In/Out of shape

The phrase "in shape" suggests muscular builds or having the stamina to complete challenging activities. Before this modern usage, shape suggested the condition of an object. A collector may be willing to pay for a rare coin in "any shape," or a used car may be advertised as "still in good shape". A successful and fulfilling retirement depends not only on having a plan in good shape, but also taking care of your own health to enjoy the years ahead.

Investment

Investment Consultant's Report

Investment Objectives

The primary financial objective for Uniform Retirement System for Justices and Judges (URSJJ) is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 6.5%.

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

Asset Allocation

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

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

Asset Class	6/30/25 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
U.S. EQUITY	40.9%	39.6%	40.0%	42.1%	100.0%
FIXED INCOME	29.0%	29.0%	32.0%	30.8%	61.3%
INT'L EQUITY	30.1%	29.8%	28.0%	30.8%	100.0%
CASH	0.0%	0.0%	0.0%	0.3%	0.0%

Verus estimates the forward return expectation of the fund's target asset allocation strategy longer term to be 5.8% annualized, using capital market expectations as of June 30, 2025. Verus uses a 10-year investment horizon in developing this expectation, whereas actuarial consultants use a much longer time horizon in developing forecasts, typically 30 years, in developing the actuarial return assumption mentioned above.

Review of Fiscal Year 2025 Investment Environment

Risk assets delivered strong performance over the past year, with global equities up +16.2% (MSCI ACWI Index). Fixed income assets also finished with strong positive performance, as spreads narrowed and treasury yields moved lower. During this period, markets delivered a bumpy ride throughout elections and a change in U.S. administration, shifting trade policy and tariff announcements which contributed to an April selloff following "Liberation Day", and some Treasury yield volatility due to uncertainty on timing of Federal Reserve rate cuts and fears around the nation's fiscal path.

Although investors had expected domestic economic growth to slow in 2025, that slowing has so far proven more moderate than many had feared despite initial tariff concerns. Inflation did not reach the Federal Reserve's 2% goal, but showed some progress, now fluctuating in a 2.5%-

3.0% range. Tariff-driven price increases were observed in specific categories but have so far not been broadly impactful. We expect sticky inflation and generally stronger-than-expected economic conditions to result in fewer rate cuts from the Federal Reserve and a higher-for-longer interest rate environment. The full economic effects of shifting trade policy will likely not be known until later in the year and into 2026.

International equities outperformed U.S. equities, though most of this outperformance was due to currency movements as the dollar fell sharply in the first half of 2025. Outperformance became particularly significant following the April market selloff, but a surprisingly strong rebound from U.S. equities has helped recoup much of that margin.

U.S. Equity

Domestic equities underperformed over the past year (S&P 500 +15.2% vs. MSCI ACWI ex-US +17.7%). Equity gains have been narrow, with a handful of mega-cap stocks propelling the index higher. Forward P/E multiples climbed back to high levels, driven by earnings momentum in mega-cap growth stocks, and S&P 500 dividend yield fell to a historic low of 1.3%. Sentiment around artificial intelligence boosted long-term expectations for growth and contributed to investor enthusiasm despite lofty index valuations. A corporate productivity boom fueled by artificial intelligence investments may provide a path to further strong market gains despite elevated valuations, already high profit margins, higher cost of debt, and a moderation of economic growth.

Many investors have attributed this effect to trade policy—specifically aggressive U.S. trade negotiations with a wide variety of trading partners. This presents the U.S. with more trade friction and greater risks to its economy relative to its trading partners that each face trade negotiations with only a single country. During the April selloff, questions circulated around whether U.S. exceptionalism had ended and that non-U.S. assets were set for a comeback. However, this story faded after U.S. markets roared back to new highs in the subsequent months.

International Equity

International developed markets outperformed U.S. equities over the past year (MSCI EAFE +17.5%), largely due to currency effects from dollar depreciation. European equities led the way among other regions (MSCI Euro +22.2%) during that period, with Germany (MSCI Germany +41.1%) showing impressive gains on optimism that relaxation of government debt limits and stimulus programs could kickstart a new wave of growth via more rapid industrial production and reinvestment.

Emerging market equities also slightly outperformed the U.S. (MSCI EM +15.3%) fueled by a bounce back in Chinese markets (MSCI China +34.1%). However, despite this rally, Chinese equities remain a significant detractor from emerging market performance over the longer-term, as demonstrated by China’s -31% total underperformance over the past 10 years relative to the rest of the emerging markets complex (MSCI EM ex-China).

Fixed Income

The 10-year U.S. Treasury yield continues to hover around 4.2%, although yields moved in a very wide range from slightly below 4.0% following April’s selloff to 4.6% after Moody’s downgraded the U.S. credit rating and fears circulated around the country's fiscal path.

The Federal Reserve kept rates steady again in June in a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are "well positioned to wait" and that there were few signs of economic weakening. Markets are pricing in two rate cuts by the end of 2025, while the U.S. yield curve has returned to an upward sloping shape—the steepest since early 2022 when the Federal Reserve began quickly hiking interest rates. The 10-year U.S. Treasury yield was 0.6% higher than the 2-year yield as of June 30th. President Trump continued to place pressure on Jerome Powell to cut rates, and discussions are underway for electing a new Fed chairman in 2026.

Fixed income assets delivered high single-digit returns over the past year as medium- and shorter-term Treasury yields moved lower and credit spreads tightened. Core fixed income showed a +6.7% return (Bloomberg U.S. Aggregate) while high yield bonds returned +10.4% (Bloomberg U.S. Corporate High Yield). Despite increased borrowing costs, credit default activity has remained muted with no defaults occurring in June, which was only the third instance of no monthly defaults since 2022. Loans continued to surpass bonds in both default and distressed activity. High yield bond default rates rose 21 bps to 1.4% during Q2, well below the long-term annual average of over 3.0%. Loan default rates, by comparison, dropped slightly to 3.8%. High yield credit spreads tightened from 3.2% to 2.9% while investment grade spreads narrowed from 0.9% to 0.8%.

Outlook

The U.S. economy remains relatively strong—a stable labor market and consumer spending trends suggest a low chance of recession in 2025. Tariff inflation effects appear very small so far, though more effects will likely show in the coming quarters. Domestic risk asset pricing fully reflects this good outcome, and we are back to an environment where high prices may temper investor enthusiasm to take much more risk than policy.

We expect moderate positive growth in 2025 with no recession. Inflation may rise to around 3-3.5% by end of year due to tariffs and other price pressures traditionally associated with good economic growth. We do not believe that this would be enough inflation to spook markets or to cause major disruptions. The labor market will likely continue to show mixed signals but remain generally stable with less hiring, and possibly signs of growing labor productivity which could add to investor sentiment. Earnings forecasts, which are currently high (+10.3% earnings growth for 2025) could further propel U.S. equities despite high valuations.

Portfolio Review

The Board maintained its existing strategic asset allocation in fiscal year 2025 as well as its portfolio structure and manager line up.

Performance Review

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

Investment returns achieved through June 30, 2025, have been calculated using a time-weighted rate of return methodology based upon fair value. As shown in the following table, for annualized time periods ended June 30, 2025, the U.S. Equity asset class essentially matched its benchmark since the asset class is managed in a passive fashion. The Non-U.S. Equity asset class, which is also invested passively, matched, or nearly matched its benchmark for all time periods measured. URSJJ's fully passive exposure is very cost effective but has lagged active non-U.S. equity investment management over longer time periods. The Fixed Income asset class beat the benchmark for all time periods ending June 30, 2025.

The total URSJJ Plan gained 12.9% for the fiscal year beating its Policy Benchmark (+12.8%) for the 1-year period ended June 30, 2025, and beat its Policy Benchmark over the 3 and 5 year time periods by 20 bps. This is predominantly due to the passive nature of the investments within the URSJJ Plan. The total URSJJ Plan ranked in the 9th percentile of its peer universe of Public Funds for all periods, driven by its asset allocation and exposure to the Public Equity asset class which outperformed most other asset classes during that period.

PERIODS ENDED 6/30/25	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	14.4%	18.2%	15.4%
85% Russell 1000 / 15% Russell 2000	14.5%	18.2%	15.4%
Non-U.S. Equity	18.0%	14.2%	10.4%
MSCI ACWI ex-U.S.	18.4%	14.6%	10.7%
Fixed Income	5.8%	2.3%	-1.0%
78% BC Agg./11% Citi 20+ Year Tsy./11% BC U.S. TIPS	5.4%	1.7%	-1.4%
Total Fund	12.9%	12.1%	8.9%
*Policy Benchmark** *	12.8%	11.9%	8.7%
Rank*	9	11	53

* Ranking 1 is best, 100 is worst. Rankings source is from Paris
** Policy Benchmark is:
40% Custom Domestic Equity Benchmark (85% Russell 1000/ 15% Russell 2000)/
32% Custom Fixed Income Benchmark (78% BB U.S. Aggregate/ 11% Citi 20-Year+ Treasury/ 11% BC U.S. TIPS)/28% MSCI ACWI ex-U.S. Index

Verus continues to believe that URSJJ is managed in a prudent and extremely cost-effective manner through the extensive use of passive management and fee benefits from its association with OPERS. We believe that the sound and disciplined policies that have been implemented by URSJJ for decades will continue to enable to Plan to meet its investment objectives over the long term.

Yours truly,

Joseph Abdou	Mike Patalsky
Consultant	Managing Director

Chief Investment Officer's Report

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

800.733.9008 toll-free
405.848.5946 fax

Dear Members:

The Fund's nominal total return for fiscal year 2025 again was impressive and reflected robust global capital market returns in every segment of the investment portfolio. The Fund gained 12.87% (gross of fees) for fiscal year 2025, comparable to the gain of 12.89% for the prior fiscal year. This result was well above the 6.5% long-term actuarial return target. The Fund's total return for fiscal year 2025 compared favorably to the long-term assumed rate of return and peer Systems nationwide and modestly outperformed the Policy Portfolio benchmark return of 12.84% for the period. For the fiscal year, domestic equity markets and equity markets outside of the U.S. continued to exhibit strong upward momentum. The strength of those markets, despite an increase in volatility during the period, again drove the Fund's strong total return for the fiscal year. Domestic and non-U.S. equity markets produced out-sized gains for the Fund, and fixed income returns also contributed positively to overall results for the period. Favorable asset allocation positioning and active results from the fixed income segment of the portfolio contributed to the Fund's excess return relative to the Policy Portfolio.

We endeavor to build a durable portfolio that will weather tumultuous market conditions and capture market gains during advantageous markets. Maintaining diversification among asset classes and geographical regions is a critical component of that effort. We also de-emphasize active management in the portfolio, as demonstrated by our large holdings of passive index funds, and avoid the high-fee areas of active management altogether. This year's letter, which covers the 2025 fiscal year, will follow the same format as in years past. First, I will discuss the general economic environment and the performance of various markets throughout the fiscal year. Next, I will focus on the Fund by reviewing the investment performance and the asset allocation. Then, I will offer an investment outlook and discuss recent events at the Fund. Finally, I will review the Fund's investment philosophy and guiding principles because both are critically important to the investment decision-making process.

Economic Environment

Gross Domestic Product (GDP), the primary gauge of economic activity in the U.S., increased at an annual rate of 3.3% for the second quarter of 2025 (per the second revision as of the date of this writing). GDP growth rebounded strongly from a contraction of 0.5% on an annualized basis during the first quarter of 2025. The increase in GDP growth for the second quarter of 2025 was driven by a strong increase in consumer spending partially offset by a downturn in investment by businesses. The general level of economic activity in the U.S. has continued to be healthy. The Federal Reserve has been successful thus far in containing inflationary pressure while not depressing economic activity to the point of leading the economy into a recession. The labor market in the U.S. remained relatively strong, although recent signs have pointed to a definitive softening. The unemployment rate remained range-bound during the fiscal year, which ended at 4.1% for June 2025--exactly where it had started the fiscal year. However, payroll growth has slowed considerably, and a substantial downward revision after the end of the fiscal year meaningfully cut into the already slowing rate of payroll growth. This trend may indicate a stronger cooling of the labor market over the course of the fiscal year than initially expected. Inflationary pressure continued to moderate throughout the fiscal year, as the Consumer Price Index for all Urban Consumers (CPI-U) ended the fiscal year at a rolling annual rate of 2.7%. The core inflation rate, which is defined as the CPI-U less food and energy, was up 2.9% on a rolling annual basis. Prices for shelter rose at a 3.8% annual rate. While inflation has come down over the past several years, it remains above the Federal Reserve's preferred target of 2%. After several years of a hawkish policy bias, the Federal Reserve moved to a dovish policy and lowered the Federal Funds rate three

Chief Investment Officer's Report (continued)

times during the current fiscal year. The U.S. dollar weakened during the fiscal year relative to the basket of non-U.S. developed and emerging market currencies. Note that a weaker dollar makes goods imported into the U.S. more expensive for consumers but positively impacts U.S. dollar-based investor returns in foreign markets. Corporations who derive revenues from non-U.S. markets also receive a tailwind from a strengthening dollar when converting revenues back into U.S. dollars.

Last year's theme of modestly accelerating global economic growth was revised downward, to a more cautious outlook for the future. The International Monetary Fund (IMF) modestly revised its prediction downward for global economic growth (July 2025 report), to increase by 3.0% for 2025 and 3.1% for 2026. The IMF global economic growth estimate reflects "front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions. Global inflation is expected to fall, but US inflation is predicted to stay above target. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist." Several notable central banks had pivoted to an expansionary interest rate regime by the end of the previous fiscal year. The European Central Bank (ECB) lowered rates in June 2024 by 25 basis points and cut rates seven additional times to end the fiscal year at 2%. The Bank of England started cutting rates in August 2024, and lowered rates four additional times during the fiscal year. European institutions had been more aggressive in lowering interest rates to stimulate economic activity during the period. Inflationary pressures in Europe were less severe compared to the U.S., which gave European authorities a bit of a longer runway in executing more accommodating monetary policies. But not all central banks were in a holding pattern or had an easing bias across the globe. For the first time in nearly two decades, the Bank of Japan (BOJ) raised rates during the last fiscal year, albeit by a very modest 10 basis points. The Bank followed this action with two more rate increases, in July 2024 by 15 basis points, and in January 2025 by another 25 basis points. The interest rate moves reflected greater confidence that the Japanese economy would achieve the BOJ's 2% inflation target and to support the yen. The People's Bank of China announced an economic stimulus package during the fiscal year to address continued economic weakness, particularly in the property and manufacturing sectors.

U.S. and Global Stock Markets
The U.S. stock market, as measured by the Russell 3000 Index, experienced some periods of volatility over the fiscal year, but ultimately extended the rally to reach successive all-time highs over the fiscal year. The Russell 3000 Index is one of the broadest domestic equity indices available and a good proxy for the U.S. equity market as a whole. Equity markets reacted negatively to weaker domestic economic reports and trade tensions in early 2025. Uncertainty regarding tariffs eased somewhat with the announcement of exemptions and delays in implementation in May and June of 2025. With the tailwind of improving economic reports later in the fiscal year, the U.S. equity market continued its upward trajectory. This fiscal year was yet another marked by high rewards for assuming equity risk.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2025
Value at 6/30/25 20,506.8 Value at 6/30/24 17,786.2

Source: FTSE Russell

Chief Investment Officer's Report (continued)

The Russell 3000 again garnered venerable nominal returns in the one-year period ended June 30, 2025, having risen over 15% despite investor concerns about the slowing U.S. economy and burgeoning global trade disputes. The profitability of American companies remained supportive, especially among larger companies. In addition, the Federal Reserve reversed course and adopted an expansionary monetary policy at the end of the prior fiscal year, which continued to support equity risk markets.

The Russell 1000 index (which represents domestic large capitalization stocks) returned 15.7% for the fiscal year. The market rally was led by the Financials, Communication Services, and the Utilities sectors, returning 30.4%, 24.3%, and 23.6% for the period, respectively. Profitability at the index level continued to be strong, with 81% of the companies in the S&P 500 index (another index that emphasizes relatively larger capitalization stocks) reporting a positive earnings surprise and substantial year-over-year earnings growth rates. However, valuations remain relatively high, as the Russell 1000 index traded at nearly 22 times forward-looking earnings at the end of the fiscal year, which was above its five-year average of about 20 times. Investors continued to reward large capitalization stocks during the period, as the small capitalization index, as represented by the Russell 2000 index, gained 7.7% for the one-year period ending June 30, 2025. The Russell 2000 index traded at just over 25 times forward earnings at the end of the fiscal year, still below the five-year average. Equity style leadership (i.e., market capitalization size, growth, value) again favored large capitalization, growth-oriented stocks during the fiscal year. The growth index outperformed the value index in large capitalization and small capitalization space. Assuming risk in the larger-capitalization areas of the markets associated with growing companies with a technology component to their businesses continued to be the recipe for investor success in the U.S. for the period.

For as well as markets rewarded investors in the U.S., the rest of the world performed even better on a U.S. dollar basis. The MSCI All Country World Index ex-U.S. (ACWI ex-U.S. Index net), which includes public equities from both developed and emerging markets, gained 17.7% in U.S. dollar terms for the fiscal year. The return to that index on a local currency basis was just over 11%. The weakening of the dollar over the period contributed to a strongly positive compounding effect to equity market gains experienced by U.S. dollar investors in foreign markets, enhancing returns to U.S. investors. Developed markets returns in Europe were particularly impressive over the period. Germany's stock market returned over 41% in U.S. dollar terms as the ECB engaged in stimulative measures and the German Government announced an increase in defense spending and infrastructure spending. Emerging market returns in U.S. dollar terms performed in-line with U.S. stocks, having gained 15.3% for the period. This was a welcome recovery from the performance of emerging markets compared to last fiscal year. The stock market in China and Hong Kong rebounded strongly over the fiscal year, gaining over 34% and 35%, respectively, in U.S. dollar terms, as investors priced in stimulus measures announced by authorities and exuberance over AI-related stocks. Returns investors experienced for assuming equity risk in non-U.S. equity markets were comparable or above returns to U.S. markets, making diversification into these areas a superior contributor to overall Fund results for the period.

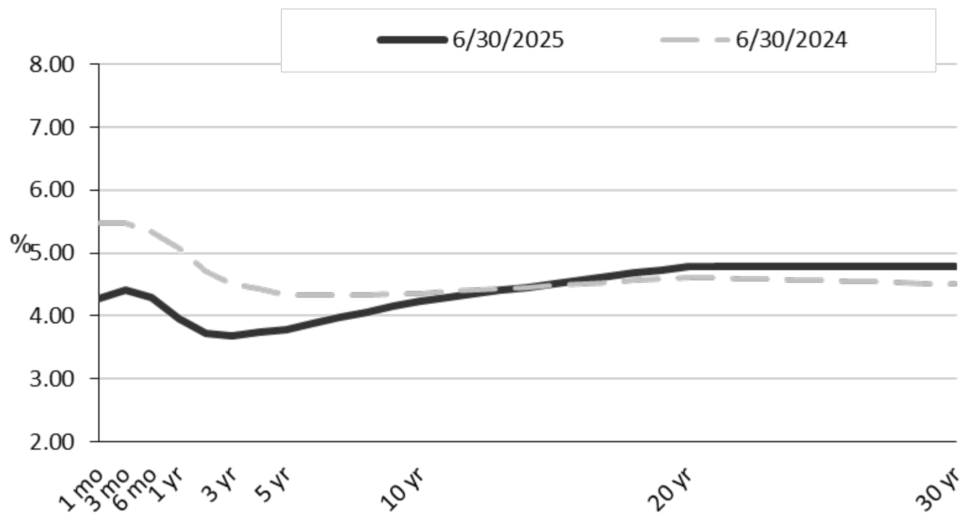
Interest Rates

The chart below depicts the U.S. Treasury term structure of interest rates. The yield curve is a graphical representation of yield levels across the spectrum of bond maturities. As shown, yield levels ended the fiscal year lower across most of the curve but ended modestly higher for maturities of 15 years and longer. After several years of a hawkish policy bias, the Federal Reserve moved to a dovish policy and lowered the Federal Funds rate three times during the current fiscal year. The Federal Reserve lowered rates by 50 basis points in September of 2024, and by 25 basis points in November and December of 2024. The Federal Funds rate remained at the range of 4.25%-5.50% for the rest of the fiscal year, a full percentage point lower than it had started the fiscal year. This bond market rally was not interrupted by a one-notch downgrade to the credit rating of the United States Government by Moody's towards the end of the fiscal year. Moody's was the last credit rating agency to remove the "triple-A" rating from the U.S. Government, citing the inability of the government to address large and growing budget deficits. After having moderated inflation from very high levels, the Federal Reserve found itself in a bit of a policy dilemma. The economy, in general, has been strong despite declining consumer sentiment and a less rosy employment outlook. Inflation also remains stubbornly above the Federal Reserve's preferred target of 2%. Trade tensions and uncertainty regarding reciprocal tariffs risk elevating consumer prices, but the actual impact on consumer prices and corporate profitability has been muted to date. These factors had kept the Federal Reserve from providing even more accommodative policy actions for the remainder of the fiscal year.

Chief Investment Officer's Report (continued)

In the Eurozone, the European Central Bank's policy stance changed from hawkish to dovish much sooner, and the actions during the fiscal year had been more aggressive. The ECB cut interest rates a total of seven times during the fiscal year. Inflationary pressure had eased more than in the U.S. and ended the fiscal year below the Bank's target of 2%, which gave the ECB a bit more breathing room to continue stimulative policy actions. Much like the U.S., European countries are dealing with trade tensions and the potential impact of reciprocal tariffs. The theme of central banks around the world continuing to affect expansionary policy actions held for the entire current fiscal year.

U.S. Treasury Yield Curve



Source: U.S. Treasury

Investment Returns Through June 30, 2025

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	15.30%	19.08%	15.96%
S&P 500	Large Cap Equity	15.16%	19.71%	16.64%
Russell 1000	Large Cap Equity	15.66%	19.59%	16.30%
Russell 1000 Growth	Large Cap Growth	17.22%	25.76%	18.15%
Russell 1000 Value	Large Cap Value	13.70%	12.76%	13.93%
Russell 2000	Small Cap Equity	7.68%	10.00%	10.04%
Russell 2000 Growth	Small Cap Growth	9.73%	12.38%	7.42%
Russell 2000 Value	Small Cap Value	5.54%	7.45%	12.47%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**14.43%**	**18.19%**	**15.43%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	4.75%	4.66%	2.82%
Bloomberg U.S. Aggregate	Core Bonds	6.08%	2.55%	-0.73%
Bloomberg 20+-year U.S. Treasury	Long Term Bonds	0.32%	-5.17%	-9.11%
Bloomberg Corporate High Yield	High Yield Bonds	10.29%	9.93%	5.97%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**5.83%**	**2.25%**	**-1.00%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US (net)	Broad Non-US Equity	17.72%	13.99%	10.13%

Chief Investment Officer's Report (continued)

MSCI EAFE (net)	Developed Non-US Equity	17.73%	15.97%	11.16%
MSCI Emerging Market (net)	Emerging Non-US Equity	15.29%	9.70%	6.81%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**17.96%**	**14.23%**	**10.39%**
Uniform Retirement System for Justices & Judges	**Total Fund**	**12.87%**	**12.10%**	**8.90%**

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

Investment Performance

U.S. Equity Market Continued to Reach New Heights

The continued strength of global equity markets again propelled the Fund to double-digit gains for the fiscal year. The Fund produced a nominal total return of 12.87% for the period gross of fees (12.83% net of fees). As shown by the table above, the performance of the U.S. and non-U.S. equity market segments was the driver of the impressive results. The primary contributor to results for the fiscal year was the Fund's exposure to non-U.S. equities. That segment of the Fund returned almost 18% in dollar terms for the fiscal year. The domestic equity segment of the portfolio also contributed robust returns to the Fund, earning over 14% for the period. Lastly, the fixed income market segment contributed healthy returns as well, returning almost 6% for the fiscal year. This year was another where assuming equity risk paid handsomely, and all segments of the portfolio were positive contributors to the overall returns of the Fund.

The Fund outperformed the Policy portfolio for the fiscal year by 3 basis points gross of fees (-1 basis point net of fees); a result with which I am pleased. The Fund's asset allocation positioning going into the fiscal year was a positive contributor to excess returns, as the Fund was overweight to the two best performing asset classes for the fiscal year. Active management results in the fixed income segment of the portfolio also contributed to excess returns relative to the Policy portfolio. The combination of a favorable asset allocation position and active management results produced a satisfactory result for the period.

U.S. Equity

The Fund uses passive index investment management for the entire U.S. equity portfolio. Passive investment management is an efficient and cost-effective way to manage assets, while maintaining broad exposure to the desired asset class. Equity markets in the U.S. continued to march upwards during the fiscal year, despite some periods of volatility. In aggregate, the domestic equity portfolio produced a total return of over 14% for the fiscal year. The portion of the portfolio that emphasizes the large capitalization areas of the equity markets again drove the overall results of this segment from a nominal return perspective, which marks the fourth fiscal year in a row that performance has favored this segment. The Russell 1000 index (the proxy for U.S. large capitalization stocks) gained 15.7% and the Russell 2000 index (the proxy for U.S. small capitalization stocks) gained 7.7% for the fiscal year. The Fund performed in-line with the U.S. Equity portion of the Policy portfolio for the fiscal year.

Non-U.S. Equity

This portion of the Fund is also managed entirely in a passive style. The index consists of stocks from developed and emerging countries outside of the United States. The non-U.S. equity segment was the best performing asset class on a nominal basis, having gained almost 18% in U.S. dollar terms for the period. The U.S. dollar weakened relative to many other foreign currencies, which contributed positively to returns experienced by U.S. dollar investors in foreign markets. Developed non-U.S. stocks outperformed Emerging market equities, posting a gain of 17.73% versus a gain of 15.29%, respectively, in U.S. dollar terms. Strong non-U.S. equity markets, assisted by the effects of a weakening dollar, allowed this asset class to drive superior nominal performance of the overall Fund for the period.

Chief Investment Officer's Report (continued)

Fixed Income
The fixed income segment of the Fund primarily utilizes actively managed mandates, with each mandate emphasizing various parts of the domestic fixed income market. The Fund's fixed income segment again contributed positively to overall nominal returns for the period. For the current fiscal year, the bond portfolio gained 5.83% at the asset class level. The total return of the asset class was positively impacted by decreasing interest rates for maturities of 15 years and lower. From a contribution to total return perspective, the worst performance was again associated with the manager who emphasizes long-duration U.S. Treasury securities. This manager's total return was essentially flat for the period as longer-term rates rose modestly across the longer end of the maturity spectrum (15 years and above). The managers who emphasize the broader areas of the bond market delivered favorable nominal return results, in addition to both having outperformed the benchmark for the fiscal year. Bonds are maintained in the portfolio for their volatility-dampening effect when combined with exposure to the equity markets. Active management (bond picking and duration positioning) experienced quite favorable excess return results for the Fund, which propelled this portion of the portfolio to outperform the Policy benchmark by 41 basis points for the period.

Asset Allocation

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

Asset Class	Min	6/30/2025	Target	Max
Cash	0.0%	0.0%	0.0%	0.0%
Domestic Fixed Income	27.5%	29.0%	32.0%	36.5%
U.S. Equity	34.4%	40.9%	40.0%	45.6%
Non-U.S. Equity	25.0%	30.1%	28.0%	31.0%
Total Fund		**100%**	**100%**	

May not equal 100% due to rounding

Outlook and Recent Events

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

The outlook for the global economic environment is, as always, uncertain but the "best case scenario" where the actions of the global central banks having contained inflationary pressures without resulting in an outright economic recession appears to have come under pressure. Economic growth in the U.S. has remained relatively strong, but the outlook for the employment situation appears to have turned down considerably. Inflationary pressures have subsided somewhat, but inflation remains elevated compared to the Federal Reserve's preferred level. Trade tensions and tariffs have contributed to market volatility but have not negatively impacted the general economy as of yet. Economic growth is lackluster for most of the other global developed economies, and central banks have reacted accordingly with aggressive expansionary monetary policies. Once again, the actions of most central banks globally are expansionary in nature, which certainly lends support to the global economy.

Chief Investment Officer's Report (continued)

Last year, I stated that the "balance of risks" and "potential policy mistakes" were likely to be the overall themes for fiscal year 2025. I also said a potential risk is that the Federal Reserve waits too long to lower rates (or does not compensate by the magnitude of the rate reduction), thereby not providing the U.S. economy with needed stimulus soon enough or in sufficient quantity. I said these factors could potentially lead to increased volatility in global equity markets, which are the primary drivers of total returns to the Fund. The balance of risks in the U.S. had turned from fighting inflation to supporting jobs over the course of the fiscal year. The direction of monetary policy globally had become decidedly expansionary. I still believe that potential policy mistakes are a theme for fiscal year 2026. Moves by central banks take time to filter through an economy—therefore, only time will tell. For fiscal year 2026, I will also add capital market valuation levels, especially in the U.S., as a potential theme for the upcoming fiscal year. Profitability in the U.S. has remained strong, but potential interruptions from trade tensions or a consumer spending slowdown could put the loftiest valuation levels at risk.

Regardless of the economic environment, my focus continues to be maintaining a diversified investment portfolio that is designed to deliver or exceed the actuarial assumed required return of 6.5% within a tolerable level of risk over a long-term investment horizon. Returns to a diversified portfolio are ultimately a function of the performance of the markets in which that portfolio is invested. Interest rates have risen to levels which makes the projected returns to the fixed income asset class more attractive and a positive contributor to a diversified portfolio. Equity market returns remain the driver of the overall return of the Fund, and risks remain in the form of slowing economic growth, high equity market valuations, and geopolitical risks, among others.

Fixed Income

Over a long period of time, the total return of the bond market ***tends*** to resemble the yield of years past. Over short periods, interest rate movements may have a profound impact on the capital gains (or losses) experienced by bond investors. The total return of the bond market for the fiscal year was above the yield of the broad market. The capital gain garnered from owning bonds was due to the decrease in yields, especially in the belly of the curve, over the course of the fiscal year. The Federal Reserve's monetary bias is expansionary, which bodes well for bond total returns in the short term. With yield levels around 4.5% on the Bloomberg Aggregate Index (the index most representative of the broad investment-grade fixed income universe) the prospects for positive total returns in the bond market in the short and medium term are reasonable. This is good news, not only for bond investors, but for the prospects of holders of diversified portfolios like ours. Bonds remain an important and vital part of a diversified investment portfolio.

Equity

Equity markets are impossible to predict with any type of precision. Over short periods of time, market sentiment and technical factors (buying and selling) have an overwhelming impact on returns experienced by investors. ***Over a long period of time***, the real return from the equity markets can be attributable to three main sources: dividends on stocks, the growth rate of corporate earnings, and changes in valuation ratios. Generally, the growth rate of earnings can be dependent on the general economic environment. The outlook for growth of the global economy is modestly lower than last fiscal year, but the actions of central banks across the globe have been accommodative. Corporate earnings continue to be strong in the U.S., but continuing to absorb tariffs may have a material impact on profitability in certain sectors. Equity markets marched upward during the fiscal year, reaching ever-increasing highs. Valuation metrics, especially in certain equity market segments, are lofty and would depend on continued positive earnings momentum and positive investor sentiment to be sustainable. Nevertheless, maintaining the portfolio's strategic asset allocation, and capturing the returns from strong equity markets and surviving periods of market tumult, provides the optimal opportunity to deliver the investment returns necessary to meet the long-term objectives of the Fund.

Recent Events

There were no changes to the Fund's strategic asset location or managers that comprise the Fund during the fiscal year. Once again, I am happy to report that the discipline in maintaining our strategic asset allocation paid off handsomely, given the strength of the equity markets for this fiscal year. The Fund performed very well, not only from a nominal return perspective, but was once again one of the best performing Funds relative to our peer group nationwide. The strategic asset allocation is the primary driver of investment results, and again this fiscal year, results were impressive.

Chief Investment Officer's Report (continued)

Investment Philosophy and Guiding Principles

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

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

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

Regards,

Brad Tillberg, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income at June 30, 2025, are described in the following schedules. The Plan invests in four index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par		Fair Value
U.S. Treasury Notes 3.875% due 06-15-2028	5,564,000	$	5,593,559
U.S. Treasury Notes 3.875% due 06-30-2030	5,050,000		5,069,332
U.S. Treasury Bonds 2.25% due 08-15-2046	7,360,000		4,821,663
U.S. Treasury Bonds 4.625% due 05-15-2055	2,787,000		2,771,323
U.S. Treasury Bonds dated 08/15/2020 1.375% due 08-15-2050	5,150,000		2,539,191
U.S. Treasury Notes 3.75% due 05-15-2028	2,290,000		2,293,399
U.S. Treasury Bonds dated 05/15/2016 2.5% due 05-15-2046	3,155,000		2,179,045
U.S. Treasury Notes 1.25% due 05-15-2050	3,780,000		1,815,581
U.S. Treasury Bonds 3.875% due 10-15-2027	1,590,000		1,595,528
U.S. Treasury Bonds 3.75% due 06-30-2027	1,550,000		1,550,969

Investments in Funds (By Fair Value):

Fund	Units		Fair Value
BlackRock Russell 1000 Index Fund	302,721	$	157,859,621
BlackRock ACWI ex-U.S. Index Fund	3,061,062		134,572,385
BlackRock Russell 2000 Index Fund	326,789		26,729,205
BlackRock U.S. TIPS Index Fund	530,051		14,464,989

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

Schedule of Stock Brokerage Commissions Paid

Year Ended June 30, 2025

None

Investment Portfolio by Type and Manager

At June 30, 2025, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 69,189	14.9%
Hoisington Investment Management	Interest Rate Anticipation	12,222	2.6%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	14,465	3.1%
Metropolitan West Asset Management	Core Plus	47,096	10.2%
Total Fixed Income		142,972	30.8%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	26,729	5.8%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	157,861	34.1%
Total U.S. Equities		184,590	39.9%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	135,825	29.3%
Short-term Investment Funds	Operating Cash	57	0.0%
Total Managed Investments		463,444	100.0%
Securities Lending Collateral		9,467	
Cash Equivalents on Deposit with State		124	
Total Investments and Cash Equivalents		$ 473,035	
Statement of Fiduciary Net Position			
Cash Equivalents		4,449	
Investments		468,586	
Total Investments and Cash Equivalents		$ 473,035	

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

Schedule of Investment Expenses

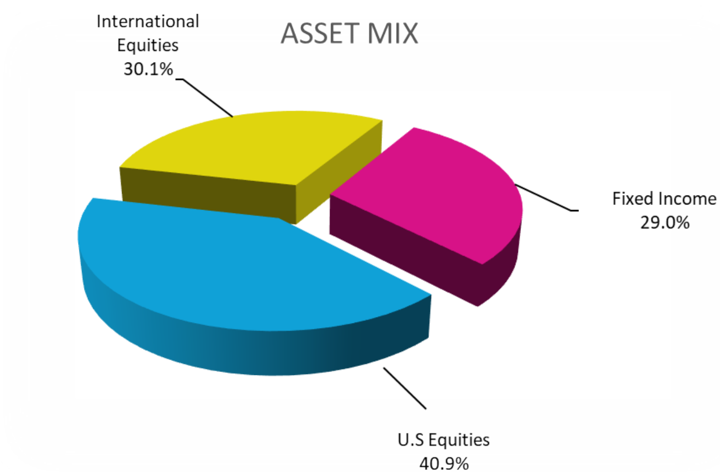
Years Ended June 30, 2025 and 2024

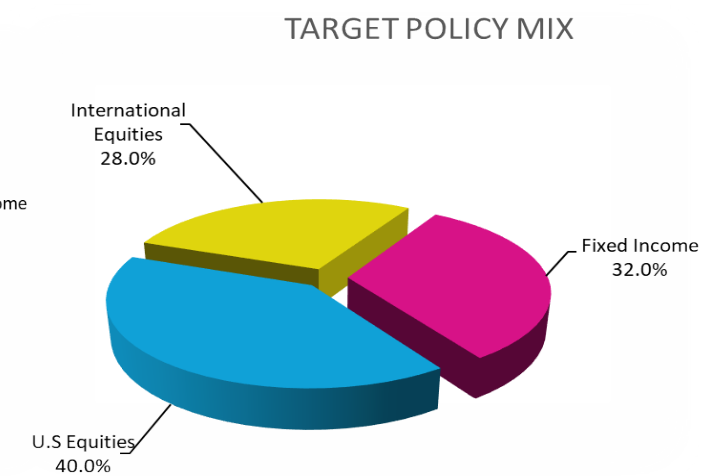
	2025	2024
Investment management fees		
Fixed Income Managers:		
BlackRock Financial Management, Inc.	$ 50,149	$ 44,311
BlackRock Institutional Trust Company, N.A. - TIPS	1,201	1,135
Hoisington Investment Management	16,483	14,133
Metropolitan West Asset Management, LLC	40,655	17,137
U.S. Equity Managers:		
BlackRock Institutional Trust Company, N.A.	9,442	8,765
International Equity Managers:		
BlackRock Institutional Trust Company, N.A.	26,472	23,535
Total investment management fees	144,402	109,016
Investment consultant fees		
Verus Advisory, Inc.	8,038	7,833
Investment custodial fees		
Northern Trust Company	1,477	1,483
Other investment related expenses	9,236	8,178
Total investment expenses	$ 163,153	$ 126,510

Asset Comparison

A comparison of the actual investment distribution at June 30, 2025 and 2024, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocation for each year is as follows:

2025





2024