Deliver Quality Service

Go above and beyond for our members and service partners.

Aspire to be agile and efficient to meet challenges.

Invest in the development and advancement of our employees.

Take pride in delivering accurate and beneficial information.

"Our members' questions about retirement are as diverse as the members themselves. Knowing that we are prepared to provide relevant answers to a member during their retirement journey no matter how challenging, is the magic formula. We treat each member like they are family." - Tonda

INVESTMENT

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 4.9% for the fiscal year ended June 30, 2022. 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 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	6/30/22 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
U.S. EQUITY	39.8%	39.8%	40.0%	42.4%	100.0%
FIXED INCOME	32.2%	29.6%	32.0%	32.2%	60.8%
INT'L EQUITY	27.6%	27.6%	28.0%	28.0%	100.0%
CASH	0.4%	0.3%	0.0%	0.4%	0.0%

Review of Fiscal Year 2022 Investment Environment

Market Environment

The broad story was a tale of two halves over the fiscal year, as global markets delivered mildly positive returns in the latter half of 2021, with below-average volatility, spurred by easy monetary policy, pandemic reopening demand, and a resurgence in economic growth. The reopening story painted a more optimistic picture in advanced economies, while emerging economies struggled due to less access to quality vaccines and more stringent pandemic lockdown measures, specifically within China. However, this optimism began to fade as inflation surged and central banks turned more hawkish.

The first half of 2022 proved to be an incredibly different environment from what was experienced during 2021. The persistence of inflation was a driving narrative, as the supply shocks coming from Russia's invasion of Ukraine and supply chain issues from China's continued zero-covid policy accelerated already fast price growth. Central banks, keen to lower inflation, reacted more aggressively as a result. The quick, but relatively small, tightening cycle hurt both equities and bonds alike. Nearly all asset classes have produced losses year-to-date—a somewhat rare occurrence which left most diversified portfolios materially in the red. The spur of tightening also increased fears of recession and possibly stagflation, as inflation ceased to moderate (U.S. headline CPI hit 9.1% in June—a four-decade high).

U.S. Equity

While the S&P 500 delivered a fantastic 11.7% return in the second half of 2021, the first half of 2022 saw a significant reversal of -20%, qualifying as a technical market correction. In an effort to curb four-decade high inflation within the U.S., the Federal Reserve raised their policy rate by 25 bps, 50 bps, and 75 bps at their respective March, May, and June meetings. It's important to note that although the pace of rate hikes has been rapid compared to most previous tightening cycles, the overall magnitude of tightening has been small.

Investors began recognizing the potential for recession in the second quarter of 2022, as economic data indicated a slowdown alongside Federal Reserve tightening. Persistent inflation in the face of multiple rate hikes impacted company revenues and profits. On the sales front, declines in real purchasing power slashed consumer sentiment and impacted discretionary spending. With regard to corporate profits, higher expenses, particularly for companies unable to pass through prices, have resulted in earnings compression (MSCI U.S. Profit Margins down from 12.9% in December 2021 to 12.2% in June 2022). Ultimately, U.S. equities have faced a tough environment in the first half of 2022, with the S&P 500 falling 20.0% as of June 30th.

Briefly looking at size and style, the Value factor outperformed the Growth factor during the fiscal year (Russell 1000 Value -7.4%, Russell 1000 Growth -19.0%). The Russell 1000 Value Index has declined -12.9% versus -28.1% for the Russell 1000 Growth Index year-to-date. As expected, rising rates inflicted more pain on duration-sensitive growth equities. From a size perspective, small-cap equities underperformed significantly during the fiscal year (Russell 2000 -25.2%, Russell 1000 -13.0%).

International Equity

International developed equities lagged U.S. equities over the fiscal year, as the MSCI EAFE Index returned -17.8% relative to the S&P 500 -10.6% return. Dollar strength hurt U.S. investors with unhedged foreign currency exposure, as the Bloomberg Dollar Spot Index advanced 10.3% during the period. Despite the underperformance over the full fiscal year, both developed and emerging market equities outperformed U.S. shares on a year-to-date basis through June 30th, as the MSCI EAFE and MSCI EM Indices returned -19.6% and -17.6%, respectively.

Verus

Emerging market equities underperformance during the fiscal year was primarily due to the large drop in Chinese equities (MSCI China -31.8%), as the country locked down major cities and cracked down on sectors including technology, education, and real estate. This narrative switched gears during the first half of 2022, as news of potential easing of government restrictions and the reopening of several large cities boosted share prices of the largest country constituent in the MSCI EM Index (35.4%). While being the worst performer over the full fiscal year, emerging market equities ended the first half of 2022 as the best performing market.

Developed economies faced a similar equity environment to that of the United States. Positive performance in the second half of 2021 due to reopening growth was reversed in the first half of 2022, as rising inflation was amplified by Russia's invasion of Ukraine in late February. Ensuing sanctions against Russian petroleum exports from the West squeezed energy prices upward, forcing the Bank of England and European Central Bank to shift gears in terms of monetary policy. The MSCI EAFE Index fell -19.6% over the year-to-date, wiping out the 2.3% gain seen during the second half of 2021. International developed equities continue to be challenged, as the energy crisis escalates, and consumer strength remains less resilient than that of the U.S.

Fixed Income

Core fixed income suffered losses of -10.3% over the full fiscal year (BBgBarc U.S. Aggregate), though losses occurred in the first half of 2022. All eyes have been on inflation, which has forced central bankers to tighten conditions while attempting to avoid pushing their economies into recession. Rate hikes and forward guidance from central banks have hammered equity and bond markets alike, created a rare environment of sharp losses across both asset classes.

The magnitude of expected rate hikes has jumped materially since late 2021. During December 2021, Fed funds futures contracts suggested the Fed Funds Rate would end 2022 at 0.82% (only three 25 bps rate hikes expected). By the end of March 2022, markets were pricing in a total of *nine* 25 bps rate hikes. This placed the implied Fed Funds Rate at 2.39% by the end of 2022. The trend continued in Q2, as inflation remained persistent. The Federal Reserve pushed through an additional 50 bps hike in May and a 75 bps hike in June (the largest single meeting hike since 1994). Going forward, markets are pricing in an additional seven rate hikes (not including the six previously implemented) by the end of 2022, bringing the year-end implied rate in line with the Fed's expectation of 3.4%. Many countries currently face similar problems, as inflation remains a challenge.

The impact of policy tightening on duration-sensitive assets has been significant. Performance was negative across all fixed income asset classes over the year-to-date, as rates jumped from historically low levels. The Bloomberg Global Treasury Index returned -14.8% in dollar terms over the year-to-date. In the U.S., the Bloomberg Universal Index suffered its worst quarterly loss in Q1 2022—down -6.1%—while the Bloomberg Aggregate Index fell -5.9% (its third worst quarterly loss, dating back to 1976). Performance during Q2 was also negative, with the Universal and Aggregate Indices down -5.1% and -4.7%, respectively. Longer duration assets underperformed. The Bloomberg U.S. Long Treasury Index fell -21.3% year-to-date, compared to the -3.0% decline of the Bloomberg U.S. Treasury 1-3 Year index.

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Looking at credit, spreads significantly widened over the course of 2022. Investment grade spreads widened by 63 bps, moving from 0.92% to 1.55% at the end of June. High yield spreads also jumped, starting the year at 283 bps before moving to 569 bps over the same period. Spread movements widely reflected the risk off tone and growing concerns over a slowing economy. Despite spread expansion, default rates for par weighted U.S. high yield and bank loans ended Q2 at 0.76% and 0.74%—far below the longer-term historical averages of 3.2% and 3.1%.

Commodities

Commodities were the best performing asset class over the fiscal year, with the Bloomberg Commodity Index returning 24.3%. Commodities moved higher in Q3 2021, driven by supply chain imbalances and rising signs of inflation. These gains tailed off towards the end of 2021, as signals of tighter monetary policy crimped global economic growth expectations.

The real story emerged in the first quarter of 2022, specifically following Russia's invasion of Ukraine. Both Russia and Ukraine being large suppliers of energy and grain commodities spiked prices, propelling inflation higher. Natural gas and WTI Crude Oil prices shot up +58.4% and 38.3%, while Wheat and Corn bounced 29.6% and 26.3%, respectively. Despite the sharp tick up in prices, commodities have begun to normalize, as recession fears have cut demand forecasts, shipping costs have moved down, and supply chain pressures have started to ease.

Currency

A strong dollar remained the biggest currency story in 2022, as the dollar continued its 2021 trend. The Bloomberg Dollar Spot Index returned +7.4% over the year-to-date, driven by higher relative interest rates, a relatively strong economic outlook, and safe-haven currency status. The dollar performed well against major pairs, as currency impacts were significant within the international developed equities space.

Outlook

A key question going forward is whether global central banks will be able to bring inflation under control without dragging their respective economies into recession. This task is perhaps more difficult than past inflationary regimes, given the war in Ukraine, lockdowns in China, and acute pandemic-related supply shortages which have led to high prices that perhaps cannot be brought down via traditional central bank policy. Within the U.S, the possibility of a "soft landing" for the economy seems to be off the table, as the economy appears to be in recession, or at least very close to one. Uncertainty remains high, although the recent drawdown of most major asset classes has reversed the "low return environment" dynamic that has been common for nearly a decade. Many asset classes now appear to offer robust yields and prospective returns relative to past years—perhaps a silver lining in an environment which has proved challenging for investors with diversified portfolios.

Portfolio Review

The Board maintained its existing strategic asset allocation in fiscal year 2022 as well as its portfolio structure and manager line up. In the coming fiscal year, URSJJ is due to conduct its triennial asset/liability study which may result in modest changes to the Plan.

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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, 2022, 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, 2022, the U.S. Equity asset class essentially matched its benchmark since the asset class is managed in a passive fashion. The U.S. Equity composite ranked below median in the US Equity peer group for the fiscal year and above median versus peers for annualized periods measured. The Non-U.S. Equity asset class, which is also invested passively, matched or nearly matched its benchmark for all time periods measured. The Non-U.S. Equity composite ranked above median versus the peer group for the fiscal year and 5-year period ended June 30, 2022, and below median for 3-, 7- and 10-year annualized periods ended 6/30/22. URSJJ's fully passive exposure is very cost effective but has lagged active non-U.S. equity investment management over longer time periods. The Fixed Income asset class performed below the benchmark for the 1-year period but exceeded the benchmark for all annualized time periods measured as of June 30, 2022. During the fiscal year, bonds lost value as yields rose significantly off of historic lows. The Fixed Income composite was in the bottom quartile of the peer group over the fiscal year and slightly above or below median over annualized periods. URSJJ's fixed income structure is more conservative compared to many large plan peers and has dedicated long duration exposure which is atypical and negatively impacted fiscal year returns.

The total URSJJ Plan underperformed its Policy Benchmark for the 1-year period ended June 30, 2022, and roughly matched its Policy Benchmark over annualized periods. The total URSJJ Plan ranked in the bottom quartile of its peer universe of Public Funds for all periods, driven by its asset allocation which is heavier in public markets equity than many peers and lacks exposure to private markets which outperformed public markets asset classes substantially over the fiscal year. Private markets are subject to lagged pricing; thus, peer comparisons may change as pricing is updated through June 30, 2022.

PERIODS ENDED 6/30/22	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	-15.0%	9.3%	10.1%
85% Russell 1000 / 15% Russell 2000	-14.9%	9.3%	10.2%
Rank*	78	42	44

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PERIODS ENDED 6/30/22	ONE YEAR	THREE YEARS	FIVE YEARS
Non-U.S. Equity	-19.1%	1.6%	2.8%
MSCI ACWI ex-U.S.	-19.0%	1.8%	3.0%
Rank*	34	61	36
Fixed Income	-11.0%	-0.2%	1.6%
78% BC Agg./11% Citi 20+ Year Tsy./11% BC U.S. TIPS	-10.7%	-0.7%	1.1%
Rank*	79	59	39
Total Fund	-14.8%	4.4%	5.5%
*Policy Benchmark***	-14.6%	4.4%	5.6%
Public Fund Defined Benefit Median*	-10.3%	5.6%	6.3%
Rank*	95	86	80

* 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% BB U.S. Aggregate/ 11% Citi 20-Year+ Treasury/ 11% BC U.S. TIPS)/28% MSCI ACWI ex-U.S. Index

Verus continues to believe 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. Despite a very challenging fiscal year, we believe that the sound and disciplined policies that have been implemented by URSJJ for decades will continue to enable to Plan to meet its investment objectives over the long term.

Yours truly,

Margaret S. Jadallah
Managing Director

Verus

Chief Investment Officer's Report

Uniform Retirement System for Justices and Judges
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Oklahoma City, Oklahoma 73152-3007

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Dear Members:

The Fund's total return for the fiscal year reflected the tumult experienced in the global capital markets, especially in the last two quarters of the fiscal year. The Fund experienced a loss of 14.83% (gross of fees) for fiscal year 2022, compared to a gain of 27.67% for the prior fiscal year. This result was well below the 6.5% long-term actuarial return target. The Fund underperformed the Policy portfolio return of -14.57% by twenty-six basis points for the period. The recent bull market run of the stock market in the U.S. ended abruptly. The capital markets declined dramatically in the last half of the fiscal year as investor sentiment turned decidedly negative on geopolitical events, intensifying inflationary pressure, and concerns about economic growth. U.S. bond market returns reflected an increasingly hawkish Federal Reserve stance and corresponding actions, as it attempted to orchestrate a "soft landing" for the economy in an effort to tame spiking inflation. Stock market returns outside the U.S. likewise reflected the concerns that negatively impacted U.S. markets. There was simply nowhere to hide in the public capital markets as performance for the fiscal year posted decidedly negative returns for risk-seeking and more risk-averse investors alike.

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 passive index funds. This year's letter, which covers the 2022 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., decreased by 0.6% on an annualized basis during the second quarter of 2022 (per the second revision as of the date of this report). This reduction on overall economic activity followed the first quarter 2022 reduction of 1.6% on an annualized basis. These results showed a slowdown in retail and government spending and contrasted sharply with the prior fiscal year's economic activity, which featured a strong rebound in consumer spending as the economy emerged from the pandemic-related malaise. The National Bureau of Economic Research, which is the organization responsible for dating the business cycle, has yet to officially declare the U.S. had experienced a recession as of the writing of this report. While two quarters of consecutive contraction in the economy has been a key component of the official declaration in the past, parts of the economy continue to exhibit strength. Economists have pointed to solid consumer and business spending, rising incomes, and low unemployment as factors that may indicate the economy may not meet the threshold needed to declare an official recession. The labor market remained robust, as the unemployment rate dropped to 3.6% for June 2022, very near levels last seen before the pandemic. However, pandemic-related supply chain issues have continued and were exacerbated by geopolitical events during the fiscal year. Inflationary pressures intensified on everything from food to energy, which negatively impacted consumer sentiment and the general outlook for the economy. The Federal Reserve's rhetoric and actions became increasingly more hawkish towards fighting inflation over the last half of the fiscal year. The Federal Reserve raised rates in May and more aggressively raised rates in June in an attempt to slow inflationary pressures without

Chief Investment Officer's Report (continued)

plunging the economy into recession. The debate on whether the Federal Reserve can orchestrate a "soft landing" for the economy while still taming inflation continues to this day. Given the generally pessimistic economic data and geopolitical concerns regarding the Russian invasion of the Ukraine in February, the U.S. dollar strengthened relative to the basket of non-U.S. developed market currencies. Note that a stronger dollar makes U.S. exports more expensive to other countries and negatively impacts U.S. dollar-based investor returns in foreign markets.

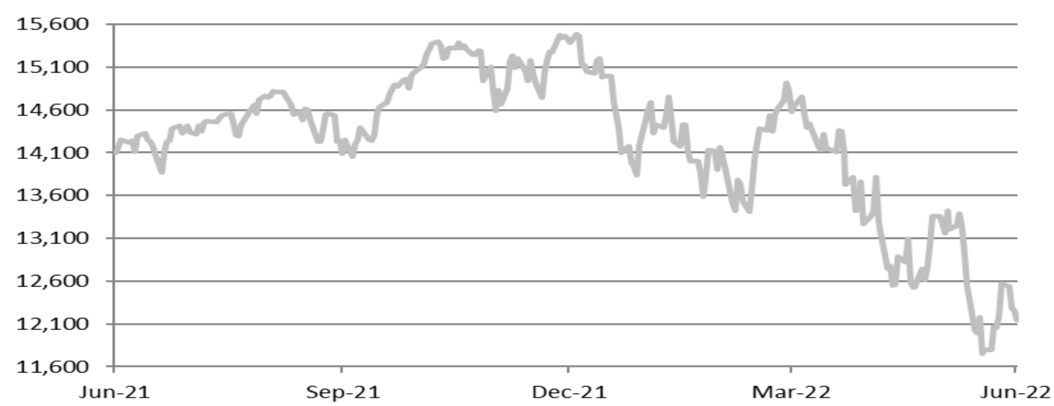
The negative headwinds facing the U.S. economy were not limited by geographic boundaries during the fiscal year. The International Monetary Fund (IMF) downgraded the prospects for global economic growth, but particularly in the world's largest economies. The IMF expects global economic activity to grow by 3.2% this year; a sharp decline from previous estimates due to supply shocks from the war in the Ukraine, surging inflationary pressures, and tighter monetary policy around the world. In the Eurozone, Germany reported a rare trade deficit indicating high energy prices were squeezing manufacturers. In the U.K., inflation rose to a 40-year high on high energy prices that pressured consumers. In the first half of this year, the Chinese economy grew by 2.5%, well below the 5.5% target set by the government, as it experienced months of limited economic activity due to COVID-related lockdowns, a regulatory crackdown on business (especially the tech sector), and pressures in the real estate market.

U.S. and Global Stock Markets

The U.S. stock market, as measured by the Russell 3000 Index, exhibited pronounced volatility during the fiscal year—especially in the second half. 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. The performance of the U.S. equity markets reflected investor concerns regarding geopolitical risk, rising inflation, and rising recessionary forecasts in the U.S.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2022

Value at 6/30/21 14,098.8
Value at 6/30/22 12,143.9



Source: FTSE Russell

The Russell 3000 ended the one-year period through June 30, 2022, down 13.9%, as a result of a remarkable sell-off that intensified with Russia's invasion of the Ukraine in February of 2022. These geopolitical concerns exacerbated investor fears of an economic slowdown, and the greater possibility of a recession in the U.S. Within the Russell 1000 index (used to represent domestic large capitalization stocks), the sectors that generally had been "left behind" by the prior year's rally were the only sectors to post positive returns for the period. The energy sector surged nearly 40% for the one-year period ending June 30, 2022, while the consumer staples and healthcare sectors posted returns of 5.3% and 0.4%, respectively. Investors gravitated towards the relative safety of large capitalization stocks during the period, as the small capitalization index, as represented by the Russell 2000 index, lost over 25% for the one-year period ending June 30. Equity style (i.e.,

Chief Investment Officer's Report (continued)

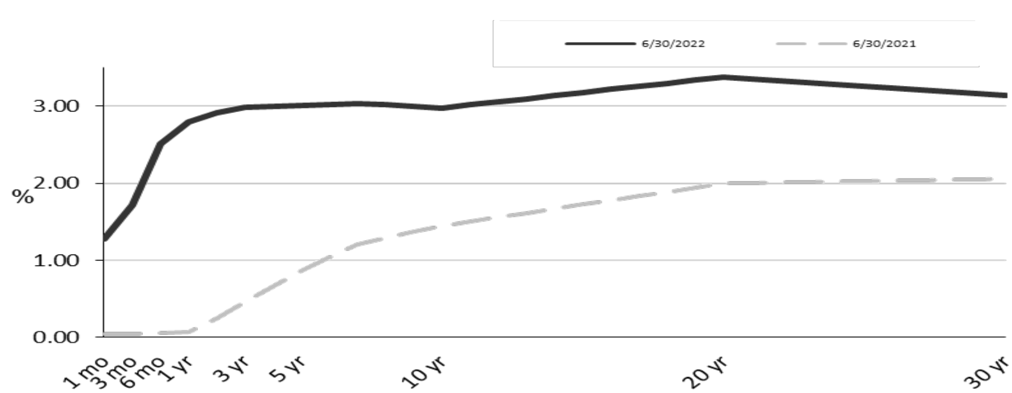
market capitalization size, growth, value) leadership favored large capitalization and value-oriented stocks during the fiscal year. The value index handily outperformed the growth index in both large capitalization and small capitalization space. However, assuming equity risk in the markets, except that associated with the energy and healthcare sectors, proved detrimental for diversified portfolio returns for the period.

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 net), which includes public equities from both developed and emerging markets, lost over 19% in U.S. dollar terms for the fiscal year. The U.S. dollar strengthened considerably relative to many other foreign currencies, which compounded losses experienced by U.S. dollar investors in foreign markets. Returns to the ACWI x-U.S. index outperformed the Russell 3000 index in local currency terms, but dramatically underperformed the U.S. market when translated into U.S. dollars. Emerging market returns in U.S. dollar terms performed worse than non-U.S. developed markets, having lost over 25% for the period. Emerging market local returns underperformed non-U.S. developed markets, but the negative impact of a strong U.S. dollar was less pronounced on the Emerging Markets index. The stock market in China lost almost 32% in U.S. dollar terms, as investors lost confidence due to pandemic-related lockdowns, regulatory tightening on technology companies, and a worsening real estate crisis. The theme for the rest of the world certainly followed that of the U.S. markets, which was that the greater the equity risk assumed by investors, the greater the loss incurred 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, yields rose markedly across the entire curve over the course of the fiscal year. The Federal Funds Rate began the fiscal year at a range of 0%-0.25%, where it had been since March of 2020. Prices paid by consumers continued to skyrocket during the fiscal year, as Core CPI, the preferred measure of inflation by the Federal Reserve, accelerated to an annual rate of 5.9% in June. The overall inflation rate, which includes food and energy prices paid by consumers, increased to 9.1% over the year ending June 30, 2022. These levels of inflation reached levels not seen in over 40 years and were driven primarily by rising food and gas prices. The Federal Reserve responded to these rising inflationary pressures with increasingly aggressive monetary policy moves. The Federal Reserve raised rates by 25 basis points in March, 50 basis points in May, and 75 basis points in June. The three-quarters of a percentage point increase by the Federal Reserve in June was the most aggressive since 1994. The Federal Open Market Committee stated it was "strongly committed to returning inflation to its 2% objective" while the economy faced pandemic-related supply and demand imbalances, rising food and energy prices, and broader price pressures. The Federal Funds Rate ended the fiscal year at a range of 1.50%-1.75%. The Federal Reserve is attempting to orchestrate a balancing act with its aggressive moves: containing spiraling inflationary pressures at the risk of curtailing economic activity broadly and deeply. In the Eurozone, the European Central Bank (ECB) signaled that rate hikes were imminent as "inflation is undesirably high and is expected to remain above our target for some time" according to ECB President Christine Lagarde.

U.S. Treasury Yield Curve



Source: U.S. Treasury

Chief Investment Officer's Report (continued)

Investment Returns Through June 30, 2022

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	-13.87%	9.77%	10.60%
S&P 500	Large Cap Equity	-10.62%	10.60%	11.31%
Russell 1000	Large Cap Equity	-13.04%	10.17%	11.00%
Russell 1000 Growth	Large Cap Growth	-18.77%	12.58%	14.29%
Russell 1000 Value	Large Cap Value	-6.82%	6.87%	7.17%
Russell 2000	Small Cap Equity	-25.20%	4.21%	5.17%
Russell 2000 Growth	Small Cap Growth	-33.43%	1.40%	4.80%
Russell 2000 Value	Small Cap Value	-16.28%	6.18%	4.89%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**-14.95%**	**9.33%**	**10.14%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	0.18%	0.57%	1.05%
Barclays U.S. Aggregate	Core Bonds	-10.29%	-0.93%	0.88%
Citigroup 20-year Treasury Average	Long Term Bonds	-18.61%	-2.88%	0.57%
Barclays Corporate High Yield	High Yield Bonds	-12.81%	0.21%	2.10%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**-10.96%**	**-0.17%**	**1.58%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US (net)	Broad Non-US Equity	-19.42%	1.35%	2.50%
MSCI EAFE (net)	Developed Non-US Equity	-17.77%	1.07%	2.20%
MSCI Emerging Market (net)	Emerging Non-US Equity	-25.28%	0.57%	2.18%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**-19.13%**	**1.62%**	**2.78%**

Uniform Retirement System for Justices & Judges	**Total Fund**	**-14.83%**	**4.40%**	**5.53%**

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

Investor sentiment changed; brutal market ensued

Given the fear that overwhelmed the capital markets in the last half of the fiscal year, the Fund produced a nominal total return loss of 14.83% for the period gross of fees (-14.86% net of fees). The Fund underperform the policy benchmark portfolio by twenty-six basis points (gross of fees) for the period. As shown by the table above, all asset classes in which URSJJ invests recorded negative total returns for the fiscal year. The humbling overall results were led downward by the allocation to the international equity asset class. This asset class suffered from broad-based negative local market returns (returns to markets outside of the U.S.) which were then exacerbated by the strong dollar, when translating those returns into U.S. dollar terms. The U.S. equity markets also contributed negatively to overall results, given the sell-off in the U.S. equity markets experienced in the last half of the fiscal year. Lastly, the bond portfolio negatively contributed to the total return of the Fund, due to rising interest rates and the widening of non-government bond spreads over the period.

The Fund underperformed the Policy portfolio for the fiscal year by twenty-six basis points. The Fund's overweight positioning to U.S. and non-U.S. equities, but still within the parameters as per the Policy, detracted from Policy-relative performance. Unfortunately, active results from the fixed income managers also detracted from Policy-relative performance. The environment that penalized virtually all risk-taking in public markets was evident in the results for the fiscal year.

Chief Investment Officer’s Report (continued)

The underperformance of the Fund relative to the Policy portfolio can be attributed to two main factors, the actual asset allocation relative to the policy allocation and the results from the active managers. Both factors contributed negatively to the Policy-relative return of the Fund. At the manager level, the results from active management in excess of respective benchmarks this year detracted from the excess return of the Fund. From an asset allocation perspective, remaining overweight to the equity markets, but still within the allocation range contained in the policy, proved unsuccessful. The environment that penalized virtually all risk-taking in public markets was evident in the results for the fiscal year.

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. Equity markets in the U.S. sold off as investor concerns of inflation, recession, and geopolitical risk turned into outright fear. Over the fiscal year, small capitalization stocks dramatically underperformed large capitalization stocks. The Russell 1000 index (the proxy for U.S. large capitalization stocks) lost 13.04% and the Russell 2000 index (the proxy for U.S. small capitalization stocks) lost over 25% for the fiscal year. In aggregate, the domestic equity portfolio produced a nominal total return loss of almost 15% for the fiscal year. Fund’s modest overweight to small capitalization stocks throughout the course of the fiscal year caused the U.S. equity portion of the Fund to modestly outperform the policy return for the period.

Fixed Income

The Fund’s bond portfolio contributed negatively to overall total returns for the period, having lost 10.96% at the asset class level. As mentioned above, the total return of the asset class was negatively impacted by quickly rising interest rates across the yield curve. Compounding these market value losses due to interest rate movements was the general widening of spreads in non-government sectors, which put pressure on active manager returns. From a contribution to total return perspective, the worst performance was associated with the manager who emphasizes long-duration U.S. Treasury securities. This manager lost over 20% for the period as long-term rates rose 1.4-1.5 percentage points across the longer end of the maturity spectrum (15 years and above). The managers who emphasize the broader areas of the bond market also delivered unfavorable results, due to the general rise in interest rates and the emphasis on non-government sectors (including high yield bonds for the core plus manager) that were adversely impacted from widening spreads over the second half of the year. Bonds are maintained in the portfolio for their volatility-dampening effect when combined with exposure to the equity markets. The total return of the bond market in general was surprisingly poor and compounded by the risk aversion that exemplified the capital markets in general in the last half of the fiscal year. Active management (bond picking and duration positioning) produced unfavorable results for the Fund, causing this portion of the portfolio to underperform the Policy benchmark for the period.

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. The non-U.S. equity segment was the worst performing asset class on a nominal basis, having lost over 19% in U.S. dollar terms for the period. The U.S. dollar strengthened relative to many other foreign currencies, which exacerbated losses experienced by U.S. dollar investors in foreign markets. Developed non-U.S. stocks performed better than Emerging market equities, posting a loss of 17.77% versus a loss of 25.28%, respectively. As mentioned, the local market returns to non-U.S. equity markets generally outperformed their U.S. counterparts, but the effects of a strengthening dollar evaporated that advantage. Poorly performing equity markets, combined with the effects of a strengthening dollar, caused this asset class drive overall Fund performance downward for the period.

Chief Investment Officer’s Report (continued)

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 Policy asset allocation during the fiscal year.

Asset Class	Min	6/30/2022	Target	Max
Cash	0.0%	0.4%	0.0%	0.0%
Domestic Fixed Income	27.5%	32.2%	32.0%	36.5%
U.S. Equity	34.4%	39.8%	40.0%	45.6%
Non-U.S. Equity	25.0%	27.6%	28.0%	31.0%
Total Fund		**100%**	**100%**	

May not equal 100% due to rounding

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 during more volatile periods.

The outlook for the global economic environment turned decidedly sour during the fiscal year, on continued supply chain pressures due to the global pandemic, surging inflation rates (especially energy prices), and geopolitical risks. World-wide economic activity has experienced downward revisions and high inflation has prompted Central Banks in the U.S. and Europe to raise rates in an attempt to tame those pressures. The U.S. has experienced two consecutive quarters of economic contraction as of the writing of this report. While consumer sentiment is low, the employment picture is much more conducive to a healthier economy. The inflationary pressures felt by consumers is significant in the U.S., as energy and food prices continue to climb. Those pressures are magnified in Europe, as energy prices are heavily impacted by the geopolitical risks associated with the invasion of the Ukraine by Russia. The durability of consumers is being tested across the globe. The balancing act that Central Banks around the world face is taking action that will be aggressive enough to curtail inflationary pressures, but not aggressive enough to induce recessions in their respective economies. Last year, I said the timing of the withdrawal of highly successful monetary global programs was the key to the outlook going forward. The timing of the withdrawal of the Federal Reserve’s support, and indeed, the more aggressive implementation of restrictive policy measures took the market by surprise. This year, I believe the ability of Central Banks across the world to exhibit meaningful progress towards taming inflation is the key driver of the short-term economic outlook.

My largest concern continues to be the prospect of generating and maintaining long-term investment results that match or exceed the actuarial assumed rate of return of 6.5%. Interest rates have risen dramatically as the Federal Reserve attempts to control inflation, but rates remain relatively low on a historical basis. Returns to a diversified portfolio are ultimately a function of the performance of the markets in which that portfolio is invested. The global equity markets have been roiled and the overall performance of the Fund reflects that fact. Negative total return results for the portfolio from equity exposures have been compounded by a quickly rising interest rate environment, which negatively impacted bond market returns. Rising rates will eventually prove beneficial to the fund, but there will likely be more pain from the riskier and even the less risky asset classes in the short term.

Chief Investment Officer's Report (continued)

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. Given the dramatic increase in U.S. Treasury yields (sell-off of bonds) during the fiscal year, the total return of the bond market was negative. Despite this increase in the general level of interest rates, yields in the market continue to be relatively low and unlikely to contribute to portfolio returns at a level that would have a positive impact on the Fund in the short-term. In addition, the Federal Reserve has been increasingly aggressive in raising rates and will continue to do so until a more acceptable level of inflation is attained. The capital losses incurred from a quickly rising rate environment overpowered the yield earned on fixed income investments during the year, leading to negative total returns for the asset class. This dynamic is likely to continue over the course of the next fiscal year, and the expectation for fixed income total returns may well be below the level of current yields, like what we experienced in fiscal 2022. Bonds are a necessary part of a diversified portfolio, but are unlikely to contribute as significantly to the total return of the Fund as the asset class has in the past until rates rise even further from current levels.

Equity
Equity markets are impossible 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 outlook for the global economy has dimmed considerably, given the high inflationary pressures facing the world. Until recently, corporate earnings have been surprisingly strong but inflationary forces will likely continue to pressure corporate earnings. Market volatility continues to remain high and is likely to stay elevated over the foreseeable future as investors struggle with uncertainty caused by geopolitical risks (and the impacts on specific economic sectors), rising inflation rates (and the Central Banks' responses), and continued pandemic-related supply chain issues. Pessimism regarding these economic concerns guided the markets down for this fiscal year from the all-time highs. While the mere suggestion of a market recovery may seem improbable at times like this, it is important to remember the history of equity market returns is one that has survived numerous shocks. This means that maintaining discipline with respect to the Fund's strategic equity exposure is essential for recovering from the losses incurred this fiscal year.

Recent Events

There were no changes to the Fund's strategic asset location or managers that comprise the Fund during the fiscal year. It is in years like the one we just experienced, where there were no places to hide (i.e., no "safe" asset classes), that demonstrates the discipline of maintaining the strategic asset allocation is of great importance in achieving the Fund's long-term objectives. As I've mentioned before, we built the portfolio to be able to withstand periods of volatility and tumult, in order to live to fight another day. That's about the best I can say for the Fund's performance in a difficult and ultimately disappointing year.

<u>Investment Philosophy and Guiding Principles</u>

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.

Chief Investment Officer's Report (continued)

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/Investments. 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, 2022, 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 08-15-2046	5,020,000	$	4,047,767
U.S. Treasury Notes 2.875% due 06-15-2025	4,050,000		4,033,863
FNMA Single Family Mortgage 0% 30 Years settles July	3,089,914		2,851,414
U.S. Treasury Bonds 2.5% due 05-15-2046	3,155,000		2,674,109
U.S. Treasury Bonds 2.0% due 11-15-2041	2,985,000		2,370,743
U.S. Treasury Notes 3.25% due 06-30-2027	2,330,000		2,352,754
FNMA Single Family Mortgage 0% 30 Years settles August	2,548,098		2,334,938
U.S. Treasury Notes 1.75% due 03-15-2025	2,095,000		2,025,358
U.S. Treasury Bonds 1.375% due 08-15-2050	2,695,000		1,773,963
U.S. Treasury Bonds 1.25% due 05-15-2050	2,245,000		1,428,381

Investments in Funds (By Fair Value):

Fund	Units		Fair Value
BlackRock Russell 1000 Index Fund	398,220	$	121,336,023
BlackRock ACWI ex-U.S. Index Fund	3,345,975		98,718,739
BlackRock Russell 2000 Index Fund	342,912		21,014,380
BlackRock U.S. TIPS Index Fund	529,821		13,457,437

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, 2022

None

Investment Portfolio by Type and Manager

At June 30, 2022, the investment portfolio of URSJJ was allocated by type and style as follows:

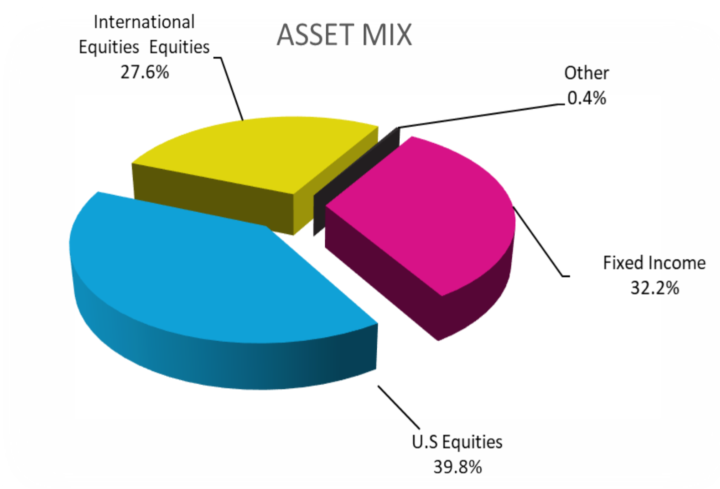
Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 59,761	16.2%
Hoisington Investment Management	Interest Rate Anticipation	10,721	2.9%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	13,457	3.7%
Metropolitan West Asset Management	Core Plus	41,521	11.3%
Total Fixed Income		125,460	34.1%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	21,014	5.7%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	121,337	33.0%
Total U.S. Equities		142,351	38.7%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	98,719	26.8%
Short-term Investment Funds	Operating Cash	1,410	0.4%
Total Managed Investments		367,940	100.0%
Securities Lending Collateral		15,107	
Cash Equivalents on Deposit with State		131	
Total Investments and Cash Equivalents		$ 383,178	
Statement of Fiduciary Net Position			
Cash Equivalents		5,064	
Investments		378,114	
Total Investments and Cash Equivalents		$ 383,178	

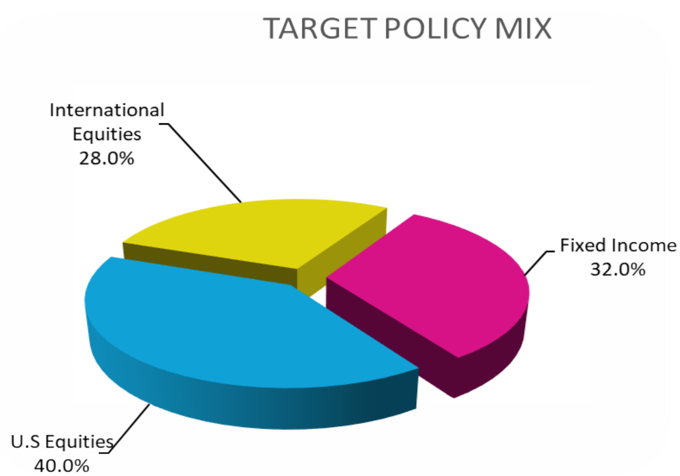
** Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

A comparison of the actual investment distribution at June 30, 2022 and 2021, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocation for each year is as follows:

2022





2021