

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, April 21, 2015 – 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 OF THE PROCESS FOR CONSIDERING ASSET ALLOCATION AND RELATED REBALANCING POLICY**
- 5. DISCUSSION AND POSSIBLE ACTION ON THE DEFICIENCY IN THE SECURITIES LENDING PROGRAM FROM LEHMAN POSITIONS**
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT POLICY STATEMENT EXCEPTION REQUEST FROM LOOMIS SAYLES**
- 7. DISCUSSION AND POSSIBLE ACTION ON AMENDMENTS TO THE INVESTMENT POLICY STATEMENT**
- 8. DISCUSSION ON INVESTMENT DEPARTMENT REPORT**
- 9. DISCUSSION, POSSIBLE INTERVIEW AND SELECTION OF INVESTMENT CONSULTANT**
- 10. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 11. ADJOURNMENT**

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE:

Chair: Vernon Florence

Members: Bill Peacher, Roger Gaddis, Jill Geiger, Gary Trennepohl

March 2015 - Market Performance Update

Mixed Results as Volatility Returns

Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	-1.9	10.6	13.2	13.2
NASDAQ (prc chg only)	-1.3	15.2	16.6	15.4
S&P 500 cap weighted	-1.6	12.7	16.1	14.5
S&P 500 equal weighted	-0.9	13.2	18.4	16.0
S&P Mid Cap	1.3	12.2	17.0	15.7
S&P Small Cap	1.6	8.7	17.3	16.3
S&P REIT	1.7	24.1	14.2	15.9
Alerian MLP	-4.2	-2.5	9.2	13.7
Russell 1000 Growth	-1.1	16.1	16.3	15.6
Russell 1000 Value	-1.4	9.3	16.4	13.8
Russell Mid Cap Growth	0.3	15.6	17.4	16.4
Russell Mid Cap Value	-0.2	11.7	18.6	15.8
Russell 2000 Growth	1.8	12.1	17.7	16.6
Russell 2000 Value	1.7	4.4	14.8	12.5
Russell Top 200	-1.8	12.3	15.7	14.1
Russell 1000	-1.3	12.7	16.5	14.7
Russell Mid Cap	0.1	13.7	18.1	16.2
Russell 2500	1.3	10.1	17.1	15.5
Russell 2000	1.7	8.2	16.3	14.6
MSCI World Ex US	-1.7	-1.4	8.2	5.7
MSCI World Ex US Growth	-1.2	1.2	8.4	6.5
MSCI World Ex US Value	-2.2	-4.0	8.1	4.9
MSCI EAFE	-1.5	-0.9	9.0	6.2
MSCI Emerging Markets	-1.4	0.4	0.3	1.8

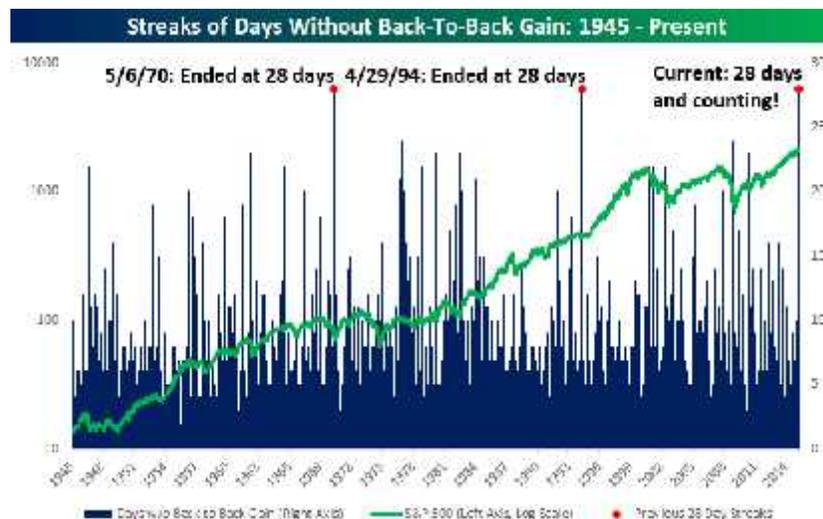
Equity prices were generally soft during March as global economic uncertainty prevailed. Oil prices were relatively stable during March, with WTI closing at just under \$50/bbl. The European Central Bank announced a truly massive QE stimulus program on January 22nd. Initial results are mixed and largely underreported due to the Greek "drama".

Equity and bond prices reversed courses during March (again). Share prices declined despite a flurry of mergers while bond prices moved higher. Growth stocks narrowly outperformed value in the US and abroad. Broad domestic and international indexes posted similar losses. Currency valuations (declining EURO) reduced strong equity returns in major European markets. Developed markets underperformed emerging markets by narrow margins during March and over the past year.

Bond prices improved slightly during March. The 30 year US Treasury closed March with a yield of 2.52% vs. 2.75% on December 31, 2014 and 3.52% at the close of last year's first quarter.

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.0	0.1	0.1
BC Long Treasury	1.2	21.4	7.7	10.6
BC US Agg	0.5	5.7	3.1	4.4



Manager Profile - Mackay Shields Core Plus



Asset Class:	Core Plus Fixed Income
Status:	In Compliance
Portfolio Size:	\$618,088,323
Inception Date:	11/1/2004
Initial Funding:	\$244,000,000
Subsequent Funding:	\$102,500,000
Annual Management Fee:	0.215%
Location:	New York, New York
Structure:	Wholly-owned by New York Life
Portfolio Management Team:	Lou Cohen, CFA, Senior Managing Director Michael Kimble, CFA, Senior Managing Director Taylor Wagenseil, Senior Managing Director Dan Roberts, PhD, Executive Managing Director and Chief Investment Officer
Represented by:	Lou Cohen, CFA, Portfolio Manager Steven Buckley, Client Portfolio Manager

Notes:

Mackay Shields manages diversified bond portfolios for their clients using a fundamentally based process. The process focuses bottom-up research on sectors and individual bonds. The firm has skill in the selection of non-Treasury issues, including high yield bonds.

The fund has provided strong returns since inception.

Founded:	1938
AUM:	\$91.2 Billion
Core Plus AUM:	\$12.6 Billion

Return Profile	Since Inception	Last 5 Years		Last 3 Years		Last Year		Last Quarter	Last Month	
Mackay Shields	6.2	6.4		4.9		3.7		1.3	-0.2	
Barclays Capital Aggregate	4.7	4.4	4.4	3.1	5.7	1.6	1.6	0.5	0.5	0.5

Risk Characteristics	Number of Issues	Credit Quality		Yield to Maturity		Effective Duration		Time to Maturity	Average Coupon	
Mackay Shields	361	A+		3.1%		3.6		6.3	5.2%	
Barclays Capital Aggregate	-	A	A	2.1%	5.3	7.7	7.7	3.3%	3.3%	3.3%

Manager Profile - Wasatch Small Cap Domestic Equity



Asset Class:	Small Cap Domestic Equity
Status:	In Compliance
Portfolio Size:	\$207,856,049
Inception Date:	6/1/2013
Initial Funding:	\$159,232,181
Subsequent Funding:	\$0
Annual Management Fee:	0.87%
Location:	Salt Lake City, Utah
Structure:	Employee owned
Portfolio Management Team:	JB Taylor, Portfolio Manager (Lead) Paul Lambert, Portfolio Manager
Represented By:	JB Taylor, Portfolio Manager (Lead) Kitty Swenson, Director of Client Relations

Notes:

Wasatch practices a disciplined and unique process that utilizes extraordinarily thorough due diligence, cross-team collaboration, and individual experience to find better investments. Wasatch uses a bottom-up process of fundamental analysis to look for individual companies that it believes are high-quality, stable, and have the potential to grow earnings for long periods of time.

Founded: 1975
Wasatch Total AUM: \$19.4 Billion
Small Cap and Micro Cap AUM: \$13.8 Billion

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Wasatch Small Cap	15.8	-	-	-	13.4	7.6	2.3
Russell 2000 Growth	18.5	-	-	-	12.1	6.6	1.8

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Wasatch Small Cap	53	\$4,300	0.5%	28.5	5.3
Russell 2000 Growth	1188	\$1,880	0.6%	24.7	4.2

Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,889,997,663	20.1%	17.0%	3.1%	Excess allocation bound for Private Equity and Real Estate.
Mid Cap	2,201,458,740	15.3%	13.0%	2.3%	
Small Cap	1,511,660,181	10.5%	10.0%	0.5%	
Total Domestic Equity	6,603,116,584	45.8%	40.0%	5.8%	
Large Cap International Equity	1,443,626,493	10.0%	11.5%	-1.5%	International equity allocation currently under review.
Small Cap International Equity	821,305,084	5.7%	6.0%	-0.3%	
International Transition Account	655,390				
Total International Equity	2,265,586,967	15.7%	17.5%	-1.8%	
Core Fixed Income	2,207,067,580	15.3%	17.5%	-2.2%	
High Yield Fixed Income	782,784,779	5.4%	6.0%	-0.6%	Capital calls progressing. New portfolio structure underway.
MLPs	1,091,942,267	7.6%	7.0%	0.6%	
Private Equity	493,012,617	3.4%	5.0%	-1.6%	
Real Estate	720,602,732	5.0%	7.0%	-2.0%	
Opportunistic Assets	166,250,227	1.2%	0.0%	1.2%	
Total Non-Core Assets	3,254,592,622	22.6%	25.0%	-2.4%	
Cash	77,557,263	0.5%	0.0%	0.5%	
Composite	14,407,962,896	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of March 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	14,407,962,896	12/1/1991	23.3	9.8	8.5	12.0	13.2	8.2	3.1	2.8	2.8	-0.3
Total Fund (Net of Fees)				9.4	8.1	11.6	12.8	7.8	3.0	3.1	2.7	-0.3
Allocation Index				9.4	7.4	10.6	11.1	7.5	3.1	2.2	2.2	-0.4
Actuarial Assumption				8.0	8.0	8.0	8.0	8.0	2.4	6.2	1.9	0.6
Total Domestic Equity	6,603,116,584 45.8%	4/1/1990	25.0	11.1	9.1	15.1	17.4	11.2	6.3	2.9	2.9	-0.1
S&P 500				9.8	8.0	14.5	16.1	12.7	7.1	1.0	1.0	-1.6
Total All Cap Equity	1,002,794,795 7.0%	9/1/2006	8.6	8.0	-	14.2	15.9	12.4	7.8	2.0	2.0	-1.0
Russell 3000				8.1	-	14.7	16.4	12.4	7.1	1.8	1.8	-1.0
Total Large Cap Active Equity	1,192,468,624 8.3%	1/1/1995	20.3	10.7	8.0	15.5	17.8	11.1	7.0	0.8	0.8	-1.4
S&P 500				9.8	8.0	14.5	16.1	12.7	7.1	1.0	1.0	-1.6
Total Mid Cap Equity	2,201,458,740 15.3%	11/1/1998	16.4	10.8	11.0	16.7	18.8	12.0	7.2	4.6	4.6	0.7
Russell Mid Cap				10.2	10.0	16.2	18.1	13.7	8.3	4.0	4.0	0.1
Total Small Cap Equity	1,511,660,181 10.5%	2/1/1998	17.2	9.7	9.4	13.5	16.8	8.0	2.5	3.6	3.6	0.8
Russell 2000				7.8	8.8	14.6	16.3	8.2	6.0	4.3	4.3	1.7
Total International Equity	2,265,563,842 15.7%	2/1/1998	17.2	8.8	6.0	7.0	9.1	-0.8	-3.8	5.1	5.1	-0.9
MSCI ACWI ex-US				-	5.9	5.3	6.9	-0.6	-5.5	3.6	3.6	-1.5
Large Cap International Equity	1,442,707,511 10.0%	2/1/1998	17.2	-	-	7.9	9.6	0.3	-3.1	4.5	4.5	-1.3
MSCI ACWI ex-US				-	-	-	6.9	-0.6	-5.5	3.6	3.6	-1.5
Small Cap International Equity	821,305,084 5.7%	12/1/2011	16.9	16.0	-	-	12.5	-2.6	-5.0	6.0	6.0	-0.2
MSCI ACWI ex-US				-	-	-	6.9	-0.6	-5.5	3.6	3.6	-1.5
Core Fixed Income (ex- High Yield)	1,864,141,448 12.9%	4/1/1990	25.0	6.5	6.8	6.5	5.0	4.7	2.0	1.4	1.4	-0.1
Barclays Aggregate				4.7	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
Active Duration Fixed Income	342,926,131 2.4%	11/1/2004	10.4	9.3	9.1	13.5	9.5	27.8	20.7	4.8	4.8	1.3
Barclays Aggregate				4.7	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
Master Limited Partnerships	1,091,942,267 7.6%	2/28/2011	4.1	18.0	-	-	20.1	8.9	-8.9	-0.6	-0.6	-2.7
Alerian MLP Index				9.6	-	-	9.2	-2.5	-14.6	-5.2	-5.2	-4.2
High Yield Bonds	782,784,779 5.4%	2/1/2009	6.2	13.9	-	8.8	8.0	2.8	-0.3	2.4	2.4	-0.4
ML High Yield II				14.8	-	8.4	7.5	2.1	-0.5	2.5	2.5	-0.5
Core Real Estate	649,268,370 4.5%	4/1/2011	4.0	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Non-Core Real Estate	71,334,362 0.5%	7/1/2014	0.7	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Cash	77,557,263 0.5%	4/1/1990	25.0	-	-	-	-	-	-	-	-	-
91 Day T-bill				-	1.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0

Equity Portfolios Summary

As of March 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
All Cap / Large Cap Domestic												
Hotchkis & Wiley Large Cap	615,727,400	4/1/1990	25.0	11.2	6.8	15.4	18.9	8.8	4.7	0.1	0.1	-1.3
Russell 1000 Value	4.3%			10.2	7.2	13.8	16.4	9.3	4.0	-0.7	-0.7	-1.4
Sawgrass	576,741,224	7/1/2006	8.8	9.3	-	15.9	16.7	13.7	9.6	1.6	1.6	-1.5
Russell 1000 Growth	4.0%			9.7	-	15.6	16.3	16.1	10.4	3.8	3.8	-1.1
ARI All Cap	475,502,016	9/1/2006	8.6	6.9	-	13.4	14.8	9.2	4.1	2.2	2.2	-0.6
Russell 3000	3.3%			8.1	-	14.7	16.4	12.4	7.1	1.8	1.8	-1.0
EPOCH All Cap	516,651,199	9/1/2006	8.6	9.0	-	14.9	16.9	15.7	11.4	1.8	1.8	-1.3
Russell 3000	3.6%			8.1	-	14.7	16.4	12.4	7.1	1.8	1.8	-1.0
Passive Domestic Equity												
NT Cap Weighted Passive	360,840,687	4/1/2012	3.0	16.5	-	-	16.5	13.0	7.4	1.3	1.3	-1.6
S&P 500 Cap Weighted	2.5%			16.1	-	-	16.1	12.7	7.1	1.0	1.0	-1.6
SSGA Eq Weighted Passive	333,893,557	4/1/2012	3.0	18.8	-	-	18.8	13.0	7.1	1.7	1.7	-1.0
S&P 500 Equal Weighted	2.3%			16.1	-	-	16.1	11.1	7.8	1.3	1.3	-1.1
Mid Cap Domestic Equity												
Frontier Capital	580,622,178	6/1/2002	12.8	11.2	12.7	16.3	18.6	15.4	11.1	7.9	7.9	1.6
Russell Mid Cap Growth	4.0%			10.1	10.2	16.4	17.4	15.6	10.7	5.4	5.4	0.3
Wellington Management	502,216,812	9/1/1998	16.6	11.0	10.0	14.0	15.3	10.5	7.2	6.2	6.2	1.1
Russell Mid Cap Growth	3.5%			9.5	10.2	16.4	17.4	15.6	10.7	5.4	5.4	0.3
AJO Partners	582,294,073	8/1/1998	16.7	11.6	10.4	17.9	20.0	14.3	8.9	4.1	4.1	1.1
Russell MidCap	4.0%			9.7	10.0	16.2	18.1	13.7	8.3	4.0	4.0	0.1
Hotchkis & Wiley Mid Cap	536,325,677	8/1/2002	12.7	14.4	10.8	18.5	20.9	7.6	1.8	0.5	0.5	-1.2
Russell MidCap Value	3.7%			12.0	9.6	15.8	18.6	11.7	5.7	2.4	2.4	-0.2
Small Cap Domestic Equity												
Shapiro Capital Management	688,270,031	2/1/1998	17.2	10.8	11.3	15.3	17.7	6.3	-3.1	0.4	0.4	-0.8
Russell 2000	4.8%			7.8	8.8	14.6	16.3	8.2	6.0	4.3	4.3	1.7
Geneva Capital	209,794,818	6/1/2013	1.8	16.9	-	-	-	9.9	12.2	8.6	8.6	2.9
Russell 2000 Growth	1.5%			18.5	-	-	-	8.2	6.0	4.3	4.3	1.7
Wasatch Advisors	207,856,049	6/1/2013	1.8	15.8	-	-	-	13.4	12.6	7.6	7.6	2.3
Russell 2000 Growth	1.4%			18.5	-	-	-	12.1	10.2	6.6	6.6	1.8
Cove Street Capital	107,919,160	6/1/2013	1.8	9.8	-	-	-	2.4	-2.2	3.3	3.3	1.3
Russell 2000 Value	0.7%			12.7	-	-	-	4.4	2.0	2.0	2.0	1.7
Frontier Capital	166,941,837	6/1/2013	1.8	14.3	-	-	-	4.7	0.5	2.7	2.7	1.6
Russell 2000 Value	1.2%			12.7	-	-	-	4.4	2.0	2.0	2.0	1.7
Neumeier Poma	130,878,286	6/1/2013	1.8	20.9	-	-	-	15.6	12.9	8.7	8.7	2.4
Russell 2000 Value	0.9%			12.7	-	-	-	4.4	2.0	2.0	2.0	1.7
International Large Cap Equity												
Causeway Capital	539,086,683	5/1/2003	11.9	10.1	-	-	9.3	-0.6	-3.3	3.8	3.8	-1.1
MSCI ACWI Ex US	3.7%			9.2	-	-	10.7	5.4	0.4	2.3	2.3	-1.6
Northern Trust Passive	903,620,828	9/1/2013	1.6	4.8	-	-	-	0.5	-3.6	5.0	5.0	-1.4
MSCI EAFE	6.3%			4.9	-	-	-	-0.5	-4.6	5.0	5.0	-1.4
Transition Account - Northern	655,390	9/1/2014	0.6	-	-	-	-	-	-	-	-	-
	0.0%			-	-	-	-	-	-	-	-	-
International Small Cap Equity												
ARI Small Cap International	211,699,441	12/1/2011	3.3	14.4	-	-	12.6	-0.2	-6.0	4.1	4.1	-1.4
MSCI EAFE Small Cap	1.5%			13.5	-	-	11.0	-2.6	-4.7	5.6	5.6	-1.0
Epoch Small Cap International	199,306,189	12/1/2011	3.3	11.9	-	-	9.7	-8.4	-8.3	6.6	6.6	0.7
MSCI EAFE Small Cap	1.4%			13.5	-	-	11.0	-2.6	-4.7	5.6	5.6	-1.0
Wasatch Small Cap International	201,224,585	12/1/2011	3.3	17.6	-	-	14.2	1.2	0.0	6.9	6.9	0.0
MSCI EAFE Small Cap	1.4%			13.5	-	-	11.0	-2.6	-4.7	5.6	5.6	-1.0
Wellington Small Cap International	209,074,869	12/1/2011	3.3	17.4	-	-	13.3	-2.4	-5.4	6.6	6.6	0.0
MSCI EAFE Small Cap	1.5%			13.5	-	-	11.0	-2.6	-4.7	5.6	5.6	-1.0

Fixed Income Portfolios Summary

As of March 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
Core Fixed Income												
Loomis Sayles	622,851,595	8/1/1999	15.7	7.0	7.7	7.1	5.5	4.3	1.1	1.1	1.1	-0.5
Barclays Aggregate	4.3%			5.6	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
Lord Abbett	623,201,530	11/1/2004	10.4	6.1	6.4	6.0	4.7	6.0	3.2	1.8	1.8	0.4
Barclays Aggregate	4.3%			4.7	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
Mackay Shields	618,088,323	11/1/2004	10.4	6.2	6.5	6.4	4.9	3.7	1.6	1.3	1.3	-0.2
Barclays Aggregate	4.3%			4.7	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
Active Duration Fixed Income												
Hoisington	342,926,131	11/1/2004	10.4	9.3	9.1	13.5	9.5	27.8	20.7	4.8	4.8	1.3
Barclays Aggregate	2.4%			4.7	4.9	4.4	3.1	5.7	3.6	1.6	1.6	0.5
High Yield Fixed Income												
Loomis Sayles High Yield	260,023,785	2/1/2009	6.2	13.9	-	8.2	8.0	2.8	-0.7	1.9	1.9	-0.9
Merrill Lynch High Yield II	1.8%			14.8	-	8.4	7.5	2.1	-0.5	2.5	2.5	-0.5
Lord Abbett High Yield	262,004,552	2/1/2009	6.2	14.7	-	9.7	8.8	3.0	-0.4	2.5	2.5	-0.1
Merrill Lynch High Yield II	1.8%			14.8	-	8.4	7.5	2.1	-0.5	2.5	2.5	-0.5
MacKay Shields High Yield	260,756,441	2/1/2009	6.2	12.9	-	8.5	7.1	2.5	0.1	2.8	2.8	-0.2
Merrill Lynch High Yield II	1.8%			14.8	-	8.4	7.5	2.1	-0.5	2.5	2.5	-0.5

Non-Traditional Portfolios Summary
As of March 31, 2015 (unless otherwise noted)

Master Limited Partnerships

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
Chickasaw Capital MLP	389,178,840	2/28/2011	4.1	24.3	-	-	26.3	10.2	-9.3	-1.1	-1.1	-2.9
Alerian MLP Index	2.7%			9.6	-	-	9.2	-2.5	-14.6	-5.2	-5.2	-4.2
Cushing MLP Management	382,217,173	2/28/2011	4.1	19.0	-	-	21.7	9.8	-8.1	0.0	0.0	-2.6
Alerian MLP Index	2.7%			9.6	-	-	9.2	-2.5	-14.6	-5.2	-5.2	-4.2
ARI MLP	320,546,254	2/28/2011	4.1	12.9	-	-	14.6	6.4	-9.5	-0.7	-0.7	-2.5
Alerian MLP Index	2.2%			9.6	-	-	9.2	-2.5	-14.6	-5.2	-5.2	-4.2

Private Equity

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed	% Called	IRR Inception ¹	IRR 3 Year ¹	IRR 1 Year ¹	Performance as of
Legacy Private Equity Portfolio	55,810,128	10/1/2008	6.4	\$97,500,000	\$92,080,850	94.4%	12.7%	15.7%	14.2%	9/30/2014
Russell 1000 + 4%							15.9%	27.2%	23.0%	
Franklin Park Private Equity	437,202,489	4/1/2010	4.9	\$1,200,000,000	\$407,037,500	33.9%	12.1%	14.1%	21.0%	9/30/2014
Russell 1000 + 4%							18.9%	27.2%	23.0%	

¹Private Equity IRR as of 9/30/2014 (most recent data available).

Real Estate

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed ²	% Called ²	Time Weighted Trailing Two Year Return (Annualized) ²	Time Weighted Trailing One Year Return ²	Performance as of
AEW Real Estate	222,919,382	5/1/2011	3.9	\$165,500,000	\$165,500,000	100%	10.9%	10.4%	12/31/2014
NFI-ODCE	1.5%						12.2%	11.5%	
Heitman Real Estate	226,216,090	5/1/2011	3.9	\$157,400,000	\$157,400,000	100%	12.4%	10.2%	12/31/2014
NFI-ODCE	1.6%						12.2%	11.5%	
L&B Real Estate	200,132,898	4/1/2011	4.0	\$150,000,000	\$150,000,000	100%	11.2%	12.6%	12/31/2014
NFI-ODCE	1.4%						12.2%	11.5%	
Antheus Capital	18,812,505	10/1/2014	0.5	\$53,750,000	\$16,125,000	30%	-	-	-
NFI-ODCE	0.1%						12.2%	11.5%	
Dune	17,310,090	10/1/2014	0.5	\$53,750,000	\$17,037,533	32%	-	-	-
NFI-ODCE	0.1%						12.2%	11.5%	
GreenOak Real Estate	12,398,914	10/1/2014	0.5	\$50,000,000	\$12,331,196	25%	-	-	-
NFI-ODCE	0.1%						12.2%	11.5%	
L&B Golden Driller	6,726,614	7/1/2014	0.7	\$60,000,000	\$1,365,000	2%	-	-	-
NFI-ODCE	0.0%						12.2%	11.5%	
Landmark Realty	2,336,002	12/1/2014	0.3	\$35,000,000	\$2,255,623	6%	-	-	-
NFI-ODCE	0.0%						12.2%	11.5%	
American Realty	13,750,236	12/1/2014	0.3	\$53,750,000	\$13,289,900	25%	-	-	-
NFI-ODCE	0.1%						12.2%	11.5%	
Starwood	-	-	-	\$43,750,000	\$0	0%	-	-	-
NFI-ODCE	0.0%						12.2%	11.5%	

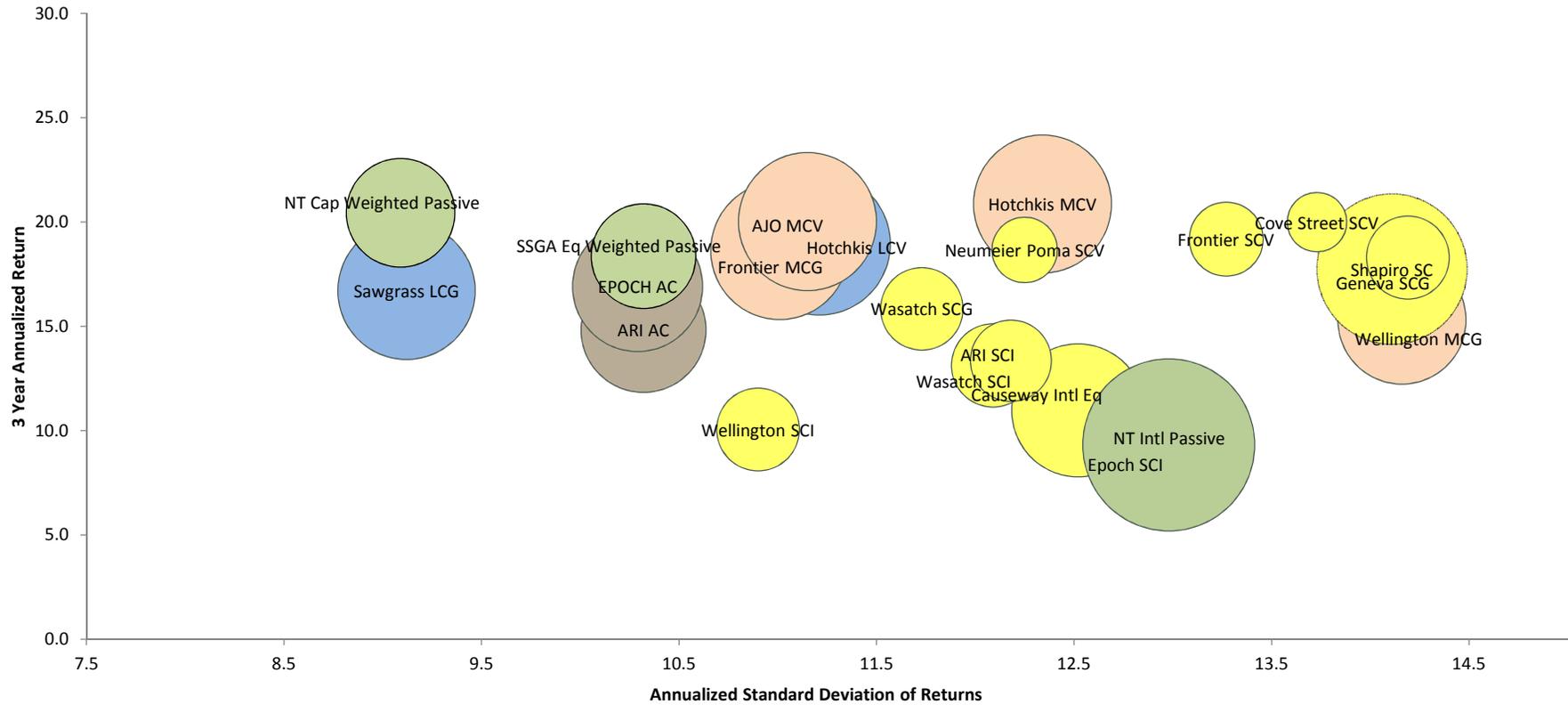
²Real Estate Data as of 12/31/2014 (most recent data available).

Opportunistic Fixed Income

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed ³	% Called ³	Time Weighted Return Since Inception (Annualized) ³	Time Weighted One Year Return ³	Performance as of
PIMCO BRAVO	79,888,252	3/31/2011	4.0	\$100,000,000	\$100,000,000	100%	23.5%	18.2%	12/31/2014
Barclays Aggregate	0.6%						2.2%	5.3%	
PIMCO BRAVO II	86,361,976	3/31/2013	2.0	\$150,000,000	\$78,750,000	53%	22.8%	23.7%	12/31/2014
Barclays Aggregate	0.6%						2.2%	5.3%	

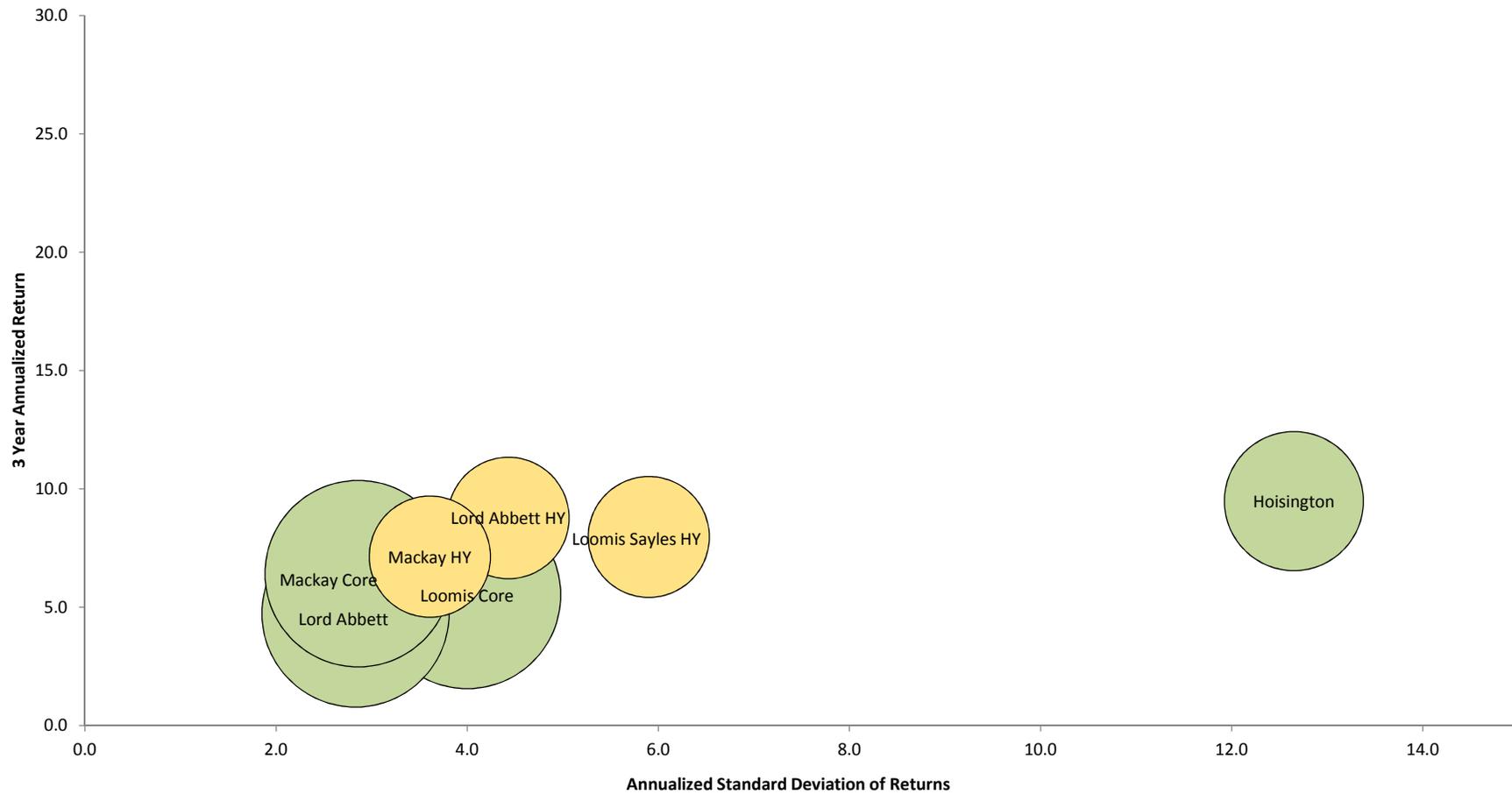
³Opportunistic Fixed Income data as of 12/31/2014 (most recent data available).

Three Year Risk/Return Review - Equity Portfolios



¹Actual OTRS results used when available, composite when necessary.

Three Year Risk/Return Review - Fixed Income Portfolios



¹Actual OTRS results used when available, composite when necessary.
Please note difference in standard deviation axis from previous page.

April 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
Geneva Capital Management, LTD	Domestic Equity	Small Cap	209,794,818	1.46%	On Alert	Acquisition	July 2014	December 2014	June 2015	Maintain continuity of management practices and results

All other managers currently rated In Compliance



March 5, 2015

Mr. Douglas J. Anderson
Gregory W. Group
15 W. Sixth Street, Suite 2901
Tulsa, OK 74119

Re: Investment Policy Exemption Request –Teachers’ Retirement System of Oklahoma Core Plus Portfolio (F45564)

Dear Doug:

We would like to respectfully request an exception to the guideline requirements under the OKTRS Investment Policy (February, 2015, Section VII.G.5), as follows: Increase the limit from 10% to 20% in instruments issued by a developing or emerging market issuer.

As you may recall, the current side letter dated September 6, 2013 allows for an increase from 10% to 15% in instruments in developing or emerging markets issuers as determined by MSCI. This guideline limitation includes both USD-pay and non-USD pay security exposure. The current 15% cap on emerging market issuers has limited the portfolio’s exposure to South Korea in particular due to the use of the MSCI emerging markets determination, and we would like to have the additional flexibility to take advantage of opportunities in this sector. The Republic of Korea (South Korea) is rated Aa3/A+/AA- and has proven to be a very high quality, highly liquid issuer in the Yankee/USD fixed income space, in our experience. Additionally, because this guideline limitation also includes non-USD securities, our present non-USD government exposure to Mexico and Philippines has also counted against the emerging market limit, as well as against our non-USD limit, further constraining portfolio flexibility.

Except as noted above, all other guidelines remain the same. Please arrange for OKTRS signature of this letter and return it to us for our records, at your earliest convenience.

Thank you for your consideration. If you have any questions, please let me know.

Best regards,

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

AGREED and ACCEPTED

By: _____
Authorized Signatory

Date: _____

cc: Gregory Weaver, Gregory W. Group

**MEETING MINUTES
DECEMBER 18, 2013
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 James Dickson, Chairman, at 9:04 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:

James Dickson, <i>Chair</i>	Jill Geiger
Bill Peacher, <i>Vice Chair</i>	Stewart Meyers, Jr.
Beth Kerr, <i>Secretary</i>	Andrew Oster
Vernon Florence	Gary Trennepohl
Roger Gaddis	Greg Winters

TRUSTEES ABSENT:

Philip Lewis
Billie Stephenson

TRS STAFF PRESENT:

Joe Ezzell, *Asst. Executive Director*
Dixie Moody, *Director of Client Services*
Riley Shaull, *Comptroller*
Rocky Cooper, *Director of Information Technology*
Grant Rohlmeier, *Manager of Operations and Investments*
Susan Yingling, *Executive Assistant*

LEGAL COUNSEL PRESENT:

Julie Ezell, *Assistant Attorney General*

OTHERS PRESENT:

Shawn Ashley, *eCapitol*
Norman Cooper, *OREA*
Wayne Maxwell, *RPOE*
Chancen Flick, *OEA*
Gene Hopper

*Denotes late arrival or early departure.

ITEM 1 – ROLL CALL FOR QUORUM: Chairman Dickson called the Board meeting to order at 9:04 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 2 – SWEARING IN OF NEW TRUSTEE: Andrew Oster was sworn in as a new trustee to the Board.

ITEM 3 – MEETING MINUTES: A motion was made by Dr. Winters with a second made by Mr. Gaddis to approve the November 20, 2013 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 4 - OVERVIEW OF PRESENTING MANAGERS: Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave the Board an overview of Northern Trust Asset Management and State Street Global Advisors, presenting managers to the Board. No action was necessary.

ITEM 5 – PRESENTATIONS BY INVESTMENT MANAGERS: Index Managers, Northern Trust Asset Management and State Street Global Advisors, gave their monthly reports to the Board. No action was necessary.

ITEM 6 – INVESTMENT CONSULTANT REPORT: Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave their monthly report to the Board. No action was necessary.

ITEM 7 – MANAGER STATUS SUMMARY REPORT: Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave the Board their Manager Status Summary Report. No action was necessary.

ITEM 8 – INVESTMENT COMMITTEE REPORT: Bill Peacher, Chairman of the Investment Committee, gave the Board an overview of the December 17, 2013 Investment Committee Meeting. Mr. Peacher advised the Board that the Investment Committee had five recommendations for consideration.

A motion was made by Mr. Florence with a second made by Dr. Trennepohl to allocate \$330 million to non-core real estate with leverage of no more than 60% of the total funds. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

A motion was made by Mr. Florence with a second made by Dr. Trennepohl to allocate \$65 million to L&B non-core strategies. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

A motion was made by Mr. Florence with a second made by Dr. Trennepohl to authorize Gregory W. Group to conduct RFP to find other non-core real estate funds. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson. Ms. Geiger was absent for the vote.

A motion was made by Dr. Trennepohl with a second made by Mr. Florence to indefinitely extend the Investment Policy exceptions originally granted to Loomis Sayles in 2012. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Kerr, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson. Ms. Geiger and Mr. Meyers were absent for the vote.

A motion was made by Mr. Gaddis with a second made by Mr. Dickson to grant an Investment Policy exception to Hotchkis & Wiley to allow them to use non-U.S. dollar denominated securities traded in local markets and securities of non-U.S. companies (including ADRs) traded over the counter in the U.S. market. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr.

**Investment Policy Exception Review
March 2015**

Manager	Expiration	IPS Section	Exception	Reporting Required
Hoisington	12/31/2016	VII:E:1	Increase maximum portfolio concentration in cash and cash equivalents from 5% to 100%	Quarterly reporting illustrating the contribution to total return
Wellington	12/31/2016	VII:D.5	Increase the maximum portfolio exposure in Japan from 35% to 40%	When the portfolio exposure in Japan exceeds 35%, provide quarterly reporting illustrating the contribution to total return
Lord Abbett	8/31/2017	VII: G.6	Increase the maximum concentration in developing or emerging markets issuers as determined by MSCI to 15%	Attribution from the EM allocation reported monthly as a component of portfolio total return
Shapiro	12/31/2017	VII:A	Selectively hold up to 15% of the portfolio in larger capitalization companies	Quarterly reporting with and without large cap holdings
Loomis Sayles <i>(High Yield)</i>	12/31/2017	VII: G.5,6	Increase the maximum portfolio concentration in emerging markets from 10% to 30%; increase the maximum portfolio concentration in non-USD from 20% to 40%; establish a 10% allocation to preferred stock in the High Yield Portfolio	Attribution from the allocation reported quarterly as a component of portfolio total return
Loomis Sayles <i>(Core Plus)</i>	N/A	VII: G.5	Increase the maximum portfolio concentration in emerging markets from 10% to 15%	Attribution from the allocation reported quarterly as a component of portfolio total return