COMMISSIONERS OF THE LAND OFFICE
SPECIAL INVESTMENT COMMITTEE MEETING MINUTES
WEDNESDAY, JULY 30TH, 2025 AT 8:30 A.M.

29TH FLOOR CONFERENCE ROOM
STRATA TOWER, 29TH FLOOR
OKLAHOMA CITY, OKLAHOMA

The agenda was posted online on the Commissioners of the Land Office website and at the Commissioners of the Land Office physical location on July 25th, 2025, before 4:30 p.m.

PRESENT

Bob Mareburger, Governor's appointee
Billy Swindell, State Auditor and Inspector's appointee

ABSENT / EXCUSED

Shawn Richmond, Superintendent of Public Instruction's appointee

LAND OFFICE STAFF PRESENT

Dan Whitmarsh, Secretary
John Fischer, Assistant Secretary
Karen Johnson, Chief Financial Officer
Perry Tirrell, General Counsel
Tristan Newbold, Director of Communications
Alva Brockus, Director of Commercial Real Estate
Edward Romero, Investment Accountant
Phillip Chandler, Financial Accountant
Matt Clarkson, Assistant Director FSD
Sabrina Cabral, Executive Assistant/Recording Secretary

VISITORS

Jason Hinton, RVK
Jason Samansky, RVK

Karen Johnson called the meeting to order at 8:56 AM. Committee Member Bob Mareburger was running late so CFO/Sr. Director Johnson stated we would hold on confirming quorum, proper posting, roll, and any voting items until his arrival.

1. Request Approval of Minutes for Regular Meeting held May 14, 2025

This item was tabled for lack of quorum and voted on after Item 6, after coming out of the 10-minute recess.

CFO/Sr. Director, Johnson asked the Committee to approve the minutes for the regular meeting of the Commissioners of the Land Office Investment Committee held on May 14th, 2025.

Committee Member Mareburger made a motion to approve the minutes from the May 14, 2025, meeting. Committee Member Swindell seconded the motion.

Gov. Appointee, Mareburger:	Aye
St. Auditor Appointee, Swindell:	Aye

Motion Carried.

2. Presentation of FY 2025 Fourth Quarter Investment Portfolio Performance Report by RVK (informational only)

Director Johnson stated that the fourth quarter report wasn't ready because of the timing of this meeting, so RVK was to present the most recent flash report.

Jason Samansky, RVK, started by letting the committee know that the Fed was having its preliminary meeting and that all that was about to be presented could change.

The dual mandate is being met as the cash yield is above 4% and the 1-year and longer-term returns are above the CPI. The corpus value is increasing and the dollar amount distributed to schools is also increasing. All asset classes are positive over the long term, and most managers are performing as expected. The high-yield managers' performance has been disappointing and requires further monitoring. While they are restricted by CLO statutes from investing in the lowest quality, riskiest area, their outcomes have been lower than similar peers. Next meeting, RVK plans to discuss the equity structure and the construct of the equity part of the portfolio. The current construct is conservative, higher yielding construct and that has kept a less volatile path of performance.

All managers are performing in line with expectations, and the composite is less growth or technology-oriented stocks, and more value (consistent earnings, steady dividends) ones.

Informational only, no vote was taken.

3. Presentation of Real Estate Investment Portfolio and Direct Investment Portfolio Quarterly Performance Reports, Quarter Ending June 30th, 2025 (informational only)

Assistant Secretary John Fischer reported a high-level summary on the real estate investment portfolio for the quarter ending on June 30th. The cash-on-cash return was 4.85%, bringing the fiscal year-to-date return to 4.81%. The only active negative producing property was the Lincoln parcels. As to underperforming properties, any property that generates less than a 4% return is examined closely. Stiles is at 3.16%, the 201 Building in Tulsa is at 2.5% or less, and the BOK building are underperforming properties. In the Strata building, a full floor is in the process of being leased and the possible sale of the 29th floor would bring the CLO's returns back over 8% for that asset. There are two high producing properties that continue to return over 8%. CLO also has 8 other properties generating over 6.5%

On budget versus actual, CLO is under budget approximately $491,500 for the fiscal year, an approximate 6.39% total variance from budgeted net revenue. There is variation within the various properties. There are four properties that are generating $25,000 or more over. The historical cash flow over current cost basis has been pretty stable, between 4.3% and 5% over the last 10 years, not including gains.

On the quarterly report on direct investments, the Berry Rock investment's distribution of $220,000 was received on both tranches invested (both tranches totaling $8 Million), representing an 11% annualized return gross of management and valuation fees. Berry Rock exercised its right of redemption on both tracts on July 1, 2025. The Full $8,000,000 principal investment has been returned. Berry Rock reports that over 350 families purchased homes with help from CLOs investment. This investment is now closed and over the life of the investment, the CLO recognized a 10.28% average rate of return, net of fees. The total dividend payments received over the life of the investment was $2,667,726.

Informational only, no vote was taken.

4. Portfolio Rebalancing and Allocation Plan Discussion (informational purposes only)

Jason Samansky, RVK spoke about the memo on investing the $8 million of Berry Rock proceeds and about half of the uninvested cash from royalties ($32 million of the currently $75 million available). The current asset mix is overweight to cash and underweight to fixed income. RVK is recommending redeploying the cash to the core fixed income managers. The core fixed income managers should provide higher yields than the cash portfolio over a long-term period.

Informational only, no vote was taken.

5. Proxy Voting Discussion (informational purposes only)

Jason Samansky explained how proxy voting policies perform several functions for asset managers. The policy should be a transparent explanation for both the philosophical beliefs on the appropriateness of proxy voting for the manager (and engagement with corporations), as well as the fiduciary requirements to which the manager is beholden. Proxy voting policies may not always outline how a client can direct votes or take vote control should the client be a sole investor in a separate account/managed account. This decision is left to the discretion of the asset manager and would also require client administration work. Mr. Samansky explained that proxy voting policies are becoming a popular topic and explained the CLO's policies per the investment plan. He is not recommending changes at this time. RVK does monitor legal requirements and communicates regularly with the Oklahoma Treasurer's office and will advise this committee if conditions change that warrant revisiting the proxy voting policy.

Informational only, no vote was taken.

6. Consideration and Possible Action to Approve the Commissioners of the Land Office Annual Investment Plan

CFO/Sr. Director Johnson and Assistant Secretary Fischer presented the Annual Investment Plan. The plan must be approved by the Commissioners by September 1st every year. CLO staff and RVK recommended approval of the current investment plan with some changes.

Changes to the Financial Securities section of the plan were:

1) Removing listed infrastructure from the target asset allocation and redistributing that allocation to Large Cap US Equity, REITS, MLPs, and Preferred Securities.

2) The addition of a cash management policy, which was approved by this committee last year but because of a timing issue, was not considered by the Commission.
3) Clarification in defining various equity security classes that they were “U.S.” equities.
4) Clarification language added to the investment manager selection process for private securities, which had been approved by this committee last year but because of a time issue, was not considered by the Commission.

After previous discussion, no revisions are being made to the proxy voting section of the investment plan at this time.

Changes to the Real Property section of the plan were:

1) Roles of the Investment Committee were updated to include reviewing sale, purchase, and budget decisions relating to investment real estate.
2) Direct investment language was removed from determining the benchmark for returns because the direct investment part of the investment plan had been updated previously with private securities being made part of the financial securities section.
3) Change in determining whether the value of the CLO’s minerals should be included in determining the total value of the Trust.
4) Adding a section codifying the source of funds for various expenses related to investment real estate, including a change to the treatment of management fees, having them netted from revenues starting July 1, 2026.
5) Updating the real estate acquisition guidelines to reflect changes in the real estate market overall.

In addition, a few typos and grammatical errors had been identified in the plan that would also be corrected. A redline version of the plan with all corrections was provided to the Committee.

Committee Member Mareburger made a motion to approve the proposed investment plan. Committee Member Swindell seconded the motion.

Gov. Appointee, Mareburger:	Aye
St. Auditor Appointee, Swindell:	Aye

Motion Carried.

CFO/Sr. Director Johnson called a 10-minute recess. Upon returning confirmation of quorum and roll was taken. Item 1 was revisited for vote.

7. Commission Action to Approve Operational, Leasing Costs, Management Fees, and Capital Budgets for Management of Commercial Investment Property

Assistant Secretary John Fischer presented the Capital Budgets for Management of Commercial Investment Property. Because of timing, the Commission approved these budgets at their Special Meeting held June 10th, 2025. Although approved by the Commissioners, the Investment Committee was briefed on the Commercial Real Estate Division’s budgets of the operating expenses, leasing costs (including leasing commissions and tenant improvement allowances), management fees, and capital budgets of the commercial investment properties listed in the committee’s packets for Fiscal Year 2026. In the past, leasing costs were included with the capital improvement expenses. They are now listed separately as leasing costs will be netted from rents received while capital improvements will still be funded from permanent funds and added to the

investment's cash basis. The expected total distributable income (income gross of management fees) for the real estate investment portfolio is $6,635,973.62. Expected income net of management fees is $6,163,417.79, representing an estimated 4.46% cash-on-cash return.

Informational only, no vote was taken.

8. Consideration and Possible Action for Approval of Capital Budget Revisions for Management of Commercial Investment Property

Assistant Secretary John Fischer presented a revision to the budget for the Stiles building to accommodate the estimated cost of tenant improvement build outs for the Oklahoma State Department of Health for a lease of 11,933 square feet in the Stiles Building (3017 N. Stiles, Oklahoma City, OK) which was not anticipated when establishing Leasing Costs and Expenses budgets for the current fiscal year.

This tenant improvement cost of $200,000 will be amortized into the rental rate and paid back over five years. If the tenant does not remain for the full five years, the lease contract will contain a claw-back provision so that the CLO is fully reimbursed for this cost.

Assistant Secretary John Fischer asked the Committee to approve recommending to the Commission approval of the revision of adding $200,000 to the leasing cost capital budget for FY 2026 for the listed commercial investment property.

Committee Member Mareburger made a motion to approve the recommendation to the commission for approval of the revision to the capital budget for FY 2026 for the listed commercial investment property. Committee Member Swindell seconded the motion.

Gov. Appointee, Mareburger: Aye
St. Auditor Appointee, Swindell: Aye

Motion Carried.

9. Consideration and Possible Action to Approve Appraised Value of Investment Real Estate for Possible Sale by Auction

Assistant Secretary John Fischer asked the Committee to approve recommending to the Commission to authorize sale via auction of the investment property located at 123 Robert S Kerr in Oklahoma City, specifically the 29th floor of the Strata Tower, with a minimum bid of $2,680,000.00. He stated this value was determined by a three-party consensus appraisal performed by three Oklahoma Certified General Appraisers.

Committee Member Swindell made a motion to approve recommending to the Commission to authorize sale via auction of the investment property listed with a minimum bid of $2,680,000.00. Committee Member Marburger seconded the motion.

Gov. Appointee, Mareburger: Aye
St. Auditor Appointee, Swindell: Aye

Motion Carried.

10. Intergenerational Study and Strategic Investment Plan Discussion (informational purposes only)

Jason Samansky, RVK provided a report on their intergenerational study of our investment portfolio. This is an additional way to evaluate the portfolio to ensure growth of the corpus for future generations while balancing the requirements of the current generation. The asset allocation report sets a target and a projected rate of return. This report takes the target asset allocation and shows how the market value, distributions, and contributions will impact the dollar amount of the portfolio. RVK analyzes the current target and incorporates new asset classes to understand their potential growth impact. The inputs include potential changes to the price of commodities and the impact to the contributions to the plan.

All scenarios show close to a 50% probability of maintaining the real growth of the portfolio.

Informational only, no vote was taken.

11. Agency Updates (informational purposes only)

CFO Johnson had no additional agency updates.

Informational only, no vote was taken.

12. New Business

No new business.

Adjourn

Motion by Committee Member Swindell to adjourn. Motion seconded by Committee Member Mareburger.

Gov. Appointee, Mareburger:	Aye
St. Auditor Appointee, Swindell:	Aye

Motion Carried.

Meeting adjourned at 11:32 a.m.