

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, June 16, 2015 – 3:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. CALL TO ORDER**
- 2. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 3. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS REPORT**
- 4. DISCUSSION AND POSSIBLE ACTION ON REAL ESTATE REPORT**
- 5. DISCUSSION AND POSSIBLE ACTION ON QUARTERLY 403(B) REPORT**
- 6. DISCUSSION AND POSSIBLE ACTION ON PROPOSED AMENDMENTS TO THE INVESTMENT POLICY STATEMENT**
- 7. DISCUSSION ON INVESTMENT DEPARTMENT REPORT**
- 8. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 9. ADJOURNMENT**

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE:

Chair: Vernon Florence

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

May 2015 - Market Performance Update

International Equities Outperform

Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	1.4	10.3	16.1	15.1
NASDAQ (prc chg only)	2.6	19.5	21.5	17.6
S&P 500 cap weighted	1.3	11.8	19.7	16.5
S&P 500 equal weighted	0.8	11.7	22.0	17.5
S&P Mid Cap	1.8	12.3	19.9	16.6
S&P Small Cap	1.5	10.6	20.0	16.5
S&P REIT	-0.2	10.1	12.5	14.1
Alerian MLP	-3.6	-7.4	12.1	14.7
Russell 1000 Growth	1.4	14.7	19.8	17.7
Russell 1000 Value	1.2	9.0	20.1	15.6
Russell Mid Cap Growth	1.2	14.7	20.6	17.5
Russell Mid Cap Value	1.8	10.1	21.6	16.9
Russell 2000 Growth	3.7	17.7	21.6	17.4
Russell 2000 Value	0.8	5.1	17.3	12.7
Russell Top 200	1.2	11.7	19.4	16.5
Russell 1000	1.3	11.9	20.0	16.7
Russell Mid Cap	1.5	12.5	21.2	17.2
Russell 2500	2.1	11.8	20.4	16.3
Russell 2000	2.3	11.3	19.5	15.0
MSCI World Ex US	-0.9	-1.1	14.6	9.3
MSCI World Ex US Growth	-0.4	1.9	14.3	9.9
MSCI World Ex US Value	-1.4	-4.2	14.9	8.6
MSCI EAFE	-0.5	-0.5	15.6	10.0
MSCI Emerging Markets	-4.0	0.0	6.0	4.1

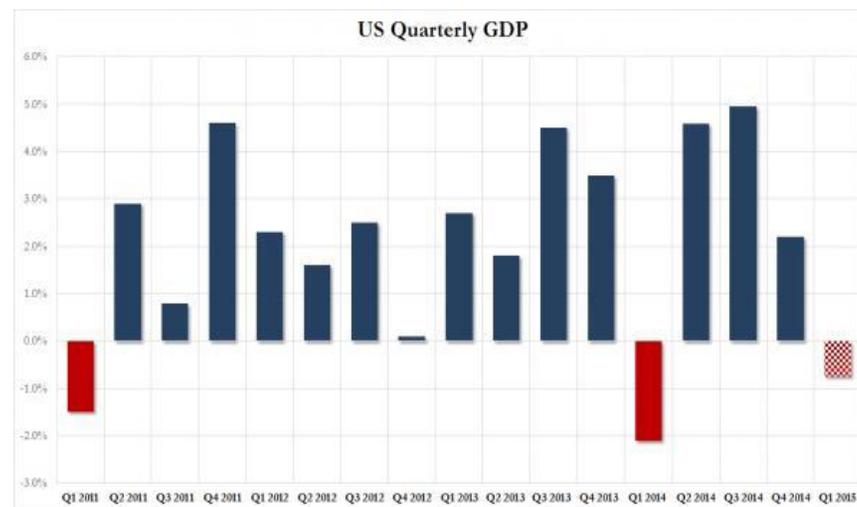
Domestic equity prices moved modestly higher during March. First quarter US GDP growth was revised lower to -0.2%. Europe, Japan and China showed some signs of economic improvement. Year to date, the MSCI World index has outperformed the S&P 500 5.4% to 3.2%.

US equities were led by small caps during the month. Trailing year returns for major market segments have been similar, with mid caps edging large and small caps. International equities underperformed for US Dollar based investors. The Dollar strengthened vs. major currencies. European issues were soft as the Greek issue remained unresolved. Emerging markets were the poorest performing market segment.

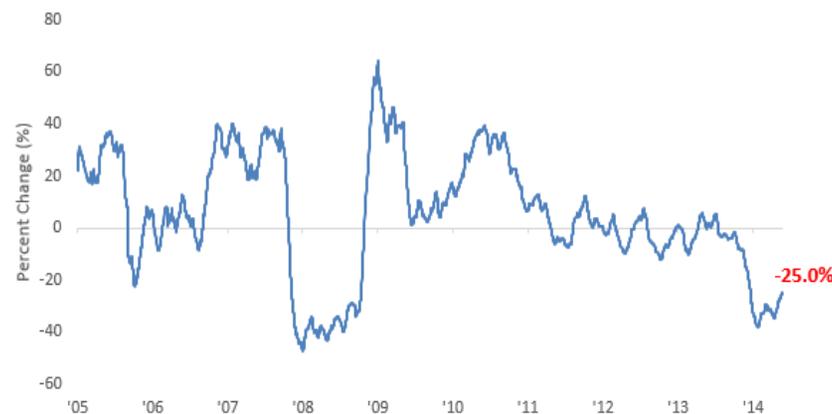
Bond prices were mixed during May. The 30 year US Treasury yield rose above the 3% level during the month before tracing back to the 2.8% range. The Aggregate index was off slightly while T-Bills were flat. Oil prices were relatively stable.

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.0	0.1	0.1
BC Long Treasury	-1.6	10.3	2.0	8.1
BC US Agg	-0.2	3.0	2.2	3.9



Year/Year Change in Gasoline Prices: 2006 - 2015



Manager Profile - Neumeier Poma Investment Counsel, Small Cap Value



Asset Class:	Small Cap Value Equity
Status:	In Compliance
Portfolio Size:	\$131,640,910
Inception Date:	6/1/2013
Initial Funding:	\$93,213,752
Annual Management Fee:	0.65% on \$0-\$100Mil, 0.60% on \$100-\$200Mil and 0.55% on +\$200Mil
Location:	Carmel, California
Structure:	100% Employee Owned
Portfolio Management Team:	Peter Neumeier, CFA, President, Portfolio Manager Brian Poma, CFA, Partner, Portfolio Manager Regina T. La Croce, Senior Research Analyst Justin Braiker, CFA, Senior Research Analyst
Represented by:	Peter Neumeier, CFA, President, Portfolio Manager Brian Poma, CFA, Partner, Portfolio Manager

Notes:

Neumeier Poma Investment Counsel focuses exclusively on small cap value stocks that have been either misunderstood or ignored by major Wall Street firms. More than 80% of their research is generated by their investment management team. A typical portfolio will contain 35-40 stocks that have been thoroughly screened and evaluated using their rigorous investment process. Portfolio turnover is low (averaging less than 40% annually).

Founded: 1985
Neumeier Poma AUM: \$503.3 Billion
Small Cap AUM: \$503.3 Billion

	10 Year	5 Year	1 Year
Up Capture Ratio*	109.83	108.05	114.34
Down Capture Ratio*	85.85	87.84	62.19

*Ratios calculated vs. S&P 500

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Neumeier Poma	19.4	-	-	-	18.5	3.0	2.7
Russell 2000 Value	10.8	7.3	12.7	17.3	5.1	0.3	0.8

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Neumeier Poma	40	2542	1.0%	15.5	3.6
Russell 2000 Value	1368	1425	2.0%	22.5	2.3

Contact Information:

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Manager Profile - Shapiro Capital Management, Small Cap Core/Value



Asset Class:	Small Cap Core/Value Equity
Status:	In Compliance
Portfolio Size:	\$707,285,631
Inception Date:	2/1/1998
Initial Funding:	\$1,767,981
Annual Management Fee:	0.93%
Location:	Atlanta, Georgia
Structure:	Employee Owned
Portfolio Management Team:	Samuel Shapiro, Chairman, Chief Investment Officer Louis Shapiro, President Michael McCarthy, Director of Research Harry Shapiro, Research Analyst
Represented by:	Samuel Shapiro, Chairman, Chief Investment Officer Michael McCarthy, Director of Research

Notes:

Shapiro Capital seeks deep value individual stock selection with special attention paid to undiscovered value and management. Shapiro will work with company management to unlock value to shareholders. Special expertise in spin-offs and other difficult to understand corporate structures. The portfolio will be concentrated among approximately thirty holdings that Shapiro knows well. The manager will occasionally hold shares of a small number of mid-cap or even large cap companies.

Founded: 1990
Shapiro Total AUM: \$4.27 Billion
Small Cap AUM: \$815 Million

	10 Year	5 Year	1 Year
Up Capture Ratio*	130.18	118.83	108.93
Down Capture Ratio*	123.40	129.31	213.23

*Ratios calculated vs. S&P 500

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Shapiro Capital	10.8	11.6	16.9	22.9	4.7	2.0	1.9
<i>Russell 2000</i>	7.7	8.7	15.0	19.5	11.3	1.4	2.3
<i>Russell 2000 Value</i>	8.4	7.3	12.7	17.3	5.1	0.3	0.8

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Shapiro Capital	25	19274	0.3%	18.6	2.2
<i>Russell 2000</i>	1985	1671	1.3%	20.2	2.2
<i>Russell 2000 Value</i>	1368	1425	2.0%	22.5	2.3

Contact Information:

Samuel Shapiro, Chairman, Chief Investment Officer

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Michael McCarthy, Director of Research

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Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,909,297,387	19.9%	17.0%	2.9%	Excess allocation bound for Private Equity and Real Estate.
Mid Cap	2,235,877,693	15.3%	13.0%	2.3%	
Small Cap	1,530,713,682	10.5%	10.0%	0.5%	
Total Domestic Equity	6,675,888,762	45.6%	40.0%	5.6%	
Large Cap International Equity	1,499,671,524	10.2%	11.5%	-1.3%	International equity allocation currently under review.
Small Cap International Equity	861,116,981	5.9%	6.0%	-0.1%	
International Transition Account	658,739				
Total International Equity	2,361,447,243	16.1%	17.5%	-1.4%	
Core Fixed Income	2,185,131,158	14.9%	17.5%	-2.6%	
High Yield Fixed Income	799,570,326	5.5%	6.0%	-0.5%	Capital calls progressing. New portfolio structure underway.
MLPs	1,136,089,917	7.8%	7.0%	0.8%	
Private Equity	509,010,063	3.5%	5.0%	-1.5%	
Real Estate	740,415,748	5.1%	7.0%	-1.9%	
Opportunistic Assets	168,219,311	1.1%	0.0%	1.1%	
Total Non-Core Assets	3,353,305,363	22.9%	25.0%	-2.1%	
Cash	63,166,566	0.4%	0.0%	0.4%	
Composite	14,644,553,751	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of May 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	14,644,553,751	12/1/1991	23.5	9.8	8.6	13.2	15.8	7.5	5.0	4.7	1.6	0.5
Total Fund (Net of Fees)				9.4	8.2	12.8	15.4	7.1	4.9	3.1	1.5	0.5
Allocation Index				9.4	7.4	11.8	13.5	6.8	4.4	3.5	0.9	0.3
Actuarial Assumption				8.0	8.0	8.0	8.0	8.0	2.4	6.2	1.9	0.6
Total Domestic Equity	6,675,888,742 45.6%	4/1/1990	25.2	11.1	9.1	16.7	21.4	11.2	7.9	4.5	1.4	1.5
S&P 500				9.8	8.1	16.5	19.7	11.8	9.5	3.2	0.6	1.3
Total All Cap Equity	1,014,458,982 6.9%	9/1/2006	8.8	8.0	-	15.7	19.3	11.7	9.0	3.2	0.2	0.9
Russell 3000				8.2	-	16.5	19.9	11.9	9.1	3.7	0.8	1.4
Total Large Cap Active Equity	1,216,010,653 8.3%	1/1/1995	20.4	10.7	7.9	17.4	21.4	10.6	9.1	2.8	0.6	1.2
S&P 500				9.8	8.1	16.5	19.7	11.8	9.5	3.2	0.6	1.3
Total Mid Cap Equity	2,235,877,693 15.3%	11/1/1998	16.6	10.8	11.1	18.2	22.9	12.3	8.9	6.3	2.2	2.0
Russell Mid Cap				10.1	9.9	17.2	21.2	12.5	8.9	4.5	0.6	1.5
Total Small Cap Equity	1,530,713,682 10.5%	2/1/1998	17.3	9.7	9.5	14.5	22.0	9.0	3.8	4.9	2.1	1.7
Russell 2000				7.7	8.7	15.0	19.4	11.3	5.7	4.0	1.4	2.3
Total International Equity	2,361,418,664 16.1%	2/1/1998	17.3	9.0	6.7	10.3	15.5	1.3	0.3	9.5	3.3	0.0
MSCI ACWI ex-US				-	6.5	8.6	13.1	-0.5	-2.2	7.3	2.0	-1.5
Large Cap International Equity	1,498,750,328 10.2%	2/1/1998	17.3	-	-	11.8	16.4	1.1	0.7	8.6	2.5	-0.6
MSCI ACWI ex-US				-	-	8.6	13.1	-0.5	-2.2	7.3	2.0	-1.5
Small Cap International Equity	861,116,981 5.9%	12/1/2011	16.9	16.8	-	-	18.0	1.2	-0.4	11.2	4.7	1.0
MSCI ACWI ex-US				9.4	-	-	13.1	-0.5	-2.2	7.3	2.0	-1.5
Core Fixed Income (ex- High Yield)	1,861,779,463 12.7%	4/1/1990	25.2	6.4	6.6	6.4	4.4	2.3	1.9	1.3	-0.2	-0.2
Barclays Aggregate				4.6	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
Active Duration Fixed Income	323,351,695 2.2%	11/1/2004	10.6	7.5	7.1	8.9	6.1	13.6	13.8	-1.2	-4.4	-2.1
Barclays Aggregate				4.6	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
Master Limited Partnerships	1,136,089,917 7.8%	2/28/2011	4.3	18.3	-	-	24.3	3.5	-5.2	3.4	1.2	-1.7
Alerian MLP Index				9.8	-	-	12.1	-7.4	-12.6	-3.0	-2.0	-3.6
High Yield Bonds	799,570,326 5.5%	2/1/2009	6.3	13.9	-	9.6	9.0	2.9	1.8	4.6	1.8	0.6
ML High Yield II				14.6	-	9.0	8.1	1.8	1.0	4.1	1.0	0.3
Core Real Estate	667,771,667 4.6%	4/1/2011	4.2	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Non-Core Real Estate	72,644,081 0.5%	7/1/2014	0.9	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Cash	63,166,566 0.4%	4/1/1990	25.2	-	-	-	-	-	-	-	-	-
91 Day T-bill				-	1.4	0.1	0.1	0.0	0.0	0.0	0.0	0.0

Equity Portfolios Summary

As of May 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	547,878,760	4/1/1990	25.2	14.4	10.9	20.0	25.1	7.2	4.0	2.7	0.9	0.0
Russell 1000 Value	3.7%			11.9	9.5	16.9	21.6	10.1	6.4	3.1	0.4	1.8
Sawgrass	581,264,402	7/1/2006	8.9	9.2	-	17.4	19.1	11.3	10.4	2.4	-0.7	0.8
Russell 1000 Growth	4.0%			9.8	-	17.7	19.8	14.7	12.5	5.8	0.8	1.4
ARI All Cap	475,502,016	9/1/2006	8.8	6.8	-	14.5	17.8	8.0	4.7	2.8	-0.1	0.8
Russell 3000	3.2%			8.2	-	16.5	19.9	11.9	9.1	3.7	0.8	1.4
EPOCH All Cap	525,549,998	9/1/2006	8.8	9.0	-	16.9	20.8	15.4	13.3	3.5	0.4	1.0
Russell 3000	3.6%			8.2	-	16.5	19.9	11.9	9.1	3.7	0.8	1.4
Passive Domestic Equity												
NT Cap Weighted Passive	340,924,260	4/1/2012	3.2	16.4	-	-	19.6	12.1	9.8	3.5	0.6	1.3
S&P 500 Cap Weighted	2.3%			16.0	8.1	16.5	19.7	11.8	9.5	3.2	0.6	1.3
SSGA Eq Weighted Passive	337,903,492	4/1/2012	3.2	18.2	-	-	21.8	11.5	8.4	2.9	0.2	0.8
S&P 500 Equal Weighted	2.3%			17.7	-	-	22.0	11.7	8.5	3.0	0.3	0.8
Mid Cap Domestic Equity												
Frontier Capital	597,460,570	6/1/2002	13.0	11.3	13.0	18.1	21.5	18.8	14.3	11.0	4.6	3.9
Russell Mid Cap Growth	4.1%			10.0	10.1	17.5	20.6	14.7	11.2	5.9	0.8	1.2
Wellington Management	502,557,296	9/1/1998	16.8	10.9	9.9	15.1	21.2	10.1	7.2	6.3	1.2	1.8
Russell Mid Cap Growth	3.4%			9.4	10.1	17.5	20.6	14.7	11.2	5.9	0.8	1.2
AJO Partners	587,981,067	8/1/1998	16.8	11.5	10.5	19.1	23.7	12.9	9.9	5.1	2.1	2.2
Russell MidCap	4.0%			9.7	9.9	17.2	21.2	12.5	8.9	4.5	0.6	1.5
Hotchkis & Wiley Mid Cap	547,878,760	8/1/2002	12.8	14.4	10.9	20.0	25.1	7.2	4.0	2.7	0.9	0.0
Russell MidCap Value	3.7%			11.9	9.5	16.9	21.6	10.1	6.4	3.1	0.4	1.8
Small Cap Domestic Equity												
Shapiro Capital Management	707,285,618	2/1/1998	17.3	10.8	11.6	16.9	22.9	4.7	-0.4	3.1	2.0	1.9
Russell 2000 Value	4.8%			8.4	7.3	12.7	17.3	5.1	0.6	0.6	0.3	0.8
Geneva Capital	208,859,906	6/1/2013	2.0	15.2	-	-	-	17.4	11.7	8.2	2.4	1.5
Russell 2000 Growth	1.4%			17.2	10.1	17.4	21.6	17.7	10.9	7.3	2.4	3.7
Wasatch Advisors	205,203,074	6/1/2013	2.0	13.7	-	-	-	15.2	11.2	6.2	1.0	1.7
Russell 2000 Growth	1.4%			17.2	10.1	17.4	21.6	17.7	10.9	7.3	2.4	3.7
Cove Street Capital	112,374,172	6/1/2013	2.0	11.2	-	-	-	9.0	1.8	7.6	5.5	0.3
Russell 2000 Value	0.8%			10.8	7.3	12.7	17.3	5.1	0.6	0.6	0.3	0.8
Frontier Capital	165,349,485	6/1/2013	2.0	12.5	-	-	-	4.6	-0.5	1.7	0.6	0.9
Russell 2000 Value	1.1%			10.8	-	-	-	-	0.6	0.6	0.3	0.8
Neumeier Poma	131,641,426	6/1/2013	2.0	19.4	-	-	-	18.5	13.6	9.3	3.0	2.7
Russell 2000 Value	0.9%			10.8	7.3	12.7	17.3	5.1	0.6	0.6	0.3	0.8
International Large Cap Equity												
Causeway Capital	561,606,344	5/1/2003	12.1	10.4	6.7	11.7	16.2	0.8	0.8	8.1	3.1	-1.0
MSCI ACWI Ex US	3.8%			9.4	6.0	8.1	15.8	5.1	3.1	5.1	1.2	-0.1
Northern Trust Passive	937,143,984	9/1/2013	1.7	6.5	-	-	-	0.9	0.0	8.9	2.2	-0.4
MSCI EAFE	6.4%			-	-	10.4	16.1	-0.1	-1.0	8.9	2.3	-0.4
Transition Account - Northern	658,739	9/1/2014	0.7	-	-	-	-	-	-	-	-	-
	0.0%			-	-	-	-	-	-	-	-	-
International Small Cap Equity												
ARI Small Cap International	219,343,478	12/1/2011	3.5	14.8	-	-	18.0	0.5	-2.6	7.8	2.2	-0.2
MSCI EAFE Small Cap	1.5%			18.2	7.1	13.0	18.1	2.3	0.8	11.8	4.8	1.1
Epoch Small Cap International	210,967,360	12/1/2011	3.5	13.1	-	-	16.0	-2.4	-2.9	12.9	6.6	1.0
MSCI EAFE Small Cap	1.4%			18.2	7.1	13.0	18.1	2.3	0.8	11.8	4.8	1.1
Wasatch Small Cap International	212,146,999	12/1/2011	3.5	18.5	-	-	18.3	6.0	5.4	12.7	5.4	2.0
MSCI EAFE Small Cap	1.4%			18.2	7.1	13.0	18.1	2.3	0.8	11.8	4.8	1.1
Wellington Small Cap International	218,659,144	12/1/2011	3.5	18.0	-	-	19.6	1.1	-1.1	11.5	4.6	1.2
MSCI EAFE Small Cap	1.5%			18.2	7.1	13.0	18.1	2.3	0.8	11.8	4.8	1.1

Fixed Income Portfolios Summary

As of May 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	624,016,758	8/1/1999	15.8	7.0	7.6	7.2	5.0	1.9	1.3	1.3	-0.3	-0.2
Barclays Aggregate	4.3%			5.5	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
Lord Abbett	622,049,385	11/1/2004	10.6	6.0	6.1	5.7	4.1	3.4	3.0	1.6	0.2	-0.1
Barclays Aggregate	4.2%			4.6	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
Mackay Shields	615,713,319	11/1/2004	10.6	6.1	6.2	6.2	4.3	1.7	1.2	0.9	-0.6	-0.2
Barclays Aggregate	4.2%			4.6	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
Active Duration Fixed Income												
Hoisington	323,351,695	11/1/2004	10.6	8.5	7.5	9.9	2.2	13.6	13.8	-1.2	-4.4	-2.1
Barclays Aggregate	2.2%			4.6	4.6	3.9	2.2	3.0	3.0	1.0	-0.1	-0.2
High Yield Fixed Income												
Loomis Sayles High Yield	265,855,610	2/1/2009	6.3	13.9	-	9.0	9.6	2.7	1.5	4.2	1.4	0.6
Merrill Lynch High Yield II	1.8%			14.7	-	9.0	8.1	1.8	1.0	4.1	1.0	0.3
Lord Abbett High Yield	267,694,847	2/1/2009	6.3	14.7	-	10.6	9.8	3.2	1.8	4.7	2.1	0.5
Merrill Lynch High Yield II	1.8%			14.7	-	9.0	8.1	1.8	1.0	4.1	1.0	0.3
MacKay Shields High Yield	266,019,869	2/1/2009	6.3	12.9	-	9.1	7.7	3.0	2.2	4.9	1.8	0.6
Merrill Lynch High Yield II	1.8%			14.7	-	9.0	8.1	1.8	1.0	4.1	1.0	0.3

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

Master Limited Partnerships

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Calendar YTD	Last Quarter	Last Month
Chickasaw Capital MLP	406,469,554	2/28/2011	4.3	24.5	-	-	31.0	3.4	-5.3	3.2	1.4	-1.6
Alerian MLP Index	2.8%			9.8	-	-	12.1	-7.4	-12.6	-3.0	-2.0	-3.6
Cushing MLP Management	395,387,759	2/28/2011	4.3	19.2	-	-	26.2	3.8	-5.0	3.5	0.7	-1.6
Alerian MLP Index	2.7%			9.8	-	-	12.1	-7.4	-12.6	-3.0	-2.0	-3.6
ARI MLP	334,232,605	2/28/2011	4.3	13.5	-	-	18.5	3.1	-5.6	3.5	1.7	-1.9
Alerian MLP Index	2.3%			9.8	-	-	12.1	-7.4	-12.6	-3.0	-2.0	-3.6

Private Equity

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 5/31/2015	% Called	\$ Return as of 5/31/2015	IRR Inception	IRR 3 Year	IRR 1 Year	Performance as of
Legacy Private Equity Portfolio	55,810,126	10/1/2008	6.7	\$97,500,000	\$92,080,850	94.4%	\$70,352,869	11.9%	12.7%	4.6%	12/31/2014
Russell 1000 + 4%	0.4%							16.3%	24.6%	17.2%	
Franklin Park Private Equity	453,199,937	4/1/2010	5.2	\$1,200,000,000	\$436,037,500	36.3%	\$65,416,887	14.3%	17.0%	18.8%	12/31/2014
Russell 1000 + 4%	3.1%							15.2%	24.6%	17.2%	

Real Estate

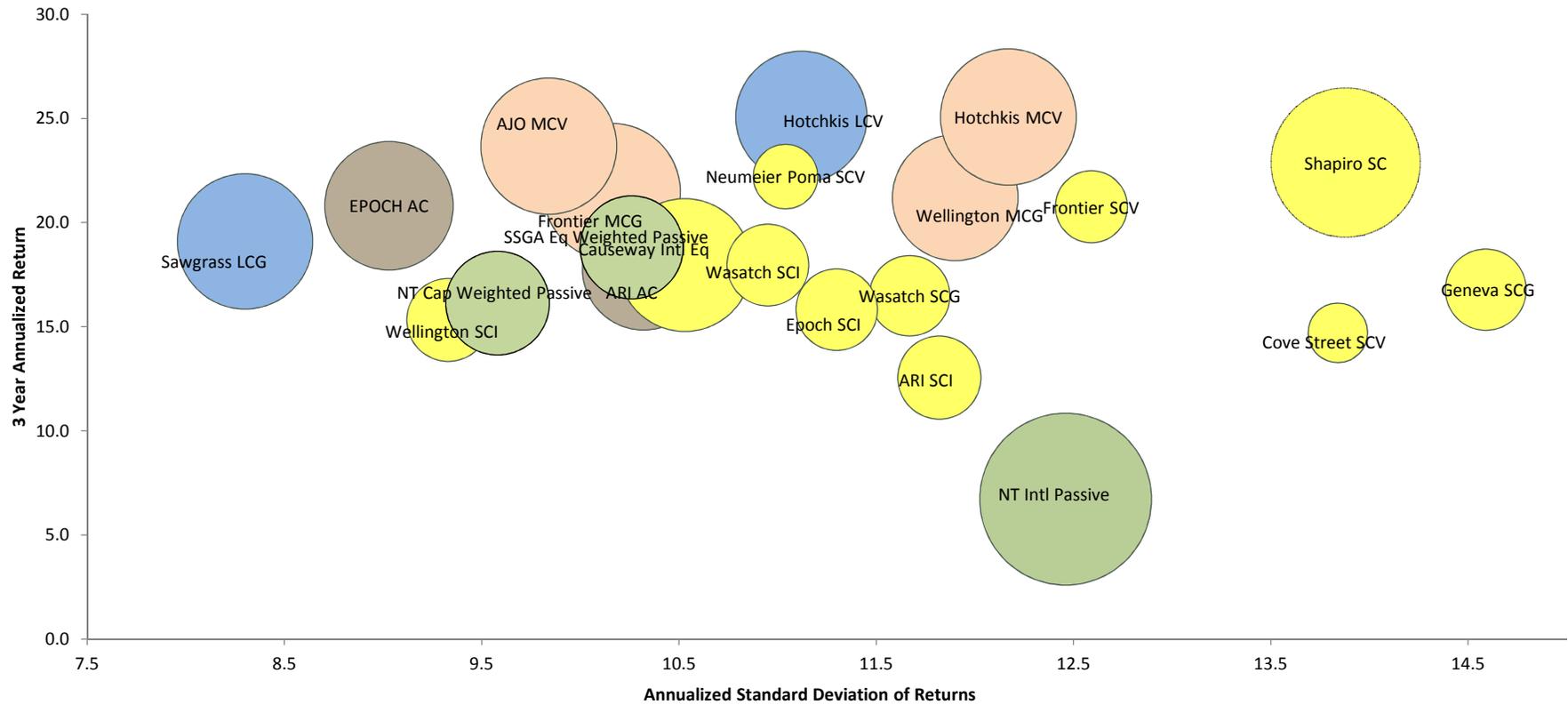
	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 5/31/2015	% Called	\$ Return as of 5/31/2015	Time Weighted Trailing Two Year Return (Annualized) ¹	Time Weighted Trailing One Year Return ¹	Performance as of
AEW Real Estate	228,186,225	5/1/2011	4.1	\$165,500,000	\$165,500,000	100%	\$31,745,731	11.0%	10.3%	3/31/2015
NFI-ODCE	1.6%							13.6%	13.5%	
Heitman Real Estate	234,063,491	5/1/2011	4.1	\$157,400,000	\$157,400,000	100%	N/A	13.0%	11.7%	3/31/2015
NFI-ODCE	1.6%							13.6%	13.5%	
L&B Real Estate	205,521,951	4/1/2011	4.2	\$150,000,000	\$150,000,000	100%	\$0	11.5%	12.8%	3/31/2015
NFI-ODCE	1.4%							13.6%	13.5%	
Antheus Capital	18,812,505	10/1/2014	0.7	\$53,750,000	\$18,812,500	35%	\$0	-	-	-
NFI-ODCE	0.1%							-	-	-
Dune	17,310,090	10/1/2014	0.7	\$53,750,000	\$16,060,612	30%	\$0	-	-	-
NFI-ODCE	0.1%							-	-	-
GreenOak Real Estate	12,271,051	10/1/2014	0.7	\$50,000,000	\$11,293,861	23%	\$0	-	-	-
NFI-ODCE	0.1%							-	-	-
L&B Golden Driller	7,665,000	7/1/2014	0.9	\$60,000,000	\$7,665,000	13%	\$0	-	-	-
NFI-ODCE	0.1%							-	-	-
Landmark Realty	2,336,002	12/1/2014	0.5	\$35,000,000	\$2,255,623	6%	\$0	-	-	-
NFI-ODCE	0.0%							-	-	-
American Realty	14,249,432	12/1/2014	0.5	\$53,750,000	\$13,745,100	26%	\$0	-	-	-
NFI-ODCE	0.1%							-	-	-
Starwood	-	-	-	\$53,750,000	\$0	0%	\$0	-	-	-
NFI-ODCE	0.0%							-	-	-

¹Performance shown Net of Fees.
Preliminary data displayed where final audited figures are unavailable.

Opportunistic Fixed Income

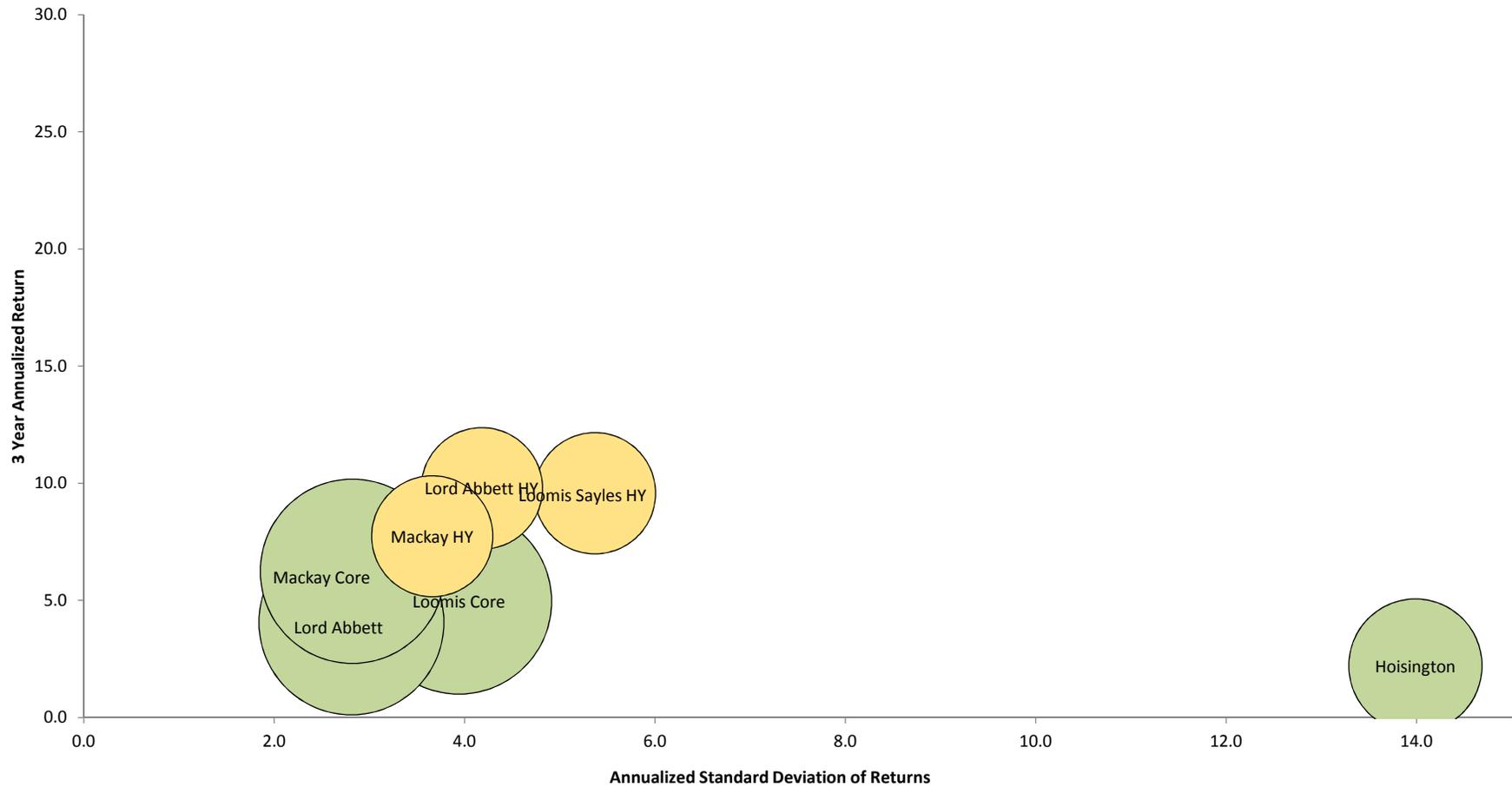
	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 5/31/2015	% Called ³	\$ Return as of 5/31/2015	Time Weighted Return Since Inception (Annualized)	Time Weighted One Year Return	Performance as of
PIMCO BRAVO	64,505,384	3/31/2011	4.2	\$100,000,000	\$100,000,000	100%	\$126,512,970	22.2%	15.2%	3/31/2015
Barclays Aggregate	0.4%							4.2%	4.5%	
PIMCO BRAVO II	103,713,927	3/31/2013	2.2	\$150,000,000	\$93,750,000	63%	\$0	21.2%	16.5%	3/31/2015
Barclays Aggregate	0.7%							2.7%	4.5%	

Three Year Risk/Return Review - Equity Portfolios



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

Three Year Risk/Return Review - Fixed Income Portfolios



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

June 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	208,859,906	1.43%	On Alert	Acquisition	July 2014	December 2014	June 2015	Maintain continuity of management practices and results

All other managers currently rated In Compliance



OKLAHOMA TEACHERS RETIREMENT SYSTEM

real estate portfolio
executive summary report
first quarter, 2015



Market Environment

- ▶ Real estate produced positive returns during the first quarter of 2015. In the U.S., real estate outperformed both fixed income and equity. The NFI ODCE Index (Core Real Estate) posted a quarterly return of 3.4%
- ▶ From a fundamental perspective, occupancy rates and rents continue to rise across most markets and property types. Tenant demand is growing in many markets. Some markets are seeing double digit rent growth as leases signed during the depths of the Great Financial Crisis expire.
- ▶ New supply of real estate remains below average in all categories except multi-family.
- ▶ Many Core real estate investors are adding leverage to existing portfolios and extending deeper into second tier markets. Leverage levels remain lower than pre-2007 levels as banks and insurance companies are still cautious.

U.S. Real Estate Space Markets at a Glance				
	Multifamily	Industrial	Retail	Office
Vacancy	4.1% ↑	10.1% ↓	10.1% ↓	13.9% ↔
Rent Growth	0.6% ↔	1.0% ↓	0.5% ↔	0.9% ↑
Under Construction (% of inventory)	3.1% ↑	0.8% ↓	0.8% ↔	1.2% ↔

Arrows indicate aggregate change from previous quarter observation.
Source: JP Morgan and CBRE.

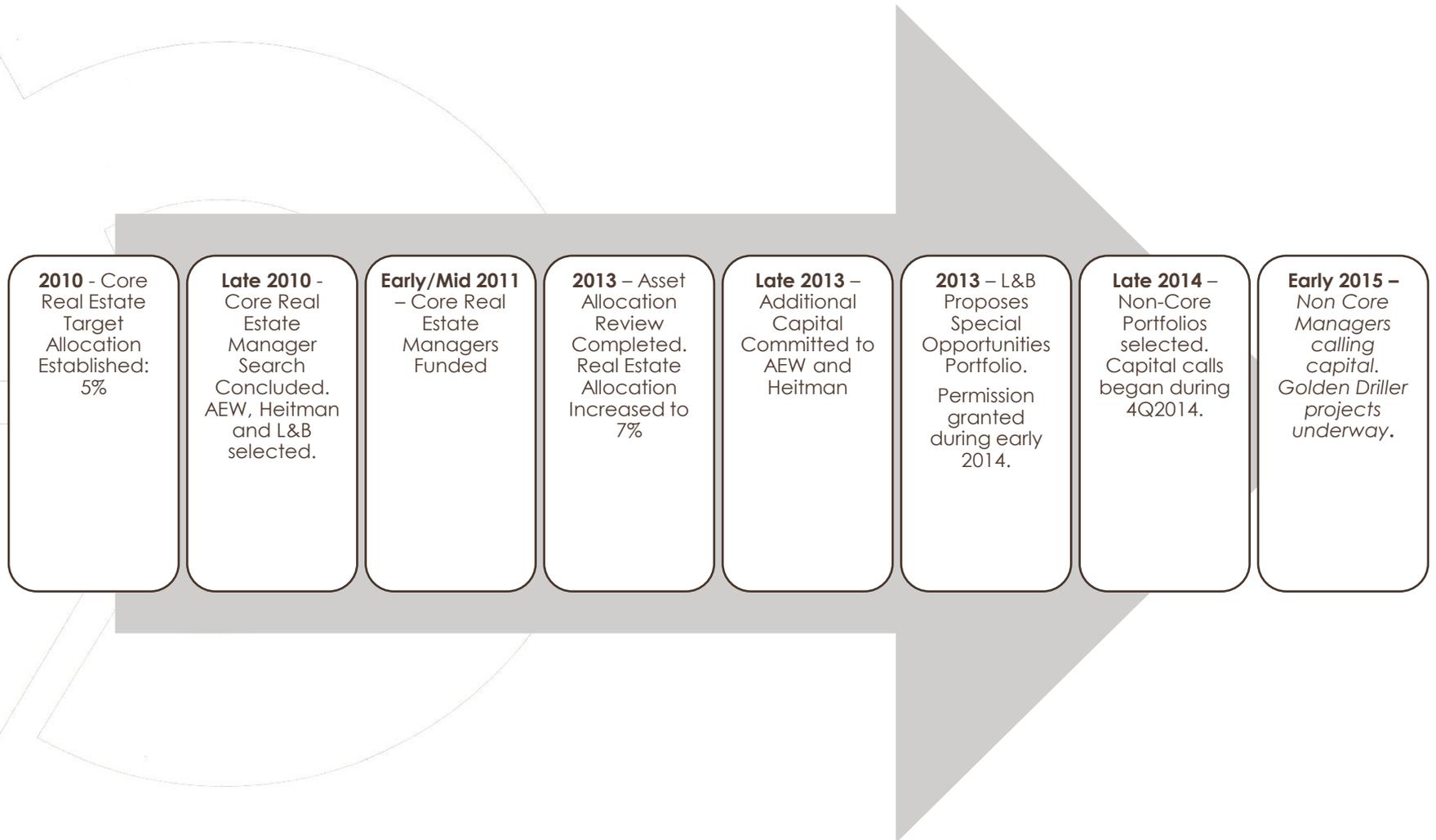


Real Estate Portfolio Overview

- ▶ The OTRS real estate portfolio was initially funded during April/May of 2011. Three managers were selected after an extensive search process. Each was initially funded with \$150 million.
- ▶ The total real estate allocation target is now 7% of the total fund. The target allocation is based on the net amount invested by the System in real estate assets. The target allocation for real estate was increased from 5% to 7% during 2013.
- ▶ The current portfolio is focused on U.S. based core assets. Core real estate is generally defined as high-quality, low risk, diversified portfolio of stable, income-producing assets. It has expanded beyond core to higher risk/higher return investments.
- ▶ The investments have been successful. We are in the second stage of the real estate investment program. This stage is intended to provide additional diversification and return potential by investing in non-core funds. A search was completed in September 2014 to invest in value-added and opportunistic properties. Six firms were selected to invest approximately \$50 million each. Follow-on searches will be required to replenish funds that reach liquidation. Many of the non-core funds will have life spans between five and ten years.
- ▶ The current performance benchmark is the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE). The index is a fund-level capitalization weighted, time weighted index that includes property investments at ownership share, cash balance and leverage. The returns reflect the funds' actual ownership positions and financing strategy. We believe the new non-core managers should be compared to the NCREIF Closed End Value Add Index. Summaries of both appear in this report's appendix.



Real Estate Portfolio Timeline



2010 - Core Real Estate Target Allocation Established: 5%

Late 2010 - Core Real Estate Manager Search Concluded. AEW, Heitman and L&B selected.

Early/Mid 2011 - Core Real Estate Managers Funded

2013 - Asset Allocation Review Completed. Real Estate Allocation Increased to 7%

Late 2013 - Additional Capital Committed to AEW and Heitman

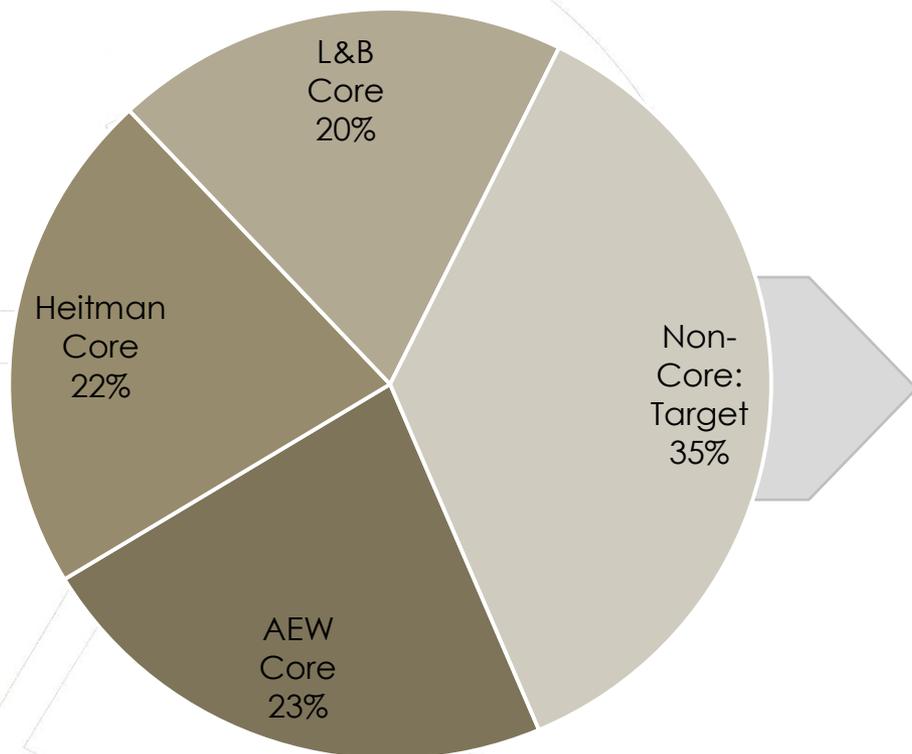
2013 - L&B Proposes Special Opportunities Portfolio. Permission granted during early 2014.

Late 2014 - Non-Core Portfolios selected. Capital calls began during 4Q2014.

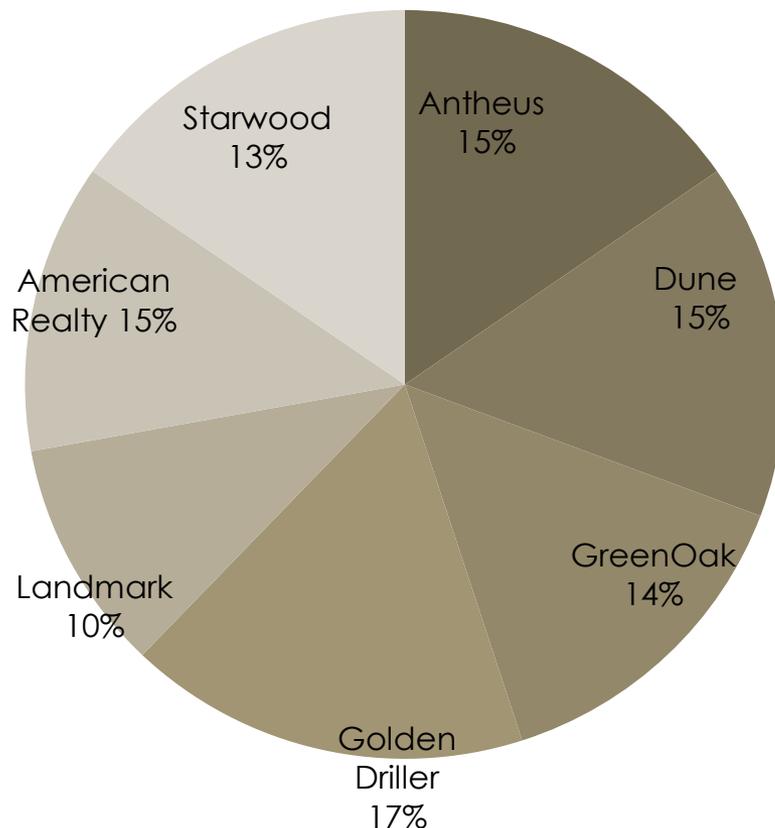
Early 2015 - Non Core Managers calling capital. Golden Driller projects underway.

Real Estate Allocation Review: By Market Value

Composite Real Estate Allocation



Non-Core Real Estate: *Committed Capital*



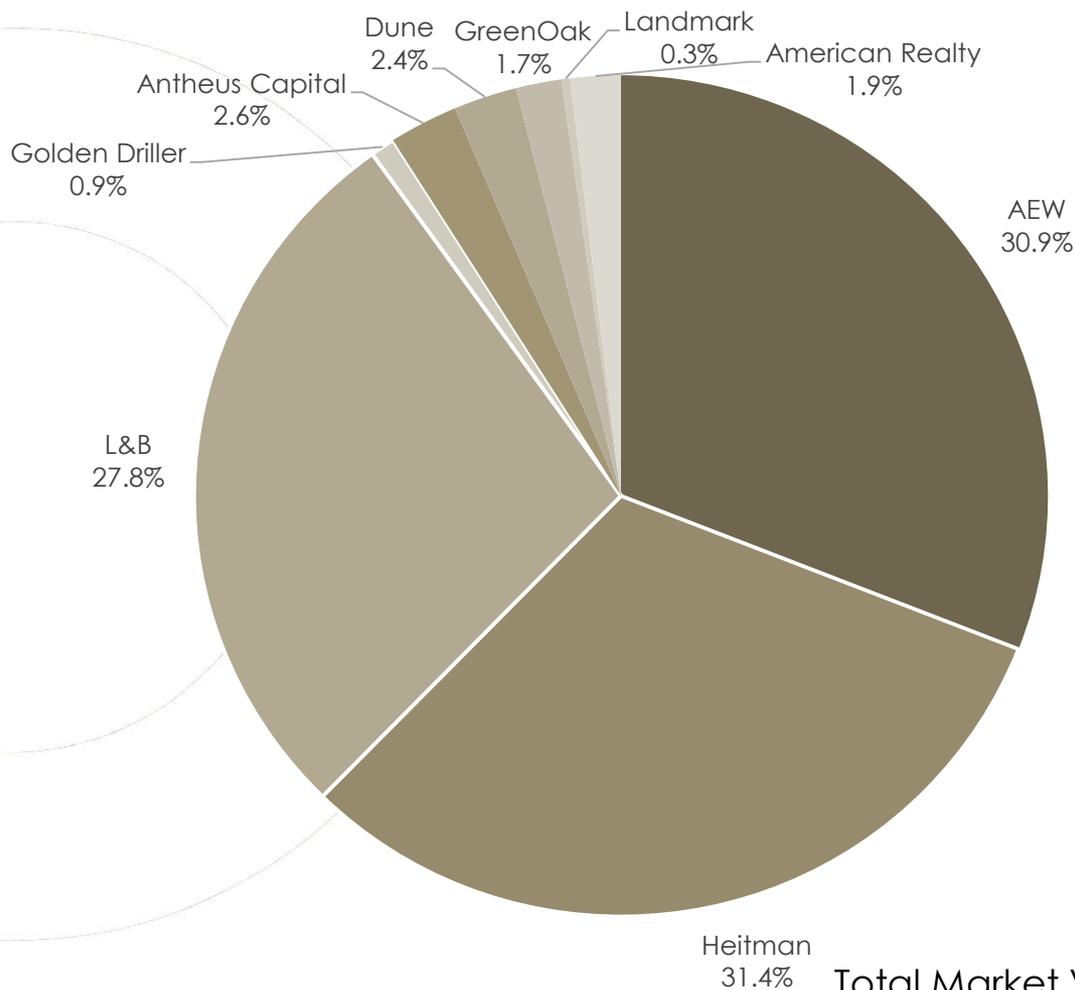
Total Non-Core Committed Capital: \$350,000,000

OTRS Real Estate Capital Contributed

As of March 31, 2015

	Capital Committed	Capital Contributed	% Called
AEW	\$165,500,000	\$165,000,000	100%
L&B Core	\$150,000,000	\$150,000,000	100%
Heitman	\$157,400,000	\$157,400,000	100%
American Realty	\$53,750,000	\$13,745,100	26%
Antheus	\$53,750,000	\$18,812,500	35%
Dune	\$53,750,000	\$16,060,612	30%
Golden Driller	\$60,000,000	\$6,765,000	11%
GreenOak	\$50,000,000	\$12,153,343	24%
Landmark	\$35,000,000	\$2,255,623	6%
Starwood	\$43,750,000	\$0	0%
	\$822,900,000	\$526,191,455	64%

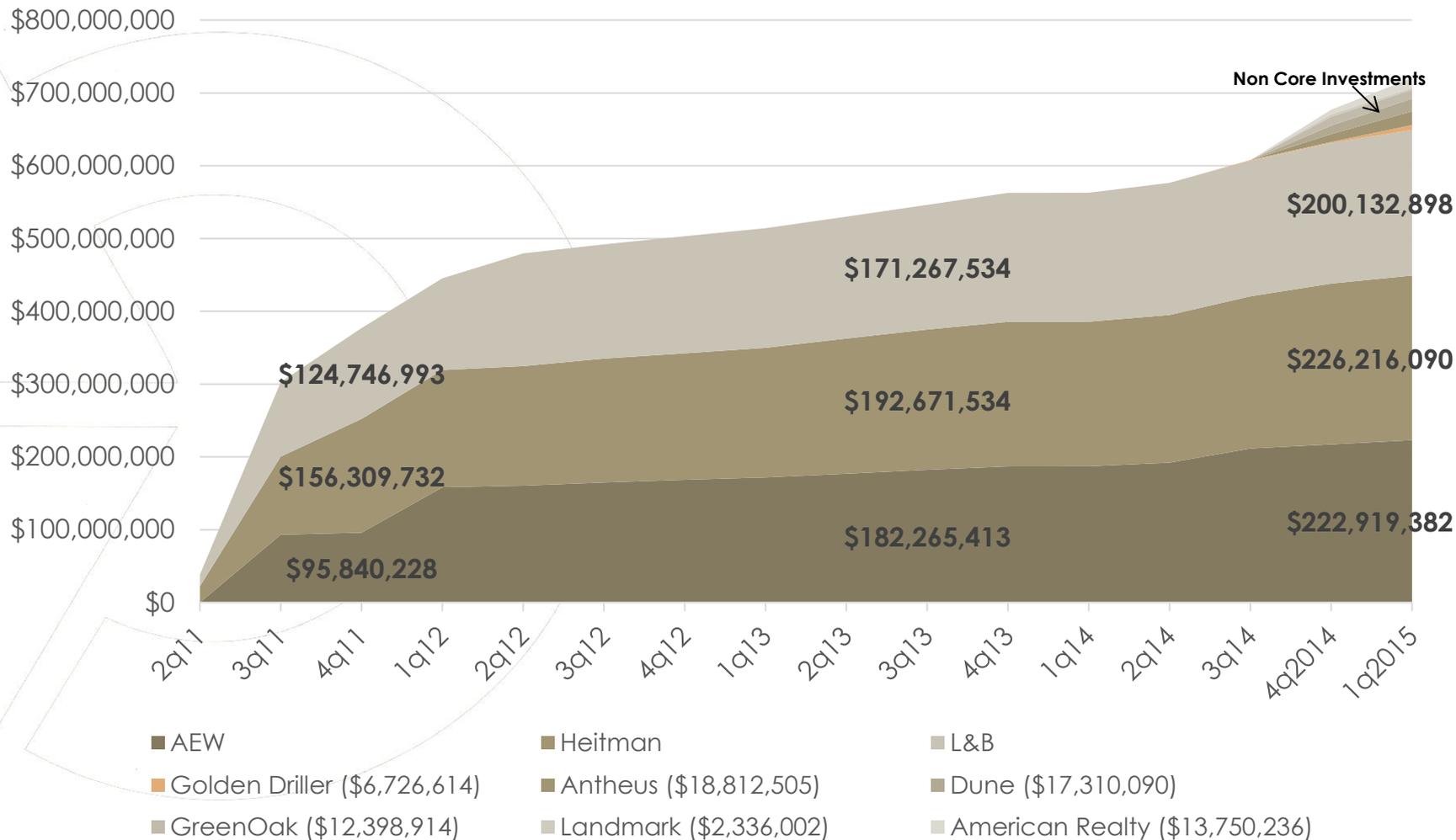
Allocation of Real Estate Portfolio – Net Exposure As of March 31, 2015



Total Market Value: **\$720,602,731**
This composed **5.0%** of the total portfolio.

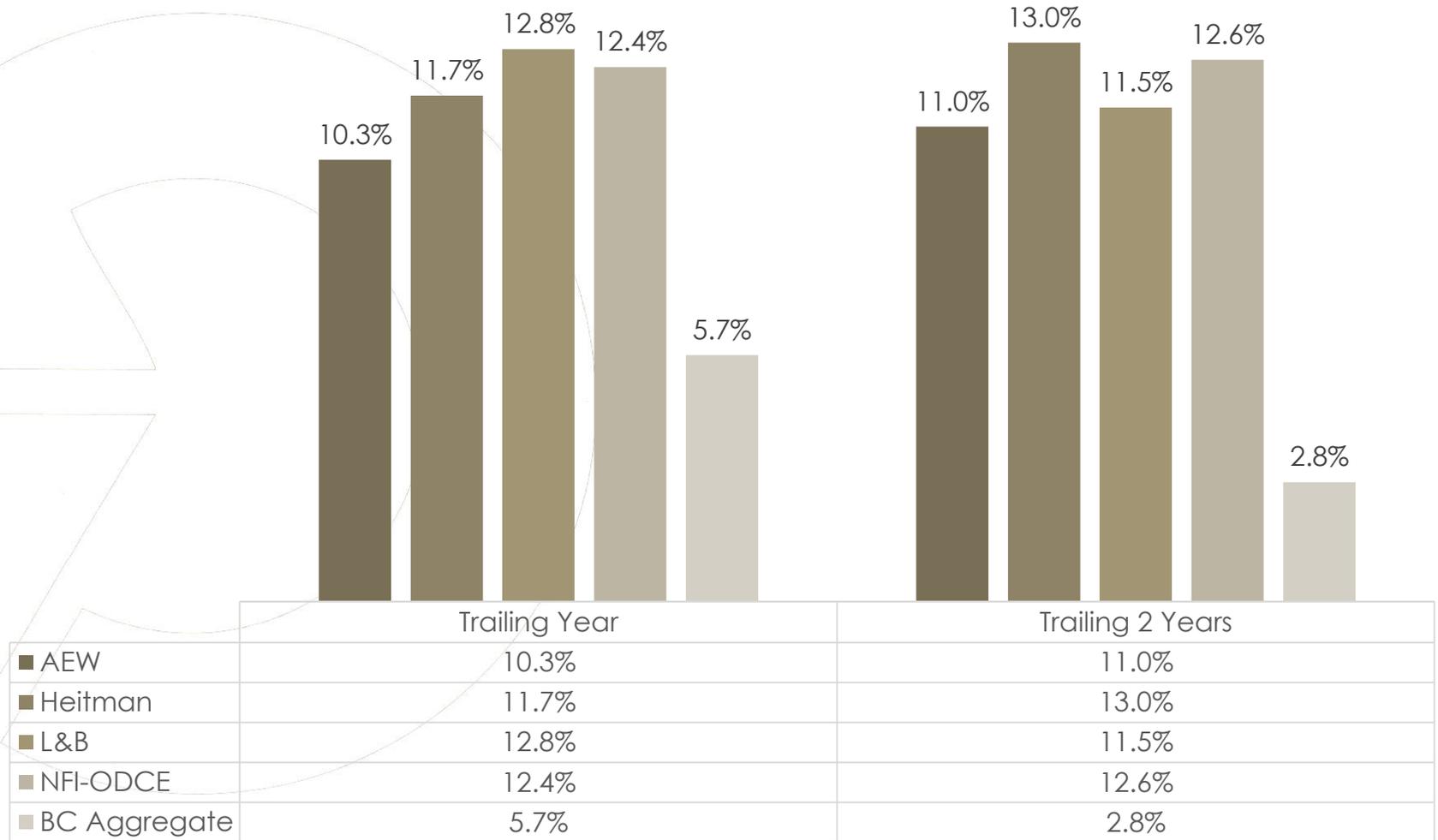


Allocation History – Market Values/Quarterly Observations

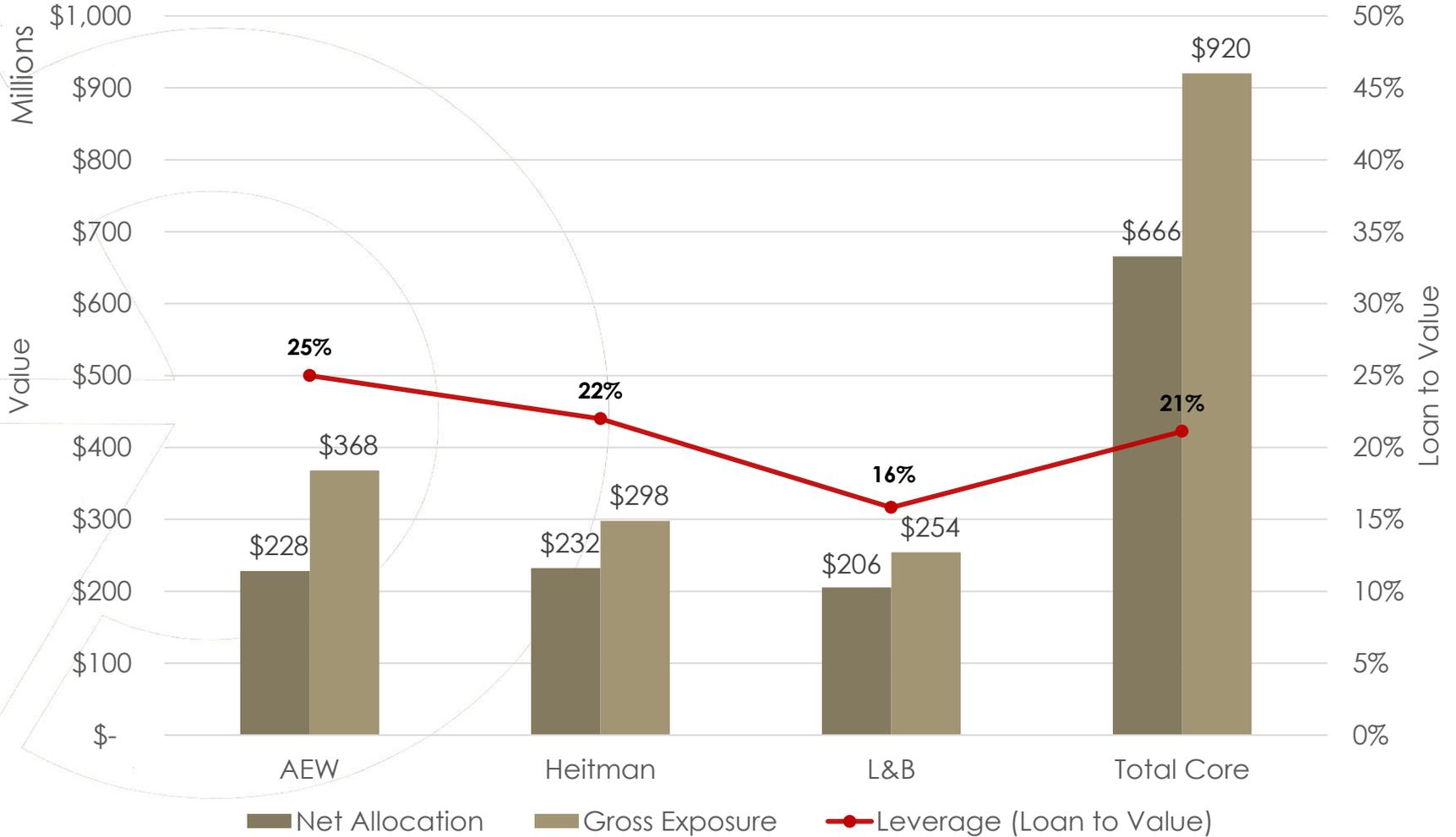


Core Real Estate Performance Comparison – Net of Fees

Periods Ended March 31, 2015

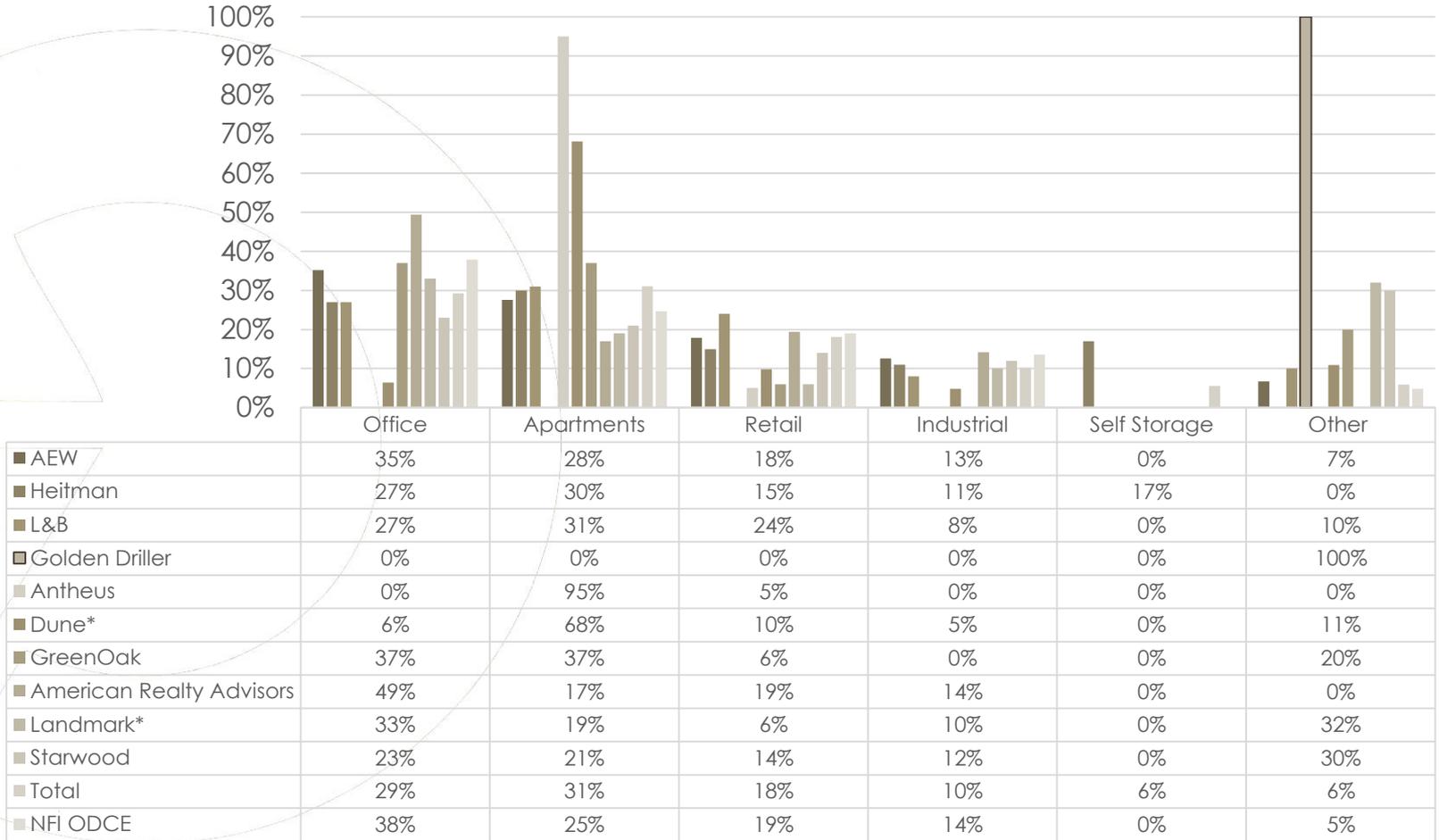


Allocation of Core Real Estate Portfolio – Net vs. Gross Exposure As of March 31, 2015



Property Type Diversification – Net Exposure

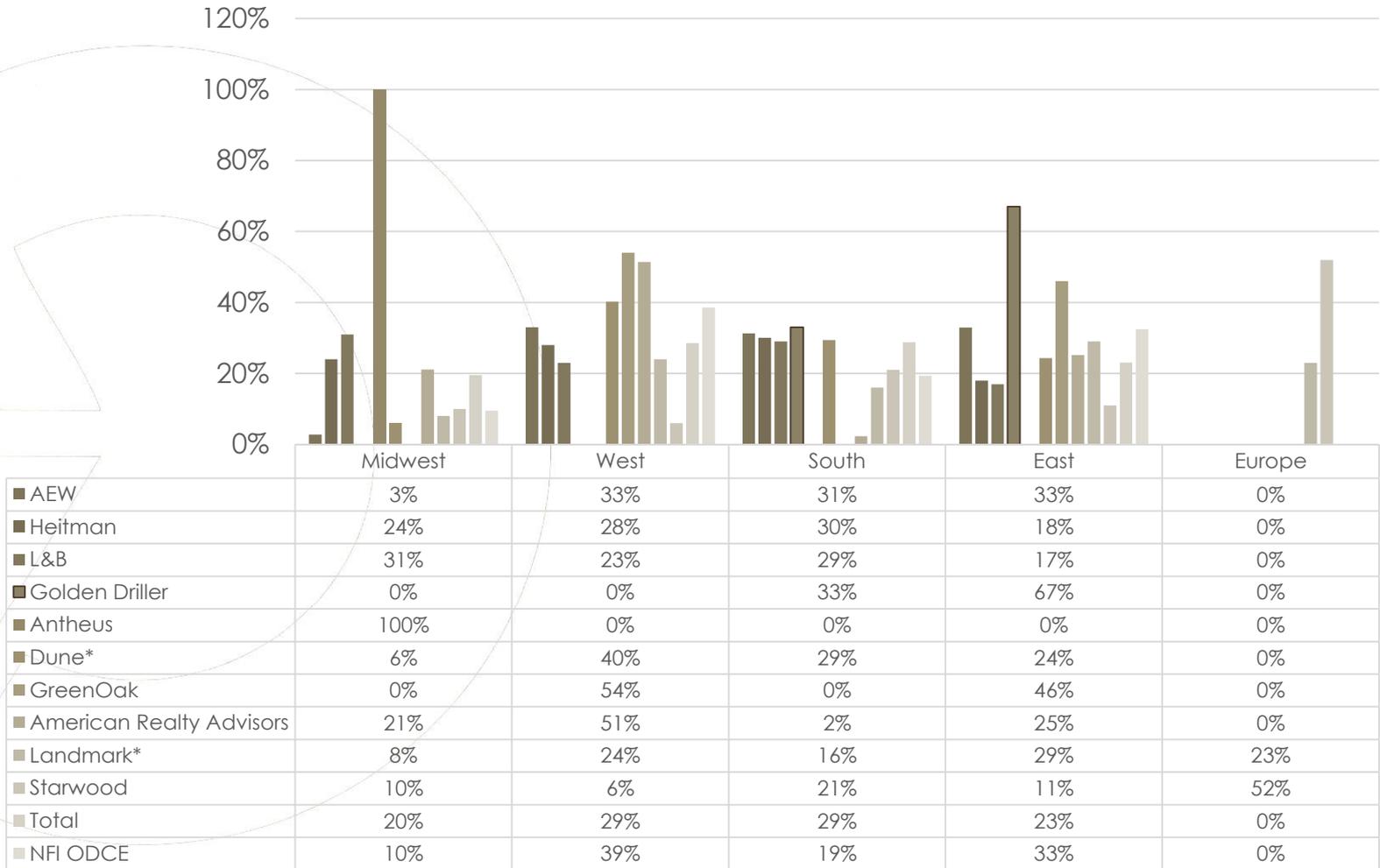
As of March 31, 2015



*Property Type Diversification as of 12/31/2014.

Geographic Diversification – Net Exposure

As of March 31, 2015



*Geographic Diversification as of 12/31/2014.

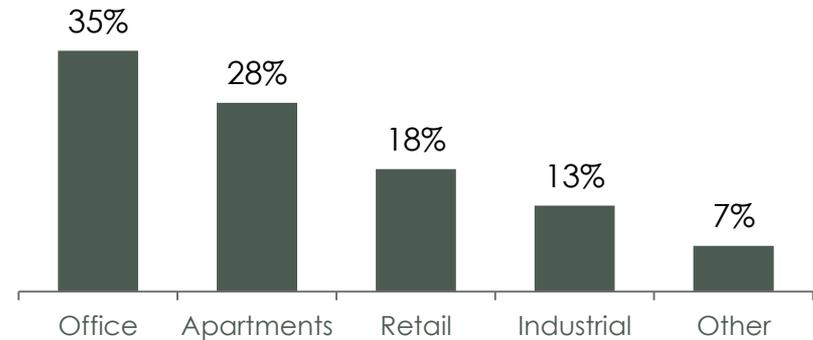
Core Real Estate Investments

AEW Capital Management – Core Real Estate



Location: Boston, Massachusetts
OTRS Initial Commitment: \$150 million
OTRS Total Commitment: \$165 million
Fund Name: AEW Core Property Trust
Fund Type: Open Ended Private REIT
Fund Size (Net): \$4.3 billion
Fund Size (Gross): \$7.0 billion
Number of Investments: 59
Firm AUM(as of 4Q2014): \$29 billion
Inception Date: Fourth Quarter, 2007
Fund Manager: Dan Bradley and Jon Martin
Investment Process: Research driven strategy that combines long-term economic forecasts with on-the-ground market knowledge that builds diversified portfolios of apartments, retail, office, industrial, and to a smaller extent, hotel properties. Portfolios will be diversified among major growing metropolitan markets with barriers to new supply. The portfolio will feature high-quality assets designed to provide durable income and reasonable capital appreciation. The fund will only invest in the U.S. No single investment may exceed 25% of the fund's net asset value. Non-core assets limited to 15% of net asset value. 30% maximum leverage at the total fund level.
Status: **In Compliance**

Property Type Diversification



	AEW	NFI ODCE
2015 YTD Income Return	1.30%	1.18%
2015 YTD Appreciation Return	0.85%	2.20%
Current Occupancy	93%	-
OTRS Ownership of Fund	5.2%	-

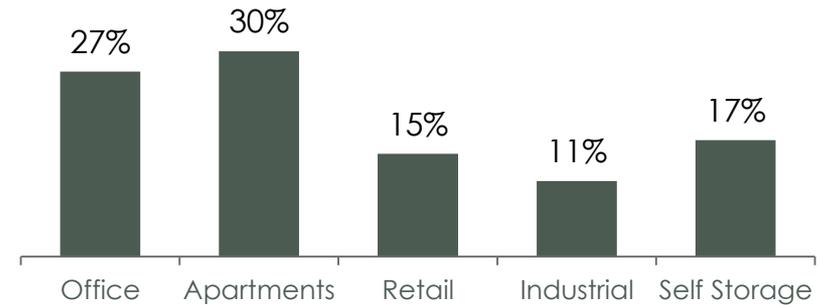
Heitman Capital Management – Core Real Estate

Location: Chicago, Illinois
OTRS Initial Commitment: \$150 million
OTRS Total Commitment: \$157 million
Fund Name: Heitman Capital Management
Fund Type: Open Ended Partnership
Fund Size (Net): \$4.9 billion
Fund Size (Gross): \$6.3 billion
Number of Investments: 73
Firm AUM: \$33 billion
Fund Inception Date: Second Quarter, 2007
Fund Manager: David Perisho
Investment Process: Acquire strong properties on a direct basis to deliver returns 1.0% over the relevant benchmark index over a rolling five year period. The portfolio will remain flexible as to property type concentration but will be adequately diversified. Heitman will buy in major markets. Properties will be well-constructed and have proximity to amenities and transportation networks. The fund will invest only in the U.S. and Canada. No more than 10% of the fund will be invested in Canada. Up to 15% of the fund will be invested in value-added properties. The maximum investment in a single property will be 15%. Leverage is capped at 30% of the fund.

Status: In Compliance



Property Type Diversification



	Heitman	NFI ODCE
2015 YTD Income Return	1.04%	1.18%
2015 YTD Appreciation Return	2.53%	2.20%
Current Occupancy	94.0%	-
OTRS Ownership of Fund	4.7%	-

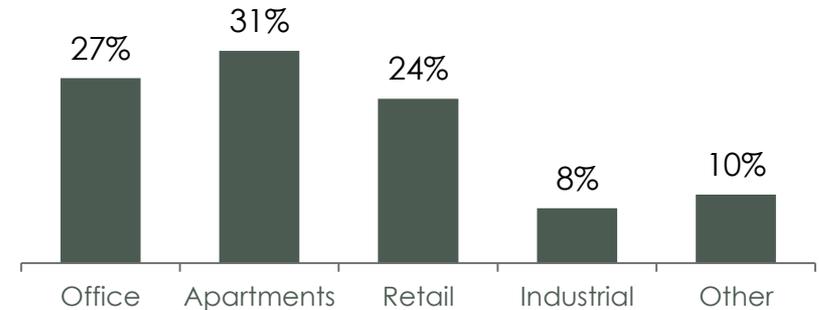


L&B Realty Advisers - Core Real Estate

Location: Dallas, Texas
OTRS Initial Commitment: \$150 million
OTRS Total Commitment: \$150 million
Fund Name: L&B Core Income Partners, L.P.
Fund Type: Open Ended Partnership
Fund Size (Net): \$456 million
Fund Size (Gross): \$564 million
Number of Investments: 9
Firm AUM: \$7.0 billion
Inception Date: Second Quarter, 2011
Fund Manager: Mark Gerigk and Christian Metten
Investment Process: The fund will invest in a diversified portfolio of core properties that are well-leased by credit-worthy tenants. The primary objective is protection of capital and limited downside risk. Assets will be appropriately priced and utilize reasonable leverage. The portfolio will concentrate on stable, enduring assets but can allocate up to 15% to non-core assets. All investments will be in the U.S. Maximum leverage at the fund level is 35%; maximum leverage for individual properties is 50%. Average investment is \$50 million in equity. This fund was recently added to the NFI ODCE Index.

Status: In compliance

Property Type Diversification



	L&B	NFI ODCE
2015 YTD Income Return	1.07%	1.18%
2015 YTD Appreciation Return	1.53%	2.20%
Current Occupancy	94.8%	-
OTRS Ownership of Fund	45.1%	-

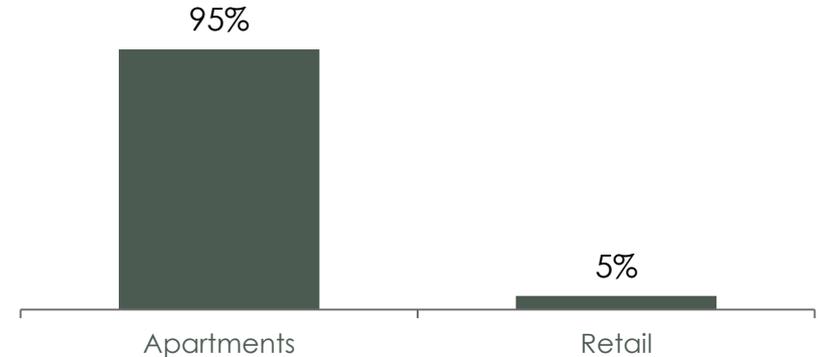
Non-Core Real Estate Investments

Antheus Capital, LLC

Location: Englewood, New Jersey
OTRS Initial Commitment: \$54 million
OTRS Total Commitment: \$54 million
Fund Name: Lyrical-OTRS Realty Partners IV, LP
Fund Type: Close End Value Fund
Fund Size (Net): \$168 million
Number of Investments: 14
Firm AUM: \$1.0 billion
Inception Date: Fourth Quarter, 2014
Fund Manager: Eli Ungar and David Gefsky
Investment Process: Extremely hands on investment process that currently manages a diversified portfolio of multi-family investments in two sub-markets where they seek deep property by property knowledge and a dominant market share. Currently, their portfolio owns over 6,000 apartment units in Chicago and Kansas City in areas that exhibit strong, structural supply/demand conditions that cannot be easily reversed and ultimately benefit apartment owners. The team seeks areas where supply/demand remains in disequilibrium and favorable to long-term growth rates of rental income. Operating expenses for their properties tend to remain flat after initial investment, allowing them to compound a growing level of net operating expenses. The team focuses on year over year operating success rather than “trades”.
 The fund expects to deploy equally between Chicago, Kansas City and St. Louis. Property acquisitions are moving forward at a deliberate pace. The location of the Barack Obama presidential library was announced to be at the South side of Chicago. This should be positive for the portfolio's holdings in the Hyde Park neighborhood.
Status: In compliance



Property Type Diversification



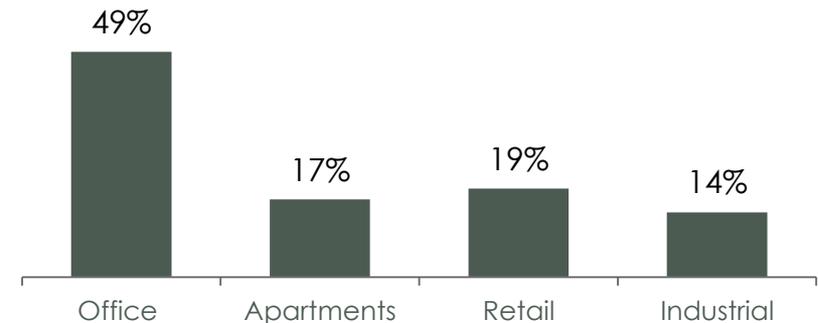
OTRS owns 32% of LARP IV-Blue Holdings, LLC which consists of Lyrical-Antheus Realty Partners IV, LP & side cars including Lyrical-OTRS Realty Partners IV, LP.

American Realty Advisors

Location: Glendale, California
OTRS Initial Commitment: \$54 million
OTRS Total Commitment: \$54 million
Fund Name: American Realty Strategic Value Realty Fund
Fund Type: Open Ended Diversified Value Added
Fund Size (Net): \$311 million
Number of Investments: 13
Firm AUM: \$6.8 billion
Inception Date: Fourth Quarter, 2014
Fund Manager: Kurt Helgelson and Douglas Rush
Investment Process: Team based process that views each acquisition as an operating asset and also a part of the overall portfolio. Acquisitions are reviewed by Investment Committee. Named portfolio manager is Chairman of the Investment Committee. Portfolio currently has a focus on the West and Midwest (~80% of portfolio). Largest sector allocation is Office which accounts for 49% of the portfolio. Investment process follows these steps: market/submarket research, acquisition underwriting and due diligence, active operational management and a well-defined hold/exit strategy. Risk of each asset is continuously evaluated and managed. Purchases are generally mid to lower market, or between \$10 - \$50 million.
Status: In compliance



Property Type Diversification



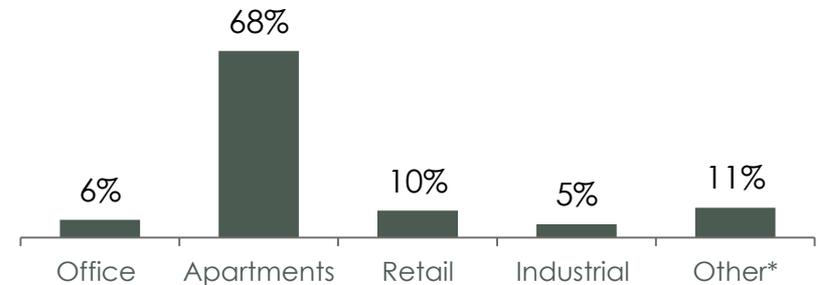
**Current Occupancy is 78%.
OTRS owns 2.5% of the fund.**

Dune Real Estate Partners

Location: New York, New York
OTRS Initial Commitment: \$54 million
OTRS Total Commitment: \$54 million
Fund Name: Dune Real Estate Fund III, LP
Fund Type: Close Ended Opportunistic
Fund Size (Net): \$960 million
Number of Investments: 9
Firm AUM: \$3.5 billion
Inception Date: Fourth Quarter, 2014
Fund Manager: Dan Neidich and Cia Buckley Marakovits
Investment Process: Partner driven model that seeks to exploit the talent and experience of a highly experienced group of real estate professionals. The fund will broadly focus on opportunities resulting from the unprecedented deleveraging of the capital market. The fund will seek opportunities created by distress and dislocation through three themes: Distressed Assets, Deep Value-add, and Contrarian Investments. Distressed assets will be creatively acquired, recapitalized and/or restructured through sub- or non-performing commercial mortgages or real estate loans. Deep value-add projects will seek to stabilize and reposition underperforming assets through renovation, re-leasing and capital investment. Contrarian assets will be acquired to exploit oversold conditions through deeply discounted purchased of unpopular assets.
Status: **In compliance**



Property Type Diversification



*Other includes Senior Housing 6.10% and Residential Land 4.80%
 Property Diversification as of 12/31/2014.

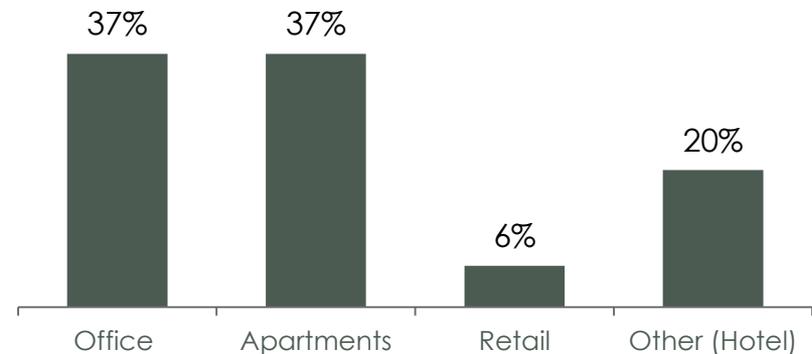
OTRS owns 5.6% of the fund.
Occupancy: N/A

GreenOak Real Estate, LP

Location: New York, New York
OTRS Initial Commitment: \$50 million
OTRS Total Commitment: \$50 million
Fund Name: GreenOak Real Estate Partners US Fund II
Fund Type: Close Ended Opportunistic
Fund Size (Net): \$756 million
Number of Investments: 9
Firm AUM: \$4.6 billion
Inception Date: Fourth Quarter, 2014
Fund Manager: Sonny Kalsi, Chris Niehaus, John Carrefiell, Fred Schmidt, Andrew Yoon
Investment Process: Fund will focus on high barrier to entry markets that possess size, supply constraints, significant demand growth and liquidity. Undervalued properties will be targeted in off market transactions. Assets will be recapitalized – the fund will target assets acquired or financed during the 2005-2008 vintages. Mid market properties will be targeted – properties owned primarily by families, private investors or smaller institutions who are not willing to expend capital to maintain competitiveness or professionally manage the asset. The fund will also allocate to improvable assets with good locations.
Status: In compliance



Property Type Diversification



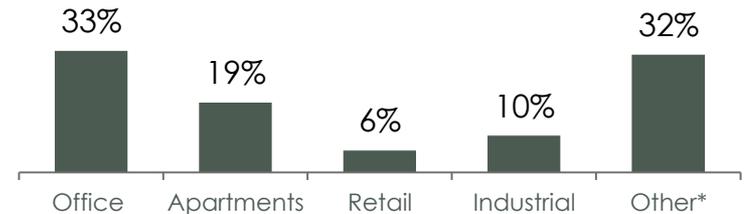
Current Occupancy is 81.3%.
 OTRS owns 7.2% of the fund.

Landmark Partners

Location: Simsbury, Connecticut
OTRS Initial Commitment: \$35 million
OTRS Total Commitment: \$35 million
Fund Name: Landmark Real Estate Fund VII
Fund Type: Close Ended Real Estate Secondaries
Fund Size (Net): \$87.5 million
Number of Investments: 10
Firm AUM: \$14.9 billion
Inception Date: Fourth Quarter, 2014
Fund Manager: Francisco Borges, Timothy Haviland, Chad Alfeld, Robert Dombi, Raul Mehlman, James Sunday
Investment Process: Landmark is a pioneer in the construction of portfolios through secondary market transactions. The firm will seek to build a portfolio diversified across vintage years, geographies, managers and strategies. Investing in secondaries generally allows for faster deployment of capital as sellers come to market. Sellers generally are forced to sell their interests at a discount, benefitting an established buyer such as Landmark. Secondary interests are usually seasoned assets that generate income and distributions immediately. This produces current cash flow and minimizes J-curve impact. Investments are generally held until full fund level distribution.
Status: **In compliance**



Property Type Diversification



*Includes Mixed-Use (10%), Land (9%), Lodging (6%), Other (4%), and Cash (3%).
 Property Type Diversification as of 12/31/2014.

OTRS owns 3.0% of the fund.

L&B Realty Advisers – Golden Driller Fund

Location: Dallas, Texas
OTRS Initial Commitment: \$60 million
OTRS Total Commitment: \$60 million
Fund Name: L&B Golden Driller
Fund Type: Separate Account Limited Partnership
Number of Working Investments: 0
Firm AUM: \$7.0 billion
Inception Date: Second Quarter, 2014
Fund Manager: Christian Metten
Investment Process: The fund will invest in a focused portfolio composed of up to three property types: Retirement Homes/Memory Care facilities, Build to Core Office, and Special Opportunities. The primary objective is protection of capital and appreciation. Assets will be conservatively underwritten and utilize reasonable leverage (up to 65%). The portfolio will invest a geographically diversified portfolio of non-core development properties. The Retirement Homes/Memory Care will focus on demographically advantaged areas and construct new facilities. Build to Core will construct high quality office buildings in attractive infill areas. Special opportunities will target unique properties with a focus on long-term income production.
Status: In Compliance



Property Type Diversification



PROGRESS UPDATE: The fund is currently working on three retirement home/memory care facilities. Two in Florida and one in Texas. The Texas property (Dallas) is the newest and largest project. The two Florida projects have capital commitments of \$13.5 and \$12.8 million respectively. The Texas project is expected to have a capital commitment of \$25.3 million. Total beds for all three are expected to be 460 with roughly two thirds assisted living and one third memory care.

No Build to Core or Special Opportunities projects have been started.

Golden Driller – Project Timelines

	HarborChase of Palm Beach Gardens	HarborChase of Wellington Crossing	HarborChase of Park Cities	
Government Approvals Completed	February, 2015	June, 2015	April, 2015	Government Approvals Completed
Land Closing	March, 2015	June, 2015	September, 2015	Land Closing
Loan Closing	August, 2015	January, 2016	October, 2015	Loan Closing
Commence Construction	August, 2015	January, 2016	October, 2015	Commence Construction
Sitework Complete	November, 2015	March, 2016	March, 2016	Sitework/Garage Complete
Foundation Complete	February, 2016	May, 2016	April, 2016	Commence Vertical Construction
Phase I Framing Complete	April, 2016	July, 2016	December, 2016	Vertical Construction Complete
Phase II Framing Complete	May, 2016	September, 2016		
Open Sales Office	July, 2016	September, 2016	February, 2017	Open Sales Office
Hire/Train Staff	January, 2017	February, 2017	July, 2017	Hire/Train Staff
Construction Complete	January, 2017	March, 2017	August, 2017	Construction Complete



Golden Driller – Project Economics

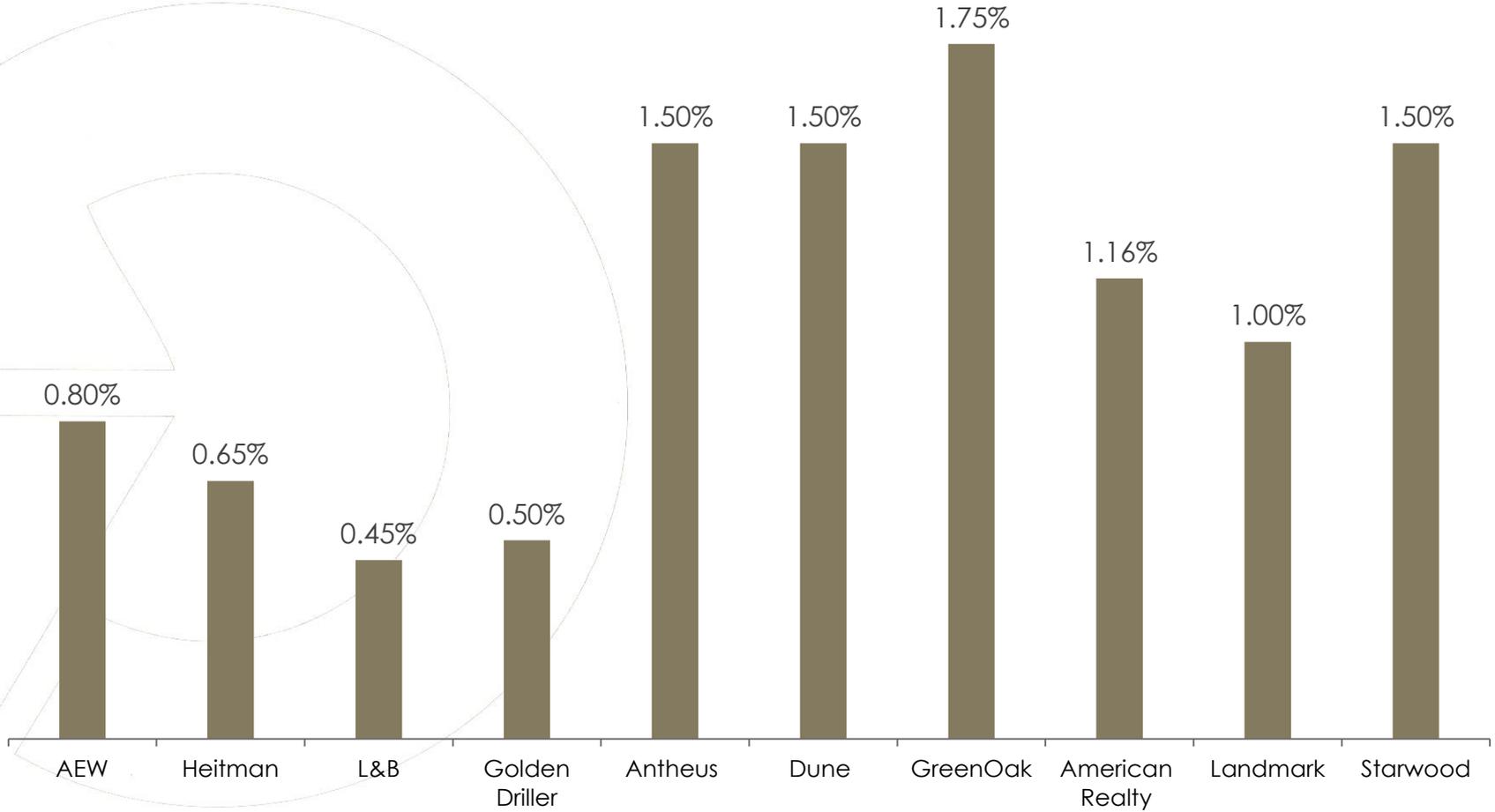
	HarborChase of Palm Beach Gardens	HarborChase of Wellington Crossing	HarborChase of Park Cities
Units	120	136	136
Cost	\$34,835,000	\$37,728,000	\$63,277,000
Debt	\$20,901,000	\$22,637,000	\$37,966,000
Equity	\$13,934,000	\$15,091,000	\$25,311,000
Stabilized NOI	\$3,720,000	\$3,773,000	\$6,793,000
Return on Cost	10.7%	10.0%	10.7%
Project IRR	28.4%	25.9%	28.3%
Estimated Sales Price (Year 5)	\$64,323,000	\$65,238,000	\$116,995,000
Debt	\$20,050,000	\$21,715,000	\$36,645,000
Equity	\$13,934,000	\$15,091,000	\$25,311,000
Transaction Cost	\$965,000	\$978,000	\$1,755,000
Estimated Profit	\$29,374,000	\$27,454,000	\$53,284,000

Starwood

Location: Simsbury, Connecticut
OTRS Initial Commitment: \$44 million
OTRS Total Commitment: \$44 million
Fund Name: Starwood Distressed Opportunity Fund
Fund Type: Large Real Estate Specialist
Fund Size (Net): \$5.6 billion
Number of Investments: 21
Firm AUM: \$42.3 billion
Inception Date: Second Quarter, 2014
Fund Manager: Barry Sternlicht
Investment Process: The fund will target investments with average equity of \$75 - \$100 million. The firm adheres to an established set of investment principles: buy below replacement cost, use appropriate leverage (amount and duration), invest when supply is low, avoid overconcentration by diversifying across risk spectrum, geographic areas, asset type and capital structure; invest alongside LPs, and anticipate opportunities created by capital flows. The fund will invest in a **global portfolio** via purchases of non-performing loans, individual assets and portfolios of assets or companies. Purchases will **focus on the US and Europe** although investment opportunities in other regions will be considered.
Status: **In compliance, not yet funded**



Annual Management Fee Comparison



Quarterly Performance History

Core Real Estate Portfolios

	AEW	Heitman	L&B	NFI-ODCE
3q2011	5.1%	2.7%	1.7%	3.5%
4q2011	3.1%	2.2%	1.1%	3.0%
1q 2012	2.2%	3.3%	1.2%	2.8%
2q 2012	1.7%	2.3%	1.5%	2.6%
3q 2012	2.8%	4.0%	1.4%	2.8%
4q 2012	2.5%	2.5%	2.6%	2.4%
1q 2013	2.0%	2.8%	2.3%	2.7%
2q 2013	3.1%	4.6%	2.0%	3.9%
3q 2013	3.5%	3.9%	2.4%	3.6%
4q 2013	3.2%	3.4%	3.6%	3.2%
1q 2014	2.3%	2.3%	2.6%	3.2%
2q 2014	2.3%	3.3%	2.7%	2.9%
3q 2014	2.8%	3.0%	3.8%	3.2%
4q 2014	2.9%	1.6%	3.5%	3.0%
1Q2015	2.0%	3.6%	2.6%	3.4%
Trailing Year	10.3%	11.7%	12.8%	13.5%
Trailing 2 Years (annualized)	11.0%	13.0%	11.5%	13.6%



Market Value History

Core Real Estate Portfolios

	AEW	Heitman	L&B	Total Core Real Estate Allocation
2q 2011	15,977,273	21,238,938	-	37,216,911
3q2011	90,000,000	103,805,311	101,880,905	295,686,216
4q2011	93,120,246	153,469,336	123,615,184	370,204,766
1q 2012	155,840,225	156,309,732	124,746,993	436,896,950
2q 2012	158,158,228	161,159,299	153,000,101	472,317,628
3q 2012	160,527,947	164,136,057	154,879,803	479,543,807
4q 2012	164,777,493	170,260,588	156,919,704	491,957,785
1q 2013	168,556,340	173,735,967	160,874,997	503,167,304
2q 2013	171,755,602	178,076,841	164,376,355	514,208,798
3q 2013	176,850,639	185,778,492	167,448,015	530,077,146
4q 2013	182,265,413	192,671,534	171,267,534	546,204,481
1q 2014	187,076,961	198,670,499	177,162,997	562,910,457
2q 2014	192,034,573	202,938,892	181,572,977	576,546,442
3q 2014	211,466,008	209,148,481	186,245,204	606,859,693
4q 2014	217,202,202	220,910,082	193,249,745	631,362,029
1Q2015	222,919,382	226,216,090	200,132,898	649,268,370



Market Value History

Non-Core Real Estate Portfolios

	Golden Driller	Antheus	Dune	GreenOak	American Realty	Landmark	Starwood	Total Non-Core Real Estate Allocation
3q 2014	940,000							940,000
4q 2014	1,341,974	10,750,005	11,662,556	12,221,254	6,358,900	3,323,561		45,658,250
1Q2015	6,726,614	18,812,505	17,310,090	12,398,914	13,750,236	2,336,002		71,334,361

Other Non-Liquid Assets

Opportunistic Investments

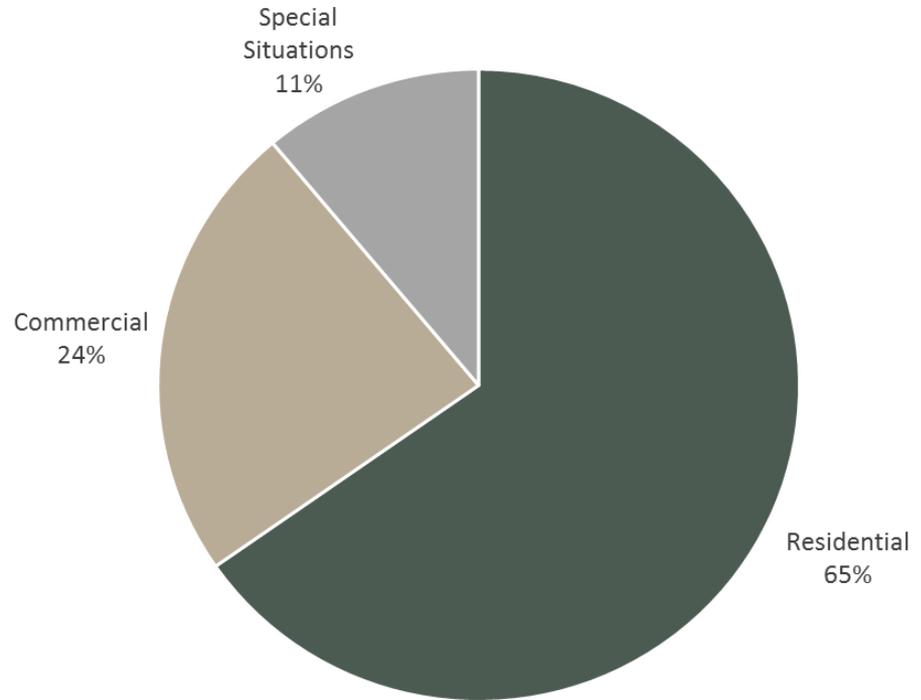
PIMCO Bravo Fund I

- Portfolio Data

- Original Commitment: \$100 million
- Capital Called: \$100 million
 - Percent of Capital Called: 100%
- Market Value: \$79,888,252
- Total Distributions: \$126,512,970
- Net Since Inception IRR: **24.9%**
- Multiple on Called Capital: 1.83x
- Quarterly Return: 1.9%

- Important Dates

- Final Close: 7/13/2011
- Investment Period End Date: 1/13/2014
- End of Fund Term (without extensions): 7/13/2016
- End of Fund Term (fully extended): 7/13/2018



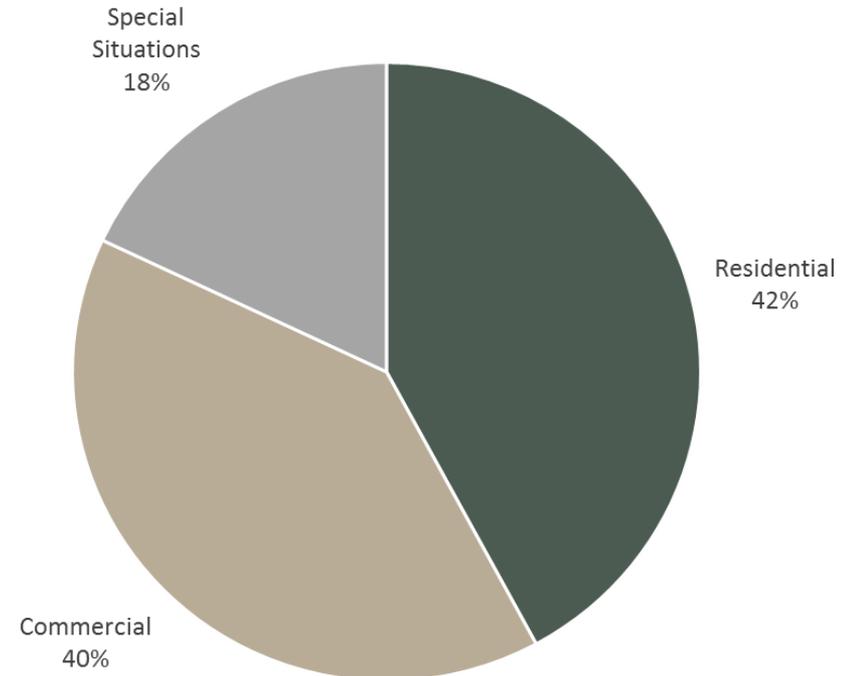
PIMCO Bravo II Fund

- Portfolio Data

- Original Commitment: \$150 million
- Capital Called: \$78.75 million
 - Percent of Capital Called: 52.5%
 - Market Value: \$86,361,976
- Net Since Inception IRR: **17.8%**
- Multiple on Called Capital: 1.13x
- Quarterly Return: 2.9%
- Geographic Exposure:
 - 63% United States
 - 37% Europe

- Important Dates

- Investment Period End Date: 3/14/2017
- End of Fund Term (without extensions): 3/14/2019
- End of Fund Term (fully extended): 3/14/2022



Appendix

Index Definitions

Index Definition: NFI ODCE

- ▶ NCREIF FUND INDEX – OPEN END DIVERSIFIED CORE EQUITY (NFI-ODCE) The NFI-ODCE is a capitalization-weighted, gross of fee, time-weighted return index with an inception date of December 31, 1977. Supplemental data is also provided, such as equal-weight and net of fee returns, for informational purposes and additional analysis. As of 2nd Quarter 2013 the index included 19 funds. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. The NFI-ODCE, like the NCREIF Property Index (NPI) and other stock and bond indices, is a capitalization-weighted index based on each fund's Net Invested Capital, which is defined as Beginning Market Value Net Assets (BMV), adjusted for Weighted Cash Flows (WCF) during the period. To the extent WCF are not available; which may be the case for older liquidated funds, BMV is used. Indices are typically capitalization-weighted, as they better represent the universe and the performance of the overall marketplace. Total Return of any capitalization-weighted Index is, therefore, more influenced by the larger funds (based on Net Invested Capital) included in the Index.



Index Definition: NFI CEV

- ▶ NFI-CEV (Closed-End Value-Fund Index) is the latest performance benchmark for real estate portfolios. It was first released during the fourth quarter of 2014 in preliminary form which is subject to change. The benchmark tracks funds back to the 1999 vintage year. The current index is comprised of 38 closed end value added funds totaling \$22 billion in gross real estate. All funds included are still active as of current quarter end date. The current report contains current quarter and one year returns, internal rate of return summary and balance sheet information. Future reports will contain expanded data points. The index data is expected to be released roughly 65 days after each calendar quarter end. The index will be maintained in preliminary status for at least one year. For the year ended December 31, 2014, the index produced a total gross of fee return of 20.14%. 6.58% of the return was income while 12.93% was appreciation. Total leverage was 46.4% and occupancy was 86.8%.





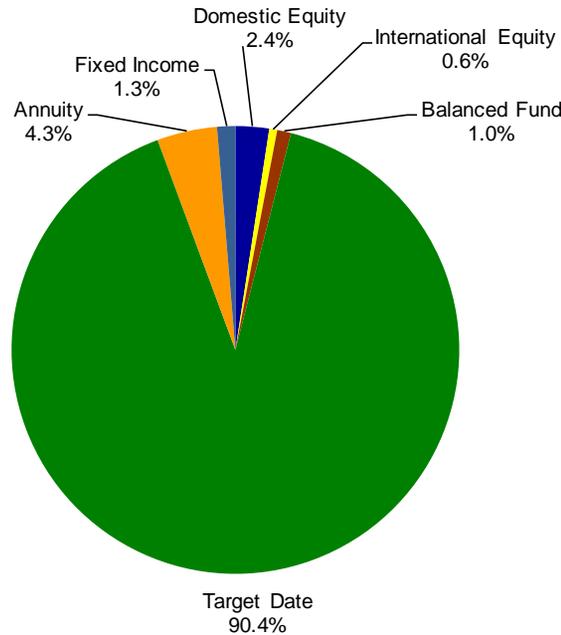
OKLAHOMA TEACHERS RETIREMENT SYSTEM

**403(b) executive summary report
first quarter, 2015**



403(B) PLAN
MARCH 31, 2015

The Oklahoma Teachers' Retirement System 403(b) Plan ended the first quarter with a total market value of **\$200,012,705, down from \$200,285,946 as of December 31, 2014**. The Plan was allocated¹ 90.4% to target date funds, 4.3% to an annuity fund, 1.3% to fixed income, 2.4% in domestic equity funds, 0.6% to international equity, and 1.0% to a balanced fund. The Plan's current allocation is depicted below:



Source: Voya

¹Plan's allocation may not equal 100.0% due to rounding.

403(B) PLAN REVIEW

PERIODS ENDED MARCH 31, 2015

	Last Quarter	% Rank	Last Year	% Rank	Three Years	% Rank	Five Years	% Rank	Market Value % of Plan
ING Fixed Plus Account III	-		-		-		-		\$8,669,966 4.3%
Loomis Sayles Inv Gr Bond <i>Barclay's Cap Agg</i>	-0.6% 1.6%	99	0.8% 5.7%	98	4.1% 3.1%	24	5.8% 4.4%	12	\$2,631,299 1.3%
Voya Invesco Equity and Income <i>S&P 500/BC Agg (60/40)</i>	0.0% 1.2%	97	6.3% 9.9%	55	12.3% 10.9%	4	9.8% 10.4%	28	\$2,001,481 1.0%
Voya Russell Large Cap Index <i>Russell 1000</i>	0.4% 1.6%	75	11.7% 12.7%	41	15.1% 16.5%	52	13.5% 14.7%	43	\$620,342 0.3%
American Funds Growth Fund <i>Russell 1000 Growth</i>	3.4% 3.8%	48	11.9% 16.1%	65	16.7% 16.3%	20	13.3% 15.6%	63	\$1,997,150 1.0%
Voya Large Cap Value <i>Russell 1000 Value</i>	0.5% -0.7%	36	8.0% 9.3%	51	14.4% 16.4%	57	13.9% 13.8%	13	\$324,947 0.2%
Voya Invesco Growth & Income <i>Russell 1000 Value</i>	-0.6% -0.7%	73	6.8% 9.3%	70	15.2% 16.4%	38	11.5% 13.8%	69	\$762,124 0.4%
Voya FMR Diversified <i>Russell Mid Cap Growth</i>	5.2% 5.4%	58	9.9% 15.6%	64	15.3% 17.4%	45	13.3% 16.4%	71	\$463,633 0.2%
Voya JPMorgan Small Cap Core <i>Russell 2000</i>	4.8% 4.3%	26	11.7% 8.2%	10	18.2% 16.3%	15	16.6% 14.6%	10	\$675,821 0.3%
American Funds Euro Pacific <i>MSCI EAFE</i>	5.9% 4.9%	31	2.5% -0.9%	37	9.6% 9.0%	26	6.7% 6.2%	51	\$1,150,462 0.6%
Voya Index Solution Funds									\$180,715,481 90.4%
Total Market Value excluding Voya Index Funds									\$19,297,224
Total Market Value including Voya Index Funds									\$200,012,705

All performance shown net of fees.

Sources: Morningstar, Voya.

Data believed to be accurate, but cannot be guaranteed.

403(B) PLAN REVIEW
PERIODS ENDED MARCH 31, 2015

	Last Quarter	% Rank	Last Year	% Rank	Three Years	% Rank	Five Years	% Rank	Market Value % of Plan
Voya Index Solution Income	2.1%	15	6.1%	5	6.6%	9	6.4%	17	\$105,594,647
<i>Morningstar Lifetime Moderate 2000</i>	1.1%		3.4%		5.2%		6.7%		58.4%
Voya Index Solution 2015	2.1%	38	6.0%	20	7.2%	52	6.8%	61	\$41,428,679
<i>Morningstar Lifetime Moderate 2015</i>	1.4%		4.6%		7.1%		8.3%		22.9%
Voya Index Solution 2025	2.5%	25	6.5%	32	9.7%	30	8.8%	49	\$24,016,203
<i>Morningstar Lifetime Moderate 2025</i>	1.7%		5.3%		9.2%		9.7%		13.3%
Voya Index Solution 2035	2.6%	46	7.0%	39	11.3%	27	9.9%	44	\$8,439,418
<i>Morningstar Lifetime Moderate 2035</i>	2.0%		5.6%		11.0%		10.7%		4.7%
Voya Index Solution 2045	2.8%	45	7.5%	31	12.0%	24	10.4%	41	\$1,135,291
<i>Morningstar Lifetime Moderate 2045</i>	2.1%		5.3%		11.3%		10.7%		0.6%
Voya Index Solution 2055	2.6%	57	7.6%	30	12.1%	37	10.5%	31	\$101,243
<i>Morningstar Lifetime Moderate 2055</i>	2.2%		4.8%		11.0%		10.4%		0.1%
Total Market Value									\$180,715,481

All performance shown net of fees.
Sources: Morningstar, Voya.
Data believed to be accurate, but cannot be guaranteed.

ING Fixed Plus Account III

Stable Value Fund

Stability of principal is the primary objective of this investment option. The **ING Fixed Plus Account III** guarantees minimum rates of interest and may credit interest that exceeds the minimum guaranteed rate. The current rate is subject to change at any time, but will never fall below the guaranteed minimum which is 3%. Daily credited interest becomes part of principal and the investment increases through compound interest. All funds invested in the ING Fixed Plus Account III receive the same credited rate.

Loomis Sayles Investment Grade Bond

LIGRX

Fixed Income

The **Loomis Sayles Investment Grade Bond Fund** seeks high total investment return through a combination of current income and capital appreciation. The fund employs a value driven, opportunistic approach that focuses on a long term investment horizon. The fund uses out of benchmark securities to provide value and diversification. The fund will invest at least 80% of its net assets in investment-grade fixed-income securities. It may invest up to 10% of assets in below investment-grade fixed-income securities, and may invest any portion of its assets in securities of Canadian issuers, up to 20% of assets in securities of other foreign issuers, including emerging markets securities.

Voya Invesco Equity and Income

IUASX

Balanced Fund

The **Voya Invesco Equity and Income Fund** seeks total return consisting of long-term capital appreciation and current income. The fund invests at least 80% of its net assets (plus borrowings for investment purposes) in equity and income securities at the time of investment. It seeks to achieve its investment objective by investing primarily in income-producing equity instruments (including common stocks, preferred stocks, and convertible securities) and investment-grade quality debt securities. The fund invests at least 65% of its assets in income-producing equity securities and up to 10% of its assets in illiquid securities and certain restricted securities.

Voya Russell Large Cap Index **IRLCX** **Large Cap Blend**

The **Voya Russell Large Cap Index Fund** seeks investment results that correspond to the total return of the Russell Top 200 Index. The fund normally invests at least 80% of its net assets (plus borrowings for investment purposes) in equity securities of companies, which are at the time of purchase, included in the index; convertible securities that are convertible into stocks included in the index; other derivatives whose economic returns are, by design, closely equivalent to the returns of the index or its components; and exchange-traded funds.

American Funds Growth Fund **RGAEX** **Large Cap Growth**

The **American Funds Growth Fund** seeks capital growth. The fund's multiple manager structure allows ten portfolio managers to each manage a portion of the aggregate portfolio. The portfolio managers select stocks individually. The portfolio invests in companies that are expected to produce long-term growth, but only when they are reasonably priced. The fund may invest up to 25% of its assets in securities of issuers domiciled outside the United States.

Voya Large Cap Value **IPESX** **Large Cap Value**

The **Voya Large Cap Value Fund** seeks capital appreciation. The fund normally invests at least 80% of total assets in equity securities of mid-size companies. It may invest up to 25% of its total assets in equity and debt securities of non-U.S. issuers. The fund may invest in other investment companies, including exchange-traded funds.

Voya Invesco Growth & Income

IVGSX

Large Cap Value

The **Voya Invesco Fund** seeks long-term growth of capital and income. The fund invests primarily in income-producing equity securities, including common stocks and convertible securities; although investments are also made in non-convertible preferred stocks and debt securities rated "investment grade". It may invest up to 25% of total assets in securities of foreign issuers. The fund may purchase and sell certain derivative instruments for various purposes.

Voya FMR Diversified

IFDSX

Mid Cap Growth

The **Voya FMR Diversified Fund** seeks long-term growth of capital. The fund invests up to 80% of assets in securities of companies with medium market capitalization. The sub-adviser generally defines medium market capitalization companies as those whose market capitalization is similar to the market capitalization of companies in the Russell Midcap Index or the Standard and Poor's MidCap 400 Index. The fund normally invests its assets in common stocks and may invest up to 25% of assets in securities of foreign issuers, including emerging markets securities, in addition to securities of domestic issuers.

Voya JPMorgan

IJSSX

Small Cap Blend

The **Voya JPMorgan Small Cap Core Equity Fund** seeks capital growth over the long term. The fund invests at least 80% of assets in equity securities of small-capitalization companies. The sub-adviser defines small-capitalization companies as companies with a market capitalization equal to those within a universe of Russell 2000 Index stocks at the time of purchase. It may also invest up to 20% of total assets in foreign securities. The fund may also invest up to 20% of total assets in convertible securities which generally pay interest or dividends and which can be converted into common or preferred stock.

American Funds EuroPacific Growth	REREX	International
-----------------------------------	-------	---------------

The **American Funds EuroPacific Growth Fund's** investment objective is to provide long-term growth of capital. The fund invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations. The fund invests primarily in common stocks (may also invest in preferred stocks), convertibles, American Depositary Receipts, European Depositary Receipts, bonds and cash. The holdings are primarily outside the U.S. except a nominal portion that may be held in U.S. dollars. Normally, at least 80% of assets must be invested in securities of issuers domiciled in Europe or the Pacific Basin.

Voya Index Solution Income	ISKSX	Income
----------------------------	-------	--------

The **Voya Solution Income Portfolio** seeks to provide a combination of total return and stability of principal consistent with an asset allocation targeted to retirement. The ING Solution Income Portfolio is designed for people who plan to begin living their retirement goals now. It is a conservative ING Solution Portfolio.

Voya Index Solution 2015	ISASX	Target Date
--------------------------	-------	-------------

These portfolios invest in passively managed investment options that track different market indices around the world. The underlying investment portfolios are applied to each ING Index Solution Portfolio based on each target date allocation. The ING Index Solution 2015 Portfolio is designed for people who plan to begin living their retirement goals in the years 2011 to 2020. It is a moderately conservative ING Index Solution Portfolio.

Voya Index Solution 2025	ISDSX	Target Date
--------------------------	-------	-------------

These portfolios invest in passively managed investment options that track different market indices around the world. The underlying investment portfolios are applied to each ING Index Solution Portfolio based on each target date allocation. The ING Index Solution 2025 Portfolio is designed for people who plan to begin living their retirement goals in the years 2021 to 2030. It is a moderate ING Index Solution Portfolio.

Voya Index Solution 2035	ISESX	Target Date
--------------------------	-------	-------------

These portfolios invest in passively managed investment options that track different market indices around the world. The underlying investment portfolios are applied to each ING Index Solution Portfolio based on each target date allocation. The ING Index Solution 2035 Portfolio is designed for people who plan to begin living their retirement goals in the years 2031 to 2040. It is a moderately aggressive ING Index Solution Portfolio.

Voya Index Solution 2045	ISJSX	Target Date
--------------------------	-------	-------------

These portfolios invest in passively managed investment options that track different market indices around the world. The underlying investment portfolios are applied to each ING Index Solution Portfolio based on each target date allocation. The ING Index Solution 2045 Portfolio is designed for people who plan to begin living their retirement goals in the years 2041 to 2050. It is an aggressive ING Index Solution Portfolio.

Voya Index Solution 2055	IISXX	Target Date
<p>These portfolios invest in passively managed investment options that track different market indices around the world. The underlying investment portfolios are applied to each ING Index Solution Portfolio based on each target date allocation. The ING Index Solution 2055 Portfolio is designed for people who plan to begin living their retirement goals during or after the year 2051. It is the most aggressive ING Index Solution Portfolio.</p>		

401(K) AND PROFIT SHARING PLAN – MANAGER EXPENSE REVIEW

PERIOD ENDED MARCH 31, 2015

Manager	Mandate	Expense Ratio	Category Average
Fixed Income			
Voya Fixed Plus Account III	Annuity	n/a	n/a
Loomis Sayles Investment Grade Bond	Fixed Income	0.83%	0.89%
Balanced			
Voya Invesco Equity and Income	Balanced	0.89%	1.30%
Domestic Equity			
Voya Russell Large Cap Index	Large Cap Blend	0.62%	0.55%
American Fund Growth Fund	Large Cap Growth	0.68%	1.24%
Voya Large Cap Value	Large Cap Value	0.89%	1.18%
Voya Invesco Growth & Income	Large Cap Value	0.89%	1.18%
Voya FMR Diversified Mid Cap	Mid Cap Growth	0.89%	1.35%
Voya JPMorgan Small Cap Core Equity	Small Cap Blend	1.10%	1.42%
International Equity			
American Funds EuroPacific Growth	International Equity	0.84%	1.41%
Asset Allocation			
Voya Index Solution Income	Asset Allocation	0.37%	-
Voya Index Solution 2015	Target Date	0.38%	-
Voya Index Solution 2025	Target Date	0.37%	-
Voya Index Solution 2035	Target Date	0.38%	-
Voya Index Solution 2045	Target Date	0.38%	-
Voya Index Solution 2055	Target Date	0.38%	-

Source: Morningstar

first quarter, 2015

**Investment Policy Exception Review
June 2015**

Manager	Expiration	IPS Section	Exception	Reporting Required
Hoisington	12/31/2016	VII:E:1	Increase maximum portfolio concentration in cash and cash equivalents from 5% to 100%	Quarterly reporting illustrating the contribution to total return
Wellington	12/31/2016	VII:D.5	Increase the maximum portfolio exposure in Japan from 35% to 40%	When the portfolio exposure in Japan exceeds 35%, provide quarterly reporting illustrating the contribution to total return
Lord Abbett	8/31/2017	VII: G.6	Increase the maximum concentration in developing or emerging markets issuers as determined by MSCI to 15%	Attribution from the EM allocation reported monthly as a component of portfolio total return
Shapiro	12/31/2017	VII:A	Selectively hold up to 15% of the portfolio in larger capitalization companies	Quarterly reporting with and without large cap holdings
Loomis Sayles <i>(High Yield)</i>	12/31/2017	VII: G.5,6	Increase the maximum portfolio concentration in emerging markets from 10% to 30%; increase the maximum portfolio concentration in non-USD from 20% to 40%; establish a 10% allocation to preferred stock in the High Yield Portfolio	Attribution from the allocation reported quarterly as a component of portfolio total return
Loomis Sayles <i>(Core Plus)</i>	4/30/2018	VII: G.5	Increase the maximum portfolio concentration in emerging markets from 10% to 15%	Attribution from the allocation reported quarterly as a component of portfolio total return