



# SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746  
614-222-5853 • Toll-Free 800-878-5853 • www.ohsers.org

RICHARD STENSRUD  
*Executive Director*

KAREN D. ROGGENKAMP  
*Deputy Executive Director*

December 19, 2025

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

Dear Director Rhodes,

Enclosed with this letter is an annual update of SERS' compliance with its Iran and Sudan Investment Policy. SERS' policy was adopted by the Retirement Board in September 2007. Staff provides the Board a quarterly report measuring the system's progress. The enclosed report is through the month ending September 30, 2025.

SERS' Iran and Sudan Investment Policy honors both the legislature's intent with regard to divestment, and the Board's fiduciary duties to its members. The policy provides a roadmap for staff and external investment managers regarding the engagement process with scrutinized companies on the list.

SERS' investment managers are aware of the Iran and Sudan Investment Policy and have been directed to add no new holdings in scrutinized companies since January of 2024. The balance on September 30, 2025, is comprised of 4 scrutinized companies with a total market value of \$20.33 million. This represents a decrease in market value of more than 40% since last year. Overall, this exposure represents only 0.094% of our total portfolio. (Our total fund balance was \$21.46 billion as of September 30th.)

We continue to encourage investment managers to find comparable securities and sell any Iran-Sudan related security when prudent. SERS staff receive monthly updates from our independent third-party screening entity and are in frequent communication with our external investment managers regarding the updated lists.

I would be happy to assist you with additional information or answer any questions you may have at (614) 222-5801.

Sincerely,

Richard Stensrud  
Executive Director

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## RETIREMENT BOARD

JAMES A. ROSSLER, JR <i>Chair, Appointed Member</i>	DANIEL L. WILSON <i>Vice-Chair, Appointed Member</i>	JEANINE ALEXANDER <i>Employee-Member</i>	JEFFREY DELEONE <i>Appointed Member</i>	
MATTHEW A. KING <i>Appointed Member</i>	CATHERINE P. MOSS <i>Retiree-Member</i>	REBEKAH ROE <i>Employee-Member</i>	AIMEE RUSSELL <i>Employee-Member</i>	FRANK A. WEGLARZ <i>Retiree-Member</i>

# School Employees Retirement System

## 2025 Annual Report on Iran/Sudan Divestiture

### As of 9/30/2025

(Submitted to ORSC 12/19/2025)

*Market value of holdings with companies with scrutinized activities, 2007<sup>1</sup>-Present (in millions):*

2007	2025	Change in market value
\$167.8	\$20.33	-87.88%

*Market value of holdings with companies with scrutinized activities, 2025-2026 (in millions):*

2024	2025	Change in market value
\$34.79	\$20.33	-41.56%

*Top five holdings (directly or through active funds):*

Company	Market Value (in millions)	% of total scrutinized
China Petro & Chemical	\$11.38	55.98%
Petro China	\$8.93	43.93%
China Oilfield Services	\$0.02	0.09%
Gazprom	\$0.0	0%

*Comments on remaining top five holdings:*

- We have a total of four holdings remaining all held through one quantitative manager that diligently adheres to SERS' Iran Sudan Investment policy. Upon receipt of SERS' instruction, the manager is conducting an orderly sell down of such securities where exchanges and sanctions permit, incorporating the Manager's views on risk, return and liquidity of these positions over a reasonable divestment horizon.
- SERS is following Russian Divestment Orders. Since Gazprom is a Russian entity, the transactions have been frozen, resulting in no active market exposure (\$0).
- On January 29, 2024, investment managers were instructed to cease all new purchases of designated Iran-Sudan companies from SERS' Scrutinized Companies list. Investment managers were reminded of the policy requirements and when comparable securities are located and when deemed prudent, to sell any Iran-Sudan security. We will continue to monitor for compliance with policy and guidance provided to investment managers.

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<sup>1</sup> None of the retirement boards had an active Iran/Sudan divestment policy in 2007. 2007 serves as the baseline to measure changes. Starting in 2024, PERS, STRS, and SERS are as of September 30th of the report year.

- SERS' Iran and Sudan Investment Policy honors both the legislature's intent with regard to divestment, and the Board's fiduciary duties to its members. The policy is a roadmap for staff and external investment managers regarding the engagement process with scrutinized companies on the list. The engagement process plays a prominent role in SERS' divestment activities, as staff engages each company on the updated scrutinized company list each year. SERS is encouraged by the success of its divestment efforts, and we plan to continue to engage scrutinized companies to promote this issue.

## Appendix

### *Summary of correspondence regarding scrutinized companies:*

Year of Correspondence	% of Scrutinized Companies Contacted	Summary
2008/2009	100%	Contacted 75 of 77 scrutinized companies; 19 responses
2010	100%	Contacted 68 of 68 scrutinized companies; 24 responses
2011	100%	Contacted 78 of 78 scrutinized companies; 18 responses
2012	100%	Contacted 52 of 52 scrutinized companies; 9 responses
2013	100%	Contacted 54 of 54 scrutinized companies; 14 responses
2014	100%	Contacted 54 of 54 scrutinized companies; 9 responses
2015	100%	Contacted 47 of 47 scrutinized companies; 8 responses
2016	94%	Contacted 48 of 51 scrutinized companies; 7 responses
2017	98%	Contacted 47 of 48 scrutinized companies; 6 responses
2018	91%	Contacted 43 of 47 scrutinized companies; 5 responses
2019	100%	Contacted 48 of 48 scrutinized companies; 9 responses
2020	98%	Contacted 43 of 44 scrutinized companies; 8 responses
2021	98%	Contacted 42 of 43 scrutinized companies; 6 responses
2022	98%	Contacted 39 of 40 scrutinized companies; 5 responses
2023	97%	Contacted 29 of 30 scrutinized companies; 6 responses
2024	96%	Contacted 25 of 26 scrutinized companies; 4 responses
2025	100%	Contacted 52 of 52 scrutinized companies; 5 responses

### *Summary of activity with active managers with holdings in scrutinized companies (current reporting year):*

- During 2025 correspondence was sent to a total of 52 scrutinized parent companies. Of the top four companies held, no responses were received.
- Every month, an updated list of scrutinized companies, from MSCI is reviewed by SERS Investment Compliance and then distributed to our equity and fixed income managers who have the potential to hold scrutinized companies.
- Managers added no new Iran-Sudan companies after SERS implemented cease order instructions on January 29, 2024.

- Managers are required to report, real time, when transactions are made involving a company on the scrutinized list as well as to summarize all Iran/Sudan activity at the end of the month through required compliance reporting.
- Scrutinized holdings are reported to our Board on a quarterly basis with comparison to the prior fiscal year and the 2008 benchmark list along with a Board Memo summarizing managers' Iran/Sudan compliance reporting.
- Scrutinized holdings are reported to the Executive Director and Deputy Executive Director on a monthly basis with comparison to the prior month and the 2024 benchmark list.

*Market value of directly held public securities that are scrutinized companies (current reporting year):*

<b>Company</b>	<b>Market value (in millions)</b>
China Oilfield Services	\$0.02
China Petro & Chemical	\$11.38
Petro China	\$8.93
Gazprom	\$0.0

*Summary of sold, redeemed, purchased, withdrawn securities of scrutinized companies (previous three years):*

Summary of Activity	2023	2024	2025
		Total Energies SA (X)	CNOOC Energy Technology & Service(S)
	Nokia OYJ (P)	Nokia OYJ (S) (W)	China Petro & Chemical(S)
	Siemens AG (S)	Oil & Natural Gas Corp (ONGC) (P) (S)	CNOOC Energy Technology & Service(S)(W)
	Shell PLC (P) (S)	Shell PLC (S) (W)	Oil & Natural Gas Corp (ONGC) (S)(W)
		Schneider Electric SE (W)	Petro China(S)
		Total Energies SA (S) (W)	

S - Sold

R - Redeemed

P - Purchased

W - Withdrawn

X - Previously owned security added to scrutinized list in current report period