MINUTES
BOARD OF TRUSTEES
OKLAHOMA MUNICIPAL RETIREMENT FUND
March 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 March 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
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

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
	Michael Barnes, SSgA
	Nick Glynn, SSgA
	Sean Sullivan, Dean Actuaries

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

Doolen welcomed everyone and called the meeting to order.

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

Gloria Cudjoe

Signature(s)

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

A. **Minutes of February 27, 2025 and February 28, 2025 Meeting(s)**

B. **Monthly Valuation of Fund Assets & Unit Values by Custodian as of February 28, 2025**

Option		Value By Fund
Defined Benefit	$	788,670,591.87
International Investment Equity	$	9,198,057.68
Aggressive Equity	$	18,792,222.00
Real Assets Fund	$	794,334.52
ESG US Stock Fund	$	1,707,882.37
Global Equity	$	13,027,383.09
Growth and Value Equity	$	29,253,761.17
S & P 500 Index	$	47,758,104.10
Target Retirement 2065	$	325,536.67
Target Retirement 2060	$	14,332,989.70
Target Retirement 2055	$	12,865,542.94
Target Retirement 2050	$	18,995,084.92
Target Retirement 2045	$	23,918,276.67
Target Retirement 2040	$	28,421,524.10
Target Retirement 2035	$	34,601,856.85
Target Retirement 2030	$	41,088,678.32
Target Retirement 2025	$	43,319,778.36
Target Retirement 2020	$	19,116,621.32
Target Retirement Income	$	18,664,338.53
Total Yield Bond Fund	$	8,249,611.11
Bond Index	$	15,438,981.28
Voya Fixed Plus III	$	48,240,274.25
Loan Portfolio	$	8,730,957.84
Self Directed Brokerage	$	674,327.94
Total Assets	**$**	1,246,186,717.60

C. **Purchases and Sales of Assets for February 2025**

D. **Administrative Expenses and Fees**

Expenses and Fees for March

Actuary & Recordkeeping	$ 50,356.66
Administration	128,540.82
Attorney	4,000.00
Audit	0.00
Board Travel	2,896.26
Employer Directed Expense	0.00
Insurance	141,265.00
Investment Advisors	0.00
Custodial	13,069.18
Investment Consultant	0.00
Public Relations	11.00
Representative Travel	3,918.02
EXPENSES	$344,056.94

E. **Benefit Payments and Contribution Refunds for February 2025**

F. **Acknowledgment and Ratification to the SSgA Defined Contribution (DC) Participation Agreement to Add Target Retirement 2070 to the DC Fund Lineup**

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

Motion carried: AYE: Barnett, Doolen, Johnson, Johnston, 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**
None.

6. **SSgA: Annual Update from Investment Managers – Michael Barnes and Nick Glynn**
Barnes introduced himself and Glynn followed by an overview of the firm. He next highlighted the goals of their new President & CEO Yie-Hsin Hung. Barnes then outlined how the remaining discussion would focus on an overview of the target date funds and changes to the glidepath for the Target Retirement funds.

Glynn discussed the State Street Target Retirement platforms: Custom Target Retirement, which are customized by demographic or investment opportunity set; Target Retirement commingled funds established for the broad population; Growth Target Retirement commingled funds offering higher growth exposures; IncomeWise Target Retirement for participants as they approach the decumulation phase of life; and State Street will be launching a Private Markets commingled offering soon.

At the end of December, there were $228 billion in all target date assets under management which has more than doubled since the end of 2019. State Street also has approximately $30 billion in assets invested in customized Target Retirement fund solutions. OkMRF invests in State Street's Target Retirement commingled funds within the DC plan. Launched in 2005, the Target Retirement funds are State Street's flagship cornerstone offering with assets approaching $200 billion. Launched in 2004, Growth Target Retirement funds are slightly more growth-oriented by overweighting the equity allocation throughout the glidepath. Since then, assets have grown to an estimated $2 billion. IncomeWise Target Retirement solutions launched in January and use the same glidepath as the Target Retirement funds used by OkMRF. However, the IncomeWise product is a separate share class providing guaranteed and non-guaranteed retirement income features that participants can elect as they approach and enter retirement. The American Bar Association (ABA) will be going live with the IncomeWise platform at the start of 2026 and Cox requested an update a year or two after the ABA goes live. Glynn indicated that State Street would be happy to do a deeper dive on the product as well as the participant experience as a follow up later. Additionally, Glynn touched on a separate offering of Private Markets that is being launched as an option for DC plan clients that have not historically had access to private markets. Glynn reiterated that State Street is dedicated to continuous innovation as they grow the Target Retirement platform.

Glynn then turned to reviewing the allocations along the glidepath. Young participants at the beginning of the glidepath will be allocated 90% to equities and 10% to fixed income. As participants move along their careers State Street gradually reallocates from equities into fixed income attempting to balance risks, volatility, inflation, and longevity. The glidepath reaches its most conservative point five years into retirement, where the portfolio lands at a 26.5% equity, 65% fixed income, and 8.5% alternatives (commodities and real estate). State Street aims to minimize volatility while also moving to higher dividend yield demands as participants start to prepare to take distributions from their portfolio. As participants near retirement, State Street moves away from longer duration government bonds into a more diversified mix of U.S. Aggregate bonds, one- to three-year government credit bonds, high yield bonds, and TIPS.

Each year, State Street conducts an annual glidepath review ensuring the glidepath is still optimized to established risk and return metrics. During this year's review, State Street changed the underlying commodities benchmark from the Bloomberg Commodities Roll Select Index to the Bloomberg Enhanced Roll Yield (BERY) Index. State Street believes this change will maintain exposures to underlying futures contracts but obtain better diversification across different contracts. The BERY Index was launched in 2021, and it has outperformed the second-generation index by approximately 300 basis points over four or five years with slightly lower risk. Glynn again reiterated State Street is constantly evaluating and looking for innovation and improvement within their suite of product offerings.

Trustee Luckett, Jr. entered at 10:06 a.m.

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 touching on the volatility in the market and re-emphasized long-term, disciplined, and diversified investing, particularly in a pension plan. Moore stated tariff rhetoric and a volatile market environment are starting to bleed into projections coming from the Federal Reserve. In addition, inflation projections are starting to increase, and GDP projections are coming down. Moore also mentioned auto tariffs announced earlier this week were causing increased market volatility. However, the important thing is to remember we have a long-term time horizon with a tried and tested asset allocation. Over the last couple of years, OkMRF has exited long/short equities, increased the real estate allocation, and initiated a private equity allocation. Moore believes these decisions will help weather the storm over the long term.

   According to ACG models, international developed equity and unconstrained fixed income have now been classified as undervalued within the defined benefit portfolio. International developed markets have benefitted from recent policy decisions, however there are still risks. Moore reminded the Board that unconstrained bonds are a "go anywhere" category spanning U.S. and non-U.S. markets, as well as all sectors and credit types. Managers with this level of flexibility are better positioned to outperform, as evidenced by BlackRock's performance in the portfolio.

   Moore next addressed market performance as of the date of the Board meeting with the S&P 500 and Russell 2000 down about 4% in the month of March. Year-to-date returns for large-cap and small-cap equities were down about 2.5% and 7% respectively. Small-cap stocks being down more than their large-cap counterparts points to the heightened impact of supply chains and trade agreement disruptions. Moore again pointed out that within the S&P 500 Index, the concentrated leadership of the Magnificent 7, which previously carried the overall index has flipped this year and accounted for as much as 50% of the downside.

   Moore reported DB assets as of the end of February stood at $790 million with gross of fees performance at 7.48% beating the policy index of 6.92% over the last 10 years. Moore reminded the Board to expect recommendations at the appropriate time for additional private equity managers to increase towards the 5% target allocation.

   Moore reported that Clarion Lion made an announcement that Portfolio Manager David Confer will be retiring at the end of 2025 and Bohdy Hedgcock, who presented to the Board last month, and Dayton Conklin, who the Board has heard from in the past, will be co-portfolio managers going forward. ACG views this as a very good succession plan. It has been known David Confer was retiring soon, and as you see from other money managers that do the succession planning well, Clarion made their intentions known well in advance of the transition.

Moore moved to reviewing the DC portfolio briefly, since a large concentration of this portfolio was reviewed with State Street. ACG currently has no concerns with any of the investment options or underlying managers.

B. ACG: Consideration and Possible Action Regarding DB and DC Investment Policies & Guidelines as Recommended by the Investment Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting

Moore reminded the Board this annual exercise is a collaborative effort between staff members and ACG and provides a great opportunity to re-evaluate how things are communicated in the investment policy statements.

Moore reported that overall, the changes proposed are simple clean up, with no major changes. On both the DB and DC side, proposed changes combined a couple of bullets points to reflect qualitative things can come into play when evaluating managers. Moore pointed out equity long-short language throughout the DB side because the fund still holds a small allocation, and the document should reflect what is occurring in the portfolio. However, knowing this holding will be phased out, the maximum target allocation was reduced from 15% to 5%. Also, throughout both the DB and DC documents, seven-year returns are referenced as these are currently listed on the ASAP reports. After consideration, this specific measure will be removed from the reports and the investment policy statements by reference since ACG primarily focuses on 3-yr, 5-yr, and 10-yr performance.

Motion made by Luckett, seconded by Rooney to approve the amendments to the Statement of Investment Policy, Guidelines, and Objectives for both DB and DC as recommended by ACG.

Motion carried:	AYE: Barnett, Doolen, Johnson, Johnston, Luckett, Park, Reames, and Rooney
	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. <u>Consideration and Possible Action Regarding Contract Committee Report</u>

<u>A. Approve Renewal of Fiduciary Liability and Crime Insurance Policies as Recommended by the Contract Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting</u>

Contract Committee Chair Reames reported that the fiduciary liability policy premium offered through Federal Insurance Company has increased less than 2%, the excess fiduciary liability premium offered through Travelers increased by less than 3%, and the crime policy premium offered through Travelers decreased slightly.

Reames made a motion, seconded by Rooney, to accept the recommendation from the Contract Committee to renew the fiduciary liability policy issued by Federal Insurance Company for the term April 2, 2025, to April 2, 2026, and to accept the recommendation to renew the excess fiduciary liability and crime policies issued by Travelers for the term April 2, 2025, to April 2, 2026.

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

NAY: None

<u>B. Consideration and Possible Action Regarding Review of Vendor Evaluations as Recommended by the Contract Committee and Rejection or Approval of any Amendments Proposed and Considered by the Trustees at the Meeting</u>

Contract Committee Chair Reames reported an in-depth evaluation was conducted of those vendors considered as power team partners: Dean Actuaries, Finley and Cook, Asset Consulting Group, Voya Financial, and Northern Trust and Staff was thanked for the efforts in documenting these vendors' performance. Reames reported overall these companies are doing exactly what we need them to do and made a motion, seconded by Barnett, to retain Voya, Dean Actuaries, Asset Consulting Group, Northern Trust, and Finley & Cook as service providers.

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

NAY: None

10. <u>Dean Actuaries, LLC: Consideration and Possible Acceptance of the Summary of Actuarial Funding Results as of July 1, 2024 – Sean Sullivan</u>

Sullivan presented the Summary of Actuarial Funding results as of July 1, 2024, and the new contribution rates effective for the fiscal year starting July 1, 2025. The overall funded ratio average reflected a slight decrease from 94.9% to 94.3%.

Out of a population of 127 defined benefit members, the funding ratios of 42 plans had 100% or higher funded ratio, 70 plans fell between 80% – 100% funded, 11 plans were below 80% funded, and 4 cities below 60% funded. These under 60% are all newer members, which is understandable.

The nonactive plans were briefly reviewed with only one (1) of the five (5) plans having a funded ratio of less than 100%. Market value return on plan assets vs. the actuarial value return on plan assets trends were discussed due to volatility in the markets post-pandemic and the

anticipated changes on future valuations when these two (2) years fall out of the data used for smoothing purposes. Also discussed was the impact to the liability of the IRS mandate to shorten the vesting schedule for normal retirement age 65 in FY25 to 5 years for those plans that previously had 7- and 10-year vesting schedules. Sullivan pointed out larger plans will most likely not feel any real impact of this change. However, several smaller members with participants who fit into the category of 65 years of age with 5 years of Service, will be directly impacted. Staff committed to contacting these members to help them understand the potential impact on future contribution rates.

Motion made by Luckett, seconded by Rooney to accept the Summary of Actuarial Funding Results as of July 1, 2024, as presented with the new contribution rates effective July 1, 2025, as prepared by Dean Actuaries, LLC.

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

NAY: None

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

Whatley reported on plan changes for the OkMRF members and Darrow was commended for his efforts on Washington becoming a new member.

12. OkMRF Staff Report

Cox reported on the following items:

- Sean Sullivan from Dean Actuaries will be presenting the GASB results in April.
- Ninety-One will be presenting at next month's Board meeting.
- Whatley will be facilitating the Board meeting next month, as Cox is attending a retreat.
- Board members attending New York City due diligence trip will receive their traveling folders next month, those attending TEXPERS received their folders this month.
- Reminder to pay David Davis the $25 for waiver recourse insurance.
- There will be no retreat in June, due to OPFTEC planning and finalizing speakers for this event.
- 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 nominations to remain open until June 30th, 2025.
- A retirement celebration for Palma Lough of OMPA will be held on May 1st from 2:00 to 5:00 p.m. in the OMPA board room. Congratulations on her successful career.
- Reminder that any goals for OkMRF should be communicated to Cox or Johnston, as Administrative Committee Chair, as they work to establish goals for FY25-26.

13. New Business

None.

14. Trustee/Member Comments

Trustee Luckett gave recognition regarding Story's work on the minutes and encouraged the group to educate themselves on the pardoning of Nikola founder.

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

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

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

NAY: None

16. Roll Call

Whatley reported a quorum present.

17. Adjourn

With no further business to conduct, the meeting adjourned at 12:.01 p.m.

Robert Park
Robert Park, Secretary

Robert Johnston
Robert Johnston, Vice Chair

Respectfully submitted by:

OKLAHOMA MUNICIPAL RETIREMENT FUND
OFFICIAL
SEAL

Regina Story
Regina Story