

SERS BOARD MEETING
JUNE 19, 2014

INVESTMENT REPORT

Total Fund value, \$12.4 billion

Summary of Investment Transactions

PURCHASES

	Approx. Cost in millions
US Equities	\$ 141.8
Non-US Equities	224.4
Fixed Income	184.7
REITS	2.6
Multi-Asset Strategies	15.0
Private Equity Cap. Calls	35.4
Real Estate Cap. Calls	2.3
Opportunistic	1.1
Short-term	136.6

SALES

	Net Proceeds	Approx. Gain/Loss in millions
US Equities	\$159.3	\$ 25.8
Non-US Equities	216.1	(2.6)
Fixed Income	173.7	2.4
REITS	1.9	0.2
Multi-Asset Strategies	N/A	N/A
Private Equity distributions	24.8	N/A
Real Estate distributions	4.5	N/A
Opportunistic	N/A	N/A
Short term	120.1	N/A

HEALTH CARE REPORT

Anne Jewel, Health Care Director, presented 2015 Health Care Premiums and Plan Design. The Board voted on the two options she presented. The option to have no change to Health Care Premiums for 2015 passed. However, Dental and Vision plans will see small increases.

Benefit changes to Aetna Medicare Advantage include an annual out-of-pocket maximum \$3,000 IN-network and \$6,700 OUT of network.

Non-Medicare will see some benefit changes for 2015.

AUDIT COMMITTEE REPORT

The Audit Committee has completed its plan and has submitted an action plan for the Board's approval at the next Board meeting.

EXECUTIVE DIRECTOR'S REPORT

Exc. Dir. Lisa Morris and staff continue to visit newspapers and radio stations across Ohio to explain the new GASB reporting. They were pleased to be joined by school Treasurers on two occasions to help explain that GASB has no financial impact on the schools or communities.

LEGISLATIVE REPORT

Federal Update from Jim Miller's Report –

*Health Care

Two House members, Rothfus from Pennsylvania and Welch from Virginia have formed a caucus designed in part to promote generic drugs. Hope to revive legislation for a quicker route to the marketplace for biological generics.

*Social Security

No legislative action on mandatory coverage.

"A meeting with staff from Rep. Kevin Brady's office of the House Ways and Means Committee and CPRS staff yielded an interesting discussion about a draft bill that Brady is considering that would amend the WEP law. His timetable for introduction is unknown ...but sometime in June is a possibility."

*Retirement Security

Jim Miller reported on seven recent news articles regarding the status of state and local pension plans, all troubling.

The Arnold Foundation made a \$2.25 million dollar grant to the NOVIM Group based at the U of Calif. in Santa Barbara. From the NOVIM website "The structure and sustainability of public plans is an immediate financial problem facing many locations and levels of government." From Jim Miller "...attacks on traditional defined benefit plans are escalating and the efforts will continue to grow because our critics are well-funded, well-organized and very determined. While it is tempting to view many of these efforts as so much smoke, public plan advocates need to be very concerned about the intensity of the fire."

NEXT BOARD MEETING

July 17, 2014

No Board meeting scheduled for August

Submitted with respect,
Adele Matias