SERS BOARD MEETING

Feb. 14, 2014

Absent – Phillips and Holland

Investment reports were made. The fund value is 12.5 Billion

Summary of Investment Transactions

PURCHASES

	Approx. Cost in millions
US Equities	$ 67.2
Non-US Equities	101.7
Fixed Income	204.4
REITS	1.5
Multi-Asset Strategies	N/A
Private Equity Cap. Calls	31.1
Real Estate Cap. Calls	18.0
Opportunistic	3.9
Short-term	133.30

SALES

	Net Proceeds	Approx. Gain/Loss in millions
US Equities	$ 61.7	$ 11.8
Non-US Equities	89.9	6.4
Fixed Income	218.7	2.6
REITS	1.6	N/A
Multi-Asset Strategies	N/A	N/A
Private Equity distributions	63.5	N/A
Real Estate distributions	28.5	N/A
Opportunistic	N/A	
Short term	118.7	N/A

An Annual Merit Recommendation was made to increase SERS employee salaries by 3%.
Frank Weglarz spoke to the issue saying the SERO staff is great but how many school employees receive 3% raises.

PERS met with SERS and STRS to discuss the proposed changes to recognition of service when retiring with combined service. The three systems agreed to an actuarial study to find a better way to calculate service. Also any changes must be legislative.

FEDERAL UPDATE FROM Jim Miller

Senator Harkin has introduced the USA Retirement Funds Act to enhance the retirement security in the private sector. An early reading of the proposal does not indicate any involvement with public pension funds, although the spill-over on the DB issue might, in some way, extend eventually to public plans.

In the State of the Union address, the President unveiled a savings proposal aimed at workers who don't have access to 401(k) plans. The Harkin and Obama proposals combined could raise the focus on overall retirement security to a new level.

PENSION TRANSPARENCY ACT

The drumbeat of reports attacking public pension plans continues. The Nelson Rockefeller Institute of Government released a report entitled "Strengthening the Security of Public Sector Defined Benefit Plans" which is highly critical of public plans. The first sentence of the report sets the tone: "The condition of the state and local government pension funding is troubling."

The report is such that it could have been written by the Arnold Foundation or the Pew Charitable Trust. …It seems to be clear that a well-orchestrated plan is continuing to be conducted.

From the Exec. Director, Lisa Miller is a print out of SERS Pension Benefits by County with the statement: Of the 70,771 individuals receiving pension benefits from SERS, 91% live in Ohio. In calendar year 2013 alone, pension benefit payments exceeding $1 billion were distributed among Ohio's 88 counties, positively impacting the state's economy.

Submitted with respect,
Adele Matias