

# School Employees Retirement System

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November 26, 2003

Aristotle Hutras, Director  
Ohio Retirement Study Council  
88 E. Broad St., Suite 1175  
Columbus, Ohio 43215-3506

Dear Aris,

As requested in your memo of November 3, 2003, below is information addressing SERS' use of Ohio brokers and investment managers as those terms are defined in Sub HB 227.

- The percentage of trades currently executed with Ohio brokers as defined in Sub HB 227:
  - 27.3% - Ohio-qualified U.S. equity commissions for the year-ended 6/30/03 (Schedule A)
  - 30.6% - Ohio-qualified U.S. fixed income transactions for the year-ended 6/30/03 (Schedule B)
- The percentage of assets externally managed by Ohio investment managers as defined in Sub HB 227:
  - 11.4% by market value of assets as of 10/31/03 (Schedule C)
- The percentage of assets invested in companies that are either headquartered in Ohio or have a significant presence in Ohio:
  - 9.6% for the year-ended 6/30/03 (Schedule D)

If I can be of further assistance, please don't hesitate to call.

Sincerely,



**Thomas R. Anderson**  
Executive Director

Attachments

Schedule (A)

Ohio-Qualified U.S. Equity Commissions as of June 30, 2003

Broker Name	Commission
Broadcort Capital	\$ 314,972
Smith Barney	\$ 136,097
Merrill Lynch	\$ 125,824
Legg Mason	\$ 117,743
Charles Schwab	\$ 87,642
Prudential	\$ 79,580
First Union	\$ 73,044
Oppenheimer	\$ 53,894
McDonald	\$ 47,603
Morgan Stanley	\$ 33,286
UBS Warburg	\$ 30,290
Cowen	\$ 26,685
Robert W. Baird	\$ 18,694
Raymond James	\$ 16,393
Dean Witter	\$ 13,145
BB & T	\$ 11,726
AG Edwards	\$ 11,628
Paine Webber	\$ 5,534
Midwest Research	\$ 2,802
Quick & Reilly	\$ 972
Stifel Nicolaus	\$ 630
Ferris Baker	\$ 501
<b>Total Ohio Commissions</b>	<b>\$ 1,208,685</b>
Total Commissions for Fiscal Year	\$ 4,427,515
<b>% of Ohio Commissions</b>	<b>27.30%</b>

## Schedule (B)

### Ohio-Qualified U.S. Fixed Income Trades as of June 30, 2003

<b>Broker</b>	<b>Par Value</b>
Morgan Stanley & Company	\$ 2,338,098,364
Salomon Smith Barney	\$ 1,436,707,954
Merrill Lynch, Pierce & Fenner	\$ 1,012,847,712
UBS Warburg	\$ 351,277,213
BancOne Capital Markets	\$ 294,116,510
McDonald & Company Securities	\$ 11,810,000
Legg, Mason, Wood & Walker	\$ 4,250,000
First Union Capital Markets	\$ 2,550,000
Raymond James	\$ 2,430,000
Prudential Securities	\$ 1,000,000
BB&T Capital Markets	\$ 540,000
<b>Total Ohio Par Value</b>	<b>\$ 5,455,627,753</b>
Total Par Value Traded	\$ 17,852,873,763
<b>% of Ohio Par Value</b>	<b>30.56%</b>

Schedule (C)

**Assets Managed by Ohio Money Managers as Defined by HB 227**

<b>SERS</b>	<b>MV at 10/31/03</b>
Western Asset Management	\$ 478,360,682
Johnson Investment Counsel	\$ 56,484,076
Transamerica	\$ 103,675,335
Suffolk Capital	\$ 51,044,320
Blue Chip II	\$ 4,084,036
Blue Chip III	\$ 3,340,527
Blue Chip IV	\$ 3,920,862
Brantley III	\$ 6,200,115
Linsalata IV	\$ 9,405,283
Morgenthaler IV	\$ 1,818,754
Morgenthaler V	\$ 6,049,002
Morgenthaler VI	\$ 10,369,030
Morgenthaler VII	\$ 6,182,383
Peppertree	\$ 7,353,628
Primus II	\$ 92,322
Primus IV	\$ 7,161,858
Primus V	\$ 6,903,460
UBS Realty RESA	\$ 89,018,453
UBS Realty AMT	\$ 27,879,563
<b>Total Ohio-Managed Assets</b>	<b>\$ 879,343,689</b>
Total System Assets	\$ 7,709,361,238
<b>Ohio-Managed as % of Total</b>	<b>11.41%</b>

**Schedule (D)**

**Market Value of Assets Invested in Ohio Companies  
As of June 30, 2003**

**\*\*UNAUDITED\*\***

Equity	\$	482,111,932
Fixed Income	\$	125,100,746
Private Real Estate	\$	32,844,822
Private Equity	\$	69,697,303
<b>TOTAL OHIO INVESTMENTS</b>	<b>\$</b>	<b>709,754,803</b>
Total Investment Market Value	\$	7,432,498,343
% Ohio		9.55%