School Employees Retirement System of Ohio

Investment Department Incentive Plan for Fiscal Year 2027

Amended May 21, 2026

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Section 1: Plan Purpose

The purpose of the Incentive Plan ("Plan") is to provide a compensation package that allows SERS to recruit and retain talent in the Investment Department that is necessary to maximize investment returns.

Section 2: Plan Objectives

The objectives of the Plan are to:

a. Reinforce a performance philosophy.
b. Attract and retain high quality talent.

Section 3: Performance Period

The performance period for purposes of the Plan will coincide with SERS' fiscal year, i.e. July 1 through June 30 of each year.

Section 4: Eligibility

There are five tiers of participation within the Plan and those tiers cover the following job classifications:

Table 1. Eligibility by Job Title

TIER	JOB TITLES
I	Chief Investment Officer
II	Assistant Director
III	Senior Investment Officer Investment Officer
IV	Associate Investment Officer Senior Investment Analyst
V	Associate Risk Officer Risk Officer Senior Risk Officer
VI	Investment Analyst

In order to be eligible to receive incentive compensation, a participant must meet performance expectations (including goals and competencies) on the most recent SERS annual performance evaluation, and the fund must meet certain performance standards. A participant who fails to achieve an overall rating of "Expected Performance" on the annual performance evaluation will be ineligible for incentive compensation for the corresponding year of the evaluation, as will a participant who is no longer in good standing at SERS at the time the incentive compensation is paid.

Section 5: Incentive Compensation Criteria

Incentive compensation will be earned if the Investment Department achieves positive net of fees investment returns in excess of the Board-approved benchmark on the overall fund or specific asset classes.

The incentive compensation amount will be calculated on the number, level, and salaries of eligible participants in the Plan as of July 1 of the fiscal year in which the incentive is earned. The Assistant Director of Financial Accounting verifies the abovementioned information with Human Resources. The Chief Audit Officer reviews the calculations before incentive compensation earnings are approved by the Executive Director.

In the event of the absence of either the Assistant Director of Financial Accounting or the Chief Audit Officer, the following backup arrangements will be in place:

- Assistant Director of Financial Accounting: The Chief Financial Officer will assume the responsibilities and duties of this role.
- Chief Audit Officer: The Chief Risk Officer will assume the responsibilities and duties of this role.

<u>Fund Performance</u>

Fund performance reflects the planned total fund or asset class goal. Individual incentive compensation may be earned upon achievement of positive excess returns. For purposes of the Plan, the fund performance goal is positive excess returns relative to the Board-approved benchmark. If the total fund performance or specific asset class performance net of fees is above its respective benchmark that portion of incentive compensation will be earned and conversely, if the total fund performance or specific asset class performance is equal to or below its respective benchmark, that portion of incentive compensation will not be earned.

For purposes of this Plan, the maximum performance goal over the Board-approved benchmark is as follows:

- Global Equity: 40 basis points
- Global Fixed Income: 60 basis points
- Real Estate, Infrastructure, Private Credit, Opportunistic & Tactical: 100 basis points
- Global Private Equity: 150 basis points
- Total Fund: 70 basis points

Section 6: Incentive Compensation Opportunity

Distribution under the Plan to eligible participants is determined by performance goals as outlined in Section 7. Incentive compensation is managed within the range of opportunity noted below.

Based on level of performance, a participant has the opportunity to earn incentive compensation as follows:

Table 2: Opportunity by Level (% applied to Base Salary)

TIER	JOB TITLE	MAXIMUM DISTRIBUTION
I	Chief Investment Officer	90%
II	Assistant Director	70%
III	Senior Investment Officer Investment Officer	60%
IV	Associate Investment Officer Senior Investment Analyst	30%
V	Associate Risk Officer Risk Officer Senior Risk Officer	20%
VI	Investment Analyst	10%

Except as provided in Section 10, incentive compensation is calculated based on the salary in effect on July 1 of the fiscal year in which the incentive is earned. Compensation for performance above the benchmark is based on defined performance goals and is prorated on a linear basis.

Section 7: Performance Goals

The incentive compensation is based on a combination of individual and department performance goals in reference to the Board-approved benchmark. Portfolio performance is calculated by SERS' third-party performance and analytics consultant based on SERS' annual returns net of investment manager fees and certified by Investment Accounting Division within SERS' Finance Department. Two primary performance measures noted below are defined as critical to the success of the Investment Department.

Individual Goals

Portfolio Performance

Portfolio performance is based on results relative to the Board-approved performance benchmark for each asset class. Performance goals for each asset class are calculated based on annual returns net of investment manager fees for that particular asset class as described in the previous paragraph. The Board-approved benchmarks are stated in the current Statement of Investment Policy (SIP).

Department Goals

Total Fund

The performance benchmark for the total fund is a weighted average of the performance benchmarks and the policy allocation of each asset class as stated in the SIP.

Section 8: Incentive Compensation Calculation

In determining the appropriate percent applied to an individual's base salary, the calculation by the Assistant Director – Financial Accounting includes the achievement of both individual and department goals as described in Section 7. The performance goals are weighted as follows:

Table 3. Performance Goal Weights

TIER	JOB TITLE	INDIVIDUAL GOALS Portfolio Performance	DEPARTMENT GOALS Overall Fund
I	Chief Investment Officer		100%
II	Assistant Director	60%	40%
III	Senior Investment Officer Investment Officer	70%	30%
IV	Associate Investment Officer Senior Investment Analyst	70%	30%
V	Associate Risk Officer Risk Officer Senior Risk Officer	70%	30%
VI	Investment Analyst	75%	25%

The portfolio performance portion of the incentive compensation for the Chief Investment Officer and Tier V officers is based on aggregate performance in each asset class and strategy on an equally weighted basis. If an incentive eligible employee covers two asset classes, his/her portfolio performance is weighted 50%/50% for both asset classes.

Multiple Year Results

Incentive compensation for portfolio performance and overall fund performance considers both current year results and results over multiple years. During year one of an individual's participation in the Plan, incentive compensation is based solely on the performance for the first year. In year two of participation in the Plan, 50% of the incentive compensation is based on performance for the current year and 50% on the performance for the two-year period. In years three and beyond, 25% of the incentive compensation is based on performance for the current year and 75% on the performance for the three-year period or on a rolling three-year period. When employees become eligible for the Plan, their compensation will be calculated as described above, based on their years of participation in the Plan.

Table 4. Plan Year Weights

	Employee's Year of Participation		
Plan Year Weighting	**Year 1**	**Year 2**	**Year 3 /Subsequent Years**
Current Year	100%	50%	25%
Second Year		50%	
Third Year/Subsequent Years			75%
Total Weighting	100%	100%	100%

Asset Class Assignments
If an incentive-eligible employee transfers to a different asset class at the beginning of the fiscal year, he/she is phased into the new asset class performance cycle over a 3-year period, based on the following table:

Table 5. Asset Class Weights by Plan Year

	Returns	**Weights**
Current Year	1-Year	100% current asset class
	3-Year	33% current asset class, 67% previous asset class
Second Year	1-Year	100% current asset class
	3-Year	67% current asset class, 33% previous asset class
Third Year/Subsequent Years	1-Year	100% current asset class
	3-Year	100% current asset class

If an incentive-eligible employee transfers from one asset class to another mid-year, performance is calculated on a pro-rata basis for the number of whole months worked in each asset class.

Section 9: Incentive Compensation Adjustment

If the total fund's total return (net of fees) in the current fiscal year is negative (less than 0%) then the total incentive compensation will be calculated according to the foregoing methodology and the total payout will be reduced as follows:

Table 6. Incentive Compensation Adjustments

Total Fund 1-Year Returns	Incentive Adjustment
0%	0%
-.01% to -2%	-10%
-2.01% to -4%	-15%
-4.01% to -6%	-20%
-6.01% to -8%	-25%
-8.01% to -10%	-35%
-10.01% or lower	-50%

Additionally, if the five-year annualized return of the total fund (net of fees) is less than the actuarial assumed rate of return (currently 7.0%), the total incentive compensation for each incentive-eligible employee will be reduced by 10%. For example, if the total fund one-year net return is negative 5%, and the five-year annualized return of the total fund is less than the actuarial assumed rate of return, then the incentive compensation for each incentive eligible employee will be reduced by a total of 30%.

Section 10: Plan Administration

The Board of Trustees of SERS adopts, modifies, and monitors the Plan, and delegates to the Executive Director the administration of the Plan. The Executive Director shall have the right to interpret the plan and may administer the plan through the Incentive Plan Committee, which is a staff committee comprised of the Executive Director, Deputy Executive Director, General Counsel, Assistant Director – Financial Accounting, Director – Administrative Services and the Chief Investment Officer.

Calculation of Performance

An independent third party calculates annual, two-, three- and five-year Portfolio Performance and Overall Fund results.

Termination of Employment

In order to be compensated under this Plan, a participant must be employed and considered an active employee on the date the incentive compensation is paid. If a participant terminates from SERS for any reason other than death, disability, or normal retirement prior to the date of the incentive payment, that employee is ineligible to receive compensation under the Plan. If a participant terminates from SERS for reasons of death, permanent or total disability, or normal retirement, then pro-rata compensation is payable for the period of time the participant was employed based on the number of whole months worked during the performance period divided by 12. The pro-rata compensation is paid at the same time all other payments are made under the Plan. The target compensation payment date is September following the end of the performance period.

New Hires, Promotions and Salary Adjustments

If an employee is hired or promoted into an incentive-eligible job during the first nine months of the performance period, he or she is eligible for a pro-rata payment based on the number of whole months he or she worked during the performance period.

If, during the first nine months of the performance period, a current incentive-eligible employee's base salary is adjusted and/or incentive level changes, he or she is eligible for a pro-rata payment based on the number of whole months worked at each salary and/or incentive level during the performance period.

Other Adjustments

If an incentive-eligible employee is away from work for an extended period of time such that he or she is not able to contribute to the management of the fund during the performance period, adjustments to that employee's incentive compensation may be made to reflect the period of time away. These situations will be considered on a case-by-case basis and handled at the discretion of the Incentive Plan Committee.

Plan Amendment, Suspension, or Termination

The Board shall review the Plan annually. The Plan may be amended, suspended or terminated at any time by the Board without advance notice. Further, nothing in the Plan shall confer on the participant the right to continued employment or affect SERS' right to terminate a participant's employment at any time and for any reason.

Deferral of Compensation

The Board may from time to time adopt a resolution or take other action to amend or otherwise modify this Plan to approve and provide for a deferral of payment of all or any part of any compensation earned under the Plan (a "Deferral").

Regardless of whether expressly so stated in the resolution or other action of the Board approving the Deferral (the "Deferral Action"), unless a different form of deferred compensation agreement is adopted, every Deferral shall be structured, administered and paid in a manner consistent with the provisions of Treas. Reg. § 1.409A-1(b)(4) concerning short-term deferrals and Code section 457, including specifically,

a. the action shall specify a date of payment of the Deferrals that satisfies the requirements of the applicable two and one-half (2 ½) month period specified in Treas. Reg. § 1.409A-1(b)(4) (the "Payment Date");

b. the action shall state:

   (i) the period of substantial services to be performed and/or the business condition(s) to be satisfied prior to any payment of a Deferral, however, if satisfaction of such a business condition is not required prior to deferral, the period of services required shall be at least as long as reasonably required under then applicable statutory, regulatory or other requirements or guidance so as to constitute a substantial risk of forfeiture; and

   (ii) the requirement that the person eligible for payment of the Deferral must be in the employment of SERS as of the Payment Date in order to be eligible to receive the Deferral payment.

Dispute Resolution

The Executive Director, in consultation with the Board, resolves all disputes, and such resolution is final.

Exhibit A HISTORY

Action	Approval Period
Adopted by the Retirement Board on March 15, 2001	July 1, 2001 through June 30, 2002
Amended by the Retirement Board on June 25, 2004	July 1, 2004 through June 30, 2005
Amended by the Retirement Board on October 20, 2005	July 1, 2005 through June 30, 2006
Amended by the Retirement Board on May 19, 2006	July 1, 2006 through June 30, 2007
Unchanged by the Retirement Board on May 17, 2007	July 1, 2007 through June 30, 2008
Amended by the Retirement Board on May 22, 2008	July 1, 2008 through June 30, 2009
Amended by the Retirement Board on March 19, 2009	July 1, 2008 through June 30, 2009
Amended by the Retirement Board on July 23, 2009	July 1, 2009 through June 30, 2010
Amended by the Retirement Board on May 19, 2010	July 1, 2010 through June 30, 2011
Amended by the Retirement Board on June 16, 2011	July 1, 2011 through June 30, 2012
Amended by the Retirement Board on May 14, 2012	July 1, 2012 through June 30, 2013
Amended by the Retirement Board on May 16, 2013	July 1, 2013 through June 30, 2014
Amended by the Retirement Board on Nov. 21, 2013	July 1, 2013 through June 30, 2014
Amended by the Retirement Board on May 15, 2014	July 1, 2014 through June 30, 2015
Amended by the Retirement Board on September 18, 2014	July 1, 2014 through June 30, 2015
Amended by the Retirement Board on May 22, 2015	July 1, 2015 through June 30, 2016
Amended by the Retirement Board on June 16, 2016	July 1, 2016 through June 30, 2017
Amended by the Retirement Board on May 18, 2017	July 1, 2017 through June 30, 2018
Amended by the Retirement Board on May 24, 2018	July 1, 2018 through June 30, 2019
Amended by the Retirement Board on December 20, 2018	July 1, 2018 through June 30, 2019
Amended by the Retirement Board on May 16, 2019	July 1, 2019 through June 30, 2020
Amended by the Retirement Board on May 21, 2020	July 1, 2020 through June 30, 2021
Amended by the Retirement Board on May 20, 2021	July 1, 2021 through June 30, 2022
Amended by the Retirement Board on May 19, 2022	July 1, 2022 through June 30, 2023
Amended by the Retirement Board on May 18, 2023	July 1, 2023 through June 30, 2024
Amended by the Retirement Board on May 16, 2024	July 1, 2024 through June 30, 2025
Amended by the Retirement Board on May 15, 2025	July 1, 2025 through June 30, 2026
Amended by the Retirement Board on May 21, 2026	July 1, 2026 through June 30, 2027

Attachment 1: Sample Calculation

Scenario (values used are fictional and are not based on actual results):

Fiscal Year being calculated: 2027

Job Title: Sr. Investment Officer

Individual met all incentive compensation eligibility factors and length of time in current position is 4 years. Responsibilities for the 4 years have been oversight of a single asset class (Global Private Equity)

Base Salary as of July 1, 2026 = $160,000

Discounts requirements were not met.

Category		Actual Performance	Benchmark	Return Difference	Max	Payout % Tier 3	x Perf Category Weight	x Plan Year Weight	= Incentive %
Portfolio Performance									
Asset Class	Current Year	3.45%	1.12%	2.33%	1.50%	60.00%	70.0%	25.0%	10.50%
	3-Year Return	22.14%	21.98%	0.16%	1.50%	6.40%	70.0%	75.0%	3.36%
Overall Fund Performance 1-yr performance		6.21%	5.89%	0.32%	0.70%	27.43%	30.0%	25.0%	2.06%
Overall Fund Performance 3-yr performance		10.84%	9.04%	1.80%	0.70%	60.00%	30.0%	75.0%	13.50%
								Total:	29.42%
								Incentive $	$47,067.43

Payout Percentage Calculation = Opportunity by Level (Table 2)/Max Performance Goal (Section 5) x Return Difference (capped as Max Performance Goal)

Payout Percentage Calculation	Opportunity by Level (Table 2)	Max Performance Goal (Section 5)	Return Difference	Payout %
Sample of how the Portfolio Performance 3-Year was calculated for the above sample	**60%**	**1.50%**	**0.16%**	**6.40%**