

**MINUTES OF
STATE TEACHERS
RETIREMENT BOARD
MEETINGS**

February 16, 2023

February 16, 2023

February 16, 2023

The State Teachers Retirement Board met at the STRS Ohio offices in Columbus, Ohio, on Thursday, Feb. 16, 2023, at approximately 10:10 a.m. Retirement Board Chair Carol Correthers called the meeting to order.

Ms. Correthers recognized executive director Bill Neville for opening remarks. Mr. Neville announced the board meetings are now live streamed and broadcast with both audio and visual capabilities.

Ms. Correthers welcomed Alison Lanza Falls as the new Treasurer of State appointed board member.

The following members were in attendance: Ms. Correthers, Ms. Falls, Claudia Herrington, Elizabeth Jones, Arthur Lard, Dale Price, and Julie Sellers. Rudy Fichtenbaum, Steven Foreman, and Scott Hunt, representing the Interim Superintendent of Public Instruction, joined the meeting remotely.

APPROVAL OF MINUTES

Ms. Correthers moved, seconded by Mr. Lard to approve the minutes of the December 2022 Retirement Board meeting.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Lard, yes; Ms. Falls, abstain; Dr. Fichtenbaum, no; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes. The motion carried.

REPORT FROM INVESTMENT DEPARTMENT

The chair recognized Matt Worley, deputy executive director – Investments, for a Report From the Investment Department.

The following highlights were presented as part of the investment activity report:

Suchit Arora, senior economist, provided a summary of the Midyear STRS Ohio Economic Update. It is forecast that the Federal Reserve Board wants inflation near 2%, prompting a tightening in monetary policy that should persist through fiscal year 2023. Despite a slower second half, fiscal 2023 Real Gross Domestic Product (GDP) Growth is above long-term trend.

STRS Ohio's total fund return for December was -2.07%, finishing the first half of fiscal year 2023 at +0.51%. This represents an estimated 0.37% outperformance of the benchmark after estimated fees and expenses. In rebalancing activity, \$700 million was removed from fixed income and international equities and \$400 million was allocated to domestic equities with the balance going to liquidity reserves to pay benefits. The calendar year 2022 total fund return was -9.52% relative

to -10.90% for the benchmark return. This represents an estimated outperformance of 1.38%/1.26% before and after costs.

The preliminary total fund return for the month of January was +4.03%. The preliminary fiscal year to date return was +4.55%. This represents an estimated 0.23% outperformance of the benchmark after estimated fees and expenses. In rebalancing activity, \$1.3 billion was removed from domestic and international equities with nearly \$1.2 billion allocated to fixed income. Total investment assets ended in January at approximately \$89.0 billion; higher by \$1.4 billion in fiscal year 2023.

Matt Downie, senior officer – Investment Policies, presented the initial review of the Stock Proxy Voting Policy. There was one proposed update to the guideline header, “Majority Voting for Director’s.” A final review and request for adoption of the policy is expected at the March meeting.

Mr. Downie also provided a Proxy Voting Summary for the Six Months Ending December 31, 2022. All proxies were voted in accordance with STRS Ohio policy during this time, except as otherwise noted.

Callan quarterly performance review as of December 31, 2022, was presented by Callan senior vice president, Brady O’Connell. STRS Ohio’s total fund exceeded its benchmark and ranked in the top 10% of public funds examined by Callan for the three-, five-, seven- and 10-year periods. When measuring risk versus performance for the past five years, STRS Ohio’s investment return ranked in the top 5% of public funds reviewed by Callan, with a portfolio that had lower average risk than its peers.

The semiannual derivative exposure as of December 31, 2022, was presented by Mr. Worley. For the past six months, all derivative exposures were within STRS Ohio policy limits.

Investment transactions for December 2022 and January 2023 and two private equity commitments were reviewed without questions or comments.

There was one request from the board.

- Callan will provide a spreadsheet detailing the attribution analysis calculation to the board.

RECOGNITION OF PERSONS WISHING TO ADDRESS THE BOARD

Ms. Correthers recognized the following to address the board:

Dan MacDonald, representing 279R, addressed the board. Mr. MacDonald expressed concerns regarding Health Care.

Gerald Newsome, representing himself, address the board. Mr. Newsome discussed several items to consider when investing.

Sue Brannan, representing herself, addressed the board. Ms. Brannan expressed concerns regarding expenses and suggested cost cutting measures.

Robin Rayfield, representing ORTA, addressed the board. Mr. Rayfield requested a pathway to restoration of benefits.

Phil Long, representing OEA-R, addressed the board. Mr. Long expressed appreciation for affordable Health Care.

Cathy Steinhauser, representing herself, addressed the board. Ms. Steinhauser expressed concern regarding expenses and suggested cost cutting measures.

Suzanne Laird, representing herself, addressed the board. Ms. Laird expressed concerns about STRS customer service to its members.

Mary Binegar, representing herself, addressed the board. Ms. Binegar expressed gratitude for a secure and stable fund.

Dean Dennis, representing ORTA, addressed the board. Mr. Dennis expressed concern about the COLA and teacher shortages.

Bob Buerkle, representing himself, addressed the board. Mr. Buerkle shared two scenarios for retirement calculations.

Marvin Stotz, representing himself addressed the board. Mr. Stotz expressed concerns regarding investing.

EXECUTIVE SESSION

Ms. Correthers moved, seconded by Mr. Lard to enter executive session under authority of Division (G)(1) of Section 121.22 of the Ohio Revised Code for the purpose of discussing appointment, employment or compensation of a public employee or official, Division (G)(3) of Section 121.22 of the Ohio Revised Code for the purpose of conferring with the board's attorney regarding pending or imminent court action and Division (G)(5) of Section 121.22 of the Ohio Revised Code for the purpose of discussing matters required to be kept confidential by federal law or state statutes.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Lard, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes. The motion carried.

Wade Steen joined the meeting remotely.

Executive session ended at 12:46 p.m. and public session resumed at 1:06 p.m.

REPORT FROM MEMBER BENEFITS - PENSIONS

Ms. Correthers resumed the meeting and recognized Christina Elliott, deputy executive director – Member Benefits, for a Report From Member Benefits – Pensions.

Ms. Elliott presented an overview of data from statewide teachers' only pensions from non-Social Security states with similar governance structures. The presentation highlighted two areas of study:

Benefit Packages for New Members; and
Plan Resilience.

Ms. Elliott presented an executive summary explaining that the data is gathered through retirement system websites and financial reports associated with each system and the benefit packages offered to new members. The new member benefit details varied amongst the systems and were a key component in most pension reforms changes. Many systems have multiple tiers which require later age or more service for new member eligibility. Many different age and service combinations for eligibility among the systems and within the different tiers of those systems; and Rule of X retirement eligibility option is used by two of the systems, Texas and Missouri.

Ms. Elliott next discussed Plan Resilience with a review of the additional variables at play. This included a discussion around demographic differences/variations (average entry level teacher salary, average age of retirement, cost of living, and average age of death). Ms. Elliott also highlighted that only four systems provided retiree health care plans: Ohio, Connecticut, Illinois, and Texas.

In closing, Ms. Elliott explained the systems each have unique structures and funding streams. Most of the systems have tiers in a variety of their benefits and not all offer an annual COLA. Demographics are as similar as possible and yet still vary. Many systems have replacement ratios below 60 % of income earned at retirement.

REPORT ON ENTERPRISE RISK MANAGEMENT

Ms. Correthers recognized Lynn Hoover, deputy executive director – Finance, for the Report on Enterprise Risk Management (ERM). The purpose of the ERM presentation is to ensure the board is aware of the largest risks facing the system, the efforts staff are making to mitigate those risks, and staff's estimates of the risk that remains despite mitigation.

ERM is an ongoing process at STRS Ohio, with staff continuously monitoring and proactively managing risk. Risk management is part of the board's responsibility. The executive director, along with senior leadership, manage risk in their respective areas. The process includes individual meetings with each department director. This allows for a robust review of the risks associated within each functional area.

Brian Grinnell, chief actuary, reviewed the time dimension that captures how quickly a risk emerges, in addition to quantifying the probability and financial impact to the system for each risk. This additional reporting is helpful to provide focus on the risks most pertinent to the system.

Ms. Hoover and Mr. Grinnell then covered the updated ERM assessment for the 14 prominent risks in 2023. As a result of reassessment, two board-level risks changed this year and were reviewed in more detail. The risk of short-term plan design changes being unsustainable in the long-term was increased from last year and the risk of assumed actuarial returns higher than expected median returns lessened from a year ago. One new risk to the board-level risks was added this year – the risk of recession. STRS Ohio’s overall risk profile incorporates the risk tolerance of the board and remains stable year over year.

There was a discussion regarding the fiduciary audit recommendations related to ERM, which were substantial and would require extensive board engagement. Staff is in support of implementing the recommended changes that include defining risk appetite for various categories of risk, determining metrics to assess each risk, targets for the metrics and acceptable tolerances, as well as providing more frequent exception-based reporting. The board discussed its desire to have the board’s ad hoc governance committee, and possibly a consultant, begin the process of evaluating the recommended changes to the ERM program.

Ms. Hoover reviewed the key risk mitigation and monitoring tools which are effective in reducing risk levels for most of the identified risks. Staff continues to identify, assess and manage enterprise-level risks, including emerging risks, to ensure continuity of STRS Ohio’s operations and ensure the long-term security of the retirement system.

EXECUTIVE DIRECTOR’S REPORT

Ms. Correthers again recognized Executive Director Neville for the Executive Director’s Report. Mr. Neville highlighted items from his February Executive Director’s Report containing the topics listed below and offered to answer any questions.

- Auditor of State Completes Special Audit of STRS Ohio
- Benefits Counselors Wrap up First Half of Fiscal 2023, 11% Increase in Total Appointments
- Online Personal Account Use Continues to Increase
- Call Center Survey Reflects High Satisfaction in First Half
- Final Election Process Now Underway
- 2023 Health Care Program News
- Fee Validation and Third-Party Administrator (TPA) Firms Selected

REPORT AND APPROVAL OF EXPENSES DURING DECEMBER 2022

Ms. Correthers moved, seconded by Mr. Price that the report and the expenditures for the month ended Dec. 31, 2022, in the total amount of \$9,799,097 be approved.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes, Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

REPORT AND APPROVAL OF EXPENSES DURING JANUARY 2023

Ms. Correthers moved, seconded by Mr. Price that the report and the expenditures for the month ended Jan. 31, 2023, in the total amount of \$11,005,059 be approved.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes, Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

CONSENT MOTION

Ms. Correthers moved, seconded by Mr. Lard that the Retirement Board approve the Member Benefits-related motions appended on Pages 1 - 56 with the exception of the members in the #4, #15 and #19 positions on the Recommended Disability Benefits motion. (Records are not public per Ohio Revised Code 3307.20).

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Lard, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

RECOMMENDED DISABILITY BENEFITS – MEMBERS #4, #15, #19

Ms. Correthers moved, seconded by Ms. Herrington, that the Retirement Board concurs with the reports of the medical examiners and the evaluations by the Medical Review Board in the case of the members in the #4, #15, and #19 positions and hereby orders that the members shall be granted disability benefits. (Records are not public per Ohio Revised Code 3307.20).

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, abstain; Mr. Lard, yes; Mr. Price, yes; Ms. Sellers, abstain; Mr. Steen, yes. The motion carried.

REPORT FROM THE DECEMBER AUDIT COMMITTEE

Ms. Correthers moved, seconded by Ms. Herrington that the following December Audit Committee Report be approved as submitted and that the Board approve, affirm and adopt the recommendations of the committee.

A meeting of the Audit Committee was called to order by the Ms. Correthers, committee chair, on December 15, 2022, at 8:00 a.m. Other committee members present were Ms. Herrington, Ms. Jones and Mr. Roulston. Board members Dr. Fichtenbaum, Dr. Hunt, Mr. Lard, Mr. Price and Ms. Sellers were also in attendance. Staff present included Mr. Neville, Ms. Hoover, Ms. Boettcher, Mr. Vance, Mr. Licata, Ms. VanGundy, Ms. Wideman and Ms. Ballard.

Mr. Vance, Chief Audit Executive, began with the 2022 Internal Audit Summary. Mr. Vance stated the summary contained no material findings and Internal Audit had full cooperation from management. Additionally, Mr. Vance reported that no inappropriate levels of residual risk were identified by the audit team before presenting statistics on the number of audit recommendations and their implementation status/timeframes. The majority of the outstanding summary recommendations are scheduled to be implemented by management by June 2023. The results of the Board Expenses, Member Benefits Payment Process and Survivor Benefits audits were also presented.

Mr. Licata, I.T. Audit Controls Manager, summarized the purpose and recommendations related to the IT Firewall and Cloud Access Security Broker audits performed in 2022. The purpose and scope of the active Cloud Computing/Infrastructure Review and the results of the closed Cloud Access Security Broker Audit (CASB) and Reemployed Retiree audits were then presented. Ms. VanGundy, Investment Audit Specialist, summarized the purpose and recommendations related to the Performance-Based Incentive (PBI) Review, Securities Lending, and Fixed Income audits performed in 2022.

Mr. Vance then reviewed the Executive Summary of the 2023 Internal Audit Plan and the Risk Assessment Process that determines which audits to conduct. Mr. Licata provided a summary of the purpose of the SWIFT Customer Security Program (CSP) Self-Assessment, the IT Security Logical and Physical Review, and the Data Privacy Review scheduled to be completed in 2023. Ms. VanGundy provided a summary of the purpose of the annual PBI review, External Investment Manager – Fees, Broker/CSA/Research, Trading and Death Match Process audits to be completed in 2023. Mr. Vance discussed the additional administrative areas of the plan that relate to Board/Audit Committee Support, Quality Assurance Reviews, and Fiduciary Audit Support, and Quality Assurance Improvement Program work. He then reviewed the process for requesting audits of areas not on the current-year plan and stated the board would be notified of significant areas of concern, outside of the quarterly or annual reporting cycle if such concerns were to arise.

Ms. Correthers moved, seconded by Ms. Herrington to enter executive session under authority of Division (G)(5) of Section 121.22 of the Ohio Revised Code for the purpose of discussing matters required to be kept confidential by federal law or state statutes.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Ms. Jones, yes; Mr. Roulston, yes. The motion carried.

Executive session began at 8:31 a.m. and adjourned at 9:32 a.m. Public session resumed at 9:45 a.m. and the chair adjourned the committee meeting at that time.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

REPORT FROM THE DECEMBER INVESTMENT COMMITTEE

Ms. Correthers moved, seconded by Mr. Price that the following December Investment Committee Report be approved as submitted and that the Board approve, affirm and adopt the recommendations of the committee.

A meeting of the Investment Committee was called to order by Ms. Correthers, chair of the committee on Thursday, December 15, 2022, at 9:46 a.m. Other committee members present were Ms. Herrington, Dr. Hunt, and Mr. Roulston. Board members present were: Dr. Fichtenbaum, Mr. Foreman, Ms. Jones, Mr. Lard, Mr. Price, and Ms. Sellers. Staff present included Mr. Neville, Mr. Worley, Dr. Mazzoleni, Ms. Wideman and Ms. Ballard.

The chair recognized Mr. Worley, deputy executive director – Investments, for a review of the agenda. He stated staff would provide an update on the investment consultant search and lead a discussion regarding investment beliefs. Mr. Worley summarized previous investment beliefs discussions, explained what will be covered in the current meeting and proposed next steps.

Michael Joecken, senior vice president with Callan, set the foundation for the investment beliefs discussion by providing a summary of the Board’s 2021 asset class benchmark review and adoption. Mr. Joecken explained that benchmarks should reflect the risk tolerance expressed by the board through asset-liability studies. Brady O’Connell, senior vice president with Callan, gave a presentation on passive and active management to help shape how the active management investment beliefs should be articulated. The presentation considered the success of active management across asset classes and at STRS Ohio.

Dr. Mazzoleni, director – Asset Allocation and Strategy Investment, further discussed asset management both broadly and specific to STRS Ohio as it relates to investment beliefs. He explained that active management: is widely adopted by pension funds across North America and Ohio, offers a wide range of strategies to increase STRS Ohio’s expected returns, outperformed passive indices at STRS Ohio, increased STRS Ohio’s market value by billions of dollars, interacts with other investment beliefs to deliver best outcomes, and requires experience and expertise to successfully implement.

The committee would like staff to present again at the February 2023 meeting to discuss Dr. Mazzoleni’s analysis in greater detail.

The meeting adjourned at 11:50 am.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes; Ms. Falls, yes; Dr. Fichtenbaum, no; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

AUTHORIZATION TO AMEND RULES IN THE ADMINISTRATIVE CODE

Ms. Correthers moved, seconded by Mr. Lard to accept staff's recommendations to amend the rule(s) listed below pursuant to the sunset review process set forth in section 106.03 of the Ohio Revised Code and to authorize and direct the Executive Director to take all actions necessary on its behalf to amend and adopt the Administrative Code rule changes on a permanent basis and to carry out actions necessary for review with the Joint Committee on Agency Rule Review (JCARR) in accordance with Chapter 111.15 of the Ohio Revised Code.

- 3307-3-03 Contributions.
- 3307-3-05 Employer penalties and interest.
- 3307-4-01 Membership and contributions.
- 3307-8-01 Payment of benefits.
- 3307-10-01 Faculty practice plan.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Lard, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes; The motion carried.

AUTHORIZATION TO CONTINUE RULES IN THE ADMINISTRATIVE CODE

Ms. Correthers moved, seconded by Mr. Price to accept staff's recommendations to continue the rules listed below pursuant to the sunset review process set forth in section 106.03 of the Ohio Revised Code and to authorize and direct the Executive Director to take all actions necessary on its behalf to adopt and to carry out actions necessary for review with the Joint Committee on Agency Rule Review (JCARR) in accordance with Chapter 111.15 of the Ohio Revised Code.

- 3307-3-01 Employer duties.
- 3307-3-02 Employer reporting.
- 3307-3-04 Back posting.
- 3307-5-01 Alternative retirement plans.
- 3307-6-01 Compensation for services to teacher professional organizations.
- 3307-7-01 Guardianship.
- 3307-9-01 Division of property orders.
- 3307:1-14-01 Intersystem transfers with non-uniform systems.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Price, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

AUTHORIZATION TO AMEND RULES IN THE ADMINISTRATIVE CODE

Ms. Correthers moved, seconded by Mr. Lard to accept staff's recommendations to amend the rules listed below and to authorize and direct the Executive Director to take all actions necessary on its behalf to amend and adopt the Administrative Code rule changes on a permanent basis and

to carry out actions necessary for review with the Joint Committee on Agency Rule Review (JCARR) in accordance with Chapter 111.15 of the Ohio Revised Code.

3307:1-11-03 Health care service – medical plan.

Upon roll call the vote was as follows: Ms. Correthers, yes; Mr. Lard, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

**RESOLUTION ON DESIGNATION OF NOMINEE FOR THE
STATE TEACHERS RETIREMENT BOARD OF OHIO
ADOPTED FEBRUARY 16, 2023**

Ms. Correthers moved, seconded by Ms. Herrington, that the State Teachers Retirement Board of Ohio designate as its nominee under Section 3307.03, Ohio Revised Code, a partnership known as OTR, adopt the agreement of employment of OTR, and advise and instruct the Board Chair to sign said agreement of employment for and on behalf of the State Teachers Retirement Board of Ohio, as set forth on pages 57 - 59 of the appended material. .

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes. The motion carried.

BOARD EDUCATION REQUEST – MR. PRICE

Ms. Herrington moved, seconded by Mr. Steen, to approve the expense in connection with the educational opportunity described on appended Page 60.

Upon roll call the vote was as follows: Ms. Herrington, yes; Mr. Steen, yes; Ms. Correthers, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, abstain; Ms. Sellers, yes. The motion carried.

OLD BUSINESS / NEW BUSINESS

A request from Ms. Jones and Ms. Sellers to attend the same AFT Conference outlined in Mr. Price's education request was made to the Board.

Following discussion, Mr. Price moved, seconded by Ms. Herrington, to approve the expense in connection with the educational opportunity for Ms. Jones and Ms. Sellers.

Upon roll call the vote was as follows: Mr. Price, yes; Ms. Herrington, yes; Ms. Correthers, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, abstain; Mr. Lard, yes; Ms. Sellers, abstain; Mr. Steen, yes. The motion carried.

Ms. Sellers moved, seconded by Mr. Foreman, that a vote of confidence in Executive Director Bill Neville be taken among the board members.

Upon roll call the vote was as follows: Ms. Sellers, no; Mr. Foreman, no; Ms. Correthers, yes; Ms. Falls, abstain, Dr. Fichtenbaum, no; Ms. Herrington, yes; Dr. Hunt, yes; Ms. Jones, no; Mr. Lard, yes; Mr. Price, yes; Mr. Steen, no. The motion failed.

Ms. Correthers announced the Ad Hoc Board Governance Committee meeting would begin immediately following the Retirement Board meeting.

ADJOURNMENT

Ms. Correthers announced the next Retirement Board and committee meetings would be held over March 15, 16 and 17, 2023. With no further business to come before the board, the meeting adjourned at 3:30 p.m.

APPENDICES

PROPOSED MOTION

Retirement Board Consent Motion

February 16, 2023

Ms. Correthers moved, seconded by Mr. Lard, that the Retirement Board approve the following member benefits-related motions with the exception of the members in the #4, #15, and #19 positions on the Recommended Disability motion.

1. Request for Contributions During Leave of Absence
2. Survivor Benefits
3. Recommended Disability Benefits
4. Denial or Termination of Disability Benefits
5. Termination of Disability Benefits
6. Disability Transfer to OPERS/SERS
7. Rescind Prior Action
8. Action on Appeal Hearing
9. Service Retirements and Reemployment Benefits

2/16/2023

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 East Broad Street Columbus, OH 43215-3771

**(The following reports are not public information.
Reference Section 3307.20, Ohio Revised Code)**

- **REPORT TO THE RETIREMENT BOARD ON REQUEST FOR CONTRIBUTIONS DURING LEAVE OF ABSENCE**
- **REPORT TO THE RETIREMENT BOARD ON SURVIVOR BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON RECOMMENDED DISABILITY BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON DENIAL OR TERMINATION OF DISABILITY BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON DISABILITY TRANSFERS TO OPERS/SERS**
- **REPORT TO THE RETIREMENT BOARD ON ACTION ON APPEAL HEARINGS**
- **REPORT TO THE RETIREMENT BOARD ON SERVICE RETIREMENTS AND REEMPLOYMENT BENEFITS**
- **REPORT TO THE RETIREMENT BOARD ON RESCIND ACTION OF DENIALS**
- **REPORT TO THE RETIREMENT BOARD ON FINAL AVERAGE SALARY**

THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 East Broad Street Columbus 43215-3771

RESOLUTION ON DESIGNATION OF NOMINEE FOR THE
STATE TEACHERS RETIREMENT BOARD OF OHIO
ADOPTED FEBRUARY 16, 2023

WHEREAS, Section 3307.03, Ohio Revised Code, provides in part as follows:

"...All of [The State Teachers Retirement Board of Ohio's] business shall be transacted, and all of its funds invested, all warrants for money drawn and payments made, and all of its cash, securities and other property shall be held in the name of the board or in the name of its nominee, provided that nominees are authorized by retirement board resolution for the purpose of facilitating the ownership and transfer of investments and are restricted to members of the board, the executive director, and designated members of the staff, or a partnership or corporation composed of any of the foregoing persons."

NOW, THEREFORE, BE IT RESOLVED, that the State Teachers Retirement Board of Ohio, does hereby designate as its nominee under the above Section 3307.03, Ohio Revised Code, a partnership known as OTR; and,

BE IT FURTHER RESOLVED, that the attached agreement of employment of OTR be adopted; and,

BE IT FURTHER RESOLVED, that the Chair of the Board, Carol Correthers, be and is hereby advised and instructed to sign the said agreement of employment for and on behalf of the State Teachers Retirement Board of Ohio.

Ms. Correthers moved, seconded by Ms. Herrington, that the above Resolution be adopted.

Upon roll call the vote was as follows: Ms. Correthers, yes; Ms. Herrington, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, yes; Ms. Sellers, yes; Mr. Steen, yes. Motion carried.

EMPLOYMENT AGREEMENT BETWEEN OTR, AN OHIO GENERAL PARTNERSHIP, AND
THE STATE TEACHERS RETIREMENT BOARD OF OHIO, A STATUTORY
ORGANIZATION CREATED BY THE LAWS OF THE STATE OF OHIO

Columbus, Ohio
February 16, 2023

OTR, an Ohio general partnership
275 East Broad Street
Columbus, Ohio 43215-3771

Ladies and Gentlemen:

The State Teachers Retirement Board of Ohio ("STRS Ohio") has received the copy of the Amended and Restated Partnership Agreement dated as of January 3, 2023 (the "OTR Agreement") executed by the OTR partners. This letter will memorialize STRS Ohio's agreement ("Agreement") to employ OTR. In consideration of OTR's furnishing the services described in the OTR Agreement, STRS Ohio desires to employ OTR on the following terms and conditions:

1. OTR will accurately maintain its records, reports and accounts in accordance with STRS Ohio's systems and formats. OTR will show on its records STRS Ohio's beneficial ownership of all stocks, bonds, notes, other securities and obligations, or interests in real or personal property (collectively, the "Investments") and note such information and explanations respecting OTR's holdings as STRS Ohio may require.
2. When and as STRS Ohio directs, OTR, as STRS Ohio's nominee, will negotiate, transfer, and hold in its name the legal title or registered ownership of the Investments, and by doing so, OTR will bind STRS Ohio. OTR will not negotiate, transfer, or hold the legal title to or any right or ownership in any other Investments, unless STRS Ohio holds or will hold beneficial ownership of those Investments.
3. When OTR receives any Investments, OTR will take promptly any action or execute any documents that are necessary to evidence STRS Ohio's beneficial ownership in such Investments.
4. No OTR partner will possess any Investments held in OTR's name, or have access to them, except when an individual authorized to act on behalf of STRS Ohio, other than an OTR partner, supervises such access. OTR will deposit the Investments in the same manner and at the same location as is required for like property whose legal title or registered ownership is held directly by STRS Ohio.
5. When STRS Ohio requests, OTR will promptly execute and deliver all such commitment letters, conveyances, deeds, releases, assignments, powers of attorney, dividend orders, proxies, waivers, declarations of trusts, disclaimers, or other instruments, general or special, and documents to facilitate the investing in and holding title to interests in the Investments. OTR will promptly endorse and deliver to STRS Ohio all checks, drafts, and orders for the payment

of money that OTR may receive pertaining to any Investments.

6. OTR does hereby constitute and appoint STRS Ohio the true and lawful agent and attorney for OTR, with full power and authority irrevocably to sell, assign, endorse, transfer, and deliver any Investment of every kind or form whatsoever, howsoever evidenced, now or hereafter at any time standing in OTR's name or its possession, and to execute and deliver all such instruments as may be necessary or proper for this purpose, with full power of substitution.
7. STRS Ohio will furnish OTR with the necessary office space, stationery, and clerical assistance, so that OTR's operation may be carried on without expense to OTR. Since the OTR partners are employed as STRS Ohio staff, their partnership in OTR constitutes one of their STRS Ohio duties and the OTR partners are compensated as STRS Ohio staff, neither OTR nor its partners will receive any compensation under this Agreement.
8. STRS Ohio will at all times indemnify, protect, defend and hold harmless OTR and its partners (each a "Member Indemnitee") against all costs, expenses, damages, claims, demands, and liabilities of whatsoever kind of character, that may arise out of this Agreement or its performance or that may be incurred with respect to the Investments held or possessed by OTR under the terms of this Agreement, except for those costs, expenses, damages, claims, demands and liabilities, if any, arising from the wrongful acts, misconduct or gross negligence of such Member Indemnitee. The indemnification provided under this Agreement will continue to apply even after the Member Indemnitee has ceased to serve as an OTR partner.
9. STRS Ohio, upon written notice to OTR, may terminate OTR's employment at any time and for any reason or for no reason.
10. Whenever this Agreement or the OTR Agreement requires STRS Ohio to give notice or direction, such notice or direction may be given by resolution of STRS Ohio or by an individual authorized to act on behalf of STRS Ohio.

This proposal is made to OTR pursuant to a resolution of STRS Ohio, and if the terms of this Agreement are agreeable to OTR, please indicate OTR's approval by causing each OTR partner to sign this acceptance of this Agreement at the place indicated below.

Yours very truly,

The State Teachers Retirement Board of Ohio

By: _____

Name: Carol Correthers

Title: Chair

Accepted:

Matthew Worley

Jacob R. Clark

Constituting all of the partners of OTR

**THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO
ADVANCE APPROVAL OF BOARD EDUCATIONAL EXPENSES**

February 16, 2023

Ms. Herrington moved, seconded Mr. Steen that the board approve the following expense in connection with the educational opportunity described below:

Member	Meeting & Location	Not to Exceed
D. Price	AFT Pension Trustee Committee	\$1,500

Mr. Price's
Request

I would like to attend the AFT Pension Trustees meeting, to be held in New York, Saturday, March 11, 2023.

AFT Pension trustees from across the country will attend.

This will require airfare and as the meeting is at 9 am on a Saturday, a hotel for Friday as well as normal expenses.

The agenda for this has not been published yet but based on our virtual meetings and email; I assume the agenda will includes sessions on Environmental, Social and Governance (ESG) Investments and Private Equity as well as other current pension topics.

Thank you for your consideration of this request.

Upon roll call the vote was as follows: Ms. Herrington, yes; Mr. Steen, yes; Ms. Correthers, yes; Ms. Falls, yes; Dr. Fichtenbaum, yes; Mr. Foreman, yes; Dr. Hunt, yes; Ms. Jones, yes; Mr. Lard, yes; Mr. Price, abstain; Ms. Sellers, yes. Motion carried.