



Report From the Investment Department

May 16, 2024

- **Matters requiring board action:**
 - None
- **Educational or scheduled updates and reviews requiring no action today:**
 - Summary of Investment Activity Report, March and April 2024
 - Review of the Semiannual Broker Evaluation and Associated Policies for first half of 2025
 - Meketa comments
 - Review of March and April 2024 investment transactions
- **Summary of requests**

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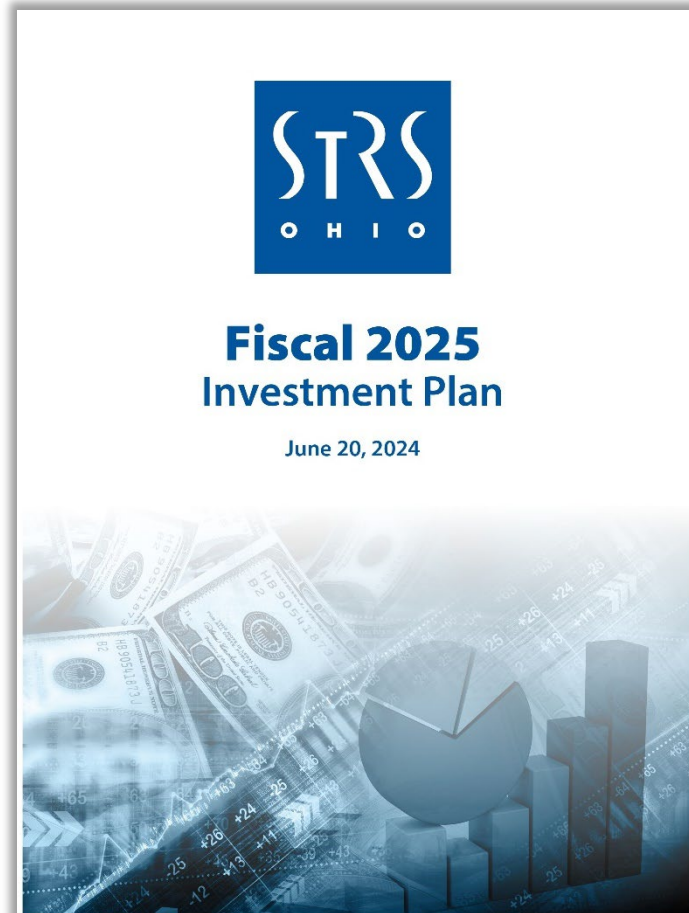
- **March and April returns and activity**
- **Fiscal year 2025 Annual Investment Plan**

- The preliminary total fund net return for March was +2.05%
- The preliminary total fund net return for fiscal year through March 31 was +8.81%
 - International equity +3.8%, domestic equity +3.4%, fixed income +0.9%
- Rebalancing activity
 - Removed \$800 million from domestic and international equities
 - Added \$525 million to fixed income

- **The preliminary total fund net return for April was -2.04%**
- **The preliminary total fund net return for fiscal year to date is +6.63%**
 - Domestic equity -4.3%, international equity -1.5%, fixed income -2.2%
- **Rebalancing activity**
 - Removed \$300 million from fixed income
 - Added \$465 million to domestic equity
- **Total investment assets ended April at approximately \$92.6 billion; higher by \$2.5 billion in fiscal year 2024**

Fiscal Year 2025 Annual Investment Plan

- Development of outlook and strategies for fiscal 2025 in process
- Plan will be presented in June



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- Evaluation is conducted twice per year
- Estimated annualized budget of \$12 million, unchanged from prior period
- No changes to the approved broker list
- No changes to existing policies or procedures
- Initial review is provided in May, approval in June, effective July 1

MEKETA

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MEMORANDUM

TO: Mr. Dale Price, Chair
State Teachers Retirement Board of Ohio
275 East Broad Street
Columbus, OH 43215

FROM: Meketa Investment Group ("Meketa")

DATE: May 7, 2024

RE: Semiannual Broker Evaluation – First Half Fiscal 2025

The purpose of this letter is to share Meketa's comments regarding the semiannual broker evaluation for the first half of fiscal 2025 conducted by STRS Ohio Staff.

As an investment consulting firm, Meketa does not directly trade securities in the manner that STRS Ohio Staff does for internally managed programs; however, our firm does employ former portfolio managers/traders with direct experience interacting with individual brokerage firms. Furthermore, brokerage execution is a common area of examination when our firm is conducting due diligence on asset managers that, in turn, directly trade securities on behalf of our clients. For the purposes of this memorandum, we applied a similar review for STRS Ohio's Broker Evaluation that we would use when examining similar policies, expectations, and outcomes for an asset manager that directly interacts with individual brokerage firms.

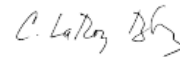
The STRS Ohio Semiannual Broker Evaluation for First Half Fiscal 2025 is thorough, outlining the governance practices applied by STRS Ohio Staff across execution, selection, research, soft dollar policy, and broker usage. This evaluation effectively serves its intended purpose and aligns with the practices of similarly sized institutional public funds that manage internal funds as well as those of the broader asset manager community.

Meketa recommends the STRS Ohio Board approve the Semiannual Broker Evaluation as presented.

Regards,



Colin Bebee, CFA
Managing Principal



LaRoy Brantley
Managing Principal

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Asset-Liability Study Timeline

April 2024	<ul style="list-style-type: none">• Asset-liability study planning and timeline
June 2024	<ul style="list-style-type: none">• Asset-liability study survey questions, introduction and discussion
July 2024	<ul style="list-style-type: none">• Meketa available for individual discussions with trustees• Completion of asset-liability study survey
August 2024	<ul style="list-style-type: none">• Meketa presents survey results and discussion
September 2024	<ul style="list-style-type: none">• Meketa initiates asset-liability study by proposing the scope of work to be completed, capital market risk and return expectations and potential asset class considerations• Asset class reviews
October 2024	<ul style="list-style-type: none">• Asset class reviews

Asset-Liability Study Timeline

December 2024	<ul style="list-style-type: none">• Meketa presents preliminary asset-liability study results and reference portfolio
February 2025	<ul style="list-style-type: none">• Meketa presents alternative asset mixes for board discussion
March 2025	<ul style="list-style-type: none">• Asset-liability study completed.• Board adopts new asset mix
April 2025	<ul style="list-style-type: none">• Initial review of SIOP with asset-liability study incorporated
May 2025	<ul style="list-style-type: none">• Board adopts SIOP
June 2025	<ul style="list-style-type: none">• AIP presented incorporating implementation of new asset-liability study

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