

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA  
MUNICIPAL RETIREMENT FUND AND THE INVESTMENT COMMITTEE OF  
OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**AUGUST 29, 2019**

**1. Call To Order**

The Investment Committee of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma on August 29, 2019, at 9:00 a.m. with Chair Doolen calling the meeting to order due to quorum. On roll call the following members were present.

**BOARD OF TRUSTEES PRESENT**

Investment Committee:        Jim Lockett, Jr., Retiree, City of Thomas  
   Robert Park, Retiree, City of Sallisaw  
   Ed Tinker, Retiree, City of Glenpool (*arrived at 9:03 a.m.*)

Others:                                Donna Doolen, Finance Director, City of Ada  
   Joe Don Dunham, City Manager, City of Alva  
   Tammy Johnson, Retiree, City of Shawnee  
   Robert Johnston, City Manager, City of Frederick  
   Melissa Reames, Assistant City Manager & Chief Financial Officer,  
   City of Stillwater

**OTHERS PRESENT:**

OkMRF Staff:                        Jodi Cox, Executive Director and CEO  
   Chris Whatley, Plan Advisor & Portfolio Strategist  
   Katie Girardi, Plan Advisor  
   Rhnea Stewart, Fund Accountant

Others:                                Kevin Moore, Asset Consulting Group

**NOTICE:**    The agenda for the August 29, 2019, meeting was posted in the Columbus Square, first floor by 9:00 a.m. by August 27, 2019, by Gloria Cudjoe.

Signatures \_\_\_\_\_

Chair Doolen extended a welcome to all in attendance and presided over the meeting.

2. **Continue Education Regarding Possible Implementation of an ESG Investment Option for the Defined Contribution Plan**

Moore provided background information on Environmental, Social and Governance (ESG) investing and the types of factors under each. Research shows that companies who tend to focus on the governance factors tend to achieve better performance. ACG is seeing more clients request ESG investing as an option in their Defined Contribution (DC) plans due to participant requests.

Moore then reviewed their process to evaluate potential fund candidates currently available on the Voya platform. The resulting scenario of strategies were provided for review and discussion that included both global and U.S. based fund strategies.

Moore indicated that ACG would need to conduct a deeper dive into options and strategies once a decision was made to add an ESG Investment Option and given clarity of direction. Moore stated that due to the high level of interest, new fund and strategies are continuously becoming available in the markets. Equity strategies are the most prevalent because of the large amount of equities available with the opportunity set, ranging across U.S. and international markets and including large, mid and small capitalizations. Fixed Income strategies are less prevalent and have much shorter track records for comparative purposes.

ACG has three (3) clients with ESG investments in their portfolios and three (3) to four (4) who are considering adding ESG investing as an option. Cox inquired if the Board would like for an ESG option to focus on an U.S. or a global based equity universe or having one of each. ACG would recommend starting with one option and then once experience has been gained, consider adding a second option. Trustees felt a U.S. option was more appropriate for Board consideration at this time.

3. **Discuss and Develop a Recommendation for Board Action to Open a new ESG Defined Contribution Investment Option and Authorize ACG to Conduct an ESG Search**

Motion by Luckett, seconded by Tinker to recommend to the OkMRF Board of Trustees to add an ESG Fund Investment Option to the DC lineup on the Voya platform and directed ACG to begin the search for an ESG, U.S. based only strategy.

Luckett: Yes

Tinker: Yes

Parks: Yes

4. **Conduct Semi-Annual Investment Performance Review and Receive Quarterly Performance Report for June 30, 2019, as Presented by Asset Consulting Group**

Moore started with the scorecard and reviewed performance metrics for the OkMRF Defined Benefit portfolio. On a 5- and 10-year basis, the OkMRF Portfolio has met seven (7) of eight (8) objectives. The one objective not met was the annualized return versus actuarial interest rate assumption on a 5-year basis. The returns on a gross and net of fees basis have put the fund in the top quartile versus peers for the 10-year period.

In the DC Investment Options, the Aggressive Equity option has been a mixed bag over time. ACG currently has no concerns and will continue to monitor the underlying managers within the Aggressive Equity option. The International Option has had strong, above median, results over all time periods measured. The Total Yield option has struggled versus the benchmark. This is

primarily due to strong performance in U.S. Treasuries as yields have fallen and the portfolio is not U.S. Treasury centric.

As a reminder, the lockup period with Cevian in the Long/Short allocation expires in March 2020, and queue to redeem must be made before the end of 2019.

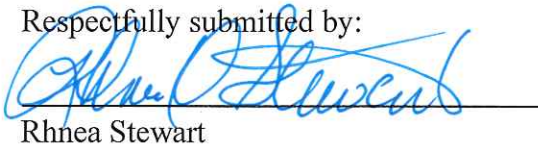
5. **Adjourn**

With no further discussion, meeting adjourned at 9:59 a.m.

  
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Jim Lockett, Jr., Investment Chair

  
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Donna Doolen, Chair

Respectfully submitted by:

  
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Rhnea Stewart

