

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
October 28, 2022

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on October 28, 2022, at 10:00 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: Shaun Barnett, City Manager, City of Woodward
Tamera Johnson, Retiree, City of Shawnee
Tim Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

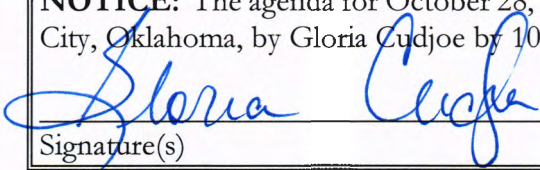
OkMRF Staff: Jodi Cox, CEO & Director
Chris Whatley, Plan Advisor & Portfolio Strategist
Rhnea Stewart, Fund Accountant
Katie Girardi, Plan Administrator

Others: Kevin Moore, ACG
Andrew Feltus, Amundi Asset Management (*via video*)
Katie Warmington, Amundi Asset Management (*via video*)
Troy Bradley, City of Midwest City (*via video*)
Joe Ebisa, With Intelligence (*via video*)

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

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for October 28, 2022, meeting was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe by 10:00 a.m. on October 27, 2022.



Signature(s)

2. Consideration and Possible Action to Administer Trustee Oaths of Office to Donna Doolen and Shaun Barnett and Acknowledge General Incumbency Certificate

Shaun Barnett, District 8 and Donna Doolen, District 3 were administered the constitutional and statutory oath of office by OkMRF staff member, Lindsay Porter.

3. Approval of Consent Agenda

The following items were presented under the consent agenda.

A. Minutes of September 30, Meeting(s)

B. Monthly Valuation of Fund Assets & Unit Values by Custodian as of September 30, 2022

Option	Value By Fund
Defined Benefit	\$ 616,863,180.22
International Investment Equity	\$ 6,994,038.04
Aggressive Equity	\$ 15,042,491.93
Real Assets Fund	\$ 889,400.42
ESG US Stock Fund	\$ 1,184,932.78
Global Equity	\$ 9,227,520.78
Growth and Value Equity	\$ 19,306,241.95
S & P 500 Index	\$ 30,149,684.35
Target Retirement 2065	\$ 150,633.77
Target Retirement 2060	\$ 5,645,955.48
Target Retirement 2055	\$ 6,272,482.77
Target Retirement 2050	\$ 10,188,009.34
Target Retirement 2045	\$ 13,150,172.55
Target Retirement 2040	\$ 16,915,321.27
Target Retirement 2035	\$ 22,647,110.44
Target Retirement 2030	\$ 25,056,938.55
Target Retirement 2025	\$ 35,450,839.94
Target Retirement 2020	\$ 22,335,093.57
Target Retirement Income	\$ 18,324,637.23
Total Yield Bond Fund	\$ 5,321,413.90
Bond Index	\$ 13,903,207.81
Voya Fixed Plus III	\$ 54,598,930.34
Loan Portfolio	\$ 7,427,407.15
Self Directed Brokerage	\$ 254,179.33
Total Assets	\$ 957,299,823.91

C. Purchases and Sales of Assets for September 2022

D. Administrative Expenses and Fees

Expenses and Fees for October

Actuary & Recordkeeping	\$ 40,847.02
Administration	114,596.55
Attorney	3,750.00
Audit	5,000.00
Board Travel	5,220.16
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	141,213.92
Custodial	9,660.98
Investment Consultant	38,434.50
Public Relations	1,504.63
Representative Travel	4,830.79
EXPENSES	<u>\$ 365,058.55</u>

E. Benefit Payments and Contribution Refunds for September 2022

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

Motion carried:

AYE: Doolen, Johnston, Lockett, Park, Rooney, and
Tinker

NAY: None

ABSTAIN: Barnett and Johnson

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

No action taken.

5. Comments from the Public

None.

6. **Amundi Asset Management: Annual Update from Investment Manager – Andrew Feltus and Katie Warmington**

Warmington began the presentation by thanking OkMRF for their continued relationship over the past eleven (11) years. Amundi remains stable within its leadership with no Portfolio Manager changes and minimal turnover within the investment teams. Amundi is the largest asset manager within Europe and ranked in the top ten (10) globally with \$2.2 trillion in assets under management, \$90 billion in domestic assets, and \$47 billion allocated to fixed income within the U.S.

Feltus reviewed Amundi's multi-sector fixed income strategy which includes an experienced stable investment team, an integrated investment process between portfolio managers and investment analysts, diversified security and sector allocations, long-established records in corporate credit driven by investment fundamentals, and full integration of ESG investing into their U.S. fixed income platform. Due to declining markets, all-time high inflation and rising interest rates, fixed income performance has been challenged since the beginning of 2022 and posted a decline of 13.79% year-to-date. Feltus discussed how current high yield spreads have the portfolio gravitating toward positioning for a recessionary climate. A potential recession will put pressure on profits and ultimately increase defaults. Therefore, the portfolio will maintain short duration and take a neutral stance on credit ratings. Moore questioned Feltus on Amundi's stance on emerging markets and non-U.S. debt holdings. Feltus stated while the Euro began the year strong, Ukraine Russia War has directly impacted the European economy due to their reliance on energy imports. Europe is at a large trade disadvantage and will need to prove its competitiveness or cut taxes to strengthen the economy and Euro. China represents almost half of the emerging markets so future investment will be difficult due to exposure to political risks. Feltus stated non-China countries, such as India, are better positioned for growth and potential investment.

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

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

Moore began the presentation with a market overview. September was another volatile month due to continued inflation fears from consumers and upcoming midterm elections. However, October proved to be a stronger month as corporate earnings reports were more favorable than expected. While U.S. equities have seen modest gains throughout October, events such as China's 20th National Party Conference, negatively impacted non-U.S. equities, especially Chinese tech stocks. Moore reiterated that although volatility remains high, investors should focus on the long-term outlook.

Moore continued his presentation with a review of the DB ASAP report. The DB portfolio ended September with \$616 million in assets and continued to outperform the policy index while taking on less risk on a ten (10) year annualized basis. Actual and target allocations are reflecting large dispersions as approved transitions are in motion and expected to be completed by the end of 2023. Cash balances were reported as high due to the timing of an additional Clarion Lion Industrial Trust capital call and the replacement of the small/mid cap growth manager. The funds for these investments were deployed at the beginning of October. Year-to-date, the portfolio is down 19.39%, net of fees. While the returns are disappointing, Moore stated this is reflective of what all ACG clients are experiencing. While short-term losses have impacted longer term returns, they remain in the vicinity of the portfolio's target rate of return. Non-U.S. equities are down 30.24%, net of fees year-to-date. Ninety One recently announced the retirement of Portfolio Manager Ian Vose in early 2023 with Assistant Portfolio Manager, Adam Child, being promoted to Co-Portfolio Manager. ACG sees Child as well suited for the position but will continue to monitor the transition. Fixed income reported a loss of 11.37% year-to-date but did provide more downside protection than the broader market. BlackRock

announced the retirement of Bob Miller, Portfolio Manager, for the Strategic Income Opportunities strategy. David Rogal will replace Miller in early 2023. Due to the depth of resources available to BlackRock, ACG does not anticipate any issues with the transition. Real estate was the only positive earning asset class within the portfolio, reporting 8.90% net of fees. The remainder of the Clarion Lion Industrial Trust commitment was called at the beginning of October.

Moore provided a brief overview of the DC portfolio mirroring many of the comments of the DB portfolio. The Growth & Value option remains in negative territory for the shorter term, but longer-term returns remain in double digits. The transition from TimesSquare to William Blair within the Aggressive Equity option occurred in mid-October. Due to Calvert's underweight to technology and overweight to financials, the ESG U.S. Stock Fund continues to outperform. The Real Assets option struggled due to REIT investments but still performed as expected.

B. ACG: Consideration and Possible Action to Conduct a Search to Replace Emerging Markets Manager, if Deemed Necessary, within the Defined Benefit Portfolio and as a Component of the International Equity Option in the Defined Contribution Plan as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the meeting

Moore discussed ACG's recommendation of replacing Harding Loevner's Emerging Markets strategy within the DB and DC portfolios. Due to the strategy's overweight allocation to Russia, when the war between Ukraine and Russia became imminent, Harding Loevner had ample time to reduce or eliminate exposure but took no action. When markets seized and trades were forbidden, Harding Loevner was required to report all Russian investments at zero. Moore concluded that Harding Loevner did a poor job of communicating to ACG and OkMRF their strategy for dealing with these events.

Motion made by Luckett, seconded by Park to terminate Emerging Markets Manager, Harding Loevner, within the Defined Benefit and Defined Contribution portfolio and instruct ACG to compile a list of replacement money managers to be presented to the Board next month.

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

NAY: None

C. Consideration 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 by the Trustees at the Meeting

No action taken.

8. Consideration and Possible Action Regarding Administrative Committee Report

No action taken.

9. Consideration and Possible Action Regarding Contract Committee Report

No action taken.

10. Discussion and Possible Action to Approve OkMRF Executive Director to Serve on the Board of Directors of the Newly Established Not-For-Profit Oklahoma Public Funds Trustee Educational Conference (OPFTEC) Association

Cox provided background on the potential Oklahoma Public Funds Trustee Educational Conference Association. Due to the difficulty in facilitating vendor payments through an investment consultant for OPFTEC, the collective group of the core eight (8) Oklahoma pension plans desires to create the non-profit organization. The new Board would consist of a representative from each respective organization, typically the CEO.

Motion made by Tinker, seconded by Rooney to approve Cox, Executive Director, to serve on the Board of Directors for the newly established not-for-profit Oklahoma Public Funds Trustee Education Conference (OPFTEC) Association.

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

NAY: None

11. Consideration and Possible Action Regarding the Election of Officers

Officers are elected annually to serve a one (1) year term.

Motion made by Tinker, seconded by Lockett to approve the current slate of officers as follows:

Chair: Doolen
Vice-Chairman: Johnston
Secretary: Park
Treasurer: Lockett

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

NAY: None

12. Consideration and Possible Approval of Chair's Committee Assignments

Chair Doolen appointed newly elected Trustee Barnett to the Contract Committee with all other Trustees continuing to serve on the same Committee as the prior year. The Committee Chair appointments remain as follows:

Administrative Chair: Johnston
Contract Committee Chair: Reames
Investment Committee Chair: Lockett

Motion made by Johnson, seconded by Tinker to accept the Chair's Committee assignments.

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

NAY: None

13. Consideration and Possible Approval of 2023 Trustee Meeting Schedule and Staff Holidays

Cox presented a proposed 2023 Trustee meeting schedule and Staff holidays noting three (3) Thursday Board meetings to be held in May, November, and December.

Motion made by Rooney, seconded by Tinker to approve the schedule for Board meetings and Staff holidays as proposed.

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

NAY: None

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

Whatley reported on plan changes for the OkMRF Members.

15. OkMRF Staff Report

Girardi discussed this year's philanthropic event to sponsor a family or families in need during the Holidays through Youth & Family Services out of El Reno. Donations will be accepted by cash or electronically through the first week of December.

Cox reported on the following items:

- Expressed her appreciation for those Trustees who were able to attend OPFTEC.
- At next month's meeting, Sean Sullivan of Dean Actuaries, LLC will present the Demographic Experience Study.
- Finley & Cook has begun the financial audit remotely, Cox thanked Stewart, Porter, and team for their collaborative efforts.

16. New Business

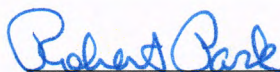
None.

17. Trustee/Member Comments

Trustee Rooney asked for a review of the Trustee attendance policy at next month's meeting.

18. Adjourn

With no further business to conduct the meeting adjourned.



Robert Park, Secretary



Donna Doolen, Chair

Respectfully submitted by:



Koie Girardi