

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, December 17, 2014 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE NOVEMBER 19, 2014 BOARD MEETING**
- 3. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Franklin Park
 - B. PIMCO
- 5. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting***
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT:**
 - A. Discussion and Possible Action on Investment Policy Exception Renewal Request from Loomis Sayles
 - B. Discussion and Possible Action on Investment Policy Exception Renewal Request from Shapiro
 - C. Discussion and Possible Action on Investment Policy Exception Request from Wellington
 - D. Discussion and Possible Action on Real Estate Report
 - E. Discussion and Possible Action on Investment Policy Review
- 7. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. SECTION 307(B)(4) FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE BOARD OF TRUSTEES AND ITS ATTORNEY CONCERNING A PENDING ACTION OF THE BOARD RELATED TO OTRS CONSULTANT CONTRACTS, WITH THE ADVICE OF ITS ATTORNEY DETERMINES THAT DISCLOSURE WILL SERIOUSLY IMPAIR THE ABILITY OF THE BOARD TO CONDUCT A PENDING INVESTIGATION OR PROCEEDING IN THE PUBLIC INTEREST**
 - A. Vote to convene into executive session.
 - B. Vote to return to open session.
- 8. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
 - A. Governance Committee
 - B. Audit Committee
- 9. DISCUSSION AND POSSIBLE ACTION ON DEMONSTRATION OF THE CLIENT PORTAL**

- 10. DISCUSSION AND POSSIBLE ACTION ON RENEWAL AND AMENDMENT OF CONTRACT WITH GREGORY W. GROUP**
- 11. DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:**
 - A. Client Services (70 O.S. 17-105)
 - B. Investments
 - C. Human Resources
 - D. Finance
 - E. General Counsel
 - F. Executive Director
- 12. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 13. NEW BUSINESS**
- 14. ADJOURNMENT**

Note: The Board of Trustees may discuss, vote to approve, vote to disapprove, or decide not to discuss any item on the agenda.



OTRS GENERAL INFORMATION – Period Ended June 30, 2013

Client Types		Employers by Type	
Active	89,333	K12	532
Retirees	54,581	Regional University	23
Inactive	18,046	Comprehensive University	3
Total	161,960	Career Tech	30
		Other - Agencies	18
		Total	606

*Pg. 8 2013 Actuarial

FINANCIAL SUMMARY – Period Ended June 30, 2013

Actuarial Information – Year Ended June 30, 2013		Financial Information – Year Ended June 30, 2013		
Assets	\$11,810 million	Revenues	Annual	Percent
Unfunded Liability	8,112 million	Member Contributions	291,385,506	26%
Funded Ratio	57.2%	Matching Funds	23,188,952	2%
Funding Period (years)	17	State Contributions	281,806,711	25%
		Employer Contributions	376,635,234	34%
		Investment Earnings	137,844,165	12%
		Total Earnings	976,016,403	
		Expenses		
		Refunds	32,076,398	3%
		Benefit Payments	1,036,132,587	97%
		Administrative	4,273,189	0%
		Total Expenditures	1,072,482,174	

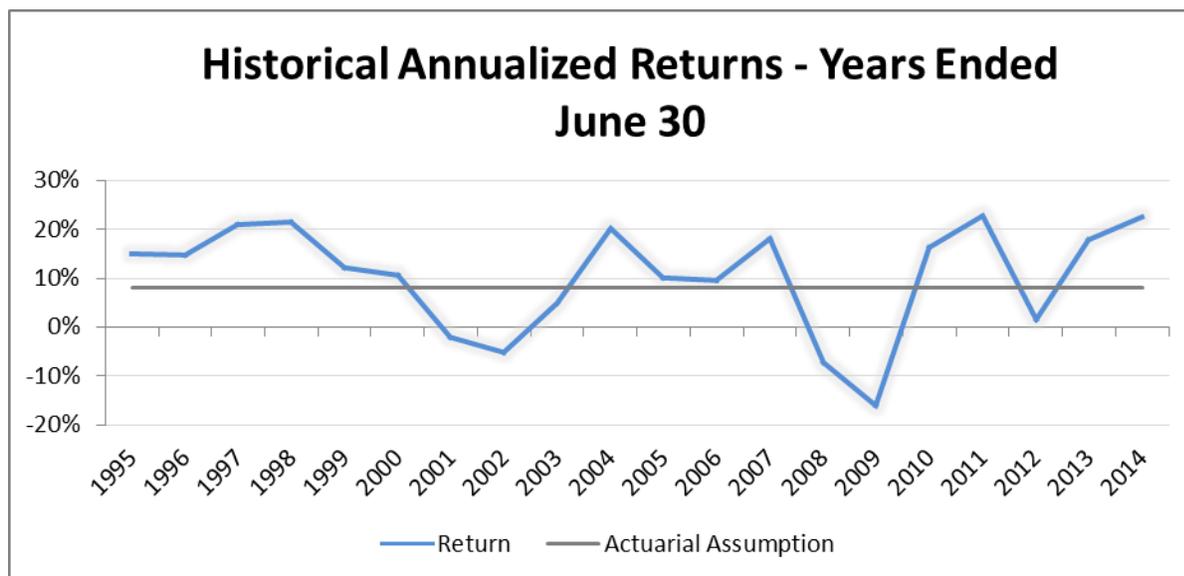
*Pg. 8 2013 Actuarial

*Pg. 22 2012 CAFR

INVESTMENT INFORMATION – YEAR ENDED JUNE 30, 2014

Period	1 Year	3 Year	5 Year	10 Year	Inception
Performance	22.4%	13.6%	16.1%	9.0%	10.0%
Assumption	8%	8%	8%	8%	8%
Over/(Under)	14.4%	5.6%	8.1%	1.0%	2.0%
Market Value of Assets as of 6/30/14				\$14.2 billion	

RETURNS



ASSET ALLOCATION – YEAR ENDED JUNE 30, 2014

Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference
All Cap/Large Cap	2,951,889,294	20.8%	17.0%	3.8%
Mid Cap	2,052,896,372	14.5%	13.0%	1.5%
Small Cap	1,474,259,469	10.4%	10.0%	0.4%
Total Domestic Equity	6,479,045,135	45.7%	40.0%	5.7%
Large Cap International Equity	1,489,786,719	10.5%	11.5%	-1.0%
Small Cap International Equity	864,961,715	6.1%	6.0%	0.1%
Total International Equity	2,354,748,434	16.6%	17.5%	-0.9%
Core Fixed Income	2,112,243,921	14.9%	17.5%	-2.6%
High Yield Bonds	785,195,615	5.5%	6.0%	-0.5%
MLPs	1,242,590,408	8.8%	7.0%	1.8%
Private Equity	370,488,577	2.6%	5.0%	-2.4%
Real Estate	576,546,442	4.1%	7.0%	-2.9%
Opportunistic Assets	168,438,176	1.2%	0.0%	1.2%
Total Non-Core Assets	3,143,259,218	22.2%	25.0%	-2.8%
Cash	93,375,312	0.7%	0.0%	0.7%
Composite	14,182,736,798	100.0%	100.0%	0.0%

INVESTMENT FEES – YEAR ENDED JUNE 30, 2014

Manager Fees	\$48.9MM
Investment Consultant	\$702,000
Private Equity Consultant	\$3.2MM

*Does not include AEW, Heitman, L&B, and PIMCO

**MEETING MINUTES
NOVEMBER 19, 2014
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by Vernon Florence, Vice-Chairman, at 9:05 a.m., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

Vernon Florence, *Vice Chair*
Beth Kerr, *Secretary*
James Dickson
Roger Gaddis
Jill Geiger
Judie Harris

Philip Lewis*
Stewart Meyers*
Andrew Oster
Billie Stephenson
Gary Trennepohl
Greg Winters

TRUSTEES ABSENT:

Bill Peacher

TRS STAFF PRESENT:

Tom Spencer, *Executive Director*
Julie Ezell, *General Counsel*
Dixie Moody, *Director of Client Services*
Riley Shaul, *Comptroller*
Kim Bold, *Director of Human Resources*
Debra Plog, *Manager of Employer Reporting*
Melissa Kempkes, *Investment Analyst*
Susan Yingling, *Executive Assistant*

OTHERS PRESENT:

Wayne Maxwell, *RPOE*

*Denotes late arrival or early departure.

ITEM 1 - ROLL CALL FOR QUORUM: Vice-Chairman Florence called the Board meeting to order at 9:05 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 2 – MEETING MINUTES: A motion was made by Dr. Winters with a second made by Mr. Oster to approve the October 22, 2014 Regular Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 3 - DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY AND QUARTERLY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, gave their monthly and quarterly reports to the Board. No action was necessary.

ITEM 4 - PRESENTATION BY INVESTMENT MANAGERS: Representatives from Causeway and Hoisington presented their respective reports to the Board. No action was necessary.

ITEM 5 - MANAGER STATUS SUMMARY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, gave the Board their Manager Status Summary Report. Mr. Weaver said that there was no need to change three of the managers on the list. Those three included Mackay Shields LLC, Geneva Capital Management LTD, and Lord Abbett & Co. LLC. Mr. Weaver said those managers would continue to be monitored, but that no additional action was recommended at this time. After some discussion, no action was necessary.

A break was taken from 10:25 a.m. to 10:35 a.m.

ITEM 6 - INVESTMENT COMMITTEE REPORT: Mr. Florence, Chair of the Investment Committee, presented the Investment Committee Report from the November 18, 2014 meeting.

6A) Doug Anderson, Investment Consultant, recapped the transition of the funds previously managed by recently-terminated investment manager, Thornburg. He said the process had run ahead of schedule and at a lower cost than expected. After a brief discussion, no action was necessary.

6B) Mr. Florence directed the Board's attention to a letter from investment manager, Lord Abbett, that requested an exception to on Investment Policy rule. After some discussion, a motion was made by Mr. Gaddis with a second made by Mr. Dickson to approve Lord Abbett's exception request to hold a bond that had been downgraded to CCC-. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

6C) Melissa Kempkes, Investment Analyst, reviewed the changes the Investment Committee had recommended for the first six sections of the Investment Policy Statement. After extensive discussion, a motion was made by Mr. Gaddis with a second made by Mr. Dickson to accept the recommended changes to the Investment Policy Statement. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

6D) Mr. Florence reminded the Board that the contract for Investment Consultant, Gregory W. Group, would be coming up for renewal in December 2014. After a brief discussion, no action was necessary.

ITEM 7 –EXECUTIVE SESSION PURSUANT TO 25 O.S. 2011 SECTION 307(B)(4) FOR COMMUNICATIONS CONCERNING A PENDING ACTION REGARDING MEMBER CONTRIBUTIONS AND DEATH BENEFITS –:

A) A motion was made by Dr. Winters with a second made by Dr. Trennepohl to resolve into Executive Session at 11:27 a.m. The motion carried by a unanimous voice vote.

Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters. Executive Director, Tom Spencer; General Counsel, Julie Ezell; and tax counsel, MaryBeth Braitman from Ice Miller were also present during the Executive Session.

- B) A motion was made by Dr. Winters with a second by Mr. Dickson to return to Open Session at 12:40 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

Open session reconvened at 12:40 p.m.

ITEM 8 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION REGARDING MEMBER CONTRIBUTIONS AND DEATH BENEFITS: No action was taken.

*A break for lunch was taken from 12:41 p.m. to 12:50 p.m.
Dr. Lewis left at 12:41 p.m.*

ITEM 9 – EXTERNAL AUDIT REPORT: Representatives from external auditors, Cole & Reed, presented their report to the Board. They reminded the Board about the implementation of GASB 67 and 68 and complimented TRS staff members for helping provide information required for the audit. After some discussion, a motion was made by Dr. Winters with a second made by Mr. Oster to accept the external audit report from Cole & Reed. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 10 – COMMITTEE REPORTS:

Dr. Trennepohl, Chair of the Governance Committee, said there was no report from the committee.

Mr. Meyers, Chair of the Audit Committee, said there was no report from the committee.

ITEM 11 – EXTERNAL AUDIT REQUEST FOR PROPOSALS: Tom Spencer, Executive Director, reviewed the Request for Proposals document OTRS planned to post to search for an external auditor. After some discussion, a motion was made by Dr. Trennepohl with a second made by Mr. Dickson to approve the External Auditor RFP document for posting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 12 – PERFORMANCE EVALUATION DOCUMENT AND JOB DESCRIPTION OF THE GENERAL COUNSEL: Tom Spencer, Executive Director, referred the Board to the packet materials and reviewed the job description for the General Counsel position. Mr. Spencer said the job description had been updated since the position was filled in March 2014 to reflect some of the changes in responsibilities for the General Counsel. He said that the General Counsel position was hired directly by the Board, so the Board would be responsible for the evaluation of that position. After some discussion, a motion was made by Ms. Kerr with a second made by Ms. Geiger to adopt both the job description and job evaluation for the position of General Counsel.

The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

Mr. Meyers left at 1:10 p.m.

ITEM 13 – EXECUTIVE SESSION REGARDING EMPLOYMENT, EVALUATION ISSUES, COMPENSATION, HIRING, APPOINTMENT, PROMOTION, DEMOTION, DISCIPLINING, TERMINATION OR RESIGNATION OF THE GENERAL COUNSEL:

- A) A motion was made by Ms. Geiger with a second made by Mr. Oster to resolve into Executive Session at 1:12 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters. Executive Director, Tom Spencer, was present during the Executive Session.

- B) A motion was made by Mr. Gaddis with a second made by Ms. Geiger to return to Open Session at 1:20 p.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

Open Session reconvened at 1:20 p.m.

ITEM 14- ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION REGARDING GENERAL COUNSEL: A motion was made by Mr. Gaddis with a second made by Mr. Oster to approve a 5% raise for the General Counsel. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 15 – ACTION TO ADOPT A WORKING DRAFT OF PROPOSED PERMANENT ADMINISTRATIVE RULES FOR THE PURPOSE OF SUBMISSION TO THE GOVERNOR AND FOR PUBLIC COMMENT 715:1-1-19 EMERGENCY RULE, PERMANENT PROMULGATION: Julie Ezell, General Counsel, directed the Board’s attention to the packet of materials so she could review the working draft of the proposed rules. She gave a brief overview of the process of rule promulgation. After some discussion, a motion was made by Dr. Winters with a second made by Mr. Oster to open the rulemaking record. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

ITEM 16 - DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS: Dixie Moody, Director of Client Services, gave a brief presentation to the Board. After some discussion, a motion was made by Mr. Oster with a second made by Ms. Geiger to approve the monthly retirement report. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters.

Melissa Kempkes, Investment Analyst, said her report had been covered during the Investment Committee report. No action was necessary.

Kim Bold, Director of Human Resources, gave her report to the Board. No action was necessary.

Debra Plog, Manager of Employer Reporting, gave her report to the Board. No action was necessary.

Riley Shaull, Comptroller, presented the Finance Report to the Board. After a brief discussion, no action was necessary.

Julie Ezell, General Counsel to the Board, gave her legal report. After some discussion, no action was necessary.

Tom Spencer, Executive Director, presented his report to the Board. After a brief discussion, no action was necessary.

ITEM 17 - QUESTIONS AND COMMENTS FROM TRUSTEES: The Trustees recognized and welcomed Tom Spencer as the official Executive Director.

ITEM 18 - NEW BUSINESS: There was no new business from the Board.

ITEM 19 – ADJOURNMENT: There being no further business, a motion was made by Dr. Trennepohl with a second made by Mr. Oster to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Kerr, Mr. Oster, Ms. Stephenson, Dr. Trennepohl, and Dr. Winters. The meeting was adjourned at 2:15 p.m.

BOARD OF TRUSTEES, TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Vernon Florence, Vice-Chairman

ATTEST:

BY: _____
Beth Kerr, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers’ Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on December 17, 2014.

BY: _____
Susan Yingling, Executive Assistant

December Manager Status Report

Manager	Mandate	Strategy	AUM	% of Portfolio	Current Status	Reason for Status Change	Status Change Effective Date	Date of Last Review	Date of Next Review	Expectations
MacKay Shields LLC	Fixed Income	High Yield	257,168,324	1.83%	On Alert	Personnel Change	June 2014	June 2014	December 2014	Maintain continuity of management practices and results
Geneva Capital Management, LTD	Domestic Equity	Small Cap	189,299,390	1.35%	On Alert	Acquisition	July 2014	July 2014	December 2014	Maintain continuity of management practices and results
Lord Abbett & Co. LLC	Fixed Income	Core Plus	613,973,080	4.37%	On Alert	Personnel Change	July 2014	July 2014	December 2014	Maintain continuity of management practices and results

All other managers currently rated In Compliance



December 10, 2014

Ms. Melissa Kempkes
Business Analyst, Operations and Investments
Teachers' Retirement System of Oklahoma
2500 N. Lincoln Boulevard, 5th Floor
Oklahoma City, OK 73152

Re: Policy Exemption Renewal Requests – High Yield Full Discretion Portfolio (K480N5)

Dear Melissa:

We would like to respectfully request the renewal of the following exceptions to the current Investment Policy Statement, dated August, 2012:

- 1) Increase the maximum portfolio concentration in emerging markets from 10% to 30%,
- 2) Increase the maximum portfolio concentration in non-USD from 20% to 40%, and
- 3) Establish a 10% allocation to preferred stock.

As you know, a key component of our investment strategy in the high yield account is taking advantage of global opportunities. In addition, our view is that certain emerging markets are well positioned to capture a larger share of world economic growth.

As with other sectors of the market, preferred stocks can, at times, offer opportunities in specific credits where relative value is apparent. By employing the same fundamental research based credit picking process that we use in other sectors of the market, we believe there can be an opportunity to add value to this portfolio through the use of preferred stocks.

Thank you for your consideration regarding maintaining these additional flexibilities. Except as noted above, all other guidelines remain the same. Please sign a copy of this letter and return it to us for our records, at your earliest convenience. If you have questions or need any additional information, please let me know.

Best regards,

John A. Cardinali, CFA
VP, Client Portfolio Manager
Tel: 617-960-4483
Fax: 617-482-5032
jcardinali@loomissayles.com

cc: Doug Anderson, Gregory W. Group

AGREED and ACCEPTED

By: _____
Authorized Signatory

Date: _____

SHAPIRO CAPITAL MANAGEMENT LLC

ONE BUCKHEAD PLAZA, SUITE 1555 3060 PEACHTREE ROAD, N.W., ATLANTA, GEORGIA 30305
TELEPHONE (404) 842-9600 • (800) 762-0227 • FAX (404) 842-9610

December 11, 2014

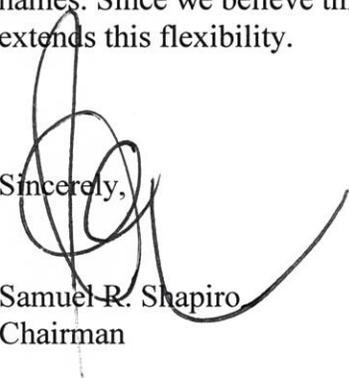
Oklahoma Teachers' Retirement System
Board Members
P.O. Box 53524
Oklahoma City, OK 73152-3524

Dear Board Members:

We would like to maintain the ability to invest on a very selective basis in larger capitalization companies up to 15% of the portfolio. We understand our mandate will continue to be evaluated as a small capitalization portfolio. We would like to have this in place for a period of three years.

During the second half of 2014, Shapiro Capital's Small Cap Enhanced Composite outperformed our Small Cap Composite. The enhanced composite includes the flexibility to invest up to 15% of a portfolio into larger cap names. Since we believe this trend favoring larger capitalization is likely to continue, we request the board extends this flexibility.

Sincerely,



Samuel R. Shapiro
Chairman



JOE EZZELL, CPA
ASSISTANT EXECUTIVE DIRECTOR

MARY FALLIN
GOVERNOR

STATE OF OKLAHOMA
OKLAHOMA TEACHERS RETIREMENT SYSTEM

December 10, 2013

Oklahoma Teachers Retirement Investment Policy Exception Renewal Form

Date: 12/11/2014

Manager: Shapiro Capital Management - Small Cap Domestic Equity

OTRS Investment Policy: Section VII A regarding capitalization requirements

Exception Request:

We would like to maintain the ability to invest on a very selective basis in larger capitalization companies up to 15% of the portfolio. We understand our mandate will continue to be evaluated as a small capitalization portfolio. We would like to have this in place for a period of three years.

Reason for Exception: (Explain the reason for the exception)

During the second half of 2014 Shapiro Capital's small cap enhanced composite outperformed our small cap composite. The enhanced composite includes the flexibility to invest up to 15% of a portfolio into larger cap names. Since we believe this trend favoring larger capitalization is likely to continue, we request the board extends this flexibility

Accepted and Approved:

Name: _____

By: _____

Title: _____

WELLINGTON MANAGEMENT COMPANY LLP
280 Congress Street, Boston, MA 02210 USA

T +1.617.951.5000
www.wellington.com

WELLINGTON
MANAGEMENT®

November 14, 2014

Ms. Melissa Kempkes
Oliver Hodge Building, 5th Floor
2500 North Lincoln Boulevard
P.O. Box 53524
Oklahoma City, OK 73152

Dear Melissa,

We are writing to request an extension to our current exception to the investment guidelines in the Teachers' Retirement System of Oklahoma's International Small Cap Equity portfolio. The Investment Policy Statement limits country allocation to Japan at 35%. Wellington currently has an exception from this restriction, and we are allowed a maximum allocation to Japan of 40%, which expires December 31, 2014. We are requesting an increase for up to 45% in Japan, and an extension for as long a time period as you are comfortable with.

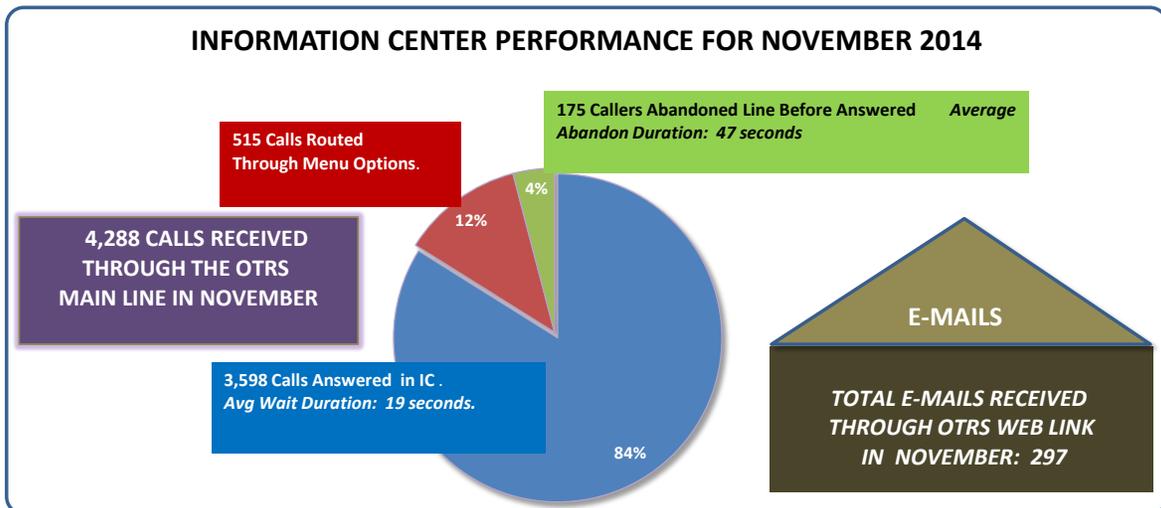
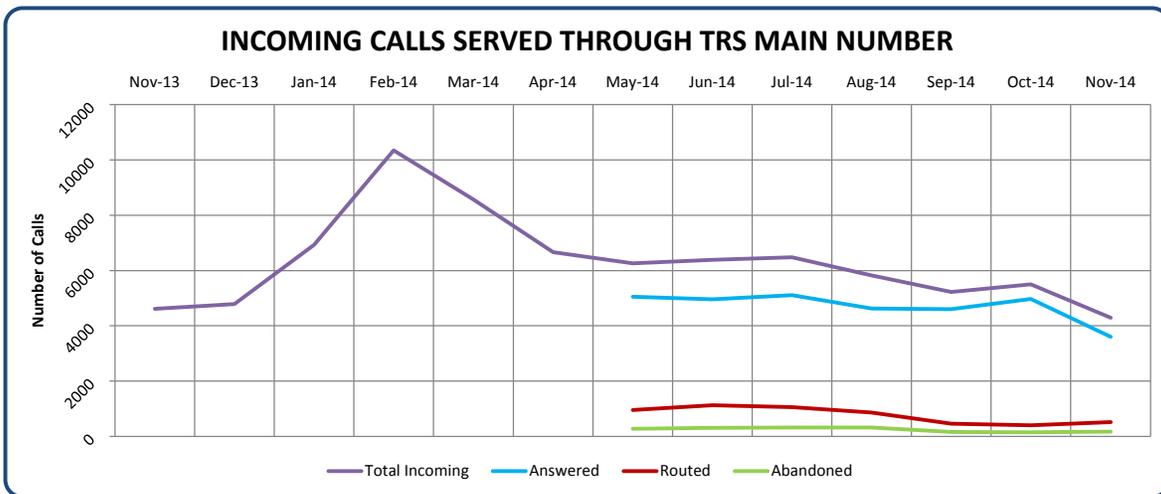
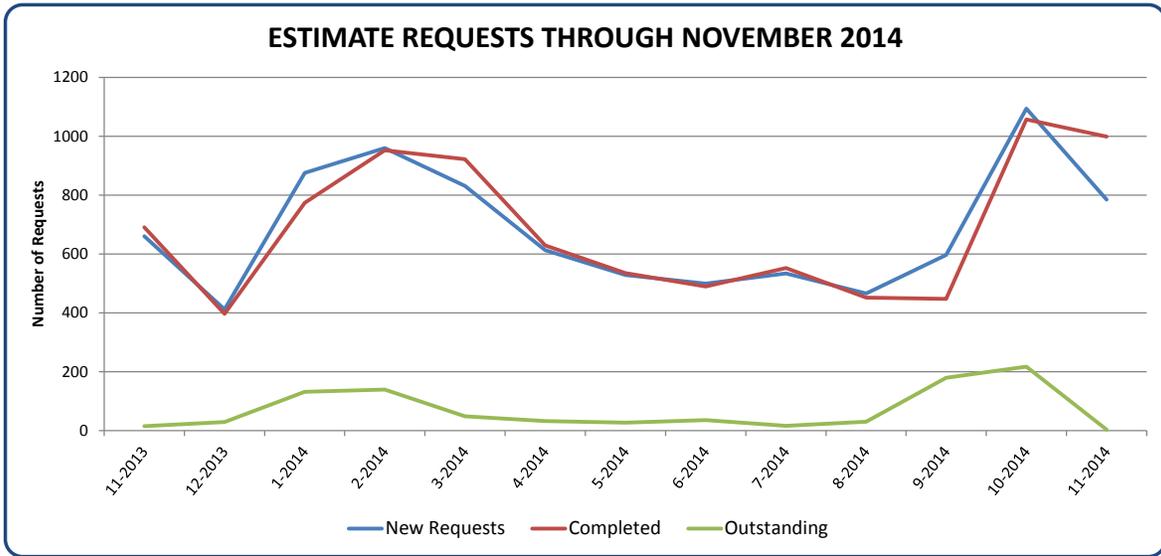
Please contact me at (617) 951-5867 if you have any questions.

Thank you very much,



Alexander (Zander) Grant
Relationship Manager

CLIENT SERVICES PERFORMANCE METRICS THROUGH NOVEMBER 2014





OKLAHOMA TEACHERS RETIREMENT SYSTEM

PO BOX 53524 OKLAHOMA CITY, OKLAHOMA 73152

(405) 521-2387 OR TOLL FREE (877) 738-6365

Monthly Retirement Status Report

December 1, 2014

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
New Retirements					
Disability	8	\$11,300.75	\$1,412.59	19.25	52.00
Normal	85	\$112,412.16	\$1,322.50	19.19	62.39
Total	93	\$123,712.91	\$1,330.25	19.19	61.49
Terminated Annuities	58	(\$80,713.90)	\$1,391.62	24.71	80.33

NORMAL RETIREMENTS			December 1, 2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0242423	29	63	12/1/2014	102781	\$2,694.61
Q0300477	5	65	12/1/2014	102747	\$94.35
Q0123076	35	67	12/1/2014	103035	\$1,967.90
Q0127397	23	58	12/1/2014	102782	\$815.67
Q0003709	31	66	12/1/2014	102658	\$2,475.52
Q0167985	16	55	12/1/2014	102783	\$162.85
Q0181231	12	65	12/1/2014	102755	\$490.93
Q0203354	25	61	12/1/2014	102784	\$1,158.42
Q0202442	18	62	12/1/2014	103036	\$1,476.92
Q0040890	7	81	12/1/2014	102716	\$93.87
Q0017228	14	62	12/1/2014	102659	\$3,828.71
Q0242647	30	62	12/1/2014	102742	\$2,831.09
Q0229753	37	63	12/1/2014	102906	\$2,921.99
Q0163587	11	62	12/1/2014	102660	\$646.57
Q0106245	19	61	12/1/2014	102749	\$1,013.48
Q0011710	35	65	12/1/2014	102769	\$2,654.86
Q0201172	18	63	12/1/2014	102661	\$1,052.04
Q0032837	9	62	12/1/2014	102662	\$504.40
Q0028131	8	66	12/1/2014	102850	\$521.44
Q0086127	42	64	12/1/2014	102837	\$3,846.01
Q0245061	21	59	12/1/2014	102663	\$1,038.29
Q0048802	26	61	12/1/2014	102664	\$1,795.64
Q0219892	14	64	12/1/2014	102808	\$1,309.22
Q0009980	7	67	12/1/2014	102665	\$450.67
Q0032909	12	62	12/1/2014	102732	\$642.40
Q0251640	9	62	12/1/2014	103034	\$740.77
Q0088926	24	57	12/1/2014	102666	\$1,714.36
Q0202852	16	62	12/1/2014	102667	\$633.18
Q0138688	13	73	12/1/2014	102687	\$373.06
Q0254711	21	59	12/1/2014	102787	\$1,414.51
Q0293224	6	63	12/1/2014	102668	\$90.08
Q0021182	16	62	12/1/2014	102717	\$1,650.79
Q0165085	31	57	12/1/2014	102554	\$1,692.49
Q0161547	31	67	12/1/2014	102669	\$3,195.55
Q0235512	11	62	12/1/2014	102905	\$592.32
Q0137976	25	74	12/1/2014	102674	\$1,043.77
Q0219826	6	67	12/1/2014	102788	\$454.93
Q0005646	10	57	12/1/2014	102779	\$438.57
Q0199053	13	65	12/1/2014	102751	\$810.92
Q0164151	25	62	12/1/2014	102688	\$696.27
Q0181636	28	66	12/1/2014	102670	\$1,286.93
Q0049117	38	59	12/1/2014	102671	\$4,582.44
Q0034697	18	56	12/1/2014	102770	\$740.95
Q0230840	22	62	12/1/2014	102672	\$1,395.49
Q0224995	10	62	12/1/2014	102675	\$275.28
Q0068961	26	57	12/1/2014	102673	\$1,911.61
Q0049809	25	58	12/1/2014	102809	\$1,705.63
Q0161476	21	63	12/1/2014	103015	\$1,619.16

Q0183083	40	61	12/1/2014	102789	\$3,921.63
Q0087773	20	60	12/1/2014	102611	\$499.50
Q0236112	10	64	12/1/2014	102642	\$414.05
Q0146665	20	56	12/1/2014	102870	\$767.78
Q0143285	17	62	12/1/2014	102589	\$1,261.25
Q0063263	13	65	12/1/2014	102746	\$327.59
Q0078947	13	77	12/1/2014	102624	\$1,312.04
Q0163875	37	59	12/1/2014	102754	\$4,684.02
Q0088383	21	59	12/1/2014	102790	\$1,658.93
Q0145536	30	55	12/1/2014	102830	\$2,450.34
Q0201010	25	63	12/1/2014	102807	\$2,217.63
Q0205061	21	59	12/1/2014	102690	\$1,251.74
Q0125614	16	62	12/1/2014	102705	\$389.25
Q0299396	6	67	12/1/2014	103037	\$158.92
Q0005529	21	67	12/1/2014	102565	\$1,100.59
Q0086620	28	59	12/1/2014	102843	\$2,579.24
Q0199085	14	62	12/1/2014	102727	\$1,192.01
Q0158711	15	70	12/1/2014	102691	\$376.23
Q0295833	7	62	12/1/2014	102706	\$354.41
Q0146382	34	58	12/1/2014	102778	\$2,517.64
Q0186448	14	55	12/1/2014	102530	\$424.00
Q0012343	8	62	12/1/2014	102729	\$370.83
Q0072433	26	54	12/1/2014	102803	\$1,943.68
Q0298110	6	57	12/1/2014	102577	\$79.71
Q0105185	30	64	12/1/2014	102914	\$2,242.20
Q0202081	15	65	12/1/2014	102584	\$806.54
Q0143494	13	62	12/1/2014	102686	\$259.30
Q0182264	20	62	12/1/2014	102774	\$1,627.35
Q0017945	11	55	12/1/2014	102826	\$143.96
Q0052208	33	54	12/1/2014	102772	\$2,505.03
Q0044281	13	67	12/1/2014	102766	\$766.84
Q0067728	12	62	12/1/2014	102655	\$319.15
Q0031432	18	63	12/1/2014	102871	\$1,280.62
Q0182960	14	62	12/1/2014	102838	\$993.79
Q0280025	10	62	12/1/2014	102585	\$905.54
Q0036762	15	63	12/1/2014	102858	\$2,507.36
Q0007845	8	69	12/1/2014	102862	\$254.56

Averages	19.19	62.39			\$1,322.50
			Totals	85	\$112,412.16

DISABILITY RETIREMENTS			From December 1, 2014		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0230582	10	56	12/1/2014	D103027	\$662.37
Q0145980	16	59	12/1/2014	D102752	\$1,412.57
Q0132799	19	42	12/1/2014	D103020	\$1,191.30
Q0109618	26	53	12/1/2014	D103024	\$3,056.58
Q0205868	23	55	12/1/2014	D103019	\$1,662.08
Q0185770	25	50	12/1/2014	D103025	\$1,436.67
Q0128030	12	52	12/1/2014	D103021	\$317.23
Q0016610	23	49	12/1/2014	D102942	\$1,561.95
Averages	19.25	52.00			
			Totals	8	\$11,300.75

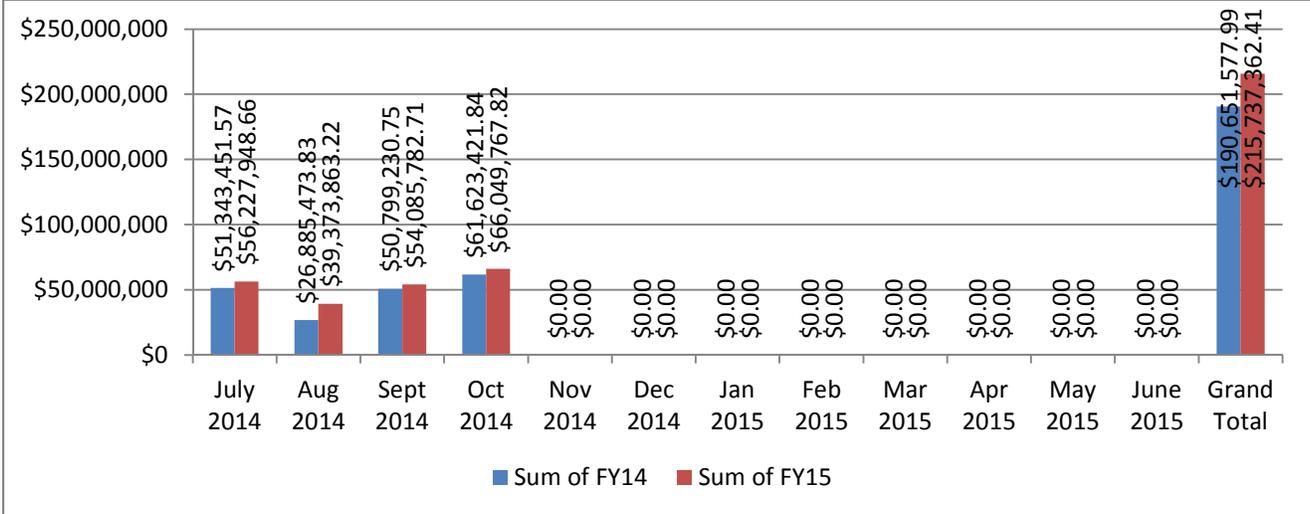
TERMINATIONS**December 1, 2014**

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	30	99	11/8/2014	12/1/2014	015561	\$1,403.76
Deceased	19	101	11/30/2014	12/1/2014	016421	\$927.43
Deceased	31	97	11/1/2014	12/1/2014	017784	\$1,371.89
Deceased	12	95	11/21/2014	12/1/2014	018105	\$328.22
Deceased	19	94	11/28/2014	12/1/2014	020690	\$893.53
Deceased	20	94	11/2/2014	12/1/2014	020989	\$768.62
Deceased	26	94	11/17/2014	12/1/2014	021087	\$807.31
Deceased	16	93	11/29/2014	12/1/2014	021691	\$593.58
Deceased	31	94	11/9/2014	12/1/2014	022018	\$937.99
Deceased	20	89	11/16/2014	12/1/2014	022038	\$698.26
Deceased	39	93	11/5/2014	12/1/2014	023004	\$1,891.11
Deceased	38	94	11/12/2014	12/1/2014	023949	\$2,355.06
Deceased	37	88	11/13/2014	12/1/2014	026923	\$2,215.92
Deceased	39	95	11/25/2014	12/1/2014	027228	\$2,279.40
Deceased	21	88	11/17/2014	12/1/2014	027235	\$1,095.64
Deceased	10	80	11/20/2014	12/1/2014	030387	\$79.31
Deceased	11	88	11/26/2014	12/1/2014	030670	\$222.16
Deceased	24	87	11/17/2014	12/1/2014	030866	\$1,398.89
Deceased	10	81	11/12/2014	12/1/2014	030906	\$255.91
Deceased	17	91	11/16/2014	12/1/2014	031223	\$263.50
Deceased	35	86	11/28/2014	12/1/2014	031780	\$2,221.18
Deceased	13	87	11/24/2014	12/1/2014	032065	\$236.63
Deceased	16	89	11/15/2014	12/1/2014	032249	\$509.67
Deceased	29	76	11/27/2014	12/1/2014	032576	\$1,553.18
Deceased	36	99	11/29/2014	12/1/2014	033717	\$1,647.40
Deceased	37	88	11/17/2014	12/1/2014	033794	\$2,609.73
Deceased	16	85	11/5/2014	12/1/2014	034508	\$676.45
Deceased	28	75	11/17/2014	12/1/2014	035071	\$1,959.75
Deceased	19	89	11/17/2014	12/1/2014	036804	\$1,071.40
Deceased	24	83	11/22/2014	12/1/2014	037329	\$1,543.92
Deceased	32	74	11/22/2014	12/1/2014	038355	\$1,560.14
Deceased	27	84	11/22/2014	12/1/2014	040230	\$1,546.99
Deceased	33	81	11/18/2014	12/1/2014	040706	\$1,807.51
Deceased	16	80	11/1/2014	12/1/2014	041662	\$753.21
Deceased	22	85	11/6/2014	12/1/2014	043232	\$814.22
Deceased	25	83	11/28/2014	12/1/2014	043996	\$1,840.25
Deceased	22	76	11/28/2014	12/1/2014	044724	\$1,588.42
Deceased	12	71	11/15/2014	12/1/2014	051381	\$142.30
Deceased	28	68	11/26/2014	12/1/2014	053991	\$1,787.00
Deceased	10	74	11/26/2014	12/1/2014	055109	\$861.77
Deceased	31	65	11/11/2014	12/1/2014	056734	\$2,070.04
Deceased	29	62	11/20/2014	12/1/2014	057258	\$2,025.36
Deceased	13	77	11/24/2014	12/1/2014	059354	\$315.86
Deceased	27	64	11/3/2014	12/1/2014	061052	\$1,652.86
Deceased	27	76	11/19/2014	12/1/2014	066889	\$2,428.84
Deceased	18	67	11/17/2014	12/1/2014	070223	\$964.00
Deceased	40	83	11/26/2014	12/1/2014	072534	\$644.60
Deceased	28	68	11/11/2014	12/1/2014	072979	\$2,025.89
Deceased	41	67	11/10/2014	12/1/2014	074567	\$6,212.77
Deceased	47	79	11/6/2014	12/1/2014	078525	\$3,121.18

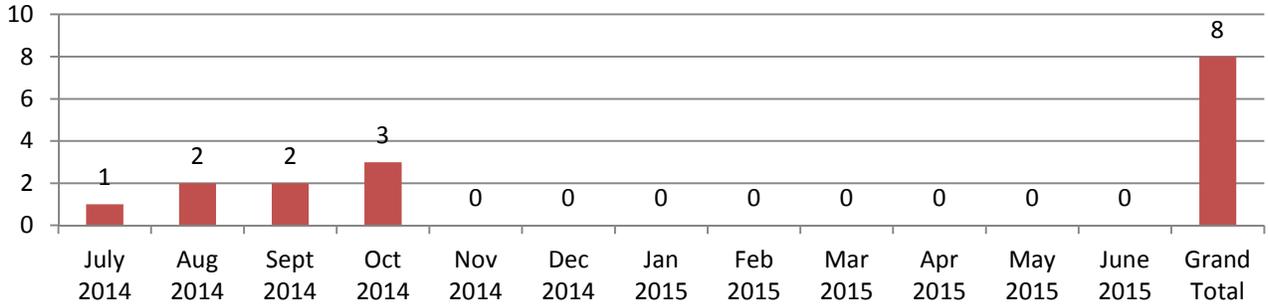
Deceased	24	61	11/8/2014	12/1/2014	096545	\$1,507.33
Deceased	34	61	11/29/2014	12/1/2014	096921	\$2,071.64
Deceased	24	61	11/6/2014	12/1/2014	099560	\$1,568.38
Deceased	32	68	11/29/2014	12/1/2014	100050	\$3,013.79
Deceased	19	66	11/17/2014	12/1/2014	D02020	\$1,186.85
Deceased	21	57	11/30/2014	12/1/2014	D02905	\$953.23
Deceased	18	55	11/18/2014	12/1/2014	D03055	\$951.39
Deceased	10	59	11/17/2014	12/1/2014	D102213	\$481.28
Averages	24.71	80.33				\$1,391.62
				Totals	58	\$80,713.90

Employer Reporting Analysis of Employee and Employer Contributions Received

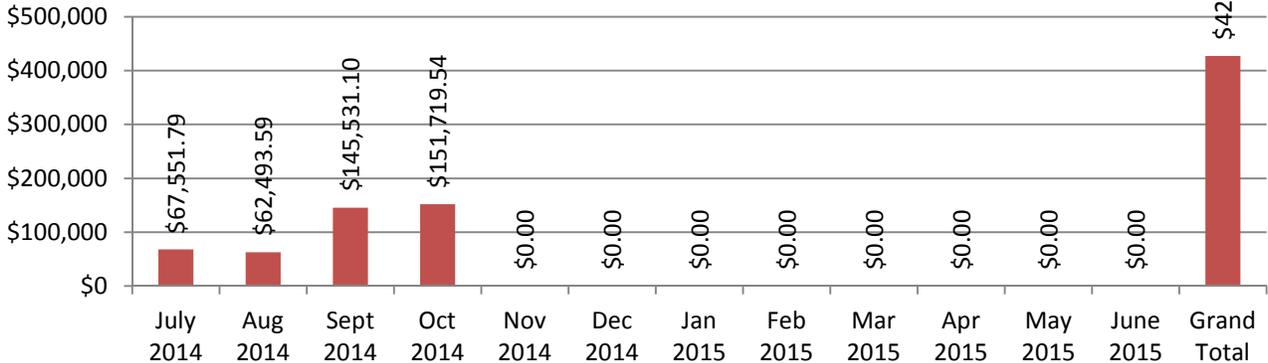
Comparison of Contributions Received For Four Months Ended October 31, 2013 and October 31, 2014



Estimated Number of Delinquent Reports FY15 Representing 5 Employers



Estimated Delinquent Funds FY15 Representing 5 Employers





**BALANCE SHEET
NOVEMBER 30, 2014**

CURRENT ASSETS:

Cash Not Available For Investment	\$95,686,653.70
Equities (At Market Value)	10,881,528,331.75
Fixed Income (At Market Value)	2,911,927,752.18
Short-Term Investment Account	359,690,505.97
Due From/(To) Broker	(158,694,633.46)
Accounts Receivable Installment Payments	1,237,028.93
Accrued Income	<u>46,895,919.95</u>
Total Current Assets	14,138,271,559.02

CAPITAL ASSETS:

Office Furniture and Equipment	3,098,149.51
Accumulated Depreciation	<u>(249,578.54)</u>

TOTAL ASSETS

\$14,141,120,129.99

CURRENT LIABILITIES:

Teachers' Savings Fund	\$4,399,625,125.82
Retirement Benefit Fund	9,574,148,837.67
Interest Fund	78,827,463.48
Expense Fund	48,965,926.26
Suspense Fund	<u>36,244,929.53</u>
Total Current Liabilities	14,137,812,282.76

TRS Capital Investment	<u>3,307,847.23</u>
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TOTAL LIABILITIES AND CAPITAL INVESTMENT

\$14,141,120,129.99

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE FIVE MONTHS ENDED NOVEMBER 30

	<u>Year to Date</u> (FY 2015)	<u>Year to Date</u> (FY 2014)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$14,201,669,559.43	\$11,817,761,245.40	
<u>RECEIPTS:</u>			
Members' Deposits	105,458,330.65	102,484,091.82	2.90%
Employer Contributions	152,584,677.20	147,590,569.63	3.38%
State Credits	15,448,534.00	15,438,851.50	0.06%
Reimbursed Administrative	2,870.48	86,257.98	-96.67%
Matching Funds from Schools	9,386,491.98	9,896,058.94	-5.15%
Lottery Revenue	1,346,654.50	1,417,526.50	-5.00%
Cigarette Sales Tax Revenue	704,035.53	694,827.28	1.33%
Dedicated Revenue	130,334,733.93	<u>121,712,905.23</u>	7.08%
Total Retirement Receipts	<u>415,266,328.27</u>	<u>399,321,088.88</u>	3.99%
Interest Income (Fixed Income and Short-Term)	52,435,132.79	52,305,022.37	0.25%
Dividend Income	90,249,504.40	85,262,095.86	5.85%
Net Realized Gain/(Loss)	384,481,292.64	372,784,477.50	3.14%
Net Unrealized Gain/(Loss)	(452,218,410.70)	815,871,362.79	-155.43%
Investment Operations Income:			
Class Action Lawsuit Proceeds	108.64	310,667.11	-99.97%
Other Income	86,369.42	17,310.66	398.94%
Securities Lending Income	3,793,466.29	<u>3,272,146.63</u>	15.93%
Total Investment Income	<u>78,827,463.48</u>	<u>1,329,823,082.92</u>	-94.07%
TOTAL RECEIPTS	<u>494,093,791.75</u>	<u>1,729,144,171.80</u>	-71.43%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	489,236,076.37	469,365,288.93	4.23%
Insurance Premiums Paid for Retirees	12,687,779.00	12,587,673.00	0.80%
Death Benefits	6,444,486.14	7,084,227.53	-9.03%
Withdrawals of Accounts	15,104,883.41	<u>14,385,632.99</u>	5.00%
Total Benefit Payments	<u>523,473,224.92</u>	<u>503,422,822.45</u>	3.98%
Administrative Expense:			
General Operations	2,085,004.49	2,171,823.19	-4.00%
Investment Expense	24,992,306.29	<u>20,105,267.23</u>	24.31%
Total Administrative Expenses	<u>27,077,310.78</u>	<u>22,277,090.42</u>	21.55%
TOTAL DISBURSEMENTS	<u>550,550,535.70</u>	<u>525,699,912.87</u>	4.73%
NET INCREASE/(NET DECREASE)	<u>(56,456,743.95)</u>	<u>1,203,444,258.93</u>	-104.69%
Balance of Cash and Investments, November 30	<u>\$14,145,212,815.48</u>	<u>\$13,021,205,504.33</u>	



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2014 and Fiscal Year 2015
5 Month Ended November 30, 2014

Object of Expenditure	FY-2014 YTD Actual Expenditures 11/31/2013	FY-2015 YTD Actual Expenditures 11/31/2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	807,221	713,620	(93,601)	-11.6%
Taxes, Benefits, and Other Expenses	389,464	360,252	(29,212)	-7.5%
Subtotal Personal Services	1,196,684	1,073,871	(122,813)	-10.3%
Professional Services				
Investment Manager Expenses	10,505,342	11,692,343	1,187,001	11.3%
Investment Consultant Expenses	292,500	234,000	(58,500)	-20.0%
Investment Custodian Expenses	22,356	0	(22,356)	-100.0%
Pension Commission Expenses	0	0	0	0.0%
Subtotal Investment Expenses	10,820,198	11,926,343	1,106,145	10.2%
Legal Services - Special Projects	1,517	14,482	12,965	854.4%
Legal Services - Attorney General	20,329	105	(20,224)	-99.5%
Administrative Hearings	0	0	0	0.0%
Auditing Services	46,395	125,942	79,548	171.5%
Actuarial Services	74,649	19,198	(55,452)	-74.3%
Medical Hearings	3,000	4,200	1,200	40.0%
Reimbursement for Executive Director Services	0	6,643	6,643	0.0%
Marketing Consultant	9,694	0	(9,694)	-100.0%
Miscellaneous Services	26,962	51,504	24,541	91.0%
Subtotal Professional Services	182,546	222,073	39,527	21.7%
Total Professional Services	11,002,744	12,148,416	1,145,672	10.4%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	18,874	13,666	(5,208)	-27.6%
Employee Training	11,728	1,813	(9,915)	-84.5%
Employee Travel Expenses	20,084	11,284	(8,801)	-43.8%
Subtotal Travel and Per Diem Expenses	50,686	26,762	(23,924)	-47.2%
Administrative Expenses				
Postage	11,859	86,040	74,181	625.5%
Telecommunications Services	9,233	10,798	1,565	16.9%
Printing and Binding Contracts	11,356	359	(10,997)	-96.8%
Informational Services	39,894	14,062	(25,832)	-64.8%
Rent and Maintenance	73,259	75,067	1,808	2.5%
Office Supplies	8,699	12,690	3,991	45.9%
Buildings and Other Structures Construction and Renovation	3,051	0	(3,051)	-100.0%
Miscellaneous Administrative Expenses	9,962	10,591	629	6.3%
Subtotal Administrative Expenses	167,313	209,607	42,294	25.3%
Data Processing Expenses				
Professional Services	364,925	288,455	(76,470)	-21.0%
Rent and Maintenance	1,950	1,040	(910)	-46.7%
Office Supplies	1,060	0	(1,060)	-100.0%
Equipment - Telecommunications	0	1,043	1,043	0.0%
Subtotal Data Processing Expenses	367,936	290,537	(77,398)	-21.0%
Total Expenses	12,785,363	13,749,194	963,830	7.5%
Total Investment Expenses Only	10,820,198	11,926,343	1,106,145	10.2%
Total Data Processing Expenses Only	367,936	290,537	(77,398)	-21.0%
Total except Investment & Data Processing Expenses	1,597,229	1,532,313	(64,916)	-4.1%



SCHEDULE II
Comparison of FY2015 Budget to Actual Expenses
5 Months ended November 30, 2014 Year to Date Comparison

Object of Expenditure	5 Month FY-2015 YTD Budget	5 Month FY-2015 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,012,403	713,620	(298,783)	-29.5%
Taxes, Benefits, and Other Expenses	541,397	360,252	(181,145)	-33.5%
Subtotal Personal Services	1,553,800	1,073,872	(479,928)	-30.9%
Professional Services				
Investment Manager Expenses	13,305,480	11,692,343	(1,613,137)	0.0%
Investment Consultant Expenses	292,500	234,000	(58,500)	-20.0%
Investment Custodian Expenses	23,000	0	(23,000)	0.0%
Pension Commission Expenses	17,500	0	(17,500)	0.0%
Subtotal Investment Expenses	13,638,480	11,926,343	(1,712,137)	-12.6%
Legal Services - Special Projects	3,500	14,482	10,982	313.8%
Legal Services - Attorney General	3,125	105	(3,020)	-96.6%
Administrative Hearings	2,075	0	(2,075)	-100.0%
Auditing Services	112,000	125,942	13,942	12.4%
Actuarial Services	77,650	19,198	(58,452)	-75.3%
Medical Hearings	6,425	4,200	(2,225)	-34.6%
Reimbursement for Executive Director Services	0	6,643	6,643	0.0%
Marketing Consultant	0	0	0	0.0%
Miscellaneous Services	14,135	51,504	37,369	264.4%
Subtotal Professional Services	218,910	222,074	3,164	1.4%
Total Professional Services	13,857,390	12,148,417	(1,708,973)	-12.3%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	21,500	13,666	(7,834)	-36.4%
Employee Training	11,505	1,813	(9,692)	-84.2%
Employee Travel Expenses	42,772	11,284	(31,488)	-73.6%
Subtotal Travel and Per Diem Expenses	75,777	26,763	(49,014)	-64.7%
Administrative Expenses				
Postage	106,250	86,040	(20,210)	-19.0%
Telecommunications Services	16,665	10,798	(5,867)	-35.2%
Printing and Binding Contracts	44,458	359	(44,099)	-99.2%
Informational Services	19,098	14,062	(5,036)	-26.4%
Rent and Maintenance	120,975	75,067	(45,908)	-37.9%
Office Supplies	16,279	12,690	(3,589)	-22.0%
Equipment	6,335	0	(6,335)	-100.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	12,925	10,591	(2,334)	-18.1%
Subtotal Administrative Expenses	342,985	209,607	(133,378)	-38.9%
Data Processing Expenses				
Professional Services	409,906	288,455	(121,451)	-29.6%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	1,875	1,040	(835)	-44.5%
Office Supplies	1,040	0	(1,040)	-100.0%
Equipment - Telecommunications	11,000	1,043	(9,957)	-90.5%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Subtotal Data Processing Expenses	423,821	290,538	(133,283)	-31.4%
Total Expenses	16,253,773	13,749,197	(2,504,576)	-15.4%
Total Investment Expenses Only	13,638,480	11,926,343	(1,712,137)	-12.6%
Total Data Processing Expenses Only	423,821	290,538	(133,283)	-31.4%
Total except Investment and Data Processing Expenses	2,191,472	1,532,316	(659,156)	-30.1%



Miscellaneous Professional Services Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Background Checks	20.00	38.00	19.00
Management Consultant	0.00	0.00	24,632.66
Interim Director Search	0.00	43,008.65	0.00
Document Destruction	1,500.00	1,081.00	1,077.52
Security	3,665.00	529.76	0.00
Business Service Center	2,000.00	4,546.13	1,233.03
Computer Professional Services	6,950.00	0.00	0.00
NAVEX Hotline - Ethics	0.00	2,300.02	0.00
	<u>\$14,135.00</u>	<u>\$51,503.56</u>	<u>\$26,962.21</u>

Miscellaneous Administrative Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Bank Service Charges	3,100.00	2,530.91	3,305.69
ERP Systems - PeopleSoft	1,360.00	1,062.00	1,327.50
Licenses, Permits, Certificates and Other Rights	0.00	748.50	277.50
Membership in Organizations	3,745.00	3,865.00	2,125.00
Advertising	1,720.00	813.52	1,679.86
Property and Liability Insurance	3,000.00	0.00	1,246.37
Tuition Vo-Tech Schools and Other Training	0.00	1,410.00	0.00
Interest on Withholding Taxes	0.00	161.42	0.00
	<u>\$12,925.00</u>	<u>\$10,591.35</u>	<u>\$9,961.92</u>



**CLAIMS FOR AUTHORIZED EXPENDITURES
NOVEMBER 30, 2014**

Expenses of Board

Trustee	Meeting, November 19 travel	\$ 131.20
Trustee	Meeting, November 19 travel	246.90
Trustee	Meeting, November 19 travel	248.26
Trustee	IN due diligence, travel	247.00
Trustee	CA due diligence, travel	345.00
		<hr/> 1,218.36

Travel of Employees

Comptroller	Per Diem, Mileage, Etc. - Nashville P2F2 Conference	1,340.77
Comptroller	Two OKAPP Conference Registration	165.00
Human Resources Director	HR Southwest Conference Registration	65.00
Human Resources Director	Lodging - HR Southwest Conference	224.25
Assistant Comptroller	Lodging - P2F2 Conference	404.72
Assistant Comptroller	Per Diem, Mileage, Etc. - Nashville P2F2 Conference	360.06
Client Services	Lodging - Wilburton retirement seminar	498.00
		<hr/> 3,057.80

Communications

Ala Carte Courier Services	Courier service	485.90
AT&T	Wireless, OneNet charges	406.84
Cox Communications	Cable charges	43.56
FedEx	Freight	53.26
JP Morgan Chase Bank, NA	Account analysis bank fees	620.41
Office of Management and Enterprise Services	Telecommunications, transaction fees	1,238.30
OPERS	Purchase of Director's cell phone and tablet	896.87
West Thomson Reuters	Legal Information Subscription	470.00
		<hr/> 4,215.14



**CLAIMS FOR AUTHORIZED EXPENDITURES
NOVEMBER 30, 2014**

Contingency, Maintenance, Insurance, Rent, Etc.

Precision Document Solution	Printer maintenance	\$ 250.96
Cameron University	Venue rental - Lawton retirement seminar	535.00
Department of Libraries	Records storage - September	511.20
Summit	Maintenance, letter opener	111.25
Standley Systems, LLC	Copiers lease	4,066.68
Target	Kitchen supplies - employee recognition luncheon	24.98
PF Changs	Catering - employee recognition luncheon	509.08
Extreme Beans	Kitchen supplies	1,119.80
First Aid Express	Safety supplies	249.30
Office of Management and Enterprise Services	Office rent - November	13,195.27
Texadelphia	Catering - November board meeting	286.00
Staples	Office supplies	225.16
Oklahoma Department of Corrections	Office furniture	1,405.01
Walker Co	Name plate - Director	14.96
Nat'l Association of State Retirement Administration	Membership - Director	3,750.00
Oklahoma Business Forms	Check stock - 11,000	944.24
Comptroller	Board refreshments - September and October	75.84
		27,274.73

Investment Expenditures

Bloomberg Financial Markets L	Terminal usage	6,000.00
Cushing/Swank	Investment management fees first quarter	465,173.99
Loomis Sayles	Investment management fees first quarter	536,924.71
EPOCH Investment Partners	Investment management fees first quarter	871,677.73
Geneva Capital Management	Investment management fees first quarter	318,977.00
Wasatch Advisors	Investment management fees first quarter	786,241.53
Lord Abbett & Company, LLC	Investment management fees first quarter	488,940.76
Mackay Shields	Investment management fees first quarter	604,340.34
Global Trading Analytics	Investment management fees third quarter 2014	6,750.00
		4,085,026.06



**CLAIMS FOR AUTHORIZED EXPENDITURES
NOVEMBER 30, 2014**

Professional Services, Workers Comp Insurance

Berwyn Group Inc.	Death verification service - 181,725 records	\$ 900.00
KPMG Limited - Taiwan	Tax guarantor service - 2013	4,900.00
Compsource Oklahoma	Workers compensation - October	4,143.00
Payton Osborne MD	November 2014 medical board	300.00
Dathan Jay MD	November 2014 medical board	300.00
George R Jay MD	November 2014 medical board	300.00
Ice Miller, LLP	Legal fees September and October 2014	2,248.84
MY Consulting Inc.	ALICE development	66,900.00
Office of Management and Enterprise Services	Interagency mail/postage	3,393.31
Office of Management and Enterprise Services	Server support, disk storage & network support	5,516.00
Office of Management and Enterprise Services	Desktop, laptop, email support	3,399.88
Stinnett & Associates LLC	Audit Fees - Audit support October 2014	31,285.68
The Meadows	Document destruction	495.25
		124,081.96

Salaries and Fringe Benefits

Salaries	Administrative department	29,726.18
Salaries	Finance/Accounting department	32,551.59
Salaries	Client Services department	79,600.98
Salaries	Investment department	5,000.00
Longevity Payroll		2,600.00
Excess Benefit Allowance		3,835.03
FICA/MQFE	Social Security and Medicare	11,160.18
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	849.60
Oklahoma Group Insurance	Employee health, dental, and life	31,388.44
Teachers' Retirement System of Oklahoma	Employees retirement contributions	32,911.91
Unemployment compensation	Unemployment for Agency payroll	233.17
		229,857.08
Grand Total		\$ 4,474,731.13



**OKLAHOMA TEACHERS
RETIREMENT SYSTEM**

**HR STATUS REPORT
12/17/2014**

HR STATUS REPORT

• **New Hires (November 2014):**

Employee: 102083
Title From: Executive Director
Salary: \$143,714
Effective: 11/01/2014

Employee: 269683
Title From: Retirement Planning Consultant (information center)
Salary: \$38,090
Effective: 11/18/2014

• **Resignations/Terminations/Retirements (November 2014):**

n/a

• **Promotion (November 2014):**

n/a

MISCELLANEOUS PAYMENTS (November 2014)

• **Severance Payments:**

n/a

NEW HIRES, RESIGNATIONS, RETIREMENTS OR OTHER CHANGES PENDING

- Retirement Planning Consultant (information center) – two hired – effective 12/2/2014 (Jan 2015 report)

**OKLAHOMA TEACHERS RETIREMENT SYSTEM
BOARD OF TRUSTEES**

Julie Ezell 3/24/14
General Counsel

Tom Spencer 11/1/14
Executive Director

Susan Yingling 9/23/13
Executive Assistant

BUDGETED 71500024
Assistant Executive Director

BUDGETED 71500017
Chief Investment Officer
INVESTMENTS

Melissa Kempkes 1/6/14
Investment Analyst

BUDGETED 71500016
Secretary-Treasurer / CFO
FINANCE/ACCOUNTING

Kim Bold 7/16/86
Human Resources Director

Dixie Moody 8/5/91
Director of Client Services
CLIENT SERVICES

Riley Shaul 3/13/13
Comptroller

Lisa Giles 3/25/98
Client Services Manager
(Communication & Education)

Debra Schmitt 11/22/99
Client Services Manager
(Information Center)

Frances Rogers 3/15/99
Client Services Manager
(Retirement Planning)

Lisa Van Liew 9/18/06
Assistant Comptroller

Sherrie Kenney 12/20/99
Sr. Retirement Planning Consultant
(Finalizations/Post Ret./PLSO)

Tammie Lambert-Miller 6/26/06
Retirement Planning Consultant
(Information Center)

Kris Thornton 2/22/99
Retirement Planning Consultant
(Audit/Billings/Estimates)

Sherry Blasko 1/19/12
Financial Accountant

Anthony Gilliard 8/14/06
Retirement Planning Consultant
(Voucher Review/Finalizations)

Craig Hasty 12/22/08
Retirement Planning Consultant
(Information Center)

Debbie Conrad 9/2/04
Retirement Planning Consultant
(Disabilities/Audit/Billings/Estimates)

Donna Spurrier 1/30/95
Business Manager

Nita Henderson 12/23/02
Retirement Planning Consultant
(Projections/Estimates)

Terri Shrock 8/20/12
Retirement Planning Consultant
(Front Desk)

Angie Wilson 11/8/04
Retirement Planning Consultant
(Audit/Billings/Estimates)

Kaleb Jones 3/11/14
Financial Accountant

Dennis Latham 2/22/12
Retirement Planning Consultant
(Survivor Benefits/OPERS Transfers)

Tracy Hall 7/23/14
Retirement Planning Consultant
(Information Center)

Brandi Bernard 8/30/12
Retirement Planning Consultant
(Audit/Billings/Estimates)

Debra Plog 9/14/00
Employer Reporting Manager

Lisa Miranda 6/16/14
Retirement Planning Consultant
(Withdrawals)

Nidhi Varghese 8/4/14
Retirement Planning Consultant
(Information Center)

Rocky La Marr 2/24/14
Business Analyst
(Employer Rprtng / Fin & Acctg)

Olga Phillips 5/29/07
Data Management Analyst

Amanda Walters 11/18/14
Retirement Planning Consultant
(Information Center)

Diane Burdine 3/19/12
Data Management Analyst

Teresa Nguyen 12/2/14
Retirement Planning Consultant
(Information Center)

BUDGETED 71500046
Retirement Planning Consultant

Ellen Roewe 12/2/14
Retirement Planning Consultant
(Information Center)

BUDGETED 71500032
Retirement Planning Consultant
(Information Center)