retirement System Investment Officer (SRSIO) license, with clearly defined structure, rules, and procedures for reviewing and approving investments in a timely and prudent fashion.

Investment Consultant – any consultant hired by the Board or by Staff to advise or assist with the investment program in accordance with this SIP. Board Investment Consultants must be approved by the Board. Staff Investment Consultants shall be approved by the Executive Director.

Investment Manager – a manager or potential manager of SERS assets, both public market and private market. Includes, but is not limited to managers of equity, fixed income, private equity, real estate, hedge funds, commodities, and cash.

Investment Program – the implementation of SERS' investment responsibilities and the Board's SIP by fund fiduciaries.

Investment Service Provider – an entity or person, other than a Retirement Board member or SERS employee, who provides investment advice to SERS intended to affect or form a basis for investment or fund management decisions by SERS, including but not limited to (a) Investment Consultants, (b) Investment Managers, (c) agents, (d) broker/dealers, (e) master record keepers, and (f) custodian.

Investment Staff – members of the Investment Department of SERS, including the Chief Investment Officer, State Retirement System Investment Officers, and other department personnel.

Leverage – in investments, this is the control of a large amount of money by a smaller amount of money, such as buying on margin. In finance, this is the relationship of debt to equity on a company's balance sheet in the form of the debt/equity ratio.

Liquidity Risk – the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or to make the required profit.

Long-term – in the context of SERS' liability and investment horizons, long-term is assumed to be at least 10 years.

Mandate – mandate is the macro or high-level strategy employed by a manager. Examples of macro strategies include US versus Non-US; large cap versus small cap; real estate versus private equity; etc.

Master Record Keeper – the master accountant used by SERS.

Modern Portfolio Theory – a theory about how rational investors can construct portfolios in order to optimize market risk for expected returns, emphasizing that risk is an inherent part of higher reward. According to the theory, it is possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk. This theory was pioneered by Harry Markowitz in his paper "Portfolio Selection," published in 1952 by the *Journal of Finance*.

Morgan Stanley Capital International – All Country World Net Total Return Index – an equity index that captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The index covers approximately 85% of the global investable equity opportunity set. "Net" indicates that dividends are reinvested after the deduction of withholding taxes applicable to non-resident institutional investors. The MSCI-ACWI ex-USA Index, net of dividends reinvested is SERS' policy benchmark for Non-US Equities.

MSCI-Burgiss Global Private Equity Funds Index (formerly known as the Burgiss All Private Equity Index) - The index is comprised of data from more than 5,000 private equity funds contributed by limited partners that are Burgiss clients and use Burgiss' web-based institutional portfolio management platform Private i. The benchmark data is sourced from Burgiss' limited partner clients and includes complete transactional and valuation history between the limited partner and their fund investments. Burgiss publishes a detailed breakdown of the dataset every quarter allowing for increased transparency. MSCI purchased Burgiss in 2023 and rebranded the indices in 2024. The renamed benchmark uses the same construction methodology as the Burgiss All Private Equity Index.

Opportunistic and Tactical Investments – Global opportunistic investments are tactical or non-traditional investment opportunities that may be short-term or may not fit within the generally accepted risk/return parameters of specific asset classes or strategy groupings. Such opportunities may involve capitalizing on short-term market dislocations or other such unique situations. Tactical investments may include strategies with dynamic allocations to single assets or across multiple asset types or other innovative approaches.

Portfolio – a collection of investments owned, managed, or overseen by an individual or Investment Manager, a board, or an organization. Portfolio can mean a manager account or subset thereof (e.g., Goldman Sachs Core Plus account), an asset class (e.g., US equity), or the entire fund (e.g., SERS' Total Fund).

Private Market Assets – broadly defined as those assets of alternative mandates utilizing either publicly- or privately-traded securities or other investment instruments. These include, but are not limited to, real assets, private equity, private credit, and hedge funds.

Proxy – an agent legally authorized to act on behalf of another party. Shareholders not attending a company's annual meeting may choose to vote their shares by proxy by allowing someone else to cast votes on their behalf. Management often encourages shareholders to vote by proxy so that ownership interests are fully represented even if shareholders are unable to attend the company's annual meetings in person.

Prudent (Prudent Person) – this phrase generally refers to the prudent person rule which is a legal maxim restricting the discretion in a client's account to investments only in those securities that a prudent person seeking reasonable income and preservation of capital might buy for his or her own investment.

Rebalancing – the action of adjusting allocations relative to their targets or ranges to adjust for actual or anticipated market movements.

Risk – the chance that an investment's actual return will be different than expected. This includes the possibility of losing some or all of the original investment. It is usually measured by calculating the standard deviation of the historical returns or average returns of a specific investment.

Risk-Adjusted Return – a measure of how much risk a Fund or portfolio takes on to earn its returns, usually expressed as a ratio. Usually expressed by a Sharpe Ratio or Information Ratio calculation.

Russell 3000 Index – a market-value weighted equity index published by the Frank Russell Company. The index measures the performance of the 3,000 largest US companies in terms of market capitalization. The Russell 3000 Index is SERS' Domestic Equity Policy Benchmark.

Securities Lending – the temporary loan of a security from an institutional investor's portfolio to a broker/dealer or dealer bank to support that firm's trading activities. These trading activities include short selling, selling on margin or the satisfaction of some other type of transaction. Loaned securities are generally collateralized, reducing the lender's credit exposure to the borrower. Except for the right to vote proxies, the lender retains entitlement to all the benefits of owning the original securities, including the receipt of dividends and interest.

Securities Litigation – refer to SERS' Securities Litigation Policy.

SOFR – The secured overnight financing rate ("SOFR") is a benchmark interest rate reflecting the cost of borrowing money overnight, using U.S. Treasury securities as collateral. SOFR has become the primary reference rate utilized to determine the interest rate for private loans in the U.S.

Soft Dollars – Soft dollar trading arrangements refer to agreements whereby an investment manager directs transactions to a broker in exchange for brokerage and research services. The research services provided to the investment manager may be either proprietary or originate with a third-party.

Style – Style refers to an investment product, strategy or style offered by an Investment Management Firm and reflects how the assets are invested. For example, value versus growth; core versus value added; quantitative versus fundamental; etc.

Total Fund – Total Fund refers to SERS' total investment assets.

Total Return – the return on an investment, including income from dividends and interest, as well as appreciation or depreciation in the price of the security, over a given time period.

Tracking Error – standard deviation of the excess return of the portfolio relative to the Benchmark, often measured over rolling three-year periods.

Transition Management – management of the transition of assets from one portfolio to another by a transition manager.

Related Documents and Information

Statutes:	R.C. 3309, Ohio Revised Code
Rules:	N/A
Document Links:	Purpose, Policy, Procedure, Definitions, Related Documents, Policy History
Forms:	---

Policy History

This policy supersedes the policy adopted August 2, 1985 and all revised policies dated 7/1/25; 7/1/24; 1/1/24; 7/1/23; 7/1/22; 2/17/22; 2/18/21; 7/1/20; 9/17/15; 6/18/15; 12/18/14; 5/01/14; 1/01/14; 7/01/13; 1/19/12; 7/21/11; 7/01/10; 2/01/09; 8/01/08; 2/21/08; 10/01/07; 10/20/05; 9/15/00; 10/23/98; 6/19/98; 12/12/97; 7/25/97; 3/21/97; 12/20/96; 11/22/96; 6/21/96; 4/25/96; 9/15/95; 7/28/95; 6/16/95; 3/17/95; 1/20/95; 10/21/94; 5/20/94; 3/06/92; 4/07/89; 9/04/87; 1/09/87.

School Employees Retirement System of Ohio
Serving the People Who Serve Our Schools®

DRAFT - 05/21/2026



2027
ANNUAL INVESTMENT PLAN
For the Year Ended June 30, 2027



**SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
ANNUAL INVESTMENT PLAN**

For the year ended June 30, 2027

Prepared by SERS Investment Staff
Farouki Majeed, Chief Investment Officer
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Serving the People Who Serve Our Schools®

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Executive Summary

EXECUTIVE SUMMARY

The Board's Statement of Investment Policy (SIP) requires the Chief Investment Officer to prepare and present an Annual Investment Plan (Plan) to the Board for its approval. The following document outlines the recommended Plan for Fiscal Year (FY) 2027.

As in prior years, the Plan reviews the economic environment based upon consensus reports from leading sources, SERS' asset allocation target and long-term performance objective for each portfolio, previous year's objectives and accomplishments, a review of the market conditions over the last year and objectives for FY2027. Implementation Guidelines for each asset class portfolio are included to provide further details on how each portfolio will be managed in the coming year relative to portfolio construction parameters and risk limits. **This Plan is meant to be a living document subject to adjustment during the year.** If circumstances change or opportunities arise during the year, items that may lead to intra-year changes to the Plan or Strategy Statements will be discussed with the Board.

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The general objectives of the Investment Department for FY2026 were as follows:

- *Our major strategic goals remain unchanged. The focus will continue to be on value-added performance, risk management, cost effectiveness and maintenance of an investment program that meets or exceeds investment objectives over the long-term.*

Total Fund's net-of-fees (net) returns exceeded the policy benchmark for all periods over ten years. For FYTD, the Total Fund net return of 7.65% as of March 2026 exceeded the benchmark by 1.12%. For three years, the net annualized return of 10.51% exceeded the benchmark by 1.10%, and for five years, the net annualized return of 8.15% exceeded the benchmark by 1.40%. Over ten years, the Total Fund generated a net annualized return of 9.39%, exceeding the benchmark by 1.11%. Due to consistent outperformance over this period, the Fund's inception-to-date (1991) excess return has recently turned positive. These excess returns have been generated with active risk remaining well within the limits approved by the Board. The Total Fund return has exceeded the current actuarial target of 7% over all periods.

- *Conduct an asset allocation study in conjunction with Wilshire and the Board. Implement the new asset allocation framework and targets upon Board approval.*

The Asset/Liability study process began in February 2026 with a presentation to the Board on expected returns for the various asset classes and other inputs for modeling. In subsequent months, Wilshire presented various strategic asset allocation scenarios, including the consideration of a strategic allocation to Gold and/or Commodities as diversifying real assets. In April 2026 the Board approved Staff's recommended strategic asset allocation shown on page 9. The new strategic asset allocation will be effective July 1, 2026.

- *Assess the need to conduct a General Investment Consultant search and implement, as the current agreement will expire on August 1, 2026.*

The General Investment Consultant search is proceeding as planned with finalists presenting at the May 2026 Board meeting. Following the Board's selection, Staff will negotiate a contract before August 2026.

- *Continue to develop and engage the Investment team and ensure a high functioning Investment committee.*

Under the direction of the CIO SERS investment team conducts a robust investment process for investment selection, portfolio monitoring and risk management. All new investments are approved by the Staff Investment Committee according to the Board approved Investment Committee Policy. This process ensures a high level of engagement by staff and contributes to the further development of the skills and experience of the team.

EXECUTIVE SUMMARY

FY2027 OBJECTIVES

- Our major strategic goals remain unchanged. The focus will continue to be on value-added performance, risk management, cost effectiveness and maintenance of an investment program that meets or exceeds investment objectives over the long-term.
- Implement the asset allocation changes relative to new targets approved by the Board in April 2026. Since changing allocations to private assets (Real estate, Infrastructure) takes time the new policy target will be implemented over a twenty-four month period using interim targets as shown on page 9.
- Complete the General Investment Consultant agreement before August 2026.
- Conduct a search for a portfolio analysis software solution and implement.
- Continue to develop and engage the Investment team and ensure a high functioning Investment committee.

CONCLUSION

As of March 31, 2026, Total Fund net returns of 8.15% over five years and 9.39% over ten years exceed the actuarial rate of 7.00% by a healthy margin, thus improving the Plan's funded ratio which is at 79.5%. Staff will remain focused on adding value relative to policy benchmarks and managing risks and costs.

Staff appreciate the support and guidance from the Board in FY2026 and looks forward to working with the Board in FY2027 toward another successful year.

ACKNOWLEDGEMENTS

SERS benefits from having an experienced and deep Investment Staff. The following individuals contributed to this report.

- Economic Outlook – Farouki Majeed and Hai Yen Le
- Total Fund Asset Allocation – Farouki Majeed and Chris Hyland
- Global Equities – Judi Masri and Hai Yen Le
- Global Private Equity – Steve Price and Phil Sisson
- Global Fixed Income – Jason Naber and Judi Masri
- Global Private Credit – Adam Messerschmitt and Brad Carr
- Global Real Assets – Paul Cheng and Michael Browning
- Cash Equivalents & Securities Lending – Jason Naber
- Opportunistic and Tactical – Farouki Majeed, Adam Messerschmitt and Brad Carr
- Overlay Program – Farouki Majeed, Jason Naber, Judi Masri, and Hai Yen Le
- Investment Risk Management and Analytics – Chris Hyland and Hai Yen Le
- Investment Operations – Katie Swank and Maleia Te'o

We would appreciate the opportunity to review the Annual Investment Plan with you at the June 2026 Board meeting. If you have any questions or comments before then, please let me know.

Respectfully submitted,



Farouki A. Majeed
Chief Investment Officer



Global Economic Outlook

GLOBAL ECONOMIC OUTLOOK

Review of CY 2025:

US economic growth remained solid at 2.1% in 2025, lower by 0.7% from 2024 as interest rates remained elevated while inflation ended the year modestly lower. Growth was driven by resilient consumer spending and robust AI-related capital investment. The global economic growth rate was 3.3% in 2025 with 1.7% for the advanced economies and 4.4% for the emerging and developing economies.

US headline inflation declined modestly from 2.9% in December 2024 to 2.7% at the end of 2025, but was unsteady during the course of the year. Global inflation trended down from 5.8% in 2024 to 4.1% in 2025, significantly higher than the US's level.

The U.S. labor market experienced a notable slowdown, with employment increasing by only 116,000 in 2025 compared to 2.2 million in 2024. Lower employment resulted from federal job cuts and businesses using a "low hire, low fire" strategy while adapting to automation, AI, and widespread cost reduction in both private and public sectors. The unemployment rate increased to 4.4% in December 2025 from 4.1% in 2024. US consumer sentiment declined materially in 2025 due to sticky inflation, high interest rates and concerns around economic growth deceleration.

The Fed implemented three 25-basis-point interest rate cuts in 2025, reducing the federal funds rate from 4.25-4.50% to 3.50-3.75%. The 10-year US Treasury rate declined from 4.6% in December 2024 to 4.2% in December 2025. The yield curve steepened toward normal levels, with the yield difference between the 10-year note and cash rising to a positive 0.5%.

Economic forecasts from the Blue Chip Consensus (US) and the IMF are presented below:

US ECONOMY

According to consensus forecasts, US economic growth is projected to remain steady at 2.2% in 2026 driven by strong investment spending and resilient consumer spending, accompanied by rising inflation. Growth is estimated to slow to 2.0% in 2027. The Iran conflict launched in Feb 2026 has already pushed inflation to 3.3% at the end of March and will likely push inflation higher due to the oil supply shock and creates uncertainty in GDP growth.

Blue Chip Economic forecasts predict that the unemployment rate will rise to 4.5% in 2026 and 4.4% in 2027. The yield on 10-year US Treasuries is expected to settle at 4.2%, noticeably above the 3-Month T-Bill yield of 3.5%, suggesting a modest steepening of the yield curve in 2026. In 2027, the yield curve should continue to steepen, as the 3-Month T-Bill yield is anticipated to fall to 3.2%, remaining lower than the 10-Year US Treasury yield at 4.2%. Additionally, US corporate profits are projected to materially decline to \$4.8 trillion in 2026 and \$4.3 trillion in 2027.

Table 1

Period	Real GDP Growth Rate (%)	Unemployment Rate (%)	Inflation Rate CPI (%)	T-Bill 3-Mo. (%)	T-Note 10-Yr. (%)	Corporate Profits (Cur. \$)
2022	2.5	3.7	8.0	2.0	3.0	8.5
2023	2.9	3.6	4.1	5.1	4.0	7.6
2024	2.8	4.0	2.9	5.0	4.2	5.1
2025	2.1	4.3	2.6	4.1	4.3	7.3
2026 Consensus	2.2	4.5	3.2	3.5	4.2	4.8
2027 Consensus	2.0	4.4	2.4	3.2	4.2	4.3

Source: Blue Chip Economic Indicators, April 2026

GLOBAL ECONOMIC OUTLOOK

GLOBAL ECONOMY

The IMF projects global GDP growth will decelerate to 3.1% in 2026 due to higher commodity prices and higher inflation expectations caused by the conflict in the Middle East despite strong technology investment and private sector resilience. Global economic growth is expected to stabilize at 3.2% in 2027 (Table 2). Emerging and developing economies are expected to maintain the growth advantage vs. advanced economies with a growth rate of 3.9% vs. 1.8% in 2026 and 4.2% vs. 1.7% in 2027. The conflict in the Middle East continues to add major uncertainties for US and global economic growth.

Table 2

Annual GDP Growth (in percent)	2025	2026 (IMF's Projection)	2027 (IMF's Projection)
World	3.3	3.1	3.2
US	2.1	2.3	2.1
Advanced Economies (including US)	1.9	1.8	1.7
Emerging and Developing Economies	4.4	3.9	4.2

Source: International Monetary Fund World Economic Outlook, April 2026

Portfolio Strategy

PORTFOLIO STRATEGY – Total Fund Asset Allocation

The new FY27 asset allocation targets and ranges are shown in the table below together with current actual allocations:

	Target	Permissible Range	Actual as of 3/31/2026
Global Equities	40%	35 – 45%	42.9%
Global Private Equity	14%	11 – 17%	12.6%
Global Fixed Income	18%	13 – 23%	13.7%
Global Real Assets (Inflation):			
<i>Global Real Estate</i>	7%	4 - 10%	10.2%
<i>Global Infrastructure</i>	10%	6 - 14%	7.5%
Gold	3%	0 – 4%	0%*
Global Private Credit	5%	3 – 7%	5.2%
Opportunistic	0%	0 – 5%	4.1%
Cash	3%	1 – 5%	3.8%
Total Fund	100%		100%
Leverage	N/A	0 – 10%	0%
Total Notional Exposure (Including Leverage)	100%	100 – 110%	100%

*Gold's current exposure of 0.6% is included in Opportunistic.

The new targets for Real Estate, Infrastructure, and Gold will be implemented using interim targets as follows:

	Target in FY 2027	Target in FY 2028
Global Equities	40%	40%
Global Private Equity	14%	14%
Global Fixed Income	18%	18%
Global Real Assets (Inflation):		
<i>Global Real Estate</i>	9%	8%
<i>Global Infrastructure</i>	8%	9%
Gold	2%	3%
Global Private Credit	5%	5%
Opportunistic	0%	0%
Cash	4%	3%
Total Fund	100%	100%

The above interim targets will be used for calculation total fund policy benchmark returns through June 30, 2028. Beginning in July 2028 the strategic policy targets will apply.

During CY 2025 and FYTD 2026 Staff maintained an overweight to Global Equities and Opportunistic with underweight in Global Fixed Income relative to FY 2026 policy targets. These active weights added value in CY 2025 and FYTD 2026 as the overweighted asset classes – equities in particular - outperformed the Policy Benchmark. The Total Fund returned 7.65% FYTD through March 2026, exceeding the Policy Benchmark by 112 bps due to accretive allocation and selection effects in Global Equities, Global Fixed Income, Global Infrastructure, and Opportunistic as these asset classes exceeded their respective benchmarks. The Overlay program added 2 bps to FYTD Total Fund performance as of March 2026.

In FY 2027 Staff will focus on redeeming from Global Real Estate to fund Global Infrastructure. In addition, current exposure to Gold will be moved from Opportunistic to its own strategic asset class. Gold exposure will be increased methodically likely through ETFs initially. Staff will also consider hiring an external manager to manage a gold portfolio through ETFs and futures.

PORTFOLIO STRATEGY – Total Fund Asset Allocation

With heightened economic uncertainty and elevated market valuations, Staff is focused on adhering to the strategic asset allocation and will maintain tactical positions depending on the market outlook. IN CY 2025 and YTD 2026 staff redeemed \$527 million from Global Equities and \$335 million from Real estate, while funding \$350 million to Global Fixed Income and \$527 million to Infrastructure. This trend will continue in FY2027 to achieve the new asset allocation targets. In FY 2027 staff will look to decrease the equity overweight and add to fixed income since equity valuations are elevated and rate volatility may persist in fixed income.

PORTFOLIO STRATEGY - Global Equities

INVESTMENT STRATEGY

SERS invests in equity securities to earn a premium over government treasury bonds due to higher compensation for assuming the higher risk inherent in public equity securities. A sizeable allocation to Global Equities is warranted to meet the long-term return goal of the Total Fund.

SERS' Statement of Investment Policy sets the Global Equities policy target allocation as follows:

	Target	Permissible Range
Global Equities	40%	35-45%

The performance objective of the Global Equity portfolio is to exceed the return of the MSCI All Country World Net Total Return Index (USD) by 40 basis points net of management fees. Actual net of fees performance is as follows:

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities	10.61	23.51	18.02	10.04	11.99
Global Equities Benchmark	7.61	20.01	16.56	9.48	11.33
Net Excess Return	3.00	3.50	1.46	0.56	0.66

Source: CWAN

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Complete the funding of the new Global Equity Alpha Extension mandate as approved by the January 2025 Investment Committee.*

This account received an initial \$300 million contribution on April 1, 2025. An additional \$200 million was contributed via smaller increments through November 2025 sourced from underperforming regional mandates. An additional \$200 million was contributed to this account in early 2026 before the strategy closed as the portfolio outperformed by 3.52% in 2025. Global extension strategies continue to generate strong excess returns and now constitute 35% of Global equity.

- *Monitor the portfolio for possible performance enhancement, completing searches, as necessary.*

Staff focused on increasing allocations to Global extension and portable alpha strategies while redeeming or terminating underperforming managers in US and DM sectors. These changes have contributed to higher excess returns in the GE portfolio.

- *Manage the Global Equities portfolio structure relative to benchmark exposures to achieve appropriate risk and return characteristics.*

The overall portfolio beta increased to 0.98 as of December 31, 2025, which helped performance in the CY25 market rally. The US Equity (USE) beta improved to 0.98 by increasing portable alpha and hiring two core strategies: JPM Analyst and T. Rowe Price.

Capitalization size is the second largest active risk in equity after controlling for beta. The small-cap bias continues driven primarily by all cap managers finding potential alpha opportunities in small cap. The small cap overweight positively contributed to FY26 performance through February 2026 with the MSCI ACWI IMI Index outperforming the MSCI ACWI by 0.6%.

The portfolio continues to move towards more core mandates to reduce the growth-value style bias with the aim of producing a more consistent net excess return. Core was increased this fiscal year by funding CC&L global equity extension, sourced from several style-bias mandates.

Finally, underweighting USE and overweighting Emerging Markets (EM) added to net excess return.

- *Engage Wilshire on a portfolio structure review focusing on correct global and regional composite composition, active-passive allocation, and detailed manager alignment. Make portfolio adjustments, as necessary.*

Staff held multiple meetings with Wilshire to assess the portfolio structure across all levels of the portfolio hierarchy. Following Wilshire's analysis and discussions, it was determined that Global Equities is well-structured.

PORTFOLIO STRATEGY - Global Equities

- Review IMAs and Investment Guidelines to make any necessary adjustments.

Two mandates were adjusted during the fiscal year, including a fee reduction and a single security maximum holding limit.

CURRENT MARKET CONDITIONS AND OUTLOOK

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1 Year	3 Year	5 Year	10 Year
Russell – 3000 Index	6.39	18.09	17.85	10.87	13.72
Russell – 1000 Index	5.97	17.74	18.14	11.34	13.97
Russell – 2000 Index	15.88	25.72	13.05	3.77	9.88
MSCI – AC World Index (\$Net)	7.61	20.01	16.58	9.49	11.33
MSCI – AC World Ex-USA Index (\$Net)	11.50	24.91	14.49	7.02	8.38
MSCI – World Ex USA Index (\$Net)	9.77	22.99	14.30	8.40	8.66
MSCI – Emerging Markets Index (\$Net)	15.68	29.55	14.84	3.69	7.80

Source: Nasdaq eVestment

Global equity markets (MSCI ACWI) rallied 22.3% in CY25 as US equity (Russell 3000) returned 17.2%, and Non-US Equity Markets (MSCI AC World Ex-USA index) returned 32.4%. Global markets dropped 3.2% in Q1 2026 after oil prices surged due to the conflict in Iran that started in March. The US market lost 4.0%, while non-US markets declined 0.8% for Q1 2026. Global equity markets gained 7.6% for FY26 through March.

The US equity market performed strongly in CY25 due to broad-based healthy earnings and strong gains of Artificial Intelligence-related companies despite the uncertainty of the US tariff policy. US market returned 6.4% for FY26 through March. The Non-US Developed market (MSCI World ex USA Index) returned 35.5% for CY25, outperforming the US market by a 12.7% margin; the index returned 9.8% for FY26 through March. Emerging Markets (MSCI EM) gained 50.0% for CY25, beating both US and Non-US Developed markets by extraordinary margins. For the period FY26 through March, the Emerging Markets gained 15.7%, leading both US and Non-US Developed markets.

Equity market volatility is expected to be elevated, and return is expected to be muted due to concerns related to trade wars, a prolonged Iran conflict, high valuations, high inflation expectations, and potential slower growth. The S&P 500 index was trading at 27 times earnings, significantly higher than the non-US market as well as its own historical average. The Developed ex-US and Emerging Markets were trading at 20- and 19-times earnings, respectively.

PORTFOLIO STRUCTURE

At the end of March, the Global Equities allocation was overweight the 40.0% strategic allocation by 2.9% (2.5% including futures). The global composite grew to 35.2% of total equities due to market appreciation and additional contributions. The growth of the global composite positively contributed to Global Equities performance as the composite outperformed the benchmark by 6.4% for FY26 through March. The regional composite, 64.8% of total equities, has the following structure:

The US allocation is underweight 2.8% relative to its 63.2% March MSCI ACWI benchmark target allocation. This underweight contributed to performance for FY26 through March, as the US market underperformed the Global Equities benchmark by 1.3% for FY26. Staff contributed an additional \$120 million to portable alpha in FY26, which contributed to portfolio performance as portable alpha outperformed the Russell 3000 benchmark by 6.2%. The US portfolio is core focused and is currently 74.7% passively managed.

The Non-US Developed Market (DM) allocation is 0.3% overweight and Non-US Emerging Markets (EM) is 2.5% overweight versus the MSCI ACWI benchmark target allocation. The EM overweight contributed to performance as EM outperformed the Global Equities benchmark by 8.1% for FY26 through March. The Non-US portfolio maintains a small capitalization bias as small caps are undervalued. The Non-US portfolio is 84.4% active in DM, 1.3% higher than the previous year. Emerging markets will remain 100% actively managed due to greater market inefficiency.

PORTFOLIO STRATEGY - Global Equities

FY2027 OBJECTIVES

Staff will focus on the following objectives during FY2027:

- Monitor the portfolio for possible performance enhancement, completing searches, as necessary.
- Manage the Global Equities portfolio structure relative to benchmark exposures to achieve appropriate risk and return characteristics.
- Review IMAs and Investment Guidelines to make any necessary adjustments.

PORTFOLIO STRATEGY – Global Private Equity

INVESTMENT STRATEGY

SERS invests in private equity to provide risk-adjusted returns in excess of those provided by publicly traded equities.

SERS' Statement of Investment Policy sets the Private Equity target allocation as follows:

	Target	Permissible Range
Global Private Equity	14%	11% - 17%

The performance objective for Private Equity is to provide net returns in excess of the MSCI-Burgiss Global Private Equity Funds Index by 150 basis points. Actual net of fees performance as of March 31, 2026, follows:

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
SERS Private Equity	7.09	10.04	10.46	14.26	15.90
Private Equity Policy Benchmark	10.81	12.82	8.07	10.18	12.83
Net Excess Return	-1.68	-2.78	2.39	4.09	3.07

Source: [MSCI-Burgiss Global Private Equity Funds Index](#)

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Manage the Private Equity portfolio and fiscal year commitments to reflect the investment allocation of 14%, subject to identifying opportunities that meet SERS' investment criteria.*

The Private Equity allocation is 12.6% as of March 31, 2026. This is slightly below the target allocation of 14% but well within the range of 11% to 17%. To date, approximately \$304 million has been approved by the SERS Investment Committee to four funds and one co-investment.

- *Review the Private Equity portfolio strategy and structure and develop a plan to improve risk and return characteristics of the portfolio, achieve fee reductions, and optimize manager counts as appropriate.*

To date, four commitments have been approved to private equity funds with an average management fee of 1.6%. Additionally, one co-investment commitment has been approved that has no management fees or carried interest. Together the average management fee on all approved commitments is 1.3%. These private equity commitments are diversified by investment strategy, sector focus and geography.

- *Actively seek co-investment opportunities where appropriate with current SERS' private equity general partners who meet co-investment criteria, as outlined in the Private Equity co-investment guidelines.*

One co-investment has been made fiscal year to date. The Private Equity co-investment portfolio has grown considerably in size the last several years and has a market value of \$207 million as of March 31, 2026, representing 8% of the Private Equity portfolio.

- *Research and identify new and innovative investment opportunities with managers who offer compelling return expectations. These new opportunities may be used for a combination of purposes to replace current managers who no longer meet SERS' investment criteria or to target strategies that are not currently a directly invested component of the Private Equity portfolio.*

During FY26, staff examined more than 100 investment opportunities. Several promising candidates stood out, prompting ongoing monitoring for future evaluation. One commitment was made to a new manager focused on lower middle market investments in the U.S., and staff are currently conducting due diligence on another potential manager.

PORTFOLIO STRATEGY – Global Private Equity

PORTFOLIO COMPOSITION

	Allocations as of March 31, 2026	Target Ranges
Buyout	75%	55% - 95%
Venture Capital	11%	0% - 10%
Special Situations	6%	5% - 25%
Co-Investments	8%	0% - 25%
Domestic	80%	55% - 95%
International	20%	5% - 45%

CURRENT MARKET CONDITIONS AND OUTLOOK

Private equity faces increasing challenges as higher interest rates have increased cost of capital making acquisitions and exits more difficult. Exit markets have improved only gradually, with a significant backlog of unrealized assets still weighing on liquidity. Fundraising conditions remain difficult, with capital increasingly flowing to experienced, top-tier managers. Economic uncertainty combined with elevated purchase valuations and a steady flow of dry powder continues to underscore the importance of identifying and backing high-quality private equity managers who can navigate slower exit environments, maintain underwriting discipline despite elevated prices, and demonstrate operational value-creation capabilities.

The long-term outlook for private equity remains positive, though dispersion between manager outcomes is widening. Top quartile private equity managers continue to deploy capital selectively, generate incremental operational improvements, and differentiate through sector specialization and sourcing advantages. With this in mind, the outlook for the SERS Private Equity portfolio remains favorable, particularly given the portfolio's emphasis on cycle-tested managers. Current market conditions reward managers focused on operational improvement, pricing discipline, and investment selection, which are all core characteristics of SERS' existing general partner relationships. SERS' Private Equity portfolio is comprised primarily of general partners who have demonstrated the ability to identify opportunities, create value and exit companies in all market environments. This positioning is especially important as exit timelines remain extended and capital deployment is more selective across the industry.

In an effort to ensure the portfolio is properly positioned for future uncertainty, our goals for the fiscal year include: continuing to identify and invest with operationally focused managers who primarily target the middle market and avoid the competition in the large and mega space; increasing exposure to attractive investments that meet our criteria and offer lower costs through co-investments; and ensuring that we stay on top of market trends and opportunities by continuing to research and seek out managers offering investment strategies that deliver private equity like returns with differentiated and unique strategies. Additionally, as the Total Fund moves into what many believe will be a low return environment, we are targeting an allocation level of Private Equity to slightly above its target of 14% to capture the benefit of this higher returning asset class to the Total Fund. This will take time as Private Equity is a long-term asset class where manager selection is critical, and additional capital takes more time to deploy.

FY2027 OBJECTIVES

Staff will focus on the following objectives during FY2027:

- Manage the Private Equity portfolio and fiscal year commitments to reflect the investment allocation of 14%, subject to identifying opportunities that meet SERS' investment criteria.
- Review the Private Equity portfolio strategy and structure and develop a plan to improve risk and return characteristics of the portfolio, achieve fee reductions, and optimize manager counts as appropriate.
- Actively seek co-investment opportunities where appropriate with current SERS' private equity general partners who meet co-investment criteria, as outlined in the Private Equity co-investment guidelines.
- Research and identify new and innovative investment opportunities with managers who offer compelling return expectations. These new opportunities may be used for a combination of purposes to replace current managers who no longer meet SERS' investment criteria or to target strategies that are not currently a directly invested component of the Private Equity portfolio.

PORTFOLIO STRATEGY – Global Fixed Income

INVESTMENT STRATEGY

SERS invests in fixed income assets for the primary purpose of risk diversification and decreasing the overall risk of the investment plan. Fixed income assets may include sovereign debt securities, global corporates, securitized securities, private placements, convertibles, derivatives, and currency.

SERS' Statement of Investment Policy sets the Global Fixed Income target allocation as follows:

	Target	Permissible Range
Global Fixed Income	18%	13% - 23%

The performance objective for the Fixed Income portfolio is to exceed the Bloomberg US Universal Bond Index, net of manager fees, by 60 basis points. Actual net of fees performance as of March 31, 2026, follows:

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Global Fixed Income	3.73	5.63	4.93	1.30	2.87
Global Fixed Income Policy Benchmark*	3.20	4.64	3.80	0.41	1.75
Net Excess Return	0.53	0.99	1.13	0.89	1.12

*Bloomberg US Aggregate Bond Index through 6/30/2024; Bloomberg US Universal Bond Index starting 7/1/2024

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Manage the portfolio structure and risk relative to the benchmark as uncertainty resulting from the tariff war, immigration policy, taxes and deregulation make the outlook for markets unclear.*

Through March 31st, the portfolio outperformed the US Universal Index by 53 bps, returning 3.73% on a net of fee basis. Outperformance was a result of an overweight positioning to emerging market debt, high yield, and securitized assets, aided by a weaker US dollar and tighter spreads. The portfolio's duration was slightly longer than the benchmark, focused on intermediate maturities for better risk/reward as short-term rates fell, minimizing duration risk and increasing chances of outperformance as the curve normalizes.

- *Increase the portfolio allocation closer to the 18% strategic allocation weight if fixed income becomes more attractive relative to other asset classes.*

Through March, an additional \$240 million has been contributed to the portfolio, which is an additional 1.2% allocation to fixed income based on Total Fund net assets at the beginning of the fiscal year. The fixed income yield is attractive relative to recent history, but credit spreads are tight and the diversification role of fixed income continues to be diminished as shown by the positive correlation with equities during periods of market stress.

- *Tactically manage the allocations to core, core plus and tactical and diversifying strategies to enhance the risk and return tradeoff. Continue to research new and innovative investment opportunities to position the portfolio for a potential recession, global market volatility and to diversify sources of return.*

Allocations totaling \$240 million were contributed with \$65 million to core strategies, \$75 million to core plus strategies and \$90 million to tactical and diversifying. As recession fears continued to abate early in the fiscal year, \$50m from the US Treasury strategies were reallocated to core and core plus. Emerging markets continued to perform strongly in fiscal year 2026 and an additional \$55 million was allocated to the sector. The credit dislocation strategy called the remaining \$25 million in March as market stress increased markedly due to the conflict in the Middle East. A \$10 million allocation was made to TIPS in the internally managed ETF account in March as inflation expectations increased from rising energy prices.

- *Adjust IMAs and Investment Guidelines as needed.*

One IMA was fully renegotiated including revisions to the investment guidelines during the fiscal year.

PORTFOLIO STRATEGY – Global Fixed Income

CURRENT MARKET CONDITIONS AND OUTLOOK

The Bloomberg US Universal Index returned 3.2% fiscal year-to-date through March with all sectors having positive performance. The best performing sector was residential mortgages, returning 4.6% as spreads tightened, the interest rate curve steepened, interest rates fell and interest rate volatility stabilized. Emerging market debt performance has been strong with a 4.5% return due to a weaker US dollar, falling interest rates in several emerging market countries as contained inflation allowed for rate cuts and institutional investors returning to the sector. Although a small percentage of the index, commercial mortgages outperformed with a 3.4% return for many of the same reasons as residential mortgages but also from lower distressed rates and a rebound in lending activity. High yield bonds also slightly outperformed with a return of 3.4% as spreads compressed further from already tight levels and defaults continued to be muted. The second largest sector after US Treasuries, investment grade corporates, underperformed with a 2.9% return as spreads reached tightness not seen in over 20 years from already narrow levels, increased new issuance in 2026, and investors rotating to sectors with better risk/reward potential. US Treasuries were the worst performing sector at 2.4% as concerns over increasing issuance to fund rising fiscal deficit spending, falling interest rates making US debt less attractive and uncertainty relating to tariffs, inflation and slowing US growth.

Similar to 2024, the Federal Reserve implemented three interest rate cuts during the fall of 2025, responding to slowly rising unemployment and the assessment that tariff-related inflation pressures were likely transitory. The conflict in Iran that began in March has renewed upward pressure on inflation as energy prices soar. Currently, three rate cuts are priced into markets. The US Treasury market outlook is mixed with longer maturities vulnerable to volatility due to inflation and fiscal deficits and the belly of the curve offering the most potential for value if the Fed cuts rates. For now, a neutral to slightly long duration position continues to make sense while the path of rates remains volatile. Investment grade and high yield credit spreads have moved wider recently, and this could continue due to current economic uncertainty, but balance sheets remain healthy, and defaults are expected to be in-line with historical averages. Agency mortgage fundamentals remain neutral, and as macro-economic uncertainty subsides, mortgages look attractive at current spread levels. In securitized credit, federal policy uncertainty is a headwind, particularly tariffs, but credit fundamentals remain solid. For emerging market debt, US trade policy uncertainty and subsequent global financial market volatility make the potential impact on emerging market economies difficult to predict.

PORTFOLIO STRUCTURE

At the end of March, the Global Fixed Income allocation was underweight the 18.0% strategic allocation by 4.4% (4.1% including futures). The Fixed Income portfolio is currently weighted 46% core, 39% core plus and 15% to tactical and diversifying strategies. Additional cash contributions for the fiscal year-to-date have to be approximately equal across strategies with slightly more to tactical and diversifying as emerging market debt continues to outperform and market turmoil from the Middle East conflict is creating dislocation opportunities. The portfolio yield advantage is 0.31% and remained around this level throughout the fiscal year. The average credit quality of the portfolio decreased to A+, one rating below the benchmark rating of AA- as the allocation to the tactical and diversifying strategy increased from 13% to 15%. The average portfolio duration is 5.4 years, 0.2 years (3%) shorter than the benchmark.

The portfolio continues to be underweight US government sectors but has added a small allocation to treasury inflation protection securities due to rising energy prices and attractive real yields. The largest overweight sectors are securitized credit at 6% and emerging market debt at 4% with all other sector over/underweights less than 2%.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Manage the portfolio structure and risk relative to the benchmark as risks from rising inflationary pressures due to higher energy prices, continued deficit spending and higher US Treasury issuance pushing long-term yields higher, and significant new issuance from AI-related investment leading to wider credit spreads all weigh on the market in the coming fiscal year.
- Tactically manage the allocations to core, core plus and tactical and diversifying strategies to enhance the risk and return tradeoff. Continue to research new and innovative investment opportunities.
- Update IMAs and investment guidelines as needed.

PORTFOLIO STRATEGY – Global Private Credit

INVESTMENT STRATEGY

SERS invests in private credit to provide risk adjusted returns in excess of those offered by publicly traded fixed income securities and to generate a consistent cash yield.

SERS' Statement of Investment Policy sets the Global Private Credit target allocation as follows:

	Target	Permissible Range
Global Private Credit	5%	3% – 7%

The performance objective for the Global Private Credit portfolio is to provide net of fee returns of 100 basis points above the 90-day SOFR rate + 4.5%, one quarter in arrears

Annualized Returns (in percent) for Periods Ended March 31, 2026				
	FYTD	1-Year	3-Years	Since Inception
Global Private Credit	4.28	6.76	9.42	9.99
Policy Benchmark	6.52	8.84	9.55	7.62
Net Excess Return	(2.23)	(2.08)	(0.13)	2.36

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Manage the Global Private Credit allocation within the target allocation range while considering the pace of drawdowns for new investments and re-evaluate existing manager performance as new capital is raised.*

Staff continued to deploy capital at a slower pace than in prior fiscal years since the Global Private Credit portfolio is slightly above the target allocation of 5%, but within the permissible range of 3% to 7%. Staff also reduced commitment sizes for new investments to maintain the target allocation within the permissible range, as well as discontinued commitments to new fund vintages that were not performing in line with underwriting expectations.

- *Manage the Global Private Credit allocation in line with the implementation guidelines and ensure appropriate risk and return characteristics are present within the target allocation.*

Staff executed a \$75 million capital commitment within the Direct Lending sub-asset class during the fiscal year. The new commitment will help maintain the allocation to the Direct Lending sub-asset class. Staff also obtained approval for two capital commitments totaling \$125 million, one within the Opportunistic Lending sub-asset class and one within the Asset Lending sub-asset class. The Global Private Credit portfolio allocation was just slightly above the 5% target.

- *Evaluate new investments with a cautious approach given the economic outlook and higher interest rate environment, while focusing on increasing the cash yield of the portfolio and income distribution to the Total Fund.*

During the fiscal year, Staff continued to take a slow approach to deploying capital given the increase in potential risk within the private credit market. Staff remained focused on investing with managers that have robust due diligence and underwriting processes, as well as strong capabilities in risk mitigation and ongoing asset management. The three commitments previously mentioned all include an income component, which is expected to comprise the largest part of the investment return. Most of the underlying investments within the Global Private Credit portfolio include a contractual cash payment that is distributed to investors in the form of income on a quarterly basis. Although base rates continued to decline during the fiscal year, the Global Private Credit portfolio continues to generate an attractive cash yield for the Total Fund. In addition, increasing the allocation to Asset Lending strategies will provide additional income, as well as further downside protection since many of the loans are secured by assets.

- *Evaluate new investment ideas within Asset Lending to increase the allocation within the portfolio.*

During the year, Staff reviewed numerous Asset Lending strategies that could provide diversification benefits to the portfolio, which is primarily comprised of corporate cash flow lending strategies. As previously mentioned, Staff received approval for one new commitment to an Asset Lending strategy to increase the allocation within the Global Private Credit portfolio. Staff continue to take a slow and disciplined approach to adding new Asset Lending managers to the portfolio since this part of the private credit market is evolving rapidly. Overall, the pace of capital deployment has slowed given the Global Private Credit allocation is slightly above target.

PORTFOLIO STRATEGY – Global Private Credit

- Continue to review the appropriateness of the benchmark and recommend changes if necessary.

Staff continue to review the appropriateness of the Global Private Credit policy benchmark as the portfolio becomes more mature and benchmark providers become more robust. No changes are recommended at this time.

CURRENT MARKET CONDITIONS AND OUTLOOK

The private credit market was estimated to be over \$2.2 trillion in assets under management (“AUM”) at the end of the year and is forecast to continue growing in the coming years, particularly as new areas of opportunity emerge within the asset class. The pace of private credit fundraising growth during 2025 continued to slow given the economic uncertainty, higher interest rate environment, and the increasing risk of defaults within the asset class. The direct lending strategy continued to raise the most capital out of all the private credit strategies, but the asset lending strategy continued to be a fast-growing part of the private credit market and many firms raised capital during the year. The deal activity within the leveraged loan market improved during 2025, but the number of issuances was still low compared to prior years due to lower leveraged buy-out and mergers and acquisitions activity within the private equity market.

The private credit market is still expected to continue growing despite some of the recent negative headlines around liquidity, defaults and valuation concerns within areas such as software and retail investment vehicles experiencing withdrawals. Private equity deal activity is expected to pick up during 2026, but the ongoing economic and macro concerns could slow new deal activity. However, there is still a robust opportunity set within the private credit market as many companies need alternative financing and as new strategies like asset lending continue to grow. Private credit strategies tend to provide investors with an attractive cash yield relative to publicly traded fixed income securities. In particular, the income focused direct lending strategy delivered an estimated 10.1% yield to investors, which was an attractive premium over the U.S. non-investment grade, U.S. investment grade, and 10-year U.S. Treasury yields of 6.5%, 4.3%, and 4.2%, respectively.

The Federal Reserve cut interest rates during 2025 but at a slower pace than originally expected. The conflict in Iran that began in early 2026 may slow the pace of interest rate cuts due to the upward pressure on inflation caused by rising oil prices. The higher interest rate environment can add to returns within the private credit asset class, but it can also increase the likelihood of higher default rates given the uncertainty around whether borrowers will be able to continue servicing debt. Therefore, it is important for private lenders to conduct a rigorous underwriting process on portfolio companies to ensure borrowers can withstand the impacts of higher interest rates and other economic pressures.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Manage the Global Private Credit allocation within the target allocation range while considering the pace of drawdowns for new investments and re-evaluate existing manager performance as new capital is raised.
- Manage the Global Private Credit allocation in line with the implementation guidelines and ensure appropriate risk and return characteristics are present within the target allocation.
- Evaluate new investments with a cautious approach while focusing on increasing the allocation to Asset Lending, as well as the cash yield of the portfolio and income distribution to the Total Fund.
- Continue to review the appropriateness of the benchmark and recommend changes if necessary.

PORTFOLIO STRATEGY - Global Real Estate

INVESTMENT STRATEGY

The role of SERS' Global Real Estate portfolio is to provide stable income return from tangible real estate assets, partial inflation hedge over the long term, and diversification from equities.

SERS' Statement of Investment Policy sets the Global Real Estate target allocation as follows:

	Target	Permissible Range
Global Real Estate	7%	4-10%

The performance objective for Global Real Estate is to generate net of fee returns in excess of the Expanded NCREIF Property Index ("ENPI"), one quarter in arrears. The performance objective is intended to be accomplished over a market cycle, with the income component of the return comprising a significant portion of the total return.

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Global Real Estate	2.28	2.86	(3.02)	4.26	5.54
Policy Benchmark	3.61	4.94	(1.00)	3.80	4.85
Net Excess Return	(1.33)	(2.08)	(2.02)	0.46	0.69

Source: Clearwater & NCREIF

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Real Estate Annual Investment Plan objectives and related activities are as follows:

- *Formulate a one-year plan to keep the allocation within the 10-15% range, with the goal of reducing allocation to the low end of the range, while still committing to strategies and investments that can out-perform the benchmark and improve portfolio construction.*

Staff tactically lowered the Real Estate portfolio allocation towards the lower end of the allowed 10-15% range. Staff redeemed \$599 million from open-end funds over the past four years to lower the allocation to 10% in order to grow the allocation in Infrastructure to 10%. As of March 2026, approximately \$354 million of the \$599 million redemptions have been received.

- *Staff continued to review the appropriateness of the Global Real Estate policy benchmark and recommend replacing the current policy benchmark with the Expanded NCREIF Property Index (Expanded NPI). Versus the current NCREIF Property Index, the Expanded NPI includes a broader set of property types.*

Staff and Wilshire reviewed the benchmark options for Global Real Estate. Expanded NPI became the policy benchmark as of July 2025.

- *Evaluate new investment strategies such as residential real estate and niche property types to improve portfolio property type allocations.*

Staff made new commitments to two residential real estate funds in FY2026 to reduce the underweight to the residential property type.

- *Actively pursue co-investment opportunities with existing and high-quality non-current Real Estate managers.*

During FY2026, Staff made a real estate co-investment alongside our existing real estate secondary manager and made a direct real estate secondary purchase of an existing core fund, both at an attractive discount.

CURRENT MARKET CONDITIONS AND OUTLOOK

Across most property types, real estate values increased modestly and showed signs of stabilization in 2025, continuing a trend since mid-2024. SERS' Real Estate portfolio returned 2.86% net of fees for the 1-year period ending March 31, 2026, versus a benchmark ENPI return of 4.94% gross of fees, producing an excess return of (2.08)%. As of December 2025, Real Estate 1-year gross of fees income return was 3.38%.

Real Estate portfolio performance in 2025 underperformed the benchmark. The underperformance was partially due to our levered portfolio being compared to an unlevered benchmark. During downturns, losses in a levered portfolio are amplified, acting as a drag on portfolio performance. Real estate value declines over the past 3 years have reset capitalization (cap) rates and fundamentals have improved as a result of lower new supply stemming from higher interest rates and lower demand. Debt availability has improved as policy rate cuts and repriced real

PORTFOLIO STRATEGY - Global Real Estate

estate values have resulted in lenders re-entering the market. Demand for real estate remained uneven across property types and geographic sub-markets in 2025. Occupancy rates for most property types remain above their long-term averages and are showing positive signs in early 2026.

Niche property types like senior housing and data centers may see positive momentum in 2026, supported by strong demographic trends, supply dynamics, and robust demand. Residential housing in some markets has improved due to strong demand and low supply (e.g. NY, San Francisco), while excess supply in many Sunbelt markets is evident in higher vacancy rates and muted rent growth. Office space fundamentals remain weak with vacancy rates only dropping from 18.9% in 2024 to 18.8% in December 2025. The retail sector experienced a decrease in vacancies to 6.7%, driven by steady demand and limited new supply following a long stretch of underperformance preceding and during the pandemic.

After several years of underperformance, 2026-2027 could be an attractive period to allocate new capital to real estate as some assets are trading below replacement cost. New construction has declined because of high financing and construction costs and tepid demand in many property types. With real estate values having corrected and real estate debt becoming more readily available, FY2027 could see an uptick in transaction activity, accelerating return of capital from redemption requests and disposition of assets.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Formulate a one-year plan to adjust the allocation to the new strategic asset allocation target of 7% (range 4-10%) that will become effective July 1, 2026.
- Further evaluate investment strategies such as residential real estate, niche property types, real estate debt, real estate secondaries, and triple-net ("NNN") leases.
- Actively pursue co-investment opportunities with existing and high quality non-current Real Estate managers.

PORTFOLIO STRATEGY - Global Infrastructure

INVESTMENT STRATEGY

The role of SERS' Global Infrastructure portfolio is to provide stable income return from tangible infrastructure assets, partial inflation hedge over the long term and diversification from equities.

SERS' Statement of Investment Policy sets the Global Infrastructure target allocation as follows:

	Target	Permissible Range
Global Infrastructure	10%	6-14%

The performance objective for Global Infrastructure is to produce net of fee returns in excess of the Consumer Price Index (CPI) on a smoothed quarterly (4 qtrs.) basis + 1.2% per quarter (or approximately CPI + 5% on an annual basis, with the income component of the return comprising a significant portion of the total return.

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Global Infrastructure	7.30	10.39	8.55	9.58	10.35
Policy Benchmark	5.79	7.75	4.08	6.97	6.43
Net Excess Return	1.51	2.65	4.46	2.62	3.91

Source: Clearwater, IAD

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Infrastructure Annual Investment Plan objectives and related activities are as follows:

- *Formulate a one-year plan to keep the allocation within the 5-10% allocation, with the goal of increasing allocation to the high end of the range.*

During FY2026, Staff made new commitments of \$425.5 million and made capital calls of \$231M (July 25 – March 26) to help grow the Global Infrastructure allocation to the high end of the allowable 10% range.

- *Evaluate new investment strategies such as energy security and transition, digital infrastructure, and others that provide inflation protection and income return.*

Staff committed to a manager focused on power infrastructure and added to a Master Limited Partnership (“MLP”) that increased our midstream pipeline exposure. Co-investments were executed to capitalize on rising power demand from consumers and data centers. Additional data center co-investments were made with current managers to boost digital infrastructure allocation.

- *Actively pursue co-investment opportunities with existing and high-quality non-current Infrastructure managers.*

In FY2026, staff committed \$99.7 million (with \$42.2 million called thus far) to several new co-investments in the Global Infrastructure portfolio, including two data center platforms, electrical transmission lines, a regulated utility, and a U.S.-based renewables platform. Staff also increased an existing sidecar commitment and launched a new co-investment sidecar alongside a new main fund commitment.

CURRENT MARKET CONDITIONS AND OUTLOOK

The infrastructure portfolio continues to be a ballast in the real assets portfolio. The core, essential, and monopolistic characteristics of many infrastructure assets demonstrated their resilience. SERS' infrastructure portfolio performed well in 2025, providing downside protection and cash yield. Most of SERS' infrastructure funds are still in their early life cycle phase but are performing as expected and providing cash distributions. New funds may underperform for short periods due to start-up fees and J-curve effects. However, SERS' large, diversified portfolio with different vintages should withstand this impact. The infrastructure program added three new fund commitments, a new co-investment sidecar, several co-investments in existing sidecars, and additional exposure to public infrastructure in 2025. Going forward, the infrastructure program will continue to focus on attractive assets and funds that provide inflation protection, diversification, and cash yield.

Sectors that will be high priority include energy security/transition because of growing power demand, and digital infrastructure, which continues to benefit from the global mega-trend of digitalization. However, sectors like utilities that provide consistent income returns while benefiting from the energy transition theme, and assets that meet the inflation protection, income return, and diversification requirements for infrastructure will also be considered.

PORTFOLIO STRATEGY - Global Infrastructure

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Formulate a one-year plan to adjust the allocation within the new strategic asset allocation range that will become effective July 1, 2026.
- Actively pursue co-investment opportunities with existing and high-quality non-current Infrastructure managers.
- Evaluate new investment strategies to improve portfolio diversification and improve inflation protection and income returns.

PORTFOLIO STRATEGY - Gold

INVESTMENT STRATEGY

Gold has been introduced as a new strategic asset class to provide portfolio diversification and serve as a hedge against inflation, geopolitical, and fiscal risks. Rising deficits and government debt lead to debasement of fiat currencies while Gold is a preferred hedge against such risks. Gold has a lower correlation averaging from 0.1 to 0.25 to Total Fund whereas Global Fixed Income's correlation has risen since 2020.

The Statement of Investment Policy sets the Diversifying Gold target allocation as follows:

	Target	Permissible Range
Gold	3%	0 – 4%

The performance benchmark for Gold is the IAU iShares Gold ETF. The performance objective is to match the passive index less fees over a market cycle. Since there is no active management there is no excess return target, Gold will be part of the strategic asset allocation effective July 1, 2026.

Currently there is a small gold position of 0.6% of total fund which is held in an IAU ETF in the Opportunistic & Tactical portfolio. The performance of this position as of March 31, 2026, is as follows:

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026			
	FYTD	1-Year	Since Inception (4/24)
Gold	41.33	49.58	41.27

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

Gold will be a new strategic asset class with a 3% target. SERS invested in a Gold ETF within the Opportunistic & Tactical asset class previously. The FY26 position has grown from \$75 million in July 2025 to \$134 million as of March 2026 via appreciation and three additional purchases totaling \$40 million during the fiscal year.

CURRENT MARKET CONDITIONS AND OUTLOOK

The price of gold surged by 55% in CY25, driven by a weakening US dollar, trade disruptions due to tariffs, and central bank demand. Traditionally, gold performs well when the US dollar weakens and US interest rates decline, which both occurred in CY25. Tariff disputes led to macro uncertainty, which further increased gold's demand via a flight to quality. Global central bank gold holdings increased from approximately 15% at the end of 2023 to 20% at the end of 2024 according to the IMF.

The reasons for adding Gold to the strategic allocation mix are manifold. Gold has emerged more recently as a hedge after interest rates bottomed in 2021 and began to increase. The correlation between equities and bonds on a 3-year rolling basis has increased from -0.20 in 2020 to a high of 0.72 in 2024 and has retreated to 0.56 currently compared to the long-term average of 0.20. The high positive correlation between equities and bonds indicates that bonds are less reliable as a diversifier for equity risk in the current environment. The high level of debt and deficits in the US make US Treasuries less attractive as a safe haven asset. High levels of global debt and debasement of fiat currencies also add to Gold's attractiveness as a hedge. Gold is expected to be a better hedge in periods of high inflation and central banks around the world have increased Gold as a proportion of their reserves while reducing US Treasuries.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Transfer the existing gold investment in the Opportunistic & Tactical portfolio to the new dedicated Diversifying Gold portfolio within real assets.
- Formulate a plan to adjust the gold allocation up to interim targets in FY 2027 and FY 2028 to reach 3% at the end of FY 2028. Implement this plan by adding to SERS existing ETF, buying futures or hiring an external gold mandate.

PORTFOLIO STRATEGY - Cash Equivalents & Securities Lending

INVESTMENT STRATEGY

SERS invests in cash equivalents for the purpose of earning market returns on cash held for benefits and expenses and to provide short-term cash needed to fund other asset classes. Cash Equivalents are fixed income assets with maturities of less than 270 days and may include US government, asset-backed, corporate, and high-quality money market-type securities.

SERS' Statement of Investment Policy sets the Cash Equivalent target allocation as follows:

	Target	Permissible Range
Cash Equivalents	3%	1% - 5%

The performance objective for Cash Equivalents is to exceed the return as measured by the FTSE 30-day US Treasury Bill Index.

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Cash Equivalents	3.04	4.12	4.75	3.37	2.27
FTSE 30-day US T-Bill Index	3.06	4.18	4.88	3.44	2.25
Net Excess Return	(0.02)	(0.06)	(0.13)	(0.07)	0.02

The Securities Lending program is designed to be a low risk, intrinsic value focused strategy that generates additional income for the plan by temporarily lending equity and fixed income securities. All loans are collateralized with cash at 102-105% of security market value and reinvested in government money markets and repurchase agreements. Loans to approved borrowers are limited to 25% of the average monthly market value of the loan from the prior year. Fixed income security loans require a ten-basis point minimum spread at loan initiation. The program is implemented through a third-party lending agent and collateral reinvestment manager.

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Research and monitor money market funds for opportunities to earn additional yield over the portfolio benchmark.*

Short-term cash continues to be invested in a US government money market fund to remain available for pension transfer payments, private asset class contributions and overlay strategy margin activity.

- *Continue to forecast and analyze expected asset class cash flows and pension payments quarterly to ensure cash flow needs can be anticipated and planned for in advance.*

Cash flow variance reports continue to show adequate cash remains available with cash continuing to be withdrawn from the Global Equity portfolio due to strong performance. Transfers to the pension and healthcare accounts are forecasted to grow to \$595 million for 2026.

- *Monitor the Securities Lending program for opportunities to generate incremental income and ensure it is operating within the program implementation guidelines.*

Strong global equity performance has kept demand for borrowing equities low compared to history reducing program income for the fiscal year. Due to this low demand over the last several years, the maximum borrower limitation was changed to 1% of the average annual lendable assets in January. While this is still a conservative limit, this change will allow SERS to lend more to borrowers going forward if demand is higher going forward.

CURRENT MARKET CONDITIONS AND OUTLOOK

Cash returns declined last fall as the Fed lowered rates, with US government money market fund yields dropping from 4.30% to 3.57%. The Fed lowered rates three times in late 2025 by a total of 0.75%. After the Middle East conflict began in March, markets stopped expecting additional cuts before 2027. If the conflict extends beyond April, rising oil prices could trigger a recession and prompt the Fed to cut rates.

PORTFOLIO STRATEGY - Cash Equivalents & Securities Lending

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Research and monitor money market funds for opportunities to earn additional yield over the portfolio benchmark.
- Continue to forecast and analyze expected asset class cash flows and pension payments quarterly to ensure cash flow needs can be anticipated and planned for in advance.
- Monitor the Securities Lending program for opportunities to generate incremental income and ensure it is operating within the program implementation guidelines.

PORTFOLIO STRATEGY – Opportunistic & Tactical

INVESTMENT STRATEGY

SERS invests in opportunistic & tactical investments for the purpose of earning returns greater than the Bloomberg US Aggregate Bond Index + 2% for investments that do not fit within the existing strategic asset allocation. The investments are defined as tactical or non-traditional investment opportunities. Such investments may involve capitalizing on short-term market dislocations or other unique situations or innovative strategies.

SERS' Statement of Investment Policy sets the Opportunistic & Tactical investments target allocation as follows:

	Target	Permissible Range
Opportunistic & Tactical	0%	0% - 5%

The performance objective for the Opportunistic & Tactical portfolio is to provide net of fee returns of 100 basis points above the Bloomberg US Aggregate Bond Index + 2%.

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Opportunistic & Tactical	13.75	15.93	11.39	9.81	9.78
Policy Benchmark	4.57	6.35	5.63	2.31	4.19
Net Excess Return	9.18	9.58	5.76	7.50	5.59

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Evaluate new investments that are expected to exceed the policy benchmark and provide diversification benefits for the Total Fund. This will be accomplished through the evaluation of markets, strategies and specific funds that offer compelling risk adjusted returns. Staff will focus on investment strategies that provide diversification, downside protection, and exposure to themes not suitable for other asset classes.*

Staff added three new investments totaling \$200 million to the portfolio during the fiscal year. Staff made an investment in a fund that makes credit and structured equity investments in global companies, a fund that implements an alternative trend following strategy, and a fund that takes an opportunistic, multi-strategy approach investing across the entire mortgage and consumer-related credit complex in North America and Western Europe. Staff also made additional investments of \$25 million and \$40 million, respectively, in an existing commodity strategy and an existing gold ETF. Staff continue to review potential investment opportunities that could be a fit for the portfolio and provide diversification benefits for the Total Fund.

- *Actively manage the Opportunistic & Tactical portfolio to improve risk-adjusted returns and diversification for the Total Fund, while considering the liquidity profile of the portfolio.*

Staff continue to closely monitor and manage the liquid portion of the portfolio. The portfolio is comprised of six funds that offer liquidity on a regular basis. These liquid funds represent approximately 51% of the Opportunistic & Tactical allocation.

- *Review the current portfolio composition and recommend changes to the four strategies if necessary.*

Staff changed the portfolio composition by adding a Commodities strategy allocation and removing the Multi Asset Strategy allocation. Four funds representing approximately 33% of the Opportunistic & Tactical portfolio were moved to the Commodities strategy from the Diversified & Tactical strategy. One fund representing approximately 6% of the Opportunistic & Tactical portfolio was moved from the Multi Asset Strategy allocation to the Diversified & Tactical strategy.

PORTFOLIO COMPOSITION

The investments in the portfolio are grouped into four strategies and the allocations are as follows:

	Allocations as of March 31, 2026
Distressed	25%
Diversified & Tactical	17%
Commodities	33%
Structured Credit	25%

PORTFOLIO STRATEGY – Opportunistic & Tactical

CURRENT MARKET CONDITIONS AND OUTLOOK

The Opportunistic & Tactical portfolio consists of funds that seek to take advantage of market dislocations, or which do not fit within the risk and return objectives of other asset classes. The return objective of the portfolio is to outperform the Bloomberg US Aggregate Bond Index + 2%. The portfolio is positioned to take advantage of an environment consisting of high interest rates, high inflation, and a slowing economy. Current strategies include investments that provide inflation protection as well as investments that are uncorrelated to public equities and fixed income, such as distressed assets, structured credit, trend following, and long/short commodity funds.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Evaluate new investments that are expected to exceed the policy benchmark and provide diversification benefits for the Total Fund. This will be accomplished through the evaluation of markets, strategies and specific funds that offer compelling risk adjusted returns. Staff will focus on investment strategies that provide diversification, downside protection, and exposure to themes not suitable for other asset classes.
- Actively manage the Opportunistic & Tactical portfolio to improve risk adjusted returns and diversification for the Total Fund, while considering the liquidity profile of the portfolio.
- Transfer the existing gold investment to the new dedicated portfolio within real asset to align with the new asset allocation policy.

PORTFOLIO STRATEGY – Overlay Program

INVESTMENT STRATEGY

SERS invests in overlay strategies that trade derivatives of the Total Fund's underlying assets and currency exchange rates to enhance the Total Fund portfolio efficiency. The overlay program includes tactical asset allocation and active currency strategies.

The tactical asset allocation strategy aims to add value to the Total Fund performance through active allocations (long/short) across stocks and bonds thereby exploiting short-term macro market dislocations. The active currency strategies aim to add value and risk diversification to the Total Fund, as well as help manage currency risk by utilizing short-term inefficiency in the foreign exchange markets and low correlation of the strategies to the major asset classes such as US equity and fixed income.

The program is fully tactical; exposures to any overlay strategies in this program are not required by the Statement of Investment Policy.

The overlay program is targeted to add 10 to 20 bps to Total Fund performance on a three-to five-year horizon. The tracking error of the tactical rebalancing strategy and the active currency program are expected to be in the range of 5 to 15 basis points and 5 to 8%, respectively. The current exposure limit is 1% of total fund assets for tactical rebalancing and \$300 million for active currency program.

Cumulative FYTD & Annualized Returns (in percent) for Periods Ending March 31, 2026					
	FYTD	1-Year	3-Years	5-Years	10-Years
Overlay Program	(0.05)	(0.19)	(0.10)	0.12	0.00

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Actively monitor the Tactical Asset Allocation Strategy to enhance the impacts of the strategy on the Total Fund performance.*

The strategy has initiated four separate long US equity, short US Treasury trades fiscal year-to-date. The trades have been short-term in nature lasting from one to several days and each trade has been closed with a net gain. The impact to total fund performance has been 0.02% for fiscal year-to-date. Staff lowered the strategy's maximum risk to 1% of total fund assets while evaluating its effectiveness after recent losses. The internal rebalancing strategy remains short US equity, long US Treasuries and has contributed (0.01%) fiscal year-to-date to total fund.

- *Actively monitor the Active Currency Strategy to improve the program's risk and return characteristics.*

The strategy continues to actively manage developed and emerging market currencies relative to the USD. As of March 31st, the strategy contributed 0.05% fiscal year-to-date.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Actively monitor the Tactical Asset Allocation Strategy to enhance the impacts of the strategy on the Total Fund performance.
- Actively monitor the Active Currency Strategy to improve the program's risk and return characteristics.

PORTFOLIO STRATEGY - Investment Risk Management & Analytics

Investment Risk Management and Analytics is responsible for the provision and communication of diligent, thorough, timely and forward-looking investment risk analytics and other investment analytics to the Board and Investment Staff.

Total Fund forecast risk increased from 9.9% in March 2025 to 10.2% in February 2026, primarily due to increased volatility in equity markets. Total Fund realized risk for the 3-year period ending March 2026 was 5.6%. Total Fund risk is expected to increase in the near term due to geopolitical uncertainty.

Forecast risk is a forward-looking risk estimate based on the Fund's holdings at a point of time, while realized risk measures the volatility of actual monthly returns over a period of time. The former corrects for the smoothing effect of infrequent valuation of private investments that is inherent in the latter. Hence, forecast risk tends to be higher than realized risk for a fund that includes private investments. Forecast risk more accurately reflects the risk-return profile of an investment and is preferable for informing allocation decisions.

The composition of Total Fund forecast risk changed noticeably over the year, with Global Equities contributing 5.13% more risk, Fixed Income, Private Equity, Private Credit, Real Estate and Infrastructure contributing 0.79%, 1.25%, 0.95%, 4.19% and 0.61% less risk, respectively, and the Overlay program reducing risk by 2.34% as of February 2026 compared to March 2025. These changes were driven by a 3.6% increase in Global Equities' allocation, a 1.0% decrease in Private Equity's allocation, a 1.3% decrease in Private Credit's allocation, a 1.3% decrease in Real Estate's allocation, and the closing out of all Asset Allocation Overlay positions. As of February 2026, 80.0% of the Total Fund's risk was attributable to equity factors, while real estate, fixed income, currency, private equity, and other factors accounted for the remaining 20.0%. The Total Fund's active risk stayed under the 3% limit stipulated in the Statement of Investment Policy as 3-year realized active risk was 1.34% as of March 2026 and forecast active risk was 1.65% as of February 2026.

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities were as follows:

- *Provide risk forecasts and analyses of the Total Fund and asset class portfolios.*

Staff utilized the Barra risk system to generate risk analyses of the Total Fund and asset class portfolios. These analyses, based on SERS' investment holdings, provide forecasted volatility of returns, decomposition of total and active risk by asset class, strategy and factor, and forecasted return correlation between asset class portfolios.

- *Report risk of the Total Fund to the Board on a quarterly basis.*

Staff provided quarterly risk reports on the Total Fund to the Board showing forecast total risk and active contribution by asset class as well as by factor risks across the portfolio. The total risk decomposition by asset class focused on their role in the Total Fund. Total risk decomposition by factors focused on cross factor exposures, especially equity factors among the asset class portfolios as equity factors are the main risk drivers of the Total Fund. Active risk decomposition showed risk contribution from investment implementation, which is comprised of active allocation among the asset classes and active selection of strategies and securities.

- *Communicate asset class portfolios' risk with asset class investment officer(s) and discuss any potential changes of the portfolio structure on a quarterly basis.*

Staff discussed the risk profile of asset class portfolios with each asset class team on a quarterly basis. These discussions were focused on i) trend and level of forecast risks, ii) the portfolio's risk structure in terms of manager line-up and factor exposures, and iii) the portfolio's sensitivity to market movements. The discussions assisted each asset class team in monitoring their portfolio's structure and risks and uncovering unintended active risk exposures.

- *Provide return attribution analyses of the Total Fund and asset classes of the Fund to the Investment Strategy Team.*

Staff reported monthly return attribution analyses of the Total Fund, analyzing effects of active weights and active performance of each asset class on the Total Fund's active return. The analyses were presented to the Investment Strategy Team. Staff also delivered to the Investment Strategy Team attribution reports for each asset class portfolio analyzing the contribution of each account/manager to portfolio return.

- *Execute a smooth transition to eVestment as investment manager data and analytics provider.*

Staff coordinated with eVestment to conduct training sessions for the Investments team. Staff transferred SERS' historical performance data from old to new platform. Staff also set up new report templates in the new platform. Manager research and monitoring, portfolio analysis and review, and performance analytics functions now utilize eVestment with a better database and no loss of functionality compared to previous platform.

PORTFOLIO STRATEGY - Investment Risk Management & Analytics

- *Perform other portfolio and market analyses and research as needed.*

Staff initiated a search for a multi-asset portfolio analytics provider, issuing an RFP in April 2026. Staff also conducted portfolio, market and economic analyses on an ad-hoc basis.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- Provide risk forecasts and analyses of the Total Fund and asset class portfolios.
- Report risk of the Total Fund to the Board on a quarterly basis.
- Communicate asset class portfolios' risk with asset class investment officer(s) and discuss any potential changes of the portfolio structure on a quarterly basis.
- Provide return attribution analyses of the Total Fund and asset classes of the Fund to the Investment Strategy Team.
- Execute a smooth onboarding of yet-to-be-hired multi-asset portfolio analytics provider.
- Perform other portfolio and market analyses and research as needed.

Investment Operations

The Investment Operations area is responsible for managing administrative activities for the Investment department, assisting the CIO and investment officers, and providing reports and information to Staff and the Board. The objectives for FY2027 remain consistent with those of FY2026 as these broad categories reflect the primary duties of Investment Operations.

REVIEW OF FY2026 OBJECTIVES AND IMPLEMENTATION

The FY2026 Annual Investment Plan objectives and related activities are as follows:

- *Coordinate, assist, and participate in organizational initiatives including annual Policy review; Information Governance project; fiscal budget; Subject Matter Experts (SMEs); and Emergency Response Program (ERP).*

Investment Operations assisted with the annual review and revisions to the Investment Department Policies, and participated in implementing the Information Governance annual checklist for the department to ensure staff are compliant with SERS' Information Governance Policy and the current Records Retention schedule. Staff prepared and analyzed the fiscal budget for executive approval, as well as participated in and provided feedback in relation to SME Communications and ERP activities.

- *Perform administrative duties and attend meetings for the Investment Committee, Strategy Team and Board meetings including establishing meeting dates and agendas, organizing, and distributing documents to team members, producing reports, and taking minutes.*

Operations attended all Investment Committee, Strategy Team, and Board meetings. Agendas and documents were prepared and distributed, and minutes were promptly taken and distributed. Staff assisted with processing documents associated with hiring, termination, and redemption of managers.

- *Assist with projects for the CIO and Investment officers including revising the Annual Investment Plan, updating the Statement of Investment Policy as needed, searches for Investment managers, and aid with special projects for Staff.*

Operations coordinated revisions and produced the FY2026 Annual Investment Plan, the amended Statement of Investment Policy, and assisted with the distribution of the Investment Consultant RFP throughout the fiscal year.

FY2027 OBJECTIVES

Staff will focus on the following objectives in FY2027:

- *Coordinate, assist, and participate in organizational initiatives including annual Policy review; Information Governance projects; fiscal budget; Subject Matter Experts (SMEs); and Emergency Response Program (ERP).*
- *Perform administrative duties and attend meetings for the Investment Committee, Strategy Team and Board meetings including establishing meeting dates and agendas, organizing, and distributing documents to team members, producing reports, and taking minutes.*
- *Assist with projects for the CIO and Investment officers including revising the Annual Investment Plan, updating the Statement of Investment Policy as needed, searches for Investment managers, and aid with special projects for Staff.*



Implementation Guidelines

IMPLEMENTATION GUIDELINES - Global Equities

I. ROLE

The role of Global Equities is to earn the equity risk premium over US Treasury bonds by investing in common stock of publicly listed companies.

II. ASSET ALLOCATION

	Total Fund Target	Range	
		Minimum	Maximum
Global Equities	40%	35%	45%

Global Equities is divided into two portfolios as follows:

Global Equities – Global Composite: Managers invest in securities from across all regional markets of the world including US, Non-US Developed Markets and Emerging Markets. This composite is benchmarked to the MSCI All Country World Net Total Return Index (MSCI ACWI).

Global Equities – Regional Composite: Managers invest in securities of assigned regional markets only. Staff manages the regional market allocation versus the MSCI ACWI. This composite is benchmarked to the MSCI ACWI. Typical benchmarks utilized within the regional market mandates are:

- US Equity: Russell 3000 Index
- Non-US Equity Developed Market: MSCI World ex-USA Net Total Return Index (USD)
- Non-US Equity Emerging Market: MSCI Emerging Markets Net Total Return Index (USD)

III. BENCHMARK:

The Global Equities benchmark is the MSCI All Country World Net Total Return Index (USD).

IV. PERFORMANCE OBJECTIVE

The annualized return objective, net of management fees, for the Global Equities portfolio is 40 basis points over the MSCI ACWI.

V. PORTFOLIO DESIGN AND CONSTRUCTION:

The *Global Composite* portfolio is constructed with global mandates which select securities from across the world, making discretionary decisions between US, Non-US Developed Markets and Emerging Markets. This is a 100% active portfolio. Portfolio design will consider risk/return characteristics, manager count and investment management fees.

The *Regional Composite* portfolio is constructed using a multi-manager line-up of US, Non-US Developed and Emerging Market mandates and a combination of active and passive strategies to deliver risk-adjusted performance relative to respective benchmarks. Portfolio design will consider risk/return characteristics, manager count and investment management fees.

The Global Equities portfolio may employ economic leverage via portable alpha overlay and equity extension strategies. The leverage employed will be within the allowed Total Fund leverage parameters and portfolio tracking error will be maintained within stated ranges in Section VII. Risk Management.

IMPLEMENTATION GUIDELINES - Global Equities

PERMISSIBLE INVESTMENTS

Security Type	US Equity Portfolio	Global & Non-US Equity Portfolios
Common Stock	Y	Y
Stock Treated as Common Stock	Y	Y
Cash / Treasuries	Y	Y
Preferred Stock	Y	Y
Convertible Rights	Y	Y
Warrants	Y	Y
Depository Receipts	Y	Y
REITS	Y	Y
Rule 144a Issues	Y	Y
Private Placement	Y	Y
IPOs	Y	Y
Commingled Funds	Y	Y
Exchange Traded Funds	Y	Y
Derivatives	Y	Y
Currency	N	Y
Country Funds	N	Y

VI. RISK MANAGEMENT

Active Risk Target	
<i>Global Equity – Global Composite</i>	Tracking Error of 3.0% with a range of 3.0% to 7.0%
<i>Global Equity – Regional Composite</i>	Tracking Error of 1.5% within a range of 0.50% to 2.5%

Below are the guidelines for the *Global Equity – Regional Composite* Portfolio:

US Equity Implementation Guidelines			
	Investment Benchmark	Global Equity Target Allocation	Permissible Range
US Equity Allocation	Russell 3000 Index	MSCI ACWI US Allocation	+/- 10%
Portfolio Structure			
Capitalization			
Large Cap Equity	Russell 1000 Index	Neutral to BM	+/- 5%
Large Cap Active	Manager Specific	-	0% - 350%
Large Cap Passive	Russell 1000 Index	-	65% - 100%
Small Cap Equity	Russell 2000 Index	Neutral to BM	+/- 5%
Small Cap Active	Manager Specific	100% Active	N/A
Style			
Growth	Manager Specific	Neutral to BM	+/- 5%
Value	Manager Specific	Neutral to BM	+/- 5%

Factors such as currency, sector and country limits are manager specific and outlined in each manager's Investment Guidelines. Aggregate portfolio characteristics such as P/E, B/P, yield, size, etc., shall be within a reasonable range of the US equity benchmark.

IMPLEMENTATION GUIDELINES - Global Equities

Non-US Equity Implementation Guidelines			
	Investment Benchmark	Global Equity Target Allocation	Permissible Range
Non-US Equity Developed Markets	MSCI World ex-USA Net Total Return Index (USD)	MSCI ACWI Non-US Developed Market Allocation	+/- 7%
Non-US Equity Emerging Markets	MSCI Emerging Markets Net Total Return Index (USD)	MSCI ACWI Emerging Market Allocation	+/- 7%
Broad Market Exposure			
Developed Markets Active	Manager Specific	--	75-100%
Developed Markets Passive	MSCI World ex US Index (\$net)	--	0-25%
Emerging Markets Active	Manager Specific	100% Active	N/A
Portfolio Structure			
Capitalization			
Large Cap Equity	Manager Specific	BM Weight	+/- 10%
Small to Mid-Cap Equity	Manager Specific	BM Weight	+/- 10%
Small Cap Equity	Manager Specific	BM Weight	+/- 10%
Micro Cap Equity	Manager Specific	BM Weight	+/- 5%
Style			
Growth	Manager Specific	Neutral to BM	+/- 10%
Value	Manager Specific	Neutral to BM	+/- 10%

Factors such as currency, sector and country limits are manager specific and outlined in each manager's Investment Guidelines. Aggregate portfolio characteristics such as P/E, B/P, yield, size, etc., shall be within a reasonable range of the Non-US developed and emerging market equity benchmarks.

IMPLEMENTATION GUIDELINES – Global Private Equity

I. ROLE

SERS invests in Private Equity to provide returns in excess of those provided by publicly-traded equities to compensate for private equity's liquidity and concentration risk.

II. ASSET ALLOCATION

The Private Equity target asset allocation is established with periodic asset allocation studies. The most recent asset allocation study authorized a 14% allocation target to Private Equity with a range of 11%-17%.

III. BENCHMARK

Private Equity performance is benchmarked to the MSCI-Burgiss Global Private Equity Funds Index, one quarter in arrears.

IV. PERFORMANCE OBJECTIVE

The performance objective for Private Equity is to provide net returns in excess of the MSCI-Burgiss Global Private Equity Funds Index by 150 basis points. Over time periods of five years and longer Private Equity net returns are expected to exceed SERS Global Equity portfolio by 2%.

V. PORTFOLIO DESIGN AND CONSTRUCTION

Capital allocation among the various market segments is a critical driver for the long-term success of the Private Equity portfolio. Capital allocation risk is controlled in a portfolio structure incorporating long-term sub asset target allocations.

Long-term sub-asset target exposure is detailed below:

	Range	
	Minimum	Maximum
Buyout		
Small/Middle	50%	70%
Large/Mega	5%	25%
Total Buyout	55%	95%
Venture Capital	0%	10%25%
Special Situations	5%	25%
Total		
Domestic	55%	95%
International	5%	45%
Total		
Primary Commitments	75%	100%
Fund of Funds	0%	15%
Co-Investments	0%	25%
Total		

The majority of the portfolio is tilted toward buyout investments, with a mix of co-investments, venture capital, and special situations making up the remaining 25% of the target allocation. There is no target allocation to venture capital due to higher risk and manager selection issues, however, there may be opportunistic allocations to venture capital up to 10% of the portfolio as shown in the accompanying table. Within buyouts, the preference is for small and middle market managers with a significant value creation approach and a de-emphasis on de-emphasizes larger firms with a financial engineering approach.

IMPLEMENTATION GUIDELINES – Global Private Equity

VI. PERMISSIBLE INVESTMENTS

Investment Structure	
Limited Partnership Interests	Y
Discretionary Managers investing in Private Equity Partnerships	Y
Co-Investments	Y
Separate Accounts	Y

Investment Type	
Buyouts	Y
Venture Capital	Y
Special Situations (secondary interests, distressed debt or equity, mezzanine, co-investments, energy, etc.)	Y

Buyout

Net Expected Return 10-15%, Moderate Risk

Capital is typically invested in more established companies, those further along the business life cycle having relatively predictable cash flows and the ability to raise capital along the entire capital structure, including secured and unsecured debt. Buyouts are targeted to represent 75% of the Private Equity portfolio.

Venture Capital

Net Expected Return: 15-25%, High Risk

Venture capital equity is targeted at companies in the earliest phases of a business life cycle. Companies may be classified as seed, early, middle and late stage and are characterized by their inability to access public equity and other forms of capital such as secured and unsecured debt. These companies have uncertain revenues and a need for cash to build their businesses and are subject to high failure rates. Venture capital is targeted to represent 910% of the portfolio.

Special Situations

Net Expected Return: 10-20%, Moderate Risk

Many private equity opportunities have characteristics of buyout or venture capital but have enough differences as to require separate classification. These investments include energy, distressed debt, mezzanine, opportunity, and secondary funds. Special situations is targeted to represent 255% of the portfolio.

Co-Investments

Net Expected Return: 15-20%, Moderate Risk

Co-Investments are direct investments in a single asset of a multi-asset fund, made alongside the Fund's investment in the asset. Typically, co-investments are offered on more attractive economic terms and shorter time frames than those of the Fund. Co-Investments are targeted to represent up to 10% of the portfolio.

VII. RISK MANAGEMENT

The primary risk management tool in private equity is industry diversification as well as extensive due diligence of prospective investments. Monitoring is managed through a combination of quantitative and qualitative constraints. The following sections identify the most significant risks with private equity investments and the method of control.

Liquidity Risk

Private equity investments are illiquid and typically have expected holding periods of 10-12 years. Investments are typically held until maturity and selling prior to maturity typically results in a discount to fair market value. Liquidity risk is managed by minimizing the possibility of forced sales that may arise from exceeding maximum exposure limits or lowering asset allocation exposure limits.

Geographic Risk

Geographic risk is controlled through a long-term international target exposure of 25% by market value.

IMPLEMENTATION GUIDELINES – Global Private Equity

Vintage Risk

Vintage reflects the year of first capital draw and vintage risk refers to the variability of private equity commitments over time. The investment-pacing model controls the short and long-term private equity commitment amounts and attempts to minimize vintage risk while achieving targeted exposure. Commitments will be dependent on the availability of investments that meet SERS' investment criteria and will not be driven by the target investment pace in any given year.

Manager Risk

Manager risk consists of two elements, managing the exposure within a partnership and controlling the number of general partners in our private equity portfolio. Partnership exposure is controlled by limiting the commitment size within a partnership and the maximum commitment to a partnership will be 25% of a fund's size. The 25% limit does not apply to funds committed to a discretionary manager or a separate account. The maximum market value exposure to a single manager is targeted to be less than 20% of the portfolio. The optimum number of general partners in the portfolio varies with time.

Firm Risk

Firm risk is the exposure to a private equity general partner and is controlled by limiting the maximum commitment to funds operated by a general partner and its affiliates.

Currency Risk

The Private Equity program accepts the currency risks consistent with the geographic constraints. Private equity partnerships generally do not hedge currency risk, and the private equity program will not implement currency hedges.

Industry Risk

Typically, private equity partnerships are permitted to invest in a wide variety of industries. Industry risk is controlled primarily through appropriate diversification across classes and subclasses.

Leverage Risk

General partners invest capital from private equity partnerships throughout the capital structure of firms. The capital markets control the maximum leverage available to the general partners and limited partners control leverage exposure through partnership selection and portfolio construction.

IMPLEMENTATION GUIDELINES – Global Fixed Income

I. ROLE

The primary role of diversified fixed income is to reduce the overall risk of the investment plan. Fixed income securities should provide stable income returns through yield-oriented assets. Fixed income provides risk reduction through lower correlations to the investment program.

II. ASSET ALLOCATION

The Global Fixed Income allocation is established with periodic asset allocation studies. The most recent asset allocation study authorized an 18% market value exposure to Global Fixed Income with a range of 13%-23%.

III. BENCHMARK

Global Fixed Income performance is benchmarked to the Bloomberg US Universal Bond Index.

IV. PERFORMANCE OBJECTIVE

The annualized return objective for the Global Fixed Income portfolio is 60 basis points net of fees above the benchmark and is comprised of the following strategies:

Strategy	Expected Excess Return	Tracking Error	Benchmark
Core	20 basis points	N/A	Bloomberg US Aggregate Bond Index
Core Plus	60 basis points	N/A	Bloomberg US Universal Bond Index
Tactical & Diversifying	200 basis points	N/A	Bloomberg US Universal Bond Index
Total Portfolio	60 basis points	0 – 4%	Bloomberg US Universal Bond Index

V. PORTFOLIO DESIGN AND CONSTRUCTION

SERS seeks to obtain broad fixed income market exposure to gain diversification while receiving income. The portfolio is 100% externally managed in active strategies, in broad mandates of core, core plus, and Tactical & Diversifying strategies. Core mandates invest primarily in the sectors covered in the Bloomberg US Aggregate Index, which does not include allocations to high yield, Non-US or emerging market debt. Core sector weightings can deviate from this index, depending on the external manager's market views and strategies. Core plus mandates allow investments in all sectors of the portfolio benchmark. The Tactical & Diversifying sector invests in return seeking or diversification enhancing strategies and can provide high excess returns. The strategy invests in all sectors of the index as well as emerging market macro, and long/short credit.

The portfolio may employ economic leverage to obtain benchmark or sector exposure to enhance the excess return of the portfolio. The leverage employed will be within the parameters of the Total Fund leverage policy and portfolio tracking error will be maintained within the range stated in Section IV.

Below are the current sector exposure limits:

Strategy	Range	
	Minimum	Maximum
Core	30%	70%
Core Plus	25%	50%
Tactical & Diversifying	0%	20%

IMPLEMENTATION GUIDELINES – Global Fixed Income

VI. PERMISSIBLE INVESTMENTS

Security Type	Core	Core Plus	Tactical & Diversifying
Governments			
US Treasuries, TIPS and Agencies	Y	Y	Y
Sovereigns/Quasi-Sov. In US \$	Y	Y	Y
Sovereigns/Quasi-Sov. In local currency	N	Y	Y
Corporates			
US Corporates	Y	Y	Y
Non-US Corporates in US \$	Y	Y	Y
Non-US Corporates in local currency	N	Y	Y
High Yield	N	Y	Y
Bank Loans	N	Y	Y
Structured Credit			
Mortgages	Y	Y	Y
Asset Backed	Y	Y	Y
Collateralized Loan Obligations	N	Y	Y
Other			
144 (A)s	Y	Y	Y
Commingled Funds	Y	Y	Y
Convertibles	N	Y	Y
Currency	N	Y	Y
Derivatives	Y	Y	Y
Equity	N	Y	Y
Exchange Traded Funds	Y	Y	Y
Money Markets	Y	Y	Y
Municipals	Y	Y	Y
Repurchase Agreements	Y	Y	Y

VII. RISK MANAGEMENT

For strategies held in separate accounts, the following risk factors are controlled through limits specified in each manager's Investment Manager Agreement (IMA) and Investment Guidelines. Duration, sector, and credit risk are reviewed on a total portfolio basis quarterly by SERS:

Interest Rate

Controlled by duration band limits around the benchmark duration.

Yield Curve Risk

Controlled by duration band limits around the benchmark duration.

Sector Risk

Moderate risk sectors like high yield, non-US, non-agency mortgages and CMBS are controlled around set limits with each individual manager. Portfolios are allowed 25% maximum exposure to any one industry.

Credit Risk

Portfolios must maintain a minimum exposure to investment grade securities. In addition, each manager of individual portfolios has an established average-weighted credit quality that must be maintained at all times.

IMPLEMENTATION GUIDELINES – Global Fixed Income

Currency Risk

Currency is not hedged at the overall portfolio level. Managers who demonstrate skill are allowed to purchase non-US securities on a hedged or unhedged basis or take direct currency positions without owning securities.

Issuer Risk

Issuer limits are specified in each IMA investment guidelines.

Liquidity Risk

Accounts have a maximum 144(A) limit without registration rights.

Active Risk

Normal tracking error is expected to be 1-3% over any rolling three-year time horizon. During periods of increased volatility, tracking error should not exceed 4% over any rolling three-year time horizon.

IMPLEMENTATION GUIDELINES – Global Private Credit

I. ROLE

The role of SERS' Private Credit portfolio is to provide risk adjusted returns in excess of those provided by publicly traded fixed income securities and to generate a consistent cash yield.

II. ASSET ALLOCATION

SERS' Statement of Investment Policy sets the private credit target allocation at 5%, with a range of 3% to 7%.

III. BENCHMARK

The private credit benchmark is the 90-day SOFR rate + 4.5%, one quarter in arrears.

IV. PERFORMANCE OBJECTIVE

The performance objective of the Private Credit portfolio is to provide net returns of 100 basis points above the policy benchmark and to outperform the SERS Global Fixed Income portfolio over time periods five years and longer, with the income component of the return comprising a significant portion of the total return.

V. PORTFOLIO DESIGN AND CONSTRUCTION

The Private Credit portfolio is designed to gain exposure to various aspects of the private credit market with a focus on consistent income generation. It is expected that a greater portion of the Private Credit portfolio will be allocated to strategies with higher expected cash yields.

The strategies that are in focus and allocation ranges are detailed in the table below. Staff will primarily focus on adding to the Asset Lending strategy during the fiscal year, meanwhile, seeking to maintain exposures to the other strategies:

	Current	Range	
	Allocation*	Minimum	Maximum
Direct Lending	6059%	50%	90%
Opportunistic Lending	3032%	10%	50%
Asset Lending	32%	0%	15%
Distressed Lending	7%	0%	15%
Total	100%		
Domestic	61%	40%	85%
International	39%	15%	60%
Total	100%		
Primary Commitments	100%	80%	100%
Secondaries	0%	0%	10%
Co-Investments	0%	0%	10%
Total	100%		

*As of March 31, 2025.

IMPLEMENTATION GUIDELINES – Global Private Credit

VI. PERMISSIBLE INVESTMENTS

Investment Structure	
Limited Partnership Interests	Y
Co-Investments	Y
Separate Accounts	Y

Investment Type	
Direct Lending	Y
Opportunistic Lending	Y
Asset Lending	Y
Distressed Lending	Y

Direct Lending

Net Expected Return: 8-12%, Moderate Risk

Direct Lending includes loans made directly to small to medium size companies; secured by assets/cash flows/contracts, etc. depending on the type of loan. Direct Lending has a target range of 50 – 90% of the Global Private Credit portfolio.

Opportunistic Lending

Net Expected Return: 10-18%, High Risk

Opportunistic Lending includes loans to companies that are typically unable to access traditional sources of capital or that may be in a transitional period. Opportunistic Lending strategies **will may** allocate across the **entire** capital structure, including senior debt, junior debt, preferred equity, common equity, and equity-like securities. These strategies tend to focus on a mix of capital appreciation and income generation for investors. **The Opportunistic Lending strategies considered for investment are expected to be primarily comprised of debt investments (50% or more) and to generate an attractive income distribution.** Opportunistic Lending has a target range of 10 – 50% of the Global Private Credit portfolio.

Asset Lending

Net Expected Return: 10-15%, Moderate Risk

Asset Lending includes loans collateralized by financial and hard assets, as well as cash flows generated from differentiated sources other than traditional corporate lending backed by cash flows. These types of investments are typically shorter in duration and may include auto loans, real estate loans, consumer loans, litigation finance, leasing, royalties, portfolio finance, and various other types. Asset Lending has a target range of 0 – 15% of the Global Private Credit portfolio.

Distressed Lending

Net Expected Return: 12-25%, High Risk

Distressed Lending includes loans made to companies that are financially stressed and/or are likely to go through restructuring/bankruptcy. These investments typically have longer holding periods and the lender sometimes seeks to take control of the company. Distressed Lending has a target range of 0 – 15% of the Global Private Credit portfolio.

VII. RISK MANAGEMENT

The primary risk management tool in private credit is extensive due diligence of prospective investments and diversification. The following sections identify the most significant risks of private credit investments and the method of control.

Credit Risk

Credit risk is the primary risk associated with the asset class. Thorough due diligence of investments will be completed to ensure the general partners have sufficient measures in place to monitor and assess the risks

IMPLEMENTATION GUIDELINES – Global Private Credit

involved with underlying investments, as well as the capabilities to structure loans with adequate covenants to protect the lender.

Interest Rate Risk

Interest rate risk is inherent within the Private Credit portfolio since investments are typically structured as floating rate credit instruments and interest rates will fluctuate over time. The risk is managed by the general partners through the structuring process to ensure appropriate interest rate floors and other measures are in place to manage an acceptable level of interest income.

Liquidity Risk

Private credit investments are illiquid but have shorter holding periods than other private security types, with 3 – 5 years being a typical holding period. Investments are typically held until maturity and selling prior to maturity typically results in a discount to fair market value. Liquidity risk is managed through the portfolio construction process by limiting the amount of exposure to more illiquid areas of private credit, such as distressed debt.

Geographic Risk

International exposure refers to non-US investments and is limited to 60% of the portfolio.

Vintage Risk

Vintage reflects the year of first capital draw and vintage risk refers to the variability of private credit commitments over time. The investment-pacing model controls the short and long-term private credit commitment amounts and attempts to minimize vintage risk while achieving targeted exposure. Commitments will be dependent on the availability of investments that meet SERS' investment criteria and will not be driven by the target investment pace in any given year.

Manager Risk

Manager risk consists of two elements, managing the exposure within a partnership and controlling the number of general partners in the Global Private Credit portfolio. Partnership exposure is controlled by limiting the commitment size to 25% of the aggregate commitments to the partnership or master fund if more than one feeder vehicle exists. The 25% limit does not apply to funds committed to a discretionary manager or a separate account. The maximum market value exposure to a single manager is targeted to be less than 35% of the portfolio. The optimum number of general partners in the portfolio varies with time.

Firm Risk

Firm risk is the exposure to a private credit general partner and is controlled by limiting the maximum commitment to funds operated by a general partner and its affiliates.

Currency Risk

The Private Credit program does not hedge currency risk and relies upon its external managers to determine if such hedges are appropriate. Currency risk will be managed through geographic exposure limits, as shown above under geographic risks.

Industry/Sector Risk

Typically, private credit partnerships are permitted to invest in a wide variety of industries and sectors. Industry/Sector risk is controlled primarily through appropriate diversification across classes and subclasses.

Leverage Risk

The capital markets control the maximum leverage available to the general partners and limited partners control leverage exposure through partnership selection and portfolio construction. Leverage at an individual fund level is managed through the portfolio construction process.

Valuation Risk

The valuation frequency for private credit is dependent upon the external managers' internal and external valuation policies, which are reviewed during the operational due diligence process.

IMPLEMENTATION GUIDELINES – Global Real Estate

I. ROLE

The role of SERS' Global Real Estate portfolio is to provide a stable income return from real estate assets, to be a partial inflation hedge over the long term and to provide low correlation to equities.

II. ASSET ALLOCATION

The Global Real Estate allocation is established with periodic asset allocation studies. The most recent asset allocation study authorized a 7% market value exposure to Global Real Estate with a range of 4-10%. SERS' Statement of Investment Policy sets the global real estate target allocation at 7.13%, with a permissible range of 10-15%.

III. BENCHMARK

The global real estate benchmark is the Expanded NCREIF Property Index (ENPI), one quarter in arrears.

IV. PERFORMANCE OBJECTIVE

The performance objective for Global Real Estate is to produce net of fee returns that are 100 bps in excess of the benchmark over a market cycle, with the income component of the return comprising a significant portion of the total return.

V. PORTFOLIO DESIGN AND CONSTRUCTION

SERS' Global Real Estate Implementation Guidelines set the private market, public market and asset type exposures for Global Real Estate, as shown in the table below. Farmland is included in Real Estate.

Strategy	Target	Range	
		Minimum	Maximum
Total Real Estate*	7.13%	4.10%	10.5%
Private Core Real Estate	85%	70%	95%
Private Non-Core Real Estate	10%	0%	20.5%
Listed REITs / ETFs	3%	0%	10%
Farmland	2%	0%	5%

*The rows below Total Real Estate are meant to represent % of the Total.

Example: Private Core Real Estate Target of 85% would represent 85% of the Total Real Estate target of 7.13%.

Core real estate investments include substantially leased or fully operational institutional quality properties or projects located in developed markets. The revenue streams from core real estate are generally long duration and comprise a majority of the asset's total return. Core real estate strategies are typically implemented through open-end commingled funds.

Non-core real estate investments include value-added and opportunistic strategies in which properties or projects are re-leased, re-developed, or newly constructed, particularly in developing or transitional markets. This strategy has a higher return expectation but has higher reliance on capital appreciation (vs income return). Non-core real estate strategies are typically implemented through closed-end commingled funds.

Public market real estate are securities of companies whose primary source of revenue comes from the operation of listed real estate (REITs). While more liquid in nature, public market real estate exhibits greater volatility than privately held ones.

Private Farmland investments include annual row and permanent crops located throughout the United States. Core farmland will be substantially leased on long-term contracts to top quality growers. Core farmland provides a strong income stream that will comprise the majority of the total return. Core farmland strategies are typically implemented through open-end funds.

Over time, Staff intends to judiciously increase exposure to co-investments in real estate through underwriting of individual assets as well via programmatic sidecar vehicles.

IMPLEMENTATION GUIDELINES – Global Real Estate

VI. PERMISSIBLE INVESTMENTS

The underlying investments included in the Global Real Estate portfolio generally are tangible assets, have long term investment horizons or holding periods, produce attractive income returns and cash yields and provide a partial inflation hedge over the long term. Permissible investment structures and types are as follows.

Investment Structure and Type	
Limited Partnership Interests	Y
Co-Investments (including sidecars)	Y
Separate Accounts	Y
Commingled Funds	Y
Continuation Funds	Y
Secondaries Vehicles	Y
Secondary Transaction of Real Estate Funds	Y
Joint Ventures	Y
Real Estate Operating Companies (REOCs)	Y
Private Real Estate Equity and Debt	Y
Real Estate Investment Trusts (REITs)	Y
Exchange Traded Funds	Y
Farmland and Agriculture	Y

VII. RISK MANAGEMENT

Qualitative constraints and quantitative measures are used to manage risk in the Global Real Estate portfolio. The following sections identify the most significant risks with real estate investments and the method of control.

Real Estate Life Cycle Risk

Life cycle risk refers to the stage of an investment's life and generally falls into two categories, operating and non-operating investments. Operating investments are those that are leased or functioning at a level in which the contractual cash payments are supporting operations. Non-operating investments are those in pre-development, construction, conversion, or in a stage of major releasing. A significant portion of the private market real assets portfolio will be in operating investments in order to achieve Global Real Estate's role of providing income.

	Operating	Non-Operating
Target Exposure	≥85%	≤15%

Real Estate Property Type

Property type refers to the level of exposure of the major property type categories in the private market real estate portfolio relative to the Expanded NCREIF Property Index. Property type risk will be managed through portfolio design and the use of commingled funds. At least 80% of the private market real estate portfolio will be invested in the four primary property type categories including apartment, industrial, office and retail.

IMPLEMENTATION GUIDELINES – Global Real Estate

(as of March 31, 20265)	Expanded NCREIF Property Index (“ENPI”)	Range
Hotel	0.43%	0 – 5%
Industrial	33.4%	15 – 50%
Office	17.49.2%	5 – 30%
Other	2.71.8%	0 – 5%
Residential	29.68.3%	15% – 45%
Retail	12.53.1%	5 – 25%
Self Storage	2.75%	0 – 5%
Seniors Housing	1.53%	0 – 5%
Total	100%	NA

Real Estate Geographic Risk

Geographic risk can be broken down into two segments: US regional exposure and non-US exposure. US regional exposure refers to the level of exposure in the four US regions in the private market real estate portfolio relative to the Expanded NCREIF Property Index.

(as of March 31, 20266)	Expanded NCREIF Property Index (“ENPI”)	Range
West	397.3%	20% - 50%
East	-28.69.9%	20% - 45%
Midwest	7.34%	05% - 20%
South	24.23.9%	10% - 35%
Total	100%	

Global Real Estate Geographic Risk

Non-US exposure refers to the level of exposure of non-US investments in the total Global Real Estate portfolio. The current non-US exposure is about 1%. Non-US exposure will be limited to 10% of the private market portfolio.

Liquidity Risk

Private market real estate investments are illiquid, with both holding periods and commingled fund terms ranging from 7-10 years or longer. Liquidity risk will be managed through target allocations to private and public market real estate as well as vintage year diversification.

Leverage Risk

Private market real estate investments typically are acquired with a combination of equity capital and debt financing. The amount of leverage per asset or pool of assets depends on debt availability, property type, tenant quality, and asset life cycle. The amount of leverage and financing terms ultimately are the responsibility of SERS' external real estate managers and are governed and constrained by partnership agreements. The leverage maximum for the total private market real estate portfolio is 40% of the gross asset value of the private market real estate portfolio. Leverage risk will be managed through target allocations and portfolio design.

Currency Risk

The Global Real Estate program does not actively hedge currency risk in-house and relies upon its external managers to determine if such hedges are appropriate when manager provided hedging solutions exist. Currency risk will be managed through geographic exposure limits, as shown above under geographic risks. Because SERS' portfolio is almost entirely U.S.-based, hedging has not been a major concern.

Valuation Risk

The valuation frequency for private market real assets is dependent upon the external managers' internal and external valuation policies, which are reviewed during the operational due diligence process.

Manager Concentration Risk

A single manager utilizing core strategies shall not constitute more than 25% of the net assets of the Global Real Estate program. For non-core strategies, a single fund commitment shall not constitute more than 10% of the net assets of the Global Real Estate program and a single manager with multiple fund commitments, including co-investments, shall not constitute more than 20% of the net assets of the Global Real Estate program.

IMPLEMENTATION GUIDELINES – Global Infrastructure

I. ROLE

The role of SERS' Global Infrastructure portfolio is to provide stable income return from tangible infrastructure assets to be a partial inflation hedge over the long term and to provide low correlation to equities.

II. ASSET ALLOCATION

The Global Infrastructure allocation is established with periodic asset allocation studies. The most recent asset allocation study authorized a 10% market value exposure to Global Infrastructure with a range of 6-14%. SERS' Statement of Investment Policy sets the global infrastructure target allocation at 107%, with a permissible range of 8-125-10%.

III. BENCHMARK

The global infrastructure benchmark is quarterly (4 qtrs.) smoothed CPI + 1.2% (approximately CPI + 5%).

IV. PERFORMANCE OBJECTIVE

The performance objective for Global Infrastructure is to produce net of fee returns that are 100 bps in excess of the benchmark, with the income component of the return comprising a significant portion of the total return.

V. PORTFOLIO DESIGN AND CONSTRUCTION

SERS' Global Infrastructure Implementation Guidelines set the private market, public market and asset type exposures for Global Infrastructures, as shown in the table below.

Strategy	Target	Range	
		Minimum	Maximum
Total Infrastructure	107%	65%	140%
<i>Private Core and Non-Core Infra</i>	90%	805%	100%
<i>Co-Investments; Continuation Funds</i>	10%	0%	2015%
<i>Listed Infrastructure ETFs</i>	0%	0%	5%

Private infrastructure typically involves the movement (and storage or housing) of goods, people, water, energy, and communication signals. The sectors include, but are not limited to, power (including renewables), energy, utilities, transportation, communication, and social infrastructure sectors. Infrastructure revenue streams are typically long duration, contractual and inflation linked. Private infrastructure is implemented through both open and closed-end commingled funds, as well as co-investments.

Public market infrastructure are securities of companies whose primary source of revenue comes from the operation of tangible assets, including, but not limited to, listed infrastructure, natural resources, and master limited partnerships. While more liquid in nature, public market infrastructure exhibits greater volatility than privately held ones. Master limited partnerships, or MLPs, are publicly traded limited partnerships that derive most of the partnership's cash flows from infrastructure and natural resource assets. The advantage of an MLP is that it combines the tax benefits of a limited partnership with the liquidity of a publicly traded company.

Over time, Staff intends to judiciously increase exposure to co-investments in infrastructure through underwriting of individual assets as well via programmatic sidecar vehicles.

IMPLEMENTATION GUIDELINES – Global Infrastructure

VI. PERMISSIBLE INVESTMENTS

The underlying investments included in the Global Infrastructure portfolio generally are tangible assets, have long term investment horizons or holding periods, produce attractive income returns and cash yields and provide a partial inflation hedge over the long term. Permissible investment structures and types are as follows.

Investment Structure and Type	
Limited Partnership Interests	Y
Co-Investments (including sidecars)	Y
Separate Accounts	Y
Commingled Funds	Y
Continuation Funds	Y
Secondaries Vehicles	Y
Secondary Transaction of Real Assets Funds	Y
Joint Ventures	Y
Private Infrastructure Equity and Debt	Y
Exchange Traded Funds	Y
Private Infrastructure Equity and Debt	Y
Public Infrastructure Securities and MLPs	Y
Natural Resources and Commodities	Y

VII. RISK MANAGEMENT

Qualitative constraints and quantitative measures are used to manage risk in the Global Infrastructure portfolio. The following sections identify the most significant risks with infrastructure investments and the method of control.

Infrastructure Life Cycle Risk

Life cycle risk refers to the stage of an investment's life and generally falls into two categories, operating and non-operating investments. Operating investments are those that are leased or functioning at a level where the contractual cash payments are supporting operations. Non-operating investments are those in pre-development, construction, conversion, or in a stage of major re-leasing. A significant portion of the private market infrastructure portfolio will be in operating investments in order to ensure operating income.

	Operating	Non-Operating
Target Exposure	≥85%	≤15%

Infrastructure sector risks refer to the level of exposure to the major infrastructure sectors in the private markets infrastructure portfolio. Sector risk will be managed through portfolio design and the use of commingled funds and co-investments.

(as of December 31, 2025 ⁴)	Current Portfolio	Range
Communications/Digital	14.4-13%	5% - 25%
Energy	26.228%	15% - 35%
Renewables / Sustainability	8.55%	0% - 15%
Social	0.75%	0% - 10%
Transportation	45.9%	25% - 60%
Utilities	4.2%	0% - 15%
Total	100%	

IMPLEMENTATION GUIDELINES – Global Infrastructure

Infrastructure Geographic Risk

Infrastructure geographic risk is broken into the regional exposure of the private market infrastructure portfolio. Geographic risks will be managed through portfolio design and the use of commingled funds and co-investments.

(as of December 31, 2025 ⁴)	Current Portfolio*	Range
Asia-Pacific	7.38%	5% - 20%
Europe/U.K.*	39.335%	25% - 50%
Latin America	10.94%	5% - 20%
North America	41.74%	40% - 60%
Other	0.72%	0% - 5%
Total	100%	

*Approximately 1% in Eastern Europe

Global Infrastructure Geographic Risk

Non-US exposure refers to the level of exposure of non-US investments in the total Global Infrastructure portfolio. Non-US exposure will be limited to 650% of the private market portfolio.

Liquidity Risk

Private market infrastructure investments are illiquid, with both holding periods and commingled fund terms ranging from 7-10 years or longer. Liquidity risk will be managed through target allocations to private and public market infrastructure as well as vintage year diversification.

Leverage Risk

Private market infrastructure investments typically are acquired with a combination of equity capital and debt financing. The amount of leverage per asset or pool of assets depends on debt availability, property type, tenant or counterparty quality, and asset life cycle. The amount of leverage and financing terms ultimately are the responsibility of SERS' external infrastructure managers and are governed and constrained by partnership agreements. The leverage maximum for the total private market infrastructure portfolio is 50% of the gross asset value of the private market infrastructure portfolio. Leverage risk will be managed through target allocations and portfolio design.

Currency Risk

The Global Infrastructure program does not actively hedge currency risk in-house and relies upon its external managers to determine if such hedges are appropriate when manager provided hedging solutions exist. Currency risk will be managed through geographic exposure limits, as shown above under geographic risks.

Valuation Risk

The valuation frequency for private market infrastructure is dependent upon the external managers' internal and external valuation policies, which are reviewed during the operational due diligence process.

Manager Concentration Risk

A single manager utilizing core strategies shall not constitute more than 60% of the net assets of the Global Infrastructure program. For non-core strategies, a single fund commitment shall not constitute more than 25% of the net assets of the Global Infrastructure program and a single manager with multiple fund commitments, including co-investments, shall not constitute more than 50% of the net assets of the Global Infrastructure program.

IMPLEMENTATION GUIDELINES – Gold

I. ROLE

The role of Gold is to provide further diversification to the total portfolio and serve as a hedge against inflation and fiscal risks.

II. ASSET ALLOCATION

The Statement of Investment Policy sets the target allocation at 3%, with a permissible range of 0-4%.

III. BENCHMARK

The portfolio benchmark is the IAU iShares Gold ETF.

IV. PERFORMANCE OBJECTIVE

The performance objective is to produce net of fee returns to match the benchmark with no expectation of excess returns.

V. PORTFOLIO DESIGN AND CONSTRUCTION

The portfolio will be managed passively, buying ETFs or fully funded futures exposure. The strategy will be implemented internally by Staff and/or external mandates as deemed appropriate.

VI. PERMISSIBLE INVESTMENTS

Permissible investments for gold primarily include ETFs and futures. Physical gold will not be directly held due to cost of storage, but can be part of an external mandate, if found prudent.

VII. RISK MANAGEMENT

Gold will primarily be passively managed, so active risk versus the benchmark will primarily be from implementation and transaction costs. Other risks to consider include:

Currency Risk

Since gold is denominated in US dollars, factors that impact the price of the US dollar indirectly impact the price of gold. In the event that the US fiscal condition improves or the Federal Reserve adopts a tight money policy, the price of gold could be adversely impacted. If Central Banks need to sell gold for their liquidity purposes the price of gold could fall. Also, the rise of cryptocurrencies may serve as a substitute for currency hedging and reduce demand for gold.

Interest Rate Risk

Gold often is inversely correlated with real interest rates, so as interest rates rise, gold valuation may decline. Gold is a non-yielding asset, so higher interest rates raise gold's opportunity cost and make gold less attractive.

Liquidity Risk

Physical gold can be difficult to trade, so Staff will utilize financial ETFs and futures where physical gold is not delivered. Gold ETFs and futures trade at volumes that provide adequate liquidity.

Macro Risk

Gold often serves as a flight to quality during geopolitical or market crisis events. Other macro risks include supply growth, developed countries' deficit growth and central bank/retail demand flows.

Opportunity Cost

Gold is a non-yielding asset so SERS will only receive the market value appreciation or depreciation from this asset.

Speculation Risk

Gold is a volatile asset with historical risk near 18%. Only private equity risk is higher at 19%. Gold prices can fluctuate quickly based on geopolitical events and interest rate decisions, which can be difficult to forecast.

IMPLEMENTATION GUIDELINES – Cash Equivalents & Securities Lending

I. ROLE

Short-Term Cash should provide liquidity for funding investment capital calls and operational expenses. Cash should be invested in conservative, low risk securities/funds to preserve capital for future expenditures and investments.

II. ASSET ALLOCATION

The Cash allocation is established with periodic asset allocation studies. The most recent asset allocation study authorized a 3% exposure to cash with a range of 1-5%.

III. BENCHMARK

The Short-Term cash benchmark is the FTSE 30 Day Treasury Bill.

IV. PERFORMANCE OBJECTIVE

The annualized return objective for the Short-Term portfolio is five basis points net of fees over the benchmark.

V. PORTFOLIO DESIGN AND CONSTRUCTION

The Cash portfolio is designed with preservation of capital in mind. A cash balance of one to three months of expenditures is usually maintained. A higher allocation to cash may also be used to preserve capital in volatile markets. The average weighted maturity of the portfolio will not exceed 20 days.

Risk is constantly assessed before investment purchases are made in the portfolio. Only top tier commercial paper is purchased. Money market holdings are also reviewed on a regular basis along with choosing a top tier money market provider with a deep credit analyst team and whose short-term investments are important to the organization.

The Securities Lending program is designed to be a low risk, intrinsic value focused strategy that can generate additional income for the system. The program is implemented through a third-party lending agent and collateral reinvestment manager. Separately, additional securities lending income is earned by the commingled passive global equity accounts.

VI. PERMISSIBLE INVESTMENTS

Security Type	
US Treasury Bills	Y
Commercial Paper rated A-1/P-1 or higher	Y
Money Market Funds rated at least A-1/P-1	Y
Unrated Market Funds comparable to an A-1/P-1 equivalent fund	Y
Tri-Party Repurchase Agreements	Y

VII. RISK MANAGEMENT

Liquidity Risk

The weighted average maturity shall not exceed 20 days. All money market funds must provide daily liquidity.

Credit Risk

A commercial paper issuer must be on the approved credit list or approved by the Chief Investment Officer before purchasing. Market and issuer news are reviewed daily by the Senior Investment Officer – Global Fixed Income. Money market funds must regularly send a holdings report to SERS, where it is reviewed on a regular basis.

Issuer Risk

Single issuer commercial paper investments are limited to \$20 million. Related entity commercial paper investments are limited to the lower of 30% of the short-term account or \$40 million. Overnight commercial paper issuer maturities are limited to \$50 million.

Securities Lending Risk

All loans will be collateralized with cash at 102% for US securities and 105% for non-US securities and marked-to-market daily. Collateral will be reinvested in government money market funds and/or repurchase agreements. Loans on fixed income securities will be subject to a ten-basis point minimum spread requirement at loan initiation. Loans to approved borrowers will be limited to 25% of the average monthly market value on loan for the prior calendar year.

IMPLEMENTATION GUIDELINES – Opportunistic & Tactical

I. ROLE

The role of SERS' Opportunistic & Tactical portfolio is to enhance the Total Fund return over a three-year period by investing in assets and strategies that do not fit within the existing asset classes. The investments are defined as tactical or non-traditional investment opportunities.

II. ASSET ALLOCATION

SERS' Statement of Investment Policy sets the Opportunistic & Tactical portfolio target allocation at 0%, with a range of 0-5%.

III. BENCHMARK

The Opportunistic & Tactical portfolio benchmark is the Bloomberg US Aggregate Bond Index + 2%.

IV. PERFORMANCE OBJECTIVE

The performance objective of the Opportunistic & Tactical portfolio is to provide net of fee returns of 100 basis points above the benchmark.

V. PORTFOLIO DESIGN AND CONSTRUCTION

The Opportunistic & Tactical portfolio may consist of a wide variety of investment types, structures and strategies targeting price appreciation as well as cash yield. Investment strategies include separate accounts, commingled funds, ETFs, co-investments, and derivatives.

VI. PERMISSIBLE INVESTMENTS

Permissible investments include, but are not limited to, common stock, preferred stock, debt securities, currencies, commodities, ETFs, etc.

VII. RISK MANAGEMENT

Leverage Risk

Leverage will be prudent for the given strategy and consistent with the fund's offering memorandum.

Liquidity Risk

Liquidity will be monitored regularly to ensure the portfolio can be traded or rebalanced within a reasonable timeframe. Liquidity risk will be managed through target allocations to private and public market assets as well as through portfolio design.

Currency Risk

The Opportunistic portfolio does not directly hedge foreign currency risk and relies upon its external managers to determine if such hedges are appropriate.

Valuation Risk

The valuation frequency for private market assets is dependent upon the external managers' internal and external valuation policies, which are reviewed during the operational due diligence process.

IMPLEMENTATION GUIDELINES – Overlay Program

I. ROLE

SERS invests in Overlay strategies that trade derivatives of the Total Fund's underlying asset exposures and currency exchange rates to enhance the Total Fund portfolio's efficiency. The Overlay program includes i) tactical asset allocation, and ii) active currency strategies.

The tactical asset allocation strategy aims to add value to the Total Fund performance through long and short positions based on short-term relative attractiveness of assets.

The active currency strategies aim to add value to the Total Fund on a risk-adjusted basis by employing long and short positions in various currency pairs based on relative attractiveness of the currencies. The strategies are expected to have low correlation to the major asset classes such as US equity and fixed income.

II. ASSET ALLOCATION

The target allocation of the tactical asset allocation and Currency Overlay program is 0% since long and short positions net out.

The tactical asset allocation program's notional exposure limit is +/-7% of the Total Fund to each of the following assets: US fixed income, US equity and Non-US equity. Since the tactical asset allocation positions are employed for short periods, the notional exposures are not subject to the policy asset allocation ranges set forth in the Statement of Investment Policy; however, the active risk contribution by the overlay program as a whole is subjected to the overall guideline on active risk for the management of the Total Fund specified in the Risk Management Policy.

The notional value of the active currency program is capped at 50% of the Non-US Equity portfolio's value.

III. BENCHMARK

The benchmark for the tactical asset allocation and Currency Overlay program is 0% since net exposure is 0%.

IV. PERFORMANCE OBJECTIVE

The Overlay program is expected to add 5 to 10 bps of excess return to the Total Fund's performance on a three to five year horizon.

V. PORTFOLIO DESIGN AND CONSTRUCTION

The mandates are unfunded. The Overlay strategies buy (long) or sell (short) futures or forwards contracts to get exposures to desired markets in order to exploit shifts in relative valuation of assets and currencies.

The tactical rebalancing strategy's net exposures, sum of long and short positions, will be net neutral at the time of initiation and the gross notional value may be net long or short up to \$100 million. Active currency strategies can go either net long or net short US dollar. Both tactical rebalancing and active currency aggregate portfolios are constructed to have no dependency on any single risk factor.

VI. PERMISSIBLE INVESTMENTS

Tactical asset allocation: equity, fixed income, commodity and precious metals futures and options on futures.

Currency Overlay: currency forwards, currency futures, gold forwards, gold futures, and limited currency options.

IMPLEMENTATION GUIDELINES – Overlay Program

VII. RISK MANAGEMENT

Counter-party risk management

- Futures and exchange traded options are traded at exchanges thus having default risk only to the clearinghouse while having no credit risk to trade counterparties.
- Forward contracts and over-the-counter options entail default risk of the counterparties. Counterparty risk of these contracts is managed through ISDA (International Swaps and Derivatives Association) and EMIR (European Market Infrastructure Regulation) umbrella agreements with managers.

Volatility management

- The tactical asset allocation program's tracking error range is 5 to 15 bps.
- All active currency strategies have targeted tracking error equal to or less than 8%; the aggregate active currency program's tracking error is expected to be in the range of 5 to 8%.

Liquidity

- The use of derivatives requires initial margin as well as daily variation margin for futures. Liquidity risk will be managed by ensuring that an adequate reserve of cash is available to meet margin requirements at all times.



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Glossary

GLOSSARY

Active Risk – see Tracking Error.

Alpha – the premium an investment portfolio earns above a certain benchmark (such as the Standard & Poor's 500 Index). A positive alpha indicates the investor earned a return in excess of the index return.

Asset Allocation – the practice of allocating a certain percentage of a portfolio between different types of investment assets, such as stocks, bonds, real estate, cash, etc. By diversifying among asset classes, it is expected to create a favorable risk/reward ratio for the portfolio.

Basis Point – one hundredth of one percent. For example, an addition of 40 basis points to a yield of 7.50 percent would increase the yield to 7.90 percent. Basis points are normally used when quoting yields or returns, alpha, or fees paid to investment managers.

Benchmark – a measurement or standard that serves as a point of reference by which portfolio performance is measured. Benchmarks must meet standard criteria.

Bloomberg US Aggregate Bond Index – a market capitalization weighted US bond index published by Bloomberg LLC. Most US traded investment grade bonds are represented in the index. The Bloomberg US Aggregate Bond Index was SERS' global fixed income policy benchmark through June 30, 2024.

Bloomberg US Universal Bond Index – a market capitalization index that consists of USD-denominated securities only. The index includes debt issued by the U.S. government and other government-related entities, residential and commercial mortgage-backed securities, investment grade and high yield bonds as well as debt from emerging market countries and other foreign issuers. The policy benchmark for the global fixed income portfolio switched from the US Aggregate index to the US Universal index on July 1, 2024.

Co-investment – a direct investment in a single asset of a multi-asset Fund, made alongside the Fund's investment in the asset; typically involves terms that are more attractive and with shorter time frames than those of the Fund.

Derivatives (Derivative Instruments) – financial instruments (securities or contracts) whose values are derived from underlying financial assets, indices, or other instruments. Derivative performance is based on the performance of assets, interest rates, currency exchange rates and various domestic and foreign indices underlying the instruments. The common forms of derivatives are forward, futures, swap, and options contracts. The total exposure to the underlying assets is referred to as the notional value.

Diversification – the method of reducing risk by distributing investment assets among a variety of investment securities which have different risk/ reward ratios.

Due Diligence – an investigation or [audit](#) of a potential or existing [investment](#).

Equity Extension Strategy – an equity investment strategy that expresses portfolio managers' both positive and negative views on stocks through long and short positions while maintaining a net market exposure close to 100%.

Equity Investment – claims held by the residual owners of a firm. May also be referred to as common stock. Investments in Real Estate and certain Private Markets classifications may also be considered equity.

Exchange Traded Funds (ETF) – publicly traded investment security that provides exposure to a basket of securities.

Expanded NCREIF Property Index ("ENPI") – ENPI is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. The renamed and new property types of Expanded NPI are Residential, Hotel, Industrial, Office, Retail, Self-Storage, Senior Housing, and Other (Data Center, Operating Land, Entertainment, Parking, and Other). The Expanded NPI was created to reflect the evolution of the industry and to provide greater transparency. The Expanded NCREIF Property Index will be a component of SERS' Global Real Estate Policy Benchmark.

Fixed Income Investment – a security issued by a borrower that obligates the issuer to make specified payments to the holder over a specific period. May also be referred to as "debt" or "bonds."

GLOSSARY

FTSE 30 Day Treasury Bill – an index that measures the rate of return for 30-day US Treasury Bills, which are considered representative of the performance of Short-Term money market instruments. The FTSE 30 Day Treasury Bill is SERS’ policy benchmark for Cash Equivalents.

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).

Global Equities – reflects the consolidation of what had been treated by SERS as US Equity and Non-US Equity asset classes; includes equities of US and non-US origin, equities of various capitalizations (e.g., large cap, small cap, mid cap, etc.), equities from developed, emerging and frontier markets, growth and value equities and passive and active strategies. Investments in Global Equities strategies are made in accordance with established investment guidelines, and amended as necessary, by mutual agreement between the Chief Investment Officer and the Investment Consultant.

Guidelines – refers to an Investment Manager’s “Investment Guidelines,” established between the Investment Manager and Staff as part in an investment management agreement. Guidelines may be general or specific.

Investment Committee – a committee comprised of the Chief investment Officer and Investment Officers from SERS’ Investment Department who possess the Ohio State Retirement System Investment Officer (SRSIO) license, with clearly defined structure, rules, and procedures for reviewing and approving investments in a timely and prudent fashion.

Investment Consultant – any consultant hired by the Board or by Staff to advise or assist with the Investment Program in accordance with the Statement of Investment Policy. Board investment consultants must be approved by the Board. Staff investment consultants shall be approved by the Executive Director.

Investment Manager – a manager or potential manager of SERS assets, both public market and private market. Includes, but is not limited to managers of equity, fixed income, private credit, private equity, real estate, commodities, and cash.

Investment Staff – members of the investment department of SERS, including the Chief Investment Officer, Investment Officers, and other department personnel.

Leverage – in investments, this is the control of a large amount of money by a smaller amount of money, such as buying on margin. In finance, this is the relationship of debt to equity on a company’s balance sheet in the form of the debt/equity ratio.

Long a futures contract or a forward contract – buying exposure to the underlying assets of the contract without actually owing those assets. When the underlying assets deliver a positive return, the long position gains; when the underlying assets deliver a negative return, the reverse is true.

Morgan Stanley Capital International – All Country World Free ex-USA Index (\$Net) – an equity index representing 44 developed and emerging countries. “Free” indicates the index reflects actual investable opportunities for global investors by taking into account local market restrictions on share ownership by foreigners. “Net” indicates that dividends are reinvested after the deduction of withholding taxes applicable to non-resident institutional investors. The MSCI-ACWI ex-USA Index, net of dividends reinvested is SERS’ policy benchmark for Non-US Equities.

MSCI-Burgiss Global Private Equity Funds Index (formerly known as the Burgiss All Private Equity Index) –The index is comprised of data from more than 5,000 private equity funds contributed by limited partners that are Burgiss clients and use Burgiss’ web-based institutional portfolio management platform Private i. The benchmark data is sourced from Burgiss’ limited partner clients and includes complete transactional and valuation history between the limited partner and their fund investments. Burgiss publishes a detailed breakdown of the dataset every quarter allowing for increased transparency. MSCI purchased Burgiss in 2023 and rebranded the indices in 2024. The renamed benchmark uses the same construction methodology as the Burgiss All Private Equity Index.

GLOSSARY

Opportunistic and Tactical Investments – global opportunistic investments are tactical or non-traditional investment opportunities that may be short-term or may not fit within the generally accepted risk/return parameters of specific asset classes or strategy groupings. Such opportunities may involve capitalizing on short-term market dislocations or other such unique situations. Tactical investments may include strategies with dynamic allocations to single assets or across multiple asset types or other innovative approaches.

Options contract – a form of financial derivatives. In an options contract, two parties (buyer and seller) agree that the buyer, who pays an option premium to the seller, has the right to exercise an option whether to buy or sell a particular asset at a specified price at a specified future date.

Portable Alpha Overlay Strategy – an investment strategy that gains the beta exposure to a targeted market via derivatives and an alpha from a market neutral strategy(es).

Portfolio – a collection of investments owned, managed, or overseen by an individual or investment manager, a board, or an organization. Portfolio can mean a manager account or subset thereof (e.g., Goldman Sachs Core Plus account), an asset class (e.g., US Equity), or the entire fund (e.g., SERS' Total Fund).

Rebalancing – adjusting asset class or portfolio allocations relative to their targets or ranges to adjust for actual or anticipated market movements.

Russell 3000 Index – a market-value weighted equity index published by FTSE Russell. The index measures the performance of the 3,000 largest US companies in terms of market capitalization. The Russell 3000 Index is SERS' Domestic Equity Policy Benchmark.

Secondaries – pre-existing investor capital commitments to private funds that are purchased in the secondary market.

Securities Lending – the temporary loan of a security from an institutional investor's portfolio to a broker/dealer to support the firm's trading activities. Loaned securities are collateralized with cash at 102-105% of the loan exposure. The lender retains the entitlement to all the benefits of the loaned security, including dividends and interest, except the right to vote proxies. The lender has a right to recall the loan at any time.

Sidecar or Sidecar Investment – a sidecar is an additional fund created to invest in co-investments alongside a main fund commitment. Sidecars may be discretionary or non-discretionary. Investments in a sidecar have more favorable fee economics and allow an investor to average down fund costs.

Short a futures contract or forward contract – selling exposure to the underlying assets of the contract without transferring the ownership of those assets to the buyers. When the underlying assets deliver a positive return, the short position experiences losses; when the underlying assets deliver a negative return, the reverse is true.

SOFR – The secured overnight financing rate ("SOFR") is a benchmark interest rate reflecting the cost of borrowing money overnight, using U.S. Treasury securities as collateral. SOFR has become the primary reference rate utilized to determine the interest rate for private loans in the U.S.

Style – style refers to an investment product, strategy or style offered by an Investment Management Firm and reflects how the assets are invested. For example, value versus growth; core versus value added; quantitative versus fundamental; etc.

T-bill – refers to Treasury Bill. Staff utilizes the 90-day T-bill rate as a reference benchmark.

Total Fund – refers to SERS' total investment assets.

Tracking Error – standard deviation of the excess return of the portfolio relative to the Benchmark, often measured over rolling three-year periods.

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Memo

To: Retirement Board
From: Richard Stensrud, Executive Director
Date: May 12, 2026
Re: **Proposed Changes to Investment Department Incentive Compensation Plan for FY 2027**

As you will recall, the amount of any investment staff performance compensation to be paid in the upcoming fiscal year is determined pursuant to the Investment Department Incentive Plan approved by your Board each Spring ('Plan').

The Plan contains a number of provisions that control whether and how much performance compensation has been earned. Those controls include:

- The use of investment benchmarks approved by the Board;
- The performance relative to those benchmarks is determined by an independent performance and analytics consultant (Clearwater - CWAN) and verified by SERS' Investment Accounting staff;
- The individual performance compensation is calculated by the Assistant Director for Financial Accounting; and
- Those calculations are reviewed and verified by the Chief Audit Officer.

Each year the Plan is reviewed by the Incentive Plan Committee, which also proposes potential changes to the Plan. The Incentive Plan Committee is comprised of the Executive Director, the Deputy Executive Director, the General Counsel, the Assistant Director for Financial Accounting, the Director of Administrative Services and the Chief Investment Officer.

This year the Incentive Plan Committee is proposing no changes to the Plan effective FY2027 other than updating the dates and clarifying Tier V includes all job titles available for a Risk Officer. No changes are proposed to the process or calculations.

The proposed Plan is attached for your review. If you are comfortable with the changes, there is a resolution included in your materials for approval of the Plan. Should you need more time for consideration, you may wait until June to vote.

I am happy to answer any questions.

**School Employees Retirement
System of Ohio**



**Investment Department Incentive Plan
for Fiscal Year 20276**

Amended May 2148, 20265

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Section 1: Plan Purpose

The purpose of the Incentive Plan ("Plan") is to provide a compensation package that allows SERS to recruit and retain talent in the Investment Department that is necessary to maximize investment returns.

Section 2: Plan Objectives

The objectives of the Plan are to:

- a. Reinforce a performance philosophy.
- b. Attract and retain high quality talent.

Section 3: Performance Period

The performance period for purposes of the Plan will coincide with SERS' fiscal year, i.e. July 1 through June 30 of each year.

Section 4: Eligibility

There are five tiers of participation within the Plan and those tiers cover the following job classifications:

Table 1. Eligibility by Job Title

TIER	JOB TITLES
I	Chief Investment Officer
II	Assistant Director
III	Senior Investment Officer Investment Officer
IV	Associate Investment Officer Senior Investment Analyst
V	Associate Risk Officer Risk Officer Senior Risk Officer
VI	Investment Analyst

In order to be eligible to receive incentive compensation, a participant must meet performance expectations (including goals and competencies) on the most recent SERS annual performance evaluation, and the fund must meet certain performance standards. A participant who fails to achieve an overall rating of "Expected Performance" on the annual performance evaluation will be ineligible for incentive compensation for the corresponding year of the evaluation, as will a participant who is no longer in good standing at SERS at the time the incentive compensation is paid.

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Section 5: Incentive Compensation Criteria

Incentive compensation will be earned if the Investment Department achieves positive net of fees investment returns in excess of the Board-approved benchmark on the overall fund or specific asset classes.

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The incentive compensation amount will be calculated on the number, level, and salaries of eligible participants in the Plan as of July 1 of the fiscal year in which the incentive is earned. The Assistant Director of Financial Accounting verifies the abovementioned information with Human Resources. The Chief Audit Officer reviews the calculations before incentive compensation earnings are approved by the Executive Director.

In the event of the absence of either the Assistant Director of Financial Accounting or the Chief Audit Officer, the following backup arrangements will be in place:

- Assistant Director of Financial Accounting: The Chief Financial Officer will assume the responsibilities and duties of this role.
- Chief Audit Officer: The Chief Risk Officer will assume the responsibilities and duties of this role.

Fund Performance

Fund performance reflects the planned total fund or asset class goal. Individual incentive compensation may be earned upon achievement of positive excess returns.

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For purposes of the Plan, the fund performance goal is positive excess returns relative to the Board-approved benchmark. If the total fund performance or specific asset class performance net of fees is above its respective benchmark that portion of incentive compensation will be earned and conversely, if the total fund performance or specific asset class performance is equal to or below its respective benchmark, that portion of incentive compensation will not be earned.

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For purposes of this Plan, the maximum performance goal over the Board-approved benchmark is as follows:

- Global Equity: 40 basis points
- Global Fixed Income: 60 basis points
- Real Estate, Infrastructure, Private Credit, Opportunistic & Tactical: 100 basis points
- Global Private Equity: 150 basis points
- Total Fund: 70 basis points

Section 6: Incentive Compensation Opportunity

Distribution under the Plan to eligible participants is determined by performance goals as outlined in Section 7. Incentive compensation is managed within the range of opportunity noted below.

Based on level of performance, a participant has the opportunity to earn incentive compensation as follows:

Table 2: Opportunity by Level (% applied to Base Salary)

TIER	JOB TITLE	MAXIMUM DISTRIBUTION
I	Chief Investment Officer	90%
II	Assistant Director	70%
III	Senior Investment Officer Investment Officer	60%
IV	Associate Investment Officer Senior Investment Analyst	30%
V	Associate Risk Officer Risk Officer Senior Risk Officer	20%
VI	Investment Analyst	10%

Except as provided in Section 10, incentive compensation is calculated based on the salary in effect on July 1 of the fiscal year in which the incentive is earned. Compensation for performance above the benchmark is based on defined performance goals and is prorated on a linear basis.

Section 7: Performance Goals

The incentive compensation is based on a combination of individual and department performance goals in reference to the Board-approved benchmark. Portfolio performance is calculated by SERS' third-party performance and analytics consultant based on SERS' annual returns net of investment manager fees and certified by Investment Accounting Division within SERS' Finance Department. Two primary performance measures noted below are defined as critical to the success of the Investment Department.

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Individual Goals

Portfolio Performance

Portfolio performance is based on results relative to the Board-approved performance benchmark for each asset class. Performance goals for each asset class are calculated based on annual returns net of investment manager fees for that particular asset class as described in the previous paragraph. The Board-approved benchmarks are stated in the current Statement of Investment Policy (SIP).

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Department Goals

Total Fund

The performance benchmark for the total fund is a weighted average of the performance benchmarks and the policy allocation of each asset class as stated in the SIP.

Section 8: Incentive Compensation Calculation

In determining the appropriate percent applied to an individual's base salary, the calculation by the Assistant Director – Financial Accounting includes the achievement of both individual and department goals as described in Section 7. The performance goals are weighted as follows:

Table 3. Performance Goal Weights

TIER	JOB TITLE	INDIVIDUAL GOALS	DEPARTMENT GOALS
		Portfolio Performance	Overall Fund
I	Chief Investment Officer		100%
II	Assistant Director	60%	40%
III	Senior Investment Officer Investment Officer	70%	30%
IV	Associate Investment Officer Senior Investment Analyst	70%	30%
V	Associate Risk Officer Risk Officer Senior Risk Officer	70%	30%
VI	Investment Analyst	75%	25%

The portfolio performance portion of the incentive compensation for the Chief Investment Officer ~~and Tier V officers and the Associate Investment Officer~~ [Risk Management and Analytics](#) is based on aggregate performance in each asset class and strategy on an equally weighted basis. If an incentive eligible employee covers two asset classes, his/her portfolio performance is weighted 50%/50% for both asset classes.

Multiple Year Results

Incentive compensation for portfolio performance and overall fund performance considers both current year results and results over multiple years. During year one of an individual's participation in the Plan, incentive compensation is based solely on the performance for the first year. In year two of participation in the Plan, 50% of the incentive compensation is based on performance for the current year and 50% on the performance for the two-year period. In years three and beyond, 25% of the incentive compensation is based on performance for the current year and 75% on the performance for the three-year period or on a rolling three-year period. When employees become eligible for the Plan, their compensation will be calculated as described above, based on their years of participation in the Plan.

Table 4. Plan Year Weights

Plan Year Weighting	Employee's Year of Participation		
	Year 1	Year 2	Year 3 /Subsequent Years
Current Year	100%	50%	25%
Second Year		50%	
Third Year/Subsequent Years			75%
Total Weighting	100%	100%	100%

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Asset Class Assignments

If an incentive-eligible employee transfers to a different asset class at the beginning of the fiscal year, he/she is phased into the new asset class performance cycle over a 3-year period, based on the following table:

Table 5. Asset Class Weights by Plan Year

	Returns	Weights
Current Year	1-Year	100% current asset class
	3-Year	33% current asset class, 67% previous asset class
Second Year	1-Year	100% current asset class
	3-Year	67% current asset class, 33% previous asset class
Third Year/Subsequent Years	1-Year	100% current asset class
	3-Year	100% current asset class

If an incentive-eligible employee transfers from one asset class to another mid-year, performance is calculated on a pro-rata basis for the number of whole months worked in each asset class.

Section 9: Incentive Compensation Adjustment

If the total fund's total return (net of fees) in the current fiscal year is negative (less than 0%) then the total incentive compensation will be calculated according to the foregoing methodology and the total payout will be reduced as follows:

Table 6. Incentive Compensation Adjustments

Total Fund 1-Year Returns	Incentive Adjustment
0%	0%
-.01% to -2%	-10%
-2.01% to -4%	-15%
-4.01% to -6%	-20%
-6.01% to -8%	-25%
-8.01% to -10%	-35%
-10.01% or lower	-50%

Additionally, if the five-year annualized return of the total fund (net of fees) is less than the actuarial assumed rate of return (currently 7.0%), the total incentive compensation for each incentive-eligible employee will be reduced by 10%. For example, if the total fund one-year net return is negative 5%, and the five-year annualized return of the total fund is less than the actuarial assumed rate of return, then the incentive compensation for each incentive eligible employee will be reduced by a total of 30%.

Section 10: Plan Administration

The Board of Trustees of SERS adopts, modifies, and monitors the Plan, and delegates to the Executive Director the administration of the Plan. The Executive Director shall have the right to interpret the plan and may administer the plan through the Incentive Plan Committee, which is a staff committee comprised of the Executive Director, Deputy Executive Director, General Counsel, Assistant Director – Financial Accounting, Director – Administrative Services and the Chief Investment Officer.

Calculation of Performance

An independent third party calculates annual, two-, three- and five-year Portfolio Performance and Overall Fund results.

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Termination of Employment

In order to be compensated under this Plan, a participant must be employed and considered an active employee on the date the incentive compensation is paid. If a participant terminates from SERS for any reason other than death, disability, or normal retirement prior to the date of the incentive payment, that employee is ineligible to receive compensation under the Plan. If a participant terminates from SERS for reasons of death, permanent or total disability, or normal retirement, then pro-rata compensation is payable for the period of time the participant was employed based on the number of whole months worked during the performance period divided by 12. The pro-rata compensation is paid at the same time all other payments are made under the Plan. The target compensation payment date is September following the end of the performance period.

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New Hires, Promotions and Salary Adjustments

If an employee is hired or promoted into an incentive-eligible job during the first nine months of the performance period, he or she is eligible for a pro-rata payment based on the number of whole months he or she worked during the performance period.

If, during the first nine months of the performance period, a current incentive-eligible employee's base salary is adjusted and/or incentive level changes, he or she is eligible for a pro-rata payment based on the number of whole months worked at each salary and/or incentive level during the performance period.

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Other Adjustments

If an incentive-eligible employee is away from work for an extended period of time such that he or she is not able to contribute to the management of the fund during the performance period, adjustments to that employee's incentive compensation may be made to reflect the period of time away. These situations will be considered on a case-by-case basis and handled at the discretion of the Incentive Plan Committee.

Plan Amendment, Suspension, or Termination

The Board shall review the Plan annually. The Plan may be amended, suspended or terminated at any time by the Board without advance notice. Further, nothing in the Plan shall confer on the participant the right to continued employment or affect SERS' right to terminate a participant's employment at any time and for any reason.

Deferral of Compensation

The Board may from time to time adopt a resolution or take other action to amend or otherwise modify this Plan to approve and provide for a deferral of payment of all or any part of any compensation earned under the Plan (a "Deferral").

Regardless of whether expressly so stated in the resolution or other action of the Board approving the Deferral (the "Deferral Action"), unless a different form of deferred compensation agreement is adopted, every Deferral shall be structured, administered and paid in a manner consistent with the provisions of Treas. Reg. § 1.409A-1(b)(4) concerning short-term deferrals and Code section 457, including specifically,

- a. the action shall specify a date of payment of the Deferrals that satisfies the requirements of the applicable two and one-half (2 ½) month period specified in Treas. Reg. § 1.409A-1(b)(4) (the "Payment Date");
- b. the action shall state:
 - (i) the period of substantial services to be performed and/or the business condition(s) to be satisfied prior to any payment of a Deferral, however, if satisfaction of such a business condition is not required prior to deferral, the period of services required shall be at least as long as reasonably required under then applicable statutory, regulatory or other requirements or guidance so as to constitute a substantial risk of forfeiture; and
 - (ii) the requirement that the person eligible for payment of the Deferral must be in the employment of SERS as of the Payment Date in order to be eligible to receive the Deferral payment.

| Dispute Resolution

| The Executive Director, in consultation with the Board, resolves all disputes, and such resolution is final.

Exhibit A HISTORY

Action	Approval Period
Adopted by the Retirement Board on March 15, 2001	July 1, 2001 through June 30, 2002
Amended by the Retirement Board on June 25, 2004	July 1, 2004 through June 30, 2005
Amended by the Retirement Board on October 20, 2005	July 1, 2005 through June 30, 2006
Amended by the Retirement Board on May 19, 2006	July 1, 2006 through June 30, 2007
Unchanged by the Retirement Board on May 17, 2007	July 1, 2007 through June 30, 2008
Amended by the Retirement Board on May 22, 2008	July 1, 2008 through June 30, 2009
Amended by the Retirement Board on March 19, 2009	July 1, 2008 through June 30, 2009
Amended by the Retirement Board on July 23, 2009	July 1, 2009 through June 30, 2010
Amended by the Retirement Board on May 19, 2010	July 1, 2010 through June 30, 2011
Amended by the Retirement Board on June 16, 2011	July 1, 2011 through June 30, 2012
Amended by the Retirement Board on May 14, 2012	July 1, 2012 through June 30, 2013
Amended by the Retirement Board on May 16, 2013	July 1, 2013 through June 30, 2014
Amended by the Retirement Board on Nov. 21, 2013	July 1, 2013 through June 30, 2014
Amended by the Retirement Board on May 15, 2014	July 1, 2014 through June 30, 2015
Amended by the Retirement Board on September 18, 2014	July 1, 2014 through June 30, 2015
Amended by the Retirement Board on May 22, 2015	July 1, 2015 through June 30, 2016
Amended by the Retirement Board on June 16, 2016	July 1, 2016 through June 30, 2017
Amended by the Retirement Board on May 18, 2017	July 1, 2017 through June 30, 2018
Amended by the Retirement Board on May 24, 2018	July 1, 2018 through June 30, 2019
Amended by the Retirement Board on December 20, 2018	July 1, 2018 through June 30, 2019
Amended by the Retirement Board on May 16, 2019	July 1, 2019 through June 30, 2020
Amended by the Retirement Board on May 21, 2020	July 1, 2020 through June 30, 2021
Amended by the Retirement Board on May 20, 2021	July 1, 2021 through June 30, 2022
Amended by the Retirement Board on May 19, 2022	July 1, 2022 through June 30, 2023
Amended by the Retirement Board on May 18, 2023	July 1, 2023 through June 30, 2024
Amended by the Retirement Board on May 16, 2024	July 1, 2024 through June 30, 2025
Amended by the Retirement Board on May 15, 2025	July 1, 2025 through June 30, 2026
<u>Amended by the Retirement Board on May 21, 2026</u>	<u>July 1, 2026 through June 30, 2027</u>

Attachment 1: Sample Calculation

Scenario (values used are fictional and are not based on actual results):

Fiscal Year being calculated: 2027⁶

Job Title: Sr. Investment Officer

Individual met all incentive compensation eligibility factors and length of time in current position is 4 years. Responsibilities for the 4 years have been oversight of a single asset class (Global Private Equity)

Base Salary as of July 1, 2026⁵ = \$160,000

Discounts requirements were not met.

Category	Actual Performance	Benchmark	Return Difference	Max	Payout % Tier 3	x Perf Category Weight	x Plan Year Weight	= Incentive %
Portfolio Performance								
Asset Class Current Year 3-Year Return	3.45%	1.12%	2.33%	1.50%	60.00%	70.0%	25.0%	10.50%
	22.14%	21.98%	0.16%	1.50%	6.40%	70.0%	75.0%	3.36%
Overall Fund Performance 1-yr performance	6.21%	5.89%	0.32%	0.70%	27.43%	30.0%	25.0%	2.06%
Overall Fund Performance 3-yr performance	10.84%	9.04%	1.80%	0.70%	60.00%	30.0%	75.0%	13.50%
							Total: Incentive \$	29.42%
								\$47,067.43
Payout Percentage Calculation = Opportunity by Level (Table 2)/Max Performance Goal (Section 5) x Return Difference (capped as Max Performance Goal)								
Payout Percentage Calculation	Opportunity by Level (Table 2)	Max Performance Goal (Section 5)	Return Difference	Payout %				
Sample of how the Portfolio Performance 3-Year was calculated for the above sample	60%	1.50%	0.16%	6.40%				

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INVESTMENT DEPARTMENT INCENTIVE PLAN FISCAL YEAR 2027

_____ moved and _____ seconded the motion to approve the Investment Department Incentive Plan for fiscal year ending June 30, 2027, which replaces the Fiscal Year 2026 Investment Department Incentive Plan approved May 15, 2025.

Upon roll call, the vote was as follows:

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

Memo

To: Retirement Board
From: Chris Collins
cc: Richard Stensrud, Karen Roggenkamp
Date: May 8, 2026
Re: **Federal Legislative Report**

Primary Election results show President's strength

Five months ago, President Donald Trump faced one of the first political defeats of his second term as Republican state senators in Indiana defied him on redistricting in that state. On Primary Election Day, May 5th, he proved he can still punish wayward party members after he endorsed a slate of challengers who defeated almost every one of the lawmakers he wanted to dislodge.

The results will likely bolster Trump's confidence heading into upcoming Republican primaries where he wants to help oust more incumbents, including U.S. Sen. Bill Cassidy of Louisiana and U.S. Rep. Thomas Massie of Kentucky. It is unusual for a sitting president to be focused on attacking and defeating his own party members this deep into a midterm election year.

Indiana's primary also ratchets up the pressure on Republican lawmakers in other states to move aggressively to redraw congressional district boundaries before the November elections. Alabama and Tennessee have already begun special sessions that could limit Black voters' strength in Democratic-leaning districts, after a U.S. Supreme Court ruling that reinterpreted a provision of the Voting Rights Act influencing how political lines are drawn in areas with large nonwhite populations, and some of Trump's allies in South Carolina want to follow suit.

In Ohio's Primary Election, Sherrod Brown, a former three-term senator, won the Democratic nomination comfortably. He is now set to challenge U.S. Senator Jon Husted in November.

The matchup between Brown and Husted is already being described as one of the most expensive Senate races in the country, making it one of the key elections to be watched nationwide this fall.

Department of Homeland Security funding bill signed

President Donald Trump on April 30th signed into law legislation funding Department of Homeland Security agencies including the Secret Service and Transportation Security Administration, ending a partial shutdown that has gripped DHS operations for nearly 11 weeks.

The logjam was broken when the Republican-controlled House of Representatives passed a Senate-approved bill that conservatives had refused to consider over the past month.

Funding for most of DHS ran out on February 14th, as Democrats pressed Republicans and the White House to accept new constraints on U.S. Immigration and Customs Enforcement (ICE) and Border Patrol. Democrats insisted that immigration enforcement be subject to the same operational rules as police forces across the United States, including a requirement that judicial warrants be obtained before agents can enter private homes. But weeks of negotiations ended in stalemate.

The legislation, which the Senate passed unanimously twice on March 27th and April 2nd, will fund DHS agencies that are not involved in Trump's immigration crackdown through September 30th, the end of fiscal year 2026. Those agencies include FEMA, the U.S. Coast Guard and the Cybersecurity and Infrastructure Security Agency.

House Republican hardliners and other conservatives had opposed the DHS bill because its language omitted funding for ICE and Border Patrol.

Republican leaders managed to ease those objections the day before by passing a \$70 billion Senate-passed budget blueprint to provide new money for ICE and Border Patrol, which allowed congressional committees to begin writing separate funding legislation for those agencies. Republicans hope to pass that legislation in May by using a special "budget reconciliation" procedure that allows them to circumvent Democratic opposition in the Senate.

Republicans second Reconciliation Bill begins to take shape

Two Republican-led Senate committees released legislative text on Monday, May 4th to flesh out the roughly \$70 billion reconciliation package to fund immigration enforcement agencies at the Department of Homeland Security through the remainder of President Donald Trump's term.

The Senate Judiciary Committee text shows that panel's piece of the package would amount to nearly \$39.2 billion, which includes nearly \$2.5 billion for the Justice Department and Secret Service on top of DHS funding. A separate title from the Homeland Security and Governmental Affairs Committee would provide \$32.5 billion, bringing the total to \$71.7 billion in new spending.

Under the combined package, Immigration and Customs Enforcement would receive about \$38.2 billion. Customs and Border Protection would get a little more than \$26 billion.

The office of Homeland Security Secretary Markwayne Mullin would get a separate, flexible \$5 billion in the combined measure, to be used for any purpose consistent with other parts of the bill or the immigration-related parts of last year's "big, beautiful" reconciliation package.

Newly added to the package, the Secret Service would get \$1 billion for security upgrades related to the new White House ballroom project. To guard against footing the bill for the roughly \$400 million estimated cost to build the ballroom itself on the old East Wing grounds, the Judiciary Committee's text includes a limitation that would bar any of the \$1 billion from being used for "non-security elements of the East Wing Modernization Project."

None of the funds would expire until Sept. 30, 2029, or well into the first year of the next president's term.

The text does not call for any offsetting spending cuts.

The package will be able to pass the Senate with a simple-majority vote instead of needing 60 votes to advance. Senate GOP leaders plan to put the reconciliation bill on the floor the week of May 18th, the final week both chambers are scheduled to be in session this month.

President Trump wants the reconciliation bill on his desk by June 1st.

Some Republican senators want to advance a third budget reconciliation package this summer to allocate more money for the Department of Defense, but senior GOP colleagues on the Senate Appropriations Committee are slamming the brakes on the idea. They are worried it may further diminish their power and the regular appropriations process.

President Trump signs Executive Order to encourage retirement savings

On April 30th, President Trump signed an Executive Order entitled Promoting Retirement-Savings Access for American Workers by Establishing TrumpIRA.gov. The Order creates a marketplace for private sector Individual Retirement Accounts (IRAs) and is paired with access to the current law "SAVERs Match" of \$1,000 in federal matching contributions. That match, comes from 2022 legislation passed under Democratic President Joe Biden. Starting in January, it will offer a match of up to \$1,000 for workers who make less than \$35,000 a year.

President Trump's order is meant to help make the match available to roughly 50 million people who do not have retirement plans offered by their employers. The President directed the Treasury Department to launch TrumpIRA.gov, where workers will be able to compare private-sector retirement plans.

President Trump discussed the idea during his State of the Union address in February, when he noted that about half the people in the country do not have access to employer-provided retirement plans with matching contributions.

Coalition to Preserve Retirement Security releases updated Segal report on impact of mandatory coverage

Social Security's Trust Fund Reserve depletion date has been relatively unchanged for decades. Soon after reforms made in 1983, it was projected that reserves would run out in approximately 2050. That projected run-out date has fluctuated between the early 2040s and 2035 ever since.

Without changes, current analysis shows Social Security benefits would need to be reduced by approximately 20 percent from current levels beginning in 2034, if the Trust Fund reserves are allowed to be depleted.

Assuming Congress would act to prevent that scenario, a variety of options have been suggested over the years, including imposing mandatory participation on public sector workers.

Requiring Social Security coverage for non-participating public sector employers (like those in Ohio) would be costly and disruptive for public sector workers, governmental plan sponsors, public retirement plans, and ultimately the taxpayers who are responsible for funding these plans.

The Coalition to Preserve Retirement Security (CPRS), the leading voice in Washington, DC dedicated to opposing efforts to force public employers and their workers to participate in the Social Security program, have engaged with researchers at Segal to produce a report detailing the impact of mandatory coverage. SERS staff serve on the CPRS Board.

According to the new study the cost of additional contributions to the Social Security system alone is estimated to be at least \$45 billion over the first five years and could be as high as \$60 billion. As a result, current defined benefit plans in the public sector that have been maintained for decades may have to close to new participants. This could affect workforce management due to the changing of anticipated benefit levels and retirement eligibilities that don't align with the type of work being done.

CPRS intends to use this study as part of an education advocacy effort with Members of Congress to ensure that before serious Social Security reform efforts are underway in the coming years, federal lawmakers understand the negative consequences mandatory coverage would have on public workers in Ohio. Stay tuned for additional updates as the Coalition continues to share this report.

House Ways and Means Committee hold hearing with health system CEOs

At the end of April, the House Committee on Ways and Means held a Hearing with Health System CEOs as a continuation of their broader investigation into health care affordability and accessibility. Led by committee Chairman Jason Smith (R-MO), Republican committee members criticized hospital consolidation, site-neutral payment disparities, and what they characterized as abuse of the non-profit tax-exemption system. They defended President Trump's defining passage of the One Big Beautiful Bill Act (H.R.1), reinforced their support for Medicaid work requirements, and were sympathetic to the financial pressures rural health systems face. On the other side of the aisle, Democrats were unified in their argument that the health care affordability crisis was worsened by H.R.1 and that the committee should instead focus on expanding Medicaid and Affordable Care Act coverage, pharmaceutical cost control, and Medicare Advantage payment accountability.

In line with the Democrats' line of questioning, Protect Our Care President Brad Woodhouse testified that H.R.1 was the largest federal divestment from health care insurance and services which is driving historic rises in the number of uninsured people. Additionally, he noted that Republican's health care policies are causing hospital systems to reduce services or close hundreds of hospitals, clinics, and nursing homes across the country, especially those operating in rural communities.

On the other hand, the other four witnesses ran large health care systems across the country. HCA Healthcare Chief Executive Officer (CEO) Mr. Sam N. Hazen, CommonSpirit Health President and CEO Mr. Wright Lassiter III, New York Presbyterian President and CEO Dr. Brian G. Donley, and ECU Health CEO Dr. Michael Waldrum acknowledged that health care in America is too expensive; however, they argued that the high cost of health care services is not due to hospital prices but rather due to insurer practices, Medicare and Medicaid under payment, and regulatory burden.

After the midterm elections, the 119th Congress is likely to pass a package of bills including health care affordability policies during the "lame duck" session at the end of the year.

FEDERAL LEGISLATION BOARD REPORT
119th United States Congress
(Prepared by Chris Collins as of May 8, 2026)

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.)

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.

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.

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.

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.

STATE LEGISLATION BOARD REPORT
(Prepared by Chris Collins as of May 8, 2026)

136th General Assembly

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)

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

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

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: 03/18/2026 Re-Referred to Committee

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)

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: 03/17/2026 House General Government, (Second Hearing)

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: 03/24/2026 House Education, (Fourth Hearing)

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



Finance Headline News – May 2026

- Budget Administration
 - FY27 draft budget presentation
 - SERS administrative expenses are expected to finish FY26 under budget
- The following detailed reports are attached for further analysis:
 - FY26 Budget Administrative expense reports
 - Budget Analysis for SERS and OSERS Broad Street through March 2026
 - Administrative expense summary for April 2026
 - Administrative expense detail for April 2026
 - Parameters report for April 2026
 - Financial highlights
 - As of March 2026

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

Financial Row	Amount
Summary Admin Expenses	
Expense	
53100.0 - Staff Salaries Expense	
53100 - Salaries & Wages	\$1,336,412.85
53110 - Salaries & Wages - Overtime	\$2,390.51
53111 - Staff Vacation Leave Expense	\$128,878.55
53112 - Staff Sick Leave Expense	\$59,849.77
53113 - Staff Voluntary Life Insurance Reimbursement	\$311.76
Total - 53100.0 - Staff Salaries Expense	\$1,527,843.44
53200.0 - Staff Retirement Contribution Expense	
53200 - Staff Employer Contributions - PERS	\$198,216.05
53205 - Staff Employer Paid Member Contributions	\$2,653.84
Total - 53200.0 - Staff Retirement Contribution Expense	\$200,869.89
53300.0 - Staff Benefit Expenses	
53300 - Staff Group Life	\$7,792.79
53310 - Staff Long Term Disability	\$3,737.94
53315 - Staff Short Term Disability	\$3,279.58
53320 - Staff Group Health Claims	\$316,252.59
53321 - Staff Group Health - Admin Fees	\$7,953.11
53322 - Staff Prescription Claims	\$65,081.82
53323 - Staff Prescription Admin fees	\$1,090.40
53324 - Staff Group Health - Stop Loss Admin	\$37,655.24
53326 - Staff Vision Claims	\$2,794.96
53327 - Staff Vision Admin Fees	\$125.28
53330 - Staff Group Health - Employee Cost	(\$45,554.34)
53331 - Staff Group Health - Wellness Incentive	\$4,305.00
53332 - Staff Group Health - Tobacco Premiums	(\$600.00)
53340 - Staff Medicare Premium - Employer	\$20,061.94
53350 - Staff Workers Compensation	\$5,810.50
53380 - Staff Deferred Compensation Match	\$4,860.00
Total - 53300.0 - Staff Benefit Expenses	\$434,646.81
54100 - Actuarial Services	\$14,103.83
54200 - Audit Services	\$95.00
54300.0 - Banking Fee Expenses	
54310 - Custodial Fees	\$85,313.16
54320 - Custodial Banking	\$13,044.22
Total - 54300.0 - Banking Fee Expenses	\$98,357.38
54400.0 - Investment Related Expenses	
54410 - Master Recordkeeper Fees	\$78,291.32
54430 - Performance/Analytics Fee	\$71,198.75
54460 - Bloomberg Terminal Rentals	\$7,080.00
Total - 54400.0 - Investment Related Expenses	\$156,570.07
54520 - Medical Consultant	\$4,000.00
54600.0 - Technical Expenses	
54610 - Special Counsel	\$17,961.50
54620 - Technical	\$52,570.80
54630 - Other Professional Services	\$59,598.32
Total - 54600.0 - Technical Expenses	\$130,130.62
55100 - Postage	\$24,044.75
55200 - Telecommunications Services	\$4,816.29
55300 - Member/Employer Education	\$4,607.01

56000.0 - Computer Support Service Expenses	
56020 - Hardware Maintenance	\$24,384.00
56030 - Software Maintenance	\$38,795.00
56035 - Software Subscriptions	\$107,196.60
56040 - Hardware < \$5,000	\$6,219.25
Total - 56000.0 - Computer Support Service Expenses	\$176,594.85
56100.0 - Office Equipment & Supply Expenses	
56110 - Equipment Repairs & Maintenance	\$8,988.50
56120 - Equipment Rental	\$12,869.61
56130 - Office Supplies & Expenses	\$194.66
56140 - Miscellaneous Office Supplies	\$400.00
56160 - Records Storage	\$125.00
Total - 56100.0 - Office Equipment & Supply Expenses	\$22,577.77
56200.0 - Staff Training Expenses	
56210 - Seminars & Conferences	\$7,742.26
56220 - In House Training	\$2,099.84
Total - 56200.0 - Staff Training Expenses	\$9,842.10
56300.0 - Transportation & Travel Expenses	
56310 - Travel & Transportation	\$17,880.94
56311 - Mileage	\$1,672.33
Total - 56300.0 - Transportation & Travel Expenses	\$19,553.27
56400.0 - Membership & Subscription Expenses	
56410 - Subscriptions	\$3,371.06
56420 - Memberships	\$10,290.00
Total - 56400.0 - Membership & Subscription Expenses	\$13,661.06
56600.0 - Maintenance Expenses	
56630 - Interior Landscaping	\$1,396.37
56640 - Vehicle Expense	\$16.00
Total - 56600.0 - Maintenance Expenses	\$1,412.37
56650.0 - Staff Support Expenses	
56620 - Staff Support	\$5,488.95
56621 - Recruiting Expenses	\$506.05
Total - 56650.0 - Staff Support Expenses	\$5,995.00
56700.0 - School District Board Member Reimbursement Expense	
56710 - Board Member - School Reimb.	\$1,645.27
Total - 56700.0 - School District Board Member Reimbursement Expense	\$1,645.27
56800.0 - Mandatory Costs	
56820 - Ohio Retirement Study Council	\$16,202.21
Total - 56800.0 - Mandatory Costs	\$16,202.21
56900 - Reimbursement of Leased Svcs from OSERS Broad St	(\$25,416.67)
Total - Expense	\$2,842,152.32
Total Admin Expenses	\$2,842,152.32

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

Financial Row	Vendor Bill Name	Amount
Summary Admin Expenses		
Expense		
53100.0 - Staff Salaries Expense		
53100 - Salaries & Wages		
	0133 ADP, LLC	\$1,336,412.85
Total - 53100 - Salaries & Wages		\$1,336,412.85
53110 - Salaries & Wages - Overtime		
	0133 ADP, LLC	\$2,390.51
Total - 53110 - Salaries & Wages - Overtime		\$2,390.51
53111 - Staff Vacation Leave Expense		
	0133 ADP, LLC	\$128,878.55
Total - 53111 - Staff Vacation Leave Expense		\$128,878.55
53112 - Staff Sick Leave Expense		
	0133 ADP, LLC	\$59,849.77
Total - 53112 - Staff Sick Leave Expense		\$59,849.77
53113 - Staff Voluntary Life Insurance Reimbursement		
	0133 ADP, LLC	\$311.76
Total - 53113 - Staff Voluntary Life Insurance Reimbursement		\$311.76
Total - 53100.0 - Staff Salaries Expense		\$1,527,843.44
53200.0 - Staff Retirement Contribution Expense		
53200 - Staff Employer Contributions - PERS		
	0133 ADP, LLC	\$198,216.05
Total - 53200 - Staff Employer Contributions - PERS		\$198,216.05
53205 - Staff Employer Paid Member Contributions		
	0133 ADP, LLC	\$2,653.84
Total - 53205 - Staff Employer Paid Member Contributions		\$2,653.84
Total - 53200.0 - Staff Retirement Contribution Expense		\$200,869.89
53300.0 - Staff Benefit Expenses		
53300 - Staff Group Life		
	0267 American United Life Insurance Company	\$7,792.79
Total - 53300 - Staff Group Life		\$7,792.79
53310 - Staff Long Term Disability		
	0267 American United Life Insurance Company	\$3,737.94
Total - 53310 - Staff Long Term Disability		\$3,737.94
53315 - Staff Short Term Disability		
	0267 American United Life Insurance Company	\$3,279.58
Total - 53315 - Staff Short Term Disability		\$3,279.58
53320 - Staff Group Health Claims		
	3555 Aetna Daily Wires - ESERS	\$316,252.59
Total - 53320 - Staff Group Health Claims		\$316,252.59
53321 - Staff Group Health - Admin Fees		
	3552 Aetna Admin - ESERS	\$7,953.11
Total - 53321 - Staff Group Health - Admin Fees		\$7,953.11
53322 - Staff Prescription Claims		
	2811 Express Scripts - ESERS	\$50,083.31
	5271 SaveonSP, LLC	\$14,998.51
Total - 53322 - Staff Prescription Claims		\$65,081.82
53323 - Staff Prescription Admin fees		
	5448 Beyond Blue Corporation	\$1,090.40
Total - 53323 - Staff Prescription Admin fees		\$1,090.40
53324 - Staff Group Health - Stop Loss Admin		
	3552 Aetna Admin - ESERS	\$37,655.24
Total - 53324 - Staff Group Health - Stop Loss Admin		\$37,655.24
53326 - Staff Vision Claims		
	0266 VSP - (OH)	\$2,794.96
Total - 53326 - Staff Vision Claims		\$2,794.96
53327 - Staff Vision Admin Fees		
	0266 VSP - (OH)	\$125.28
Total - 53327 - Staff Vision Admin Fees		\$125.28
53330 - Staff Group Health - Employee Cost		
	Employee Premiums	(\$45,554.34)
Total - 53330 - Staff Group Health - Employee Cost		(\$45,554.34)
53331 - Staff Group Health - Wellness Incentive		
	0133 ADP, LLC	\$4,305.00
Total - 53331 - Staff Group Health - Wellness Incentive		\$4,305.00
53332 - Staff Group Health - Tobacco Premiums		
	0133 ADP, LLC	(\$600.00)
Total - 53332 - Staff Group Health - Tobacco Premiums		(\$600.00)

53340 - Staff Medicare Premium - Employer		
	0133 ADP, LLC	\$20,061.94
Total - 53340 - Staff Medicare Premium - Employer		\$20,061.94
53350 - Staff Workers Compensation		
	1123 Ohio Bureau Of Workers Compensation	\$5,810.50
Total - 53350 - Staff Workers Compensation		\$5,810.50
53380 - Staff Deferred Compensation Match		
	0133 ADP, LLC	\$4,860.00
Total - 53380 - Staff Deferred Compensation Match		\$4,860.00
Total - 53300.0 - Staff Benefit Expenses		\$434,646.81
54100 - Actuarial Services		
	3241 CavMac	\$14,103.83
Total - 54100 - Actuarial Services		\$14,103.83
54200 - Audit Services		
	1266 Treasurer of State of Ohio	\$95.00
Total - 54200 - Audit Services		\$95.00
54300.0 - Banking Fee Expenses		
54310 - Custodial Fees		
	5482 Fifth Third - Investments	\$30,313.16
	0273 BNY Mellon Asset Servicing	\$55,000.00
Total - 54310 - Custodial Fees		\$85,313.16
54320 - Custodial Banking		
	0386 Huntington National Bank	\$13,044.22
Total - 54320 - Custodial Banking		\$13,044.22
Total - 54300.0 - Banking Fee Expenses		\$98,357.38
54400.0 - Investment Related Expenses		
54410 - Master Recordkeeper Fees		
	5897 Clearwater Analytics, LLC	\$78,291.32
Total - 54410 - Master Recordkeeper Fees		\$78,291.32
54430 - Performance/Analytics Fee		
	5914 Nasdaq Evestment	\$11,587.50
	4896 Barra LLC	\$59,611.25
Total - 54430 - Performance/Analytics Fee		\$71,198.75
54460 - Bloomberg Terminal Rentals		
	2700 Bloomberg Finance LP	\$7,080.00
Total - 54460 - Bloomberg Terminal Rentals		\$7,080.00
Total - 54400.0 - Investment Related Expenses		\$156,570.07
54520 - Medical Consultant		
	1021 Glen G Borchers, M.D.	\$4,000.00
Total - 54520 - Medical Consultant		\$4,000.00
54600.0 - Technical Expenses		
54610 - Special Counsel		
	5836 Luper Neidenthal & Logan	\$1,760.00
	1921 Porter, Wright, Morris,	\$596.50
	0276 Ice Miller LLP	\$1,050.00
	1532 Morgan, Lewis & Bockius	\$11,182.50
	3361 Seyfarth Shaw LLP	\$3,372.50
Total - 54610 - Special Counsel		\$17,961.50
54620 - Technical		
	3296 LexisNexis Risk Data Management, Inc	\$1,839.55
	4518 Sagitec Solutions, LLC	\$40,915.00
	5215 ComResource	\$9,816.25
Total - 54620 - Technical		\$52,570.80
54630 - Other Professional Services		
	5031 Vorys Advisors LLC	\$4,000.00
	5877 Nossaman LLP	\$6,600.00
	6006 TaxBandits.Com	\$9.95
	5940 CPA Exam Gateway	\$366.57
	5060 Kimberly Wickert	\$837.00
	0476 Attorney General	\$45,328.50
	5957 Dawson	\$2,456.30
Total - 54630 - Other Professional Services		\$59,598.32
Total - 54600.0 - Technical Expenses		\$130,130.62
55100 - Postage		
	0254 Unishippers Association	\$527.03
	0060 Pitney Bowes Inc.	\$3,024.73
	2489 FedEx	\$33.19
	0251 United States Postal Service	\$20,000.00
	4906 Quadient	\$459.80
Total - 55100 - Postage		\$24,044.75
55200 - Telecommunications Services		
	0277 XO Verizon	\$1,861.32
	5543 Spectrum AWS	\$1,230.00
	1605 AT&T - 7258	\$40.10
	5665 Total Communication Solutions	\$1,187.33
	4732 Verizon Wireless	\$169.40
	0087 Spectrum	\$267.44
	0253 T-Mobile	\$60.70
Total - 55200 - Telecommunications Services		\$4,816.29

55300 - Member/Employer Education		
	0411 Amazon.com	\$52.90
	5570 Michelle Richards	\$4,443.52
	4395 Katie Talbert	\$456.04
	4116 Cameron Vaughan	\$157.26
	0020 Carlisa Holman	\$176.63
	4834 Event Brite	(\$679.34)
Total - 55300 - Member/Employer Education		\$4,607.01
56000.0 - Computer Support Service Expenses		
56020 - Hardware Maintenance		
	5910 Service Express, LLC	\$24,384.00
Total - 56020 - Hardware Maintenance		\$24,384.00
56030 - Software Maintenance		
	0060 Pitney Bowes Inc.	\$3,795.00
	4518 Sagitec Solutions, LLC	\$35,000.00
Total - 56030 - Software Maintenance		\$38,795.00
56035 - Software Subscriptions		
	5501 Expedient	\$12,401.50
	5465 Mailgun Technologies, Inc	\$0.08
	5938 Telesign	\$607.07
	5473 Wellable LLC	\$481.00
	5904 Auvik Networks, Inc.	\$11,235.00
	4430 DigiCert, Inc	\$7,959.00
	4895 CarahSoft Technology Corp	\$7,820.60
	5591 Presidio	\$11,301.43
	5523 Dynamo Software, Inc.	\$6,388.44
	0133 ADP, LLC	\$3,234.59
	4139 Shi International Corp.	\$45,710.79
	5409 Amazon Web Services	\$57.10
Total - 56035 - Software Subscriptions		\$107,196.60
56040 - Hardware < \$5,000		
	1950 Best Buy	\$299.00
	2263 Dell Marketing LP	\$5,920.25
Total - 56040 - Hardware < \$5,000		\$6,219.25
Total - 56000.0 - Computer Support Service Expenses		\$176,594.85
56100.0 - Office Equipment & Supply Expenses		
56110 - Equipment Repairs & Maintenance		
	5332 Canon Financial Services, Inc	\$544.00
	4849 US Bank Equipment Finance	\$2,457.85
	5499 Woodhull	\$204.98
	5340 Digital Print Solutions	\$911.50
	4620 Ricoh USA, Inc	\$4,870.17
Total - 56110 - Equipment Repairs & Maintenance		\$8,988.50
56120 - Equipment Rental		
	4906 Quadient	\$12,869.61
Total - 56120 - Equipment Rental		\$12,869.61
56130 - Office Supplies & Expenses		
	0172 Staples Business Advantage	\$182.98
	0411 Amazon.com	\$6.69
	0564 Kroger	\$4.99
Total - 56130 - Office Supplies & Expenses		\$194.66
56140 - Miscellaneous Office Supplies		
	5998 EPCOR	\$400.00
Total - 56140 - Miscellaneous Office Supplies		\$400.00
56160 - Records Storage		
	0007 Vital Records Holdings, LLC	\$125.00
Total - 56160 - Records Storage		\$125.00
Total - 56100.0 - Office Equipment & Supply Expenses		\$22,577.77
56200.0 - Staff Training Expenses		
56210 - Seminars & Conferences		
	5632 MRA	\$595.00
	4790 Jay Patel	\$1,299.00
	0473 Public Pension Financial Forum	\$350.00
	5891 Professional Education Service, LP	\$79.50
	0690 International Foundation of Employee Benefit Plans	\$3,490.00
	1268 Association of Public Pension Fund Auditors	\$550.00
	5380 Chris Collins	\$970.50
	6005 Sunea Leist	\$408.26
Total - 56210 - Seminars & Conferences		\$7,742.26
56220 - In House Training		
	5611 Steven R Edwards	\$1,500.00
	0133 ADP, LLC	\$599.84
Total - 56220 - In House Training		\$2,099.84
Total - 56200.0 - Staff Training Expenses		\$9,842.10

56300.0 - Transportation & Travel Expenses
56310 - Travel & Transportation

5199 Richard Stensrud	\$295.12
6005 Sunea Leist	\$2,311.80
0009 Catherine Moss	\$359.61
4588 Farouki Majeed	\$5,291.94
4790 Jay Patel	\$1,167.60
0757 Giant Eagle	\$14.53
0109 John Grumney	\$1,201.19
5180 Olive Garden	\$460.22
5889 Jeanine Alexander	\$279.88
0024 James Rossler	\$591.35
5639 Aimee Russell	\$184.98
0564 Kroger	\$44.24
5318 Michael Browning	\$847.54
5642 Blackstone	\$68.00
6008 Crown Management Advisors	\$40.98
5980 Varsha Singireddy	\$1,048.09
5512 Paul Cheng	\$1,735.65
2320 Phil Sisson	\$453.21
6012 TA Realty	\$249.58
6011 Primus Capital Partners, Inc.	\$48.00
4824 Frank Weglarz	\$166.36
5418 Matt King	\$131.00
1217 Steve Price	\$890.07

Total - 56310 - Travel & Transportation **\$17,880.94**

56311 - Mileage

2320 Phil Sisson	\$24.66
5512 Paul Cheng	\$16.97
5318 Michael Browning	\$10.73
4588 Farouki Majeed	\$66.40
5418 Matt King	\$174.00
0024 James Rossler	\$205.90
0017 Daniel L Wilson	\$216.06
5639 Aimee Russell	\$119.04
0009 Catherine Moss	\$250.86
5889 Jeanine Alexander	\$285.66
4824 Frank Weglarz	\$236.36
5946 Rebekah Roe	\$36.69
1217 Steve Price	\$29.00

Total - 56311 - Mileage **\$1,672.33**

Total - 56300.0 - Transportation & Travel Expenses

\$19,553.27

56400.0 - Membership & Subscription Expenses

56410 - Subscriptions

2012 Dow Jones & Company, Inc.	\$2,391.37
0304 Wall Street Journal	\$90.70
4547 Constant Contact	\$674.00
1159 Economist	\$144.50
0305 Columbus Dispatch	\$45.00
5511 Toledo Blade	\$12.99
5865 Cleveland.Com	\$12.50

Total - 56410 - Subscriptions **\$3,371.06**

56420 - Memberships

6007 US Customs Trusted Trave	\$120.00
1268 Association of Public Pension Fund Auditors	\$500.00
0680 Association of Government Accountants	\$250.00
0473 Public Pension Financial Forum	\$1,200.00
3291 National Institute on Retirement Security	\$4,100.00
0730 Public Sector Healthcare Roundtable	\$2,800.00
0825 Ohio Ethics Commission	\$1,320.00

Total - 56420 - Memberships **\$10,290.00**

Total - 56400.0 - Membership & Subscription Expenses

\$13,661.06

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

5069 Moo Moo Car Wash	\$16.00
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Total - 56640 - Vehicle Expense **\$16.00**

Total - 56600.0 - Maintenance Expenses

\$1,412.37

56650.0 - Staff Support Expenses

56620 - Staff Support

0133 ADP, LLC	\$2,176.00
0259 Continental Cafe, LLC	\$2,618.84
5574 Aetna Behavioral Health, LLC	\$282.60
0411 Amazon.com	\$240.00
1683 Premier ProduceOne	\$315.90
0757 Giant Eagle	\$69.99
4750 Inspira Financial	\$572.00
5043 Cintas Corporation	\$807.87
4790 Jay Patel	\$349.75
5910 Service Express, LLC	(\$1,944.00)

Total - 56620 - Staff Support **\$5,488.95**

56621 - Recruiting Expenses		
	5460 Indeed	\$506.05
Total - 56621 - Recruiting Expenses		\$506.05
Total - 56650.0 - Staff Support Expenses		\$5,995.00
56700.0 - School District Board Member Reimbursement Expense		
56710 - Board Member - School Reimb.		
	1049 Ashland City School District	\$1,645.27
Total - 56710 - Board Member - School Reimb.		\$1,645.27
Total - 56700.0 - School District Board Member Reimbursement Expense		\$1,645.27
56800.0 - Mandatory Costs		
56820 - Ohio Retirement Study Council		
	0040 Ohio Retirement Study Council	\$16,202.21
Total - 56820 - Ohio Retirement Study Council		\$16,202.21
Total - 56800.0 - Mandatory Costs		\$16,202.21
56900 - Reimbursement of Leased Svcs from OSERS Broad St		
	Reimbursement of leased services	(\$25,416.67)
Total - 56900 - Reimbursement of Leased Svcs from OSERS Broad St		(\$25,416.67)
Total - Expense		\$2,842,152.32
Total Admin Expenses		\$2,842,152.32

**School Employees Retirement System of Ohio
Broad St. Detail Admin Expenses
Apr 2026**

Financial Row	Vendor Bill Name	Amount
Ordinary Income/Expense		
Income		
41010 - Suite Income - OSERS Broad St		\$44,823.63
Total - 41010 - Suite Income - OSERS Broad St		\$44,823.63
41205.0 - Parking Income		
41206 - Parking Income - OSERS Broad St		\$3,000.00
Total - 41206 - Parking Income - OSERS Broad St		\$3,000.00
41210 - Parking Income - Other - OSERS Broad St		
Total - 41210 - Parking Income - Other - OSERS Broad St		\$19,875.00
Total - 41205.0 - Parking Income		\$22,875.00
41600 - Miscellaneous Income - OSERS Broad St		\$150.00
Total - 41600 - Miscellaneous Income - OSERS Broad St		\$150.00
Total - Income		\$67,848.63
Gross Profit		
		\$67,848.63
Expense		
50110.0 - Property Management & Labor		
50110 - Admin. Service Contracts - OSERS Broad St		
	0041 SERS	\$25,416.67
Total - 50110 - Admin. Service Contracts - OSERS Broad St		\$25,416.67
Total - 50110.0 - Property Management & Labor		\$25,416.67
50200.0 - Administrative Expenses		
50241 - Bank Fees - OSERS Broad St		
	5801 Park National Bank	\$81.79
Total - 50241 - Bank Fees - OSERS Broad St		\$81.79
Total - 50200.0 - Administrative Expenses		\$81.79
50300.0 - Building Operations		
50305 - HVAC Repairs & Maintenance - OSERS Broad St		
	5698 Metro Group, Inc.	\$559.80
	4642 Zoro Tools	\$3,258.12
	5719 Harbor Freight Tools	\$75.20
	0391 Grainger	\$1,787.54
	5740 Ketchum Walton	\$1,299.68
Total - 50305 - HVAC Repairs & Maintenance - OSERS Broad St		\$6,980.34
50307 - Plumbing Repairs & Maintenance - OSERS Broad St		
	0374 Lowes	\$43.92
Total - 50307 - Plumbing Repairs & Maintenance - OSERS Broad St		\$43.92
50311 - Window Cleaning - OSERS Broad St		
	5995 Newpoint Services, LLC	\$15,600.00
Total - 50311 - Window Cleaning - OSERS Broad St		\$15,600.00
50312 - Equip & Tools < \$5,000 - OSERS Broad St		
	1137 Home Depot	\$26.34
Total - 50312 - Equip & Tools < \$5,000 - OSERS Broad St		\$26.34
50317 - Janitorial Services - OSERS Broad St		
	0411 Amazon.com	\$394.58
	3990 Acorn Distributors Inc.	\$971.13
	5811 Harvard Maintenance, Inc	\$16,700.36
Total - 50317 - Janitorial Services - OSERS Broad St		\$18,066.07
50319 - Parking Garage Repairs & Maintenance - OSERS Broad St		
	5697 TIBA LLC	\$190.00
	6013 ChargePoint, Inc.	\$21,840.00
Total - 50319 - Parking Garage Repairs & Maintenance - OSERS Broad St		\$22,030.00
50321 - Generator Repairs & Maintenance - OSERS Broad St		
	5699 Ohio CAT	\$3,813.80
Total - 50321 - Generator Repairs & Maintenance - OSERS Broad St		\$3,813.80
50325 - Security - OSERS Broad St		
	5754 Stephen Galentine Jr.	\$426.00

	5749 Remus Borcila	\$284.00
	5751 Kyle Kincade	\$3,053.00
	5856 Shayne McAndrew	\$1,526.50
	5955 Ryan Beardsley	\$2,644.75
	5883 Trenton Kincade	\$1,420.00
	5857 Cassandra Eschweiler	\$781.00
	5677 Allied Universal Security Services	\$36,078.21
	5997 Nathan Campbell	\$852.00
	5879 Joel George	\$568.00
Total - 50325 - Security - OSERS Broad St		\$47,633.46
50327 - Elevator Repairs & Maintenance - OSERS Broad St		
	5690 Fujitec America, Inc.	\$6,919.37
Total - 50327 - Elevator Repairs & Maintenance - OSERS Broad St		\$6,919.37
50328 - Pest Control - OSERS Broad St		
	5689 Terminix International Company, LP	\$167.10
Total - 50328 - Pest Control - OSERS Broad St		\$167.10
50329 - Life Safety - OSERS Broad St		
	5755 AED Superstore	\$178.00
	5834 Columbus Division of Fire, EFT	\$1,550.00
	5682 Johnson Controls Fire Protection LP	\$535.00
	5693 T. P. Mechanical Contractors	\$1,536.00
	5723 Securitas Technology	\$180.33
Total - 50329 - Life Safety - OSERS Broad St		\$3,979.33
50330 - Trash & Refuse - OSERS Broad St		
	5770 Rumpke of Ohio Inc	\$673.47
	5241 Royal Document Destruction	\$269.45
Total - 50330 - Trash & Refuse - OSERS Broad St		\$942.92
50350 - Landscaping & Grounds - OSERS Broad St		
	5808 Five Seasons Landscape Mangement, Inc.	\$4,725.00
Total - 50350 - Landscaping & Grounds - OSERS Broad St		\$4,725.00
Total - 50300.0 - Building Operations		\$130,927.65
50400.0 - Utilities		
50405 - Heat & Gas - OSERS Broad St		
	5686 Columbia Gas	\$4,066.97
Total - 50405 - Heat & Gas - OSERS Broad St		\$4,066.97
50410 - Electricity - OSERS Broad St		
	5794 American Electric Power - 87617	\$109.04
	5678 American Electric Power - 23018	\$12,757.66
	5795 American Electric Power - 16108	\$309.28
	6010 Champion Energy Services - 1204091	\$17,187.87
	6009 Champion Energy Services - 1204093	\$4.16
	6014 Champion Energy Services - 1204089	\$47.35
Total - 50410 - Electricity - OSERS Broad St		\$30,415.36
50415 - Water & Sewer - OSERS Broad St		
	5681 Columbus City Treasurer	\$1,698.52
Total - 50415 - Water & Sewer - OSERS Broad St		\$1,698.52
Total - 50400.0 - Utilities		\$36,180.85
51000 - Lease Commission Fees - OSERS Broad St		
	5707 CBRE, Inc	\$33,158.53
Total - 51000 - Lease Commission Fees - OSERS Broad St		\$33,158.53
51010.0 - Other Fees		
51013 - Building Remodeling - OSERS Broad St		
	5739 Kolbe Construction Services, Inc	\$140,500.00
Total - 51013 - Building Remodeling - OSERS Broad St		\$140,500.00
Total - 51010.0 - Other Fees		\$140,500.00
Total - Expense		\$366,265.49
Net Budgeted Expense		\$298,416.86
Net Building Occupancy		\$273,000.19

FY2026 Administrative Budget
Board Expense to Budget Reporting
Year-to-Date Through April 30, 2026

Major Category/Sub-Major Category	Line Item	Vendor	FY2026 Budget Approved	Year to Date Expense	Additional Information
PROFESSIONAL SERVICES			\$ 7,044,466	\$ 5,109,993	
ACTUARIAL ADVISORS			\$ 357,700	\$ 334,196	
	Actuarial	Cavanaugh Macdonald	\$ 357,700	\$ 334,196	Actuarial Consultant
AUDITING			\$ 220,000	\$ 172,534	
	Auditing	Plante Moran	\$ 180,000	\$ 170,520	External Auditor
BANKING FEES			\$ 1,343,000	\$ 955,049	
Custodial Fees	Custodial Banking		\$ 1,188,000	\$ 836,147	
		Fifth Third	\$ 396,000	\$ 273,436	Domestic Custodian
		BNYM	\$ 792,000	\$ 562,711	International Custodian
Custodial Banking	Administrative Banking	Huntington National Bank/ TOS	\$ 155,000	\$ 118,901	Banking Services
INVESTMENT RELATED			\$ 2,694,215	\$ 2,265,473	
Master Recordkeeper Fees	Master Recordkeeper		\$ 1,532,000	\$ 1,273,135	
		BNYM	\$ 400,000	\$ 286,312	
		Clearwater Analytics	\$ 980,000	\$ 751,498	
		MSCI (Burgiss)	\$ 132,000	\$ 215,325	
Investment Advisory Fees	Investment Consulting & Advisory Services		\$ 450,000	\$ 337,500	
		Wilshire	\$ 450,000	\$ 337,500	Investment Consulting
Performance/Analytics Fee	Performance Analytics Services		\$ 492,416	\$ 468,887	
		Barra-One Risk Mgmt Sys	\$ 238,445	\$ 178,834	Investment Risk Analytics
		BNY Mellon GRS	\$ 137,607	\$ 103,205	Investment Performance Analytics
TECHNICAL			\$ 2,383,426	\$ 1,344,241	
Special Counsel	Special Counsel		\$ 396,000	\$ 213,573	
Technical	Technical		\$ 1,400,912	\$ 603,359	
		Merative	\$ 124,000	\$ 93,000	Data Warehouse
		Sagitec	\$ 590,912	\$ 375,410	SMART Development Resources
		Board Initiative	\$ 100,000	\$ -	Board Initiatives
Other Professional Services	Other Professional Services		\$ 586,514	\$ 527,309	
		Gartner	\$ 105,414	\$ 105,414	Management Consulting
		Managed Security Service Provider (MSSP)	\$ 100,000	\$ 49,854	
OTHER OPERATING EXPENSE			\$ 4,548,745	\$ 3,281,668	
COMPUTER SUPPORT SERVICES			\$ 3,195,613	\$ 2,320,446	
Software Maintenance	Software Maintenance		\$ 1,023,833	\$ 840,464	
		Dell	\$ 280,000	\$ 276,418	Microsoft Enterprise Agreement/ True Up
		Sagitec	\$ 420,000	\$ 350,000	SMART Silver Support
		Hyland	\$ 122,640	\$ 121,810	ImageNow
Software Subscriptions	Software Subscriptions		\$ 1,905,891	\$ 1,376,838	
		DRaaS	\$ 150,000	\$ 135,178	Expedient
		Dynamo	\$ 146,320	\$ 120,978	Dynamo Software, INC
		Carahsoft	\$ 168,152	\$ 168,123	ServiceNow System
		Zoom	\$ 127,000	\$ 101,920	Telecommunication Services
PROPERTY MANAGEMENT LIABILITY INSURANCE			\$ 518,428	\$ 483,838	
	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
PROFESSIONAL SERVICES	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		\$ -	\$ 52,514	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

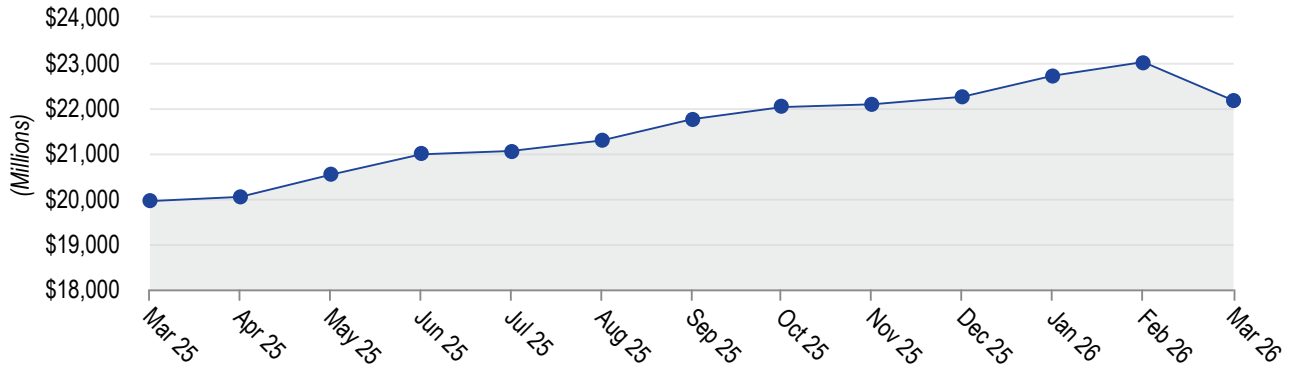
FINANCIAL HIGHLIGHTS

As of March 31 2026 and 2025

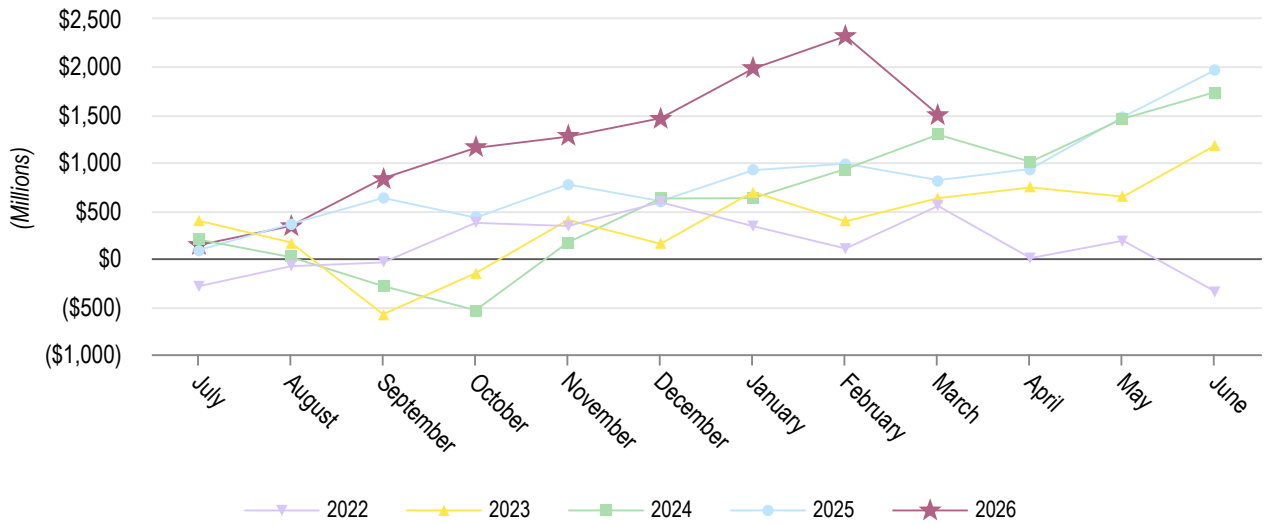
(unaudited)

SERS (ALL FUNDS)	3/31/26 YTD	3/31/25 YTD	Comparative Difference	% Difference
<u>ADDITIONS</u>				
Employer Contributions	\$526,138,322	\$503,615,892	\$22,522,430	4%
Member Contributions	344,063,983	328,151,081	15,912,902	5
Other Income	57,818,486	67,315,089	(9,496,603)	(14)
Total Investment Income, Net	1,504,502,185	818,364,881	686,137,304	84
TOTAL ADDITIONS	2,432,522,976	1,717,446,943	715,076,033	42
<u>DEDUCTIONS</u>				
Retirement, Disability, Survivor & Death Benefits	1,163,366,236	1,108,768,500	54,597,736	5
Health Care Expenses	74,421,646	88,349,674	(13,928,028)	(16)
Refunds & Transfers	83,397,609	67,729,736	15,667,873	23
Administrative Expenses (excluding Investments)	25,535,507	24,414,236	1,121,271	5
TOTAL DEDUCTIONS	1,346,720,998	1,289,262,146	57,458,852	4
Changes in Net Position	1,085,801,978	428,184,797	657,617,181	154
Net Position - Beginning	21,081,732,005	19,520,714,290	1,561,017,715	8
SERS Net Position - Ending	\$22,167,533,983	\$19,948,899,087	\$2,218,634,896	11%
 HEALTH CARE FUND				
<u>HEALTH CARE ADDITIONS</u>				
Employer Contributions	\$45,864,913	\$44,999,990	\$864,923	2%
Health Care Premiums	40,644,579	42,649,535	(2,004,956)	(5)
Federal Subsidies & Other Receipts	17,107,217	23,425,558	(6,318,341)	(27)
Total Investment Income, Net	61,722,836	28,849,520	32,873,316	114
TOTAL HEALTH CARE ADDITIONS	165,339,545	139,924,603	25,414,942	18
TOTAL HEALTH CARE DEDUCTIONS	77,159,353	90,776,903	(13,617,550)	(15)
Changes in Net Position	88,180,192	49,147,700	39,032,492	79
Net Position - Beginning	939,812,471	816,468,867	123,343,604	15
SERS Health Care Fund Net Position - Ending	\$1,027,992,663	\$865,616,567	\$162,376,096	19%

Total SERS Fund Balance for Previous 12 Months



Investment Income (includes realized and unrealized gains & losses)



Health Care Fund Balance Trend



School Employees Retirement System of Ohio
System Year-to-Date Budget Analysis
Through March 31, 2026

	FYTD26					Notes
	FYTD25 Actual	Actual	Budget	Actual to Budget %	Budget to Actual Under/(Over)	
PERSONNEL SERVICES	\$ 20,437,354	\$ 21,932,841	\$ 21,274,096	103.1%	\$ (658,745)	
Salaries & Wages	14,821,144	15,884,392	15,801,356	100.5%	(83,036)	Note 1
PERS Retirement Contributions	1,975,557	2,073,731	2,061,707	100.6%	(12,024)	
Benefits	3,640,653	3,974,718	3,411,033	116.5%	(563,685)	Note 2
PROFESSIONAL SERVICES	4,714,209	4,704,771	5,629,325	83.6%	924,554	
Actuarial Advisors	244,530	320,093	302,275	105.9%	(17,818)	Note 3
Audit Services	152,888	172,439	180,000	95.8%	7,561	
Banking Fees	906,975	856,691	1,007,250	85.1%	150,559	Note 4
Investment Related	1,768,562	2,106,938	2,194,087	96.0%	87,149	Note 5
Medical	33,750	34,500	34,314	100.5%	(186)	
Technical	1,607,504	1,214,110	1,911,399	63.5%	697,289	Note 6
COMMUNICATIONS EXPENSE	702,242	573,691	679,725	84.4%	106,034	
Postage	535,137	453,119	475,595	95.3%	22,476	
Telecommunications Services	54,080	49,270	73,780	66.8%	24,510	Note 7
Member/Employer Education	17,799	901	8,050	11.2%	7,149	
Printing & Publications	95,226	70,401	122,300	57.6%	51,899	Note 8
OTHER OPERATING EXPENSE	3,217,165	3,268,351	4,024,683	81.2%	756,332	
Computer Support Services	2,011,102	2,143,851	2,593,759	82.7%	449,908	Note 9
Office Equipment & Supplies	118,310	114,798	127,772	89.8%	12,974	
Training	122,661	107,581	217,189	49.5%	109,608	Note 10
Transportation & Travel	123,350	116,648	180,065	64.8%	63,417	Note 11
Memberships Subscriptions	184,708	151,720	206,730	73.4%	55,010	Note 12
Property & Mgmt. Liability Insurance	512,467	483,838	518,428	93.3%	34,590	
Maintenance	23,864	25,305	30,925	81.8%	5,620	
Staff Support	69,970	69,344	90,940	76.3%	21,596	
School District Reimbursement	4,899	6,659	7,125	93.5%	466	
Mandatory Costs- ORSC	45,834	48,607	51,750	93.9%	3,143	
TOTAL DEPARTMENT EXPENSES	29,070,970	30,479,654	31,607,829	96.4%	1,128,175	
ADMINISTRATIVE CAPITAL	-	7,457	13,000	57.4%	5,543	
Computer Hardware > \$5,000	-	7,457	13,000	57.4%	5,543	Note 13
Computer Software > \$25,000	-	-	-	0.0%	-	
TOTAL SERS ADMIN EXPENSES	29,070,970	30,487,111	31,620,829	96.4%	1,133,718	
NET BUILDING EXPENSE	1,184,374	1,386,721	1,895,771	73.1%	509,050	Note 14
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 30,255,344</u>	<u>\$ 31,873,832</u>	<u>\$ 33,516,600</u>	<u>95.1%</u>	<u>\$ 1,642,768</u>	

See notes on following page

FYTD = Fiscal Year To Date

Notes to System – Budget Analysis

Year to Date Through March 31, 2026

Note 1: **Salaries & Wages** are over due to incentive pay exceeding plan. Incentive payments were more than anticipated and are based on FY2025 portfolio performance.

Note 2: **Benefits** are over due to more than anticipated group health claims and high prescription claims. This has been off set slightly by stop loss reimbursements and Express Scripts rebates.

Note 3: **Actuarial Services** are over budget due to the actuarial audit crossing over into FY2026. This was anticipated to be completed prior to the beginning of FY26.

Note 4: **Banking Fees** are under due to timing. The March fees were posted in April and are trending under budget monthly.

Note 5: **Investment Related** is under due to timing and realized savings from a change in master recordkeeper vendor. Four months of duplicate fees were budgeted during the transition but only three months were utilized in FY26 to complete the change.

Note 6: **Technical** is under due to invoice and project timing. The penetration test was budgeted for July but is rescheduled for the fourth quarter. Security validation and testing was planned for August, but a vendor has not been selected yet. Consulting for annual information security projects was budgeted for July but will be used during the fourth quarter. Consulting for Perceptive Content was planned for October but has been deferred. Security consulting was planned for September and has not been completed yet. Agile training was budgeted for September but will not be needed this fiscal year. Consulting fees set aside for board initiatives have not been needed year to date. The second half of the website redesign was budgeted to be completed in December but will be completed in the fourth quarter. Additionally, the MSSP renewal was 50k under budget.

Note 7: **Telecommunications Services** is under due to timing. The zoom overage charges are billed monthly, but the anticipated expense for the year was budgeted in July. Additionally, telephone equipment was budgeted, but it has not been needed year to date.

Note 8: **Printing & Publications** are under budget due to savings. There were materials that were budgeted for the first and second quarters that are not needed this fiscal year.

Note 9: **Computer Support Services** are under due to timing and realized savings. Security scanning software, hardware maintenance, software maintenance, and the Microsoft renewal, true up, and copilot were all under budget for the year. The software subscription renewal for Member and Employer Authentication was budgeted for Q2, but this will happen in Q4. The member registration and validation software was budgeted for February, but the invoice has not

been received yet. Data loss prevention software was budgeted for renewal in February, but features from other current technologies will be leveraged rather than renewing. Dark web monitoring and conference room AV equipment upgrades will take place in Q4.

Note 10: **Training** is budgeted throughout the year, and the submission of expense reports can be delayed. Year to date, less training, in-house training, and tuition have been used than budgeted.

Note 11: **Transportation & Travel** – Similar to Training, Travel is budgeted throughout the year. Less travel has been used year to date than budgeted.

Note 12: **Memberships Subscriptions** – The timing of membership renewal can vary and are often renewed on the credit card which is paid in arrears. Additionally, there were dollars set aside for research subscriptions that have not been purchased yet.

Note 13: **Computer Hardware > \$5,000** – is under budget for the year. The cost of the new digital scanner was less than anticipated.

Note 14: **Net Building Expense** is under due to timing. Discovery SID contributions are usually due in July; however, the organization is being turned over to Downtown Columbus Inc. so only contributions through the end of the calendar year were paid in September. Security expenses are under budget year to date. This is largely due to special duty understaffing. The garage charging station maintenance was deferred to this fiscal year and there have been complications securing a service provider causing further delays. Biannual window cleaning was delayed due to pricing increases. The interior window cleaning was billed and paid in March. Wellness center equipment was budgeted for October and has not been purchased yet. The chilling tower replacement was completed under budget. Finally, remodeling projects are still ongoing and lease commission fees are generally paid upon tenant occupation of the space, however, to date there are invoices outstanding for one of the new tenants.

OSERS Broad Street, LLC
Year-to-Date Budget Analysis
Through March 31, 2026

	FY2025 Actuals	FY2026 Budget	FYTD 2026		Budget to Actual Under/(Over)	Notes
			Budget	Actuals		
OPERATING INCOME						
Suite Income	\$ 460,757	\$ 463,683	\$ 312,955	\$ 326,758	(13,803)	Note 1
Parking Income	280,225	275,175	207,000	205,006	1,994	
Miscellaneous Income	1,848	-	-	1,350	(1,350)	
	<u>742,830</u>	<u>738,858</u>	<u>519,955</u>	<u>533,114</u>	<u>(13,159)</u>	
OPERATING EXPENSES						
Property Management & Labor	305,000	305,000	228,750	228,750	-	
Administrative Services	7,389	8,350	1,050	612	438	
Building Maintenance	1,111,696	1,247,542	935,881	849,872	86,009	Note 2
Utilities	382,368	414,060	310,295	311,565	(1,270)	
Building & Equipment Insurance	73,057	78,000	78,000	71,920	6,080	
Real Estate Taxes	285,075	287,500	151,500	143,916	7,584	
	<u>2,164,585</u>	<u>2,340,452</u>	<u>1,705,476</u>	<u>1,606,635</u>	<u>98,841</u>	
NON-OPERATING EXPENSES						
Lease Commission Fees	173,951	108,000	82,000	13,102	68,898	Note 3
Special Counsel Fees	8,338	5,000	5,000	3,275	1,725	
Building Remodeling	638,083	885,000	727,000	445,418	281,582	Note 4
	<u>820,372</u>	<u>998,000</u>	<u>814,000</u>	<u>461,795</u>	<u>352,205</u>	
CAPITAL						
Leasehold Improvements	-	125,000	125,000	80,155	44,845	Note 5
	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>80,155</u>	<u>44,845</u>	
TOTAL	\$ 2,242,127	\$ 2,724,594	\$ 2,124,521	\$ 1,615,471	509,050	

FY - Fiscal Year

FYTD - Fiscal Year To Date

Notes to OSERS Broad Street, LLC Year-to-Date Budget Analysis Through March 31, 2026

- Note 1: **Suite Income** is over due to receiving income from a new tenant while they temporarily occupied space prior to the completion of renovations on their permanent space.
- Note 2: **Building Operations & Maintenance** are under budget for various reasons. The security costs are under YTD due to less than anticipated staffing. The biannual window cleaning was reduced from by-annual to once a year due to the cost and has only been partially billed. The garage charging station maintenance was deferred to this fiscal year, but there are still challenges with securing a service provider. Wellness center equipment was budgeted for October but has not been purchased yet.
- Note 3: **Lease Commission Fees** are under due to timing. Typically, fees are paid at lease signing and space occupation. To date we have not received invoices for one of the new tenants.
- Note 4: **Building Remodeling** is under due to timing. A remodeling project has been delayed while waiting to obtain city permits. The invoices will be submitted as the work is completed.
- Note 5: **Leasehold Improvements** are under due to realized savings. The chilling tower replacement was completed in January, and the project was completed under budget for the year.

Memo

To: Retirement Board
From: Richard Stensrud, Executive Director
CC: Karen Roggenkamp, Deputy Executive Director
Date: May 12, 2026
Re: FY2027 Budget Review

At the meeting in May, you will receive the proposed FY2027 Administrative Budgets for SERS and OSERS Holdings, LLC. At the June meeting, we will request approval of these budgets through separate resolutions: One for SERS' operating budget and one for the transfer of funds to OSERS Holdings, LLC to cover the net operating expenses of OSERS Broad Street, LLC.

As noted in the letter to the Board found in the front of the Budget Book, the proposed budget reflects an increase of 2.4% over the FY2026 budget and a 4.6% increase over the FY2026 projected expenses. But-for the mandated funding for the ORSC's Fiduciary Audit, the budget increase over the FY2026 budget would have been 0.7%.

Chief Financial Officer Marni Hall will review the budget materials with you and answer any questions you may have.

TEN YEAR BUDGET EVALUATION

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
5 Budget	33,319,319	34,366,777	34,952,799	34,602,197	36,112,092	37,686,576	38,750,339	41,233,165	7 43,666,264
Actual	31,553,053	33,480,365	33,001,426	32,847,673	35,190,171	35,537,378	37,321,917	41,150,593	6 42,746,791
Variance - under budget	1,766,266	886,412	1,951,373	1,754,524	921,921	2,149,198	1,428,422	82,572	919,473
Budget Inc/Dec %	-0.45%	3.14%	1.71%	-1.00%	4.36%	4.36%	2.82%	6.41%	5.90%
1 Budget Utilization %	94.7%	97.4%	94.4%	94.9%	97.4%	94.3%	96.3%	99.8%	97.9%
Percentage of Assets									
Financial Position	14,706,362,726	15,008,099,540	14,902,434,903	18,440,611,356	17,574,319,449	17,574,319,449	19,193,072,614	21,081,732,005	2 22,167,533,983
3 Budget to Net Position %	0.238%	0.234%	0.233%	0.232%	0.196%	0.214%	0.220%	0.215%	0.207%
Actuarial Accrued Liability (AAL) (as of June 30)									
Actuarial Accrued Liabilities	19,997,700,966	20,527,251,448	21,033,809,319	21,529,757,004	22,371,468,812	23,084,316,697	23,820,116,970	24,584,159,753	8 25,561,034,970
4 Budget to AAL	0.170%	0.172%	0.170%	0.165%	0.168%	0.168%	0.168%	0.173%	0.178%

Notes:

- 1 Budget Utilization = Administrative expenses are "draws" from the Pension Trust Funds. When fiscal year actuals are lower than Budget, the variance is retained in the Pension Trusts
- 2 Unaudited March 2025 Financial Statement Net Position
- 3 Budget to Net Position % - the budget year of the column/the previous year Financial Position (e.g. 0.215% under FY2025 Budget to Net Position % is the FY2025 Budget/FY2024 Financial Net Position)
- 4 Budget to AAL % = the budget year of the column/the previous year AAL (e.g. 0.173% under FY 2025 Budget to AAL% is the FY2025 Budget/FY2024 AAL). FY2025 AAL is estimated to be the same as FY2024 for this calculation.
- 5 Budget includes operating and capital budgets, but not Technology Road Map (TRM)
- 6 FY26 Actual is a forecast based on 9 months of actual expense plus 3 months of forecast
- 7 FY26 budget amended to add \$500,000 for tenant remodeling and commission fees
- 8 6/30/26 AAL estimated to equal AAL after the completion of the 6/30/25 experience study

Metrics for measuring budget:

- Expense Ratio - Admin expense as a % of assets under management
- Budget to AAL (more consistent)
- Budget Utilization % - Target is 95-100% - Funds are utilized as planned



FY2027 ADMINISTRATIVE BUDGET

May 21, 2026

GOALS & OBJECTIVES



- Budget Policy/Process
- Review the Proposed FY2027 Budget
- Questions / requests for future meetings
- No action required today

BUDGET POLICY



The Retirement Board shall be responsible for:

- Approving the Administrative Budget before the start of the budget fiscal year.
- Approving authority levels for capital contributions to any SERS-controlled LLCs.
- Expenditures exceeding 110% of the approved Administrative Budget for any Major Category **or** total expenditures over the approved budget require prior approval from the Retirement Board
- The approved Administrative Budget is the expenditure authority given to the Executive Director by the Retirement Board.

MAJOR CATEGORIES



Personnel

- Salaries & Wages
- Employee benefits



Professional Services

- Audit
- Actuarial
- Investment related services
- Technical consulting services



Communications

- Printing & Postage
- Member/Employer Education
- Telecommunications



Other Operating Expenses

- Computer Support Services
- Network Security
- Travel & Transportation
- Liability Insurance
- Employee Professional Growth
- Office Equipment & Supplies



Capital Items

- Computer Hardware > \$5k
- Computer Software > \$25k
- Other Equipment



Broad St. LLC

- Operating Expenses
- Capital Items

BUDGET MONITORING



- **Administrative Expense Report**
Detailed information of all expenses in that month. Provided to the Board, monthly agenda item, and posted to SERS website.
- **Parameters Report**
All budgeted purchases in excess of \$100,000 and all unbudgeted projects. Provided to the Board monthly and a quarterly agenda item.
- **Monthly Financial Reports**
Financial reports including a budget-to-actual and year-to-date Administrative Budget report prepared and reviewed by management.
- **Quarterly Financial Updates**
Financial reports presented to the Board which includes review of budget-to-actual and year-to-date administrative expenses.



BUDGET PROCESS



- Inventory standard business processes
 - Staffing necessary to deliver services
 - Fixed costs from existing contracts
 - Estimated costs from future contracts/projects
- FY2026 financial review and what carries over into FY2027
- Strategic Planning
 - Ensure projects are linked to strategic plan
- New Capital Projects
- Map out planned expenses by month

ACCOMPLISHMENTS IN FY2026



- **Professional Services**

- Administrative - Board appointed a new Chief Audit Officer and completed several comprehensive audits
- Actuarial and Financial
 - Finalized the quinquennial experience study
 - Completed the check clearing project from Treasurer of State to Huntington National Bank
- Strategy
 - Implemented year two of the 5-year strategic plan

ACCOMPLISHMENTS IN FY2026, CONT.



- **Technology/Information Security**

- Continued the expansion of risk management integration into all business processes including fraud prevention and security tools
- Implemented Live Chat for Employers and Members in SMART - SERS' pension administration system
- Completed the Refund Reimagination project giving the ability to complete application online
- Completed enhancements to the network and server infrastructure

- **Net Building Occupancy Costs**

- Increased revenue and tenant occupancy; SERS rents half of the 1st floor and all the 3-5 floors to outside tenants

FY2027 PROPOSED PROJECTS



- Retirement system 10-year fiduciary performance audit
- Implementation of new security tools and consulting services to better protect SERS data and systems
- Customization of SMART to accommodate School District Income Tax withholding as mandated by House Bill 96
- System portal enhancements focusing on modernization, fraud prevention and security
- Additional SMART enhancements for improved automation and efficiencies for multiple processes across departments
- Network and server infrastructure improvements focusing on backup and recovery and evaluation of security tools
- Year three implementation of the 5-year strategic plan

CALENDAR



First Draft	Early February
Review by Executive Mgmt.	Early March
ORSC Draft ready for Board	Early April
Presentation of ORSC info	Late April
Initial Board Presentation	May
Vote by Board	June

FY2027 BUDGET SUMMARY



Budget Category	FY2027 Budget	FY2026 Budget	FY2026 Forecast	Budget Change % (+/-)
Salaries & Wages	\$ 21,776,591	\$ 21,172,870	\$ 21,049,506	2.9%
OPERS Retirement Contributions	2,929,460	2,791,267	2,776,110	5.0%
Benefits	4,809,663	4,550,082	5,491,093	5.7%
PERSONNEL	29,515,714	28,514,219	29,316,709	3.5%
Actuarial	367,000	357,700	403,926	2.6%
Audit Services	980,000	220,000	178,439	345.5%
Custodial Banking Fees	1,080,000	1,188,000	1,014,834	-9.1%
Master Recordkeeper	1,300,000	1,532,000	1,435,443	-15.1%
Investment Consulting	1,122,445	1,162,215	1,134,223	-3.4%
Other Consulting	2,399,868	2,429,551	2,022,836	-1.2%
Banking Expense	145,000	155,000	144,607	-6.5%
PROFESSIONAL SERVICES, INCLUDING INVESTMENT COSTS	7,394,313	7,044,466	6,334,308	5.0%
Printing & Postage	840,640	718,610	675,135	17.0%
Telecommunications	86,708	90,040	59,415	-3.7%
Member/Employer Education	12,150	12,590	9,405	-3.5%
COMMUNICATIONS	939,498	821,240	743,955	14.4%
Conferences & Education	257,373	266,409	157,771	-3.4%
Travel	246,920	231,120	183,338	6.8%
Computer Support Services	3,714,458	3,195,613	2,876,825	16.2%
Other Operating Expenses (Insurance, Maintenance, Memberships, Supplies)	1,065,080	1,091,603	977,852	-2.4%
Ohio Retirement Study Council	72,000	69,000	64,809	4.3%
OTHER OPERATING	5,355,831	4,853,745	4,260,595	10.3%
TOTAL OPERATING	43,205,356	41,233,670	40,655,567	4.8%
Furniture & Equipment > \$5,000	30,150	-	-	0.0%
Computer Hardware > \$5,000	-	13,000	7,457	-100.0%
Computer Software > \$25,000	-	-	-	0.0%
Vehicles	-	-	-	0.0%
CAPITAL	30,150	13,000	7,457	131.9%
NET BUILDING OCCUPANCY EXPENSE	1,489,134	2,419,594	2,083,767	-38.5%
TOTAL OPERATING AND CAPITAL BUDGETS	\$ 44,724,640	\$ 43,666,264	\$ 42,746,791	2.4%

PROPOSED FY2027 DRAFT BUDGET



- Comparison of FY2027 proposed to FY2026 budget and FY2026 forecast

Budget Category	Budget		Forecast
	FY2027	FY2026	FY2026
Personnel	\$ 29,515,714	\$ 28,514,219	\$ 29,316,709
Professional Services	\$ 7,394,313	\$ 7,044,466	\$ 6,334,309
Communications	\$ 939,498	\$ 821,240	\$ 743,955
Other Operating Expense	\$ 5,355,831	\$ 4,853,745	\$ 4,260,594
Capital	\$ 30,150	\$ 13,000	\$ 7,457
Net Building Occupancy	\$ 1,489,134	\$ 2,419,594	\$ 2,083,767
TOTAL ADMINISTRATIVE BUDGET	\$ 44,724,640	\$ 43,666,264	\$ 42,746,791

RECONCILIATION OF CHANGES FROM FY2026 BUDGET TO FY2027 BUDGET



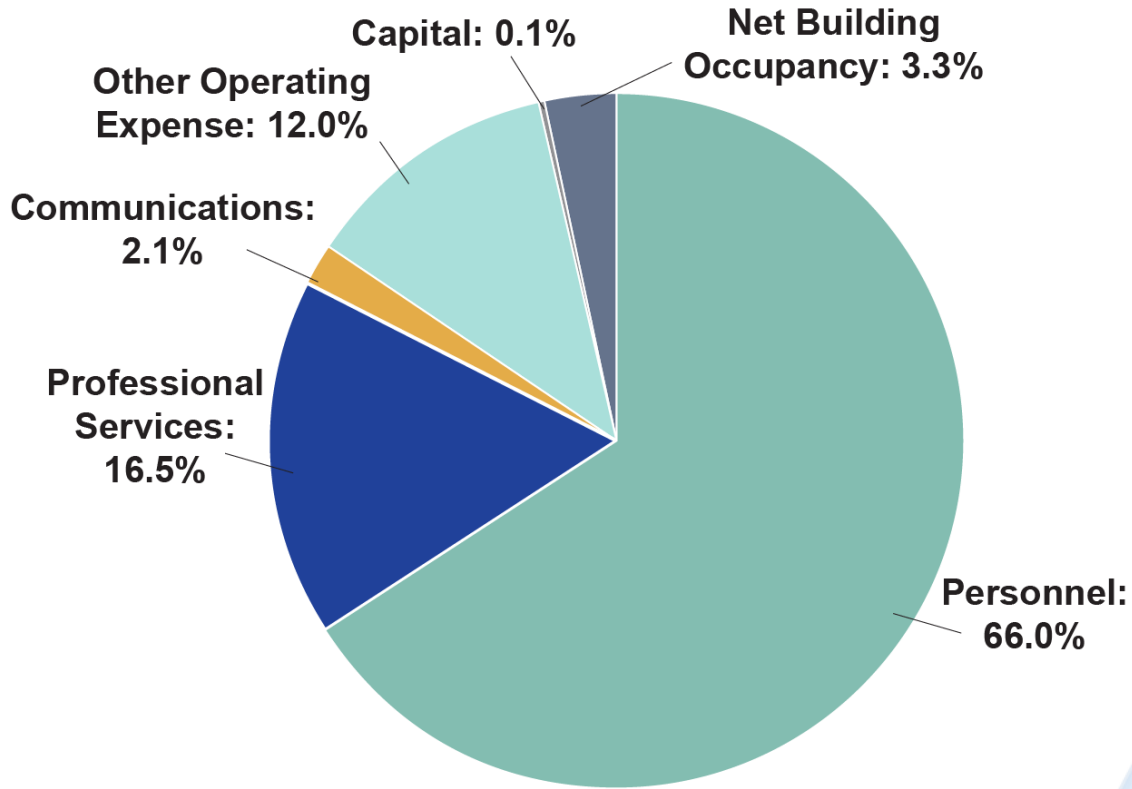
FY2026 Budget	\$43,666,264	
Personnel Services	\$ 1,001,495	<ul style="list-style-type: none"> ▪ Increase due to salary adjustments and recommended 4.0% performance-based merit pool ▪ Increase in requisite retirement contributions ▪ Increase in actuarial derived employee medical benefits based on claims and previous years experience ▪ Offset by reduction in sick leave expense. FY2026 sick leave expense was higher as more staff approached retirement eligibility status
Professional Services	\$ 349,847	<ul style="list-style-type: none"> ▪ Increase for planned pension system fiduciary performance audit as required by statute (appr. \$750,000) ▪ Offset by <ul style="list-style-type: none"> ▪ Decrease in Master Recordkeeper fees ▪ Decrease in Custodial Banking fees based on current terms and transaction volume
Communications	\$ 118,258	<ul style="list-style-type: none"> ▪ Increase due to an active board election and rising cost of postage
Other Operating	\$ 502,086	<ul style="list-style-type: none"> ▪ Increase due to cost of annual software subscriptions and licenses ▪ Increase due to expansion of cyber security tools to protect hardware, systems, and data. Protects against fraud, requires additional authentication, improves threat monitoring, and manages vulnerabilities ▪ Increase in software subscriptions as SERS continues to migrate to cloud based solutions, reducing need for capital purchases.
Capital	\$ 17,150	<ul style="list-style-type: none"> ▪ FY2027 includes the replacement of a stand-alone postage machine and inline meter
OSERS Broad Street LLC	\$ (930,460)	<ul style="list-style-type: none"> ▪ Decrease due to completion of several tenant improvement projects which also led to increased tenant revenue
FY2027 Budget Requested	\$ 44,724,640	\$1.06 million or 2.4% increase

RECONCILIATION OF CHANGES FROM FY2026 FORECAST TO FY2027 BUDGET



FY2026 Forecast	\$42,746,791	
Personnel Services	\$ 199,005	<ul style="list-style-type: none"> ▪ Increase due to salary adjustments and performance-based merit pool of 4.0% ▪ Increase in requisite retirement contributions ▪ Offset due to <ul style="list-style-type: none"> ▪ Decrease in sick leave expense due to fewer staff nearing retirement eligibility ▪ Decrease in expected medical claims after FY2026 had higher than expect high claimants
Professional Services	\$ 1,060,005	<ul style="list-style-type: none"> ▪ Increase for planned pension system fiduciary performance audit as required by statute ▪ Increase in technical consulting to continue advancements in the pension administration system, cyber resilience and business continuity
Communications	\$ 195,543	<ul style="list-style-type: none"> ▪ Increase due to an active board election and rising cost of postage
Other Operating	\$ 1,095,236	<ul style="list-style-type: none"> ▪ Increase due to cost of annual software subscriptions and licenses ▪ Increase due to expansion of cyber security tools to protect hardware, systems, and data. Protects against fraud, requires additional authentication, improves threat monitoring, and manages vulnerabilities ▪ Increase in software subscriptions as SERS continues to migrate to cloud based solutions, reducing need for capital purchases. ▪ Increase in cloud storage
Capital	\$ 22,693	<ul style="list-style-type: none"> ▪ FY2027 includes the replacement of a stand-alone postage machine and inline meter
OSERS Broad Street LLC	\$ (594,633)	<ul style="list-style-type: none"> ▪ Decrease due to completion of several tenant improvement projects which also led to increased tenant revenue. The tenant improvements expect to be completed for less than originally planned
FY2027 Budget Requested	\$ 44,724,640	\$1.98 million or 4.6% increase

FY2027 OPERATING BUDGET BY CATEGORY

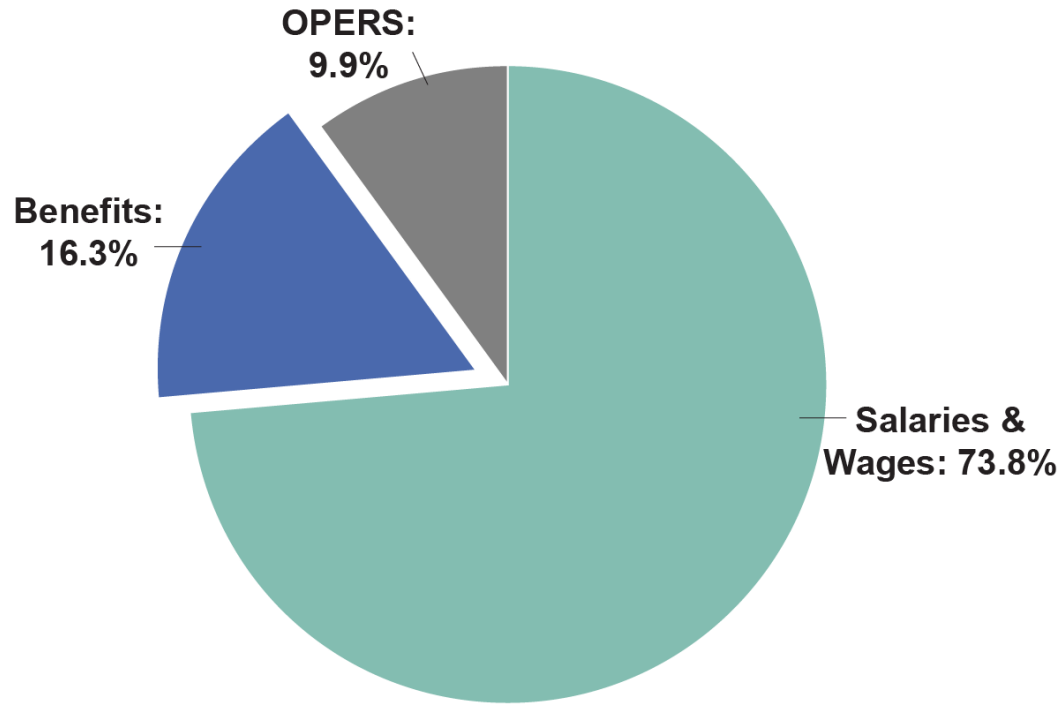


Budget Category	FY2027
Personnel	\$29,515,714
Professional Services	\$7,394,313
Communications	\$939,498
Other Operating Expense	\$5,355,831
Capital	\$30,150
Net Building Occupancy	\$1,489,134
TOTAL OPERATING	\$44,724,640

PROPOSED FY2027 DRAFT BUDGET



Personnel



Personnel Budget	FY2027
Salaries & Wages	\$ 21,776,591
Benefits	\$ 4,809,663
OPERS Retirement Contributions	\$ 2,929,460
Total	\$ 29,515,714

66.0% of the Total Budget
(3.5% increase)

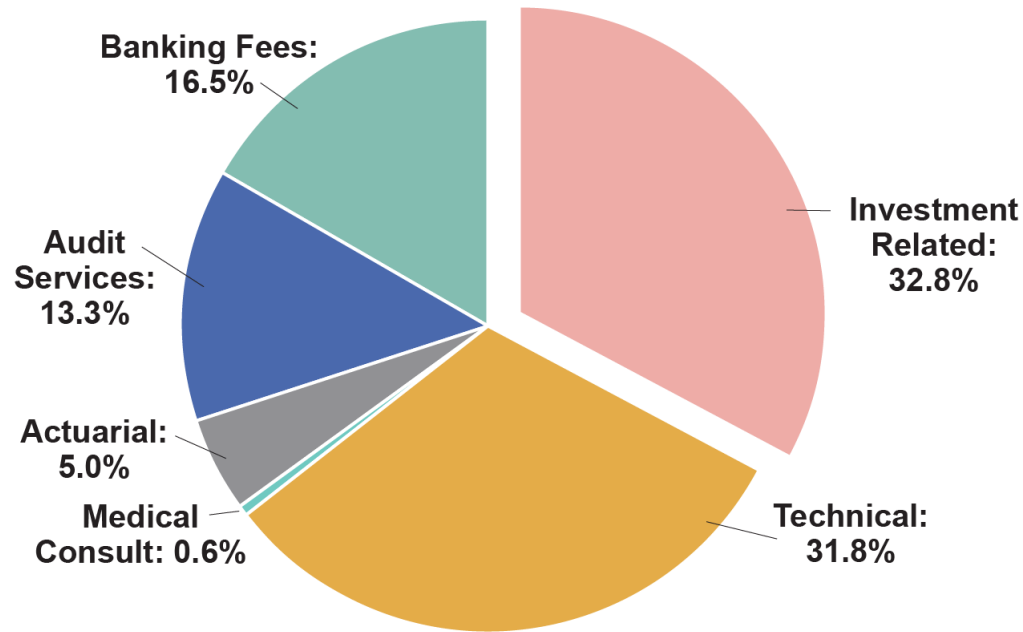
FY2027 Budget Summary:

- No change in FTE = 185
- Performance-based merit
- Increase in benefits due to rising health care costs
- Decrease in sick leave expense as no additional staff are within five years of retirement

PROPOSED FY2027 DRAFT BUDGET



Professional Services



16.5% of the Total Budget
(5.0% increase)

FY2027 Budget Summary:

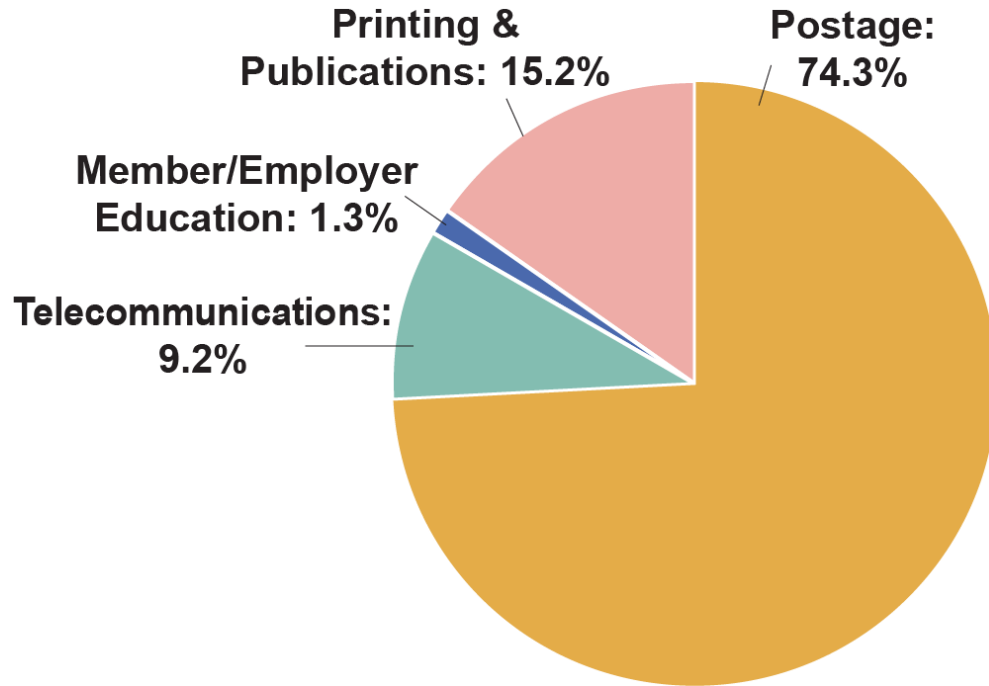
- Audit fee – increase due to Pension System Fiduciary Audit – every ten years
- Banking and Custodial fees – decrease due to fee schedule and transaction volume
- Investment Related includes master recordkeeping, performance analytics, risk and board investment consulting fees
- Technical Consulting includes safeguarding data\systems, website redesign and annual increase in support costs

Professional Services	FY2027
Investment Related	\$ 2,422,445
Technical	\$ 2,351,868
Medical Consult	\$ 48,000
Actuarial	\$ 367,000
Audit Services	\$ 980,000
Banking Fees	\$ 1,225,000
Total	\$ 7,394,313

PROPOSED FY2027 DRAFT BUDGET



Communications



Communications	FY2027
Postage	\$ 698,240
Telecommunications	\$ 86,708
Member/Employer Education	\$ 12,150
Printing & Publications	\$ 142,400
Total	\$ 939,498

2.1% of the Total Budget
(14.4% increase)

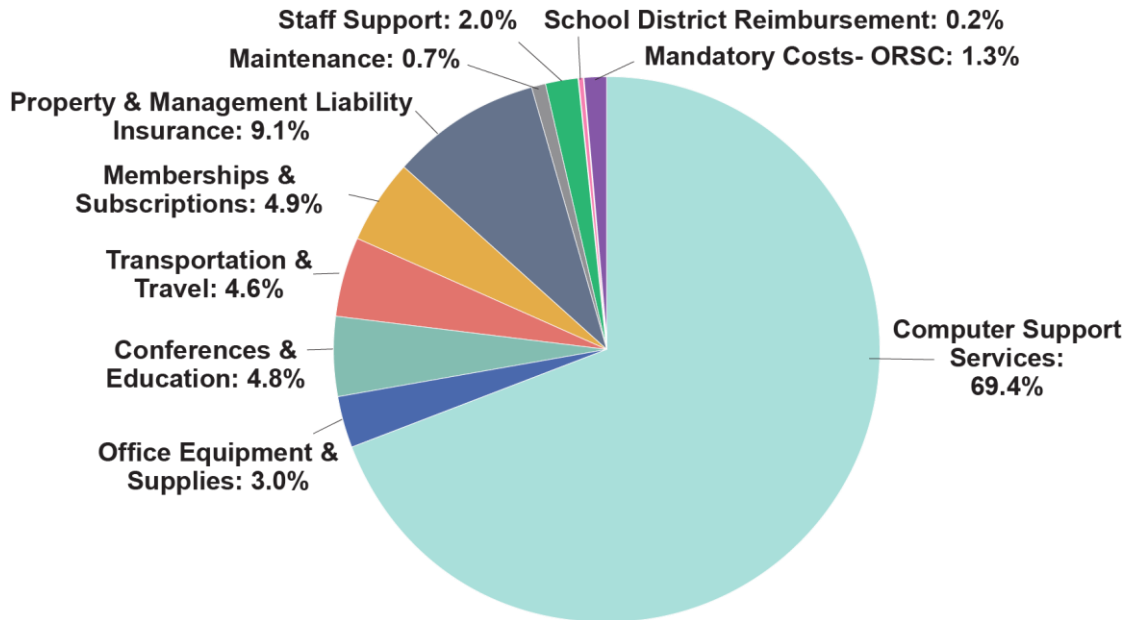
FY2027 Budget Summary:

- **Printing and Postage:**
 - Increase due to Active Board Member planned election and increased postage costs
- **Telecommunication** - includes web services, video/audio communication resources
- **Member/Employer Education** - includes costs associated with conducting meetings and outreach services

PROPOSED FY2027 DRAFT BUDGET



Other Operating Expenses



12.0% of the Total Budget
(10.3% increase)

FY2027 Budget Summary:

- Computer Support Services – includes Hardware and Software Maintenance as well as Software Subscriptions
 - New Information security tools
- Conferences, Education and Travel
- Memberships and Subscriptions
- Property and Fiduciary Insurance
- Staff Support
- Mandatory ORSC costs
- Reimbursement from OSERS Broad Street, LLC for Leased Services

Other Operating Expense	FY2027
Computer Support Services	\$ 3,714,458
Office Equipment & Supplies	\$ 160,379
Conferences & Education	\$ 257,373
Transportation & Travel	\$ 246,920
Memberships & Subscriptions	\$ 264,320
Property & Management Liability Insurance	\$ 485,221
Maintenance	\$ 37,565
Staff Support	\$ 106,885
School District Reimbursement	\$ 10,710
Mandatory Costs- ORSC	\$ 72,000
Reimbursement of Leased Services	\$ (305,000)
Total	\$ 5,050,831

PROPOSED FY2027 DRAFT BUDGET



ADMINISTRATIVE CAPITAL

0.0% of the Total Budget

FY2027 Budget Summary:

- **Capital Priorities** - replacement of stand-alone postage machine and inline meter

BROAD STREET CAPITAL

0.34% of the Total Budget

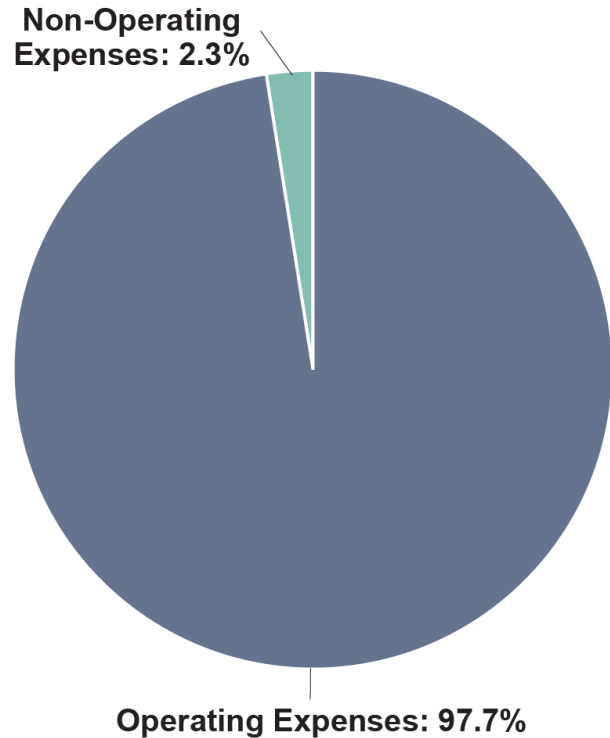
Capital Priorities for FY2027-FY2029

- Service elevator upgrade
- Generator
- Roof

PROPOSED FY2027 DRAFT BUDGET



OSERS Broad Street



OSERS Broad Street, LLC	FY2027
Operating Expenses	\$ 2,582,772
Non-Operating Expenses	\$ 60,000
Total	\$ 2,642,772

**3.3 of the Total Budget
(38.5% decrease)**

FY2027 Budget Summary:

Operating Revenue – includes Suite Lease revenue for tenants and parking

- **Operating Expenses**
 - Property Management and Labor
 - Other Administrative Expenses
 - Building Operations and Maintenance
 - Utilities and Building/Equipment Insurance
- **Non-Operating Expenses**
 - Special Counsel
 - Remodeling – significant reduction after completion of recent tenant renovations

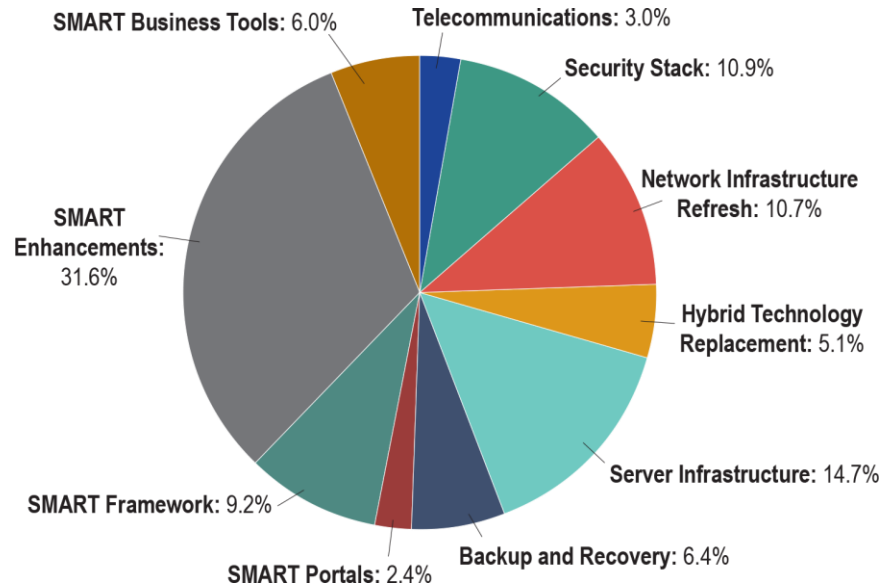
OSERS BROAD STREET LEASING



- In FY26 Increased occupancy from 49% to 84% for leasable space
- Parking revenue is at capacity for outside customers
- Space available for tenants is about 58,000 square feet:
 - Currently occupied 84%
 - Interest continues for remaining space
- Draft FY27 budget might change if new contracts are signed prior to June 2026



FIVE-YEAR TECHNOLOGY ROADMAP BUDGET



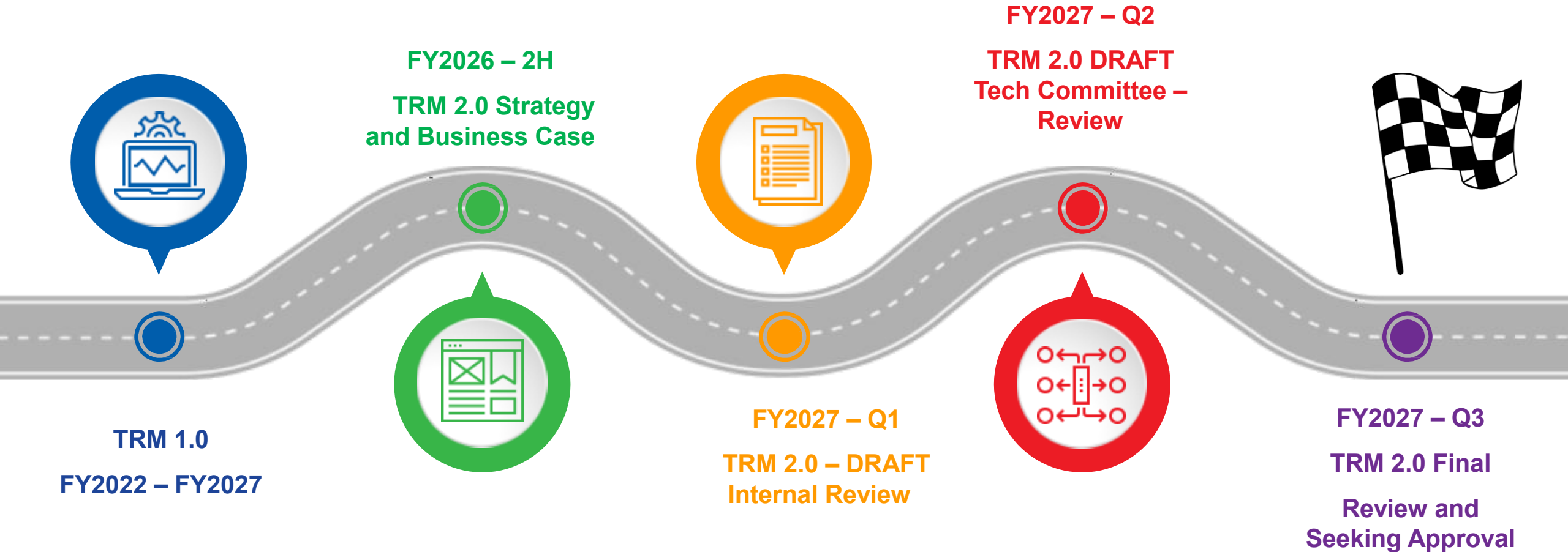
Description	FY2023 - FY2027
Telecommunications	\$ 250,000
Security Stack	\$ 899,600
Network Infrastructure Refresh	\$ 886,000
Hybrid Technology Replacement	\$ 419,000
Server Infrastructure	\$ 1,216,700
Backup and Recovery	\$ 532,754
SMART Portals	\$ 196,000
SMART Framework	\$ 760,000
SMART Enhancements	\$ 2,623,000
SMART Business Tools	\$ 500,000
SMART Total	\$ 4,079,000
Infrastructure Total	\$ 4,204,054
Total Project Budget	\$ 8,283,054

Planned FY2027 Technology Enhancement Projects

Description	Amount
Telecommunications	\$ 50,000
Security Stack	\$ 542,000
Network Infrastructure Refresh	\$ -
Hybrid Technology Replacement	\$ 112,000
Server Infrastructure	\$ 20,000
Backup and Recovery	\$ 567,750
SMART Portals	\$ 300,000
SMART Framework	\$ 125,000
SMART Enhancements	\$ 708,505
SMART Business Tools	\$ 50,000
SMART Total	\$ 1,183,505
Infrastructure Total	\$ 1,291,750
Total FY2027 Budget	\$ 2,475,255

- 57.4% forecasted spend through FY2026
- 29.9% planned for FY2027
- 12.8% of the total project remaining
- Progress is reported quarterly at the board technology committee

TECHNOLOGY ROADMAP 2.0 DEVELOPMENT



QUESTIONS?





ADMINISTRATIVE BUDGET **FY2027**

School Employees Retirement System of Ohio
Serving the People Who Serve Our Schools®

SERS is a public defined benefit pension fund that provides pensions and access to health care coverage for the people who serve our schools.



School Employees Retirement System of Ohio
Serving the People Who Serve Our Schools®

CORE BELIEFS

- We are here to serve.
- We are open and honest.
- We are professional.
- We are dedicated.
- We are enthusiastic.
- We are high performers.
- We are valuable partners.
- We are member advocates.
- We are innovators.
- We are SERS.**

SERS AT A GLANCE



9 MEMBERS OF THE RETIREMENT BOARD with fiduciary responsibility for the oversight of general administration and management of the Retirement System



165,280 ACTIVE MEMBERS (person contributing to or with contributions on account at SERS)



1,085 EMPLOYERS (an entity whose employees are required by law to contribute to SERS)



185 SERS EMPLOYEES



\$1,465 AVERAGE MONTHLY BENEFIT



83,327 ALL BENEFIT RECIPIENTS



1937 THE YEAR School Employees Retirement System of Ohio was established.

SERS is located at 300 East Broad Street, Columbus, Ohio, or online at www.ohsers.org. All statistical information obtained from SERS' 2025 Annual Financial Report publication.



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

RICHARD STENSRUD
Executive Director

KAREN D. ROGGENKAMP
Deputy Executive Director

May 21, 2026

Dear Chairperson Rossler and SERS Retirement Board Members:

We are pleased to present the Retirement Board with the proposed FY2027 Administrative Budget, which supports our approximately 249,000 active members, retirees, and beneficiaries with valuable pension benefit programs and health care services.

FY2026 Recap

In FY2026, several significant accomplishments were achieved. The actuarial audit commissioned by the Ohio Retirement Study Council was successfully completed. Additionally, the quinquennial experience study was finalized, providing valuable insights into long-term trends and plan performance. The master recordkeeper conversion was also accomplished, streamlining operations and enhancing data management capabilities. Furthermore, the Board appointed a new Chief Audit Officer, strengthening leadership and oversight within the organization.

We completed the fourth year of the Five-Year Technology Roadmap budget to ensure IT infrastructure and SMART enhancements meet the needs of our members. Furthermore, FY2026 was the second year of the 5-year Strategic Plan that was developed in FY2024.

The total budget for FY 2026 was \$43.67 million. We anticipate closing the year at \$42.75 million or 2.1% below budget.

Administration

- Completed audits of IT infrastructure; undue influence; conflict of interest and investment incentive compensation; required minimum distribution; MSS portal; purchasing; and identity and access management.
- Investments completed an asset/liability study with the assistance of its general investment consultant. The study will shape SERS' investing focus for the next five years.
- Launched an internal job shadowing pilot program designed to promote professional growth, cross departmental learning, and internal mobility within SERS.
- Launched the Emerging Leader Program designed to identify and cultivate future leaders.
- Initiated the email governance project, the last major phase of the Information Governance roadmap.
- Increased building revenue and tenant occupancy.
- Replaced building cooling towers.

Technology/Information Security

- Full implementation of micro-segmentation tools for stronger network security and isolation to prevent lateral movements by a bad actor.
- Enhanced vendor management with the implementation of a cyber risk intelligence platform supporting SERS' cyber risk management and reduction of supply chain risk.
- SERS AI Oversight Committee has approved Microsoft Copilot, Smart Bear AI (for IT testing), and is evaluating GenAI coding platforms software to boost efficiency.



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

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RICHARD STENSRUD
Executive Director

KAREN D. ROGGENKAMP
Deputy Executive Director

- Conducted cyber tabletop and third-party attack and penetration testing enhancing our preparedness.
- Implemented an application allow-listing tool aligned with the SERS security strategy, enhancing safeguards against unauthorized or high-risk applications.
- Decreased Cybersecurity Insurance Cost by 9% from FY25 due to Operations/Security efforts. Demonstrated strong security posture and generated direct financial savings for SERS.
- Completed a successful fiscal year disaster recovery exercise, incorporating full IT and business testing to validate operational resilience and demonstrate comprehensive business continuity readiness.
- Completed software updates across several environments, ensuring optimal performance, compatibility, and ongoing supportability.

Employers and Membership

- Implemented Live Chat feature for Employers and Members to allow another option to get support and ask questions.
- Improved security awareness and fraud prevention with the implementation of Brand Indicators for Message Identification (BIMI) for outgoing emails, digital identity verification tool for the member portal to support online refund processing, and focused fraud training.

Five-Year Technology Roadmap Projects

- Completed the online refunds project (Refund

Reimagination) this will allow members with \$5,000 or less in their account to complete the refund application online.

- Implemented Identity Validation in the MSS Portal to strengthen fraud prevention for Online Refund processing.
- Completed the Microsoft Office migration to the latest version, ensuring pension system remains secure.
- Upgraded Planet Press Software to better position SERS to enhance member communication.
- Completed the check clearing conversion project from Treasurer of State[MH1.1] to Huntington National Bank.
- Enhanced General Ledger (GL) functionality to streamline accounting processes and improve audit visibility and control.
- Replaced library utility that supports correspondence in the pension administration system to a solution that would enhance the system's stability, security and performance.
- Completed the Web Content Accessibility Compliance project. This will ensure all web content on SERS portals complies with the federal standard mandated by the Department of Justice.
- Completed the Annual Statement and Estimate Enhancement project which will provide more accurate retirement estimates and on target to complete improvements to Member Enrollment processing to reduce inaccurate data being processed.
- Prepped the older server cluster for repurposing into the virtual desktop environment, maximizing hardware value and enabling cost efficient resource utilization.



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RICHARD STENSRUD
Executive Director

KAREN D. ROGGENKAMP
Deputy Executive Director

FY2027 Budget Request

The proposed FY2027 budget of \$44.7 million reflects a 2.4% increase over the FY2026 budget and a 4.6% increase over the FY2026 projected expenses. The significant drivers include a budgeted salary merit pool increase of 4.0% salary adjustments based on CBIZ recommendations to align with current market conditions; an expected increase in employee health care expenses based on actuarial rates derived from actual plan claims and health care cost trends; cost for a pension system fiduciary performance audit; cyclical professional services; expansion of security software; costs for an active member election; and the purchase of a stand-alone postage machine and inline meter. These increases were offset by a reduction in sick leave expense due to fewer SERS' employees reaching certain retirement eligibility criteria in FY2027 as compared to FY2026. In addition, net building occupancy costs decreased after the completion of several tenant renovations in FY2026, which also grew tenant revenue.

Additional budget adjustments include:

- Recruitment of the Executive Director
- Member portal improvements
- Continued expansion of information governance project
- Customization of SMART to accommodate School District Income Tax withholding as mandated by House Bill 96
- Increase in building revenue due to new tenant acquisitions
- Service elevator upgrade due to equipment age and parts availability
- Third-year implementation costs for initiatives included in the five-year strategic plan.

The financials include the last year of the five-year Technology Project Enhancement Roadmap approved in FY2023. Forecasted FY2027 projects total \$2.48 million. Projects slated for FY2027 are as follows:

- SMART portal enhancements focusing on modernization, fraud prevention and security
- Additional SMART enhancements for improved automation and efficiencies for multiple processes across areas
- Evaluation of the Communications Engine functionality available in SMART
- Incorporation of GenAI tools to be integrated within the systems
- Network and server infrastructure improvements focusing on backup and recovery and evaluation of security tools
- Security and fraud prevention
- Evaluation of telecommunication capabilities
- Hardware and software technology refresh

We appreciate your consideration of this budget and look forward to discussions regarding its contents.

Respectfully,

Richard Stensrud
Executive Director

Marni Hall, CPA
Chief Financial Officer



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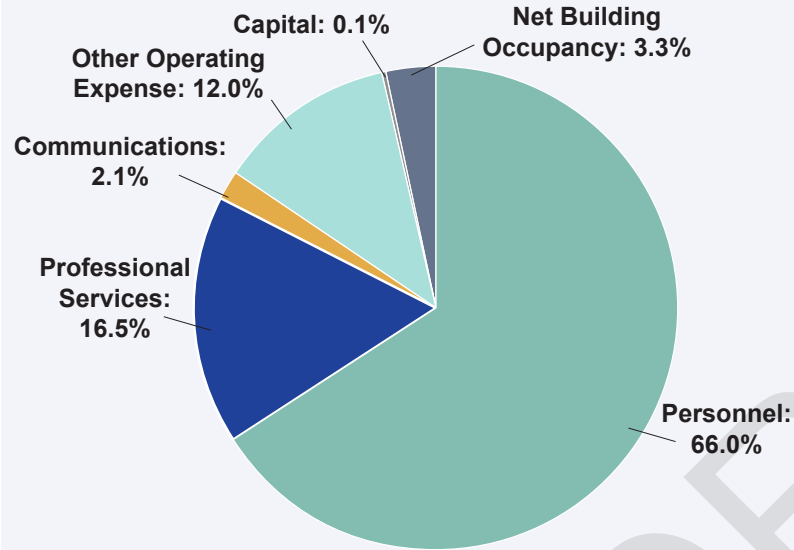


BUDGET OVERVIEW

Category and Description	FY2027 Budget	\$ 44,724,640
PERSONNEL		\$ 29,515,714
A performance-based merit pool of 4.0%, salary adjustments based on recommendations from the compensation advisory consultants to align with current market conditions, retirement contributions, Investment Staff professional incentive, and actuarial derived insurance-related staff benefits are included in this category.		
Operational Impact		66.0%
PROFESSIONAL SERVICES		\$ 7,394,313
Included in this category is a fiduciary performance audit planned for FY2027. Investment-related fees are analogous to expected investment performance. Also in this category are infrastructure third-party services, health care medical and pharmacy claims data repository, external auditing services, actuarial consulting, and other consulting services across the organization.		
Operational Impact		16.5%
COMMUNICATIONS		\$ 939,498
Member Services, Health Care, and Employer Services will continue to provide the same standard of service to members and retirees. Telecommunications, printing and publications across the organization are included in this category. Postage increases due to an active member board election.		
Operational Impact		2.1%
OTHER OPERATING EXPENSE		\$ 5,355,831
This includes annual requisite computer technology-related support for SERS' network and cloud based applications, Board and staff training and education, insurance, and mandatory legislative oversight.		
Operational Impact		12.0%
CAPITAL		\$ 30,150
Replacement of an inline postage meter and stand-alone postage machine are included in Capital for FY2027.		
Operational Impact		0.1%
NET BUILDING OCCUPANCY-OSERS BROAD STREET, LLC		\$ 1,489,134
OSERS Broad Street, LLC will notice an increase in revenue due to increased suite income from new tenants. This budget includes routine maintenance, upkeep, and tenant alterations. It also includes a service elevator upgrade.		
Operational Impact		3.3%

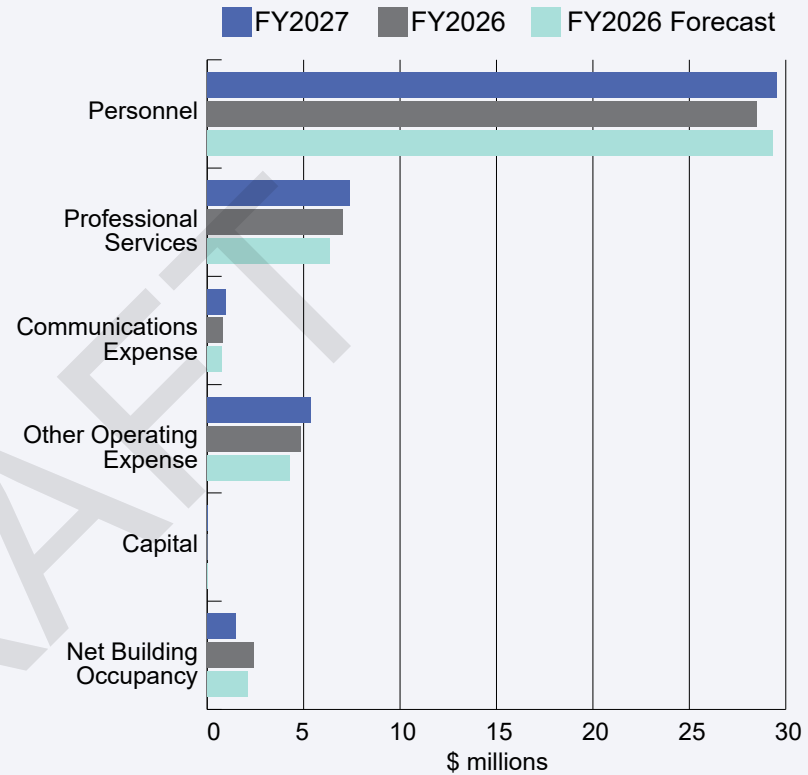
FY2027 Operating Budget by Category

Total: \$ 44,724,640



Category	Amount
Personnel	\$ 29,515,714
Professional Services	7,394,313
Communications	939,498
Other Operating Expense	5,355,831
Capital	30,150
Net Building Occupancy	1,489,134

Budget Comparison by Category



BUDGET CATEGORY	BUDGET		FORECAST
	FY2027	FY2026	FY2026
Personnel	\$ 29,515,714	\$ 28,514,219	\$ 29,316,709
Professional Services	7,394,313	7,044,466	6,334,308
Communications Expense	939,498	821,240	743,955
Other Operating Expense	5,355,831	4,853,745	4,260,595
Capital	30,150	13,000	7,457
Net Building Occupancy	1,489,134	2,419,594	2,083,767
TOTAL OPERATING	\$ 44,724,640	\$ 43,666,264	\$ 42,746,791

FY2027 BUDGET SUMMARY

Budget Category	FY2027 Budget	FY2026 Budget	FY2026 Forecast	Budget Change % (+/-)
Salaries & Wages	\$ 21,776,591	\$ 21,172,870	\$ 21,049,506	2.9%
OPERS Retirement Contributions	2,929,460	2,791,267	2,776,110	5.0%
Benefits	4,809,663	4,550,082	5,491,093	5.7%
PERSONNEL	29,515,714	28,514,219	29,316,709	3.5%
Actuarial	367,000	357,700	403,926	2.6%
Audit Services	980,000	220,000	178,439	345.5%
Custodial Banking Fees	1,080,000	1,188,000	1,014,834	-9.1%
Master Recordkeeper	1,300,000	1,532,000	1,435,443	-15.1%
Investment Consulting	1,122,445	1,162,215	1,134,223	-3.4%
Other Consulting	2,399,868	2,429,551	2,022,836	-1.2%
Banking Expense	145,000	155,000	144,607	-6.5%
PROFESSIONAL SERVICES, INCLUDING INVESTMENT COSTS	7,394,313	7,044,466	6,334,308	5.0%
Printing & Postage	840,640	718,610	675,135	17.0%
Telecommunications	86,708	90,040	59,415	-3.7%
Member/Employer Education	12,150	12,590	9,405	-3.5%
COMMUNICATIONS	939,498	821,240	743,955	14.4%
Conferences & Education	257,373	266,409	157,771	-3.4%
Travel	246,920	231,120	183,338	6.8%
Computer Support Services	3,714,458	3,195,613	2,876,825	16.2%
Other Operating Expenses (Insurance, Maintenance, Memberships, Supplies)	1,065,080	1,091,603	977,852	-2.4%
Ohio Retirement Study Council	72,000	69,000	64,809	4.3%
OTHER OPERATING	5,355,831	4,853,745	4,260,595	10.3%
TOTAL OPERATING	43,205,356	41,233,670	40,655,567	4.8%
Furniture & Equipment > \$5,000	30,150	-	-	0.0%
Computer Hardware > \$5,000	-	13,000	7,457	-100.0%
Computer Software > \$25,000	-	-	-	0.0%
Vehicles	-	-	-	0.0%
CAPITAL	30,150	13,000	7,457	131.9%
NET BUILDING OCCUPANCY EXPENSE	1,489,134	2,419,594	2,083,767	-38.5%
TOTAL OPERATING AND CAPITAL BUDGETS	\$ 44,724,640	\$ 43,666,264	\$ 42,746,791	2.4%

THREE-YEAR REVIEW FY2025 – FY2027 BUDGET PRESENTATION

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Description	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 19,893,984	\$ 21,049,506	\$ 1,155,522	5.8%	Salaries & Wages	\$ 21,776,591	\$ 727,085	3.5%
2,660,143	2,776,110	115,967	4.4%	OPERS Retirement Contributions	2,929,460	153,350	5.5%
5,283,560	5,491,093	207,533	3.9%	Benefits	4,809,663	(681,430)	-12.4%
27,837,687	29,316,709	1,479,022	5.3%	PERSONNEL	29,515,714	199,005	0.7%
379,114	403,926	24,812	6.5%	Actuarial	367,000	(36,926)	-9.1%
207,382	178,439	(28,943)	-14.0%	Audit Services	980,000	801,561	449.2%
1,200,966	1,159,441	(41,525)	-3.5%	Banking Fees	1,225,000	65,559	5.7%
2,659,680	2,569,666	(90,014)	-3.4%	Investment Related	2,422,445	(147,221)	-5.7%
45,000	46,500	1,500	3.3%	Medical	48,000	1,500	3.2%
2,148,589	1,976,336	(172,253)	-8.0%	Technical	2,351,868	375,532	19.0%
6,640,731	6,334,308	(306,423)	-4.6%	PROFESSIONAL SERVICES	7,394,313	1,060,005	16.7%
640,580	577,934	(62,646)	-9.8%	Postage	698,240	120,306	20.8%
70,812	59,415	(11,397)	-16.1%	Telecommunication Services	86,708	27,293	45.9%
23,674	9,405	(14,269)	-60.3%	Member/Employer Education	12,150	2,745	29.2%
128,657	97,201	(31,456)	-24.4%	Printing & Publication	142,400	45,199	46.5%
863,723	743,955	(119,768)	-13.9%	COMMUNICATIONS	939,498	195,543	26.3%
2,574,117	2,876,825	302,708	11.8%	Computer Support Services	3,714,458	837,633	29.1%
142,754	150,011	7,257	5.1%	Office Equipment & Supplies	160,379	10,368	6.9%
147,838	157,771	9,933	6.7%	Conferences & Education	257,373	99,602	63.1%
171,680	183,338	11,658	6.8%	Transportation & Travel	246,920	63,582	34.7%
214,581	211,003	(3,578)	-1.7%	Memberships & Subscriptions	264,320	53,317	25.3%
512,467	483,838	(28,629)	-5.6%	Property & Management Liability Insurance	485,221	1,383	0.3%
28,468	30,393	1,925	6.8%	Maintenance	37,565	7,172	23.6%
87,011	90,309	3,298	3.8%	Staff Support	106,885	16,576	18.4%
6,177	12,298	6,121	99.1%	School District Reimbursement	10,710	(1,588)	-12.9%
61,112	64,809	3,697	6.0%	Mandatory Costs - ORSC	72,000	7,191	11.1%
(305,000)	(305,000)	(0)	0.0%	Reimbursement from OSERS Broad Street, LLC, for Leased Services	(305,000)	0	0.0%
3,641,205	3,955,595	314,390	8.6%	OTHER OPERATING EXPENSE	5,050,831	1,095,236	27.7%
38,983,346	40,350,567	1,367,221	3.5%	TOTAL DEPARTMENT EXPENSES	42,900,356	2,549,789	6.3%
-	-	-	0.0%	Furniture & Equipment >5,000	30,150	30,150	100.0%
-	7,457	7,457	100.0%	Computer Hardware >5,000	-	(7,457)	-100.0%
-	-	-	0.0%	Computer Software >25,000	-	-	0.0%
-	-	-	0.0%	Vehicles	-	-	0.0%
-	7,457	7,457	100.0%	ADMINISTRATIVE CAPITAL	30,150	22,693	304.3%
38,983,346	40,358,024	1,374,678	3.5%	TOTAL ADMINISTRATIVE EXPENSES	42,930,506	2,572,482	6.4%
2,242,126	2,388,767	146,641	6.5%	OSERS BROAD STREET, LLC	1,794,134	(594,633)	-24.9%
\$ 41,225,472	\$ 42,746,791	\$ 1,521,319	3.7%	TOTAL OPERATING AND CAPITAL EXPENSES	\$ 44,724,640	\$ 1,977,849	4.6%



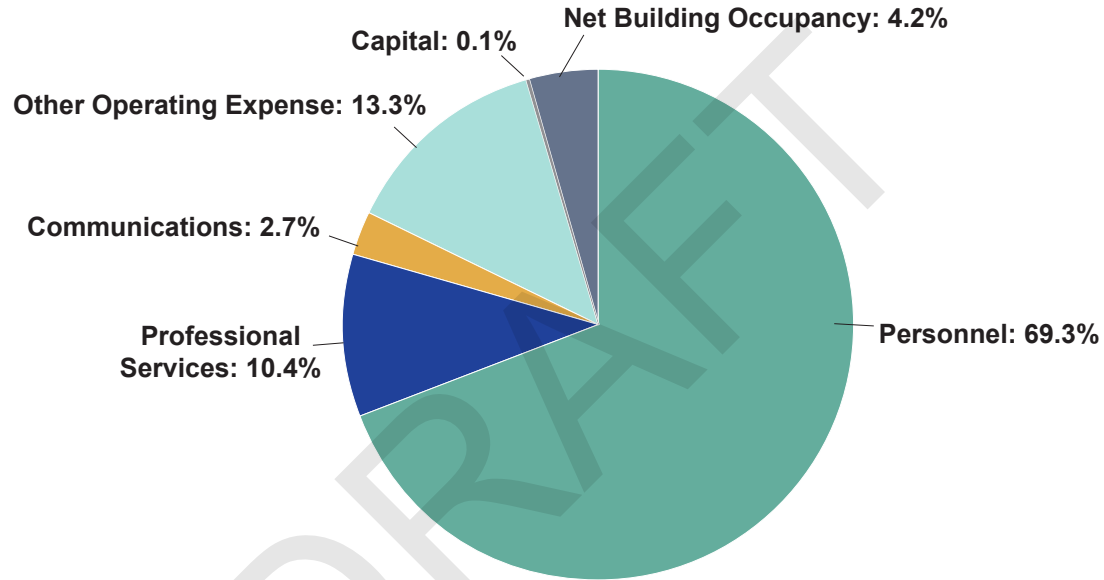
SERS OPERATING BUDGET DETAIL



FY2027 SERS OPERATING BUDGET BY CATEGORY

EXCLUDING INVESTMENTS

Total: \$35,178,832



BUDGET CATEGORY	BUDGET		FORECAST
	FY2027	FY2026	FY2026
Personnel	\$ 24,369,249	\$ 23,727,984	\$ 24,359,844
Professional Services	3,660,668	2,943,450	2,521,297
Communications	939,498	821,240	743,955
Other Operating Expense	4,690,133	4,472,767	3,985,757
Capital	30,150	13,000	7,457
Net Building Occupancy	1,489,134	2,419,594	2,083,767
TOTAL OPERATING	\$ 35,178,832	\$ 34,398,035	\$ 33,702,077

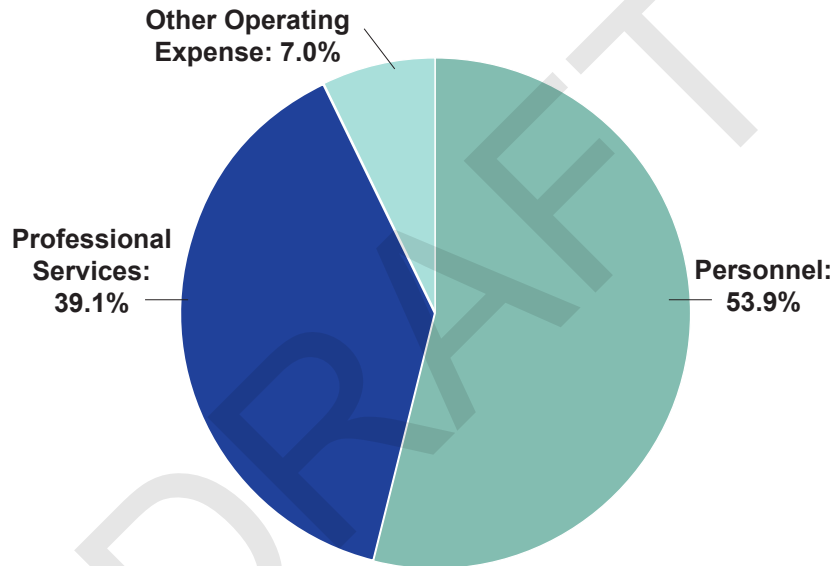
THREE-YEAR REVIEW FY2025 – FY2027 SERS BUDGET PRESENTATION EXCLUDING INVESTMENTS

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Description	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 15,989,811	\$ 17,105,874	\$ 1,116,063	7.0%	Salaries & Wages	\$ 17,664,500	\$ 558,626	3.3%
2,187,551	2,288,378	100,827	4.6%	OPERS Retirement Contributions	2,417,545	129,167	5.6%
4,725,447	4,965,592	240,145	5.1%	Benefits	4,287,204	(678,388)	-13.7%
22,902,809	24,359,844	1,457,035	6.4%	PERSONNEL	24,369,249	9,405	0.0%
379,114	403,926	24,812	6.5%	Actuarial	367,000	(36,926)	-9.1%
207,382	178,439	(28,943)	-14.0%	Audit Services	980,000	801,561	449.2%
142,362	144,607	2,245	1.6%	Banking Fees	145,000	393	0.3%
60,213	84,100	23,887	39.7%	Investment Related	78,800	(5,300)	-6.3%
45,000	46,500	1,500	3.3%	Medical	48,000	1,500	3.2%
1,755,331	1,663,725	(91,606)	-5.2%	Technical	2,041,868	378,143	22.7%
2,589,402	2,521,297	(68,105)	-2.6%	PROFESSIONAL SERVICES	3,660,668	1,139,371	45.2%
640,580	577,934	(62,646)	-9.8%	Postage	698,240	120,306	20.8%
70,812	59,415	(11,397)	-16.1%	Telecommunication Services	86,708	27,293	45.9%
23,674	9,405	(14,269)	-60.3%	Member/Employer Education	12,150	2,745	29.2%
128,657	97,201	(31,456)	-24.4%	Printing & Publication	142,400	45,199	46.5%
863,723	743,955	(119,768)	-13.9%	COMMUNICATIONS	939,498	195,543	26.3%
2,357,959	2,761,888	403,929	17.1%	Computer Support Services	3,294,458	532,570	19.3%
142,490	149,751	7,261	5.1%	Office Equipment & Supplies	159,671	9,920	6.6%
135,343	153,821	18,478	13.7%	Conferences & Education	242,973	89,152	58.0%
107,245	118,226	10,981	10.2%	Transportation & Travel	160,520	42,294	35.8%
113,772	120,489	6,717	5.9%	Memberships & Subscriptions	120,310	(179)	-0.1%
512,467	483,838	(28,629)	-5.6%	Property & Management Liability Insurance	485,221	1,383	0.3%
28,468	30,393	1,925	6.8%	Maintenance	37,565	7,172	23.6%
86,951	90,244	3,293	3.8%	Staff Support	106,705	16,461	18.2%
6,177	12,298	6,121	99.1%	School District Reimbursement	10,710	(1,588)	-12.9%
61,112	64,809	3,697	6.0%	Mandatory Costs - ORSC	72,000	7,191	11.1%
(305,000)	(305,000)	(0)	0.0%	Reimbursement from OSERS Broad Street, LLC, for Leased Services	(305,000)	0	0.0%
3,246,984	3,680,757	433,773	13.4%	OTHER OPERATING EXPENSE	4,385,133	704,376	19.1%
29,602,918	31,305,853	1,702,935	5.8%	TOTAL DEPARTMENT EXPENSES	33,354,548	2,048,695	6.5%
-	-	-	0.0%	Furniture & Equipment > 5,000	30,150	30,150	100.0%
-	7,457	7,457	100.0%	Computer Hardware > 5,000	-	(7,457)	-100.0%
-	-	-	0.0%	Computer Software > 25,000	-	-	0.0%
-	-	-	0.0%	Vehicles	-	-	0.0%
-	7,457	7,457	0.0%	ADMINISTRATIVE CAPITAL	30,150	22,693	304.3%
\$ 29,602,918	\$ 31,313,310	\$ 1,710,392	5.8%	TOTAL ADMINISTRATIVE EXPENSES	\$ 33,384,698	\$ 2,071,388	6.6%



FY2027 INVESTMENTS OPERATING BUDGET BY CATEGORY

Total: \$9,545,808



BUDGET CATEGORY	BUDGET		FORECAST
	FY2027	FY2026	FY2026
Personnel	\$ 5,146,465	\$ 4,786,235	\$ 4,956,865
Professional Services	3,733,645	4,101,016	3,813,011
Other Operating Expense	665,698	380,978	274,838
TOTAL OPERATING	\$ 9,545,808	\$ 9,268,229	\$ 9,044,714

THREE-YEAR REVIEW FY2025 – FY2027 INVESTMENTS BUDGET PRESENTATION

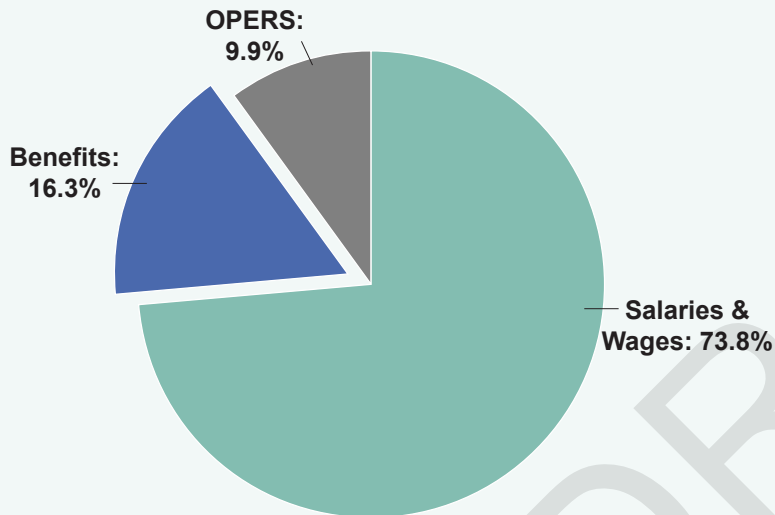
FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Description	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 3,904,173	\$ 3,943,632	\$ 39,459	1.0%	Salaries & Wages	\$ 4,112,091	\$ 168,459	4.3%
472,592	487,731	15,139	3.2%	OPERS Retirement Contributions	511,915	24,184	5.0%
558,113	525,502	(32,611)	-5.8%	Benefits	522,459	(3,043)	-0.6%
4,934,878	4,956,865	21,987	0.4%	PERSONNEL	5,146,465	189,600	3.8%
-	-	-	0.0%	Actuarial	-	-	0.0%
-	-	-	0.0%	Audit Services	-	-	0.0%
1,058,604	1,014,834	(43,770)	-4.1%	Banking Fees	1,080,000	65,166	6.4%
2,599,467	2,485,566	(113,901)	-4.4%	Investment Related	2,343,645	(141,921)	-5.7%
-	-	-	0.0%	Medical	-	-	0.0%
393,258	312,611	(80,647)	-20.5%	Technical	310,000	(2,611)	-0.8%
4,051,329	3,813,011	(238,318)	-5.9%	PROFESSIONAL SERVICES	3,733,645	(79,366)	-2.1%
-	-	-	0.0%	Postage	-	-	0.0%
-	-	-	0.0%	Telecommunication Services	-	-	0.0%
-	-	-	0.0%	Member/Employer Education	-	-	0.0%
-	-	-	0.0%	Printing & Publication	-	-	0.0%
-	-	-	0.0%	COMMUNICATIONS	-	-	0.0%
216,158	114,936	(101,222)	-46.8%	Computer Support Services	420,000	305,064	265.4%
264	261	(3)	-1.3%	Office Equipment & Supplies	708	447	171.6%
12,495	3,950	(8,545)	-68.4%	Conferences & Education	14,400	10,450	264.6%
64,435	65,112	677	1.1%	Transportation & Travel	86,400	21,288	32.7%
100,809	90,514	(10,295)	-10.2%	Memberships & Subscriptions	144,010	53,496	59.1%
-	-	-	0.0%	Property & Management Liability Insurance	-	-	0.0%
-	-	-	0.0%	Maintenance	-	-	0.0%
60	65	5	7.7%	Staff Support	180	115	177.1%
-	-	-	0.0%	School District Reimbursement	-	-	0.0%
-	-	-	0.0%	Mandatory Costs - ORSC	-	-	0.0%
-	-	-	0.0%	Reimbursement from OSERS Broad Street, LLC, for Leased Services	-	-	0.0%
394,221	274,838	(119,383)	-30.3%	OTHER OPERATING EXPENSE	665,698	390,860	142.2%
9,380,428	9,044,714	(335,715)	-3.6%	TOTAL DEPARTMENT EXPENSES	9,545,808	501,094	5.5%
-	-	-	0.0%	Furniture & Equipment > 5,000	-	-	0.0%
-	-	-	0.0%	Computer Hardware > 5,000	-	-	0.0%
-	-	-	0.0%	Computer Software > 25,000	-	-	0.0%
-	-	-	0.0%	Vehicles	-	-	0.0%
-	-	-	0.0%	ADMINISTRATIVE CAPITAL	-	-	0.0%
\$ 9,380,428	\$ 9,044,714	\$ (335,715)	-3.6%	TOTAL ADMINISTRATIVE EXPENSES	\$ 9,545,808	\$ 501,094	5.5%



PERSONNEL

PERSONNEL FY2027 BUDGET

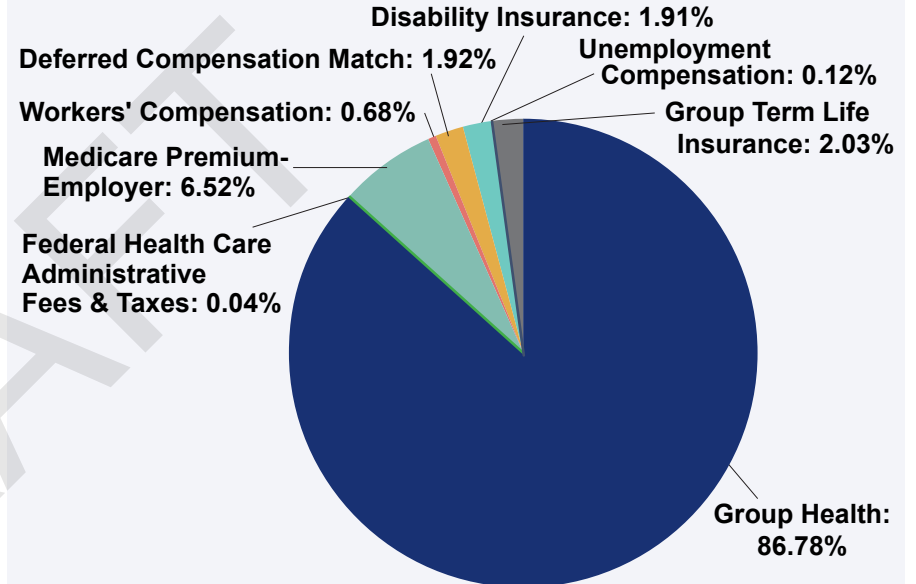
TOTAL: \$29,515,714



Personnel Budget	FY2027
Salaries & Wages	\$ 21,776,591
Benefits	4,809,663
OPERS Retirement Contributions	2,929,460
TOTAL	\$ 29,515,714

BENEFITS

(16.3% OF TOTAL)



Benefits	FY2027
Group Health	\$ 4,173,830
Federal Health Care Administrative Fees & Taxes	1,740
Medicare Premium- Employer	313,728
Workers' Compensation	32,497
Deferred Compensation Match	92,472
Employer Paid Member Contributions - PERS	-
Disability Insurance	91,836
Unemployment Compensation	6,000
Group Term Life Insurance	97,560
TOTAL	\$ 4,809,663

PERSONNEL

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 18,812,782	\$ 19,977,457	\$ 1,164,675	6.2%	Salaries & Wages	\$ 20,669,591	\$ 692,134	3.5%
1,081,202	1,072,049	(9,153)	-0.8%	Incentive Payout	1,107,000	34,951	3.3%
19,893,984	21,049,506	1,155,522	5.8%	Salaries & Wages	21,776,591	727,085	3.5%
2,660,143	2,776,110	115,967	4.4%	OPERS Retirement Contributions	2,929,460	153,350	5.5%
1,286	-	(1,286)	-100.0%	Unemployment Compensation	6,000	6,000	0.0%
121,447	107,015	(14,432)	-11.9%	Group Term Life Insurance	97,560	(9,455)	-8.8%
81,558	84,575	3,017	3.7%	Disability Insurance	91,836	7,261	8.6%
4,717,038	4,881,661	164,623	3.5%	Group Health	4,173,830	(707,831)	-14.5%
1,379	1,496	117	8.5%	Federal Health Care Administrative Fees & Taxes	1,740	244	16.3%
279,032	295,945	16,913	6.1%	Medicare Premium- Employer	313,728	17,783	6.0%
9,872	23,431	13,559	137.3%	Workers' Compensation	32,497	9,066	38.7%
64,650	61,650	(3,000)	-4.6%	Deferred Compensation Match	92,472	30,822	50.0%
7,298	35,320	28,022	384.0%	Employer Paid Member Contributions - PERS	-	(35,320)	-100.0%
5,283,560	5,491,093	207,533	3.9%	Benefits	4,809,663	(681,430)	-12.4%
\$ 27,837,687	\$ 29,316,709	\$ 1,479,022	5.3%	PERSONNEL	\$ 29,515,714	\$ 199,005	0.7%

PERSONNEL

Salaries and Wages: The Personnel budget is based on 185 full-time equivalent personnel. This budget includes a performance-based merit pool of 4.0% and salary adjustments based on recommendations from the compensation advisory consultants to align with current market conditions. The salary increase is offset by a reduction in sick leave expenses. In compliance with recent updates to GASB accounting requirements, FY26 included a large increase to sick leave expense due to several employees required addition to the accrued sick leave liability.

Incentive Payouts are payments for specified Investment professionals according to Retirement Board policy and are calculated based on FY2026 Investment portfolio performance.

Retirement Contributions: OPERS Retirement Contributions are based on the portion of Salaries & Wages and incentive payments subject to OPERS coverage.

BENEFITS

Employee Group Health expenses have been budgeted based on rates supplied by SERS' actuary, considering the number of lives covered on the plan, national trends, and SERS' experience.

SERS holds a stop-loss insurance policy for group medical and prescription

claims. It provides protection for the self-insured plan that serves as a reimbursement mechanism for catastrophic claims that exceed a certain level.

Employee Health Plan Premiums offset the cost of group claims and increased this fiscal year.

SERS' **Unemployment Compensation** is self-funded. In FY2027, there are no anticipated reductions in staff or on-going unemployment claims.

Salary-based benefits include **Group Term Life Insurance, Disability Insurance,** and **Medicare.** The level of benefits remains unchanged for FY2027.

As mandated by the Affordable Care Act, SERS is required to pay **Federal Health Care Administrative Fees & Taxes.**

Worker's Compensation premium is calculated on rates set by the Bureau of Worker's Compensation and applied to total payroll.

SERS' per-pay match contribution to the **Ohio Public Employees Deferred Compensation Match** program are made on behalf of the SERS' employees who are actively enrolled in the program.

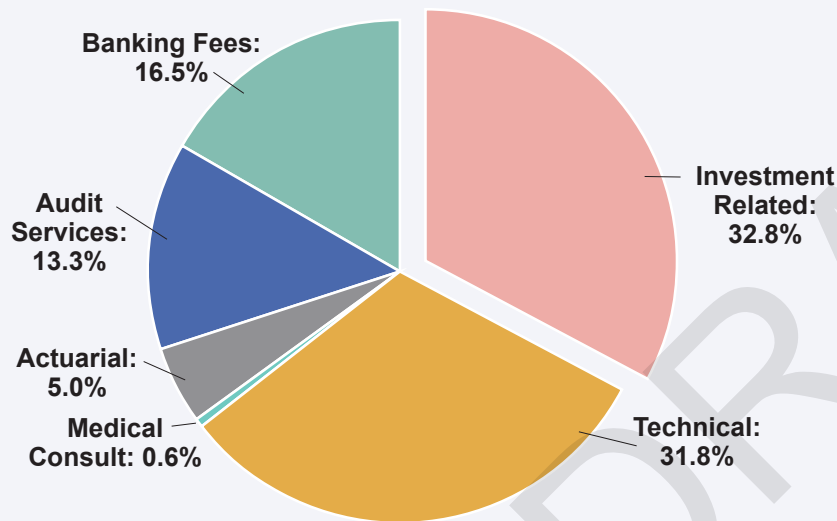
Employer Paid Member Contributions – PERS is a SERS provided fringe benefit that covers the statutorily required member contributions for a select employee class.



PROFESSIONAL SERVICES

PROFESSIONAL SERVICES FY2027 BUDGET

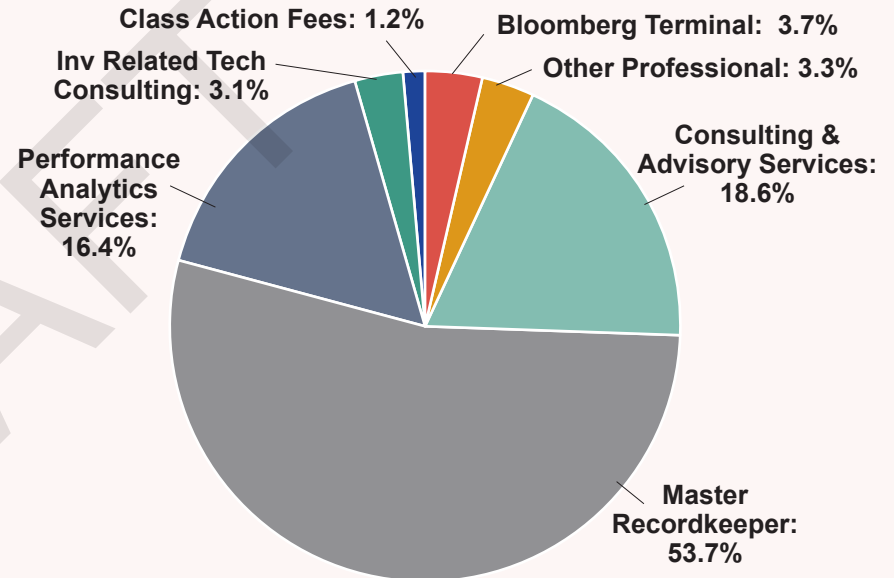
TOTAL: \$7,394,313



SERS Professional Services Budget	FY2027
Investment Related	\$ 2,422,445
Technical	2,351,868
Medical Consult	48,000
Actuarial	367,000
Audit Services	980,000
Banking Fees	1,225,000
TOTAL	\$ 7,394,313

INVESTMENT-RELATED

(32.8% OF TOTAL)




Investment-Related Professional Services Budget	FY2027
Bloomberg Terminal	\$ 90,600
Other Professional	80,400
Consulting & Advisory Services	450,000
Master Recordkeeper	1,300,000
Performance Analytics Services	396,445
Inv Related Tech Consulting	75,000
Class Action Fees	30,000
TOTAL	\$ 2,422,445


PROFESSIONAL SERVICES

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 379,114	\$ 403,926	\$ 24,812	6.5%	Actuarial	\$ 367,000	\$ (36,926)	-9.1%
207,382	178,439	(28,943)	-14.0%	Audit Services	980,000	801,561	449.2%
1,058,604	1,014,834	(43,770)	-4.1%	Custodial Banking	1,080,000	65,166	6.4%
142,362	144,607	2,245	1.6%	Administrative Banking Expense	145,000	393	0.3%
1,200,966	1,159,441	(41,525)	-3.5%	Banking Fees	1,225,000	65,559	5.7%
1,386,407	1,435,443	49,036	3.5%	Master Recordkeeper	1,300,000	(135,443)	-9.4%
450,000	450,000	(0)	0.0%	Investment Consulting & Advisory Services	450,000	-	0.0%
618,108	468,817	(149,291)	-24.2%	Performance Analytics Services	396,445	(72,372)	-15.4%
40,701	28,996	(11,705)	-28.8%	Investment-Related Technical Consulting	75,000	46,004	158.7%
61,790	85,600	23,810	38.5%	Other Professional Investment-Related	80,400	(5,200)	-6.1%
86,632	82,412	(4,220)	-4.9%	Bloomberg Terminal Rental	90,600	8,188	9.9%
16,042	18,398	2,356	14.7%	Class Action Fees	30,000	11,602	63.1%
2,659,680	2,569,666	(90,014)	-3.4%	Investment-Related	2,422,445	(147,221)	-5.7%
45,000	46,500	1,500	3.3%	Medical Consultant	48,000	1,500	3.2%
624,946	365,611	(259,335)	-41.5%	Special Counsel	396,000	30,389	8.3%
1,055,122	903,663	(151,459)	-14.4%	Technical	1,359,290	455,627	50.4%
468,521	707,062	238,541	50.9%	Other Professional Services	596,578	(110,484)	-15.6%
2,148,589	1,976,336	(172,253)	-8.0%	Technical	2,351,868	375,532	19.0%
\$ 6,640,731	\$ 6,334,308	\$ (306,423)	-4.6%	PROFESSIONAL SERVICES	\$ 7,394,313	\$ 1,060,005	16.7%


ACTUARIAL

 Actuarial fees include amounts for studies on calculations of joint retirement system transfers, special analyses, and legislative analyses. In addition, SERS' health care plan and actuarial premiums calculations will occur, along with Government Accounting Standards Board (GASB) Statement evaluations for pension and retiree health care reporting requirements.


AUDIT SERVICES

 FY2027 Audits include an outsourced IT Audit, year-end financial audit and a decennial pension system fiduciary performance audit.

BANKING FEES

 Custodial Banking fees have decreased due to transaction volume and associated costs.

INVESTMENT-RELATED PROFESSIONAL SERVICES

 **Master Recordkeeper** fees decrease in FY27 due to a change in the Master Recordkeeper with reduced service costs.

Investment Consulting & Advisory Services includes a Board consultant to assist with investment reviews, asset/liability analysis, quarterly performance reporting, and Board education.

PROFESSIONAL SERVICES, CONTINUED


Performance Analytics Services decreases in FY27 as some services are included with the new Master Recordkeeper vendor.

Investment-Related Technical Consulting includes investment-related databases and local tax advisors in countries that require special tax consultants.


Other Professional Investment-Related Consulting includes proxy and divestiture services.

Bloomberg Terminal Rental fees are for the licenses to use the Bloomberg information systems.

MEDICAL

 **The Medical Consultant** reviews about 1,500 cases per year with the Disability Section staff, participates in the monthly meetings of the Medical Advisory Committee, and attends Board Meetings as needed.

TECHNICAL

 **Special Counsel** is contingent amounts for the costs of outside legal counsel. Anticipated legal fees for investment contracts comprise approximately 70% of the FY2027 Special Counsel budget.

The **Technical** account includes the cost of outside consultants that provide computer security, health care data warehouse services, specialized benefit system support, and website administration and design.

Other Professional Services include the cost for other consultants and advisory services, such as legislative news and political consulting providers, organizational leadership and development, surveying and focus groups, and Attorney General Staff reimbursement. FY2027 also includes consulting for business continuity programs.

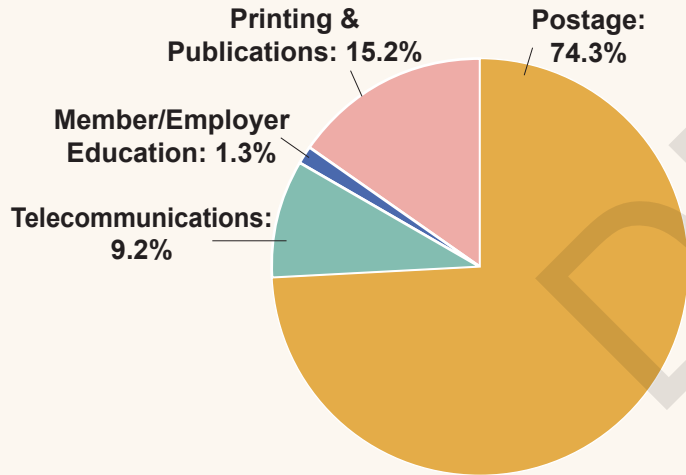


COMMUNICATIONS

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 640,580	\$ 577,934	\$ (62,646)	-9.8%	Postage	\$ 698,240	\$ 120,306	20.8%
70,812	59,415	(11,397)	-16.1%	Telecommunications	86,708	27,293	45.9%
23,674	9,405	(14,269)	-60.3%	Member/Employer Education	12,150	2,745	29.2%
44,952	34,180	(10,772)	-24.0%	Printing Paper & Supplies	45,600	11,420	33.4%
83,705	63,021	(20,684)	-24.7%	Communications & Publications	96,800	33,779	53.6%
128,657	97,201	(31,456)	-24.4%	Printing & Publications	142,400	45,199	46.5%
\$ 863,723	\$ 743,955	\$ (119,768)	-13.9%	COMMUNICATIONS	\$ 939,498	\$ 195,543	26.3%

Communications FY2027 Budget

TOTAL: \$939,498



Communications	FY2027
Postage	\$ 698,240
Telecommunications	86,708
Member/Employer Education	12,150
Printing & Publications	142,400
TOTAL	\$ 939,498

POSTAGE



The Postage budget increased due to an active member board election, an increase in inactive member mailings and the rising cost of postage.

TELECOMMUNICATIONS



The Telecommunications budget reflects monthly services for websites, point-to-point connection, hybrid work environment video/audio communication resources and web hosting. A recent change in building internet services has decreased the budget slightly for FY27.

MEMBER/EMPLOYER EDUCATION



SERS continues to maintain its outstanding service to members and retirees and plans to continue in-person meetings, conducting membership meetings in school facilities, and remaining in partnership with organizations that benefit SERS' member population. Member Services and Health Care plan to conduct in-house counseling, remote sessions, and virtual open enrollment conferences based upon need and membership requests. In FY2027, Member Services plans to continue to offer retirement conferences and counseling sessions virtually in response to positive member feedback and outreach. Employer Services will continue to provide outreach services and group training for the member benefits system in-person and virtually.

PRINTING & PUBLICATIONS



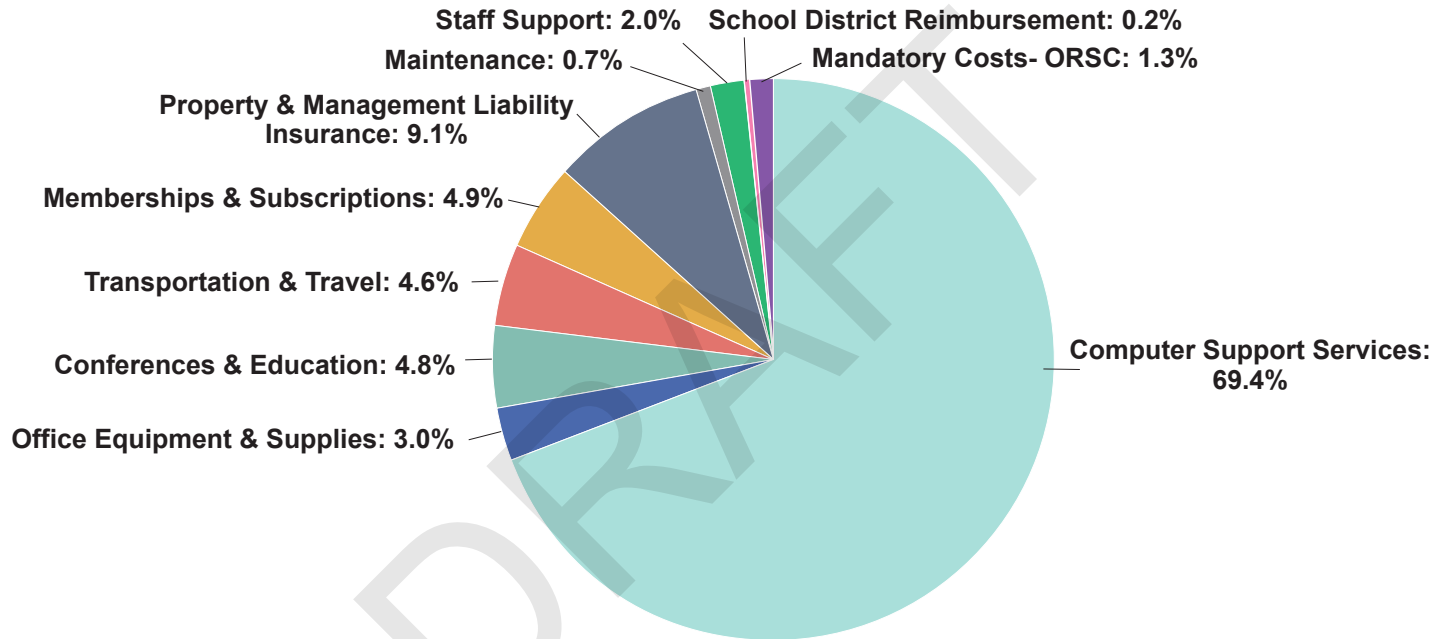
This category includes the costs of paper and supplies, and large-quantity specific outsourced printing jobs. The Print Shop continually increases SERS' internal printing capabilities by producing items such as the Open Enrollment Guide booklets, Member Benefit and Disability Guides, and member benefit statements.



OTHER OPERATING EXPENSE

Other Operating Expense FY2027 Budget

TOTAL: \$ 5,050,831



Other Operating Expense	FY2027
Computer Support Services	\$ 3,714,458
Office Equipment & Supplies	160,379
Conferences & Education	257,373
Transportation & Travel	246,920
Memberships & Subscriptions	264,320
Property & Management Liability Insurance	485,221

Other Operating Expense	FY2027
Maintenance	\$ 37,565
Staff Support	106,885
School District Reimbursement	10,710
Mandatory Costs- ORSC	72,000
Reimbursement of Leased Services	(305,000)

TOTAL \$ 5,050,831

OTHER OPERATING EXPENSE

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 71,564	\$ 82,045	\$ 10,481	14.6%	Hardware Maintenance	\$ 221,866	\$ 139,821	170.4%
900,723	1,004,270	103,547	11.5%	Software Maintenance	1,061,093	56,823	5.7%
1,582,073	1,756,015	173,942	11.0%	Software Subscriptions	2,367,499	611,484	34.8%
19,757	28,911	9,154	46.3%	Hardware <5,000	24,000	(4,911)	-17.0%
-	5,584	5,584	100.0%	Software <25,000	40,000	34,416	616.4%
2,574,117	2,876,825	302,708	11.8%	Computer Support Services	3,714,458	837,633	29.1%
142,754	150,011	7,257	5.1%	Office Equipment & Supplies	160,379	10,368	6.9%
147,838	157,771	9,933	6.7%	Conferences & Education	257,373	99,602	63.1%
171,680	183,338	11,658	6.8%	Transportation & Travel	246,920	63,582	34.7%
214,581	211,003	(3,578)	-1.7%	Memberships & Subscriptions	264,320	53,317	25.3%
512,467	483,838	(28,629)	-5.6%	Property & Management Liability Insurance	485,221	1,383	0.3%
28,468	30,393	1,925	6.8%	Maintenance	37,565	7,172	23.6%
87,011	90,309	3,298	3.8%	Staff Support	106,885	16,576	18.4%
6,177	12,298	6,121	99.1%	School District Reimbursement	10,710	(1,588)	-12.9%
61,112	64,809	3,697	6.0%	Mandatory Costs- ORSC	72,000	7,191	11.1%
(305,000)	(305,000)	(0)	0.0%	Reimbursement from OSERS Broad Street, LLC, for Leased Services	(305,000)	0	0.0%
\$ 3,641,205	\$ 3,955,595	\$ 314,390	8.6%	OTHER OPERATING EXPENSE	\$ 5,050,831	\$ 1,095,236	27.7%

COMPUTER SUPPORT SERVICES



Hardware Maintenance- category contains annual maintenance contracts to support SERS' computer servers.

Software Maintenance- account includes licenses to use specific software products. SERS maintains a master list of these licenses, which is reviewed each year as part of the budgeting process.

Software Subscriptions- cover software used by SERS that is provided as a service and hosted locally on SERS servers. Annual renewed subscriptions include the Human Resources management system, ServiceNow, comprehensive Microsoft product license, member benefits system performance and stress testing, conferencing services, financial and investment accounting system and tools, ERM risk repository, USPS data feeds, media and publishing licenses, security compliance, e-Discovery litigation services, monthly phone services, a software as a service model for disaster recovery and cloud storage for system back-ups.

Hardware less than 5,000- account is comprised of routine maintenance and repair and unplanned hardware needs that may arise throughout the fiscal year.

Software less than 25,000- category includes routine software purchases and unplanned software needs that may arise throughout the fiscal year.

TRANSPORTATION & TRAVEL



Travel costs are associated with both in-state and out-of-state conferences, and due diligence trips to current and prospective investment managers. Whenever possible, staff access training either virtually or via teleconferences instead of travel and combine trips.

OTHER OPERATING EXPENSE, CONTINUED

MEMBERSHIPS & SUBSCRIPTIONS



SERS holds memberships in several national organizations that advocate and educate on issues that affect our members and retirees. The major organizations are:

- Coalition to Preserve Retirement Security
- Council of Institutional Investors
- International Foundation of Employee Benefit Plans (IFEBP)
- National Association of State Retirement Administrators
- National Council for Real Estate Investment Fiduciaries
- Professional Resources in Information Systems Management (PRISM)
- Public Pension Financial Forum
- Public Sector Health Care Roundtable
- State and Local Government Benefits Association

In addition to attending conferences and receiving publications from these organizations, SERS' staff serves on the boards of some of these industry organizations.

PROPERTY & FIDUCIARY INSURANCE



SERS' insurance policies cover fiduciary liability, directors' and officers' liability, crime, cyber liability, auto, property, and general liability.

MAINTENANCE



This category includes interior plant maintenance and SERS' vehicle maintenance.

OFFICE EQUIPMENT & SUPPLIES



Much of this category consists of equipment repairs and maintenance. Furniture and office supplies are purchased to meet staff needs.

CONFERENCES & EDUCATION



This category includes both staff and Board training. This includes out-of-state conferences, courses included in the Learning Management System within the ADP platform, and continuing education for professional designations.

STAFF SUPPORT



Staff Support includes kitchen supplies, cleaning supplies, and first-aid items. This account also includes SERS' staff wellness program, employee assistance program, innovation awards, the administrative expenses associated with employee flexible spending accounts (health and dependent care), employee recruitment and onboarding, and cellular phone reimbursement.

BOARD MEMBER REIMBURSEMENT



Employers of SERS' Board may receive reimbursement for compensation paid while Board Members attend to Board business.

MANDATORY COSTS - ORSC



The five Ohio retirement systems are required to pay a proportionate share of the Ohio Retirement Study Council's (ORSC) expenses based on their respective assets under management.

REIMBURSEMENT FROM OSERS BROAD STREET, LLC, FOR LEASED SERVICES



SERS' Administrative Services staff provides building management services to OSERS Broad Street. To allow OSERS Broad Street expenses to reflect the value of these services and to pass the proportionate costs to tenants, OSERS Broad Street pays a monthly fee to SERS for the use of these services. This amount is accounted for under Facilities Expense in SERS' Annual Financial Report.



ADMINISTRATIVE CAPITAL

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ -	\$ 7,457	\$ 7,457	100.0%	Computer Hardware > \$5,000	\$ -	\$ (7,457)	-100.0%
-	-	-	0.0%	Computer Software >25,000	-	-	0%
-	-	-	0.0%	Furniture and Equipment	30,150	30,150	100%
\$ -	\$ 7,457	\$ 7,457	100.0%	CAPITAL	\$ 30,150	\$ 22,693	304.3%

ADMINISTRATIVE CAPITAL

The Capital expenses for FY2027 include the replacement of a stand-alone postage machine and inline meter.

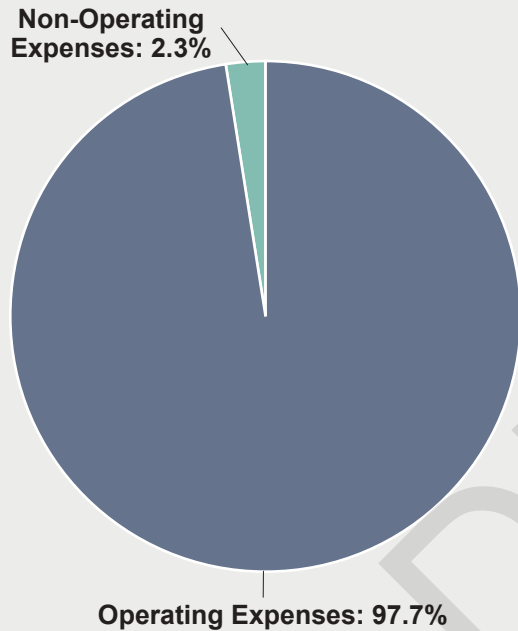


OSERS BROAD STREET, LLC AND OSERS HOLDINGS, LLC BUDGET



BUILDING OCCUPANCY BUDGET / OSERS HOLDINGS, LLC

OSERS Broad Street, LLC FY2027 Budget



OSERS Broad Street, LLC	FY2027
Operating Expenses	\$ 2,582,772
Non-Operating Expenses	60,000
TOTAL	\$ 2,642,772

OSERS Holdings is a limited liability company set up to own and oversee the property of its subsidiary, OSERS Broad Street, LLC, which holds the title to and operates 300 East Broad Street, a class "A" office building with 171,383 square feet of rentable space. SERS occupies 65.7% of the rentable space (112,614 square feet).

SERS does not pay rent to OSERS Broad Street, LLC; however, net expenses and operating capital in excess of rental income are funded by SERS upon request from OSERS.


The Board of Directors of SERS Broad Street, LLC, requests operating contributions from SERS to cover the OSERS Broad Street, LLC, Operating Budget, not to exceed \$1,794,134.

Net building occupancy is \$1,489,134 after deducting budgeted operating revenue and reimbursement of leases services.

OSERS BROAD STREET, LLC


FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ 460,757	\$ 477,486	\$ 16,729	3.6%	Suite Leases	\$ 741,463	\$ 263,977	55.3%
280,225	273,181	(7,044)	-2.5%	Parking	257,175	(16,006)	-5.9%
1,848	1,800	(48)	-2.6%	Miscellaneous	-	(1,800)	-100.0%
742,830	752,467	9,637	1.3%	Operating Revenue	998,638	246,171	32.7%
305,000	305,000	-	0.0%	Property Management & Labor	305,000	-	0.0%
7,389	7,852	463	6.3%	Other Administrative Expenses	9,150	1,298	16.5%
1,111,696	1,147,031	35,335	3.2%	Building Operations & Maintenance	1,348,602	201,571	17.6%
382,368	443,565	61,197	16.0%	Utilities	545,000	101,435	22.9%
73,057	71,920	(1,137)	-1.6%	Building/ Equipment Insurance	78,000	6,080	8.5%
285,075	279,916	(5,159)	-1.8%	Real Estate Taxes	297,020	17,104	6.1%
2,164,585	2,255,284	90,699	4.2%	Operating Expenses	2,582,772	327,488	14.5%
173,950	39,102	(134,848)	-77.5%	Lease Commission Fees	-	(39,102)	-100.0%
8,338	3,275	(5,063)	-60.7%	Special Counsel & Other Fees	5,000	1,725	52.7%
638,083	763,418	125,335	19.6%	Remodeling for Tenants	55,000	(708,418)	-92.8%
820,371	805,795	(14,576)	-1.8%	Non-Operating Expenses	60,000	(745,795)	-92.6%
-	80,155	80,155	100.0%	Capital Improvements	150,000	69,845	87.1%
-	80,155	80,155	100.0%	Capital Improvements	150,000	69,845	87.1%
2,242,126	2,388,767	146,641	6.5%	OSERS Broad Street, LLC Budget	1,794,134	(594,633)	-24.9%
(305,000)	(305,000)	-	0.0%	Less Reimbursement to SERS for Leased Services	(305,000)	-	0.0%
\$ 1,937,126	\$ 2,083,767	\$ 146,641	7.6%	Net Building Occupancy Expense	\$ 1,489,134	\$ (594,633)	-28.5%

OPERATING REVENUE

 **Suite Lease-** revenue is based on contracted occupancy. Parking- includes currently contracted tenant monthly parking and outside contracts.

Miscellaneous- includes contracted storage space rental for tenants and telecommunications.

OPERATING EXPENSES


 **Property Management & Labor-** is a reimbursement to SERS for leased services- the services provided to OSERS Broad Street, LLC by SERS' Administrative Services staff. The amount is based on a service agreement between OSERS Broad Street, LLC and SERS, that sets the reimbursement to a fair, reasonable and consistent market value rate.

The **Other Administrative Expenses** category includes expenses budgeted to run the facility administrative offices, including the costs of office supplies and banking fees.

The **Building Operations & Maintenance** category includes maintenance, supplies needed for the upkeep of the facility and its public spaces, the cost of janitorial and building security services, and an emergency notification system for life safety.

Building/Equipment Insurance includes some policies that are shared with SERS. The FY2027 budget is based on general market rates and an estimate of the replacement cost of the building. **Real Estate Taxes** are based on the rates and assessed commercial value published by the Franklin County Auditor.

NON-OPERATING EXPENSES


 **Special Counsel** is budgeted for potential outside counsel needs regarding existing tenant lease agreements.

Remodeling includes expenses for tenant improvements, and new tenant renovations.

OSERS BROAD STREET, LLC CAPITAL IMPROVEMENTS

FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Budget Category	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
\$ -	\$ 80,155	\$ 80,155	100.0%	CAPITAL IMPROVEMENTS	\$ 150,000	\$ 69,845	87.1%

CAPITAL IMPROVEMENTS:

 The leasehold improvements planned for FY2027 include modernization of the service elevator.

DRAFT



FIVE YEAR TECHNOLOGY ROADMAP



FIVE YEAR TECHNOLOGY ROADMAP BUDGET

Description	Total 5-Year Plan	FY2023-FY2025 Actuals	FY2026 Forecast	Total Projected Spend FY2023-FY2026	FY2023, FY2024, FY2025 & FY2026 Forecast % of Plan Spend	FY2027 Plan*	Remaining Roadmap Amount
Telecommunications	\$ 250,000	\$ 327,657	\$ -	\$ 327,657	131.1%	\$ 50,000	\$ (127,657)
Security Stack	899,600	100,673	30,000	130,673	14.5%	542,000	226,927
Network Infrastructure Refresh	886,000	664,297	-	664,297	75.0%	-	221,703
Hybrid Technology Replacement	419,000	351,251	182,982	534,233	127.5%	112,000	(227,233)
Server Infrastructure	1,216,700	277,334	35	277,369	22.8%	20,000	919,331
Backup and Recovery	532,754	184,029	48,000	232,029	43.6%	567,750	(267,025)
SMART Portals	196,000	124,338	114,800	239,138	122.0%	300,000	(343,138)
SMART Framework	760,000	615,000	25,000	640,000	84.2%	125,000	(5,000)
SMART Enhancements	2,623,000	650,004	540,248	1,190,252	45.4%	708,505	724,243
SMART Business Tools	500,000	360,789	154,563	515,352	103.1%	50,000	(65,352)
SMART total	4,079,000	1,750,131	834,611	2,584,742	63.4%	1,183,505	310,753
Infrastructure Total	4,204,054	1,905,241	261,017	2,166,258	51.5%	1,291,750	746,046
Total Budget	\$ 8,283,054	\$ 3,655,372	\$ 1,095,628	\$ 4,751,000	57.4%	\$ 2,475,255	\$ 1,056,799

*Projects in FY27 include the continuation of projects from FY26 as well as new initiatives in FY27


Technology plays an important and extensive role in delivering on the mission of the SERS. The Technology Enhancement Plan provides a framework of needed investments in Technology over the next five years. It is a series of well planned initiatives that will enhance SERS' digital capabilities around SMART, add expanded tools for operational efficiencies, meet infrastructure needs, and respond to changing electronic expectations of our members, employers, and employees. This is not an operating budget, but a framework of carefully planned annual projects that are in alignment with the SERS Strategic Plan goals with oversight by the SERS Technology Committee. The overall projects are intended to remain flexible/agile within the guardrails of SERS' strategic direction, while accommodating the fast pace of technology evolution so that our technology and operations continue to stay fresh and relevant as we support SERS' mission.

FIVE YEAR TECHNOLOGY ROADMAP BUDGET, CONTINUED


SMART

 SERS Member and Retiree Tracking is the enterprise-wide integrated system that enables SERS staff to service all customers.

SMART FRAMEWORK

 The technology and software layers underlying the Pension Administration Software. The Sagitec Framework includes the Sagitec Enterprise Application Management Services, the Sagitec Framework Services, and the .NET Foundation services as well as the development tool. The Sagitec Framework may sometimes be referred to as the “Neospin Framework.” Included in the project budget are mandated upgrades.


SMART PORTALS

 SERS SMART application has a portal for the Employers and a different portal for Members and Retirees. The portals allow SERS to put out Alerts and Messages specific to an Employer or Person.


The Employer Self-Serve provides Employers with an effective, time-saving way to submit and view critical financial and employee information online. Employers can upload files for enrolling new Employees as well as submit Contribution Reporting files.

Member Self-Serve is a resource for Member and Retirees to access and manage their account with SERS. Features available include reviewing the account balance and service credit, creating estimates, completing applications for Service and Disability benefits, and updating personal information such as address, beneficiary, direct deposit and tax withholding. Members and Retirees can also review documents like Monthly Pay Statement, Member Annual Statements, and Tax Documents.


SMART ENHANCEMENT

 SMART Enhancement is a category to expand the features of the core business application. Exploring the next phase of SMART's evolution. The enhancements are the product of SERS re-imagining and re-engineering the SMART functionality to assist staff to provide better support to Employers and Members and Retirees. The goal is to preserve and enrich high touch engagement and outcomes.


BUSINESS TOOLS

 Included in this category are applications to improve the effectiveness and efficiency of financial processes: Replacement of the financial software to a software-as-a-service cloud solution and a reconciliation tool to gain efficiencies in the reconciliation process.


TELECOMMUNICATIONS

 Refers to the technology supporting voice and other multi-modal communications, including fax, web chat and web conferencing. The modern phone system consists of software and hardware and physical connections to a phone service provider via fiber or copper trunks.


SECURITY STACK

 Security is an integrated set of services and cyber security tools used to protect the hardware, systems and data on SERS network. It includes both physical appliances such as a perimeter firewall and software appliances to scan documents for potential threats.


NETWORK INFRASTRUCTURE

 Refers to the hardware, software and wiring that provides a physical or wireless connection to the network and keeps the network running, allowing devices to communicate with each other and the outside world via the internet.


HYBRID TECHNOLOGY REPLACEMENT

 Technology deployed for end-users to support the hybrid work model at SERS, including laptops that can be used when working on-site or remote and conference room equipment for improved virtual meeting experiences.

SERVER INFRASTRUCTURE

 Servers are comprised of hardware and software, on-site or in the cloud that provide functionality for multiple programs or clients to perform work. Examples of typical servers are web, application, database, and file servers.

BACKUP AND RECOVERY

 Technology used to create multi-level backups of SERS data in compliance with information governance retention policies and support business continuity of critical processes in the event of a catastrophic failure of the onsite network and server infrastructure. Examples include Disaster Recovery as a Service or DRaaS and cloud storage of data backed up daily.

Memo

To: SERS Board

From: Richard Stensrud, Executive Director

cc: Karen Roggenkamp, Deputy Executive Director
Marni Hall, Chief Financial Officer

Date: May 12, 2026

Re: Recommended Two-Year Extension of Current Actuarial Services Contract

The current contract with Cavanaugh MacDonald (CavMac) to provide actuarial services is set to expire June 30, 2026. While one option would be to issue a Request for Proposals (RFP) to solicit proposals from firms that provide actuarial services to public retirement systems, for the reasons outlined below, Staff is recommending the Board approve a two-year extension of the existing contract with CavMac. The extension would maintain the firm's current scope of work and fee structure with no increase in fees for the duration of the extension.

As a reminder, the scope of services in the current contract include the following:

- Consultation and Advisory Services such as legislative analysis; Board and Staff education; actuarial operating tables and factors; tax compliance; asset/liability modeling; risks to sustainability reports; and other analysis or requests.
- Valuation Services such as annual Basic Benefit and Health Care Fund valuations; GASB 67, 68, 74, and 75 reports; actuarial gain/loss analysis; confirmation of contribution rate sufficiency; employer surcharge certification; and a five-year experience study.
- Health Care Consultation Services such as the calculation of SERS' insurance rates for the self-inured health care plans; calculation of the rate for drug coverage for those eligible for coverage; modeling of cost implications for proposed plan adjustments or plan alternations; and providing information on trends, new initiatives, compliance advise, and best practices in the health care field.
- Other Special Projects such as modeling tools for health care, cost of purchased service, or plan design changes.

It is important to note that the accuracy of CavMac's actuarial calculations and soundness of their methodology has been confirmed in two recent actuarial audits. With this assurance of the reliability of their work, extending the contract would help maintain organizational continuity through important upcoming transitions and substantial engagements:

- Maintaining access to CavMac's knowledge and experience regarding actuarial matters at SERS will be beneficial to the new Executive Director. It will provide stability and consistency in our actuarial analyses, reporting, and valuation work during the first two years of the new Executive Director's tenure. CavMac's familiarity with our plans, data, and historical assumptions will also be a valuable resource for the new Executive Director.
- CavMac will be able to follow through on implementation of the recent actuarial experience study, which will reduce operational risk.
- Extending CavMac will help smooth the implementation of the new asset allocation model.
- Maintaining the engagement with CavMac will help facilitate the upcoming fiduciary audit.

Overall, I believe that maintaining this important core advisory relationship through the upcoming period will provide both operational value, and given CavMac's agreement to freeze fees, cost stability.

Thank you for your consideration. I will be happy to answer any questions you might have.

EXTENSION OF CONTRACT WITH CAVMAC

It was moved by _____ and seconded by _____ to extend the existing contract with CavMac by two years, with a new termination date of June 30, 2028. The Executive Director has the authority to execute the contract extension following review by legal counsel.

Upon roll call, the vote was as follows:

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

School Employees Retirement System

Memo

To: Retirement Board

From: Holly Cox

cc: Richard Stensrud, Karen Roggenkamp, John Grumney

Date: May 21, 2026

Re: Vocational Expert Appointment and Fee Increase

We recommend re-appointing Kimberly Wickert, for a 5-year term, as SERS' Vocational Expert and propose that Ms. Wickert be compensated at a rate of \$97 per hour. This represents a \$7 per hour increase from our last agreement with Ms. Wickert in July 2021. Prior to July 2021, her hourly fee was \$85 pursuant to the agreement that began in July 2016.

Since FY2023, Ms. Wickert's total fees paid, and the number of cases reviewed have been as follows:

Fiscal Year	Total Fees Paid	Cases Reviewed	Terminations
FY2026 (through March 2026)	\$3,798	144 (72 in process)	
FY2025	\$5,661	178 (6 pending)	27
FY2024	\$4,203	170	13
FY2023	\$4,725	157	18

Ms. Wickert has served as SERS' Vocational Expert since December 2015. The Vocational Expert's role is to support SERS' disability program by advising on vocational issues. This includes reviewing the reports submitted by Vocational Evaluators to determine if benefit recipients are candidates for vocational rehabilitation, and if they are capable of performing "any occupation" in consideration of their physical and mental limitations.

In addition to Ms. Wickert's extensive experience and qualifications, she has been very responsive to SERS' needs, and willing to provide detailed information when needed. She began her career as a case manager and vocational specialist working in a hospital setting helping individuals with their return-to-work goals through vocational evaluations and job placement and development services. She led a Physical and Occupational therapy team to build a work hardening and work conditioning program with a return-to-work focus. In addition to being part of the University of Kentucky's Human Development Institute, she also worked in various educational settings including Kent State University, Wright State University and The Ohio State University teaching in rehabilitation counseling programs and advocating for individuals with disabilities in the workplace. She has a master's degree in Rehabilitation Counseling and is a Certified Rehabilitation Counselor and Certified Vocational Evaluator.

SERS is recommending Ms. Wickert be re-appointed without issuing an RFP for a competitive bid due to her 10-year history of performing this role successfully, the low cost of her services, her qualifications in the field of vocational rehabilitation, and the fact that when SERS issued an RFP for this role in 2021, only Ms. Wickert, and one other candidate who was less qualified, submitted a response.

APPOINTMENT OF VOCATIONAL EXPERT

_____ moved and _____ seconded to re-appoint Kimberly Wickert as Vocational Expert for a term of five years, effective July 1, 2026, at a rate of \$97 per hour.

Upon roll call, the vote was as follows:

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

EXECUTIVE SESSION

_____ moved and _____ seconded the motion that the Board convene in Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee.

IN EXECUTIVE SESSION AT _____ A.M./P.M.

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

RETURN TO OPEN SESSION AT _____ A.M. / P.M.

**SERS
COMPENSATION
COMMITTEE
REPORT**

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.

IN EXECUTIVE SESSION AT _____ A.M. / P.M.

Upon roll call, the vote was as follows:

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

RETURNED TO OPEN SESSION AT _____ A.M. / P.M.

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

February 19 – 20, 2026 – 8:30 a.m. (Thurs. and Fri.)
March 19 – 20, 2026 - 8:30 a.m. (Thurs. and Fri.)
April 16 – 17, 2026 – 8:30 a.m. (Thurs. and Fri.)
April 27 – 28, 2026 – 10:00 a.m. (Mon. and Tues.)
May 15, 2026 – 8:30 a.m. (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

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ADJOURNMENT (R)

_____ moved that the SERS Retirement Board adjourn to meet on June 18, 2026, for their next retirement board meeting.

The meeting adjourned at _____ a.m./p.m.

James Rossler – Board Chair

Richard Stensrud – Secretary