

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, April 22, 2015 – 9:00 AM**  
**TRS Administration Board Room**  
**2500 N. Lincoln Blvd., 5<sup>th</sup> Floor, Oklahoma City, OK**

**AGENDA**

- 1. ROLL CALL FOR QUORUM**
- 2. SWEARING IN OF NEW TRUSTEE**
  - A. Myron Pope
- 3. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE MARCH 25, 2015 REGULAR BOARD MEETING**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. MacKay Shields (Core+)
  - B. Wasatch Advisors (Small Cap Domestic)
- 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 of the Process for Considering Asset Allocation and Related Rebalancing Policy
  - B. Discussion and Possible Action on the Deficiency in the Securities Lending Program from Lehman Positions
  - C. Discussion and Possible Action on Investment Policy Exception Request from Loomis Sayles
  - D. Discussion and Possible Action on Amendments to the Investment Policy Statement
  - E. Discussion of Investment Department Report
  - F. Discussion, Possible Interview and Selection of Investment Consultant
- 8. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
  - A. Governance Committee
  - B. Audit Committee
- 9. DISCUSSION AND POSSIBLE ACTION ON LEGISLATIVE REPORT**
- 10. 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
- 11. QUESTIONS AND COMMENTS FROM TRUSTEES**

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**AGENDA (cont.)**

**12. 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.)

**13. 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**  
**MARCH 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 10:03 a.m., in the Administration Board Room, 5<sup>th</sup> 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>	Philip Lewis*
Vernon Florence, <i>Vice Chair</i>	Kevin Moore
Elaine Dodd	Gary Trennepohl
Roger Gaddis	Greg Winters*
Jill Geiger	

**TRUSTEES ABSENT:**

Judie Harris  
Joy Hofmeister  
Myron Pope  
Billie Stephenson

**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, *RPOE*  
Norman Cooper, *OREA*  
Greg Weaver, *Gregory W. Group*  
Doug Anderson, *Gregory W. Group*

\*Denotes late arrival or early departure.

The meeting started later than the posted time due to the lack of a quorum. Board members present listened to investment manager presentations, but no business was conducted.

**ITEM 1 - ROLL CALL FOR QUORUM:** Chairman Peacher called the Board meeting to order at 10:03 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, and Chairman Peacher.

**ITEM 2 – MEETING MINUTES:** A motion was made by Mr. Gaddis with a second made by Dr. Trennepohl to approve the February 25, 2015 Regular Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, and Chairman Peacher.

Chairman Peacher asked Roger Gaddis to serve as acting secretary for the duration of the meeting. Mr. Gaddis accepted.

#### **ITEM 5 – INVESTMENT CONSULTANT MONTHLY REPORT**

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 10:20 a.m. to 10:30 a.m.*

**ITEM 7 - INVESTMENT COMMITTEE REPORT:** Mr. Florence, Chair of the Investment Committee, presented the Investment Committee Report from the March 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)** Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group discussed exploring some additional international equity investment opportunities. After some discussion, a motion was made by Mr. Gaddis with a second made by Mr. Peacher to approve the issuance of exploratory requests for proposals for investment manager services for international equity including, but not limited to, developed, emerging, and frontier market portfolios subject to approval of the RFP document by staff. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, and Chairman Peacher.

**7B)** Investment Consultants to the Board, Greg Weaver and Doug Anderson of Gregory W. Group, presented their Real Estate report to the Board. After some discussion, no action was necessary.

*Dr. Winters arrived at 10:35 a.m.*

**7C)** Mr. Florence said the Investment Committee had received an investment policy exception request from investment manager MacKay Shields requesting to raise their threshold of below-investment grade rated debt. After some discussion, a motion was made by Mr. Gaddis with a second made by Mr. Peacher to deny investment policy exception extension request from MacKay Shields and leave the threshold at 25% for below-investment grade rated debt in the OTRS Core Plus Fixed Income portfolio. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

**7D)** Mr. Florence said the Investment Committee had received in investment policy exception request from investment manager Loomis Sayles. After some discussion, no action was taken.

**7E)** 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. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

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

**7G)** Mr. Florence reminded the Board that Northern Trust had been selected as the new master custodian. A motion was made by Mr. Peacher with a second made by Mr. Gaddis to authorize staff to finalize the contract with Northern Trust for Master Custody, Securities Lending, and Commission Recapture services, and authorize the Chairman to execute the contract. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

**7H)** Mr. Florence said OTRS had received several proposals from potential Investment Consultants responding to the recent Investment Consultant RFP. He said the proposals were being reviewed and the Investment Committee was not ready to make a recommendation at this time. After some discussion, no action was taken.

#### **ITEM 8 – COMMITTEE REPORTS:**

**8A)** There was no Governance Committee report.

**8B)** Roger Gaddis, Chair of the Audit Committee, thanked the Board members who came to participate in the interviews with the finalists for external auditor services. He said that both firms were very good and the decision was a tough one. Ultimately, the Audit Committee decided to recommend awarding the contract to McGladrey. A motion had been made by Ms. Harris with a second by Mr. Gaddis that the Board retain McGladrey as its external auditor with a change in consulting partner for a period of up to five years, and authorize staff to finalize a contract to be executed by the Chairman. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

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

**ITEM 9 – CONTRIBUTION RATE FOR FEDERAL GRANT MATCHING FUNDS FOR FY 2016:** Julie Ezell, General Counsel to the Board, said the Finance department had recommended leaving the federal grant matching rate at 8.25%. After some discussion, a motion was made by Dr. Winters with a second made by Ms. Geiger to leave the federal grant matching rate at 8.25%. The motion passed by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

**ITEM 10 – ELECTION OF BOARD SECRETARY:** Mr. Florence nominated Judie Harris to serve as Board Secretary. The nomination passed by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher.

**ITEM 11 – BOARD COMMITTEE APPOINTMENTS BY CHAIRMAN PEACHER:** Chairman Peacher said Gary Trennepohl would be serving as Chair for the Governance Committee. He said Judie Harris had volunteered to serve on the Audit Committee. He encouraged Board members to contact the chairs of the Audit and Governance Committees if they were interested in serving. No further action was taken.

**ITEM 12 – REPORT ON THE PROPOSED LEGISLATION FOR THE 2015 SESSION:** Mr. Spencer said there was no list for proposed legislation because nothing had changed from the previous month's list. After some discussion, no action was necessary.

**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 Dr. Winters with a second made by Mr. Gaddis to approve the monthly retirement report. The motion carried by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, 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 Dr. Winters with a second made by Ms. Geiger to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Dr. Lewis, Mr. Moore, Dr. Trennepohl, Dr. Winters, and Chairman Peacher. The meeting was adjourned at 11:23 a.m.

**BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

**BY:** \_\_\_\_\_  
**Bill Peacher, Chairman**

**ATTEST:**

**BY:** \_\_\_\_\_  
**Roger Gaddis, 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 April 22, 2015.

**BY:** \_\_\_\_\_  
**Susan Yingling, Executive Assistant**

# March 2015 - Market Performance Update

Mixed Results as Volatility Returns

## Equity Total Returns

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

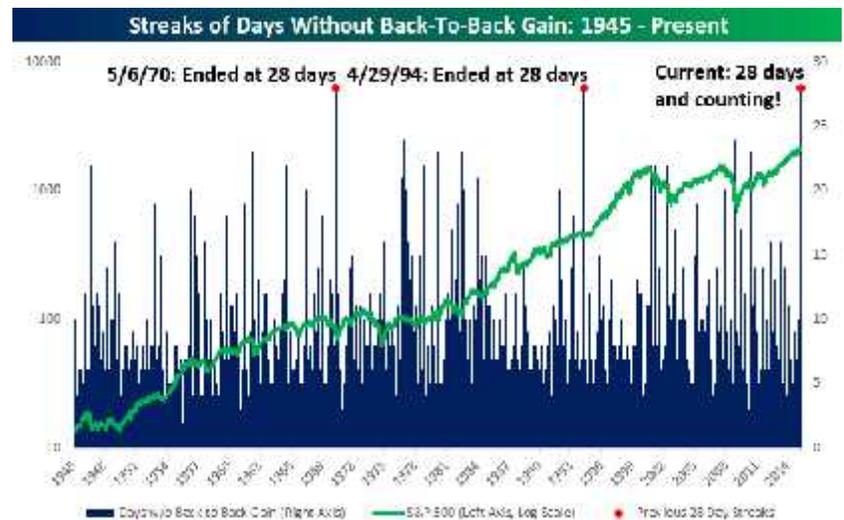
Equity prices were generally soft during March as global economic uncertainty prevailed. Oil prices were relatively stable during March, with WTI closing at just under \$50/bbl. The European Central Bank announced a truly massive QE stimulus program on January 22nd. Initial results are mixed and largely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

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

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

## Bond Total Returns

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



# Manager Profile - Mackay Shields Core Plus



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

## Notes:

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

The fund has provided strong returns since inception.

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

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

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

# Manager Profile - Wasatch Small Cap Domestic Equity



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

## Notes:

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

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

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

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

# Monthly Asset Allocation Review



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

# Total Fund + Class Composite Summary

As of March 31, 2015



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

# Equity Portfolios Summary

As of March 31, 2015



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

**Fixed Income Portfolios Summary**  
As of March 31, 2015



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

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

**Master Limited Partnerships**

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

**Private Equity**

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

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

**Real Estate**

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

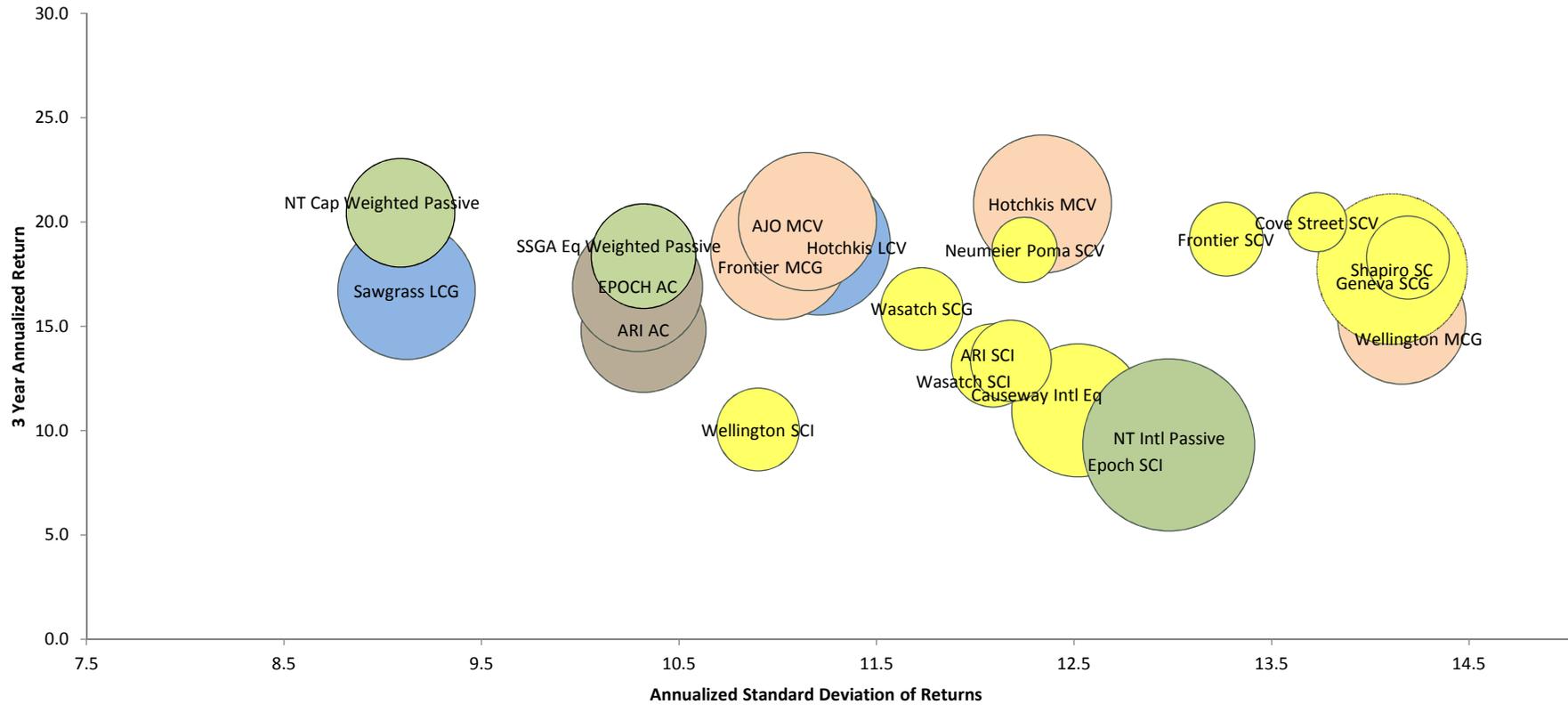
<sup>2</sup>Real Estate Data as of 12/31/2014 (most recent data available).

**Opportunistic Fixed Income**

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

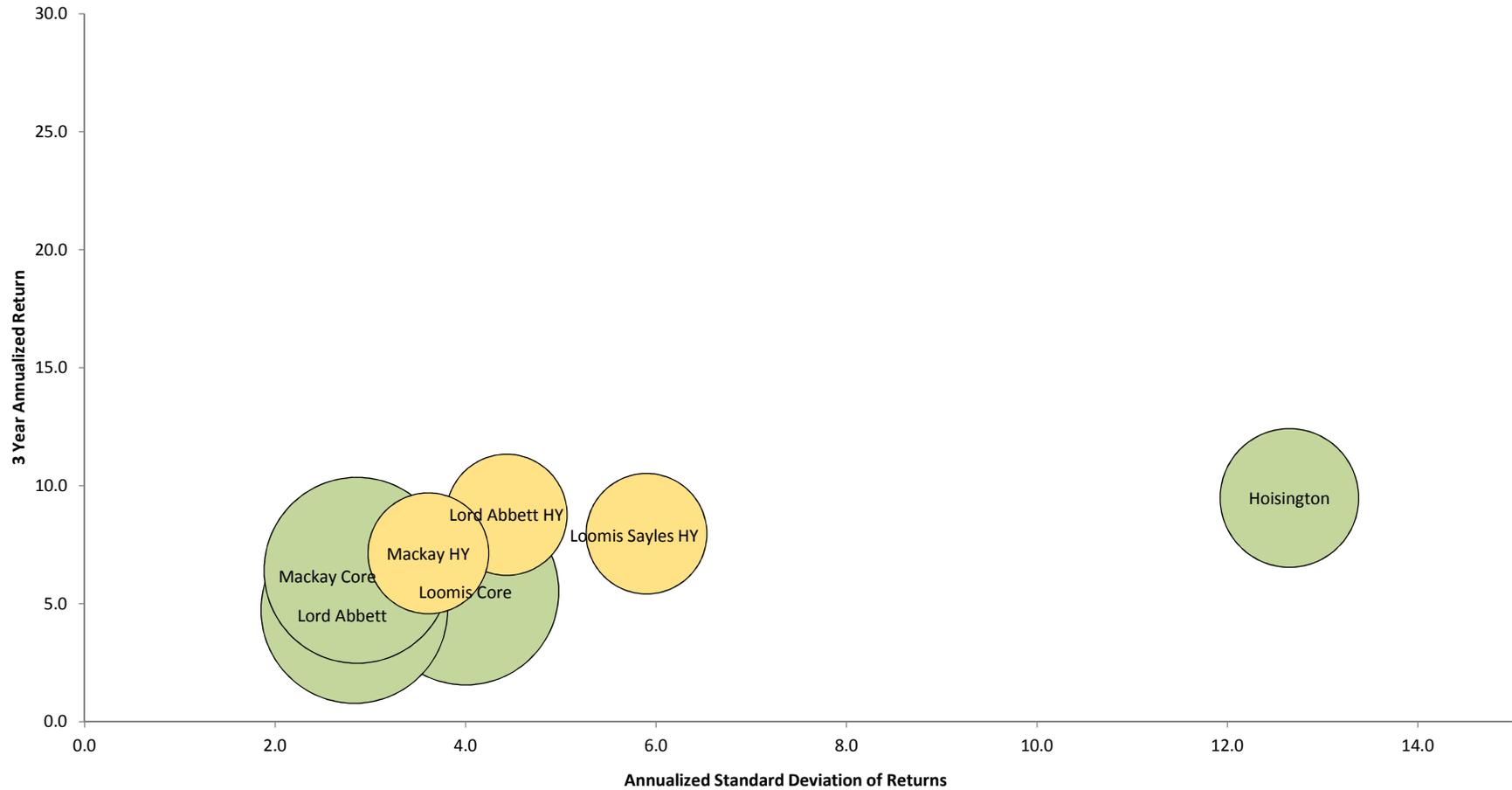
<sup>3</sup>Opportunistic Fixed Income data as of 12/31/2014 (most recent data available).

# Three Year Risk/Return Review - Equity Portfolios



<sup>1</sup>Actual OTRS results used when available, composite when necessary.

# Three Year Risk/Return Review - Fixed Income Portfolios



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

## April Manager Status Report

Manager	Mandate	Strategy	AUM	% of Portfolio	Current Status	Reason for Status Change	Status Change Effective Date	Date of Last Review	Date of Next Review	Expectations
Geneva Capital Management, LTD	Domestic Equity	Small Cap	209,794,818	1.46%	On Alert	Acquisition	July 2014	December 2014	June 2015	Maintain continuity of management practices and results

All other managers currently rated In Compliance



March 5, 2015

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

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

Dear Doug:

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

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

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

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

Best regards,

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

AGREED and ACCEPTED

By: \_\_\_\_\_  
Authorized Signatory

Date: \_\_\_\_\_

cc: Gregory Weaver, Gregory W. Group

**MEETING MINUTES  
DECEMBER 18, 2013  
BOARD OF TRUSTEES  
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by James Dickson, Chairman, at 9:04 A .M., in the Administration Board Room, 5<sup>th</sup> Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

**TRUSTEES PRESENT:**

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

**TRUSTEES ABSENT:**

Philip Lewis  
Billie Stephenson

**TRS STAFF PRESENT:**

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

**LEGAL COUNSEL PRESENT:**

Julie Ezell, *Assistant Attorney General*

**OTHERS PRESENT:**

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

\*Denotes late arrival or early departure.

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

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

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

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

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

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

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

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

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

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

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

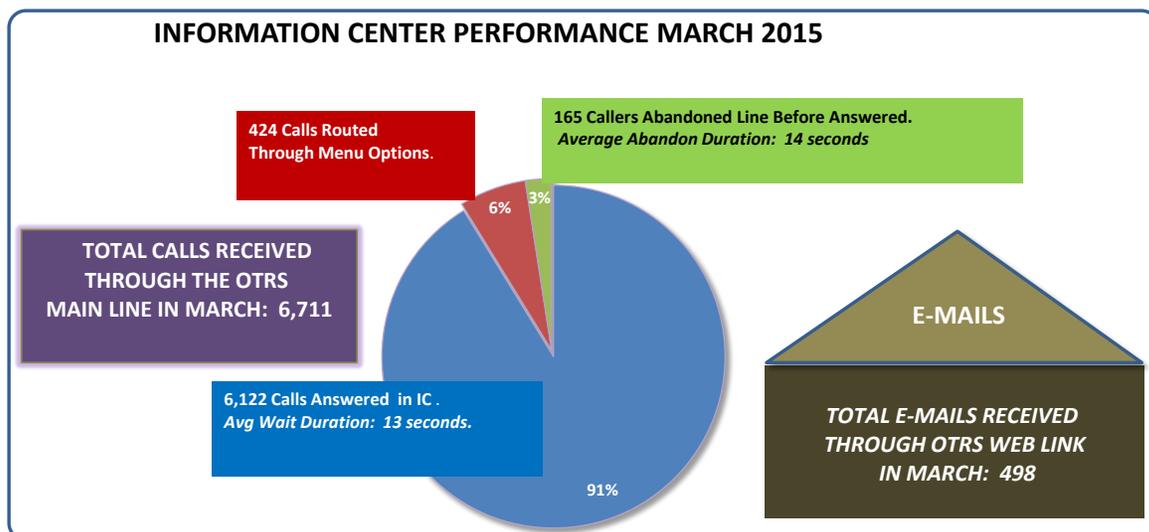
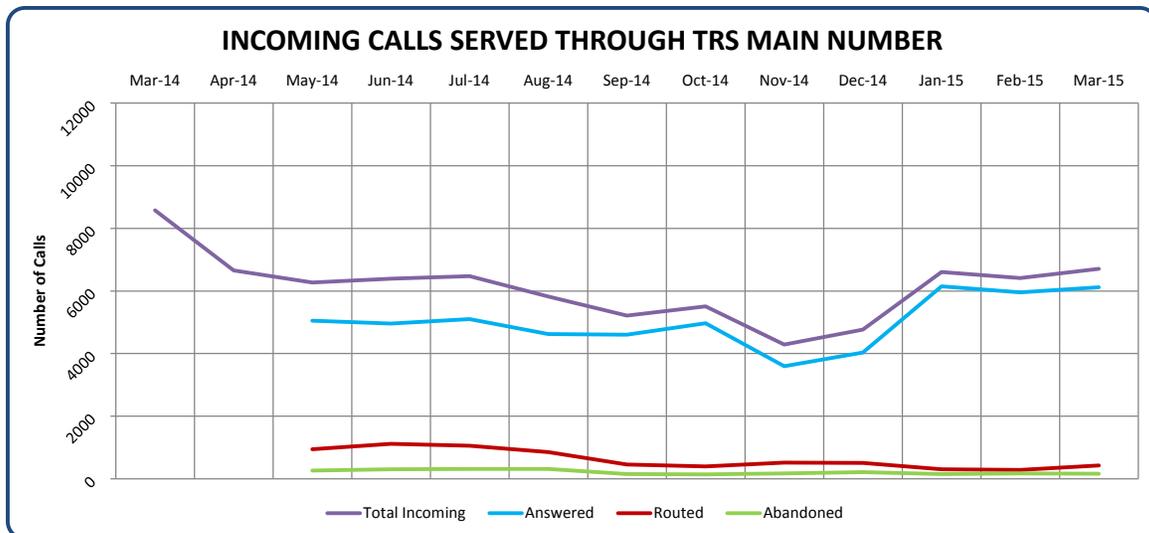
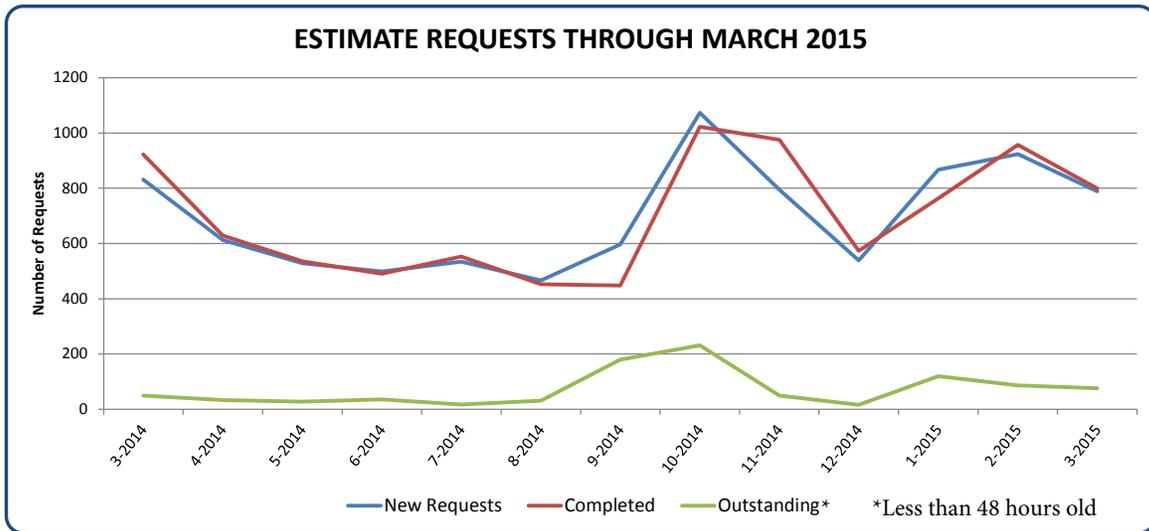
A motion was made by Dr. Trennepohl with a second made by Mr. Florence to indefinitely extend the Investment Policy exceptions originally granted to Loomis Sayles in 2012. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Kerr, Mr. Oster,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

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

**Investment Policy Exception Review  
March 2015**

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

## CLIENT SERVICES PERFORMANCE METRICS THROUGH MARCH 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 4/1/2015 to 4/1/2015

	Count	Benefit Total	Average Benefit	Average Years of Service	Average Age
<b>New Retirements</b>					
Disability	3	\$3,636.45	\$1,212.15	14.67	56.33
Normal	59	\$81,217.38	\$1,376.57	19.03	62.17
Total	62	\$84,853.83	\$1,368.61	18.82	61.89
<b>Terminated Annuities</b>	123	(\$188,913.49)	\$1,535.88	25.85	81.09

NORMAL RETIREMENTS			From 4/1/2015 to 4/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0122165	40	65	4/1/2015	103451	\$6,717.32
Q0242656	24	59	4/1/2015	103340	\$2,120.64
Q0227195	11	64	4/1/2015	103682	\$600.05
Q0215874	24	64	4/1/2015	103683	\$2,285.65
Q0017997	11	65	4/1/2015	103249	\$349.08
Q0106011	15	62	4/1/2015	103339	\$945.71
Q0082745	27	69	4/1/2015	103312	\$1,389.02
Q0144812	15	63	4/1/2015	103220	\$762.07
Q0215954	12	61	4/1/2015	103544	\$1,055.13
Q0223686	27	54	4/1/2015	103870	\$3,153.34
Q0104907	19	61	4/1/2015	102972	\$576.08
Q0049036	21	63	4/1/2015	103871	\$1,293.04
Q0279334	9	62	4/1/2015	103278	\$464.63
Q0161932	27	65	4/1/2015	103273	\$3,163.49
Q0106821	21	60	4/1/2015	103452	\$1,212.18
Q0128145	22	57	4/1/2015	103355	\$970.63
Q0259228	16	62	4/1/2015	103084	\$956.65
Q0004873	24	56	4/1/2015	103352	\$506.76
Q0125648	13	63	4/1/2015	103160	\$811.76
Q0202942	27	60	4/1/2015	103453	\$1,536.14
Q0049375	15	62	4/1/2015	103294	\$593.05
Q0201817	11	63	4/1/2015	103454	\$316.13
Q0088725	15	59	4/1/2015	103407	\$775.71
Q0084864	24	68	4/1/2015	103534	\$1,110.08
Q0011222	12	59	4/1/2015	103357	\$1,588.16
Q0147835	5	55	4/1/2015	103358	\$195.74
Q0104485	19	64	4/1/2015	103313	\$2,052.68
Q0104457	7	62	4/1/2015	103359	\$554.51
Q0011883	18	66	4/1/2015	103455	\$2,364.38
Q0016650	14	63	4/1/2015	103360	\$955.17
Q0183756	18	62	4/1/2015	103361	\$375.21
Q0078620	28	79	4/1/2015	103231	\$582.99
Q0147885	13	56	4/1/2015	103384	\$353.39
Q0005498	10	62	4/1/2015	103362	\$917.70
Q0036818	16	62	4/1/2015	103194	\$2,585.72
Q0088652	27	60	4/1/2015	103348	\$2,458.59
Q0145105	15	62	4/1/2015	103018	\$275.40
Q0044756	12	66	4/1/2015	103752	\$351.51
Q0309815	6	66	4/1/2015	103238	\$202.14
Q0067431	17	62	4/1/2015	103255	\$918.93
Q0091993	31	51	4/1/2015	103298	\$1,457.89
Q0161013	33	65	4/1/2015	103127	\$3,573.59
Q0181541	29	66	4/1/2015	103191	\$951.96
Q0164131	29	60	4/1/2015	103236	\$1,227.76
Q0166905	21	59	4/1/2015	103371	\$1,561.90
Q0124016	18	65	4/1/2015	103730	\$1,242.62
Q0214466	26	55	4/1/2015	103277	\$2,112.81
Q0257632	10	59	4/1/2015	103282	\$253.30

Q0288415	9	58	4/1/2015	103873	\$228.29
Q0087058	19	63	4/1/2015	103235	\$1,063.19
Q0254910	10	62	4/1/2015	103155	\$308.07
Q0068209	12	63	4/1/2015	103874	\$988.97
Q0236397	21	62	4/1/2015	103206	\$2,296.10
Q0227090	32	65	4/1/2015	103332	\$3,556.77
Q0066570	14	65	4/1/2015	103369	\$420.24
Q0180599	28	67	4/1/2015	103281	\$3,556.49
Q0222445	30	67	4/1/2015	103182	\$1,915.76
Q0087723	28	60	4/1/2015	103175	\$2,050.06
Q0026859	20	63	4/1/2015	103883	\$2,055.05
<b>Averages</b>	<b>19.03</b>	<b>62.17</b>			
			<b>Totals</b>	<b>59</b>	<b>\$1,376.57</b>
					<b>\$81,217.38</b>

DISABILITY RETIREMENTS			From 4/1/2015 to 4/1/2015		
Client Number	Years Of Service	Age	Estimate Ret. Date	Retirement Number	Benefit
Q0202710	16	60	4/1/2015	D103869	\$1,160.64
Q0034479	17	59	4/1/2015	D103872	\$1,389.90
Q0129103	11	50	4/1/2015	D103065	\$1,085.91
<b>Averages</b>	<b>14.67</b>	<b>56.33</b>			
			<b>Totals</b>	<b>3</b>	<b>\$1,212.15</b>
					<b>\$3,636.45</b>

**TERMINATIONS**

From 3/1/2015 to 3/31/2015

<b>Termination Type</b>	<b>Years Of Service</b>	<b>Age</b>	<b>Death Date</b>	<b>Termination Date</b>	<b>Retirement Number</b>	<b>Benefit</b>
Deceased	7	102	2/15/2015	3/1/2015	015070	\$233.09
Deceased	21	100	2/27/2015	3/1/2015	017540	\$758.13
Deceased	17	99	2/9/2015	3/1/2015	017970	\$803.47
Deceased	10	97	2/17/2015	3/1/2015	019538	\$447.61
Deceased	26	100	2/10/2015	3/1/2015	019588	\$841.74
Deceased	37	97	2/16/2015	3/1/2015	019829	\$1,744.07
Deceased	20	94	2/11/2015	3/1/2015	020191	\$595.62
Deceased	27	95	2/26/2015	3/1/2015	020263	\$716.85
Deceased	27	96	2/9/2015	3/1/2015	020354	\$1,234.73
Deceased	35	91	2/5/2015	3/1/2015	020592	\$1,571.79
Deceased	21	95	2/10/2015	3/1/2015	020830	\$984.37
Deceased	33	96	2/15/2015	3/1/2015	022114	\$1,771.27
Deceased	38	91	2/19/2015	3/1/2015	022553	\$1,844.46
Deceased	25	91	2/14/2015	3/1/2015	023093	\$1,136.67
Deceased	14	90	2/12/2015	3/1/2015	023539	\$646.13
Deceased	39	87	2/9/2015	3/1/2015	023809	\$1,959.90
Deceased	23	88	2/19/2015	3/1/2015	023898	\$688.85
Deceased	17	96	2/4/2015	3/1/2015	024173	\$572.32
Deceased	33	86	2/22/2015	3/1/2015	024298	\$1,745.67
Deceased	26	91	2/16/2015	3/1/2015	024332	\$1,449.70
Deceased	18	92	2/1/2015	3/1/2015	024348	\$640.26
Deceased	35	86	2/1/2015	3/1/2015	024520	\$2,184.80
Deceased	24	87	2/1/2015	3/1/2015	024793	\$1,212.44
Deceased	37	92	2/25/2015	3/1/2015	024968	\$2,293.56
Deceased	21	91	2/6/2015	3/1/2015	025179	\$1,214.75
Deceased	30	82	2/12/2015	3/1/2015	025278	\$1,866.21
Deceased	30	83	2/21/2015	3/1/2015	026068	\$1,872.66
Deceased	17	93	2/26/2015	3/1/2015	026087	\$1,030.25
Deceased	30	91	2/14/2015	3/1/2015	026452	\$820.80
Deceased	39	89	2/25/2015	3/1/2015	026704	\$2,434.46
Deceased	29	80	2/25/2015	3/1/2015	026870	\$1,786.83
Deceased	24	91	2/3/2015	3/1/2015	027274	\$1,262.18
Deceased	41	93	2/12/2015	3/1/2015	027512	\$2,195.13
Deceased	24	90	2/6/2015	3/1/2015	027568	\$1,497.82
Deceased	32	83	2/18/2015	3/1/2015	027780	\$2,604.68
Deceased	28	81	2/26/2015	3/1/2015	027998	\$1,652.17
Deceased	36	86	2/28/2015	3/1/2015	028527	\$2,089.69
Deceased	22	89	2/6/2015	3/1/2015	028813	\$562.50
Deceased	32	87	2/19/2015	3/1/2015	029195	\$1,218.78
Deceased	27	82	2/12/2015	3/1/2015	029833	\$1,410.18
Deceased	13	89	2/27/2015	3/1/2015	029955	\$667.51
Deceased	17	87	2/6/2015	3/1/2015	030316	\$321.97
Deceased	12	93	2/2/2015	3/1/2015	030967	\$380.04
Deceased	41	89	2/8/2015	3/1/2015	031327	\$2,607.54
Deceased	19	86	2/13/2015	3/1/2015	031573	\$777.80
Deceased	24	88	2/24/2015	3/1/2015	031593	\$1,373.26
Deceased	30	81	2/12/2015	3/1/2015	031728	\$1,518.80
Deceased	23	91	2/11/2015	3/1/2015	032368	\$1,534.92
Deceased	15	86	2/20/2015	3/1/2015	033034	\$611.54
Deceased	31	82	2/2/2015	3/1/2015	033930	\$1,772.01

Deceased	24	81	2/13/2015	3/1/2015	034485	\$1,394.62
Deceased	26	79	2/16/2015	3/1/2015	034810	\$1,571.37
Deceased	10	88	2/5/2015	3/1/2015	035493	\$372.34
Deceased	22	82	2/16/2015	3/1/2015	035816	\$1,413.48
Deceased	11	92	2/23/2015	3/1/2015	036873	\$544.58
Deceased	30	73	2/24/2015	3/1/2015	037107	\$2,025.81
Deceased	16	84	2/4/2015	3/1/2015	037468	\$290.04
Deceased	33	80	2/17/2015	3/1/2015	037469	\$1,164.46
Deceased	30	84	2/20/2015	3/1/2015	037711	\$1,235.39
Deceased	24	87	2/10/2015	3/1/2015	037886	\$1,625.69
Deceased	16	82	2/13/2015	3/1/2015	037907	\$444.82
Deceased	25	85	2/12/2015	3/1/2015	038069	\$1,666.09
Deceased	32	81	2/26/2015	3/1/2015	038543	\$2,514.65
Deceased	24	77	2/1/2015	3/1/2015	038930	\$1,616.03
Deceased	45	85	2/24/2015	3/1/2015	039768	\$2,730.07
Deceased	32	75	2/19/2015	3/1/2015	039774	\$2,496.08
Deceased	25	76	2/12/2015	3/1/2015	040131	\$1,603.94
Deceased	35	85	2/17/2015	3/1/2015	040342	\$2,014.88
Deceased	34	77	2/27/2015	3/1/2015	040831	\$2,671.79
Deceased	16	82	2/16/2015	3/1/2015	041158	\$545.69
Deceased	16	83	1/2/2015	3/1/2015	041662	\$376.61
Deceased	23	83	2/23/2015	3/1/2015	042588	\$1,590.36
Deceased	27	72	2/18/2015	3/1/2015	043022	\$1,868.41
Deceased	15	81	2/13/2015	3/1/2015	043249	\$1,095.42
Deceased	10	80	2/17/2015	3/1/2015	043916	\$200.67
Deceased	30	82	2/7/2015	3/1/2015	044021	\$2,357.46
Deceased	10	83	2/22/2015	3/1/2015	044485	\$235.29
Deceased	46	84	2/15/2015	3/1/2015	045276	\$3,504.68
Deceased	24	81	2/25/2015	3/1/2015	045962	\$1,729.95
Deceased	24	79	2/1/2015	3/1/2015	046519	\$1,177.11
Deceased	25	77	2/27/2015	3/1/2015	047651	\$796.15
Deceased	42	83	2/24/2015	3/1/2015	048043	\$3,402.68
Deceased	13	79	2/6/2015	3/1/2015	048958	\$749.32
Deceased	18	79	2/23/2015	3/1/2015	049819	\$990.62
Deceased	19	80	2/15/2015	3/1/2015	051290	\$664.98
Deceased	13	83	2/4/2015	3/1/2015	051659	\$189.28
Deceased	21	75	2/1/2015	3/1/2015	052627	\$1,521.35
Deceased	38	75	2/25/2015	3/1/2015	055579	\$2,475.43
Deceased	10	77	2/18/2015	3/1/2015	055609	\$301.12
Deceased	12	81	2/20/2015	3/1/2015	055720	\$703.20
Deceased	17	77	2/16/2015	3/1/2015	056201	\$322.59
Deceased	16	74	2/27/2015	3/1/2015	056679	\$301.56
Deceased	25	75	2/17/2015	3/1/2015	056854	\$1,745.73
Deceased	12	67	2/19/2015	3/1/2015	058364	\$484.85
Deceased	44	86	2/3/2015	3/1/2015	058568	\$3,191.56
Deceased	20	72	2/18/2015	3/1/2015	059374	\$1,123.21
Deceased	29	61	2/20/2015	3/1/2015	060683	\$2,129.22
Deceased	38	73	2/12/2015	3/1/2015	064092	\$1,429.29
Deceased	31	68	2/25/2015	3/1/2015	064110	\$2,377.14
Deceased	30	64	2/1/2015	3/1/2015	064223	\$2,017.48
Deceased	31	62	2/26/2015	3/1/2015	064286	\$2,153.67
Deceased	40	70	2/8/2015	3/1/2015	067430	\$2,924.00
Deceased	36	65	2/26/2015	3/1/2015	068591	\$2,380.07
Deceased	33	69	2/12/2015	3/1/2015	068619	\$3,645.46

Deceased	36	67	2/12/2015	3/1/2015	069430	\$2,855.15
Deceased	36	67	2/12/2015	3/1/2015	069430	\$2,855.15
Deceased	31	62	2/9/2015	3/1/2015	070155	\$1,162.90
Deceased	25	85	2/2/2015	3/1/2015	073503	\$2,507.58
Deceased	33	65	2/8/2015	3/1/2015	075352	\$2,402.17
Deceased	40	69	2/17/2015	3/1/2015	077142	\$4,489.55
Deceased	29	61	2/5/2015	3/1/2015	078085	\$1,238.32
Deceased	19	65	2/8/2015	3/1/2015	093328	\$1,380.52
Deceased	33	67	2/12/2015	3/1/2015	094872	\$3,293.62
Deceased	32	70	2/11/2015	3/1/2015	095185	\$2,211.53
Deceased	41	64	2/23/2015	3/1/2015	097947	\$2,980.10
Deceased	24	68	2/13/2015	3/1/2015	098310	\$1,713.17
Deceased	29	71	2/26/2015	3/1/2015	099035	\$3,282.59
Deceased	33	64	2/8/2015	3/1/2015	102828	\$3,949.09
Deceased	26	68	2/2/2015	3/1/2015	D01625	\$2,023.51
Deceased	17	68	2/5/2015	3/1/2015	D02492	\$386.16
Deceased	19	62	2/8/2015	3/1/2015	D02520	\$838.84
Deceased	18	64	2/4/2015	3/1/2015	D02626	\$1,139.24
Deceased	14	63	2/27/2015	3/1/2015	D02931	\$944.58
<b>Averages</b>	<b>25.85</b>	<b>81.09</b>				
				<b>Totals</b>	<b>123</b>	<b>\$1,535.88</b>
						<b>\$188,913.49</b>



OKLAHOMA TEACHERS  
RETIREMENT SYSTEM

HR STATUS REPORT  
4/22/2015

**HR STATUS REPORT**

• **New Hires (March 2015):**

*Employee:* 111595  
*Title:* Director of Finance/Chief Financial Officer  
*Salary:* \$85,000  
*Effective:* 03/30/2015

• **Resignations/Terminations/Retirements (March 2015):**

n/a

• **Promotion (March 2015):**

*Employee:* 280519  
*Title From:* Financial Accountant (receipting)  
*Title To:* Financial Accountant  
*Salary From:* \$42,000  
*Salary To:* \$46,000  
*Effective:* 03/01/2015

**MISCELLANEOUS PAYMENTS**

• **Severance Payments:**

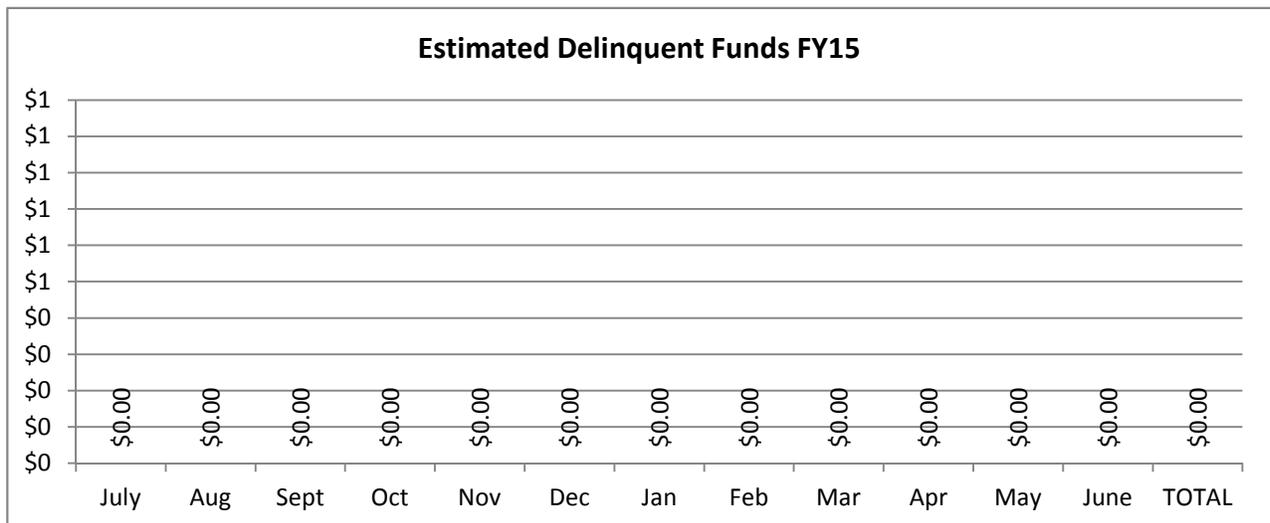
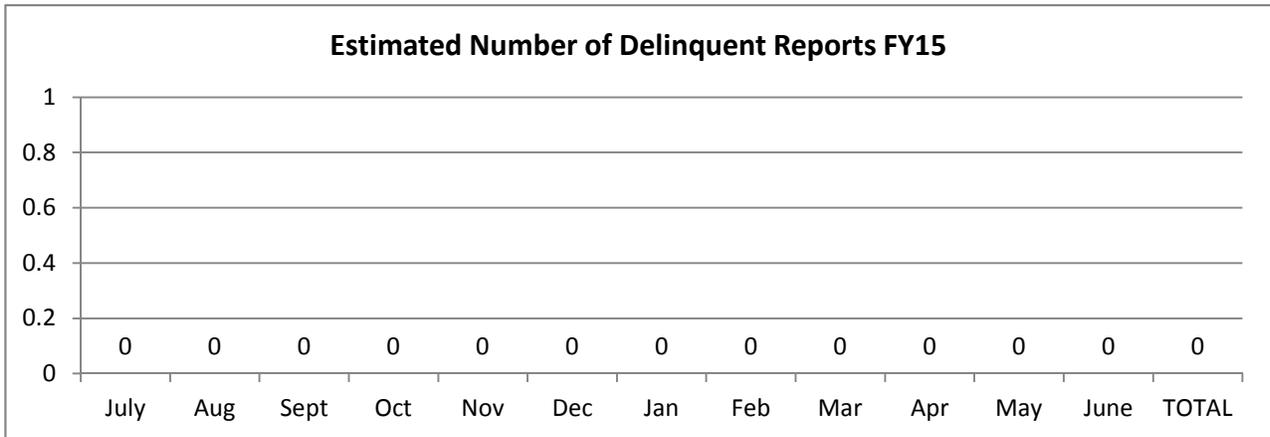
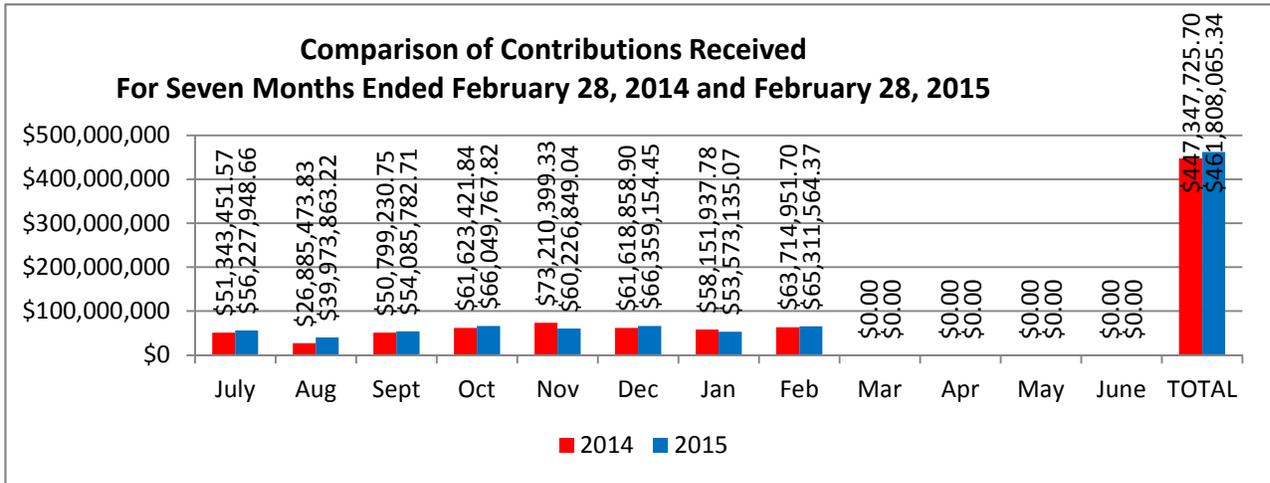
n/a

**NEW HIRES, RESIGNATIONS, RETIREMENTS OR OTHER CHANGES PENDING**

- n/a

# Employer Reporting

## Analysis of Employee and Employer Contributions Received





**BALANCE SHEET  
MARCH 31, 2015**

**CURRENT ASSETS:**

Cash Not Available For Investment	\$17,311,916.21
Equities (At Market Value)	11,106,878,920.37
Fixed Income (At Market Value)	2,921,337,081.45
Short-Term Investment Account	438,274,461.74
Due From/(To) Broker	(112,048,984.39)
Accounts Receivable Installment Payments	1,237,028.93
Accrued Income	<u>53,521,417.22</u>

**Total Current Assets**

14,426,511,841.53

**CAPITAL ASSETS:**

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

**TOTAL ASSETS**

\$14,429,360,412.50

**CURRENT LIABILITIES:**

Teachers' Savings Fund	\$4,496,806,970.24
Retirement Benefit Fund	9,419,307,458.37
Interest Fund	438,977,316.23
Expense Fund	34,715,890.90
Suspense Fund	<u>36,244,929.53</u>

**Total Current Liabilities**

14,426,052,565.27

TRS Capital Investment	<u>3,307,847.23</u>
------------------------	---------------------

**TOTAL LIABILITIES AND CAPITAL INVESTMENT**

\$14,429,360,412.50

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
FOR THE NINE MONTHS ENDED MARCH 31**

	<u>Year to Date</u> (FY 2015)	<u>Year to Date</u> (FY 2014)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$14,201,669,559.43	\$11,817,761,245.40	
<b><u>RECEIPTS:</u></b>			
Members' Deposits	199,381,655.18	190,730,644.76	4.54%
Employer Contributions	289,213,961.83	278,196,224.20	3.96%
State Credits	27,958,041.50	27,935,088.00	0.08%
Reimbursed Administrative	14,189.05	71,181.91	-80.07%
Matching Funds from Schools	17,839,471.90	17,976,546.03	-0.76%
Lottery Revenue	2,062,444.00	2,116,350.00	-2.55%
Cigarette Sales Tax Revenue	1,220,288.95	1,204,362.08	1.32%
Dedicated Revenue	226,762,096.91	212,353,810.80	6.79%
<b>Total Retirement Receipts</b>	<b>764,452,149.32</b>	<b>730,584,207.78</b>	<b>4.64%</b>
Interest Income (Fixed Income and Short-Term)	95,801,555.21	94,895,802.38	0.95%
Dividend Income	156,589,341.82	165,836,979.86	-5.58%
Net Realized Gain/(Loss)	672,062,619.20	709,986,344.05	-5.34%
Net Unrealized Gain/(Loss)	(494,138,718.33)	965,850,513.00	-151.16%
Investment Operations Income:			
Class Action Lawsuit Proceeds	163.87	315,948.40	-99.95%
Other Income	87,265.28	(729.63)	12060.21%
Securities Lending Income	8,575,089.18	5,875,474.82	45.95%
<b>Total Investment Income</b>	<b>438,977,316.23</b>	<b>1,942,760,332.88</b>	<b>-77.40%</b>
<b>TOTAL RECEIPTS</b>	<b>1,203,429,465.55</b>	<b>2,673,344,540.66</b>	<b>-54.98%</b>
<b><u>DISBURSEMENTS:</u></b>			
Retirement Benefits	871,677,918.94	832,517,451.86	4.70%
Insurance Premiums Paid for Retirees	22,830,037.00	22,665,136.00	0.73%
Death Benefits	10,938,500.47	11,779,074.58	-7.14%
Withdrawals of Accounts	24,355,871.02	22,393,832.97	8.76%
<b>Total Benefit Payments</b>	<b>929,802,327.43</b>	<b>889,355,495.41</b>	<b>4.55%</b>
Administrative Expense:			
General Operations	3,796,458.45	3,793,133.42	0.09%
Investment Expense	38,047,141.11	32,400,998.06	17.43%
<b>Total Administrative Expenses</b>	<b>41,843,599.56</b>	<b>36,194,131.48</b>	<b>15.61%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>971,645,926.99</b>	<b>925,549,626.89</b>	<b>4.98%</b>
<b>NET INCREASE/(NET DECREASE)</b>	<b>231,783,538.56</b>	<b>1,747,794,913.77</b>	<b>-86.74%</b>
Balance of Cash and Investments, March 31	\$14,433,453,097.99	\$13,565,556,159.17	



**SCHEDULE I  
Comparison of Actual Expenditures Fiscal Year 2014 and Fiscal Year 2015  
9 Months Ended March 31**

<b>Object of Expenditure</b>	<b>FY-2014 YTD Actual Expenditures 3/31/2014</b>	<b>FY-2015 YTD Actual Expenditures 3/31/2015</b>	<b>Increase (Decrease) Amount</b>	<b>Increase (Decrease) Percentage</b>
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	1,380,020	1,335,394	(44,626)	-3.2%
Taxes, Benefits, and Other Expenses	676,427	679,052	2,625	0.4%
<b>Subtotal Personal Services</b>	<b>2,056,447</b>	<b>2,014,446</b>	<b>(42,001)</b>	<b>-2.0%</b>
<b>Professional Services</b>				
Investment Manager Expenses	22,517,461	24,364,678	1,847,217	8.2%
Investment Consultant Expenses	526,500	616,500	90,000	17.1%
Investment Custodian Expenses	52,468	0	(52,468)	-100.0%
Pension Commission Expenses	34,445	15,016	(19,428)	-56.4%
<b>Subtotal Investment Expenses</b>	<b>23,130,874</b>	<b>24,996,194</b>	<b>1,865,320</b>	<b>8.1%</b>
Legal Services - Special Projects	2,006	40,927	38,921	1940.1%
Legal Services - Attorney General	54,094	743	(53,351)	-98.6%
Administrative Hearings	0	0	0	0.0%
Auditing Services	110,726	241,581	130,855	118.2%
Actuarial Services	85,971	72,847	(13,124)	-15.3%
Medical Hearings	5,400	7,000	1,600	29.6%
Reimbursement for Executive Director Services	0	29,444	29,444	-
Marketing Consultant	15,694	0	(15,694)	-100.0%
Miscellaneous Services	49,176	60,097	10,921	22.2%
<b>Subtotal Professional Services</b>	<b>323,067</b>	<b>452,639</b>	<b>129,572</b>	<b>40.1%</b>
<b>Total Professional Services</b>	<b>23,453,941</b>	<b>25,448,833</b>	<b>1,994,892</b>	<b>8.5%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	21,466	17,287	(4,179)	-19.5%
Employee Training	10,875	4,863	(6,012)	-55.3%
Employee Travel Expenses	23,236	14,489	(8,747)	-37.6%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>55,577</b>	<b>36,639</b>	<b>(18,938)</b>	<b>-34.1%</b>
<b>Administrative Expenses</b>				
Postage	140,533	146,114	5,581	4.0%
Telecommunications Services	20,843	17,810	(3,033)	-14.6%
Printing and Binding Contracts	41,716	28,006	(13,709)	-32.9%
Informational Services	60,726	36,879	(23,847)	-39.3%
Rent and Maintenance	166,593	150,543	(16,050)	-9.6%
Office Supplies	15,075	19,275	4,200	27.9%
Buildings and Other Structures Construction and Renovation	4,689	0	(4,689)	-100.0%
Miscellaneous Administrative Expenses	21,472	34,740	13,268	61.8%
<b>Subtotal Administrative Expenses</b>	<b>471,647</b>	<b>433,367</b>	<b>(38,279)</b>	<b>-8.1%</b>
<b>Data Processing Expenses</b>				
Professional Services	654,128	577,430	(76,698)	-11.7%
Rent and Maintenance	3,870	2,147	(1,723)	-44.5%
Office Supplies	2,552	0	(2,552)	-100.0%
Equipment - Telecommunications	0	2,621	2,621	-
<b>Subtotal Data Processing Expenses</b>	<b>660,550</b>	<b>582,198</b>	<b>(78,352)</b>	<b>-11.9%</b>
<b>Total Expenses</b>	<b>26,698,161</b>	<b>28,515,483</b>	<b>1,817,322</b>	<b>6.8%</b>
<b>Total Investment Expenses Only</b>	<b>23,130,874</b>	<b>24,996,194</b>	<b>1,865,320</b>	<b>8.1%</b>
<b>Total Data Processing Expenses Only</b>	<b>660,550</b>	<b>582,198</b>	<b>(78,352)</b>	<b>-11.9%</b>
<b>Total except Investment &amp; Data Processing Expenses</b>	<b>2,906,737</b>	<b>2,937,091</b>	<b>30,354</b>	<b>1.0%</b>



**SCHEDULE II**  
**Comparison of FY2015 Budget to Actual Expenses**  
**9 Months ended March 31, 2015 Year to Date Comparison**

<b>Object of Expenditure</b>	<b>9 Month FY-2015 YTD Budget</b>	<b>9 Month FY-2015 YTD Actual</b>	<b>Over (Under) Amount</b>	<b>Over (Under) Percentage</b>
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	1,818,977	1,335,394	(483,583)	-26.6%
Taxes, Benefits, and Other Expenses	976,300	679,052	(297,248)	-30.4%
<b>Subtotal Personal Services</b>	<b>2,795,277</b>	<b>2,014,446</b>	<b>(780,831)</b>	<b>-27.9%</b>
<b>Professional Services</b>				
Investment Manager Expenses	41,334,535	24,364,678	(16,969,857)	-41.1%
Investment Consultant Expenses	526,500	616,500	90,000	17.1%
Investment Custodian Expenses	46,000	0	(46,000)	-100.0%
Pension Commission Expenses	35,000	15,016	(19,984)	-57.1%
<b>Subtotal Investment Expenses</b>	<b>41,942,035</b>	<b>24,996,194</b>	<b>(16,945,841)</b>	<b>-40.4%</b>
Legal Services - Special Projects	6,300	40,927	34,627	549.6%
Legal Services - Attorney General	5,625	743	(4,882)	-86.8%
Administrative Hearings	3,735	0	(3,735)	-100.0%
Auditing Services	168,000	241,581	73,581	43.8%
Actuarial Services	140,000	72,847	(67,153)	-48.0%
Medical Hearings	11,565	7,000	(4,565)	-39.5%
Reimbursement for Executive Director Services	0	29,444	29,444	0.0%
Marketing Consultant	25,000	0	(25,000)	-100.0%
Miscellaneous Services	24,907	60,097	35,190	141.3%
<b>Subtotal Professional Services</b>	<b>385,132</b>	<b>452,639</b>	<b>67,507</b>	<b>17.5%</b>
<b>Total Professional Services</b>	<b>42,327,167</b>	<b>25,448,833</b>	<b>(16,878,334)</b>	<b>-39.9%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	38,700	17,287	(21,413)	-55.3%
Employee Training	18,135	4,863	(13,272)	-73.2%
Employee Travel Expenses	67,472	14,489	(52,983)	-78.5%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>124,307</b>	<b>36,639</b>	<b>(87,668)</b>	<b>-70.5%</b>
<b>Administrative Expenses</b>				
Postage	191,250	146,114	(45,136)	-23.6%
Telecommunications Services	29,997	17,810	(12,187)	-40.6%
Printing and Binding Contracts	67,500	28,006	(39,494)	-58.5%
Informational Services	40,278	36,879	(3,399)	-8.4%
Rent and Maintenance	196,316	150,543	(45,773)	-23.3%
Office Supplies	27,590	19,275	(8,315)	-30.1%
Equipment	7,585	0	(7,585)	-100.0%
Buildings-Purch, Construction Repairs	0	0	0	0.0%
Miscellaneous Administrative Expenses	25,048	34,740	9,692	38.7%
<b>Subtotal Administrative Expenses</b>	<b>585,564</b>	<b>433,367</b>	<b>(152,197)</b>	<b>-26.0%</b>
<b>Data Processing Expenses</b>				
Professional Services	736,821	577,430	(159,391)	-21.6%
Travel and Per Diem Expenses	0	0	0	0.0%
Rent and Maintenance	3,875	2,147	(1,728)	-44.6%
Office Supplies	4,372	0	(4,372)	-100.0%
Equipment - Telecommunications	29,000	2,621	(26,379)	-91.0%
Miscellaneous Administrative Expenses	0	0	0	0.0%
<b>Subtotal Data Processing Expenses</b>	<b>774,068</b>	<b>582,198</b>	<b>(191,870)</b>	<b>-24.8%</b>
<b>Total Expenses</b>	<b>46,606,383</b>	<b>28,515,483</b>	<b>(18,090,900)</b>	<b>-38.8%</b>
<b>Total Investment Expenses Only</b>	<b>41,942,035</b>	<b>24,996,194</b>	<b>(16,945,841)</b>	<b>-40.4%</b>
<b>Total Data Processing Expenses Only</b>	<b>774,068</b>	<b>582,198</b>	<b>(191,870)</b>	<b>-24.8%</b>
<b>Total except Investment and Data Processing Expenses</b>	<b>3,890,280</b>	<b>2,937,091</b>	<b>(953,189)</b>	<b>-24.5%</b>



**Miscellaneous Professional Services Expenses**

	<b>Budget</b>	<b>Expenses</b>	<b>Expenses</b>
	<b><u>2015</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Background Checks	60.00	95.00	76.00
Management Consultant	5,000.00	0.00	35,298.99
Executive Director Search	0.00	43,008.65	0.00
Document Destruction	2,700.00	1,486.00	1,713.52
Security	6,597.00	4,258.79	4,326.00
Business Service Center	3,600.00	8,713.77	2,717.98
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
	<b><u>\$24,907.00</u></b>	<b><u>\$60,097.23</u></b>	<b><u>\$49,176.03</u></b>

**Miscellaneous Administrative Expenses**

	<b>Budget</b>	<b>Expenses</b>	<b>Expenses</b>
	<b><u>2015</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Bank Service Charges	5,580.00	5,105.17	6,412.36
ERP Systems - PeopleSoft	2,448.00	1,858.50	2,389.50
Licenses, Permits, Certificates and Other Rights	1,095.00	14,443.50	1,630.50
Membership in Organizations	10,345.00	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
	<b><u>\$25,048.00</u></b>	<b><u>\$34,739.98</u></b>	<b><u>\$21,472.07</u></b>



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

Expenses of Board

Trustee	Meeting, February travel	\$ 128.75
Trustee	Meeting, February travel	249.24
Trustee	Meeting, February travel	270.22
Trustee	Meeting, March travel	127.40
Trustee	Meeting, March travel	258.89
Trustee	Meeting, March travel	200.50
Trustee	Meeting, March travel	181.70
Trustee	Trustee orientation travel	127.40
		1,544.10

Travel of Employees

Director of Client Services	Retirement planning presentation	173.65
Executive Director	NASRA Winter Conference	1,280.13
		1,453.78

Communications

Ala Carte Courier	Courier services	226.00
AT&T	Wireless, OneNet charges	489.74
Cox Communications	Cable charges	43.56
FedEx	Freight	5.75
JP Morgan Chase Bank, NA	Account analysis bank fees	621.28
Office of Management and Enterprise Services	Desktop, laptop, email support	3,399.88
Office of Management and Enterprise Services	Server support, disk storage & network support	1,944.00
Office of Management and Enterprise Services	Telecommunications, transaction fees	1,573.38
SurveyMonkey.com	Online survey tool	300.00
The Journal Record Publishers	Registration	90.00
Thomson West	Legal information services	235.00
		8,928.59



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

Contingency, Maintenance, Insurance, Rent, Etc.

Business Manger	Reimburse kitchen supplies	\$	10.32
Extreme Beans Coffee	Kitchen supplies		392.40
Hideaway Pizza	Catering - Quarterly employee recongnition meeting		262.75
Hideaway Pizza	Catering - March board meeting		218.75
Internal Revenue Service	IRS plan review - contributions		12,500.00
New View Oklahoma	Supplies		43.81
Office of Management and Enterprise Services	Office rent - March		13,195.27
Precision Document Solutions	Printer maintenance		382.15
Someplace Else Delie	Catering - Quarterly employee recongnition meeting		31.20
South Central Industries	Kitchen supplies		134.12
Staples	Office supplies		799.35
Target	Supplies		59.96
Target	Beverages - March board meeting		16.99
Tulsa County Clerk	Judgement filing fee		15.00
Walker Co.	Office supplies		144.00
			<hr/>
			28,206.07

Investment Expenditures

Epoch	Investment management fees second quarter		882,869.08
Global Trading Analytics	Trading cost analysis fees second quarter		6,750.00
Gregory W Group	March 2015 consultant fees		88,500.00
MacKay Shields	Investment management fees second quarter		605,006.80
Northern Trust	Investment management fees second quarter		77,077.25
State Street Global Advisors	Investment management fees second quarter		29,200.27
			<hr/>
			1,689,403.40

Professional Services, Workers Comp Insurance

Gabriel, Roeder Smith & Co.	Actuarial evaluation and consulting		7,283.50
George R Jay MD	March 2015 medical board		300.00
ICE Miller	Legal fees - January and February		17,741.93
MY Consulting Inc.	ALICE development		66,900.00
Office of Management and Enterprise Services	Interagency mail/postage		6,032.83
Pain Management of Tusla	Disability exam fee		100.00
Payton Osborne MD	March 2015 medical board		300.00
State Auditor	NEPC consultant and performance analysis		22,497.36
Stinnett & Associates LLC	Audit services February 2015		17,415.00
The Meadows	Document destruction		135.00
			<hr/>
			138,705.62



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

Salaries and Fringe Benefits

Salaries	Administrative department	\$ 29,726.18
Salaries	Finance/Accounting department	22,182.84
Salaries	Client Services department	87,445.11
Salaries	Investment department	5,000.00
Longevity Payroll		3,776.00
Excess Benefit Allowance		3,658.39
FICA/MQFE	Social Security and Medicare	11,519.04
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	876.15
Oklahoma Group Insurance	Employee health, dental, and life	32,372.15
Teachers' Retirement System of Oklahoma	Employees retirement contributions	32,820.26
Unemployment compensation	Unemployment for Agency payroll	1,259.79
		<u>230,635.91</u>
Grand Total		<u>\$ 2,098,877.47</u>