

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, March 25, 2015 9:00 a.m.
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 REGULAR BOARD MEETING MINUTES FROM FEBRUARY 25, 2015**
- 3. SWEARING IN OF TRUSTEES:**
 - A. Kevin Moore
 - B. Gary Trennepohl
- 4. PRESENTATION BY INVESTMENT MANAGERS:**
 - A. Northern Trust
 - B. State Street
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 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 issue exploratory requests for proposals for investment manager services for international equity, including but not limited to developed, emerging, and frontier market portfolios
 - B. Discussion and possible action on Consultant Real Estate Report
 - C. Discussion and possible action on investment policy exception request by MacKay Shields
 - D. Discussion and possible action on investment policy exception request by Loomis Sayles
 - E. Discussion and possible action on amendments to the investment policy statement
 - F. Discussion on Investment Department report
 - G. Discussion and possible action to approve contracts with Northern Trust for master custody, securities lending, and commission recapture, or direct staff to negotiate with other banks that submitted responses to the RFP
 - H. Discussion and possible action to select finalists for investment consultant services or make a selection
- 8. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS**
 - A. Governance
 - B. Audit
 - i. Discussion and possible action to award contract for external auditing services
- 9. DISCUSSION AND POSSIBLE ACTION ON CONTRIBUTION RATE FOR FEDERAL GRANT MATCHING FUNDS FOR FY 2016**

10. DISCUSSION AND POSSIBLE ELECTION OF BOARD SECRETARY

11. ANNOUNCEMENT OF BOARD COMMITTEE APPOINTMENTS BY CHAIRMAN PEACHER

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
FEBRUARY 25, 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 9:01 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>	Judie Harris
Vernon Florence, <i>Vice Chair</i>	Joy Hofmeister*
James Dickson*	Philip Lewis*
Elaine Dodd	Stewart Meyers
Roger Gaddis	Billie Stephenson
Jill Geiger	Greg Winters*

TRUSTEES ABSENT:

Beth Kerr, *Secretary*

TRS STAFF PRESENT:

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

OTHERS PRESENT:

Wayne Maxwell, <i>RPOE</i>	Chris Kuwitzky, <i>OU</i>
Norman Cooper, <i>OREA</i>	John Papahronis, <i>McAfee & Taft</i>
Steve Massey, <i>OREA</i>	Joe Weaver, <i>OSU</i>
Chancen Flick, <i>OEA</i>	Kathy Elliot, <i>OSU</i>
Brandon Long, <i>McAfee & Taft</i>	Ann Matoy, <i>OSU</i>
Andrew Oster, <i>Triton Wealth Advisors</i>	
Greg Weaver, <i>Gregory W. Group</i>	
Doug Anderson, <i>Gregory W. Group</i>	

*Denotes late arrival or early departure.

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Peacher called the Board meeting to order at 9:01 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Hofmeister, Dr. Lewis, Mr. Meyers, Ms. Stephenson, and Chairman Peacher.

ITEM 2 – MEETING MINUTES: A motion was made by Mr. Dickson with a second made by Mr. Gaddis to approve the January 21, 2015 Regular Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Hofmeister, Dr. Lewis, Mr. Meyers, Ms. Stephenson, and Chairman Peacher.

ITEM 3D – RECOGNITION OF FORMER TRUSTEE ANDREW OSTER:

The Board adopted a Resolution honoring the service of Andrew Oster on the Board of Trustees. The full text of the Resolution is attached to these Minutes.

ITEM 5 – PRESENTATION BY INVESTMENT MANAGERS:

Representatives from Investment Managers Loomis Sayles and Lord Abbett presented their respective reports to the Board. No action was necessary.

Ms. Hofmeister left at 10:07 a.m.

Chairman Peacher named Judie Harris as acting secretary for the duration of the meeting in the absence of Beth Kerr.

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

ITEM 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.

A break was taken from 10:45 a.m. to 10:55 a.m.

ITEM 7 - INVESTMENT COMMITTEE REPORT: Mr. Florence, Chair of the Investment Committee, presented the Investment Committee Report from the February 24, 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) Mr. Florence told the Board the Investment Committee had interviewed J.P. Morgan and Northern Trust, the two finalists in the search for Master Custodian, Securities Lending & Commission Recapture Services. He said both firms participated in an hour-long interview and after much discussion and deliberation, a motion was made by Mr. Peacher with a second made by Mr. Gaddis to give the OTRS Staff the authority to negotiate a contract with Northern Trust. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Meyers, Ms. Stephenson, and Chairman Peacher.

7B) Greg Weaver and Doug Anderson, Investment Consultants to the Board, said they were looking at the System’s International Equity exposure and determined OTRS should issue an RFP in the near future. After some discussion, no action was necessary.

7C) Mr. Florence said that Lord Abbett had notified the Board that one of its holdings had been downgraded. Lord Abbett requested an exception to be allowed to hold on to the bond. A motion was made by Mr. Gaddis with a second by Mr. Peacher to approve the Investment Policy exception request from Lord Abbett. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Meyers, Ms. Stephenson, and Chairman Peacher.

Dr. Winters arrived at 11:10 a.m.

7D) Melissa Kempkes, Investment Analyst, reviewed the proposed changes to the Investment Policy Statement. A motion was made by Mr. Peacher with a second made by Mr. Gaddis to approve the proposed changes to the Investment Policy Statement. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

7E) Tom Spencer, Executive Director, gave a brief overview of the status of the Request for Proposals for Investment Consultant. He said the Questions and Answers documents had been posted to the website and the responses to the RFP were due by March 6, 2015. He said he would keep the Investment Committee and the Board informed as to how many proposals were received.

7F) Melissa Kempkes, Investment Analyst, presented her report to the Board. After a brief discussion, no action was necessary.

ITEM 8 – COMMITTEE REPORTS:

8A) There was no Governance Committee report.

8B) Stewart Meyers, Audit Committee Chairman, said the Audit Committee and Staff had narrowed down the finalists to be interviewed for the External Auditing services. Mr. Meyers made a motion to approve the recommendation that McGladrey and Eide Bailly be named as finalists for the External Audit RFP and be interviewed by the Board. The motion was seconded by Mr. Gaddis and passed by a unanimous voice vote. Trustees responding were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Dr. Lewis, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

Mr. Meyers also reported that Stinnett & Associates would be at the March Board meeting to present their internal audit report.

Mr. Dickson said he wanted to thank the Audit Committee for their hard work and attention to detail. He said it was critical for a Board to have a strong audit component.

Chairman Peacher said that Mr. Gaddis would be taking on the responsibility of Audit Committee Chairman going forward as it was Mr. Meyers' last meeting with the Board.

Ms. Hofmeister arrived at 11:25 a.m.

ITEM 9: DISCUSSION AND POSSIBLE ACTION ON OU/OSU GASB 68 IMPLEMENTATION CONCERNING ALLOCATION OF NET PENSION LIABILITY AND METHOD OF ALLOCATION FOR COMPREHENSIVE UNIVERSITIES: Tom Spencer, Executive Director, explained to the Board that the comprehensive universities, OU and OSU, were in attendance to discuss the allocation method for the net pension liability as required by GASB 68. Mr. Spencer gave a brief history of GASB 67 & 68 and explained that the net pension liability was to be passed down to the

participating employers as a liability on their financial statements. He said the comprehensive universities disagreed with the method and wanted to have their net pension liability calculated differently.

Chairman Peacher recognized Joe Weaver, OSU, and John Papahronis, McAfee & Taft, to provide a brief commentary on their position. Mr. Weaver said the allocation of the net pension liability proposed by TRS Staff could cause problems for the universities' ability to issue bonds. He said they believed that legislation from 2004 and an agreement between TRS and the universities would allow the net pension liability to be allocated differently for comprehensive universities.

Mr. Spencer and Ms. Ezell disagreed. They explained to the Board that the agreement did not exempt the universities or allow the net pension liability to be allocated differently for them.

After a lengthy discussion, a motion was made by Mr. Gaddis with a second made by Dr. Winters to approve the recommendation of staff to follow the GASB 68 guidelines for net pension liability for comprehensive universities. A roll call vote was taken and the motion passed unanimously. Trustees voting aye were as follows: Mr. Dickson, Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Ms. Hofmeister, Dr. Lewis, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

A break for lunch was taken from 12:10 to 12:30 p.m.

Dr. Lewis left at 12:10 p.m.

Ms. Hofmeister left at 12:30 p.m.

ITEM 3A – RECOGNITION OF TRUSTEE JAMES DICKSON:

The Board adopted a Resolution honoring the service of James Dickson on the Board of Trustees. The full text of the Resolution is attached to these Minutes.

ITEM 3C – RECOGNITION OF TRUSTEE STEWART MEYERS:

The Board adopted a Resolution honoring the service of Stewart Meyers on the Board of Trustees. The full text of the Resolution is attached to these Minutes.

Mr. Dickson left at 12:46 p.m.

ITEM 10: DISCUSSION AND POSSIBLE ACTION TO APPROVE THE OKLAHOMA YOUTH ACADEMY CHARTER SCHOOL APPLICATION FOR OTRS MEMBERSHIP:

Julie Ezell, General Counsel to the Board, said OTRS had received an application for membership from the Oklahoma Youth Academy Charter School. After a brief discussion, a motion was made by Mr. Gaddis with as second made by Dr. Winters to approve the application for membership from the Oklahoma Youth Academy Charter School. The motion passed by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

ITEM 11 – DISCUSSION AND POSSIBLE ACTION ON ADOPTION OF PERMANENT RULE 715:1-1-19:

Ms. Ezell reminded the Board of the adoption of the permanent rule that would allow for the addition of a non-voting member to be added to the OTRS Board. After a brief discussion, a motion was made by Mr. Gaddis with a second made by Dr. Winters to adopt the permanent rule 715:1-1-19. The motion passed by a unanimous voice vote. Trustees responding were as follows:

Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

ITEM 12 – 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 indicated that one bill would grant a COLA in the form of a one-time stipend had been referred to the Legislative Actuary to study the fiscal impact. He also indicated that a number of bills to ease restrictions on retirees returning to work might be consolidated later in the session. After some discussion, no action was necessary.

Ms. Hofmeister returned at 12:52 p.m. and left at 1:00 p.m.

ITEM 13 - DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:

13A) Dixie Moody, Director of Client Services, gave a brief presentation to the Board. After some discussion, a motion was made by Ms. Geiger with a second made by Ms. Stephenson to approve the monthly retirement report. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher.

13B) Kim Bold, Director of Human Resources, gave her report to the Board. No action was necessary.

13C) Debra Plog, Manager of Employer Reporting, reviewed her report with the Board. Lisa Van Liew, Acting Comptroller, Finance Report to the Board. No action was necessary.

13D) Julie Ezell, General Counsel, presented the legal report to the Board. No action was necessary.

13E) Tom Spencer, Executive Director, presented his report to the Board. After a brief discussion, no action was necessary.

ITEM 14 - QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Board.

ITEM 15 - NEW BUSINESS: There was no new business from the Board.

ITEM 16 – ADJOURNMENT: There being no further business, a motion was made by Ms. Geiger with a second made by Dr. Winters to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Harris, Mr. Meyers, Ms. Stephenson, Dr. Winters, and Chairman Peacher

BOARD OF TRUSTEES, TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Bill Peacher, Chairman

ATTEST:

BY: _____
Judie Harris, Acting 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 March 25, 2015.

BY: _____
Susan Yingling, Executive Assistant

February 2015 - Market Performance Update

Equity Markets Recover

Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	6.0	13.7	14.7	14.8
NASDAQ (prc chg only)	7.1	15.2	18.7	17.3
S&P 500 cap weighted	5.8	15.5	18.0	16.2
S&P 500 equal weighted	5.7	15.0	19.6	17.8
S&P Mid Cap	5.1	11.1	17.3	17.0
S&P Small Cap	6.0	7.8	17.8	17.6
S&P REIT	-3.5	22.6	15.4	17.7
Alerian MLP	2.1	3.3	9.3	15.3
Russell 1000 Growth	6.7	16.2	18.1	17.2
Russell 1000 Value	4.8	13.5	18.1	15.5
Russell Mid Cap Growth	6.9	13.1	18.2	17.9
Russell Mid Cap Value	4.1	13.6	19.6	17.5
Russell 2000 Growth	7.2	7.4	17.8	18.0
Russell 2000 Value	4.6	4.0	15.3	14.0
Russell Top 200	5.9	15.6	17.8	15.8
Russell 1000	5.8	14.9	18.1	16.4
Russell Mid Cap	5.5	13.3	19.0	17.7
Russell 2500	6.0	8.2	17.5	16.9
Russell 2000	5.9	5.6	16.6	16.0
MSCI World Ex US	6.0	-0.2	8.6	7.4
MSCI World Ex US Growth	5.8	2.0	8.7	8.1
MSCI World Ex US Value	6.2	-2.3	8.4	6.7
MSCI EAFE	6.0	0.0	9.4	7.8
MSCI Emerging Markets	3.1	5.0	-0.3	3.6

Equity markets rebounded during February despite ongoing uncertainty and modest economic growth worldwide. Oil prices were relatively stable compared to recent months. Greece election results and economic defiance toward the EU Central Bank continued to grab headlines.

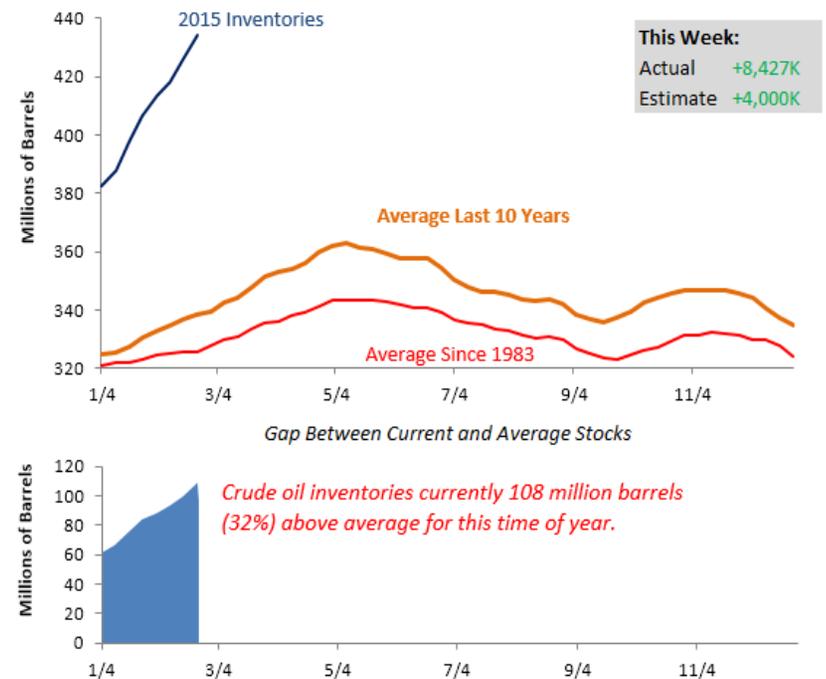
Equity and bond prices reversed courses during February. Share prices rose while bond prices retraced recent gains. Growth stocks outperformed value in the US. Domestic and international portfolios posted similar gains. Developed markets outperformed emerging markets overseas.

Bond prices moved lower during February as investors grew more aggressive. The European Central Bank launched a large quantitative easing program, driving their interest rates lower. There are an estimated \$2 trillion in face value bonds with negative interest rates in Europe. The domestic bond market fell almost 1% during February while long Treasury bonds were down more than 5%.

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	-5.4	20.8	5.9	9.9
BC US Agg	-0.9	5.1	2.8	4.3

Crude Oil Inventories: Current vs Average (Since 1983)



Manager Profile - Northern Trust



Asset Class:	S&P 500 Cap Weighted Passive	Notes:
Status:	In Compliance	Capitalization weighted index replication: S&P 500 Cap Weighted
Portfolio Size:	\$366,643,754	
Inception Date:	4/1/2012	
Allocation:	2.5%	
Annual Management Fee:	0.01%	
Location:	Chicago, IL	
Structure:	Publicly Traded	
Represented by:	Chris Doell, CFA - Managing Director, Client Solutions Group Stefanie Hest - Senior Investment Strategist	Founded: 1889

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Northern Trust S&P 500 Cap Weighted	18.1	-	-	-	15.5	2.3	5.8
S&P 500 Cap Weighted	18.1	-	-	-	15.5	2.3	5.8

Manager Profile - Northern Trust



Asset Class:	International Large Cap Passive	Notes:
Status:	In Compliance	Capitalization weighted index replication: MSCI EAFE
Portfolio Size:	\$916,800,762	
Inception Date:	9/1/2013	
Allocation:	6.4%	
Annual Management Fee:	0.03%	
Location:	Chicago, IL	
Structure:	Publicly Traded	
Represented by:	Chris Doell, CFA - Managing Director, Client Solutions Group Stefanie Hest - Senior Investment Strategist	Founded: 1889

Return Profile	Since Inception	Last 10 Years		Last 5 Years		Last 3 Years		Last Year	Last Quarter	Last Month
Northern Trust International Large Cap Passive	5.2	-	-	-	-	-	-	0.3	2.9	6.0
MSCI EAFE	4.9	-	-	-	-	-	-	0.3	2.8	6.0

Manager Profile - State Street



Asset Class:	S&P 500 Equal Weighted Passive	Notes:	Capitalization weighted index replication: S&P 500 Equal Weighted
Status:	In Compliance		
Portfolio Size:	\$369,384,729		
Inception Date:	4/1/2012		
Allocation:	2.6%		
Annual Management Fee:	0.03%		
Location:	Boston, MA		
Structure:	Publicly Traded		
Represented by:	David Settles, Relationship Manager	Founded:	1792

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
S&P 500 Equal Weighted Passive	19.8	-	-	-	14.9	3.1	5.7
S&P 500 Equal Weighted	19.8	-	-	-	15.0	3.1	5.7

Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,957,944,814	20.6%	17.0%	3.6%	Excess allocation bound for Private Equity and Real Estate
Mid Cap	2,186,902,941	15.2%	13.0%	2.2%	
Small Cap	1,499,302,738	10.4%	10.0%	0.4%	
Total Domestic Equity	6,644,150,493	46.2%	40.0%	6.2%	
Large Cap International Equity	1,462,681,885	10.2%	11.5%	-1.3%	
Small Cap International Equity	822,783,768	5.7%	6.0%	-0.3%	
International Transition Account	659,649				
Total International Equity	2,286,125,303	15.9%	17.5%	-1.6%	
Core Fixed Income	2,203,874,354	15.3%	17.5%	-2.2%	
High Yield Fixed Income	785,743,260	5.5%	6.0%	-0.5%	
MLPs	1,122,185,380	7.8%	7.0%	0.8%	
Private Equity	462,074,205	3.2%	5.0%	-1.8%	
Real Estate	707,181,601	4.9%	7.0%	-2.1%	
Opportunistic Assets	166,250,227	1.2%	0.0%	1.2%	
Total Non-Core Assets	3,243,434,673	22.5%	25.0%	-2.5%	
Cash	9,099,554	0.1%	0.0%	0.1%	
Composite	14,386,751,645	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of February 28, 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)	14,386,751,645	12/1/1991	23.3	9.8	8.4	13.0	13.7	9.2	3.4	3.1	2.8	4.0
Total Fund (Net of Fees)				9.4	8.0	12.6	13.3	8.8	3.3	3.1	2.7	4.0
Allocation Index				9.5	7.3	11.7	11.6	8.3	3.5	2.6	2.2	3.4
Actuarial Assumption				8.0	8.0	8.0	8.0	8.0	2.4	6.2	1.9	0.6
Total Domestic Equity	6,644,150,493 46.2%	4/1/1990	24.9	11.1	8.9	16.6	18.5	12.2	6.4	3.1	3.6	6.1
S&P 500				9.9	8.0	16.2	18.0	15.5	8.8	2.6	2.3	5.7
Total All Cap Equity	1,012,598,424 7.0%	9/1/2006	8.5	8.2	-	16.0	17.1	15.0	8.8	3.0	3.5	6.5
Russell 3000				8.3	-	16.4	18.0	14.1	8.2	2.8	2.8	5.8
Total Large Cap Active Equity	1,209,317,907 8.4%	1/1/1995	20.2	10.8	8.1	17.0	19.8	14.8	8.5	2.3	2.4	6.4
S&P 500				9.9	8.0	16.2	18.0	15.5	8.8	2.6	2.3	5.7
Total Mid Cap Equity	2,186,902,941 15.2%	11/1/1998	16.3	10.8	10.8	18.2	19.2	12.0	6.5	3.9	4.6	6.3
Russell Mid Cap				10.2	9.9	17.7	18.9	13.3	8.2	3.9	4.1	5.5
Total Small Cap Equity	1,499,302,738 10.4%	2/1/1998	17.1	9.7	9.1	15.0	17.7	7.0	1.7	2.7	3.7	5.7
Russell 2000				7.8	8.3	16.0	16.6	5.6	4.2	2.5	5.5	5.9
Total International Equity	2,286,127,570 15.9%	2/1/1998	17.1	8.9	5.8	8.5	9.5	-1.0	-2.9	6.0	3.3	5.8
MSCI ACWI ex-US				-	5.3	6.6	6.5	0.9	-2.6	5.2	1.4	5.4
Large Cap International Equity	1,461,762,903 10.2%	2/1/1998	17.1	-	-	9.8	10.3	1.2	-1.8	5.9	2.4	5.4
MSCI ACWI ex-US				-	5.3	6.6	6.5	0.9	-2.6	5.2	1.4	5.4
Small Cap International Equity	822,783,768 5.7%	2/1/1998	16.9	16.5	-	-	12.7	-3.2	-4.9	6.2	5.1	6.6
MSCI ACWI ex-US				-	5.3	6.6	6.5	0.9	-2.6	5.2	1.4	5.4
Core Fixed Income (ex- High Yield)	2,203,874,354 15.3%	4/1/1990	24.9	7.3	6.8	7.3	5.3	8.0	4.3	1.8	2.0	-1.1
Barclays Aggregate				6.7	4.8	4.3	2.8	5.1	3.1	1.1	1.2	-0.9
Master Limited Partnerships	1,122,185,380 7.8%	2/28/2011	4.0	19.2	-	-	19.8	15.0	-6.4	2.1	-0.2	5.2
Alerian MLP Index				11.0	-	-	9.3	3.3	-10.8	-1.0	-6.6	2.1
High Yield Bonds	785,743,260 5.5%	2/1/2009	6.1	14.1	-	9.6	8.3	3.7	0.1	2.8	1.3	2.3
ML High Yield II				15.1	-	9.2	7.6	2.8	0.0	3.1	1.6	2.4
Core Real Estate	649,268,370 4.5%	4/1/2011	3.9	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Non-Core Real Estate	57,913,230 0.4%	7/1/2014	0.7	-	-	-	-	-	-	-	-	-
NCREIF				-	-	-	-	-	-	-	-	-
Cash	9,099,554 0.1%	4/1/1990	24.9	-	-	-	-	-	-	-	-	-
91 Day T-bill				-	1.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0

Equity Portfolios Summary

As of February 28, 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	623,960,946	4/1/1990	24.9	11.3	6.9	17.5	20.9	13.7	6.1	1.4	2.1	6.5
Russell 1000 Value	4.3%			10.3	7.2	15.5	18.1	13.5	5.5	0.6	1.3	4.8
Sawgrass	585,356,962	7/1/2006	8.7	9.6	-	17.1	18.6	15.9	11.2	3.1	2.8	6.3
Russell 1000 Growth	4.1%			10.0	-	17.2	18.1	16.2	11.7	5.0	3.9	6.7
ARI All Cap	475,502,016	9/1/2006	8.5	7.0	-	15.1	16.0	12.0	4.8	2.9	2.9	6.2
Russell 3000	3.3%			8.3	-	16.4	18.0	14.1	8.2	2.8	2.8	5.8
EPOCH All Cap	523,403,652	9/1/2006	8.5	9.3	-	16.9	18.3	18.0	12.9	3.1	4.0	6.7
Russell 3000	3.6%			8.3	-	16.4	18.0	14.1	8.2	2.8	2.8	5.8
Passive Domestic Equity												
NT Cap Weighted Passive	366,643,754	4/1/2012	2.9	18.1	-	-	-	15.5	8.8	2.6	2.3	5.8
S&P 500 Cap Weighted	2.5%			18.1	8.0	16.2	18.0	15.5	8.8	2.6	2.3	5.8
SSGA Eq Weighted Passive	369,384,729	4/1/2012	2.9	19.8	-	-	-	14.9	8.2	2.7	3.1	5.7
S&P 500 Equal Weighted	2.6%			19.8	9.9	17.8	19.6	15.0	8.2	2.7	3.1	5.7
Mid Cap Domestic Equity												
Frontier Capital	571,221,216	6/1/2002	12.8	11.1	12.3	17.3	18.7	11.9	9.3	6.2	6.2	6.2
Russell Mid Cap Growth	4.0%			10.1	10.0	17.9	18.2	13.1	10.4	5.1	4.8	6.9
Wellington Management	496,761,709	9/1/1998	16.5	10.9	9.8	15.4	15.1	9.1	6.0	5.0	5.6	7.7
Russell Mid Cap Growth	3.5%			9.5	10.0	17.9	18.2	13.1	10.4	5.1	4.8	6.9
AJO Partners	576,111,603	8/1/1998	16.6	11.6	10.1	19.2	20.5	15.3	7.7	3.0	2.8	4.9
Russell MidCap	4.0%			9.8	9.9	17.7	18.9	13.3	8.2	3.9	4.1	5.5
Hotchkis & Wiley Mid Cap	542,808,412	8/1/2002	12.6	14.6	10.8	20.6	22.2	11.4	3.1	1.7	4.1	6.7
Russell MidCap Value	3.8%			12.1	9.6	17.5	19.6	13.6	5.9	2.6	3.4	4.1
Small Cap Domestic Equity												
Shapiro Capital Management	693,602,534	2/1/1998	17.1	10.9	11.4	17.2	19.0	7.3	-2.4	1.1	1.5	3.6
Russell 2000	4.8%			7.8	8.3	16.0	16.6	5.6	4.2	2.5	5.5	5.9
Geneva Capital	203,928,452	6/1/2013	1.7	15.9	-	-	-	4.4	9.1	5.6	7.7	7.8
Russell 2000 Growth	1.4%			18.3	-	-	-	7.4	8.2	4.7	7.9	7.2
Wasatch Advisors	203,239,077	6/1/2013	1.7	15.1	-	-	-	11.3	10.1	5.2	5.3	8.1
Russell 2000 Growth	1.4%			18.3	-	-	-	7.4	8.2	4.7	7.9	7.2
Cove Street Capital	106,493,650	6/1/2013	1.7	9.4	-	-	-	-0.7	-3.5	2.0	3.2	6.9
Russell 2000 Value	0.7%			12.3	-	-	-	4.0	0.3	0.3	3.0	4.6
Frontier Capital	164,286,603	6/1/2013	1.7	14.0	-	-	-	4.2	-1.1	1.0	4.2	5.7
Russell 2000 Value	1.1%			12.3	-	-	-	4.0	0.3	0.3	3.0	4.6
Neumeier Poma	127,752,422	6/1/2013	1.7	20.3	-	-	-	13.7	10.2	6.1	7.5	9.2
Russell 2000 Value	0.9%			12.3	-	-	-	4.0	4.2	2.5	5.5	5.9
International Large Cap Equity												
Causeway Capital	544,962,141	5/1/2003	11.8	10.3	5.9	9.6	9.9	0.1	-2.2	4.9	1.7	4.5
MSCI ACWI Ex US	3.8%			9.5	5.3	6.6	11.6	7.6	1.9	3.9	1.9	5.6
Northern Trust Passive	916,800,762	9/1/2013	1.5	5.2	-	-	-	0.3	-3.3	6.5	2.9	6.0
MSCI EAFE	6.4%			4.9	-	-	-	0.3	-3.3	6.5	2.8	6.0
Transition Account - Northern	659,649	9/1/2014	0.5	-	-	-	-	-	-	-	-	-
	0.0%			-	-	-	-	-	-	-	-	-
International Small Cap Equity												
ARI Small Cap International	214,630,739	12/1/2011	3.2	15.3	-	-	13.0	1.4	-4.7	5.5	4.3	6.2
MSCI EAFE Small Cap	1.5%			19.3	-	-	11.4	-2.1	-3.8	6.7	6.1	6.5
Epoch Small Cap International	197,901,287	12/1/2011	3.2	12.0	-	-	9.6	-9.9	-8.9	5.9	5.2	7.4
MSCI EAFE Small Cap	1.4%			19.3	-	-	11.4	-2.1	-3.8	6.7	6.1	6.5
Wasatch Small Cap International	201,185,827	12/1/2011	3.2	18.1	-	-	14.3	-0.6	-0.1	6.9	4.8	6.9
MSCI EAFE Small Cap	1.4%			19.3	-	-	11.4	-2.1	-3.8	6.7	6.1	6.5
Wellington Small Cap International	209,065,915	12/1/2011	3.2	17.8	-	-	14.0	-3.2	-5.4	6.6	5.9	5.9
MSCI EAFE Small Cap	1.5%			19.3	-	-	11.4	-2.1	-3.8	6.7	6.1	6.5

Fixed Income Portfolios Summary
As of February 28, 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	625,777,132	8/1/1999	15.6	7.1	7.7	7.4	5.5	5.4	1.6	1.6	0.9	-0.2
Barclays Aggregate	4.3%			5.6	4.8	4.3	2.8	5.1	3.1	1.1	1.2	-0.9
Lord Abbett	620,510,557	11/1/2004	10.3	6.1	6.2	6.0	4.6	5.7	2.8	1.3	1.1	-0.3
Barclays Aggregate	4.3%			4.7	4.8	4.3	2.8	5.1	3.1	1.1	1.2	-0.9
Mackay Shields	619,187,013	11/1/2004	10.3	6.3	6.4	6.6	4.8	4.2	1.8	1.5	1.4	0.1
Barclays Aggregate	4.3%			4.7	4.8	4.3	2.8	5.1	3.1	1.1	1.2	-0.9
Active Duration Fixed Income												
Hoisington	338,399,652	11/1/2004	10.3	9.2	8.9	12.5	7.2	27.5	19.1	3.4	7.4	-6.4
Barclays Aggregate	2.4%			4.7	4.8	4.3	2.8	5.1	3.1	1.1	1.2	-0.9
High Yield Fixed Income												
Loomis Sayles High Yield	262,255,957	2/1/2009	6.1	14.3	-	9.1	8.7	4.2	0.1	2.8	1.3	2.3
Merrill Lynch High Yield II	1.8%			15.2	-	9.2	7.6	2.8	0.0	3.1	1.6	2.4
Lord Abbett High Yield	262,185,765	2/1/2009	6.1	15.0	-	10.4	8.9	3.6	-0.3	2.5	0.9	2.3
Merrill Lynch High Yield II	1.8%			15.1	-	9.2	7.6	2.8	0.0	3.1	1.6	2.4
MacKay Shields High Yield	261,301,538	2/1/2009	6.1	13.2	-	9.1	7.3	3.2	0.3	3.0	1.6	2.4
Merrill Lynch High Yield II	1.8%			15.1	-	9.2	7.6	2.8	0.0	3.1	1.6	2.4

Non-Traditional Portfolios Summary

As of February 28, 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	400,873,304	2/28/2011	4.0	25.8	-	-	26.4	16.5	-6.6	1.8	0.2	4.7
Alerian MLP Index	2.8%			11.0	-	-	9.3	3.3	-10.8	-1.0	-6.6	2.1
Cushing MLP Management	392,609,900	2/28/2011	4.0	20.3	-	-	22.2	16.4	-5.6	2.7	0.2	5.6
Alerian MLP Index	2.7%			11.0	-	-	9.3	3.3	-10.8	-1.0	-6.6	2.1
ARI MLP	328,702,176	2/28/2011	4.0	13.9	-	-	13.8	11.9	-7.2	1.8	-1.1	5.3
Alerian MLP Index	2.3%			11.0	-	-	9.3	3.3	-10.8	-1.0	-6.6	2.1
Private Equity												
Legacy Private Equity Portfolio	57,782,304	10/1/2008	6.4	-	-	-	-	-	-	-	-	-
Franklin Park Private Equity	404,291,901	4/1/2010	4.9	-	-	-	-	-	-	-	-	-
Russell 1000 +4%	3.2%			19.3	12.3	20.4	22.1	18.9	14.1	3.6	3.6	6.1

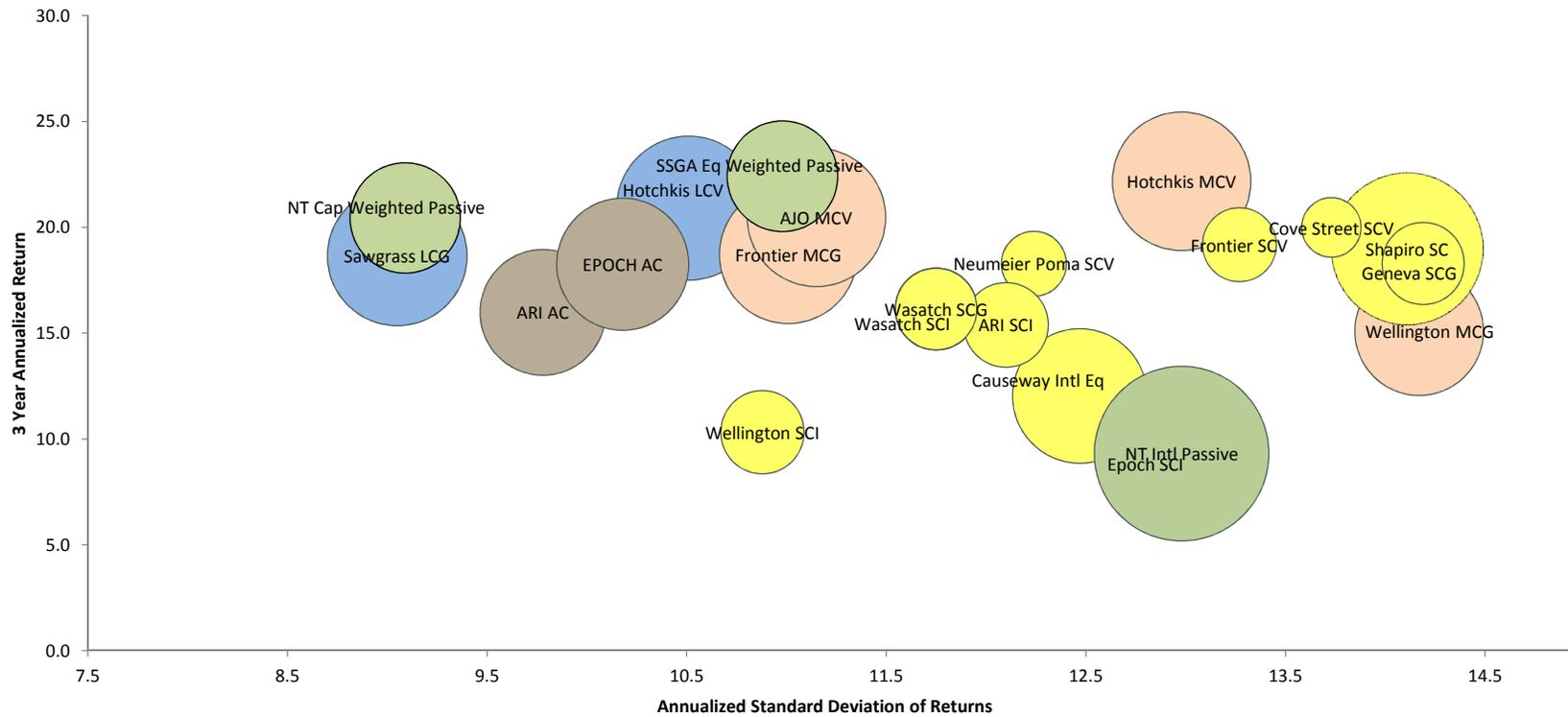
Real Estate

				\$ Committed	% Called
AEW Real Estate	222,919,382	5/1/2011	3.8	\$165,500,000	100%
	1.5%				
Heitman Real Estate	226,216,090	5/1/2011	3.8	\$157,400,000	100%
	1.6%				
L&B Real Estate	200,132,898	4/1/2011	3.9	\$150,000,000	100%
	1.4%				
Antheus Capital	16,125,005	10/1/2014	0.4	\$53,750,000	30%
	0.1%				
Dune	16,060,699	10/1/2014	0.4	\$53,750,000	32%
	0.1%				
GreenOak Real Estate	12,221,349	10/1/2014	0.4	\$50,000,000	24%
	0.1%				
L&B Golden Driller	1,340,639	7/1/2014	0.7	\$60,000,000	2%
	0.0%				
Landmark Realty	2,336,002	12/1/2014	0.2	\$35,000,000	6%
	0.0%				
American Realty	9,829,536	12/1/2014	0.2	\$53,750,000	25%
	0.1%				
Starwood	-	-	-	\$43,750,000	0%
	0.0%				

Opportunistic Fixed Income

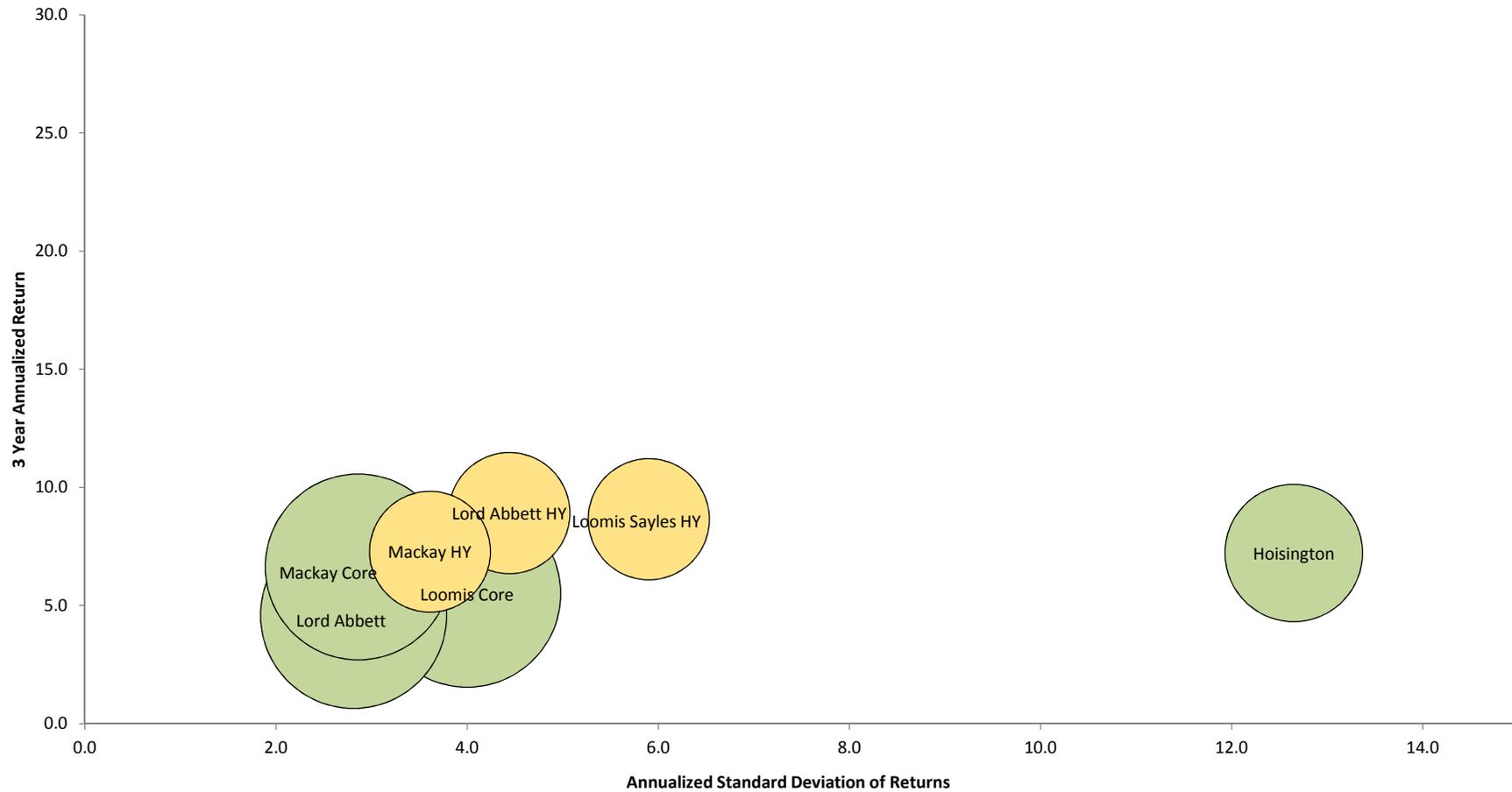
				\$ Committed	% Called
PIMCO BRAVO	79,888,252	3/31/2011	3.9	\$100,000,000	100%
	0.6%				
PIMCO BRAVO II	86,361,976	3/31/2013	1.9	\$150,000,000	53%
	0.6%				

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.



March 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	203,928,452	1.42%	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
fourth quarter, 2014



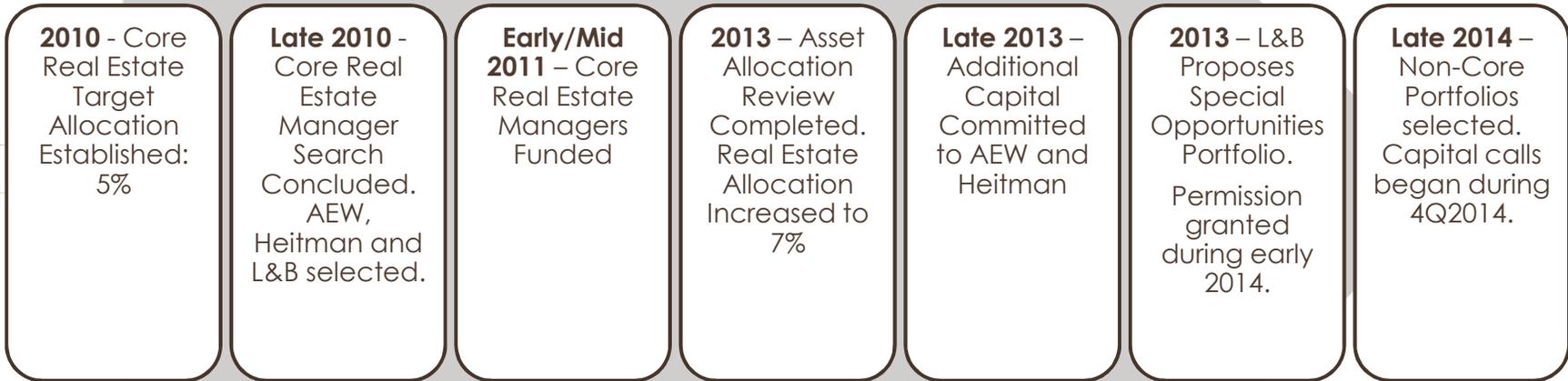
Gregory W Group

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.
- ▶ 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.
- ▶ Last year, AEW and Heitman were given additional capital commitments. The commitments have now been drawn. Golden Driller is moving forward in the development of three separate properties.

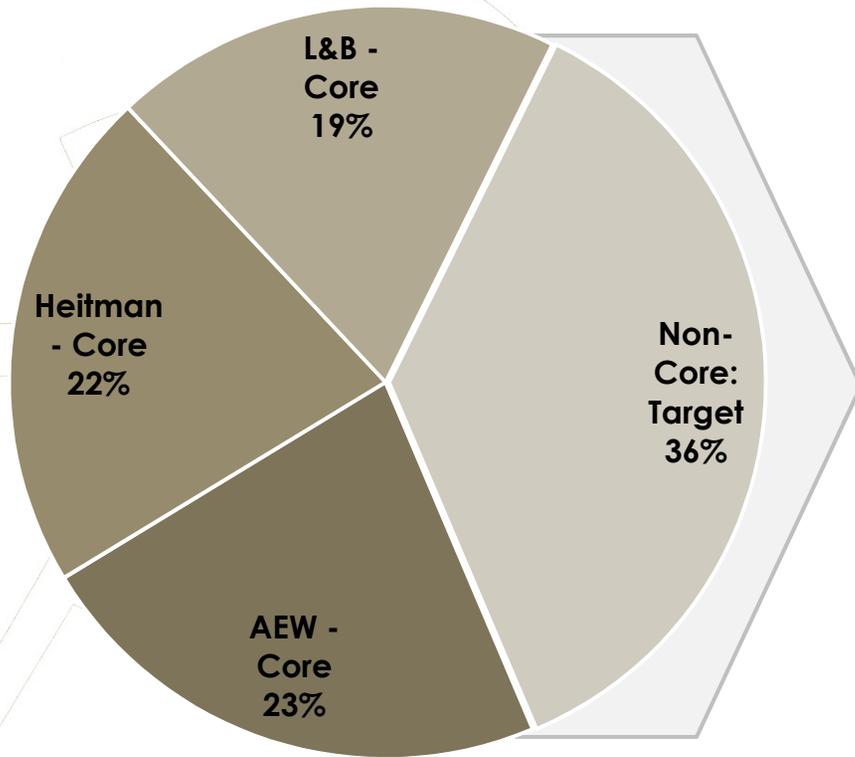


Real Estate Portfolio Timeline

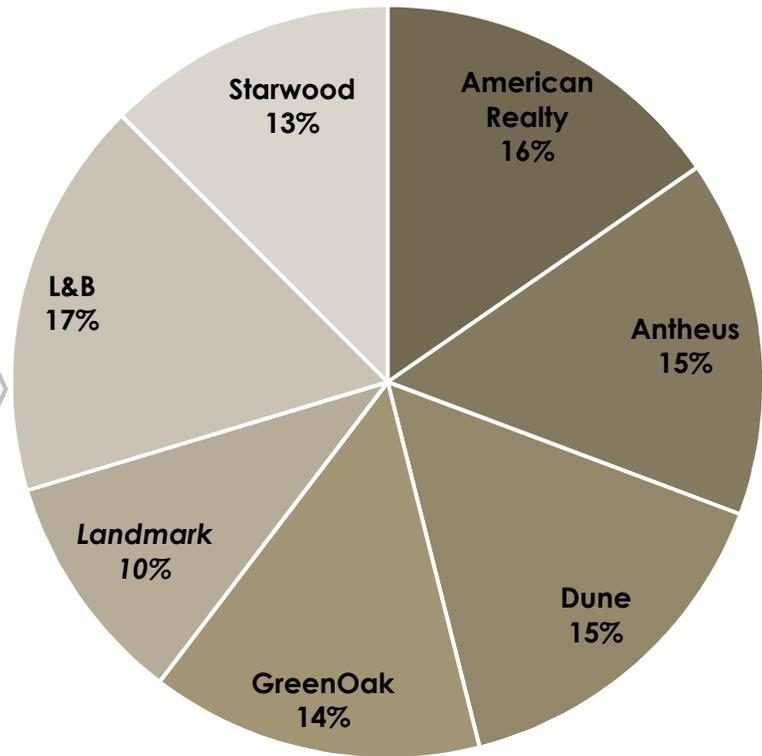


Real Estate Allocation Review: By Market Value

Composite Real Estate Allocation



Non-Core Real Estate: *Committed Capital*



Total Committed Capital: \$350,000,000

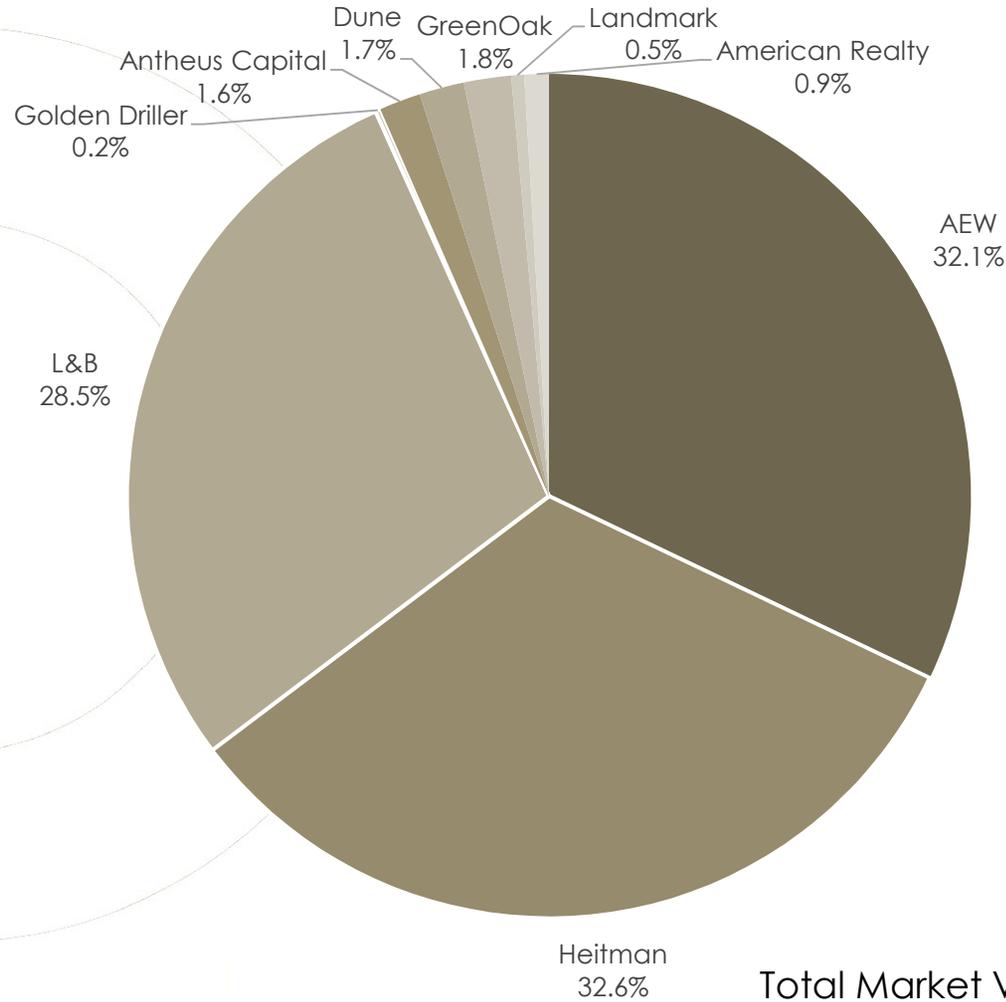
OTRS Real Estate Capital Contributed

As of February 28, 2015

	Capital Committed	Capital Contributed	% Called
AEW	\$165,500,000	\$165,500,000	100.00%
L&B Core	\$150,000,000	\$150,000,000	100.00%
Heitman	\$157,400,000	\$157,400,000	100.00%
American Realty	\$53,750,000	\$13,289,900	24.73%
Antheus	\$53,750,000	\$16,125,000	30.00%
Dune	\$53,750,000	\$17,037,533	31.70%
Golden Driller	\$60,000,000	\$1,365,000	2.28%
GreenOak	\$50,000,000	\$12,221,196	24.44%
Landmark	\$35,000,000	\$2,255,623	6.44%
Starwood	\$43,750,000	\$0	0.00%
PIMCO BRAVO I	\$100,000,000	\$100,000,000	100.00%
PIMCO BRAVO II	\$150,000,000	\$78,750,000	52.50%
Franklin Park	\$1,200,000,000	\$386,000,000	32.17%
PE Legacy	\$97,500,000	\$91,200,000	93.54%
Total	\$2,370,400,000	\$1,191,144,252	50.25%

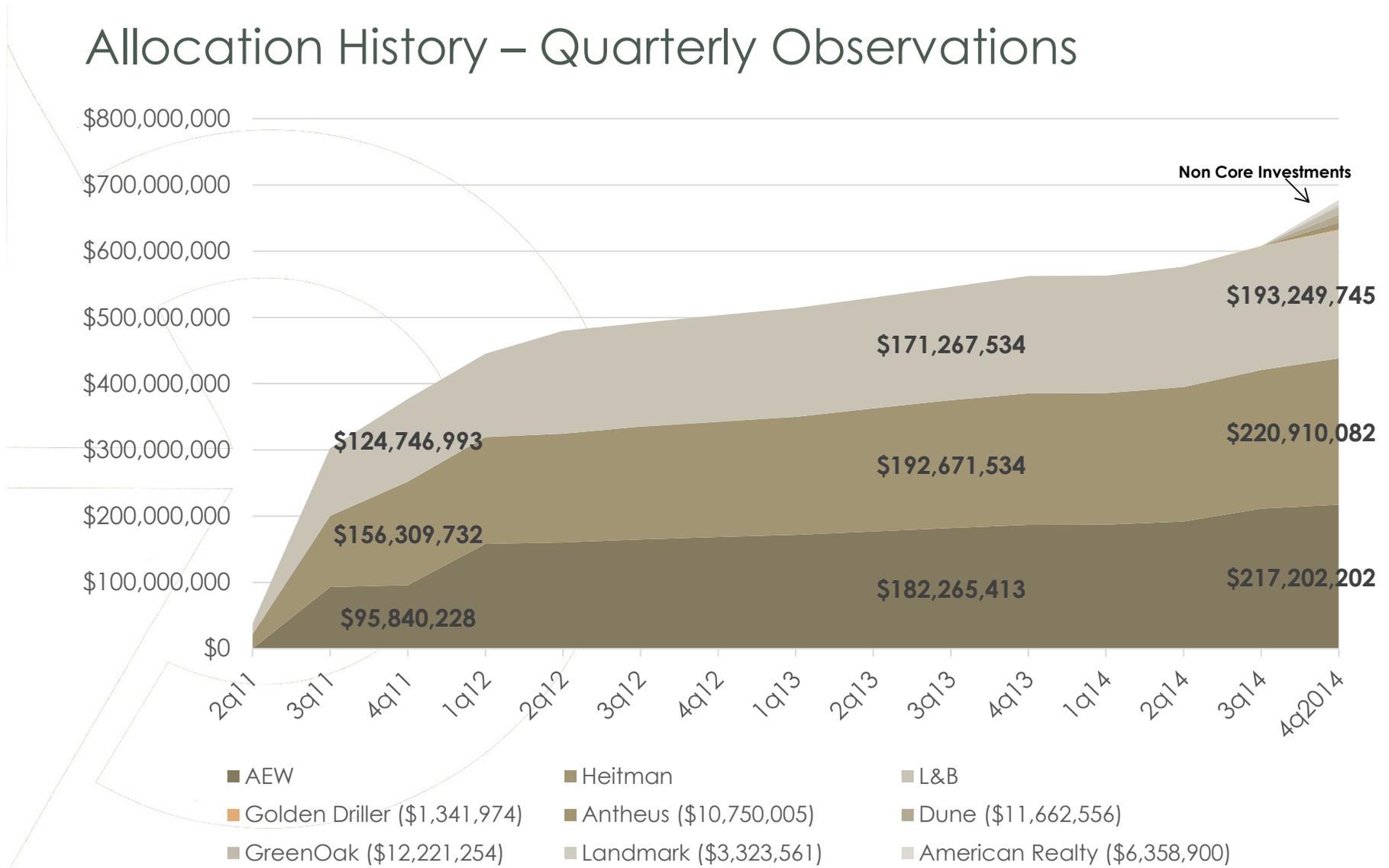


Allocation of Real Estate Portfolio – Net Exposure As of December 31, 2014



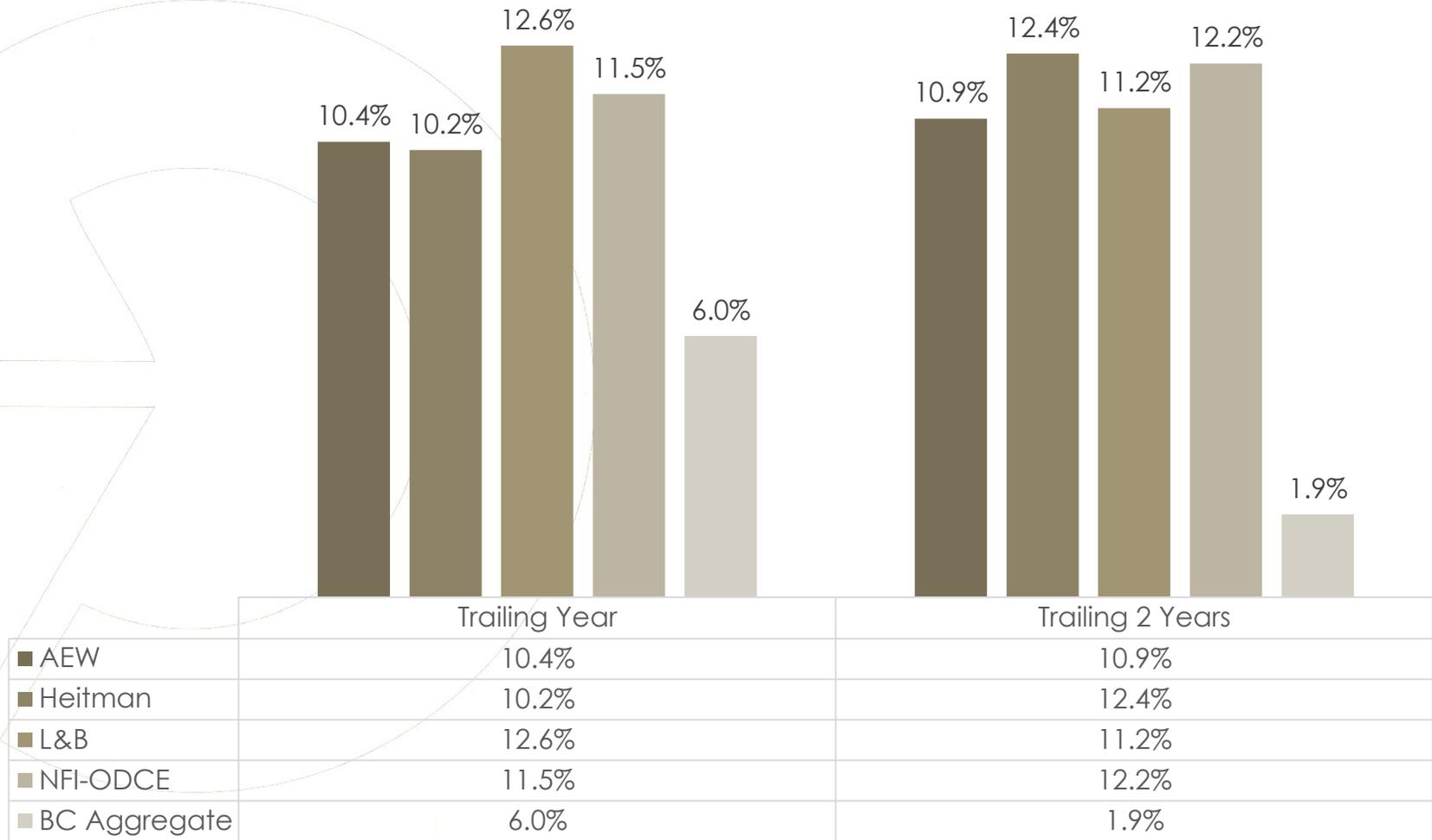
Total Market Value: **\$677,020,279**
This composed **4.8%** of the total portfolio.

Allocation History – Quarterly Observations

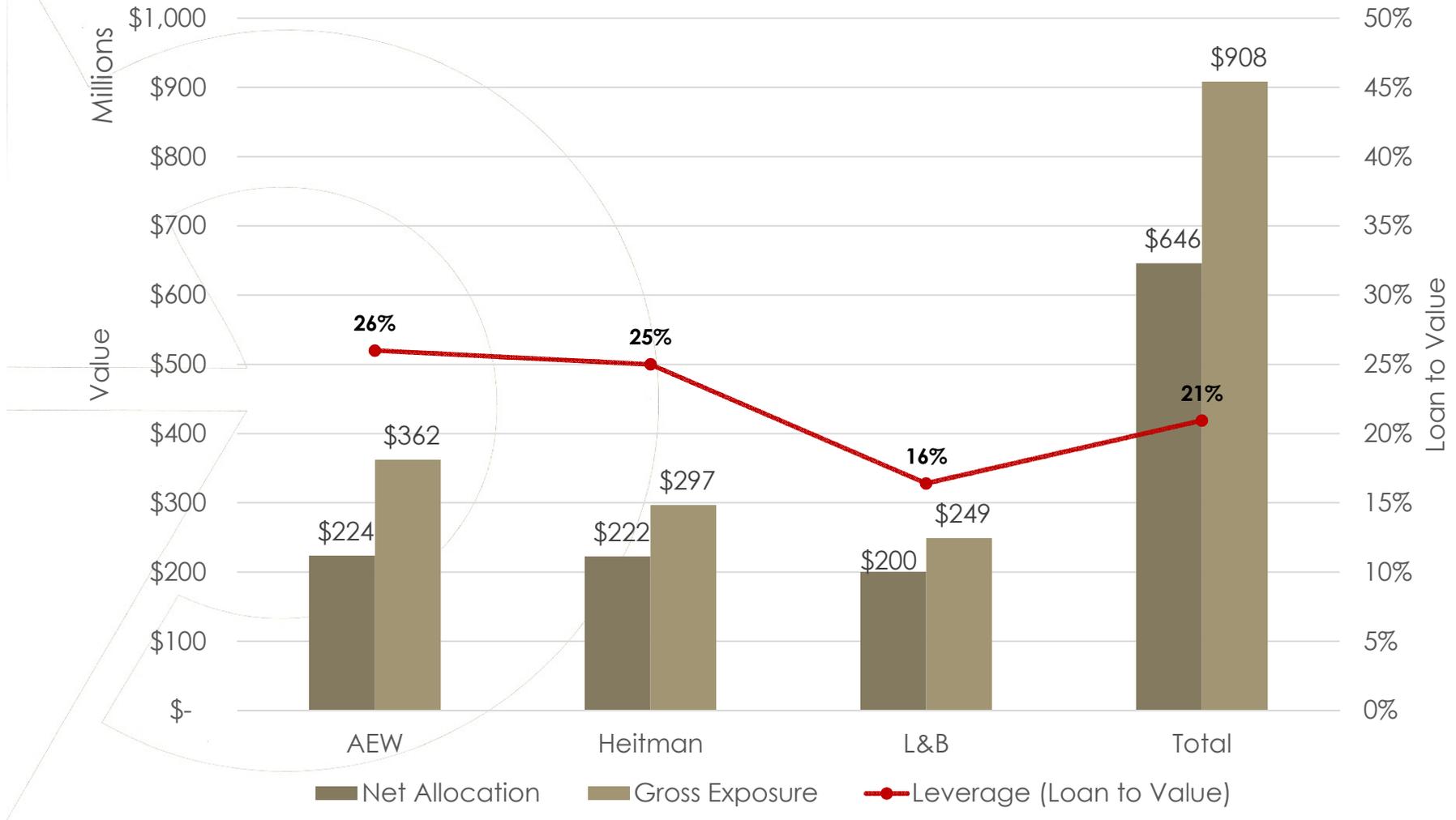


Performance Comparison – Net of Fees

Periods Ended December 31, 2014

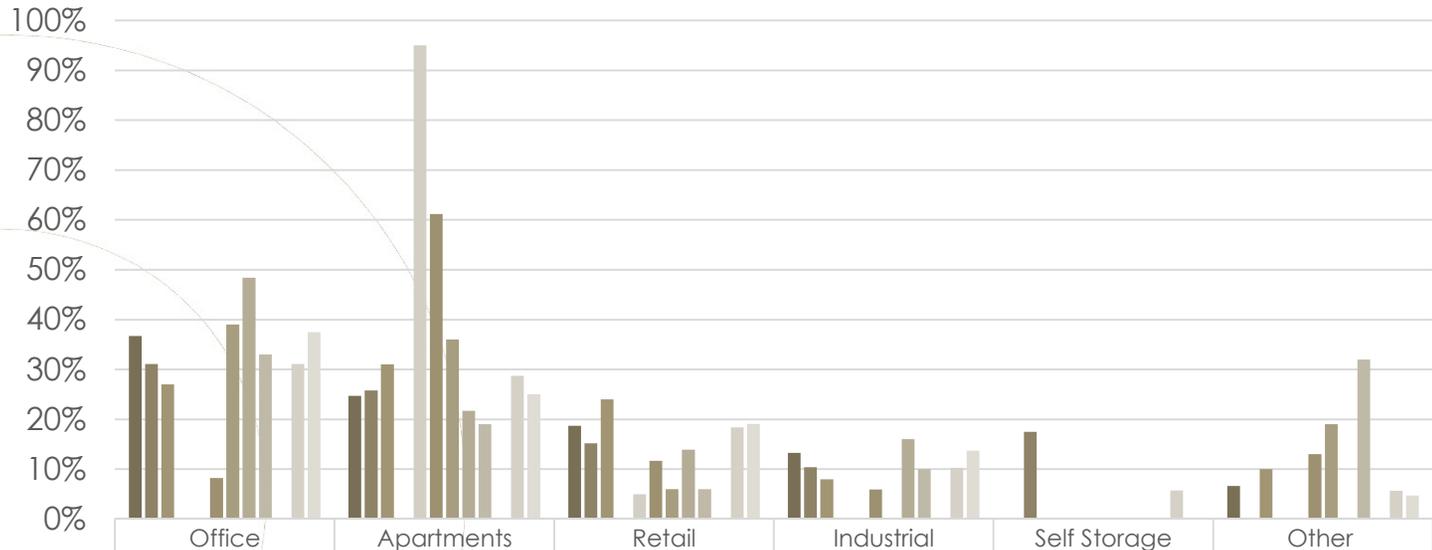


Allocation of Real Estate Portfolio – Net vs. Gross Exposure As of December 31, 2014



Property Type Diversification – Net Exposure

As of December 31, 2014

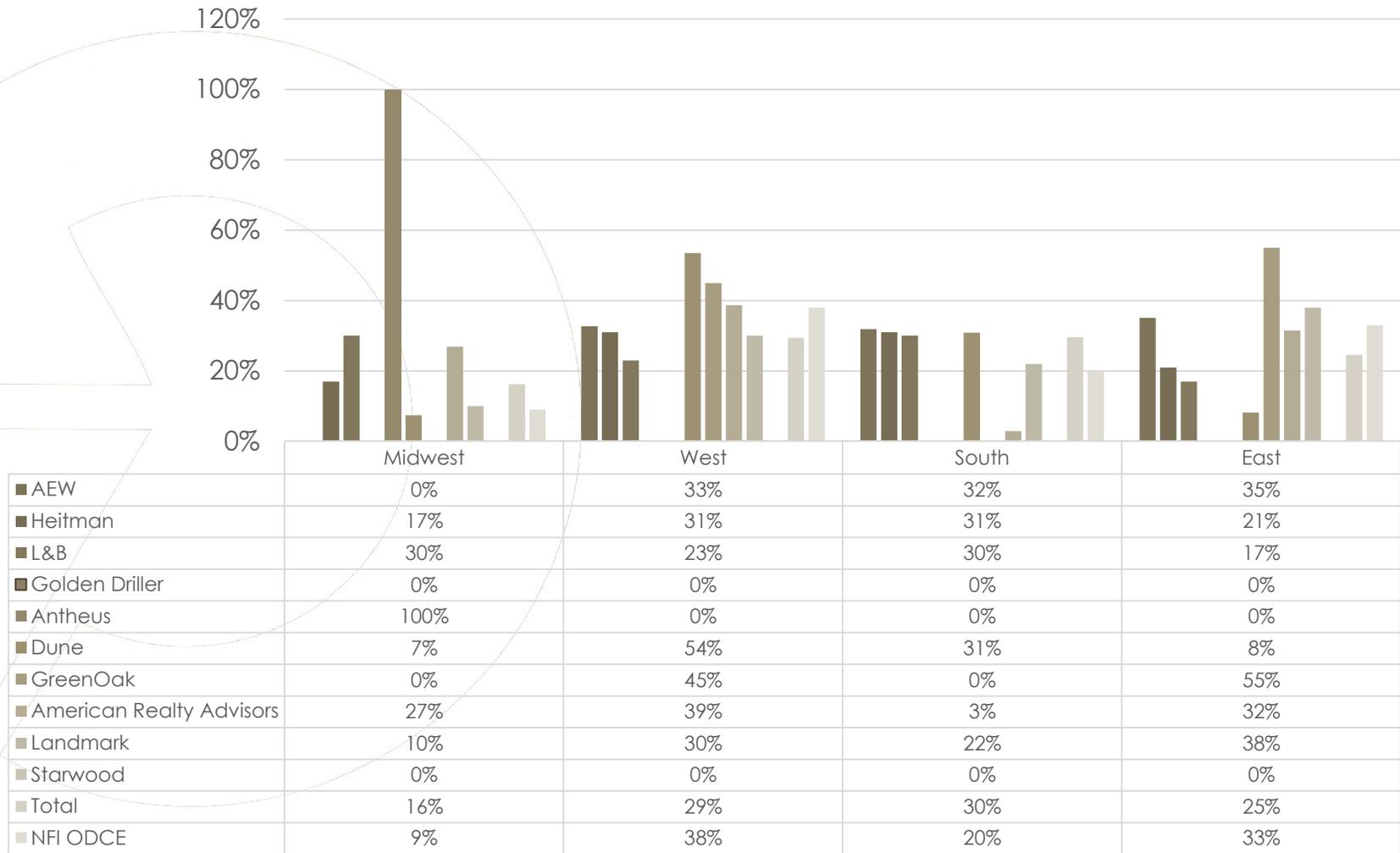


	Office	Apartments	Retail	Industrial	Self Storage	Other
■ AEW	37%	25%	19%	13%	0%	7%
■ Heitman	31%	26%	15%	10%	18%	0%
■ L&B	27%	31%	24%	8%	0%	10%
■ Golden Driller	0%	0%	0%	0%	0%	0%
■ Antheus	0%	95%	5%	0%	0%	0%
■ Dune	8%	61%	12%	6%	0%	13%
■ GreenOak	39%	36%	6%	0%	0%	19%
■ American Realty Advisors	48%	22%	14%	16%	0%	0%
■ Landmark	33%	19%	6%	10%	0%	32%
■ Starwood	0%	0%	0%	0%	0%	0%
■ Total	31%	29%	18%	10%	6%	6%
■ NFI ODCE	38%	25%	19%	14%	0%	5%



Geographic Diversification – Net Exposure

As of December 31, 2014

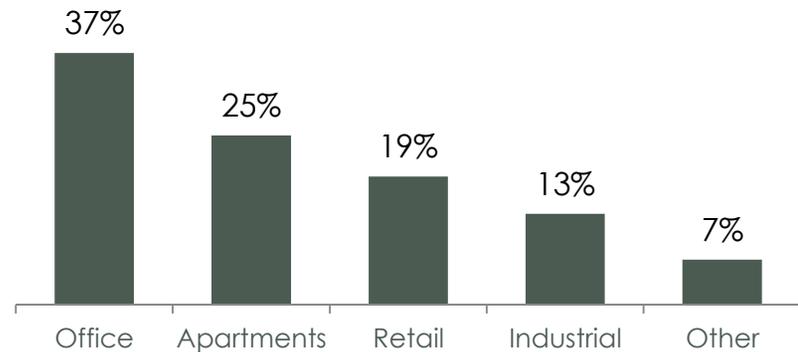


AEW Capital Management – Core Real Estate



Location: Boston, Massachusetts
OTRS Initial Commitment: \$150 million
OTRS Total Commitment: \$166 million
Fund Name: AEW Core Property Trust
Fund Type: Open Ended Private REIT
Fund Size (Net): \$4.1 billion
Fund Size (Gross): \$6.7 billion
Number of Investments: 55
Firm AUM: \$51 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
2014 Income Return	5.45%	5.03%
2014 Appreciation Return	5.52%	7.17%
Current Occupancy	91.8%	-
OTRS Ownership of Fund	5.4%	-

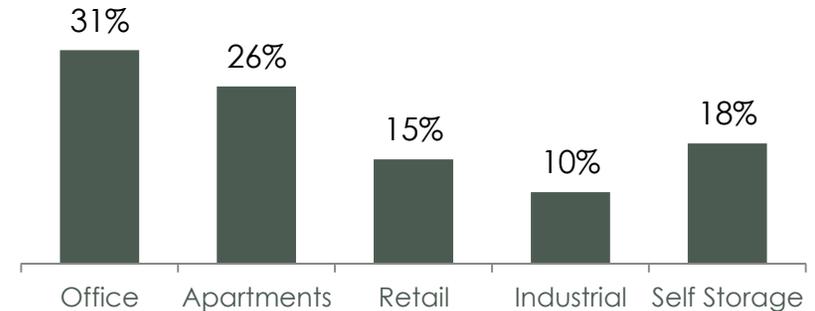


Heitman Capital Management – Core Real Estate

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): \$4.5 billion
Fund Size (Gross): \$6.0 billion
Number of Investments: 69
Firm AUM: \$32 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
2014 Income Return	5.23%	5.03%
2014 Appreciation Return	5.56%	7.17%
Current Occupancy	94.0%	-
OTRS Ownership of Fund	5.0%	-



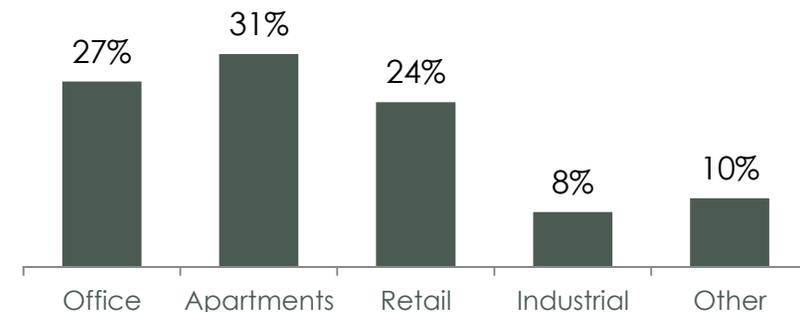
L&B Realty Advisers - Core Real Estate



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): \$446 million
Fund Size (Gross): \$555 million
Number of Investments: 9
Firm AUM: \$6.5 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
2014 Income Return	3.21%	5.03%
2014 Appreciation Return	6.61%	7.17%
Current Occupancy	94.0%	-
OTRS Ownership of Fund	44.8%	-

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: 3
Firm AUM: \$6.4 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.

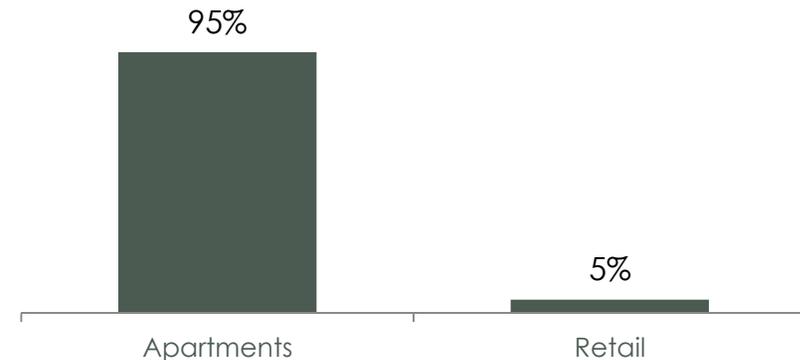
Antheus Capital, LLC

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
Fund Size (Gross): \$168 million
Number of Investments: 11
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".

Status: In compliance



Property Type Diversification



PROGRESS UPDATE: The fund has purchased 2 office buildings to convert to residential use .



Dune Real Estate Partners

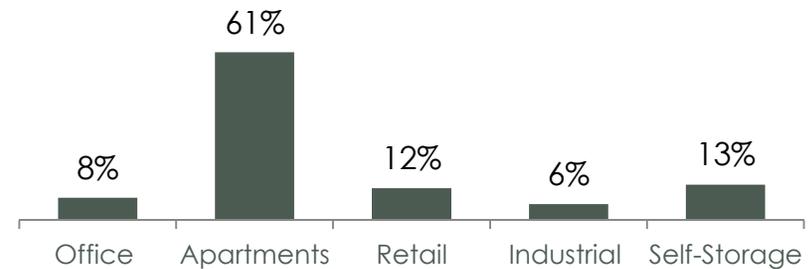
Location: New York, New York
OTRS Initial Commitment: \$54 million
OTRS Total Commitment: \$54 million
Fund Name: Dune Real Estate Fund III, LP
Fund Type: Close Ended Opportunistic
Fund Size (Net): \$960 million
Fund Size (Gross): \$960 million
Number of Investments: 7
Firm AUM: \$3.5 billion
Inception 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



OTRS owns 5.6% of the fund.

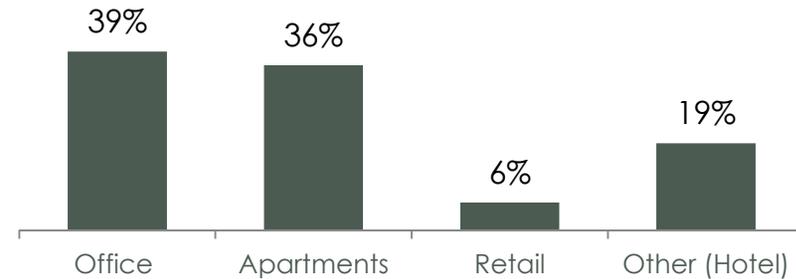


GreenOak Real Estate, LP

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
Fund Size (Gross): \$756 million
Number of Investments: 9
Firm AUM: \$4.5 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



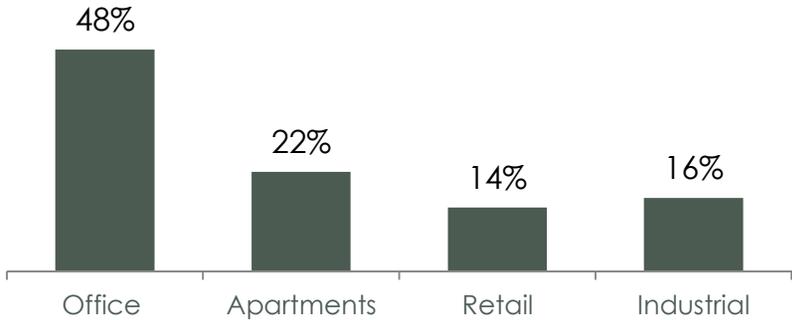
**Current Occupancy is 87%.
 OTRS owns 6.6% of the fund.**

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): \$248 million
Fund Size (Gross): \$464 million
Number of Investments: 11
Firm AUM: \$6.5 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 48% 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.**

Landmark Partners

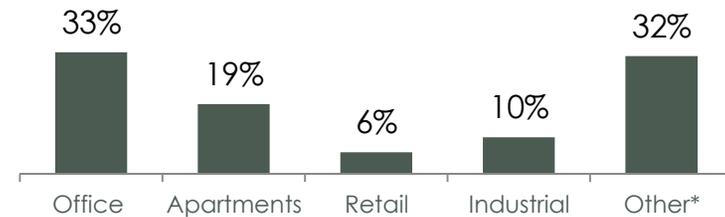
Location: Simsbury, Connecticut
OTRS Initial Commitment: \$35 million
OTRS Total Commitment: \$35 million
Fund Name: Landmark Real Estate Fund VII
Fund Type: Close Ended Real Estate Secondaries
Fund Size (Net): \$87.5 million
Fund Size (Gross): \$87.5 million
Number of Investments: 9
Firm AUM: \$14.9 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%).

OTRS owns 3.0% of the fund.

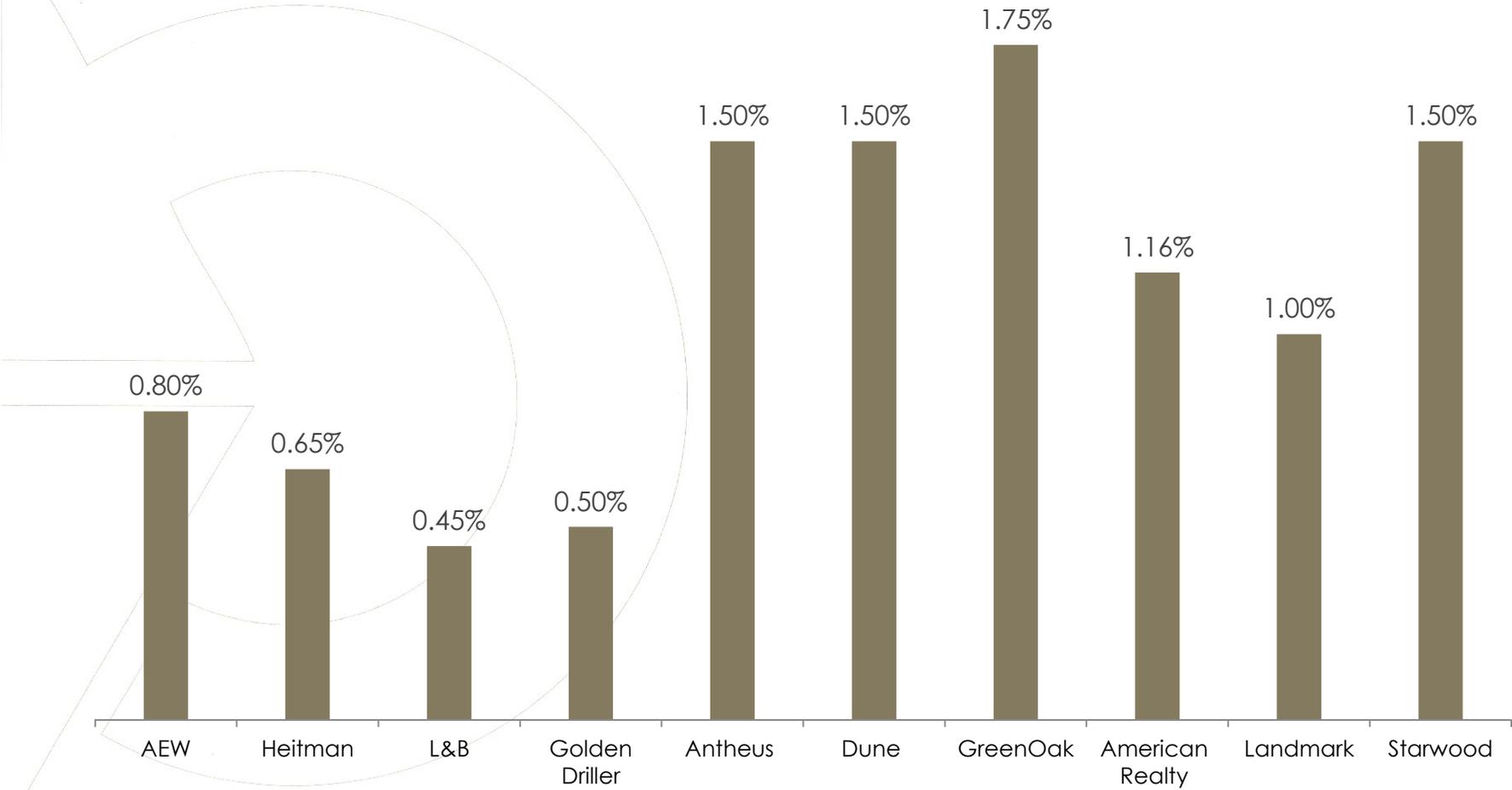


Starwood

Location: Simsbury, Connecticut
OTRS Initial Commitment: \$35 million
OTRS Total Commitment: \$35 million
Fund Name: Starwood Distressed Opportunity Fund
Fund Type: Large Real Estate Specialist
Fund Size (Net): \$87.5 million
Fund Size (Gross): \$87.5 million
Number of Investments: 9
Firm AUM: \$14.9 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
2q 2011	3.7%	5.4%	0.6%	4.6%
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%
Trailing Year	10.4%	10.2%	12.6%	11.5%
Trailing 2 Years (annualized)	10.9%	12.4%	11.2%	12.2%



Market Value History Core Real Estate Portfolios

	Golden Driller	Antheus	Dune	GreenOak	American Realty	Landmark	Starwood	Total Real Estate Allocation
2q 2011								38,303,622
3q2011								302,757,350
4q2011								376,896,953
1q 2012								445,363,457
2q 2012								479,543,807
3q 2012								491,957,785
4q 2012								503,172,304
1q 2013								514,208,798
2q 2013								530,077,146
3q 2013								546,204,481
4q 2013								562,737,994
1q 2014								562,910,457
2q 2014								576,546,442
3q 2014	940,000							607,799,693
4q 2014	1,341,974	10,750,005	11,662,556	12,221,254	6,358,900	3,323,561		677,020,279

Other Non-Liquid Assets

Opportunistic Investments

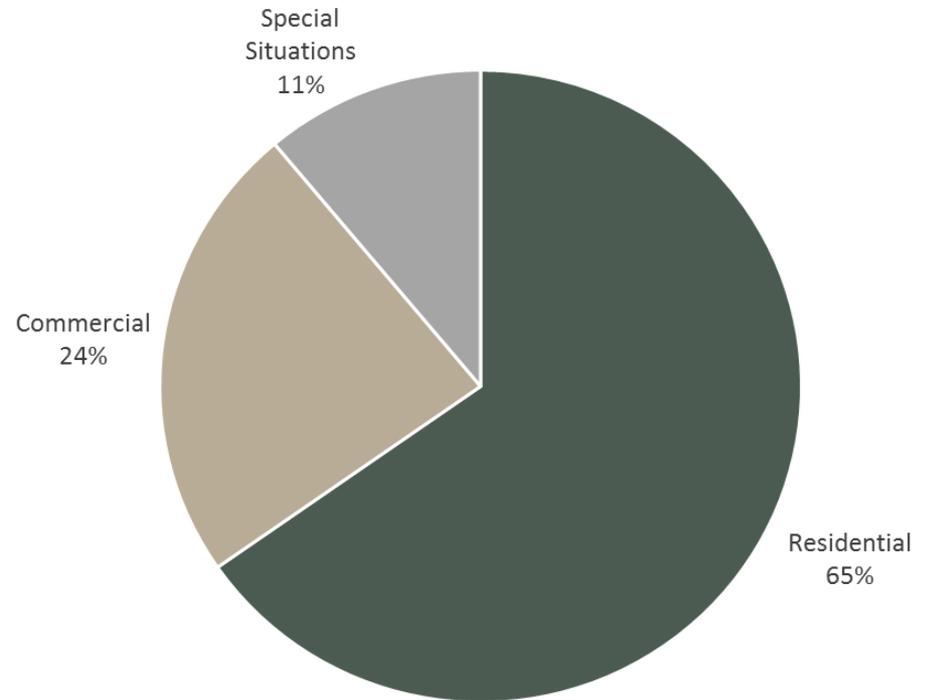
PIMCO Bravo Fund I

Portfolio Data

- Original Commitment: \$100 million
- Capital Called: \$100 million
 - Percent of Capital Called: 100%
- Market Value: \$98,024,338
- Total Distributions: \$88,138,185
- Net Since Inception IRR: **25.7%**
- Multiple on Called Capital: 1.82x
- Quarterly Return: 3.3%

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



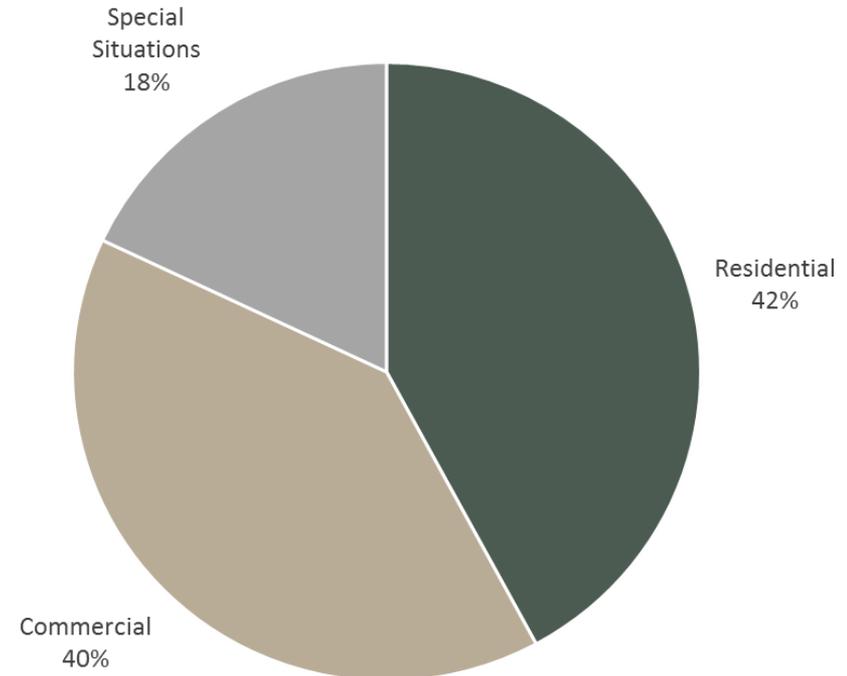
PIMCO Bravo II Fund

- Portfolio Data

- Original Commitment: \$150 million
- Capital Called: \$78.75 million
 - Percent of Capital Called: 52.5%
(as of February 28, 2015)
- Market Value: \$70,318,081
- Net Since Inception IRR: **20.4%**
- Multiple on Called Capital: 1.12x
- Quarterly Return: 1.5%
- Geographic Exposure:
 - 64% United States
 - 36% 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





March 10, 2015

Melissa Kempkes
Teachers' Retirement System of Oklahoma
2500 North Lincoln Boulevard, Suite 500
Oklahoma City, OK 73105

Dear Melissa:

Pursuant to the current Investment Policy Statement for the Teachers' Retirement System of Oklahoma ("OTRS"), dated February 2015, Core Plus Fixed Income portfolios are limited to a maximum of 25% in investments rated below investment grade (BB+/Ba1 or lower by S&P and Moody's, respectively). In 2013, OTRS granted MacKay Shields an exception to increase the limit to 35% for below-investment grade investments. This exception did not include a sunset provision, and so we have been operating under this current exception to date.

In consultation with the Gregory Group, we felt it was appropriate to formally request in writing an extension of the 2013 exception to increase the limit to 35% for below-investment grade rated debt in the OTRS Core Plus Fixed Income portfolio. The purpose for requesting a higher limit is to accommodate opportunistic investments within the lower quality part of the credit markets.

At your convenience, please let us know if this request is acceptable. We would be happy to welcome any questions or concerns that you may have.

With Kind Regards,

A handwritten signature in blue ink that reads "Rose".

Virna Rose
Senior Managing Director

Douglas J. Anderson, President, Gregory W Group
Steven Buckley, Managing Director, MacKay Shields





March 5, 2015

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

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

Dear Doug:

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

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

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

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

Best regards,

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

AGREED and ACCEPTED

By: _____
Authorized Signatory

Date: _____

cc: Gregory Weaver, Gregory W. Group

MEMORANDUM

TO: OTRS Board of Trustees and Investment Committee
FROM: Tom Spencer, Executive Director
DATE: March 24, 2015
RE: Master Custody/Securities Lending/Commission Recapture RFP

Last month the Investment Committee interviewed two finalists for Master Custodian, Securities Lending and Commission Recapture Services. The two banks that were interviewed were J.P. Morgan Chase Bank, N.A. (incumbent), and Northern Trust. In the original proposals for each bank, the following fees were set out:

	<u>Custody Fee</u>	<u>Securities Lending Split</u>
J.P. Morgan	\$100,000	90%-10% (OTRS – Bank)
Northern Trust	\$40,000	88%-12% (OTRS – Bank)

On the day of the interview, J.P. Morgan offered to lower their custody fee to \$25,000. After discussing the merits of each bank, the Board voted to authorize staff to negotiate a contract with Northern Trust.

Staff contacted Northern with a variety of questions on fees. The answers we got were satisfactory to staff. But more importantly, Northern agree to match J.P. Morgan’s amended fee proposal. Northern has agreed to a \$25,000 flat fee for custody work and a 90-10 securities lending split. Northern has already sent Julie contract drafts and she is reviewing those.

The staff recommends that the Investment Committee and Board award the Master Custody, Securities Lending and Commission Recapture contract to Northern Trust subject only to acceptance of the specific contract language being acceptable to Julie.

MEMORANDUM

TO: OTRS Board of Trustees and Audit Committee

FROM: OTRS Staff (Tom Spencer, Julie Ezell and Lisa Van Liew)

DATE: March 21, 2015

RE: External Audit Services RFP Analysis

This is an excerpt from the Board memo before the February meeting. Below are the comments about the two firms who will be interviewed on Tuesday, March 24, 2015 at 1:00.

The RFP did not have any specific minimum requirements except that the firms (a) be authorized to perform accounting services by the Oklahoma Accountancy Board, and (b) had another firm do an external quality control “peer review.” All of the responding firms are authorized to practice in Oklahoma and each firm submitted documents showing they had undergone a peer review.

However, several topics and subjects were identified for each firm to address. These were:

- Understanding of the audit scope and deadlines
- Nature of the firm’s governmental auditing experience
- Composition of the audit team with relevant experience
- Fees described for the audit services

McGladrey

The incumbent external audit firm is Cole & Reed. Cole & Reed has done the last ten (10) external audits for TRS. Just this last year, Cole & Reed announced that the firm was merging with McGladrey which is the 5th largest accounting firm in the United States. They have been the external auditor for OPERS for about 8 years and do work for the Lottery Commission. Nationally they have been the auditor for the Illinois Teachers Retirement System, Illinois State University Retirement System, Indiana PERS, Ohio Fire & Police and Ohio School Employees. In Oklahoma the firm has worked for Oklahoma City Public Schools, Union Public Schools, Tulsa Public Schools, the University of Oklahoma and Oklahoma State University. If selected, TRS would have the same audit team. While not addressed in the proposal, the current engagement partner Mike Gibson, advised staff that they would assign a different engagement partner if there was any concern with the length of time the firm had been the TRS auditor.

The fee quote was the least expensive. Perhaps because they are the incumbent firm, the firm’s proposal was the least detailed and left out the requested audit timeline.

Eide Bailly

Eide Bailly is one of the top 25 largest CPA firms in the country with 26 offices in 12 states. They have offices in Oklahoma City, Tulsa and Norman. The TRS work would be coordinated out of the Oklahoma City office. The firm has 550 governmental clients and has done audit work for several pension plans around the country such as Idaho PERSI, Municipal Fire & Police of Iowa and the North Dakota Retirement System. They also work for Norman Schools and Rose State College. Government clients are the third largest “niche” for the firm. The firm has 160 full-time staff in the government area. The firm is

a member of the Government Audit Group of the AICPA. They have firm members in leadership positions among the members of the GFOA and AGA. Vanessa Dutton would be the engagement partner for the TRS work out of the Oklahoma City office. Ms. Dutton has participated in external audits of TRS and OPERS when she was with a different firm.

Their proposal was very detailed and laid out plans for transition issues, field work and delivering the final audit. The firm provides training for clients once a year in Oklahoma City. The firm's fee quote was in the middle of the pack and just a few thousand more expensive than the 2nd lowest. The only area of concern is that the team members assigned to TRS are not all in Oklahoma. Two are in Idaho and one is in South Dakota. They do have senior CPAs on the team in Oklahoma with the Engagement Partner, Senior Manager and Audit Manager in Oklahoma City.

Staff Recommendation

With McGladrey and Eide Bailly we have a good mix of a strong local presence coupled with strength and resources of national firms. Both firms have specific experience with auditing statewide public plans and experience in GASB 67 & 68 issues. McGladrey is the cheapest fee quote and Eide Bailly was third by a small margin. McGladrey (Cole & Reed) would have the shortest learning curve but some might want a change after 10 years. Eide Bailly is clearly competent but some of the members of the audit team are not the ones with experience auditing pension systems. The staff believes that either firm will do a great job for TRS.

SA&I Evaluation of Proposals to Provide Auditing Services for OTRS

The five respondent proposals to the OTRS RFP for financial statement audit services were separately reviewed based on a weighted average point system by:

Lisa Hodges, Deputy State Auditor & Inspector, and Cindy Wheeler, Director of Quality Assurance (SAI).

We each individually identified the top two candidates as **Eide Bailly** and **McGladrey**. The pros and cons we identified for each firm are presented below, and we believe either firm would be a good choice.

Pros:

Cons:

Eide Bailly

Very impressive/experienced consulting partners
Cost in middle – not much difference from 2nd, and ~ \$32,000 more than McGladrey, probably due to fact that McGladrey is already familiar with the audit
Eng. Partner has OTRS audit experience – but it has been several years
Senior Manager has large OK public school & post secondary education audit experience –
Norman Public Schools
Moore-Norman Vo-Tech
Rose State College
Bring a different approach to the audit – this is a definite positive
Firm has national experience with GASB 68

Local manager at OKC office – no pension or school audit experience listed

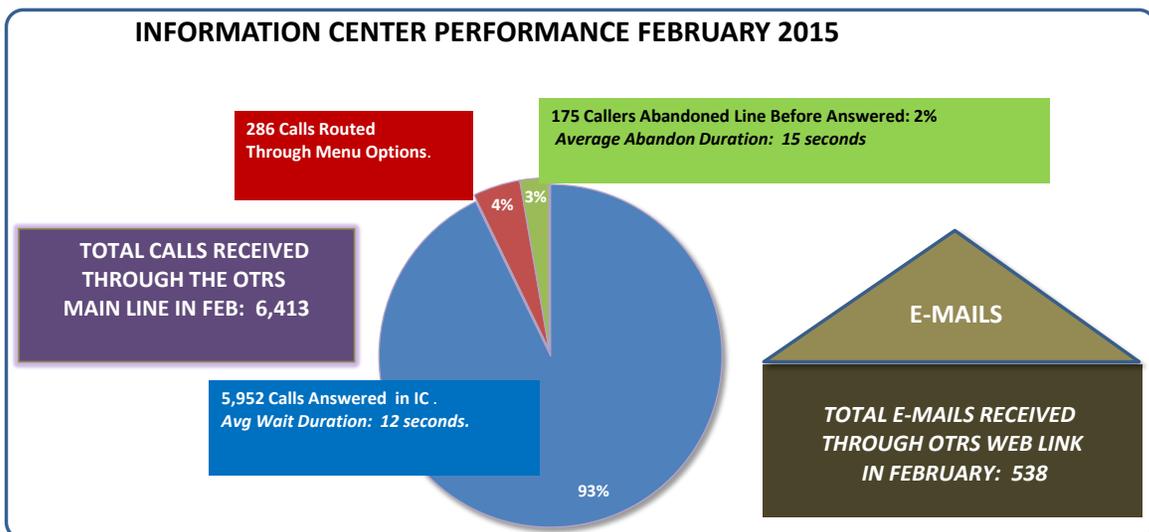
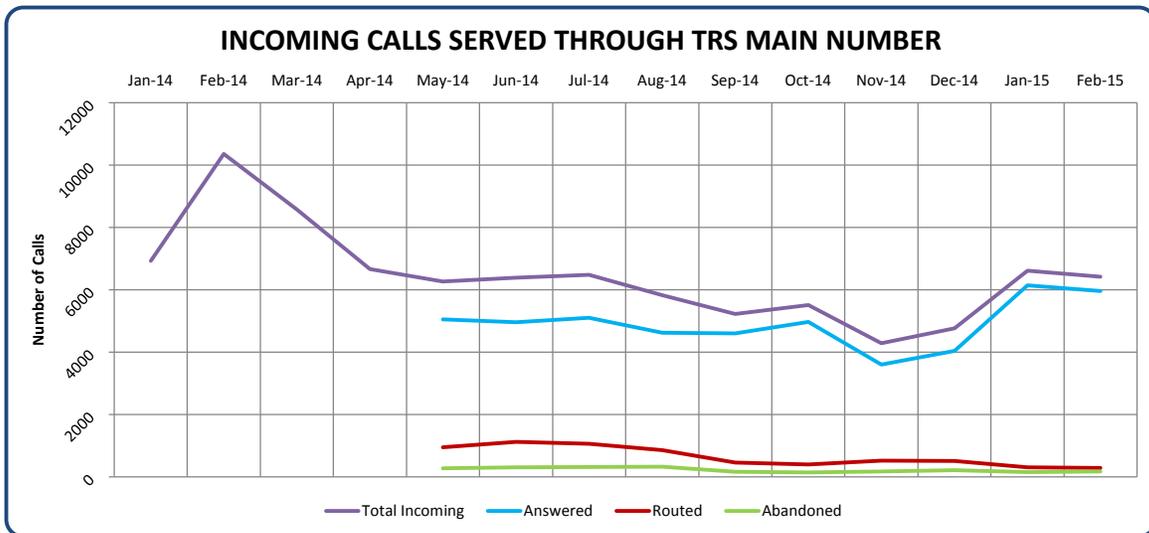
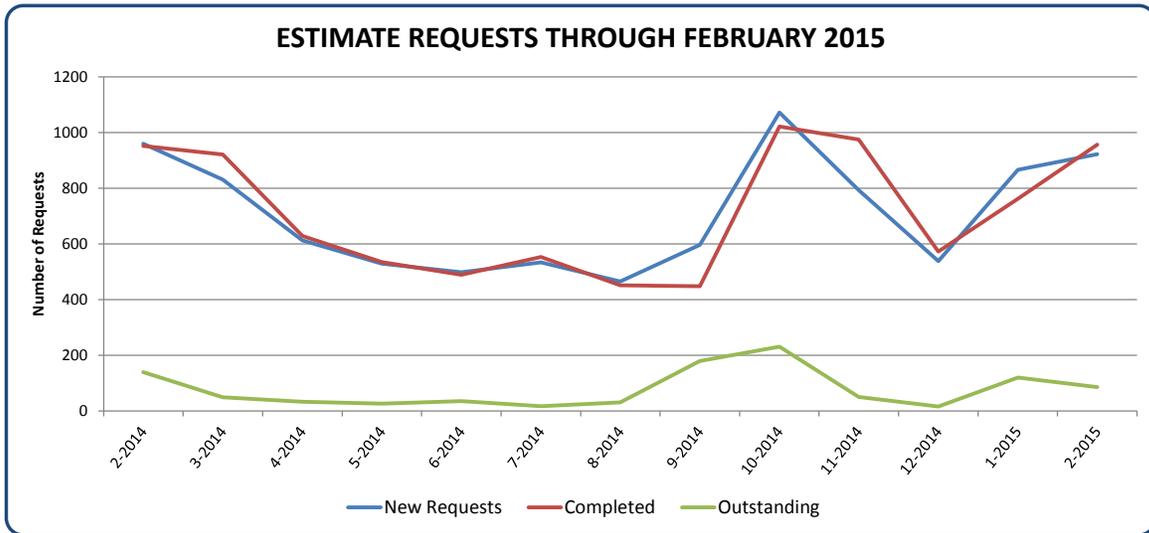
McGladrey (formerly Cole & Reed)

Lowest cost – probably due to fact they are familiar with the audit
Experience on OTRS audit – last 10 yrs
Also OPERS last 8 yrs
Experience with OTRS GASB allocation schedule
All audit staff are local, and they can draw from McGladrey's national experience
Timing is not good to switch audit firms – you might consider changing in 3 yrs if you go with this audit firm
Large OK public school & university audit experience –
OKC Public Schools – last 9 yrs
Tulsa Public Schools – last 6 yrs
Union Public Schools – last 11 yrs
OU, OSU
Cameron, Rogers State, Langston, & OK Panhandle State Universities
Connors State and Northeastern Oklahoma A&M Colleges

Have performed the audit for last 10 yrs – however they could assign a different partner to oversee audit and Mike Gibson could consult

	Eide Bailly	McGladrey
Address/Location	26 offices, 12 states, local Oklahoma City office	Oklahoma City, OK
Hours Estimate	860 (450 - 500 Financials, 250 – 350 GASB 68)	700 (600 Financials, 100 GASB 68)
Hourly Fees	Partner \$225/hr Senior Manager \$200/hr Manager \$180/hr Senior Assoc. \$150/hr Associate \$125/hr	Partner \$295/hr Director \$200/hr Manager \$160 - \$175/hr Senior \$120 - \$130/hr Staff \$100- \$110/hr
Yearly Fee	2014 - \$82,500 (FS \$50,000) 2015 - \$84,975 (FS \$51,500) 2016 - \$87,800 (FS \$53,300) 2017 - \$90,500 (FS \$55,000) 2018 - \$93,200 (FS \$57,600)	2010 - \$75,000 (FS \$62,000) 2011 - \$78,000 (FS \$64,500) 2012 - \$81,100 (FS \$67,100) 2013 - \$84,400 (FS \$69,800) 2014 - \$87,800 (FS \$72,600)
Audit Timeline	Planning/Pre-Work – April-May Interim Work (census data testing) – May- June Testwork – Sept – Oct Exit Conf and Draft Reports to Mgmt – Oct Final Report Submitted – 3 rd Wed in October Review of CAFR – Nov - Dec	Not given.
Service Team	<u>Vanessa Dutton</u> – Engagement Partner <u>Eric Berman, Lealan Miller and Thomas Madison</u> – Consulting Partners (primary contacts) <u>Carolyn Levings</u> – Senior Manager <u>Brad Berls</u> – Manager <u>Patrick Sagage</u> - Manager	<u>Mike Gibson</u> – Assurance Partner <u>Julie Jungman</u> – Assurance Director <u>Kara Trahan</u> – Assurance Manager
Firm Qualifications/Exper.	550 governmental clients, government 3 rd largest niche area	5 th largest public accounting firm nationally
Clients/References	Idaho PERS, SDRS, Norman Public Schools, Rose State College	OPERS, OK Lottery, Illinois Teachers, Indiana and Illinois Pers, OKC Public Schools, OTRS incumbent
Peer Review	OK	OK
Certificate of Good Standing	Yes	Yes

CLIENT SERVICES PERFORMANCE METRICS THROUGH FEBRUARY 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 3/1/2015 to 3/1/2015

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
New Retirements					
Disability	6	\$6,326.50	\$1,054.42	17.01	57.33
Normal	65	\$97,273.92	\$1,496.52	19.31	63.85
Total	71	\$103,600.42	\$1,459.16	19.12	63.30
Terminated Annuities	145	(\$191,794.84)	\$1,322.72	24.30	80.16

NORMAL RETIREMENTS			From 3/1/2015 to 3/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0144265	40	62	3/1/2015	103170	\$3,794.92
Q0288402	9	64	3/1/2015	103100	\$672.79
Q0049502	29	59	3/1/2015	103210	\$2,797.24
Q0144357	13	64	3/1/2015	102971	\$735.57
Q0103186	22	66	3/1/2015	103199	\$1,727.22
Q0160555	27	66	3/1/2015	103310	\$1,900.26
Q0186170	36	58	3/1/2015	103209	\$3,177.21
Q0168595	27	54	3/1/2015	103350	\$2,049.59
Q0162006	32	62	3/1/2015	103211	\$1,939.17
Q0163023	24	62	3/1/2015	103144	\$2,086.33
Q0103665	29	65	3/1/2015	103089	\$2,568.60
Q0253897	11	65	3/1/2015	103074	\$1,730.68
Q0165133	11	67	3/1/2015	103101	\$725.25
Q0239301	10	56	3/1/2015	103520	\$702.24
Q0216680	24	68	3/1/2015	103248	\$1,789.65
Q0103966	12	63	3/1/2015	103200	\$493.36
Q0226485	29	71	3/1/2015	103373	\$2,128.20
Q0051823	28	55	3/1/2015	103177	\$3,143.95
Q0239012	21	63	3/1/2015	103201	\$999.66
Q0302321	6	69	3/1/2015	103063	\$111.71
Q0067890	25	61	3/1/2015	103136	\$1,979.56
Q0047445	19	66	3/1/2015	103212	\$760.96
Q0143583	28	64	3/1/2015	103083	\$1,934.64
Q0182093	24	64	3/1/2015	103159	\$2,635.30
Q0206646	27	54	3/1/2015	103064	\$1,713.27
Q0282573	9	66	3/1/2015	103406	\$422.44
Q0117764	25	76	3/1/2015	103230	\$1,697.59
Q0130706	28	53	3/1/2015	103178	\$1,977.41
Q0019388	5	64	3/1/2015	103214	\$238.59
Q0217652	28	61	3/1/2015	103202	\$1,710.28
Q0049438	23	62	3/1/2015	103145	\$1,638.53
Q0219906	21	66	3/1/2015	103075	\$1,467.62
Q0027318	11	66	3/1/2015	103085	\$1,240.66
Q0163623	14	62	3/1/2015	103171	\$341.68
Q0275811	10	66	3/1/2015	103132	\$577.65
Q0248912	16	80	3/1/2015	103430	\$497.17
Q0021576	31	66	3/1/2015	103259	\$4,329.66
Q0088218	25	64	3/1/2015	103158	\$1,938.32
Q0110818	26	54	3/1/2015	103189	\$1,947.98
Q0247798	13	64	3/1/2015	103271	\$786.16
Q0105017	6	63	3/1/2015	103126	\$167.16
Q0024152	7	69	3/1/2015	103205	\$311.11
Q0063856	22	68	3/1/2015	103193	\$1,373.68
Q0237650	9	62	3/1/2015	103055	\$508.37
Q0124232	22	63	3/1/2015	102948	\$1,376.68
Q0246183	10	64	3/1/2015	103154	\$398.67
Q0082632	23	69	3/1/2015	103237	\$1,245.22
Q0122384	10	67	3/1/2015	103122	\$368.91

Q0064048	23	66	3/1/2015	103522	\$1,738.42
Q0184310	13	63	3/1/2015	103039	\$611.25
Q0103216	7	66	3/1/2015	103334	\$162.27
Q0165952	28	52	3/1/2015	102786	\$3,701.29
Q0212747	22	62	3/1/2015	103251	\$1,817.04
Q0086724	15	64	3/1/2015	103153	\$985.89
Q0234994	28	66	3/1/2015	103208	\$3,290.73
Q0231104	24	69	3/1/2015	103253	\$2,820.22
Q0145014	9	62	3/1/2015	103268	\$577.72
Q0067595	33	63	3/1/2015	103270	\$2,701.12
Q0067043	11	61	3/1/2015	103119	\$619.41
Q0063545	26	68	3/1/2015	103117	\$3,173.02
Q0018373	8	62	3/1/2015	102376	\$771.53
Q0027504	11	65	3/1/2015	103116	\$590.28
Q0033049	26	58	3/1/2015	103115	\$1,912.52
Q0279997	10	77	3/1/2015	103040	\$296.81
Q0049939	11	63	3/1/2015	103233	\$645.53
Averages	19.31	63.85			
			Totals	65	\$1,496.52
					\$97,273.92

DISABILITY RETIREMENTS			From 3/1/2015 to 3/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0071139	12	52	3/1/2015	D103521	\$779.10
Q0086683	20	60	3/1/2015	D103514	\$534.30
Q0047728	21	61	3/1/2015	D103515	\$880.61
Q0182250	10	60	3/1/2015	D103519	\$917.72
Q0146272	20	58	3/1/2015	D103513	\$1,343.53
Q0185236	20	53	3/1/2015	D103494	\$1,871.24
Averages	17.01	57.33			
			Totals	6	\$1,054.42
					\$6,326.50

TERMINATIONS

From 2/1/2015 to 2/28/2015

Termination Type	Years Of Service	Age	Death Date	Termination Date	Retirement Number	Benefit
Deceased	34	105	1/17/2015	2/1/2015	013113	\$1,512.14
Deceased	21	101	1/19/2015	2/1/2015	015325	\$1,023.91
Deceased	12	97	1/21/2015	2/1/2015	016947	\$469.30
Deceased	30	95	1/20/2015	2/1/2015	017248	\$1,106.03
Deceased	40	101	1/28/2015	2/1/2015	018152	\$1,931.35
Deceased	27	99	1/14/2015	2/1/2015	018680	\$1,213.31
Deceased	24	99	1/30/2015	2/1/2015	018927	\$1,140.06
Deceased	26	96	1/3/2015	2/1/2015	019713	\$965.06
Deceased	35	93	1/11/2015	2/1/2015	020722	\$714.80
Deceased	25	101	1/9/2015	2/1/2015	020778	\$746.03
Deceased	11	95	1/11/2015	2/1/2015	020848	\$144.85
Deceased	25	90	1/14/2015	2/1/2015	021251	\$779.92
Deceased	28	96	1/3/2015	2/1/2015	021386	\$1,366.73
Deceased	33	96	1/6/2015	2/1/2015	021574	\$1,640.07
Deceased	24	88	1/4/2015	2/1/2015	021853	\$776.67
Deceased	15	90	1/23/2015	2/1/2015	021908	\$465.16
Deceased	37	89	1/6/2015	2/1/2015	021972	\$1,976.96
Deceased	39	87	1/27/2015	2/1/2015	022073	\$953.04
Deceased	15	90	1/26/2015	2/1/2015	022729	\$594.79
Deceased	22	92	1/9/2015	2/1/2015	023804	\$1,088.48
Deceased	17	85	1/12/2015	2/1/2015	024137	\$303.76
Deceased	11	85	1/12/2015	2/1/2015	024423	\$161.67
Deceased	30	81	1/29/2015	2/1/2015	024467	\$1,872.66
Deceased	41	94	1/22/2015	2/1/2015	024870	\$1,960.41
Deceased	20	95	1/3/2015	2/1/2015	025168	\$1,229.50
Deceased	32	94	1/7/2015	2/1/2015	025176	\$1,776.31
Deceased	25	93	1/18/2015	2/1/2015	025396	\$1,368.26
Deceased	25	91	1/24/2015	2/1/2015	025415	\$1,552.97
Deceased	37	85	1/20/2015	2/1/2015	025477	\$1,920.69
Deceased	28	84	1/26/2015	2/1/2015	025859	\$1,479.39
Deceased	33	85	1/18/2015	2/1/2015	026372	\$2,045.70
Deceased	44	87	1/15/2015	2/1/2015	026394	\$1,237.92
Deceased	22	91	1/21/2015	2/1/2015	026568	\$1,347.35
Deceased	31	89	1/10/2015	2/1/2015	027291	\$1,695.33
Deceased	25	85	1/9/2015	2/1/2015	027495	\$1,276.24
Deceased	30	86	1/8/2015	2/1/2015	027740	\$1,759.48
Deceased	27	84	1/4/2015	2/1/2015	027808	\$743.36
Deceased	41	90	1/3/2015	2/1/2015	027830	\$2,368.93
Deceased	39	90	1/5/2015	2/1/2015	027871	\$2,051.67
Deceased	21	87	1/1/2015	2/1/2015	028209	\$1,332.59
Deceased	28	89	1/27/2015	2/1/2015	028317	\$1,742.52
Deceased	37	90	1/2/2015	2/1/2015	028984	\$1,228.09
Deceased	34	86	1/20/2015	2/1/2015	029412	\$1,732.54
Deceased	15	85	1/12/2015	2/1/2015	029890	\$199.78
Deceased	37	89	1/24/2015	2/1/2015	029925	\$2,006.23
Deceased	14	93	1/7/2015	2/1/2015	030005	\$462.93
Deceased	10	90	1/14/2015	2/1/2015	030048	\$361.84
Deceased	20	87	1/11/2015	2/1/2015	030213	\$752.26
Deceased	12	85	1/10/2015	2/1/2015	030343	\$292.00
Deceased	17	87	1/30/2015	2/1/2015	031301	\$509.27

Deceased	23	82	1/20/2015	2/1/2015	031606	\$719.97
Deceased	25	85	1/4/2015	2/1/2015	032049	\$1,447.79
Deceased	25	82	1/6/2015	2/1/2015	032066	\$1,308.81
Deceased	25	83	1/17/2015	2/1/2015	032730	\$1,361.95
Deceased	19	81	1/5/2015	2/1/2015	032794	\$875.22
Deceased	24	83	1/15/2015	2/1/2015	033104	\$788.27
Deceased	21	87	1/31/2015	2/1/2015	033499	\$1,250.68
Deceased	19	92	1/19/2015	2/1/2015	033745	\$1,461.63
Deceased	14	84	1/20/2015	2/1/2015	034055	\$152.29
Deceased	28	87	1/22/2015	2/1/2015	034149	\$1,554.04
Deceased	22	83	1/5/2015	2/1/2015	034391	\$1,069.98
Deceased	18	90	1/7/2015	2/1/2015	034520	\$520.14
Deceased	23	88	1/23/2015	2/1/2015	035082	\$1,447.79
Deceased	37	81	1/30/2015	2/1/2015	035314	\$2,939.55
Deceased	24	81	1/30/2015	2/1/2015	035315	\$757.52
Deceased	21	82	1/18/2015	2/1/2015	036093	\$930.95
Deceased	12	78	1/28/2015	2/1/2015	036172	\$361.88
Deceased	25	87	1/15/2015	2/1/2015	036180	\$1,707.43
Deceased	12	85	1/1/2015	2/1/2015	036217	\$369.68
Deceased	12	86	1/14/2015	2/1/2015	036532	\$684.34
Deceased	13	84	1/9/2015	2/1/2015	036948	\$249.86
Deceased	40	85	1/19/2015	2/1/2015	037247	\$2,920.66
Deceased	33	82	1/11/2015	2/1/2015	038766	\$2,593.21
Deceased	10	84	1/31/2015	2/1/2015	038768	\$337.32
Deceased	23	81	1/19/2015	2/1/2015	039749	\$677.35
Deceased	23	77	1/21/2015	2/1/2015	039992	\$1,783.84
Deceased	41	86	1/7/2015	2/1/2015	040086	\$2,742.55
Deceased	31	77	1/24/2015	2/1/2015	040411	\$1,960.82
Deceased	24	82	1/7/2015	2/1/2015	041504	\$1,502.47
Deceased	16	81	1/7/2015	2/1/2015	041586	\$653.30
Deceased	12	82	1/10/2015	2/1/2015	041589	\$418.55
Deceased	21	79	1/30/2015	2/1/2015	041796	\$1,467.41
Deceased	30	71	1/11/2015	2/1/2015	042444	\$2,217.37
Deceased	28	81	1/25/2015	2/1/2015	042755	\$1,946.49
Deceased	20	79	1/11/2015	2/1/2015	043200	\$308.03
Deceased	34	83	1/1/2015	2/1/2015	044078	\$1,745.54
Deceased	31	84	1/26/2015	2/1/2015	045131	\$2,420.76
Deceased	20	80	1/8/2015	2/1/2015	045901	\$904.19
Deceased	27	73	1/12/2015	2/1/2015	046135	\$1,835.12
Deceased	27	71	1/6/2015	2/1/2015	046765	\$1,808.93
Deceased	12	69	1/17/2015	2/1/2015	047318	\$238.81
Deceased	28	70	1/31/2015	2/1/2015	048521	\$1,530.54
Deceased	29	67	1/11/2015	2/1/2015	048902	\$2,274.77
Deceased	12	83	1/22/2015	2/1/2015	049216	\$571.58
Deceased	30	67	1/25/2015	2/1/2015	049539	\$1,928.56
Deceased	33	69	1/16/2015	2/1/2015	050378	\$2,444.68
Deceased	12	83	1/25/2015	2/1/2015	051801	\$318.46
Deceased	32	78	1/16/2015	2/1/2015	053878	\$2,585.78
Deceased	17	78	1/6/2015	2/1/2015	054285	\$302.96
Deceased	34	76	1/8/2015	2/1/2015	054374	\$2,165.61
Deceased	31	80	1/28/2015	2/1/2015	054764	\$791.03
Deceased	12	77	1/18/2015	2/1/2015	055338	\$210.34
Deceased	29	64	1/16/2015	2/1/2015	055977	\$2,219.46
Deceased	28	70	1/19/2015	2/1/2015	056493	\$2,088.13

Deceased	22	71	1/5/2015	2/1/2015	057815	\$1,437.34
Deceased	5	74	1/30/2015	2/1/2015	058632	\$266.76
Deceased	33	66	1/23/2015	2/1/2015	058801	\$2,392.11
Deceased	33	66	1/23/2015	2/1/2015	058801	\$2,392.11
Deceased	14	73	1/10/2015	2/1/2015	058923	\$345.64
Deceased	27	65	1/8/2015	2/1/2015	059496	\$1,805.52
Deceased	17	74	1/13/2015	2/1/2015	059646	\$984.58
Deceased	20	76	1/23/2015	2/1/2015	060310	\$1,262.46
Deceased	15	73	1/27/2015	2/1/2015	060508	\$790.28
Deceased	31	69	1/18/2015	2/1/2015	062239	\$2,794.75
Deceased	38	76	1/28/2015	2/1/2015	062326	\$2,954.23
Deceased	13	73	1/28/2015	2/1/2015	062411	\$735.94
Deceased	17	74	1/13/2015	2/1/2015	063220	\$846.93
Deceased	29	78	1/11/2015	2/1/2015	064340	\$2,138.13
Deceased	7	71	1/31/2015	2/1/2015	064678	\$191.07
Deceased	21	71	1/13/2015	2/1/2015	065367	\$1,006.38
Deceased	28	72	1/13/2015	2/1/2015	065672	\$1,578.99
Deceased	20	71	1/19/2015	2/1/2015	066474	\$900.30
Deceased	11	67	1/1/2015	2/1/2015	068680	\$316.42
Deceased	20	70	1/22/2015	2/1/2015	068971	\$1,541.47
Deceased	19	71	1/19/2015	2/1/2015	071159	\$1,455.46
Deceased	41	69	1/31/2015	2/1/2015	071762	\$3,483.17
Deceased	39	66	1/11/2015	2/1/2015	072070	\$2,763.02
Deceased	37	82	1/23/2015	2/1/2015	073145	\$1,232.97
Deceased	23	66	1/25/2015	2/1/2015	076326	\$1,027.45
Deceased	42	66	1/15/2015	2/1/2015	077794	\$4,801.93
Deceased	12	65	1/21/2015	2/1/2015	078233	\$618.63
Deceased	17	64	1/12/2015	2/1/2015	078785	\$971.98
Deceased	33	68	1/11/2015	2/1/2015	093894	\$1,315.12
Deceased	41	65	1/19/2015	2/1/2015	094996	\$4,234.81
Deceased	29	54	1/28/2015	2/1/2015	096575	\$3,002.16
Deceased	28	69	1/16/2015	2/1/2015	097853	\$801.40
Deceased	10	64	1/16/2015	2/1/2015	101745	\$592.03
Deceased	6	68	1/4/2015	2/1/2015	103037	\$158.92
Deceased	25	92	1/19/2015	2/1/2015	D00865	\$1,196.94
Deceased	14	72	1/4/2015	2/1/2015	D00930	\$740.64
Deceased	24	62	1/18/2015	2/1/2015	D01987	\$1,838.25
Deceased	17	69	1/9/2015	2/1/2015	D02531	\$788.96
Deceased	17	61	1/21/2015	2/1/2015	D03208	\$668.98
Deceased	12	58	1/30/2015	2/1/2015	D093390	\$945.09
Deceased	19	51	1/11/2015	2/1/2015	D101857	\$1,220.82

Averages	24.30	80.16				\$1,322.72
			Totals	145		\$191,794.84



**OKLAHOMA TEACHERS
RETIREMENT SYSTEM**

**HR STATUS REPORT
3/25/2015**

HR STATUS REPORT

- **New Hires (February 2015):**
n/a
- **Resignations/Terminations/Retirements (February 2015):**
n/a
- **Promotion (February 2015):**
n/a

MISCELLANEOUS PAYMENTS

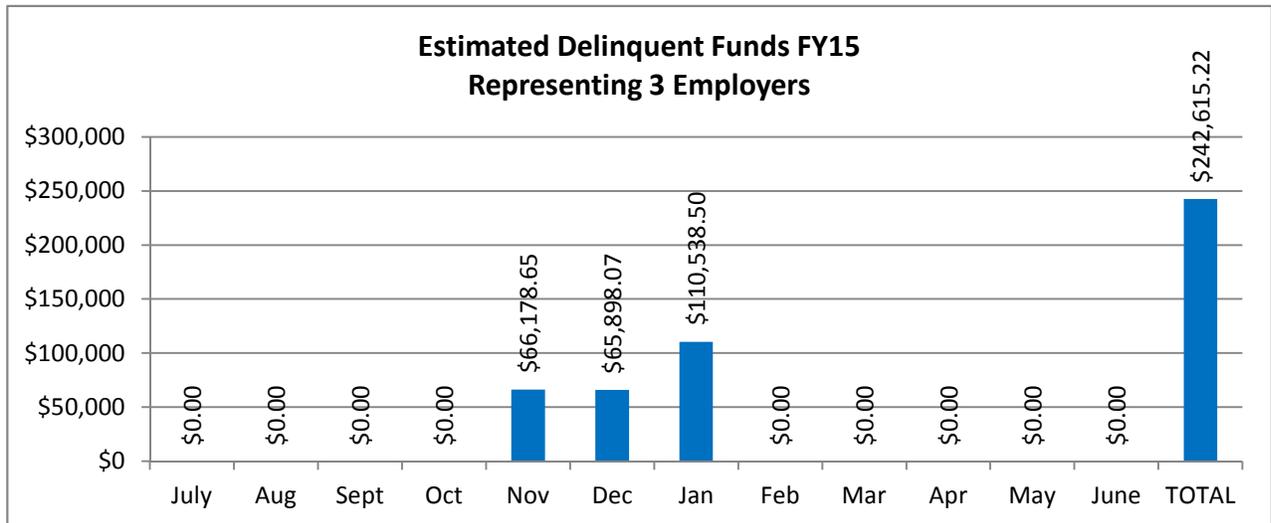
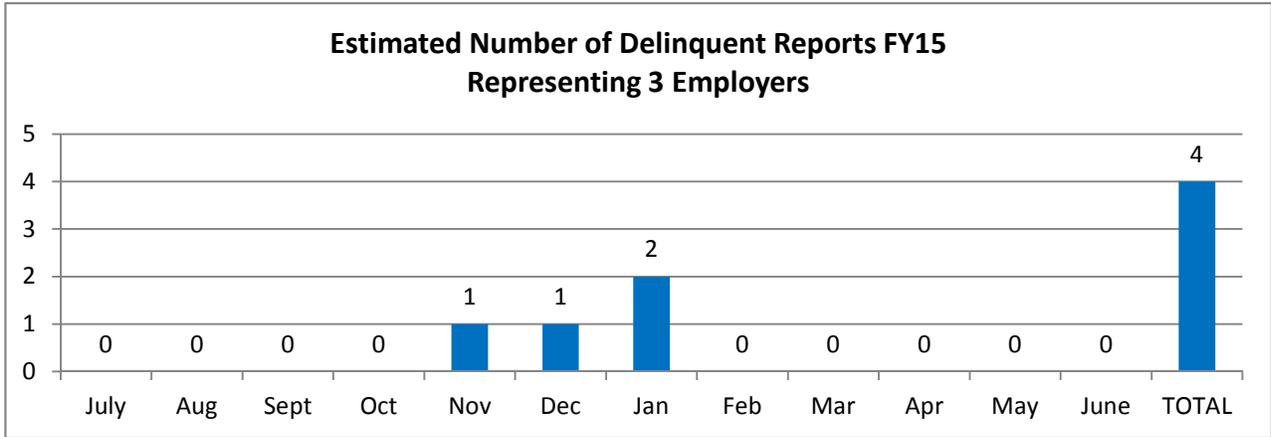
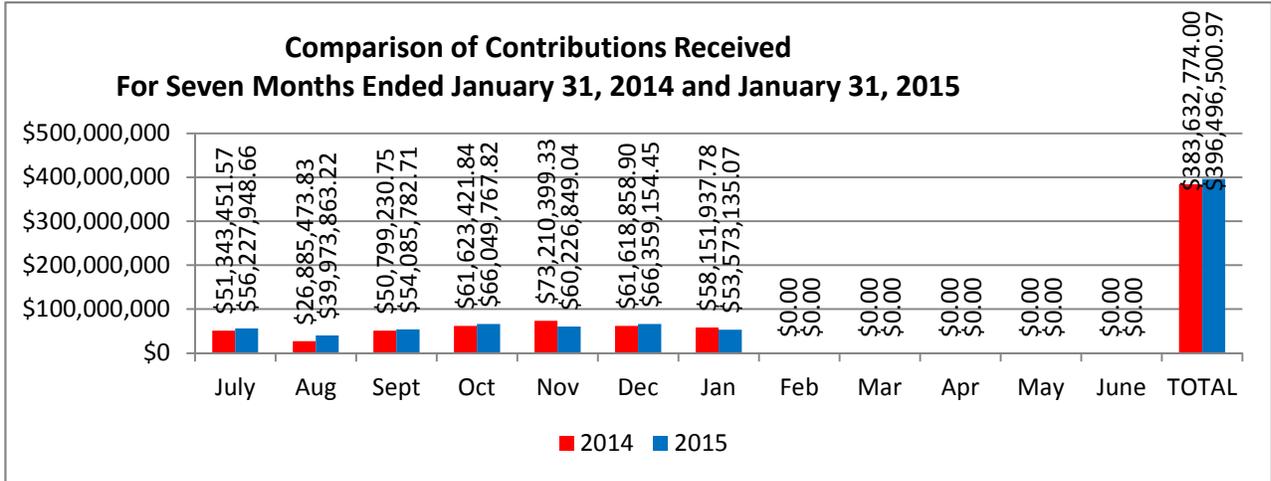
- **Severance Payments:**
n/a

NEW HIRES, RESIGNATIONS, RETIREMENTS OR OTHER CHANGES PENDING

- Financial Accountant – internal applicant – effective 03/01/2015 (Apr 2015 report)
- Director of Finance/Chief Financial Officer – effective 03/30/2015 (Apr 2015 report)

Employer Reporting

Analysis of Employee and Employer Contributions Received





**BALANCE SHEET
FEBRUARY 28, 2015**

CURRENT ASSETS:

Cash Not Available For Investment	\$17,652,146.19
Equities (At Market Value)	11,155,103,617.34
Fixed Income (At Market Value)	2,947,742,244.76
Short-Term Investment Account	366,007,597.91
Due From/(To) Broker	(130,891,897.42)
Accounts Receivable Installment Payments	1,237,028.93
Prepaid Retirement Benefits	78,208,940.50
Accrued Income	<u>48,790,082.23</u>

Total Current Assets

14,483,849,760.44

CAPITAL ASSETS:

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

TOTAL ASSETS

\$14,486,698,331.41

CURRENT LIABILITIES:

Teachers' Savings Fund	\$4,470,767,908.41
Retirement Benefit Fund	9,464,577,563.84
Interest Fund	475,108,232.61
Expense Fund	36,691,849.79
Suspense Fund	<u>36,244,929.53</u>

Total Current Liabilities

14,483,390,484.18

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

\$14,486,698,331.41

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE EIGHT MONTHS ENDED FEBRUARY 28

	<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	174,426,512.47	170,259,586.38	2.45%
Employer Contributions	253,102,878.69	247,458,113.47	2.28%
State Credits	25,019,015.00	24,992,473.00	0.11%
Reimbursed Administrative	14,189.05	70,971.91	-80.01%
Matching Funds from Schools	15,573,481.56	16,185,147.42	-3.78%
Lottery Revenue	2,062,444.00	2,116,350.00	-2.55%
Cigarette Sales Tax Revenue	1,097,370.37	1,085,080.90	1.13%
Dedicated Revenue	210,962,483.73	198,866,320.95	6.08%
Total Retirement Receipts	682,258,374.87	661,034,044.03	3.21%
Interest Income (Fixed Income and Short-Term)	84,766,019.02	84,080,969.28	0.81%
Dividend Income	134,759,527.73	146,292,864.65	-7.88%
Net Realized Gain/(Loss)	580,108,211.50	648,621,970.78	-10.56%
Net Unrealized Gain/(Loss)	(332,191,100.85)	971,403,912.77	-134.20%
Investment Operations Income:			
Class Action Lawsuit Proceeds	108.64	315,948.40	-99.97%
Other Income	95,652.80	(729.63)	13209.77%
Securities Lending Income	7,569,813.77	5,201,113.14	45.54%
Total Investment Income	475,108,232.61	1,855,916,049.39	-74.40%
TOTAL RECEIPTS	1,157,366,607.48	2,516,950,093.42	-54.02%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	775,874,789.98	741,837,072.76	4.59%
Insurance Premiums Paid for Retirees	20,303,815.00	20,158,706.00	0.72%
Death Benefits	9,821,059.30	10,488,247.59	-6.36%
Withdrawals of Accounts	22,500,763.64	20,433,151.31	10.12%
Total Benefit Payments	828,500,427.92	792,917,177.66	4.49%
Administrative Expense:			
General Operations	3,380,234.38	3,413,980.05	-0.99%
Investment Expense	36,364,487.71	32,306,975.29	12.56%
Total Administrative Expenses	39,744,722.09	35,720,955.34	11.26%
TOTAL DISBURSEMENTS	868,245,150.01	828,638,133.00	4.78%
NET INCREASE/(NET DECREASE)	289,121,457.47	1,688,311,960.42	-82.88%
Balance of Cash and Investments, February 28	<u>\$14,490,791,016.90</u>	<u>\$13,506,073,205.82</u>	



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2014 and Fiscal Year 2015
8 Months Ended February 28

Object of Expenditure	FY-2014 YTD Actual Expenditures 2/28/2014	FY-2015 YTD Actual Expenditures 2/28/2015	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,239,637	1,183,606	(56,031)	-4.5%
Taxes, Benefits, and Other Expenses	603,153	600,204	(2,948)	-0.5%
Subtotal Personal Services	1,842,789	1,783,810	(58,979)	-3.2%
Professional Services				
Investment Manager Expenses	22,481,938	22,770,525	288,587	1.3%
Investment Consultant Expenses	468,000	528,000	60,000	12.8%
Investment Custodian Expenses	52,468	0	(52,468)	-100.0%
Pension Commission Expenses	34,445	15,016	(19,428)	-56.4%
Subtotal Investment Expenses	23,036,851	23,313,541	276,690	1.2%
Legal Services - Special Projects	2,006	23,185	21,179	1055.7%
Legal Services - Attorney General	51,406	743	(50,664)	-98.6%
Administrative Hearings	0	0	0	0.0%
Auditing Services	105,002	201,668	96,666	92.1%
Actuarial Services	76,305	65,564	(10,741)	-14.1%
Medical Hearings	4,800	6,300	1,500	31.3%
Reimbursement for Executive Director Services	0	29,444	29,444	0.0%
Marketing Consultant	15,694	0	(15,694)	-100.0%
Miscellaneous Services	48,639	59,327	10,689	22.0%
Subtotal Professional Services	303,852	386,231	82,379	27.1%
Total Professional Services	23,340,703	23,699,772	359,069	1.5%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	20,916	15,477	(5,439)	-26.0%
Employee Training	10,875	4,773	(6,102)	-56.1%
Employee Travel Expenses	22,018	13,035	(8,983)	-40.8%
Subtotal Travel and Per Diem Expenses	53,809	33,285	(20,525)	-38.1%
Administrative Expenses				
Postage	94,741	141,027	46,286	48.9%
Telecommunications Services	17,841	16,012	(1,829)	-10.3%
Printing and Binding Contracts	41,565	27,463	(14,102)	-33.9%
Informational Services	58,133	29,550	(28,583)	-49.2%
Rent and Maintenance	151,507	137,347	(14,160)	-9.3%
Office Supplies	10,895	17,161	6,266	57.5%
Buildings and Other Structures Construction and Renovation	4,689	0	(4,689)	-100.0%
Miscellaneous Administrative Expenses	20,600	21,338	738	3.6%
Subtotal Administrative Expenses	399,971	389,898	(10,073)	-2.5%
Data Processing Expenses				
Professional Services	582,255	505,186	(77,069)	-13.2%
Rent and Maintenance	2,677	1,765	(912)	-34.1%
Office Supplies	2,523	0	(2,523)	-100.0%
Equipment - Telecommunications	0	2,621	2,621	0.0%
Subtotal Data Processing Expenses	587,455	509,572	(77,883)	-13.3%
Total Expenses	26,224,728	26,416,337	191,609	0.7%
Total Investment Expenses Only	23,036,851	23,313,541	276,690	1.2%
Total Data Processing Expenses Only	587,455	509,572	(77,883)	-13.3%
Total except Investment & Data Processing Expenses	2,600,422	2,593,224	(7,198)	-0.3%



SCHEDULE II
Comparison of FY2015 Budget to Actual Expenses
8 Months ended February 28, 2015 Year to Date Comparison

Object of Expenditure	8 Month FY-2015 YTD Budget	8 Month FY-2015 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,617,558	1,183,606	(433,952)	-26.8%
Taxes, Benefits, and Other Expenses	866,581	600,204	(266,377)	-30.7%
Subtotal Personal Services	2,484,139	1,783,810	(700,329)	-28.2%
Professional Services				
Investment Manager Expenses	27,077,820	22,770,525	(4,307,295)	-15.9%
Investment Consultant Expenses	468,000	528,000	60,000	12.8%
Investment Custodian Expenses	46,000	0	(46,000)	-100.0%
Pension Commission Expenses	35,000	15,016	(19,984)	-57.1%
Subtotal Investment Expenses	27,626,820	23,313,541	(4,313,279)	-15.6%
Legal Services - Special Projects	5,600	23,185	17,585	314.0%
Legal Services - Attorney General	5,000	743	(4,257)	-85.1%
Administrative Hearings	3,320	0	(3,320)	-100.0%
Auditing Services	154,000	201,668	47,668	31.0%
Actuarial Services	120,000	65,564	(54,436)	-45.4%
Medical Hearings	10,280	6,300	(3,980)	-38.7%
Reimbursement for Executive Director Services	0	29,444	29,444	0.0%
Marketing Consultant	25,000	0	(25,000)	-100.0%
Miscellaneous Services	23,454	59,327	35,873	153.0%
Subtotal Professional Services	346,654	386,231	39,577	11.4%
Total Professional Services	27,973,474	23,699,772	(4,273,702)	-15.3%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	34,400	15,477	(18,923)	-55.0%
Employee Training	16,735	4,773	(11,962)	-71.5%
Employee Travel Expenses	63,172	13,035	(50,137)	-79.4%
Subtotal Travel and Per Diem Expenses	114,307	33,285	(81,022)	-70.9%
Administrative Expenses				
Postage	170,000	141,027	(28,973)	-17.0%
Telecommunications Services	26,664	16,012	(10,652)	-39.9%
Printing and Binding Contracts	66,958	27,463	(39,495)	-59.0%
Informational Services	31,983	29,550	(2,433)	-7.6%
Rent and Maintenance	177,059	137,347	(39,712)	-22.4%
Office Supplies	24,809	17,161	(7,648)	-30.8%
Equipment	6,835	0	(6,835)	-100.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	24,006	21,338	(2,668)	-11.1%
Subtotal Administrative Expenses	528,314	389,898	(138,416)	-26.2%
Data Processing Expenses				
Professional Services	655,069	505,186	(149,883)	-22.9%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	3,500	1,765	(1,735)	-49.6%
Office Supplies	4,164	0	(4,164)	-100.0%
Equipment - Telecommunications	22,000	2,621	(19,379)	-88.1%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Subtotal Data Processing Expenses	684,733	509,572	(175,161)	-25.6%
Total Expenses	31,784,967	26,416,337	(5,368,630)	-16.9%
Total Investment Expenses Only	27,626,820	23,313,541	(4,313,279)	-15.6%
Total Data Processing Expenses Only	684,733	509,572	(175,161)	-25.6%
Total except Investment and Data Processing Expenses	3,473,414	2,593,224	(880,190)	-25.3%



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
Executive Director Search	0.00	43,008.65	0.00
Document Destruction	2,400.00	1,351.00	1,488.52
Security	5,864.00	4,258.79	4,326.00
Business Service Center	3,200.00	8,079.02	2,443.59
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>\$23,454.00</u>	<u>\$59,327.48</u>	<u>\$48,638.64</u>

Miscellaneous Administrative Expenses

	Budget	Expenses	Expenses
	<u>2015</u>	<u>2015</u>	<u>2014</u>
Bank Service Charges	4,960.00	4,483.89	5,805.73
ERP Systems - PeopleSoft	2,176.00	1,593.00	2,124.00
Licenses, Permits, Certificates and Other Rights	1,095.00	1,928.50	1,630.50
Membership in Organizations	10,195.00	8,140.00	5,975.00
Advertising	2,580.00	813.52	2,493.38
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>\$24,006.00</u>	<u>\$21,338.20</u>	<u>\$20,599.94</u>



**CLAIMS FOR AUTHORIZED EXPENDITURES
FEBRUARY 28, 2015**

Expenses of Board

Trustee	Meeting, February travel	\$	127.40
Trustee	Meeting, February travel		181.70
			309.10

Travel of Employees

Executive Director	Airfare - NASRA Winter Conference		448.70
			448.70

Communications

Ala Carte Courier	Courier services		113.00
AT&T	Wireless, OneNet charges		511.76
Cox Communications	Cable charges		43.56
FedEx	Freight		7.71
JP Morgan Chase Bank, NA	Account analysis bank fees		621.76
Office of Management and Enterprise Services	Desktop, laptop, email support		6,799.76
Office of Management and Enterprise Services	Server support, disk storage & network support		3,888.00
Office of Management and Enterprise Services	Telecommunications, transaction fees		1,880.99
Thomson West	Legal subscription service		235.00
			14,101.54

Contingency, Maintenance, Insurance, Rent, Etc.

Department of Education	Building security (December 2014)		693.50
Department of Libraries	Records storage - January		507.00
Disaster Recovery Conference	Registration fee		1,035.00
Executive Assistant	Board meeting refreshments		17.16
Extreme Beans Coffee	Kitchen supplies		405.70
First Aid Express	Safety supplies		86.20
Ford Audio Systems	Board microphone maintenance		150.00
GFOA	Certificate of Achievement application fee		1,095.00
Internal Revenue Service	U.S. Residency Certification form 8802		85.00
McAlister's Deli	Catering - February board meeting		283.41
Office of Management and Enterprise Services	Office rent - February		13,195.27
Oklahoma State Treasurer	Bank charges		15.00
Precision Document Solutions	Printer maintenance		376.02
Sheraton MWC Hotel & Reed Conference Center	Retirement seminar		7,132.00
Standley Systems, LLC	Copier lease		4,912.23
Staples	Office supplies		840.85
Walker Co.	Office supplies		29.92
			30,859.26



**CLAIMS FOR AUTHORIZED EXPENDITURES
FEBRUARY 28, 2015**

Investment Expenditures

Advisory Research, Inc.	Investment management fees second quarter	\$ 1,074,519.38
AJO	Investment management fees second quarter	291,366.00
Bloomberg Financial Markets	Terminal usage	6,000.00
Cove Street Capital	Investment management fees second quarter	182,524.00
Cushing MLP Asset Management	Investment management fees second quarter	432,762.13
Frontier Capital Management	Investment management fees second quarter	1,088,005.64
Geneva Capital Management	Investment management fees second quarter	338,573.00
GMEI	Global Markets Entity Identifier utility	110.01
Gregory W Group	January 2015 consultant fees	88,500.00
Hotchkis & Wiley	Investment management fees second quarter	1,100,882.94
Loomis Sayles & Company	Investment management fees second quarter	536,170.81
Lord Abbett & Co.	Investment management fees second quarter	489,156.48
Shapiro Capital Management	Investment management fees second quarter	1,388,337.83
Wasatch Advisors, Inc.	Investment management fees second quarter	815,364.02
Wellington Management Co.	Investment management fees second quarter	875,247.39
		<hr/>
		8,707,519.63

Professional Services, Workers Comp Insurance

Attorney General	Legal fees - December	637.50
Compsource Oklahoma	Workers compensation premiums	3,186.00
Gabriel, Roeder Smith & Co.	Actuarial evaluation and consulting	14,620.75
George R Jay MD	February 2015 medical board	300.00
MY Consulting Inc.	ALICE development	66,900.00
Office of Management and Enterprise Services	Interagency mail/postage	50,957.92
Office of Management and Enterprise Services	Printing	14,529.61
Payton Osborne MD	February 2015 medical board	300.00
Stinnett & Associates LLC	Audit services January 2015	34,749.00
The Meadows	Document destruction	135.00
		<hr/>
		186,315.78



**CLAIMS FOR AUTHORIZED EXPENDITURES
FEBRUARY 28, 2015**

Salaries and Fringe Benefits

Salaries	Administrative department	\$ 29,726.18
Salaries	Finance/Accounting department	22,052.09
Salaries	Client Services department	87,695.11
Salaries	Investment department	5,000.00
Longevity Payroll		2,850.00
Excess Benefit Allowance		3,658.39
FICA/MQFE	Social Security and Medicare	11,489.71
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	849.60
Oklahoma Group Insurance	Employee health, dental, and life	32,372.15
Teachers' Retirement System of Oklahoma	Employees retirement contributions	32,636.76
Unemployment compensation	Unemployment for Agency payroll	1,416.55
		<u>229,746.54</u>
 Grand Total		 <u>\$ 9,169,300.55</u>