MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
February 28, 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 February 28, 2025, at 10:00 a.m. with Chair Doolen presiding.

2. **Roll Call**
Chair Doolen requested Whatley take the roll call. A quorum was declared. On the roll call, the following members were present.

BOARD OF TRUSTEES:

Chair:	Donna Doolen, Retiree, City of Ada
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
	Melissa Reames, Retiree, City of Stillwater
	Tim Rooney, City Manager, City of Mustang
	Ed Tinker, Retiree, City of Glenpool

OTHERS PRESENT:

OkMRF Staff:	Jodi Cox, CEO & Director
	Kevin Darrow, Retirement Plan Advisor
	Kyle Ridenour, Retirement Plan Advisor
	Chris Whatley, CIO & Plan Advisor
	Regina Story, Fund Accountant
OkMRF Attorney:	David Davis
Other:	Kevin Moore, ACG
	Reza Basharzad, Clarion Partners
	Bohdy Hedgcock, Clarion Partners

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

Doolen welcomed everyone and called the meeting to order.

NOTICE: The agenda for February 28, 2025, was posted in Columbus Square, Oklahoma City, Oklahoma, by Gloria Cudjoe, by 10:00 a.m. on February 27, 2025.

Gloria Cudjoe
Signature(s)

3. **Approval of Consent Agenda**
The following items were presented under the consent agenda.

A. **Minutes of January 31, 2025 Meeting(s)**

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

Option	Value By Fund
Defined Benefit	$ 791,888,013.53
International Investment Equity	$ 9,262,640.31
Aggressive Equity	$ 20,100,870.85
Real Assets Fund	$ 779,462.47
ESG US Stock Fund	$ 1,756,699.31
Global Equity	$ 13,395,456.37
Growth and Value Equity	$ 30,236,648.43
S & P 500 Index	$ 48,777,094.94
Target Retirement 2065	$ 305,646.33
Target Retirement 2060	$ 14,158,196.85
Target Retirement 2055	$ 12,788,156.38
Target Retirement 2050	$ 18,895,105.04
Target Retirement 2045	$ 23,794,744.03
Target Retirement 2040	$ 28,016,904.83
Target Retirement 2035	$ 34,458,623.59
Target Retirement 2030	$ 40,734,967.11
Target Retirement 2025	$ 43,558,040.33
Target Retirement 2020	$ 19,013,174.07
Target Retirement Income	$ 18,312,727.44
Total Yield Bond Fund	$ 7,702,247.97
Bond Index	$ 15,342,969.43
Voya Fixed Plus III	$ 48,004,618.92
Loan Portfolio	$ 8,627,746.72
Self Directed Brokerage	$ 569,921.20
Total Assets	$ 1,250,480,676.45

C. Purchases and Sales of Assets for January 2025

D. Administrative Expenses and Fees

Expenses and Fees for February

Actuary & Recordkeeping	$ 51,599.95
Administration	120,689.19
Attorney	4,000.00
Audit	0.00
Board Travel	1,982.44
Employer Directed Expense	1,650.00
Insurance	0.00
Investment Advisors	0.00
Custodial	10,672.46
Investment Consultant	0.00
Public Relations	0.00
Representative Travel	5,857.71
EXPENSES	$196,451.75

E. Benefit Payments and Contribution Refunds for January 2025

F. Acknowledgment and Receipt of the Second Amended and Restated Agreements of Limited Partnership for Berkshire Fund XI-F, LP

G. Acknowledgment and Receipt of the Amended and Restated Declaration of Trust for the PIMCO Collective Investment Trust and the PIMCO Collective Investment Trust Disclosure Memorandum as Amended and Restated January 10, 2025

H. Ratification of Written Consent in Lieu of Meeting of Shareholders to Approve the Election of Three Independent Directors for the Morgan Stanley Prime Property Fund

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

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

NAY: None

4. **<u>Consideration and Possible Action of Items Removed from the Consent Agenda</u>**
No action taken.

5. **<u>Comments from the Public</u>**
None.

6. **<u>Clarion Partners: Annual Update from Investment Managers – Reza Basharzad and Bohdy Hedgcock</u>**
Reza Basharzad began by giving some background information on Clarion Partners. Clarion has a 42-year track record, over $73 billion in assets under management (AUM), with industrial and multi-family comprising $56 billion of this total. Speaking regarding Clarion Partner's risk profile, Basharzad presented that 94% of their investments are considered core or core-plus in nature. The firm holds 18% of the overall ownership, representing over $90 million invested alongside their institutional investors. Clarion Lion is headquartered in New York City, with 342 employees in total, and 90% of the industrial team being based out of Dallas. Basharzad indicated that there is not a lot of employee turnover at Clarion, with senior management averaging 31 years of experience and 15 years tenure with the firm.

In response to a question regarding the wildfires in California, Hedgcock indicated that there was zero impact to any of their industrial properties. Hedgcock also indicated that the rebuilding efforts may be a small demand driver for warehouses in the Los Angeles area. Hedgcock then transitioned to speaking specifically about the industrial portfolio. Hedgcock indicated that the redemption queue is currently sitting at around 6% of NAV due to payouts and rescissions. The strategy for the industrial fund is Core Plus, meaning that 90% of the portfolio at any given time is income producing, cash flowing, high quality logistics buildings in major markets, with the remaining 10% invested in development projects.

Clarion Lion Industrial Trust (LIT) is the largest and longest-running open-end industrial fund in the U.S. at about $32 billion in gross asset value. At $21 billion in net asset value, Hedgcock indicated they are at a loan to value ratio of 35% currently. Regarding the leverage, 13% of the debt is floating rate debt entirely attributed to development projects, with the remaining 87% being fixed rate debt. Hedgcock indicated that the average building age within the portfolio is 14 years, which is young compared to the overall market. The weighted average lease term has come down a little bit to an average of 4.6 years due to the sale of some large term lease buildings as well as Clarion easing up on its strategy to hold leases at a term of over five years.

Hedgcock pointed out that the senior LIT team averages 16 years with Clarion and 26 years in the real estate industry, specifically pointing out several members of the asset management team that began their careers as analysts straight out of college. He then transitioned to U.S. Industrials fundamentals, stating that the 4Q vacancy rate at 6.1% nationally, still below the long-term average of 6.7%. Hedgcock indicated that Clarion's research term forecasts that as absorption picks up in 2025 from historically low levels in 2024 and that brings vacancy rates down in 2025 to the 5% range. Specific to the Clarion portfolio, they ended 2024 with an occupancy rate of 93.6%. When Clarion took existing leases to market level rents in 2024, they increased rents by 64%. Hedgcock indicated that he believes the rents in the portfolio today are about 33% below market rents so there is still significant opportunity going forward to drive returns.

Hedgcock concluded by showing that the average building age within the portfolio is 14 years, when compared to the U.S. average of 36 years. Clarion is strategic about selling older properties and developing new properties to maintain that benefit of the younger aged properties. Hedgcock subsequently fielded questions regarding their sell strategy and other relevant questions.

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

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

   Moore began by thanking those who attended the Investment Committee to discuss private equity. Moore further noted that a memo was passed around regarding ACG receiving the Greenwich award for Best Investment Consultant for the seventh consecutive year. The Board and Staff congratulated the firm, noting this as quite an accomplishment. Moore spoke regarding the tariffs and the unexpected nature of what the impacts might be. However, non-U.S. developed stocks have benefitted quite a bit, with S&P 500 being down .2% YTD and Russell 2000 down about 4% when compared to non-U.S. developed stocks being up 8% and emerging markets up 5% for the same two month period. Moore again emphasized this is why diversification matters. Moore pointed to a chart showing the Magnificent 7 over the last five years and how six of those seven have fallen dramatically year to date.

   Regarding the DB portfolio as of January closing in on $794 million, it continues to perform as seen over prior months and years with positive returns and less risk when compared to the indices. Continuing the private equity discussion from yesterday, Moore pointed out that the private equity is sitting at 1.6% of the total plan currently, with an anticipated large capital call from Berkshire in the near future, and quarterly capital calls being anticipated from Warburg Pincus. Regarding the real estate JPMorgan holdings, Whatley relayed information from a recent JPMorgan Strategic Property Fund webinar indicating that JPMorgan believes they can fully extinguish the redemption queue in 2026. Moore indicated they can gather more information in regard during the upcoming due diligence trip in June. There are no underlying manager performance issues.

   Switching to the DC portfolio, Moore reminded the Board that SSgA is managing a large amount of funds across both the target date funds as well as other passive strategies and that they will be attending the March Board meeting to provide an update. The Growth and Value option diversification has done very well, with strong performance over the long term also in both the Aggressive and International investment options. The Target Retirement Funds now represent around $250 million of total DC assets with SSgA doing a good job of managing these options at a very low fee.

   Moore reviewed the quarterly report scorecard pointing out that all the metrics over a 5- and 10-year period have met all the objectives.

B. ACG: Consideration and Possible Action Regarding Private Equity Annual Review and Pacing Plan in the Defined Benefit Portfolio as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting.
Moore gave a summary of the private equity discussion from the Investment Committee, specifically mentioning portfolio construction. Moore relayed that there was an analysis of where the OkMRF private equity investments currently stand, and what categories could be filled over the coming year. Moore relayed that while specific managers and funds have not been fully vetted or identified just yet, that he will keep the Board apprised when he believes it is the appropriate time to move forward with recommendations.

Investment Chair Luckett made a motion, seconded by Johnston, for the Board to be prepared to act swiftly in making new private equity commitments to Global Growth and Venture Secondaries, should an opportunity arise.

Motion carried: AYE: Barnett, Doolen, Johnson, Johnston, Luckett, Park, Reames, 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 and Considered 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**
Contract Committee Chair Reames reported that due to the timing of insurance renewals, they anticipate bringing items to the March Board meeting to streamline contract approvals and invited any Board members to attend on March 28th at 9:30 a.m. in the CEO's office.

10. **Receive Report on Newly Adopted or Amended OkMRF Member Plans**
Whatley reported on plan changes for the OkMRF members.

11. **OkMRF Staff Report**
Cox reported on the following items:
   - Reminded the Board that next month the Contract Committee will be held before the Board meeting.
   - State Street will be presenting at next month's Board meeting.
   - Sean Sullivan from Dean Actuaries will be presenting the actuarial valuation.
   - Informed the Board of educational opportunities planned for later in the year, TEXPERS in April and a due diligence visit in June to multiple managers in New York City.

12. **New Business**
None.

13. Trustee/Member Comments

Trustee Rooney gave recognition to Darrow for his work with the Town of Hochatown.

14. Acknowledge the Review and Acceptance of ACG and Clarion Lion Reports as Presented During This Meeting

Motion made by Luckett and seconded by Rooney to accept the reports from ACG and Clarion Lion.

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

NAY: None

15. Roll Call

Whatley reported a quorum present.

16. Adjourn

With no further business to conduct, the meeting adjourned at 11:23 a.m.

Robert Park, Secretary

Donna Doolen, Chair

OKLAHOMA MUNICIPAL RETIREMENT FUND
OFFICIAL
SEAL
OKLA.

Respectfully submitted by:

Regina Story