

**MINUTES**  
**BOARD OF TRUSTEES**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**January 29, 2021**

**1. Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on January 29, 2021, at 10:11 a.m. with Chair Doolen presiding. On roll call, the following members were present:

**BOARD OF TRUSTEES**

Chair: Donna Doolen, Finance Director, City of Ada  
Vice-Chair: Robert Johnston, City Manager, City of Clinton  
Treasurer: Jim Lockett, Jr., Retiree, City of Thomas  
Secretary: Robert Park, Retiree, City of Sallisaw (*via video*)  
Members: Joe Don Dunham, City Manager, City of Guymon  
Tamera Johnson, Retiree, City of Shawnee (*via video*)  
Tim Rooney, City Manager, City of Mustang (*via video*)  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

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

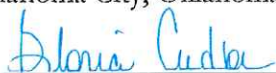
OkMRF Attorney: David Davis (*via video*)

Others: Haley Rives, ACG, (*via video*)  
Kevin Moore, ACG (*via video*)  
Doug Doucette, Ninety One (*via video*)  
Adam Child, Ninety One (*via video*)

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

Doolen welcomed everyone and called the meeting to order.

**NOTICE:** The agenda for the January 29, 2021 meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on January 28, 2021.



Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of December 18, 2020 Meeting(s)

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

Option	Value By Fund
Defined Benefit	\$ 707,593,664.67
International Investment Equity	\$ 9,526,508.95
Aggressive Equity	\$ 20,744,567.64
Real Assets Fund	\$ 350,987.87
ESG US Stock Fund	\$ 1,173,039.56
Global Equity	\$ 9,962,866.35
Growth and Value Equity	\$ 24,775,830.80
S & P 500 Index	\$ 33,840,519.84
Target Retirement 2065	\$ 9,580.59
Target Retirement 2060	\$ 4,499,142.66
Target Retirement 2055	\$ 6,127,409.41
Target Retirement 2050	\$ 10,495,407.86
Target Retirement 2045	\$ 13,819,249.36
Target Retirement 2040	\$ 18,837,726.20
Target Retirement 2035	\$ 25,256,826.94
Target Retirement 2030	\$ 30,172,695.39
Target Retirement 2025	\$ 44,161,214.57
Target Retirement 2020	\$ 33,106,505.14
Target Retirement Income	\$ 22,952,527.05
Total Yield Bond Fund	\$ 6,735,770.71
Bond Index	\$ 18,231,071.72
Voya Fixed Plus III	\$ 40,889,299.36
Loan Portfolio	\$ 7,929,276.16
Self Directed Brokerage	\$ 237,425.06
Total Assets	\$ 1,091,429,113.86

**C. Purchases and Sales of Assets**

**D. Administrative Expenses and Fees**

**Expenses and Fees for January**

Actuary & Recordkeeping	\$ 48,687.89
Administration	89,069.49
Attorney	4,250.00
Audit	7,500.00
Board Travel	630.51
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	175,410.66
Custodial	10,499.49
Investment Consultant	31,734.22
Public Relations	307.10
Representative Travel	<u>22.72</u>
EXPENSES	<u>\$ 368,112.08</u>

**E. Benefit Payments and Contribution Refunds**

**F. Acknowledge Receipt of Revised 2019-2020 OkMRF Audit Report**

Motion made by Luckett, seconded by Tinker to approve all items on the Consent Agenda.

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Luckett,  
Park, Rooney and Tinker

NAY: None

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

No action taken.

**4. Comments from the Public**

None.

5. **Ninety One – Annual Update from Investment Manager – Doug Doucette and Adam Child**

Doucette began presentation by providing a firm update, noting that their branding to Ninety One as an independent investment advisory firm completed in March 2020, investors looking for growth in emerging markets, and some net outflow of assets due to rebalancing actions by their clients.

Child reported the portfolio team has remained stable. One new analyst has been hired and business continuity and transition to working remotely went well. The DB Core International portfolio exhibited good growth for the year at 17.5% vs benchmark of 10.7% with the dramatic sell off in the first quarter of 2020 and the resulting V shape recovery by the end of the year. The portfolio maintains an eclectic mix of stocks and industries focused on companies that benefited during the pandemic concerns like e-commerce and cashless payment trends. Additionally, long term benefit companies focusing on renewable energy sources, development of green infrastructure in Europe and shifts to production lines for electric cars. Their outlook for the upcoming year is for a minor uptick in inflation with a longer-term view of the pressure of low rates.

6. **Consideration and Possible Action Regarding Investment Committee Report**

A. **ACG: 2020 Year in Review with Global Economic Update**

Rives presented the Annual Year in Review and the Global Economic Outlook from ACG's perspective. 2020 provided a roller coaster in the markets. Pandemic shutdowns during the 2<sup>nd</sup> quarter of 2020 led to record contractions in GDP; followed by record growth during 3<sup>rd</sup> quarter due to monetary and fiscal stimulus and with businesses reopening; economic momentum receded toward year-end due to a resurgence worldwide in virus cases; but the markets finished strong due to the rapid development and approval of vaccines for the virus.

Factors that may drive investment returns over the intermediate term will be the geopolitical and social risk due to the transition of U.S. leadership, trade agreements, pandemic and risk of cyber-attacks. Return expectations remain subdued because of low yields and narrow spreads. The economy should see an acceleration in the ESG awareness movement as demand for investing responsibly and diversity programs are implemented; however, conflicting inflationary signals remain with money supply high and velocity low. Federal debt is very high resulting in hesitation to raise rates and the labor market is improving but confidence still subdued. Recoveries will vary by country, sector, demographics, pace of vaccination programs for pandemic and various stimulus packages.

B. **ACG: Review and Discussion of Monthly ASAP Reports**

Rives provided an overview of the DB portfolio. The year of 2020 ended with \$711.5 million in assets with good strong growth in the last six months of the year. The return for the portfolio, net of fees, was 15.09% with the Non-U.S. Equity sector reflecting the best out performance over their respective benchmark. Ninety One and WCM had very strong performance for the year in this sector. Long/Short did well for the year and Fixed Income was good, but reinvestments are at very low rates. Real Estate returns are rather lack luster but performing as expected.

Rives continued with a review of the DC investment options. Growth and Value finished the year very strong along with the Aggressive option, especially the growth manager within. The International option had good outperformance but a little less than the DB counterpart due to active vs. passive management. ESG reflected relatively good performance even though it has not been available for a whole year yet. The Real Asset option reflects better returns for the last six months of the year while Fixed Income returns are low but stable.

**C. ACG: Asset Allocation and Capital Market Assumptions Review**

Moore reviewed their capital market assumptions noting a continued trend downward for returns this year for both intermediate and long-term assumptions. He then proceeded to discuss the current target allocations of the DB portfolio with their capital market assumption modeling. The long-term (30 year) outlook, with ACG's newly released capital market assumptions, has the median return falling below the target of 7.25% actuarial interest rate assumption to 7.08% interest. Based on the modeling and the continued downward trend, ACG recommends a minor tweak to the DB asset allocation with the Fixed Income, core bond allocation, taking a slight reduction of 5% and increasing Equities, international developed equities.

**D. ACG: Consideration and Possible Action Regarding Proposed Changes to the DB Underlying Asset Allocation as a Result of ACG's Capital Market Assumption Report**

Motion made by Luckett, seconded by Tinker to accept ACG's recommended changes to the DB asset allocation as presented in Mix 1, 5% reduction to Fixed Income, core bonds and 5% increase to Equities, international developed markets.

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Luckett,  
Park, Rooney and Tinker

NAY: None

**E. ACG: Review of OkMRF 2020 Highlights and 2021 Initiatives**

Moore briefly went over the highlights for the past year noting their virtual educational webinars, completing the last piece of the long/short transition to the same platform and redemption of an active money manager in Equity allocation with reinvestment to passive management. The initiatives for 2021 will be a continuation of oversight on portfolios and managers, educational sessions and articles, a complete investment manager fee review and conducting virtual due diligence visits.

**F. 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 Action Regarding Resolution 2021-1 Approving the Destruction of Certain Records**

Motion made by Tinker, seconded by Johnston to approve Resolution 2021-1, approving destruction of certain records.

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Luckett,  
Park, Rooney and Tinker

NAY: None

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

No action taken. Committee will meet next month at 9:00 a.m.

**9. Receive Report on Newly Adopted or Amended OkMRF Member Plans**

Whatley reported on plan changes for the OkMRF members.

**10. OkMRF Staff Report**

Whatley reported on the following:

- Revealed the 2020 stock market prediction winners and new predictions made for 2021.

Cox reported on the following items:

- Wished Happy New Year to all.
- Conducted and utilized Microsoft Team meetings for two days to get the City of Jenks employees enrolled. Conversion from ICMA to Voya went well along with the Jenks 457(b) plan conversion. Funds received by OkMRF on January 15, 2021 and participants had access and were live the next day.
- Harding Loevener virtual presentation is next month for International and Emerging market portfolios.
- Committee meetings next month. Contract committee call before next month's board meeting and the Investment Committee will be meeting on Thursday, February 25, 2021 at 2:00 p.m. Please advise if you will be in attendance for purposes of quorum accommodations.
- NCPERS virtual conferences will be attended by four Trustees for two days, starting February 2, 2021.
- OPAL Public Funds Summit virtual conference, starting February 10, 2021, advise if interested. We currently have two Trustees registered.
- Staff enjoyed the "getting to know your trustees" activity.
- Expressed concerns for Staff member's health and well-being.

**11. New Business**

None.

**12. Trustee/Member Comments**

None.

**13. Adjourn**

With no further business to conduct meeting adjourned.



Robert Mark, Secretary

  
Donna Doolen, Chair

Respectfully submitted by:



Rhnea Stewart