

THE OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

REQUEST FOR PROPOSALS

#515-23-003

SOONERSAVE AND PATHFINDER STABLE VALUE FUND INVESTMENT MANAGER SERVICES

The Board of Trustees of the Oklahoma Public Employees Retirement System (“OPERS” or “System”) is issuing this Request for Proposal to find a qualified firm to provide Stable Value Investment Manager services for the System’s defined contribution plans on a contractual basis. OPERS administers two defined contribution plans, the SoonerSave Plan and the Pathfinder Plan. Both defined contribution plans consist of a 457 and 401(a) component. The Stable Value Fund is an investment option for participants in both SoonerSave and Pathfinder. The purpose of this Request for Proposal (RFP) is to provide information about OPERS, SoonerSave, and Pathfinder and establish the specifications and requirements for submitting a proposal. The term “Vendor” as used in this RFP shall mean the company, firm or individual submitting proposals for consideration.

OPERS reserves the right to reject any or all proposals submitted. There is no express or implied obligation for OPERS to reimburse Vendors for any expenses incurred in preparing proposals in response to this RFP. If none of the proposals are satisfactory to OPERS, no selection will be made. Proposals submitted in response to the RFP become the property of OPERS and are subject to public inspection. OPERS reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline.

This Request for Proposals is comprised of ten (10) sections, five (5) exhibits and fifty-four (54) pages total, as follows:

Section	Page #
I. Proposal Cover Sheet (to be returned with Proposal)	3
II. Mandatory Requirements for Submitting a Proposal	4
III. Background Information	6
IV. Criteria and Qualifications of the Investment Management Firm	7
V. Timeline	8
VI. Communications with OPERS	8
VII. General Terms and Conditions	8
VIII. Questionnaire	10
IX. Fee Quote	15
X. Summary	16
Exhibit A Fixed Asset-Based Fee Quote Format	17
Exhibit B SoonerSave Financial Statement & Schedule of Investments	18
Exhibit C Pathfinder Financial Statement & Schedule of Investments	22
Exhibit D SoonerSave Investment Policy	26
Exhibit E Pathfinder Investment Policy	40

This RFP can be found on the OPERS website at www.opers.ok.gov. If you are unable to download this document from the website, you can also obtain an electronic copy of this RFP through e-mail. Send your request to: llundy@opers.ok.gov. Include the name of the RFP and the proposal number in your request. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP.

Regardless of the way the RFP document is received by the Vendor, the contents of the RFP may not be altered in any way. The Vendor's Affidavit and all questions must be identically reproduced in the submitted proposal. Any alterations to the contents of the RFP document will be grounds for dismissal from consideration or termination of a resulting contract. By submitting an RFP, it is agreed by the Vendor that any misleading or false information given may be grounds for dismissal from consideration, or termination of any resulting contract, whenever, and however discovered.

I. PROPOSAL COVER SHEET

(must be signed, notarized and returned)

Proposal Number	Agency Requisition Number	Proposal Deadline
515-23-003 (SoonerSave and Pathfinder Stable Value Fund Investment Manager Services)	515-23-003	must be received by January 11, 2023

Vendor Identification:

Name of Firm:	_____
FEI #	_____
Address:	_____

City/State/Zip Code:	_____
Telephone Number:	_____
Facsimile Number:	_____
Email of contact	_____

VENDOR'S AFFIDAVIT

STATE OF _____)

) SS:

COUNTY OF _____)

_____ (Print Name), of lawful age, being first duly sworn, on oath says that:

1. (S)he is the duly authorized agent of _____, the vendor submitting this proposal which is attached to this statement for the purpose of certifying the facts pertaining to the existence of collusion among vendors and between vendors and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the proposal to which this statement is attached;
2. (S)he is fully aware of the facts and circumstances surrounding the making and submitting of this proposal and has been personally and directly involved in the proceedings leading to the submission of such proposals; and
3. Neither the vendor nor anyone subject to the vendor's direction or control has been a party: a) to any collusion among vendors in restraint of freedom of competition by agreement to propose a fixed price or to refrain from submitting a proposal; b) to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other term of such prospective contract; nor, c) in any discussions between vendors and any state official concerning exchange of money or any other thing of value for special consideration in the award of this prospective contract; d) to paying, giving or donating or agreeing to pay, give or donate to any officer or employee of the State of Oklahoma, any money or other thing of value, either directly or indirectly, in procuring this prospective contract.
4. The information contained in this proposal is true, correct and accurate as presented.

Name/Title

Subscribed and sworn to before me this _____ day of _____, 20 ____.

Notary Public (seal)

My commission expires: _____

II. MANDATORY REQUIREMENTS FOR SUBMITTING A PROPOSAL

(PLEASE READ CAREFULLY)

A. Proposals must be submitted digitally via upload at the link below and received by the deadline:

<https://files.opers.ok.gov/filedrop/SoonerSave-Pathfinder-Stable-Value-Fund-RFP>

- B. The deadline for receipt of proposals is **4:30 p.m.** Central Time, on **January 11, 2023**. Incomplete or incorrectly submitted proposals or proposals received after this date and time will be rejected and will not be considered.
- C. The Original Proposal must contain the Proposal Cover Sheet, fully completed, signed and notarized. Instructions on how to access the secure Dropbox folder along with instructions for uploading proposals can be found at <https://files.opers.ok.gov/filedrop/SoonerSave-Pathfinder-Stable-Value-Fund-RFP>. All submission should be in .pdf file format. Do not Zip or otherwise compress the files submitted. The submissions should not include links to other documents outside of the files submitted.
- D. All timely proposals become the property of OPERS.
- E. All proposals, once opened, are considered to be public record and shall be available for viewing and reproduction by any person.
- F. In submitting this proposal, the Vendor must agree to an audit which provides that books, records, documents, accounting procedures, practices or any other items of the Vendor relevant to the proposal or the services provided there under, are subject to examination by the System, the Oklahoma State Auditor and Inspector, and the State Purchasing Director.
- G. In an effort to clarify any issues in this RFP, OPERS will respond only to questions that are presented through e-mail. Questions should be submitted to Lindsie Lundy at LLundy@opers.ok.gov. All questions and answers will be consolidated into a single Q&A document and posted to the site <https://www.opers.ok.gov/SoonerSave-Pathfinder-Stable-Value-Fund-RFP>.

All questions must be received by **4:30 p.m.** Central Time on **December 16, 2022**. The Q&A document will be posted on the OPERS website above on or after **December 21, 2022**. This will be the only distribution method for the Q&A document.

- H. It is the responsibility of the Vendor to ensure compliance with all requirements and deadlines. Proposals that are not in compliance with the RFP requirements may be rejected. All proposals will be reviewed to determine if they satisfy the mandatory criteria in this RFP. Proposals not satisfying the mandatory criteria will be rejected.
- I. All costs of preparation and presentation associated with responding to this RFP will be the responsibility of the Vendor. Vendors may be asked to make a presentation before the Board if selected as a finalist. None of the costs associated with this presentation will be reimbursed by OPERS.
- J. The selection of certain investment-related vendors for the state retirement systems is specifically exempt from the competitive bidding procedures established by Oklahoma

Statutes (see 74 Oklahoma Statutes §85.7). OPERS reserves the right to request additional information from any vendor and to accept or reject any proposal without specifying the reason for its actions. OPERS reserves the right to request additional proposals. OPERS reserves the right to renegotiate for lower fees at any time with any Vendor.

- K. The Board reserves the right to award all, part, or none of this contract.
- L. The Vendor shall be bound by the information and representations contained in any proposal submitted. The proposal is deemed to be a binding offer on the part of the Vendor.
- M. Submission of a proposal in response to this RFP evidences the Vendor's acceptance of the terms and conditions contained within the RFP.
- N. OPERS prohibits the payment of a finder's fee in any form. The Vendor must certify that no finder's fee or finder's commission has been paid or shall be paid to any individual or organization from the establishment of this investment relationship with OPERS.
- O. All Vendors must:
 - 1. Acknowledge and agree to be a fiduciary to the plan pursuant to Section 909.2 of Title 74 of the Oklahoma Statutes.
 - 2. Agree that any resulting investment consulting contract and services will be subject to and interpreted by Oklahoma law.
 - 3. Agree that this RFP and the Vendor's response will be incorporated by reference to any resulting investment consulting agreement.
 - 4. Answer, to the best of its abilities, all questions in this RFP in a succinct manner and in the order presented. Do not add appendices to the end of this document unless specifically asked to do so. Please assume the term "current" herein refers to June 30, 2022 unless otherwise noted.
 - 5. Fully disclose any proposed subcontracting of any of the required services.
 - 6. Vendor product is required to be managed on the OPERS recordkeeper platform (currently Empower). A separate RFP for recordkeeping services is being issued concurrently with this RFP.
 - 7. Applicants should note, in accordance with HB 3967, 2020 Legislative Session, and 74 O.S. Section 582, effective November 1, 2020, the State of Oklahoma shall not enter into a contract with any Company to acquire or dispose of good or services in excess of one-hundred thousand dollars (\$100,000.00), unless such Company submits a written certification that such Individual or Company is not currently engaged in a Boycott of Israel.
 - 8. Applicants should note, in accordance with HB 2034, 2022 Legislative Session, and 74 O.S. Section 12005, effective November 1, 2022, the State of Oklahoma shall not enter into a contract with any financial company for one-hundred thousand dollars (\$100,000.00) or

more unless the contract contains a written verification from the company that it does not boycott energy companies.

III. BACKGROUND INFORMATION

A. Legal Authorization

The Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) is charged with the administration of two defined contribution plans – the SoonerSave plan and the Pathfinder plan. Total assets in both defined contribution plans were approximately \$1.25 billion as of September 30, 2022. The statutory provisions generally related to SoonerSave are set forth in Sections 1701 et seq., of Title 74 of the Oklahoma Statutes. The statutory provisions generally related to Pathfinder are set forth in Sections 935.1 et seq., of Title 74 of the Oklahoma Statutes.

B. Board Composition

OPERS is administered by a Board of Trustees composed of 14 members including a member of the Corporation Commission or the Commission’s designee selected by the Corporation Commission, the Director of Human Capital Management of the Office of Management and Enterprise Services, the State Insurance Commissioner or the Commissioner’s designee, the Director of the Office of Management and Enterprise Services or the Director’s designee, a member of the Oklahoma Tax Commission selected by the Tax Commission, the State Treasurer or the Treasurer’s designee, three members appointed by the Governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives, and two members appointed by the President Pro Tempore of the State Senate.

C. Support Services

OPERS has an authorized staff of 63 employees. The Executive Director is the chief administrative officer of OPERS.

D. Plan Administration

SoonerSave is a voluntary supplemental retirement plan available to public employees who participate in a defined benefit plan. As a voluntary plan, employees elect to participate by completing an enrollment form indicating a deferral amount and investment selection. SoonerSave participants are also members of one of the State of Oklahoma’s Defined Benefit Plans; Oklahoma Public Employees Retirement System, Uniform Retirement System for Justices and Judges, Oklahoma Teachers Retirement System, Oklahoma Law Enforcement Retirement System. Asset and Participant numbers are included in the table below.

September 30, 2022	TOTAL ASSETS	CONTRIBUTING EMPLOYEES	TOTAL # OF ACCOUNTS
SoonerSave 457	\$852,084,369	15,463	30,220
SoonerSave 401(a)	\$225,464,327	15,463	31,327

Pathfinder opened to contributions in November 2015 as the sole retirement option for most new employees of the State of Oklahoma. Participants are statutorily required to contribute 4.5% of salary to the Pathfinder 401(a) Plan and will receive either a 6% or 7% match from their employer to the same plan. Employees vest in the employer contributions to the 401(a) plan over a 5-year period. The employee is allowed to make additional voluntary contributions, up to the IRS annual limit, to the Pathfinder 457 plan. Asset and Participant numbers are included in the table below.

September 30, 2022	TOTAL ASSETS	CONTRIBUTING EMPLOYEES	TOTAL # OF ACCOUNTS
Pathfinder 401(a)	\$171,378,949	11,177	16,638
Pathfinder 457	\$25,318,813	5,308	7,401

Employee contributions to the SoonerSave and Pathfinder 457 plans are made on a pre-tax basis. The System has proposed administrative rules to add a Roth contribution option to both.

E. Investment Products

SoonerSave and Pathfinder are currently administered in an un-bundled arrangement with Empower providing the recordkeeping for all investment options. Participants are offered funds managed by various fund families and a Stable Value Fund currently managed by Empower. Each Plan’s investment options are selected by the OPERS Board of Trustees in accordance with the Investment Policy. Each plan also includes a Self-Directed Brokerage window administered through TD Ameritrade.

F. Plan Communication and Education

Plan communication includes the strategy, development, and distribution of information to current and potential SoonerSave and Pathfinder participants. The Board’s objective is broad-based participation. Long-term enrollment goals include ensuring that all eligible employees have knowledge about SoonerSave and Pathfinder and are provided the educational tools to encourage and maximize their participation.

IV. CRITERIA AND QUALIFICATIONS OF THE INVESTMENT MANAGEMENT FIRM

D. Vendors should have substantial experience managing assets in classes described in this RFP. The following criteria will apply and exceptions will not be granted:

E. The proposed investment management firm must have assets under management (firm-wide) of at least \$1 billion as of June 30, 2022.

2. The proposed U.S. stable value investment team must have been responsible for at least \$1 billion in stable value assets as of June 30, 2022.

3. The senior investment professionals in charge of the proposed stable value product must have at least ten years of institutional portfolio management experience within the stable value industry.

F. The fee quotes set forth in the response to the RFP will be a significant factor in determining semi-finalists for further consideration.

G. Investment Guidelines

The “SoonerSave Investment Policy and Guidelines” and the “Pathfinder Investment Policy and Guidelines” are included as Exhibits D and E at the end of this RFP.

V. TIMELINE

The following timeline is an estimate and may be adjusted at OPERS discretion any time during this selection process.

Distribution of RFP	November 29, 2022
Deadline for questions submitted in writing via e-mail (no later than 4:30 p.m. CST)	December 16, 2022
Date for answers to questions	December 21, 2022
Proposals due (no later than 4:30 p.m. CST)	January 11, 2023
Finalist presentation (if necessary)	February 16, 2023
Award business (date contingent on final negotiations)	February 16, 2023
Contract start date	July 1, 2023

VI. COMMUNICATIONS WITH OPERS

In an effort to clarify any issues in this RFP, OPERS will respond only to questions that are presented as described in Section II(G) above. Vendors are responsible for checking the website periodically for updates to the RFP. Telephone questions will not be accepted.

OPERS policy prohibits direct contact between prospective service providers and OPERS Board members, consultants, or staff during this RFP process. This does not include communication with any of OPERS’ incumbent service providers for normal business not related to this selection process. From the date of release of this RFP until a Vendor is selected and a contract is executed and approved, all contacts and communications regarding this RFP are restricted to the Q&A process. Exceptions include communications with the OPERS staff member identified in Section II(G) and OPERS staff members who are designated to conduct negotiations, participate in presentations, and contract award and execution, while they are engaged in those activities. Violation of these conditions may result in rejection of a Vendor’s proposal.

Vendors who have submitted a proposal will not necessarily be notified of the Board’s decision after the final selection has been made. The announcement of the preferred Vendor, if any, may be the only form of communication between the System and the Vendors. Telephone or other inquiries concerning this proposal after the proposal deadline are discouraged.

VII. GENERAL TERMS AND CONDITIONS

A. Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District

Court of Oklahoma County, Oklahoma. The Vendor shall comply with all applicable federal, state and local laws, rules and regulations.

B. Ethics in Public Contracting

By submitting their bids or proposals, Vendors certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Vendor, supplier, manufacturer or subcontractor in connection with their bid/proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract.

C. Qualifications of Vendors

OPERS may make such reasonable investigations as deemed proper and necessary to determine the ability of the Vendor to perform the services/furnish the goods, and the Vendor shall furnish to OPERS all such information and data for this purpose as may be requested. OPERS reserves the right to make a site visit at the offices of the Vendor prior to award to satisfy questions regarding the Vendor's capabilities. OPERS further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Vendor show that the Vendor is not properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

D. Business Continuity

The Vendor must indicate any recent or anticipated changes in its corporate structure such as mergers, acquisitions, new venture capital, stock issue, etc. The Vendor agrees to present to OPERS a business continuation plan for the services provided in this contract in the event of a natural or other disaster.

E. Assignment of Contract

The contract shall not be assignable by the Vendor in whole or in part without the written consent of OPERS.

F. Period of Contract

It is anticipated that the initial contract shall begin on July 1, 2023. Thereafter, the contract may be renewed by the Board annually for up to four additional one-year contract periods, at the Board's discretion. The Board of Trustees reserves the right to terminate the contract upon 30 days notice, with or without cause.

G. Ownership of Data and Work Product

There is a presumption that all work product generated for OPERS under this contract, as well as all data compiled by the Vendor while performing this contract, shall become the sole property of OPERS. OPERS must be given reasonable access to all such work product or data compiled by the Vendor in the performance of this contract.

H. Limitation of Liability, Hold Harmless Clauses & Indemnity

The State of Oklahoma and its agencies are constitutionally barred from limiting the liability of a private Vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. The contract between the successful Vendor and OPERS will not have any such terms.

VIII. QUESTIONNAIRE

A. Organization

1. List your firm’s name, address, and year founded, as well as the name, title, telephone, email address and facsimile numbers for the individual(s) responsible for new business contacts.
2. If applicable, describe the parent company’s/affiliate’s main lines of business. Provide NRSRO ratings (and any changes over the past four years) if available.
3. Discuss the financial condition of your firm based on the most recently audited financial statements and annual report.
4. Has your firm undergone any restructuring or had any major organizational changes during the past five years? Do you anticipate any ownership or organizational changes during the next two years? If so, explain.
5. Describe your succession plans for the management of the firm and the continuity of leadership within the investment product teams.
6. Over the past five years, has your organization, affiliates, parent company, officers or principals been involved in litigation, legal proceedings, or SEC investigations related to your firm’s investment activities? If so, provide a brief explanation including the current status and/or the resolution of this action.
7. Provide an organizational chart for your firm, and specifically for your stable value management division.
8. Describe the compensation/incentive structure for both analysts and portfolio managers within your firm.
9. For each of the last fiscal five years, provide the following information regarding the firm’s stable value investment professionals (*i.e.*, those individuals involved in portfolio management and/or research):

Year Ending June 30	Key Investment Professionals Joined	Key Investment Professionals Left	Total Stable Value Investment Professionals
2022			
2021			
2020			

2019			
2018			

10. Designate the team members who would be responsible for OPERS' portfolio. How much time do these individuals allocate among portfolio management, research, client servicing, traveling and administrative duties? Discuss these individuals' account responsibilities, specifically the number of accounts managed, location and dollar value of assets under management.
11. What is the current and expected account load of your portfolio managers and how are accounts assigned to each portfolio manager at your firm?

B. Stable Value Product

1. When did your firm begin managing dedicated stable value mandates? Briefly describe your experience and commitment to the stable value market. List all of your firm's stable value products and indicate which one you are proposing for this assignment.
2. Provide the total amount of assets under management within your firm's stable value-oriented mandates and also segregate (if applicable) the stable value product that your firm is proposing using the format below.

Assets	Public	Corporate	Foundation/ Endowment	Taft- Hartley	High Net Worth	Foreign	Other
Total Stable Value							
Proposed Stable Value Product							

3. Provide the approximate client turnover in the firm-wide stable value mandates using the format below.

	2022 YTD	2021	2020	2019
# of Clients Gained				
Assets (\$MM) Gained				
# of Clients Lost				
Assets (\$MM) Lost				

4. Provide the approximate client turnover in your proposed stable value product using the format below.

13. Discuss wrapper diversification and wrap fee pricing. What competitive advantage does your firm possess that will result in the most favorable wrap pricing?
14. How flexible are you in tailoring guidelines to client preference?
15. Discuss research and the dynamic between idea generation and implementation.
16. List the main sources of your expected alpha and the expected contribution of each source to excess return. What is a reasonable alpha expectation versus your preferred benchmark? What is your expected tracking error versus this benchmark?
17. Provide summary portfolio characteristics of your stable value composite on 6/30/2022, 6/30/2021, 6/30/2020, and 6/30/2019 in tabular form. Please include the appropriate benchmark characteristics for comparison.

Summary Characteristics

	Proposed Product	Benchmark (specify)
MV/BV		
Duration		
Yield on Assets		
Gross Crediting Rate		
Ave. Credit Rating		
Ave. Wrap Fee		
Number of Holdings		
Annual Turnover		

18. Describe your risk management process, including key individuals and tools used.
19. Describe the role cash plays in management of your proposed portfolio and the types of cash equivalents you use.
20. What enhancements have you made to your investment process and resources available for portfolio construction and risk management over the past few years?
21. How do you distinguish your investment style and strategy from others in your peer group?
22. What evidence is there that your strategy will be successful in the future?
23. What are the strengths and weaknesses of your strategy?
24. What market conditions would favor or not favor your strategy?
25. Provide annualized returns of 1, 3, 5, and 10 years as of 6/30/2022 for your proposed product. For the same annualized periods, provide the appropriate tracking error and describe the sources of tracking error.
26. Provide three references for the largest public fund clients who employ your firm to manage stable value mandates. Include a contact name, phone number, and the market value of the assets your firm manages for each reference at inception and currently.

27. Provide the name, contact name, and phone number of three past stable value clients that terminated your firm during the last three years, the reason for termination and the dollars managed at the termination date.
28. Describe the active management component of your stable value fund, including the manager selection process if not in-house.
29. Describe any restrictions you have on competing funds including equity wash rules.
30. As of September 30, 2022, the MV/BV on the current Stable Value portfolio was approximately 92%. Detail the process used to ensure a transition to a new account with that current attribute would be seamless for participants in the Plans.

C. Additional Information

1. Is your firm an SEC registered advisor or is it exempt from registration? If applicable, submit a copy of your most recent Form ADV, Parts I and II.
2. On average, how many days after month-end does it take for the firm to reconcile positions with client's custodian? When you find pricing differences, what is your procedure for reconciliation?
3. Does the firm carry errors and omissions insurance? If so, what is the level of coverage?
4. Does the firm carry fiduciary liability insurance? Is so, what is the level of coverage?
5. Describe the client-directed termination provisions of the proposed mandate.

D. Trading/Compliance

1. Please describe the firm's policies regarding the use of soft dollars and directed commissions. For 2021, what percent of the firm's total operating expenses were covered through the receipt of products and services acquired through soft dollar arrangements?
2. How many brokers were used during calendar year 2021? How many of these were soft dollar relationships?
3. What is the maximum amount of time that it will take for a new account to be fully invested?
4. Describe how your firm obtains and pays for outside research reports. Please list the primary sources of research upon which your firm relies.
5. Please describe your back office (compliance and trading) procedures in detail. What trading platform do you use? Do you have a separate individual or group of professionals responsible for compliance and guideline adherence?
6. Describe the process for monitoring and maintaining compliance with client guidelines.

7. Please briefly describe your reporting practices to clients. How often will you meet with a client each year? Who will be the primary contact on the account? What is his/her role in managing the assets?
8. What internal performance and portfolio pricing service(s) do you use?
9. Please provide a sample monthly and quarterly account statement.

E. Vehicle

1. Is your proposed product available in both separate account and commingled fund formats? What is the minimum size for a separate account and/or commingled fund?
2. Specify the proposed vehicle (separate account, commingled fund, collective trust fund etc.). If the proposal consists of a fund, detail the liquidity constraints/funds availability.
3. If the proposal consists of a fund, within the fee quote detail all fees and expenses that will be charged to the fund or the System including, but not limited to, management fees, administrative fees, transaction fees, fees for legal services, audit, accounting, tax filing and custody.
4. If the proposal consists of a fund, state the percentage of the fund the combined five largest clients comprised as of June 30, 2022, 2021, 2020, and 2019.

IX. FEE QUOTE

The fee quotes set forth in the response to the RFP will be a significant factor in determining the successful Vendor. In responding to this RFP you are required to quote your fees according to the terms as specified in the following format. The format is a fixed asset-based fee quote. No language may be altered and you acknowledge that you understand our fee calculation methodology by submitting your bid. You are encouraged to have your legal counsel approve our terms prior to submitting your RFP. By submitting a proposal you are agreeing to accept our prescribed fee calculation methodology. The only terms that may be altered are those left blank; specifically, dollar amounts, basis points and percentages.

1. Provide relevant fee schedules using the format on Exhibit "A" at the end of this RFP for each product in your proposal.
2. At the present time the System is looking at a target amount of approximately \$340 million in the combined SoonerSave and Pathfinder portfolios based upon assets as of September 30, 2022. The level of assets may vary based on prevailing market conditions.
3. If the Vendor is offering any discount on the management fees quoted based on the retention of other investment services already provided to OPERS the URSJJ, please list the discount separately on Exhibit "A."
4. Concurrent to this RFP, OPERS has issued an RFP for recordkeeping services. OPERS will consider a "bundled" fee proposal for stable value investment management and recordkeeping services. The proposed fee offset should be reflected in the Exhibit "A"

Fee Quote section. Stand-alone stable value providers should indicate if a recordkeeping fee offset is available (for separate accounts and commingled funds).

X. SUMMARY

Fill out the following proposal summaries:

Summary 1

Firm Name	Product Name	Proposed Vehicle (i.e. separate account, commingled fund, collective trust fund)	Current MV/BV	Duration	Number of Wrap Providers	Total Fee Proposal (in basis points)	Availability of Funds

Summary 2

	Bps per year
Investment Management Fee	
Wrap Fee	
Trust and Custody Fee	
Sub Advisor Fee (if applicable)	
Total Fee	

EXHIBIT A

FIXED ASSET-BASED FEE QUOTE FORMAT

COMPENSATION RATES

- A. (INVESTMENT MANAGER) shall submit invoices for services to the System providing such information acceptable to the System.
- B. Following the end of each calendar quarter, (INVESTMENT MANAGER) shall deduct the investment management fee (and recordkeeping offset if applicable) from the gross crediting rate.
- C. The total annual fees for the services provided under this Agreement are set forth in this Exhibit "A".

- 1. Investment Management fees for the combined SoonerSave and Pathfinder portfolios as applicable:

___ basis points (.___ of 1%) on the first	\$ _____
___ basis points (.___ of 1%) on the next	\$ _____
___ basis points (.___ of 1%) on the next	\$ _____
___ basis points (.___ of 1%) on the next	\$ _____
___ basis points (.___ of 1%) amounts over	\$ _____

For RFP bidding process additional breakpoints may be inserted above if necessary. Please list all fees and expenses applicable to each fund as asked for in Section IX. List any applicable discounts (i.e. recordkeeping offset) as well.

- 2. Concurrent to this RFP, OPERS has issued an RFP for recordkeeping services. OPERS will consider a "bundled" fee proposal for stable value investment management and recordkeeping services. The recordkeeper will be responsible for responding to the separate RFP for recordkeeping services. Stand-alone stable value providers should indicate if a recordkeeping fee offset is available (for separate accounts and commingled funds).
- D. It is understood and agreed that (INVESTMENT MANAGER) may not bill or charge, over and above the compensatory rate above mentioned, for the services provided pursuant to this Agreement.

Exhibit B. **SoonerSave Financial Statements and Schedule of Accounts**

SOONERSAVE 457
STATEMENT OF FIDUCIARY NET POSITION
(Unaudited)

	SEPTEMBER 30,	
	2022	2021
Cash and cash equivalents	\$ 32,873	\$ 45,949
INVESTMENTS:		
Stable Value Fund	256,611,567	254,990,217
Mutual Funds		
Bond fund	20,131,738	24,955,234
Balanced fund	41,295,804	50,359,148
Large-Cap equity funds	248,707,506	362,459,674
Mid-Cap equity funds	99,250,208	146,743,751
Small-Cap equity funds	36,995,642	47,899,880
International equity funds	35,493,296	55,224,115
Target Date funds	93,124,140	113,126,723
Self-Directed Brokerage (mutual funds)	3,514,588	5,164,711
Total Mutual Funds	578,512,922	805,933,236
Common Trust Funds		
Bond fund	14,141,223	17,550,485
Small-Cap equity fund	1,627,938	1,879,230
International equity fund	1,154,405	1,295,026
Total Common Trust Funds	16,923,566	20,724,741
Annuity Contracts	36,313	39,604
Total Investments	852,084,369	1,081,687,798
Total Assets	852,117,241	1,081,733,747
Liabilities		
Other Liabilities	32,873	45,949
Net position available for plan benefits	\$ 852,084,369	\$ 1,081,687,798

SOONERSAVE 457
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Unaudited)

	For the quarter ended September 30,	
	2022	2021
ADDITIONS:		
Contributions:		
Participants	\$ 5,810,020	\$ 6,561,560
Plan to Plan transfers in	43,377	-
Total contributions	5,853,398	6,561,560
Investment income:		
Net appreciation (depreciation) in fair value of investments	(31,165,733)	(8,258,655)
Interest and dividends	1,866,069	1,910,175
Total investment income (loss)	(29,299,664)	(6,348,480)
Total additions	(23,446,266)	213,080
DEDUCTIONS:		
Benefits paid to participants	15,883,954	16,692,155
Administrative fees	100,585	30,239
Total deductions	15,984,539	16,722,394
Net increase (decrease)	(39,430,805)	(16,509,314)
Net position available for plan benefits		
Beginning of period	891,515,174	1,098,197,112
End of period	\$ 852,084,369	\$ 1,081,687,798

	9/30/2022	9/30/2021
Active Participants	15,463	16,708
Retired or Inactive Participants	14,757	14,702
Total Participants	30,220	31,410

SOONERSAVE 401(a)
STATEMENT OF FIDUCIARY NET POSITION
(Unaudited)

	SEPTEMBER 30,	
	2022	2021
Cash and cash equivalents	\$ 547,710	\$ 599,868
INVESTMENTS:		
Stable Value Fund	69,869,785	72,243,850
Mutual Funds		
Bond fund	5,117,959	6,415,742
Balanced fund	10,069,258	12,085,002
Large-Cap equity funds	62,933,764	90,489,677
Mid-Cap equity funds	29,493,248	44,776,336
Small-Cap equity funds	8,673,361	10,962,006
International equity funds	9,107,856	14,206,344
Target Date funds	26,444,083	32,861,017
Total Mutual Funds	151,839,530	211,796,124
Common Trust Funds		
Bond fund	2,931,211	3,924,039
Small-Cap equity fund	426,975	302,006
International equity fund	394,714	290,338
Total Common Trust Funds	3,752,900	4,516,383
Total Investments	225,462,216	288,556,357
Total Assets	226,009,925	289,156,225
Liabilities		
Other Liabilities	545,598	597,757
Net position available for plan benefits	\$ 225,464,327	\$ 288,558,468

SOONERSAVE 401(a)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Unaudited)

	For the quarter ended September 30,	
	2022	2021
ADDITIONS:		
Contributions:		
Participants	\$ 906,146	\$ 1,063,643
Plan to Plan transfers in	1,305,342	826,901
Total contributions	2,211,488	1,890,543
Investment income:		
Net appreciation (depreciation) in fair value of investments	(8,063,316)	(2,194,318)
Interest and dividends	473,476	494,337
Total investment income (loss)	(7,589,840)	(1,699,981)
Total additions	(5,378,352)	190,562
DEDUCTIONS:		
Benefits paid to participants	4,178,999	4,060,719
Administrative fees	(26,848)	(48,598)
Total deductions	4,152,151	4,012,121
Net increase (decrease)	(9,530,503)	(3,821,559)
Net position available for plan benefits		
Beginning of period	234,994,830	292,380,027
End of period	\$ 225,464,327	\$ 288,558,468

	9/30/2022	9/30/2021
Active Participants	15,463	16,708
Retired or Inactive Participants	15,864	15,651
Total Participants	31,327	32,359

PATHFINDER 401(a)
STATEMENT OF FIDUCIARY NET POSITION
(unaudited)

	SEPTEMBER 30,	
	2022	2021
Cash and cash equivalents	\$ 11,684,201	\$ 8,224,955
INVESTMENTS:		
Stable Value Fund	1,275,946.44	517,539.31
Mutual Funds		
Bond fund	273,426	243,463
Balanced fund	153,227,694	145,693,277
Large-Cap equity funds	5,699,636	5,974,772
Mid-Cap equity funds	902,527	889,564
Small-Cap equity funds	820,756	892,604
International equity funds	597,985	714,536
Target Date funds	7,507,574	7,732,167
Self-Directed Brokerage (mutual funds)	238,484	193,386
Total Mutual Funds	169,268,084	162,333,768
Common Trust Funds		
Bond fund	235,690	267,972
Small-Cap equity fund	371,103	373,841
International equity fund	228,126	241,358
Total Common Trust Funds	834,919	883,172
Total Investments	171,378,949	163,734,479
Total Assets	183,063,150	171,959,434
Liabilities		
OPERS administrative reimbursement collections in excess or remittances	138,712	224,673
Other payables	11,545,489	8,000,282
Net position available for plan benefits	\$ 171,378,949	\$ 163,734,479

PATHFINDER 401(a)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Unaudited)

	For the quarter ended September 30,	
	2022	2021
ADDITIONS:		
Contributions:		
Participants	\$ 4,966,201	\$ 4,161,131
Employers	7,067,082	5,996,183
Plan to Plan transfers	930,388.55	343,729.10
	12,963,671.85	10,501,043.25
Investment income:		
Net appreciation (depreciation) in fair value of investments	(9,289,938)	(875,670)
Interest and dividends	801,648.45	528,903.12
Total investment income (loss)	(8,488,289)	(346,767)
Total additions	4,475,382	10,154,276
DEDUCTIONS:		
Benefits paid to participants	3,981,136	3,513,798
Administrative fees	126,350	105,278
Total deductions	4,107,486	3,619,076
Net increase (decrease)	367,897	6,535,201
Net position available for plan benefits		
Beginning of period	171,011,053	157,199,279
End of period	\$ 171,378,949	\$ 163,734,479
	9/30/2022	9/30/2021
Active Participants	15,463	16,708
Retired or Inactive Participants	14,757	14,702
Total Participants	30,220	31,410

PATHFINDER 457
STATEMENT OF FIDUCIARY NET POSITION
(Unaudited)

	SEPTEMBER 30,	
	2022	2021
Cash and cash equivalents	\$ 280	\$ 229
 INVESTMENTS:		
Stable Value Fund	502,205	218,102
 Mutual Funds		
Bond fund	69,906	63,208
Balanced fund	19,042,035	17,031,849
Large-Cap equity funds	1,897,136	1,980,910
Mid-Cap equity funds	332,911	213,540
Small-Cap equity funds	244,243	252,946
International equity funds	262,069	317,065
Target Date funds	2,571,418	2,292,420
Self-Directed Brokerage (mutual funds)	46,700	38,457
Total Mutual Funds	24,466,418	22,190,396
 Common Trust Funds		
Bond fund	71,261	137,641
Small-Cap equity fund	142,879	142,689
International equity fund	136,050	128,251
Total Common Trust Funds	350,191	408,581
Total Investments	25,318,813	22,817,078
Total Assets	25,319,093	22,817,307
 Liabilities		
OPERS administrative reimbursement		
collections in excess or remittances	259	217
Other payables	21	12
Net position available for plan benefits	\$ 25,318,813	\$ 22,817,078

PATHFINDER 457
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Unaudited)

	For the quarter ended September 30,	
	2022	2021
ADDITIONS:		
Contributions:		
Participants	\$ 2,034,312	\$ 1,643,454
Plan to Plan transfers in	9,181	4,094
Total contributions	2,043,493	1,647,549
Investment income:		
Net appreciation (depreciation) in fair value of investments	(1,408,318)	(152,444)
Interest and dividends	106,167	64,980
Total investment income (loss)	(1,302,150)	(87,464)
Total additions	741,342	1,560,085
DEDUCTIONS:		
Benefits paid to participants	358,187	365,490
Administrative fees	317	(72)
Total deductions	358,504	365,418
Net increase (decrease)	382,838	1,194,667
Net position available for plan benefits		
Beginning of period	24,935,975	21,622,411
End of period	\$ 25,318,813	\$ 22,817,078

	9/30/2022	9/30/2021
Active Participants	5,308	4,470
Retired or Inactive Participants	2,093	1,683
Total Participants	7,401	6,153

Exhibit D

SOONERSAVE

INVESTMENT POLICIES AND GUIDELINES

Effective July 21, 2022

SOONERSAVE

INVESTMENT POLICIES AND GUIDELINES

Table of Contents

SECTION	TITLE	PAGE
I.	INTRODUCTION	3
II.	OBJECTIVES	3
III.	ADMINISTRATION	4
IV.	INVESTMENT OPTIONS	4
V.	INVESTMENT OPTION STATUS & PROCEDURES	9
VI.	SELECTION OF INVESTMENT OPTIONS	9
VII.	PERFORMANCE REVIEWS	10
VIII.	PROXY VOTING POLICY	11
APPENDIX 1	SOONERSAVE INVESTMENT OPTIONS BY INVESTMENT CATEGORY	14

SOONERSAVE

INVESTMENT POLICIES AND GUIDELINES

I. INTRODUCTION

SoonerSave is a department of the Oklahoma Public Employees Retirement System and is comprised of two retirement savings plans – the Oklahoma State Employees Deferred Compensation Plan (OSEDCP) and the Oklahoma State Employees Deferred Savings Incentive Plan (SIP). OSEDCP is a tax-deferred savings plan that allows employees to contribute a portion of their salary into the Plan. Taxes on salary deferrals and earnings are deferred until the money is withdrawn. Additional incentive to participate is provided by the State, which contributes \$25.00 per month to the SIP for active participation of the OSEDCP.

The Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) has fiduciary responsibility to provide investment and administrative services to the Plan's participants. This document outlines the philosophies behind the structure and delivery of the investment options offered to participants and the process for maintaining the menu of participant offerings.

II. OBJECTIVES

- A. To provide participants with a prudent menu of investment options to diversify their investment portfolios in order to efficiently achieve reasonable financial goals for retirement.
- B. To provide education to participants to help them build portfolios that maximize the probability of achieving their investment goals.
- C. To administer the Plans in an efficient manner, such that participants are able to monitor their individual portfolios and make suitable adjustments in a timely manner.
- D. To provide competitive investment options in major asset classes at a reasonable cost.
- E. To establish criteria and procedures for the ongoing evaluation of the investments offered, which are consistent with prudent investment management and participants' needs for diverse investment options.
- F. To establish procedures for the selection, evaluation, review, and elimination of fund options and the Board's expectations regarding each fund option.

III. ADMINISTRATION

As of January 1, 2001, SoonerSave is administered in a primarily “unbundled” arrangement with one vendor providing recordkeeping, communications, and education. Investment services may be provided by the vendor or by other investment firms.

IV. INVESTMENT OPTIONS

Responsibility for the number, types, and status of individual investment options rests with the OPERS Board of Trustees. In general, the Board will seek to provide a sufficient number of investment options to provide participants the ability to construct diversified portfolios consistent with their individual investment objectives, risk tolerance, and cost preference. The Board will seek to avoid offering extraneous and redundant investment options. The selection and elimination of investment options will be guided by the following philosophies and principles:

- A. The menu of core investment options will be sufficient to provide each participant with the ability to construct a diversified portfolio consistent with each participant’s investment objective, risk tolerance, and cost preference. (See *Appendix 1* for a classification of the current offerings.) The menu will include at least one offering in each of the following asset categories:
 - Cash Equivalents
 - Fixed Income
 - Balanced
 - Domestic Large Cap Equity
 - Domestic Small and Mid Cap Equity
 - International Equity
- B. The investment options will consist of publicly traded mutual funds, collective trust funds, separate accounts, and/or any other vehicle the Board deems appropriate to gain the desired asset class exposure. Within certain asset classes, the Board will seek to provide, as appropriate, both domestic and international investment options and both active and passive (indexed) options.
- C. Each investment option should represent a distinct class of assets; however, within the domestic equity categories, the offerings may represent style subsets (e.g. value, growth, large cap, and small cap) of the broad market. To the extent practicable, the Board will avoid offering investment options whose investment style and portfolio focus overlaps.
- D. The investment options may include funds that offer pre-determined asset allocations consistent with their respective investment goals or time horizons. This would include “target date” funds that offer investments over a diversified range of asset classes based on a future date, and which may automatically rebalance to become more conservative as the target date approaches. A balanced fund shall be offered and will serve as the SoonerSave Plan’s default investment option.

Participants may request to have additional investment options added to the SoonerSave investment line-up. The request must be made in writing to the Director of Defined Contribution Plans and specify the investment name, the rationale for inclusion and any supporting documents such as prospectus or performance data. The Director will forward the request to the OPERS Board of Trustees for consideration during the performance review of the investments.

E. Cash Equivalents Asset Class Investment Options

1. Stable Value Fund

a. Account Structure

This core investment option will be offered in a separate account with the vendor as investment manager and custodian. Assets in the account are not commingled with the assets of any other entity. The vendor has the authority to buy and sell any U.S. government and Agency securities in this separate account under this policy it judges to be in the best long-term interest of the separate account and the participants that utilize the account. The vendor will manage the assets in the account with the same care and prudence that it would exercise with its own assets and to act as a fiduciary regarding the management of the assets invested by the Plan in the separate account. The portfolio will be prudently diversified by the Vendor to protect against sector and security specific risks.

b. Investment Objectives

Within the parameters as stated below, the objectives of the account are to:

- (a) Earn a competitive rate of return consistent with the types of investments allowed;
- (b) Provide sufficient liquidity to provide for participant redemptions;
- (c) Provide returns with relatively low variability.

c. Benchmark Index

The market value performance of the Stable Value Account will be compared to the market value performance of five-year Treasury notes, on a constant maturity basis. Yield levels are expected to exceed that of the two-year Constant Maturity Treasury.

d. Credit Quality and Diversification Guidelines

The portfolio will be comprised of obligations of the United States government and agencies thereof. The portfolio will be prudently diversified by the Vendor to protect against sector and security specific risks. No one individual security, excluding U.S. Treasuries, will comprise over five percent of the portfolio at market value.

e. Types of Investments

Subject to the Quality and Diversification Guidelines, the Vendor may invest the assets of the Stable Value Account in any or all of the following:

- (1) United States Treasury securities including Treasury bills, notes, bonds, and strips;
- (2) United States agency or Government Sponsored Entity (GSE) securities.
- (3) Mortgage-backed securities issued by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other U.S. Government agencies as approved by OPERS;
- (4) Collateralized mortgage obligations (CMOs) secured by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other U.S. Government agencies as approved by OPERS.
- (5) Repurchase agreements fully collateralized by the U.S Government, U.S. Agency, or GSE securities.
- (6) U.S. money market mutual funds subject to ERISA rule 2a-7 or have comparable quality, diversification, and liquidity restrictions.

f. Short-Term Investments

All money received by the vendor for deposit to the Stable Value Account will be invested the same day it is received. Whenever possible, these monies will be invested in the investments stated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in fully collateralized repurchase agreements or an interest-bearing account at a commercial bank. All money deposited into these banks must be 100 percent guaranteed by the FDIC. The following business day the money will then be invested according to the above guidelines.

g. Prohibited Transactions

IOs, POs, residuals, inverse floater, and other like mortgage instruments are not permitted. In all situations, any interest earned on money received for deposit into the separate account will be credited to the separate account and not to the Vendor.

h. Duration of Investments

The portfolio's average duration will have a normal range of two to five years.

i. Rates

The vendor sets the rate to be credited to participant accounts. This credited rate to participants may differ from the rate earned on the total assets in the account.

j. Reporting

(1) On a quarterly basis, the vendor will provide a statement to the Board

showing the market value of each security, the sector diversification

within the portfolio, and the duration, quality and yield of the portfolio.

This statement will also compare the market value of the portfolio to the

amount required to satisfy the withdrawal of all participant accounts. The

vendor will also report on any loans made by the General Account to the

Stable Value Account.

(2) On a quarterly basis, the vendor will provide to the Board a book value statement showing the book value of the total portfolio and describing the methodology and assumptions used to reset the crediting rate of the Stable Value Account. On a quarterly basis the Vendor will provide a statement of compliance with this Statement of Investment Policy for the period covered by the report signed by the portfolio manager and a principal of the firm.

(3) Annually, a senior representative of the vendor will be expected to meet

with the Board and provide a verbal and written review of investment

decisions. The underlying investment rationale and expected future

implication of investment decisions will also be provided, as will the

timing and amounts of contribution and withdrawal activity. The current

and all past crediting rates will be shown compared to current and past two

year constant maturity treasury yields as maintained by the Federal Reserve.

k. Trading Authority

Within the Investment Guidelines as stated above in this document, the Vendor has the authority to buy and sell any securities in this separate account that it judges to be in the best long-term interests of the separate account and the participants that utilize the account.

l. Competing Funds

Upon approval by the Board, there may be restrictions placed on transfers in and out of the Stable Value Fund from competing funds. For the Stable Value Fund, a “competing fund” is defined as any investment option in the asset class designated as “cash equivalents” as set forth in Appendix 1 of these Guidelines.

m. Changes to Investment Guidelines

The Guidelines (including duration) for investment of assets of the Stable Value Account may be modified provided that such change follows the purposes and objectives of the Stable Value Option and that no such change shall be made without prior notification to Vendor.

F. Self-Directed Brokerage Investment Option

1. The Board has no responsibility to review the funds available and offered to participants in this option or to determine the appropriate investment choices for participants selecting this option. The Board further has no responsibility to determine if the selection of the self-directed brokerage option is appropriate for any participant.
2. The self-directed brokerage option is designed for knowledgeable investors, and any participant selecting this option will agree to the following:
 - (a) The participant understands and accepts all risks associated with this selection;
 - (b) The participant understands and accepts that none of the mutual funds available in the self-directed brokerage option have been reviewed for suitability by the Board;

- (c) The participant is solely responsible for determining the suitability or appropriateness of any selected investment or fund; and
 - (d) The participant agrees to hold the Plan and the Board harmless against any claims, damages, or other causes of actions which may arise because of any negative consequences resulting from use of the self-directed brokerage option.
3. This option may be offered, at the Board’s discretion, to participants in the Deferred Compensation Plan and/or the Deferred Savings Incentive Plan in the form of a self-directed brokerage investment for the selection of additional funds. This investment option is not considered to be one of the core investment options selected by the Board.
 4. The minimum investment in this option is \$1,000 per investment. Participants must also maintain at least \$2,500 in assets invested in the core investment options for each SoonerSave Plan in which they also participate in this option.
 5. Participants selecting this option will be assessed an additional quarterly fee.

V. INVESTMENT OPTION STATUS & PROCEDURES

The OPERS Board of Trustees will designate the status of each investment option offered. Each offering will have a status of either:

- **Open** – Eligible for new investments, or
- **Closed** – Not eligible for new investments; soon to be eliminated and/or replaced by the Board

Offerings eliminated because of performance or suitability as determined by the Board will be assigned a “Closed” status. A replacement option may be an existing option or a new option selected by the Board. Participant deferrals and/or contributions directed to “Closed” options shall be re-directed to the selected replacement option or to another option as determined by the Board. Participant balances in “Closed” options will remain invested until it is administratively feasible to redirect them to the selected replacement option or to another option as determined by the Board.

VI. SELECTION OF INVESTMENT OPTIONS

If new or replacement options are desired, the OPERS Board of Trustees will establish general criteria. The System’s investment consultant will work with the System’s staff to develop other

specific search parameters. In selecting a new or replacement option, the Board will normally rely upon:

- A. Discipline in maintaining low divergence of the fund to the stated fund objective or investment management style.
- B. Skill, expertise, and stability of the investment professionals (manager tenure) and the organization providing the investment service.
- C. Reasonable costs including the expense ratio and sales fees.
- D. Recommendation of the System's staff and investment consultant.

Fund options are selected from the universe of funds through a comprehensive search process normally conducted by the System's investment consultant. Once the initial screening has occurred, options are further analyzed based on criteria that includes, but is not limited to: short and long term performance as compared to peer group average and benchmarks, risk/return measurements, industry ratings (such as Morningstar) and the recordkeeper's ability to provide the recordkeeping services for the proposed fund.

VII. PERFORMANCE REVIEWS

The OPERS Board of Trustees will periodically (at least annually) review and evaluate the success of SoonerSave's progress toward its objectives in the areas of Plan administration, communications, education, and investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering investment options with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 10 years). The Board will also review the risks taken to achieve the results and the option's investment style relative to its mandate, in addition to the stability of the personnel responsible for investment results. If the investment options are mutual funds, the Board may rely on the investment consultant's recommendations along with ratings produced by mutual fund evaluation services such as Morningstar to evaluate long-term risk-adjusted performance relative to peers. For performance benchmarks on current offerings [see *Appendix I*].

The Board has developed the following policies with respect to reviewing any Fund associated with SoonerSave.

- A. Investment options within the plans will be reviewed by the staff and the consultant once per year. The staff and consultant will make a recommendation to the Board based on the criteria outlined above.

- B. Funds that have performed within expectations shall be retained by the Board. Funds that have performed outside of expectations, fail the criteria listed in sections VI and VII above, or at the discretion of the Board may be placed on “watch list” or eliminated.
- C. Funds that were on the “watch list” that recover in a subsequent fund evaluation may be removed from the “watch list” and retained by the Board.
- D. Funds that are on the “watch list” after 2 consecutive years may be placed in the “Closed” status and replacement fund(s) will be chosen by the Board pursuant to Section V and VI of this policy.
- E. Additionally, failure by a fund to comply with these policy objectives and guidelines will be cause for the Board to reexamine that fund’s continuing appropriateness for the SoonerSave program.
- F. The Board retains the right to waive any of the above policies if it deems that such waiver is in the best interest of SoonerSave and/or its participants.

VIII. PROXY VOTING POLICY

A. Overview

The Board believes that mutual fund proxies are important assets of SoonerSave. OPERS recognizes that certain proposals, if implemented, may have a substantial impact on SoonerSave participant shareholders. OPERS shall exercise its shareholder rights by voting proxies solely in the interests of the Plan participants. This policy sets forth general guidelines on key areas of corporate governance. The OPERS Board directs the staff to use the Proxy Policy as a guide in voting mutual fund proxies.

B. Purpose

The purpose of the OPERS Proxy Policy is to (1) articulate the Program’s position on important areas in corporate governance, (2) provide guidance and direction to staff to vote on individual proxy issues on behalf of the Plan, and (3) establish roles and responsibilities for the maintenance of proxy policy and the administration of proxy voting.

C. Objective

The objective of this policy is to enhance the long-term value of the participants’ investments by encouraging management to act in the shareholders’ best interest, and to protect shareholder rights. A further objective is to promote corporate accountability, transparency and responsibility as essential elements of corporate governance designed to increase long-term shareholder value.

D. Roles and Responsibilities

1. Board of Trustees - The Board of Trustees shall have the responsibility for approving the Proxy Policy as well as reviewing the Proxy Policy on a regular basis to determine if modifications are necessary.
2. Staff - The OPERS Staff shall monitor compliance with the Policy in this document. Staff shall evaluate proposals for modifications as needed, make recommendations for consideration by the Board, and periodically receive reports of votes cast.
3. Executive Director - The Executive Director shall work with the Board of Trustees to establish the overall policy. The Executive Director shall establish appropriate proxy voting procedures to support and implement the Policy and coordinate such procedures to support and implement the Policy.

The Executive Director shall vote proxy ballots in a timely manner according to OPERS established Policy, and administer and maintain records of proxy votes. The Executive Director shall vote proxies under voting instructions created from OPERS' Proxy Voting Policy.

Last, the Executive Director shall review research and vote recommendations on each mutual fund proxy vote cast in fulfilling the fiduciary duty of the OPERS Board of Trustees to cast proxy votes in the interests of shareholders and therefore, its participants.

E. Process

1. Case-by-Case – The Executive Director will work with a proxy advisory service to research proxy issues. The Executive Director will consult with the OPERS Defined Contribution Plans Director and Chief Investment Officer on each proxy issue or vote, to get their respective recommendations. The Executive Director may cast a vote after consultation with these staff members, if it follows the recommendation of the proxy advisory service. If after consultation with the staff members, the Executive Director wants to vote contrary to the recommendation of the proxy advisory service, the matter shall be taken to the Board of Trustees at its next meeting. If the vote must be cast prior to the next Board meeting, the Executive Director shall consult with the Chairman of the Board of Trustees. The Chairman will decide whether a special or emergency meeting of the Board should be called to address the issue. If the Chairman does not schedule a special or emergency meeting, the Executive Director may vote the proxy but shall report to the Board and explain why the recommendation of the proxy advisory service was not followed.
2. Missed Votes and Votes Inconsistent with Policy – Should OPERS miss a voting deadline due to an operational issue or unforeseen circumstance, the Board will be provided with a report of any missed votes at the next regularly scheduled Board meeting, along with an analysis of the reason(s), and a discussion of the corrective action taken.

F. Reporting and Compliance

The following reports shall be provided to the Board:

1. Case-By-Case Issues (As Needed) - Reports of case-by-case issues, OPERS voting position, and supporting rationale shall be provided at the next regularly scheduled Board meeting following the casting of such votes.
2. Missed Votes or Non-Conforming Votes (As Needed) - Reports of missed votes or non-conforming votes shall be provided at the next regularly scheduled Board meeting following the voting deadline or the casting of such votes.
3. Summary Report (Annually) - A report summarizing compliance with the proxy policy shall be provided annually to the Board.

G. General Guidelines

OPERS will support measures to increase Board independence and to promote disclosure, including but not limited to fees and expenses, fund holdings, commissions paid to brokers, soft dollar services, and turnover of key personnel.

APPENDIX 1
SoonerSave Investment Options by Investment Category

<u>Asset Class</u>	<u>Sector</u>	<u>Benchmark</u>
Cash	Stable Value	2-year Constant Maturity Treasury Yield
Fixed Income	Multi-sector Bond Index	Bloomberg Barclays Capital U.S. Aggregate Bond Index
	High Yield Bond	Merrill Lynch High Yield Master II Index
Balanced	Indexed Balanced	50% S&P 500/40% Bloomberg Barclays Capital U.S. Aggregate Bond Index/10% MSCI EAFE
Large Cap US Equities	Large Cap Value	Russell 1000 Value Index
	Large Cap Growth	Russell 1000 Growth Index
	S&P 500 Index	S&P 500 Index
Mid Cap US Equities	Mid Cap Growth	Russell Mid Cap Growth Index
	Mid Cap Value	Russell Mid Cap Value Index
Total U.S. Market	Total U.S. Market Index	Wilshire 5000 Index
Small Cap US Equities	Small Cap Value	Russell 2000 Value Index
	Small Cap Growth	Russell 2000 Growth Index
	Small Cap Index	Russell 2000 Index
International Equities	International Stock	MSCI EAFE Index
	Emerging Markets	MSCI Emerging Markets Index
	ACWI ex-US Index	MSCI ACWI ex-US Index
Target Date Funds	Target Retirement Income (formerly the 2010 Fund)	Target Retirement Income Composite
	2020 Fund	Dow Jones Target 2020 Index
	2030 Fund	Dow Jones Target 2030 Index
	2040 Fund	Dow Jones Target 2040 Index
	2050 Fund	Dow Jones Target 2050 Index
	2060 Fund	Dow Jones Target 2060 Index

Exhibit E

**OPERS DEFINED CONTRIBUTION (DC) SYSTEM
(PATHFINDER PLAN)**

INVESTMENT POLICIES AND GUIDELINES

Effective July 21, 2022

OPERS DEFINED CONTRIBUTION (DC) SYSTEM (PATHFINDER PLAN)

INVESTMENT POLICIES AND GUIDELINES

Table of Contents

SECTION	TITLE	PAGE
I.	INTRODUCTION	3
II.	OBJECTIVES	3
III.	ADMINISTRATION	4
IV.	INVESTMENT OPTIONS	4
V.	INVESTMENT OPTION STATUS & PROCEDURES	9
VI.	SELECTION OF INVESTMENT OPTIONS	9
VII.	PERFORMANCE REVIEWS	10
VIII.	PROXY VOTING POLICY	11
APPENDIX 1	OPERS DEFINED CONTRIBUTION (DC) SYSTEM (PATHFINDER PLAN) INVESTMENT OPTIONS BY INVESTMENT CATEGORY	14

OPERS DEFINED CONTRIBUTION (DC) SYSTEM (PATHFINDER PLAN)

INVESTMENT POLICIES AND GUIDELINES

I. INTRODUCTION

OPERS Defined Contribution (DC) System (Pathfinder Plan) is a department of the Oklahoma Public Employees Retirement System and is comprised of two retirement savings plans – the 401(a) plan and the 457(b) plan. Both plans are tax-deferred savings plans that allow employees to contribute a portion of their salary into the Plan. Taxes on salary deferrals and earnings are deferred until the money is withdrawn. The mandatory contribution from employees shall be directed to the 401(a) plan. All matching contributions by employers shall be directed to the 401(a) plan as well. Any voluntary employee contribution above the mandatory contribution level shall be directed to the 457(b) plan.

The Board of Trustees of the Oklahoma Public Employees Retirement System (OPERS) has fiduciary responsibility to provide investment and administrative services to the Plan's participants. This document outlines the philosophies behind the structure and delivery of the investment options offered to participants and the process for maintaining the menu of participant offerings.

II. OBJECTIVES

- A. To provide participants with a prudent menu of investment options to diversify their investment portfolios in order to efficiently achieve reasonable financial goals for retirement.
- B. To provide education to participants to help them build portfolios that maximizes the probability of achieving their investment goals.
- C. To administer the Plans in an efficient manner, such that participants are able to monitor their individual portfolios and make suitable adjustments in a timely manner.
- D. To provide competitive investment options in major asset classes at a reasonable cost.
- E. To establish criteria and procedures for the ongoing evaluation of the investments offered, which are consistent with prudent investment management and participants' needs for diverse investment options.
- F. To establish procedures for the selection, evaluation, review, and elimination of fund options and the Board's expectations regarding each fund option.

III. ADMINISTRATION

The OPERS Defined Contribution (DC) System (Pathfinder Plan) is administered in a primarily “unbundled” arrangement with one vendor providing recordkeeping, communications, and education. Investment services may be provided by the vendor or by other investment firms. The fees associated with services provided within the plan shall be paid by the participants of the plan.

IV. INVESTMENT OPTIONS

Responsibility for the number, types, and status of individual investment options rests with the OPERS Board of Trustees. In general, the Board will seek to provide a sufficient number of investment options to provide participants the ability to construct diversified portfolios consistent with their individual investment objectives, risk tolerance, and cost preference. The Board will seek to avoid offering extraneous and redundant investment options. The selection and elimination of investment options will be guided by the following philosophies and principles:

- A. The menu of core investment options will be sufficient to provide each participant with the ability to construct a diversified portfolio consistent with each participant’s investment objective, risk tolerance, and cost preference. (See *Appendix 1* for a classification of the current offerings.) The menu will include at least one offering in each of the following asset categories:
 - Cash Equivalents
 - Fixed Income
 - Balanced
 - Domestic Large Cap Equity
 - Domestic Small and/or Mid Cap Equity
 - International Equity
- B. The investment options will consist of publicly traded mutual funds, collective trust funds, separate accounts, and/or any other vehicle the Board deems appropriate to gain the desired asset class exposure. Within certain asset classes, the Board will seek to provide, as appropriate, both domestic and international investment options and both active and passive (indexed) options.
- C. Each investment option should represent a distinct class of assets; however, within the domestic equity categories, the offerings may represent style subsets (e.g. value, growth, large cap, and small cap) of the broad market. To the extent practicable, the Board will avoid offering investment options whose investment style and portfolio focus overlaps.
- D. The investment options may include funds that offer pre-determined asset allocations consistent with their respective investment goals or time horizons. This would include “target date” funds that offer investments over a diversified range of asset classes based on a future date, and which may automatically rebalance to become more conservative

as the target date approaches. A balanced fund shall be offered and will serve as the Pathfinder Plan's default investment option.

Participants may request to have additional investment options added to the Pathfinder Plan investment line-up. The request must be made in writing to the Director of Defined Contribution Plans and specify the investment name, the rationale for inclusion and any supporting documents such as prospectus or performance data. The Director will forward the request to the OPERS Board of Trustees for consideration during the performance review of the investments.

E. Cash Equivalents Asset Class Investment Options

1. Stable Value Fund

a. Account Structure

This core investment option will be offered in a separate account with the vendor as investment manager and custodian. Assets in the account are not commingled with the assets of any other entity. The vendor has the authority to buy and sell any U.S. government and Agency securities in this separate account under this policy it judges to be in the best long-term interest of the separate account and the participants that utilize the account. The vendor will manage the assets in the account with the same care and prudence it would exercise with its own assets and to act as a fiduciary regarding the management of the assets invested by the Plan in the separate account. The portfolio will be prudently diversified by the Vendor to protect against sector and security specific risks.

b. Investment Objectives

Within the parameters as stated below, the objectives of the account are to:

- (a) Earn a competitive rate of return consistent with the types of investments allowed;
- (b) Provide sufficient liquidity to provide for participant redemptions;
- (c) Provide returns with relatively low variability.

c. Benchmark Index

The market value performance of the Stable Value Account will be compared to the market value performance of five-year Treasury notes, on a constant maturity basis. Yield levels are expected to exceed that of the two-year Constant Maturity Treasury.

d. Credit Quality and Diversification Guidelines

The portfolio will be comprised of obligations of the United States government and agencies thereof. The portfolio will be prudently diversified by the Vendor to

protect against sector and security specific risks. No one individual security, excluding U.S. Treasuries, will comprise over five percent of the portfolio at market value.

e. Types of Investments

Subject to the Quality and Diversification Guidelines, the Vendor may invest the assets of the Stable Value Account in any or all of the following:

- (1) United States Treasury securities including Treasury bills, notes, bonds, and strips;
- (2) United States agency or Government Sponsored Entity (GSE) securities.
- (3) Mortgage-backed securities issued by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other U.S. Government agencies as approved by OPERS;
- (4) Collateralized mortgage obligations (CMOs) secured by GNMA, FNMA, FHLMC, FHLB, VA Vendee, or other U.S. Government agencies as approved by OPERS.
- (5) Repurchase agreements fully collateralized by the U.S Government, U.S. Agency, or GSE securities.
- (6) U.S. money market mutual funds subject to ERISA rule 2a-7 or have comparable quality, diversification, and liquidity restrictions.

f. Short-Term Investments

All money received by the vendor for deposit to the Stable Value Account will be invested the same day it is received. Whenever possible, these monies will be invested in the investments stated above. However, if the monies are received at a time of the day which makes this impractical, then the monies will be invested in fully collateralized repurchase agreements or an interest-bearing account at a commercial bank. All money deposited into these banks must be 100 percent guaranteed by the FDIC. The following business day the money will then be invested according to the above guidelines.

g. Prohibited Transactions

IOs, POs, residuals, inverse floater, and other like mortgage instruments are not permitted. In all situations, any interest earned on money received for deposit into the separate account will be credited to the separate account and not to the Vendor.

h. Duration of Investments

The portfolio's average duration will have a normal range of two to five years.

i. Rates

The vendor sets the rate to be credited to participant accounts. This credited rate to participants may differ from the rate earned on the total assets in the account.

j. Reporting

(1) On a quarterly basis, the vendor will provide a statement to the Board

showing the market value of each security, the sector diversification within the portfolio, and the duration, quality and yield of the portfolio.

This statement will also compare the market value of the portfolio to the amount required to satisfy the withdrawal of all participant accounts. The vendor will also report on any loans made by the General Account to the Stable Value Account.

(2) On a quarterly basis, the vendor will provide to the Board a book value statement showing the book value of the total portfolio and describing the methodology and assumptions used to reset the crediting rate of the Stable Value Account. On a quarterly basis the Vendor will provide a statement of compliance with this Statement of Investment Policy for the period covered by the report signed by the portfolio manager and a principal of the firm.

(3) Annually, a senior representative of the vendor will be expected to meet

with the Board and provide a verbal and written review of investment decisions. The underlying investment rationale and expected future

implication of investment decisions will also be provided, as will the

timing and amounts of contribution and withdrawal activity. The current

and all past crediting rates will be shown compared to current and past two

year constant maturity treasury yields as maintained by the Federal

Reserve.

k. Trading Authority

Within the Investment Guidelines as stated above in this document, the Vendor has the authority to buy and sell any securities in this separate account that it judges to be in the best long-term interests of the separate account and the participants that utilize the account.

l. Competing Funds

Upon approval by the Board, there may be restrictions placed on transfers in and out of the Stable Value Fund from competing funds. For the Stable Value Fund, a “competing fund” is defined as any investment option in the asset class designated as “cash equivalents” as set forth in Appendix 1 of these Guidelines.

m. Changes to Investment Guidelines

The Guidelines (including duration) for investment of assets of the Stable Value Account may be modified provided that such change follows the purposes and objectives of the Stable Value Option and that no such change shall be made without prior notification to Vendor.

F. Self-Directed Brokerage Investment Option

1. The Board has no responsibility to review the funds available and offered to participants in this option or to determine the appropriate investment choices for participants selecting this option. The Board further has no responsibility to determine if the selection of the self-directed brokerage option is appropriate for any participant.
2. The self-directed brokerage option is designed for knowledgeable investors, and any participant selecting this option will agree to the following:
 - (a) The participant understands and accepts all risks associated with this selection;
 - (b) The participant understands and accepts that none of the mutual funds available in the self-directed brokerage option have been reviewed for suitability by the Board;
 - (c) The participant is solely responsible for determining the suitability or appropriateness of any selected investment or fund; and

- (d) The participant agrees to hold the Plan and the Board harmless against any claims, damages, or other causes of actions which may arise because of any negative consequences resulting from use of the self-directed brokerage option.
3. This option may be offered, at the Board's discretion, to participants in the 401(a) Plan and/or the 457(b) Plan in the form of a self-directed brokerage investment for the selection of additional funds. This investment option is not considered to be one of the core investment options selected by the Board.
4. The minimum investment in this option is \$1,000 per investment. Participants must also maintain at least \$2,500 in assets invested in the core investment options for each Pathfinder Plan in which they also participate in this option.
5. Participants selecting this option will be assessed an additional quarterly fee.

V. INVESTMENT OPTION STATUS & PROCEDURES

The OPERS Board of Trustees will designate the status of each investment option offered. Each offering will have a status of either:

- **Open** – Eligible for new investments, or
- **Closed** – Not eligible for new investments; soon to be eliminated and/or replaced, as determined by the Board.

Offerings eliminated because of performance or suitability as determined by the Board will be assigned a "Closed" status. A replacement option may be an existing option or a new option selected by the Board. Participant deferrals and/or contributions directed to "Closed" options shall be re-directed to the selected replacement option or to another option as determined by the Board. Participant balances in "Closed" options will remain invested until it is administratively feasible to redirect them to the selected replacement option or to another option as determined by the Board.

VI. SELECTION OF INVESTMENT OPTIONS

If new or replacement options are desired, the OPERS Board of Trustees will establish general criteria. The System's investment consultant will work with the System's staff to develop other specific search parameters. In selecting a new or replacement option, the Board will normally rely upon:

- A. Discipline in maintaining low divergence of the fund to the stated fund objective or investment management style.

- B. Skill, expertise, and stability of the investment professionals (manager tenure) and the organization providing the investment service.
- C. Reasonable costs including the expense ratio and sales fees.
- D. Recommendation of the System's staff and investment consultant.

Fund options are selected from the universe of funds through a comprehensive search process normally conducted by the System's investment consultant. Once the initial screening has occurred, options are further analyzed based on criteria that includes, but is not limited to: short and long term performance as compared to peer group average and benchmarks, risk/return measurements, industry ratings (such as Morningstar) and the recordkeeper's ability to provide the recordkeeping services for the proposed fund.

VII. PERFORMANCE REVIEWS

The OPERS Board of Trustees will periodically (at least annually) review and evaluate the success of the Pathfinder Plan's progress toward its objectives in the areas of Plan administration, communications, education, and investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering investment options with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 10 years). The Board will also review the risks taken to achieve the results and the option's investment style relative to its mandate, in addition to the stability of the personnel responsible for investment results. If the investment options are mutual funds, the Board may rely on the investment consultant's recommendations and ratings produced by mutual fund evaluation services such as Morningstar to evaluate long-term risk-adjusted performance relative to peers. For performance benchmarks on current offerings [see *Appendix 1*].

The Board has developed the following policies with respect to reviewing any Fund associated with Pathfinder.

- A. Investment options within the plans will be reviewed by the staff and the consultant once per year. The staff and consultant will make a recommendation to the Board based on the criteria outlined above.
- B. Funds that have performed within expectations shall be retained by the Board. Funds that have performed outside of expectations, fail the criteria listed in sections VI and VII above, or at the discretion of the Board may be placed on "watch list" or eliminated.
- C. Funds that were on the "watch list" that recover in a subsequent fund evaluation may be removed from the "watch list" and retained by the Board.

- D. Funds that are on the “watch list” after 2 consecutive years may be placed in the “Closed” status and replacement fund(s) will be chosen by the Board pursuant to Section V and VI of this policy.
- E. Additionally, failure by a fund to comply with these policy objectives and guidelines will be cause for the Board to reexamine that fund’s continuing appropriateness for the Pathfinder Plan program.
- F. The Board retains the right to waive any of the above policies if it deems that such waiver is in the best interest of the Pathfinder Plan and/or its participants.

VIII. PROXY VOTING POLICY

A. Overview

The Board believes that mutual fund proxies are important assets of Pathfinder. OPERS recognizes that certain proposals, if implemented, may have a substantial impact on Pathfinder Plan participant shareholders. OPERS shall exercise its shareholder rights by voting proxies solely in the interests of the Plan participants. This policy sets forth general guidelines on key areas of corporate governance. The OPERS Board directs the staff to use the Proxy Policy as a guide in voting mutual fund proxies.

B. Purpose

The purpose of the OPERS Proxy Policy is to (1) articulate the Program's position on important areas in corporate governance, (2) provide guidance and direction to staff to vote on individual proxy issues on behalf of the Plan, and (3) establish roles and responsibilities for the maintenance of proxy policy and the administration of proxy voting.

C. Objective

The objective of this policy is to enhance the long-term value of the participants' investments by encouraging management to act in the shareholders' best interest, and to protect shareholder rights. A further objective is to promote corporate accountability, transparency and responsibility as essential elements of corporate governance designed to increase long-term shareholder value.

D. Roles and Responsibilities

1. Board of Trustees - The Board of Trustees shall have the responsibility for approving the Proxy Policy as well as reviewing the Proxy Policy on a regular basis to determine if modifications are necessary.
2. Staff - The OPERS Staff shall monitor compliance with the Policy in this document. Staff shall evaluate proposals for modifications as needed, make recommendations for consideration by the Board, and periodically receive reports of votes cast.
3. Executive Director - The Executive Director shall work with the Board of Trustees to establish the overall policy. The Executive Director shall establish appropriate proxy voting procedures to support and implement the Policy and coordinate such procedures to support and implement the Policy.

The Executive Director shall vote proxy ballots in a timely manner according to OPERS established Policy, and administer and maintain records of proxy votes. The Executive Director shall vote proxies under voting instructions created from OPERS' Proxy Voting Policy.

Last, the Executive Director shall review research and vote recommendations on each mutual fund proxy vote cast in fulfilling the fiduciary duty of the OPERS Board of Trustees to cast proxy votes in the interests of shareholders and therefore, its participants.

E. Process

1. Case-by-Case – The Executive Director will work with a proxy advisory service to research proxy issues. The Executive Director will consult with the OPERS Director of Defined Contribution (DC) Plans and Chief Investment Officer on each proxy issue or vote, to get their respective recommendations. The Executive Director may cast a vote after consultation with these staff members, if it follows the recommendation of the proxy advisory service. If after consultation with the staff members, the Executive Director wants to vote contrary to the recommendation of the proxy advisory service, the matter shall be taken to the Board of Trustees at its next meeting. If the vote must be cast prior to the next Board meeting, the Executive Director shall consult with the Chairman of the Board of Trustees. The Chairman will decide whether a special or emergency meeting of the Board should be called to address the issue. If the Chairman does not schedule a special or emergency meeting, the Executive Director may vote the proxy but shall report to the Board and explain why the recommendation of the proxy advisory service was not followed.
2. Missed Votes and Votes Inconsistent with Policy – Should OPERS miss a voting deadline due to an operational issue or unforeseen circumstance, the Board will be provided with a report of any missed votes at the next regularly scheduled Board meeting, along with an analysis of the reason(s), and a discussion of the corrective action taken.

F. Reporting and Compliance

The following reports shall be provided to the Board:

1. Case-By-Case Issues (As Needed) - Reports of case-by-case issues, OPERS voting position, and supporting rationale shall be provided at the next regularly scheduled Board meeting following the casting of such votes.
2. Missed Votes or Non-Conforming Votes (As Needed) - Reports of missed votes or non-conforming votes shall be provided at the next regularly scheduled Board meeting following the voting deadline or the casting of such votes.
3. Summary Report (Annually) - A report summarizing compliance with the proxy policy shall be provided annually to the Board.

G. General Guidelines

OPERS will support measures to increase Board independence and to promote disclosure, including but not limited to fees and expenses, fund holdings, commissions paid to brokers, soft dollar services, and turnover of key personnel.

APPENDIX 1
OPERS Defined Contribution (DC) System (Pathfinder Plan) Investment Options by
Investment Category

<u>Asset Class</u>	<u>Sector</u>	<u>Benchmark</u>
Cash	Stable Value	2-year Constant Maturity Treasury Yield
Fixed Income	Multi-sector Bond Index	Bloomberg Barclays Capital U.S. Aggregate Bond Index
	High Yield Bond	Merrill Lynch High Yield Master II Index
Balanced	Indexed Balanced	50% S&P 500/40% Bloomberg Barclays Capital U.S. Aggregate Bond Index/10% MSCI EAFE
Large Cap US Equities	Large Cap Value	Russell 1000 Value Index
	Large Cap Growth	Russell 1000 Growth Index
	S&P 500 Index	S&P 500 Index
Mid Cap US Equities	Mid Cap Growth	Russell Mid Cap Growth Index
	Mid Cap Value	Russell Mid Cap Value Index
Small Cap US Equities	Small Cap Value	Russell 2000 Value Index
	Small Cap Growth	Russell 2000 Growth Index
	Small Cap Index	Russell 2000 Index
International Equities	International Stock	MSCI EAFE Index
	Emerging Markets	MSCI Emerging Markets Index
	ACWI ex-US Index	MSCI ACWI ex-US Index
Target Date Funds	2020 Fund	Dow Jones Target 2020 Index
	2030 Fund	Dow Jones Target 2030 Index
	2040 Fund	Dow Jones Target 2040 Index
	2050 Fund	Dow Jones Target 2050 Index
	2060 Fund	Dow Jones Target 2060 Index