

MINUTES
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE OKLAHOMA
MUNICIPAL RETIREMENT FUND AND THE INVESTMENT COMMITTEE OF
OKLAHOMA MUNICIPAL RETIREMENT FUND**
August 28, 2020

1. Call To Order

The Investment Committee of the Oklahoma Municipal Retirement Fund Board, in accordance with Oklahoma Senate Bill 661 which temporarily amended the Open Meeting Act and as approved by Governor Stitt on March 18, 2020, hosted a virtual meeting to conduct business on August 28, 2020, at 9:02 a.m. with Jim Lockett, Jr. presiding. 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 *(via telephone)*
Ed Tinker, Retiree, City of Glenpool *(via telephone)*

Others: Donna Doolen, Finance Director, City of Ada *(via telephone)*
Joe Don Dunham, City Manager, City of Guymon *(via video)*
Tammy Johnson, Retiree, City of Shawnee *(via video)*
Robert Johnston, City Manager, City of Frederick

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, CEO & Executive Director
Chris Whatley, Plan Advisor & Portfolio Strategist
Katie Girardi, Retirement Plan Administrator *(via video)*
Rhnea Stewart, Fund Accountant *(via telephone)*

Others: Kevin Moore, ACG *(via video)*
Tom Janisch, ACG *(via video)*
Gar Chung, Financial Investment News *(via telephone)*

NOTICE: The agenda for the August 28, 2020, meeting was posted in the Columbus Square, first floor by 9:00 a.m. on August 26, 2020, by Gloria Cudjoe.



Signatures

Investment Committee Chair, Lockett, extended a welcome to all in attendance and presided over the meeting.

2. Discussion and Education for Long/Short Portfolio

Moore briefly reviewed the purpose of the Long/Short Portfolio and how it fits into the portfolio structure then turned the presentation over to Janisch. Janisch began with Asset Consulting Group's (ACG) philosophy that Long/Short equity should be a dedicated part of the portfolio instead of being a bucket within an asset class. He then described the Long/Short opportunity set as including aggressive assets, diversified assets and fixed income assets, all of which OkMRF participates. According to Janisch, the benefits of Long/Short equity include a greater investment opportunity set for managers, improved portfolio diversification, limited correlation with traditional asset classes and the opportunity to improve long-term portfolio performance while reducing risk. The disadvantages include lack of transparency, limited liquidity and higher fees. ACG addresses the transparency issue by requesting managers provide information on position, market and sector exposures as well as market capitalizations. Information is typically provided after month end, however ACG can receive quicker updates via phone. Janisch then reviewed the shorting methodology and its beneficial effects of reducing volatility within the portfolio. The historical track record of portfolios with Long/Short allocations was compared to Long Only portfolios over three different time periods; less than 5 years, 0 – 20 years, and 0 – 30 years. During these periods, portfolios with Long/Short allocations reduced volatility in all time periods and outperformed their Long Only peers in the 0 – 20 and 0 – 30 categories. Janisch then reviewed the OkMRF Long/Short portfolio. OkMRF's eleven (11) managers primarily have a moderate net exposure; however, two (2) managers are long-biased and one (1) manager has historically fluctuated across exposures from low net exposure to long biased. Also, over the last five (5) years, OkMRF's portfolio protected in almost all downturns in the ACWI Global Equity Index.

3. Conduct Semi-Annual Investment Performance Review and Receive Quarterly Performance Report for June 30, 2020, as Presented by Asset Consulting Group

Moore focused on the report card section of the quarterly report as a measure of success in meeting risk and return objectives. Over the last five-year time horizon, OkMRF's portfolio exceeded objectives in three (3) out of the four (4) categories. Over the last ten-year time horizon, OkMRF's portfolio exceeded all objectives. When compared to peer group rankings, OkMRF's portfolio ranked above the top quartile for all years.

4. Discuss and Develop a Recommendation for Board Action Regarding Rebalance Recommendation from ACG to Equalize Small/Mid (SMID) and International Components of the DB Portfolio

Moore presented the rebalancing spreadsheet and described this much more as an equalization of assets rather than a rebalancing due to the tremendous market runs experienced by U.S. Small/Mid Growth equity managers and International Growth equity managers. ACG recommended taking \$3.5 million from TimesSquare SMID Growth and placing it with River Road Small Cap Value. ACG also recommended taking \$6.5 million from WCM Focused International Growth and placing it with Artisan International Value.

Motion made by Lockett, seconded by Tinker, to present a recommendation to the Board of Trustees as presented.

Lockett: Yes

Tinker: Yes

Park: Yes

5. New Business
None

6. Adjourn

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

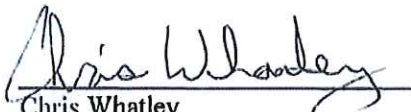


Jim Lockett, Jr., Investment Chair



Donna Doolen, Chair

Respectfully submitted by:



Chris Whatley