

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
June 24, 2022

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on June 24, 2022, at 10:02 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
Members: Joe Don Dunham, Finance Director, City of Lawton
Tamera Johnson, Retiree, City of Shawnee
Tim Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

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

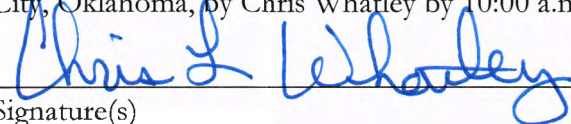
OkMRF Attorney: David Davis

Others: Haley Rives, ACG
Kevin Moore, ACG
Brian Murtagh, SSgA (*via video*)
Michael Barnes, SSgA (*via video*)
Unidentified participants (2) (*via telephone*)

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

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for the June 24, 2022, meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Chris Whatley by 10:00 a.m. on June 23, 2022.



Signature(s)

2. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of May 25, 2022 and May 26, 2022 Meeting(s)

B. Monthly Valuation of Fund Assets & Unit Values by Custodian as of May 31, 2022

Option	Value By Fund
Defined Benefit	\$ 683,122,318.52
International Investment Equity	\$ 8,506,399.20
Aggressive Equity	\$ 17,026,383.78
Real Assets Fund	\$ 1,286,264.93
ESG US Stock Fund	\$ 1,253,537.07
Global Equity	\$ 10,769,299.36
Growth and Value Equity	\$ 22,909,580.09
S & P 500 Index	\$ 35,500,573.12
Target Retirement 2065	\$ 135,989.76
Target Retirement 2060	\$ 6,246,117.93
Target Retirement 2055	\$ 7,083,247.22
Target Retirement 2050	\$ 11,624,910.94
Target Retirement 2045	\$ 15,139,003.72
Target Retirement 2040	\$ 19,423,535.32
Target Retirement 2035	\$ 26,274,042.04
Target Retirement 2030	\$ 28,043,085.82
Target Retirement 2025	\$ 41,410,117.49
Target Retirement 2020	\$ 25,322,709.83
Target Retirement Income	\$ 20,552,591.60
Total Yield Bond Fund	\$ 5,775,259.89
Bond Index	\$ 14,843,203.50
Voya Fixed Plus III	\$ 52,704,969.93
Loan Portfolio	\$ 7,548,529.84
Self Directed Brokerage	\$ 279,047.35
Total Assets	\$ 1,062,780,718.25

C. Purchase and Sales of Assets for May 2022

D. Administrative Expenses and Fees

Expenses and Fees for June

Actuary & Recordkeeping	\$ 42,690.97
Administration	94,975.22
Attorney	0.00
Audit	9,500.00
Board Travel	5,510.92
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	16,414.00
Custodial	9,628.12
Investment Consultant	36,086.00
Public Relations	1,142.00
Representative Travel	5,639.34
EXPENSES	\$ 221,586.57

E. Benefit Payments and Contribution Refunds for June 2022

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

Motion carried: AYE: Doolen, Dunham, Johnson, Johnston, Lockett, 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. SSgA: Annal Update from Investment Managers – Brian Murtagh and Michael Barnes

Barnes began by expressing appreciation for the long-term relationship and passed on regards from David Settles. A brief update for the firm was provided stating \$4.02 trillion in assets, 30 million plus DC participants, announcing the upcoming retirement of their president and CEO and the named replacement.

Murtagh started with the overview of the various index and Target Date funds OkMRF utilizes, noting some tracking errors occurred at the fund class level due to the closing of foreign market exchanges, write-offs and zero exposure to Russian companies.

Target Date funds contributed to strong growth for assets under management at SSgA. These funds provide excellent value for minimal fee, a transparent approach, and broad coverage with no concerns for capacity or manager strengths driving the asset allocation. Market trends have been supporting the growth in index funds due to plans focusing on their fiduciary responsibilities and the amount of manager fees being paid.

The objective and approach to their glide path designs were discussed as well as their Target Retirement investment philosophy focus on asset allocation, diversification, cost savings, and disciplined portfolio construction to achieve portfolio efficiency. Risk is managed through a well-diversified lineup of index funds within the asset classes of equities, inflation sensitive and fixed income. The fixed income asset class provides more diversification in comparison to other index funds. He noted that the inflation sensitive asset class resulted in some drag on performance during the past five (5) to seven (7) years, but with the impending inflationary factors, it reminds us why SSgA remains disciplined with this sensitivity factor within the lineup. No enhancements were made during the glide path review process in 2021. However, evaluation of infrastructure equity is being considered as a hedge to inflationary concerns.

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

A. **ACG: Review of Monthly ASAP Reports**

Moore stated that May was a flat performance month for the portfolios. June has been a down month with an approximate 20% decline in global markets. The 10-year annualized number is at 8.8% and remains above the policy index and the interest rate return assumption. The current year return for the DB portfolio is down 11.14% as of the end of May. Non-U.S. equities really struggled due to geopolitical concerns in many countries with growth-oriented stocks being hit harder than value. The fixed income allocation is performing as expected and continues to add value, and real estate is reflecting the strongest performance. Real estate returns tend to have a lag effect to other public markets, so it will most likely reflect a slow down in the forthcoming quarters.

Within the DC plan, the Growth & Value investment option has been hit hard in the short-term, but the longer returns are still holding good. All other investment options are performing as expected. The ESG option continues to gain assets from participants. Target Date funds represent over 50% of assets. The Real Assets option is doing good for Participants with inflationary concerns coming to the forefront.

B. **ACG: Consideration and Possible Action Regarding the SMID Growth Manager Search Results within the Defined Benefit Portfolio and Determine Potential Replacement Candidates to Interview and Ultimately Replace TimesSquare LLC in the Defined Benefit (DB) Balanced Fund as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the meeting**

Moore summarized and reiterated the information related to the decision to terminate TimesSquare.

Moore briefly discussed ACG's money manager selection process to develop a short list of potential replacement managers for the growth vehicle. Four (4) potential managers were

reviewed for the purpose of selecting the desired candidates to interview at the next Investment Committee meeting in July. The firms and their strategy details were reviewed including management fee structures in their CIT funds. The capitalization size, sector allocation characteristics, performance history for the short and long-term time frames, as well as upside and downside performance history. Discussions ensued on evaluating the statistical data versus in person interviews for a potential new money management firm, ownership structure, and as well as succession planning factors. ACG recommended hearing from two (2) of the managers, Loomis, Sayles & Company, L.P. and William Blair Investment Management, LLC.

Motion made by Luckett, seconded by Tinker to interview two (2) managers, Loomis, Sayles & Company, L.P. and William Blair Investment Management, LLC for replacement of the small-mid cap growth manager in the Defined Benefit (DB) portfolio at the next Investment Committee meeting on July 28, 2022, as recommended by ACG.

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

NAY: None

C. ACG: Consideration and Possible Action Regarding Replacing the Small Cap Growth Manager Component of the Aggressive Equity Option in the Defined Contribution Plan, if Deemed Necessary, and Determine Potential Candidates to Interview as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the meeting

Moore indicated ACG is comfortable with changing the composition of the small cap growth within the Aggressive Equity option to a small-mid cap allocation and utilize the same interview process that is being considered for the DB portfolio.

Motion made by Luckett, seconded by Tinker to terminate the existing small cap manager, TimesSquare, in the Aggressive Equity Option and to interview two (2) managers, Loomis, Sayles & Company, L.P. and William Blair Investment Management, LLC for replacement at the next Investment Committee meeting on July 28, 2022, as recommended by ACG.

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

NAY: None

ABSENT: Dunham

D. Discussion and Possible Action on Reallocation and/or Rebalancing of Assets Among Investment Managers as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustee at the Meeting

No action taken.

7. Consideration and Possible Action Regarding Administrative Committee Report

No action taken.

8. Consideration and Possible Action Regarding Contract Committee Report

A. Consideration and Possible Approval of the Transition Services Agreement with Northern Trust DB Custodian, as Recommended by the Contract Committee and Rejection or Approval of any Amendments Proposed or Considered by the Trustees at the Meeting

Rooney on behalf of the Contract Committee presented the updated agreement with Northern Trust for transition services for the liquidation of the TimesSquare assets in the DB portfolio.

Motion made by Tinker, seconded by Dunham to approve the Transition Services Agreement with Northern Trust.

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

NAY: None

B. Consideration and Possible Action Regarding Voya's Request for OkMRF to Acknowledge their Intent to Supplement Existing Retirement Plan Resources for some Services Through their Global Operations Team

Contract Committee member Rooney commented that during the Trustee Retreat, the expansion of services was summarized by a Voya representative and acknowledgment was requested by July 15, 2022. Cox indicated this was optional for governmental DC clients to allow or not allow overflow calls to be directed to the Global Operations Team with the actual expansion of services to be implemented in January 2023.

Motion made by Tinker, seconded by Johnston to defer acknowledgment of supplementing their existing retirement plan resources through Voya's Global Operations Team at this time.

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

NAY: None

9. Consideration and Possible Action on Trustee Retreat Topics and to Help Staff Prioritize Tasks

Staff was given direction to proceed with the evaluation and process to add Private Equity as a part of the DB asset allocation. Staff was further directed to include long/short asset allocation review at the August Investment Committee meeting.

10. Receive Report on Newly Adopted or Amended OkMRF Member Plans

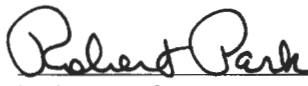
Whatley reported on plan changes for the OkMRF members, those members who have adopted the restated master plan and joinder, and a new DC member, Multiple Community Services Authority, recognizing Girardi for her efforts.

11. OkMRF Staff Report

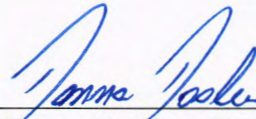
Cox reported on the following items:

- RiverRoad will present next month.
- Dean Actuaries will present the market impact update for June 30, 2022.
- The six-year cycle for the revised DB Master plan document and Joinder has gone through the first IRS review. Staff has been working with tax attorney to answer and respond to their questions. This is the first review and is a back-and-forth process.

- Nominations for Districts 3 and 8 remain open until June 30, 2022. As of today, District 3 has nominations for incumbent Donna Doolen, Finance Director of Ada and Elizabeth Sloat, City Clerk of Healdton. District 8 has nominations for Shaun Barnett, City Manager of Woodward and Micheal Shannon, City Manager of Guymon.
 - Investment Committee will meet at 1:00 p.m. on July 28th for the purpose of interviewing money managers to replace TimesSquare.
 - CMAO Summer conference will be in Norman, July 20th through July 22nd.
 - The agenda for the Public Funds conference has been provided.
 - Personal note of gratitude and appreciation for Trustee concern and prayers during the loss of her family member.
 - Wished all a safe and blessed 4th of July.
12. **New Business**
None.
13. **Trustee/Member Comments**
None.
14. **Adjourn**
With no further business to conduct the meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:

