

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
June 26, 2020

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund, 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 June 26, 2020, at 10:04 a.m. with Vice-Chair Johnston presiding. On roll call, the following members were present:

BOARD OF TRUSTEES

Vice-Chair: Robert Johnston, City Manager, City of Frederick
Treasurer: Jim Lockett, Jr., Retiree, City of Thomas
Secretary: Robert Park, Retiree, City of Sallisaw *(via telephone)*
Members: Joe Don Dunham, City Manager, City of Guymon *(via video)*
Tamera Johnson, Retiree, City of Shawnee *(via video)*
Tim Rooney, City Manager, City of Mustang *(via video)*
Melissa Reames, Deputy City Manager & Chief Financial Officer, City of Stillwater *(via video)*
Ed Tinker, Retiree, City of Glenpool *(via telephone)*

OTHERS PRESENT:

OkMRF Staff: Jodi Cox, CEO & Director
Chris Whatley, Plan Advisor & Portfolio Strategist *(via video)*
Lindsay Porter, Recordkeeping Manager
Rhnea Stewart, Fund Accountant *(via telephone)*

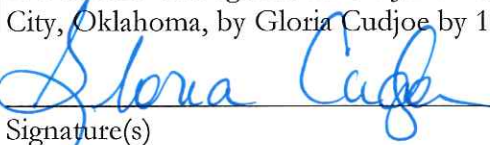
OkMRF Attorney: David Davis *(via telephone)*

Others: John Karl, WCM *(via telephone)*
Kevin Moore, ACG *(via telephone)*
Shelby Bradley, ACG Intern *(via telephone)*
Digmel Espinoza, ACG Intern *(via telephone)*
Reese Wilhelm, ACG Intern *(via telephone)*
Danielle Correa, Financial News *(via telephone)*

Whatley opened the meeting with prayer and Cox led the Pledge of Allegiance.

Johnston welcomed everyone and called the meeting to order.

NOTICE: The agenda for the June 26, 2020 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on June 25, 2020.


Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of May 29, 2020 Meeting(s)

B. Monthly Valuation of Fund Assets & Unit Values by Custodian

Option	Value By Fund
Defined Benefit	\$ 591,840,938.04
International Investment Equity	\$ 7,211,342.23
Aggressive Equity	\$ 15,491,880.97
Real Assets Fund	\$ 370,287.69
ESG US Stock Fund	\$ 107,518.20
Global Equity	\$ 7,293,572.68
Growth and Value Equity	\$ 19,831,226.45
S & P 500 Index	\$ 28,845,470.55
Target Retirement 2065	\$ 414.21
Target Retirement 2060	\$ 3,079,237.11
Target Retirement 2055	\$ 4,531,553.07
Target Retirement 2050	\$ 7,936,225.19
Target Retirement 2045	\$ 10,888,764.01
Target Retirement 2040	\$ 14,694,200.23
Target Retirement 2035	\$ 19,912,943.04
Target Retirement 2030	\$ 25,230,489.73
Target Retirement 2025	\$ 37,348,592.84
Target Retirement 2020	\$ 29,518,396.92
Target Retirement Income	\$ 20,760,582.76
Total Yield Bond Fund	\$ 6,423,634.47
Bond Index	\$ 17,153,614.64
Voya Fixed Plus III	\$ 43,145,380.12
Loan Portfolio	\$ 8,244,431.06
Self Directed Brokerage	\$ 177,767.39
Total Assets	\$ 920,038,463.60

C. Purchases and Sales of Assets

D. Administrative Expenses and Fees

Expenses and Fees for June

Actuary & Recordkeeping	\$46,176.70
Administration	88,796.72
Attorney	6,287.00
Audit	8,000.00
Board Travel	(723.67)
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	16,045.07
Custodial	10,104.70
Investment Consultant	31,020.69
Public Relations	0.00
Representative Travel	327.53
EXPENSES	<u>\$206,034.74</u>

E. Benefit Payments and Contribution Refunds

F. Ratification of Rate Addendum to Cowen and Company, LLC. Commission Recapture Program Effective July 1, 2020

Motion made by Lockett, seconded by Reames to approve all items on the Consent Agenda.

Motion carried: AYE: Dunham, Johnson, Johnston, Lockett, Park, Reames, Rooney and Tinker

NAY: None

3. Consideration and Possible Action of Items Removed from the Consent Agenda

No action taken.

4. Comments from Public

None.

5. WCM: Annual Update from Investment Managers – John Karl

Karl began presentation with appreciation for conducting update by conference call. He proceeded with a brief overview and philosophy of the firm, the addition of personnel to the team and ownership status. The performance has been very strong for OkMRF since inception, while

the goal is protection of capital and outperformance in a downward market. WCM will maintain an underweighting to the financial sector and commodities related to utilities and energy. Stock selection has driven their returns along with the aspect of maintaining a 50% portfolio construction of defensive stocks likely to perform well during recessionary times. Firm anticipates good opportunities in emerging markets within the healthcare sector in China but will not take specific bets in the biotech sector.

6. **Consideration and Possible Action Regarding Investment Committee Report**
A. **ACG: Review of Monthly ASAP Reports**

Moore provided a summary of ACG's 2nd Quarter Outlook conference call that was held the preceding day. Highlights from the Outlook presentation: operations and culture of ACG doing well during pandemic; market has snapped back but ACG continues to see discrepancies in markets in comparison to the current economic data; technology exposure is reaching all-time highs with a 25% exposure in the S&P 500; recovery will not be "V" shaped and ACG expects volatile markets within the short-term of three (3) to six (6) months; upcoming elections and the unwinding of the Federal stimulus package will be important as time progresses; and ACG sees opportunities in the private equity markets and credit market dislocations.

Moore reviewed the ASAP reports noting the DB portfolio's balance of \$536M at the end of March with the current value at \$596M, good rebound of \$59M in a relatively short time frame. The fiscal-year-to-date net return being positive in light of the pandemic conditions; U.S. markets doing better than non-U.S.; growth over value; long/short allocation coming in strong and providing protection for the portfolio; expect some mark downs in the Real Estate portfolio but it is positioned to weather the "storm".

The DC white label funds are doing well and as expected; ESG option only open for two (2) months, doing well and accumulating a balance of \$108,000 quickly; Retirement Date fund options rebounding nicely with Retirement Income fund holding its value well; total value of assets has increased \$31M since March.

B. **Consideration and Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers**

No action taken.

7. **Consideration and Possible Action Regarding Administrative Committee Report**
A. **Consideration and Possible Approval of Revised 2019-2020 OkMRF Budget**

Chair of the Administrative Committee, Johnston provided information on the revision for the 2019-2020 Budget related to the increase in the insurance category but with the overall budget ending under budget by \$255,638.

Motion made by Lockett, seconded by Dunham to approve the 2019-2020 OkMRF Revised Budget as presented.

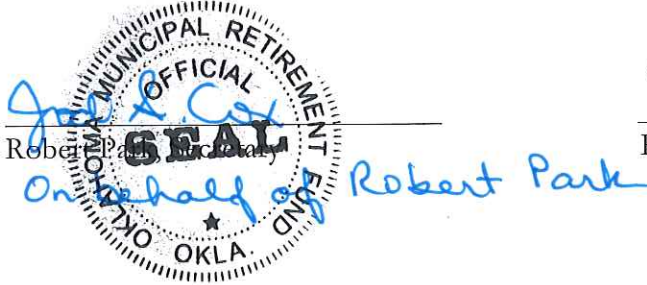
Motion carried: AYE: Dunham, Johnson, Johnston, Lockett, Park, Reames, Rooney and Tinker

NAY: None

8. **Consideration and Possible Action Regarding Contract Committee Report**

13. Adjourn

With no further business to conduct meeting adjourned.



Robert Park, Secretary

Robert B. Johnston
Robert Johnston, Vice-Chair

Respectfully submitted by:

Rhnea Stewart

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