2020

Uniform Retirement System for Justices and Judges

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2020 and June 30, 2019

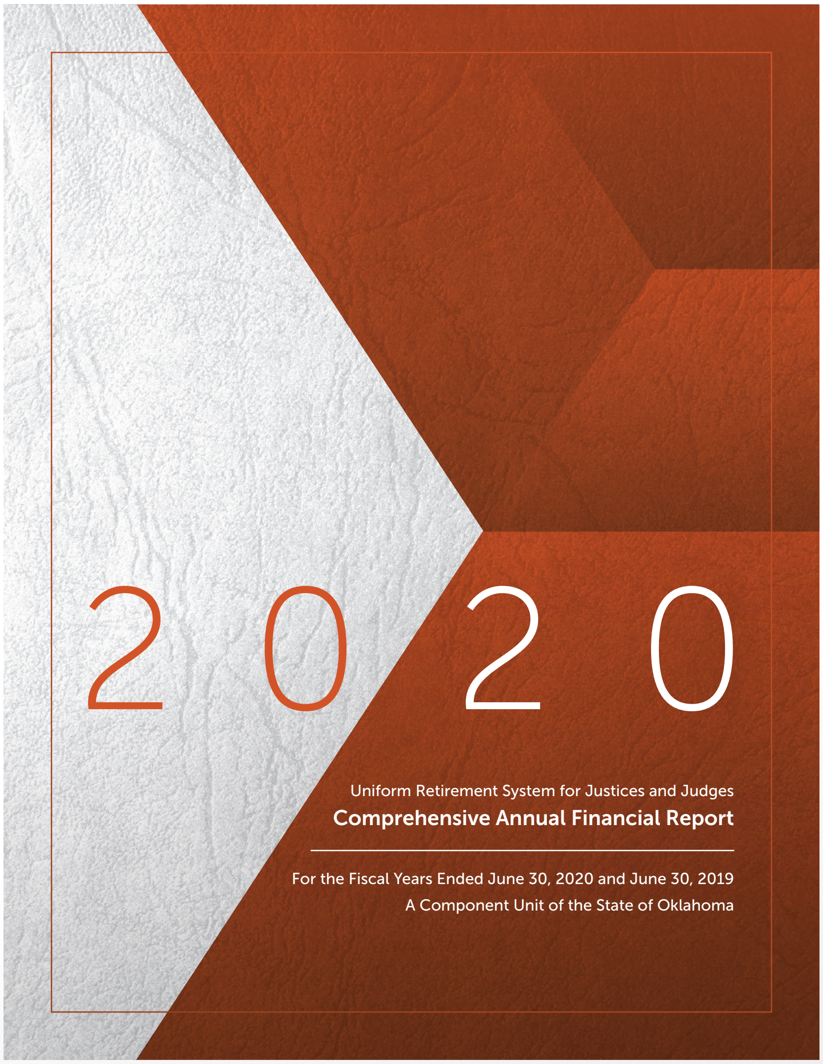
A Component Unit of the State of Oklahoma

This past year, the State of Oklahoma embarked on a new branding initiative to highlight what is unique about our great state. The inspiration of the chevron logo design represents the earth, sky, water, agriculture and forest. The points come together to form a star at the center. These elements embody the sheer determination of our citizens and our state: its diverse terrain and economy. One thing always rings true: Oklahomans have an authentic spirit that has continued since before statehood.

OKLAHOMA

These same qualities represent the Uniform Retirement System for Justices and Judges and its members. That spirit is reflected in the information contained in this report. The URSJJ maintains fiscal responsibility to ensure the system fulfills its mission of helping build a secure retirement for its members. We adapt to changes and meet challenges head-on.

Just as the star is the center of the new state logo, so are the URSJJ members at the center of our fiduciary responsibility and decision-making. Our members and staff reflect the ideas and qualities of the great State of Oklahoma: determination, innovation and authenticity. We look forward to building upon the legacy that has created a financially sound retirement system for the employees of the State of Oklahoma.



This report was prepared by the staff of the Oklahoma Public Employees Retirement System.

This publication is issued by the Oklahoma Public Employees Retirement System as authorized by its Executive Director. Copies have not been printed but are available through the agency website. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

INTRODUCTORY SECTION

6 Letter of Transmittal
9 Chairperson's Letter
10 Board of Trustees
11 Organizational Structure
11 Advisors and Consultants
12 Certificate of Achievement for Excellence in Financial Reporting

FINANCIAL SECTION

14 Independent Auditor's Report
16 Management's Discussion and Analysis

Financial Statements:

24 Statements of Fiduciary Net Position
26 Statements of Changes in Fiduciary Net Position
28 Notes to Financial Statements

Required Supplementary Information:

46 Schedule of Changes in the Net Pension Liability - Schedule 1
46 Schedule of the Net Pension Liability - Schedule 1
47 Schedule of Pension Employer Contributions - Schedule 2
48 Schedule of Money-Weighted Rate of Return on Pension Plan Investments - Schedule 3
49 Schedule of Changes in the Net HISP Liability - Schedule 4
49 Schedule of the Net HISP Liability - Schedule 4
50 Schedule of HISP Employer Contributions - Schedule 5
51 Schedule of Money-Weighted Rate of Return on HISP Investments - Schedule 6

Supplementary Information:

52 Schedule of Investment Expenses - Schedule 7
53 Schedule of Administrative Expenses - Schedule 8
54 Schedule of Professional/Consultant Fees - Schedule 9

INVESTMENT SECTION

56 Investment Consultant's Report
61 Chief Investment Officer's Report
68 Largest Holdings
69 Investment Portfolio by Type and Manager
70 Asset Comparison

ACTUARIAL SECTION

72 2020 Certification of Actuarial Valuation
74 Summary of Results
75 Analysis of Financial Experience
76 Solvency Test
77 Schedule of Active Member Valuation Data
77 Schedule of Retirants, Disabled Retirants and Beneficiaries Added to and Removed from Rolls
78 Summary of System Provisions
80 Summary of Actuarial Assumptions and Methods

STATISTICAL SECTION

83 Statistical Section Narrative Explanation
84 Schedule of Changes in Fiduciary Net Position
85 Schedule of Revenue by Source
85 Schedule of Expenses by Type
86 Schedule of Benefit Payments and Refunds by Type
86 Funded Ratio Chart
87 Schedule of Retired Members by Type of Benefit
88 Schedule of Average Benefit Payments
89 Principal Employer
89 Demographics Chart
90 Member Statistics
91 Distribution of Retirees and Beneficiaries
92 Summary of Active Members

INTRODUCTION

6 Letter of Transmittal
9 Chairperson's Letter
10 Board of Trustees
11 Organizational Structure
11 Advisors and Consultants
12 Certificate of Achievement for Excellence in Financial Reporting

Letter of Transmittal

Oklahoma Public Employees Retirement System
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3077

800.733.9008 toll-free
405.848.5946 fax

November 12, 2020

To the Board of Trustees of the Oklahoma Public Employees Retirement System

and Members of the Uniform Retirement System for Justices and Judges:

State law requires that, after July 1 and before December 1 of each year, the Uniform Retirement System for Justices and Judges (the System) publish an annual report that covers the operation of the System during the past fiscal year, including income, disbursements and the financial condition at the end of the fiscal year. This report is published, in part, to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, Certified Public Accountants, has issued an unmodified opinion on the Uniform Retirement System for Justices and Judges' statement of fiduciary net position as of June 30, 2020, and the related statement of changes in fiduciary net position for the year then ended. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Plan

The System is a single-employer public employee retirement plan, which is a defined benefit pension plan, covering all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. The System is administered by the Oklahoma Public Employees Retirement System (OPERS) and its Board of Trustees (the Board). The employee and employer contribution rates are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation which is performed to determine the adequacy of such contribution rates.

Members qualify for full retirement benefits at their normal retirement age, defined as: (1) when the sum of the member's age and years of credited service equals 80 or (2) at age 65 with 8 years of judicial service, (age 67 with 8 years of judicial service if becoming a member on or after January 1, 2012), or (3) at age 60 with 10 years of judicial service (age 62 with 10 years of judicial service if becoming a member on or after January 1, 2012). Benefits are determined at 4% of the member's average salary, as defined, multiplied by the number of years of service, not to exceed 100% of the member's average monthly salary received as a Justice or Judge for the highest 36 months of compensation. Justices and Judges retiring after September 1, 2005, may elect a maximum benefit with no survivor option or one of two actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. The original surviving spouse benefit for married Judges who were members prior to September 1, 2005, continues to be available. All Justices and Judges pay a uniform contribution rate of 8%.

The System also administers the Health Insurance Subsidy Plan (HISP), a cost-sharing multiple-employer defined benefit other post-employment benefit (OPEB) plan that provides OPEB covering the same categories of employees covered by the pension plan. HISP provides a health insurance premium subsidy for retirees of the System who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID). This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries.

The Board of Trustees of OPERS consists of fourteen appointed members, some by position and some by association. Those serving through position are a member of the Corporation Commission or the Commission's designee selected by the Commission, the Director of the Office of Management and Enterprise Services or the Director's designee, the State Insurance Commissioner or the Commissioner's designee, the Director of Human Capital Management of the Office of Management and Enterprise Services, a member of the Tax Commission selected by the Tax Commission, and the State Treasurer or the Treasurer's designee. Of the remaining members, three are appointed by the Governor, one is appointed by the Supreme Court, two are appointed by the Speaker of the House of Representatives and two are appointed by the President Pro Tempore of the Senate. Qualifications for certain of these appointees include a balance of individuals having experience in investment management, pension management, public fund management, the banking profession or a licensed attorney or a licensed accountant.

Each year, OPERS, along with other state agencies, is required to file a budget work program with the Office of Management and Enterprise Services. Administrative overhead expenses of URSJJ, including personnel and other supporting services costs, are paid for by OPERS and allocated to URSJJ based on an estimate of the cost of services provided. The allocated costs are charged to URSJJ and paid with funds provided through operations of URSJJ. The OPERS budget work program, which includes the costs related to URSJJ, is approved by the Board and includes a description of all funds available for expenditure and shows spending by major program category. URSJJ receives no state appropriations and is funded through employee and employer contributions and investment earnings.

Additionally in each even-numbered year, OPERS, along with other state agencies, must file a strategic plan covering five fiscal years beginning with the next odd-numbered fiscal year. The strategic plan includes a mission statement, the core values and behaviors inherent to operations, and a summary of goals and objectives to be achieved through specific projects outlined for the five-year period. The mission of the OPERS Board and staff is to provide and promote comprehensive, accountable and financially sound retirement services to Oklahoma's public servants in a professional, efficient and courteous manner. The core values and behaviors inherent to the agency's operations are honesty and integrity; excellence in customer experience; quality in service delivery; collaboration and community; and strategic perspective. The summary of goals and objectives outlined in the strategic plan are:

- Create an excellent customer experience for members
- Improve the stability, reliability and security of agency resources and data
- Enhance digital resources to streamline service delivery
- Empower employees and members through knowledge and resources
- Foster a culture of employee development and success

Investments

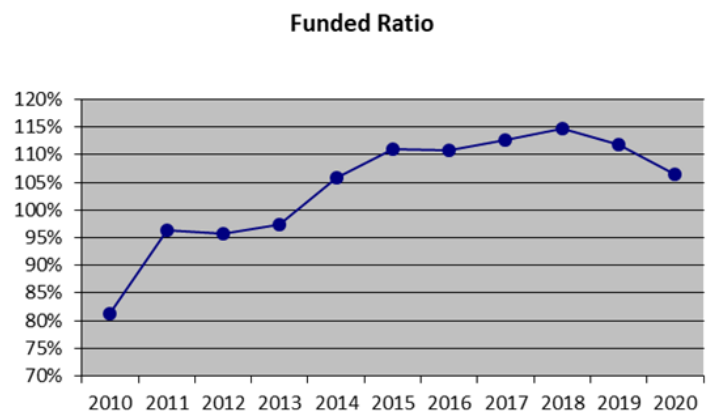
The standard for URSJJ in making investments is to exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and unless under the circumstances it is clearly prudent not to do so. URSJJ's funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and diversification, both by and within asset classes, as the primary risk control element. Passive fund portfolios are considered to be suitable investment strategies, especially in highly efficient markets.

The Board engages outside investment managers to manage the various asset classes where URSJJ has exposure. At fiscal year end, the investment portfolio of URSJJ was actively managed by three fixed income managers and passively managed by another investment manager with holdings in one fixed income index fund, two domestic equity index funds and one international equity index fund.

Included in the Investment Section of this report are a summary of the Investment Portfolio by Type and Manager and a comparison of the above amounts to the target allocations, as shown in the Asset Comparison chart. For fiscal year 2020, investments provided a 4.6 percent rate of return. The annualized rate of return for URSJJ was 6.4 percent over the last three years and 6.4 percent over the last five years.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for URSJJ is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is that the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets as of July 1, 2020 amounted to $333.0 million and $354.5 million, respectively.



The URSJJ funded status decreased to 106.4 percent at July 1, 2020. The URSJJ funded ratio was at a low point 81.3 percent at July 1, 2010 before rebounding significantly to 96.3 percent at July 1, 2011 due to the removal of the cost-of-living-adjustment (COLA) assumption, and increased further to 114.8 as of July 1, 2018. The funded ratio was 148.2 percent at June 30, 2002. In part this overall decline was due to an employer contribution rate decrease in January 2001 and the lifting of the salary cap for benefit calculation for the past seven years. Effective July 1, 2005, in an effort to address the decline, the employer rate was increased 1.0 percent annually for two years, and at July 1, 2007 it was increased 1.5 percent annually up to 22.0 percent for fiscal years ending 2019 and thereafter. However, based on a projection model prepared by the URSJJ actuary, the scheduled increases in the statutory contribution rate are not expected to be sufficient to reach the actuarial contribution rate before the end of the amortization period of the unfunded actuarial accrued liability, even if all the actuarial assumptions are met in future years. The Legislature has provided a statutory requirement that retirement bills be analyzed for actuarial fiscal impact and contains adequate funding sources sufficient to pay the cost of the change. In the session ended May 2009 the Legislature designated $6.0 million in the Supreme Court's Management Information System Fund to pay employer contributions to the Plan in fiscal year 2010. A detailed discussion of funding is provided in the Actuarial Section of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Uniform Retirement System for Justices and Judges for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-second year URSJJ has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of OPERS. We wish to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the financial management of the Uniform Retirement System for Justices and Judges.

Respectfully submitted,

Joseph A. Fox	Brian Wolf
Executive Director	Chief Financial Officer and Director of Finance

Chairperson's Letter

Oklahoma Public Employees Retirement System
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3007

800.733.7008 toll-free
405.848.5946 fax

November 12, 2020

Dear OPERS Members:

On behalf of the Board of Trustees, I am pleased to present the Comprehensive Annual Financial Report for the Uniform Retirement System for Justices and Judges (URSJJ) for the fiscal year ending June 30, 2020.

This report is designed to provide a detailed look at the financial, investment and actuarial aspects of the System, which continues to be a strong retirement system.

You are encouraged to carefully review this report, as it contains a wealth of information about your retirement system. If you have questions or comments, please feel free to contact us. We can be reached at P.O. Box 53007, Oklahoma City, Oklahoma 73152-3007. Our telephone number is 405-858-6737 (or toll-free 1-800-733-9008).

I also want to thank the staff for their diligent work in preparing this report and their commitment to continually improve the administrative operations necessary to operate your retirement system.

Sincerely,

Dana Webb
Chairperson

BOARD OF TRUSTEES

Dana Webb, Chair
Administrator,
Human Capital Management,
Office of Management and
Enterprise Services

Clark Jolley, Vice Chair
Member of Tax Commission
selected by Commission

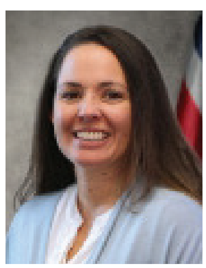
Bob Anthony
Corporation
Commissioner

Jari Askins
Appointee, Supreme
Court

Quyen Do
Appointee, Speaker of the
House of Representatives

John Hastings
Appointee, Governor

Don Kilpatrick
Appointee, President Pro
Tempore of the Senate

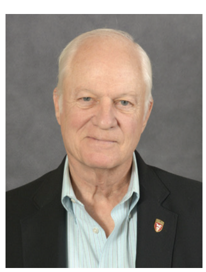


Brandy Manek
Designee, Director of the
Office of Management and
Enterprise Services

Randy McDaniel
State Treasurer

Grace McMillan
Appointee, Governor

Glen Mulready
State Insurance
Commissioner



Edward Peterson
Appointee, President Pro
Tempore of the Senate

Tracey Ritz
Appointee, Speaker of the
House of Representatives

Grant Soderberg
Appointee, Governor

ORGANIZATIONAL STRUCTURE

- **BOARD OF TRUSTEES**
  - ADVISORS AND CONSULTANTS
  - **Joseph A. Fox** — Executive Director
    - **Paul Thompson** — Deputy Executive Director
      - **Brian Wolf** — Director of Finance and CFO
        - **Eriola Lyon** — Assistant CFO Financial Services
      - **Ashish Pai** — Director of Information Technology
      - **Vacant** — Director of Member Services
        - **Kristen Lancaster** — Administrator Retirement Benefits
        - **Stephanie White** — Manager Communications
      - **Marc Pierce** — Administrator of Defined Contribution Plans
    - **Brad Tillberg** — Chief Investment Officer
  - **Dessa Baker** — General Counsel
    - **Kristi Ice** — Director Legislative and Policy

ADVISORS AND CONSULTANTS

Master Custodian
The Northern Trust Company
Chicago, Illinois

Investment Consultant
Verus Advisory, Inc.
Seattle, Washington

Independent Auditors
Eide Bailly LLP
Oklahoma City, Oklahoma

Actuarial Consultant
Cavanaugh Macdonald Consulting, LLC
Kennesaw, Georgia

Internal Auditors
Finley & Cook PLLC
Shawnee, Oklahoma

*The Schedules of Investment Expenses and Professional/Consultant Fees (pages 52 and 54, respectively) in the Financial Section provide more information regarding advisors and consultants.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Uniform Retirement System for Justices and Judges Oklahoma

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL

14 Independent Auditor's Report
16 Management's Discussion and Analysis
Financial Statements:
24 Statements of Fiduciary Net Position
26 Statements of Changes in Fiduciary Net Position
28 Notes to Financial Statements
Required Supplementary Information:
46 Schedule of Changes in the Net Pension Liability - Schedule 1
46 Schedule of the Net Pension Liability - Schedule 1
47 Schedule of Pension Employer Contributions - Schedule 2
48 Schedule of Money-Weighted Rate of Return on Pension Plan Investments - Schedule 3
49 Schedule of Changes in the Net HISP Liability - Schedule 4
49 Schedule of the Net HISP Liability - Schedule 4
50 Schedule of HISP Employer Contributions - Schedule 5
51 Schedule of Money-Weighted Rate of Return on HISP Investments - Schedule 6
Supplementary Information:
52 Schedule of Investment Expenses - Schedule 7
53 Schedule of Administrative Expenses - Schedule 8
54 Schedule of Professional/Consultant Fees - Schedule 9

EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Trustees
Uniform Retirement System for Justices and Judges
Oklahoma City, Oklahoma

Report on the Financial Statements
We have audited the accompanying financial statements of the Uniform Retirement System for Justices and Judges (the System), a component unit of the State of Oklahoma, which comprise the statements of fiduciary net position as of June 30, 2020 and 2019, and the related statements of changes in fiduciary net position, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

What inspires you, inspires us. | eidebailly.com

621 N. Robinson Ave., Ste. 200 | Oklahoma City, OK 73102-6232 | T 405.594.2000 | F 405.594.2053 | EOE

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Uniform Retirement System for Justices and Judges, as of June 30, 2020 and 2019, and the respective statements of changes in fiduciary net position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements of the Uniform Retirement System for Justices and Judges, are intended to present the fiduciary net position, and the changes in fiduciary net position of only that portion of the System. They do not purport to, and do not, present fairly the fiduciary net position of other Plans governed by the Oklahoma Public Employees Retirement System Board of Trustees, as of June 30, 2020 and 2019, and the changes in its fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as referenced within the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information accompanying financial information listed as other supplementary information, as referenced within the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Oklahoma City, Oklahoma
October 5, 2020

Management's Discussion and Analysis (Unaudited)

As management of the Uniform Retirement System for Justices and Judges (the System) we offer readers of the System's financial statements this narrative overview and analysis of the financial activities of the System for the fiscal years ended June 30, 2020, 2019 and 2018.

Financial Highlights

- The net position restricted for pension and health insurance subsidy plan (HISP) totaled $350.9 million at June 30, 2020, compared to $347.5 million at June 30, 2019 and $338.0 at June 30, 2018. The net position restricted for pension/HISP benefits is available for payment of monthly retirement benefits and other qualified distributions to the System's participants. The increase of $3.4 million and increase of $9.5 million of the respective years have resulted primarily from the changes in the fair value of the System's investments.
- At June 30, 2020, the total number of members participating in the System was 582, compared to 587 at June 30, 2019. The total number of retirees increased to 304 for June 30, 2020 compared 300 for June 30, 2019.

Overview of the Financial Statements

The System is a single-employer defined benefit pension plan. The System covers all Justices and Judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts. Benefits are determined at 4% of the average monthly compensation received as a justice or judge based on the highest thirty-six months of compensation multiplied by the number of years of credited service, not to exceed 100% of the retiree's average monthly salary received as a justice and judge for the highest thirty-six months of compensation. Normal retirement ages under the System are 62 with 10 years of judicial service, 67 with 8 years of judicial service, or when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80). Members become eligible to vest fully upon termination of employment after attaining eight years of service as a justice or judge, or the members' contributions may be withdrawn upon termination of employment.

The System also includes a single-employer defined benefit public employee other post-employment benefit plan. This plan is called the Health Insurance Subsidy Plan (HISP), and it provides a health insurance premium subsidy for retirees of the System who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries.

The System's financial statements are comprised of Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position for both pensions and HISP, and Notes to Financial Statements. Also included is certain required supplementary information and supplementary information for both pensions and HISP.

The System is a component unit of the state of Oklahoma (the State) and is administered by the Oklahoma Public Employees Retirement System, a component unit of the State, which together with the System and other similar funds comprise the fiduciary-pension and HISP trust funds of the State.

Management's Discussion and Analysis (continued)
(Unaudited)

The *Statements of Fiduciary Net Position* present information on the System's assets, liabilities and the resulting *net position restricted for pensions and HISP.* This statement reflects the System's investments, at fair value, along with cash and cash equivalents, receivables, and other assets and liabilities.

The *Statements of Changes in Fiduciary Net Position* present information showing how the System's net position restricted for pensions and HISP changed during the years ended June 30, 2020 and 2019. It reflects contributions by members and participating employers along with deductions for retirement benefits, refunds and withdrawals, and administrative expenses. Investment income during the period is also presented showing income from investing and securities lending activities.

The *notes to financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

The *required supplementary information* presents a schedule of changes in the net pension asset, schedule of pension employer contributions, schedules of money-weighted rate of return on pension plan investments, schedule of changes in the net HISP asset/liability, schedule of HISP employer contributions, and schedules of money-weighted rate of return on HISP investments. Schedules of certain expenses and fees paid are presented as *supplementary information*.

Financial Analysis

The following are the condensed Schedules of Fiduciary Net Position and Changes in Fiduciary Net Position for the Uniform Retirement System for Justices and Judges for the fiscal years ended June 30, 2020, 2019, and 2018.

Condensed Schedules of Fiduciary Net Position

($ millions)	2020			2019			2018		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Assets:									
Cash and cash equivalents	$ 9.7	$ 0.1	$ 9.8	$ 4.3	$ -	$ 4.3	$ 8.1	$ 0.1	$ 8.2
Receivables	8.9	0.1	9.0	10.3	0.1	10.4	7.7	0.1	7.8
Investments	344.8	3.4	348.2	342.2	3.3	345.5	338.0	3.1	341.1
Securities lending collateral	17.5	0.2	17.7	12.4	0.1	12.5	14.3	0.1	14.4
Total assets	380.9	3.8	384.7	369.2	3.5	372.7	368.1	3.4	371.5
Liabilities:									
Other liabilities	15.9	0.2	16.1	12.6	0.1	12.7	18.9	0.2	19.1
Securities lending collateral	17.5	0.2	17.7	12.4	0.1	12.5	14.3	0.1	14.4
Total liabilities	33.4	0.4	33.8	25.0	0.2	25.2	33.2	0.3	33.5
Ending fiduciary net position	$ 347.5	$ 3.4	$ 350.9	$ 344.2	$ 3.3	$ 347.5	$ 334.9	$ 3.1	$ 338.0

Condensed Schedules of Changes in Fiduciary Net Position

($ millions)	2020			2019			2018		
	Pension	HISP	Combined	Pension	HISP	Combined	Pension	HISP	Combined
Member contributions	$ 2.8	$ -	$ 2.8	$ 2.7	$ -	$ 2.7	$ 2.6	$ -	$ 2.6
Participating court employers	7.4	0.2	7.6	7.1	0.2	7.3	6.5	0.2	6.7
Net investment income	15.5	0.1	15.6	20.1	0.2	20.3	26.2	0.2	26.4
Total additions	25.7	0.3	26.0	29.9	0.4	30.3	35.3	0.4	35.7
Retirement, death and survivor benefits	22.0	0.2	22.2	20.4	0.2	20.6	18.5	0.2	18.7
Refunds and withdrawals	0.2	-	0.2	-	-	-	-	-	-
Administrative expenses	0.2	-	0.2	0.2	-	0.2	0.2	-	0.2
Total deductions	22.4	0.2	22.6	20.6	0.2	20.8	18.7	0.2	18.9
Net increase in fiduciary net position	3.3	0.1	3.4	9.3	0.2	9.5	16.6	0.2	16.8
Beginning of year	344.2	3.3	347.5	334.9	3.1	338.0	318.3	2.9	321.2
End of year	$ 347.5	$ 3.4	$ 350.9	$ 344.2	$ 3.3	$ 347.5	$ 334.9	$ 3.1	$ 338.0

Management's Discussion and Analysis (continued)
(Unaudited)

For the year ended June 30, 2020, fiduciary net position increased $3.4 million, or 1.0%. Total assets increased by $12.0 million, or 3.2%, due to an increase of 0.8% in investments, an increase of 41.6% in securities lending collateral and partially offset by a decrease of 13.5% in receivables. The System achieved a rate of return of 4.6% compared to the prior year of 6.2% resulting in the majority of the increase in fiduciary net position. Total liabilities increased 34.1% primarily due to an 26.7% increase in pending purchases of securities and a 41.6% increase in securities lending collateral.

Fiscal year 2020 showed a $4.3 million decrease in total additions and a $1.8 million increase in total deductions. Compared to the prior year, additions decreased 14.2% due to investment income decreasing $4.7 million mostly due to lower appreciation this year. The 8.7% increase in total deductions was primarily due to a 7.8% increase in retirement benefits. Administrative costs were consistent with prior year.

For the year ended June 30, 2019, fiduciary net position increased $9.5 million, or 2.8%. Total assets increased by $1.2 million, or 0.3%, due to an increase of 1.3% in investments, an increase of 33.3% in receivables partially offset by a decrease of 13.2% in securities lending collateral. The System achieved a rate of return of 6.2% compared to the prior year of 8.4% resulting in the majority of the increase in fiduciary net position. Total liabilities decreased 24.8% primarily due to an 33.7% decrease in pending purchases of securities and a 13.2% decrease in securities lending collateral.

Fiscal year 2019 showed a $5.4 million decrease in total additions and a $1.9 million increase in total deductions. Compared to the prior year, additions decreased 15.1 % due to a decrease in the fair value of investments of $6.5 million. The 10.1% increase in total deductions was primarily due to a 10.2% increase in retirement benefits. Administrative costs were 9.3% more when compared to the prior year due to IT consulting services that were new in fiscal year 2019.

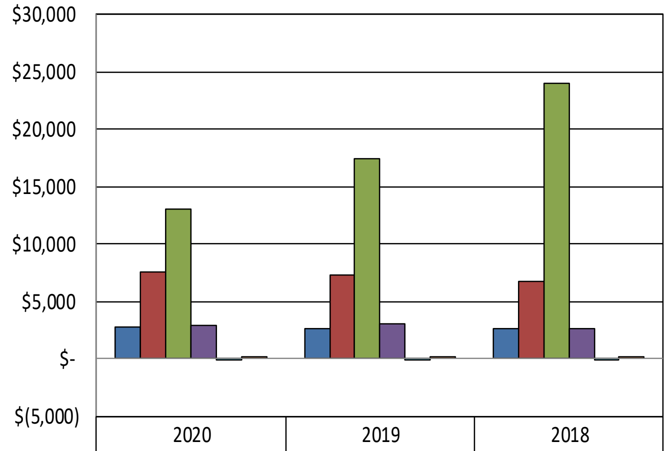
Additions to Fiduciary Net Position

For the year ended June 30, 2020, additions to fiduciary net position decreased $3.4 million, or 1.0%, from the prior year. The significant decrease in the appreciation in the fair value of investments from prior year of $4.5 million is reflective of the softening market, compared to fiscal year 2019. Interest income decreased $0.1 million and securities lending income increased 76.0%. Contributions increased $0.4 million, or 4.0%, because of the statutory increase in the contribution percentage for participating court employers.

For the year ended June 30, 2019, additions to fiduciary net position decreased $5.4 million, or 15.1%, from the prior year. The significant decrease in the appreciation in the fair value of investments from prior year of $6.1 million is reflective of the softening market, compared to fiscal year 2018. Interest income increased $0.4 million and securities lending income decreased 50.0%. Contributions increased $0.7 million, or 7.6%, because of the statutory increase in the contribution percentage for participating court employers.

Management's Discussion and Analysis (continued)
(Unaudited)

Additions to Fiduciary Net Position
Comparative Data for Fiscal Years Ended June 30, 2020, 2019 and 2018
($ thousands)



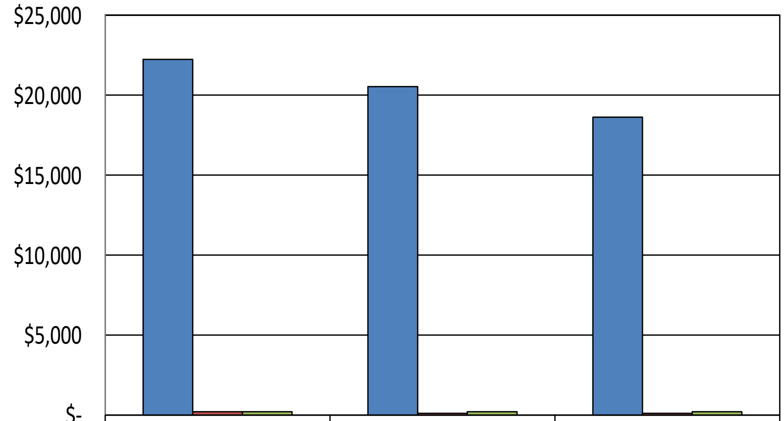
	2020	2019	2018
Member contributions	$2,766	$2,667	$2,608
Court employer contributions	7,587	7,333	6,684
Net appreciation (depreciation)	12,974	17,451	23,989
Interest, dividends, and other investment income	2,818	2,965	2,556
Investment expenses	(156)	(135)	(155)
Securities lending income	44	25	50

Reductions to Fiduciary Net Position

For the year ended June 30, 2020, total deductions on the following page increased $1.8 million, or 8.5%, from the prior year. Retirement, death, and survivor benefits increased $1.7 million, or 8.0%, and the average benefit increased 4.6% compared to the prior year due to a 1.3% increase in the number of retirees. Refunds and withdrawals increased 180% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs increased 3.5% when compared to the prior year.

Management's Discussion and Analysis (continued)
(Unaudited)

Deductions to Fiduciary Net Position
Comparative Data for Fiscal Years Ended June 30, 2020, 2019 and 2018
($ thousands)



	2020	2019	2018
Retirement, death and survivor benefits	$22,234	$20,581	$18,643
Refunds and withdrawals	185	66	52
Administrative expenses	176	170	156

For the year ended June 30, 2019, total deductions increased $1.9 million, or 10.1%, from the prior year. Retirement, death, and survivor benefits increased $1.9 million, or 10.2%, and the average benefit increased 5.5% compared to the prior year due to a 10.3% increase in the number of retirees. Refunds and withdrawals increased 26.9% from the prior year because the total amount withdrawn is dependent on contribution amounts of the specific members electing to withdraw contributions each year. Administrative costs increased 9.3% when compared to the prior year due to new IT consulting cost for fiscal year 2019.

Management's Discussion and Analysis (continued)
(Unaudited)

Investments

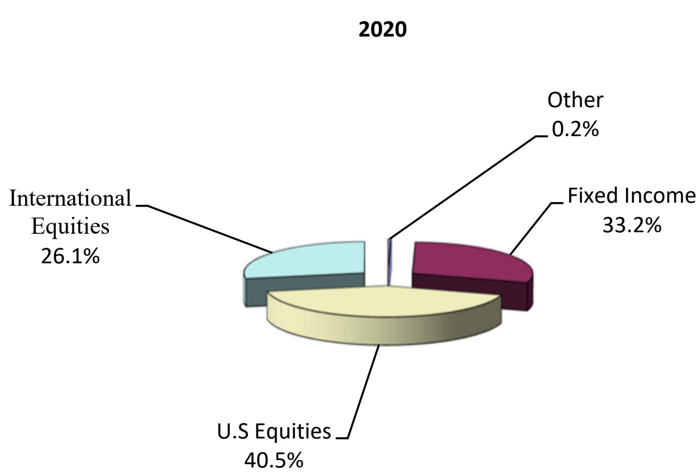
The investment portfolio is reported in the chart below by the asset class of the investment managers' portfolios which includes the cash equivalents in those portfolios. In April 2017, the System's Board voted to modify the policy asset allocation to increase exposure to international equity and reduce exposure to U.S. equity. A summary of the System's cash equivalents and investments for fiscal years ended June 30, 2020, 2019 and 2018 is as follows:

Cash, Cash Equivalents, and Investment Portfolio

($ millions)	June 30, 2020	June 30, 2019	June 30, 2018
Fixed income	$ 123.9	$ 110.0	$ 110.7
U.S. equities	141.7	142.8	142.7
International equities	91.5	95.9	94.4
Other	0.8	1.1	1.4
Total managed investments	357.9	349.8	349.2
Cash equivalents on deposit with State	0.1	0.1	0.1
Securities lending collateral	17.7	12.5	14.4
Total cash, cash equivalents, and investments	$ 375.7	$ 362.4	$ 363.7

The 2020 increase in the System's managed investments is due mainly in the increase in fixed income investments and securities lending collateral. The System's overall return for the year ended June 30, 2020 was 4.6%. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 5.3% and negative 4.6%, respectively. Fixed income showed a return of 11.8%. An amount of $11.2 million of the portfolio was used to supplement the cash requirements of monthly retiree benefit payments. The change in securities lending collateral is dependent on the securities loaned by the System's master custodian at year end.

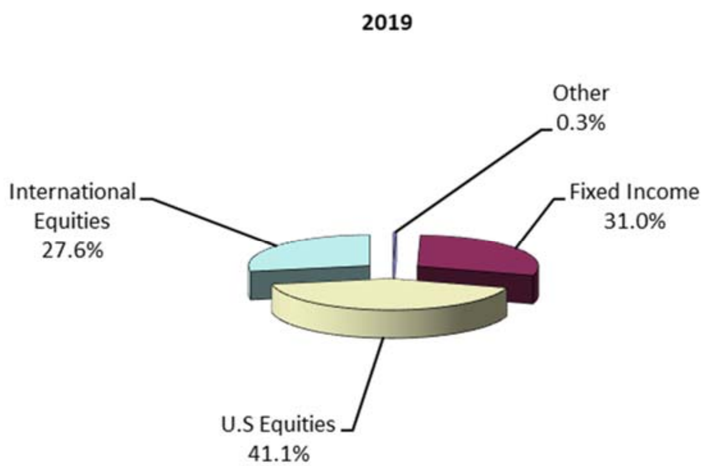
As of June 30, 2020, the distribution of the System's investments including accrued income and pending trades was as follows:

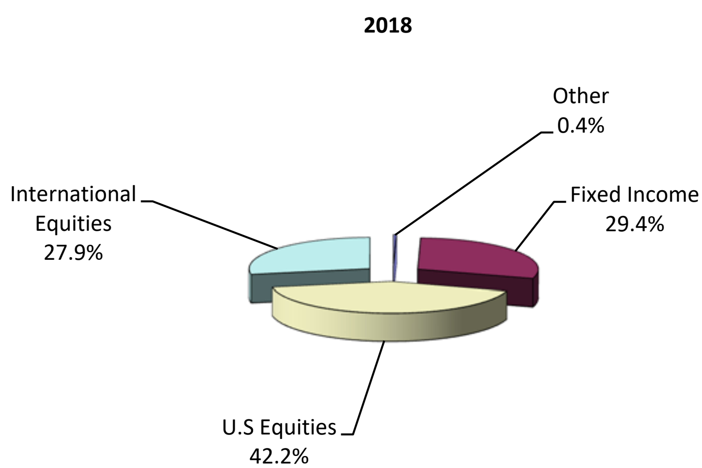


Management's Discussion and Analysis (continued)
(Unaudited)

The 2019 decrease in the System's managed investments is due mainly in the decrease in securities lending collateral. The System's overall return for the year ended June 30, 2019 was 6.2%. Equity index funds correlated closely with market trends with U.S. and international equities showing returns of 7.75% and 1.58%, respectively. Fixed income showed a return of 8.41%. An amount of $10.35 million of U.S. equities was used to supplement the cash requirements of monthly retiree benefit payments. The change in securities lending collateral is dependent on the securities loaned by the System's master custodian at year end.

As of June 30, 2019 and 2018 the distribution of the System's investments including accrued income and pending trades was as follows:





Management's Discussion and Analysis (continued)
(Unaudited)

Economic Factors

Ratio of Fiduciary Net Position to Total Pension Liability and to Total HISP Liability

The ratio of fiduciary net position to the total pension liability was as follows:

	June 30, 2020	2019	2018
Total pension liability	$ 330,152,206	$ 305,801,494	$ 290,379,164
Plan fiduciary net position	$ 347,508,299	$ 344,205,778	$ 334,896,669
Ratio of fiduciary net position to total pension liability	105.26%	112.56%	115.33%

The ratio of fiduciary net position to the total HISP liability was as follows:

	June 30, 2020	2019	2018
Total HISP liability	$ 2,870,520	$ 2,813,691	$ 2,724,325
Plan fiduciary net position	$ 3,453,996	$ 3,317,718	$ 3,138,717
Ratio of fiduciary net position to total HISP liability	120.33%	117.91%	115.21%

Plan Amendment

Other

The actuarial assumptions used in the July 1, 2020, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019.

Other than changes in the fair value of System assets as may be impacted by the equity and bond markets, no other matters are known by management to have a significant impact on the operations or financial position of the System.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Reporting Division, OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73152-3007.

Statements of Fiduciary Net Position

As of June 30, 2020

	Pension Plan	Health Insurance Subsidy Plan	Combined
Assets			
Cash equivalents	$ 9,720,373	$ 51,215	$ 9,771,588
Receivables:			
Member contributions	208,119	-	208,119
Participating court employers	566,615	5,712	572,327
Due from brokers for securities sold	7,653,484	77,146	7,730,630
Accrued interest and dividends	498,912	5,028	503,940
Total receivables	8,927,130	87,886	9,015,016
Investments, at fair value:			
Short-term investments	88,182	889	89,071
Government obligations	75,540,936	761,447	76,302,383
Corporate bonds	38,265,980	385,718	38,651,698
Domestic equities	140,319,757	1,414,415	141,734,172
International equities	90,595,713	913,198	91,508,911
Securities lending collateral	17,478,161	176,178	17,654,339
Total investments	362,288,729	3,651,845	365,940,574
Total assets	380,936,232	3,790,946	384,727,178
Liabilities			
Due to brokers and investment managers	15,949,772	160,772	16,110,544
Securities lending collateral	17,478,161	176,178	17,654,339
Total liabilities	33,427,933	336,950	33,764,883
Net position restricted for pension/HISP benefits	$ 347,508,299	$ 3,453,996	$ 350,962,295

See accompanying notes to financial statements.

Statements of Fiduciary Net Position

As of June 30, 2019

	Pension Plan	Health Insurance Subsidy Plan	Combined
Assets			
Cash equivalents	$ 4,273,548	$ 48,710	$ 4,322,258
Receivables:			
Participating court employers	5,172	50	5,222
Due from brokers for securities sold	9,804,443	94,286	9,898,729
Accrued interest and dividends	542,601	5,218	547,819
Total receivables	10,352,216	99,554	10,451,770
Investments, at fair value:			
Short-term investments	562,531	5,410	567,941
Government obligations	73,347,906	705,361	74,053,267
Corporate bonds	31,829,116	306,089	32,135,205
Domestic equities	141,471,665	1,360,483	142,832,148
International equities	94,991,576	913,500	95,905,076
Securities lending collateral	12,386,691	119,118	12,505,809
Total investments	354,589,485	3,409,961	357,999,446
Total assets	369,215,249	3,558,225	372,773,474
Liabilities			
Due to brokers and investment managers	12,622,780	121,389	12,744,169
Securities lending collateral	12,386,691	119,118	12,505,809
Total liabilities	25,009,471	240,507	25,249,978
Net position restricted for pension/HISP benefits	$ 344,205,778	$ 3,317,718	$ 347,523,496

See accompanying notes to financial statements.

Statements of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020

	Pension Plan	Health Insurance Subsidy Plan	Combined
Additions			
Contributions:			
Members	$ 2,765,684	$ -	$ 2,765,684
Participating court employers	7,384,490	202,800	7,587,290
Total contributions	10,150,174	202,800	10,352,974
Investment income:			
From investing activities:			
Net appreciation in fair value of investments	12,855,923	118,288	12,974,211
Interest	2,791,574	26,554	2,818,128
Total investment income	15,647,497	144,842	15,792,339
Less – Investment expenses	(154,405)	(1,421)	(155,826)
Income from investing activities	15,493,092	143,421	15,636,513
From securities lending activities:			
Securities lending income	174,786	1,608	176,394
Securities lending expenses:			
Borrower rebates	(123,515)	(1,136)	(124,651)
Management fees	(7,645)	(70)	(7,715)
Income from securities lending activities	43,626	402	44,028
Net investment income	15,536,718	143,823	15,680,541
Total additions	25,686,892	346,623	26,033,515
Deductions			
Retirement, death and survivor benefits	22,024,967	208,740	22,233,707
Refunds and withdrawals	184,977	-	184,977
Administrative expenses	174,427	1,605	176,032
Total deductions	22,384,371	210,345	22,594,716
Net increase in net position	3,302,521	136,278	3,438,799
Net position restricted for pension/HISP benefits			
Beginning of year	344,205,778	3,317,718	347,523,496
End of year	$ 347,508,299	$ 3,453,996	$ 350,962,295

See accompanying notes to financial statements.

Statements of Changes in Fiduciary Net Position

For the Year Ended June 30, 2019

	Pension Plan	Health Insurance Subsidy Plan	Combined
Additions			
Contributions:			
Members	$ 2,666,542	$ -	$ 2,666,542
Participating court employers	7,145,803	187,200	7,333,003
Total contributions	9,812,345	187,200	9,999,545
Investment income:			
From investing activities:			
Net appreciation in fair value of investments	17,288,259	162,198	17,450,457
Interest	2,935,828	28,874	2,964,702
Total investment income	20,224,087	191,072	20,415,159
Less – Investment expenses	(134,170)	(1,259)	(135,429)
Income from investing activities	20,089,917	189,813	20,279,730
From securities lending activities:			
Securities lending income	362,450	3,400	365,850
Securities lending expenses:			
Borrower rebates	(333,262)	(3,127)	(336,389)
Management fees	(4,026)	(38)	(4,064)
Income from securities lending activities	25,162	235	25,397
Net investment income	20,115,079	190,048	20,305,127
Total additions	29,927,424	377,248	30,304,672
Deductions			
Retirement, death and survivor benefits	20,384,196	196,665	20,580,861
Refunds and withdrawals	65,548	-	65,548
Administrative expenses	168,571	1,582	170,153
Total deductions	20,618,315	198,247	20,816,562
Net increase in net position	9,309,109	179,001	9,488,110
Net position restricted for pension/HISP benefits			
Beginning of year	334,896,669	3,138,717	338,035,386
End of year	$ 344,205,778	$ 3,317,718	$ 347,523,496

See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2020 and 2019

(1) Reporting Entity

The Uniform Retirement System for Justices and Judges (the System) is a defined benefit cost-sharing single employer plan consisting of a retirement plan and a health insurance subsidy plan (HISP) both held in irrevocable trusts. The System, together with other similar fiduciary pension trust funds of the state of Oklahoma (the State), is a component unit of the State. The System is administered by the Oklahoma Public Employees Retirement System (OPERS). As set forth in Title 20 of the Oklahoma Statutes, at Section 1108, a portion of the administrative overhead expenses, including personnel and other supporting services costs, which are paid for by a separate retirement fund also administered by OPERS, are allocated to the System. The allocation is based on OPERS' estimate of the cost of services provided to the System by the separate fund. Allocated costs are charged to the System and paid with funds provided through operations of the System.

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the System.

(a) Basis of Accounting

The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by statute as a percentage of salaries and are recognized when due, pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

(b) ***Investments*** – The System's investments are presented at fair value. Purchases and sales are recorded at the trade date. At month end, there may be certain pending trades that were initiated by managers but not confirmed and, therefore, are not included in the fair value of investments.

The System is authorized to invest in eligible investments as approved by the Board of Trustees of OPERS (the Board) as set forth in its investment policy.

System investments are reported at fair value, which is the price that would be received if the investments were sold in an orderly transaction between a willing buyer and a willing seller. Short-term investments include bills and notes and commercial paper. Short-term investments, domestic debt securities, and equity securities are reported at fair value, as determined by the System's custodial agent, generally based on pricing services or prices quoted by independent brokers. The fair value of the pro rata share of units owned by the System in index and commingled trust funds is determined by the respective fund trustees based on quoted sales prices of the underlying securities.

Cash equivalents include investments in money market funds and investment pools and are reported at amortized cost.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, securities lending income and expenses, dividend income, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs.

Notes to Financial Statements (continued)

The System's investment policy provides for investments in combinations of stocks, bonds, fixed income securities, and other investment securities, along with investments in commingled trust and index funds. Investment securities and investment securities underlying the trust and index fund investments are exposed to various risks, such as interest rate and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term, and those changes could materially affect the amounts reported in the statements of fiduciary net position.

(c) Use of Estimates

Management of the System has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with U.S. generally accepted accounting principles (GAAP), note disclosure and required supplementary information (RSI). Actual results could differ from these estimates.

(d) Risk and Uncertainties – Actuarial Assumptions

Contributions to the System and the actuarial information included in Note (6) Net Pension Asset, Net OPEB Asset and Actuarial Information and the RSI are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

(e) Composition of Board of Trustees

The Board of Trustees consists of fourteen appointed members, some by position and some by association. Those serving through position are a member of the Corporation Commission as selected by the Commission, a member of the Tax Commission as selected by the Tax Commission, the Administrator of the Office of Personnel Management or designee, the State Insurance Commissioner or designee, the Director of State Finance or designee, and the State Treasurer or designee. Of the remaining members, three are appointed by the Governor, one is appointed by the Supreme Court, two are appointed by the Speaker of the House of Representatives and two are appointed by the President Pro Tempore of the Senate. Qualifications for certain of these appointees include a balance of individuals having experience in investment management, pension management, public fund management, the banking profession or a licensed attorney or a licensed accountant.

(3) System Descriptions and Contribution Information

The following brief description of the System is provided for general information purposes only. Participants should refer to Title 20 of the Oklahoma Statutes, Sections 1101 through 1111, for more complete information.

(a) General

The System is a single-employer public employee retirement plan, which is a defined benefit pension plan covering all justices and judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers' Compensation Court, Court of Appeals, and District Courts.

The System also administers the Health Insurance Subsidy Plan (HISP), a cost-sharing multiple-employer defined benefit OPEB plan that provides OPEB covering the same categories of employees covered by the System.

Notes to Financial Statements (continued)

The supervisory authority for the management and operation of the System and HISP is the Board, which acts as a fiduciary for investment of the funds and the application of System interpretation.

At June 30, the System's membership consisted of:

	2020	2019
Inactive members or their beneficiaries currently receiving benefits*	304	300
Inactive members entitled to but not yet receiving benefits	15	18
Active members	263	269
Total	582	587

*Of the inactive members or their beneficiaries currently receiving benefits, 163 are retirees and beneficiaries in the Health Insurance Subsidy Plan (HISP) as of June 30, 2020 and 166 as of June 30, 2019. The Plan also includes 15 and 18 inactive vested terminated members entitled to a refund of their member contributions as of June 30, 2020 and 2019, respectively.

(b) Benefits

Pensions

Benefits are determined at 4% of the member's average monthly compensation for covered active service over the highest thirty-six months of compensation as a justice or judge times the total years of service in the System not to exceed 100% of the retiree's average monthly salary received as a justice or judge for the highest thirty-six months of compensation.

Normal retirement ages under the System are as follows:

For participants who became members prior to January 1, 2012:

- When the sum of at least 8 years of credited years and age equals or exceeds 80 (Rule of 80)
- Age 65 with 8 years of judicial service
- Age 60 with 10 years of judicial service

For participants who became members on or after January 1, 2012:

- Age 67 with 8 years of judicial service
- Age 62 with 10 years of judicial service

Members are eligible to vest fully upon termination of judicial service after accumulating eight years of judicial service, or the member's contributions may be withdrawn at the time such member ceases to be a justice or judge of a court within the System. Disability retirement benefits are available for members who have attained age 55 and have 15 years of continuous judicial service and are determined to be disabled by the Court of the Judiciary. The benefits are calculated in the same manner as the normal retirement benefit. The Court of the Judiciary may override these requirements if it is determined that any judge or justice is no longer capable of performing regular duties.

Upon the death of an active member, the System will pay to the designated beneficiary the active member's accumulated employee contributions. However, if the deceased member contributed to survivor benefits, an eligible spouse of the member may choose to vest the member's service (8 years required) until the spouse is eligible to receive monthly survivor benefits as defined by the System.

Notes to Financial Statements (continued)

Upon the death of a retired member, the System will pay a $5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the estate or beneficiary. Death benefits paid for the year ended June 30, 2020 and 2019 totaled approximately $45,000 and $10,000, respectively.

Surviving spouse benefits are paid to a member's spouse, provided the member makes the required contributions and the spouse qualifies under the System provisions. These payments are made monthly over the remaining life of the spouse. If the member has ten years of service and the death is determined by the Workers' Compensation Court to be employment related, the benefit is payable immediately to the spouse. Members must have eight years of credited service before their spouses are eligible for normal survivor benefits. The benefit payment is equal to 50% up to 65% of the normal retirement benefit if certain contributions and other criteria are met. Effective September 1, 2005, survivor benefits are also available to the retiree's designated joint annuitant according to the option elected by the member. The first option gives the member a reduced lifetime annuity with 50% of the amount paid to the member's survivor at the member's death. The second option pays the member an even further reduced annuity with the same amount paid to the survivor after the member's death.

Health Insurance Subsidy Plan

HISP provides a health insurance premium subsidy for retirees of the System who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries.

Benefits are established and may be amended by the State Legislature from time to time.

(c) Contributions

The contribution requirements of the System are an established rate determined by the Oklahoma Legislature and are based on a comparison to an actuarial calculation which is performed to determine the adequacy of the contribution rate. An actuarially determined portion of the total contributions to the System are set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code.

The contribution rate of all justices and judges is 8% of a member's monthly salary. The member may elect a maximum benefit with no survivor option or one of two types of actuarially reduced retirement benefits that provide for a lifetime benefit to be paid to the member's joint annuitant after the member's death. This election is available for any judge or justice without regard to marital status. Prior to September 2005, the basic member contributions were 5% of a member's monthly salary. Each member of the System who was married provided for spousal survivor benefits and contributed at the rate of 8% unless the member's spouse agreed to waive spousal benefits. Participating court employers are required to contribute monthly a percentage of the gross salaries of the active members of the System. The percentages established by the Oklahoma Legislature for the year ended June 30, 2019 was 22% of member payroll. Only employers contribute to the HISP.

Prior to July 2009, the Board was authorized to adjust the contribution rate to prevent a funded ratio of the System of less than 100%. Effective July 1, 2009, the statutory responsibility of the Board was modified to adjust the employer contribution rate to prevent a funded ratio below the target of "at or near" ninety percent. In May 2010, legislation was enacted to remove the authority of the Board to adjust the employer contribution rate. During year ended June 30, 2020, the employer contribution rate remained at 22% of payroll.

Notes to Financial Statements (continued)

(4) Cash Equivalents

Cash equivalents represent short-term investment funds held by the Office of the State Treasurer (State Treasurer) and the System's custodial agent.

At June 30, cash equivalents were:

	2020	2019
Cash equivalents		
State Treasurer	$ 114,556	$ 83,884
Custodial agent	9,657,032	4,238,374
Total cash and cash equivalents	$ 9,771,588	$ 4,322,258

Cash is deposited to *OK INVEST*, an internal investment pool of the State Treasurer with holdings limited to obligations of the U.S. Government, its agencies and instrumentalities, agency senior debt and mortgage-backed pass-through securities, tri-party repurchase agreements, money market mutual funds, collateralized certificates of deposit, commercial paper, obligations of state and local governments, and State of Israel Bonds. Participants are limited to qualifying agencies and funds within the State's reporting entity, and each participant maintains an interest in the underlying investments of *OK INVEST* and shares the risk of loss on the fund in proportion to the respective investment in the fund. The custodial agent cash equivalents consist of temporary investments in commingled trust funds of the System's custodial agent. The fund is composed of high-grade money market instruments with short maturities. Each participant in the fund shares the risk of loss on the fund in proportion to the respective investment in the fund.

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agency but not in the depositor-government's name. At June 30, 2020 and 2019, the cash equivalents in *OK INVEST* and the System's custodial agent cash equivalents were not exposed to custodial credit risk because their existence cannot be evidenced by securities that exist in physical or book entry form.

(5) Investments

(a) General

Investments are pooled for administrative purposes and then allocated to the pension plan and HISP based on actuarial data, inflows and outflows. The OPERS Statement of Investment Policy states that the Board believes that System assets should be managed in a fashion that reflects the System's unique liabilities and funding resources, incorporating accepted investment theory and reliable empirical evidence. Specifically, the Board has adopted the following principles:

- Asset allocation is the key determinant of return, and therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
- Diversification, both by and within asset classes, is the primary risk control element.
- Passive fund portfolios are suitable investment strategies, especially in highly efficient markets. These index funds, which are externally managed by professional investment management firms selected through due diligence of the Board, are deemed to be actively managed accounts within the meaning of Section 909.1(D) of Title 74 of the Oklahoma Statutes.

Notes to Financial Statements (continued)

The investment policy, guidelines, and objectives which govern the investment of System assets shall be developed and adopted by the Board of Trustees at a regularly scheduled public Board meeting, at least annually, prior to August 1 of each year. Changes to the investment policy may be made, as necessary, at any public meeting of the Board of Trustees, in compliance with the Open Meeting Act. During 2015, the investment policy was modified to allow investments in certain real estate-related assets.

The asset allocation guidelines established by policy at June 30, 2020 and 2019, were U.S. equities – 40%, international equities – 28%, and domestic fixed income – 32% . The guidelines also establish minimum and maximum percentages for each asset class allocation, and when allocations move outside these limits, portfolios are rebalanced.

The fair value of investments held by the System at June 30 was as follows:

	2020	2019
U.S. Treasury notes/bonds	$ 34,043,752	$ 39,070,475
U.S. TIPS index fund	11,878,551	10,949,128
Government agencies	219,402	168,853
Government mortgage-backed securities	28,226,964	22,908,231
Foreign bonds	898,946	565,104
Municipal bonds	1,034,768	391,476
Corporate bonds	30,190,042	24,725,704
Asset-backed securities	4,605,209	4,430,985
Commercial mortgage-backed securities	2,347,828	1,980,500
Non government backed collateralized mortgage obligations	1,597,690	1,565,957
U.S. equity index funds	141,734,172	142,832,148
International equity index fund	91,508,911	95,905,076
Securities lending collateral	17,654,339	12,505,809
Total investments	$ 365,940,574	$ 357,999,446

The System participates in fixed income and international and domestic equity index funds managed by BlackRock Institutional Trust Company, N.A. (BTC). BTC, a subsidiary of BlackRock, Inc., is a national banking association and operates as a limited purpose trust company. Its primary regulator is the Office of the Comptroller of the Currency (OCC), the agency of the U.S. Treasury Department that regulates United States national banks. Each fund is a collective fund which is a group trust and an entity separate from BTC, other funds, and the investing participants. BTC is trustee of each of the collective fund trusts and holds legal title to each trust's assets for the exclusive benefit of the System. The fair value of the System's position in the pool is the same as the value of the pool shares. In 2020 and 2019, the System invested in a fixed income index fund, two domestic equity index funds, and an international equity index fund. The System shares the risk of loss in these funds with other participants in proportion to its respective investment. Because the System does not own any specific identifiable investment securities of these funds, the risk associated with any derivative investments held in these funds is not apparent. The degree of risk depends on the underlying portfolios of the funds, which were selected by the System in accordance with its investment policy guidelines including risk assessment.

(b) Securities Lending

The System's investment policy provides for its participation in a securities lending program. The program is administered by the System's master custodian, and there are no restrictions on the amount of loans that can be made. During 2020 and 2019, the types of securities loaned were primarily U.S. Government and corporate bonds. Certain securities of the System are loaned to participating brokers, who must provide collateral in the form of cash, U.S. Treasury or Government Agency securities, or letters of credit issued by approved banks.

Notes to Financial Statements (continued)

Under the terms of the securities lending agreement, collateral is required to be provided in the amount of 102% of the fair value of U.S. securities loaned and 105% of the fair value of non-U.S. securities loaned. At June 30, 2020 and 2019, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The market value of the cash and non-cash collateral received in 2020 and 2019 was $17,654,339 and $8,633,021 and $12,505,809 and $3,765,225, respectively. The master custodian provides for full indemnification to the System for any losses that might occur in the program due to the failure of a broker to return a security that was borrowed (and if the collateral is inadequate to replace the securities lent) or failure to pay the System for income of the securities while on loan. The loan premium paid by the borrower of the securities is apportioned between the System and its custodial agent in accordance with the securities lending agreement. All securities loans can be terminated on demand by either the lender or the borrower.

Securities On Loan		2020	%		2019	%
Collateralized by Cash Collateral	$	17,271,026	67%	$	12,259,935	77%
Collateralized by non- Cash Collateral		8,426,678	33%		3,689,771	23%
Total	$	25,697,704	100%	$	15,949,706	100%

The securities lending agreement provides that cash collateral be invested in the custodial agent's short-term investment pool and sets forth credit quality standards, acceptable investments, diversification standards, and maturity and liquidity constraints for the investment fund. The System's investment guidelines do not require a matching of investment maturities with loan maturities but do establish minimum levels of liquidity and other investment restrictions designed to minimize the interest rate risk associated with not matching the maturities of the investments with the loans. At June 30, 2020 and 2019, the cash collateral investments had an average weighted maturity of 26 and 16 days, respectively, and the relationship between the maturities of the custodial agent's investment pool and the System's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the System cannot determine. The System's non-cash collateral is represented by its allocated share of a pool administered by the agent for the System and other pool participants and the System cannot pledge or sell them unless the borrower defaults, thus is not included in the statements of fiduciary net position.

(c) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will default or will otherwise not fulfill its obligations.

The System's investment guidelines provide for the domestic fixed income managers to follow one of four investment styles and specify quality guidelines for each style.

The *Constrained Core* manager will invest in a broadly diversified portfolio with characteristics similar to a broad fixed income market index, such as the Barclays Capital Aggregate Bond Index. The total portfolio minimum quality should be single-A as rated by a nationally recognized statistical rating organization (NRSRO). The portfolio should primarily consist of investment grade securities, with a minimum quality rating for any issue of triple-B rating by at least one NRSRO. In the event that a credit rating is downgraded below this minimum, the investment manager shall immediately notify OPERS staff and provide an evaluation and recommended course of action.

Notes to Financial Statements (continued)

The *Core Plus* manager will invest in a broadly diversified portfolio with characteristics similar to the Constrained Core manager and will add a "plus" of limited exposure to high yield bonds. The total portfolio minimum quality should be single-A as rated by an NRSRO. No more than 20% of the portfolio shall consist of non-investment grade issues. The minimum quality rating for any issue is single-B rating by at least one NRSRO, and no more than 5% of a portfolio shall be invested in issues rated below double-B rating by at least one NRSRO. In the event that a credit rating is downgraded below this minimum, the investment manager shall immediately notify OPERS staff and provide an evaluation and recommended course of action.

The *Interest Rate Anticipator* manager follows a style that seeks to correctly forecast the long-term trend in interest rates and adjust the portfolio duration accordingly. The total portfolio minimum quality should be single-A as rated by an NRSRO, and the portfolio should consist of investment grade securities only.

The *Passive* fixed income style consists of a Treasury Inflation-Protection Securities (TIPS) index fund. TIPS are securities issued by the U.S. Government that are designed to protect the purchasing power of the investor.

At June 30, 2020, the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio, and a passive U.S. TIPS index fund. All components met the stated policy restrictions, except the core fixed income portfolio, which held $82,267 of the portfolio in issues rated below triple-B minus, and the core plus fixed income portfolio, which held $627,372 in issues rated below single-B. At June 30, 2019, the domestic fixed income portfolio consisted of a constrained core fixed income portfolio, a core plus fixed income portfolio, a rate anticipator portfolio, and a passive U.S. TIPS index fund. All components met the stated policy restrictions, except the core fixed income portfolio, which held $114,280 of the portfolio in issues rated below triple-B minus, and the core plus fixed income portfolio, which held $432,836 in issues rated below single-B.

Investments issued by or explicitly guaranteed by the U.S. Government are not considered to have credit risk. At June 30, 2020, the System held 30.5% of fixed income investments that were not considered to have credit risk and 10.3% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities. At June 30, 2019, the System held 37.2% of fixed income investments that were not considered to have credit risk and 10.3% in a U.S. TIPS index fund made up of explicitly guaranteed U.S. Treasury Inflation-Protected Securities.

The System's exposure to credit risk at June 30, 2020 is presented below, in thousands, by investment category as rated by an NRSRO.

	Triple-A	Double-A	Single-A	Triple-B	Double-B	Single-B	Triple-C	Total
Government agencies	$ 13	$ -	$ -	$ 114	$ -	$ -	$ -	$ 127
Foreign government bonds	-	-	22	877	-	-	-	899
Municipal bonds	351	481	99	104	-	-	-	1,035
Corporate bonds	143	1,341	10,910	16,428	1,127	229	12	30,190
Asset-backed securities	3,322	616	278	84	-	170	135	4,605
Commercial mortgage-backed securities	2,166	141	17	24	-	-	-	2,348
Non government backed collateralized mortgage obligations	846	224	74	216	130	108	-	1,598
Total fixed income securities exposed to credit risk	$ 6,841	$ 2,803	$ 11,400	$ 17,847	$ 1,257	$ 507	$ 147	$ 40,802
Percent of total fixed income portfolio	5.9%	2.6%	9.9%	15.5%	1.1%	0.4%	0.1%	35.5%

Notes to Financial Statements (continued)

The System's exposure to credit risk at June 30, 2019 is presented below, in thousands, by investment category as rated by an NRSRO.

	Triple-A	Double-A	Single-A	Triple-B	Double-B	Single-B	Triple-C	Not Rated or Rating Not Available	Total
Government agencies	$ -	$ -	$ -	$ 136	$ -	$ -	$ -	$ -	$ 136
Foreign government bonds	-	-	21	544	-	-	-	-	565
Municipal bonds	57	226	5	103	-	-	-	-	391
Corporate bonds	164	863	8,196	14,343	399	168	24	568	24,725
Asset-backed securities	2,697	803	586		104	108	134		4,432
Commercial mortgage-backed securities	1,864	-	-	100	17	-	-	-	1,981
Non government backed collateralized mortgage obligations	555	383	51	276	301	-	-	-	1,566
Total fixed income securities exposed to credit risk	$ 5,337	$ 2,275	$ 8,859	$ 15,502	$ 821	$ 276	$ 158	$ 568	$ 33,796
Percent of total fixed income portfolio	5.0%	2.2%	8.3%	14.5%	0.8%	0.3%	0.1%	0.5%	31.7%

The exposure to credit risk of the underlying investments of the System's cash equivalents is 100% invested in Double -A credit rating at June 30, 2020 and 2019.

(d) Concentration of Credit Risk

Investments can be exposed to concentration of credit risk if significant amounts are invested in any one issuer. The System's investment policy states that portfolios managed on behalf of the System should not hold more than 5% of the outstanding securities of any single issuer. As of June 30, 2020, and 2019, the System did not have 5% or more of its total investments in any single issuer.

(e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. Effective duration estimates the sensitivity of a bond's price to interest rate changes and makes assumptions regarding the most likely timing and amounts of variable cash flows arising from investments such as callable bonds, collateralized mortgage obligations, and other mortgage-backed securities.

The System does not have a formal investment policy on interest rate risk. Interest rate risk is controlled through diversification of portfolio management styles.

Notes to Financial Statements (continued)

At June 30, the System's exposure to interest rate risk as measured by effective duration is listed below by investment category.

	2020		2019	
	Fair Value	Effective duration in years	Fair Value	Effective duration in years
U.S. Treasury notes/bonds	$ 34,043,752	13.6	$ 39,070,474	12.3
U.S. TIPS index fund	11,878,551	7.7	10,949,128	7.5
Government agencies	219,402	9.6	168,853	7.2
Government mortgage-backed securities	28,226,964	3.9	22,908,231	4.2
Foreign bonds	898,946	8.7	565,104	9.6
Municipal bonds	1,034,768	11.4	391,476	5.0
Corporate bonds	30,190,042	7.5	24,725,704	6.2
Asset-backed securities	4,605,209	2.2	4,430,985	1.2
Commercial mortgage-backed securities	2,347,828	4.8	1,980,500	4.9
Non government backed collateralized mortgage obligations	1,597,690	2.6	1,565,957	1.3
Total fixed income	$ 115,043,152		$ 106,756,412	
Portfolio duration		8.2		7.9

Some investments' sensitivity to changing interest rates may derive from prepayment options embedded in an investment. Asset-backed securities, mortgage-backed securities, and collateralized mortgage obligations are pass-through securities that represent pooled debt obligations repackaged as securities that pass income and principal from debtors through the intermediary to investors.

Asset-backed securities are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit and often enhanced by a bank letter of credit or by insurance coverage provided by an institution other than the issuer. At June 30, 2020 and 2019, the System held $4,605,209 and $4,430,985, respectively, in asset-backed securities.

Mortgage-backed securities are securities backed by mortgages issued by public and private institutions. At June 30, 2020 and 2019, the System held $28,226,964 and $22,908,231, respectively, in government mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), and Federal National Mortgage Association (FNMA) as well as $2,347,828 and $1,980,500, respectively, in commercial mortgage-backed securities.

Collateralized mortgage obligations (CMOs) are mortgage-backed bonds that allocate mortgage cash flows (interest and principal) into different maturity classes, called tranches. This is accomplished by dedicating mortgage cash flows to specific tranches and paying each tranche off, in turn by prespecified rules. In return for a lower yield, CMOs provide investors with increased security about the life of their investment compared to purchasing a pass-through mortgage-backed security. If mortgage rates drop (rise) sharply, prepayment rates will increase (decrease), and CMO tranches may be repaid before (after) the expected maturity. At June 30, 2020 and 2019, the System held $1,597,690 and $1,565,957, respectively in non-government backed CMOs.

Notes to Financial Statements (continued)

The exposure to interest rate risk of the underlying investments of the System's cash equivalents at June 30 is as follows:

Maturities (in days)	2020	2019
0 - 14	36.3 %	35.5 %
15 - 30	8.3	4.3
31 - 60	14.6	16.8
61 - 90	11.2	22.8
91 - 180	22.9	12.3
181 - 364	3.3	7.0
365 - 730	3.6	1.3
	100.0 %	100.0 %

(f) Rate of Return

For the year ended June 30, 2020 and 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 4.59% and 6.11% respectively, and the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expenses, was 4.34% and 6.06% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(g) Fair Value Measurement

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities
Level 2: Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and other market corroborated inputs
Level 3: Significant unobservable inputs

Debt securities classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

Notes to Financial Statements (continued)

Assets measured at fair value and net asset value at June 30, 2020 are as follows:

Investments by Fair Value Level	6/30/2020	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents by Fair Value Level				
Short-term investment fund	$ 9,657,032	$ -	$ 9,657,032	$ -
Investments by Fair Value Level				
U.S. Treasury notes/bonds	$ 34,043,752	$ -	$ 34,043,752	$ -
Government agencies	219,402	-	219,402	-
Government mortgage-backed securities	28,226,964	-	28,226,964	-
Foreign bonds	898,946	-	898,946	-
Municipal bonds	1,034,768	-	1,034,768	-
Corporate bonds	30,190,042	-	30,190,042	-
Asset-backed securities	4,605,209	-	4,605,209	-
Commercial mortgage-backed securities	2,347,828	-	2,347,828	-
Non government backed collateralized mortgage obligations	1,597,690	-	1,597,690	-
Total Investments by Fair Value Level	$ 103,164,601	$ -	$ 103,164,601	$ -
Investments Measured at the Net Asset Value (NAV)				
U.S. TIPS index fund	$ 11,878,551			
International equity index fund	91,508,911			
U.S. equity index funds	141,734,172			
Total Investments Measured at the NAV	245,121,634			
Securities lending collateral	17,654,339			
Total Investments	$ 365,940,574			

Notes to Financial Statements (continued)

Assets measured at fair value and net asset value at June 30, 2019 are as follows:

Investments by Fair Value Level	6/30/2019	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents by Fair Value Level				
Short-term investment fund	$ 4,238,374	$ -	$ 4,238,374	$ -
Investments by Fair Value Level				
U.S. Treasury notes/bonds	$ 39,070,475	$ -	$ 39,070,475	$ -
Government agencies	168,853	-	168,853	-
Government mortgage-backed securities	22,908,231	-	22,908,231	-
Foreign bonds	565,104	-	565,104	-
Municipal bonds	391,476	-	391,476	-
Corporate bonds	24,725,704	-	24,725,704	-
Asset-backed securities	4,430,985	-	4,430,985	-
Commercial mortgage-backed securities	1,980,500	-	1,980,500	-
Non government backed collateralized mortgage obligations	1,565,957	-	1,565,957	-
Total Investments by Fair Value Level	$ 95,807,285	$ -	$ 95,807,285	$ -
Investments Measured at the Net Asset Value (NAV)				
U.S. TIPS index fund	$ 10,949,128			
International equity index fund	95,905,076			
U.S. equity index funds	142,832,148			
Total Investments Measured at the NAV	249,686,352			
Securities lending collateral	12,505,809			
Total Investments	$ 357,999,446			

There have been no significant changes in valuation techniques during the fiscal years ended June 30, 2020 and 2019.

Certain investments that do not have a readily determinable fair value are measured at NAV (or its equivalent), such as member units or an ownership interest. NAV per share is calculated as of the System's year-end in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. The redemption method for investments measured at the NAV per share (or its equivalent) is presented in the table below.

Investments Measured at the Net Asset Value	6/30/2020	6/30/2019	Redemption Frequency	Redemption Notice Period
U.S. TIPS index fund (1)	$ 11,878,551	$ 10,949,128	Daily	2 days
International equity index fund (2)	91,508,911	95,905,076	Daily	2 days
U.S. equity index funds (3)	141,734,172	142,832,148	Daily	1 day
	$ 245,121,634	$ 249,686,352		

(1) **U.S. TIPS index fund** – The US Treasury Inflation Protected Securities fund is an index fund that establishes an objective of delivering investment performance approximating the rate of return for outstanding US Treasury inflation protected securities with a maturity of one year or greater. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Notes to Financial Statements (continued)

(2) **International Equity Index Fund** – The International equity fund consists of an index fund that is designed to track various segments of non-US equity markets. That index fund is the ACWI ex-US Index Fund. The index fund is invested and reinvested in portfolios of non-US developed and emerging markets equity securities, with the objective of approximating the capitalization-weighted return of each respective market segment for publicly traded equity securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

(3) **U.S. Equity Index Funds** – The US equity funds consist of index funds that are designed to track various segments of US equity markets. Those index funds include the Russell 1000 Index Fund and the Russell 2000 Index Fund. The index funds are invested and reinvested in portfolios of US equity securities, with the objective of approximating the capitalization-weighted return of each respective market segment for publicly traded equity securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

The System had no unfunded commitments related to investments measured at NAV as of June 30, 2020 and 2019.

(6) Net Pension Asset, Net OPEB Asset and Actuarial Information

(a) Net Pension Asset and Net OPEB Asset

The components of the net pension asset of the employer at June 30 were as follows:

	2020	2019
Total pension liability	$ 330,152,206	$ 305,801,494
Plan fiduciary net position	$ 347,508,299	$ 344,205,778
Employer's net pension asset	$ (17,356,093)	$ (38,404,284)
Plan fiduciary net position as a percentage of the total pension liability	105.26%	112.56%

The components of the net OPEB asset of the employer at June 30 were as follows:

	2020	2019
Total OPEB liability	$ 2,870,520	$ 2,813,691
OPEB plan fiduciary net position	$ 3,453,996	$ 3,317,718
Employer's net OPEB asset	$ (583,476)	$ (504,027)
Plan fiduciary net position as a percentage of the total OPEB liability	120.33%	117.91%

(b) Actuarial Methods and Assumptions

The total pension liability and total OPEB liability as of June 30, 2020 and 2019, were determined based on actuarial valuations prepared as of July 1, 2020 and July 1, 2019, using the following actuarial assumptions:

- Salary increases – 3.50% per 2020 and 3.75% per year in 2019, including inflation
- Post-retirement benefit increases – No increases assumed
- Investment return – 6.50%, compounded annually net of investment expense, and including inflation in 2020 and 7.00% in 2019
- Assumed inflation rate – 2.50% in 2020 and 2.75% in 2019

Notes to Financial Statements (continued)

- Payroll growth – 3.25% per year for 2020 and 3.50% for 2019
- Actuarial cost method—Entry age
- Mortality Rates – In 2020, Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year. In 2019, RP-2014 Blue Collar Active/Retiree Healthy Mortality Table with base rates projected to 2025 using scale MP-2016, set back one year

The actuarial assumptions used in the July 1, 2020 valuations are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The long-term expected rate of return on pension plan investments and OPEB plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The HISP represents a subsidy that is capped at $105 per month per retiree.

The target asset allocation and best estimates of arithmetic real rates of return for each major class, as used in the June 30, 2019 experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int'l Developed Equity	23.0%	6.5%
Emerging market Equity	5.0%	8.5%
Core Fixed Income	25.0%	0.5%
Long term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
Total	100.0%	

(c) Discount rate

The discount rate used to measure the total pension liability and the total OPEB liability was 6.50% for 2020 and 7.00% for 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employer will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were to be available to make all projected future benefit payments of current System members. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability. The discount rate determined does not use a municipal bond rate.

Notes to Financial Statements (continued)

Sensitivity of the net pension asset and the net OPEB asset to changes in the discount rate

The following presents the net pension liability or asset of the employer calculated using the discount rate of 6.50% for 2020 and 7.00% 2019, as well as what the System's net pension liability or asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2020			June 30, 2019		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	$ 13,204,558	$ (17,356,093)	$ (43,868,073)	$ (10,552,328)	$ (38,404,284)	$ (62,596,602)

The following presents the net HISP liability or asset of the employer calculated using the discount rate of 6.50% for 2020 and 7.00% for 2019, as well as what the System's net HISP liability or asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2020			June 30, 2019		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net HISP liability (asset)	$ (342,068)	$ (583,476)	$ (795,318)	$ (272,559)	$ (504,027)	$ (707,429)

Due to the structure of the HISP, healthcare cost trend rate sensitivity analysis is not meaningful.

(7) Federal Income Tax Status

Pursuant to a determination by the IRS, the System is qualified under the Internal Revenue Code of 1986, as amended and, therefore, is exempt from federal income taxes. The latest determination letter is dated October 28, 2014 and was a favorable determination for the Uniform Retirement System for Justices and Judges. The System has been amended since receiving the determination letter; however, the System administrator believes that the System is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code and will retain its status as a qualified plan.

(8) New Accounting Pronouncements

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, provides clarity and consistency in the reporting of potential component units that are defined contribution pension or OPEB plans as well as other employee benefit plans, such as certain (not all) Internal Revenue Code Section 457 plans. Upon implementation, the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* are superseded. Some of the elements of GASB Statement No. 97 became effective immediately, including the provisions exempting governments such as the System, that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans.

Notes to Financial Statements (continued)

Another provision that became effective immediately was the limitation of the applicability of the financial burden criterion in GASB Statement No. 84 solely to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts. The remaining provisions of GASB Statement No. 97 will become effective for the fiscal year ended June 30, 2022. The System is analyzing the remaining impact of this Statement on the Pathfinder 457 defined contribution plan reporting.

GASB Technical Bulletin No. 2020-1, *Accounting and Financial Reporting Issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)* and Coronavirus Diseases became effective upon issuance at the close of this fiscal year. The provisions of the Technical Bulletin provide six questions and answers related to the CARES Act, of which five had no impact on the System as it did not receive CARES Act funding. Question 6 of the Technical Bulletin discusses the reporting of outflows of resources incurred in response to the coronavirus disease, such as funds used to slow the spread of the virus, adjustments in the provision of services and the implementation of 'stay-at-home' orders. GASB pronouncements require that these outflows of resources not be reported as extraordinary nor special items and therefore, no impact on the System occurred despite the flows as a result of the pandemic.

Due to the issuance of GASB Statement No. 95, (GASB-95) *Postponement of the Effective Dates of Certain Authoritative Guidance,* the System exercised the option to delay implementation of previously issued GASB pronouncements that were supposed to be implemented during the fiscal year ended June 30, 2020.

As adjusted by GASB-95, the System is due to implement the following GASB pronouncements during the following fiscal years then ended:

<u>Fiscal Year Ended June 30, 2021:</u>

GASB Statement No. 84*, Fiduciary Activities*, clarifies fiduciary relationships and reporting. The System is analyzing the effect of this pronouncement along with amendments made to the Statement by GASB Statement No. 92 and GASB Statement No. 97 (both discussed herein).

GASB Statement No. 90, *Majority Equity Interests*, clarifies reporting of when a government has a majority equity position in another entity, which may result in the equity method of reporting or a component unit relationship. This pronouncement will likely not apply as the System is precluded by State statute from holding a majority equity position in another entity.

<u>Fiscal Year Ended June 30, 2022:</u>

GASB Statement No. 87*, Leases,* changes reporting of nearly all leasing arrangements for lessors and lessees. The System is analyzing the effect of this pronouncement.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period,* removes the GAAP related to capitalization of interest costs. The pronouncement will likely not apply.

As introduced previously, GASB Statement No. 92, *Omnibus 2020*, includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements, including GASB Statement No. 84. Issued clarified by GASB Statement No. 92 include the reporting of intra-equity transfers of assets to other bodies within a reporting entity, including plans such as the System and applicability of certain provisions of recently issued GASB pronouncements. In addition, terminology used to refer to derivatives and other investments is converting to the use of the word 'instruments' as part of a global change and became effective upon issuance. The System is analyzing the effect of this Statement.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, includes the removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate for variable rate payments. The removal is a result of global reference rate reform. LIBOR is expected to cease to exist in its current form at the end of 2021. Financial instruments benchmarked to such rates may be amended as part of this global change. GASB Statement No. 93

Notes to Financial Statements (continued)

provides exceptions to recognition of a gain or loss on termination when the replacement provisions are enabled, among other elements in the pronouncement. GASB Statement No. 93 is effective for reporting periods ending after December 31, 2021. However, the removal of LIBOR and other reference rate reform may be further delayed by central banks as a result of the pandemic, which may cause an extension of the implementation of GASB-93. The System is analyzing the effect of this Statement.

Fiscal Year Ended June 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, clarifies the reporting of conduit debt. The pronouncement will not apply to the System as the System does not issue such obligations, nor is it a party to such obligations.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance to improve accounting and financial reporting such transactions (commonly referred to as P3s). The System is analyzing the effect of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for such arrangements (also known as SBITAs). The framework for the accounting and financial reporting is based on the provisions established in GASB Statement No. 87, *Leases*. The System is analyzing the effect of this Statement.

Required Supplementary Information

(Unaudited)

June 30, 2020

Schedule 1

Schedule of Changes in the Net Pension Asset ($ in Thousands)

Year Ended June 30,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	$ 9,194	$ 9,003	$ 8,897	$ 10,085	$ 9,689	$ 9,602	$ 9,489
Interest	20,642	19,623	19,162	19,229	19,341	18,812	18,529
Benefits changes	5,786	-	-	-	-	-	-
Difference between expected and actual experience	(738)	7,246	(2,004)	(6,664)	(7,480)	(4,598)	(7,597)
Changes of assumptions	11,677	-	-	3,979	5,843	-	(1,046)
Benefit payments	(22,025)	(20,384)	(18,462)	(17,648)	(17,198)	(16,093)	(14,940)
Refunds of contributions	(185)	(66)	(52)	(89)	(161)	(111)	(57)
Net change in total pension liability	24,351	15,422	7,541	8,892	10,034	7,612	4,378
Total pension liability - beginning	305,801	290,379	282,838	276,434	266,400	258,788	254,409
Adoption of GASB 74	-	-	-	(2,488)	-	-	-
Total pension liability - ending (a)	$ 330,152	$ 305,801	$ 290,379	$ 282,838	$ 276,434	$ 266,400	$ 258,787
Plan Fiduciary Net Position							
Contributions - employer	$ 7,384	$ 7,146	$ 6,504	$ 6,013	$ 5,832	$ 5,295	$ 4,611
Contributions - member	2,766	2,666	2,608	2,664	2,666	2,706	2,544
Net investment income	15,537	20,115	26,189	36,312	1,441	8,174	46,212
Benefit payments	(22,025)	(20,384)	(18,461)	(17,648)	(17,198)	(16,093)	(14,940)
Administrative expense	(174)	(169)	(154)	(153)	(149)	(144)	(132)
Refunds of contributions	(185)	(65)	(52)	(89)	(161)	(111)	(57)
Net change in plan fiduciary net position	3,303	9,309	16,634	27,099	(7,569)	(173)	38,238
Plan fiduciary net position - beginning	344,206	334,897	318,263	293,727	301,296	301,469	263,231
Adoption of GASB 74	-	-	-	(2,563)	-	-	-
Plan fiduciary net position - ending (b)	347,509	344,206	334,897	318,263	293,727	301,296	301,469
Net pension asset - ending (a) - (b)	$ (17,357)	$ (38,405)	$ (44,518)	$ (35,425)	$ (17,293)	$ (34,896)	$ (42,682)

Schedule of the Net Pension Asset ($ in Thousands)

Year Ended June 30,	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$ 330,152	$ 305,801	$ 290,379	$ 282,838	$ 276,434	$ 266,400	$ 258,787
Plan fiduciary net position	347,509	344,206	334,897	318,263	293,727	301,296	301,469
Net pension asset	$ (17,357)	$ (38,405)	$ (44,518)	$ (35,425)	$ (17,293)	$ (34,896)	$ (42,682)
Ratio of plan fiduciary net position to total pension liability	105.26%	112.56%	115.33%	112.52%	106.26%	113.10%	116.49%
Covered payroll	$ 35,113	$ 33,839	$ 33,359	$ 34,811	$ 34,537	$ 34,282	$ 34,326
Net pension asset as a % of covered payroll	-49.43%	-113.49%	-133.45%	-101.76%	-50.07%	-101.79%	-124.34%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information included is for those years for which information is available.

*2016 and prior columns have not been restated for the effect of the adoption of GASB Statement No. 74

Discounted Rate is 6.50% for 2020, 7.00% for 2019, 7.00% for 2018 and 2017, 7.25% for 2016 and 7.50% for 2015, compounded annually, net of investment expense and including inflation

Required Supplementary Information

Schedule of Pension Employer Contributions ($ in Thousands)

(Unaudited)

June 30, 2020

Schedule 2

Year Ended June 30,	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 790	$ 352	$ 1,638	$ 3,626	$ 3,454	$ 4,897	$ 7,215
Actual employer contributions	7,384	7,146	6,504	6,013	5,832	5,295	4,611
Annul contribution deficiency (excess)	$ (6,594)	$ (6,794)	$ (4,866)	$ (2,387)	$ (2,378)	$ (398)	$ 2,604
Covered payroll	$ 35,113	$ 33,839	$ 33,359	$ 34,811	$ 34,537	$ 34,282	$ 34,326
Actual contributions as a % of covered payroll	21.03%	21.12%	19.50%	17.27%	16.89%	15.45%	13.43%

* Covered payroll beginning in 2017 is for the defined benefit plan members only. Note: 2017 was the first year to exclude the health insurance subsidy.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information included is for those years for which information is available.

Notes to Schedule

Valuation date:

Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	7 years
Asset valuation method	5-year smoothed market
Inflation	2.50% for 2020, 2.75% for 2019, 2018 and 2017, 3.00% for 2016 and 2015
Salary increase	3.50% for 2020, 3.75% for 2019, 3.75% for 2018 and 2017, 5.00% for 2016 and 2015, including inflation
Investment rate of return	6.50% for 2020, 7.00% for 2019, 7.00% for 2018 and 2017, 7.25% for 2016 and 7.50% for 2015, compounded annually, net of investment expense and including inflation
Retirement age	Age 67 with eight years of judicial service or age 62 with 10 years of judicial service for judges taking office on or after January 1, 2012. Age 65 with eight years of judicial service or age 60 with 10 years of judicial service for judges taking office prior to January 1, 2012.
Mortality	For 2020 - Pub-2010 Below Median, General membership Active/ Retiree Healthy Mortality table with base rates projected to 2030 using Scale MP-2019. Males rates are set back one year, and female rates are set forward one year. For 2019 and 2018, active participants and nondisabled pensioners – RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years). For 2016 and 2015, RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010, set back one year.

Required Supplementary Information

Schedule of Money-Weighted Rate of Return on Pension Plan Investments

(Unaudited)

June 30, 2020

Schedule 3

Annual money-weighted rate of return, net of investment expense	
Year ended June 30, 2020	4.59%
Year ended June 30, 2019	6.11%
Year ended June 30, 2018	8.35%
Year ended June 30, 2017	12.68%
Year ended June 30, 2016	0.49%
Year ended June 30, 2015	2.75%
Year ended June 30, 2014	17.83%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information included is for those years for which information is available.

Required Supplementary Information

(Unaudited)

June 30, 2020

Schedule 4

Schedule of Changes in the Net HISP Asset ($ in Thousands)

Year Ended June 30,	2020	2019	2018	2017
Total HISP Liability				
Service cost	$ 108	$ 115	$ 112	$ 122
Interest	190	183	183	174
Difference between expected and actual experience	(139)	(11)	(88)	(13)
Changes of assumptions	107	-	-	107
Benefit payments	(209)	(197)	(182)	(179)
Net change in total HISP liability	57	90	25	211
Total HISP liability - beginning	2,814	2,724	2,699	2,488
Total HISP liability - ending (a)	$ 2,871	$ 2,814	$ 2,724	$ 2,699
Plan Fiduciary Net Position				
Contributions - employer	$ 203	$ 187	$ 180	$ 178
Net investment income	144	190	251	330
Benefit payments	(209)	(197)	(182)	(179)
Administrative expense	(2)	(1)	(1)	(1)
Net change in plan fiduciary net position	136	179	248	328
Plan fiduciary net position - beginning	3,318	3,139	2,891	2,563
Plan fiduciary net position - ending (b)	3,454	3,318	3,139	2,891
Net HISP asset - ending (a) - (b)	$ (583)	$ (504)	$ (415)	$ (192)

Schedule of the Net HISP Asset ($ in Thousands)

Year Ended June 30,	2020	2019	2018	2017
Total HISP liability	$ 2,871	$ 2,814	$ 2,724	$ 2,699
Plan fiduciary net position	3,454	3,318	3,139	2,891
Net HISP asset	$ (583)	$ (504)	$ (415)	$ (192)
Ratio of plan fiduciary net position to total HISP liability	120.32%	117.92%	115.21%	107.10%
Covered payroll*	N/A	N/A	N/A	N/A
Net HISP asset as a percentage of covered payroll	N/A	N/A	N/A	N/A

*Covered Payroll is not meaningful to formulate a ratio of net HISP liability as a percentage of covered payroll. Contributions are only received from employers.

Discounted Rate is 6.50% for 2020, 7.00% for 2019, 7.00% for 2018 and 2017, 7.25% for 2016 and 7.50% for 2015, compounded annually, net of investment expense and including inflation

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information included is for those years for which information is available.

Required Supplementary Information

Schedule of HISP Employer Contributions ($ in Thousands)

(Unaudited)

June 30, 2020

Schedule 5

Year Ended June 30,		**2020**		**2019**		**2018**		**2017**
Actuarially determined employer contribution	$	7	$	3	$	15	$	35
Actual employer contributions		203		187		180		178
Annual contribution deficiency (excess)	$	(196)	$	(184)	$	(165)	$	(143)
Covered payroll*		N/A		N/A		N/A		N/A
Actual contributions as a % of covered payroll		N/A		N/A		N/A		N/A

*Covered Payroll is not meaningful to formulate a ratio of net HISP asset as a percentage of covered payroll. Contributions are only received from employers.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information included is for those years for which information is available.

Notes to Schedule

Valuation date:

Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	7 years
Asset valuation method	5-year smoothed market
Inflation	2.50% for 2020, 2.75% for 2019, 2018 and 2017, 3.00% for 2016 and 2015
Salary increase	3.50% for 2020, 3.75% for 2019, 3.75% for 2018 and 2017, 5.00% for 2016 and 2015, including inflation
Investment rate of return	6.50% for 2020, 7.00% for 2019, 7.00% for 2018 and 2017, 7.25% for 2016 and 7.50% for 2015, compounded annually, net of investment expense and including inflation
Retirement age	Age 67 with eight years of judicial service or age 62 with 10 years of judicial service for judges taking office on or after January 1, 2012. Age 65 with eight years of judicial service or age 60 with 10 years of judicial service for judges
Mortality	For 2020 - Pub-2010 Below Median, General membership Active/ Retiree Healthy Mortality table with base rates projected to 2030 using Scale MP-2019. Males rates are set back one year, and female rates are set forward one year. For 2019 and 2018, active participants and nondisabled pensioners – RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years). For 2016 and 2015, RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010, set back one year

Required Supplementary Information

Schedule of Money-Weighted Rate of Return on HISP Investments

(Unaudited)

June 30, 2020

Schedule 6

Annual money-weighted rate of return, net of investment expense	
Year ended June 30, 2020	4.34%
Year ended June 30, 2019	6.06%
Year ended June 30, 2018	8.68%
Year ended June 30, 2017	12.89%

Supplementary Information

Schedule of Investment Expenses

Years Ended June 30, 2020 and 2019

Schedule 7

	2020	2019
Investment management fees		
Fixed Income Managers:		
BlackRock Financial Management, Inc.	$ 44,765	$ 40,881
Hoisington Investment Management	17,795	15,752
Metropolitan West Asset Management, LLC	46,602	28,185
U.S. Equity Managers:		
BlackRock Institutional Trust Company, N.A.	11,637	16,620
International Equity Managers:		
BlackRock Institutional Trust Company, N.A.	19,748	19,551
Total investment management fees	140,547	120,990
Investment consultant fees		
Verus Advisory, Inc.	7,507	7,198
Investment custodial fees		
Northern Trust Company	1,479	1,350
Other investment related expenses	6,293	5,892
Total investment expenses	$ 155,826	$ 135,429

Supplementary Information

Schedule of Administrative Expenses

Years Ended June 30, 2020 and 2019

Schedule 8

	2020	2019
Professional / consultant services	$ 14,330	$ 17,097
Allocated administrative expenses (see note below)	161,702	153,056
	$ 176,032	$ 170,153

Note to Schedule of Administrative Expenses

Administrative overhead expenses, including personnel and other supporting services costs, which are paid for by the Oklahoma Public Employees Retirement System (OPERS), are allocated to the Uniform Retirement System for Justices and Judges and two other retirement funds also administered by OPERS. The allocation is based on OPERS' estimate of the cost of service provided by the Plan to all the funds it administers.

Supplementary Information

Schedule of Professional/Consultant Fees

Years Ended June 30, 2020 and 2019

Schedule 9

Professional/Consultant	Service	2020	2019
Cavanaugh Macdonald Consulting, Inc.	Actuarial	$ 4,257	$ 2,725
Arledge & Associates	External Auditor	1,008	958
Eide Bailly LLP	External Auditor	1,923	1,838
Finley & Cook, PLLC	Internal Auditor	2,306	4,887
Gartner Inc.	IT Consulting	3,858	3,729
ImageNet	IT Consulting	-	2,665
OMES-Communications	IT Consulting	296	295
True Digital Security	IT Consulting	682	-
		$ 14,330	$ 17,097

INVESTMENT

56 Investment Consultant's Report
61 Chief Investment Officer's Report
68 Largest Holdings
69 Investment Portfolio by Type and Manager
70 Asset Comparison

Verus

Investment Consultant's Report

Investment Objectives

The primary financial objective for Uniform Retirement System for Justices and Judges (URSJJ) is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 6.5% while its investment consultant estimates the return requirement to be 5.4% for the fiscal year ended June 30, 2020. It is important to note that Verus uses a 10-year investment horizon whereas actuarial consultants use a much longer time horizon in developing forecasts, typically 30 years.

The secondary goals for URSJJ are to outperform the asset allocation-weighted benchmark and target a median ranking in the universe of large public pension funds.

Asset Allocation

The System's Investment Philosophy stresses the following key points:

1. Asset allocation is the key determinant of return. Therefore, commitments to asset allocation targets are maintained through a disciplined rebalancing program.
2. Diversification, both by and within asset classes, is the primary tool for risk control.
3. Passive instruments (index funds) are suitable strategies in highly efficient markets.

ASSET CLASS	6/30/20 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
U.S. EQUITY	40.5%	34.4%	40.0%	45.6%	100.0%
FIXED INCOME	33.2%	27.5%	32.0%	37.0%	57.7%
INT'L EQUITY	26.1%	25.0%	28.0%	31.0%	100.0%
CASH	0.2%	0.0%	0.0%	0.0%	0.0%

Review of Fiscal Year 2020 Investment Environment

Market Environment

During the latter half of calendar year 2019, global economies generally exhibited moderate and positive economic growth, inflation remained mild, central bank policies were accommodative to further growth, labor markets had fully recovered from the Global Financial Crisis, and economic surprises were few. Risk assets delivered robust performance during the second half of the year.

Investors' main concerns in the market appeared to be around troubled U.S.-Chinese relations, the resulting trade conflict which could interrupt economic progress and corporate profits, and even the potential for military conflict. However, the relationship between the two superpowers was seemingly on a more conciliatory track. A series of meetings between the U.S. and Chinese officials culminated in a "phase one" deal addressing agricultural trade, intellectual property protections, and some loose agreements on how China would manage its currency.

In early 2020, the calm and relatively stable environment began to shift. A novel coronavirus, and the disease it causes (COVID-19), began spreading through Wuhan, the capital of China's Hubei province. Containment efforts were ineffective, and the virus continued to spread. The sudden impact of this global pandemic on economic activity and markets was unprecedented. One of the most immediate effects of the forced closure of businesses around the world was an unparalleled shock to the global labor market. In the United States, approximately 10 million workers applied for unemployment benefits in the last two weeks of March alone. The unemployment rate rose from a 50-year low of 3.5% in February to 14.7% in April—the worst level since the Great Depression.

Investor sentiment, which had been strong in the second half of 2019, fell severely in March and April as equity markets sold-off and workers (most prominently within the leisure and hospitality sectors) were told not to come to work. Consumers exercised a notable degree of fiscal conservatism, paying down their credit card bills and paring back their spending. Retail sales generally plunged and then recovered. Household savings rates jumped as high as 33% as spending slowed and government support replaced lost income.

U.S. real GDP contracted sharply during the second quarter, falling at a 32.9% annualized rate, and was down 9.5% over the twelve-month period ended on June 30th. The slowdown consisted of decreased consumer spending, exports, inventory investment, fixed investment, as well as state and local government expenditures. Federal government spending partly offset the deceleration. While significant, this shock to the economy was in line with revised forecasts.

The size and pace of the shutdowns resulted in central bank intervention on a massive scale. The U.S. Federal Reserve Bank cut its target range for overnight loans between banks to near-zero and dusted off a variety of liquidity facilities left over from the Global Financial Crisis to help calm markets. The Federal Reserve's balance sheet swelled from around $4.7 trillion to $7.2 trillion between the end of March and the beginning of June as the New York Fed's trading desk purchased massive amounts of U.S. Treasuries and mortgage-backed securities. Additionally, the Fed opened facilities allowing it to buy corporate debt through exchange traded funds.

The European Central Bank elected not to push rates further into negative territory as the pandemic hit. Instead, the ECB put together a €750 billion asset purchase program, which was eventually boosted in June to €1.35 trillion. The package will allow the ECB to keep borrowing costs low by buying bonds across jurisdictions until June 2021, or until it believes the crisis is over.

Verus

U.S. Equity

U.S. stocks led risk assets higher during the first half of the fiscal year, with the S&P 500 Index returning 10.9% over the six months ending in December. As COVID-19 began to course through the U.S. in the first quarter of calendar-year 2020, the index plunged 33.8% between February 19th and March 23rd before rebounding strongly in the second quarter. Due to the nature of the crisis, investors piled into mega-cap technology stocks, which powered the rise in both the S&P 500 and NASDAQ 100 indices. By the end of the fiscal year on June 30th the S&P 500 had reached 3,100—placing the index within 10% of the February high water mark of 3,386.

After this roller-coaster ride of historical proportions, the S&P 500 Index finished the fiscal year with a respectable 7.5% full-period return, outperforming both developed and emerging market equities (in USD terms).

International Equity

By contrast, international developed market equities lagged behind US stocks during the first half of the fiscal year, with the MSCI World ex US Index posting a 6.9% return. The index then fell further than did the S&P 500 during the first quarter of 2020, and rebounded less strongly in the second quarter, thus finishing the fiscal year in negative territory (-5.4%, in USD terms).

Similarly, the MSCI Emerging Markets Index returned -3.4% over the full fiscal year. China (MSCI China Index +13.1%) supported emerging market equity performance substantially, likely due to having moved into the recovery phase relatively quickly. Additionally, massive intervention from the People's Bank of China and the tech-concentration of the Chinese equity universe provided further support. More broadly, the Asian segment of the emerging markets complex (MSCI EM Asia +4.9%) diverged materially from the Latin American component (MSCI EM Latin America -32.5%). While some of the divergence was driven by differences in sector composition, Latin American emerging markets faced much more significant currency depreciation relative to the dollar—an important story during the first half of the year. The J.P. Morgan Emerging Market Currency Index, a basket of ten emerging market currencies, depreciated roughly -14% relative to the dollar, presenting material headwinds for U.S. investors in emerging market equities.

Fixed Income

Bonds rallied for much of the fiscal year, and ten-year Treasury yields fell from 2.01% to 0.66%, establishing fresh all-time closing lows of 0.54% along the way. Holding duration in portfolios provided a significant downside ballast during the crisis. The Bloomberg Barclays Long Duration Treasury Index returned 25.4%, topping the fixed income performance table over the one-year period. The rally in European sovereign bonds was more muted, as yields had less room to fall and the ECB preferred not to push their main deposit rate below -0.50%. Japanese government bonds largely moved sideways as the Bank of Japan left its yield curve control policy unchanged and continued to manage 10-year Japanese government bond yields within 20 basis points of its 0.00% target.

Credit spreads jumped considerably in the first quarter of 2020, leading to poor performance in credit over the quarter. On March 23rd, the option-adjusted spreads of the Bloomberg Barclays Aggregate Corporate and Corporate High Yield indices topped out at 3.73% and 11.00%, respectively. From a sector perspective, stress in the energy market exacerbated the blowout in spreads as concerns over the crude oil outlook worked their way into debt pricing. In the second quarter,

Verus

however, as corporate credit facilities announced by the Fed in March became operational, spreads fell—back down to 6.26% for high yield credit and 1.50% for investment grade credit—resulting in a performance comeback. Over the fiscal year, investment-grade credit posted performance of 9.5% while high-yield credit underperformed, returning 0.0%.

Local-currency denominated emerging market debt (J.P. Morgan GBI-EM Global Diversified Index -2.8%) underperformed risky U.S. credit, while dollar-denominated emerging market debt (J.P. Morgan EMBI Global Diversified Index +0.8%) fared slightly better.

Portfolio Review

The Board reaffirmed its existing strategic asset allocation in fiscal year 2020, pursuant to a comprehensive asset/liability study that considered alternative asset mixes. Following the asset-liability study, the Board reduced its actuarial return from 7.0% to 6.5%. The Board will formally revisit its strategic asset allocation again when it conducts its next asset/liability study in 2023.

Performance Review

At quarterly intervals, the System reviews performance at the total fund, asset class and individual manager levels. At each level, returns are evaluated versus appropriate indexes and peers. Index comparisons have as return objectives various after-fee return premiums with risk (standard deviation) not exceeding 125%-150% of the underlying index. URSJJ targets a median return within peer comparisons over longer periods of time.

Investment returns achieved through June 30, 2020 have been calculated using a time-weighted rate of return methodology based upon market values. As shown in the following table, for annualized time periods ended June 30, 2020, the U.S. Equity asset class matched or nearly matched its benchmark since the asset class is managed in a passive fashion. The U.S. Equity composite ranked above median in US equity peer group for the periods measured. The Non-U.S. Equity asset class, which is also invested passively, matched or nearly matched its benchmark for all annualized time periods measured. The Non-U.S. Equity composite ranked in the third quartile of the peer group over the 1, 5, 7 and 10-year annualized periods ended 6/30/20 and above median for the 3-year annualized period. The Fixed Income asset class performed above the benchmark for all annualized time periods measured as of June 30, 2020. Over the fiscal year, bonds were the highest performing asset class in the URSJJ portfolio on an absolute basis, in particular from its long duration manager. The Fixed Income composite was in the top third of the peer group over all periods measured, despite the fact that its structure is more conservative compared to a many large plan peers.

The total URSJJ Plan performed modestly below its Policy Benchmark for the 1, 3, 5 and 7-year periods and matched its Policy Benchmark for the 10-year period ended June 30, 2020. The total URSJJ Plan ranked in the upper third of the peer universe of Public Funds greater than $1 Billion for all time periods measured as of 6/30/20.

Verus

PERIODS ENDED 6/30/20	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	5.3%	9.3%	9.5%
85% Russell 1000 / 15% Russell 2000	5.3%	9.4%	9.5%
Rank*	30	36	31
Non-U.S. Equity	-4.6%	1.4%	2.6%
MSCI ACWI ex-U.S.	-4.4%	1.6%	2.7%
Rank*	71	48	55
Fixed Income	11.8%	6.7%	5.3%
78% BC Agg./11% Citi 20+ Year Tsy./11% BC U.S. TIPS	10.6%	6.1%	4.8%
Rank*	19	20	23
Total Fund	4.6%	6.4%	6.4%
*Policy Benchmark***	4.8%	6.5%	6.6%
Public Fund Defined Benefit Median*	2.9%	5.7%	5.9%
Rank*	20	28	23

* Ranking 1 is best, 100 is worst. Rankings source is Investment Metrics (formerly called InvestorForce).

** Policy Benchmark is:

40% Custom Domestic Equity Benchmark (85% Russell 1000/ 15% Russell 2000) /

32% Custom Fixed Income Benchmark (78% BC U.S. Aggregate / 11% Citi 20-Year+ Treasury / 11% BC U.S. TIPS) /

28% MSCI ACWI ex-U.S. Index.

In summary, Verus believes that URSJJ is managed in a prudent and extremely cost effective manner through the extensive use of passive management and fee benefits from its association with OPERS. The sound and disciplined policies implemented by URSJJ are evidenced by its competitive performance compared to relevant benchmarks over longer time periods.

Yours truly,

Margaret S. Jadallah
Managing Director

Verus

Chief Investment Officer's Report

Uniform Retirement System for Justices and Judges
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3007

800.733.9008 toll-free
405.848.5946 fax

Dear Members:

The Fund's total return of 4.6% for fiscal year 2020 was below the 6.5% long-term return target (see the **Recent Events** section regarding the change to the long-term return assumption) and below the 4.8% return of the policy portfolio. Capital markets around the globe exhibited extreme volatility due to the uncertainties of the extent of economic damage caused by the coronavirus pandemic. The historic bull market run of the stock market in the U.S. was decidedly interrupted during the fiscal year. Stock market returns outside of the U.S. did not contribute positively to total returns as the pandemic spread across the globe. The safe haven of the bond market provided a needed boost, as fixed income results delivered the highest contribution to the total return of the portfolio for the entire fiscal year. We endeavor to build a durable portfolio that will weather tumultuous market conditions. Maintaining diversification among asset classes and geographical regions is a critical component of that effort. We also de-emphasize active management in the portfolio, as demonstrated by our large holdings of index funds. This year's letter, which covers the 2020 fiscal year, will follow the same format as in years past. First, I will discuss the general economic environment and the performance of various markets throughout the fiscal year. Next, I will focus on the Fund by reviewing the investment performance and the asset allocation. Then, I will offer an investment outlook and discuss recent events at the Fund. Finally, I will review the Fund's investment philosophy and guiding principles, because both are critically important to the investment decision-making process.

Economic Environment

Gross Domestic Product (GDP), the primary gauge for economic activity in the U.S., plunged in the second quarter of 2020, shrinking by an annualized rate of 31.7%. This contraction in U.S. GDP was the largest ever, which immediately sent the economy officially into a recession. The breathtaking reduction in economic activity was a result of measures taken to reduce the spread of the coronavirus. The closure of restaurants, factories, stores and other businesses, in addition to "stay-at-home" orders issued by authorities, brought consumer and business spending to a standstill during the period. Weekly initial jobless claims were measured in the millions from March to April. Cumulative initial jobless claims surpassed 58 million since mid-to-late March, when the business closures due to coronavirus began in earnest. By the end of August, weekly jobless claims averaged over 1 million as non-essential businesses were allowed to open after weeks of having been closed due to the pandemic. The unemployment rate reached an all-time high of 14.7% in April of 2020. It fell to 8.4% in August 2020 from 10.2% in July, as businesses began to reopen and rehire employees. To compare the speed and extent of the damage to the labor market during the fiscal year, the highest unemployment rate experienced during the Great Recession was 10%. The Federal Government responded to the crisis with an assortment of stimulative measures, including the CARES Act, which provided $2 trillion in government aid, and Congress continues to debate the possibility of a second stimulus bill. The Federal Reserve also responded strongly to the crisis by dropping the Federal Funds target rate to zero and resuming and expanding the quantitative easing programs first seen during the Great Recession. The U.S. dollar strengthened relative to the rest of the developed world's currencies during this flight to quality. Note that a stronger dollar makes U.S. exports more expensive in other countries and detracts from U.S. dollar-based investor returns.

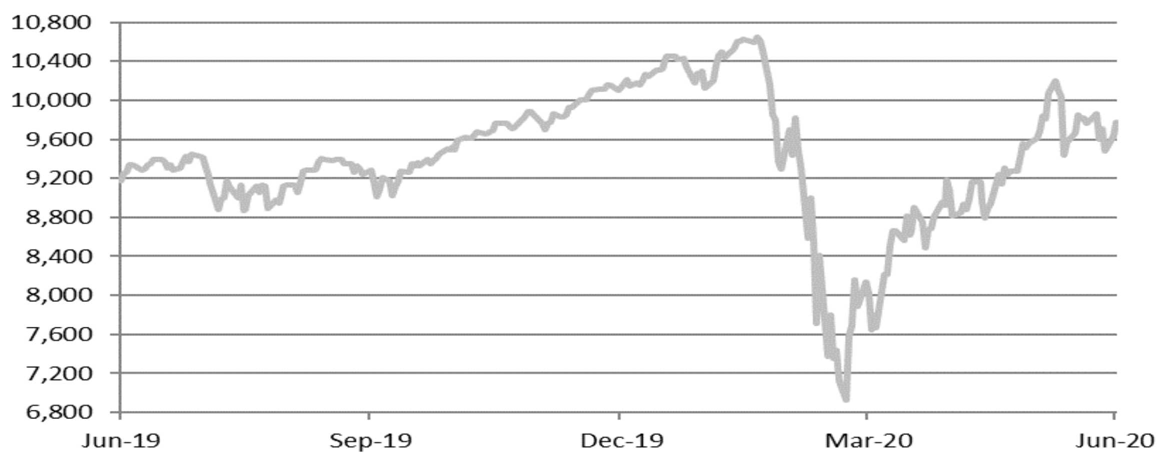
Economic activity outside of the U.S. followed a similar trajectory. The World Bank and OECD (Organization for Economic Co-operation and Development) predicted the deepest peacetime global recession in the last 80-100 years due to the pandemic. The European Central Bank (ECB) also launched lending and quantitative easing programs to support economic

Chief Investment Officer's Report (continued)

activity. The monetary response by central banking authorities has been on a global scale to lessen the damaging impact of the pandemic on economies.

U.S. and Global Stock Markets
The U.S. stock market, as measured by the Russell 3000 Index, exhibited profound volatility during the fiscal year. The Russell 3000 Index is one of the broadest domestic equity indices available and a good proxy for the U.S. equity market as a whole. Equity markets fluctuated between extreme fear, as the pandemic's effect on the economy led to dire economic conditions, and extreme greed, as the market cheered the fiscal and monetary support provided by the Government in response to the crisis.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2020
Value at 6/30/20 9,779.7
Value at 6/30/19 9,180.3



Source: FTSE Russell

The Russell 3000 ended the one-year period through June 30, 2020 up 6.53%, despite the severe volatility towards the second half of the fiscal year. From late February to late March, the Russell 3000 lost almost 35% of its value as fear from the effects of the pandemic gripped the markets. The market was able to claw back the losses experienced in the first calendar quarter and managed a respectable gain for the fiscal year. Investors sought the opportunity for risk-taking in equity markets as the Federal Government provided trillions of dollars of economic support in an effort to hold-off complete economic calamity. Large capitalization stocks continued to perform especially well compared to small capitalization stocks over the one-year period ended June 30. The Russell 1000 index (large cap stocks) gained 7.5%, while the Russell 2000 index (small cap stocks) lost 6.6% over the period. While the stock market performed well overall, the gains were not evenly distributed throughout the sectors of the index. Within the Russell 1000 index, return dispersion among the sectors was high, ranging from a gain of over 35% for the fiscal year in the technology sector, to a loss of over 36% in the energy sector. Stocks of technology companies were heavily favored, as the stay-at-home orders boosted demand for products and online sales activity flourished. With respect to the energy sector, oil sold-off during the period as demand evaporated; futures contracts briefly reflected oil prices below $0 per barrel! Equity style leadership continued to favor growth-oriented stocks, as growth stocks trounced value stocks during the period—that effect was felt in both the large and small cap areas of the market.

The rest of the developed world continued to underperform the U.S. equity market on a U.S. dollar basis. The MSCI All Country World Index ex-U.S. (ACWI ex-U.S. Index), which includes developed and emerging markets, lost 4.4% (gross) in U.S. dollar terms for the fiscal year. The U.S. dollar continued to strengthen relative to many other foreign currencies, which

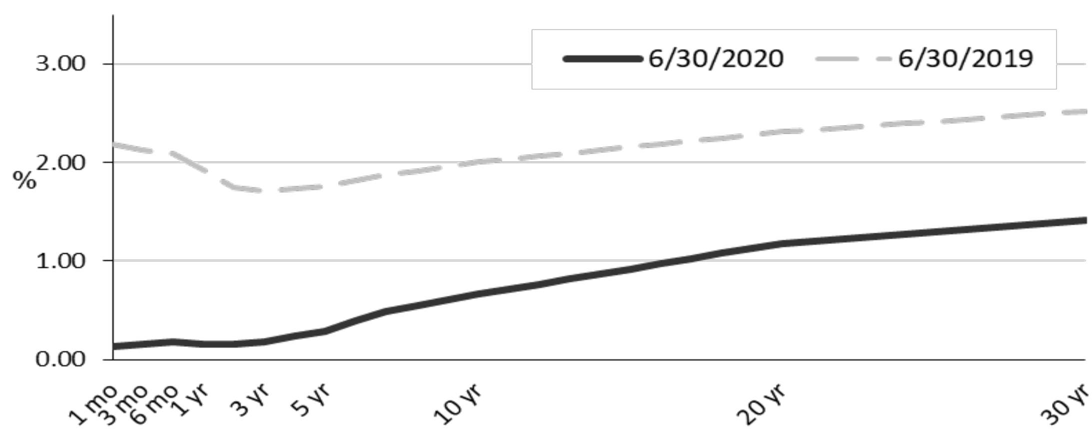
Chief Investment Officer's Report (continued)

exacerbated losses experienced by U.S. dollar investors in foreign markets. Emerging market returns in U.S. dollar terms were slightly better than non-U.S. developed market returns, but still logged a nominal loss in excess of 3% for the period.

Interest Rates

The chart below depicts the U.S. Treasury term structure of interest rates. The yield curve is a graphical representation of yield levels across the spectrum of bond maturities. As shown, interest rate levels declined across the curve over the period, as the Federal Reserve acted quickly to lower rates. By March 16th, the Federal Reserve had lowered the Fed Funds Rate by 150 basis points, after which it stood at a range of 0%-0.25% at the end of the fiscal year. The Fed stated that "the ongoing public health crisis will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term…". In addition to lowering rates, the Fed reenacted quantitative easing measures, which included the purchase of longer-term Treasury securities, and expanded the program to include mortgage-backed securities and corporate bonds. The Fed also announced several pandemic lending facilities, which were geared toward medium and smaller businesses. The actions by the Fed indicated that it was now taking on the role of lender to the real economy, instead of just acting as the lender of last resort to the financial industry. Outside of the U.S., yields were at all-time lows (in the U.K.) or below zero (in Japan and Germany). Central banks across the world have either lowered rates or maintained low rates in an effort to combat the pandemic and support their respective economies.

U.S. Treasury Yield Curve



Source: U.S. Treasury

Chief Investment Officer's Report (continued)

Investment Returns Through June 30, 2020

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	6.53%	10.04%	10.03%
S&P 500	Large Cap Equity	7.51%	10.73%	10.73%
Russell 1000	Large Cap Equity	7.48%	10.64%	10.47%
Russell 1000 Growth	Large Cap Growth	23.28%	18.99%	15.89%
Russell 1000 Value	Large Cap Value	-8.84%	1.82%	4.64%
Russell 2000	Small Cap Equity	-6.63%	2.01%	4.29%
Russell 2000 Growth	Small Cap Growth	3.48%	7.86%	6.86%
Russell 2000 Value	Small Cap Value	-17.48%	-4.35%	1.26%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**5.28%**	**9.29%**	**9.55%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	1.47%	1.68%	1.12%
Barclays U.S. Aggregate	Core Bonds	8.74%	5.32%	4.30%
Citigroup 20-year Treasury Average	Long Term Bonds	25.95%	12.26%	9.51%
Barclays Corporate High Yield	High Yield Bonds	0.03%	3.33%	4.79%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**11.84%**	**6.72%**	**5.27%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US	Broad Non-US Equity	-4.39%	1.61%	2.74%
MSCI EAFE	Developed Non-US Equity	-5.13%	0.81%	2.05%
MSCI Emerging Market	Emerging Non-US Equity	-3.39%	1.90%	2.86%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**-4.58%**	**1.42%**	**2.57%**

Uniform Retirement System for Justices & Judges	**Total Fund**	**4.63%**	**6.38%**	**6.42%**

Source: Various index providers, including FTSE Russell, S&P, Barclays, Citigroup, and MSCI. URSJJ returns were calculated using the BAI Iterative method (as such returns are time-weighted) and are gross of investment fees.

Investment Performance

Bull market continued

The Fund produced a total return of 4.63% for the period gross of fees (4.60% net of fees) which underperformed the policy benchmark portfolio by 15 basis points for the period. While most of the Fund follows a passive investment management style, the contribution from active management was accretive to overall results. Active management is used in the fixed income asset class, but not in the domestic or international equity portfolios. Given the volatility in the markets, small deviations in the Fund's asset allocation relative to the Policy portfolio exhibited above-average return dispersion, which ultimately resulted in underperformance of the Fund's return relative to the Policy portfolio for the fiscal year.

The Fund benefited from especially robust returns in the fixed income asset class and positive absolute returns from parts of the U.S. equity market. The fixed income segment of the portfolio returned well in excess of the 6.5% required return for the period and was the primary driver of the Fund's overall results. The U.S. equity portion of the portfolio contributed positively on an absolute basis, but total returns were below the nominal hurdle rate. The non-U.S. equity market segment detracted from results on an absolute basis.

Chief Investment Officer's Report (continued)

U.S. Equity
The Fund uses passive index investment management for the entire U.S. equity portfolio. Passive investment management is an efficient and cost-effective way to manage the assets, while maintaining broad exposure to the desired asset class. Over the fiscal year, small capitalization stocks dramatically underperformed large capitalization stocks, and value-oriented stocks continued to underperform the overall market in favor of growth-oriented stocks. The Fund's allocation dedicated to large capitalization stocks performed in excess of the required return for the period. The small capitalization portion of the fund lost over 6.5% for the fiscal year. The overall U.S. equity portfolio returned 5.3% for the period. Fund's modest overweight to small cap stocks caused the U.S. equity portion of the Fund to modestly underperform the policy return for the period.

Fixed Income
The Fund's bond portfolio contributed meaningfully to overall results, once again driving the total return for the fiscal year. As mentioned above, yields declined across the yield curve, which gave a hefty boost to the nominal total return of the asset class, especially in the longer-dated maturities. The Fund's advisor who uses interest rate positioning in managing its portion of the portfolio by analyzing long-term economic trends performed exceptionally well for the period, as its long duration position was handsomely rewarded with total returns of almost 30% for the period. The inflation-sensitive portion of the bond portfolio, which features U.S. Treasury securities, also performed quite well during the flight to quality. The two advisors who focus on the broader bond market both outperformed the benchmark, once again delivering meaningful total returns for the period, which is not generally expected from the asset class. Bonds are maintained in the portfolio for their volatility-dampening effect when combined with exposure to the equity markets. The decline in rates over the course of the fiscal year, especially at the long end of the yield curve, provided strong returns to the diversified Fund.

Non-U.S. Equity
This portion of the Fund is also managed entirely in a passive style. The index consists of stocks from developed and emerging countries outside of the United States. Emerging markets performed incrementally better than non-U.S. developed markets for the period. The U.S. dollar continued to strengthen relative to many other foreign currencies, which exacerbated losses experienced by U.S. dollar investors in foreign markets. The non-U.S. equity portfolio detracted from the total return of the fund, having lost over 4.5% in U.S. dollar terms for the period.

Asset Allocation

Diversification Reduces Volatility
Diversification is the most effective defense against the risks associated with any one individual security or asset class. Risks are controlled by allocating the Fund's assets across various asset classes and sectors within asset classes. There were no changes to the asset allocation during the fiscal year.

Asset Class	Min	6/30/2020	Target	Max
Cash	0.0%	0.2%	0.0%	0.0%
Domestic Fixed Income	27.5%	33.2%	32.0%	36.5%
U.S. Equity	34.4%	40.5%	40.0%	45.6%
Non-U.S. Equity	25.0%	26.1%	28.0%	31.0%
Total Fund		**100%**	**100%**	

May not equal 100% due to rounding

Chief Investment Officer's Report (continued)

Outlook and Recent Events

Outlook

If you've read this report in previous years, you know that I begin this section on a cautionary note regarding the accuracy of forecasted market returns. Correctly and consistently forecasting the market's behavior is impossible and taking any forecast as fact is sheer folly. We build the Fund according to the tenets set forth in our Investment Policy while making diversification a priority with respect to different asset classes and within each asset class. We endeavor to structure the Fund so it may benefit from strong returns in relatively riskier asset classes but are ever mindful to maintain a level of diversification to dampen the return volatility that can result.

The outlook for the global economic environment lacks clarity and is very much dependent on getting the COVID-19 pandemic under control. Global economic activity has fallen dramatically and no economy has been immune from the devastation caused by the pandemic. The U.S. is starting to see a slow recovery in the jobs lost early in calendar year 2020 in the areas hardest hit by the closures, including the retail, professional and business services, and leisure and hospitality. Questions remain regarding a return normalcy, which creates uncertainty in the short term. The global response from governments world-wide has provided a stabilizing force for their respective economies and has unquestionably supported financial markets. The evolution of support in the form of fiscal and monetary policy will be a key factor to consider in the outlook going forward.

Our largest concern continues to be the prospect of generating and maintaining investment results that match or exceed the actuarial assumed rate of return of 6.50%. This will continue to be a challenging task going forward. Interest rates remain historically low, which pressures the long-term return-generating capacity of a diversified portfolio. Additionally, with the stock market hitting record levels, equity market valuation levels appear stretched and potentially detached from the underlying economic fundamentals, which reduces prospective future returns.

Fixed Income

Over a long period of time, the total return of the bond market ***tends*** to resemble the yield of years past. Over short periods, interest rate movements may have a profound impact on the capital gains (or losses) experienced by bond investors. Even though rates started the year at relatively low levels, rates fell dramatically as the Federal Reserved took aggressive action to ease monetary policy, which produced outsized returns for the bond market. Falling rates produce positive returns for bonds in the short-term, but also constrain prospective returns of the bond market going forward. My medium-term expectation for the total return of the broad U.S. fixed income market going forward would more closely reflect current yields, which are around 0.25%-0.50%. Bonds are a necessary part of a diversified portfolio but are unlikely to contribute as significantly to the total returns of the Fund as they have in the recent past.

Equity

Equity markets are particularly difficult to predict with any type of precision. Over short periods of time, market sentiment and technical factors (buying and selling) have an overwhelming impact on returns experienced by investors. ***Over a long period of time***, the real return from the equity markets can be attributable to three main sources: dividends on stocks, the growth rate of corporate earnings, and changes in the valuation ratios. Generally, the growth rate of earnings depends on the economic environment. The impact of the pandemic is certainly felt in the pronounced contraction of the global economy. Corporate earnings lack clarity in forecasting for the short term and businesses remain pressured. U.S. equity markets have pushed pricing levels to new highs based on the stimulative measures taken by governmental authorities. Volatility of the market is high and is likely to remain elevated over the foreseeable future as investors vacillate between the economic realities created by the pandemic and the "sugar rush" of stimulative programs. As of now, optimism regarding the recovery of the economy in the face of the pandemic appears to be winning the day. However, should the pandemic drag on, the sustainability of market gains experienced thus far would certainly be in question.

Chief Investment Officer's Report (continued)

Recent Events

There were no changes to the Fund structure or the managers within the Fund during the year. In May of 2020, the Board lowered the assumed rate of return on invested assets to 6.5% from 7.0%, based on a recommendation from the actuaries who review the plan. During the triennial experience study, the System's actuaries recommended reducing the components of the assumed rate of return, price inflation and the real rate of return, by 0.25% each resulting in the decline of the assumed rate by 0.50%. The Experience Study (July 1, 2016 to June 30, 2019) can be found on our website, www.OPERS.OK.gov

Investment Philosophy and Guiding Principles

The investment philosophy and the principles that guide the stewardship of the Fund have remained consistent and are listed below. A pension fund has the longest of investment horizons and, therefore, rightly focuses on factors impacting long-term results:

- Asset allocation is the key factor determining long-term results.
- Disciplined rebalancing toward the desired asset allocation maintains diversification and controls risk.
- Diversification within and across asset classes is the most effective tool for controlling risk.
- Passive investment management is commonly the most effective approach in efficient markets; active investment management can succeed in less efficient markets.

For a complete discussion of the investment portfolio and policies thereof, please see the Statement of Investment Policy. A copy of the policy is posted on the OPERS website, www.OPERS.OK.gov/Investment. If you have any questions about this report or the management of the Fund's investments, please contact me. Thank you.

Regards,

Brad Tillberg, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income at June 30, 2020, are described in the following schedules. The Plan invests in four index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par		Fair Value
U.S. Treasury Bonds 2.25% due 8-15-2046	3,990,000	$	4,732,358
U.S. Treasury Bonds 2.5% due 5-15-2046	3,155,000		3,913,063
FNMA Single Family Mortgage 2.5%	2,050,000		2,133,802
U.S. Treasury Notes .25% due 05-31-2025	1,900,000		1,897,699
U.S. Treasury .25% due 06-30-2025	1,900,000		1,896,289
U.S. Treasury Bonds due 08-15-2045	2,690,000		1,855,565
U.S. Treasury Bonds due 11-15-2045	2,600,000		1,786,614
U.S.Treasury Notes 2.625% due 07-15-2021	1,493,000		1,530,850
U.S. Treasury Bonds 2.5% due 02-15-2046	1,220,000		1,510,941
FNMA Single Family Mortgage 2.5% 30 Years	1,398,000		1,457,415

Investments in Funds (By Fair Value):

Fund	Units		Fair Value
BlackRock Russell 1000 Index Fund	494,526	$	121,067,099
BlackRock ACWI ex-U.S. Index Fund	3,410,459		91,508,909
BlackRock Russell 2000 Index Fund	409,766		20,667,074
BlackRock U.S. TIPS Index Fund	473,138		11,878,551

A complete list of portfolio holdings is available upon request from the OPERS Investment Accounting and Financial Reporting Department.

Schedule of Stock Brokerage Commissions Paid

Year Ended June 30, 2020

None

Investment Portfolio by Type and Manager

At June 30, 2020, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 59,288	16.6%
Hoisington Investment Management	Interest Rate Anticipation	14,169	4.0%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	11,878	3.3%
Metropolitan West Asset Management	Core Plus	38,518	10.8%
Total Fixed Income		123,853	34.7%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	20,667	5.8%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	121,068	33.8%
Total U.S. Equities		141,735	39.6%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	91,509	25.6%
Short-term Investment Funds	Operating Cash	846	0.2%
Total Managed Investments		357,943	100.1%
Securities Lending Collateral		17,654	
Cash Equivalents on Deposit with State		115	
Total Investments and Cash Equivalents		$ 375,712	
Statement of Fiduciary Net Position			
Cash Equivalents		9,772	
Investments		365,940	
Total Investments and Cash Equivalents		$ 375,712	

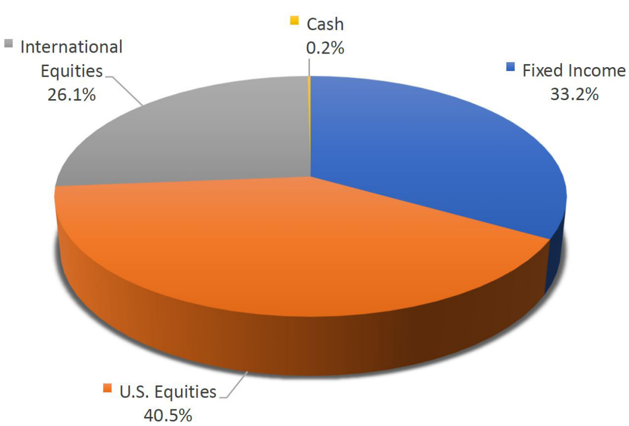
** Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

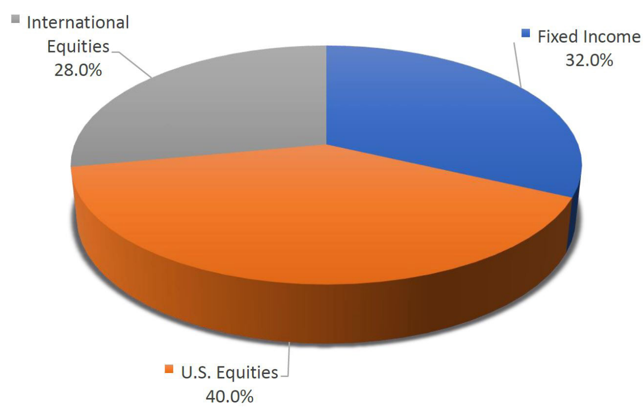
A comparison of the actual investment distribution at June 30, 2020 and 2019, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocation for each year is as follows:

2020

Asset Mix

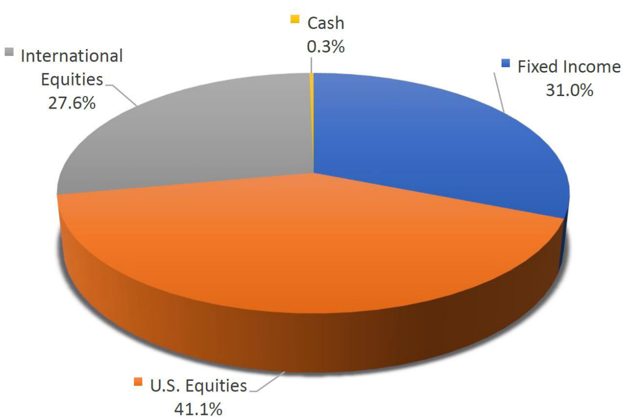


Target Policy Mix

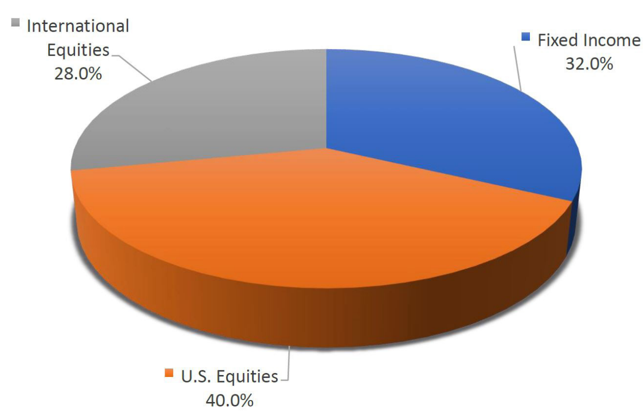


2019

Asset Mix



Target Policy Mix



ACTUARIAL

72 2020 Certification of Actuarial Valuation
74 Summary of Results
75 Analysis of Financial Experience
76 Solvency Test
77 Schedule of Active Member Valuation Data
77 Schedule of Retirants, Disabled Retirants and Beneficiaries Added to and Removed from Rolls
78 Summary of System Provisions
80 Summary of Actuarial Assumptions and Methods

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

Cavanaugh Macdonald
3550 Busbee Pkwy, Suite 250
Kennesaw, GA 30144

Phone (678) 388-1700
Fax (678) 388-1730
www.CavMacConsulting.com

November 10, 2020

Board of Trustees
Oklahoma Public Employees Retirement System
5400 N. Grand Boulevard
Suite 400
Oklahoma City, OK 73112

Members of the Board:

In this report are submitted the results of the annual valuation of the assets and liabilities of the Uniform Retirement System for Justices and Judges (URSJJ), prepared as of July 1, 2020.

The purpose of this report is to provide a summary of the funded status of the System as of July 1, 2020 and to provide the actuarially determined rate. While not verifying the data at the source, the actuary performed tests for consistency and reasonability.

The promised benefits of the System are included in the actuarially calculated contribution rates which are developed using the Entry Age Normal cost method. A five-year market-related value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded actuarial accrued liability (UAAL) that is being amortized by regular annual contributions as a level percentage of payroll, on the assumption that payroll will increase by 3.25% annually.

An experience study was performed covering the period from July 1, 2016 through June 30, 2019, resulting in several recommendations that were ultimately adopted by the Board of Trustees. The changes to the actuarial assumptions and methods are discussed in detail in the Executive Summary section of this report.

As in recent valuations, liabilities have been calculated without considering future cost of living adjustments (COLAs) and/or stipends in keeping with House Bill 2132 (2011). We note that House Bill 3350 (2020) granted a one-time benefit increase to certain retirees funded by the System. Should funding of future COLAs and/or stipends be provided by the System, the COLAs and/or stipends should be included in the actuarial valuation.

We have prepared the Schedule of Funding Progress and Trend Information shown in the financial section of the Comprehensive Annual Financial Report. All historical information that references a valuation date prior to July 1, 2010 was prepared by the previous actuarial firm.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared for funding purposes with assumptions and methods that meet the parameters of the Actuarial Standards of Practice, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Future actuarial results may differ significantly from the current results presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Because the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The Comprehensive Annual Financial Report (CAFR) contains several exhibits that disclose the actuarial position of the System. We have also reviewed the supplemental medical benefits provided by the System under Section 401(h) of the Internal Revenue Code and have determined that these benefits are subordinate to the retirement benefits as required. This annual report, prepared as of July 1, 2020, provides data and tables that we prepared for use in the following sections of the CAFR:

Actuarial Section:
- Analysis of Financial Experience
- Solvency Test
- Schedule of Active Member Valuation Data
- Schedule of Retirants, Disabled Retirants, and Beneficiaries Added to and Removed from Rolls

Statistical Section:
- Member Statistics
- Distribution of Retirees and Beneficiaries
- Summary of Active Members

In our opinion, in order for the System to meet all the benefit obligations of the plan for current active and retired members, contributions equal to at least the actuarially determined rate are necessary for future fiscal years. Assuming these contributions are made to the System, from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated. Because the statutory contribution exceeds the actuarially determined rate in this valuation, we recommend the statutory contribution be used to protect against future investment and experience losses.

Respectfully submitted,

Alisa Bennett, FSA, EA, FCA, MAAA
President

Brent Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary

Summary of Results

		7/1/2020 Valuation		7/1/2019 Valuation	% Change
1.	**PARTICIPANT DATA**				
	Number of:				
	Active Members	263		269	(2.2)
	Retired and Disabled Members and Beneficiaries	304		300	1.3
	Inactive Members	15		18	(16.7)
	Total members	582		587	(0.9)
	Projected Annual Salaries of Active Members	$ 35,377,422		$ 35,112,886	0.8
	Annual Retirement Payments for Retired Members and Beneficiaries	$ 22,872,164		$ 21,569,313	6.0
2.	**ASSETS AND LIABILITIES**				
	Total Actuarial Accrued Liability	$ 333,022,726		$ 308,615,185	7.9
	Market Value of Assets	$ 350,962,295		$ 347,536,802	1.0
	Actuarial Value of Assets	$ 354,486,299		$ 345,235,761	2.7
	Unfunded Actuarial Accrued Liability	$ (21,463,573)		$ (36,620,576)	(41.4)
	Funded Ratio	106.4%		111.9%	(4.9)
3.	**EMPLOYER CONTRIBUTION RATES AS A PERCENT OF PAYROLL**				
	Normal Cost Rate	26.42%		24.76%	
	Amortization of Unfunded Actuarial Accrued Liability	(9.80%)		(15.11%)	
	Budgeted Expenses	0.65%		0.62%	
	Total Actuarial Required Contribution Rate	17.27%		10.27%	
	Less Member Contribution Rate	8.00%		8.00%	
	Employer Actuarial Required Contribution Rate	9.27%		2.27%	
	Less Statutory State Employer Contribution Rate	22.00%		22.00%	
	Contribution Shortfall/(Surplus)	(12.73%)		(19.73%)	

Analysis of Financial Experience

**Gains & Losses in Actuarial Accrued Liability During the Year Ended June 30, 2020
Resulting from Differences Between Assumed Experience & Actual Experience**

Type of Activity	(Gain) or Loss for Year End 2020
1. Age & Service Retirements. If members retire at older ages or with smaller benefits than assumed, there is a gain. If they retire at younger ages or have higher average pays, a loss occurs.	$ (300,000)
2. Disability Retirements. If disability claims are less than assumed, then there is a gain. If more claims, a loss.	0
3. Death Benefits. If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(80,000)
4. Withdrawal from Employment. If more liabilities are released by withdrawals than assumed, there is a gain. If smaller releases, a loss.	160,000
5. Pay Increases. If there are smaller pay increase than assumed, there is a gain. If greater increases, a loss.	(450,000)
6. New Entrants. All new entrants to the System create a loss.	0
7. Other. Miscellaneous gains and losses resulting from data adjustments, employee transfers, valuation methods, etc.	(200,000)
8. (Gain) or Loss During Year From Financial Experience.	2,250,000
9. Composite (Gain) or Loss During Year.	$ 1,380,000

Solvency Test

The Judges funding objective is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year pay their fair share for retirement service accrued in that year by System members.

If the retirement system follows level contribution rate financing principles, the system will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of checking the funding progress. In a short-term solvency test, the retirement System's present valuation assets are compared with: 1) active member contributions on deposit, 2) the liabilities for future benefits to persons who have retired and the liabilities for terminated employees with vested benefits, and 3) the liabilities for service already rendered by active members. In a system that has been following the discipline of level contribution rate financing, the liabilities for member contributions on deposit (liability 1), the liabilities for future benefits to present retirees and the liabilities for future benefits for terminated employees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time; however, a decrease generally occurs in those years when substantial benefit improvements are granted by the Legislature. It is unusual for liability 3 to be fully funded. The funded ratio of the System based on total actuarial accrued liabilities (1 + 2 + 3) provides an indication of how well the System is funded.

The schedule below illustrates the progress of funding the actuarial accrued liabilities.

	Actuarial Accrued Liabilities[1] and Valuation Assets					Portion of Actuarial Accrued Liabilities Covered by Reported Assets			
Date	**Active Member Contributions (Liability 1)**	**Retirees, Beneficiaries and Terminated Vested Members (Liability 2)**	**Employer Financed Portion of Active Members (Liability 3)**	**Total Liability (1 + 2 + 3)**	**Reported Assets[1]**	**(1)**	**(2)**	**(3)**	**Funded Ratio of Total Accrued Actuarial Liabilities**
July 1, 2011	20,060,127	134,336,252	92,395,853	246,792,232	237,626,663	100	100	90.1	96.3
July 1, 2012	21,278,738	137,448,040	90,652,122	249,378,900	238,553,638	100	100	88.1	95.7
July 1, 2013	23,130,164	136,834,202	94,444,597	254,408,963	247,531,035	100	100	92.7	97.3
July 1, 2014	24,434,587	140,084,348	94,268,742	258,787,677	274,070,696	100	100	100.0	105.9
July 1, 2015	23,390,700	158,199,138	84,810,188	266,400,026	295,355,061	100	100	100.0	110.9
July 1, 2016	25,199,268	159,092,241	92,142,032	276,433,541	306,256,213	100	100	100.0	110.8
July 1, 2017	25,438,215	172,934,885	87,163,806	285,536,906	321,405,873	100	100	100.0	112.6
July 1, 2018	26,453,365	177,660,433	88,989,691	293,103,489	336,354,636	100	100	100.0	114.8
July 1, 2019	22,988,211	209,998,302	75,628,672	308,615,185	345,235,761	100	100	100.0	111.9
July 1, 2020	23,802,541	225,749,579	83,470,606	333,022,726	354,486,299	100	100	100.0	106.4

[1] Actuarial value of assets based on the smoothing technique adopted by the Board.

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Annual Average Pay	% Increase in Average Pay
July 1, 2020	263	$35,377,422	$134,515	3.05%
July 1, 2019	269	$35,112,886	$130,531	2.22%
July 1, 2018	265	33,838,528	127,693	0.28
July 1, 2017	262	33,359,101	127,325	(1.61)
July 1, 2016	269	34,810,851	129,408	1.54
July 1, 2015	271	34,537,376	127,444	1.86
July 1, 2014	274	34,281,695	125,116	(0.49)
July 1, 2013	273	34,325,368	125,734	0.33
July 1, 2012	266	33,336,632	125,326	(2.13)
July 1, 2011	271	34,700,819	128,047	(0.92)

Schedule of Retirants, Disabled Retirants, and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls – End of Year			
Year Ended	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
June 30, 2020	14	$1,233,210	10	$513,986	304	$22,872,164	6.04%	$75,237
June 30, 2019	35	3,235,367	7	200,255	300	21,569,313	16.38	71,898
June 30, 2018	11	1,003,518	4	314,465	272	18,534,201	3.86	68,140
June 30, 2017	16	1,470,169	11	581,210	265	17,845,148	5.24	67,340
June 30, 2016	5	409,553	5	412,096	260	16,956,189	0.01	65,216
June 30, 2015	30	2,395,473	5	298,613	260	16,958,732	14.11	65,226
June 30, 2014	19	1,330,374	14	838,912	235	14,861,872	3.42	63,242
June 30, 2013	7	439,982	10	576,225	230	14,370,410	(0.94)	62,480
June 30, 2012	7	550,850	9	188,030	233	14,506,653	2.57	62,260
June 30, 2011	28	2,415,131	3	73,279	235	14,143,833	19.84	60,187

Summary of System Provisions

Employees Included:	All Justices and Judges of the Supreme Court, Court of Criminal Appeals, Workers Compensation Court, Courts of Appeals or District Court who serve in the State of Oklahoma participate in the Uniform Retirement System for Justices and Judges.
System Contributions:	The contributions are received from the employer agencies based on a percentage of salary of covered members. Effective for the fiscal year ending June 30, 2006, employer contributions increased to 3.0% of the member's salary and will increase annually up to 22.0% of member payroll for fiscal years ending June 30, 2019, and thereafter.
Member Contributions:	Before September 1, 2005, basic member contributions equal 5% of salary, while married members could have elected an 8% contribution rate in order to provide survivor coverage. After September 1, 2005, the member contribution rate for all members is 8% of salary.
Final Average Salary:	The average monthly salary received during the highest three (3) years of active service as a Justice or Judge in a court of record.
Retirement Date:	A member who completes eight (8) years of service and attains age sixty-five (65), or completes ten (10) years of service and attains age sixty (60), or completes eight (8) years of service and whose sum of years of service and age equals or exceeds eighty (80), may begin receiving retirement benefits at his/her request. For Justices or Judges taking office after January 1, 2012, retirement age is sixty-seven (67) with eight (8) years of service or age sixty-two (62) with ten (10) years of service.
Normal Retirement Benefit:	General formula is 4% of average monthly salary multiplied by service, up to a maximum benefit of 100% of final average salary.
Disability Benefit:	After fifteen (15) years of service and age fifty-five (55), provided the member is ordered to retire by reason of disability and is eligible for disability retirement benefits. This benefit, payable for life, is calculated in the same manner as a normal retirement benefit but cannot exceed 100% of final average salary.

Summary of System Provisions (continued)

Survivor Benefit:

The spouse of a deceased active member who had met normal or vested retirement provisions may elect a spouse's benefit. The spouse's benefit is the benefit that would have been paid if the member had retired and elected the joint and 100% survivor option (Option B), or a 50% unreduced benefit for certain married participants making 8% of pay contributions prior to September 1, 2005. If the member has ten (10) years of service and the death is determined to be employment related, this benefit is payable immediately to the spouse. In order to be eligible for this survivor coverage, members must be married to their spouse for three (3) years preceding death and they must be married ninety (90) days prior to the member's termination of employment as a Justice or Judge. Effective October 1, 2004, the benefit for surviving spouses may be higher than 50% of the member's benefit, up to 65% for certain members who made additional voluntary survivor benefit contributions of 3% of salary prior to July 1, 1999, and who die or retire after July 1, 1999.

Optional Forms of Retirement Benefits:

The normal form of benefit for a single member is a single life monthly annuity with a guaranteed refund of the contribution accumulation. The normal form for a married member is a 50% joint and survivor annuity benefit. Optional forms of payment with actuarial reduction (if applicable) are available to all members retiring under the normal retirement or vested retirement provisions. After September 1, 2005, the options providing post-retirement death benefits are:

Option A -- Joint and 50% survivor annuity with a return to the unreduced amount if the joint annuitant dies.

Option B -- Joint and 100% survivor annuity with a return to the unreduced amount if the joint annuitant dies.

For married members, spousal consent is required for any option other than Option A.

Participant Death Benefit:

$5,000 lump sum.

Supplemental Medical Insurance Premium:

The System contributes the lesser of $105 per month or the Medicare Supplement Premium to the Oklahoma State and Education Employee's Group Health Insurance Program for members receiving retirement benefits.

Summary of Actuarial Assumptions and Methods

1. The investment return rate used in the valuation was 6.50 percent per year, net of investment expenses, compounded annually. This rate of return is not the assumed real rate of return. The real rate of return is the rate of return in excess of the inflation rate. Considering other financial assumptions, the 6.50 percent investment return rate translates to an assumed real rate of return of 4.00 percent.

2. Pub-2010 Below Median, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.

3. The probability of withdrawal from service is 2% for all years of service. The individual pay increase assumption is 3.50% per year.

4. The probabilities of retirement are shown in Schedule 1.

5. Because of the passage of House Bill 2132, benefits are not assumed to increase due to future ad hoc cost-of-living increases. We note that House Bill 3350 (2020) granted a one-time stipend to certain retirees funded by the System.

6. The individual entry-age normal actuarial cost method of valuation was used in determining actuarial accrued liability and normal cost. Actuarial gains and losses reduce or increase the unfunded actuarial accrued liability and are amortized over the remaining amortization period (7 years as of July 1, 2020).

7. The actuarial value of assets is based on a five-year moving average of expected actuarial values and market values. A preliminary expected value is determined equal to the prior year's actuarial value of assets plus net cash flow for the year ending on the valuation date, assuming the valuation investment return. The expected actuarial asset value is equal to the preliminary expected actuarial value plus the unrecognized investment gains and losses as of the beginning of the previous fiscal year. Twenty percent (20%) of the gain/loss as measured by the difference between the expected actuarial value and the market value at the valuation date is added to the preliminary expected actuarial value plus twenty percent (20%) of the unrecognized gains or losses for the four preceding fiscal years. The final result is constrained to a value no less than 80% and no more than 120% of the market value at the valuation date.

8. The actuarial assumptions and methods used in the valuation were adopted by the Board on based on System experience from July 1, 2016 through June 30, 2019.

Summary of Actuarial Assumptions and Methods (continued)

Schedule 1

Percent of Eligible Active Members Retiring Within Next Year

Retirement Ages	Percent	Retirement Ages	Percent
Below 59	7%	67	20%
59	10%	68	20%
60	10%	69	25%
61	10%	70	25%
62	15%	71	25%
63	15%	72	25%
64	15%	73	25%
65	15%	74	25%
66	15%	75	100%

STATISTICAL

83 Statistical Section Narrative Explanation
84 Schedule of Changes in Fiduciary Net Position
85 Schedule of Revenue by Source
85 Schedule of Expenses by Type
86 Schedule of Benefit Payments and Refunds by Type
86 Funded Ratio Chart
87 Schedule of Retired Members by Type of Benefit
88 Schedule of Average Benefit Payments
89 Principal Employer
89 Demographics Chart
90 Member Statistics
91 Distribution of Retirees and Beneficiaries
92 Summary of Active Members

The Statistical Section provides additional historical perspective, context, and detail to assist the reader in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess the economic condition of the Uniform Retirement System for Justices and Judges (URSJJ) on a combined basis, including both the Defined Benefit Pension Plan and the Health Insurance Subsidy Plan.

Financial trend information is intended to assist users in understanding and assessing the changes in the financial position over time. Schedules presenting financial trend information are *Schedule of Changes in Fiduciary Net Position, Schedule of Revenue by Source, Schedule of Expenses by Type, Schedule of Benefit Payments and Refunds by Type*, and *Funded Ratio Chart*.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability of URSJJ to generate own-source revenue, specifically investment income. The schedule presenting revenue capacity information is the *Rate of Return by Type of Investment.*

Operating information is intended to provide contextual information about the operations and resources of URSJJ to assist readers in using financial statement information to understand and assess the economic condition. Schedules and charts presenting operating information are *Schedule of Retired Members by Type of Benefit, Schedule of Average Benefit Payments, Principal Employer, Demographics Chart, Member Statistics*, Distribution of Retirees and Beneficiaries*, Summary of Active Members*.*

Schedules and information are derived from URSJJ internal sources unless otherwise noted.
*Schedules and data are provided by actuarial consultant Cavanaugh MacDonald Consulting, LLC.

Schedule of Changes in Fiduciary Net Position

Year Ended June 30,	Additions			Deductions			Total Changes in Fiduciary Net Position
	Member Contributions	Employer Contributions	Investment Income (Loss)	Benefit Payments	Administrative Expenses	Refunds	
2020	$ 2,765,684	$ 7,587,290	$ 15,680,541	$ 22,233,707	$ 176,032	$ 184,977	$ 3,438,799
2019	2,666,542	7,333,003	20,305,127	20,580,861	170,153	65,548	9,488,110
2018	2,608,284	6,684,275	26,439,554	18,642,900	155,666	52,038	16,881,509
2017	2,663,717	6,190,796	36,643,672	17,827,148	154,659	89,298	27,427,080
2016	2,666,001	5,831,884	1,441,579	17,198,048	149,149	161,575	(7,569,308)
2015	2,706,406	5,295,012	8,173,421	16,093,317	143,582	111,044	(173,104)
2014	2,543,885	4,610,812	46,212,132	14,939,499	132,190	56,892	19,411,540
2013	2,543,584	4,129,300	27,498,371	14,599,877	128,007	31,831	(4,369,589)
2012	2,562,347	3,619,677	4,411,958	14,478,117	154,623	330,831	37,008,455
2011	2,667,908	3,193,277	44,556,035	13,117,911	118,765	172,089	26,533,739

Schedule of Revenue by Source

Year Ended June 30,	Member Contributions	Employer Contributions: Dollars	Employer Contributions: % of Annual Covered Payroll	Investment Income (Loss)	Total
2020	$ 2,765,684	$ 7,587,290	21.45 %	$ 15,680,541	$ 26,033,515
2019	2,666,542	7,333,003	20.88	20,318,433	30,317,978
2018	2,608,284	6,684,275	19.75	26,439,554	35,732,113
2017	2,663,717	6,190,796	18.56	36,643,672	45,498,185
2016	2,666,001	5,831,884	16.75	1,441,579	9,939,464
2015	2,706,406	5,295,012	15.33	8,173,421	16,174,839
2014	2,543,885	4,610,812	13.45	46,212,132	53,366,829
2013	2,543,584	4,129,300	12.03	4,411,958	10,593,982
2012	2,562,347	3,619,677	10.86	44,556,035	50,417,220
2011	2,667,908	3,193,277	9.20	27,116,482	38,420,055
2010	2,599,341	8,704,232	24.85	(35,739,688)	(30,721,150)
2009	2,774,837	2,243,701	6.68	(8,735,864)	(4,560,710)

The employer contribution rate was raised to 7.0% effective July 1, 2008, 8.5% effective July 1, 2009, 10.0% effective July 1, 2010, 11.5% effective July 1, 2011, 13.0% effective July 1, 2012, 14.5% effective July 1, 2013, 16.0% effective July 1, 2014, 17.5% effective July 1, 2015, 19.0% effective July 1, 2016 and 20.5% effective July 1, 2017. In May 2009 the State Legislature designated an additional $6.0 million as employer contributions effective July 1, 2009.

Schedule of Expenses by Type

Year Ended June 30,	Benefit Payments	Administrative Expenses	Withdrawals	Total
2020	$ 22,233,707	$ 176,032	$ 184,977	$ 22,594,716
2019	20,580,861	170,153	65,548	20,816,562
2018	18,642,900	155,666	52,038	18,850,604
2017	17,827,148	154,659	89,298	18,071,105
2016	17,198,048	149,149	161,575	17,508,772
2015	16,093,317	143,582	111,044	16,347,943
2014	14,939,499	132,190	56,892	15,128,581
2013	14,599,877	128,007	31,831	14,759,715
2012	14,478,117	154,623	330,831	14,963,571

Schedule of Benefit Payments and Refunds by Type

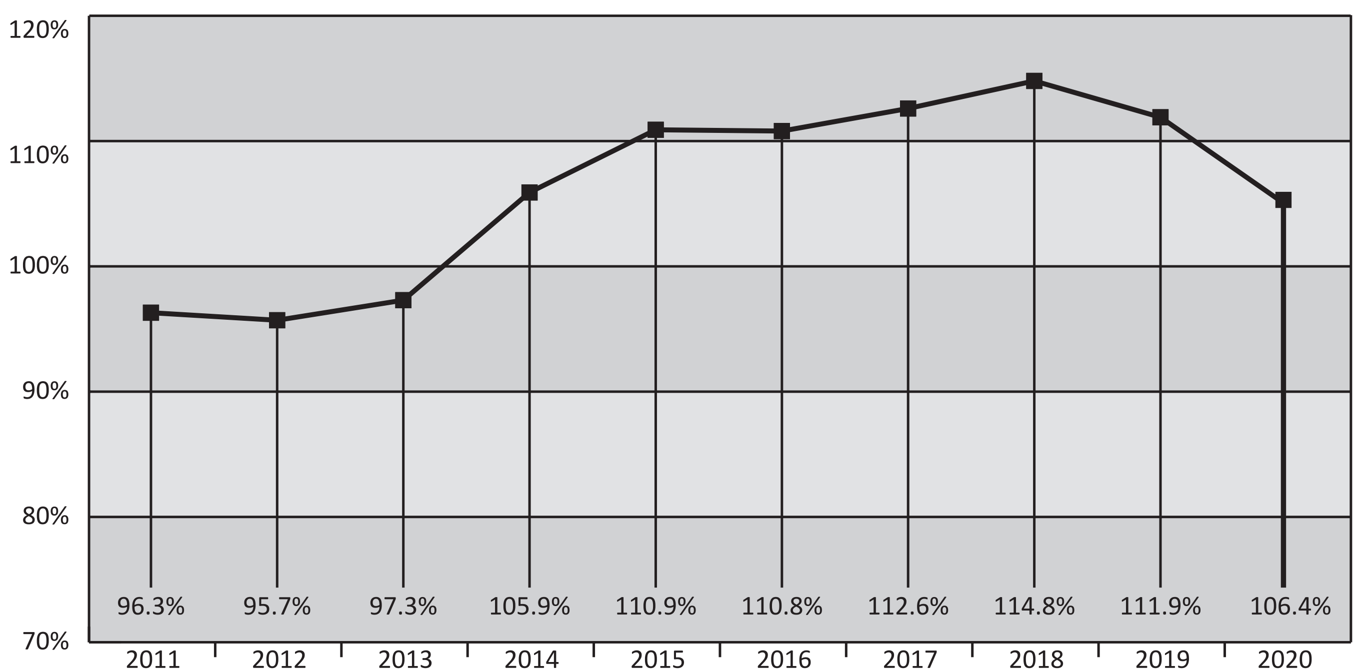
The following schedule provides information as to the type of benefit expenses incurred by the Plan as reflected in the "Benefit Payment" and "Refunds" columns of the **Schedule of Expenses by Type** included elsewhere in this Statistical Section.

Year	Benefits			Refunds				Total Benefit
Ended	Age and		Beneficiary		Transfers to	Member		Payments
June 30,	Service	Disability	Death	Withdrawals	Other Systems	Death	Other	and Refunds
2020	$ 21,974,375	$ 214,333	$ 45,000	$ 29,367	$ -	$ 155,610	$ -	$22,418,686
2019	20,336,707	234,154	10,000	65,548	-		-	20,646,409
2018	18,364,345	231,055	47,500	-	-	52,038	-	18,694,938
2017	17,471,154	323,494	32,500	42,418	-	46,479	401	17,916,446
2016	16,877,693	295,355	25,000	161,575	-	-	-	17,359,623
2015	15,811,374	246,943	35,000	111,044	-	-	-	16,204,361
2014	14,748,689	157,476	33,334	56,892	-	-	-	14,996,391
2013	14,387,401	157,476	55,000	(46,560)	-	78,391	-	14,631,708
2012	14,290,643	157,476	30,000	234,514	-	96,317	-	14,808,950
2011	12,925,436	157,475	35,000	3,744	-	168,345	-	13,290,000

Negative withdrawal amounts represent the cancellation of a withdrawal issued in a prior fiscal year. This occurs very infrequently.

Funded Ratio Chart

As of July 1



Schedule of Retired Members by Type of Benefit

June 30, 2020

Amount of Monthly Benefit	Number of Retirees	Type of Retirement* 1	2	3	4	Option Selected # 1	2	3	4
$1 – 1,000	4	1	4	-	-	-	4	-	-
1,001 – 2,000	18	4	13	-	-	1	14	1	2
2,001 – 3,000	31	14	16	-	1	2	21	3	5
3,001 – 4,000	35	21	13	-	1	4	20	3	8
4,001 – 5,000	44	32	11	1	-	3	30	3	8
Over 5,000	172	163	8	1	-	25	108	14	25
Totals	**304**	**235**	**65**	**2**	**2**	**35**	**197**	**24**	**48**

***Type of Retirement**

Type 1 – *Normal retirement for age and service:* For participants who became members prior to January 1, 2012, they are eligible at (1) when the sum of the member's age plus years of service equals 80 points and has judicial service of at least 8 years, or (2) age 65 with 8 years of judicial service, or (3) age 60 with 10 years of judicial service. For participants who became members on or after January 1, 2012, they are eligible at (1) age 67 with 8 years of judicial service, or (2) age 62 with 10 years of judicial service.

Type 2 – *Survivor payment:* Normal.

Type 3 – *Disability:* Available for members who have attained age 55 and have 15 years of credited service and are determined to be disabled by the Court of the Judiciary.

Type 4 – *Survivor payment:* Disability retirement.

 # Option Selected

Option 1 – *Single-life annuity:* The maximum benefit is paid for the member's lifetime.

Option 2 – *50% to 65% Survivor Annuity:* Paid to surviving spouse for his or her lifetime if certain contributions were paid by the justice or judge while actively participating and if other criteria are met.

Option 3 – *Option A – ½ Joint and Survivor Annuity:* The member will receive a reduced retirement benefit for life and ½ of the reduced retirement benefit will be paid to the surviving joint annuitant for their lifetime. This option became available September 1, 2005.

Option 4 – *Option B – 100% Joint and Survivor Annuity:* A reduced benefit is paid to the member for life and the same benefit is paid to a surviving joint annuitant for their lifetime. This option became available September 1, 2005.

Deferred Members

At June 30, 2020, there are 15 former members with deferred future benefits.

Schedule of Average Benefit Payments

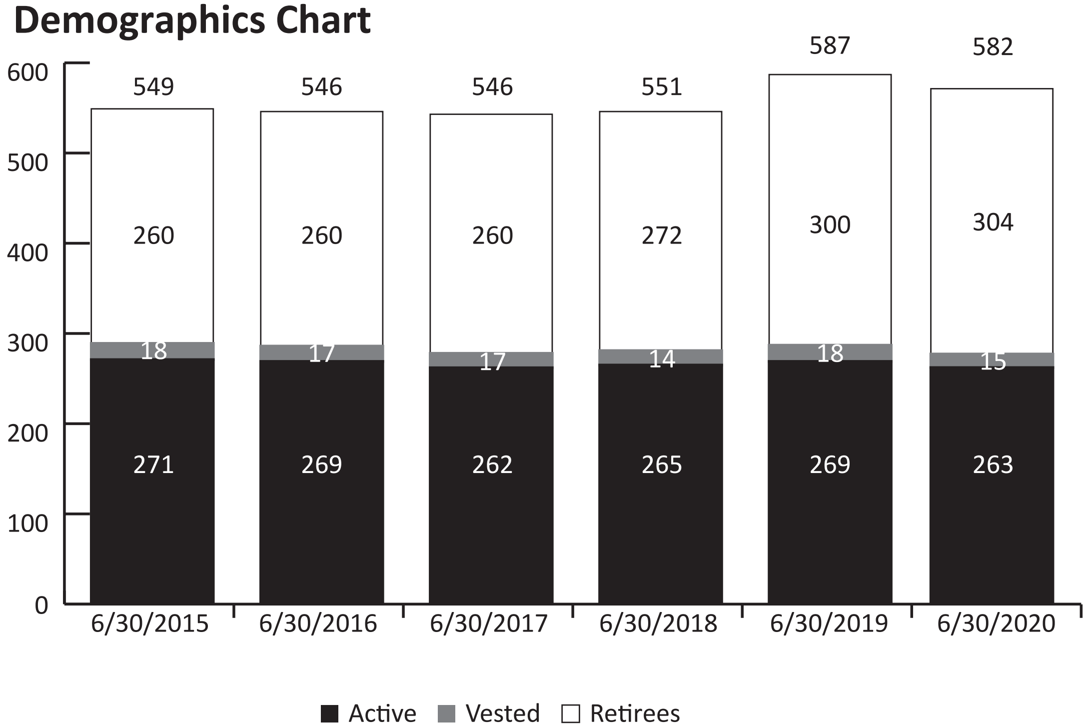
Retirement Effective Dates	Years of Credited Service						
July 1, 2010 to June 30, 2020	**0 to 5**	**6 to 10**	**11 to 15**	**16 to 20**	**21 to 25**	**26 to 30**	**31+**
Period 7/1/10 to 6/30/11							
Average Monthly Benefit	$ -	$ 2,346	$ 4,059	$ 6,367	$ 8,054	$ 9,602	$ 8,666
Average Final Average Salary	$ -	$ 8,662	$ 8,259	$ 9,881	$ 9,384	$ 10,106	$ 10,182
Number of Active Retirees	-	1	5	6	5	6	5
Period 7/1/11 to 6/30/12							
Average Monthly Benefit	$ -	$ 3,731	$ -	$ -	$ 9,456	$ 10,868	$ -
Average Final Average Salary	$ -	$ 10,364	$ -	$ -	$ 9,828	$ 10,868	$ -
Number of Active Retirees	-	1	-	-	3	1	-
Period 7/1/12 to 6/30/13							
Average Monthly Benefit	$ -	$ 3,064	$ 4,495	$ 5,036	$ 8,486	$ -	$ -
Average Final Average Salary	$ -	$ 9,157	$ 9,601	$ 7,405	$ 9,962	$ -	$ -
Number of Active Retirees	-	2	2	2	2	-	-
Period 7/1/13 to 6/30/14							
Average Monthly Benefit	$ -	$ 3,441	$ -	$ 5,911	$ 8,031	$ 10,364	$ 10,364
Average Final Average Salary	$ -	$ 9,559	$ -	$ 8,663	$ 9,828	$ 10,364	$ 10,364
Number of Active Retirees	-	1	-	5	3	1	1
Period 7/1/14 to 6/30/15							
Average Monthly Benefit	$ -	$ 2,959	$ 5,181	$ 7,868	$ 9,557	$ 9,077	$ 9,756
Average Final Average Salary	$ -	$ 9,614	$ 10,010	$ 10,309	$ 10,301	$ 9,655	$ 10,197
Number of Active Retirees	-	5	4	5	7	2	3
Period 7/1/15 to 6/30/16							
Average Monthly Benefit	$ -	$ 4,350	$ -	$ 6,132	$ 7,883	$ -	$ -
Average Final Average Salary	$ -	$ 10,874	$ -	$ 9,017	$ 9,272	$ -	$ -
Number of Active Retirees	-	1	-	1	3	-	-
Period 7/1/16 to 6/30/17							
Average Monthly Benefit	$ -	$ 3,169	$ 4,072	$ 7,044	$ 10,041	$ 10,615	$ 12,220
Average Final Average Salary	$ -	$ 8,848	$ 9,119	$ 10,266	$ 10,780	$ 10,615	$ 12,220
Number of Active Retirees	-	3	2	3	6	2	1
Period 7/1/17 to 6/30/18							
Average Monthly Benefit	$ -	$ -	$ 4,244	$ 4,540	$ 9,240	$ 8,009	$ 10,691
Average Final Average Salary	$ -	$ -	$ 8,974	$ 6,722	$ 10,133	$ 9,280	$ 11,500
Number of Active Retirees	-	-	3	1	4	1	2
Period 7/1/18 to 6/30/19							
Average Monthly Benefit	$ -	$ 2,476	$ 4,337	$ 7,681	$ 9,811	$ 10,133	$ 10,548
Average Final Average Salary	$ -	$ 8,052	$ 10,377	$ 10,460	$ 10,292	$ 10,133	$ 11,172
Number of Active Retirees	-	3	7	8	11	2	4
Period 7/1/19 to 6/30/20							
Average Monthly Benefit	$ -	$ 2,467	$ 4,635	$ 6,701	$ 9,772	$ 9,726	$ -
Average Final Average Salary	$ -	$ 8,518	$ 9,851	$ 10,229	$ 10,525	$ 11,263	$ -
Number of Active Retirees	-	1	4	2	6	1	-

Principal Employer

The Uniform Retirement System of Justices and Judges is a single-employer public employee retirement plan. The Plan covers Justices and Judges who sit on the Supreme Court of Oklahoma, the Oklahoma Court of Criminal Appeals, the Oklahoma Courts of Civil Appeals, the Oklahoma District Courts, and the Oklahoma Workers' Compensation Court. The Plan also covers the Administrative Director of the Courts.

Year Ended June 30,	Covered Employees of the State
2020	263
2019	269
2018	265
2017	262
2016	269
2015	271
2014	274
2013	273
2012	266
2011	271

Demographics Chart



Member Statistics

Earnings tabulated are average rates of pay as of July 1, 2020	Number	Amount of Annual Benefit
Members receiving benefits		
Retired	235	$ 20,111,814
Surviving spouses	67	2,626,646
Disabled	2	133,704
Total	**304**	**$ 22,872,164**
Members with deferred benefits		
Vested terminated	11	$ 560,563
Assumed deferred vested members (estimated benefits)	4	172,815
Total	**15**	**$ 733,378**

	Average			
Statistics for	**Number**	**Age**	**Service**	**Earnings**
Active members as of July 1, 2019				
Continuing	225	57.6	11.7	$ 126,945
New	44	49.5	0.5	55,660
Total	**269**	**56.3**	**9.9**	**$ 115,285**
Active members as of July 1, 2020				
Continuing	255	56.9	10.5	$ 130,174
New	8	49.5	0.5	59,458
Total	**263**	**56.6**	**10.2**	**$ 128,023**

Distribution of Retirees and Beneficiaries

	Number			Annual Benefits		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Under 50	-	-	-	$ -	$ -	$ -
50-55	-	1	1	-	71,728	71,728
55-60	3	4	7	313,738	267,004	580,742
60-65	11	3	14	1,096,107	251,174	1,347,281
65-70	48	20	68	4,707,125	1,522,658	6,229,783
70-75	65	12	77	5,895,440	683,948	6,579,388
75-80	39	22	61	2,649,192	1,328,463	3,977,655
80-85	26	9	35	1,803,792	428,336	2,232,128
85-90	7	15	22	499,536	487,257	986,793
90-95	5	11	16	364,789	413,081	777,870
95-100	1	1	2	42,107	17,299	59,406
Over 100	1	-	1	29,390	-	29,390
Total	**206**	**98**	**304**	**$ 17,401,216**	**$ 5,470,948**	**$ 22,872,164**

Summary of Active Members

Age and years of credited service
Earnings tabulated are average rates of pay as of July 1, 2020

Age	Years of Service									Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 35										
Average Pay										
35 to 39	13	3								**16**
Average Pay	$118,570	$124,872								**$119,751**
40 to 44	15	9	2							**26**
Average Pay	$125,593	$127,277	$128,479							**$126,398**
45 to 49	14	8	5	3						**30**
Average Pay	$106,699	$128,479	$138,045	$121,266						**$119,188**
50 to 54	12	7	6	2	2	1				**30**
Average Pay	$118,221	$130,088	$127,802	$128,479	$133,889	$128,479				**$124,977**
55 to 59	13	17	18	7	2	1				**58**
Average Pay	$121,696	$132,165	$129,080	$134,760	$139,298	$128,479				**$129,357**
60 to 64	9	19	9	6	4	1	2			**50**
Average Pay	$126,074	$133,297	$132,085	$121,266	$130,169	$160,096	$135,917			**$130,726**
65 to 69		11	7	4	5	2	2			**31**
Average Pay		$124,585	$129,445	$134,389	$129,497	$141,326	$159,407			**$131,066**
70 & up	1	3	5	4	3	1		1	4	**22**
Average Pay	$128,479	$128,479	$134,159	$128,479	$146,510	$146,059		$154,174	$150,578	**$138,214**
Total	**77**	**77**	**52**	**26**	**16**	**6**	**4**	**1**	**4**	**263**
Average Pay	**$119,259**	**$129,790**	**$130,829**	**$128,582**	**$134,629**	**$140,961**	**$147,662**	**$154,174**	**$150,578**	**$128,023**

URSJJ

Uniform Retirement System for Justices and Judges
P.O. Box 53007
Oklahoma City, Oklahoma 73152-3007
1.800.733.9008