

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

NOTICE

1. The Personnel and Salary Committee will meet on **Wednesday, October 21, 2026, at 9:00 am** in the offices of the Board.
2. The OPERS Board will meet on **Wednesday, October 21, 2026, immediately following the Personnel and Salary Committee** in the offices of the Board.

Members of the public may view the live video of the Board meetings.
Registration/sign in to access the meetings is available at the following link [here](#)
Once completed you will receive additional information regarding how to observe the meetings.

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Board Meeting

October 21, 2026
9:00 A.M.

A G E N D A

OPERS Office

- | | |
|--|---------------------|
| I. Roll Call | 9:00 am – 9:05 am |
| II. Consent agenda: | 9:05 am – 9:10 am |
| A. Minutes – September 16, 2026 | |
| B. Disability report | |
| III. Committee Report – Personnel and Salary Committee
– Julie Albers | 9:10 am – 9:15 am |
| IV. Action Items: | |
| A. Approve 2027 Budget – Jenny Starr and Erica Worley | 9:15 am – 10:00 am |
| V. Discussion Items: | |
| A. 3 rd quarter 2026 Preliminary Investment Results (ST)
-Meketa | 10:00 am – 10:15 am |
| B. CEM Benefits Review – CEM | 10:15 am – 11:00 am |
| C. CEM Investments Review – CEM | 11:00 am – 12:00 pm |
| Luncheon honoring Board Member Chris Mabe | 12:00 pm – 1:00 pm |
| Executive Session - Litigation | 1:00 pm – 1:30 pm |
| D. Combined Plan - Allen Foster & Jenny Starr | 1:30 pm – 2:00 pm |
| E. ODC Investment Options Review
-Lincoln Carnam/RVK | 2:00 pm – 3:00 pm |
| F. Risk Management Update – Tonya Brown | 3:00 pm – 3:30 pm |
| G. Executive Director Update – Karen Carraher | 3:30 pm – 3:45 pm |
| Executive Session – Personnel | 3:45 pm - 4:15 pm |
| VI. For Your Information: | |
| A. Investment Performance | |

Minutes of the
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The monthly meeting of the Ohio Public Employees Retirement Board was held in the offices of the Board, Ohio Public Employees Retirement System building, 277 East Town Street, Columbus, Ohio at 9:00 a.m., Wednesday, September 16, 2026.

Members present: Mr. Garber; Mr. Kunk; Mr. Stewart Smith; Mr. Steitz; Mr. Thomas; Mr. Toth; and Mr. Mabe. (Mr. Hottinger entered the meeting later.)

Members absent: Ms. Albers; Mr. Richter; and Mr. Russell Smith.

Also present: Ms. Karen Carraher, Executive Director; Ms. Tonya Brown, Deputy Executive Director; Mr. Allen Foster, Deputy Executive Director; Ms. Lauren Gresh, Deputy Executive Director; Mr. Gordon Gatien, Director Government Relations; Mr. Paul Greff, Chief Investment Officer; Mr. Eric Harrell, General Counsel; Mr. Stephen Kell, Director Information Technology; Ms. Caroline Stinziano, Director Internal Audit; Ms. Jenny Starr, Director Finance; and Ms. Ciji Wilhelm, Director Human Resources.

Mr. Thomas moved, Mr. Steitz seconded, to excuse the absence of Ms. Albers and Mr. Russell Smith.

The motion passed without dissent.

(Mr. Hottinger entered the meeting.)

Mr. Thomas moved, Mr. Toth seconded, to approve the minutes of the meeting held August 19, 2026, and the disability report (see Appendix to the Minutes for report).

Roll call vote was taken as follows: Mr. Garber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; and Mr. Mabe, aye.

The motion passed with all ayes.

Mr. Thomas reported that the Personnel Committee met on August 19, 2026, and provided a report out of the agenda item discussed as part of the meeting. During the Personnel Committee, Ms. Wilhelm reviewed the following action item and the committee recommended approval by the full Board:

- The 2027 Investment Division Incentive Compensation Plan Document.

Mr. Stewart Smith moved, and Mr. Thomas seconded to approve the 2027 Investment Division Incentive Compensation Plan.

Roll call vote was taken as follows: Mr. Garber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; Mr. Mabe, aye.

Motion passed with all ayes.

Ms. Lai, Woo, Senior Financial Analyst, reviewed the employer and member contribution rates to employers reporting under the state division for the biennium period July 1, 2027, through June 30, 2029.

Mr. Stewart Smith moved, and Mr. Thomas seconded to certify employer and member contribution rates to employers reporting under the state division for the period July 1, 2027 through June 30, 2029 as follows:

	<u>Employer Rates</u>	<u>Member Rates</u>	<u>Total Rates</u>
State (Non Law/Non P.S.)	14.00%	10.00%	24.00%
Law Enforcement	18.10%	13.00%	31.10%
Public Safety	18.10%	12.00%	30.10%

Roll call vote was taken as follows: Mr. Garber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye;

Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye: and Mr. Mabe, aye.

Motion passed with all ayes.

Ms. Lai Woo, reviewed the 2027 employer contribution rate allocation.

Mr. Toth moved, Mr. Kunk seconded, to approve the allocation of the employer contribution rate to pension of 14% and the allocation for the employer contribution rate to health care of 0%, effective January 1, 2027.

Roll call vote was taken as follows: Mr. Garber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; and Mr. Mabe, aye.

Ms. Debbie McCarthy, Government Relations Officer - Legal Counsel, reviewed the 2026 five-year administrative rule changes as recommended by staff.

Mr. Stewart Smith moved, and Mr. Kunk seconded to approve the following:

- Approve for submission to the Joint Committee on Agency Rule Review (JCARR) and the Legislative Service Commission (LSC), the rules set forth in this memorandum;
- Authorize the Executive Director to execute Amendment Twenty to the Member-Directed plan document, and to restate the Member-Directed Plan with all amendments adopted, as set forth in this memorandum;
- Authorize the Executive Director to execute Amendment One to the Combined plan document, as set forth in this memorandum;
- Authorize the Executive Director to execute Amendment One to the Ohio Deferred Compensation Program plan document, as set forth in this memorandum.

Roll call vote was taken as follows: Mr. Gaber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Thoams, aye; Mr. Toth, aye; and Mr. Mabe, aye.

Motion passed with all ayes.

Ms. Patti Gazda, Corporate Governance Officer, provided a review of the current year's proxy season and reviewed the Corporate Governance Plan for the 2027 proxy season. She reviewed the program's objectives, provided an overview of the recent proxy season, and the 2027 Corporate Governance Plan.

Mr. Hottinger moved, and Mr. Kunk seconded, to approve the Corporate Governance Plan for the 2027 proxy season as reviewed and discussed with staff.

Roll call vote was taken as follows: Mr. Gaber, aye; Mr. Hottinger, aye; Mr. Kunk, aye; Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Thomas, aye; Mr. Toth, aye; and Mr. Mabe, aye.

Motion passed with all ayes.

Mr. Lincoln Carnam, Assistant Portfolio Manager, and Ms. Lauren Gresh, Deputy Executive Director, reviewed the Member Directed Plan fees update and mitigating rate review. Staff recommended a revenue-neutral rebalanced fee structure to cover plan expenses, fully fund the mitigating rate, and simplify the internal and external fee structure.

(Mr. Thomas left the Board meeting and did not return.)

Mr. Stewart Smith moved, and Mr. Kunk seconded, to approve the following:

- Increase the administrative fee from 0.26% to up to 0.50% of the employer contributions.
- Retain the \$6 monthly recordkeeping fee for active and inactive members.

- Continue using Member-Directed Plan forfeitures/reserves to fund the mitigating rate and administrative expenses while the Retiree Medical Account uses its employer contributions and fund assets to credit accounts and interest.

Roll call was taken as follows: Mr. Gaber, aye; Mr. Hottinger, aye; Mr. Kunk, aye, Mr. Stewart Smith, aye; Mr. Steitz, aye; Mr. Toth, aye; and Mr. Mabe, aye.

Motion passed with all ayes.

Mr. Craig Hallermann, Senior Actuary, presented the results of the Alternative Retirement Plan (ARP) Mitigating Rate Study. The recalculated mitigating rate is 2.07% of pay. The updated rate will take effect July 1, 2027.

Ms. Jenny Starr, Director of Finance, and Mr. Lincoln Carnam, Assistant Portfolio Manager, provided an update on Ohio Deferred Compensation (ODC) Program fees. Staff recommended maintaining the current ODC administrative fee structure over the next five years while completing a recordkeeping transition and related operational initiatives.

Mr. Steve Merriett, Assistant Director of Investment Accounting Operations and Compliance, and Ms. DeAnne Mannion, Deputy Chief Investment Officer, provided an update on investment fees associated with the OPERS Defined Benefit, Health Care, and Defined Contributions Funds. Staff reviewed external manager cost and fee trends, as well as a comparison of these costs with peer funds.

Mr. Lincoln Carnam, Assistant Portfolio Manager, Ms. Hannah Schriener, and Ms. Allison Adams of Meketa provided the annual review of the OPERS Member Directed Plan. Staff reviewed the funds investment options, performance, expenses, and key initiatives from the past year, and discussed plans for the upcoming year.

Mr. David Sancewich and Ms. Allison Adams of Meketa

provided an asset class update on active versus passive investing. The presentation reviewed manager outperformance trends and the role of active and passive investment strategies within the OPERS Defined Benefit and Health Care Funds.

Mr. Rajeev Ranade from Meketa provided an asset class update on real estate. The presentation included an overview of the real estate portfolio and current market environment.

The Board recessed for lunch.

Mr. Paul Greff, Chief Investment Officer, provided the Chief Investment Officer update. Mr. Greff discussed current investment activities, market conditions, and matters affecting the OPERS investment portfolio.

The Executive Director report was included in the meeting materials.

Mr. Hottinger moved, and Mr. Stewart Smith seconded, the meeting to be adjourned until the next regular meeting to be held Wednesday, October 21, 2026 at 9:00 a.m.

The motion passed without dissent.

The meeting adjourned at 12:20 p.m.



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MEMORANDUM

DATE: October 21, 2026

TO: OPERS Retirement Board Members

FROM: Jenny Starr – Director-Finance
Erica Worley – Assistant Director-Financial Reporting

RE: **IV. A. Approve 2027 Budget**

Action requested: _____ moved, _____ seconded to: Approve the proposed 2027 Administrative and Capital budgets as submitted by staff.

The budgets are as follows:

Operating budget (excludes depreciation)	\$154,636,000
Administrative budget (includes depreciation)	\$187,089,000
Capital budget (includes internal labor)	\$30,731,187

Background

Annually, the Board approves the proposed budget for the following year. Staff will present the proposed 2027 budget to the Board providing an overview of the key initiatives and operational objectives included in the proposed 2027 administrative budget as well as a review of the significant changes from the prior year's budget. This review provides the Board with an opportunity to give feedback to the staff. The budget includes both OPERS and the Ohio Deferred Compensation Program (ODC).

Subsequently, staff will submit the OPERS budget to the Ohio Retirement Study Council (ORSC) on October 23, 2026, excluding ODC activity.

Rationale for Action –

The 2027 proposed budget includes funding for the systems largest initiatives, which include:

- Modernization, enhancement, and/or redesign of various OPERS systems,
- Enhanced integration between OPERS systems and IT security,
- Provide self-service enhancements for members,
- Replacement of the end-of-life general ledger system,
- Non-investment data quality enhancement and governance initiative,
- Continued implementation of investment strategies, including risk mitigation,
- Migration to a new external recordkeeper for ODC,
- Planned retirement of legacy ORIS and Participant Web Portal ODC systems, and
- Merit-based increases.

The proposed 2027 operating budget for the system increased 4.5% compared to the 2026 approved budget (increases of 1.6% and 29.2% for OPERS and ODC, respectively). The proposed capital budget shows an increase of \$7.5 million. The capital budget includes \$8.5 million for modernization and redesign of the Refund and Health Care Systems, \$7.0 million for the general ledger replacement project, \$7.7 million for Compass modernization, \$4.0 million for the migration to a new external recordkeeper for ODC, \$1.0 million for the Employer Contribution System redesign, and \$0.3 million for the non-investments data management and governance initiative.

In conjunction with the migration to a new external recordkeeper for ODC, the organization is planning for the retirement of the existing ORIS system and Participant Web Portal. As a result, the budget for depreciation expense includes \$16.2 million to fully depreciate the related assets in 2027, compared to \$2.0 million of depreciation in 2026.

The proposed administrative and capital budgets reflect a continued investment in the organization's key initiatives and help position OPERS and ODC for the future.

Proposed 2027 Budget

Jenny Starr – Director–Finance

Erica Worley – Assistant Director, Financial Reporting



Agenda

- Scope of the 2027 Budget Presentation
- Annual Budget Build and Reporting Process
- Consolidated 2027 Proposed Budget Highlights
- Proposed 2027 OPERS Budget (excluding Ohio Deferred Compensation Program, ODC)
- Proposed 2027 ODC Budget
- Proposed 2027 Consolidated Budget Summary

Budget Scope

- Beginning with the 2026 budget year, OPERS has communicated budgetary information on behalf of both the OPERS pension and health care plans, as well as the ODC program.
- OPERS will continue to evaluate and track the realized impact of the merger on the administrative costs of the organization.
- Reminder: This presentation includes proposed budgets for OPERS and ODC. The ODC budget includes direct costs and indirect costs (expense allocations) related to the merger.

2027 Budget Build Schedule

June
2026

Division
budgets
submitted

July
2026

Leadership
Team review
continues

August
2026

Leadership
Team review
completed

October
2026

Board budget
presentation
& Ohio
Retirement
Study Council
(ORSC)
submittal of
OPERS Budget

Budget Review Process

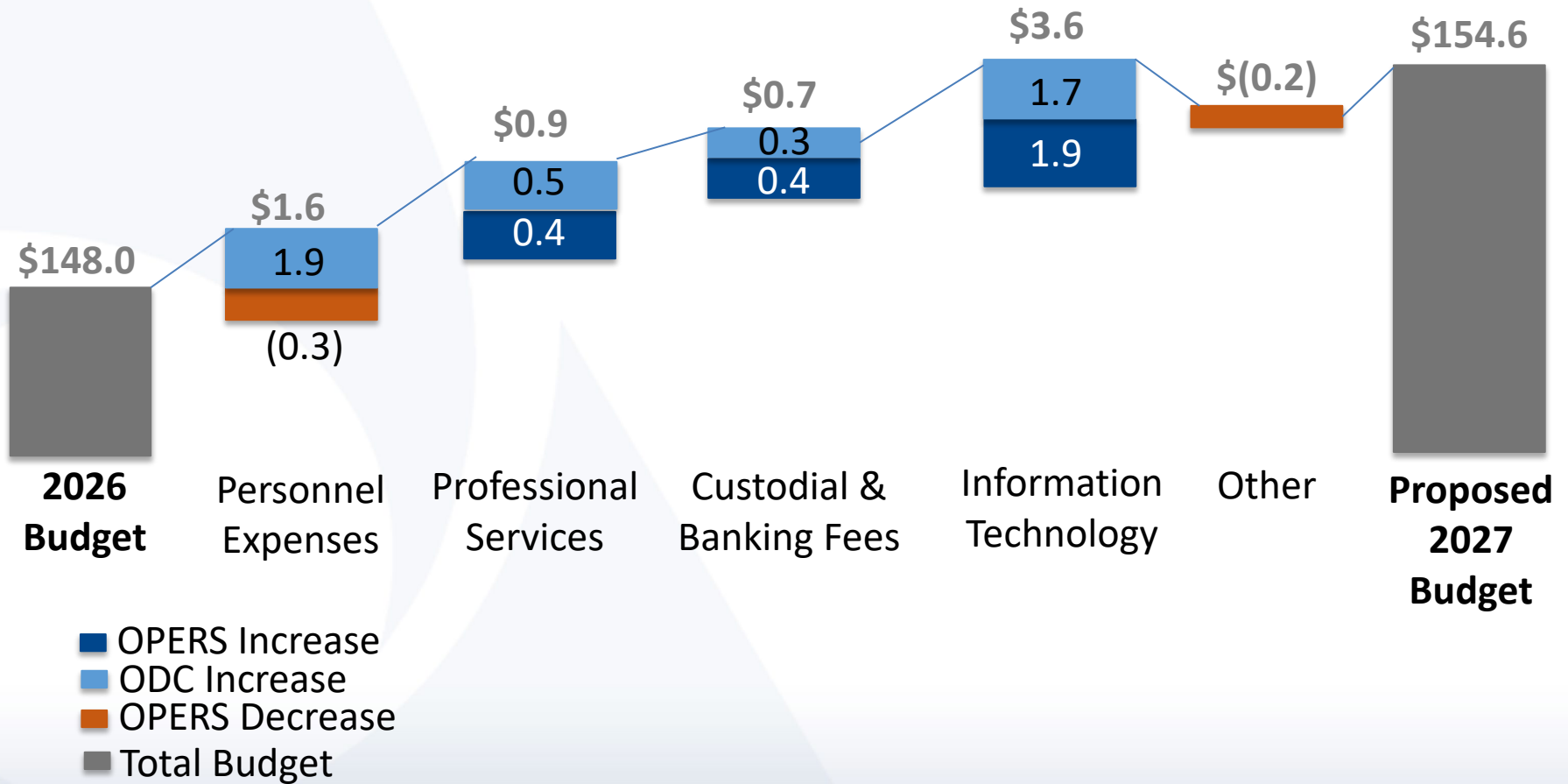
Monthly	Budget-to-actual status
Quarterly	<ul style="list-style-type: none">• Variance explanations• Budget transfers approved through Leadership Team review process• Capital project updates; closed/completed projects
Mid-year (August)	Staff reviews year-to-date status and develops projections through end-of-year; Board discussion only if issues anticipated
Annually (October)	Proposed operating, administrative, and capital budgets for Board approval

2027 Proposed Consolidated Budget Overview

2027 Consolidated Administrative Budget Summary

	2027 Proposed Budget	2026 Approved Budget	26 to 27 Change	Percent Change 26 to 27
Personnel Expenses	\$88,755,115	\$87,139,691	\$1,615,424	1.9%
Professional Services	32,978,600	32,067,195	911,405	2.8
Custodial & Banking Fees	6,852,000	6,133,600	718,400	11.7
Information Technology	15,537,447	11,958,430	3,579,017	29.9
Communications	3,055,341	3,063,575	(8,234)	(0.3)
Office Supplies & Equipment	667,151	855,268	(188,117)	(22.0)
Education—Member and Staff	1,552,858	1,387,980	164,878	11.9
Other Miscellaneous Expense	1,250	5,250	(4,000)	(76.2)
Centralized Expenses	5,236,238	5,374,411	(138,173)	(2.6)
Total Operating Budget	\$154,636,000	\$147,985,400	\$6,650,600	4.5%
Depreciation and Amortization Expense	\$16,119,526	\$17,115,000	(\$995,474)	(5.8%)
ODC Legacy Systems Retirement— Depreciation and Amortization	16,153,474	—	16,153,474	100.0
Total Depreciation and Amortization Expense	32,273,000	17,115,000	15,158,000	88.6
Research Services— Commission Sharing Arrangements	180,000	220,000	(40,000)	(18.2)
Total Administrative Budget	\$187,089,000	\$165,320,400	\$21,768,600	13.2%

2027 Consolidated Operating Budget Summary (in millions)



Key Initiatives in 2027

- Major Information Technology projects:
 - Ongoing modernization, enhancement, and/or redesign of various IT systems with a strategic focus to:
 - Improve integration and security of systems,
 - Reduce technical debt and artifact backlog; and,
 - Continue self-service enhancements for members.
 - Replace end-of-life general ledger system;
 - Non-investment data management and governance initiative;
 - Migration to new external recordkeeper for ODC; and,
 - Continued implementation of investment risk mitigation strategies.

Personnel Expenses—Consolidated

- **2027 Budget of \$88.8 million primarily comprised of:**
 - Wages, Salaries, and Retirement Contributions of \$76.6 million, including \$7.9 million for investment incentive compensation and a reduction of \$7.6 million for capitalizable labor on major IT initiatives;
 - Employee Insurance of \$11.9 million, including \$7.9 million for medical and \$4.0 million for prescription coverage; and,
 - OPERS personnel expenses allocated to ODC is approximately \$3.5 million.
- **Budget increased \$1.6 million compared to 2026 due to:**
 - Merit increases of 4%, or \$2.9 million; and,
 - Partially offset by an increase in capitalizable labor (reduction to personnel expenses) of \$1.4 million.

Staffing Realignment: Transfers & Deletion

Mid-2026 Actual Transfers

<u>From Division / Position</u>	<u>FTE</u>	<u>To Division / Position</u>	<u>FTE</u>
Governance Office / Sr. Enterprise Risk Analyst	(1)	Finance / Sr. Enterprise Risk Analyst	1
Benefits / Member Assessment Processor	(1)	Information Technology / AI Solutions Analyst	1
Benefits / Associate Member Services Representative	(1)	Information Technology / Lead - Financial Systems	1
ODC Finance / Sr. Accountant	(1)	Information Technology / Full Stack Developer 3	1
Total Position Transfers	<u>(4)</u>		<u>4</u>

2027 Proposed Transfers

<u>From Division / Position</u>	<u>FTE</u>	<u>To Division / Position</u>	<u>FTE</u>
Benefits / Associate Member Services Representative	(1)	Finance / Technician	1
Benefits / Member Services Representative	(1)	Finance / Accountant	1
Benefits / Member Counselor	(1)	Information Technology / Development Security Engineer	1
Finance / Office Services Quality Analyst	(1)	Investments / Investment Analyst	1
ODC Administration / Communications Coordinator	(1)	Communications / Communications Officer	1
ODC Administration / Director of Administration	(1)	Executive Office / Program Officer	1
ODC Finance / Manager	(1)	Governance Office / Quality Analyst	1
Total Position Transfers	<u>(7)</u>		<u>7</u>

2027 Deletion

<u>From Division / Position</u>	<u>FTE</u>
ODC Administration / Data Systems Supervisor	(1)

2027 Budget for OPERS (excluding ODC)

OPERS

2027 Proposed Budget Summary*

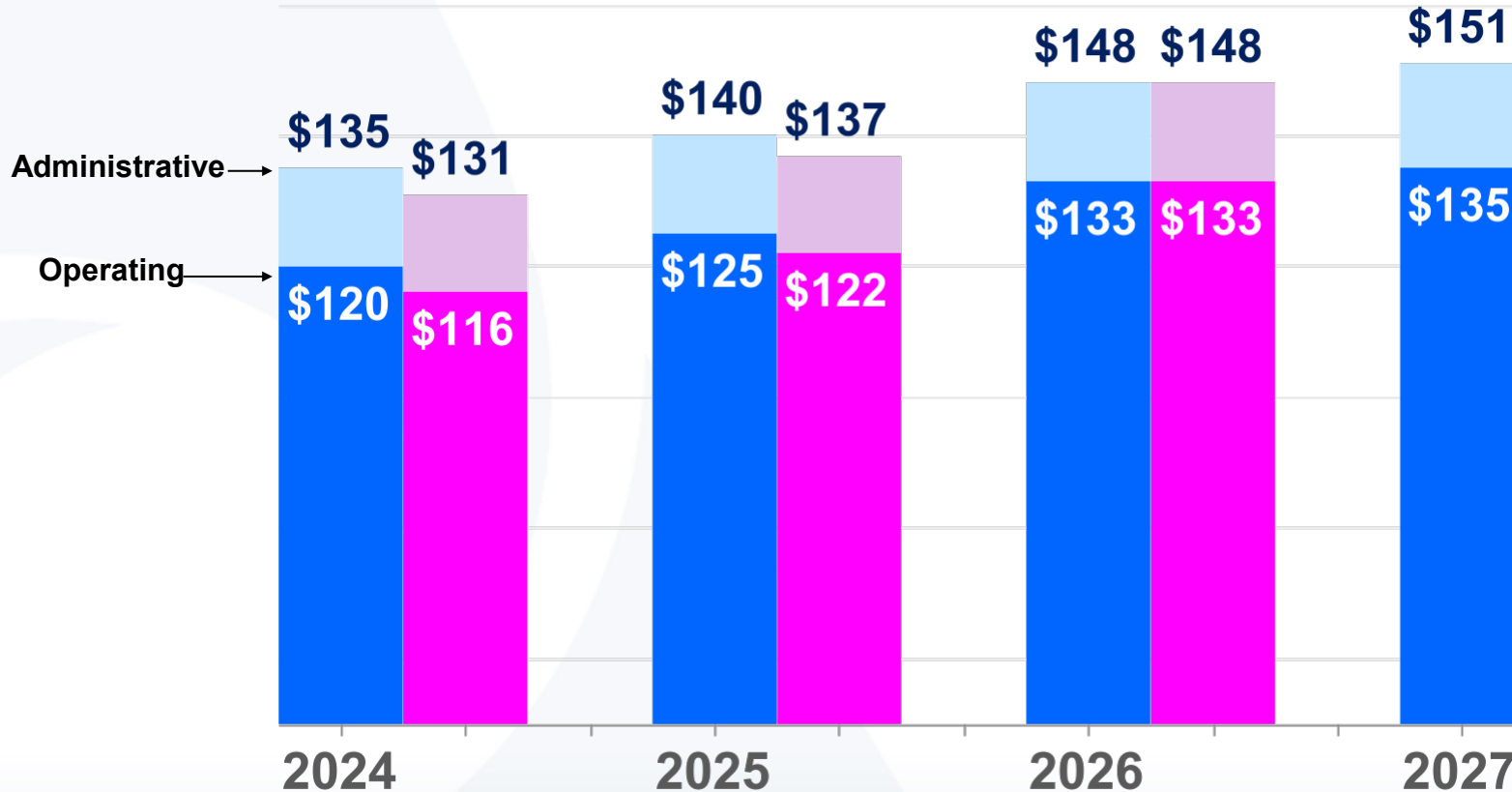
	2027 Proposed Budget	2026 Approved Budget	26 to 27 Change	Percent Change 26 to 27
Personnel Expenses	\$83,008,815	\$83,301,491	(\$292,676)	(0.4%)
Professional Services	23,460,996	23,079,795	381,201	1.7
Custodial & Banking Fees	6,300,000	5,935,600	364,400	6.1
Information Technology	12,570,943	10,672,430	1,898,513	17.8
Communications	2,524,141	2,460,375	63,766	2.6
Office Supplies & Equipment	604,123	595,568	8,555	1.4
Education—Member and Staff	1,433,857	1,387,980	45,877	3.3
Other Miscellaneous Expense	1,250	5,250	(4,000)	(76.2)
Centralized Expenses	4,824,875	5,138,511	(313,636)	(6.1)
Total Operating Budget	\$134,729,000	\$132,577,000	\$2,152,000	1.6%
Depreciation and Amortization Expense	\$16,095,000	\$15,141,000	\$954,000	6.3%
Research Services—				
Commission Sharing Arrangements	180,000	220,000	(40,000)	(18.2)
Total Administrative Budget	\$151,004,000	\$147,938,000	\$3,066,000	2.1%

*Note: Excluding ODC

OPERS Comparative Results*

Budget and Actual

(\$ in millions)



Note: Administrative Budget includes depreciation and soft dollars.

FY 2026 administrative and operating actuals are based on activity through end of September and mid-year projections after 2nd quarter budget transfer process.

***Note: Excluding ODC**

Analysis of Major Non-Personnel Categories (excluding ODC)

Professional Services—OPERS

- **2027 Budget of \$23.5 million comprised of:**
 - Investment & Financial Services of \$17.5 million including:
 - \$12.1 million for investment-related quotes, data feeds, research and analytics (including \$0.7 million for due diligence on new deals);
 - \$2.5 million for investment performance master recordkeeping fees;
 - \$1.5 million for third-party administrators (TPAs) for record-keeping for OPERS DC and RMA accounts; and,
 - \$0.4 million for alternative investments consulting.
 - Legal & Investigation Services of \$3.2 million, including \$2.5 million for new investment deals; and,
 - Remaining \$2.8 million comprised of actuarial, audit, consulting, disability medical exams/reviews, and OPERS share of the ORSC administrative costs.

Professional Services (con't.)—OPERS

- **Budget increased \$0.4 million or 1.7% compared to 2026 primarily due to:**
 - \$0.7 million increase for systems and services to manage the OPERS investment portfolio including the following:
 - \$0.5 million increase for investment quotes and data feeds which includes new commercial mortgage-backed securities data management system, plus increases for existing data feeds;
 - \$0.4 million increase for new alternative investments consultant as part of risk mitigation strategy complexities; and,
 - \$0.2 million decrease for investment analytics mostly due to existing Blackrock portfolio management and risk systems.
 - \$0.2 million decrease for consulting services due to completion of Board election cycle and triennial compensation study for non-investment staff in 2026; and,
 - \$0.1 million net decrease other items, including actuarial services, legal services, vendor medical exams and reviews, and ORSC fees.

Custodial & Banking Fees—OPERS

- **2027 Budget of \$6.3 million including:**
 - \$4.6 million for international custodian fees;
 - \$1.3 million for domestic custodian fees; and
 - \$0.5 million for international investment tax services (including tax reclaims) not performed by the international custodian.
- **Moderate increase compared to 2026 of \$0.4 million or 6.1% due to increased assets under management and volumes of investment transactions.**

Information Technology—OPERS

- **2027 Budget of \$12.6 million comprised of:**
 - IT System Licenses & Maintenance Agreements \$10.1 million including:
 - \$8.8 million software licenses and subscriptions, primarily IT, Investments and Finance; and,
 - \$1.3 million software maintenance costs;
 - Data Processing Contract Expense \$2.4 million including:
 - \$1.2 million for IT consulting;
 - \$0.6 million for data processing services; and,
 - \$0.5 million for hardware maintenance agreements.
 - Information System Purchases less than \$0.1 million.

Information Technology (con't)—OPERS

- **Budget increase of \$1.9 million or 17.8% compared to 2026 due to:**
 - \$1.3 million increase for investment accounting system renewal;
 - \$0.4 million increase for first full year with new electronic document management system subscription; and,
 - \$0.3 million increase for staff augmentation and external developers.

Centralized Expenses—OPERS

- **2027 Budget of \$4.8 million primarily related to:**
 - \$2.3 million building and equipment maintenance and repair;
 - \$1.4 million building utilities and services;
 - \$0.8 million property, fiduciary and other insurance; and,
 - \$0.3 million for general printing and printer maintenance costs.
- **Decrease of \$0.3 million or 6.1% compared to 2026 budget mostly due to allocation of shared costs to ODC.**

OPERS 2027 Capital Budget

	External Vendor	Internal Labor	Total Capital
Building	\$762,000	\$9,000	\$771,000
Equipment and Other	1,428,500	84,240	1,512,740
GL system replacement	6,400,000	600,000	7,000,000
Compass modernization	2,009,212	3,774,870	5,784,082
Health Care system modernization	3,163,900	1,357,295	4,521,195
Refunds system redesign	2,520,739	1,424,200	3,944,939
ADA Compass compliance	1,679,821	249,600	1,929,421
Employer contribution system rewrite	344,970	672,840	1,017,810
Non-investments data management and governance project	250,000	—	250,000
Total Capital	\$18,559,142	\$8,172,045	\$26,731,187

2026 Total Capital	\$13,179,947	\$6,786,389	\$19,966,336
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OPERS 2027 Capital Budget

Building, Equipment and Other Details

	External Vendor	Internal Labor	Total Capital
Building			
Building automation system upgrades	\$307,000	\$7,200	\$314,200
Other building repairs and maintenance	455,000	1,800	456,800
Total Building Budget	\$762,000	\$9,000	\$771,000

	External Vendor	Internal Labor	Total Capital
Equipment and Other			
Replace end-of-life laptops	\$450,000	\$61,200	\$511,200
Audio/visual meeting room updates	265,000	12,000	277,000
New software to modernize applications	250,000	—	250,000
Memory capacity upgrade and virtual storage expansion	239,500	2,400	241,900
Backup server hardware replacement	198,000	8,640	206,640
Disaster recovery site power back up	26,000	—	26,000
Total Equipment and Other	\$1,428,500	\$84,240	\$1,512,740

OPERS (excluding ODC) Proposed Budget Summary

Proposed 2027 Operating Budget is \$134.7 million

- Excludes depreciation and soft dollars
- Increase of 1.6% from the 2026 budget of \$132.6 million

Proposed 2027 Administrative Budget is \$151.0 million

- Includes depreciation and soft dollars
- Increase of 2.1% from the 2026 budget of \$147.9 million

Proposed 2027 Capital Budget is \$26.7 million

- Increase of \$6.7 million from the 2026 budget (including capital labor)
- The 2027 capital budget includes \$8.2 million for capitalized internal labor from new capital requests.

2027 Budget for ODC

ODC 2027 Proposed Budget Summary

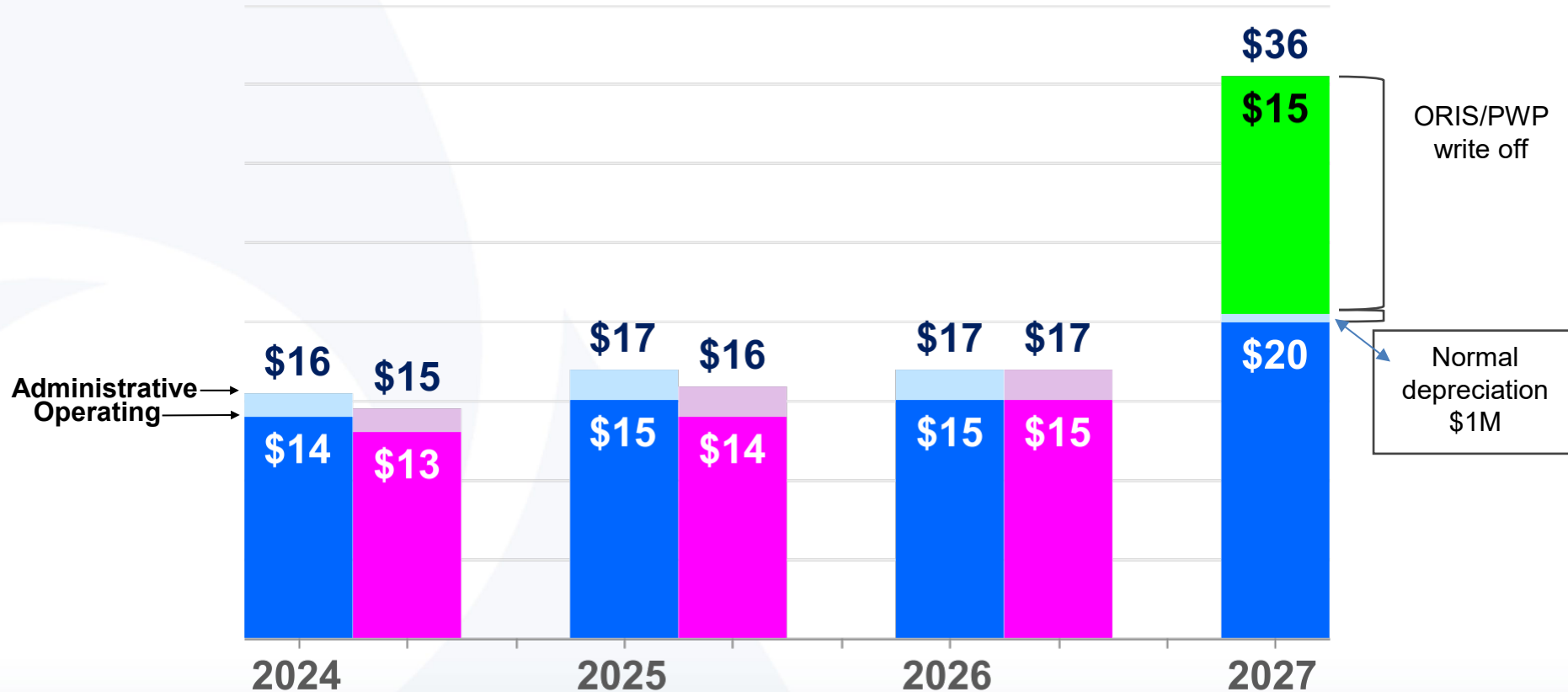
	2027 Proposed Budget	2026 Approved Budget	26 to 27 Change	Percent Change 26 to 27
Personnel Expenses	\$5,746,300	\$3,838,200	\$1,908,100	49.7%
Professional Services (includes NRS customer service)	9,517,604	8,987,400	530,204	5.9
Custodial & Banking Fees	552,000	198,000	354,000	>100.0
Information Technology	2,966,504	1,286,000	1,680,504	>100.0
Communications	531,200	603,200	(72,000)	(11.9)
Office Supplies & Equipment	63,028	259,700	(196,672)	(75.7)
Education—Member and Staff	119,001	—	119,001	100.0
Centralized Expenses	411,363	235,900	175,463	74.4
Total Operating Budget	\$19,907,000	\$15,408,400	\$4,498,600	29.2%
Depreciation and Amortization Expense	\$24,526	\$1,974,000	(\$1,949,474)	(98.8%)
ODC Legacy Systems Retirement— Depreciation and Amortization	16,153,474	—	16,153,474	100.0
Total Depreciation and Amortization Expense	16,178,000	1,974,000	14,204,000	>100.0
Total Administrative Budget	\$36,085,000	\$17,382,400	\$18,702,600	>100.0

Note: Budget estimates do not reflect actual expenses bid under the recordkeeping contract. Reflects estimates only.
OPERS will update budget estimates later in the year once the contract is completed.

ODC Comparative Results

Budget and Actual

(\$ in millions)



Note: Administrative Budget includes depreciation. The 2027 Administrative Budget includes accelerated depreciation for ODC legacy ORIS and PWP systems, which are planned to be decommissioned by the end of 2027.

FY 2026 administrative and operating actuals are based on activity through end of September and mid-year projections after 2nd quarter budget transfer process.

Analysis of ODC Major Non-Personnel Categories

Professional Services—ODC

- **2027 Budget of \$9.5 million comprised of:**
 - \$9.0 million for the Nationwide customer service contract;
 - \$0.2 million for Board investment consultant; and,
 - \$0.3 million for all other items, including audit services, consulting, and financial wellness services.
- **Budget increase of \$0.5 million or 5.9% compared to 2026 primarily due to increased costs for Nationwide services based on new contract.**

Custodial & Banking Fees—ODC

- **2027 Budget of \$0.6 million including:**
 - \$0.5 million for domestic custodian fees; and,
 - \$0.1 million for bank fees.
- **Budget increased \$0.4 million compared to 2026. Beginning 2027, custody fees will be fully allocated to the administrative budget. Prior to 2027, a portion of custody fees were allocated to the investment funds and impacted performance.**

Information Technology—ODC

- **2027 Budget of \$3.0 million primarily comprised of:**
 - Data Processing Contract Expense \$2.6 million which includes:
 - \$2.2 million for vendor services and support for legacy ORIS and Participant Web Portal systems, reclassified to the operating budget as these systems are scheduled for sunset in 2027 and associated costs can no longer be capitalized;
 - \$0.4 million for ODC's share of cloud consumption costs.
 - \$0.3 million for IT System Licenses & Maintenance Agreements which includes direct system licenses as well as an allocation of ODC's share of OPERS system licenses and network security costs.
- **Budget increased \$1.7 million compared to 2026 due to the anticipated retirement of ORIS and Participant Web Portal systems and resulting shift of costs from capital to the operating budget.**

Office Supplies & Equipment—ODC

- **2027 Budget of less than \$0.1 million which is a decrease of \$0.2 million due to elimination of prior office space leasing expenses. Savings offset by allocation of centralized building expenses (see Centralized Expenses next slide) from OPERS to ODC.**

Education—Member and Staff—ODC

- **2027 Budget of \$0.1 million which includes conference and training registrations and travel.**
 - \$0.1 million increase over 2026 budget as prior year comparable budget was contained mostly within the Information Technology category.

Centralized Expenses—ODC

- **2027 Budget of \$0.4 million which includes ODC's share of building contracted services, maintenance and repair, utilities, and insurance costs.**
 - \$0.2 million increase over 2026 budget from allocation of building expenses (see previous slide Office Supplies & Equipment reduction).

ODC 2027 Capital Budget

ODC	External Vendor	Internal Labor	Total Capital
ODC recordkeeper migration	\$4,000,000	\$0	\$4,000,000
Total ODC Capital	\$4,000,000	\$0	\$4,000,000

2026 Total ODC Capital \$3,242,909

NOTE: ORIS and PWP systems will be full write-off in 2027 with switch to an external recordkeeper.

ODC Summary

Proposed 2027 Operating Budget is \$19.9 million

- Excludes depreciation and amortization
- Increase of 29.2% from the 2026 budget of \$15.4 million

Proposed 2027 Administrative Budget is \$36.1 million

- Includes depreciation and amortization; reflects \$16.2 million of accelerated depreciation from planned legacy systems retirement
- Increase of >100.0% from the 2026 budget of \$17.4 million

Proposed 2027 Capital Budget is \$4.0 million

- Increase of \$0.8 million from the 2026 budget

Consolidated Summary

Proposed 2027 Operating Budget is \$154.6 million

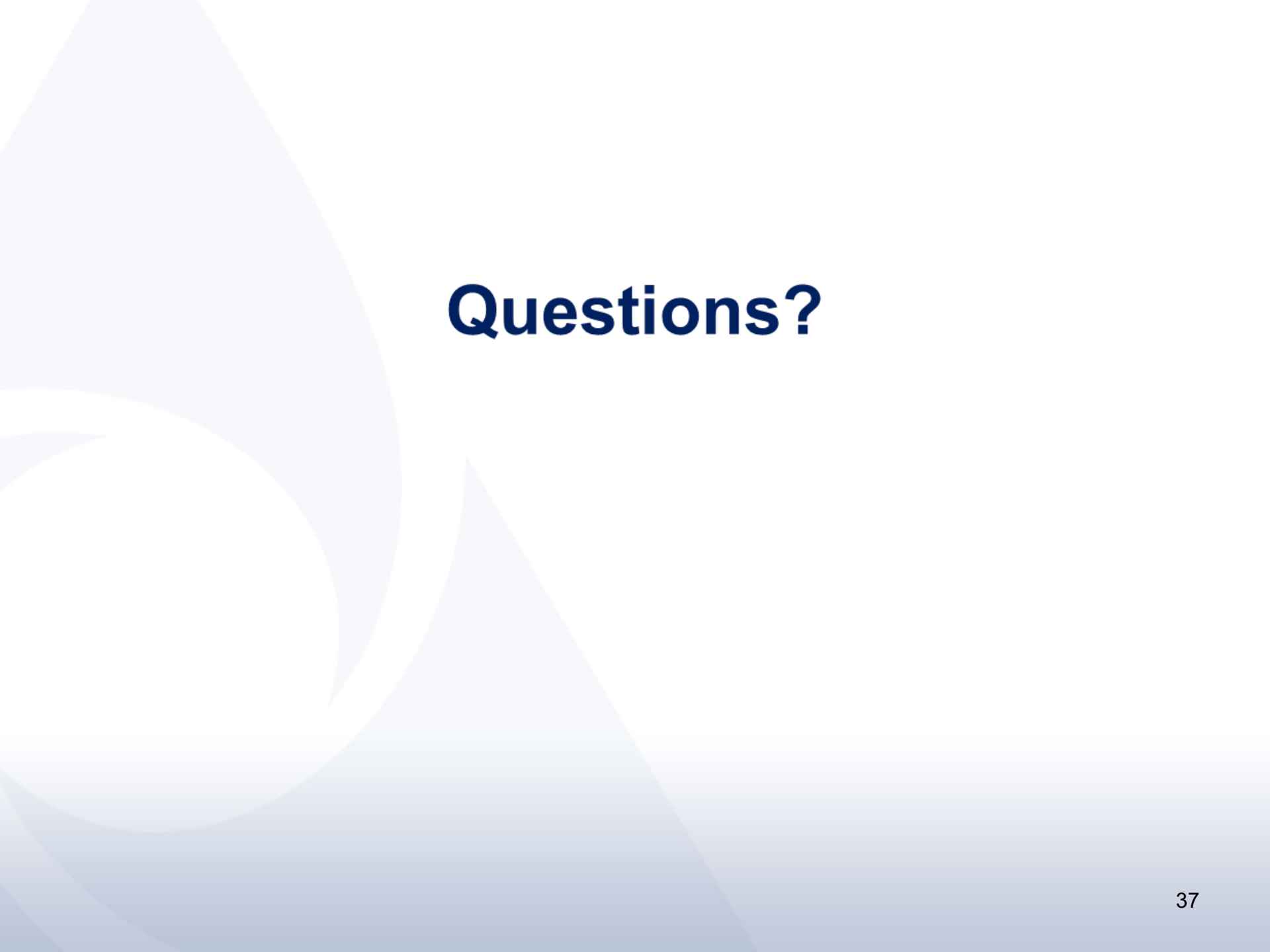
- Excludes depreciation and amortization
- Increase of 4.5% from the 2026 budget of \$148.0 million

Proposed 2027 Administrative Budget is \$187.1 million

- Includes depreciation and amortization; reflects \$16.2 million of accelerated depreciation from planned legacy systems retirement
- Increase of 13.2% from the 2026 budget of \$165.3 million

Proposed 2027 Capital Budget is \$30.7 million

- Increase of \$7.5 million from the 2026 budget



Questions?

Ohio Public Employees Retirement System

Q3 2026

DB and HC Plan Performance

- 1. Defined Benefit Plan Performance**
- 2. Health Care 115 Trust Performance**
- 3. Disclaimer, Glossary, and Notes**

Defined Benefit Plan Performance

Fund Summary | As of September 30, 2026

Allocation vs. Targets			
	Balance (\$)	Current Allocation (%)	Policy (%)
Aggressive Growth	28,709,833,448		
Private Equity	15,785,925,315	13	14
Private Real Estate	12,923,908,133	11	11
Traditional Growth	52,319,955,989		
US Equity	25,477,593,153	21	21
Equity ex-US	25,672,325,846	21	21
REITS	1,170,036,990	1	1
Stabilized Growth	13,048,131,885		
Private Credit	1,094,235,718	1	4
Public Credit (SD/EMD/HY/IGC)	9,480,692,826	8	6
Risk Parity	2,473,203,341	2	1
Principal Protection	8,739,855,769		
Core Fixed Income	6,781,260,241	6	5
Treasuries	1,958,595,528	2	2
Inflation	7,622,123,695		
TIPS	3,710,419,266	3	2
Commodities	2,547,477,068	2	1
Gold	1,364,227,361	1	1
Risk Mitigating Strategies	9,024,960,077		
Legacy Hedge Funds	1,512,130	0	0
Long Treasuries	3,689,920,201	3	3
Alternative Risk Premia	984,571,443	1	3
Trend Following	4,348,956,302	4	3
Cash	755,928,589	1	0
Total	120,220,789,451	100	100

Cash is not included in Total Policy allocation.
Numbers may not sum due to rounding.

Performance Summary | As of September 30, 2026

	Trailing Period Performance							
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund (DB)	120,220,789,451	100.0	0.5	7.1	9.7	12.5	6.6	8.5
Policy Index DB			0.9	7.9	10.6	12.6	6.4	8.3
Over/Under			-0.4	-0.8	-1.0	0.0	0.2	0.2
Aggressive Growth	28,709,833,448	23.9	1.1	1.6	2.7	3.5	4.9	9.0
Private Equity	15,785,925,315	13.1	1.5	1.2	3.0	7.0	6.3	12.4
Custom Private Equity Benchmark			4.4	7.9	11.0	8.9	7.4	13.0
Over/Under			-2.9	-6.7	-8.0	-1.9	-1.1	-0.5
Private Real Estate	12,923,908,133	10.8	0.7	2.0	2.3	-0.6	3.3	4.9
Custom Real Estate Benchmark			1.5	3.7	4.4	-0.6	2.7	4.6
Over/Under			-0.9	-1.7	-2.2	0.0	0.6	0.3
Traditional Growth	52,319,955,989	43.5	1.0	14.1	17.9	21.9	11.4	12.5
US Equity	25,477,593,153	21.2	1.2	12.3	15.0	22.1	12.7	14.6
Domestic Equity Blend BM			1.4	12.4	15.1	22.3	12.6	14.7
Over/Under			-0.2	-0.1	-0.1	-0.2	0.1	-0.1
Equity ex-US	25,672,325,846	21.4	1.1	16.0	21.3	21.7	10.1	10.2
Custom Int'l Eq Benchmark			0.7	13.8	19.2	20.2	9.0	9.1
Over/Under			0.4	2.2	2.0	1.6	1.1	1.1
REITS	1,170,036,990	1.0	-6.1	10.6	9.8	12.9	--	--
Custom REIT Benchmark			-6.1	10.6	9.8	12.9	--	--
Over/Under			0.0	0.0	0.0	0.0	--	--

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stabilized Growth	13,048,131,885	10.9	-1.7	2.5	4.5	9.3	1.6	3.8
Risk Parity	2,473,203,341	2.1	0.1	14.1	18.0	15.9	2.2	5.5
<i>Custom Risk Parity</i>			0.1	13.8	17.6	15.4	1.6	4.8
Over/Under			0.0	0.3	0.4	0.5	0.6	0.7
Private Credit	1,094,235,718	0.9	1.8	5.8	9.4	--	--	--
<i>S&P UBS Leveraged Loans (1Q Lag)</i>			1.9	2.5	4.2	--	--	--
Over/Under			0.0	3.3	5.2	--	--	--
Public Credit	9,480,692,826	7.9	-2.5	-0.6	1.1	7.6	2.1	3.3
<i>50% BBg US Agg 50% BBg US High Yield</i>			-2.7	-1.4	-0.2	6.0	1.5	3.1
Over/Under			0.2	0.9	1.3	1.6	0.6	0.1
Principal Protection	8,739,855,769	7.3	-3.2	-2.7	-1.5	4.2	-0.5	1.4
Treasuries	1,958,595,528	1.6	-0.9	-0.5	0.6	4.0	-0.7	0.8
<i>Custom U.S. Treasury Benchmark</i>			-0.9	-0.5	0.7	4.0	-0.6	0.8
Over/Under			0.0	0.0	-0.1	0.0	-0.1	0.0
Core Fixed Income	6,781,260,241	5.6	-3.9	-3.3	-2.1	4.1	-0.6	1.4
<i>Blmbg. U.S. Aggregate Index</i>			-3.5	-2.9	-1.8	4.1	-0.6	1.1
Over/Under			-0.4	-0.3	-0.3	0.0	0.0	0.2
Inflation	7,622,123,695	6.3	4.0	8.0	12.7	17.2	8.5	7.0
TIPS	3,710,419,266	3.1	-3.2	-2.1	-2.0	3.8	0.0	2.1
<i>Blmbg. U.S. TIPS Index</i>			-3.2	-2.1	-2.0	3.8	0.0	2.1
Over/Under			0.0	0.0	0.0	0.0	0.0	0.0
Commodities	2,547,477,068	2.1	16.1	32.4	40.2	15.8	11.5	10.1
<i>Custom Commodities Benchmark</i>			16.2	32.9	40.6	15.6	11.3	7.3
Over/Under			-0.1	-0.5	-0.4	0.1	0.2	2.7

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Gold	1,364,227,361	1.1	3.2	-4.3	7.5	30.2	--	--
<i>Bloomberg Gold Subindex Total Return</i>			3.1	-4.4	7.2	29.9	--	--
Over/Under			0.1	0.1	0.2	0.4	--	--
Risk Mitgating Strategies	9,024,960,077	7.5	0.2	2.8	4.0	5.9	0.1	1.5
Legacy Hedge Fund	1,512,130	0.0	0.0	0.0	0.0	2.1	2.4	3.5
<i>Custom Hedge Fund Benchmark</i>			-1.6	4.0	5.9	9.2	5.9	5.9
Over/Under			1.6	-4.0	-5.9	-7.2	-3.5	-2.4
Long Duration U.S. Treasury	3,689,920,201	3.1	-8.9	-8.3	-8.8	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>			-8.9	-8.3	-8.8	--	--	--
Over/Under			0.0	0.0	0.0	--	--	--
Alternative Risk Premia	984,571,443	0.8	1.7	7.1	9.5	--	--	--
<i>Alternative Risk Premia BM</i>			1.6	7.1	9.5	--	--	--
Over/Under			0.0	0.0	0.0	--	--	--
Trend Following	4,348,956,302	3.6	8.0	17.5	24.3	--	--	--
<i>Custom Trend Index</i>			8.0	17.4	24.2	--	--	--
Over/Under			0.0	0.1	0.1	--	--	--
Cash Equivalents	755,928,589	0.6	1.0	3.0	4.8	5.4	4.4	2.9
Cash	741,166,439	0.6	1.0	3.0	4.1	4.9	4.1	2.7
<i>90 Day U.S. Treasury Bill</i>			0.9	2.6	3.6	4.5	3.7	2.4
Over/Under			0.1	0.4	0.5	0.4	0.4	0.3
Additional Annuity	14,761,816	0.0	0.8	2.8	3.1	3.0	2.6	2.3
<i>90 Day U.S. Treasury Bill</i>			0.9	2.6	3.6	4.5	3.7	2.4
Over/Under			-0.1	0.1	-0.5	-1.5	-1.1	-0.1
Other Pension Assets	334	0.0						

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Trailing Period Performance								
	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Total Fund (DB)	7.1	14.7	8.8	11.3	-12.0	15.3	12.0	17.2	-3.0
Policy Index DB	7.9	14.9	8.0	10.5	-11.4	15.3	11.6	17.1	-3.1
Over/Under	-0.8	-0.2	0.8	0.8	-0.6	0.1	0.4	0.2	0.1
Aggressive Growth	1.6	5.7	3.1	0.8	3.6	31.8	9.7	9.2	10.3
Private Equity	1.2	8.4	9.3	6.9	-4.8	44.8	16.4	10.4	15.5
Custom Private Equity Benchmark	7.9	10.1	8.8	5.3	-1.2	49.2	13.8	8.0	15.0
Over/Under	-6.7	-1.6	0.5	1.7	-3.5	-4.4	2.6	2.4	0.5
Private Real Estate	2.0	2.2	-4.0	-5.9	14.9	17.0	2.4	7.7	4.0
Custom Real Estate Benchmark	3.7	4.0	-7.2	-12.0	21.8	14.5	1.4	5.5	8.6
Over/Under	-1.7	-1.9	3.1	6.1	-6.9	2.5	1.1	2.2	-4.5
Traditional Growth	14.1	24.1	15.4	21.7	-18.3	17.5	17.3	27.0	-9.5
US Equity	12.3	17.1	23.7	25.9	-19.0	26.3	19.6	30.7	-5.1
Domestic Equity Blend BM	12.4	17.1	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2
Over/Under	-0.1	-0.1	-0.1	0.0	0.2	0.6	-1.3	-0.3	0.2
Equity ex-US	16.0	32.4	7.0	17.2	-17.7	8.7	14.5	23.0	-14.4
Custom Int'l Eq Benchmark	13.8	31.8	5.5	15.1	-16.9	7.9	11.9	21.1	-14.7
Over/Under	2.2	0.6	1.5	2.1	-0.9	0.8	2.6	1.9	0.3
REITS	10.6	3.5	8.0	14.0	--	--	--	--	--
Custom REIT Benchmark	10.6	3.7	8.0	14.0	--	--	--	--	--
Over/Under	0.0	-0.1	0.0	0.0	--	--	--	--	--

Returns are net of fees.

Performance Summary | As of September 30, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Stabilized Growth	2.5	10.8	6.4	10.7	-19.6	3.5	5.7	19.3	-6.0
Risk Parity	14.1	16.2	5.8	8.5	-29.8	11.9	6.0	30.3	-9.9
Custom Risk Parity	13.8	15.9	5.1	7.6	-30.3	11.6	5.2	29.9	-10.1
Over/Under	0.3	0.2	0.7	0.9	0.5	0.4	0.7	0.4	0.1
Private Credit	5.8	9.0	--	--	--	--	--	--	--
S&P UBS Leveraged Loans (1Q Lag)	2.5	7.1	--	--	--	--	--	--	--
Over/Under	3.3	1.9	--	--	--	--	--	--	--
Public Credit	-0.6	9.7	6.4	11.1	-13.1	-1.2	6.1	13.3	-4.1
50% BBg US Agg 50% BBg US High Yield	-1.4	8.0	4.7	9.4	-12.0	1.8	7.6	11.5	-1.0
Over/Under	0.9	1.7	1.7	1.6	-1.0	-3.1	-1.5	1.8	-3.1
Principal Protection	-2.7	7.4	1.3	5.3	-12.8	-1.0	9.1	8.7	-0.1
Treasuries	-0.5	6.3	0.4	3.8	-12.4	-2.3	8.1	6.8	0.8
Custom U.S. Treasury Benchmark	-0.5	6.4	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9
Over/Under	0.0	-0.1	-0.2	-0.2	0.1	0.0	0.1	0.0	0.0
Core Fixed Income	-3.3	7.6	1.5	5.3	-12.9	-1.0	9.1	8.7	-0.1
Blmbg. U.S. Aggregate Index	-2.9	7.3	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0
Over/Under	-0.3	0.3	0.2	-0.2	0.1	0.6	1.6	0.0	-0.1
Inflation	8.0	14.4	20.2	15.2	-14.4	11.6	11.7	8.4	-1.3
TIPS	-2.1	7.0	1.8	3.9	-11.9	6.0	10.9	8.4	-1.3
Blmbg. U.S. TIPS Index	-2.1	7.0	1.8	3.9	-11.8	6.0	11.0	8.4	-1.3
Over/Under	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Commodities	32.4	16.3	5.6	-7.6	15.9	30.1	56.2	-32.4	-11.5
Custom Commodities Benchmark	32.9	15.8	5.4	-7.9	16.1	35.5	-23.7	17.6	-13.8
Over/Under	-0.5	0.5	0.2	0.4	-0.2	-5.4	79.9	-50.1	2.3

Returns are net of fees.

Performance Summary | As of September 30, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Gold	-4.3	63.0	27.0	12.9	--	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>	-4.4	62.5	26.6	12.8	--	--	--	--	--
Over/Under	0.1	0.5	0.4	0.0	--	--	--	--	--
Risk Mitgating Strategies	2.8	5.3	3.7	3.8	-14.1	-1.0	2.1	7.4	-1.2
Legacy Hedge Fund	0.0	0.0	0.6	3.2	3.6	9.8	3.6	7.7	-1.5
<i>Custom Hedge Fund Benchmark</i>	4.0	9.8	9.3	9.4	-3.4	10.7	6.1	8.5	-3.2
Over/Under	-4.0	-9.8	-8.7	-6.2	7.0	-0.9	-2.4	-0.8	1.7
Long Duration U.S. Treasury	-8.3	--	--	--	--	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>	-8.3	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Alternative Risk Premia	7.1	--	--	--	--	--	--	--	--
<i>Alternative Risk Premia BM</i>	7.1	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Trend Following	17.5	--	--	--	--	--	--	--	--
<i>Custom Trend Index</i>	17.4	--	--	--	--	--	--	--	--
Over/Under	0.1	--	--	--	--	--	--	--	--
Cash Equivalents	3.0	6.2	5.6	5.3	1.9	0.3	0.8	2.5	2.2
Cash Equivalents	3.0	4.6	5.6	5.3	1.9	0.3	0.8	2.5	2.2
<i>90 Day U.S. Treasury Bill</i>	2.6	4.2	5.3	5.0	1.5	0.0	0.7	2.3	1.9
Over/Under	0.4	0.4	0.3	0.3	0.5	0.3	0.2	0.2	0.3
Additional Annuity	2.8	2.5	2.9	2.7	1.6	1.3	2.1	2.5	2.4
<i>90 Day U.S. Treasury Bill</i>	2.6	4.2	5.3	5.0	1.5	0.0	0.7	2.3	1.9
Over/Under	0.1	-1.6	-2.3	-2.3	0.2	1.3	1.5	0.3	0.5

Returns are net of fees.

Health Care 115 Trust Performance

Allocation vs. Targets			
	Balance (\$)	Current Allocation (%)	Policy (%)
Traditional Growth	7,577,382,372		
U.S. Equity	3,529,719,834	22	22
Non-U.S. Equity	3,748,105,397	24	23
REIT's	299,557,141	2	2
Stabilized Growth	2,835,958,552		
Public Credit (SD/EMD/HY/IGC)	2,292,733,504	15	16
Risk Parity	543,225,047	3	3
Principal Protection	2,539,605,267		
Core Fixed	2,239,302,049	14	15
U.S. Treasury	300,303,218	2	2
Inflation	1,306,825,634		
TIPS	714,559,223	5	4
Commodities	423,715,286	3	2
Gold	168,551,125	1	1
Risk Mitigating Strategies	1,468,020,807		
Legacy Hedge Fund	915,964	0	0
Long Duration U.S. Treasury	487,209,292	3	3
Trend Following	577,697,480	4	3
Alternative Risk Premia	402,198,072	3	3
Cash	27,887,162	0	0
Total	15,755,679,794	100	100

Cash is not included in Total Policy allocation.
High Yield contains both High Yield and Global High Yield.

Performance Summary | As of September 30, 2026

Trailing Period Performance								
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Health Care 115 Trust Fund	15,755,679,794	100.0	-0.2	7.8	10.6	14.6	6.8	8.1
Policy Index Health Care 115 Trust Fund			-0.3	7.2	10.0	14.2	6.4	7.7
Over/Under			0.1	0.6	0.6	0.4	0.4	0.4
Traditional Growth	7,577,382,372	48.1	0.8	14.1	17.8	21.5	11.0	11.8
U.S. Equity	3,529,719,834	22.4	1.2	12.3	15.0	22.1	12.7	14.6
Domestic Equity Blend BM			1.4	12.4	15.1	22.3	12.6	14.7
Over/Under			-0.2	-0.1	-0.1	-0.2	0.1	-0.1
Non-U.S. Equity	3,748,105,397	23.8	1.1	16.0	21.3	21.8	10.1	10.2
Custom Int'l Eq Benchmark			0.7	13.8	19.2	20.2	9.0	9.1
Over/Under			0.4	2.2	2.0	1.6	1.1	1.1
REIT's	299,557,141	1.9	-6.1	10.6	9.8	12.9	4.2	4.9
Custom REIT Benchmark			-6.1	10.6	9.8	12.9	4.1	4.9
Over/Under			0.0	0.0	0.0	0.0	0.0	0.0
Stabilized Growth	2,835,958,552	18.0	-1.8	2.3	4.3	9.2	2.5	4.4
Risk Parity	543,225,047	3.4	0.1	14.1	18.0	15.9	2.2	5.5
Custom Risk Parity			0.1	13.8	17.6	15.4	1.6	4.8
Over/Under			0.0	0.3	0.4	0.5	0.6	0.7

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Public Credit	2,292,733,504	14.6	-2.2	-0.2	1.6	7.9	2.7	3.8
High Yield	986,165,438	6.3	-1.8	0.1	1.5	7.5	3.3	4.8
<i>Blmbg. U.S. Corp: High Yield Index</i>			-1.8	0.1	1.4	8.0	3.6	5.0
Over/Under			0.0	0.0	0.1	-0.5	-0.3	-0.3
Investment Grade Credit	477,715,537	3.0	-4.3	-3.3	-2.4	4.9	--	--
<i>Blmbg. U.S. Corporate Investment Grade Index</i>			-3.9	-3.1	-2.3	5.0	--	--
Over/Under			-0.3	-0.2	-0.1	-0.1	--	--
Emerging Market Debt	232,224,492	1.5	-1.9	2.1	6.2	11.2	4.3	3.8
<i>Custom 50/50 JPM EMB and Govt</i>			-2.5	-0.3	2.9	8.6	2.2	2.5
Over/Under			0.6	2.5	3.3	2.6	2.1	1.2
Securitized Debt	596,628,038	3.8	-1.2	1.2	3.3	10.2	3.3	4.9
<i>Custom Securitized Debt Benchmark</i>			-0.8	1.3	3.1	9.6	1.6	3.1
Over/Under			-0.4	0.0	0.1	0.6	1.8	1.9
Principal Protection	2,539,605,267	16.1	-3.5	-2.9	-1.8	4.1	-0.6	1.4
US Treasury	300,303,218	1.9	-0.9	-0.5	0.6	4.0	-0.7	0.8
<i>Custom U.S. Treasury Benchmark</i>			-0.9	-0.5	0.7	4.0	-0.6	0.8
Over/Under			0.0	0.0	-0.1	0.0	-0.1	0.0
Core Fixed	2,239,302,049	14.2	-3.9	-3.3	-2.1	4.1	-0.6	1.4
<i>Blmbg. U.S. Aggregate Index</i>			-3.5	-2.9	-1.8	4.1	-0.6	1.1
Over/Under			-0.4	-0.3	-0.3	0.0	0.0	0.2

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Inflation	1,306,825,634	8.3	3.4	8.6	12.8	10.4	5.6	5.6
TIPS	714,559,223	4.5	-3.2	-2.1	-2.0	3.8	0.0	2.1
Blmbg. U.S. TIPS Index			-3.2	-2.1	-2.0	3.8	0.0	2.1
Over/Under			0.0	0.0	0.0	0.0	0.0	0.0
Commodities	423,715,286	2.7	16.1	32.4	40.2	15.8	11.5	7.9
Custom Commodities Benchmark			16.2	32.9	40.6	15.6	11.3	7.3
Over/Under			-0.1	-0.5	-0.4	0.1	0.2	0.5
Gold	168,551,125	1.1	3.2	-4.3	7.5	30.2	--	--
Bloomberg Gold Subindex Total Return			3.1	-4.4	7.2	29.9	--	--
Over/Under			0.1	0.1	0.2	0.4	--	--
Risk Mitigating Strategies	1,468,020,807	9.3	0.7	4.4	6.1	5.5	1.3	2.1
RMS ex Legacy Hedge Funds	1,467,104,843	9.3	0.4	4.5	6.2	--	--	--
Custom Risk Mitigation Strategies BM			0.0	2.4	3.5	--	--	--
Over/Under			0.4	2.1	2.7	--	--	--
Long Duration U.S. Treasury	487,209,292	3.1	-8.9	-8.3	-8.8	--	--	--
Blmbg. U.S. Treasury: 20+ Year			-8.9	-8.3	-8.8	--	--	--
Over/Under			0.0	0.0	0.0	--	--	--
Alternative Risk Premia	402,198,072	2.6	1.7	7.1	9.5	--	--	--
Alternative Risk Premia BM			1.6	7.1	9.5	--	--	--
Over/Under			0.0	0.0	0.0	--	--	--
Trend Following	577,697,480	3.7	8.0	17.5	24.3	--	--	--
Custom Trend Index			8.0	17.4	24.2	--	--	--
Over/Under			0.0	0.1	0.1	--	--	--

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Legacy Hedge Fund	915,964	0.0	0.0	0.0	0.0	2.1	2.4	3.5
Custom Hedge Fund Benchmark			-1.6	4.0	5.9	9.2	5.9	5.9
Over/Under			1.6	-4.0	-5.9	-7.2	-3.5	-2.4
Cash	27,887,162	0.2	1.0	3.0	4.0	4.8	4.1	2.7
Cash	27,887,162	0.2	1.0	3.0	4.0	4.8	4.1	2.7
90 Day U.S. Treasury Bill			0.9	2.6	3.6	4.5	3.7	2.4
Over/Under			0.1	0.3	0.4	0.3	0.4	0.3

Returns are net of fees.

Performance Summary | As of September 30, 2026

	Calendar Year Performance								
	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Health Care 115 Trust Fund	7.8	16.4	10.0	14.0	-15.5	14.4	11.0	19.6	-5.8
Policy Index Health Care 115 Trust Fund	7.2	16.1	9.5	13.6	-15.5	13.8	10.1	19.2	-6.0
Over/Under	0.6	0.3	0.5	0.3	0.0	0.6	0.8	0.4	0.2
Traditional Growth	14.1	23.2	14.5	20.8	-19.1	21.2	12.0	26.6	-8.8
U.S. Equity	12.3	17.1	23.7	25.9	-19.0	26.3	19.6	30.7	-5.1
Domestic Equity Blend BM	12.4	17.1	23.8	26.0	-19.2	25.7	20.9	31.0	-5.2
Over/Under	-0.1	-0.1	-0.1	0.0	0.2	0.6	-1.3	-0.3	0.2
Non-U.S. Equity	16.0	32.4	7.0	17.3	-17.7	8.7	14.5	22.9	-14.4
Custom Int'l Eq Benchmark	13.8	31.8	5.5	15.1	-16.9	7.9	11.9	21.1	-14.7
Over/Under	2.2	0.6	1.5	2.1	-0.9	0.8	2.6	1.8	0.3
REIT's	10.6	3.6	8.0	14.0	-25.9	46.0	-11.4	23.2	-4.1
Custom REIT Benchmark	10.6	3.7	8.0	14.0	-26.0	45.9	-11.2	23.1	-4.2
Over/Under	0.0	-0.1	0.0	0.0	0.2	0.1	-0.2	0.1	0.1
Stabilized Growth	2.3	10.6	7.0	10.1	-15.6	4.0	5.9	19.3	-6.0
Risk Parity	14.1	16.2	5.7	8.5	-29.8	11.9	6.0	30.3	-9.9
Custom Risk Parity	13.8	15.9	5.1	7.6	-30.3	11.6	5.2	29.9	-10.1
Over/Under	0.3	0.2	0.7	0.9	0.5	0.4	0.7	0.4	0.1
Public Credit	-0.2	9.6	7.3	10.7	-12.1	2.1	6.2	13.3	-4.0
High Yield	0.1	8.3	7.1	12.5	-10.6	5.0	7.2	14.6	-2.3
Blmbg. U.S. Corp: High Yield Index	0.1	8.6	8.2	13.4	-11.2	5.3	7.1	14.3	-2.1
Over/Under	0.0	-0.3	-1.1	-0.9	0.6	-0.3	0.1	0.3	-0.2

Returns are net of fees.

Performance Summary | As of September 30, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Investment Grade Credit	-3.3	8.2	2.0	--	--	--	--	--	--
Blmbg. U.S. Corporate Investment Grade Index	-3.1	7.8	2.1	--	--	--	--	--	--
Over/Under	-0.2	0.4	-0.1	--	--	--	--	--	--
Emerging Market Debt	2.1	18.1	4.2	16.6	-13.8	-5.0	5.1	13.2	-6.0
Custom 50/50 JPM EMB and Govt	-0.3	16.4	1.6	11.6	-14.1	-5.2	4.3	14.0	-5.3
Over/Under	2.5	1.7	2.6	5.0	0.3	0.2	0.7	-0.8	-0.7
Securitized Debt	1.2	10.2	13.8	7.4	-13.2	5.2	7.4	11.7	3.2
Custom Securitized Debt Benchmark	1.3	8.5	14.7	-0.4	-13.2	4.5	1.2	10.7	2.8
Over/Under	0.0	1.6	-0.9	7.8	-0.1	0.7	6.2	1.0	0.4
Principal Protection	-2.9	7.5	1.4	5.3	-12.9	-1.0	9.1	8.7	-0.1
Core Fixed	-3.3	7.6	1.5	5.3	-12.9	-1.0	9.1	8.7	-0.1
Blmbg. U.S. Aggregate Index	-2.9	7.3	1.3	5.5	-13.0	-1.5	7.5	8.7	0.0
Over/Under	-0.3	0.3	0.2	-0.2	0.1	0.6	1.6	0.0	-0.1
US Treasury	-0.5	6.3	0.4	3.8	-12.4	-2.3	8.1	6.8	0.8
Custom U.S. Treasury Benchmark	-0.5	6.4	0.6	4.1	-12.5	-2.3	8.0	6.9	0.9
Over/Under	0.0	-0.1	-0.2	-0.2	0.0	0.0	0.1	0.0	0.0
Inflation	8.6	14.4	6.0	1.2	-2.3	17.9	2.4	10.4	-4.0
TIPS	-2.1	7.0	1.8	3.9	-11.8	6.0	10.9	8.4	-1.3
Blmbg. U.S. TIPS Index	-2.1	7.0	1.8	3.9	-11.8	6.0	11.0	8.4	-1.3
Over/Under	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Commodities	32.4	16.3	5.6	-7.5	15.9	37.0	-22.0	17.5	-13.6
Custom Commodities Benchmark	32.9	15.8	5.4	-7.9	16.1	35.5	-23.7	17.6	-13.8
Over/Under	-0.5	0.5	0.2	0.4	-0.2	1.5	1.8	-0.1	0.2

Returns are net of fees.

Performance Summary | As of September 30, 2026

	2026 (%)	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Gold	-4.3	63.0	27.0	12.9	--	--	--	--	--
<i>Bloomberg Gold Subindex Total Return</i>	-4.4	62.5	26.6	12.8	--	--	--	--	--
Over/Under	0.1	0.5	0.4	0.0	--	--	--	--	--
Risk Mitigating Strategies	4.4	4.5	1.6	3.8	-11.2	3.7	2.1	7.1	-1.2
RMS ex Legacy Hedge Funds	4.5	--	--	--	--	--	--	--	--
<i>Custom Risk Mitigation Strategies BM</i>	2.4	--	--	--	--	--	--	--	--
Over/Under	2.1	--	--	--	--	--	--	--	--
Long Duration U.S. Treasury	-8.3	--	--	--	--	--	--	--	--
<i>Blmbg. U.S. Treasury: 20+ Year</i>	-8.3	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Alternative Risk Premia	7.1	--	--	--	--	--	--	--	--
<i>Alternative Risk Premia BM</i>	7.1	--	--	--	--	--	--	--	--
Over/Under	0.0	--	--	--	--	--	--	--	--
Trend Following	17.5	--	--	--	--	--	--	--	--
<i>Custom Trend Index</i>	17.4	--	--	--	--	--	--	--	--
Over/Under	0.1	--	--	--	--	--	--	--	--
Legacy Hedge Fund	0.0	0.0	0.6	3.2	3.6	9.8	3.6	7.7	-1.5
<i>Custom Hedge Fund Benchmark</i>	4.0	9.8	9.3	9.4	-3.4	10.7	6.1	8.5	-3.2
Over/Under	-4.0	-9.8	-8.7	-6.2	7.0	-0.9	-2.4	-0.8	1.7
Cash	3.0	4.5	5.6	5.4	1.9	0.3	0.8	2.5	2.2

Returns are net of fees.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Yield to Worst: The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

NCREIF Property Index (NPI): Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE): Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.



OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

MEMORANDUM

DATE: October 21, 2026

TO: OPERS Board of Trustees

FROM: Tonya Brown, Deputy Executive Director

RE: **V. B. CEM Pension Administration Benchmarking Analysis for Fiscal Year 2025**

Purpose – Christopher Doll, Director of Client Coverage with CEM will be presenting the pension administration results for fiscal year 2025. Mr. Doll is the account manager responsible for the OPERS account. His bio is provided below for reference.

Background - Annually OPERS participates with CEM Benchmarking. CEM is an independent provider of objective and actionable benchmarking information for large pools of capital including pension funds, endowments/foundations, and sovereign wealth funds. CEM specializes in benchmarking cost and performance of investments and administration, making “apples to apples” comparisons and providing insights into best practices.

OPERS participates in this survey to measure cost, service levels and organizational performance. OPERS also uses the service to take part in “Best Practices” among its peer group. Today’s presentation will highlight the following:

- Pension administration cost per member
- Service scores by activity level
- Service areas to improve or reduce cost
- Overall service score in comparison to our peers

Next Steps - OPERS staff will continue to participate in the CEM services to support business decisions and monitor administrative cost.



Christopher Doll

Director, Client Coverage

Email: chrisd@cembenchmarking.com



Christopher Doll joined CEM as a Director of Client Coverage in 2023 and is responsible client coverage in the U.S. market. He is deeply passionate about improving the lives of retirees, insisting on a client-first approach to our growth. He brings over 20 years asset management experience with a focus on client relations, product management and development and marketing. Prior to joining CEM, Christopher launched multiple asset managers and helped build the Canadian ETF business for a multinational asset manager. He was a frequent speaker at industry conferences. He holds a Bachelor of Commerce (Honours) from the University of Ottawa. Christopher lives in Oakville with his wife and two daughters.

[CEM Benchmarking](#) is the leading, independent provider of cost and performance benchmarking information for fiduciaries and managers of asset pools: defined benefit, defined contribution, sovereign wealth, and other managed assets worldwide. CEM is deeply committed to helping clients, whether directly or through advisors/consultants, run cost-effective operations that generate value for their stakeholders. With vast industry knowledge and a robust database spanning 30 years and \$14+ trillion in AUM, CEM helps ~500 funds every year - including more than half of the world's top 300 - understand and manage their costs and performance. CEM also facilitates better pension outcomes by both sharing cutting edge research derived from its proprietary databases and hosting annual conferences.



372 Bay Street, # 1000. Toronto, ON. M5H 2W9
www.cembenchmarking.com | Tel: +1 416 369 0568

Management Insights Report

DB Administration Benchmarking Subscription



CEM

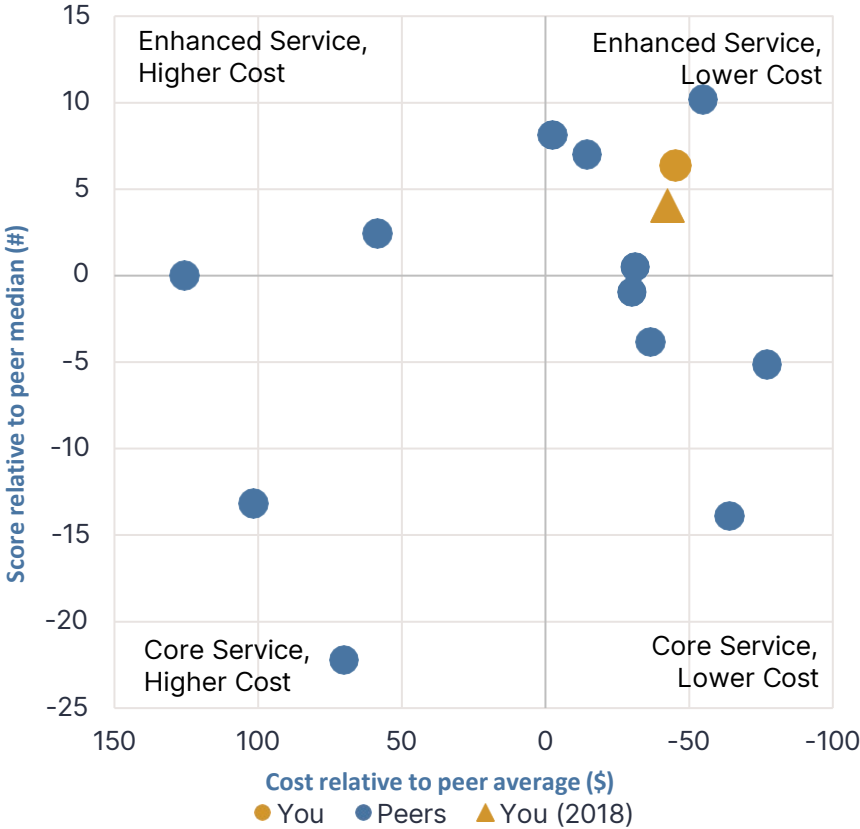
You were positioned as delivering higher member service at a lower administrative cost relative to peers.

Your peer group comprises 13 funds with a median membership of 1,040,030 members.

Peer group	Total members ¹
Ohio PERS	1,348,454
Minimum	435,335
25th percentile	669,038
Median	1,040,030
75th percentile	1,265,738
Maximum	2,389,533
Average	1,069,242
Count	13

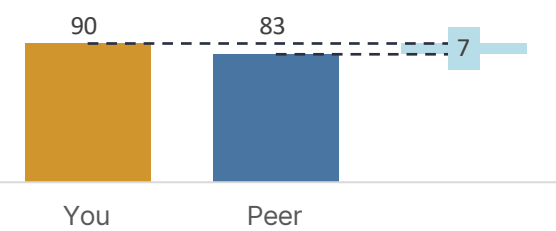
1. Members are active, inactive members and annuitants.

Member service score versus administration costs, 2025 (#)



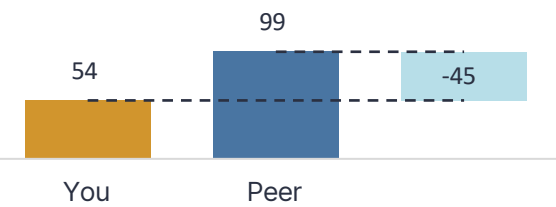
Member service score, 2025 (#)

Your member service score of 90 out of 100 was 7 points higher than the peer median of 83.



Administration costs (adjusted), 2025 (\$)

Your cost of \$54 per member was \$45 lower than the peer average of \$99.



Insights are based on the 91 global pension systems that participate in the benchmarking subscription.

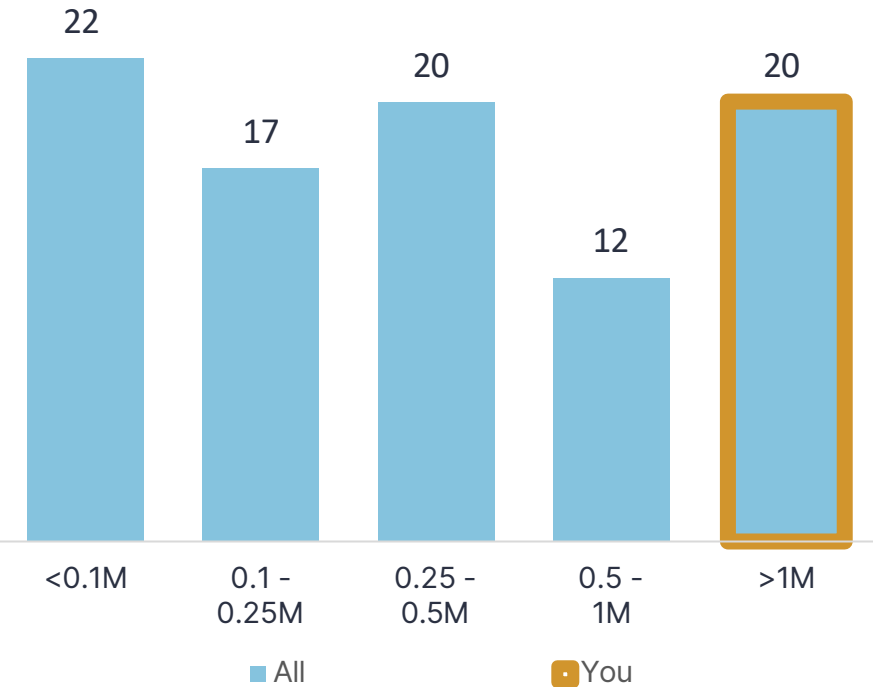
91
FUNDS

50M
ACTIVE MEMBERS

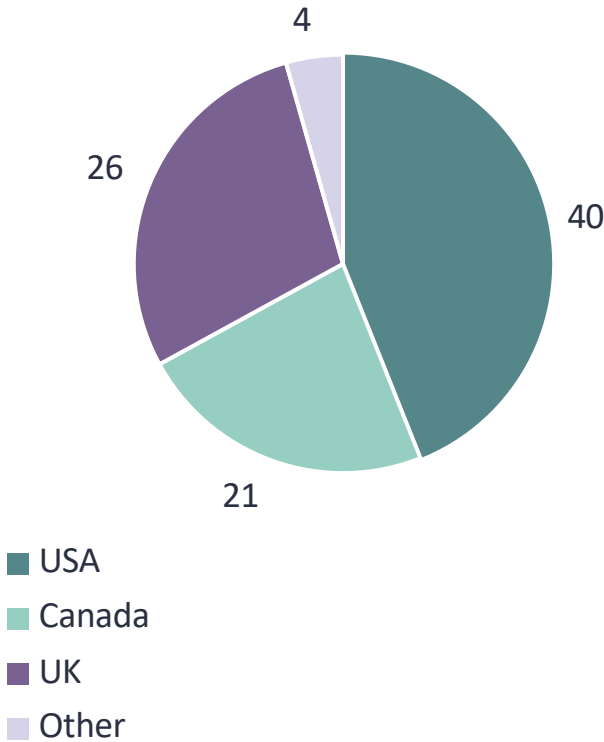
27M
INACTIVE MEMBERS

17M
ANNUITANTS

Funds by number of members, 2025 (#)
You belong to the cohort of 20 funds with more than 1,000,000 members. You have 1,348,454 members.

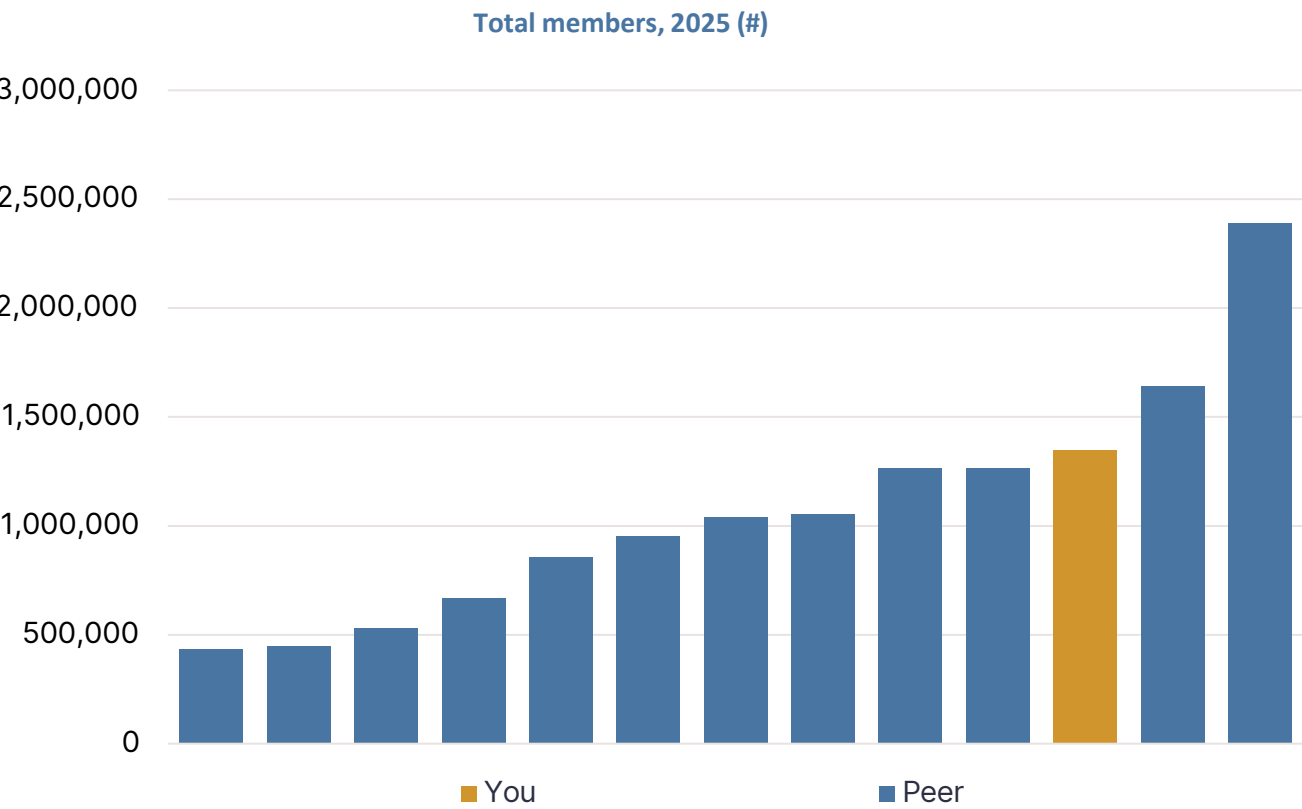


Funds by region, 2025 (%)

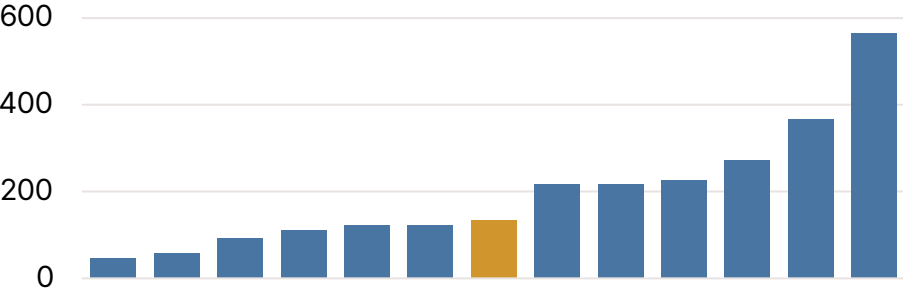


Your peer group comprises 13 funds with a median membership of 1,040,030 members. You have 1,348,454 active, inactive members and annuitants.

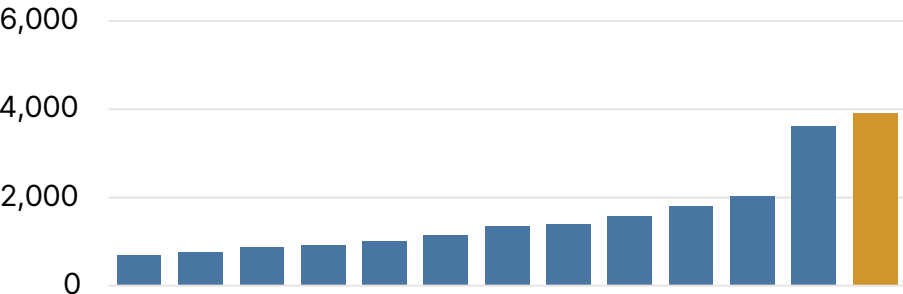
2025 peer group for Ohio PERS



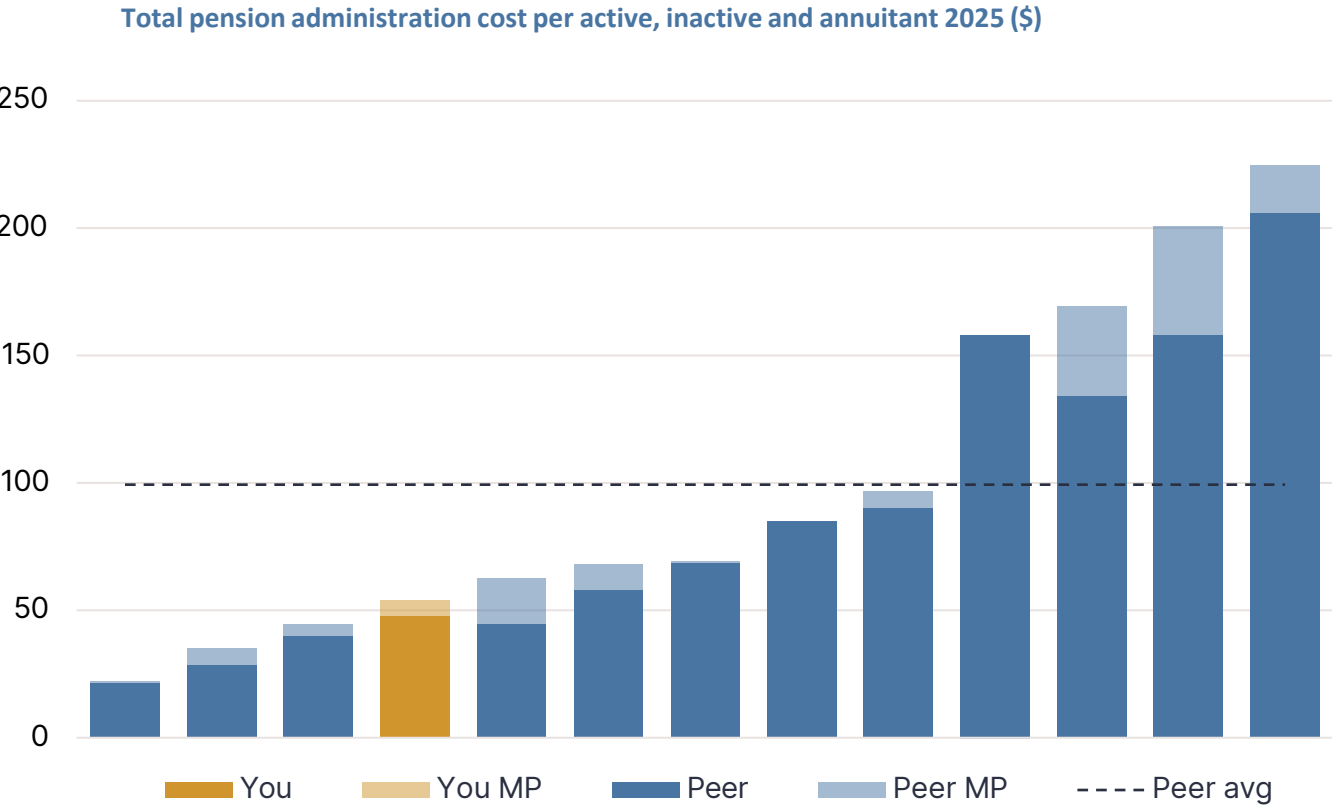
Assets, 2025 (\$ billions)



Employers, 2025 (#)



Your total pension administration cost of \$54 per active, inactive and annuitant was \$45 below the peer average of \$99.



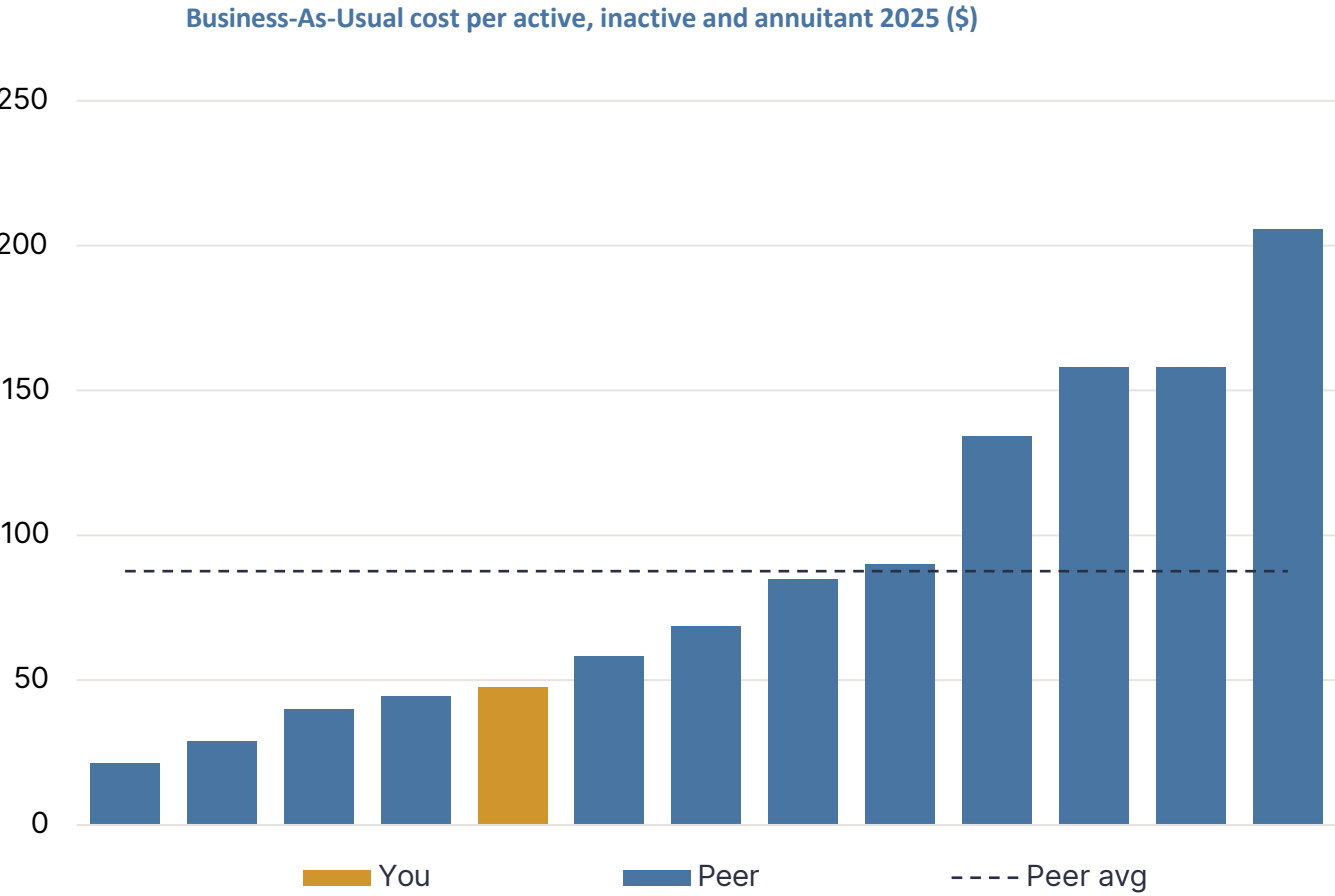
1. Major project costs are denoted by the lighter shading on the bars. These one-off costs correspond to administration projects only.

Total pension administration cost breakdown, 2025 (\$)
Your business-as-usual cost of \$48 per member was \$39 below the peer average of \$87.

Category	Cost per member (\$)	
	You	Peer avg
Business-As-Usual Costs	48	88
Major Project Costs ¹	7	12
Total ²	54	99

2. Your total pension administration cost of \$73 million or \$54 per active, inactive and annuitant also excludes the fully-attributed cost of administering healthcare, and optional and third-party administered benefits of \$6 million or \$4 per member.

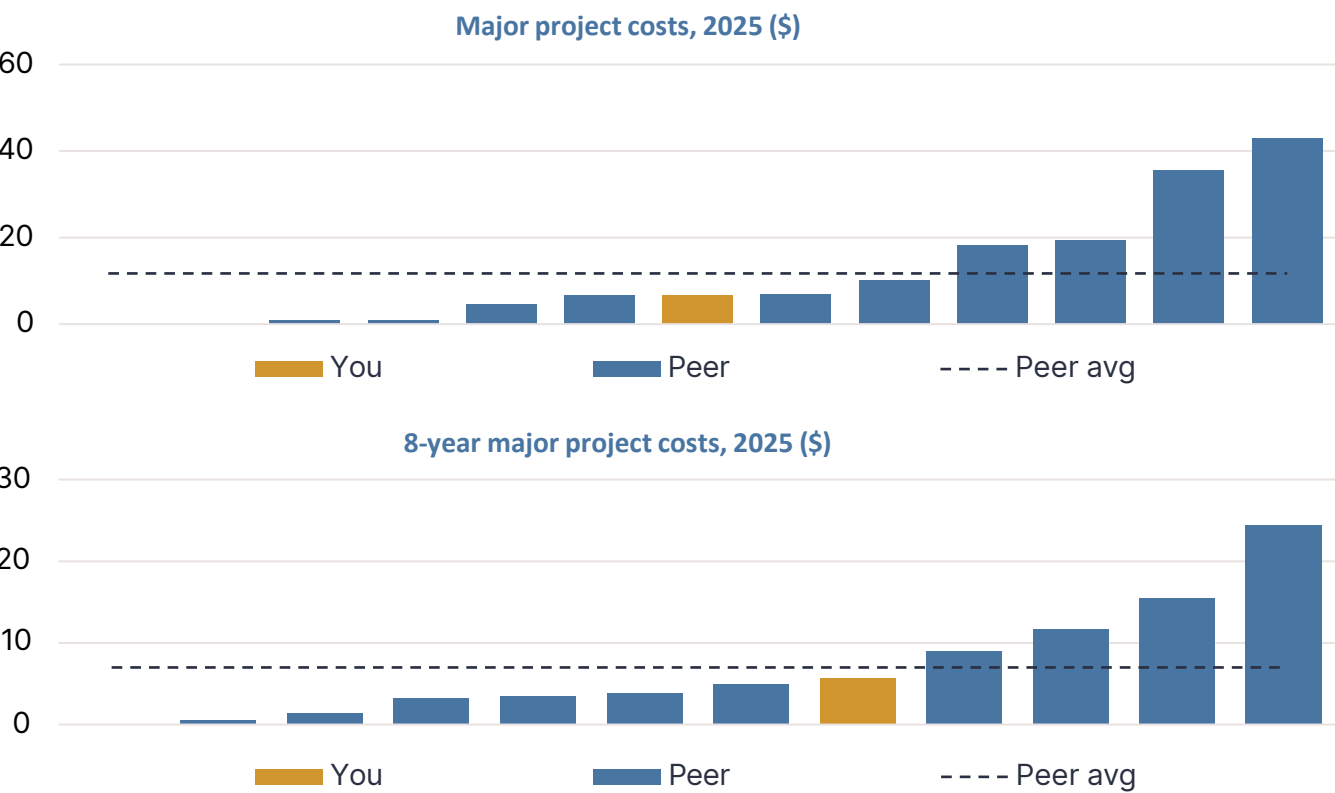
Your Business-As-Usual cost of \$48 per member was \$40 below the peer average of \$88.



Business-As-Usual cost breakdown, 2025 (\$)

Category	Cost per member (\$)	
	You	Peer avg
Front office		
Member transactions	3	12
Member communication	10	13
Collections and data maintenance	2	7
Governance and support		
Governance and financial control	4	6
Information technology	18	29
Building	4	5
HR	1	3
Actuarial	1	1
Legal	1	3
Audit	2	1
Pay-as-you-go	0	1
Other support services	2	5
Total	48	88

Your Major Project costs of \$7 per active, inactive and annuitant was \$5 below the peer average of \$12.



1. These costs are averaged over as many years as possible based on the system participation record, with a maximum of 8 years. Systems that have submitted less than 8 years of data are excluded.

Category	Cost per member (\$)	
	You	Peer avg
Single year 2024/2025	7	12
Multi-year average ¹	6	7

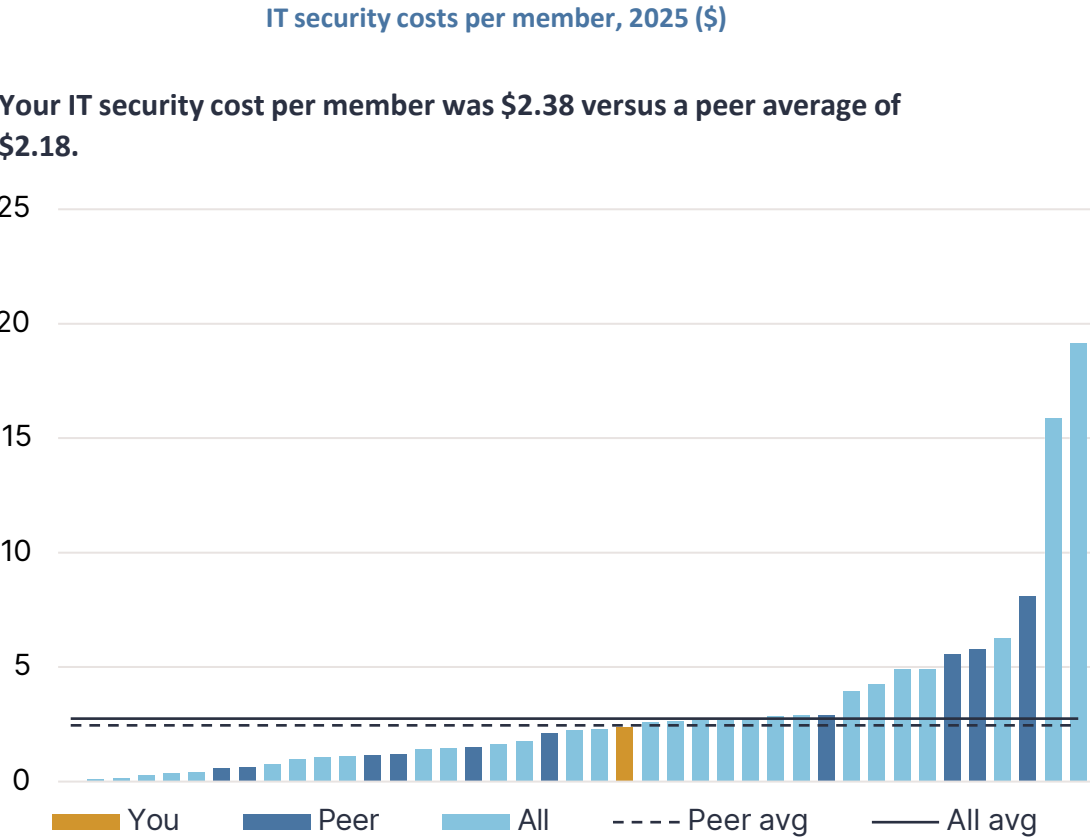
- What is included in major project costs:
- One-off costs that were not capitalized.
 - Current year amortization on capitalized costs.
 - Excluding attributed costs for healthcare, and optional and third-party administered benefits, if applicable.
- Project costs reported this year by you:
- 2025 Requirement discussions, process mapping, project steering meetings, decision evaluations, data review - \$1.6 M

Reasons why your total cost per member was \$45 below the peer average:

Reason	You	Peer avg	Impact \$ per member
1 Fewer front office FTE per 10,000 members	1.2 FTE	2.5 FTE	-\$20
2 Lower third party costs per member in the front office	\$2	\$4	-\$3
3 Higher costs per FTE			
Salaries and Benefits ¹	\$137,602	\$137,152	
Building and Utilities	\$18,980	\$12,925	
HR	\$4,904	\$6,274	
IT Desktop, Networks, Telecom	<u>\$19,802</u>	<u>\$18,033</u>	
Total	\$181,288	\$174,384	\$3
4 Lower support costs per member (mainly driven by IT strategy, database, applications) ²			
Governance and Financial Control	\$5	\$7	
Major Projects	\$7	\$13	
IT Strategy, Database, Applications	\$13	\$23	
IT Security	\$3	\$3	
Actuarial, Legal, Audit, Other	<u>\$6</u>	<u>\$13</u>	
Total	\$34	\$59	-\$25
Total			-\$45

1. 29% of your total salaries and benefits relates to benefits. This compares to a peer average of 34%.
2. To avoid double counting, governance and support costs are adjusted for differences in cost per FTE.

IT security is an increasing concern for all systems. Your costs and staffing of IT security compare to your peers as follows:

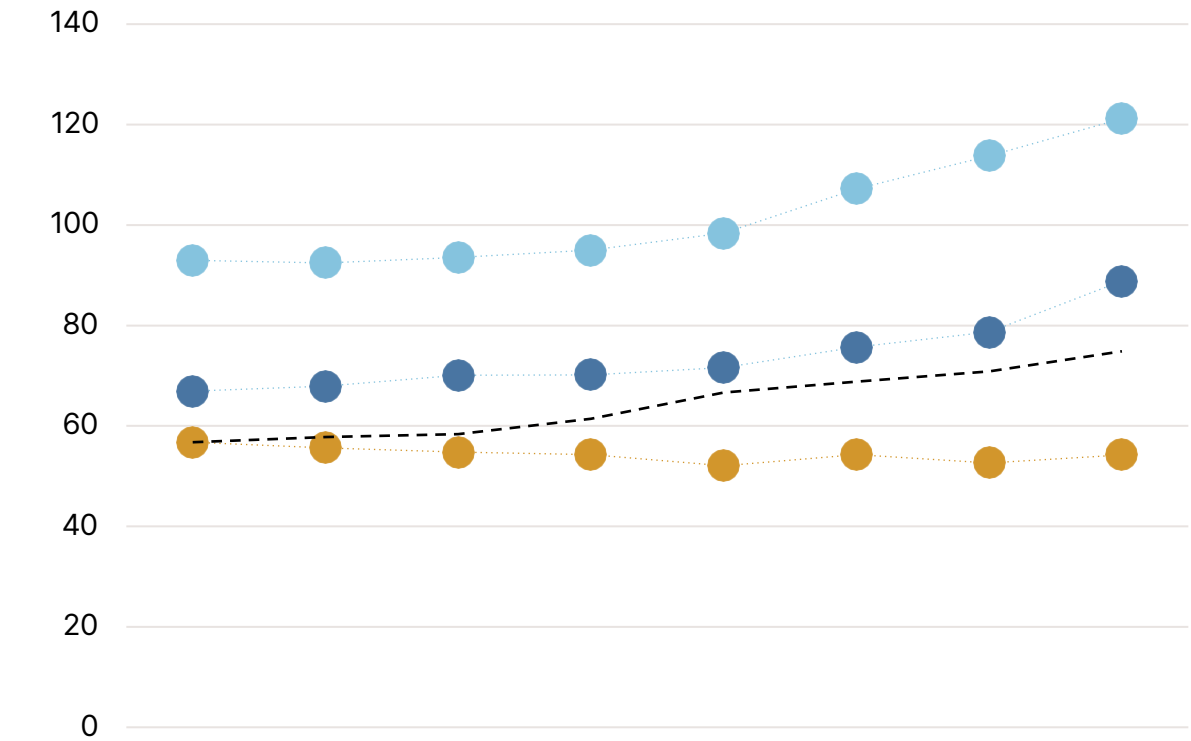


1. Trend analysis is based on systems that have provided 4 consecutive years of data (13 of your 13 peers and 35 of the 46 systems in the universe).

Your total pension administration costs per active, inactive and annuitant increased by 2.9% in the year.

Your total pension administration costs per active, inactive and annuitant decreased by 0.7% per annum over the last 8 years.

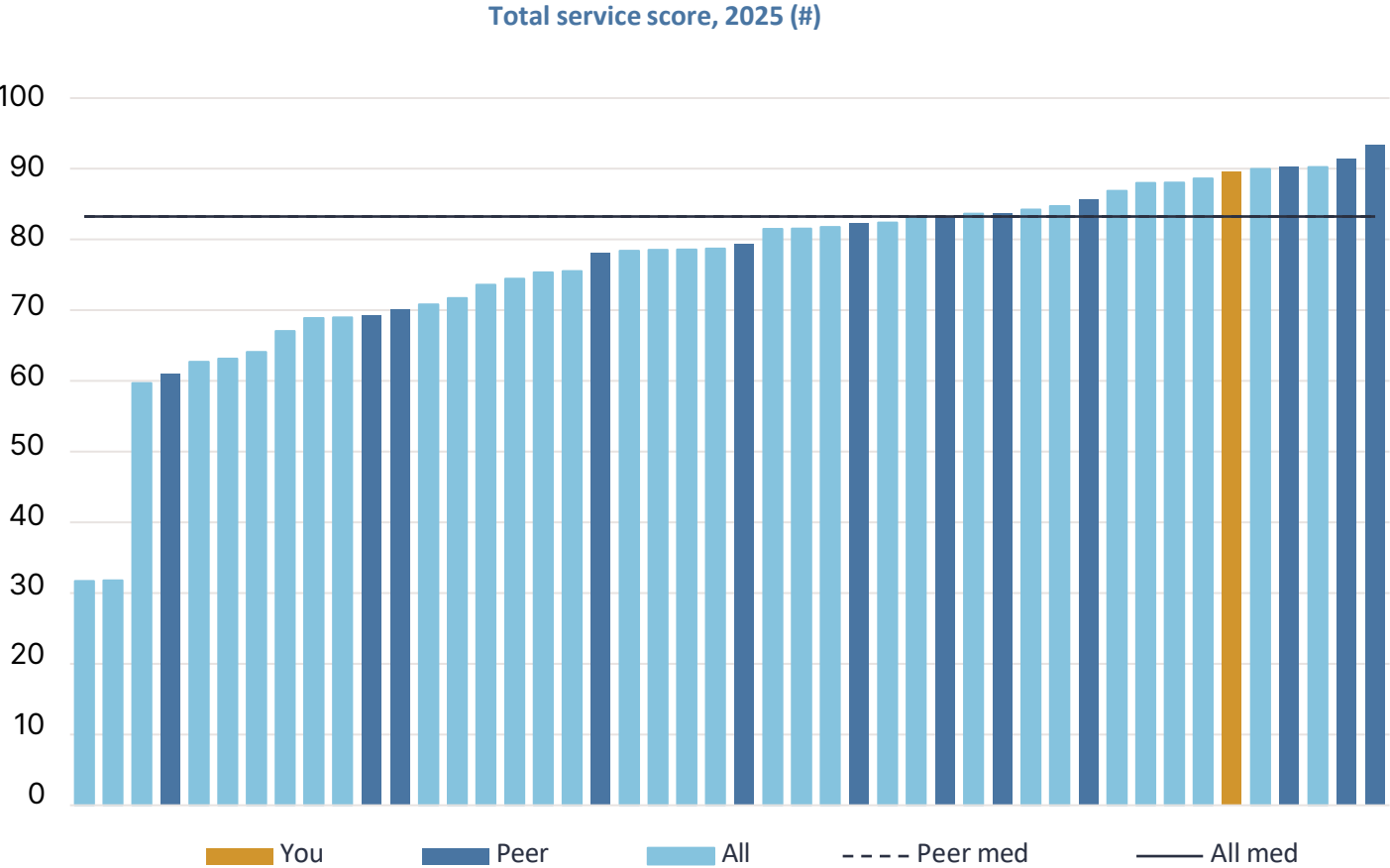
Your pension administration cost per active, inactive member and annuitant, 2025 (\$)



	2018	2019	2020	2021	2022	2023	2024	2025	8-yr
● You	57	56	55	54	52	54	53	54	-0.7%
● Peer	67	68	70	70	72	76	79	89	4.1%
● All	93	92	94	95	98	107	114	121	3.9%
--- CPI	\$57	\$58	\$58	\$61	\$67	\$69	\$71	\$75	4.0%

1. Trend analysis is based on systems that have provided 8 consecutive years of data (12 of your 13 peers and 31 of the 46 systems in the universe).

Your total service score was 90. This was above the peer median of 83.



Service scores by journey, 2025 (#)

Experience	Weight	You	Peer
		Score	median
Active member	30%	88	79
Inactive member	5%	76	74
Retiring	35%	90	81
Annuitant	30%	94	90
Total service score	100%	90	83

Your service score for active member experience was 88. This was above the peer median of 79.

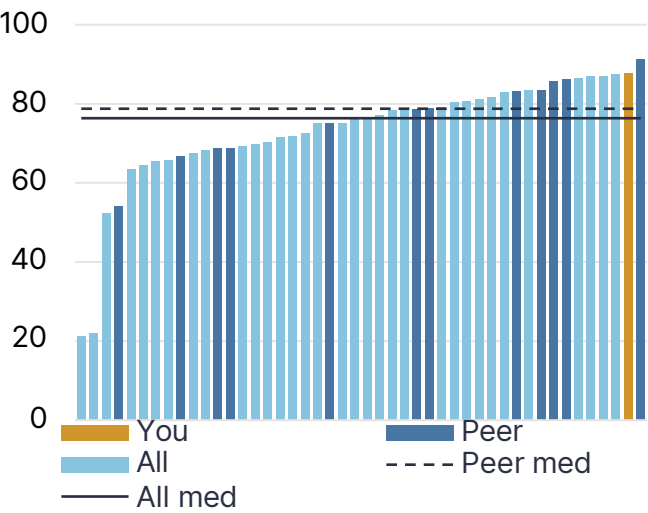
YOUR STRENGTHS

Activity	Key drivers
Transactions Purchases and transfers-in	You offer several self-service transactions (calculators and submissions of applications). Your timeliness of written service credit purchase estimates is fast.
Telephone Contact center	Your members reach a service representative faster compared to your peers: within 180 seconds vs 455 seconds (applicable to all four journeys).

YOUR OPPORTUNITIES

Activity	Key drivers
---	You score on par or well above your peers, and as such none of the activities have a negative impact.

Active member service score, 2025 (#)



Activity	Weight	You	Peer
		Score	median
Transactions	20%	99	74
Communication	25%	76	74
Digital	30%	93	93
Telephone	18%	81	71
Meeting members	8%	93	93
Total service score	100%	88	79

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your service score for inactive member experience was 76.

This was above the peer median of 74.

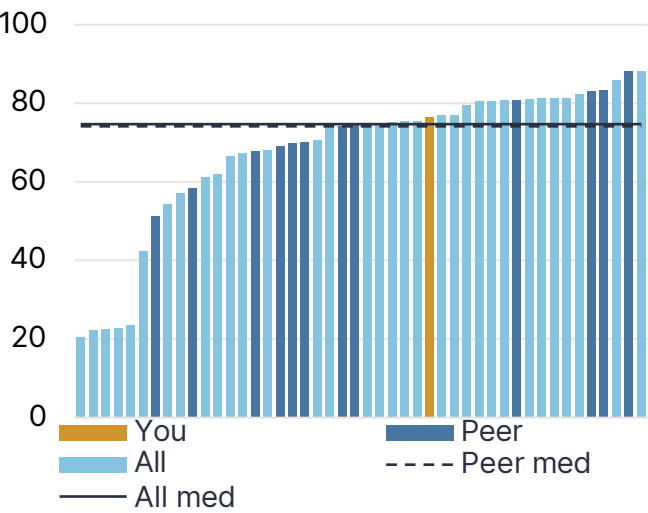
YOUR STRENGTHS

Activity	Key drivers
Transactions Tracking	You have more inactive member email addresses in your database, and only a small portion of your inactives hasn't received their benefits because they're 'lost'.
Communication Feedback	You survey your inactive members. Not all of your peers do.

YOUR OPPORTUNITIES

Activity	Key drivers
Digital Secure website	Less of your inactive members visit the secure member area.
Communication Outbound	You do not customize outbound communications for your inactive members.

Inactive member service score, 2025 (#)



Activity	Weight	You Score	Peer median
Transactions	18%	100	87
Communication	25%	64	51
Digital	40%	72	88
Telephone	18%	81	71
Total service score	100%	76	74

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your service score for retiring experience was 90. This was above the peer median of 81.

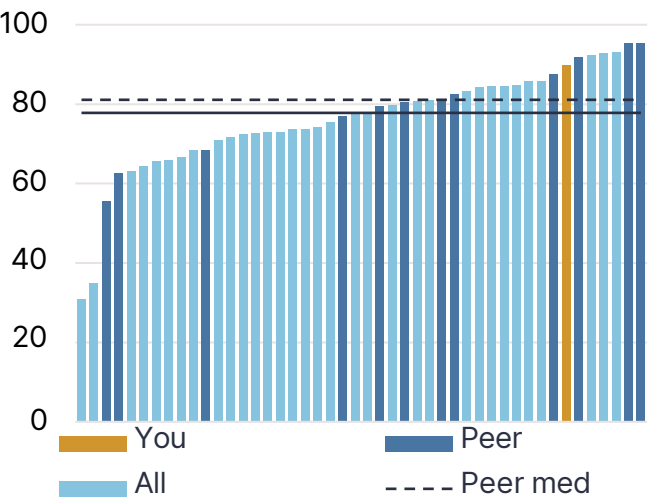
YOUR STRENGTHS

Activity	Key drivers
Communication Outbound	You customize outbound communications for your active and inactive members that are approaching retirement.
Communication Feedback	You survey your retiring members on their retirement and disability experiences and other transactions as well.

YOUR OPPORTUNITIES

Activity	Key drivers
---	As with your active member experience, you score on par or well above your peers, and as such none of the activities have a negative impact.

Retiring member service score, 2025 (#)



Activity	You		Peer median
	Weight	Score	
Transactions	38%	87	85
Communication	13%	100	88
Digital	20%	94	96
Telephone	18%	81	71
Meeting members	13%	94	94
Total service score	100%	90	81

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your service score for annuitant experience was 94. This was above the peer median of 90.

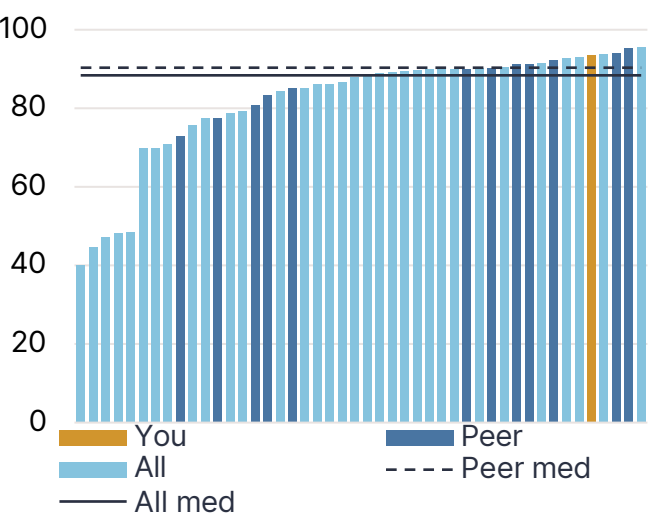
YOUR STRENGTHS

Activity	Key drivers
Communication Outbound	You customize outbound communications for your annuitants. You also have most of your annuitants' email addresses in your database.
Telephone Contact center	Overall, you show stronger contact center metrics than most, offering a great range of CRM capabilities, and high First Contact Resolution.

YOUR OPPORTUNITIES

Activity	Key drivers
---	As with your active member experience, you score on par or well above your peers, and as such none of the activities have a negative impact.

Annuitant service score, 2025 (#)

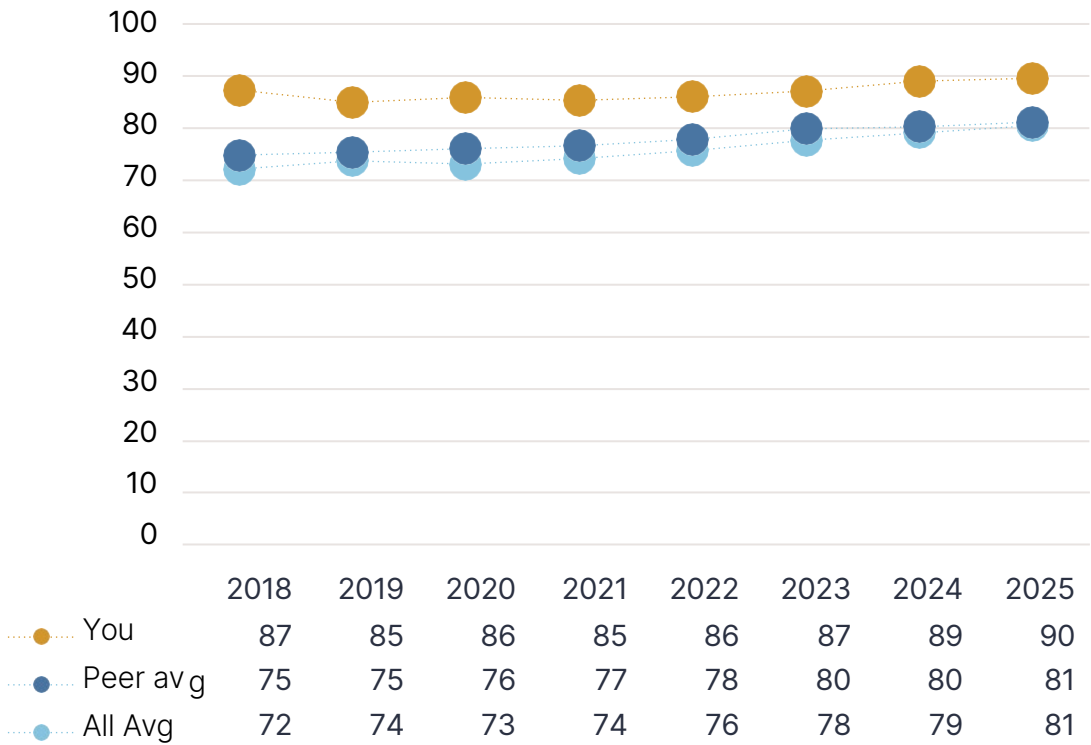


Activity	Weight	You	Peer
		Score	median
Transactions	35%	98	97
Communication	15%	83	74
Digital	33%	100	98
Telephone	18%	81	71
Total service score	100%	94	90

Green and red highlighting shows where your weighted score is 10% higher or 10% lower than the peer median.

Your service score has increased from 87 to 90 between 2018 and 2025.

Service score trend, 2025 (#)¹



1. Trend analysis is based on systems that have provided 8 consecutive years of data (12 of your 13 peers and 31 of the 46 systems in the universe).

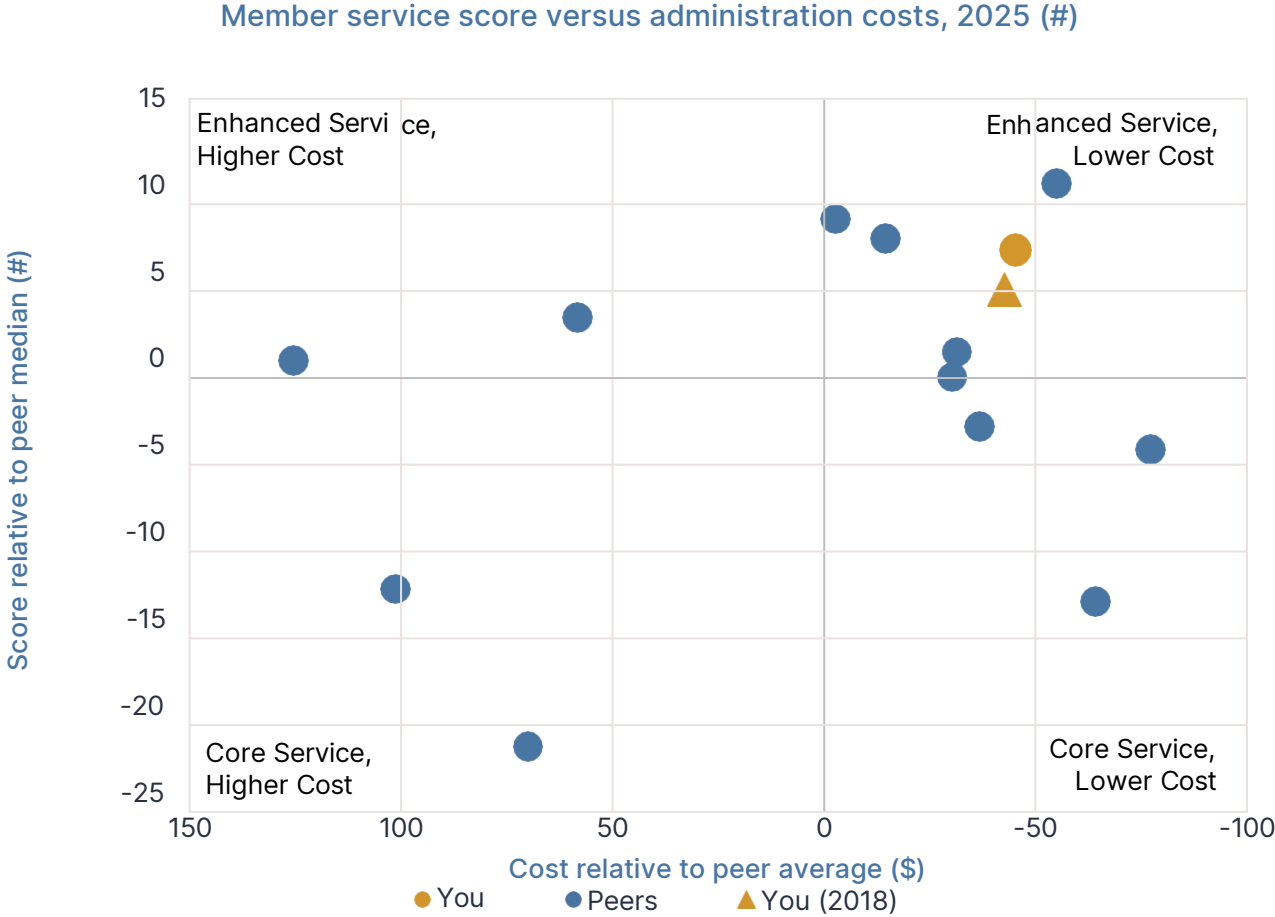
Changes that had a positive impact compared to last year

Website - secure area: Increased visits year-over-year had the largest impact.

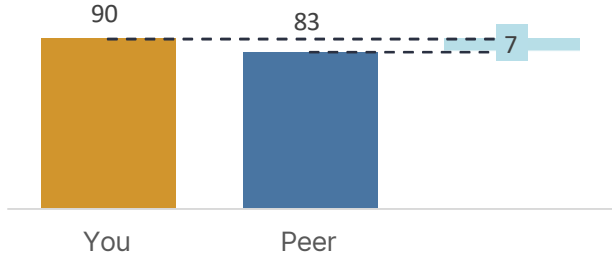
Changes that had a negative impact compared to last year

Contact center: Your call wait time increased from 133 s to 180 s, and your undesired call outcomes increased from 21% to 33% due to understaffing.

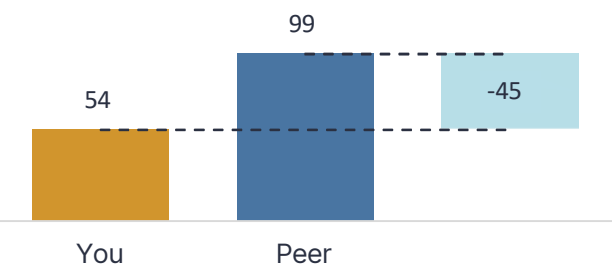
You were positioned as delivering higher member service at a lower administrative cost relative to peers.



Member service score, 2025 (#)
Your member service score of 90 out of 100 was 7 points higher than the peer median of 83.



Administration costs (adjusted), 2025 (\$)
Your cost of \$54 per member was \$45 lower than the peer average of \$99.

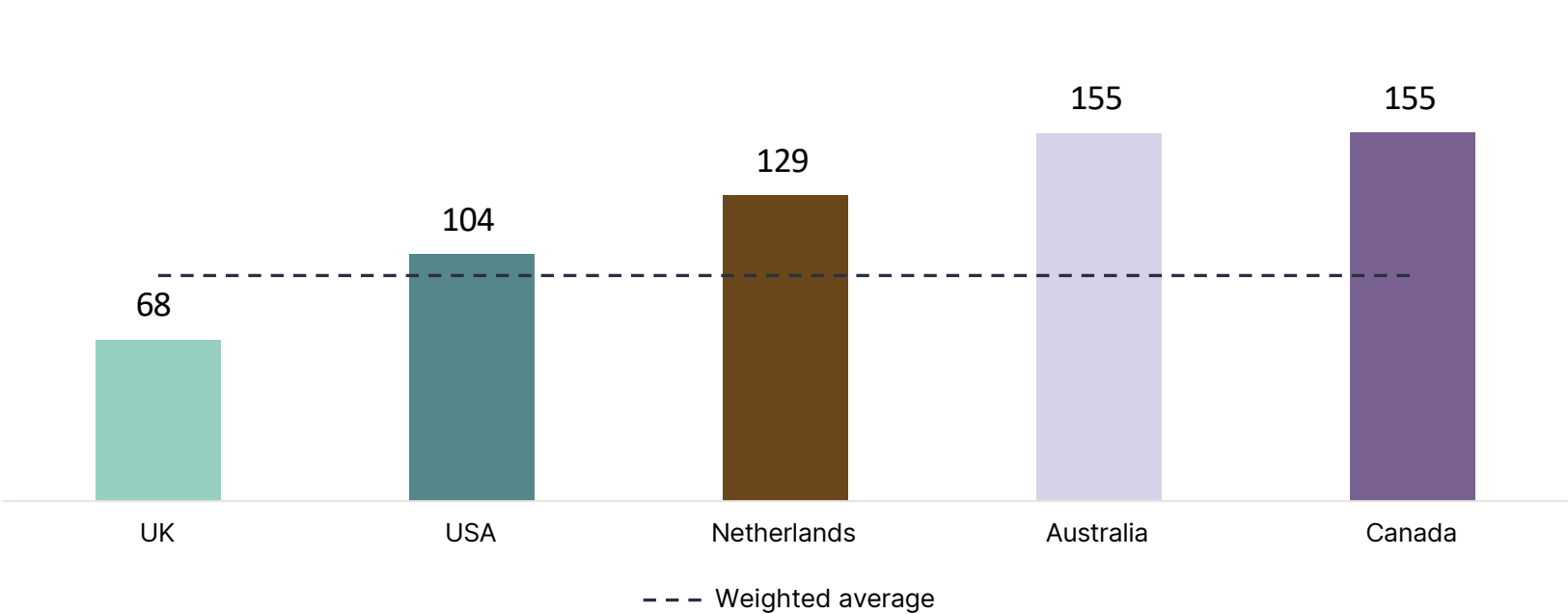


Globally, pension funds are adapting to significant industry changes, with digitalization emerging as a key factor influencing these adjustments.

- | | | |
|--|--|--|
| <ul style="list-style-type: none">01. Across regions and funds, administrators operate at different points on a cost-versus-service spectrum, and each position has merit because it reflects their digital capabilities, and the needs and preferences of their members.02. Member expectations continue to rise, with increasing demand for relevant, personalized content delivered across multiple channels.03. Automation is streamlining work, allowing members to complete more tasks independently; as a result, assisted member service interactions (e.g., calls) are becoming more complex. | <ul style="list-style-type: none">04. Organizations expect to shift more staff into higher-value, member-focused support roles.05. AI is entering service operations, with adoption varying across organizations. Common use cases include enterprise AI assistants for daily tasks, contact center support, and internal knowledge management.06. One-third of administrators are replacing their core administration systems to enable greater flexibility and digital capabilities. | <ul style="list-style-type: none">07. Clean, reliable data remains foundational, with its importance increasing as operations become more digital and data-driven. Improving data quality from employer-sourced data remains a challenge for most funds.08. Cybersecurity and fraud prevention are becoming increasingly important, with controls strongest around high-risk transactions such as bank account changes and identity verification. |
|--|--|--|

Australian and Canadian funds spend 1.6x the global average on pension administration.

Member-weighted pension administration costs by member, by regional cohort 2023 (\$) ¹

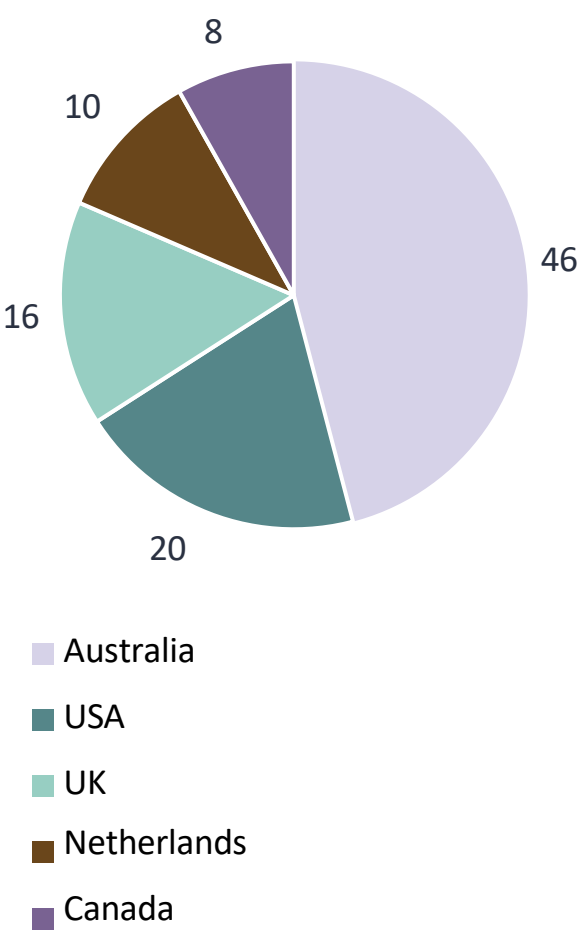


1. Pension administration costs for each fund were adjusted for purchasing power parity, economies of scale, and cost-of-living differences. Marketing, financial advice and insurance costs are excluded. The average cost is weighted by the number of members in each region.

SOURCE: CEM Research: The Impact of Service Models on Pension Administration Costs

Funds by region, 2023 (%)

The research covered 141 funds, using CEM and publicly available Australian data.

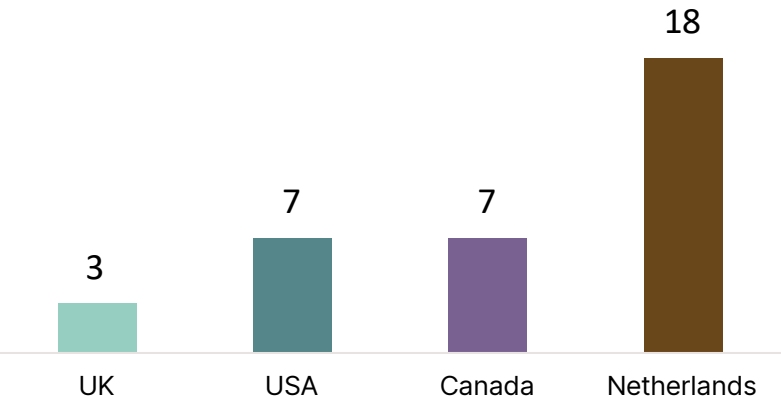


Differences in
activity level
administration
costs reflect
in service level
quality and
capabilities.

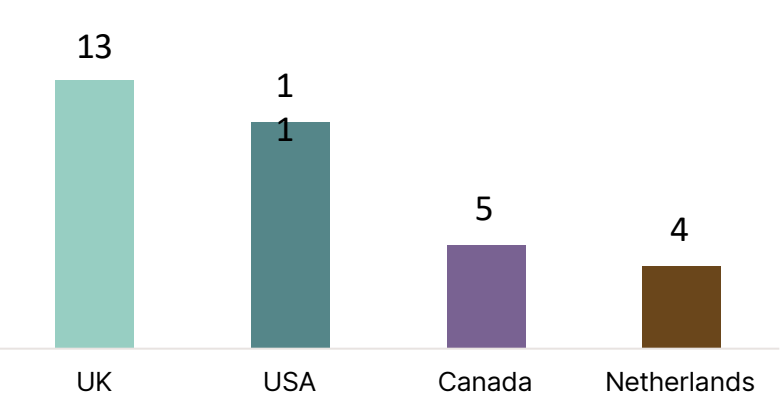
SOURCE: CEM Research: The
Impact of Service Models on
Pension Administration Costs

SELECTED EXAMPLES

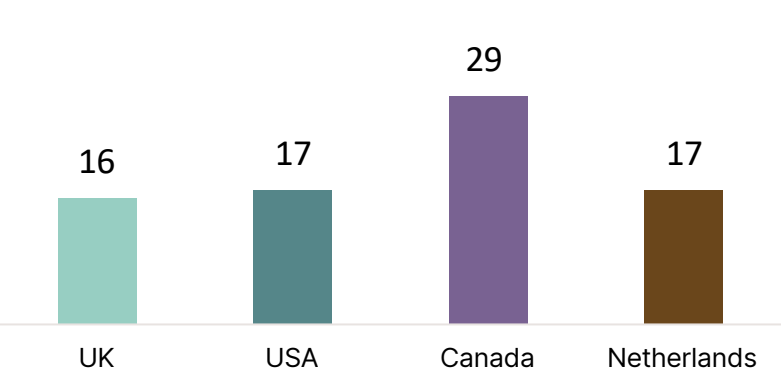
Contact centre costs per member, 2023 (\$)
Dutch funds invest the most in their contact centres.



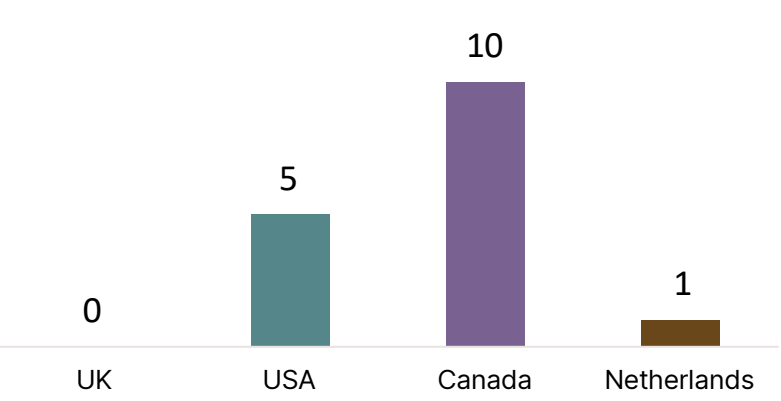
Abandoned calls, 2023 (%)
Dutch members have fewer of their calls dropped before they reach a service agent.



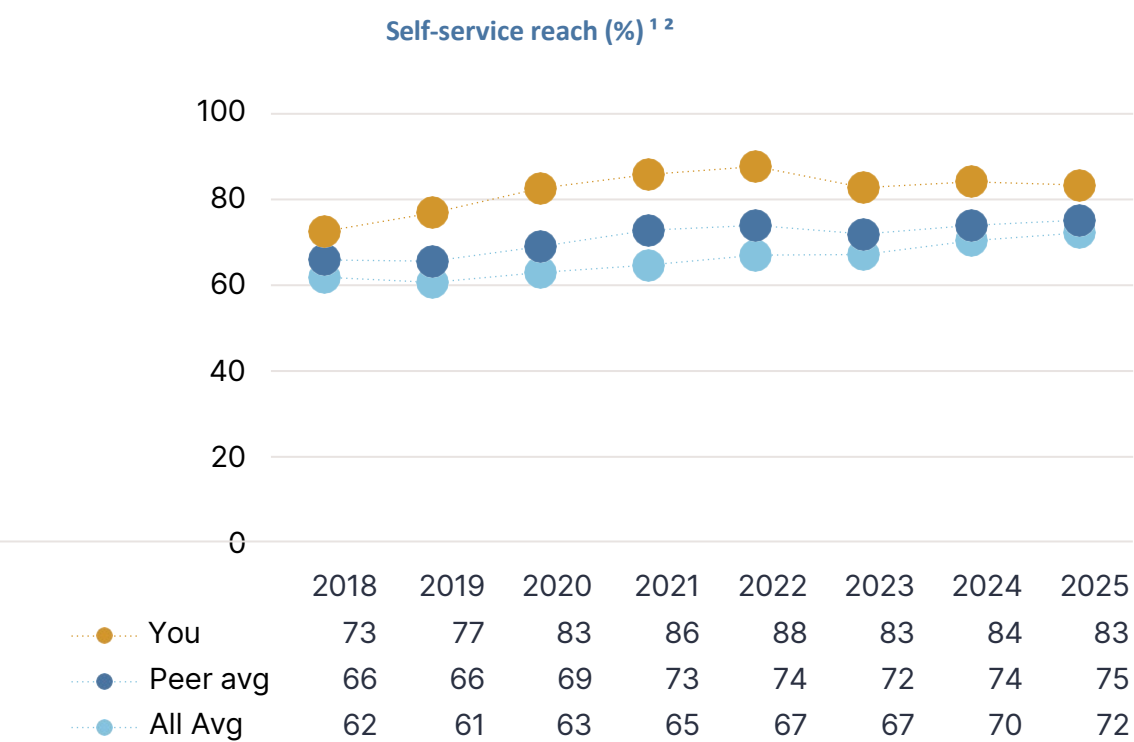
Transaction and counseling costs per member, 2023 (\$)
Canadians spend the most on member transactions and counseling. UK funds spend 25% of their total spend on transactions



Active members counseled 1-to-1, 2023 (%)
Canadians provide counseling to more active members.



Your self-service reach of 83% was above the peer average of 76%.



1. Trend analysis is based on funds that have provided eight consecutive years of data (28 funds globally).

2. Self-service reach is the share of total member interactions that are completed through self-service channels (i.e., total secure) rather than assisted service channels (i.e., calls, emails/ secure messages, and letters).

Incoming member volumes, 2025 (#)

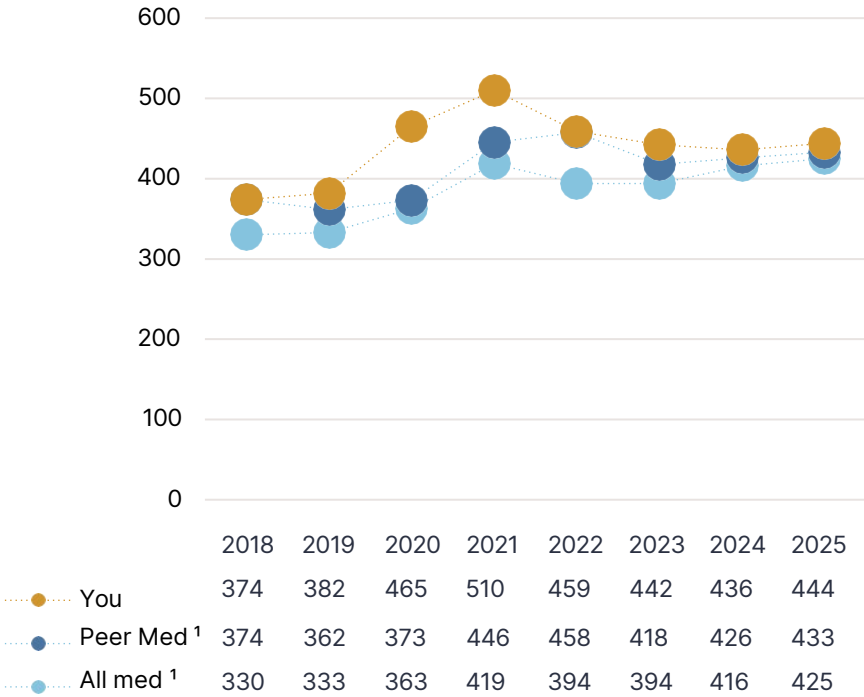
Your members engage with you via lower cost communication channels.

Inquiries by channel	You	Peer average ³	Count
Secure website visits, total (A)	2,232,454	2,868,323	13
Calls (B)	280,189	537,473	13
Email (C)	0	38,558	13
Secure messaging (D)	15,953	27,414	11
Letters (E)	149,703	232,884	13
One-to-one meetings	12,850	18,738	13
Group presentations	675	751	13
Self-service reach (A) / [(A) + (B) + (C) + (D) + (E)]	83%	76%	13

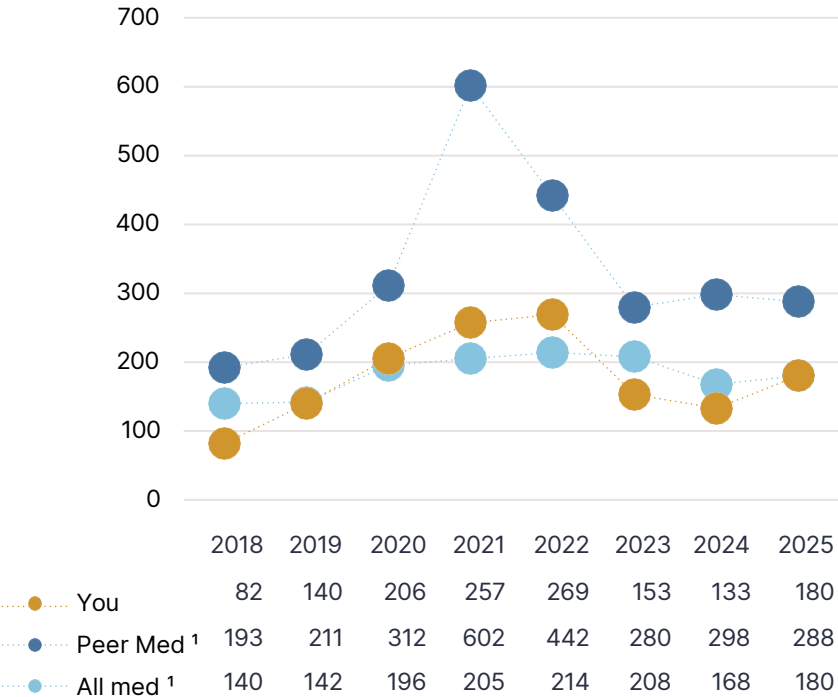
3. All peers are assumed to have your number of members.

The nature of member calls has changed in the last eight years.

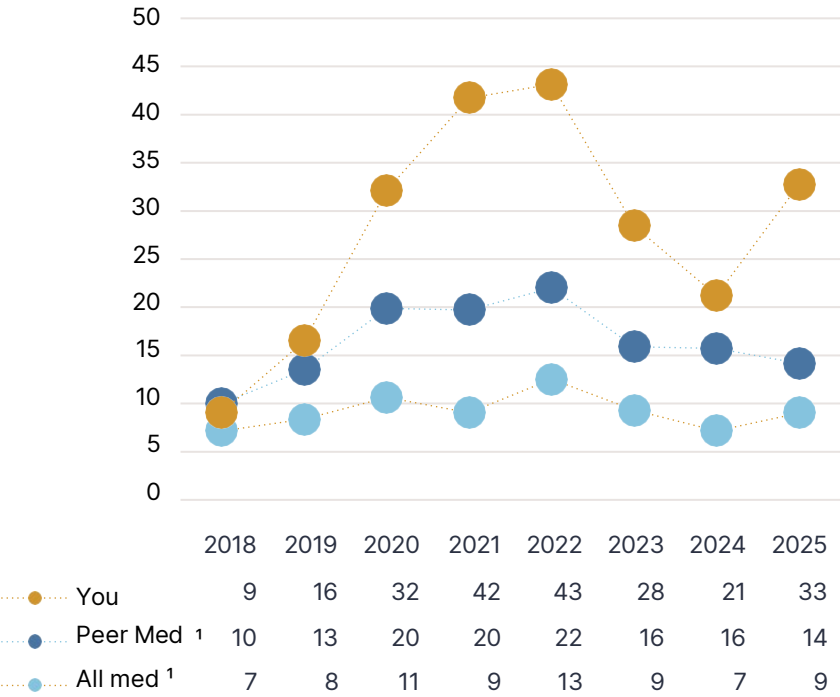
Time on call, 2025 (# seconds)¹



Call wait time, 2025 (# seconds)¹



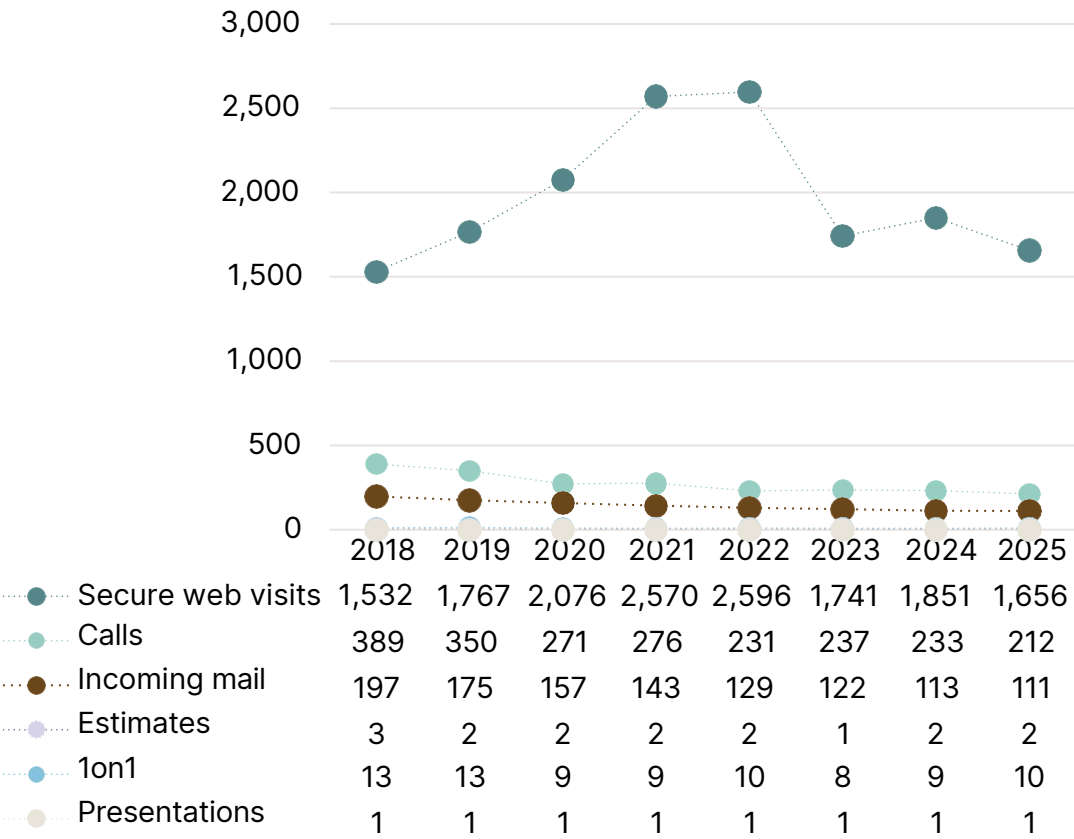
Undesired call outcomes as a percent of incoming calls, 2025 (%)¹



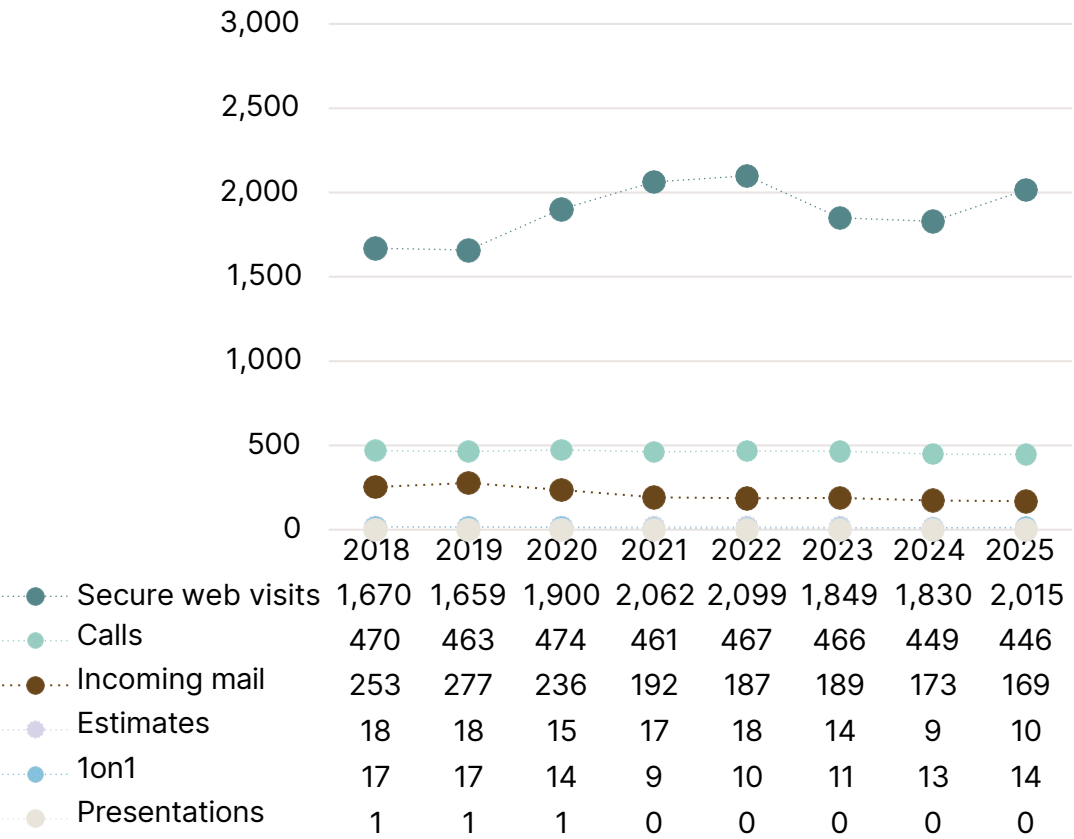
1. Trend analysis is based on funds that have provided eight consecutive years of data (12 of your 13 peers and 31 of the 46 systems in the universe).

Trend for transaction volumes

Your transactions per 1,000 members, 2025 (#)



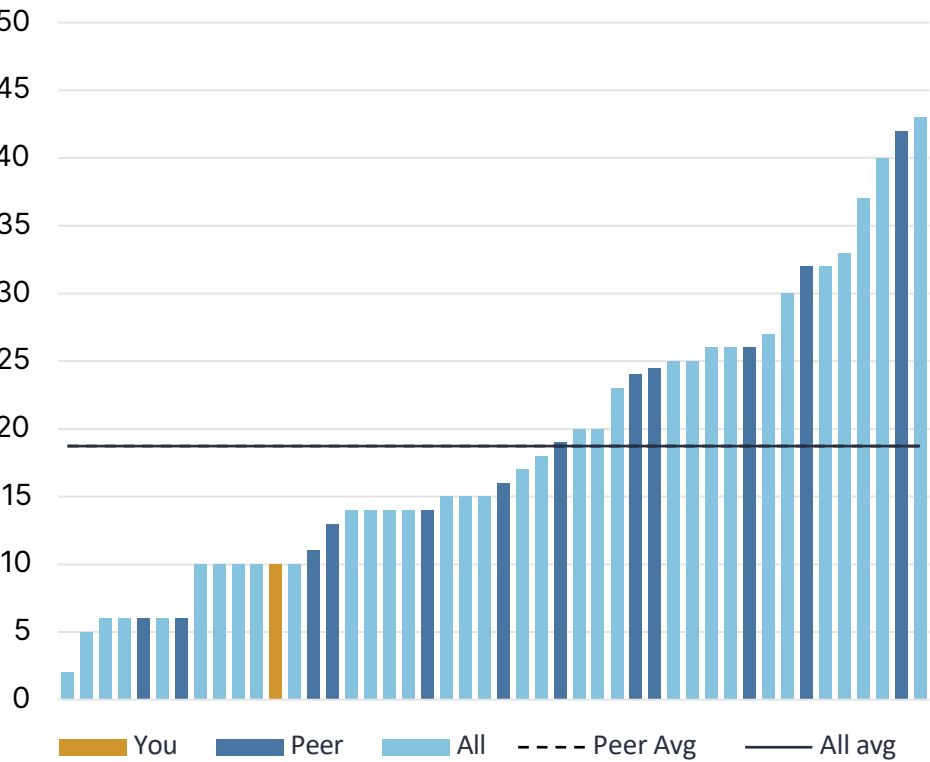
All average transactions per 1,000 members, 2025 (#)¹



1. Trend analysis is based on systems that have provided 8 consecutive years of data (31 of the 46 systems in the universe).

You are not replacing your existing pension administration system. A total of 16 systems are replacing their administration system.

Age of core pension administration system ,2025 (# years)



39%

IN-HOUSE SOLUTION
BUILT IN-HOUSE

48%

OFF-THE-SHELF SOLUTION
BUILT BY A THIRD PARTY

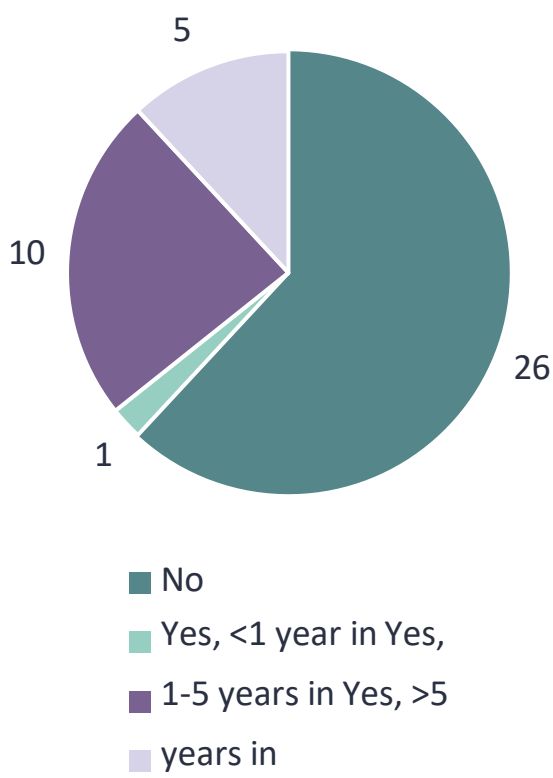
13%

IN-HOUSE SOLUTION
BUILT BY A THIRD PARTY

58%

AVERAGE CUSTOMIZATION
THIRD PARTY SOLUTIONS

Plans replacing their existing system, 2025 (#)





OHIO PERS

DB Administration Benchmarking Subscription

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MANAGEMENT INSIGHTS REPORT

SEP 2026





OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

277 EAST TOWN STREET, COLUMBUS, OH 43215-4642

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MEMORANDUM

DATE: October 21, 2026

TO: OPERS Board of Trustees

FROM: Paul T. Greff, Chief Investment Officer
Prabu Kumaran, Lead Fund Manager

RE: **V. C. CEM Investments Review**

Purpose

Christopher Doll, Director at CEM Benchmarking Inc., will present the investment benchmarking results for the 2025 calendar year, along with a comprehensive five-year review covering the period from 2021 to 2025.

Background

Annually, OPERS participates in the CEM Benchmarking survey. CEM is an independent provider of objective, actionable benchmarking insights for asset owners, including pension funds, endowments, foundations, and sovereign wealth funds. CEM specializes in evaluating investment and administrative cost and performance, enabling “apples to apples” comparisons and highlighting industry best practices.

OPERS uses this survey to measure and benchmark our investment results relative to a peer group of U.S. public pension plans. The attached presentation will cover the following sections:

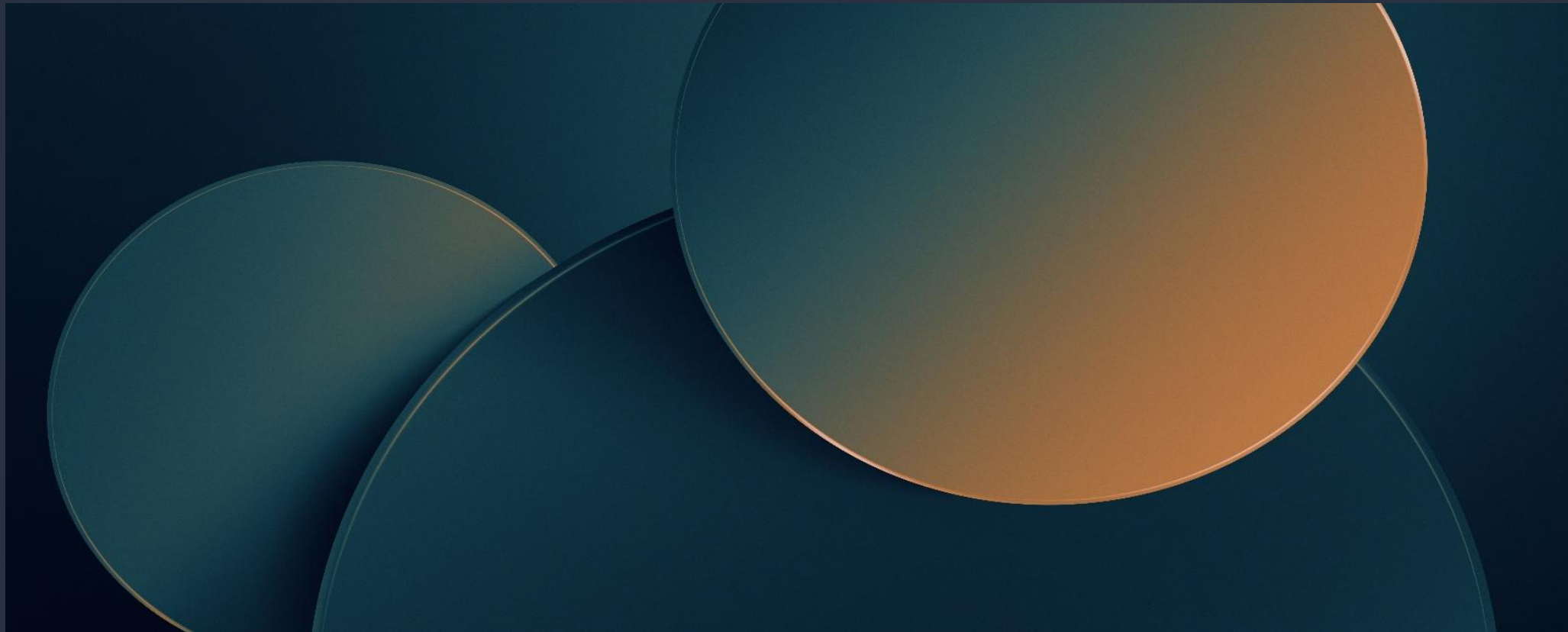
- Total Policy Return and Asset Allocation Differences
- Net Value-Added by Staff
- Total OPERS Investments Cost Compared to Benchmark Cost
- Total Portfolio Risk

Next Steps

OPERS staff will continue to participate in the CEM annual benchmark survey to evaluate our investment performance relative to peer organizations.

Management Insight Report

DB INVESTMENT BENCHMARKING SUBSCRIPTION



CEM

For the 5-year period ending December 31, 2025

This Management Insight Report provides an overview of your DB investment results.

As funds consolidate into larger asset pools, demonstrating value for money is becoming increasingly important.

2025 Highlights:

- Enhanced Data Quality, by emphasizing CEM’s Global Reporting Principles and implementing Data Scorecards
- Collected richer data sets: 12,000+ individual mandates collected
- Assessed the impact of maturity on Private Equity Limited Partnership fees

2026 Goals:

- Expedite access to our Talent report by delivering December 2026 Report in February 2027
- Establish the CEM DB Investment Client Advisory Board
- Release CEM Query, our AI-powered tool that allows quick and easy access to information - twenty beta testers will have access this year (2026)



2025 Market Insights

- Strong Public Equity returns (median: 22.5%) led to an overall strong year for total fund performance.
- Modest Private Equity performance contributed to 2025 median Private Equity performance fees of 75.4bps being below the 10-year median of 130.0bps.
- Two-thirds of the funds in the CEM database had negative net value added in 2025.

A. EXECUTIVE SUMMARY	4	E. RISK	17
B. PEERS & UNIVERSE	5	F. RESEARCH INSIGHTS	
		Benchmarks	19
		Database insights	22
C. COSTS			
Your costs	7		
Cost trend	8		
Benchmark cost	9		
D. PERFORMANCE			
5-year fund performance	11		
Policy mix contribution	13		
Asset class contribution	14		

Also Included In Your Subscription

Exhibits

Methodology & underlying data

Monitor

CEM's online dashboard for more granular insights

Data Scorecards

Assessment of the completeness & timeliness of data

Talent Report

A supplemental report that helps you assess your staffing levels

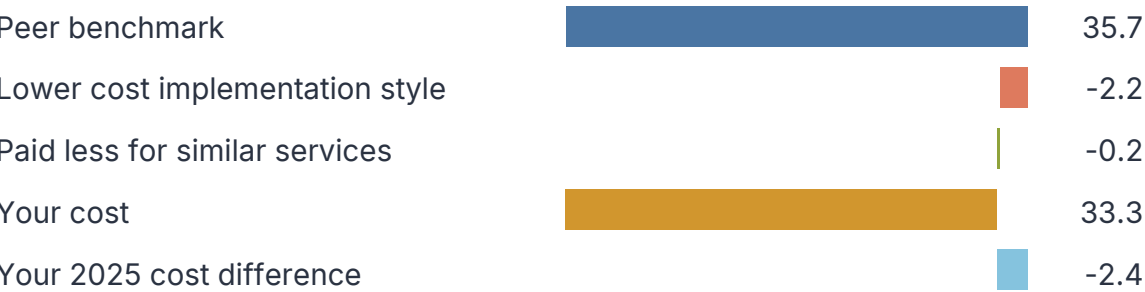
Limited Partnerships Report

A supplemental report that helps you compare your LP deal terms

Your 2025 investment costs, excluding private asset performance fees, were 2.4 basis points below the peer benchmark, while your 5-year net value added was 0.2%.

Total investment costs, exc. private asset perf. fees and transaction costs | 2025

Your 2025 total investment costs were 2.4 bps below the peer benchmark.



Key performance metrics | U.S. Public Universe | 2021 - 2025

Your 5-year net value added fell short of the U.S. Public universe median by 0.3%.

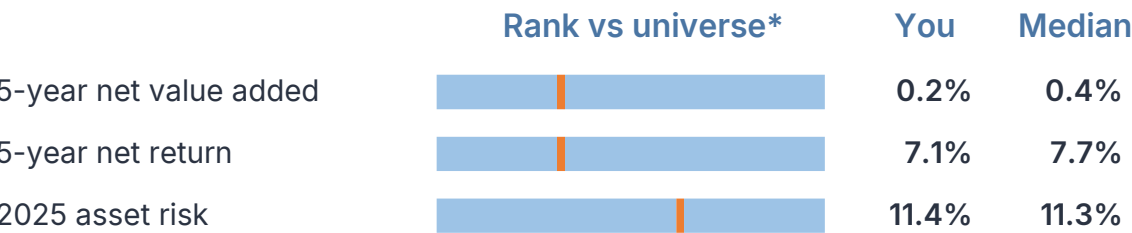
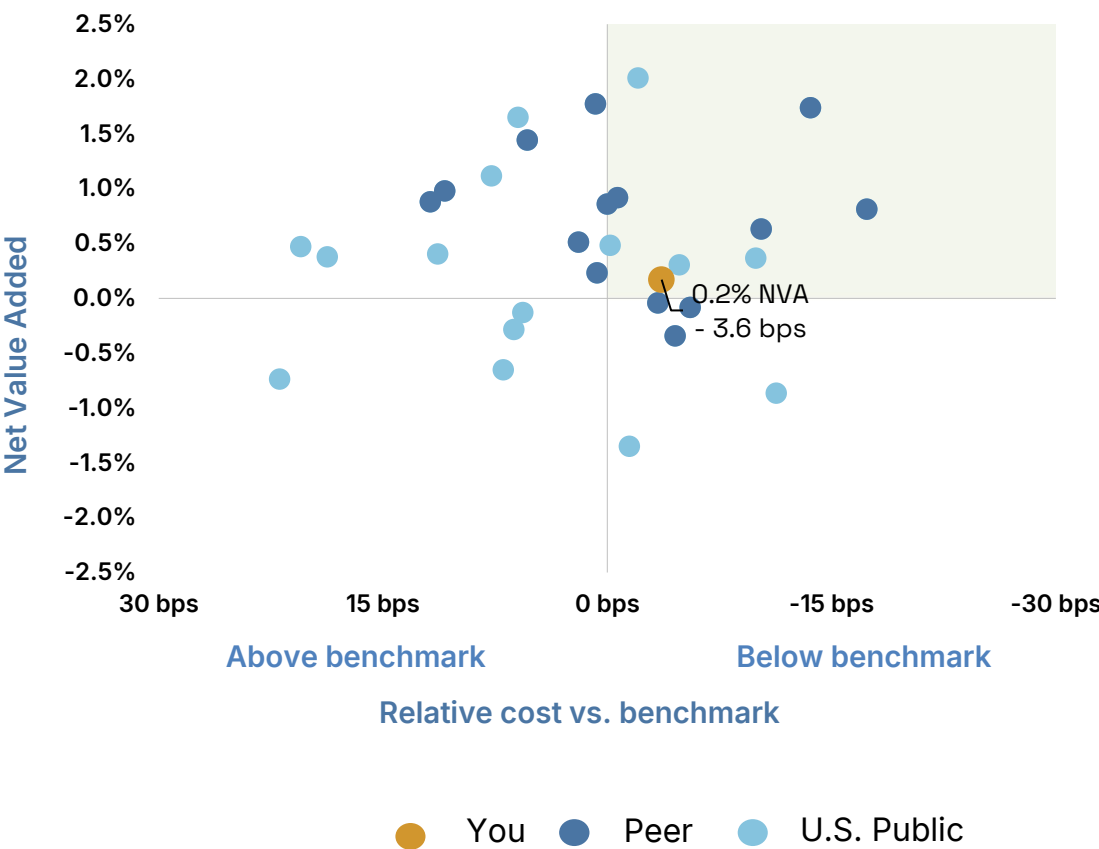


*Chart shows your percentile rank vs. the U.S. Public universe, going 0% to 100%, left to right.

Net value added versus relative cost | 2021 - 2025

Your 5-year net value added (%) versus your 5-year relative cost (bps)



OPERS’ performance is benchmarked against the U.S. Public Universe: 35 sponsors, representing \$3.1 T in CEM’s Investment Benchmarking Database.

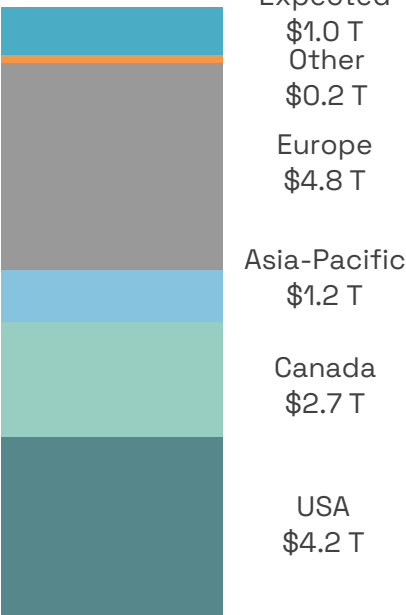
Total Investment Database*

230

INSTITUTIONAL INVESTORS

\$13.0 T

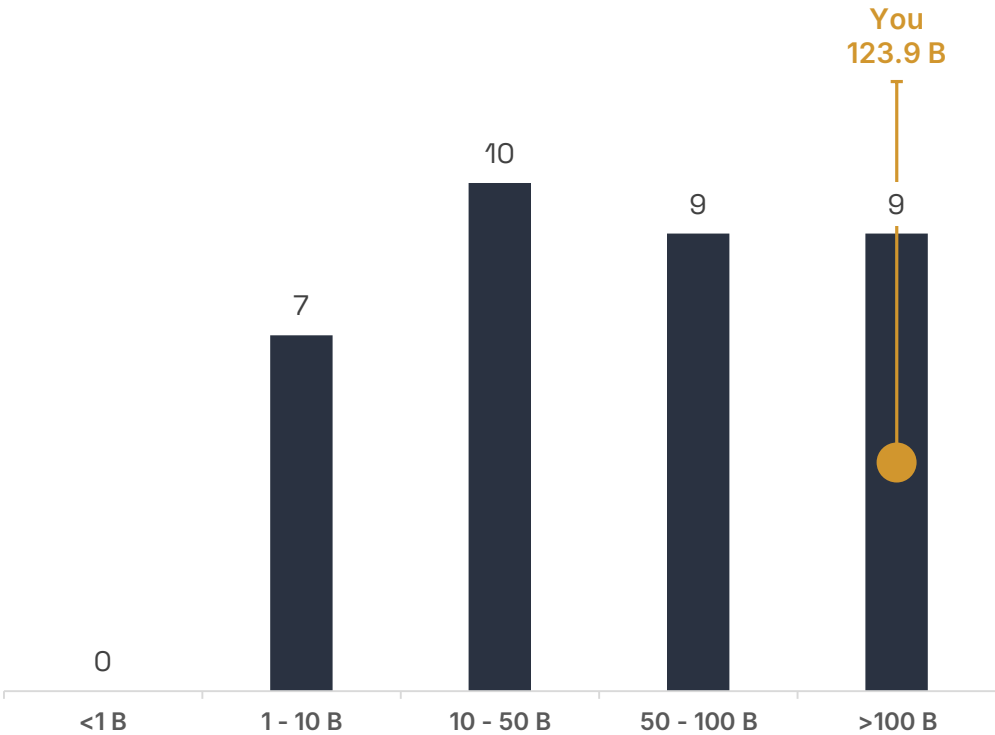
IN TOTAL ASSETS



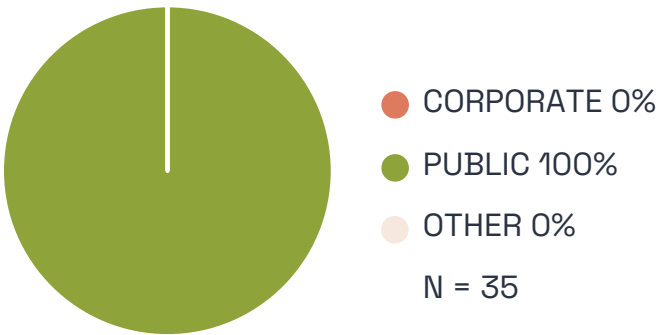
*By the end of the 2025 survey cycle, we expect data from 280+ funds totaling \$14T+ in AUM.

U.S. Public Universe by assets under management | \$ billion, 2025

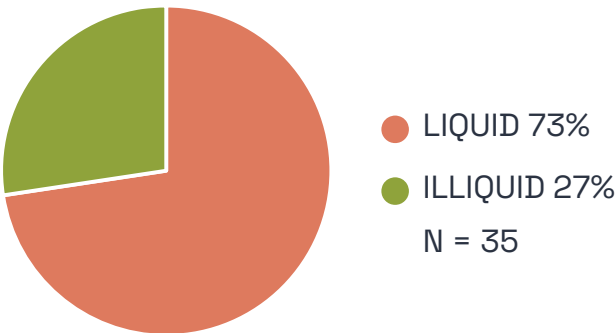
35 U.S. Public sponsors from \$1.1 billion to \$525.0 billion



Plan type | U.S. Public 2025

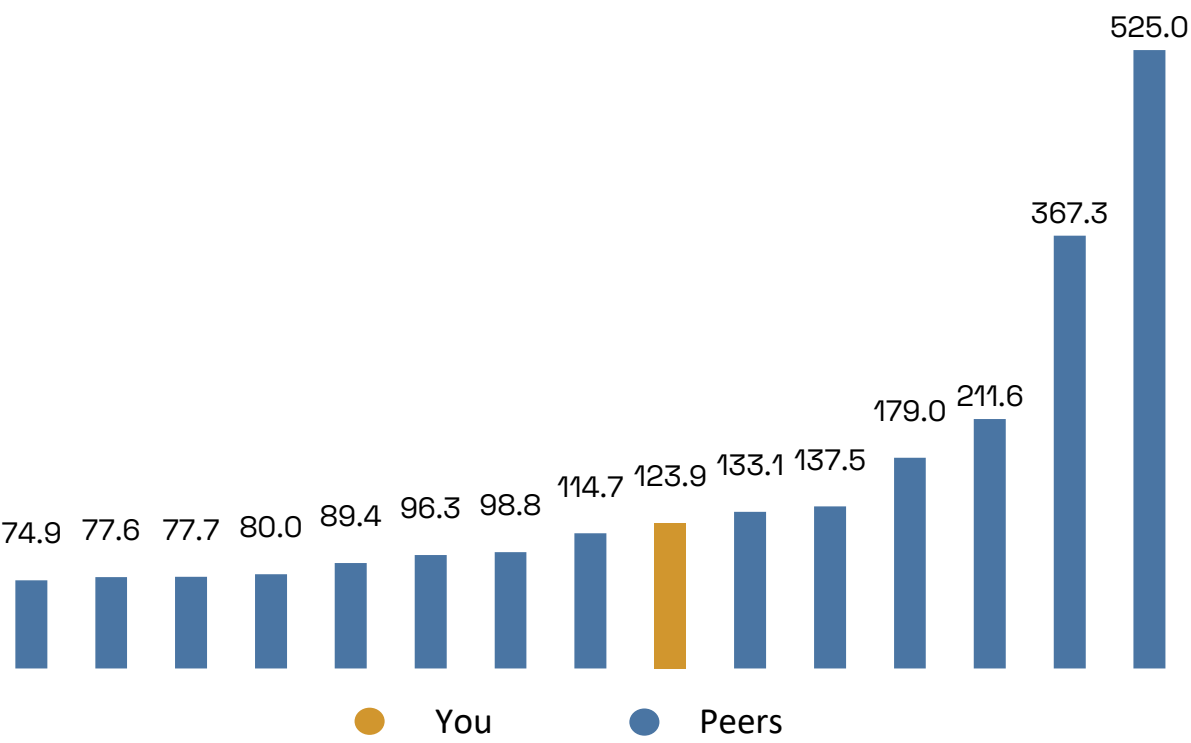


Asset mix | U.S. Public 2025

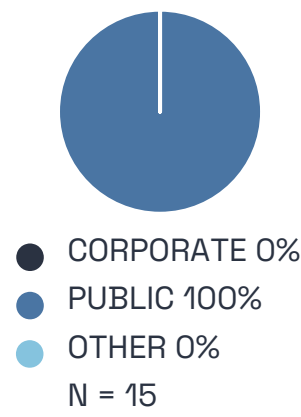


OPERS' costs are benchmarked against a custom peer group with similar total assets under management.

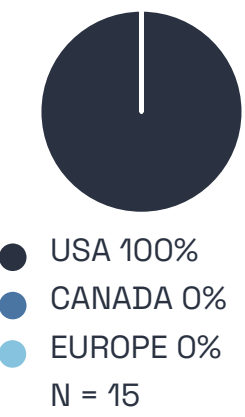
Peer group by assets under management | \$ billion, 2025
15 U.S. public sponsors from \$74.9 billion to \$525.0 billion



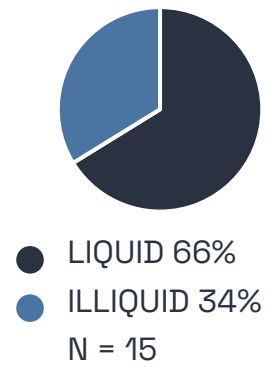
Plan type | 2025



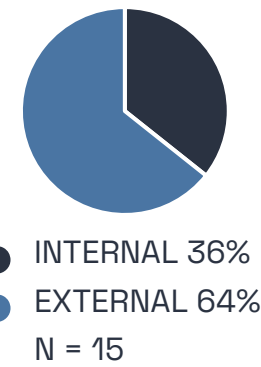
Region | 2025



Asset mix | 2025



Implementation | 2025



OPERS’ investment costs, excluding private asset performance fees, were \$412.7 million or 33.3 basis points in 2025.

Total fund costs by asset class, excluding private asset perf. fees and transaction costs | 2025

Asset Class	Base fees (\$000)	Performance fees (\$000)	Internal & other (\$000)	Total (\$000)	Total (bps)
Stock	80,062	-	10,004	90,066	17.3
Fixed income ex. cash ¹	15,449	-	15,844	31,293	9.6
Cash	-	-	3,274	3,274	44.2
Risk mitigation strategies	1,122	-	1,612	2,734	7
Real estate	89,769	6,982	3,835	93,604	74.2
Other real assets	-	-	1,504	1,504	2.8
Private debt	6,413	529	1,393	7,807	83.6
Private equity	162,030	130,554	4,150	166,181	115.1
Fund level oversight	-	-	16,262	16,262	1.3
Total	354,845	-	57,879	412,724	33.3

Numbers shaded are excluded from the analysis. Base and performance fees also include the underlying fees associated with your fund-of-funds strategies.

CEM uses imputed data to address missing or incomparable costs, ensuring comparability across all participants.

Refer to the Appendix of the Exhibits for CEM's data principles and imputations applied to your fund's data. Fund level costs consist of expenses not attributed to specific asset classes, including total fund oversight, trustee and custodial services, audit, consulting, and performance measurement.

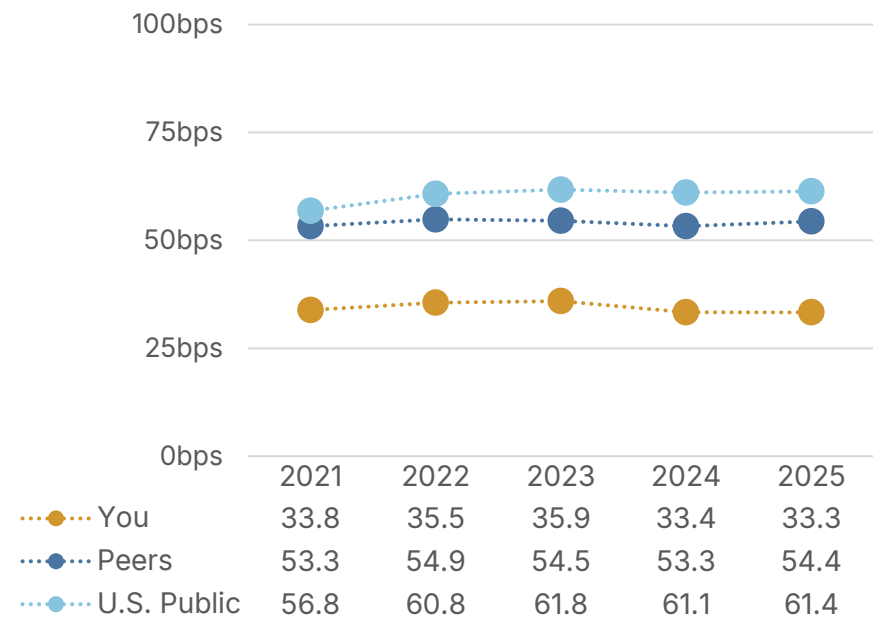
1. Fixed income ex. cash includes RMS Long Duration US Treasury assets.

2. Other real assets includes Commodities and REITs.

OPERS' costs remained unchanged over the last 5 years primarily because of moving to a lower cost implementation style, which was partly offset by paying more for similar investment styles.

Total investment costs (bps) | 2021 - 2025

Your total investment costs, excluding private asset performance fees and transaction costs, largely remained unchanged from 33.8 bps in 2021 to 33.3 bps in 2025.



Average costs for the 30 U.S. Public funds and 15 peers with 5 years of consecutive data. Before adjusting for asset mix differences, the median 2025 cost for the 15 peers was 57.4 bps.

Cost impact of your changes (bps) | 2021 - 2025

OPERS' costs decreased over the last 5 years primarily because of moving to a lower cost implementation style, which was partly offset by paying more for similar investment styles.

Higher cost asset mix

4% less stock	-0.9	0.1
Mix of Fixed income	-0.5	
3% more real estate ex-REITs	2.1	
All other mix changes	-0.5	

Lower cost implementation style

Less passive, more active	0.1	
More internal as a % of active	-0.4	
More LP, less FoF	-0.5	
All other implementation style changes	-0.1	

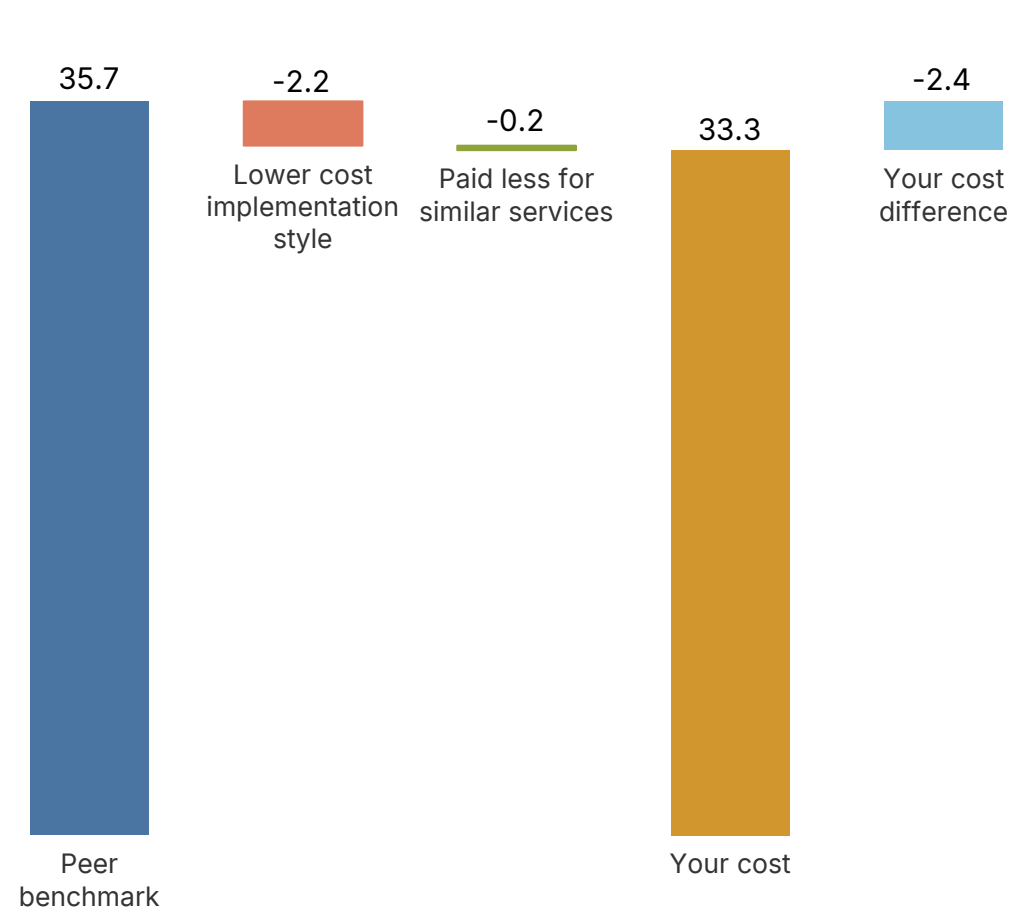
Paid more in total for similar investment styles

Lower core/evergreen real estate ex-REITs base fees	-0.5	0.2
Lower co-investment private equity - diversified base fees	-0.4	
Higher oversight, custodial & other costs	0.3	
All other differences	0.7	

Total decrease -0.5

After adjusting for asset mix, benchmark cost analysis suggests that OPERS’ fund was below benchmark cost by 2.4 basis points in 2025.

Cost breakdown vs. peer benchmark (bps) | 2025



Explanation of implementation style differences (bps) | 2025

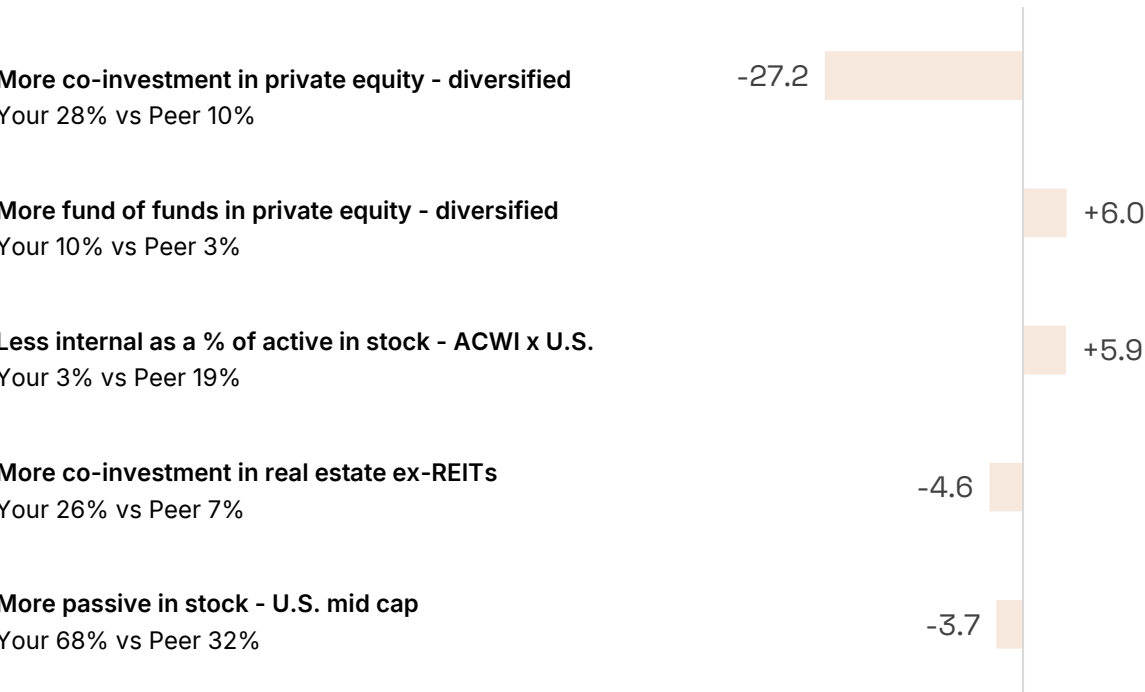
Total impact of implementation style differences	-2.2
Less active management, more lower cost passive	-0.4
Use of external management vs. lower cost internal	0.4
More core, less non-core/value-add funds	-0.1
More fund of funds	0.8
More co-investment as a percentage of value-add/co	-2.7
Differences in use of overlays	-0.1

Explanation of cost differences for similar services (bps) | 2025

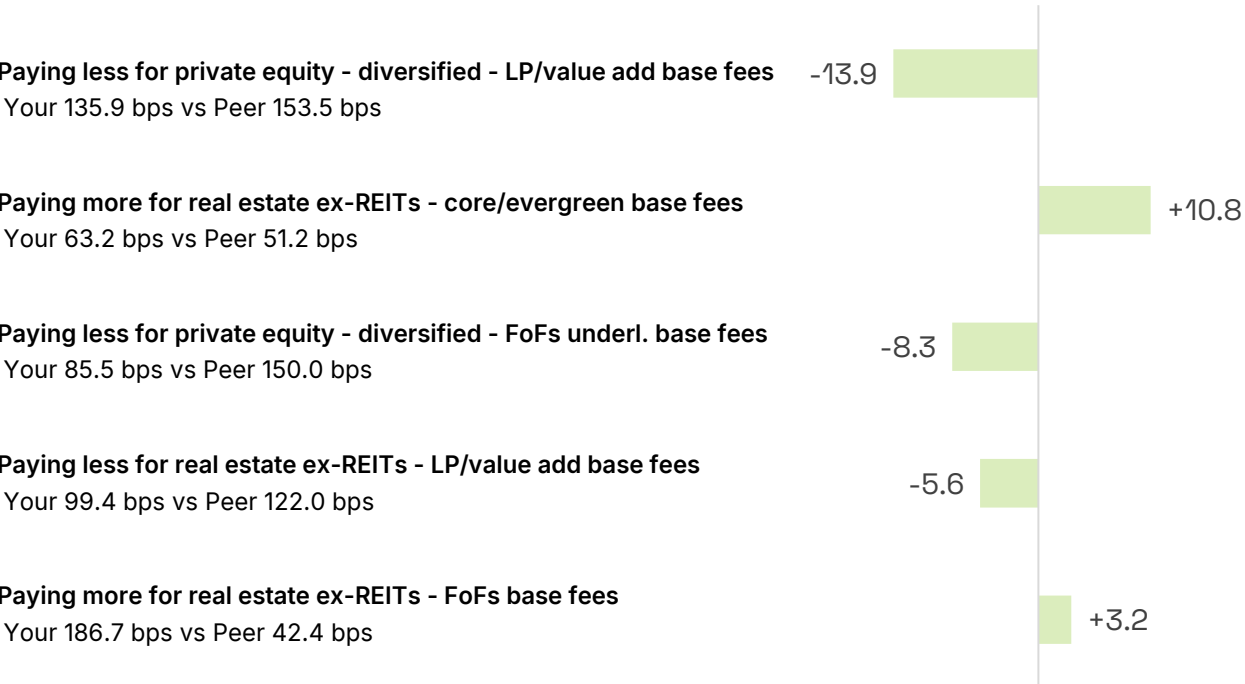
Total impact of paying more/less for similar services	-0.2
External investment management costs	-1.0
Internal investment management costs	0.6
Oversight, custodial & other costs	0.1

The most significant drivers of cost difference vs benchmark were implementation style differences and paying less for private equity - diversified.

Top 5 implementation style impacts (\$M) | 2025



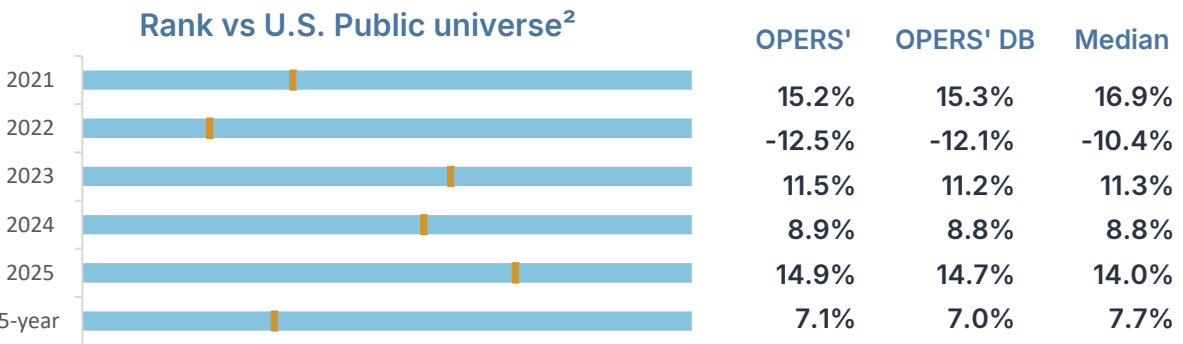
Top 5 impacts from paying more or less than your peers for similar services (\$M) | 2025



OPERS' 5-year net value added of 0.2% compares to a median of 0.4% for the U.S. Public universe.

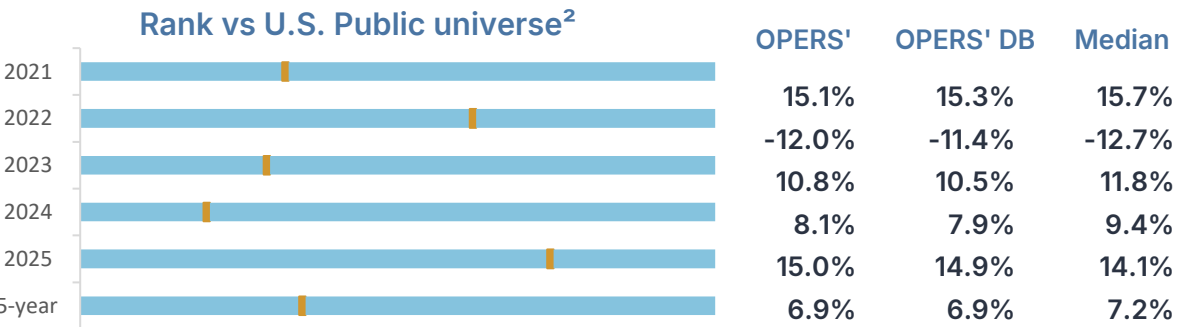
Return, net of all investment costs¹

OPERS' 5-year net total return of 7.1% was below both the U.S. Public median of 7.7% and the peer median of 7.9%.



Policy return

OPERS' 5-year policy return of 6.9% was slightly below the U.S. Public median of 7.2% and close to the peer median of 7.0%.

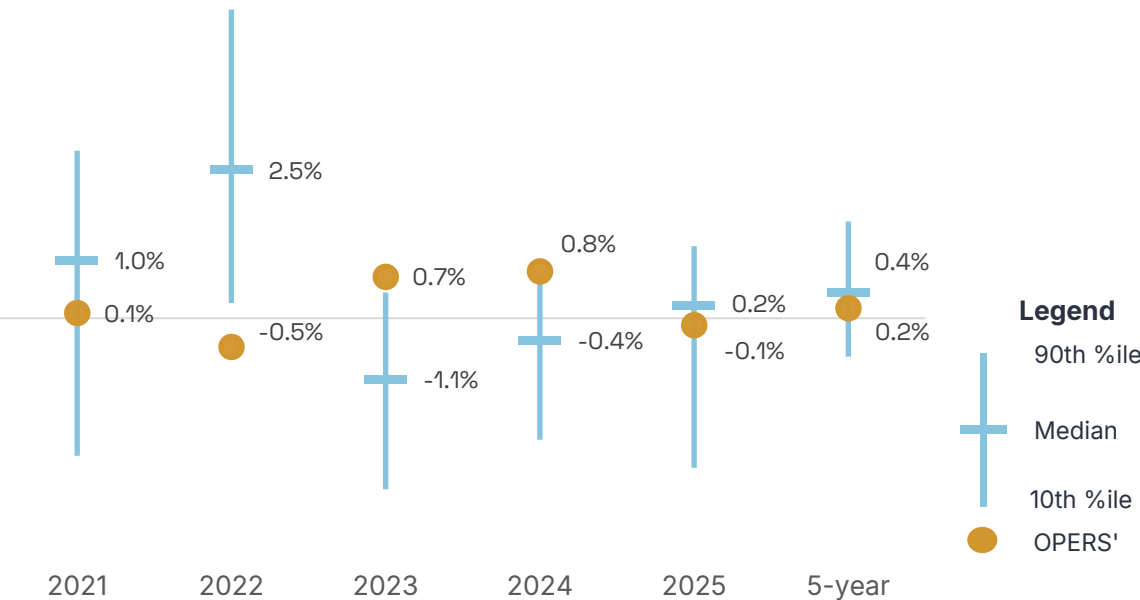


1. Net of all costs, including internal costs.
2. Chart shows your OPERS' Total percentile rank vs. the U.S. Public universe, going 0% to 100%, left to right.

Net value added | Net return minus policy return, U.S. Public 2021 - 2025

Your net value add of 0.2% was below the U.S. Public median of 0.4%.

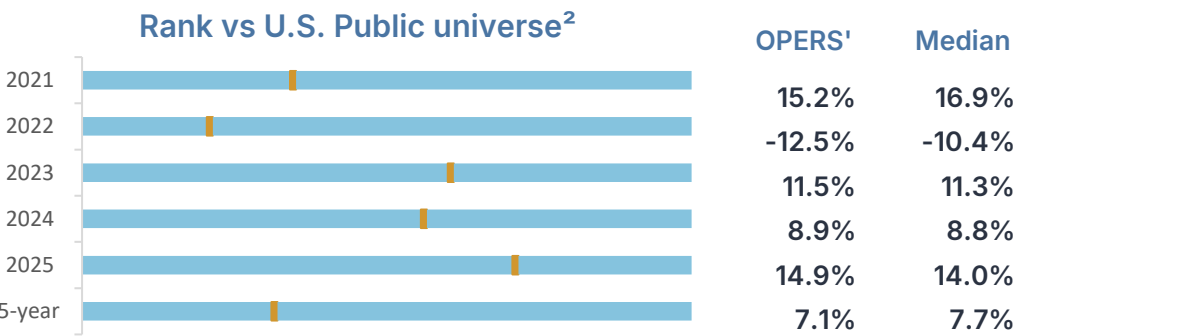
To enable fairer comparisons, the private equity benchmarks of all participants, except your fund, were adjusted to reflect lagged, investable, public-market indices.



Net value added is the component of total return from active management. OPERS' 5-year net value added was 0.3% when standardizing for the private equity benchmarks for you and your peers.

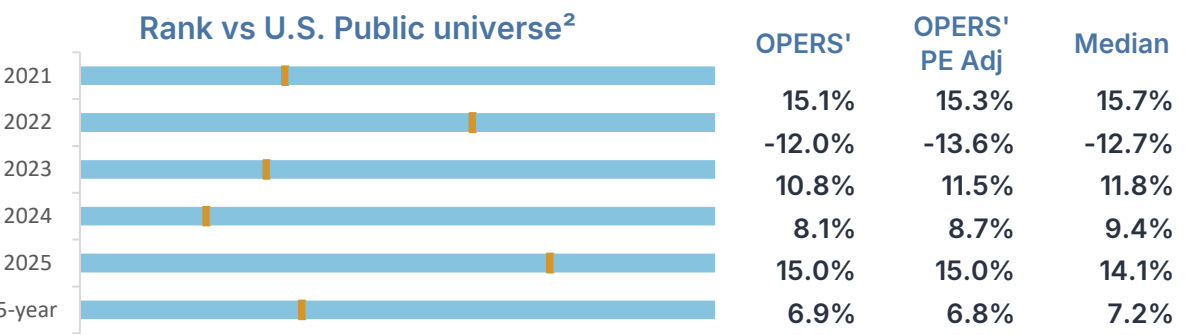
Return, net of all investment costs¹

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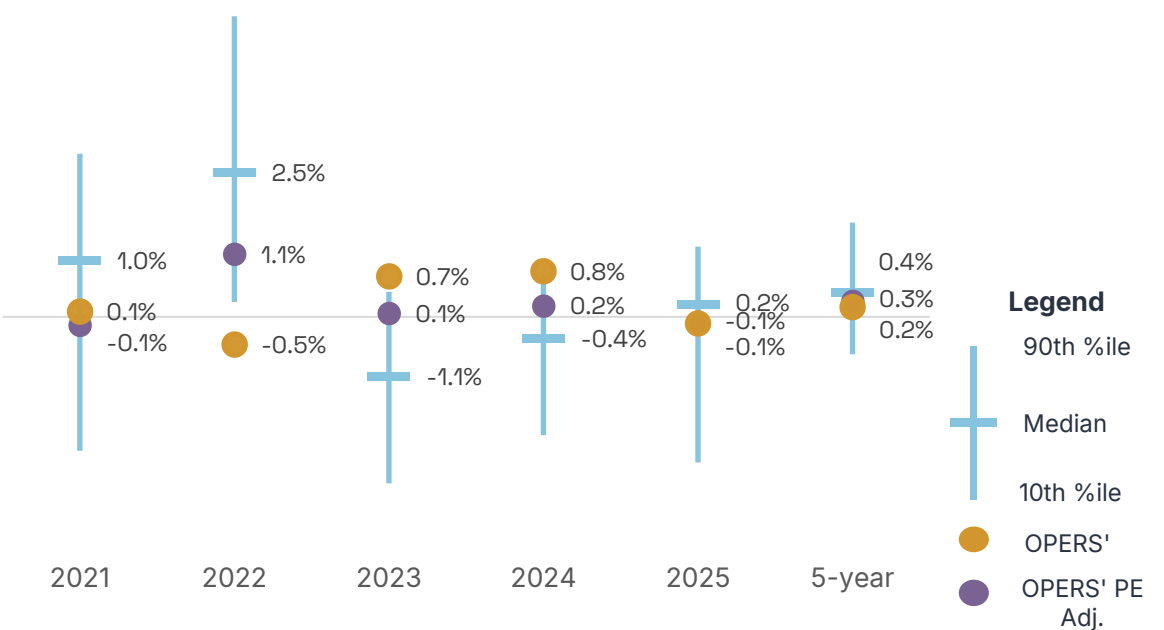


1. Net of all costs, including internal costs.
2. Chart shows your OPERS' Total percentile rank vs. the U.S. Public universe, going 0% to 100%, left to right.

Net value added | Net return minus policy return, U.S. Public 2021 - 2025

Your net value add of 0.2% was below the U.S. Public median of 0.4%.

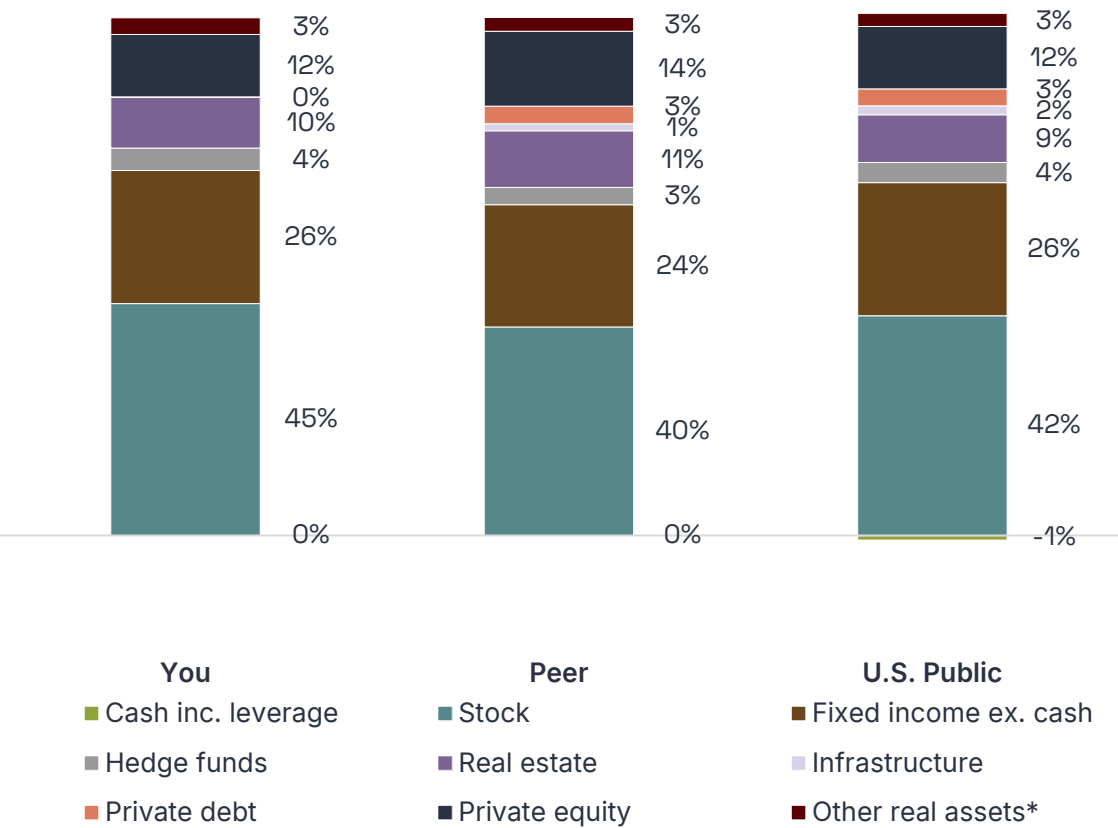
To enable fairer comparisons, the private equity benchmarks of all participants, except your fund, were adjusted to reflect lagged, investable, public-market indices.



Policy mix differences are a major driver of variance in total fund policy returns.

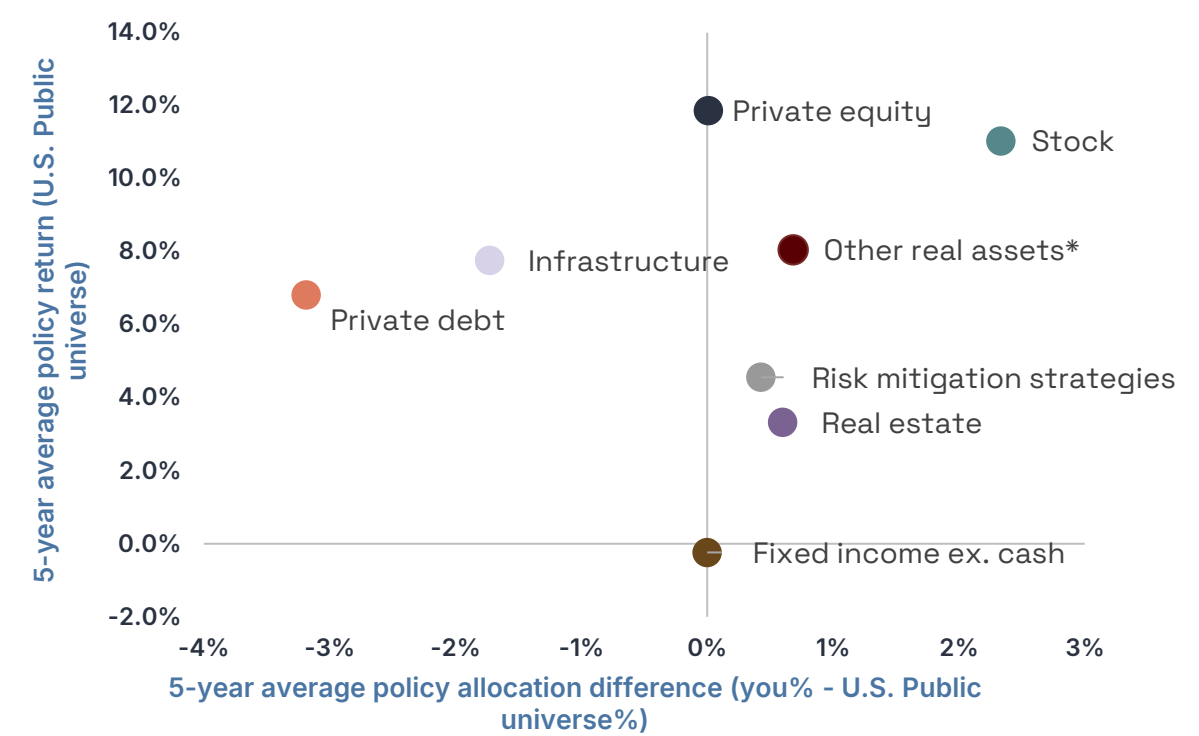
Policy asset mix | 2021 - 2025

Your policy asset mix allocates 3% less to private debt and 2% more to stock than the average U.S. Public fund.



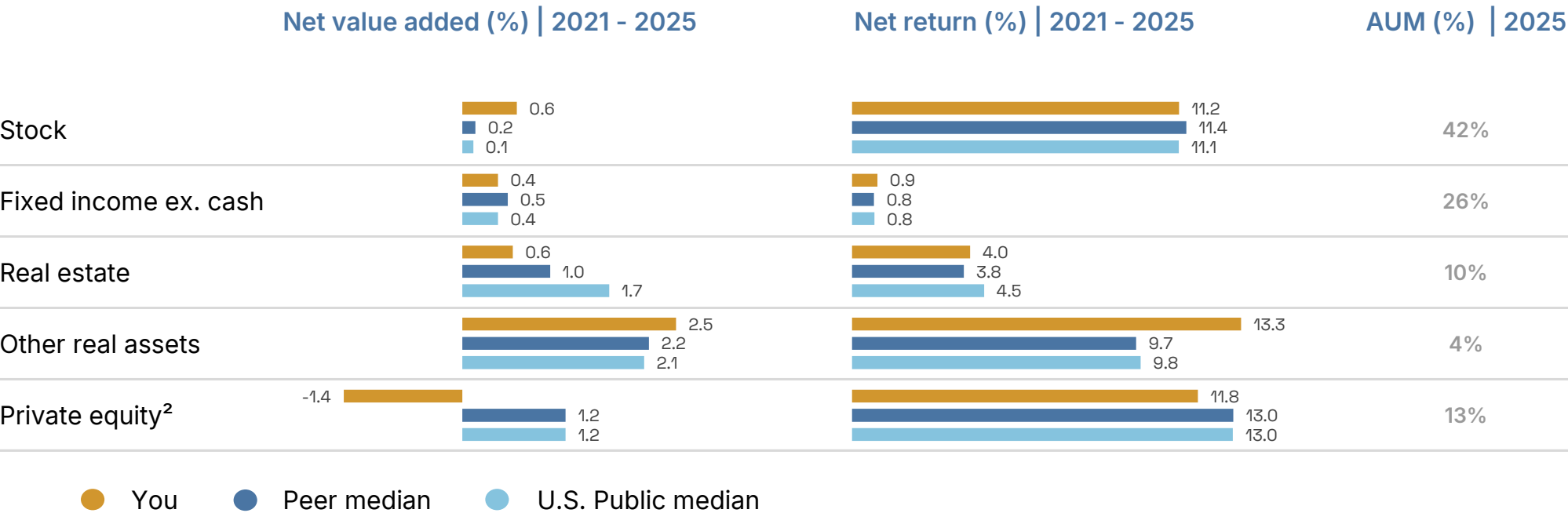
Contribution of asset classes to your fund's policy return position | 2021 - 2025

Your higher policy weight in stock compared to the U.S. universe had a positive impact since it was one of the stronger performing asset classes.



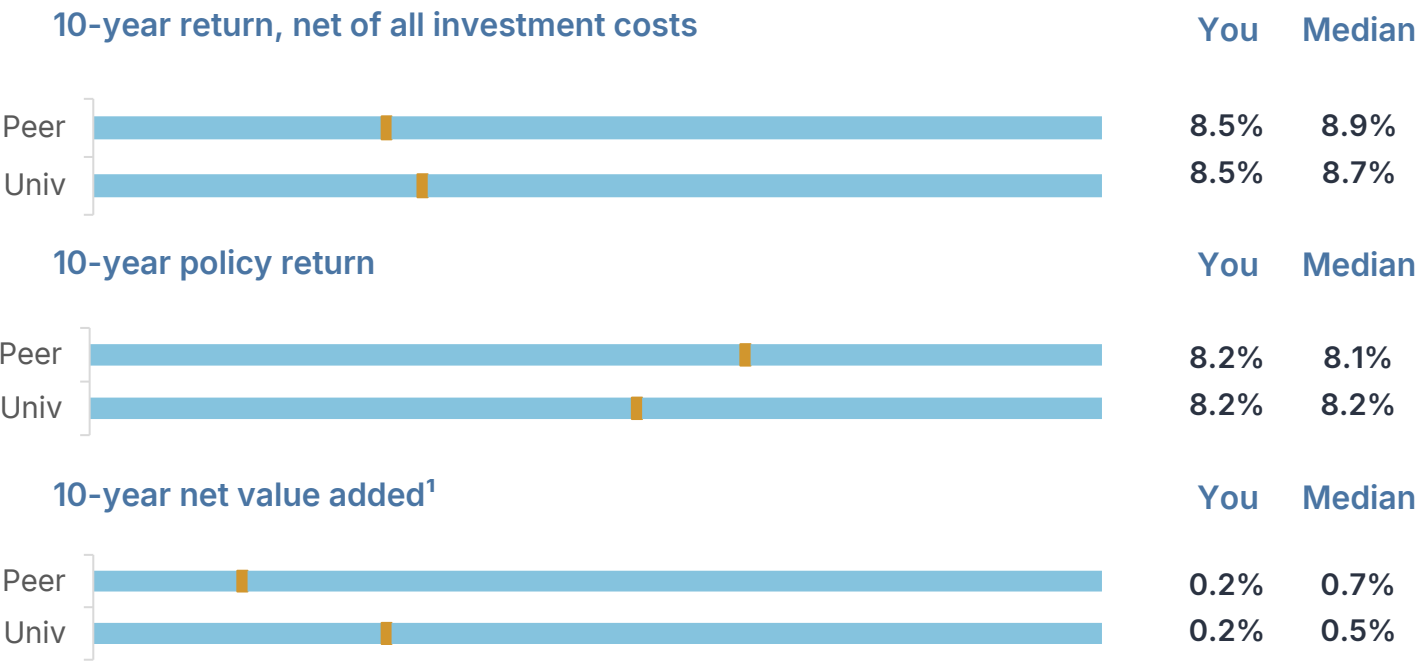
* Other real assets include natural resources, commodities, REITs, and assets that don't fit into the other categories.

Other real assets and stock were your highest net value added asset classes over the last 5 years.



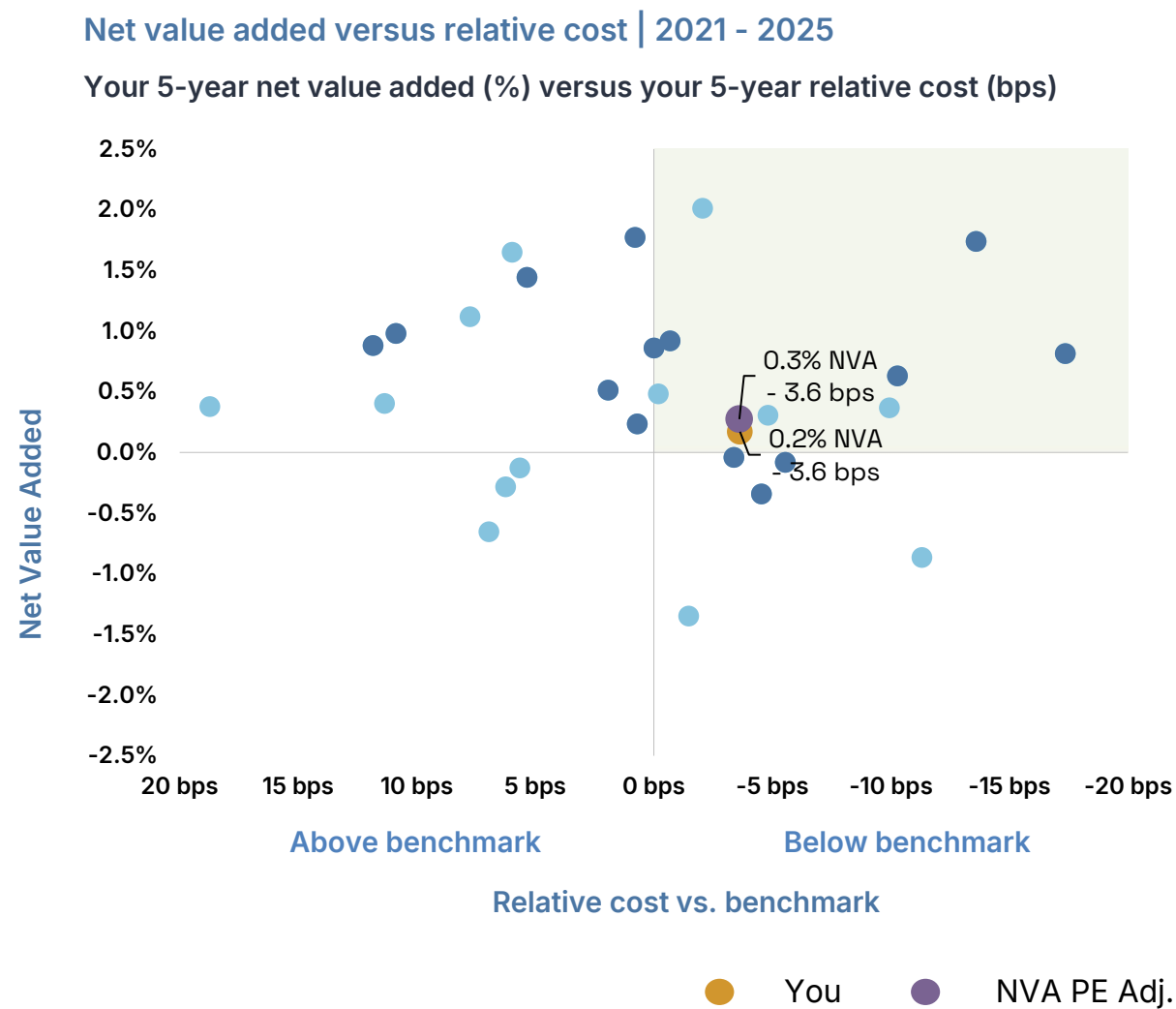
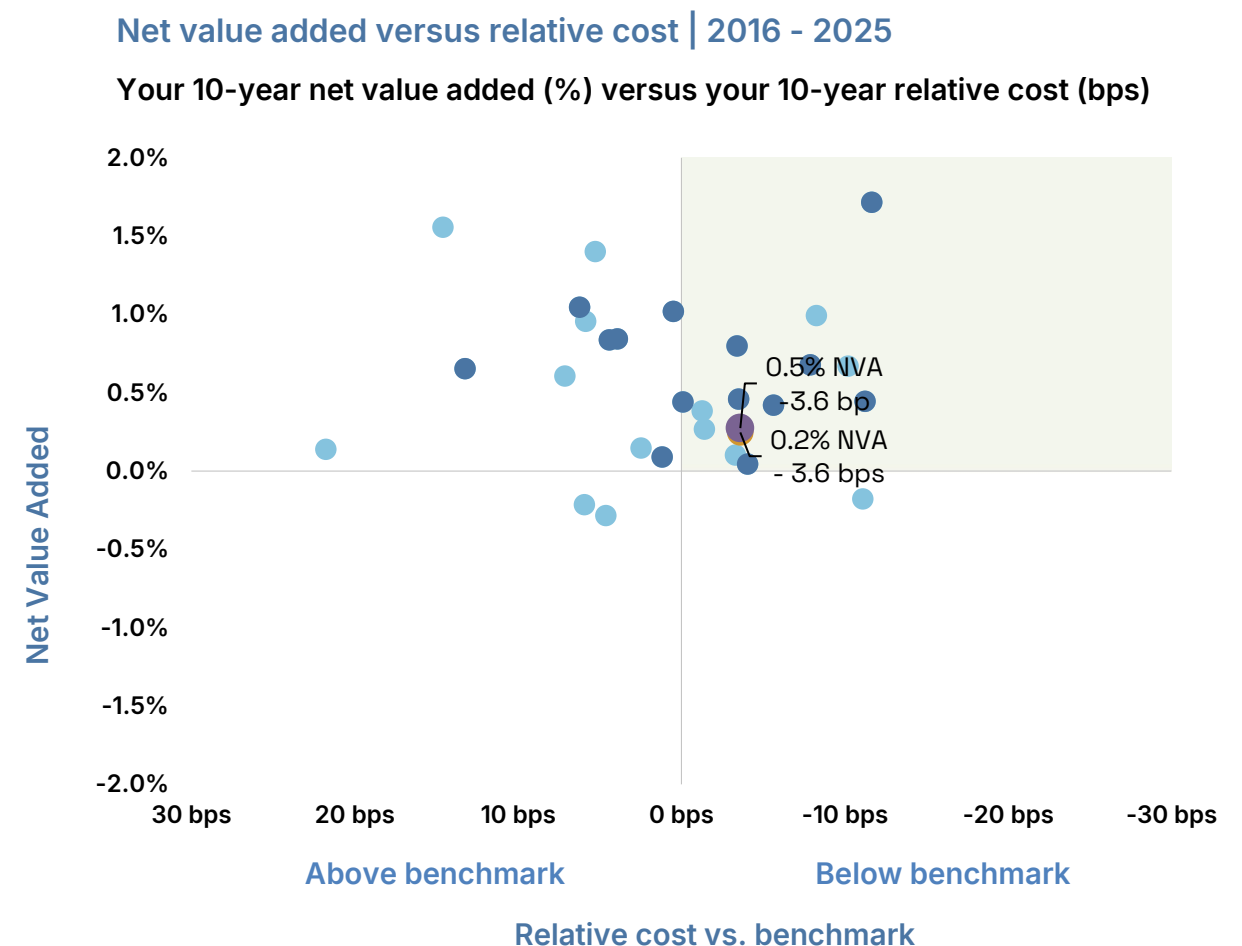
1. Other real assets include natural resources, commodities such as gold, REITs, and any assets that don't fall into the other categories.
2. To enable fairer comparisons, the private equity benchmarks of all participants, except your fund, were adjusted to reflect lagged, investable, public-market indices. If CEM used this same adjustment for your fund, your fund's 5-year private equity net value added would have been 0.0%.

OPERS’ 10-year net value added of 0.2% compares to a peer median of 0.7% and a U.S. Public median of 0.5%.



1. To enable fairer comparisons, the value added for each participant, except your fund, was adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. If CEM used this same adjustment for your fund, your 10-year total fund value added would have been 0.2% higher.

Your 5-year and 10-year results placed you in the lower relative cost and positive net value added quadrant.

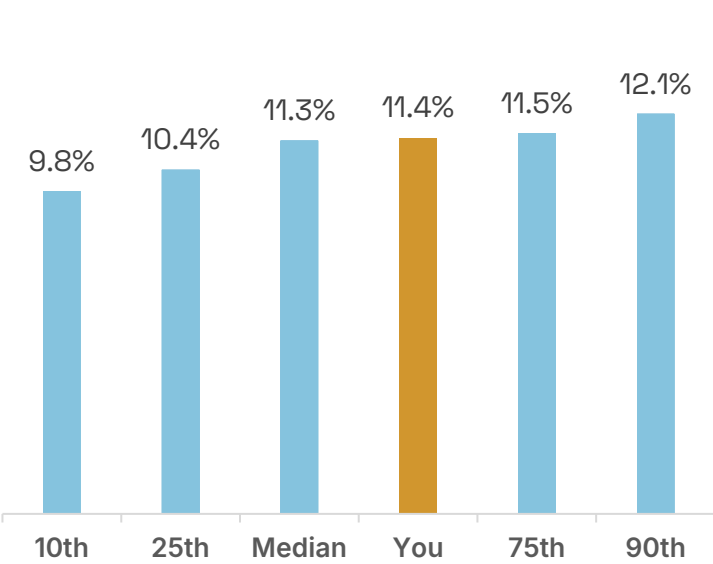


OPERS’ asset risk of 11.4% was above the U.S. Public median of 11.3%.

Asset risk (%) | 2025

OPERS' asset risk of 11.4% was above the U.S. Public median of 11.3%.

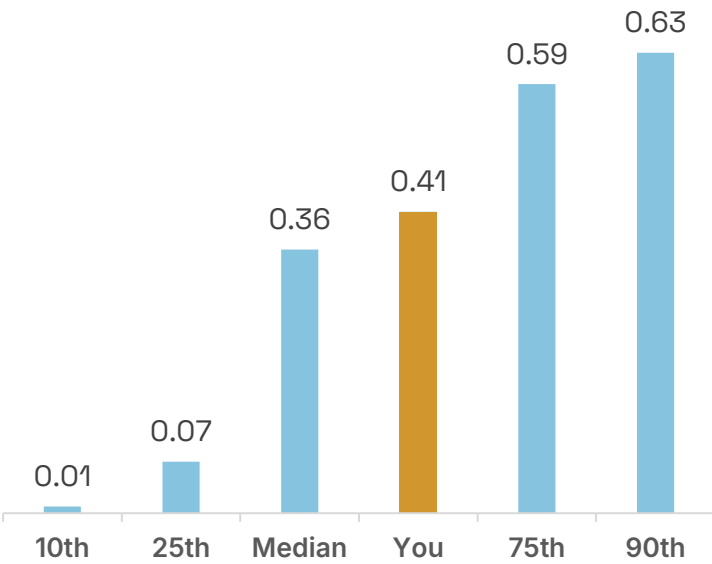
A higher asset risk is indicative of a higher weighting to more volatile assets and/or more concentration in the portfolio (and vice-versa). This measure takes in account the diversification benefits of investing in asset classes that are less correlated with each other.



Information ratio | 10-year ending 2025

Information ratio | 10-year ending 2025

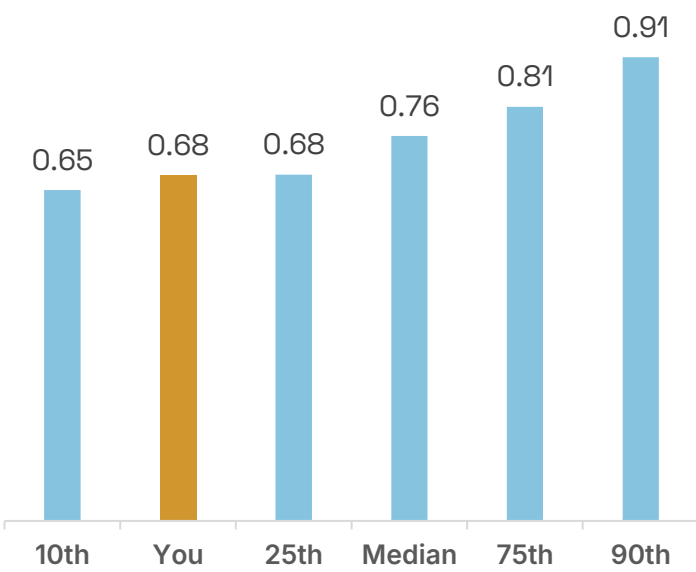
Information ratio is a measure of your active return compared to its tracking error. Active return is the difference between your net return and policy return, also known as your net value added. Tracking error is the volatility or standard deviation of your net value added.



Realized Sharpe ratio | 10-years ending 2025

OPERS' realized Sharpe ratio of 0.68 was below the U.S. Public median of 0.76.

The realized Sharpe ratio measures risk-adjusted performance by calculating how much return your portfolio earned above a risk-free investment for each unit of risk taken. It is calculated using your actual annual returns above the risk-free rate and the amount those returns varied from year to year over the period.



RESEARCH INSIGHTS

Community & Database research insights

Performance Benchmarks

This year, we share insights on Performance Benchmarks, courtesy of the Canadian DB Investment & Operations Community. The insights matter because:

- Performance benchmarks often reflect legacy decisions, not strategy.
- Performance benchmarks shape outcomes, compensation, and risk, but processes lack transparency.

CEM Communities

CEM's Communities bring people together from similar organizations, with similar functions and challenges. Together, they form collaborative research platforms enabling them to share insights, address common challenges and exchange best practices.

RESEARCH INSIGHTS

Which benchmarks matter at the total fund level?

Funds can be categorized into three groups based on how they prioritize their Strategic Asset Allocation (SAA) benchmark.

01.
SAA Dominant

These funds treat their SAA as the primary benchmark for evaluating total fund performance. They may track long-term return objectives as a secondary reference point.

Direct link to incentives: Funds often use SAA performance to determine staff compensation across relevant roles.

Codified and reported: The SAA benchmark often appears in the investment policy statement and public reporting.

02.
SAA Coequal

These funds use the SAA alongside other benchmarks, assigning each comparable weight in performance assessments. Common reference points include CPI+ targets, long-term return assumptions, and liability-based benchmarks.

Mixed approach to incentives: Funds may link compensation to multiple benchmarks (e.g., long-term return targets, the SAA, or a combination of both). Tied incentives may capture staff focus even if other benchmarks drive evaluation.

03.
SAA Subordinate

These funds rely more heavily on other benchmarks (e.g., return objectives and liability-driven metrics) while treating SAA as a secondary reference point.

Mixed approach to incentives: Staff may be compensated based on non-SAA benchmarks even if SAA appears in planning documents.

SAA still in use: While not primary, SAA is often retained to support internal alignment, discipline, and long-term strategy tracking.

RESEARCH INSIGHTS

How do funds tailor benchmarks across asset classes?

The amount of customization of a given benchmark is less predicted by the asset class and more by the asset owner's approach to benchmarking.

01.
Engineers

These funds systematically adjust SAA benchmarks across multiple criteria. Adjustments reflect a structured approach. High use of strategy, region, and currency alignment.

Private equity example: 40% S&P 500 Index (USD/EUR hedged) 90 days lagged + 2% p.a.; 25% Stoxx Europe 600 Index (currency hedged) 90 days lagged + 2% p.a.; 10% MSCI AC Asia ex Japan Index (currency hedged) 90 days lagged + 2% p.a.; 25% fixed 7% p.a.

02.
Tailors

These funds tailor SAA benchmarks for select criteria, often tied to specific exposures, views, or operational preferences. Moderate use of criteria, typically focused on region and strategy.

Private equity example: Russell 3000 + 3%

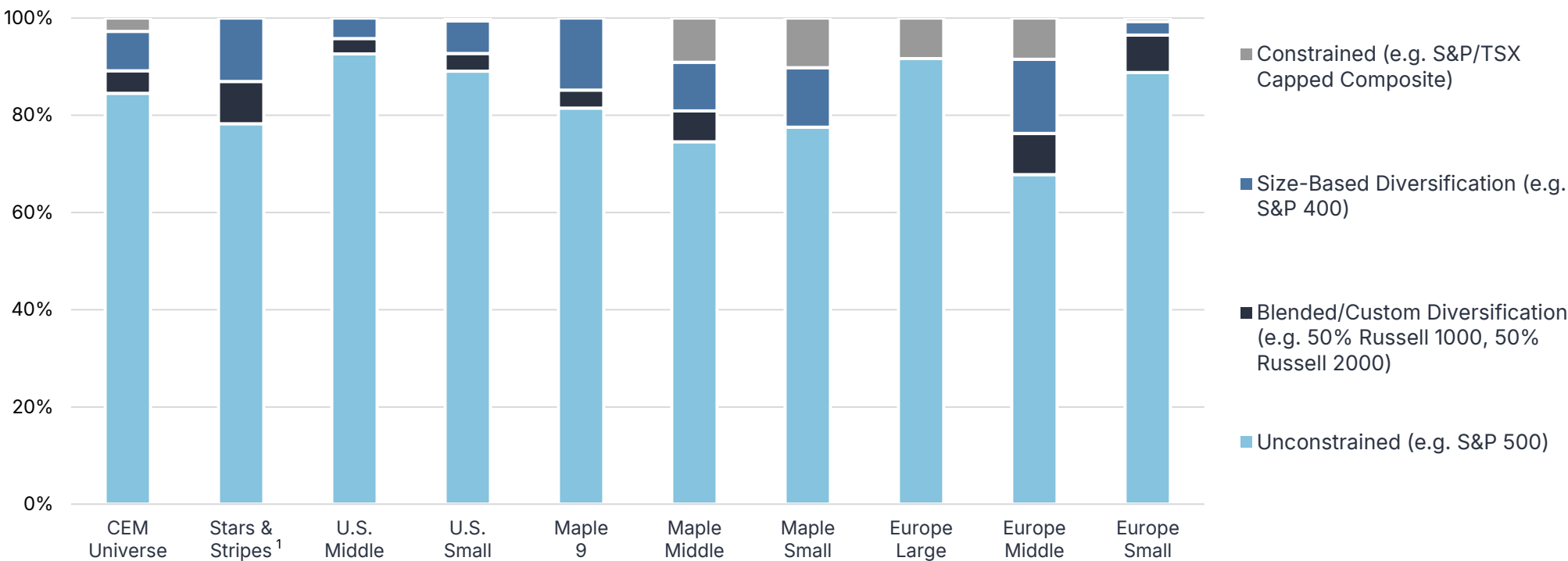
03.
Minimalists

Apply few or no benchmark adjustments, relying on standard, broad market weight indices. Performance attribution may be sophisticated, with a high-level benchmark representing the total investable universe.

Private equity example: MSCI World Small Cap Index

How do funds manage concentration risk with benchmarks?

Concentration Controls in Public Equity Market Benchmarks, 2024



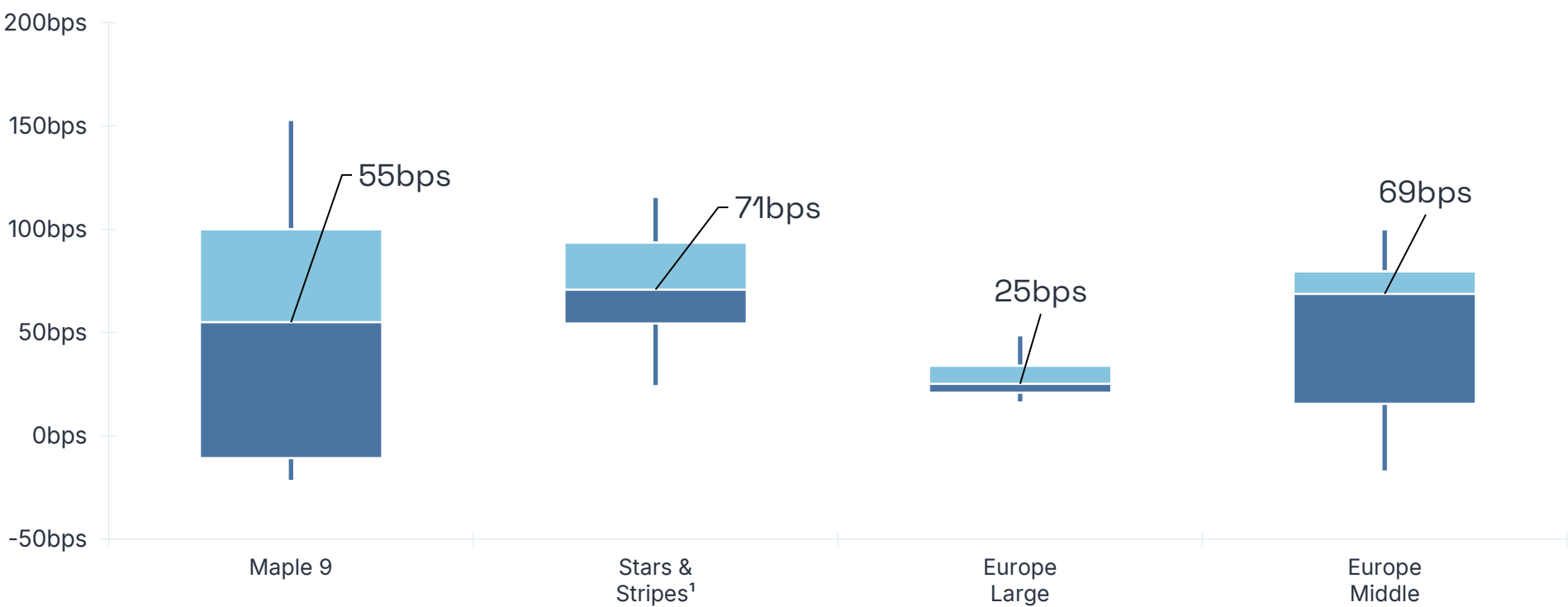
Source: Stars and Stripes 2026: Performance Benchmark Application by Large Public Pension Plans in the United States

1. Stars & Stripes is a CEM community of large U.S. public pension plans.

RESEARCH INSIGHTS

Long-term performance: Global average 10-year value added was 21 bps from 2015-2024

10-year net value added (2015 - 2024)

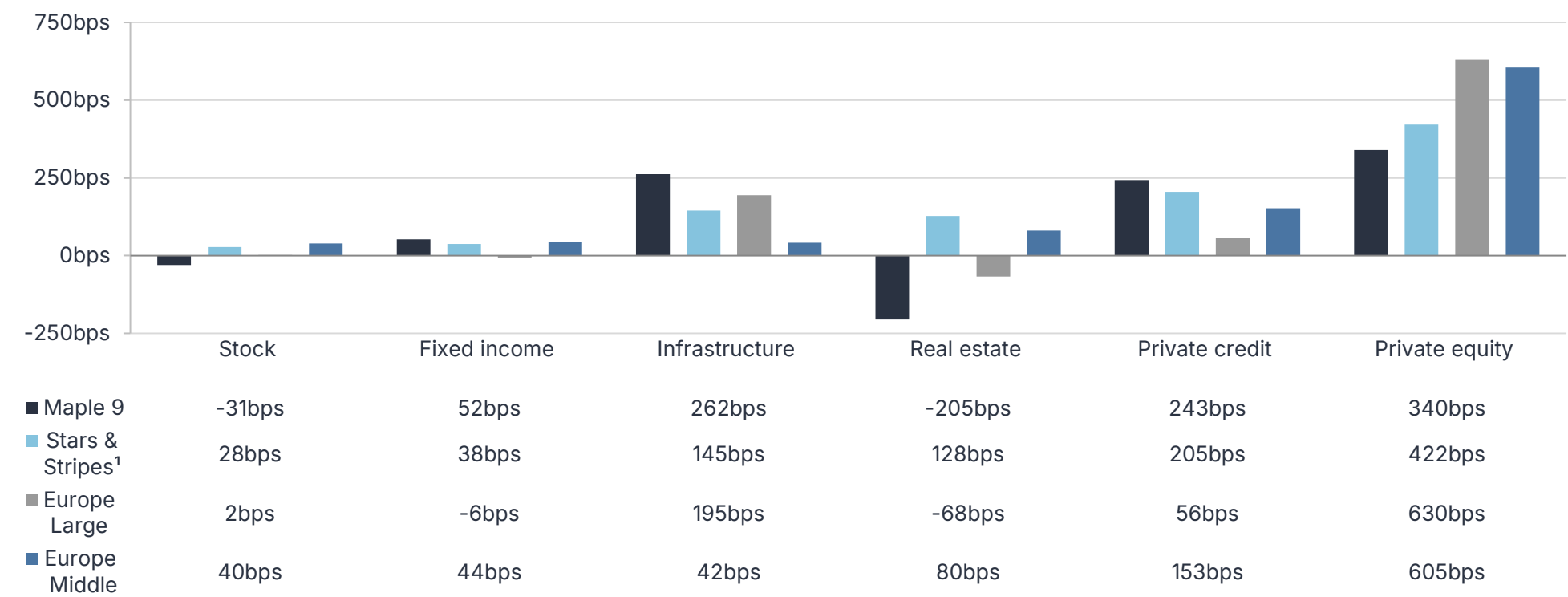


Source: CEM Investment Benchmarking Database (As at Nov 30, 2025)

1. Stars & Stripes is a CEM community of large U.S. public pension plans.

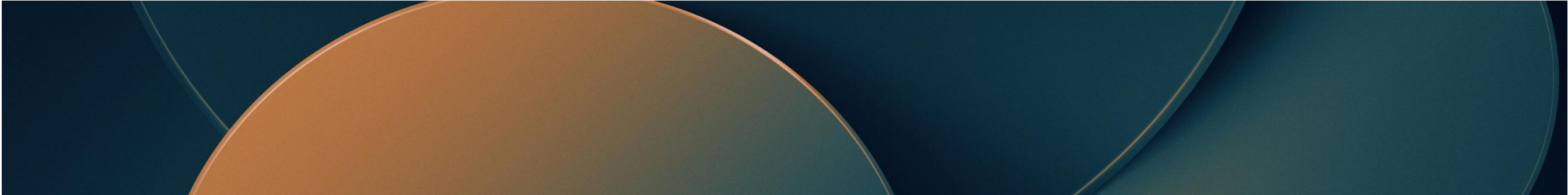
Sources of 10-year NVA by asset class.

10-year net value added (2015 - 2024)



Source: CEM Investment Benchmarking Database (As at Nov 30, 2025)

1. Stars & Stripes is a CEM community of large U.S. public pension plans.



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MANAGEMENT INSIGHT REPORT
October 2026





OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

MEMORANDUM

DATE: October 21, 2026

TO: OPERS Retirement Board Members

FROM: Allen Foster – Deputy Executive Director
Jennifer Starr – Director - Finance

RE: **V. D. Combined Plan**

Purpose – The purpose of this memorandum is to provide the Board with an update on the current status of the Combined Plan from both an individual member and overall plan perspective, as well as an overview of the plan's ongoing financial reporting. The discussion will review activity since the Combined Plan was closed to new members, the characteristics and retirement readiness of the remaining population, and the continued financial reporting and oversight of the Combined Plan division within the Traditional Pension Plan.

Background – Since its inception, OPERS has offered a defined benefit retirement plan, known today as the Traditional Pension (TP) Plan. In 2000, OPERS was required by law to establish one or more defined contribution plans. OPERS established the Member-Directed (MD) Plan and also elected to offer the Combined (CO) Plan, a hybrid plan. Both plans were implemented January 1, 2003.

Under the Combined Plan, member contributions are directed to the defined contribution portion, where the member manages the investments and retirement income is based on the account value and applicable annuity factor. Employer contributions support the defined benefit portion, which is managed by OPERS and provides a formula benefit generally based on 1.0% of final average salary multiplied by service credit.

At the September 2019 Board meeting, staff recommended, and the Board approved, closing the Combined Plan to new members effective January 1, 2022. The closure reflected that the plan was not required by statute, had the lowest participation rate of the three plans, and that reducing the number of plan selection options would simplify the process for members. Before the closure, from January 1, 2003 through December 31, 2021, 167,080 total plan selections

were made: 128,577, or 77%, selected the Traditional Pension Plan; 24,863, or 15%, selected the Member-Directed Plan; and 13,640, or 8%, selected the Combined Plan. Since January 1, 2022, 43,394 total selections have been made: 34,432, or 79%, selected the Traditional Pension Plan and 8,962, or 21%, selected the Member-Directed Plan, as of September 17, 2026.

The closure and consolidation were structured in two phases. Phase 1 closed the Combined Plan to new participants effective January 1, 2022. Phase 2 consolidated the Combined Plan into the Traditional Pension Plan. Authority for the consolidation was enacted in H.B. 33 of the 135th General Assembly and took effect October 3, 2023. In September 2024, the Board approved rules related to the consolidation and reviewed the related financial reporting. In October 2024, the Board considered the aggregation of service credit.

Current Combined Plan Activity - The Combined Plan population remains closed to new entrants and is gradually declining as members retire, refund their accounts, die, or make an authorized plan change. The plan selection process for new members now consists of the Traditional Pension Plan and the Member-Directed Plan.

As of August 31, 2026, OPERS records included 1,137,799 active and inactive members across all three plans. Of that total, 7,739 members, or 0.7%, were associated with the Combined Plan; 19,319 members, or 1.7%, were associated with the Member-Directed Plan; and 1,110,741 members, or 97.6%, were associated with the Traditional Pension Plan.

Combined Plan enrollment has declined from 9,208 active and inactive members in 2022 to 7,739 as of August 31, 2026. During this period, the number of active Combined Plan members declined from 6,592 to 5,211, while the inactive population declined from 2,616 to 2,528.

Plan Changes - Since 2022, 17 Combined Plan members changed to another OPERS plan. Thirteen members, or 76%, selected the Traditional Pension Plan, and four members, or 24%, selected the Member-Directed Plan, as of August 31, 2026.

Refund and Retirement Activity - Retirements from the Combined Plan have generally increased as remaining members age and earn additional service credit, while refunds have generally decreased following the closure to new entrants. The annual counts reflected in the presentation are found on the following page.

Year	Retired	Refunded
2022	75	444
2023	71	328
2024	101	294
2025	139	237
2026 YTD*	119	144

**As of August 31, 2026. Refunds include death refunds. Retirements include deceased members with a beneficiary receiving a survivor benefit.*

A refund after January 1, 2022 results in the permanent forfeiture of the refunded Combined Plan service because the plan is closed and the member cannot return to the Combined Plan to repurchase that service. This consideration may also affect member refund behavior.

Member Deaths - Combined Plan member deaths among active and inactive members totaled 10 in 2022, 30 in 2023, 14 in 2024, 12 in 2025, and 12 year-to-date through August 31, 2026. These figures exclude reemployed retirees and reflect members who died before retirement.

Retirement Readiness and Supplemental Savings - The remaining active Combined Plan population is aging and moving closer to retirement. As of August 31, 2026, 1,725 active members, representing 33% of Combined Plan actives, are expected to become eligible for a reduced or unreduced retirement benefit by the end of 2030, assuming continuous employment. This total includes 862 members currently eligible or becoming eligible in 2026, 197 in 2027, 240 in 2028, 211 in 2029, and 215 in 2030. Across this group, 50% have contributed to the Ohio Deferred Compensation Program (ODC).

ODC participation increases with service credit. As of August 31, 2026, participation ranged from 26% among active members with fewer than five years of service to 77% among those with 30 or more years of service. Average Combined Plan defined contribution account balances and average ODC account values also generally increase as service credit increases.

Recent Retirees - Combined Plan members have been retiring with more service credit, higher starting benefits, higher income replacement ratios, and greater health care eligibility. The presentation summarizes recent retiree experience as found on the following page.

Year	Avg. Age	Avg. Service	Avg. Starting Annual Benefit	Avg. Income Replacement	Eligible for HC
2022	66	15	\$10,421	17%	2%
2023	66	17	\$14,073	21%	40%
2024	67	18	\$15,658	22%	47%
2025	66	18	\$16,413	23%	46%
2026	66	19	\$17,827	24%	63%

For purposes of this analysis, health care eligibility is defined as having 20 or more years of service.

Financial Reporting – From a financial reporting Government Accounting Standards Board (GASB) perspective, standards required that effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan. In our main financial statements included within the Financial Section of the Annual Comprehensive Financial Report (Annual Report), the Traditional Plan, including the Combined Plan, is reported in one column now. However, we continue to track Combined Plan activity internally as a separate division within the Traditional Pension Plan and disclose Combined Plan division financial statements in the Statistical Section of the Annual Report for transparency and oversight. This change in presentation began in the 2024 Annual Report.

Reconciliation schedules are included in the Statistical Section to show the combination of the Combined Plan activity with the Traditional Plan activity to arrive at the new consolidated Traditional Plan amounts. The 2025 Annual Report reports \$128.0 billion in total assets and \$116.7 billion in net position restricted for pensions for the Traditional Pension Plan, including the Combined Plan. The Combined Plan division portion of these totals was total assets of \$2.6 billion and net position of \$2.5 billion. The change in fiduciary net position, or net income, reported \$359.3 million, while total deductions were \$68.9 million for the Combined Plan division.

Also included in the Statistical Section are tables disclosing the actuarial funding valuation amounts for the Combined Plan and the Traditional Pension Plan – both with the Combined Plan included and excluded. The Combined Plan is no longer included in the accounting basis actuarial valuations based on GASB requirements. Our employers report their proportionate share of the accounting basis actuarial valuation information. We notified our employers of the change in reporting of the Combined Plan as they will see this in the GASB audit reports made available to them in June of every year.

Next Steps - Staff will continue to monitor participant trends, behaviors, and plan utilization to evaluate the experience of the remaining Combined Plan population and provide ongoing reporting to OPERS leadership and the Board. Staff will also continue consolidation and governance activities to maintain appropriate financial oversight, reporting transparency, and accountability for the Combined Plan division within the Traditional Pension Plan.

Combined Plan

October 21, 2026

Allen Foster – Deputy Executive Director
Jennifer Starr – Director - Finance



Agenda

- Purpose
- Background
- Current day activity
- Financial Reporting
- Questions

Purpose

The purpose of today's meeting is to provide an update on the current status of the Combined Plan from both an individual member and overall plan perspective, as well as an overview of the plan's ongoing financial reporting

Background

Defined Benefit Plan Established (1935)

- Since its inception, OPERS has offered a defined benefit retirement plan—known today as the Traditional Pension Plan
- The plan offers retirement, disability, survivor and death benefits to its members and their beneficiaries
- For nearly 70 years, the Defined Benefit plan was the only option

Traditional Plan Contributions

DEFINED BENEFIT PLAN

10% Member Contributions and **14%** Employer Contributions



OPERS manages investments

Retirement based on formula:
2.2% x FAS x Service Credit

Defined Contribution Plan Required (2000)

- OPERS was required by law to establish one or more defined contribution plans—namely the Member-Directed Plan
- OPERS elected to offer an additional plan- the Combined Plan which is a hybrid plan (HB 628 – 123 G.A.)

Two Plans Established (2003)

OPERS chose to establish two retirement plans to be implemented Jan. 1, 2003:

1. Defined contribution plan (Member-Directed Plan)
2. Hybrid plan (Combined Plan)

Member-Directed Plan Contributions

DEFINED CONTRIBUTION PLAN

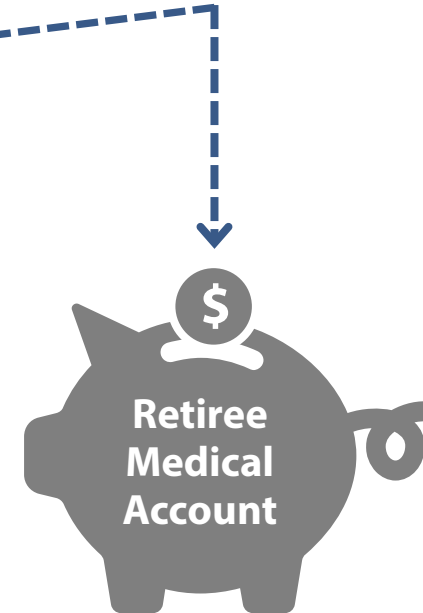
10% Member Contributions

14% Employer Contributions



Member manages investments

Retirement based on account value:
Investment Account x Annuity Factor



OPERS manages investments

Retiree Medical Account used for
reimbursement of qualifying medical expenses

Combined Plan Contributions

DEFINED CONTRIBUTION PORTION

10% Member Contributions



Member manages investments

Retirement based on account value:
Investment Account x Annuity Factor

DEFINED BENEFIT PORTION

14% Employer Contributions



OPERS manages investments

Retirement based on formula:
1.0% x FAS x Service Credit

Combined Plan Closure

At the September 2019 Board meeting, staff recommended and the Board approved the closure of the combined plan to new members effective 1/1/2022 due to the following:

- Not required by statute
- Lowest participation rate of the three plans
- Less options for member confusion

Changes to the Combined Plan (2019)

Phase 1

Closed CO Plan to new participants effective Jan. 1, 2022

Phase 2

Consolidate CO Plan into TP Plan. Authority to consolidate the Combined Plan into the Traditional Pension Plan was adopted in HB33 in the 135th General Assembly, which took effect on October 3, 2023

Consolidation Efforts to Date

- ☑ Board approved rules related to consolidation
September 2024 Board meeting
- ☑ Financial reporting review
September 2024 Board meeting
- ☑ Aggregation of service credit?
October 2024 Board meeting

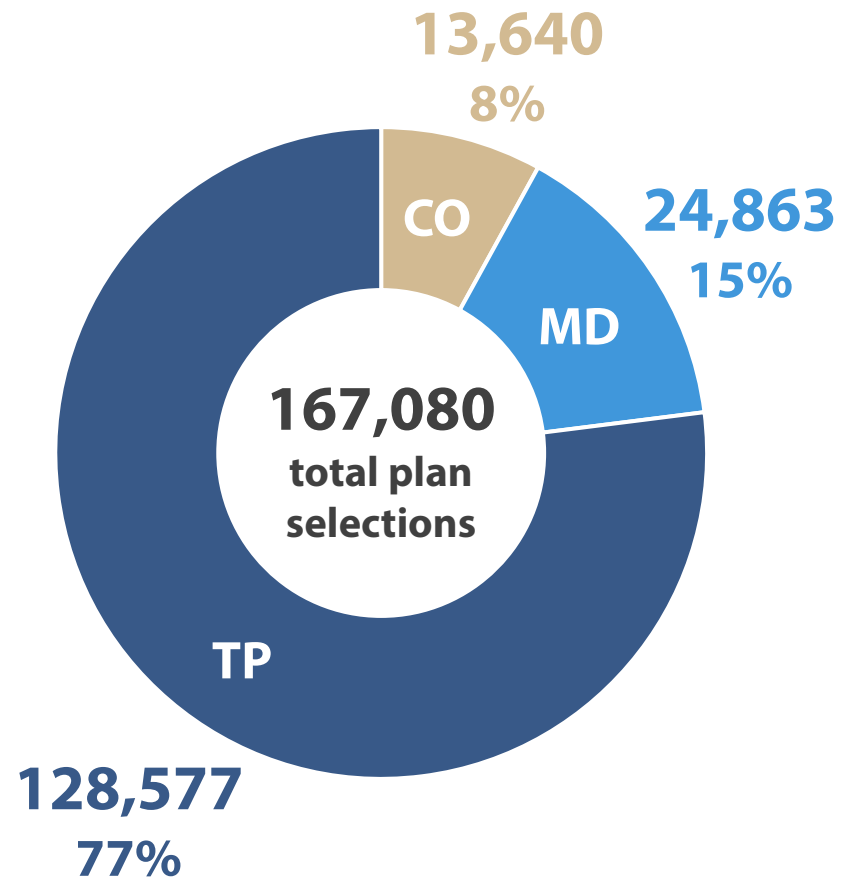
Current Day - Combined Plan

- Current Combined Plan population unaffected
- No new additions to the Combined Plan
- Plan selection process simpler to our membership

Plan Selection Before and After Combined Plan (CO) Plan Closure

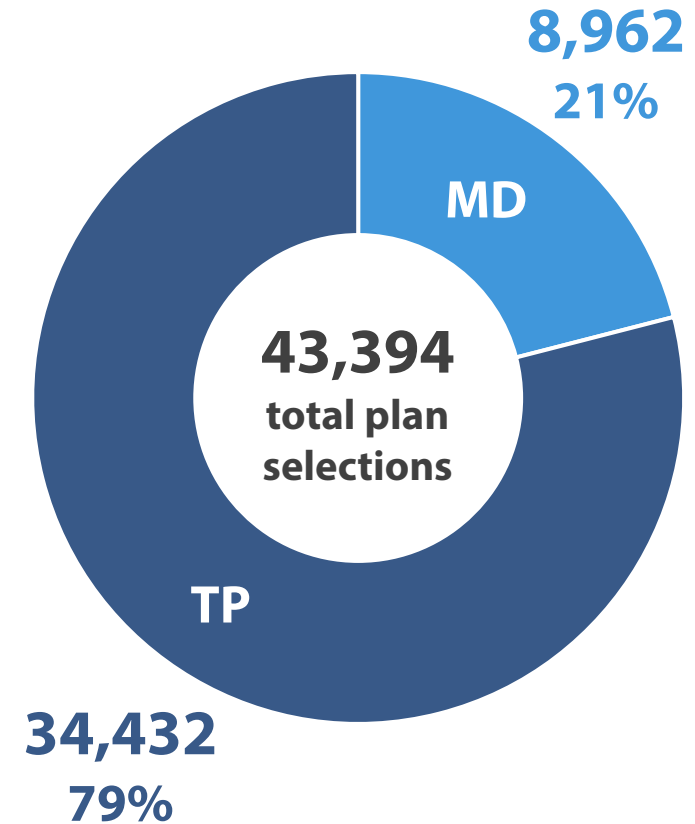
Before Combined Plan Closure

1/1/2003 to 12/31/2021



Since Combined Plan Closure

1/1/2022 and after



Combined Plan

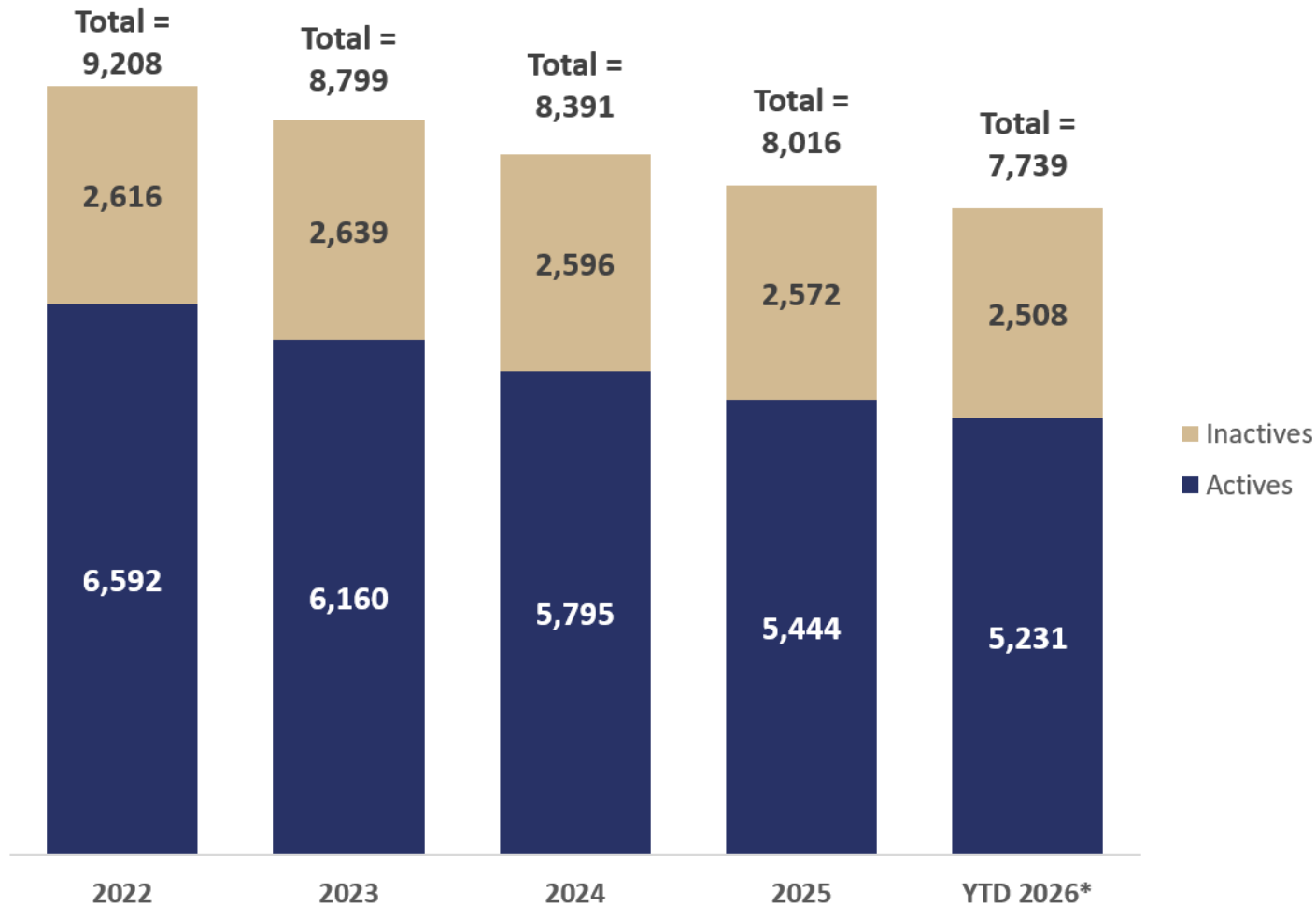
Current day activity

Current Membership Breakdown*

Member's Plan	Member Count	% of Total
Combined Plan	7,739	0.7%
Member-Directed Plan	19,319	1.7%
Traditional Pension Plan	1,110,741	97.6%
All	1,137,799	100.0%

* As of 8/31/2026

Combined Plan Enrollment History



- Since the closing of the Plan from new entrants, the member population (both actives and inactives) has been gradually shrinking.

* As of 8/31/2026

Plan Changes

- Historically before 2003 plan selection nor plan changes existed
- A Plan Change is allowed after a member's initial plan selection or default
- As of 12/1/2021 members are only eligible to change plans to the Traditional or Member Directed Plan
- The Combined Plan is no longer available for plan changes

Plan Changes

Traditional



Member-Directed

- Member can plan change
- **Starts out new** in the Member-Directed Plan. Traditional Plan service/funds stay in the Traditional Plan.

Combined

- **No longer allowed after 12/01/21**
- 12/01/21 and prior – member could plan change but **started out new** in the Combined Plan. Traditional Plan service/funds stayed in Traditional Plan.



Member-Directed



Traditional

- Member can plan change **and purchase plan change service** in the new plan.

Combined

- **No longer allowed after 12/01/21**
- 12/01/21 and prior – member could plan change AND could **purchase plan change service credit**.



Combined

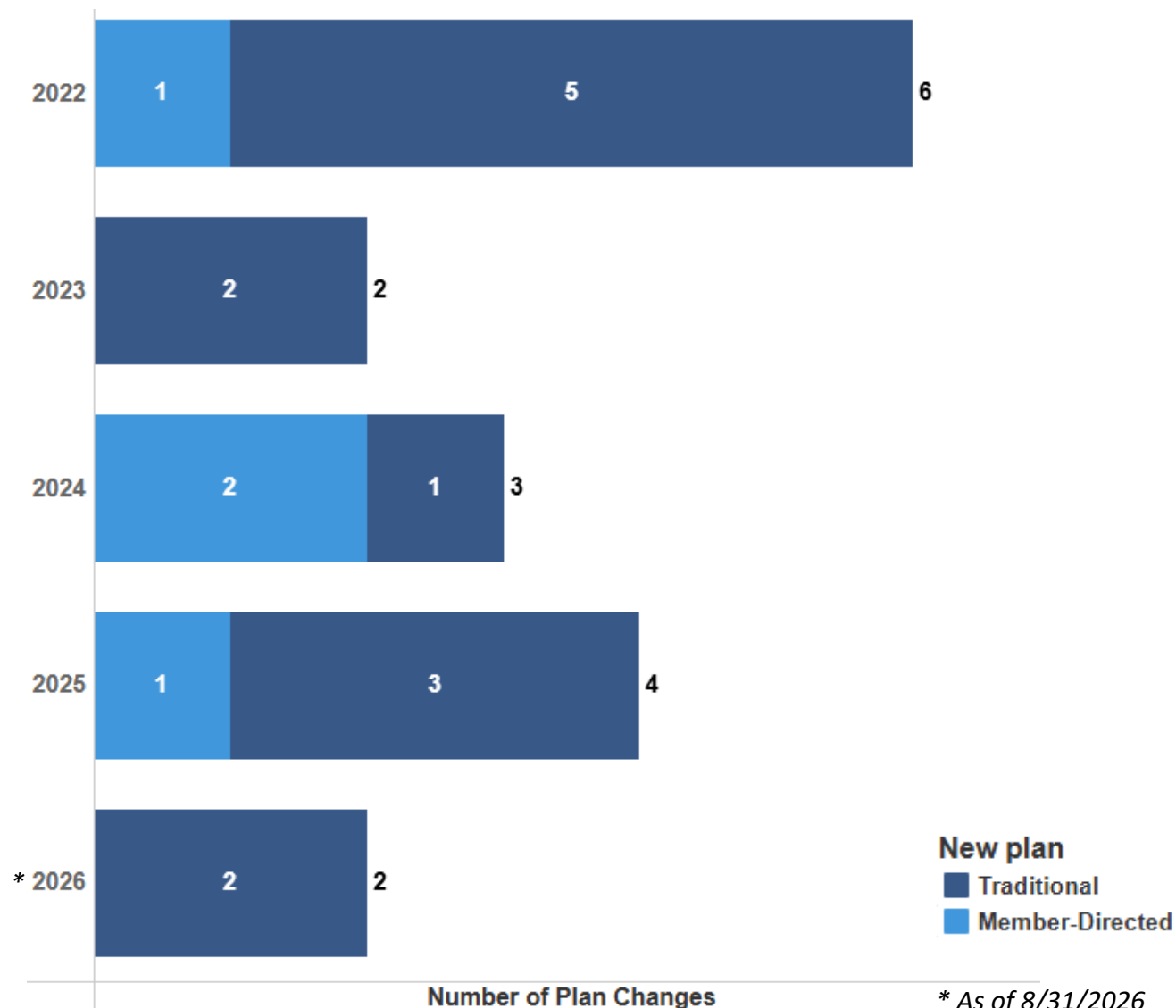
Traditional

- Member can plan change
- Member can plan change **and purchase plan change service** in the new plan.

Member-Directed

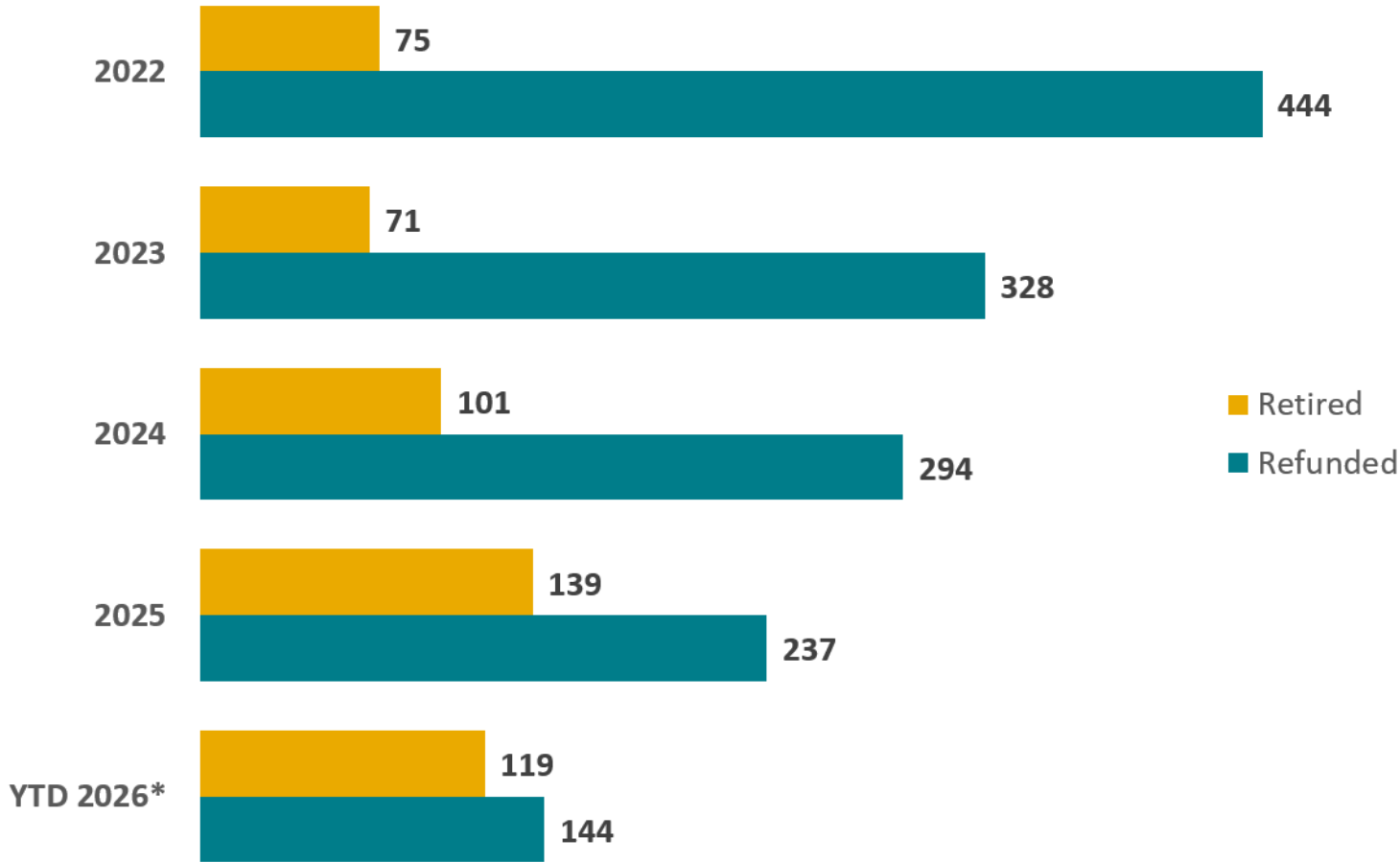
- Member can plan change
- **Starts out new** in the Member-Directed Plan. Combined Plan service/funds stayed in Combined Plan.
- If less than 5.000 years, you have stranded time in Combined that can only be refunded later.

Plan Changes



- A total of 17 Combined Plan members switched to another plan since 2022
- 13 (76%) selected the Traditional Plan as their new plan
- 4 (24%) selected the Member-Directed Plan as their new plan

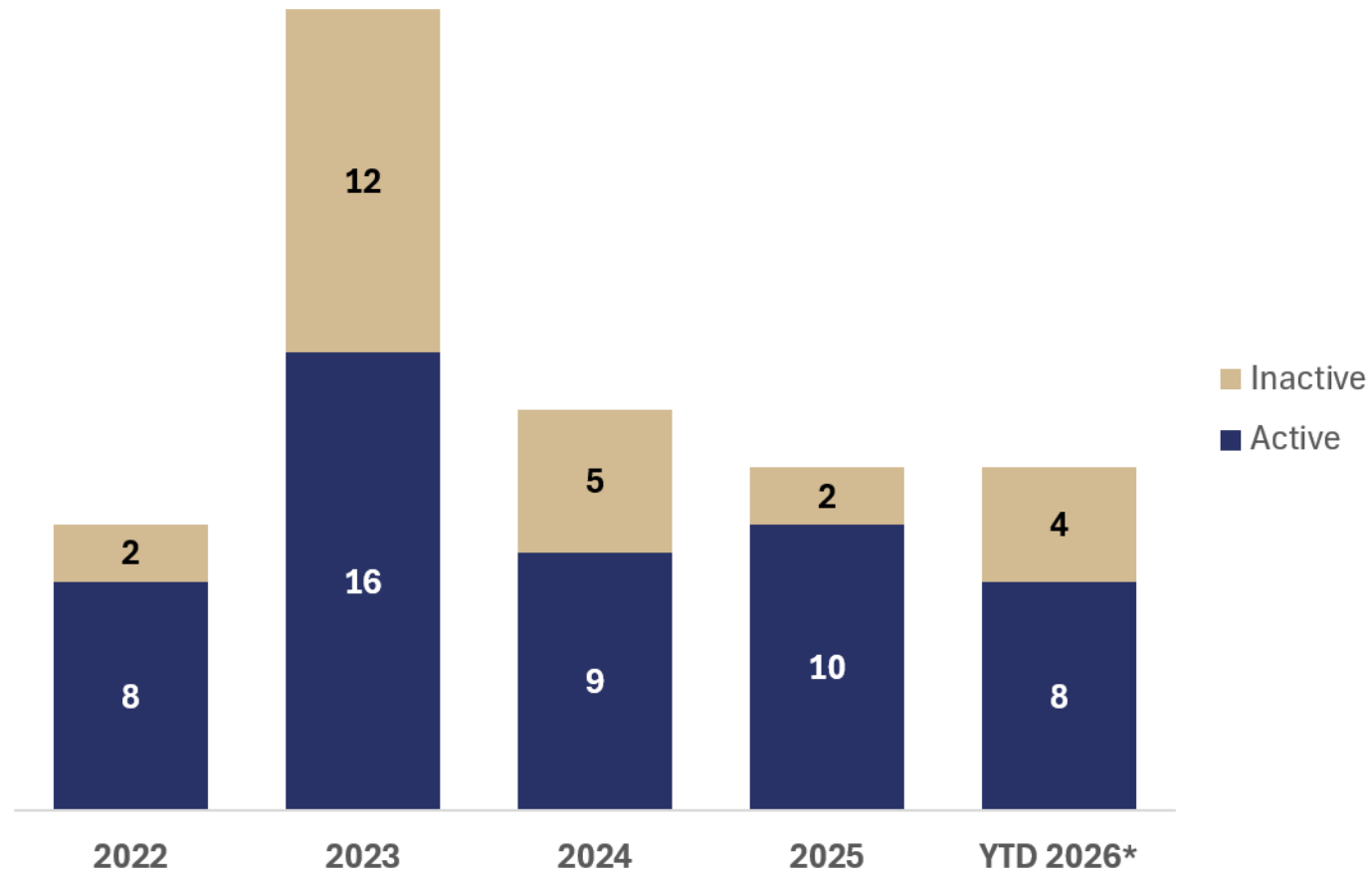
Number of Members Refunded / Retired



- The number of retirements have been increasing. More members who remain in the Combined Plan are becoming eligible to retire (earning more service and aging).
- In contrast, the number of refunds have been decreasing. One reason could be because the Plan was closed to new entrants who are likely to quit and refund within their first few years of employment.

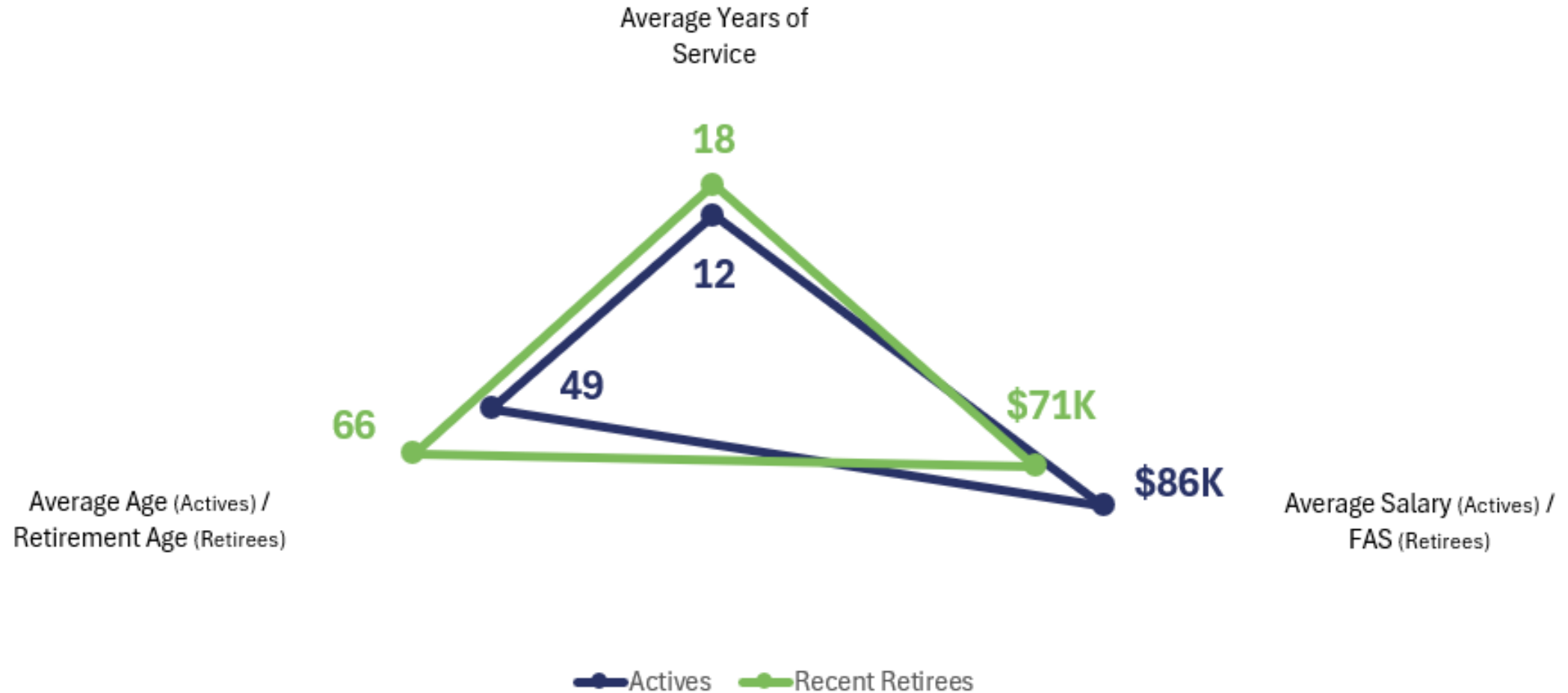
* As of 8/31/2026

Combined Plan Member Deaths



* As of 8/31/2026

Combined Plan Actives vs. Recent Retirees



* As of 8/31/2026

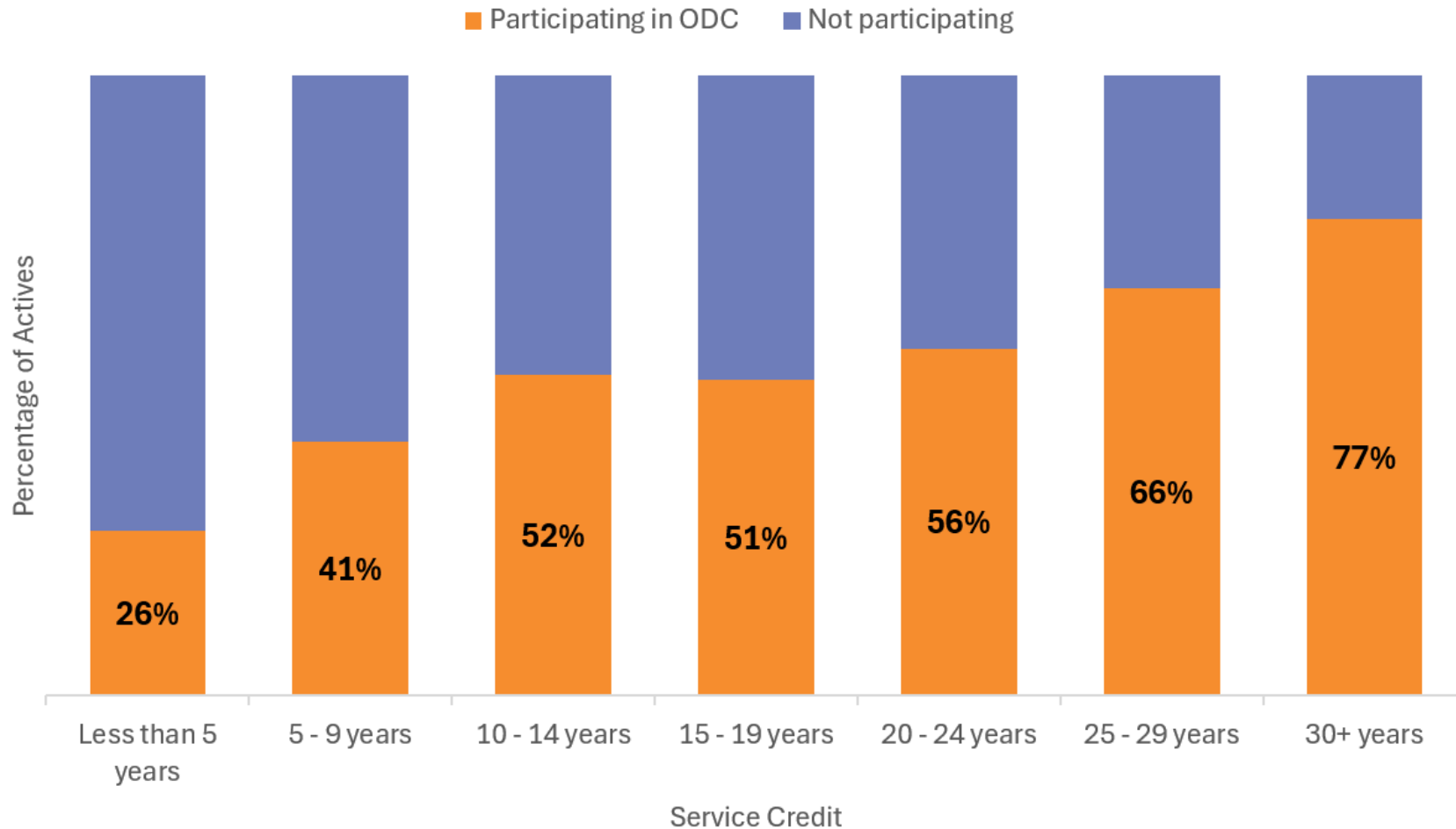
Actives Eligible To Retire

Year	# of Actives Eligible to Retire	% Contributed to ODC
2026*	862	47%
2027	197	59%
2028	240	52%
2029	211	55%
2030	215	49%
2026-2030	1,725	50%

- 1,725 (33% of total) Combined Plan actives will be retirement eligible within 5 years, assuming continuous employment
- Half of them have contributed to ODC

* Includes members currently eligible to retire

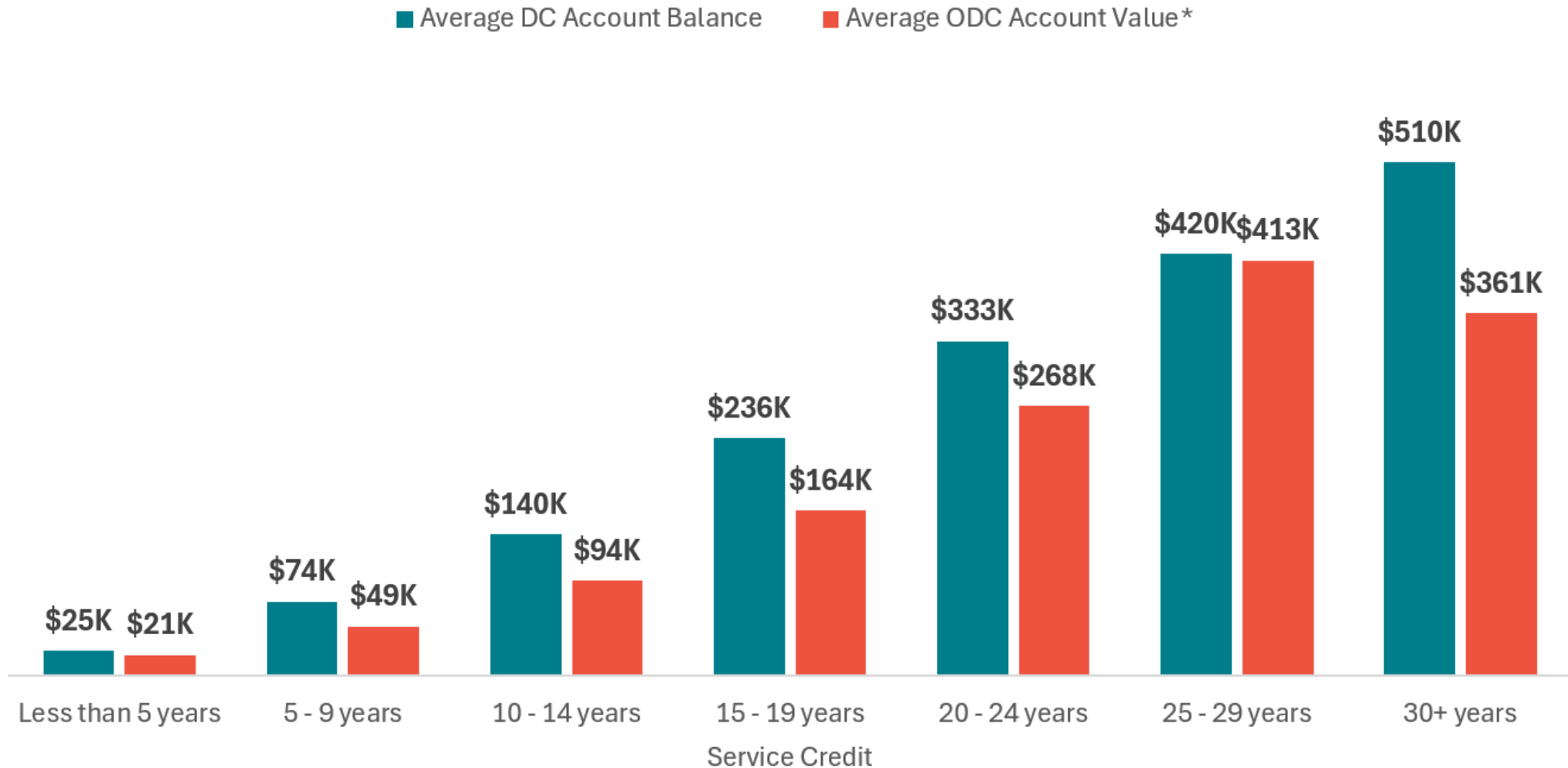
Combined Plan Actives – ODC Participation



- Active member groups with more years of service have higher ODC participation rates

* As of 8/31/2026

Combined Plan Actives – DC / ODC Balance



* Only active members with an ODC balance are included in the calculation of the Average ODC Account Value

Recent Retirees

Retirement Year	Average Retirement Age	Average Service Credit	Average Starting Benefit	Average Income Replacement Ratio	% of New Retirees Eligible For HC
2022	66	15	\$10,421	17%	2%
2023	66	17	\$14,073	21%	40%
2024	67	18	\$15,658	22%	47%
2025	66	18	\$16,413	23%	46%
2026	66	19	\$17,827	24%	63%

- Combined Plan members are retiring with more years of service, resulting in higher benefit amounts, higher income replacement ratios, and more of them eligible for health care.

Financial Reporting

The Combining Statement of Fiduciary Net Position

	Pension		115 Health Care Trust	Ohio Deferred Compensation Program	Total
	Traditional Pension Plan	Member-Directed Plan			
Cash and Cash Equivalents	\$8,489,859,484	\$7,642,441	\$1,281,524,015	\$27,343,675	\$9,806,369,615
Total Receivables	892,561,056	17,438,598	110,601,060	3,752,886	1,024,353,600
Total Investments	107,401,612,285	2,453,650,053	13,647,061,156	24,399,048,746	147,901,372,240
Collateral on Loaned Securities	11,126,548,145	6,679,937	2,124,932,418	—	13,258,160,500
Net Capital Assets	104,664,920	3,616,066	32,969,645	17,168,246	158,418,877
Prepaid Expenses	3,977,831	—	—	281,761	4,259,592
Due from Other Funds	228,069	—	—	—	228,069
TOTAL ASSETS	128,019,451,790	2,489,027,095	17,197,088,294	24,447,595,314	172,153,162,493
TOTAL LIABILITIES AND DEFERRED INFLOWS	11,361,667,487	8,055,665	2,400,231,806	5,747,291	13,775,702,249
Net Positions Restricted for Pensions and OPEB	\$116,657,784,303	\$2,480,971,430	\$14,796,856,488	\$24,441,848,023	\$158,377,460,244

The Combining Statement of Changes in Fiduciary Net Position

	Pension		115 Health Care Trust	Ohio Deferred Compensation Program	Total
	Traditional Pension Plan	Member-Directed Plan			
Total Non-investment Additions	\$4,671,074,731	\$188,961,951	\$39,264,289	\$825,635,911	\$5,724,936,882
Net Income from Investing Activity	14,998,099,285	348,063,554	2,142,661,160	3,414,659,323	20,903,483,322
TOTAL ADDITIONS	19,669,174,016	537,025,505	2,181,925,449	4,240,295,234	26,628,420,204
TOTAL DEDUCTIONS	8,458,801,247	148,976,441	625,374,638	1,656,347,151	10,889,499,477
Net Increase in Fiduciary Net Position	\$11,210,372,769	\$388,049,064	\$1,556,550,811	\$2,583,948,083	\$15,738,920,727

Fiduciary Net Position – Reconciliation of Traditional Pension Plan

Year	2025	2024	2023	2022
Traditional Pension Plan (including Combined Plan)				
Total Assets	\$128,019,451,790	\$116,070,871,735	\$109,533,788,932	\$102,950,028,416
Total Liabilities, Deferred Inflows and Net Position	\$128,019,451,790	\$116,070,871,735	\$109,533,788,932	\$102,950,028,416
Traditional Pension Plan (excluding Combined Plan)				
Total Assets	\$125,412,497,687	\$113,840,116,761	\$107,567,037,259	\$101,263,228,755
Total Liabilities, Deferred Inflows and Net Position	\$125,412,497,687	\$113,840,116,761	\$107,567,037,259	\$101,263,228,755
Combined Plan				
Total Assets	\$2,606,954,103	\$2,230,754,974	\$1,966,751,673	\$1,686,799,661
Total Liabilities, Deferred Inflows and Net Position	\$2,606,954,103	\$2,230,754,974	\$1,966,751,673	\$1,686,799,661

Changes in Fiduciary Net Position – Reconciliation of Traditional Pension Plan

Year	2025	2024	2023	2022
Traditional Pension Plan (including Combined Plan)				
Total Additions	\$19,669,174,016	\$13,104,904,905	\$14,390,017,710	(\$9,546,174,216)
Total Deductions	8,458,801,247	8,091,779,512	7,803,676,962	7,635,146,171
Net Positions Restricted for Pension, End of Year	\$116,657,784,303	\$105,447,411,534	\$100,434,286,141	\$93,847,945,393
Traditional Pension Plan (excluding Combined Plan)				
Total Additions	\$19,259,390,077	\$12,817,425,105	\$14,082,272,138	(\$9,370,192,543)
Total Deductions	8,408,316,784	8,047,250,373	7,771,173,129	7,595,753,035
Net Positions Restricted for Pension, End of Year	\$114,176,061,324	\$103,324,988,031	\$98,554,813,299	\$92,243,714,290
Combined Plan				
Total Additions	\$428,218,271	\$309,189,254	\$328,938,492	(\$157,773,516)
Total Deductions	68,918,795	66,238,593	53,696,753	57,601,293
Net Positions Restricted for Pension, End of Year	\$2,481,722,979	\$2,122,423,503	\$1,879,472,842	\$1,604,231,103

Pension Assets vs Pension Liabilities – Funding Basis (\$ in millions)

All Pension Plans						
Year	Pension Assets	Accrued Liabilities	Unfunded Liabilities	Funded Ratio	Amortization Years	Net Unrealized Gains/(Losses)
2025	\$108,362	\$132,837	\$24,475	81.58%	17	\$7,196
2024	\$106,873	\$129,013	\$22,140	82.84%	15	(\$2,381)
2023	\$105,133	\$125,473	\$20,340	83.79%	15	(\$5,537)
2022	\$102,852	\$122,463	\$19,611	83.99%	16	(\$9,701)

Traditional Pension Plan (including Combined Plan)						
Year	Pension Assets	Accrued Liabilities	Unfunded Liabilities	Funded Ratio	Amortization Years	Net Unrealized Gains/(Losses)
2025	\$108,291	\$132,766	\$24,475	81.57%	17	\$7,196
2024	\$106,820	\$128,960	\$22,140	82.83%	15	(\$2,381)
2023	\$105,089	\$125,429	\$20,340	83.78%	15	(\$5,537)
2022	\$102,811	\$122,422	\$19,611	83.98%	16	(\$9,697)

Pension Assets vs Pension Liabilities – Funding Basis (\$ in millions)

Traditional Pension Plan (excluding Combined Plan)

Year	Pension Assets	Accrued Liabilities	Unfunded Liabilities	Funded Ratio	Amortization Years	Net Unrealized Gains/(Losses)
2025	\$107,058	\$131,932	\$24,874	81.15%	17	\$7,118
2024	\$105,686	\$128,196	\$22,510	82.44%	16	(\$2,361)
2023	\$104,041	\$124,735	\$20,694	83.41%	15	(\$5,486)
2022	\$101,848	\$121,784	\$19,936	83.63%	16	(\$9,604)

Combined Plan Division

Year	Pension Assets	Accrued Liabilities	Unfunded Liabilities	Funded Ratio	Amortization Years	Net Unrealized Gains/(Losses)
2025	\$1,233	\$834	(\$399)	147.85%	0	\$78
2024	\$1,134	\$764	(\$370)	148.44%	0	(\$20)
2023	\$1,048	\$694	(\$354)	151.00%	0	(\$51)
2022	\$963	\$638	(\$325)	150.91%	0	(\$93)

Next Steps

- Staff will continue to monitor participant trends, behaviors, and plan utilization to ensure the Combined Plan remains responsive to the needs of remaining participants and to provide ongoing reporting to OPERS leadership and the Board
- Staff will continue consolidation and governance activities to maintain appropriate financial oversight, reporting transparency, and accountability for the Combined Plan division within the Traditional Pension Plan

Questions?



OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

MEMORANDUM

DATE: October 21, 2026

TO: OPERS Board of Trustees

FROM: Paul T. Greff, Chief Investment Officer
Lincoln D. Carnam, Assistant Portfolio Manager

RE: **V. E. Ohio Deferred Comp Investment Options Review**

Purpose

Lincoln Carnam, Assistant Portfolio Manager at OPERS, and Stephen Budinsky and Jason Samansky, Consultants at RVK, will present a review of the investment options in the Ohio Deferred Compensation Plan along with a comprehensive review of Target Date Funds (TDF) and the Stable Value investment option.

Background

Regularly throughout the year, the Board is presented with an update to the Ohio Deferred Compensation Plan with a focus on key components. This month the focus was on three topics:

- Ohio Deferred Comp 2027: Staff reviewed the current Ohio Deferred Compensation fund menu alongside OPERS' own DC plan lineup. Staff indicated they will pursue menu simplification and will report specifics to the Board as plans develop.
- Target Date Funds: Staff reviewed the Target Date Funds offered by the Ohio Deferred Compensation fund with details on how they work and their place in the program and their performance.
- Stable Value: RVK reviewed the Stable Value investment option, its structure and its performance

Next Steps

OPERS staff and RVK will continue to monitor all investments in the Ohio Deferred Compensation program and will report back to the Board with specific investment menu simplification proposals as they are developed.

Ohio Deferred Compensation (ODC) Fund

October 21, 2026

Lincoln Carnam, Assistant Portfolio Manager



AGENDA

**OHIO DEFERRED COMPENSATION
2027**

TARGET DATE FUNDS

OHIO DEFERRED COMPENSATION 2027

TARGET DATE FUNDS



OPERS DEFINED CONTRIBUTION PLAN OFFERINGS

PASSIVE

- Russell 1000 Index
- Russell 2000 Index
- Russell 3000 Index
- MSCI ex-US Index
- US Debt Index

ACTIVE

- Fisher US Total Return
- T. Rowe Price SMid
- Lazard ACW ex-US
- JP Morgan Core Bond
- Invesco Stable Value

- Schwab Brokerage

TDF

- LifePath Retirement
- LifePath 2030
- LifePath 2035
- LifePath 2040
- LifePath 2045
- LifePath 2050
- LifePath 2055
- LifePath 2060
- LifePath 2065
- LifePath 2070

OPERS DEFINED CONTRIBUTION PLAN

Strengths of the OPERS Defined Contribution (DC) Plan:

- **Simple, Low-Cost Core Menu:** A focused lineup of diversified, low-fee investment options.
- **Fewer Choices, Better Decisions:** Behavioral research shows too many options can hinder participant decision-making.
- **Built for Primary Retirement Savings:** A conservative investment menu that reflects the plan's role as many member's main source of retirement savings.
- **Designed for Changing Markets:** Diversified core options help weather a range of market conditions.
- **Flexibility for Experienced Investors:** The brokerage window gives experienced investors access to a broader range of investments.



OHIO DEFERRED COMPENSATION PLAN OFFERINGS

PASSIVE

- US Large Company Stock Index
- US Small/Mid Company Stock Index
- Non-US Company Stock Index
- US Bond Index

ACTIVE

- Fidelity Growth Company
- Fidelity Contrafund
- US Large Growth Company Stock
- US Large Value Company Stock
- US Small Growth Company Stock
- US Small Value Company Stock
- Vanguard Capital Opportunity
- Non-US Company Stock
- US Bond
- Stable Value

TDF

- LifePath Retirement
- LifePath 2030
- LifePath 2035
- LifePath 2040
- LifePath 2045
- LifePath 2050
- LifePath 2055
- LifePath 2060
- LifePath 2065

OHIO DEFERRED COMPENSATION PLAN

Strengths of Ohio Deferred Compensation Plan:

- **Additional Way to Save:** Gives participants another way to build retirement savings.
- **Cost-Effective Options:** Offers investment choices designed to keep participant costs low.
- **Popular, Strong-Performing Options:** Several investment options are widely used and have performed well.
- **Complementary Investment Lineup:** White label and branded options each cover different segments of the market.
- **Flexible Risk Level:** As an optional, supplemental plan, it lets participants invest more or less aggressively, depending on their needs.



FUTURE OF OHIO DEFERRED COMPENSATION PLAN

- **Deliberate Approach:** Investment changes are made carefully and only after thorough review.
- **Ongoing Oversight:** OPERS Investment staff has met with the external managers and continues to review the investment platform, focusing on reducing complexity and costs where possible.
- **Next Steps:** Staff will report back to the Board with specific recommendations at a future meeting.



AGENDA

OHIO DEFERRED COMPENSATION
2027

TARGET DATE FUNDS



WHAT IS A TARGET DATE FUND?

A Target Date Fund (TDF) is a single, professionally managed investment that automatically shifts its mix of stocks and bonds as a participant approaches a target retirement year.

1

One fund, full portfolio

Each TDF is already diversified across several assets (stocks, bonds, and real assets) — a participant needs only that one investment.

2

Named for a retirement year

Funds are labeled by year (e.g., "2045 Fund") and are meant for people planning to retire around that year.

3

Automatically adjusts over time

The fund's manager gradually shifts the mix from growth-oriented investments to income-oriented investments as the target date nears.

4

Runs on a "glide path"

That planned shift in allocation over time is called the glide path — the core design element of a TDF.



TARGET DATE FUNDS GLIDEPATH

- Glidepath is the most important piece of a TDF program
- It determines the level of growth assets and income assets in every vintage
- To Retirement vs. Through Retirement

“TO” RETIREMENT

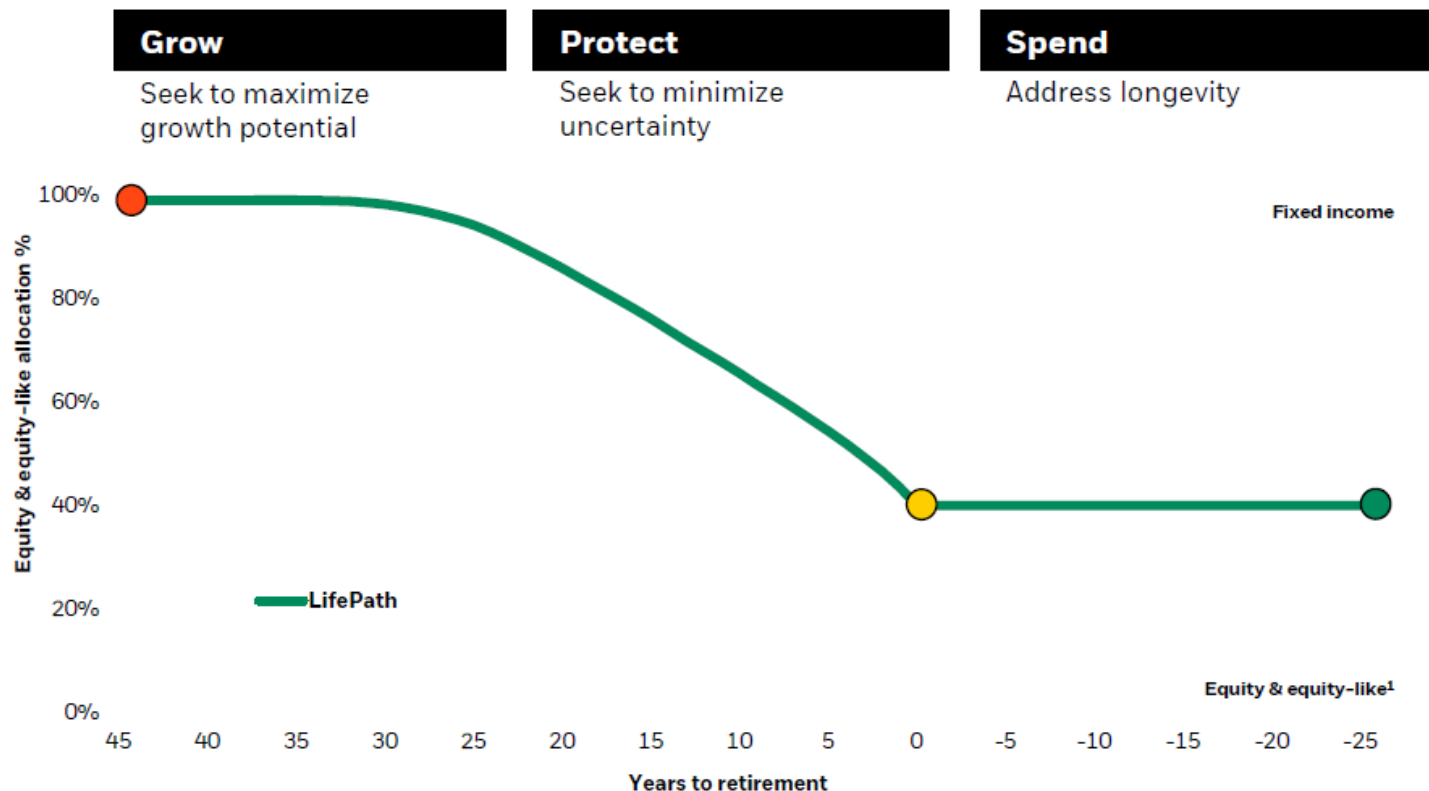
The glide path reaches its most conservative allocation at the target date and stays flat thereafter, merging into the retirement fund.

“THROUGH” RETIREMENT

The glide path continues de-risking past the target date, often for 10–20 years into retirement, before leveling off. At the target date itself, a "through" fund is typically still holding meaningfully more equity than a comparable "to" fund.

HOW TARGET DATE FUNDS WORK

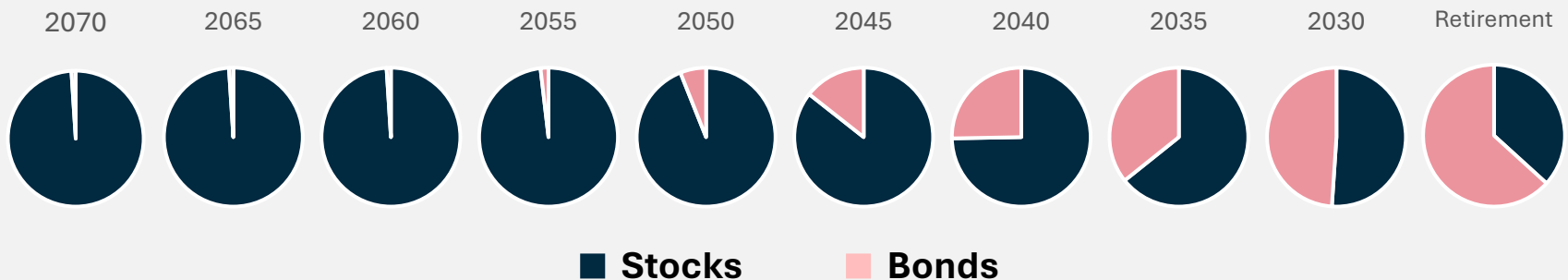
- Target Date Funds have a dynamic asset allocation that shifts from higher-risk investments to a more conservative mix as the expected retirement date approaches



UNDERLYING INVESTMENTS

The glidepath used in the LifePath portfolios has 12 underlying components

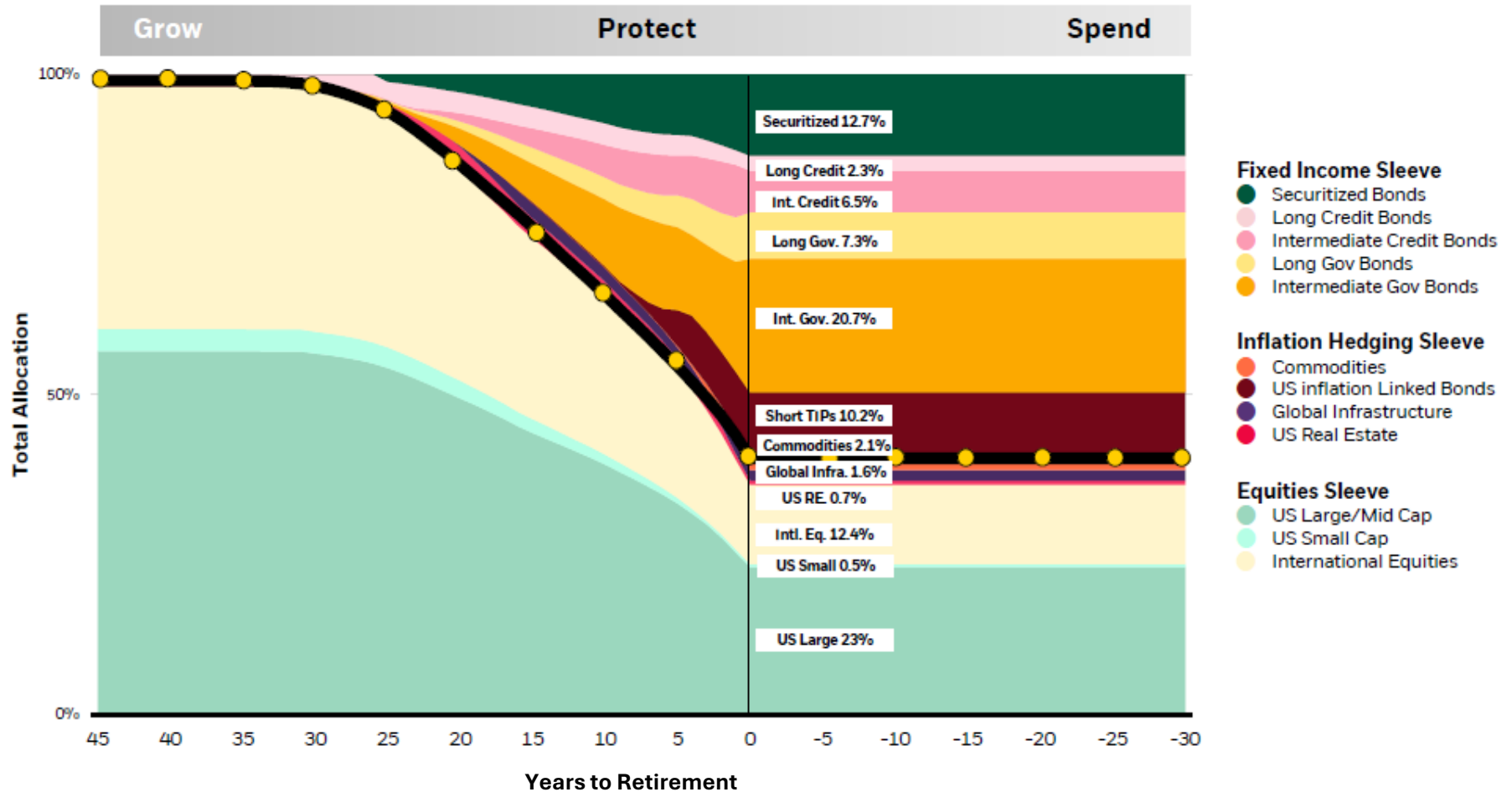
A Suite of 10 LifePath Target Date Funds



Each fund invests in over ten thousand different stocks and bonds

U.S. Large/Mid-Cap Stocks • U.S. Small-Cap Stocks • International Stocks
U.S. Inflation-linked Bonds • Global Infrastructure • Long Government Bond
Intermediate Corporate Bond • Intermediate Government Bond • Commodities
U.S. Real Estate • Long Corporate Bond • Securitized Bond

LIFEPATH GLIDEPATH



LIFEPATH PERFORMANCE



5-year net of fees performance for LifePath and peer group, as of June 30, 2026

TARGET DATE FUND SUMMARY

1 Built-in diversification

A single fund spreads risk across asset classes and geographies without participants needing to build a portfolio on their own.

2 A sound default option

TDFs are the most common Qualified Default Investment Alternative (QDIA), giving participants an age-appropriate investment automatically.

3 Professional, ongoing management

The glide path, rebalancing, and underlying fund selection are handled by professional managers.

4 Simplicity for participants

Removes the burden of choosing and rebalancing across several options — one decision (pick a date) replaces many.

RVK

Stable Value Option Review

Ohio Deferred Compensation Program

October 21, 2026

Table of Contents

- Executive Summary
- Stable Value Overview
- Ohio DC Stable Value Option Review
- Appendix
 - *Fixed Income Update*
 - *Ohio DC SVO Structure Analysis*
 - *Ohio DC SVO Performance Detail*
 - *Addendum*

Executive Summary

Executive Summary

- **The Ohio Deferred Compensation Program (Ohio DC) uses a customized Stable Value Option (SVO) as the capital preservation investment option.**
 - The SVO is overseen by Goldman Sachs Asset Management (GSAM) with input from OPERS.
 - As of June 30, 2026, the SVO held approximately \$4.5 billion, representing ~17% of Ohio DC assets for almost 80,000 participant accounts (~29%).
- **RVK finds that the SVO continues to operate effectively and has produced reasonable returns.**
 - The SVO continues to meet its short- and long-term investment objectives. The crediting rate was 3.4% annualized as of 6/30/26.
 - Fees are reasonable and competitive at 25.7 bps.
- **RVK continues to believe that the SVO remains the appropriate capital preservation option for Ohio DC.**

Stable Value Overview

Capital Preservation Options

While stable value and money market funds have different underlying investment characteristics, both play similar roles within DC plans and have the same objective of capital preservation.

- Offering both a stable value fund and a money market fund within the DC Plans' investment menus is generally unnecessary, as both serve similar roles and objectives within the investment lineup.
- Stable value is designed to outperform money markets over a full cycle.
- Most plans will offer one or the other. If both are offered, an “equity wash” rule will be enforced.
 - Equity wash rule is designed to prevent arbitrage that could harm the stable value fund and its participants.

	Stable Value	Money Market / STIF	Both
Role	Capital Preservation	Capital Preservation	Overlap in Offering
Availability	Tax qualified plans only, generally DC plans	Wide availability (DC plans, IRAs, brokerage)	Stable value more limited availability
	Stable NAV	Stable NAV / Floating NAV (but generally stable)	Similar Objectives
Characteristics	Low/Intermediate-Duration (~3 years average duration)	Ultra-Short Duration (<90 days)	Differing Characteristics
	Separate Account / Pooled Funds	Mutual Fund / Commingled Fund	Differing Vehicles
Liquidity (Participant)	Daily Liquidity	Daily Liquidity	Similar Liquidity Profiles
Liquidity (Plan)	Typically, market value adjustment or payments over 5-7 years	No restrictions	Differing Liquidity Profiles

Two Components of Stable Value

Stable Value funds have two primary components. The wrap contracts (book value) and the fixed income portfolio (market value).

Wrap Contracts: To smooth out daily fluctuations in the underlying fixed income portfolio(s) based on a set formula, creating a stable asset value (price).

- Protection from market volatility
- Daily positive returns – principal plus accrued earnings
- Floor 0.0% Credit Rate

Fixed Income Portfolio: Intended to invest assets in a way that will generate a higher return than money markets over time.

- Investment Grade Credit Quality – Typically above 70% allocated to AAA and Government issues
- Diversification/Risk Control
- Principal Repayment & Income Generation
- Cash buffer for daily participant liquidity

Ohio DC Stable Value Option Review

Investment / Performance Objectives

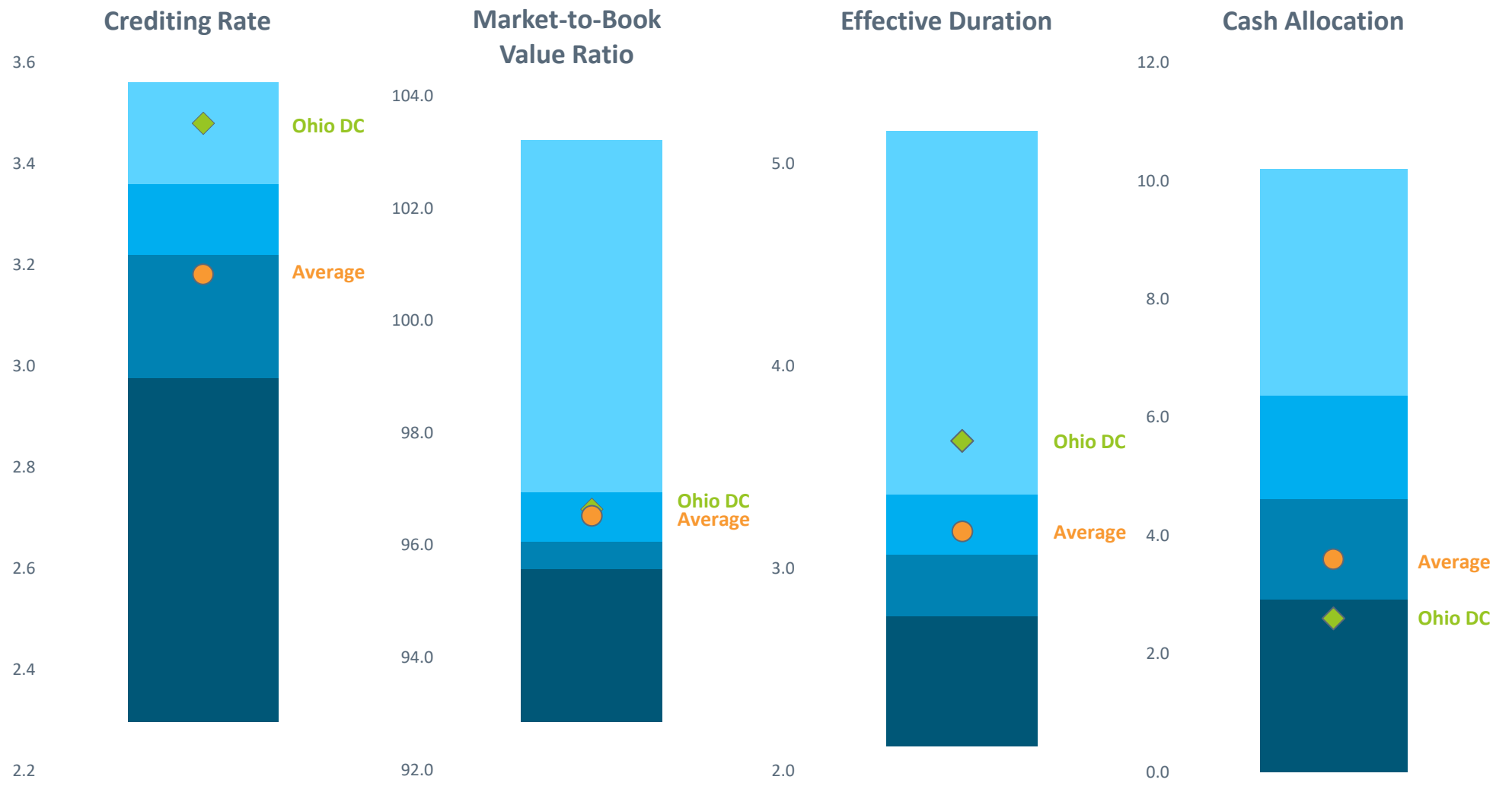
The SVO continues to meet its short- and long-term investment objectives. The crediting rate was 3.4% annualized as of 6/30/26, which compares favorably to pooled stable value funds (as shown on the following page).

Investment Objective	SVO	Comments
Seek to provide stable principal value and a high level of interest income by investing in a diversified portfolio of high-quality investment contracts and other high-quality fixed income instruments.	●	The SVO continues to provide stable principal value and a competitive level of interest income and has exceeded both of its benchmarks over the 10-year trailing time period.
<u>Exceed</u> or meet the performance of the 3 Year CMT Index & Morningstar US CIT Stable Value Index.	●	

- No action necessary
- RVK recommends further review or action
- RVK recommends a change to the current plan

Investment / Performance Objectives

Industry Comparisons



Data is as of June 30, 2026. Peer group shown is the Morningstar US CIT Stable Value peer group, which generally have explicit 12-month puts (or similar liquidity restrictions) and are constructed based on a diverse group of underlying plans rather than the cash flow and demographic profile of a specific client.



Investment Structure

The SVO's overall portfolio structure, which uses open and fixed maturity mandates and a cash buffer, is reasonable and similar to peers.

Portfolio Structure / Rebalancing Objectives				SVO	Comments
Mandate	Current Target	Current Allocation	Permissible Ranges		
Fixed Maturity	25%	23.56%	20% to 40%	●	<p>The SVO did not breach the permissible asset allocation ranges over the past 12 months. Rebalancing to the liquidity buffer took place in January and August 2026.</p> <p>The last SVO restructuring took place in February 2025 to remove Nationwide from the Open Maturity Allocation.</p> <p>GSAM continues to manage liquidity needs on an ongoing basis.</p>
Open Maturity	72%	74.99%	50% to 80%	●	
Liquidity Buffer	3%	1.45%	0% to 10%	●	

- No action necessary
- RVK recommends further review or action
- RVK recommends a change to the current plan

Ohio DC Stable Value Option Investment Oversight Structure

Stable value funds can be offered through different investment vehicles and oversight structures.

- The Ohio DC Stable Value Option is a separately managed account which allows for discretion over the managers used in the fixed income portfolio line-up, as well as a customized cash flow profile. Ohio DC currently has control over the subadvisors used for the open maturity component of the SVO.
- Other DC plans with separate account structures grant the stable value program manager (GSAM for Ohio DC) various levels of discretion over the underlying investment manager/subadvisor line-up.
- The benefits and considerations of delegating subadvisor oversight are listed below:

Delegated Authority to GSAM	Retained Authority to Ohio DC
Leverage program manager's subadvisor selection and oversight resources.	Desire for a customized subadvisor line-up (e.g., overlap with pension managers).
Less direct ongoing monitoring responsibility.	Additional governance oversight and greater transparency.
Operational efficiency and simpler administration.	Leverage internal capabilities and processes, rather than paying for outside assistance.
Potential economies of scale.	Negotiated investment fees and guidelines.

Wrap Issuer Guidelines

RVK has no concerns with the wrap providers used within the SVO. Wrap providers are effectively overseen by GSAM and fees are reasonable.

- The weighted-average synthetic wrap fee is **0.15%**.
- The market to book value is **96.64%**, an increase from June 30, 2025 of 96.50%.
- The crediting rate is **3.37%**, an increase from June 30, 2025 of 3.20%.

						Credit Quality		Guidelines*		
Credit Quality Ratings	Book Value (\$)	% of Portfolio	M/B (%)	Fee		S&P	Moody's	#1	#2	#3
Synthetic Wraps										
Voya	\$883,272,795	18.8%	95.49%	0.14%		A+	A1	●	●	●
Royal Bank of Canada	\$758,837,779	16.1%	98.19%	0.14%		AA-	Aa1	●	●	●
Metropolitan Life	\$1,012,082,731	21.5%	98.55%	0.145%		AA-	A1	●	●	●
RGA Reinsurance Co	\$847,783,117	18.0%	96.48%	0.14%		AA-	Aa3	●	●	●
Prudential	\$1,141,279,203	24.2%	96.46%	0.14%		AA-	Aa3	●	●	●
	\$4,643,255,625	98.6%								
Liquidity										
BNY Mellon US Gov Collective STIF	\$66,078,627	1.4%				AAA	Aaa	●	●	●
Total Stable Value Program	\$4,709,334,252	100.0%	96.64%	0.14%		AA-	Aa2	●	●	●

*Investment Policy Guidelines

- #1 Less than 33% of SVO assets
- #2 Single Issuer less than 5% of SVO assets
- #3 Insurance general account less than 25% of SVO assets

Data is as of June 30, 2026.

- No action necessary
- RVK recommends further review or action
- RVK recommends a change to the current plan



Investment Manager Guidelines

RVK views the allocations, performance, duration, yield, and fees of the SVO's underlying investment managers as appropriate and reasonable compared to peers.

Investment Managers	Mandate	Market Value (\$)	Allocation (%)	Portfolio Characteristics				Guidelines*						
				Duration	Yield	Avg. Quality	Fee	#1	#2	#3	#4	#5	#6	#7
EARNEST Partners	Int. Agg	\$514,766,214	11.3%	4.24	4.93	AA/Aa2	0.13%	●	●	●	●	●	●	●
Payden Rygel	Int. Agg	\$513,457,746	11.3%	4.59	4.71	AA-/Aa3	0.11%	●	●	●	●	●	●	●
JP Morgan	Int. Agg	\$885,951,234	19.5%	4.38	4.64	AA/Aaa	0.11%	●	●	●	●	●	●	●
Jennison	Int. Agg	\$644,258,477	14.2%	4.32	4.89	AA-/Aa3	0.12%	●	●	●	●	●	●	●
Dodge & Cox	Int. Agg	\$854,384,213	18.8%	4.23	4.81	AA-/Aa3	0.10%	●	●	●	●	●	●	●
		\$3,412,817,884	75.0%											
GSAM Term Fund 2026	Maturing in 2026	\$147,424,538	3.2%	0.22	4.19	AA/Aa2	0.00%	●	●	●	●	●	●	●
GSAM Term Fund 2027	Maturing in 2027	\$265,993,590	5.8%	0.83	4.45	AA-/Aa3	0.00%	●	●	●	●	●	●	●
GSAM Term Fund 2028	Maturing in 2028	\$267,494,375	5.9%	1.76	4.67	AA-/Aa3	0.00%	●	●	●	●	●	●	●
GSAM Term Fund 2029	Maturing in 2029	\$258,633,489	5.7%	2.65	4.77	AA-/Aa3	0.00%	●	●	●	●	●	●	●
GSAM Term Fund 2030	Maturing in 2030	\$132,478,367	2.9%	3.49	4.74	AA-/Aa3	0.00%	●	●	●	●	●	●	●
		\$1,072,024,359	23.6%											
Total Synthetic Wraps		\$4,484,842,243	98.5%	3.63	3.37	AA-/Aa2	0.140%							
Liquidity (BNY Mellon US Government Collective STIF)		\$66,078,627	1.5%											
		\$4,550,920,870	100.0%											

- No action necessary
- RVK recommends further review or action
- RVK recommends a change to the current plan

*Investment Policy Guidelines

- #1 Invested in allowable assets
- #2 Securities Rated below BBB-Baa3 may not exceed 10% of SVO assets within a portfolio
- #3 No more than 1% of SVO assets within a portfolio may be invested in any single high yield issuer
- #4 Average quality of the SVO assets within a portfolio will be A- or better
- #5 No more than 5% of the SVO assets within a portfolio may be invested with any one corporate issuer
- #6 Investments in non-dollar fixed income security will not exceed 20% of the assets allocated to the SVO within a portfolio
- #7 No downgraded securities that caused a breach in guidelines

Data is as of June 30, 2026.



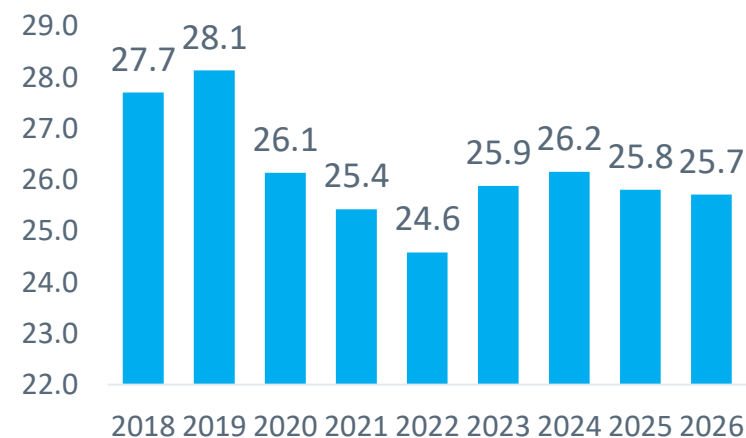
Fees

The SVO expenses are 25.5 bps – a decrease from 25.8 bps as of June 30, 2025.

- Wrap fees contributed 14.0 bps to the overall SVO fee.
- Investment management fees stayed the same as in June 2025 at 8.6 bps.

Annual Total Fee Summary (bps)

Fee Components	2018	2019	2020	2021	2022	2023	2024	2025	2026
Investment Management	7.8	7.8	7.7	7.3	7.5	8.1	8.4	8.6	8.6
Stable Value Administration Management (GSAM)	2.4	2.4	2.4	2.4	2.5	2.5	2.6	2.5	2.6
Wrap Issuer Fees	17.1	17.6	15.6	15.4	14.3	14.9	14.9	14.3	14.0
Admin, Custody & Other	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4
TOTAL	27.7	28.1	26.1	25.4	24.6	25.9	26.2	25.8	25.5



Appendix

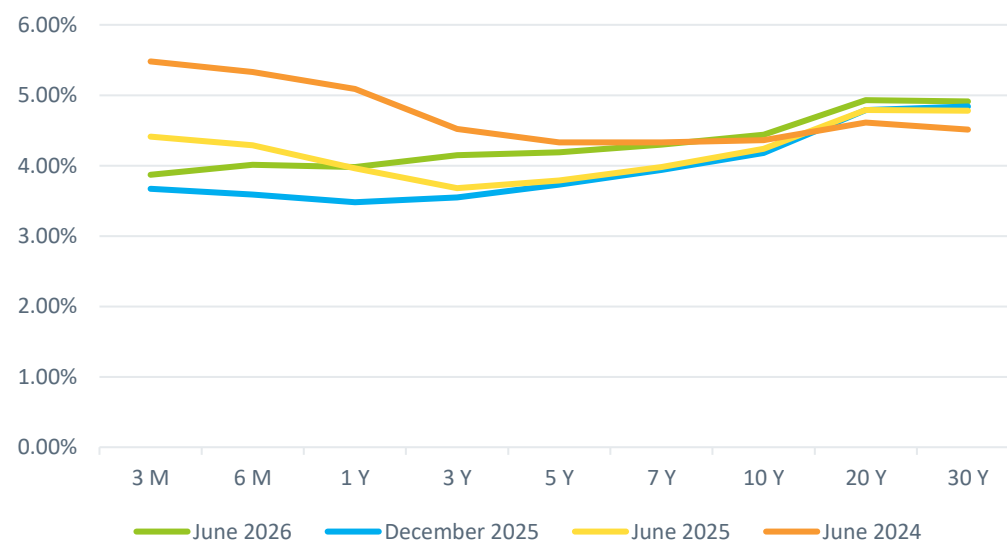
- *Fixed Income Market Update*
- *Ohio DC SVO Structure Analysis*
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- *Addendum*

Fixed Income Market Update

US Interest Rates

- In Q1 2026, the US Federal Reserve held policy rates steady at 3.50-3.75% amid heightened geopolitical tensions. Treasury yields moved higher, with the 10-year ending at 4.32% (up 15 basis points year-to-date) and the 2-year rising to 3.79% (up 31 basis points), flattening the curve. Central banks responded cautiously as higher oil prices lifted short-term yields and expectations for cut to the Federal Funds rate in 2026 declined from two to zero.
- In Q2 2026, relatively stable labor market data and persistent inflation pushed prior rate-cut expectations aside. Under new Chair Kevin Warsh, FOMC commentary underscored a commitment to restoring inflation to its 2% target. The future path for interest rates remains unclear, as the May release of the Core Personal Consumption Expenditures (PCE) price index showed a 3.4% year-over-year increase, well above the 2% target. During the quarter, the 2-year Treasury yield rose to 4.14%, while the 10-year Treasury increased more modestly to 4.44%, leading to a curve flattening between these points.

US Treasury Yield Curve

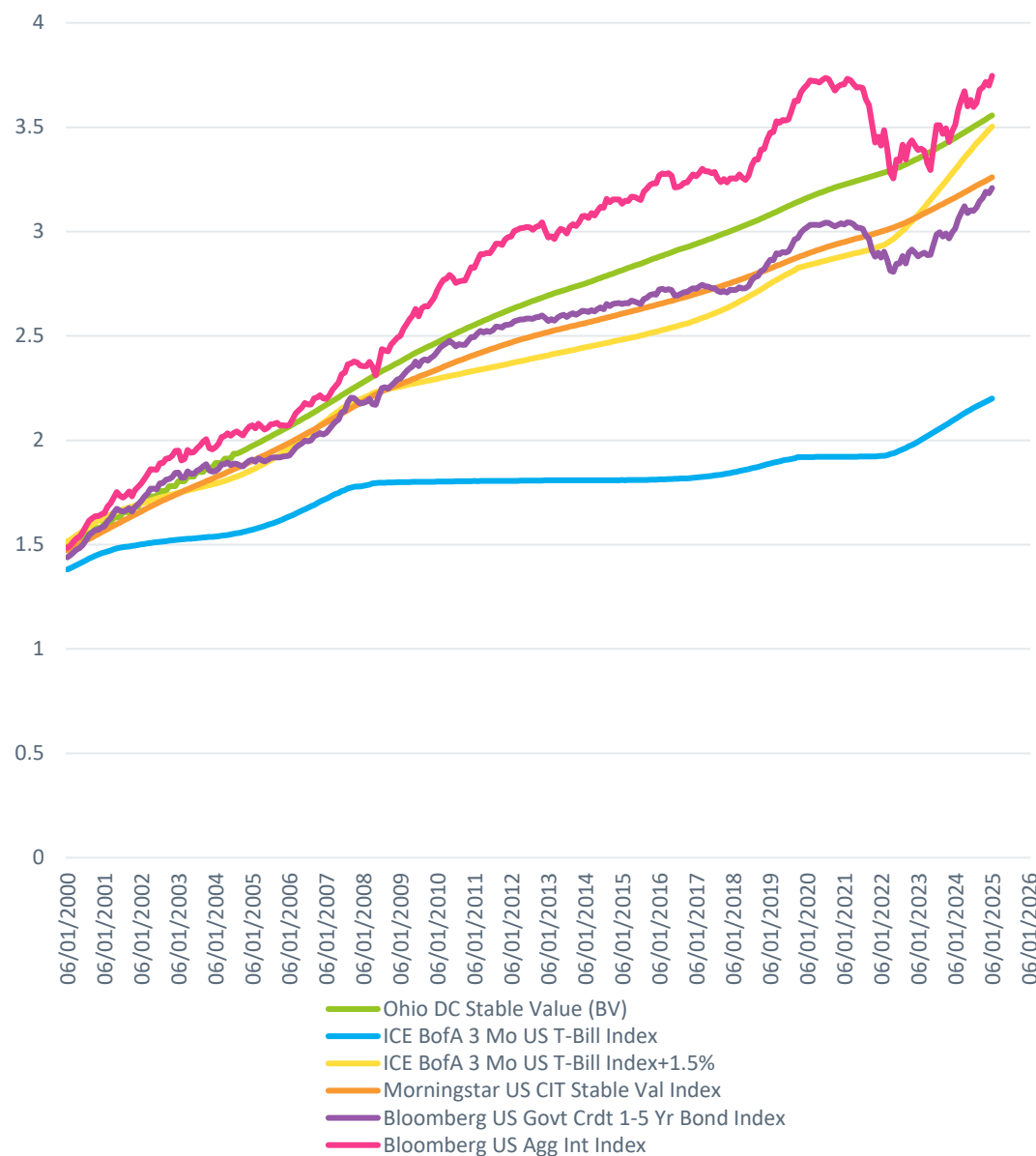


Fixed Income Market Update

2025 vs. 2026

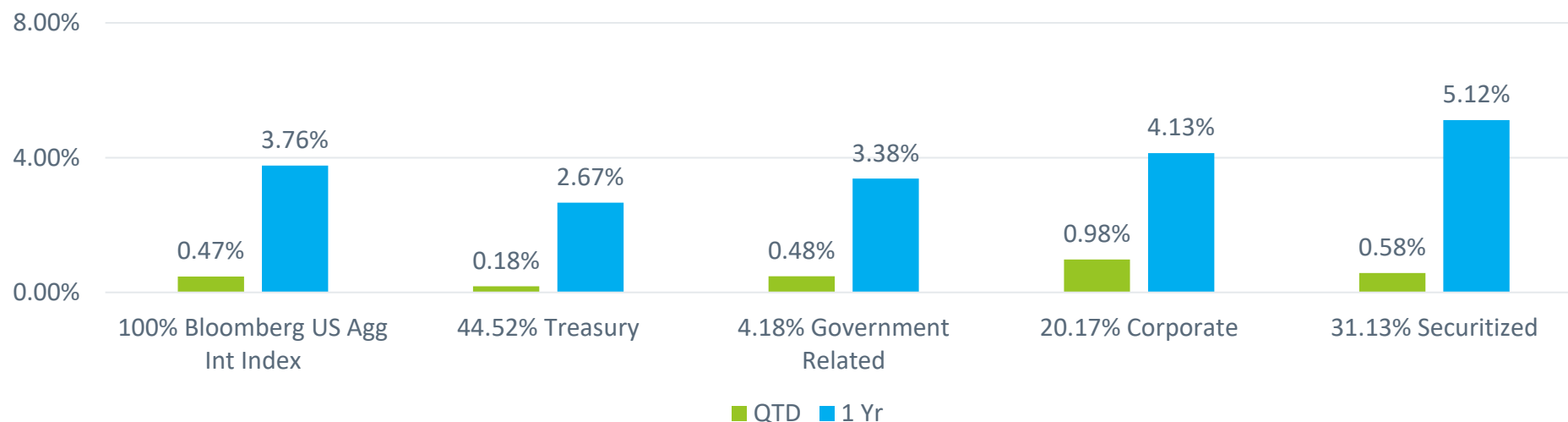
- In 2025, Federal Open Markets Committee (FOMC) shifted to a more accommodative stance late in the year through a series of rate reductions labeled as “risk management” exercises. After holding steady for most of the year, and despite diverging views on interest rate policy among committee members, the FOMC closed the year by cutting rates by a combined 75 basis points. Fixed income markets delivered broad-based gains with the Bloomberg US Aggregate Bond Index returning 7.3% for the year.
- In Q2 2026, the US Federal Reserve entered a new leadership era as Chairman Jerome Powell’s terms expired on May 15, and Kevin Warsh was confirmed by the Senate as the new Chairman of the Board of Governors. The Bloomberg US Aggregate Bond Index returned 0.7%. Corporate spreads tightened, reflecting strong investor demand despite elevated new issuance, including substantial borrowing from AI-related companies. The Bloomberg US Corporate Investment Grade Index gained 1.4%, while the Bloomberg US Corporate High Yield Index returned 2.5%.

Growth of a Dollar



Fixed Income Market Update

Bloomberg Intermediate Aggregate Index
Returns by Sector



1 Year Performance Review: The intermediate duration bond market, as represented by the Bloomberg Intermediate Aggregate Index, returned 3.76% over the past 12 months ending June 30, 2026.

- The 1-year period generated low- to mid-single digit positive returns across all sectors within the Bloomberg Intermediate Aggregate Index.
- Securitized bonds were the strongest performing sector, returning 5.12%, followed by corporate bonds at 4.13%, amid continued investor demand for credit and ongoing spread compression.

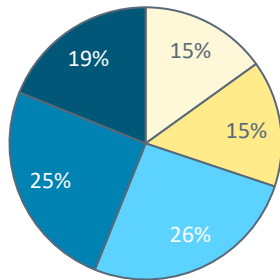
Appendix

- *Fixed Income Market Update*
- ***Ohio DC SVO Structure Analysis***
- *Ohio DC SVO Performance Detail*
- *Addendum*

Investment Structure – Open Maturity Manager Structure

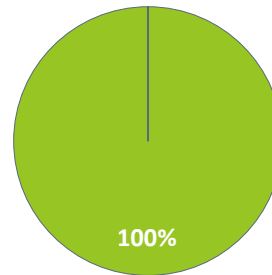
As of June 30, 2026:

Manager Allocations



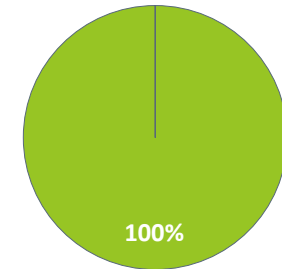
■ Earnest Partners
 ■ Payden & Rygel
 ■ JP Morgan
■ Dodge & Cox
 ■ Jennison

Active vs. Passive Allocations



■ Active
 ■ Passive

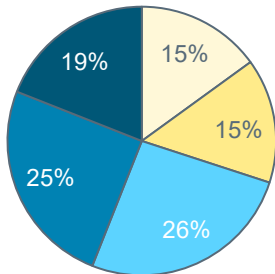
Strategy/Benchmark Allocations



■ Int. Agg
 ■ Int. Gov't Crdt

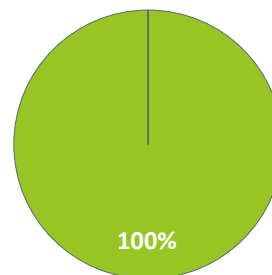
As of June 30, 2025:

Manager Allocations



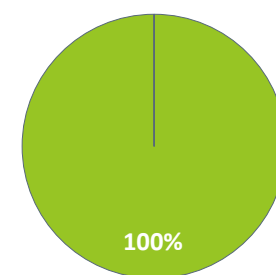
■ Earnest Partners
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Active vs. Passive Allocations



■ Active
 ■ Passive

Strategy/Benchmark Allocations

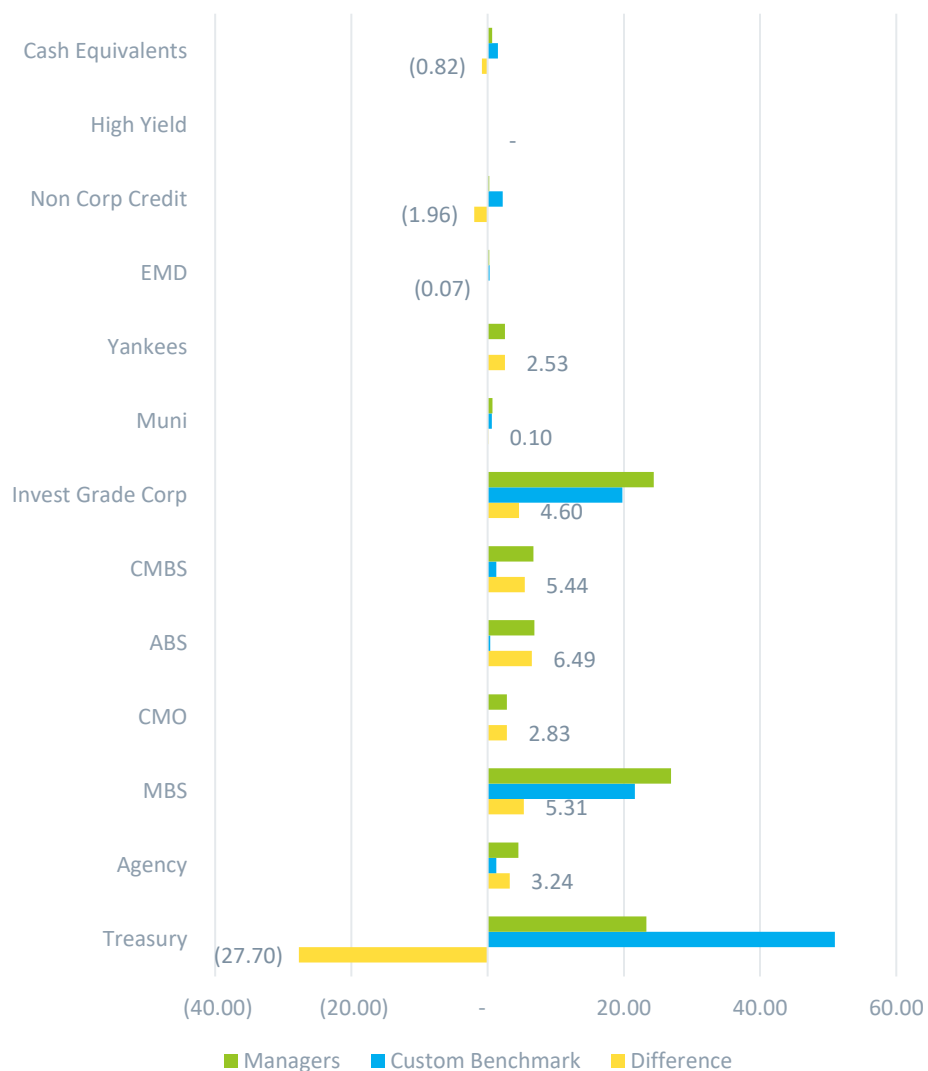


■ Int. Agg
 ■ Int. Gov't Crdt

Data as of June 30, 2025.

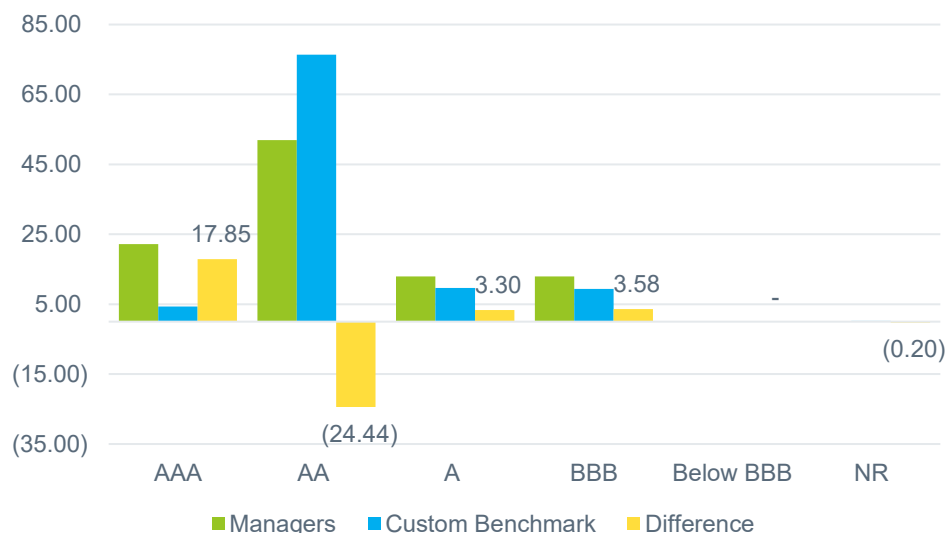
Open Maturity Manager Composite Distributions

Open Maturity Manager Composite Sector Distribution



- The six-manager Open Maturity Managers composite has a larger underweight to Treasuries and Non-Corporate Credit, and over-weights to Investment Grade Corporates, ABS, and MBS when compared to the Ohio Stable Value Option Custom Benchmark.
- The Composite is also overweight AA securities, relative to the index.

Open Maturity Manager Composite Quality Distribution



Data as of June 30, 2026. Characteristics are provided by GSAM. Ohio Stable Value Option Custom Benchmark comprised of 75.0% Bloomberg Intermediate Aggregate Index SU, 3.2% Maturing Benchmark 2026, 5.8% Maturing Benchmark 2027, 5.9% Maturing Benchmark 2028, 5.7% Maturing Benchmark 2029, 2.9% Maturing Benchmark 2030, 1.5% iMoneyNet Money Fund Average.



Open Maturity Manager Correlations

Absolute Correlations - 3 Years Ending June 30, 2026

Correlation: Jul 2023 - Jun 2026	Dodge & Cox	Earnest	Jennison	JP Morgan	Payden & Rygel
Dodge & Cox	1.00	0.99	0.99	0.99	1.00
Earnest	0.99	1.00	0.99	0.99	0.99
Jennison	0.99	0.99	1.00	0.99	0.99
JP Morgan	0.99	0.99	0.99	1.00	0.99
Payden Rygel	1.00	0.99	0.99	0.99	1.00
Bloomberg Int US Agg Index	1.00	0.99	1.00	1.00	1.00

Excess Return Correlations vs. Bloomberg Intermediate Aggregate Index - 3 Years Ending June 30, 2026

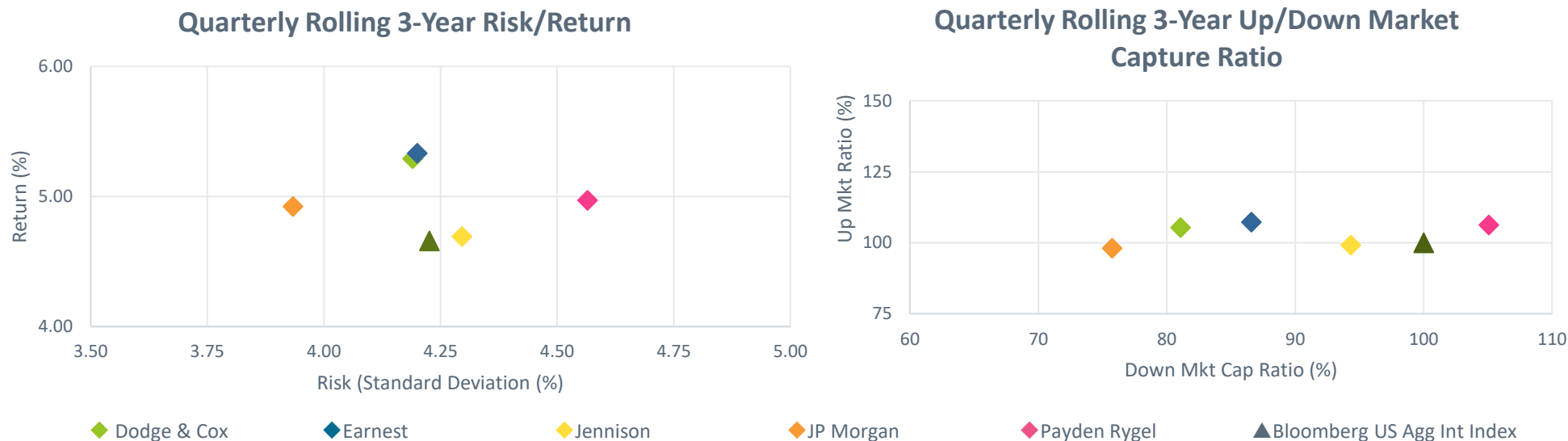
Excess Correlation: Jul 2023 - Jun 2026	Dodge & Cox	Earnest	Jennison	JP Morgan	Payden & Rygel
Dodge & Cox	1.00	0.06	-0.25	0.28	0.28
Earnest	0.06	1.00	-0.2	0.46	0.46
Jennison	-0.25	-0.2	1.00	-0.09	-0.09
JP Morgan	0.28	0.46	-0.09	1.00	-0.46
Payden Rygel	0.36	-0.03	-0.15	-0.46	1.00

- As expected with similar mandates, all of the open maturity managers are highly correlated (0.99 – 1.00).
- Relative correlations show that some managers tend to be more complementary than others.
 - Negative correlations → more complementary, higher diversification benefit
 - Correlations closer to 1 → less complementary, lower diversification benefit

Data as of June 30, 2026.

Open Maturity Manager Risk / Return Statistics

Risk / Return & Up / Down Market Capture – Quarterly Rolling 3-Year Ending June 30, 2026



	Annualized Std. Dev.	Annualized Return
Dodge & Cox	4.19	5.29
Earnest	4.20	5.33
Jennison	4.30	4.69
JP Morgan	3.93	4.92
Payden Rygel	4.57	4.97
Bloomberg US Agg Int Index	4.23	4.66

	Up Mkt Cap Ratio (%)	Up Mkt Months	Down Mkt Cap Ratio (%)	Down Mkt Months
Dodge & Cox	105.37	9	81.06	3
Earnest	107.26	9	86.58	3
Jennison	99.22	9	94.32	3
JP Morgan	98.14	9	75.73	3
Payden Rygel	106.32	9	105.08	3
Bloomberg US Int Agg Index	100	9	100	3

- While the evaluation time is limited to three years, many of the managers have exhibited similar risk/return and up/down market capture ratios.

Investment Manager Summaries

Managers	Investment Orientation
GSAM Term Funds	GSAM's term funds were developed specifically for custom stable value portfolios. These actively managed funds are considered short-duration fixed income, providing laddered annual cash flows, maintained to match expected liabilities. The Funds also contribute to the diversification and alpha generation of the overall program.
EARNEST Partners	Active intermediate aggregate strategy that offers a duration-neutral, high quality fixed income portfolio. EARNEST Partners is a fundamental, bottom-up investment manager, primarily seeking to control volatility and risk wherever possible. This firm is considered a WMOE.
Payden & Rygel	Active intermediate aggregate strategy that allocates across benchmark and non-benchmark sectors for increased yield and diversification. The broadly diversified strategy incorporates both quantitative and qualitative research and implementation methods. Given the allocation to non-benchmark sectors, the strategy is generally underweight Treasury securities. This firm is considered a WMOE.
JP Morgan	Active intermediate strategy that offers a diverse portfolio of high-quality fixed income securities. The team uses a value-driven approach using bottom-up research and security selection to identify undervalued or mispriced securities in the market. Generally, the intermediate portfolio is overweight to mortgage- and asset-backed securities, and generally underweight the corporate sector.
Jennison	Active intermediate aggregate strategy that is duration-neutral, focuses on high quality securities, coupled with a reversion-to-the-mean theory. The team position portfolios to protect against downside expectations and take advantage of price appreciations.
Dodge & Cox	Active intermediate aggregate strategy that offers a diverse portfolio of high-quality fixed income securities. The team uses a fundamental approach using bottom-up research and security selection to construct a portfolio with a higher yield than the composite yield of the broad fixed income market. The strategy tends to be overweight to the investment grade corporate sector.
STIF	Short-term investments for daily liquidity.

Ohio DC SVO Fee Detail

Investment Managers	Allocation (%)	Fee		Wrap Issuers	Allocation (%)	Fee		Other	Allocation (%)	Fee	
		Fee	\$			%	\$			%	\$
Open Maturity				Synthetic Wraps				SV Roll-Up Manager			
EARNEST Partners	11.3%	0.126%	\$646,243	Voya	18.5%	0.140%	\$1,180,795	GSAM	100%	0.026%	\$1,170,184
Payden Rygel	11.3%	0.114%	\$583,075	Royal Bank of Canada	16.4%	0.140%	\$1,043,176	Ohio Administration	100%	0.004%	\$182,099
JP Morgan	19.5%	0.110%	\$975,951	RGA Reinsurance Company	18.0%	0.140%	\$1,145,165				
Jennison	14.2%	0.120%	\$774,258	Prudential Insurance Company of America	24.2%	0.140%	\$1,541,210				
Dodge & Cox	18.8%	0.100%	\$854,384	Metropolitan Tower Life Insurance Company	21.9%	0.145%	\$1,446,306				
	75.0%		\$3,833,911		99.0%		\$6,356,652				
Fixed Maturity											
GSAM Term Fund 2026	3.2%	0.00%	\$0								
GSAM Term Fund 2027	5.8%	0.00%	\$0								
GSAM Term Fund 2028	5.9%	0.00%	\$0								
GSAM Term Fund 2029	5.7%	0.00%	\$0								
GSAM Term Fund 2030	2.9%	0.00%	\$0								
	23.6%		\$0								
Cash Equivalents	1.5%	0.10%	\$66,079								
Total Manager		0.086%	\$3,899,990								
Total Wrap		0.140%	\$6,356,652								
Total Admin		0.030%	\$1,352,283								
Total Fee		0.255%	\$11,608,924								

Data is as of June 30, 2026. Allocations shown are based on market values.

Appendix

- *Fixed Income Market Update*
- *Ohio DC SVO Structure Analysis*
- ***Ohio DC SVO Performance Detail***
- *Addendum*

Investment / Performance Objectives

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021
Hands-On Investing - Active Management												
Stable Value Option	0.82	1.65	3.30	3.12	2.64	2.55	2.47	3.20	3.06	2.71	1.74	1.76
Stable Value Custom Benchmark	1.00	2.02	4.11	3.53	2.60	2.53	2.65	4.11	3.31	1.96	1.02	1.37
Difference	-0.18	-0.37	-0.82	-0.41	0.04	0.01	-0.18	-0.91	-0.25	0.76	0.72	0.39
Morningstar US CIT Stable Val Index	0.80	1.57	3.16	3.07	2.66	2.53	2.40	3.10	3.03	2.86	1.88	1.74
Difference	0.03	0.08	0.14	0.06	-0.02	0.02	0.07	0.10	0.04	-0.14	-0.14	0.02
Term Fund												
GSAM Combined Term Fund	0.64	0.92	3.41	4.98	2.48	2.49	2.26	5.67	4.68	5.48	-3.58	-0.58
Bloomberg US Govt Crdt 1-3 Yr Bond Index	0.48	0.76	3.14	4.64	2.12	2.18	2.00	5.35	4.36	4.61	-3.69	-0.47
Difference	0.16	0.15	0.27	0.33	0.36	0.32	0.26	0.32	0.33	0.87	0.11	-0.11
GSAM Term Fund 2026 (CIT)	0.91	1.66	3.99	4.95				4.79	4.70	5.33	-8.33	
Bloomberg Maturing Benchmark 2026 (SU) (Gross)	0.93	1.76	4.06	4.71				4.78	4.14	4.68	-9.20	
Difference	-0.03	-0.11	-0.08	0.24				0.01	0.56	0.65	0.88	
GSAM Term Fund 2027 (CIT)	0.80	1.21	3.63	4.85				5.62	4.07	4.88		
Bloomberg Maturing Benchmark 2027 (SU) (Gross)	0.73	1.22	3.57	4.79				5.60	3.47	5.35		
Difference	0.07	-0.01	0.05	0.06				0.02	0.60	-0.47		
GSAM Term Fund 2028 (CIT)	0.56	0.70	3.32					6.73	3.60			
Bloomberg Maturing Benchmark 2028 (SU) (Gross)	0.41	0.63	3.08					6.56	2.80			
Difference	0.15	0.08	0.23					0.17	0.80			
GSAM Term Fund 2029 (CIT)	0.47	0.52	3.25					7.35				
Bloomberg Maturing Benchmark 2029 (SU) (Gross)	0.23	0.31	2.87					7.24				
Difference	0.24	0.20	0.38					0.11				
GSAM Term Fund 2030 (CIT)	0.39	0.25										
Bloomberg Maturing Benchmark 2030 (SU) (Gross)	0.15	0.07										
Difference	0.24	0.18										

Performance shown is net of fees and is as of June 30, 2026. Performance greater than one year is annualized.

Stable Value Custom Benchmark consists of ICE BofAML 3 Mo US T-Bill Index+1.5% through 08/2021; and the 3 Year Constant Maturity Treasury Index thereafter.

(EWA) = Equal Weighted Average. (BV) = Book Value

Investment / Performance Objectives

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2025	2024	2023	2022	2021
Hands-On Investing - Active Management												
Open Maturity												
JP Morgan (SA)	0.54	0.77	3.74	4.92	1.41	2.06	2.11	7.32	3.22	5.41	-8.24	-0.95
Bloomberg US Agg Int Index*	0.47	0.59	3.76	4.66	0.97	1.62	1.74	7.45	2.47	5.18	-9.51	-1.29
Difference	0.07	0.18	-0.02	0.27	0.45	0.44	0.37	-0.14	0.75	0.23	1.27	0.35
EARNEST Partners (SA)	0.53	1.17	4.48	5.33	1.35	1.91	2.04	8.03	3.23	5.00	-8.99	-0.73
Bloomberg US Agg Int Index	0.47	0.59	3.76	4.66	0.97	1.62	1.74	7.45	2.47	5.18	-9.51	-1.29
Difference	0.06	0.59	0.71	0.67	0.39	0.29	0.30	0.58	0.76	-0.18	0.52	0.56
Payden & Rygel (SA)	0.67	0.74	4.21	4.97	1.26	1.93	2.02	7.90	2.58	5.64	-9.11	-1.23
Bloomberg US Agg Int Index	0.47	0.59	3.76	4.66	0.97	1.62	1.74	7.45	2.47	5.18	-9.51	-1.29
Difference	0.20	0.16	0.45	0.31	0.29	0.31	0.28	0.44	0.11	0.46	0.39	0.06
Jennison (SA)	0.24	0.19	3.25	4.69	0.95	1.82	1.88	7.41	2.63	5.51	-9.42	-1.76
Bloomberg US Agg Int Index	0.47	0.59	3.76	4.66	0.97	1.62	1.74	7.45	2.47	5.18	-9.51	-1.29
Difference	-0.23	-0.40	-0.51	0.03	-0.01	0.20	0.14	-0.05	0.16	0.33	0.09	-0.47
Dodge & Cox Intermediate (SA)	0.62	0.90	4.22	5.29	1.57	2.26	2.27	7.59	3.47	6.36	-8.95	-1.42
Dodge & Cox Custom Benchmark	0.47	0.59	3.76	4.66	0.97	1.55	1.66	7.45	2.47	5.18	-9.51	-1.29
Difference	0.15	0.32	0.46	0.63	0.61	0.71	0.61	0.13	1.00	1.18	0.55	-0.13
STIF												
BNYM US Gov Collective STIF (CF)	0.92	1.86	4.02	4.78	3.67	2.84	2.41	4.37	5.34	5.21	1.63	0.07
FTSE 3 Mo T-Bill Index	0.93	1.87	4.05	4.86	3.69	2.86	2.40	4.40	5.45	5.26	1.50	0.05
Difference	-0.01	-0.02	-0.03	-0.07	-0.01	-0.02	0.01	-0.03	-0.11	-0.05	0.13	0.02

Performance shown is net of fees and is as of June 30, 2026.

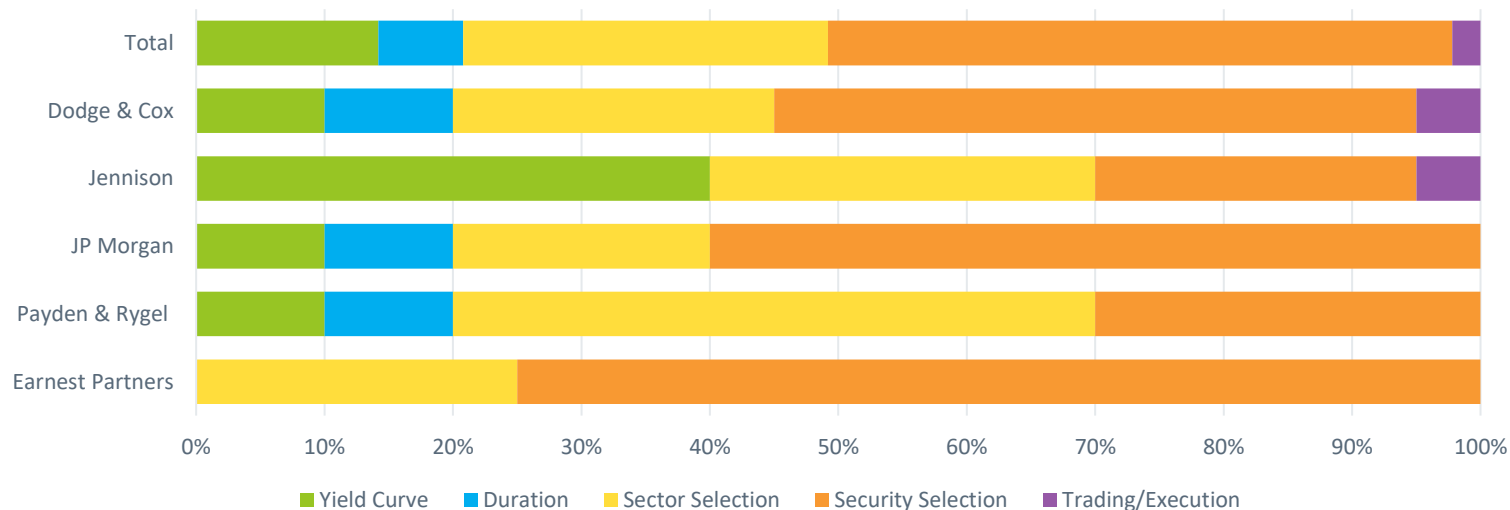
Performance greater than one year is annualized.

*Indicates a custom benchmark. The index shown is the current benchmark. Please see the addendum for full benchmark history.



Active Manager Performance Drivers vs. Attribution

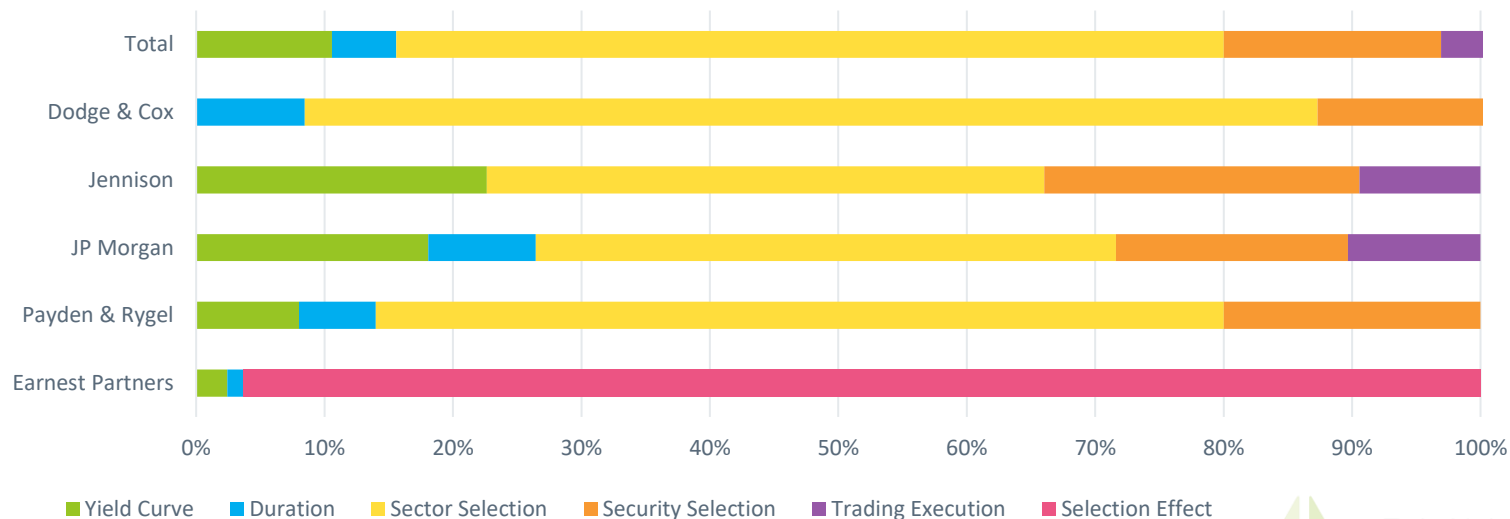
Expected Performance Drivers
Open Maturity Managers



- RVK continues to monitor the differences between expected performance drivers (provided by each manager) and their actual performance attribution.

- Generally, we'd expect managers' expected performance drivers to align with their attribution over a full market cycle (~5 years) and during "normal" market conditions.

Actual 3-Year Attribution
Open Maturity Managers

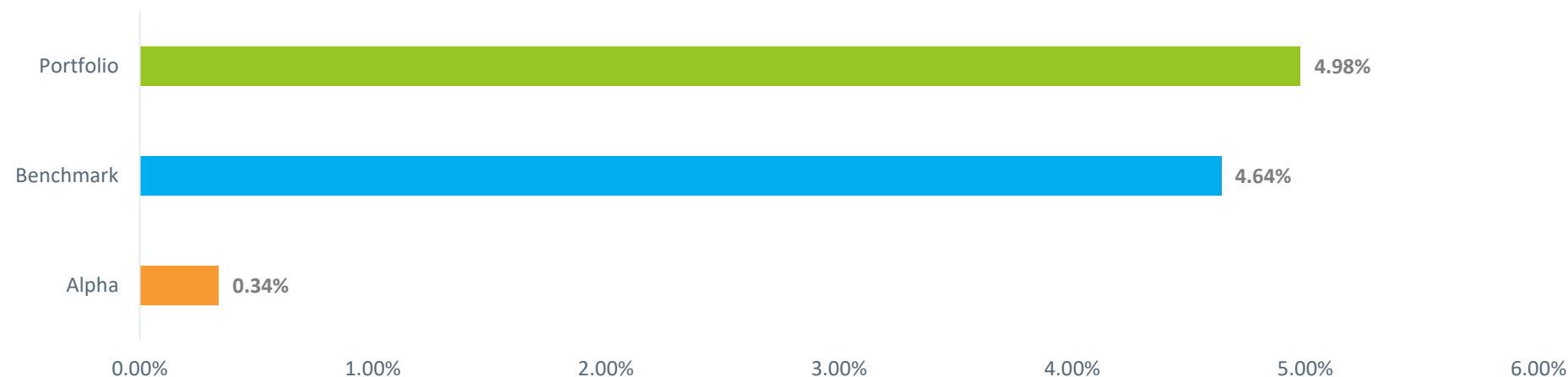


June 30, 2026 allocations were used to estimate total active open maturity manager performance drivers. Under EARNEST Partners' current attribution framework, "Selection Effect" captures active decision-making, including both security selection and sector allocation.

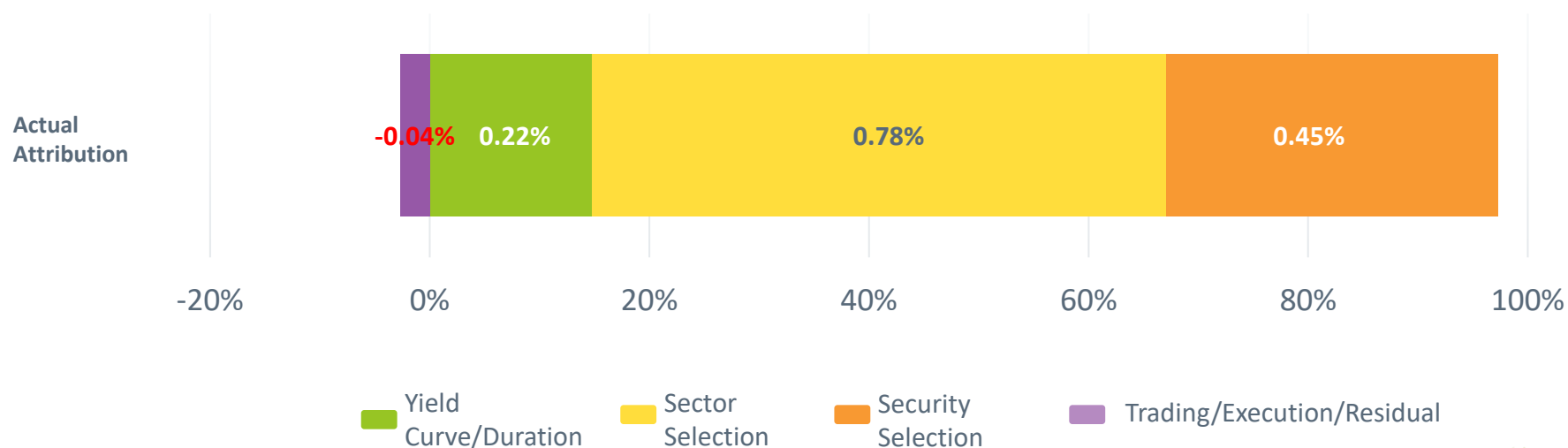
Active Stable Value Manager Attribution

GSAM Term Funds

3 Year Total Return



3 Year Excess Performance Attribution



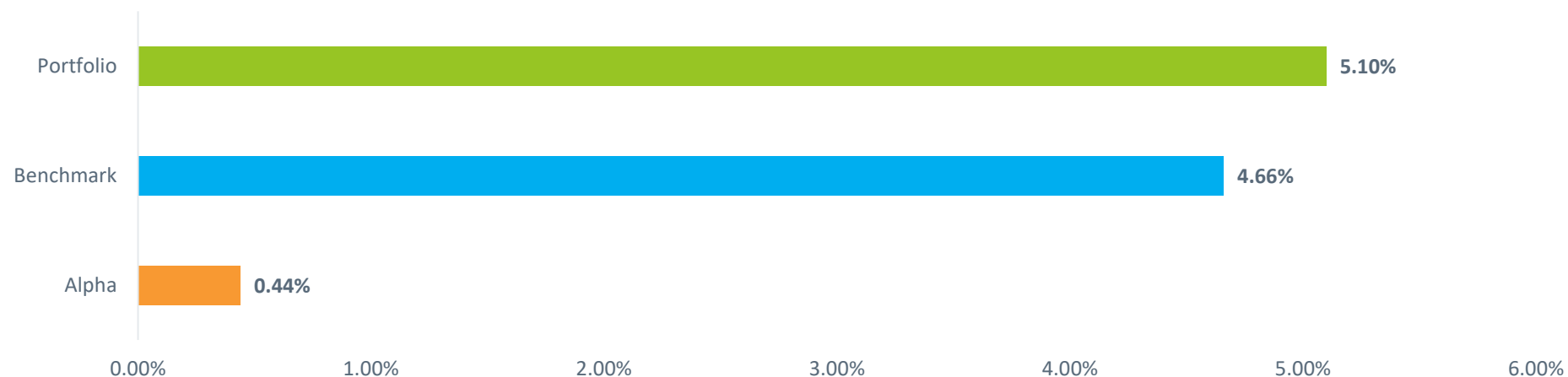
Performance is as of June 30, 2026, gross of fees, and cumulative over the 3-year period. The GSAM term funds have multiple respective benchmarks.



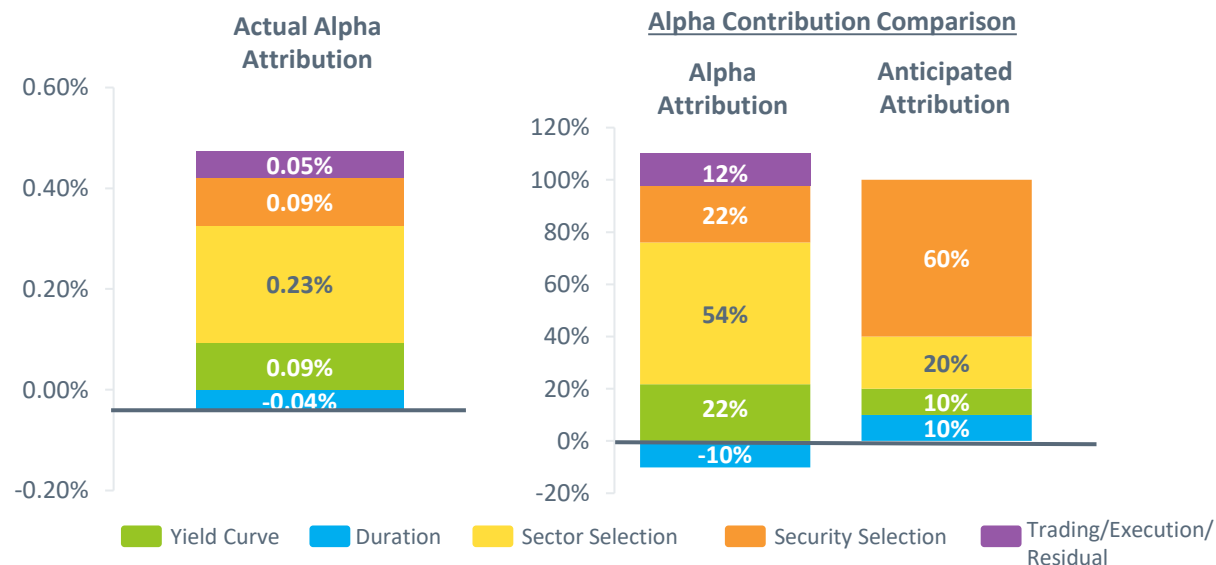
Active Stable Value Manager Attribution

JP Morgan

3 Year Total Return



3 Year Excess Performance Attribution (3 Year Gross)



Attribution Comments

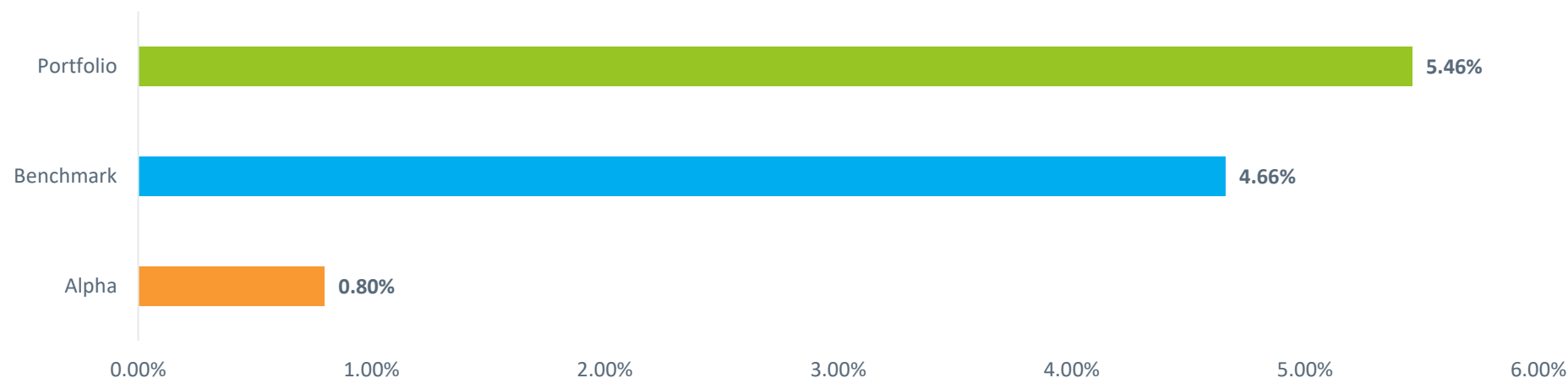
Anticipated performance drivers and actual attribution are largely in line, it is reasonable for there to be some variation between what is expected and what is achieved, as anticipated sources of return are only a rough guideline.

Notably spread compression during the period contributed to spread sectors outperforming comparable duration Treasuries.

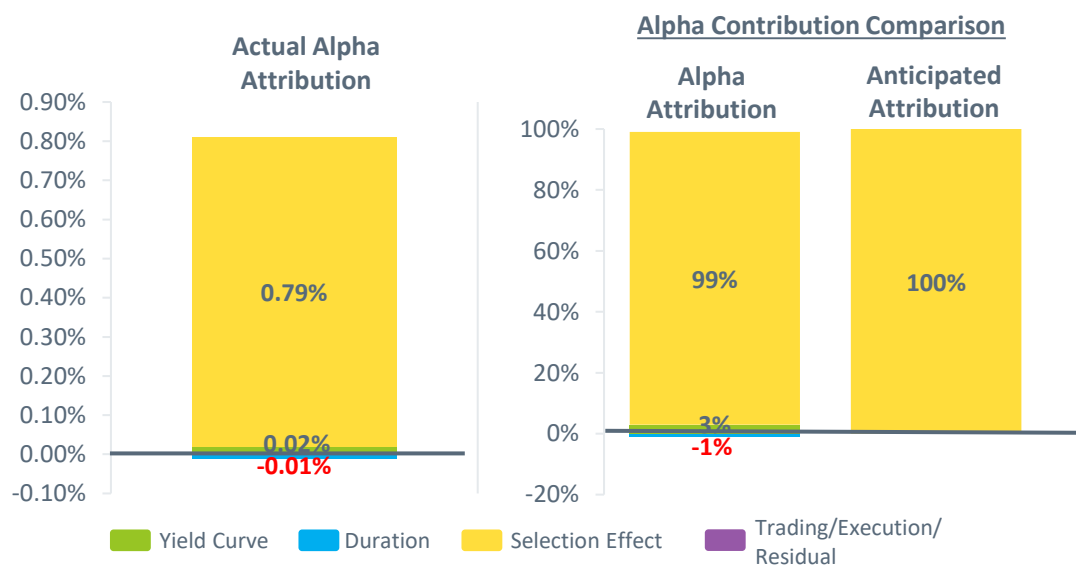
Active Stable Value Manager Attribution

EARNEST Partners

3 Year Total Return



3 Year Excess Performance Attribution (3 Year Gross)



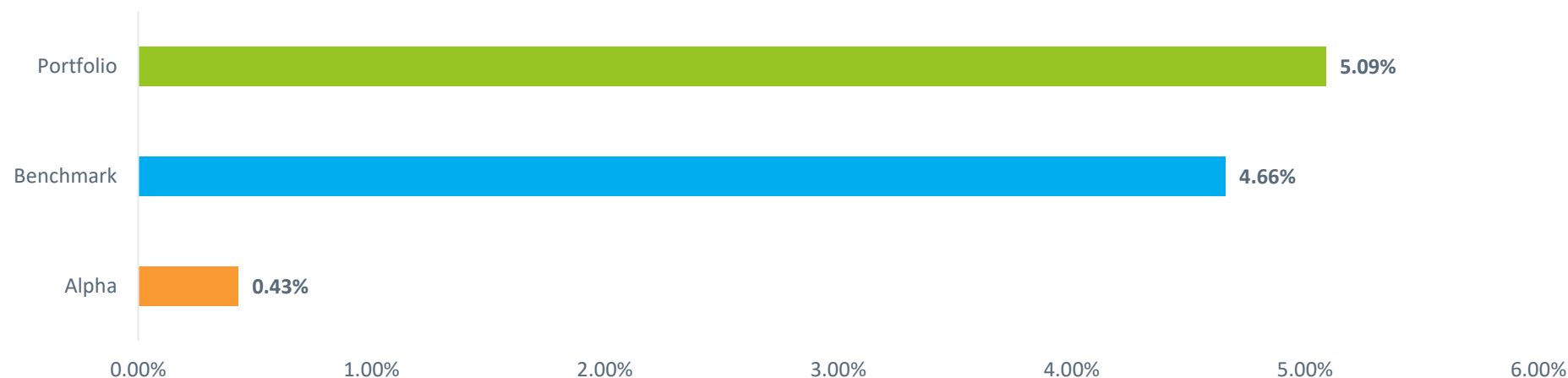
Attribution Comments

Anticipated performance drivers and actual attribution are largely in line, it is reasonable for there to be some variation between what is expected and what is achieved, as anticipated sources of return are only a rough guideline.

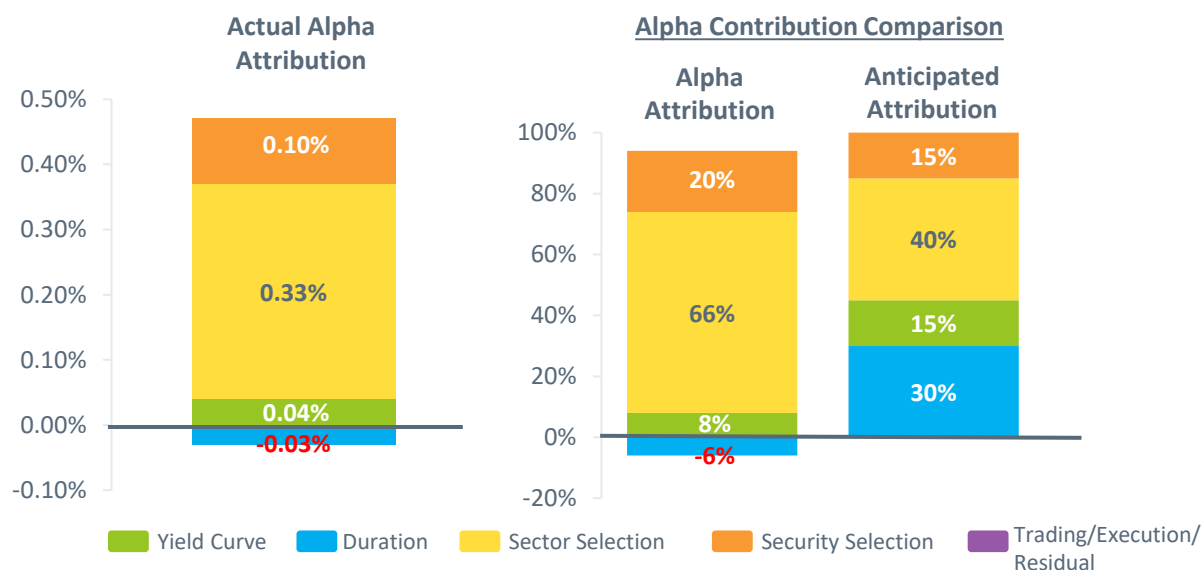
Active Stable Value Manager Attribution

Payden & Rygel

3 Year Total Return



3 Year Excess Performance Attribution (3 Year Gross)



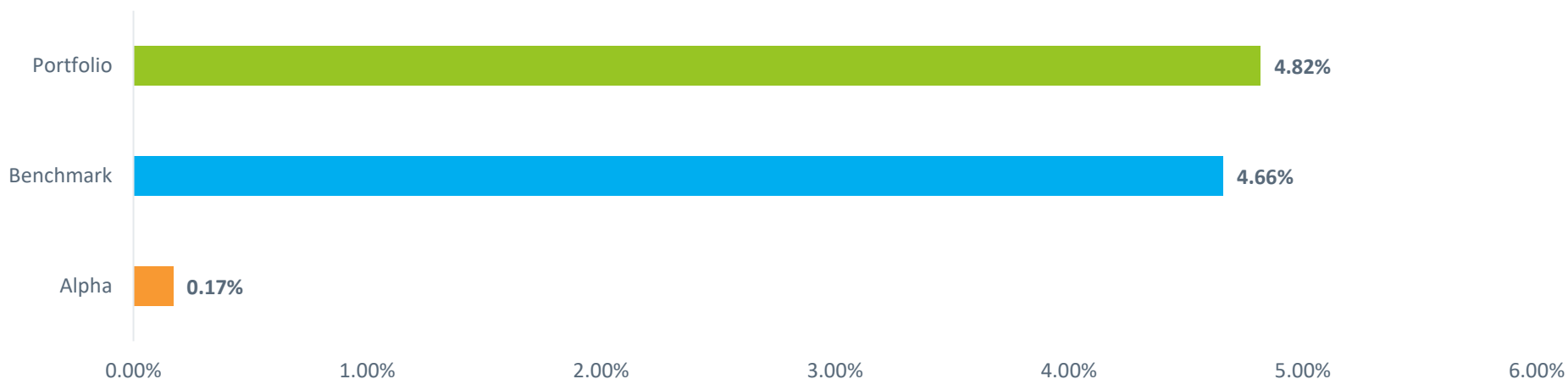
Attribution Comments

Anticipated performance drivers and actual attribution are largely in line, it is reasonable for there to be some variation between what is expected and what is achieved, as anticipated sources of return are only a rough guideline.

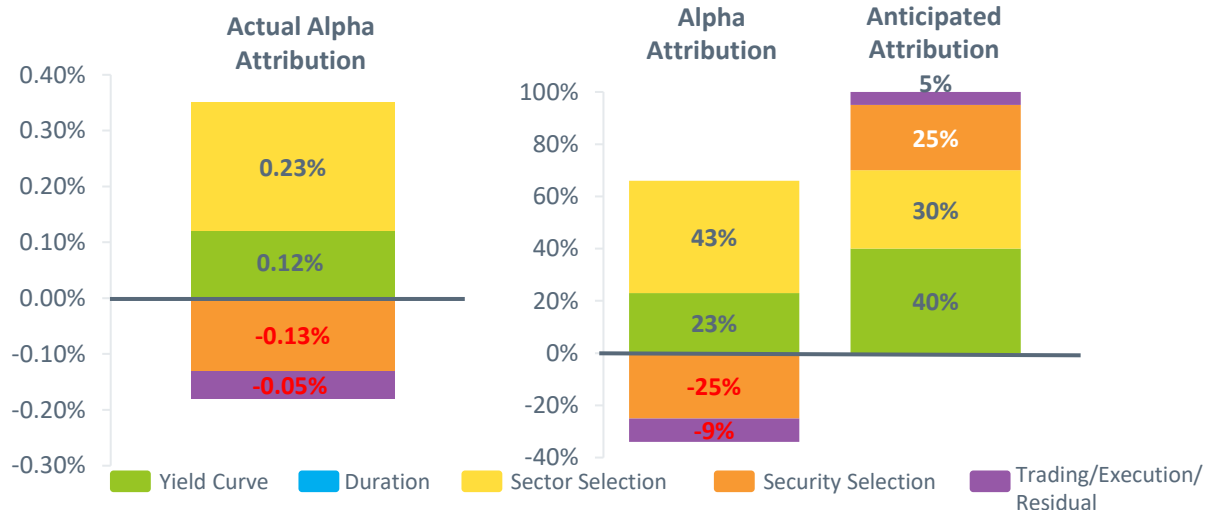
Active Stable Value Manager Attribution

Jennison

3 Year Total Return



3 Year Excess Performance Attribution (3 Year Gross)



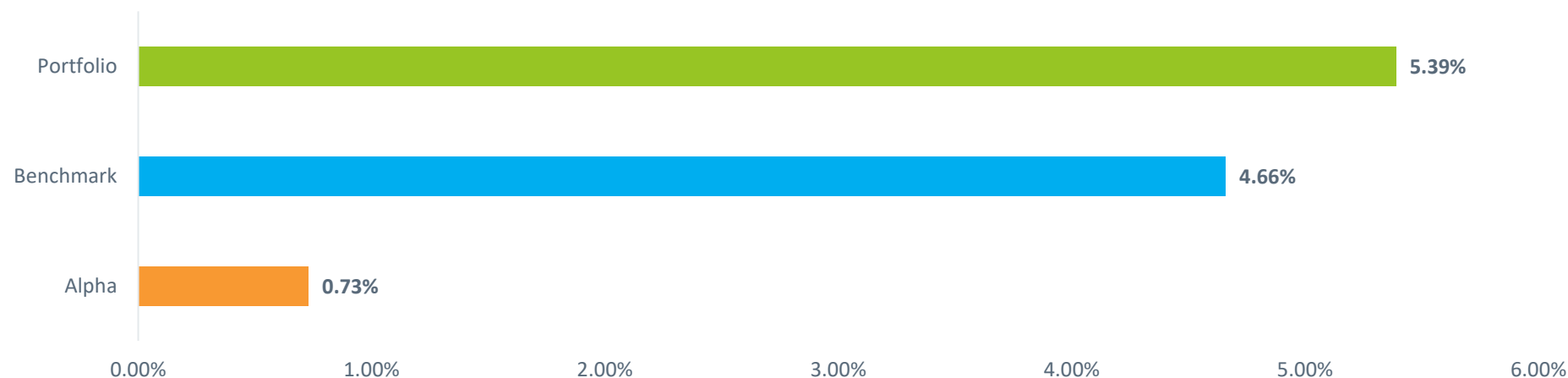
Attribution Comments

Over the 3-year period, security selection was the primary detractor from performance due to coupon positioning in Agency MBS and security selection in corporates.

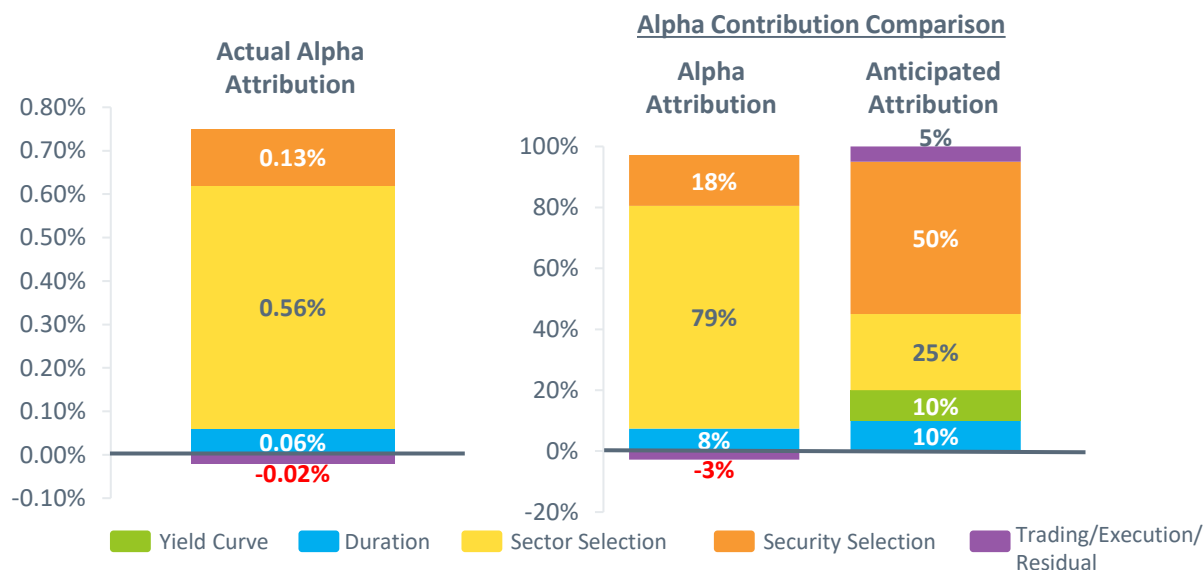
Active Stable Value Manager Attribution

Dodge & Cox

3 Year Total Return



3 Year Excess Performance Attribution (3 Year Gross)



Attribution Comments

Over the 3-year period, sector selection was the primary contributor to relative outperformance due to the portfolio's underweight to US Treasuries, overweight to corporate bonds, and overweight to Agency MBS.

Appendix

- *Fixed Income Market Update*
- *Ohio DC SVO Structure Analysis*
- *Ohio DC SVO Performance Detail*
- ***Addendum***

Addendum

Index Comments

- Stable Value Custom Benchmark consists of ICE BofA 3 Mo US T-Bill Index+1.5% through 08/2021; and the 3 Year Constant Maturity Treasury Index thereafter.
- Dodge & Cox Custom Benchmark consists of 60% Bloomberg US Int Agg Index and 40% Bloomberg Stable Inc Mkt Index through 09/2020; 100% Bloomberg US Int Agg Index thereafter.
- Bloomberg Maturing Benchmarks are a series of custom declining duration benchmarks consisting of a subset of widely-used Bloomberg fixed income indices. Prior to 01/2016, the first 36 months consists of 60% US government sector (Treasury and Agency issues), 20% corporate and non-corporate credit sectors, and 20% securitized sectors (residential mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities); the final 24 months consists of a gradual evolution towards the Bloomberg Short-Term Govt/Corp Index. Since 01/2016, the first 36 months consists of 75% US government sector and 25% corporate and non-corporate credit sectors; the final 24 months consists of a gradual evolution towards the Bloomberg Short-Term Govt/Corp Index.

RVK

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OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET, COLUMBUS, OH 43215-4642
1-800-222-PERS (7377)
www.opers.org

MEMORANDUM

DATE: October 21, 2026

TO: OPERS Retirement Board Members

FROM: Tonya Brown, Deputy Executive Director

RE: **V. F. Risk Management Program Update**

Purpose

This presentation will provide the Board with an update on the Risk Management Program. During the presentation, staff will review the following:

- Provide a Risk Management process overview
- Review of changes to the Risk Register since the last update
- Key & Emerging Risk Highlights

Leadership has continued to meet quarterly to identify and discuss key and emerging risks. The risk register currently has a total of 37 active key risks and 3 active emerging risks. Since our last update Leadership closed 0 key risks, identified an additional 10 key risks and 3 emerging risks.

Next Steps

As we wrap up the year, the Risk Management team will continue to meet with the leadership team to discuss Key and Emerging Risks. The current risk register is posted annually and can be viewed on the Board's website. Finally, we anticipate presenting newly identified risks and initiatives to the board in 2027.

Risk Management Program Update 10/21/2026

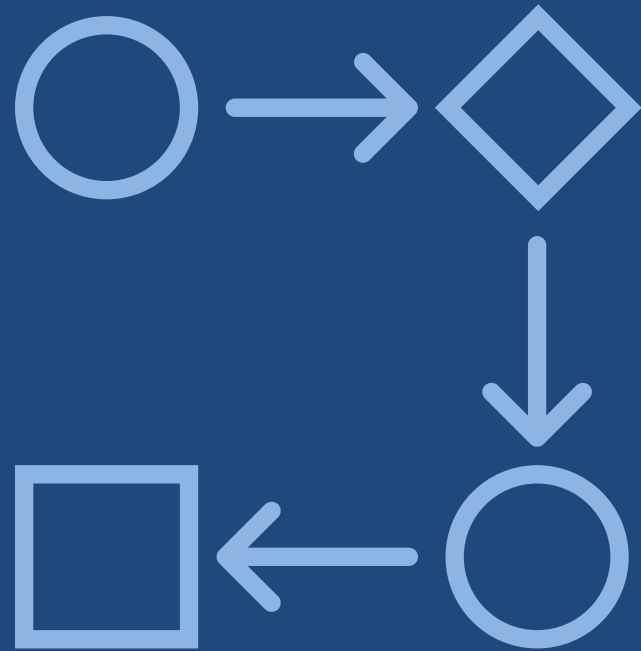
Tonya Brown, Deputy Executive Director



Agenda

- Risk Management Process Review
- Risk Register Updates
- Key & Emerging Risk Highlights
- Q&A

Risk Management Process



Risk Management Process

Key Risks

- The risks that matter - Critical Risks
 - “What keeps leadership up at night?”

Emerging Risks

- Known risks with unknown impacts
 - “Tell me something I don’t know”

Risk Management Process

Definitions:

- Controls – methods to reduce or eliminate the impact of the risk
- Contingency – actions to take if the risk is realized

Risk Management Process

Quarterly Leadership Risk Evaluation

- Review current Key risks and discuss any new Key or Emerging risks
- **Risk owner**
 - ☐ Creates a risk description
 - ☐ Identifies controls
 - ☐ Provides contingency plan for Key risks or action plan for Emerging risks

Risk Register

Registry of the
organizations Key
and Emerging
Risks



Risk Register

Background:

- Full register is located on the Board's website
- Regularly reviewed by the Leadership Team
- The risk are actively managed and monitored by leadership

Risk Register

Key Risks - “What keeps Leadership up at night?”

- **37 Active Key Risks**
 - 10 New - Identified since our last update
 - 0 Closed - Risks are no longer considered high/key risk for various reasons
 - 3 In-Active – Moved from active to in-active

Risk Register

Key Risks - “What keeps Leadership up at night?”

10 New Key Risks:

- Workforce AI Readiness
- Loss of institutional operational knowledge with ODC staff turnover due to merger transition
- Maintaining ODC Internal Record-Keeping In-house
- ADA Compliance

Risk Register

Key Risks - “What keeps Leadership up at night?”

10 New Key Risks:

- Scrutinized Proxies
- General Ledger System End-of-Life
- Legislative Mandate for DROP Program
- ODC Record-Keeping Transition

Risk Register

Key Risks - “What keeps Leadership up at night?”

10 New Key Risks:

- Document Management System Replacement
- Inflation

Risk Register

Key Risks - “What keeps Leadership up at night?”

- 0 Closed Key Risks

Risk Register

Key Risks - “What keeps Leadership up at night?”

3 In-Active Risks:

- Complexity of data/processes regarding large projects
- Alternative investment fees
- Financial Reporting

Risk Register

Emerging Risks - “Tell me something I don’t know”

- **3 Active Emerging Risks**
 - 0 Closed
 - 3 New
 - 2 In-Active
 - 2 Risk moved from Emerging to a Key Risk

Risk Register

Emerging Risks - “Tell me something I don’t know”

- 0 Closed Emerging Risks:

Risk Register

Emerging Risks - “Tell me something I don’t know”

- **3 New Emerging Risks:**
 - Potential State and/or Federal regulation (executive order targeting proxy advisors)
 - Geopolitical impact on economy
 - Election Uncertainty

Risk Register

Emerging Risks - “Tell me something I don’t know”

- **2 In-Active Emerging Risks:**
 - Social Security Mandates
 - DOPE - Department of Pension Efficiency

Risk Register

Emerging Risks - “Tell me something I don’t know”

- **2 Emerging Risk moved to a Key Risk:**
 - F.O.P. - legislative changes DROP vs PLOP
 - Inflation

Key & Emerging Risks Highlights



Key Risk Highlights

Key Risk

- Risk #25 – Member Fraud

Initiatives / Leadership Risk Review

- Member Fraud program maturity
- Refunds on-line application – Identity Proofing
- Event review and reporting
- Future focus: non-registered member accounts

Key Risk Highlights

Key Risk

- Risk #19 – Cyber

Initiatives / LT Review

- October Cyber Awareness Month
- OPERS and ODC Nist Audit
- Identity Infrastructure Security Review
- Desktop Application Certification
- Linux Security Hardening
- Vulnerability Management Program

Key Risk Highlights

Key Risk

- Risk #47 – ODC Recordkeeping Transition

Initiatives / LT Review

- Operational activities continued
- Vendor selection / contract
- Service level / performance guarantees
- Conversion readiness

Key Risk Highlights

Key Risk

- Risk #30 – Board Turnover

Initiatives / LT Review

- Planning for onboarding
- Developing new board tools – summary videos of orientation materials
- Identifying on-going education opportunities for current and future board members

Emerging Risk Highlights

Emerging Risk

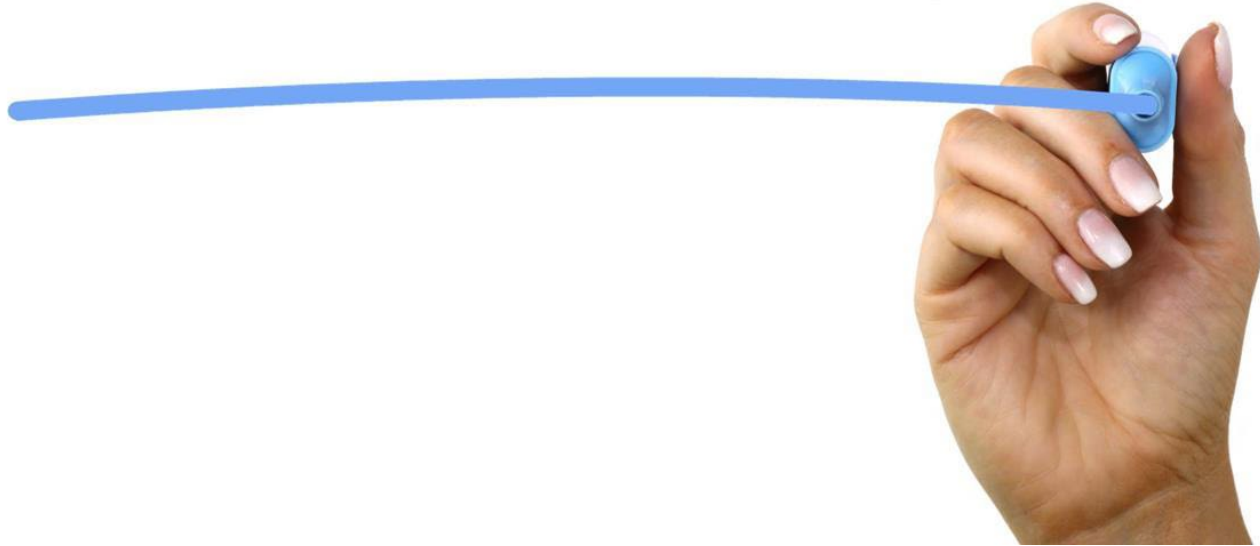
- Emerging Risk #14 – Election Uncertainty
- Emerging Risk #13 – Potential Geopolitical Impact on Economy

Initiatives / LT Review

- Government Relations election monitoring and planning to prepare for either outcome
- Investments continually monitoring economic impacts to portfolio

Q&A

QUESTIONS



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MEMORANDUM

DATE: October 21, 2026

TO: OPERS Retirement Board Members

FROM: Karen Carraher, Executive Director

RE: **V. G. Operations Report – September 2026**

Below is my report for September 2026.

Finance

- Construction for the **roof replacement** is beginning on October 15th with the set-up of the crane in the neighboring church parking lot and delivery of the first round of materials. Staff have been working with the roofing company and church on the crane and plans for the location of the crane for several months. The start date was highly contingent on the receipt of customized materials to accommodate the drainage system of our original roof. Staff located on the 12th floor are temporarily being relocated to some open offices on the 2nd and 3rd floors during the duration of the project.
- Phase one of the **finance transformation project** is in process. KPMG, the external consultant, has provided their current state assessment of various finance functions (including general ledger, budget, accounts payable, and fixed assets) and are developing a target operating model and list of recommended requirements to identify a new general ledger and budget system to help OPERS Finance achieve an ideal future state. This includes consideration of core Finance systems and their interactions/integrations with each other and other OPERS subledger systems. We are on track to issue the RFP and select a system by the end of this year with the implementation of the selected system starting in 2027.
- The Investment Accounting, Operations and Compliance teams participated in an **internal risk assessment** conducted by the independent investment risk function housed within the department. Members of the department responded to a questionnaire shedding light on the types of issues that may present challenges in the future, the effectiveness of current controls and ideas to make the department more effective in the future. Our independent investment risk leader then conducted a discussion session to present results and solicit additional color or questionnaire

responses. The department's leadership team will use the results of the risk assessment to complement the forward 3–5-year strategic plan within the department beginning in 2027.

- **Justin Wilson of the Investment Accounting team passed all sections of the CPA exam.** He becomes the 3rd CPA in the Investment Accounting, Operations and Compliance department, joining the Manager of Investment Accounting and the Assistant Director. Passing the CPA exam takes a great deal of dedication – congratulations to Justin!

Investments

- **Internally Managed U.S. Equity Portfolios Update:** The internal global equity team rebalanced six U.S. Equity Portfolios with a market value of approximately \$25.85 billion in September in conjunction with the quarterly Russell reconstitution. The rebalance resulted in over 2,400 trades with an approximate total traded value of \$300 million. The Russell rebalance trades were completed on September 18th with the assistance of Equity Trading desk. Brokers are selected by the trading desk through a competitive bidding process to execute the quarterly rebalance trades. No commissions were charged for this rebalance trade.
- **Fund Management Update:** Staff addressed the underweight position in Long Duration U.S. Treasury (for DB & HC Funds) by allocating approximately \$450 million to the sub-asset class. A bond slice was prepared within the Long Duration Transition Portfolio and after the trade settlement, the slice was moved into the target portfolio, completed on Sep 21. The additional funding was sourced from Commodities (\$345 million) and the rest from the Fund-Level Cash.

Corporate Governance

- In the final months before OPERS' proxy services vendor contract expires, staff are in the final stages of a proxy services RFP, reviewing the proposed contract for the highest scoring vendor. It is premature to announce who that vendor is until after the contract is final.

If all terms are agreed to, OPERS stands to save enough money to enable Corporate Governance to explore a pilot with a relatively new vendor to the proxy services arena while remaining within the proposed 2027 budget. The vendor fully utilizes artificial intelligence to expedite the proxy research and subsequently, the voting process.

Speaking of AI, Corporate Governance is teaming with Information Technology on a use case to potentially build a research tool that could dramatically reduce the time it takes to vote certain components of proxies. Preliminary results have looked promising for the future.

Government Relations

- The Ohio General Assembly took a break from the campaign trail to return to the Statehouse to pass House Bill 519, a bill that began principally to address “repeat motor vehicle theft juvenile offenders,” ended up being the vehicle to grant consumers a fuel tax. The bill passed as an emergency and went into effect on October 4, 2026.

Staff used the special session to talk to a few legislators and others about what the upcoming lame duck session may look like. While no specifics were shared, it is clear that pension legislation is not a high priority. With that said, staff will continue to pursue an amendment to Senate Bill 300, a Treasurer of State-oriented bill, which would, among other things, grant the OPERS Board authority to select its custodial banks. The amendment has been drafted and submitted, and has the sponsors, as well as ORSC leadership’s support.

Staff will continue to closely watch HB 424, the bill that would undo the requirement for members with service in multiple systems to retire from the system with the most service. Legislators continue to urge staff to find a reasonable compromise to correct the issue.

INVESTMENTS MARKET UPDATE

Net Asset Value & Performance

	NAV (\$ B) 8/31/2026	PERFORMANCE					NAV (\$ B) 10/16/2026
		MTD Sept.	YTD Sept.	YTD Sept. Benchmark	Oct 1 to 16 Estimated	Benchmark Oct 1 to 16 Estimated	
DB Fund	\$121.75	-1.00%	7.11%	7.87%	0.14%	0.08%	\$119.90
HC115 Fund	\$16.08	-1.78%	7.82%	7.21%	0.38%	0.26%	\$15.77

Market Events Summary

- The headline CPI rose 0.6% MoM in September, matching expectations, while annual inflation accelerated to 3.7% YoY, above the 3.6% forecast. Core CPI increased 0.3% MoM, slightly above the 0.2% forecast, while annual core inflation accelerated to 2.6%, modestly exceeding expectations of 2.5%.
- The U.S. unemployment rate rose to 4.2% in September, slightly above consensus and prior months 4.1%. Nonfarm payrolls increased by 29,000 during the month, which was below the consensus forecast estimates of 90,000.
- U.S. Producer Price Index (PPI) rose 1.3% MoM in September, accelerating from 0.5% in August and significantly exceeding consensus expectations of 0.6%. On an annual basis, producer prices increased 6.3%, up from 5.6% in August and marking the strongest annual gain since December 2022. Core PPI, which excludes food and energy, advanced 0.7% MoM and 5.0% YoY, highlighting persistent underlying inflationary pressure.
- The ISM Manufacturing PMI edged down to 54.5 in September from 54.6 in August, falling short of consensus expectations of 55.0. Despite the modest decline, the index remained firmly in expansion territory, staying above the 50-point threshold that separates growth from contraction.
- A U.S.-backed energy ceasefire between Russia and Ukraine quickly collapsed as both sides accused each other of violating the agreement, with attacks on energy infrastructure continuing despite efforts to de-escalate. Separately, reports surrounding Ukraine's access to Starshield highlighted the growing strategic importance of space-based communications and defense technologies in modern warfare.
- Eurozone headline inflation rose to 3.8% YoY in September from 3.2% in August, reaching its highest level since September 2023 and remaining well above the European Central Bank's 2% target. Core inflation also edged higher to 2.5%, supporting a more cautious outlook for future ECB policy easing.

Portfolio Changes

- Approximately \$250 million was liquidated from the internal QIS Trend Following sub-asset class to provide additional Fund Level liquidity after October 1 benefit payments.

Top/Bottom Performing Public Market Asset Classes (September 11– October 16)

