Retirement Board Meeting Agenda
June 18, 2026

Click Link to Join Zoom Meeting:
https://ohsers.zoom.us/j/92236414909?pwd=UKhOeu1r0XB4qkbIaxmZaPeJDMgEg8.1
Meeting ID: 922 3641 4909 **Password:** 12345
To join by phone, dial: +1 (929) 205-6099 and enter the meeting ID: **922 3641 4909** and password: **12345** when prompted.

PLEDGE OF ALLEGIANCE
1. Roll Call

CONSENT AGENDA (R)
2. Approval of the **May 21, 2026,** Board Meeting Minutes
3. Approval of the **June 1, 2026**, Special Board Meeting Minutes
4. Summary of Investment Transactions – **April 1, 2026 through April 30, 2026**
5. Retirement Report
   - Superannuations, Survivor Benefits, and Transfers
   - Special Cases
6. Disability Report
   - Approval of Disability Benefits
   - Disapproval of Disability Benefits
   - Termination of Disability Benefits – Any Occupation

INVESTMENT REPORT
7. Monthly Investment Report
8. Statement of Investment Policy Amendments (R)
9. FY2027 Annual Investment Plan Discussion (R)

EXECUTIVE DIRECTOR'S REPORT
10. Executive Director's Update
11. Review of Administrative Expenses
12. FY2027 Administrative Budget (R-2)
13. SERS Website Redesign Update
14. Strategic Plan Update
15. Vocational Evaluators (R)

HEALTH CARE REPORT
16. Approval of 2027 Health Care Premiums and Plan Design Changes (R)
17. Premium Discount Program (R)

AUDIT COMMITTEE REPORT
18. Audit Committee Update
19. Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee (R)

COMPENSATION COMMITTEE REPORT
20. Compensation Committee Update
21. Executive Session pursuant to R.C. 121.22 (G)(1) to discuss the employment and compensation of a public employee (R)

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

EXECUTIVE DIRECTOR'S REPORT (cont.)
23. Board Self-Assessment Discussion

BOARD COMMUNICATION AND POLICY ISSUES
24. Calendar Dates for Future Board Meetings
25. Board Officer Elections
26. 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 ____________________

JUNE 2026 CONSENT AGENDA

1. Minutes of the
   a. **May 21, 2026,** Retirement Board Meeting

2. Minutes of the
   a. **June 1, 2026,** Special Board Meeting

3. Summary of Investment Transactions:
   a. **April 1, 2026, to April 30, 2026**

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

5. Disability Report
   a. Approval of Disability Benefits
   b. Disapproval of Disability Benefits
   c. Termination of Disability Benefits – Any Occupation

APPROVAL OF CONSENT AGENDA

________________ moved and ____________ seconded the motion to approve the Consent Agenda for **June 18, 2026**, which includes the following items:

1. Minutes of the
    a. **May 21, 2026,** Retirement Board Meeting

2. Minutes of the
    a. **June 1, 2026,** Special Board Meeting

3. Summary of Investment Transactions:
    a. **April 1, 2026, to April 30, 2026**

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

5. Disability Report
    a. Approval of Disability Benefits
    b. Disapproval of Disability Benefits
    c. Termination of Disability Benefits – Any Occupation

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	_________	_________	_________
Jeanine Alexander	_________	_________	_________
Jeffrey DeLeone	_________	_________	_________
Matthew King	_________	_________	_________
Catherine Moss	_________	_________	_________
Rebekah Roe	_________	_________	_________
Aimee Russell	_________	_________	_________
Frank Weglarz	_________	_________	_________
James Rossler	_________	_________	_________

SERS Retirement Board Meeting Minutes
May 21, 2026

The nine hundred and ninety-fourth 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, May 21, 2026.

Pledge of Allegiance

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

Roll Call

The roll call was as follows: James Rossler, Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz. Absent/Excused: Catherine Moss. Also attending was Henrique Geigel, 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 May 21, 2026, included:

- **Minutes** of the April 16, 2026, Retirement Board Meeting.
- **Minutes** of the April 27 and 28, 2026, Special Board Meeting.
- **Minutes** of the May 15, 2026, Special Board Meeting.
- **Summary of Investment Transactions** for the period of March 1, 2026, to March 31, 2026.
- **Retirement Report -** Superannuations, Survivor Benefits, Transfers and Special Cases.
- **Disability Report -** Approval of Disability Benefits, Disapproval of Disability Benefits, Approval of Appeal of Termination for Disability Benefits – Any Occupation, Termination of Disability Benefits – Any Occupation

Frank Weglarz moved and Jeffrey DeLeone 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, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Excused: Catherine Moss. The motion carried.

Health Care Report

Presentation of 2027 Self-Insured Rates – CavMac

SERS Director of Health Care Services, Dr. Michael Steiner, introduced Alisa Bennett, the consulting actuary from CavMac, who presented the Board with an overview of projected 2027 health care costs for both Non-Medicare and Medicare-eligible retiree plans, based on CavMac's annual funding rate analysis. The analysis incorporates the most recent SERS self-funded claims data, including 2023–2025 medical claims and 2024–2025 prescription drug experience.

Ms. Bennett reported that Non-Medicare plan costs for 2027 are projected to increase approximately 7.0%. Medical claims are expected to rise 4.1%. Prescription drug costs are projected to increase 22%. Enrollment continues to shift toward Marketplace coverage paired with the SERS Wraparound HRA. No benefit design changes are recommended for 2027.

Regarding Medicare Eligible Plans, Ms. Bennet shared the Aetna Medicare Advantage plan remains fully insured, therefore, CavMac's analysis focuses on the self-funded Part D plan. Implementation of the Inflation Reduction Act (IRA) continues to significantly shape Part D liability. Although prescription drug costs are expected to rise, higher CMS reimbursements are projected to offset much of the increase. Notably, the projected 2027 funding rate (based on 2025 claims) is lower than the 2026 rate (based on 2024 claims) due to IRA-related structural changes. Rates for the Medicare Traditional Choice Plan, available only to retirees experiencing interruptions in Medicare Part B enrollment, reflect volatility in 2025 claims and result in a recommended 7.5% increase.

After a robust discussion, the Board thanked Ms. Bennett for her presentation.

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2027 Health Care Review

Dr. Steiner provided an overview of proposed 2027 retiree health care premiums and benefit provisions. These recommendations are based on actuarial cost projections prepared by SERS' consulting actuary, CavMac, and reflect efforts to support the long-term sustainability of the Health Care Fund.

Dr. Steiner noted that no premium or benefit changes are recommended for the dental and vision plans, as they remain within the current two-year supplemental enrollment period. Dr. Steiner informed the Board the next biennial Dental and Vision Open Enrollment period will cover the 2028-2029 enrollment period. In Winter 2026 Health care Services will begin a Request for Proposal (RFP) process for the next enrollment period. The Board will be updated throughout the RFP process.

For medical coverage, Dr. Steiner reported that the Aetna Medicare Advantage plan is expected to remain flat with no premium changes for 2027. For the Aetna Choice POS II plan, a 7% base premium increase is recommended, raising the most common premium from $362 to $385. The AultCare PPO plan, which continues to offer value for retirees residing in eligible counties, is projected to require a 29% base premium increase, moving the most common premium from $274 to $343.

Regarding benefit provisions, Dr. Steiner highlighted that the Aetna Medicare Advantage plan will require an update to the Part D out-of-pocket maximum, increasing from $2,100 to $2,400 to align with the federal standard for 2027. No benefit changes are recommended for the Aetna Choice POS II or AultCare PPO plans. For Marketplace participants, the Wraparound HRA is recommended to increase to the IRS maximum allowable annual reimbursement of $2,250.

Dr. Steiner concluded by noting that final premiums and benefit changes will be presented at the June meeting for Board approval.

Proposed Extension of UMR Contract (R)

Dr. Steiner continued the Health Care Report, providing an overview of the recommendation to extend SERS' contract with UMR for one year, covering the period January 1, 2027, through December 31, 2027.

Dr. Steiner reported that UMR administers the Marketplace Wraparound HRA, provides plan counseling for non-Medicare members, supports ACA marketplace enrollment, and conducts Medicare eligibility screening. He noted that UMR continues to deliver high-quality customer service, monitored through call reviews and performance guarantees. Enrollment in the Marketplace Wraparound HRA remains steady at approximately 20% of non-Medicare participants despite the expiration of enhanced ACA subsidies.

Dr. Steiner highlighted the findings of a 2024 third-party audit, which concluded that UMR exceeded internal goals and industry standards by achieving 99.96% financial accuracy in HRA administration. The proposed extension includes a 5% increase to the monthly HRA administrative fee, consistent with adjustments in recent renewals, while all other counseling and enrollment fees remain unchanged. The estimated cost impact for calendar year 2027 is approximately $6,000.

He concluded by noting that the Health Care Department anticipates issuing an RFP for plan year 2028 to align with other procurement timelines and incorporate recommendations from the consultant's upcoming program review. A resolution to approve the one-year extension was included in the Board materials.

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

Investment Report

Investment Consultant Presentations (R)

SERS Assistant Director of Investments, Judi Masri, introduced the topic of the ongoing Investment Consultant Search. The Board received a packet including consultant philosophy responses, sample interview questions, a staff summary table, and a staff scoring matrix.

Ms. Masri introduced the Meketa Investment Group presenters, Leandro Festino, Stephanie Sorg, and Tim Filla. Meketa delivered a presentation to the Board on their investment consulting services, highlighting their working philosophy with Board and staff, strategic framework, reporting and education practices, and manager due-diligence processes.

Following several questions, the Board thanked Meketa for their presentation.

SERS Chief Investment Officer, Farouki Majeed, next introduced Joanna Bewick, Chris Tessman, and David Lindenberg of Wilshire Associates. Wilshire conducted a presentation to the Board on their investment consulting services, providing an overview of their philosophy, approach, resources, due-diligence processes, and comparative firm information.

Following several questions, the Board thanked Wilshire for their presentation.

After a robust discussion, Frank Weglarz moved and Matthew King seconded to select Wilshire Associates 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: Yea: Daniel Wilson, Jeanine Alexander, Jeffrey DeLeone, Matthew King, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Excused: Catherine Moss. The motion carried.

The Board took a break at 10:45 a.m.

The Board reconvened at 10:53 a.m.

Quarterly Performance Report – Wilshire Associates

Joanna Bewick and Chris Tessman of Wilshire Associates provided the Board with an update of current U.S. economic conditions, and a review of SERS' March 2026 quarterly results.

Ms. Bewick reported that U.S. equities declined -3.9% for the first quarter, though they remained up 18.3% over the prior twelve months, with energy significantly outperforming other sectors. Global economic conditions were mixed, with modest growth in the U.K. and Germany, and China showing steadier momentum supported by exports and targeted policy easing. The U.S. Treasury yield curve rose during the quarter, and the Federal Reserve left its overnight rate unchanged, signaling only a modest expected rate decrease in 2026.

Mr. Tessman discussed how Total Fund performance for the quarter slightly outperformed the policy benchmark, driven by positive manager value added across several asset classes. Mr. Tessman noted that the Fund's asset allocation remained broadly aligned with targets, with Global Equity, Private Equity, and Infrastructure contributing meaningfully to one-year returns.

After brief discussion, the Board thanked Ms. Bewick and Mr. Tessman for their report.

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Quarterly Investment Report

SERS Chief Investment Officer, Farouki Majeed, provided an update on the investment fund status as of March 31, 2026, which included an economic and market update.

Mr. Majeed highlighted steady economic improvement, including 2.0% GDP growth in Q1 driven by post-shutdown recovery and AI-related investment, alongside labor market gains and rising inflation. Equity markets strengthened in April, with U.S., international, and emerging market equities all posting strong gains, while fixed income returns remained modest. The Total Fund ended the quarter with $21.9 billion in assets, and performance exceeded the policy benchmark across one-year and multi-year periods, generating positive value-added. Asset allocation remained broadly aligned with targets, with Global Equities at 42.9%, Private Equity at 12.6%, and opportunistic strategies contributing positively. Mr. Majeed also noted continued monitoring of inflation, sentiment, and global manufacturing trends as forward-looking indicators for market conditions.

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

Statement of Investment Policy – Draft Discussion

Mr. Majeed provided an overview of proposed changes to the Statement of Investment Policy. Mr. Majeed noted there are minimal proposed changes. After some discussion, Mr. Majeed reminded the Board that a resolution to approve the edits will be presented in June.

FY2027 Annual Investment Plan – Draft Discussion

Mr. Majeed presented the draft Annual Investment Plan for FY2027, noting that the Plan outlines the economic outlook, updated asset allocation targets, performance objectives, and implementation guidelines for each asset class. Mr. Majeed explained that staff reported strong long-term Total Fund performance, with net returns exceeding policy benchmarks across 3-, 5-, and 10-year periods and continuing to surpass the 7% actuarial target. For FY2027, key objectives include implementing the newly approved asset allocation (including phased increases to Infrastructure and Gold), completing the investment consultant contract, conducting a portfolio analytics system search, and maintaining robust risk management practices. Mr. Majeed highlighted that the new allocation strategy—effective July 1, 2026—introduces Gold as a standalone asset class and gradually rebalances Real Estate and Infrastructure toward strategic targets. Mr. Majeed walked the Board through the implementation guidelines and explained that the Plan reaffirms the focus on value-added performance, cost efficiency, and continued development of the Investment team as SERS enters the next fiscal year.

Following a brief discussion, the Board thanked Mr. Majeed for his presentation.

FY2027 Investment Department Incentive Program (Possible Vote)

SERS Executive Director, Richard Stensrud, presented the proposed FY2027 Investment Department Incentive Plan for the Board's consideration. Mr. Stensrud explained that 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 (Plan) approved by the Board each Spring. Mr. Stensrud noted 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.

Mr. Stensrud continued, stating that 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.

Mr. Stensrud reported that 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.

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

Executive Director's Report

Ohio Retirement Study Council

SERS Executive Director Richard Stensrud reported that the ORSC met last Thursday, May 14. SERS presented the draft FY2027 budget to the Council and provided a summary of the Internal Audit report. All the information was well received by the Committee.

Advocacy Groups

Mr. Stensrud reported that the OASBO Annual Meeting was held on May 1. SERS staff provided a system overview and update about current issues and a look ahead. The meeting was hybrid and was well attended via Zoom.

Mr. Stensrud also shared that annual SERO presentation took place on May 6, providing an update on the system and healthcare program.

State Legislative Activity

Mr. Stensrud reported SERS has been conducting meetings with the ORSC and House Pensions committee, bringing SERS message of positive differentiation to policymakers as well as taking the opportunity to convey the message that, while there will be a change in the executive director position of the organization coming soon, there will not be a change in SERS' values or style. .

Federal Advocacy

Mr. Stensrud continued, reminding the Board that the Coalition to Preserve Retirement Security (CPRS) webinar was hosted on April 29 providing an updated Segal report detailing potential impact of Social Security mandatory coverage for non-covered public employees. SERS continues to provide information regarding this issue to stakeholder organizations

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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Operation Feed

Mr. Stensrud continued his report, stating SERS staff participated in Operation Feed, an annual charity program where SERS employees give back to our community. Staff raised $1,380 in cash donations and collected 1,860 pounds of food. Mr. Stensrud thanked the staff for their generosity and support for this worthy cause.

Review of Administrative Expenses

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

Review of Third Quarter Budget to Actual Administrative Expenses for SERS and OSERS Broad Street, LLC

Ms. Hall continued, presenting the Fiscal Year-to-Date (FYTD) Budget-to-Actual Report for the period ending March 31, 2026. Total administrative expenses were reported at 95.1% of budget, resulting in expenditures that were $1.64 million under budget for the period.

SERS FY2027 Administrative Budget Review

Ms. Hall presented the proposed FY2027 Administrative Budget for the Board's consideration. Ms. Hall reviewed the budget process and policies and outlined the key budget categories. She discussed the current year's budget, the forecasted expenditures relative to the current budget, and the proposed budget for FY2026, noting changes by major category and expenditure areas within those categories. The proposed budget reflects an increase of 2.4% over the FY2026 budget and a 4.6% increase over the FY2026 projected expenses. Ms. Hall highlighted that but-for the mandated funding for the ORSC's Fiduciary Audit, the budget increase over the FY2026 budget would have been 0.7%.

Ms. Hall noted that the Budget Book provides extensive detail regarding the proposed budget and its reconciliation to the current budget.

At the June Board Meeting, the Board will be asked to approve the final version of the budget 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.

Following questions and discussion, the Board thanked Ms. Hall for her presentation.

The Board recessed at 12:37 a.m.

The Board reconvened at 1:11 p.m.

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

Executive Session pursuant to R.C. 121.22 (G)(2) to discuss the employment and compensation of a public employee (R)

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

The Board convened in Executive session at 1:12 p.m.

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The Board returned to open session at 2:04 p.m.

Matthew King left the Board Meeting at 2:05 p.m.

Proposed Extension of Actuarial Contract (R)

Mr. Stensrud provided the Board with a recommendation to approve a two-year extension of the current actuarial services contract with Cavanaugh MacDonald (CavMac), which is scheduled to expire June 30, 2026. Mr. Stensrud reminded the Board of the scope of services in the current contract and noted that the accuracy of CavMac's actuarial calculations and soundness of their methodology has been confirmed in two recent actuarial audits. Mr. Stensrud explained that extending the contract would help maintain organizational continuity through important upcoming transitions and substantial engagements and further stated there will be no increase in fees for the duration of the extension.

After a robust discussion it was moved by Frank Weglarz and seconded by Aimee Russell 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: Yea: Daniel Wilson, Jeanine Alexander, Rebekah Roe, Aimee Russell, Frank Weglarz, and James Rossler. Absent: Jeffrey DeLeone and Matthew King. Excused: Catherine Moss. The motion carried.

Proposed Extension of Vocational Rehabilitation Contract (R)

Mr. Stensrud presented the Board with a recommendation to re-appoint Kimberly Wickert, for a 5-year term, as SERS' Vocational Expert. Mr. Stensrud highlighted Ms. Wickert's tenure and extensive experience and qualifications that have served SERS since December 2015.

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

Compensation Committee Report

Compensation Committee Update

Compensation Committee Chair, Daniel Wilson, provided the Board with an update on the work being done in the Compensation Committee meetings. Mr. Wilson reported that the Compensation Committee's primary focus has been on the search for the new Executive Director. There were no questions from the Board. The next Compensation Committee meeting is scheduled for Thursday, June 18, 2026.

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. Board Chair, James Rossler, noted there will be a Special Meeting added to the schedule for June 1, 2026, at 2:30 p.m.

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

AUDIT COMMITTEE MEETINGS

SERS Retirement Board Meeting Minutes
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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

June 1, 2026 – 2:30 p.m. ***** Special Meeting *****
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

Board Member, Daniel Wilson, noted the desire to annually update photos of SERS members in the Board room. Jeffrey DeLeone and Frank Welgarz agreed with this idea. Mr. Stensrud agreed to take the note forward to SERS' Communication Department and report back to the Board.

Board Member, Aimee Russell, reported to the board that she attended an NCPERS conference May 16 – May 20, and at this conference a speaker referenced using AI to analyze board books, providing citations, bullet points, and questions. Ms. Russell asked if this is something SERS has looked into. SERS Deputy Director, Karen Roggenkamp, shared that SERS has experimented with this using CoPilot and confirmed SERS will continue exploring those efforts.

Adjournment

Board Chair, Jamies Rossler, moved to adjourn to meet on Monday, June 1, 2026, at 2:30 p.m. for the next SERS specially scheduled Retirement Board meeting.

The SERS Board Meeting adjourned at 2:10 p.m.

______________________________ ______________________________
James Rossler, Board Chair Richard Stensrud, Executive Director

SERS Special Retirement Board Meeting Minutes
June 1, 2026

The nine hundred and ninety-fifth 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 Monday, June 1, 2026.

Pledge of Allegiance

The SERS Special Retirement Board Meeting convened at 2:30 p.m. with the Pledge of Allegiance.

Roll Call

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

SERS staff attended in person while Board Member, Jeanine Alexander, 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)

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

The Board convened in executive session at 2:31 p.m.

Board member, Rebekah Roe, arrived and joined the executive session at 2:36 p.m.

The Board returned to open session at 2:49 p.m.

Employment of Executive Director

Rebekah Roe moved and Frank Weglarz seconded to employ H. Ray Higgins, Jr. as SERS' Executive Director effective July 6, 2026, upon the terms and conditions as set forth in the Offer Letter and Addendum provided to Mr. Higgins. The Board Chair is authorized to sign any documents necessary to effectuate this employment. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeffrey DeLeone, Matthew King, Rebekah Roe, Frank Weglarz, and James Rossler. Absent: Jeanine Alexander, Catherine Moss and Aimee Russell. The motion carried.

Board Member, Jeffrey DeLeone, thanked the Board Chair and Compensation Committee Chair for their excellent and thorough process, acknowledging there were great candidates and felt the Board selected a top candidate.

Richard Stensrud Employment

It was moved by Frank Weglarz and seconded by Matthew King as follows with respect to Mr. Stensrud's employment at SERS:

- to extend Mr. Stensrud's employment as Executive Director through July 5, 2026.
- to employ Mr. Stensrud from July 6, 2026, through July 17, 2026, in a capacity to help facilitate the transition of executive responsibilities to the new Executive Director.

The Board Chair is authorized to sign any documents necessary to effectuate the preceding employment directives. Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeffrey DeLeone, Matthew King, Rebekah

Roe, Frank Weglarz, and James Rossler. Absent: Jeanine Alexander, Catherine Moss and Aimee Russell. The motion carried.

Discontinue Executive Director Fringe Benefit Employee Contribution Pickup

Matthew King moved and Rebekah Roe seconded to discontinue, effective July 6, 2026, SERS' fringe benefit pick up of the statutorily required employee contribution to the Ohio Public Employees Retirement System for the Executive Director position of the School Employees Retirement System of Ohio pursuant to IRC Section 414(h)(2). Upon roll call the vote was as follows: Yea: Daniel Wilson, Jeffrey DeLeone, Matthew King, Rebekah Roe, Frank Weglarz, and James Rossler. Absent: Jeanine Alexander, Catherine Moss and Aimee Russell. The motion carried.

Board Chair, James Rossler, echoed Mr. DeLeone's comments, thanking SERS Staff and Gary Hudepohl for the extensive and thorough hard work through this process, and acknowledged there was a pool of outstanding candidates.

Adjournment

Board Chair, James Rossler, moved to adjourn to meet on Thursday, June 18, 2026, at 8:30 a.m. for the SERS regularly scheduled Retirement Board meeting.

The SERS Special Board Meeting adjourned at 2:52 p.m.

James Rossler, Board Chair

Richard Stensrud, Executive Director

Board Meeting Agenda Item

SCHOOL EMPLOYEES RETIREMENT BOARD OF OHIO

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

The following is a summary of the investment transactions made during the period of April 1, 2026, through April 30, 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	$305.6
Fixed Income	282.3
Private Equity Capital Calls	35.2
Real Estate Capital Calls	0.9
Infrastructure Capital Calls	202.5
Opportunistic & Tactical	20.7
Global Private Credit	15.4
Cash Equivalents	108.8

B. SALES/ DISTRIBUTIONS

Asset Class	Approximate Net Proceeds (in millions)	Approximate Gain/(Loss) (in millions)
Global Equities	352.9	84.8
Fixed Income	235.8	(2.5)
Private Equity	25.6	n/a
Real Estate	61.5	n/a
Infrastructure	1.0	n/a
Opportunistic & Tactical	4.1	n/a
Global Private Credit	32.5	n/a
Cash Equivalents	285.3	

School Employees
Retirement System

Memo

To: Retirement Board

From: Farouki Majeed

cc: Richard Stensrud, Karen Roggenkamp

Date: June 5, 2026

Re: **Investment Report for the June Board Meeting**

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

- Investment report and economic update for the period ended April 30, 2026.
- Statement of Investment Policy Amendments. If acceptable to the Board, a motion has been prepared for a vote to approve during the June Board meeting.
- FY2027 Annual Investment Plan discussion. If acceptable to the Board, a motion has been prepared for a vote to approve during the June Board meeting.

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

- ➢ Overlay Program Manager Reviews.
- ➢ Quarterly Risk Report – March 31, 2026.
- ➢ Monthly Top 20 Equity and Fixed Income Holdings Reports – April 30, 2026.
- ➢ Monthly Compliance Update memo – April 30, 2026.

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

Ohio SERS Investment Report

Monthly Report to the Board

For the period ending: April 30, 2026

Prepared by Investment and IAD Staff

Farouki Majeed, Chief Investment Officer

Meeting Date: June 2026

Investment Agenda

- Monthly Investment Report (April 30, 2026).
- Statement of Investment Policy Amendments (possible vote).
- FY26 Annual Investment Plan (possible vote).

Economic and Financial Market Outlook

- GDP Q1 growth was revised down by 0.4% to 1.6% due to investments and consumer spending declining further. AI related investments were a primary Q1 growth driver. The May Blue Chip Economic Indicators forecast 2.2% GDP growth for 2026, fueled by ongoing AI capital spending. 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 continued to improve, adding 172,000 jobs in May. The March and April numbers were revised up by 93,000 in total. The unemployment rate remained at 4.3%. Job gains were led by leisure and hospitality, local government, and health care sectors. The labor force participation rate stayed at 61.8%. (Sources: Bureau of Labor Statistics).

- US headline inflation rose from 3.3% in March to 3.8% in April, the highest level since June 2023, as energy prices increased 17.9% in the last 12 months. Core inflation (less food and energy) increased by 0.1% to 2.8% in April. (Source: Bureau of Labor Statistics).

- The 10-year Treasury nominal yield increased 5 basis points to 4.45% in May. As of April, the current 10-year real yield, estimated by the difference between the 10-year Treasury nominal yield and current headline inflation, dropped to 0.36%, 1.42% below the historical average due to a large increase in inflation. The Federal Reserve maintains the federal funds rate at 3.5%–3.75%.

- The housing market, represented by the S&P Case-Shiller 20-City home price index, rose 0.8% annually, down from last month's 0.9%.

- The Consumer Sentiment Index from Thomson Reuters and the University of Michigan dropped to a record low of 44.8 in May, down 10% from April and 14.2% from last year.

- The US and Global Economic Surprise indices were both positive in March, indicating that the actual economic data were better than expected. The US reading increased materially to 44.9 from 21.1 last month; the global reading rose to 15 from 12.0. The latest Leading Economic Index (LEI), issued by the Conference Board, increased slightly by 0.1% to 97.4 in April. LEI's six and twelve-month growth rates declined, suggesting "a fragile economic outlook." However, recession remains "unlikely" according to the LEI press release.

- US Manufacturing PMI advanced to 54.0 in May, the highest reading since May 2022. An over-50 level indicates an increase in business activities. Global Manufacturing PMI held steady at 52.6 in May, a four-year high. (Source: Institute for Supply Management and S&P Global).

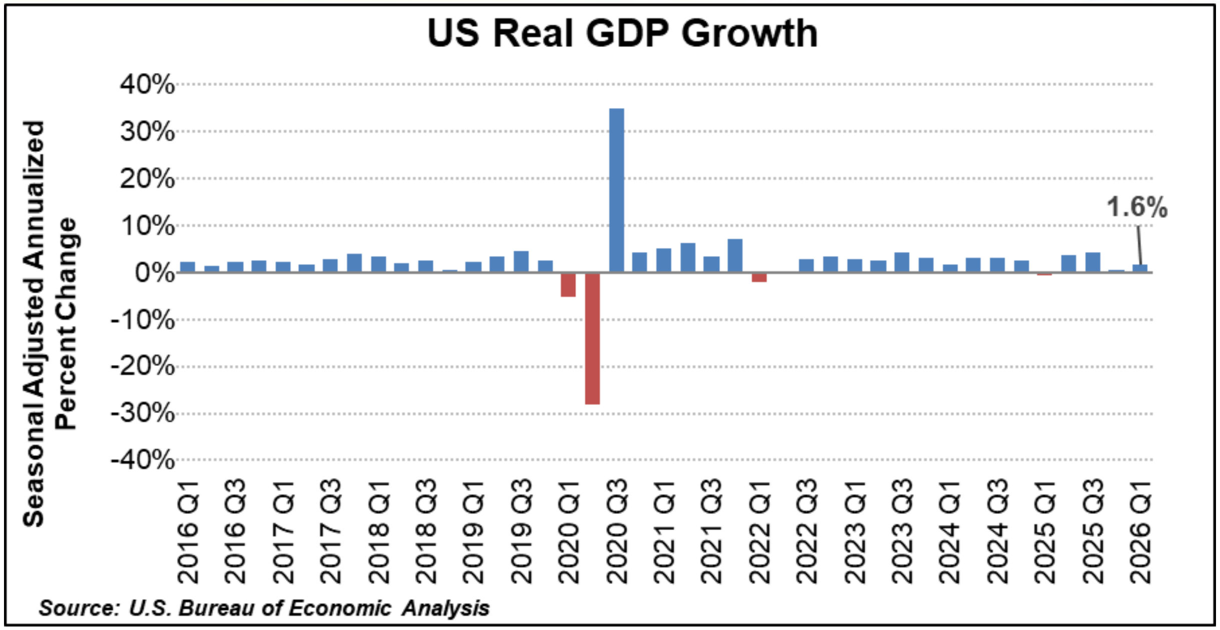
- Equity markets rallied in May: the US market (Russell 3000) gained 5.07%, Non-US Developed markets (MSCI World ex-USA) rose 2.81% and Emerging markets (MSCI EM) led with a 9.67% gain.

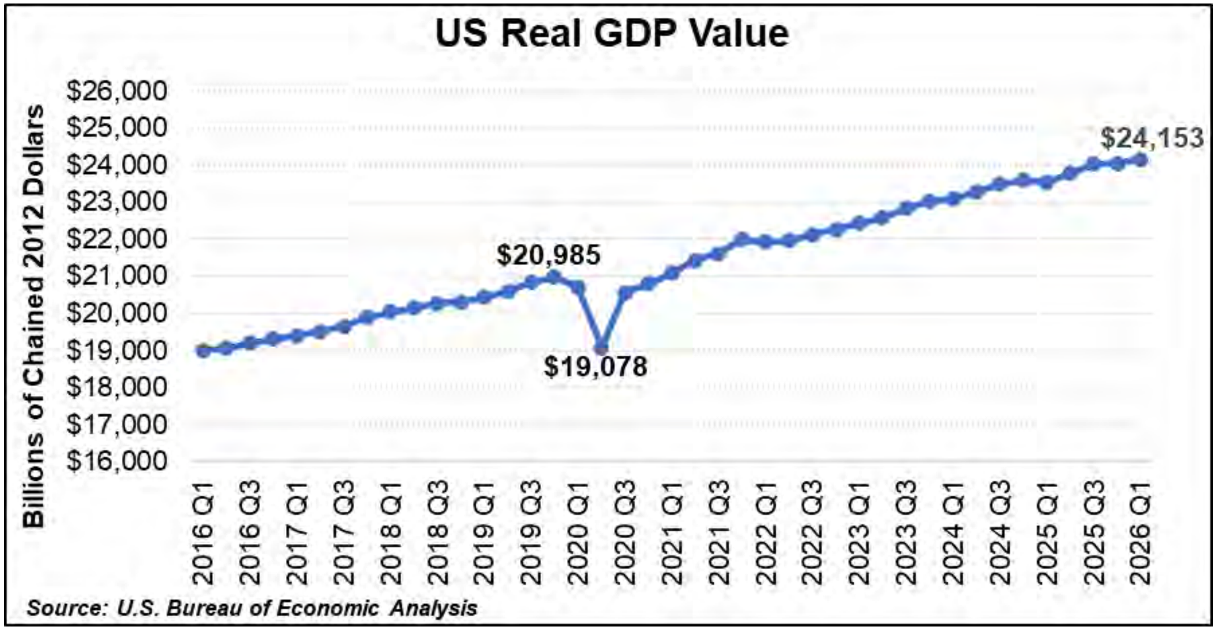
- The US fixed income market, Bloomberg US Universal Bond Index, increased 0.35% in May.

Notes: Acronym – PMI – Purchasing-Managers' Index

ECONOMY

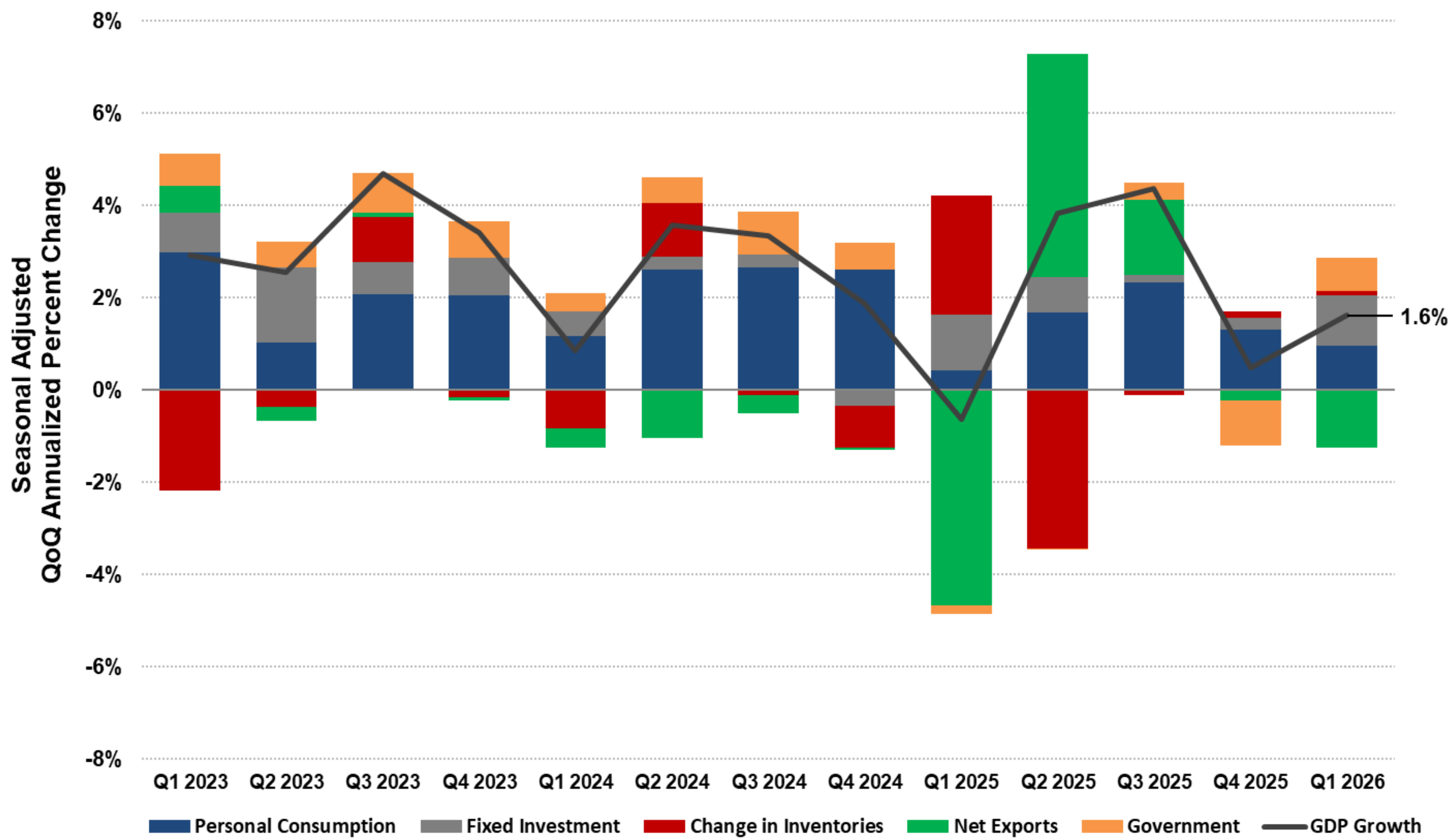
US Real Gross Domestic Product





ECONOMY

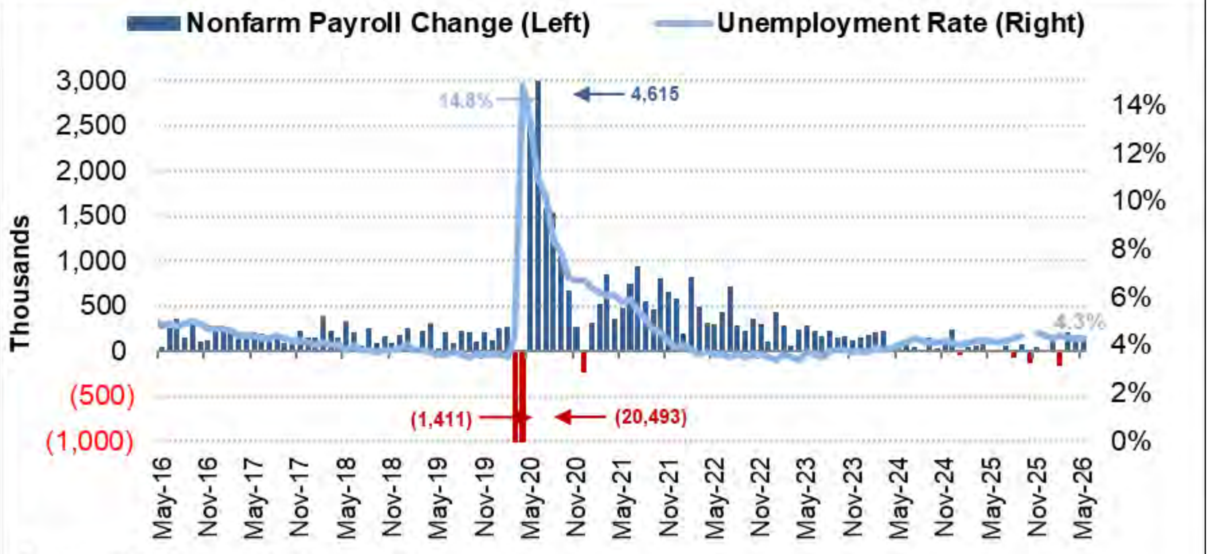
GDP Growth and its Component Contributions



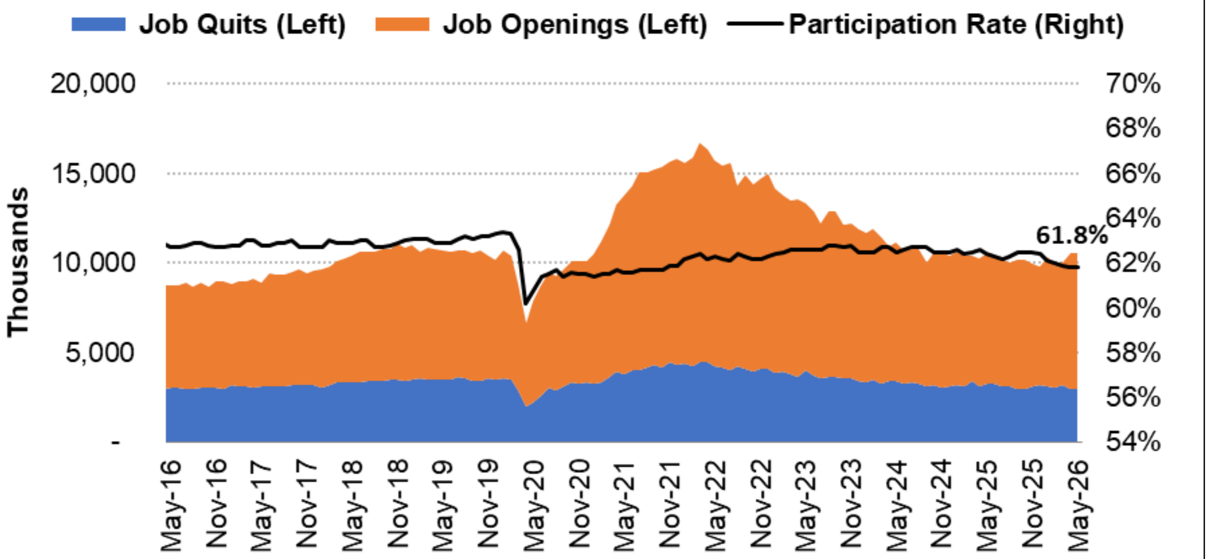
Source: U.S. Bureau of Economic Analysis

ECONOMY

US Labor Market



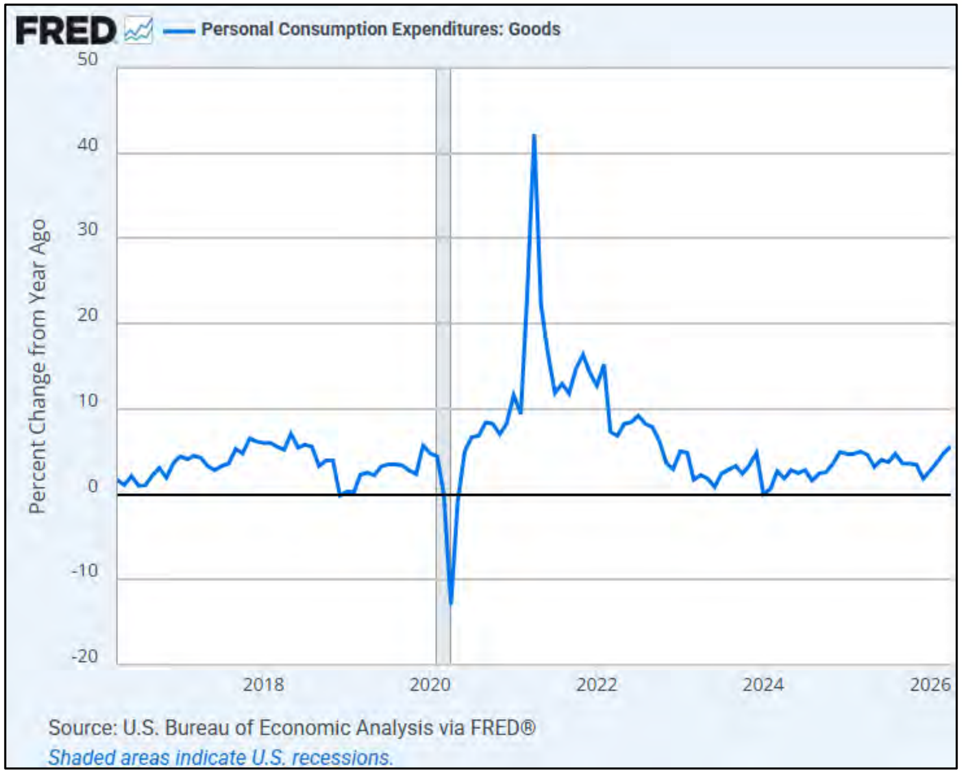
Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

ECONOMY

Personal Savings Rate & Personal Expenditures: Goods



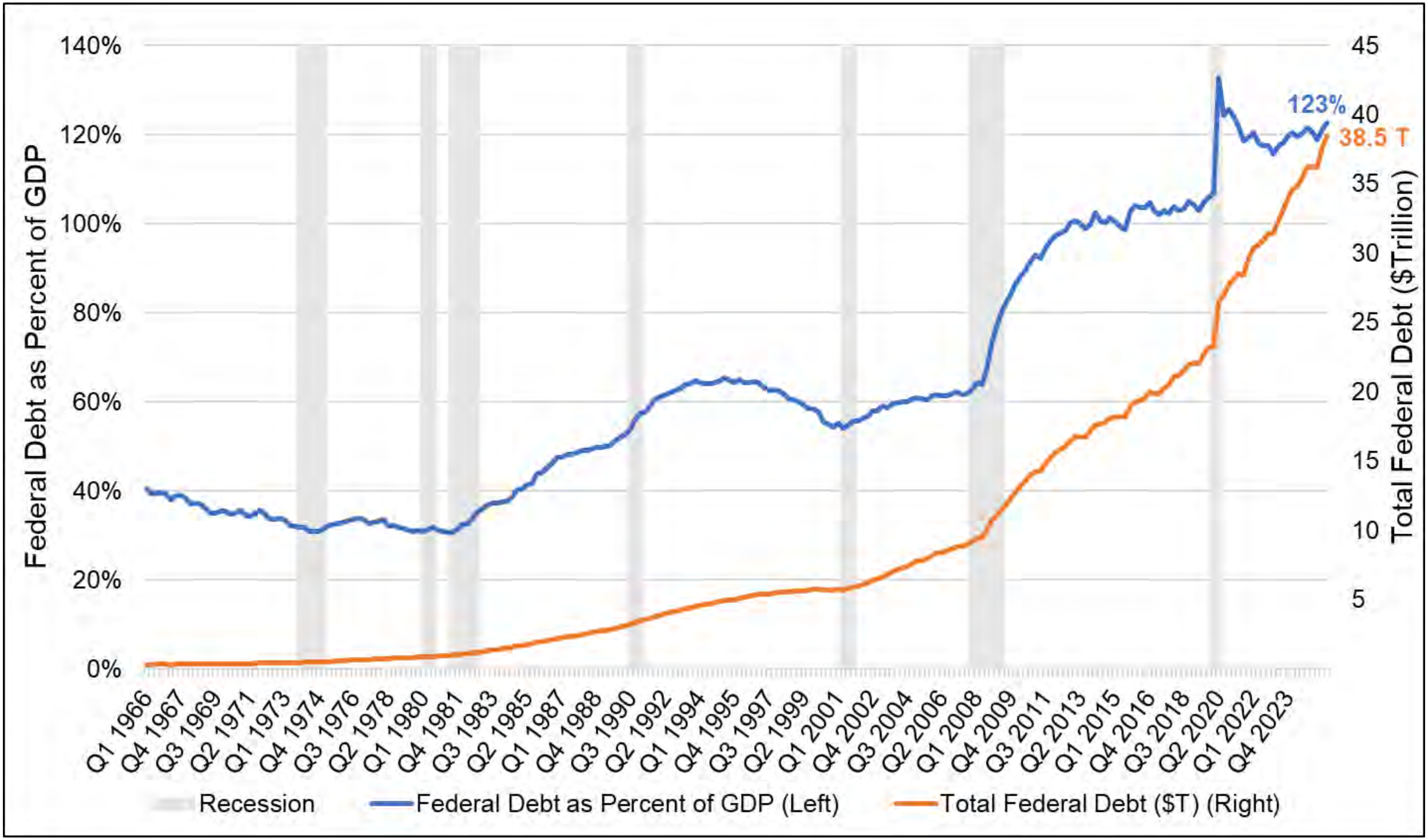
Date	Annual Personal Savings Rate
Jun-22	2.2%
Jun-23	5.8%
Jun-24	5.7%
Jun-25	4.6%
Apr-26	2.6%

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%
Apr-26	5.6%

Source: FRED, U.S. Bureau of Economic Analysis

ECONOMY

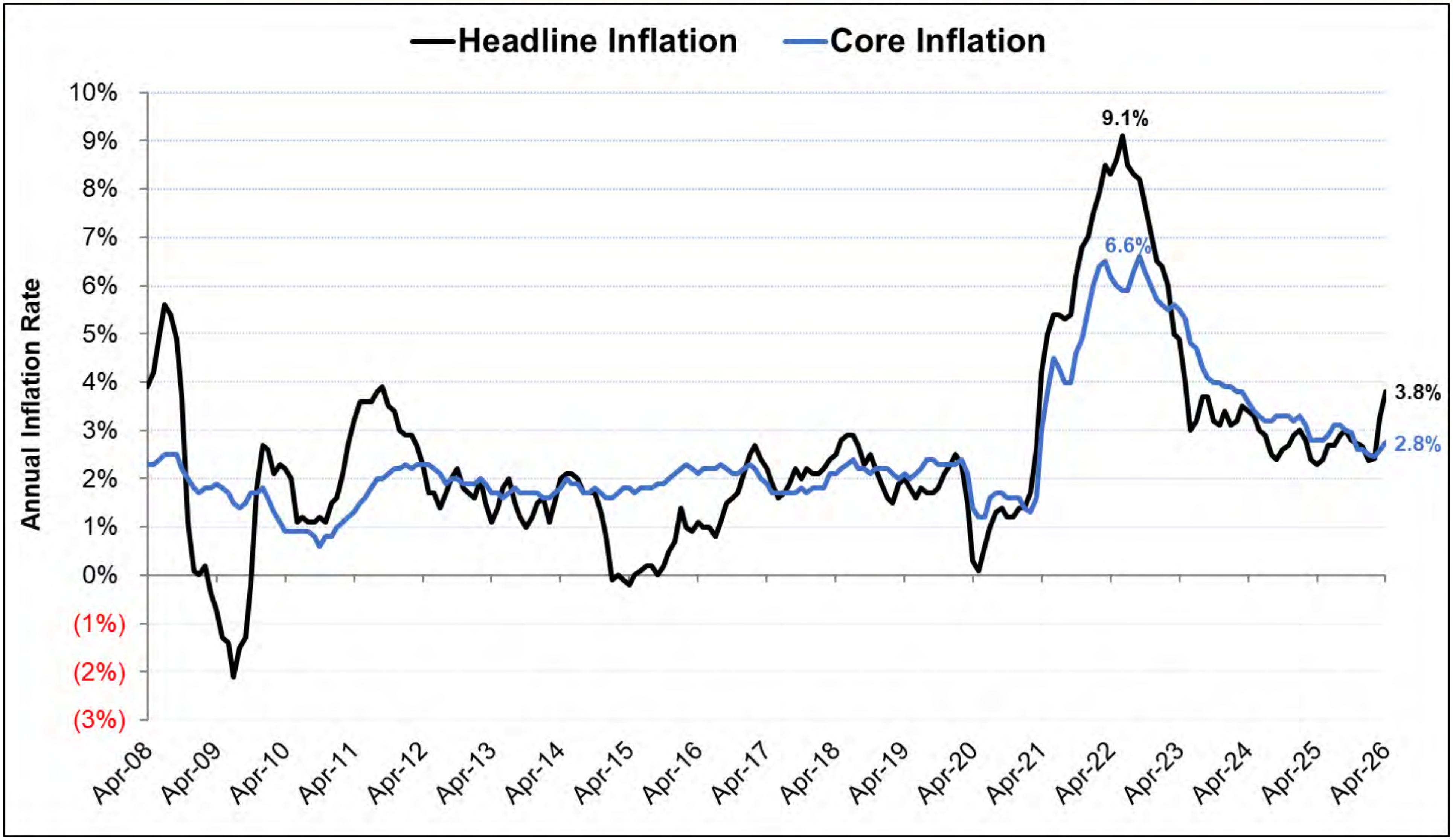
Federal Debt in USD and Percentage of GDP



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

ECONOMY

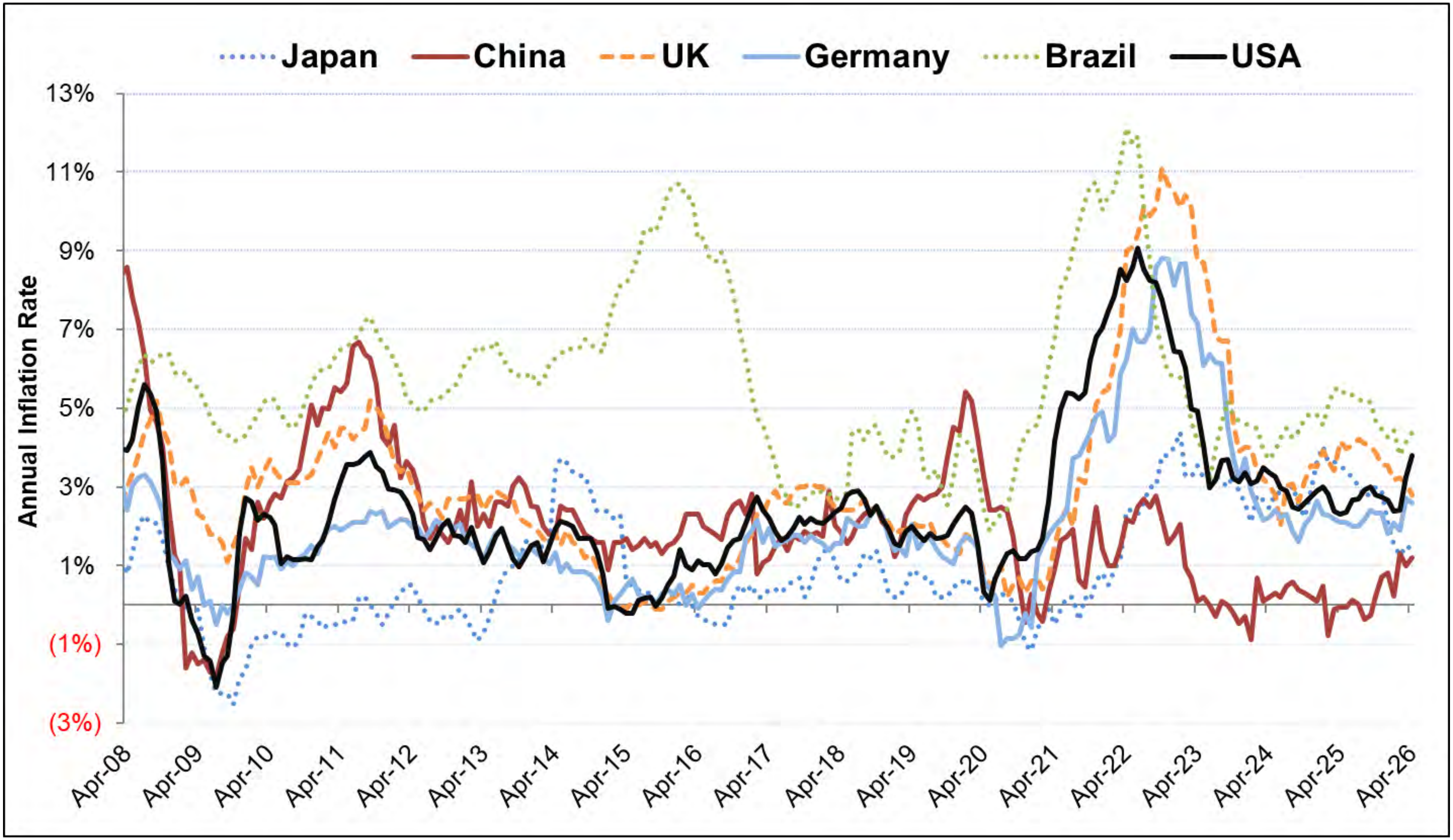
US Inflation



Source: U.S. Bureau of Labor Statistics

ECONOMY

Global Headline Inflation

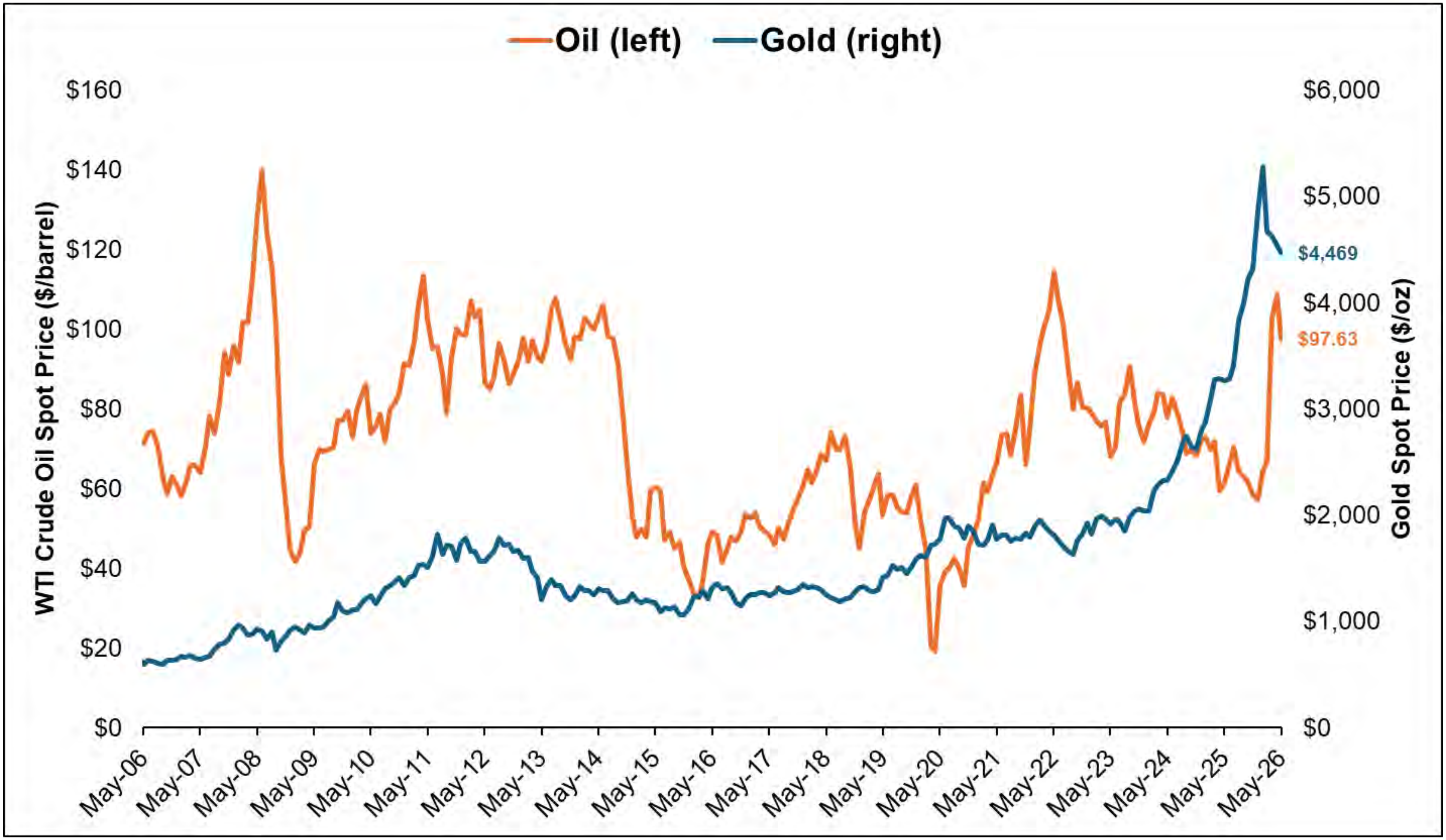


	Japan	China	UK	Germany	Brazil	USA
Apr-26	1.4	1.2	2.8	2.6	4.4	3.8

Source: www.inflation.eu

ECONOMY

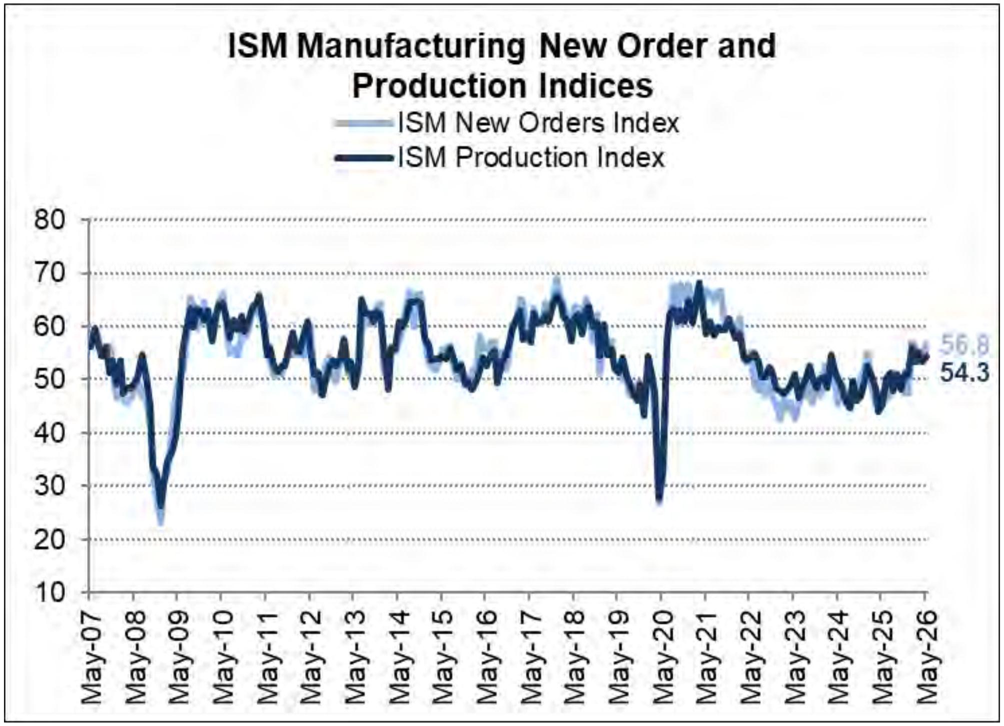
Oil vs. Gold Price

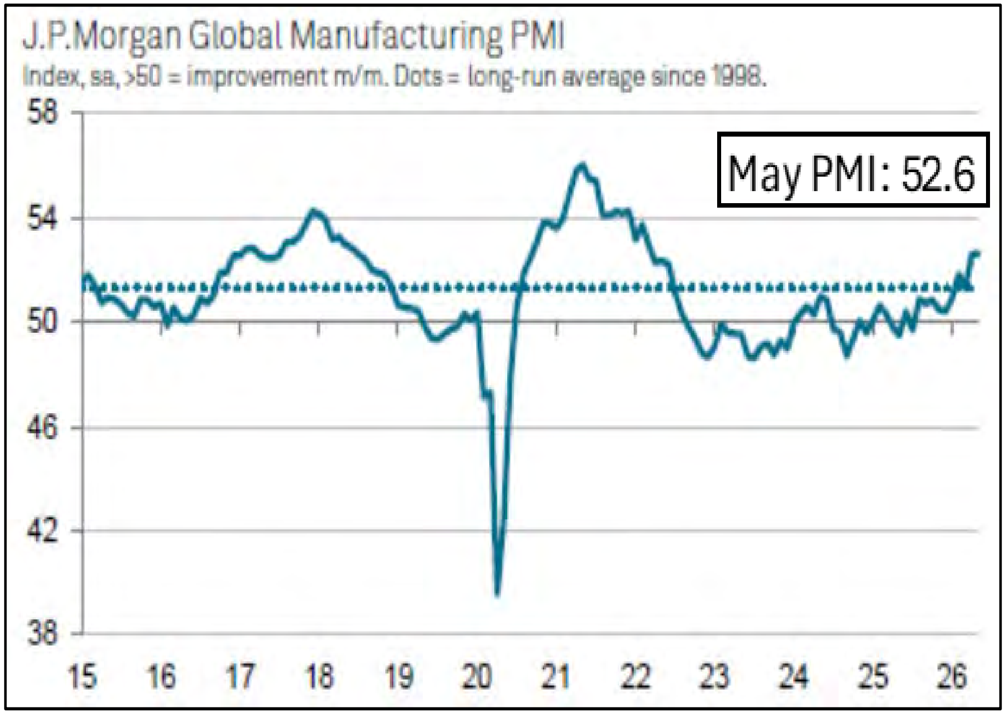


Source: U.S. Bureau of Labor Statistics via FRED, macrotrends.net

ECONOMY

US & Global Manufacturing Activities

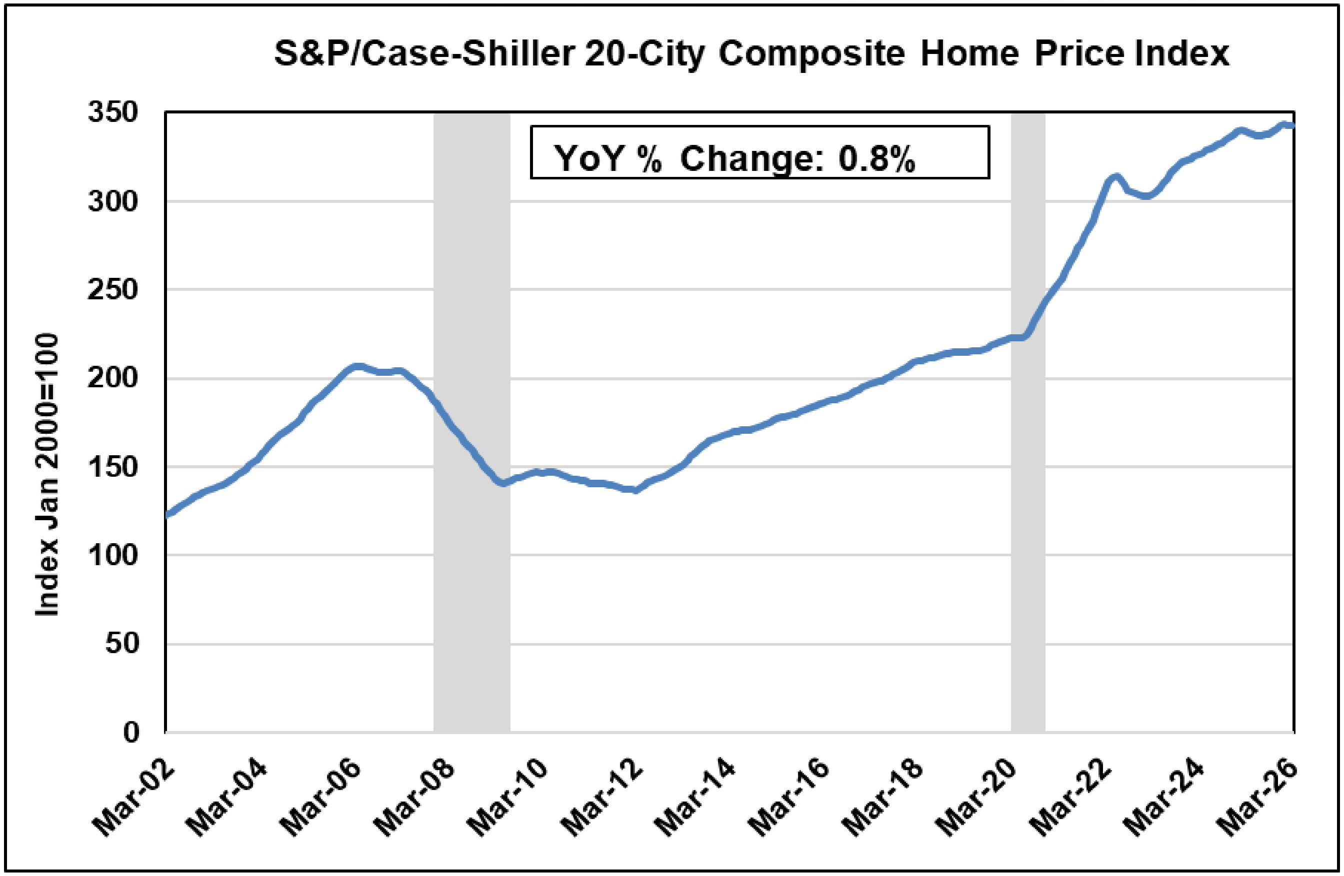




Source: Manufacturing ISM Report On Business & JPMorgan Global Manufacturing PMI™
Notes: Acronym – ISM – Institute of Supply Management; PMI – Purchasing Managers Index

ECONOMY

US Housing Market

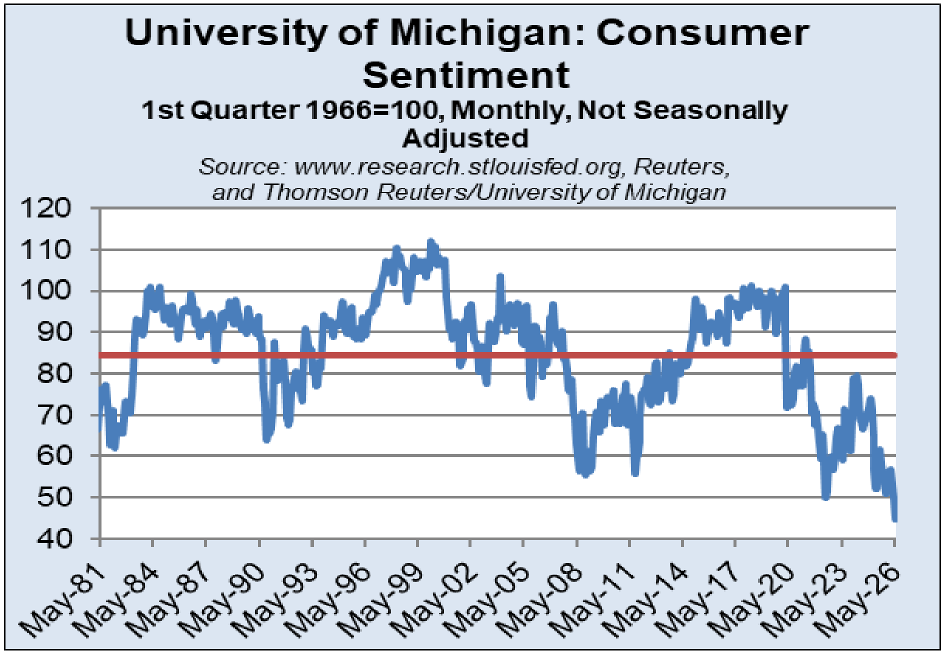


Date	S&P Case-Shiller 20-City Home Price Index January 2000 = 100, Seasonally Adjusted
Jul-21	269.29
Jul-22	312.08
Jul-23	312.39
Jul-24	330.71
Jul-25	337.25
Mar-26	342.33

Source: S&P Dow Jones Indices LLC via FRED

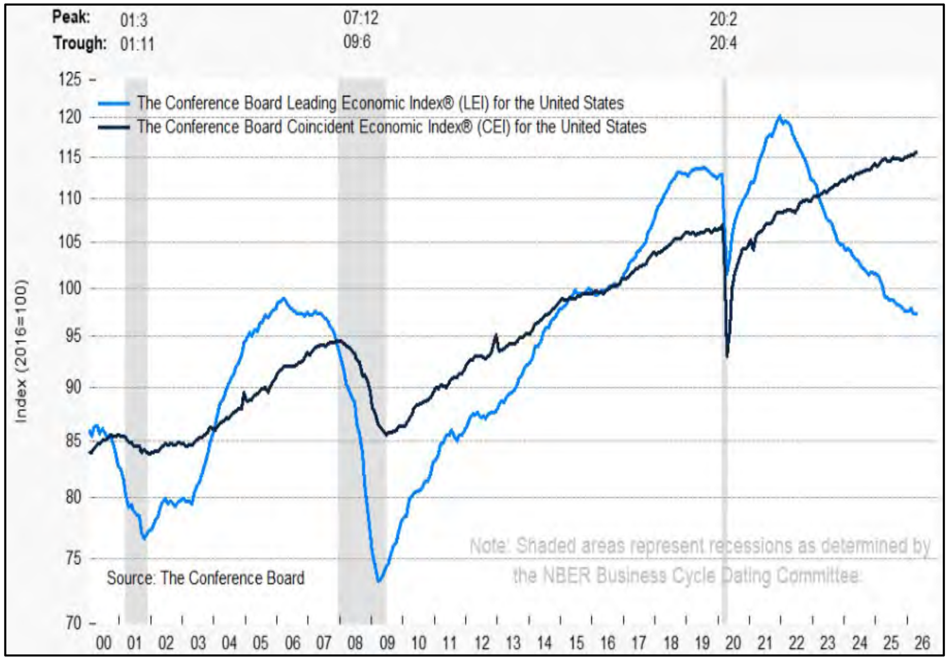
ECONOMY

Consumer Sentiment



Index of Consumer Sentiment				
May-26	**Apr-26**	**May-25**	**M-M Change**	**Y-Y Change**
44.8	49.8	52.2	-10.0%	-14.2%

The Leading Economic Index (LEI)



Index	Mar-26	Apr-26	1-Month Change	6-Month Change
LEI	97.3	97.4 p	0.1	-0.7

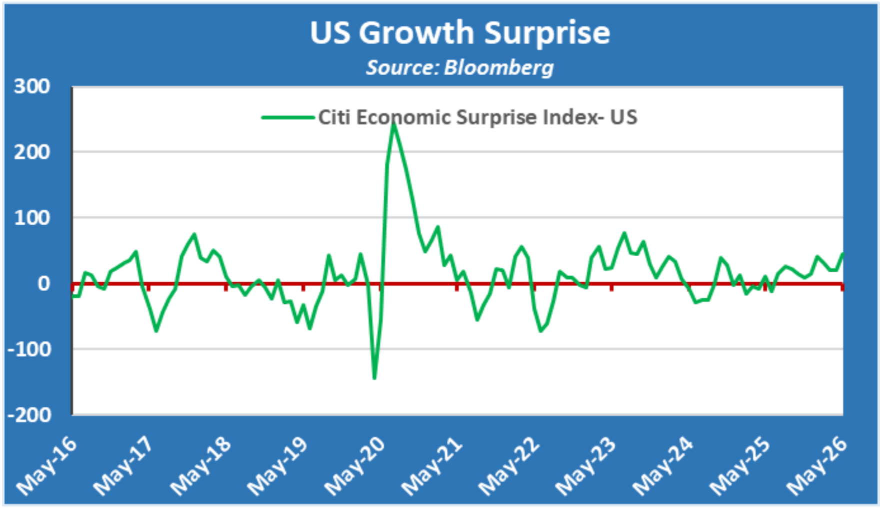
p Preliminary; r Revised; Indexes equal 100 in 2016

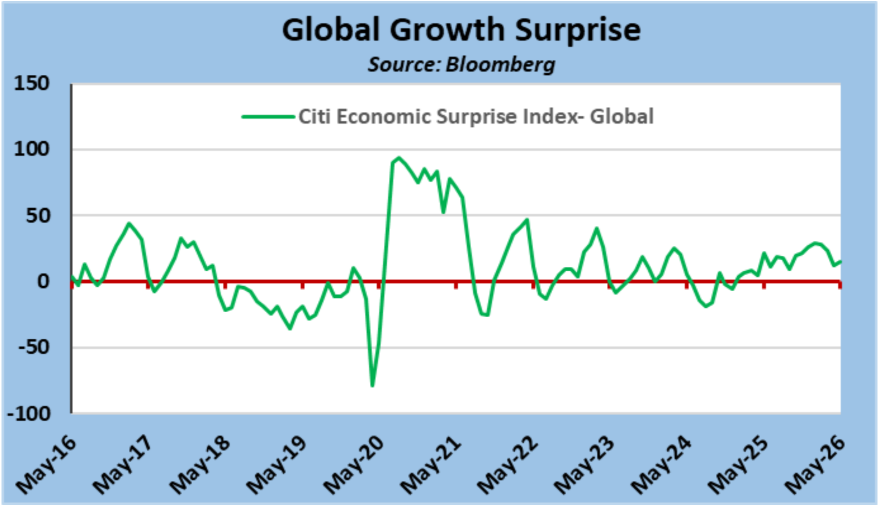
Sources: Thomson Reuters / University of Michigan

Sources: The Conference Board and advisorperspectives.com

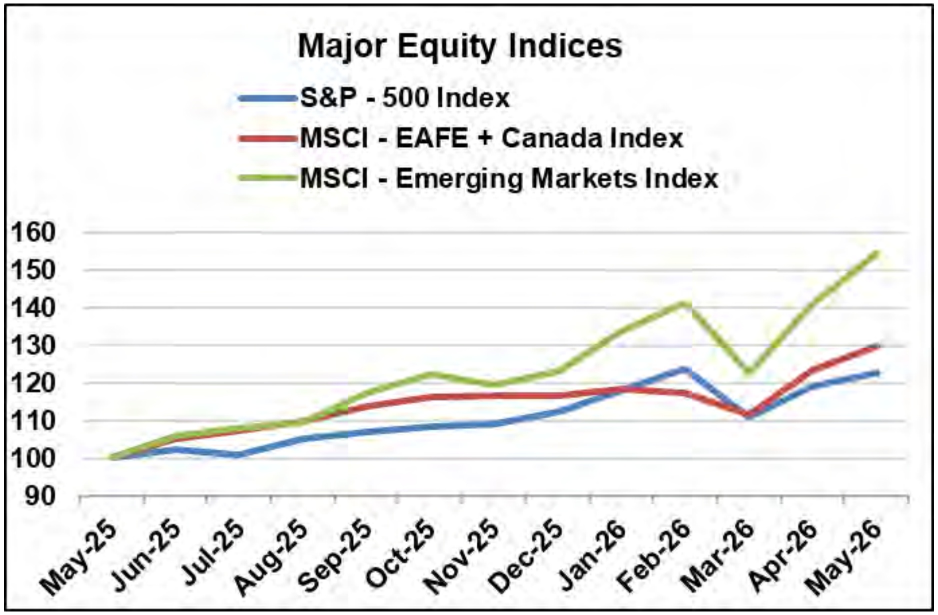
ECONOMY

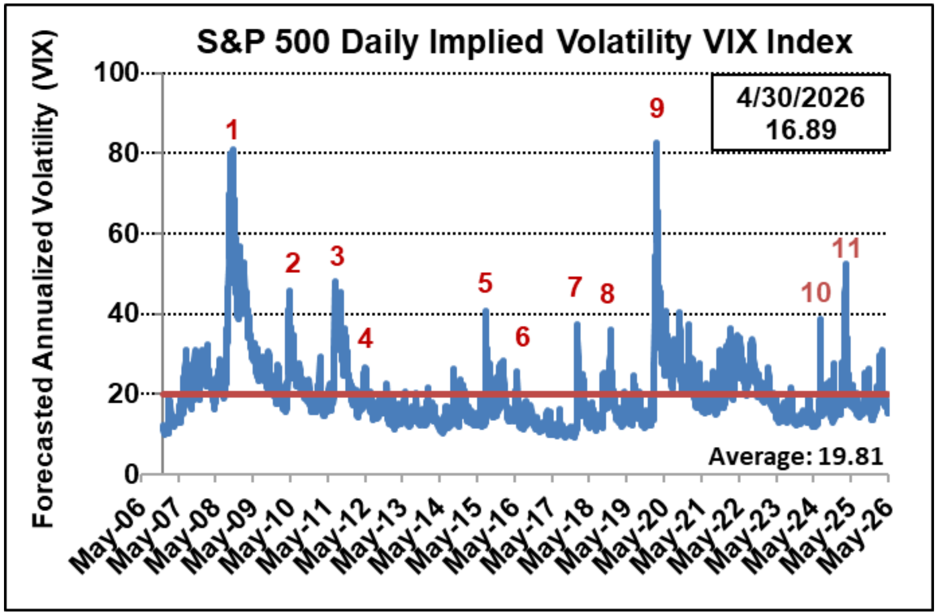

FRED
US Yield Curve Slope — (10Y Treasury Constant Maturity minus 3M Treasury Constant Maturity)
Percent
2.5
2.0
1.5
1.0
0.5
0.0
-0.5
-1.0
-1.5
-2.0
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
May 29, 2026: 0.76
Source: Federal Reserve Bank of St. Louis via FRED®
Shaded areas indicate U.S. recessions.
myf.red/g/1WKhD


US Growth Surprise
Source: Bloomberg
Citi Economic Surprise Index- US
300
200
100
0
-100
-200
May-16
May-17
May-18
May-19
May-20
May-21
May-22
May-23
May-24
May-25
May-26


Global Growth Surprise
Source: Bloomberg
Citi Economic Surprise Index- Global
150
100
50
0
-50
-100
May-16
May-17
May-18
May-19
May-20
May-21
May-22
May-23
May-24
May-25
May-26

MARKETS Equity





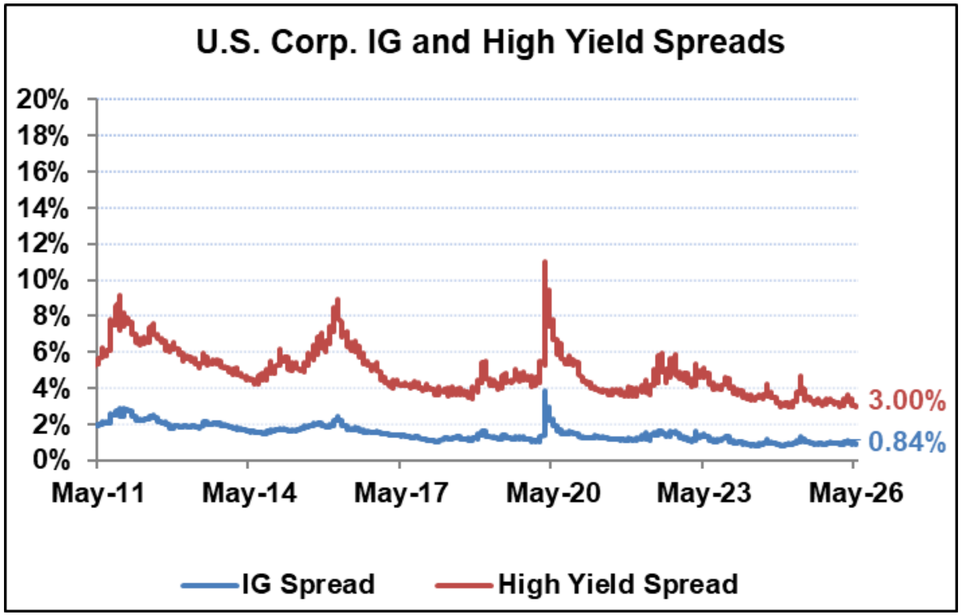
	Return as of 5/31/2026	
	1 Year	FYTD
S&P 500 Index	29.8	23.5
MSCI - EAFE + Canada Index	22.8	20.2
MSCI - Emerging Markets Index	54.3	45.6

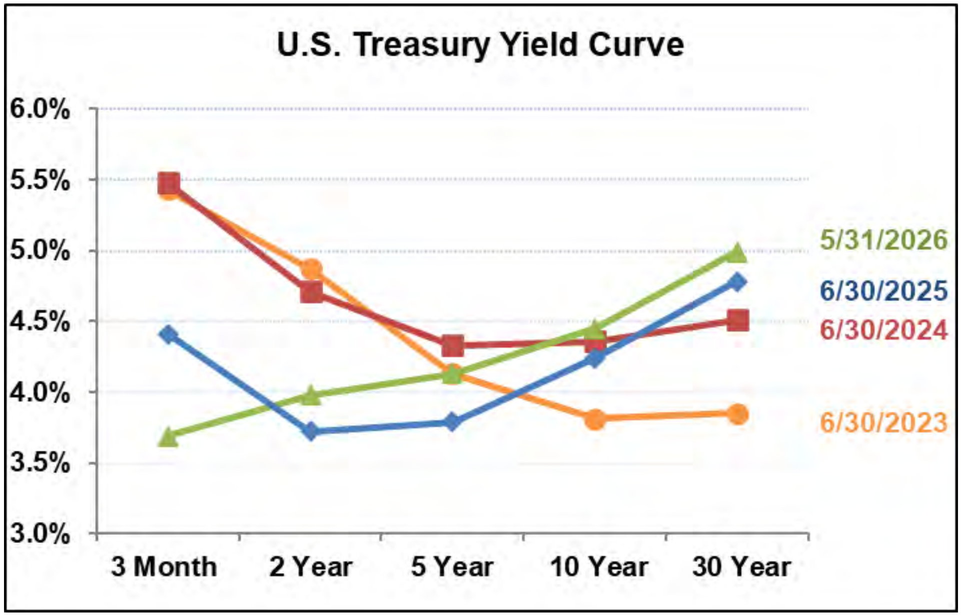
1	2008 (Nov.)	Financial Crisis S&P 500: - 48.8%
2	2010 (May)	Flash crash; Europe/ Greece debt S&P 500: -16%
3	2011 (Aug.)	US dow ngrade, Europe periphery S&P 500: -19.4%
4	2012 (June)	Eurozone double dip S&P 500: -9.9%
5	2015 (Aug.)	Global slow dow n, China, Fed S&P 500: -12.4%
6	2016 (Feb.)	Oil crash, 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 dow n 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%

Sources: Nasdaq eVestment, Chicago Board Options Exchange via FRED

MARKETS

Fixed Income

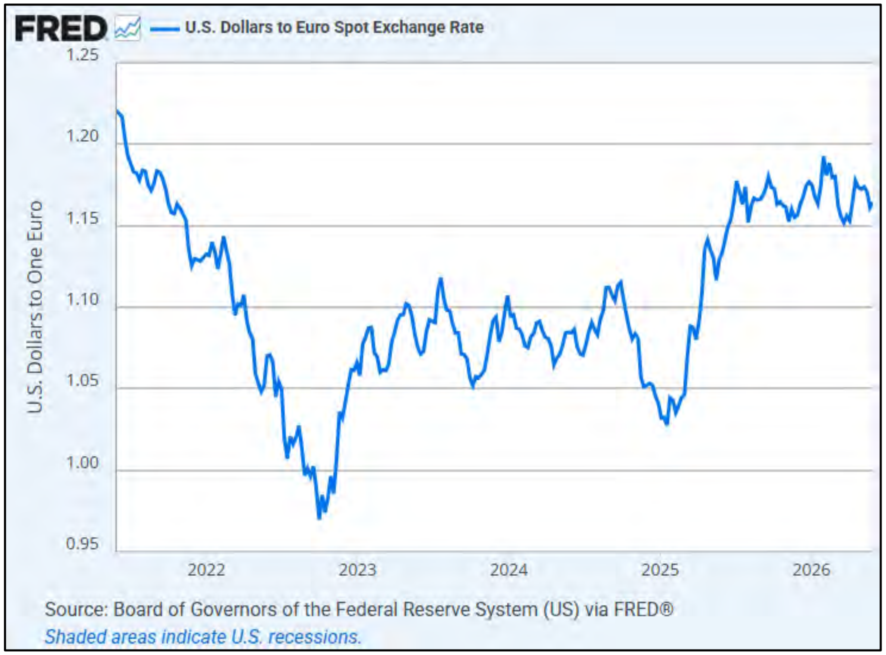


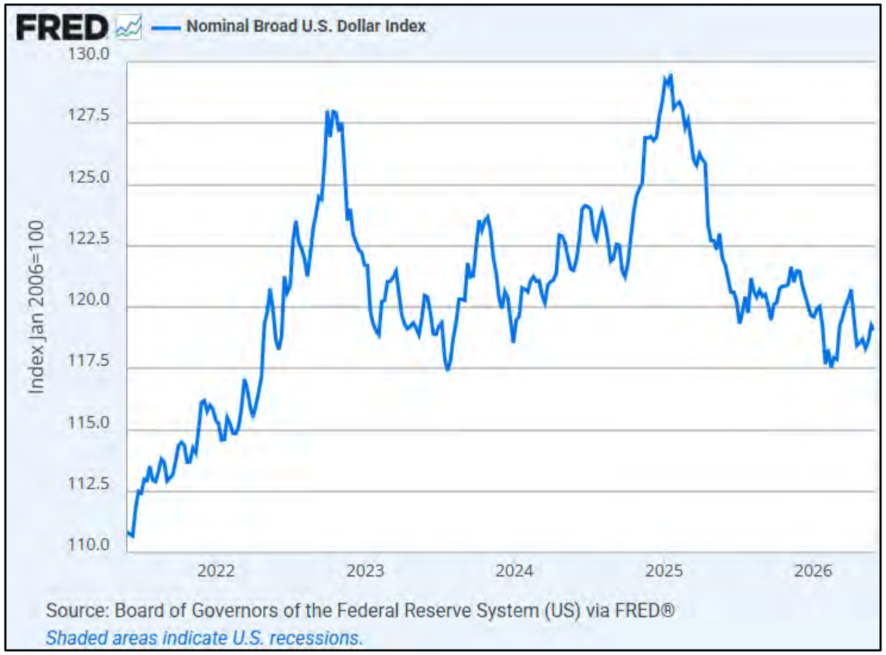


Sources: Wilshire, Department of the Treasury

MARKETS

Foreign Exchange



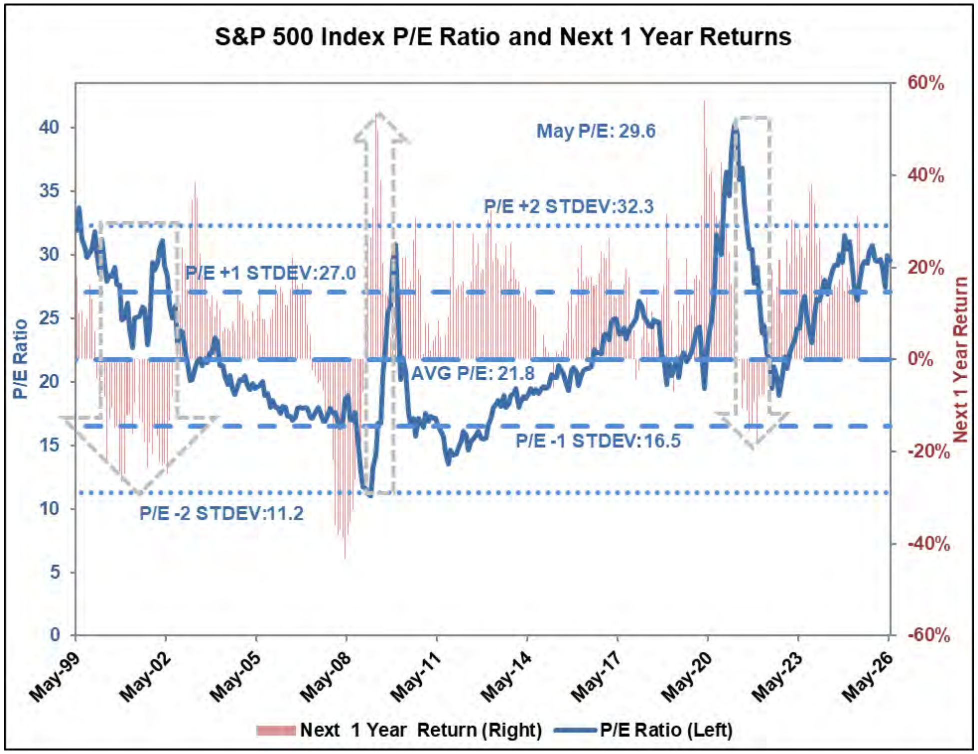


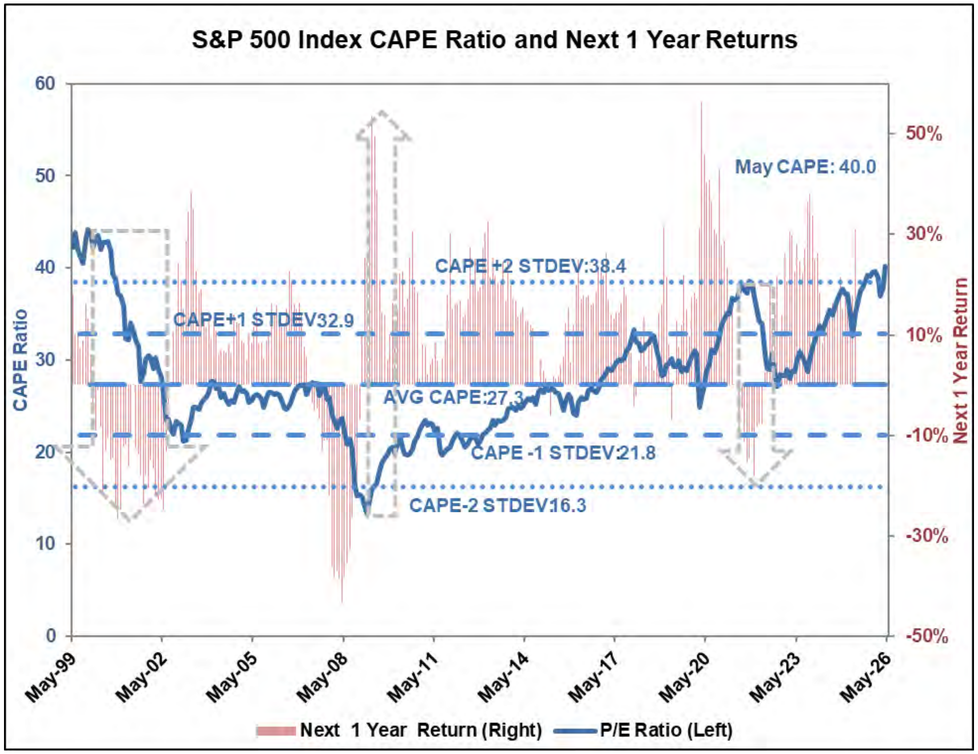
Date	U.S. / Euro Foreign Exchange Rate U.S. Dollars to One Euro
June-22	1.05
June-23	1.09
June-24	1.07
June-25	1.18
May 29, 2026	1.17

Date	Nominal Broad U.S. Dollar Index January 2006=100
June-22	121.1
June-23	119.9
June-24	124.5
June-25	119.8
May 29, 2026	118.9

Sources: Federal Reserve Board of Governors via FRED

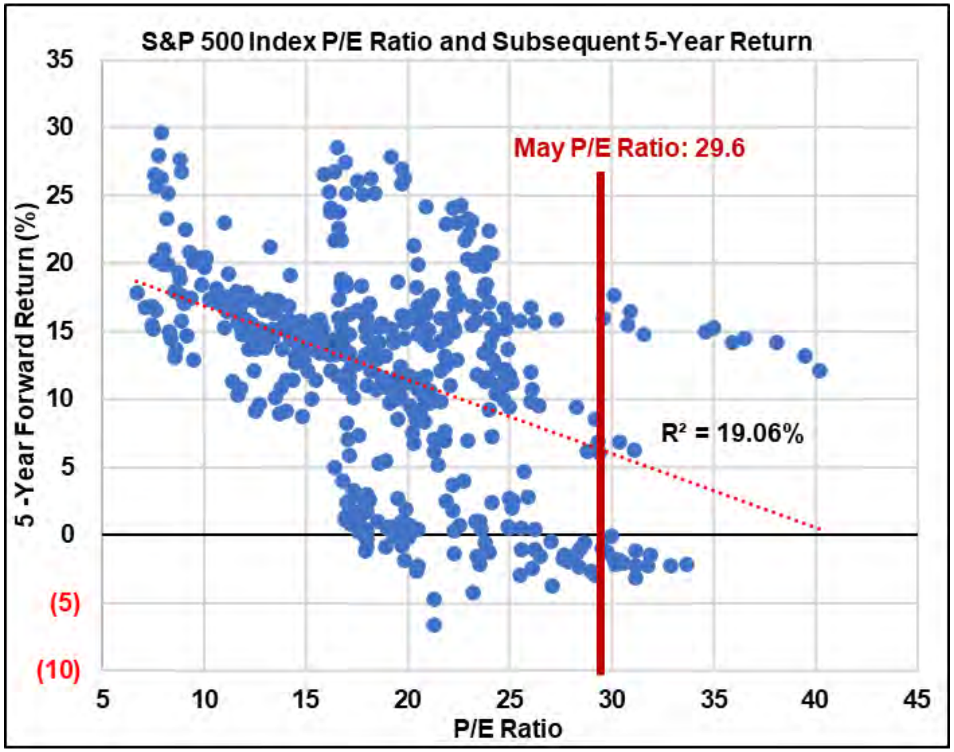
VALUATION US Equity

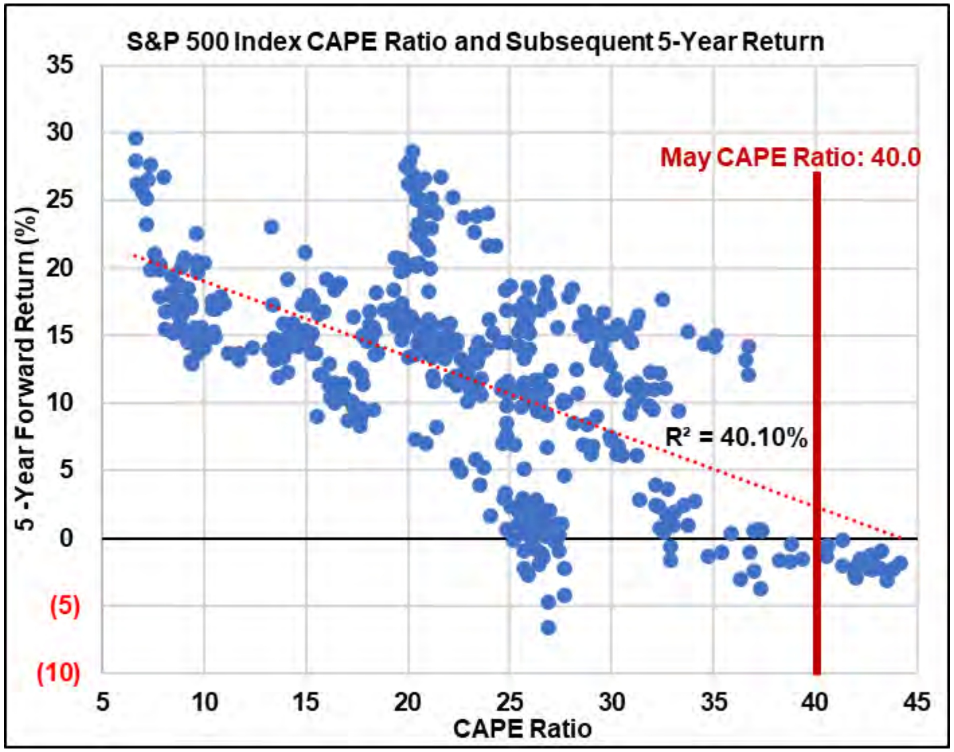




Source: Wilshire, Nasdaq eVestment

VALUATION US Equity

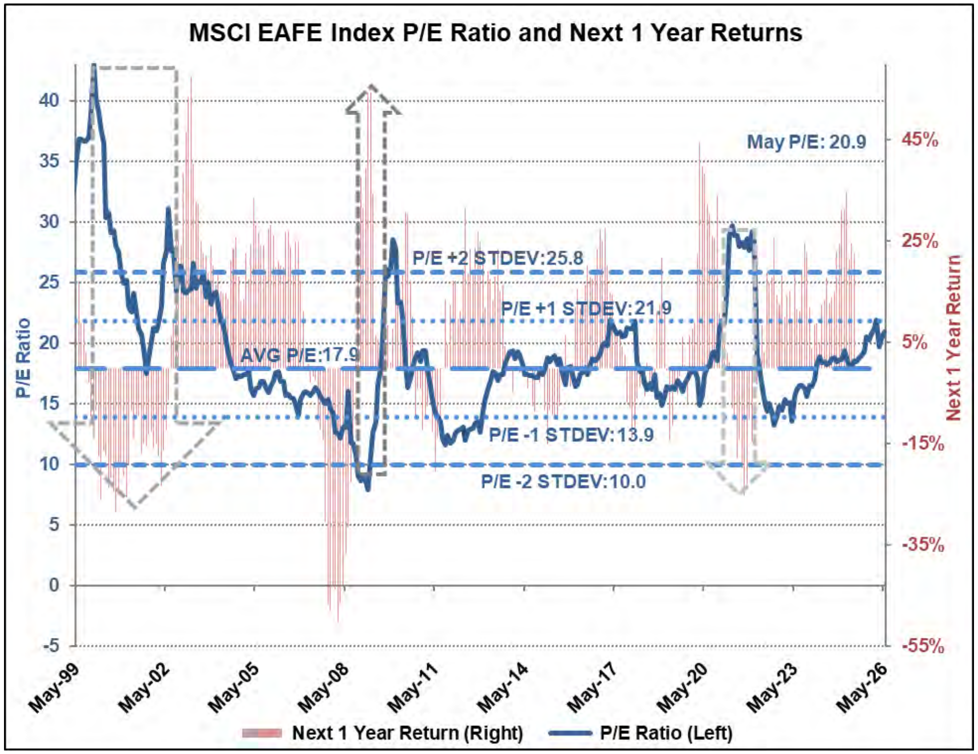


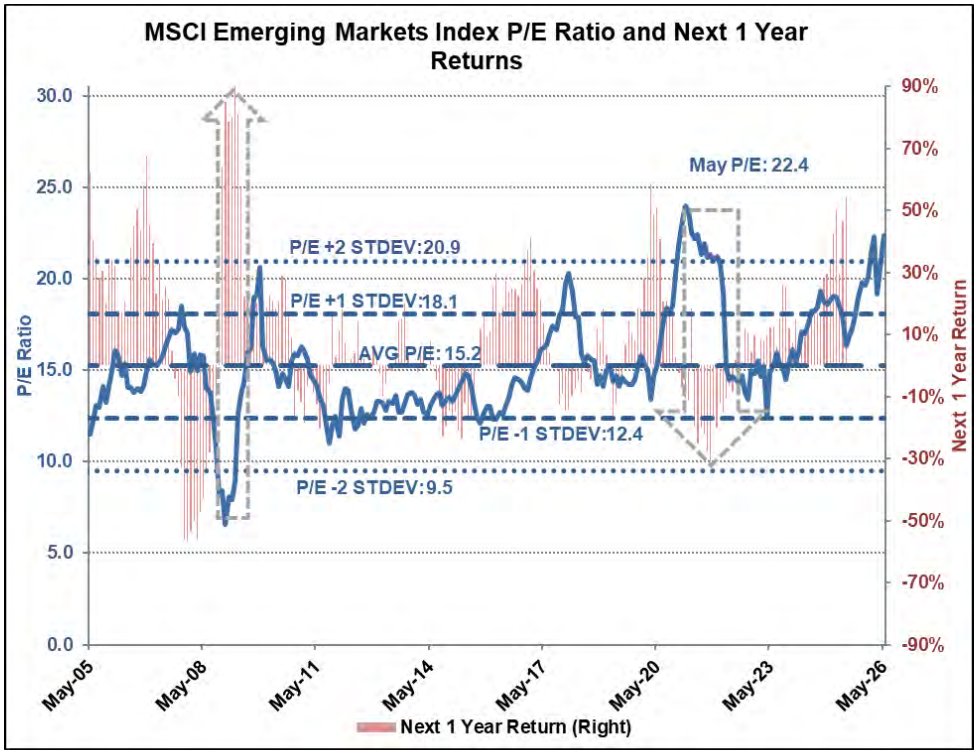


Source: Wilshire, Robert J. Shiller (Yale University)

VALUATION

Non-US Equity

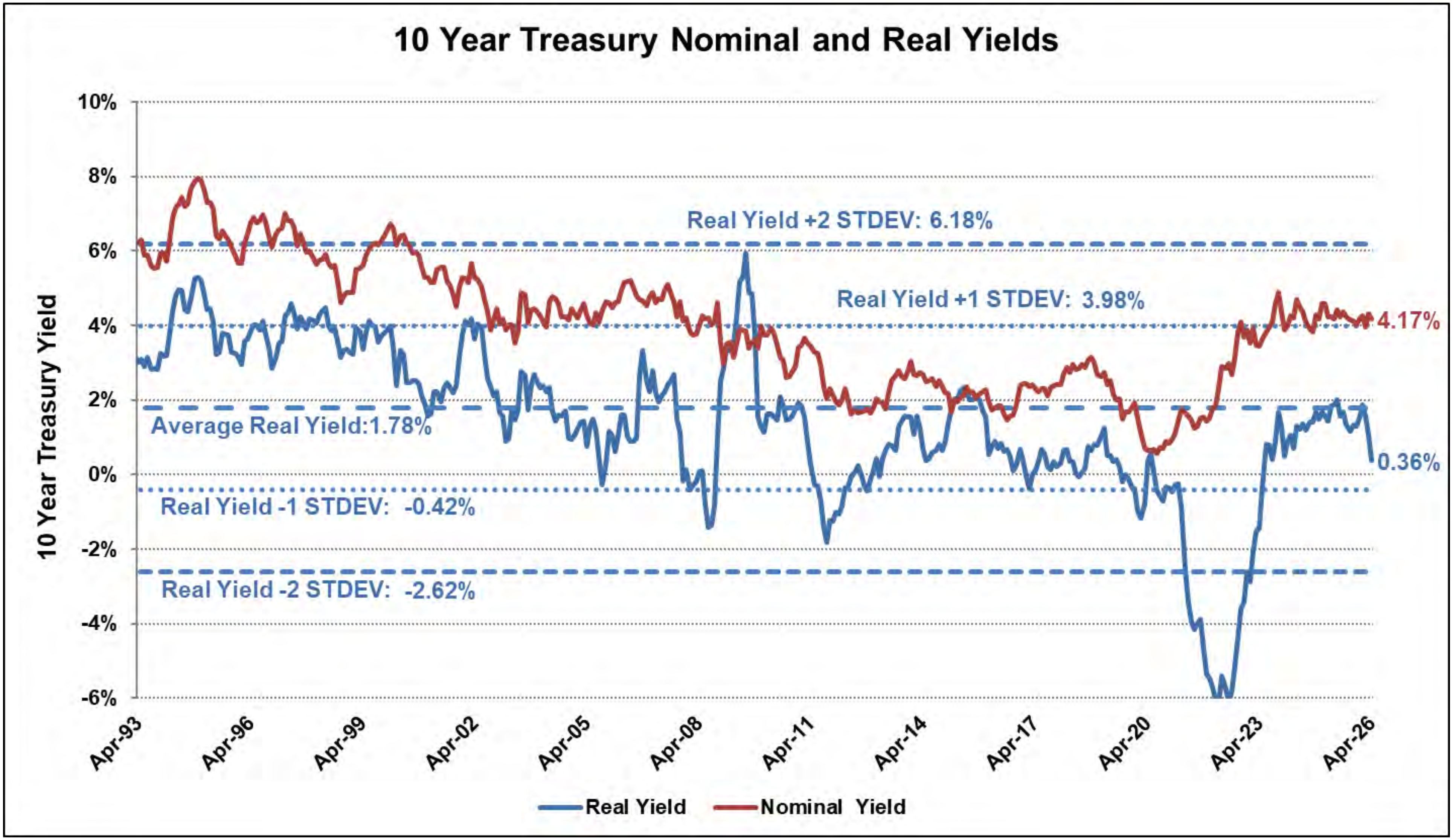




Source: Wilshire, Nasdaq eVestment

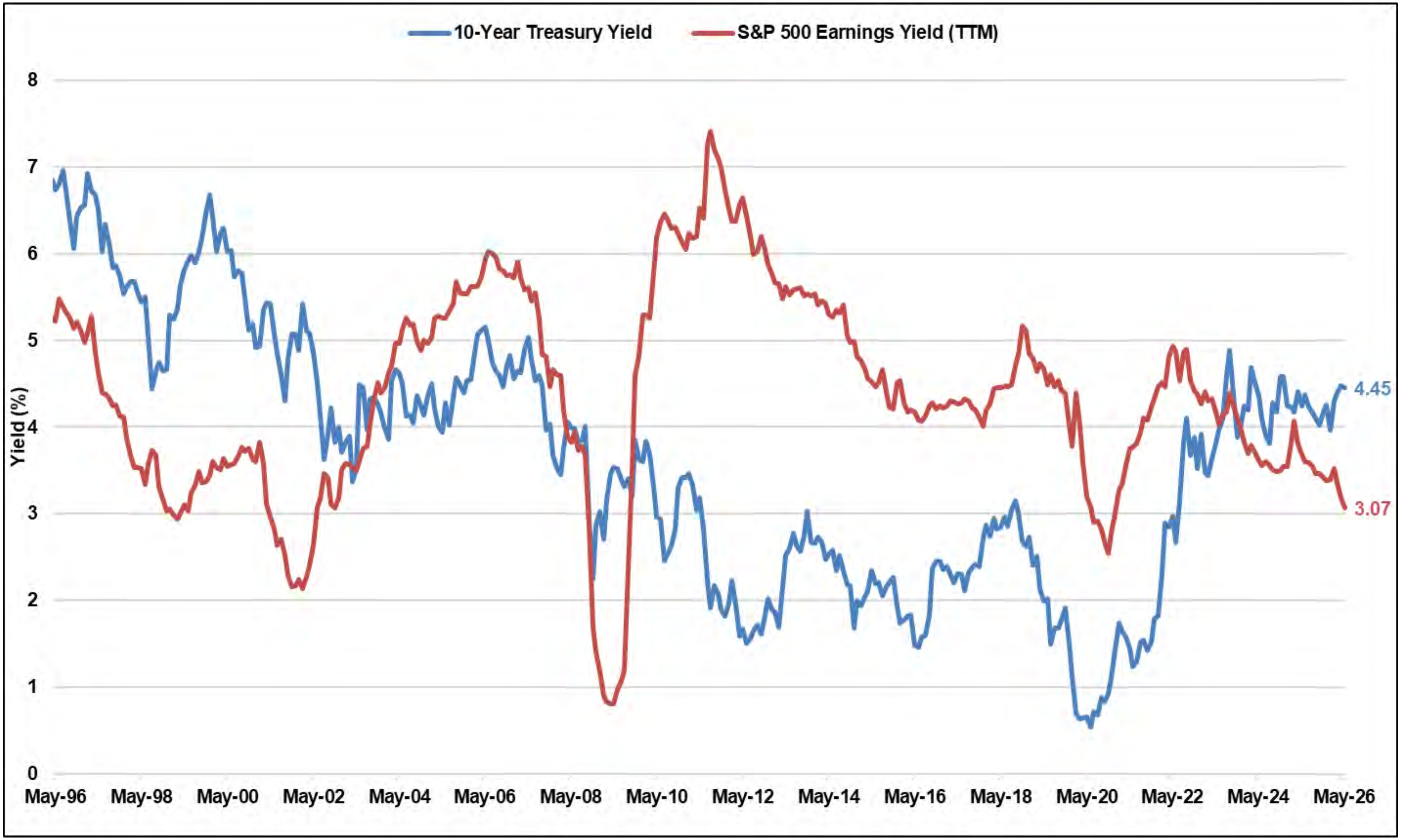
VALUATION

US Treasury Bonds



Sources: Department of the Treasury, Bureau of Labor Statistics

VALUATION 10-Year Treasury Yield vs S&P 500 Earnings Yield



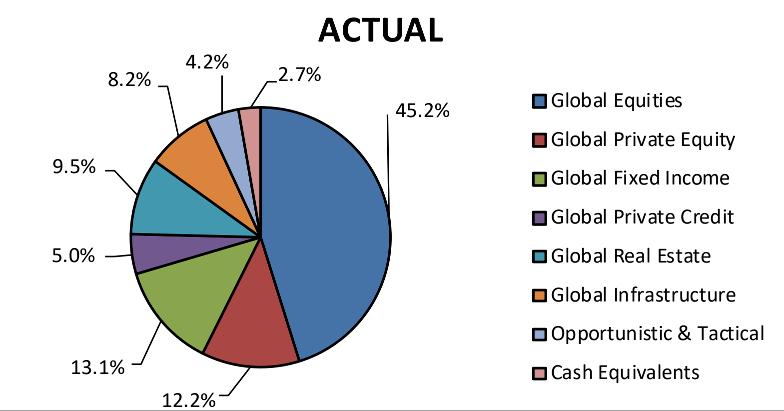
Sources: Board of Governors of the Federal Reserve System via FRED, Standard & Poor's

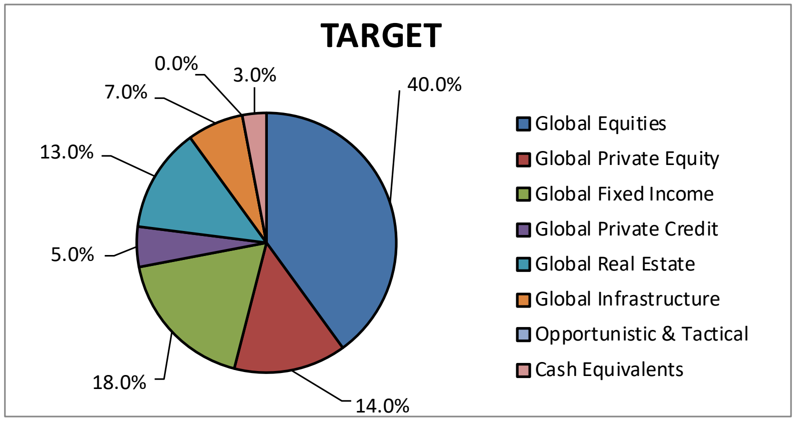
SERS' Investment Portfolios Review

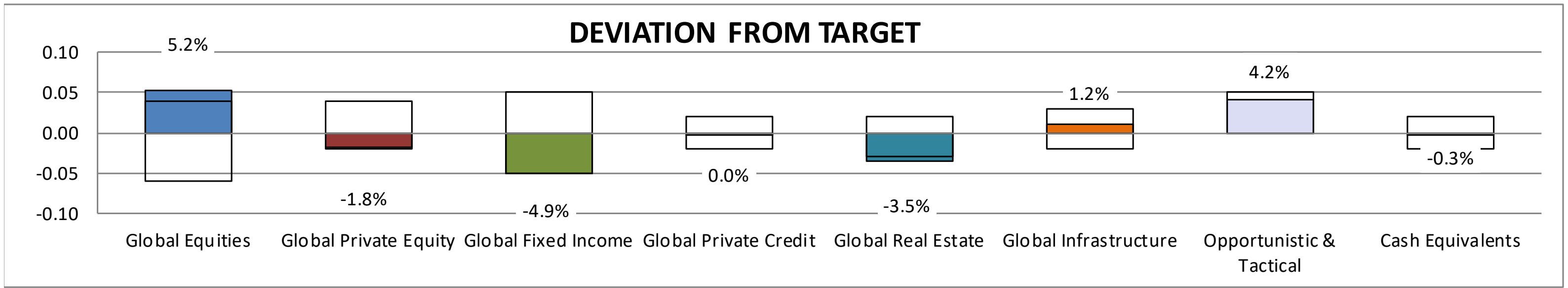
Total Fund Asset Allocation

Asset Class	Market Value $	Actual	Target	Range
Global Equities	**10,330,090,893**	**45.2%**	**40.0%**	35% - 45%
Global Private Equity	**2,788,539,019**	**12.2%**	**14.0%**	*11% - 17%*
Global Fixed Income	**2,987,362,828**	**13.1%**	**18.0%**	*13% - 23%*
Global Private Credit	**1,131,860,343**	**5.0%**	**5.0%**	*3% -7%*
Global Real Estate	**2,181,572,617**	**9.5%**	**13.0%**	*10% - 15%*
Global Infrastructure	**1,867,628,998**	**8.2%**	**7.0%**	*5% - 10%*
Opportunistic & Tactical	**949,332,527**	**4.2%**	**0.0%**	*0% - 5%*
Cash Equivalents	**628,406,135**	**2.7%**	**3.0%**	*1% - 5%*
Short-Term	1,597,263	*0.0%*	2.0%	
Russell EA Overlay	0	*0.0%*	*0.0%*	
Direct Rebalance Overlay	5,158,038	*0.0%*	*0.0%*	
Transition / Operational Account	710,912	*0.0%*	*0.0%*	
Currency Overlay	14,970,264	*0.1%*	*0.0%*	
SERS Cash	605,969,657	*2.7%*	*0.0%*	
Total Fund	**22,864,793,362**	**100.0%**	**100.0%**	

Source: Clearwater Analytics



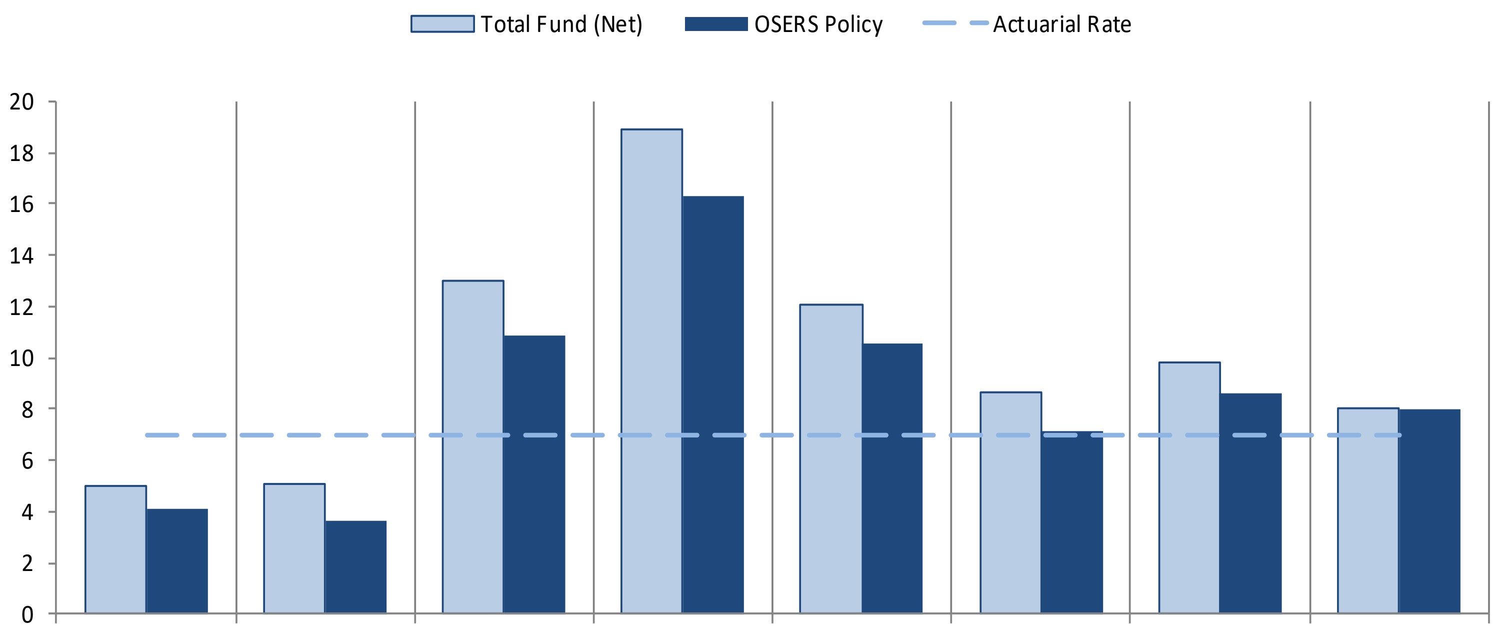




Total Fund Performance

Current Benchmark:

40% MSCI ACWI (Net Dividends)
14.00% Burgiss All Private Equity benchmark (1q lag) (BAPE)
18.00% Bloomberg US Universal Bond
13.00% Expanded NCREIF Property Index (one quarter in arrears)
7.00% Quarterly (4 qtrs.) smoothed CPI +1.20% per quarter
5.00% 90 day SOFR rate + 4.5% (one quarter in arrears)
3.00% FTSE 30 Day T-Bill



Actuarial Rate

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

	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD*
Total Fund (Gross)	4.98	5.13	13.16	19.29	12.71	9.35	10.49	8.72
Total Fund (Net)	4.97	5.06	12.99	18.94	12.07	8.68	9.81	8.18
OSERS Policy	4.08	3.67	10.87	16.34	10.58	7.15	8.62	8.01
Value Added (Net of Fee)	0.89	1.39	2.12	2.61	1.49	1.53	1.19	0.16

Estimated Cumulative Net Value Added ($MM)**	**$194.3**	**$305.5**	**$434.7**	**$509.0**	**$930.6**	**$1,646.3**	**$2,702.8**

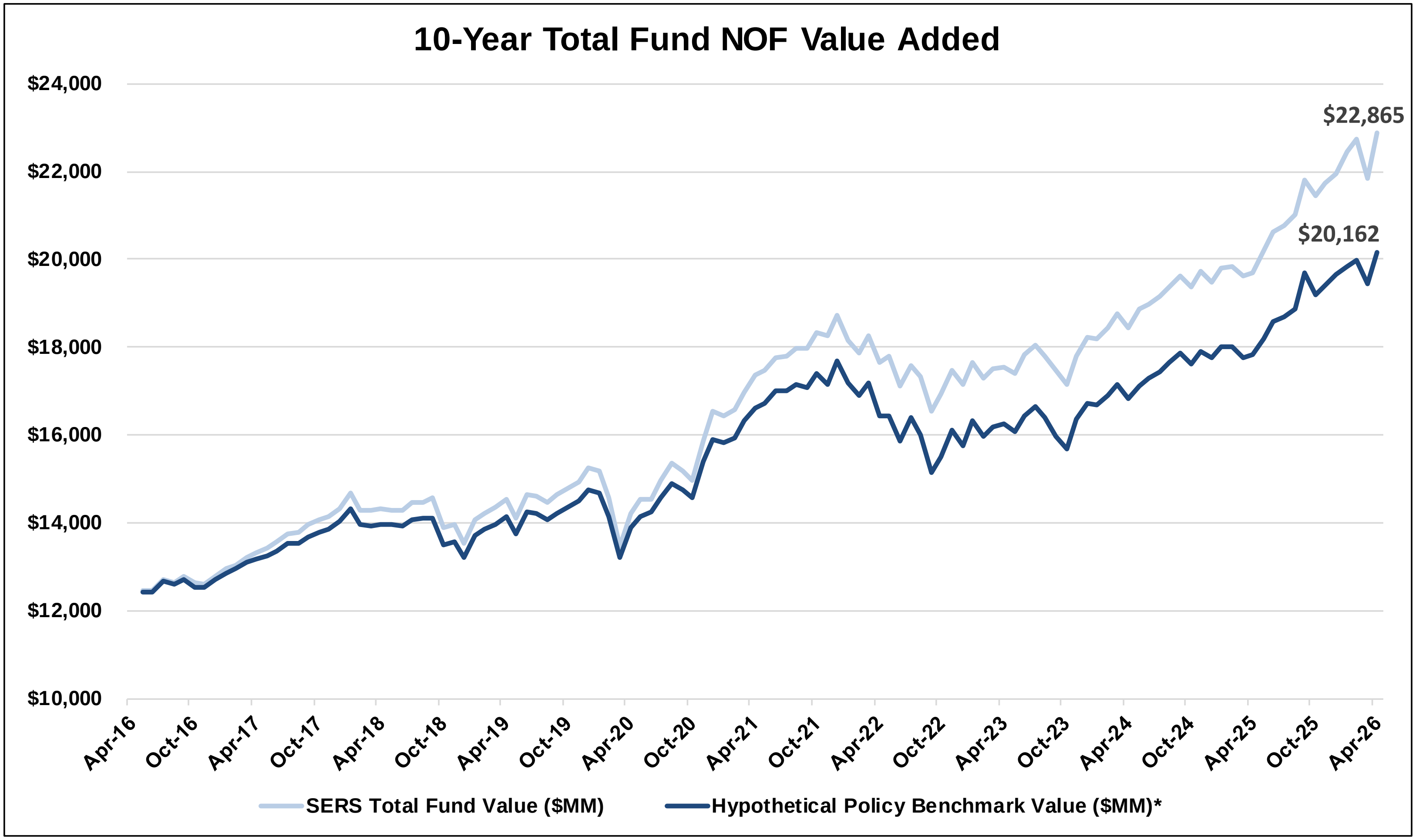
Source: Clearwater Analytics

**ITD is Inception date 10/1/1994 (31 years and 7 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



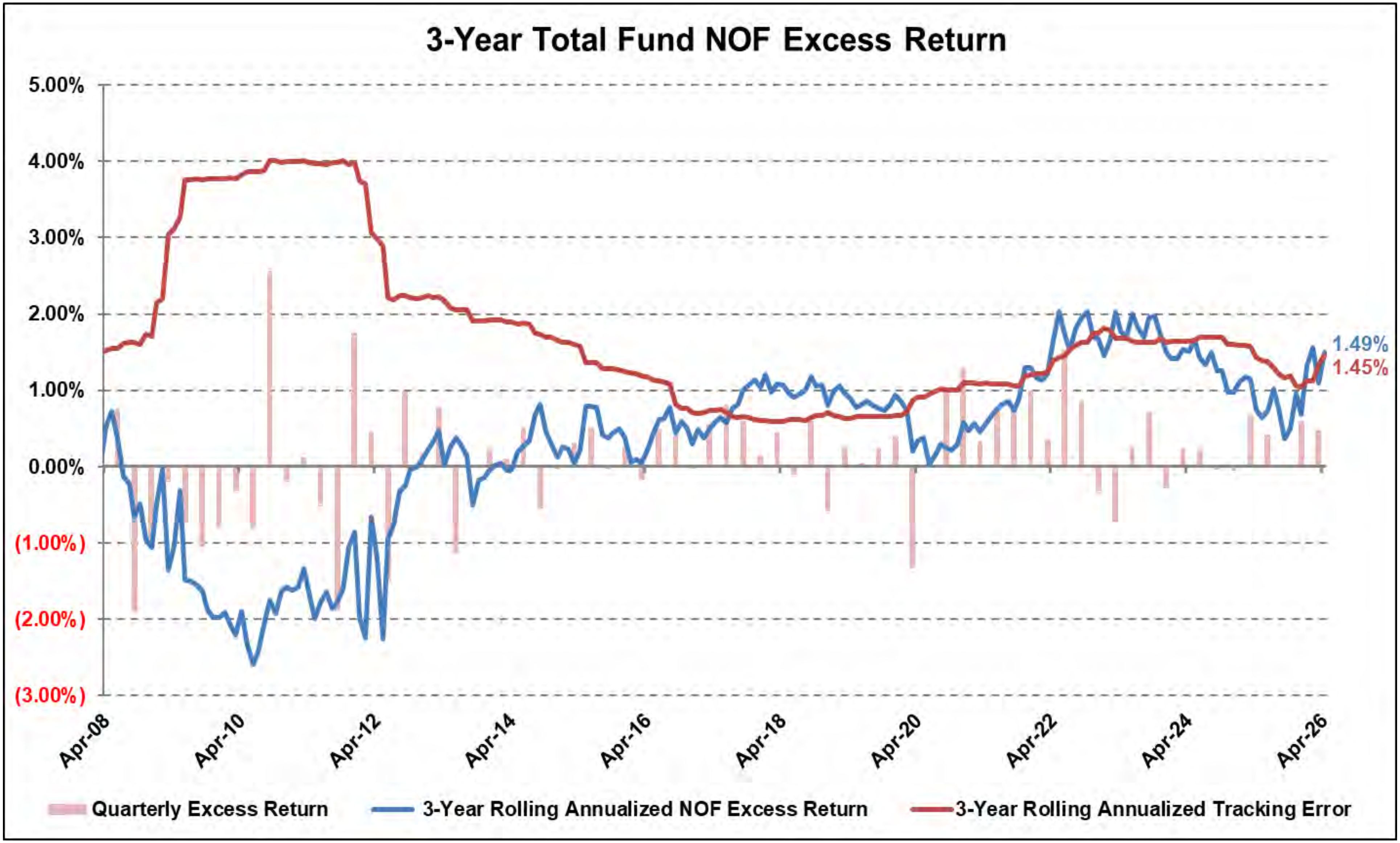
Fiscal Year Net Excess Return (%)									
FY2016	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**
0.33	1.50	0.86	0.06	(0.64)	2.66	3.01	0.23	0.90	1.05

Source: Clearwater Analytics

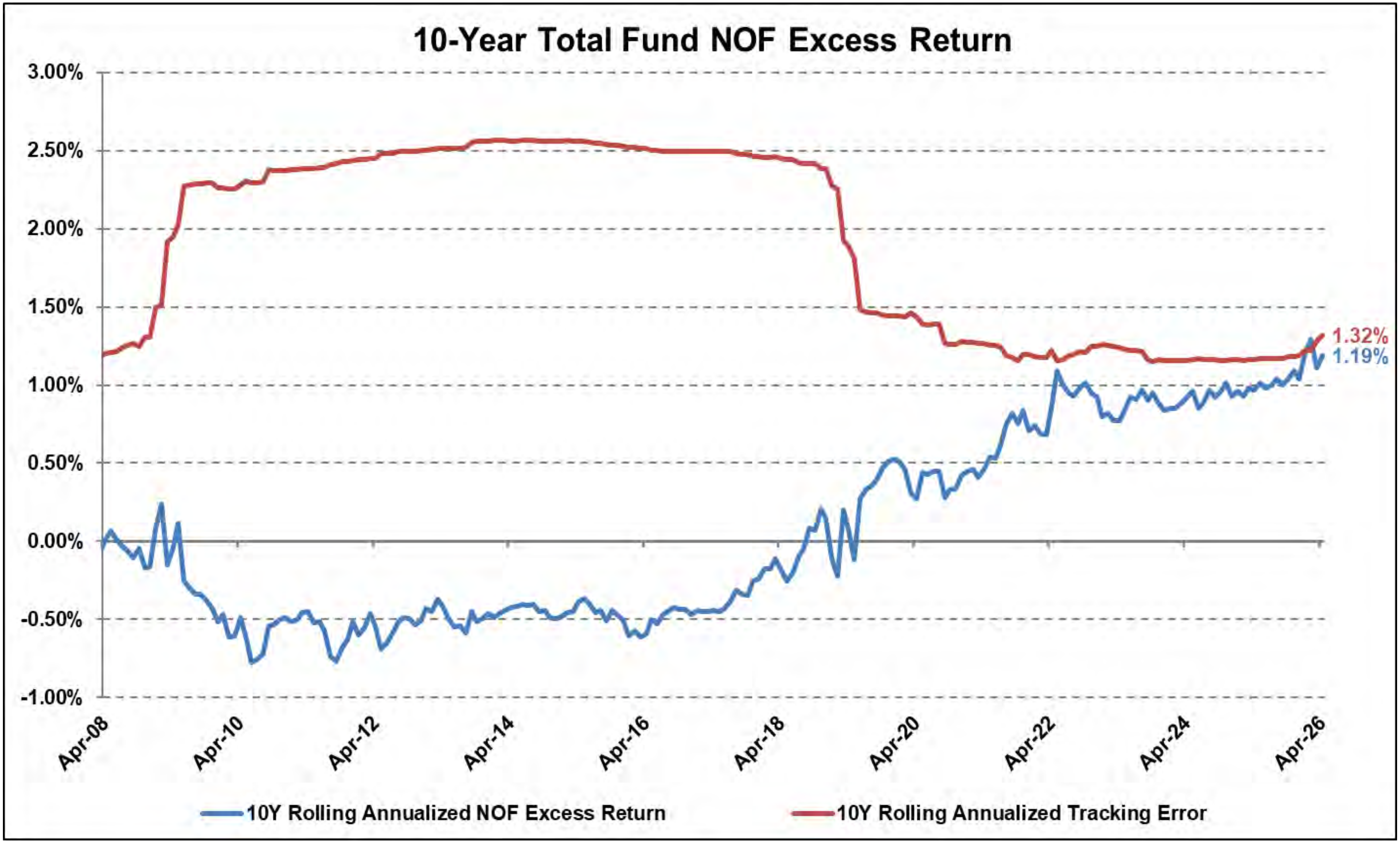
**Calculated as the hypothetical change in fund assets under a policy benchmark-returns scenario.*

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

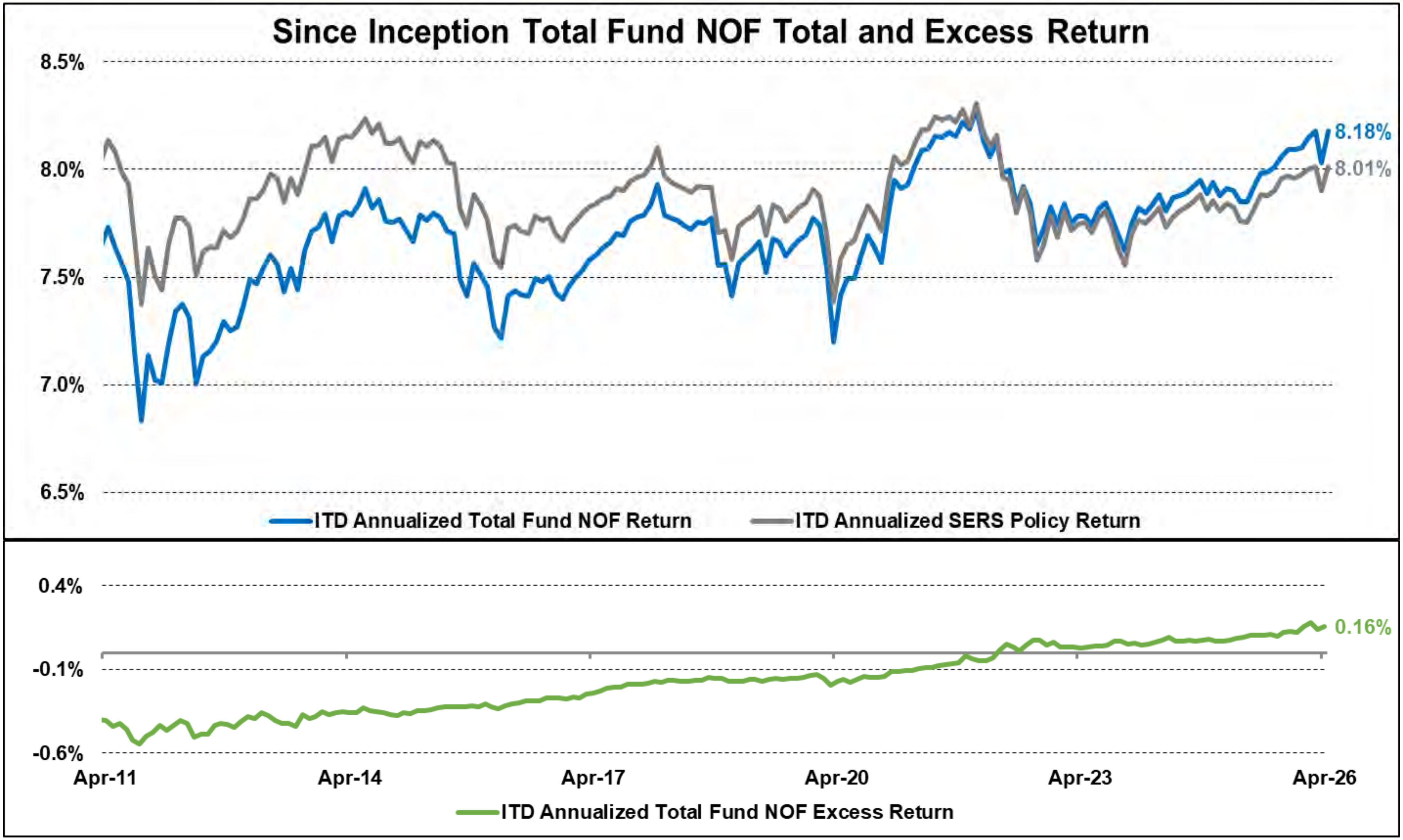
Total Fund Performance



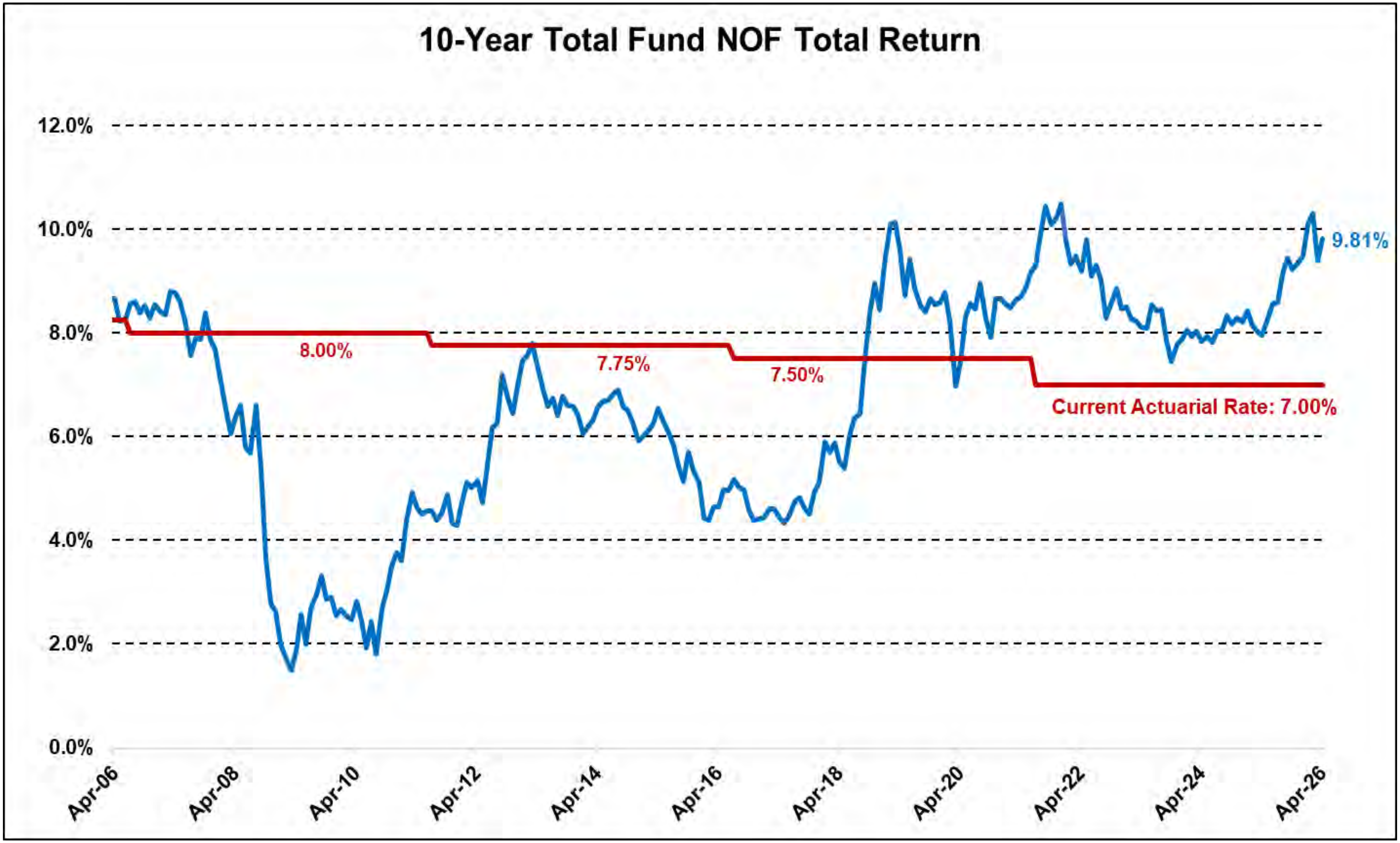
Total Fund Performance



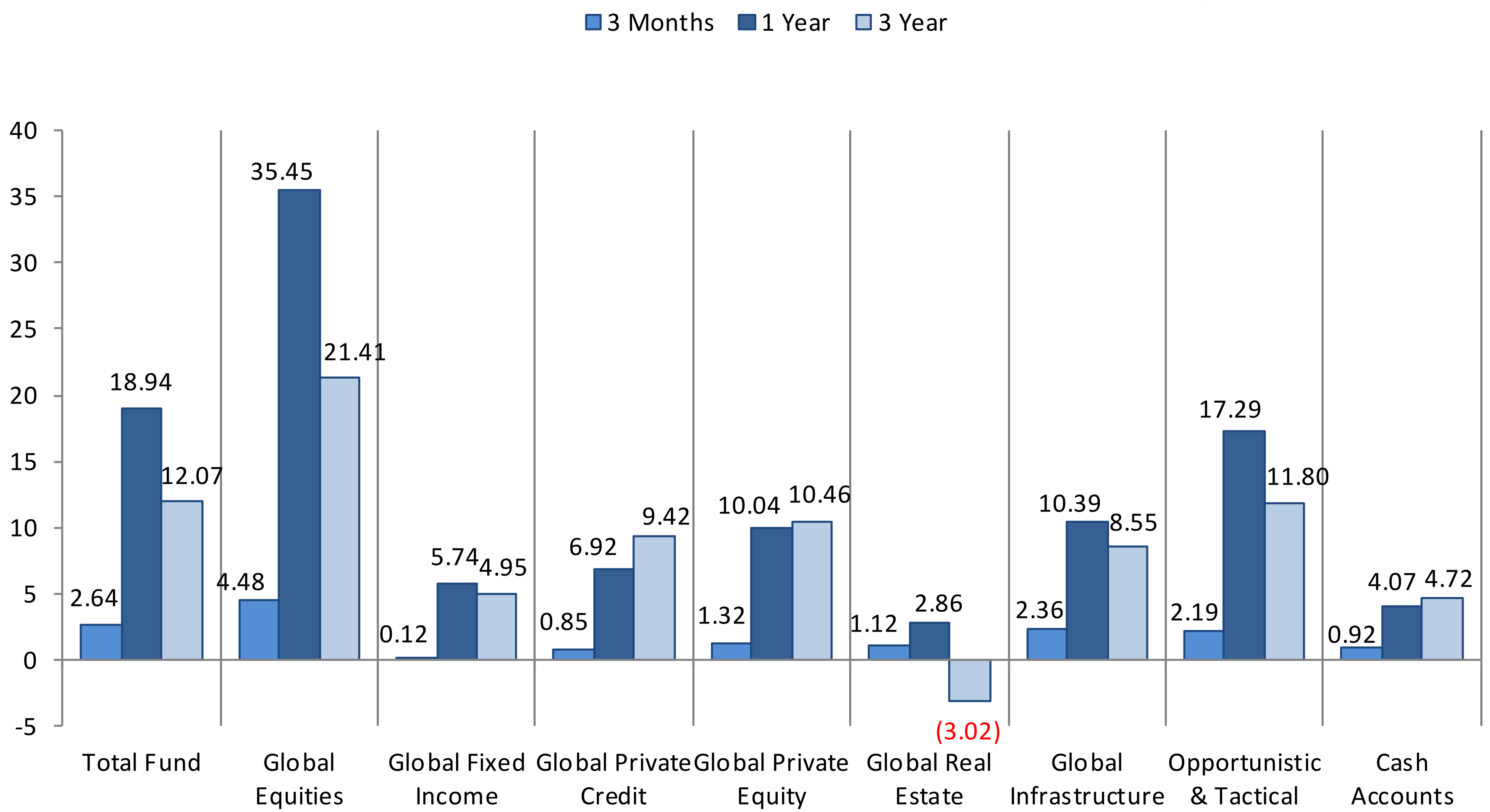
Total Fund Performance



Total Fund Performance



Total Fund and Asset Class Performance (Net)



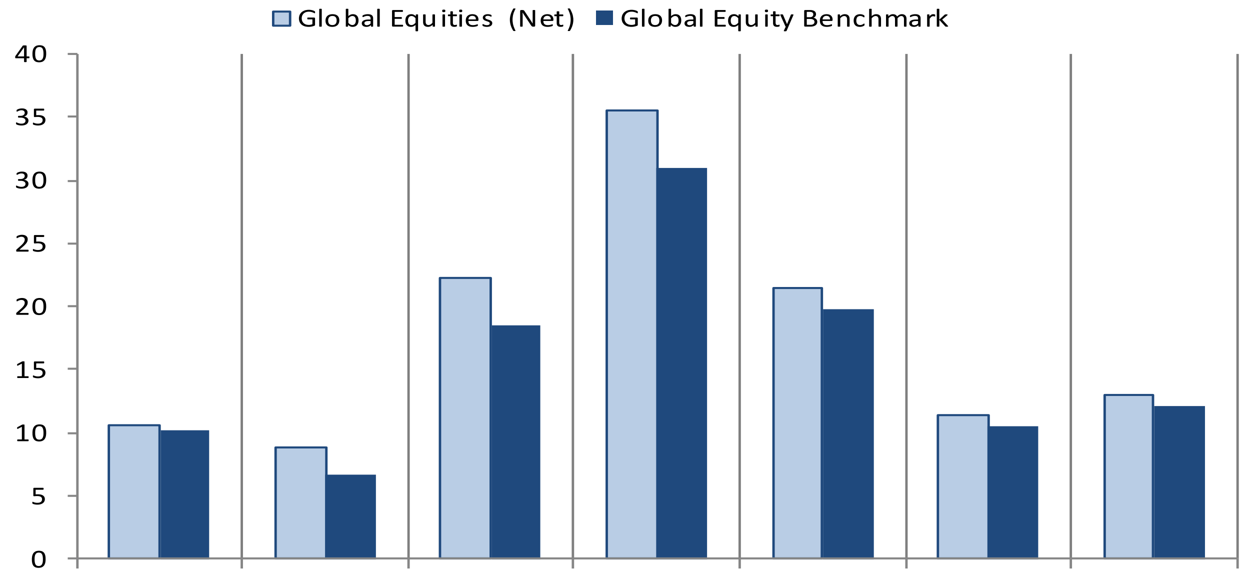
** Global Private Equity, Global Real Estate, and Global Infrastructure results are as of 03/31/2026*

Source: Clearwater Analytics

Global Equities Performance

Current Benchmark:

MSCI ACWI (Net Dividends)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Global Equities (Gross)	10.56	9.07	22.47	35.82	21.77	11.67	13.26
Global Equities (Net)	10.53	8.91	22.18	35.45	21.41	11.34	12.92
Global Equity Benchmark	10.17	6.65	18.55	31.00	19.82	10.46	12.12
Value Added (Net of Fee)	0.36	2.26	3.63	4.45	1.59	0.88	0.80
Regional US Equity	10.26	6.34	17.94	31.65	20.86	11.60	14.39
Russell 3000 Index	10.20	5.84	17.25	31.01	21.28	11.90	14.75
Value Added (Net of Fee)	0.06	0.50	0.69	0.64	(0.42)	(0.30)	(0.36)
Regional Non-US Equity	9.99	10.41	23.85	34.94	18.06	8.86	10.28
Custom Non-US Equity BM	9.65	8.88	22.26	32.20	17.37	8.32	9.06
Value Added (Net of Fee)	0.34	1.53	1.59	2.74	0.69	0.54	1.22

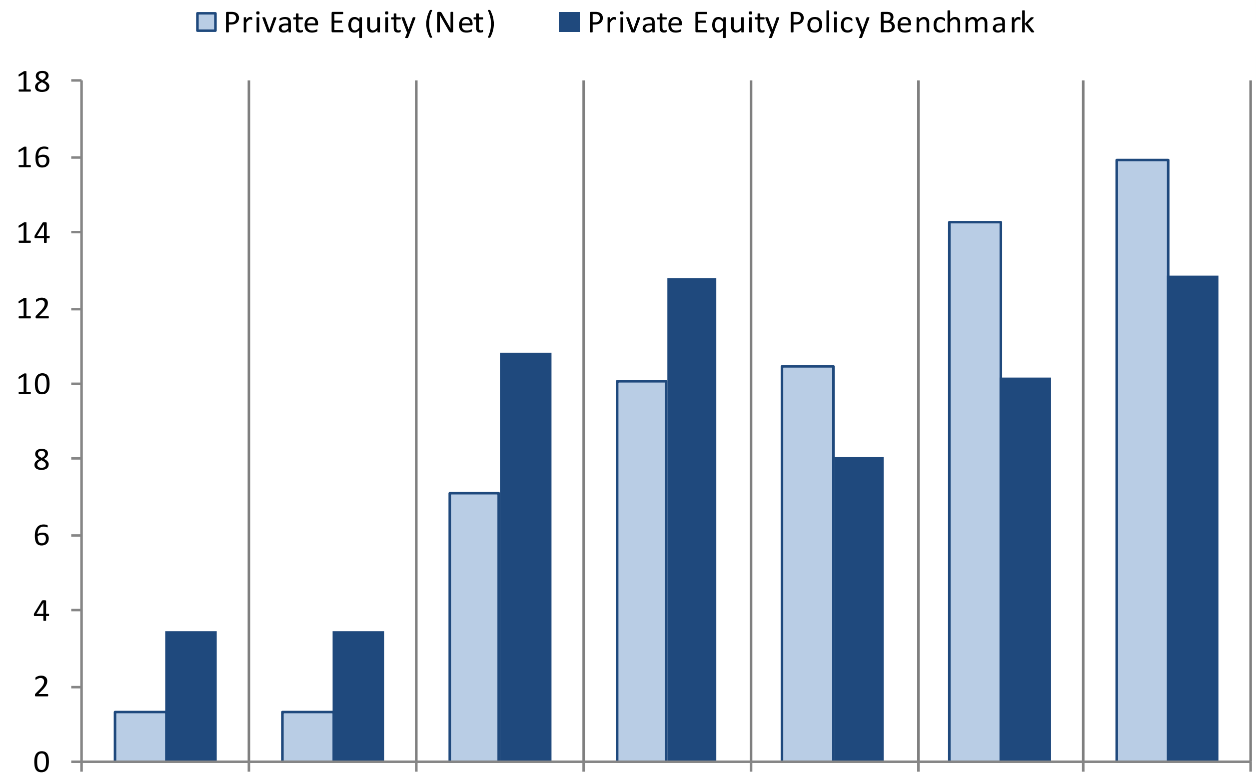
Source: Clearwater Analytics

Global Private Equity Performance

Results as of: 03/31/2026

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

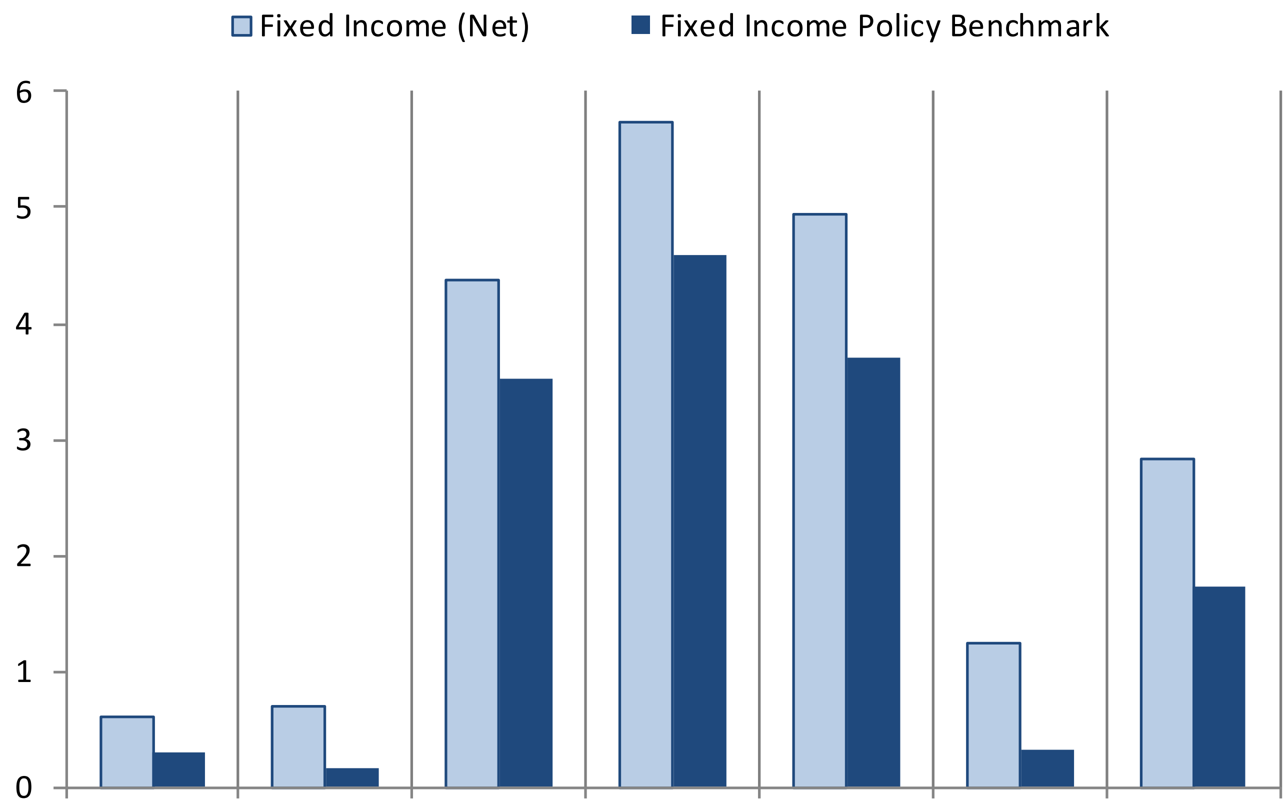
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Private Equity performance is reported one quarter in arrears.

Global Fixed Income Performance

Current Benchmark:

Bloomberg US Universal Bond Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Fixed Income (Gross)	0.63	0.75	4.50	5.95	5.21	1.49	3.07
Fixed Income (Net)	0.61	0.69	4.37	5.74	4.95	1.23	2.83
Fixed Income Policy Benchmark	0.31	0.16	3.52	4.59	3.70	0.32	1.74
Value Added (Net of Fee)	0.30	0.53	0.85	1.15	1.25	0.91	1.09

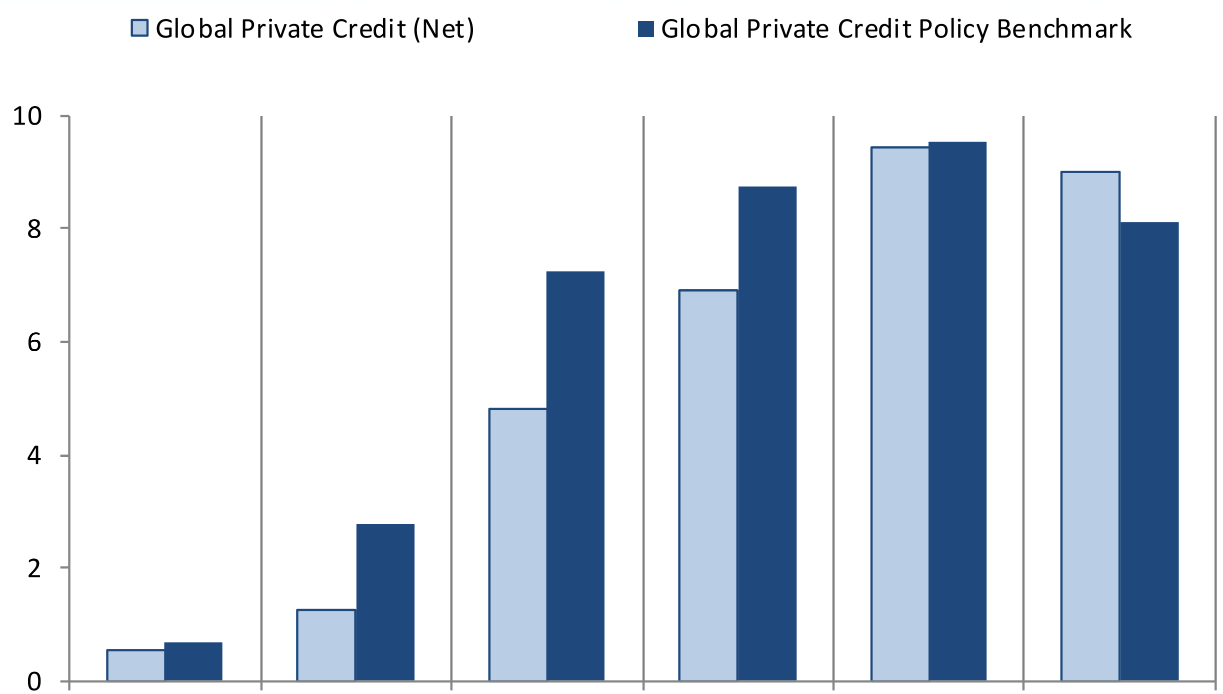
Source: Clearwater Analytics

Global Private Credit Performance

Current Benchmark:

90 day SOFR rate + 4.5%

(one quarter in arrears)



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year
Global Private Credit (Gross)	0.53	1.26	4.87	7.30	10.57	10.34
Global Private Credit (Net)	0.53	1.26	4.83	6.92	9.42	9.01
Global Private Credit Policy Benchmark	0.67	2.78	7.23	8.76	9.52	8.12
Value Added (Net of Fee)	(0.14)	(1.52)	(2.40)	(1.85)	(0.10)	0.89

Source: Clearwater Analytics

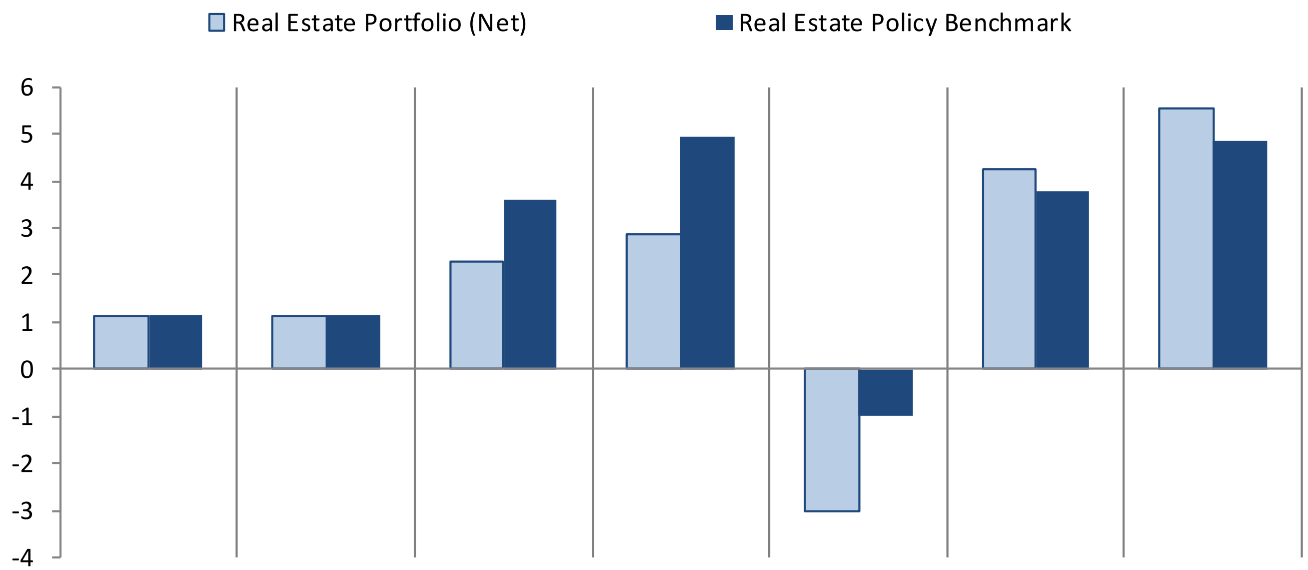
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Real Estate Performance

Results as of: 03/31/2026

Current Benchmark:

NCREIF Property Index (1q lag)



	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	(0.84)	(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.

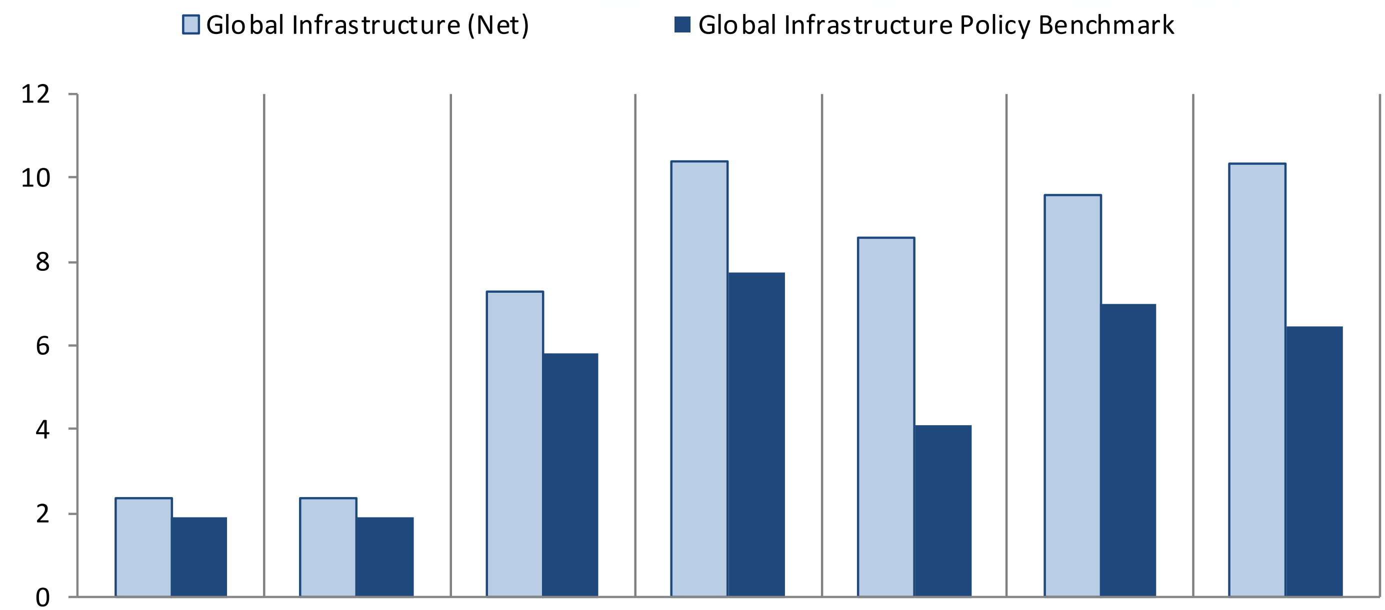
Global Infrastructure Performance

Results as of: 03/31/2026

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

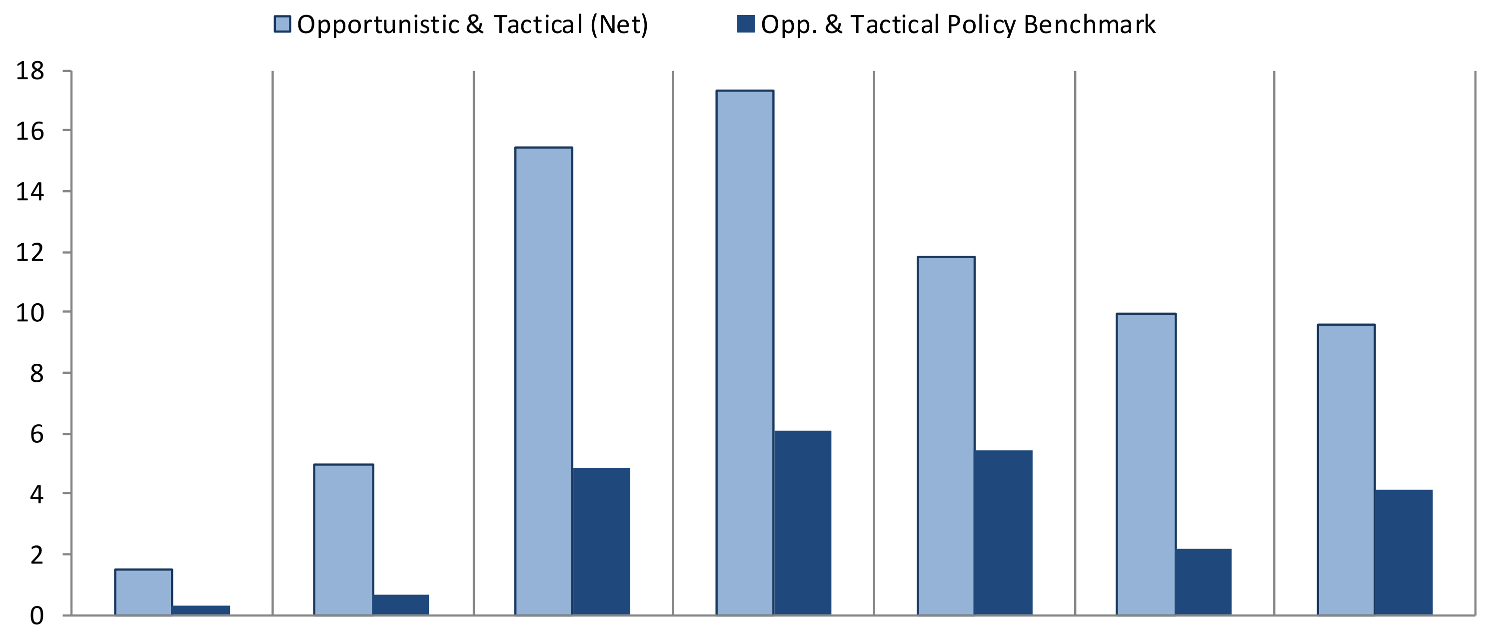
The difference between Gross and Net is management fee only. Performance based fees are captured in the Gross return.

Global Infrastructure performance is reported one quarter in arrears.

Opportunistic & Tactical Performance

Current Benchmark:

Bloomberg Aggregate Bond Index + 2%



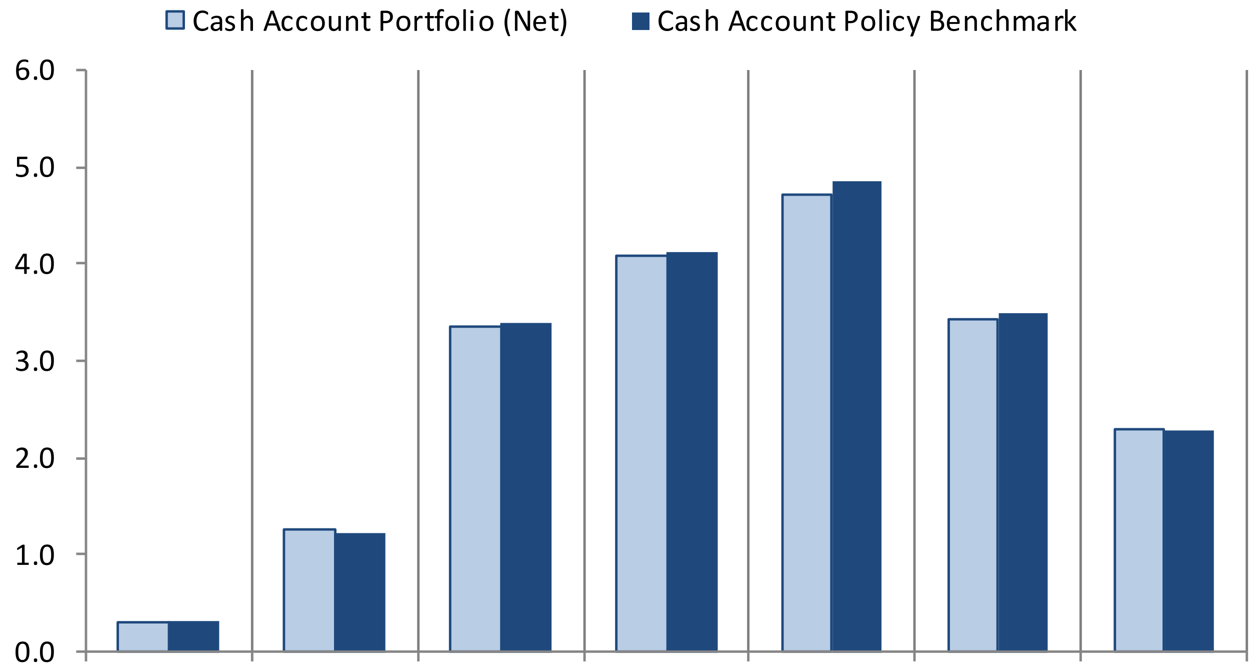
	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Opportunistic & Tactical (Gross)	1.49	4.95	15.45	17.62	12.69	10.97	10.84
Opportunistic & Tactical (Net)	1.48	4.94	15.43	17.29	11.80	9.94	9.59
Opp. & Tactical Policy Benchmark	0.29	0.70	4.87	6.06	5.46	2.18	4.13
Opp. & Tactical Policy Value Added (NOF)	1.19	4.24	10.56	11.23	6.35	7.76	5.46

Source: Clearwater Analytics

Cash Account Performance

Current Benchmark:

FTSE 30 Day Treasury Bill Index



	1 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Cash Account Portfolio (Gross)	0.30	1.26	3.35	4.07	4.72	3.43	2.30
Cash Account Portfolio (Net)	0.30	1.25	3.35	4.07	4.72	3.43	2.30
Cash Account Policy Benchmark	0.31	1.22	3.38	4.13	4.85	3.50	2.28
Value Added (Net of Fee)	(0.01)	0.03	(0.03)	(0.06)	(0.14)	(0.07)	0.02

Source: Clearwater Analytics

Overlay Performance

	3 mo	CYTD*	FYTD	1 Year	3 Year	5 Year	10 Year
Overlay Cumulative Net Value Added ($MM)	$3.8	($2.9)	$2.3	($20.9)	($113.3)	($13.6)	($15.8)
Overlay Cumulative Net Value Added (%)	0.05	0.02	0.02	(0.13)	(0.24)	(0.02)	(0.03)

Source: Clearwater Analytics

**CYTD includes a prior period adjustment*

Proposed Investment Agenda – Next Meeting

- Monthly Investment Report (May 31, 2026).
- Investment Committee Policy – Discussion.

STATEMENT OF INVESTMENT POLICY AMENDMENTS

As discussed during the June 18, 2026, Board meeting, ___________________________ moved and __________________________ seconded the motion to approve amendments to the Statement of Investment Policy. The amended Statement of Investment Policy will become effective July 1, 2026, and replaces the Statement of Investment Policy dated July 1, 2025.

Upon roll call, the vote was as follows:

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

INV1-001	Statement of Investment Policy				
Effective Date:	08/02/1985	**Revision Date:**	07/01/2026~~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**
Equity		**54%**	
Global Equities	40%		35% - 45%
Global Private Equity	14%		11% - 17%
Income		**26%**	
Global Fixed Income	18%		13% - 23%
Global Private Credit	5%		3% - 7%
Cash Equivalents	3%		1% - 5%
Global Real Assets (Inflation)		**20%**	
Real Estate	7~~13~~%		4 ~~10~~% -10 ~~15~~%
Infrastructure	10 ~~7~~%		6 ~~5~~% - 14 ~~10~~%
~~**STRATEGY**~~			
Gold	3%		0%-4%
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	Quarterly (4 qtrs.) smoothed Morningstar LSTA US Leveraged Loan Index~~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 annually~~IAUM 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.

IAUM Gold ETF - iShares Gold Trust Micro is an exchange-traded vehicle for gaining gold exposure, which currently has the lowest fee of 9 basis points (0.09%) among exchange-traded gold ETFs (GLD, GLDM, IAU). IAUM owns gold bullion.

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.

Morningstar LSTA US Leveraged Loan Index – the index is designed to deliver coverage of the US leveraged loan market and serves as the market standard. The index tracks the performance of more than 1,400 USD denominated loans. The index contains over 20 years of performance and is rebalanced weekly to reflect current loan market activity.

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.

ANNUAL INVESTMENT PLAN FY 2027

___________________ moved and _________________ seconded the motion to approve the Annual Investment Plan, including interim FY27 and FY28 targets, for fiscal year ending June 30, 2027 ("the FY27 Plan"), as presented to the Board on June 18, 2026. The FY27 Plan replaces the FY26 Plan originally approved June 18, 2025.

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	_________	_________	_________
Jeanine Alexander	_________	_________	_________
Jeffrey DeLeone	_________	_________	_________
Matthew King	_________	_________	_________
Catherine Moss	_________	_________	_________
Rebekah Roe	_________	_________	_________
Aimee Russell	_________	_________	_________
Frank Weglarz	_________	_________	_________
James Rossler	_________	_________	_________

School Employees Retirement System of Ohio

Serving the People Who Serve Our Schools®

DRAFT - 06/18/2026

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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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 uncertainly 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):			
Global Real Estate	*7%*	*4 - 10%*	10.2%
Global Infrastructure	*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):		
Global Real Estate	*9%*	*8%*
Global Infrastructure	*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 tights 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 been 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 quarterly (4 qtrs.) smoothed Morningstar LSTA US Leveraged Loan Index~~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.~~and Wilshire conducted a review of the policy benchmark and are recommending a change from the current SOFR plus 4.5% to the quarterly (4 qtrs.) smoothed Morningstar LSTA US Leveraged Loan Index, one quarter in arrears. Staff believes the proposed benchmark is reflective of the levered loan market whereas the current benchmark is a fixed benchmark which is not able to reflect changes in market conditions.

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 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 IAUM 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 IAUM 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 other gold ETFs, 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.

- *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
Global Equity – Global Composite	Tracking Error of 3.0% with a range of 3.0% to 7.0%
Global Equity – Regional Composite	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% - 35~~0~~%
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
<u>Net Expected Return 10-15%, Moderate Risk</u>
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
<u>Net Expected Return: 15-25%, High Risk</u>
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 ~~0~~10% of the portfolio.

Special Situations
<u>Net Expected Return: 10-20%, Moderate Risk</u>
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 ~~25~~5% of the portfolio.

Co-Investments
<u>Net Expected Return: 15-20%, Moderate Risk</u>
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 quarterly (4 qtrs.) smoothed Morningstar LSTA US Leveraged Loan Index~~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	60~~59~~%	50%	90%
Opportunistic Lending	30~~32~~%	10%	50%
Asset Lending	3~~2~~%	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.

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

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%*	*2~~0~~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 ~~13~~7%.

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, 2026~~5~~)	Expanded NCREIF Property Index ("ENPI")	Range
Hotel	**0.4~~3~~%**	**0 – 5%**
Industrial	**33.4%**	**15 – 50%**
Office	**17.4~~9.2~~%**	**5 – 30%**
Other	**2.7~~1.8~~%**	**0 – 5%**
Residential	**29.6~~8.3~~%**	**15% – 45%**
Retail	**12.5~~3.1~~%**	**5 – 25%**
Self Storage	**2.7~~5~~%**	**0 – 5%**
Seniors Housing	**1.5~~3~~%**	**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, 202~~5~~6)	Expanded NCREIF Property Index ("ENPI")	Range
West	397~~.~~3%	20% - 50%
East	~~-~~28.6~~9.~~%	20% - 45%
Midwest	7.~~3~~4%	0~~5~~% - 20%
South	24.2~~3.9~~%	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 Infrastruture 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	**10~~7~~%**	**6~~5~~%**	**14~~0~~%**
Private Core and Non-Core Infra	*90%*	*80~~5~~%*	*100%*
Co-Investments; Continuation Funds	*10%*	*0%*	*20~~15~~%*
Listed Infrastructure ETFs	*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	26.2~~28~~%	15% - 35%
Renewables / Sustainability	8.5~~5~~%	0% - 15%
Social	0.7~~5~~%	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	7.3~~8~~%	5% - 20%
Europe/U.K.*	39.3~~35~~%	25% - 50%
Latin America	10.9~~1~~%	5% - 20%
North America	41.74%	40% - 60%
Other	0.7~~2~~%	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 6~~5~~0% 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 IAUM 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 ~~C~~central ~~B~~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 contacts 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.

IAUM Gold ETF - iShares Gold Trust Micro is an exchange-traded vehicle for gaining gold exposure, which currently has the lowest fee of 9 basis points (0.09%) among exchange-traded gold ETFs (GLD, GLDM, IAU). IAUM owns gold bullion.

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.

Morningstar LSTA US Leveraged Loan Index – the index is designed to deliver coverage of the US leveraged loan market and serves as the market standard. The index tracks the performance of more than 1,400 USD denominated loans. The index contains over 20 years of performance and is rebalanced weekly to reflect current loan market activity.

GLOSSARY

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.

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.

GLOSSARY

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.

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
***Serving the People Who Serve Our Schools* ®**

School Employees
Retirement System

Memo

To: Retirement Board

From Chris Collins

cc: Richard Stensrud, Karen Roggenkamp

Date: June 5, 2026

Re: **Federal Legislative Report**

Reconciliation package passes Senate after long debate about $1.8 billion fund

The Senate passed a nearly $70 billion reconciliation bill for immigration enforcement early in the morning Friday, June 5th after rejecting repeated attempts by members of both parties to prohibit or restrict a Justice Department "anti-weaponization" fund.

On a mostly party-line vote of 52-47, the Senate sent to the House the filibuster-proof bill designed to fund immigration agencies for the rest of President Donald Trump's term without new restrictions on federal immigration agents sought by Democrats. Democrats have opposed that funding without such restrictions to curb abuses after two U.S. citizens were fatally shot by agents in Minnesota earlier this year. Alaska Sen. Lisa Murkowski was the sole Republican to join all Democrats in opposition.

While the focus of the bill was immigration enforcement, that topic was mostly an afterthought as the Justice Department fund consumed time and attention.

The vote on final passage capped an 18-hour "vote-a-rama" on amendments focused mostly on a nearly $1.8 billion fund announced last month designed to compensate alleged victims of political prosecutions. Critics denounced it as a "slush fund" to reward Trump loyalists who broke the law.

While administration officials later bowed to the backlash and said the fund would not move forward, lawmakers of both parties were concerned it still could. They sought to prohibit it through a provision in the reconciliation bill.

The bill faced a serious challenge right out of the gate Thursday morning when Senate Minority Leader Charles E. Schumer (D-NY), offered a motion to send the bill back to the Judiciary Committee, a move that would have effectively killed it. Schumer was seeking to use that maneuver to push for a prohibition against the Justice Department fund. But the Senate rejected his motion on a 49-50 vote.

Senate Majority Leader John Thune (R-SD), said early Thursday evening that he was concerned that if a fund amendment were included in the bill, it would be "problematic in the House and, probably, then ultimately getting it signed by the president."

While Trump had set a June 1st deadline for passing the bill, GOP leaders were hoping to pass it as early as this week through both chambers, until the House abruptly left town.

House leaders offered no official reason for canceling votes Friday, though some sources cited concerns about attendance problems that risked hampering passage of the bill with the GOP's razor-thin majority.

Congressional tax staff say bipartisan tax deal might happen this year

Congressional tax staff signaled that a bipartisan end-of-year tax package remains possible to address unresolved retirement and international tax issues. House Ways and Means Democratic tax counsel Ji Prichard, appearing with both Republican and Democratic tax staffers from Ways and Means and Senate Finance, said there is interest in building on prior bipartisan efforts, such as SECURE 2.0, including technical fixes and additional retirement policy updates. Staff from both tax-writing committees also highlighted the bipartisan United States-Taiwan Expedited Double-Tax Relief Act (H.R.33) as a potential vehicle for cooperation after stalling in the Senate.

Lawmakers and staff also pointed to growing interest in addressing international tax issues, particularly the Organization for Economic Co-operation and Development's (OECD) global minimum tax idea. The OECD's two-part global tax deal, promotes a global minimum corporate income tax rate of 15 percent for multinational corporations with a "significant economic footprint." This part of the deal is often called Pillar Two. Republicans seek a coordinated response to Pillar Two while protecting U.S. competitiveness.

Pillar Two may have only small effects on US multinationals; a recent G7 tax deal determined that the US system would exist "side by side" with Pillar Two, meaning that US multinationals would simply be subject to the United States' international tax regime without any additional Pillar Two top-ups. The details of this system for coexistence remain to be determined.

However, prospects for bipartisan congressional action remain uncertain as Republicans continue weighing a third reconciliation package to fund border and immigration priorities. Political and procedural hurdles, including divisions over spending proposals and a compressed legislative calendar, could complicate efforts to move either a bipartisan package or another reconciliation bill before year's end.

Congressional tax committees will see high turnover this year

The House Ways and Means Committee is set to lose 95 years of collective tax experience at the end of the year as eight members depart while its Senate counterpart, the Finance Committee, could lose up to seven members. Five Ways and Means Republicans: Representatives Vern Buchanan (R-FL), David Schweikert (R-AZ), Jodey Arrington (R-TX), Kevin Hern (R-OK), and Randy Feenstra (R-IA), and three Democrats: Lloyd Doggett (D-TX), Danny Davis (D-IL), and Dwight Evans (D-PA), will leave the Committee because they are retiring or seeking other offices, with additional turnover possible after the midterm elections.

Several departing members held key tax and budget leadership positions, including Representative Buchanan as Health Subcommittee Chair and former Tax Subcommittee Chair, Representative Doggett as Health Subcommittee Ranking Member, and Representative Arrington as House Budget Committee Chair with deep experience in budget reconciliation. While some lawmakers are retiring, others, including Schweikert, Hern, and Feenstra, are running senatorial or gubernatorial campaigns, meaning they could still shape tax policy in new roles. Observers have said the turnover is not unusual and could create opportunities for newer lawmakers to take on leadership and longstanding tax priorities, though incoming members will face pressure to quickly master complex issues, including tax provisions set to expire in 2029 and 2032.

The Senate Finance Committee is slated to lose key members as well, including those who lost contested primary races (Senators Bill Cassidy (R-LA) and John Cornyn (R-TX)), are seeking their states governorship (Senator Michael Bennet (D-CO) and Marsha Blackburn (R-TN)), or are electing to retire (Senators Thom Tillis (R-NC), Tina Smith (D-MN), and Steve Daines (R-MT)). Senators Bennet and Blackburn, in the event they lose their respective gubernatorial races, could return to the Senate, as their terms do not expire until 2028 and 2030, respectively.

Think tank releases report on the impact of Social Security insolvency

Based on Social Security Administration estimates from August, the trust fund dedicated to retirement benefits is projected to run out in 2032, when those benefits would need to be reduced by approximately 24%. The annual Social Security trustees report, which gauges these timelines, is expected to be released later this month.

In the meanwhile, the Committee for a Responsible Federal Budget, a nonpartisan, non-profit organization committed to educating the public on issues with significant fiscal policy impact, released new study ahead of the SSA trustees report that finds that a benefit cut of that size would result in an average monthly reduction of $500 for retirees.

For Ohio specifically, the report projects that 18.2% of Ohioans would be affected by the Social Security benefits cut, with an estimated $12.1 billion of benefits being lost, equaling 1.2% of the state's economy.

The report acknowledges that restoring solvency to Social Security will require navigating difficult tradeoffs. They urge Congress to act quickly to prevent deep, abrupt benefit cuts that would affect all beneficiaries, regardless of age or need. SERS remains committed to monitoring any proposals to fix Social Security and educating members of Congress about the impact of any proposed changes. We remain particularly focused on any suggestions that would seek to require mandatory coverage for public employees as part of a solution since we know that would have significant consequences for public retirement systems in Ohio and similar non-covered states.

Trump administration announces fraud crackdown in Ohio

Acting U.S. Attorney General Todd Blanche, joined by Ohio leaders and federal officials held a news conference near Columbus on June 4th to announce state and federal indictments against 14 individuals accused of stealing millions through government programs such as Medicaid.

The U.S. Department of Justice (DOJ) also announced it's establishing a new "roundtable" partnership between its Fraud Division and Ohio state government to improve coordination to find, investigate and prosecute fraud. Features of the effort include a data sharing agreement between DOJ's Fraud Division and the Ohio Secretary of State's Office, which keeps corporate registration data that can be used to establish links between business entities used by fraudulent providers.

Blanche touted Ohio as a model for other states, a stark contrast to local Republicans who have accused Gov. Mike DeWine of allowing fraud to fester. DeWine was not invited to participate in the news conference, but supports the announcements made.

The Trump administration recently granted DeWine's request for a six-month moratorium on new businesses becoming Medicaid providers. DeWine and the Ohio Department of Medicaid also cut off payments to 49 providers that exhibited red flags for potential waste, fraud or abuse.

The June 4th news conference came amid a firestorm over purported fraud in Ohio, particularly within Medicaid.

A report from the conservative Daily Wire alleged widespread misconduct in the home health care system, which allows people to receive care and other non-medical services in their homes instead of a nursing facility. In some cases, the caregivers are also relatives.

Ohio's Medicaid program also faced scrutiny during a federal hearing in Washington before the U.S. House Judiciary committee on June 3rd chaired by Rep. Jim Jordan (R-OH) that included testimony from Ohio Auditor Keith Faber and state lawmakers.

At that hearing congressional Republicans pinned the issue on Somali and Bhutanese immigrants. Ohio is home to the second-largest Somali population behind Minnesota, which has also been under fire from the Trump administration. But Democrats say any problems lie at the feet of Republicans who control Ohio's executive branch, Legislature and Supreme Court.

Both parties are accusing the other side of playing politics with a serious issue during an election year.

Trump administration and state officials dispute cause of Affordable Care Act enrollment declines

Federal officials and state-based Affordable Care Act (ACA) marketplaces are offering conflicting explanations for recent declines in enrollment, as federal data show marketplace signups falling by approximately 1.2 million people from a peak enrollment of more than 24 million earlier this year. The Trump administration has attributed the decline to intensified program integrity efforts, including the removal of duplicate or potentially unauthorized enrollments involving individuals simultaneously enrolled in Medicaid and ACA plans. Officials at the Centers for Medicare & Medicaid Services (CMS) have also credited increased eligibility verification efforts and broader anti-fraud initiatives across federally facilitated exchanges, though the agency has not yet released any data demonstrating the quantity of decline that is directly tied to fraud-related removals.

In contrast, several state-run exchanges and insurers argued that affordability pressures following the expiration of enhanced ACA premium subsidies are the primary driver of coverage losses. States including Vermont, Colorado, Massachusetts, Rhode Island, and California reported notable declines among middle-income consumers, older adults, rural residents, and certain lawfully present immigrants who no longer qualify for prior levels of financial assistance. Some exchanges also reported increased movement into lower-premium bronze plans that carry substantially higher deductibles and out-of-pocket costs, raising concerns that consumers may remain insured but face greater financial barriers to care. The enrollment declines are expected to intensify debate over healthcare affordability and ACA policy as lawmakers begin shaping their healthcare messaging ahead of the midterm election cycle.

FEDERAL LEGISLATION BOARD REPORT
119th United States Congress
(Prepared by Chris Collins as of June 5, 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 June 5, 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: 06/02/2026 Referred to Finance 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

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HB833 REGARDING RETIREMENT SYSTEM INVESTMENTS (Lampton, B) - Regarding investment options for state retirement system defined contribution plans.

Current Status: 06/03/2026 House Public Insurance and Pensions, (First Hearing)

Key Performance Indicators Executive Dashboard

Preview

June 18, 2026

(Handout)

Overview of Project

- An executive dashboard is being implemented, with support from executive, business, and functional leadership, to monitor enterprise-wide KPIs and metrics.
- This initiative is designed to increase transparency and facilitate informed, data-driven decisions.
- We continue to prioritize the quality of these goals, ensuring direct alignment with our overarching strategic plan.
- Consistent with our objectives for 2026, each director has been assigned responsibility for developing three to five targeted metrics within their respective domains.
- Initial dashboard prototypes were created using input from all business and functional units and have been synchronized with each of our six strategic goals.
- Suitable tools have been identified to support this effort, and a proof-of-concept phase has been completed.

Selected Spider Impact Tool to Support Our KPI Dashboard

Key Performance Indicators (KPIs) Drive Better Decisions

Establish Clear Priorities: Concentrate on the most important tasks.

Recognize Trends: Detect early signs of improvement or decline in performance.

Analyze Problems: Utilize data to uncover root causes rather than just addressing symptoms.

Manage Trade-Offs: Distribute time and resources to the areas that yield the highest impact.

Review Outcomes: Determine if the actions implemented are effective.

Promote Employee Engagement: Create a positive workplace by encouraging ongoing feedback and open communication.

What is measured tends to be managed more effectively!

Preview Of Dashboard System

Full Roll out in July 2026

Spider Impact – Executive Dashboard
Landing Page Starts with Our Strategic Goals

School Employees Retirement System of Ohio
Serving the People Who Serve Our Schools®

Landing page included links for each goal area

OH SERS Strategic Plan_FY2025-FY2029

Investments Finance

GOAL 1:
SUSTAINABILITY

Maintain pension and health care funds that are sustainable, adapt to changing circumstances, and continue to provide value to our current and future members, retirees, and employers.

Member Services Health Care Other

GOAL 2:
SERVICE DELIVERY AND OPERATIONS

Optimize SERS' operations to continually improve and enhance service delivery.

Technology

GOAL 3:
TECHNOLOGY

Utilize technology to improve efficiency, reliability, and security, while maintaining a personalized customer service experience.

Member Services Other

GOAL 4:
EDUCATION AND ENGAGEMENT

Promote transparency, accountability, and awareness of SERS' benefits through educational outreach and engagement with SERS' members, retirees, and employers.

Talent and Culture

GOAL 5:
TALENT AND CULTURE

Value and invest in mission-driven employees committed to providing excellent service.

Risk

GOAL 6:
RISK

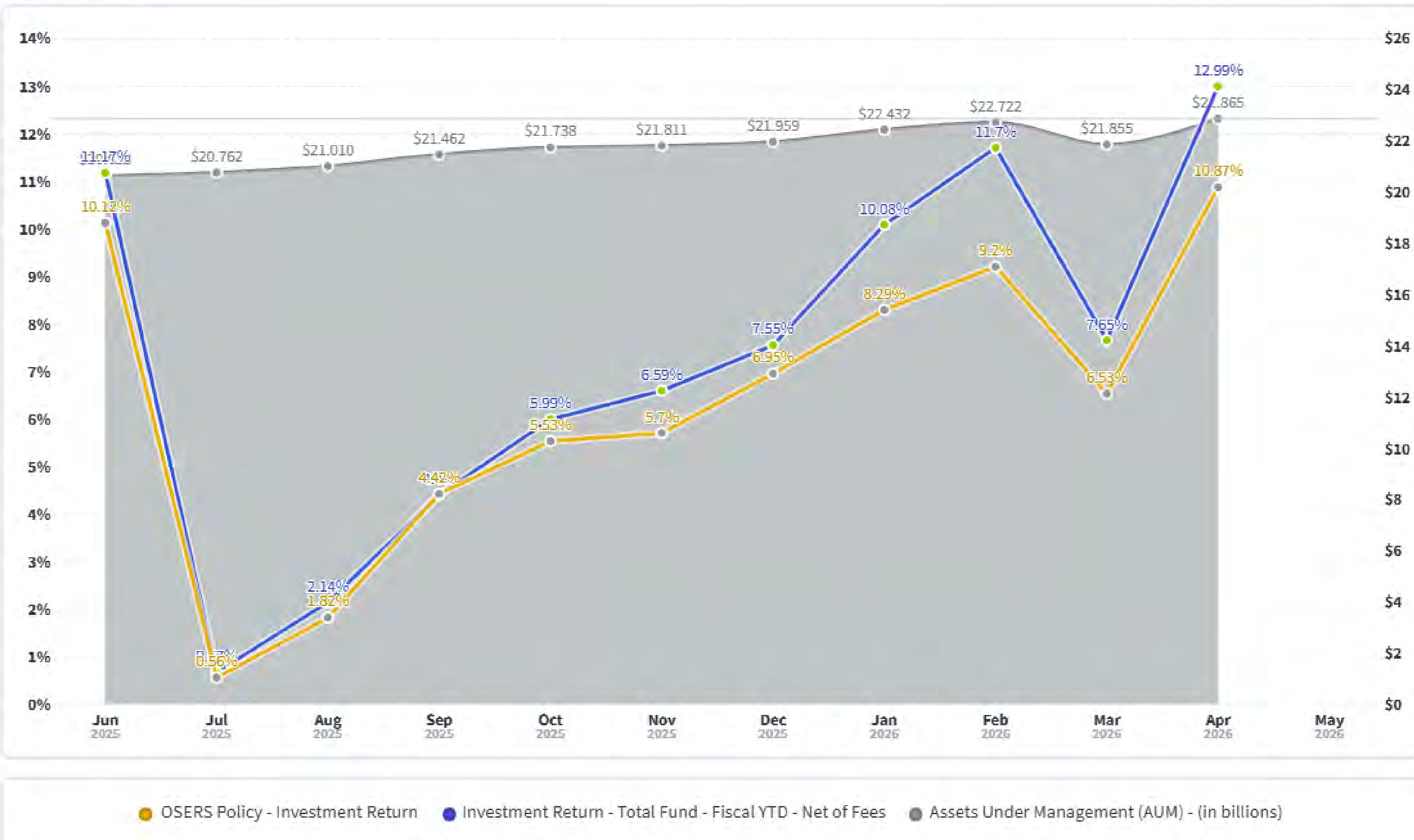
Expand, raise awareness, and utilize our risk management programs to identify and manage risks.

Chart –Goal #1 Sustainability Investments

Goal 1: Sustainability

Home

Investments:

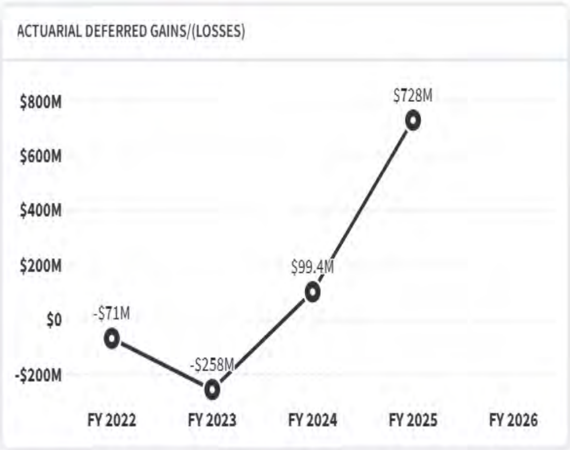


Charts – Goal #1 Sustainability – Finance

Goal 1: Sustainability

Home

Finance:



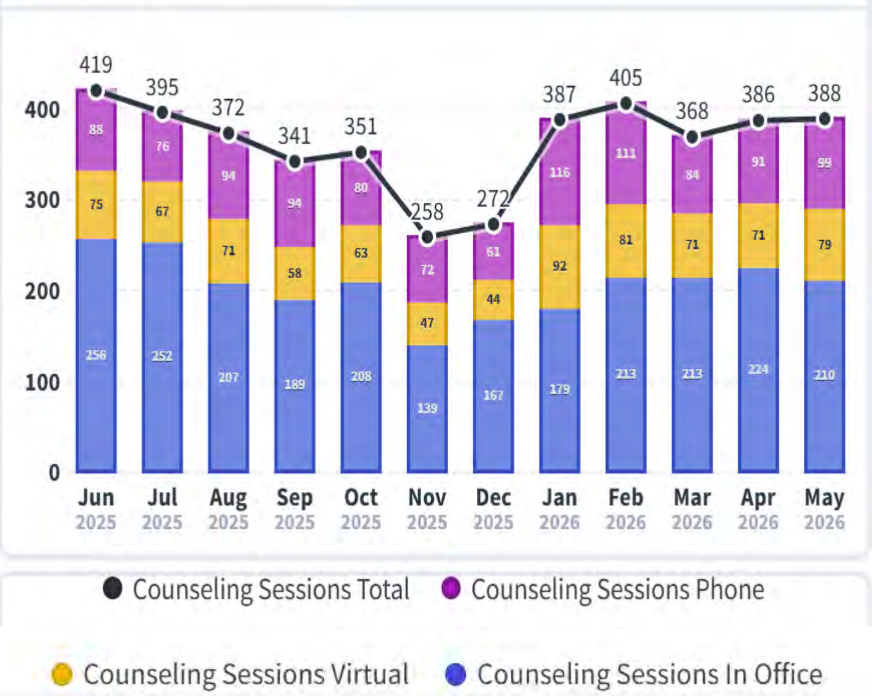
Charts– Goal #2 Service Delivery & Operations Member Services

Goal 2: Service Delivery & Operations

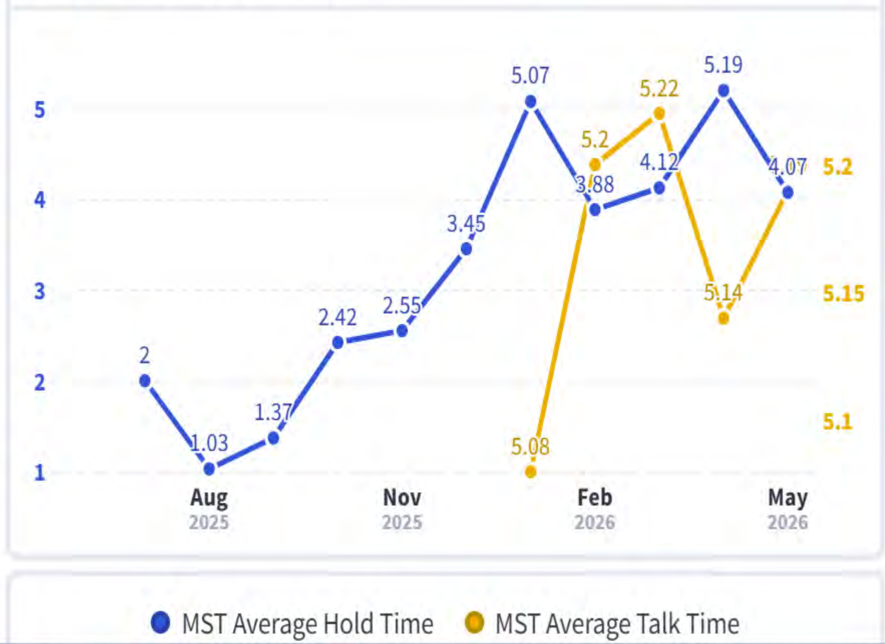
Home

Member Services

COUNSELING SESSIONS OVERVIEW



MST AVERAGE HOLD & TALK TIMES



Charts– Goal #6 Risk
Risk and Legal

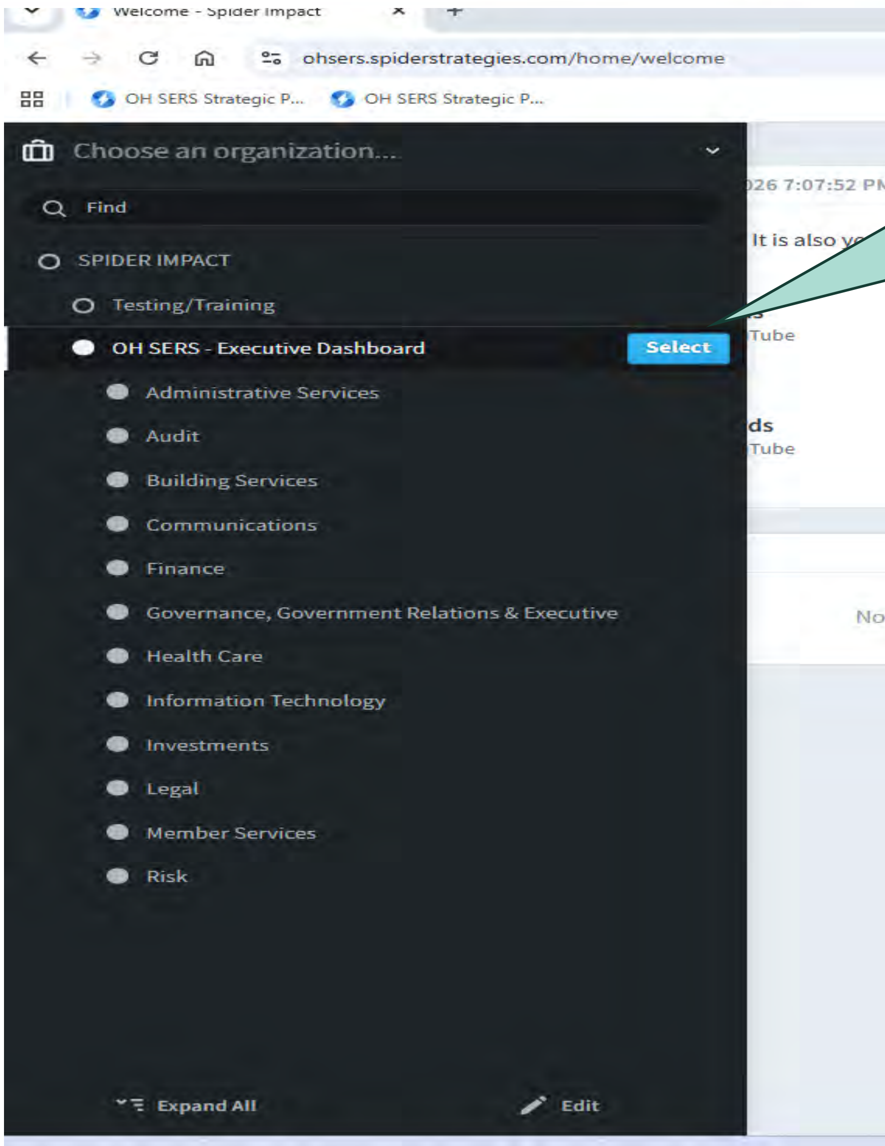
Goal 6: Risk

Home

Risk:

Legal:

Overall Structure is Created by Organization & Allows Departments Visibility Across SERS



SERS KPIs are available starting at the Department level

Finance Headline News – June 2026

- Budget Administration
  - FY27 budget presented for approval
  - SERS administrative expenses are expected to finish FY26 under budget
    - Medical and prescription claims negative variance is covered by other savings
- The following detailed reports are attached for further analysis:
  - Administrative expense reports
    - Administrative expense summary for May 2026
    - Administrative expense detail for May 2026
    - Parameters report for May 2026
  - Financial highlights
    - As of April 2026

School Employees Retirement System of Ohio
SERS Summary Admin Expenses
May 2026

Financial Row	Amount
Summary Admin Expenses	
Expense	
53100.0 - Staff Salaries Expense	
53100 - Salaries & Wages	$1,939,629.27
53110 - Salaries & Wages - Overtime	$4,169.98
53111 - Staff Vacation Leave Expense	$187,178.70
53112 - Staff Sick Leave Expense	$92,922.84
53113 - Staff Voluntary Life Insurance Reimbursement	$623.52
Total - 53100.0 - Staff Salaries Expense	**$2,224,524.31**
53200.0 - Staff Retirement Contribution Expense	
53200 - Staff Employer Contributions - PERS	$307,048.02
53205 - Staff Employer Paid Member Contributions	$3,980.76
Total - 53200.0 - Staff Retirement Contribution Expense	**$311,028.78**
53300.0 - Staff Benefit Expenses	
53300 - Staff Group Life	$7,760.22
53310 - Staff Long Term Disability	$3,736.65
53315 - Staff Short Term Disability	$3,211.09
53320 - Staff Group Health Claims	$545,552.93
53321 - Staff Group Health - Admin Fees	$7,908.41
53322 - Staff Prescription Claims	$127,408.81
53324 - Staff Group Health - Stop Loss Admin	$36,823.08
53326 - Staff Vision Claims	$4,089.30
53330 - Staff Group Health - Employee Cost	($67,413.90)
53331 - Staff Group Health - Wellness Incentive	$4,150.00
53332 - Staff Group Health - Tobacco Premiums	($900.00)
53340 - Staff Medicare Premium - Employer	$30,951.24
53380 - Staff Deferred Compensation Match	$7,260.00
Total - 53300.0 - Staff Benefit Expenses	**$710,537.83**
54100 - Actuarial Services	$12,000.00
54300.0 - Banking Fee Expenses	
54310 - Custodial Fees	$73,072.77
54320 - Custodial Banking	$13,561.55
Total - 54300.0 - Banking Fee Expenses	**$86,634.32**
54400.0 - Investment Related Expenses	
54410 - Master Recordkeeper Fees	$79,822.99
54430 - Performance/Analytics Fee	$41,808.24
54440 - Inv Related Tech Consulting	$41,314.20
54445 - Class Action Fees	$23,471.30
54460 - Bloomberg Terminal Rentals	$22,725.00
Total - 54400.0 - Investment Related Expenses	**$209,141.73**
54520 - Medical Consultant	$4,000.00
54600.0 - Technical Expenses	
54610 - Special Counsel	$52,099.90
54620 - Technical	$24,770.89
54630 - Other Professional Services	$21,332.28
Total - 54600.0 - Technical Expenses	**$98,203.07**
55100 - Postage	$21,687.97
55200 - Telecommunications Services	$7,225.03
55300 - Member/Employer Education	$3,618.59
55400.0 - Printing & Publication Expenses	
55400 - Printing Paper	$6,079.12
55420 - Communications & Publications	$2,249.00
Total - 55400.0 - Printing & Publication Expenses	**$8,328.12**

56000.0 - Computer Support Service Expenses	
56020 - Hardware Maintenance	($1,944.00)
56030 - Software Maintenance	$50,330.17
56035 - Software Subscriptions	$107,570.33
56040 - Hardware < $5,000	$1,607.03
Total - 56000.0 - Computer Support Service Expenses	**$157,563.53**
56100.0 - Office Equipment & Supply Expenses	
56110 - Equipment Repairs & Maintenance	$7,172.62
56130 - Office Supplies & Expenses	$169.30
Total - 56100.0 - Office Equipment & Supply Expenses	**$7,341.92**
56200.0 - Staff Training Expenses	
53370 - Staff Tuition	($8,701.85)
56210 - Seminars & Conferences	$6,514.00
56220 - In House Training	$603.10
Total - 56200.0 - Staff Training Expenses	**($1,584.75)**
56300.0 - Transportation & Travel Expenses	
56310 - Travel & Transportation	$20,426.37
56311 - Mileage	$4,119.53
Total - 56300.0 - Transportation & Travel Expenses	**$24,545.90**
56400.0 - Membership & Subscription Expenses	
56410 - Subscriptions	$6,818.17
56420 - Memberships	$1,759.70
Total - 56400.0 - Membership & Subscription Expenses	**$8,577.87**
56600.0 - Maintenance Expenses	
56630 - Interior Landscaping	$1,396.37
56640 - Vehicle Expense	$90.75
Total - 56600.0 - Maintenance Expenses	**$1,487.12**
56650.0 - Staff Support Expenses	
56620 - Staff Support	$9,535.80
56621 - Recruiting Expenses	$1,540.81
Total - 56650.0 - Staff Support Expenses	**$11,076.61**
56700.0 - School District Board Member Reimbursement Expense	
56710 - Board Member - School Reimb.	$1,441.79
Total - 56700.0 - School District Board Member Reimbursement Expense	**$1,441.79**
56900 - Reimbursement of Leased Svcs from OSERS Broad St	($25,416.67)
Total - Expense	**$3,881,963.07**
Total Admin Expenses	**$3,881,963.07**

School Employees Retirement System of Ohio

SERS Detail Admin Expenses

May 2026

Financial Row	Vendor Bill Name	Amount
Summary Admin Expenses		
Expense		
53100.0 - Staff Salaries Expense		
53100 - Salaries & Wages		
	0133 ADP, LLC	$1,939,629.27
Total - 53100 - Salaries & Wages		**$1,939,629.27**
53110 - Salaries & Wages - Overtime		
	0133 ADP, LLC	$4,169.98
Total - 53110 - Salaries & Wages - Overtime		**$4,169.98**
53111 - Staff Vacation Leave Expense		
	0133 ADP, LLC	$187,178.70
Total - 53111 - Staff Vacation Leave Expense		**$187,178.70**
53112 - Staff Sick Leave Expense		
	0133 ADP, LLC	$92,922.84
Total - 53112 - Staff Sick Leave Expense		**$92,922.84**
53113 - Staff Voluntary Life Insurance Reimbursement		
	0133 ADP, LLC	$623.52
Total - 53113 - Staff Voluntary Life Insurance Reimbursement		**$623.52**
Total - 53100.0 - Staff Salaries Expense		**$2,224,524.31**
53200.0 - Staff Retirement Contribution Expense		
53200 - Staff Employer Contributions - PERS		
	0133 ADP, LLC	$307,048.02
Total - 53200 - Staff Employer Contributions - PERS		**$307,048.02**
53205 - Staff Employer Paid Member Contributions		
	0133 ADP, LLC	$3,980.76
Total - 53205 - Staff Employer Paid Member Contributions		**$3,980.76**
Total - 53200.0 - Staff Retirement Contribution Expense		**$311,028.78**
53300.0 - Staff Benefit Expenses		
53300 - Staff Group Life		
	0267 American United Life Insurance Company	$7,760.22
Total - 53300 - Staff Group Life		**$7,760.22**
53310 - Staff Long Term Disability		
	0267 American United Life Insurance Company	$3,736.65
Total - 53310 - Staff Long Term Disability		**$3,736.65**
53315 - Staff Short Term Disability		
	0267 American United Life Insurance Company	$3,211.09
Total - 53315 - Staff Short Term Disability		**$3,211.09**
53320 - Staff Group Health Claims		
	3555 Aetna Daily Wires - ESERS	$545,552.93
Total - 53320 - Staff Group Health Claims		**$545,552.93**
53321 - Staff Group Health - Admin Fees		
	3552 Aetna Admin - ESERS	$7,908.41
Total - 53321 - Staff Group Health - Admin Fees		**$7,908.41**
53322 - Staff Prescription Claims		
	2811 Express Scripts - ESERS	$112,189.54
	5271 SaveonSP, LLC	$15,219.27
Total - 53322 - Staff Prescription Claims		**$127,408.81**
53324 - Staff Group Health - Stop Loss Admin		
	3552 Aetna Admin - ESERS	$36,823.08
Total - 53324 - Staff Group Health - Stop Loss Admin		**$36,823.08**
53326 - Staff Vision Claims		
	0266 VSP - (OH)	$4,089.30
Total - 53326 - Staff Vision Claims		**$4,089.30**
53330 - Staff Group Health - Employee Cost		
	Employee Premiums	($67,413.90)
Total - 53330 - Staff Group Health - Employee Cost		**($67,413.90)**
53331 - Staff Group Health - Wellness Incentive		
	0133 ADP, LLC	$4,150.00
Total - 53331 - Staff Group Health - Wellness Incentive		**$4,150.00**
53332 - Staff Group Health - Tobacco Premiums		
	0133 ADP, LLC	($900.00)
Total - 53332 - Staff Group Health - Tobacco Premiums		**($900.00)**

53340 - Staff Medicare Premium - Employer		
	0133 ADP, LLC	$30,951.24
Total - 53340 - Staff Medicare Premium - Employer		**$30,951.24**
53380 - Staff Deferred Compensation Match		
	0133 ADP, LLC	$7,260.00
Total - 53380 - Staff Deferred Compensation Match		**$7,260.00**
Total - 53300.0 - Staff Benefit Expenses		**$710,537.83**
54100 - Actuarial Services		
	3241 CavMac	$12,000.00
Total - 54100 - Actuarial Services		**$12,000.00**
54300.0 - Banking Fee Expenses		
54310 - Custodial Fees		
	5482 Fifth Third - Investments	$18,072.77
	0273 BNY Mellon Asset Servicing	$55,000.00
Total - 54310 - Custodial Fees		**$73,072.77**
54320 - Custodial Banking		
	3856 Fifth Third Bank - SERS	$250.00
	0386 Huntington National Bank	$13,311.55
Total - 54320 - Custodial Banking		**$13,561.55**
Total - 54300.0 - Banking Fee Expenses		**$86,634.32**
54400.0 - Investment Related Expenses		
54410 - Master Recordkeeper Fees		
	5897 Clearwater Analytics, LLC	$79,822.99
Total - 54410 - Master Recordkeeper Fees		**$79,822.99**
54430 - Performance/Analytics Fee		
	5959 S&P Global Market Intellegence LLC	$41,790.00
	0743 Frank Russell Company	$18.24
Total - 54430 - Performance/Analytics Fee		**$41,808.24**
54440 - Inv Related Tech Consulting		
	5897 Clearwater Analytics, LLC	$41,314.20
Total - 54440 - Inv Related Tech Consulting		**$41,314.20**
54445 - Class Action Fees		
	5897 Clearwater Analytics, LLC	$23,471.30
Total - 54445 - Class Action Fees		**$23,471.30**
54460 - Bloomberg Terminal Rentals		
	2700 Bloomberg Finance LP	$22,725.00
Total - 54460 - Bloomberg Terminal Rentals		**$22,725.00**
Total - 54400.0 - Investment Related Expenses		**$209,141.73**
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		
	1532 Morgan, Lewis & Bockius	$38,745.00
	0276 Ice Miller LLP	$2,329.90
	5836 Luper Neidenthal & Logan	$5,800.00
	3361 Seyfarth Shaw LLP	$5,225.00
Total - 54610 - Special Counsel		**$52,099.90**
54620 - Technical		
	5613 Revelwood Incorporated	$10,320.00
	3296 LexisNexis Risk Data Management, Inc	$2,224.64
	5215 ComResource	$9,358.75
	5345 Sigital, LLC	$2,867.50
Total - 54620 - Technical		**$24,770.89**
54630 - Other Professional Services		
	5031 Vorys Advisors LLC	$4,000.00
	5632 MRA	$3,800.00
	4560 Cobalt Community Research, LLC	$5,145.00
	1098 Hudepohl & Associates Inc.	$3,450.28
	5060 Kimberly Wickert	$405.00
	5957 Dawson	$1,232.00
	5877 Nossaman LLP	$3,300.00
Total - 54630 - Other Professional Services		**$21,332.28**
Total - 54600.0 - Technical Expenses		**$98,203.07**
55100 - Postage		
	2489 FedEx	$36.14
	0254 Unishippers Association	$117.97
	0060 Pitney Bowes Inc.	$1,074.06
	0251 United States Postal Service	$20,000.00
	4906 Quadient	$459.80
Total - 55100 - Postage		**$21,687.97**

55200 - Telecommunications Services		
	0277 XO Verizon	$1,833.77
	5999 Bluebird MidWest, LLC	$2,658.10
	5665 Total Communication Solutions	$965.54
	5543 Spectrum AWS	$1,230.00
	1605 AT&T - 7258	$40.10
	0253 T-Mobile	$60.68
	0087 Spectrum	$267.44
	4732 Verizon Wireless	$169.40
Total - 55200 - Telecommunications Services		**$7,225.03**
55300 - Member/Employer Education		
	4116 Cameron Vaughan	$225.85
	5570 Michelle Richards	$3,392.74
Total - 55300 - Member/Employer Education		**$3,618.59**
55400.0 - Printing & Publication Expenses		
55400 - Printing Paper		
	0407 Sterling Paper Company	$6,079.12
Total - 55400 - Printing Paper		**$6,079.12**
55420 - Communications & Publications		
	5304 Tension Envelope Corporation	$2,249.00
Total - 55420 - Communications & Publications		**$2,249.00**
Total - 55400.0 - Printing & Publication Expenses		**$8,328.12**
56000.0 - Computer Support Service Expenses		
56020 - Hardware Maintenance		
	5910 Service Express, LLC	($1,944.00)
Total - 56020 - Hardware Maintenance		**($1,944.00)**
56030 - Software Maintenance		
	2263 Dell Marketing LP	$15,330.17
	4518 Sagitec Solutions, LLC	$35,000.00
Total - 56030 - Software Maintenance		**$50,330.17**
56035 - Software Subscriptions		
	5501 Expedient	$12,599.50
	5849 GuidePoint Security, LLC	$35,000.00
	5473 Wellable LLC	$470.60
	5938 Telesign	$601.63
	5387 Ironman Software	$499.99
	4430 DigiCert, Inc	($5,130.00)
	0133 ADP, LLC	$3,211.61
	0413 CDW-Government, Inc.	$48,057.10
	5648 Oracle America, Inc.	$12,202.49
	5409 Amazon Web Services	$57.41
Total - 56035 - Software Subscriptions		**$107,570.33**
56040 - Hardware < $5,000		
	2263 Dell Marketing LP	$107.04
	0411 Amazon.com	$1,499.99
Total - 56040 - Hardware < $5,000		**$1,607.03**
Total - 56000.0 - Computer Support Service Expenses		**$157,563.53**
56100.0 - Office Equipment & Supply Expenses		
56110 - Equipment Repairs & Maintenance		
	5332 Canon Financial Services, Inc	$544.00
	4447 LD Products Inc.	$769.44
	4849 US Bank Equipment Finance	$3,539.58
	5499 Woodhull	$1,287.90
	5340 Digital Print Solutions	$1,031.70
Total - 56110 - Equipment Repairs & Maintenance		**$7,172.62**
56130 - Office Supplies & Expenses		
	0564 Kroger	$5.99
	0172 Staples Business Advantage	$163.31
Total - 56130 - Office Supplies & Expenses		**$169.30**
Total - 56100.0 - Office Equipment & Supply Expenses		**$7,341.92**
56200.0 - Staff Training Expenses		
53370 - Staff Tuition		
	5905 Ericka Tribune	($8,701.85)
Total - 53370 - Staff Tuition		**($8,701.85)**
56210 - Seminars & Conferences		
	5632 MRA	($595.00)
	5557 Pearson VUE	$150.00
	4534 Central Ohio ISSA	$1,450.00
	0917 National Association of Public Pension Attorneys	$1,980.00
	0843 NCPERS	$1,135.00
	0372 Institutional Limited Partners Association	$649.00
	5654 TPC Training	$1,495.00
	1535 Ohio State University	$250.00
Total - 56210 - Seminars & Conferences		**$6,514.00**

56220 - In House Training		
	0133 ADP, LLC	$603.10
Total - 56220 - In House Training		**$603.10**
Total - 56200.0 - Staff Training Expenses		**($1,584.75)**
56300.0 - Transportation & Travel Expenses		
56310 - Travel & Transportation		
	4588 Farouki Majeed	$3,340.88
	1594 Walmart	$24.97
	2320 Phil Sisson	$476.79
	1217 Steve Price	$6,304.28
	4934 Lavash Cafe	$459.00
	0188 Jason Naber	$331.80
	5639 Aimee Russell	$166.96
	5094 Jessica Hall	$2,106.35
	0024 James Rossler	$2,179.85
	0564 Kroger	$104.21
	6019 WithinTelligence	$299.00
	5967 J.P. Morgan Investment Management, Inc.	$224.00
	0017 Daniel L Wilson	$173.00
	4824 Frank Weglarz	$117.45
	0009 Catherine Moss	$64.13
	5418 Matt King	$434.92
	5946 Rebekah Roe	$297.32
	4790 Jay Patel	$1,587.06
	5889 Jeanine Alexander	$131.00
	6005 Sunea Leist	$1,603.40
Total - 56310 - Travel & Transportation		**$20,426.37**
56311 - Mileage		
	0024 James Rossler	$667.30
	0017 Daniel L Wilson	$632.95
	5889 Jeanine Alexander	$829.42
	4824 Frank Weglarz	$693.12
	5418 Matt King	$541.58
	0009 Catherine Moss	$234.90
	5946 Rebekah Roe	$156.61
	5639 Aimee Russell	$341.90
	1217 Steve Price	$21.75
Total - 56311 - Mileage		**$4,119.53**
Total - 56300.0 - Transportation & Travel Expenses		**$24,545.90**
56400.0 - Membership & Subscription Expenses		
56410 - Subscriptions		
	0385 Thomson Reuters - West Publishing Corp	$490.90
	5511 Toledo Blade	$12.99
	0304 Wall Street Journal	$90.70
	0305 Columbus Dispatch	$45.00
	5566 The Business Journals	$220.00
	5933 Time Magazine	$84.95
	5295 NACHA – The Electronic Payments Association	$204.00
	5865 Cleveland.Com	$12.50
	4547 Constant Contact	$717.00
	0571 Thomson Reuters	$4,940.13
Total - 56410 - Subscriptions		**$6,818.17**
56420 - Memberships		
	0307 Ohio Society of CPAs	$1,019.70
	0917 National Association of Public Pension Attorneys	$350.00
	5297 Central Ohio Organization of Public Purchasers	$40.00
	5829 Brad Carr	$350.00
Total - 56420 - Memberships		**$1,759.70**
Total - 56400.0 - Membership & Subscription Expenses		**$8,577.87**
56600.0 - Maintenance Expenses		
56630 - Interior Landscaping		
	3039 Ambius Inc. (05)	$1,396.37
Total - 56630 - Interior Landscaping		**$1,396.37**
56640 - Vehicle Expense		
	5069 Moo Moo Car Wash	$32.00
	4870 Speedway	$58.75
Total - 56640 - Vehicle Expense		**$90.75**
Total - 56600.0 - Maintenance Expenses		**$1,487.12**

56650.0 - Staff Support Expenses		
56620 - Staff Support		
	0133 ADP, LLC	$3,211.43
	1683 Premier ProduceOne	$290.05
	0411 Amazon.com	$559.94
	5574 Aetna Behavioral Health, LLC	$282.60
	6018 Rally House	$25.88
	5886 OEMeyer Co	$434.15
	0757 Giant Eagle	$16.93
	6017 Experience Columbus	$24.24
	6016 American Nut Company	$24.00
	6015 Holly Cox	$80.39
	5303 Culligan Bottled Water of Columbus	$51.95
	4750 Inspira Financial	$322.00
	5199 Richard Stensrud	$144.04
	0259 Continental Cafe, LLC	$2,084.62
	5530 Michael Flanagan	$39.58
	5910 Service Express, LLC	$1,944.00
Total - 56620 - Staff Support		**$9,535.80**
56621 - Recruiting Expenses		
	5460 Indeed	$1,155.02
	5430 ADP Screening & Selection Services	$385.79
Total - 56621 - Recruiting Expenses		**$1,540.81**
Total - 56650.0 - Staff Support Expenses		**$11,076.61**
56700.0 - School District Board Member Reimbursement Expense		
56710 - Board Member - School Reimb.		
	1049 Ashland City School District	$822.63
	5968 Columbus City Schools	$619.16
Total - 56710 - Board Member - School Reimb.		**$1,441.79**
Total - 56700.0 - School District Board Member Reimbursement Expense		**$1,441.79**
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		**$3,881,963.07**
Total Admin Expenses		**$3,881,963.07**

School Employees Retirement System of Ohio
Broad St. Detail Admin Expenses
May 2026

Financial Row	Vendor Bill Name	Amount
Ordinary Income/Expense		
Income		
41010 - Suite Income - OSERS Broad St		
		$57,899.71
Total - 41010 - Suite Income - OSERS Broad St		**$57,899.71**
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		
		$19,625.00
Total - 41210 - Parking Income - Other - OSERS Broad St		**$19,625.00**
Total - 41205.0 - Parking Income		**$22,625.00**
41600 - Miscellaneous Income - OSERS Broad St		
		$150.00
Total - 41600 - Miscellaneous Income - OSERS Broad St		**$150.00**
Total - Income		**$80,674.71**
Gross Profit		**$80,674.71**
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		
50230 - Admin. Office Exp. & Supplies - OSERS Broad St		
	5733 eMaint Enterprises, LLC	$6,561.45
Total - 50230 - Admin. Office Exp. & Supplies - OSERS Broad St		**$6,561.45**
50241 - Bank Fees - OSERS Broad St		
	5801 Park National Bank	$80.82
Total - 50241 - Bank Fees - OSERS Broad St		**$80.82**
Total - 50200.0 - Administrative Expenses		**$6,642.27**
50300.0 - Building Operations		
50305 - HVAC Repairs & Maintenance - OSERS Broad St		
	5698 Metro Group, Inc.	$559.80
	5769 DeBra-Kuempel	$1,477.00
Total - 50305 - HVAC Repairs & Maintenance - OSERS Broad St		**$2,036.80**
50307 - Plumbing Repairs & Maintenance - OSERS Broad St		
	1137 Home Depot	$132.66
Total - 50307 - Plumbing Repairs & Maintenance - OSERS Broad St		**$132.66**
50316 - Wellness Center - OSERS Broad St		
	0411 Amazon.com	$82.44
Total - 50316 - Wellness Center - OSERS Broad St		**$82.44**
50317 - Janitorial Services - OSERS Broad St		
	3990 Acorn Distributors Inc.	$1,358.15
	5811 Harvard Maintenance, Inc	$16,494.16
Total - 50317 - Janitorial Services - OSERS Broad St		**$17,852.31**
50318 - Lighting - Bulbs, Fixtures - OSERS Broad St		
	4642 Zoro Tools	$660.75
	5737 Consolidated Electrical Distributors, Inc.	$64.76
Total - 50318 - Lighting - Bulbs, Fixtures - OSERS Broad St		**$725.51**
50319 - Parking Garage Repairs & Maintenance - OSERS Broad St		
	0411 Amazon.com	$530.08
	1137 Home Depot	$80.76
Total - 50319 - Parking Garage Repairs & Maintenance - OSERS Broad St		**$610.84**
50321 - Generator Repairs & Maintenance - OSERS Broad St		
	5699 Ohio CAT	$1,343.91
Total - 50321 - Generator Repairs & Maintenance - OSERS Broad St		**$1,343.91**

50325 - Security - OSERS Broad St		
	5751 Kyle Kincade	$3,195.00
	5955 Ryan Beardsley	$3,017.50
	5754 Stephen Galentine Jr.	$284.00
	5997 Nathan Campbell	$1,597.50
	5879 Joel George	$1,260.25
	5856 Shayne McAndrew	$1,934.75
	5883 Trenton Kincade	$905.25
	5677 Allied Universal Security Services	$35,844.12
	5748 Oliver George	$621.25
	6022 Nathan Hargus	$213.00
Total - 50325 - Security - OSERS Broad St		**$48,872.62**
50327 - Elevator Repairs & Maintenance - OSERS Broad St		
	5690 Fujitec America, Inc.	$7,456.24
Total - 50327 - Elevator Repairs & Maintenance - OSERS Broad St		**$7,456.24**
50328 - Pest Control - OSERS Broad St		
	5689 Terminix International Company, LP	$167.10
Total - 50328 - Pest Control - OSERS Broad St		**$167.10**
50330 - Trash & Refuse - OSERS Broad St		
	5770 Rumpke of Ohio Inc	$674.11
	5241 Royal Document Destruction	$269.45
Total - 50330 - Trash & Refuse - OSERS Broad St		**$943.56**
50350 - Landscaping & Grounds - OSERS Broad St		
	1137 Home Depot	$494.27
Total - 50350 - Landscaping & Grounds - OSERS Broad St		**$494.27**
50361 - Vehicle/Equipment Repairs & Maintenance - OSERS Broad St		
	5724 Batteries Plus	$29.50
	5725 Crown Lift Trucks	$14.83
Total - 50361 - Vehicle/Equipment Repairs & Maintenance - OSERS Broad St		**$44.33**
50370 - Licenses & Permits - OSERS Broad St		
	0041 SERS	$300.00
Total - 50370 - Licenses & Permits - OSERS Broad St		**$300.00**
Total - 50300.0 - Building Operations		**$81,062.59**
50400.0 - Utilities		
50405 - Heat & Gas - OSERS Broad St		
	5686 Columbia Gas	$1,620.04
Total - 50405 - Heat & Gas - OSERS Broad St		**$1,620.04**
50410 - Electricity - OSERS Broad St		
	5794 American Electric Power - 87617	$152.27
	5678 American Electric Power - 23018	$28,699.87
	5795 American Electric Power - 16108	$493.34
Total - 50410 - Electricity - OSERS Broad St		**$29,345.48**
50415 - Water & Sewer - OSERS Broad St		
	5681 Columbus City Treasurer	$2,003.01
Total - 50415 - Water & Sewer - OSERS Broad St		**$2,003.01**
Total - 50400.0 - Utilities		**$32,968.53**
51010.0 - Other Fees		
51013 - Building Remodeling - OSERS Broad St		
	5932 O'Reilly Office, LLC	$550.00
Total - 51013 - Building Remodeling - OSERS Broad St		**$550.00**
Total - 51010.0 - Other Fees		**$550.00**
Total - Expense		**$146,640.06**
Net Budgeted Expense		**$65,965.35**
Net Building Occupancy		**$40,548.68**

FY2026 Administrative Budget
Board Expense to Budget Reporting
Year-to-Date Through May 31, 2026

Major Category/Sub-Major Category	Line Item	Vendor	FY2026 Budget Approved	Year to Date Expense	Additional Information
PROFESSIONAL SERVICES			**$ 7,044,466**	**$ 5,512,602**	
ACTUARIAL ADVISORS			**$ 357,700**	**$ 346,196**	
	Actuarial	Cavanaugh Macdonald	$ 357,700	$ 346,196	Actuarial Consultant
AUDITING			**$ 220,000**	**$ 172,534**	
	Auditing	Plante Moran	$ 180,000	$ 170,520	External Auditor
BANKING FEES			**$ 1,343,000**	**$ 1,041,683**	
Custodial Fees	Custodial Banking		$ 1,188,000	$ 909,220	
		Fifth Third	$ 396,000	$ 291,509	Domestic Custodian
		BNYM	$ 792,000	$ 617,711	International Custodian
Custodial Banking	Administrative Banking	Huntington National Bank/ TOS	$ 155,000	$ 132,463	Banking Services
INVESTMENT RELATED			**$ 2,694,215**	**$ 2,467,244**	
Master Recordkeeper Fees	Master Recordkeeper		$ 1,532,000	$ 1,352,958	
		BNYM	$ 400,000	$ 286,312	
		Clearwater Analytics	$ 980,000	$ 831,321	
		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	$ 510,696	
		Barra-One Risk Mgmt Sys	$ 238,445	$ 238,445	Investment Risk Analytics
		BNY Mellon GRS	$ 137,607	$ 103,205	Investment Performance Analytics
TECHNICAL			**$ 2,383,426**	**$ 1,442,444**	
Special Counsel	Special Counsel		$ 396,000	$ 265,673	
Technical	Technical		$ 1,400,912	$ 628,130	
		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	$ 548,641	
		Gartner	$ 105,414	$ 105,414	Management Consulting
		Managed Security Service Provider (MSSP)	$ 100,000	$ 49,854	
OTHER OPERATING EXPENSE			**$ 4,548,745**	**$ 3,466,701**	
COMPUTER SUPPORT SERVICES			**$ 3,195,613**	**$ 2,478,009**	
Software Maintenance	Software Maintenance		$ 1,023,833	$ 890,795	
		Dell	$ 280,000	$ 295,999	Microsoft Enterprise Agreement/ True Up
		Sagitec	$ 420,000	$ 350,000	SMART Silver Support
		Hyland	$ 122,640	$ 121,810	ImageNow
Software Subcriptions	Software Subscriptions		$ 1,905,891	$ 1,484,408	
		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		$ -	$ 66,315	Hudepohl & Associates

OSERS BROAD STREET, LLC

UNBUDGETED PROJECT ITEMS				
Major Category	**Line Item**	**Project**	**FY2026 Budget**	**YTD Expense**

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

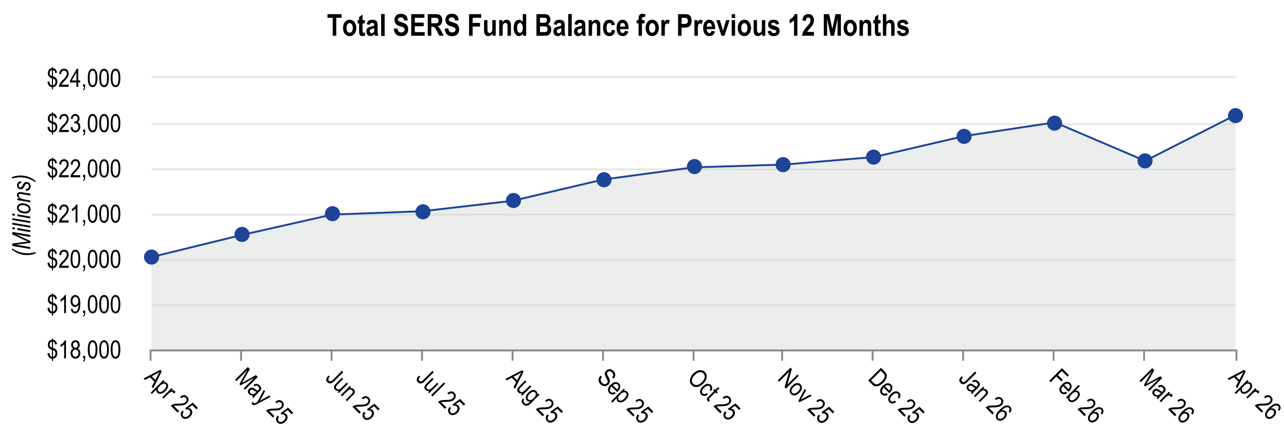
FINANCIAL HIGHLIGHTS

As of April 30, 2026 and 2025

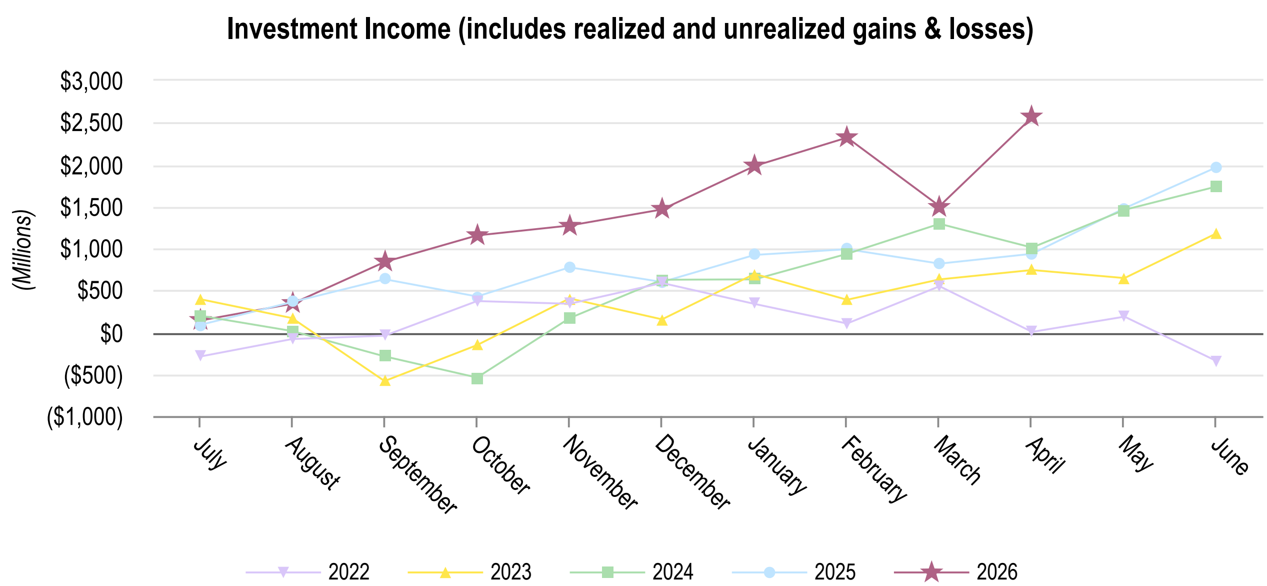
(unaudited)

SERS (ALL FUNDS)	4/31/26 YTD	4/31/25 YTD	Comparative Difference	% Difference
ADDITIONS				
Employer Contributions	$584,844,384	$564,305,967	$20,538,417	4%
Member Contributions	382,504,334	368,090,965	14,413,369	4
Other Income	61,825,593	86,667,856	(24,842,263)	(29)
Total Investment Income, Net	2,563,657,312	935,802,989	1,627,854,323	174
TOTAL ADDITIONS	**3,592,831,623**	**1,954,867,777**	**1,637,963,846**	**84**
DEDUCTIONS				
Retirement, Disability, Survivor & Death Benefits	1,292,569,952	1,235,321,369	57,248,583	5
Health Care Expenses	75,443,817	90,376,186	(14,932,369)	(17)
Refunds & Transfers	98,428,244	81,549,835	16,878,409	21
Administrative Expenses (excluding Investments)	28,214,563	26,993,741	1,220,822	5
TOTAL DEDUCTIONS	**1,494,656,576**	**1,434,241,131**	**60,415,445**	**4**
Changes in Net Position	2,098,175,047	520,626,646	1,577,548,401	303
Net Position - Beginning	21,081,732,006	19,520,714,290	1,561,017,716	8
SERS Net Position - Ending	**$23,179,907,053**	**$20,041,340,936**	**$3,138,566,117**	**16%**

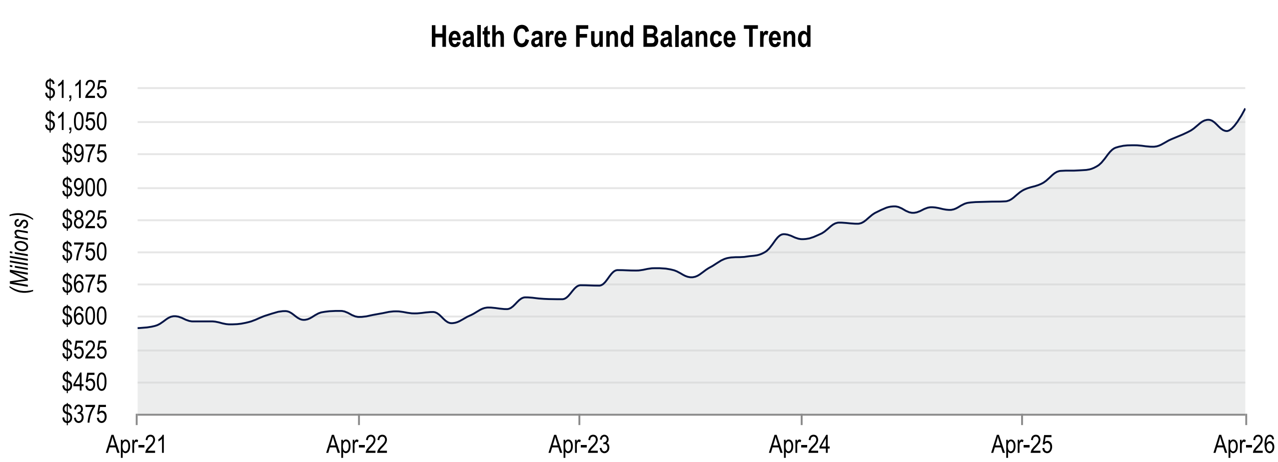
HEALTH CARE FUND				
HEALTH CARE ADDITIONS				
Employer Contributions	$50,964,912	$49,999,990	$964,922	2%
Health Care Premiums	44,677,722	47,333,450	(2,655,728)	(6)
Federal Subsidies & Other Receipts	17,107,217	38,089,411	(20,982,194)	(55)
Total Investment Income, Net	106,271,976	33,310,617	72,961,359	219
TOTAL HEALTH CARE ADDITIONS	**219,021,827**	**168,733,468**	**50,288,359**	**30**
TOTAL HEALTH CARE DEDUCTIONS	**78,469,470**	**93,090,154**	**(14,620,684)**	**(16)**
Changes in Net Position	140,552,357	75,643,314	64,909,043	86
Net Position - Beginning	939,812,471	816,468,867	123,343,604	15
SERS Health Care Fund Net Position - Ending	**$1,080,364,828**	**$892,112,181**	**$188,252,647**	**21%**



Total SERS Fund Balance for Previous 12 Months
(Millions)
$24,000
$23,000
$22,000
$21,000
$20,000
$19,000
$18,000
Apr 25
May 25
Jun 25
Jul 25
Aug 25
Sep 25
Oct 25
Nov 25
Dec 25
Jan 26
Feb 26
Mar 26
Apr 26



Investment Income (includes realized and unrealized gains & losses)
(Millions)
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
($500)
($1,000)
July
August
September
October
November
December
January
February
March
April
May
June
2022
2023
2024
2025
2026



Health Care Fund Balance Trend
(Millions)
$1,125
$1,050
$975
$900
$825
$750
$675
$600
$525
$450
$375
Apr-21
Apr-22
Apr-23
Apr-24
Apr-25
Apr-26

School Employees
Retirement System of Ohio

Memo

To: Retirement Board

From: Richard Stensrud, Executive Director

CC: Karen Roggenkamp, Deputy Executive Director

Marni Hall, Chief Financial Officer

Date: June 8, 2026

Re: FY2027 Budget Approval

At the May Board Meeting, Chief Financial Officer Marni Hall reviewed the proposed FY2027 Administrative Budgets for SERS and OSERS Holdings, LLC.

Consistent with the annual budget cycle, we are requesting approval of these two budgets through separate resolutions at the June meeting:

1. SERS' **Operating and Capital** budgets for the next fiscal year, totaling $43.2 million. There have been no changes to the draft budget since the May presentation.

2. Transfer of funds to **OSERS Holdings, LLC** to cover the net operating expenses of OSERS Broad Street, LLC, in the amount of $1.9 million. This represents a $150,000 increase from the draft budget presented in May. A potential tenant is likely to sign a new lease and the additional budget requested represents the net amount required for tenant remodeling and lease commission fees. The potential tenant increases leased space to 86% with a long term lease.

With the additional cost to remodel the new tenant space, the revised FY2027 draft budget is 2.8% greater than the FY2026 budget. This is a slight adjustment over the 2.4% increase included in the previous draft budget.

During the May 2026 Board meeting, a question was asked about how to reconcile the various sections of the Budget Book, as some sections include or exclude Investment expenses. Attached to this memo is the reconciliation Finance performs when preparing the Budget Book. It provides a cross walk demonstrating how the section excluding investments (pages 7-8) added together with the section for investments only (pages 9-10) equals the total administrative budget (pages 4-5; 11-20).

We will be happy to answer any questions you might have.

Reconciliation of FY2025 Actual Expenses Broken Down Between With and With Out Investments

Description	(A) All FY2025 Actual	(B) Excluding Investments FY2025 Actual	(C) Investments Only FY2025 Actual
Salaries & Wages	$ 19,893,984	$ 15,989,811	$ 3,904,173
OPERS Retirement Contributions	$ 2,660,143	$ 2,187,551	$ 472,592
Benefits	$ 5,283,560	$ 4,725,447	$ 558,113
PERSONNEL	$ 27,837,687	$ 22,902,809	$ 4,934,878
Actuarial	$ 379,114	$ 379,114	$ -
Audit Services	$ 207,382	$ 207,382	$ -
Banking Fees	$ 1,200,966	$ 142,362	$ 1,058,604
Investment Related	$ 2,659,680	$ 60,213	$ 2,599,467
Medical	$ 45,000	$ 45,000	$ -
Technical	$ 2,148,589	$ 1,755,331	$ 393,258
PROFESSIONAL SERVICES	$ 6,640,731	$ 2,589,402	$ 4,051,329
Postage	$ 640,580	$ 640,580	$ -
Telecommunication Services	$ 70,812	$ 70,812	$ -
Member/Employer Education	$ 23,674	$ 23,674	$ -
Printing & Publication	$ 128,657	$ 128,657	$ -
COMMUNICATIONS	$ 863,723	$ 863,723	$ -
Computer Support Services	$ 2,574,117	$ 2,357,959	$ 216,158
Office Equipment & Supplies	$ 142,754	$ 142,490	$ 264
Conferences & Education	$ 147,838	$ 135,343	$ 12,495
Transportation & Travel	$ 171,680	$ 107,245	$ 64,435
Memberships & Subscriptions	$ 214,581	$ 113,772	$ 100,809
Property & Management Liability Insurance	$ 512,467	$ 512,467	$ -
Maintenance	$ 28,468	$ 28,468	$ -
Staff Support	$ 87,011	$ 86,951	$ 60
School District Reimbursement	$ 6,177	$ 6,177	$ -
Mandatory Costs - ORSC	$ 61,112	$ 61,112	$ -
Reimbursement from OSERS Broad Street, LLC, for Leased Services	$ (305,000)	$ (305,000)	$ -
OTHER OPERATING EXPENSE	$ 3,641,205	$ 3,246,984	$ 394,221
TOTAL DEPARTMENT EXPENSES	$ 38,983,346	$ 29,602,918	$ 9,380,428
Furniture & Equipment > $5,000	$ -	$ -	$ -
Computer Hardware > $5,000	$ -	$ -	$ -
Computer Software > $25,000	$ -	$ -	$ -
Vehicles	$ -	$ -	$ -
ADMINISTRATIVE CAPITAL	$ -	$ -	$ -
TOTAL ADMINISTRATIVE EXPENSES	$ 38,983,346	$ 29,602,918	$ 9,380,428
OSERS BROAD STREET, LLC	$ 2,242,126		
TOTAL OPERATING AND CAPITAL EXPENSES	$ 41,225,472		

Reconciliation of FY2026 Forecast Broken Down Between With and With Out Investments

Description	(A) All FY2026 Forecast	(B) Excluding Investments FY2026 Forecast	(C) Investments Only FY2026 Forecast
Salaries & Wages	$ 21,049,506	$ 17,105,874	$ 3,943,632
OPERS Retirement Contributions	$ 2,776,110	$ 2,288,378	$ 487,732
Benefits	$ 5,491,093	$ 4,965,592	$ 525,501
PERSONNEL	$ 29,316,709	$ 24,359,844	$ 4,956,865
Actuarial	$ 403,926	$ 403,926	$ -
Audit Services	$ 178,439	$ 178,439	$ -
Banking Fees	$ 1,159,441	$ 144,607	$ 1,014,834
Investment Related	$ 2,569,666	$ 84,100	$ 2,485,566
Medical	$ 46,500	$ 46,500	$ -
Technical	$ 1,976,336	$ 1,663,725	$ 312,611
PROFESSIONAL SERVICES	$ 6,334,308	$ 2,521,297	$ 3,813,011
Postage	$ 577,934	$ 577,934	$ -
Telecommunication Services	$ 59,415	$ 59,415	$ -
Member/Employer Education	$ 9,405	$ 9,405	$ -
Printing & Publication	$ 97,201	$ 97,201	$ -
COMMUNICATIONS	$ 743,955	$ 743,955	$ -
Computer Support Services	$ 2,876,825	$ 2,761,888	$ 114,937
Office Equipment & Supplies	$ 150,011	$ 149,751	$ 260
Conferences & Education	$ 157,771	$ 153,821	$ 3,950
Transportation & Travel	$ 183,338	$ 118,226	$ 65,112
Memberships & Subscriptions	$ 211,003	$ 120,489	$ 90,514
Property & Management Liability Insurance	$ 483,838	$ 483,838	$ -
Maintenance	$ 30,393	$ 30,393	$ -
Staff Support	$ 90,309	$ 90,244	$ 65
School District Reimbursement	$ 12,298	$ 12,298	$ -
Mandatory Costs - ORSC	$ 64,809	$ 64,809	$ -
Reimbursement from OSERS Broad Street, LLC, for Leased Services	$ (305,000)	$ (305,000)	$ -
OTHER OPERATING EXPENSE	$ 3,955,595	$ 3,680,757	$ 274,838
TOTAL DEPARTMENT EXPENSES	$ 40,350,567	$ 31,305,853	$ 9,044,714
Furniture & Equipment > $5,000	$ -	$ -	$ -
Computer Hardware > $5,000	$ 7,457	$ 7,457	$ -
Computer Software > $25,000	$ -	$ -	$ -
Vehicles	$ -	$ -	$ -
ADMINISTRATIVE CAPITAL	$ 7,457	$ 7,457	$ -
TOTAL ADMINISTRATIVE EXPENSES	$ 40,358,024	$ 31,313,310	$ 9,044,714
OSERS BROAD STREET, LLC	$ 2,388,767		
TOTAL OPERATING AND CAPITAL EXPENSES	$ 42,746,791		

Reconciliation of FY2027 Total Budget Broken Down Between With and With Out Investments

Description	(A) All FY2027 Budget	(B) Excluding Investments FY2027 Budget	(C) Investments Only FY2027 Budget
Salaries & Wages	$ 21,776,591	$ 17,664,500	$ 4,112,091
OPERS Retirement Contributions	$ 2,929,460	$ 2,417,545	$ 511,915
Benefits	$ 4,809,663	$ 4,287,204	$ 522,459
PERSONNEL	$ 29,515,714	$ 24,369,249	$ 5,146,465
Actuarial	$ 367,000	$ 367,000	$ -
Audit Services	$ 980,000	$ 980,000	$ -
Banking Fees	$ 1,225,000	$ 145,000	$ 1,080,000
Investment Related	$ 2,422,445	$ 78,800	$ 2,343,645
Medical	$ 48,000	$ 48,000	$ -
Technical	$ 2,351,868	$ 2,041,868	$ 310,000
Banking Fees	$ 7,394,313	$ 3,660,668	$ 3,733,645
Postage	$ 698,240	$ 698,240	$ -
Telecommunication Services	$ 86,708	$ 86,708	$ -
Member/Employer Education	$ 12,150	$ 12,150	$ -
Printing & Publication	$ 142,400	$ 142,400	$ -
COMMUNICATIONS	$ 939,498	$ 939,498	$ -
Computer Support Services	$ 3,714,458	$ 3,294,458	$ 420,000
Office Equipment & Supplies	$ 160,379	$ 159,671	$ 708
Conferences & Education	$ 257,373	$ 242,973	$ 14,400
Transportation & Travel	$ 246,920	$ 160,520	$ 86,400
Memberships & Subscriptions	$ 264,320	$ 120,310	$ 144,010
Property & Management Liability Insurance	$ 485,221	$ 485,221	$ -
Maintenance	$ 37,565	$ 37,565	$ -
Staff Support	$ 106,885	$ 106,705	$ 180
School District Reimbursement	$ 10,710	$ 10,710	$ -
Mandatory Costs - ORSC	$ 72,000	$ 72,000	$ -
Reimbursement from OSERS Broad Street, LLC, for Leased Services	$ (305,000)	$ (305,000)	$ -
OTHER OPERATING EXPENSE	$ 5,050,831	$ 4,385,133	$ 665,698
TOTAL DEPARTMENT EXPENSES	$ 42,900,356	$ 33,354,548	$ 9,545,808
Furniture & Equipment > $5,000	$ 30,150	$ 30,150	$ -
Computer Hardware > $5,000	$ -	$ -	$ -
Computer Software > $25,000	$ -	$ -	$ -
Vehicles	$ -	$ -	$ -
ADMINISTRATIVE CAPITAL	$ 30,150	$ 30,150	$ -
TOTAL ADMINISTRATIVE EXPENSES	$ 42,930,506	$ 33,384,698	$ 9,545,808
OSERS BROAD STREET, LLC	$ 1,944,134		
TOTAL OPERATING AND CAPITAL EXPENSES	$ 44,874,640		

BUDGET RESOLUTION – FY2027 SERS ADMINISTRATIVE BUDGET

_______________ moved and ______________ seconded that the following budget of $43,235,506 for the fiscal year beginning July 1, 2026, and ending June 30, 2027, be approved, with such approval effective June 30, 2026.

Expense Classification	Budget
Personnel …………	$ 29,515,714
Professional Services (including Investment-Related Consultants) ………...	7,394,313
Communications …………	939,498
Other Operating Expenses …………	5,355,831
SERS Administrative Expenses	$ 43,205,356
Administrative Capital…………	30,150
Administrative Budget	**$ 43,235,506**

Be it further provided that the Board has reviewed the estimated fees and expenses for operation of the investment program and authorizes the payment of actual fees to such service providers and in such amounts as is set by the contract with the individual service providers.

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	________	________	________
Jeanine Alexander	________	________	________
Jeffrey DeLeone	________	________	________
Matthew King	________	________	________
Catherine Moss	________	________	________
Rebekah Roe	________	________	________
Aimee Russell	________	________	________
Frank Weglarz	________	________	________
James Rossler	________	________	________

OPERATING TRANSFER RESOLUTION – FY2027

_______________ moved and ______________ seconded that SERS transfer to OSERS Holdings, LLC up to $1,944,134 for payment of building operations and LLC expenses of OSERS Broad Steet LLC, a subsidiary of OSERS Holdings LLC, for the fiscal year beginning July 1, 2026, and ending June 30, 2027 with such approval effective June 30, 2026. OSERS Holdings, LLC shall report quarterly to the SERS Board of Trustees on the expenditure of all funds and receipt of all revenues.

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	________	________	________
Jeanine Alexander	________	________	________
Jeffrey DeLeone	________	________	________
Matthew King	________	________	________
Catherine Moss	________	________	________
Rebekah Roe	________	________	________
Aimee Russell	________	________	________
Frank Weglarz	________	________	________
James Rossler	________	________	________

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.

- 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.

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

FY2027 Budget Request

The proposed FY2027 budget of $44.9 million reflects a 2.8% increase over the FY2026 budget and 5.0% 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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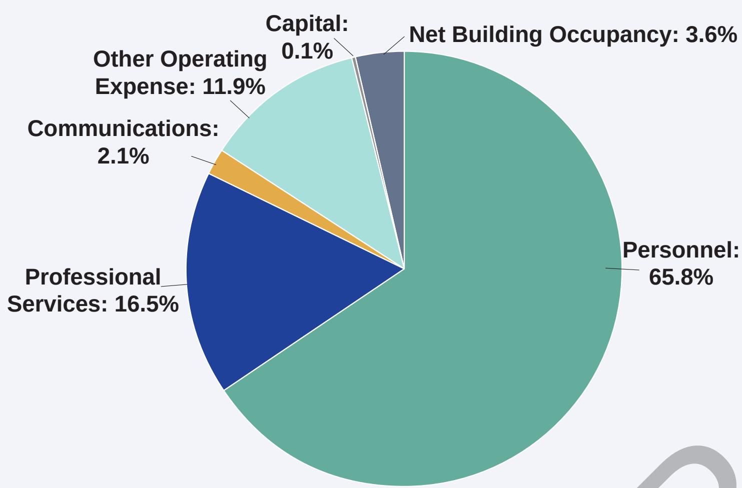
BUDGET OVERVIEW

Category and Description	FY2027 Budget $ 44,874,640
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	**65.8%**
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	**11.9%**
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	**1,639,134**
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	**3.6%**

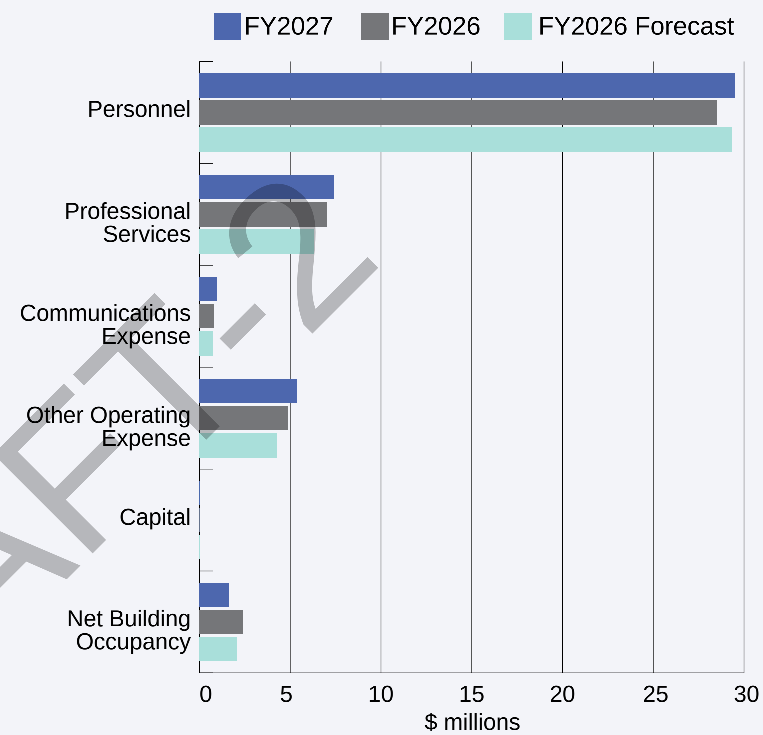
FY2027 Operating Budget by Category

Total: $ 44,874,640



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	1,639,134

Budget Comparison by Category



	BUDGET		FORECAST
BUDGET CATEGORY	**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	1,639,134	2,419,594	2,083,767
TOTAL OPERATING	**$ 44,874,640**	**$ 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 > $25,000	-	-	-	0.0%
Vehicles	-	-	-	0.0%
CAPITAL	**30,150**	**13,000**	**7,457**	**131.9%**
NET BUILDING OCCUPANCY EXPENSE	**1,639,134**	**2,419,594**	**2,083,767**	**-32.3%**
TOTAL OPERATING AND CAPITAL BUDGETS	**$ 44,874,640**	**$ 43,666,264**	**$ 42,746,791**	**2.8%**

THREE-YEAR REVIEW FY2025 – FY2027 BUDGET PRESENTATION

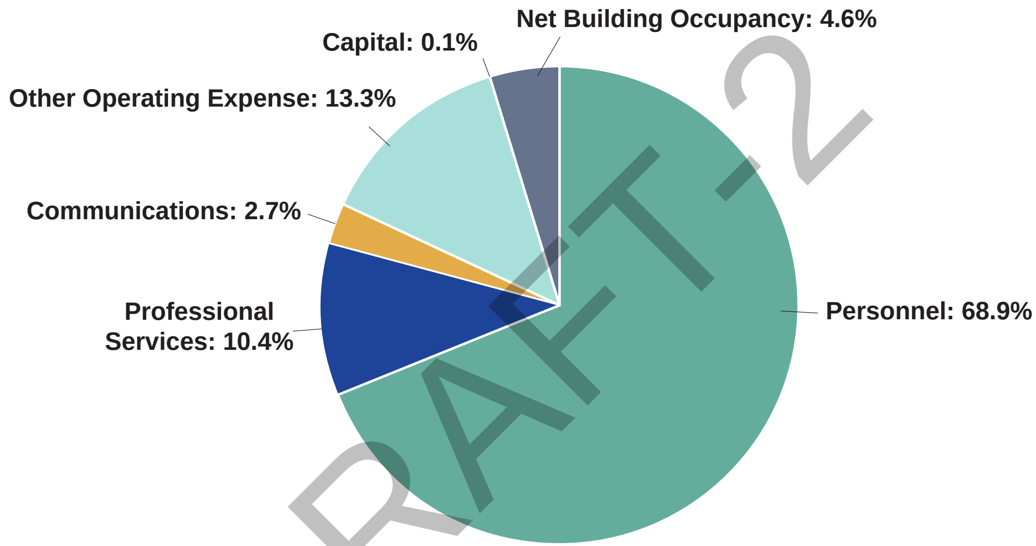
FY2025 Actual	FY2026 Forecast	FY2026-FY2025 Difference	Change % (+/-)	Description	FY2027 Budget	FY2027 Budget-FY2026 Forecast Difference	Change % (+/-)
$ 19,893,984	$ 21,049,506	$ 1,155,522	5.8%	Salaries & Wages	$ 21,776,591	$ 727,085	3.5%
2,660,143	2,776,110	115,967	4.4%	OPERS Retirement Contributions	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**	**1,944,134**	**(444,633)**	**-18.6%**
$ 41,225,472	**$ 42,746,791**	**$ 1,521,319**	**3.7%**	**TOTAL OPERATING AND CAPITAL EXPENSES**	**$ 44,874,640**	**$ 2,127,849**	**5.0%**

SERS OPERATING BUDGET DETAIL

FY2027 SERS OPERATING BUDGET BY CATEGORY

EXCLUDING INVESTMENTS

Total: $ 35,328,832



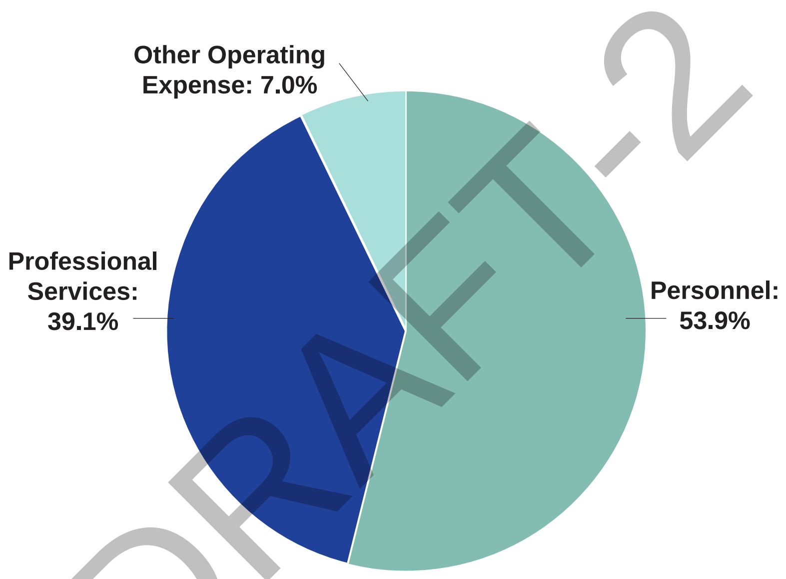
	BUDGET		FORECAST
BUDGET CATEGORY	**FY2027**	**FY2026**	**FY2026**
Personnel	$ 24,369,249	$ 23,727,984	$ 24,359,844
Professional Services	3,660,668	2,943,450	2,521,297
Communications	939,498	821,240	743,955
Other Operating Expense	4,690,133	4,472,767	3,985,757
Capital	30,150	13,000	7,457
Net Building Occupancy	1,639,134	2,419,594	2,083,767
TOTAL OPERATING	**$ 35,328,832**	**$ 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	0.0%	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		FORECAST
BUDGET CATEGORY	**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**

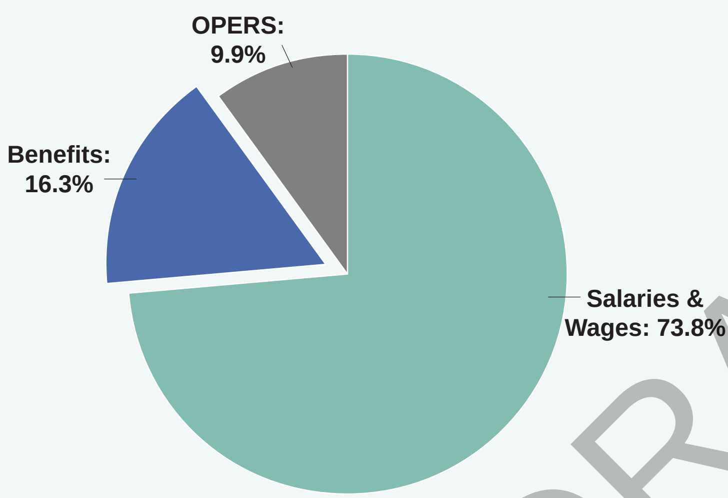
THREE-YEAR REVIEW FY2025 – FY2027 INVESTMENTS BUDGET PRESENTATION

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	487,732	15,140	3.2%	OPERS Retirement Contributions	511,915	24,183	5.0%
558,113	525,501	(32,612)	-5.8%	Benefits	522,459	(3,042)	-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	114,937	(101,221)	-46.8%	Computer Support Services	420,000	305,063	265.4%
264	260	(4)	-1.3%	Office Equipment & Supplies	708	448	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**	**(335,714)**	**-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**	**$ (335,714)**	**-3.6%**	**TOTAL ADMINISTRATIVE EXPENSES**	**$ 9,545,808**	**$ 501,094**	**5.5%**

PERSONNEL

PERSONNEL FY2027 BUDGET

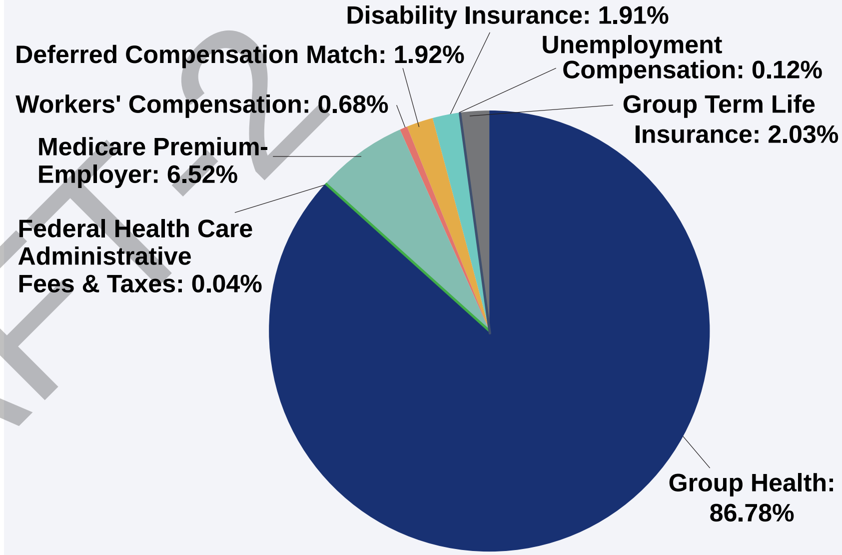
TOTAL: $29,515,714



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.

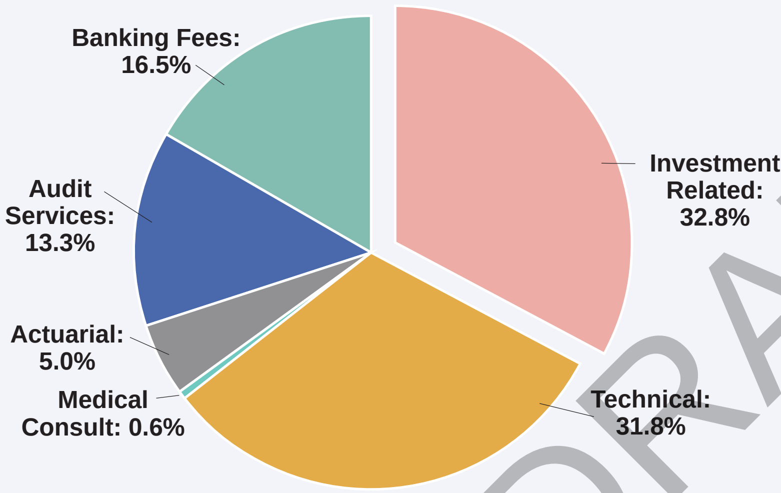
SERS' per-pay match contribution to the **Ohio Public Employees Deferred Compensation Match** program are made on behalf of the SERS' employees who are actively enrolled in the program.

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

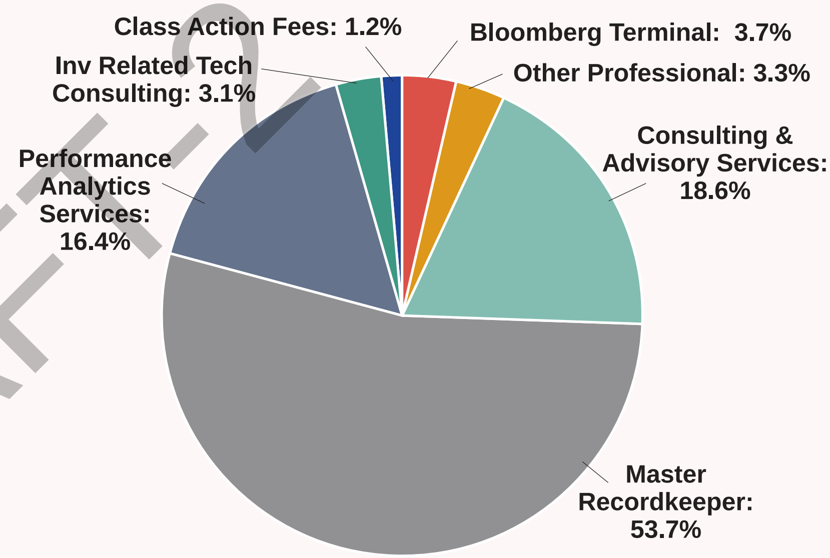
TOTAL: $7,394,313



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. The decrease in FY2027 is due to a reduction in existing services through contract negotiations.

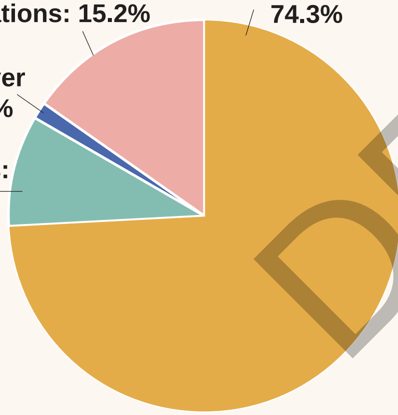
Other Professional Services include the cost for other consultants and advisory services, such as legislative news and political consulting providers, organizational leadership and development, surveying and focus groups, and Attorney General Staff reimbursement. FY2027 also includes consulting for business 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.

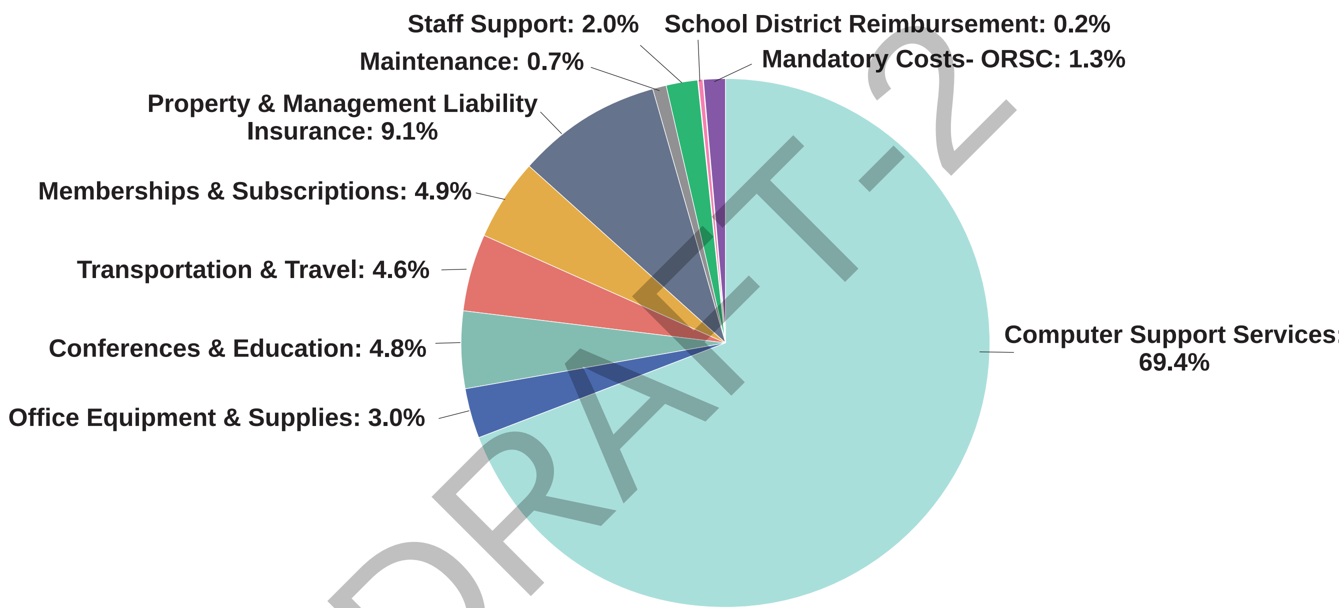
PRINTING & PUBLICATIONS

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%**

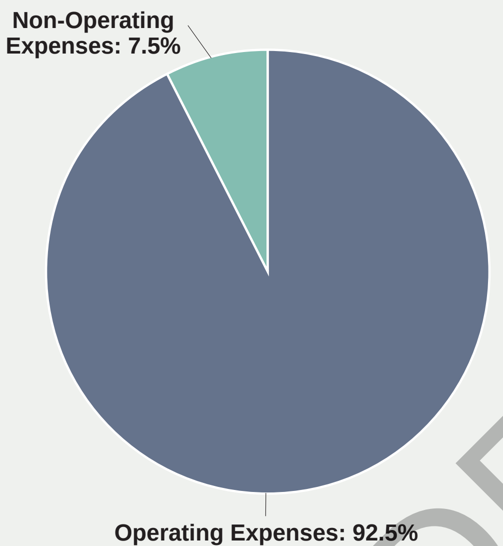
ADMINISTRATIVE CAPITAL

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	210,000
TOTAL	**$ 2,792,772**

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 $1,944,134.

Net building occupancy is $1,639,134 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	50,000	10,898	27.9%
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	155,000	(608,418)	-79.7%
820,371	**805,795**	**(14,576)**	**-1.8%**	**Non-Operating Expenses**	**210,000**	**(595,795)**	**-73.9%**
-	80,155	80,155	0.0%	Capital Improvements	150,000	69,845	87.1%
-	**80,155**	**80,155**	**0.0%**	**Capital Improvements**	**150,000**	**69,845**	**87.1%**
2,242,126	**2,388,767**	**146,641**	**6.5%**	**OSERS Broad Street, LLC Budget**	**1,944,134**	**(444,633)**	**-18.6%**
(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**	**$ 1,639,134**	**$ (444,633)**	**-21.3%**

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	0.0%	CAPITAL IMPROVEMENTS	$ 150,000	$ 69,845	87.1%

CAPITAL IMPROVEMENTS:

The leasehold improvements planned for FY2027 include modernization of the service elevator.

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 considered as 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.

School Employees
Retirement System

Memo

To:	Retirement Board
From:	Nikki Whitacre
cc:	Richard Stensrud, Karen Roggenkamp, Joe Marotta
Date:	June 10, 2026
Re:	SERS Website Redesign

The design of SERS' current website, which launched in 2018, has served our stakeholders well for the last eight years. With the changes in technology, design best practices, and upcoming accessibility requirements, a full redesign is underway to modernize the site's appearance, enhance functionality, and meet compliance standards.

To help shape the redesign, the Communications Team reviewed feedback provided in surveys of our membership and also conducted internal focus groups with the individuals who speak with our membership and employers most often, our own Member Support Team and Employer Services Outreach Team.

The redesigned site offers:

- A cleaner, more modern layout.
- Improved navigation and reorganized content for better clarity.
- Prominent search features.
- Easy access to Account Login and eSERS.
- Increased visibility for important news and updates.
- Strengthened accessibility compliance under the Department of Justice's Web Content Accessibility Guidelines (WCAG) standards that are part of the Americans with Disabilities Act, as compliance is mandatory on April 26, 2027.

The redesigned site is targeted for a June 30 launch.

A presentation with mockups of the home page and interior page will be reviewed during the Board meeting.

We will be happy to answer any questions you might have.

SERS Website Redesign

June 18, 2026

Nikki Whitacre

Assistant Director, Engagement and Communication Strategy

Background

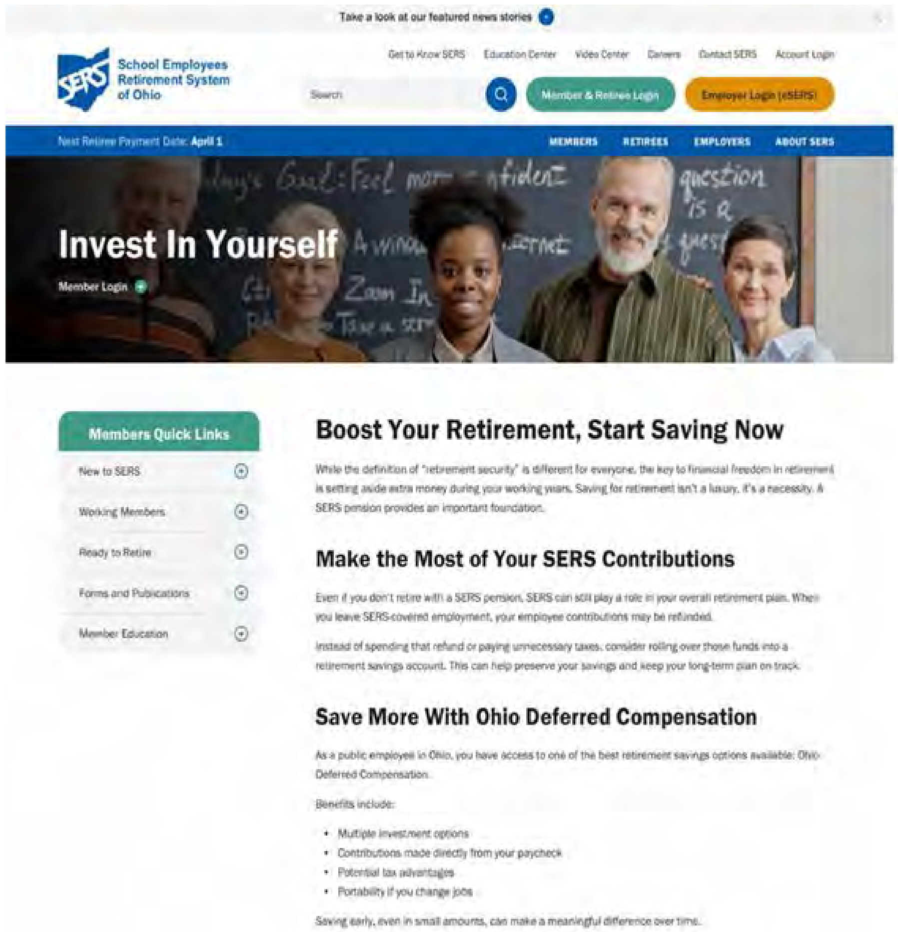
- Last redesign of ohsers.org was 2018
- Compliance with Web Content Accessibility Guidelines (WCAG)
- Stakeholder feedback
  - Focus groups with Member Support Team and Employer Services
  - Surveys from membership and employers

Key Points for the Redesign

- Improved, cleaner design
- Search capabilities and login for membership and employers are prominent
- Increased visibility for important news
- Clear roles to help stakeholders choose where they should be
- Restructured content and navigation for ease of use and understandability
- Compliance with WCAG

Ohsers.org – June 2026

Ohsers.org – June 2026



SERS

Memo

To: Retirement Board

From: Richard Stensrud

CC: Karen Roggenkamp

Date: June 10, 2026

Re: SERS Strategic Plan FY2025 – FY2029 – Year 2 Update

At the June Board Meeting Deputy Executive Director, Karen Roggenkamp, and I will provide the Board with the annual Strategic Plan Update report. To that end, attached you will find:

- A copy of the Strategic Plan, which notes the Strategies and Actions associated with the six Goals in the Plan.
    - Sustainability
    - Service Delivery and Operations
    - Technology
    - Education and Engagement
    - Talent and Culture
    - Risk

- A PowerPoint presentation that provides a summary of FY2026 Key Accomplishments for year 2 of our current 5-year plan. The summary also aligns with information that has been included in the Executive Director FY2026 Goal quarterly updates and to the Technology Committee for both the Technology and Risk goals.

Karen and I will be happy to answer any questions you might have. We also look forward to your feedback and input as we move into Year 3.

SERS Strategic Plan Year 2 Update

June 18, 2026

Note: Portions of this presentation were drafted with the assistance of Microsoft Copilot (AI) to generate initial outlines, suggest slide layouts, and suggest edits. The content was subsequently reviewed, edited, and fact-checked by the author in accordance with SERS AI Usage Policy.

STRATEGIC PLAN

FY2025 – 2029

YEAR 2 PROGRESS REPORT

Year 2 Executive Summary

SERS' Year 2 Strategic Plan update reflects strong progress across all six organizational goals—Sustainability, Service Delivery & Operations, Technology, Education & Engagement, Talent & Culture, and Risk.

FY2026 accomplishments demonstrate operational momentum, enhanced service capabilities, and continued financial and organizational resiliency.

FY2027 priorities focus on sustaining this progress while preparing for leadership transition, regulatory changes, technology modernization, and evolving member needs.

GOAL 1:
SUSTAINABILITY

Maintain pension and health care funds that are sustainable, adapt to changing circumstances, and continue to provide value to our current and future members, retirees, and employers.

GOAL 2:
SERVICE DELIVERY AND OPERATIONS

Optimize SERS' operations to continually improve and enhance service delivery.

GOAL 3:
TECHNOLOGY

Utilize technology to improve efficiency, reliability, and security, while maintaining a personalized customer service experience.

GOAL 4:
EDUCATION AND ENGAGEMENT

Promote transparency, accountability, and awareness of SERS' benefits through educational outreach and engagement with SERS' members, retirees, and employers.

GOAL 5:
TALENT AND CULTURE

Value and invest in mission-driven employees committed to providing excellent service.

GOAL 6:
RISK

Expand, raise awareness, and utilize our risk management programs to identify and manage risks.

Year 2 Summary By Goal

Goal 1 – Sustainability

SERS strengthened its long-term financial outlook through comprehensive risk assessments, actuarial reviews, and an updated asset allocation strategy. Pension and health care funds were found sustainable even under downturn scenarios. The Board completed its 5-year Experience Study and selected a new Investment Advisor. FY2027 will focus on fiduciary audits, legislative engagement, investment performance, and ensuring a smooth Executive Director transition.

Goal 2 – Service Delivery & Operations

Service enhancements advanced meaningfully. Live Chat launched for employers and members; significant Member Portal improvements for healthcare services are underway; information governance practices matured; tenant occupancy increased to 84%, improving revenue. Customer satisfaction remains high, with 94% positive survey scores. FY2027 priorities include fraud prevention, continued portal enhancements, and adoption of KPIs to drive alignment and process improvement.

Goal 3 – Technology

Year 4 of the Technology Roadmap delivered major capabilities including Live Chat, new GL functionality, online refunds, Microsoft Copilot, and infrastructure upgrades. SERS met multiple external mandates and completed ADA accessibility improvements across portals. Security posture was strengthened with new tools and micro-segmentation, while AI proof-of-concept efforts began. FY2027 will address school tax withholding changes, IRS IRIS compliance, healthcare portal enhancements, and development of the next 5-year roadmap.

Year 2 Summary by Goal

Goal 4 – Education & Engagement

SERS continued to strengthen trust and transparency with members, retirees, employers, and policymakers. FY2026 emphasized broad outreach through webinars, newsletters, conferences, employer engagement initiatives, and enhanced digital communication. Legislative and stakeholder coordination remained active and responsive. Looking ahead to FY2027, efforts will center on reinforcing education with employers and members, increasing policy engagement alongside new leadership, and monitoring developments that may affect defined benefit plans.

Goal 5 –Talent & Culture

SERS invested in developing a resilient, mission-driven workforce. Leadership development, job-shadowing programs, and follow-up on employee engagement insights helped build capability and reinforce culture. Hybrid work policies were refined to maintain alignment and engagement, while necessary benefit and cost-management adjustments were implemented. FY2027 will bring focus to compensation study outcomes, managing healthcare cost pressures, and preparing for increased retirement eligibility across staff.

Goal 6 – Risk

SERS advanced its enterprise risk maturity, information security posture, and business continuity readiness. FY2026 included rollout of new cybersecurity tools, AI governance oversight, KPI dashboard implementation, and successful disaster recovery exercises. Preparations for the upcoming fiduciary audit also progressed. In FY2027, SERS will emphasize ongoing resilience through disciplined continuity testing, responsible AI adoption, expanded investment compliance capabilities, and deeper integration of KPIs into operational decision-making.

Alerts and Messages

- Messages

Member Account

- Member Account
- Service Purchase
- Beneficiary
- Retirement Estimate Calculator
- Apply for Service Retirement
- Apply for Disability Benefits
- Apply for a Refund of Your Account

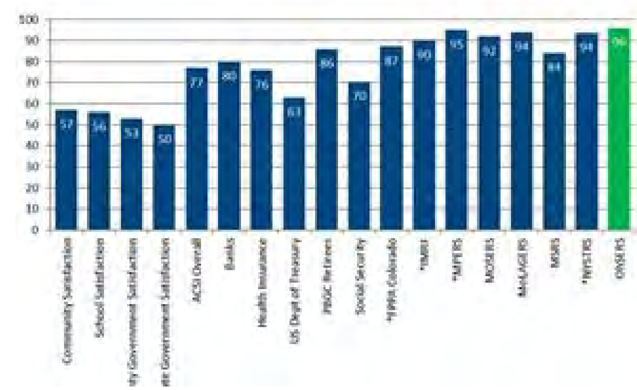
× **Refund Application**

Refund Application

This Refund Application tool will assist you in submitting your application online. If your account balance is **over $5,000**, you must sign your refund application in the presence of a notary public or SERS counselor and are **not eligible** to apply for your refund online. Please contact our office at 1-800-878-5853 to request the necessary forms to apply for your refund.

Before you begin, please review the Refund Guide for more information about:

- Eligibility to receive a refund
- When spousal consent is required
- How your refund could affect your eligibility for benefits with other retirement systems
- Taxation of your refund



GOAL 1:
SUSTAINABILITY

Maintain pension and health care funds that are sustainable, adapt to changing circumstances, and continue to provide value to our current and future members, retirees, and employers.

SUSTAINABILITY

Strategy 1.1	Continuously monitor and assess pension fund risks and identify measures to mitigate them.
Strategy 1.2	Continuously monitor and assess health care fund risks and identify measures to mitigate them.
Strategy 1.3	Maintain an investment program that meets or exceeds investment objectives over the long term.
Strategy 1.4	Maintain a governance model that reflects industry best practices.
Strategy 1.5	Continuously engage with and educate members, retirees, employers, and policymakers regarding SERS' financial status and risks to sustainability.

Goal 1: Sustainability

Key Highlights FY2026:

- CavMac conducted an actuarial education at the February Board meeting.
- At the February Board workshop, CavMac provided a risk analysis review of SERS' pension fund. All indications were positive and the fund is sustainable even during an investment downturn.
- CavMac completed and the SERS Board reviewed the 5-year Experience Study.
- Completed an asset allocation study with Wilshire and Board approved in April 2026.
- Whilshire was selected as our Investment Advisor after comprehensive RFP process and Board vetting.
- SERS' FY2027 Operating Budget and Internal Audit report was shared at the May ORSC meeting and received positive feedback.
- FY2026 Investment returns are projected to exceed the 7% assumed rate of return as SERS continued to outperform our benchmarks.

FY2027 Focus:

- Transition of new Executive Director to continue positive momentum.
- Fiduciary 10-year audit.
- Request CavMac to prepare a Health Care risk analysis study as a companion to the annual Pension Risk Report.
- Continued pro-active engagement with Legislators and stakeholders.
- Investment performance above benchmarks.

GOAL 2:

SERVICE DELIVERY AND OPERATIONS

Optimize SERS' operations to continually improve and enhance service delivery.

SERVICE DELIVERY AND OPERATIONS

Strategy 2.1

Maintain our dedication to service excellence and personal engagement while making operational enhancements and efficiencies through technology.

Strategy 2.2

Ensure allocation of resources is aligned with strategic goals and priorities.

Strategy 2.3

Maximize the value of the 300 East Broad Street property.

Goal 2: Service Delivery & Operations

Key Highlights FY2026:

- Live Chat has been implemented for Employer and Member Services. We are one of the first Retirement Systems to provide this service enhancement.
- Health Care additions to Member Portal is underway. Sagitec has been engaged to design and implement premium estimate and online service application redesign, including automation of certain initial benefits enrollments/waivers from the service application. This is an 18-month project with delivery milestones every 6-months.
- Continued development and maturity of an Information Governance Program including implementing Email Governance standards and review of member record retention.
- Using the Zoom platform used by the Member Support Team, a two-question post call survey was created and implemented. It is based on a five-point scale. A score of five being excellent and a score of one indicating poor service. The most recent results show that 94% of survey respondents scored either a four or five on the survey.
- Online Refunds went live in August. Members now can complete refunds less than $5,000 through the Member portal.
- SERS member annual statements are now able to project future contributions using a modest 1% annual increase. This enhancement helps to reduce the number of members that may have a CBBC false positive.
- Tenant occupancy has reached 84% in Q4, FY2026 after falling below 50% post COVID. Additional lease revenue and parking income are positive impacts on the FY2027 Operating Budget.
- The air conditioning cooling tower was overhauled in Q3. This capital improvement project strengthens the facility's cooling reliability and reduces the risk of operational disruption.

FY2027 Focus

- Continued customer service high touch with technology augmentation for employers and members utilizing member survey feedback.
- Expand fraud prevention software using Socure and other services to protect members and SERS.
- Successfully add Healthcare information on Member Portal and encourage member's usage.
- Adopt Key Performance Indicators for process improvements and organizational alignment.

GOAL 3:
TECHNOLOGY

Utilize technology to improve efficiency, reliability, and security, while maintaining a personalized customer service experience.

TECHNOLOGY

Strategy 3.1

Continue to identify, plan for, fund, and implement Technology Roadmap initiatives that benefit our members, retirees, and employers.

Strategy 3.2

Continue to enhance the capability and value of our pension and health care administration system (SMART).

Strategy 3.3

Continue to assess and strengthen technology risk management measures and practices.

Goal 3: Technology

Key Highlights FY2026:

- Delivery of year 4 Technology Roadmap which included: Live Chat, General Ledger functionality, On-line Refund capability, Microsoft Co-pilot, and enhancing infrastructure to support new projects.
- Continued to respond and meet unexpected mandates including the Treasury of State (TOS) required conversion Huntington for treasury management, Healthcare COBRA, and OKTA replacement with Telesign (portal login security) while achieving over 99% system up time.
- Implemented American Disability Act (ADA)-aligned accessibility enhancements across the Member and Employer self-service portals to satisfy federal compliance mandate / standards, improve usability and support equitable access for all users.
- Completed a three-year Sagitec contract renewal with an increase of 3% ($120 thousand) which was partially offset by $106 thousand of additional development hours at no SERS cost.
- Utilized ServiceNow to capture and categorize Key Performance Indicators across the IT work teams to measure productivity and support the overall SERS initiative.
- Collaborated with Information Security to implement various new security tools including micro segmentation, Socure for on-line refund decisioning, annual Disaster Recovery testing, and added additional internal controls around access management.
- Aligned with Risk Management to begin Proof of Concept testing on several AI tools for improved development coding and user acceptance testing.

FY2027 Focus:

- School District Tax withholding mandate (started in FY2026 for required January 2027 implementation.
- Meeting new IRS reporting requirements (IRIS).
- Healthcare portal member information.
- Developing our next five-year Technology Roadmap with support from the Technology Committee.

GOAL 4:
EDUCATION AND ENGAGEMENT

Promote transparency, accountability, and awareness of SERS' benefits through educational outreach and engagement with SERS' members, retirees, and employers.

EDUCATION AND ENGAGEMENT

Strategy 4.1

Proactively communicate the successes and features that positively differentiate SERS from other retirement systems.

Strategy 4.2

Maintain a robust level of engagement with members, retirees, employers, and policy makers that illustrates SERS' commitment to transparency and accountability and promotes trust and credibility.

Strategy 4.3

Proactively engage with and educate members on the importance of retirement preparation and the value of SERS' benefits.

Strategy 4.4

Implement a comprehensive information gathering strategy to better understand the needs and perspectives of members, retirees, and employers.

Goal 4: Education & Engagement

Key Highlights FY2026:

- Continued educating employers of the changes to the compensation rule through webinars, website information, and conferences hosted by OEDSA, GFOA, and NEOASBO.
- Strengthened employer outreach on membership determinations and began recruiting for new Employer Relations Panel members to gather insights on membership trends and school-funding constraints that may impact SERS.
- Delivered the *Retiree Focus* newsletter in both print and e-delivery formats, providing retirees with ongoing education, including guidance on scams and fraud prevention.
- Advanced the Value of SERS Benefits message through newsletters, infographics, website features, and enhancements to the New Member materials.
- Continued bi-weekly calls with other retirement system government relations staff; responded to ORSC inquiries and legislator constituent cases; and engaged with stakeholder representatives, particularly around SERS Board actions. Discussed key topics with ORSC and the House Pensions Committee, including 20-year amortization and the TOS checkbook.
- Hosted the annual virtual OASBO update and presented at the annual SERO meeting.
- Distributed and posted the *Board Highlights* and added website features regarding the COLA update and the American Investment Council's recognition of SERS' private equity returns.
- Began development of a redesigned SERS website, based upon member and staff feedback, with a target date of June 30. The redesign emphasizes a modern look, restructured content and navigation for ease of use, and improved digital accessibility for those with hearing or visual disabilities.

FY2027 Focus:

- Continued education and outreach for employers and members.
- Legislative outreach with new Executive Director and Government Relations Officer.
- Monitoring and responding to potential changes or threats to DB plans including mandatory Social Security.

GOAL 5:
TALENT AND CULTURE

Value and invest in mission-driven employees committed to providing excellent service.

TALENT AND CULTURE

Strategy 5.1

Foster a culture of engagement and accountability among employees to fulfill SERS' mission and sustain results.

Strategy 5.2

Attract and retain highly skilled and engaged individuals who are mission-driven.

Strategy 5.3

Maintain a culture of continuous learning by supporting professional and leadership development and advancement opportunities for staff.

Strategy 5.4

Maintain a robust succession planning program that ensures organizational resiliency and operational continuity.

Goal 5: Talent and Culture

Key Highlights FY2026:

- Emerging Leader Program has been built around Leadership Pillars. Program kicked off in October 2025 and will conclude June 2026. The sessions are facilitated by SERS leaders and contracted trainers. Sessions cover topics both technical skill and soft skill development. There are 15 participants graduating in June with very positive feedback on their experience.
- Job Shadowing pilot program is up and running. Thus far, there have been nine participants. The program has received positive employee feedback.
- Work continued on the most recent employee engagement survey. Areas of focus include Pay and Benefits, Mission/Member-Centric Approach, Hybrid Work Flexibility, Positive Work Environment, Employee Development Opportunities, Communication Transparency, Change Management Needs, Collaboration, and Safe Environment for Feedback.
- A hybrid work effectiveness committee completed a review of the current policy and program. Adopted changes were made to require a quarterly all staff on-site day to further enhance engagement and education. Additional policy clarifications were made to help supervisors improve policy consistency for staffing needs. An Increase in the number remote days **was not** under discussion.
- Difficult employee and retiree benefit decisions were made to maintain affordability across the health care plan and retiree life insurance plan. Plan changes around out-of-pocket maximums, GLP1 coverage, and staff life insurance benefit limitations went into effect on January 2026. Additionally, changes were made to cap employee leave and vacation hours. These changes were then reflected in the FY2027 budget.
- Departments completed workforce and succession planning exercises including all supervisors completing a 9-box talent identification tool in the succession planning module in ADP. Succession plans continue to be reviewed and updated at least annual and workforce planning will now follow that same schedule.

FY2027 Focus:

- Vendor selection based on respondents to the May 2026 Compensation study RFP.
- Continued financial pressure for Healthcare and stop loss insurance coverage. However, potential positive changes for GLP1 coverages for SERS staff.
- Higher SERS staff retirement eligibility and talent replacement.
- RFP for new engagment survey provider. Previous vendor no longer offering the service. Next survey anticipated in Spring 2027.

GOAL 6:
RISK

Expand, raise awareness, and utilize our risk management programs to identify and manage risks.

RISK

Strategy 6.1

Strengthen and maintain a risk-aware culture.

Strategy 6.2

Enhance SERS' Information Security program to safeguard systems and entrusted data without compromising operational efficiency.

Strategy 6.3

Enhance practices and controls of the Business Continuity Management and Disaster Recovery Program.

Goal 6: Risk

Key Highlights FY2026:

- Our Risk Management business team continued to mature, has strong organizational adoption, and is a meaningful part of our daily SERS operations.
- We have an established on-going Information Security Roadmap integrating National Institute of Standards and Technology (NIST) gap analysis to protect members and SERS in a highly risk challenging environment.
- Various new security monitoring tools were implemented in FY26 including Socure (digital identity) for on-line refunds, Black Kite (cyber risk management for vendors), Varonis (data security), and the rollout of Brand Indicators for Message Identification (BIMI) (completed), branded caller ID to prevent Member Services outgoing calls from being labeled as spam (in process), and targeted fraud training (completed).
- Overseeing and coordinating AI governance within the SERS AI Oversight Committee (AIOC), using tools like Microsoft Co-pilot, SmartBear/ TestComplete (an automated IT testing platform), Zoom AI, and evaluating Co-pilot Github (an IT coding assistant).
- Executive Dashboard implementation with support from executive, business, and functional leaders to monitor enterprise-wide Key Performance Indicators (KPIs) and metrics, improving visibility and facilitating data-driven decision-making across SERS departments.
- Fully implementing micro-segmentation (Illumio) with the IT team, a network security technique that creates isolated security zones to prevent lateral movement of a bad actor.
- Successful disaster recovery tests on March 12 and cyber tabletop exercises on April 29, 2026.
- Preparing for a 10-year fiduciary review by creating a tracker that reviews prior recommendations and recent audits of other Ohio systems. Meetings have been held with each function to assess readiness.
- Participating in key groups in the retirement system industry such as the ERM Peer Group Forum, Pension Fraud Investigators Network, and AI Roundtable that expand our knowledge, awareness, and best practices.

FY2027 Focus:

- Continued comprehensive business continuity and disaster recovery practices, with frequent testing and thorough follow-ups.
- Careful, thoughtful, and planned AI adoption to enhance security, IT development enhancements, and organizational efficiency – always with "a human in the loop“.
- Additional Investment Compliance tools and data analysis supporting the Investments team.
- Additional fraud protection and identity verification tools to support Member Services and protect our members .
- Fully integrating KPIs within the business teams to drive organizational decisioning and member support including updated quarterly operations reporting.

- 10-year fiduciary audit facilitation and completion.

QUESTIONS

School Employees
Retirement System

Memo

To: Retirement Board

From: Holly Cox

cc: Richard Stensrud, Karen Roggenkamp, John Grumney

Date: June 18, 2026

Re: **Vocational Evaluators**

We are proposing the following appointments and fee increases, beginning July 1, 2026:

We recommend accepting the proposals submitted in response to SERS' RFP for Vocational Evaluators from the following organizations:

- Career Assessment Systems, Inc.
- CareWorks Managed Care Services, Inc.
- New Link Services, LLC
- Randi Owen, M.A., M.Ed.
- Vocational Experts of Ohio

We are proposing that the above Vocational Evaluators be compensated a flat rate of $700 per paper evaluation, and an hourly fee of $95 per hour for an in-person evaluation, not to exceed $1,100. This represents an increase of $50 in the flat rate fee for paper evaluations, and a $100 increase for the cap for in-person evaluations from our last agreement in July 2021. Please note that these fees are paid from the general fund for administering the disability program.

The role of the Vocational Evaluator is to review the member's work history and current physical and/or mental capacities to identify transferable skills to determine if the member is capable of performing "any occupation." Typically, an in-person vocational evaluation is only requested if the member is determined to be capable of performing any occupation, and the member appeals the decision.

APPOINTMENT OF VOCATIONAL EVALUATORS

The Assistant Director – Outreach for Member Services discussed with the Board the recommendation to enter an agreement for Vocational Consulting Services with the following vendors:

- Career Assessment Systems, Inc.
- CareWorks Managed Care Services, Inc.
- New Link Services, LLC
- Randi Owen, M.A., M. Ed.
- Vocational Experts of Ohio

The Assistant Director also recommended that the above Vocational Evaluators be compensated at a flat rate of $700.00 per paper evaluation, and an hourly fee of $95.00 per hour for an in-person evaluation, not to exceed $1,100, effective July 1, 2026.

It was moved by ______________ and seconded by _____________ to accept the Assistant Director's recommendations.

Upon roll call, the vote was as follows:

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

Memo

To: SERS Board

From: Michael Steiner, Health Care Director

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

Date: June 5, 2026

Re: 2027 Health Care Program: Premium and Benefit Changes

This memorandum summarizes the proposed changes to the health care program for 2027.

Medicare Premiums and Benefits

1. Out-of-pocket Part D prescription drug expenses will not exceed the federally established $2,400 limit per person for 2027.

Non-Medicare Premiums and Benefits

1. The Aetna Choice POS II base premium will increase by approximately 7%. The full premium will change from $1,671 to $1,785. The most common premium will change from $362 to $385.

2. The AultCare premium will increase by approximately 29%. The full premium will change from $1,228 to $1,575. The most common premium will change from $274 to $343.

3. The Wraparound HRA total annual reimbursement limit will increase from $2,200 to $2,250.

Dental Plan

The SERS dental benefit is offered by Delta Dental and the benefit is fully supported by member premiums. Premiums and benefits for the current two-year enrollment period (2026 and 2027) are not changing. For example, the premium for a single enrollee is $33.56.

Vision Plan

SERS vision coverage is offered by VSP. The program is also fully supported by member premiums. Premiums and benefits for the current two-year enrollment period (2026 and 2027) are not changing. For example, the premium for a single enrollee is $6.81.

Memo

To: Retirement Board

From: Micheal Steiner

CC**:** Richard Stensrud, Karen Roggenkamp, Joe Marotta

Date: June 5, 2026

Re: **Health Care Premium Discount Program (Safety Net) for 2027**

Summary

During the Health Care presentation, you will have before you a resolution to approve the 2027 Health Care Premium Discount Program (Safety Net).

Background

SERS introduced the Safety Net in 2004 as a means of providing health care premium relief to lower income benefit recipients. The premium discount is based on household size and income. Enrollees of the program are granted a 25% reduction of the health care premium. At the inception of the program, eligibility for the program was established using a household income threshold equal to 125% of the federal poverty level. The threshold increased to 150% in 2022 and 175% in 2023. The Safety Net Program is brought before the Board for approval annually.

The Health Care Premium Discount Program is offered only to applicants enrolled in a SERS Medicare plan and to “split families” in which only one family member is enrolled in SERS’ Aetna Medicare plan.

Eligibility for the Health Care Premium Discount Program during the 2027 calendar year will be based upon the applicant’s qualifying household income for calendar year 2025. Medicare Part B reimbursement is excluded from the definition of qualifying household income. In accordance with the Board’s approval in June 2022, enrollees who are determined eligible based on a manual application will no longer be required to reapply for the program each year and instead will be presumed eligible in subsequent years.

For the 2027 plan year, if the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, is *less* than or equal to 175% of the 2025 federal (U.S. Department of Health and Human Services) poverty level for the household size, the applicant will be eligible to have 25% of his/her share of the SERS premium subsidized by SERS. In 2027, a single person will qualify for a premium discount if their income is less than $27,930.

SERS will continue automatic enrollment of SERS health care participants into the Premium Discount Program who have been approved by Medicare for the non-institutionalized Part D low- income subsidy.

2027 Premiums and Plan Changes

June 18, 2026

Michael Steiner, PhD
Director, Health Care Services

Agenda

- Medicare Premiums & Benefits
- Non-Medicare Premiums & Benefits
- Marketplace Wraparound HRA
- Premium Discount Program
- Dental and Vision

Medicare Premiums & Benefits

Aetna Medicare Plan

- o Premiums remain unchanged
  - Full premium: $178
  - Most frequently paid premium: $48
- o Out-of-pocket maximum for the Part D plan will increase from $2,100 to $2,400

Aetna Traditional Choice

- o Premiums remain unchanged
- o Benefits remain unchanged
- o Fewer than 70 members are currently enrolled in this plan

Non-Medicare Premiums & Benefits

Aetna Choice POS II

- Base premiums are increasing by approximately 7%
  - Full premium will increase to $1,785 from $1,671
  - Most frequently paid premium will increase to $385 from $362
- Benefits remain unchanged

AultCare PPO

- Base premiums are increasing by approximately 29%
  - Full premium will increase to $1,575 from $1,228
  - Most frequently paid premium will increase to $343 from $274
- Benefits remain unchanged

Marketplace Wraparound HRA

- Wraparound HRA per family reimbursement limit will increase to $2,250 from $2,200

- $0 Wraparound HRA premium continues

Premium Discount Program

Provides a 25% premium reduction for SERS Medicare plan enrollees when at or below 175% of the Federal Poverty Level.

Household Size	2027 Qualifying Income
1	$27,930
2	$37,870
3	$47,810
4	$57,750
5	$64,190
6	$77,630
7	$87,570
8	$97,510

Dental and Vision

No change in premiums and benefits during the 2026-2027 enrollment period.

Delta Dental	Monthly Premium
Benefit Recipient	**$33.56**
Benefit Recipient and one dependent	**$67.12**
Benefit Recipient and two or more dependents	**$100.94**

VSP Vision	Monthly Premium
Benefit Recipient	**$6.81**
Benefit Recipient and one dependent	**$13.62**
Benefit Recipient and two or more dependents	**$16.00**

Questions & Resolutions

Approval of 2027 Health Care Premiums and Plan Design Changes

It was moved by ______________________ and seconded by _____________________ to approve the 2027 health care premiums in Appendix A and the plan design changes in Appendix B. The premiums and plan design changes are effective January 1, 2027.

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	_________	_________	_________
Jeanine Alexander	_________	_________	_________
Jeffrey DeLeone	_________	_________	_________
Matthew King	_________	_________	_________
Catherine Moss	_________	_________	_________
Rebekah Roe	_________	_________	_________
Aimee Russell	_________	_________	_________
Frank Weglarz	_________	_________	_________
James Rossler	_________	_________	_________

APPENDIX A
SERS HEALTH CARE 2027 PREMIUMS

Fully Insured Plans		2026	2027		2026	2027		2026	2027
Aetna Medicare PPO Plan	17.5%	$44	$44	**Spouse**			**Children**		
	20%	$48	$48						
	25%	$56	$56	80%	$146	$146	70%	$129	$129
	50%	$97	$97	90%	$162	$162			
	100%	$178	$178	100%	$178	$178			
Aetna Medicare Part B Only	17.5%	$107	$107	**Spouse**			**Children**		
	20%	$120	$120						
	25%	$146	$146	80%	$434	$434	70%	N/A	N/A
	50%	$277	$277	90%	$486	$486			
	100%	$538	$538	100%	$538	$538			
Aultcare PPO	17.5%	$244	$304	**Spouse**			**Children**		
	20%	$274	$343						
	25%	$333	$420	80%	$798	$1,019	70%	$182	$225
	50%	$632	$805	90%	$893	$1,142			
	100%	$1,228	$1,575	100%	$988	$1,265			

Self-Insured Plans		2026	2027		2026	2027		2026	2027
Aetna Choice POS II (non-Medicare)	17.5%	$321	$341	**Spouse**			**Children**		
	20%	$362	$385						
	25%	$444	$473	80%	$1,213	$1,295	70%	$379	$403
	50%	$853	$910	90%	$1,361	$1,453			
	100%	$1,671	$1,785	100%	$1,508	$1,610			
Aetna Traditional Choice (Medicare)	17.5%	$123	$123	**Spouse**			**Children**		
	20%	$136	$136						
	25%	$161	$161	80%	$438	$438	70%	$388	$388
	50%	$287	$287	90%	$489	$489			
	100%	$539	$539	100%	$539	$539			

Administrative Fees	2026	2027
Aetna Choice POS II	$25.85	$25.85
Healthscope (Wrap HRA)	$15.40	$16.17

Dental Plan	2026	2027
Benefit Recipient	$33.56	$33.56
Benefit Recipient and one dependent	$67.12	$67.12
Benefit Recipient and two or more dependents	$100.94	$100.94

Vision Plan	2026	2027
Benefit Recipient	$6.81	$6.81
Benefit Recipient and one dependent	$13.62	$13.62
Benefit Recipient and two or more dependents	$16.00	$16.00

Appendix B
2027 Plan Design Changes

Non-Medicare Plan Design Changes Effective 1/1/2027

Wraparound HRA total annual limit will increase to $2,250 from $2,200 to match the 2027 limit established by the IRS.

Medicare Plan Design Changes Effective 1/1/2027

Out-of-pocket Part D prescription drug expenses will not exceed $2,400 per individual, matching the federally defined standard benefit.

2027 HEALTH CARE PREMIUM DISCOUNT PROGRAM (SAFETY NET)

The 2027 Health Care Premium Discount Program is offered only to applicants enrolled in a SERS Medicare Advantage plan and to “split families” in which one family member is enrolled in a SERS Medicare Advantage plan.

Eligibility for the Health Care Premium Discount Program during the 2027 calendar year will be based upon the applicant’s qualifying household income for calendar year 2025. Medicare Part B reimbursement is excluded from the definition of qualifying household income. Members who are determined to be eligible by manual application will be presumed to be eligible in subsequent years.

If the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, is *less* than or equal to 175% of the 2026 federal (U.S. Department of Health and Human Services) poverty level for the household size, the applicant will be eligible to have 25% of his/her share of the SERS premium subsidized by SERS.

If the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, is *more* than 175% of the 2026 federal poverty level for the household size, the applicant may request special consideration. Special consideration will be given to applicants providing written evidence satisfactory to SERS’ staff that a material change in the applicant’s financial circumstance subsequent to calendar year 2025 has caused the applicant’s qualifying household income, less the total annual SERS medical premium for the applicant and covered dependents, to become *less* than or equal to 175% of the 2026 federal poverty level for the household size.

SERS health care participants approved by Medicare for the non-institutionalized Part D low-income subsidy program, which has similar household income eligibility requirements to the Premium Discount Program, will be automatically enrolled into the Premium Discount Program. Previously approved participants will continue to be enrolled for the program without reapplication.

It was moved by ____________________ and seconded by _______________ to approve the 2027 Health Care Premium Discount Program.

Upon roll call, the vote was as follows:

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
Daniel Wilson	____	____	____
Jeanine Alexander	____	____	____
Jeffrey DeLeone	____	____	____
Matthew King	____	____	____
Catherine Moss	____	____	____
Rebekah Roe	____	____	____
Aimee Russell	____	____	____
Frank Weglarz	____	____	____
James Rossler	____	____	____

SERS AUDIT COMMITTEE REPORT

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.

ROLL CALL:	**YEA**	**NAY**	**ABSTAIN**
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.

CHIEF AUDIT OFFICER COMPENSATION

It was moved by ________ and seconded by ________ that as recommended by the Audit Committee, SERS Chief Audit Officer Steve Ritzer receive a ___% merit increase in salary effective the first pay date in Fiscal Year 2027.

Upon roll call, the vote was as follows:

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

SERS COMPENSATION COMMITTEE REPORT

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.

ROLL CALL:	YEA	NAY	ABSTAIN
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.

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:

ROLL CALL:	YEA	NAY	ABSTAIN
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.

School Employees
Retirement System

Memo

To: Retirement Board

From: Richard Stensrud

CC: Karen Roggenkamp, Joe Marotta

Date: June 12, 2026

Re: Board Self Evaluation

Per the Board's practice, a Board Self-Evaluation session is held annually at the June meeting. The Self-Evaluation discussion will be in open session. The discussion will be based on the topics/questions in the attached materials, which were previously endorsed for this purpose.

- The first form features questions/topics for assessing overall Board performance. While the form includes space where you can note your respective views on the Board's performance, it is not intended to be a 'scorecard' for rating Board performance. Rather, it is intended to stimulate discussion among the Board regarding your relative perspectives. The form will serve as your respective reference point for the discussion and will not be collected or tabulated.

- The next section of the first form features a couple of open-ended questions. They are intended to help stimulate your thoughts about areas of Board performance you want to focus on over the next year.

- The second form features topics for individual Board Member self-assessment. It is intended to be self-reflective and not something you report on to your fellow Board Members, but it can be a source of suggested topics/areas of focus for the Board as a whole. Again, the form will be for your personal reference and will not be collected.

With respect to process, the Board Chair will introduce the session and open the floor for discussion. You can work your way through the topics or identify and focus on ones you think are most important, or provide overall commentary, as the Board sees fit.

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

SERS Board Overall Evaluation

5 – Always	4 – Almost Always	3 - Sometimes	2 – Almost Never	1 - Never

		5 Always	4 Almost Always	3 Some-times	2 Almost Never	1 Never
1.	The Board knows and understands SERS' mission and reflects this understanding when addressing key issues.					
2.	The Board engages in long-range strategic thinking and planning.					
3.	The Board has achieved what it set out to accomplish during the last two years.					
4.	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.					
5.	The Board conducts a comprehensive evaluation of the Executive Director annually.					
6.	The Board ensures that new Board members receive a prompt and thorough orientation.					
7.	Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.					
8.	The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues.					
9.	The Board and Committee meetings are of reasonable length.					
10.	The Committees are comprised of the right number and type of members.					
11.	The Committees are effective, focusing on pertinent topics and allocating reasonable time.					
12.	The Committees report back to the Board as necessary.					
13.	The Board is well-educated on benefits, investment, and health care issues.					

		5 *Always*	**4** *Almost Always*	**3** *Some-times*	**2** *Almost Never*	**1** *Never*
14.	The Board recognizes its policy-making role, and reconsiders and revises policies as necessary.					
15.	The Board is consistent about being prepared for meetings and staying engaged.					
16.	The Board receives timely, accurate, and useful information upon which to make decisions.					
17.	The Board as a whole (and Board members as individuals) evaluates its performance on an annual basis and in a meaningful way.					
18.	The Board reviews and adopts a reasonable operating budget that is followed and monitored.					
19.	The Board regularly monitors investment performance and measures it against appropriate benchmarks.					
20.	The Board periodically monitors benefit levels as well as service to members and retirees.					
21.	The Board comprehends and respects the difference between its oversight/governance role and the Executive Director's management role.					
22.	Board goals, expectations, and concerns are promptly, candidly, and effectively communicated to the Board Chair and Executive Director.					
23.	The Board speaks in "one voice" when directing or delegating to staff and Board members respect the majority votes on issues.					
24.	The Board brings discussions to a conclusion with clear direction to staff.					
25.	The Board is collegial and polite during meetings.					

Continued on next page.

Identify the greatest achievement(s) of the Board during the past two years.

What critical issues need to be addressed by the Board in the future?

SERS Board Member Self Evaluation

Evaluate the following statements in relation to your involvement as a Board Member of SERS.	
1.	I attend the Board and Committee meetings I am expected to attend, and I arrive on time and stay until meetings conclude.
2.	I contribute to the discussion in a meaningful and helpful way, listening to others and making my points concisely.
3.	I fully understand my fiduciary duties and act for the benefit of all members, not merely for or in response to pressure from a particular constituency or the appointing authority.
4.	I make an effort to be educated on the aspects of the retirement plan that I do not understand.
5.	I am adequately well-versed on benefits and investments.
6.	I avoid conflicts of interest and ask questions of the Board Chair or Executive Director if I am insure if a conflict exists.
7.	I read the materials distributed before the Board meeting so I can constructively participate and make timely decisions.
8.	I work with the other Board members as a team, striving for consensus when it is called for.
9.	I understand that certain work requests of staff and outside consultants need to be agreed to by the Board and I act accordingly.
10.	I work with the Executive Director in a way that creates an atmosphere of trust and cooperation.
11.	I understand that the Executive Director works for the entire Board and not for individual Board Members.
12.	I communicate governance and ethical problems to the Board Chair and Executive Director.

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.**

<u>BOARD OFFICER ELECTION</u>

OFFICERS FOR SERS BOARD FISCAL YEAR 2027
(July 1, 2026 through June 30, 2027)

As Chairperson of the SERS Board, I open the floor for nominations for Chair:

Nominated: ___________________________ By: ______________________________

Other Nominations: ____________________ By: ______________________________

Other Nominations: ____________________ By: ______________________________

As Chairperson of the SERS Board, I declare ____________________CHAIRPERSON for fiscal year 2027 (July 1, 2026 through June 30, 2027).

I open the floor for nominations for Vice Chair:

Nominated: ___________________________ By: ______________________________

Other Nominations: ____________________ By: ______________________________

Other Nominations: ____________________ By: ______________________________

As Chairperson of the SERS Board, I declare ____________________VICE CHAIRPERSON fiscal year 2027 (July 1, 2026 through June 30, 2027).

CONTINUED OR NEW BUSINESS

Board Information Requested

BOARD INFORMATION REQUESTS AND FOLLOW-UP ITEMS

1. ____
____
2. ____
____
3. ____
____
4. ____
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5. ____
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6. ____
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7. ____
____
8. ____
____
9. ____
____
10. ____
____

ADJOURNMENT

________________moved that the SERS Retirement Board adjourn to meet on July 16, 2026, for their next retirement board meeting.

The meeting adjourned at _______________ a.m./p.m.

________________________________ ____________________________________

James Rossler – Board Chair Richard Stensrud – Secretary