

**USI NOTES OF SPECIAL MEETING OF THE  
PENSION COMMITTEE OF THE  
REGIONAL UNIVERSITY SYSTEM OF OKLAHOMA  
NWOSU Regents Conference Room  
Second Floor of Herod Hall  
709 Oklahoma Boulevard, Alva, OK 73717  
Thursday, September 5, 2024  
2:00 pm cst.**

1. Announcement of Filing Meeting Notice and Posting of the Agenda in accordance with the Open Meeting Act
  - a. Called meeting to order

Chair David Pecha called the meeting to order at 2:00 p.m.

- b. Roll call

Dennis Westman, Southeastern Oklahoma State University  
Christy Landsaw, Northeastern State University  
David Pecha, Northwestern Oklahoma State University  
Lori Boyd, Southwestern Oklahoma State University  
Kevin Freeman, University of Central Oklahoma  
Darrell Morrison, East Central University  
Regent Chris VanDenhende, Regional University System of Oklahoma  
Brandon Tatum, Regional University System of Oklahoma

- c. Minutes of the January 25,2024 and February 23, 2023, meetings approved.

**David Pecha made the motion, seconded by Christy Landsaw to approve the Meeting Minutes for February 23, 2023 and January 25, 2024.**

**Voting for the motion: Christy Landsaw, David Pecha, Lori Boyd, Kevin Freeman, Dennis Westman, Darrell Morrison, Chris VanDenhende, and Brandon Tatum.**

**Voting Against the motion: None**

2. USI Fiduciary Oversight Review for 403 (b) and 457(b) Plans (Teddie Grant & Andy Ogeare)
  - a. Fiduciary Protocol
  - b. 2024 Q2 Economic Review and Capital Markets Analysis (Teddie)
    - i. Economic Review-2Q24 GDP growth came in at 3% q/q compared to expectations of 1.9% and above last quarter's 1.4%. Overall, the latest report points to less softness than the 1Q print suggested.

- ii. Consumer Spending-On the consumer side, consumers have displayed impressive strength, supported by a tight labor market. Consumer spending grew 2.3% in Q2.
  - iii. Inflation- Inflation has meaningfully declined toward the Federal Reserve's 2% target. The Headline Consumer Price Index ("CPI") fell 0.1% in June, marking the first monthly decline since May 2020.
  - iv. Equity Returns- Equity markets experienced volatility throughout the quarter, reacting to hotter-than-expected inflation readings, slowing economic data, and the Fed's "higher-for-longer" stance. Returns across the major US equity market indices were mixed during Q2, with large cap equities firmly in the leadership position. The broad-market S&P 500 Index returned 4.28%, whereas mid-cap and small equities ended the quarter in negative territory.
  - v. Fixed Income Returns- Bonds produced mixed results in Q1, with longer-duration bonds underperforming their short-duration counterpart. High yield bonds did well during the quarter, a reflection of confidence in the economic outlook and a lower sensitivity to interest rates.
- c. 2024 Q2 Plan Assets & Performance Overview (Teddie)
- i. 403(b) Plan
    - 1. Balances as of end Q1-2024 \$111,813,817
    - 2. Balances as of end Q2-2024 \$112,347,619
  - ii. 457(b) Plan
    - 1. Balances as of end Q1-2024 \$7,750,302
    - 2. Balances as of end Q2-2024 \$8,049,277
  - iii. Due diligence and Performance-All funds in the lineup are currently on hold
- d. Fund Recommendations (Teddie)
- i. Committee approved recommendation for both DC Plans to:
    - a. Move the Dodge and Cox Income Fund I to the Dodge and Cox Income Fund Class X (0.08% saving, based on current assets of \$1,741,692, the investment expense will be reduced by about \$1,393 per annum).

**Kevin Freeman made the motion, seconded by Christy Landsaw to approve moving the Dodge and Cox Income Fund I to the Dodge and Cox Income Fund Class X (0.08% saving, based on current assets of \$1,741,692, the investment expense will be reduced by about \$1,393 per annum).**

**Voting for the motion: Christy Landsaw, David Pecha, Lori Boyd, Kevin Freeman, Dennis Westman, Darrell Morrison, Chris VanDenhende, and Brandon Tatum.**

**Voting Against the motion: None**

- b. Move the Dodge and Cox International Stock Fund Class I to the Dodge and Cox International Stock Fund Class X (0.10% saving, based on current assets of \$1,569,632, the investment expense will be reduced by about \$1,569 per annum).

**Kevin Freeman made the motion, seconded by Christy Landsaw to approve moving the Dodge and Cox International Stock Fund Class I to the Dodge and Cox International Stock Fund Class X (0.10% saving, based on current assets of \$1,569,632, the investment expense will be reduced by about \$1,569 per annum).**

**Voting for the motion: Christy Landsaw, David Pecha, Lori Boyd, Kevin Freeman, Dennis Westman, Darrell Morrison, Chris VanDenhende, and Brandon Tatum.**

**Voting Against the motion: None**

- c. Voya will implement both changes and provide the necessary participant notification
- e. Target Date Fund Analysis (Teddie)-Discussed the TFD report, which included asset class exposure, equity glidepath, fund structure, underlying fund and manager tenure, trailing performance (short, intermediate and long timeframe), rankings, and fees.
- f. Fee Benchmarking (Andy)
  - i. 457(b) Plan-Weighted average investment management cost 0.14%, Voya recordkeeping 0.15%, USI advisory 0.04%. Total fees 0.33%/\$26,466 compared to benchmark range at 0.97%/\$78,128-1.72%/\$138,537. Total fees are below benchmark range.
  - ii. 403(b) Plan- Weighted average investment management cost 0.12%, Voya recordkeeping 0.15%, USI advisory 0.04%. Total fees 0.31%/\$348,337, compared to benchmark range at 0.45%/\$508,133-0.79%/\$892,054. Total fees are below benchmark range.
    - 1. Andy explained USI fees are subject to an annual COLA increase of 3% and have been in place since 2016 but due to the growth of plan by participants and assets the fees are now out of alignment. Further discussions will be held at the next review.
- g. Discussion and possible action regarding the USI Fiduciary Oversight Review

3. Voya Review for 403(b) and 457(b) Plans (David Bowman)
  - a. Statistical highlights of RUSO 403(b) and 457(b) Plans as of June 30, 2024
    - i. 403(b) Plan
      1. 83 new accounts, 2,143 total accounts with 475 separated from service and 1,668 actives
      2. Reviewed breakout of activity and balances per location
      3. Covered participant engagement-95 enrolled in MyOrangeMoney tool
      4. 59 participants enrolled in Managed Accounts
      - 5.
    - ii. 457(b) Plan
      1. 40 new accounts, 413 total accounts with 52 separated from service and 360 actives
      2. Reviewed breakout of activity and balances per location
      3. 7 participants enrolled in Managed Accounts
    - iii. Communication and Education
      1. Covered 2024 Financial Wellness Calendar
      2. Highlighted Voya's resources for continued support of participant education
  - b. Discussion and possible action regarding the Voya 403(b) and 457(b) Plans
4. USI SRA Review as of 06/30/2024 (Alex Cabe)
  - a. Investment Policy Statement- Requesting Committee signature on SRA and DC Plans IPS subject to review
  - b. Rebalancing trades to approve: Central Oklahoma (old and new Plan), East Central (old and New Plan), Northwestern OK State (old and new Plan), Northeastern State (new Plan), Southeastern OK State (new Plan). Committee approved the trades on p.55 of the RUSO SRA Q2 2024 Fiduciary Oversight Review report. Update- trades processed by TIAA effective 9/17/2024.
  - c. TIAA Traditional 10% redemptions for 2024 (completed this year)
  - d. Estimated contribution funding for 2025 (should be available for the Q3 2024 reporting cycle)
  - e. Balances:
    - i. As of end Q1-2024 \$30,978,088
    - ii. As of end Q2-2024 \$33,321,954
  - f. Action History Report: All funds with status of 'hold' except the TIAA Real Estate Account with a status of "N"
  - g. Performance: Fund performance for the large growth fund and bond fund were good relative to the market benchmark and peer category. The Nuveen Equity Index fund, while having a lower expense ratio than the prior CREF Equity Index and better net performance, has concerns that minus the fee expense, it is not properly tracking the S&P 500 index
  - h. Discussion and possible action regarding SRA review- USIA to explore TIAA/Cref fund alternatives for the SRA Plan

5. USI OPEB Review as of 06/30/2024 (Alex Cabe)
  - a. Share class enhancement- First Eagle Overseas I (SGOIX) to First Eagle Overseas R6 (FEORX) which has 0.80% expense ratio (vs 0.89) and based on current assets of \$1.42 mil (would reduce investment expense by about \$1,275 per annum). Bank of Oklahoma advised this change was made in February of this year,
  - b. Long/short funds in portfolio- performance in line with peers, but mixed results when compared to a market benchmark
  - c. Balances:
    - i. As of end Q1-2024 \$31,191,106
    - ii. As of end Q2-2024 \$31,645,898
  - d. Action History Report: All fund with status of “hold”
  - e. Discussion and possible action regarding the OPEB Review- continue to monitor investment expenses and fund performance
  
6. Adjournment

The meeting adjourned by acclamation at 5:00 p.m.