



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

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March 3, 2014

Bethany Rhodes
Director and General Counsel
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215

Dear Ms. Rhodes,

During the most recent meeting of the Ohio Retirement Study Council (ORSC), Chairman Wachtmann questioned the need for each retirement system to continue to submit the annual Ohio Qualified Broker and Manager report, which was first required under Senate Bill 133 in 2004.

After a discussion with our Chief Investment Officer, we believe that this report is no longer relevant and provides very little information to the ORSC. Our investment structure and today's world no longer resembles the environment of 2004. Specifically:

- There has been a significant decrease in the number of Ohio qualified managers and agents since 2004, making a comparison of information irrelevant.
- While OPERS maintains the Ohio qualified broker list, it would appear that there are no longer any Ohio qualified minority brokers on the qualified list, meaning that SERS' report annually shows zero dollars traded with minority brokers, which on its own can be misleading.

Finally, the annual report consumes a considerable number of hours to produce. Additionally, the process for SERS to annually certify Ohio qualified managers takes weeks to produce and finalize.

We agree with Chairman Wachtmann's observation that this report is obsolete and should no longer be required. We believe that Ohio's retirement systems and the ORSC are better served investing our time and resources in other projects. Given these circumstances, we respectfully ask that the ORSC consider the suggestion to no longer submit this report.

Sincerely,

Lisa J. Morris
Executive Director

Cc: Members of the Ohio Retirement Study Council

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