

MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
April 25, 2025

1. Call To Order

The Board of the Oklahoma Municipal Retirement Fund met at the Oklahoma Municipal Retirement Fund Offices, Oklahoma City, Oklahoma, on April 25, 2025, at 10:00 a.m. with Vice Chair Johnston presiding.

2. Roll Call

Vice Chair Johnston requested Story take the roll call. A quorum was declared. On the roll call, the following members were present.

BOARD OF TRUSTEES:

Vice Chair: Robert Johnston, City Manager, City of Clinton
Treasurer: Jim Luckett, 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 (*non-voting member, due to virtual attendance outside of district*)
Melissa Reames, Retiree, City of Stillwater
Tim Rooney, City Manager, City of Mustang
Ed Tinker, Retiree, City of Glenpool (*arrived at 10:08 a.m.*)

OTHERS PRESENT:

OkMRF Staff: Chris Whatley, CIO & Plan Advisor
Kevin Darrow, Retirement Plan Advisor
Kyle Ridenour, Retirement Plan Advisor
Regina Story, Fund Accountant

OkMRF Attorney: David Davis

Other: Jason Pulos, ACG
Phineas Troy, ACG
Cameron Tripp, Ninety One
Adam Child, Ninety One (*virtual*)
Sean Sullivan, Dean Actuaries
Brian Holland, OMAG
Matt Jacobson, OMAG

Ridenour opened the meeting with prayer and Darrow led the Pledge of Allegiance.

Johnston welcomed everyone and called the meeting to order.

NOTICE: The agenda for April 25, 2025, was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe, by 10:00 a.m. on April 24, 2025.



Signature(s)

3. **Approval of Consent Agenda**

The following items were presented under the consent agenda.

A. **Minutes of March 28, 2025 Meeting(s)**

B. **Monthly Valuation of Fund Assets & Unit Values by Custodian as of March 31, 2025**

Option	Value By Fund
Defined Benefit	\$771,683,936.54
International Investment Equity	\$9,132,553.99
Aggressive Equity	\$17,184,056.68
Real Assets Fund	\$1,222,852.78
ESG US Stock Fund	\$1,634,180.08
Global Equity	\$12,460,930.96
Growth and Value Equity	\$27,148,180.05
S & P 500 Index	\$44,367,692.33
Target Retirement 2065	\$141,967.27
Target Retirement 2060	\$14,025,674.82
Target Retirement 2055	\$12,548,695.43
Target Retirement 2050	\$18,568,156.51
Target Retirement 2045	\$23,373,488.44
Target Retirement 2040	\$28,390,258.39
Target Retirement 2035	\$33,984,036.25
Target Retirement 2030	\$40,355,119.65
Target Retirement 2025	\$41,928,498.46
Target Retirement Income	\$36,715,501.05
Total Yield Bond Fund	\$8,560,097.85
Bond Index	\$16,108,949.73
Voya Fixed Plus III	\$48,331,016.78
Loan Portfolio	\$8,731,302.12
Self Directed Brokerage	\$773,511.70
Total Assets	\$1,217,370,657.86

C. Purchases and Sales of Assets for March 2025

D. Administrative Expenses and Fees

Expenses and Fees for April

Actuary & Recordkeeping	\$ 50,461.61
Administration	122,209.59
Attorney	10,000.00
Audit	0.00
Board Travel	3,210.71
Employer Directed Expense	0.00
Insurance	0.00
Investment Advisors	109,795.30
Custodial	7,747.31
Investment Consultant	42,207.59
Public Relations	0.00
Representative Travel	<u>6,677.31</u>
EXPENSES	<u>\$352,309.42</u>

E. Benefit Payments and Contribution Refunds for March 2025

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

Motion carried: AYE: Barnett, Johnston, Lockett, Park, Reames, and Rooney

NAY: None

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

No action taken.

5. Comments from the Public

Vice-Chair Johnston welcomed Brian Holland and Matt Jacobson from the Oklahoma Municipal Assurance Group. No comments were given.

6. **Ninety One: Annual Update from Investment Managers – Adam Child and Cameron Tripp**

Cameron Tripp introduced himself and thanked the Fund for the invitation to attend the meeting. Tripp spent a few minutes giving a historical recap of the Firm's beginnings in 1991 in Cape Town, South Africa. Tripp then introduced Portfolio Manager Adam Child. Child began with the investment philosophy of the Firm, viewing their process as a forward discounting machine in which opportunities come from market inefficiencies. Ninety One looks for those investment opportunities across the entire international market blending different investment styles to deliver consistent performance outcomes. Child pointed out how portfolio investments have outperformed the benchmark seven out of the last ten years, including calendar year 2024 and year-to-date 2025. Child next described European and Japanese industrial stocks and defense stocks as being the top contributors and semiconductors as top detractors to performance of the last 12 months ending March 2025.

Child stated the outlook for the year as being dominated by U.S. tariff policy. Ninety One believes tariffs will be used as a tool to rejuvenate U.S. manufacturing while weakening the U.S. Dollar. Child advised that lower energy prices, deregulation, and tax cuts will have near term implications for international markets leading to heightened uncertainty. The uncertainty paired with greater trade frictions create an overall negative view for growth expectations. Additionally, Child stated Ninety One believes the weakening of the U.S. Dollar is likely to persist. Together, lower growth and weaker dollar could be deflationary resulting in negative revisions to earnings expectations. Child stated the most exposed markets were export sectors in Japan and emerging markets while domestic oriented markets, like India, are more insulated.

Overall, Ninety One maintains a long-term view that the market has entered a new regime marked by higher rates of growth, volatility, and inflation versus the post-GFC period. This means more frequent and violent style rotations as well as more dispersion of stock returns. Ninety One further believes this is a good environment for stock picking strategies like theirs. In the near term, Ninety One has shifted their positioning to a more balanced stance, increasing positions in defense, telecoms, and utilities and reduced exposures to Japanese banks.

Child fielded questions regarding the stock selection process within the portfolio and geographical portfolio holdings.

Trustee Linker entered at 10:08 a.m.

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

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

Pulos greeted the Board and discussed ACG personnel assignments resulting from Kevin Moore's departure from the firm. While Halcy Rives will still be the primary consultant to OkMRF, Pulos introduced Phineas Troy (Phinney) as a second point of contact for the relationship. Pulos expressed appreciation to the Board for the long-standing relationship and provided assurance the continuity of service to OkMRF will remain constant.

Troy reviewed the ASAP reports starting with the DB portfolio. At the end of the first quarter, the DB portfolio totaled \$770 million with ten-year annualized gross of fees return of 7.26% compared to the policy index of 6.70%. Gross of fees returns for the month and

the quarter ended March 2025 were down -2.29% and -0.20%, respectively with returns in the shorter time horizon being affected by volatile markets. Troy pointed out one-year fixed income returns posted a positive 6.02%, which helps the portfolio make strides towards its long-term assumed return goal with less volatility.

Troy also briefly discussed two commitments in Private Equity, specifically highlighting the investment with Warburg Pincus, pointing out that to date, every \$1 invested with Warburg Pincus has made a return of \$1.25 which is a 17.85% net internal rate of return.

Troy next discussed the DC plan with total investments of \$436 million. The aggressive equity option during the fiscal year-to-date period exceeded the index, as did the international equity option and the high yield option. Within the International Equity Option, Troy advised that ACG just received a fee discount from Harding Loevner from seventy-two basis points down to sixty-one basis points, which will be a future agenda item for Board consideration.

Pulos and Troy discussed the classification of a recession as well as disclosure requirements for publicly traded companies based upon an inquiry from the Board.

B. ACG: Review and Discussion of the Market Update Presentation

Troy touched on gross domestic product growth and inflation expectations, but then pivoted to discuss tariffs associated with various countries. He next highlighted historical calendar year returns of the S&P 500, along with intra-year market drawdowns pointing out that despite market volatility, long-term disciplined investors have been rewarded with thirty-six positive calendar year returns out of the last forty-five years. Pulos advised that because we have a strategic asset allocation plan and a disciplined rebalancing process, OkMRF can continue to stay the course.

Troy next discussed the weakening of the U.S. Dollar and its impact on the portfolio. He gave an example of a dollar converted to yen buying an international stock and receiving a 10% return. However, when converted back to a stronger dollar, domestic investors lose money due to currency effects. Troy concluded international holdings have appreciated due to the geopolitical environment and a weakening U.S. dollar.

Troy discussed the inflation benchmark used by the Fed in response to a question from the Board.

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 and Considered by the Trustees at the Meeting

No action taken.

8. **Consideration and Possible Action Regarding Administrative Committee Report**
Admin Chair Johnston announced the Admin Committee will be meeting on May 23rd at 11:00 a.m. in anticipation of getting the budget prepared for the May board meeting.
9. **Consideration and Possible Action Regarding Contract Committee Report**
No action taken.

10. Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of GASB Accounting Results for Fiscal Years Ending on or Before July 1, 2025 – Sean Sullivan

Sullivan presented an overview of GASB reporting requirements for accrual-based Members. Sullivan explained the importance of the discount rate and funding methods utilized to prevent depletion of assets. Potential exceptions were analyzed in depth for depletion and a letter was issued to CEO stating OkMRF had no plans with an expected depletion date. Each exhibit in the report was briefly reviewed. The retiree medical plans are well funded with no current concerns.

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

Whatley reported on plan changes for the OkMRF members.

12. OkMRF Staff Report

➤ Darrow reported that he and Board Member Reames attended IFEXPIERS Conference last month and thanked the Board for the opportunity.

Whatley reported the following:

- ✓ GASB 68 Audit field work is currently in process and representatives from Finley & Cook will present the results at the May board meeting.
- ✓ The Admin Committee is going to meet on May 23rd at 11:00 a.m.
- ✓ Upcoming elections will be for District 2 currently held by Park and District 7 currently held by Luckett. Nomination notices will be mailed the first week of May with the nominations remaining open until June 30th, 2025.
- ✓ Troy, with ACG, will be attending the due diligence meeting in New York and attendee packets/agendas have been distributed.
- ✓ OkMRF will be modifying board meeting calendar invitations with new email notices to be sent out in the future. No changes to original dates/times.
- ✓ Thanked the CEO and the Board for allowing him to conduct this month's board meeting.

13. New Business

None.

14. Trustee/Member Comments

None.

15. Acknowledge the Review and Acceptance of ACG, Ninety One, and Dean Actuaries Reports as Presented During This Meeting

Motion made by Rooney, seconded by Luckett to accept the reports from Ninety One, ACG and Dean Actuaries.

Motion carried:

AYE: Barnett, Johnston, Luckett, Park, Reames, Rooney, and Tinker

NAY: None

16. Roll Call

Story reported a quorum present.

17. Adjourn

With no further business to conduct, the meeting adjourned at 11:36 am.



Robert Park, Secretary



Robert Johnston, Vice Chair

Respectfully submitted by:



Regina Story

