

**OKLAHOMA STATE PENSION COMMISSION**  
**Minutes**  
**February 27, 2024**

**1. Call to Order**

A meeting of the Oklahoma State Pension Commission convened on February 27, 2024, at 10:00 a.m. at the Oklahoma State Capitol. Written notice was sent to Commission members and interested parties, posted 24 hours prior to the meeting, and filed with the Secretary of State in compliance with the Open Meeting Law. Quorum was made and the meeting was called to order.

**Members Present:** Chairman Todd Russ – State Treasurer; Commissioner Cindy Byrd – State Auditor; Commissioner John Suter – Director, OMES; and Commissioners James Ward and DeWayne McAnally – Governor Appointees.

**Others:** Ruth Ann Chicoine – Administrator; Jason Samansky and Cole Bixenman - RVK; Maria Maule and James Crawford – Office of the Attorney General, Pension Commission Legal Counsel; Joe Fox, and Brad Tillberg – Oklahoma Public Employees Retirement System; Ginger Sigler and Sean Ruark – Oklahoma Police Pension and Retirement System; Duane Michael – Oklahoma Law Enforcement Retirement System; Chase Rankin, Dana Cramer and Tim Van Horn – Oklahoma Firefighters Pension and Retirement System; Kirk Stebbins, Joe Cappello, Robert Ward, and Terri Phillips – Oklahoma Teachers Retirement System.

**2. Approval of Minutes dated November 14, 2023**

A motion was made by Commissioner McAnally to accept the minutes of the November 14, 2023, meeting with a second from Commissioner Byrd: All approved, November minutes passed.

**3. Investment Performance Analysis – Jason Samansky and Cole Bixenman - RVK, Inc.**

Jason Samansky and Cole Bixenman presented the Commissioners with RVK's latest investment performance analysis and market updates, with a focus on the technology sector's decline and potential risks associated with investing in the current market. Commissioner McAnally and Jason added their perspectives, emphasizing the divergence in the market and the challenges faced by real estate investors. There was discussion of current trends and investment strategies in the real estate market, highlighting the divergence in performance across different sectors and the shift towards more active management and higher fees in the alternative segments. Jason and Cole emphasized the importance of balancing growth assets with inflation, capital preservation, while there was expressed caution regarding the potential risks associated with leverage.

It has been an exceptional year-over-year performance for equity markets, with the S&P 500 up 26% in 2023. Fixed income performance has been strong, with a 5.5% increase in Treasury yields leading to negative six income performance in 2022. Price-earnings ratios are high despite earnings growth.

There has been a strong performance of the US aggregate bond index with a 7% gain in the fourth quarter despite falling yields. The Federal Reserve has maintained a neutral stance on interest rates due to persistent inflation, with a base case forecast of a 0.5% rate cut in 2024 and a median expectation of 1% per year after that. Cash was the fourth worst performing asset class in 2023, with a 5% return due to liquidity needs and cash needs.

The amount of debt that needs to be refinanced is trillions of dollars, which will keep rates up. There is much emphasis in the importance of asset allocation in long-term performance. Public pension plans are exploring leverage and derivatives to enhance returns. Investors are attracted to private credit due to high yields, but defaults are a concern. Real estate market faces challenges due to high debt rollover, demographic changes, and shifting consumer preferences. Core real estate market is changing, with office and retail seeing declines while industrial and multifamily continue to perform well.

There is much importance of considering the appropriate asset allocation for public finance investments, based on factors such as capital appreciation and growth potential. Active versus passive management can impact investment fees, with higher fees associated with active management in certain segments.

This being an informational only item, no vote was taken.

#### **4. Adjournment**

A motion to adjourn was made with all in favor, meeting adjourned. Next Pension Commission meeting to be held June 18, 2024.

*Respectfully Submitted:* \_\_\_\_\_  
Ruth Ann Chicoine, Administrator