

SERS BOARD REPORT May, 21, 2015

Absent: Barbara Phillips and Debra Basham

The Summit Strategies Group quarterly investment report was positive across all markets. The current fiscal year the fund returned 2.97% net of fees.

Summary of Investment Transactions, March 31, 2015

PURCHASES

	Approx. Cost in millions
US Equities	\$ 114.1
Non-US Equities	210.7
Fixed Income	150.9
Multi-Asset Strategies	50.0
Private Equity Cap. Calls	17.5
Real Estate Cap. Calls	27.7
Opportunistic	1.5
Short-term	324.5

SALES

	Net Proceeds	Approx. Gain/Loss in millions
US Equities	\$191.0	\$ 42.1
Non-US Equities	143.7	11.5
Fixed Income	156.8	2.6
Multi-Asset Strategies	N/A	N/A
Private Equity distributions	28.2	N/A
Real Asset Distributions	12.8	N/A
Opportunistic	N/A	N/A
Short term	300.2	N/A

CIO, Farouki Majeed gave the total fund value for April at 12.94 Billion.

SERS Investment Committee approved a \$50 million commitment to Western Asset High Yield Credit Portfolio, an energy market strategy.

HEALTH CARE

A presentation was made of the 2016 proposed rates for the self-insured medical plans and prescription drug coverage by actuary, Alisa Bennett.

The recommendations include raising the co-payment for generic drugs (\$5 to \$7.50) for the Medicare and non-Medicare plans. Other cost sharing increases were discussed (annual deductible, out of pocket max).

INFORMATION SECURITY EDUCATION PROGRAM

Matthew Curtin of Interhack, a computer expert firm, provided the Board with a brief education session on cyber security and risk management.

EXECUTIVE DIRECTOR'S REPORT

Ohio Association of School Business Officials (OASBO) invited SERS to prepare an article for its October newsletter addressing upcoming accounting changes – GASB.

BOARD MEETING DATES

After brief discussion the Board decided not to make changes to the monthly meeting dates. The Board will meet monthly except for August and January.

FEDERAL UPDATE from Jim Miller's report

HR 711, the WEP reform bill remains stalled in the House Ways and Means Committee.

HR 973, the bill that would repeal both the GPO and WEP, now has 97 sponsors (but no action).

In an April 2 opinion piece in the Washington Examiner, Josh McGee, vice-president of public accountability at the Arnold Foundation once again asserts that teachers (and by implication other public employees) are getting a raw deal from their defined benefit plans and insists that cash balance alternatives are the way to go.

In another development from Arnold, Reuters reported that the Foundation may be about to launch a national publicity campaign to convince US voters of the need to reform public pension funds.

Respectfully,
Adele Matias
OEA-R