THE ADVISOR
Quarterly Newsletter of the Oklahoma Teachers Retirement System

Oklahoma Teachers Retirement System

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Teachers Retirement System ranks in first percentile of all public funds in United States

OTRS is best performing public retirement fund in state

The Oklahoma Teachers Retirement System ranks in the first percentile of all public funds in the United States, according to a recently released Oklahoma Pension Commission report. The Oklahoma Teachers Retirement System had a 16.3 percent return on investments in the first nine months of fiscal year 2013, bringing the fund's assets to more than $11.6 billion.

The OTRS fund ranked in the first percentile in all time periods measured in the report, including most recent quarter to the 10-year rankings. The System also outpaced all other state pension funds by a wide margin in terms of national percentile. The next highest ranking state fund sits at the 23rd percentile for this fiscal year's returns.

"The continued, strong performance of the fund demonstrates the Board of Trustees, investment consultant and OTRS staff's consistent work to protect and grow our clients' investments in a strategic, beneficial manner," said Dr. James Wilbanks, OTRS Executive Director. "While this ranking is highly rewarding, we will continue to work for the benefit of our clients in everything we do."

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Fall 2013 Seminar Series

We are happy and excited to announce the next series of Pre-Retirement Planning Seminars. Due to the overwhelming response we have received in recent years, we want to continue to focus our efforts on educating our clients about the retirement process.

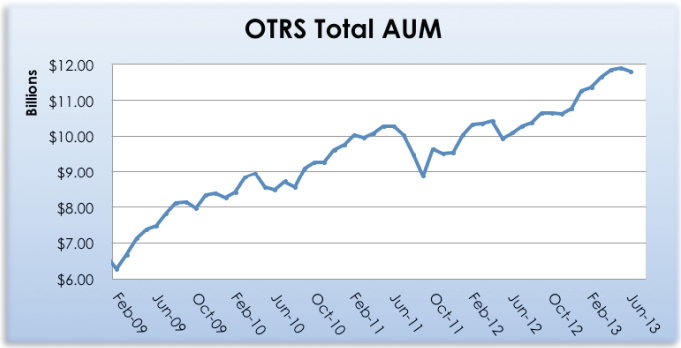
At the seminars planned for this Fall, we will provide individualized account information along with essential retirement planning information to include:

- How to determine retirement eligibility
- Retirement benefit calculation method
- Retirement plan options
- Post retirement employment guidelines

We will be hosting two seminars this Fall; one in Oklahoma City and one in Tulsa. In the weeks to come, additional information about the seminars will be mailed to your employer, posted on our website, and placed on our Facebook page at facebook.com/ok.TRS. Pre-registration will be required.

2nd Quarter Investment Recap

Global equities charged higher in the second quarter of 2013, and OTRS was a beneficiary of the robust domestic markets. This increase in equity markets, coupled with strong manager performance and healthy performance in non-traditional assets, helped OTRS realize an annual return of 17.80% for fiscal year 2013. The fourth quarter investment returns modestly strengthened an already banner year by contributing a 1.30% total portfolio return outpacing the benchmark by more than 1.00%.



The System's assets grew at a phenomenal rate over the past twelve months, yielding nearly $2 billion in gains. In comparison to the composite benchmark, the OTRS portfolio outperformed by 3.38%, and nearly every asset class outperformed their comparative benchmark. Most importantly, the average annual return for the total portfolio since 1991 is an astounding 9.4%, well in excess of our target return of 8%.

Service Milestones

1 YEAR

After one year of contributory service you are eligible to purchase previously withdrawn OTRS service or submit a request to transfer service from other Oklahoma retirement pension systems.

2 YEARS

After two years of contributory service you are eligible to request to purchase one year of prior service performed in another state pension system or military service. The limit to be purchased is five years.

5 YEARS

Your pension is "vested" or guaranteed. Meaning, as long as your funds are not withdrawn, you will be able to receive a lifetime monthly benefit payable upon eligibility.

10 YEARS

- Should you find yourself unable to work due to a medical disability, you are eligible to apply for retirement benefits with at least 10 years of service.
- 10 years of service credit qualifies you to continue to receive health insurance benefits and receive the insurance supplement upon retirement.

30 YEARS

Those clients retiring with 30 or more years of service are eligible for the Partial Lump Sum Option (PLSO). A retiring client may elect to take a reduction in their lifetime monthly benefit in exchange for a lump sum payment of 12, 24 or 36 months of retirement benefits upon retirement. Visit our website for additional information regarding these milestones.

First Step to Retirement

Pre-Retirement Information Verification

To initiate the retirement process, you will need to complete a Pre-Retirement Information Verification (PIV) form. This will ensure your retirement experience is as easy and complete as possible.

The PIV will ask you to provide information such as your name, address and requested retirement date. It also asks for your date of birth and if you want to provide for a joint annuitant. Once this completed form has been received along with all required documentation, we will proceed with preparing an estimate of your retirement benefits.

You may obtain this form by contacting our office and requesting one by mail, by email, or you may download it from our website, **www.ok.gov/TRS**.

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Wilbanks says the board's investment philosophy is to be patient long-term investors. The OTRS Board of Trustees has also demonstrated a willingness to buck investment trends, either investing in areas before others see the value or to getting into an area with good, long-term value when others are leaving due to short-term issues. This philosophy earned the System recognition as the best mid-sized pension plan investor in the country by Money Management Intelligence, a division of Institutional Investor Magazine last year.

"We make a point of being different in order to achieve our long-run total return target, net of fees. We believe that philosophy and our board and staff's prudent steps in cutting our operating costs, renegotiating investment contracts and streamlining internal processes, all contribute to the success of the system," said Wilbanks.

Oklahoma Teachers Retirement System

Post Office Box 53524
Oklahoma City OK 73152-3524

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Have Questions? Need Help?

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On the phone: 1-877-738-6365 or 405-521-2387
On the web: www.ok.gov/TRS or facebook.com/okTRS

Printed by University Printing Services and issued by Oklahoma Teachers Retirement System. 141,000 copies were printed at a cost of $10,000.00. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

A Secure Retirement – *For Everyone*

By James R. Wilbanks, Ph.D.
Executive Director
Oklahoma Teachers Retirement System

Is my retirement safe? Will I get my money? These are questions we hear from our clients every day. And the answer is, "yes."

The benefits you have earned cannot be taken away. If you are already retired, your retirement benefit will be there for you every month. There is no danger that retired or active members will not receive the benefits they have earned. The state of Oklahoma must keep its promise to 220,000 current state employees and retirees.

At the same time, state leaders must consider our changing public workforce and overburdened taxpayer. It is essential that future employees are provided an affordable retirement plan that meets their needs.

Numerous ideas are being offered, and we welcome the opportunity to be at the table during discussion and debate on proposed solutions.

The Board of Trustees and executive leadership of OTRS view it as our privilege to serve public education employees of Oklahoma. We will continue to work with the Governor and Legislature to protect and promote the financial stability of all state public pension systems.