

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, November 17, 2015 – 3:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. CALL TO ORDER**
- 2. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY AND QUARTERLY REPORTS**
- 3. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS REPORT**
- 4. UPDATE ON INTERNATIONAL EQUITY DUE DILIGENCE MEETINGS**
- 5. DISCUSSION AND POSSIBLE ACTION TO APPROVE AMENDEMENT TO LIMITED PARTERSHIP AGREEMENT REGARDING REAL ESTATE INVESTMENTS MANAGED BY ANTHEUS**
- 6. DISCUSSION REGARDING LORD ABBETT PERSONNEL ANNOUNCEMENT**
- 7. DISCUSSION AND POSSIBLE ACTION ON STAFF REPORT ON THE 403(B) PROGRAM SPONSORED BY OTRS INCLUDING POSSIBLE LEGISLATIVE PROPOSALS**
- 8. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT POLICY STATEMENT DRAFT**
- 9. DISCUSSION ON CHIEF INVESTMENT OFFICER REPORT**
- 10. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 11. ADJOURNMENT**

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE:

Chair: Vernon Florence

Members: Bill Peacher, Roger Gaddis, Jill Geiger, Gary Trennepohl

Market Overview (Domestic Equity vs. Domestic Fixed)

- For the month, large cap domestic equities outperformed domestic fixed income with the Russell 1000 Index returning 8.09% versus 0.02% for the Barclays Aggregate Index.
- For the year, the Russell 1000 Index is outperforming the Barclays Aggregate Index with a return of 2.43% vs. 1.14%, respectively.

Broad Equity Market Overview

- Large cap domestic equities were the best equity performers for the month with the Russell 1000 Index returning 8.09%.
- International equities underperformed large cap domestic equities for the month (by -0.65%) with the ACWI ex USA Index returning 7.44%.
- For the month, small cap domestic equities underperformed both large cap domestic equities (by -2.46%) and international equities (by -1.81%) with the Russell 2000 Index returning 5.63%.
- On a year-to-date basis, large cap domestic equities are the best performing equity asset class with the Russell 1000 returning 2.43%.
- International equities are trailing large cap domestic equities for the year (by -4.25%) with the ACWI ex USA Index returning -1.82%.
- For the year, small cap domestic equities are trailing both large cap domestic equities (by -4.96%) and international equities (by -0.71%) with the Russell 2000 Index returning -2.53%.

Broad Fixed Market Overview

- For the month, global fixed ex US securities outperformed domestic fixed securities, with the Global Agg ex US returning 0.32%.
- Domestic fixed trailed global fixed ex US (by -0.30%) for the month with the BC Agg returning 0.02%.
- For the year, domestic fixed securities are outperforming global fixed ex US securities with the BC Agg returning 1.14%.
- Year-to-date, global fixed ex US securities are trailing domestic fixed securities by -5.66% with the Global Agg ex US returning -4.52%.

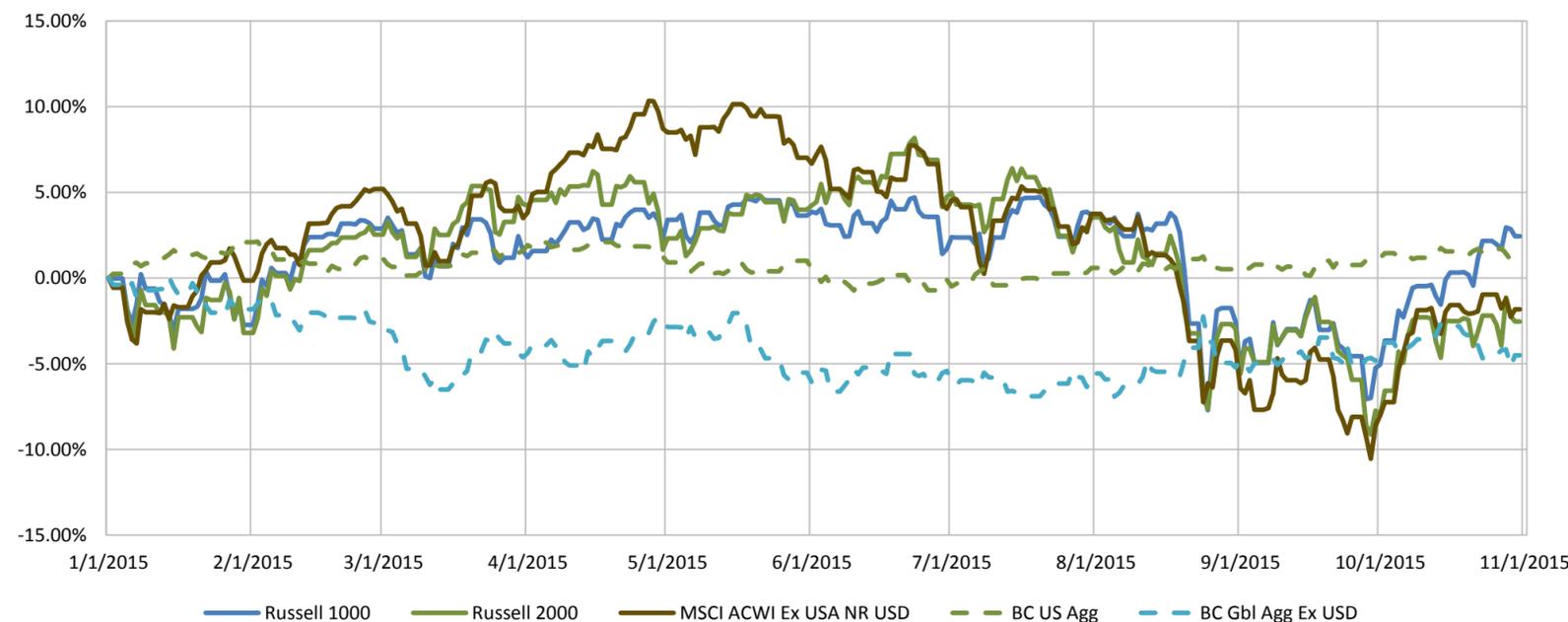
Equity Sector Performance For The Month

- The top three performing sectors for large cap domestic equities were:
Energy (return 13.17%), Materials (return 10.19%) and Information Technology (return 6.07%)
- The bottom three performing sectors for large cap domestic equities were:
Financials (return 3.44%), Utilities (return 3.62%) and Health Care (return 3.95%)
- The top three performing sectors for small cap domestic equities were:
Energy (return 19.03%), Materials (return 14.45%) and Industrials (return 7.55%)
- The bottom three performing sectors for small cap domestic equities were:
Health Care (return 3.04%), Consumer Discretionary (return 3.65%) and Financials (return 3.89%)
- The top three performing sectors for international equities were:
Energy (return 10.49%), Information Technology (return 9.60%) and Consumer Discretionary (return 8.80%)
- The bottom three performing sectors for international equities were:
Health Care (return 3.86%), Utilities (return 6.11%) and Consumer Staples (return 6.61%)

Fixed Income Sector Performance For The Month

- The sector performance for domestic fixed income in order of best performing to worst was:
Corporate (return 0.47%), MBS (return 0.05%) and Treasury (return -0.35%)
- The sector performance for Global ex US fixed income in order of best performing to worst was:
Corporate (return 0.67%), Treasury (return 0.31%) and MBS (return -0.62%)

2015 Market Daily Index Total Return Performance



2015 Market Monthly Index Total Return Performance

	1/31/15	2/28/15	3/31/15	4/30/15	5/31/15	6/30/15	7/31/15	8/31/15	9/30/15	10/31/15	11/30/15	12/31/15	YTD
Russell 1000	-2.75%	5.78%	-1.25%	0.71%	1.31%	-1.88%	1.93%	-6.02%	-2.74%	8.09%			2.43%
Russell 2000	-3.22%	5.94%	1.74%	-2.55%	2.28%	0.75%	-1.16%	-6.28%	-4.91%	5.63%			-2.53%
MSCI AC World Index EX USA	-0.15%	5.35%	-1.62%	5.05%	-1.56%	-2.79%	-0.28%	-7.64%	-4.64%	7.44%			-1.82%
BC Agg	2.10%	-0.94%	0.46%	-0.36%	-0.24%	-1.09%	0.70%	-0.14%	0.68%	0.02%			1.14%
BC Global Agg ex USD	-1.84%	-0.78%	-2.08%	2.17%	-3.02%	0.09%	-0.14%	0.35%	0.43%	0.32%			-4.52%

Equity Sector Performance

	Month-To-Date			Year-To-Date		
	Russell 1000	Russell 2000	ACWI ex USA	Russell 1000	Russell 2000	ACWI ex USA
Energy	13.17%	19.03%	10.49%	-11.49%	-21.50%	-13.31%
Materials	10.19%	14.45%	8.69%	-7.82%	-14.65%	-13.15%
Industrials	6.01%	7.55%	8.49%	-4.08%	-8.71%	0.01%
Consumer Discretionary	4.66%	3.65%	8.80%	7.38%	-4.28%	2.97%
Consumer Staples	4.19%	4.45%	6.61%	2.94%	-1.68%	7.91%
Health Care	3.95%	3.04%	3.86%	2.40%	1.37%	6.29%
Financials	3.44%	3.89%	6.65%	-2.69%	0.37%	-4.61%
Information Technology	6.07%	7.26%	9.60%	2.96%	3.41%	-0.46%
Telecommunication Services	4.40%	5.79%	7.24%	0.93%	-1.55%	-0.02%
Utilities	3.62%	5.98%	6.11%	-3.47%	-0.71%	-4.93%

Fixed Sector & Quality Performance

	Month-To-Date		Year-To-Date	
	BC Agg.	Global ex USD	BC Agg.	Global ex USD
Treasury	-0.35%	0.31%	1.43%	-3.90%
MBS	0.05%	-0.62%	1.70%	-6.72%
Corporate	0.47%	0.67%	0.21%	-6.78%
Aaa	-0.18%	0.09%	1.54%	-7.41%
Aa	0.19%	0.62%	1.35%	-4.64%
A	0.30%	-0.04%	0.95%	-1.99%
Baa	0.83%	0.91%	-0.91%	-6.21%

Manager Profile - Heitman, LLC



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$248,436,294
Inception Date:	5/1/2011
Quarterly Management Fee:	0.74%
Quarterly \$ Amount Paid by OTRS:	\$457,852
Actual Allocation:	1.81%
Location:	Chicago, Illinois
Structure:	50% employee-owned, 50% Old Mutual Owned
Portfolio Management Team:	Blaise Keane, Portfolio Manager

Notes:

The Fund seeks to deliver its investors a combination of current income return and moderate appreciation (approximately two-third income and one-third capital appreciation). In acquiring assets for the fund, Heitman adheres to the following principles: buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong attributes such as proximity to amenities, complementary land uses and transportation networks that are well constructed to appeal to tenants over long periods of time.

Founded: 1966

Represented by: Alan Purser, Senior Vice President Client Service and Marketing

Return Profile	Trailing Two Year Return	Trailing One Year Return
Heitman	12.8	12.9
<i>NFI-ODCE</i>	<i>12.6</i>	<i>13.4</i>

Risk Characteristics	Number of Holdings
Heitman	78

*Return profile and risk characteristics as of 6/30/2015. Performance shown Net of Fees.

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Manager Profile - ARI MLP



Asset Class:	Master Limited Partnership
Status:	In Compliance
Portfolio Size:	\$253,394,154
Inception Date:	2/28/2011
Initial Funding:	\$245,000,000
Subsequent Funding:	\$0
Annual Management Fee:	0.50%
Fees Paid 12 Month Trailing:	\$1,486,155
Location:	St. Louis, Missouri
Structure:	Division of Piper Jaffrey
Portfolio Management Team:	James J Cunnane, Jr, CFA, Managing Director, Chief Investment Officer Quinn T Kiley, Managing Director, Senior Portfolio Manager

Notes:

ARI uses a top-down strategic style to drive long-term strategy. Views are developed for portfolio themes and individual industries. The second step of the investment process is intensive modeling/valuation of individual MLPs. ARI believes their combination of thorough topdown strategic mindset, rigorous valuation modeling and fundamental research yields portfolios with high probability of outperforming their benchmark.

Represented by:	James J Cunnane, Jr, CFA, Managing Director, Chief Investment Officer Quinn T Kiley, Managing Director, Senior Portfolio Manager
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Founded: 1974

Return Profile	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
ARI MLP	-	-	6.1	-17.8	-16.1	9.8
<i>AlerianMLP</i>	-	-	<i>-0.8</i>	<i>-30.1</i>	<i>-11.7</i>	<i>9.7</i>

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio
ARI MLP	34	\$6.0 billion	6.6%	18.0
<i>Alerian MLP</i>	<i>50</i>	<i>\$10.6 billion</i>	<i>6.6%</i>	<i>22.3</i>

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Monthly Asset Allocation Review (Preliminary)



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,647,803,907	19.3%	17.0%	2.3%	Excess allocation bound for Private Equity and Real Estate.
Mid Cap	2,061,718,187	15.0%	13.0%	2.0%	
Small Cap	1,420,516,714	10.4%	10.0%	0.4%	
Total Domestic Equity	6,130,038,808	44.7%	40.0%	4.7%	
Large Cap International Equity	1,354,701,963	9.9%	11.5%	-1.6%	International equity allocation currently under review.
Small Cap International Equity	843,380,677	6.2%	6.0%	0.2%	
Total International Equity	2,198,082,640	16.0%	17.5%	-1.5%	
Core Fixed Income	2,160,311,043	15.8%	17.5%	-1.7%	
High Yield Fixed Income	779,742,486	5.7%	6.0%	-0.3%	Capital calls progressing. New portfolio structure underway.
MLPs	852,303,762	6.2%	7.0%	-0.8%	
Private Equity	593,618,282	4.3%	5.0%	-0.7%	
Real Estate	833,920,029	6.1%	7.0%	-0.9%	
Opportunistic Assets	162,040,680	1.2%	0.0%	1.2%	
Total Non-Core Assets	3,221,625,239	23.5%	25.0%	-1.5%	
Cash	162,717	0.0%	0.0%	0.0%	
Composite	13,710,220,447	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	13,710,220,447	12/1/1991	23.9	9.4	7.7	10.0	11.0	0.5	-0.2	-3.5	4.9
Total Fund (Net of Fees)				9.0	7.4	9.6	10.6	0.1	-5.2	-3.6	4.8
<i>Allocation Index</i>				9.1	6.7	9.0	9.4	0.4	-0.2	-2.2	4.9
<i>Actuarial Assumption</i>					8.0	8.0	8.0	8.0	6.2	1.9	0.6
Total Domestic Equity	6,130,038,808 44.7%	4/1/1990	25.6	10.7	8.1	13.5	16.4	1.9	-0.7	-3.9	6.0
<i>S&P 500</i>				9.6	7.8	14.3	16.2	5.2	2.7	-0.6	8.4
Total All Cap Equity	979,393,108 7.1%	9/1/2006	9.2	7.2	-	13.0	15.2	2.4	-0.4	-2.4	6.9
<i>Russell 3000</i>				7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9
Total Large Cap Active Equity	1,180,700,690 8.6%	1/1/1995	20.8	10.3	7.4	14.7	17.0	3.0	-0.2	-3.1	7.0
<i>S&P 500</i>				9.6	7.8	14.3	16.2	5.2	2.7	-0.6	8.4
Total Mid Cap Equity	2,061,718,187 15.0%	11/1/1998	17.0	10.1	9.9	14.6	18.0	2.6	-0.1	-4.5	5.7
<i>Russell Mid Cap</i>				9.3	8.8	13.9	16.6	2.8	0.0	-3.0	6.2
Total Small Cap Equity	1,420,516,714 10.4%	2/1/1998	17.8	9.0	7.9	11.0	15.2	-1.0	-2.7	-5.9	4.6
<i>Russell 2000</i>				7.1	7.5	12.1	13.9	0.3	-2.5	-5.9	5.6
Total International Equity	2,198,082,640 16.0%	2/1/1998	17.8	8.5	5.3	5.5	8.5	2.0	3.9	-4.3	6.8
<i>MSCI ACWI ex-US</i>				5.2	4.6	3.1	5.1	-4.3	-1.4	-5.3	7.5
Large Cap International Equity	1,354,701,963 9.9%	2/1/1998	17.8	3.0	-	5.8	7.7	-0.9	1.2	-5.5	7.5
<i>MSCI ACWI ex-US</i>				0.9	-	3.1	5.1	-4.3	-1.4	-5.3	7.5
Small Cap International Equity	843,380,677 6.2%	12/1/2011	16.9	14.2	-	-	11.8	7.0	8.8	-2.3	5.6
<i>MSCI EAFE Small Cap</i>				12.6	-	-	12.4	8.8	9.1	-2.0	6.0
Core Fixed Income (ex- High Yield)	2,160,311,043 15.8%	4/1/1990	25.6	7.1	6.5	5.0	2.5	0.7	-0.3	-0.2	0.7
<i>Barclays Aggregate</i>				6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0
Active Duration Fixed Income	322,406,133 2.4%	11/1/2004	11.0	8.2	7.9	8.6	2.8	5.9	-1.5	0.7	-0.7
<i>Barclays Aggregate</i>				4.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0
Master Limited Partnerships	852,303,762 6.2%	2/28/2011	4.7	10.0	-	-	8.3	-25.2	-21.8	-16.9	9.4
<i>Alerian MLP Index</i>				-	-	-	-0.8	-30.1	-24.0	-11.7	9.7
High Yield Bonds	779,742,486 5.7%	2/1/2009	6.7	12.5	-	6.8	5.0	0.1	2.0	-1.1	2.7
<i>ML High Yield II</i>				-	-	6.0	4.1	-2.0	0.1	-1.7	2.7
Core Real Estate	718,953,342 5.2%	4/1/2011	4.6	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Non-Core Real Estate	114,966,687 0.8%	7/1/2014	1.3	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Cash	162,717 0.0%	4/1/1990	25.6	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>				-	1.4	0.1	0.1	0.0	0.0	0.0	0.0

Equity Portfolios Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month	
All Cap / Large Cap Domestic												
Hotchkis & Wiley Large Cap	598,128,721	4/1/1990	25.6	10.8	5.9	14.5	17.2	0.6	-2.8	-4.9	7.4	
<i>Russell 1000 Value</i>	4.4%			9.9	6.8	13.3	14.5	0.5	-2.1	-1.9	7.5	
Sawgrass	582,571,969	7/1/2006	9.3	8.8	-	15.3	16.7	5.7	2.7	-1.2	6.5	
<i>Russell 1000 Growth</i>	4.2%			9.4	-	15.3	17.9	9.2	6.9	-0.5	8.6	
ARI All Cap	468,103,551	9/1/2006	9.2	6.0	-	12.0	13.1	-0.4	-1.6	-3.0	5.3	
<i>Russell 3000</i>	3.4%			7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9	
EPOCH All Cap	511,289,557	9/1/2006	9.2	8.3	-	13.9	17.3	5.2	0.7	-1.8	8.4	
<i>Russell 3000</i>	3.7%			7.6	-	14.1	16.1	4.5	2.0	-1.6	7.9	
Passive Domestic Equity												
NT Cap Weighted Passive	262,375,970	4/1/2012	3.6	14.3	-	-	16.3	5.8	3.3	-0.5	8.4	
<i>S&P 500 Cap Weighted</i>	1.9%			13.9	-	-	16.2	5.2	2.7	-0.6	8.4	
SSGA Eq Weighted Passive	225,334,139	4/1/2012	3.6	14.8	-	-	17.0	2.3	-0.6	-2.1	7.1	
<i>S&P 500 Equal Weighted</i>	1.6%			14.5	-	-	17.3	2.8	-0.2	-1.8	7.3	
Mid Cap Domestic Equity												
Frontier Capital	530,899,326	6/1/2002	13.4	10.5	11.8	14.7	18.3	9.4	6.1	-4.5	4.9	
<i>Russell Mid Cap Growth</i>	3.9%			9.4	9.1	14.1	17.2	4.9	1.9	-3.8	6.3	
Wellington Management	467,692,312	9/1/1998	17.2	10.1	8.4	11.5	17.5	0.7	-1.1	-7.0	5.6	
<i>Russell Mid Cap Growth</i>	3.4%			8.9	9.1	14.1	17.2	4.9	1.9	-3.8	6.3	
AJO Partners	566,008,537	8/1/1998	17.3	11.0	9.6	15.9	18.9	2.9	1.2	-2.3	6.5	
<i>Russell MidCap</i>	4.1%			10.3	8.8	13.9	16.6	2.8	0.0	-3.0	6.2	
Hotchkis & Wiley Mid Cap	497,118,013	8/1/2002	13.3	13.1	9.5	16.0	16.9	-2.8	-6.8	-4.4	5.7	
<i>Russell MidCap Value</i>	3.6%			11.1	8.4	13.6	15.9	0.5	-2.0	-2.3	6.1	
Small Cap Domestic Equity												
Shapiro Capital Management	597,241,416	2/1/1998	17.8	9.5	9.4	11.0	12.6	-11.3	-12.9	-10.5	3.1	
<i>Russell 2000</i>	4.4%			7.1	7.5	12.1	13.9	0.3	-2.5	-5.9	5.6	
Geneva Capital	217,266,799	6/1/2013	2.4	14.3	-	-	-	14.1	12.5	-3.4	4.3	
<i>Russell 2000 Growth</i>	1.6%			10.7	-	-	-	3.5	-0.1	-8.5	5.7	
Wasatch Advisors	203,488,388	6/1/2013	2.4	10.8	-	-	-	7.5	5.3	-4.8	4.0	
<i>Russell 2000 Growth</i>	1.5%			10.7	-	-	-	3.5	-0.1	-8.5	5.7	
Cove Street Capital	109,619,844	6/1/2013	2.4	8.0	-	-	-	4.6	5.0	0.6	10.0	
<i>Russell 2000 Value</i>	0.8%			6.3	-	-	-	-2.9	-5.0	-3.1	5.6	
Frontier Capital	165,011,834	6/1/2002	13.4	9.6	10.5	12.0	13.7	4.2	1.5	1.3	6.5	
<i>Russell 2000 Value</i>	1.2%			7.6	6.2	10.5	11.7	-2.9	-5.0	-3.1	5.6	
Neumeier Poma	127,888,432	6/1/2013	2.4	14.4	-	-	-	7.5	6.2	-2.5	5.9	
<i>Russell 2000 Value</i>	0.9%			6.3	-	-	-	-2.9	-5.0	-3.1	5.6	
International Large Cap Equity												
Causeway Capital	513,796,200	5/1/2003	12.5	9.2	5.4	5.4	6.9	-3.0	-1.1	-6.2	6.9	
<i>MSCI ACWI Ex US</i>	3.7%			0.9	-	3.1	5.1	-4.3	-1.4	-5.3	7.5	
Northern Trust Passive	840,905,763	9/1/2013	2.2	2.3	-	-	-	0.3	2.5	-5.1	7.8	
<i>MSCI EAFE</i>	6.1%			5.0	-	-	-	0.4	2.5	-5.1	7.8	
International Small Cap Equity												
ARI Small Cap International	208,711,266	12/1/2011	3.9	11.7	-	-	10.3	0.1	2.5	-2.2	5.0	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Epoch Small Cap International	206,376,396	12/1/2011	3.9	11.0	-	-	10.3	7.8	10.4	-2.7	6.2	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Wasatch Small Cap International	210,703,139	12/1/2011	3.9	16.2	-	-	12.4	9.9	11.9	-3.1	5.4	
<i>MSCI EAFE Small Cap</i>	1.5%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	
Wellington Small Cap International	217,589,875	12/1/2011	3.9	15.8	-	-	14.2	10.8	11.0	-1.1	6.0	
<i>MSCI EAFE Small Cap</i>	1.6%			12.6	-	-	12.4	8.8	9.1	-2.0	6.0	

Fixed Income Portfolios Summary (Preliminary)

As of October 31, 2015



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month	
Core Fixed Income												
Loomis Sayles	612,075,180	8/1/1999	16.3	6.6	7.4	4.9	2.2	-1.2	-0.7	-0.8	1.7	
<i>Barclays Aggregate</i>	4.5%			5.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Lord Abbett	618,863,703	11/1/2004	11.0	5.7	6.1	4.4	2.5	1.2	1.0	0.2	0.5	
<i>Barclays Aggregate</i>	4.5%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Mackay Shields	606,966,026	11/1/2004	11.0	5.7	6.1	4.5	2.0	-0.6	-0.5	-0.4	0.7	
<i>Barclays Aggregate</i>	4.4%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
Active Duration Fixed Income												
Hoisington	322,406,133	11/1/2004	11.0	8.2	7.9	8.6	2.8	5.9	-1.5	0.7	-0.7	
<i>Barclays Aggregate</i>	2.4%			6.4	4.7	3.0	1.6	2.0	1.1	0.5	0.0	
High Yield Fixed Income												
Loomis Sayles High Yield	254,741,914	2/1/2009	6.7	12.3	-	5.7	3.8	-1.9	-0.2	-2.0	3.1	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	
Lord Abbett High Yield	264,050,774	2/1/2009	6.7	13.4	-	7.8	6.3	0.5	2.6	-0.6	2.9	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	
Mackay Shields High Yield	260,949,798	2/1/2009	6.7	11.8	-	6.8	4.7	0.9	2.8	-0.9	2.3	
<i>Merrill Lynch High Yield II</i>	1.9%			8.4	-	6.0	4.1	-2.0	0.1	-1.7	2.7	

Non-Traditional Portfolios Summary (Preliminary)

As of October 31, 2015 (unless otherwise noted)



Master Limited Partnerships

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Calendar YTD	Last Quarter	Last Month
Chickasaw Capital MLP	309,246,910	2/28/2011	4.7	15.1	-	-	13.4	-24.3	-21.5	-17.0	9.6
<i>Alerian MLP Index</i>	2.3%			2.8	-	-	-0.8	-30.1	-24.0	-11.7	9.7
Cushing MLP Management	289,662,699	2/28/2011	4.7	10.3	-	-	9.7	-26.3	-22.5	-17.5	8.7
<i>Alerian MLP Index</i>	2.1%			2.8	-	-	-0.8	-30.1	-24.0	-11.7	9.7
ARI MLP	253,394,154	2/28/2011	4.7	3.8	-	-	6.1	-17.8	-18.8	-16.1	9.8
<i>Alerian MLP Index</i>	1.8%			2.8	-	-	-0.8	-30.1	-24.0	-11.7	9.7

Private Equity

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called	\$ Return as of 10/31/2015	IRR Inception	IRR 3 Year	IRR 1 Year	Performance as of
Legacy Private Equity Portfolio	48,642,987	10/1/2008	7.1	\$97,500,000	\$94,980,850	97.4%	\$83,140,922	11.8%	12.6%	4.5%	6/30/2015
<i>Russell 1000 + 4%</i>	0.4%							15.6%	22.7%	13.8%	
Franklin Park Private Equity	544,975,295	4/1/2010	5.6	\$1,200,000,000	\$518,037,500	43.2%	\$84,477,225	14.1%	17.0%	18.0%	6/30/2015
<i>Russell 1000 + 4%</i>	4.0%							18.0%	22.7%	13.8%	

Real Estate

	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called	\$ Return as of 10/31/2015	Time Weighted Trailing Two Year Return (Annualized) ¹	Time Weighted Trailing One Year Return ¹	Performance as of
AEW Real Estate	246,873,848	5/1/2011	4.5	\$165,500,000	\$165,500,000	100%	\$2,468,058	11.6%	12.3%	6/30/2015
<i>NFI-ODCE</i>	1.8%							12.6%	13.4%	
Heitman Real Estate	248,436,294	5/1/2011	4.5	\$157,400,000	\$157,400,000	100%	N/A	12.8%	12.9%	6/30/2015
<i>NFI-ODCE</i>	1.8%							12.6%	13.4%	
L&B Real Estate	223,643,200	4/1/2011	4.6	\$150,000,000	\$150,000,000	100%	\$0	12.5%	14.5%	6/30/2015
<i>NFI-ODCE</i>	1.6%							12.6%	13.4%	
Antheus Capital	26,875,000	10/1/2014	1.1	\$53,750,000	\$26,875,000	50%	\$0	-	-	-
<i>NFI-ODCE</i>	0.2%							-	-	-
Dune	25,890,872	10/1/2014	1.1	\$53,750,000	\$21,435,612	40%	\$0	-	-	-
<i>NFI-ODCE</i>	0.2%							-	-	-
GreenOak Real Estate	16,427,624	10/1/2014	1.1	\$50,000,000	\$16,316,504	33%	\$0	-	-	-
<i>NFI-ODCE</i>	0.1%							-	-	-
L&B Golden Driller	26,742,549	7/1/2014	1.3	\$60,000,000	\$26,790,000	45%	\$0	-	-	-
<i>NFI-ODCE</i>	0.2%							-	-	-
Landmark Realty	3,663,142	12/1/2014	0.9	\$35,000,000	\$2,255,623	6%	\$0	-	-	-
<i>NFI-ODCE</i>	0.0%							-	-	-
American Realty	15,367,500	12/1/2014	0.9	\$53,750,000	\$13,745,100	26%	\$0	-	-	-
<i>NFI-ODCE</i>	0.1%							-	-	-
Starwood	-	-	-	\$53,750,000	\$0	0%	\$0	-	-	-
<i>NFI-ODCE</i>	0.0%							-	-	-

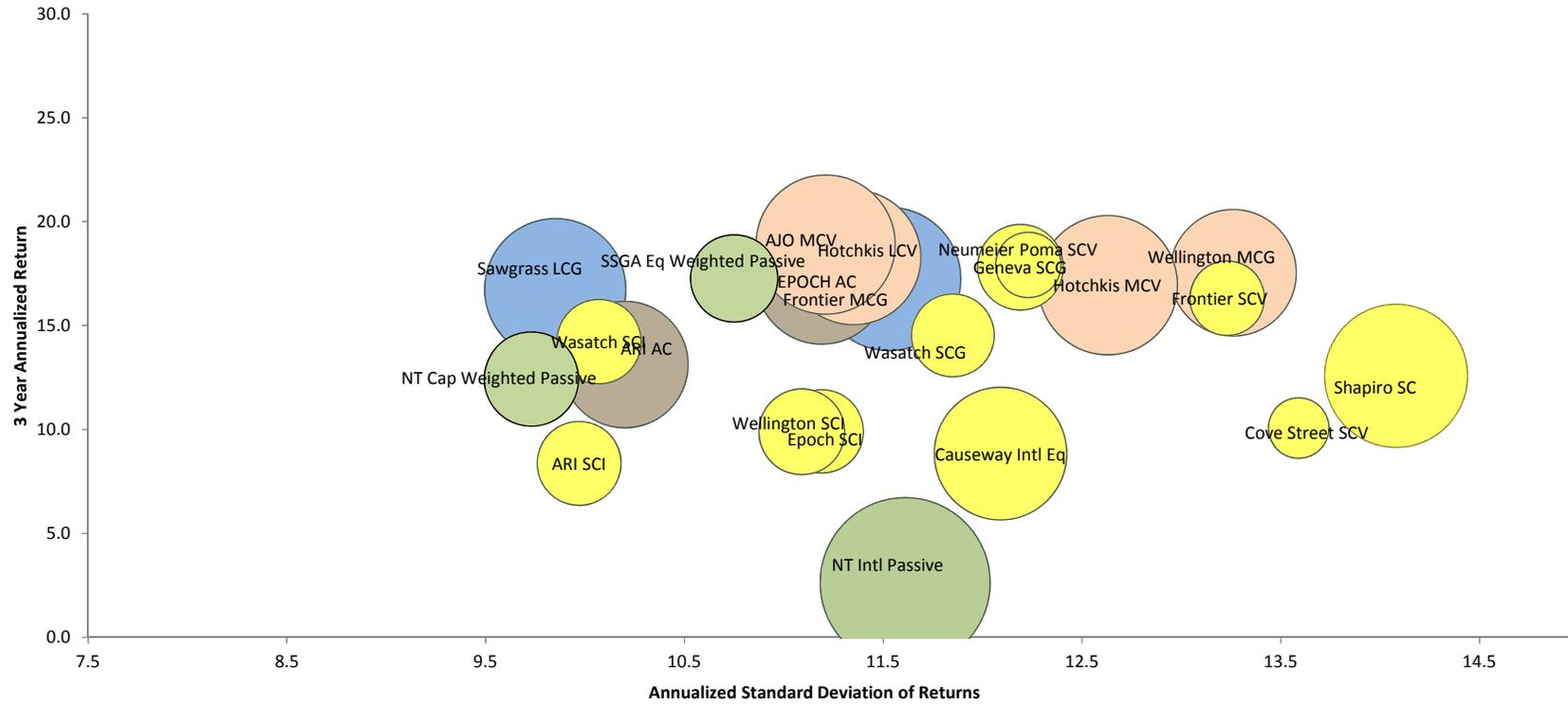
¹Performance shown Net of Fees.

Preliminary data displayed where final audited figures are unavailable.

Opportunistic Fixed Income

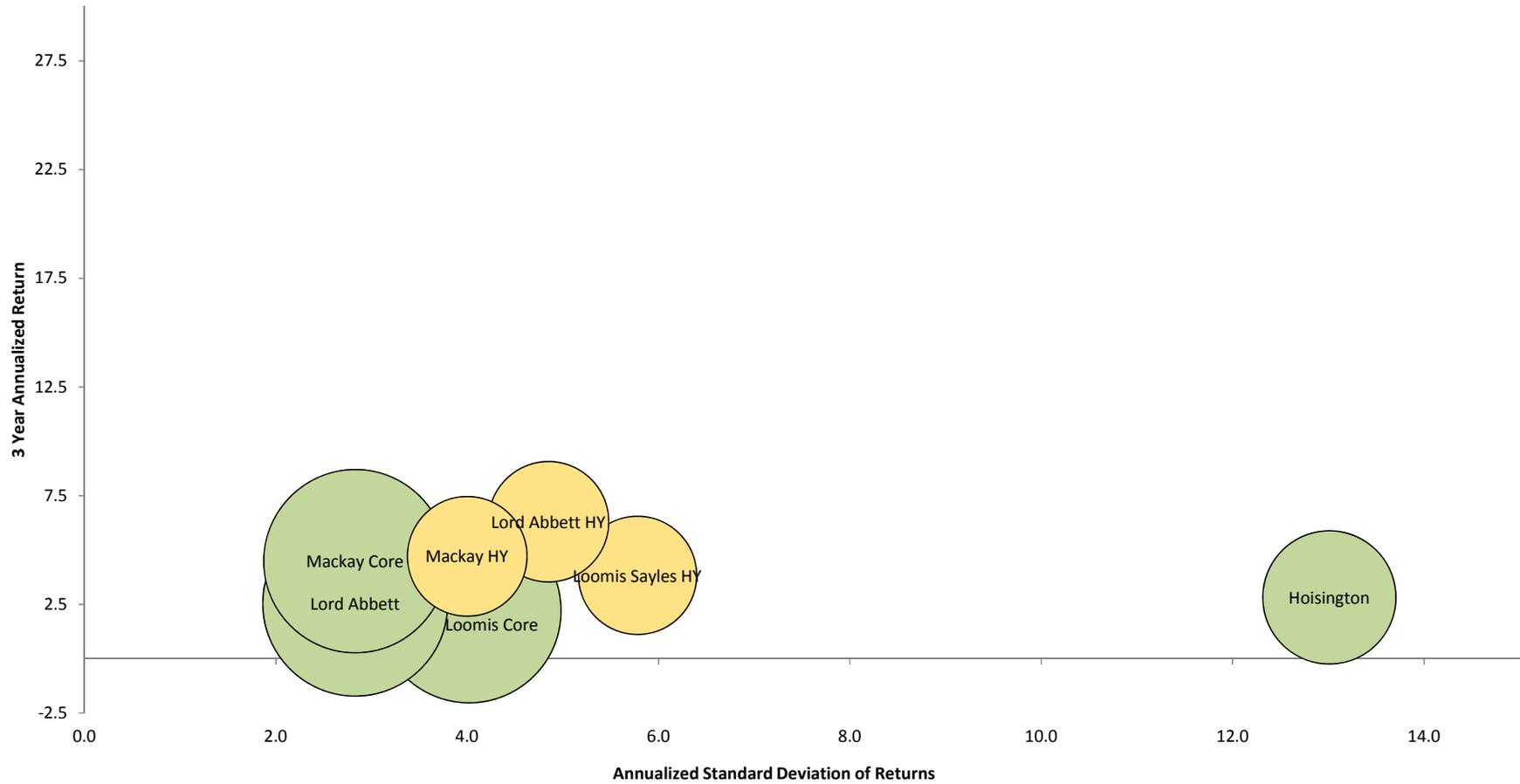
	Market Value	Inception Date	Time Since Inception (Years)	\$ Committed	\$ Contributed as of 10/31/2015	% Called ³	\$ Return as of 10/31/2015	Time Weighted Return Since Inception (Annualized)	Time Weighted One Year Return	Performance as of
PIMCO BRAVO	54,168,587	3/31/2011	4.6	\$100,000,000	\$100,000,000	100%	\$148,822,068	19.7%	4.5%	9/30/2015
<i>Barclays Aggregate</i>	0.4%							3.6%	1.9%	
PIMCO BRAVO II	107,872,094	3/31/2013	2.6	\$150,000,000	\$93,750,000	63%	\$0	18.8%	8.8%	9/30/2015
<i>Barclays Aggregate</i>	0.8%							1.7%	1.9%	

Three Year Risk/Return Review - Equity Portfolios



¹Actual OTRS results used when available, composite when necessary.

Three Year Risk/Return Review - Fixed Income Portfolios



¹Actual OTRS results used when available, composite when necessary.
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OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report
third quarter, 2015**



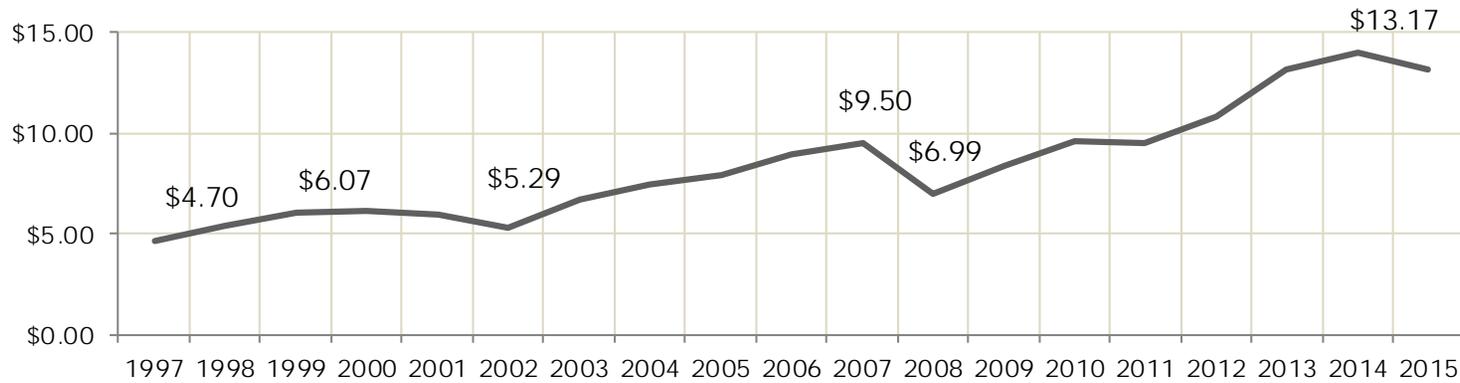
Trailing Year Total Fund Return

-3.0%

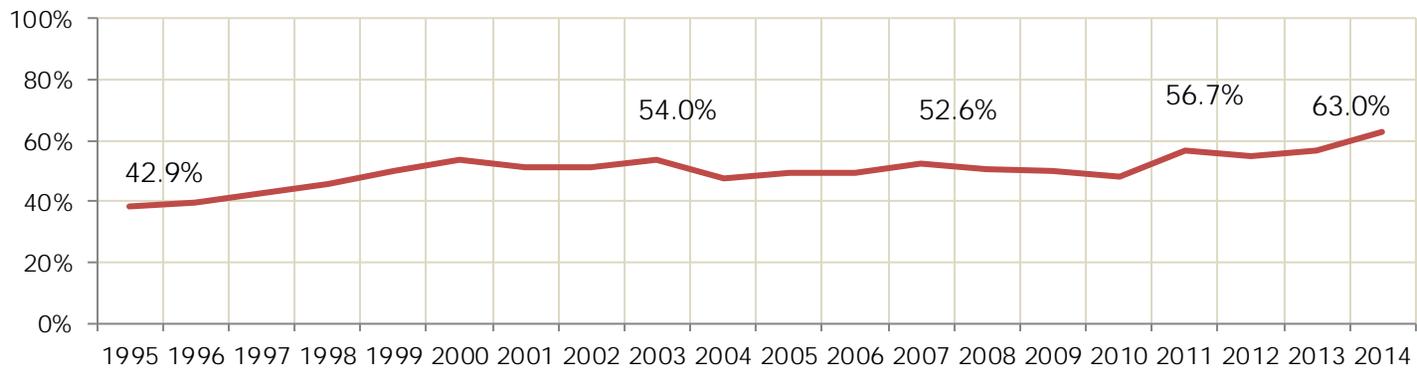
third quarter, 2015

Plan History

Market Value History (\$Billions)



Funded Status History



third quarter, 2015



Observations – third quarter, 2015

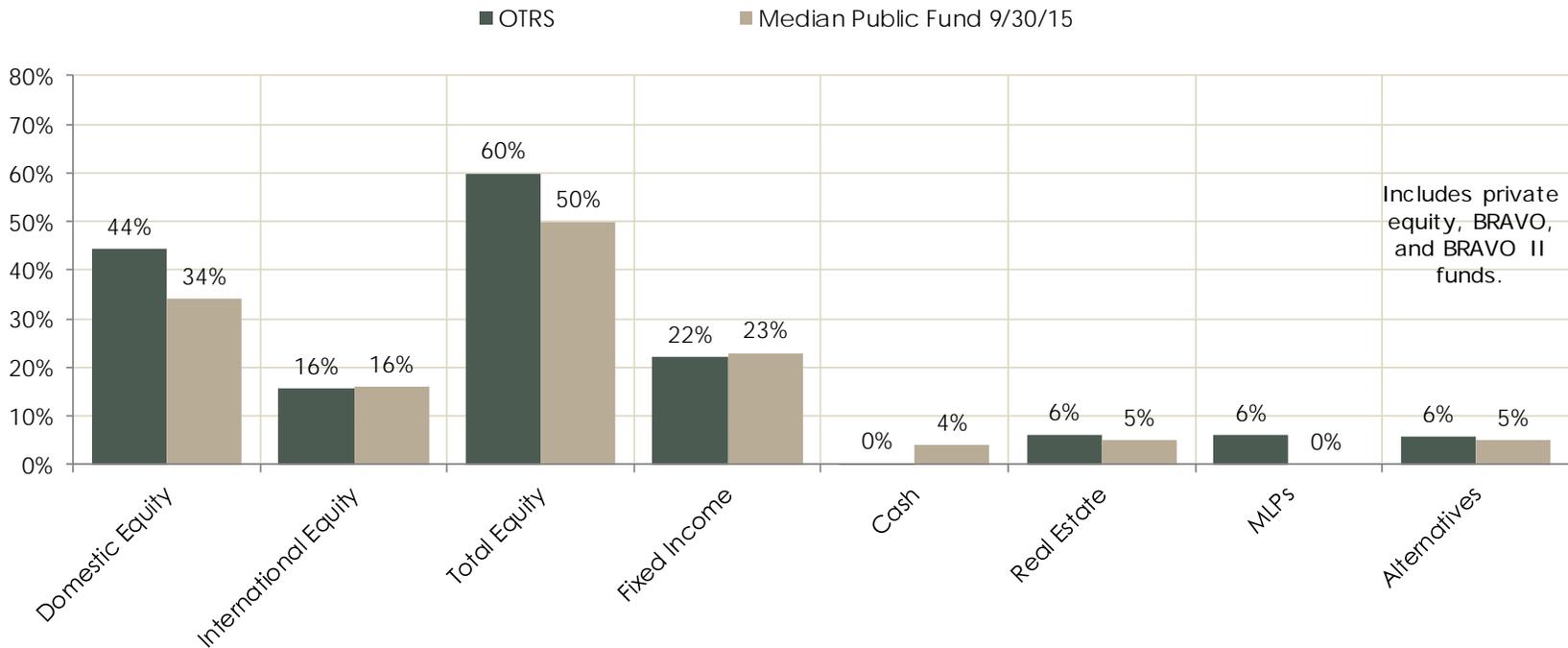
- **INVESTMENT PERFORMANCE:** Total fund return was negative during the quarter. The total fund posted a -5.4% return. Domestic and International Equity results were negative. Core fixed income results were slightly negative and High Yield returns were also negative. However, all long term returns remain positive. The trailing year return was below the actuarial assumption, slightly below the allocation index and ranked below the median of peer Pension Funds. **The total fund ranked in the top decile of public funds for the five and ten year observation periods.**
- **INVESTMENT MANAGEMENT:** Two large cap index fund portfolios were added in 2012. The new international small cap equity allocation added returns during the quarter. Five new domestic small cap managers were funded during the second quarter of 2013. An international equity index fund was added during early 2013. It was increased during late 2014. An International RFP was released in late April of 2015, proposals have been submitted and the selection process is in progress.
- **ASSET ALLOCATION:** The total fund's aggregate asset allocations are in the gradual process of moving to 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 core real estate managers are fully invested, at their previous target level. Six non-core real estate portfolios were recently selected during late 2014. They are calling capital at an acceptable pace.

Asset Allocation Summary – Total Fund

	Current Allocation	Target Allocation	Difference
Domestic Equity	44.32%	40.00%	4.32%
International Equity	15.63%	17.50%	-1.87%
Core Fixed Income	16.29%	17.50%	-1.21%
Opportunistic Fixed Income	1.23%	0.00%	1.23%
High Yield Fixed Income	5.76%	6.00%	-0.24%
Real Estate	6.09%	7.00%	-0.91%
Private Equity	4.41%	5.00%	-0.59%
MLPs	5.92%	7.00%	-1.08%
Cash	0.35%	0.00%	0.35%
Total	100.00%	100.00%	0.00%

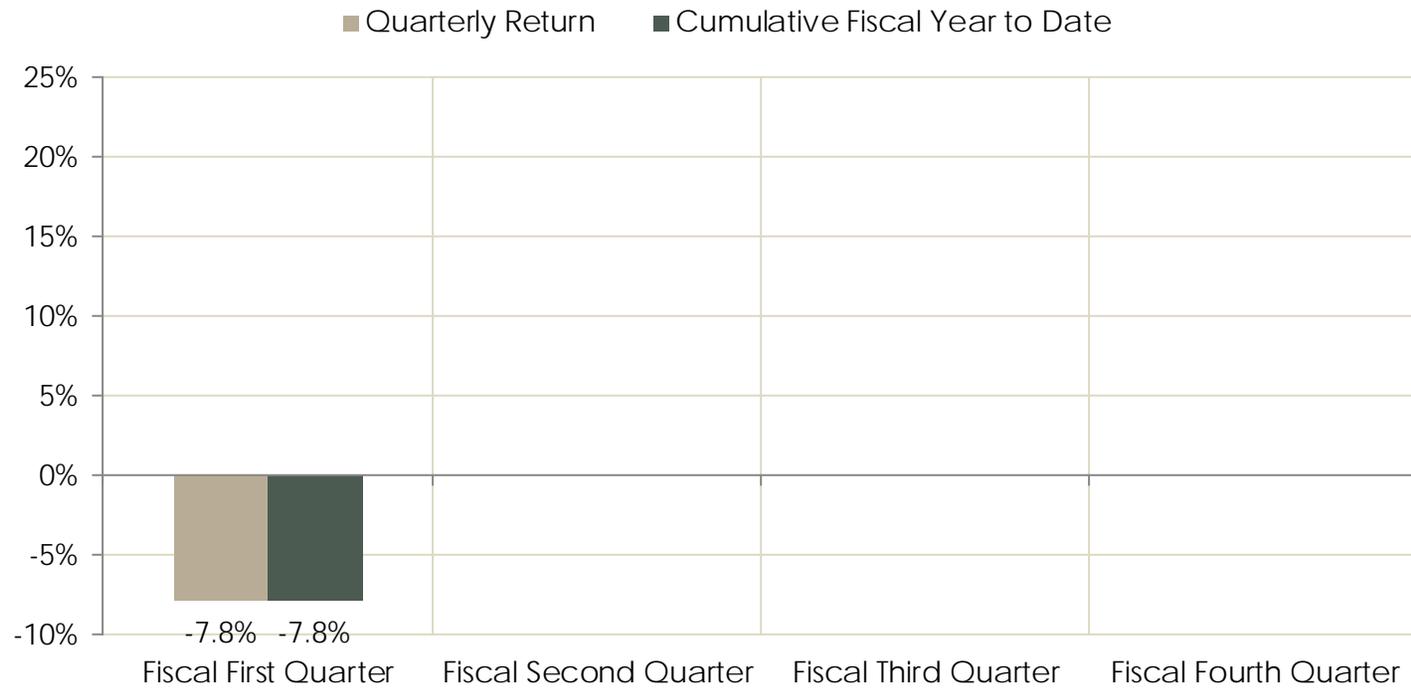
third quarter, 2015

Total Fund Allocation vs. Median Public Fund



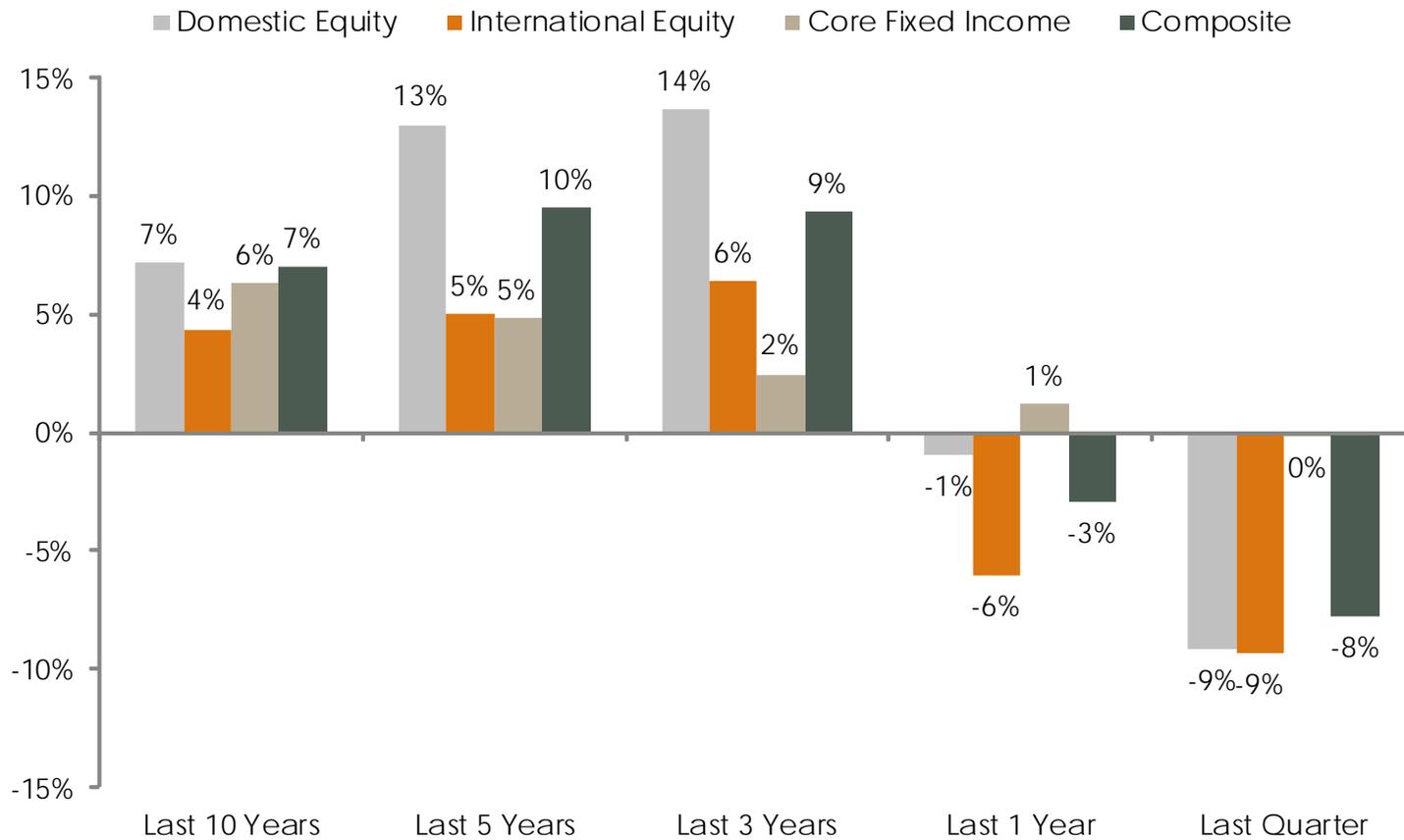
third quarter, 2015

Composite Performance Summary as of September 30, 2015



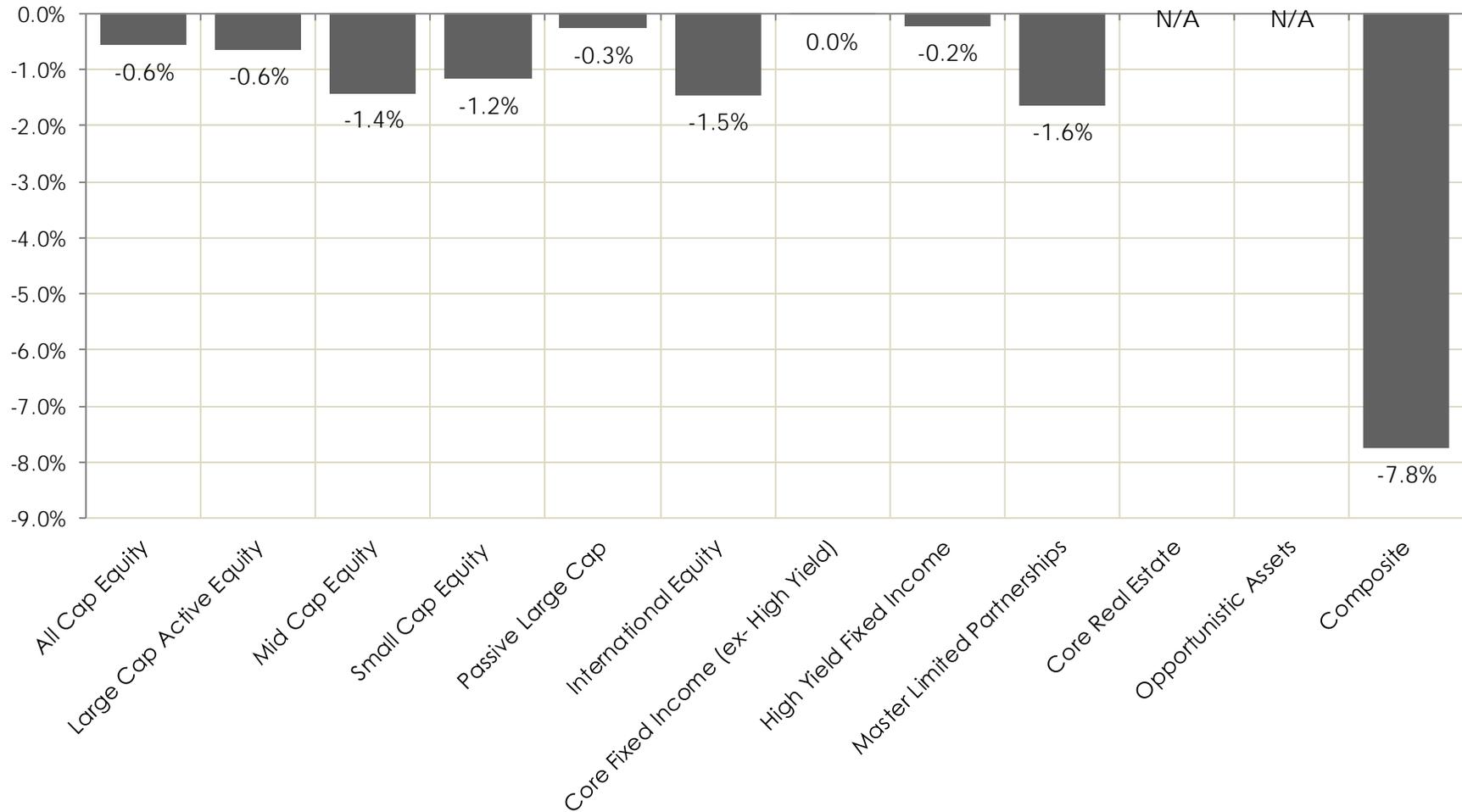
third quarter, 2015

Composite Performance Summary as of September 30, 2015



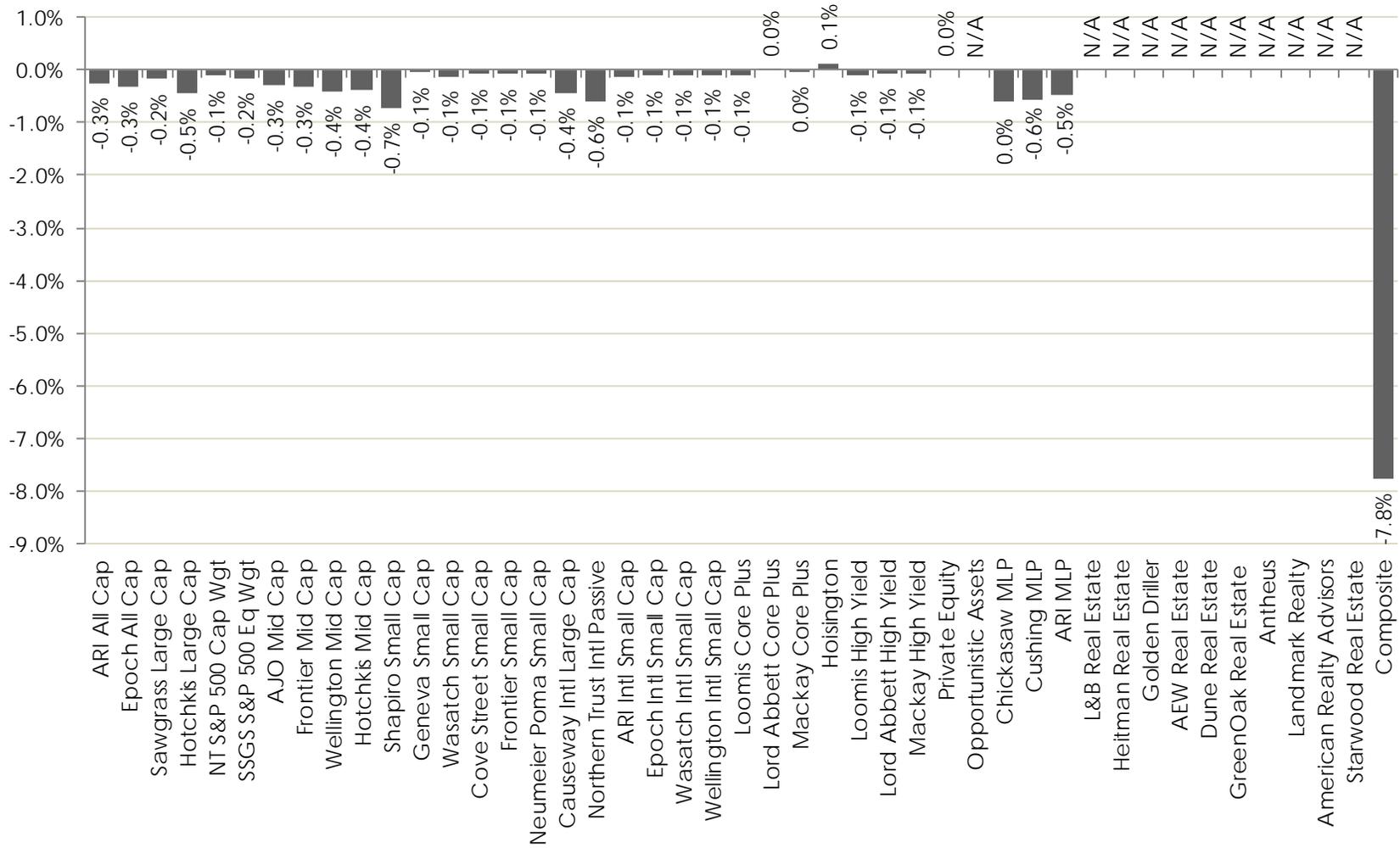
third quarter, 2015

Composition of Quarterly Return by Asset Class



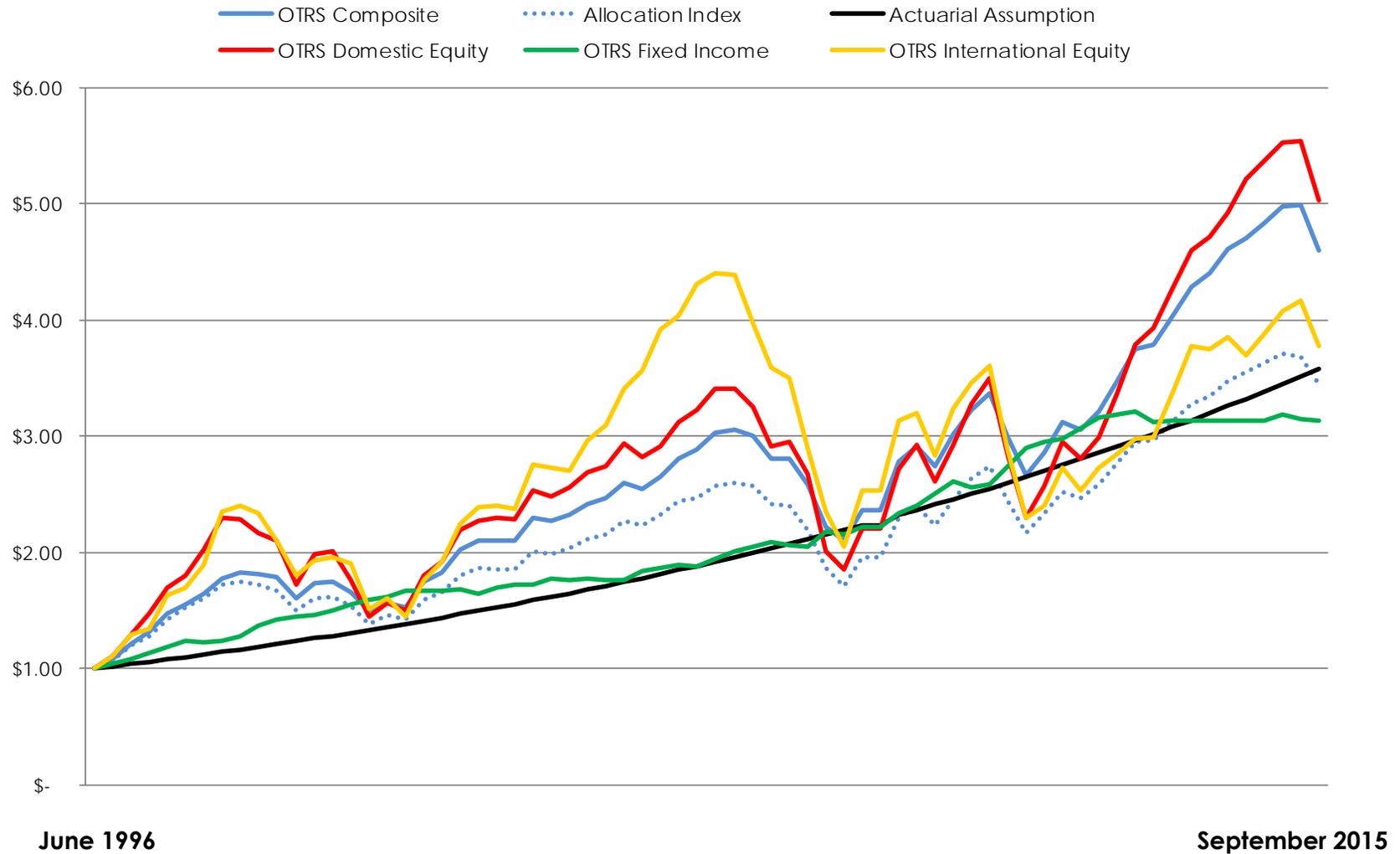
third quarter, 2015

Composition of Quarterly Return by Portfolio



third quarter, 2015

Growth of a Dollar Over Time: Period Ended **September 30, 2015**



third quarter, 2015

Performance – Total Fund

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Years	% Rank	Last Quarter	% Rank
Total Fund	7.0	-	9.5	13	9.3	9	-3.0	88	-7.8	100
<i>Allocation Index</i>	6.0		8.6		7.4		-2.8		-6.4	
<i>Actuarial Assumption</i>	8.0		8.0		8.0		8.0		1.9	
Total Domestic Equity	7.2	-	13.0	50	13.7	14	-1.0	73	-9.2	92
<i>S&P 500</i>	6.8		13.3		12.4		-0.6		-6.4	
Core Fixed Income	6.3	-	4.8	3	2.5	24	1.2	93	-0.1	92
<i>Barclays Aggregate</i>	4.6		3.1		1.7		2.9		1.2	
Total International Equity	4.4	-	5.0	3	6.4	24	-6.1	93	-9.3	92
<i>MSCI ACWI ex-US</i>	3.5		2.3		2.8		-11.8		-12.1	

third quarter, 2015

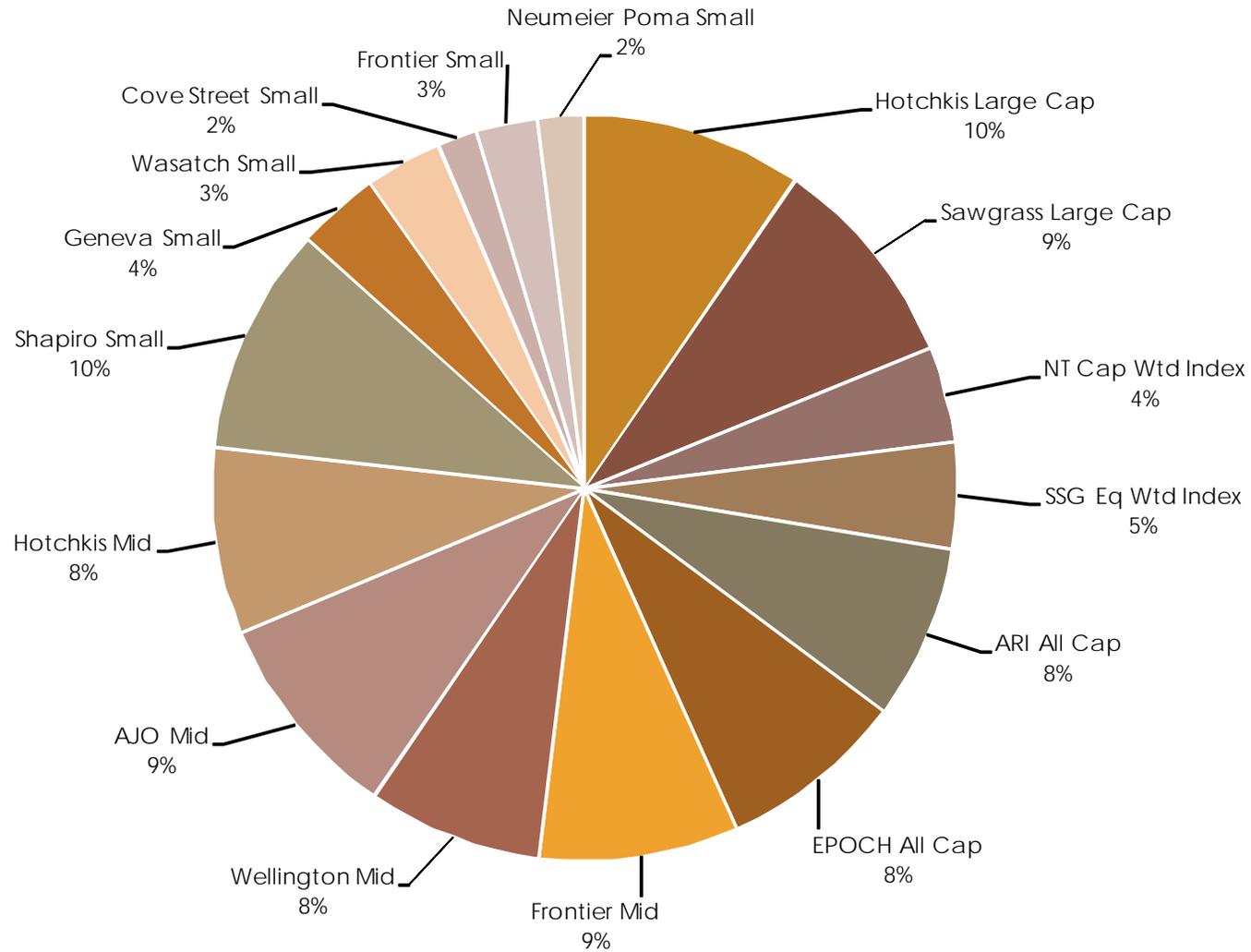
Composite Peer Ranking History

Periods Ended	Trailing 5 Years	Trailing 3 Years	Trailing Year	Last Quarter
3q2015	13	9	88	100
2q2015	2	3	48	32
1q2015	1	3	22	16
4q2014	1	1	18	51
3q2014	1	1	4	75
2q2014	1	1	1	1
1q2014	3	1	1	7
4q2013	1	1	1	2
3q2013	2	3	1	14
2q2013	1	3	1	11
1q2013	3	4	4	3
4q2012	15	3	11	24
3q2012	21	13	8	10
2q2012	24	4	33	75
1q2012	22	13	25	14
4q2011	36	14	52	8
3q2011	31	23	95	89
2q2011	20	13	23	93
1q2011	9	21	5	17
4q2010	21	29	15	29
3q2010	30	38	10	18
2q2010	35	46	11	62
1q2010	24	25	70	44
4q2009	36	43	15	25
3q2009	26	42	32	13
2q2009	46	50	44	28
1q2009	23	24	18	28
4q2008	47	61	62	64
3q2008	24	59	67	48
2q2008	25	52	83	17
1q2008	19	49	83	79
4q2007	19	46	62	78
3q2007	18	36	37	87
2q 2007	10	29	18	34
1q 2007	15	27	38	19
4q 2006	23	44	59	36
3q 2006	15	24	69	57
Average Rank	18	23	33	38
% of Observations in Top Quartile	78%	59%	57%	46%
% of Observations Above Median	100%	92%	70%	68%

third quarter, 2015

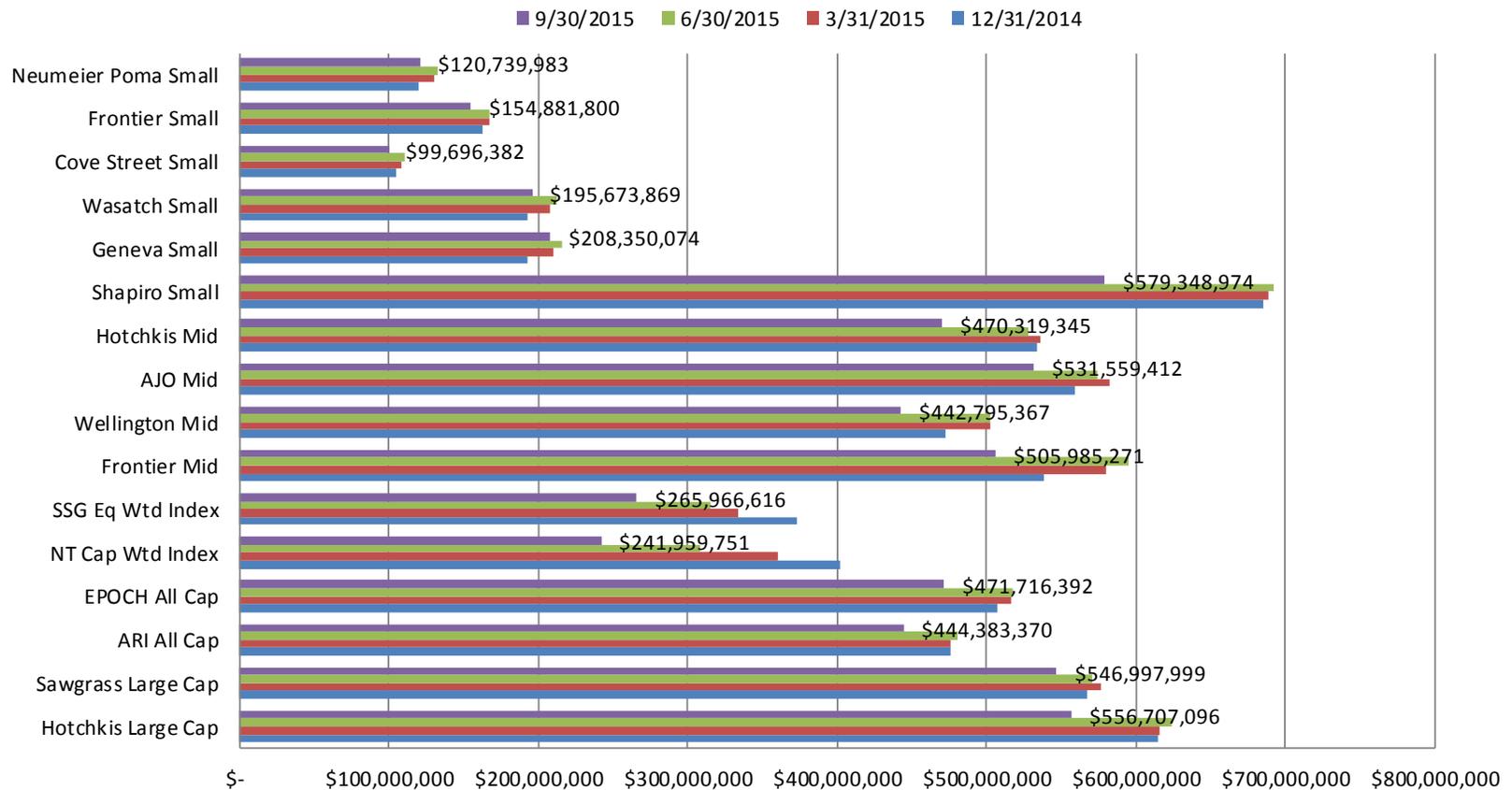


Asset Allocation Summary – Domestic Equity Allocation



third quarter, 2015

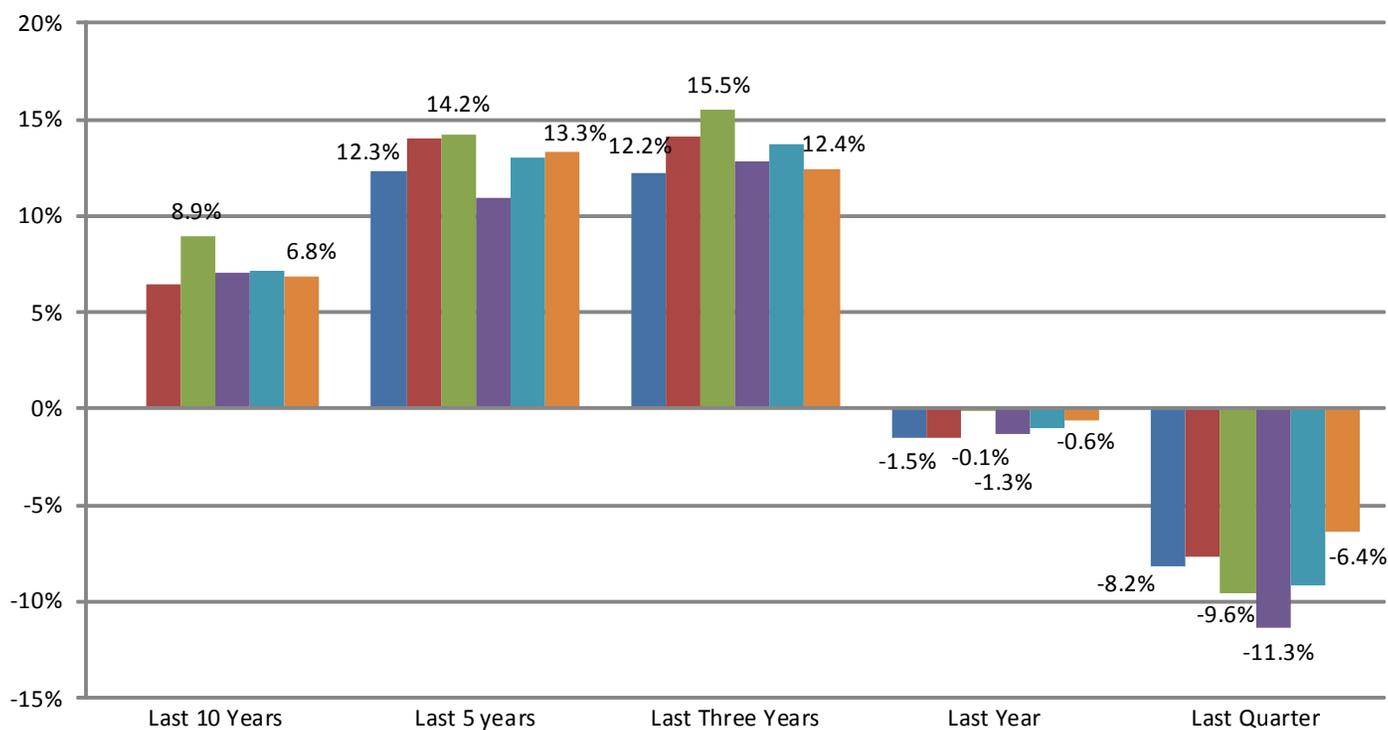
Asset Allocation Summary – Domestic Equity Allocation



third quarter, 2015



Domestic Equity Performance: Capitalization Composites



	Last 10 Years	Last 5 years	Last Three Years	Last Year	Last Quarter
All Cap		12.3%	12.2%	-1.5%	-8.2%
Large Cap Active	6.4%	14.0%	14.1%	-1.6%	-7.7%
Mid Cap	8.9%	14.2%	15.5%	-0.1%	-9.6%
Small Cap	7.0%	10.9%	12.8%	-1.3%	-11.3%
All Domestic Equity	7.2%	13.0%	13.7%	-1.0%	-9.2%
S&P 500 (Cap Weighted)	6.8%	13.3%	12.4%	-0.6%	-6.4%

third quarter, 2015

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
Advisory Research¹	-	-	11.6	70	10.6	69	-2.7	69	-7.4	46
EPOCH¹	-	-	13.1	49	13.9	28	-0.3	50	-8.8	63
<i>Russell 3000 Value</i>	5.9		13.3		12.5		-0.5		-7.2	
<i>Russell 3000</i>	7.9		13.3		12.4		-0.5		-7.2	
Hotchkis LCV	4.9	-	13.5	56	14.7	28	-5.0	93	-10.8	97
Sawgrass LCG	-	-	14.8	33	13.6	40	2.3	41	-4.2	9
<i>S&P 500</i>	6.8		13.3		12.4		-0.6		-6.4	
<i>Russell 1000 Value</i>	5.7		12.3		11.6		-4.4		-8.4	
<i>Russell 1000 Growth</i>	-		14.5		13.6		3.2		-5.3	
NT Cap Weighted	-	-	-	-	12.5	56	-0.1	42	-6.3	30
SSGA Equal Weighted	-	-	-	-	14.0	26	-1.6	56	-7.6	58
<i>S&P 500 Cap Weighted</i>	7.9		14.3		12.4		-0.6		-6.4	
<i>S&P 500 Equal Weighted</i>	9.3		14.6		14.3		-1.2		-7.6	

¹Ranked in Large Cap Core Equity Manager Universe

third quarter, 2015

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
AJO MCC	8.5	-	15.4	21	15.9	16	-0.6	59	-7.4	30
Frontier MCG	10.9		14.6	24	15.7	12	8.1	7	-8.5	40
Hotchkis MCV	8.4		15.4	12	15.0	17	-7.5	67	-11.0	54
Wellington MCG	7.6	-	11.0	-	14.7	18	-0.1	72	-11.8	74
<i>Russell MC</i>	<i>7.9</i>		<i>13.4</i>		<i>13.9</i>		<i>-0.2</i>		<i>-8.0</i>	
<i>Russell MC Growth</i>	<i>8.1</i>		<i>13.6</i>		<i>14.0</i>		<i>1.4</i>		<i>-8.0</i>	
<i>Russell MC Value</i>	<i>7.4</i>		<i>13.2</i>		<i>13.7</i>		<i>-2.1</i>		<i>-8.0</i>	
Shapiro SCC	8.6	-	11.2	80	11.0	66	-11.2	99	-16.3	96
Geneva SCG	-	-	-	-	-	-	15.2	2	-3.4	1
Wasatch SCG	-	-	-	-	-	-	11.6	10	-8.1	23
Cove Street SCV	-	-	-	-	-	-	-3.8	83	-10.3	59
Frontier SCV	-	-	-	-	-	-	2.1	51	-7.1	10
Neumeier Poma SCV	-	-	-	-	-	-	6.8	5	-9.2	36
<i>Russell 2000</i>	<i>6.5</i>		<i>11.7</i>		<i>11.0</i>		<i>1.2</i>		<i>-11.9</i>	
<i>Russell 2000 Growth</i>	<i>-</i>		<i>-</i>		<i>-</i>		<i>4.0</i>		<i>-13.1</i>	
<i>Russell 2000 Value</i>	<i>-</i>		<i>-</i>		<i>-</i>		<i>-1.6</i>		<i>-10.7</i>	

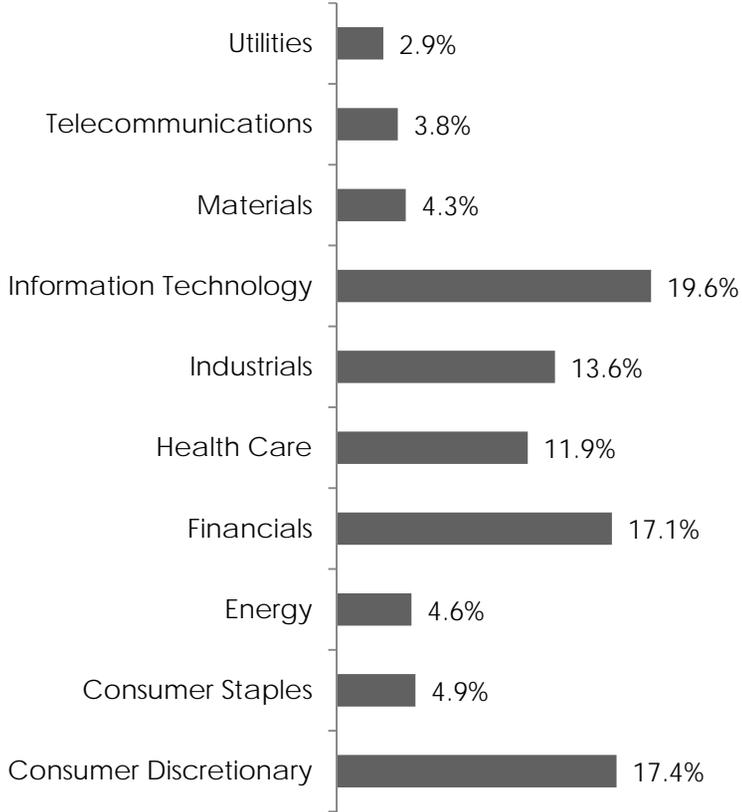
third quarter, 2015

Domestic Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Domestic Equity Allocation
Cash	2.10%
Microsoft	1.15%
Apple	1.03%
American International Group	0.90%
Oracle	0.79%
CDW	0.67%
JPMorgan Chase	0.61%
CitiGroup	0.60%
Knowles	0.60%
Mosaic	0.58%
Top Ten Total Weight	9.02%

Sector Weightings



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Active Domestic Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. S&P 500
Hotchkis & Wiley	Large Cap Value	108.6	117.2	13.5%	0.92
Sawgrass	Large Cap Growth	93.3	76.5	15.4%	0.95
Advisory Research	All Cap	93.6	100.7	11.6%	0.93
EPOCH	All Cap	101.4	107.6	13.8%	0.96
AJO	Mid Cap Core	111.2	111.5	15.9%	0.90
Frontier	Mid Cap Growth	99.5	94.8	14.8%	0.79
Hotchkis & Wiley	Mid Cap Value	127.0	138.8	15.6%	0.83
Wellington	Mid Cap Growth	115.3	156.9	11.5%	0.81
Shapiro	Small Cap Value/Core	113.5	141.0	11.8%	0.76
Cove Street	Small Cap Value	106.7	115.2	14.3%	0.78
Neumeier Poma	Small Cap Value	103.6	85.9	17.9%	0.73
Frontier	Small Cap Value	113.1	108.9	16.9%	0.75
Geneva	Small Cap Growth	94.1	66.6	16.8%	0.58
Wasatch	Small Cap Growth	79.6	55.3	14.3%	0.54

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

third quarter, 2015

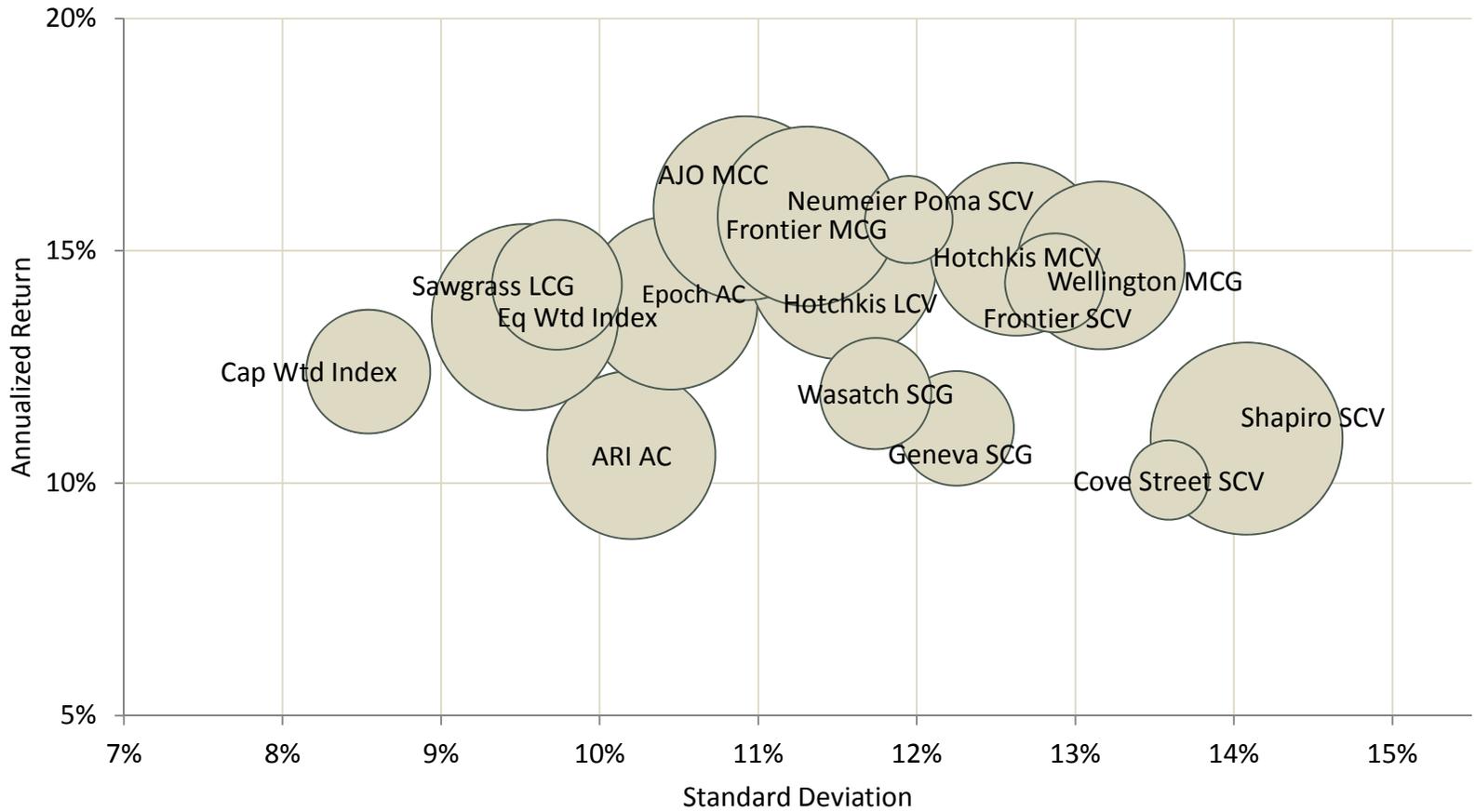
Domestic Equity Portfolios: 5 Year Correlation Matrix

<i>Trailing Five Years</i>	ARI AC	AJO MC	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
ARI AC	-													
AJO MC	0.95	-												
Cove Street SCV	0.90	0.89	-											
Epoch AC	0.96	0.96	0.88	-										
Frontier MCG	0.90	0.94	0.86	0.90	-									
Frontier SCV	0.91	0.93	0.92	0.88	0.90	-								
Geneva SCG	0.82	0.83	0.83	0.78	0.85	0.87	-							
Hotchkis LCV	0.94	0.92	0.86	0.95	0.87	0.87	0.74	-						
Hotchkis MCV	0.91	0.93	0.89	0.93	0.88	0.92	0.78	0.93	-					
Neumeier Poma SCV	0.91	0.92	0.88	0.88	0.89	0.92	0.88	0.84	0.88	-				
Sawgrass LCG	0.94	0.92	0.84	0.96	0.88	0.82	0.75	0.92	0.86	0.83	-			
Shapiro SCC	0.91	0.93	0.89	0.88	0.90	0.91	0.81	0.88	0.90	0.89	0.83	-		
Wasatch SCG	0.75	0.79	0.74	0.78	0.79	0.78	0.83	0.72	0.77	0.81	0.71	0.76	-	
Wellington MCG	0.93	0.96	0.88	0.94	0.94	0.92	0.86	0.90	0.92	0.93	0.87	0.93	0.81	-

third quarter, 2015

Domestic Equity Risk Return Comparison

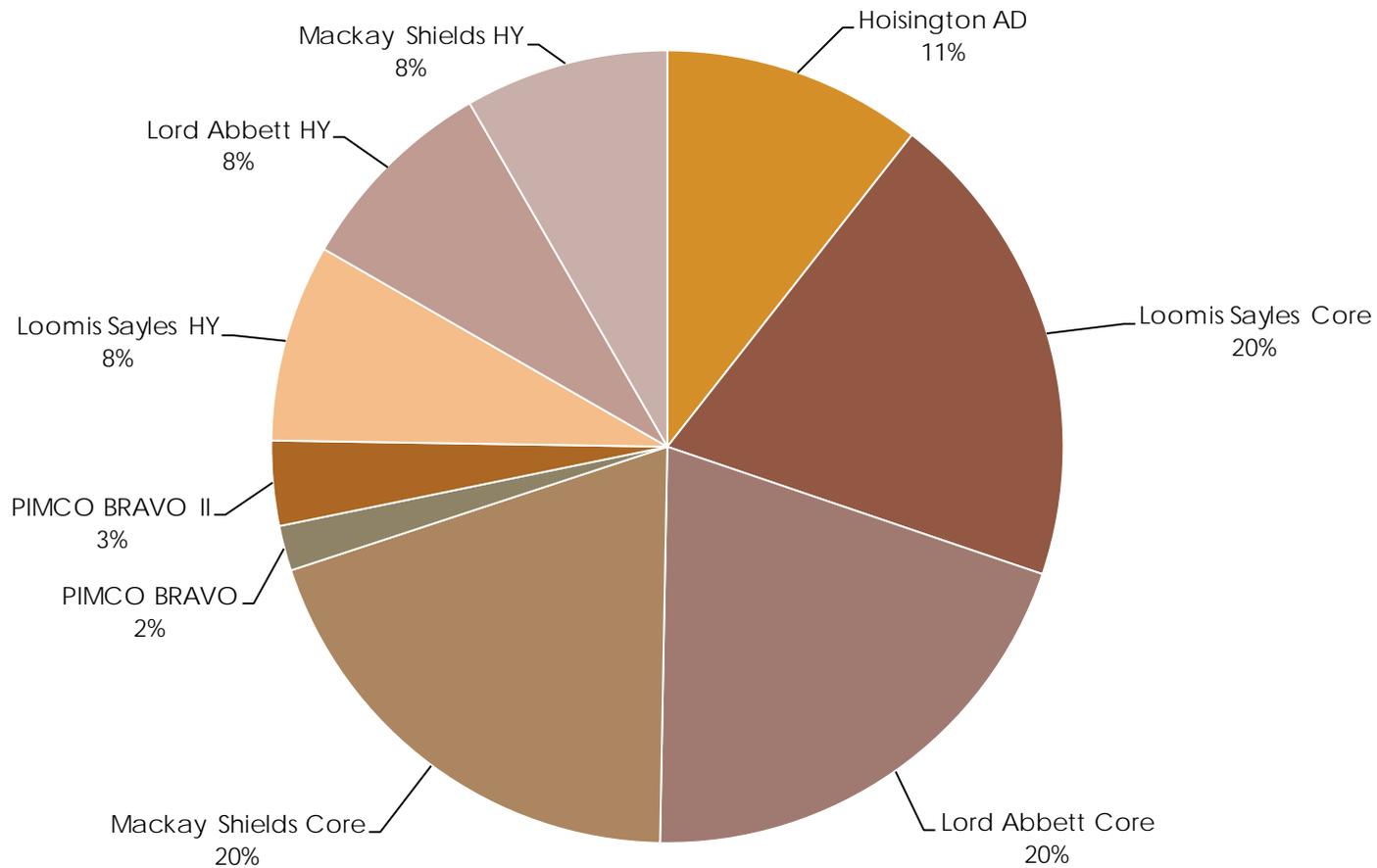
Composite Data Used – Three Years Ended September 30, 2015



*Composite performance used when necessary.

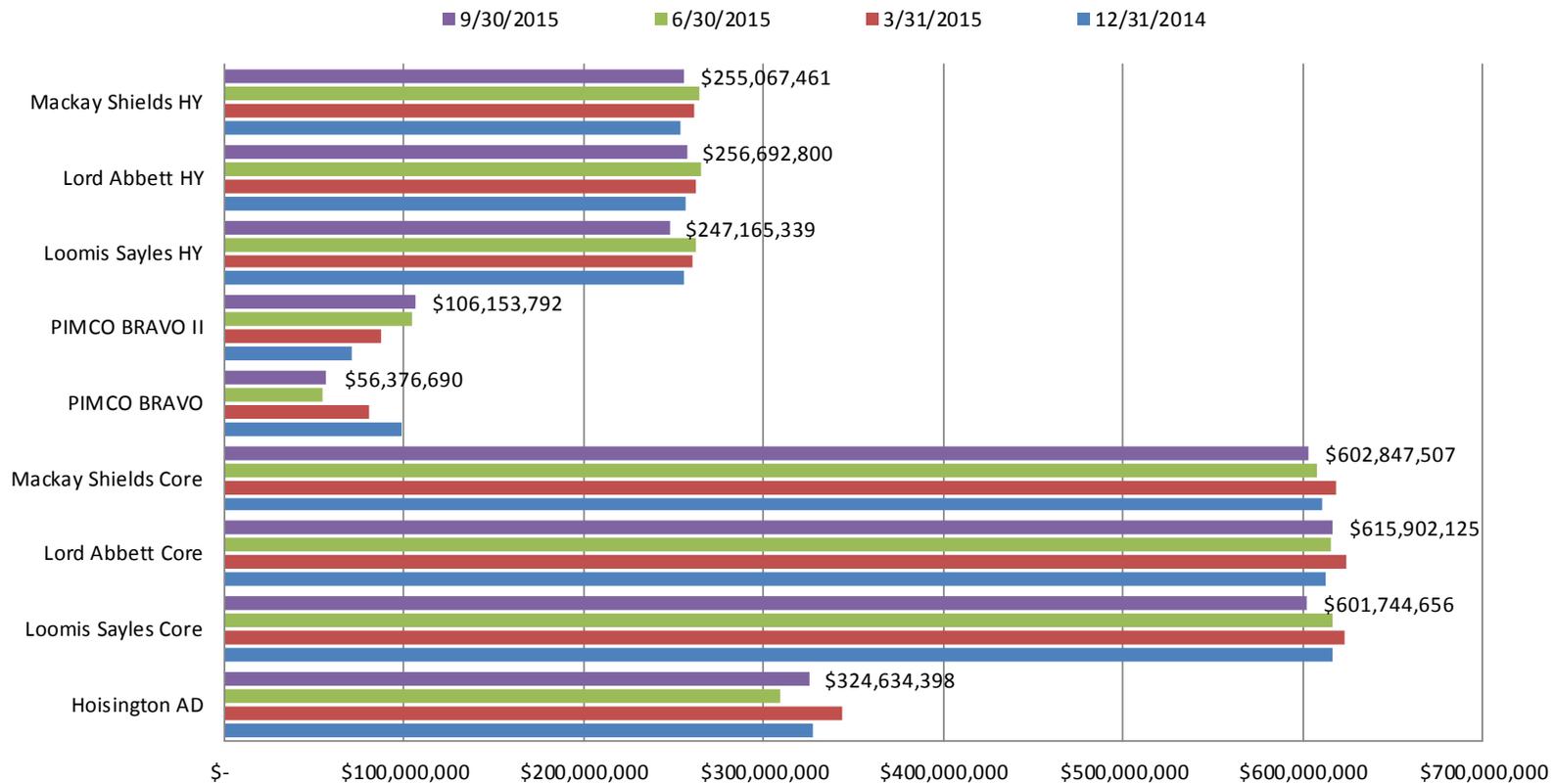
third quarter, 2015

Asset Allocation Summary – Fixed Income Allocation



third quarter, 2015

Asset Allocation Summary – Fixed Income Allocation



third quarter, 2015



Performance – Fixed Income Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last Year	% Rank	Last Quarter	% Rank
Loomis Sayles	7.1		4.7	5	1.9	60	-1.9	98	-2.4	99
Lord Abbett	5.9		4.4	12	2.6	22	1.7	89	0.0	92
MacKay Shields	6.0		4.6	8	2.1	45	-0.6	99	-0.8	96
Hoisington	7.7		7.4		3.0		10.2		5.2	
<i>BC Aggregate</i>	<i>4.6</i>		<i>3.1</i>		<i>1.7</i>		<i>2.9</i>		<i>1.2</i>	
Loomis HY	-	-	5.6	71	3.8	51	-3.7	73	-5.7	83
Lord Abbett HY	-	-	7.8	9	5.7	11	-1.4	26	-3.7	28
MacKay HY	-	-	6.7	30	4.2	44	-0.4	20	-3.2	21
<i>ML High Yield II</i>	<i>7.5</i>		<i>5.9</i>		<i>3.5</i>		<i>-3.5</i>		<i>-4.9</i>	

third quarter, 2015

Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Maturity	Yield to Maturity
Loomis Sayles	Core Plus	AA-	6.0	9.0	4.3%
Lord Abbett	Core Plus	AA	5.3	7.7	3.4%
Mackay Shields	Core Plus	A-	4.7	6.4	3.7%
Hoisington	Active Duration	AAA	19.0	28.2	2.9%
Core Fixed Income Composite	Core Plus	A+	7.4	10.8	3.7%
Loomis Sayles	High Yield	BB	4.4	6.4	6.6%
Lord Abbett	High Yield	B	5.1	5.2	7.2%
Mackay Shields	High Yield	BB-	4.0	5.8	7.4%
High Yield Composite	High Yield	B	4.5	5.8	7.0%

third quarter, 2015

Fixed Income Performance Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. BC Aggregate
Loomis Sayles	Core Plus	129.1%	104.2%	4.6%	0.57
Lord Abbett	Core Plus	113.1%	72.7%	4.5%	0.85
MacKay Shields	Core Plus	113.4%	79.2%	4.3%	0.70
Hoisington	Active Duration	333.1%	444.3%	7.6%	0.60
Loomis Sayles	High Yield	137.8%	26.0%	7.2%	0.02
Lord Abbett	High Yield	133.4%	-21.5%	8.0%	0.01
MacKay Shields	High Yield	119.6%	-10.2%	7.0%	0.03

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

third quarter, 2015



Fixed Income Portfolios: 5 Year Correlation Matrix

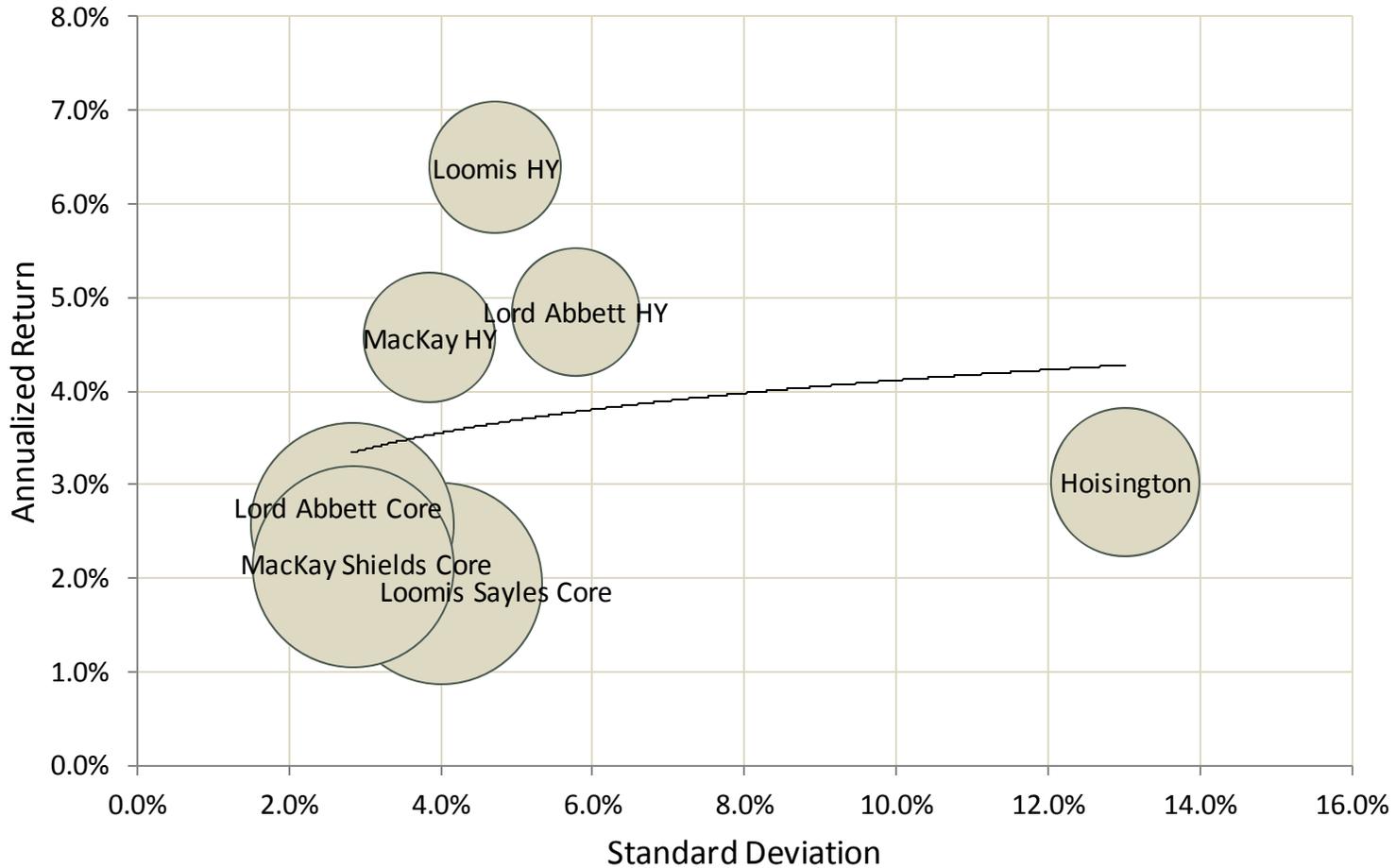
<i>Trailing Five Years</i>	Hoisington	Loomis Core	Loomis High Yield	Lord Abbett Core	Lord Abbett High Yield	MacKay Shields Core	MacKay Shields High Yield
Hoisington	-						
Loomis Core	0.31	-					
Loomis High Yield	-0.39	0.71	-				
Lord Abbett Core	0.55	0.92	0.46	-			
Lord Abbett High Yield	-0.40	0.67	0.97	0.43	-		
MacKay Shields Core	0.43	0.96	0.60	0.96	0.58	-	
MacKay Shields High Yield	-0.30	0.74	0.94	0.50	0.98	0.65	-

*Composite performance used when necessary.

third quarter, 2015

Fixed Income Risk Return Comparison

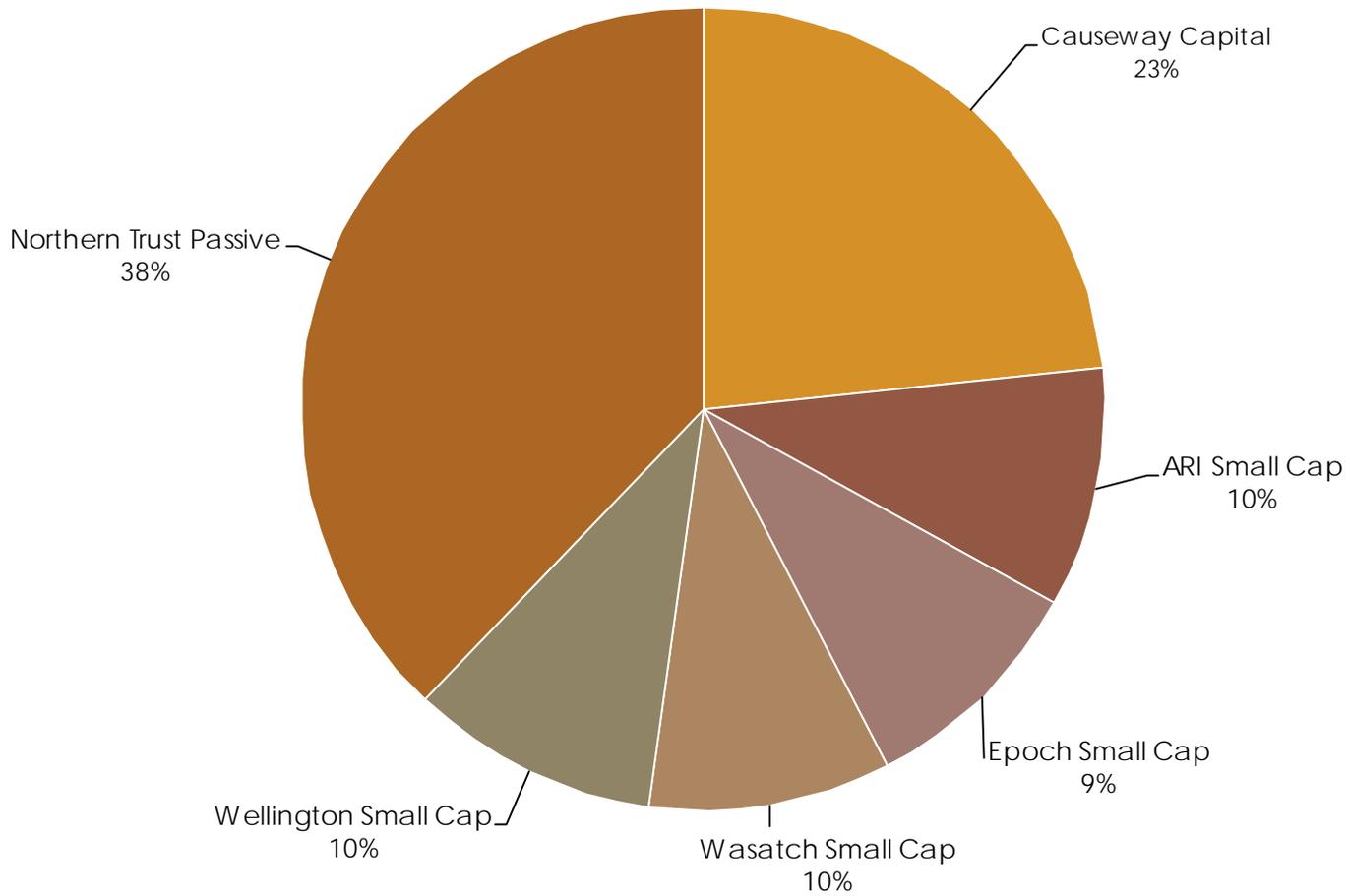
Composite Data Used – Three Years Ended September 30, 2015



*Composite performance used when necessary to calculate figures.

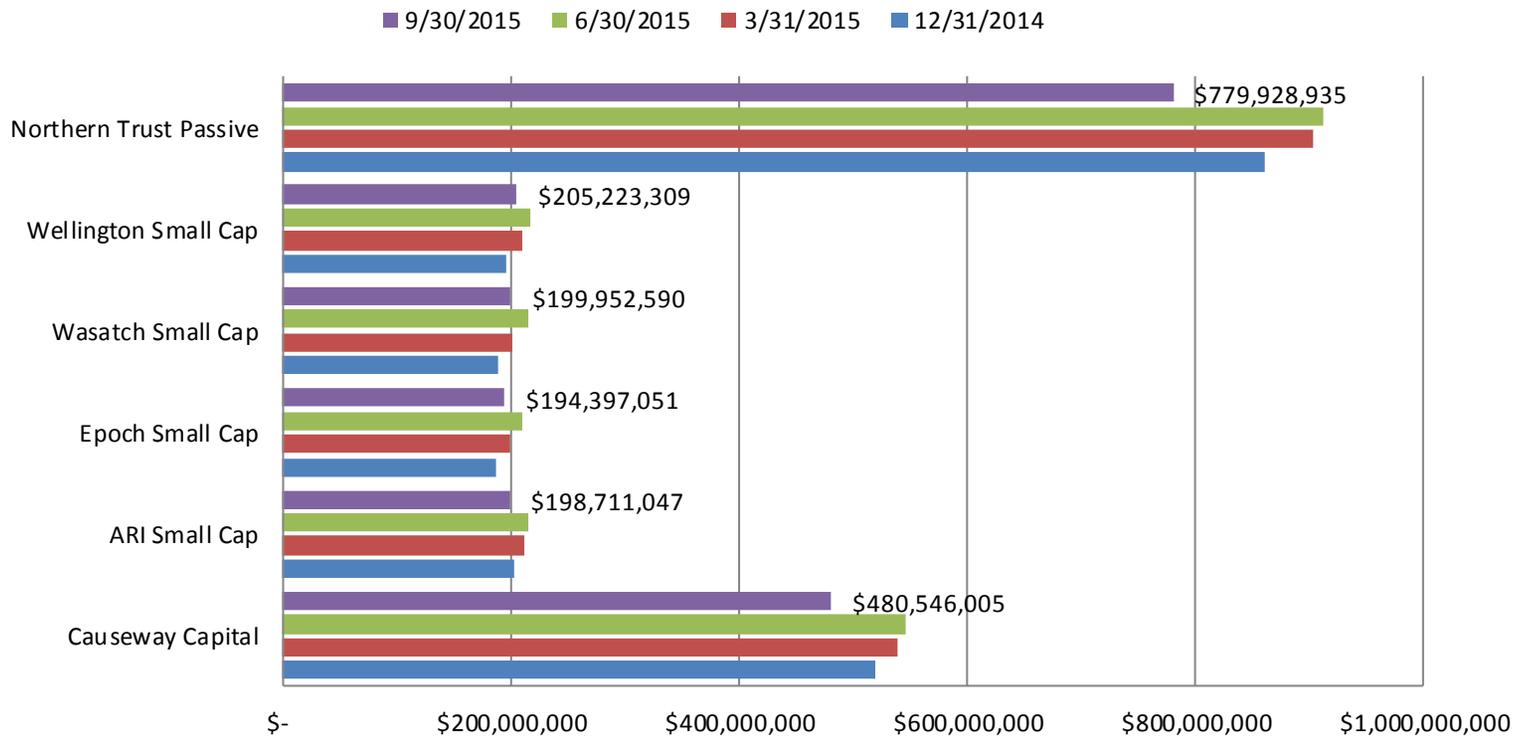
third quarter, 2015

Asset Allocation Summary – International Equity Allocation



third quarter, 2015

Asset Allocation Summary – International Equity Allocation



third quarter, 2015

Performance – International Equity Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Causeway	4.3	-	5.0	86	4.8	74	-10.3	86	-12.0	88
Northern Trust Passive	-	-	-	-	-		-7.3	99	-10.1	98
<i>MSCI ACWI Ex US</i>	<i>3.0</i>		<i>1.8</i>		<i>2.3</i>		<i>-8.3</i>		<i>-10.2</i>	
ARI¹	-	-	-	-	8.5	18	-7.4	99	-7.8	91
EPOCH¹	-	-	-	-	8.5	19	-1.9	59	-7.5	88
Wasatch¹	-	-	-	-	10.9	4	5.4	4	-6.8	80
Wellington¹	-	-	-	-	12.6	3	1.2	15	-5.5	53
<i>MSCI EAFE Small Cap</i>	<i>-</i>		<i>-</i>		<i>10.5</i>		<i>0.6</i>		<i>-6.8</i>	

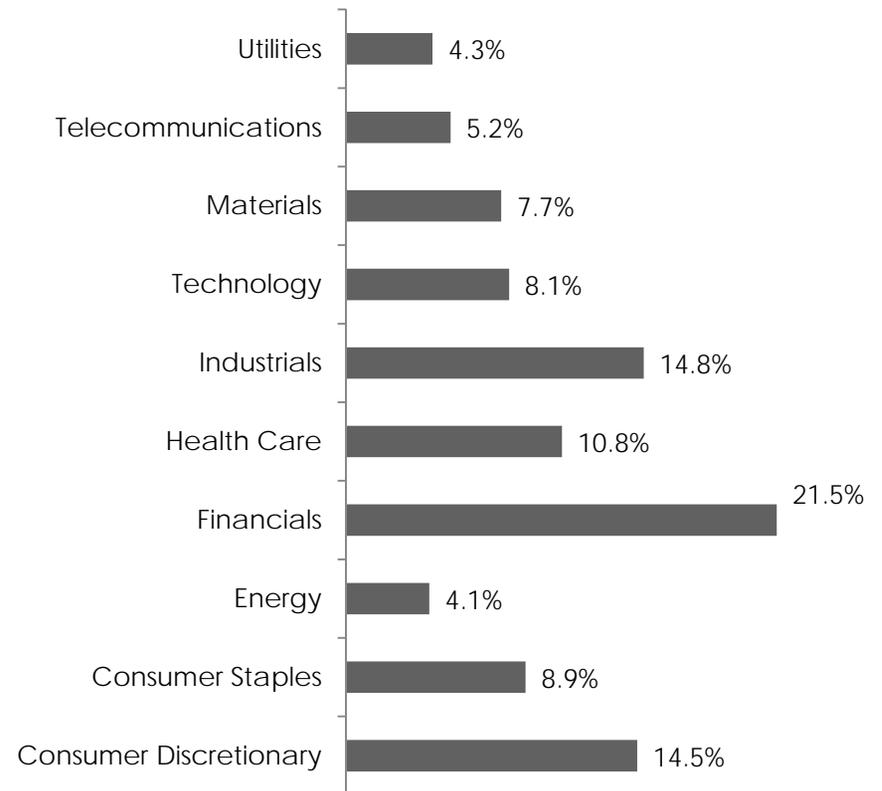
¹Ranked in Non-US Equity Manager Universe.

Total International Equity Portfolio Holdings Review

Largest Equity Positions

Position	% of Total Equity Allocation
Cash	1.65%
Novartis AG	1.27%
Roche Holdings	1.04%
British American Tobacco	1.00%
Toyota	0.94%
Sanofi	0.94%
GlaxoSmithKline	0.83%
KDDI	0.79%
Nestle	0.78%
Total EUR2.5	0.78%
Top Ten Total Weight	10.02%

Sector Weightings



third quarter, 2015

Active International Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. MSCI ACWI ex US
Causeway	Large Cap Value	112.2%	91.5%	7.1%	0.92
Northern Trust	Passive Index	100.7%	99.3%	2.1%	1.00
Advisory Research	Small Cap Value	99.5%	69.8%	7.9%	0.90
EPOCH	Small Cal Value	96.7%	80.0%	5.9%	0.86
Wasatch	Small Cap Growth	89.1%	42.4%	12.0%	0.76
Wellington	Small Cap Growth	97.9%	78.9%	6.4%	0.95

Upside and downside capture ratios measured against the MSCI ACWI ex-US index.
*Composite performance used when necessary.

third quarter, 2015

International Equity Portfolios: 5 Year Correlation Matrix

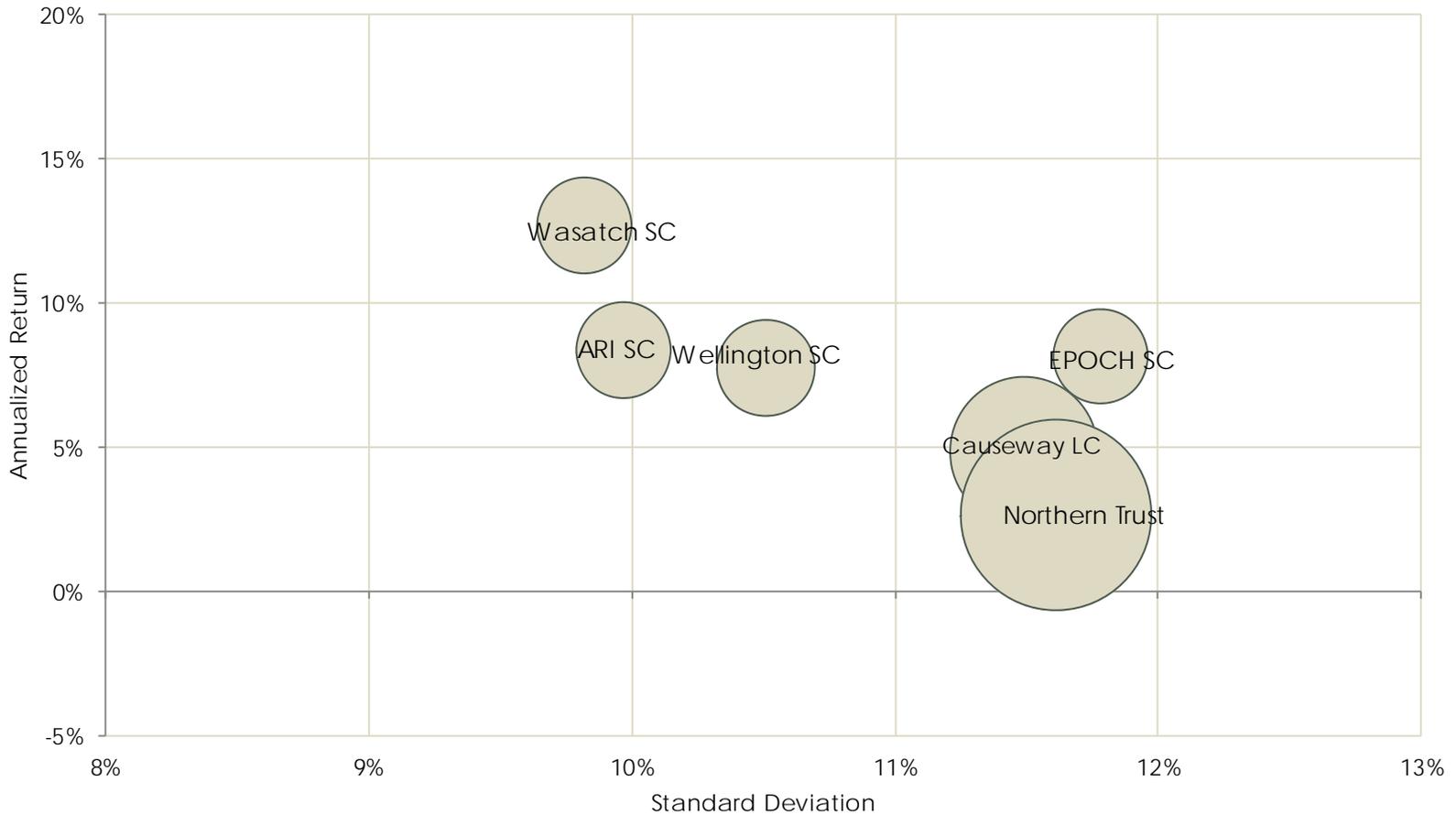
<i>Trailing Five Years</i>	ARI SCI	Causeway LCI	EPOCH SCI	Northern Trust	Wasatch SCI	Wellington SCI
ARI SCI	-					
Causeway LCI	0.91	-				
EPOCH SCI	0.94	0.91	-			
Northern Trust Passive	0.95	0.96	0.93	-		
Wasatch SCI	0.83	0.82	0.87	0.87	-	
Wellington SCI	0.92	0.96	0.93	0.98	0.87	-

*Composite performance used when necessary.

third quarter, 2015

International Equity Risk Return Comparison

Composite Data Used – Three Years Ended September 30, 2015



third quarter, 2015

Performance – MLPs

	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Last Quarter	% Rank
Chickasaw	-	-	9.8	-	-33.6	-	-28.4	-
ARI	-	-	2.3	-	-23.0	-	-26.7	-
Cushing	-	-	7.2	-	-34.3	-	-27.8	-
<i>Alerian MLP</i>	-		<i>-3.6</i>		<i>-39.2</i>		<i>-22.1</i>	



LORD ABBETT

Lord Abbett Investment Team Update

JERSEY CITY, NJ – November 5, 2015 – Lord Abbett & Co. LLC (“Lord Abbett”), an independent, privately held investment–management firm, announced that Robert A. Lee, Partner & Director of Taxable Fixed Income, has been asked to take on the newly created position of Deputy Chief Investment Officer. This step begins the transition of the investment leadership of Lord Abbett to a new generation of professionals.

During his tenure at Lord Abbett, Mr. Lee has played a key role in the success and development of the Lord Abbett fixed–income franchise. As a leader, he has earned a reputation for delivering consistent investment performance by developing talent and fostering a culture of teamwork and collaboration.

In his new role, Mr. Lee will continue to work with the fixed–income team while assisting Robert I. Gerber, Partner & Chief Investment Officer, in managing broader day–to–day departmental activities. These duties include strategic oversight of various investment, research and trading groups, as well as other firm–wide responsibilities. Together, these seasoned professionals will continue to ensure that Lord Abbett clients are well served and supported by a world-class investment organization.

About Lord Abbett

Lord, Abbett & Co. LLC is an independent, privately held firm with a singular focus on the management of money. Founded in 1929, Lord Abbett is one of the oldest money management firms in the United States, and has forged a culture that is investment-led and investor-focused. Lord Abbett manages approximately \$127.7 billion in assets (as of September 30, 2015) across a full range of mutual funds, institutional and separately managed accounts, including \$1.4 billion for which Lord Abbett provides investment models to managed account sponsors.



Investment Policy Statement Review and Modifications

Proposed Process for project

- Step 1 - Restructure existing IPS according to sample structure from CFA Institute
- *Step 2* - Review and revise as necessary proscribed processes and procedures with a focus on section VII. Evaluation and Review
- Step 3 - Review and revise as necessary objectives, constraints and guidelines



Investment Policy Statement Review and Modifications

- **Step 1** - Restructure existing IPS according to sample structure from CFA Institute
 - **Introduction:** Describes the client (TRS)
 - **Statement of Purpose:** States purpose of IPS
 - **Statement of Duties and Responsibilities:** Details duties and responsibilities of Board, Staff, Consultant, Investment Managers, Custodian and any other designated parties or fiduciaries having investment related functions
 - **Procedures:** Details steps to keep IPS current and procedures to respond to various contingencies
 - **Investment Objectives:** Explains TRS investment objectives
 - **Investment Constraints:** Details factors that constrain TRS in seeking to achieve objectives
 - **Investment Guidelines:** Details how policy is to be executed with a focus on what is permissible and what is prohibited e.g. usage of leverage or derivatives any excluded asset types
 - **Evaluation and Review:** Guidance on obtaining feedback on investment results (*process for monitoring progress toward objectives within constraints*)
 - **Appendices:** Strategic asset allocation, rebalancing policy, (granted exceptions, investment benchmarks) - *generally for items that may require periodic adjustments, items that may be temporary in nature or special situations.*



Investment Policy Statement Review and Modifications

Step 1 - Restructure existing IPS according to sample structure from CFA Institute

CFA Institute Sample Structure

- I. Introduction
- II. Statement of Purpose
- III. Statement of Duties and Responsibilities
- IV. Procedures
- V. Investment Objectives
- VI. Investment Constraints
- VII. Investment Guidelines
- VIII. Evaluation and Review
- Appendices

TRS IPS as drafted 11/17/15

- I. Introduction and Statement of Purpose
- II. Statement of Duties and Responsibilities
- III. Procedures
- IV. Investment Objectives
- V. Investment Guidelines and Constraints
- VI. Evaluation and Review
- Appendices



Investment Policy Statement Review and Modifications

Progress and remaining steps

- ✓ Step 1 - *IPS Draft 1*; Restructure existing IPS according to sample structure from CFA Institute (11/18/15)
- *Step 2 - IPS Draft 2*; Review and revise as necessary proscribed processes and procedures with a focus on section VII. Evaluation and Review
- *Step 3 - IPS Final Draft*; Review and revise as necessary objectives, constraints and guidelines