

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, February 25, 2015 – 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 JANUARY 21, 2015, REGULAR BOARD MEETING**
- 3. DISCUSSION AND POSSIBLE ACTION ON RECOGNITION OF CURRENT AND FORMER TRUSTEES**
 - A. James Dickson
 - B. Beth Kerr
 - C. Stewart Meyers
 - D. Andrew Oster
- 4. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY & QUARTERLY REPORTS**
- 5. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Loomis Sayles (Core + Fixed Income)
 - B. Lord Abbett (Core + Fixed Income)
- 6. 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*
- 7. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT:**
 - A. Discussion and Possible Action to Award Contract for Master Custodian, Securities Lending & Commission Recapture Services
 - B. Discussion and Review of International Equity Portfolio
 - C. Discussion and Possible Action on Investment Policy Exception Request from Lord Abbett
 - D. Discussion and Possible Action on Investment Policy Statement
 - E. Discussion and update on RFP for Investment Consultant
 - F. Discussion on Investment Department Report
- 8. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
 - A. Governance
 - B. Audit Committee
 1. DISCUSSION AND POSSIBLE ACTION TO RECOMMEND SELECTION OF EXTERNAL AUDITOR OR SELECT FINALISTS FOR INTERVIEWS
- 9. DISCUSSION AND POSSIBLE ACTION ON OU/OSU GASB 68 IMPLEMENTATION CONCERNING ALLOCATION OF NET PENSION LIABILITY AND METHOD OF ALLOCATION FOR COMPREHENSIVE UNIVERSITIES**
- 10. DISCUSSION AND POSSIBLE ACTION TO APPROVE APPLICATION FOR OTRS MEMBERSHIP:**
 - A. Oklahoma Youth Academy Charter School
- 11. DISCUSSION AND POSSIBLE ACTION ON ADOPTION OF PERMANENT RULE 715:1-1-19**

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AGENDA (continued)

- 12. DISCUSSION AND POSSIBLE ACTION ON LEGISLATIVE REPORT**
- 13. DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:**
 - A. Client Services (70 O.S. 17-105)
 - B. Human Resources
 - C. Finance
 - D. General Counsel
 - E. Executive Director
- 14. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 15. NEW BUSINESS:** *(Any matter not known about or which could not have been reasonably foreseen prior to the time of posting." 25 O.S. 2011, § 311.)*
- 16. ADJOURNMENT**

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

**MEETING MINUTES
JANUARY 21, 2015
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 Bill Peacher, Chairman, at 9:02 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:

Bill Peacher, <i>Chairman</i>	Roger Gaddis
Vernon Florence, <i>Vice Chair</i>	Jill Geiger*
Beth Kerr, <i>Secretary</i>	Judie Harris
James Dickson	Billie Stephenson
Elaine Dodd	Greg Winters

TRUSTEES ABSENT:

Joy Hofmeister
Stewart Meyers
Philip Lewis

TRS STAFF PRESENT:

Tom Spencer, *Executive Director*
Julie Ezell, *General Counsel*
Dixie Moody, *Director of Client Services*
Lisa Van Liew, *Acting Comptroller*
Kim Bold, *Director of Human Resources*
Melissa Kempkes, *Investment Analyst*
Susan Yingling, *Executive Assistant*

OTHERS PRESENT:

Wayne Maxwell, *RPOE*
Ivy Riggs, *OEA*
Steve Massey, *OREA*
Shawn Ashley, *eCapitol*

*Denotes late arrival or early departure.

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 9:00 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. Harris, Ms. Kerr, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

ITEM 2 – SWEARING IN OF NEW TRUSTEE: Elaine Dodd was sworn in as a new Trustee.

ITEM 3 – MEETING MINUTES: A motion was made by Mr. Dickson with a second made by Ms. Kerr to approve the December 16, 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. Harris, Ms. Kerr, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

ITEM 4 - DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT: Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, gave their monthly report to the Board. No action was necessary.

Jill Geiger arrived at 9:32 a.m.

ITEM 5 - PRESENTATION BY INVESTMENT MANAGERS: Representatives from Advisory Research and Epoch presented their respective reports to the Board. No action was necessary.

ITEM 6 - 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. They said Geneva continued to remain “On Alert” until June 30, 2015, but that no action was required.

ITEM 7 - INVESTMENT COMMITTEE REPORT: Mr. Florence, Chair of the Investment Committee, presented the Investment Committee Report from the January 20, 2015 meeting. Mr. Florence advised the Board that there were several items up for a vote. He directed the Board to the handout listing the motions made by the Investment Committee members during the Investment Committee meeting.

7A) Melissa Kempkes, Investment Analyst, referred the Board to the one-page handout and reviewed the proposed changes for the Investment Policy Statement. After some discussion, Mr. Florence stated a motion had been made by Mr. Gaddis and seconded by Ms. Geiger to accept the changes to the Investment Policy Statement 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, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

7C) Mr. Florence said that Lord Abbett had notified the Board that one of its holdings had dropped from a CCC rating to a CCC- rating, but that Lord Abbett wanted to continue to hold the bond. After some discussion, Mr. Florence stated that a motion had been made by Mr. Gaddis and seconded by Ms. Geiger to grant Lord Abbett’s exception request. 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, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

7D) Tom Spencer, Executive Director, reviewed the firms that had sent in proposals in response to the RFP for Master Custody, Securities Lending, and Commission Recapture Services. After extensive discussion, Mr. Florence said a motion had been made by Mr. Gaddis with a second by Ms. Geiger to name J.P. Morgan and Northern Trust as finalists and consider asking both firms to come in for a presentation before the Board. 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, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

7E) Mr. Spencer reviewed the draft Request for Proposals for Investment Consultant Services. After some discussion, Mr. Florence said that a motion had been made by Mr. Gaddis with a second by Ms. Geiger to approve the issuance of the RFP for Investment Consultant Services.

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, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

7B) Ms. Kempkes presented the Investment Department report to the Board. No action was necessary.

A break was taken from 11:10 – 11:15 a.m.

ITEM 8 – COMMITTEE REPORTS:

8A) Ms. Kerr, member of the Governance Committee, said there was no report from the committee.

8B) Ms. Kerr, speaking on behalf of Stewart Meyers, presented the Audit Committee Report to the Board. She said the audit continued with Stinnett & Associates and the full report would be available at the February Board meeting. No action was necessary.

ITEM 9 – REPORT ON THE PROPOSED LEGISLATION FOR THE 2015 SESSION: Mr. Spencer directed the Board’s attention to a list of bills that had the potential of impacting the Teachers Retirement System. He said there would be more filed before the deadline. He said he would bring a report every month to keep track of the bills. The Board members thanked him. After some discussion, no action was necessary.

A break for lunch was taken from 11:45 a.m. to 12:15 p.m.

ITEM 10 - DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:

10A) Dixie Moody, Director of Client Services, gave a brief presentation to the Board. After some discussion, a motion was made by Mr. Dickson 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, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

10B) Kim Bold, Director of Human Resources, gave her report to the Board. No action was necessary.

10C) Lisa Van Liew, Acting Comptroller, presented the Employer Reporting and Finance Report to the Board. No action was necessary.

10D) Julie Ezell, General Counsel, presented the legal report to the Board. No action was necessary.

10E) Tom Spencer, Executive Director, presented his report to the Board. After a brief discussion, no action was necessary.

ITEM 11 - QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Board.

ITEM 12 - NEW BUSINESS: There was no new business from the Board.

ITEM 14 – ADJOURNMENT: There being no further business, a motion was made by Dr. Winters with a second made by Ms. Geiger 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, Ms. Stephenson, Dr. Winters, and Chairman Peacher. The meeting was adjourned at 12:35 p.m.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, 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 February 25, 2015.

BY: _____
Susan Yingling, Executive Assistant

January 2015 - Market Performance Update

Equity Total Returns				
Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	-3.6	11.9	13.6	14.2
NASDAQ (prc chg only)	-1.2	13.4	22.1	15.9
S&P 500 cap weighted	-3.0	14.2	17.5	15.6
S&P 500 equal weighted	-2.9	14.6	19.1	17.5
S&P Mid Cap	-1.1	10.9	17.0	17.0
S&P Small Cap	-3.5	6.2	16.3	17.3
S&P REIT	6.7	10.9	16.4	17.0
Alerian MLP	-5.6	4.8	11.9	16.7
Russell 1000 Growth	-1.5	14.6	17.4	16.5
Russell 1000 Value	-4.0	12.9	17.8	15.1
Russell Mid Cap Growth	-1.7	12.5	17.3	17.5
Russell Mid Cap Value	-1.4	15.1	19.5	17.7
Russell 2000 Growth	-2.3	5.0	16.4	17.3
Russell 2000 Value	-4.2	3.9	14.2	14.0
Russell Top 200	-3.3	13.8	17.3	15.1
Russell 1000	-2.8	13.8	17.6	15.8
Russell Mid Cap	-1.6	13.7	18.4	17.6
Russell 2500	-2.1	7.3	16.6	16.7
Russell 2000	-3.2	4.4	15.3	15.7
MSCI World Ex US	-0.4	-0.7	8.4	6.2
MSCI World Ex US Growth	0.5	1.6	8.6	7.0
MSCI World Ex US Value	-1.2	-2.9	8.2	5.3
MSCI EAFE	0.5	-0.4	9.3	6.4
MSCI Emerging Markets	0.6	5.2	0.6	3.1

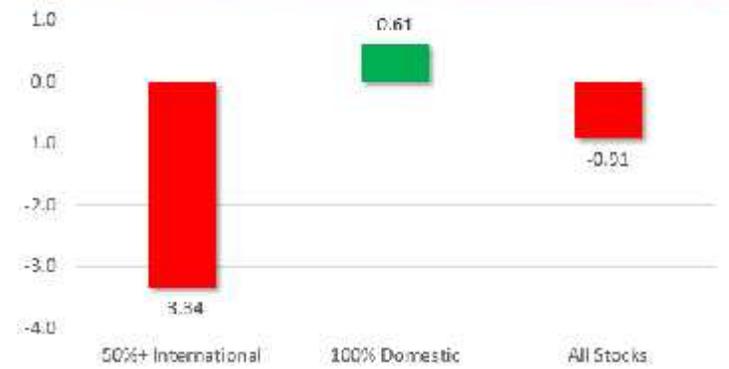
Equity market volatility spiked during January amid European uncertainty and continued weakness in oil prices. Notable international events during the month were the removal of the Swiss Franc "peg" to the Euro, the announcement of Quantitative Easing in the Eurozone, and the election of an anti-austerity government in Greece.

These events, combined with disappointing fourth quarter US economic growth and declining oil prices led to share price volatility and rising bond prices. US equities fell, led by the energy sector. Value and growth results were mixed. Mid caps outperformed large caps and small caps. US share prices fell sharply during the final week of the month. International equity markets outperformed during January. Emerging markets outperformed developed by a razor thin margin.

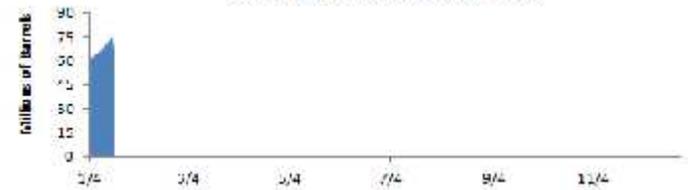
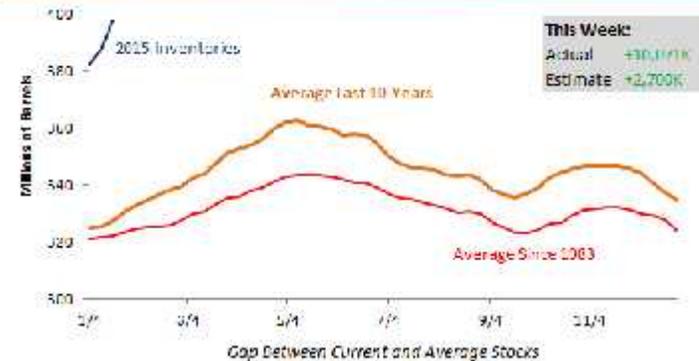
Bond prices moved higher during January as investors sought safety. The broad bond market returned 2.1% while long Treasury bonds gained 8.6%. **The yield on the 30 year Treasury is now less than 2.4%.**

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	8.6	28.7	7.1	11.2
BC US Agg	2.1	6.6	3.1	4.6

Russell 1,000 International vs. Domestic YTD % Chg



Crude Oil Inventories: Current vs Average (Since 1983)



Manager Profile - Loomis Sayles Core Plus



Asset Class:	Core Plus Fixed Income
Status:	In Compliance
Portfolio Size:	\$626,815,928
Inception Date:	8/1/1999
Initial Funding:	\$282,803,654
Subsequent Funding:	-\$139,434,809
Annual Management Fee:	0.15%
Location:	Boston, Massachusetts
Structure:	Wholly-owned by NATIXIS
Portfolio Management Team:	Peter W. Palfrey, CFA, Vice President, Portfolio Manager Richard G. Raczowski, Vice President, Portfolio Manager Gene Morrison, Vice President, Product Manager
Represented by:	Richard G. Raczowski, Vice President, Portfolio Manager John Cardinali, CFA, Vice President, Client Portfolio Manager

Notes:

Loomis manages their Core Plus mandate with a long-term preference for the yield advantage offered by corporate bonds. Their portfolios are diversified among major core and non-core sectors of the fixed income market. Interest rate strategies are employed to exploit or avoid interest rate risk.

This fund has provided strong returns since inception.

Founded:	1926
AUM:	\$234.7 billion
Core Plus AUM:	\$21.8 billion

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Loomis Sayles	7.1	7.6	5.9	7.4	1.2	1.8
Barclays Capital Aggregate	5.7	4.6	3.1	6.6	2.9	2.1

Risk Characteristics	Avg. Number of Issues	Credit Quality	Modified Duration	Time to Maturity	Average Coupon
Loomis Sayles	362	AA-	6.1	8.6	4.8%
Barclays Capital Aggregate	3460	A	5.3	7.6	3.5%

Manager Profile - Lord Abbett Core Plus



Asset Class:	Core Plus Fixed Income
Status:	In Compliance
Portfolio Size:	\$622,457,114
Inception Date:	11/1/2004
Initial Funding:	\$242,956,878
Subsequent Funding:	\$151,763,363
Annual Management Fee:	0.16%
Location:	Jersey City, New Jersey
Structure:	Independent Firm
Portfolio Management Team:	Robert A. Lee, Partner and Director Kewjin Yuoh, Partner Andrew H. O'Brien, CFA, Partner Jerald M. Lanzotti, CFA, Partner

Notes:

Lord Abbett uses a highly disciplined investment process. The team attempts to add value through fundamental and quantitative research. Process seeks relative value. Several strategies are employed to create diverse alpha sources. Models are used to optimize high yield portfolio is managed in a rigorous process that focuses on individual company and credit analysis.

The fund has provided strong returns since inception.

Represented by:	Robert A. Lee, Partner and Director Frank V. Paone, AIF, CIMA, Partner, Director of Institutional Investor Investor Services Thomas J. McDonald III, Client Portfolio Manager
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Founded:	1929
AUM:	\$136.2 billion
Core Plus AUM:	\$4.3 billion

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Lord Abbett	6.2	6.2	4.9	7.1	1.9	1.6
Barclays Capital Aggregate	4.8	4.6	3.1	6.6	2.9	2.1

Risk Characteristics	Avg. Number of Issues	Credit Quality	Modified Duration	Time to Maturity	Average Coupon
Lord Abbett	429	A	5.0	7.3	4.2%
Barclays Capital Aggregate	3460	A	5.3	7.6	3.5%

Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,797,819,361	20.2%	17.0%	3.2%	Excess allocation bound for Private Equity and Real Estate
Mid Cap	2,056,591,530	14.9%	13.0%	1.9%	
Small Cap	1,418,851,120	10.2%	10.0%	0.2%	
Total Domestic Equity	6,273,262,010	45.3%	40.0%	5.3%	
Large Cap International Equity	1,387,375,887	10.0%	11.5%	-1.5%	
Small Cap International Equity	771,971,599	5.6%	6.0%	-0.4%	
International Transition Account	668,654				
Total International Equity	2,160,016,140	15.6%	17.5%	-1.9%	
Core Fixed Income	2,229,335,802	16.1%	17.5%	-1.4%	
High Yield Fixed Income	767,730,664	5.5%	6.0%	-0.5%	
MLPs	1,066,418,375	7.7%	7.0%	0.7%	
Private Equity	464,368,225	3.4%	5.0%	-1.6%	
Real Estate	703,940,834	5.1%	7.0%	-1.9%	
Opportunistic Assets	166,250,227	1.2%	0.0%	1.2%	
Total Non-Core Assets	3,168,708,324	22.9%	25.0%	-2.1%	
Cash	16,816,057	0.1%	0.0%	0.1%	
Composite	13,848,205,553	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of January 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)	13,848,205,553	12/1/1991	23.2	9.7	8.1	12.5	13.4	8.9	-0.6	-0.9	-0.2	-0.9
Total Fund (Net of Fees)				9.3	7.8	12.1	13.0	8.5	-0.7	-0.9	-0.3	-0.9
<i>Allocation Index</i>				9.3	7.1	11.4	11.4	8.2	0.1	-0.7	-0.1	-0.7
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	2.4	6.2	1.9	0.6
Total Domestic Equity	6,273,262,010 45.3%	4/1/1990	24.9	10.9	8.5	16.2	18.0	11.0	0.2	-2.9	-0.4	-2.9
<i>S&P 500</i>				9.7	7.6	15.6	17.5	14.2	2.9	-3.0	-0.6	-3.0
Total All Cap Equity	951,036,478 6.9%	9/1/2006	8.4	7.5	-	15.3	16.1	13.1	2.2	-3.3	-0.5	-3.3
<i>Russell 3000</i>				7.7	-	15.8	17.4	13.0	2.3	-2.8	-0.4	-2.8
Total Large Cap Active Equity	1,136,762,364 8.2%	1/1/1995	20.1	10.5	7.5	16.3	19.2	13.0	2.0	-3.9	-0.8	-3.9
<i>S&P 500</i>				9.6	7.6	15.6	17.5	14.2	2.9	-3.0	-0.6	-3.0
Total Mid Cap Equity	2,056,591,530 14.9%	11/1/1998	16.3	10.4	10.5	17.9	19.0	11.4	0.2	-2.2	0.4	-2.2
<i>Russell Mid Cap</i>				9.9	9.7	17.6	18.4	13.7	2.6	-1.6	1.2	-1.6
Total Small Cap Equity	1,418,851,120 10.2%	2/1/1998	17.0	9.4	8.7	14.6	16.8	5.5	-3.8	-2.8	-1.2	-2.8
<i>Russell 2000</i>				7.4	7.9	15.7	15.3	4.4	-1.6	-3.2	-0.4	-3.2
Active International Equity	1,295,033,786 9.4%	2/1/1998	17.0	8.6	5.5	6.9	9.3	-3.0	-9.0	0.0	-1.8	0.0
<i>MSCI ACWI ex-US</i>				-	5.8	5.9	7.1	1.0	-8.9	-0.1	-3.0	-0.1
Small Cap International Equity	771,971,599 5.6%	2/1/1998	16.9	14.7	-	-	12.7	-4.2	-10.8	-0.4	-2.0	-0.4
<i>MSCI ACWI ex-US</i>				-	5.9	9.0	14.2	-4.6	-9.8	-4.6	-2.2	-0.5
Core Fixed Income (ex- High Yield)	2,229,335,802 16.1%	4/1/1990	24.9	7.4	6.9	7.6	5.8	10.6	5.5	2.9	3.9	2.9
<i>Barclays Aggregate</i>				4.8	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
Master Limited Partnerships	1,066,418,375 7.7%	2/28/2011	3.9	18.1	-	-	19.4	13.3	-11.1	-2.9	-7.1	-2.9
<i>Alerian MLP Index</i>				10.7	-	-	10.0	1.0	-12.6	-3.1	-10.9	-3.1
High Yield Bonds	767,730,664 5.5%	2/1/2009	6.0	13.9	-	9.1	8.4	3.5	-2.2	0.4	-1.5	0.4
<i>ML High Yield II</i>				14.9	-	8.7	7.6	2.5	-2.3	0.7	-1.5	0.7
Core Real Estate	654,818,370 4.7%	4/1/2011	3.8	-	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-	-
Non-Core Real Estate	49,122,464 0.4%	7/1/2014	0.6	-	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-	-
Cash	16,816,057 0.1%	4/1/1990	24.9	-	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>				-	1.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0



Equity Portfolios Summary

As of January 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	585,929,464	4/1/1990	24.9	11.1	6.4	17.0	20.3	12.9	-0.4	-4.8	-1.5	-4.8
Russell 1000 Value	4.2%			10.1	7.1	15.1	17.8	12.9	0.6	-4.0	-1.4	-4.0
Sawgrass	550,832,899	7/1/2006	8.6	8.9	-	16.4	17.9	13.1	4.6	-2.9	-0.1	-2.9
Russell 1000 Growth	4.0%			9.2	-	16.5	17.4	14.6	4.7	-1.5	0.5	-1.5
ARI All Cap	475,502,016	9/1/2006	8.4	6.3	-	14.4	14.4	10.0	-1.3	-3.1	-2.0	-3.1
Russell 3000	3.4%			7.7	-	15.8	17.4	13.0	2.3	-2.8	-0.4	-2.8
EPOCH All Cap	490,392,254	9/1/2006	8.4	8.5	-	16.1	17.6	16.2	5.8	-3.4	0.9	-3.4
Russell 3000	3.5%			7.7	-	15.8	17.4	13.0	2.3	-2.8	-0.4	-2.8
Passive Domestic Equity												
NT Cap Weighted Passive	346,718,199	4/1/2012	2.8	15.9	-	-	-	14.5	3.2	-2.7	-0.4	-2.7
S&P 500 Cap Weighted	2.5%			15.5	-	-	-	14.2	2.9	-3.0	-0.6	-3.0
SSGA Eq Weighted Passive	363,302,320	4/1/2012	2.8	18.1	-	-	-	14.6	2.4	-2.8	0.0	-2.8
S&P 500 Equal Weighted	2.6%			17.6	-	-	-	14.6	2.4	-2.9	0.0	-2.9
Mid Cap Domestic Equity												
Frontier Capital	537,716,693	6/1/2002	12.7	10.7	11.8	17.2	18.1	12.7	2.9	-0.1	3.0	-0.1
Russell Mid Cap Growth	3.9%			9.6	9.5	17.5	17.3	12.5	3.3	-1.7	1.3	-1.7
Wellington Management	461,163,809	9/1/1998	16.4	10.5	9.3	14.8	13.8	6.8	-1.6	-2.5	-0.7	-2.5
Russell Mid Cap Growth	3.3%			9.1	9.5	17.5	17.3	12.5	3.3	-1.7	1.3	-1.7
AJO Partners	548,992,207	8/1/1998	16.5	11.3	10.0	19.2	20.3	14.6	2.7	-1.8	-0.2	-1.8
Russell MidCap	4.0%			9.5	9.7	17.6	18.4	13.7	2.6	-1.6	1.2	-1.6
Hotchkis & Wiley Mid Cap	508,718,820	8/1/2002	12.5	14.2	10.4	20.3	23.1	11.3	-3.4	-4.6	-0.6	-4.6
Russell MidCap Value	3.7%			11.8	9.5	17.7	19.5	15.1	1.8	-1.4	1.1	-1.4
Small Cap Domestic Equity												
Shapiro Capital Management	669,698,527	2/1/1998	17.0	10.7	11.2	17.6	19.1	8.4	-5.7	-2.3	-0.6	-2.3
Russell 2000	4.8%			7.4	7.9	15.7	15.3	4.4	-1.6	-3.2	-0.4	-3.2
Geneva Capital	189,128,471	6/1/2013	1.7	11.6	-	-	-	-2.3	1.2	-2.1	-0.7	-2.1
Russell 2000 Growth	1.4%			14.4	-	-	-	5.0	1.0	-2.3	1.3	-2.3
Wasatch Advisors	187,949,108	6/1/2013	1.7	10.6	-	-	-	7.5	1.8	-2.7	-0.7	-2.7
Russell 2000 Growth	1.4%			14.4	-	-	-	5.0	1.0	-2.3	1.3	-2.3
Cove Street Capital	99,617,396	6/1/2013	1.7	5.6	-	-	-	-2.1	-9.7	-4.6	-5.0	-4.6
Russell 2000 Value	0.7%			9.9	-	-	-	3.9	-4.1	-4.2	-2.0	-4.2
Frontier Capital	155,488,332	6/1/2013	1.7	11.0	-	-	-	4.0	-6.4	-4.4	-1.8	-4.4
Russell 2000 Value	1.1%			9.9	-	-	-	3.9	-4.1	-4.2	-2.0	-4.2
Neumeier Poma	116,969,285	6/1/2013	1.7	15.2	-	-	-	8.9	0.9	-2.8	-1.7	-2.8
Russell 2000 Value	0.8%			9.9	-	-	-	3.9	-1.6	-3.2	-0.4	-3.2
International Large Cap Equity												
Causeway Capital	521,451,651	5/1/2003	11.8	10.0	5.8	8.5	10.9	1.0	-6.4	0.4	-1.5	0.4
MSCI ACWI Ex US	3.8%			9.0	5.3	5.5	6.6	0.6	-9.1	-0.2	-3.1	-0.2
Northern Trust Passive	864,984,575	9/1/2013	1.4	2.1	-	-	-	1.1	-7.7	0.5	-1.6	0.5
MSCI EAFE	6.2%			-	-	-	-	0.0	-8.7	0.5	-1.6	0.5
Transition Account - Northern	668,654	9/1/2014	0.4	-	-	-	-	-	-	-	-	-
-	0.0%			-	-	-	-	-	-	-	-	-
International Small Cap Equity												
ARI Small Cap International	202,101,187	12/1/2011	3.2	13.5	-	-	12.3	0.7	-10.3	-0.7	-2.9	-0.7
MSCI EAFE Small Cap	1.5%			12.8	-	-	11.3	-3.0	-9.7	0.2	-0.1	0.2
Epoch Small Cap International	184,297,785	12/1/2011	3.2	9.8	-	-	9.2	-9.8	-15.2	-1.4	-3.7	-1.4
MSCI EAFE Small Cap	1.3%			12.8	-	-	11.3	-3.0	-9.7	0.2	-0.1	0.2
Wasatch Small Cap International	188,157,431	12/1/2011	3.2	16.1	-	-	14.8	-3.1	-6.5	-0.1	-1.9	-0.1
MSCI EAFE Small Cap	1.4%			12.8	-	-	11.3	-3.0	-9.7	0.2	-0.1	0.2
Wellington Small Cap International	197,415,195	12/1/2011	3.2	16.2	-	-	14.4	-4.5	-10.7	0.7	0.5	0.7
MSCI EAFE Small Cap	1.4%			12.8	-	-	11.3	-3.0	-9.7	0.2	-0.1	0.2



Fixed Income Portfolios Summary

As of January 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	626,815,928	8/1/1999	15.5	7.1	7.7	7.6	5.9	7.4	1.8	1.8	1.2	1.8
<i>Barclays Aggregate</i>	4.5%			5.7	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
Lord Abbett	622,457,114	11/1/2004	10.3	6.2	6.2	6.2	4.9	7.1	3.1	1.6	1.9	1.6
<i>Barclays Aggregate</i>	4.5%			4.8	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
Mackay Shields	618,584,033	11/1/2004	10.3	6.3	6.4	6.7	5.2	5.1	1.7	1.4	1.3	1.4
<i>Barclays Aggregate</i>	4.5%			4.8	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
Active Duration Fixed Income												
Hoisington	361,518,883	11/1/2004	10.3	10.0	9.4	14.0	8.6	37.6	27.2	10.4	18.8	10.4
<i>Barclays Aggregate</i>	2.6%			4.8	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
High Yield Fixed Income												
Loomis Sayles High Yield	256,280,093	2/1/2009	6.0	14.0	-	8.7	9.1	4.5	-2.2	0.4	-1.3	0.4
<i>Merrill Lynch High Yield II</i>	1.9%			14.9	-	8.7	7.6	2.5	-2.3	0.7	-1.5	0.7
Lord Abbett High Yield	256,258,622	2/1/2009	6.0	14.7	-	10.0	8.9	3.4	-2.6	0.2	-1.8	0.2
<i>Merrill Lynch High Yield II</i>	1.9%			14.9	-	8.7	7.6	2.5	-2.3	0.7	-1.5	0.7
MacKay Shields High Yield	255,191,949	2/1/2009	6.0	12.9	-	8.6	7.1	2.5	-2.0	0.6	-1.3	0.6
<i>Merrill Lynch High Yield II</i>	1.8%			14.9	-	8.7	7.6	2.5	-2.3	0.7	-1.5	0.7

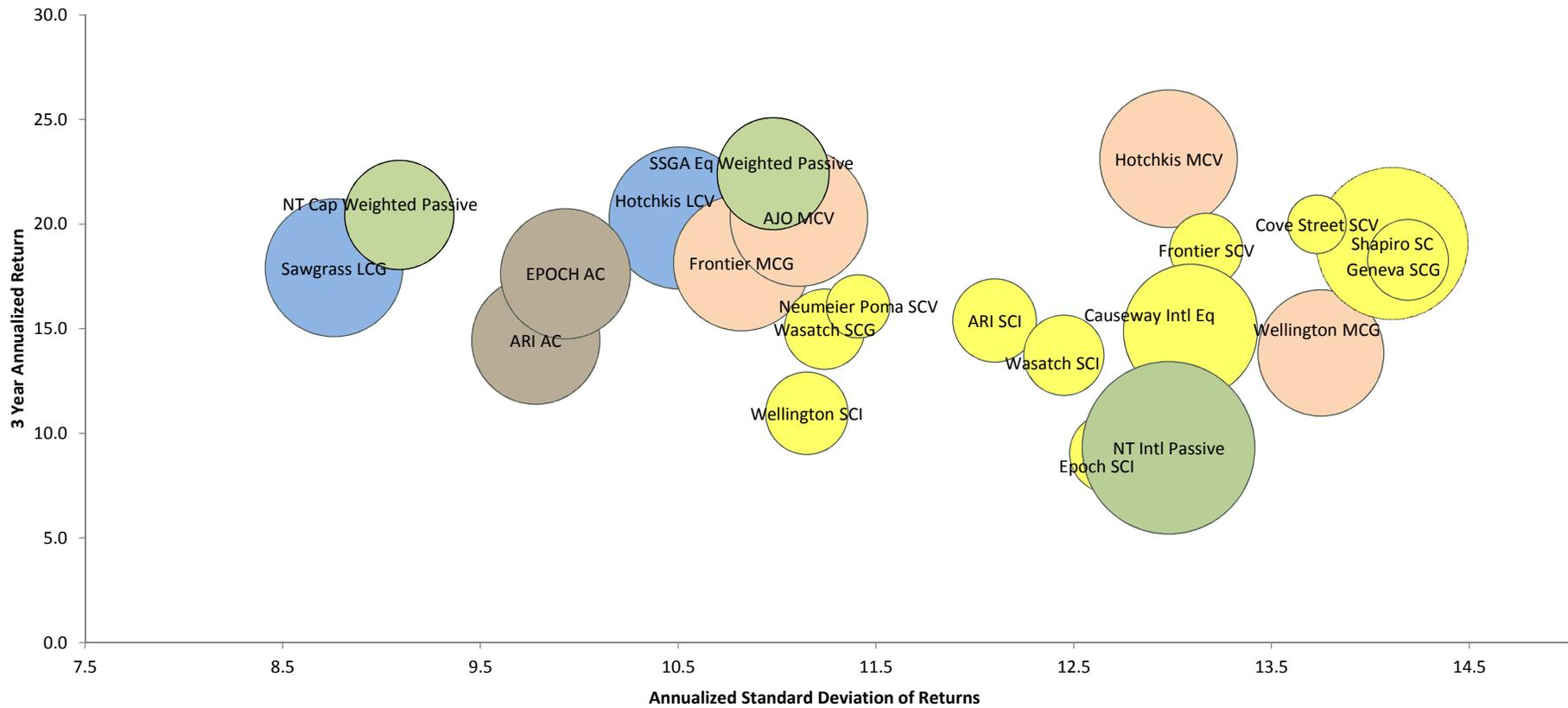
Non-Traditional Portfolios Summary

As of January 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
Master Limited Partnerships												
Chickasaw Capital MLP	382,704,967	2/28/2011	3.9	24.9	-	-	27.2	16.6	-10.8	-2.8	-6.4	-2.8
Alerian MLP Index	2.8%			10.7	-	-	10.0	1.0	-12.6	-3.1	-10.9	-3.1
Cushing MLP Management	371,661,333	2/28/2011	3.9	19.1	-	-	21.2	14.7	-10.7	-2.7	-7.5	-2.7
Alerian MLP Index	2.7%			10.7	-	-	10.0	1.0	-12.6	-3.1	-10.9	-3.1
ARI MLP	312,052,074	2/28/2011	3.9	12.7	-	-	13.1	8.2	-11.9	-3.3	-7.7	-3.3
Alerian MLP Index	2.3%			10.7	-	-	10.0	1.0	-12.6	-3.1	-10.9	-3.1
Private Equity												
Legacy Private Equity Portfolio	60,076,324	10/1/2008	6.3	-	-	-	-	-	-	-	-	-
Franklin Park Private Equity	404,291,901	4/1/2010	4.8	-	-	-	-	-	-	-	-	-
Russell 1000 +4%	3.4%			-	11.9	19.8	21.6	16.8	5.0	-2.4	0.6	-2.4
Real Estate												
AEW Real Estate	222,919,382	5/1/2011	3.8	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.6%			-	-	-	-	-	-	-	-	-
Heitman Real Estate	231,766,090	5/1/2011	3.8	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.7%			-	-	-	-	-	-	-	-	-
L&B Real Estate	200,132,898	4/1/2011	3.8	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.4%			-	-	-	-	-	-	-	-	-
Antheus Capital	10,750,005	10/1/2014	0.3	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.1%			-	-	-	-	-	-	-	-	-
Dune	11,662,556	10/1/2014	0.3	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.1%			-	-	-	-	-	-	-	-	-
GreenOak Real Estate	12,221,302	10/1/2014	0.3	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.1%			-	-	-	-	-	-	-	-	-
L&B Golden Driller	1,340,639	7/1/2014	0.6	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.0%			-	-	-	-	-	-	-	-	-
Landmark Realty	3,323,561	12/1/2014	0.2	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.0%			-	-	-	-	-	-	-	-	-
American Realty	9,824,400	12/1/2014	0.2	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.1%			-	-	-	-	-	-	-	-	-
Starwood	0		0.0	-	-	-	-	-	-	-	-	-
NCREIF - OEDCE	0.0%			-	-	-	-	-	-	-	-	-
Opportunistic Fixed Income												
PIMCO BRAVO	79,888,252	3/31/2011	3.8	-	-	-	-	-	-	-	-	-
Barclays Aggregate	0.6%			5.7	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1
PIMCO BRAVO II	86,361,976	3/31/2013	1.8	-	-	-	-	-	-	-	-	-
Barclays Aggregate	0.6%			5.7	4.9	4.6	3.1	6.6	4.1	2.1	2.9	2.1

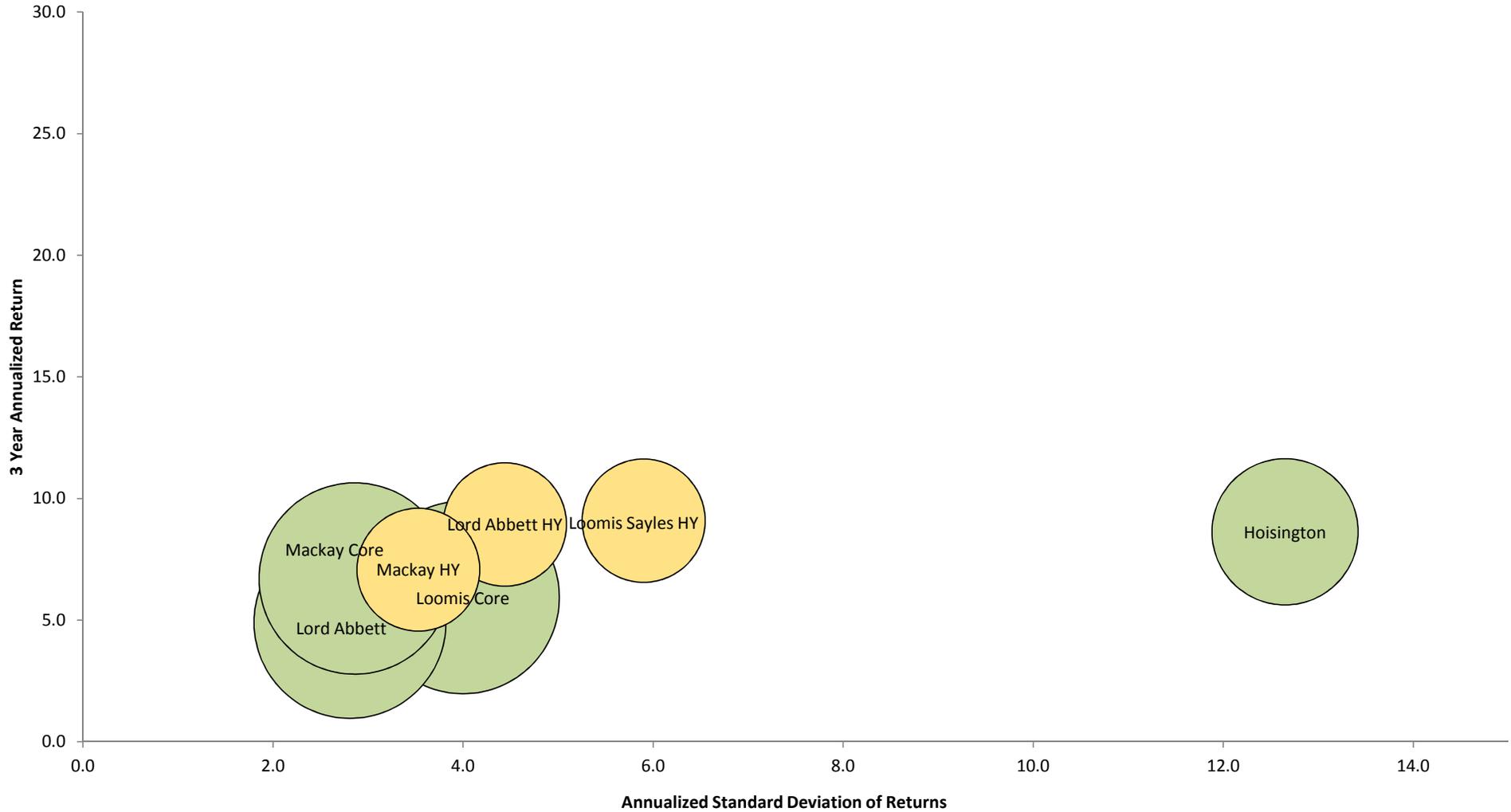


Three Year Risk/Return Review - Equity Portfolios



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.
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OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report
fourth quarter, 2014**

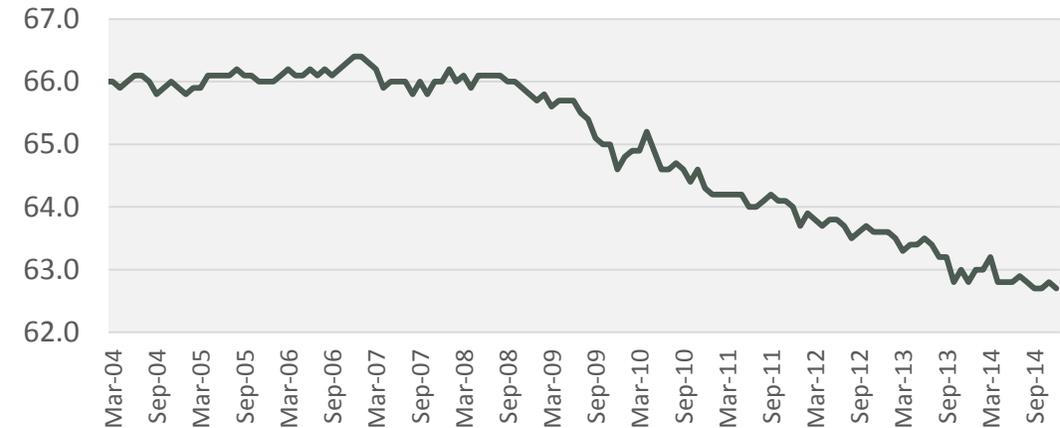


Gregory W Group

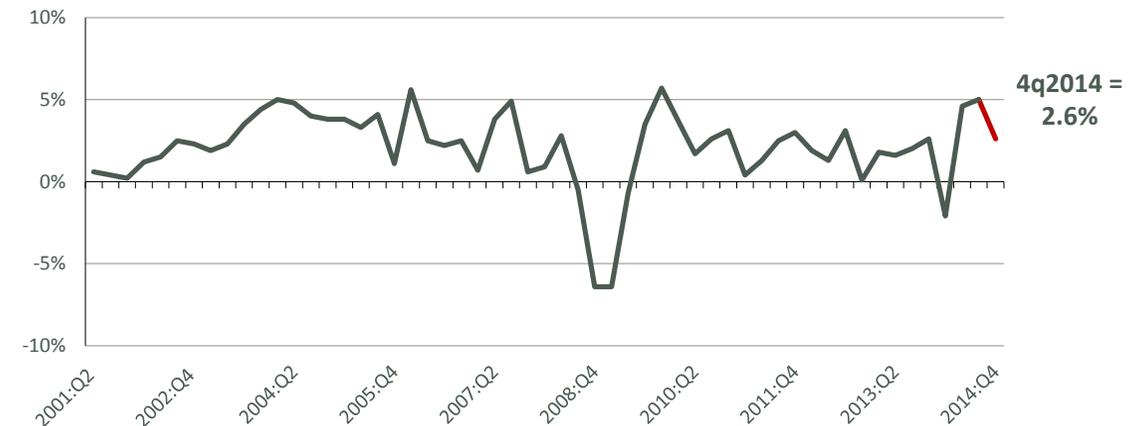
Market Environment – Fourth Quarter, 2014

- The fourth quarter was dramatic in terms of news flow and price change. The early part of the quarter was dominated by **Ebola fears** and the **Ukraine situation**. Equity prices fell, erasing the S&P 500's year to date gains. Next up was OPEC's Thanksgiving Day meeting which agitated the oil markets. **Oil prices fell by half** during 2014 as increasing supply, mainly from the U.S., met weakening demand and investor uncertainty. While we have seen this story unfold before, we have not seen Saudi Arabia act as independently as they are now. The drop in oil prices will hurt oil producers and test the cohesion of OPEC. However, lower energy prices are a net positive for consumer driven economic growth.
- Domestic real GDP reversed course during 2014. Second quarter real GDP growth came in at 4.6% while the final third quarter result was 5.0%. Fourth quarter GDP slowed dramatically, coming in at 2.6%. **U.S. household net worth reached an all-time high** during the third quarter as household debt service is very near its all time low in percentage terms.
- Domestic equities, except for the Energy sector, performed quite well during the quarter. International equities posted gains in local currency terms. Bonds posted positive returns. The US Dollar surged during the quarter.
- The U.S. **unemployment rate improved to 5.6%** from 5.9% during the quarter. Labor force participation was unchanged at 62.7%. Wage growth showed signs of weakness, emphasizing the new nature of employment for many Americans.
- The **U.S. consumer price index rose 0.8%** over the year ended December 31, 2014. Interest rates remained very low even after the end of the Federal Reserve's quantitative easing program.
- International markets were challenging for U.S. based investors. **A rally in the US dollar vs. other currencies reduced foreign asset values. The U.S. Dollar appreciated against all 31 of the next largest economies.** Further, most developed and emerging markets experienced difficult economic conditions if not recession. Monetary policies are beginning to diverge as a result with the US attempting to normalize policy while the EU, Japan and China remain highly stimulative.
- **Short term interest rates remain pegged at 0.0%**, They have been fixed at this level for six years. Highly scrutinized comments from the Federal Reserve suggest that they will remain low for a considerable period. The end of the Fed's latest Quantitative Easing had a limited impact on the bond market. U.S. Treasury bond interest rates are comparatively higher than other major market interest rates.

Labor Force Participation Rate



US Real GDP Growth - Annualized



Equity Markets – Fourth Quarter, 2014

- The U.S. equity market saw nice fourth quarter gains amid a pronounced volatility spike. The most prominent story during the quarter rapidly falling oil prices. The Energy sector saw significant declines while most other sectors saw gains. **Small caps posted outsized returns** to outperform mid caps and small caps. For the broad market, value stocks outperformed growth stocks. Broad market trailing year returns remained high (+13.2%).
- Financials (+7.4% return), Health Care (+7.8%), and Consumer Discretionary (+8.4%) were the best performing sectors by contribution. **Energy was the poorest returning sector, falling -12.2%**. Telecommunications (-4.2%) and Materials (-1.1%) also suffered fourth quarter losses.
- The market's top contributing performers were **Apple (+10.0% return), VISA (+23.1%), and Proctor and Gamble (+9.6%)**. The bottom three contributors were IBM (-14.9%), Halliburton (-38.8%), and Schlumberger (-15.6%).
- Valuations remain reasonable.** Based on historical measures, growth stocks are significantly cheaper than value stocks. The broad market forward P/E ratio was 16.2x at year end vs. 15.6x for its twenty five year average. The market's dividend yield was 1.9% vs. 2.1% for its long term average. The broad market is 54% higher than its previous high (October 2007) and 244% above the low set in March of 2009.
- Domestic equity performance ranked 4th among 33 established foreign equity markets for the full calendar year.
- Many foreign equity markets posted small gains in local currencies but were losses when translated into US Dollars. During the quarter, the **EAFE index posted a local currency return of 1.8% which fell to -3.5% when translated**. Russia was particularly hard hit as local currency returns were -5.9% but -32.8% in US Dollars. The MSCI All Country World index fell -3.7% during the quarter (\$USD). Emerging markets suffered a loss (-4.5% return) which underperformed developed markets (-3.6%) for the quarter. The U.S. economy is slowly improving while the remaining developed and emerging markets are in danger of falling back into recession.
- The top performing sectors in the MSCI ACWI ex-US index were Consumer Discretionary (+2.3%), Information Technology (+0.7%), and Telecommunications Services (-2.2%). The three largest detractors were Energy (-19.8%), Materials (-7.5%), and Financials (-0.5%).
- Top performance contributors to the ACWI were **Taiwan Semiconductor (+13.1% return), Toyota Motor (+7.2%), and Samsung (+8.7%)**. Top detractors were Total SA (-19.6%), Sanofi (-19.1%), and Roche Holdings (-8.3%).
- Developed non-US equity valuations remain above average. The **forward P/E ratio for the MSCI Europe index ended the quarter at 14.1x vs. 12.0x** for its ten year average. Emerging markets valuations are very close to average: the MSCI EM index forward P/E ratio was 10.3x vs. 11.0x for its ten year average.

Current P/E Ratio as Percentage of Long Term Average

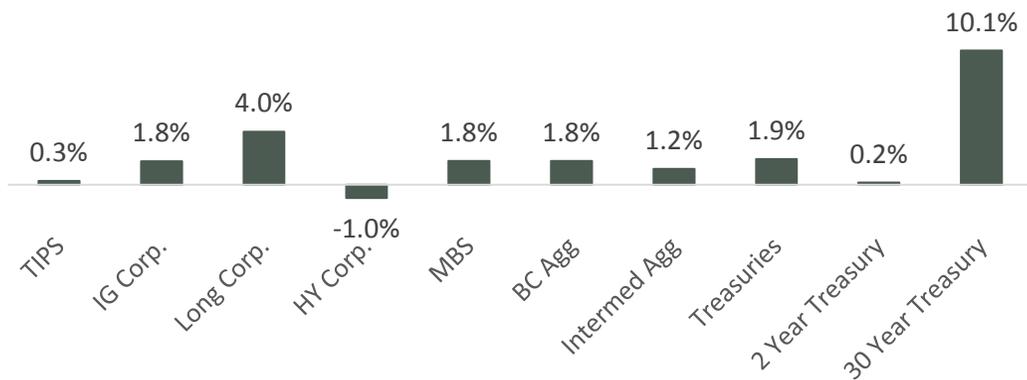
	Value	Blend	Growth
Large	110.0%	100.6%	89.0%
Mid	118.1%	112.7%	94.5%
Small	113.1%	104.4%	93.3%

Russell 1000 Sector Analytics	Ending Weight	4q 2014 Return	Contribution
Consumer Discretionary	12.7%	8.4%	1.0%
Consumer Staples	9.0%	8.3%	0.7%
Energy	7.8%	-12.2%	-1.1%
Financials	17.4%	7.4%	1.2%
Health Care	13.9%	7.8%	1.1%
Industrials	11.2%	6.7%	0.8%
Information Technology	19.0%	4.9%	0.9%
Materials	3.5%	-1.1%	-0.0%
Telecommunications	2.1%	-4.2%	-0.1%
Utilities	3.2%	12.7%	0.4%
Total	100.0%	4.9%	4.9%

Fixed Income – Fourth Quarter, 2014

- Interest rates had an active quarter as investors balanced slowing international economic growth, heightened risk awareness and potential future central bank activities. **The U.S. Treasury yield curve flattened** during the fourth quarter as short term interest rates rose while long term interest rates declined. Falling interest rates have been a notable surprise for investors. The long bond yield began 2014 at 3.9%, sank to 3.4% by mid-year and fell to 2.8% by December 31 and fell below 2.5% post year end.
- The **U.S. dollar continued to strengthen** during the fourth quarter, which depressed foreign asset prices. This had a relatively large negative impact on foreign bond prices. The Global ex. U.S. Aggregate bond index fell -2.6% during the quarter. The Japan Aggregate bond index fell -6.4% for the quarter and -8.4% for the full year. Emerging Market debt fell -0.6% during the quarter.
- There was some widening of credit spreads during the quarter.** High yield bonds were hardest hit. Energy related companies compose a large portion of the high yield market; falling energy prices worried investors and pushed bond prices lower. Defaults in high yield bonds remained low but investors worried that levered energy companies would start defaulting on bonds during 2015. The high yield bond market underperformed as bond investors favored higher credit quality bonds.

Barclays Index Returns – 4q2014



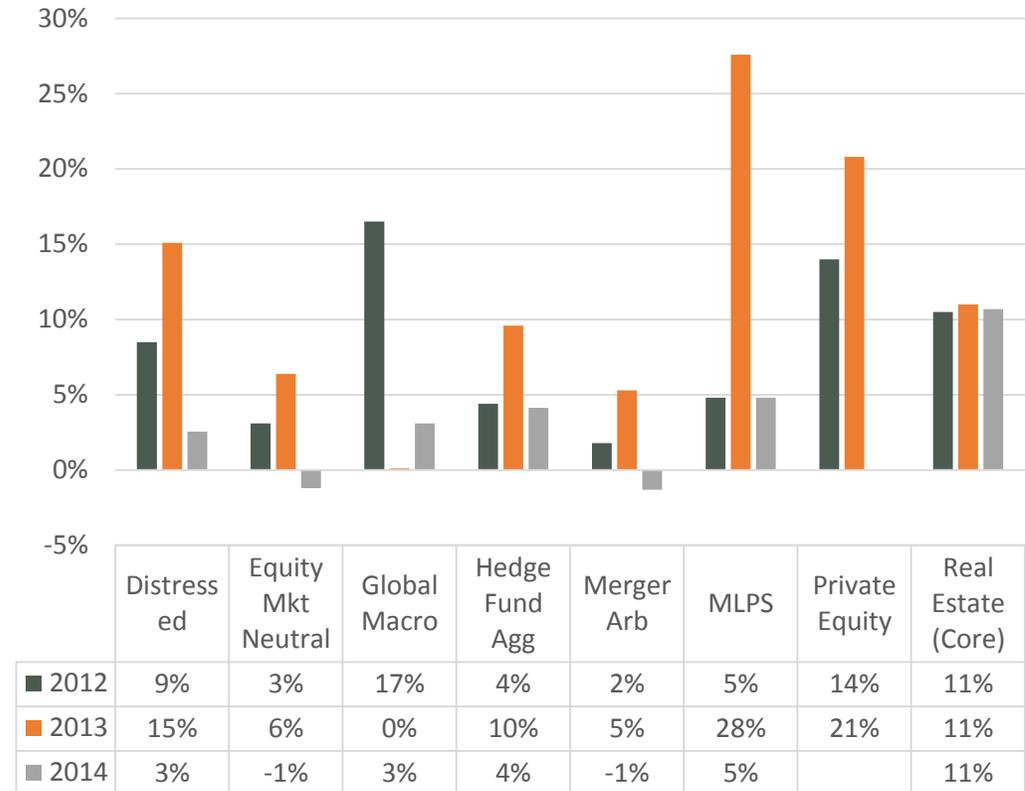
Risk Level	Interest Rate Forecast	Time Horizon			
		1 Year		3 Years	
		Terminal Yield	Total Return	Terminal Yield	Total Return
Low Risk	Pessimistic	2.50%	-2.9%	4.00%	-1.5%
2 Year Treasury	Most Likely	1.25%	-0.5%	3.00%	-0.8%
Present YTM: 0.67%	Optimistic	0.50%	1.0%	2.00%	-0.2%
Medium Risk	Pessimistic	4.00%	-12.8%	5.50%	-6.7%
10 Year Treasury	Most Likely	3.25%	-7.0%	4.50%	-4.1%
Present YTM: 2.17%	Optimistic	2.00%	3.7%	3.50%	-1.5%
High Risk	Pessimistic	4.75%	-29.0%	6.00%	-14.0%
30 Year Treasury	Most Likely	3.75%	-15.1%	5.00%	-9.6%
Present YTM: 2.75%	Optimistic	2.25%	13.6%	4.00%	-4.6%

Yields and Spreads	9/30/2014	12/31/2014
3 Month T-Bill	0.02%	0.04%
2 Year Treasury	0.57%	0.67%
10 Year Treasury	2.49%	2.17%
30 Year Treasury	3.20%	2.75%
Yield Curve 2-10 Year	192	150
Yield Curve 2-30 Year	263	208

Alternative Investments – Fourth Quarter, 2014

- Alternative investments posted varied returns during the fourth quarter. Real estate returns remained strong while most hedge fund returns produced disappointing returns. The energy sector was hard hit by plummeting oil prices while private equity remained active.
- Inflows to alternative investments remained steady.** A few high profile investment pools have recently withdrawn from the hedge fund space. However, few expect a widespread retreat from alternative investments.
- Hedge funds posted modest returns during the fourth quarter and full year.** The HFRI weighted composite index gained 1.6% during the quarter and 3.6% for the full year. The top performing hedge fund categories were commodity trading and shareholder activist funds.
- Domestic real estate investments performed well over the full year 2014. The **US economy appears the strongest among the world’s most prominent property markets.** Demand from US and foreign investors remained healthy. Low-risk core real estate returns remain attractive as investors invest in the asset class as fixed income alternative.
- Private equity returns have been positive.** The asset class gained just over 20% during 2013 and indications are for a positive 2014. The Initial Public Offering market has been relatively strong.
- Oil prices fell by half during the closing quarter of 2014 as U.S. production has increased dramatically (20% gain since 2013) while European and Chinese demand weakened. Saudi Arabia appears to be actively pushing prices lower to cripple shale production in the U.S. They have declined to decrease production to support prices at levels high enough to support profitable fracking. Natural gas prices also declined despite a harsh winter in parts of the U.S. Price volatility boosted returns of some hedge funds.
- Master Limited Partnerships (energy infrastructure/transport entities) saw a dramatic repricing during the quarter.** The fall in oil prices affected upstream MLPs most, with several falling more than 50%. The larger, less commodity price sensitive MLPs fell much less. MLPs actually saw two market corrections bookending a mid quarter recovery. U.S. Domestic energy production is being scaled back quickly to deal with the rapid decline in crude prices.

Alternative Asset Category Returns



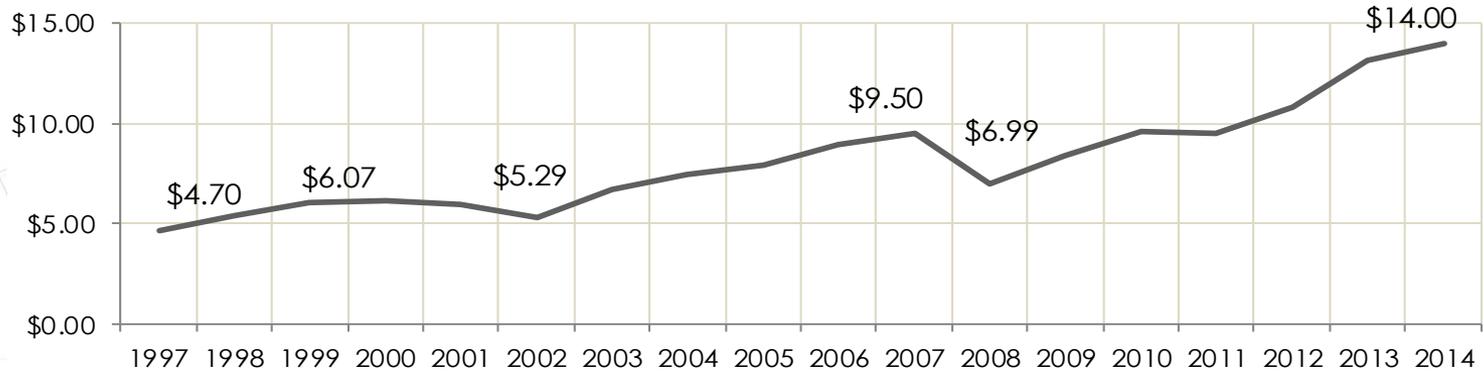
Domestic Equity	Last Quarter	Last Year	Last Three Years Annualized	Last Five Years Annualized	Last Ten Years Annualized
S&P 500	4.9	13.7	20.4	15.5	7.7
Russell 1000	4.9	13.2	20.6	15.6	8.0
Russell 1000 Value	5.0	13.5	20.9	15.4	7.3
Russell 1000 Growth	4.8	13.1	20.3	15.8	8.5
Russell 3000	5.2	12.6	20.5	15.6	7.9
Russell Midcap	5.9	13.2	21.4	17.2	9.6
Russell Midcap Value	6.1	14.8	22.0	17.4	9.4
Russell Midcap Growth	5.8	11.9	20.7	16.9	9.4
Russell 2000	9.7	4.9	19.2	15.6	7.8
Russell 2000 Value	9.4	4.2	18.3	14.3	6.9
Russell 2000 Growth	10.1	5.6	20.1	16.8	8.5
Alerian MLP	-12.3	4.8	11.9	16.7	13.8
Fixed Income					
Barclays Capital Aggregate Bond	1.8	6.0	2.7	4.5	4.7
Barclays Capital Credit	1.8	7.5	4.8	6.3	5.5
Barclays Capital Government	1.9	4.9	1.4	3.7	4.3
Barclays Capital Govt/Credit	1.8	6.0	2.8	4.7	4.7
Barclays Capital Interm Credit	0.8	4.2	4.0	5.0	4.9
Barclays Capital Interm Govt	1.0	2.5	1.0	2.8	3.8
Barclays Capital Interm Govt/Cred	0.9	3.1	2.0	3.5	4.1
Barclays Capital Long Credit	4.1	16.4	7.0	9.7	7.1
Barclays Capital Long Term Govt	8.6	25.1	4.2	10.0	7.5
Barclays Capital Long Govt/Credit	5.6	19.3	5.8	9.8	7.4
Barclays Capital Fixed Rate MBS	1.8	6.2	2.4	3.8	4.8
Merrill Lynch US High Yield Master II	-1.1	2.5	8.4	8.9	7.6
91 Day T-Bill	0.0	0.0	0.1	0.1	1.5
International					
MSCI EAFE	-3.6	-4.9	11.1	5.3	4.4
MSCI World ex US	-3.7	-4.3	10.5	5.2	4.6
MSCI Europe	-5.0	-7.2	11.1	4.8	4.4
MSCI Japan	-2.4	-4.0	9.7	5.5	2.3
MSCI Pacific ex Japan	-1.5	-0.5	9.4	5.9	8.4
MSCI Emerging Markets	-4.5	-2.2	4.0	1.8	8.4

Trailing Year Total Fund Return

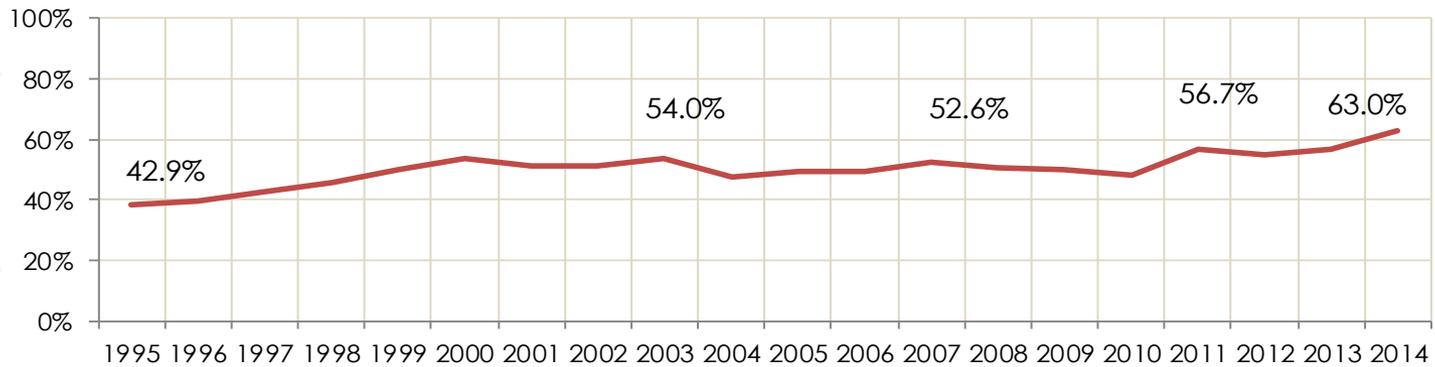
+8.1%

Plan History

Market Value History (\$Billions)



Funded Status History



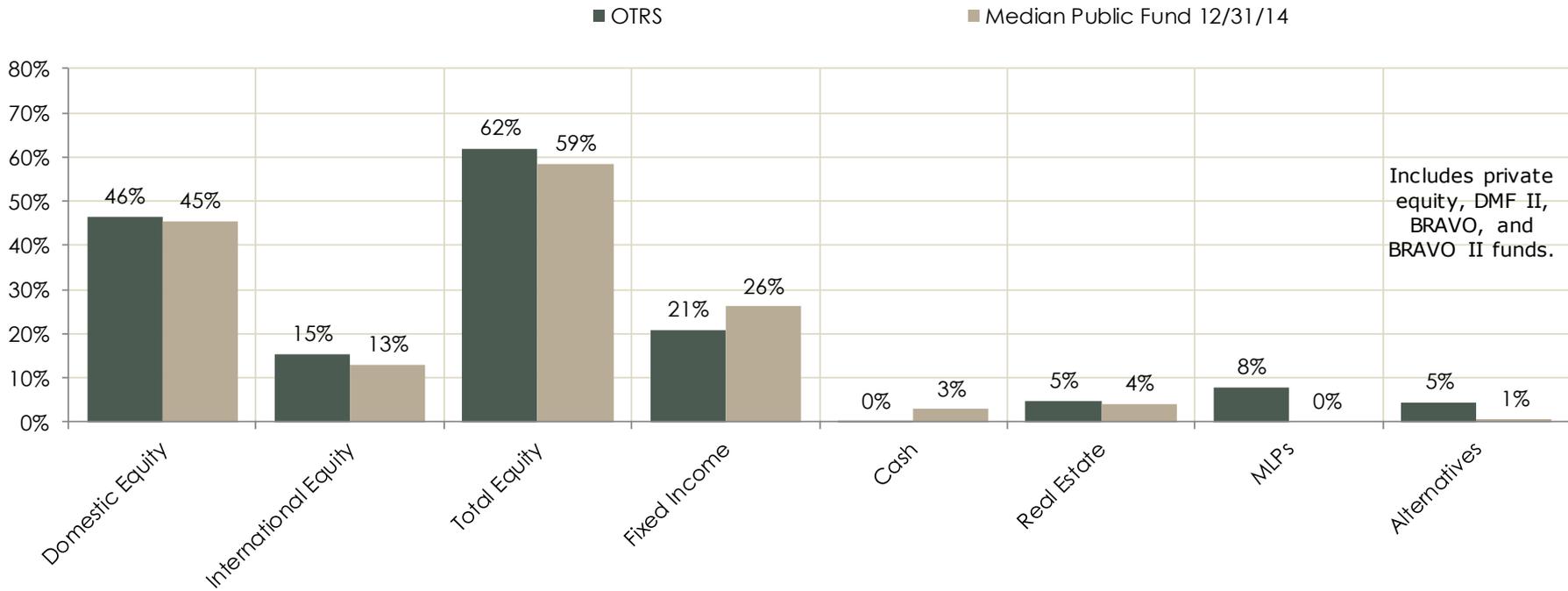
Observations – fourth quarter, 2014

- **INVESTMENT PERFORMANCE:** Total fund return was positive during the quarter. The total fund posted a 1.9% return. Domestic equity results were strong. Core fixed income results were positive while High Yield returns were negative. The total fund's trailing returns were positive. The trailing year return was slightly above the actuarial assumption, above the allocation index and ranked in the top quartile among peer Pension Funds. **The total fund ranked in the top percentile of public funds for the three and five year observation periods.**
- **INVESTMENT MANAGEMENT:** Two large cap index fund portfolios were added in 2012. The new international small cap equity allocation added returns during the quarter. The MLP allocation continues to perform above expectation. Five new domestic small cap managers were funded during the second quarter of 2013. An international equity index fund was added during early 2013. It was increased during late 2014.
- **ASSET ALLOCATION:** The total fund's aggregate asset allocations are in the process of moving to new long-term targets. No additional allocations were made to the Opportunistic Portfolio although several investments are under consideration. The private equity portfolio called significantly more capital over the past year compared to previous years. The three core real estate managers are fully invested, at their previous target level. Six non-core real estate portfolios were recently selected. They are calling capital at an acceptable pace.

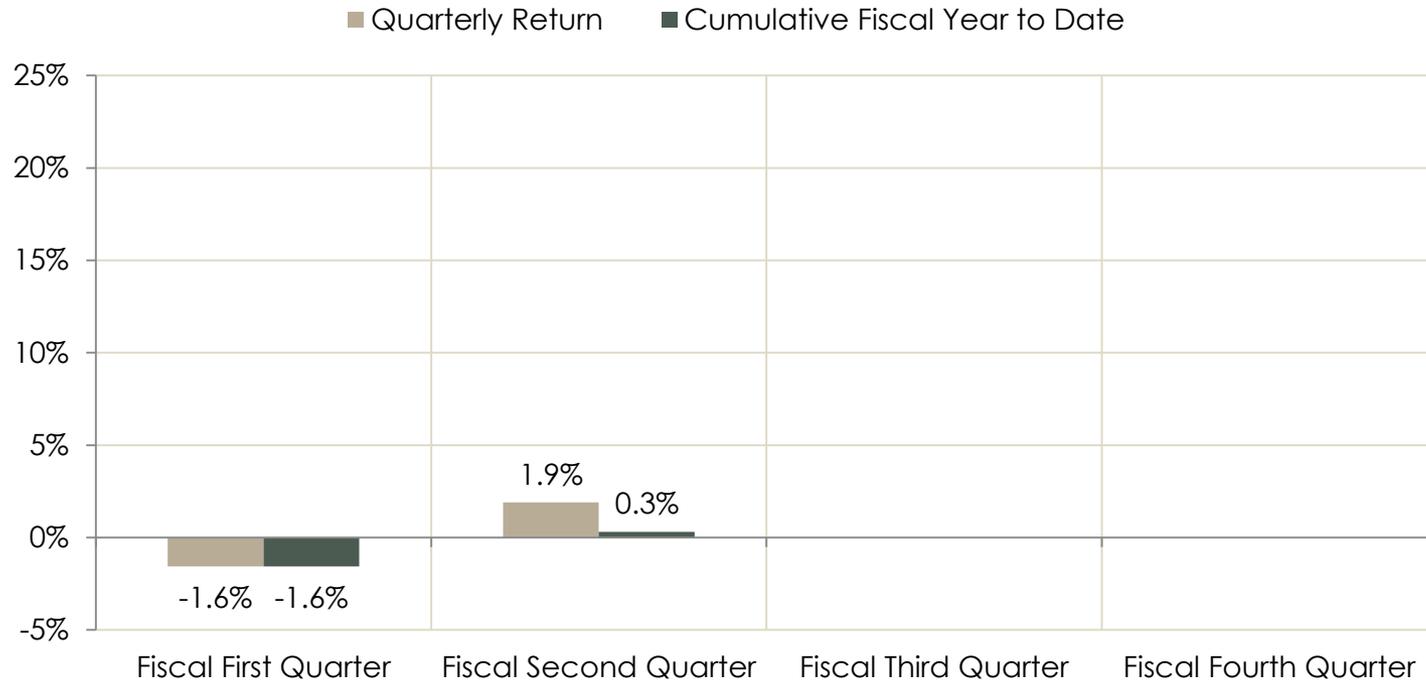
Asset Allocation Summary – Total Fund

	Current Allocation	New Target Allocation	Difference
Domestic Equity	46.47%	40.00%	6.47%
International Equity	15.40%	17.50%	-2.10%
Core Fixed Income	15.47%	17.50%	-2.03%
Opportunistic Assets	1.20%	0.00%	1.20%
High Yield Fixed Income	5.46%	6.00%	-0.54%
Real Estate	4.84%	7.00%	-2.16%
Private Equity	3.30%	5.00%	-1.70%
MLPs	7.85%	7.00%	0.85%
Cash	0.01%	0.00%	0.01%
Total	100.00%	100.00%	0.00%

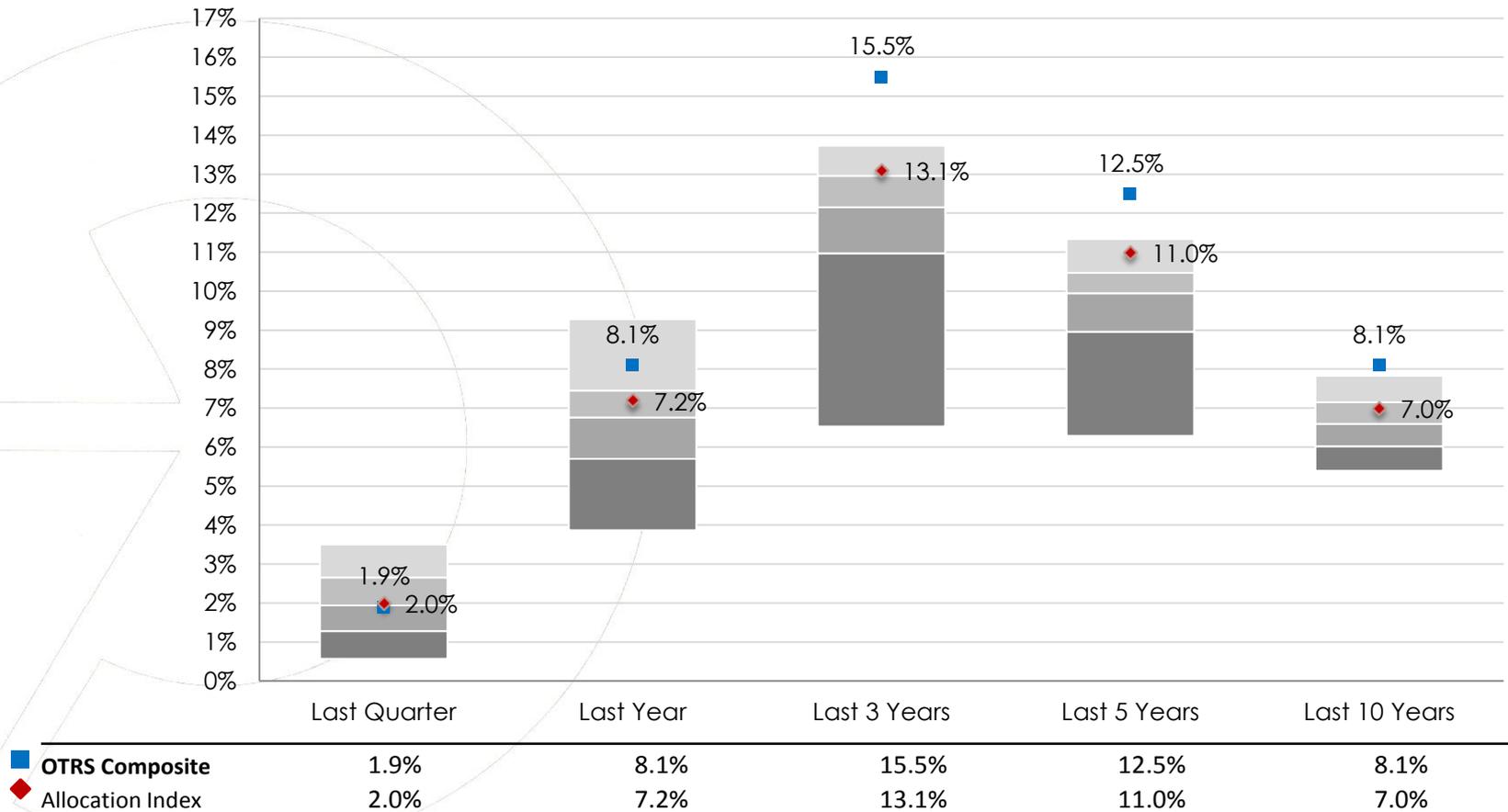
Total Fund Allocation vs. Median Public Fund



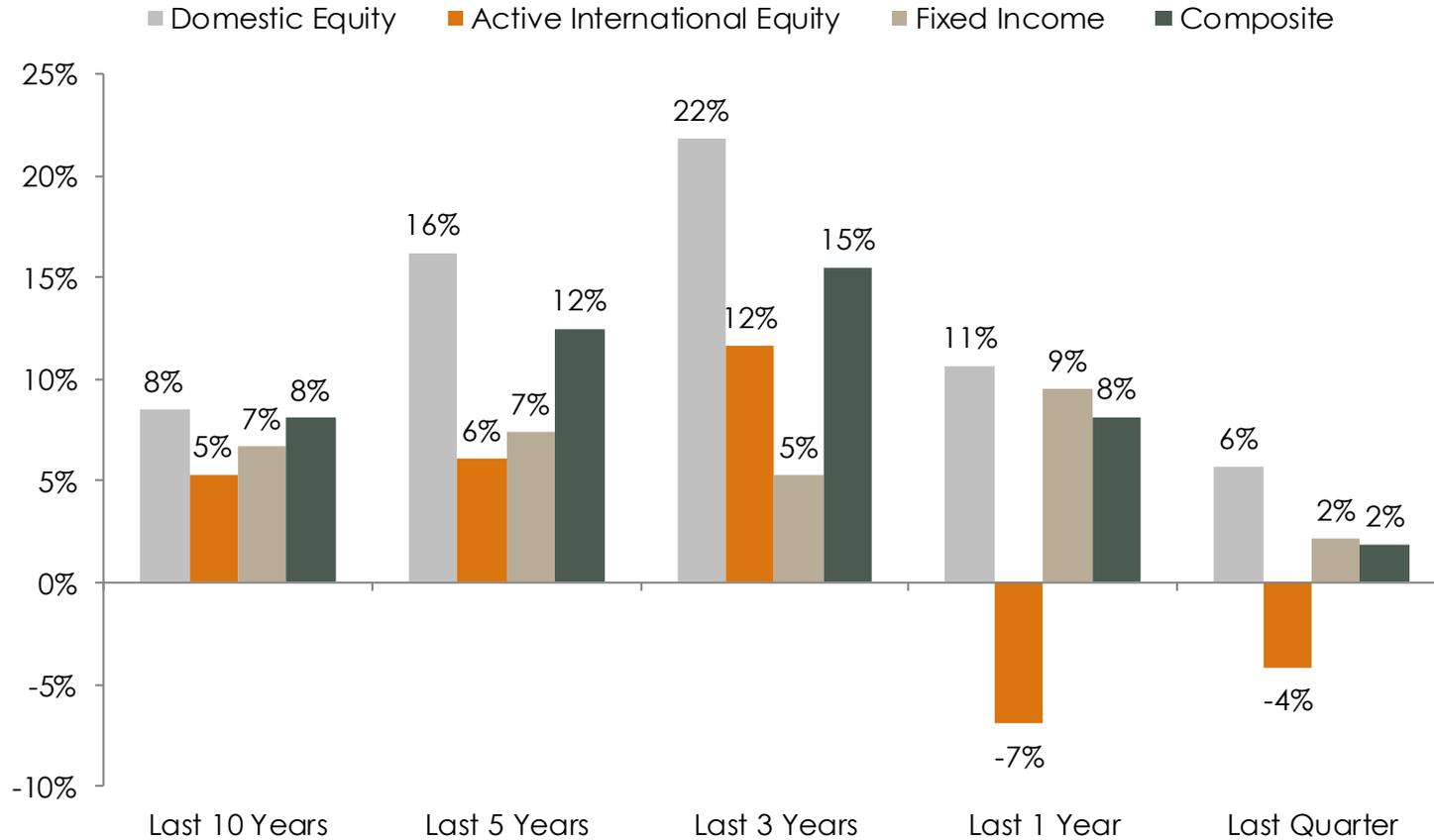
Composite Performance Summary as of December 31, 2014



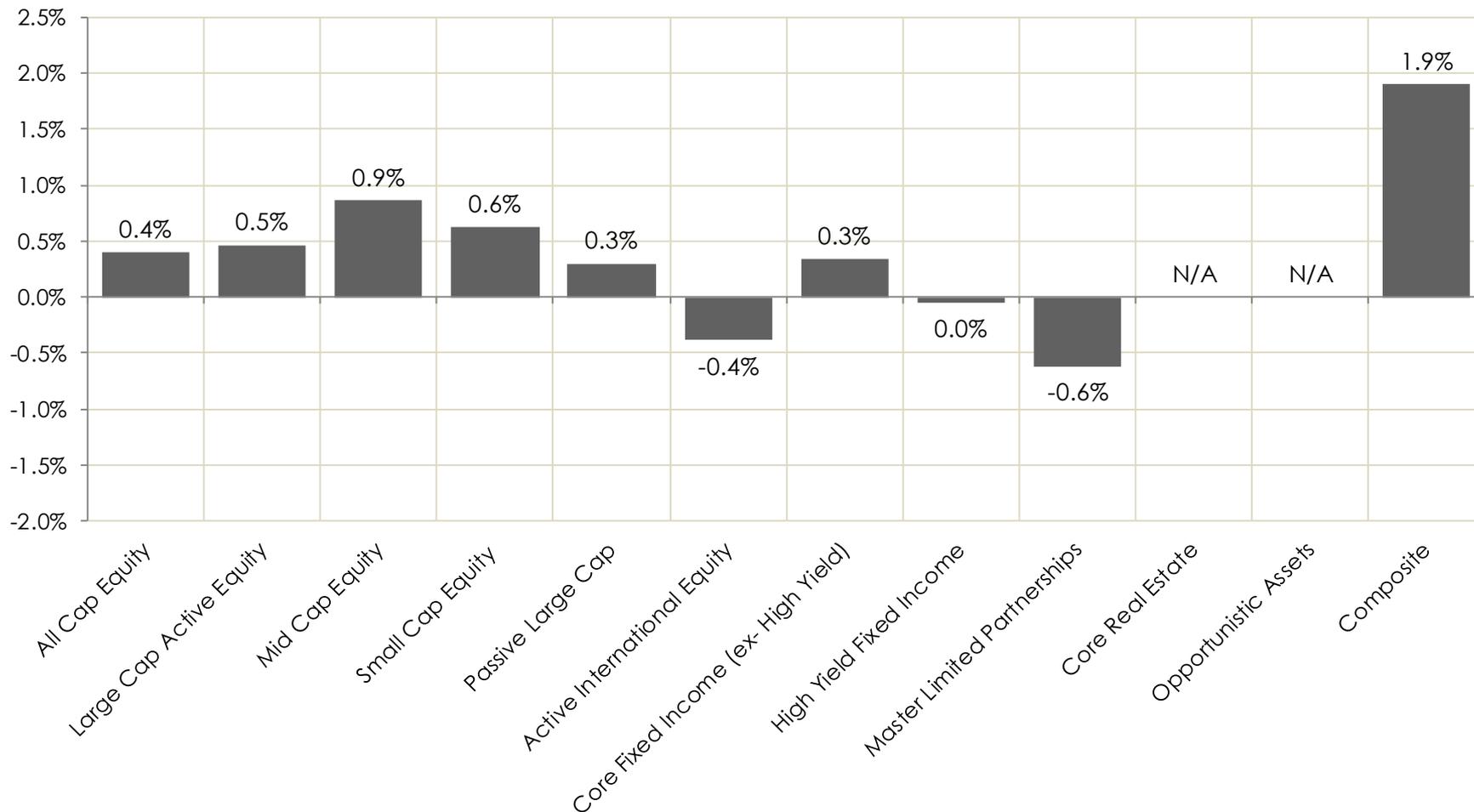
Total Fund vs. Public Fund Peer Universe



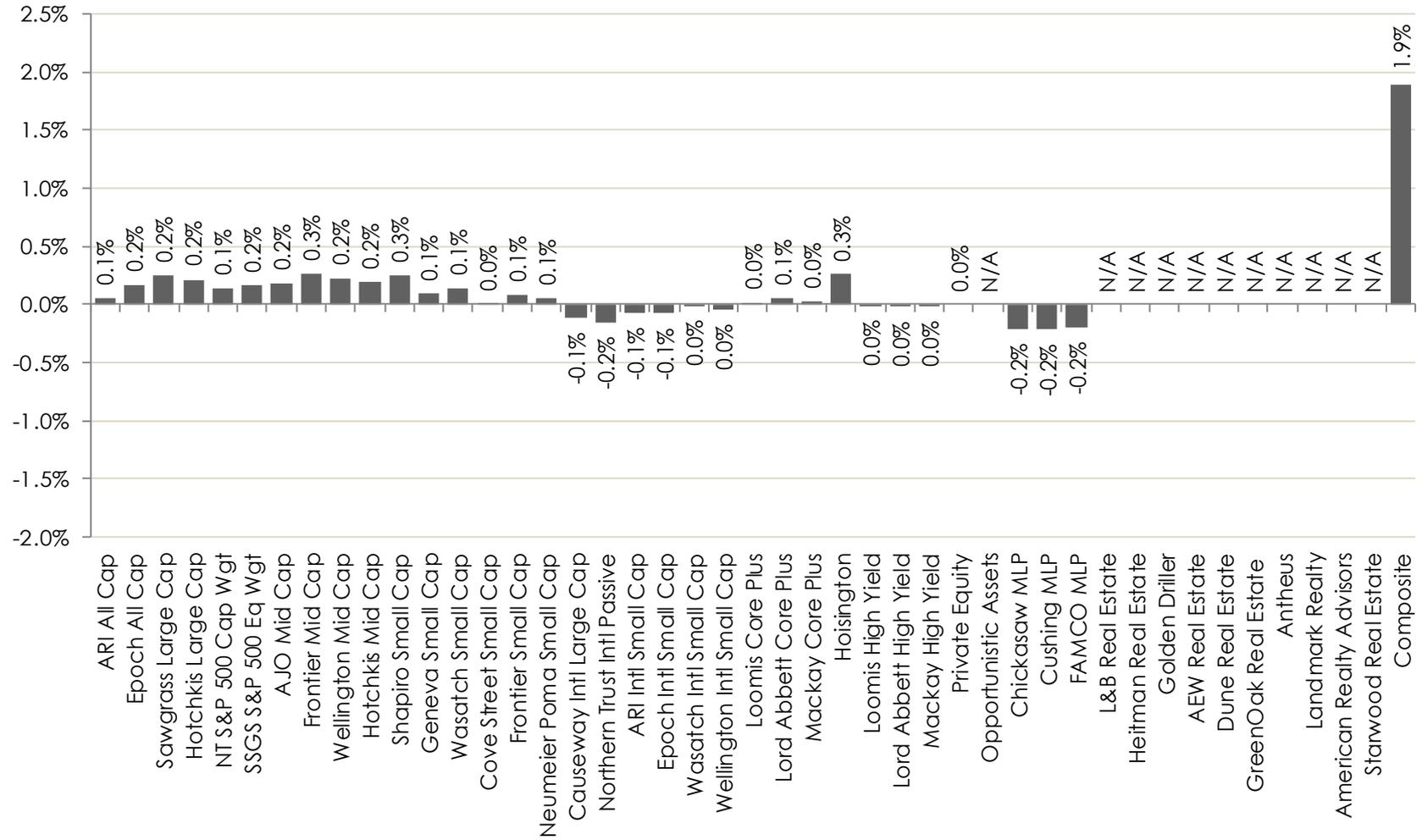
Composite Performance Summary as of December 31, 2014



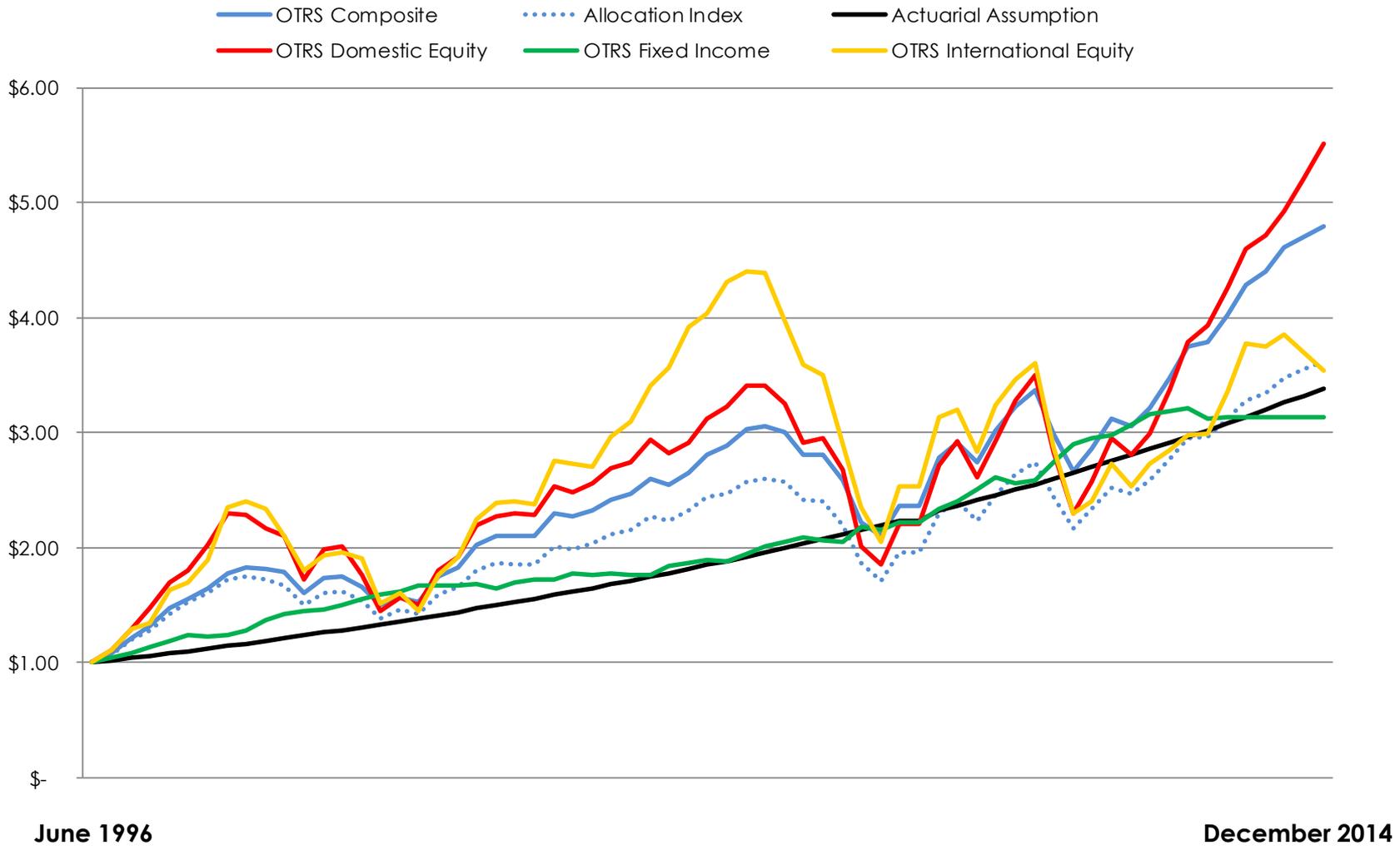
Composition of Quarterly Return by Asset Class



Composition of Quarterly Return by Portfolio



Growth of a Dollar Over Time: Period Ended December 31, 2014



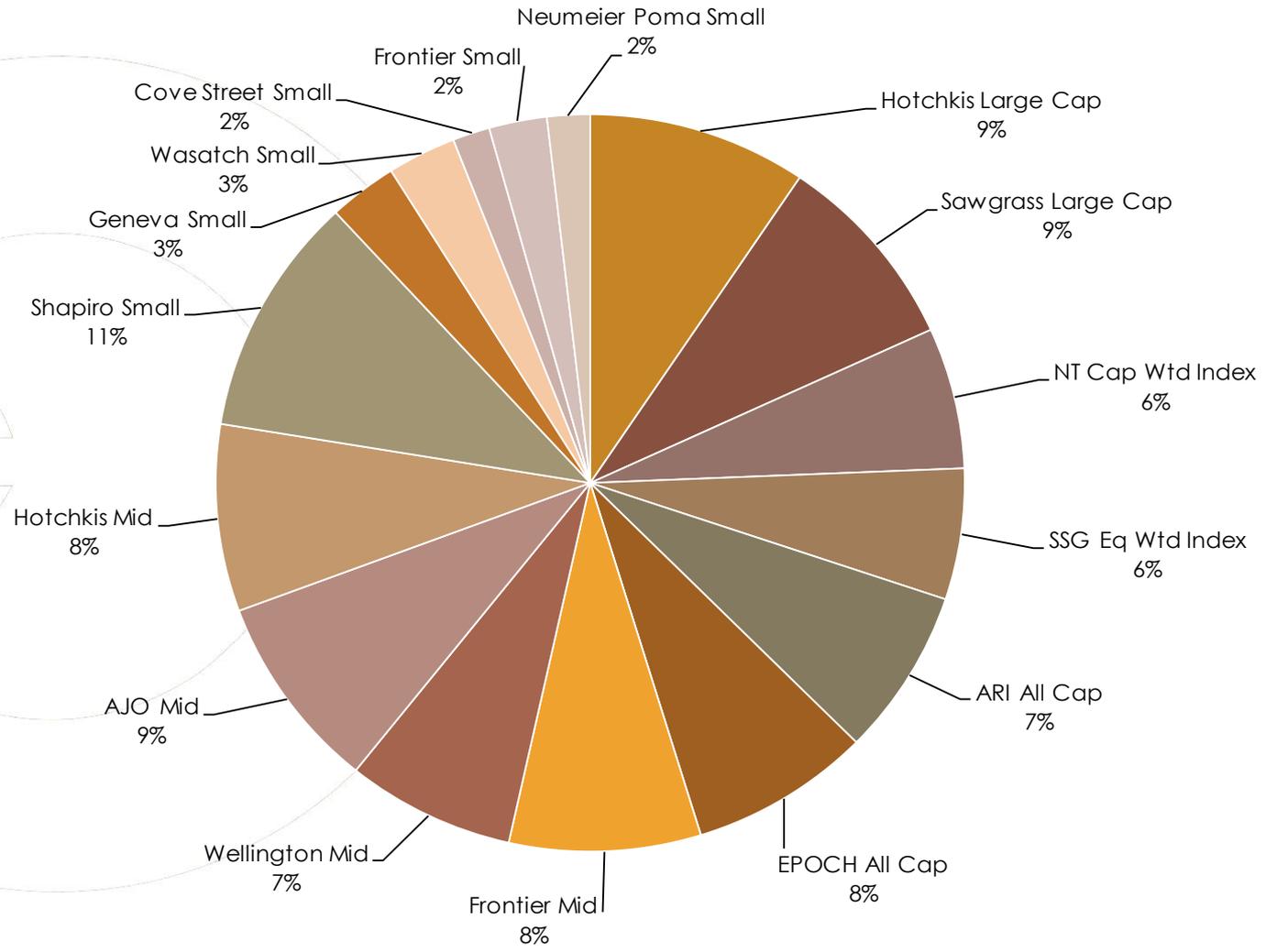
Performance – Total Fund

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Years	% Rank	Last Quarter	% Rank
Total Fund	8.1	3	12.5	1	15.5	1	8.1	18	1.9	51
<i>Allocation Index</i>	7.0		11.0		13.1		7.2		2.0	
<i>Actuarial Assumption</i>	8.0		8.0		8.0		8.0		1.9	
Total Domestic Equity	8.5	24	16.2	21	21.8	14	10.6	46	5.7	25
<i>S&P 500</i>	7.7		15.5		20.4		13.7		4.9	
Total Core Fixed Income	6.6	21	7.4	22	5.3	26	9.5	20	2.2	22
<i>Barclays Aggregate</i>	4.7		4.4		2.7		6.0		1.8	

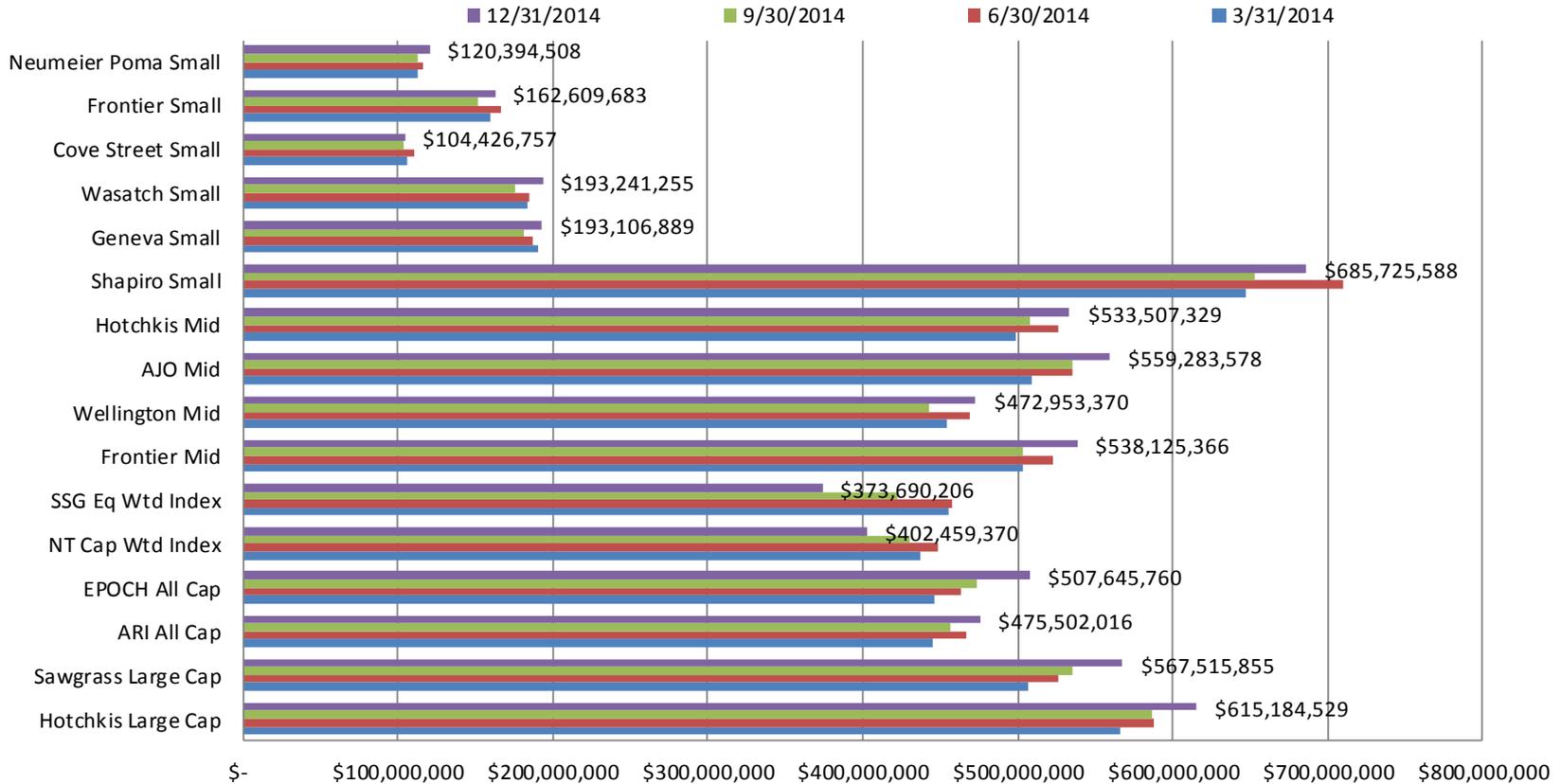
Composite Peer Ranking History

Periods Ended	Trailing 5 Years	Trailing 3 Years	Trailing Year	Last Quarter
4q2014	1	1	18	51
3q2014	1	1	4	75
2q2014	1	1	1	1
1q2014	3	1	1	7
4q2013	1	1	1	2
3q2013	2	3	1	14
2q2013	1	3	1	11
1q2013	3	4	4	3
4q2012	15	3	11	24
3q2012	21	13	8	10
2q2012	24	4	33	75
1q2012	22	13	25	14
4q2011	36	14	52	8
3q2011	31	23	95	89
2q2011	20	13	23	93
1q2011	9	21	5	17
4q2010	21	29	15	29
3q2010	30	38	10	18
2q2010	35	46	11	62
1q2010	24	25	70	44
4q2009	36	43	15	25
3q2009	26	42	32	13
2q2009	46	50	44	28
1q2009	23	24	18	28
4q2008	47	61	62	64
3q2008	24	59	67	48
2q2008	25	52	83	17
1q2008	19	49	83	79
4q2007	19	46	62	78
3q2007	18	36	37	87
2q 2007	10	29	18	34
1q 2007	15	27	38	19
4q 2006	23	44	59	36
3q 2006	15	24	69	57
Average Rank	19	25	32	37
% of Observations in Top Quartile	76%	56%	56%	47%
% of Observations Above Median	100%	91%	71%	68%

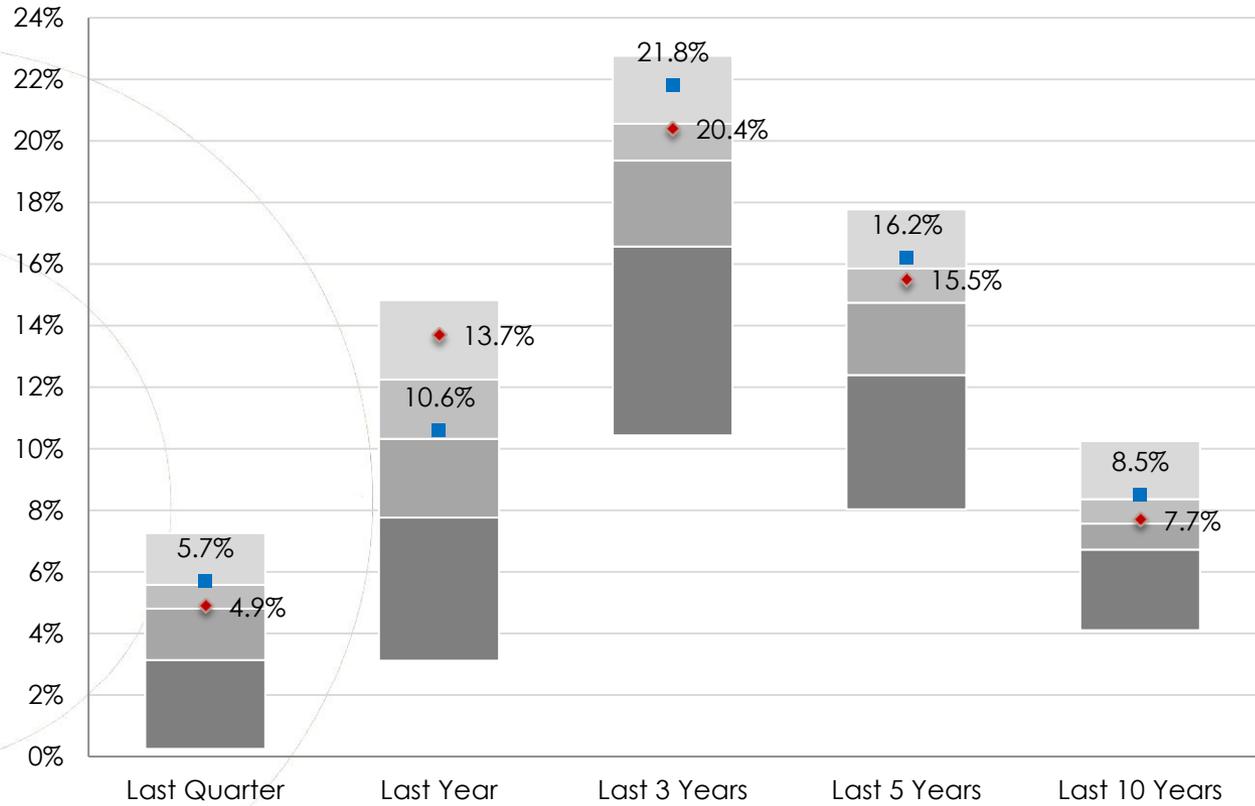
Asset Allocation Summary – Domestic Equity Allocation



Asset Allocation Summary – Domestic Equity Allocation



Domestic Equity Composite vs. U.S. Equity Allocation Peer Universe



■ OTRS Equity Composite

◆ S&P 500

5.7%

4.9%

10.6%

13.7%

21.8%

20.4%

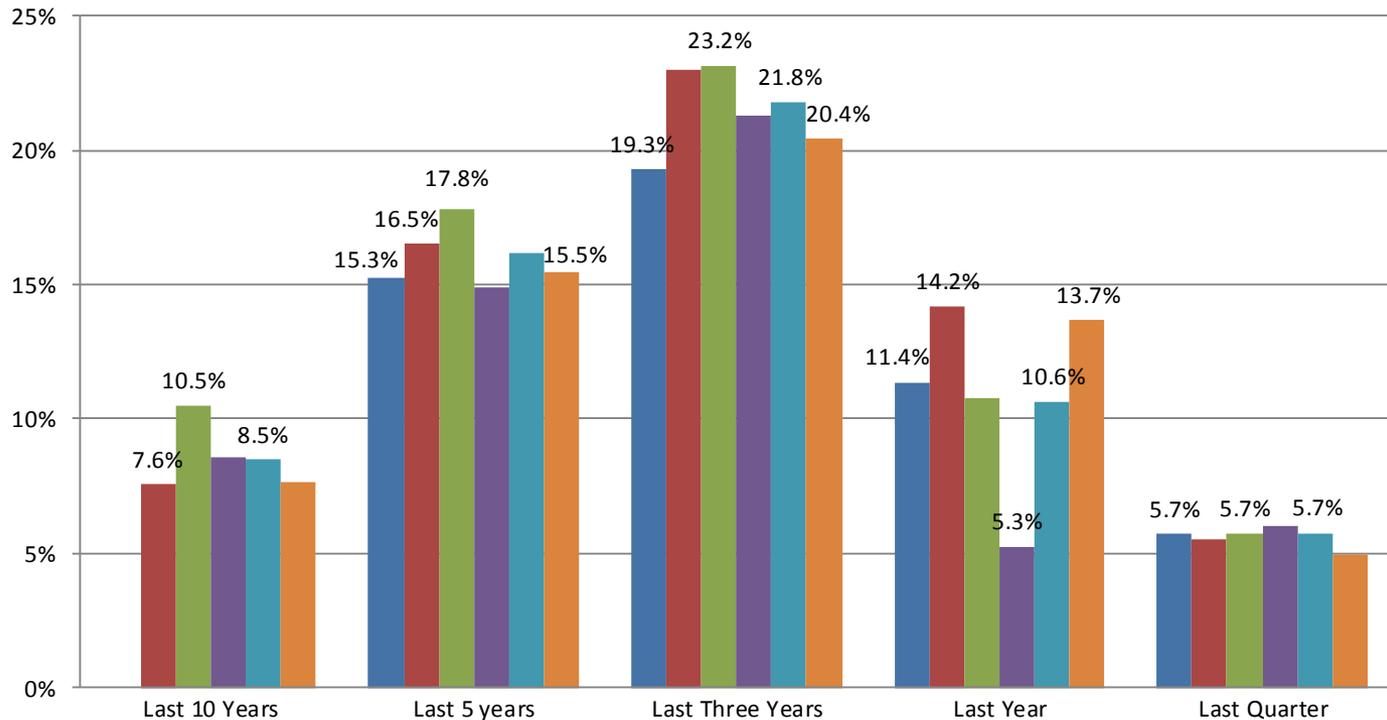
16.2%

15.5%

8.5%

7.7%

Domestic Equity Performance: Capitalization Composites



All Cap	15.3%	19.3%	11.4%	5.7%	
Large Cap Active	7.6%	16.5%	23.0%	14.2%	5.5%
Mid Cap	10.5%	17.8%	23.2%	10.8%	5.7%
Small Cap	8.6%	14.9%	21.3%	5.3%	6.0%
All Domestic Equity	8.5%	16.2%	21.8%	10.6%	5.7%
S&P 500 (Cap Weighted)	7.7%	15.5%	20.4%	13.7%	4.9%

Performance – All Cap and Large Cap Equity Managers

	Last 10 Years	% Rank	Last 5 Year	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Advisory Research	-	-	15.2	66	17.5	92	11.0	79	1.6	96
EPOCH	-	-	16.6	18	20.7	45	17.1	4	4.7	63
<i>Russell 3000 Value</i>	-		16.3		20.8		15.5		3.0	
<i>Russell 3000</i>	-		15.6		20.4		12.6		5.2	
Hotchkis LCV	6.7	96	17.8	4	24.5	5	14.5	21	4.9	40
Sawgrass LCG	-		16.4	33	20.8	46	13.9	21	6.1	17
<i>S&P 500</i>	7.7		15.5		20.4		13.7		4.9	
<i>Russell 1000 Value</i>	7.3		15.4		20.9		13.5		5.0	
<i>Russell 1000 Growth</i>	-		15.8		20.3		13.0		4.8	
NT Cap Weighted	-	-	-	-	-	-	13.6	32	4.8	58
SSGA Equal Weighted	-	-	-	-	-	-	14.5	18	6.0	14
<i>S&P 500 Cap Weighted</i>	7.7		15.5		20.4		13.7		4.9	
<i>S&P 500 Equal Weighted</i>	9.5		17.4		22.4		14.5		6.1	

Performance – Mid Cap and Small Cap Equity Managers

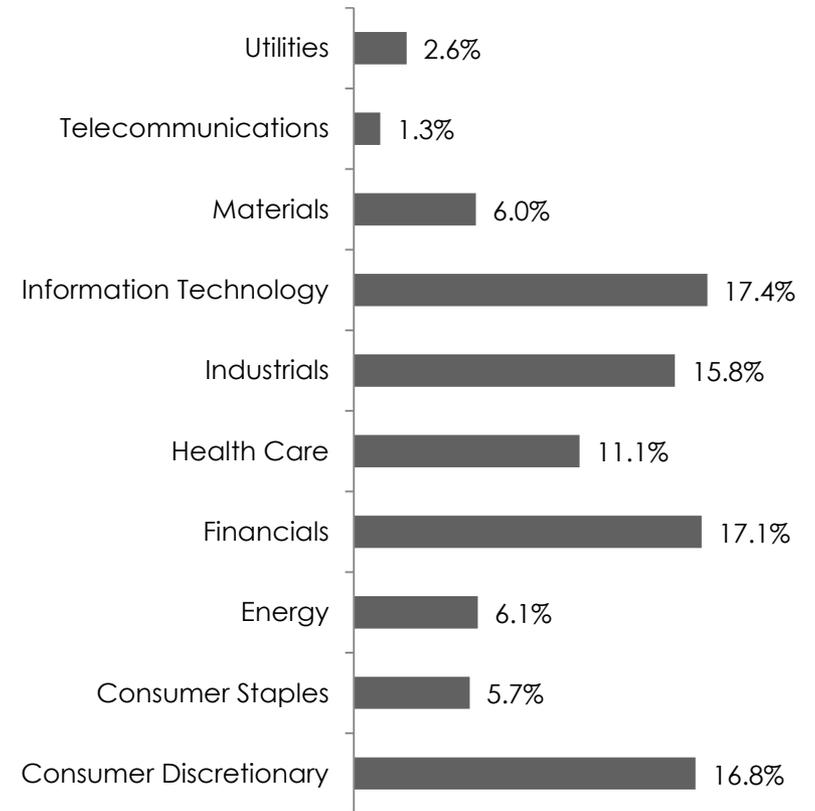
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
AJO MCC	10.1	N/A	18.7	17	23.5	12	13.2	2	4.6	55
Frontier MCG	11.6	44	16.0	77	21.1	60	11.9	18	6.9	22
Hotchkis MCV	10.7	N/A	21.9	5	29.3	1	13.2	44	5.0	50
Wellington MCG	9.4	82	14.5	89	18.4	88	4.4	85	6.7	24
<i>Russell MC</i>	9.6		17.2		21.4		13.2		5.9	
<i>Russell MC Growth</i>	9.4		16.9		20.7		11.9		5.8	
<i>Russell MC Value</i>	9.4		17.4		22.0		14.7		6.1	
Shapiro SCC	11.3	N/A	17.7	29	23.2	10	8.4	20	5.1	81
Geneva SCG	-	-	-	-	-	-	-1.9	80	6.7	68
Wasatch SCG	-	-	-	-	-	-	4.3	40	10.2	24
Cove Street SCV	-	-	-	-	-	-	-3.0	91	0.8	90
Frontier SCV	-	-	-	-	-	-	6.2	62	7.1	75
Neumeier Poma SCV	-	-	-	-	-	-	8.5	29	6.5	77
<i>Russell 2000</i>	7.8		15.5		19.2		4.9		9.7	
<i>Russell 2000 Value</i>	6.9		14.3		18.3		4.2		9.4	

Total Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Total Equity Allocation
Aaron's	0.55%
Cablevision	0.54%
ADT	0.52%
Entegris	0.50%
Axiall	0.50%
Knowles	0.48%
USG	0.46%
Lindsay	0.44%
Compass Minerals International	0.42%
Pfizer	0.39%
Top Ten Total Weight	4.80%

Sector Weightings



Composite Equity Portfolio Characteristics – Trailing Five Years

	Average Market Cap	Dividend Yield	Tracking Error	Alpha	R ²	Sharpe Ratio	Standard Deviation
Active All Cap/Large Cap Equity	\$108.99 billion	1.91%	3.62%	2.25	0.95	1.29	13.15
Mid Cap Equity	\$9.67 billion	1.05%	4.92%	-1.29	0.94	1.04	17.45
Small Cap Equity	\$10.12 billion	0.92%	2.62%	1.78	0.42	0.49	7.97
International Equity	\$23.94 billion	2.33%	0.02%	-0.02	0.00	0.20	7.22
Total Equity	\$44.04 billion	1.52%	2.71%	0.29	0.60	0.74	11.12

Active Domestic Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. S&P 500
Hotchkis & Wiley	Large Cap Value	112.7	110.5	17.8%	0.93
Sawgrass	Large Cap Growth	91.03	73.9	16.4%	0.95
Advisory Research	All Cap	97.1	100.7	14.5%	0.95
EPOCH	All Cap	105.0	107.3	15.9%	0.96
AJO	Mid Cap Core	118.2	115.3	18.8%	0.93
Frontier	Mid Cap Growth	106.9	109.7	16.1%	0.85
Hotchkis & Wiley	Mid Cap Value	135.2	128.9	21.0%	0.84
Wellington	Mid Cap Growth	123.3	161.3	13.9%	0.86
Shapiro	Small Cap Value/Core	122.4	126.8	18.4%	0.81
Cove Street	Small Cap Value	112.2	117.0	16.7%	0.80
Neumeier Poma	Small Cap Value	110.8	97.8	19.0%	0.79
Frontier	Small Cap Value	127.7	119.2	21.1%	0.83
Geneva	Small Cap Growth	106.5	114.5	15.4%	0.68
Wasatch	Small Cap Growth	100.7	91.0	16.9%	0.72

Upside and downside capture ratios measured against the S&P 500 index.

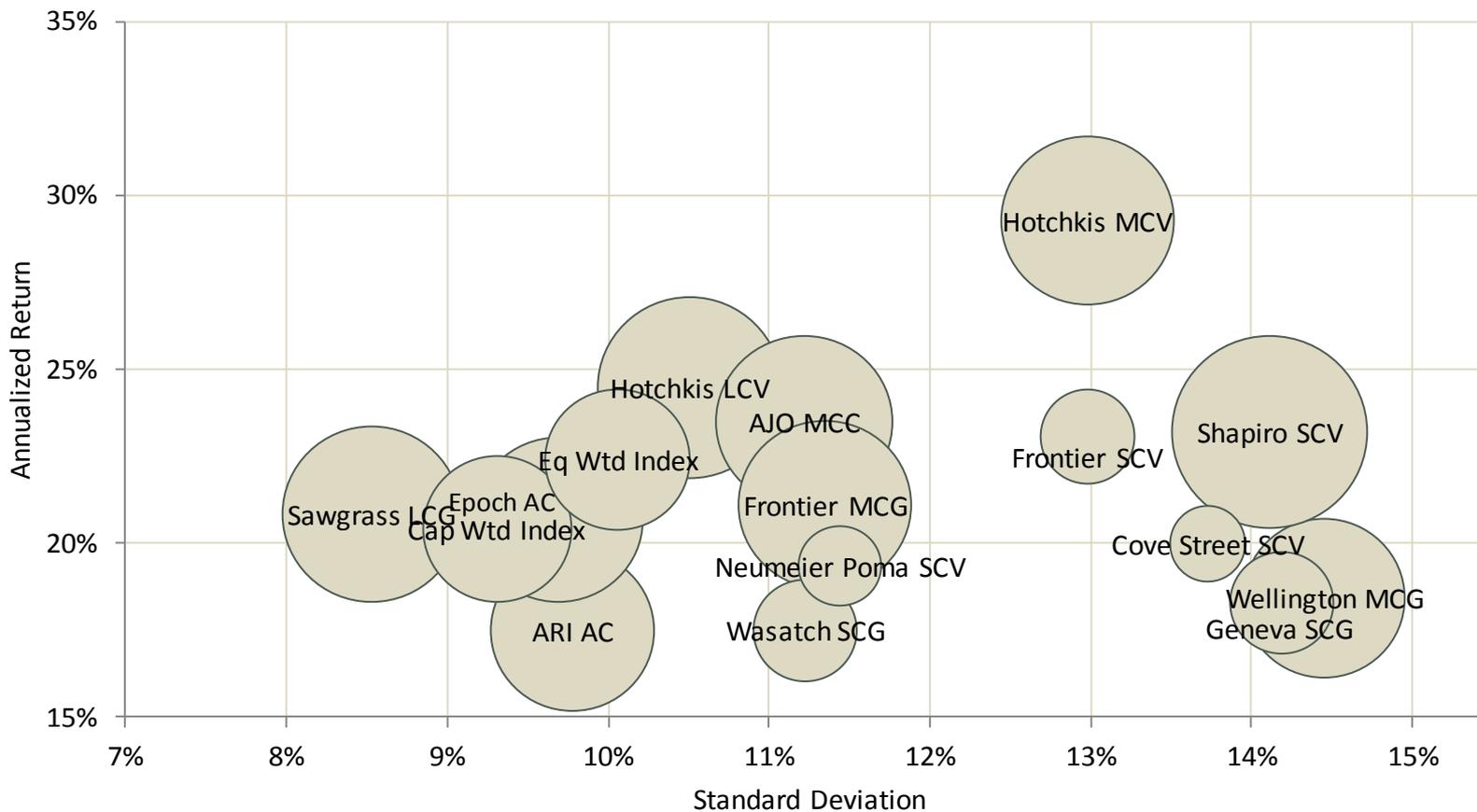
fourth quarter, 2014

Domestic Equity Portfolios: 5 Year Correlation Matrix

Trailing Five Years	ARI AC	AJO MC	Cove Street SCV	Epoch AC	Frontier MCG	Frontier SCV	Geneva SCG	Hotchkis LCV	Hotchkis MCV	Neumeier Poma SCV	Sawgrass LCG	Shapiro SCC	Wasatch SCG	Wellington MCG
ARI AC	-													
AJO MC	0.96	-												
Cove Street SCV	0.91	0.91	-											
Epoch AC	0.96	0.97	0.89	-										
Frontier MCG	0.92	0.95	0.89	0.93	-									
Frontier SCV	0.93	0.95	0.94	0.91	0.93	-								
Geneva SCG	0.85	0.88	0.84	0.85	0.90	0.86	-							
Hotchkis LCV	0.96	0.94	0.88	0.96	0.90	0.91	0.78	-						
Hotchkis MCV	0.92	0.94	0.89	0.93	0.90	0.94	0.80	0.94	-					
Neumeier Poma SCV	0.92	0.93	0.90	0.90	0.91	0.94	0.89	0.87	0.89	-				
Sawgrass LCG	0.94	0.95	0.86	0.96	0.92	0.87	0.83	0.93	0.88	0.86	-			
Shapiro SCC	0.93	0.95	0.91	0.91	0.93	0.93	0.86	0.90	0.91	0.92	0.87	-		
Wasatch SCG	0.87	0.90	0.87	0.86	0.92	0.92	0.90	0.82	0.86	0.90	0.83	0.89	-	
Wellington MCG	0.93	0.97	0.90	0.94	0.94	0.94	0.88	0.91	0.94	0.94	0.90	0.95	0.90	-

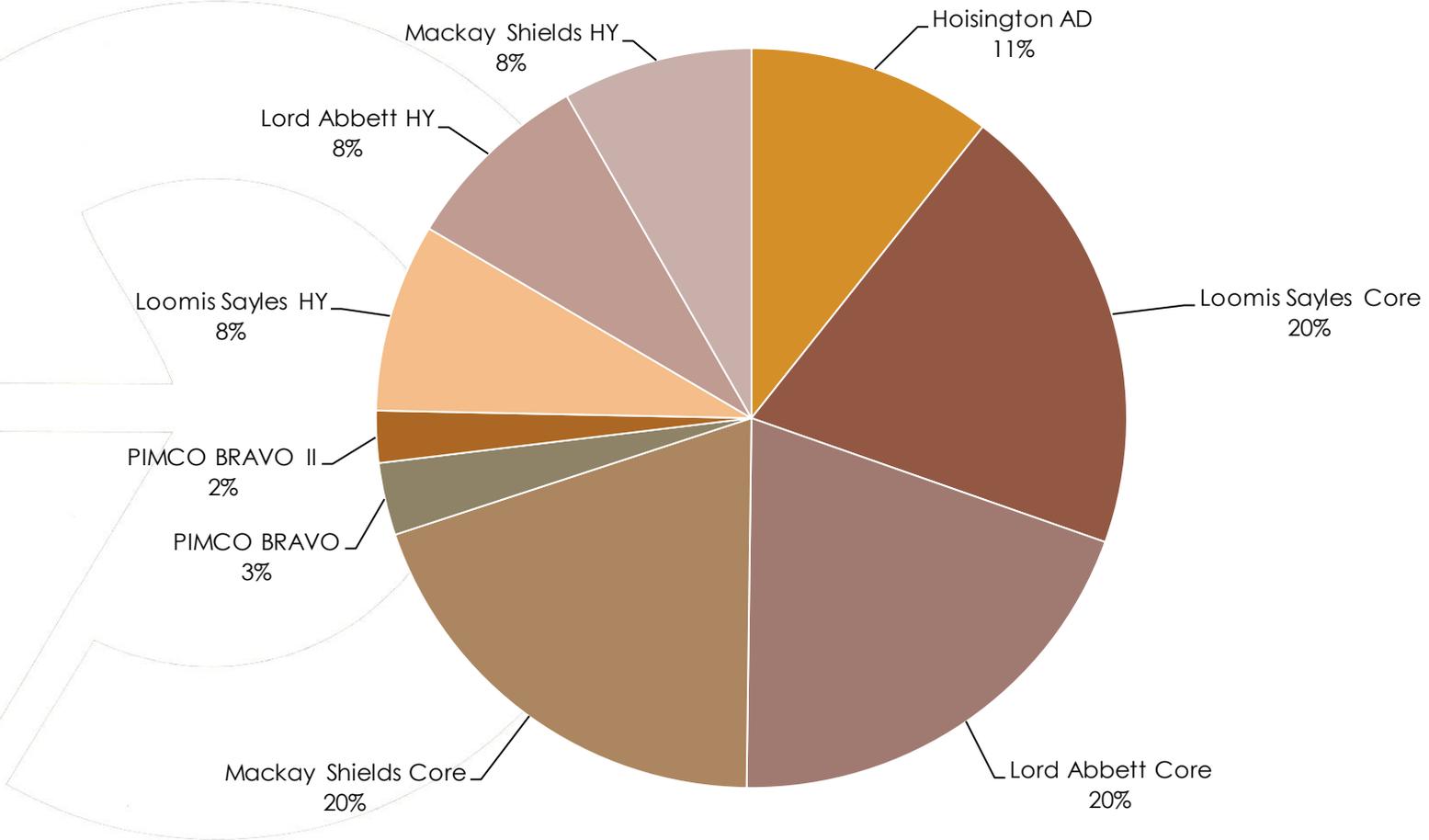
Domestic Equity Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2014

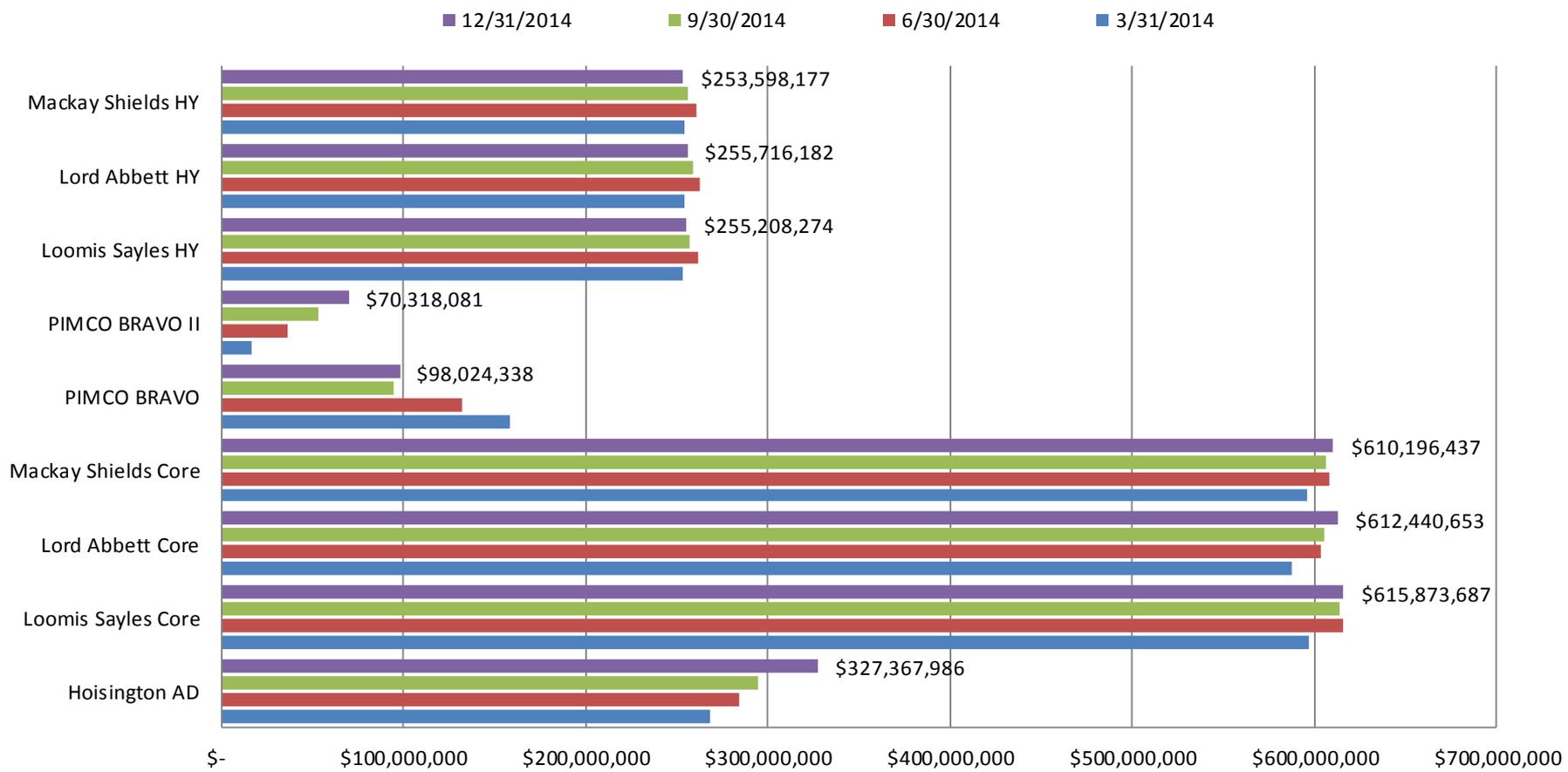


*Composite performance used when necessary.

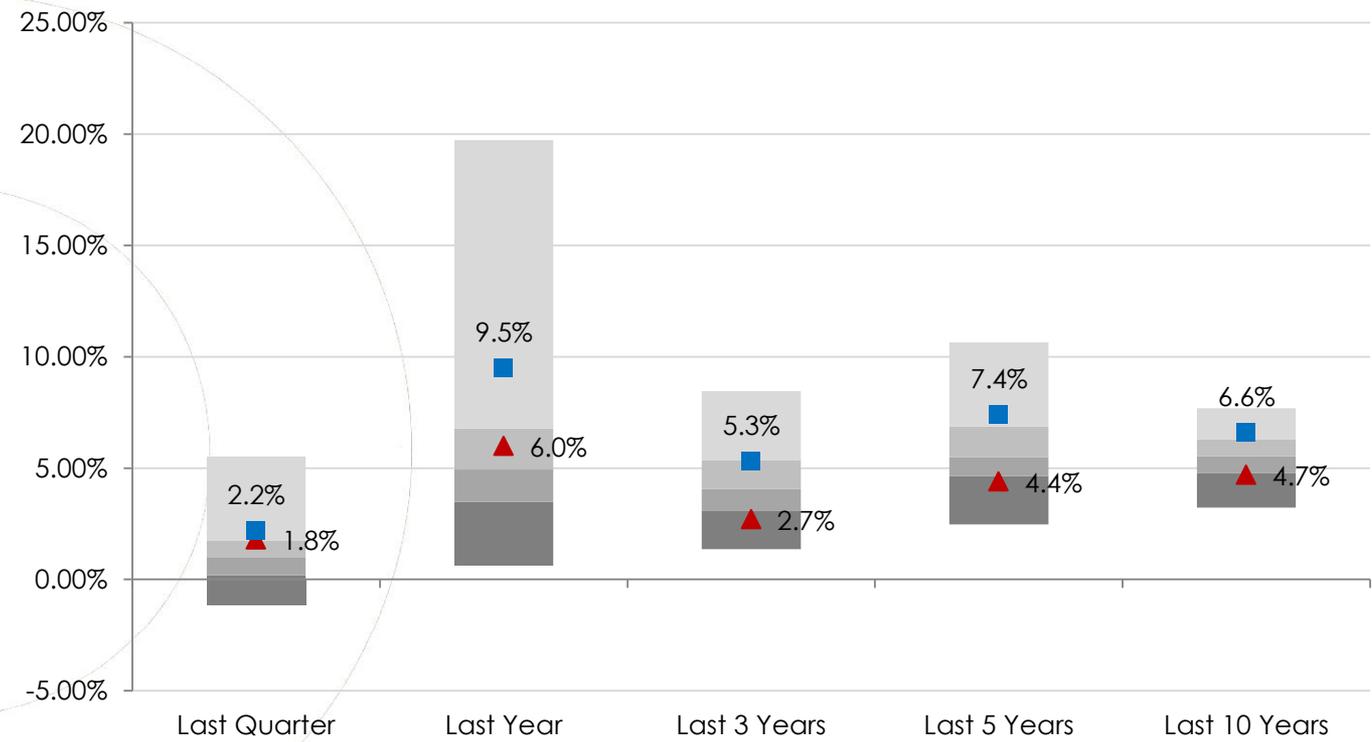
Asset Allocation Summary – Fixed Income Allocation



Asset Allocation Summary – Fixed Income Allocation



Fixed Income Composite vs. Core Fixed Income Peer Universe



■ OTRS Fixed Income Composite	2.2%	9.5%	5.3%	7.4%	6.6%
◆ Barclays Capital Aggregate	1.8%	6.0%	2.7%	4.4%	4.7%

Performance – Fixed Income Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last Year	% Rank	Last Quarter	% Rank
Loomis Sayles	7.5	6	7.6	17	6.1	9	6.9	24	0.4	83
Lord Abbett	-	-	6.2	23	4.9	19	6.8	26	1.2	76
Mackay Shields	-	-	6.8	20	5.3	16	4.8	78	0.6	81
Hoisington	-	-	12.5	1	4.9	19	33.4	1	11.1	1
<i>BC Aggregate</i>	4.7		4.4		2.7		6.0		1.8	
Loomis HY	-	-	8.9	58	10.7	27	4.5	33	-0.6	47
Lord Abbett HY	-	-	10.3	23	10.0	35	4.0	39	-1.1	71
Mackay HY	-	-	8.7	68	7.7	74	2.7	63	-0.9	61
<i>ML High Yield II</i>	-		8.9		8.4		2.5		-1.1	

Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Maturity	Yield to Maturity
Loomis Sayles	Core Plus	AA-	5.9	8.5	4.1%
Lord Abbett	Core Plus	A	5.1	7.4	3.2%
Mackay Shields	Core Plus	BBB+	3.4	8.4	3.0%
Hoisington	Active Duration	AAA	20.1	23.8	2.7%
Core Fixed Income Composite	Core Plus	A+	7.1	10.5	3.3%
Loomis Sayles	High Yield	BB	3.9	6.3	5.3%
Lord Abbett	High Yield	B+	5.1	7.2	6.6%
Mackay Shields	High Yield	BB-	3.8	5.9	5.9%
High Yield Composite	High Yield	B	4.3	6.5	5.9%

Fixed Income Performance Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. BC Aggregate
Loomis Sayles	Core Plus	144.3%	97.1%	7.4%	0.58
Lord Abbett	Core Plus	117.2%	65.7%	6.3%	0.85
Mackay Shields	Core Plus	119.9%	71.9%	6.3%	0.68
Hoisington	Active Duration	319.3%	421.0%	12.5%	0.54
Loomis Sayles	High Yield	161.5%	3.5%	10.5%	0.01
Lord Abbett	High Yield	155.9%	-67.1%	11.6%	0.01
Mackay Shields	High Yield	143.7%	-27.0%	10.0%	0.05

Upside and downside capture ratios measured against the Barclays Capital Aggregate index.
*Composite performance used when necessary.

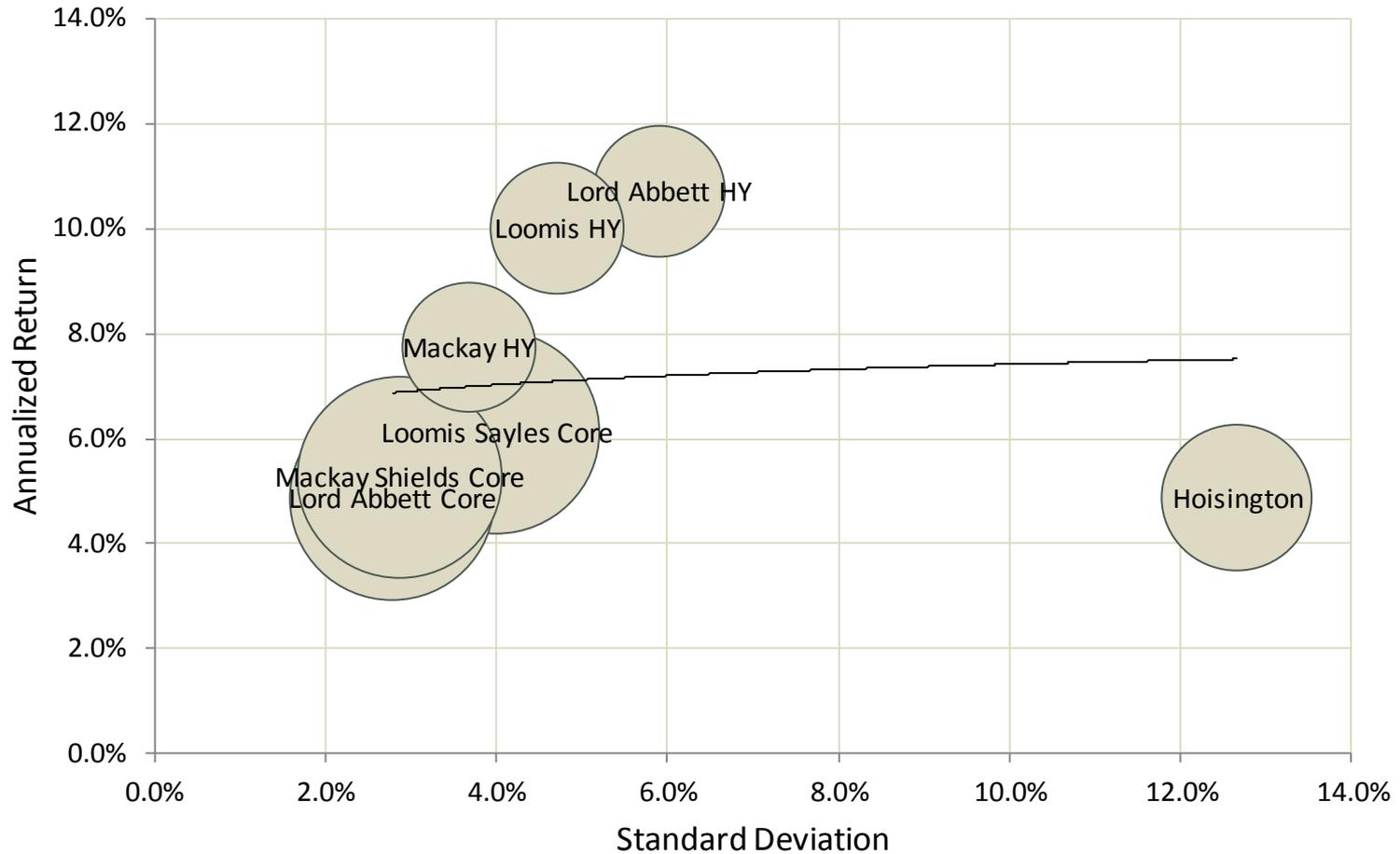
Fixed Income Portfolios: 5 Year Correlation Matrix

Trailing Five Years	Hoisington	Loomis Core	Loomis High Yield	Lord Abbett Core	Lord Abbett High Yield	Mackay Shields Core	Mackay Shields High Yield
Hoisington	-						
Loomis Core	0.24	-					
Loomis High Yield	-0.45	0.71	-				
Lord Abbett Core	0.50	0.92	0.46	-			
Lord Abbett High Yield	-0.46	0.68	0.97	0.42	-		
Mackay Shields Core	0.35	0.96	0.61	0.96	0.60	-	
Mackay Shields High Yield	-0.33	0.77	0.94	0.54	0.97	0.70	-

*Composite performance used when necessary.

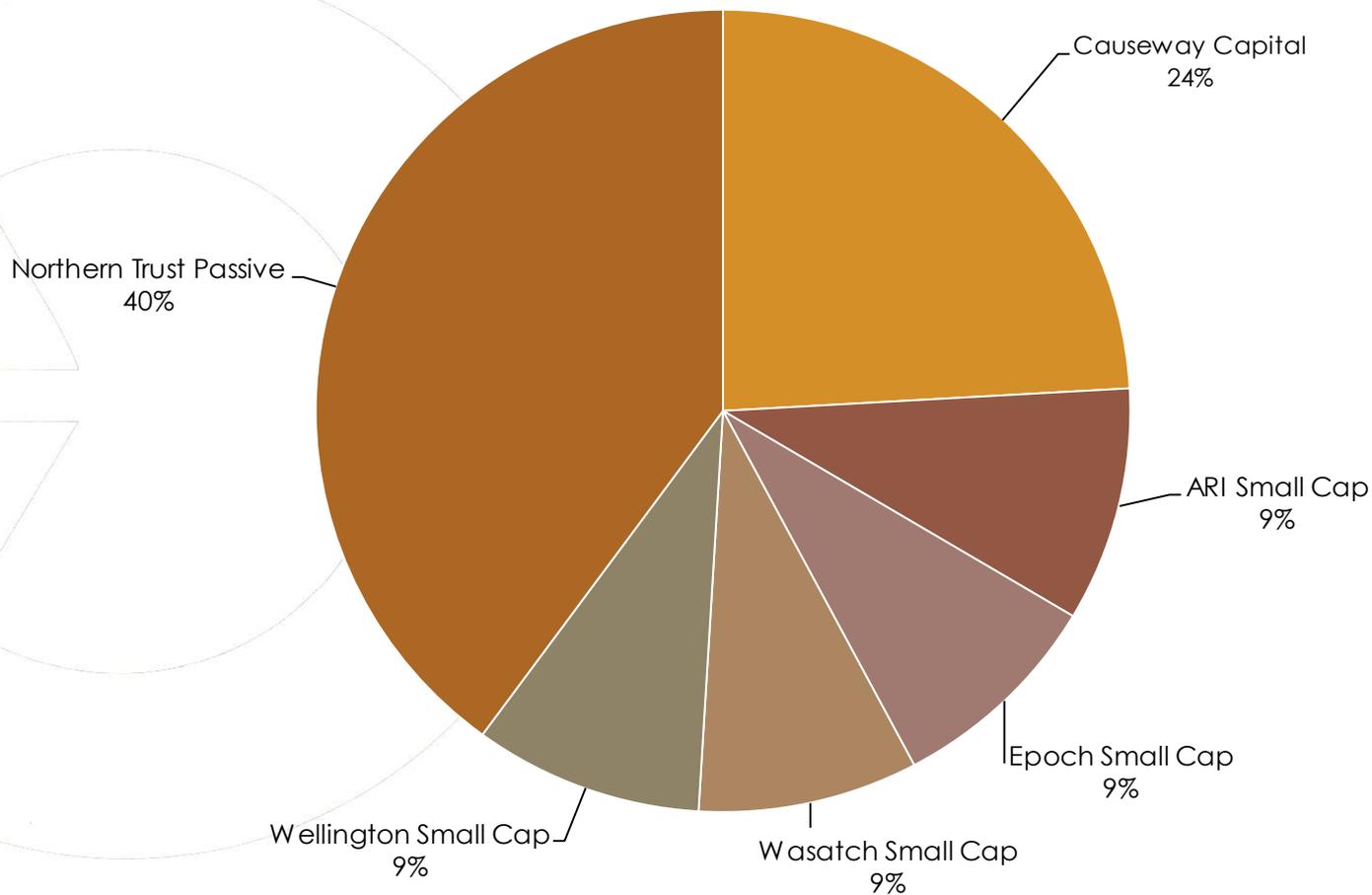
Fixed Income Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2014

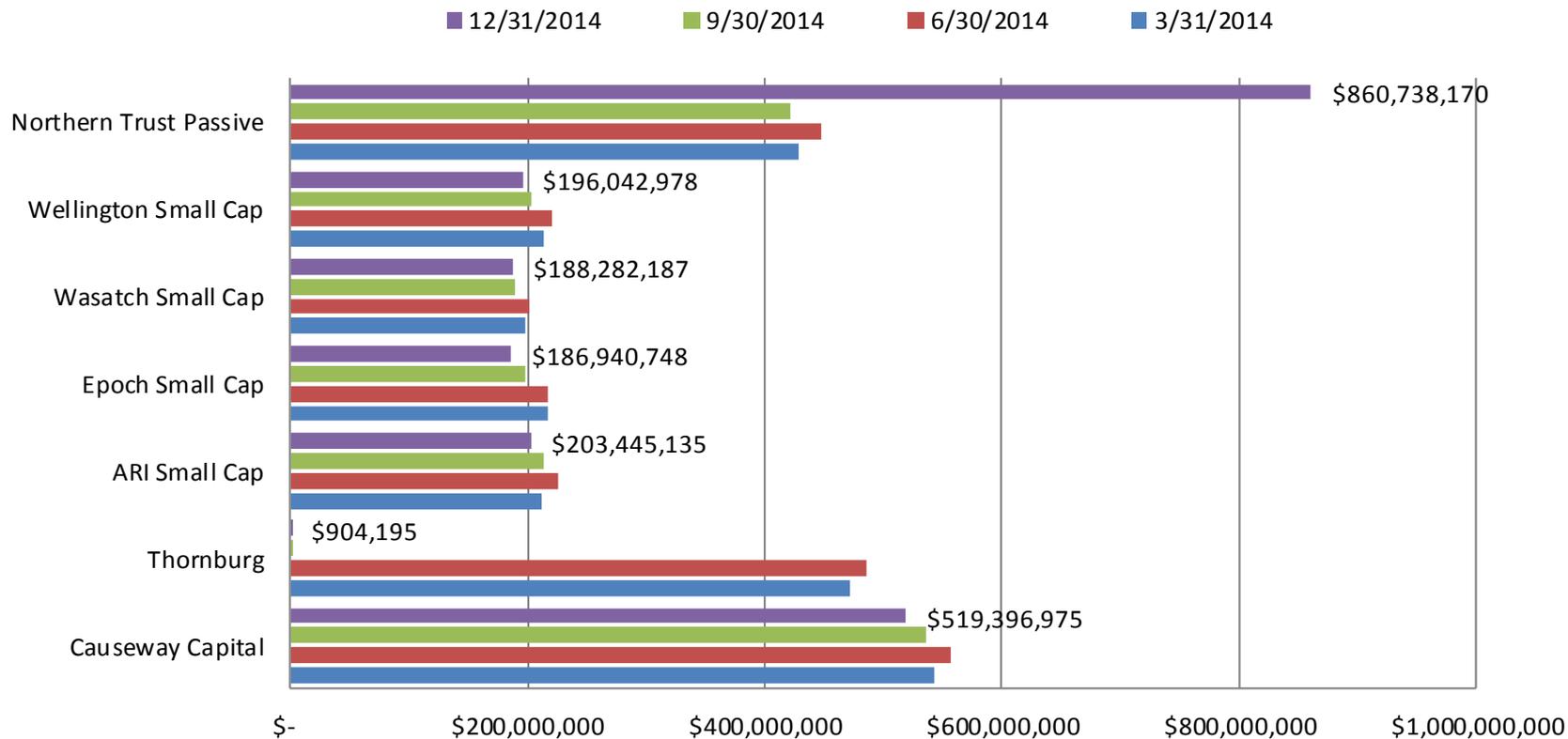


*Composite performance used when necessary to calculate figures.

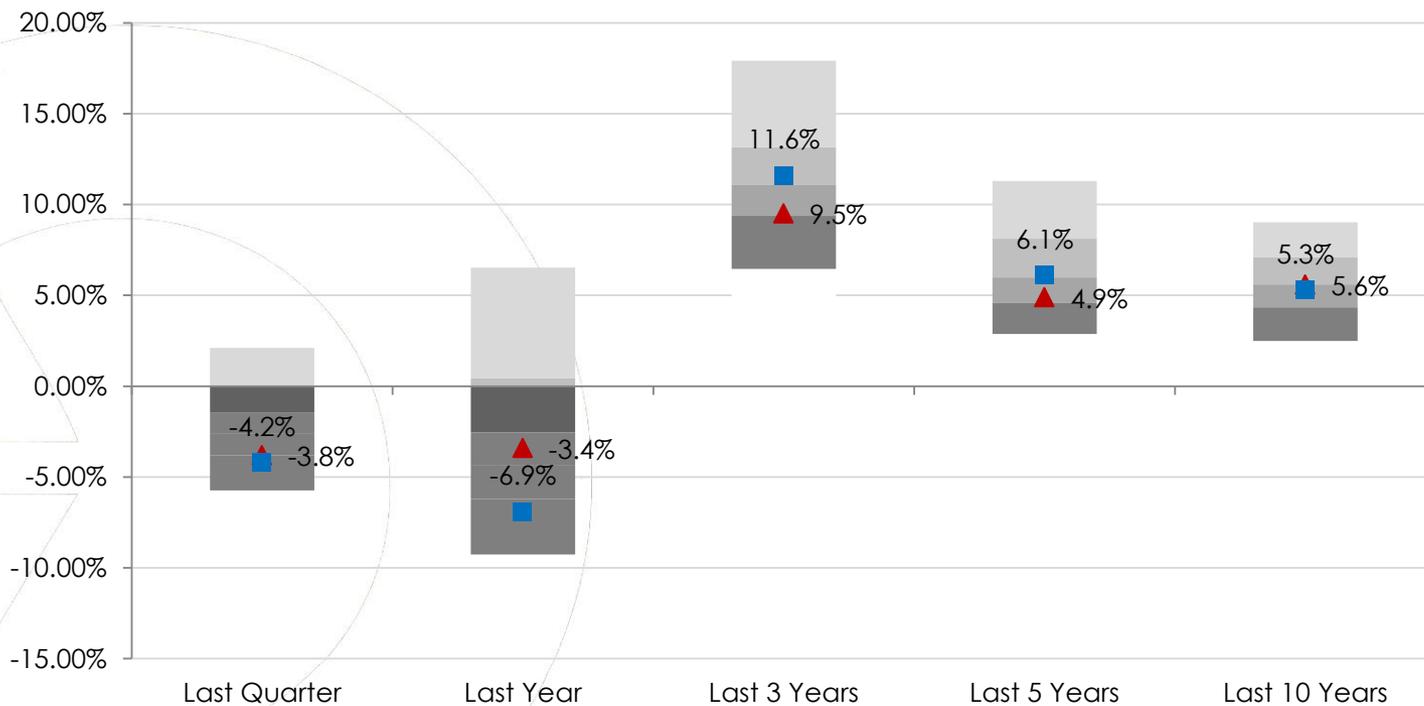
Asset Allocation Summary – International Equity Allocation



Asset Allocation Summary – International Equity Allocation



Active International Equity vs. Non-US Equity Allocation Peer Universe



■ OTRS Active Intl Equity	-4.2%	-6.9%	11.6%	6.1%	5.3%
◆ MSCI ACWI Ex-US	-3.8%	-3.4%	9.5%	4.9%	5.6%

Performance – International Equity Managers

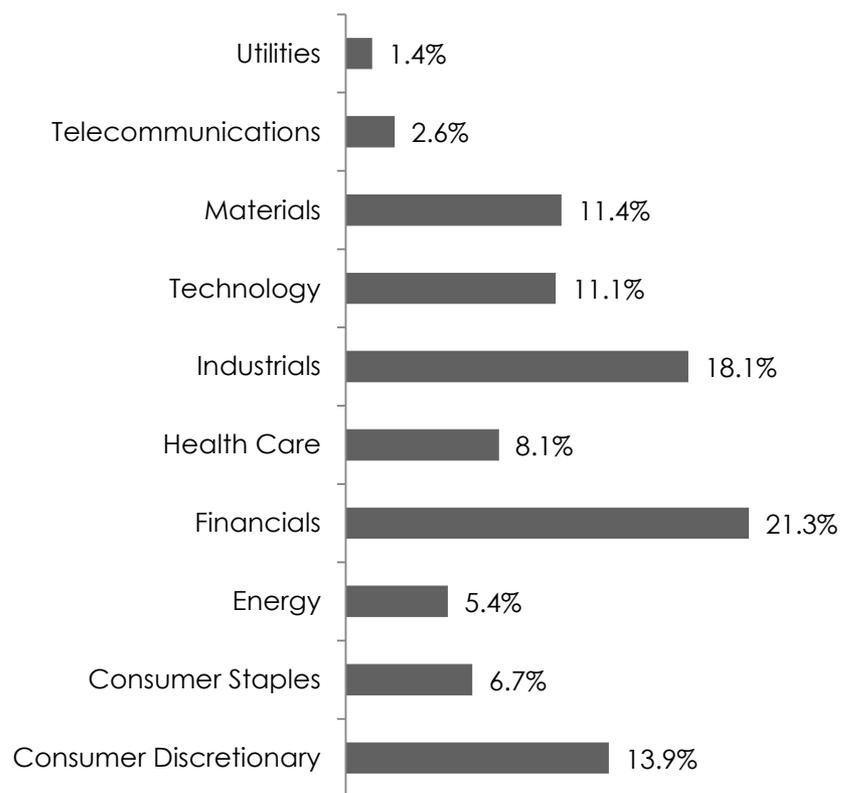
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Causeway	5.7	48	7.9	27	13.6	23	-4.0	70	-3.0	53
Northern Trust Passive	-		-		-		-3.4	62	-2.5	43
<i>MSCI ACWI Ex US</i>	4.9		5.8		11.6		-4.5		-3.5	
ARI	-	-	-	-	-	-	-1.2	39	-5.1	86
EPOCH	-	-	-	-	-	-	-10.1	96	-5.6	91
Wasatch	-	-	-	-	-	-	-6.8	91	-0.8	21
Wellington	-	-	-	-	-	-	-7.4	94	-3.3	59
<i>MSCI EAFE Small Cap</i>	5.9		9.0		14.2		-4.6		-2.2	

Total International Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Total Equity Allocation
Reed Elsevier	1.31%
AKZO Nobel	1.25%
Novartis AG	1.19%
KDDI	1.06%
British American Tobacco	1.00%
International Consolidated Airlines Group	0.94%
Sanofi	0.92%
UBS	0.88%
WisdomTree Trust	0.84%
Aviva	0.83%
Top Ten Total Weight	10.22%

Sector Weightings



Active International Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. MSCI ACWI ex US
Causeway	Large Cap Value	114.7%	95.0%	9.2%	0.94
Northern Trust	Passive Index	100.6%	99.6%	4.7%	1.00
Advisory Research	Small Cap Value	97.7%	69.6%	10.3%	0.89
EPOCH	Small Cal Value	100.7%	84.7%	7.8%	0.89
Wasatch	Small Cap Growth	102.0%	56.9%	14.2%	0.82
Wellington	Small Cap Growth	103.0%	87.4%	7.8%	0.96

Upside and downside capture ratios measured against the MSCI ACWI ex-US index.

*Composite performance used when necessary.

International Equity Portfolios: 5 Year Correlation Matrix

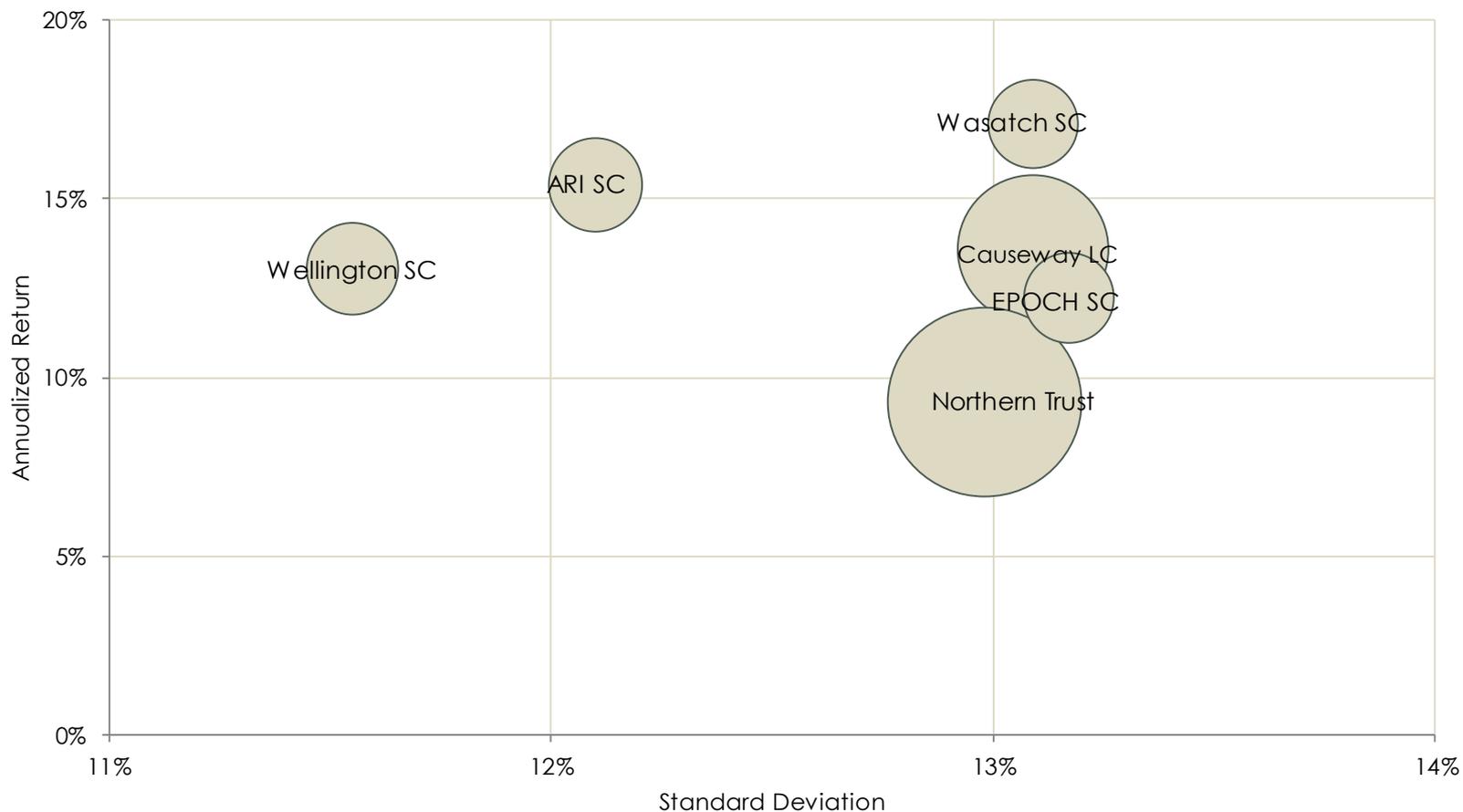
Trailing Five Years	ARI SCI	Causeway LCI	EPOCH SCI	Northern Trust	Wasatch SCI	Wellington SCI
ARI SCI	-					
Causeway LCI	0.92	-				
EPOCH SCI	0.94	0.93	-			
Northern Trust Passive	0.94	0.97	0.94	-		
Wasatch SCI	0.87	0.85	0.93	0.91	-	
Wellington SCI	0.92	0.97	0.94	0.98	0.90	-

*Composite performance used when necessary.

fourth quarter, 2014

International Equity Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2014



Performance – MLPs

	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Chickasaw	-	-	29.4	-	22.5	-	-7.3	-
FAMCO	-	-	23.5	-	12.9	-	-8.5	-
Swank	-	-	15.0	-	19.4	-	-7.8	-
<i>Alerian MLP</i>	-		<i>11.9</i>		<i>4.8</i>		<i>-12.3</i>	

February 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	189,128,471	1.37%	On Alert	Acquisition	July 2014	December 2014	June 2015	Maintain continuity of management practices and results

All other managers currently rated In Compliance



LORD ABBETT

January 28, 2015

Ms. Melissa Kempkes
Oklahoma Teachers Retirement System
P.O. Box 53524
Oklahoma City, OK 73152-3524

Dear Melissa:

According to the Investment Policy Statement of Oklahoma Teachers Retirement System, we are required to submit this letter through you to the Board of Trustees requesting exception under the Policy to continue to hold a security whose credit rating has been downgraded to below ‘CCC.’ On January 23, S&P downgraded from B to CC, two securities of the same issuer, Afren PLC, that are held in the core plus portfolio we manage on behalf of the OTRS: 10.25% bonds due 4/8/2019 Cusip: 00830FAC in a face amount of \$600,000 and 6.625% bonds due 12/9/2020 Cusip: 00830FAD in a face amount of \$400,000. Fitch also downgraded the debt from B- to C on January 27. Moody’s does not currently rate the issues. As of January 23, 2014, the portfolio’s exposure to these issues represented a combined 0.07% (7 basis points) of the portfolio’s market value.

Afren PLC is a U.K. based oil and gas exploration and production (E&P) company. The recent precipitous decline in oil prices has put pressure on the company’s finances. The downgrade of Afren’s debt rating comes in response to the company’s recent request of its lenders to defer by three months a \$50 million principal payment on a revolving line of credit which matures in April 2016. The bonds which we hold in the OTRS portfolio are also held across a number of other accounts and funds we manage, and we will be working together with other large debt holders on the company’s restructuring which might involve a combination with another E&P company.

Given current market conditions, we would prefer to hold the Afren bonds for now in the expectation that the prospective restructuring could provide some recovery from the bonds’ current distressed valuations. We will keep this matter under close review and might of course at some point in the future decide that a disposition becomes the better course of action.

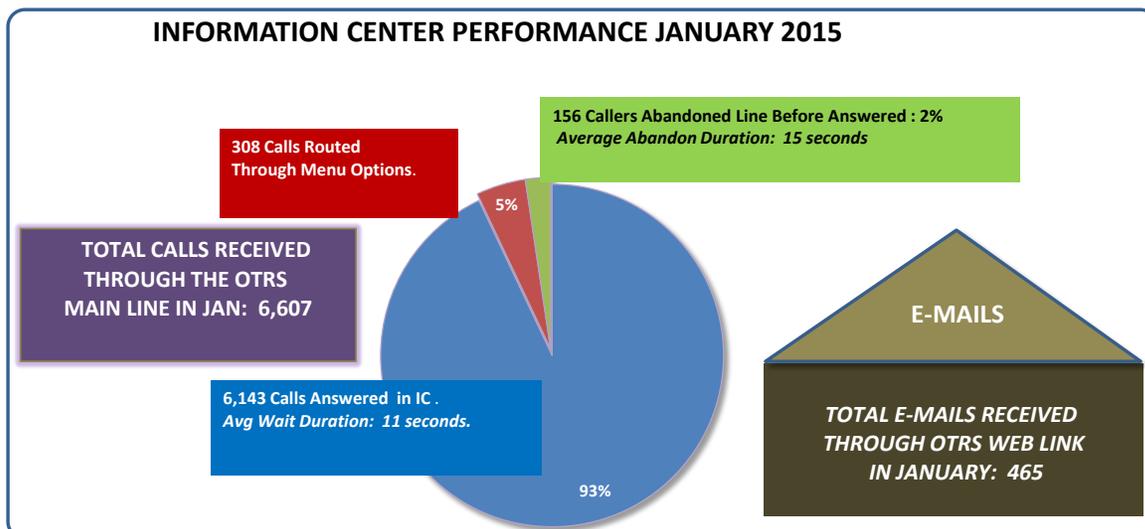
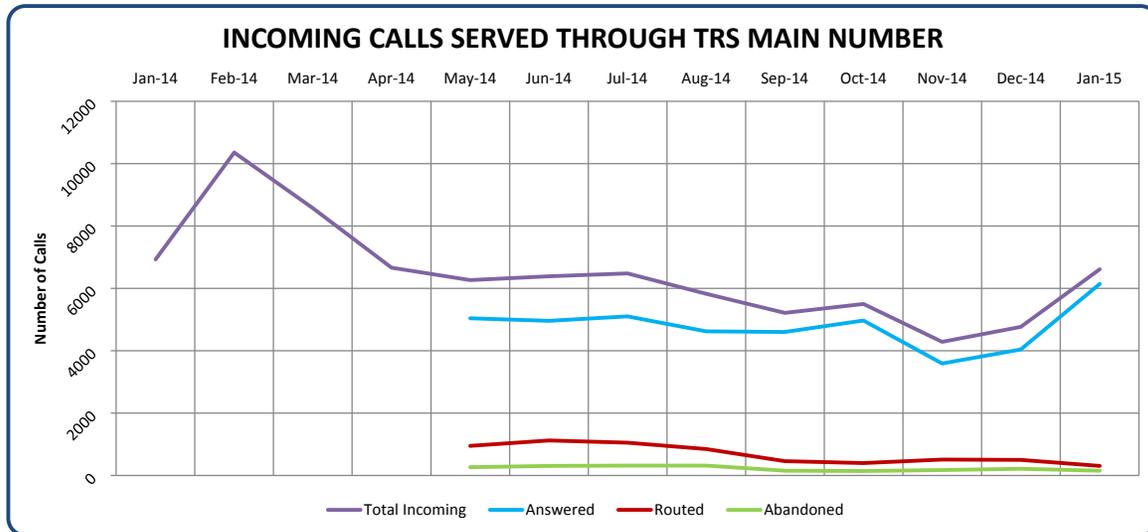
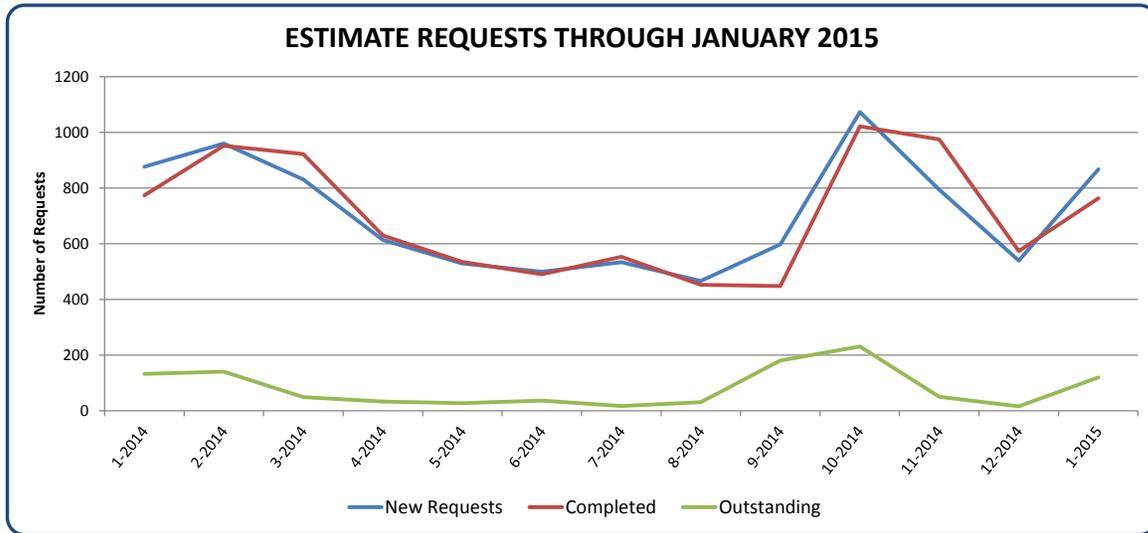
We appreciate your and the Board’s consideration of this request.

Sincerely yours,

Thomas J. McDonald III
Client Portfolio Manager

CC: Mr. Douglas Anderson, gregory.w.group

CLIENT SERVICES PERFORMANCE METRICS THROUGH JANUARY 2015





OKLAHOMA TEACHERS RETIREMENT SYSTEM

PO BOX 53524 OKLAHOMA CITY, OKLAHOMA 73152
(405) 521-2387 OR TOLL FREE (877) 738-6365

Monthly Retirement Status Report

From 2/1/2015 to 2/1/2015

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
New Retirements					
Disability	2	\$3,322.07	\$1,661.04	23.25	55.50
Normal	89	\$138,492.67	\$1,556.10	19.88	63.26
Total	91	\$141,814.74	\$1,558.40	19.96	63.09
Terminated Annuities	130	(\$181,517.21)	\$1396.29	25.58	79.83

NORMAL RETIREMENTS			From 2/1/2015 to 2/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0024678	33	62	2/1/2015	102859	\$4,190.59
Q0125608	22	64	2/1/2015	103071	\$1,440.31
Q0105006	31	61	2/1/2015	103095	\$2,900.68
Q0294361	7	62	2/1/2015	103076	\$1,040.32
Q0161987	26	65	2/1/2015	102904	\$2,609.13
Q0186268	27	55	2/1/2015	103072	\$2,293.94
Q0119159	10	70	2/1/2015	103133	\$152.00
Q0224122	14	67	2/1/2015	103081	\$894.76
Q0221760	29	59	2/1/2015	102989	\$3,027.60
Q0126642	14	63	2/1/2015	102988	\$1,029.63
Q0289898	7	61	2/1/2015	102929	\$913.94
Q0205292	21	59	2/1/2015	103059	\$320.65
Q0024838	24	66	2/1/2015	103028	\$2,476.57
Q0213745	26	59	2/1/2015	102967	\$1,986.33
Q0011896	34	66	2/1/2015	102968	\$3,070.25
Q0307132	6	67	2/1/2015	102894	\$187.81
Q0102732	15	67	2/1/2015	103134	\$261.03
Q0068393	35	61	2/1/2015	103257	\$2,801.71
Q0107068	36	60	2/1/2015	103090	\$4,290.30
Q0200290	13	66	2/1/2015	103258	\$1,781.64
Q0282844	9	64	2/1/2015	103082	\$1,049.80
Q0214208	32	67	2/1/2015	103096	\$2,939.17
Q0109843	12	55	2/1/2015	103014	\$370.09
Q0124675	36	63	2/1/2015	103046	\$5,152.49
Q0129945	30	53	2/1/2015	103042	\$5,241.66
Q0316104	6	65	2/1/2015	103061	\$263.20
Q0236769	7	65	2/1/2015	103135	\$350.66
Q0181110	26	67	2/1/2015	103256	\$670.73
Q0089858	30	56	2/1/2015	103079	\$2,788.93
Q0118707	10	73	2/1/2015	102987	\$272.94
Q0145602	30	60	2/1/2015	103185	\$2,150.31
Q0048226	12	62	2/1/2015	103047	\$357.78
Q0199023	29	66	2/1/2015	102995	\$1,931.80
Q0296771	5	76	2/1/2015	103080	\$126.62
Q0282057	9	69	2/1/2015	103087	\$570.14
Q0164016	14	62	2/1/2015	103062	\$651.39
Q0144640	11	62	2/1/2015	103073	\$641.72
Q0287722	8	73	2/1/2015	102986	\$209.82
Q0068762	25	61	2/1/2015	103091	\$823.43
Q0242572	26	59	2/1/2015	102855	\$1,441.49
Q0103296	11	68	2/1/2015	103131	\$1,279.89
Q0037558	31	62	2/1/2015	103092	\$3,774.90
Q0141083	17	65	2/1/2015	102970	\$406.55
Q0235193	17	66	2/1/2015	103048	\$1,786.05
Q0258672	32	66	2/1/2015	103077	\$1,935.76
Q0193703	27	86	2/1/2015	103093	\$709.11
Q0231960	13	67	2/1/2015	103276	\$1,437.79
Q0012360	13	64	2/1/2015	103187	\$611.46

Q0289073	8	73	2/1/2015	102940	\$180.57
Q0145672	31	61	2/1/2015	103195	\$2,867.60
Q0256880	16	62	2/1/2015	102897	\$1,377.70
Q0082150	30	72	2/1/2015	103114	\$2,150.11
Q0051390	24	57	2/1/2015	102745	\$1,759.73
Q0225954	10	59	2/1/2015	103113	\$481.21
Q0068530	5	62	2/1/2015	102874	\$128.20
Q0161183	25	67	2/1/2015	103112	\$1,630.68
Q0186799	27	54	2/1/2015	103125	\$2,155.55
Q0290247	9	74	2/1/2015	102924	\$297.92
Q0146719	23	58	2/1/2015	102951	\$1,477.31
Q0201239	22	63	2/1/2015	102848	\$1,417.72
Q0261485	10	60	2/1/2015	103111	\$866.41
Q0163415	13	63	2/1/2015	103056	\$883.48
Q0227921	20	60	2/1/2015	102791	\$1,366.67
Q0109662	13	57	2/1/2015	103174	\$539.24
Q0164700	11	61	2/1/2015	103110	\$410.20
Q0087267	23	62	2/1/2015	102964	\$2,058.51
Q0260511	16	56	2/1/2015	102998	\$710.50
Q0124938	8	60	2/1/2015	103053	\$436.48
Q0212119	21	59	2/1/2015	102880	\$600.89
Q0201296	18	64	2/1/2015	103137	\$1,199.64
Q0232674	32	62	2/1/2015	102993	\$3,162.65
Q0202044	18	63	2/1/2015	102921	\$866.55
Q0296190	7	63	2/1/2015	102833	\$440.14
Q0068319	24	62	2/1/2015	103041	\$1,848.53
Q0030714	12	56	2/1/2015	103109	\$439.62
Q0255235	36	63	2/1/2015	102936	\$4,289.27
Q0107721	22	59	2/1/2015	102118	\$1,463.21
Q0163856	21	59	2/1/2015	102856	\$1,320.01
Q0143932	25	61	2/1/2015	103108	\$2,238.32
Q0159522	26	74	2/1/2015	102823	\$1,221.30
Q0204288	30	54	2/1/2015	103052	\$1,871.24
Q0087887	35	63	2/1/2015	103069	\$4,548.97
Q0079223	31	77	2/1/2015	103088	\$1,060.66
Q0006133	31	62	2/1/2015	103107	\$4,289.67
Q0163919	15	62	2/1/2015	103106	\$1,152.06
Q0141428	24	67	2/1/2015	103105	\$2,662.14
Q0254964	17	62	2/1/2015	103104	\$951.40
Q0107539	8	59	2/1/2015	103103	\$302.75
Q0240320	25	56	2/1/2015	103066	\$1,752.99
Averages	19.88	63.26			\$1,556.10
			Totals	89	\$138,492.67

DISABILITY RETIREMENTS			From 2/1/2015 to 2/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0072458	24	52	2/1/2015	D103215	\$1,696.66
Q0088184	23	59	2/1/2015	D103289	\$1,625.41
Averages	23.25	55.50			
			Totals	2	\$1,661.04
					\$3,322.07

TERMINATIONS

From 1/1/2015 to 1/31/2015

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	32	100	12/7/2014	1/1/2015	012603	\$664.46
Deceased	29	103	12/27/2014	1/1/2015	013779	\$1,346.19
Deceased	38	101	12/18/2014	1/1/2015	014410	\$1,833.73
Deceased	32	100	12/9/2014	1/1/2015	015250	\$1,463.75
Deceased	18	97	12/16/2014	1/1/2015	016270	\$352.08
Deceased	31	98	12/31/2014	1/1/2015	016354	\$807.06
Deceased	27	99	12/14/2014	1/1/2015	016702	\$1,287.47
Deceased	35	93	12/30/2014	1/1/2015	019009	\$1,585.95
Deceased	32	94	12/7/2014	1/1/2015	019233	\$1,484.71
Deceased	26	97	12/21/2014	1/1/2015	019416	\$1,270.95
Deceased	22	94	12/6/2014	1/1/2015	019681	\$940.16
Deceased	36	93	12/27/2014	1/1/2015	019874	\$1,195.64
Deceased	34	88	12/31/2014	1/1/2015	019880	\$1,068.52
Deceased	32	94	12/22/2014	1/1/2015	020719	\$1,493.23
Deceased	35	89	12/27/2014	1/1/2015	021626	\$1,567.02
Deceased	35	85	12/15/2014	1/1/2015	022309	\$789.48
Deceased	35	87	12/27/2014	1/1/2015	022344	\$1,584.25
Deceased	11	87	12/17/2014	1/1/2015	023144	\$296.15
Deceased	37	91	12/11/2014	1/1/2015	023585	\$2,286.55
Deceased	26	91	11/29/2014	1/1/2015	024297	\$852.81
Deceased	40	85	12/27/2014	1/1/2015	024843	\$2,485.74
Deceased	20	88	12/31/2014	1/1/2015	024844	\$839.12
Deceased	27	100	12/20/2014	1/1/2015	025150	\$714.70
Deceased	26	93	12/17/2014	1/1/2015	025981	\$1,615.08
Deceased	39	90	12/10/2014	1/1/2015	026377	\$2,369.66
Deceased	32	87	12/21/2014	1/1/2015	026682	\$1,718.54
Deceased	32	86	12/13/2014	1/1/2015	026910	\$873.15
Deceased	18	90	12/21/2014	1/1/2015	027065	\$536.08
Deceased	19	93	12/25/2014	1/1/2015	027216	\$908.77
Deceased	41	85	12/14/2014	1/1/2015	027875	\$2,027.96
Deceased	24	90	12/16/2014	1/1/2015	028063	\$978.72
Deceased	32	80	12/1/2014	1/1/2015	028733	\$2,420.38
Deceased	45	92	12/24/2014	1/1/2015	028957	\$3,645.18
Deceased	39	88	12/23/2014	1/1/2015	028959	\$3,139.65
Deceased	10	85	12/31/2014	1/1/2015	029509	\$104.26
Deceased	30	78	12/27/2014	1/1/2015	029665	\$1,629.44
Deceased	20	84	12/8/2014	1/1/2015	029700	\$298.53
Deceased	14	83	12/7/2014	1/1/2015	029949	\$231.78
Deceased	21	85	12/15/2014	1/1/2015	029958	\$1,099.19
Deceased	12	82	12/20/2014	1/1/2015	030397	\$103.14
Deceased	27	86	12/1/2014	1/1/2015	030762	\$1,571.92
Deceased	11	83	12/8/2014	1/1/2015	031167	\$101.11
Deceased	27	88	12/22/2014	1/1/2015	031553	\$1,660.65
Deceased	30	89	12/3/2014	1/1/2015	032102	\$1,520.00
Deceased	28	76	12/28/2014	1/1/2015	032334	\$1,496.00
Deceased	34	79	12/14/2014	1/1/2015	032371	\$2,339.71
Deceased	11	90	12/30/2014	1/1/2015	032387	\$353.69
Deceased	28	77	12/3/2014	1/1/2015	032392	\$1,906.96
Deceased	22	88	12/14/2014	1/1/2015	032927	\$1,720.35
Deceased	39	85	12/5/2014	1/1/2015	033165	\$2,560.38

Deceased	39	83	12/15/2014	1/1/2015	033399	\$1,385.91
Deceased	22	85	12/31/2014	1/1/2015	033418	\$694.17
Deceased	34	82	12/25/2014	1/1/2015	033503	\$2,155.68
Deceased	33	81	12/3/2014	1/1/2015	033601	\$2,204.88
Deceased	19	88	12/24/2014	1/1/2015	033821	\$1,040.83
Deceased	18	85	12/26/2014	1/1/2015	034369	\$443.65
Deceased	28	76	12/31/2014	1/1/2015	035910	\$1,777.39
Deceased	20	86	12/6/2014	1/1/2015	036022	\$915.95
Deceased	36	80	12/1/2014	1/1/2015	036045	\$1,239.08
Deceased	28	77	12/11/2014	1/1/2015	036163	\$1,749.80
Deceased	26	80	12/24/2014	1/1/2015	036385	\$1,565.40
Deceased	20	88	12/12/2014	1/1/2015	037059	\$1,244.73
Deceased	23	87	12/1/2014	1/1/2015	037544	\$364.80
Deceased	35	77	12/26/2014	1/1/2015	038008	\$2,357.04
Deceased	19	84	12/10/2014	1/1/2015	039673	\$1,197.42
Deceased	26	73	12/7/2014	1/1/2015	040410	\$1,802.43
Deceased	26	80	12/1/2014	1/1/2015	041161	\$1,260.27
Deceased	23	81	12/14/2014	1/1/2015	041441	\$1,601.44
Deceased	21	79	12/28/2014	1/1/2015	042136	\$654.26
Deceased	28	73	12/7/2014	1/1/2015	042402	\$1,846.25
Deceased	20	79	12/15/2014	1/1/2015	043307	\$972.27
Deceased	16	73	12/19/2014	1/1/2015	043528	\$381.31
Deceased	32	79	12/6/2014	1/1/2015	043542	\$2,320.79
Deceased	13	80	12/6/2014	1/1/2015	043698	\$244.04
Deceased	38	78	12/28/2014	1/1/2015	043784	\$2,562.91
Deceased	22	75	12/18/2014	1/1/2015	045155	\$1,607.66
Deceased	25	74	12/20/2014	1/1/2015	045581	\$688.60
Deceased	14	83	12/3/2014	1/1/2015	046133	\$331.02
Deceased	29	67	12/7/2014	1/1/2015	046892	\$1,713.85
Deceased	27	81	12/23/2014	1/1/2015	047042	\$2,090.54
Deceased	26	73	12/25/2014	1/1/2015	048017	\$1,574.91
Deceased	19	81	12/12/2014	1/1/2015	048584	\$671.18
Deceased	10	78	12/18/2014	1/1/2015	048667	\$606.20
Deceased	20	82	12/20/2014	1/1/2015	048717	\$568.27
Deceased	29	77	12/2/2014	1/1/2015	048881	\$1,409.47
Deceased	30	65	12/14/2014	1/22/2015	049757	\$1,797.32
Deceased	30	65	12/14/2014	1/1/2015	049757	\$1,797.32
Deceased	22	72	12/10/2014	1/1/2015	050644	\$1,379.69
Deceased	15	74	12/20/2014	1/1/2015	051778	\$314.94
Deceased	27	74	12/20/2014	1/1/2015	051779	\$812.16
Deceased	28	76	12/23/2014	1/1/2015	054186	\$1,868.30
Deceased	17	78	12/3/2014	1/1/2015	054408	\$1,266.11
Deceased	35	73	12/31/2014	1/1/2015	054693	\$1,782.57
Deceased	26	73	12/17/2014	1/1/2015	054720	\$1,878.28
Deceased	10	70	12/31/2014	1/1/2015	055278	\$356.63
Deceased	12	78	12/10/2014	1/1/2015	055741	\$199.60
Deceased	30	62	12/14/2014	1/1/2015	056277	\$2,254.49
Deceased	29	65	12/23/2014	1/1/2015	056728	\$2,221.41
Deceased	20	72	12/16/2014	1/1/2015	057183	\$755.75
Deceased	6	73	12/8/2014	1/1/2015	058034	\$206.99
Deceased	18	73	12/3/2014	1/1/2015	058183	\$578.11
Deceased	16	78	12/24/2014	1/1/2015	059897	\$775.83
Deceased	12	72	12/23/2014	1/1/2015	060681	\$330.56
Deceased	27	71	12/9/2014	1/1/2015	061167	\$1,674.35

Deceased	37	71	12/26/2014	1/1/2015	062138	\$2,476.50
Deceased	26	63	12/12/2014	1/1/2015	062627	\$1,836.07
Deceased	35	67	12/13/2014	1/1/2015	063501	\$1,097.15
Deceased	20	69	12/31/2014	1/1/2015	065258	\$1,157.92
Deceased	28	66	12/12/2014	1/1/2015	065973	\$1,827.50
Deceased	30	75	12/30/2014	1/1/2015	066029	\$2,312.69
Deceased	23	64	12/31/2014	1/1/2015	067494	\$1,192.26
Deceased	10	68	12/3/2014	1/1/2015	069937	\$228.13
Deceased	32	78	12/19/2014	1/1/2015	069984	\$3,207.95
Deceased	32	78	12/19/2014	1/12/2015	069984	\$3,207.95
Deceased	35	61	12/2/2014	1/1/2015	070409	\$2,064.92
Deceased	11	67	12/31/2014	1/1/2015	071760	\$286.95
Deceased	46	72	12/3/2014	1/1/2015	074908	\$6,228.69
Deceased	36	62	12/10/2014	1/1/2015	075710	\$3,694.50
Deceased	13	73	12/10/2014	1/1/2015	076110	\$1,002.54
Deceased	31	53	12/1/2014	1/1/2015	098547	\$2,195.56
Deceased	8	71	12/30/2014	1/1/2015	099918	\$291.51
Deceased	38	68	12/15/2014	1/1/2015	100877	\$3,488.59
Deceased	30	91	12/30/2014	1/1/2015	D00778	\$1,427.22
Deceased	21	92	12/26/2014	1/1/2015	D00798	\$919.01
Deceased	27	64	12/4/2014	1/1/2015	D02056	\$1,926.14
Deceased	10	63	12/23/2014	1/1/2015	D02159	\$262.48
Deceased	22	62	12/4/2014	1/1/2015	D02718	\$1,393.04
Deceased	18	69	12/25/2014	1/1/2015	D02785	\$1,046.86
Deceased	21	63	12/12/2014	1/1/2015	D02933	\$1,519.53
Deceased	10	34	12/18/2014	1/1/2015	D102200	\$590.74

Averages	25.58	79.83				\$1,396.29
			Totals	130		\$181,517.21



**OKLAHOMA TEACHERS
RETIREMENT SYSTEM**

**HR STATUS REPORT
2/25/2015**

HR STATUS REPORT

- **New Hires (January 2015):**

n/a

- **Resignations/Terminations/Retirements (January 2015):**

Employee: 196742
Title: Financial Accountant
Salary: \$46,000
Effective: 01/22/2015

- **Promotion (January 2015):**

n/a

EMPLOYEE RECOGNITION LUNCHEON

- An Employee Recognition Luncheon was held 01/28/2015.

MISCELLANEOUS PAYMENTS

- **Employee of the Quarter**

Employee: 289704
Title: Retirement Planning Consultant
Payment: \$250
Effective: 02/12/2015

- **Severance Payments:**

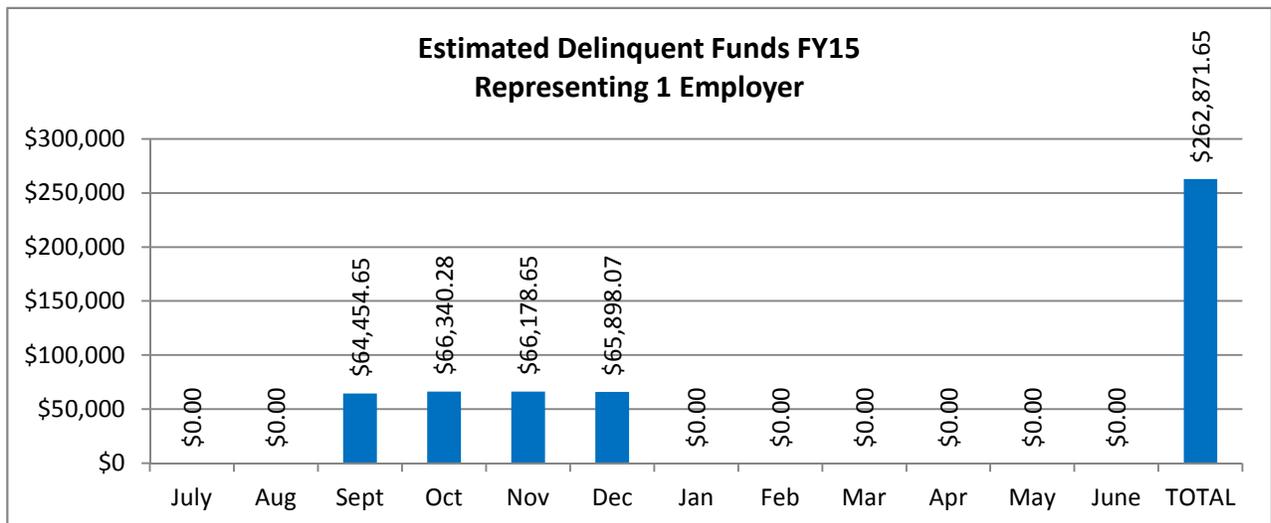
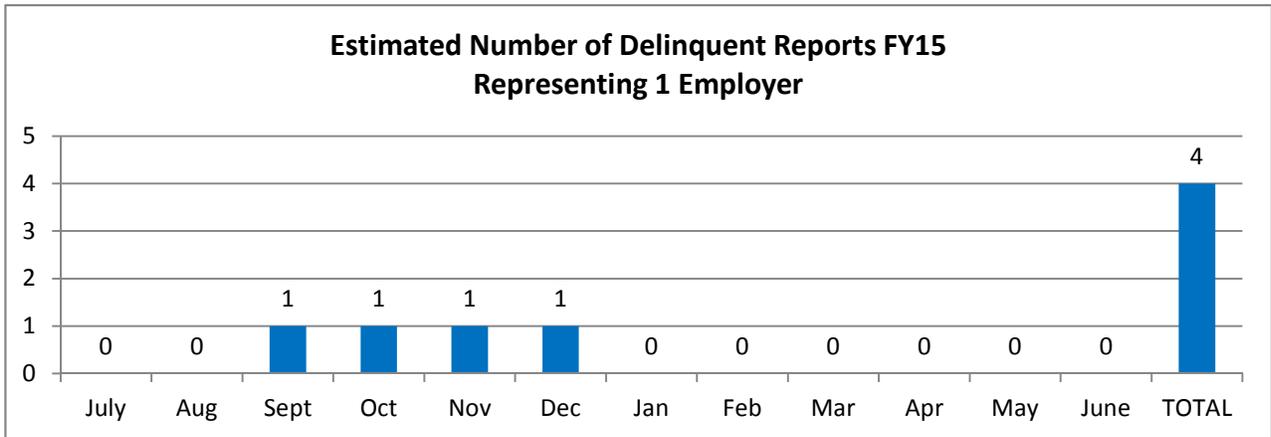
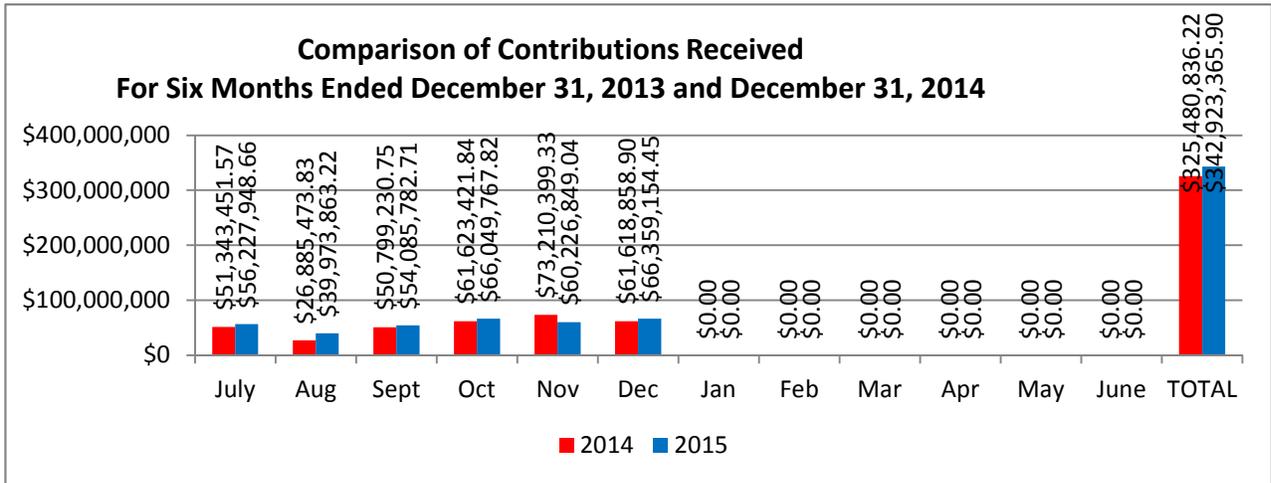
n/a

NEW HIRES, RESIGNATIONS, RETIREMENTS OR OTHER CHANGES PENDING

n/a

Employer Reporting

Analysis of Employee and Employer Contributions Received





**BALANCE SHEET
JANUARY 31, 2015**

<u>CURRENT ASSETS:</u>	
Cash Not Available For Investment	\$15,497,370.66
Equities (At Market Value)	10,611,624,659.22
Fixed Income (At Market Value)	2,978,405,230.23
Short-Term Investment Account	387,639,715.46
Due From/(To) Broker	(177,603,704.65)
Accounts Receivable Installment Payments	1,237,028.93
Prepaid Retirement Benefits	77,655,591.49
Accrued Income	<u>48,139,652.79</u>
Total Current Assets	13,942,595,544.13
<u>CAPITAL ASSETS:</u>	
Office Furniture and Equipment	3,098,149.51
Accumulated Depreciation	<u>(249,578.54)</u>
TOTAL ASSETS	<u>\$13,945,444,115.10</u>
<u>CURRENT LIABILITIES:</u>	
Teachers' Savings Fund	\$4,445,068,076.58
Retirement Benefit Fund	9,494,617,035.34
Interest Fund	(79,527,726.06)
Expense Fund	45,733,952.48
Suspense Fund	<u>36,244,929.53</u>
Total Current Liabilities	13,942,136,267.87
TRs Capital Investment	<u>3,307,847.23</u>
TOTAL LIABILITIES AND CAPITAL INVESTMENT	<u>\$13,945,444,115.10</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE SEVEN MONTHS ENDED JANUARY 31

	<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	150,163,182.32	146,301,170.93	2.64%
Employer Contributions	218,008,963.22	212,877,960.91	2.41%
State Credits	21,326,587.00	22,049,858.00	-3.28%
Reimbursed Administrative	13,152.07	86,813.98	-84.85%
Matching Funds from Schools	13,311,590.81	13,951,378.73	-4.59%
Lottery Revenue	2,062,414.00	2,116,350.00	-2.55%
Cigarette Sales Tax Revenue	970,172.51	990,362.25	-2.04%
Dedicated Revenue	179,298,170.63	168,156,409.26	6.63%
Total Retirement Receipts	585,154,232.56	566,530,304.06	3.29%
Interest Income (Fixed Income and Short-Term)	74,158,653.60	73,894,539.80	0.36%
Dividend Income	124,076,495.60	128,626,318.93	-3.54%
Net Realized Gain/(Loss)	545,483,969.41	571,748,824.94	-4.59%
Net Unrealized Gain/(Loss)	(829,798,085.21)	593,632,241.41	-239.78%
Investment Operations Income:			
Class Action Lawsuit Proceeds	108.64	315,948.40	-99.97%
Other Income	67,616.12	(729.63)	9367.18%
Securities Lending Income	6,483,515.78	4,530,551.33	43.11%
Total Investment Income	(79,527,726.06)	1,372,747,695.18	-105.79%
TOTAL RECEIPTS	505,626,506.50	1,939,277,999.24	-73.93%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	680,779,624.58	650,881,988.52	4.59%
Insurance Premiums Paid for Retirees	17,770,471.00	17,644,129.00	0.72%
Death Benefits	8,388,910.90	9,230,466.01	-9.12%
Withdrawals of Accounts	20,244,837.32	19,062,892.63	6.20%
Total Benefit Payments	727,183,843.80	696,819,476.16	4.36%
Administrative Expense:			
General Operations	2,912,343.45	3,045,600.24	-4.38%
Investment Expense	27,663,078.09	31,057,896.37	-10.93%
Total Administrative Expenses	30,575,421.54	34,103,496.61	-10.35%
TOTAL DISBURSEMENTS	757,759,265.34	730,922,972.77	3.67%
NET INCREASE/(NET DECREASE)	(252,132,758.84)	1,208,355,026.47	-120.87%
Balance of Cash and Investments, January 31	\$13,949,536,800.59	\$13,026,116,271.87	



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2014 and Fiscal Year 2015
7 Months Ended January 31, 2015

Object of Expenditure	FY-2014 YTD Actual Expenditures 1/31/2014	FY-2015 YTD Actual Expenditures 1/31/2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,083,714	1,032,624	(51,090)	-4.7%
Taxes, Benefits, and Other Expenses	533,475	518,254	(15,221)	-2.9%
Subtotal Personal Services	1,617,189	1,550,878	(66,311)	-4.1%
Professional Services				
Investment Manager Expenses	21,336,471	14,157,615	(7,178,856)	-33.6%
Investment Consultant Expenses	409,500	439,500	30,000	7.3%
Investment Custodian Expenses	22,356	0	(22,356)	-100.0%
Pension Commission Expenses	19,641	15,016	(4,625)	-23.5%
Subtotal Investment Expenses	21,787,969	14,612,131	(7,175,837)	-32.9%
Legal Services - Special Projects	2,006	23,185	21,179	1055.7%
Legal Services - Attorney General	43,637	105	(43,532)	-99.8%
Administrative Hearings	0	0	0	0.0%
Auditing Services	102,514	166,919	64,405	62.8%
Actuarial Services	76,305	50,943	(25,362)	-33.2%
Medical Hearings	4,200	5,700	1,500	35.7%
Reimbursement for Executive Director Services	0	29,444	29,444	0.0%
Marketing Consultant	15,694	0	(15,694)	-100.0%
Miscellaneous Services	48,395	55,597	7,202	14.9%
Subtotal Professional Services	292,751	331,893	39,142	13.4%
Total Professional Services	22,080,720	14,944,025	(7,136,695)	-32.3%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	19,990	15,434	(4,556)	-22.8%
Employee Training	9,730	3,628	(6,102)	-62.7%
Employee Travel Expenses	20,309	12,586	(7,722)	-38.0%
Subtotal Travel and Per Diem Expenses	50,029	31,648	(18,381)	-36.7%
Administrative Expenses				
Postage	94,504	92,850	(1,654)	-1.7%
Telecommunications Services	13,700	14,151	451	3.3%
Printing and Binding Contracts	22,291	12,934	(9,357)	-42.0%
Informational Services	42,364	23,272	(19,093)	-45.1%
Rent and Maintenance	133,544	111,451	(22,093)	-16.5%
Office Supplies	9,490	15,498	6,008	63.3%
Buildings and Other Structures Construction and Renovation	4,689	0	(4,689)	-100.0%
Miscellaneous Administrative Expenses	17,711	18,990	1,279	7.2%
Subtotal Administrative Expenses	338,294	289,146	(49,148)	-14.5%
Data Processing Expenses				
Professional Services	510,528	427,598	(82,930)	-16.2%
Rent and Maintenance	2,677	1,389	(1,288)	-48.1%
Office Supplies	2,523	0	(2,523)	-100.0%
Equipment - Telecommunications	0	2,621	2,621	0.0%
Subtotal Data Processing Expenses	515,728	431,608	(84,120)	-16.3%
Total Expenses	24,601,959	17,247,304	(7,354,655)	-29.9%
Total Investment Expenses Only	21,787,969	14,612,131	(7,175,837)	-32.9%
Total Data Processing Expenses Only	515,728	431,608	(84,120)	-16.3%
Total except Investment & Data Processing Expenses	2,298,263	2,203,565	(94,698)	-4.1%



SCHEDULE II
Comparison of FY2015 Budget to Actual Expenses
7 Months ended January 31, 2015 Year to Date Comparison

Object of Expenditure	7 Month FY-2015 YTD Budget	7 Month FY-2015 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,415,815	1,032,624	(383,191)	-27.1%
Taxes, Benefits, and Other Expenses	758,879	518,254	(240,625)	-31.7%
Subtotal Personal Services	2,174,694	1,550,878	(623,816)	-28.7%
Professional Services				
Investment Manager Expenses	27,077,820	14,157,615	(12,920,205)	-47.7%
Investment Consultant Expenses	409,500	439,500	30,000	7.3%
Investment Custodian Expenses	46,000	0	(46,000)	-100.0%
Pension Commission Expenses	35,000	15,016	(19,984)	-57.1%
Subtotal Investment Expenses	27,568,320	14,612,131	(12,956,189)	-47.0%
Legal Services - Special Projects	4,900	23,185	18,285	373.2%
Legal Services - Attorney General	4,375	105	(4,270)	-97.6%
Administrative Hearings	2,905	0	(2,905)	-100.0%
Auditing Services	140,000	166,919	26,919	19.2%
Actuarial Services	100,000	50,943	(49,057)	-49.1%
Medical Hearings	8,995	5,700	(3,295)	-36.6%
Reimbursement for Executive Director Services	0	29,444	29,444	0.0%
Marketing Consultant	25,000	0	(25,000)	-100.0%
Miscellaneous Services	22,021	55,597	33,576	152.5%
Subtotal Professional Services	308,196	331,893	23,697	7.7%
Total Professional Services	27,876,516	14,944,024	(12,932,492)	-46.4%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	25,800	15,434	(10,366)	-40.2%
Employee Training	12,955	3,628	(9,327)	-72.0%
Employee Travel Expenses	48,972	12,586	(36,386)	-74.3%
Subtotal Travel and Per Diem Expenses	87,727	31,648	(56,079)	-63.9%
Administrative Expenses				
Postage	148,750	92,850	(55,900)	-37.6%
Telecommunications Services	23,331	14,151	(9,180)	-39.3%
Printing and Binding Contracts	66,416	12,934	(53,482)	-80.5%
Informational Services	29,688	23,272	(6,416)	-21.6%
Rent and Maintenance	158,531	111,451	(47,080)	-29.7%
Office Supplies	22,028	15,498	(6,530)	-29.6%
Equipment	6,335	0	(6,335)	-100.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	22,964	18,990	(3,974)	-17.3%
Subtotal Administrative Expenses	478,043	289,146	(188,897)	-39.5%
Data Processing Expenses				
Professional Services	573,364	427,598	(145,766)	-25.4%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	3,025	1,389	(1,636)	-54.1%
Office Supplies	3,956	0	(3,956)	-100.0%
Equipment - Telecommunications	20,000	2,621	(17,379)	-86.9%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Subtotal Data Processing Expenses	600,345	431,608	(168,737)	-28.1%
Total Expenses	31,228,405	17,247,304	(13,970,021)	-44.7%
Total Investment Expenses Only	27,568,320	14,612,131	(12,956,189)	-47.0%
Total Data Processing Expenses Only	600,345	431,608	(168,737)	-28.1%
Total except Investment and Data Processing Expenses	3,059,740	2,203,565	(845,095)	-27.6%



Miscellaneous Professional Services Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Background Checks	40.00	95.00	38.00
Management Consultant	5,000.00	0.00	35,298.99
Interim Director Search	0.00	43,008.65	0.00
Document Destruction	2,100.00	1,216.00	1,398.52
Security	5,131.00	3,565.29	4,326.00
Business Service Center	2,800.00	5,177.25	2,290.03
Sign Language Interpreter	0.00	0.00	507.52
Legal Subscription Service	0.00	235.00	0.00
NAVEX Hotline - Ethics	0.00	2,300.02	4,536.02
	<u>\$22,021.00</u>	<u>\$55,597.21</u>	<u>\$48,395.08</u>

Miscellaneous Administrative Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Bank Service Charges	4,340.00	3,847.13	5,183.70
ERP Systems - PeopleSoft	1,904.00	1,062.00	1,858.50
Licenses, Permits, Certificates and Other Rights	1,095.00	748.50	443.00
Membership in Organizations	10,045.00	8,140.00	5,975.00
Advertising	2,580.00	813.52	1,679.86
Property and Liability Insurance	3,000.00	2,807.87	2,571.33
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>\$22,964.00</u>	<u>\$18,990.44</u>	<u>\$17,711.39</u>



**CLAIMS FOR AUTHORIZED EXPENDITURES
JANUARY 31, 2015**

Expenses of Board

Trustee	Meeting, January travel	\$	265.74
Trustee	Meeting, January travel		275.39
Trustee	Meeting, January travel		<u>181.70</u>
			722.83

Travel of Employees

Employer Reporting Manager	Mileage - Payroll Officer presentation, Owasso		<u>150.60</u>
			150.60

Communications

AT&T	Wireless, OneNet charges		411.27
Cox Communications	Cable charges		43.56
FedEx	Freight		29.85
Journal Record	Legislative tracking service		2,550.00
JP Morgan Chase Bank, NA	Account analysis bank fees		620.76
Office of Management and Enterprise Services	Go Gov delivery system		6,120.78
Office of Management and Enterprise Services	Telecommunications, transaction fees		1,238.72
Thomson West	Legal subscription service		<u>235.00</u>
			11,249.94



**CLAIMS FOR AUTHORIZED EXPENDITURES
JANUARY 31, 2015**

Contingency, Maintenance, Insurance, Rent, Etc.

ABM Automation	Maintenance, check signer machine	\$ 295.00
Assistant Comptroller	Board meeting refreshments	16.59
Association of Government Accountants	CGFM training	1,150.00
Brooks Industries	Ice machine maintenance	324.41
Business Manager	Reimburse kitchen supplies	15.97
DCAM Fleet Management	Vehicle rentals - seminars and speaking engagement	845.21
Dell Marketing	Computer for Client Services	919.34
Department of Education	Building security (August - November 2014)	3,035.53
Department of Libraries	Records storage - November and December	1,018.20
Doubletree at Warren Place Tulsa	Retirement seminar	6,133.10
Extreme Beans Coffee	Kitchen supplies	353.95
First Aid Express	Safety supplies	67.30
Hideaway Pizza	Catering - January board meeting	218.75
HP Enterprise Services	Laser jet printer for Client Services	573.75
NASRA	Conference registration	500.00
NCTR	Membership 2015	3,400.00
Office of Management and Enterprise Services	Insurance premiums	2,807.87
Office of Management and Enterprise Services	Office rent - January	13,195.27
Oklahoma State Treasurer	Bank charges	75.00
OPHRA	Winter training conference	65.00
Precision Document Solutions	Printer maintenance	348.27
Public Pension Financial Forum	Membership 2015	150.00
South Central Industries	Kitchen supplies	162.93
Staples	Office supplies	1,024.41
Summit Mailing Systems	Maintenance, letter opener machine	111.25
		36,807.10

Investment Expenditures

Chickasaw Capital Management	Investment management fees second quarter	793,879.55
Gregory W Group	January 2015 consultant fees	88,500.00
Hoisington Investment Management	Investment management fees second quarter	115,764.04
Neumeier Poma Investment Counsel	Investment management fees second quarter	192,901.00
Sawgrass Asset Management	Investment management fees second quarter	473,117.00
		1,664,161.59



**CLAIMS FOR AUTHORIZED EXPENDITURES
JANUARY 31, 2015**

Professional Services, Workers Comp Insurance

Gabriel, Roeder Smith & Co.	Actuarial evaluation and consulting	\$ 1,650.00
George R Jay MD	January 2015 medical board	300.00
ICE Miller	Legal fees - November and December	8,702.97
MY Consulting Inc.	ALICE development	66,900.00
Office of Management and Enterprise Services	Interagency mail/postage	3,775.49
Payton Osborne MD	January 2015 medical board	300.00
Stinnett & Associates LLC	Audit services December 2014	13,824.00
The Meadows	Document destruction	135.00
		95,587.46

Salaries and Fringe Benefits

Salaries	Administrative department	29,726.18
Salaries	Finance/Accounting department	30,394.17
Salaries	Client Services department	87,445.11
Salaries	Investment department	5,000.00
Longevity Payroll		2,250.00
Excess Benefit Allowance		3,870.69
FICA/MQFE	Social Security and Medicare	11,946.87
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	876.15
Oklahoma Group Insurance	Employee health, dental, and life	32,800.83
Teachers' Retirement System of Oklahoma	Employees retirement contributions	33,067.81
Unemployment compensation	Unemployment for Agency payroll	1,559.28
		238,937.09

Grand Total	\$ 2,047,616.61
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