



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

**BOARD OF TRUSTEES**

**REGULARLY SCHEDULED  
MEETING**

**AUGUST 26, 2009**

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

Regular Board Meeting

**LOCATION**

Oliver Hodge Memorial Building  
2500 North Lincoln Boulevard, 5<sup>th</sup> Floor, Oklahoma City, Oklahoma

**A G E N D A**

**9:00 a.m., Wednesday, August 26, 2009**

- 1. ROLL CALL FOR QUORUM**
- 2. SWEARING IN OF NEW BOARD MEMBER, ODILIA DANK**
- 3. DISCUSSION AND POSSIBLE ACTION** on Approval of Minutes for JULY 22 and 23, 2009, Board Meeting/Retreat
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. Presentation by Investment Manager(s):**
    1. Capital Guardian
    2. Brandes
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT REPORTS AND RECOMMENDATIONS:**
  - A. Investment Consultant Monthly Report
  - B. Manager Status Summary
  - C. g.w.g. 2<sup>nd</sup> Quarter Executive Summary
  - D. Transition Review
  - E. Discussion and Possible Action on Proposed PIMCO/Lehman Brothers Settlement
  - F. Exception Request by Lord Abbett
  - G. Comparison of Securities Lending Income
  - H. Comparison of Short-Term Cash Management Income
  - I. Renewal of Manager Contracts:
    1. Tocqueville Asset Management
- 6. PRESENTATION BY DR. WILBANKS ON DISCUSSIONS FROM THE BOARD RETREAT**
- 7. DISCUSSION AND POSSIBLE ACTION ON PROPOSED MISSION STATEMENT**
- 8. DISCUSSION AND POSSIBLE ACTION ON LEGAL REPORT**
- 9. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE TRUSTEES AND ITS COUNSEL CONCERNING PENDING CLAIMS IN THE FOLLOWING MATTER:**
  - A. In Re Tronox, Inc., Securities Litigation.** Unfiled. United States District Court, Southern District of New York  
The Executive Session is based on advice of counsel that disclosure in a public meeting would impair the ability of the trustees to resolve the above litigation in the public interest.
  - B. Vote to Convene into Executive Session** (Authorized by 25 O.S., Supp. 2008, Sec.307(B)(4))
  - C. Vote to Return to Open Session**
- 10. DISCUSSION AND POSSIBLE ACTION TO PROMULGATION OF EMERGENCY RULES: Permit In-Service Transfers from the TRS 403(b) Plan via amendments to OAC 715:10-19, including:**
  - A. Finding that an Emergency Rule is required, Title 75 O.S. Sec 253(A)
  - B. Open the Rulemaking Record
  - C. Adopt Emergency Rules and Authorize Staff to Continue Rulemaking Process
- 11. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE SECRETARY REPORT:**
  - A. Client Status Update
  - B. Pension Commission Reports
  - C. Other Items for Discussion
- 12. DISCUSSION AND POSSIBLE ACTION ON ACTUARIAL ASSUMPTION**
- 13. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 14. NEW BUSINESS**
- 15. ADJOURNMENT**

**MINUTES**  
**JULY 22/23, 2009 MEETING and RETREAT**  
**BOARD OF TRUSTEES**  
**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

This regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by James Smith, Chairman, at 1:02 P.M., in the Aspen room of the Post Oak Lodge in Tulsa, Oklahoma. The agenda/meeting notice was posted in accordance with 25 O.S. 2001 Section 311(9).

**TRUSTEES PRESENT:**

James Smith, <i>Chairman</i>	Cathy Conway
Michael Simpson, <i>Vice-Chairman</i>	Bruce DeMuth
Dick Neptune, <i>Secretary</i>	Richard Gorman
Sherrie Barnes	John Kirkpatrick

**TRUSTEES ABSENT:**

Michael Clingman  
Odilia Dank  
Sandy Garrett  
Darrell Hatcher  
Galeard Roper

**TRS STAFF PRESENT:**

James R. Wilbanks, *Executive Secretary*  
Joe Ezzell, *Assistant Executive Secretary*  
Edward Romero, *Secretary-Treasurer*  
Nick Pointer, *Investment Associate*  
Josh Richardson, *Internal Auditor*  
Karen Yost, *Assistant to the Executive Secretary and Board of Trustees*

**LEGAL COUNSEL PRESENT:**

Regina Switzer, *Assistant Attorney General*

**INVESTMENT CONSULTANT PRESENT: gregory.w.group**

Gregory T. Weaver, *gregory.w.group*  
Douglas J. Anderson, *gregory.w.group*  
Tony Kay, *gregory.w.group*

**OTHERS PRESENT:**

Charles Barnes  
Matti Palluconi\*

*\*Denotes either late arrival or early departure.*

**JULY 22, 2009**

**1. BOARD POLL FOR QUORUM**

Chairman Smith called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Dr. Kirkpatrick; Mr. Neptune; Mr. Simpson; and Mr. Smith

## **2. MINUTES of the June 24, 2009, BOARD MEETING APPROVED**

A motion was made by Ms. Conway with a second made by Mr. DeMuth to approve the minutes of the May 27, 2009, meeting, as presented. The motion carried by a unanimous vote.

Chairman Smith stated Agenda Item 3 would be delayed until Mrs. Palluconi's arrival.

Introductions were made by each person present including: trustees, staff, and investment consultants.

## **4. INVESTMENT COMMITTEE ITEMS:**

### **4.A. Presentation by Investment Manager(s):**

Thornburg and Causeway were present during the Investment Committee meeting and made their respective presentations to the Committee.

### **4.B. GREGORY.W.GROUP REPORT:**

**4.B.1. June 30<sup>th</sup> Performance Summary:** Gregory Weaver, Douglas Anderson and Tony Kay of gregory.w.group, investment consultant to the Board, gave the Board their monthly report.

#### **4.B.2. Manager Status Summary and Possible Action:**

The Investment Committee made a recommendation to remove Goldman Sachs from "on Notice" status to in Compliance. The recommendation was approved by a unanimous vote.

**4.B.3. Update on Asset Reallocation:** An update on the asset reallocation was given to the Board by Greg Weaver.

**4.B.4. Third Party Marketing Disclosure Policy:** Greg Weaver and Douglas Anderson gave the Board a report on the new policy, stating this should be added to the Investment Policy and Guidelines. The Investment Committee recommended the Board approve this amendment to the System's Investment Policy and Guidelines. The Investment Committee recommendation was approved by a unanimous vote.

**4.C. Comparison of Securities Lending:** No action was necessary on this item.

**4.D. Comparison of Short-Term Cash Management Income:** There was no action necessary on this item.

**4.E. Renewal of Manager Contracts:** The Investment Committee recommended renewal of the manager contracts for MacKay Shields, Lord Abbett, Hoisington, and Stephens Capital. The recommendation of the Investment Committee was approved by a unanimous vote.

Also recommended was the renewal of the contract with Bloomberg. The recommendation of the Investment Committee was approved by a unanimous vote.

**5. REQUEST FROM RETIRED EDUCATOR ASSOCIATIONS:** Dr. Wilbanks referred the Board to two letters in the binder, one from the Oklahoma Retired Educators Association and the other from the Professional Oklahoma Educators Association. Dr. Wilbanks said as a result of the passage of SB 880, an organization that is strictly for retired educators would, no matter how many members they may have, has the ability to mail enrollment information to those TRS clients that are not already members of their respective organizations. A motion was made by Mr. Neptune with a second made by Mr. Simpson for approval of these requests. The motion carried by a unanimous vote.

**6. LEGAL REPORT:** Regina Switzer, Assistant Attorney General, made the legal report to the Board. There was no action necessary on this report.

## **7. EXECUTIVE SECRETARY REPORT:**

**7.A.B.C.D.: Client Status update; Financial Reports; Legislative update; Other Items for discussion:** Dr. Wilbanks gave his report to the Board. Dr. Wilbanks stated he would be glad to

answer any questions the Board may have. A motion was made by Mr. DeMuth with a second made by Dr. Kirkpatrick for approval. The motion carried by a unanimous vote.

Dr. Wilbanks informed the Board that Darryl Hatcher has accepted a non-education position and has sent a letter to the Speaker of the House, resigning from the TRS Board of Trustees.

Dr. Wilbanks notified the Board of two openings on the NCTR Executive Committee. He said if any trustee were interested, to let him know and he would so notify NCTR. Dr. Wilbanks also commented on the upcoming September Oklahoma Public Fund Trustee Education Conference the Retirement System is hosting.

**3. RESOLUTION FOR MATTI PALLUCONI:** The Board adopted a resolution acknowledging and honoring the service Mrs. Matti Palluconi has given to the Board and the state by her actions as a former trustee of the Board of Trustees of the Teachers' Retirement System of Oklahoma. Chairman Smith read the resolution into the record and he, the Trustees and TRS staff thanked Mrs. Palluconi for her service.

#### **8. OKLAHOMA TEACHERS' RETIREMENT SYSTEM BOARD OF TRUSTEES ORGANIZATION:**

Dr. Wilbanks and the Board discussed how the Board and its various Committees might be organized in the future. He said currently there is the Board of Trustees and the Investment, Audit, Personnel, Rules, Contract and Securities Litigation Committees, with only two committees being active, the Investment and Audit.

After considerable discussion, a motion was made by Ms. Conway with a second made by Dr. Kirkpatrick to approve the changes, retaining the Audit and Investment Committees, to have the Investment Committee meet every other month the day prior to the Board meeting, with the Audit Committee meeting prior to the regularly scheduled Board meeting, as needed at a time to be scheduled.

A break was taken from 2:50 to 3:05 p.m.

After the break, the Board, TRS staff and the investment consultant agreed that the Investment Committee meeting would occur every other month, beginning in August, the Tuesday before the Board meeting and the meeting would begin at 3:00 p.m., with the Audit Committee meeting to be held quarterly just prior to the start of the Board meeting.

#### **9. OKLAHOMA TEACHERS' RETIREMENT SYSTEM BOARD OF TRUSTEES MEETING LOGISTICS:**

Dr. Wilbanks stated this item had been discussed and the Board meeting will continue it's monthly Meetings, but will begin at 9:00 a.m. rather than 1:00 p.m. on its regularly scheduled date, targeting the noon hour as adjournment, if at all possible. A motion was made by Mr. DeMuth with a second made by Ms. Conway to approve the date and time of the Board meetings. The motion was approved by a unanimous vote.

## **10. INTERNAL AUDITOR REPORTS:**

Dr. Wilbanks stated as was previously discussed, the Audit Committee will meet quarterly, or semi-annually, as the Audit Committee chairman determines. He said the new internal auditor, Josh Richardson, and he would be working closely together to improve the way audits are conducted, making sure all aspects of the Agencies work is being done correctly and in the correct way. Dr. Wilbanks stated the Internal Auditor would make quarterly reports to the Board, keeping the Audit Committee informed during the interim.

## **11. TRS INVESTMENT ASSOCIATE REPORTS:**

Dr. Wilbanks said TRS has a new investment associate, Nick Pointer, and he and Nick would be working closely together on investment matters.

After further discussion, a motion was made by Ms. Conway with a second made by Dr. Kirkpatrick to approve Agenda Items 10 and 11. The motion carried by a unanimous vote.

## **12. INVESTMENT PHILOSOPHY AND STRATEGY:**

Greg Weaver and Doug Anderson of gregory.w.group gave the Board an in-depth report on expanding the types of investments the Fund is in, while providing improved returns and broader diversification of assets. They stated that additional asset classes and investments should be judged critically and each on its own to avoid investment pitfalls as investing appropriately is difficult and requires discipline, hard work and commitment.

Dr. Wilbanks stated there is to be a reception in the main lobby at 6:00 p.m. with dinner this evening beginning at 6:30 in the main dining room. He also stated there would be activities for those who wished to attend in Lodge 2. He also said breakfast tomorrow morning would begin at 7:00 a.m. in the main dining room.

At 4:15 p.m., Chairman Smith stated the meeting was recessed and would reconvene at 8:30 a.m. the following morning, July 23, 2009.

## **JULY 23, 2009**

Chairman Smith asked for a poll of the Board to determine a quorum being present. This day, Wednesday, July 23, 2009, trustees responding to the poll were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Dr. Kirkpatrick; Mr. Neptune; Mr. Simpson; and Chairman Smith.

Dr. Wilbanks gave a recap of the previous days' agenda items and discussions.

Dr. Wilbanks reiterated that this meeting is to gather information on exactly what the Board wants to see coming from TRS staff, setting direction and policy for the Retirement System and what staff can do to make the Trustee's job easier now and into the future.

Dr. Wilbanks introduced Frank Merrick with Foundation Management, and expert in assisting groups such as this Board in thinking about strategic issues. He stated Mr. Merrick is going to conduct a

very informal meeting, discussion oriented, and encouraged the Board to talk about any issues or suggestions they might have.

### **13. IDENTIFY THE MISSION FOR THE TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA:**

Mr. Merrick asked the Board what the Board thinks is the mission of the Teachers' Retirement System. After considerable discussion with the trustees and staff, the three main issues of the System's mission are the education of the System's active and retired clients, the proper administration of investments and working with the Legislature. It was determined that Mr. Merrick, Dr. Wilbanks and TRS staff compile the Board's suggestions and present a draft Mission Statement at the August Board meeting.

A break was taken from 9:52 a.m. to 10:13 a.m.

### **14. RISK MANAGEMENT IN INVESTMENTS:**

Mr. Merrick, trustees and staff discussed the variables involved in taking risk in investments, also other types of investments, i.e. social, real estate, etc. Looking at investments that would arrive at the actuarially expected return rate of 8%. A final report on this issue would be brought to the Board at the August meeting.

### **15. CUSTOMER SERVICE OBJECTIVES:**

**15. A. and B.:** What Does the TRS Customer Want and Need: Mr. Merrick, trustees and TRS staff stated one of the most important items is educating the new and current clients about their retirement benefits. That a more improved way of educating clients should be looked at which could include automated estimates on the TRS website, sending of annual statements and improve on the TRS website with more and better options to get information to the client. This item is a continuing work in progress

### **16. 18 MONTH STRATEGIC PLAN: New, Better, and Different**

**18.A.B.C.:** **New, Better, Different:** After considerable discussion, several important issues, fiduciary responsibility education, new client orientation, legislative advocacy, measurable client goals, to name a few, were given dates for the Board and staff to act on, extending to July 2010 for finalization. These were the "ASAP", as soon as possible items discussed:

A. Mission Statement  
Deadline: August Board Meeting

B. Legislative Advocacy  
Deadline: December Board Meeting

C. Measureable Customer Service Goals  
Deadline: December Board Meeting

D. Trustee Orientation  
Deadline: First Quarter 2010

E. Financial Reporting Plan  
Deadline: First Quarter 2010

F. New Customer Orientation Plan  
Deadline: July 2010

G. Portfolio: Philosophy, Strategy, and Tactics, globally and locally  
Deadline: July 2010

H. Plan for the Second Board Retreat  
Deadline: Within 12-18 Months

**17. LONG RANGE STRATEGIC PLANNING:**

Mr. Merrick and the trustees and staff agreed there was not enough time to do justice for a discussion on the Retirement System’s long range strategic planning. Another retreat that would include this discussion was considered, with a date to be determined at a later time.

**18. QUESTIONS AND COMMENTS FROM TRUSTEES**

There were no further questions or comments from the Board.

**19. NEW BUSINESS:**

There was no new business before the Board.

**20. ADJOURNMENT:**

There being no further business before the Board, a motion was made by Mr. Simpson with a second made by Mr. DeMuth for adjournment. The meeting was adjourned at 1:53 p.m. Trustees present at adjournment were as follows: Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Dr. Kirkpatrick; Mr. Neptune; Mr. Simpson; and Chairman Smith.

The next regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma will be:

**WEDNESDAY – August 26, 2009**

Investment Committee Meeting begins Tuesday, August 25, 2009, at 3:00 p.m.

Board Meeting begins August 26, 2009 at 9:00 a.m.

Oliver Hodge Education Building  
2500 North Lincoln Boulevard, 5<sup>th</sup> Floor  
Oklahoma City, Oklahoma

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

**BY:** \_\_\_\_\_  
**Chairman, James E. Smith**

**ATTEST:**

**BY:** \_\_\_\_\_  
**Dick Neptune, 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 August 26, 2009.

**BY:** \_\_\_\_\_  
**Karen A. Yost, Assistant to the Executive Secretary and the Board of Trustees**

# July 2009 - Market Performance Update

Summertime Market = Hot!



## Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	8.8	-16.7	-3.9	0.5
NASDAQ (prc chg only)	7.8	-14.9	-1.8	1.0
S&P 500 cap weighted	7.6	-20.0	-6.2	-0.1
S&P 500 equal weighted	9.2	-16.8	-5.7	1.4
S&P 400 Mid Cap	8.7	-20.3	-4.0	3.0
S&P Small Cap	10.3	-19.2	-5.4	2.2
S&P REIT	10.6	-39.8	-16.8	-1.1
Russell 1000 Growth	7.1	-17.6	-2.6	0.7
Russell 1000 Value	8.2	-22.9	-9.5	-0.3
Russell Mid Cap Growth	7.9	-21.9	-4.4	2.5
Russell Mid Cap Value	9.8	-22.8	-8.1	2.0
Russell 2000 Growth	7.8	-20.9	-3.9	2.0
Russell 2000 Value	11.6	-20.7	-8.4	0.8
Russell Top 200	7.2	-19.3	-6.0	-0.5
Russell 1000	7.6	-20.2	-6.0	0.3
Russell Mid Cap	8.9	-22.2	-6.0	2.5
Russell 2500	9.0	-20.7	-5.7	2.0
Russell 2000	9.6	-20.8	-6.1	1.5
MSCI World Ex US	9.4	-22.0	-4.5	5.9
MSCI World Ex US Growth	8.5	-25.3	-4.0	5.7
MSCI World Ex US Value	10.3	-18.4	-5.0	5.9
MSCI EAFE	9.1	-22.1	-5.1	5.3
MSCI Emerging Markets	11.2	-16.8	6.4	17.9

July was a remarkable month for investors. Equity markets rallied vigorously, giving investors one of their best months in several years. The five month period spanning February to July 2009 was the best five month stretch of broad market equity performance since 1938.

Among domestic equities, smaller was better as small caps led the market higher. Value outperformed growth across the market capitalization spectrum. Early second quarter earnings reports were better than expected, driving share prices higher near month end.

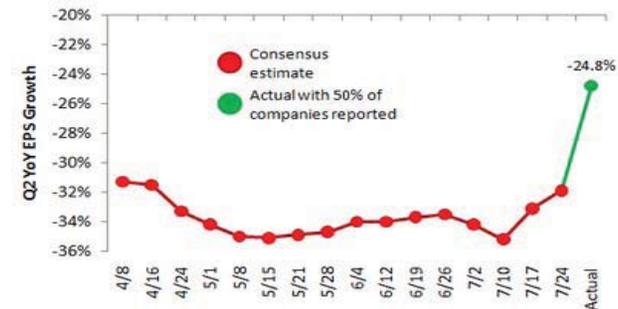
Foreign equities also performed very well during July. The emerging markets index gained over 11% during the month.

Fixed income portfolios posted relatively modest results. The Broad Bond market index has recently outperformed Treasuries by wide margins. Corporate bonds have recovered dramatically from last year's collapse. High yield bonds have performed brilliantly.

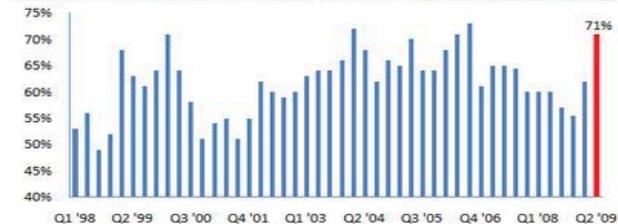
## Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
91 Day T-Bill	0.0	1.0	3.3	3.3
Long Treasury	0.4	6.6	7.2	6.1
Broad Bond Mkt	1.1	9.3	7.3	5.7

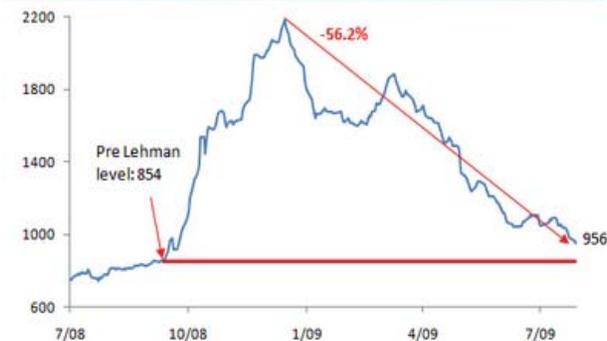
### S&P 500 Q2 YoY Earnings Growth Estimates and Actual



### Quarterly EPS "Beat" Rates: 1998-Present



### Merrill Lynch High Yield Corporate Spreads (bps): Last Year



# Oklahoma Teachers' Retirement System

Investment Manager Profile – As of July 31, 2009



Manager	Location	Structure	Investment Mandate	Portfolio Size	Status	Management Fee
Brandes Investment Partners	San Diego	Privately held	International Value Equity	\$ 401,423,655	In Compliance	0.41
Capital Guardian Trust Company	Los Angeles	Privately held	International Equity	\$ 312,589,903	In Compliance	0.45

Manager		Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception
Brandes Investment Partners	MSCI EAFE	8.3	18.6	-17.8	-3.4	6.1	7.1	11.5
		9.1	21.6	-22.2	-5.1	5.3	2.2	4.1
								inception: 1.31.1996
Capital Guardian Trust Company	MSCI ACWI Ex US	9.2	20.4	-21.8	-4.9	5.0	-	8.2
		9.8	23.3	-21.3	-3.2	7.1	3.3	11.5
								inception: 4.30.2003

Manager	Management Philosophy	Represented By:
Brandes Investment Partners	Brandes manages this portfolio using an intensive bottom-up stock selection process. Portfolios are diversified among shares Brandes find significantly undervalued. The portfolio can be concentrated in unpopular industries and sectors. The manager does not hedge currencies. Turnover is fairly low. Number of holdings will be less than one hundred. Positions are held in both developed and emerging markets.	Patrick Feller Ian Sunder
Capital Guardian Trust Company	Capital Guardian manages this portfolio using a portfolio counsellor structure that divides the portfolio into a number of sections which are assigned to individual portfolio managers. The portfolio managers, using Capital Guardian's significant research resources, build individual portfolios of shares they find attractive on any number of measures. The portfolio composes elements of both growth and value investment styles. Holdings are widely diversified although turnover is relatively low. The portfolio will hold shares of companies domiciled in developed and emerging markets.	Paula Pretlow Chris Ryder

3-02

# Oklahoma Teachers' Retirement System

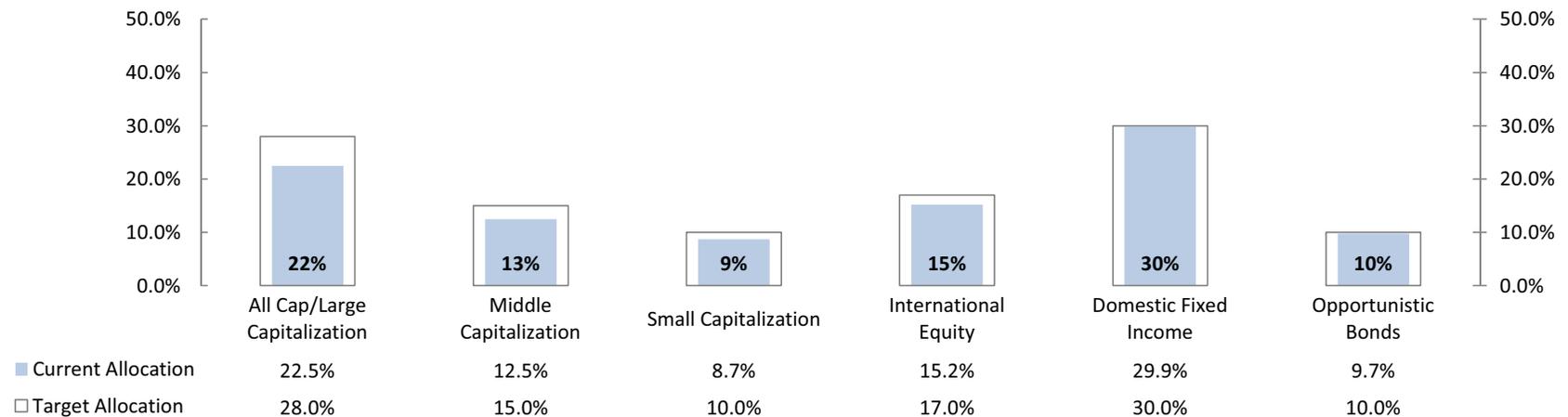
## Monthly Asset Allocation Review

As of July 31, 2009



Asset Class	Total Market Value	Percentage of Total	Target Percentage	Action?*
All Cap/Large Capitalization	1,758,114,189	22.5%	28.0%	Yes
Middle Capitalization	978,678,889	12.5%	15.0%	Yes
Small Capitalization	679,689,520	8.7%	10.0%	Yes
<b>Total Domestic Equity</b> (includes 0.1% private equity allocation)	3,427,083,267	43.8%	53.0%	Yes
<b>International Equity</b>	1,191,859,003	15.2%	17.0%	Yes
<b>Fixed Income</b> (excludes OBP)	2,336,909,537	29.9%	30.0%	No
<b>Opportunistic Bonds</b>	762,595,349	9.7%	10.0%	No
<b>Cash</b>	39,893,390	0.5%	0.0%	No

### Current vs. Target Asset Allocation



\*Action is suggested when the allocation falls outside of 90% to 110% of its target allocation.

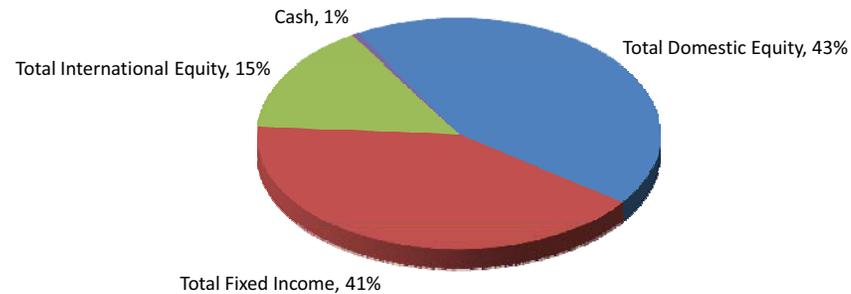
# Oklahoma Teachers' Retirement System Composites and Total Fund

Performance Summary as of July 31, 2009



	Market Value	Last Month	Last Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Total Domestic Equity	<b>3,416,482,598</b>	7.7	13.6	-18.9	-5.2	1.5	2.1	9.3	7.9	3.31.90
<i>S&amp;P 500</i>		7.6	13.8	-20.0	-6.2	-0.1	-1.2			3.31.90
Total All Cap Equity	576,562,434	6.6	12.5	-19.9	-	-	-	-6.7	-10.6	9.30.06
<i>Russell 3000</i>		7.8	13.9	-20.2	-6.0	0.4	-0.4			9.30.06
Total Large Cap Equity	1,181,551,755	6.6	12.3	-22.0	-6.9	-0.3	1.2	8.3	7.2	1.31.95
<i>S&amp;P 500</i>		7.6	13.8	-20.0	-6.2	-0.1	-1.2			1.31.95
Total Mid Cap Equity	978,678,889	9.0	15.6	-16.4	-3.7	3.8	5.1	6.4	5.3	11.30.98
<i>Russell MidCap</i>		8.9	14.0	-22.2	-6.0	2.5	4.3			11.30.98
Total Small Cap Equity	679,689,520	8.7	14.0	-15.5	-3.4	3.3	6.6	6.5	3.6	1.31.98
<i>Russell 2000</i>		9.6	14.6	-20.7	-6.1	1.5	3.6			1.31.98
Total International Equity	1,191,859,003	9.3	19.9	-19.4	-3.5	5.8	4.8	9.0	1.7	1.31.96
<i>MSCI EAFE</i>		9.1	21.6	-22.2	-5.1	5.3	2.2			1.31.96
Total Fixed Income (excludes OBP)	2,336,909,537	2.5	4.8	10.3	7.5	5.9	6.6	7.3	7.2	3.31.90
<i>Barclays Aggregate</i>		1.6	2.9	7.8	6.5	5.1	6.2			3.31.90
Opportunistic Bonds	762,595,349	6.4	14.0	-	-	-	-	24.0	35.3	2.28.09
<i>Merrill Lynch High Yield II</i>		6.2	17.4	4.1	3.5	5.1	5.1			2.28.09
Cash	39,893,390	-	-	-	-	-	-	-	-	
<i>91 Day T-bill</i>		0.0	0.1	1.0	3.2	3.2	3.2			
<b>Total Fund</b>	<b>7,833,321,649</b>	<b>6.0</b>	<b>10.8</b>	<b>-10.2</b>	<b>-0.7</b>	<b>4.1</b>	<b>4.6</b>	<b>8.6</b>		<b>11.30.91</b>
<i>Allocation Index</i>		6.4	11.9	-12.3	-1.7	3.2	3.7	8.6		11.30.91
<i>Actuarial Assumption</i>		0.6	1.9	8.0	8.0	8.0	8.0	8.0		11.30.91

## Composite Allocation by Asset Class



3-04

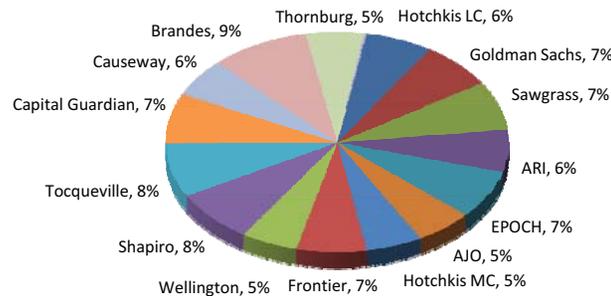
# Oklahoma Teachers' Retirement System Equity Portfolios

Performance Summary as of July 31, 2009



	Market Value	Last Month	Last Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Hotchkis & Wiley Large Cap	273,036,298	8.9	18.3	-18.6	-12.1	-2.8	2.6	9.2	8.6	3.31.90
<i>Russell 1000 Value</i>		8.2	14.0	-22.9	-9.5	-0.3	0.9			
Goldman Sachs	298,159,572	5.8	13.5	-18.5	-1.1	1.7	-0.6	9.2	7.2	3.31.90
Chase Investment	304,515,150	5.7	8.5	-24.3	-4.9	-	-	-5.4	-3.2	6.30.06
Sawgrass	305,794,047	6.6	11.1	-18.4	-4.1	-	-	-3.8	-3.2	6.30.06
<i>Russell 1000 Growth</i>		7.1	13.7	-17.6	-2.6	0.7	-3.2			
Advisory Research	268,281,668	7.3	11.3	-17.7	-	-	-	-8.5	-7.9	9.30.06
EPOCH	308,280,766	6.1	13.2	-22.2	-	-	-	-5.1	-7.9	9.30.06
<i>Russell 3000</i>		7.8	13.9	-20.2	-6.0	0.4	-0.4			
Capital Guardian	312,589,903	9.2	20.4	-21.8	-4.9	5.0	-	8.2	11.5	4.30.03
Causeway Capital	242,337,496	11.1	19.8	-20.2	-4.9	4.7	-	10.2	10.0	4.30.03
Brandes	<b>401,423,655</b>	8.3	18.6	-17.8	-3.4	6.1	7.1	11.5	4.1	1.31.96
Thornburg	235,507,949	9.3	21.7	-16.5	1.7	-	-	4.4	0.0	11.30.05
<i>MSCI EAFE GD</i>		9.1	21.6	-22.2	-5.1	5.3	2.2			
<i>MSCI ACWI Ex US</i>		9.8	23.3	-21.3	-3.2	7.1	3.3			
Wellington	231,156,667	9.6	15.1	-19.1	-3.5	4.2	5.6	7.8	4.9	8.31.98
Frontier Capital	283,800,540	7.0	12.8	-14.7	<b>2.3</b>	<b>7.1</b>	-	5.9	3.5	5.31.02
<i>Russell MidCap Growth</i>		7.9	14.0	-21.9	-4.4	2.5	1.1			
AJO Partners	233,799,602	7.9	14.1	-21.8	-5.9	2.4	5.5	7.2	5.5	8.31.98
Hotchkis & Wiley Mid Cap	229,922,080	<b>12.2</b>	<b>22.2</b>	-8.3	-8.2	1.0	-	8.2	6.5	7.31.02
<i>Russell MidCap Value</i>		9.8	13.8	-22.8	-8.1	2.0	5.2			
<i>Russell MidCap</i>		8.9	14.0	-22.2	-6.0	2.5	4.3			
Shapiro Capital Management	336,231,068	11.0	18.7	<b>-7.7</b>	-1.7	5.5	<b>7.8</b>	6.9	5.4	1.31.98
Tocqueville	343,458,452	6.6	10.0	-17.4	-2.2	5.0	-	7.4	6.3	10.31.00
<i>Russell 2000 Value</i>		11.6	13.6	-20.7	-8.4	0.8	6.4			
<i>Russell 2000</i>		9.6	14.6	-20.7	-6.1	1.5	3.6			
Private Equity	10,600,669	0.2	5.0	-	-	-	-	-	-	9.30.08

## Equity Portfolio Allocation by Manager



# Oklahoma Teachers' Retirement System Fixed Income Portfolios

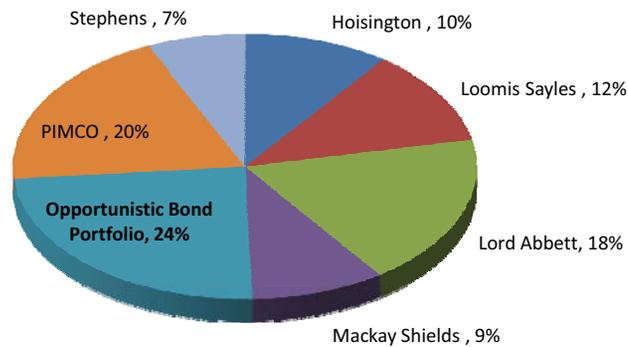
Performance Summary as of July 31, 2009



	Market Value	Last Month	Last Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Hoisington	321,313,887	0.4	-1.8	10.1	8.8	-	-	7.2	4.8	10.31.04
Loomis Sayles	367,583,625	4.4	9.6	15.4	9.4	7.2	6.5	6.5	6.2	7.31.99
Lord Abbett	584,723,853	3.5	6.5	10.4	7.3	-	-	5.6	4.8	10.31.04
Mackay Shields	295,831,917	2.3	4.7	9.9	7.2	-	-	5.4	4.8	10.31.04
PIMCO	621,321,395	2.3	5.7	8.4	6.5	5.5	6.7	6.7	6.2	7.31.99
Stephens	217,821,463	0.8	0.7	9.8	8.5	-	-	5.7	4.8	10.31.04
<i>Barclays Aggregate</i>		1.6	2.9	7.8	6.5	5.1	6.2			
Opportunistic Bond Portfolio	762,595,349	6.4	14.0	-	-	-	-	24.0	30.4	2.28.09
<i>Merrill Lynch High Yield II</i>		6.2	17.4	4.1	3.5	5.1	5.1			

## Fixed Income Portfolio Allocation by Manager

This includes the **\$72 million** invested in the PIMCO Distressed Mortgage Funds.



# Oklahoma Teachers' Retirement System

Estimated Net of Management Fee Performance Summary

As of July 31, 2009



Portfolio	Market Value	Estimated Fee	Last Month	Last Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Year Annualized	Since inception	Index Since inception	Inception Date
Hotchkis & Wiley	273,036,298	0.39	8.9	18.2	-19.0	-12.5	-3.1	2.3	8.8	8.0	3.31.90
<i>Russell 1000 Value</i>			8.2	14.0	-22.9	-9.5	-0.3	0.9			
Goldman Sachs	298,159,572	0.28	5.7	13.4	-18.8	-1.4	1.4	-0.9	8.9	6.6	3.31.90
Chase Investment	304,515,150	0.42	5.6	8.4	-24.8	-	-	-	-5.8	-3.2	6.30.06
Sawgrass	305,794,047	0.42	6.6	11.0	-18.8	-	-	-	-4.3	-3.2	6.30.06
<i>Russell 1000 Growth</i>			7.1	13.7	-17.6	-2.6	0.7	-3.2			
Advisory Research	268,281,668	0.38	7.3	11.2	-18.1	-	-	-	-8.8	-7.9	9.30.06
EPOCH	308,280,766	0.48	6.0	13.1	-22.7	-	-	-	-5.6	-7.9	9.30.06
<i>Russell 3000</i>			7.8	13.9	-20.2	-6.0	0.4	-0.4			
AJO Partners	233,799,602	0.20	7.9	14.0	-22.0	-6.1	2.2	5.3	7.0	5.5	8.31.98
Wellington	231,156,667	0.45	9.5	15.0	-19.6	-4.0	3.8	5.1	7.4	4.9	8.31.98
Frontier Capital Management	283,800,540	0.57	7.0	12.6	-15.3	1.7	6.5	-	5.3	3.5	5.31.02
Hotchkis & Wiley Mid Cap	229,922,080	0.50	12.2	22.1	-8.8	-8.7	0.5	-	7.7	6.5	7.31.02
<i>Russell MidCap</i>			8.9	14.0	-22.2	-6.0	2.5	4.3			
Shapiro Capital Management	336,231,068	0.74	11.0	18.5	-8.5	-2.4	4.8	7.1	6.2	5.4	1.31.98
Tocqueville	343,458,452	0.66	6.5	9.9	-18.0	-2.8	4.4	-	6.7	6.3	9.30.00
<i>Russell 2000</i>			9.6	14.6	-20.7	-6.1	1.5	3.6			
Private Equity	10,600,669	-	0.2	5.0	-	-	-	-			9.30.08
<i>S&amp;P 500 + 4.0%</i>			7.7	14.8	-16.0	-2.2	3.9	2.8			
Capital Guardian	312,589,903	0.45	9.1	20.3	-22.3	-5.4	4.6	-	7.7	11.5	4.30.03
Causeway Capital	242,337,496	0.42	11.1	19.7	-20.7	-5.4	4.2	-	9.8	10.0	4.30.03
Brandes	401,423,655	0.41	8.3	18.5	-18.3	-3.9	5.6	6.6	11.1	4.1	1.31.96
Thornburg	235,507,949	0.52	9.2	21.5	-17.0	1.2	-	-	4.0	0.0	11.30.05
<i>MSCI EAFE GD</i>			9.1	21.6	-22.2	-5.1	5.3	2.2			
<i>MSCI ACWI Ex US</i>			9.8	23.3	-21.3	-3.2	7.1	3.3			
Hoisington	321,313,887	0.15	0.4	-1.9	9.9	8.6	-	-	7.1	4.8	10.31.04
Loomis Sayles	367,583,625	0.16	4.4	9.6	15.2	9.3	7.0	-	6.4	6.2	7.31.99
Lord Abbett	584,723,853	0.17	3.5	6.4	10.2	7.2	-	-	5.4	4.8	10.31.04
Mackay Shields	295,831,917	0.21	2.3	4.6	9.7	7.0	-	-	5.1	4.8	10.31.04
PIMCO	621,321,395	0.25	2.2	5.7	8.1	6.2	5.3	-	6.5	6.2	7.31.99
Stephens	217,821,463	0.16	0.7	0.7	9.6	8.3	-	-	5.6	4.8	10.31.04
<i>Barclays Aggregate</i>			1.6	2.9	7.8	6.5	5.1	6.2			
Opportunistic Bond Portfolio	762,595,349	0.44	6.3	13.9	-	-	-	-	24.0	30.4	2.28.09
<i>ML High Yield II</i>			6.2	17.4	4.1	3.5	5.1	5.1			
<b>Total Fund</b>	<b>7,833,321,649</b>	<b>0.25</b>	<b>6.0</b>	<b>10.7</b>	<b>-10.5</b>	<b>-0.9</b>	<b>3.8</b>	<b>4.3</b>	<b>8.4</b>	<b>8.6</b>	<b>11.30.91</b>
<i>Allocation Index</i>			6.4	11.9	-12.3	-1.7	3.2	3.7			
<i>Actuarial Assumption</i>			0.6	1.9	8.0	8.0	8.0	8.0	8.0		

3-07

# Oklahoma Teachers' Retirement System

Manager Status Summary

As of July 31, 2009



Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)
<b>Domestic Equity</b>				
Goldman Sachs	4%	Large Cap Growth Equity	In Compliance	In Compliance as of July, 2009
Chase	4%	Large Cap Growth Equity	In Compliance	
Sawgrass	4%	Large Cap Growth Equity	In Compliance	
<b>Hotchkis &amp; Wiley</b>	<b>3%</b>	<b>Large Cap Value Equity</b>	<b>On Alert</b>	<b>Performance - 2/2008</b>
<b>Advisory Research</b>	<b>3%</b>	<b>All Cap Equity</b>	<b>On Alert</b>	<b>Performance - 2/2008</b>
EPOCH	4%	All Cap Equity	In Compliance	
AJO Partners	3%	Mid Cap Value Equity	In Compliance	
Frontier Capital Management	4%	Mid Cap Growth Equity	In Compliance	
<b>Hotchkis &amp; Wiley</b>	<b>3%</b>	<b>Mid Cap Value Equity</b>	<b>On Alert</b>	<b>Performance - 2/2008</b>
Wellington	3%	Mid Cap Growth Equity	In Compliance	
Shapiro Capital Management	4%	Small Cap Value Equity	In Compliance	
Tocqueville	4%	Small Cap Value Equity	In Compliance	
<b>International Equity</b>				
Brandes	5%	International Value Equity	In Compliance	
Capital Guardian	4%	International Growth Equity	In Compliance	
Causeway Capital	3%	International Value Equity	In Compliance	
Thornburg	3%	International Value Equity	In Compliance	
<b>Fixed Income</b>				
Hoisington	4%	Fixed Income	In Compliance	
Loomis Sayles	5%	Fixed Income	In Compliance	
Lord Abbett	7%	Fixed Income	In Compliance	
Mackay Shields	4%	Fixed Income	In Compliance	
PIMCO	8%	Fixed Income	In Compliance	
Stephens	3%	Fixed Income	In Compliance	

3-08



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

executive summary report  
second quarter, 2009

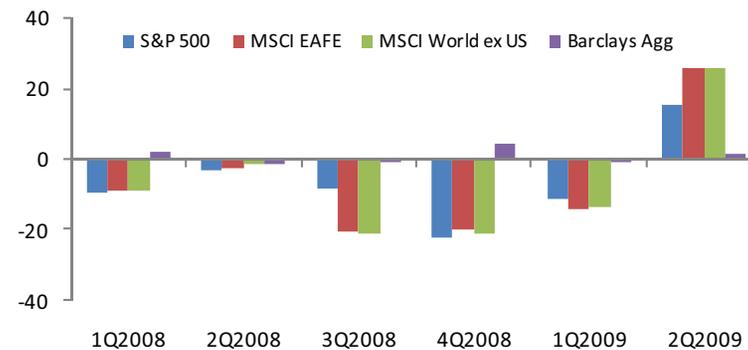
**gregory.w.group**

# The Market Environment – second quarter 2009

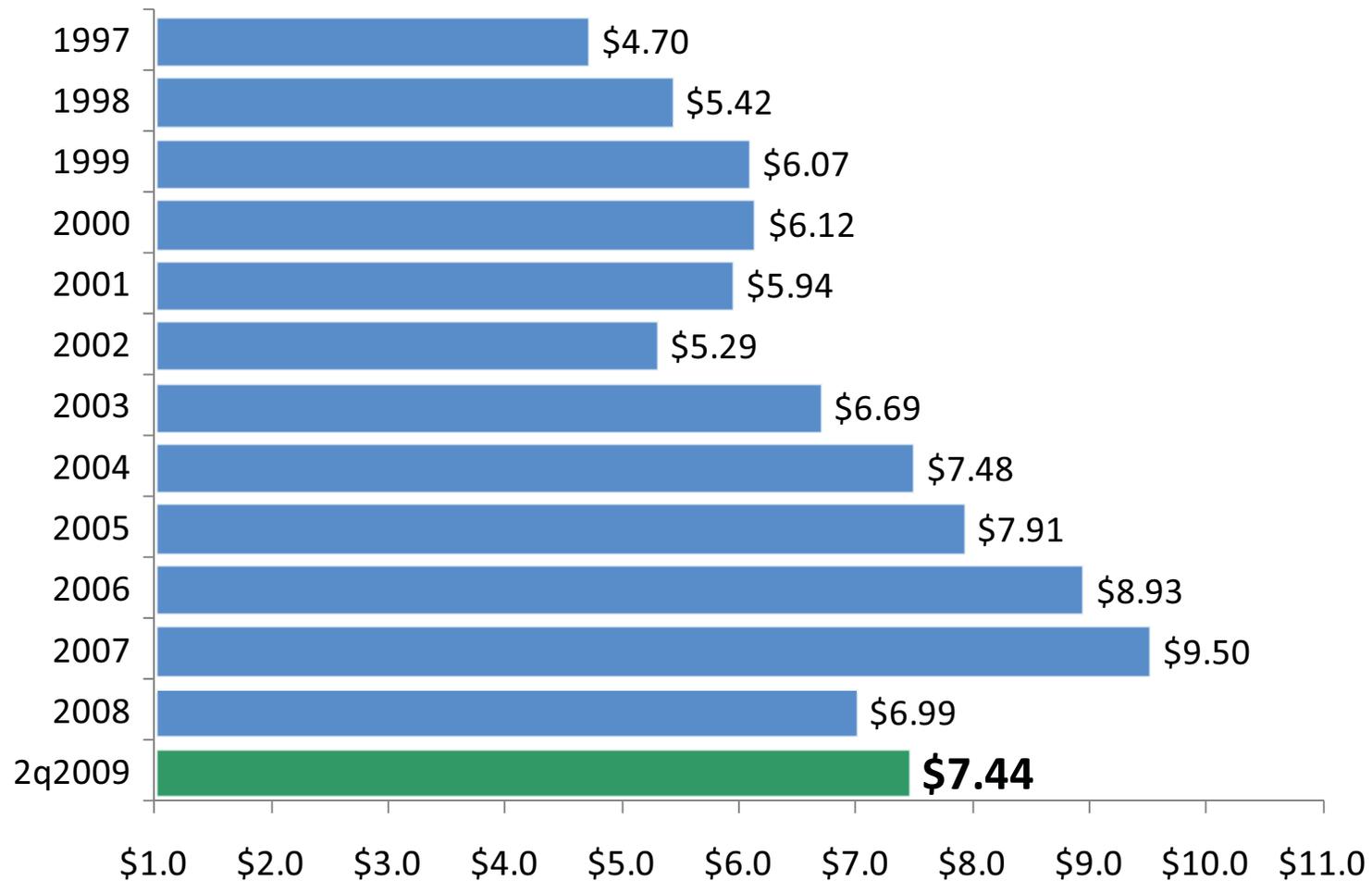
- ▶ **Equity markets bounced back during the quarter, posting strong gains.** The Russell 1000 Large Cap Index rose 16.5%, while the Russell Mid Cap Index gained 20.8%, and the Russell 2000 Index posted a gain of 20.7%.
- ▶ **Mid cap stocks outperformed** both large and small caps during the quarter. **Value outperformed growth** across large and mid market capitalizations. **Small cap growth** was the top performing market segment during the quarter, **returning 23.4%**. **Large cap growth** was the worst performing market segment on a relative basis, **gaining 16.3%**.
- ▶ **International equity** indexes posted strong results during the quarter. The **MSCI EAFE Index returned 25.8%**, while the **MSCI Emerging Markets Index gained 35.0%**.
- ▶ The **domestic bond market** enjoyed modestly positive returns. The **Fed left short-term interest rates at a range of 0.00% to 0.25%**. The Barclays Capital Aggregate Bond Index returned 1.8%, while the Three Month T-Bill Index ended the quarter slightly up at 0.1%.

Equity Performance Summary – Trailing Year

	Value	Core	Growth
<b>Large</b>	-29.0%	-26.7%	<b>-24.5%</b>
<b>Mid</b>	-30.5%	-30.4%	<b>-30.3%</b>
<b>Small</b>	-25.3%	-25.1%	<b>-24.9%</b>

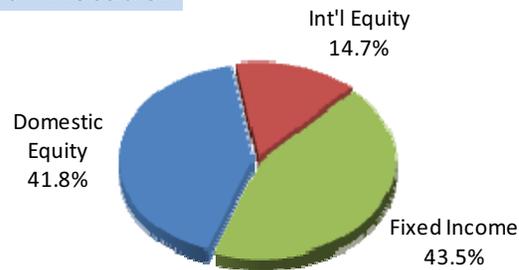


# Total Fund Market Value (in billions)

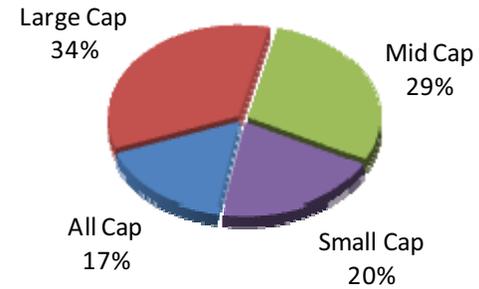


# Asset Allocation Summary

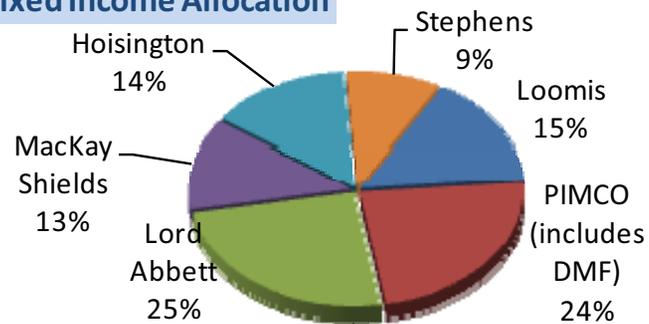
## Total Fund Allocation



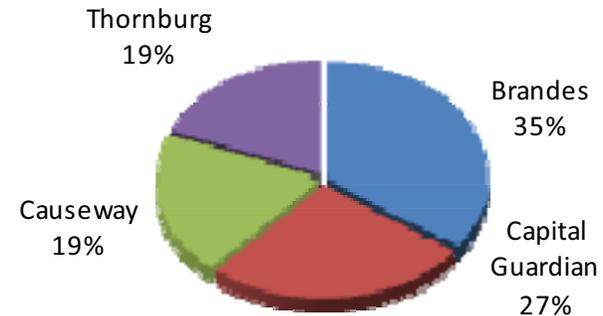
## Domestic Equity Asset Allocation



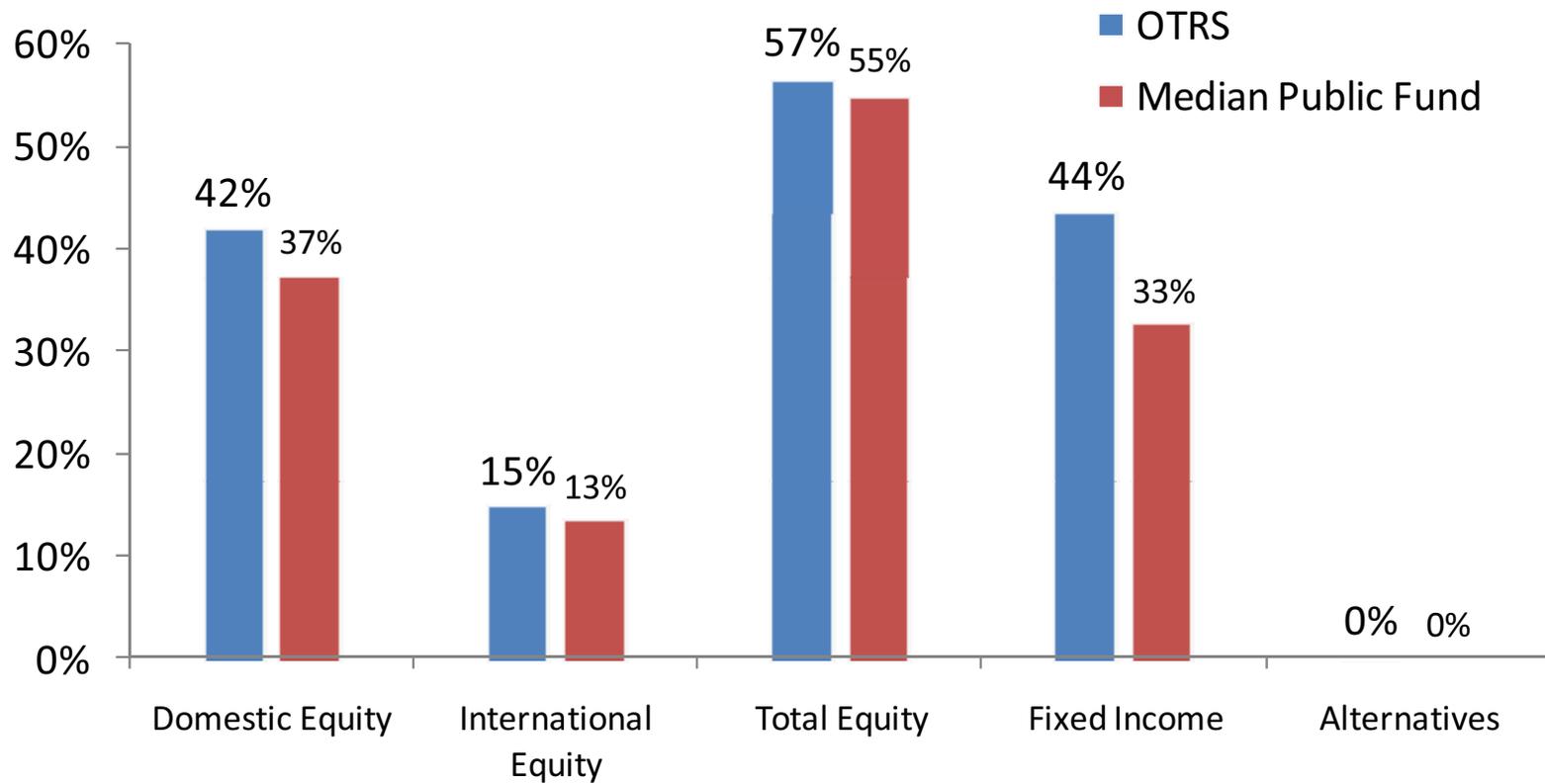
## Fixed Income Allocation



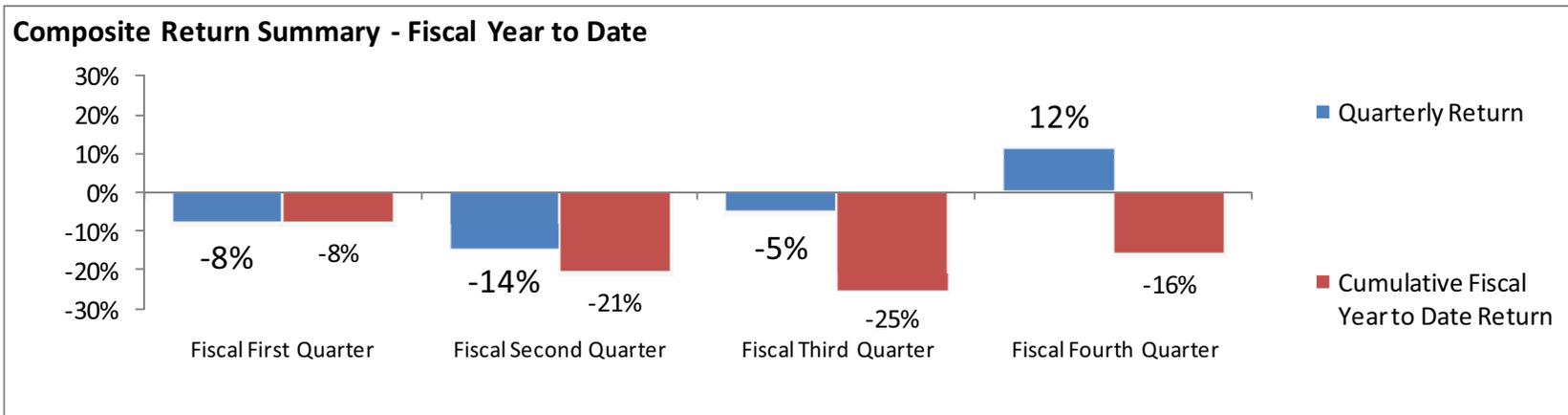
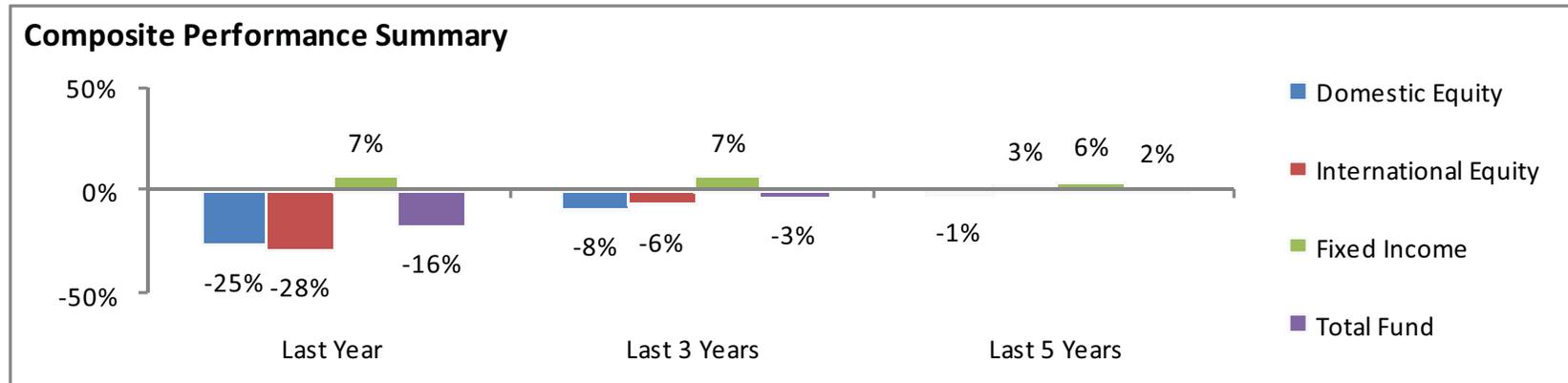
## International Equity Allocation



# Total Fund Allocation vs. Median Public Fund

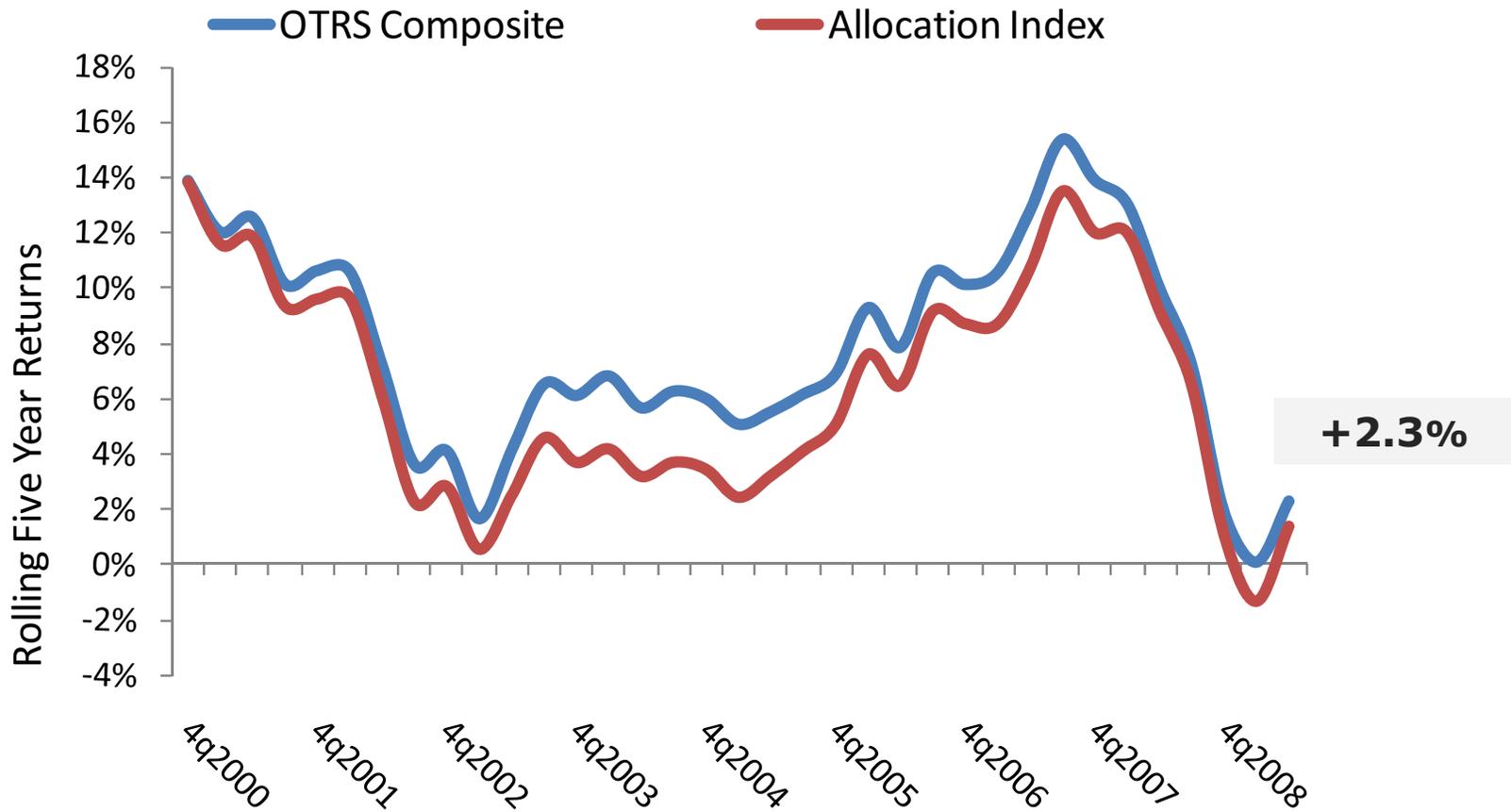


# Composite Performance Summary as of June 30, 2009



# Composite Return vs. Allocation Index

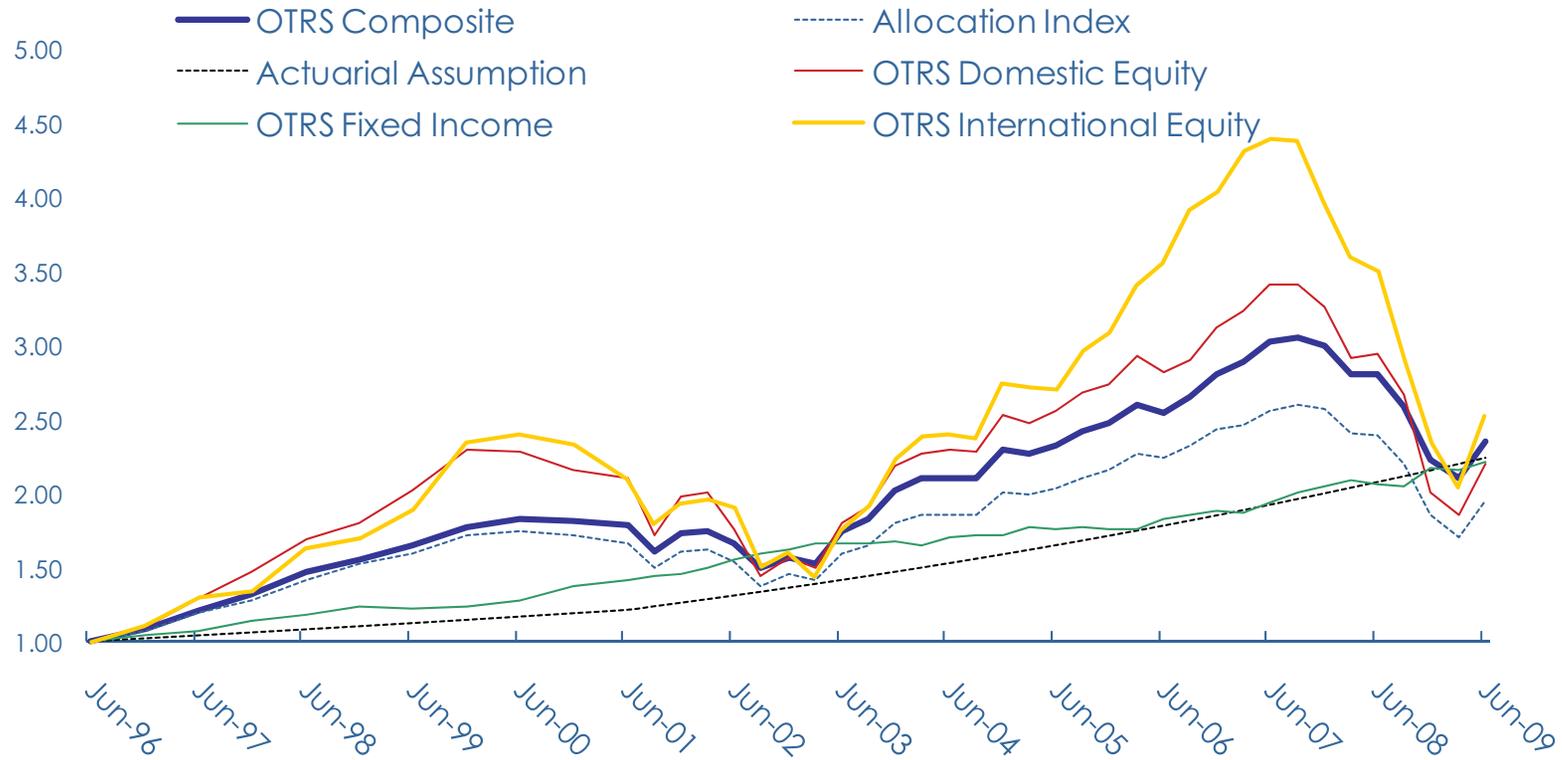
## Rolling Five Year Returns



**+2.3%**

# Growth of a Dollar Over Time

Period Ended June 30, 2009

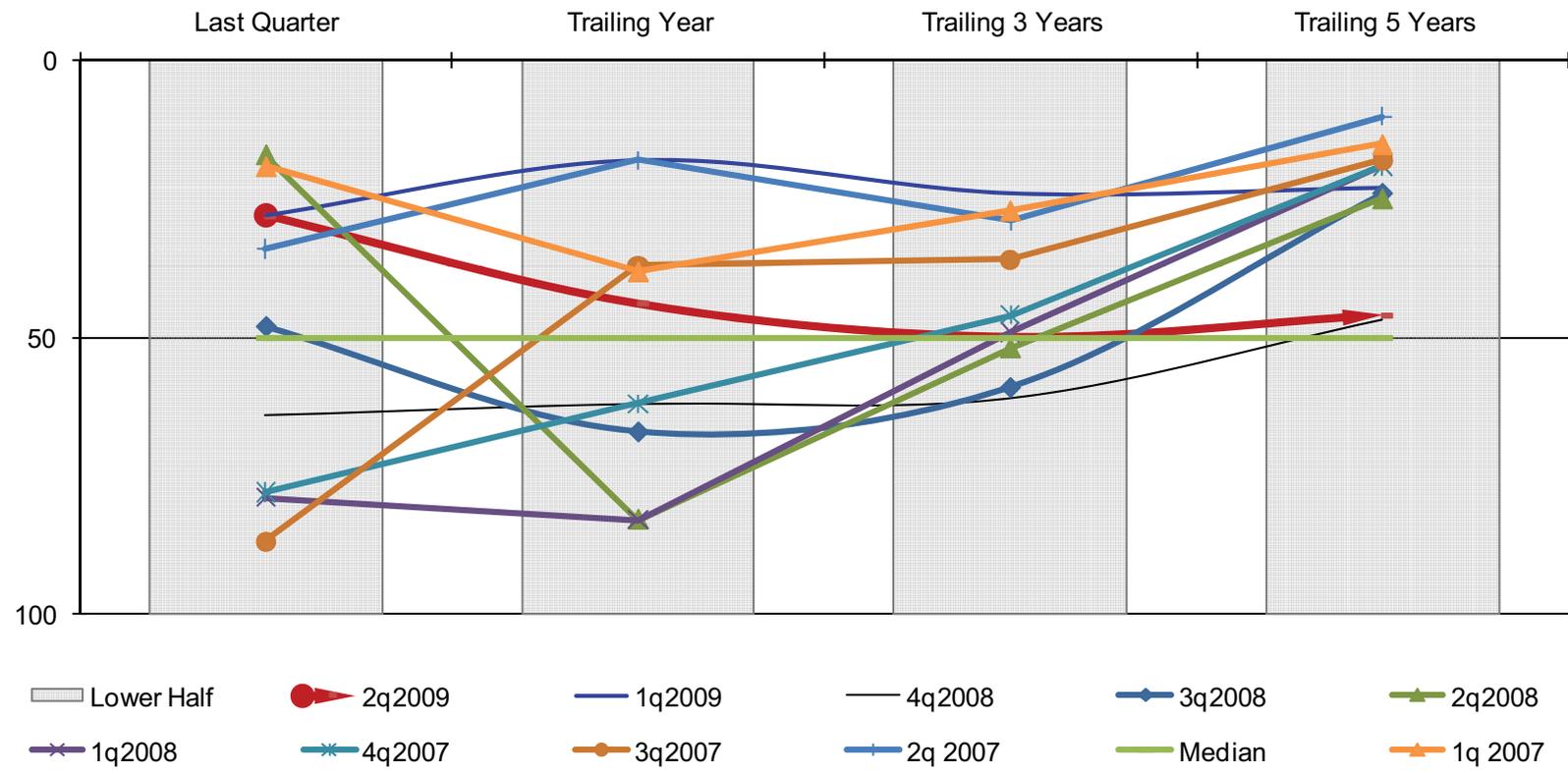


## Performance – Total Fund

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Total Fund</b>	<b>11.9</b>	<b>28</b>	<b>-16.0</b>	<b>44</b>	<b>-2.6</b>	<b>50</b>	<b>2.3</b>	<b>46</b>
<i>Allocation Index</i>	14.4		-18.3		-3.7		1.4	
<i>Actuarial Assumption</i>	1.9		8.0		8.0		8.0	
<b>Total Domestic Equity</b>	<b>18.8</b>	<b>24</b>	<b>-25.3</b>	<b>36</b>	<b>-7.9</b>	<b>42</b>	<b>-0.9</b>	<b>38</b>
<i>S&amp;P 500</i>	15.9		-26.2		-8.2		-2.2	
<b>Total International Equity</b>	<b>23.4</b>	<b>67</b>	<b>-27.8</b>	<b>28</b>	<b>-6.1</b>	<b>37</b>	<b>3.3</b>	<b>52</b>
<i>MSCI EAFE GD</i>	25.4		-31.4		-8.0		2.3	
<b>Total Fixed Income</b>	<b>2.6</b>	<b>60</b>	<b>7.3</b>	<b>21</b>	<b>7.2</b>	<b>20</b>	<b>5.6</b>	<b>24</b>
<i>BC Aggregate</i>	1.8		6.0		6.4		5.0	

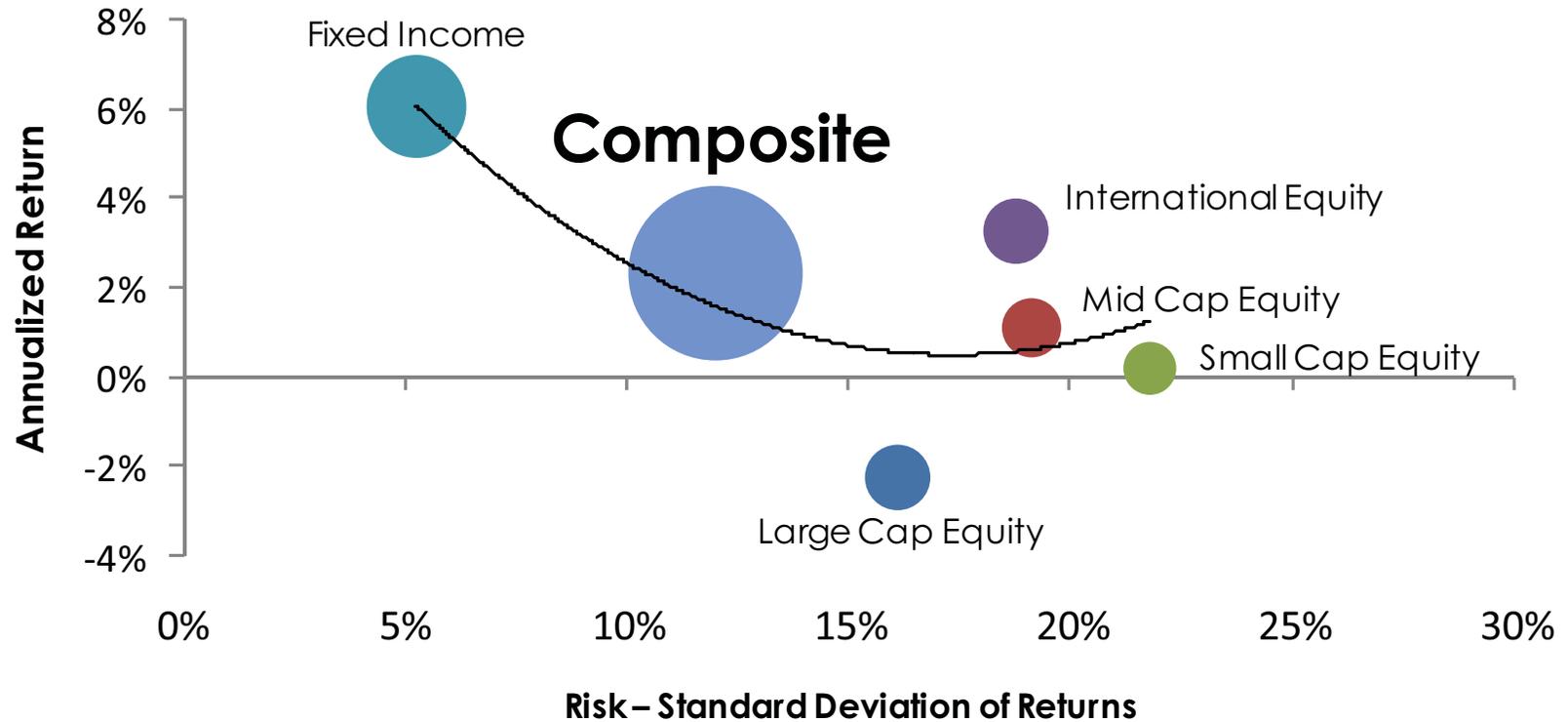
# Composite Peer Rank History

Periods Ended June 30, 2009



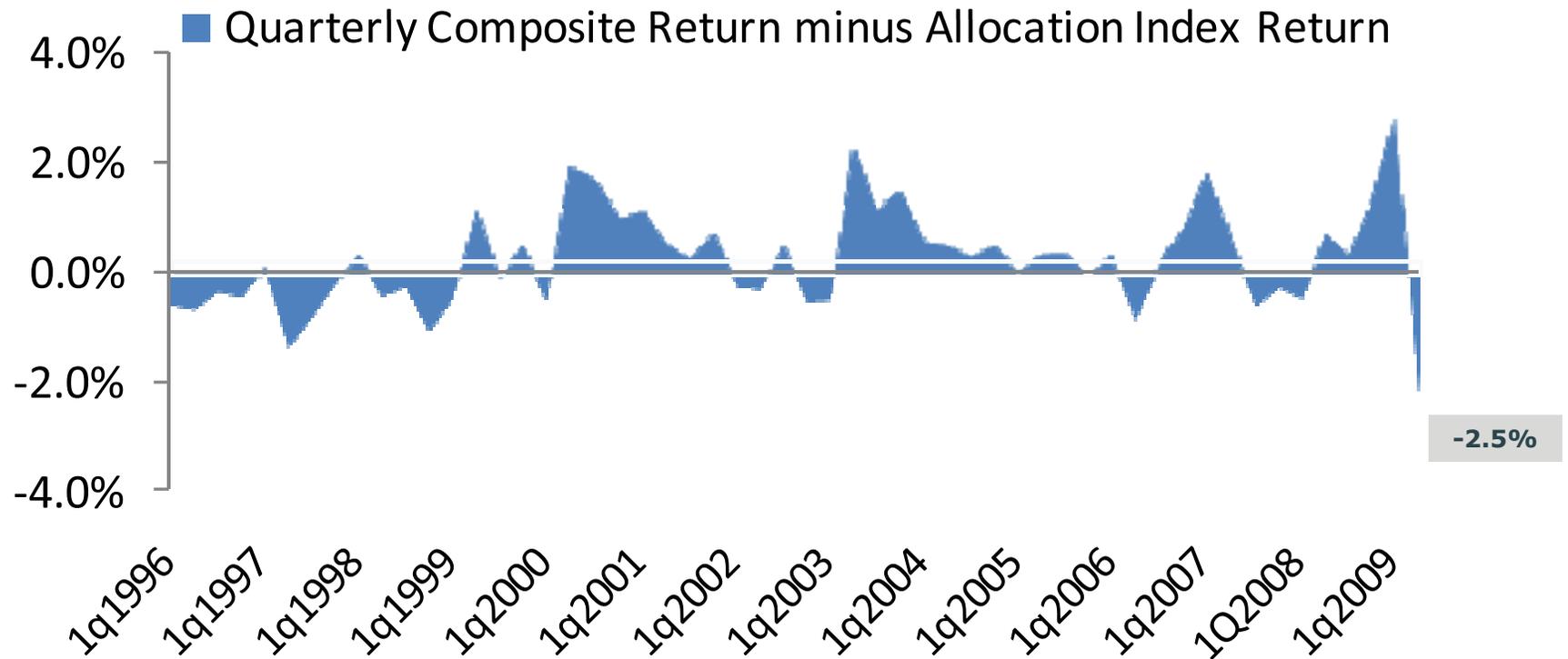
# Risk Return Comparison of Asset Class Composites

Five Years Ended June 30, 2009

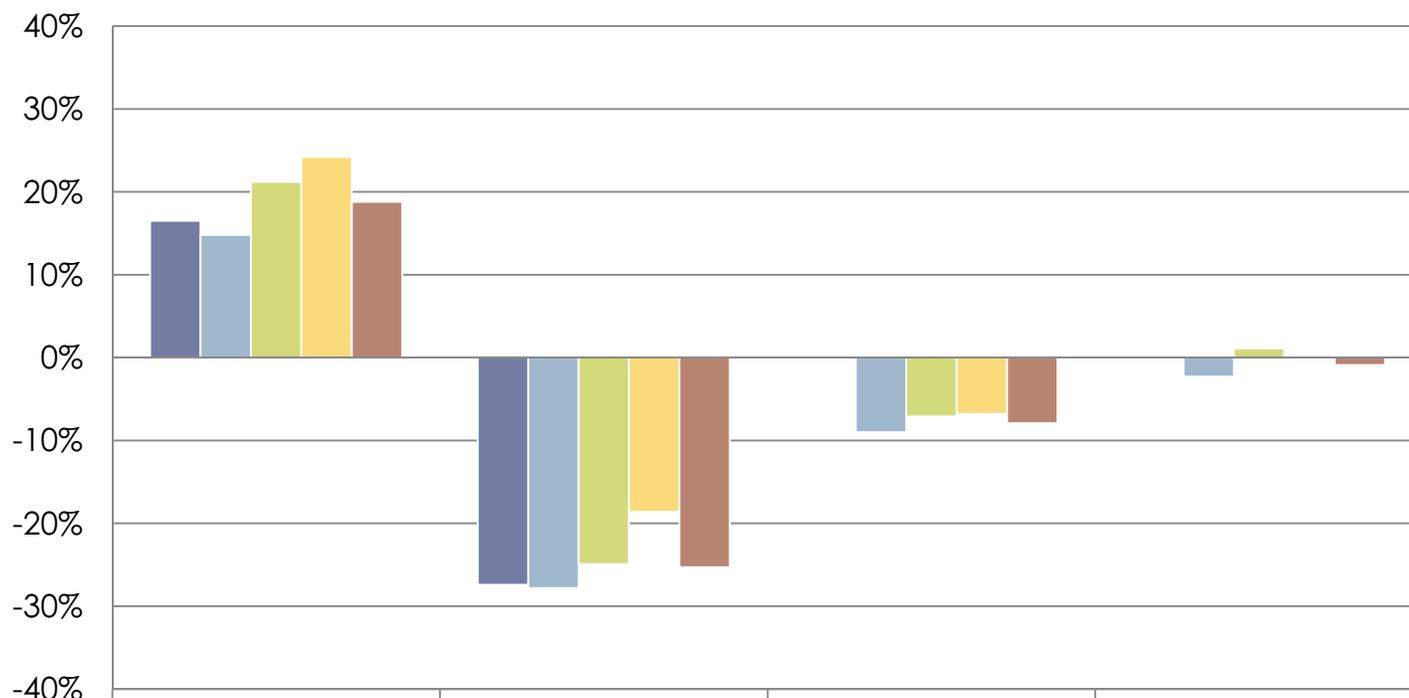


# Total Fund Return History: **Quarterly Observations**

Added Value: Composite Return vs. Allocation Index



## Domestic Equity Performance: Capitalization Composites



	Last Quarter	Last Year	Last Three Years	Last 5 Years
All Cap	16.5%	-27.4%		
Large Cap	14.8%	-27.8%	-9.0%	-2.3%
Mid Cap	21.2%	-24.9%	-7.1%	1.1%
Small Cap	24.2%	-18.6%	-6.8%	0.2%
All Domestic Equity	18.8%	-25.3%	-7.9%	-0.9%

## Performance – All Cap and Large Cap Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Advisory Research</b>	16.8	53	-25.7	41	-	-	-	-
<b>EPOCH</b>	16.3	61	-29.2	78	-	-	-	-
<b>Hotchkis LCV</b>	26.2	3	-25.0	32	-14.7	95	-4.9	96
<b>Chase</b>	7.2	96	-29.3	75	-7.3	70	-	-
<b>Goldman Sachs</b>	19.2	18	-23.4	29	-3.1	16	-0.4	36
<b>Sawgrass</b>	11.4	80	-23.5	30	-6.0	50	-	-
<b>S&amp;P 500</b>	15.9		-26.2		-8.2		-2.2	

## Performance – Mid Cap and Small Cap Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
AJO	18.7	75	-29.8	79	-8.8	75	0.1	75
Frontier	13.6	76	-21.2	17	-0.7	2	4.3	13
Hotchkis MCV	29.2	19	-16.8	17	-12.0	84	-1.9	89
Wellington	28.0	2	-29.9	52	-7.3	48	1.2	43
<i>Russell MC</i>	20.8		-30.4		-9.3		-0.1	
Shapiro	28.8	22	-13.4	12	-4.7	12	2.6	15
Tocqueville	20.5	70	-17.6	45	-5.5	20	2.5	15
<i>Russell 2000</i>	20.7		-25.0		-9.9		-1.7	

## Performance – Fixed Income Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
Hoisington	-10.0	99	8.5	9	9.5	2	-	
Loomis Sayles	8.2	14	9.7	2	8.4	7	6.5	6
Lord Abbett	5.8	25	6.4	33	6.6	31	-	
Mackay Shields	3.3	48	7.4	22	6.9	25	-	
PIMCO	5.0	32	5.6	42	6.2	40	5.3	34
Stephens	0.1	87	9.6	1	8.8	5	-	
Opportunistic Bond Portfolio	16.8	33	-		-		-	
BC Aggregate	1.8		6.0		6.4		5.0	

## Performance – International Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Brandes</b>	<b>24.2</b>	<b>33</b>	<b>-24.3</b>	<b>26</b>	<b>-5.8</b>	<b>42</b>	<b>3.8</b>	<b>32</b>
<b>Causeway</b>	<b>25.1</b>	<b>26</b>	<b>-29.7</b>	<b>46</b>	<b>-8.0</b>	<b>58</b>	<b>1.9</b>	<b>45</b>
<b>Capital Guardian</b>	<b>21.0</b>	<b>55</b>	<b>-31.5</b>	<b>54</b>	<b>-7.5</b>	<b>54</b>	<b>2.5</b>	<b>41</b>
<b>Thornburg</b>	<b>23.5</b>	<b>38</b>	<b>-25.7</b>	<b>31</b>	<b>-1.1</b>	<b>18</b>	<b>-</b>	
<i>MSCI EAFE</i>	<i>25.4</i>		<i>-31.4</i>		<i>-8.0</i>		<i>2.3</i>	
<i>MSCI ACWI Ex US</i>	<i>25.9</i>		<i>-31.6</i>		<i>-7.5</i>		<i>2.9</i>	

## Second Quarter 2009 - Conclusions

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- ▶ Markets rallied during the second quarter as investors realized the global financial system was not going to fail. Risk assets performed very well. Volatility declined even as share and bond prices moved significantly higher. Markets moved steadily higher from early March until late May. Markets were stable over the course of June.
- ▶ Domestic risk assets rallied. Equities of almost all types surged higher. Corporate bonds also rallied from depressed levels.
- ▶ International equity portfolios outperformed domestics during the second quarter. Share price gains and currency moves both added to returns.
- ▶ The Oklahoma Teachers' total portfolio posted a second quarter gain of 11.9%. The result ranked in the 28<sup>th</sup> percentile of public funds (1<sup>st</sup> percentile = highest). It underperformed its allocation index due to its underweight position in equity. This underweight had added to returns during the fourth quarter of 2008 and the first quarter of 2009. A shift of assets from fixed income to equity started during the second quarter. The core fixed income and high yield fixed income portfolios performed quite well.

## CONSENT

Lehman Brothers Special Financing Inc.  
1271 Avenue of the Americas, 40<sup>th</sup> Floor  
New York, NY 10019

Lehman Brothers Holdings Inc.  
1271 Avenue of the Americas, 40<sup>th</sup> Floor  
New York, NY 10019

Pacific Investment Management Company LLC  
840 Newport Center Drive  
Newport Beach, CA 92660

Ladies and Gentlemen:

### **Consent to Settlement Agreement for transactions with Lehman Brothers Special Financing Inc.**

We have read the Settlement Agreement dated as of July 24, 2009 made by Pacific Investment Management Company LLC and others, Lehman Brothers Special Financing Inc. (“**LBSF**”) and Lehman Brothers Holdings Inc. (the “**Settlement Agreement**”).

We consent to, and agree to be bound by and take the benefit of, the terms of the Settlement Agreement. We confirm that the representations and warranties set out in Section 12.1 of the Settlement Agreement are, for ourselves, true and accurate in all material respects. We understand that the Settlement Agreement will result in the final settlement of our obligations to LBSF and we must make a payment to LBSF in connection with such settlement.

[Option 1 - for Clients that do not have exposure to LBSF with other asset managers

By signing this letter, we hereby authorize PIMCO, on our behalf, to:

- (a) instruct our custodian to pay LBSF the amount shown in the attached settlement schedule (**the “Consent Schedule”**) out of our PIMCO Account;
- (b) negotiate with LBSF to agree to the valuation of our transactions with LBSF, and to calculate a final settlement amount; and
- (c) instruct our custodian to transfer necessary additional amounts relating to our transactions from our PIMCO Account to LBSF resulting from the determination of our final settlement amount.

*End of Option 1 – Only sign this page if you plan to use this Option]*

This letter is governed by the law of the State of New York.

The following person(s) are contact persons for our organization.

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Address*

\_\_\_\_\_  
*Address*

\_\_\_\_\_  
*Address2*

\_\_\_\_\_  
*Address2*

\_\_\_\_\_  
*Address3*

\_\_\_\_\_  
*Address3*

\_\_\_\_\_  
*Telephone number*

\_\_\_\_\_  
*Telephone number*

\_\_\_\_\_  
*E-mail address*

\_\_\_\_\_  
*E-mail address*

Sincerely,

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Option 2 - for Clients that have exposure to LBSF with other asset managers]*

We have terminated transactions with LBSF that were arranged by ourselves or by one or more asset managers (such transaction, a “**Non-PIMCO Transaction**”) other than PIMCO. In accordance with Section 14 of the Settlement Agreement, we hereby:

- (a) confirm our Accepted Reduced Payable, if any, is \$[\_\_\_\_\_]
- (b) confirm that we will deliver to LBSF a statement setting out, in reasonable detail, the basis of the setoff and the termination value of each Non-PIMCO Transaction that is a component of the setoff determination; and
- (c) instruct PIMCO to pay our Accepted Reduced Payable from our PIMCO Account to LBSF. *[strike if payment will be made by Client directly or if Client has an estimated receivable]*

*End of Option 2 – Only sign this page if you plan to use this Option]*

This letter is governed by the law of the State of New York.

The following person(s) are contact persons for our organization.

_____	_____
<i>Name</i>	<i>Name</i>
_____	_____
<i>Address</i>	<i>Address</i>
_____	_____
<i>Address2</i>	<i>Address2</i>
_____	_____
<i>Address3</i>	<i>Address3</i>
_____	_____
<i>Telephone number</i>	<i>Telephone number</i>
_____	_____
<i>E-mail address</i>	<i>E-mail address</i>

Sincerely,

Company Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Consent Schedule

PIMCO Account Number(s): **1094**

### Lehman Brothers Special Financing, Inc

#### Settlement Amount

[ A ] Amount Payable To LBSF In USD If Paid On or Before September 30, 2009 : **\$511,723**      [ B ] Amount Payable To LBSF In USD If Paid October 1, 2009 Through November 2, 2009 : **\$512,818**

**General Notes:**

Reported payable exposures comprise all of the following which apply to the account: a) post-netting payable counterparty exposure; b) value of excess broker collateral held (payable); c) any interest calculated on payable exposure. With respect to excess broker collateral held (payable), interest has only been calculated on cash collateral, or security collateral since it has matured to cash (if applicable).

PIMCO Account Number: **1094**      Account Name: **Teachers' Retirement System of Oklahoma**      Account Base Currency: **USD**

#### Counterparty Exposure

ISDA Transactions (agreement dated April 16, 1999)																	
Type <sup>1</sup>	Transaction Description [Rec(Pay) Methodology] <sup>2</sup>	External Identifier <sup>3</sup>	Security Identifier	Sec Type <sup>4</sup>	Security Description	Trans Code <sup>5</sup>	Trade Date	Settle Date	Trans	Maturity Date	Cpn	Quantity	Price	Proceeds in Trans Curr	Rec(Pay) in Trans Curr	Rec(Pay) in USD <sup>6</sup>	Rec(Pay) in Base Curr
OP	Original Trade	3438664	SWU0386B7	IRSW	IRS EUR R 6ME/4.5 03/19/08 LSI	B	10/19/2007	10/26/2007	EUR	3/19/2010	4.5	25,300,000					
OP	Termination (Broker Quote)	3438664	SWU0386B7	IRSW	IRS EUR R 6ME/4.5 03/19/08 LSI				EUR	3/19/2010	4.5	25,300,000	-0.53926	-136,432	-136,432	-193,591	-193,591
OP	Original Trade	3871544	SWU0497E7	IRSW	IRS USD P 5.0/3ML 12/17/08 LSI	B	6/4/2008	6/6/2008	USD	12/17/2023	5	10,700,000					
OP	Termination (Broker Quote)	3871544	SWU0497E7	IRSW	IRS USD P 5.0/3ML 12/17/08 LSI				USD	12/17/2023	5	10,700,000	-7.41202	-793,086	-793,086	-793,086	-793,086
OP	Original Trade	3881487	SWU0497E7	IRSW	IRS USD P 5.0/3ML 12/17/08 LSI	B	6/10/2008	6/12/2008	USD	12/17/2023	5	13,700,000					
OP	Termination (Broker Quote)	3881487	SWU0497E7	IRSW	IRS USD P 5.0/3ML 12/17/08 LSI				USD	12/17/2023	5	13,700,000	-7.41202	-1,015,447	-1,015,447	-1,015,447	-1,015,447
<b>Total Before Collateral Rec(Pay)</b>															<b>-2,002,124</b>	<b>-2,002,124</b>	
CO	CCO - Client Collateral Pledged		CCLSIIUS5		CASH COLLATERAL ISDA LSI USD				USD			1,500,000	100.00000	1,500,000			
CO	Net								USD						1,500,000	1,500,000	1,500,000
<b>Total Collateral Rec(Pay)<sup>7</sup></b>															<b>1,500,000</b>	<b>1,500,000</b>	
<b>Total ISDA Rec(Pay)</b>															<b>-502,124</b>	<b>-502,124</b>	

**Notes:**

- 1 FT - Failed trade scheduled to settle prior to bankruptcy but failed; OP - Open position at bankruptcy; CO - Collateral; UC - Unseized Collateral; SC - Seized Collateral; RC - Repo Collateral; RP - Open repurchase agreement; OD - Overdraft; AI - Accrued interest.
- 2 Rec(Pay) methodology refers to one of the following methods used to calculate rec(pay): Broker Quote, Replacement Trade, and Pairoff (characterized as a combination of related buy and sell transactions, unsettled as of the Lehman bankruptcy).
- 3 Source data obtained from paper confirms (Lehman Effort ID) and DTCC files (Contra Reference ID).
- 4 ABS - Asset Backed Security; BKL - Bank Loan; CAP - Interest Rate Cap; CDSW - Credit Default Swap; CORP - Corporate Bond; COSW - Commodity Index Swap; CURR - Currency; IRSW - Interest Rate Swap; MPT - Mortgage Pass Through; OPTN - Option; REPO - Repurchase Agreement; RRP - Reverse Repurchase Agreement; SWOP - Swaption; SWTR - Total Return Swap; TSY - Sovereign Bond (Domestic or Foreign); VARS - Variance Swap.
- 5 B - Buy; S - Sell; BC - Buy currency; SC - Sell currency; B2O - Buy to open; S2O - Sell to open; BCI - Broker collateral in; CCO - Client collateral out; B2C - Buy to close; S2C - Sell to close; SF - Sell forward; IP - Interest payment; NIP - Negative interest payment.
- 6 A negative number represents an amount payable to LBSF, while a positive number represents an amount receivable from LBSF.
- 7 Pending liquidation of broker security collateral, if applicable.

*August 18, 2009*

*Dr. James R. Wilbanks  
Executive Secretary  
Oklahoma Teachers Retirement System  
P.O. Box 53524  
2500 N. Lincoln Blvd.  
Oklahoma City, OK 73152*

*Re: Oklahoma Teachers Retirement System High Yield Portfolio*

Dear Dr. Wilbanks:

As I mentioned in our conversation, given the current market environment, we would like to utilize financial futures in your portfolio in order to mitigate interest rate risk. We wish to inform you of the activity beforehand, and seek ongoing permission to utilize these vehicles.

The use of futures is for straightforward risk management. Primarily, this approach can be used to reduce the duration or the overall sensitivity of the portfolio to a rise in Treasury rates. As an example, suppose the Federal Reserve drains liquidity from the financial system sooner than expected or, in response to the large levels of Treasury supply, rates on Treasury securities begin to rise. Ordinarily the Fed's actions would be in response to stronger economic activity which is good for corporations and in the case of higher yielding companies might result in higher prices for their bonds. As one moves up the credit spectrum however, higher quality issues tend to be more sensitive to movement in Treasury rates, and thus may benefit from a countervailing hedge on such rates.

We intend to calibrate the portion of your portfolio that might be interest rate sensitive and employ an overlay approach to reduce the duration of that portion of the portfolio via the sale of Treasury futures. This approach has several advantages, primarily liquidity and efficiency. Treasury futures may be among the most liquid financial instruments in the world and allow us to achieve desired duration adjustments very rapidly. Another advantage is transparency: these instruments are traded on a highly regulated, visible exchange with daily mark to market requirements, which minimizes counterparty risk.

We do not expect frequent trading. In general, we try to minimize transaction charges and therefore only hedge when, in the context of the market environment, overall portfolio characteristics lead us to believe the expense is merited.



**Oklahoma Teachers Retirement System  
Securities Lending Earnings FY 2010 and 2009**

**Board Meeting August 26, 2009**

<u>FY and Month</u>	<u>Securities Lent</u>	<u>Securities Lendable</u>	<u>Percent Lent</u>	<u>Total Gross Earnings</u>	<u>Gross Return Securities Lent</u>	<u>OTRS Net Earnings</u>
<b>FY 2009</b>						
<b>July</b>	1,898,029,584	8,564,012,330	22.2%	856,473	0.54%	727,971
<b>Monthly Average</b>	1,898,029,584	8,564,012,330	22.2%	856,473	0.54%	727,971
<b>FY 2010</b>						
<b>July</b>	1,401,491,420	6,872,995,335	20.4%	422,497	0.36%	488,025
<b>Monthly Average</b>	1,401,491,420	6,872,995,335	20.4%	422,497	0.36%	488,025

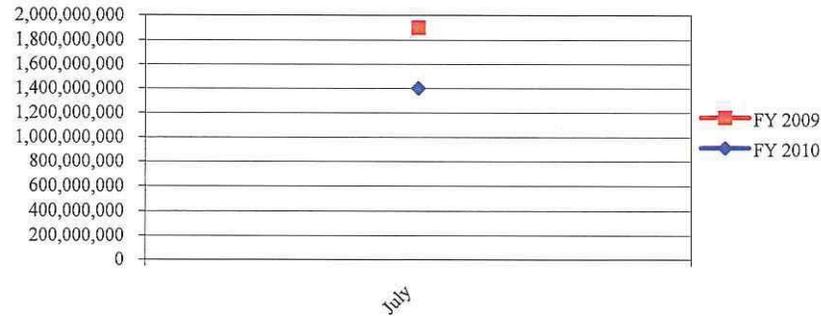
**Charts are on the following page**

# Oklahoma Teachers Retirement System Securities Lending Earnings FY 2010 and 2009

Board Meeting August 26, 2009

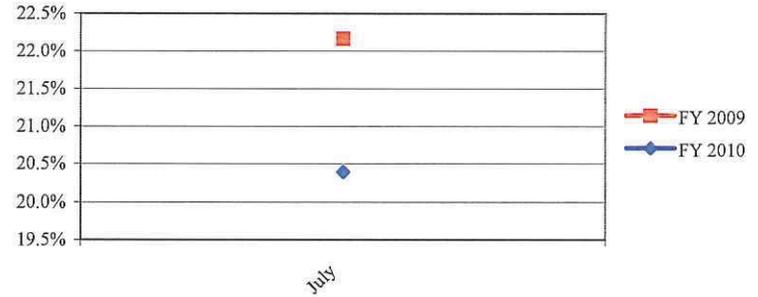
**Chart I**

**Securities Lent FY 2010 and 2009**



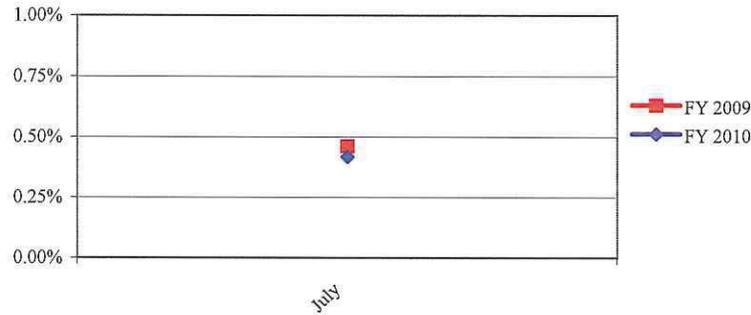
**Chart II**

**Percent of Securities Lent FY 2010 and FY 2009**



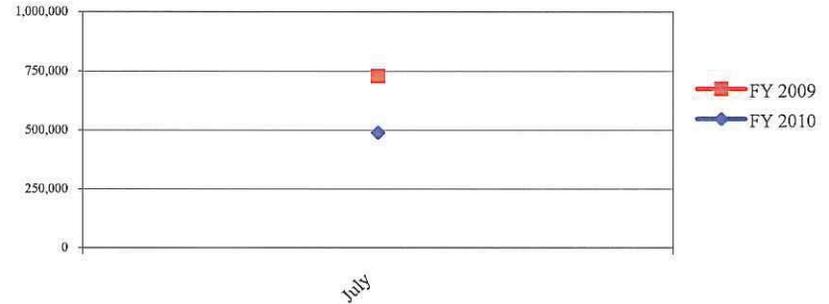
**Chart III**

**Net Earnings Rate FY 2010 vs FY 2009**



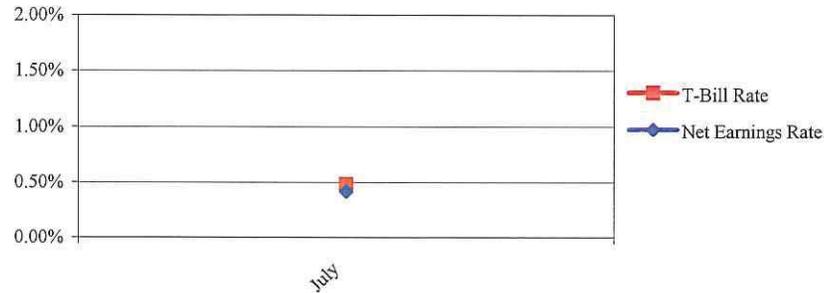
**Chart IV**

**Net Earnings FY 2010 and 2009**



**Chart V**

**FY 2010 Net Earnings Rate vs T-Bill Rate**



**Oklahoma Teachers Retirement System  
Short-Term Interest Rate Comparison  
Fiscal Years 2010 versus 2009**

Schedule 1

Board Meeting August 26, 2009

Month	FY 2009 Interest Income	FY 2010 Interest Income	Dollar Difference	Percentage Difference	FY 2009 Interest Rate	FY 2010 Interest Rate
July	844,565	81,656	(762,909)	-90.33%	0.19%	0.03%
Year to Date	844,565	81,656	(762,909)	-90.33%	0.19%	0.03%

Chart I

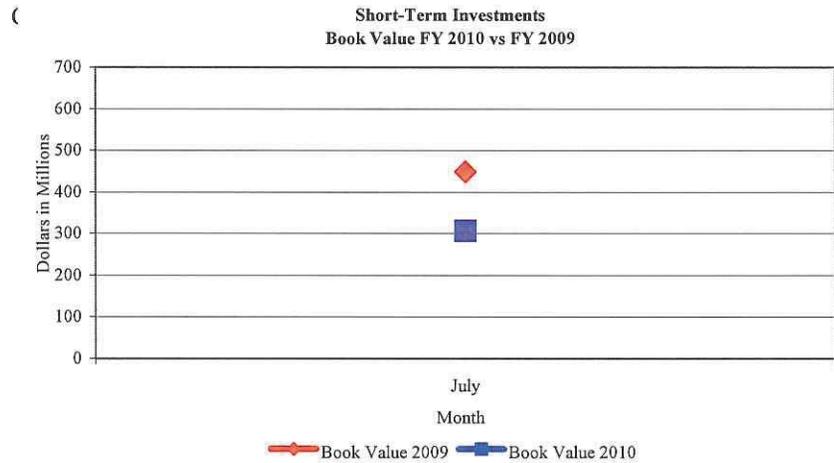


Chart II

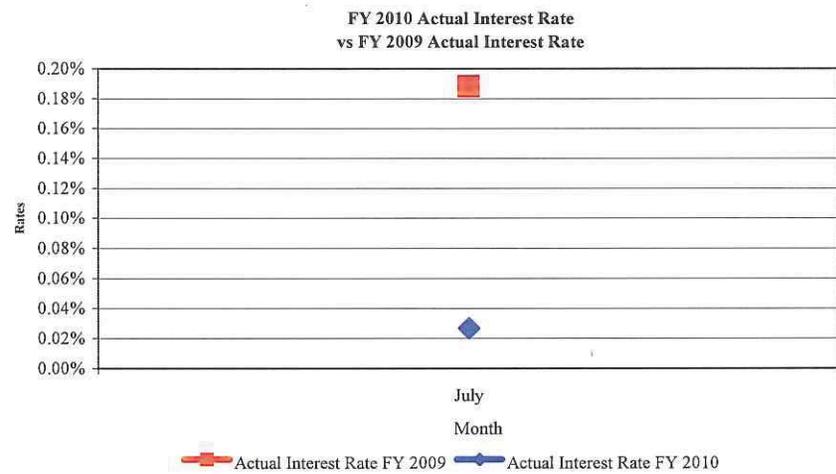
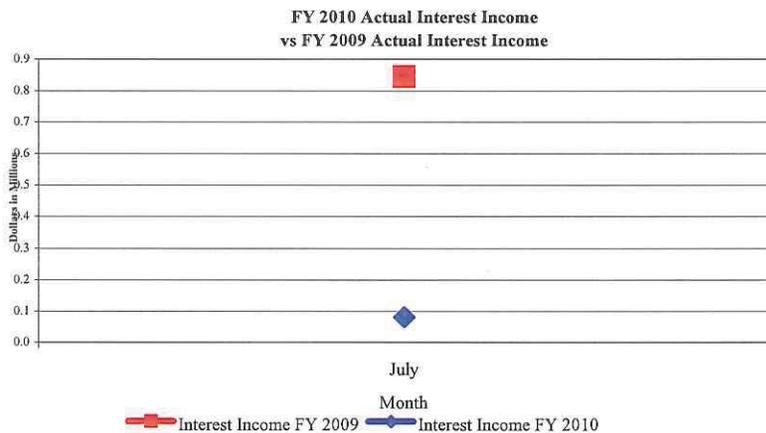


Chart III



**Oklahoma Teachers Retirement System  
Short-Term Interest Rate Comparison  
Fiscal Years 2010 versus 2009**

Schedule 2

Board Meeting August 26, 2009

Month	Projected FY 2010 Earnings at T-Bill Rate	FY 2010 Interest Income	Dollar Difference	Percentage Difference	FY 2010 T- Bill Rate	FY 2010 Interest Rate
July	429,083	81,656	(347,427)	-80.97%	0.14%	0.03%
Year to Date	429,083	81,656	(347,427)	-80.97%	0.14%	0.03%

Chart I

**FY 2010 Actual Rate vs FY 2010  
Actual T-Bill Rate**

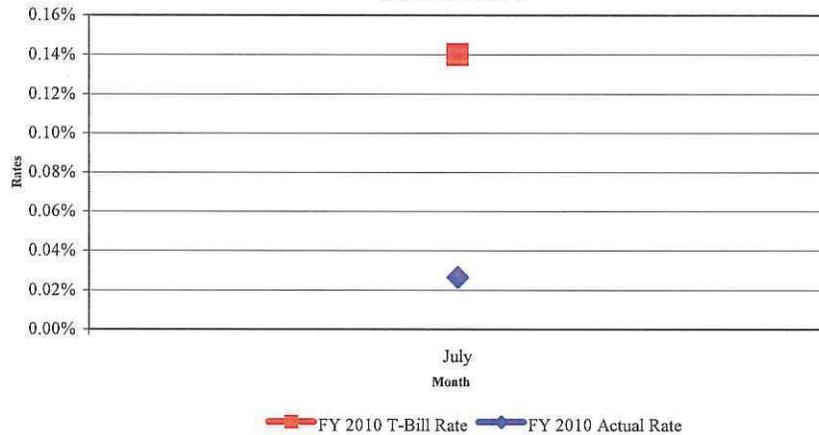


Chart II

**FY 2010 and FY 2009 Value Added Rates  
(Actual Rate minus T-Bill Rate)**

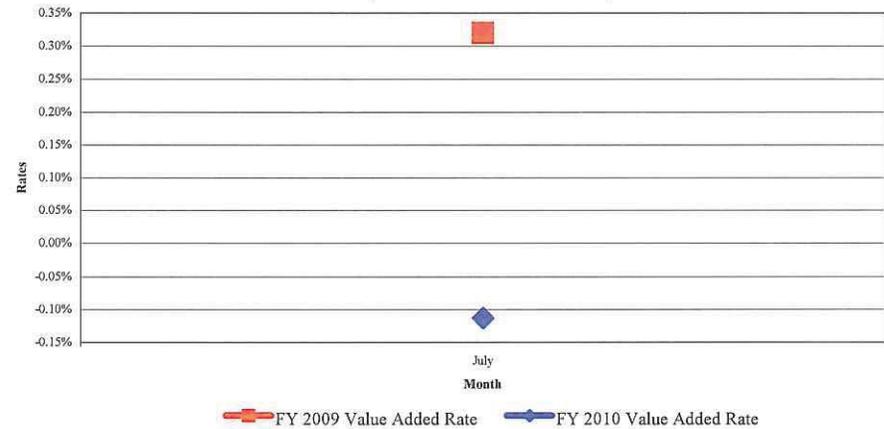
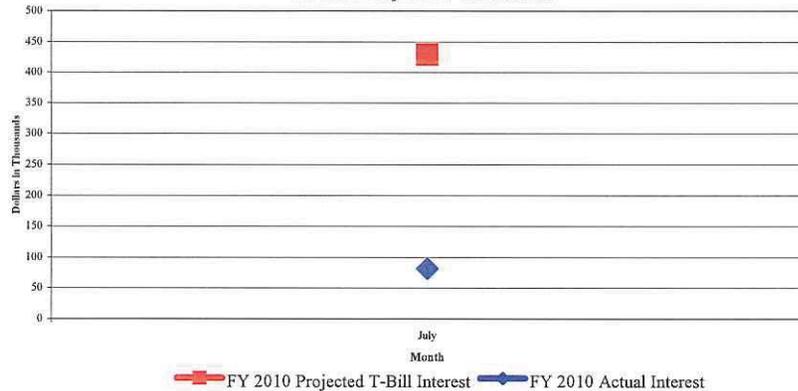


Chart III

**FY 2010 Actual Interest vs  
FY 2010 Projected T-Bill Interest**



**RENEWAL OF INVESTMENT MANAGER CONTRACTS  
AUGUST 26, 2009**

The contract with Tocqueville Asset Management needs to be ratified for another year. This ratification will be through October 1, 2010. There are no changes to this contract.

**FEE SCHEDULE:**

**Tocqueville Asset Management**

First \$ 10 million	1.00 percent
Next \$ 15 million	.75 percent
Thereafter	.65 percent



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

## MISSION STATEMENT

**It is the mission of the Oklahoma Teachers Retirement System to provide outstanding customer service to all of our active and retired Clients.**

## MISSION ACTION PLAN

- Provide excellent communication and education to our Clients
- Protect and promote the financial interests of our Clients
- Consistently improve performance
- Pursue pro-active solutions and innovation
- Promote an environment of trust and cooperation where Colleagues are encouraged to reach their potential

**REPORT OF LEGAL COUNSEL**  
**Teachers' Retirement System of Oklahoma**  
**August 26, 2009**

**LITIGATION**

**1. OTRS vs. Patricia Calbert, surviving spouse, and children of TRS Member, Sidney Calbert, deceased, vs. Deshandra Calbert, Katherine Payne Smith, and Sean Johnson, nieces and nephew of Sidney Calbert.**

**Issues:** Member Sidney Calbert died prior to retirement. Upon joining TRS in 1977, Mr. Calbert, a single man, named his nieces and nephew as his primary designated beneficiaries. Subsequently, he married Patricia Calbert and had children of the marriage. Calbert never updated his original 1977 designation form during his career. At the time of his death, Mr. Calbert considered retirement and requested estimates, but had not completed the necessary paperwork to set a retirement date; further, a divorce action was pending at death, but a final decree had not been entered.

Mr. Calbert's wife and adult children of the marriage challenge the 1977 designation of beneficiary form, filed prior to the marriage, claiming a marital estate in the TRS account. Calbert's adult nieces and nephew, claim the account in full as primary designated beneficiaries.

TRS filed an interpleader action in Oklahoma County Court on September 26, 2006, seeking an order instructing distribution of the member's final account balance and death benefit. A motion to enter on a non-jury trial docket was heard on December 15, 2006. The parties engaged in discovery and a pre-trial conference was held on September 19, 2007. A trial was held on December 6, 2007. The Court ruled in favor of the designated beneficiaries on January 2, 2008. An appeal to the Supreme Court was filed on February 4, 2008. A response to the Petition in Error was filed on February 22, 2008. Appellants filed their Brief in Chief on August 14, 2008. Appellees filed their answer brief on September 15, 2008. Appellant's filed their reply brief on October 6, 2008. This appeal was assigned to the Court of Civil Appeals in Tulsa on October 22, 2008. Oral arguments were held on May 12, 2009.

**Status:** Pending Appeal.

**2. OTRS vs. Delphi Corp., Federal Class Action Litigation.**

**Issues:** OTRS is represented by securities counsel, Nix, Patterson & Roach, of Dangerfield, Texas. Nix, Patterson has previously been approved as class action securities counsel for the state of Oklahoma by the Oklahoma Attorney General.

**Status:** OTRS and the State of Mississippi retirement fund were named co-lead plaintiffs. Pleadings were final in federal court, Detroit, Michigan. In September 2005, Delphi filed for Chapter 11 bankruptcy protection. Along with all other class action members in the federal civil action, OTRS was an unsecured creditor in the bankruptcy action. Delphi requested mediation for itself and certain officers and directors on July 23, 2007. A proposed settlement agreement was approved by OTRS trustees on August 22, 2007. The proposed settlement against Delphi was approved in the class action case on January 11, 2008, and the Bankruptcy Court approved the settlement and plan of confirmation on January 17, 2008. Hearings continue for Delphi to exit their bankruptcy court case. The Auditor's Settlement became effective June 26, 2008. A final settlement is pending.

**STATUS:** Pending Filing of Class Settlement Claims; Awaiting funding of Delphi's bankruptcy settlement.

**3. Lionel M. Raff, et al vs. The Teachers' Retirement System of Oklahoma and Oklahoma State University, Class Action Petition.**

**Issues:** Plaintiffs, Lionel M. Raff and Mark G. Rockley, on behalf of themselves and all others similarly situated, claim that for numerous years they have been employed as professors at OSU. The professors contributed to both TRS and to TIAA-CREF as a part of their retirement program. They allege OSU significantly reduced their contributions to TIAA. Further, they allege that TRS has through the years made misrepresentations, or 'tricked' the professors, regarding the low base retirement option and subsequent TRS calculations that determine retirement. The professors allege that salary caps imposed by TRS rules and statutes are arbitrary and capricious and in violation of due process and equal protection; and, further, such salary caps are a breach of contract between OSU, TRS and the plaintiff professors.

**Status:** The case was filed in Oklahoma County District Court, October 4, 2001, Case No. CJ-2001-7651. The Attorney General's office is providing legal representation to OSU and OTRS in this matter through senior litigation counsel, Assistant Attorney General, Scott Boughton. Scott has represented OTRS in complex litigation cases many times in the past. Motion for Summary Judgment by Defendants, OTRS and OSU, and a Motion To Certify Class by Plaintiffs, is pending before Judge Nancy L. Coats. Settlement discussions continue. The Court has taken under advisement the issue of dismissing OTRS and may rule on that issue separately from the legal issues regarding OSU.

**4. TRS vs. Connetics Securities Litigation, federal class action litigation.**

**Issues:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as class action securities counsel for the state of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. In this case, the firm recommended that TRS join with other states and certain other state funds to pursue the Connetics case.

TRS has been named lead plaintiff. A consolidated class action complaint was filed in United States District Court, Southern District of New York, on February 14, 2007. Connetics defendants filed a motion to transfer this case from New York to California. BLB&G filed a response to this motion. On May 23, 2007, Judge Kram granted Connetics' Defendants' Motion to transfer venue to the United States District Court, Northern District of California.

On June 28, 2007, BLB&G filed an amended consolidated class action complaint for violations of the Federal Securities Laws. Defendants filed a Motion to Dismiss and our response was filed on September 17, 2007. On January 29, 2008, the Court dismissed the TRS complaint but granted leave to file an amended complaint. An amended complaint was filed on March 14, 2008. Defendants filed a motion to dismiss the amended complaint. TRS filed a response on June 20, 2008. On August 14, 2008, the Court dismissed some claims, but largely sustained the core claims in the amended complaint. Discovery and depositions are ongoing. A settlement conference was held on March 2, 2009. On May 8, 2009, the court granted TRS' motion for class certification.

BLB&G prepared and filed a Motion for Preliminary Approval of Settlement (approved by TRS on June 24, 2009) and for Permission to Notify the Class. Hearing on the motion is set for July 17, 2009.

**Status:** Pending preliminary approval of Settlement.

**5. William R. Stephens v. TRS:** Mr. Stephens retired effective July 1994 with 32 years of service credit. He filed his Request by Retiree to Return to Active Membership Status on or about June 18, 2001. He ceased receiving retirement checks and has been contributing to the Retirement System since that date. On or about December 19, 2006.

Mr. Stephens requested the procedure to apply for the Education Employees Service Incentive Plan (EESIP). He was informed he did not qualify for EESIP and he appealed.

There was one legal issue that was decided by the TRS Hearing Officer: Whether Mr. Stephens is eligible to participate in EESIP. The Hearing Officer's recommendation is that Mr. Stephens is not eligible to participate in EESIP. The Board adopted the decision of the Administrative Law Judge on June 27, 2007.

Mr. Stephens has appealed the decision to Oklahoma County District Court. The Record has been forwarded to the court. Oral arguments were held on April 11, 2008. Judge Dixon affirmed the Final Administrative Order of the Trustee.

Mr. Stephens appealed the District Court decision on May 21, 2008. TRS filed its response on June 9, 2008. On August 22, 2008, the Supreme Court denied Stephens' request to retain jurisdiction. Mr. Stephens filed his Brief in Chief on November 19, 2008. TRS filed its response on or before December 19, 2008. On January 21, 2009, this appeal was assigned to the Court of Civil Appeals in Tulsa.

**Status:** Pending Appeal.

#### **6. American Home Mortgage Investment Corporation:**

**ISSUES:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue the American Home Mortgage case.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on September 26, 2007, and has joined with the Oklahoma Police Pension & Retirement System, to be named co-lead plaintiff. A hearing was held the week of January 21, 2008. On March 19, 2008, TRS and Police Pension were named lead plaintiffs. A mediation conference was held in New York on January 16, 2009, and a proposed settlement was approved by the Trustees on February 4, 2009, April 29, 2009, and May 27, 2009..

**STATUS:** Pending Decision by Court.

#### **7. MBIA, INC.:**

**ISSUES:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue MBIA, Inc.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on January 23, 2008. TRS filed its motion for lead plaintiff status on March 11, 2008. The Court appointed TRS Lead Plaintiff on June 30, 2008. A complaint was filed on October 17, 2008. Defendants filed a Motion to Dismiss on March 17, 2009. TRS filed an Opposition to the Motion to Dismiss.

**STATUS:** Pending Decision by the Court.

## **8. MoneyGram International, Inc.**

**Issues:** OTRS is represented by securities counsel, Nix, Patterson & Roach, of Dangerfield, Texas. Nix, Patterson has previously been approved as class action securities counsel for the state of Oklahoma by the Oklahoma Attorney General. TRS voted to seek lead plaintiff status at its April 2008 meeting. TRS filed its motion on May 27, 2008, and was named lead plaintiff. A complaint was filed on October 3, 2008. MoneyGram filed their motion to dismiss on January 13, 2009. TRS filed a response on February 9, 2009. Oral arguments were held on March 11, 2009. **The Court denied the motion to dismiss on May 20, 2009.**

Nix, Patterson filed Lead Plaintiff Initial Disclosures on July 10, 2009. AG's office assisted Nix, Patterson in compiling discovery responses. Nix, Patterson completed first discovery response - due July 31, 2009. **Brief in support of motion for Class Certification filed on August 21, 2009.**

**STATUS:** Discovery ongoing.

## **9. Medtronic, Inc.**

**Issues:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue Medtronic, Inc.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on February 4, 2009, and to seek co-lead plaintiff status with Oklahoma Firefighters Pension Fund. Danske Investment Management Als, and Union Asset Management Holding AG on March 25, 2009. The court approved the co-lead plaintiffs on April 21, 2009. **BLB&G filed an amended complaint August 21, 2009.**

**STATUS:** Pending Court appointment of Lead Plaintiff.

## **ADMINISTRATIVE**

There are no Administrative matters at this time.



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

## Client Status Update Report

August 4, 2009

### Regular Retirement

Clients Recommended:	182
Monthly Pay:	\$327,762.37

### Disability Retirement

Clients Recommended for Regular Disability	6
Clients Recommended for Social Security Disability	3
Clients Not Recommended for Disability Retirement	0

### Retirement Payroll Termination

Payroll Changes	(\$115,739.85)
Deceased	117
Retirement Cancelled	0
Return To Teaching	7

*Client Status Update Report - Finance Division  
July 31, 2009*

**Board Meeting August 26, 2009**

<i>Cash Basis</i>	July 2008	July 2009		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$23,404,097.43	\$27,026,842.42	\$3,622,744.99	15.48%
Member Tax-Sheltered Annuity Deposits	1,837,535.66	810,306.17	(1,027,229.49)	-55.90%
Employer Contributions	30,836,421.61	34,224,686.69	3,388,265.08	10.99%
State Revenue	<u>28,969,734.83</u>	<u>23,186,327.37</u>	<u>(5,783,407.46)</u>	<u>-19.96%</u>
Total Retirement Receipts	85,047,789.53	85,248,162.65	200,373.12	0.24%
 <i>Monthly Distributions:</i>				
Retirement Benefits	77,722,887.55	78,748,640.40	1,025,752.85	1.32%
Withdrawals and Death Benefits	4,265,539.11	4,077,020.86	(188,518.25)	-4.42%
Tax-Sheltered Annuity Withdrawals	<u>1,976,583.56</u>	<u>2,342,272.77</u>	<u>365,689.21</u>	<u>18.50%</u>
Total Benefit Payments	<u>83,965,010.22</u>	<u>85,167,934.03</u>	<u>1,202,923.81</u>	<u>1.43%</u>
Net (Receipts - Payments)	<u>\$1,082,779.31</u>	<u>\$80,228.62</u>	<u>(\$1,002,550.69)</u>	<u>-92.59%</u>
 <i>Year to Date Contributions:</i>	<u>Year to Date</u>	<u>Year to Date</u>		
	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$23,404,097.43	\$27,026,842.42	\$3,622,744.99	15.48%
Member Tax-Sheltered Annuity Deposits	1,837,535.66	810,306.17	(1,027,229.49)	-55.90%
Employer Contributions	30,836,421.61	34,224,686.69	3,388,265.08	10.99%
State Revenue	<u>28,969,734.83</u>	<u>23,186,327.37</u>	<u>(5,783,407.46)</u>	<u>-19.96%</u>
Total Retirement Receipts	85,047,789.53	85,248,162.65	200,373.12	0.24%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	77,722,887.55	78,748,640.40	1,025,752.85	1.32%
Withdrawals and Death Benefits	4,265,539.11	4,077,020.86	(188,518.25)	-4.42%
Tax-Sheltered Annuity Withdrawals	<u>1,976,583.56</u>	<u>2,342,272.77</u>	<u>365,689.21</u>	<u>18.50%</u>
Total Benefit Payments	83,965,010.22	85,167,934.03	1,202,923.81	1.43%
Net (Receipts - Payments)	<u>\$1,082,779.31</u>	<u>\$80,228.62</u>	<u>(\$1,002,550.69)</u>	<u>-92.59%</u>

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
71983	KUSUM L SHARMA	58	Opt.2	488.93		1983.84
71984	RIAZ AHMAD	67	Opt.2	841.31		2631.94
71985	DEBORAH A ALLGOOD	54	Opt.3	450.44		2052.86
71986	BEVERLY S ARMSTRONG	54	Opt.4	488.85		2617.72
71987	JUDITH C BARNARD	55	Opt.2	505.51		2379.66
71988	ELLA W BARRE	72	Opt.3	195.13		3585.40
71989	MARTIN R BEBB	63	Opt.2	366.84		720.72
71990	JANE E BERG	64	Max.	460.15		2160.00
71991	JOHN H BERG	61	Opt.2	198.79		899.03
71992	BARBARA A BERRY	69	Max.	97.82		284.05
71993	MARY E BOATMAN	54	Opt.4	611.42		2344.75
71994	RICHARD S BOBIER	55	Opt.2	295.54		1574.83
71995	SHERRY G BRAUD	61	Opt.3	383.40		1961.85
71996	FREDRICK J BUMBLIS	70	Opt.4	313.43		1114.09
71997	BENNY C BUNCH	68	Opt.2	773.86		3505.73
71998	MARLA J CAIL	56	Opt.1	445.17		2588.68
71999	MARY L CALL	62	Opt.2	500.52		2723.21
72000	ALBERT CARLOVICH	65	Opt.2	75.11		204.07
72001	KAREN L CARLTON	62	Opt.2	73.48		210.82
72002	DONNA G CHANCELLOR	62	Max.	263.73		1586.77
72003	TOM E CLAIBORNE	66	Opt.4	174.55		501.04
72004	DAVID D CLARK	56	Max.	656.94		3024.72
72005	PAULA M CLAYTON	61	Opt.1	171.12		765.00
72006	KATHRYN E COLE	61	Opt.1	305.84		1635.36
72007	DEBORAH S CONNELLY	51	Opt.2	532.25		2406.29
72008	R C CRABTREE	78	Max.	197.96		427.89
72009	DEBRA K CRAIG	56	Opt.2	343.85		1669.97
72010	JANET L CRIDER	60	Opt.1	325.62		1476.21
72011	LARRY V CRITES	62	Max.	481.90		1773.08
72012	LLOYD G CUMMINGS	55	Max.	572.76		2888.00
72013	MARTHA J DANIEL	58	Max.	402.62		1759.71
72014	PAULA K DANIEL	62	Opt.1	78.58		445.07
72015	CAROLYN R DAVIS	63	Max.	29.99		4750.39
72016	MILTON J DAVIS	61	Opt.3	866.43		3716.83
72017	STEVEN E DAVIS	57	Opt.2	285.76		657.40
72018	MICHAEL J DEIMLING	56	Opt.2	879.60		3689.17
72019	DORA M DEVENY	66	Max.	542.96		1459.62
72020	AIDE DILTZ	62	Opt.1	206.23		683.62
72021	MARVIN T DIXON SR	63	Opt.1	144.58		449.57
72022	REBECCA A DOEPKE	63	Opt.1	201.57		764.64

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
72023	CORALEE F DUNCAN	62	Max.	239.94		763.77
72024	JUDITH A DUNCAN	64	Opt.1	46.97		270.29
72025	BARBARA J EDDINGS	65	Max.	80.43		257.38
72026	LINDA L EDMONDSON	61	Opt.2	766.10		2594.14
72027	BENJAMIN B EDWARDS	65	Opt.2	403.30		4959.87
72028	BRENT D EDWARDS	52	Max.	460.69		2345.56
72029	MARGARET F ELDER	60	Max.	323.56		1407.57
72030	SHARON R ERICSON	66	Max.	713.94		2804.34
72031	WAYNE R ERNCE	62	Opt.2	338.67		1361.74
72032	BEVERLY A FENNELL	55	Opt.1	397.00		1976.41
72033	LORRI A FRAZEE-RILEY	59	Opt.4	407.14		1797.81
72034	FRANK M FROEDE	64	Max.	894.73		2889.10
72035	REMONA S FROMM	57	Opt.1	487.96		2800.12
72036	MARY E GAYLOR	62	Opt.3	314.39		1445.06
72037	MARK A GIDEON	51	Opt.2	284.74		1591.38
72038	JOHNNY L GLOSTON	62	Opt.2	162.11		572.00
72039	STACEY R GOLDEN	52	Max.	425.23		2170.47
72040	CHERYL L GORDON	62	Opt.1	85.48		309.76
72041	JERI J GROVES	55	Opt.2	146.28		334.06
72042	BETTE L HANES	62	Opt.2	410.62		2081.03
72043	DARUS L HANES	64	Opt.2	361.25		1490.54
72044	DARLENE S HARGROVE	59	Opt.1	362.55		1826.78
72045	BEVERLY A HATFIELD	59	Max.	214.57		1199.10
72046	JUDY C HAYNES	63	Opt.3	399.36		1913.52
72047	KENNETH R HERJE	64	Opt.2	646.86		2699.33
72048	CATHERINE E HICKSON	62	Max.	185.48		767.13
72049	DAVID E HOYT	62	Opt.2	113.11		479.64
72050	EVELYN B HUDDLESTON	80	Opt.1	197.11		572.45
72051	JAMES S HUDSPETH	54	Opt.2	385.87		2099.94
72052	RALPH A HUMBLE	61	Opt.2	589.90		2480.55
72053	SANDRA D HUNT	56	Opt.2	408.21		1714.15
72054	HENRY L HUNTER	62	Opt.4	118.27		453.38
72055	PATSY R IRVIN	62	Max.	69.52		211.77
72056	MARSHA L JAMES	59	Opt.1	86.15		217.21
72057	PAULA J JARVIS	62	Max.	59.98		285.00
72058	KAY S JEWELL	61	Max.	630.96		1422.78
72059	KATHLEEN J JOHNSON	59	Max.	108.60		275.48
72060	THOMAS E JONES	65	Opt.3	549.28		3336.97
72061	PAMELA A KELLE	62	Opt.2	154.15		933.14
72062	DANNY R KENNEDY	60	Opt.3	572.18		2624.21

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
72063	LARRY W KENNEMER	58	Opt.3	583.91		2230.92
72064	GARY W KIRK	61	Opt.2	633.71		1996.57
72065	JEANNE E KUBIER	60	Max.	562.27		2807.32
72066	THERESA A LAIR	56	Opt.1	416.27		1861.85
72067	SAMUEL G LATTIMORE	66	Opt.2	861.96		3158.12
72068	CLELLA A LAVALLEY	60	Opt.1	414.99		2231.43
72069	ROSIE L LEE	60	Opt.1	145.27		430.87
72070	ARTHELA D LEGG	60	Max.	475.81		2685.14
72071	JAMES G LEISING	62	Max.	661.14		2122.70
72072	SHARON K LIEURANCE	52	Opt.1	389.10		2109.41
72073	LINDA R LINN	64	Opt.1	184.30		631.68
72074	SHERRY E MADKINS	62	Max.	117.57		417.10
72075	CAROL A MAGID	66	Opt.4	373.65		1415.34
72076	STEVEN D MAKINTUBEE	55	Opt.2	428.26		2321.54
72077	ANN S MANUEL	55	Opt.1	321.62		833.32
72078	LEURA L MARLER	56	Max.	347.09		1632.88
72079	IDELLA M MASCHINO	60	Opt.4	443.54		2318.30
72080	LARRY S MCGINNIS	55	Opt.3	600.93		2899.05
72081	PHILIP MCGOLDRICK	60	Opt.1	434.41		1681.69
72082	CAROL L MCKINLEY	58	Max.	540.88		2689.35
72083	KATHY J MCNAMARA	57	Max.	428.72		1626.14
72084	ALLAN R MEIER	56	Max.	593.69		2445.08
72085	JOANNA J MIKOS	70	Max.	254.26		786.40
72086	MARY E MILBURN	55	Opt.2	284.21		1580.18
72087	MELVA J MILLER	62	Opt.1	189.26		771.99
72088	SCOTT D MILLINGTON	70	Opt.3	771.80		2361.38
72089	JACQUELYN S MITCHELL	62	Opt.1	196.85		926.59
72090	DEBORAH J MOLANDER	59	Max.	512.35		2498.13
72091	NANCI L MOLL	57	Opt.3	439.66		1970.16
72092	MARILEE MONNOT	62	Opt.2	168.95		518.67
72093	DIANA K MOORE	58	Max.	191.04		603.92
72094	WILLIAM P MOORE	62	Opt.2	689.46		3435.82
72095	JAMES E MORRIS	59	Opt.2	609.29		2062.23
72096	SHARON E MORRIS	62	Opt.2	253.59		1258.88
72097	JIMMY D MOTES	61	Opt.2	590.14		2570.00
72098	SARAH L MURPHEY	58	Opt.2	229.63		1194.75
72099	DAVID C NEASE	52	Opt.2	403.61		2176.44
72100	LINDA K NICKELL	63	Max.	730.28		4083.99
72101	BARBARA J NOEL	61	Opt.4	520.09		1730.71
72102	LINDA L NOVAK	64	Max.	504.93		1861.40

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
72103	GORDON R OLSON	55	Max.	147.07		424.60
72104	DORRIS I PATILLAR	60	Opt.4	659.21		1897.76
72105	KATHY D PERKINS	59	Opt.2	358.13		1345.69
72106	EDWARD O PRICE III	57	Opt.2	565.04		2050.87
72107	MARY C RAINS	52	Opt.2	444.93		2442.03
72108	STEPHEN L REDWINE	53	Opt.2	673.14		1921.76
72109	NANCY R REESE	52	Opt.1	349.43		1904.49
72110	ROBIN L ROBERTS	52	Opt.3	380.09		1936.05
72111	MINDA C ROBINSON	51	Opt.1	390.83		2194.67
72112	ALLISON S ROGERS	62	Max.	529.35		2566.85
72113	CAROLYN S ROPERS	64	Max.	237.23		896.32
72114	CHARLES E SASNETT	65	Opt.2	105.96		342.26
72115	MARY E SCOTT	62	Opt.3	109.12		394.65
72116	MARY A SENTEL	63	Opt.4	170.23		610.96
72117	MARGARET A SEYBOLD	59	Opt.2	408.59		1505.07
72118	CAROLYN J SHARP	63	Opt.2	107.91		445.12
72119	JUANITA R SHEPPLER	63	Opt.1	149.24		447.77
72120	WARD L SHERRILL	63	Opt.2	948.54		3737.60
72121	PAULA J SIMMONS	62	Max.	120.67		431.12
72122	MICHAEL A SIMON	57	Opt.2	277.38		610.60
72123	SHARON L SIMON	54	Opt.2	456.16		1923.73
72124	MARY E SIMS	63	Opt.1	421.32		1872.15
72125	GARY L SMALLWOOD	53	Opt.2	487.79		2335.57
72126	JOHN T SMITH	65	Max.	496.50		1454.66
72127	KENNETH P SMITH	62	Opt.1	246.53		1045.51
72128	LINDA F SMITH	61	Opt.2	385.55		1855.91
72129	OPAL F SMITH	74	Opt.1	200.40		883.93
72130	PAMELA A SMITH	56	Opt.1	200.17		407.55
72131	SARA A SNODGRASS	52	Opt.1	437.79		2047.11
72132	LARRY D SPOHN	63	Max.	406.37		1679.52
72133	STEPHEN K STEARMAN	60	Opt.2	183.77		1183.01
72134	PHYLLIS A STEARNES	56	Opt.2	448.27		2448.26
72135	CHARLOTTE S STEHR	62	Opt.1	77.23		325.86
72136	BARBARA S STEVENSON	56	Opt.2	353.42		1677.90
72137	DAVID E STODDART	66	Opt.2	778.67		3007.85
72138	SUSAN L STRANATHAN	56	Opt.2	342.30		1602.60
72139	BRENDA J STRICKLAND	55	Opt.2	316.55		1591.88
72140	SHELLEY S TARPLEY	60	Max.	87.34		268.68
72141	MARJORY R TAYLOR	62	Opt.1	256.29		940.52
72142	JERRY R THRIFT	64	Opt.3	507.83		1816.30

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
72143	DONALD A TIDWELL	68	Opt.2	473.66		2125.88
72144	CAROL S VAUGHAN	51	Max.	448.79		2290.10
72145	ROXIANNE V VINCENT	54	Opt.2	379.21		1828.59
72146	ROBERT E VINCENT III	59	Opt.2	394.38		1691.60
72147	JAMES D WADLEY	69	Opt.1	263.39		6884.76
72148	ELIZABETH B WANER	62	Max.	322.33		1515.99
72149	EVA D WANKOWSKI	58	Max.	100.05		340.73
72150	LINDA K WARREN	63	Opt.3	362.61		1501.49
72151	WILMA D WEEKLY	62	Max.	72.81		198.04
72152	MELBA G WEGERT	54	Opt.4	211.81		1731.92
72153	VIRGINIA K WELLINGTON	51	Opt.3	461.28		2523.84
72154	JOE A WILKIE III	66	Opt.4	397.88		1399.36
72155	JAMES G WILKINS	56	Opt.2	922.13		3410.88
72156	CATHY J WILLIAMS	56	Opt.2	568.25		2352.15
72157	JERRY D WILSON	57	Opt.1	686.60		2688.79
72158	LINDA R WILSON	56	Opt.2	412.30		2230.66
72159	JANICE E WILTSHIRE	58	Max.	560.90		2007.89
72160	JOHN M WOODS	66	Opt.4	925.19		3023.14
72161	SUE A WOODS	62	Opt.1	220.76		826.70
72162	VOL D WOODS	51	Opt.1	678.23		3079.18
72163	SANDRA K YEAZEL	63	Max.	481.58		2168.23
72164	JANICE K ZALOUDEK	57	Max.	504.60		2580.38
D3092	VICKI F AUTRY	47	Dis.	294.86		1459.30
D3093	CARL M BREDAHL	51	Dis.	132.29		437.25
D3094	LISA G EDDY	48	Dis.	199.53		720.02
D3095	BERNEICE L JACKSON	59	Dis.	388.98		1170.32
D3096	DEBORAH L MCDANIEL	50	Dis.	173.28		603.79
D3097	KENNETH A NELSON	53	Dis.	333.61		1128.06
D3098	VICKIE D PETERS	55	Dis.	349.98		1300.20
D3099	MARILYN K ROBERTSON	53	Dis.	439.17		1836.34
D3100	SUSAN K SMALL	55	Dis.	201.37		621.81
D3101	JANICE C WEST	44	Dis.	252.68		1580.28
D3102	ELLEN C WILKS	57	Dis.	431.47		1283.99
Total				73,599.97	0.00	327,762.37

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
AUGUST 1, 2009

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
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THIS IS TO CERTIFY THE 182 REGULAR MEMBERS, 0 SPECIAL RETIREES,  
AND 11 DISABLED MEMBERS LISTED ON THIS REPORT HAVE MET THE REQUIRE-  
MENTS FOR RETIREMENT UNDER THE TEACHERS' RETIREMENT LAW, AND THE  
MONTHLY ALLOWANCE OPPOSITE EACH NAME IS THE AMOUNT CALCULATED BY THE  
ACTUARY UNDER THE PLAN OF RETIREMENT SELECTED BY THE MEMBER. I  
RECOMMEND THESE MEMBERS BE APPROVED FOR RETIREMENT ON A MONTHLY  
BASIS IN THE AMOUNTS SHOWN AND THE FIRST RETIREMENT CHECKS BE MAILED  
AUGUST 31, 2009

APPROVED BY BOARD OF TRUSTEES:

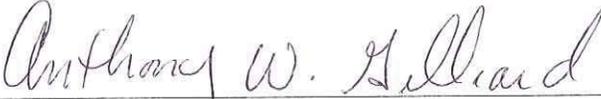
DATE: AUGUST 26, 2009

DATE PREPARED: AUGUST 1, 2009

DISABILITY RETIREMENT AS PROVIDED BY  
70 O.S. § 17-105 SOCIAL SECURITY DISABILITY

AUGUST 4, 2009

MEMBER NAME	RETIREMENT NUMBER	SSA EFFECTIVE DATE	RETIREMENT DATE
BERNEICE L JACKSON		11/08	AUGUST 09
DEBORAH L MCDANIEL		01/09	AUGUST 09
VICKI F AUTRY		05/09	AUGUST 09

  
ADMINISTRATIVE ASSISTANT II

AUGUST 4, 2009

DATE PREPARED

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
10591	VIVIAN	WALLER	LAWTON	DEATH 06-09	5,000.00	MAX OPTION -1,305.63
13882	SYLVIA	LAWRENCE	OKMULGEE	DEATH 06-09	.00	OP-3 BENEF -446.31
14606	EMMA	PRICE	STILLWATER	DEATH 06-09	.00	OP-3 BENEF -887.76
16064	CAROLYN	COLLINS	YUKON	DEATH 06-09	5,000.00	OPTION-1 -936.01
16104	LOUISE	SMITH	OKLAHOMA CITY	DEATH 06-09	5,000.00	OPTION-1 -1,466.24
16635	VONNIE	RANKIN	TISHOMINGO	DEATH 06-09	5,000.00	MAX OPTION -1,669.80
16741	MILDRED	NEED	MIAMI	Continued	OP-2 BENEF	1,395.93
17414	JESSIE	WILSON	FLETCHER	DEATH 06-09	5,000.00	OPTION-1 -752.64
18034	MYRTIE	WADE	BROKEN BOW	DEATH 08-09	.00	OP-3 BENEF -684.88
18143	MILDRED	HAYDEN	ALVA	DEATH 06-09	5,000.00	MAX OPTION -739.36
18677	KATHLEEN	FOSTER	IRVING TX	DEATH 04-09	5,000.00	MAX OPTION -1,208.09
19906	TACY	PEARSON	OKLAHOMA CITY	DEATH 04-09	5,000.00	OPTION-1 -1,321.09
20017	JUANITA	SKELTON	ARDMORE	DEATH 05-09	5,000.00	OPTION-1 -1,650.49
20034	EILEEN	SPAIN	BARTLESVILLE	DEATH 06-09	5,000.00	OPTION-1 -474.56
20353	DONALD	ALLEN	COLUMBIA MO	DEATH 06-09	5,000.00	OPTION-1 -960.19
20579	JACK	HUFFMYER	TAHLEQUAH	DEATH 06-09	5,000.00	MAX OPTION -559.98
20712	LEO	NEASE	LAWTON	DEATH 08-09	5,000.00	OPTION-1 -1,431.45
20745	LAURA	POOLER	BETHANY	DEATH 05-09	5,000.00	MAX OPTION -547.61
21412	ELEANOR	SMITH	PONCA CITY	DEATH 06-09	5,000.00	MAX OPTION -1,597.61
21439	EUGENE	MCCOY	ENID	DEATH 08-09	5,000.00	MAX OPTION -1,661.00
21445	BLAKE	MEEK	CHOCTAW	DEATH 06-09	5,000.00	MAX OPTION -1,690.30
21959	BETTY	CAMERON	MUSKOGEE	DEATH 06-09	5,000.00	MAX OPTION -372.72
22656	LYNETTE	RIGGS	BETHANY	DEATH 06-09	5,000.00	MAX OPTION -1,121.81
23258	LETTA	DAVIS	NEWALLA	DEATH 06-09	.00	OP-3 BENEF -567.57
23284	JOSEPH	STRELECKI	LAWTON	DEATH 06-09	5,000.00	OPTION-1 -840.62
23492	HELEN	BAIKIE	YUKON	DEATH 06-09	5,000.00	OP-3 POPUP -972.28

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
23522	INEZ	BLACK	OKLAHOMA CITY	DEATH 06-09	5,000.00	OPTION-1	-1,537.27
23524	DONNA	BOEVERS	VINITA	DEATH 06-09	5,000.00	MAX OPTION	-1,987.44
23608	ROBERT	CUMMINGS	WOODWARD	DEATH 06-09	5,000.00	MAX OPTION	-2,857.61
23871	NADINE	MCKEE	DALLAS TX	DEATH 06-09	5,000.00	OPTION-1	-1,313.30
23958	VIRGINIA	POWELL	EDMOND	DEATH 06-09	5,000.00	MAX OPTION	-1,600.83
24186	SUE	YOUNG	SPIRO	DEATH 08-09	5,000.00	MAX OPTION	-1,748.35
24961	JEAN	LEVY	NORMAN	DEATH 06-09	.00	OP-3 BENEF	-1,276.43
25832	ELWOOD	HERRICK	OKMULGEE	DEATH 06-09	5,000.00	OPTION-1	-619.38
25948	JOE	JOHNSON	MIDWEST CITY	DEATH	5,000.00	OPTION-2	-1,703.21
25948	REGENA	JOHNSON	MIDWEST CITY		Continued	OP-2 BENEF	1,703.21
26104	SHIRLEY	LOONEY	OKLAHOMA CITY	DEATH 06-09	.00	OP-2 BENEF	-1,407.33
26186	BETTY	MCDERMOTT	OKLAHOMA CITY	DEATH 06-09	5,000.00	MAX OPTION	-1,486.06
26361	ADDIE	PATTON	ENID	DEATH 06-09	5,000.00	MAX OPTION	-384.32
26768	ROY	TRIMM	WARNER	DEATH 06-09	5,000.00	OPTION-1	-1,785.53
26999	EVA	SHELTON	OKLAHOMA CITY	DEATH 06-09	5,000.00	OPTION-1	-420.55
27090	NINA	WARE	STOCKTON CA	DEATH 06-09	5,000.00	OPTION-1	-293.70
27129	MARY	GWINN	STILLWATER	DEATH 04-09	.00	OP-3 BENEF	-1,054.53
27743	JACQUELINE	MONROE	TAMPA FL	DEATH 06-09	5,000.00	MAX OPTION	-2,309.02
27909	MARTHA	THOMPSON	CARTHAGE MO	DEATH 05-09	5,000.00	OP-2 POPUP	-915.40
28478	JACQUELINE	STEINER	WEATHERFORD	DEATH 06-09	5,000.00	MAX OPTION	-681.72
28679	FRED	DUNBAR	OKLAHOMA CITY	DEATH 05-09	5,000.00	OPTION-1	-1,749.16
28704	JOY	EPPERLEY	HOLDENVILLE	DEATH 06-09	5,000.00	MAX OPTION	-2,268.47
28746	DAVID	GRAY	ALLEN	DEATH 06-09	5,000.00	OPTION-1	-2,051.09
29058	W	PULLIAM	COALGATE	DEATH 06-09	5,000.00	MAX OPTION	-1,915.52
29407	ROBERT	MASON	HARDESTY	DEATH 06-09	5,000.00	OPTION-1	-164.02
29447	JEWEL	BRADLEY	SEMINOLE	DEATH 06-09	5,000.00	OPTION-1	-268.50

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
29502	JOAN CUMMINGS	WOODWARD	DEATH 06-09	5,000.00	MAX OPTION	-1,459.76
29881	LEOLA WILEY	TECUMSEH	DEATH 06-09	5,000.00	OPTION-1	-959.03
29961	JOHN FELTON	OKLAHOMA CITY	DEATH 05-09	5,000.00	OPTION-1	-663.49
29974	LEE GRIFFIN	MUSKOGEE	DEATH 06-09	5,000.00	OPTION-1	-394.27
29990	MARZELLA KELLEY	TUTTLE	DEATH 06-09	.00	OP-3 BENEF	-584.61
30086	DOROTHY BALLEW	WISTER	DEATH 06-09	5,000.00	OPTION-1	-1,192.48
30789	VIOLA SPENCE	OKLAHOMA CITY	DEATH 06-09	5,000.00	MAX OPTION	-156.18
30882	ALICE CANON	OKLAHOMA CITY	DEATH 08-09	5,000.00	OPTION-1	-1,147.23
31360	LUCY GARRISON	NEOSHO MO	DEATH 06-09	5,000.00	OPTION-1	-490.89
31609	ALLIE DIXON	PAULS VALLEY	DEATH 06-09	5,000.00	OPTION-1	-1,854.77
31841	THEODORE LEWIS	OKLAHOMA CITY	DEATH 06-09	5,000.00	OPTION-1	-2,757.11
32495	RAIMON PETERSON	ANADARKO	DEATH 06-09	5,000.00	OPTION-1	-479.66
32738	LOIS PAYNE	MOYERS	DEATH 05-09	.00	OP-2 BENEF	-161.01
32773	LOUIE CRENSHAW	OKMULGEE	DEATH 06-09	5,000.00	OPTION-1	-149.72
32858	MELVIN WHITSON	OKLAHOMA CITY	DEATH 05-09	5,000.00	OPTION-2	-735.64
33767	OLGA ROBBINS	TULSA	DEATH 06-09	5,000.00	OPTION-1	-1,981.00
33876	PATRICIA THOMPSON	SAND SPRINGS	DEATH 06-09	5,000.00	MAX OPTION	-1,663.03
34598	MARTHA DANIEL	CUSHING	DEATH 05-09	5,000.00	MAX OPTION	-590.91
34645	BARBARA BELL	TULSA	DEATH 06-09	.00	OP-2 BENEF	-1,350.15
34929	SARAH DOLEZAL	PERRY	DEATH 08-09	5,000.00	MAX OPTION	-215.59
35049	CLAUDINE HOOVER	SUGAR LAND TX	DEATH 08-09	5,000.00	OPTION-1	-1,067.16
35470	PANSY BOYLES	TULSA	DEATH 06-09	.00	OP-3 BENEF	-806.62
36062	HERMAN HORN	HAWORTH	DEATH 05-09	5,000.00	MAX OPTION	-2,388.41
37462	JANE GRIESHABER	MIAMI	DEATH 06-09	5,000.00	MAX OPTION	-260.19
37596	NORMAN POWELL	OKLAHOMA CITY	DEATH 06-09	5,000.00	MAX OPTION	-427.34
38993	DOLLA HADLEY	FORREST PARK	DEATH	5,000.00	OPTION-2	-1,958.58

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
38993	WORTH	HADLEY	FORREST PARK	Continued	OP-2 BENEF	1,958.58
39135	WILLIAM	STEPHENS	GROVE	Continued	OPTION-3	3,597.75
40472	KATHRYN	MURDOCK	OKLAHOMA CITY	DEATH 06-09	MAX OPTION	-1,824.97
40604	BOBBY	SHELTON	DEL CITY	DEATH 06-09	OPTION-4	-2,402.30
40805	RICHARD	BENNETT	NORMAN	DEATH 06-09	OP-2 POPUP	-1,394.14
41718	TOMMY	CLABORN	DURANT	DEATH 06-09	OPTION-3	-507.80
44501	JANIE	ELKINS	OKLAHOMA CITY	DEATH 06-09	OPTION-1	-2,107.12
44913	ANTOINETTE	HARRISON	MUSKOGEE	DEATH 05-09	MAX OPTION	-1,758.54
45327	CHARLOTTE	KNIGHT	ALTUS	Continued	MAX OPTION	3,507.94
45616	NELLIE	CHASTAIN	WETUMKA	DEATH 06-09	OPTION-1	-1,211.38
45685	KATHLEEN	DUNCAN	MADILL	Continued	OPTION-2	2,404.80
45967	NEIL	LUEBKE	STILLWATER	DEATH	OPTION-2	-2,574.93
45967	PHYLLIS	LUEBKE	STILLWATER	Continued	OP-2 BENEF	2,574.93
46402	GEORGENE	BARRETT	TULSA	DEATH 06-09	MAX OPTION	-1,242.60
46518	ARLO	HAMILTON	CLEVELAND	DEATH 06-09	OPTION-4	-418.90
46973	DOROTHY	WILLIAMS	EDMOND	DEATH 06-09	OPTION-1	-338.45
47278	BOBBIE	WOODWARD	BIXBY	DEATH	OPTION-2	-2,080.37
47278	PATRICK	WOODWARD	BIXBY	Continued	OP-2 BENEF	2,080.37
48324	WILLIE	BAKER	OKLAHOMA CITY	DEATH	OPTION-3	-1,562.78
48324	AUDREY	BAKER	OKLAHOMA CITY	Continued	OP-3 BENEF	781.39
48719	BETTY	MEYER	NORMAN	DEATH 06-09	OPTION-1	-963.59
49005	BOBBY	SPERRY	NORMAN	DEATH	OPTION-2	-1,584.12
49005	JANICE	SPERRY	NORMAN	Continued	OP-2 BENEF	1,584.12
49126	SHIRLEY	BRADLEY	OKLAHOMA CITY	DEATH	OPTION-2	-549.63
49126	ROBERT	BRADLEY	OKLAHOMA CITY	Continued	OP-2 BENEF	549.63
49211	EILEASHIA	LACKEY	MIDWEST CITY	Continued	OP-4 BENEF	706.84
49329	DONNIE	ROGERS	ROSE	DEATH 06-09	OPTION-1	-454.20
51054	MARGUERITE	KITTRELL	TULSA	DEATH 06-09	MAX OPTION	-191.72
52578	IRENE	SEAY	DUNCAN	DEATH 06-09	OPTION-2	-2,706.07

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
52893	LESTER	PRIEST	GATE	DEATH 06-09	.00	OP-2 BENE	-2,587.65
53083	KATHERINE	KING	TULSA	DEATH 06-09	9,909.94	OPTION-1	-815.43
56227	MYRA	ELLISON	SAYRE	DEATH 06-09	5,000.00	MAX OPTION	-1,437.06
56727	BARBARA	RADCLIFF	BROKEN ARROW	DEATH 06-09	5,000.00	MAX OPTION	-2,265.82
59538	BRENDA	WOOTTON	NORMAN	TEACH 08-09		MAX OPTION	-2,541.75
59635	ROBERT	COOPER	HALLETT	DEATH 06-09	5,000.00	MAX OPTION	-699.51
60042	JERRY	MCDONALD	CALUMET	DEATH	5,000.00	OPTION-2	-854.60
60042	JOAN	HAYWARD	CALUMET		Continued	OP-2 BENE	854.60
61232	JANICE	HANLIN	STILWELL	DEATH 06-09	33,645.85	OPTION-1	-2,001.96
61511	NANCY	PARSONS	MARLOW	DEATH 06-09	5,000.00	MAX OPTION	-2,180.47
63795	DONIVAN	BRADSHAW	EAGLETOWN	DEATH	5,000.00	OPTION-2	-2,130.89
63795	EVA	BRADSHAW	EAGLETOWN		Continued	OP-2 BENE	2,130.89
64076	MICHAEL	LOONEY	MIDWEST CITY	DEATH	5,000.00	OPTION-2	-1,743.61
64076	WANELLE	WILSON	MIDWEST CITY		Continued	OP-2 BENE	1,743.61
64528	ALLAN	WEINTRAUB	TULSA	DEATH 06-09	5,000.00	MAX OPTION	-3,047.69
65422	JANIS	BETHANY	DUNCAN	TEACH 08-09		OPTION-4	-1,827.37
66061	CYNTHIA	RAGAN	EUCHA		Continued	OPTION-2	1,667.22
66529	STEPHEN	HENDERSON	OVERBROOK		Continued	OPTION-3	2,544.71
66548	LINDA	HOLLEY	SHAWNEE	TEACH 08-09		MAX OPTION	-421.10
68345	PENNI	JACOBS	OKLAHOMA CITY	TEACH 08-09		MAX OPTION	-988.67
69661	LISA	STUART	NORMAN	TEACH 08-09		OPTION-3	-1,880.89
69782	DOLORES	PETERMANN	CLAREMORE	TEACH 08-09		OPTION-3	-592.78
70057	SHARRI	CLARK	NORMAN	TEACH 08-09		OPTION-2	-632.98
70327	JUDITH	CHRISTIANSEN	OKLAHOMA CITY	DEATH 06-09	27,606.54	OPTION-1	-633.00
71552	TERRY	BRIDWELL	BLANCHARD	DEATH	5,000.00	OPTION-2	-1,745.99
71552	TERRY	BRIDWELL	BLANCHARD		Continued	OP-2 BENE	1,745.99

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
B0414	LAVAUGHN	HEALY	ENID	DEATH 04-09	ACCT-CLOSED	SB 490	-194.89
B2052	MARY	BYRD	OKLAHOMA CITY	DEATH 06-09	ACCT-CLOSED	SB 490	-194.89
B2814	LORA	HERALD	PEORIA	AZ DEATH 06-09	ACCT-CLOSED	SB 490	-194.89
B2835	WILMA	NOREN	TIGARD	OR DEATH 06-09	ACCT-CLOSED	SB 490	-194.89

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
D0370	HILBERT HUFFINE	LA FERIA TX	DEATH 06-09	5,000.00	DISABILITY	-1,041.81
D1514	MARGARET SIPE	DURANT	DEATH 06-09	5,000.00	DISABILITY	-1,559.64
D1664	SUSAN WYATT	SAND SPRINGS	DEATH 08-09	5,000.00	DISABILITY	-1,901.77
D2192	MALISSA WATT	EULSA	DEATH 06-09	5,000.00	DISABILITY	-1,051.66
D2909	CHESTER OOSAHWE	TAHLEQUAH	DEATH 04-09	9,084.84	DISABILITY	-475.52

TOTALS:

Payroll-Chg -115,739.85

Deceased 117

Retirement Canceled 0

Return To Teaching 7

Continued - Max Ben 1

Continued - Option1 0

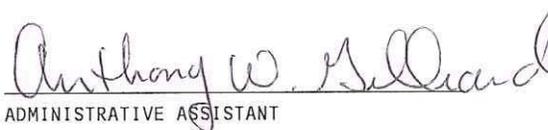
Continued - Option2 13

Continued - Option3 3

Continued - Option4 1

Continued - Disable 0

APPROVED BY BOARD OF TRUSTEES

  
ADMINISTRATIVE ASSISTANT

08/06/09  
DATE PREPARED



# Investment Policy Asset Allocation Targets

Key Policy Items	Teachers	PERS*	Firefighters	Police	Law	Judges*	Wildlife
<b>TOTAL EQUITY</b>	Target 70.0%	62.0%	65.0%	55.0%	60.0%	64.0%	50.0%
	Actual 55.1%	62.2%	60.8%	51.7%	57.2%	62.7%	43.1%
	Range 63-77	54-70	60-70	50-60	55-65	54-74	45-55
<b>Large Cap</b>	Target 28.0%	33.0%	30.0%	20.0%	25.0%	30.0%	35.0%
	Actual 20.8%	26.8%	27.6%	18.9%	24.5%	30.2%	30.1%
	Range 23-33	28-38	25-35	15-25	20-30	25-35	30-40
<b>MidCap</b>	Target 15.0%	7.0%	-	-	-	7.0%	-
	Actual 11.8%	7.0%	-	-	-	7.0%	-
	Range 10-20	-	-	-	-	-	-
<b>Small Cap</b>	Target 10.0%	3.0%	12.5%	10.0%	15.0%	3.0%	10.0%
	Actual 8.2%	5.5%	10.0%	7.6%	14.7%	3.0%	6.3%
	Range 5-15	-	7.5-17.5	5-15	10-20	-	5-15
<b>Int'l Equity</b>	Target 17.0%	19.0%	12.5%	10.0%	10.0%	24.0%	10.0%
	Actual 14.3%	22.9%	11.7%	9.7%	7.5%	22.5%	6.7%
	Range 12-22	14-24	7.5-17.5	5-15	5-15	19-29	5-15
<b>Long/Short Eq</b>	Target -	-	10.0%	15.0%	10.0%	-	-
	Actual -	-	11.5%	15.5%	10.5%	-	-
	Range -	-	5-15	10-20	5-15	-	-
<b>PRIVATE EQUITY</b>	Target -	-	-	10.0%	3.0%	-	-
	Actual 1.0%	-	-	11.7%	2.9%	-	-
	Range -	-	-	5-15	0-5	-	-
<b>TOTAL FIXED INC.</b>	Target 30.0%	38.0%	25.0%	17.5%	30.0%	36.0%	50.0%
	Actual 42.6%	37.5%	25.6%	20.7%	33.7%	37.2%	53.3%
	Range 25-35	33-43	20-30	12.5-22.5	20-40	31-41	45-55
<b>Dom. Fixed Inc.</b>	Target 30.0%	38.0%	25.0%	17.5%	30.0%	36.0%	50.0%
	Actual 42.6%	37.5%	25.6%	15.7%	33.7%	37.2%	53.3%
	Range 25-35	33-43	20-30	12.5-22.5	20-40	31-41	45-55
<b>Int'l Fixed Inc.</b>	Target -	-	-	-	-	-	-
	Actual -	-	-	5.0%	-	-	-
	Range -	-	-	-	-	-	-
<b>ALTERNATIVE INV.</b>	Target -	-	5.0%	12.5%	-	-	-
	Actual 1.0%	-	7.6%	21.2%	2.9%	-	-
	Range -	-	2-8	7.5-17.5	-	-	-
<b>REAL ESTATE</b>	Target -	-	5.0%	5.0%	7.0%	-	-
	Actual -	-	5.6%	5.0%	6.4%	-	-
	Range -	-	2-8	0-10	5-10	-	-
<b>CASH</b>	Actual 1.3%	0.3%	0.4%	1.4%	-0.2%	0.1%	3.6%

\*The Russell 3000 index was broken down into Large, Mid, & Small Cap allocations for the PERS & Judges retirement plans

\*\*For the Law, Target Alternative Inv. (low-volatility hedge funds) is classified as fixed income

^Allocation includes commodity managers

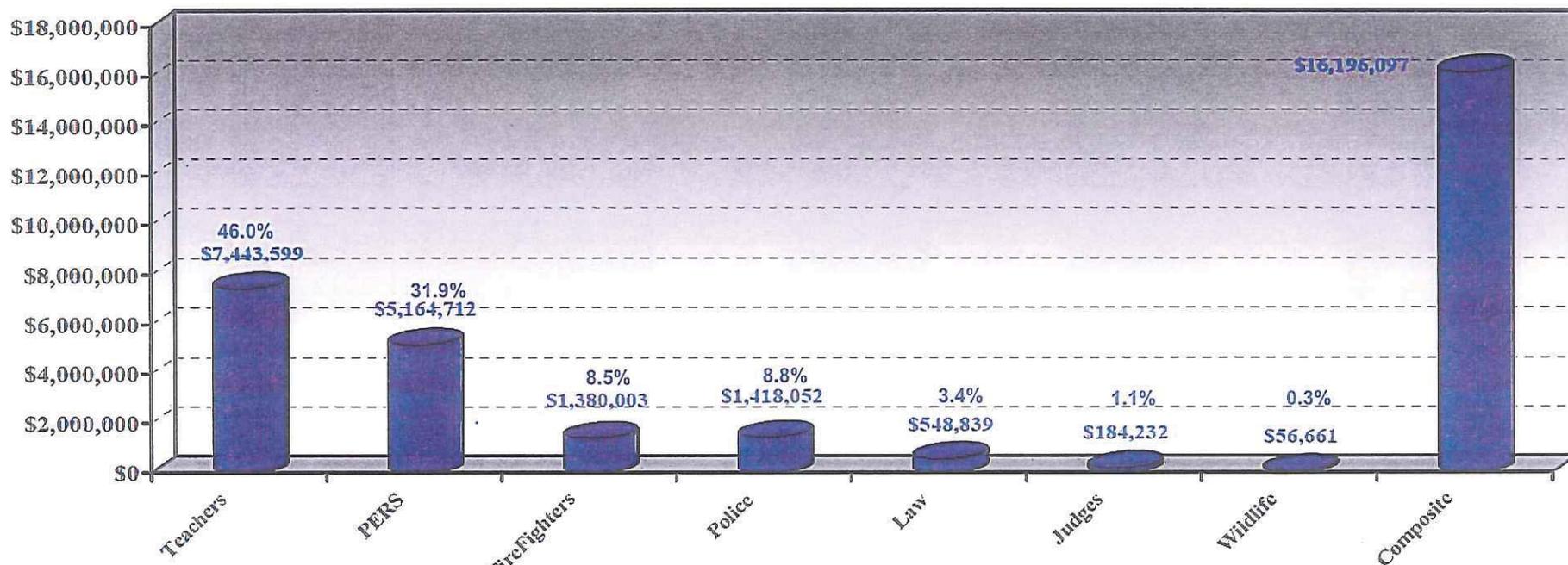
Please note that allocation targets may not add to 100% due to rounding, and cash accounts within the plans. Total Equity does not include Private Equity

Out of Range





# Relative Size – All Funds (as of 6/30/09)



(Dollars in \$000)

Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009		Qtr Ending 6/30/2009	
3/31/2009	\$6,646,651	3/31/2009	\$4,649,121	3/31/2009	\$1,272,691	3/31/2009	\$1,322,918	3/31/2009	\$504,877	3/31/2009	\$165,837	3/31/2009	\$52,510	3/31/2009	\$14,614,605
Net Ext Growth	\$32,364	Net Ext Growth	(\$26,893)	Net Ext Growth	(\$9,806)	Net Ext Growth	(\$5,576)	Net Ext Growth	(\$3,789)	Net Ext Growth	(\$1,599)	Net Ext Growth	\$106	Net Ext Growth	(\$15,192)
Investment Return	\$764,584	Investment Return	\$542,484	Investment Return	\$117,118	Investment Return	\$100,710	Investment Return	\$47,751	Investment Return	\$19,994	Investment Return	\$4,045	Investment Return	\$1,596,884
6/30/2009	\$7,443,599	6/30/2009	\$5,164,712	6/30/2009	\$1,380,003	6/30/2009	\$1,418,052	6/30/2009	\$548,839	6/30/2009	\$184,232	6/30/2009	\$56,661	6/30/2009	\$16,196,097
1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009		1-Year Ending 6/30/2009	
6/30/2008	\$8,935,336	6/30/2008	\$6,245,173	6/30/2008	\$1,731,230	6/30/2008	\$1,727,417	6/30/2008	\$667,830	6/30/2008	\$225,577	6/30/2008	\$66,260	6/30/2008	\$19,598,823
Net Ext Growth	(\$29,625)	Net Ext Growth	(\$108,980)	Net Ext Growth	(\$44,565)	Net Ext Growth	(\$21,819)	Net Ext Growth	(\$17,723)	Net Ext Growth	(\$5,716)	Net Ext Growth	\$111	Net Ext Growth	(\$228,530)
Investment Return	(\$1,462,112)	Investment Return	(\$971,481)	Investment Return	(\$306,642)	Investment Return	(\$287,546)	Investment Return	(\$101,260)	Investment Return	(\$35,629)	Investment Return	(\$9,710)	Investment Return	(\$3,174,196)
6/30/2009	\$7,443,599	6/30/2009	\$5,164,712	6/30/2009	\$1,380,003	6/30/2009	\$1,418,052	6/30/2009	\$548,839	6/30/2009	\$184,232	6/30/2009	\$56,661	6/30/2009	\$16,196,097
Teachers		PERS		Fire Fighters		Police		Law		Judges		Wildlife		Composite	



# Composite Performance

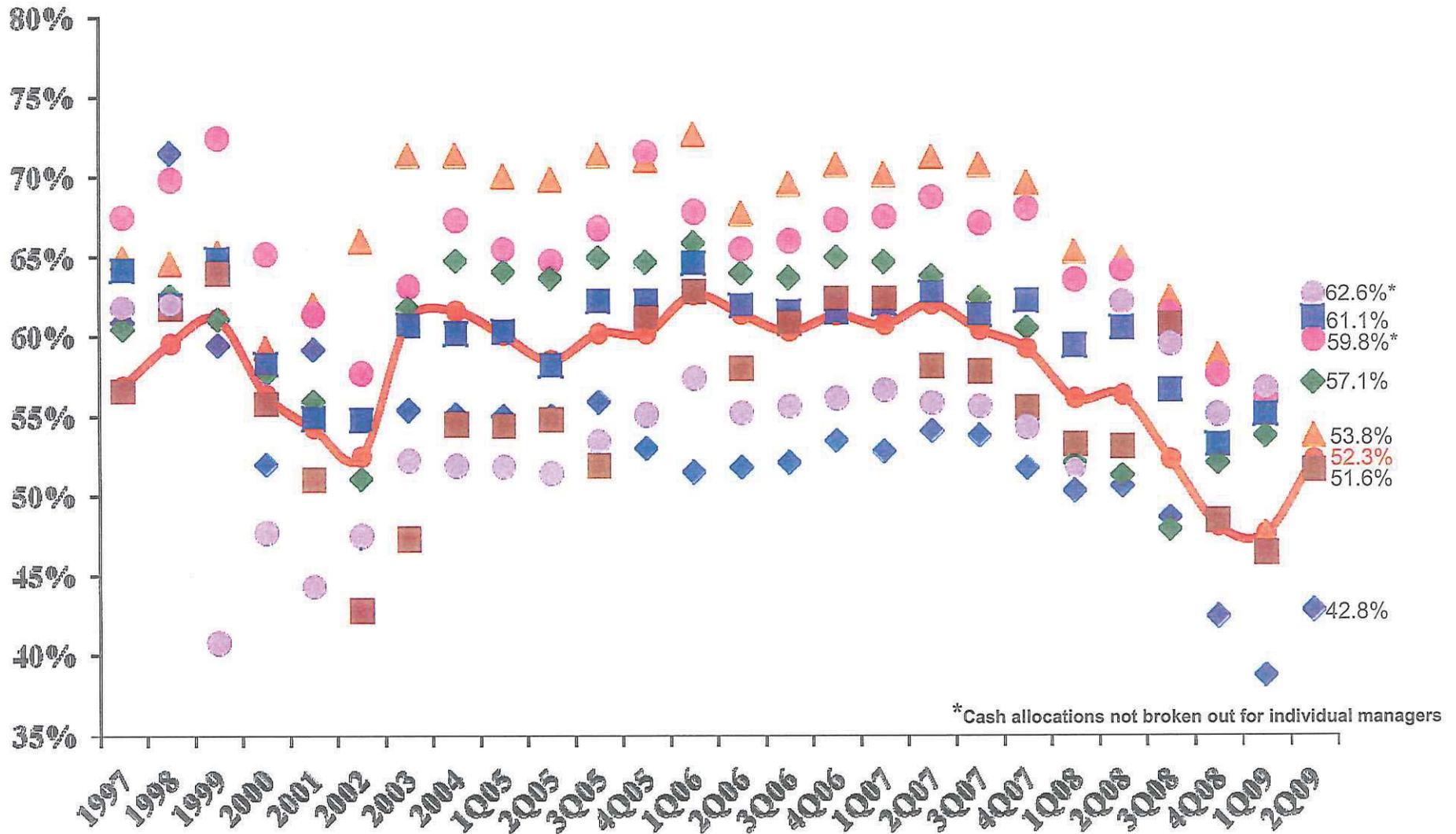
## Periods Ending June 30

	Quarter		1 Year		3 Year		5 Year		7 Year	
	% Return	% Rank								
Teachers	11.9%	37	(16.0)%	40	(2.6)%	58	2.3%	53	5.1%	12
PERS	11.7%	39	(15.5)%	37	(1.9)%	35	2.4%	49	4.4%	44
Firefighters	9.1%	67	(17.5)%	58	(2.6)%	58	2.3%	52	4.2%	57
Police	7.7%	87	(16.5)%	45	(1.4)%	28	3.0%	24	4.7%	27
Law	9.4%	62	(15.2)%	34	(3.5)%	75	1.3%	83	3.7%	81
Judges	12.1%	34	(15.7)%	38	(2.3)%	46	1.9%	63	3.9%	69
Wildlife	7.7%	87	(14.8)%	30	(2.3)%	46	1.4%	78	2.7%	97
Med Tot Public Fund	10.9%		(16.6)%		(2.3)%		2.4%		4.4%	
Green = 1st Quartile Yellow = 2nd Quartile Blue = 3rd Quartile Red = 4th Quartile										

# Equity Commitment



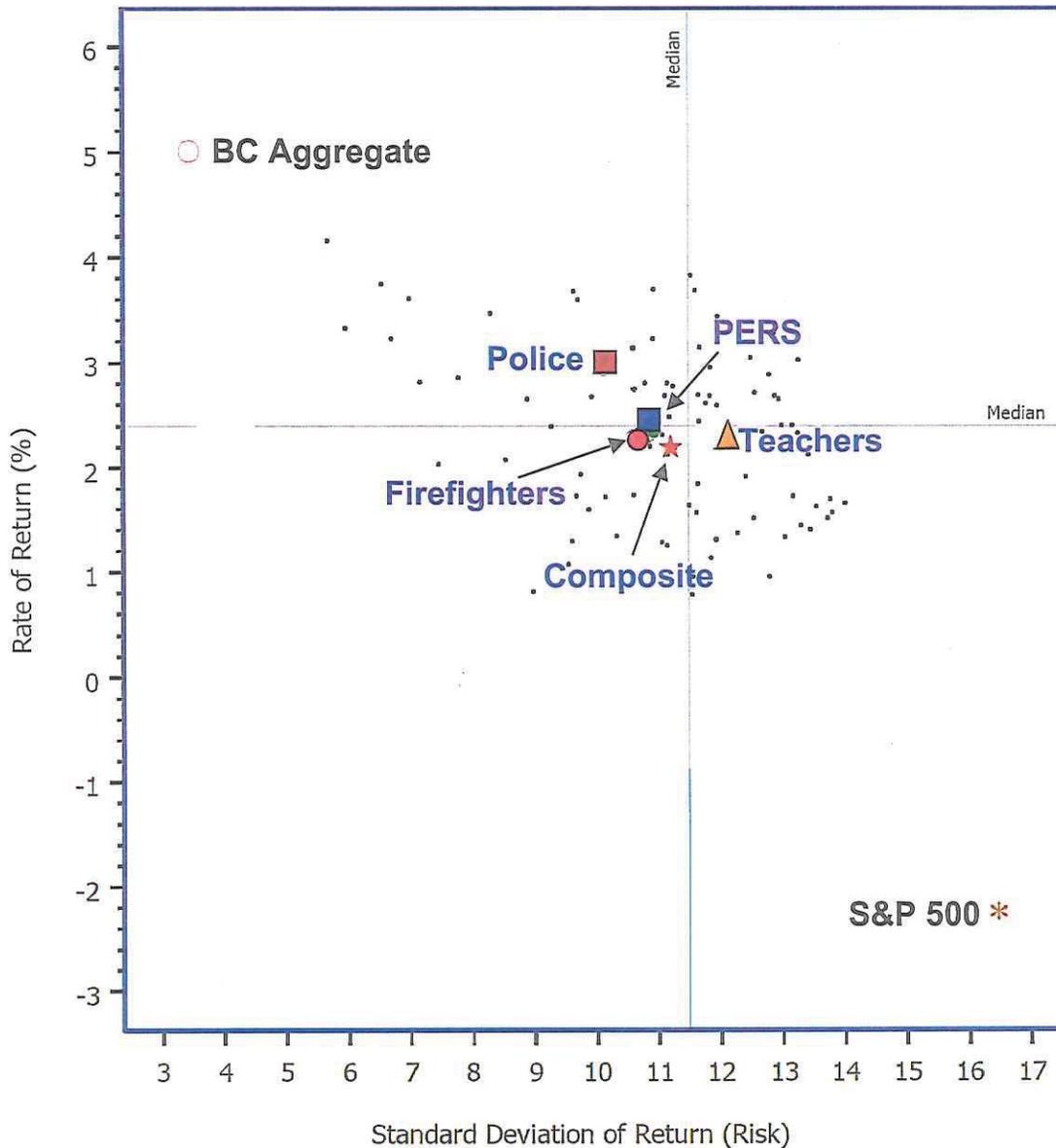
(as of 6/30/09)



\*Cash allocations not broken out for individual managers



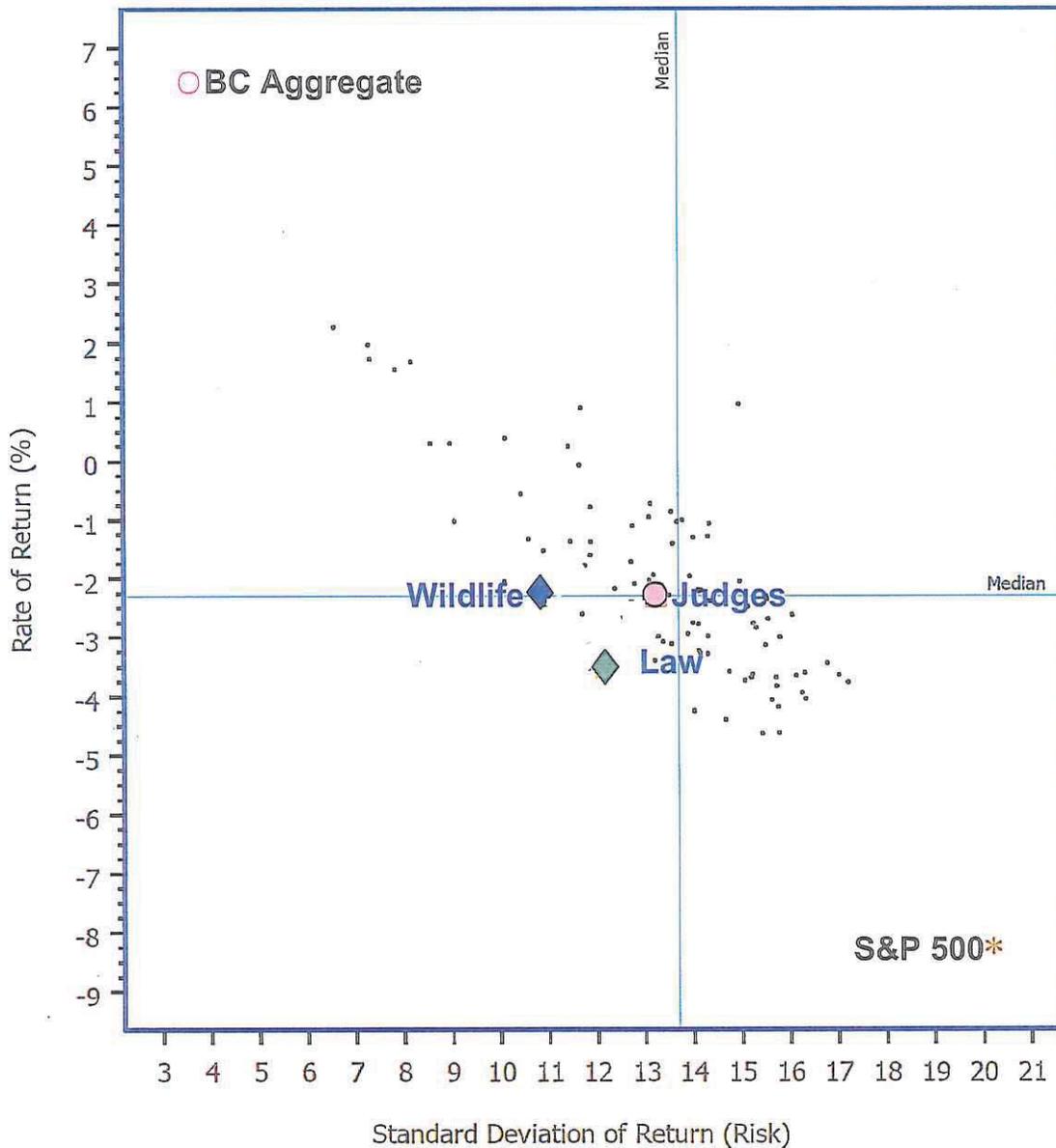
# 5 Year Risk / Return Analysis



	Return	Standard Deviation	Sharpe Ratio
★ OK TOTAL COMP	2.2	11.2	0.0
▲ OK TEACHERS	2.3	12.0	0.0
■ OK PERS	2.4	10.8	0.0
● OK FIREFIGHTERS	2.3	10.7	0.0
■ OK POLICE	3.0	10.1	0.0
* S&P 500	-2.2	16.5	-0.2
○ BC AGGREGATE	5.0	3.4	0.5
<b>Median</b>	<b>2.4</b>	<b>11.5</b>	<b>0.0</b>

Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.

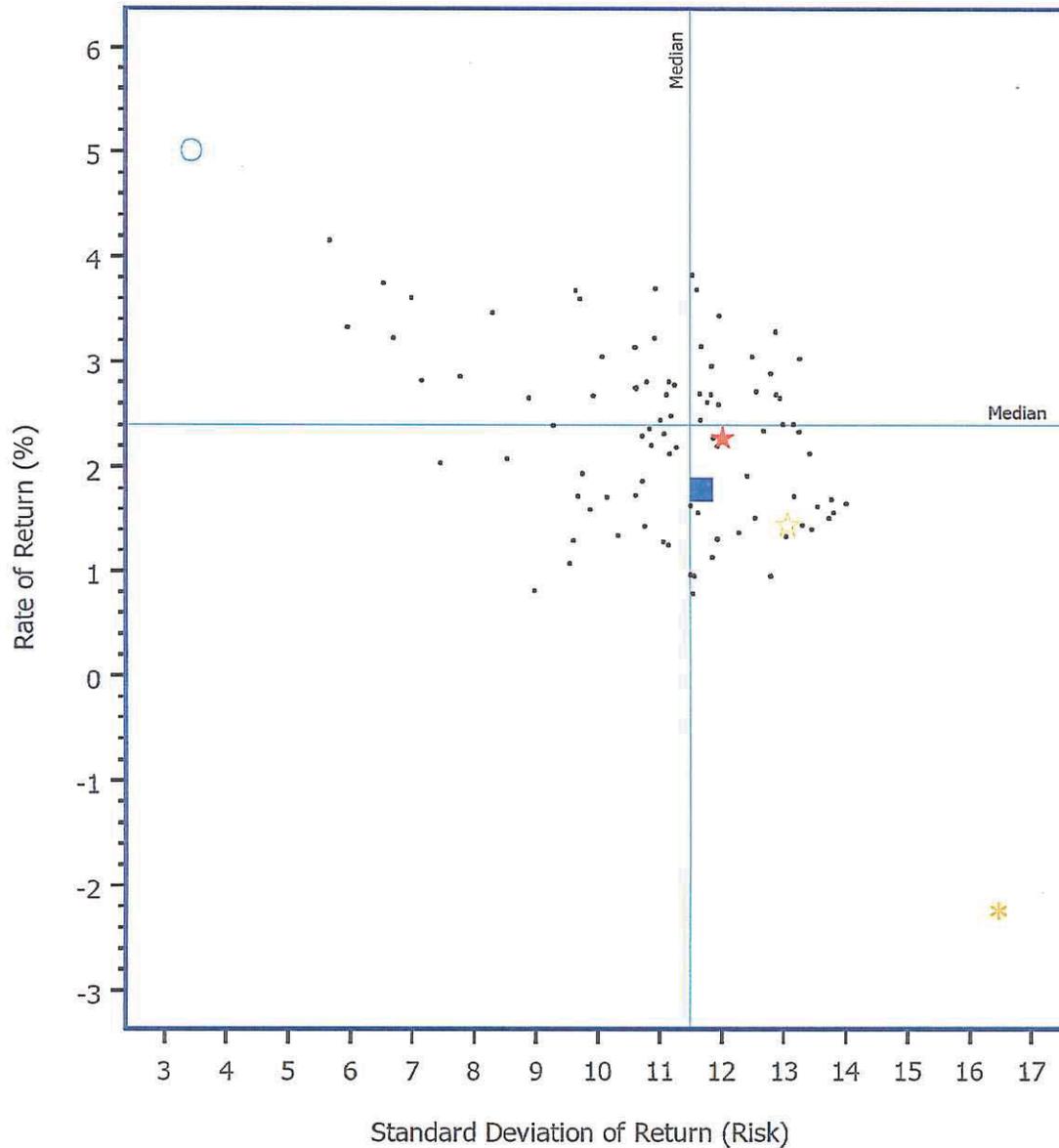
# 3 Year Risk / Return Analysis (cont.)



	Return	Standard Deviation	Sharpe Ratio
◆ OK LAW	-3.5	12.0	-0.5
○ OK JUDGES	-2.3	13.2	-0.4
◆ OK WILDLIFE	-2.3	11.0	-0.4
* S&P 500	-8.2	20.2	-0.5
○ BC AGGREGATE	6.4	3.6	0.9
<b>Median</b>	<b>-2.3</b>	<b>13.7</b>	<b>-0.4</b>

Sharpe Ratio is a measure of risk-adjusted return. It is used to characterize how well the return of an asset compensates the investor for the risk taken. The higher the ratio, the better its risk-adjusted performance.

# Teachers 5 Year Total Return vs. Risk

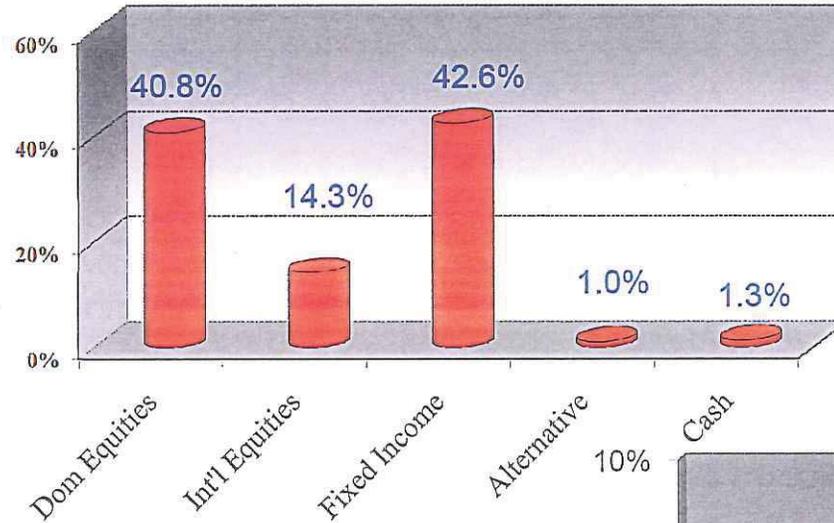


	Return	Standard Deviation	Sharpe Ratio
★ OK TEACHERS	2.3	12.0	0.0
■ ALLOC INDEX	1.8	11.7	-0.1
★ POLICY INDEX	1.5	13.1	-0.1
* S&P 500	-2.2	16.5	-0.2
○ BC AGGREGATE	5.0	3.4	0.5
<b>Median</b>	2.4	11.5	0.0

# Teachers



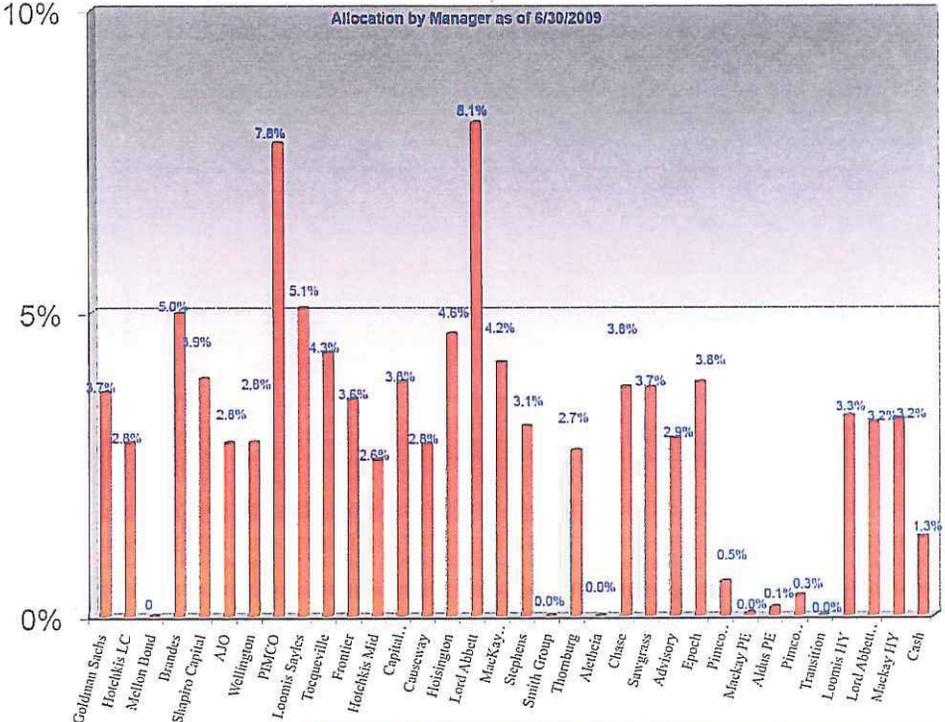
Allocation by Asset Class as of 6/30/2009



## Qtr Ending 6/30/2009

3/31/2009	\$6,646,651
Net Ext Growth	\$32,364
Investment Return	\$764,584
6/30/2009	\$7,443,599

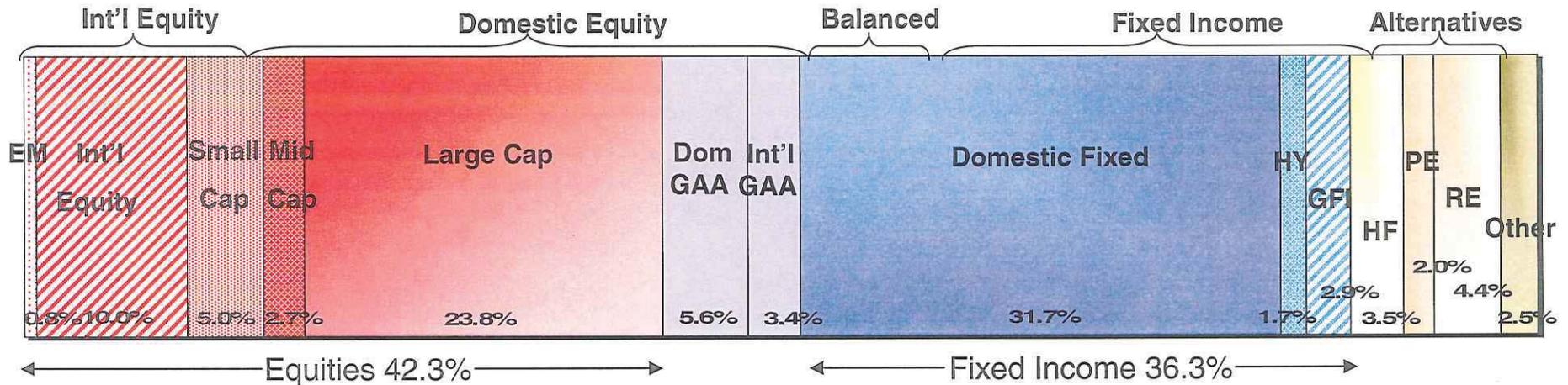
Assets in (\$000)



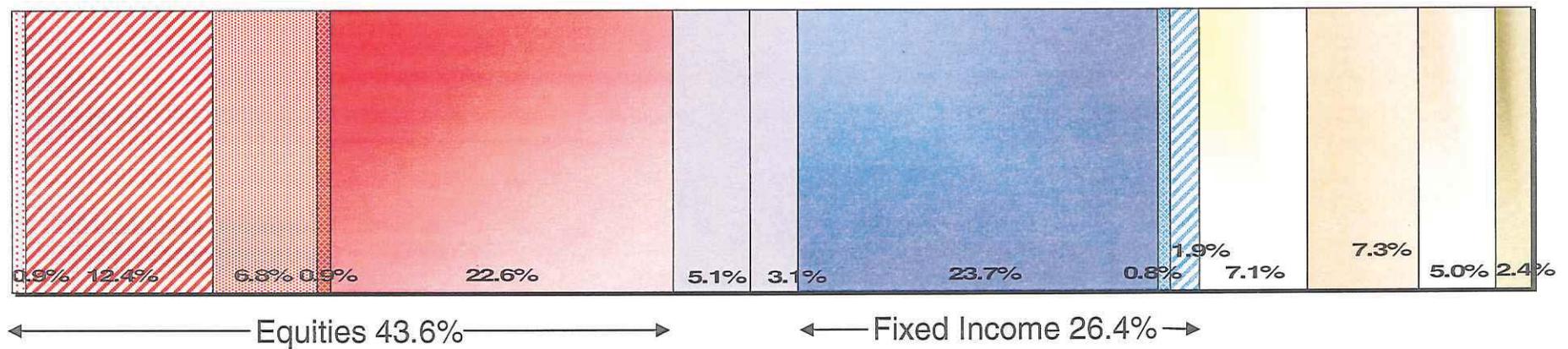


# Asset Allocation – ICC Public Plans

## Average Public DB Plan



## Average Public DB Plan \$1 Billion - \$2 Billion

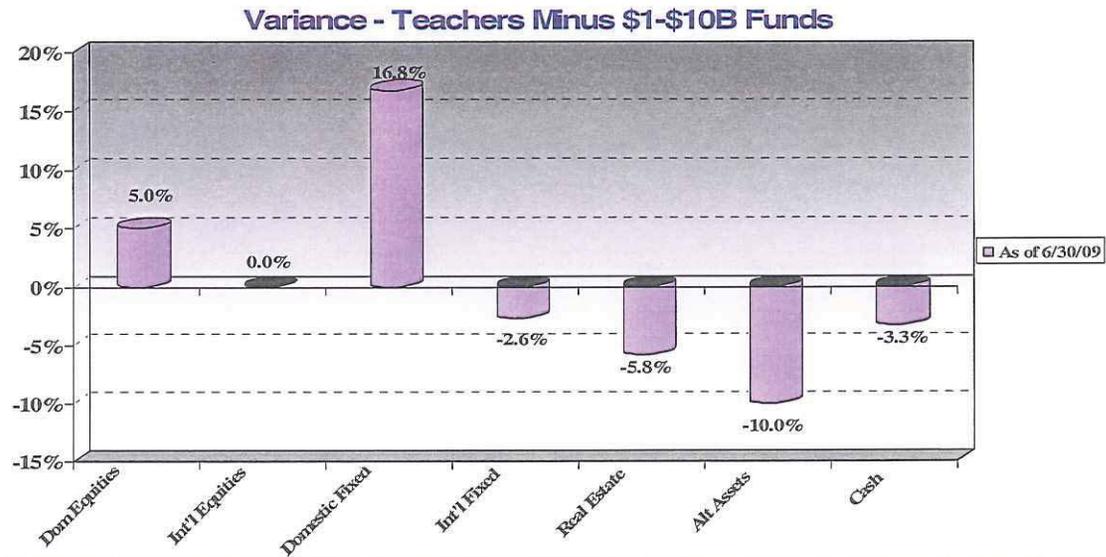
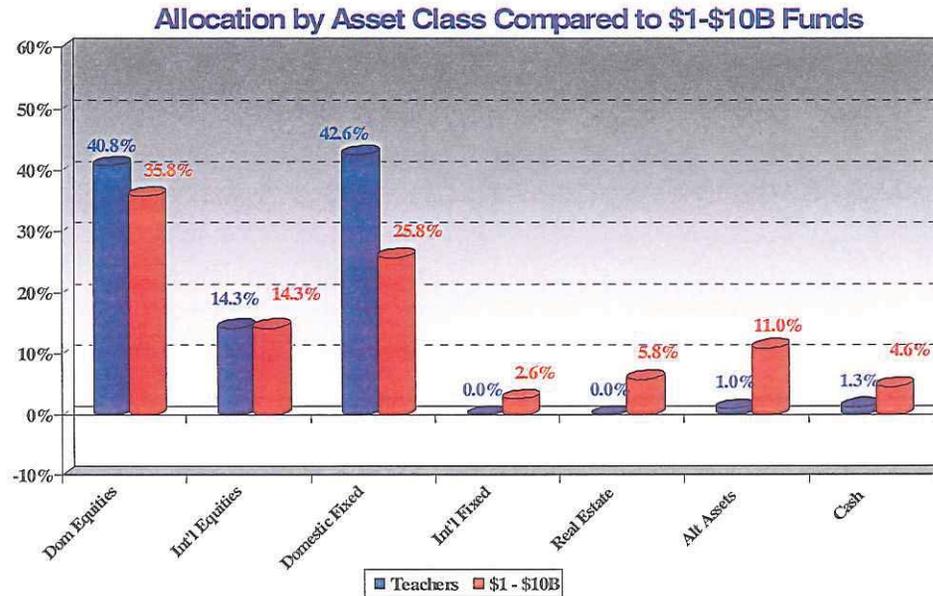


\* Average Public DB Plan includes 115 observations

\*\* Average Public DB Plan \$1- \$2 Billion includes 15 observations



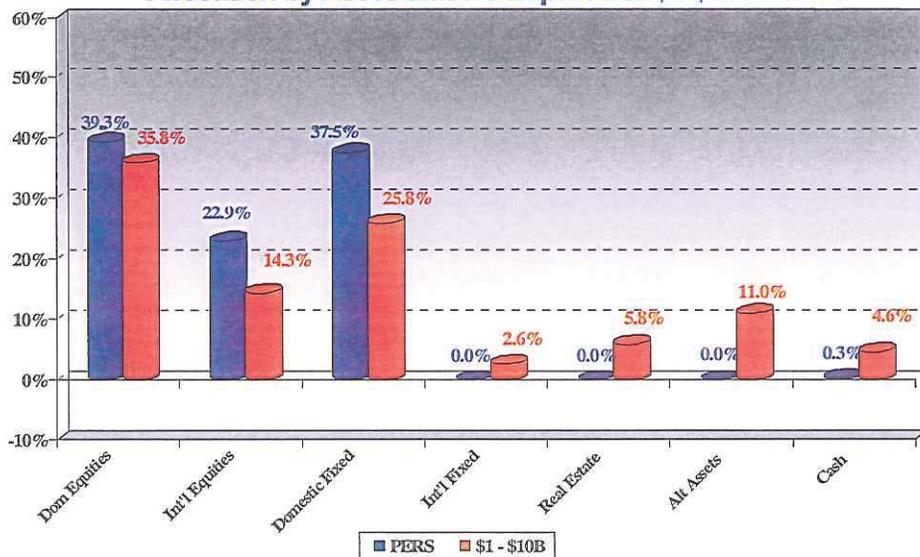
# Teachers Retirement System (\$7.4B)



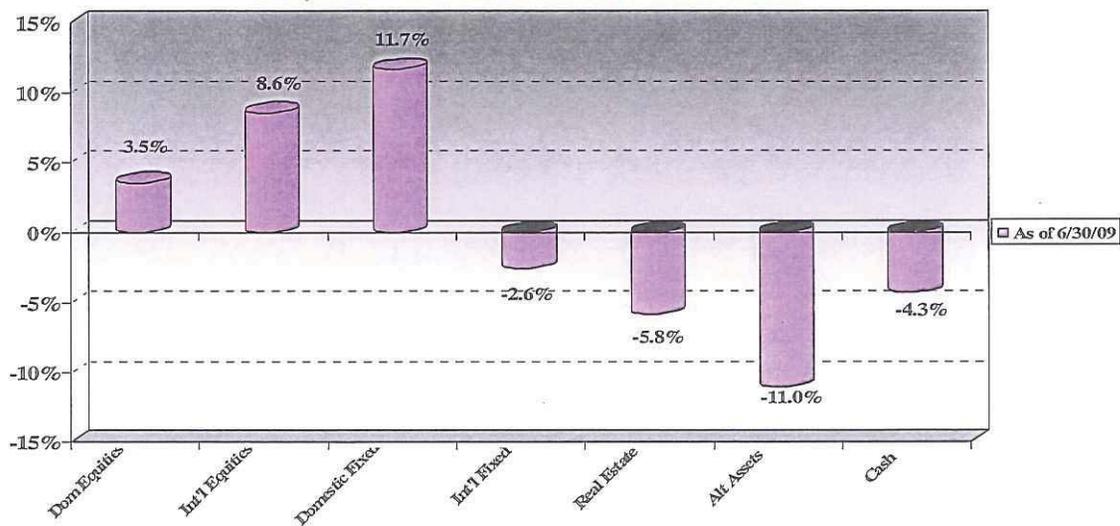


# PERS (\$5.2B)

### Allocation by Asset Class Compared to \$1-\$10B Funds



### Variance - PERS minus \$1-\$10B Funds



# Fee Comparison from 2007 to 2008 – Periods ending Dec 31



## 2008 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/08 Asset Market Value (\$ in 000's)	\$6,986,970	\$5,041,115	\$1,365,648	\$1,379,081	\$542,013	\$182,124	\$54,565	\$15,551,516
Custody Fee	\$0	\$65,131	\$283,103	\$135,361	\$205,793	\$2,396	\$17,422	\$709,206
Securities Lending Income	(\$12,093,092)	(\$6,861,240)	(\$233,175)	(\$448,084)	(\$706,296)			(\$20,341,887)
Commission Recapture	(\$902,786)	\$0	(\$215,773)	(\$381,302)	(\$26,916)			(\$1,526,777)
<b>Sub-Total (Custody - Net)</b>	<b>\$0</b>	<b>\$65,131</b>	<b>\$283,103</b>	<b>\$135,361</b>	<b>\$205,793</b>	<b>\$2,396</b>	<b>\$17,422</b>	<b>\$709,206</b>
Investment Manager Fees	\$29,461,119	\$5,595,020	\$4,141,744	\$11,430,214	\$2,265,688	\$110,601	\$115,179	\$53,119,565
Average Basis Points	42	11	30	83	42	6	21	34
Percent Passively Managed	0.0	37.9	36.4	16.3	30.2	55.1	0.0	23.8
Total Investment Return	-26.0%	-23.5%	-24.3%	-23.1%	-23.8%	-23.3%	-22.0%	13.3%
Investment Consultant	\$844,744	\$232,800	\$120,000	\$598,642	\$110,000	\$7,200	NA	\$1,913,386
Investment Consultant (Basis Points)	1	0	1	4	2	0	-	1
<b>TOTAL FEES FOR 2008</b>	<b>\$30,305,863</b>	<b>\$5,892,951</b>	<b>\$4,544,847</b>	<b>\$12,164,217</b>	<b>\$2,581,481</b>	<b>\$120,197</b>	<b>\$132,601</b>	<b>\$55,742,157</b>
Average Basis Points	43	12	33	88	48	7	24	36

## 2007 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/07 Asset Market Value (\$ in 000's)	\$9,498,944	\$6,812,849	\$1,856,852	\$1,821,989	\$727,846	\$243,606	\$70,128	\$21,032,214
Custody Fee	\$0	\$86,838	\$353,771	\$348,723	\$298,443	\$3,162	\$16,879	\$1,107,816
Securities Lending Income	(\$7,346,400)	(\$3,175,201)	(\$233,175)	(\$420,804)	(\$407,719)			(\$11,583,299)
Commission Recapture	(\$781,056)	(\$86,462)	(\$215,773)	(\$355)	(\$40,025)			(\$1,123,671)
<b>Sub-Total (Custody - Net)</b>	<b>\$0</b>	<b>\$86,838</b>	<b>\$353,771</b>	<b>\$348,723</b>	<b>\$298,443</b>	<b>\$3,162</b>	<b>\$16,879</b>	<b>\$1,107,816</b>
Investment Manager Fees	\$33,973,884	\$6,213,482	\$4,673,846	\$9,372,977	\$3,085,614	\$145,461	\$122,239	\$57,587,503
Average Basis Points	36	9	25	51	42	6	17	27
Percent Passively Managed	3.8	37.1	32.4	19.8	20.3	54.3	0.0	24.0
Total Investment Return	6.9%	8.2%	9.8%	9.9%	5.8%	7.6%	6.9%	7.4%
Investment Consultant	\$849,399	\$214,338	\$120,000	\$582,986	\$110,000	\$7,163	NA	\$1,883,886
Investment Consultant (Basis Points)	1	0	1	3	2	0	-	1
<b>TOTAL FEES FOR 2007</b>	<b>\$34,823,283</b>	<b>\$6,514,658</b>	<b>\$5,147,617</b>	<b>\$10,304,686</b>	<b>\$3,494,057</b>	<b>\$155,786</b>	<b>\$139,118</b>	<b>\$60,579,205</b>
Average Basis Points	37	10	28	57	48	6	20	29

## Asset Growth & Fee Growth 2007 to 2008

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
Growth in Assets from 2007 to 2008	-26.4%	-26.0%	-26.5%	-24.3%	-25.5%	-25.2%	-22.2%	-26.1%
Growth in Fees from 2007 to 2008	-13.0%	-9.5%	-11.7%	18.0%	-26.1%	-22.8%	-4.7%	-8.0%



# Individual Retirement System Fee Analysis

# Teachers Retirement System



## OKLAHOMA TEACHERS' RETIREMENT SYSTEM (\$6,986,970,311)

Asset Allocation Breakdown		
	2007 % of Total Fund	2008 % of Total Fund
Domestic Equity	51.6%	45.4%
% Active	51.6%	45.4%
% Passive	0.0%	0.0%
Domestic Fixed	28.9%	36.9%
% Active	25.1%	36.9%
% Passive	3.8%	0.0%
International Eq	18.0%	15.2%
% Active	18.0%	15.2%
% Passive	0.0%	0.0%
Global Fixed	0.0%	0.0%
% Active	0.0%	0.0%
% Passive	0.0%	0.0%
Other	1.5%	2.5%
<b>Calendar Year Return</b>	<b>6.9%</b>	<b>-26.0%</b>

### CUSTODY FEES:

Custodian: Northern Trust

Custody Fee	\$ -	\$ -
Securities Lending Income	\$ (7,346,400)	\$ (12,093,092)
Commission Recapture	\$ (781,056)	\$ (902,786)

### INVESTMENT MANAGERS:

		2007	BPS	2008	BPS	Assets as of 12/2008 (000)
Aletheia	Large Cap Core	\$ 628,729	29	\$ 1,049,621	57	\$ 185,565
Chase	Large Cap Core	\$ 925,385	29	\$ 1,191,705	42	\$ 284,239
Goldman Sachs	Large Cap Growth	\$ 1,310,266	26	\$ 956,640	36	\$ 266,762
Sawgrass	Large Cap Core	\$ 944,548	30	\$ 1,124,339	57	\$ 196,642
Hotchkis & Wiley	Large Cap Value	\$ 1,990,707	45	\$ 1,084,337	54	\$ 201,229
Advisory Research	All Cap	\$ 1,365,418	40	\$ 1,147,219	50	\$ 229,884
Epoch	All Cap	\$ 1,661,762	44	\$ 1,566,252	51	\$ 307,836
Aronson & Partners	Md Cap Value	\$ 591,420	17	\$ 555,226	25	\$ 219,295
Hotchkis & Wiley	Md Cap Value	\$ 1,708,992	58	\$ 1,535,415	88	\$ 174,423
Frontier Capital	Md Cap Core	\$ 2,139,524	52	\$ 1,500,827	57	\$ 264,157
Wellington Management	Md Cap Growth	\$ 1,701,577	46	\$ 1,319,097	66	\$ 200,647
Shapiro Capital	Small Cap Value	\$ 3,568,986	96	\$ 1,843,747	83	\$ 223,102
Smith Group	Small Cap Growth	\$ 1,394,035	67	\$ 1,761,676	138	\$ 127,981
Tocqueville	Small Cap Value	\$ 2,580,878	70	\$ 2,091,494	72	\$ 288,972
Brandes	International Value Equity	\$ 2,389,401	40	\$ 1,906,590	50	\$ 379,414
Capital Guardian	International Equity	\$ 1,907,786	39	\$ 1,550,421	55	\$ 280,798
Causeway	International Value Equity	\$ 1,322,237	36	\$ 1,120,622	53	\$ 210,055
Thornburg	International Equity	\$ 1,339,451	53	\$ 1,180,174	61	\$ 193,596
Hoisington	Long Bonds	\$ 287,595	10	\$ 279,381	6	\$ 459,362
Mellon	Core Fixed	\$ 82,429	2	\$ 239,811	9	\$ 2,604
Stephens Capital	Core Fixed	\$ 275,633	16	\$ 314,143	13	\$ 245,297
Loomis Sayles	Core Fixed	\$ 570,925	16	\$ 591,343	16	\$ 370,488
Lord Abbett	Core Fixed	\$ 974,158	16	\$ 1,287,301	22	\$ 597,389
Mackay Shields	Core Fixed	\$ 690,656	25	\$ 732,911	24	\$ 301,096
FIMCO	Core Fixed	\$ 1,598,680	24	\$ 1,254,480	21	\$ 603,005
FIMCO Distressed Mbrtgage	Real Estate	\$ 22,706		\$ 276,347		\$ 54,232
Aldus	Private Equity					\$ 6,912
Mackay Shields	Private Equity					\$ 18,613
Cash Account	Cash	\$ -	-	\$ -	-	\$ 93,375
Sub-Total		\$ 33,973,884	36	\$ 29,461,119	42	\$ 6,986,970

### INVESTMENT CONSULTANT:

gregory.w.group	\$ 849,399	\$ 844,744
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### TOTAL INVESTMENT FEES:

\$ 34,823,283	37	\$ 30,305,863	43
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\*The Teacher's also paid a fee of \$22,500 to Bloomberg Financial Information Services in 2008

# Public Employees Retirement System



## OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM (\$5,041,115,036)

Asset Allocation Breakdown		
	2007 % of Total Fund	2008 % of Total Fund
<b>Domestic Equity</b>	<b>42.1%</b>	<b>34.2%</b>
% Active	18.6%	9.8%
% Passive	23.5%	24.4%
<b>Domestic Fixed</b>	<b>37.4%</b>	<b>44.7%</b>
% Active	37.4%	44.7%
% Passive	0.0%	0.0%
<b>International Eq</b>	<b>20.0%</b>	<b>20.8%</b>
% Active	6.4%	7.3%
% Passive	13.6%	13.5%
<b>Other</b>	<b>0.5%</b>	<b>0.3%</b>
<b>Calendar Year Return</b>	<b>8.2%</b>	<b>-23.5%</b>

### CUSTODY FEES:

Bankers Trust + Northern Trust

Custody Fee*	\$ 86,838	\$ 65,131
Securities Lending Income	(\$3,175,201)	(\$6,861,240)
Commission Recapture	(\$86,462)	—

### INVESTMENT MANAGERS:

		2007	BPS	2008	BPS	Assets as of 12/2008 (000)
Aronson & Partners <sup>§</sup>	Large Cap Value	\$ -	-	\$ -	-	\$ 100,546
Barclays Russell 1000 G Index	Large Cap Growth Index	\$ 17,330	-	\$ -	-	\$ -
Barclays Russell 3000 Index	All Cap Index	\$ 198,008	1	\$ 166,193	2	\$ 1,032,260
Franklin <sup>§</sup>	Large Cap Core	\$ 125,000	4	\$ 124,613	6	\$ 198,169
State Street <sup>§</sup>	Large Cap Core	\$ 566,586	17	\$ 127,381	7	\$ 195,872
TCW <sup>§</sup>	Large Cap Growth	\$ 12,778	-	\$ -	-	\$ -
Turner	Large Cap Growth	\$ 10,821	0	\$ 291,064	35	\$ 83,808
Barrow Hanley	Small Cap Value	\$ 361,636	63	\$ 383,574	68	\$ 56,053
UBS Global <sup>§</sup>	Small Cap Growth	\$ 146,199	26	\$ 182,344	31	\$ 58,503
Barclays EAFE Index	International Equity	\$ 129,783	3	\$ 104,824	4	\$ 279,621
Barclays EAFE Growth Index	International Equity	\$ 119,404	3	\$ 102,494	4	\$ 279,623
Barclays Emerging Mkt Index	Emerging Market	\$ 236,158	30	\$ 306,385	26	\$ 118,995
Mondrian (Delaware)	International Equity	\$ 1,531,378	35	\$ 1,510,678	41	\$ 368,350
Blackrock	Enhanced Core Bond	\$ 1,416,470	9	\$ 1,373,185	11	\$ 1,292,512
Hoisington	Long Bond	\$ 513,518	10	\$ 539,265	9	\$ 578,308
Metwest <sup>§</sup>	Core Bond	\$ 828,413	19	\$ 383,020	10	\$ 382,500
Cash Account	Cash	\$ -	-	\$ -	-	\$ 15,995
Sub-Total		\$ 6,213,482	9	\$ 5,595,020	11	\$ 5,041,115

### INVESTMENT CONSULTANT:

Strategic Investment Solutions*	\$ 214,338	\$ 232,800
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### TOTAL INVESTMENT FEES:

\$ 6,514,658	10	\$ 5,892,951	12
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<sup>§</sup> Performance-based fee

\* Custody and Investment Consultant fees are shared with URSJJ plan. Fees per plan are proportioned according to total plan assets.