

**MINUTES**  
**A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE**  
**OKLAHOMA MUNICIPAL RETIREMENT FUND**  
**June 27, 2024**

**Call To Order**

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund, Oklahoma City, Oklahoma on June 27, 2024, at 9:00 a.m. for Trustee Retreat. No action taken. Retreat is purely for continuing education and discussion purposes only.

**BOARD OF TRUSTEES**

Chair: Donna Doolen, Retiree, City of Ada *(arrived at 9:07 a.m.)*  
Vice-Chair: Robert Johnston, City Manager, City of Clinton  
Secretary: Robert Park, Retiree, City of Sallisaw  
Treasurer: Jim Lockett, Jr., Retiree, City of Thomas *(arrived at 9:03 a.m.)*  
Members: Shaun Barnett, City Manager, City of Woodward  
Tamera Johnson, Retiree, City of Shawnee  
Melissa Reames, Retiree, City of Stillwater  
Ed Tinker, Retiree, City of Glenpool

**OTHERS PRESENT:**

OkMRF Staff: Jodi Cox, Executive Director/CEO  
Chris Whatley, CIO & Plan Advisor  
Rhnea Stewart, Fund Accountant  
Regina Story, Fund Accountant  
Kevin Darrow, Retirement Administrator  
Kari Baser, Distribution & Project Specialist

Others: Jim Wilson, Warburg Pincus  
Will Slack, Warburg Pincus *(via video at 9:30 a.m.)*  
Charlie Redlick, Warburg Pincus *(via video at 9:30 a.m.)*  
Haley Rives, ACG  
Kevin Moore, ACG  
Patrick Miller, ACG  
Chuck Dean, Dean Actuaries, LLC  
Scott Darcy, Voya Financial  
Jessica R. Vieira, Voya Financial  
Shyla Kolthoff, Voya Financial  
Jandra Cox, Premier Legal, LLC *(arrived at 3:15 p.m.)*  
Destenie McMillen, Northern Colorado Support, LLC *(arrived at 3:20 p.m.)*

**NOTICE:** The agenda for the June 27, 2024, Trustee Retreat meeting was posted at Oklahoma Municipal Retirement Fund, Oklahoma City, Oklahoma, in Columbus Square, first floor by 9:00 a.m. on June 25, 2024, by Gloria Cudjoe.

  
Signature

Cox, CEO of OkMRF, started the Retreat with following announcements:

- Appreciation expressed for the “goodie bags” supplied by various providers of OkMRF.
- Attention called to sunscreen availability for the evening activity.
- A poem was recited related to the theme of the Trustee Retreat, “Ahoy! Navigating to a Retirement Safe Harbor!”
- Speakers were presented with theme related gifts.
- Instructions for the evening activity discussed.

**9:00 a.m. – Sail Across the Seas for a Review of Non-US Equity Markets**

Rives with ACG presented information related to U.S. vs. non-U.S. equity markets. The U.S. represents over 62% of the total market capitalization with developed and emerging markets at 38%. However, there are now more consumers generating spending revenue, 55% internationally in comparison to 45% within the U.S. Non-U.S. markets produce approximately 75% of the Global Domestic Product and China has overtaken Japan’s market share, 18% compared to 4%. An historical perspective was reviewed from the past twenty-five (25) years, showing how the equity capitalization fluctuates between U.S. stocks and non-U.S. stocks and the outperformance and underperformance of the S&P 500 compared to the MSCI EAFE Index. Further graphic presentations were shown as to how large companies, their respective countries, and sectors change over the course of time. The top ten (10) country performance by year was discussed, showing how emerging market countries fluctuated over time but gaining more attention.

Moore with ACG discussed the DB non-U.S. equity allocation of the OkMRF portfolio. He gave an overview of the four (4) managers, indicating all are in good order as is.. He then discussed aspects related to having non-U.S. small/sm mid cap allocation within the portfolio. This universe provides a breadth of stocks, with multiple regions, countries, market caps, and diversification. These stocks are followed by less managers, resulting in the potential for discovery premiums to be made from active management. In non-U.S. markets, the small cap stocks tend to outperform the mid-cap consistently over time with value tilt providing more return than growth. If a five percent (5%) were dedicated to international small cap with a reduction to the current allocation to international developed, could present a meaningful active management opportunity with the risk return metrics remaining similar, manager overlap would reduce, but, would result in higher management fees.

**9:45 a.m. – Charting New Waters in Private Equity – Jim Wilson, Will Slack and Charlie Redlick, Warburg Pincus**

Wilson of Warburg Pincus provided an overview of their firm. They have a fifty plus (50+) year track record of partnering with market leading businesses across economic cycles, global investment team with 50% outside the U.S., growth oriented, sector industry specialists in tech, healthcare, and industrials, and seeks to align interests with clients by staying a private partnership.

Wilson continued to describe their investing team management and approach to investing. They tend to concentrate on growth oriented companies with demonstrated business models and strong revenue growth. Additionally, growth buyout established business that have sustained double digit growth, highly profitable, and market leaders are also considered for investing purposes. Consistently seeking businesses for the portfolio that are in a sub-sector that is growing faster than GDP and the overall sub-

sector, strong management teams identified or in place, and is priced to create an asymmetric risk/reward profile. To summarize Warburg Pincus growth investing would be to acquire high-quality business, enhance and grow said businesses, and maximize value at the exit.

Redlick briefly presented a case study of one of their recent acquisitions utilizing their investing approach.

Slack provided a portfolio review of their newest fund currently being constructed. They have completed thirty-eight (38) investments to date, fund size \$17.3 billion, 47% invested, 55% committed, 35% called. This new fund is off to a strong start with five (5) of the thirty-eight (38) companies generating \$90 million plus in profits with a total of \$1.5 billion generated to date as of Q1 2024 for the entire fund.

### **10:30 a.m. – Staying Above Board on Money Manager Fees**

Miller with ACG provided the annual money manager fee review. The DB overall manager fee structure falls below the median when compared to a hypothetical portfolio of a similar size and asset allocation. The blended fee for this plan was 51 bps, compared to median of 53 bps weighted average fee for plans with similar asset classes. While it is favorable for manager fees to fall below the peer median fee, some managers will have higher fees for various reasons. Some manager fees in this portfolio are above median but have provided superior long term performance and/or provided diversification and process for an appropriate fit for this portfolio.

The DC plan investment options provide participants with well diversified options. Of the nine (9) asset class options, six (6) options have blended fees falling below the least expensive quartile of their peer universe. Two (2) options have blended fees falling below the median when compared to their peer universe. Only one (1) option, Total Yield Options' fees are higher than peers, yet has provided superior long term performance net of fees. The eleven (11) target retirement funds fees fall below the least expensive quartile of each of their respective peer universes.

Cox remarked that this annual review of manager fees benefits the underwriters process of reviewing of the plan's fiduciary liability coverage and resulting premium cost.

### **10:45 a.m. – Break**

### **11:00 a.m. – Cruising through Cash Balance Plans and Current Events**

Chuck Dean of Dean Actuaries, LLC began with facts about an interesting person. His chosen interesting person was Herman Brix (Bruce Bennett) aka Tarzan.

Dean reported the top three (3) pension systems and their respective attributes according to a 2023 study by Mercer. Based on a study by the Society of Actuaries, participants strongly prefer a hybrid plan rather than traditional DC or DB like plans. A participant's priority is lifetime income, while the plan sponsor was knowing cost certainty.

He went over a recent change to IBM pension system changes that recently made the news in the retirement arena. IBM changed from 401k DC plan to Retirement Benefit Account (RBA) DB like plan.



Education was provided on Cash Balance Plans. The characteristics were reviewed for three (3) types of approaches in plan design: hybrid of DB and DC, DC like plan, and DB like plan. The advantages for the participants of a Cash Balance plan were discussed.

**12:00 p.m. – Lunch**

During lunch, Chuck Dean of Dean Actuaries, LLC presented a social security overview and update contending based on current projections, the fund could potentially run out in 2035. He outlined the 1983 changes that were essential but clearly not enough defining the differentiating issues. Then, lastly, covered some illustrative solutions.

**12:45 p.m. – Personal Purpose Workshop**

Vieira and Kolthoff, Voya Financial Human Resources, provided introductory information and an overview for developing a personal purpose statement. Groups were established to interact with each other to go through four questions which were the building blocks of developing a personal purpose statement.

**2:10 p.m. to 2:35 p.m. – Break**

**Personal Purpose Workshop, continued**


Individual statements were developed and shared with all in attendance. The take-away from this workshop was to continue to reflect on your individual statement and reflect on the specific things you can do to live your personal purpose in everyday life.

**3:20 p.m. – Tomorrow, you shall find me a grave man**

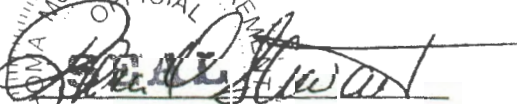
Cox with Premier Legal, LLC presented information on estate planning. Information was presented on the common mistakes that famous people have made related to estate planning, what the definition of a trust is, benefits of a trust, and the various legal documents needed to accomplish estate planning. Additionally, recent developments in estate laws made at the IRS, Federal Government, and State of Oklahoma were briefly discussed.

McMillen of Northern Colorado Legal Support, LLC discussed how mineral rights ownership is an important element of estate planning. She discussed how important it is to understand what you own, how to value, and how to manage. She then described various ways to maximize income and avoid estate planning blunders.

**4:00 p.m. – Adjourn**

  
Robert Park, Secretary

  
Donna Doolen, Chair

Respectfully submitted by:  
  
Rhnea Stewart  
