

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, December 16, 2014 – 3:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK**

AGENDA

- 1. CALL TO ORDER**
- 2. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 3. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS REPORT**
- 4. DISCUSSION AND POSSIBLE ACTION INVESTMENT POLICY EXCEPTION RENEWAL REQUEST FROM LOOMIS SAYLES**
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT POLICY EXCEPTION RENEWAL REQUEST FROM SHAPIRO**
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT POLICY EXCEPTION RENEWAL REQUEST FROM WELLINGTON**
- 7. DISCUSSION AND POSSIBLE ACTION ON REAL ESTATE REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION INVESTMENT POLICY STATEMENT REVIEW**
- 9. DISCUSSION AND POSSIBLE ACTION ON RENEWAL AND AMENDMENT OF CONTRACT WITH GREGORY W. GROUP**
- 10. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 11. ADJOURNMENT**

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE:

Chair: Vernon Florence

Members: James Dickson, Roger Gaddis, Jill Geiger, Gary Trennepohl

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

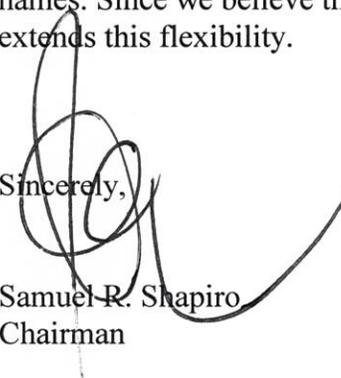
Oklahoma Teachers' Retirement System
Board Members
P.O. Box 53524
Oklahoma City, OK 73152-3524

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: _____

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WELLINGTON
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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