



**OKLAHOMA TEACHERS**  

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**RETIREMENT SYSTEM**

**BOARD OF TRUSTEES**

**REGULARLY SCHEDULED**  
**MEETING**

**FEBRUARY 26, 2014**

**MEETING MATERIALS**

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**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, February 26, 2014 – 9:00 AM**  
**TRS Administration Board Room**  
**2500 N. Lincoln Blvd., 5<sup>th</sup> Floor, Oklahoma City, OK**

**AGENDA**

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE JANUARY 22, 2014, REGULAR BOARD MEETING.**
- 3. DISCUSSION AND REVIEW OF OKLAHOMA PENSION COMMISSION REPORT**
- 4. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT QUARTERLY REPORT**
- 6. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. Advisory Research Inc. (ISC)
  - B. Epoch Investment Partners (ISC)
- 7. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT** - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting*
- 8. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 9. DISCUSSION AND POSSIBLE ACTION ON GOVERNANCE COMMITTEE REPORT**
  - a. Board Attendance Policy
  - b. Ethics Policy
  - c. Fraud Reporting Policy
  - d. Employee Recognition Policy
- 10. DISCUSSION AND POSSIBLE ACTION ON AUDIT COMMITTEE REPORT**
- 11. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR SEARCH COMMITTEE REPORT**
- 12. DISCUSSION AND POSSIBLE ACTION ON INVESTMENTS & EMPLOYER REPORTING DIVISION REPORTS**
  - a. Employer Reporting
  - b. Investments
- 13. DISCUSSION AND POSSIBLE ACTION ON CLIENT SERVICES REPORT**

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, February 26, 2014 – 9:00 AM**  
**TRS Administration Board Room**  
**2500 N. Lincoln Blvd., 5<sup>th</sup> Floor, Oklahoma City, OK**

**AGENDA (continued)**

- 14. DISCUSSION AND POSSIBLE ACTION ON FINANCE REPORT**
  - a. Balance Sheet
  - b. Income Statement
  - c. Statement of Revenues
  - d. Budget to Actual
  - e. Actual to Actual
  - f. Miscellaneous Worksheets
  
- 15. DISCUSSION AND POSSIBLE ACTION ON HUMAN RESOURCES REPORT**
  
- 16. DISCUSSION AND POSSIBLE ACTION ON ASSISTANT EXECUTIVE DIRECTOR REPORT**
  
- 17. DISCUSSION AND POSSIBLE ACTION TO RESOLVE INTO EXECUTIVE SESSION PURSUANT TO 25 O.S. § 307(B)(1) FOR THE PURPOSE OF CONFIDENTIAL COMMUNICATIONS BETWEEN THE TRUSTEES CONCERNING THE APPOINTMENT OF THE INTERIM EXECUTIVE DIRECTOR**
  - a. Vote to convene into executive session
  - b. Vote to return to open session
  
- 18. DISCUSSION AND POSSIBLE ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION**
  
- 19. QUESTIONS AND COMMENTS FROM TRUSTEES**
  
- 20. NEW BUSINESS**
  
- 21. ADJOURNMENT**

**MEETING MINUTES  
JANUARY 22, 2014  
BOARD OF TRUSTEES  
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by James Dickson, Chairman, at 9:02 A .M., in the Administration Board Room, 5<sup>th</sup> Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

**TRUSTEES PRESENT:**

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

**TRUSTEES ABSENT:**

none

**TRS STAFF PRESENT:**

Joe Ezzell, *Asst. Executive Director*  
Dixie Moody, *Director of Client Services*  
Riley Shaull, *Comptroller*  
Grant Rohlmeier, *Manager of Operations and Investments*  
Melissa Kempkes, *Business Analyst*  
Susan Yingling, *Executive Assistant*

**LEGAL COUNSEL PRESENT:**

Julie Ezell, *Assistant Attorney General*

**OTHERS PRESENT:**

Kerry Hughes, *OREA*  
Wayne Maxwell, *RPOE*  
Michael Furlong, *OEA*

\*Denotes late arrival or early departure.

**ITEM 1 – ROLL CALL FOR QUORUM:** Chairman Dickson called the Board meeting to order at 9:02 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Kerr, Dr. Lewis, Mr. Oster, Mr. Meyers, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

**ITEM 2 – MEETING MINUTES:** A motion was made by Dr. Winters with a second made by Mr. Gaddis to approve the December 18, 2013 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

*Jill Geiger arrived at 9:06 a.m.*

**ITEM 3 – INVESTMENT CONSULTANT REPORT:** Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave their monthly report to the Board. No action was necessary.

**ITEM 4 - PRESENTATIONS BY INVESTMENT MANAGERS:** International Small Cap managers, Wasatch Advisors and Wellington Management Company, gave their monthly reports to the Board. No action was necessary.

*A break was taken from 10:31 a.m. to 10:44 a.m.*

**ITEM 5 – MANAGER STATUS SUMMARY REPORT:** Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave the Board their Manager Status Summary Report. No action was necessary.

**ITEM 6 – INVESTMENT COMMITTEE REPORT:** Bill Peacher, Chairman of the Investment Committee, gave the Board an overview of the January 21, 2014, Investment Committee Meeting. Mr. Peacher advised the Board that the Investment Committee had no recommendations for consideration. No action was necessary.

**ITEM 7 – GOVERNANCE COMMITTEE REPORT:** Dr. Trennepohl, Chairman of the Governance Committee, presented his report to the Board. No action was necessary.

**ITEM 8 – AUDIT COMMITTEE REPORT:** Mr. Meyers, Chairman of the Audit Committee, introduced the representatives from Stinnett & Associates to present the audit findings to the Board. After extensive discussion, a motion was made by Mr. Meyers with a second by Dr. Lewis to accept the audit report as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

Legal Counsel, Julie Ezell, reported to the Board that several members of the OTRS staff had been misclassified as exempt from Fair Labor Standards Act and the associated comp time was awarded as straight time rather than time and a half. Ms. Ezell recommended that the Board approve a request to pay the affected employees for the uncompensated additional time instead of awarding the missed time to avoid a hardship for the agency. Ms. Ezell presented a list of affected current employees to the Board, but indicated that a few former employees would also be eligible for payment once their hours were confirmed. After extensive discussion, a motion was made by Mr. Peacher with a second by Dr. Winters to pay the claims of the employees on the list and to authorize payment for affected former employees up to \$2,500.00 without further Board approval. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

*A break for lunch was taken from 12:00 p.m. to 12:25 p.m.*

**ITEM 9 – EXECUTIVE DIRECTOR SEARCH COMMITTEE REPORT:** Dr. Trennepohl, Chairman of the Executive Director Search Committee, gave his report to the Board. He presented a standard job description for the Executive Director position. After extensive discussion, a motion was

made by Dr. Trennepohl with a second by Mr. Florence to adopt the Executive Director job description language for the Executive Director search. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

Dr. Trennepohl and Mr. Peacher also reviewed the options for locating a search firm to conduct the Executive Director search. They advised the Board that a Request for Proposals would have to be issued in order to follow the purchasing procedures. A motion was made by Mr. Peacher with a second by Dr. Trennepohl to issue an RFP to hire a search firm for the Executive Director search. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

**ITEM 10 – OPERATIONS AND EMPLOYER REPORT:** Grant Rohlmeier presented his monthly report to the Board. No action was necessary.

**ITEM 11 – CLIENT SERVICES REPORT:** Dixie Moody, OTRS Director of Client Services, presented her report to the Board. A motion was made by Dr. Trennepohl with a second made by Dr. Winters to approve the Client Services monthly retirement status report. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

**ITEM 12 – FINANCE REPORT:** Riley Shaull, OTRS Comptroller, gave the Board a brief presentation regarding the Finance Report. Ms. Ezell reported to the Board that a glitch in the ALICE system had resulted in a double payment of multiple members' retirement account withdrawasl. Ms. Ezell indicated that the members had been uncooperative in returning the extra funds. A motion was made by Mr. Gaddis with a second by Dr. Winters to authorize legal counsel to pursue legal action against the member to reclaim the double payment. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Dr. Lewis, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

*Dr. Trennepohl left at 1:43 p.m.*

**ITEM 13 – ASSISTANT EXECUTIVE DIRECTOR'S REPORT:** OTRS Assistant Executive Director, Joe Ezzell, gave his report to the Board. No action was necessary.

*Mr. Peacher left at 1:55 p.m.*

**ITEM 14 – AMENDMENT TO INVESTMENT POLICY STATEMENT:** Legal Counsel, Julie Ezell, gave a brief report on possible language to amend the current OTRS Investment Policy Statement. After extensive discussion, no action was taken.

**ITEM 15 – PROMULGATION OF PERMANENT RULES: 715-10-3-1 AMENDMENT:** Legal Counsel, Julie Ezell, explained to the Board that a policy made to award partial credit for docked days was null and void due to a procedural oversight. She advised the Board that the rulemaking deadline had passed and that any amendments would have to be submitted in the fall of 2014. After extensive discussion, no action was taken.

**ITEM 16 – QUESTIONS AND COMMENTS FROM THE TRUSTEES:** There were no questions or comments from the Trustees.

**ITEM 17 – NEW BUSINESS:** There was no new business from the Board.

**ITEM 18 – ADJOURNMENT:** There being no further business, a motion was made by Mr. Meyers with a second made by Dr. Lewis to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Ms. Stephenson, Dr. Winters, and Chairman Dickson. The meeting was adjourned at 2:18 p.m.

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

**BY:** \_\_\_\_\_  
**James Dickson, Chairman**

**ATTEST:**

**BY:** \_\_\_\_\_  
**Beth Kerr, 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 February 26, 2014.

**BY:** \_\_\_\_\_  
**Susan Yingling, Executive Assistant to the Executive Director**



NEPC, LLC

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## Oklahoma State Pension Commission

### Summary of Actuarial Reports

February 12, 2014

Don Stracke, CFA, Senior Consultant  
Lynda Dennen, ASA, EA, Senior Research Consultant  
Mario Tate, CAIA, Senior Research Analyst

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- **NEPC is asked to review the Oklahoma State Pension Plans from an actuarial standpoint**
- **Oklahoma Retirement System comprises seven plans**
  - Teachers’ Retirement System of Oklahoma (“Teachers”)
  - Oklahoma Public Employees Retirement (“OPERS”)
  - Oklahoma Firefighters Pension and Retirement System (“Firefighters”)
  - Oklahoma Police Pension and Retirement System (“Police”)
  - Oklahoma Law Enforcement Retirement System (“Law Enforcement”)
  - State of Oklahoma Uniform Retirement System for Justices and Judges (“Justices and Judges”)
  - Retirement Plan for Full-Time Employees of the Department of Wildlife Conservation (“Wildlife”)
- **Information contained in this report is based on July 1, 2013 Actuarial Valuation reports from plan actuaries<sup>1</sup> and system financial statements**
- **The goals of this presentation are:**
  - To present the funded position of the seven pension plans
  - To review the comprehensive return performance of both asset and liabilities
  - To assess the actuarial assumptions and methods for reasonability
  - To note changes in legislation that affect the plans

1. Buck Consultants, Cavanaugh Macdonald Consulting, and Gabriel, Roeder, Smith & Company

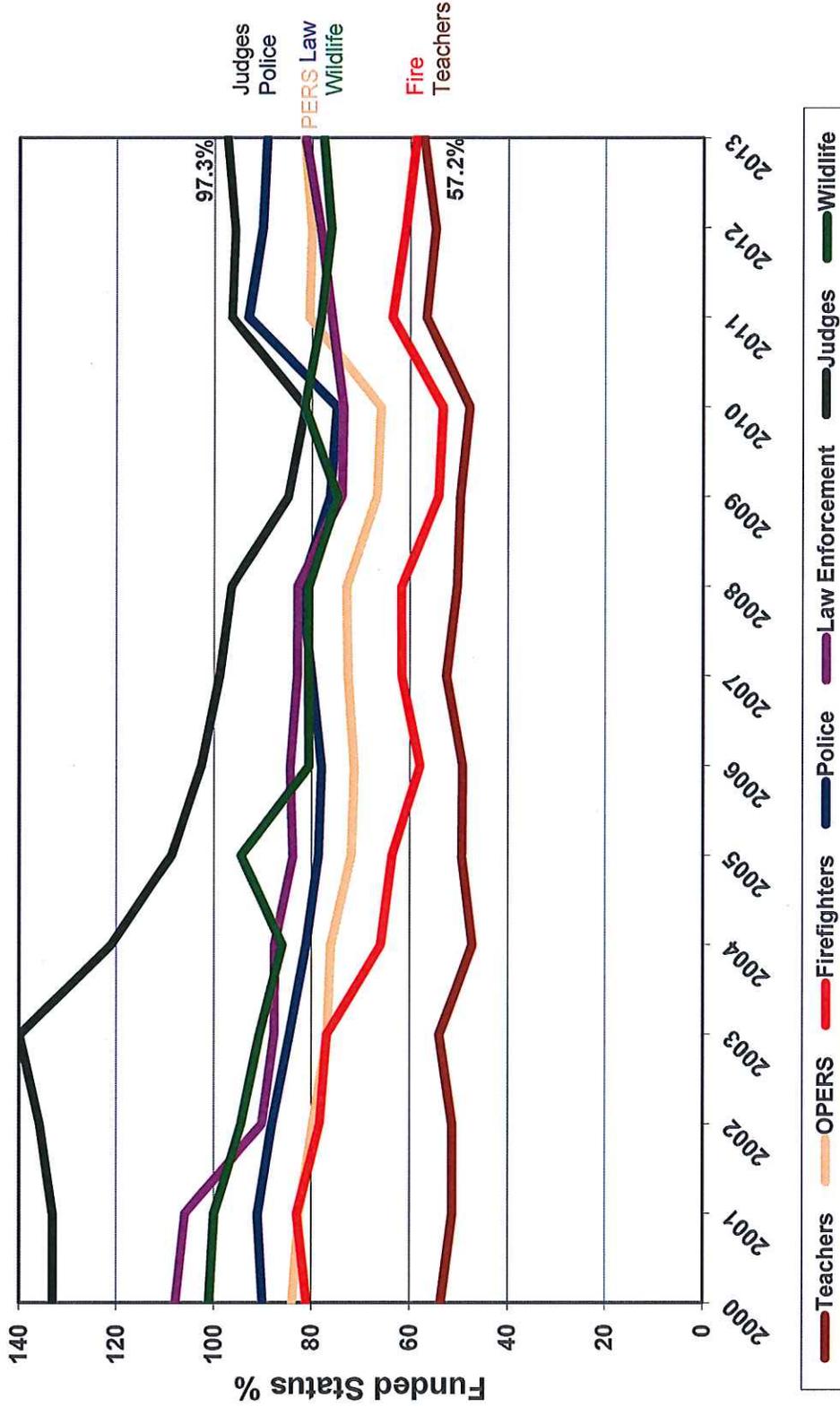
- **Funded status of the overall plans has increased since the July 2012 valuations**
  - Aggregate funded status for the plans was **66.5%** as of July 1, 2013, vs. 64.9% as of July 1, 2012
- **Average asset return on the plans' Market Value was 13.9% for the fiscal year ending June 30, 2013**
  - However, average asset return on the plans' Actuarial Value was **6.3%** for the fiscal year ending June 30, 2013
    - Gains and losses are recognized over 5 years
    - Last portion of the 2008-9 loss was recognized in fiscal 2013
    - 6.3% is lower than the assumed expected return in the plans of 7.0% to 8.0%
- **The Teachers' plan remains the largest and most poorly funded of the seven plans**
  - \$19.0 billion in liabilities, \$10.9 billion in assets, 57.2% funded
  - If current funding and benefit levels continue, Unfunded Accrued Liability will be funded after 17 years (was 22 years in 2012)
    - Prior to 2011, actuaries projected the period needed to fund Unfunded Accrued Liability as "infinite"

## System Summary – Funded Position

Plan	Actuarial Value of Assets (in millions)	Actuarial Accrued Liability (in millions)	Funded Status as of 7/1/2013	Funded Status as of 7/1/2012
Teachers	\$10,861	\$18,973	57.2%	54.8%
Public Employees (PERS)	\$6,979	\$8,556	81.6%	80.2%
Firefighters	\$1,812	\$3,082	58.8%	60.9%
Police	\$1,902	\$2,131	89.3%	90.2%
Law Enforcement	\$725	\$891	81.4%	78.3%
Judges	\$248	\$254	97.3%	95.7%
Wildlife	\$81	\$105	77.6%	76.1%
<b>Total</b>	<b>\$22,608</b>	<b>\$33,992</b>	<b>66.5%</b>	<b>64.9%</b>

- **Overall funded status of the plans has increased since fiscal 2012**
  - Strong markets have led to higher than expected asset returns
    - 13.9% return on Market Value basis, 6.3% return on Actuarial Value basis
  - Meanwhile, total plan liabilities grew by 2.8% over the last year
  - In addition, liability gains from Teachers plan payroll increasing less than assumed also helped boost that plan’s funded status

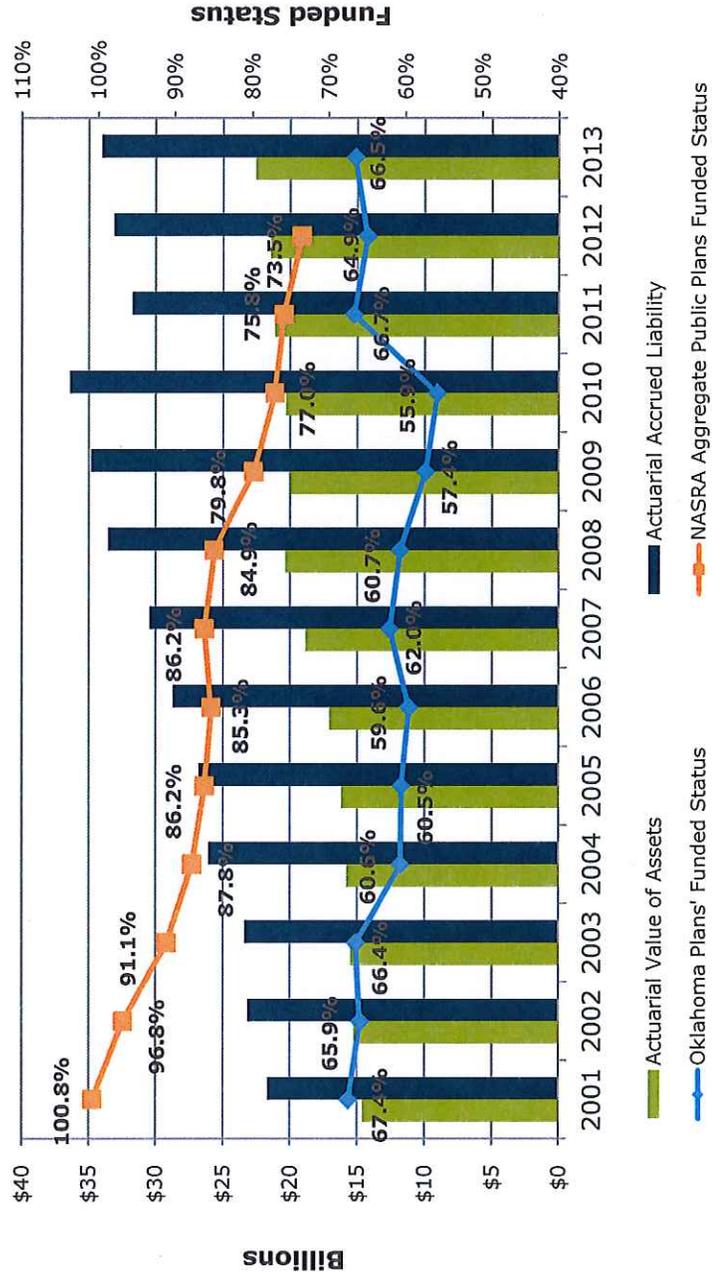
# Funded Status History (Actuarial Basis)



Sources: 2000 to 2009: Buck Consultants, Milliman Consultants and Actuaries, and Gabriel, Roeder, Smith & Company  
 2010 and later: Buck Consultants, Cavanaugh Macdonald Consulting, and Gabriel, Roeder, Smith & Company



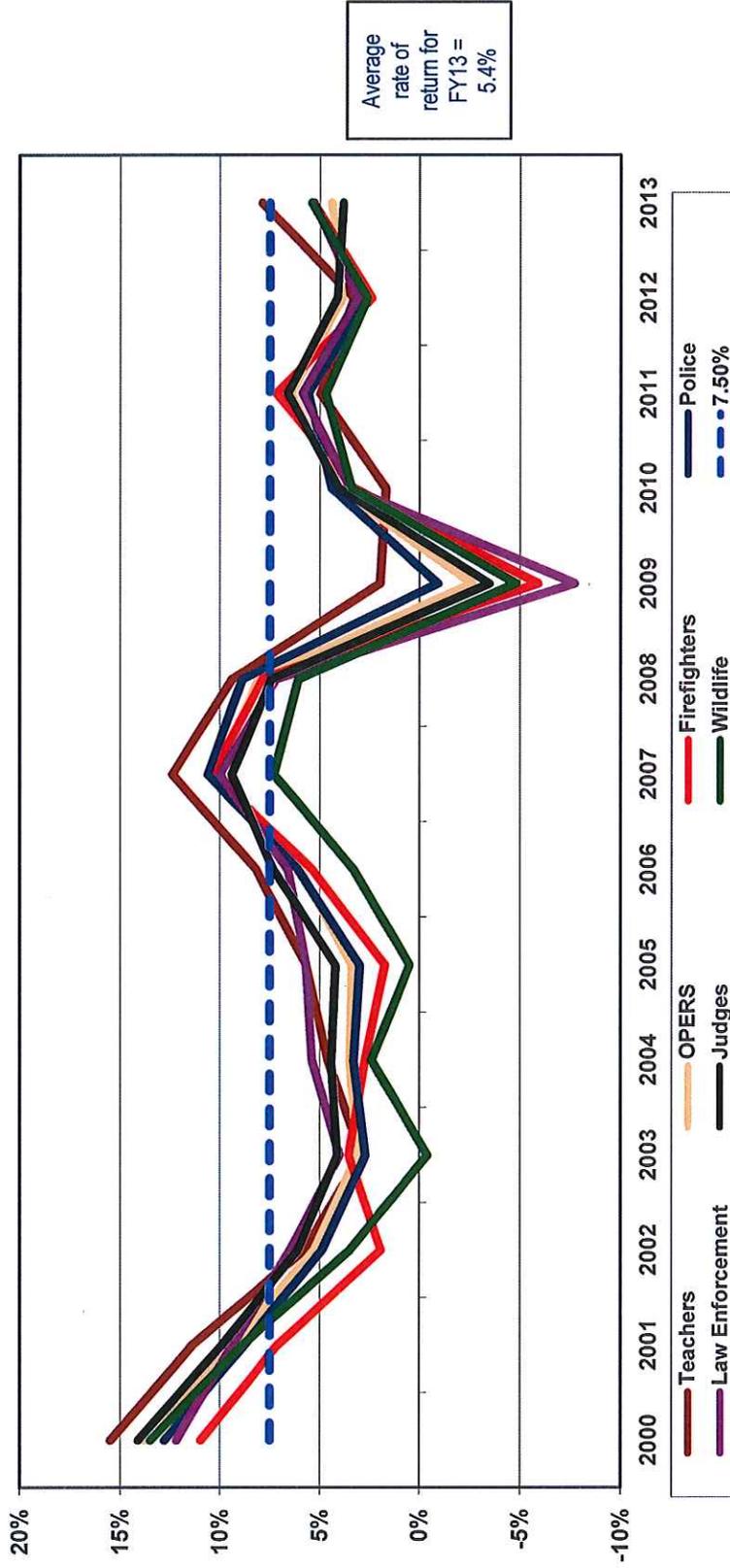
## Funded Status History vs. Average Public Fund (Combined Plans)



- **The Oklahoma plans' aggregate funded status has consistently trailed the funded status of the average public plan<sup>1</sup>**
- **However, there has been some convergence since 2011, after legislative changes were implemented in Oklahoma regarding COLAs**

1. Average public plan results from the Public Fund Survey Summary Findings for FY 2012 (published December 2013 by the National Association of State Retirement Administrators), representing 85% of the state/local government pension community

## Investment Return on Actuarial Value of Assets

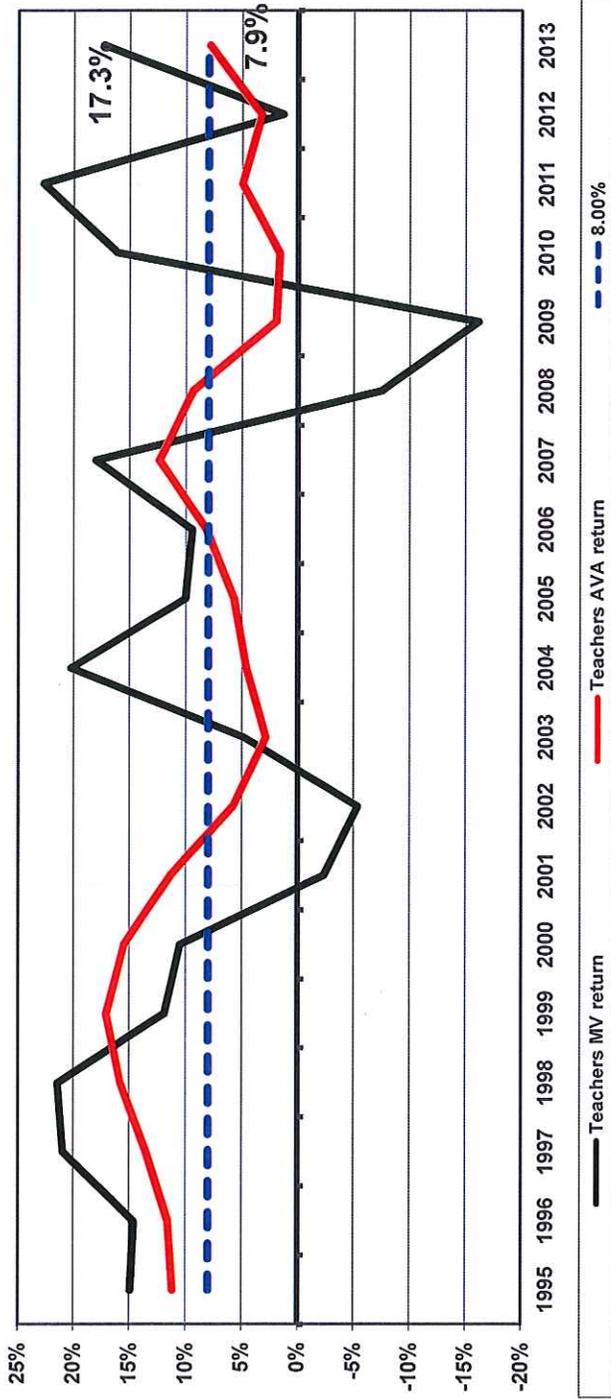


- Largely due to 2008-09 losses, actuarial investment returns have fallen short of expected return assumptions over the last several years
- However the 2008-09 losses were fully recognized as of June 30, 2013, so fiscal 2014 Actuarial Value will start to see more gains

Sources: 2000 to 2009: Buck Consultants, Milliman Consultants and Actuaries, and Gabriel, Roeder, Smith & Company  
 2010 and later: Buck Consultants, Cavanaugh Macdonald Consulting, and Gabriel, Roeder, Smith & Company



## Investment Return (Teachers' Plan)



- The Teachers' plan has the highest assumed return of all the Oklahoma plans at 8.0%
- Actuarial Value tends to lag the Market Value as gains and losses are smoothed in over 5 years
  - Helps smooth fluctuations in funded status and keep expected return close to assumed rate
- FY 2013 was last year for partial recognition of large fiscal 2009 losses, meaning the Actuarial Value will now be recognizing only gains next year (plus a portion of fiscal 2014 returns)

Sources: 1999 and earlier: R.V. Kuhns & Associates. 2000 and later: Gabriel, Roeder, Smith & Company

- **House Bill 2078 (Firefighters)**
  - Increased the amount of gross salary contributed by paid firefighters from 8% to 9%
  - Increased the amount of gross salary contributed by municipalities and fire districts from 13% to 14%
  - Increased the portion of statewide insurance premium tax allocated to the System from 34% to 36%
  
- **Senate Bill 1101 (Firefighters)**
  - In conjunction with House Bill 2078:
    - Increased the eligibility to retire to age 50 with 22 years of service
    - Increased the eligibility for a vested benefit to 11 years
    - Changed the interest earned on DROP accounts to be the rate earned by System assets, less one percentage point, once the member has left active DROP
  
- **House Bill 1325 (OPERS)**
  - Changed the definition of “Final Average Salary” for new members such that members will have their salary averaged over the highest five of the last ten years instead of highest three of the last ten years

- The following table summarizes the post-employee contribution requirements and mandated contribution rates for the 2013 and 2014 fiscal years

Pension Plan	FY 2013 Contribution Requirements			FY 2014 Contribution Requirements	
	Total post-EE Contribution as % Pay	Total post-EE Contribution Required (\$)	Actual post-EE Contribution (\$)	Total post-EE Contribution as % Pay	Total post-EE Contribution Required (\$)
Teachers	15.1%	\$620	\$701	14.6%	\$603
OPERS	15.7%	\$257	\$270	15.3%	\$259
Firefighters	62.1%	\$159	\$111	66.5%	\$162
Police	30.1%	\$79	\$66	32.6%	\$90
Law Enforcement	62.5%	\$45	\$28	59.6%	\$44
Judges	22.2%	\$7	\$4	21.0%	\$7
Wildlife	29.1%	\$4	\$4	30.1%	\$4
<b>Total as % of Payroll</b>	<b>18.6%</b>		<b>18.8%</b>	<b>18.6%</b>	
<b>Total in Millions \$</b>	<b>\$1,171</b>	<b>\$1,171</b>	<b>\$1,184</b>	<b>\$1,169</b>	<b>\$1,169</b>

- For fiscal year ending 2013, the GASB recommended contribution to the Oklahoma pension plans was \$1.171 billion, or 18.6% of total payroll
  - \$1.18 billion was actually contributed, or 101% of required amount (ARC)
  - Average percentage of Required Contribution (ARC) paid by public plans was approximately 88% in 2012<sup>1</sup>
- For fiscal year ending 2014, the GASB recommended contribution was \$1.170 billion and 18.6% of payroll, similar to last year

1. Results from the Public Fund Survey Summary Findings for FY 2012, published December 2013 by the National Association of State Retirement Administrators

## Contribution History – State and Municipalities

**Required Employer Contribution (assuming GASB 25 funding requirements) - After reduction for estimated Employee contributions**

	7/1/03	7/1/04	7/1/05	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12	7/1/13
Teachers*	\$535	\$722	\$535	\$576	\$591	\$714	\$742	\$822	\$588	\$620	\$603
OPERS	\$257	\$266	\$310	\$339	\$364	\$323	\$389	\$402	\$240	\$257	\$259
Firefighters**	\$74	\$107	\$118	\$147	\$147	\$158	\$187	\$196	\$142	\$159	\$162
Police**	\$64	\$74	\$85	\$95	\$101	\$103	\$132	\$147	\$65	\$79	\$90
Law Enforcement**	\$25	\$25	\$30	\$33	\$33	\$37	\$48	\$50	\$49	\$45	\$44
Judges	\$0	\$2	\$4	\$6	\$8	\$8	\$11	\$13	\$7	\$7	\$7
Wildlife	\$2	\$2	\$3	\$3	\$3	\$3	\$4	\$3	\$4	\$4	\$4
<b>Total</b>	<b>\$956</b>	<b>\$1,198</b>	<b>\$1,086</b>	<b>\$1,197</b>	<b>\$1,246</b>	<b>\$1,374</b>	<b>\$1,514</b>	<b>\$1,633</b>	<b>\$1,094</b>	<b>\$1,171</b>	<b>\$1,169</b>

**Actual Employer Contribution**

	7/1/03	7/1/04	7/1/05	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12	7/1/13
Teachers*	\$375	\$406	\$460	\$536	\$597	\$619	\$621	\$638	\$682	\$701	TBD
OPERS	\$134	\$140	\$171	\$198	\$220	\$243	\$260	\$253	\$263	\$270	TBD
Firefighters**	\$23	\$82	\$82	\$118	\$83	\$83	\$82	\$92	\$101	\$111	TBD
Police**	\$24	\$49	\$50	\$56	\$56	\$59	\$55	\$56	\$61	\$66	TBD
Law Enforcement**	\$13	\$21	\$22	\$24	\$25	\$25	\$23	\$25	\$26	\$28	TBD
Judges	--	\$1	\$1	\$1	\$2	\$2	\$9	\$3	\$4	\$4	TBD
Wildlife	\$1	\$3	\$3	\$3	\$3	\$3	\$4	\$3	\$4	\$4	TBD
<b>Total</b>	<b>\$570</b>	<b>\$701</b>	<b>\$788</b>	<b>\$936</b>	<b>\$986</b>	<b>\$1,034</b>	<b>\$1,054</b>	<b>\$1,070</b>	<b>\$1,141</b>	<b>\$1,184</b>	<b>TBD</b>

**Percent of Required Employer Contribution Actually Contributed**

	7/1/03	7/1/04	7/1/05	7/1/06	7/1/07	7/1/08	7/1/09	7/1/10	7/1/11	7/1/12	7/1/13
Teachers*	70%	56%	86%	93%	101%	87%	84%	78%	116%	113%	TBD
OPERS	52%	53%	55%	58%	61%	75%	67%	63%	110%	105%	TBD
Firefighters**	31%	77%	70%	80%	56%	53%	44%	47%	71%	70%	TBD
Police**	38%	66%	59%	59%	56%	57%	41%	38%	94%	84%	TBD
Law Enforcement**	53%	85%	73%	75%	77%	68%	48%	50%	53%	62%	TBD
Judges	0%	23%	18%	20%	22%	27%	81%	24%	57%	57%	TBD
Wildlife	60%	119%	96%	104%	97%	100%	100%	100%	108%	96%	TBD
<b>Total</b>	<b>60%</b>	<b>58%</b>	<b>73%</b>	<b>78%</b>	<b>79%</b>	<b>75%</b>	<b>70%</b>	<b>66%</b>	<b>104%</b>	<b>101%</b>	<b>TBD</b>

\* Teachers plan contributions include State, Employer, and Federal funds

\*\* Contributions include State and Agency or Municipality funds

- The following table summarizes the current Employee and Employer contribution rates as of July 1, 2013 as a % of payroll

Pension Plan	EE Contribution Rate	Employer + Federal Mandated Contrib rate	Municipality / Agency Mandated Contrib rate	State Mandated Contrib rate
Teachers	7.0%	EESIP: 9.5% Non-EESIP: 8.55%		5% of tax and lottery revenue
OPERS	3.5%	Federal grants: 8.25%*		16.5%
Firefighters	9.0%*		14.0%*	36% of insurance premium tax*
Police	8.0%		13.0%	14% of insurance premium tax + a % of special tax credit fund
Law Enforcement	8.0%			5.0% of insurance premium tax + 1.2% of drivers license tax
Judges	8.0%			
Wildlife	5.0%			14.5%*

\* Represent FY 2014 rates

- **For comparison purposes:**
  - Median public plan employee contribution rates are 5.7% if participating in Social Security, 8.0% if not <sup>1</sup>
  - Median public plan employer contribution rates are 10.6% if participating in Social Security, 14.7% if not <sup>1</sup>

1. Results from the Public Fund Survey Summary Findings for FY 2012, published December 2013 by the National Association of State Retirement Administrators

- **The plans' assumptions are within a reasonable range**
- **All plans employ Entry Age Normal actuarial cost method, which is conservative**
- **All plans have in place long term amortization schedules to fund the Unfunded Accrued Liability**
  - However some schedules are "open" (re-determined each year) and some "closed"
  - Some plans with "closed" amortization schedules are currently amortizing over 5 or 8 years (Police and Law Enforcement, respectively)
  - These are shorter amortization timeframes than some other plans currently amortizing over ...
    - 14 years (Judges and OPERS)
    - 20 years (Firefighters)
    - 30 years (Teachers)
- **All plans employ similar actuarial asset valuation methods, where gains and losses are smoothed over 5 years**
- **Investment return assumptions (8.0% for Teachers, 7.0% for Wildlife, 7.5% for all other plans) are in line with other public funds; but these (particularly 8.0% assumption) have faced increased pressure lately**
  - Median discount rate for public plans was 7.8% in 2012<sup>1</sup>; further declines are likely
  - Sample NEPC public fund client: Our 5-7 year expected return remained the same at 6.1%; 30-year expected return increased from 7.0% in 2013 to 7.3% in 2014

1. Results from the Public Fund Survey Summary Findings for FY 2012, published December 2013 by the National Association of State Retirement Administrators

- **In aggregate, the State's plans are 66.5% funded as of June 30, 2013**
  - Funded status increased slightly in 5 out of 7 plans (only Firefighters and Police plans had declining funded statuses)
  - Teachers' plan is the least funded at 57.2%
- **Strong asset performance in the 2013 fiscal year has helped boost funded status**
  - In addition, some employees' payroll less than assumed created lower liabilities than expected
- **Plans continue to take steps to increase contribution rates to help fund liabilities**
  - Firefighters has increased members' and municipality contribution rates
  - Justices and Judges has scheduled increases each year until the employer contribution rate reaches 22% in FY2019 (currently 14.5%)
- **The plans' assumptions are within a reasonable range, but subdued investment return expectations are putting pressure on long-term ROA assumptions for many plans**
- **Rating agencies continue to scrutinize states and municipalities for debt ratings – pension plan health is one item for review**



NEPC, LLC

YOU DEMAND MORE. So do we.<sup>SM</sup>



## Oklahoma State Pension Commission

Investment Summary  
Quarter Ending December 31, 2013

Don Stracke, CFA, CAIA, Senior Consultant  
Tony Ferrara, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)  
BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

**Tab**

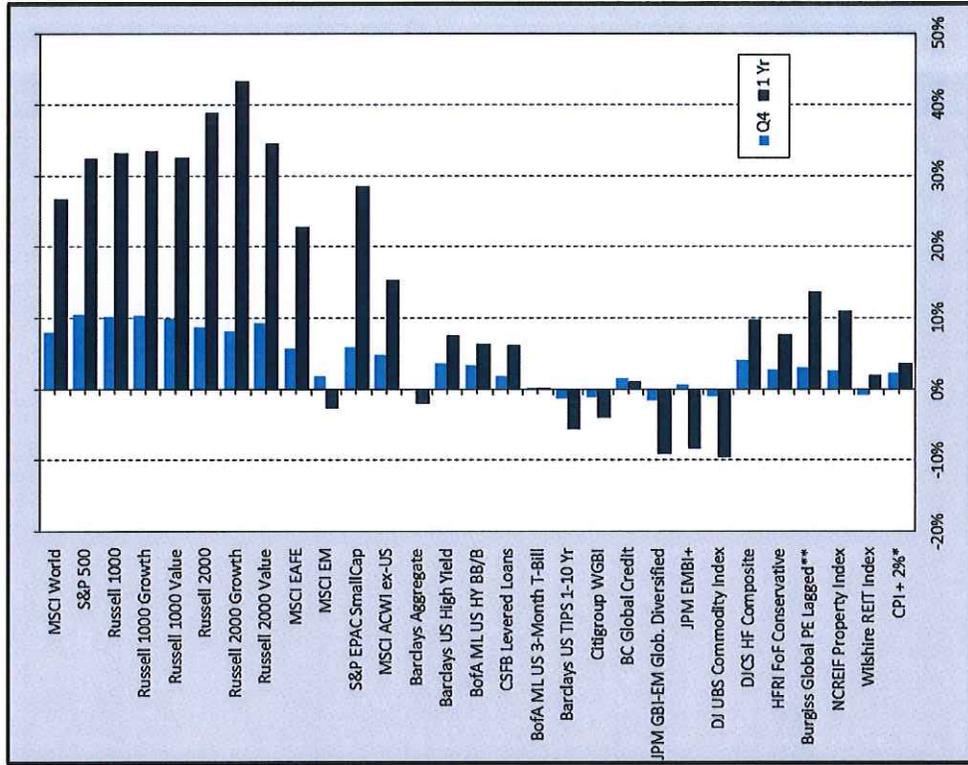
Teachers	1
PERS	2
Firefighters	3
Police	4
Law	5
Judges	6
Wildlife	7

- **GDP growth was revised upwards for the third quarter, to 4.1%**
  - Retail sales rose to a 3.7% year-over-year growth rate in December 2013.
  - The inventory-to-sales ratio has remained mostly flat since early 2010 and closed at 1.29 November 2013.
  - Corporate profits as a percent of GDP remained near secular highs at 12.6% at the end of Q3 2013.
  - The trade deficit decreased marginally in November.
- **Unemployment fell to 6.7% in December; U-6 also decreased, to 13.1% during the fourth quarter.**
  - JP Morgan has stated that sustained GDP growth of 1.5% is needed for positive job creation, and closer to 3% growth is needed to decrease the unemployment rate.
- **Consumer confidence rose to 78.1 in December; the Case-Shiller home price index (as of 9/30) rose to its highest level (150.92) since the financial crisis.**
- **Rolling 12-month CPI increased to 1.5% at the end of December; Capacity Utilization rose slightly to 79.2% in the month.**
- **Fed Funds rate remained at 0.25% while the 10 Yr. Treasury Yield finished December at 3.03%.**
- **The Federal Reserve Bank balance sheet increased in 2013 while the European Central Bank balance sheet decreased**
  - Large economies continue easing, Japan to the extreme, while the ECB tightens.
- **S&P valuations rose in December remaining above the 10 year and long term averages, which are nearly equal at 16.35.**
  - The cyclically adjusted Shiller PE Ratio, however, is above the long term average of 17.55 and slightly above the 10 year average of 23.04

# Market Environment – Q4 2013 Overview

	Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>World Equity Benchmarks</b>					
MSCI World	8.0%	26.7%	11.5%	15.0%	7.0%
Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>Domestic Equity Benchmarks</b>					
S&P 500	10.5%	32.4%	16.2%	17.9%	7.4%
Russell 1000	10.2%	33.1%	16.3%	18.6%	7.8%
Russell 1000 Growth	10.4%	33.5%	16.5%	20.4%	7.8%
Russell 1000 Value	10.0%	32.5%	16.1%	16.7%	7.6%
Russell 2000	8.7%	38.3%	15.7%	20.1%	9.1%
Russell 2000 Growth	8.2%	43.3%	16.8%	22.6%	9.4%
Russell 2000 Value	9.3%	34.5%	14.5%	17.6%	8.6%
Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>International Equity Benchmarks</b>					
MSCI EAFE	5.7%	22.8%	8.2%	12.4%	6.9%
MSCI EM	1.8%	-2.8%	-2.1%	14.8%	11.2%
S&P EPAC SmallCap	5.9%	28.4%	9.8%	17.5%	10.0%
MSCI ACWI ex-US	4.8%	15.3%	5.1%	12.8%	7.6%
Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>Domestic Fixed Income Benchmarks</b>					
Barclays Aggregate	-0.1%	-2.0%	3.2%	4.4%	4.6%
Barclays US High Yield	3.6%	7.4%	9.3%	18.9%	8.6%
BoFA ML US HY BB/B	3.4%	6.3%	8.7%	16.6%	7.8%
CSFB Levered Loans	1.8%	6.2%	5.8%	13.5%	5.1%
BoFA ML US 3-Month T-Bill	0.0%	0.1%	0.1%	0.1%	1.7%
Barclays US TIPS 1-10 Yr	-1.3%	-5.6%	2.6%	5.0%	4.4%
Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>Global Fixed Income Benchmarks</b>					
Global Credit	-1.1%	-4.0%	1.3%	2.3%	4.2%
BC Global Credit	1.6%	1.1%	5.7%	8.8%	5.8%
JPM GBI-EM Glob. Diversified	-1.5%	-9.0%	1.5%	8.1%	9.5%
JPM EMBI+	0.6%	-8.3%	5.7%	10.7%	8.3%
Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.	
<b>Alternative Benchmarks</b>					
DJ US Commodity Index	-1.1%	-9.5%	-8.1%	1.5%	0.9%
DJCS HF Composite	4.2%	9.7%	5.1%	10.3%	8.5%
HFRI FoF Conservative	2.7%	7.7%	2.7%	4.9%	3.1%
Burgiss Global PE Lagged**	3.0%	13.8%	12.6%	8.2%	13.4%
Wilshire REIT Index	2.5%	11.0%	13.4%	6.4%	12.9%
REIT	-0.8%	1.9%	9.4%	16.7%	8.4%
Inflation/Real Assets	2.3%	3.5%	4.1%	4.2%	4.6%
CPI + 2%*					

\*As of 11/30/2013  
 \*\*As of 9/30/2013



- **Performance was driven by the extremely strong performance of US equities**
- **Total Fund absolute performance likely exceeded targets**
- **Manager alpha may have boosted results above policy and/or allocation indices**
- **Longer-term results – 5-year and 10-year numbers should look better on a peer-relative, benchmark-relative, and risk-adjusted basis**
- **Diversification has not helped in 2013, but a risk-balanced approach to investing still makes sense**

## NEPC Fourth Quarter 2013 Market Review

- **Global Equities**

- A brighter economic outlook and continued stimulus from the Federal Reserve drove returns higher through the year, with the Russell 2000 Index gaining 38.8% and the S&P 500 Index returning 32.4% in 2013.
- Sectors tied to the improving economy--consumer discretionary, healthcare, industrials, and financials--outperformed; defensive, yield-oriented sectors--telecommunications and utilities--lagged.
- Small-capitalization stocks outperformed large-capitalization stocks in 2013; growth bested value in both large and small stocks for the year.
- In 2013, global equities gained 22.8%, according to the MSCI ACWI Index.
- Emerging markets equities trailed, posting losses of 2.6% in 2013.

- **Global Fixed Income**

- The reality of rising rates materialized in mid-December when the Fed announced a monthly \$10 billion reduction in asset purchases.
- The yield on the US Treasury 10-year note increased 40 basis points to 3.04% in December, the first time yields went over 3% since July 2011.
- US TIPS lost 2.0% during the fourth quarter, bringing the year's losses to 8.6%. The breakeven spread widened modestly to 2.24%.
- The Barclays Aggregate Index, which tracks the US investment-grade fixed income market, lost 0.1% in the quarter; losses for the year totaled 2.0%, the index's third negative annual return since inception.
- High yield bonds returned 3.6% during the fourth quarter, ending the year with gains of 7.4%. The yield spread over Treasuries fell to 3.82% on December 31, 2013, from 5.11% a year earlier.
- Leveraged loans returned 1.7% in the fourth quarter and 5.3% in 2013.
- Emerging market debt denominated in local currency debt lost 1.5% in the quarter and racked up losses of 9.0% for the year. Hard currency debt gained 0.6% in the fourth quarter, but lost 6.6% in 2013.

- **Commodity Markets**
  - Commodities posted losses of 9.5% in 2013, according to the Dow Jones UBS Commodity Index.
  - Within commodities, natural gas led in spot-price appreciation with a 26.2% return in 2013.
  - Offsetting the gains from natural gas were precious metals and agriculture.
- **Hedge Funds**
  - Hedge funds posted gains of 9.7% in 2013, according to the Dow Jones Credit Suisse Hedge Fund Composite; returns totaled 4.2% in the fourth quarter compared to 10.5% for the S&P 500.
  - Equity hedge funds led the pack, recording returns of 6.3% in 2013, according to the DJCS Long-Short Equity Index.
  - Sector-focused indices, such as the HFRI: Quantitative Directional and Technology-Healthcare, outperformed the overall market at 4.9% and 4.7%, respectively.

- **Private Markets**
  - New private equity funds raised nearly \$300 billion of capital for investments in 2013, an 11% jump over a year earlier, according to Thomson Reuters.
  - Investor interest underscored economic optimism with nearly 60% of commitments going to buyout and growth equity funds.
  - Venture capital firms represented 9% of new commitments, marking the first time in two decades that new VC funds fell below 10% in a single year.
  - US and Europe clocked modest gains in fundraising with \$196 billion and \$73 billion, respectively, committed to new funds.
  - Asian private equity suffered its third straight annual decline, as investors sought greater clarity around the region's near-term growth prospects in light of China's new leadership, and balances of payments issues affected certain economies.
  - Private direct lending is an attractive fixed income alternative for investors.
  - Appealing opportunities for secondary funds as banks in US and Europe whittle down their private equity portfolios to comply with Basel III and other regulation.
- **Real Estate**
  - NEPC is neutral on core real estate in the US and remains positive on the non-core market, particularly in Europe.
  - Real estate debt strategies are appealing, particularly in Europe's distressed lending environment, although currency risk is a potential consideration.

- **Professional Staff Updates**
  - Elected into NEPC Partnership
    - Timothy R. Bruce, Partner, Hedge Funds
  - New Principals
    - Richard J. Harper, CFA, CAIA, Principal, Senior Consultant
    - Eric R. Harnish, Principal, Director of Private Markets Research
    - Daniel V. Kelly, Principal, Chief Operating Officer
    - Judy A. Murphy, Principal, Director of Organizational Development
    - Sean P. Ruhmann, Principal, Senior Consultant, Private Markets
- **Favorable Client Feedback**
  - 7<sup>th</sup> biennial client survey
  - High marks in nearly every category
  - Greenwich Associates annual plan sponsor survey
    - Among our 10 largest competitors, NEPC:
      - Ranked #2 overall in 2013 and ranked #3 or higher in ten of the past 11 years
- **Industry Recognitions**
  - NEPC: 2013 aiCIO Industry Innovation Consultant Award
  - NEPC Clients: 2013 aiCIO Industry Innovation Awards
    - Winner in the Defined Contribution Plan category
      - United Technologies (Robin Diamonte, CIO)
    - Winner in the Public Pension Plan below \$15 billion category
      - San Bernardino County Employees' Retirement Association (Don Pierce, CIO)

Greenwich Associates is an independent research firm. Their ratings are not an endorsement of NEPC.

- **NEPC Research**
  - White Papers recently posted to <http://www.nepc.com/research/>
  - When Did Defined Contribution Get So Complex? Outsourcing Certain Functions of Your Defined Contribution Program (January 2014)
    - Christine A. Loughlin, CFA, CAIA, Partner
  - NEPC Survey on Hedge Fund Operations (November 2013)
    - Bill Bogle, Partner; Erin Faccione, ODD Consultant; Lauren Walsh, ODD Analyst
  - Shedding Light on the Future: Asset Allocation and Risk Management in a Post-Credit Crisis World (November 2013)
    - Erik Knutzen, CFA, CAIA, Chief Investment Officer; John Minahan, CFA, Senior Lecturer in Finance, MIT
  - Quantitative Equity Hedge Funds: Revisiting Their Strengths (October 2013)
    - Timothy O'Connell, Research Analysts; Asher Watson, Analyst; Timothy Bruce, Senior Research Consultant
  - Third Quarter 2013 Market Thoughts
- **Recent Events**
  - 2014 Public Fund Conference – January 27-28 in Phoenix
  - 2014 Market Outlook Webinar - January 23, 2014 at 2:00 PM EST
- **Upcoming Events**
  - NEPC's 19th Annual Client Conference – May 13-14, 2014 in Boston

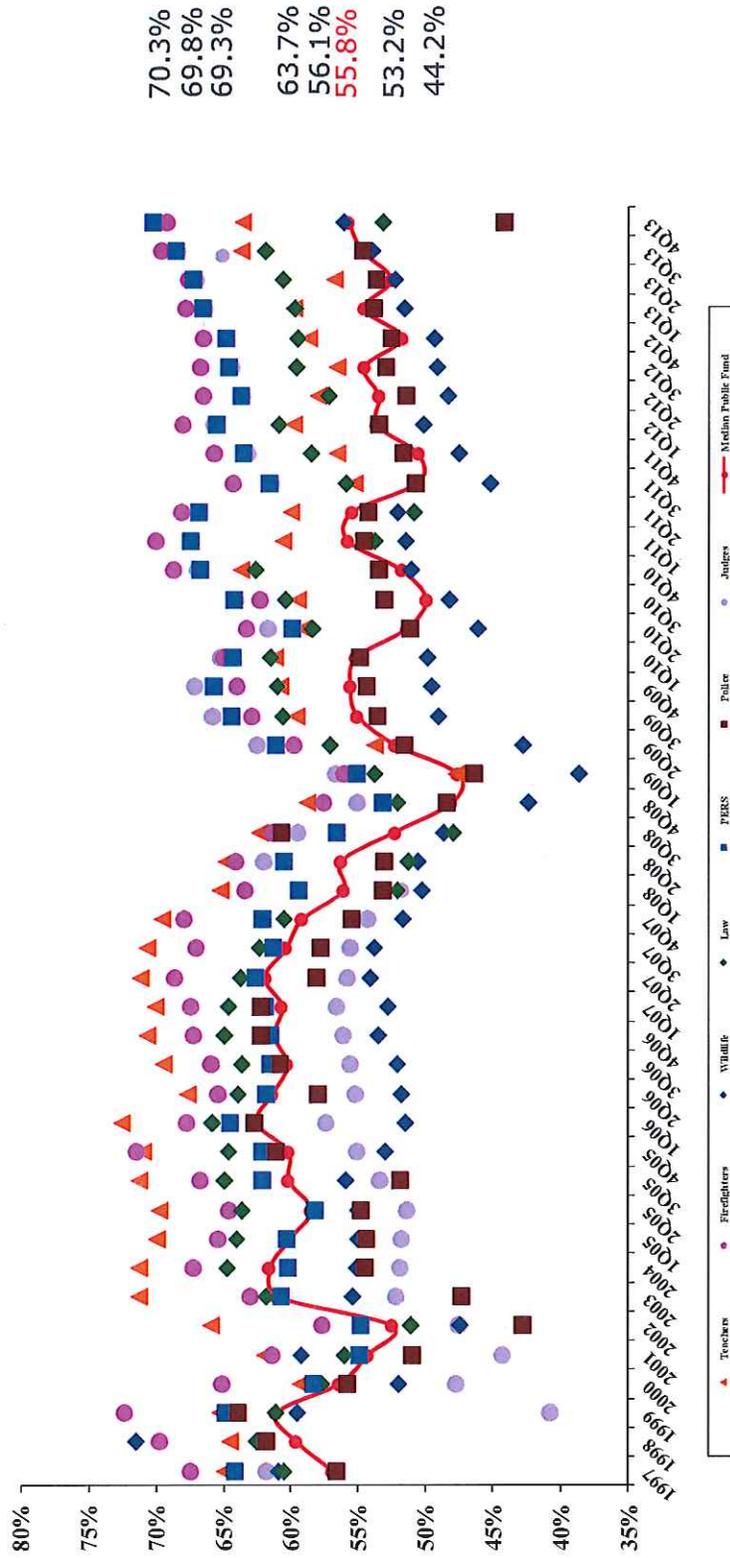
Oklahoma State Pension Commission  
Asset Allocation Summary

Key Policy Items	Teachers <sup>^</sup>	PERS*	Firefighters	Police **	Law	Judges	Wildlife
<b>TOTAL EQUITY</b>	Target 57.5%	64.0%	62.5%	50.0%	55.0%	64.0%	50.0%
	Actual 63.7%	70.3%	69.3%	56.7%	63.2%	69.8%	56.1%
	Range 37.5-77.5	59-69	57-68	30-70	55-65	59-69	40-55
<b>Large Cap</b>	Target 17.0%	35.0%	22.5%	15.0%	20.0%	35.0%	35.0%
	Actual 24.7%	39.1%	36.3%	18.6%	32.4%	38.5%	39.6%
	Range 12-22	32-38	17-28	10-20	15-25	32-38	30-40
<b>MidCap</b>	Target 13.0%	-	-	-	-	-	-
	Actual 14.4%	-	-	-	-	-	-
	Range 8-18	-	-	-	-	-	-
<b>Small Cap</b>	Target 10.0%	5.0%	10.0%	5.0%	10.0%	5.0%	10.0%
	Actual 10.5%	6.6%	19.4%	12.2%	7.1%	6.3%	10.0%
	Range 5-15	2-8	5-15	0-10	5-15	2-8	5-15
<b>International / Equity</b>	Target 17.5%	24.0%	10.0%	15.0%	15.0%	24.0%	10.0%
	Actual 14.1%	24.6%	13.5%	13.3%	13.7%	25.0%	6.5%
	Range 12.5-22.5	21-27	5-15	10-20	5-15	21-27	5-15
<b>Long/Short Equity</b>	Target -	-	10.0%	15.0%	10.0%	-	-
	Actual -	-	0.1%	12.6%	10.0%	-	-
	Range -	-	6-14	10-20	5-15	-	-
<b>TOTAL FIXED INCOME</b>	Target 30.5%	36.0%	27.5%	15.0%	30.0%	36.0%	40.0%
	Actual 20.6%	29.5%	17.5%	18.2%	27.5%	29.7%	37.4%
	Range 25.5-35.5	32-40	22-33	10-20	25-35	32-40	35-55
<b>Dom. Fixed Income/High Yield</b>	Target 30.5%	36.0%	15.0%	-	20.0%	36.0%	40.0%
	Actual 20.6%	29.5%	9.5%	-	19.3%	29.7%	37.4%
	Range 25.5-35.5	32-40	8-27.5	-	15-25	32-40	35-55
<b>Int'l &amp; Global Fixed Income</b>	Target -	-	5.0%	15.0%	10.0%	-	-
	Actual -	-	8.0%	18.2%	8.2%	-	-
	Range -	-	0-10	10-20	5-15	-	-
<b>TOTAL ALTERNATIVES</b>	Target 12.0%	-	10.0%	35.0%	15.0%	-	5.0%
	Actual 14.9%	-	13.0%	23.1%	9.3%	-	3.8%
	Range 2-22	-	5-15	30-40	5-15	-	0-5
<b>Low Volatility Hedge Funds</b>	Target -	-	7.5%	10.0%	-	-	-
	Actual -	-	7.1%	8.7%	-	-	-
	Range -	-	2-10	5-15	-	-	-
<b>Private Equity /MLP's</b>	Target 5.0%	-	10.0%	10.0%	5.0%	-	-
	Actual 10.8%	-	0-15	9.2%	2.5%	-	-
	Range 0-10	-	0-5	5-15	0-5	-	-
<b>Real Estate /Real Assets</b>	Target 7.0%	-	10.0%	15.0%	10.0%	-	-
	Actual 4.1%	-	5.9%	5.2%	6.8%	-	-
	Range 2-12	-	0-18	10-20	2-12	-	-
<b>CASH</b>	Target 0.7%	0.2%	0.3%	2.0%	0.1%	0.4%	2.7%
	Actual -	-	-	-	-	-	-
<b>Actuarial Assumed Rates</b>	8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.0%

Out of Range

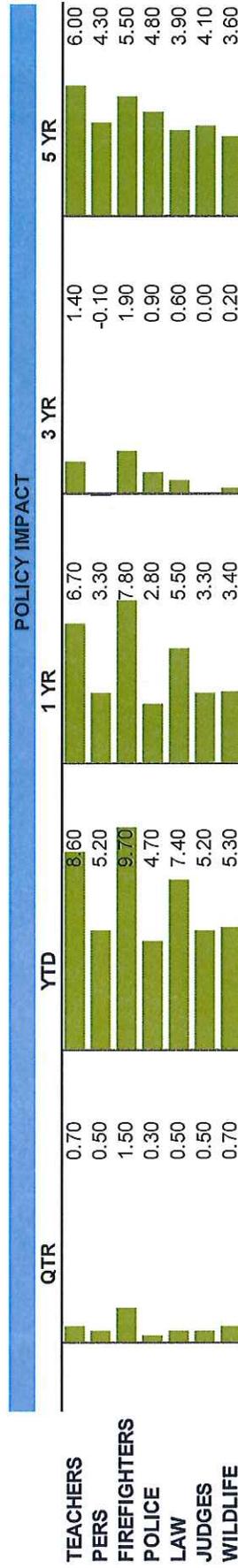
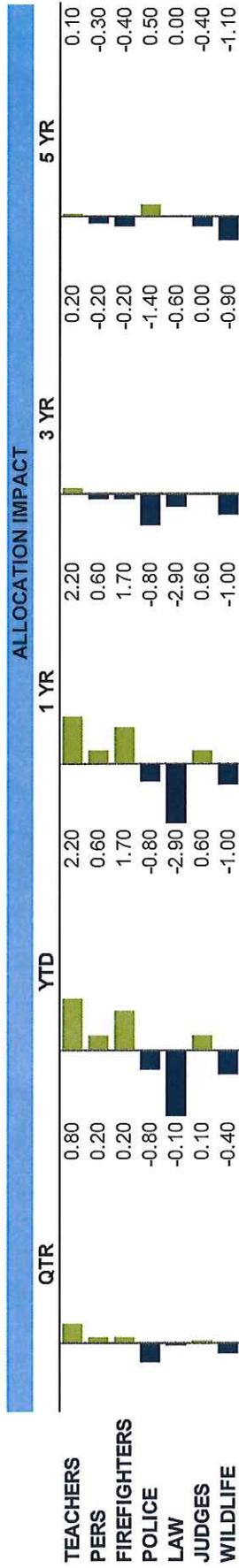
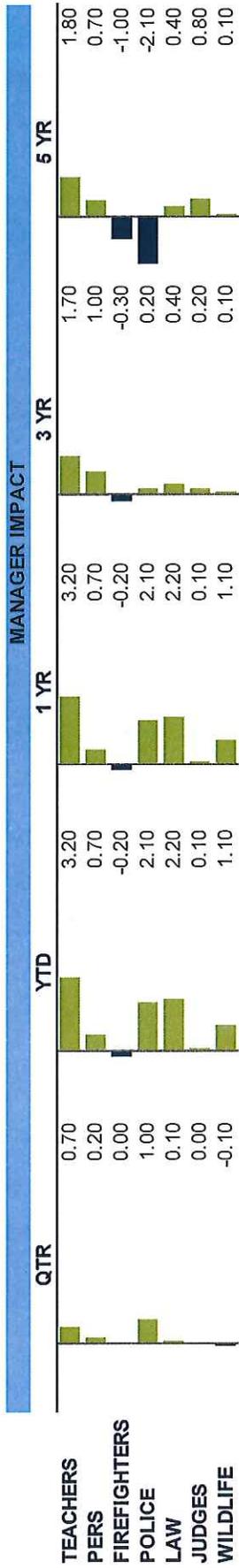
<sup>^</sup>Master Limited Partnerships included in Private Equity allocation.  
<sup>\*</sup>The Russell 3000 index was broken down into Large Cap & Small Cap allocations for the PERS retirement plan  
<sup>\*\*</sup>Real Assets are included in Real Estate  
Please note that allocations may not add to 100% due to rounding.

Oklahoma State Pension Commission  
Equity Commitment



\*Cash allocations not broken out for individual managers.

Oklahoma State Pension Commission  
Performance Attribution



OKLAHOMA STATE PENSION COMMISSION

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Oklahoma State Pension Commission	26,647,490,418	100.0	6.2	14	20.4	8	20.4	8	11.5	4	14.0	9	7.8	7
S&P 500			10.5	1	32.4	1	32.4	1	16.2	1	17.9	1	7.4	18
Barclays Aggregate			-0.1	99	-2.0	99	-2.0	99	3.3	99	4.4	99	4.5	99
60% S&P 500 / 40% BC Agg			6.2	15	17.6	31	17.6	31	11.1	8	12.7	39	6.5	64
MSCI EAFE			5.7	29	22.8	1	22.8	1	8.2	81	12.4	49	6.9	47
Teachers	13,163,190,911	49.4	6.9	3	24.0	1	24.0	1	12.8	1	15.9	1	8.7	1
TEACHERS Allocation Index			6.2	15	20.9	4	20.9	4	11.1	8	14.1	7	7.5	14
TEACHERS Policy Index			5.4	40	18.7	20	18.7	20	10.9	13	14.0	9	7.4	20
PERS	8,136,107,416	30.5	5.6	33	16.6	41	16.6	41	10.2	27	12.7	39	7.3	23
PERS Allocation Index			5.4	37	15.9	47	15.9	47	9.2	56	12.0	55	6.8	50
PERS Policy Index			5.2	45	15.3	53	15.3	53	9.4	53	12.3	49	6.5	65
Firefighters	1,990,042,446	7.5	6.4	7	21.3	3	21.3	3	10.9	13	12.1	53	7.1	34
FIREFIGHTERS Allocation Index			6.4	10	21.5	3	21.5	3	11.2	7	13.1	25	6.9	49
FIREFIGHTERS Policy Index			6.2	15	19.8	12	19.8	12	11.4	5	13.5	18	7.1	37
Police	2,138,869,759	8.0	5.2	44	16.1	46	16.1	46	9.2	56	11.2	70	6.9	46
POLICE Allocation Index			4.2	80	14.0	67	14.0	67	9.0	62	13.3	22	6.1	84
POLICE Policy Index			5.0	52	14.8	57	14.8	57	10.4	23	12.8	35	6.5	66
Law	839,812,886	3.2	5.2	44	16.8	40	16.8	40	9.9	35	12.3	50	6.7	58
LAW Allocation Index			5.1	46	14.6	62	14.6	62	9.5	52	11.9	56	6.6	61
LAW Policy Index			5.2	44	17.5	31	17.5	31	10.1	31	11.9	57	7.1	38
Judges	287,507,405	1.1	5.3	41	16.0	47	16.0	47	9.7	42	12.5	48	7.0	43
JUDGES Allocation Index			5.3	40	15.9	47	15.9	47	9.5	51	11.7	62	6.5	67
JUDGES Policy Index			5.2	45	15.3	53	15.3	53	9.5	52	12.1	54	7.4	19
Wildlife	91,959,595	0.3	4.9	55	15.5	50	15.5	50	8.9	62	10.6	77	5.8	93
WILDLIFE Allocation Index			5.0	52	14.4	64	14.4	64	8.8	64	10.5	78	6.1	86
WILDLIFE Policy Index			5.4	38	15.4	51	15.4	51	9.7	43	11.6	63	6.4	69
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	



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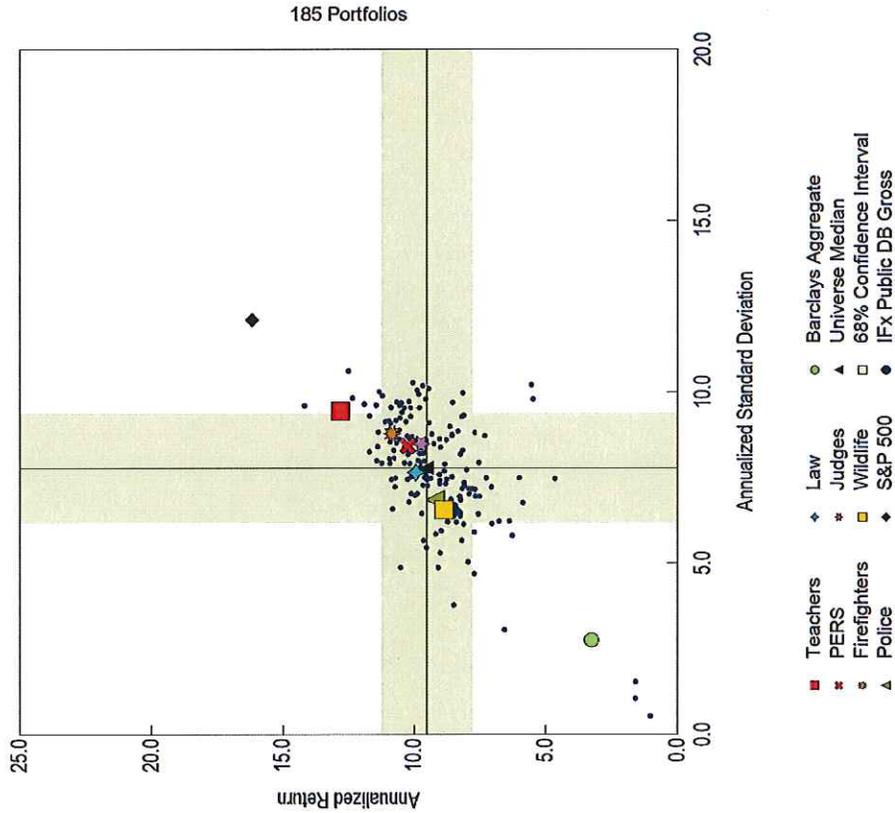
OKLAHOMA STATE PENSION COMMISSION

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2013 (%)	Rank	2012 (%)	Rank	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank
<b>Oklahoma State Pension Commission</b>	<b>26,647,490,418</b>	<b>100.0</b>	<b>20.4</b>	<b>8</b>	<b>13.7</b>	<b>15</b>	<b>1.1</b>	<b>45</b>	<b>13.8</b>	<b>29</b>	<b>22.0</b>	<b>30</b>
S&P 500			32.4	1	16.0	1	2.1	20	15.1	10	26.5	9
Barclays Aggregate			-2.0	99	4.2	99	7.8	1	6.5	98	5.9	99
60% S&P 500 / 40% BC Agg			17.6	31	11.3	69	4.7	2	12.1	64	18.4	62
MSCI EAFE			22.8	1	17.3	1	-12.1	99	7.8	97	31.8	1
Teachers	13,163,190,911	49.4	24.0	1	14.7	3	0.9	53	15.9	5	25.6	13
TEACHERS Allocation Index			20.9	4	12.4	47	0.9	54	14.0	24	23.6	23
TEACHERS Policy Index			18.7	20	12.9	34	1.7	31	14.5	18	23.5	23
PERS	8,136,107,416	30.5	16.6	41	12.9	34	1.8	29	12.5	55	20.7	44
PERS Allocation Index			15.9	47	12.2	51	0.1	71	12.3	58	20.8	42
PERS Policy Index			15.3	53	12.5	46	1.1	42	12.9	48	21.0	38
Firefighters	1,990,042,446	7.5	21.3	3	12.6	42	-0.2	75	12.6	53	15.4	77
FIREFIGHTERS Allocation Index			21.5	3	12.3	49	0.7	62	13.7	31	18.5	61
FIREFIGHTERS Policy Index			19.8	12	12.6	41	2.4	14	13.2	41	20.6	46
Police	2,138,869,769	8.0	16.1	46	12.1	52	0.0	72	11.2	78	17.3	66
POLICE Allocation Index			14.0	67	13.4	21	0.1	71	13.8	28	26.8	7
POLICE Policy Index			14.8	57	14.3	5	2.5	11	13.5	37	19.6	53
Law	839,812,886	3.2	16.8	40	11.6	63	1.9	25	15.1	10	16.7	71
LAW Allocation Index			14.6	62	12.0	52	2.2	17	13.1	44	18.4	62
LAW Policy Index			17.5	31	11.5	65	1.9	24	13.0	46	16.2	73
Judges	287,507,405	1.1	16.0	47	12.9	35	0.9	54	13.2	43	20.6	46
JUDGES Allocation Index			15.9	47	12.1	52	1.1	45	11.3	77	18.7	60
JUDGES Policy Index			15.3	53	12.5	44	1.1	42	12.9	48	19.4	54
Wildlife	91,959,595	0.3	15.5	50	9.1	92	2.5	13	10.4	85	16.1	73
WILDLIFE Allocation Index			14.4	64	9.8	83	2.7	10	10.8	81	15.3	77
WILDLIFE Policy Index			15.4	51	10.3	79	3.7	4	12.3	58	16.8	70
Ifx Public DB Gross Median			15.5		12.2		0.9		12.8		20.3	

OKLAHOMA STATE PENSION COMMISSION  
Total Fund Risk/Return - 3 Years

3 Years Ending December 31, 2013



3 Years Ending December 31, 2013

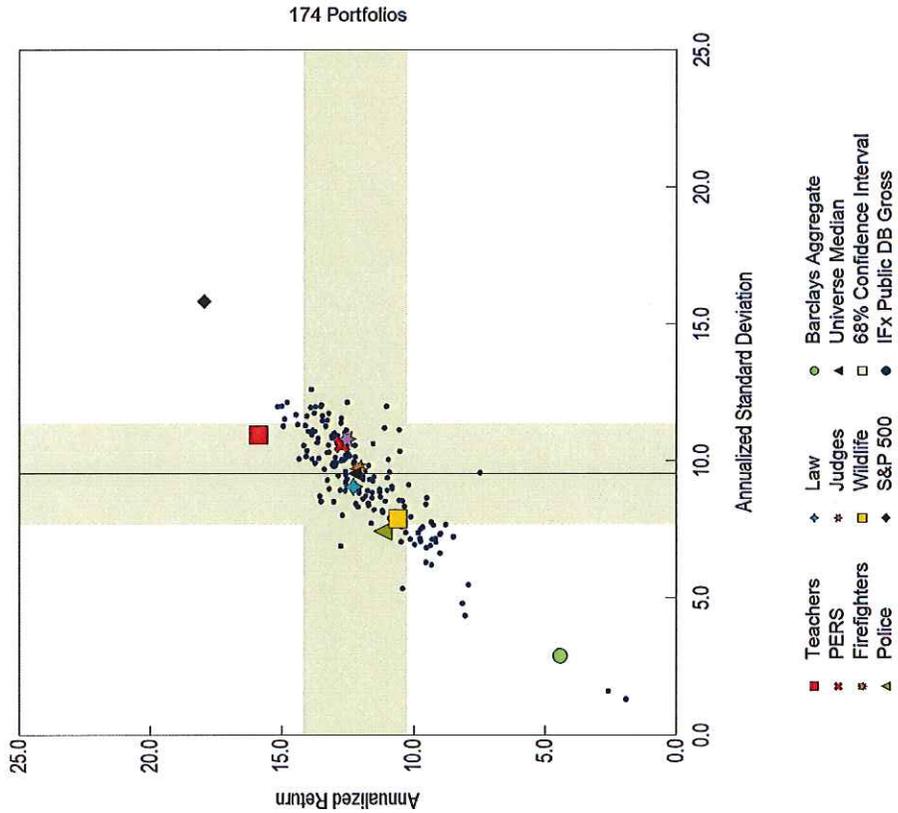
	Annualized Return	Rank	Annualized Standard Deviation	Rank
Oklahoma State Pension Commission	11.46%	4	8.71%	73
Teachers	12.81%	1	9.45%	87
PERS	10.25%	27	8.41%	65
Firefighters	10.85%	13	8.78%	76
Police	9.19%	56	6.85%	24
Law	9.94%	35	7.64%	45
Judges	9.73%	42	8.48%	66
Wildlife	8.88%	62	6.55%	19

3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Oklahoma State Pension Commission	1.31	24	1.77	24
Teachers	1.35	19	1.83	21
PERS	1.21	50	1.73	29
Firefighters	1.23	45	1.65	40
Police	1.33	21	1.70	31
Law	1.29	28	1.69	33
Judges	1.14	64	1.65	40
Wildlife	1.35	20	1.86	19

OKLAHOMA STATE PENSION COMMISSION  
Total Fund Risk/Return - 5 Years

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Oklahoma State Pension Commission	13.96%	9	10.25%	67
Teachers	15.88%	1	10.93%	81
PERS	12.72%	39	10.60%	75
Firefighters	12.10%	53	9.71%	54
Police	11.18%	70	7.43%	15
Law	12.28%	50	9.06%	42
Judges	12.52%	48	10.80%	77
Wildlife	10.60%	77	7.90%	21

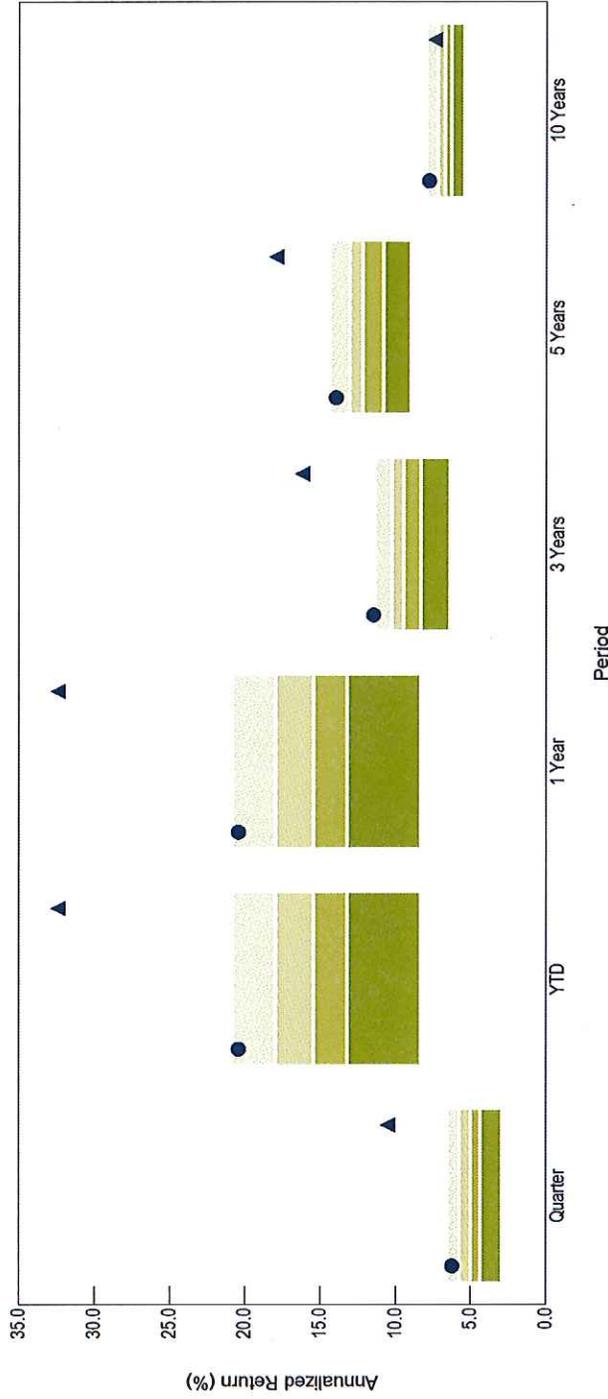
5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Oklahoma State Pension Commission	1.35	28	2.10	28
Teachers	1.44	10	2.29	11
PERS	1.19	78	1.78	79
Firefighters	1.24	61	1.88	66
Police	1.49	8	2.35	7
Law	1.35	30	2.20	16
Judges	1.15	87	1.72	88
Wildlife	1.33	33	2.14	23

OKLAHOMA STATE PENSION COMMISSION

Total Fund Return Summary vs. Peer Universe

Oklahoma State Pension Commission vs. IFx Public DB Gross



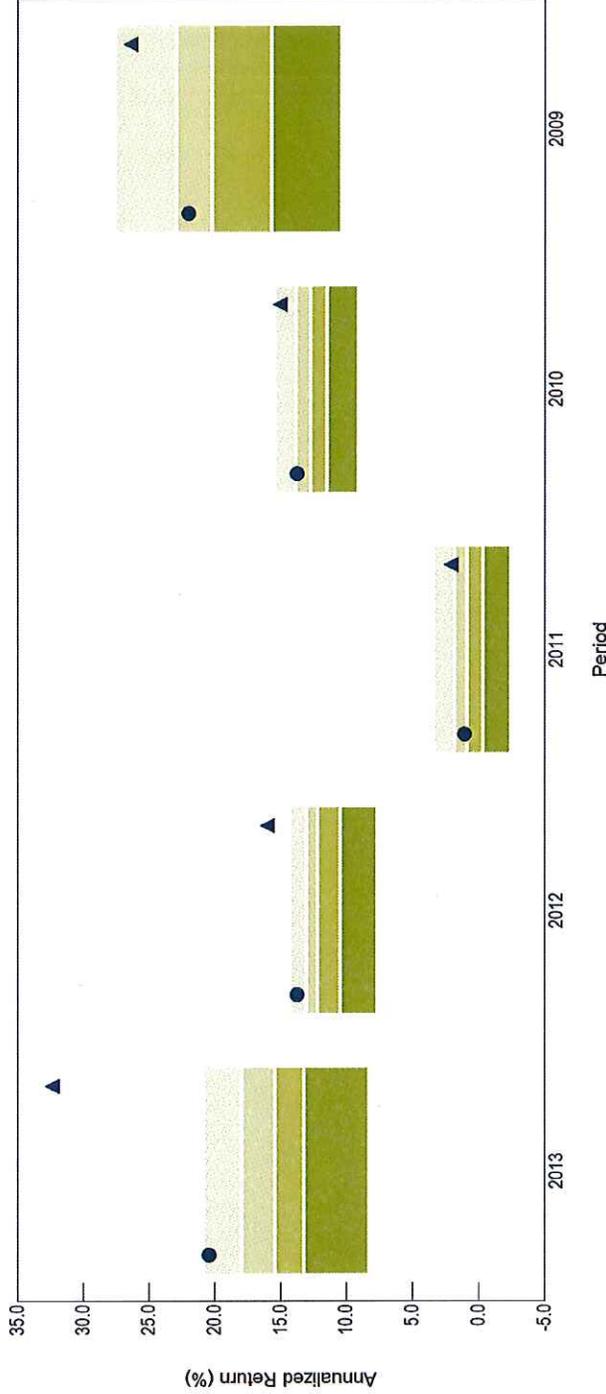
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
● Oklahoma State Pension Commission	6.2 (14)	20.4 (8)	20.4 (8)	11.5 (4)	14.0 (9)	7.8 (7)
▲ S&P 500	10.5 (1)	32.4 (1)	32.4 (1)	16.2 (1)	17.9 (1)	7.4 (18)



OKLAHOMA STATE PENSION COMMISSION

Total Fund Return Summary vs. Peer Universe

Oklahoma State Pension Commission vs. IFx Public DB Gross



Return (Rank)	2009	2010	2011	2012	2013
5th Percentile	10.4	9.2	-2.4	7.7	8.4
25th Percentile	15.7	11.5	0.9	10.5	13.3
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	23.0	13.9	1.9	13.1	18.0
95th Percentile	27.6	15.5	3.4	14.3	20.8
# of Portfolios	152	154	162	192	212
● Oklahoma State Pension Commission	(30)	(29)	(45)	(15)	(8)
▲ S&P 500	(9)	(10)	(20)	(1)	(1)



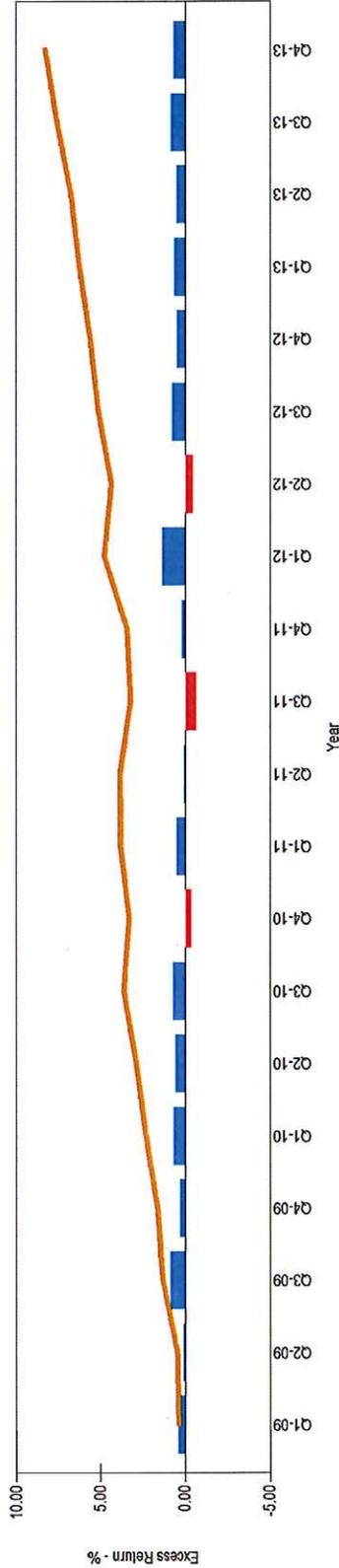


OKLAHOMA TEACHERS

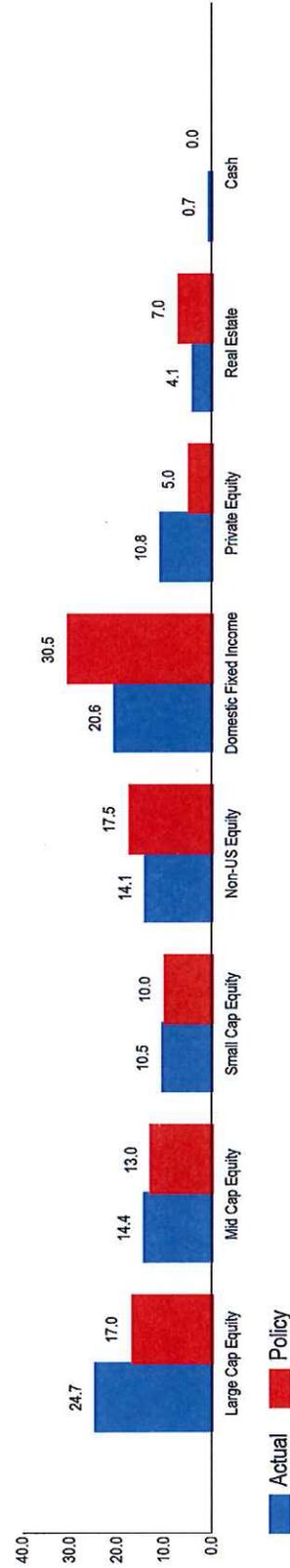
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
<b>OK TEACHERS</b>	\$13,163,190,911	3	24.0%	1	12.8%	1	8.7%
TEACHERS Allocation Index		15	20.9%	4	11.1%	8	7.5%
TEACHERS Policy Index		40	18.7%	20	10.9%	13	7.4%
IFx Public DB Gross Median			15.5%		9.5%	12.2%	6.8%

Quarterly and Cumulative Excess Performance



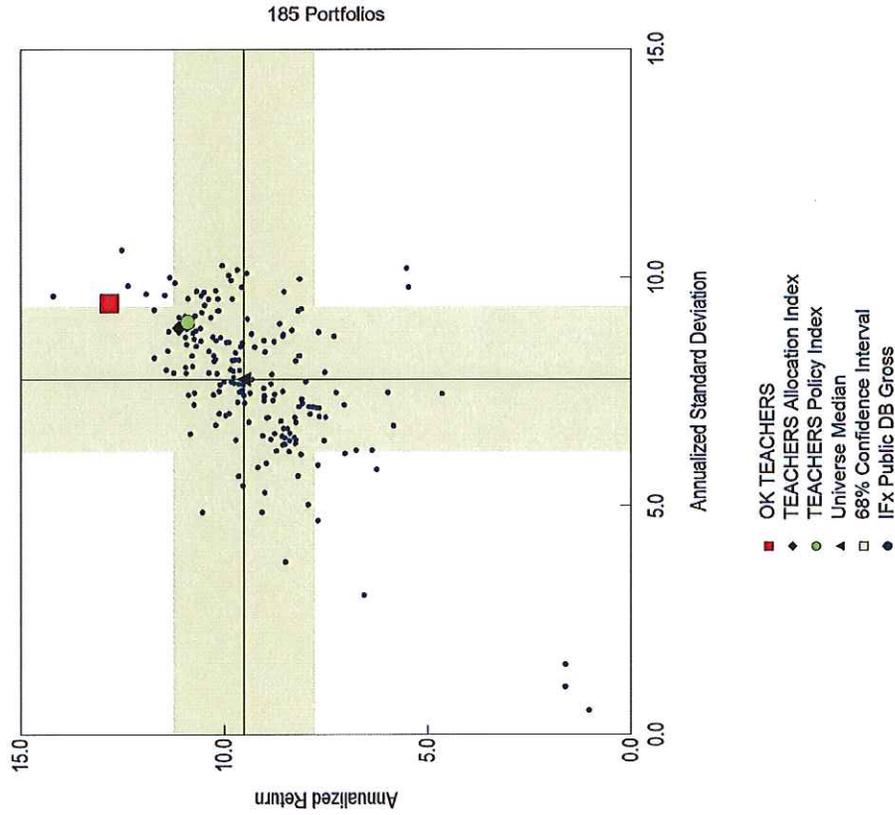
Actual vs Target Allocation (%)



OKLAHOMA TEACHERS

Total Fund Risk/Return - 3 Years

3 Years Ending December 31, 2013



3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK TEACHERS	12.82%	1	9.45%	87
TEACHERS Allocation Index	11.11%	8	8.89%	80
TEACHERS Policy Index	10.89%	13	9.02%	81

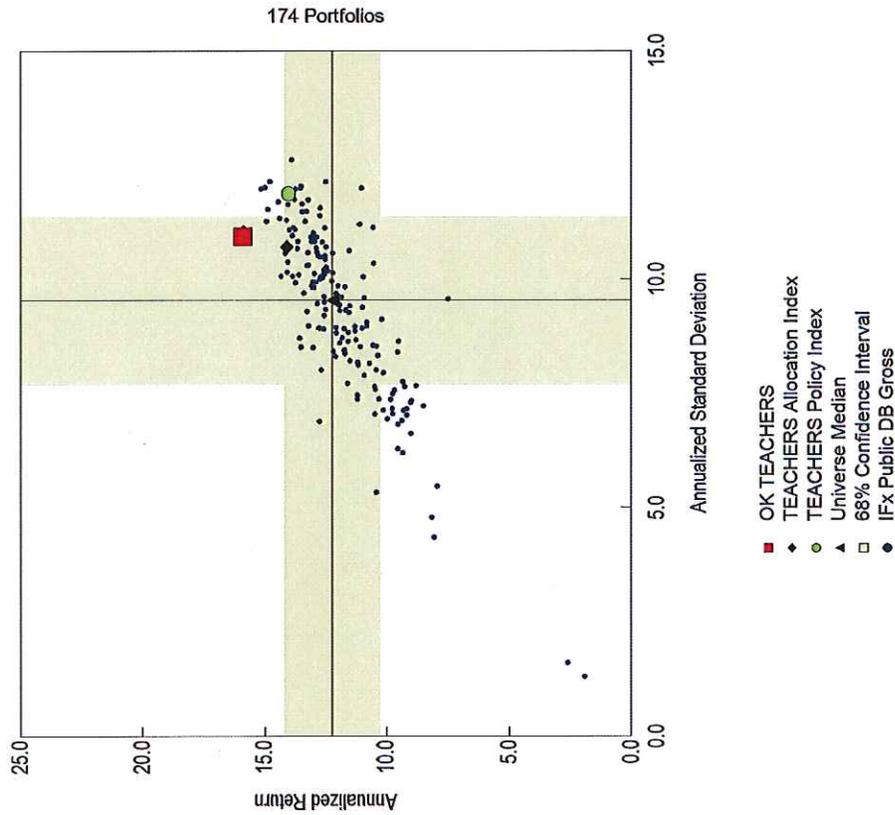
3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK TEACHERS	1.35	19	1.83	21
TEACHERS Allocation Index	1.24	42	1.71	31
TEACHERS Policy Index	1.20	52	1.65	39

OKLAHOMA TEACHERS

Total Fund Risk/Return - 5 Years

5 Years Ending December 31, 2013



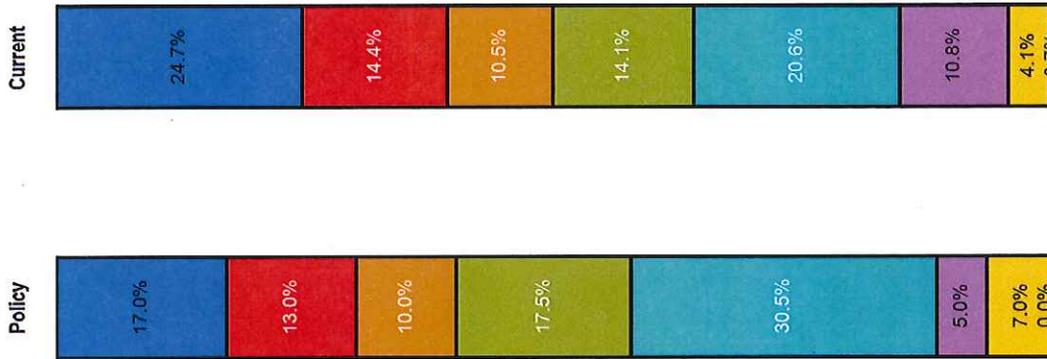
5 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK TEACHERS	15.88%	1	10.93%	81
TEACHERS Allocation Index	14.09%	7	10.71%	77
TEACHERS Policy Index	14.03%	9	11.88%	95

5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK TEACHERS	1.44	10	2.29	11
TEACHERS Allocation Index	1.31	38	2.11	27
TEACHERS Policy Index	1.17	82	1.74	84

Total Fund Asset Allocation vs. Policy Targets



Asset Allocation vs. Target

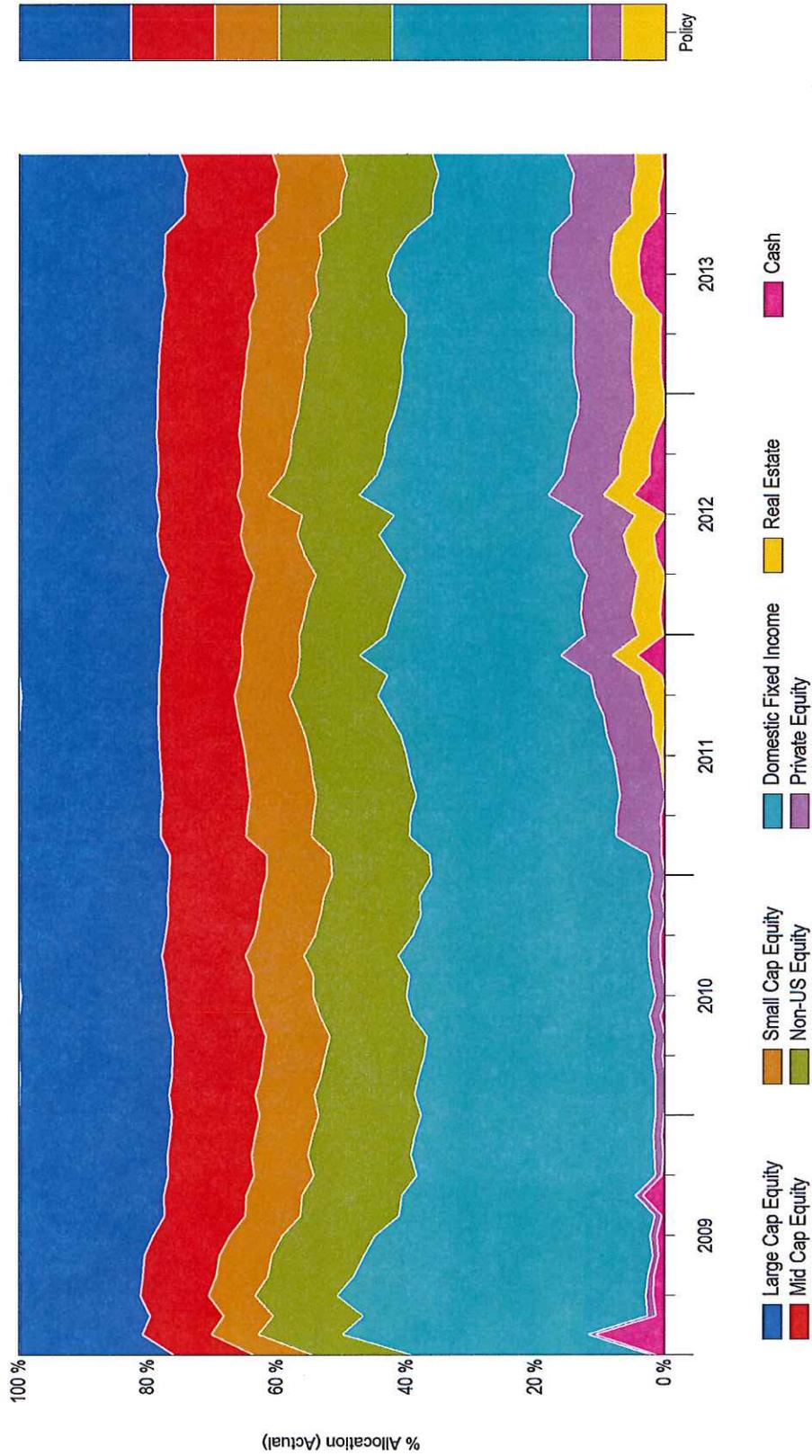
	Current	Policy	Current Difference*	Policy Range	Within Range
Large Cap Equity	\$3,245,389,727	17.0%	24.7%	12.0% - 22.0%	No
Mid Cap Equity	\$1,899,308,009	13.0%	14.4%	8.0% - 18.0%	Yes
Small Cap Equity	\$1,386,589,536	10.0%	10.5%	5.0% - 15.0%	Yes
Non-US Equity	\$1,861,428,127	17.5%	14.1%	12.5% - 22.5%	Yes
Domestic Fixed Income	\$2,708,307,987	30.5%	20.6%	25.5% - 35.5%	No
Private Equity	\$1,423,483,795	5.0%	10.8%	0.0% - 10.0%	No
Real Estate	\$546,204,481	7.0%	4.1%	2.0% - 12.0%	Yes
Cash	\$92,479,249	0.0%	0.7%	0.0% - 5.0%	Yes
<b>Total</b>	<b>\$13,163,190,911</b>	<b>100.0%</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

OKLAHOMA TEACHERS

Total Fund Asset Allocation History

Asset Allocation History



NEPC, LLC

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK TEACHERS</b>	<b>13,163,190,911</b>	<b>100.0</b>	<b>6.9</b>	<b>3</b>	<b>24.0</b>	<b>1</b>	<b>24.0</b>	<b>1</b>	<b>12.8</b>	<b>1</b>	<b>15.9</b>	<b>1</b>	<b>8.7</b>	<b>1</b>
TEACHERS Allocation Index			6.2	15	20.9	4	20.9	4	11.1	8	14.1	7	7.5	14
Over/Under			0.7		3.1		3.1		1.7		1.8		1.2	
TEACHERS Policy Index			5.4	40	18.7	20	18.7	20	10.9	13	14.0	9	7.4	20
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Total Equity Composite</b>	<b>8,392,715,399</b>	<b>63.8</b>	<b>8.9</b>	<b>27</b>	<b>35.4</b>	<b>9</b>	<b>35.4</b>	<b>9</b>	<b>14.7</b>	<b>14</b>	<b>19.1</b>	<b>22</b>	<b>8.8</b>	<b>57</b>
Russell 3000			10.1	10	33.6	13	33.6	13	16.2	6	18.7	25	7.9	74
Over/Under			-1.2		1.8		1.8		-1.5		0.4		0.9	
eA All Global Equity Gross Median			7.8		26.2		26.2		11.6		16.5		9.1	
<b>U.S. Equity Comp</b>	<b>6,531,287,272</b>	<b>49.6</b>	<b>9.8</b>	<b>51</b>	<b>38.7</b>	<b>32</b>	<b>38.7</b>	<b>32</b>	<b>16.4</b>	<b>51</b>	<b>20.8</b>	<b>45</b>	<b>8.9</b>	<b>61</b>
S&P 500			10.5	35	32.4	74	32.4	74	16.2	55	17.9	76	7.4	90
Over/Under			-0.7		6.3		6.3		0.2		2.9		1.5	
eA All US Equity Gross Median			9.8		35.6		35.6		16.4		20.1		9.6	
Advisory Research			9.1	63	34.9	48	34.9	48	15.7	55	17.1	78	-	-
Russell 3000	440,050,593	3.3	10.1	39	33.6	60	33.6	60	16.2	45	18.7	55	7.9	84
Over/Under			-1.0		1.3		1.3		-0.5		-1.6		-	
Epoch	442,715,318	3.4	10.2	35	37.4	33	37.4	33	16.1	49	18.9	52	-	-
Russell 3000			10.1	39	33.6	60	33.6	60	16.2	45	18.7	55	7.9	84
Over/Under			0.1		3.8		3.8		-0.1		0.2		-	
eA US All Cap Equity Gross Median			9.7		34.7		34.7		16.0		19.0		9.7	
Sawgrass Large Growth	498,309,088	3.8	11.2	40	35.5	40	35.5	40	19.1	9	19.2	60	-	-
Russell 1000 Growth			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
Over/Under			0.8		2.0		2.0		2.6		-1.2		-	
eA US Large Cap Growth Equity Gross Median			11.0		34.3		34.3		15.7		19.7		8.5	
Hotchkis & Wiley Large Cap Value	537,380,410	4.1	9.7	57	40.8	10	40.8	10	18.0	20	22.2	6	7.4	80
Russell 1000 Value			10.0	48	32.5	60	32.5	60	16.1	49	16.7	68	7.6	78
Over/Under			-0.3		8.3		8.3		1.9		5.5		-0.2	
eA US Large Cap Value Equity Gross Median			9.9		33.6		33.6		16.0		17.5		8.6	
Aronson Mid Cap	494,116,163	3.8	11.8	6	42.1	13	42.1	13	19.2	10	22.7	38	10.8	51
Russell MidCap			8.4	61	34.8	60	34.8	60	15.9	52	22.4	41	10.2	69
Over/Under			3.4		7.3		7.3		3.3		0.3		0.6	
eA US Mid Cap Equity Gross Median			8.8		35.8		35.8		16.0		22.0		10.9	
Frontier	480,684,355	3.7	8.5	48	34.2	67	34.2	67	15.0	58	20.7	86	11.5	31
Russell MidCap Growth			8.2	51	35.7	56	35.7	56	15.6	47	23.4	32	9.8	78
Over/Under			0.3		-1.5		-1.5		-0.6		-2.7		1.7	

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Wellington	453,158,014	3.4	12.9	1	50.2	1	50.2	1	14.3	73	24.3	23	10.5	54
Russell MidCap Growth			<u>8.2</u>	51	<u>35.7</u>	56	<u>35.7</u>	56	<u>15.6</u>	47	<u>23.4</u>	32	<u>9.8</u>	78
Over/Under			4.7		14.5		14.5		-1.3		0.9		0.7	
eA US Mid Cap Growth Equity Gross Median			8.3		36.4		36.4		15.5		22.2		10.6	
Hotchkis & Willey Mid Cap	471,349,477	3.6	6.8	89	44.5	5	44.5	5	20.8	3	30.4	2	12.0	23
Russell MidCap Value			<u>8.6</u>	63	<u>33.5</u>	72	<u>33.5</u>	72	<u>16.0</u>	56	<u>21.2</u>	59	<u>10.3</u>	76
Over/Under			-1.8		11.0		11.0		4.8		9.2		1.7	
eA US Mid Cap Value Equity Gross Median			9.2		35.3		35.3		16.2		21.6		11.0	
Shapiro Capital	632,827,093	4.8	12.7	5	45.7	12	45.7	12	17.7	36	27.5	12	13.1	13
Russell 2000 Value			<u>9.3</u>	61	<u>34.5</u>	78	<u>34.5</u>	78	<u>14.5</u>	78	<u>17.6</u>	95	<u>8.6</u>	95
Over/Under			3.4		11.2		11.2		3.2		9.9		4.5	
Cove Street Capital Small Cap Value	107,693,863	0.8	10.2	42	-	-	-	-	-	-	-	-	-	-
Russell 2000 Value			<u>9.3</u>	61	<u>34.5</u>	78	<u>34.5</u>	78	<u>14.5</u>	78	<u>17.6</u>	95	<u>8.6</u>	95
Over/Under			0.9		-		-		-		-		-	
Frontier Capital Management Small Cap Value	153,123,137	1.2	9.9	47	-	-	-	-	-	-	-	-	-	-
Russell 2000 Value			<u>9.3</u>	61	<u>34.5</u>	78	<u>34.5</u>	78	<u>14.5</u>	78	<u>17.6</u>	95	<u>8.6</u>	95
Over/Under			0.6		-		-		-		-		-	
Neumeier Poma Investment Counsel Small Cap Value	110,936,208	0.8	9.2	62	-	-	-	-	-	-	-	-	-	-
Russell 2000 Value			<u>9.3</u>	61	<u>34.5</u>	78	<u>34.5</u>	78	<u>14.5</u>	78	<u>17.6</u>	95	<u>8.6</u>	95
Over/Under			-0.1		-		-		-		-		-	
eA US Small Cap Value Equity Gross Median			9.8		38.1		38.1		16.8		21.6		11.0	
Geneva Capital Management Small Cap Growth	196,769,910	1.5	7.9	65	-	-	-	-	-	-	-	-	-	-
Russell 2000 Growth			<u>8.2</u>	60	<u>43.3</u>	70	<u>43.3</u>	70	<u>16.8</u>	73	<u>22.6</u>	76	<u>9.4</u>	79
Over/Under			-0.3		-		-		-		-		-	
Wasatch Advisors Small Cap Growth	185,239,326	1.4	6.7	83	-	-	-	-	-	-	-	-	-	-
Russell 2000 Growth			<u>8.2</u>	60	<u>43.3</u>	70	<u>43.3</u>	70	<u>16.8</u>	73	<u>22.6</u>	76	<u>9.4</u>	79
Over/Under			-1.5		-		-		-		-		-	
eA US Small Cap Growth Equity Gross Median			8.8		45.6		45.6		18.8		24.4		10.8	
TRS OK-NORTHERN TRUST INT	424,823,674	3.2	5.7	97	-	-	-	-	-	-	-	-	-	-
Russell 3000			<u>10.1</u>	39	<u>33.6</u>	60	<u>33.6</u>	60	<u>16.2</u>	45	<u>18.7</u>	55	<u>7.9</u>	84
Over/Under			-4.4		-		-		-		-		-	
eA US All Cap Equity Gross Median			9.7		34.7		34.7		16.0		19.0		9.7	

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Domestic Passive Equity</b>	<b>902,110,644</b>	<b>6.9</b>												
Northern Trust S&P 500 Cap Wgt	444,486,546	3.4	10.3	41	32.0	89	32.0	89	--	--	--	--	--	--
S&P 500			<u>10.5</u>	21	<u>32.4</u>	72	<u>32.4</u>	72	<u>16.2</u>	53	<u>17.9</u>	72	<u>7.4</u>	88
Over/Under			<b>-0.2</b>		<b>-0.4</b>		<b>-0.4</b>							
SSgA S&P Eq Weighted Index Fund	457,624,097	3.5	9.6	70	35.7	18	35.7	18	--	--	--	--	--	--
S&P 500			<u>10.5</u>	21	<u>32.4</u>	72	<u>32.4</u>	72	<u>16.2</u>	53	<u>17.9</u>	72	<u>7.4</u>	88
Over/Under			<b>-0.9</b>		<b>3.3</b>		<b>3.3</b>							
eA US Passive Equity Gross Median			10.1		33.0		33.0		16.2		18.6		7.8	
<b>International Equity Composite</b>	<b>1,861,428,127</b>	<b>14.1</b>												
MSCI ACWI ex USA			5.7	59	24.3	24	24.3	24	9.3	32	13.6	70	8.1	77
Over/Under			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
eA All ACWI ex-US Equity Gross Median			0.9		9.0		9.0		4.2		0.8		0.5	
Thornburg International	492,321,636	3.7	6.1	87	20.2	89	20.2	89	8.2	91	14.8	81	9.5	89
MSCI EAFE			4.4	87	16.8	89	16.8	89	6.2	91	13.5	68	--	--
Over/Under			<u>5.7</u>	71	<u>22.8</u>	65	<u>22.8</u>	65	<u>8.2</u>	74	<u>12.4</u>	81	<u>6.9</u>	89
eA All EAFE Equity Gross Median			<b>-1.3</b>		<b>-6.0</b>		<b>-6.0</b>		<b>-2.0</b>		<b>1.1</b>		<b>8.4</b>	
Brandes - Value - Liquidating	354,895	0.0	6.6		24.6		24.6		9.7		14.5			
eA EAFE Value Equity Gross Median														
Causeway - Value	541,240,746	4.1	6.3	64	21.8	72	21.8	72	10.3	42	15.9	31	8.8	33
MSCI EAFE			<u>5.7</u>	73	<u>22.8</u>	67	<u>22.8</u>	67	<u>8.2</u>	67	<u>12.4</u>	70	<u>6.9</u>	84
Over/Under			0.6		<b>-1.0</b>		<b>-1.0</b>		2.1		3.5		1.9	
eA EAFE Value Equity Gross Median			6.8		24.4		24.4		9.5		14.1		8.3	
<b>International Small Cap Equity</b>	<b>827,504,446</b>	<b>6.3</b>												
MSCI ACWI ex USA			6.1	62	31.3	28	31.3	28	--	--	--	--	--	--
Over/Under			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
Advisory Research Int'l Small Cap	205,984,879	1.6	1.3		16.0		16.0							
MSCI ACWI ex USA			6.1	62	26.0	70	26.0	70	--	--	--	--	--	--
Over/Under			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
EPOCH Int'l Small Cap	207,950,412	1.6	1.3		10.7		10.7							
MSCI ACWI ex USA			7.9	18	31.6	26	31.6	26	--	--	--	--	--	--
Over/Under			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
Wasatch Int'l Small Cap	201,925,540	1.5	3.1		16.3		16.3							
MSCI ACWI ex USA			3.2	99	30.4	42	30.4	42	--	--	--	--	--	--
Over/Under			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
			<b>-1.6</b>		<b>15.1</b>		<b>15.1</b>							

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Wellington Intl Small Cap	211,643,615	1.6	7.5	38	37.3	8	37.3	8	—	—	—	—	—	—
MSCI ACWI ex USA			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
Over/Under			2.7		22.0		22.0							
eA ACWI ex-US Small Cap Equity Gross Median			6.8		29.1		29.1		11.4		21.4		12.9	
<b>Fixed Composite</b>	<b>2,708,307,987</b>	<b>20.6</b>	<b>1.3</b>	<b>24</b>	<b>0.1</b>	<b>43</b>	<b>0.1</b>	<b>43</b>	<b>6.7</b>	<b>23</b>	<b>8.8</b>	<b>27</b>	<b>7.1</b>	<b>16</b>
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			1.4		2.1		2.1		3.4		4.4		2.6	
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	
Loomis Sayles Core Plus	576,372,356	4.4	1.6	18	-0.2	44	-0.2	44	6.6	15	10.0	23	7.4	6
Barclays Aggregate			-0.1	97	-2.0	96	-2.0	96	3.3	97	4.4	98	4.5	94
Over/Under			1.7		1.8		1.8		3.3		5.6		2.9	
Mackay Shields Core Plus	575,728,282	4.4	1.6	19	1.2	20	1.2	20	6.5	16	8.2	50	—	—
Barclays Aggregate			-0.1	97	-2.0	96	-2.0	96	3.3	97	4.4	98	4.5	94
Over/Under			1.7		3.2		3.2		3.2		3.8		—	
Lord Abbett Core Plus	573,697,387	4.4	0.6	55	-0.6	58	-0.6	58	5.3	43	8.2	49	—	—
Barclays Aggregate			-0.1	97	-2.0	96	-2.0	96	3.3	97	4.4	98	4.5	94
Over/Under			0.7		1.4		1.4		2.0		3.8		—	
eA US Core Plus Fixed Inc Gross Median			0.7		-0.4		-0.4		5.0		8.1		5.6	
Hoisington Long Bonds	245,491,622	1.9	-3.7	99	-16.3	99	-16.3	99	6.9	82	0.8	99	—	—
Barclays Aggregate			-0.1	79	-2.0	1	-2.0	1	3.3	99	4.4	94	4.5	99
Over/Under			-3.6		-14.3		-14.3		3.6		-3.6		—	
eA US Long Duration Fixed Inc Gross Median			0.8		-7.1		-7.1		7.7		8.6		7.2	
Loomis High Yield	244,304,957	1.9	3.0	79	5.3	92	5.3	92	7.9	88	—	—	—	—
BofA Merrill Lynch US High Yield Master II TR			3.5	49	7.4	55	7.4	55	9.0	64	18.6	21	8.5	50
Over/Under			-0.5		-2.1		-2.1		-1.1		—		—	
Lord Abbett High Yield	245,865,373	1.9	3.9	17	10.0	16	10.0	16	10.5	13	—	—	—	—
BofA Merrill Lynch US High Yield Master II TR			3.5	49	7.4	55	7.4	55	9.0	64	18.6	21	8.5	50
Over/Under			0.4		2.6		2.6		1.5		—		—	
Mackay High Yield	246,848,010	1.9	3.0	79	6.6	74	6.6	74	9.2	56	—	—	—	—
BofA Merrill Lynch US High Yield Master II TR			3.5	49	7.4	55	7.4	55	9.0	64	18.6	21	8.5	50
Over/Under			-0.5		-0.8		-0.8		0.2		—		—	
eA US High Yield Fixed Inc Gross Median			3.5		7.6		7.6		9.3		16.9		8.5	



NEPC, LLC

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Total Private Equity</b>	<b>461,055,048</b>	<b>3.5</b>												
Aldus PE	73,768,418	0.6	3.8	--	14.9	--	14.9	--	8.5	--	1.7	--	--	--
Pimco Bravo	148,998,679	1.1	5.1	--	27.7	--	27.7	--	--	--	--	--	--	--
PIMCO Bravo 2	15,228,315	0.1	6.2	--	--	--	--	--	--	--	--	--	--	--
OK - OTRS/FP	216,315,380	1.6	6.0	--	9.9	--	9.9	--	--	--	--	--	--	--
<b>Master Limited Partnerships</b>	<b>962,428,747</b>	<b>7.3</b>												
Chicksaw Capital Management	321,264,544	2.4	13.8	--	49.7	--	49.7	--	--	--	--	--	--	--
Alerian MLP Index			5.3	--	27.6	--	27.6	--	15.0	--	29.6	--	15.0	--
Over/Under			8.5	--	22.1	--	22.1	--	--	--	--	--	--	--
Swank Capital LLC	320,133,222	2.4	11.7	--	44.6	--	44.6	--	--	--	--	--	--	--
Alerian MLP Index			5.3	--	27.6	--	27.6	--	15.0	--	29.6	--	15.0	--
Over/Under			6.4	--	17.0	--	17.0	--	--	--	--	--	--	--
Fiduciary Asset Management	321,030,982	2.4	5.5	--	28.9	--	28.9	--	--	--	--	--	--	--
Alerian MLP Index			5.3	--	27.6	--	27.6	--	15.0	--	29.6	--	15.0	--
Over/Under			0.2	--	1.3	--	1.3	--	--	--	--	--	--	--
<b>Total Core Real Estate</b>	<b>546,204,481</b>	<b>4.1</b>												
L & B Real Estate	171,267,534	1.3	2.3	--	9.1	--	9.1	--	--	--	--	--	--	--
NCREIF ODCE			3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	7.2	--
Over/Under			-0.9	--	-4.9	--	-4.9	--	--	--	--	--	--	--
Heitman Real Estate	192,671,534	1.5	3.7	--	13.2	--	13.2	--	--	--	--	--	--	--
NCREIF ODCE			3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	7.2	--
Over/Under			0.5	--	-0.8	--	-0.8	--	--	--	--	--	--	--
AEW Real Estate	182,265,413	1.4	3.1	--	10.6	--	10.6	--	--	--	--	--	--	--
NCREIF ODCE			3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	7.2	--
Over/Under			-0.1	--	-3.4	--	-3.4	--	--	--	--	--	--	--

Performance numbers are shown gross of fees for fiscal year of 2013

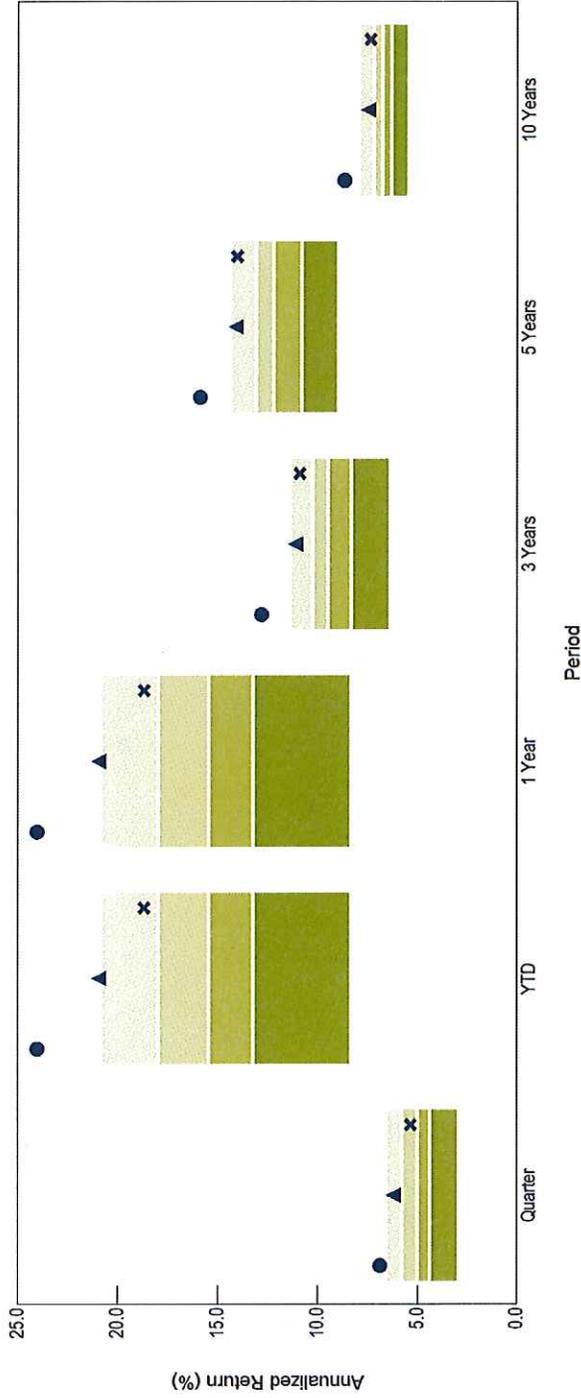


NEPC, LLC

OKLAHOMA TEACHERS

Total Fund Return Summary vs. Peer Universe

OK TEACHERS vs. IFx Public DB Gross

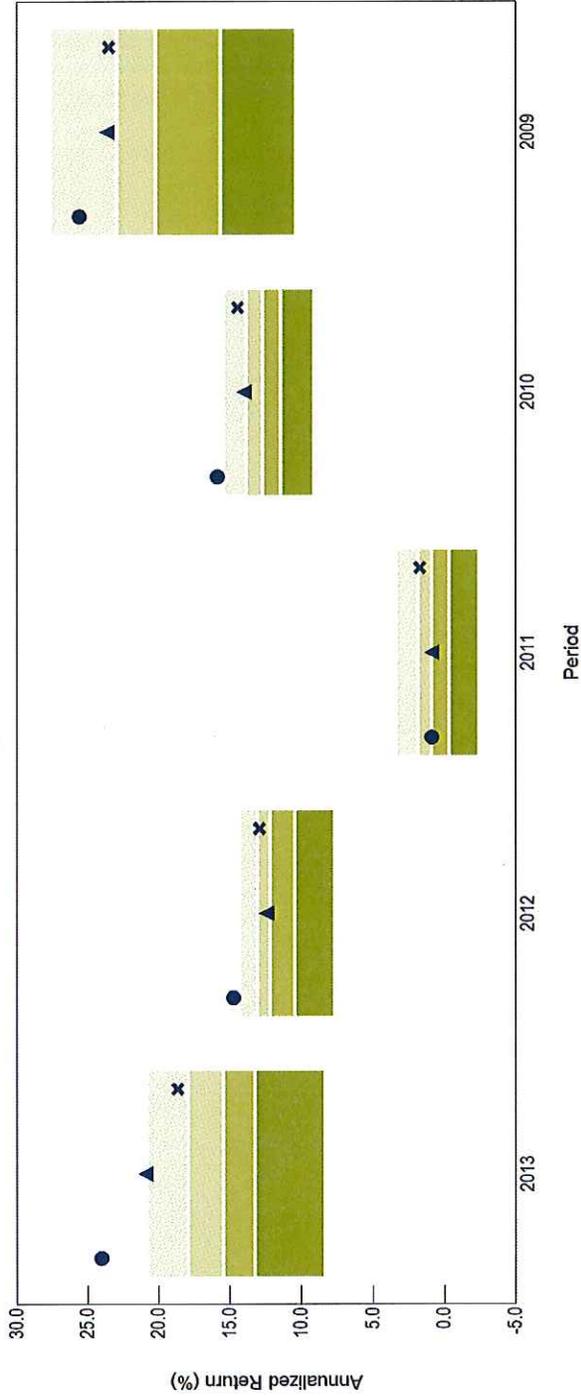


	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
● OK TEACHERS	6.9 (3)	24.0 (1)	24.0 (1)	12.8 (1)	15.9 (1)	8.7 (1)
▲ TEACHERS Allocation Index	6.2 (15)	20.9 (4)	20.9 (4)	11.1 (8)	14.1 (7)	7.5 (14)
× TEACHERS Policy Index	5.4 (40)	18.7 (20)	18.7 (20)	10.9 (13)	14.0 (9)	7.4 (20)

OKLAHOMA TEACHERS

Total Fund Return Summary vs. Peer Universe

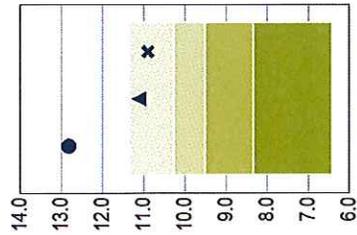
OK TEACHERS vs. IFx Public DB Gross



	2013	2012	2011	2010	2009
Return (Rank)					
5th Percentile	20.8	14.3	3.4	15.5	27.6
25th Percentile	18.0	13.1	1.9	13.9	23.0
Median	15.5	12.2	0.9	12.8	20.3
75th Percentile	13.3	10.5	-0.3	11.5	15.7
95th Percentile	8.4	7.7	-2.4	9.2	10.4
# of Portfolios	212	192	162	154	152
● OK TEACHERS	24.0 (1)	14.8 (2)	0.9 (53)	15.9 (5)	25.6 (13)
▲ TEACHERS Allocation Index	20.9 (4)	12.4 (47)	0.9 (54)	14.0 (24)	23.6 (23)
x TEACHERS Policy Index	18.7 (20)	12.9 (34)	1.7 (31)	14.5 (18)	23.5 (23)

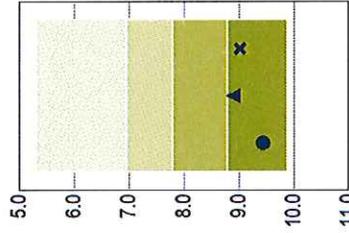
OK TEACHERS vs. IFx Public DB Gross  
3 Years

Anlzrd Return



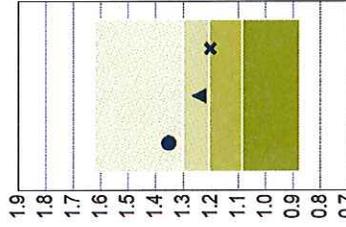
● OK TEACHERS	Value	12.82
	%tile	1
▲ TEACHERS Allocation Index	Value	11.11
	%tile	8
✕ TEACHERS Policy Index	Value	10.89
	%tile	13
Universe	Value	11.37
5th %tile	Value	10.28
25th %tile	Value	9.53
Median	Value	8.35
75th %tile	Value	6.42
95th %tile	Value	6.42

Anlzrd Standard Deviation



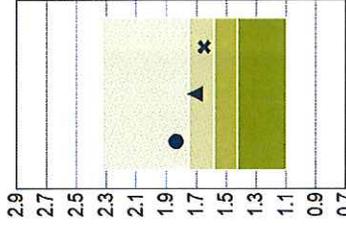
● OK TEACHERS	Value	9.45
	%tile	87
▲ TEACHERS Allocation Index	Value	8.89
	%tile	80
✕ TEACHERS Policy Index	Value	9.02
	%tile	81
Universe	Value	5.32
5th %tile	Value	6.94
25th %tile	Value	7.78
Median	Value	8.77
75th %tile	Value	9.87
95th %tile	Value	9.87

Sharpe Ratio



● OK TEACHERS	Value	1.35
	%tile	19
▲ TEACHERS Allocation Index	Value	1.24
	%tile	42
✕ TEACHERS Policy Index	Value	1.20
	%tile	52
Universe	Value	1.62
5th %tile	Value	1.30
25th %tile	Value	1.21
Median	Value	1.09
75th %tile	Value	0.88
95th %tile	Value	0.88

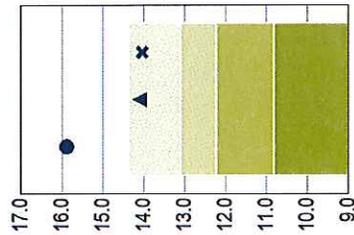
Sortino Ratio



● OK TEACHERS	Value	1.83
	%tile	21
▲ TEACHERS Allocation Index	Value	1.71
	%tile	31
✕ TEACHERS Policy Index	Value	1.65
	%tile	39
Universe	Value	2.32
5th %tile	Value	1.76
25th %tile	Value	1.59
Median	Value	1.43
75th %tile	Value	1.10
95th %tile	Value	1.10

OK TEACHERS vs. IFX Public Fund DB Gross  
5 Years

Anlizd Return

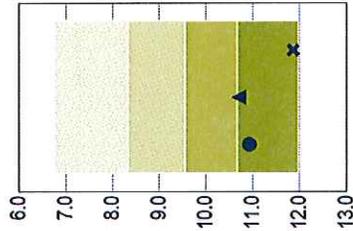


- OK TEACHERS Value 15.88 %tile 1
- ▲ TEACHERS Allocation Index Value 14.09 %tile 7
- × TEACHERS Policy Index Value 14.03 %tile 9

Universe

5th %tile	14.37
25th %tile	13.11
Median	12.24
75th %tile	10.84
95th %tile	9.02

Anlizd Standard Deviation

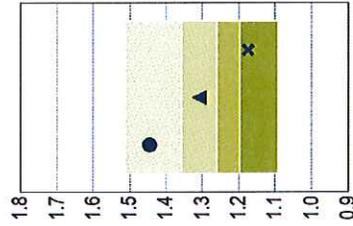


- OK TEACHERS Value 10.93 %tile 81
- ▲ TEACHERS Allocation Index Value 10.71 %tile 77
- × TEACHERS Policy Index Value 11.88 %tile 95

Universe

5th %tile	6.76
25th %tile	8.32
Median	9.54
75th %tile	10.66
95th %tile	11.96

Sharpe Ratio

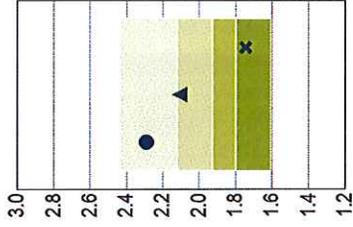


- OK TEACHERS Value 1.44 %tile 10
- ▲ TEACHERS Allocation Index Value 1.31 %tile 38
- × TEACHERS Policy Index Value 1.17 %tile 82

Universe

5th %tile	1.51
25th %tile	1.36
Median	1.26
75th %tile	1.20
95th %tile	1.09

Sortino Ratio



- OK TEACHERS Value 2.29 %tile 11
- ▲ TEACHERS Allocation Index Value 2.11 %tile 27
- × TEACHERS Policy Index Value 1.74 %tile 84

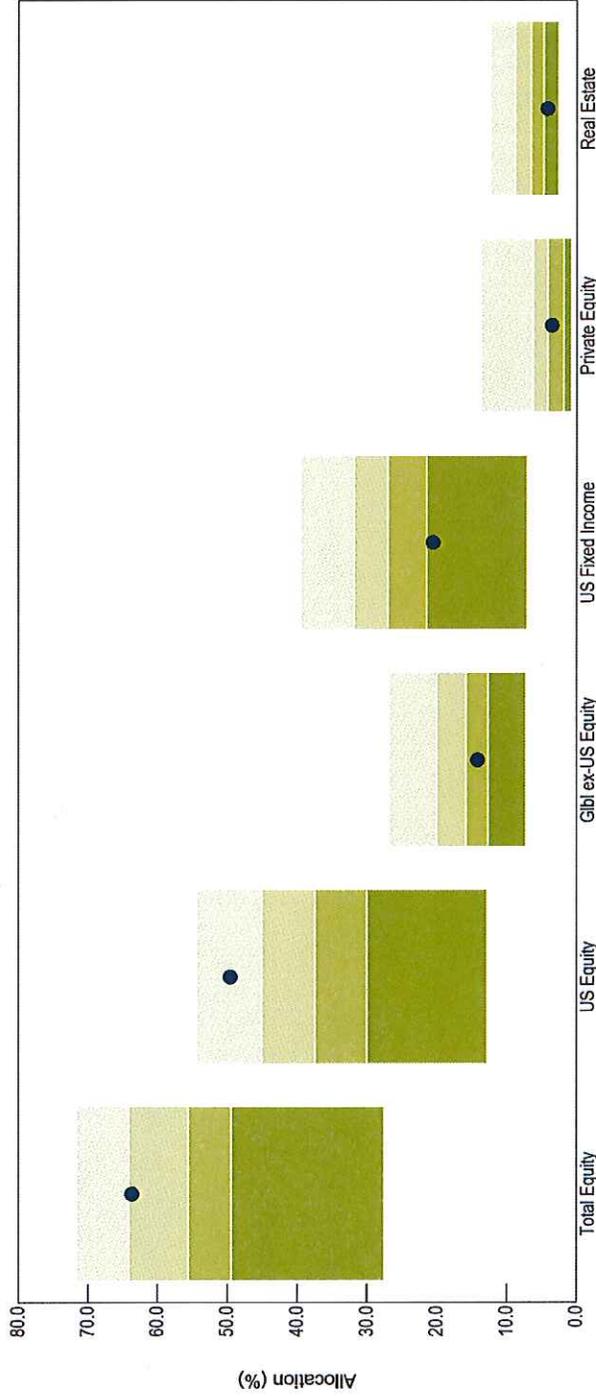
Universe

5th %tile	2.44
25th %tile	2.12
Median	1.93
75th %tile	1.80
95th %tile	1.61

OKLAHOMA TEACHERS

Total Fund Allocations vs. Peer Universe

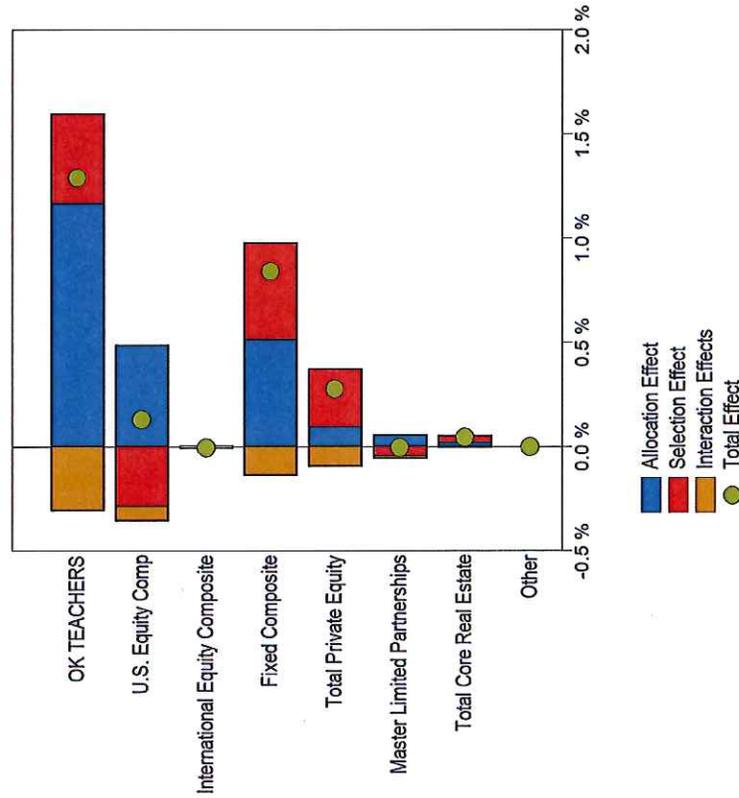
Total Plan Allocation vs. IFx Public DB Gross



Allocation (Rank)

5th Percentile	71.7	27.0	39.6	13.7	12.3
25th Percentile	64.4	20.2	32.1	6.4	9.0
Median	55.8	16.0	27.2	4.3	6.6
75th Percentile	49.6	12.8	21.6	1.9	4.9
95th Percentile	27.7	7.3	7.1	0.8	2.7
# of Portfolios	148	125	96	29	88
● OKLAHOMA TEACHERS	63.8 (27)	14.1 (69)	20.6 (80)	3.5 (57)	4.1 (85)

Attribution Effects Relative to TEACHERS Policy Index  
3 Months Ending December 31, 2013



Attribution Summary

3 Months Ending December 31, 2013

	Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
U.S. Equity Comp	9.8%	10.5%	-0.7%	-0.3%	1.0%	-0.1%	0.7%
International Equity Composite	5.7%	5.7%	0.0%	0.0%	0.0%	0.0%	-0.1%
Fixed Composite	1.3%	-0.1%	1.5%	0.5%	0.0%	-0.1%	0.3%
Total Private Equity	5.3%	0.0%	5.3%	0.3%	0.0%	-0.1%	0.2%
Master Limited Partnerships	9.6%	10.5%	-0.9%	0.0%	0.1%	0.0%	0.1%
Total Core Real Estate	3.0%	2.5%	0.5%	0.0%	0.0%	0.0%	0.0%
Other	3.7%	0.0%	3.7%	-	-	-	-
<b>Total</b>	<b>6.9%</b>	<b>5.6%</b>	<b>1.3%</b>	<b>0.4%</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>1.2%</b>

\*Other includes cash and transition accounts.

\*Total returns shown are calculated as a weighted average of the returns of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.

Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	6.9%	24.2%	24.2%
Wtd. Index Return *	5.6%	17.8%	17.8%
<b>Excess Return</b>	<b>1.3%</b>	<b>6.4%</b>	<b>6.4%</b>
Selection Effect	0.4%	3.9%	3.9%
Allocation Effect	1.1%	2.0%	2.0%
Interaction Effect	-0.3%	0.0%	0.0%

Returns by Asset Class

OK TEACHERS	6.9%	24.0%	24.0%
Total Equity Composite	8.9%	35.4%	35.4%
U.S. Equity Comp	9.8%	38.7%	38.7%
Domestic Passive Equity	9.9%	33.9%	33.9%
International Equity Composite	5.7%	24.3%	24.3%
International Small Cap Equity	6.1%	31.3%	31.3%
Fixed Composite	1.3%	0.1%	0.1%
Total Private Equity	5.3%	18.4%	18.4%
Master Limited Partnerships	9.6%	38.8%	38.8%
Total Core Real Estate	3.0%	11.0%	11.0%
Other	3.7%	14.0%	14.0%

\*Calculated from benchmark returns and weightings of each component.

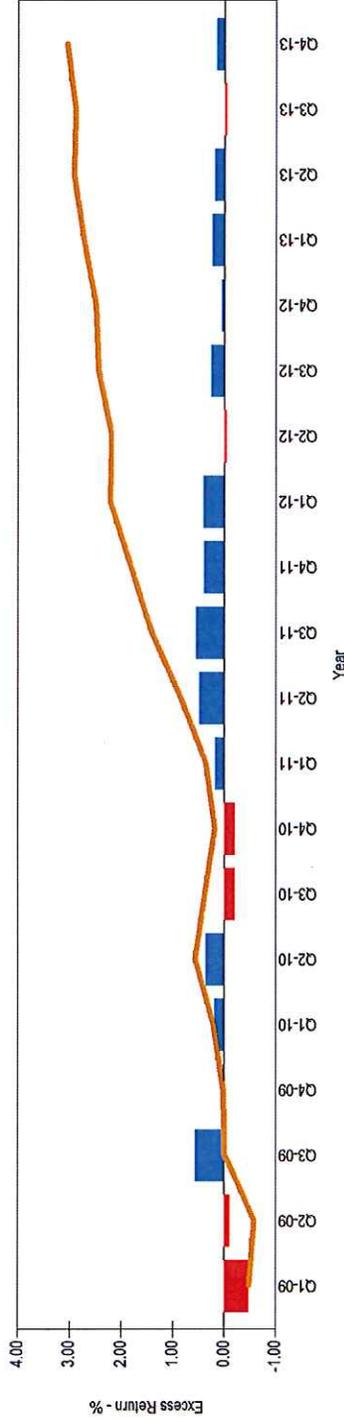


OKLAHOMA PERS

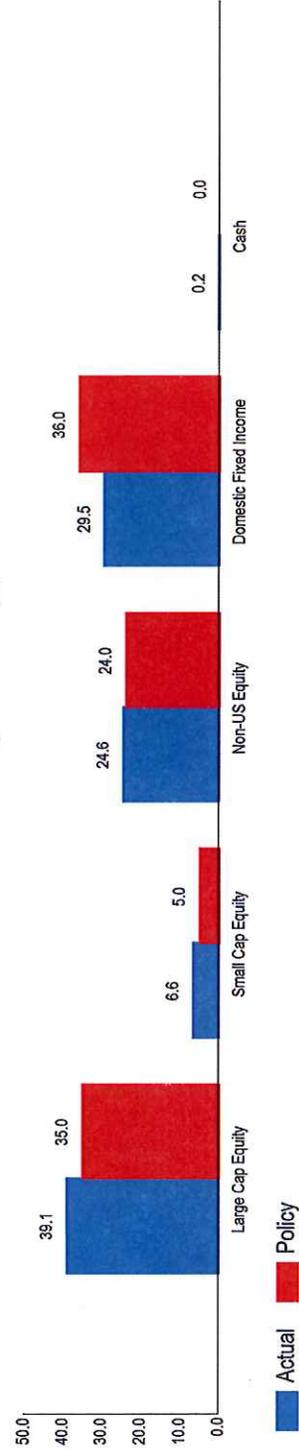
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
OK PERS	\$8,136,107,416	33	16.6%	41	16.6%	27	39
PERS Allocation Index		5.6%	41	16.6%	27	12.7%	39
PERS Policy Index		5.4%	47	15.9%	47	12.0%	55
IFx Public DB Gross Median		5.2%	53	15.3%	53	12.3%	49
		5.0%	15.5%	15.5%	9.5%	12.2%	65
							6.8%

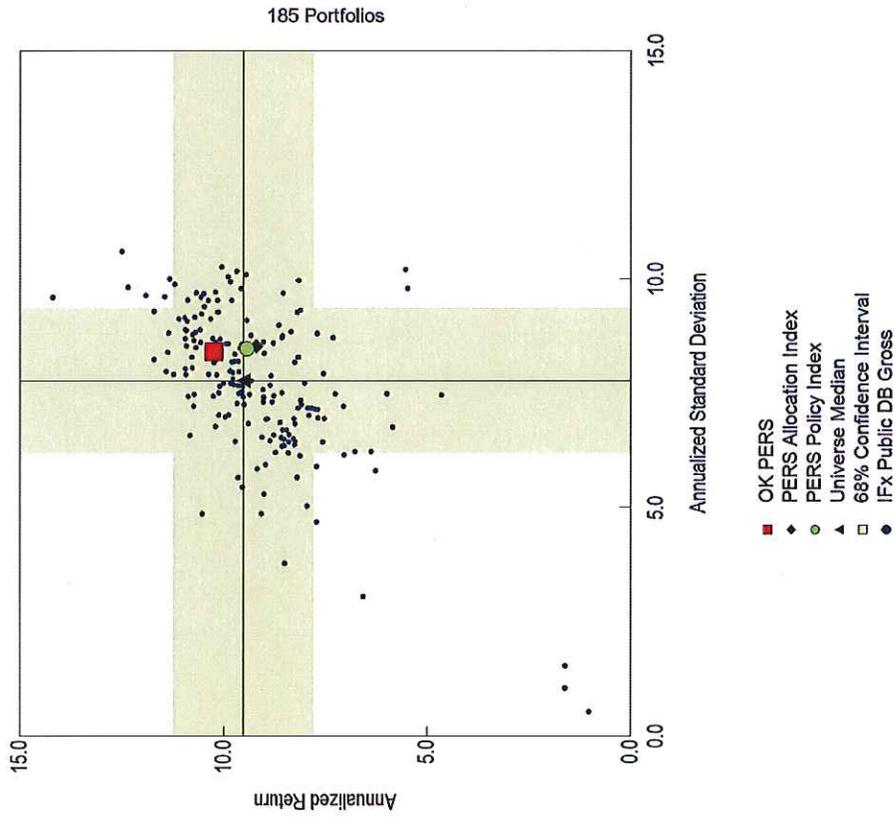
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



3 Years Ending December 31, 2013



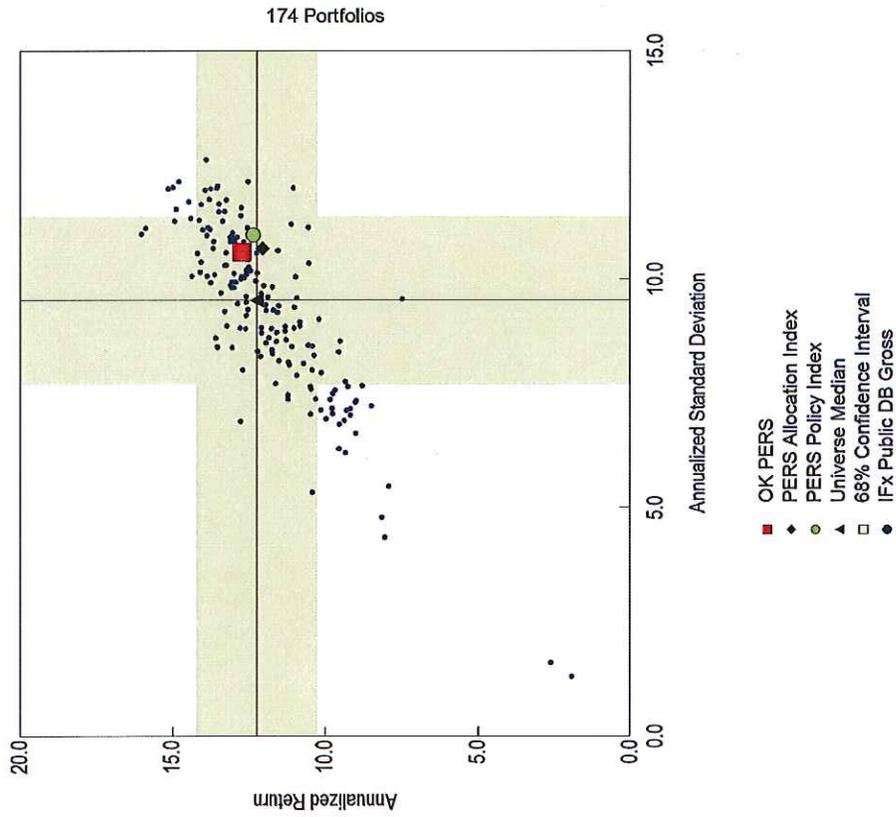
3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Std Dev	Rank
OK PERS	10.25%	27	8.41%	65
PERS Allocation Index	9.21%	56	8.54%	67
PERS Policy Index	9.43%	53	8.48%	66

3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK PERS	1.21	50	1.72	29
PERS Allocation Index	1.07	80	1.50	61
PERS Policy Index	1.11	72	1.57	53

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK PERS	12.72%	39	10.60%	75
PERS Allocation Index	12.05%	55	10.67%	76
PERS Policy Index	12.35%	49	10.97%	82

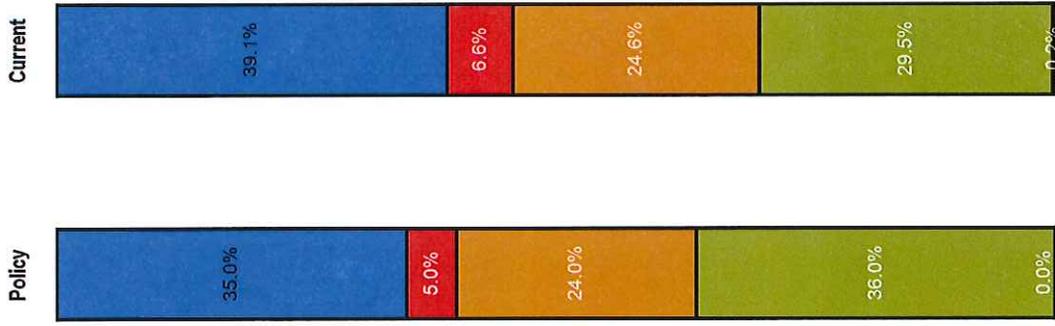
5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK PERS	1.19	78	1.78	79
PERS Allocation Index	1.12	92	1.72	88
PERS Policy Index	1.12	93	1.68	92

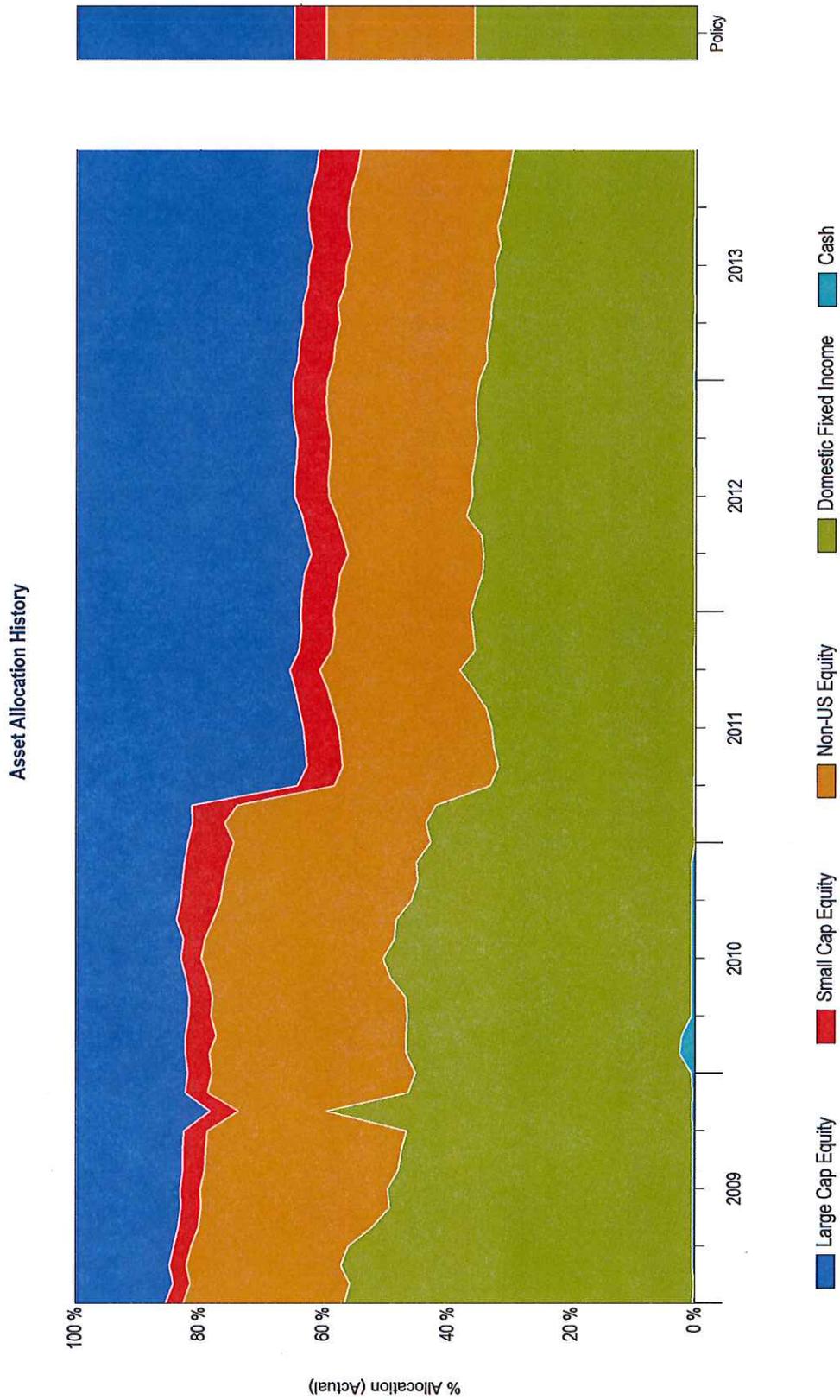
Total Fund Asset Allocation vs. Policy Targets

Asset Allocation vs. Target						
	Policy	Current	Policy	Current	Difference*	Within Range
Large Cap Equity	35.0%	\$3,177,802,175	39.1%	39.1%	4.1%	No
Small Cap Equity	5.0%	\$540,385,859	6.6%	6.6%	1.6%	Yes
Non-US Equity	24.0%	\$2,000,139,572	24.6%	24.6%	0.6%	Yes
Domestic Fixed Income	36.0%	\$2,398,363,334	29.5%	29.5%	-6.5%	No
Cash	0.0%	\$19,416,476	0.2%	0.2%	0.2%	Yes
<b>Total</b>	<b>100.0%</b>	<b>\$8,136,107,416</b>	<b>100.0%</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation



OKLAHOMA PERS  
Total Fund Asset Allocation History



OKLAHOMA PERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK PERS</b>	<b>8,136,107,416</b>	<b>100.0</b>	<b>5.6</b>	<b>33</b>	<b>16.6</b>	<b>41</b>	<b>16.6</b>	<b>41</b>	<b>10.2</b>	<b>27</b>	<b>12.7</b>	<b>39</b>	<b>7.3</b>	<b>23</b>
PERS Allocation Index			5.4	37	15.9	47	15.9	47	9.2	56	12.0	55	6.8	50
Over/Under			0.2		0.7		0.7		1.0		0.7		0.5	
PERS Policy Index			5.2	45	15.3	53	15.3	53	9.4	53	12.3	49	6.5	65
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Domestic Equity Composite</b>	<b>3,718,188,034</b>	<b>45.7</b>	<b>10.4</b>	<b>39</b>	<b>34.8</b>	<b>56</b>	<b>34.8</b>	<b>56</b>	<b>17.1</b>	<b>40</b>	<b>19.3</b>	<b>58</b>	<b>8.0</b>	<b>81</b>
Domestic Equity Benchmark			10.0	46	33.8	63	33.8	63	16.2	53	18.8	63	8.0	81
Over/Under			0.4		1.0		1.0		0.9		0.5		0.0	
eA All US Equity Gross Median			9.8		35.6		35.6		16.4		20.1		9.6	
Aronson Johnson & Ortiz	213,930,787	2.6	11.3	20	38.5	17	38.5	17	18.7	11	17.7	48	9.2	33
Russell 1000 Value			10.0	48	32.5	60	32.5	60	16.1	49	16.7	68	7.6	78
Over/Under			1.3		6.0		6.0		2.6		1.0		1.6	
eA US Large Cap Value Equity Gross Median			9.9		33.6		33.6		16.0		17.5		8.6	
Mellon	445,298,312	5.5	10.5	43	33.7	42	33.7	42	18.1	16	18.8	30	—	—
Russell 1000			10.2	52	33.1	49	33.1	49	16.3	48	18.6	34	7.8	72
Over/Under			0.3		0.6		0.6		1.8		0.2		—	
State Street Index Fund	444,535,818	5.5	11.3	22	32.6	56	32.6	56	17.6	24	18.3	40	—	—
S&P 500			10.5	41	32.4	58	32.4	58	16.2	50	17.9	50	7.4	87
Over/Under			0.8		0.2		0.2		1.4		0.4		—	
Blackrock Russell 1000	1,881,787,134	23.1	10.2	53	33.1	48	33.1	48	—	—	—	—	—	—
Russell 1000			10.2	52	33.1	49	33.1	49	16.3	48	18.6	34	7.8	72
Over/Under			0.0		0.0		0.0		—		—		—	
eA US Large Cap Core Equity Gross Median			10.3		32.9		32.9		16.2		17.9		8.5	
Blackrock Russell 1000 Growth	192,250,124	2.4	10.4	60	33.5	56	33.5	56	—	—	—	—	—	—
Russell 1000 Growth			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
Over/Under			0.0		0.0		0.0		—		—		—	
eA US Large Cap Growth Equity Gross Median			11.0		34.3		34.3		15.7		19.7		8.5	

Domestic Equity Benchmark is 87.5% Russell 1000 and 12.5% Russell 2000



NEPC, LLC

OKLAHOMA PERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
UBS Global Asset Mgmt	182,610,127	2.2	6.3	85	48.3	35	48.3	35	20.3	31	26.5	24	9.9	73
Russell 2000 Growth			8.2	60	43.3	70	43.3	70	16.8	73	22.6	76	9.4	79
Over/Under			-1.9		5.0		5.0		3.5		3.9		0.5	
eA US Small Cap Growth Equity Gross Median			8.8		45.6		45.6		18.8		24.4		10.8	
Barrow Hanley	188,824,075	2.3	12.9	4	47.8	8	47.8	8	18.2	26	30.9	4	-	-
Russell 2000 Value			9.3	61	34.5	78	34.5	78	14.5	78	17.6	95	8.6	95
Over/Under			3.6		13.3		13.3		3.7		13.3		-	-
DePrince Race & Zollo	168,951,657	2.1	9.8	48	33.9	82	33.9	82	-	-	-	-	-	-
Russell 2000 Value			9.3	61	34.5	78	34.5	78	14.5	78	17.6	95	8.6	95
Over/Under			0.5		-0.6		-0.6		-	-	-	-	-	-
eA US Small Cap Value Equity Gross Median			9.8		38.1		38.1		16.8		21.6		11.0	
<b>Domestic Fixed Income Composite</b>	<b>2,398,363,334</b>	<b>29.5</b>	<b>-0.6</b>	<b>96</b>	<b>-3.5</b>	<b>89</b>	<b>-3.5</b>	<b>89</b>	<b>4.4</b>	<b>44</b>	<b>5.1</b>	<b>61</b>	<b>5.5</b>	<b>32</b>
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			-0.5		-1.5		-1.5		1.1		0.7		1.0	
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	
Blackrock	1,263,149,336	15.5	-0.2	90	-1.7	62	-1.7	62	3.7	69	5.8	51	4.7	79
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			-0.1		0.3		0.3		0.4		1.4		0.2	
Met West	712,992,083	8.8	0.2	50	-0.8	25	-0.8	25	4.8	13	8.5	5	6.5	1
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			0.3		1.2		1.2		1.5		4.1		2.0	
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	
Hoisington	194,069,905	2.4	-3.6	99	-16.4	99	-16.4	99	6.7	88	0.7	99	6.9	78
Barclays Treasury Long Term			-3.1	98	-12.7	97	-12.7	97	5.5	98	2.3	98	5.9	97
Over/Under			-0.5		-3.7		-3.7		1.2		-1.6		1.0	
eA US Long Duration Fixed Inc Gross Median			0.8		-7.1		-7.1		7.7		8.6		7.2	
Blackrock TIPS	228,152,010	2.8	-2.0	99	-8.6	99	-8.6	99	3.6	34	-	-	-	-
Barclays US TIPS			-2.0	99	-8.6	99	-8.6	99	3.5	38	5.6	27	4.8	29
Over/Under			0.0		0.0		0.0		0.1		4.9		4.6	
eA US Interm Duration Fixed Inc Gross Median			0.2		-0.5		-0.5		3.3		-		-	

OKLAHOMA PERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Equity Composite</b>	<b>2,000,139,572</b>	<b>24.6</b>	<b>5.0</b>	<b>78</b>	<b>15.4</b>	<b>88</b>	<b>15.4</b>	<b>88</b>	<b>6.1</b>	<b>82</b>	<b>12.3</b>	<b>87</b>	<b>7.5</b>	<b>84</b>
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			0.2		0.1		0.1		1.0		-0.5		-0.1	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Baillie Gifford</b>	<b>267,592,588</b>	<b>3.3</b>	<b>4.5</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI ACWI ex USA Growth			4.7	80	15.5	86	15.5	86	4.9	94	12.9	90	7.4	97
Over/Under			-0.2											
eA ACWI ex-US All Cap Growth Eq Gross Median			6.1		18.8		18.8		8.5		16.8		9.2	
<b>Blackrock ACWI Ex US</b>	<b>914,599,028</b>	<b>11.2</b>	<b>4.8</b>	<b>81</b>	<b>15.6</b>	<b>87</b>	<b>15.6</b>	<b>87</b>	<b>5.4</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			0.0		0.3		0.3		0.3					
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Blackrock ACWI Ex US Growth</b>	<b>281,106,098</b>	<b>3.5</b>	<b>4.4</b>	<b>83</b>	<b>15.4</b>	<b>87</b>	<b>15.4</b>	<b>87</b>	<b>5.3</b>	<b>92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI ACWI ex USA Growth			4.7	80	15.5	86	15.5	86	4.9	94	12.9	90	7.4	97
Over/Under			-0.3		-0.1		-0.1		0.4					
eA ACWI ex-US All Cap Growth Eq Gross Median			6.1		18.8		18.8		8.5		16.8		9.2	
<b>Mondrian</b>	<b>536,841,858</b>	<b>6.6</b>	<b>5.6</b>	<b>62</b>	<b>16.7</b>	<b>78</b>	<b>16.7</b>	<b>78</b>	<b>7.8</b>	<b>57</b>	<b>11.2</b>	<b>95</b>	<b>8.5</b>	<b>70</b>
MSCI ACWI ex USA Value			4.9	81	15.0	89	15.0	89	5.3	89	12.7	84	7.7	81
Over/Under			0.7		1.7		1.7		2.5		-1.5		0.8	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	

Performance numbers are shown gross of fees for fiscal year of 2013

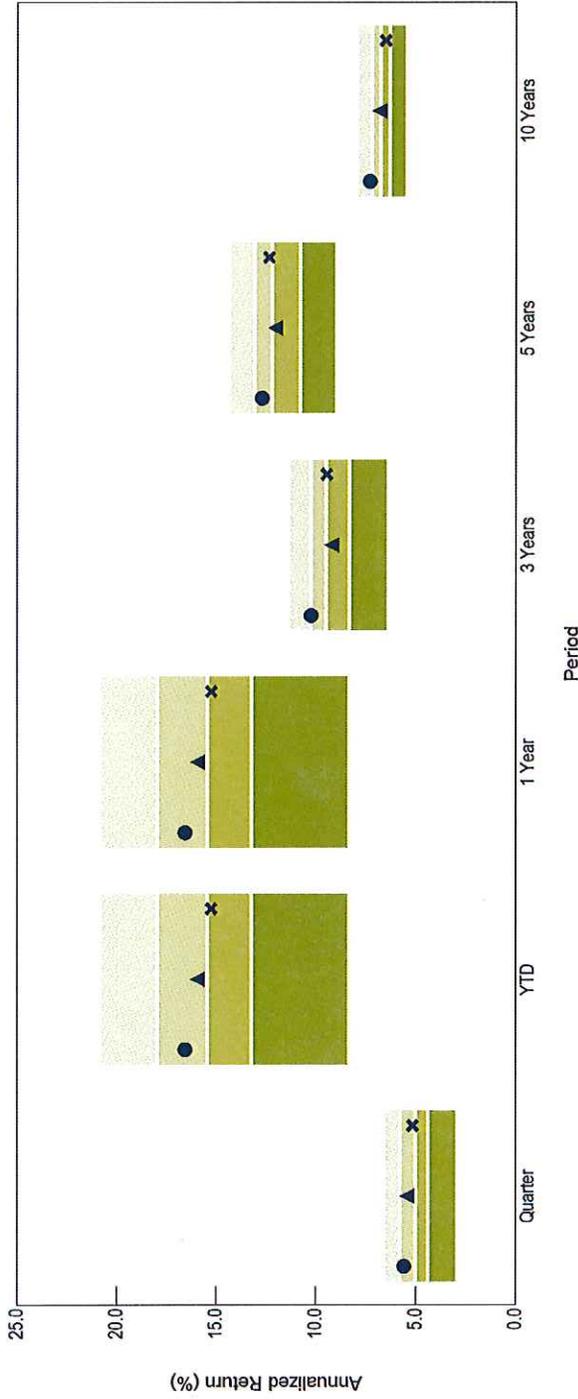


NEPC, LLC

OKLAHOMA PERS

Total Fund Return Summary vs. Peer Universe

OK PERS vs. IFx Public DB Gross



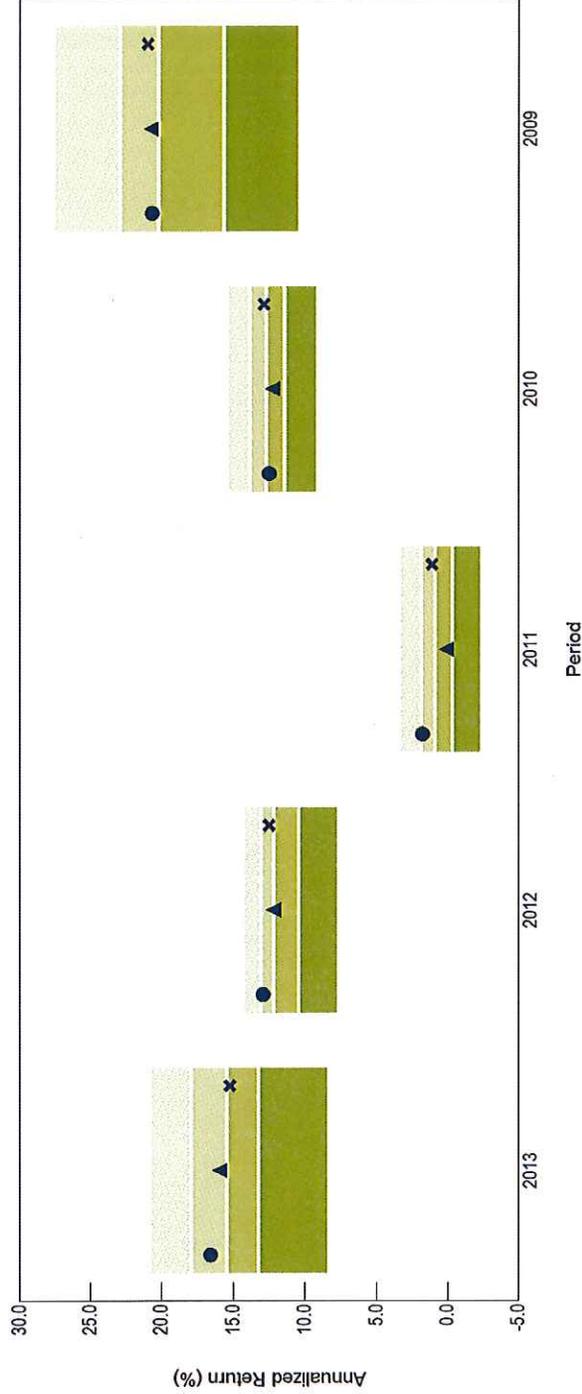
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
● OK PERS	5.6 (33)	16.6 (41)	16.6 (41)	10.2 (27)	12.7 (39)	7.3 (23)
▲ PERS Allocation Index	5.4 (37)	15.9 (47)	15.9 (47)	9.2 (56)	12.0 (55)	6.8 (50)
× PERS Policy Index	5.2 (45)	15.3 (53)	15.3 (53)	9.5 (52)	12.4 (49)	6.5 (65)



OKLAHOMA PERS

Total Fund Return Summary vs. Peer Universe

OK PERS vs. IFx Public DB Gross

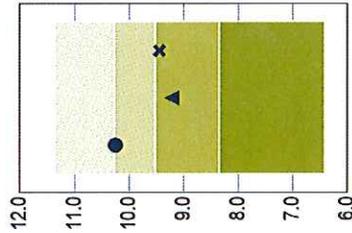


	2009	2010	2011	2012	2013
5th Percentile	27.6	15.5	3.4	14.3	20.8
25th Percentile	23.0	13.9	1.9	13.1	18.0
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	15.7	11.5	-0.3	10.5	13.3
95th Percentile	10.4	9.2	-2.4	7.7	8.4
# of Portfolios	152	154	162	192	212
● OK PERS	20.7 (44)	12.5 (55)	1.8 (29)	12.9 (34)	16.6 (41)
▲ PERS Allocation Index	20.8 (42)	12.3 (58)	0.1 (71)	12.2 (51)	15.9 (47)
x PERS Policy Index	21.0 (38)	12.9 (48)	1.1 (42)	12.5 (44)	15.3 (53)



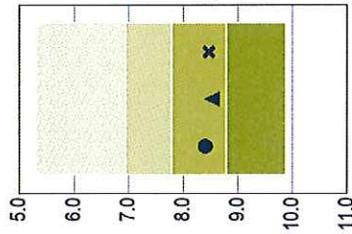
OK PERS vs. IFx Public DB Gross  
3 Years

Anizd Return



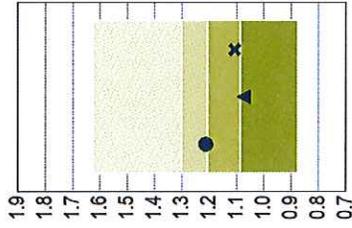
● OK PERS	Value	10.25
	%tile	27
▲ PERS Allocation Index	Value	9.21
	%tile	56
✕ PERS Policy Index	Value	9.43
	%tile	53
Universe	Value	11.37
5th %tile	Value	10.28
25th %tile	Value	9.53
Median	Value	8.35
75th %tile	Value	6.42
95th %tile	Value	6.42

Anizd Standard Deviation



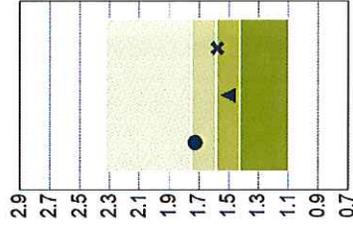
● OK PERS	Value	8.41
	%tile	65
▲ PERS Allocation Index	Value	8.54
	%tile	67
✕ PERS Policy Index	Value	8.48
	%tile	66
Universe	Value	5.32
5th %tile	Value	6.94
25th %tile	Value	7.78
Median	Value	8.77
75th %tile	Value	9.87
95th %tile	Value	9.87

Sharpe Ratio



● OK PERS	Value	1.21
	%tile	50
▲ PERS Allocation Index	Value	1.07
	%tile	80
✕ PERS Policy Index	Value	1.11
	%tile	72
Universe	Value	1.62
5th %tile	Value	1.30
25th %tile	Value	1.21
Median	Value	1.09
75th %tile	Value	0.88
95th %tile	Value	0.88

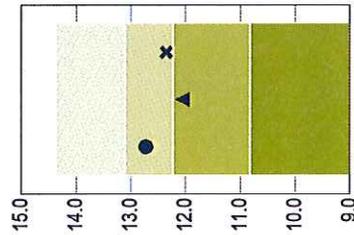
Sortino Ratio



● OK PERS	Value	1.72
	%tile	29
▲ PERS Allocation Index	Value	1.50
	%tile	61
✕ PERS Policy Index	Value	1.57
	%tile	53
Universe	Value	2.32
5th %tile	Value	1.76
25th %tile	Value	1.59
Median	Value	1.43
75th %tile	Value	1.10
95th %tile	Value	1.10

OK PERS vs. IFx Public DB Gross  
5 Years

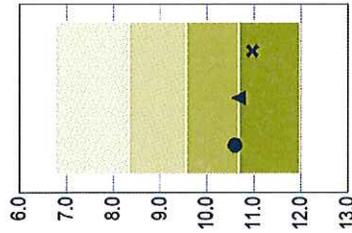
Anlzd Return



- OK PERS Value 12.72 %tile 39
- ▲ PERS Allocation Index Value 12.05 %tile 55
- ✕ PERS Policy Index Value 12.35 %tile 49

Universe 5th %tile	14.37
Universe 25th %tile	13.11
Universe Median	12.24
Universe 75th %tile	10.84
Universe 95th %tile	9.02

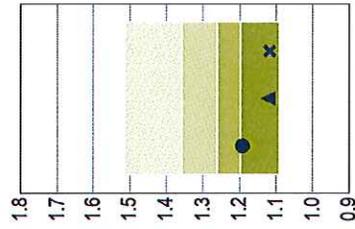
Anlzd Standard Deviation



- OK PERS Value 10.60 %tile 75
- ▲ PERS Allocation Index Value 10.67 %tile 76
- ✕ PERS Policy Index Value 10.97 %tile 82

Universe 5th %tile	6.76
Universe 25th %tile	8.32
Universe Median	9.54
Universe 75th %tile	10.66
Universe 95th %tile	11.96

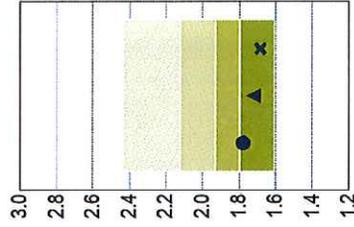
Sharpe Ratio



- OK PERS Value 1.19 %tile 78
- ▲ PERS Allocation Index Value 1.12 %tile 92
- ✕ PERS Policy Index Value 1.12 %tile 93

Universe 5th %tile	1.51
Universe 25th %tile	1.36
Universe Median	1.26
Universe 75th %tile	1.20
Universe 95th %tile	1.09

Sortino Ratio



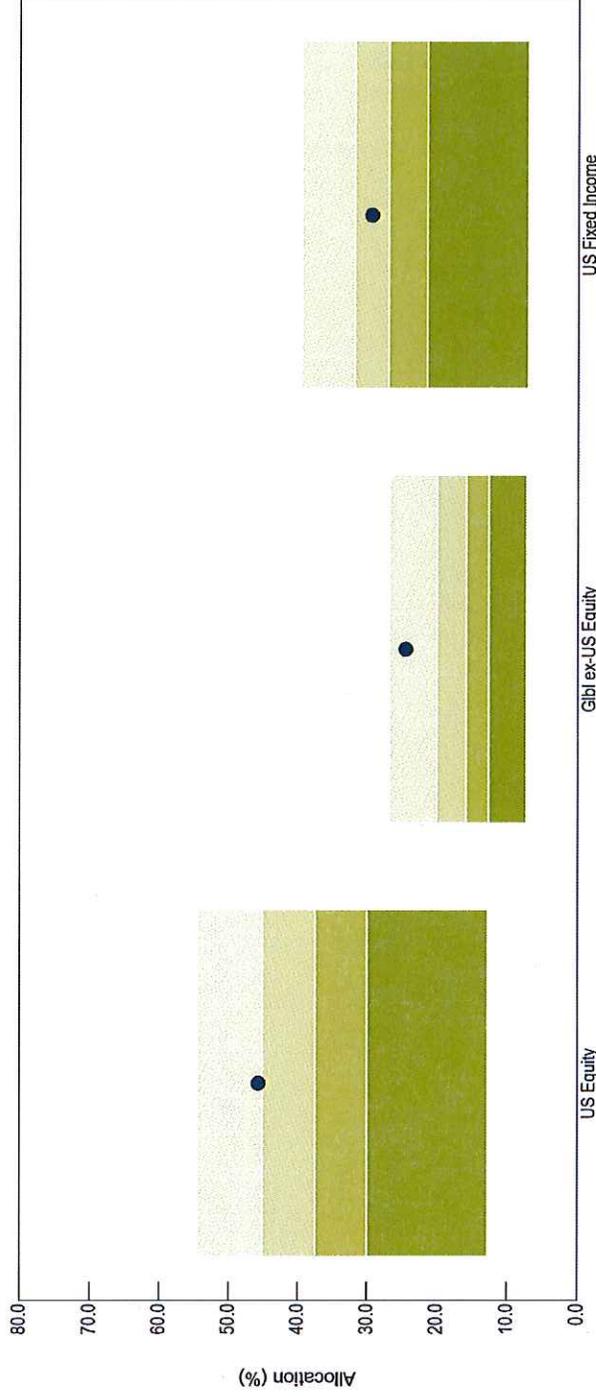
- OK PERS Value 1.78 %tile 79
- ▲ PERS Allocation Index Value 1.72 %tile 88
- ✕ PERS Policy Index Value 1.68 %tile 92

Universe 5th %tile	2.44
Universe 25th %tile	2.12
Universe Median	1.93
Universe 75th %tile	1.80
Universe 95th %tile	1.61

OKLAHOMA PERS

Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. IFx Public DB Gross

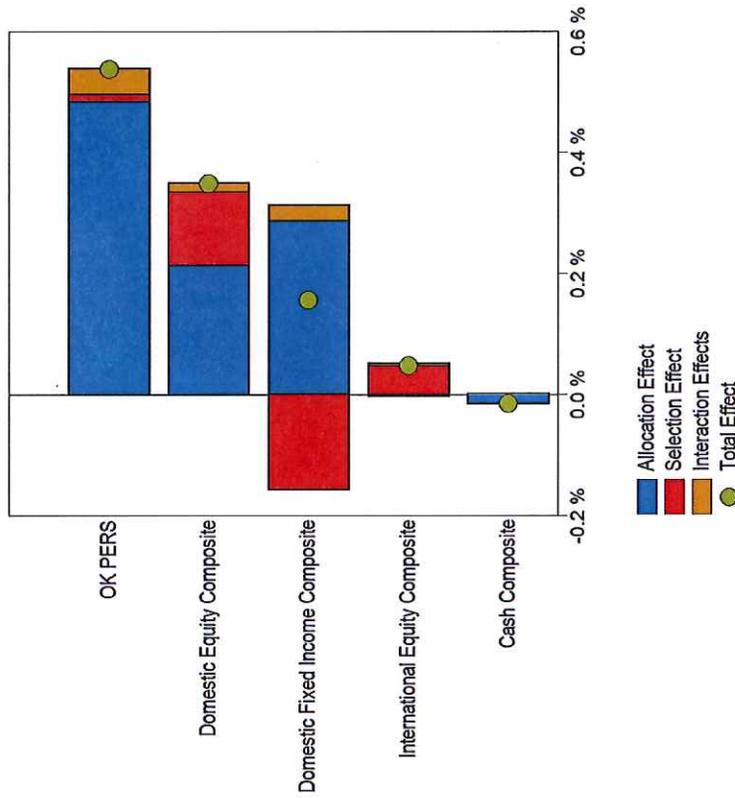


Allocation (Rank)

5th Percentile	54.5	27.0	39.6
25th Percentile	45.2	20.2	32.1
Median	37.7	16.0	27.2
75th Percentile	30.2	12.8	21.6
95th Percentile	12.9	7.3	7.1
# of Portfolios	130	125	96
● OKLAHOMA PERS	(24)	(10)	(37)

Total Fund Attribution Analysis

Attribution Effects Relative to PERS Policy Index  
3 Months Ending December 31, 2013



Attribution Summary

3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	10.4%	10.0%	0.3%	0.1%	0.2%	0.0%	0.3%
Domestic Fixed Income Composite	-0.6%	-0.1%	-0.4%	-0.2%	0.3%	0.0%	0.2%
International Equity Composite	5.0%	4.8%	0.2%	0.0%	0.0%	0.0%	0.0%
Cash Composite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.6%</b>	<b>5.1%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>

\*Target return show is a weighted average of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.



Total Fund Attribution Analysis

Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	5.6%	16.5%	16.5%
Wtd. Index Return *	5.1%	15.6%	15.6%
<b>Excess Return</b>	<b>0.5%</b>	<b>0.9%</b>	<b>0.9%</b>
Selection Effect	0.0%	-0.2%	-0.2%
Allocation Effect	0.5%	1.0%	1.0%
Interaction Effect	0.0%	0.1%	0.1%
Asset Class Returns			
OK PERS	5.6%	16.6%	16.6%
Domestic Equity Composite	10.4%	34.8%	34.8%
Domestic Fixed Income Composite	-0.6%	-3.5%	-3.5%
International Equity Composite	5.0%	15.4%	15.4%
Cash Composite	0.0%	1.2%	1.2%
Z TERMINATED - R/E Composite			

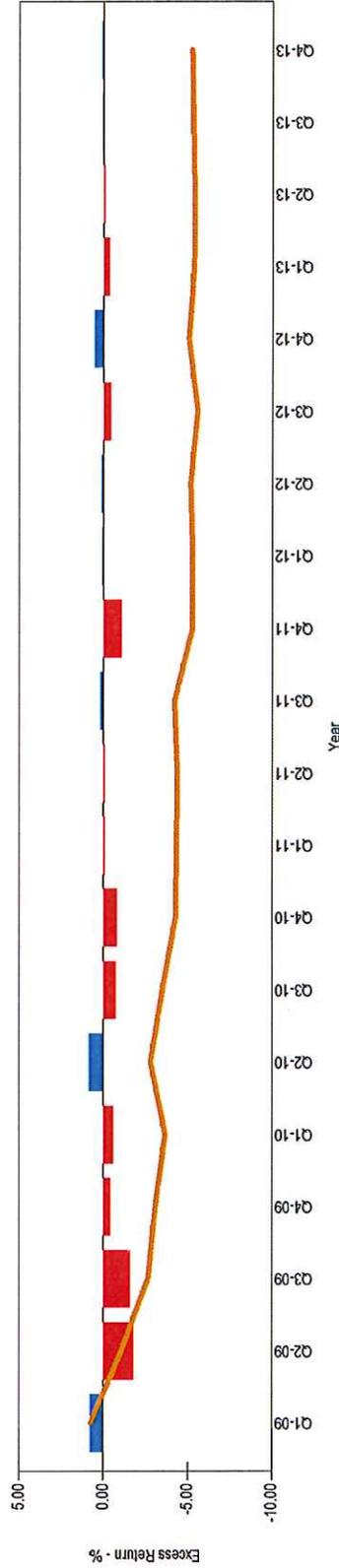


# OKLAHOMA FIREFIGHTERS

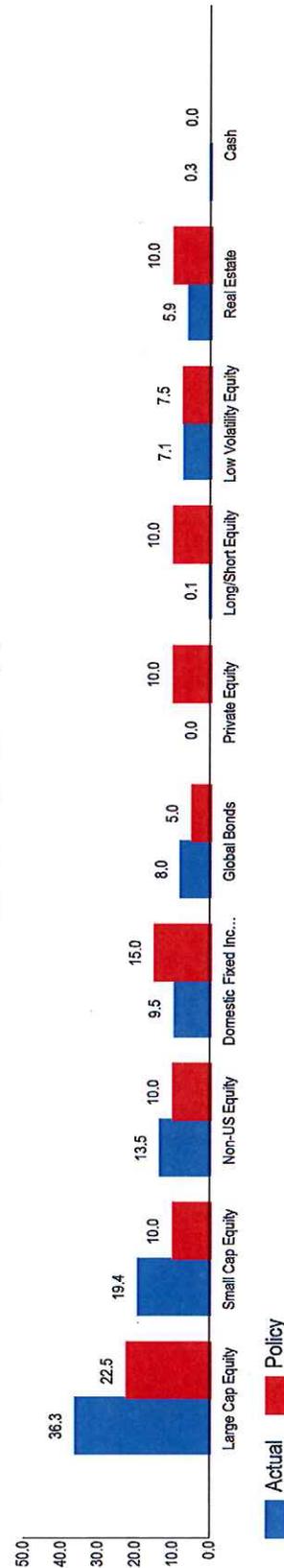
## Total Plan Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
<b>OK FIREFIGHTERS</b>	<b>\$1,990,042,446</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>13</b>	<b>53</b>	<b>34</b>
FIREFIGHTERS Allocation Index	6.4%	11	3	3	7	25	49
FIREFIGHTERS Policy Index	6.2%	15	12	12	5	18	37
IFx Public DB Gross Median	5.0%			15.5%	9.5%	12.2%	6.8%

Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)

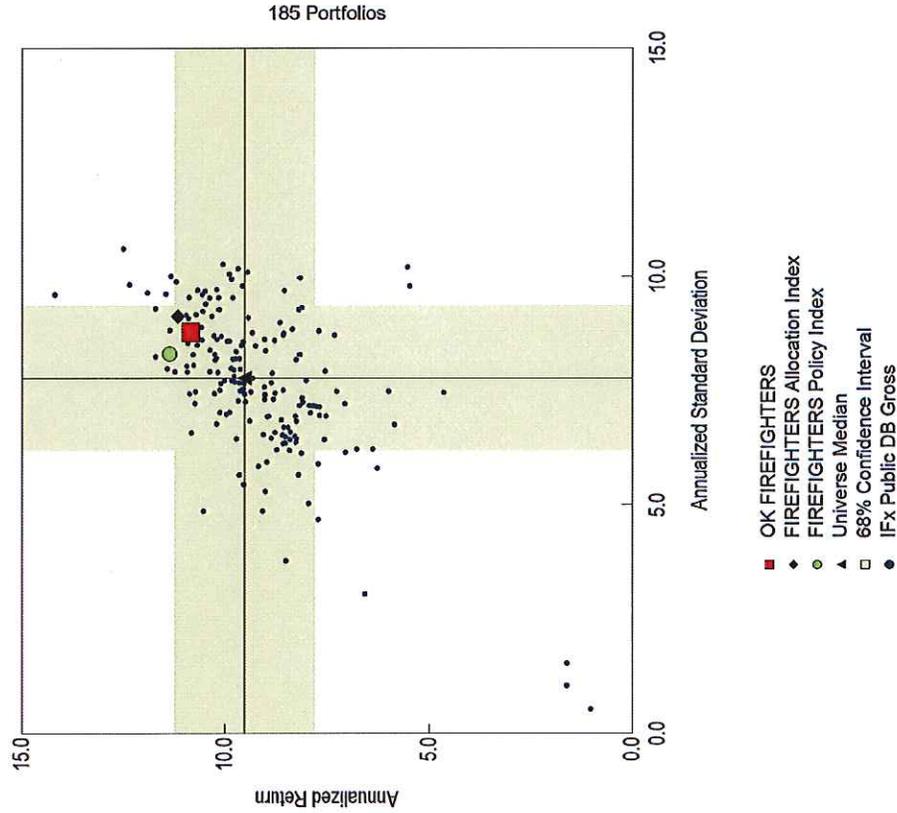


NEPC, LLC

OKLAHOMA FIREFIGHTERS

Total Plan Risk/Return - 3 Years

3 Years Ending December 31, 2013



3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK FIREFIGHTERS	10.85%	13	8.78%	76
FIREFIGHTERS Allocation Index	11.16%	7	9.12%	82
FIREFIGHTERS Policy Index	11.37%	5	8.31%	63

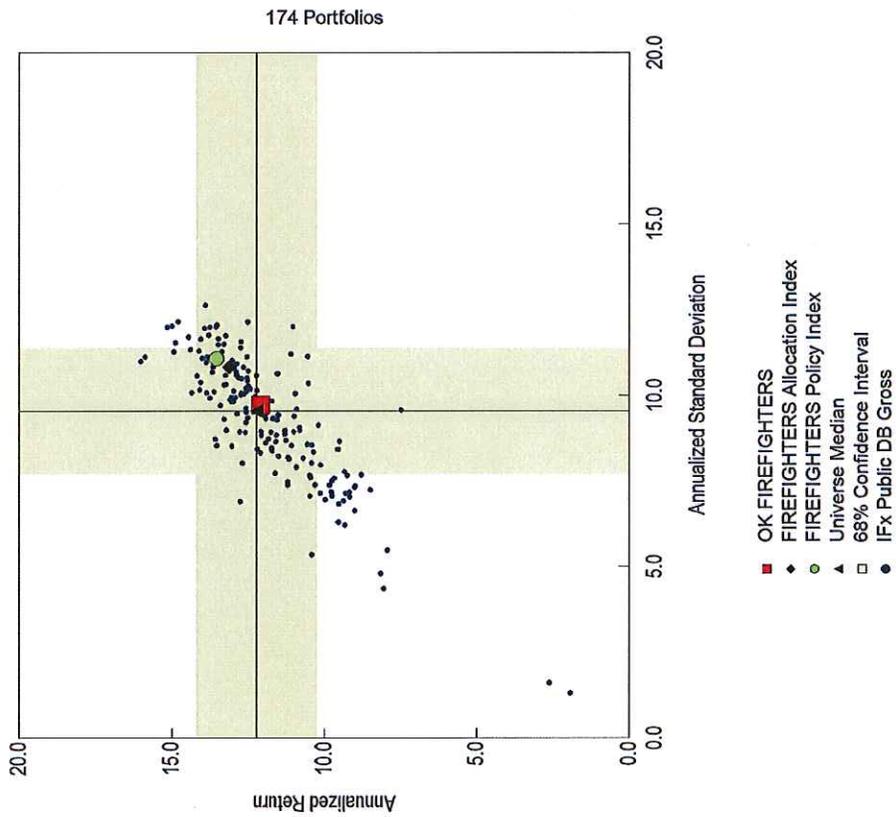
3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK FIREFIGHTERS	1.23	45	1.65	40
FIREFIGHTERS Allocation Index	1.22	49	1.73	28
FIREFIGHTERS Policy Index	1.36	18	1.98	13

OKLAHOMA FIREFIGHTERS

Total Plan Risk/Return - 5 Years

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK FIREFIGHTERS	12.09%	53	9.71%	54
FIREFIGHTERS Allocation Index	13.11%	25	10.82%	78
FIREFIGHTERS Policy Index	13.53%	18	11.07%	83

5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK FIREFIGHTERS	1.24	61	1.88	66
FIREFIGHTERS Allocation Index	1.20	73	1.94	49
FIREFIGHTERS Policy Index	1.21	68	1.82	74

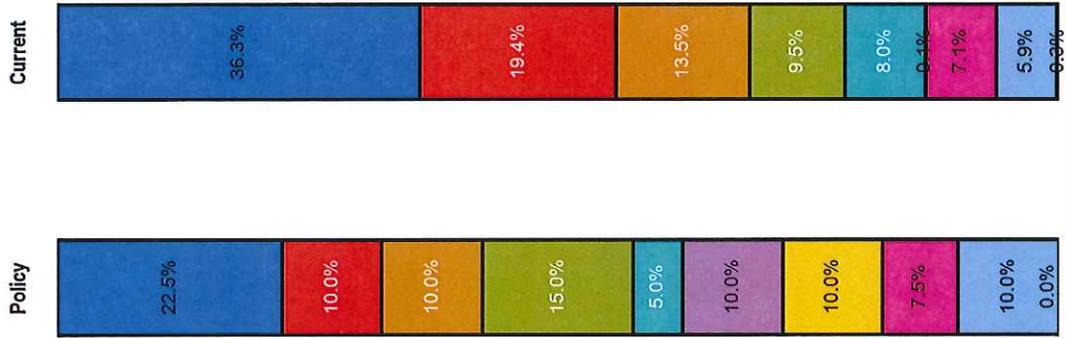
OKLAHOMA FIREFIGHTERS

Total Plan Asset Allocation vs. Policy Targets

Asset Allocation vs. Target

	Policy	Current	Policy	Current Difference*	Policy Range	Within Range
Large Cap Equity	22.5%	\$722,661,884	22.5%	36.3%	17.0% - 28.0%	No
Small Cap Equity	10.0%	\$386,723,049	10.0%	19.4%	5.0% - 15.0%	No
Non-US Equity	10.0%	\$267,669,162	10.0%	13.5%	5.0% - 15.0%	Yes
Domestic Fixed Income	15.0%	\$189,473,326	15.0%	9.5%	8.0% - 27.5%	Yes
Global Bonds	5.0%	\$158,575,079	5.0%	8.0%	0.0% - 10.0%	Yes
Private Equity	10.0%	—	10.0%	—	0.0% - 15.0%	Yes
Long/Short Equity	10.0%	\$1,102,895	10.0%	0.1%	6.0% - 14.0%	No
Low Volatility Equity	7.5%	\$140,578,231	7.5%	7.1%	2.0% - 10.0%	Yes
Real Estate	10.0%	\$117,945,921	10.0%	5.9%	0.0% - 18.0%	Yes
Cash	0.0%	\$5,312,900	0.0%	0.3%	0.0% - 5.0%	Yes
<b>Total</b>	<b>100.0%</b>	<b>\$1,990,042,446</b>	<b>100.0%</b>	<b>100.0%</b>		

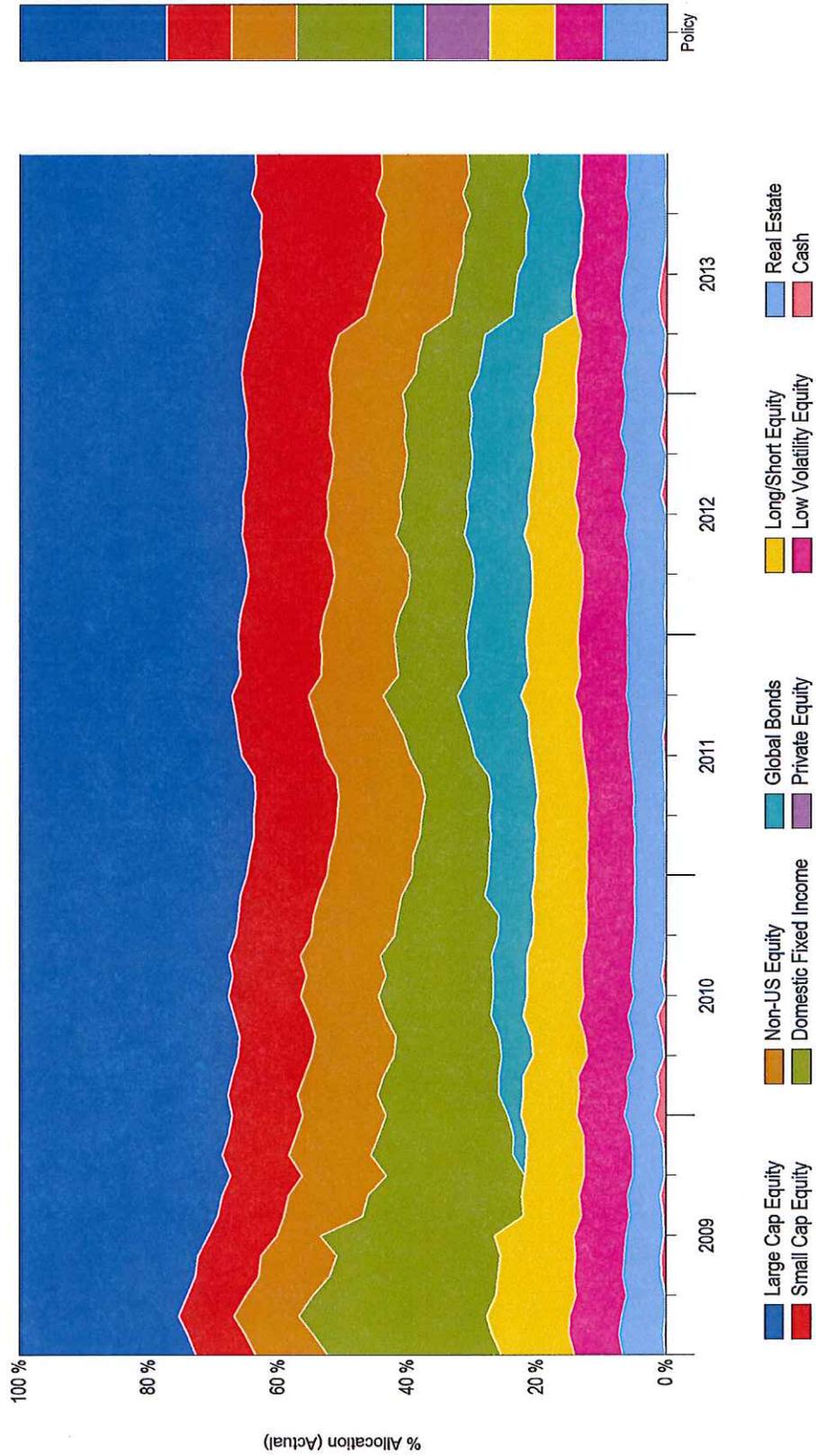
\*Difference between Policy and Current Allocation



OKLAHOMA FIREFIGHTERS

Total Plan Asset Allocation History

Asset Allocation History



OKLAHOMA FIREFIGHTERS

Total Plan Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK FIREFIGHTERS</b>	<b>1,990,042,446</b>	<b>100.0</b>	<b>6.4</b>	<b>7</b>	<b>21.3</b>	<b>3</b>	<b>21.3</b>	<b>3</b>	<b>10.9</b>	<b>13</b>	<b>12.1</b>	<b>53</b>	<b>7.1</b>	<b>34</b>
<i>FIREFIGHTERS Allocation Index</i>			<u>6.3</u>	11	<u>21.5</u>	3	<u>21.5</u>	3	<u>11.2</u>	7	<u>13.1</u>	25	<u>6.9</u>	49
<i>Over/Under</i>			0.1		<b>-0.2</b>		<b>-0.2</b>		<b>-0.3</b>		<b>-1.0</b>		0.2	
<i>FIREFIGHTERS Policy Index</i>			6.2	15	19.8	12	19.8	12	11.4	5	13.5	18	7.1	37
<i>IFx Public DB Gross Median</i>			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Domestic Equity Composite</b>	<b>1,110,487,828</b>	<b>55.8</b>	<b>10.1</b>	<b>45</b>	<b>35.5</b>	<b>51</b>	<b>35.5</b>	<b>51</b>	<b>15.8</b>	<b>61</b>	<b>17.4</b>	<b>82</b>	<b>8.5</b>	<b>72</b>
<i>S&amp;P 500</i>			<u>10.5</u>	35	<u>32.4</u>	74	<u>32.4</u>	74	<u>16.2</u>	55	<u>17.9</u>	76	<u>7.4</u>	90
<i>Over/Under</i>			<b>-0.4</b>		3.1		3.1		<b>-0.4</b>		<b>-0.5</b>		1.1	
<i>eA All US Equity Gross Median</i>			9.8		35.6		35.6		16.4		20.1		9.6	
<b>Large Cap Equity Composite</b>	<b>722,661,884</b>	<b>36.3</b>												
<i>Aronson</i>	87,728,943	4.4	10.9	26	38.5	16	38.5	16	18.6	11	17.6	50	9.1	35
<i>Russell 1000 Value</i>			<u>10.0</u>	48	<u>32.5</u>	60	<u>32.5</u>	60	<u>16.1</u>	49	<u>16.7</u>	68	<u>7.6</u>	78
<i>Over/Under</i>			0.9		6.0		6.0		2.5		0.9		1.5	
<i>Herndon Capital</i>	78,579,724	3.9	12.2	9	30.6	78	30.6	78	-	-	-	-	-	-
<i>Russell 1000 Value</i>			<u>10.0</u>	48	<u>32.5</u>	60	<u>32.5</u>	60	<u>16.1</u>	49	<u>16.7</u>	68	<u>7.6</u>	78
<i>Over/Under</i>			2.2		<b>-1.9</b>		<b>-1.9</b>		-		-		-	
<i>eA US Large Cap Value Equity Gross Median</i>			9.9		33.6		33.6		16.0		17.5		8.6	
<i>SSGA Equity Index</i>	120,960,301	6.1	10.6	40	32.5	57	32.5	57	16.2	49	18.0	48	7.5	86
<i>S&amp;P 500</i>			<u>10.5</u>	41	<u>32.4</u>	58	<u>32.4</u>	58	<u>16.2</u>	50	<u>17.9</u>	50	<u>7.4</u>	87
<i>Over/Under</i>			0.1		0.1		0.1		0.0		0.1		0.1	
<i>SSGA EQ Wtd S&amp;P</i>	121,891,913	6.1	9.9	64	36.1	22	36.1	22	16.9	38	23.6	2	9.8	14
<i>S&amp;P 500</i>			<u>10.5</u>	41	<u>32.4</u>	58	<u>32.4</u>	58	<u>16.2</u>	50	<u>17.9</u>	50	<u>7.4</u>	87
<i>Over/Under</i>			<b>-0.6</b>		3.7		3.7		0.7		5.7		2.4	
<i>Intech</i>	150,402,531	7.6	11.3	22	32.8	52	32.8	52	16.8	40	18.3	41	8.6	48
<i>S&amp;P 500</i>			<u>10.5</u>	41	<u>32.4</u>	58	<u>32.4</u>	58	<u>16.2</u>	50	<u>17.9</u>	50	<u>7.4</u>	87
<i>Over/Under</i>			0.8		0.4		0.4		0.6		0.4		1.2	
<i>eA US Large Cap Core Equity Gross Median</i>			10.3		32.9		32.9		16.2		17.9		8.5	
<i>Fred Alger Management</i>	163,098,472	8.2	11.8	31	35.9	37	35.9	37	17.4	29	-	-	-	-
<i>Russell 1000 Growth</i>			<u>10.4</u>	60	<u>33.5</u>	56	<u>33.5</u>	56	<u>16.5</u>	42	<u>20.4</u>	37	<u>7.8</u>	71
<i>Over/Under</i>			1.4		2.4		2.4		0.9		19.7		8.5	
<i>eA US Large Cap Growth Equity Gross Median</i>			11.0		34.3		34.3		15.7		19.7		8.5	

OKLAHOMA FIREFIGHTERS

Total Plan Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Small Cap Equity Composite</b>	<b>386,723,049</b>	<b>19.4</b>												
Earnest Partner	75,771,128	3.8	9.7	52	31.9	90	31.9	90	14.8	76	20.4	67	-	-
Russell 2000 Value Over/Under			<u>9.3</u> 0.4	61	<u>34.5</u> <b>-2.6</b>	78	<u>34.5</u> <b>-2.6</b>	78	<u>14.5</u> 0.3	78	<u>17.6</u> 2.8	95	<u>8.6</u>	95
River Road	67,111,695	3.4	6.0	96	32.2	89	32.2	89	14.6	77	17.3	96	-	-
Russell 2000 Value Over/Under			<u>9.3</u> <b>-3.3</b>	61	<u>34.5</u> <b>-2.3</b>	78	<u>34.5</u> <b>-2.3</b>	78	<u>14.5</u> 0.1	78	<u>17.6</u> <b>-0.3</b>	95	<u>8.6</u>	95
eA US Small Cap Value Equity Gross Median			9.8	38.1	38.1		38.1		16.8		21.6		11.0	
Lord Abbet	89,978,184	4.5	6.0	89	58.3	5	58.3	5	-	-	-	-	-	-
Russell 2000 Growth Over/Under			<u>8.2</u> <b>-2.2</b>	60	<u>43.3</u> 15.0	70	<u>43.3</u> 15.0	70	<u>16.8</u>	73	<u>22.6</u>	76	<u>9.4</u>	79
Delaware Small Growth	89,948,843	4.5	10.8	20	40.8	84	40.8	84	-	-	-	-	-	-
Russell 2500 Growth Over/Under			<u>8.5</u> 2.3	54	<u>40.6</u> 0.2	84	<u>40.6</u> 0.2	84	<u>17.1</u>	69	<u>24.0</u>	58	<u>10.1</u>	67
eA US Small Cap Growth Equity Gross Median			8.8		45.6		45.6		18.8		24.4		10.8	
SSgA Russell Small Cap	63,912,053	3.2	8.5	69	-	-	-	-	-	-	-	-	-	-
Russell 2000 Over/Under			<u>8.7</u> <b>-0.2</b>	66	<u>38.8</u>	65	<u>38.8</u>	65	<u>15.7</u>	75	<u>20.1</u>	80	<u>9.1</u>	87
eA US Small Cap Equity Gross Median			9.5		41.5		41.5		17.6		22.9		10.8	
<b>Long/Short Equity Composite</b>	<b>1,102,895</b>	<b>0.1</b>												
Azul Holdco - Liquidating	1,102,895	0.1												

Azul Holdco was liquidated in June, 2010



NEPC, LLC

OKLAHOMA FIREFIGHTERS

Total Plan Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Equity Composite</b>	<b>267,669,162</b>	<b>13.5</b>	<b>3.9</b>	<b>93</b>	<b>12.8</b>	<b>96</b>	<b>12.8</b>	<b>96</b>	<b>3.3</b>	<b>97</b>	<b>9.7</b>	<b>98</b>	<b>5.7</b>	<b>99</b>
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			-0.9		-2.5		-2.5		-1.8		-3.1		-1.9	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Thornburg</b>	<b>104,589,485</b>	<b>5.3</b>	<b>4.4</b>	<b>88</b>	<b>16.6</b>	<b>80</b>	<b>16.6</b>	<b>80</b>	<b>6.1</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			-0.4		1.3		1.3		1.0		-		-	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Chautauqua</b>	<b>42,570,939</b>	<b>2.1</b>	<b>0.2</b>	<b>99</b>	<b>14.7</b>	<b>90</b>	<b>14.7</b>	<b>90</b>	<b>8.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI EAFE			5.7	59	22.8	33	22.8	33	8.2	51	12.4	86	6.9	95
Over/Under			-5.5		-8.1		-8.1		-		-		-	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>WCM</b>	<b>47,126,753</b>	<b>2.4</b>	<b>6.2</b>	<b>47</b>	<b>23.0</b>	<b>31</b>	<b>23.0</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI EAFE			5.7	59	22.8	33	22.8	33	8.2	51	12.4	86	6.9	95
Over/Under			0.5		0.2		0.2		-		-		-	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Emerging Markets Equity Composite</b>	<b>73,169,202</b>	<b>3.7</b>	<b>3.9</b>	<b>34</b>	<b>1.7</b>	<b>43</b>	<b>1.7</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			2.1		4.3		4.3		-		-		-	
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>Wasatch</b>	<b>22,787,554</b>	<b>1.1</b>	<b>3.9</b>	<b>34</b>	<b>-0.2</b>	<b>60</b>	<b>-0.2</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			2.1		2.4		2.4		-		-		-	
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>ClanVest Emerging Market Equity</b>	<b>50,381,649</b>	<b>2.5</b>	<b>3.9</b>	<b>33</b>	<b>2.5</b>	<b>38</b>	<b>2.5</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			2.1		5.1		5.1		-		-		-	
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>Fixed Income Composite</b>	<b>348,048,404</b>	<b>17.5</b>	<b>0.0</b>	<b>82</b>	<b>-2.1</b>	<b>84</b>	<b>-2.1</b>	<b>84</b>	<b>4.9</b>	<b>38</b>	<b>5.7</b>	<b>51</b>	<b>5.2</b>	<b>40</b>
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			0.1		-0.1		-0.1		1.6		1.3		0.7	
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	

OKLAHOMA FIREFIGHTERS

Total Plan Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Core Bonds Composite</b>														
SSgA NL Fixed Income	54,022,684	2.7	-0.1	85	-2.0	82	-2.0	82	3.3	87	--	--	--	--
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			0.0		0.0		0.0		0.0					
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	
<b>Intermediate Bonds Composite</b>														
SSgA Barclays Intermediate	81,355,233	4.1	-0.1	95	-1.0	82	-1.0	82	2.8	87	4.2	74	4.3	80
Barclays Int Govt/Credit			0.0	82	-0.9	71	-0.9	71	2.9	81	4.0	85	4.1	91
Over/Under			-0.1		-0.1		-0.1		-0.1		0.2		0.2	
eA US Interm Duration Fixed Inc Gross Median			0.2		-0.5		-0.5		3.3		4.9		4.6	
Garrison Middle Market Funding	22,997,889	1.2	1.6	19	--	--	--	--	--	--	--	--	--	--
Credit Suisse Leveraged Loans			1.8	14	6.2	4	6.2	4	5.7	27	13.5	8	5.1	78
Over/Under			-0.2		--		--		--		--		--	
eA US Core Plus Fixed Inc Gross Median			0.7		-0.4		-0.4		5.0		8.1		5.6	
Medley Opportunity Fund II	31,097,520	1.6	1.9	53	--	--	--	--	--	--	--	--	--	--
Credit Suisse Leveraged Loans			1.8	58	6.2	51	6.2	51	5.7	74	13.5	53	5.1	88
Over/Under			0.1		--		--		--		--		--	
eA Float-Rate Bank Loan Gross Median			1.9		6.2		6.2		6.2		13.7		5.9	
<b>Global Fixed Composite</b>														
Brandywine	158,575,079	8.0	-0.3	82	-3.2	78	-3.2	78	7.0	25	--	--	--	--
Citi WGBI			-1.1	94	-4.0	86	-4.0	86	1.2	96	2.3	99	4.2	97
Over/Under			0.8		0.8		0.8		5.8					
eA All Global Fixed Inc Gross Median			1.0		0.2		0.2		4.7		6.7		5.4	

OKLAHOMA FIREFIGHTERS

Total Plan Performance Detail

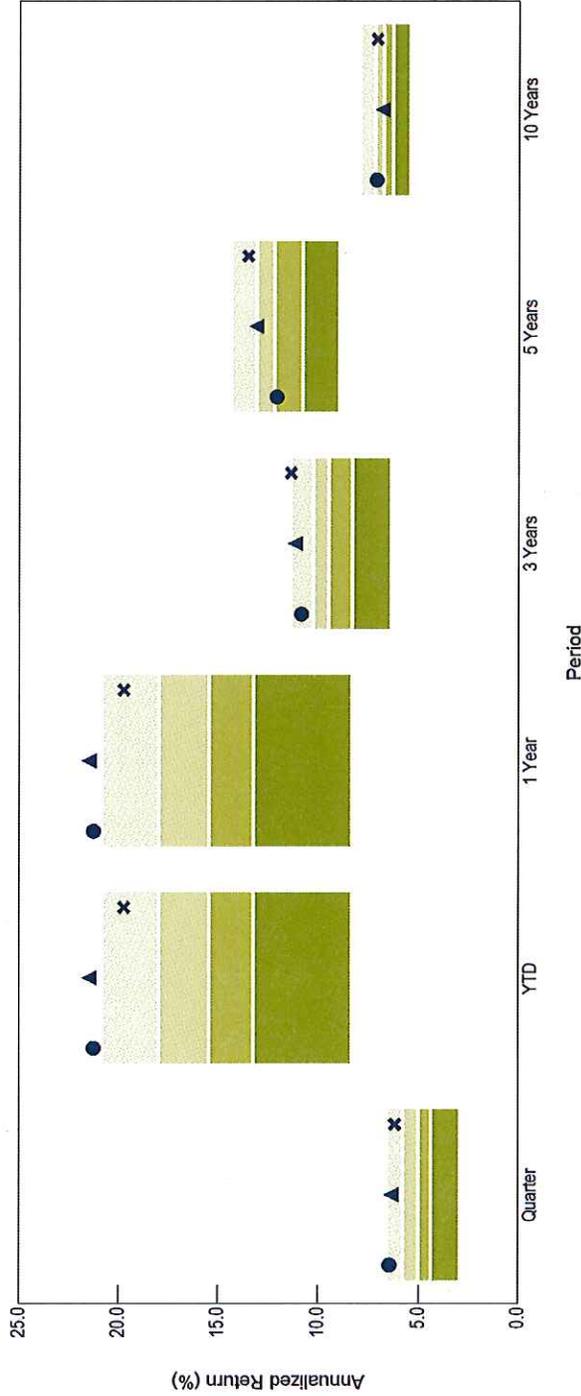
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Real Estate Composite</b>	<b>117,945,921</b>	<b>5.9</b>												
JP Morgan RE	73,556,552	3.7	3.6	--	15.9	--	15.9	--	14.6	--	4.8	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			1.1		4.9		4.9		2.7		-0.9			
TA Associates	13,273,259	0.7	-1.7	--	9.5	--	9.5	--	1.9	--	-8.1	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			-4.2		-1.5		-1.5		-10.0		-13.8			
Portfolio Advisors RE III	15,272,473	0.8	7.2	--	10.0	--	10.0	--	5.6	--	-7.9	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			4.7		-1.0		-1.0		-6.3		-13.6			
Realty Associates IX Corp	10,165,919	0.5	-0.8	--	13.6	--	13.6	--	8.3	--	--	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			-3.3		2.6		2.6		-3.6		--			
Portfolio Advisors RE IV	5,677,717	0.3	11.3	--	15.3	--	15.3	--	--	--	--	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			8.8		4.3		4.3		11.9		5.7		8.6	
<b>Hedge Fund Composite</b>	<b>140,578,231</b>	<b>7.1</b>												
Private Advisors	140,578,231	7.1	2.4	--	9.2	--	9.2	--	4.9	--	6.7	--	--	--
HFRI Fund of Funds Composite Index			<u>3.4</u>	--	<u>8.7</u>	--	<u>8.7</u>	--	<u>2.4</u>	--	<u>4.8</u>	--	<u>3.4</u>	--
Over/Under			-1.0		0.5		0.5		2.5		1.9			

Performance Numbers are shown gross of fees for fiscal year 2013.

OKLAHOMA FIREFIGHTERS

Total Plan Return Summary vs. Peer Universe

OK FIREFIGHTERS vs. I/Fx Public DB Gross

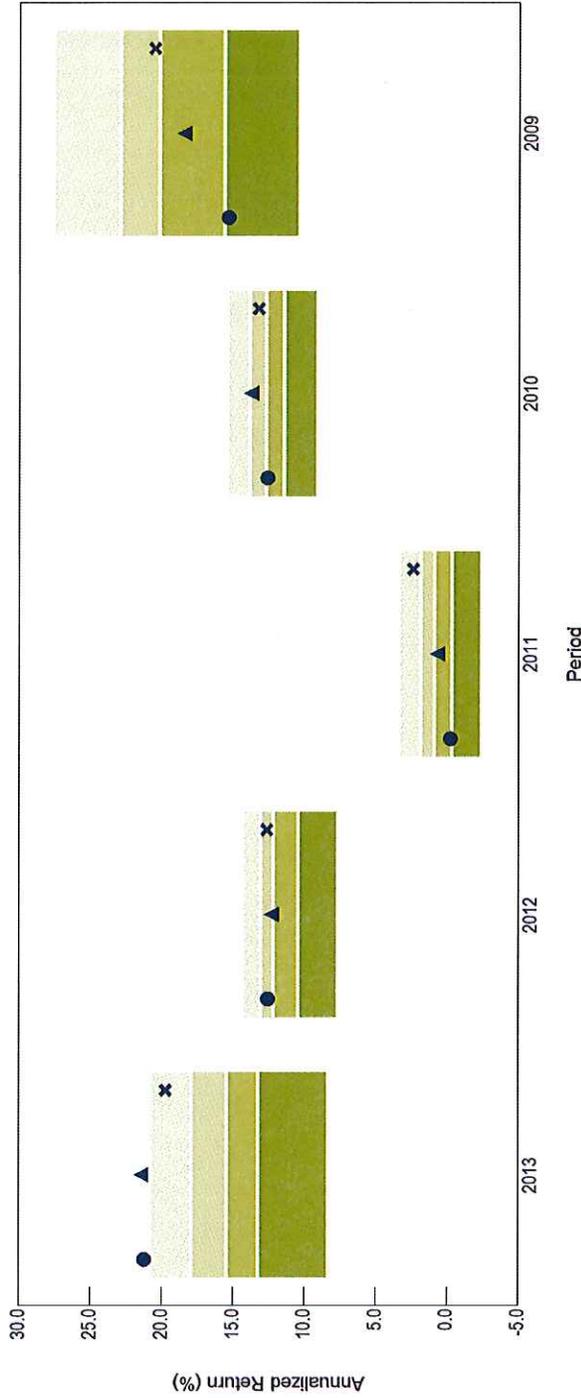


Return (Rank)	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
● OK FIREFIGHTERS	6.4 (7)	21.3 (3)	21.3 (3)	10.9 (13)	12.1 (53)	7.1 (34)
▲ FIREFIGHTERS Allocation Index	6.3 (11)	21.5 (3)	21.5 (3)	11.2 (7)	13.1 (25)	6.9 (49)
× FIREFIGHTERS Policy Index	6.2 (15)	19.8 (12)	19.8 (12)	11.4 (5)	13.5 (18)	7.1 (37)

OKLAHOMA FIREFIGHTERS

Total Plan Return Summary vs. Peer Universe

OK FIREFIGHTERS vs. I/Fx Public DB Gross

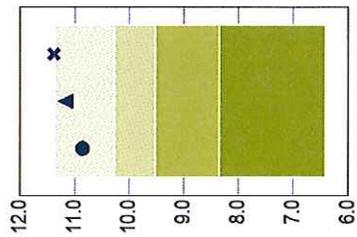


	2009	2010	2011	2012	2013
5th Percentile	27.6	15.5	3.4	14.3	20.8
25th Percentile	23.0	13.9	1.9	13.1	18.0
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	15.7	11.5	-0.3	10.5	13.3
95th Percentile	10.4	9.2	-2.4	7.7	8.4
# of Portfolios	152	154	162	192	212
OK FIREFIGHTERS	15.4	12.6	-0.2	12.6	21.3
FIREFIGHTERS Allocation Index	18.5	13.7	0.7	12.3	21.5
FIREFIGHTERS Policy Index	20.6	13.2	2.4	12.6	19.8
	(77)	(53)	(75)	(42)	(3)
	(61)	(31)	(62)	(49)	(3)
	(46)	(41)	(14)	(41)	(12)



OK FIREFIGHTERS vs. IFx Public DB Gross  
3 Years

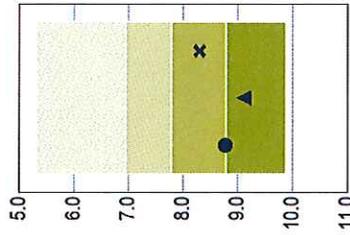
Anlzd Return



● OK FIREFIGHTERS  
Value 10.85  
%tile 13  
▲ FIREFIGHTERS Allocation Index  
Value 11.16  
%tile 7  
× FIREFIGHTERS Policy Index  
Value 11.37  
%tile 5

Universe  
5th %tile 10.28  
25th %tile 9.53  
Median 8.35  
75th %tile 8.35  
95th %tile 6.42

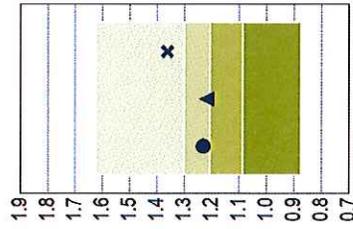
Anlzd Standard Deviation



● OK FIREFIGHTERS  
Value 8.78  
%tile 76  
▲ FIREFIGHTERS Allocation Index  
Value 9.12  
%tile 82  
× FIREFIGHTERS Policy Index  
Value 8.31  
%tile 63

Universe  
5th %tile 5.32  
25th %tile 6.94  
Median 7.78  
75th %tile 8.77  
95th %tile 9.87

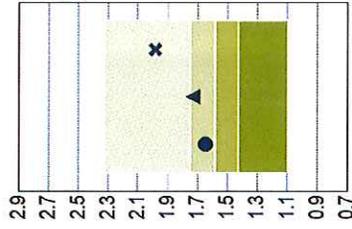
Sharpe Ratio



● OK FIREFIGHTERS  
Value 1.23  
%tile 45  
▲ FIREFIGHTERS Allocation Index  
Value 1.22  
%tile 49  
× FIREFIGHTERS Policy Index  
Value 1.36  
%tile 18

Universe  
5th %tile 1.62  
25th %tile 1.30  
Median 1.21  
75th %tile 1.09  
95th %tile 0.88

Sortino Ratio

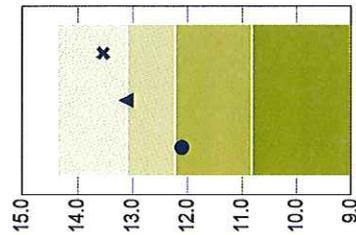


● OK FIREFIGHTERS  
Value 1.65  
%tile 40  
▲ FIREFIGHTERS Allocation Index  
Value 1.73  
%tile 28  
× FIREFIGHTERS Policy Index  
Value 1.98  
%tile 13

Universe  
5th %tile 2.32  
25th %tile 1.76  
Median 1.59  
75th %tile 1.43  
95th %tile 1.10

OK FIREFIGHTERS vs. IFx Public DB Gross  
5 Years

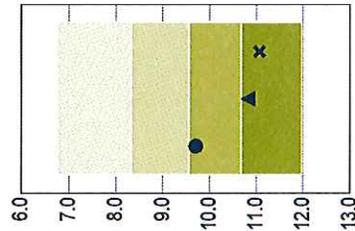
Anlzd Return



- OK FIREFIGHTERS Value 12.09 %tile 53
- ▲ FIREFIGHTERS Allocation Index Value 13.11 %tile 25
- × FIREFIGHTERS Policy Index Value 13.53 %tile 18

Universe	14.37
5th %tile	13.11
25th %tile	12.24
Median	10.84
75th %tile	10.84
95th %tile	9.02

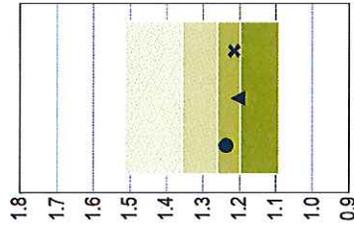
Anlzd Standard Deviation



- OK FIREFIGHTERS Value 9.71 %tile 54
- ▲ FIREFIGHTERS Allocation Index Value 10.82 %tile 78
- × FIREFIGHTERS Policy Index Value 11.07 %tile 83

Universe	6.76
5th %tile	8.32
25th %tile	9.54
Median	10.66
75th %tile	10.66
95th %tile	11.96

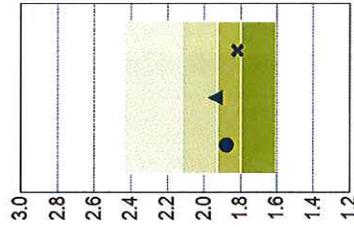
Sharpe Ratio



- OK FIREFIGHTERS Value 1.24 %tile 61
- ▲ FIREFIGHTERS Allocation Index Value 1.20 %tile 73
- × FIREFIGHTERS Policy Index Value 1.21 %tile 68

Universe	1.51
5th %tile	1.36
25th %tile	1.26
Median	1.20
75th %tile	1.20
95th %tile	1.09

Sortino Ratio



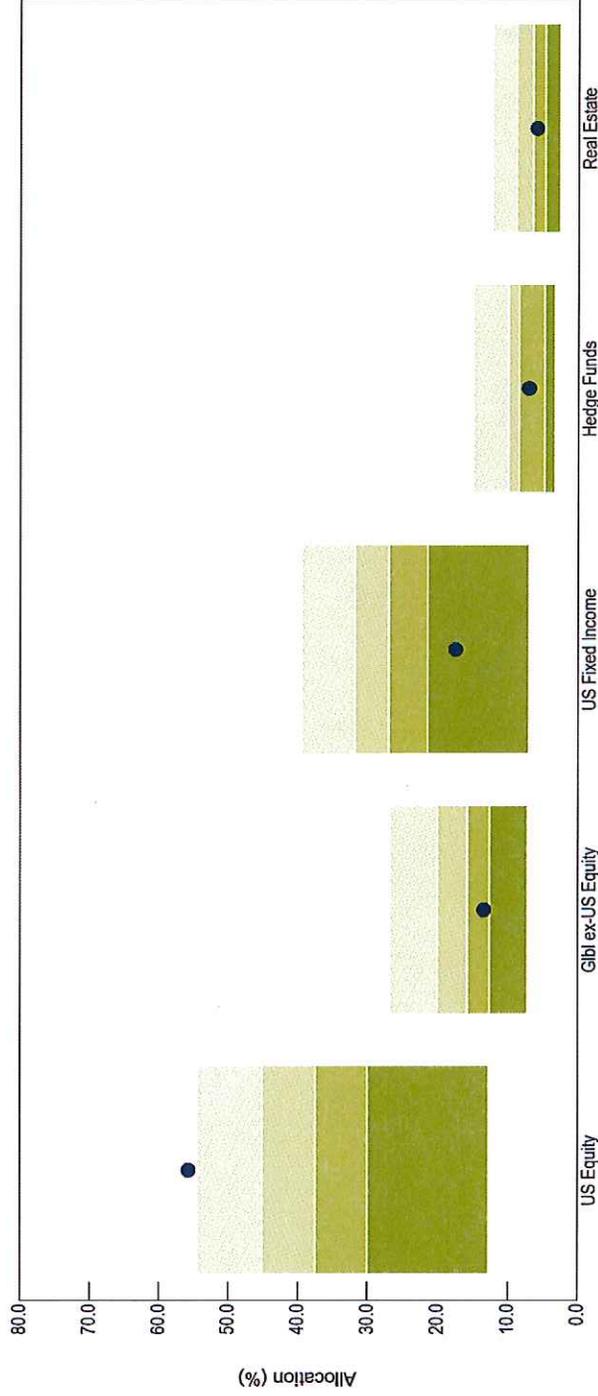
- OK FIREFIGHTERS Value 1.88 %tile 66
- ▲ FIREFIGHTERS Allocation Index Value 1.94 %tile 49
- × FIREFIGHTERS Policy Index Value 1.82 %tile 74

Universe	2.44
5th %tile	2.12
25th %tile	1.93
Median	1.80
75th %tile	1.80
95th %tile	1.61

OKLAHOMA FIREFIGHTERS

Total Plan Allocations vs. Peer Universe

Total Plan Allocation vs. IFx Public DB Gross

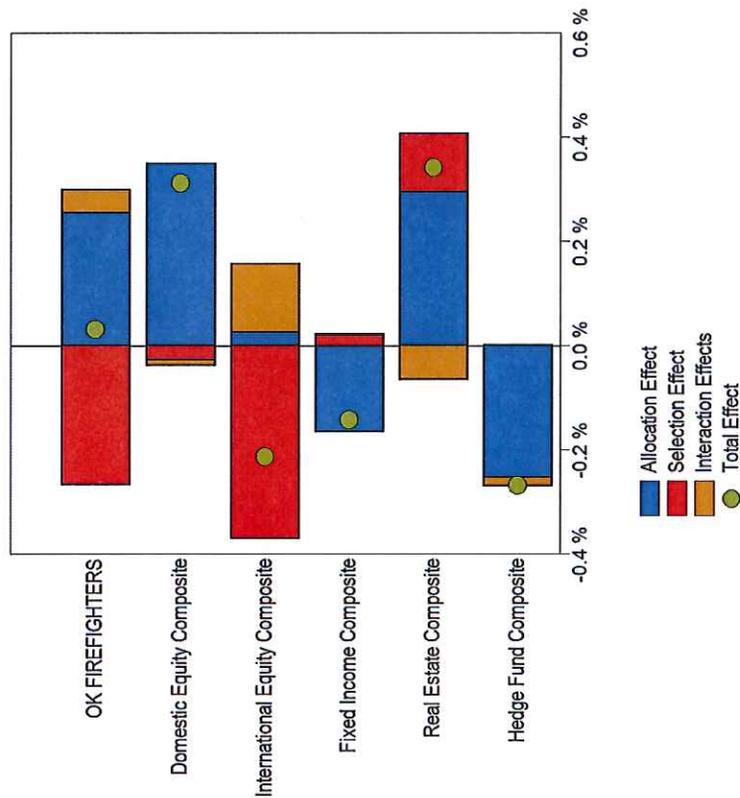


Allocation (Rank)

5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile  
# of Portfolios

5th Percentile	54.5	27.0	39.6	15.1	12.3
25th Percentile	45.2	20.2	32.1	10.2	9.0
Median	37.7	16.0	27.2	8.5	6.6
75th Percentile	30.2	12.8	21.6	5.0	4.9
95th Percentile	12.9	7.3	7.1	3.4	2.7
# of Portfolios	130	125	96	40	88
● OK FIREFIGHTERS	55.8	13.5	17.5	7.1	5.9
	(4)	(71)	(86)	(60)	(63)

Attribution Effects Relative to FIREFIGHTERS Policy Index  
3 Months Ending December 31, 2013



Attribution Summary

3 Months Ending December 31, 2013

	Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	10.1%	10.1%	-0.1%	0.0%	0.3%	0.0%	0.3%
International Equity Composite	3.9%	5.7%	-1.8%	-0.4%	0.0%	0.1%	-0.2%
Fixed Income Composite	0.0%	-0.1%	0.1%	0.0%	-0.2%	0.0%	-0.1%
Real Estate Composite	3.3%	2.5%	0.8%	0.1%	0.3%	-0.1%	0.3%
Hedge Fund Composite	2.4%	2.6%	-0.2%	0.0%	-0.3%	0.0%	-0.3%
<b>Total</b>	<b>6.5%</b>	<b>6.2%</b>	<b>0.3%</b>	<b>-0.3%</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>

\*Total returns shown are weighted averages of the returns of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.

## Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	6.5%	21.4%	21.4%
Wtd. Index Return *	6.2%	18.4%	18.4%
<b>Excess Return</b>	<b>0.3%</b>	<b>3.0%</b>	<b>3.0%</b>
Selection Effect	-0.3%	-0.2%	-0.2%
Allocation Effect	0.3%	1.2%	1.2%
Interaction Effect	0.0%	-0.1%	-0.1%
<b>Asset Class Returns</b>			
OK FIREFIGHTERS	6.4%	21.3%	21.3%
Domestic Equity Composite	10.1%	35.5%	35.5%
Large Cap Equity Composite	11.1%	34.5%	34.5%
Small Cap Equity Composite	8.2%	40.2%	40.2%
Long/Short Equity Composite	0.0%	11.2%	11.2%
International Equity Composite	3.9%	12.8%	12.8%
Emerging Markets Equity Composite	3.9%	1.7%	1.7%
Fixed Income Composite	0.0%	-2.1%	-2.1%
Domestic Fixed Income	0.3%	-1.1%	-1.1%
Core Bonds Composite	-0.1%	-2.0%	-2.0%
Intermediate Bonds Composite	-0.1%	-1.0%	-1.0%
Global Fixed Composite	-0.3%	-3.2%	-3.2%
Real Estate Composite	3.3%	13.9%	13.9%
Hedge Fund Composite	2.4%	9.2%	9.2%

\*Calculated from benchmark returns and weightings of each component.

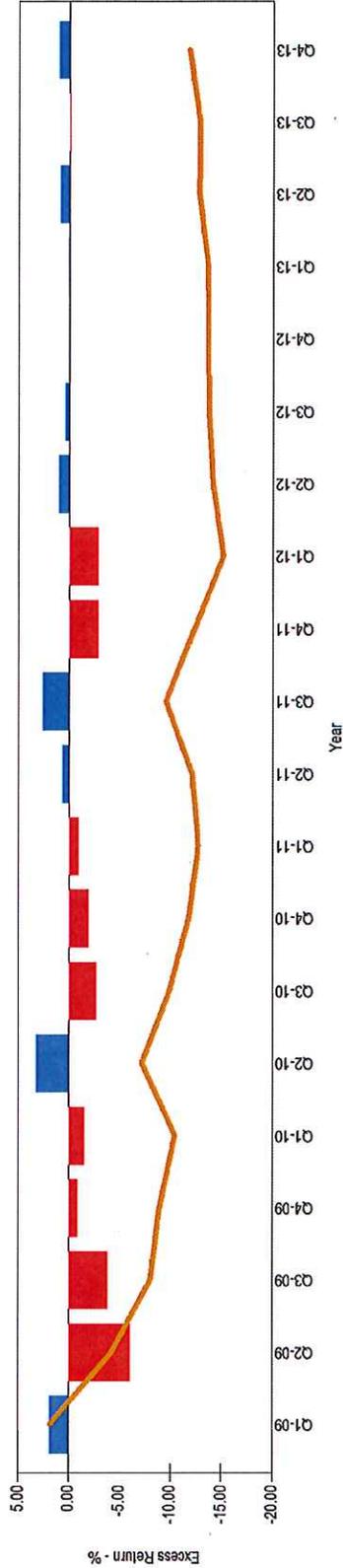


OKLAHOMA POLICE

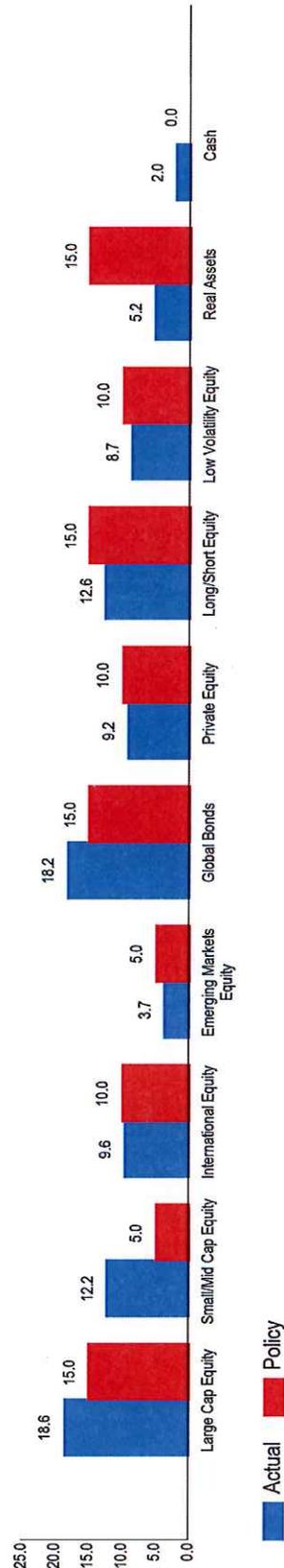
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
OK POLICE	\$2,138,869,759	44	16.1%	46	56	70	46
POLICE Allocation Index		80	14.0%	67	62	22	84
POLICE Policy Index		52	14.8%	57	23	35	66
IFx Public DB Gross Median		5.0%	15.5%	15.5%	9.5%	12.2%	6.8%

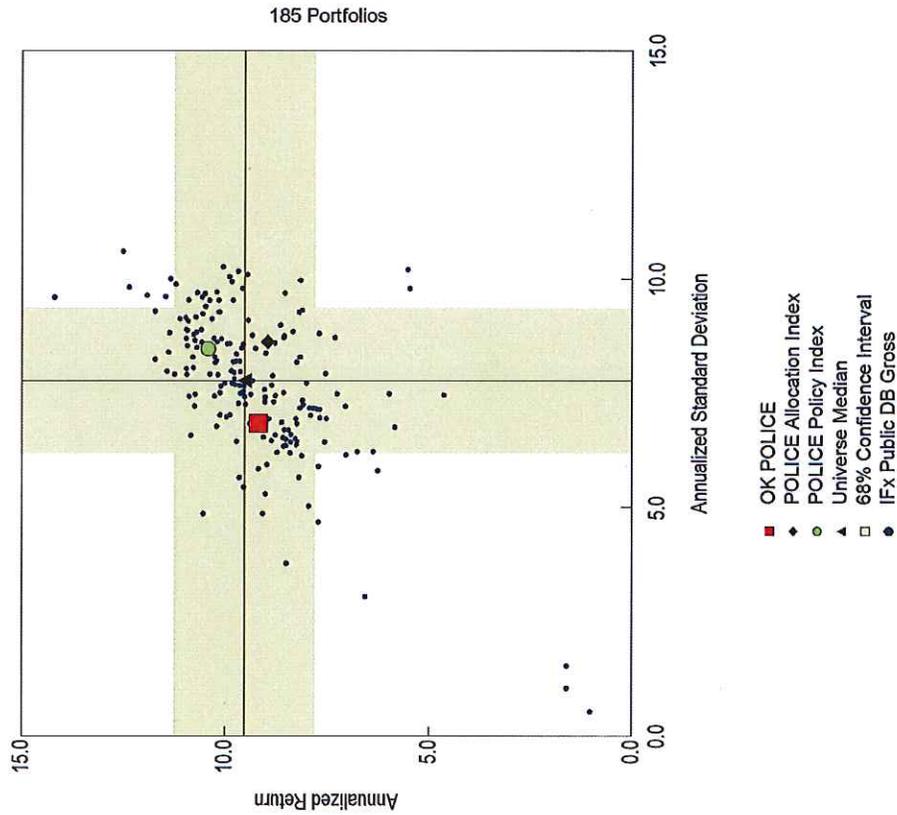
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



3 Years Ending December 31, 2013



3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK POLICE	9.19%	56	6.85%	24
POLICE Allocation Index	8.96%	62	8.63%	71
POLICE Policy Index	10.42%	23	8.48%	66

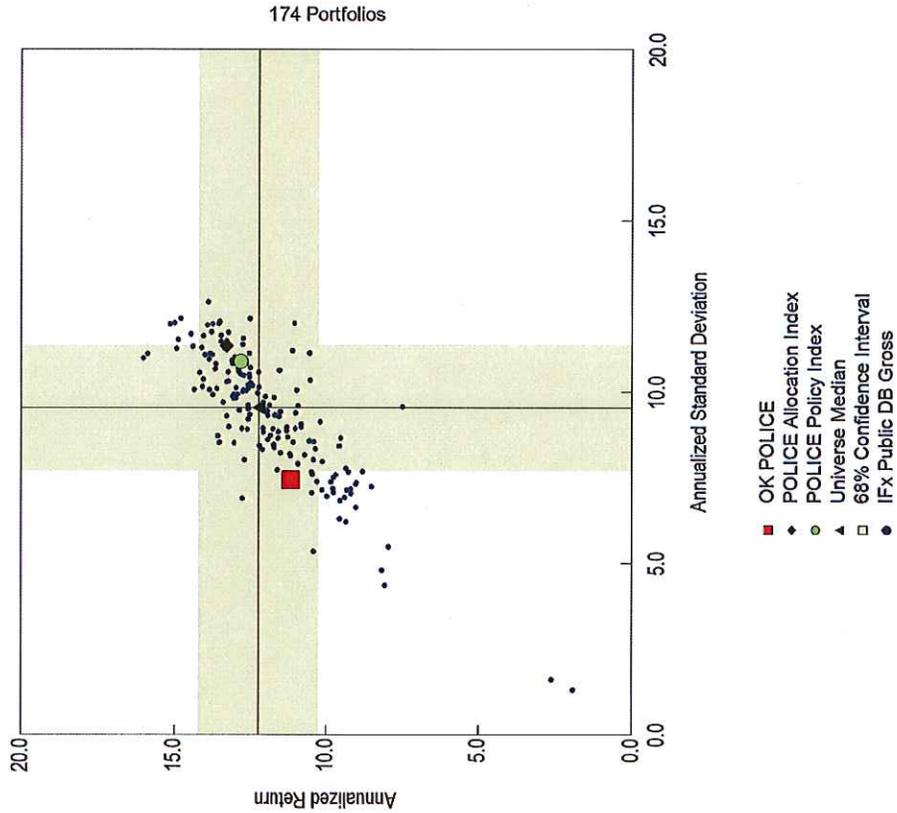
3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK POLICE	1.33	21	1.70	31
POLICE Allocation Index	1.03	84	1.44	73
POLICE Policy Index	1.22	48	1.78	23

OKLAHOMA POLICE

Total Fund Risk/Return - 5 Years

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
OK POLICE	11.18%	70	7.43%	15
POLICE Allocation Index	13.29%	22	11.35%	89
POLICE Policy Index	12.81%	35	10.89%	80

5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK POLICE	1.49	8	2.35	7
POLICE Allocation Index	1.16	85	1.91	59
POLICE Policy Index	1.17	83	1.77	80

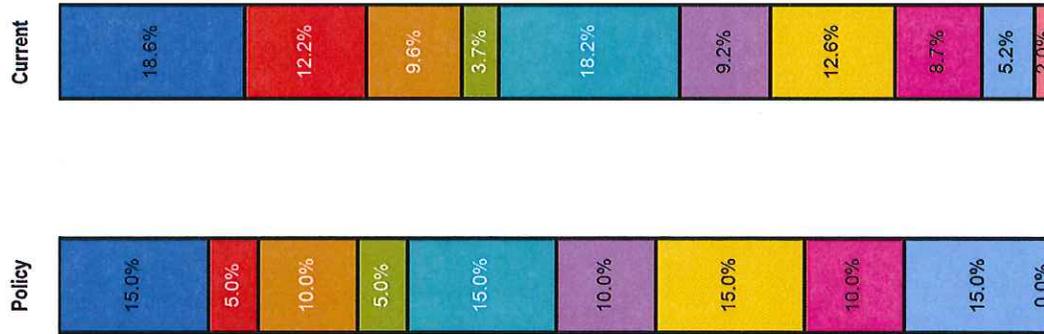
OKLAHOMA POLICE

Total Fund Asset Allocation vs. Policy Targets

Asset Allocation vs. Target

	Policy	Current	Policy	Current Difference*	Policy Range	Within Range
Large Cap Equity	15.0%	\$398,145,343	15.0%	3.6%	10.0% - 20.0%	Yes
Small/Mid Cap Equity	5.0%	\$261,981,279	5.0%	7.2%	0.0% - 10.0%	No
International Equity	10.0%	\$205,678,490	10.0%	-0.4%	5.0% - 15.0%	Yes
Emerging Markets Equity	5.0%	\$78,414,768	5.0%	-1.3%	0.0% - 10.0%	Yes
Global Bonds	15.0%	\$389,504,639	15.0%	3.2%	10.0% - 20.0%	Yes
Private Equity	10.0%	\$195,823,142	10.0%	-0.8%	5.0% - 15.0%	Yes
Long/Short Equity	15.0%	\$268,444,047	15.0%	-2.4%	10.0% - 20.0%	Yes
Low Volatility Equity	10.0%	\$185,686,336	10.0%	-1.3%	5.0% - 15.0%	Yes
Real Assets	15.0%	\$111,436,604	15.0%	-9.8%	10.0% - 20.0%	No
Cash	0.0%	\$43,755,111	0.0%	2.0%	0.0% - 5.0%	Yes
<b>Total</b>	<b>100.0%</b>	<b>\$2,138,869,759</b>	<b>100.0%</b>	<b>100.0%</b>		

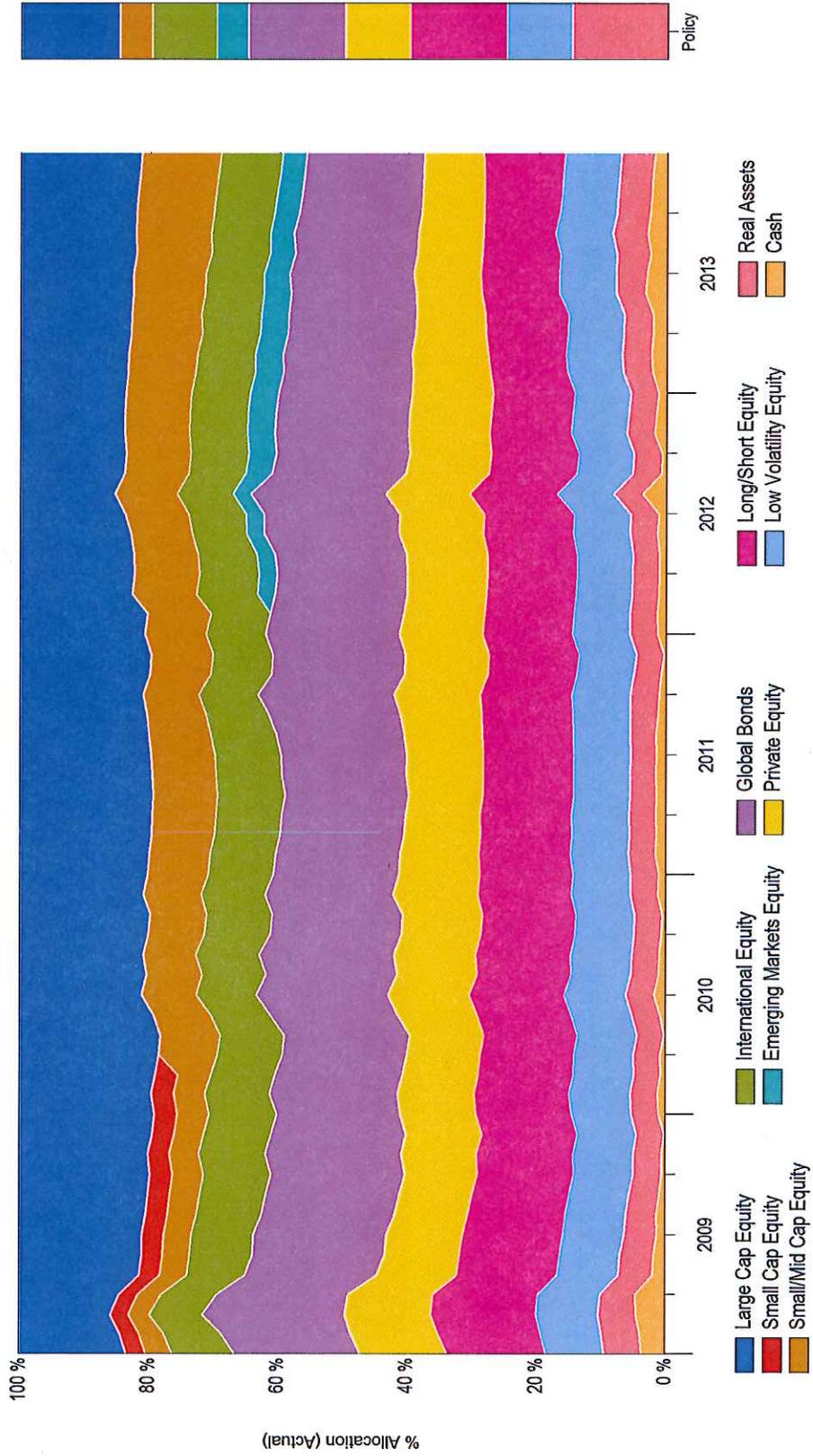
\*Difference between Policy and Current Allocation



OKLAHOMA POLICE

Total Fund Asset Allocation History

Asset Allocation History



OKLAHOMA POLICE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK POLICE</b>	<b>2,138,869,759</b>	<b>100.0</b>	<b>5.2</b>	<b>44</b>	<b>16.1</b>	<b>46</b>	<b>16.1</b>	<b>46</b>	<b>9.2</b>	<b>56</b>	<b>11.2</b>	<b>70</b>	<b>6.9</b>	<b>46</b>
POLICE Allocation Index			4.2	80	14.0	67	14.0	67	9.0	62	13.3	22	6.1	84
Over/Under			1.0		2.1		2.1		0.2		-2.1		0.8	
POLICE Policy Index			5.0	52	14.8	57	14.8	57	10.4	23	12.8	35	6.5	66
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Equity Composite</b>														
<b>Domestic Equity Composite</b>	<b>660,126,622</b>	<b>30.9</b>	<b>9.3</b>	<b>62</b>	<b>35.2</b>	<b>53</b>	<b>35.2</b>	<b>53</b>	<b>17.1</b>	<b>40</b>	<b>20.0</b>	<b>51</b>	<b>8.2</b>	<b>76</b>
S&P 500			10.5	35	32.4	74	32.4	74	16.2	55	17.9	76	7.4	90
Over/Under			-1.2		2.8		2.8		0.9		2.1		0.8	
eA All US Equity Gross Median			9.8		35.6		35.6		16.4		20.1		9.6	
Mellon Index Fund	398,145,343	18.6	10.2	52	33.1	49	33.1	49	16.3	48	18.6	33	7.9	69
Russell 1000			10.2	52	33.1	49	33.1	49	16.3	48	18.6	34	7.8	72
Over/Under			0.0		0.0		0.0		0.0		0.0		0.1	
eA US Large Cap Core Equity Gross Median			10.3		32.9		32.9		16.2		17.9		8.5	
Boston Partners	150,919,067	7.1	8.0	76	35.2	54	35.2	54	18.2	17	23.0	25	11.4	47
Russell 2500 Value			8.8	54	33.3	73	33.3	73	15.4	59	19.6	81	9.3	87
Over/Under			-0.8		1.9		1.9		2.8		3.4		2.1	
eA US Small-Mid Cap Value Equity Gross Median			9.0		35.5		35.5		15.7		21.9		11.2	
William Blair Small/Mid Cap Growth	111,062,212	5.2	7.8	64	43.4	35	43.4	35	18.1	37	-	-	-	-
Russell 2500 Growth			8.5	42	40.6	48	40.6	48	17.1	52	24.0	49	10.1	68
Over/Under			-0.7		2.8		2.8		1.0		23.9		11.2	
eA US Small-Mid Cap Growth Equity Gross Median			8.3		40.3		40.3		17.4		23.9		11.2	

OKLAHOMA POLICE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Equity Composite</b>	<b>284,093,258</b>	<b>13.3</b>	<b>4.9</b>	<b>80</b>	<b>12.6</b>	<b>96</b>	<b>12.6</b>	<b>96</b>	<b>3.9</b>	<b>96</b>	<b>8.1</b>	<b>99</b>	--	--
Mondrian Int'l Value	118,109,119	5.5	6.7	14	23.8	20	23.8	20	9.3	32	11.0	88	--	--
MSCI ACWI ex USA			4.8	87	15.3	83	15.3	83	5.1	80	12.8	58	7.6	72
Over/Under			1.9		8.5		8.5		4.2		-1.8			
eA ACWI ex-US Value Equity Gross Median			5.9		19.3		19.3		7.9		13.3		8.7	
<b>Bairing Focused Intl Equity</b>	<b>87,568,902</b>	<b>4.1</b>	<b>6.0</b>	<b>54</b>	<b>15.8</b>	<b>86</b>	<b>15.8</b>	<b>86</b>	--	--	--	--	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			1.2		0.5		0.5							
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>Vontobel Emerging Markets</b>	<b>50,935,335</b>	<b>2.4</b>	<b>0.4</b>	<b>90</b>	<b>-4.4</b>	<b>91</b>	<b>-4.4</b>	<b>91</b>	--	--	--	--	--	--
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			-1.4		-1.8		-1.8							
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>Wasatch EM Small Cap</b>	<b>27,479,433</b>	<b>1.3</b>	<b>2.9</b>	<b>55</b>	<b>-1.4</b>	<b>99</b>	<b>-1.4</b>	<b>99</b>	--	--	--	--	--	--
MSCI Emerging Markets Small Cap			1.3	96	1.0	93	1.0	93	-3.5	99	19.6	90	12.0	--
Over/Under			1.6		-2.4		-2.4							
eA Emg Mkts Small Cap Equity Gross Median			3.1		8.1		8.1		3.6		24.2		--	
<b>Fixed Income Composite</b>	<b>389,504,639</b>	<b>18.2</b>	<b>1.2</b>	<b>47</b>	<b>1.4</b>	<b>40</b>	<b>1.4</b>	<b>40</b>	<b>5.1</b>	<b>47</b>	<b>9.4</b>	<b>36</b>	<b>5.6</b>	<b>44</b>
Oaktree	132,688,178	6.2	3.5	7	8.6	6	8.6	6	8.2	13	15.7	10	6.6	19
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			3.6		10.6		10.6		4.9		11.3		2.1	
Agincourt	165,535,045	7.7	0.2	69	-1.4	74	-1.4	74	4.0	50	6.5	42	5.0	46
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			0.3		0.6		0.6		0.7		2.1		0.5	
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	
<b>Loomis Sayles</b>	<b>91,281,416</b>	<b>4.3</b>	<b>-0.3</b>	<b>82</b>	<b>-3.1</b>	<b>78</b>	<b>-3.1</b>	<b>78</b>	<b>3.0</b>	<b>78</b>	<b>6.8</b>	<b>50</b>	--	--
Citi WGBI			-1.1	94	-4.0	86	-4.0	86	1.2	96	2.3	99	4.2	97
Over/Under			0.8		0.9		0.9		1.8		4.5		6.7	
eA All Global Fixed Inc Gross Median			1.0		0.2		0.2		4.7		6.7		5.4	

OKLAHOMA POLICE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Total Long/Short</b>	<b>268,444,047</b>	<b>12.6</b>												
Attalus	1,205,347	0.1	0.0	90	10.0	72	10.0	72	4.3	68	4.7	85	--	--
HFR/ FOF: Strategic Index			3.8	63	10.4	71	10.4	71	2.7	79	5.4	82	3.9	88
Over/Under			-3.8		-0.4		-0.4		1.6		-0.7			
Grosvenor	267,238,700	12.5	5.3	46	17.9	46	17.9	46	7.3	47	8.5	60	5.3	72
HFR/ FOF: Strategic Index			3.8	63	10.4	71	10.4	71	2.7	79	5.4	82	3.9	88
Over/Under			1.5		7.5		7.5		4.6		3.1		1.4	
eA HFN Long/Short Equity Net Median			5.0		16.7		16.7		6.6		10.4		7.4	
<b>Total Real Assets</b>	<b>111,436,604</b>	<b>5.2</b>												
<b>Total Core Real Estate</b>	<b>59,940,451</b>	<b>2.8</b>												
Columbus Square	3,927,864	0.2	3.7	--	17.0	--	17.0	--	19.6	--	15.9	--	15.6	--
NCREIF ODCE			3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	7.2	--
Over/Under			0.5		3.0		3.0		6.0		12.2		8.4	
JP Morgan	56,012,587	2.6	3.6	--	15.9	--	15.9	--	14.6	--	4.8	--	--	--
NCREIF ODCE			3.2	--	14.0	--	14.0	--	13.6	--	3.7	--	7.2	--
Over/Under			0.4		1.9		1.9		1.0		1.1		--	
<b>Private Real Estate</b>	<b>24,754,482</b>	<b>1.2</b>												
Siguler Guff Distressed RE	8,158,603	0.4	3.4	--	12.6	--	12.6	--	--	--	--	--	--	--
TA Associates Realty X	9,851,216	0.5	1.2	--	--	--	--	--	--	--	--	--	--	--
Cerberus Real Estate Fund II	6,744,663	0.3	1.1	--	--	--	--	--	--	--	--	--	--	--
Mt Lucas Peak	26,741,671	1.3	8.3	--	25.8	--	25.8	--	-5.6	--	-1.7	--	--	--
<b>Total Low Volatility Strategies</b>	<b>185,686,336</b>	<b>8.7</b>												
PAAMCO	185,686,336	8.7	4.6	36	15.1	27	15.1	27	6.0	27	8.6	21	5.5	43
HFR/ FOF: Conservative Index			2.6	76	7.7	61	7.7	61	2.7	58	4.5	60	2.7	99
Over/Under			2.0		7.4		7.4		3.3		4.1		2.8	
eA HFN FOF - Single Strategy Net Median			3.9		9.5		9.5		3.3		6.8		5.4	

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

\*The Private Real Estate returns are time weighted.

\*Artio has market value of \$469 as of December 31, 2013.

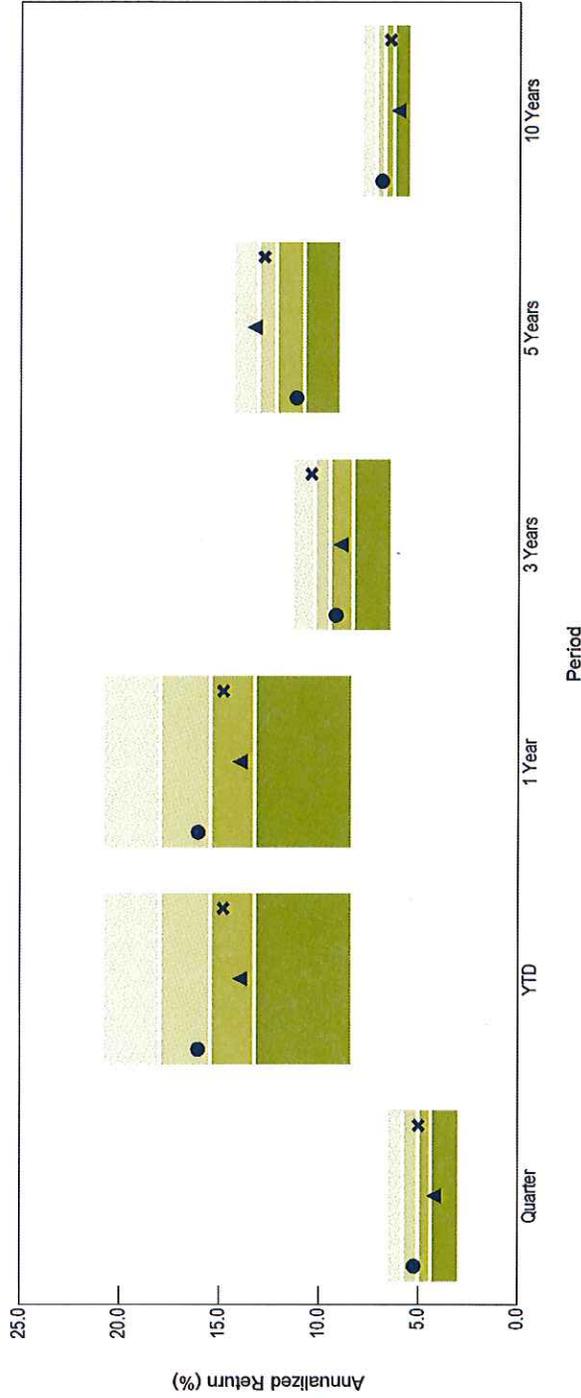


NEPC, LLC

OKLAHOMA POLICE

Total Fund Return Summary vs. Peer Universe

OK POLICE vs. IFx Public DB Gross

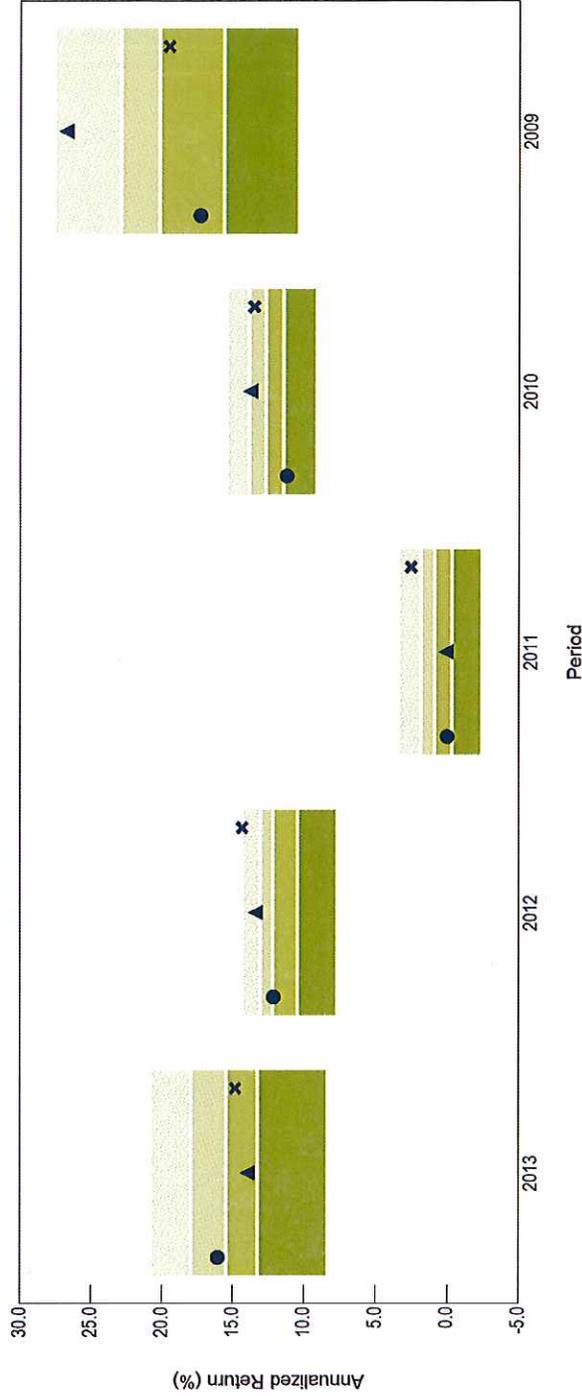


Return (Rank)	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
OK POLICE	5.2 (44)	16.1 (46)	16.1 (46)	9.2 (56)	11.2 (70)	6.9 (46)
POLICE Allocation Index	4.2 (80)	14.0 (67)	14.0 (67)	9.0 (62)	13.3 (22)	6.1 (84)
POLICE Policy Index	5.0 (52)	14.8 (57)	14.8 (57)	10.4 (23)	12.8 (35)	6.5 (66)

OKLAHOMA POLICE

Total Fund Return Summary vs. Peer Universe

OK POLICE vs. IFx Public DB Gross



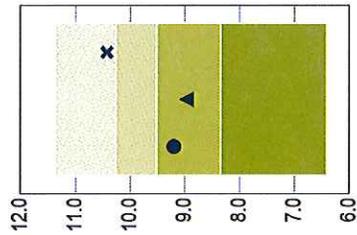
	2009	2010	2011	2012	2013
5th Percentile	27.6	15.5	3.4	14.3	20.8
25th Percentile	23.0	13.9	1.9	13.1	18.0
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	15.7	11.5	-0.3	10.5	13.3
95th Percentile	10.4	9.2	-2.4	7.7	8.4
# of Portfolios	152	154	162	192	212
● OK POLICE	17.3 (66)	11.2 (78)	0.0 (72)	12.1 (52)	16.1 (46)
▲ POLICE Allocation Index	26.8 (7)	13.8 (28)	0.1 (71)	13.4 (21)	14.0 (67)
× POLICE Policy Index	19.6 (53)	13.5 (37)	2.5 (11)	14.3 (5)	14.8 (37)

December 31, 2013



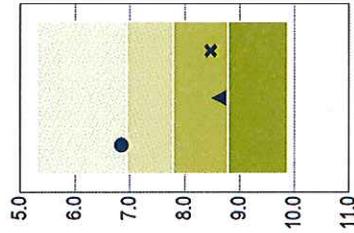
OK POLICE vs. IFx Public BD Gross  
3 Years

Anlzrd Return



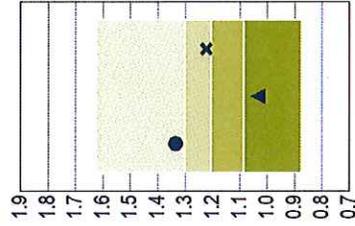
● OK POLICE	Value	9.19
	%tile	56
▲ POLICE Allocation Index	Value	8.96
	%tile	62
✕ POLICE Policy Index	Value	10.42
	%tile	23
Universe	Value	11.37
	5th %tile	10.28
	25th %tile	9.53
	Median	8.35
	75th %tile	8.35
	95th %tile	6.42

Anlzrd Standard Deviation



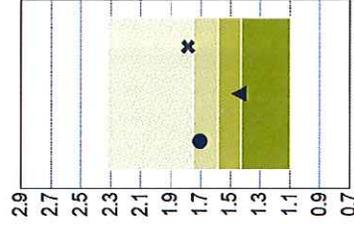
● OK POLICE	Value	6.85
	%tile	24
▲ POLICE Allocation Index	Value	8.63
	%tile	71
✕ POLICE Policy Index	Value	8.48
	%tile	66
Universe	Value	5.32
	5th %tile	6.94
	25th %tile	7.78
	Median	7.78
	75th %tile	8.77
	95th %tile	9.87

Sharpe Ratio



● OK POLICE	Value	1.33
	%tile	21
▲ POLICE Allocation Index	Value	1.03
	%tile	84
✕ POLICE Policy Index	Value	1.22
	%tile	48
Universe	Value	1.62
	5th %tile	1.30
	25th %tile	1.21
	Median	1.21
	75th %tile	1.09
	95th %tile	0.88

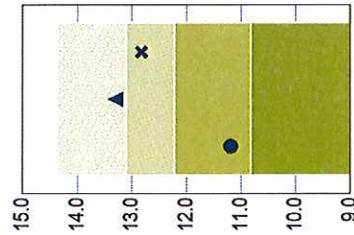
Sortino Ratio



● OK POLICE	Value	1.70
	%tile	31
▲ POLICE Allocation Index	Value	1.44
	%tile	73
✕ POLICE Policy Index	Value	1.78
	%tile	23
Universe	Value	2.32
	5th %tile	1.76
	25th %tile	1.59
	Median	1.59
	75th %tile	1.43
	95th %tile	1.10

OK POLICE vs. IFx Public DB Gross  
5 Years

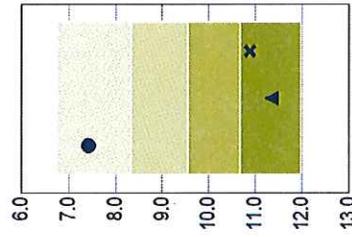
Anzld Return



- OK POLICE Value 11.18 %tile 70
- ▲ POLICE Allocation Index Value 13.29 %tile 22
- ✕ POLICE Policy Index Value 12.81 %tile 35

Universe  
5th %tile 14.37  
25th %tile 13.11  
Median 12.24  
75th %tile 10.84  
95th %tile 9.02

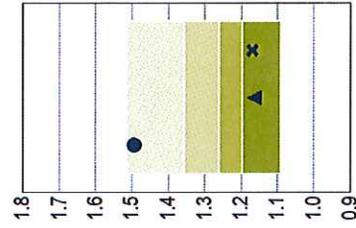
Anzld Standard Deviation



- OK POLICE Value 7.43 %tile 15
- ▲ POLICE Allocation Index Value 11.35 %tile 89
- ✕ POLICE Policy Index Value 10.89 %tile 80

Universe  
5th %tile 6.76  
25th %tile 5.32  
Median 4.94  
75th %tile 4.66  
95th %tile 4.96

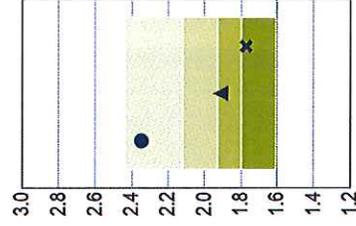
Sharpe Ratio



- OK POLICE Value 1.49 %tile 8
- ▲ POLICE Allocation Index Value 1.16 %tile 85
- ✕ POLICE Policy Index Value 1.17 %tile 83

Universe  
5th %tile 1.51  
25th %tile 1.36  
Median 1.26  
75th %tile 1.20  
95th %tile 1.09

Sortino Ratio



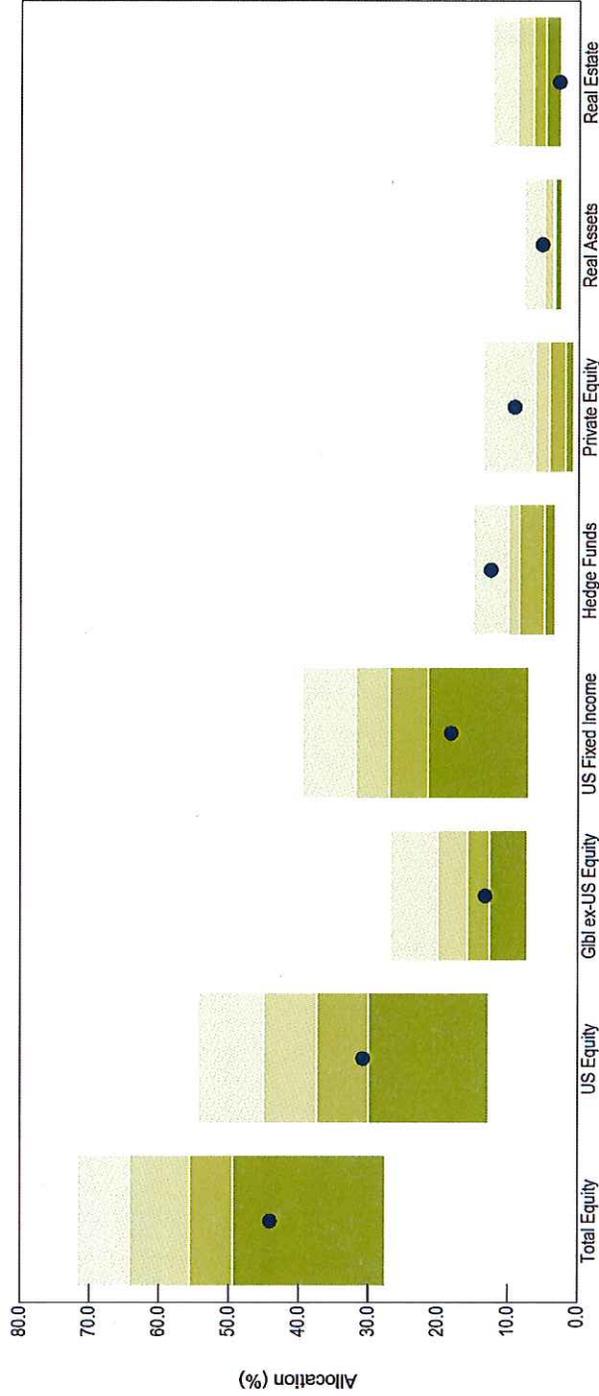
- OK POLICE Value 2.35 %tile 7
- ▲ POLICE Allocation Index Value 1.91 %tile 59
- ✕ POLICE Policy Index Value 1.77 %tile 80

Universe  
5th %tile 2.44  
25th %tile 2.12  
Median 1.93  
75th %tile 1.80  
95th %tile 1.61

OKLAHOMA POLICE

Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. IFx Public DB Gross



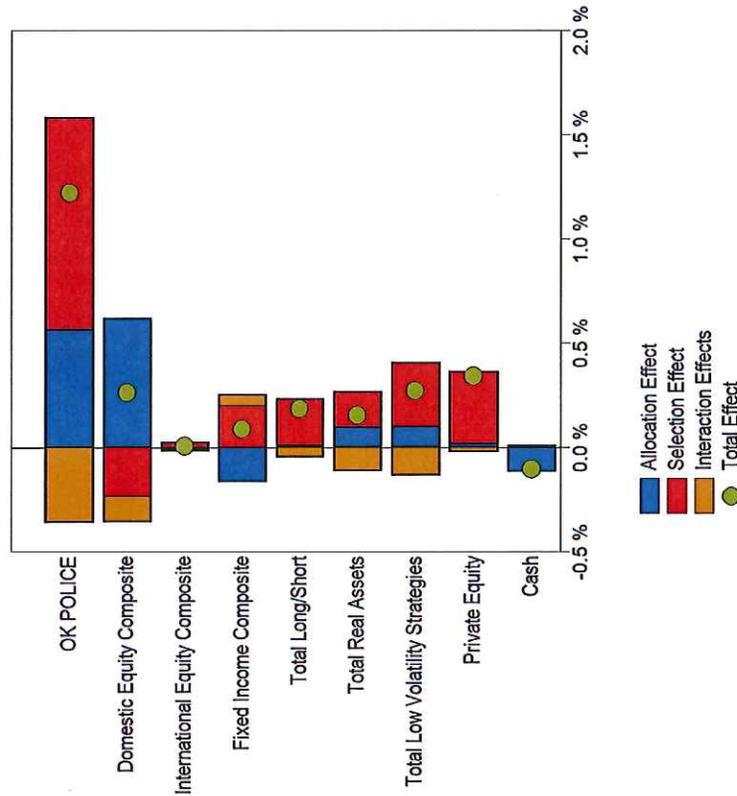
Allocation (Rank)

5th Percentile	71.7	27.0	39.6	15.1	13.7	7.9	12.3
25th Percentile	64.4	20.2	32.1	10.2	6.4	5.0	9.0
Median	55.8	16.0	27.2	8.5	4.3	3.8	6.6
75th Percentile	49.6	12.8	21.6	5.0	1.9	3.5	4.9
95th Percentile	27.7	7.3	7.1	3.4	0.8	2.5	2.7
# of Portfolios	148	125	96	40	29	23	88
OK POLICE	44.1 (84)	13.3 (73)	18.2 (82)	12.6 (14)	9.2 (10)	5.2 (24)	2.8 (95)



Total Fund Attribution Analysis

Attribution Effects Relative to POLICE Policy Index  
3 Months Ending December 31, 2013



Attribution Summary  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	9.3%	10.5%	-1.2%	-0.2%	0.6%	-0.1%	0.3%
International Equity Composite	4.9%	4.8%	0.1%	0.0%	0.0%	0.0%	0.0%
Fixed Income Composite	1.2%	-0.1%	1.3%	0.2%	-0.2%	0.0%	0.1%
Total Long/Short	5.3%	3.8%	1.4%	0.2%	0.0%	0.0%	0.2%
Total Real Assets	4.3%	3.2%	1.1%	0.2%	0.1%	-0.1%	0.2%
Total Low Volatility Strategies	4.6%	2.6%	2.0%	0.3%	0.1%	-0.1%	0.3%
Private Equity	3.3%	0.0%	3.3%	0.3%	0.0%	0.0%	0.3%
Cash	0.3%	0.0%	0.3%	0.0%	-0.1%	0.0%	-0.1%
<b>Total</b>	<b>5.2%</b>	<b>4.2%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>-0.4%</b>	<b>1.2%</b>

\*Total returns shown are weighted averages of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.

**Performance Attribution**

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	5.2%	16.1%	16.1%
Wtd. Index Return *	4.2%	14.3%	14.3%
<b>Excess Return</b>	<b>1.0%</b>	<b>1.8%</b>	<b>1.8%</b>
Selection Effect	1.0%	2.5%	2.5%
Allocation Effect	0.6%	0.7%	0.7%
Interaction Effect	-0.4%	-0.6%	-0.6%
<b>Asset Class Returns</b>			
OK POLICE	5.2%	16.1%	16.1%
Equity Composite	7.9%	27.5%	27.5%
Domestic Equity Composite	9.3%	35.2%	35.2%
International Equity Composite	4.9%	12.6%	12.6%
Fixed Income Composite	1.2%	1.4%	1.4%
Total Long/Short	5.3%	17.7%	17.7%
Total Real Assets	4.3%	16.6%	16.6%
Total Core Real Estate	3.7%	16.0%	16.0%
Private Real Estate	1.9%	6.9%	6.9%
Total Low Volatility Strategies	4.6%	15.1%	15.1%
Private Equity	3.3%	5.1%	5.1%
Cash	0.3%	1.8%	1.8%

\*Calculated from benchmark returns and weightings of each component.

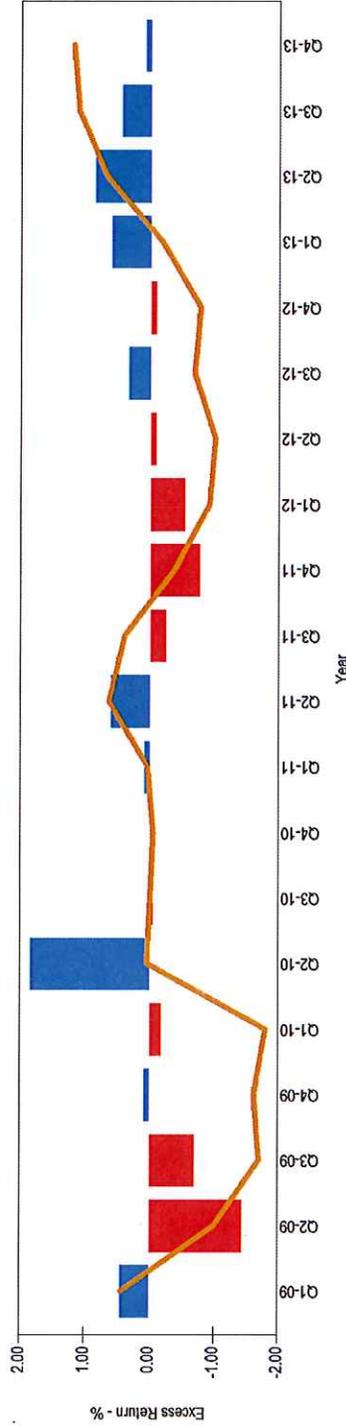


OKLAHOMA LAW

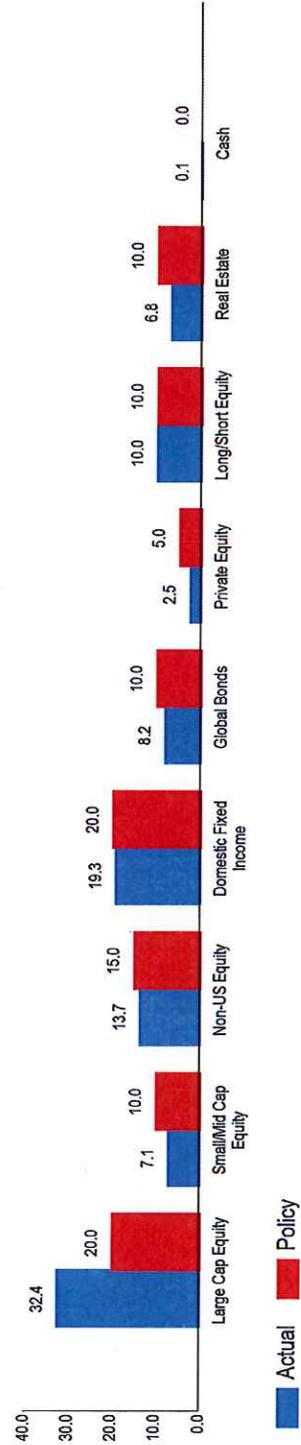
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
OKLAW	\$839,812,886	44	16.8%	40	35	12.3%	50
LAW Allocation Index		5.2%	16.8%	40	35	12.3%	58
LAW Policy Index		5.1%	14.6%	62	52	11.9%	61
IFx Public DB Gross Median		5.2%	17.5%	31	31	11.9%	38
		5.0%	15.5%			12.2%	6.8%

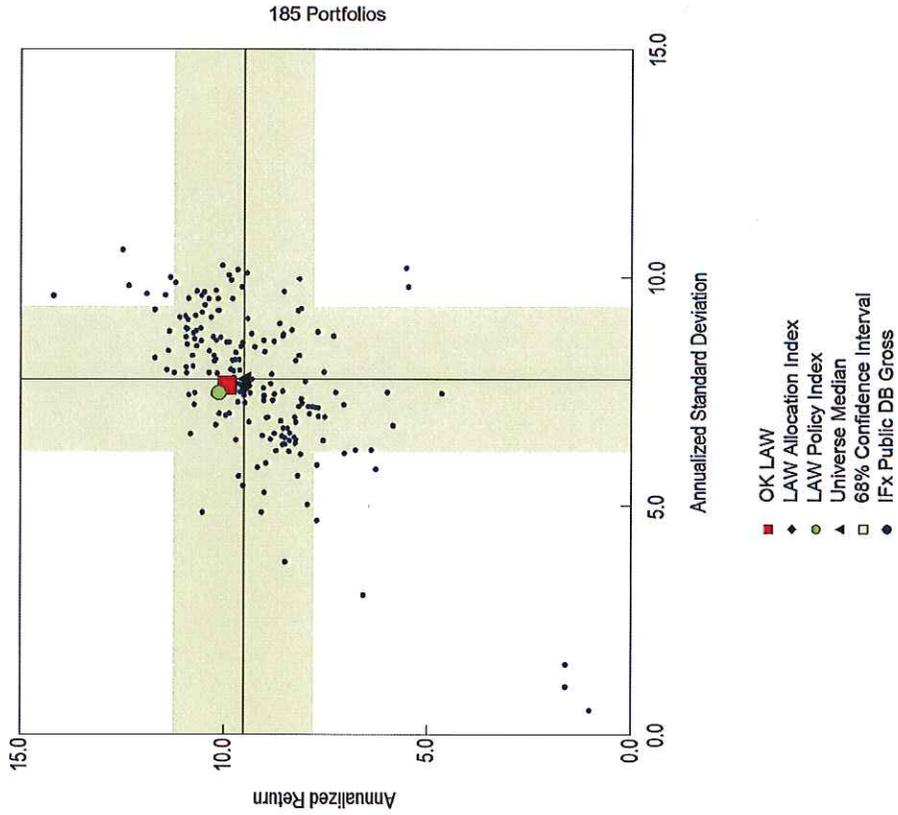
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



3 Years Ending December 31, 2013



3 Years Ending December 31, 2013

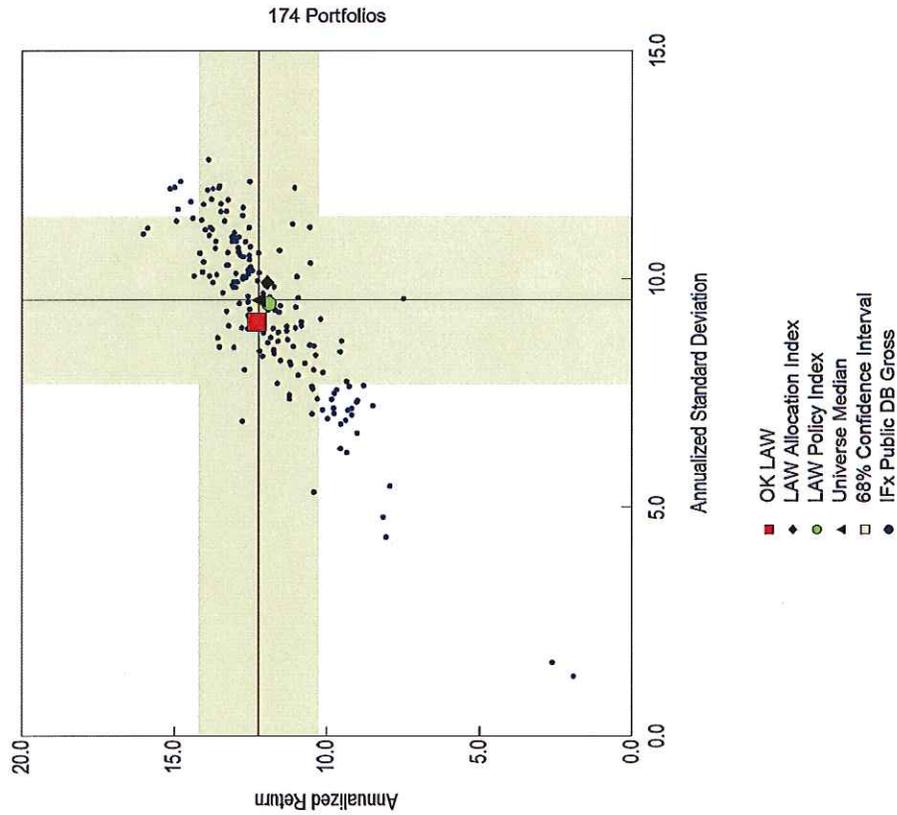
	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK LAW	9.94%	35	7.64%	45
LAW Allocation Index	9.49%	52	7.63%	45
LAW Policy Index	10.14%	31	7.48%	42

3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK LAW	1.29	28	1.69	33
LAW Allocation Index	1.24	43	1.78	23
LAW Policy Index	1.35	20	1.95	14

**OKLAHOMA LAW**  
**Total Fund Risk/Return - 5 Years**

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

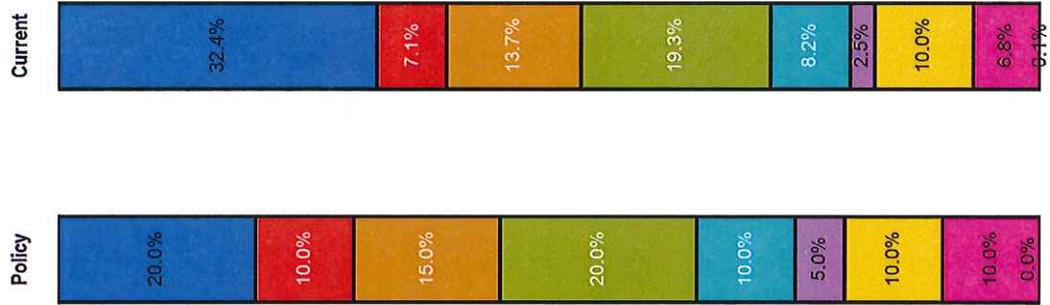
	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK LAW	12.28%	50	9.06%	42
LAW Allocation Index	11.94%	56	9.92%	57
LAW Policy Index	11.89%	57	9.46%	49

5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK LAW	1.35	31	2.20	16
LAW Allocation Index	1.19	77	1.87	68
LAW Policy Index	1.25	56	1.91	59

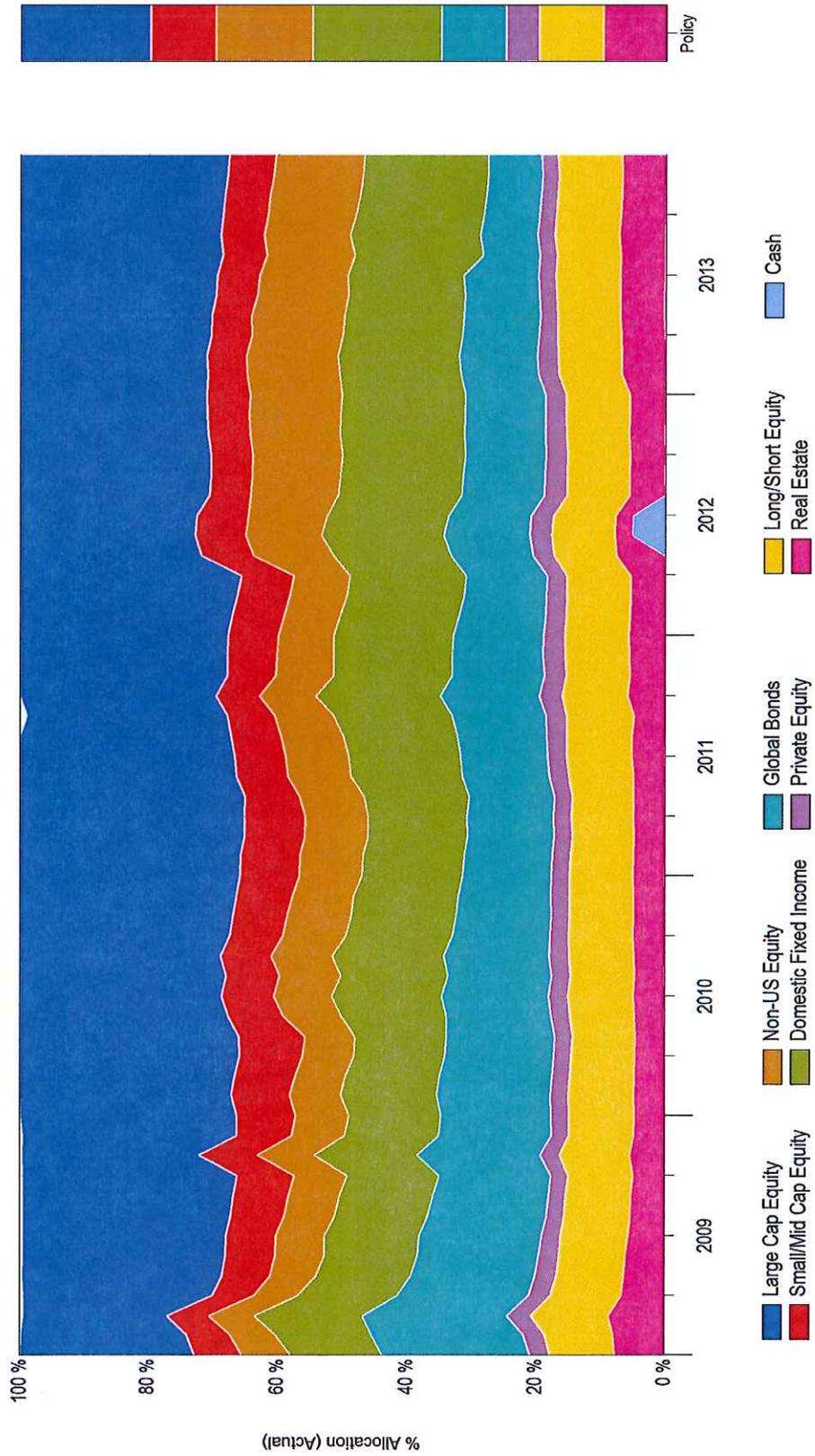
Total Fund Asset Allocation vs. Policy Targets

Asset Allocation vs. Target		Current	Policy	Current Difference*	Policy Range	Within Range
Large Cap Equity	\$271,875,976	20.0%	32.4%	12.4%	15.0% - 25.0%	No
Small/Mid Cap Equity	\$59,708,896	10.0%	7.1%	-2.9%	5.0% - 15.0%	Yes
Non-US Equity	\$114,947,069	15.0%	13.7%	-1.3%	5.0% - 15.0%	Yes
Domestic Fixed Income	\$161,665,931	20.0%	19.3%	-0.7%	15.0% - 25.0%	Yes
Global Bonds	\$68,512,353	10.0%	8.2%	-1.8%	5.0% - 15.0%	Yes
Private Equity	\$20,813,376	5.0%	2.5%	-2.5%	0.0% - 5.0%	Yes
Long/Short Equity	\$84,130,138	10.0%	10.0%	0.0%	5.0% - 15.0%	Yes
Real Estate	\$57,483,258	10.0%	6.8%	-3.2%	2.0% - 12.0%	Yes
Cash	\$675,889	0.0%	0.1%	0.1%	0.0% - 5.0%	Yes
<b>Total</b>	<b>\$839,812,886</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>		



Total Fund Asset Allocation History

Asset Allocation History



OKLAHOMA LAW

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK LAW</b>	<b>839,812,886</b>	<b>100.0</b>	<b>5.2</b>	<b>44</b>	<b>16.8</b>	<b>40</b>	<b>16.8</b>	<b>40</b>	<b>9.9</b>	<b>35</b>	<b>12.3</b>	<b>50</b>	<b>6.7</b>	<b>58</b>
LAW Allocation Index			5.1	46	14.6	62	14.6	62	9.5	52	11.9	56	6.6	61
Over/Under			0.1		2.2		2.2		0.4		0.4		0.1	
LAW Policy Index			5.2	44	17.5	31	17.5	31	10.1	31	11.9	57	7.1	38
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Domestic Equity Composite</b>	<b>331,584,872</b>	<b>39.5</b>	<b>9.5</b>	<b>58</b>	<b>36.7</b>	<b>43</b>	<b>36.7</b>	<b>43</b>	<b>16.5</b>	<b>49</b>	<b>20.8</b>	<b>44</b>	<b>7.8</b>	<b>84</b>
S&P 500			10.5	35	32.4	74	32.4	74	16.2	55	17.9	76	7.4	90
Over/Under			-1.0		4.3		4.3		0.3		2.9		0.4	
eA All US Equity Gross Median			9.8		35.6		35.6		16.4		20.1		9.6	
Hotchkis Wiley	81,660,087	9.7	9.7	55	40.9	10	40.9	10	17.9	20	22.3	5	7.4	83
Russell 1000 Value			10.0	48	32.5	60	32.5	60	16.1	49	16.7	68	7.6	78
Over/Under			-0.3		8.4		8.4		1.8		5.6		-0.2	
eA US Large Cap Value Equity Gross Median			9.9		33.6		33.6		16.0		17.5		8.6	
Kennedy Capital	59,708,896	7.1	9.0	67	39.0	46	39.0	46	15.6	66	23.0	37	12.0	28
Russell 2000 Value			9.3	61	34.5	78	34.5	78	14.5	78	17.6	95	8.6	95
Over/Under			-0.3		4.5		4.5		1.1		5.4		3.4	
eA US Small Cap Value Equity Gross Median			9.8		38.1		38.1		16.8		21.6		11.0	
NTGI S&P	55,075,983	6.6	10.5	42	32.3	59	32.3	59	16.0	53	17.9	52	-	-
S&P 500			10.5	41	32.4	58	32.4	58	16.2	50	17.9	50	7.4	87
Over/Under			0.0		-0.1		-0.1		-0.2		0.0		-	
eA US Large Cap Core Equity Gross Median			10.3		32.9		32.9		16.2		17.9		8.5	
Columbus Circle	55,945,466	6.7	4.9	99	32.7	64	32.7	64	15.4	53	-	-	-	-
Russell 1000 Growth			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
Over/Under			-5.5		-0.8		-0.8		-1.1		-		-	
Waddell And Reed	79,194,440	9.4	12.4	16	37.3	26	37.3	26	16.9	34	-	-	-	-
Russell 1000 Growth			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
Over/Under			2.0		3.8		3.8		0.4		-		-	
eA US Large Cap Growth Equity Gross Median			11.0		34.3		34.3		15.7		19.7		8.5	

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Equity Composite</b>	<b>114,947,069</b>	<b>13.7</b>	<b>4.4</b>	<b>88</b>	<b>10.5</b>	<b>98</b>	<b>10.5</b>	<b>98</b>	<b>2.7</b>	<b>99</b>	<b>7.4</b>	<b>99</b>	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			-0.4		-4.8		-4.8		-2.4		-5.4			
Mondrian International Equity	41,465,768	4.9	6.7	39	23.8	25	23.8	25	9.3	33	11.0	96	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			1.9		8.5		8.5		4.2		-1.8			
Baring Focused International Equity	34,115,246	4.1	6.0	54	15.8	86	15.8	86	--	--	--	--	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			1.2		0.5		0.5							
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
Vontobel Global EM	28,270,131	3.4	0.2	93	-5.3	93	-5.3	93	--	--	--	--	--	--
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			-1.6		-2.7		-2.7							
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
Wasatch Advisors	11,095,924	1.3	2.9	49	-1.4	71	-1.4	71	--	--	--	--	--	--
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			1.1		1.2		1.2							
eA Emg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>Fixed Income Composite</b>	<b>230,178,284</b>	<b>27.4</b>	<b>1.1</b>	<b>48</b>	<b>-0.5</b>	<b>59</b>	<b>-0.5</b>	<b>59</b>	<b>5.0</b>	<b>48</b>	<b>6.6</b>	<b>51</b>	<b>5.5</b>	<b>47</b>
Barclays Aggregate			-0.1	77	-2.0	70	-2.0	70	3.3	72	4.4	79	4.5	88
Over/Under			1.2		1.5		1.5		1.7		2.2		1.0	
eA All Global Fixed Inc Gross Median			1.0		0.2		0.2		4.7		6.7		5.4	
TCW	89,233,167	10.6	0.5	17	-1.6	57	-1.6	57	5.4	3	8.1	7	6.3	2
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			0.6		0.4		0.4		2.1		3.7		1.8	
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	
NTGI Bond	68,512,353	8.2	-0.2	88	-2.1	88	-2.1	88	3.3	88	4.6	83	--	--
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			-0.1		-0.1		-0.1		0.0		0.2			
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	
Franklin Templeton	72,432,764	8.6	3.2	1	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			3.3											
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	



Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Real Estate Composite</b>	<b>57,483,258</b>	<b>6.8</b>												
Colcord Center	3,372,063	0.4	0.0	--	2.1	--	2.1	--	-0.5	--	0.0	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			<b>-2.5</b>		<b>-8.9</b>		<b>-8.9</b>		<b>-12.4</b>		<b>-5.7</b>			
<b>JPMCB Strategic Property Fund</b>	<b>43,198,488</b>	<b>5.1</b>												
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			1.1		4.9		4.9							
Trumbull UBS-SL	10,912,707	1.3	2.3	--	10.1	--	10.1	--	--	--	--	--	--	--
NCREIF Property Index			<u>2.5</u>	--	<u>11.0</u>	--	<u>11.0</u>	--	<u>11.9</u>	--	<u>5.7</u>	--	<u>8.6</u>	--
Over/Under			<b>-0.2</b>		<b>-0.9</b>		<b>-0.9</b>							
<b>Private Equity Composite</b>	<b>20,813,376</b>	<b>2.5</b>												
American Private Equity II, LP	6,394,448	0.8	-0.8	--	7.5	--	7.5	--	11.3	--	5.2	--	--	--
American Private Equity LP	2,732,183	0.3	3.2	--	13.4	--	13.4	--	2.4	--	-3.1	--	4.5	--
Knightsbridge VI, LP	5,379,278	0.6	0.0	--	6.1	--	6.1	--	9.5	--	7.9	--	--	--
Knightsbridge VII, LP	6,307,467	0.8	4.0	--	20.3	--	20.3	--	10.9	--	4.7	--	--	--
<b>Hedge Funds Composite</b>	<b>84,130,138</b>	<b>10.0</b>												
Grosvenor	84,130,138	10.0	3.9	62	17.1	49	17.1	49	6.2	54	7.6	69	--	--
eA HFN Long/Short Equity Net Median			5.0		16.7		16.7		6.6		10.4		7.4	

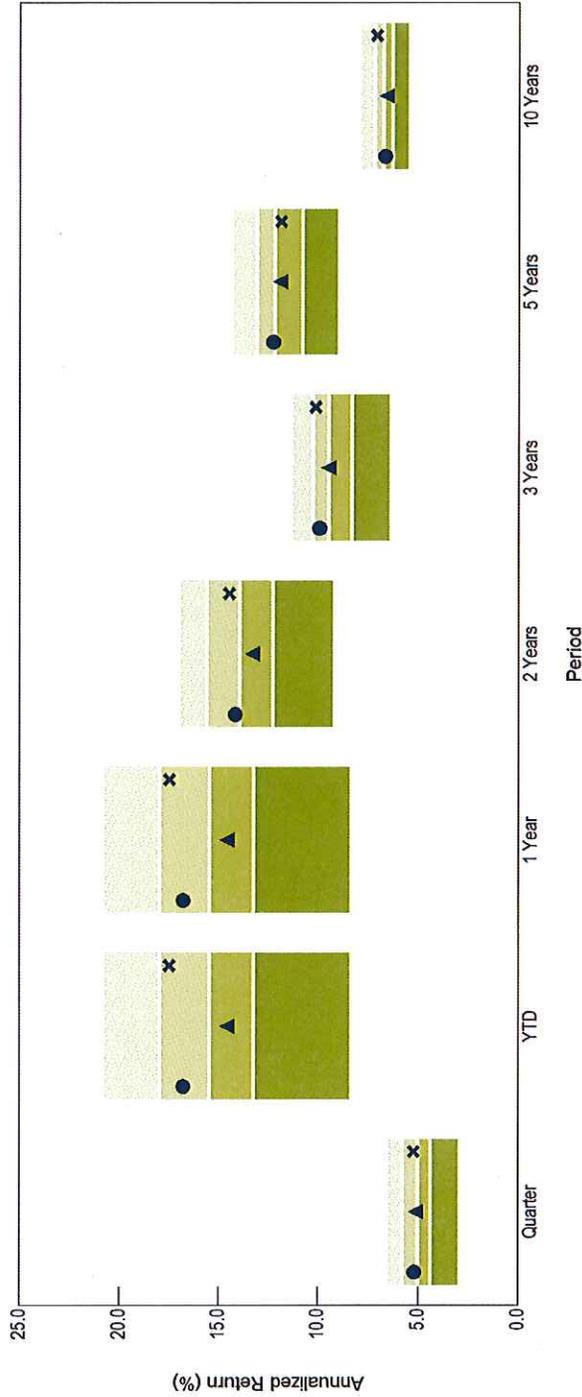
Performance numbers are shown gross of fees for fiscal year of 2013  
 The Return for Colcord Center is not available.



OKLAHOMA LAW

Total Fund Return Summary vs. Peer Universe

OK LAW vs. IFx Public DB Gross

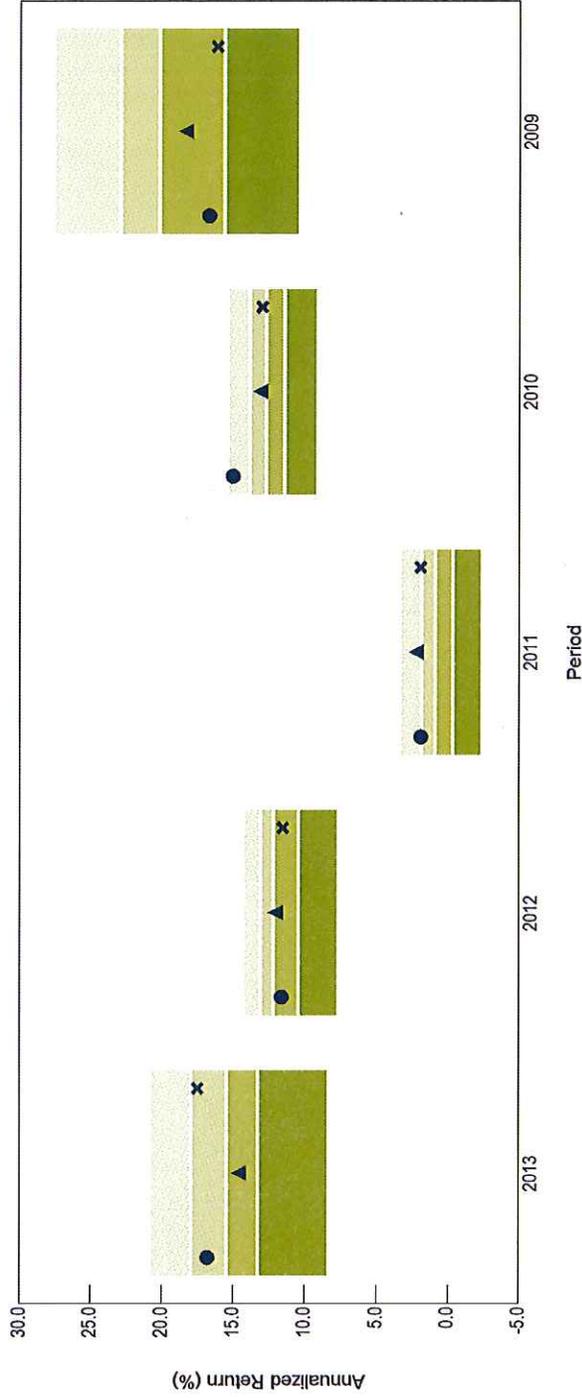


Return (Rank)	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	10 Years
5th Percentile	3.0	8.4	8.4	9.2	6.4	6.3	5.5
25th Percentile	4.4	13.3	13.3	12.3	8.4	6.8	6.3
Median	5.0	15.5	15.5	14.0	9.5	7.2	6.8
75th Percentile	5.8	18.0	18.0	15.6	10.3	7.2	7.2
95th Percentile	6.6	20.8	20.8	17.0	11.4	8.0	8.0
# of Portfolios	212	212	212	205	185	174	144
OK LAW	5.2 (44)	16.8 (40)	16.8 (40)	14.2 (47)	9.9 (35)	12.3 (60)	6.7 (58)
LAW Allocation Index	5.1 (46)	14.6 (62)	14.6 (62)	13.3 (60)	9.5 (52)	11.9 (56)	6.6 (61)
LAW Policy Index	5.2 (44)	17.5 (31)	17.5 (31)	14.5 (41)	10.1 (31)	11.9 (57)	7.1 (38)



NEPC, LLC

OK LAW vs. IEx Public DB Gross

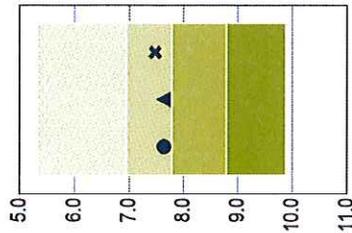


	2009	2010	2011	2012	2013
5th Percentile	15.2	12.8	0.9	7.7	13.3
25th Percentile	16.7	13.9	1.9	10.5	18.0
Median	18.4	15.5	3.4	14.3	20.8
75th Percentile	20.3	18.4	9.2	17.5	23.0
95th Percentile	27.6	23.0	162	192	212
# of Portfolios	152	154	162	192	212
OK LAW	16.7	15.1	1.9	11.6	16.8
LAW Allocation Index	18.4	13.1	2.2	12.0	14.6
LAW Policy Index	27.6	15.5	3.4	14.3	20.8
	(71)	(10)	(25)	(63)	(40)
	(62)	(44)	(17)	(52)	(62)
	(73)	(46)	(24)	(65)	(31)



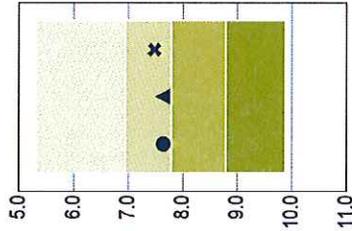
OK LAW vs. IFx Public DB Gross  
3 Years

Anzld Standard Deviation



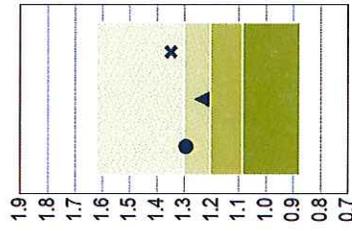
● OK LAW	Value	7.64
	%tile	45
▲ LAW Allocation Index	Value	7.63
	%tile	45
✕ LAW Policy Index	Value	7.48
	%tile	42
Universe	Value	5.32
	5th %tile	6.94
	25th %tile	7.78
	Median	8.77
	75th %tile	8.77
	95th %tile	9.87

Anzld Standard Deviation



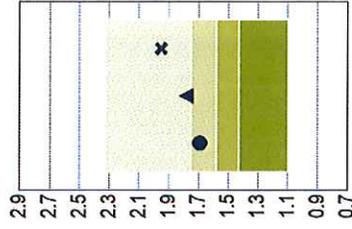
● OK LAW	Value	7.64
	%tile	45
▲ LAW Allocation Index	Value	7.63
	%tile	45
✕ LAW Policy Index	Value	7.48
	%tile	42
Universe	Value	5.32
	5th %tile	6.94
	25th %tile	7.78
	Median	8.77
	75th %tile	8.77
	95th %tile	9.87

Sharpe Ratio



● OK LAW	Value	1.29
	%tile	28
▲ LAW Allocation Index	Value	1.24
	%tile	43
✕ LAW Policy Index	Value	1.35
	%tile	20
Universe	Value	1.62
	5th %tile	1.30
	25th %tile	1.21
	Median	1.09
	75th %tile	1.09
	95th %tile	0.88

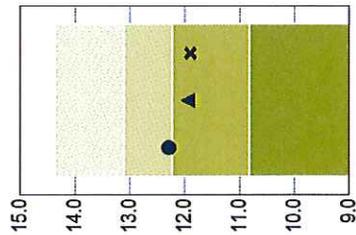
Sortino Ratio



● OK LAW	Value	1.69
	%tile	33
▲ LAW Allocation Index	Value	1.78
	%tile	23
✕ LAW Policy Index	Value	1.95
	%tile	14
Universe	Value	2.32
	5th %tile	1.76
	25th %tile	1.59
	Median	1.43
	75th %tile	1.43
	95th %tile	1.10

OK LAW vs. IFx Public DB Gross  
5 Years

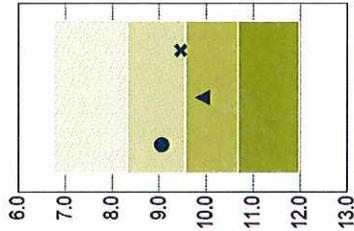
Anlzrd Return



● OK LAW	Value	12.28
	%tile	50
▲ LAW Allocation Index	Value	11.94
	%tile	56
✕ LAW Policy Index	Value	11.89
	%tile	57

Universe	Value	14.37
5th %tile	Value	13.11
25th %tile	Value	12.24
Median	Value	10.84
75th %tile	Value	9.02
95th %tile	Value	9.02

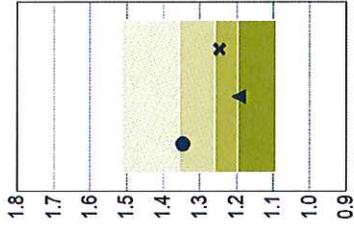
Anlzrd Standard Deviation



● OK LAW	Value	9.06
	%tile	42
▲ LAW Allocation Index	Value	9.92
	%tile	57
✕ LAW Policy Index	Value	9.46
	%tile	49

Universe	Value	6.76
5th %tile	Value	8.32
25th %tile	Value	9.54
Median	Value	10.66
75th %tile	Value	11.96
95th %tile	Value	11.96

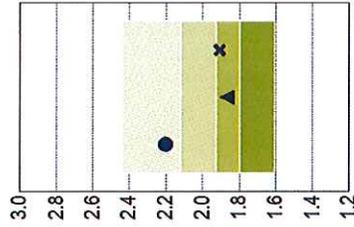
Sharpe Ratio



● OK LAW	Value	1.35
	%tile	31
▲ LAW Allocation Index	Value	1.19
	%tile	77
✕ LAW Policy Index	Value	1.25
	%tile	56

Universe	Value	1.51
5th %tile	Value	1.36
25th %tile	Value	1.26
Median	Value	1.20
75th %tile	Value	1.09
95th %tile	Value	1.09

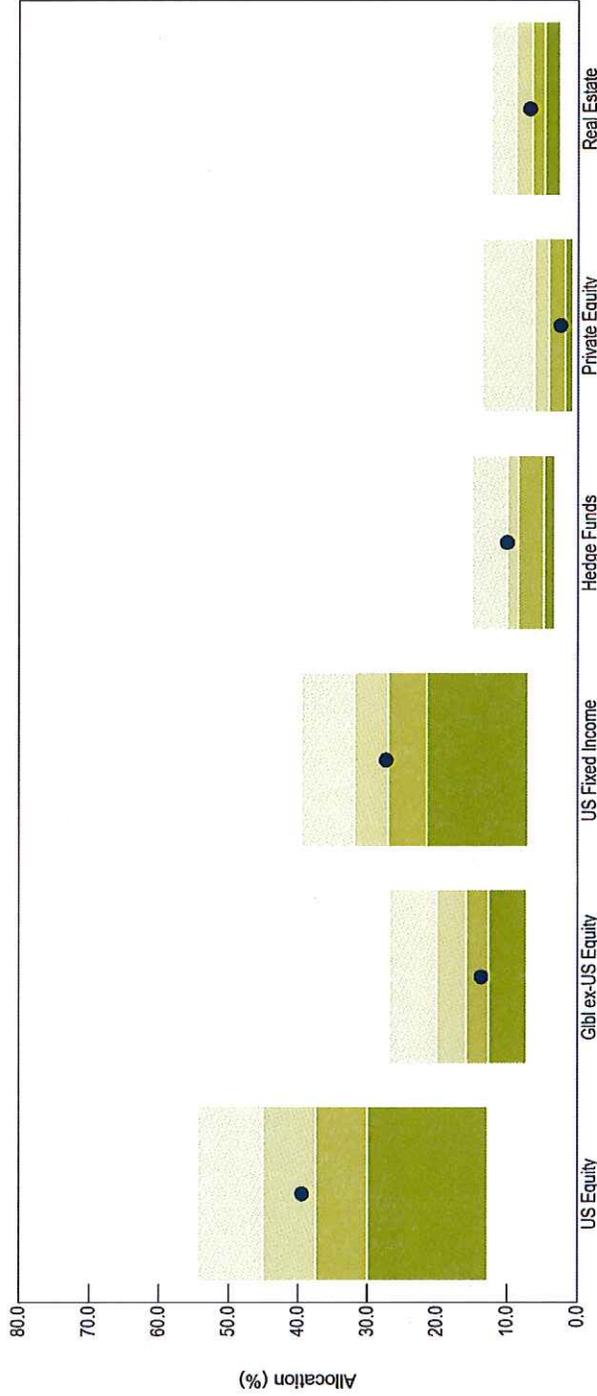
Sortino Ratio



● OK LAW	Value	2.20
	%tile	16
▲ LAW Allocation Index	Value	1.87
	%tile	68
✕ LAW Policy Index	Value	1.91
	%tile	59

Universe	Value	2.44
5th %tile	Value	2.12
25th %tile	Value	1.93
Median	Value	1.80
75th %tile	Value	1.61
95th %tile	Value	1.61

Total Plan Allocation vs. IIFx Public DB Gross



Allocation (Rank)

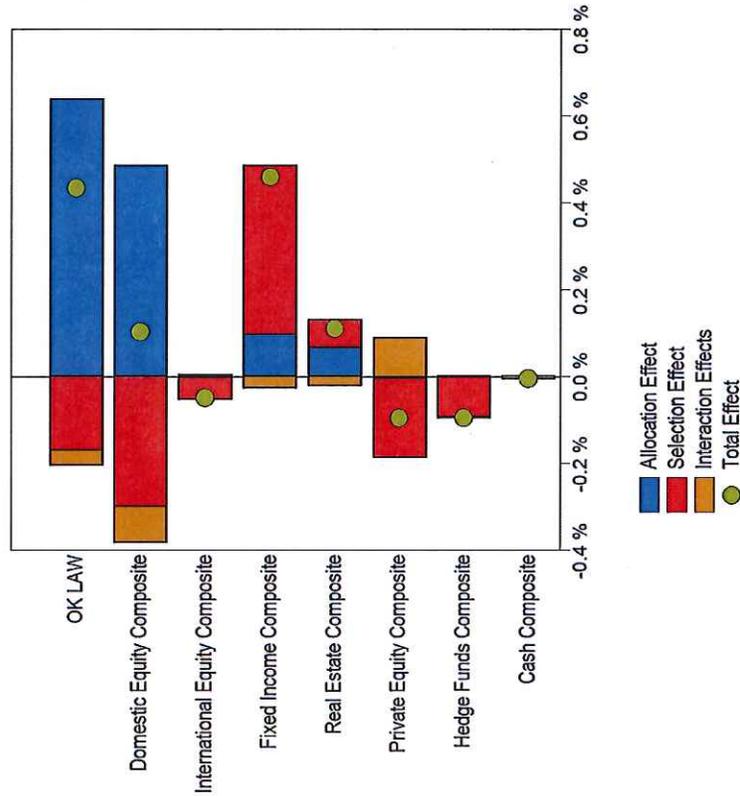
● OKLAW

5th Percentile 54.5  
 25th Percentile 45.2  
 Median 37.7  
 75th Percentile 30.2  
 95th Percentile 12.9  
 # of Portfolios 130

27.0 20.2 16.0 12.8 7.3 125  
 39.6 32.1 27.2 21.6 7.1 96  
 15.1 10.2 8.5 5.0 3.4 40  
 13.7 6.4 4.3 1.9 0.8 29  
 12.3 9.0 6.6 4.9 2.7 88

Total Fund Attribution Analysis

Attribution Effects Relative to LAW Policy Index  
3 Months Ending December 31, 2013



Attribution Summary  
3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	9.5%	10.5%	-1.0%	-0.3%	0.5%	-0.1%	0.1%
International Equity Composite	4.4%	4.8%	-0.3%	0.0%	0.0%	0.0%	0.0%
Fixed Income Composite	1.1%	-0.1%	1.3%	0.4%	0.1%	0.0%	0.5%
Real Estate Composite	3.2%	2.5%	0.6%	0.1%	0.1%	0.0%	0.1%
Private Equity Composite	1.4%	4.8%	-3.5%	-0.2%	0.0%	0.1%	-0.1%
Hedge Funds Composite	3.9%	4.8%	-0.9%	-0.1%	0.0%	0.0%	-0.1%
Cash Composite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.2%</b>	<b>4.8%</b>	<b>0.4%</b>	<b>-0.2%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.4%</b>

\*Total returns shown are a weighted average of the returns of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.

## Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	5.2%	16.9%	16.9%
Wtd. Index Return *	4.8%	14.2%	14.2%
<b>Excess Return</b>	<b>0.4%</b>	<b>2.7%</b>	<b>2.7%</b>
Selection Effect	-0.2%	1.2%	1.2%
Allocation Effect	0.6%	1.2%	1.2%
Interaction Effect	0.0%	0.4%	0.4%
Asset Class Returns			
OK LAW	5.2%	16.8%	16.8%
Domestic Equity Composite	9.5%	36.7%	36.7%
International Equity Composite	4.4%	10.5%	10.5%
Emerging Market Equity Composite	0.9%	-4.2%	-4.2%
Fixed Income Composite	1.1%	-0.5%	-0.5%
Real Estate Composite	3.2%	13.8%	13.8%
Private Equity Composite	1.4%	10.7%	10.7%
Hedge Funds Composite	3.9%	17.1%	17.1%
Cash Composite	0.0%	7.0%	7.0%

\*Calculated from benchmark returns and weightings of each component.

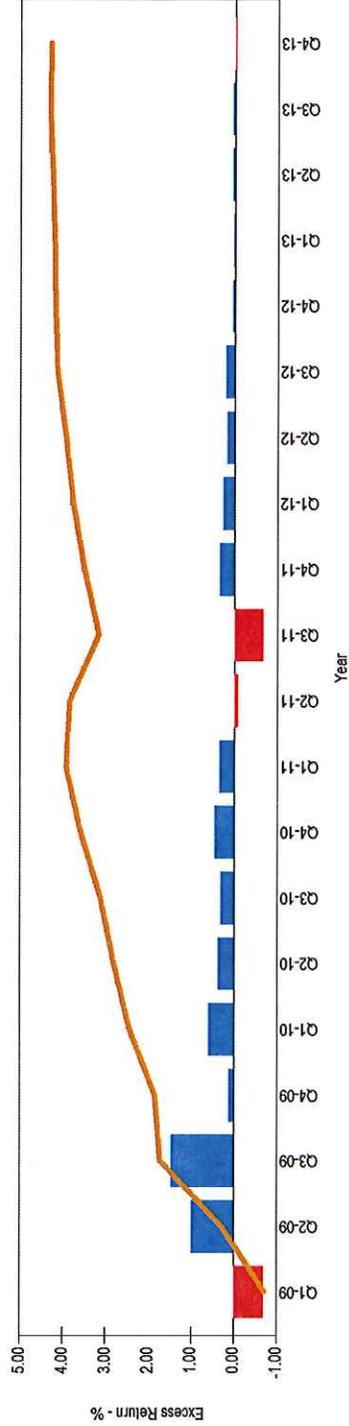


OKLAHOMA JUDGES

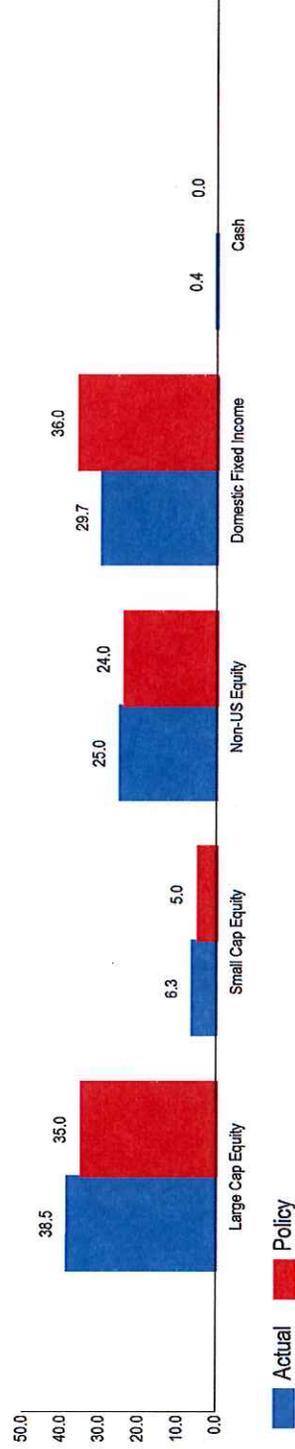
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
OK JUDGES	\$287,507,405	41	16.0%	47	16.0%	42	48
JUDGES Allocation Index		5.3%	16.0%	47	9.7%	12.5%	43
JUDGES Policy Index		40	15.9%	47	9.5%	11.7%	62
IFx Public DB Gross Median		45	15.3%	53	9.5%	12.1%	54
		5.0%	15.5%	15.5%	9.5%	12.2%	19
							6.8%

Quarterly and Cumulative Excess Performance



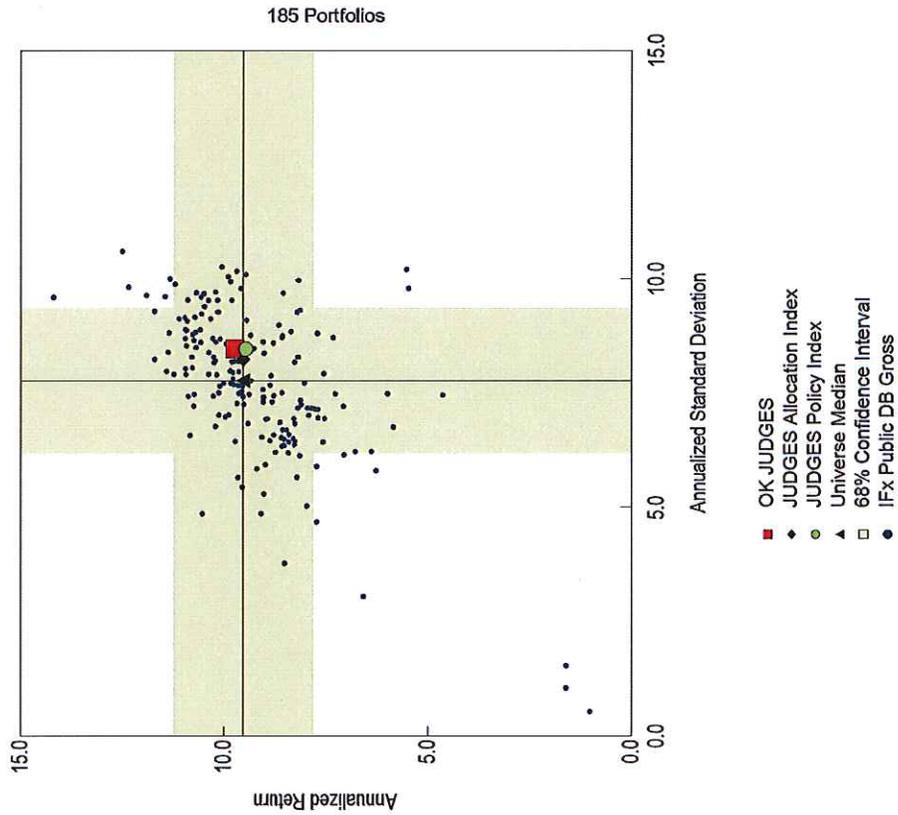
Actual vs Target Allocation (%)



OKLAHOMA JUDGES

Total Fund Risk/Return - 3 Years

3 Years Ending December 31, 2013



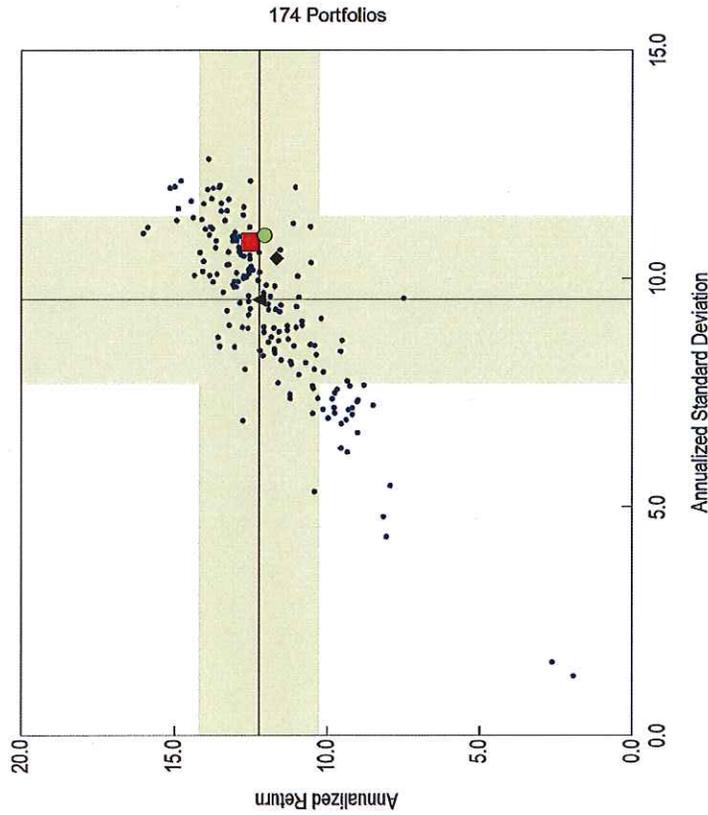
3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK JUDGES	9.73%	42	8.48%	66
JUDGES Allocation Index	9.52%	51	8.25%	61
JUDGES Policy Index	9.45%	52	8.47%	66

3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK JUDGES	1.14	64	1.65	40
JUDGES Allocation Index	1.15	64	1.65	40
JUDGES Policy Index	1.11	71	1.57	53

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

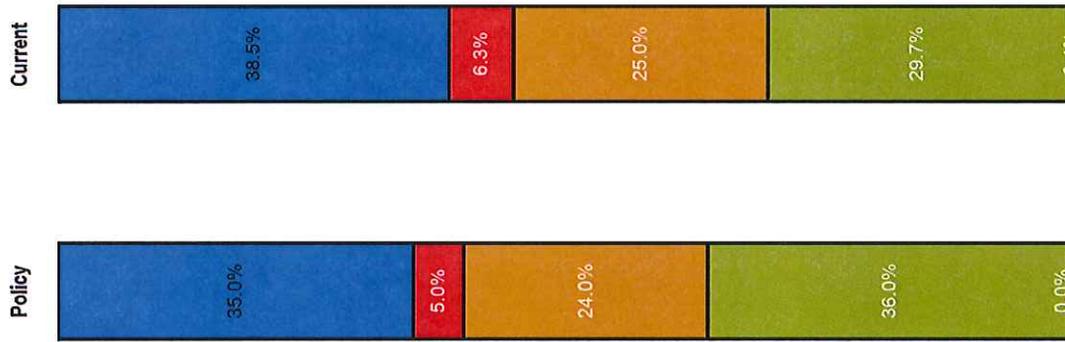
	Annualized Return	Rank	Annualized Std Dev	Rank
OK JUDGES	12.52%	48	10.80%	77
JUDGES Allocation Index	11.66%	62	10.44%	71
JUDGES Policy Index	12.05%	54	10.95%	81

5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK JUDGES	1.15	87	1.72	88
JUDGES Allocation Index	1.11	94	1.65	94
JUDGES Policy Index	1.09	96	1.61	96

OKLAHOMA JUDGES

Total Fund Asset Allocation vs. Policy Targets

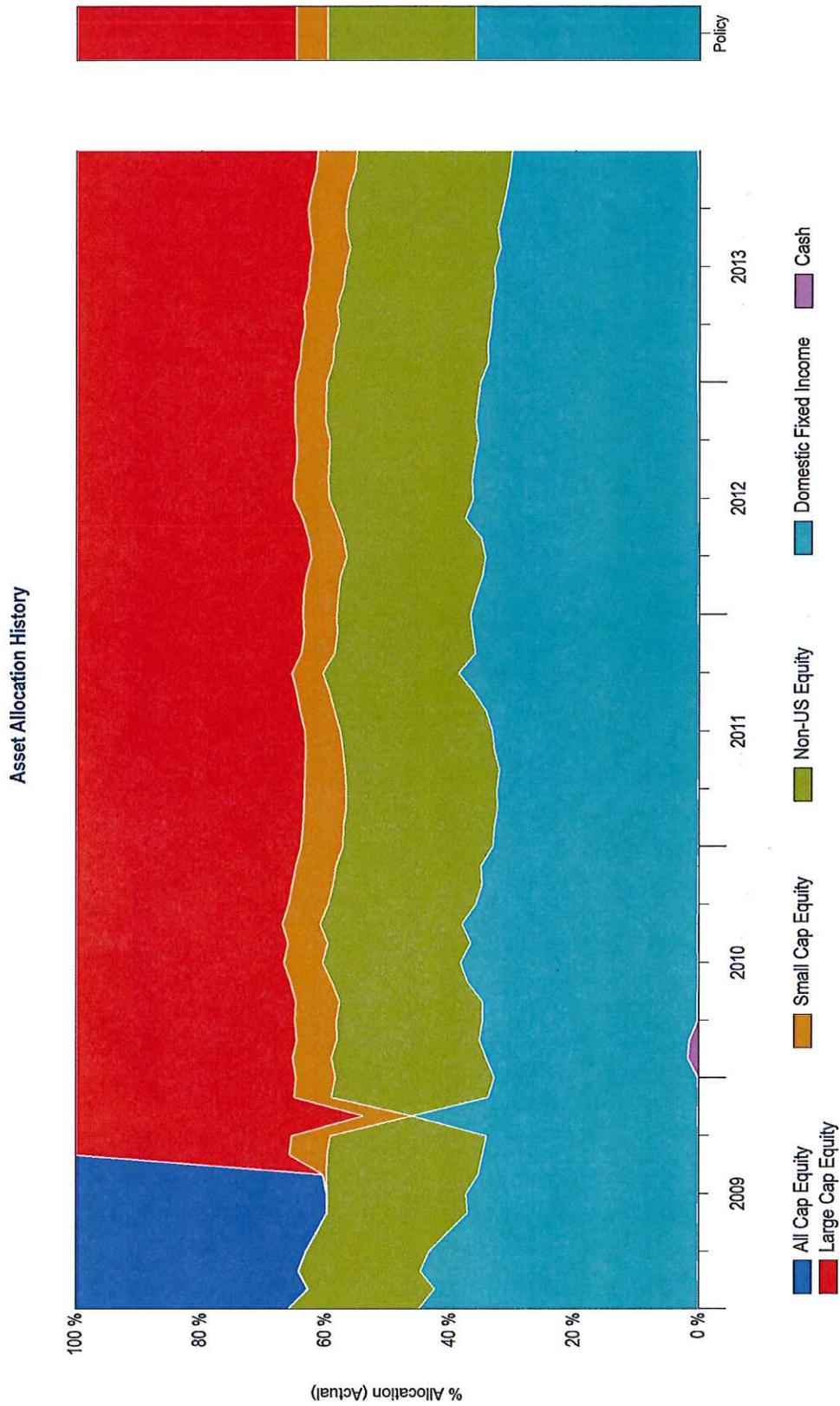


Asset Allocation vs. Target

	Current	Policy	Current Difference*	Policy Range	Within Range
Large Cap Equity	\$110,763,813	35.0%	38.5%	32.0% - 38.0%	No
Small Cap Equity	\$18,179,896	5.0%	6.3%	2.0% - 8.0%	Yes
Non-US Equity	\$71,980,755	24.0%	25.0%	21.0% - 27.0%	Yes
Domestic Fixed Income	\$85,392,602	36.0%	29.7%	32.0% - 40.0%	No
Cash	\$1,190,339	0.0%	0.4%	0.0% - 5.0%	Yes
<b>Total</b>	<b>\$287,507,405</b>	<b>100.0%</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation





OKLAHOMA JUDGES

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK JUDGES</b>	<b>287,507,405</b>	<b>100.0</b>	<b>5.3</b>	<b>41</b>	<b>16.0</b>	<b>47</b>	<b>16.0</b>	<b>47</b>	<b>9.7</b>	<b>42</b>	<b>12.5</b>	<b>48</b>	<b>7.0</b>	<b>43</b>
JUDGES Allocation Index			5.3	40	15.9	47	15.9	47	9.5	51	11.7	62	6.5	67
Over/Under			0.0		0.1		0.1		0.2		0.8		0.5	
JUDGES Policy Index			5.2	45	15.3	53	15.3	53	9.5	52	12.1	54	7.4	19
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Domestic Equity Composite</b>	<b>128,943,709</b>	<b>44.8</b>	<b>10.0</b>	<b>47</b>	<b>33.9</b>	<b>62</b>	<b>33.9</b>	<b>62</b>	<b>16.2</b>	<b>54</b>	<b>18.9</b>	<b>62</b>	<b>8.0</b>	<b>80</b>
S&P 500			10.5	35	32.4	74	32.4	74	16.2	55	17.9	76	7.4	90
Over/Under			-0.5		1.5		1.5		0.0		1.0		0.6	
eA All US Equity Gross Median			9.8		35.6		35.6		16.4		20.1		9.6	
BGI Russell 1000	110,763,813	38.5	10.2	53	33.1	49	33.1	49	16.3	47	--	--	--	--
Russell 1000			10.2	52	33.1	49	33.1	49	16.3	48	18.6	34	7.8	72
Over/Under			0.0		0.0		0.0		0.0		17.9		8.5	
eA US Large Cap Core Equity Gross Median			10.3		32.9		32.9		16.2		--	--	--	--
BGI Russell 2000	18,179,896	6.3	8.8	70	39.2	60	39.2	60	15.8	76	--	--	--	--
Russell 2000			8.7	73	38.8	63	38.8	63	15.7	77	20.1	81	9.1	90
Over/Under			0.1		0.4		0.4		0.1		22.3		10.7	
eA US Small Cap Core Equity Gross Median			9.5		40.3		40.3		17.6		--	--	--	--
<b>International Equity Composite</b>	<b>71,980,755</b>	<b>25.0</b>	<b>4.8</b>	<b>81</b>	<b>15.6</b>	<b>88</b>	<b>15.6</b>	<b>88</b>	<b>5.4</b>	<b>88</b>	<b>12.0</b>	<b>88</b>	<b>6.9</b>	<b>95</b>
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			0.0		0.3		0.3		0.3		-0.8		-0.7	
BGI ACWI Ex US	71,980,755	25.0	4.8	81	15.6	88	15.6	88	5.4	88	--	--	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			0.0		0.3		0.3		0.3		14.8		9.5	
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		--	--	--	--

OKLAHOMA JUDGES

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Domestic Fixed Income Composite</b>	<b>85,392,602</b>	<b>29.7</b>	<b>-0.6</b>	<b>96</b>	<b>-3.7</b>	<b>89</b>	<b>-3.7</b>	<b>89</b>	<b>4.4</b>	<b>43</b>	<b>5.2</b>	<b>60</b>	<b>5.5</b>	<b>31</b>
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			-0.5		-1.7		-1.7		1.1		0.8		1.0	
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	
<b>Blackrock</b>	<b>44,688,913</b>	<b>15.5</b>	<b>-0.2</b>	<b>91</b>	<b>-1.7</b>	<b>69</b>	<b>-1.7</b>	<b>69</b>	<b>3.6</b>	<b>71</b>	<b>6.0</b>	<b>44</b>	<b>4.7</b>	<b>78</b>
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			-0.1		0.3		0.3		0.3		1.6		0.2	
Met West			0.1	56	-0.8	26	-0.8	26	4.7	17	8.1	6	6.3	1
Barclays Aggregate			-0.1	84	-2.0	82	-2.0	82	3.3	88	4.4	87	4.5	87
Over/Under			0.2		1.2		1.2		1.4		3.7		1.8	
eA US Core Fixed Inc Gross Median			0.2		-1.4		-1.4		4.0		5.8		5.0	
<b>Hoisington</b>	<b>7,476,163</b>	<b>2.6</b>	<b>-3.8</b>	<b>99</b>	<b>-16.5</b>	<b>99</b>	<b>-16.5</b>	<b>99</b>	<b>6.8</b>	<b>83</b>	<b>0.8</b>	<b>99</b>	<b>7.0</b>	<b>70</b>
Barclays Treasury Long Term			-3.1	98	-12.7	97	-12.7	97	5.5	98	2.3	98	5.9	97
Over/Under			-0.7		-3.8		-3.8		1.3		-1.5		1.1	
eA US Long Duration Fixed Inc Gross Median			0.8		-7.1		-7.1		7.7		8.6		7.2	
<b>Blackrock Tips</b>	<b>8,248,935</b>	<b>2.9</b>	<b>-2.0</b>	<b>99</b>	<b>-8.5</b>	<b>99</b>	<b>-8.5</b>	<b>99</b>	<b>3.6</b>	<b>34</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Barclays US TIPS			-2.0	99	-8.6	99	-8.6	99	3.5	38	5.6	27	4.8	29
Over/Under			0.0		0.1		0.1		0.1		4.9		4.6	
eA US Interm Duration Fixed Inc Gross Median			0.2		-0.5		-0.5		3.3					

Performance numbers are shown gross of fees for fiscal year 2013.

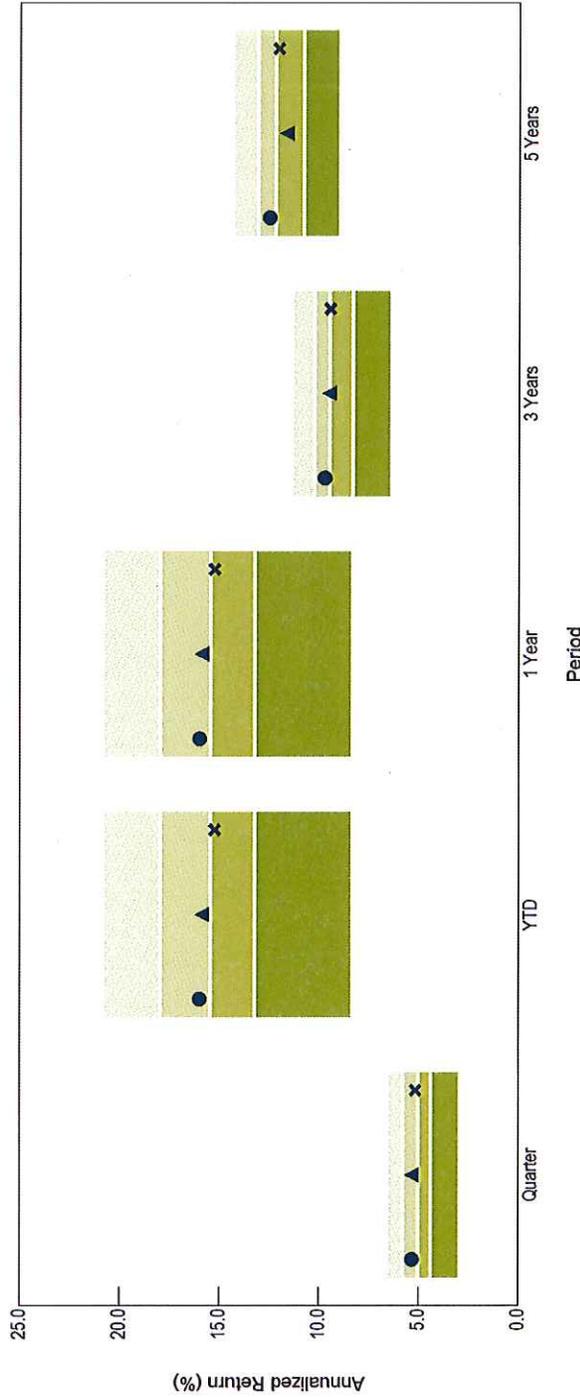


NEPC, LLC

OKLAHOMA JUDGES

Total Fund Return Summary vs. Peer Universe

OK JUDGES vs. IFx Public DB Gross



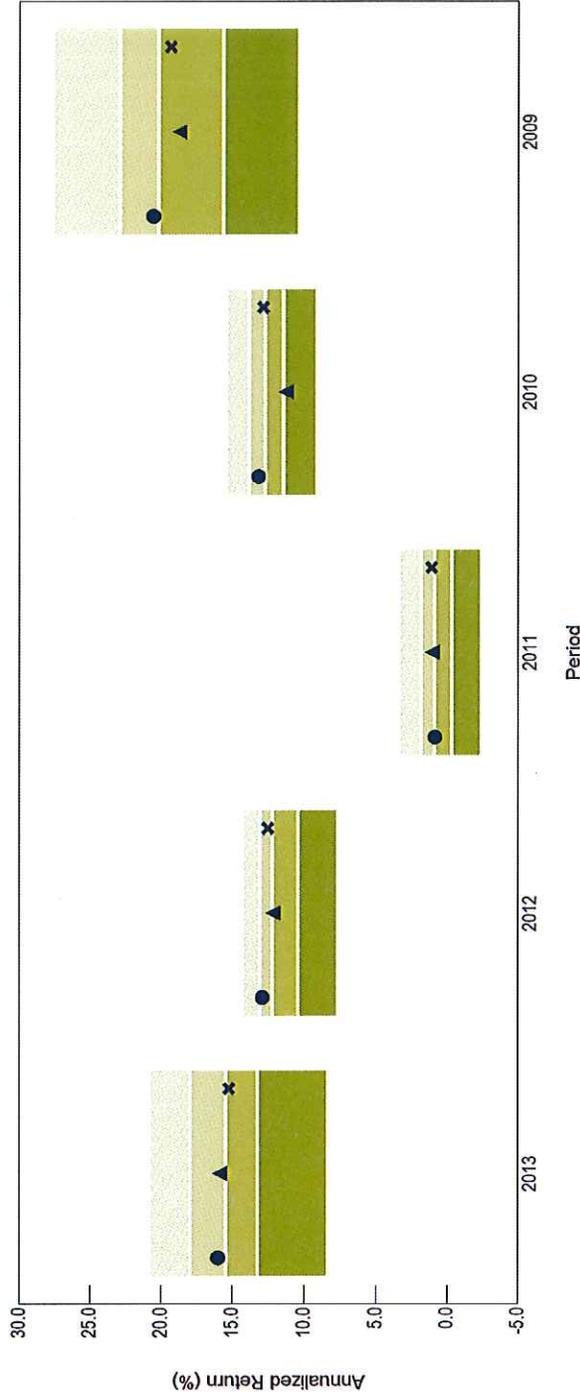
	Quarter	YTD	1 Year	3 Years	5 Years
Return (Rank)					
5th Percentile	3.0	8.4	8.4	6.4	9.0
25th Percentile	4.4	13.3	13.3	8.4	10.8
Median	5.0	15.5	15.5	9.5	12.2
75th Percentile	5.8	18.0	18.0	10.3	13.1
95th Percentile	6.6	20.8	20.8	11.4	14.4
# of Portfolios	212	212	212	185	174
OK JUDGES	5.3 (41)	16.0 (47)	16.0 (47)	9.7 (42)	12.5 (48)
JUDGES Allocation Index	5.3 (40)	15.9 (47)	15.9 (47)	9.5 (51)	11.7 (62)
JUDGES Policy Index	5.2 (46)	15.3 (53)	15.3 (53)	9.5 (52)	12.1 (54)



OKLAHOMA JUDGES

Total Fund Return Summary vs. Peer Universe

OK JUDGES vs. IFx Public DB Gross



	2009	2010	2011	2012	2013
5th Percentile	27.6	15.5	3.4	14.3	20.8
25th Percentile	23.0	13.9	1.9	13.1	18.0
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	15.7	11.5	-0.3	10.5	13.3
95th Percentile	10.4	9.2	-2.4	7.7	8.4
# of Portfolios	152	154	162	192	212
OK JUDGES	20.6 (46)	13.2 (43)	0.9 (54)	12.9 (35)	16.0 (47)
JUDGES Allocation Index	18.7 (60)	11.3 (77)	1.1 (45)	12.1 (52)	15.9 (47)
JUDGES Policy Index	19.4 (54)	12.9 (48)	1.1 (42)	12.5 (44)	15.3 (53)

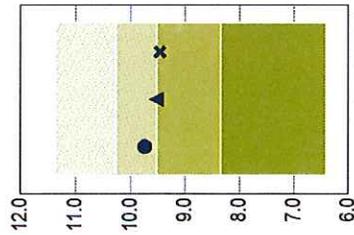


OKLAHOMA JUDGES

Total Fund Risk Statistics vs. Peer Universe

OK JUDGES vs. IFx Public DB Gross  
3 Years

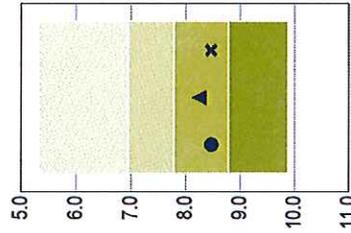
Anzld Return



● OK JUDGES Value 9.73 %tile 42  
▲ JUDGES Allocation Index Value 9.52 %tile 51  
× JUDGES Policy Index Value 9.45 %tile 52

Universe 11.37  
5th %tile 10.28  
25th %tile 9.53  
Median 8.35  
75th %tile 6.42  
95th %tile

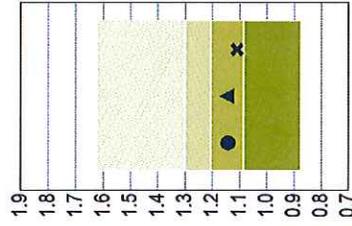
Anzld Standard Deviation



● OK JUDGES Value 8.48 %tile 66  
▲ JUDGES Allocation Index Value 8.25 %tile 61  
× JUDGES Policy Index Value 8.47 %tile 66

Universe 5.32  
5th %tile 6.94  
25th %tile 7.78  
Median 8.77  
75th %tile 9.87  
95th %tile

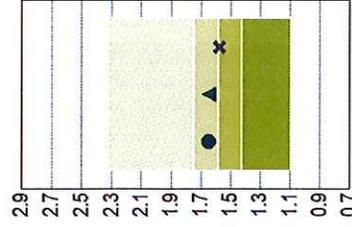
Sharpe Ratio



● OK JUDGES Value 1.14 %tile 64  
▲ JUDGES Allocation Index Value 1.15 %tile 64  
× JUDGES Policy Index Value 1.11 %tile 71

Universe 1.62  
5th %tile 1.30  
25th %tile 1.21  
Median 1.09  
75th %tile 0.88  
95th %tile

Sortino Ratio



● OK JUDGES Value 1.65 %tile 40  
▲ JUDGES Allocation Index Value 1.65 %tile 40  
× JUDGES Policy Index Value 1.57 %tile 53

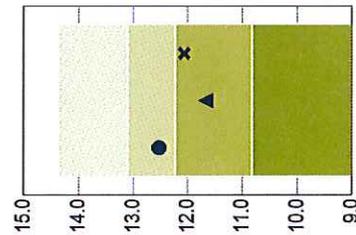
Universe 2.32  
5th %tile 1.76  
25th %tile 1.59  
Median 1.43  
75th %tile 1.10  
95th %tile

OKLAHOMA JUDGES

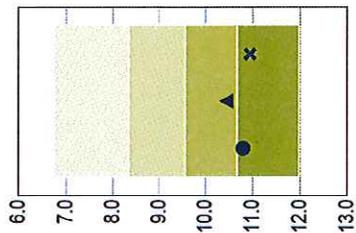
Total Fund Risk Statistics vs. Peer Universe

OK JUDGES vs. IFx Public DB Gross  
5 Years

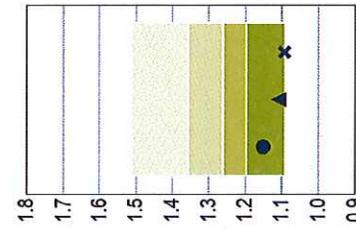
Anizd Return



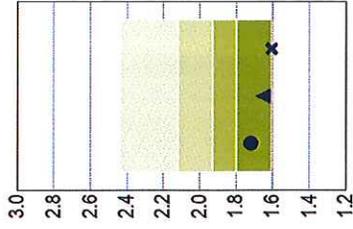
Anizd Standard Deviation



Sharpe Ratio



Sortino Ratio



OK JUDGES

Value	12.52
%tile	48
JUDGES Allocation Index Value	11.66
JUDGES Allocation Index %tile	62
JUDGES Policy Index Value	12.05
JUDGES Policy Index %tile	54
Universe 5th %tile	14.37
Universe 25th %tile	13.11
Universe Median	12.24
Universe 75th %tile	10.84
Universe 95th %tile	9.02

OK JUDGES

Value	10.80
%tile	77
JUDGES Allocation Index Value	10.44
JUDGES Allocation Index %tile	71
JUDGES Policy Index Value	10.95
JUDGES Policy Index %tile	81
Universe 5th %tile	6.76
Universe 25th %tile	8.32
Universe Median	9.54
Universe 75th %tile	10.66
Universe 95th %tile	11.96

OK JUDGES

Value	1.15
%tile	87
JUDGES Allocation Index Value	1.11
JUDGES Allocation Index %tile	94
JUDGES Policy Index Value	1.09
JUDGES Policy Index %tile	96
Universe 5th %tile	1.51
Universe 25th %tile	1.36
Universe Median	1.26
Universe 75th %tile	1.20
Universe 95th %tile	1.09

OK JUDGES

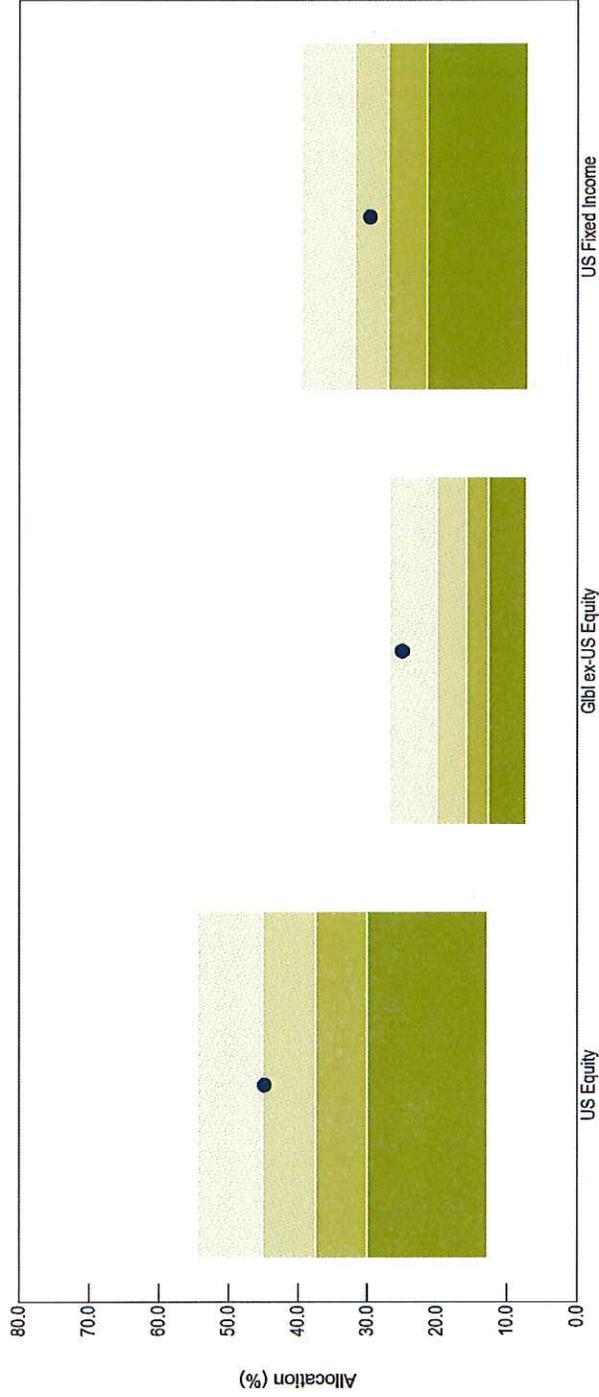
Value	1.72
%tile	88
JUDGES Allocation Index Value	1.65
JUDGES Allocation Index %tile	94
JUDGES Policy Index Value	1.61
JUDGES Policy Index %tile	96
Universe 5th %tile	2.44
Universe 25th %tile	2.12
Universe Median	1.93
Universe 75th %tile	1.80
Universe 95th %tile	1.61



OKLAHOMA JUDGES

Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. IFx Public DB Gross



Allocation (Rank)

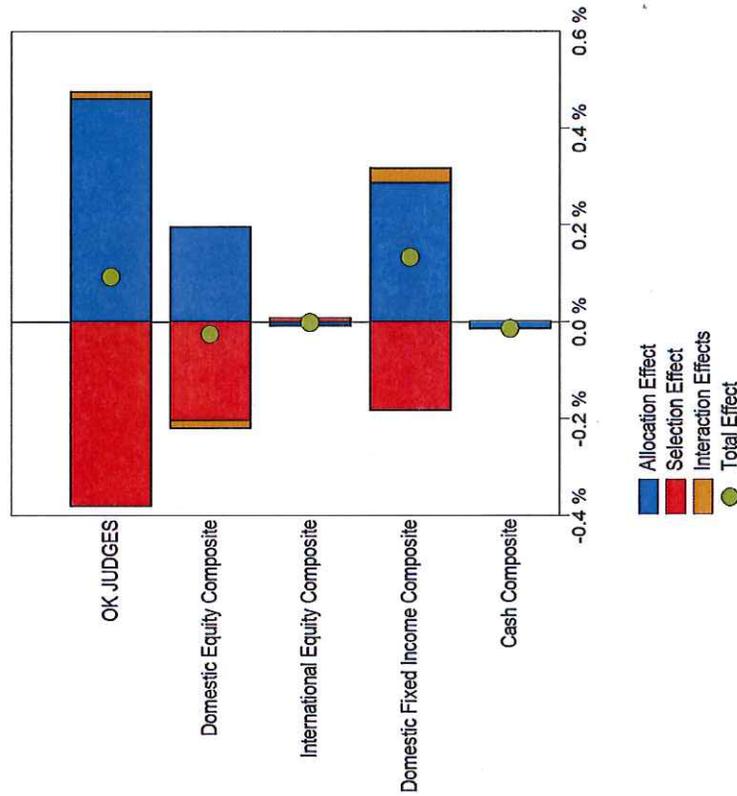
5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile  
# of Portfolios

5th Percentile	54.5	27.0	39.6
25th Percentile	45.2	20.2	32.1
Median	37.7	16.0	27.2
75th Percentile	30.2	12.8	21.6
95th Percentile	12.9	7.3	7.1
# of Portfolios	130	125	96
OKLAHOMA JUDGES	44.8 (28)	25.0 (9)	29.7 (33)

# OKLAHOMA JUDGES

## Total Fund Attribution Analysis

Attribution Effects Relative to JUDGES Policy Index  
3 Months Ending December 31, 2013



### Attribution Summary

#### 3 Months Ending December 31, 2013

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Composite	10.0%	10.5%	-0.5%	-0.2%	0.2%	0.0%	0.0%
International Equity Composite	4.8%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Domestic Fixed Income Composite	-0.6%	-0.1%	-0.5%	-0.2%	0.3%	0.0%	0.1%
Cash Composite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>5.3%</b>	<b>5.2%</b>	<b>0.1%</b>	<b>-0.4%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.1%</b>

\*Target return is calculated as a weighted average of the composites shown and their respective benchmarks and may differ from returns shown throughout the report.

Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	5.3%	16.0%	16.0%
Wtd. Index Return *	5.2%	15.1%	15.1%
<b>Excess Return</b>	<b>0.1%</b>	<b>0.9%</b>	<b>0.9%</b>
Selection Effect	-0.4%	-0.1%	-0.1%
Allocation Effect	0.5%	0.9%	0.9%
Interaction Effect	0.0%	0.1%	0.1%
<b>Asset Class Returns</b>			
OK JUDGES	5.3%	16.0%	16.0%
Domestic Equity Composite	10.0%	33.9%	33.9%
International Equity Composite	4.8%	15.6%	15.6%
Domestic Fixed Income Composite	-0.6%	-3.7%	-3.7%
Cash Composite	0.0%	0.4%	0.4%

\*Calculated from benchmark returns and weightings of each component.





Oklahoma Wildlife

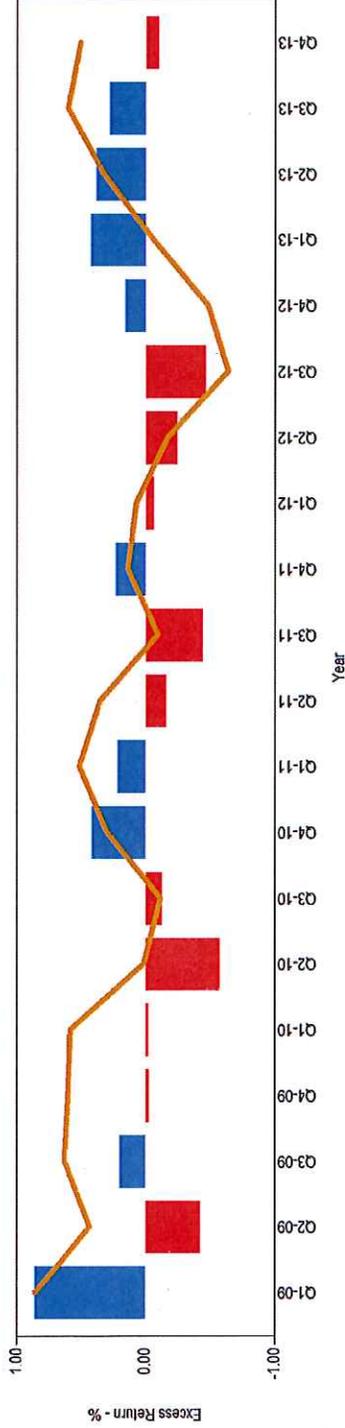


OKLAHOMA WILDLIFE

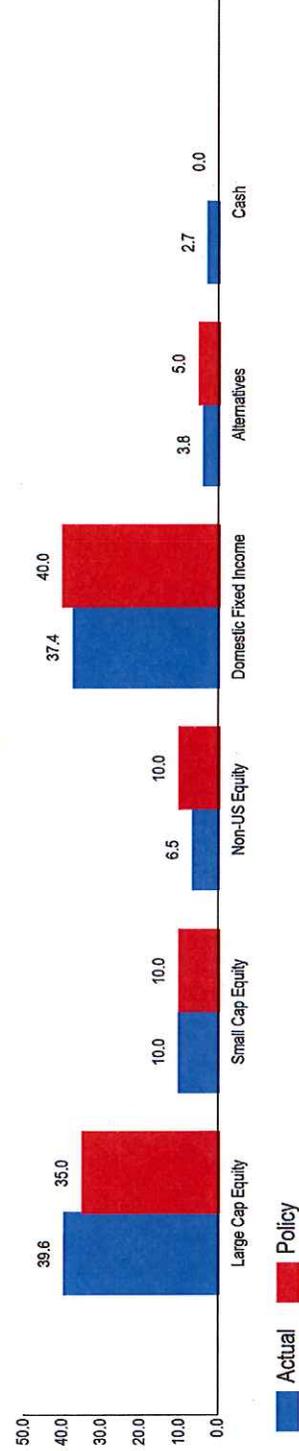
Total Fund Performance Summary

	Market Value	3 Mo Rank	YTD Rank	1 Yr Rank	3 Yrs Rank	5 Yrs Rank	10 Yrs Rank
OK WILDLIFE	\$91,959,595	55	50	50	62	77	93
WILDLIFE Allocation Index		4.9%	15.5%	15.5%	8.9%	10.6%	5.8%
WILDLIFE Policy Index		5.0%	14.4%	14.4%	8.8%	10.5%	6.1%
IFx Public DB Gross Median		5.4%	15.4%	15.4%	9.7%	11.6%	6.4%
		5.0%	15.5%	15.5%	9.5%	12.2%	6.8%

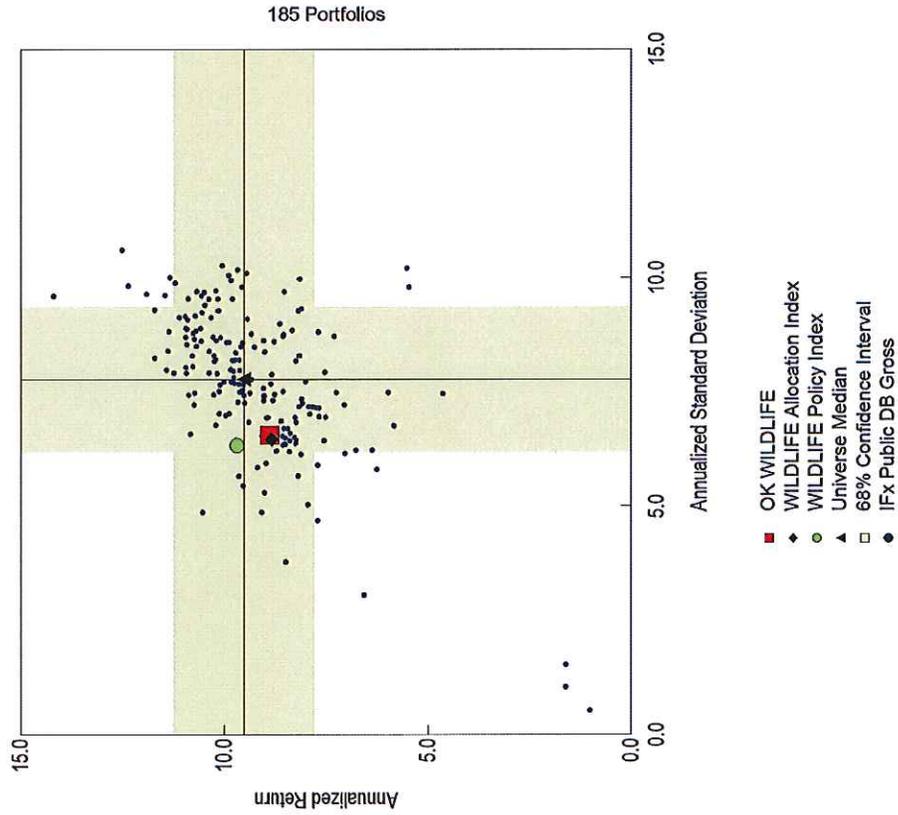
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



3 Years Ending December 31, 2013



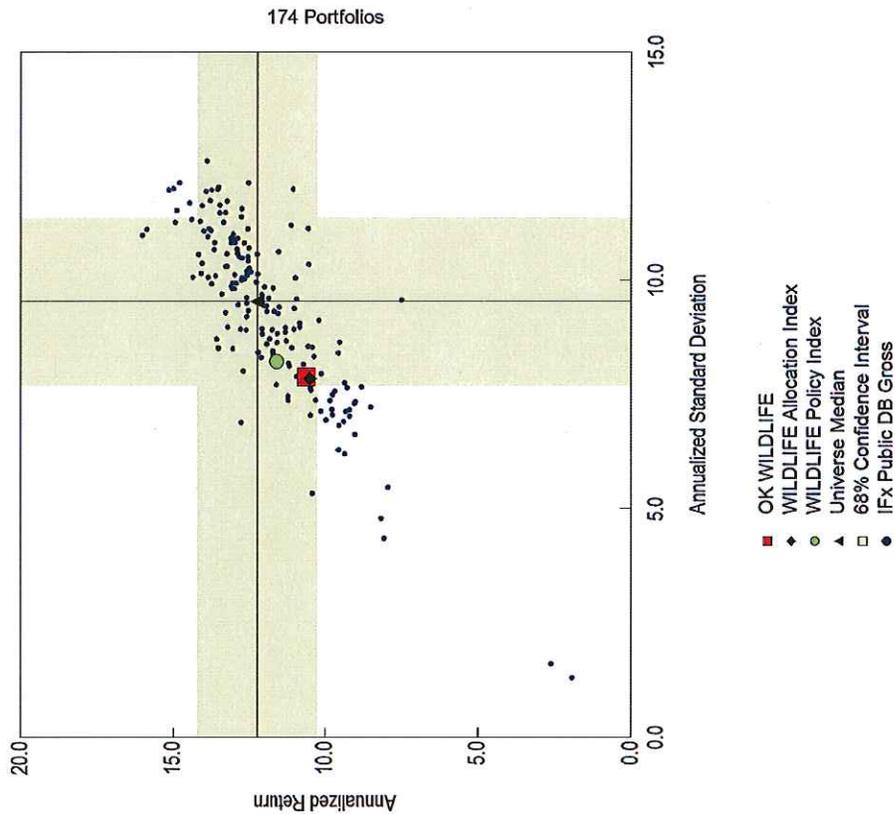
3 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK WILDLIFE	8.90%	62	6.55%	19
WILDLIFE Allocation Index	8.84%	64	6.47%	17
WILDLIFE Policy Index	9.70%	43	6.33%	13

3 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sorffino Ratio	Rank
OK WILDLIFE	1.35	20	1.86	19
WILDLIFE Allocation Index	1.36	18	2.07	9
WILDLIFE Policy Index	1.52	7	2.37	5

5 Years Ending December 31, 2013



5 Years Ending December 31, 2013

	Annualized Return	Rank	Annualized Standard Deviation	Rank
OK WILDLIFE	10.61%	77	7.90%	21
WILDLIFE Allocation Index	10.51%	78	7.86%	21
WILDLIFE Policy Index	11.61%	63	8.23%	25

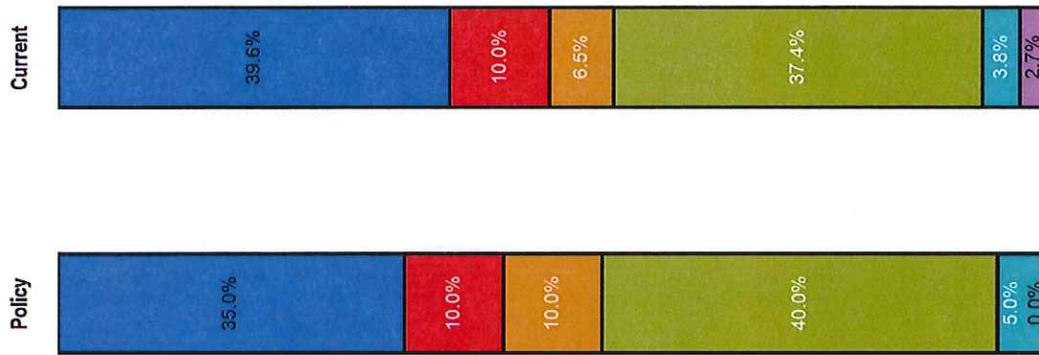
5 Years Ending December 31, 2013

	Sharpe Ratio	Rank	Sortino Ratio	Rank
OK WILDLIFE	1.33	32	2.14	22
WILDLIFE Allocation Index	1.33	34	2.13	23
WILDLIFE Policy Index	1.40	16	2.13	23

Total Fund Asset Allocation vs. Policy Targets

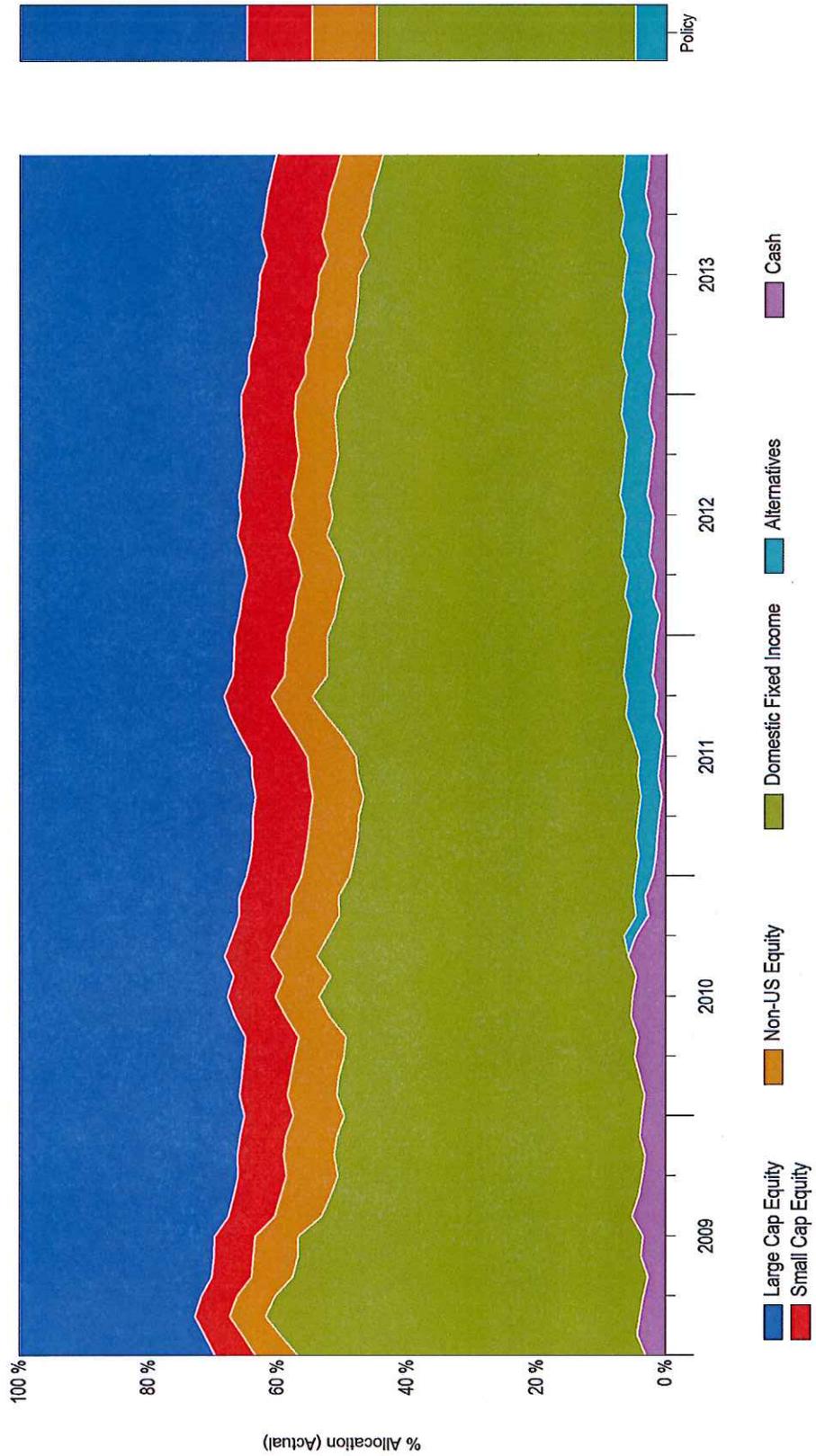
Asset Allocation vs. Target						
	Current	Policy	Current Difference*	Policy Range	Within Range	
Large Cap Equity	\$36,422,438	35.0%	39.6%	30.0% - 40.0%	Yes	
Small Cap Equity	\$9,213,225	10.0%	10.0%	5.0% - 15.0%	Yes	
Non-US Equity	\$5,968,688	10.0%	6.5%	5.0% - 15.0%	Yes	
Domestic Fixed Income	\$34,354,623	40.0%	37.4%	35.0% - 55.0%	Yes	
Alternatives	\$3,475,594	5.0%	3.8%	0.0% - 5.0%	Yes	
Cash	\$2,525,026	0.0%	2.7%	0.0% - 5.0%	Yes	
<b>Total</b>	<b>\$91,959,595</b>	<b>100.0%</b>	<b>100.0%</b>			

\*Difference between Policy and Current Allocation



Total Fund Asset Allocation History

Asset Allocation History



OKLAHOMA WILDLIFE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>OK WILDLIFE</b>	<b>91,959,595</b>	<b>100.0</b>	<b>4.9</b>	<b>55</b>	<b>15.5</b>	<b>50</b>	<b>15.5</b>	<b>50</b>	<b>8.9</b>	<b>62</b>	<b>10.6</b>	<b>77</b>	<b>5.8</b>	<b>93</b>
WILDLIFE Allocation Index			5.0	52	14.4	64	14.4	64	8.8	64	10.5	78	6.1	86
Over/Under			-0.1		1.1		1.1		0.1		0.1		-0.3	
WILDLIFE Policy Index			5.4	38	15.4	51	15.4	51	9.7	43	11.6	63	6.4	69
IFx Public DB Gross Median			5.0		15.5		15.5		9.5		12.2		6.8	
<b>Domestic Equity Comp</b>	<b>45,635,663</b>	<b>49.6</b>	<b>10.0</b>	<b>47</b>	<b>35.5</b>	<b>51</b>	<b>35.5</b>	<b>51</b>	<b>15.8</b>	<b>60</b>	<b>17.6</b>	<b>80</b>	<b>--</b>	<b>--</b>
Core Equity	9,096,620	9.9	9.7	70	33.1	49	33.1	49	12.8	93	16.8	73	--	--
S&P 500			10.5	41	32.4	58	32.4	58	16.2	50	17.9	50	7.4	87
Over/Under			-0.8		0.7		0.7		-3.4		-1.1			
eA US Large Cap Core Equity Gross Median			10.3		32.9		32.9		16.2		17.9		8.5	
Growth Equity	7,645,773	8.3	9.7	76	36.1	35	36.1	35	17.3	30	18.8	66	--	--
Russell 1000 Growth			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
Over/Under			-0.7		2.6		2.6		0.8		-1.6			
eA US Large Cap Growth Equity Gross Median			11.0		34.3		34.3		15.7		19.7		8.5	

OKLAHOMA WILDLIFE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Large Cap Growth Equity Composite</b>	<b>6,497,980</b>	<b>7.1</b>	<b>10.5</b>	<b>58</b>	<b>32.9</b>	<b>61</b>	<b>32.9</b>	<b>61</b>	<b>16.1</b>	<b>45</b>	--	--	--	--
Russell 1000 Growth	4,374,855	4.8	10.3	63	33.1	59	33.1	59	16.0	46	--	--	--	--
Russell 1000 Growth Over/Under			10.4	60	33.5	56	33.5	56	16.5	42	20.4	37	7.8	71
eA US Large Cap Growth Equity Gross Median			-0.1		-0.4		-0.4		-0.5		19.7		8.5	
S&P 500 Growth Index	2,123,125	2.3	11.0	49	32.5	65	32.5	65	16.2	44	--	--	--	--
S&P 500 Growth Over/Under			11.1	42	32.8	63	32.8	63	16.8	38	19.2	60	7.5	81
Value Equity	6,601,877	7.2	-0.1		-0.3		-0.3		-0.6					
Russell 1000 Value			11.0	25	38.0	19	38.0	19	16.8	37	15.8	83	--	--
Russell 1000 Value Over/Under			10.0	48	32.5	60	32.5	60	16.1	49	16.7	68	7.6	78
Large Cap Value	5,673,743	6.2	1.0		5.5		5.5		0.7		-0.9			
Russell 1000 Value Over/Under			9.9	50	32.1	64	32.1	64	15.7	57	--	--	--	--
eA US Large Cap Value Equity Gross Median			10.0	48	32.5	60	32.5	60	16.1	49	16.7	68	7.6	78
Multi-Cap Value Strategy	906,447	1.0	-0.1		-0.4		-0.4		-0.4		17.5		8.6	
S&P 500 Value			9.9		33.6		33.6		16.0					
S&P 500 Value Over/Under			12.3	3	--	--	--	--	--	--	--	--	--	--
eA US All Cap Value Equity Gross Median			9.8	40	32.0	68	32.0	68	15.6	52	16.6	85	7.3	91
BOK Small Cap	9,213,225	10.0	2.5		34.0		34.0		15.7		18.8		9.9	
Russell 2000			9.4		40.0	58	40.0	58	16.9	59	20.9	73	--	--
Russell 2000 Over/Under			8.7	66	38.8	65	38.8	65	15.7	75	20.1	80	9.1	87
eA US Small Cap Equity Gross Median			0.5		1.2		1.2		1.2		0.8		10.8	
			9.5		41.5		41.5		17.6		22.9			

OKLAHOMA WILDLIFE

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Composite</b>	<b>5,968,688</b>	<b>6.5</b>	<b>5.5</b>	<b>63</b>	<b>16.5</b>	<b>80</b>	<b>16.5</b>	<b>80</b>	<b>6.0</b>	<b>83</b>	<b>11.2</b>	<b>94</b>	--	--
MSCI ACWI ex USA			4.8	82	15.3	89	15.3	89	5.1	90	12.8	82	7.6	83
Over/Under			0.7		1.2		1.2		0.9		-1.6			
eA All ACWI ex-US Equity Gross Median			6.1		20.2		20.2		8.2		14.8		9.5	
<b>International Small Cap</b>	<b>4,931,483</b>	<b>5.4</b>	<b>6.0</b>	<b>62</b>	<b>21.3</b>	<b>91</b>	<b>21.3</b>	<b>91</b>	<b>8.1</b>	<b>82</b>	<b>11.7</b>	<b>99</b>	--	--
MSCI ACWI ex USA			4.8	84	15.3	99	15.3	99	5.1	99	12.8	99	7.6	99
Over/Under			1.2		6.0		6.0		3.0		-1.1			
eA ACWI ex-US Small Cap Equity Gross Median			6.8		29.1		29.1		11.4		21.4		12.9	
<b>Emerging Int'l Composite</b>	<b>1,037,206</b>	<b>1.1</b>	<b>3.2</b>	<b>--</b>	<b>-5.5</b>	<b>--</b>	<b>-5.5</b>	<b>--</b>	<b>-6.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI BRIC	177,143	0.2	1.8	70	-5.3	93	-5.3	93	-6.4	99	--	--	--	--
MSCI Emerging Markets			1.8	70	-2.6	80	-2.6	80	-2.1	75	14.8	74	11.2	75
Over/Under			0.0		-2.7		-2.7		-4.3					
eA Emerg Mkts Equity Gross Median			2.8		1.0		1.0		-0.1		16.8		12.5	
<b>Wisdom Tree Emerging Markets Small Cap</b>	<b>46,090</b>	<b>0.1</b>	<b>-0.7</b>	<b>99</b>	<b>-3.5</b>	<b>99</b>	<b>-3.5</b>	<b>99</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI Emerging Markets Small Cap			1.3	96	1.0	93	1.0	93	-3.5	99	19.6	90	12.0	--
Over/Under			-2.0		-4.5		-4.5							
eA Emerg Mkts Small Cap Equity Gross Median			3.1		8.1		8.1		3.6		24.2		--	
<b>Oppenheimer Developing Markets</b>	<b>813,973</b>	<b>0.9</b>	<b>3.7</b>	<b>40</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI Emerging Markets			1.8	70	-2.6	79	-2.6	79	-2.1	75	14.8	75	11.2	75
Over/Under			1.9		0.7		0.7		-0.1		16.9		12.5	
eA Emerg Mkt Equity Unhedged Gross Median			2.8		0.7		0.7		-0.1		16.9		12.5	
<b>Fixed Income Composite</b>	<b>34,354,623</b>	<b>37.4</b>	<b>-0.6</b>	<b>96</b>	<b>-1.8</b>	<b>80</b>	<b>-1.8</b>	<b>80</b>	<b>3.2</b>	<b>71</b>	<b>4.8</b>	<b>64</b>	<b>--</b>	<b>--</b>
BOK Fixed	34,354,623	37.4	-0.6	96	-1.8	80	-1.8	80	3.2	71	4.9	64	--	--
Barclays Aggregate			-0.1	88	-2.0	83	-2.0	83	3.3	68	4.4	71	4.5	63
Over/Under			-0.5		0.2		0.2		-0.1		0.5			
eA All US Fixed Inc Gross Median			0.4		-0.3		-0.3		4.0		5.8		4.9	
<b>Alternative Investments Composite</b>	<b>3,475,594</b>	<b>3.8</b>	<b>1.5</b>	<b>--</b>	<b>2.7</b>	<b>--</b>	<b>2.7</b>	<b>--</b>	<b>2.3</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Performance numbers are shown gross of fees for fiscal year of 2013

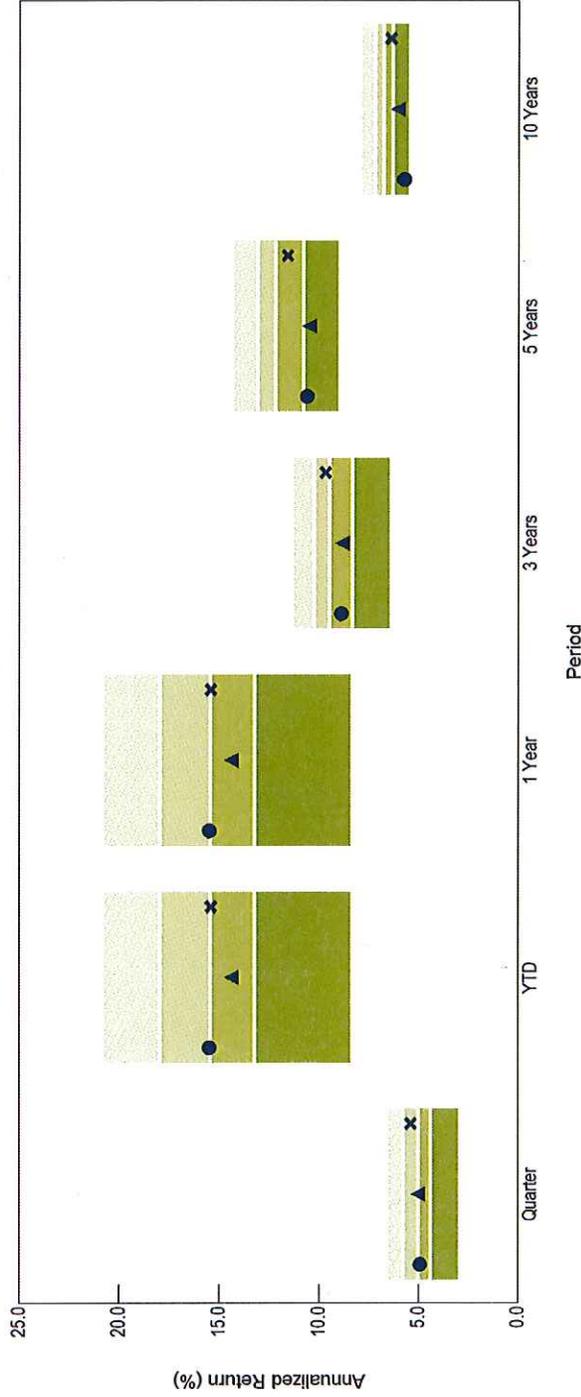


NEPC, LLC

OKLAHOMA WILDLIFE

Total Fund Return Summary vs. Peer Universe

OK WILDLIFE vs. IFx Public DB Gross



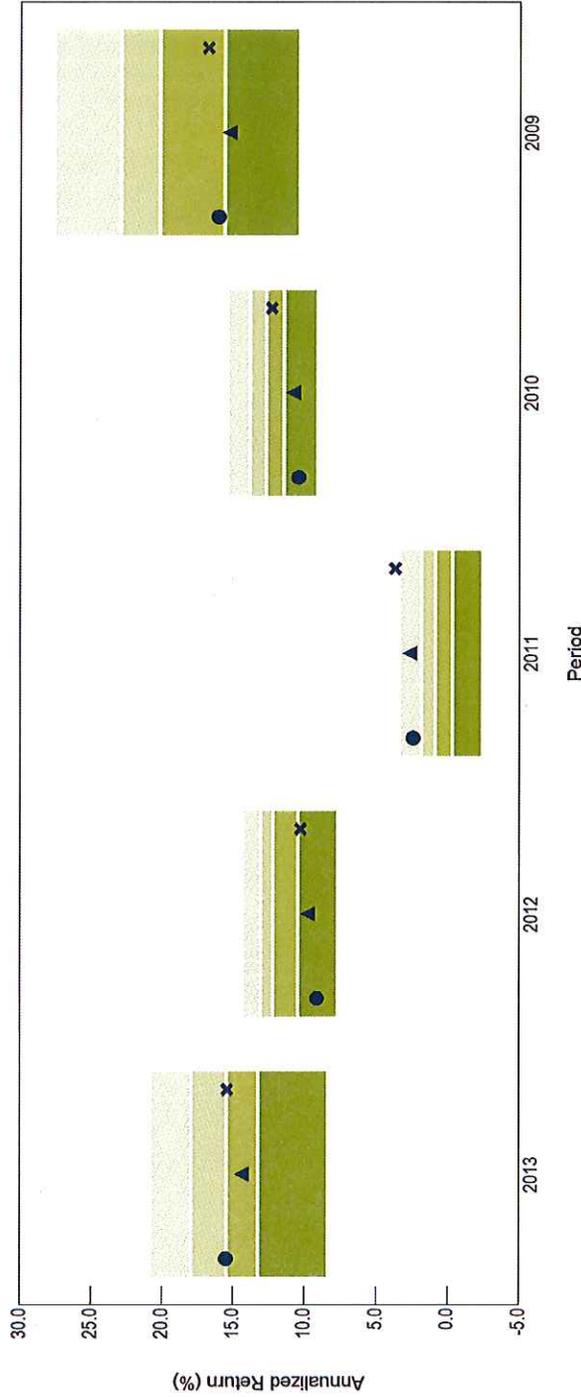
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.6	20.8	20.8	11.4	14.4	8.0
25th Percentile	5.8	18.0	18.0	10.3	13.1	7.2
Median	5.0	15.5	15.5	9.5	12.2	6.8
75th Percentile	4.4	13.3	13.3	8.4	10.8	6.3
95th Percentile	3.0	8.4	8.4	6.4	9.0	5.5
# of Portfolios	212	212	212	185	174	144
● OK WILDLIFE	4.9 (55)	15.5 (50)	15.5 (50)	8.9 (62)	10.6 (77)	5.8 (93)
▲ WILDLIFE Allocation Index	5.0 (52)	14.4 (64)	14.4 (64)	8.8 (64)	10.5 (78)	6.1 (86)
× WILDLIFE Policy Index	5.4 (38)	15.4 (51)	15.4 (51)	9.7 (43)	11.6 (63)	6.4 (69)



OKLAHOMA WILDLIFE

Total Fund Return Summary vs. Peer Universe

OK WILDLIFE vs. IFx Public DB Gross

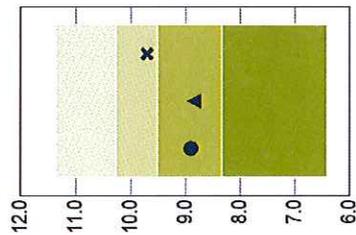


	2009	2010	2011	2012	2013
5th Percentile	27.6	15.5	3.4	14.3	20.8
25th Percentile	23.0	13.9	1.9	13.1	18.0
Median	20.3	12.8	0.9	12.2	15.5
75th Percentile	15.7	11.5	-0.3	10.5	13.3
95th Percentile	10.4	9.2	-2.4	7.7	8.4
# of Portfolios	152	154	162	192	212
● OK WILDLIFE	16.1	10.4	2.5	9.1	15.5
▲ WILDLIFE Allocation Index	15.3	10.8	2.7	9.8	14.4
× WILDLIFE Policy Index	16.8	12.3	3.7	10.3	15.4
	(73)	(85)	(13)	(91)	(50)
	(77)	(81)	(10)	(83)	(64)
	(70)	(58)	(4)	(79)	(51)



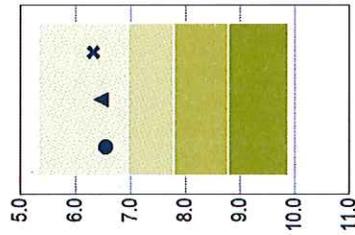
OK WILDLIFE vs. IFx Public DB Gross  
3 Years

Anlzrd Return



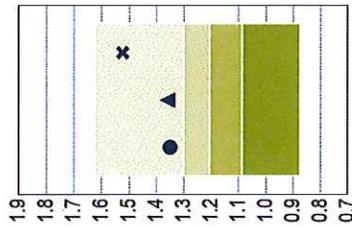
● OK WILDLIFE	Value	8.90
	%tile	62
▲ WILDLIFE Allocation Index	Value	8.84
	%tile	64
✕ WILDLIFE Policy Index	Value	9.70
	%tile	43
Universe	Value	11.37
	5th %tile	10.28
	25th %tile	9.53
	Median	8.35
	75th %tile	6.42
	95th %tile	6.42

Anlzrd Standard Deviation



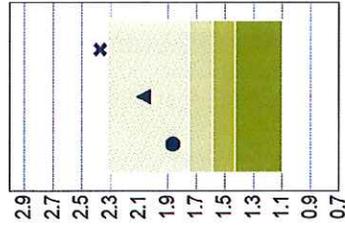
● OK WILDLIFE	Value	6.55
	%tile	19
▲ WILDLIFE Allocation Index	Value	6.47
	%tile	17
✕ WILDLIFE Policy Index	Value	6.33
	%tile	13
Universe	Value	5.32
	5th %tile	6.94
	25th %tile	7.78
	Median	8.77
	75th %tile	9.87
	95th %tile	9.87

Sharpe Ratio



● OK WILDLIFE	Value	1.35
	%tile	20
▲ WILDLIFE Allocation Index	Value	1.36
	%tile	18
✕ WILDLIFE Policy Index	Value	1.52
	%tile	7
Universe	Value	1.62
	5th %tile	1.30
	25th %tile	1.21
	Median	1.09
	75th %tile	0.88
	95th %tile	0.88

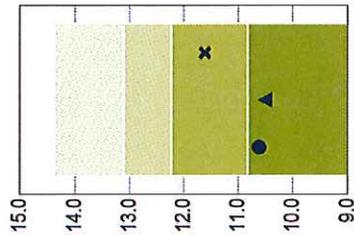
Sortino Ratio



● OK WILDLIFE	Value	2.07
	%tile	9
▲ WILDLIFE Allocation Index	Value	2.07
	%tile	9
✕ WILDLIFE Policy Index	Value	2.37
	%tile	5
Universe	Value	2.32
	5th %tile	1.76
	25th %tile	1.59
	Median	1.43
	75th %tile	1.10
	95th %tile	1.10

OK WILDLIFE vs. IFx Public DB Gross  
5 Years

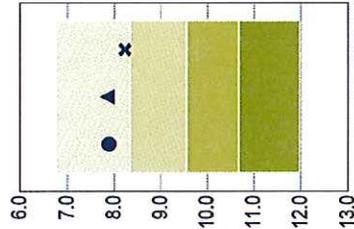
Anzld Return



Category	Value	%tile
OK WILDLIFE	10.61	77
WILDLIFE Allocation Index	10.51	78
WILDLIFE Policy Index	11.61	63

Category	Value	%tile
Universe	14.37	
5th %tile	13.11	
25th %tile	12.24	
Median	10.84	
75th %tile	10.84	
95th %tile	9.02	

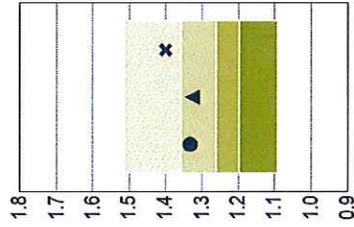
Anzld Standard Deviation



Category	Value	%tile
OK WILDLIFE	7.90	21
WILDLIFE Allocation Index	7.86	21
WILDLIFE Policy Index	8.23	25

Category	Value	%tile
Universe	6.76	
5th %tile	8.32	
25th %tile	9.54	
Median	10.66	
75th %tile	10.66	
95th %tile	11.96	

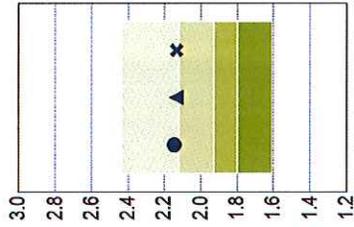
Sharpe Ratio



Category	Value	%tile
OK WILDLIFE	1.33	32
WILDLIFE Policy Index	1.40	16

Category	Value	%tile
Universe	1.51	
5th %tile	1.36	
25th %tile	1.26	
Median	1.20	
75th %tile	1.20	
95th %tile	1.09	

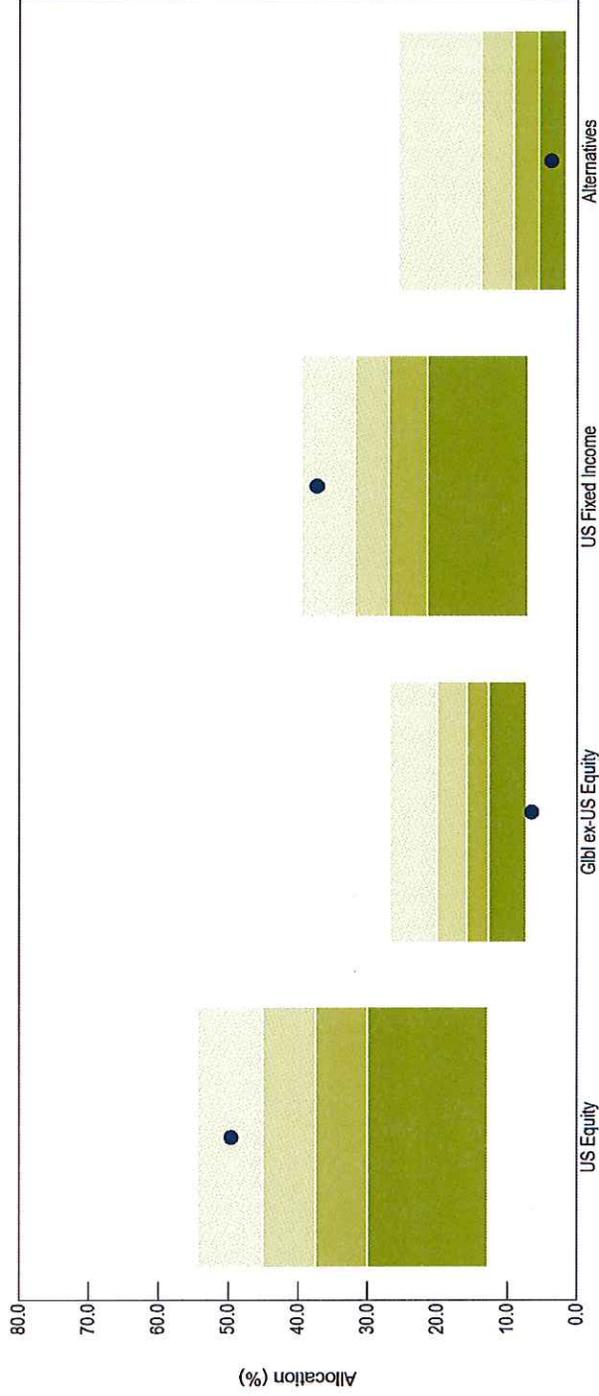
Sortino Ratio



Category	Value	%tile
OK WILDLIFE	2.14	22
WILDLIFE Policy Index	2.13	23

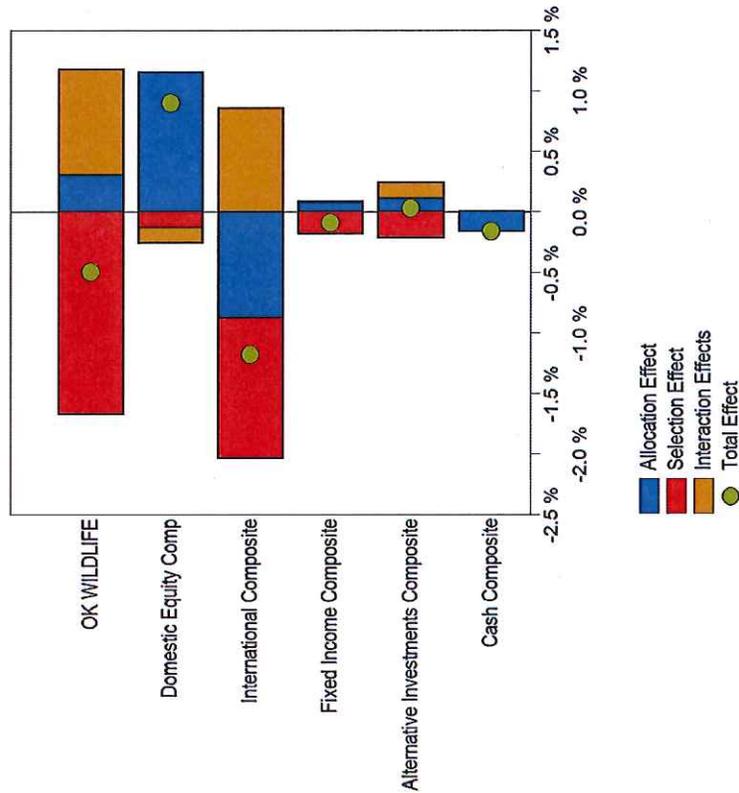
Category	Value	%tile
Universe	2.44	
5th %tile	2.12	
25th %tile	1.93	
Median	1.80	
75th %tile	1.80	
95th %tile	1.61	

Total Plan Allocation vs. IFx Public DB Gross



	US Equity	Gbl ex-US Equity	US Fixed Income	Alternatives
5th Percentile	54.5	27.0	39.6	25.8
25th Percentile	45.2	20.2	32.1	13.9
Median	37.7	16.0	27.2	9.3
75th Percentile	30.2	12.8	21.6	5.6
95th Percentile	12.9	7.3	7.1	1.8
# of Portfolios	130	125	96	61
OK WILDLIFE	49.6 (13)	6.5 (97)	37.4 (10)	3.8 (90)

Attribution Effects Relative to WILDLIFE Policy Index  
3 Months Ending December 31, 2013



Attribution Summary  
3 Months Ending December 31, 2013

	Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Domestic Equity Comp	10.0%	10.5%	-0.5%	-0.1%	2.4%	-0.1%	2.2%
International Composite	5.5%	10.2%	-4.7%	-1.2%	-1.9%	0.9%	-2.2%
Fixed Income Composite	-0.6%	-0.1%	-0.4%	-0.2%	0.0%	0.0%	-0.2%
Alternative Investments Composite	1.5%	3.5%	-2.1%	-0.2%	-0.2%	0.1%	-0.3%
Cash Composite	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>4.9%</b>	<b>5.4%</b>	<b>-0.5%</b>	<b>-1.7%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>-0.5%</b>

\*Target return shown is a weighted average of the composites shown and their benchmarks and may differ from returns shown throughout the report.

Performance Attribution

	Last 3 Mo.	YTD	1 Yr
Wtd. Actual Return	4.9%	15.4%	15.4%
Wtd. Index Return *	5.4%	15.8%	15.8%
<b>Excess Return</b>	<b>-0.5%</b>	<b>-0.3%</b>	<b>-0.3%</b>
Selection Effect	-1.7%	-2.0%	-2.0%
Allocation Effect	0.3%	-0.4%	-0.4%
Interaction Effect	0.9%	2.0%	2.0%
<b>Asset Class Returns</b>			
OK WILDLIFE	4.9%	15.5%	15.5%
Total Equity	9.4%	32.9%	32.9%
Domestic Equity Comp	10.0%	35.5%	35.5%
Large Cap Growth Equity Composite	10.5%	32.9%	32.9%
International Composite	5.5%	16.5%	16.5%
Emerging Int'l Composite	3.2%	-5.5%	-5.5%
Fixed Income Composite	-0.6%	-1.8%	-1.8%
Alternative Investments Composite	1.5%	2.7%	2.7%
Cash Composite	0.0%	0.2%	0.2%

\*Calculated from benchmark returns and weightings of each component

## Glossary of Investment Terminology—Risk Statistics

**Alpha** - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

**Alpha Jensen** - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

**Annualized Excess Return over Benchmark** - Annualized fund return minus the annualized benchmark return for the calculated return.

**Annualized Return** - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

**Beta** - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

**Information Ratio** - A measure of the risk adjusted return of a financial security, asset, or portfolio.

**Formula:**  
*(Annualized Return of Portfolio - Annualized Return of Benchmark)/Annualized Standard Deviation(Period Portfolio Return - Period Benchmark Return). To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.*

**R-Squared** - Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

**Sharpe Ratio** - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

**Sortino Ratio** - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

**Formula:**  
*Calculation Average (X-Y)/Downside Deviation (X-Y) \* 2*  
*Where X=Return Series Y = Return Series Y which is the risk free return (91 day T-bills)*

**Standard Deviation** - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

**Formula:**  
*(Annualized Return of Portfolio - Annualized Return of Risk Free) / Annualized Standard Deviation (Portfolio Returns)*

**Tracking Error** - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

**Formula:**  
*Tracking Error = Standard Deviation (X-Y) \*  $\sqrt{(\# \text{ of periods per year})}$*   
*Where X = periods portfolio return and Y = the period's benchmark return*  
*For monthly returns, the periods per year = 12*  
*For quarterly returns, the periods per year = 4*

**Treynor Ratio** - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

**Formula:**  
*(Portfolio Average Return - Average Return of Risk-Free Rate)/Portfolio Beta*

**Up/Down Capture Ratio** - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

*UpsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Period Benchmark Return is > = 0*

*DownsideCapture = TotalReturn(FundReturns)/TotalReturns(BMReturn) when Benchmark < 0*

Data Source: InvestorForce

## Glossary of Investment Terminology

**# Of Portfolios/Observations<sup>1</sup>** - The total number of data points that make up a specified universe

**Allocation Index<sup>3</sup>** - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

**Asset Allocation Effect<sup>2</sup>** - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

**Agency Bonds (Agencies)<sup>3</sup>** - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

**Asset Backed Securities (ABS)<sup>3</sup>** - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

**Attribution<sup>3</sup>** - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

**Average Effective Maturity<sup>4</sup>** - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

**Batting Average<sup>1</sup>** - A measurement representing an investment manager's ability to meet or beat an index.

*Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.*

**Brinson Fachler (BF) Attribution<sup>1</sup>** - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

**Brinson Hood Beebower (BHB) Attribution<sup>1</sup>** - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

**Corporate Bond (Corp)<sup>4</sup>** - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

**Correlation<sup>1</sup>** - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



NEPC, LLC

## Glossary of Investment Terminology

**Coupon**<sup>4</sup> – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

**Currency Effect**<sup>1</sup> – Is the effect that changes in currency exchange rates over time affect excess performance.

**Derivative Instrument**<sup>2</sup> – A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

**Downside Deviation**<sup>1</sup> – Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

**Formula:**  
*Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.*

**Duration**<sup>3</sup> – Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

**Equity/Debt/Cash Ratio**<sup>1</sup> – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

**Foreign Bond**<sup>3</sup> – A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

**Hard Hurdle**<sup>5</sup> – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

**High-Water Mark**<sup>4</sup> – The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

**Hurdle Rate**<sup>4</sup> – The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

**Interaction Effects**<sup>2</sup> – The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

**Median**<sup>3</sup> – The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

**Modified Duration**<sup>3</sup> – The percentage change in the price of a fixed income security that results from a change in yield.

**Mortgage Backed Securities (MBS)**<sup>3</sup> – Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

**Municipal Bond (Muni)**<sup>4</sup> – A debt security issued by a state, municipality or county to finance its capital expenditures.

**Net Investment Change**<sup>1</sup> – Is the change in an investment after accounting for all Net Cash Flows.

**Performance Fee**<sup>4</sup> – A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



NEPC, LLC

## Glossary of Investment Terminology

**Policy Index<sup>3</sup>** - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

**Price to Book (P/B)<sup>4</sup>** - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

**Price to Earnings (P/E)<sup>3</sup>** - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

**Price to Sales (P/S)<sup>4</sup>** - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

**Return on Equity (ROE)<sup>4</sup>** - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Selection (or Manager) Effect<sup>2</sup>** - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

**Soft Hurdle rate<sup>5</sup>** - is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

**Tiered Fee<sup>1</sup>** - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

**Total Effects<sup>2</sup>** - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

**Total Return<sup>1</sup>** - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

**Universe<sup>3</sup>** - The list of all assets eligible for inclusion in a portfolio.

**Upside Deviation<sup>1</sup>** - Standard Deviation of Positive Returns

**Weighted Avg. Market Cap.<sup>4</sup>** - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

**Yield (%)<sup>3</sup>** - The current yield of a security is the current indicated annual dividend rate divided by current price.

**Yield to Maturity<sup>3</sup>** - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



NEPC, LLC

## Information Disclaimer

- **Past performance is no guarantee of future results.**
- **NEPC relies on the plan's custodian bank for portfolio pricing, calculation of accruals, and transaction information. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
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# January 2014 - Market Performance Update

Share Prices Lower, Bond Prices Higher

## Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	-5.2	16.1	12.6	17.6
NASDAQ (prc chg only)	-1.7	30.6	15.0	22.7
S&P 500 cap weighted	-3.5	21.5	13.9	19.2
S&P 500 equal weighted	-3.0	24.0	15.0	24.6
S&P Mid Cap	-2.1	21.9	14.1	23.2
S&P Small Cap	-3.9	28.4	16.8	23.7
S&P REIT	4.1	2.8	9.8	22.4
Alerian MLP	0.6	14.0	14.1	26.1
Russell 1000 Growth	-2.9	24.4	14.4	20.9
Russell 1000 Value	-3.6	20.0	13.8	18.7
Russell Mid Cap Growth	-2.2	25.1	14.0	24.0
Russell Mid Cap Value	-1.7	22.1	14.5	23.4
Russell 2000 Growth	-1.7	32.1	16.4	24.1
Russell 2000 Value	-3.9	22.0	13.0	20.4
Russell Top 200	-3.7	21.6	14.1	18.3
Russell 1000	-3.2	22.2	14.1	19.8
Russell Mid Cap	-2.0	23.7	14.3	23.8
Russell 2500	-2.3	25.1	14.9	23.5
Russell 2000	-2.8	27.0	14.7	22.3
MSCI World Ex US	-4.0	10.7	5.1	13.8
MSCI World Ex US Growth	-4.3	10.5	5.0	13.3
MSCI World Ex US Value	-3.7	10.9	5.2	14.2
MSCI EAFE	-4.0	11.9	5.9	13.8
MSCI Emerging Markets	-6.5	-10.2	-3.4	14.8

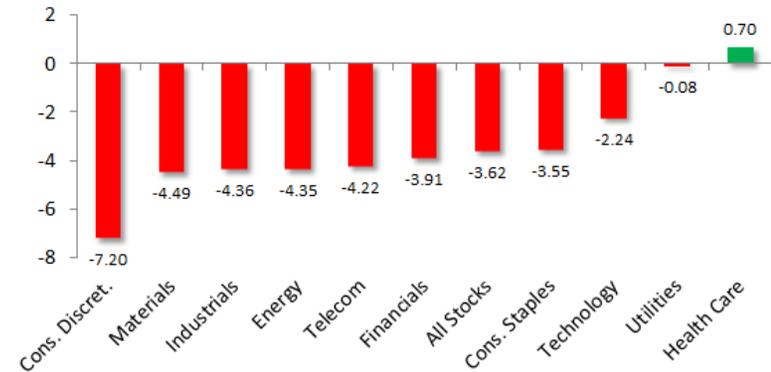
The domestic equity market gave back some of December's gains as economic data turned mixed and investors took profits. International share prices also fell on a series of economic reports that indicated weakness in emerging and developed markets. Emerging markets extended their difficult run, now lagging developed markets by over 20% for the trailing twelve months.

The bond market responded positively to falling equity prices. As investors moved out of stocks, many moved to bonds, driving prices higher and yields lower. Short term interest rates remained flat. Trailing year returns for long duration assets were negative. The core segment of the market improved to a slight gain over the past year. Their return matched the 91 Day Treasury Bill return.

## Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	0.1
BC Long Treasury	5.5	-4.5	8.2	5.3
BC US Agg	1.5	0.1	3.7	4.9

## Average Performance of Stocks in Each S&P 500 Sector YTD (%)



## S&P 500: May 2011 - Present



# Manager Profile - Advisory Research



Asset Class:	International Small Cap Equity
Status:	In Compliance
Portfolio Size:	\$200,740,400
Inception Date:	12/1/2011
Target Allocation:	1.5%
Actual Allocation:	1.6%
Annual Management Fee:	0.70%
Location:	Chicago, Illinois
Structure:	Division of Piper Jaffrey
Portfolio Management Team:	Johnathan Brodsky Drew Edwards Marco Priani

## Notes:

Under normal circumstances, the Fund will invest at least 80% of its net assets (including amounts borrowed for investment purposes) in equity securities of small capitalization companies and will invest at least 75% of its net assets in securities of companies located outside of the United States. The Fund considers small capitalization companies to be companies with market capitalizations within the range of those companies included in the MSCI EAFE Small Cap Index at the time of purchase. The Fund's advisor uses a bottom-up approach that seeks to identify companies with attractive valuations relative to net asset value. The strategy invests in stocks that it believes are profitable, undervalued on a price to book basis, and exhibit low levels of leverage. The Fund's investments in equity securities may include common stocks, preferred stocks and convertible securities.

Represented by:	Chris D. Crawshaw - CEO Johnathan P. Brodsky - Managing Director
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Founded: 1974

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Advisory Research	20.0	-	-	17.1	-0.5	-2.5
MSCI EAFE Small Cap	20.5	-19.7	8.4	21.0	1.2	-1.5

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Advisory Research	72	\$2.9 Billion	2.9%	11.7	1.0

# Manager Profile - Epoch



Asset Class:	International Small Cap Equity
Status:	In Compliance
Portfolio Size:	\$204,239,386
Inception Date:	12/1/2011
Target Allocation:	1.5%
Actual Allocation:	1.6%
Annual Management Fee:	
Location:	New York, New York
Structure:	Publicly Traded (ticker: EPHC)
Portfolio Management Team:	Eric Citerne - Portfolio Manager Mike Welhoelter - Quantitative Research & RM

## Notes:

Their International Small Cap strategy pursues long-term capital appreciation by investing in growing, attractively valued non-U.S. companies with market capitalizations below \$5 billion. It offers investors access to under-researched companies with high return potential in growing segments of non-U.S. markets. The strategy aims to exploit inefficiencies in the asset class by identifying long-term investment themes and selecting individual companies using a free cash flow valuation methodology. Their bottom-up security selection and risk management process leads to a portfolio of 125-175 stocks.

Represented by:	Tom Pernice Eric Citerne John Morgan
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Founded: 2004

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Epoch	20.2	-	-	23.3	1.0	-1.8
MSCI EAFE Small Cap	20.5	-19.7	8.4	21.0	1.2	-1.5

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Epoch	137	\$3.1 Billion	1.6%	16.6	1.9

# Monthly Asset Allocation Review

Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,704,810,839	20.9%	17.0%	3.9%	Excess allocation bound for Private Equity and Real Estate
Mid Cap	1,845,449,102	14.3%	13.0%	1.3%	
Small Cap	1,345,053,006	10.4%	10.0%	0.4%	
<b>Total Domestic Equity</b>	<b>5,895,312,947</b>	<b>45.6%</b>	<b>40.0%</b>	<b>5.6%</b>	
Large Cap International Equity	1,436,301,453	11.1%	11.5%	-0.4%	
Small Cap International Equity	805,815,909	6.2%	6.0%	0.2%	
<b>Total International Equity</b>	<b>2,242,117,362</b>	<b>17.3%</b>	<b>17.5%</b>	<b>-0.2%</b>	
<b>Core Fixed Income</b>	<b>2,016,237,604</b>	<b>15.6%</b>	<b>17.5%</b>	<b>-1.9%</b>	
High Yield Bonds	741,833,617	5.7%	6.0%	-0.3%	Two searches underway
MLPs	975,961,278	7.5%	7.0%	0.5%	
Private Equity	295,323,875	2.3%	5.0%	-2.7%	
Real Estate	562,910,457	4.4%	7.0%	-2.6%	
Opportunistic Assets	175,239,545	1.4%	0.0%	1.4%	
<b>Total Non-Core Assets</b>	<b>2,751,268,773</b>	<b>21.3%</b>	<b>25.0%</b>	<b>-3.7%</b>	
<b>Cash</b>	<b>33,463,449</b>	<b>0.3%</b>	<b>0.0%</b>	<b>0.3%</b>	
<b>Composite</b>	<b>12,938,464,902</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	

# Total Fund + Class Composite Summary

As of January 31, 2014

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
<b>Total Fund (Gross of Fees)</b>	<b>12,938,464,902</b>	<b>12/1/1991</b>	<b>22.2</b>	<b>9.7</b>	<b>8.2</b>	<b>16.6</b>	<b>11.7</b>	<b>17.1</b>	<b>11.7</b>	<b>2.1</b>	<b>-1.6</b>
<b>Total Fund (Net of Fees)</b>				<b>9.3</b>	<b>7.8</b>	<b>16.2</b>	<b>11.3</b>	<b>16.7</b>	<b>11.3</b>	<b>2.0</b>	<b>-1.6</b>
<i>Allocation Index</i>				9.4	7.1	15.4	10.1	13.2	9.3	1.1	-1.5
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	5,895,312,947 S&P 500 45.6%	4/1/1990	23.9	10.9	8.4	21.8	14.8	26.8	15.2	2.6	-3.2
Total All Cap Equity	840,533,284 Russell 3000 6.5%	9/1/2006	7.4	6.7	-	18.7	13.1	22.6	11.1	0.9	-4.8
Total Large Cap Active Equity	1,005,730,352 S&P 500 7.8%	1/1/1995	19.1	10.4	7.3	20.1	16.4	27.3	14.2	3.0	-2.9
Total Mid Cap Equity	1,845,449,102 Russell Mid Cap 14.3%	11/1/1998	15.3	10.4	10.7	25.1	15.6	29.3	17.0	3.4	-2.8
Total Small Cap Equity	1,345,053,006 Russell 2000 10.4%	2/1/1998	16.0	9.6	8.7	23.1	13.4	30.8	18.3	2.8	-3.0
Total International Equity	2,242,117,362 MSCI ACWI ex-US 17.3%	2/1/1998	16.0	9.3	7.5	14.9	7.1	14.1	13.7	-1.4	-4.1
Core Fixed Income (ex- High Yield)	2,016,237,604 Barclays Aggregate 15.6%	4/1/1990	23.9	7.3	6.3	7.9	6.7	0.7	3.0	1.0	1.9
Master Limited Partnerships	975,961,278 Alerian MLP Index 7.5%	2/28/2011	2.9	19.8	-	-	19.8	25.5	11.5	7.4	1.4
High Yield Bonds	741,833,617 ML High Yield II 5.7%	2/1/2009	5.0	16.1	-	16.1	8.8	5.9	6.3	1.7	0.7
Core Real Estate	562,910,457 NCREIF 4.4%	4/1/2011	2.8	-	-	-	-	-	-	-	-
Cash	33,463,449 91 Day T-bill 0.3%	4/1/1990	23.9	-	-	-	-	-	-	-	-
					1.7	0.1	0.1	0.1	0.0	0.0	0.0

# Equity Portfolios Summary

As of January 31, 2014

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
<b>All Cap / Large Cap Domestic</b>												
Hotchkis & Wiley Large Cap	518,913,336	4/1/1990	23.9	11.0	7.0	24.5	15.3	28.6	12.6	2.6	-3.4	
Russell 1000 Value	4.0%			10.0	7.0	18.7	13.8	20.0	10.3	1.7	-3.6	
Sawgrass	486,817,016	7/1/2006	7.6	8.4	-	19.8	17.2	26.0	15.9	3.5	-2.3	
Russell 1000 Growth	3.8%			8.5	-	20.9	14.4	24.3	16.0	2.7	-2.9	
ARI All Cap	418,642,299	9/1/2006	7.4	5.8	-	18.1	12.9	20.9	9.7	0.4	-4.9	
Russell 3000 Value	3.2%			7.0	-	20.0	14.2	22.6	13.4	2.3	-3.2	
EPOCH All Cap	421,890,985	9/1/2006	7.4	7.5	-	19.1	13.2	24.2	12.5	1.4	-4.7	
Russell 3000 Value	3.3%			7.0	-	20.0	14.2	22.6	13.4	2.3	-3.2	
<b>Passive Domestic Equity</b>												
NT Cap Weighted Passive	429,120,145	4/1/2012	1.8	16.7	-	-	-	21.1	12.0	1.8	-3.5	
S&P 500 Cap Weighted	3.3%			16.2	6.8	19.2	13.9	21.5	12.3	2.0	-3.5	
SSGA Eq Weighted Passive	429,427,058	4/1/2012	1.8	20.1	-	-	-	23.7	13.5	2.1	-2.9	
S&P 500 Equal Weighted	3.3%			-	9.3	24.6	15.0	24.0	-	2.2	-3.0	
<b>Mid Cap Domestic Equity</b>												
Frontier Capital	477,330,024	6/1/2002	11.7	10.5	11.0	21.3	14.0	25.5	18.2	4.4	-0.7	
Russell Mid Cap Growth	3.7%			9.4	9.2	24.0	14.0	25.1	15.8	3.2	-2.2	
Wellington Management	431,936,570	9/1/1998	15.4	10.8	9.6	24.2	11.6	33.5	20.7	3.6	-4.7	
Russell Mid Cap Growth	3.3%			8.9	9.2	24.0	14.0	25.1	15.8	3.2	-2.2	
AJO Partners	479,106,187	8/1/1998	15.5	11.1	10.3	23.6	17.2	28.7	17.0	3.4	-3.0	
Russell MidCap	3.7%			9.2	9.7	23.8	14.3	23.7	14.5	2.6	-1.9	
Hotchkis & Wiley Mid Cap	457,076,321	8/1/2002	11.5	14.4	11.4	32.9	19.5	29.3	12.5	2.2	-3.0	
Russell MidCap Value	3.5%			11.5	9.8	23.4	14.5	22.1	13.0	2.1	-1.7	
<b>Small Cap Domestic Equity</b>												
Shapiro Capital Management	617,871,595	2/1/1998	16.0	10.8	12.3	28.1	16.1	33.8	21.4	5.5	-2.4	
Russell 2000	4.8%			8.6	7.8	20.4	13.0	22.0	13.1	1.8	-3.9	
Geneva Capital	193,654,427	6/1/2013	0.7	21.6	-	-	-	-	21.5	1.4	-1.6	
Russell 2000 Growth	1.5%			19.2	-	-	-	-	19.9	4.4	-1.7	
Wasatch Advisors	174,845,477	6/1/2013	0.7	8.3	-	-	-	-	10.8	-1.5	-5.6	
Russell 2000 Growth	1.4%			19.2	-	-	-	-	19.9	1.8	-3.9	
Cove Street Capital	101,735,245	6/1/2013	0.7	12.3	-	-	-	-	13.9	-2.0	-5.5	
Russell 2000 Value	0.8%			12.6	-	-	-	-	13.1	1.8	-3.9	
Frontier Capital	149,518,558	6/1/2013	0.7	11.8	-	-	-	-	16.1	3.2	-2.4	
Russell 2000 Value	1.2%			12.6	-	-	-	-	13.1	1.8	-3.9	
Neumeier Poma	107,427,703	6/1/2013	0.7	16.2	-	-	-	-	15.5	2.1	-3.2	
Russell 2000 Value	0.8%			12.6	-	-	-	-	13.1	1.8	-3.9	
<b>International Large Cap Equity</b>												
Causeway Capital	516,359,094	5/1/2003	10.8	10.8	7.8	17.2	7.4	12.4	12.8	-2.2	-4.6	
MSCI ACWI Ex US	4.0%			9.7	6.8	14.4	6.4	12.4	13.3	-1.8	-4.0	
International Transition Account	50,686,707	-	-	-	-	-	-	-	-	-	-	
MSCI ACWI Ex US	0.4%			-	-	-	-	-	-	-	-	
Northern Trust Passive	407,738,837	9/1/2013	0.4	1.9	-	-	-	-	-	-1.8	-4.0	
MSCI EAFE	3.2%			9.0	6.3	13.8	5.9	11.9	9.0	-1.9	-4.0	
Thornburg	461,127,484	12/1/2005	8.2	6.7	-	14.0	3.6	4.5	7.8	-3.3	-6.3	
MSCI ACWI Ex US	3.6%			4.8	6.9	13.9	3.2	5.8	10.1	-3.5	-4.6	
<b>International Small Cap Equity</b>												
ARI Small Cap International	200,740,400	12/1/2011	2.2	20.0	-	-	-	17.1	15.7	-0.5	-2.5	
MSCI EAFE Small Cap	1.6%			20.5	8.8	19.7	8.4	21.0	20.5	1.2	-1.5	
Epoch Small Cap International	204,239,386	12/1/2011	2.2	20.2	-	-	-	23.3	20.6	1.0	-1.8	
MSCI EAFE Small Cap	1.6%			20.5	8.8	19.7	8.4	21.0	20.5	1.2	-1.5	
Wasatch Small Cap International	194,142,993	12/1/2011	2.2	26.3	-	-	-	19.8	12.5	-2.4	-3.9	
MSCI EAFE Small Cap	1.5%			20.5	8.8	19.7	8.4	21.0	20.5	1.2	-1.5	
Wellington Small Cap International	206,693,131	12/1/2011	2.2	27.2	-	-	-	27.0	21.0	2.1	-2.3	
MSCI EAFE Small Cap	1.6%			20.5	8.8	19.7	8.4	21.0	20.5	1.2	-1.5	

# Fixed Income Portfolios Summary

As of January 31, 2014



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
<b>Core Fixed Income</b>												
Loomis Sayles	583,474,672	8/1/1999	14.5	7.1	7.4	10.3	6.7	1.1	3.8	0.8	1.2	
<i>Barclays Aggregate</i>	4.5%			5.7	4.6	4.9	3.7	0.1	1.9	0.5	1.5	
Lord Abbett	581,431,166	11/1/2004	9.3	6.1	-	8.2	5.6	0.9	2.7	0.8	1.3	
<i>Barclays Aggregate</i>	4.5%			4.6	4.6	4.9	3.7	0.1	1.9	0.5	1.5	
Mackay Shields	588,674,154	11/1/2004	9.3	6.5	-	8.5	6.6	2.2	3.4	1.3	1.1	
<i>Barclays Aggregate</i>	4.5%			4.6	4.6	4.9	3.7	0.1	1.9	0.5	1.5	
<b>Active Duration Fixed Income</b>												
Hoisington	262,657,613	11/1/2004	9.3	7.4	-	5.4	10.9	-6.1	-0.4	1.4	7.0	
<i>Barclays Aggregate</i>	2.0%			4.6	-	4.9	3.7	0.1	1.9	0.5	1.5	
<b>High Yield Fixed Income</b>												
Loomis Sayles High Yield	245,336,522	2/1/2009	5.0	16.0	-	16.0	7.4	3.0	5.4	1.1	0.4	
<i>Merrill Lynch High Yield II</i>	1.9%			17.6	8.4	17.6	8.5	6.7	6.6	1.8	0.7	
Lord Abbett High Yield	247,604,302	2/1/2009	5.0	17.1	-	17.1	9.9	8.7	7.5	2.2	0.7	
<i>Merrill Lynch High Yield II</i>	1.9%			17.6	8.4	17.6	8.5	6.7	6.6	1.8	0.7	
Mackay Shields High Yield	248,892,747	2/1/2009	5.0	15.1	-	15.1	8.8	6.2	6.0	1.7	0.8	
<i>Merrill Lynch High Yield II</i>	1.9%			17.6	8.4	17.6	8.5	6.7	6.6	1.8	0.7	

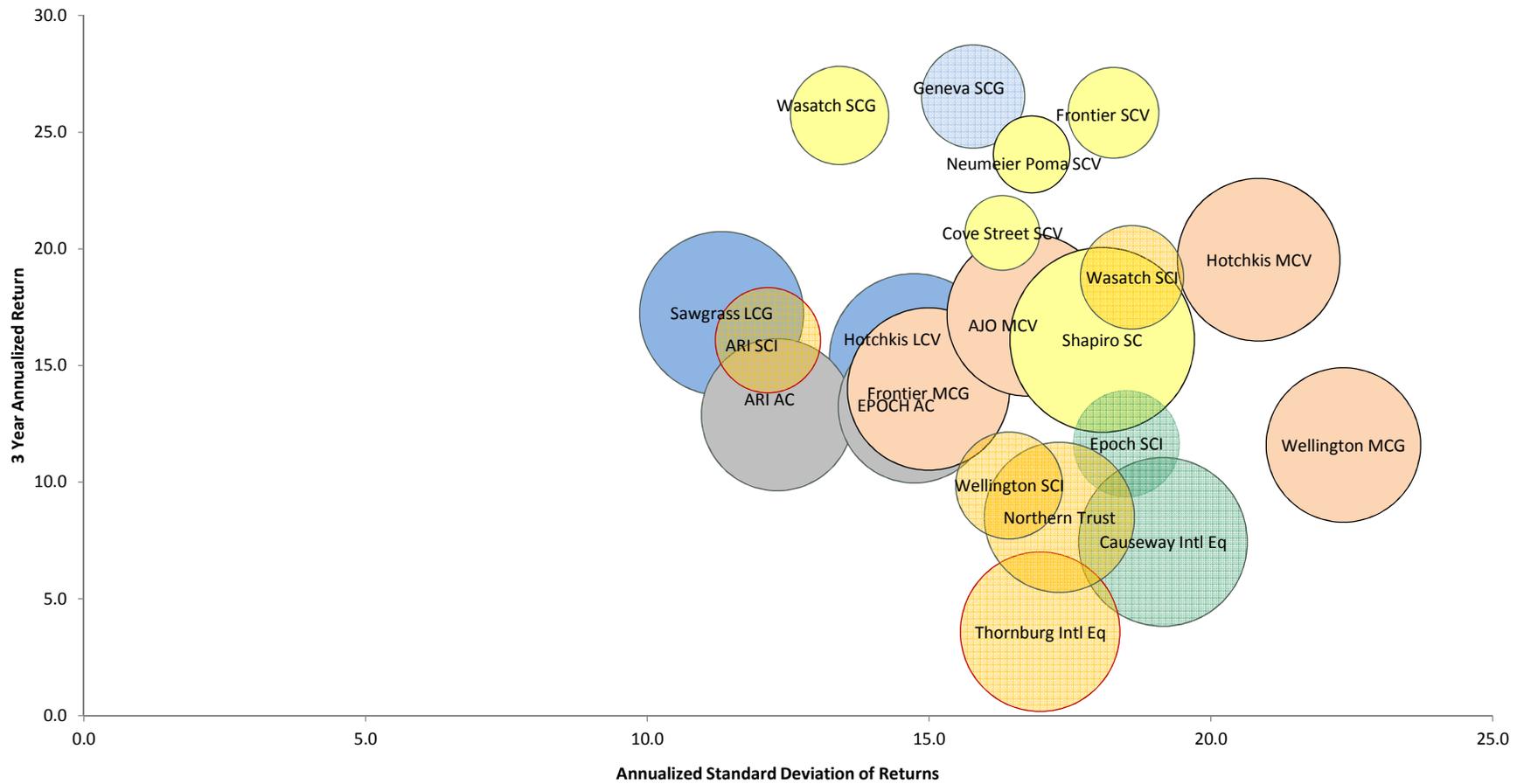
# Non-Traditional Portfolios Summary

As of January 31, 2014



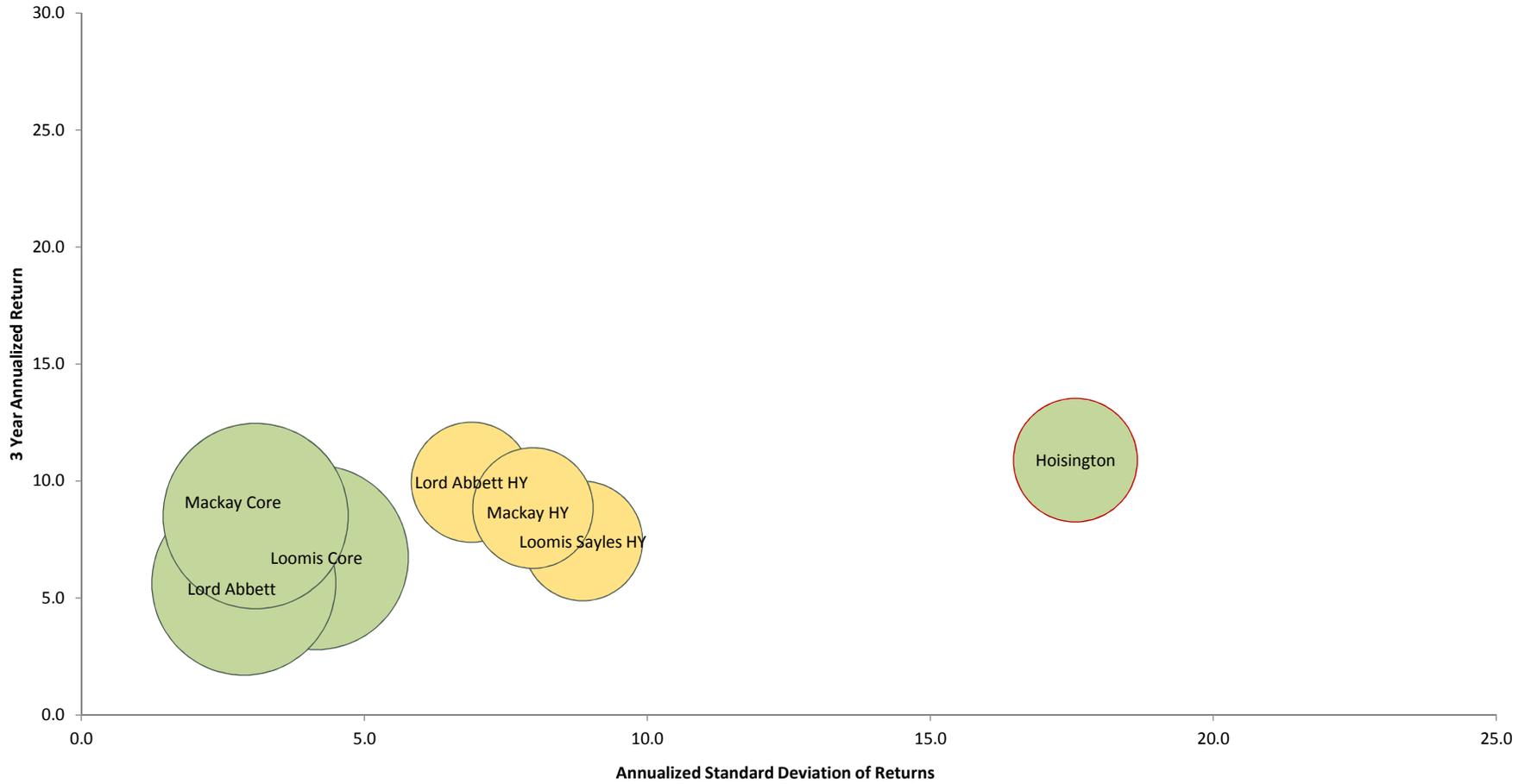
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
<b>Master Limited Partnerships</b>											
Chickasaw Capital MLP	328,306,665	2/28/2011	2.9	27.9	-	-	27.9	35.4	18.3	10.2	2.2
<i>Alerian MLP Index</i>	2.5%			14.1	-	-	14.1	14.0	5.1	3.1	0.6
Cushing MLP Management	323,916,896	2/28/2011	2.9	20.6	-	-	20.6	30.7	14.7	8.8	1.2
<i>Alerian MLP Index</i>	2.5%			14.1	-	-	14.1	14.0	5.1	3.1	0.6
FAMCO MLP	323,737,717	2/28/2011	2.9	14.2	-	-	14.2	16.4	5.4	4.5	0.8
<i>Alerian MLP Index</i>	2.5%			14.1	-	-	14.1	14.0	5.1	3.1	0.6
<b>Private Equity</b>											
Legacy Private Equity Portfolio	70,107,978	10/1/2008	5.3	-	-	-	-	-	-	-	-
Franklin Park Private Equity	225,215,897	4/1/2010	3.8	-	-	-	-	-	-	-	-
	2.3%										
<b>Real Estate</b>											
AEW Real Estate	187,076,961	5/1/2011	2.8	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.4%			-	-	-	-	-	-	-	-
Heitman Real Estate	198,670,499	5/1/2011	2.8	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	177,162,997	4/1/2011	2.8	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.4%			-	-	-	-	-	-	-	-
<b>Opportunistic Fixed Income</b>											
PIMCO BRAVO	158,236,314	3/31/2011	2.8	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	1.2%			-	-	-	-	-	-	-	-
PIMCO BRAVO II	17,003,231	3/31/2013	0.8	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	0.1%			-	-	-	-	-	-	-	-

# Three Year Risk/Return Review - Equity Portfolios



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

# Three Year Risk/Return Review - Fixed Income Portfolios



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



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report  
fourth quarter, 2013**



# Market Environment – 2014: A Banner Year for Equity

2013 ended on a high note as the U.S. equity market enjoyed its strongest return in sixteen years. Developed foreign markets also moved higher during the year as the Great Financial Crisis somewhat faded from memory. Investors seemed to shrug off many of the year's worries during the fourth quarter. The U.S. Federal Reserve surprised investors by announcing that they were reducing their \$85 billion/month of asset purchases by \$10 billion/month. While this is seen as a statement of confidence by the Fed, many questioned if the move was taken too soon.

Unemployment continued to improve at a gradual pace. According to the Bureau of Labor Statistics (BLS), the unemployment rate dropped from 7.3% to 6.3%. Economic conditions and employment trends still vary dramatically by region in the U.S. However, labor force participation remains below long-term healthy standards. The U.S. economic growth outlook is below average. Thankfully, inflation has also stabilized at a very low level.

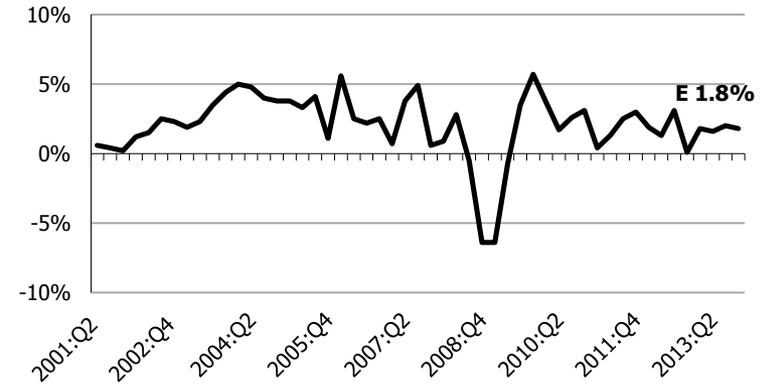
Worldwide economic growth remains hit and miss. U.S. growth was marginally better than expected during 2014 while Europe, China and emerging markets were disappointing. Emerging markets suffered a particularly poor year, showing losses vs. significant gains in the developed markets.

Bond markets continue to be dominated by monetary and fiscal policy. Since the Great Financial Crisis, natural demand for bonds has been supplemented by central banks attempting to spur real economic growth. These efforts have pushed interest rates to extremely low levels, forcing yield oriented investors to search for adequate yields. We expect these conditions to remain until well after economic growth improves.

West Texas Intermediate Oil ended the quarter at \$98.17/barrel, down from \$102.33 barrel last quarter. Natural gas prices started the quarter at \$3.48 before surging to \$4.31. Significant opportunities remain due to the U.S. energy production renaissance. Real estate investments were additive to portfolio returns as low interest rates and stable to improving economic conditions added to demand.

Hedge funds had a difficult time keeping up with the equity market. Hedge fund indexes lagged long only by significant margins during the quarter and over the year. Private equity had a positive year as rising public market prices boosted valuations and exits.

US Real GDP Growth - Annualized



	2011				2012				2013		
	First Quarter	third quarter	Third Quarter	Fourth Quarter	First Quarter	third quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Real GDP	0.1%	2.5%	1.3%	4.1%	2.0%	1.3%	3.1%	0.4%	1.8%	1.6%	2.5%
<b>Unemployment</b>	<b>8.9%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>8.7%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.1%</b>	<b>7.8%</b>	<b>7.7%</b>	<b>7.6%</b>	<b>7.3</b>
Inflation (CPI)	2.1%	3.4%	3.8%	3.3%	2.8%	1.9%	1.7%	1.9%	1.7%	1.4%	1.6
<b>Prime Rate</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>3.3</b>
91 Day T-Bill Yield	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0
<b>10 Yr Bond Yield</b>	<b>3.4%</b>	<b>3.2%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.6</b>



# Market Environment – Domestic Equity

The domestic equity market ended 2013 in remarkable fashion. The S&P 500 gained 10.5% during the quarter to end the year up 32.4%. The index had gained 202.8% since the market low in March of 2009 and stands 35.5% higher than its previous high in October of 2007. All market sectors posted gains for the quarter and full year period. Earnings were less important than previous quarters as investors found confidence in the improving domestic economy. Corporate profits remained strong due more to cost cutting than growth. Corporate activity was relatively strong during 2013 with a number of high profile IPOs and merger activity.

By capitalization, large stocks were the quarter's best performers. Small cap narrowly edged mid caps for second place. Over the full year, small caps posted the highest return, gaining almost 39%. Mid caps gained almost 35% while large caps were up 33%. Style wise, growth outperformed value among large caps while the reverse was true among mid caps and small caps. Growth outperformed value across the board for the year. The dispersions were wide among small caps and mid caps. Since the March 2009 market low, domestic equities have been led higher by mid cap value stocks, which have a cumulative return of 275%. Over that period, value outperformed growth among large and mid caps while growth edged value among small caps.

The fourth quarter's top performing sectors were Industrials (+14% return), Technology (+13%), and Consumer Discretionary (+11%). Poorest performers were Utilities (+3%), Telecommunications (+6%), and Consumer Staples (9%).

The largest contributors to the S&P 500 Index for the year were Google (+58% return), Microsoft (+44%), and General Electric (+38%). The largest detractors were Newmont Mining (-49%), Intuitive Surgical (-22%), and CenturyLink (-13%).

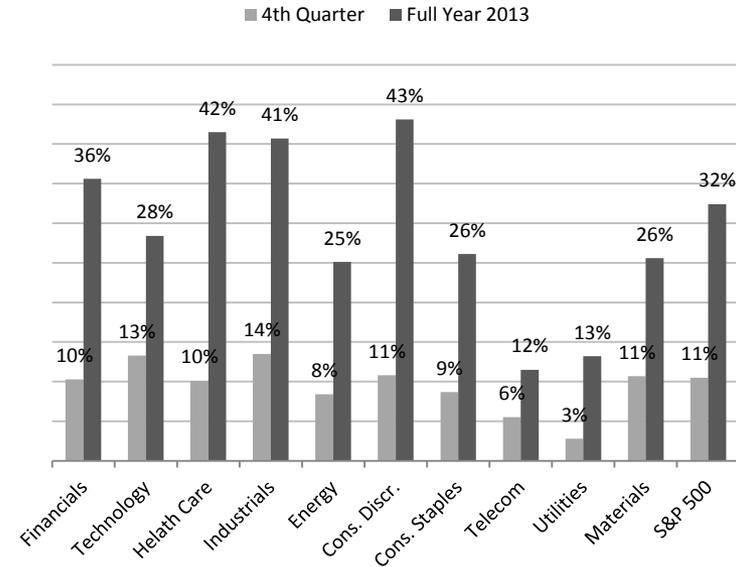
Despite the year's tremendous returns, domestic equity prices remain within a historically normal price range. The forward P/E ratio of the S&P 500 ended the quarter at 15.4x vs. 16.2x for its fifteen year average. It had a dividend yield of 1.9% vs. 1.7% for its twenty year average. The earnings yield of the S&P 500 (inverse of the forward p/e ratio) was 6.5% vs. 5.3% yield on a Baa rated corporate bond index, indicating stocks are relatively cheap versus bonds. The index's P/E ratio to earnings growth is 1.5x compared to 1.6x over the past fifteen years.

The world of private equity has thankfully passed below the horizon for most of the world. Returns have improved over recent years as deal sizes have normalized. Private equity investors still have plenty of capital to invest, but are more judicious and less prone to large, short-sighted deals. Activist investors seem to have taken part of the spotlight with their high profile, semi-hostile investments.

Energy remains a highly visible area of growth within the U.S. Recoverable reserves have increased dramatically since widespread adoption of new exploration and drilling technologies. Master Limited Partnerships, which are a group of specially organized companies that focus on energy infrastructure, continue to grow in prominence. Their returns during the quarter were attractive, gaining 5.3%. They gained 27.6% for the trailing year.

	4q2013			Full Year 2013		
	Value	Blend	Growth	Value	Blend	Growth
Large	10.0%	10.5%	10.4%	32.5%	32.4%	33.5%
Mid	8.6%	8.4%	8.2%	33.5%	34.8%	35.7%
Small	9.3%	8.7%	8.2%	34.5%	38.8%	43.3%

## S&P 500 Sector Performance



# Market Environment – International Equity

In U.S. Dollar terms, developed market international equities produced solid returns during 2013. Returns varied widely by country and region. A stark example was emerging markets, which trailed developed markets by nearly 30%. The MSCI ACWI ex-US index gained 5.6% in U.S. Dollar terms during the quarter as both share prices and foreign currencies rose. Europe posted the highest return among major regions, gaining almost 8% for the quarter and just over 25% for the full year. Marginal economic improvement encouraged investors to regain equity exposure. Japan gained just over -2% for the quarter but led all regions for the year, gaining 27%. The Pacific ex Japan region performed poorly in comparison, gaining less than 1% during the quarter and less than 6% for the full year. These performance disparities naturally caused wide dispersion of return among investment managers.

For the full year period, the top three performing equity markets (in U.S. \$ terms) were Ireland (+42%), Greece (+39%), and Finland (+36%). The three poorest performers were Indonesia (-24%), Chile (-22%), and Brazil (-17%). The Latin America region fell -15% for the year while Asia/Pacific and Western Europe gained 10% and 20% respectively. Top contributing international equity market sectors (ACWI ex-US) during the year 2013 were Financials (+17%), Consumer Discretionary (+30%), and Industrials (+22%). Materials (-7%), Utilities (+10%), and Energy (+4%) were the leading detractors.

The largest individual stock contributors to the ACWI ex-US 2013 return were Vodafone Group (+65% return), Roche Holding Ltd Genusssch. (+44%), and Softbank (+143%). The largest detractors were Barrick Gold (-49%), Samsung Electronics (-9%), and BHP Billiton Ltd (-9%).

Eurozone economic conditions remained slow but there were some signs that a recovery may finally be gaining traction. While the impediments to growth remain significant, the region should experience growth stemming from improvement in the manufacturing sector. Unemployment within the Eurozone remains high, but showed some improvement in the second half of the year. Japan is pursuing a bold economic experiment ("Abenomics") which is similar to the Quantitative Easing program of our own Federal Reserve.

Continuing their recent trend, emerging markets trailed developed markets during the quarter and for the one and three year periods just ended. China's economy has slowed from a growth rate of 10% in 2010 to 7.8% for 2012. Analysts expect a return of around 7% for 2013. Brazil's economy suffered a subpar growth year as agriculture and industrials declined. Investors seemed to abandon emerging markets en masse during the year as developed markets showed signs of improvement. However, valuations are starting to appear attractive. The forward P/E ratio for the overall EM index ended September at 10.2x vs. 13.8x for the ACWI. The EM index yielded 2.7% vs. 3.1% for the developed only EAFE Index. The P/E of China's market was 9.0x vs. 12.0x for its ten year average. Russia's market ended 2013 with a P/E of 4.8x and a yield of 4.2%, both substantially below average. It appears that investor interest in emerging markets peaked just before they began underperforming and now, after three difficult years of performance, they are moving out of the asset class.

	GDP Growth (2014 Estimate)*	GDP Growth Five Year 2012 – 2016 Estimated CAGR
Global Economy	3.0%	2.8%
USA	2.4%	2.4%
Euro Area	1.0%	0.4%
UK	2.3%	1.7%
Japan	1.5%	1.6%
Asia ex-Japan	6.1%	6.1%
Latin America	2.7%	2.7%

\*source: Bloomberg and the World Bank.

12-Month Forward P/E Ratio Comparison	Current	10 Year Average	Dividend Yield
World (ACWI)	13.8	13.1	2.5%
EAFE	13.3	12.6	3.1%
USA	15.4	14.0	1.9%
Germany	12.5	11.2	3.7%
UK	12.3	11.5	3.0%
Japan	14.1	16.5	1.5%

# Market Environment – Fixed Income

Low interest rates continued to frustrate bond investors during 2013. The potential of rising interest rates punished bond prices, turning fourth quarter and full year returns negative. Because of their historically low starting values, it was almost inevitable that domestic and international bond returns were negative during 2013, with the Barclays Aggregate bond index falling -2.0%. The biggest driver of the loss was U.S. Treasuries – the Barclays Long Term Government index fell by -12.5% in 2013. Lower duration bonds outperformed as did corporate bonds. U.S. high yield bonds performed very well gaining 3.5% on the quarter and 7.4% for the year. Their one year return outperformed the Aggregate index by more than 9%.

The Federal Reserve surprised the markets in December by announcing that it would start to unwind the Quantitative Easing (QE) program. The program was launched in the fourth quarter of 2008 to stabilize financial markets. The market consensus was that "tapering" would begin during early 2014 as the economy hadn't gained enough traction to move forward without QE. The program had been buying \$85 billion in Treasury and Mortgage Backed securities before the December tapering announcement. Post December, the Fed would buy only \$75 billion per month. Regardless of the QE taper, the FOMC will maintain its target range for the federal funds rate at 0-0.25% for the foreseeable future. During the quarter, Janet Yellen was announced as Ben Bernanke's replacement. She was confirmed in early January assumed her Chairmanship of the Fed in early February. It is widely expected that she will follow in the footsteps of her predecessor

Treasury yields reacted to the Fed's action by rising, but not excessively as was the case earlier in the year. Ten year Treasury bond yields rose 42 basis points to end the year at 3.03% which was 0.14% higher than pre taper announcement. Interest rose during 2013 but not uniformly. The yield curve steepened as longer term debt yields rose further than short term bonds. Two year Treasuries ended the year with a yield of 0.38% while the thirty year bond yielded 3.97%, 1.02% higher than at the beginning of 2013.

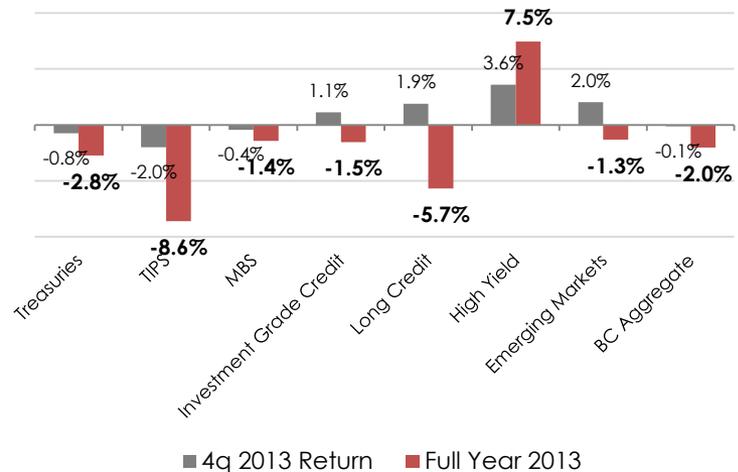
High yield bonds were the top performing segment of the U.S. fixed income market for the third consecutive quarter. High yield bond yield spreads vs. Treasuries ended the quarter at 4.4% vs. their long term average of 5.9%. Defaults remained extremely low at 0.7% vs. 4.1% long term average. Bond issuance remained strong through the quarter.

The U.S. unemployment trend showed modest improvement during the fourth quarter. However, looking deeper into the figures showed that the reported rate of unemployment edged slightly lower while the proportion of citizens actually working deteriorated.

Fixed income investors continued their search for yield outside of traditional asset categories. Real assets (real estate and infrastructure) were popular diversions for fixed income investors. During the year, some large, traditional fixed income investment managers saw significant outflows of client assets.

Risk Level	Time Horizon			
	One Year		Three Years (annualized)	
	Terminal Yield	Total Return	Terminal Yield	Total Return
<b>Low Risk</b>				
2 Year Treasury (YTM = 0.38%)	2.50%	-3.7%	4.00%	-2.0%
	1.25%	-1.3%	3.00%	-1.3%
	0.50%	0.1%	2.00%	-0.7%
<b>Medium Risk</b>				
10 Year Treasury (YTM = 3.03%)	4.50%	-8.7%	5.50%	-3.2%
	3.75%	-2.9%	4.50%	-0.8%
	2.05%	7.7%	3.50%	1.8%
<b>High Risk</b>				
30 Year Treasury (YTM = 3.97%)	5.50%	-18.3%	6.00%	-5.5%
	4.50%	-4.7%	5.00%	-1.1%
	3.00%	23.1%	4.00%	2.8%

## Fourth Quarter 2013 Returns



# Market Environment – Index Comparison

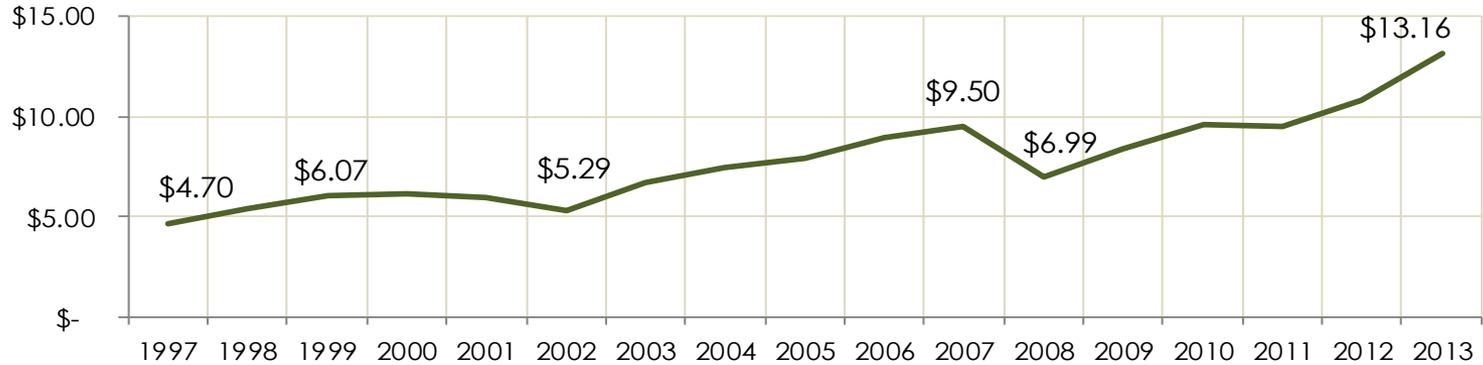
<b>Domestic Equity</b>	<b>Last Quarter</b>	<b>Last Year</b>	<b>Last Three Years Annualized</b>	<b>Last Five Years Annualized</b>	<b>Last Ten Years Annualized</b>
<b>S&amp;P 500</b>	<b>10.5</b>	<b>32.4</b>	<b>16.2</b>	<b>17.9</b>	<b>7.4</b>
<b>Russell 1000</b>	<b>10.2</b>	<b>33.1</b>	<b>16.3</b>	<b>18.6</b>	<b>7.8</b>
<b>Russell 1000 Value</b>	<b>10.0</b>	<b>32.5</b>	<b>16.1</b>	<b>16.7</b>	<b>7.6</b>
<b>Russell 1000 Growth</b>	<b>10.4</b>	<b>33.5</b>	<b>16.5</b>	<b>20.4</b>	<b>7.8</b>
<b>Russell 3000</b>	<b>10.1</b>	<b>33.6</b>	<b>16.2</b>	<b>18.7</b>	<b>7.9</b>
<b>Russell Midcap</b>	<b>8.4</b>	<b>34.8</b>	<b>15.9</b>	<b>22.4</b>	<b>10.2</b>
<b>Russell Midcap Value</b>	<b>8.6</b>	<b>33.5</b>	<b>16.0</b>	<b>21.2</b>	<b>10.3</b>
<b>Russell Midcap Growth</b>	<b>8.2</b>	<b>35.7</b>	<b>15.6</b>	<b>23.4</b>	<b>9.8</b>
<b>Russell 2000</b>	<b>8.7</b>	<b>38.8</b>	<b>15.7</b>	<b>20.1</b>	<b>9.1</b>
<b>Russell 2000 Value</b>	<b>9.3</b>	<b>34.5</b>	<b>14.5</b>	<b>17.6</b>	<b>8.6</b>
<b>Russell 2000 Growth</b>	<b>8.2</b>	<b>43.3</b>	<b>16.8</b>	<b>22.6</b>	<b>9.4</b>
<b>Alerian MLP</b>	<b>5.3</b>	<b>27.6</b>	<b>15.0</b>	<b>29.6</b>	<b>15.0</b>
<b>Fixed Income</b>					
<b>Barclays Capital Aggregate Bond</b>	<b>-0.1</b>	<b>-2.0</b>	<b>3.3</b>	<b>4.4</b>	<b>4.6</b>
<b>Barclays Capital Credit</b>	<b>0.9</b>	<b>-2.0</b>	<b>5.1</b>	<b>7.9</b>	<b>5.2</b>
<b>Barclays Capital Government</b>	<b>-0.7</b>	<b>-2.6</b>	<b>2.7</b>	<b>2.3</b>	<b>4.1</b>
<b>Barclays Capital Govt/Credit</b>	<b>0.0</b>	<b>-2.4</b>	<b>3.6</b>	<b>4.4</b>	<b>4.5</b>
<b>Barclays Capital Interm Credit</b>	<b>0.7</b>	<b>-0.2</b>	<b>4.4</b>	<b>7.3</b>	<b>4.9</b>
<b>Barclays Capital Interm Govt</b>	<b>-0.4</b>	<b>-1.3</b>	<b>2.1</b>	<b>2.2</b>	<b>3.7</b>
<b>Barclays Capital Interm Govt/Cred</b>	<b>0.0</b>	<b>-0.9</b>	<b>2.9</b>	<b>4.0</b>	<b>4.1</b>
<b>Barclays Capital Long Credit</b>	<b>1.5</b>	<b>-6.6</b>	<b>7.2</b>	<b>9.8</b>	<b>6.4</b>
<b>Barclays Capital Long Term Govt</b>	<b>-3.0</b>	<b>-12.5</b>	<b>5.5</b>	<b>2.4</b>	<b>5.9</b>
<b>Barclays Capital Long Govt/Credit</b>	<b>-0.1</b>	<b>-8.8</b>	<b>6.7</b>	<b>6.4</b>	<b>6.4</b>
<b>Barclays Capital Fixed Rate MBS</b>	<b>-0.4</b>	<b>-1.4</b>	<b>2.4</b>	<b>3.7</b>	<b>4.6</b>
<b>Merrill Lynch US High Yield Master II</b>	<b>3.5</b>	<b>7.4</b>	<b>9.0</b>	<b>18.7</b>	<b>8.5</b>
<b>91 Day T-Bill</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>1.6</b>
<b>Consumer Price Index</b>	<b>0.2</b>	<b>1.2</b>	<b>2.1</b>	<b>1.9</b>	<b>2.4</b>
<b>International</b>					
<b>MSCI EAFE</b>	<b>5.7</b>	<b>22.8</b>	<b>8.2</b>	<b>12.4</b>	<b>6.9</b>
<b>MSCI World ex US</b>	<b>5.6</b>	<b>21.0</b>	<b>7.3</b>	<b>12.5</b>	<b>7.1</b>
<b>MSCI Europe</b>	<b>7.9</b>	<b>25.2</b>	<b>9.9</b>	<b>13.4</b>	<b>7.3</b>
<b>MSCI Japan</b>	<b>2.3</b>	<b>27.2</b>	<b>5.6</b>	<b>7.7</b>	<b>4.2</b>
<b>MSCI Pacific ex Japan</b>	<b>0.3</b>	<b>5.5</b>	<b>4.7</b>	<b>18.3</b>	<b>11.2</b>
<b>MSCI Emerging Markets</b>	<b>1.5</b>	<b>-5.0</b>	<b>-4.5</b>	<b>12.1</b>	<b>8.5</b>
<b>Citigroup Non-\$ World Gov</b>	<b>-1.2</b>	<b>-4.6</b>	<b>0.6</b>	<b>2.3</b>	<b>4.1</b>

## Trailing Year Total Fund Return

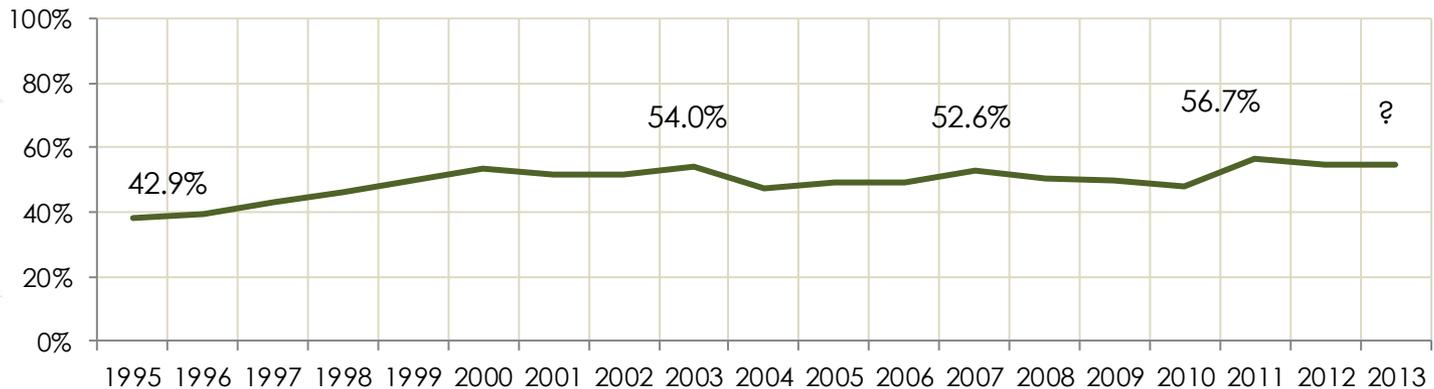
+24.0%

# Plan History

## Market Value History (\$Billions)



## Funded Status History



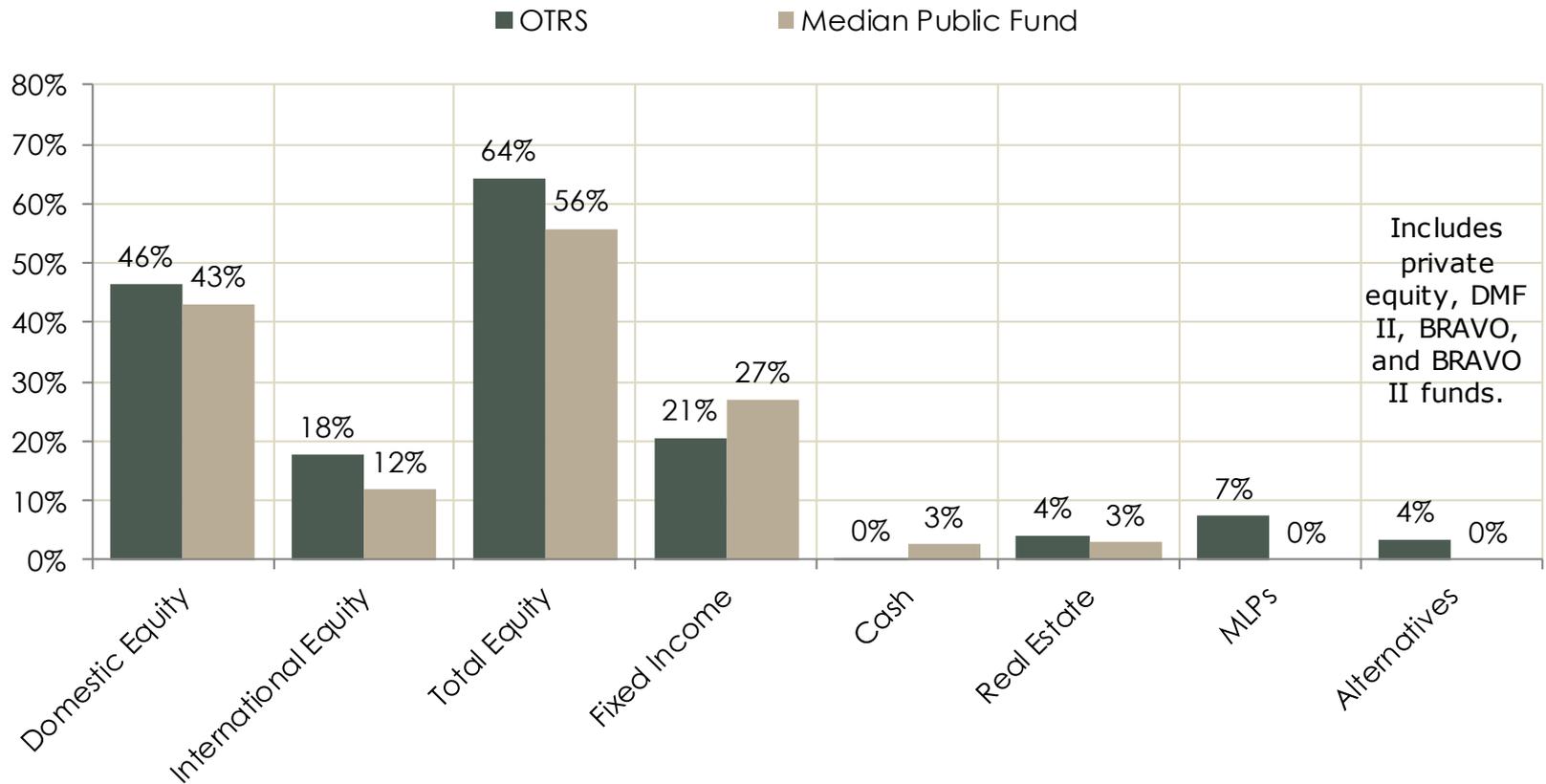
## Observations – fourth quarter, 2013

- **INVESTMENT PERFORMANCE:** Total fund returns were positive during the quarter. The total fund earned a 6.9% return. Equity results were strongly positive. Core and High Yield fixed income results were also positive, although more modest. The total fund's trailing returns were exceptional. The trailing year return was well above the actuarial assumption, above the allocation index and ranked in the top 1 percent among peer Pension Funds. **The total fund ranked in the top decile of public funds for all long term observation periods.** The ten year return (+8.6%) ranked in the 1<sup>st</sup> percentile of all public funds.
- **INVESTMENT MANAGEMENT:** Two large cap index fund portfolios were added last year. The new international small cap equity allocation added returns during the quarter. The MLP allocation is performing well above expectation. Five new domestic small cap managers were funded during the second quarter of 2013. An international equity index fund was added during early 2013.
- **ASSET ALLOCATION:** A full asset allocation study was recently completed. The total fund's aggregate asset allocations are in the process of moving to new long-term targets. No additional allocations were made to the Opportunistic Portfolio although several investments are under consideration. The private equity portfolio called significantly more capital over the past year compared to previous years. The three real estate managers are fully invested, at their previous target level. A full review of real estate options is currently underway.

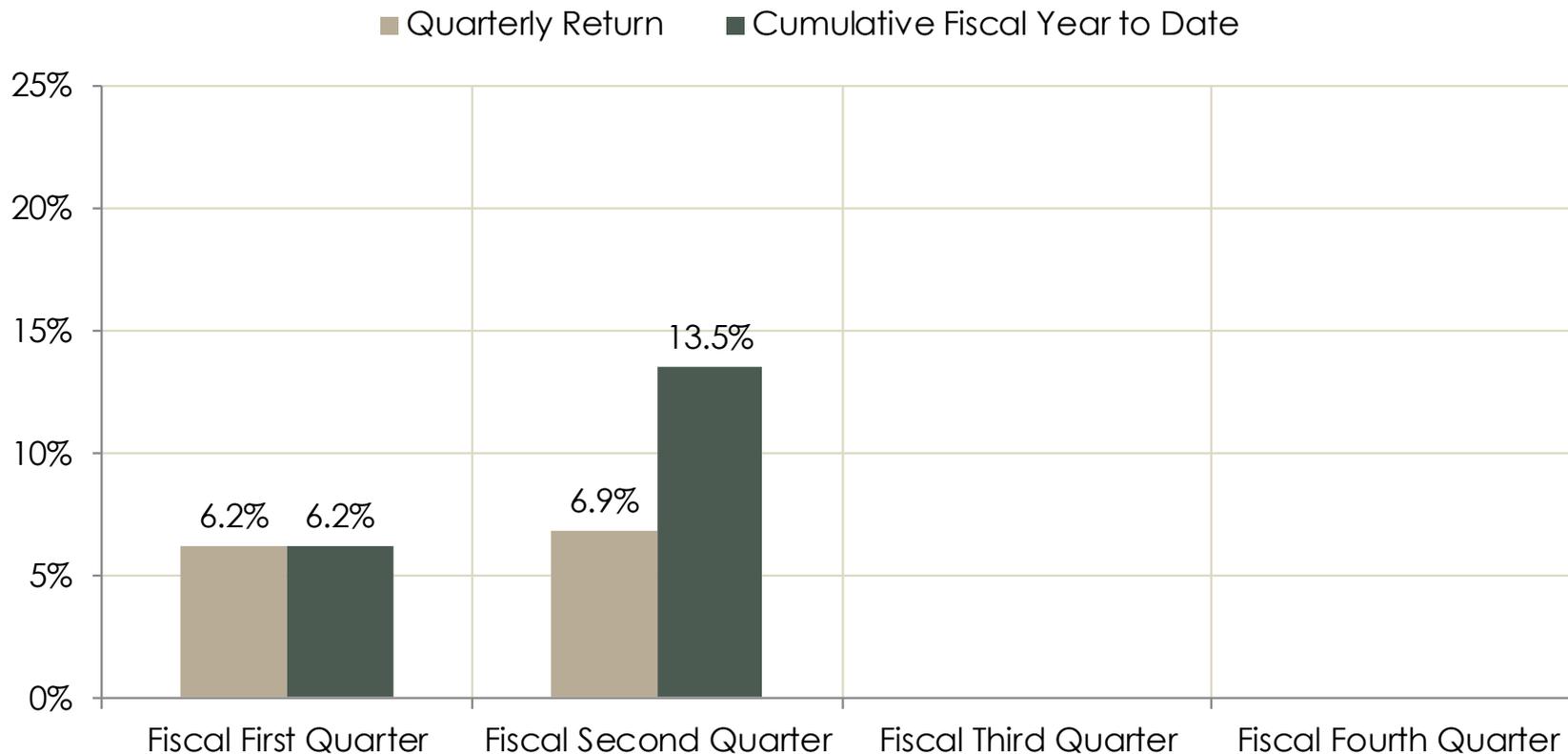
# Asset Allocation Summary – Total Fund

	Current Allocation	New Target Allocation	Difference
Domestic Equity	46.39%	40.00%	6.39%
<b>International Equity</b>	<b>17.75%</b>	<b>17.50%</b>	0.25%
Core Fixed Income	14.98%	17.50%	-2.52%
<b>Opportunistic Assets</b>	<b>1.30%</b>	<b>0.00%</b>	1.30%
High Yield Fixed Income	5.60%	6.00%	-0.40%
<b>Real Estate</b>	<b>4.15%</b>	<b>7.00%</b>	-2.85%
Private Equity	2.20%	5.00%	-2.80%
<b>MLPs</b>	<b>7.31%</b>	<b>7.00%</b>	0.31%
Cash	0.32%	0.00%	0.32%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

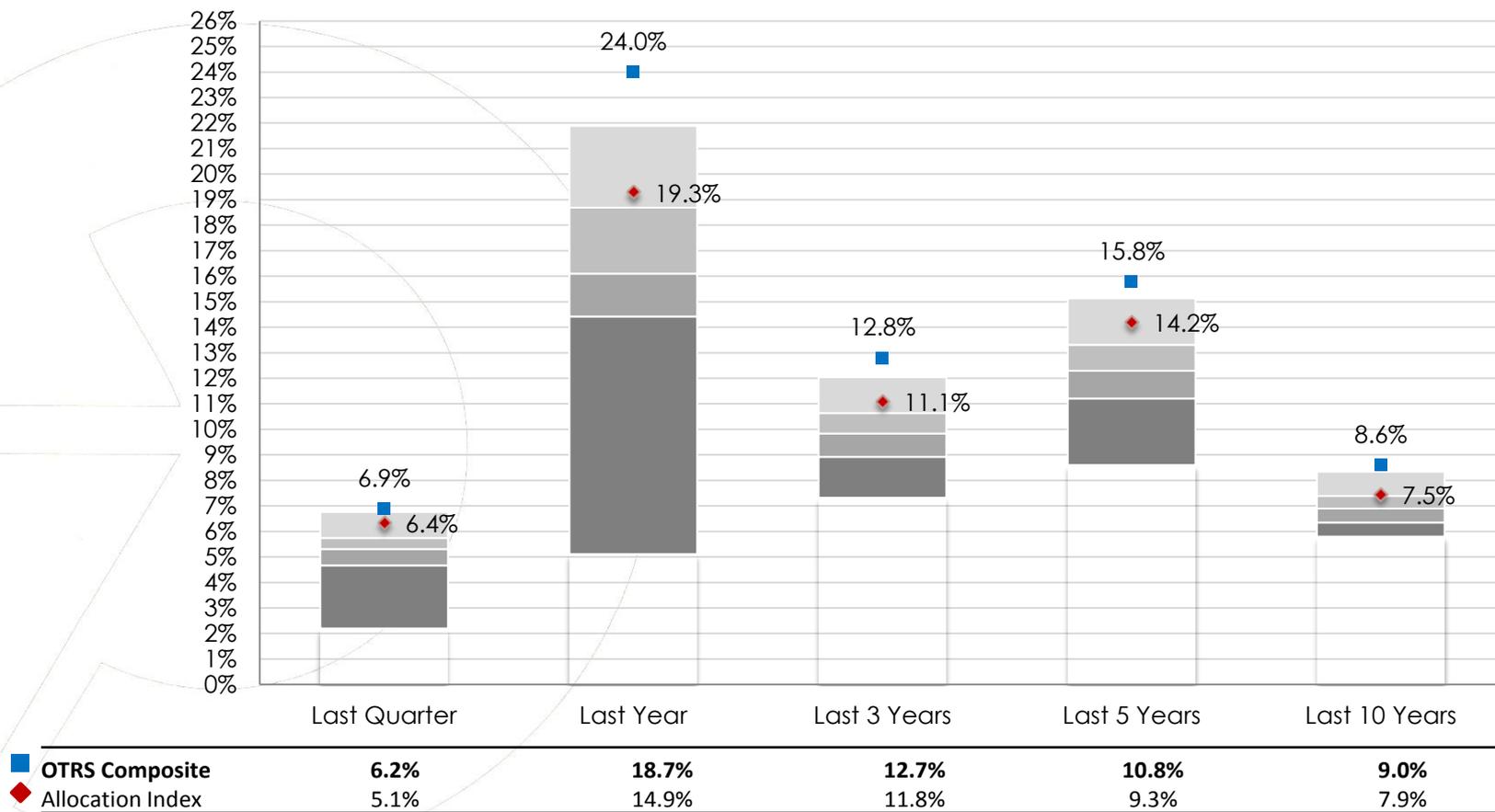
# Total Fund Allocation vs. Median Public Fund



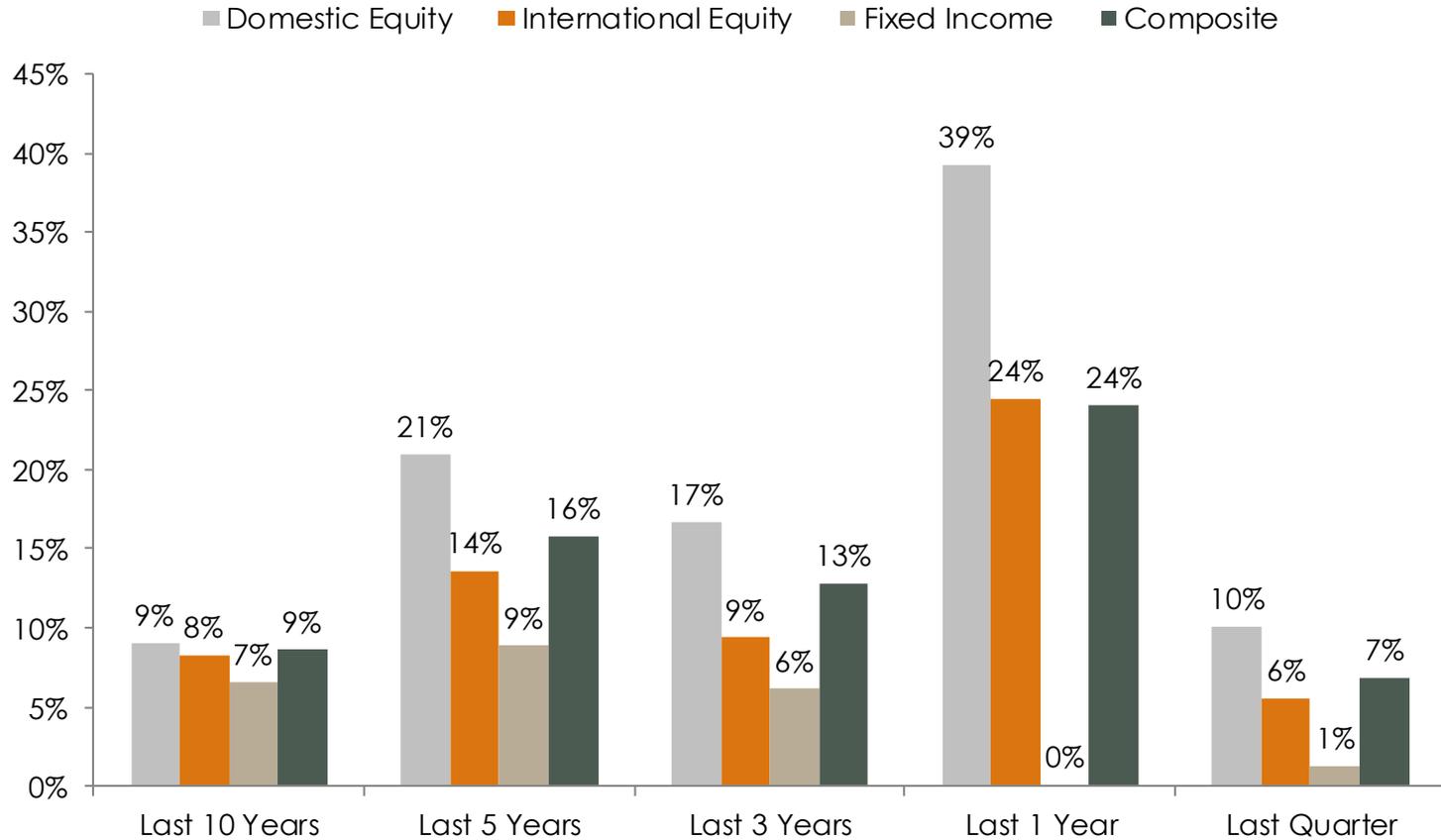
# Composite Performance Summary as of **December 31, 2013**



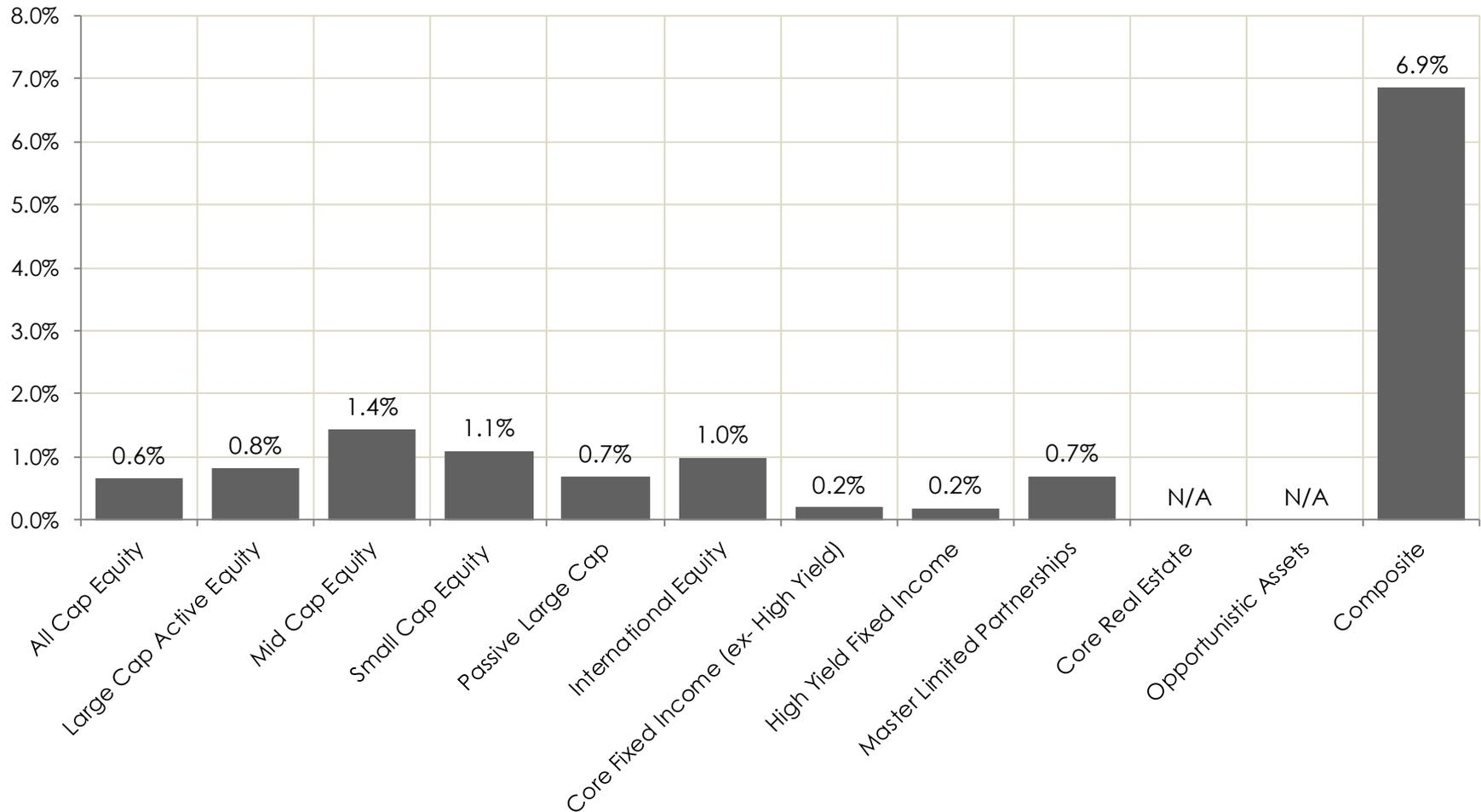
# Total Fund vs. Public Fund Peer Universe



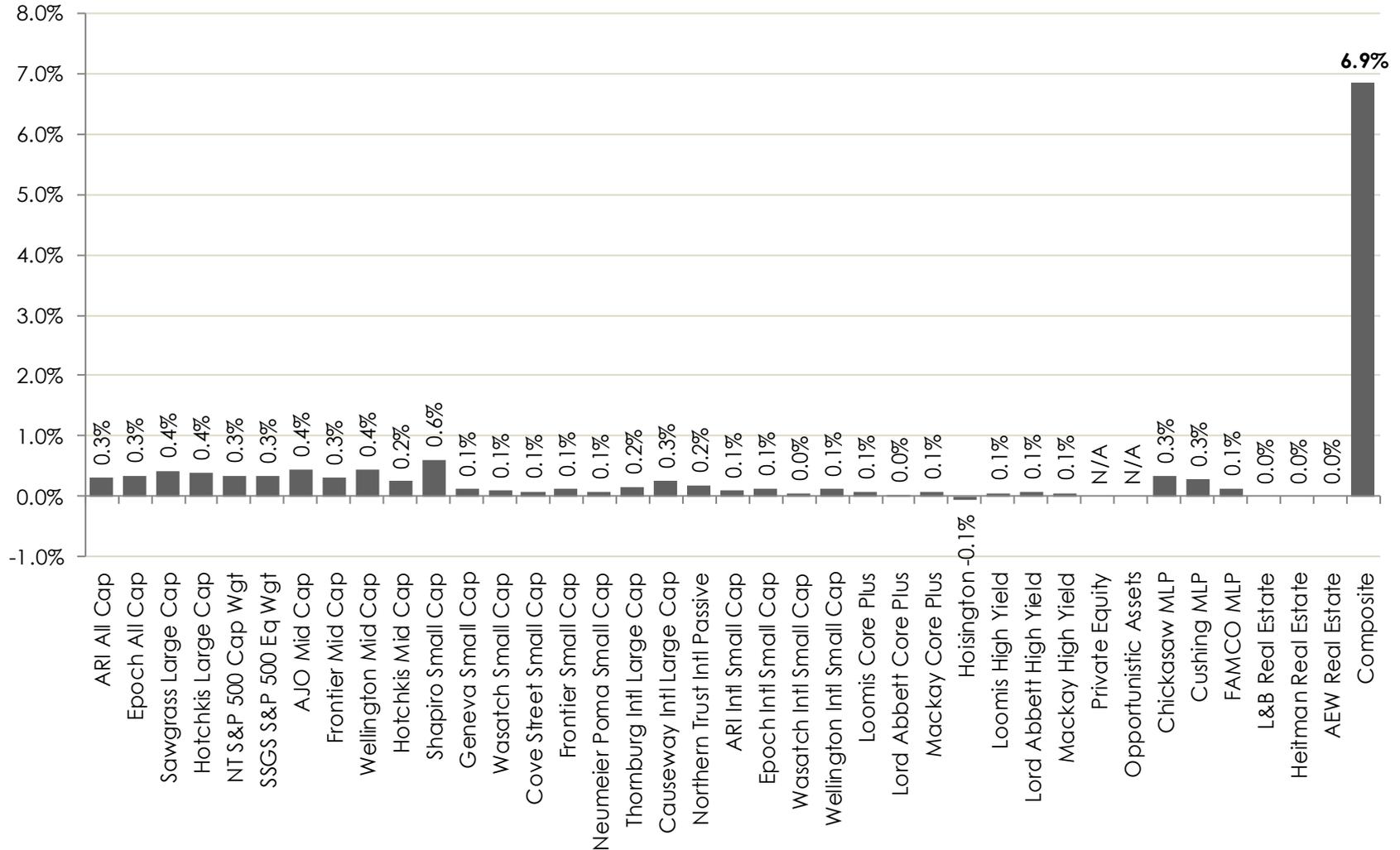
# Composite Performance Summary as of December 31, 2013



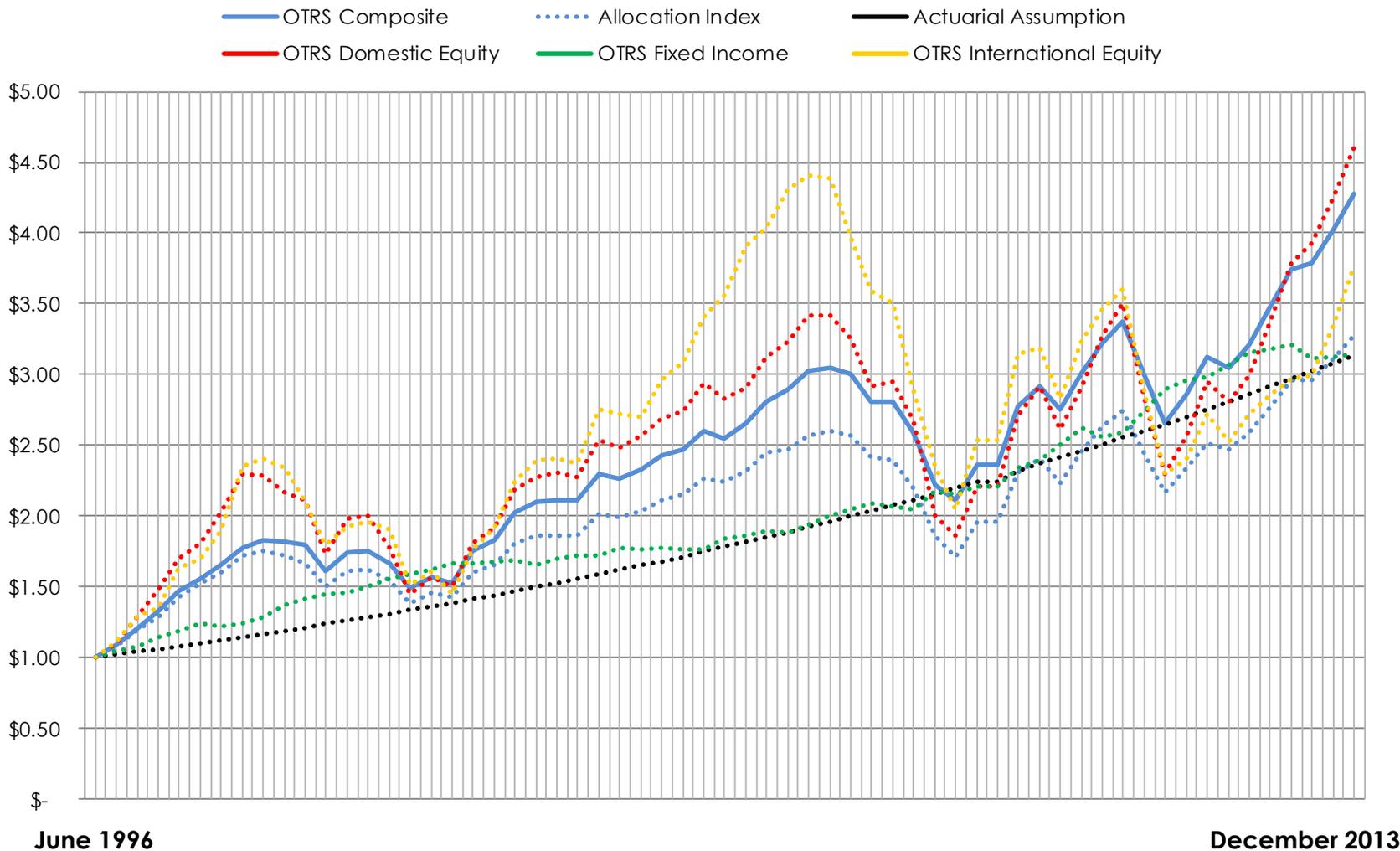
# Composition of Quarterly Return by Asset Class



# Composition of Quarterly Return by Portfolio



# Growth of a Dollar Over Time: Period Ended December 31, 2013



# Performance – Total Fund

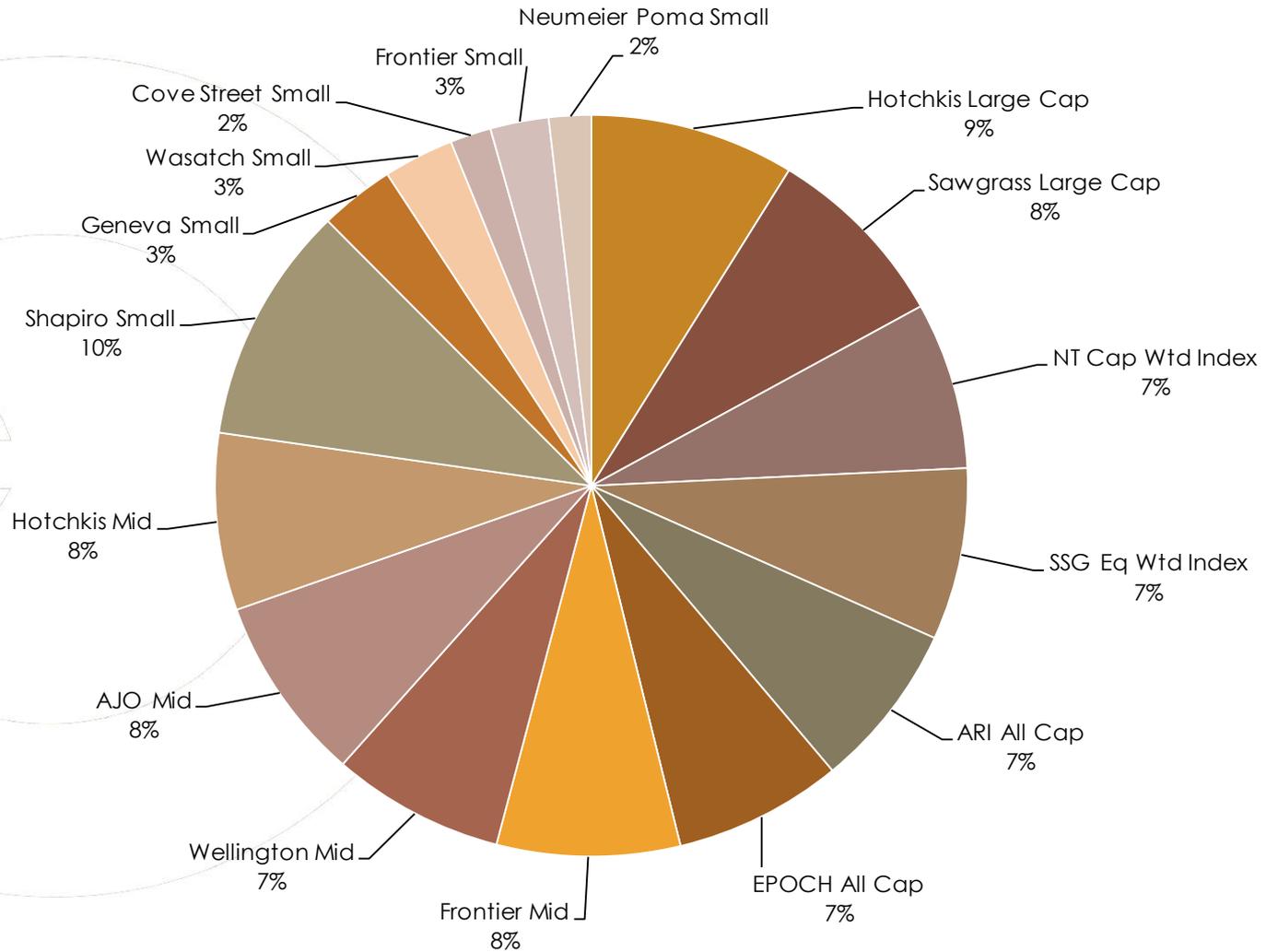
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Years	% Rank	Last Quarter	% Rank
<b>Total Fund</b>	<b>8.6</b>	<b>1</b>	<b>15.8</b>	<b>1</b>	<b>12.8</b>	<b>1</b>	<b>24.0</b>	<b>1</b>	<b>6.9</b>	<b>2</b>
<i>Allocation Index</i>	7.5		14.2		11.1		19.3		5.4	
<i>Actuarial Assumption</i>	8.0		8.0		8.0		8.0		1.9	
<b>Total Domestic Equity</b>	<b>9.0</b>	<b>22</b>	<b>20.9</b>	<b>17</b>	<b>16.6</b>	<b>23</b>	<b>39.2</b>	<b>4</b>	<b>10.1</b>	<b>28</b>
<i>S&amp;P 500</i>	7.4		17.9		16.2		32.4		10.5	
<b>Total International Equity</b>	<b>8.3</b>	<b>41</b>	<b>13.6</b>	<b>51</b>	<b>9.4</b>	<b>23</b>	<b>24.5</b>	<b>17</b>	<b>5.5</b>	<b>43</b>
<i>MSCI ACWI ex-US</i>	8.0		13.3		5.6		15.8		4.8	
<b>Total Core Fixed Income</b>	<b>6.5</b>	<b>17</b>	<b>8.8</b>	<b>19</b>	<b>6.1</b>	<b>19</b>	<b>0.1</b>	<b>35</b>	<b>1.3</b>	<b>20</b>
<i>Barclays Aggregate</i>	4.6		4.4		3.3		-2.0		-0.1	

# Composite Peer Ranking History

Periods Ended	Trailing 5 Years	Trailing 3 Years	Trailing Year	Last Quarter
<b>4q2013</b>	1	1	1	2
3q2013	2	3	1	14
<b>2q2013</b>	1	3	1	11
1q2013	3	4	4	3
<b>4q2012</b>	15	3	11	24
3q2012	21	13	8	10
<b>2q2012</b>	24	4	33	75
1q2012	22	13	25	14
<b>4q2011</b>	36	14	52	8
3q2011	31	23	95	89
<b>2q2011</b>	20	13	23	93
1q2011	9	21	5	17
<b>4q2010</b>	21	29	15	29
3q2010	30	38	10	18
<b>2q2010</b>	35	46	11	62
1q2010	24	25	70	44
<b>4q2009</b>	36	43	15	25
3q2009	26	42	32	13
<b>2q2009</b>	46	50	44	28
1q2009	23	24	18	28
<b>4q2008</b>	47	61	62	64
3q2008	24	59	67	48
<b>2q2008</b>	25	52	83	17
1q2008	19	49	83	79
<b>4q2007</b>	19	46	62	78
3q2007	18	36	37	87
<b>2q 2007</b>	10	29	18	34
1q 2007	15	27	38	19
<b>4q 2006</b>	23	44	59	36
3q 2006	15	24	69	57
<b>Average Rank</b>	21	28	35	38
% of Observations in Top Quartile	73%	50%	50%	47%
% of Observations Above Median	100%	90%	67%	70%

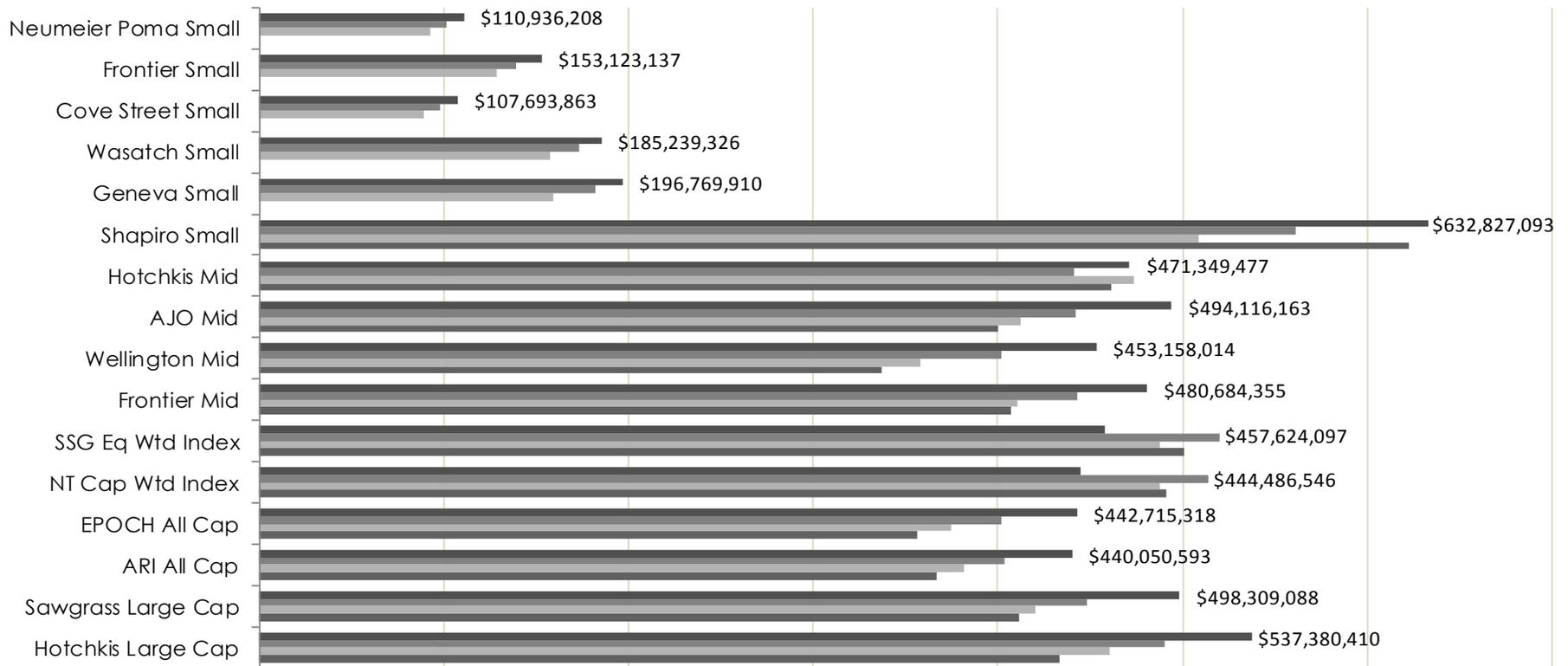
fourth quarter, 2013

# Asset Allocation Summary – Domestic Equity Allocation

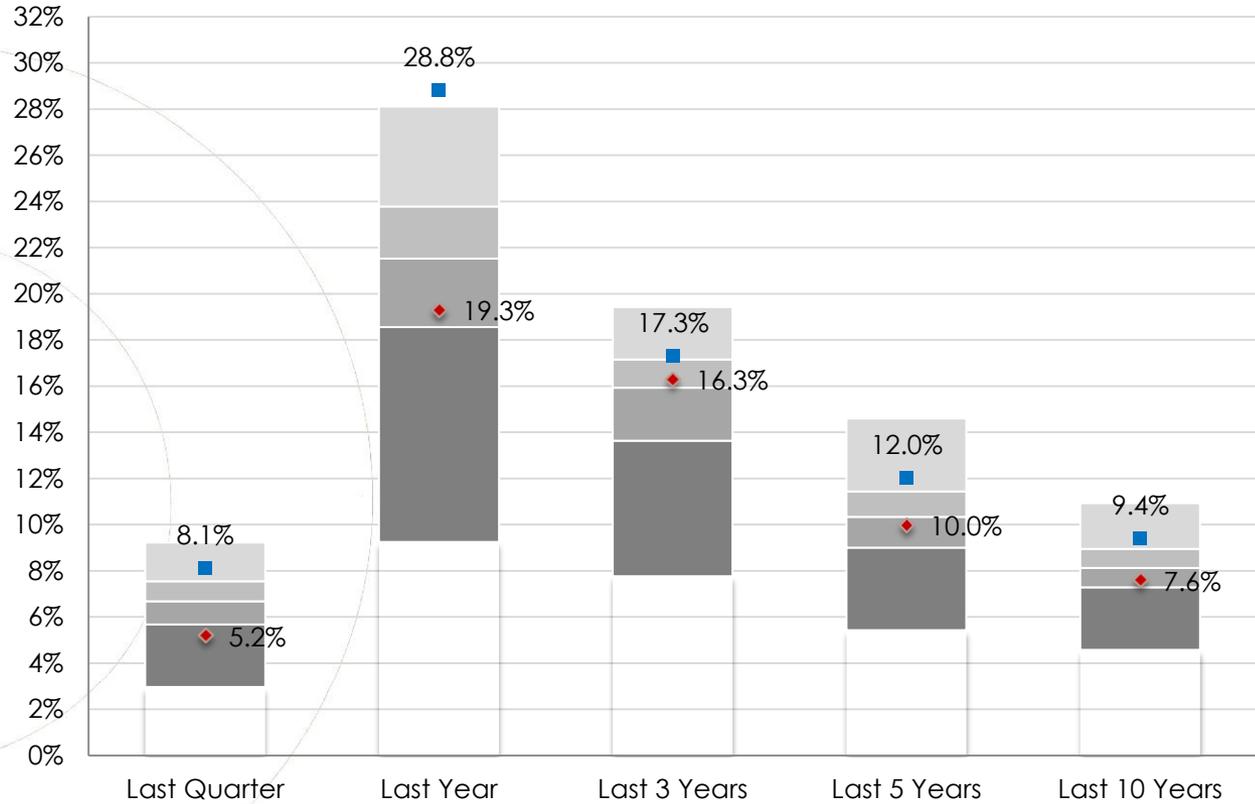


# Asset Allocation Summary – Domestic Equity Allocation

■ 12/31/2013 ■ 9/30/2013 ■ 6/30/2013 ■ 3/31/2013



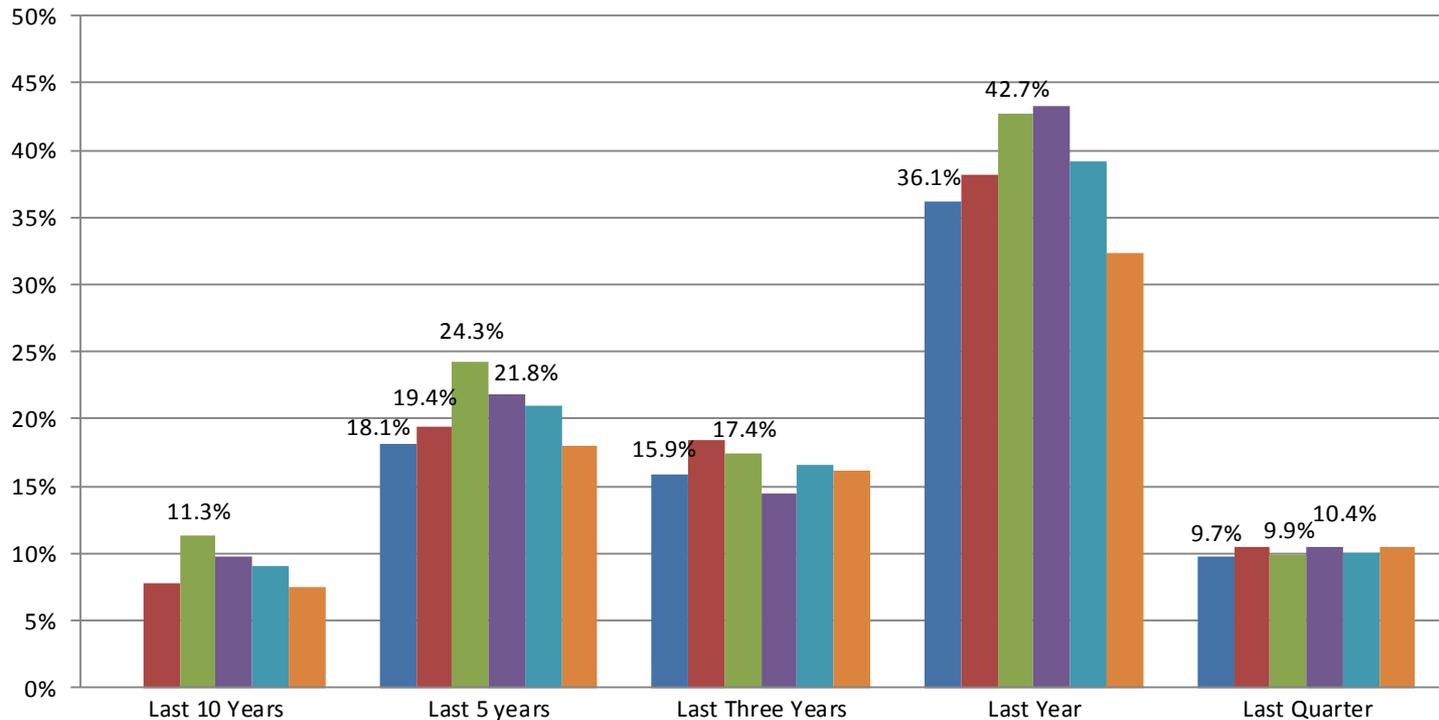
# Domestic Equity Composite vs. U.S. Equity Allocation Peer Universe



■ OTRS Equity Composite  
◆ S&P 500

8.1%	28.8%	17.3%	12.0%	9.4%
5.2%	19.3%	16.3%	10.0%	7.6%

# Domestic Equity Performance: Capitalization Composites



■ All Cap		18.1%	15.9%	36.1%	9.7%
■ Large Cap Active	7.7%	19.4%	18.4%	38.2%	10.4%
■ Mid Cap	11.3%	24.3%	17.4%	42.7%	9.9%
■ Small Cap	9.7%	21.8%	14.4%	43.2%	10.4%
■ All Domestic Equity	9.0%	20.9%	16.6%	39.2%	10.1%
■ S&P 500	7.4%	17.9%	16.2%	32.4%	10.5%

## Performance – All Cap and Large Cap Equity Managers

	Last 10 Years	% Rank	Last 5 Year	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
<b>Advisory Research</b>	-	-	17.1	67	15.7	42	34.9	26	9.1	54
<b>EPOCH</b>	-	-	18.9	42	16.1	33	37.4	13	10.2	26
<i>Russell 3000 Value</i>	-		18.7		16.2		33.6		10.1	
<i>Russell 3000</i>	-		18.7		16.2		33.6		10.1	
<b>Hotchkis LCV</b>	7.4	N/A	22.2	5	18.0	20	40.8	8	9.7	45
<b>Sawgrass LCG</b>	-		19.2	68	19.1	21	35.5	39	11.2	29
<i>S&amp;P 500</i>	7.4		17.9		16.2		32.4		10.5	
<i>Russell 1000 Value</i>	7.6		16.7		16.1		32.5		10.0	
<i>Russell 1000 Growth</i>	-		20.4		16.5		33.5		10.4	
<b>NT Cap Weighted</b>	-	-	-	-	-	-	32.0	53	10.2	26
<b>SSGA Equal Weighted</b>	-	-	-	-	-	-	35.7	21	9.6	44
<i>S&amp;P 500 Cap Weighted</i>	7.4		17.9		16.2		32.4		10.5	
<i>S&amp;P 500 Equal Weighted</i>	9.8		23.3		17.0		36.2		9.9	

## Performance – Mid Cap and Small Cap Equity Managers

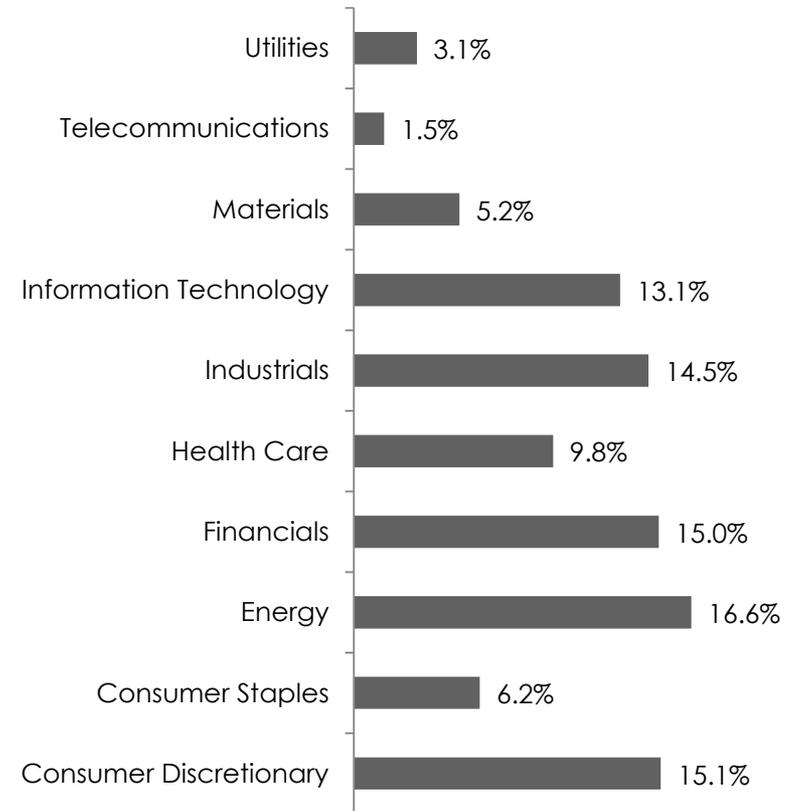
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
<b>AJO MCC</b>	<b>10.8</b>	<b>74</b>	<b>22.7</b>	<b>30</b>	<b>19.2</b>	<b>14</b>	<b>42.1</b>	<b>23</b>	<b>11.8</b>	<b>1</b>
<b>Frontier MCG</b>	<b>11.5</b>	<b>63</b>	<b>20.7</b>	<b>91</b>	<b>15.0</b>	<b>67</b>	<b>34.2</b>	<b>76</b>	<b>8.5</b>	<b>67</b>
<b>Hotchkis MCV</b>	<b>12.0</b>	<b>N/A</b>	<b>30.4</b>	<b>5</b>	<b>20.8</b>	<b>8</b>	<b>44.4</b>	<b>4</b>	<b>6.8</b>	<b>61</b>
<b>Wellington MCG</b>	<b>10.5</b>	<b>74</b>	<b>24.3</b>	<b>40</b>	<b>14.3</b>	<b>78</b>	<b>50.2</b>	<b>1</b>	<b>12.9</b>	<b>1</b>
<i>Russell MC</i>	10.2		22.4		15.9		34.8		8.4	
<i>Russell MC Growth</i>	9.8		23.4		15.6		35.7		8.2	
<i>Russell MC Value</i>	10.3		21.2		16.0		33.5		8.6	
<b>Shapiro</b>	<b>13.1</b>	<b>10</b>	<b>27.5</b>	<b>7</b>	<b>17.7</b>	<b>29</b>	<b>45.7</b>	<b>10</b>	<b>12.7</b>	<b>1</b>
<b>Geneva</b>	-	-	-	-	-	-	-	-	<b>7.9</b>	<b>53</b>
<b>Wasatch</b>	-	-	-	-	-	-	-	-	<b>6.7</b>	<b>67</b>
<b>Cove Street</b>	-	-	-	-	-	-	-	-	<b>10.2</b>	<b>46</b>
<b>Frontier</b>	-	-	-	-	-	-	-	-	<b>9.9</b>	<b>52</b>
<b>Neumeier Poma</b>	-	-	-	-	-	-	-	-	<b>9.2</b>	<b>68</b>
<i>Russell 2000</i>	9.1		20.1		15.7		38.8		8.7	
<i>Russell 2000 Value</i>	8.6		17.6		14.5		34.5		9.3	

# Total Equity Portfolio Holdings Review

## Largest Equity Positions

Position	% of Total Equity Allocation
Xylem	0.41%
Whitewave Foods	0.39%
Axiall	0.36%
WPX Energy	0.35%
General Electric	0.35%
Compass Minerals	0.35%
Energy Transfer Equity	0.34%
Lindsay Corp	0.33%
Live Nation Entertainment	0.32%
Babcock & Wilcox	0.31%
<b>Top Ten Total Weight</b>	<b>3.51%</b>

## Sector Weightings



## Composite Equity Portfolio Characteristics – Trailing Five Years

	Average Market Cap	Dividend Yield	Tracking Error	Alpha	R <sup>2</sup>	Sharpe Ratio	Standard Deviation
Active All Cap/Large Cap Equity	\$114.06 billion	1.91%	4.78%	3.21	0.95	1.28	16.32
Mid Cap Equity	\$9.37 billion	1.04%	5.83%	0.08	0.94	1.19	18.04
Small Cap Equity	\$12.35 billion	0.88%	3.49%	5.41	0.40	0.59	9.86
International Equity	\$38.30 billion	2.21%	2.43%	1.15	0.52	0.43	10.65
<b>Total Equity</b>	<b>\$42.52 billion</b>	<b>1.71%</b>	<b>2.77%</b>	<b>1.21</b>	<b>0.48</b>	<b>0.77</b>	<b>8.00</b>

## Active Domestic Equity Characteristics – Trailing Five Years

	<b>Asset Class</b>	<b>Upside Capture Ratio %</b>	<b>Downside Capture Ratio %</b>	<b>Trailing Five Year Return</b>	<b>Correlation vs. S&amp;P 500</b>	<b>Correlation vs. BC Aggregate</b>
Hotchkis & Wiley	Large Cap Value	132.5	107.6	22.2%	0.96	-0.32
Sawgrass	Large Cap Growth	91.2	75.9	19.2%	0.98	-0.18
Advisory Research	All Cap	99.6	105.4	17.1%	0.98	-0.05
EPOCH	All Cap	111.9	108.4	18.9%	0.98	-0.13
AJO	Mid Cap Core	139.1	109.3	22.7%	0.96	-0.13
Frontier	Mid Cap Growth	103.5	80.8	20.7%	0.92	-0.18
Hotchkis & Wiley	Mid Cap Value	208.4	113.2	30.4%	0.93	-0.08
Wellington	Mid Cap Growth	177.8	131.2	24.3%	0.93	-0.33
Shapiro	Small Cap Value/Core	179.8	100.0	27.5%	0.91	-0.35
Cove Street	Small Cap Value	156.0	84.8	28.1%	0.94	-0.24
Neumeier Poma	Small Cap Value	135.9	109.2	22.2%	0.90	-0.28
Frontier	Small Cap Value	151.6	89.6	26.9%	0.94	-0.28
Geneva	Small Cap Growth	145.9	108.7	23.7%	0.82	-0.37
Wasatch	Small Cap Growth	126.2	68.8	25.8%	0.88	-0.37

Upside and downside capture ratios measured against the S&P 500 index.

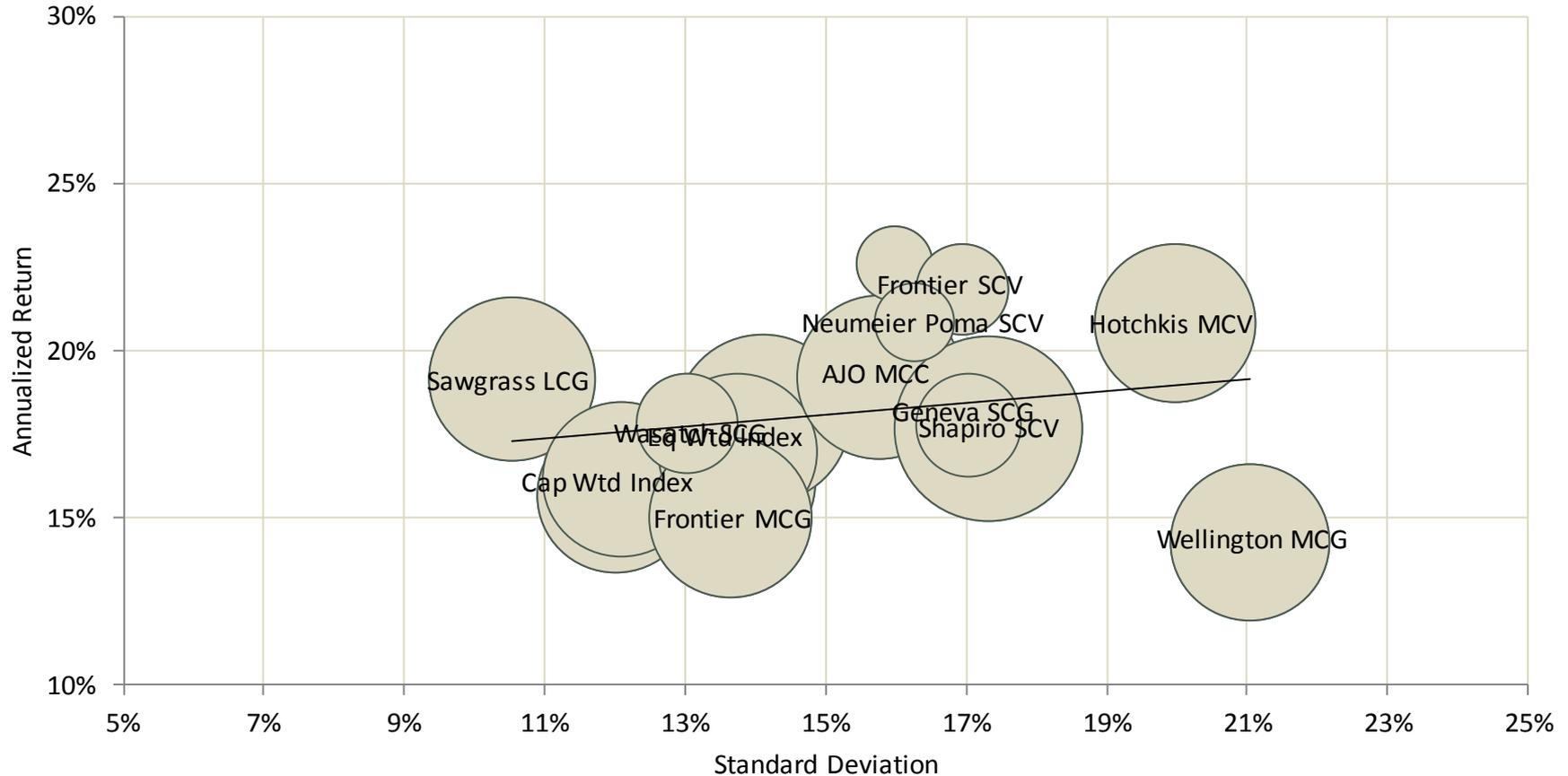
fourth quarter, 2013

# Domestic Equity Portfolios: 5 Year Correlation Matrix

<b>Trailing Five Years</b>	AJO MCC	ARI AC	Cove Street SCV	Epoch AC	Frontier MCG	Frontier SCV	Geneva SCG	Hotchkis LCV	Hotchkis MCV	Neumeier Poma SCV	Sawgrass LCG	Shapiro SCC	Wasatch SCG	Wellington MCG
AJO MCC	-													
ARI AC	0.96	-												
Cove Street SCV	0.94	0.92	-											
Epoch AC	0.97	0.95	0.90	-										
Frontier MCG	0.97	0.92	0.89	0.95	-									
Frontier SCV	0.98	0.96	0.95	0.96	0.95	-								
Geneva SCG	0.94	0.93	0.90	0.91	0.93	0.95	-							
Hotchkis LCV	0.93	0.93	0.89	0.94	0.91	0.93	0.90	-						
Hotchkis MCV	0.92	0.95	0.95	0.95	0.94	0.96	0.92	0.96	-					
Neumeier Poma SCV	0.96	0.94	0.91	0.95	0.93	0.95	0.92	0.88	0.91	-				
Sawgrass LCG	0.97	0.96	0.91	0.96	0.94	0.94	0.91	0.94	0.92	0.91	-			
Shapiro SCC	0.95	0.94	0.94	0.93	0.94	0.96	0.92	-	-	0.94	0.92	-		
Wasatch SCG	0.94	0.90	0.92	0.93	0.95	0.95	0.96	0.89	0.94	0.92	0.91	0.94	-	
Wellington MCG	0.97	0.94	0.93	0.94	0.95	0.94	0.92	0.93	0.95	0.94	0.92	0.97	0.94	-

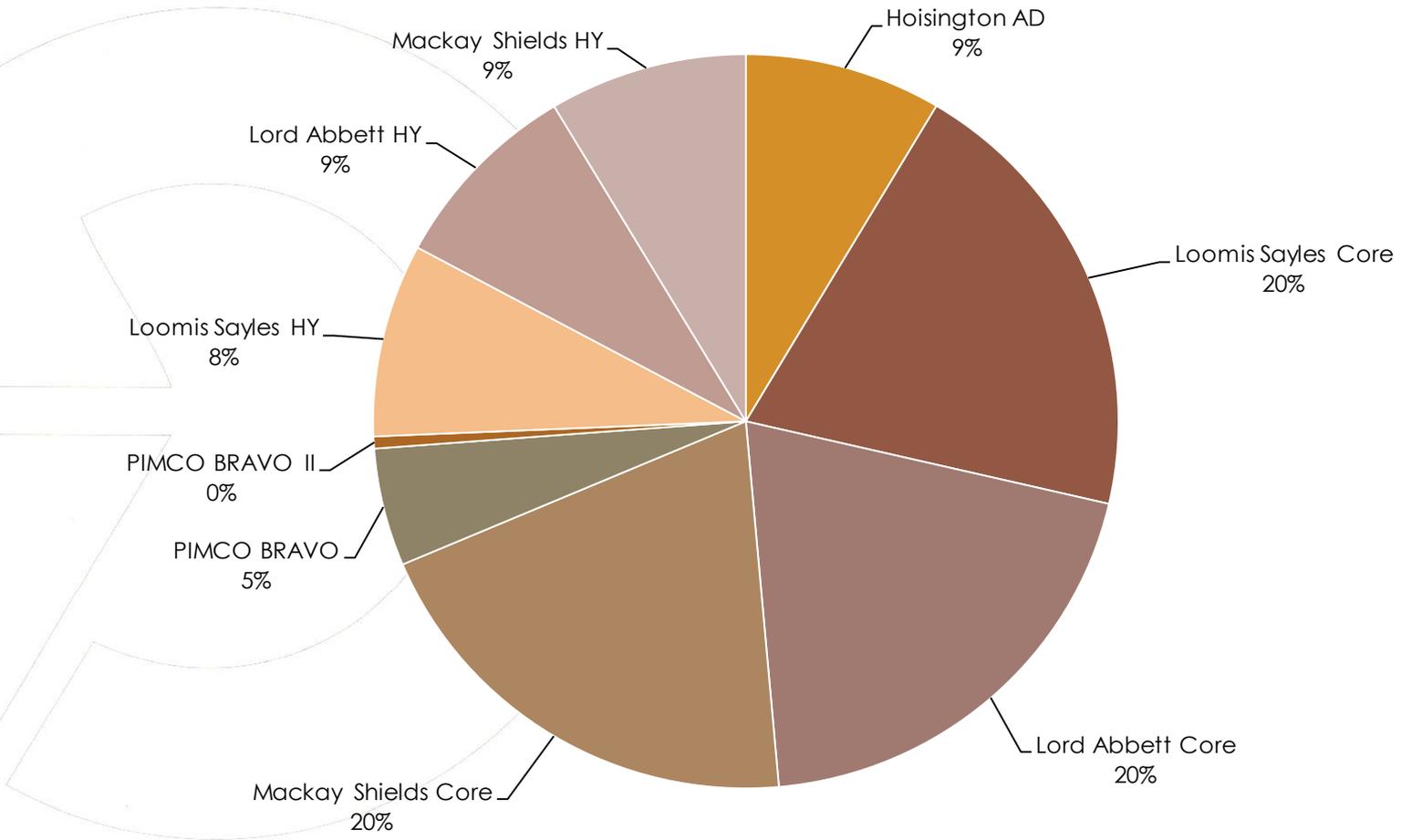
# Domestic Equity Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2013

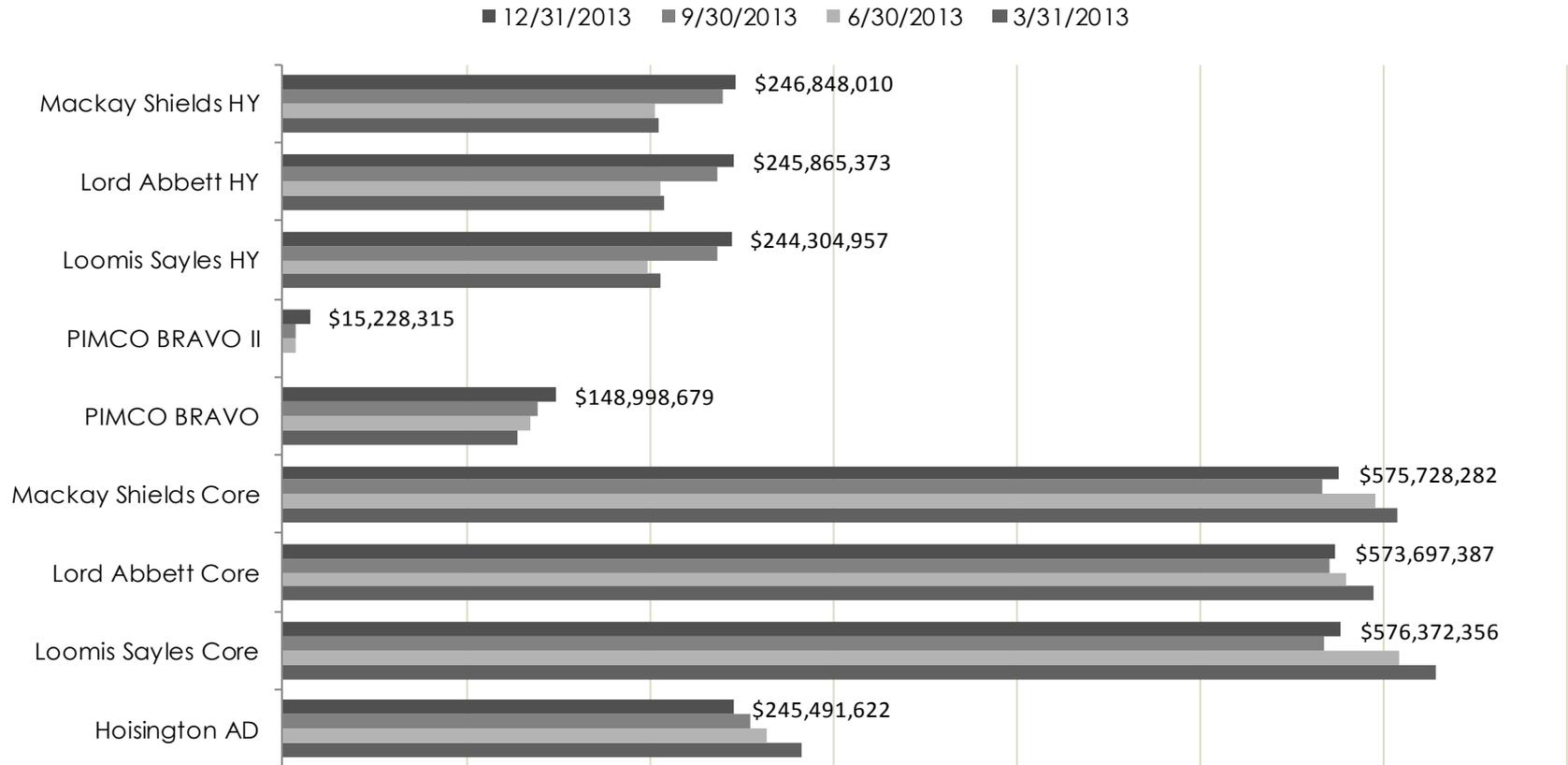


\*Composite performance used when necessary.

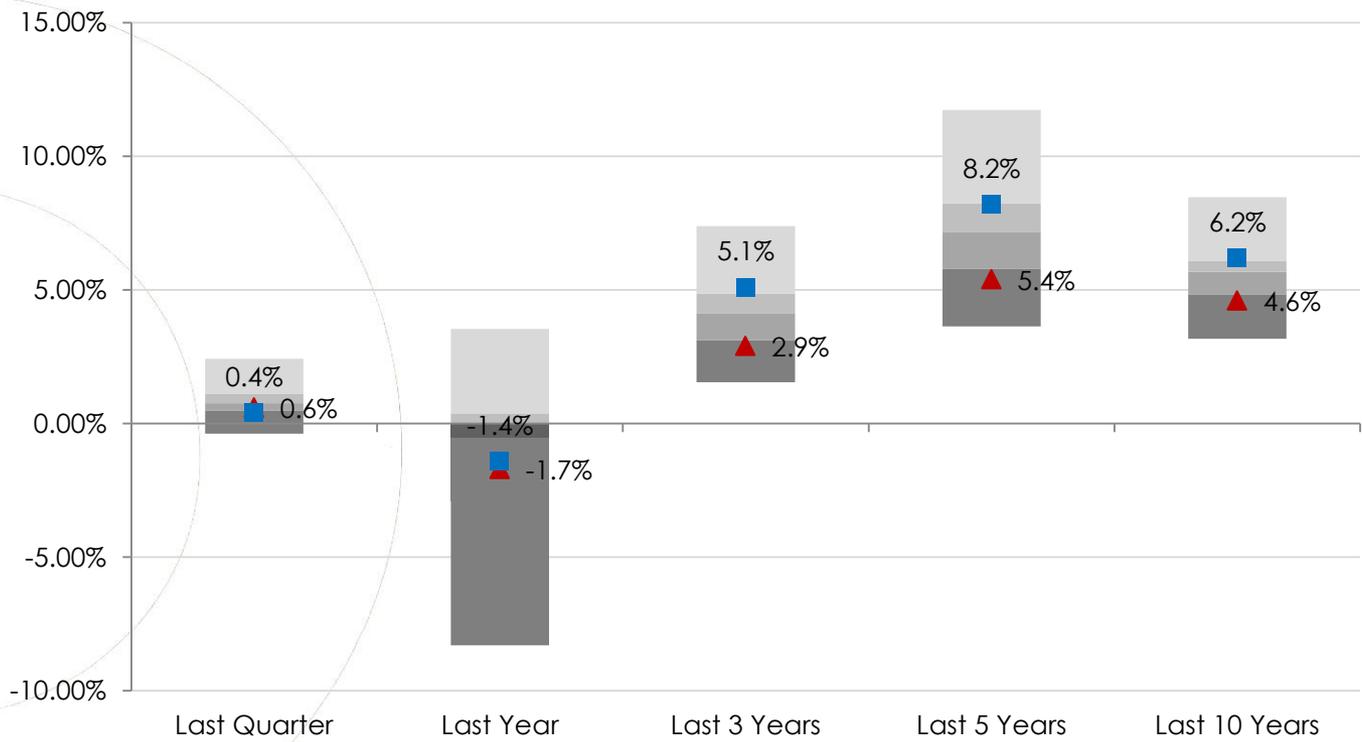
# Asset Allocation Summary – Fixed Income Allocation



# Asset Allocation Summary – Fixed Income Allocation



# Fixed Income Composite vs. Core Fixed Income Peer Universe



■ OTRS Fixed Income Composite	0.4%	-1.4%	5.1%	8.2%	6.2%
◆ Barclays Capital Aggregate	0.6%	-1.7%	2.9%	5.4%	4.6%

## Performance – Fixed Income Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last Year	% Rank	Last Quarter	% Rank
Loomis Sayles	7.4	7	10.0	11	6.6	16	-0.2	40	1.6	15
Lord Abbett	-	-	8.2	22	5.3	26	-0.6	47	0.6	39
Mackay Shields	-	-	8.2	22	6.5	16	1.2	23	1.6	15
Hoisington	-	-	0.9	91	6.9	71	-16.3	99	-3.7	95
<i>BC Aggregate</i>	4.6		4.4		3.3		-2.0		-0.1	
Loomis HY	-	-	-		7.9	79	5.4	76	3.0	70
Lord Abbett HY	-	-	-		10.5	13	10.0	17	3.9	20
Mackay HY	-	-	-		9.2	49	6.6	59	3.0	70
<i>ML High Yield II</i>	-		-		9.0		7.4		3.5	

## Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Maturity	Yield to Maturity
Loomis Sayles	Core Plus	A-	6.2	9.4	4.05%
Lord Abbett	Core Plus	A	5.1	7.1	3.18%
Mackay Shields	Core Plus	A+	2.9	8.3	2.93%
Hoisington	Active Duration	Govt	19.1	23.8	3.92%
<b>Core Fixed Income Composite</b>	<b>Core Plus</b>	<b>A</b>	<b>8.3</b>	<b>12.2</b>	<b>3.52%</b>
Loomis Sayles	High Yield	B	4.9	8.1	5.53%
Lord Abbett	High Yield	B-	5.3	6.7	N/A
Mackay Shields	High Yield	B+	3.4	6.1	5.2%
<b>High Yield Composite</b>	<b>High Yield</b>	<b>B</b>	<b>4.5</b>	<b>7.0</b>	<b>5.37%</b>

## Fixed Income Performance Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. BC Aggregate	Correlation vs. S&P 500
Loomis Sayles	Core Plus	210.2%	42.1%	10.0%	0.73	0.48
Lord Abbett	Core Plus	173.7%	53.4%	8.2%	0.83	0.28
Mackay Shields	Core Plus	153.4%	28.4%	8.2%	0.86	0.29
Hoisington	Active Duration	120.8%	593.7%	0.9%	0.70	-0.37
Loomis Sayles	High Yield	439.9%	-260.3%	20.3%	0.13	0.66
Lord Abbett	High Yield	387.2%	-305.0%	19.0%	0.06	0.60
Mackay Shields	High Yield	339.6%	-207.5%	16.6%	0.27	0.86

Upside and downside capture ratios measured against the Barclays Capital Aggregate index.  
\*Composite performance used when necessary.

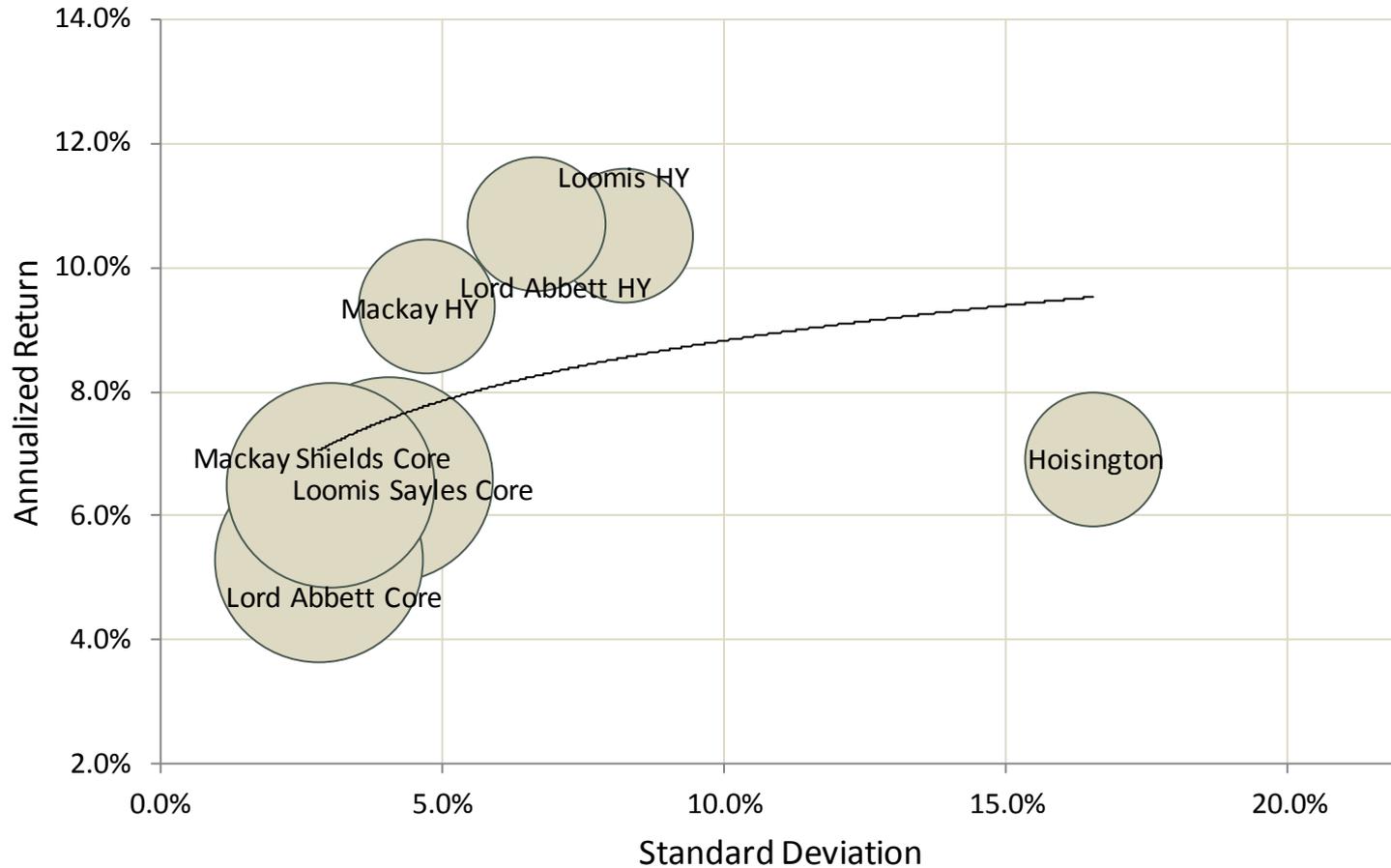
## Fixed Income Portfolios: 5 Year Correlation Matrix

Trailing Five Years	Hoisington	Loomis Core	Loomis High Yield	Lord Abbett Core	Lord Abbett High Yield	Mackay Shields Core	Mackay Shields High Yield
Hoisington	-						
Loomis Core	0.17	-					
Loomis High Yield	-0.49	0.72	-				
Lord Abbett Core	0.31	0.91	0.59	-			
Lord Abbett High Yield	-0.53	0.66	0.97	0.53	-		
Mackay Shields Core	0.38	0.91	0.51	0.88	0.46	-	
Mackay Shields High Yield	-0.43	0.73	0.96	0.63	0.97	0.52	-

\*Composite performance used when necessary.

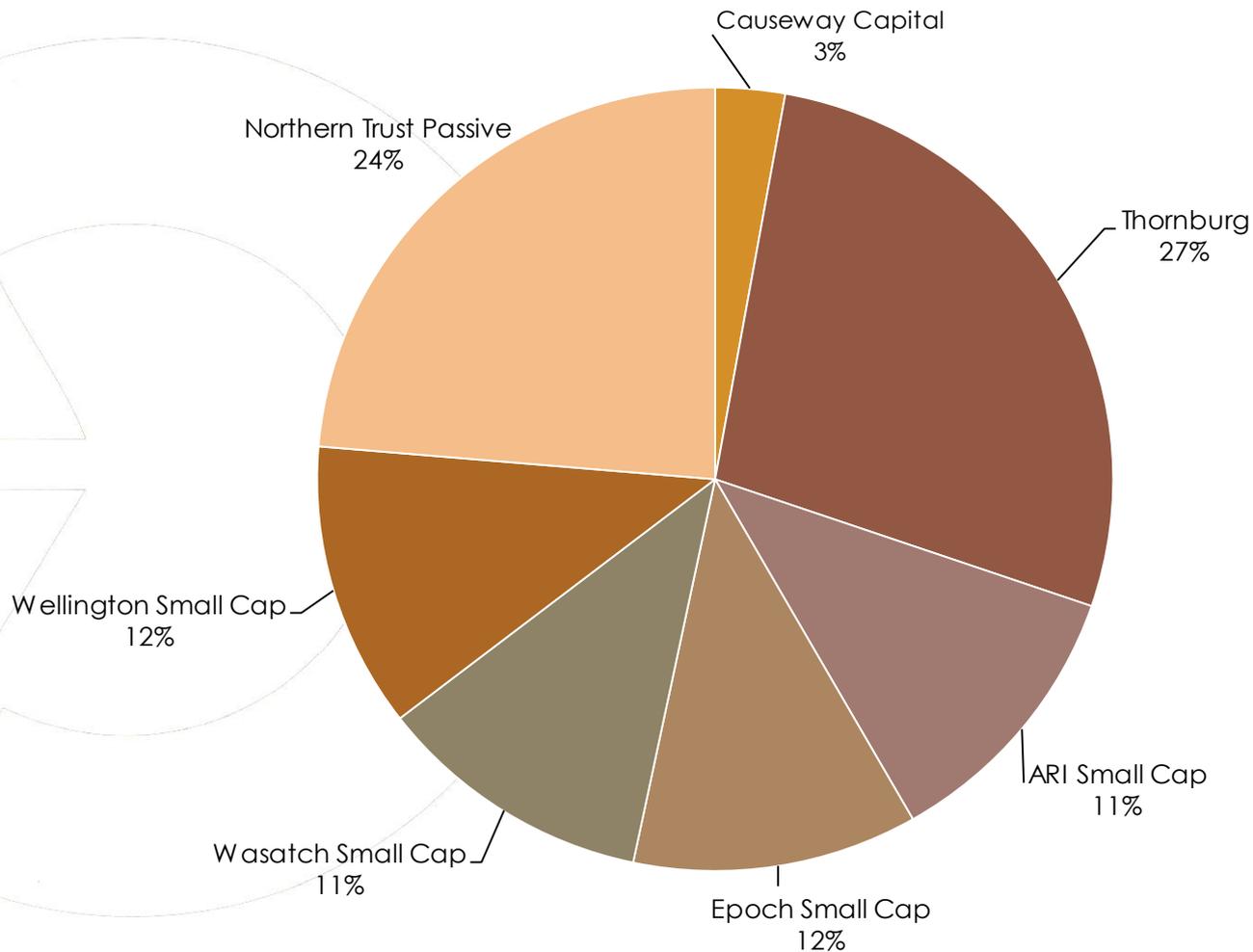
# Fixed Income Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2013

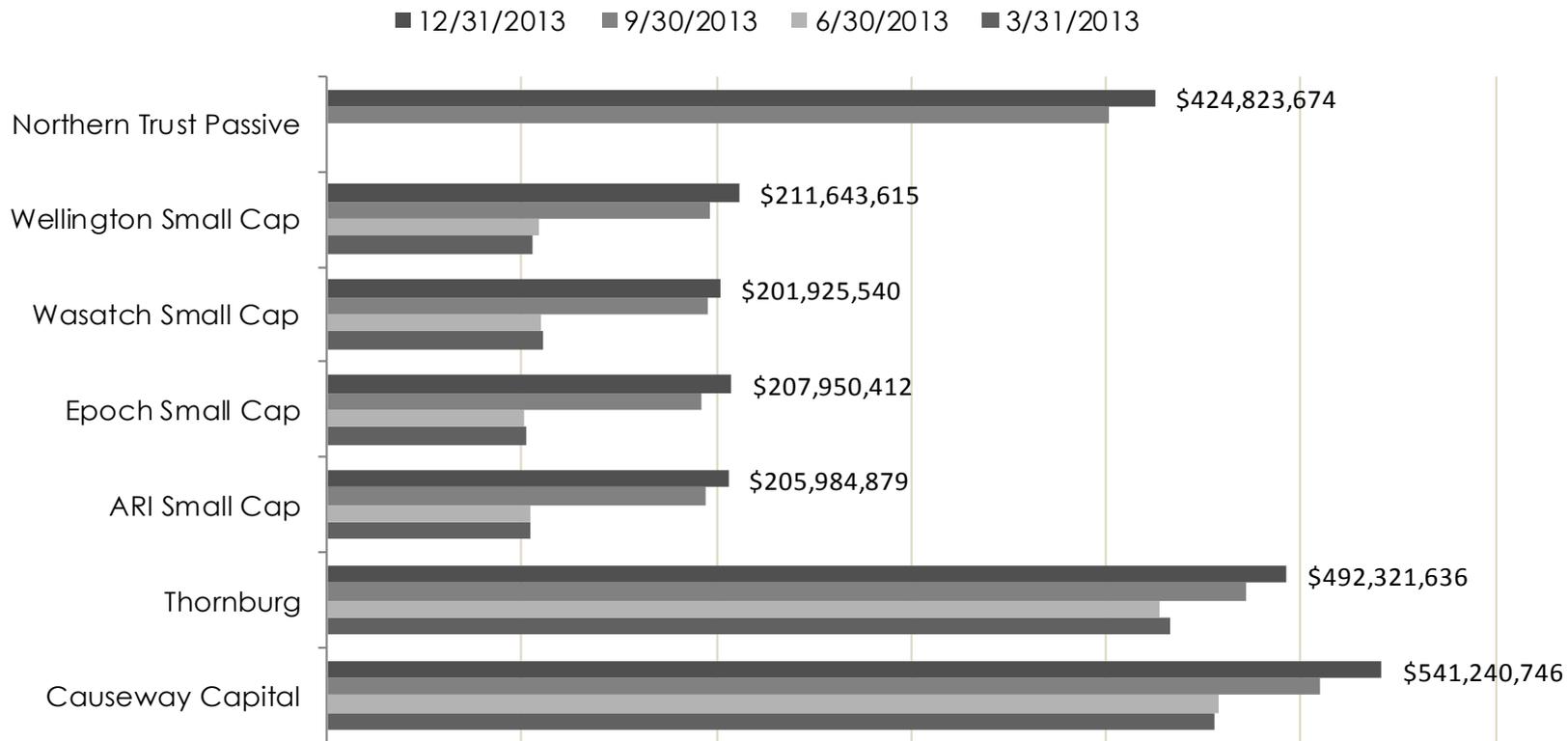


\*Composite performance used when necessary to calculate figures.

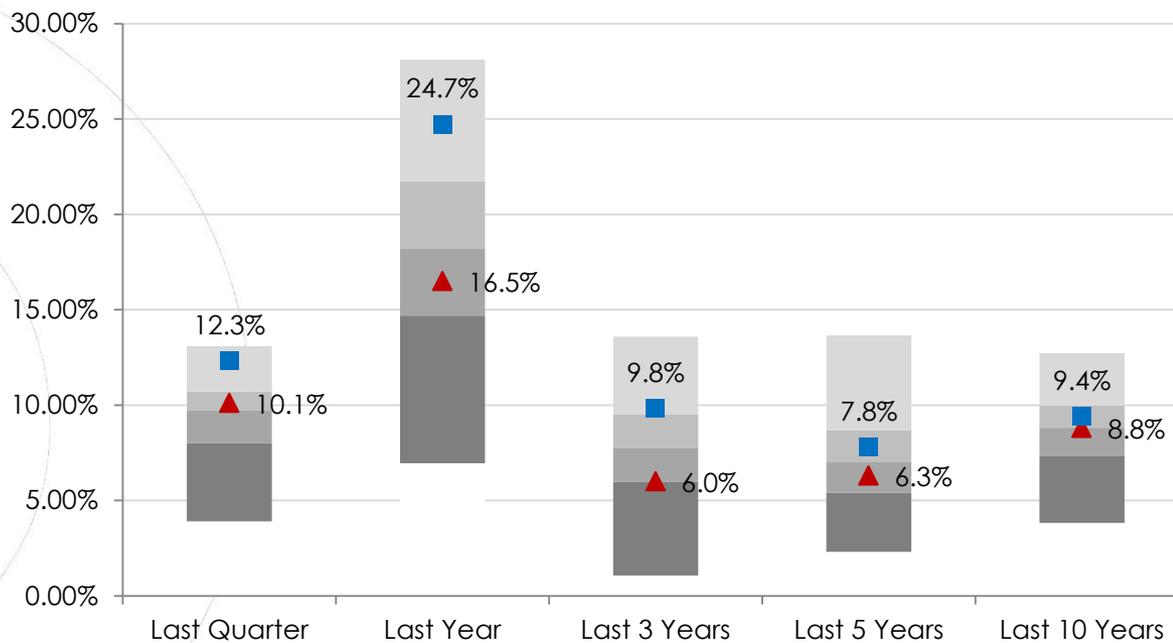
# Asset Allocation Summary – International Equity Allocation



# Asset Allocation Summary – International Equity Allocation



## International Equity Composite vs. Non-US Equity Allocation Peer Universe



■ OTRS International Equity Composite

◆ MSCI ACWI Ex-US

12.3%

10.1%

24.7 %

16.5%

9.8%

6.0%

7.8%

6.3%

9.4%

8.8%

## Performance – International Equity Managers

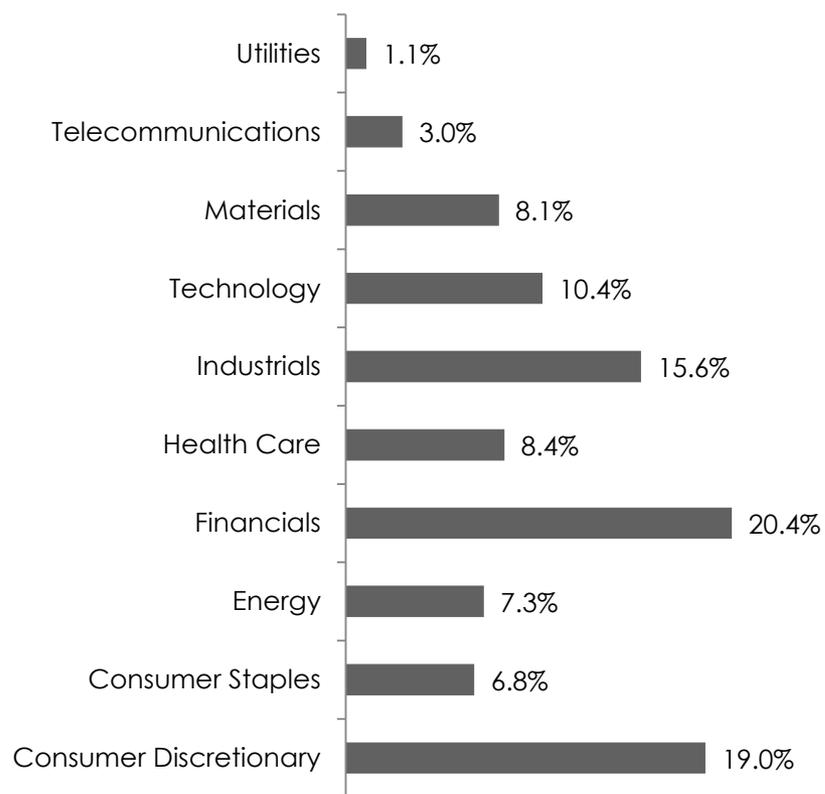
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Causeway	8.8	32	15.9	23	10.3	12	21.8	27	6.3	24
Northern Trust Passive	-		-		-		-		5.7	
Thornburg	-		13.5	51	6.2	60	16.8	56	4.4	72
<i>MSCI ACWI Ex US</i>	6.9		-		-		-		-	
ARI	-	-	-	-	-	-	26.0	13	6.1	28
EPOCH	-	-	-	-	-	-	31.6	2	7.9	8
Wasatch	-	-	-	-	-	-	30.4	3	3.2	85
Wellington	-	-	-	-	-	-	37.3	1	7.5	12
<i>MSCI EAFE Small Cap</i>	9.5		18.5		9.3		29.3		5.9	

# Total International Equity Portfolio Holdings Review

## Largest Equity Positions

Position	% of Total Equity Allocation
Reed Elsevier	0.98%
Mitsubishi UFJ Financial	0.84%
Toyota Motor Corp	0.80%
AKZO Nobel	0.80%
Siemens AG	0.75%
Novartis AG	0.74%
Sanofi	0.73%
Daimler	0.71%
KDDI	0.69%
Novo Nordisk	0.68%
<b>Top Ten Total Weight</b>	<b>7.73%</b>

## Sector Weightings



## Active International Equity Characteristics – Trailing Five Years

	<b>Asset Class</b>	<b>Upside Capture Ratio %</b>	<b>Downside Capture Ratio %</b>	<b>Trailing Five Year Return</b>	<b>Correlation vs. S&amp;P 500</b>	<b>Correlation vs. MSCI ACWI ex US</b>
Causeway	Large Cap Core	125.3%	96.5%	15.9%	0.92	0.97
Northern Trust	Passive Index	100.0%	100.0%	18.0%	0.88	0.99
Thornburg	Large Cap Core	196.2%	92.2%	13.5%	0.92	0.99
Advisory Research	Small Cap Value	109.6%	83.8%	17.4%	0.85	0.95
EPOCH	Small Cal Value	132.1%	95.8%	19.2%	0.89	0.97
Wasatch	Small Cap Growth	183.4%	79.2%	28.8%	0.86	0.95
Wellington	Small Cap Growth	103.6%	90.2%	15.4%	0.92	0.99

Upside and downside capture ratios measured against the MSCI ACWI ex-US index.

\*Composite performance used when necessary.

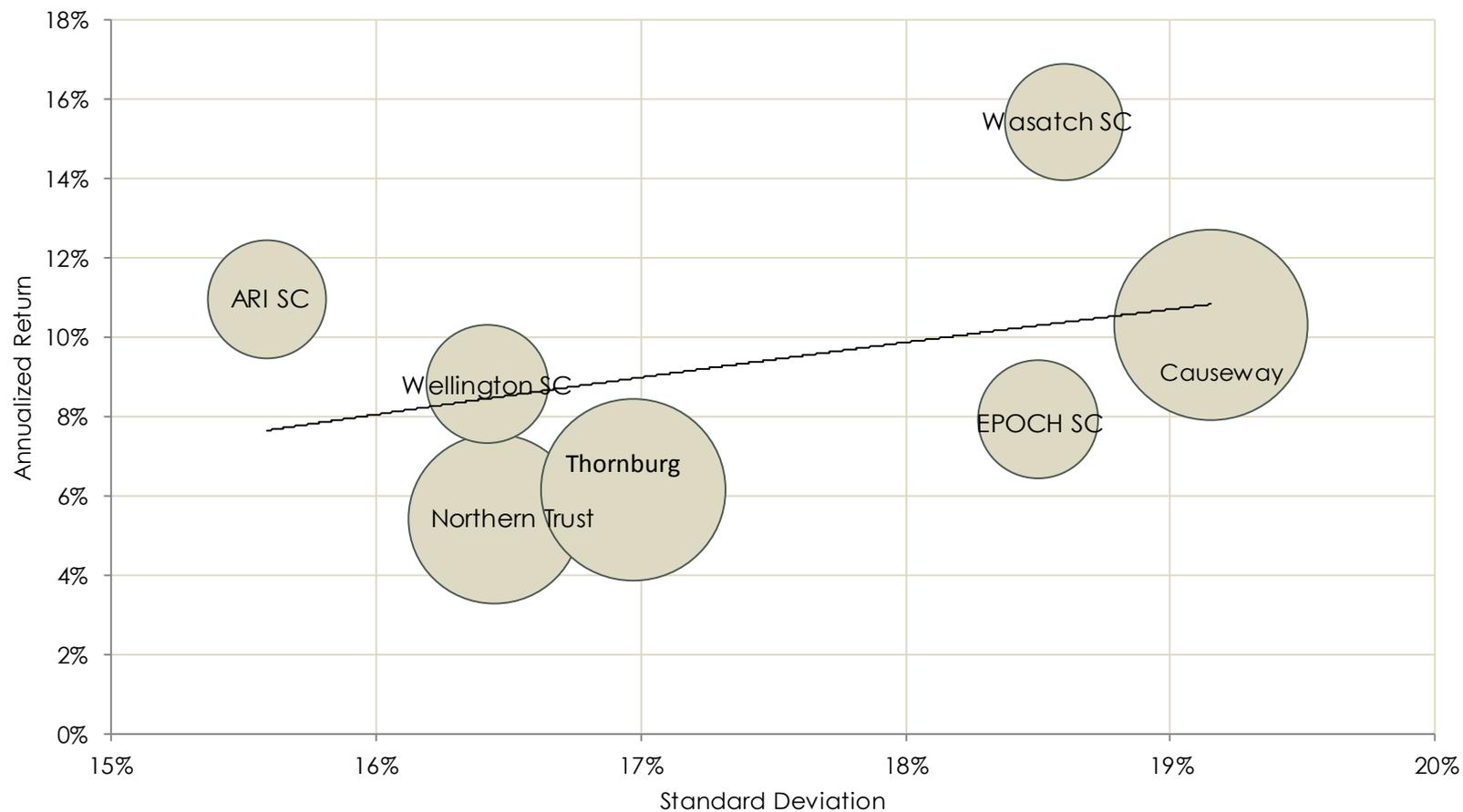
## International Equity Portfolios: 5 Year Correlation Matrix

<b>Trailing Five Years</b>	ARI SCI	Causeway LCI	EPOCH SCI	Northern Trust	Thornburg LCI	Wasatch SCI	Wellington SCI
ARI SCI	-						
Causeway LCI	0.92	-					
EPOCH SCI	0.93	0.94	-				
Northern Trust Passive	0.93	0.97	0.96	-			
Thornburg LCI	0.90	0.96	0.95	0.98	-		
Wasatch SCI	0.87	0.88	0.94	0.94	0.93	-	
Wellington SCI	0.92	0.98	0.96	0.99	0.98	0.93	-

\*Composite performance used when necessary.

# International Equity Risk Return Comparison

Composite Data Used – Three Years Ended December 31, 2013



## Performance – MLPs and Real Estate

	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
<b>Chickasaw</b>	-	-	-	-	<b>49.7</b>	-	<b>13.8</b>	-
<b>FAMCO</b>	-	-	-	-	<b>28.9</b>	-	<b>5.5</b>	-
<b>Swank</b>	-	-	-	-	<b>44.7</b>	-	<b>11.7</b>	-
<i>Alerian MLP</i>	-		-		27.6		5.3	

### **Draft - Board Attendance Policy**

Attendance: As all Trustees have a fiduciary responsibility to the Clients and beneficiaries of the System, all Trustees are expected to attend all Board meetings and applicable committee meetings. While attendance is not always possible, Trustees should attend at least 75% of the regularly scheduled Board meetings. Anticipated absences from a Board meeting should be communicated to the Board Chair and Executive Director as soon as possible.

If a Trustee fails to attend three (3) consecutive regularly scheduled Board meetings, a letter reminding the Trustee of the Board Attendance Policy will be sent to the Trustee. If a Trustee fails to attend more than 50% of all Board meetings (including applicable committee meetings) in a 12 month period, or attends less than 75% of the regularly scheduled Board meetings, a letter will be sent to the Trustee and carbon copied to the authority who appointed the Trustee to the Board.

It is the duty of the Executive Director or his Executive Assistant to monitor Trustee attendance and notify the Chairman of the Board, as well as the Chair of the Governance Committee, if any Trustee has met the absence limited as delineated above. The Executive Director or his Executive Assistant shall prepare the letters as listed above, to be signed by the Governance Committee of the System.

Draft – First letter, Trustee Attendance Policy

Date

Name

Address

City, ST ZIP

Dear Trustee X,

As a Trustee of the Board of Trustees of the Oklahoma Teachers Retirement System, you have a fiduciary duty to the System, its Clients, and beneficiaries. The complete execution of this fiduciary duty requires you to regularly attend Board meetings.

You have failed to attend three (3) regularly scheduled Board meetings. While attendance is not always possible, the Board Attendance Policy requires you to attend 75% (seventy-five percent) of all meetings. This letter is sent to remind you of this Policy, and to encourage you in your efforts of attendance. If your situation is such that you anticipate again exceeding the absence guidelines in the Attendance Policy, consideration should be given as to whether your continuing service on the Board is appropriate.

Sincerely,

Governance Committee

Draft – Second letter, Trustee Attendance Policy

Date

Name

Address

City, ST ZIP

Dear Trustee X,

As a Trustee of the Board of Trustees of the Oklahoma Teachers Retirement System, you have a fiduciary duty to the System, its Clients, and beneficiaries. The complete execution of this fiduciary duty requires you to regularly attend Board meetings.

You have failed either to attend 50% of all Board meetings in the past year, or 75% of all regularly scheduled Board meetings. While attendance is not always possible, the Board Attendance Policy requires you to attend 75% of all meetings. The purpose of this letter is to remind you of your fiduciary duty to the system and to consider whether future Board meeting attendance will be problematic for you. If you anticipate further absences, please consider whether it is appropriate for you to continue to serve as a Trustee at this time. Your attention to this issue is appreciated.

Sincerely,

Governance Committee

Cc: Appointing Authority

## **OKLAHOMA TEACHERS RETIREMENT SYSTEM ETHICS POLICY**

The Oklahoma Teachers Retirement System (OTRS) is charged by statute with the administration of pension funds held in trust for OTRS clients and their beneficiaries. Accordingly, OTRS Trustees, employees, contractors, and agents have fiduciary duties commonly associated with pensions and other trusts. A fiduciary duty is a duty to act solely in another person's best interest. This duty includes the duty to avoid any conflicts of interest. It is a basic principle of the OTRS that all business conduct must uphold the highest standards of honesty and integrity. All Trustees and employees are expected to use sound judgment and to maintain the highest ethical and moral standards. Unethical actions are not acceptable. Fraudulent activities will not be tolerated. All OTRS Trustees and employees are encouraged to immediately report all cases of suspected fraudulent activities through the appropriate channels, as is outlined in the Fraud and Ethic Reporting Policy.

Accurate and reliable preparation and maintenance of OTRS records is of critical importance to proper management, decision-making, and fulfillment of the OTRS's financial, legal, and reporting obligations. All transactions must be properly documented and accounted for in the records of the OTRS. Financial statements, and the records upon which they are based, must accurately reflect all OTRS transactions.

As a State agency, business records and communications may become public, and Trustees and employees should avoid exaggeration, derogatory remarks, speculative language, or inappropriate characterizations of others that could be misinterpreted. This applies equally to e-mails, internal memos, and formal reports. Records should be retained or destroyed in accordance with the State of Oklahoma and OTRS record retention policies.

### **1. GENERAL ETHICAL STANDARDS**

- a. Trustees and employees must comply with all applicable legal, fiduciary, and professional standards.
- b. Trustees and employees must be honest and use common sense in the exercise of their duties and must not take actions that will discredit OTRS.
- c. Trustees and employees must be loyal to the interests of OTRS, its clients and its beneficiaries.
- d. As discussed in more detail below, Trustees and employees may not use their relationship with OTRS to seek or obtain personal gain. However, this should not be interpreted to forbid the use of OTRS as a reference or the communication to others of the fact that a relationship with OTRS exists, provided that no misrepresentation is involved.

### **2. FIDUCIARY DUTIES**

- a. The Board, individual Trustees, and employees of the system shall, in addition to the ethical and fiduciary duties imposed by the law, discharge their duties with respect to the system and the plan solely in the interest of the clients and beneficiaries as follows:
  - I. For the exclusive purpose of the following:

1. Providing benefits to clients and beneficiaries to the extent they are eligible to participate in the plan pursuant to law.
2. Defraying reasonable expenses of administering the plan.
3. With the care, skill, prudence, and diligence that a prudent person would employ under like circumstances.

### **3. CONFLICT OF INTEREST DISCLOSURES**

A conflict of interest exists for a Trustee, employee, contractor, or agent whenever there is a personal or private, commercial, or business relationship or interest that could reasonably be expected to diminish the Trustee's, employee's, contractor's, or agent's independence of judgment in the performance of the person's responsibilities to the OTRS. For example, an employee's independence of judgment is diminished when an employee makes decisions that affect the OTRS and is influenced by matters of own personal gain or benefit.

- a. Trustees, employees, contractors, agents, and any other persons having fiduciary obligations to OTRS must promptly disclose conflicts of interest in writing to the Legal Counsel and Chairman of the Governance Committee. The Legal counsel and Chairmen will consult to develop an appropriate solution to the conflict of interest.
- b. The following, alone, shall not be considered a conflict of interest:
  - I. A Trustee, employee, or relative is a client, retiree, or beneficiary of the System or, with respect to the matter at issue, has an interest no greater than a large class of its clients or retirees, or
  - II. A Trustee, employee, or relative has an investment in the securities of a publicly or privately traded corporation which is owned, purchased, sold, or otherwise dealt with by the OTRS provided that the affected person's interest in the securities is not more than five (5) percent of any class of securities and the person is not a director or officer of the corporation, or
  - III. A Trustee, employee, or relative maintains ownership in a mutual fund or commingled investment fund that holds securities or other assets of a firm that provides or is being considered to provide services to OTRS unless the Trustee, employee, or relative participates in the management of such funds.

### **4. PROHIBITED TRANSACTIONS AND INTERESTS**

- a. No Trustee or employee shall use or seek to use his or her OTRS position to obtain from a donor an economic benefit or financial gain for himself or herself, for any relative or for any for-profit business or not-for-profit organization on whose behalf such economic benefit or financial gain is solicited by a Trustee or employee.

- b. No Trustee or employee may recommend or cause any OTRS business to be transacted with or for the benefit of a relative. All Trustees and employees must refer any business with a relative to another employee of the OTRS.
- c. No Trustee or employee may represent any person in any action or proceeding before or involving the interests of OTRS except as a duly authorized agent of OTRS.
- d. No Trustee or employee may take action personally or on behalf of OTRS that will result in a reasonably foreseeable conflict of interest. Should there be action which a Trustee or employee believes to be in the best interest of OTRS but which could result in a personal conflict of interest the Trustee or employee must disclose such fact to the Legal Counsel and Chairman of the Governance Committee.

**5. OUTSIDE EMPLOYMENT OR BUSINESS RELATIONSHIP OF EMPLOYEES**

- a. Employees may not engage in outside employment, business, or other activities which conflict with their full-time responsibilities at the OTRS. All employees must disclose any outside employment or business relationship using the OTRS Notice of External Employment or Business Relationship form. If, in the opinion of the Legal Counsel and the Executive Director, the outside employment or business relationship of any employee presents a conflict with the employee's full-time responsibilities at the OTRS, the employee shall either terminate the outside employment or business relationship or resign from OTRS employment.
- b. Failure to disclose any outside employment or business relationship, or failure to terminate outside employment or business relationship deemed to present a conflict with an employee's full-time responsibilities at the OTRS shall result in disciplinary actions under OTRS' personnel policies up to, and including termination.

**6. CONFIDENTIAL/SENSITIVE INFORMATION**

- a. Trustees and employees should take great care in all of their interactions outside of OTRS to not disclose specific client or beneficiary information that is confidential by law. During the course of the execution of their official duties, Trustees and employees may not disclose confidential information, except when duly authorized personnel determine such disclosure is either permitted or required by law. Confidential information must be used by Trustees and employees for OTRS' purposes and not for their own personal gain or for the gain of third parties.

**7. OBSERVANCE OF OTRS CONTROLS AND POLICIES**

- a. Trustees and employees will observe all operating controls established by law and OTRS policies, including restrictions and prohibitions on the use of OTRS property for personal or other non-OTRS related purposes.

**8. GIFTS AND ENTERTAINMENT**

- a. 70 O.S. Section 17-106 states, "The members of the Board of Trustees, the Executive Director and the employees of the System shall not accept gifts or gratuities from an individual organization with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent the members of the Board

of Trustees, the Executive Director or the employees of the System from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization.”

- b. All parties must comply with Oklahoma Administrative Code 257:23-1-1 through 6 regarding reporting of things of value to state officers or employees.

**9. COMPLIANCE AND ENFORCEMENT**

- a. The Governance Committee, with the assistance of the Legal Counsel, shall enforce this policy.

## **OKLAHOMA TEACHERS RETIREMENT FRAUD AND ETHICS REPORTING POLICY**

The OTRS is committed to conducting its activities in accordance with the highest standards of integrity and ethics. The OTRS Fraud and Ethics Reporting Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud and unethical behavior against or involving the OTRS. The purpose of this policy is to encourage the reporting of suspected or fraudulent or unethical behavior involving the OTRS. It is the intent of the OTRS to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of inquiries.

### **1. SCOPE**

- a. This policy applies to any irregularity, or suspected irregularity, involving clients, beneficiaries of the system, board members, employees, vendors, consultants, contractors and other parties in a business relationship with the OTRS. This policy further applies to any suspected fraudulent, dishonest use, misuse of OTRS resources or property, or otherwise unethical behavior. Reportable conduct may be related to, but is not limited to, the following:
  - Accounting and Auditing Matters
  - Confidentiality and Misappropriation
  - Conflict of Interest
  - Contractor/Vendor Relations
  - Discrimination or Harassment
  - Embezzlement
  - Falsification of Contracts, Reports, or Records
  - Hiring Irregularities
  - Improper Giving or Receiving of Gifts
  - Improper Supplier, Contractor, or Consultant Activity
  - Nepotism/Favoritism Inappropriate Workplace Relationships
  - Offensive or Inappropriate Communication
  - Retaliation
  - Sexual Harassment
  - Theft
  - Threat or Inappropriate Supervisor Directive
  - Time Abuse
  - Violation of Policy
  - Workplace Violence
- b. Examples of reportable conduct include: an improper awarding of a contract to a relative, uninvited and unwelcome verbal or physical contact, stealing or misappropriation of agency property or funds, improper directives from a supervisor that violate policy or law, or concerns about an employee who is falsifying work hours.

### **2. REPORTING**

- a. Anyone who works for, is a board member of, does business with, or is otherwise affiliated with OTRS is encouraged to report suspected fraudulent, dishonest, or unethical behavior of any other employee, board member, consultant, vendor or other

party related to the OTRS. Reporting can be made in a variety of ways – informally by consultation with one’s supervisor (for employees with internal concerns), through the filing of a formal internal grievance pursuant to Merit Rule 455:10-19-1 through 455:10-19-64 (by employees), or by anyone by making a report with the OTRS’ contracted outside reporting firm, EthicsPoint. Reports made to EthicsPoint can be made either via telephone at 1-855-726-6411 or through the internet accessible at the OTRS website. Reports made to EthicsPoint give the reporting party the option of remaining anonymous.

- b. All parties should be advised that any of the reporting mechanisms above do not take the place of filing a complaint with the state or federal government regarding certain state and federal law violations, such as an EEOC complaint. Strict timelines typically apply to these types of complaints, and filing a report via EthicsPoint or any other reporting mechanism provided by the OTRS do not take the place of filing a complaint with one of these entities, nor extend the timeline for the filing of such a complaint.

### **3. INQUIRIES AND INVESTIGATIONS**

- a. All reports made through the OTRS’ open door policy, as well as the formal grievance policy, will be handled pursuant to the specific procedures applicable to those policies. Reports made via EthicsPoint will immediately be forwarded to the following OTRS personnel: Executive Director, Legal Counsel, Human Resources Director, and Chairman of the Audit Committee. If any of the personnel listed above are implicated in the report, they will not receive a copy of the report, and initially will not be notified of the report. Reports, whether anonymous or not, will be shared only with those who have a need to know of the report so that the OTRS can conduct an effective investigation and determine an appropriate course of action.
- b. In keeping with OTRS’ commitment to the highest standards of integrity and ethics, the OTRS will investigate suspected fraudulent or unethical activity. Inquiries and investigations will typically be handled by Legal Counsel, and others as is appropriate. The OTRS may decline to conduct an investigation in circumstances that clearly indicate no investigation is warranted. Legal Counsel will make report of all findings and recommendations to both the Executive Director and Chairman of the Audit Committee within 60 days of the filing of the report.

### **4. NO RETALIATION**

- a. The OTRS will not tolerate retaliation against any person who make a report in good faith under this policy or against any individuals (e.g., witnesses) who participate in an investigation of a report under this policy. Complaints of retaliation can be made to the Chairman of the Board, Chairman of the Audit Committee, Executive Director, or Legal Counsel. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if the allegations of retaliation are substantiated. Complaints can also be made to directly to the Merit Protection Commission under the Whistleblower Protection Act pursuant to merit rule 455:10-3-6(b)(1). This policy will not prevent, limit, or delay the OTRS from taking action, including disciplinary or other employment action, against any individual, when the OTRS concludes that action is appropriate.

Proposed OTRS Employee Recognition Policy (74 O.S. 2011 Section 4121)

The Employee Recognition Committee shall meet on the second Tuesday of every quarter, and consist of the Executive Director or the Assistant Executive Director, the Human Resources Director and the staff member who won the award for the previous quarter (if the staff member is unavailable, a staff member shall be chosen randomly). Directors and staff members on the Committee shall be ineligible for nomination.

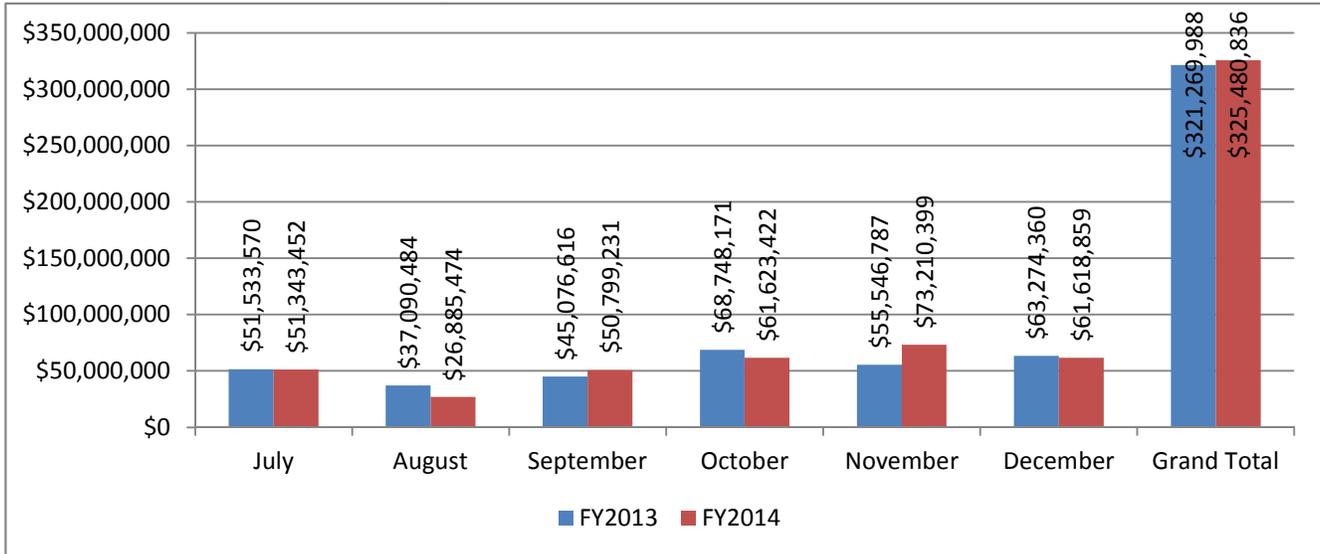
One week prior to the Employee Recognition Committee meeting, all employees may submit to the Committee, through the Executive Assistant or Human Resources Director, the name of an OTRS employee that they believe deserves to be recognized, as well as the reason underlying the nomination. Employees may not nominate themselves. The Committee shall meet and decide by vote which employee shall be recognized that quarter for excellence in sustained performance, productivity, going above and beyond the call of duty, or other significant contribution. Prior to the award being given, the Human Resources Director shall confer with the supervisor of the awarded employee to ensure the award is justified. The employee being recognized shall be given a cash award of \$250.00 at an all staff luncheon or breakfast. An employee recognized under this policy is not eligible for recognition again for one year.

Further, upon the attainment of following years of state service, certain recognition in the form of service pins shall be given to each employee at the employee recognition luncheon as follows:

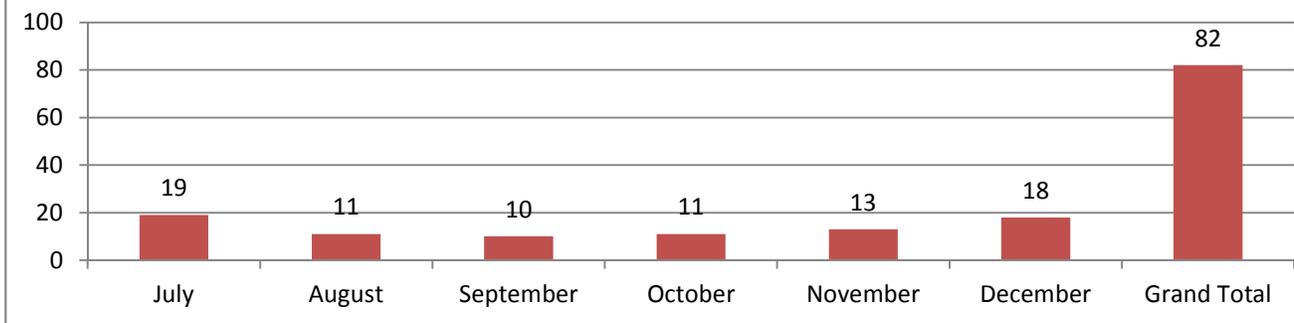
- 5 years
- 10 years
- 15 years
- 20 years
- 25 years
- 30 years
- 35 years
- 40 years

## Employer Reporting Analysis of Employee and Employer Contributions Received For the Six Months Ended December 31, 2012 and 2013

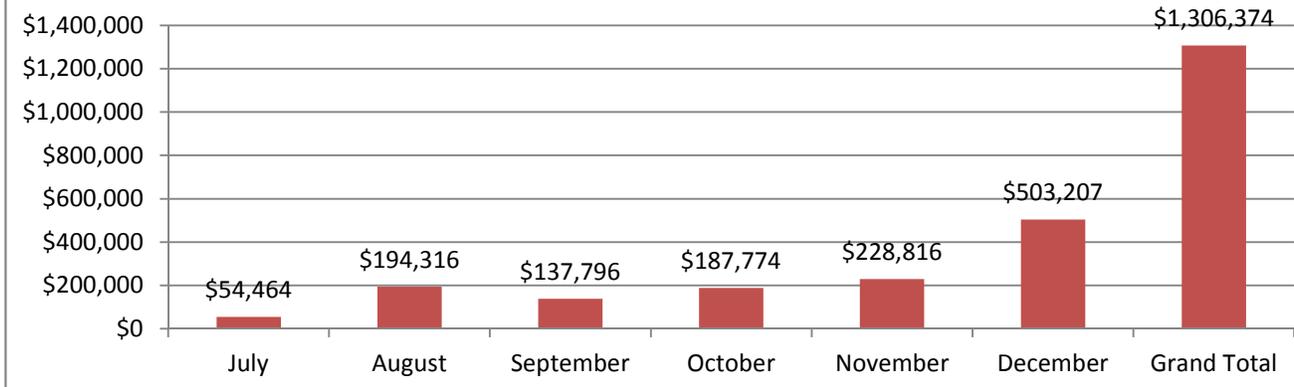
### Comparison of Contributions Received

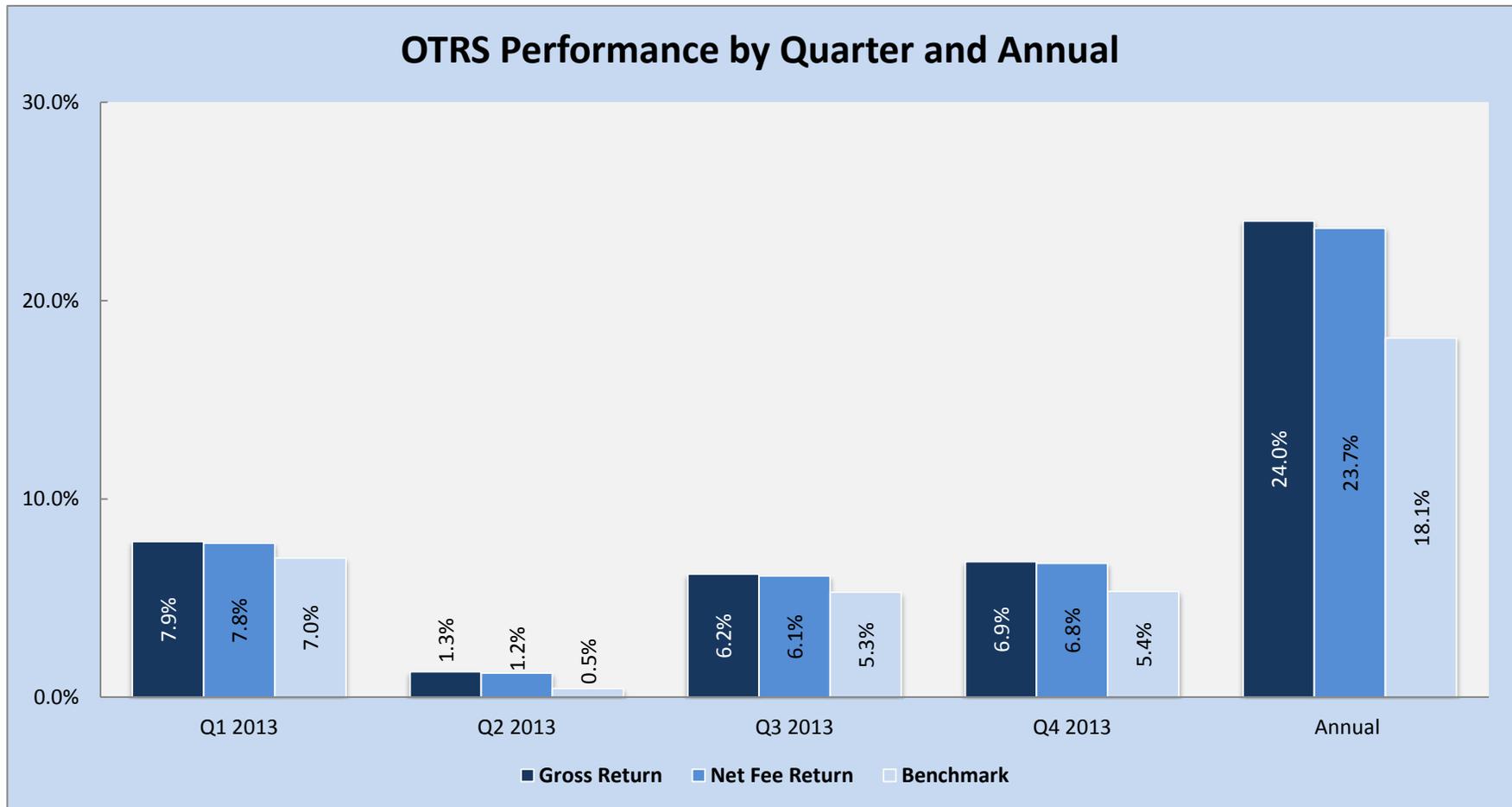


### Estimated Number of Missing Reports FY 2014



### Estimated Outstanding Funds FY 2014





\*Net Fee Return does not include: AEW, L&B, Heitman, PIMCO, and Franklin Park



## FINANCIAL SUMMARY

### Actuarial Information – FY – Quarter Ended December 31, 2013

Actuarial Value of Assets	\$11,810 million
Unfunded Liability	\$8,112 million
Funded Ratio	57.2%
Funded Period (years)	17

### Financial Information - FY – Quarter Ended December 31, 2013

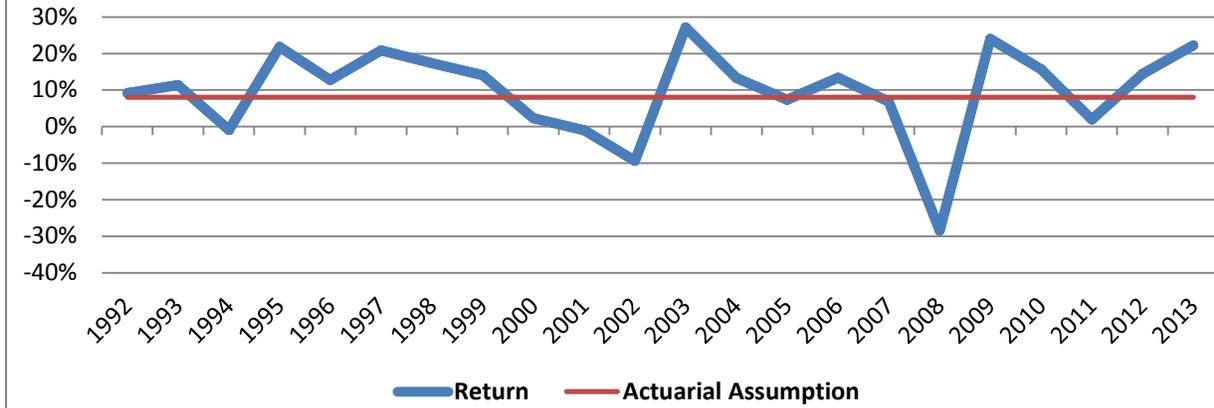
Revenues	<u>Annual</u>	<u>Percent</u>
Member Contributions	141,867,870	38%
State Contributions	22,049,858	6%
Employer Contributions	206,222,488	56%
<b>Total Earnings</b>	<b>370,140,216</b>	
Expenses		
Withdrawals/Death Benefits	28,293,359	4%
Benefit Payments	652,193,972	96%
<b>Total Expenditures</b>	<b>680,487,331</b>	

## INVESTMENT INFORMATION – Calendar Year Ended December 31, 2013

<u>Period</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Inception</u>
Performance	24.02%	12.80%	15.76%	8.62%	9.84%
Assumption	8%	8%	8%	8%	8%
Over/(Under)	16.02%	4.80%	7.76%	0.62%	1.84%
Market Value of Assets as of 12/31/2013				\$13.2 billion	

## RETURNS

### Historical Annualized Returns - Years Ended December 31st



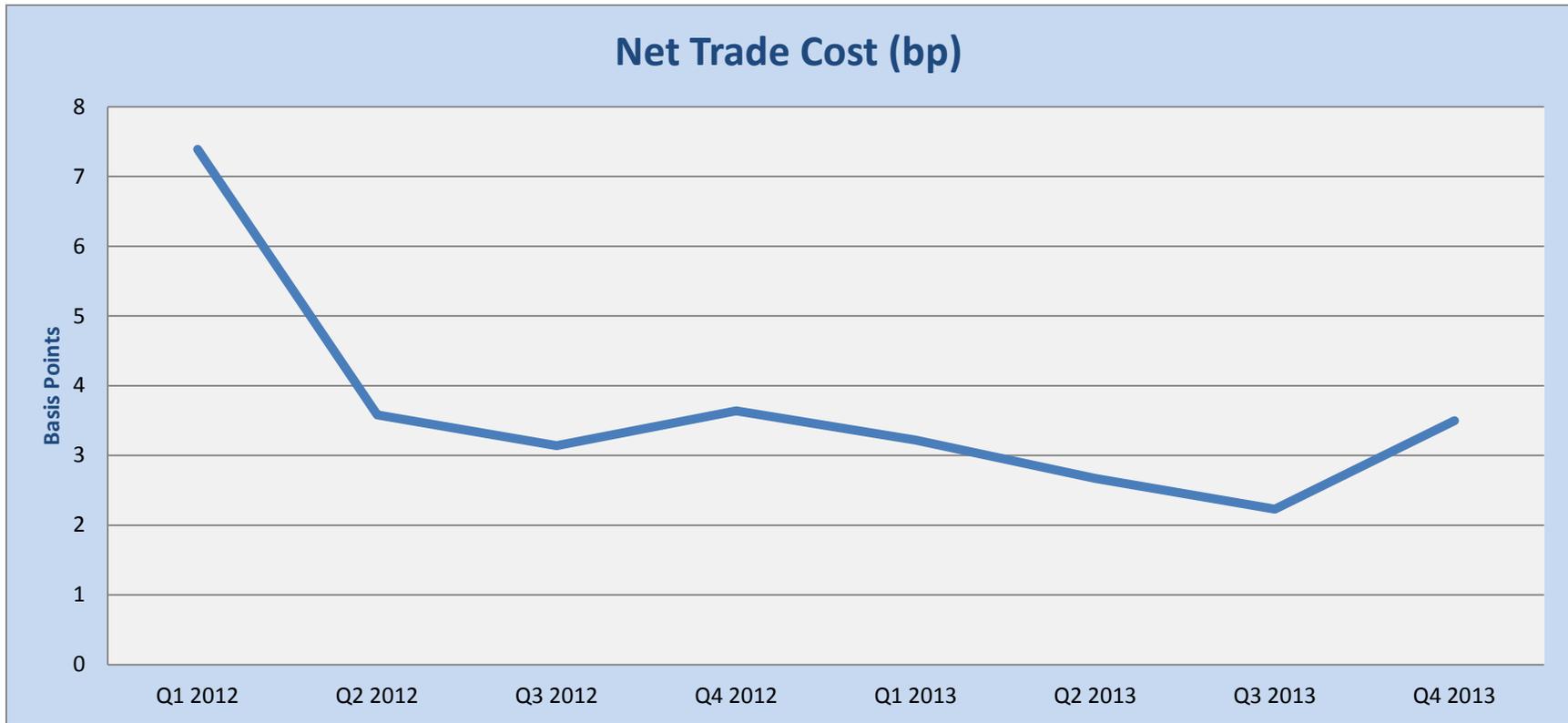
## ASSET ALLOCATION – Quarter Ended Q4 2013

<u>Asset Class</u>	<u>Policy %</u>	<u>Current %</u>	<u>Over/Under</u>	<u>Summary</u>	<u>Policy %</u>	<u>Current %</u>	<u>Over/Under</u>
All Cap Domestic Equity	7.00%	6.71%	-0.29%	Equity	57.50%	64.14%	6.64%
Large Cap Domestic Equity	10.00%	14.72%	4.72%	Fixed Income	23.50%	20.57%	-2.93%
Mid Cap Equity	13.00%	14.43%	1.43%	Other	19.00%	14.96%	-4.04%
Small Cap Equity	10.00%	10.53%	0.53%				
Large Cap Int'l Equity	11.50%	8.24%	-3.26%				
Small Cap Int'l Equity	6.00%	9.51%	3.51%				
Private Equity	5.00%	2.20%	0.00%				
Real Estate	7.00%	4.15%	-2.85%				
Master Limited Partnerships	7.00%	7.31%	2.31%				
Opportunistic Fixed Income	0.00%	1.30%	1.30%				
Core Fixed Income	17.50%	14.98%	-2.52%				
High Yield Fixed Income	6.00%	5.60%	-0.40%				
Cash	0.00%	0.32%	0.32%				

## INVESTMENT FEES – Calendar Year Ended December 31, 2013

Manager Fees	\$39.17 million	30 basis points
Investment Consultant	\$702,000	<1 basis point
Private Equity Consultant	\$2.99 million	2 basis points

\*Does not include AEW, Heitman, L&B, and PIMCO



<i>Qtr</i>	<i>Year</i>	<i>Net Cost (bp)</i>	<i>Prin Traded</i>	<i># of Trades</i>	<i>Peer Rank</i>	<i>Quartile</i>
1	2012	7.39	\$ 1,547,647.72	3,397	29%	3
2	2012	3.58	\$ 2,619,209.23	6,068	31%	3
3	2012	3.14	\$ 1,656,037.16	4,387	24%	4
4	2012	3.64	\$ 1,587,486.07	5,260	29%	3
1	2013	3.22	\$ 1,828,059.64	6,464	41%	3
2	2013	2.67	\$ 2,468,021.86	6,836	32%	3
3	2013	2.23	\$ 2,035,280.14	6,889	39%	3
4	2013	3.20	\$ 2,138,838.87	7,366	44%	3
Total	Total	3.50	\$ 15,880,580.69	46,667	34%	3



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - February 2014

<b>New Retirements</b>	<u>Count</u>	<u>Benefit Total</u>
Type		
Disability	9	\$11,777.21
Normal	74	\$139,921.71
Total	<u>83</u>	<u>\$151,698.92</u>
<b>Terminated Retirements</b>	<b>30</b>	<b>\$43,860.28</b>
<b>Net Change</b>	<b>53</b>	<b>\$107,838.64</b>

## NORMAL RETIREMENTS

February 1, 2014

Client #	Age	Service	Retirement Number	Benefit
Q0068929	55	35	099364	\$3,373.13
Q0219828	67	18	099612	\$2,851.37
Q0159905	67	42	099738	\$4,105.04
Q0139854	67	35	099476	\$3,024.71
Q0182191	62	32	099555	\$2,752.17
Q0201068	62	8	099556	\$438.39
Q0297563	66	5	099557	\$169.47
Q0121018	68	21	099483	\$1,499.43
Q0124947	60	24	099560	\$1,568.38
Q0104669	62	10	099561	\$479.69
Q0181931	62	28	099607	\$2,589.62
Q0050776	57	24	099586	\$2,005.02
Q0086003	62	15	099747	\$674.20
Q0038574	56	25	099780	\$2,110.88
Q0247294	65	11	099366	\$813.58
Q0143146	62	16	099365	\$844.42
Q0182040	61	19	099477	\$1,191.61
Q0232527	75	33	099611	\$2,728.73
Q0037260	63	11	099595	\$1,074.31
Q0087629	60	28	099367	\$2,798.48
Q0070635	53	32	099558	\$2,301.76
Q0161507	62	18	099618	\$805.30
Q0146446	52	32	099619	\$2,750.72
Q0198494	67	41	099375	\$8,629.21
Q0108730	51	30	099735	\$1,823.90
Q0087899	60	23	099620	\$1,473.05
Q0287771	62	8	099622	\$422.22
Q0104920	62	14	099624	\$826.99
Q0084804	68	15	099626	\$1,162.92
Q0141887	66	41	099631	\$3,814.00
Q0022653	76	46	099632	\$8,065.84
Q0258649	62	28	099640	\$2,868.43
Q0124069	62	9	099685	\$220.31
Q0235755	57	34	099847	\$3,176.78
Q0015773	57	23	099641	\$2,431.18
Q0186935	53	28	099647	\$1,671.10
Q0142088	60	39	099678	\$2,980.06
Q0282514	60	8	099687	\$224.56
Q0163112	62	17	099686	\$1,027.22
Q0128820	54	26	099650	\$1,673.55
Q0067432	61	19	099648	\$1,038.42
Q0244626	66	16	099642	\$5,477.93
Q0200044	64	33	099639	\$2,699.60
Q0008545	60	18	099779	\$1,166.29
Q0202199	62	20	099471	\$1,341.64
Q0162191	64	25	099479	\$1,995.83
Q0201346	62	28	099866	\$2,354.12
Q0157763	69	15	099480	\$311.08

**NORMAL RETIREMENTS (Continued)**

February 1, 2014

<b>Client #</b>	<b>Age</b>	<b>Service</b>	<b>Retirement Number</b>	<b>Benefit</b>
Q0103578	62	25	099474	\$2,109.29
Q0142817	62	32	099462	\$2,851.00
Q0127427	55	31	099739	\$2,260.13
Q0035438	63	13	099873	\$1,130.93
Q0051673	51	30	099463	\$2,116.54
Q0045494	66	23	099615	\$2,205.66
Q0025169	65	14	099487	\$585.72
Q0288458	63	7	099491	\$405.88
Q0244583	62	11	099464	\$332.76
Q0289007	65	14	099587	\$665.24
Q0163697	62	12	099456	\$572.02
Q0161081	65	28	099874	\$1,035.62
Q0126162	59	34	099736	\$2,120.71
Q0123677	65	26	099867	\$2,144.84
Q0198521	66	35	099868	\$2,666.99
Q0145339	59	33	099485	\$2,085.71
Q0183177	62	23	099486	\$1,442.00
Q0258679	62	22	099424	\$1,317.26
Q0066653	63	15	099426	\$775.75
Q0248225	70	15	099363	\$810.12
Q0162996	62	11	099484	\$719.22
Q0127948	56	25	099752	\$1,953.95
Q0203025	63	33	099731	\$2,250.14
Q0026383	64	13	099616	\$750.72
Q0068463	58	13	099458	\$663.47
Q0049437	57	25	099457	\$2,123.40
<b>Total</b>				<b>\$139,921.71</b>

## Disability

February 1, 2014

Client #	Age	Service	Estimate Ret. Date	Retirement Number	Benefit
Q0183712	60	13	02/01/14	D096573	\$335.40
Q0146930	56	23	02/01/14	D099884	\$1,669.16
Q0051340	55	23	02/01/14	D099885	\$1,530.24
Q0146548	53	16	02/01/14	D099883	\$1,118.25
Q0169641	49	27	02/01/14	D099809	\$2,885.80
Q0048481	60	18	02/01/14	D099882	\$1,237.34
Q0067240	60	18	02/01/14	D099881	\$1,151.20
Q0220079	52	15	02/01/14	D099879	\$959.11
Q0092777	52	12	02/01/14	D099877	\$890.71
<b>Total</b>					<b>\$11,777.21</b>

## Terminations

February 2014

Termination	Retire. #	Annuitant Name	Death	Termination	Benefit
Deceased	016180	LILLIE C ANDERSON	01/19/2014	02/01/2014	\$855.19
Deceased	032288	WILLIAM F AUSTIN	01/26/2014	02/01/2014	\$3,536.31
Deceased	038920	CLARA F BOWLING	01/27/2014	02/01/2014	\$973.65
Deceased	030094	ELIZABETH R CARTER	01/31/2014	02/01/2014	\$194.20
Deceased	019519	CATHERINE J CHAMBERS	01/30/2014	02/01/2014	\$872.21
Deceased	033356	KATHERINE P CLAYTON	01/28/2014	02/01/2014	\$1,268.40
Deceased	015986	CHARLES A COX	01/27/2014	02/01/2014	\$1,801.60
Deceased	052681	BETTY C CURRY	01/22/2014	02/01/2014	\$1,723.66
Deceased	045663	WANDA L DAVIS	01/22/2014	02/01/2014	\$617.23
Deceased	052396	GARRELL K ESKEW	01/25/2014	02/01/2014	\$2,566.06
Deceased	093705	MARSHA E FLASCH	01/29/2014	02/01/2014	\$1,359.38
Deceased	033053	EDMUND D GIBSON	01/29/2014	02/01/2014	\$2,930.44
Deceased	044907	FRANCES J GOODKNIGHT	01/27/2014	02/01/2014	\$231.70
Deceased	024457	VIOLET O HACKER	01/30/2014	02/01/2014	\$948.84
Deceased	076194	DONALD E HALE	01/30/2014	02/01/2014	\$604.98
Deceased	027655	MARY A HOLMAN	01/02/2014	02/01/2014	\$1,265.92
Deceased	032635	JOHNNY R JOINES	01/30/2014	02/01/2014	\$158.15
Deceased	039481	ODUS R JONES	01/30/2014	02/01/2014	\$636.98
Deceased	072067	S. GARY LATTIMORE	01/03/2014	02/01/2014	\$3,158.12
Deceased	028942	MARY J MASON	01/03/2014	02/01/2014	\$1,392.82
Deceased	020667	MARION L MCQUIGG	01/23/2014	02/01/2014	\$1,664.55
Deceased	048024	HOWARD W MORGAN	01/29/2014	02/01/2014	\$2,175.89
Deceased	030321	OLETA M OSBORN	01/30/2014	02/01/2014	\$333.11
Deceased	062402	HARRY PARR	01/08/2014	02/01/2014	\$341.07
Deceased	068663	MARGARET L PASCHALL	01/31/2014	02/01/2014	\$2,406.69
Deceased	050154	MARGARET E	01/28/2014	02/01/2014	\$1,477.97
Deceased	026648	WALLACE R SMITH	01/30/2014	02/01/2014	\$2,684.17
Deceased	024076	EVELYN J STRINGER	01/09/2014	02/01/2014	\$1,814.08
Deceased	046294	TINA J VASSAR	01/15/2014	02/01/2014	\$1,983.29
Deceased	095429	LEN WINDLE	01/03/2014	02/01/2014	\$1,883.62
<b>Total</b>					<b>\$43,860.28</b>



**BALANCE SHEET  
JANUARY 31, 2014**

**CURRENT ASSETS:**

Cash Not Available For Investment	\$1,572,881.80
Equities (At Market Value)	9,893,706,215.07
Fixed Income (At Market Value)	2,717,998,753.19
Short-Term Investment Account	432,024,296.54
Due From/(To) Broker	(146,948,882.86)
Accounts Receivable Installment Payments	1,358,144.49
Prepaid Retirement Benefits	73,101,776.92
Accrued Income	<u>41,684,520.24</u>
<b>Total Current Assets</b>	<b>13,014,497,705.39</b>

**CAPITAL ASSETS:**

Office Furniture and Equipment	3,286,050.30
Accumulated Depreciation	<u>(1,105,815.70)</u>

**TOTAL ASSETS**

**\$13,016,677,939.99**

**CURRENT LIABILITIES:**

Teachers' Savings Fund	\$4,190,334,075.92
Retirement Benefit Fund	7,383,837,746.15
Interest Fund	1,372,747,695.18
Expense Fund	33,502,287.99
Suspense Fund	<u>33,616,623.89</u>
<b>Total Current Liabilities</b>	<b>13,014,038,429.13</b>

TRS Capital Investment	<u>2,639,510.86</u>
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**TOTAL LIABILITIES AND CAPITAL INVESTMENT**

**\$13,016,677,939.99**



STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
JANUARY 31, 2014

	January 2014 (FY 2014)	January 2013 (FY 2013)	Year to Date (FY 2014)	Year to Date (FY 2013)
Balance of Cash and Investments Beginning of Period	\$13,243,201,957.71	\$10,785,421,619.53	\$11,817,761,245.40	\$10,120,620,220.15
<b>RECEIPTS:</b>				
Members' Deposits	22,037,402.62	20,171,508.74	141,867,870.36	139,437,284.38
Employer Contributions	31,289,636.92	29,666,560.54	206,222,488.04	204,747,451.58
State Credits	2,942,615.00	6,412,732.50	22,049,858.00	21,653,310.00
Miscellaneous Fees	5,281.29	34.25	331,790.47	349,443.01
Matching Funds from Schools	1,882,283.24	1,936,440.37	13,492,557.60	13,619,183.92
Reimbursements	157,152.33	235,871.82	1,311,983.46	1,259,369.75
Lottery Revenue	698,823.50	718,703.00	2,116,350.00	2,156,877.75
Cigarette Sales Tax Revenue	150,649.43	143,907.55	990,362.25	1,026,395.53
Dedicated Revenue	26,649,492.81	29,332,528.33	168,156,409.26	174,015,855.99
Total Retirement Receipts	<b>85,813,337.14</b>	88,618,287.10	556,539,669.44	558,265,171.91
Interest Income (Fixed Income and Short-Term)	10,554,162.79	10,719,236.10	73,894,539.80	78,566,120.87
Dividend Income	32,815,111.31	17,447,291.65	128,626,318.93	111,341,529.74
Net Realized Gain/(Loss)	95,902,557.37	71,200,175.72	571,748,824.94	227,314,860.12
Net Unrealized Gain/(Loss)	(345,890,312.77)	360,789,428.28	593,632,241.41	826,451,870.86
Investment Operations Income:				
Other Income	(32,167.70)	0.00	(729.63)	8,929.13
Securities Lending Income	632,214.83	639,060.14	4,530,551.33	5,593,205.34
Total Investment Income	(206,018,434.17)	460,795,191.89	1,372,431,746.78	1,249,276,516.06
<b>TOTAL RECEIPTS</b>	<b>(\$120,205,097.03)</b>	<b>\$549,413,478.99</b>	<b>\$1,928,971,416.22</b>	<b>\$1,807,541,687.97</b>
<b>DISBURSEMENTS:</b>				
Retirement Benefits	\$91,382,087.34	\$85,837,031.44	\$652,193,971.98	\$620,050,392.98
Insurance Premiums Paid for Retirees	2,520,897.00	2,482,981.00	17,644,129.00	17,424,522.00
Death Benefits	977,579.78	1,387,889.10	9,230,466.01	9,457,652.14
Withdrawals of Accounts	2,500,281.24	2,105,413.83	19,062,892.63	18,900,950.13
Total Benefit Payments	97,380,845.36	91,813,315.37	698,131,459.62	665,833,517.25
Administrative Expense:				
General Operations	429,155.44	447,730.96	3,045,600.24	2,943,978.35
Investment Expense	10,689,154.49	622,797.00	31,057,896.37	17,433,157.33
Total Administrative Expenses	<b>11,118,309.93</b>	1,070,527.96	34,103,496.61	20,377,135.68
<b>TOTAL DISBURSEMENTS</b>	<b>108,499,155.29</b>	<b>92,883,843.33</b>	<b>732,234,956.23</b>	<b>686,210,652.93</b>
Balance of Cash and Investments January 31, 2014	13,014,497,705.39	11,241,951,255.19	13,014,497,705.39	11,241,951,255.19
<b>NET INCREASE/(NET DECREASE)</b>	<b>(\$228,704,252.32)</b>	<b>\$456,529,635.66</b>	<b>\$1,196,736,459.99</b>	<b>\$1,121,331,035.04</b>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
FOR THE SEVEN MONTHS ENDED JANUARY 31

	<u>Year to Date</u> (FY 2014)	<u>Year to Date</u> (FY 2013)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$11,817,761,245.40	\$10,120,620,220.15	
<b><u>RECEIPTS:</u></b>			
Members' Deposits	146,301,170.93	146,224,352.66	0.05%
Employer Contributions	212,877,960.91	213,833,736.15	-0.45%
State Credits	22,049,858.00	25,123,422.50	-12.23%
Matching Funds from Schools	13,951,378.73	14,335,256.44	-2.68%
Lottery Revenue	2,116,350.00	2,156,877.75	-1.88%
Cigarette Sales Tax Revenue	990,362.25	1,026,395.53	-3.51%
Dedicated Revenue	168,156,409.26	174,015,855.99	-3.37%
<b>Total Retirement Receipts</b>	<b>566,443,490.08</b>	<b>576,715,897.02</b>	<b>-1.78%</b>
Interest Income (Fixed Income and Short-Term)	73,894,539.80	78,566,120.87	-5.95%
Dividend Income	128,626,318.93	111,341,529.74	15.52%
Net Realized Gain/(Loss)	571,748,824.94	227,314,860.12	151.52%
Net Unrealized Gain/(Loss)	593,632,241.41	826,451,870.86	-28.17%
Investment Operations Income:			
Class Action Lawsuit Proceeds	315,948.40	16,611.96	1801.93%
Other Income	(729.63)	8,929.13	-108.17%
Securities Lending Income	4,530,551.33	5,593,205.34	-19.00%
<b>Total Investment Income</b>	<b>1,372,747,695.18</b>	<b>1,249,293,128.02</b>	<b>9.88%</b>
<b>TOTAL RECEIPTS</b>	<b>1,939,191,185.26</b>	<b>1,826,009,025.04</b>	<b>6.20%</b>
<b><u>DISBURSEMENTS:</u></b>			
Retirement Benefits	650,800,484.81	618,763,070.57	5.18%
Insurance Premiums Paid for Retirees	17,644,129.00	17,424,522.00	1.26%
Death Benefits	9,230,466.01	9,457,652.14	-2.40%
Withdrawals of Accounts	19,062,892.63	18,900,950.13	0.86%
<b>Total Benefit Payments</b>	<b>696,737,972.45</b>	<b>664,546,194.84</b>	<b>4.84%</b>
Administrative Expense:			
General Operations	3,040,289.97	2,611,147.30	16.44%
Investment Expense	31,057,896.37	17,433,157.33	78.15%
<b>Total Administrative Expenses</b>	<b>34,098,186.34</b>	<b>20,044,304.63</b>	<b>70.11%</b>
<b>TOTAL DISBURSEMENTS</b>	<b>730,836,158.79</b>	<b>684,590,499.47</b>	<b>6.76%</b>
<b>NET INCREASE/(NET DECREASE)</b>	<b>1,208,355,026.47</b>	<b>1,141,418,525.57</b>	<b>5.86%</b>
Balance of Cash and Investments, January 31	<u>\$13,026,116,271.87</u>	<u>\$11,262,038,745.72</u>	



**SCHEDULE I  
Comparison of FY2014 Budget to Actual Expenses  
7 Months ended January 31, 2014 Year to Date Comparison**

<b>Object of Expenditure</b>	<b>7 Month FY-2014 YTD Budget</b>	<b>7 Month FY-2014 YTD Actual</b>	<b>Over (Under) Amount</b>	<b>Over (Under) Percentage</b>
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	1,203,958	1,083,714	(120,244)	-10.0%
Taxes, Benefits, and Other Expenses	661,269	532,966	(128,303)	-19.4%
<b>Subtotal Personal Services</b>	<b>1,865,227</b>	<b>1,616,680</b>	<b>(248,547)</b>	<b>-13.3%</b>
<b>Professional Services</b>				
Investment Manager Expenses	23,333,331	21,361,471	(1,971,860)	-8.5%
Investment Consultant Expenses	409,500	409,500	0	0.0%
Investment Custodian Expenses	43,750	22,356	(21,394)	-48.9%
Pension Commission Expenses	35,000	19,641	(15,359)	-43.9%
<b>Subtotal Investment Expenses</b>	<b>23,821,581</b>	<b>21,812,968</b>	<b>(2,008,613)</b>	<b>-8.4%</b>
Legal Services - Special Projects	29,169	2,006	(27,163)	-93.1%
Legal Services - Attorney General	32,081	43,637	11,556	36.0%
Administrative Hearings	581	0	(581)	-100.0%
Auditing Services	142,919	102,514	(40,405)	-28.3%
Actuarial Services	87,500	76,305	(11,195)	-12.8%
Medical Hearings	5,831	4,200	(1,631)	-28.0%
Management Consultant	40,831	39,835	(996)	-2.4%
Marketing Consultant	29,169	15,694	(13,475)	-46.2%
Miscellaneous Services	35,147	8,560	(26,587)	-75.6%
<b>Subtotal Professional Services</b>	<b>403,228</b>	<b>292,751</b>	<b>(110,477)</b>	<b>-27.4%</b>
<b>Total Professional Services</b>	<b>24,224,809</b>	<b>22,105,719</b>	<b>(2,119,090)</b>	<b>-8.7%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	30,100	20,440	(9,660)	-32.1%
Employee Training	22,925	9,730	(13,195)	-57.6%
Employee Travel Expenses	57,617	20,309	(37,308)	-64.8%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>110,642</b>	<b>50,479</b>	<b>(60,163)</b>	<b>-54.4%</b>
<b>Administrative Expenses</b>				
Postage	148,750	94,504	(54,246)	-36.5%
Telecommunications Services	23,331	13,700	(9,631)	-41.3%
Printing and Binding Contracts	52,500	23,175	(29,325)	-55.9%
Informational Services	26,250	17,364	(8,886)	-33.9%
Rent and Maintenance	147,525	133,455	(14,070)	-9.5%
Office Supplies	21,231	13,066	(8,165)	-38.5%
Buildings and Other Structures Construction and Renovation	5,831	0	(5,831)	-100.0%
Miscellaneous Administrative Expenses	23,856	17,711	(6,145)	-25.8%
<b>Subtotal Administrative Expenses</b>	<b>449,274</b>	<b>312,975</b>	<b>(136,299)</b>	<b>-30.3%</b>
<b>Data Processing Expenses</b>				
Professional Services	907,081	510,528	(396,553)	-43.7%
Rent and Maintenance	2,331	3,166	835	35.8%
Office Supplies	13,118	2,523	(10,595)	-80.8%
Equipment - Telecommunications	52,948	4,689	(48,259)	-91.1%
<b>Subtotal Data Processing Expenses</b>	<b>975,478</b>	<b>520,906</b>	<b>(454,572)</b>	<b>-46.6%</b>
<b>Total Expenses</b>	<b>27,625,430</b>	<b>24,606,759</b>	<b>(3,018,671)</b>	<b>-10.9%</b>
<b>Total Investment Expenses Only</b>	<b>23,821,581</b>	<b>21,812,968</b>	<b>(2,008,613)</b>	<b>-8.4%</b>
<b>Total Data Processing Expenses Only</b>	<b>975,478</b>	<b>520,906</b>	<b>(454,572)</b>	<b>-46.6%</b>
<b>Total except Investment and Data Processing Exp</b>	<b>2,828,371</b>	<b>2,272,885</b>	<b>(555,486)</b>	<b>-19.6%</b>

**SCHEDULE II**  
**Comparison of Actual Expenditures Fiscal Year 2013 and Fiscal Year 2014**  
**7 Months ended January 31 Year to Date Comparison**

Object of Expenditure	FY-2013 YTD Actual Expenditures 1/31/2013	FY-2014 YTD Actual Expenditures 1/31/2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	1,112,475	1,083,714	(28,761)	-2.6%
Taxes, Benefits, and Other Expenses	560,737	532,966	(27,771)	-5.0%
<b>Subtotal Personal Services</b>	<b>1,673,212</b>	<b>1,616,680</b>	<b>(56,532)</b>	<b>-3.4%</b>
<b>Professional Services</b>				
Investment Manager Expenses	8,387,048	21,361,471	12,974,423	154.7%
Investment Consultant Expenses	409,500	409,500	0	0.0%
Investment Custodian Expenses	27,268	22,356	(4,912)	-18.0%
Pension Commission Expenses	13,668	19,641	5,973	43.7%
<b>Subtotal Investment Expenses</b>	<b>8,837,484</b>	<b>21,812,968</b>	<b>12,975,484</b>	<b>146.8%</b>
Legal Services - Special Projects	5,400	2,006	(3,394)	-62.9%
Legal Services - Attorney General	31,538	43,637	12,099	38.4%
Administrative Hearings	0	0	0	0.0%
Auditing Services	57,600	102,514	44,914	78.0%
Actuarial Services	52,950	76,305	23,355	44.1%
Medical Hearings	0	4,200	4,200	0.0%
Management Consultant	66,367	39,835	(26,532)	-40.0%
Marketing Consultant	18,426	15,694	(2,732)	-14.8%
Miscellaneous Services	10,986	8,560	(2,426)	-22.1%
<b>Subtotal Professional Services</b>	<b>243,267</b>	<b>292,751</b>	<b>49,484</b>	<b>20.3%</b>
<b>Subtotal Professional Services</b>	<b>9,080,751</b>	<b>22,105,719</b>	<b>13,024,968</b>	<b>143.4%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	21,295	20,440	(855)	-4.0%
Employee Training	6,330	9,730	3,400	53.7%
Employee Travel Expenses	21,371	20,309	(1,062)	-5.0%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>48,996</b>	<b>50,479</b>	<b>1,483</b>	<b>3.0%</b>
<b>Administrative Expenses</b>				
Postage	70,234	94,504	24,270	34.6%
Telecommunications Services	15,688	13,700	(1,988)	-12.7%
Printing and Binding Contracts	20,000	23,175	3,175	15.9%
Informational Services	18,708	17,364	(1,344)	-7.2%
Rent and Maintenance	90,539	133,455	42,916	47.4%
Office Supplies	14,671	13,066	(1,605)	-10.9%
Buildings and Other Structures Construction and Renovation	0	0	0	0.0%
Miscellaneous Administrative Expenses	8,653	17,711	9,058	104.7%
<b>Subtotal Administrative Expenses</b>	<b>238,493</b>	<b>312,975</b>	<b>74,482</b>	<b>31.2%</b>
<b>Data Processing Expenses</b>				
Professional Services	422,750	510,528	87,778	20.8%
Rent and Maintenance	10,364	3,166	(7,198)	-69.5%
Office Supplies	2,618	2,523	(95)	-3.6%
Equipment -Telecommunications	4,220	4,689	469	11.1%
<b>Subtotal Data Processing Expenses</b>	<b>439,952</b>	<b>520,906</b>	<b>80,954</b>	<b>18.4%</b>
<b>Total Expenses</b>	<b>11,481,404</b>	<b>24,606,759</b>	<b>13,125,355</b>	<b>114.3%</b>
<b>Total Investment Expenses Only</b>	<b>8,837,484</b>	<b>21,812,968</b>	<b>12,975,484</b>	<b>146.8%</b>
<b>Total Data Processing Expenses Only</b>	<b>439,952</b>	<b>520,906</b>	<b>80,954</b>	<b>18.4%</b>
<b>Total except Investment and Data Processing Exp</b>	<b>2,203,968</b>	<b>2,272,885</b>	<b>68,917</b>	<b>3.1%</b>

**Miscellaneous Professional Services Expenses**

	<b>Budget</b>	<b>Expenses</b>	<b>Expenses</b>
	<b><u>2014</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Background Checks	250.00	38.00	38.00
Retirement Process Consultant	10,000.00	0.00	
Document Destruction	2,500.00	1,398.52	945.00
Office of Personnel Management	2,500.00	0.00	702.99
Security	10,000.00	4,326.00	1,632.43
Business Service Center	35,000.00	2,290.03	7,667.25
Sign Language Interpreter	0.00	507.52	
	<b><u>\$60,250.00</u></b>	<b><u>\$8,560.07</u></b>	<b><u>\$10,985.67</u></b>

**Miscellaneous Administrative Expenses Expenses**

	<b>Budget</b>	<b>Expenses</b>	<b>Expenses</b>
	<b><u>2014</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Bank Service Charges	10,000.00	5,183.70	3,092.34
ERP Systems -PeopleSoft	5,200.00	1,859.00	1,396.81
Licenses, Permits, Certificates and Other Rights	3,000.00	443.00	419.88
Membership in Organizations	11,700.00	5,975.00	3,480.00
Premium Surety and Other Required Bonds	2,000.00	0.00	0.00
Advertising	0.00	1,679.86	0.00
Moving Expenses General	0.00	0.00	264.00
Property and Liability Insurance	8,000.00	2,571.33	0.00
	<b><u>\$39,900.00</u></b>	<b><u>\$17,711.89</u></b>	<b><u>\$8,653.03</u></b>

**Miscellaneous Data Processing Administrative Expenses**

	<b>Budget</b>	<b>Expenses</b>	<b>Expenses</b>
	<u><b>2014</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Membership in Organizations	1,000.00	0.00	0.00
	<u><b>\$1,000.00</b></u>	<u><b>\$0.00</b></u>	<u><b>\$0.00</b></u>



## TRANSACTIONS FOR JANUARY 2014

### **New Hires:**

- New Hire      *Employee:*      280950  
                         *Title:*              Business Analyst      (Operations & Investments)  
                         *Salary:*             \$56,000  
                         *Effective:*         01/06/2014

### **Resignations/Terminations/Retirements:**

- Resignation    *Employee:*      262018  
                         *Title:*              Manager of Operations and Investments  
                         *Salary:*             \$62,500  
                         *Effective:*         01/24/2014

### **Other:**

- Promotion      *Employee:*      262018  
                         *Title From:*      Senior Financial Accountant  
                         *Title To:*          Assistant Comptroller  
                         *Salary From:*    \$55,000  
                         *Salary To:*        \$65,000  
                         *Effective:*        01/01/2014

### **Severance Payments:**

- n/a

### **Fair Labor Standards Act (FLSA)**

As reported by Stinnett & Associates at the January 22, 2014 Board Meeting, there were inconsistencies in the application of the Fair Labor Standards Act with regard to employee classification (i.e. exempt versus nonexempt status). Since that date,

- all positions have been reviewed by management and legal counsel;
- modifications have been made to certain employee classifications; and
- "back pay" was processed on 02/12/2014 to 15 current employees and 6 former employees in the amount of \$24,274.99.

### **Employee Performance Evaluations**

- As of 01/31/2014, all employee evaluations were completed and submitted in accordance with state policy.
- Management is considering changing the closeouts from December 31 to March 31.

### **Employee Recognition Program Policy**

An Employee Recognition Policy has been developed as recommended by Stinnett & Associates and will be available at the February Board meeting.

## TRANSACTIONS ANTICIPATED OR PENDING

### Employee Changes:

- Lateral      *Employee:*      106571  
*Title From:*    Client Services Manager      (Information Center)  
*Title To:*        Employer Reporting Manager  
*Effective:*      02/01/2014
  
- Lateral      *Employee:*      107970  
*Title From:*    Client Services Manager      (Retirement Planning)  
*Title To:*        Client Services Manager      (Information Center)  
*Effective:*      02/01/2014
  
- Promotion    *Employee:*      111010  
*Title From:*    Senior Retirement Planning Consultant  
*Title To:*        Client Services Manager      (Retirement Planning)  
*Effective:*      02/01/2014

### New Hires:

- Title:         Retirement Planning Consultants      (Information Center)      (TWO POSITIONS)  
Progress:      anticipated start date 02/24/14
  
- Title:         Financial Accountant  
Progress:      recruitment stage