TABLE OF CONTENTS
I. SCOPE ................................................................. 1
II. PURPOSE .............................................................. 1
III. INVESTMENT PHILOSOPHY ........................................... 1
IV. ALLOCATION ................................................................... 1
VI. THIRD-PARTY MARKETING ............................................... 1
VII. PERFORMANCE OBJECTIVES ......................................... 2
VIII. RISK MANAGEMENT .................................................... 2
A. ACTIVE RISK ............................................................. 2
B. LIQUIDITY RISK .......................................................... 2
C. SECTOR RISK .............................................................. 2
D. SINGLE SECURITY RISK .................................................. 2
E. MANAGER RISK .......................................................... 2
F. DERIVATIVES RISK ........................................................ 3
G. LEVERAGE RISK ............................................................ 3
IX. ROLES AND RESPONSIBILITIES ......................................... 3
A. OPERS RETIREMENT BOARD ............................................. 3
B. INVESTMENT STAFF ...................................................... 3
C. INVESTMENT COMPLIANCE ............................................ 3
D. INVESTMENT ADVISOR .................................................. 4
X. MONITORING AND REPORTING ......................................... 4
A. QUARTERLY ................................................................... 4
B. ANNUALLY ................................................................. 4

Revision History
REITs Policy Established March 15, 2023
Policy Revised March 20, 2024
I. SCOPE

This Policy applies to investments in the public Real Estate Investment Trusts ("REITs") sub-asset class of the Ohio Public Employees Retirement System ("OPERS") Defined Benefit ("DB Fund") and Health Care 115 Trust Funds ("HC Fund").

II. PURPOSE

This Policy provides the broad strategic investment framework for managing investments in the REITs sub-asset Class.

III. INVESTMENT PHILOSOPHY

OPERS seeks to diversify assets by obtaining broad exposure to publicly traded REITs. Strategies used in this sub-asset class may include index-oriented or actively managed strategies with the expectation that the overall sub-asset class produce risk-adjusted returns similar to that of the benchmark, net of fees.

IV. ALLOCATION

The target allocations and ranges for the REITs sub-asset class are specified in the Investment Objectives and Asset Allocation Policy for the DB and HC 115 Trust Funds ("DB and HC Policies").

V. PERMISSIBLE INSTRUMENTS

REITs assets may be invested in any and all types of instruments intended to obtain and manage REITs like returns. Instruments used may be exchange-traded or non-exchange-traded and may be physical securities or derivatives. Additional security type constraints may be applied in investment manager portfolio guidelines.

VI. THIRD-PARTY MARKETING

OPERS expects its general partners and investment managers to behave legally and ethically. OPERS requires that third-party marketers used by general partners or investment managers be regulated by appropriate legal authorities and subject to disciplinary actions by them. OPERS will confirm in its side letter, investment management agreement or other contractual arrangement, that a manager being engaged by OPERS has a requirement to provide the details of marketing arrangements, political contributions, or similar payments involving individuals, placement agents, third-party marketers and the like with respect to OPERS investments with the manager.
VII. PERFORMANCE OBJECTIVES

The performance benchmark for the REITs sub-asset class is the DJ RESI. The Annual Investment Plan, which is approved by the OPERS Retirement Board, shall include the performance expectations for this sub-asset.

VIII. RISK MANAGEMENT

The primary approach to managing risk is to monitor principal quantitative and qualitative risk factors relative to benchmarks while continuing to pursue active returns.

The following sub-sections identify the key elements of risk management at the REITs sub-asset class levels.

A. Active Risk

The OPERS Annual Investment Plan may define tracking error ranges for specific portfolios provided the overall REITs sub-asset class tracking error does not exceed 250 basis points. The allowable allocation range for each portfolio type and the investment guidelines defined for each portfolio are designed to assist in risk management.

B. Liquidity Risk

It is the objective of the REITs portfolio to be fully invested in REITs securities. A small allocation to cash or cash equivalents is normal.

C. Sector Risk

The REITs sub-asset class is expected to be broadly diversified and may have deviations from the benchmark sector weightings. Sector exposures will be monitored by Staff to identify the under/over-allocations and for performance attribution analysis. The tracking error constraints or index investment mandates and the use of broad-based sub-asset class benchmarks will have the effect of limiting sector concentration.

D. Single Security Risk

Imposing a tracking error discipline limits investment in any single company to a percentage of the manager’s total market value. Use of broadly-based sub-asset class benchmarks also encourages security diversification.

E. Manager Risk

The allocation to a single active external manager in the REITs sub-asset class is limited to 30% of the respective sub-asset class.
F. **Derivatives Risk**

Derivatives usage and limitations as well as risk management are specified in manager guidelines and shall comply with OPERS' Derivatives Policy.

G. **Leverage Risk**

Leverage usage and limitations as well as risk management are specified in manager guidelines and shall comply with OPERS' Leverage Policy.

IX. **ROLES AND RESPONSIBILITIES**

A. **OPERS Retirement Board**

The OPERS Retirement Board ("Board") is responsible for reviewing and approving this Policy and any changes to it.

In addition, the Board is responsible for reviewing reports related to this Policy.

B. **Investment Staff**

The Board delegates authority to the Chief Investment Officer ("CIO") to implement this Policy. Staff is responsible for monitoring the Policy and recommending changes to the Board. Staff is also responsible for managing the REITs sub-asset class within the framework of the Board approved Policies and within the goals and objectives adopted by the Board in the Annual Investment Plan.

Staff shall ensure that all investment manager guidelines for external and internal portfolios are set in accordance with OPERS' Policies.

All members of Staff are accountable to the CIO. The CIO is responsible for all Staff actions relative to the management of OPERS' investments. In this regard, it is the responsibility of the CIO to satisfy himself/herself that all Policies and directives of the Board are implemented.

C. **Investment Compliance**

The Investment Compliance area of Investment Accounting, Operations and Compliance ("IC") is responsible for monitoring compliance with this Policy (except for tracking error measurements), including guidelines established pursuant to it. If IC determines that an exception to this Policy has occurred, IC shall notify Staff, the CIO, the Executive Director and the Board.
D. **Investment Advisor**

The role of the Investment Advisor is specified in the Investment Objective and Asset Allocation Policies.

X. **MONITORING AND REPORTING**

To ensure monitoring and compliance with this Policy, the following reports will be reviewed with the Board:

A. **Quarterly**
   - Performance reports – Investment Advisor and/or Staff
   - Report on compliance – Investment Compliance Staff

B. **Annually**
   - OPERS Annual Investment Plan – Staff