



Reporting Item

BOARD OF DIRECTORS

March 15, 2022

ITEM

Retirement Plan – 2021 Annual Report

PURPOSE

Report the Retirement Plan Fund and Individual Manager Performance for 2021

FACTS

- a. The market value of the Retirement Plan Fund was \$1.29 billion on December 31, 2021. This compares to the market value of \$1.16 billion on December 31, 2020. During the year, the total contributions exceeded the benefit payments and expenses by \$57.2 million primarily due to an additional \$95.0 million contribution from the Decommissioning and Benefits Reserve. The investment gains net of fees were \$ 74.3 million.
- b. The asset allocation at year-end was 51.1% equity, 42.1% fixed income securities and 6.8% alternative assets (private real estate), which is within the Investment Policy Guidelines approved by the Board.
- c. A summary of the 2021 Retirement Plan Investment Manager's performance will be presented by the District's consultant, Mr. Jeff Boucek, Vice President and Director of Public Fund Consulting, of Segal Marco.

RECOMMENDED:

APPROVED FOR REPORTING TO BOARD:

DocuSigned by:

Jeff M. Bishop

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Jeff M Bishop
Vice President and Chief Financial Officer

DocuSigned by:

L. Javier Fernandez

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L. Javier Fernandez
President and Chief Executive Officer

JMB:jap

Attachment: Summary of Investment Manager Performance

**OPPD Pension Fund Assets
Fund Options and Performance
Period Ending December 31, 2021**

Domestic Equity Funds	Fund Type	Balance	Performance				
			Return	One Year Index	Difference	Three Year Return	Five Year Return
LSV Asset Management	Small Capitalization Value	\$ 34,427,316.27	34.5%	28.3%	6.2%	15.1%	N/A
State Street Global Advisors - Russell 1000 Index	Large Capitalization Core	\$ 208,188,362.42	26.5%	26.5%	0.0%	26.2%	18.4%
Voya Investment Management	SmallCapitalization Growth	\$ 39,022,968.12	5.4%	2.8%	2.6%	19.6%	N/A
Wellington Management Company LLP	Mid. Capitalization Core/Growth	\$ 87,322,840.08	9.9%	24.8%	-14.9%	22.7%	16.7%

International/Global Equity Funds	Fund Type	Balance	Performance				
			Return	One Year Index	Difference	Three Year Return	Five Year Return
Global Alpha Small Cap	Small Capilization	\$ 50,222,550.00	13.5%	10.1%	3.4%	N/A	N/A
MFS International Equity*	International Core	\$ 103,033,908.38	N/A	N/A	N/A	N/A	N/A
Oppenheimer Funds Inc.	Emerging Markets	\$ 65,635,731.67	-6.7%	-2.5%	-4.2%	11.6%	11.1%
Wells Capital Management/All Spring Global Investments	Emerging Markets	\$ 71,835,540.44	-11.8%	-2.5%	-9.3%	12.9%	11.0%

Domestic Fixed Income Funds	Fund Type	Balance	Performance				
			Return	One Year Index	Difference	Three Year Return	Five Year Return
JP Morgan Investment Management	Intermediate Investment-Grade	\$ 80,084,388.12	-1.0%	-1.6%	0.6%	5.0%	3.9%
Neuberger Berman Fixed Income LLC	High Yield	\$ 39,511,408.46	4.8%	5.4%	-0.6%	8.4%	5.9%
Reams Asset Management Company	Intermediate Investment-Grade	\$ 84,595,181.45	-1.7%	-1.6%	-0.1%	7.8%	5.7%
State Street Global Advisors - Bond Index	Bond Index	\$ 94,058,995.64	-1.5%	-1.5%	0.0%	4.8%	3.6%
State Street Global Advisors - TIPS Index	TIPS Index	\$ 30,345,582.43	5.9%	6.0%	-0.1%	8.4%	5.3%
US Bank Cash Management Account	Cash	\$ 78,304,066.13	1.1%	0.0%	1.1%	1.9%	2.5%

International/Global Fixed Income Funds	Fund Type	Balance	Performance				
			Return	One Year Index	Difference	Three Year Return	Five Year Return
Colchester Global Investors Limited	Global	\$ 80,930,656.62	-7.6%	-4.7%	-2.9%	3.6%	3.8%
Stone Harbor Investment Partners L.P.	Emerging Market	\$ 54,766,032.65	-2.5%	-1.5%	-1.0%	6.3%	4.2%

Alternative Assets	Fund Type	Balance	Performance				
			Return	One Year Index	Difference	Three Year Return	Five Year Return
Harrison Street Real Estate	Private Real Estate	\$ 42,637,417.00	11.1%	22.9%	-11.8%	8.0%	N/A
PGIM Real Estate	Private Real Estate	\$ 44,814,657.23	22.1%	22.9%	-0.8%	9.9%	N/A

*Initially funded 12-17-2021

Total Fund	\$ 1,289,737,603.11
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2021 Annual Performance Review

Omaha Public Power District

Retirement Plan

March 15, 2022

Jeffrey C. Boucek, CFA
Senior Vice President

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Segal Marco Advisors

Presenting Today



Jeffrey C. Boucek, CFA

Senior Vice President

Director of Public Fund Consulting

400 Galleria Parkway, Suite 1470

Atlanta, GA 30339

T 770.541.4825

jboucek@segalmarco.com

www.segalmarco.com

Agenda

Market Environment

Total Fund Results

- Review of Retirement Fund Financial Objectives

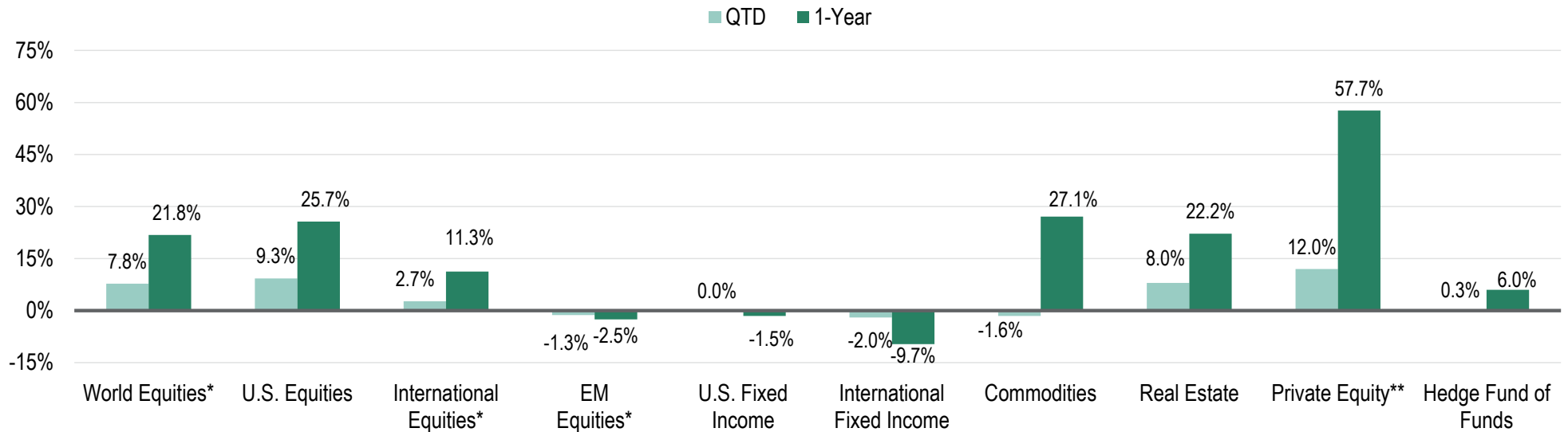
Individual Manager Results

- Domestic Equity
- International Equity
- Domestic Fixed Income
- Global Fixed Income/Emerging Market Debt
- Private Real Estate

Total Fund Summary

2021 In Review

Summary of Investment Returns



- The economic effects of the COVID-19 outbreak continue to take a significant toll on the global economy. While hopes for a global recovery remain strong, the rise of both the Delta and Omicron variants of the coronavirus has tempered some near-term expectations.
- All capitalization sizes of US stocks ended 2021 solidly positive. Despite the onset of variants, businesses have reopened and optimism about economic recovery persists among investors.
- Developed market stocks were positive in 2021, as expectations for global growth have risen. However, the emergence of the Delta and Omicron variants and growing inflation worries has held back EM stocks in spite of commodities' strength.
- Treasuries ended 2021 lower. High yield has gained as expectations for economic recovery have grown.
- Commodities are one of the best performing sectors in 2021 amid hopes for greater global demand. Likely volatility in energy prices and other areas of commodities may mean that performance swings are the norm here.

* Net Dividends Reinvested

** Performance as of Q2 2021 because more recent performance data is not yet available.

Sources: Investment Metrics, Cambridge Associates, FactSet

2021 Asset Change

Asset Growth

(\$000'S)

December 31, 2020 – December 31, 2021

Beginning Market Value		\$1,158,194
Net External Growth*		57,241
Return on Investment		
Income Received	\$8,665	
Gain/Loss	65,638	74,303
Ending Market Value		\$1,289,738

*OPPD and employee contributions less benefit payments and Plan expenses. Includes \$95 million contribution from the Decommissioning and Benefits Reserve.

Review of Retirement Fund Financial Objective #1

The District's Retirement Fund Objective #1 is to exceed its benchmark index net of management fees.

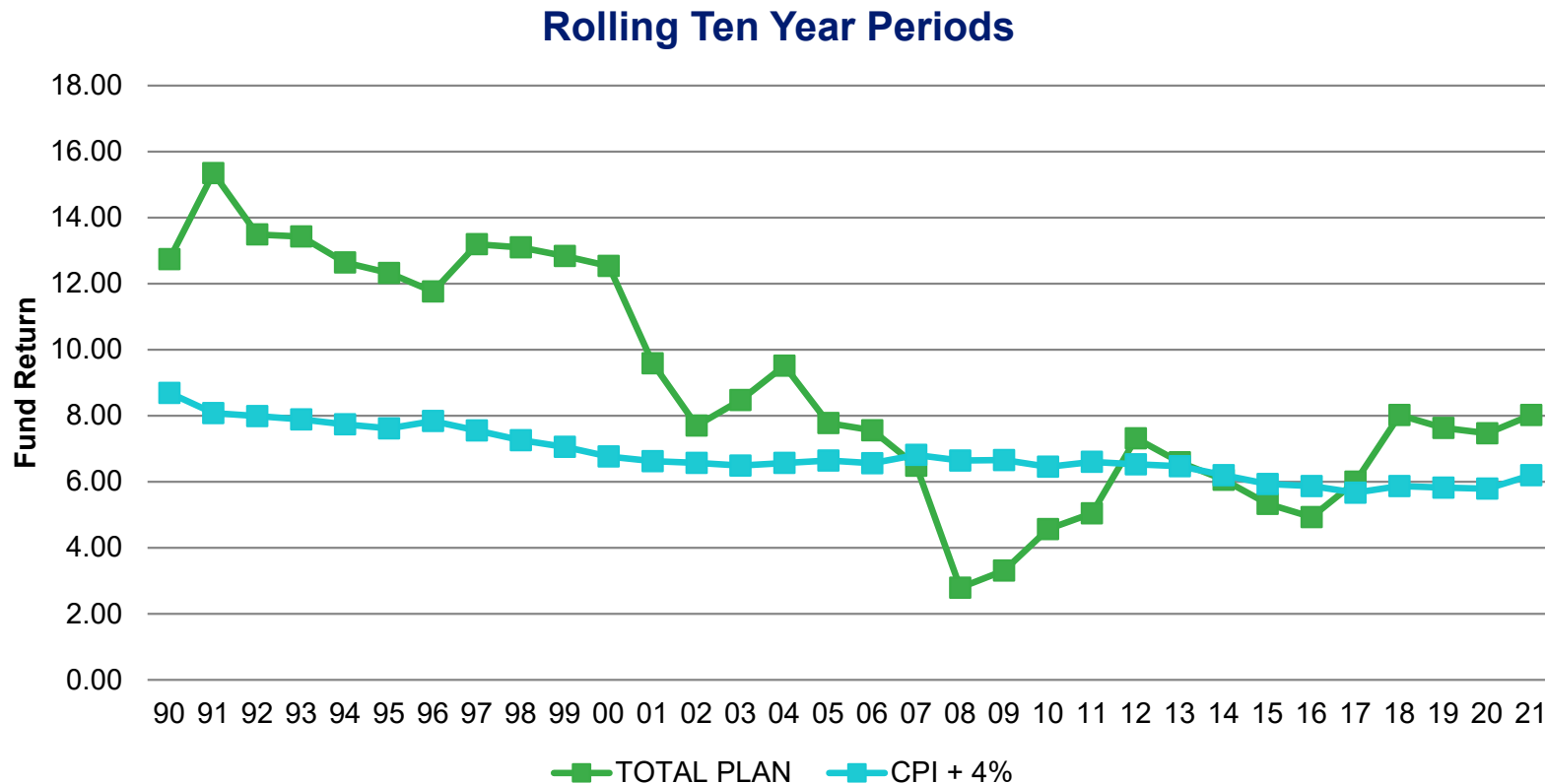
	1 Yr	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	15 Yrs
TOTAL PLAN	6.0	9.4	12.2	8.9	7.4	8.0	6.4
Policy Index	8.9	10.8	13.0	9.5	7.6	8.0	6.2
Difference	-2.9	-1.4	-0.8	-0.6	-0.2	0.0	0.2

Note: One Year gross of fee return is 6.4%. Net of fee performance calculation started on 1/1/2017. Returns beyond 5 years are gross of fees.

Review of Retirement Fund Financial Objective #2

The District's Retirement Fund Objective #2 is to earn 4.0% above the rate of inflation.

- For the current 10 year period (2012-2021) the Retirement Fund has earned 8.0%, which is above the Objective of 6.2%.
- For the current 20 year period (2002-2021) the Retirement Fund has earned 6.5%, which is above the Objective of 6.4%.



Domestic Equity as of 12/31/21

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
SSgA Russell 1000 Index SL	208,188	16.1	26.5	26.2	18.4			
<i>Russell 1000 Index</i>			26.5	26.2	18.4	14.8	16.5	10.7
SSgA Russell 1000 Index SL Rank			60	38	41			
Wellington	87,323	6.8	9.9	22.7	16.7	13.7	16.3	11.7
<i>S&P MidCap 400</i>			24.8	21.4	13.1	11.8	14.2	10.5
Wellington Rank			100	52	32	36	31	20
Voya Small Cap Growth	39,023	3.0	5.4	19.6				
<i>Russell 2000 Growth Index</i>			2.8	21.2	14.5	11.7	14.1	10.0
Voya Small Cap Growth Rank			80	93				
LSV Asset Management	34,427	2.7	34.5	15.1				
<i>Russell 2000 Value Index</i>			28.3	18.0	9.1	9.5	12.0	7.2
LSV Asset Management Rank			29	92				

- SSgA Russell 1000 Index Fund posted expected results with minimal tracking error.
- Wellington underperformed its benchmark and peer group median in 2021.
- Voya replacement search is in progress.
- LSV posted a strong return for the year.

Note: Returns are gross of fees.

International Equity as of 12/31/21

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
MFS International Equity Fund	103,034	8.0						
<i>MSCI EAFE</i>			11.3	13.5	9.5	6.8	8.0	3.6
MFS International Equity Fund Rank								
OFI	65,636	5.1	-6.7	11.6	11.1	6.6		
<i>MSCI EM</i>			-2.5	10.9	9.9	6.1	5.5	4.4
OFI Rank			87	66	47	65		
Wells	71,836	5.6	-11.8	12.9	11.0	7.8		
<i>MSCI EM</i>			-2.5	10.9	9.9	6.1	5.5	4.4
Wells Rank			98	54	47	40		
Global Alpha International Small Cap	50,223	3.9	13.5					
<i>MSCI EAFE Small Cap (Net)</i>			10.1	15.6	11.0	9.5	10.8	5.6
Global Alpha International Small Cap Rank			53					

- MFS was funded during the fourth quarter as a replacement for AQR.
- OFI and Wells both underperformed their benchmarks during 2021.
- Global Alpha outperformed its benchmark during 2021.

Note: Returns are gross of fees.

Domestic Fixed Income as of 12/31/21

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
SSGA Passive Bond Market Index	94,059	7.3	-1.5	4.8	3.6	3.0	2.9	4.1
<i>Bimbg. U.S. Aggregate</i>			-1.5	4.8	3.6	3.0	2.9	4.1
SSGA Passive Bond Market Index Rank			81	94	95	96	95	94
Reams	84,595	6.6	-1.7	7.8	5.7	4.6	4.2	5.6
<i>FTSE U.S. Broad Investment-Grade Bond</i>			-1.6	4.9	3.6	3.0	2.9	4.2
Reams Rank			90	3	3	4	11	2
JPMorgan	80,084	6.2	-1.0	5.0	3.9	3.4	3.4	
<i>FTSE U.S. Broad Investment-Grade Bond</i>			-1.6	4.9	3.6	3.0	2.9	4.2
JPMorgan Rank			43	77	68	60	55	
Neuberger Berman	39,511	3.1	4.8	8.4	5.9	5.7		
<i>FTSE High Yield Market Index</i>			5.4	8.5	6.0	5.9	6.5	6.7
Neuberger Berman Rank			65	56	68	65		
SSgA US TIPS	30,346	2.4	5.9	8.4	5.3	4.2		
<i>Bimbg. U.S. TIPS</i>			6.0	8.4	5.3	4.2	3.1	4.7
SSgA US TIPS Rank			44	63	65	64		

- Both passive SSgA fixed income strategies produced expected results with minimal tracking error.
- Core Fixed Income manager, Reams, posted returns well above its benchmarks for time periods three-years and greater. The other Core Fixed Income manager, J.P. Morgan, outpaced its benchmark for all time periods.
- Neuberger Berman underperformed versus its historical performance measures.

Note: Returns are gross of fees.

Global Fixed Income/Emerging Market Debt as of 12/31/21

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
Colchester	80,931	6.3	-7.6	3.6	3.8	2.5		
<i>Bimbg. Global Aggregate</i>			-4.7	3.6	3.4	2.2	1.8	3.3
Colchester Rank			99	88	79	81		
Stone Harbor	54,766	4.2	-2.5	6.3	4.2	4.8		
<i>JPM EMBI Global (USD)</i>			-1.5	6.1	4.5	4.8	5.0	6.0
Stone Harbor Rank			39	19	46	20		

- Colchester and Stone Harbor underperformed their respective benchmarks during 2021 while results were mixed versus the peer group median.
- Longer-term results have Colchester ahead of its benchmark for the 5- and 7-year periods while Stone Harbor's results are mixed relative to its benchmark.
- Despite the mixed relative results against its benchmark, Stone Harbor ranked in the the top half of its peer group for all time periods.
- In January, the Board approved a private credit search to replace Colchester.

Note: Returns are gross of fees.

Private Real Estate as of 12/31/21

	Allocation		Performance (%)					
	Market Value (\$000)	%	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years
Harrison Street Core Property Fund	42,637	3.3	11.1	8.0				
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>			22.9	9.8	9.1	10.0	10.6	6.8
PGIM Real Estate PRISA	44,815	3.5	22.1	9.9				
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>			22.9	9.8	9.1	10.0	10.6	6.8

- Both real estate managers provided strong absolute results for the Total Fund in 2021.

Note: Returns are gross of fees.

Total Fund Summary

- The Total Fund returned 6.0%, net of fees, for the year ended December 31, 2021.
 - Assets increased by approximately \$132 million.
 - Year-end market value was \$1,289.7 million.
- The Total Fund underperformed its Policy Index by 290 basis points in 2021 net of fees.
- The Total Fund continues to perform well longer-term, outpacing the policy index over the longer fifteen-year period.