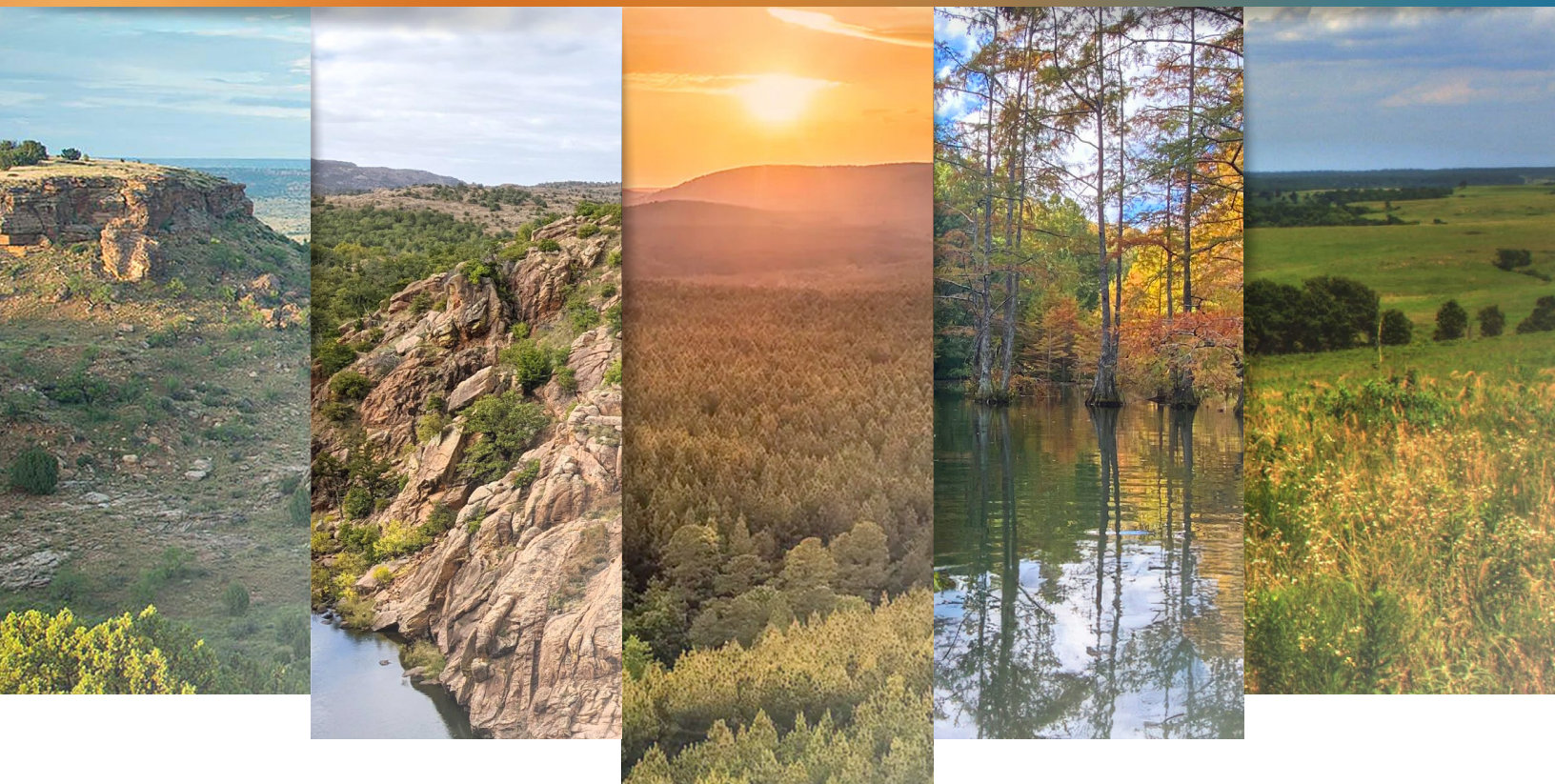

Oklahoma Public Employees Retirement System
POPULAR ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024



Dear Esteemed Member:

I am pleased to bring you the Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) for the fiscal year ended June 30, 2024. This report is a reader-friendly summary of financial information provided in the 2024 Annual Comprehensive Financial Report.

OPERS continued to meet our responsibilities during fiscal year 2024 with an absolute commitment to the highest quality service to our members and employers, which shows our dedication to accountability and transparency.

This report represents what is best about OPERS and its members. My gratitude goes to those who have worked purposefully and intentionally to prepare this report for our members and employers.

Sincerely,

Joseph A. Fox
Executive Director



Annual Comprehensive Financial Report Online

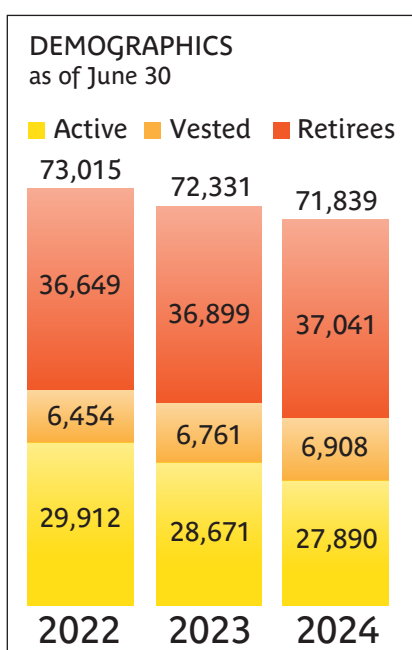
The 2024 Popular Annual Financial Report for the Oklahoma Public Employees Retirement System (OPERS) contains summary financial information from the 2024 Annual Comprehensive Financial Report. The full report may be viewed, in its entirety online, at www.opers.ok.gov/publications.

Oklahoma Public Employees Retirement System

POPULAR ANNUAL FINANCIAL REPORT

About OPERS

The Oklahoma Legislature established OPERS in 1964. As of June 30, 2024, the Plan consisted of 290 participating employers comprised of state, county, and local agencies. The membership includes 27,890 active members, 6,908 inactive/vested members, and 37,041 retired members and beneficiaries. Active membership has steadily decreased since the creation of the mandatory Pathfinder Defined Contribution plan for new state employees after November 1, 2015.



KNOW THE TERMS:

Active Members – Members who actively contributed through employment during the fiscal year.

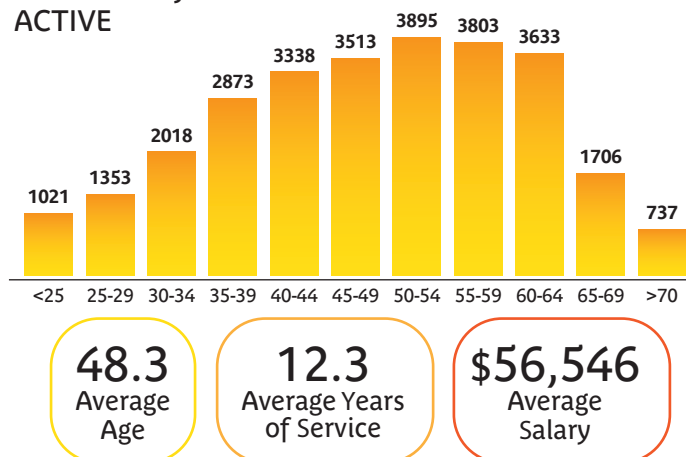
Inactive/Vested Members – Members with contributions in the system, but did not participate through employment during the fiscal year.

Retired Members – Members and surviving beneficiaries who received a benefit during the fiscal year.

The Active OPERS Member

2,741 new and 686 rehired members in FY2024.

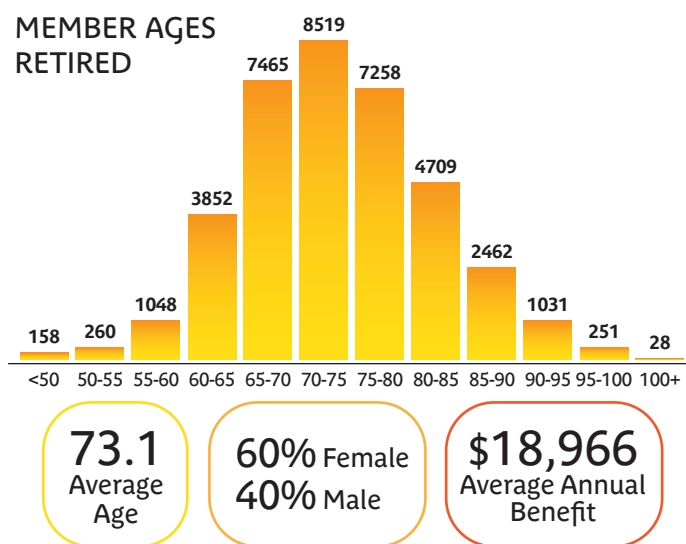
MEMBER AGES ACTIVE



The Retired OPERS Member

1,323 members retired in FY2024.

MEMBER AGES RETIRED



Oklahoma Public Employees Retirement System

POPULAR ANNUAL FINANCIAL REPORT

CONDENSED SCHEDULES OF FIDUCIARY NET POSITION*			
(\$ millions)	2024	2023	2022
Assets:			
Cash and cash equivalents	\$456.7	\$120.8	\$181.3
Receivables	191.8	347.6	329.9
Investments	12,376.9	11,246.3	10,499.8
Securities lending collateral	326.3	348.1	481.8
Other assets	0.9	0.7	0.4
Total assets	13,352.6	12,063.5	11,493.2
Liabilities:			
Other liabilities	830.0	563.3	618.5
Securities lending collateral	326.3	348.1	481.8
Total liabilities	1,156.3	911.4	1,100.3
Ending fiduciary net position	\$12,196.3	\$11,152.1	\$10,392.9

Net Position

The net position restricted for pension and health insurance subsidy plan (HISP) totaled slightly under \$12.2 billion at June 30, 2024 comparable to the position at June 30, 2023 of \$11.2 billion and \$10.4 billion at June 30, 2022. The increase of \$1.0 billion from the prior year was due to a stronger market. The net position is available for payment of monthly retirement benefits and other qualified distributions to the System's participants. US Equity and Active Equity saw a significant gain in fiscal year (FY) 2024, resulting in an increase in net investment income which led to a gain in net position restricted for pension/ HISP benefits from June 30, 2023, to June 30, 2024, similar to the prior year where there was a gain in net investment income of 10.9% in FY2023.

Changes in Fiduciary Net Position

OPERS is funded through a combination of member contributions, employer contributions and investment earnings. For the year ended June 30, 2024, fiduciary net position increased by \$1,044.2 million, or 9.4%, from June 30, 2023. Total assets increased \$1,289.1 million, or 10.7%, driven by a 10.1% rise in the fair value of investments. The System achieved a rate of return of 12.7% surpassing the previous year's rate of return of 10.9%. Total liabilities increased \$244.9 million, or 26.9%, primarily due to a 47.3% increase in pending purchases of securities.

CONDENSED SCHEDULES OF CHANGES IN FIDUCIARY NET POSITION*			
(\$ millions)	2024	2023	2022
Member contributions	\$71.5	\$68.7	\$66.4
State and local agency contributions	330.8	313.0	299.8
Net investment income (loss)	1,382.1	1,102.7	(1788.5)
Total additions	1,784.4	1,484.4	(1,422.3)
Retirement, death and survivor benefits	718.7	705.4	692.8
Refunds and withdrawals	14.1	13.1	11.9
Administrative expenses	7.4	6.7	5.9
Total deductions	740.2	725.2	710.6
Net increase in fiduciary net position	1,044.2	759.2	(2,132.9)
Beginning of year	11,152.1	10,392.9	12,525.8
End of year	\$12,196.3	\$11,152.1	\$10,392.9

Deductions to fiduciary net position are incurred primarily for the purpose for which OPERS was created, namely the payment of benefits to retirees. For the year ended June 30, 2024, total deductions increased by \$15.0 million, or 2.1%, compared to the prior year. Retirement, death, and survivor benefits rose by \$13.3 million, or 1.9%, due to a 0.4% increase in the number of retirees at year end and a 1.5% increase in the average benefit. Refunds and withdrawals grew \$0.9 million, or 7.0%, and administrative costs increased by 11.7%.

*Values in this chart represent a combined total of the pension and health insurance subsidy plan.

KNOW THE TERMS:

Net Position – The total money and investments the Plan has after subtracting any liabilities. This represents the amount available to pay benefits and other qualified distributions.

Changes in Fiduciary Net Position – This tracks new money coming in like contributions and investment earnings and money going out like benefit payments and expenses.

Fair Value of Investments – This is the current worth of the Plan's investments if there were sold today based on market prices.

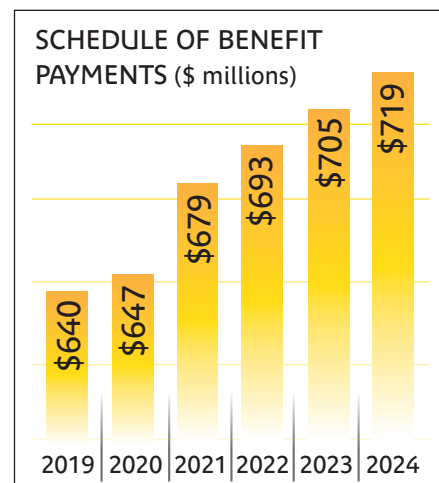
Oklahoma Public Employees Retirement System

POPULAR ANNUAL FINANCIAL REPORT

Benefits Paid to Members

Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member on or after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90). Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

The **Schedule of Benefit Payments** provides information on the total benefit expenses incurred by the Plan consisting of age and service, disability, and beneficiary death benefits.



RATE OF RETURN	
Year Ended June 30,	Total %
2024	12.7 %
2023	10.9 %
2022	(14.5) %
2021	28.0 %
2020	4.7 %
2019	6.1 %

Investments

The Board of Trustees adheres to the highest standard in making investment decisions for the Plan – the Prudent Investor Rule. OPERS' funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The 2024 increase in the System's managed investments is reflected in the rise of both domestic and international income markets for the year. The System's overall return for the year ended June 30, 2024 was 12.7%. The **Rate of Return** table reflects overall investment returns over the past six fiscal years.

The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and risk. Diversification, both by and within asset classes, is the primary risk control element in the portfolio. Passive funds are

considered to be suitable investment strategies, especially in highly efficient markets.

The Board engages outside investment managers to manage the various asset classes where OPERS has exposure. At fiscal year end, the investment portfolio of OPERS was actively managed by three fixed income managers, six domestic equity managers, and two international equity managers. OPERS' investment portfolio also consisted of passively managed index funds, including one fixed income index fund, two domestic equity index funds and two international equity index funds.

For fiscal year 2024 investments provided a return of 12.7%. The annualized rate of return for OPERS as of June 30, 2024 was 2.2% over the last three years and 7.5% over the last five years. The allocation of the investment portfolio, as of June 30, 2024, is shown in the **Asset Mix** chart.

Know the terms:

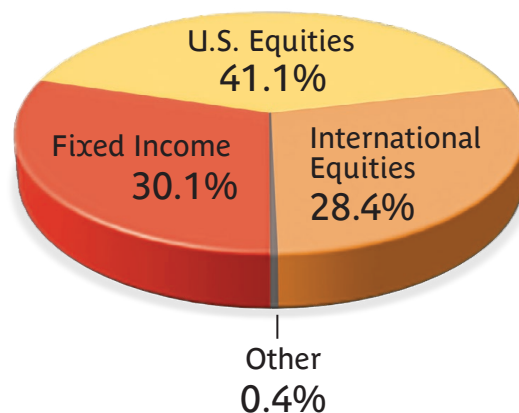
Rate of Return – Expressed as a percentage, this measures how much the Plan earned or lost on its investments over a certain time.

Asset Allocation – This is how the Plan invests in different asset classes like stocks, bonds and real estate to balance risk and reward.

Diversification – This is when the Plan spreads its funds across different investment types.

Passive Funds – These are investments that follow a market index and usually cost less to manage.

2024 ASSET MIX



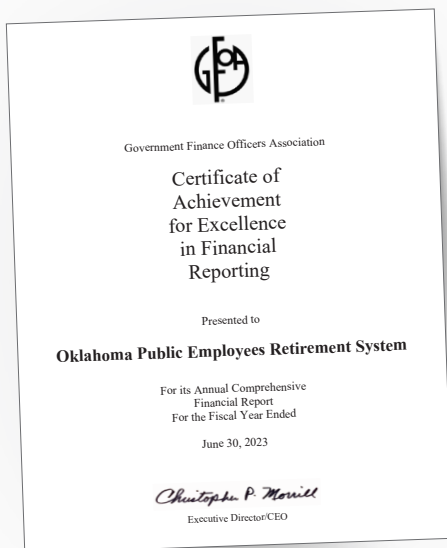
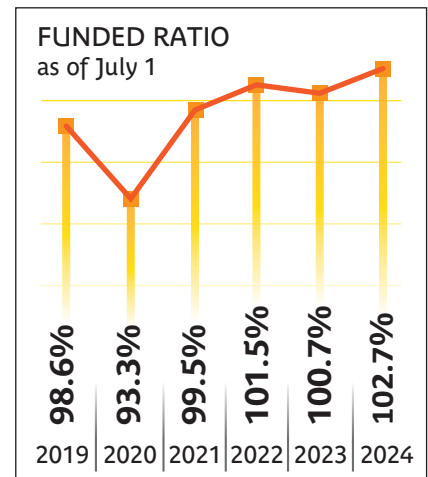
Oklahoma Public Employees Retirement System

POPULAR ANNUAL FINANCIAL REPORT

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for OPERS is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is that the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets of OPERS as of July 1, 2024, amounted to \$11.7 billion and \$12.0 billion respectively.

As of July 01, 2024, the OPERS funded status stands at 102.7%. In 2011, the funded ratio significantly increased from 66% to 80.7% primarily due to the removal of the cost-of-living-adjustment (COLA) assumption. The **Funded Ratio** chart shows the change in funded status over the past six fiscal years.



OPERS Awarded for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Oklahoma Public Employees Retirement System for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. OPERS has received the award for the last 17 consecutive years. We believe our current report continues to conform to the award requirements, and we are submitting it to GFOA.

In addition, OPERS was awarded the Public Pension Standards Award by the Public Pension Coordinating Council, a confederation of the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. This is the 14th consecutive award OPERS has received in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

OPERS Pension Supports Local and State Economies

Our retired members provide a strong economic base in Oklahoma. The spending of retirement benefits ripples through local economies. One person's spending turns into another person's income – creating a multiplier effect. A 2020 study by the National Institute on Retirement Security¹ found that each dollar invested by Oklahoma taxpayers in pension plans supported \$3.80 in total economic activity in the State.

¹Pensionomics State Data Fact Sheet: nirsonline.org/resources/pensionomics-state-data/

\$719M
Benefits Paid

91%
Benefits Paid to
Oklahoma Residents



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This publication, printed by Mudd Print & Promo, LLC, is issued by the Oklahoma Public Employees Retirement System (OPERS) as authorized by its Executive Director. Sixty-four thousand two hundred (64,200) copies have been prepared and distributed at a cost of \$14,637.60. An electronic version of this publication has been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

Mailed February 2025

Oklahoma Public Employees Retirement System POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

