

SERS REPORT NOVEMBER, 2015

Wharton Professor Presents Educational Session on Investments and Global Climate.

Anil Kapur, adjunct professor at the School of Business of George Washington University and George Mason University, delivered an investment presentation on the evolution of the global economy.

Total Fund Update

SERS Commits to Three Investments

The SERS Staff Investment Committee approved two Real Assets investments and one Private Equity investment.

The Real Assets investments include a \$75 million commitment to UBS Trubull Property Income Fund, a core real estate strategy, and a €40 million commitment to Rockspring TransEuropean Property VI, a closed-end, commingled fund.

The Private Equity investment is a \$60 million commitment to Collier International Partners (CIP) VII fund, a secondary investment strategy.

These investments will be funded from cash reserves.

TOTAL FUND BALANCE

August 31 - September 30 Difference

\$12.34 billion - \$12.14 billion ▼ \$200 million

TOTAL FUND RETURN (net of fees)

Fiscal Year Calendar Year 3-Year

▼ 3.92% ▼ 0.41% ▲ 8.12%

TOTAL FUND RETURN vs. BENCHMARK Fiscal Year Calendar Year 3-Year

▼ 0.03% ▲ 0.61% ▲ 0.37%

SERS Health Care team presentation

To aid the Board in recent health care discussions the SERS Health Care team presented a detailed explanation of the demographics looking at both the Medicare and non-Medicare policies SERS provides. Enrollment by years of service shows nearly 70% of non-Medicare retirees have more than 30 years of service while just 25% of Medicare retirees have 30 years of service. This illustrates that unless retirees under the age of 65 receive a health care subsidy, they opt for less expensive coverage on health care exchanges or through a working spouse.

Executive Director's Update

SERS' Recent Investment Performance Ranked Highest in ORSC Report In a semi-annual report by RVK, Inc., the Ohio Retirement Study Council's independent investment consultant, SERS' recent investment performance ranked first when compared to similar nationwide peer group of funds with more than \$10

billion in assets. SERS ranked first for the first two quarters of 2015 (January through June), over the one-year period, and over the three-year period. SERS was the only Ohio retirement system to attain the highest rank in all three periods.

Ohio Receives an “A” in Pension Fund Management

According to a new 50-state report by the Center for Public Integrity, Ohio received the highest scores on internal auditing and pension fund management. It was only one of three states to receive an “A” in pension fund management.

The State Integrity Investigation 2015 report focused on states’ campaign finance, ethics, disclosure, and accountability laws, those that are intended to prevent corruption and support government transparency.

Monthly Retirement and Survivor Benefit Transactions

For November, the SERS Board approved 661 active members for service retirements, and 15 survivor benefits for spouses and/or dependents.

From Jim Miller’s notes:

The issue (Medicare Part B premium fix) was resolved in late Oct. when it was included in the debt limit legislation. The Congress added language that will protect retirees like those in SERS from the expected 52% rise in premiums. The new premium, \$120.70 plus the \$3.00 surcharge will take place Jan., 2016.

There continues to be no action on the Brady WEP reform bill which now has 46 co-sponsors.

NOTE – Jim Miller will be presenting at the SERS Board meeting Dec. 17, 2015.

With Respect,

Adele Matias
ESP Representative
OEA-R Advisory Council