



Investment Committee Chair, Luckett, extended a welcome to all in attendance and called the meeting to order.

**2. Discuss and Develop a Recommendation for Board Consideration and Possible Action Regarding ACG Recommendation to Liquidate T. Rowe Price Large Cap Growth as one of the Underlying Managers of the Growth and Value Option in the DC Lineup**

Troy began with a review of the current structure of the Growth and Value Option within the DC fund lineup followed by the position T. Rowe Price holds within the option. He stated ACG's recommendation is being driven by the upcoming departure of lead portfolio manager Taymour Tamaddon. Tamaddon had been with T. Rowe Price since 2004 and on the current strategy since 2016. In 2025, T. Rowe Price named Jon Friar as co-portfolio manager alongside Tamaddon. ACG became concerned about the dynamic between the two (2) portfolio managers when Tamaddon announced his departure, leaving the new shortly tenured Friar as the lead. Therefore, ACG recommended terminating T. Rowe Price and hiring a replacement.

Motion by Luckett, seconded by Reames, to recommend to the Board of Trustees to liquidate the T. Rowe Price Large Cap Growth Fund as one of the underlying managers in the Growth and Value Option in the DC Lineup.

Luckett: Yes

Reames: Yes

Tinker: Yes

**3. Discuss and Develop a Recommendation for Board Consideration and Possible Action to Replace one of the Underlying Managers in the Growth and Value Fund in the DC Lineup**

Troy reviewed the structure of the Growth and Value option stating OkMRF has historically used active managers within this component of the DC fund lineup. The three (3) candidate strategies presented as possible replacements included Loomis Sayles Large Cap Growth, Silvant Capital Management Focused Large Cap, and Vanguard U.S. Growth. Loomis Sayles and Silvant are both bottom-up fundamental managers with concentrated stock holdings. Vanguard is a fund-of-funds pooled investment vehicle managing the underlying allocations to other managers with much broader holdings when compared to the other two candidates. Currently, OkMRF pays T. Rowe Price a management fee of 0.55% and Loomis Sayles is close at 0.56%. Silvant comes in at 0.62% and Vanguard is the lowest at 0.25% due to their scale.

When considering performance, all three (3) candidates have long track records in the space. Over the last decade, while all three (3) candidate managers underperformed the Russell 1000 Growth index to some degree during shorter periods, Loomis Sayles and Silvant had times where they exceeded the benchmark. Only Vanguard underperformed over all time periods measured. Considering the Sharpe Ratio (an efficiency measurement), higher values are more desirable. The Sharpe Ratio for both Loomis Sayles and Silvant are remarkably close to each other over the 5- and 10-year periods, whereas Vanguard is substantially lower. Loomis Sayles better protected during the down market in calendar year 2022. Over the rolling 3-year return period, Loomis Sayles also provided more consistent performance than the other two (2) proposed managers, whereas Silvant provided more consistent performance over the 5-year period.

Motion by Luckett, seconded by Tinker, to recommend to the Oklahoma Municipal Fund Board of Trustees to hire Loomis Sayles Large Cap Growth Fund as a replacement for T. Rowe Price Large Cap Growth Fund as one of the underlying managers in the Growth and Value Option in the DC Lineup.

Luckett: Yes

Reames: Yes

Tinker: Yes

4. **Discuss and Develop a Recommendation for Board Consideration and Possible Action Resulting from the Review of the Private Equity Market Asset Class and Commitment Pacing Plan in the Defined Benefit Portfolio**

Troy began with a review of the Defined Benefit Private Equity commitments made by OkMRF since adding a 5% allocation to this asset class in August 2022. Since adding this asset class, OkMRF has committed \$55 million to four different managers representing 2.4% of the total portfolio. However, private equity is measured in terms of capital called to date, not capital committed. In this asset class, commitments are made to managers which are subsequently drawn down over time instead of immediately being invested as experienced in other asset classes. Of the \$55 million in total commitments, these managers have only drawn \$17.4 million to date. As the private equity portfolio matures, the goal is to get to a point where only 60% to 70% of an investor's commitment is called. The remaining portion is expected to be offset and funded by reinvestment of portfolio proceeds that managers realize from existing positions. Underlying strategies are diversified across style of investment, such as venture capital, growth equity, or buyouts. Within manager funds, company size, markets, and fund vintage are also considered.

At this time, ACG is conducting due diligence on possible managers who would fit into the portfolio, with a particular interest in the small market leveraged buyout (LBO) category. For calendar year 2026, ACG believes additional commitments totaling \$15 million in two (2) different managers would be appropriate. Furthermore, in this calendar year, ACG is expecting approximately \$10 million to be called and \$700 thousand to be returned by existing managers, respectively. As the portfolio becomes more mature, future cash distributions are expected to grow and offset dollars needed for future capital calls hopefully creating a self-funding private equity portfolio. Again, Troy highlighted that ACG is still conducting additional due diligence on future opportunities, and no private equity recommendation is being made at this time.

No action needed at this time

5. **Discuss and Develop a Recommendation for Board Consideration and Possible Action Resulting from the Review of Available Managers in the Opportunistic Real Estate Asset Class for the Real Assets Sleeve in the Defined Benefit Portfolio**

Troy began with a review of the current Defined Benefit Real Estate portfolio structure. The full portfolio includes the JP Morgan Strategic Property Fund (SPF) and the Morgan Stanley Prime Property Fund as the core real estate investments. The JP Morgan Special Situations Property Fund (SSPF) and the Clarion Lion Industrial Trust comprise the value-added investments in the portfolio. Full redemptions have been entered for SPF and SSPF and OkMRF are receiving regular quarterly redemptions from SPF. The Morgan Stanley Prime Property Fund was selected as a replacement for SPF and contributions have been going into this fund since January 2025. For 2026, JP Morgan has made liquidity a priority for SSPF, and it is anticipated that OkMRF will begin receiving capital distributions from this fund soon. While there is no time limit on when a choice needs to be made, ACG would like to have a replacement investment named for when distributions are received from SSPF.

Candidate managers include Harrison Street Core Property Fund, Clarion Alternative Sectors Fund, Principal Enhanced Property Fund, and PGIM Real Estate PRISA II. Harrison Street and Clarion are investing in alternative sectors of the real estate market. These managers invest outside of the four core real estate sectors in categories such as self-storage, life science and medical buildings, and student housing to name a few. Principal Enhanced and PGIM PRISA II invest in the core real estate areas plus some of the alternative sectors. When considering risk and return, core real estate (SPF and Morgan Stanley Prime Property) will have the lowest risk and return followed by core-plus (SSPF, Principal Enhanced, and PGIM PRISA II) and then value-add

(Harrison Street and Clarion). While there is currently an exit queue for Harrison Street and PGIM PRISA II, Troy described this as being a common theme among real estate managers in general as they try to adjust to market conditions following the pandemic. There has also been interest from investors moving back into the core-plus and value-add spaces. For core properties, the operating income component will drive most of the return. For value-add, the operating income is low. Managers attempt to improve buildings and thereby add value through capital improvements allowing them to increase rent. According to Troy, the four (4) managers should really be considered in groups focusing on the alternative space (Harrison Street and Clarion) and focusing on the core-plus space (Principal and PGIM).

While Harrison Street and Clarion are equivalent in styles, the Clarion Fund is a new startup investment with no track record. Due to it being a startup, Clarion is offering an attractive fee structure. However, without an established record, ACG does not feel comfortable making a recommendation to invest in this strategy. Alternatively, ACG is familiar with Harrison Street, and they have a solid track record running this style of investment.

Principal Enhanced and PGIM PRISA II are considered core-plus managers. Both have long-term track records within the space. Currently, Principal has an entrance queue but no exit queue while PGIM PRISA II has an exit queue but no entrance queue. Over the last 3-year time horizon, results for Principal and PGIM PRISA II have both been negative, however both did outpace the index during a difficult market environment. For both options, longer term results in the 5-year and 10-year periods have been positive as well as outpacing the index. When considering underlying exposures, Troy expressed the goal should be to minimize additional exposure to the industrial sector from new managers due to the existing allocation with the Clarion Lion Industrial Trust, and Principal would bring the highest allocation to the industrial sector. Therefore, across both the core-plus and alternative categories of real estate, ACG recommends interviewing PGIM Real Estate PRISA II and Harrison Street Core Property Fund.

Motion by Luckett, seconded by Reames, to conduct interviews with the Harrison Street Core Property Fund and the PGIM Real Estate PRISA II Fund at a date to be determined later this year.

Luckett: Yes

Reames: Yes

Tinker: Yes

**6. Conduct Semi-Annual Investment Performance Review and Receive Quarterly Performance Report for December 31, 2025, as Presented by Asset Consulting Group**

Troy reviewed 1-year, 3-year, 5-year, and 10-year returns for the major market categories for the period ending December 31, 2025. The Defined Benefit (DB) portfolio's report card for the five-year period has fallen behind in the following (3) three benchmark categories: total portfolio return versus the actuarial assumption, total portfolio return versus the policy index, total portfolio return versus funds with equity allocations between 55% - 70%. Over the ten-year period, the DB portfolio still exceeds all four (4) benchmark categories. When comparing the DB portfolio to other public DB funds, OkMRF scored in the 18<sup>th</sup>, 57<sup>th</sup>, and 25<sup>th</sup> percentiles over the three-year, five-year, and ten-year time horizons, respectively.

*Robert Johnston left at 3:43 p.m.*

**7. New Business**

None.


**8. Adjourn**


With no further discussion, meeting adjourned at 3:47 p.m.

  
Jim Lockett, Jr., Investment Chair

  
Donna Doolen, Chair of OkMRF

Respectfully submitted by:

  
Chris E. Whatley



The seal is circular with a double-line border. The outer ring contains the text "OKLA. MUNICIPAL RETIREMENT FUND" at the top and "OKLA." at the bottom, separated by a star. The inner ring contains the word "OFFICIAL" at the top and "SEAL" at the bottom.