

Ohio PERS NEWS

YOUR BENEFIT CONNECTION

News and information for active members of the Ohio Public Employees Retirement System

Member-Directed
Plan

OPERS Supports Business in Ohio

Investment activity by the Ohio Public Employees Retirement System touches businesses here in the Buckeye State in many ways. For instance, since 2010 OPERS has committed more than \$2.4 billion to Ohio investments or Ohio-based money managers. Meanwhile, Ohio-qualified managers not headquartered

here oversee more than \$6.4 billion in OPERS assets. In addition, \$35 billion in OPERS funds are managed by our in-house staff, headquartered in Columbus.

Here is an updated look at our varied relationships with Ohio-related companies:

is a “fund of funds.” When OPERS makes contributions to Permal, the firm finds other funds in which to invest, and it’s those entities that supply capital to individual companies.

The latest fund, Permal Ohio Midwest Partners, was established in 2011.

The three funds, which include co-investments, have pumped more than \$1 billion in Ohio-based companies, which today employ 5,391 people.

Public markets

Public markets account for a large percentage of the OPERS investment portfolio. Much of those investments are managed by outside firms, some of which are located in Ohio.

As of May 31, Ohio-headquartered companies manage \$883.9 million in OPERS equities. Portfolio amounts range from \$577 million managed by Fort Washington Investment Advisors of Cincinnati, to \$20.7 million overseen by Elessar Capital of Cleveland, a small firm that’s in our Emerging Manager Program.

Further, OPERS works with several Ohio-qualified managers, which maintain a significant presence in Ohio. These entities manage more than \$6.3 billion in OPERS assets, led by BlackRock Financial, which oversees more than \$3.1 billion in defined benefit and defined contribution assets.

Condensed plans of payment
in effect as of Sept. 1

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Retirement Week

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Private equity

Among our local initiatives are the Ohio-Midwest Funds, \$200 million worth of financial commitments by OPERS that help companies grow and prosper.

This investment is classified as private equity, or equity investments in companies that are not traded on public exchanges. We initiated the first of three Ohio Midwest Funds in 2005 as a way to invest in the region. To date, we have contributed \$108.9 million of a total commitment of \$200 million to these funds.

The funds are managed by Permal Capital Management of Boston, which



Ohio PERS NEWS – Your Benefit Connection is a quarterly newsletter providing news and information to more than 374,000 active members of the Ohio Public Employees Retirement System. An active member is anyone currently contributing toward an Ohio PERS retirement benefit. This publication allows us to communicate vital information concerning retirement benefits to our active members and also educate them on the services we provide.

CONTACT INFORMATION:

www.opers.org

1-800-222-7377

Monday - Friday

8 a.m. to 4:30 p.m.

newsfeedback@opers.org

It is your responsibility to be certain that OPERS has your current address on file. If OPERS is not made aware of address changes, we cannot guarantee that you will receive important information pertaining to your OPERS account.

This newsletter is written in plain language for use by members of the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.

OPERS supports business in Ohio

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Finally, our holdings include about \$538 million in Ohio-based company stock. As of Dec. 31, 2012, these investments were topped by more than \$209 million we owned in Procter & Gamble Co. shares. You can see the top 10 list of Ohio holdings on page 108 of our 2012 Comprehensive Annual Financial Report, available at www.opers.org.

Real estate

OPERS works with several Ohio-involved real estate managers, and we have made many direct investments in real estate projects across the state. As of June 30, we've committed \$889.1 million to eight Ohio-related real estate investment firms. They include \$475 million to Chicago-based manager Heitman to fund development projects in Ohio, and \$175 million to Fillmore Capital Partners, which invests in Ohio-related projects.

Also, OPERS has committed \$542 million in direct funding toward Ohio-focused projects, including apartments in New Albany, a built-to-suit warehouse in Marion for Whirlpool and hotel acquisition through Rockbridge Hospitality of Columbus.

Miscellaneous

- In the year ended June 30, 2012, OPERS paid \$4.6 million in commissions to Ohio-qualified brokers.
- OPERS paid \$19.6 million in fees to Ohio-qualified managers in the year ended June 30, 2012.

Condensed plans of payment became effective Sept. 1, 2013

The new condensed plans of payment went in to effect Sept. 1, 2013. Members with effective retirement dates of Sept. 1, 2013 and after will receive their retirement benefits under one of the new plans of payment if they choose to annuitize their Member-Directed account. OPERS will no longer accept outdated forms listing the former plans of payment, so if you are planning to apply for retirement please be sure the retirement application you submit is current and lists the new, condensed plans of payment.

New plans that went into effect Sept. 1, 2013:

- Single Life Plan (replaced Plan B)
- Joint Life Plan (replaced Plans A, C, D)
- Multiple Life Plan (replaced Plan F)

OPERS.org home page gets a new look

Providing balanced information

The last time you visited www.opers.org, you may have noticed the home page has a new look. The new design brings a more balanced look to the home page, as the focus of the home page shifts from the major issue of pension legislation to providing more information about upcoming health care changes and other important topics.

Previous information about pension and health care changes are still available on opers.org but the information is presented in a more streamlined way. The new design also features a box in the middle of the page used to rotate news, such as health care open enrollment and other important topics. Another important change is the member login boxes at the top were removed in favor of buttons. The button will take you to a landing page to log into your account.

Visit www.opers.org and take a moment to explore the new home page.



Educational webinars and recorded online presentations

OPERS now offers targeted, educational webinars and recorded presentations tailored to Member-Directed Plan participants.

To register for a webinar or to view a recorded online presentation, visit www.opers.org, and click on

Seminar Options. The content of these presentations is consistently updated, so be sure to check the Seminar Options page for the latest and most up-to-date listing of educational offering for Member-Directed Plan participants.

National Save for Retirement Week - Oct. 20-26

Are you prepared to meet your retirement goals? OPERS encourages you to take time during National Save for Retirement Week, Oct. 20-26, to evaluate your plans for income during retirement.

National Save for Retirement Week is the first congressionally endorsed, national event formally calling on employees to learn about and take full advantage of their employer-sponsored retirement savings programs.

One of the key activities Ohio Deferred Compensation will be offering is a series of helpful educational opportunities for those planning to retire. These hour-long sessions, which you can access either by the Internet or over the phone, will stress the importance of building up your own nest egg to complement your pension.

Approaching Retirement, Oct. 22 and Oct. 24

This webinar will provide basic information for employees who are nearing retirement such as asset allocation, risk tolerance and withdrawal options from their deferred comp account.

Beyond the Basics, Oct. 23 and Oct. 25

This webinar is for those who want more detailed 457 plan information such as withdrawal strategies.

Retired Minds Want to Know, Oct. 29 and Oct. 31

This is a webinar to help participants simplify their planning, understand fund access and guard against various risks.

For more information, or to register for a webinar, visit www.ohio457.org or call 1-877-644-6457.



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Ohio PERS Board of Trustees

The 11-member OPERS Board of Trustees is responsible for the administration and management of OPERS. Seven of the 11 members are elected by the groups that they represent (i.e., college and university non-teaching employees, state, county, municipal, and miscellaneous employees, and retired members); the Director of the Department of Administrative Services for the state of Ohio is a statutory member, and three members are investment experts appointed by the Governor, the Treasurer of State, and jointly by the Speaker of the Ohio House of Representatives and the President of the Ohio Senate.

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