



Ohio Public Employees Retirement System

**Commodities Policy
January 2026**

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I. SCOPE

This Policy applies to commodity investments of the Ohio Public Employees Retirement System (“OPERS”) Defined Benefit Fund (“DB Fund”) and Health Care 115 Trust Funds (“HC Fund”) (“Funds”) in the Commodities sub-asset class.

II. PURPOSE

This Policy provides the broad investment framework for managing commodity investments.

III. INVESTMENT PHILOSOPHY

Commodity investments are to provide exposure to global commodities and to achieve returns comparable to or in excess of the benchmark return, net of fees. Active and index management strategies are utilized to manage exposure to the sub-asset class.

IV. STRUCTURE

Commodity portfolios shall be governed by manager portfolio guidelines that establish management parameters to achieve commodity-based returns.

V. PERMISSIBLE INSTRUMENTS

Commodity assets may be invested in instruments intended to produce commodity-like returns. Commodity investments may include commodities not specified in the S&P GSCI and/or the Bloomberg Commodity Index at the time they are purchased. Permissible instruments are exchange-traded and/or over-the-counter securities and derivatives. Security type constraints may be applied in manager portfolio guidelines. Investments shall be managed so as to not result in physical delivery of a commodity.

VI. PERFORMANCE OBJECTIVES

The benchmark for the sub-categories are listed below. Sub-categories may be assigned different benchmarks and shall be detailed in manager portfolio guidelines. The Annual Investment Plan, which is approved by the OPERS Retirement Board, shall include the expected outperformance.

Categories	Benchmark	Mandate
Commodities - All	Bloomberg Commodity Index	Active
Gold	Bloomberg Gold Subindex Total Return	Index

VII. RISK MANAGEMENT

Risk is managed through a combination of quantitative and qualitative constraints. Investment Staff (“Staff”) shall establish parameters in each manager’s portfolio guidelines to control such risks as the following:

A. Active Risk

Active risk or tracking error is a statistical measure of the potential variability of a portfolio’s return relative to the return of the assigned benchmark. The expected Commodities tracking error range has a minimum of 0 basis points and a maximum of 300 basis points.

B. Counterparty Risk

Counterparty risk is the risk that a counterparty to an investment transaction fails to perform its obligations under the agreement. Counterparties must be approved in accordance with the Broker-Dealer Policy and managed in compliance with the requirements contained in the Derivatives Policy.

C. Currency Risk

Commodity strategies employ some non-U.S. Dollar denominated instruments which expose the Funds to currency risk.

D. Delivery Risk

In commodity investing, there is a risk of a commodity being delivered to OPERS. All investments will be managed and monitored so as to not result in physical delivery.

E. Derivatives Risk

Derivatives usage and limitations as well as risk management are specified in manager guidelines and shall comply with OPERS’ Derivatives Policy.

F. Leverage Risk

Leverage usage and limitations as well as risk management are specified in manager guidelines and shall comply with OPERS’ Leverage Policy.

VIII. ROLES AND RESPONSIBILITIES

A. OPERS Retirement Board

The Ohio Public Employees Retirement Board (“Board”) is responsible for reviewing and approving this Policy and any changes to it.

In addition, the Board is responsible for reviewing reports related to this Policy.

B. Investment Staff

The Board delegates authority to the Chief Investment Officer (“CIO”) to implement this Policy. Staff is responsible for monitoring the Policy and recommending changes to the Board. Staff is also responsible for managing the commodity investments within the framework of the Board-approved Policies and within the goals and objectives adopted by the Board in the Annual Investment Plan.

All members of Staff are accountable to the CIO. The CIO is responsible for all Staff actions relative to the management of OPERS’ investments. In this regard, it is the responsibility of the CIO to satisfy himself/herself that all Policies and directives of the Board are implemented.

C. Investment Compliance

The Investment Compliance area of Investment Accounting, Operations and Compliance (“IC”) is responsible for monitoring compliance with this Policy (except tracking error measurements), including guidelines established pursuant to it. If IC determines that an exception to this Policy has occurred, IC shall notify Staff, the CIO, the Executive Director and the Board.

D. Investment Advisor

The role of the Investment Advisor (“Advisor”) is specified in the Investment Objective and Asset Allocation Policies.

IX. MONITORING AND REPORTING

To ensure monitoring and compliance with this Policy, the following reports will be reviewed with the Board:

A. Quarterly

Performance reports – Advisor and/or Staff

Report on compliance – Investment Compliance Staff

B. Annually

OPERS Annual Investment Plan – Staff