



OKLAHOMA TEACHERS

RETIREMENT SYSTEM

BOARD OF TRUSTEES

REGULARLY SCHEDULED
MEETING

JANUARY 22, 2014

MEETING MATERIALS

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, January 22, 2014 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE DECEMBER 18, 2013, REGULAR BOARD MEETING.**
- 3. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Wellington Management Company (ISC)
 - B. Wasatch Advisors (ISC)
- 5. 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***
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON GOVERNANCE COMMITTEE REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION ON AUDIT COMMITTEE REPORT AND THE FOLLOWING ITEM:**
 - a. Audit – Assessment of Controls for Accounts Payable and Human Resource Process conducted by Stinnett & Associates
- 9. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR SEARCH COMMITTEE REPORT**
- 10. DISCUSSION AND POSSIBLE ACTION ON OPERATIONS AND EMPLOYER REPORT**
- 11. DISCUSSION AND POSSIBLE ACTION ON CLIENT SERVICES REPORT**
- 12. DISCUSSION AND POSSIBLE ACTION ON FINANCE REPORT**
- 13. DISCUSSION AND POSSIBLE ACTION ON ASSISTANT EXECUTIVE DIRECTOR REPORT**
- 14. DISCUSSION AND POSSIBLE ACTION TO AMEND INVESTMENT POLICY STATEMENT**

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, January 22, 2014 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA (continued)

- 15. DISCUSSION AND POSSIBLE ACTION ON PROMULGATION OF PERMANENT RULES: 715-10-3-1 AMENDED**
- 16. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 17. NEW BUSINESS**
- 18. ADJOURNMENT**

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

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

TRUSTEES PRESENT:

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

TRUSTEES ABSENT:

Philip Lewis
Billie Stephenson

TRS STAFF PRESENT:

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

LEGAL COUNSEL PRESENT:

Julie Ezell, *Assistant Attorney General*

OTHERS PRESENT:

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

*Denotes late arrival or early departure.

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

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

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

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

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

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

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

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

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

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

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

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

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

Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson. Mr. Meyers was absent for the vote.

A break was taken from 10:43 a.m. to 10:55 a.m.

ITEM 9 – GOVERNANCE COMMITTEE REPORT: Dr. Trennepohl, Chairman of the Governance Committee, presented his report to the Board. No action was necessary.

ITEM 10 – LEGAL REPORT: Julie Ezell, legal counsel to the Board, presented her report to the Board. Ms. Kerr asked that Ms. Ezell be included as part of the OTRS Directors' meetings so she could report back 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. Winters with a second made by Mr. Gaddis 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, Mr. Meyers, Mr. Oster, Mr. Peacher, 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. No action was necessary.

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

ITEM 14 – EXECUTIVE DIRECTOR SEARCH: Mr. Dickson said Dr. Trennepohl would be serving as Chairman of the Executive Director Search Committee. He said other Trustees serving on the committee were Mr. Peacher and Mr. Florence, with Mr. Dickson serving as ex-officio. Dr. Trennepohl asked staff to provide the committee with a copy of the current job description. He also said the committee would weigh the benefits of using a search firm to aid in the process. No action was necessary.

A break for lunch was taken from 11:49 a.m. to 12:12 p.m.

ITEM 15 – LETTER FROM PROFESSIONAL OKLAHOMA EDUCATORS: Grant Rohlmeier, Manager of Operations and Investments, reviewed the letter from Profession Oklahoma Educators regarding the OTRS policy on docked days of pay and service credit. He explained that the current policy said any member who received a dock in pay, even if the dock was only part of the salary, would lose a day of service credit. POE's letter had requested this policy be changed to allow members to earn a full day of service credit for partially docked days of pay. After extensive discussion, the Board asked Mr. Rohlmeier and Ms. Ezell to bring a revised policy to the Board in January 2014 for review. No action was necessary.

ITEM 16 – EXECUTIVE SESSION RELATING TO THE BOND OF THE EXECUTIVE DIRECTOR: A motion was made by Mr. Florence with a second made by Ms. Kerr to resolve into Executive Session at 1:05 p.m. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

After extensive discussion, no action was taken during the Executive Session.

A motion was made by Ms. Geiger with a second by Mr. Gaddis to adjourn from Executive Session and return to Open Session at 1:43 p.m. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms.

Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

A motion was made by Dr. Winters with a second by Mr. Gaddis to direct Ms. Ezell to proceed with the issues as discussed in Executive Session. The motion carried by a unanimous vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 17 – QUESTIONS AND COMMENTS FROM TRUSTEES: The Trustees welcomed Andrew Oster to the Board.

ITEM 18 – NEW BUSINESS: There was no new business from the Board.

ITEM 19 – ADJOURNMENT: There being no further business, a motion was made by Mr. Gaddis with a second made by Dr. Winters 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, Mr. Peacher, Dr. Trennepohl, Dr. Winters, and Chairman Dickson. The meeting was adjourned at 1:50 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 January 22, 2014.

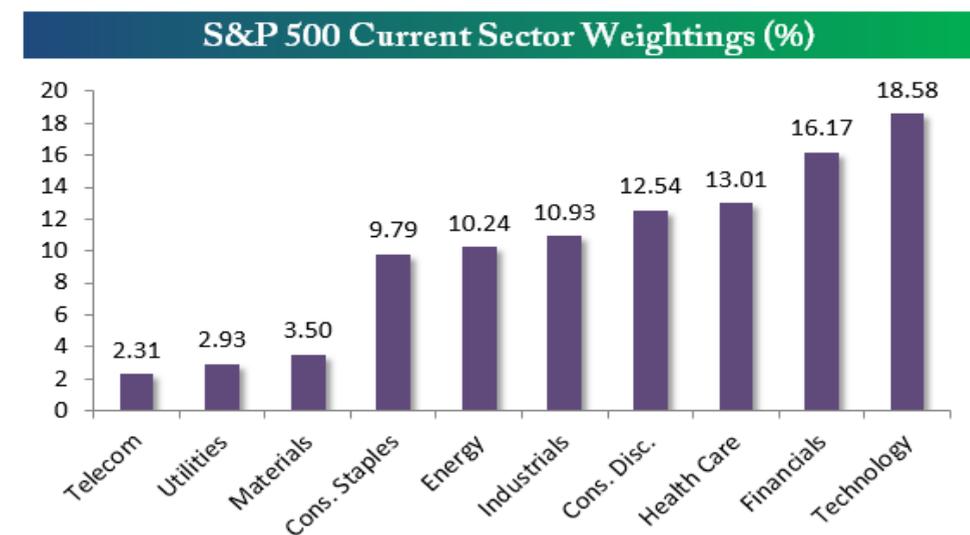
BY: _____
Susan Yingling, Executive Assistant to the Executive Director

December 2013 - Market Performance Update

Positive End to an Incredible Year

Equity Total Returns				
Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	3.2	29.7	15.7	16.7
NASDAQ (prc chg only)	2.9	38.3	16.3	21.5
S&P 500 cap weighted	2.5	32.4	16.2	17.9
S&P 500 equal weighted	2.9	36.2	17.0	23.3
S&P Mid Cap	3.1	33.5	15.6	21.9
S&P Small Cap	1.5	41.3	18.4	21.4
S&P REIT	0.2	2.4	9.4	16.7
Alerian MLP	1.6	27.6	15.0	29.6
Russell 1000 Growth	2.9	33.5	16.5	20.4
Russell 1000 Value	2.5	32.5	16.1	16.7
Russell Mid Cap Growth	3.2	35.7	15.6	23.4
Russell Mid Cap Value	2.7	33.5	16.0	21.2
Russell 2000 Growth	2.1	43.3	16.8	22.6
Russell 2000 Value	1.9	34.5	14.5	17.6
Russell Top 200	2.6	32.4	16.5	17.2
Russell 1000	2.7	33.1	16.3	18.6
Russell Mid Cap	3.0	34.8	15.9	22.4
Russell 2500	2.5	36.8	16.3	21.8
Russell 2000	2.0	38.8	15.7	20.1
MSCI World Ex US	1.5	21.0	7.3	12.5
MSCI World Ex US Growth	1.7	20.5	6.7	12.4
MSCI World Ex US Value	1.3	21.5	8.0	12.5
MSCI EAFE	1.5	22.8	8.2	12.4
MSCI Emerging Markets	-1.5	-2.6	-2.1	14.8

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	-1.9	-12.7	5.5	2.3
BC US Agg	-0.6	-2.0	3.3	4.4



U.S. Economic Estimates (source: Bloomberg)			
Country/Region	2013	2014	2015
Real GDP Growth	2.0%	3.0%	3.3%
CPI	1.5%	1.8%	2.0%
Unemployment	7.0%	6.5%	6.2%

Global Growth GDP Estimates (source: Bloomberg)			
Country/Region	2013	2014	Change
World	2.1%	2.9%	0.8%
Euro Area	-0.4%	1.0%	1.4%
U.S.	2.0%	3.0%	1.0%
U.K.	1.4%	2.5%	1.1%
Australia	2.5%	2.7%	0.2%
China	7.6%	7.5%	-0.1%
Japan	1.8%	1.6%	-0.2%

The domestic equity market sprinted higher into the end of the calendar year. Domestic stocks outperformed international stocks and bonds during December. Trailing year returns for domestic equity indexes were incredibly strong. Returns ranged from 32% to 43%.

International shares posted mixed returns during December. Developed markets posted modest gains while emerging markets suffered another month of losses. Trailing year returns were strong for developed markets, while emerging markets suffered a loss for both the last one and three year period.

Fixed income returns were again negative during December. Rising interest rates pushed bond prices lower. Trailing year returns were also negative. 91 Day Treasury Bill returns remained slightly positive for all observation periods.

Manager Profile - Wasatch Advisors



Asset Class:	International Small Cap Equity
Status:	In Compliance
Portfolio Size:	\$201,925,540
Inception Date:	12/1/2011
Allocation:	1.5%
Annual Management Fee:	0.90%
Location:	Salt Lake City, UT
Structure:	Privately Held
Represented by:	Rodger Edgley Kitty Swenson

Notes:

Wasatch manages international small cap equities with a preference for growing companies. The firm uses extensive quantitative tools to identify attractive investment opportunities.

Founded: 1975
Firm AUM: \$19.3 Billion
Product AUM: \$2.0 Billion

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Wasatch International Small Cap Equity	29.9	-	-	-	30.4	3.2	1.9
MSCI EAFE Small Cap	22.3	9.5	18.5	9.3	29.3	5.9	2.3

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Wasatch International Small Cap Equity	76	\$3,013	1.3%	32.5	7.6
MSCI EAFE Small Cap	-	\$1,779	-	14.8	1.4

Manager Profile - Wellington Management Company



Asset Class:	International Small Cap Equity	Notes:
Status:	In Compliance	Wellington's internationally small cap equity team operates as a distinct unit within the organization.
Portfolio Size:	\$211,643,615	They seek attractively valued, high quality, growing companies.
Inception Date:	12/1/2011	
Allocation:	1.6%	
Annual Management Fee:	0.98%	
Location:	Boston, MA	
Structure:	Privately Held	
Represented by:	Alexander Grant Simon Thomas	Founded: 1979 Firm AUM: \$834 Billion Product AUM: \$1.3 Billion

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Wasatch International Small Cap Equity	29.9	-	-	-	37.3	7.5	2.6
MSCI EAFE Small Cap	22.3	9.5	18.5	9.3	29.3	5.9	2.3

Risk Characteristics	Number of Holdings	Average Mkt Cap	Dividend Yield	P/E Ratio	P/B Ratio
Wasatch International Small Cap Equity	131	\$3,149	1.6%	16.4	20.0
MSCI EAFE Small Cap	-	\$1,779	-	14.8	1.4

Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	New Target Percentage	Difference	Notes
All Cap/Large Cap	2,820,566,052	21.4%	17.0%	4.4%	Excess allocation bound for Private Equity and Real Estate
Mid Cap	1,899,308,009	14.4%	13.0%	1.4%	
Small Cap	1,386,589,536	10.5%	10.0%	0.5%	
Total Domestic Equity	6,106,463,597	46.4%	40.0%	6.4%	
Large Cap International Equity	1,509,509,182	11.5%	11.5%	0.0%	
Small Cap International Equity	827,504,446	6.3%	6.0%	0.3%	
Total International Equity	2,337,013,628	17.8%	17.5%	0.3%	
Core Fixed Income	1,971,289,647	15.0%	17.5%	-2.5%	
High Yield Bonds	737,018,340	5.6%	6.0%	-0.4%	Two searches underway
MLPs	962,428,747	7.3%	7.0%	0.3%	
Private Equity	290,083,798	2.2%	5.0%	-2.8%	
Real Estate	546,204,481	4.1%	7.0%	-2.9%	
Opportunistic Assets	170,970,923	1.3%	0.0%	1.3%	
Total Non-Core Assets	2,706,706,289	20.6%	25.0%	-4.4%	
Cash	41,652,656	0.3%	0.0%	0.3%	
Composite	13,163,190,910	100.0%	100.0%	0.0%	

Total Fund + Class Composite Summary

As of December 31, 2013

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	13,163,190,910	12/1/1991	22.1	9.8	8.6	15.8	12.8	24.0	13.5	6.9	1.9
Total Fund (Net of Fees)				9.4	8.2	15.4	12.4	23.6	13.1	6.7	1.9
<i>Allocation Index</i>				9.5	7.5	14.2	11.1	19.3	10.9	5.4	1.3
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	6,106,463,597 S&P 500 46.4%	4/1/1990	23.8	11.1	9.0	20.9	16.6	39.2	19.0	10.1	2.7
				9.7	7.4	17.9	16.2	32.4	16.3	10.5	2.5
Total All Cap Equity	882,765,910 Russell 3000 6.7%	9/1/2006	7.3	7.6	-	18.1	15.9	36.1	16.7	9.7	2.9
				7.5	-	18.7	16.2	33.6	17.1	10.1	2.6
Total Large Cap Active Equity	1,035,689,499 S&P 500 7.9%	1/1/1995	19.0	10.6	7.7	19.4	18.4	38.2	17.6	10.4	2.3
				9.7	7.4	17.9	16.2	32.4	16.3	10.5	2.5
Total Mid Cap Equity	1,899,308,009 Russell Mid Cap 14.4%	11/1/1998	15.2	10.6	11.3	24.3	17.4	42.7	20.4	9.9	3.1
				9.9	10.2	22.4	15.9	34.8	16.7	8.4	3.0
Total Small Cap Equity	1,386,589,536 Russell 2000 10.5%	2/1/1998	15.9	9.9	9.7	21.8	14.4	43.2	21.9	10.4	2.7
				7.9	9.1	20.1	15.7	38.8	19.8	8.7	2.0
Total International Equity	2,337,013,628 MSCI ACWI ex-US 17.8%	2/1/1998	15.9	9.6	8.3	13.6	9.4	24.5	18.5	5.5	1.6
				-	8.0	13.3	5.6	15.8	15.5	4.8	0.9
Core Fixed Income (ex- High Yield)	1,971,289,647 Barclays Aggregate 15.0%	4/1/1990	23.8	6.5	6.5	8.8	6.1	0.1	2.1	1.3	0.0
				-	4.6	4.4	3.3	-2.0	0.4	-0.1	-0.6
Master Limited Partnerships	962,428,747 Alerian MLP Index 7.3%	2/28/2011	2.8	19.8	-	-	-	38.7	10.0	9.5	3.9
				14.3	-	-	-	27.6	4.5	5.3	1.6
High Yield Bonds	737,018,340 ML High Yield II 5.6%	2/1/2009	4.9	16.3	-	-	9.2	7.3	5.6	3.3	0.6
				17.8	-	-	9.0	7.4	5.8	3.5	0.6
Core Real Estate	546,204,481 NCREIF 4.1%	4/1/2011	2.8	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
Cash	41,652,656 91 Day T-bill 0.3%	4/1/1990	23.8	-	-	-	-	-	-	-	-
				-	1.7	0.1	0.1	0.1	0.0	0.0	0.0

Equity Portfolios Summary

As of December 31, 2013



	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
All Cap / Large Cap Domestic												
Hotchkis & Wiley Large Cap	537,380,410	4/1/1990	23.8	11.2	7.4	22.2	18.0	40.8	16.6	9.7	2.1	
Russell 1000 Value	4.1%			10.2	7.6	16.7	16.1	32.5	14.3	10.0	2.5	
Sawgrass	498,309,088	7/1/2006	7.5	8.8	-	19.2	19.1	35.5	18.7	11.2	2.5	
Russell 1000 Growth	3.8%			9.1	-	20.4	16.5	33.5	19.4	10.4	2.9	
ARI All Cap	440,050,593	9/1/2006	7.3	6.6	-	17.1	15.7	34.9	15.3	9.1	2.8	
Russell 3000 Value	3.3%			7.5	-	18.7	16.2	33.6	17.1	10.1	2.6	
EPOCH All Cap	442,715,318	9/1/2006	7.3	8.3	-	18.9	16.1	37.4	18.1	10.2	3.0	
Russell 3000 Value	3.4%			7.5	-	18.7	16.2	33.6	17.1	10.1	2.6	
Passive Domestic Equity												
NT Cap Weighted Passive	444,486,546	4/1/2012	1.8	19.9	-	-	-	32.0	16.0	10.2	2.3	
S&P 500 Cap Weighted	3.4%			19.4	7.4	17.9	16.2	32.4	16.3	10.5	2.5	
SSGA Eq Weighted Passive	457,624,097	4/1/2012	1.8	23.2	-	-	-	35.7	16.9	9.6	2.8	
S&P 500 Equal Weighted	3.5%			-	9.8	23.3	17.0	36.2	-	9.9	2.9	
Mid Cap Domestic Equity												
Frontier Capital	480,684,355	6/1/2002	11.6	10.7	11.5	20.7	15.0	34.2	19.1	8.5	2.2	
Russell Mid Cap Growth	3.7%			9.7	9.8	23.4	15.6	35.7	18.3	8.2	3.2	
Wellington Management	453,158,014	9/1/1998	15.3	11.2	10.5	24.3	14.3	50.2	26.6	12.9	4.4	
Russell Mid Cap Growth	3.4%			9.1	9.8	23.4	15.6	35.7	18.3	8.2	3.2	
AJO Partners	494,116,163	8/1/1998	15.4	11.4	10.8	22.7	19.2	42.1	20.6	11.8	3.3	
Russell MidCap	3.8%			9.4	10.2	22.4	15.9	34.8	16.7	8.4	3.0	
Hotchkis & Wiley Mid Cap	471,349,477	8/1/2002	11.4	14.8	12.0	30.4	20.8	44.4	16.1	6.8	2.5	
Russell MidCap Value	3.6%			11.8	10.3	21.2	16.0	33.5	15.0	8.6	2.7	
Small Cap Domestic Equity												
Shapiro Capital Management	632,827,093	2/1/1998	15.9	11.1	13.1	27.5	17.7	45.7	24.3	12.7	4.5	
Russell 2000	4.8%			8.9	8.6	17.6	14.5	34.5	17.6	9.3	1.9	
Geneva Capital	196,769,910	6/1/2013	0.6	23.6	-	-	-	-	23.4	7.9	0.4	
Russell 2000 Growth	1.5%			21.3	-	-	-	-	17.6	9.3	1.9	
Wasatch Advisors	185,239,326	6/1/2013	0.6	14.7	-	-	-	-	17.4	6.7	2.4	
Russell 2000 Growth	1.4%			21.3	-	-	-	-	17.6	9.3	1.9	
Cove Street Capital	107,693,863	6/1/2013	0.6	18.9	-	-	-	-	20.6	10.2	0.9	
Russell 2000 Value	0.8%			17.1	-	-	-	-	17.6	9.3	1.9	
Frontier Capital	153,123,137	6/1/2013	0.6	14.5	-	-	-	-	18.9	9.9	1.7	
Russell 2000 Value	1.2%			17.1	-	-	-	-	17.6	9.3	1.9	
Neumeier Poma	110,936,208	6/1/2013	0.6	20.0	-	-	-	-	19.2	9.2	0.5	
Russell 2000 Value	0.8%			17.1	-	-	-	-	17.6	9.3	1.9	
International Large Cap Equity												
Causeway Capital	541,240,746	5/1/2003	10.7	11.4	8.8	15.9	10.3	21.8	18.3	6.3	1.2	
MSCI ACWI Ex US	4.1%			10.2	7.4	13.0	8.7	23.3	18.0	5.8	1.5	
International Transition Account	50,761,827	-	-	-	-	-	-	-	-	-	-	
MSCI ACWI Ex US	0.4%			-	-	-	-	-	-	-	-	
Northern Trust Passive	424,823,674	9/1/2013	0.3	6.2	-	-	-	-	-	5.7	1.5	
MSCI EAFE	3.2%			-	6.9	12.4	8.2	22.8	13.5	5.7	1.5	
Thornburg	492,321,636	12/1/2005	8.1	7.6	-	13.5	6.2	16.8	15.1	4.4	1.3	
MSCI ACWI Ex US	3.7%			5.6	-	13.0	8.7	23.3	18.0	5.8	1.5	
International Small Cap Equity												
ARI Small Cap International	205,984,879	12/1/2011	2.1	22.4	-	-	-	26.0	18.7	6.1	1.8	
MSCI EAFE Small Cap	1.6%			22.3	9.5	18.5	9.3	29.3	22.4	5.9	2.3	
Epoch Small Cap International	207,950,412	12/1/2011	2.1	22.1	-	-	-	31.6	22.8	7.9	2.2	
MSCI EAFE Small Cap	1.6%			22.3	9.5	18.5	9.3	29.3	22.4	5.9	2.3	
Wasatch Small Cap International	201,925,540	12/1/2011	2.1	29.9	-	-	-	30.4	17.0	3.2	1.9	
MSCI EAFE Small Cap	1.5%			22.3	9.5	18.5	9.3	29.3	22.4	5.9	2.3	
Wellington Small Cap International	211,643,615	12/1/2011	2.1	29.9	-	-	-	37.3	23.9	7.5	2.6	
MSCI EAFE Small Cap	1.6%			22.3	9.5	18.5	9.3	29.3	22.4	5.9	2.3	

Fixed Income Portfolios Summary

As of December 31, 2013



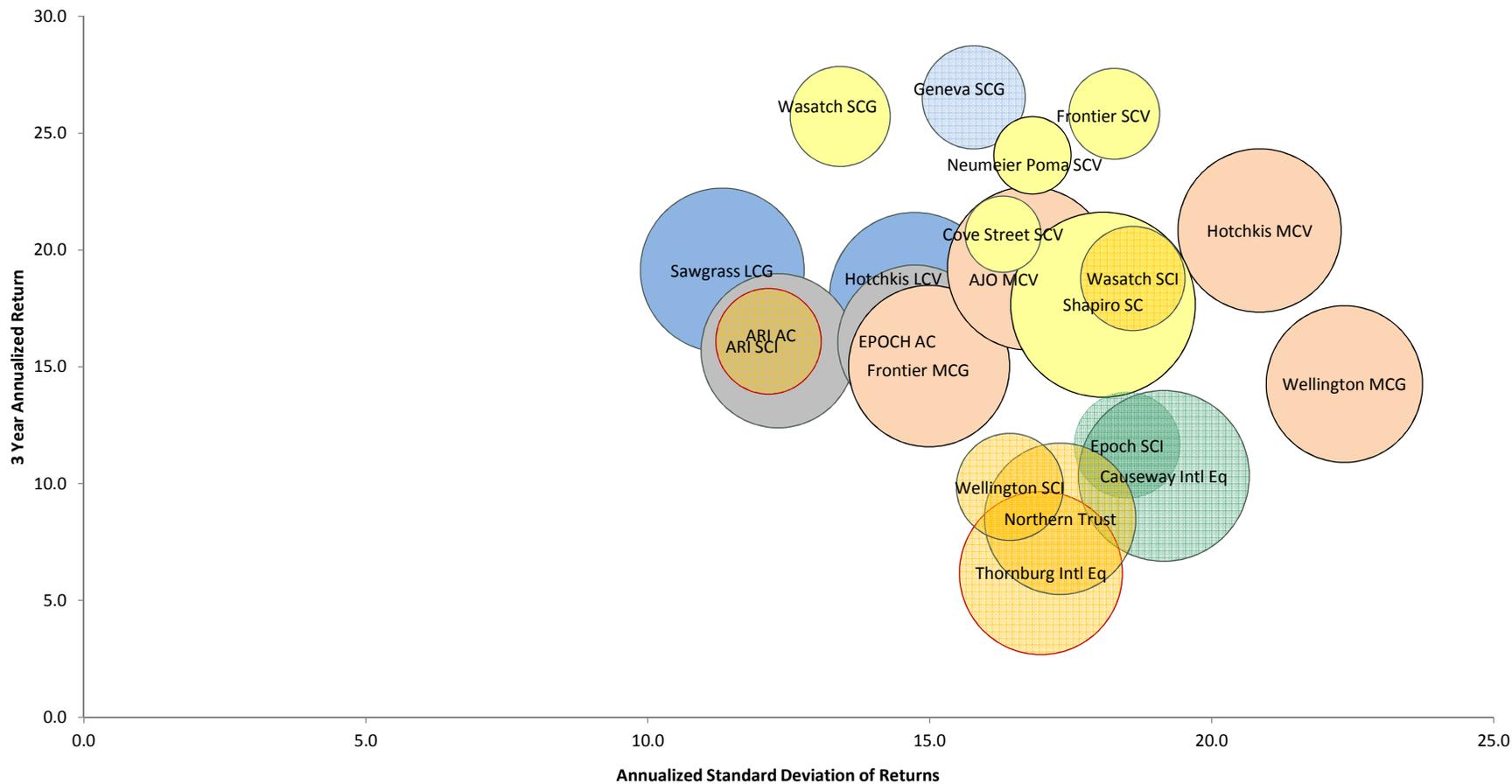
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month	
Core Fixed Income												
Loomis Sayles	576,372,356	8/1/1999	14.4	7.1	7.4	10.0	6.6	-0.2	2.5	1.6	-0.2	
<i>Barclays Aggregate</i>	4.4%			5.6	4.6	4.4	3.3	-2.0	0.4	-0.1	-0.6	
Lord Abbett	573,697,387	11/1/2004	9.2	6.0	-	8.2	5.3	-0.6	1.3	0.6	-0.3	
<i>Barclays Aggregate</i>	4.4%			4.5	-	4.4	3.3	-2.0	0.4	-0.1	-0.6	
Mackay Shields	575,728,282	11/1/2004	9.2	6.4	-	8.2	6.5	1.2	2.4	1.6	0.4	
<i>Barclays Aggregate</i>	4.4%			4.5	-	4.4	3.3	-2.0	0.4	-0.1	-0.6	
Active Duration Fixed Income												
Hoisington	245,491,622	11/1/2004	9.2	6.7	-	0.9	6.9	-16.3	-6.9	-3.7	-2.2	
<i>Barclays Aggregate</i>	1.9%			4.5	-	4.4	3.3	-2.0	0.4	-0.1	-0.6	
High Yield Fixed Income												
Loomis Sayles High Yield	244,304,957	2/1/2009	4.9	16.2	-	-	7.9	5.4	4.9	3.0	0.4	
<i>Merrill Lynch High Yield II</i>	1.9%			17.8	-	-	9.0	7.4	5.8	3.5	0.6	
Lord Abbett High Yield	245,865,373	2/1/2009	4.9	17.3	-	-	10.5	10.0	6.8	3.9	0.9	
<i>Merrill Lynch High Yield II</i>	1.9%			17.8	-	-	9.0	7.4	5.8	3.5	0.6	
Mackay Shields High Yield	246,848,010	2/1/2009	4.9	15.2	-	-	9.2	6.6	5.1	3.0	0.5	
<i>Merrill Lynch High Yield II</i>	1.9%			17.8	-	-	9.0	7.4	5.8	3.5	0.6	

Non-Traditional Portfolios Summary

As of December 31, 2013

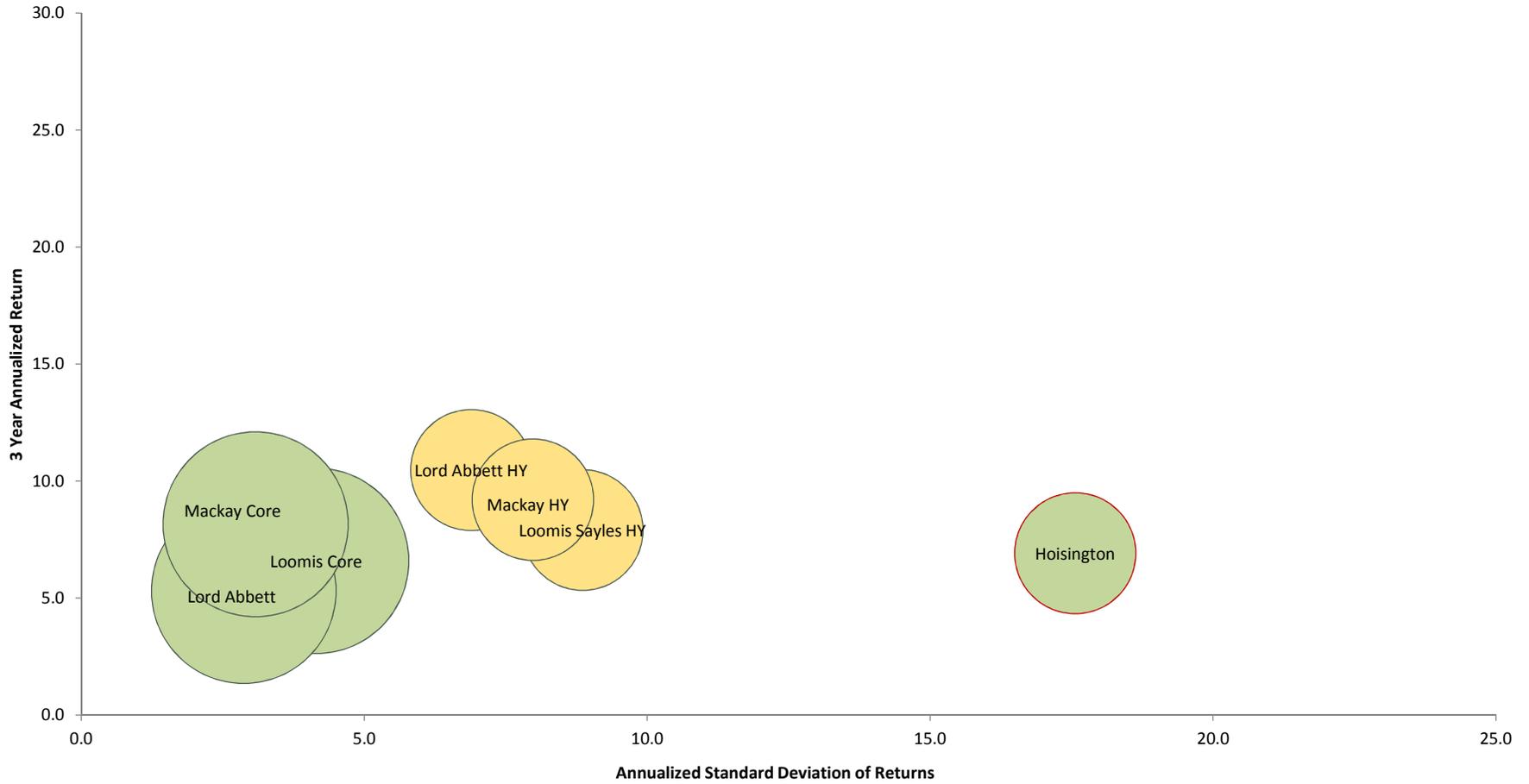
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Master Limited Partnerships											
Chickasaw Capital MLP	321,264,544	2/28/2011	2.8	27.8	-	-	-	49.7	15.7	13.8	4.9
<i>Alerian MLP Index</i>	2.4%			14.3	-	-	-	27.6	4.5	5.3	1.6
Cushing MLP Management	320,133,222	2/28/2011	2.8	20.8	-	-	-	44.7	13.3	11.7	4.7
<i>Alerian MLP Index</i>	2.4%			14.3	-	-	-	27.6	4.5	5.3	1.6
FAMCO MLP	321,030,982	2/28/2011	2.8	14.3	-	-	-	28.9	4.5	5.5	2.5
<i>Alerian MLP Index</i>	2.4%			14.3	-	-	-	27.6	4.5	5.3	1.6
Private Equity											
Legacy Private Equity Portfolio	73,768,418	10/1/2008	5.3	-	-	-	-	-	-	-	-
Franklin Park Private Equity	216,315,380	4/1/2010	3.8	-	-	-	-	-	-	-	-
	2.2%										
Real Estate											
AEW Real Estate	182,265,413	5/1/2011	2.7	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.4%			-	-	-	-	-	-	-	-
Heitman Real Estate	192,671,534	5/1/2011	2.7	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	171,267,534	4/1/2011	2.8	-	-	-	-	-	-	-	-
<i>NCREIF - OEDCE</i>	1.3%			-	-	-	-	-	-	-	-
Opportunistic Fixed Income											
PIMCO BRAVO	148,998,679	3/31/2011	2.8	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	1.1%			-	-	-	-	-	-	-	-
PIMCO BRAVO II	15,228,315	3/31/2013	0.8	-	-	-	-	-	-	-	-
<i>Barclays Aggregate</i>	0.1%			-	-	-	-	-	-	-	-

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.

International Small Cap Equity

22 January 2014

Simon Thomas Equity Portfolio Manager

Alexander (Zander) Grant Relationship Manager

Contents

Section One	Wellington Management Company LLP Update and Relationship Overview
Section Two	International Small Cap Equity Portfolio

Our distinctive strengths

A singular focus on investment management

Comprehensive capabilities

Rigorous proprietary research

Open, collaborative culture

Long-term perspective of a partnership structure

A commitment to bringing the right resources to each client



Our mission is simple: We seek to exceed the investment objectives and service expectations of our clients worldwide.

Wellington Management today

Diversified asset base

US\$799 billion in client assets under management

40% equity, 45% fixed income, 15% multi-strategy, 6% alternatives (across all asset classes)

Global resources

2,000+ employees

557 investment professionals

11 offices with investment and relationship personnel in key financial centers

Globally integrated research since 1972

Serving clients worldwide

2,100+ clients based in more than 50 countries



We serve as a trusted adviser and strategic partner to investors worldwide.

Teachers' Retirement System of Oklahoma

Relationship Review

12 August 1998

Oklahoma Teachers Retirement System retained Wellington Management Company, LLP to manage a portion of its pension fund assets in a Mid Cap Growth Portfolio

30 November 2011

Oklahoma Teachers Retirement System retained Wellington Management Company, LLP to manage a portion of its pension fund assets in an International Small Cap Equity Portfolio

International Small Cap Equity

Market Values

31 December 2012	\$98 million
.....	
7 August 2013: Contribution	55
.....	
3 September 2013: Contribution	12
.....	
31 December 2013	\$211 million

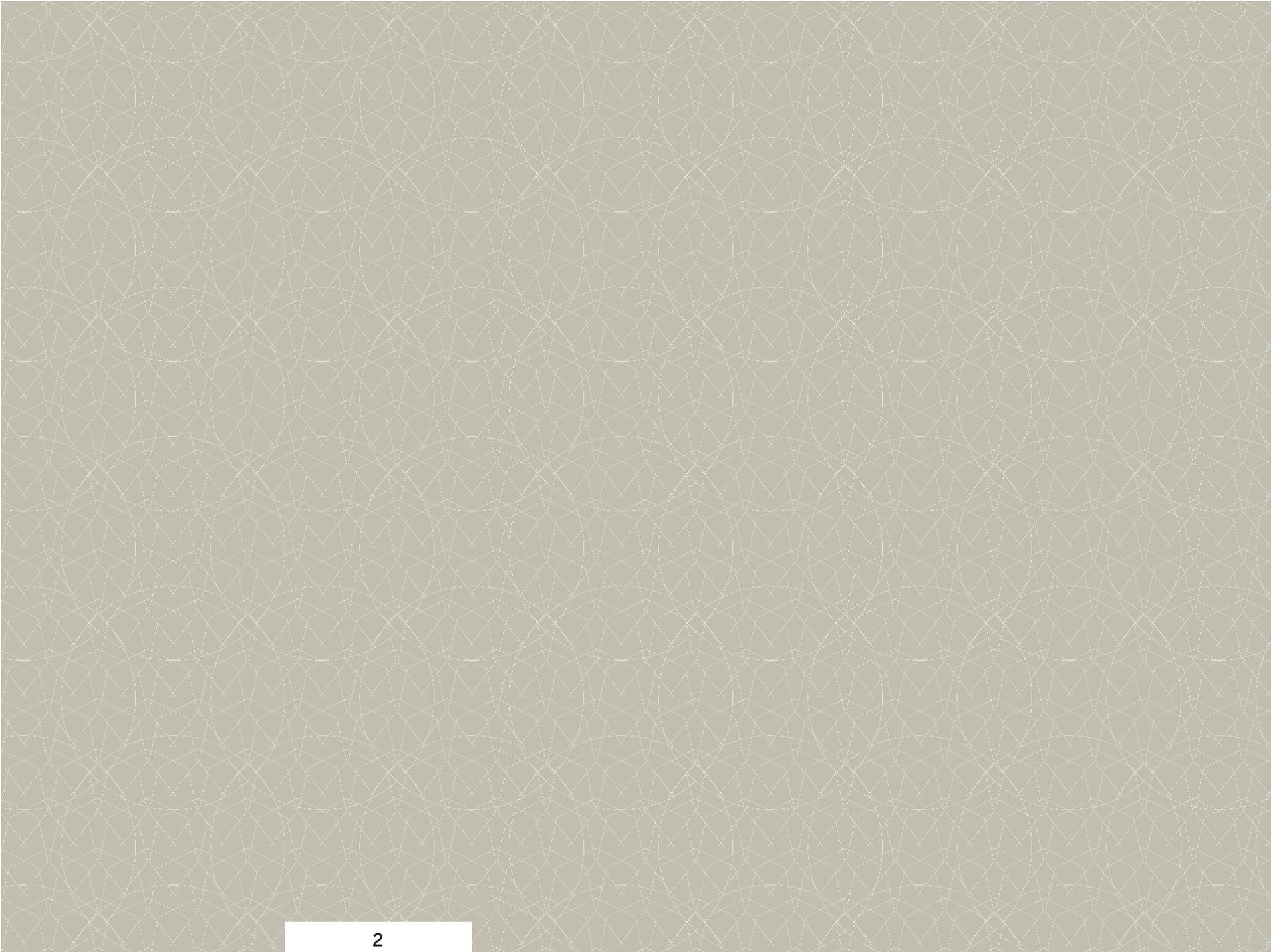
Teachers' Retirement System of Oklahoma

International Small Cap Equity

Investment returns (US\$) through 31 December 2013

	Annualized Returns				
	3 mos	6 mos	1 yr	2 yrs	Since Inception ¹
OTRS International Small Cap Equity Portfolio	7.5	23.8	37.2	31.9	31.9
S&P EPAC SmallCap	5.9	21.8	28.4	24.4	24.4
MSCI AC World ex US Small Cap	4.7	17.7	20.1	19.5	19.5
MSCI EAFE Small Cap	5.9	22.4	29.7	25.0	25.0
	2013		2012		
OTRS International Small Cap Equity Portfolio	37.2		26.8		
S&P EPAC SmallCap	28.4		20.4		
MSCI AC World ex US Small Cap	20.1		19.0		
MSCI EAFE Small Cap	29.7		20.4		

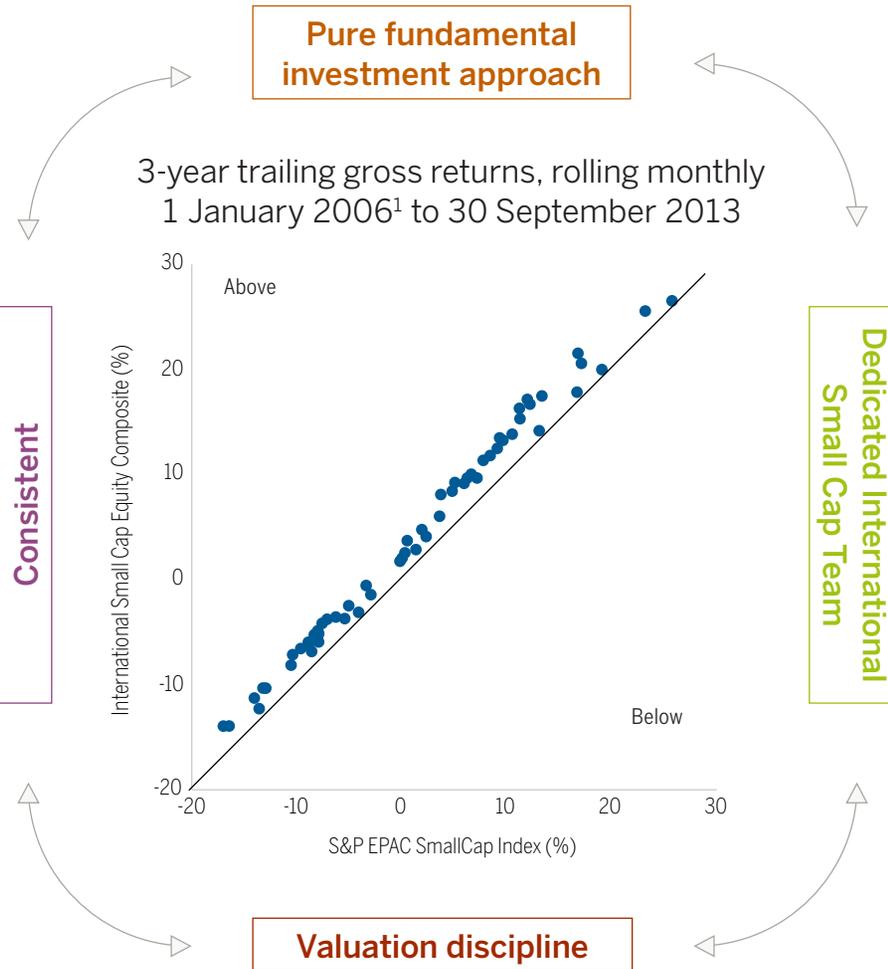
¹Inception date of the Portfolio is 31 December 2011. | Performance returns for periods less than one year are not annualized.



International Small Cap Equity

Distinguishing characteristics

¹Inception date of Simon Thomas' tenure as lead portfolio manager is 31 December 2005. | Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US\$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US\$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US\$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. Past performance is no guarantee of future results. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment.



International Small Cap Equity

Philosophy

We believe

A company's industry is more important to its stock price than its domicile

Small cap investors tend to be local or regional in their investment orientation

A disciplined approach to valuation centered on comparisons of companies within industries worldwide can identify valuation anomalies that locally-oriented managers can miss

A quality orientation leads to better downside protection, particularly in small cap markets, which are littered with companies with poor or declining fundamentals

International Small Cap Equity Investment Team



Simon H. Thomas
Senior Vice President

Equity Portfolio Manager
University of Chicago
2002, MBA
19 years of professional experience
11 years at Wellington Management



Daniel Maguire, CFA
Director

Backup Portfolio Manager and Equity Research Analyst
University of Birmingham
2000, MS
13 years of professional experience
9 years at Wellington Management



Braxton W. Zink, CFA
Vice President

Equity Research Analyst
Boston College (Carroll)
1998, MS
15 years of professional experience
6 years at Wellington Management



Antonio Trabocchi, CFA
Vice President

Equity Research Analyst
University of Florence
1998, MS
15 years of professional experience
9 years at Wellington Management



Ted A. Gilchrist
Director

Investment Director
University of Notre Dame
1996, BBA
16 years of professional experience
7 years at Wellington Management

International Small Cap Equity

Investment objective and approach

Objective	Seeks to outperform benchmark and peers over a 3-year period
	Seeks to generate strong absolute returns over the long term
Benchmark	S&P EPAC SmallCap Index or MSCI EAFE Small Cap Index
Approach	Seeks meaningful upside in each stock over a 3-year period
	Leverages Wellington Management's global research effort
	Applies a global valuation framework
	Focuses on differentiated insights
	Invests across the style spectrum

International Small Cap Equity

Team resources and organization of coverage



Simon Thomas

Energy; Materials; Industrials;
Commercial Services; Financials

Braxton Zink

Media; Transportation; Staples;
Consumer Services; Real Estate;
Telecommunications; Utilities

Antonio Trabocchi

Consumer Related

Daniel Maguire

Information Technology; Capital
Goods; Health Care; Insurance

Global Industry Analysts

50 members

Macroanalysts

7 members

Global Equity Traders

22 members

Other Equity Teams

As of 30 September 2013

International Small Cap Equity

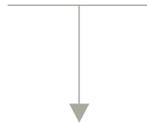
Investment discipline – What we buy

1 – Good businesses

High degree of recurring profitability

Sustainably high or growing Return on Invested Capital (ROIC)

Strong or improving balance sheets

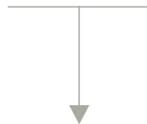


2 – Likely to beat expectations

Results should exceed expectations over a two-year time horizon

These companies tend to fall into two key categories

- Companies whose potential growth (both magnitude and duration) is underestimated by the market
- Companies that have been cast aside by the market but have an identifiable catalyst for recovery



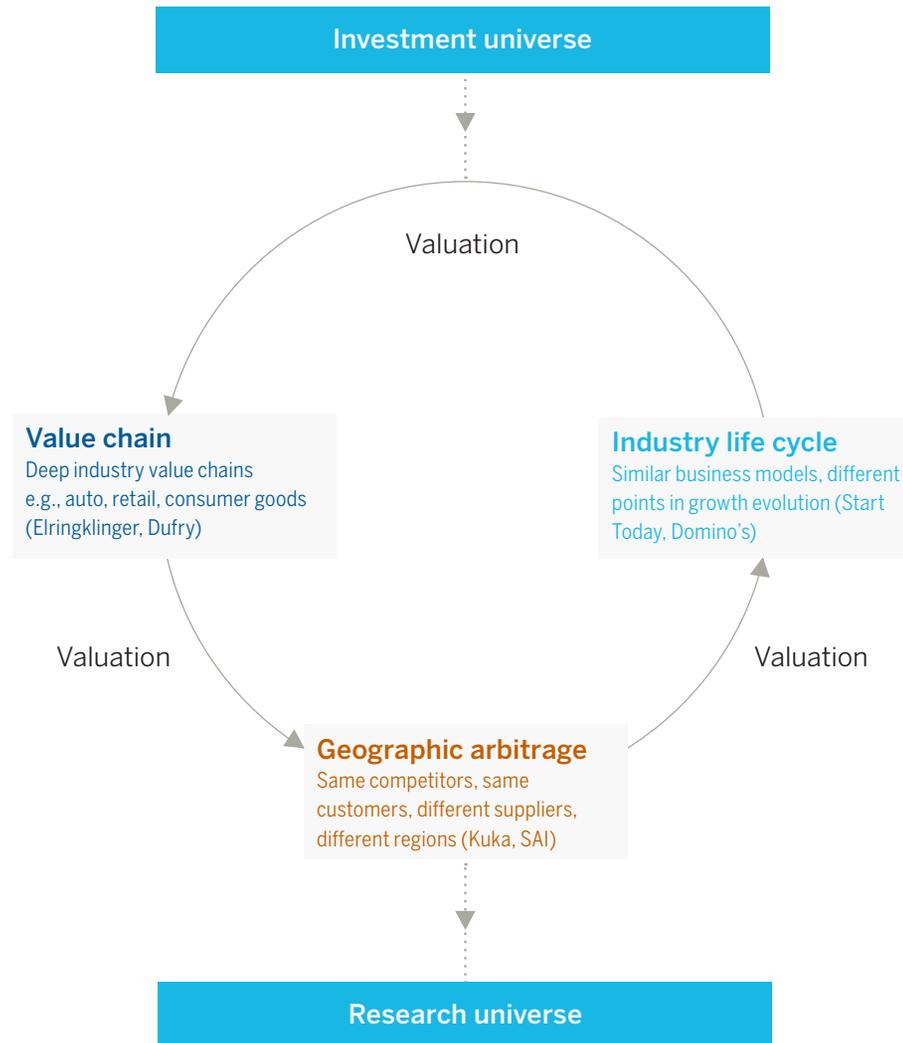
3 – Attractively valued

Attempt to find intrinsic value

Apply valuation framework globally: across regions and sectors

International Small Cap Equity

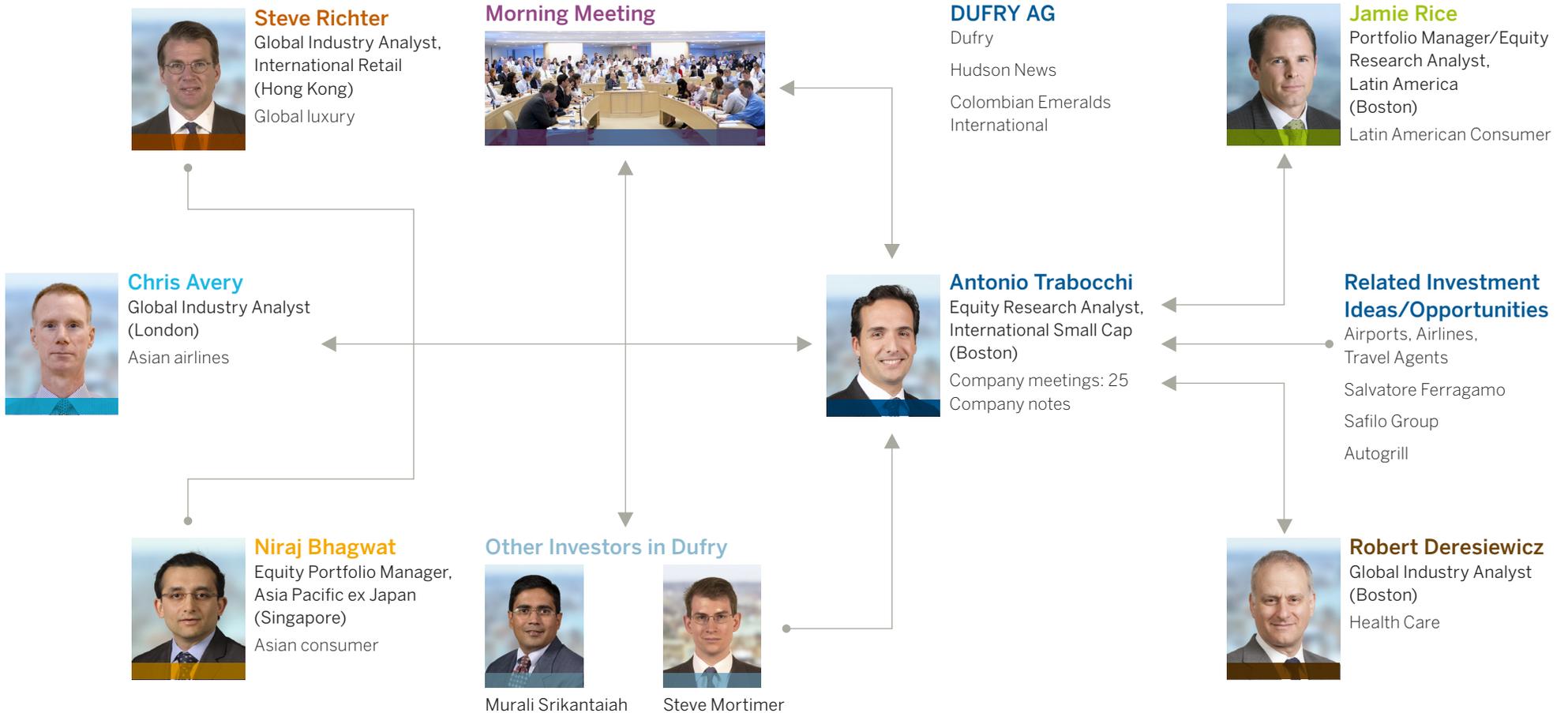
Structural areas of opportunity; smart way to narrow down research universe



The security shown was selected because it was deemed to be representative of the investment process. The specific security identified is not representative of all of the securities purchased, sold, or recommended for clients. It should not be assumed that an investment in the security identified has or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. Refer to the GIPS® compliant presentation provided in the attachment for information regarding the composite.

How do we define collaboration at Wellington Management?

Investment example: Dufry AG

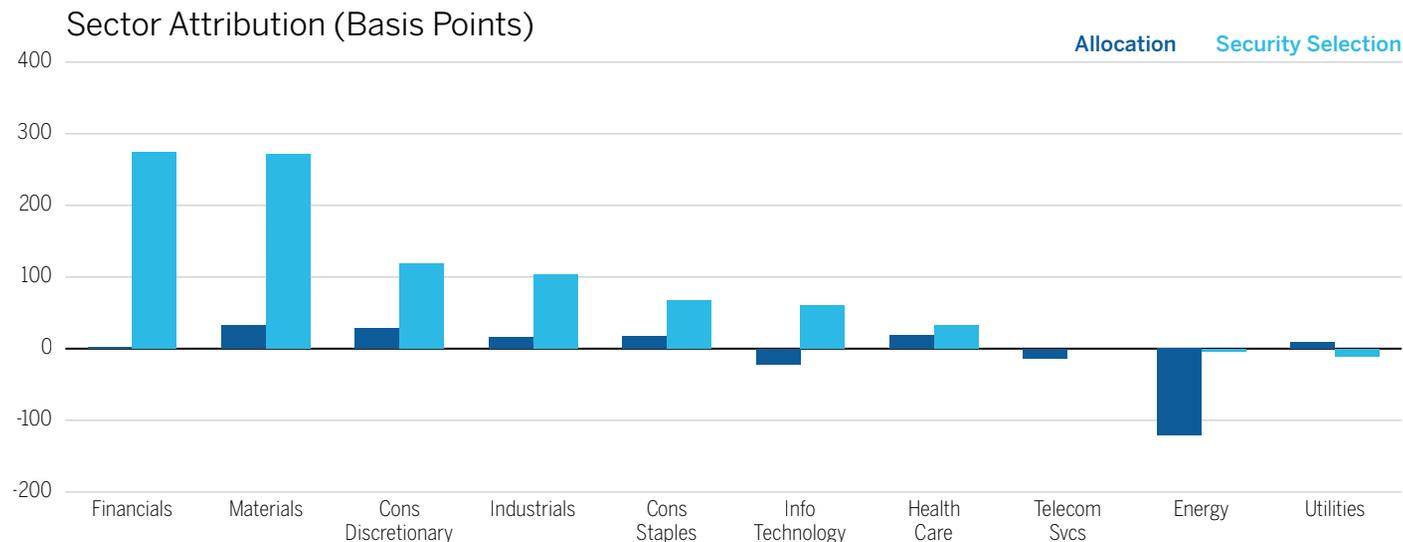


The specific securities identified are not representative of all of the securities purchased, sold, or recommended for clients. It should not be assumed that an investment in the securities identified has or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. Information shown is for a representative account which was selected by the firm because it was deemed to best represent this investment approach. Results for other advisory accounts may vary from the information shown. This supplemental information complements the GIPS® compliant presentation for the International Small Cap Equity Composite which is provided in the attachment.

Teachers' Retirement System of Oklahoma – ISCE

Performance review: Year-to-date through 31 December 2013

Portfolio: 37.2%; S&P EPAC SmallCap: 28.4%



Top Relative Contributors

Company	Sector	Relative Impact	End Weight
Safilo Group	Cons Discretionary	113 bps	0.0%
Kakaku.com	Info Technology	106	0.0
Nihon Nohyaku	Materials	83	0.6
Hino Motors	Industrials	78	0.0
Yoox	Cons Discretionary	77	0.0

Top Relative Detractors

Company	Sector	Relative Impact	End Weight
Indofood Agri Resources	Cons Staples	-54 bps	0.3%
STRATEC Biomedical	Health Care	-54	0.4
Whitehaven Coal Ltd	Energy	-52	0.0
Petroleum Geo-Serv	Energy	-51	0.4
Kongsberg Grup	Industrials	-49	1.2

Teachers' Retirement System of Oklahoma

International Small Cap Equity

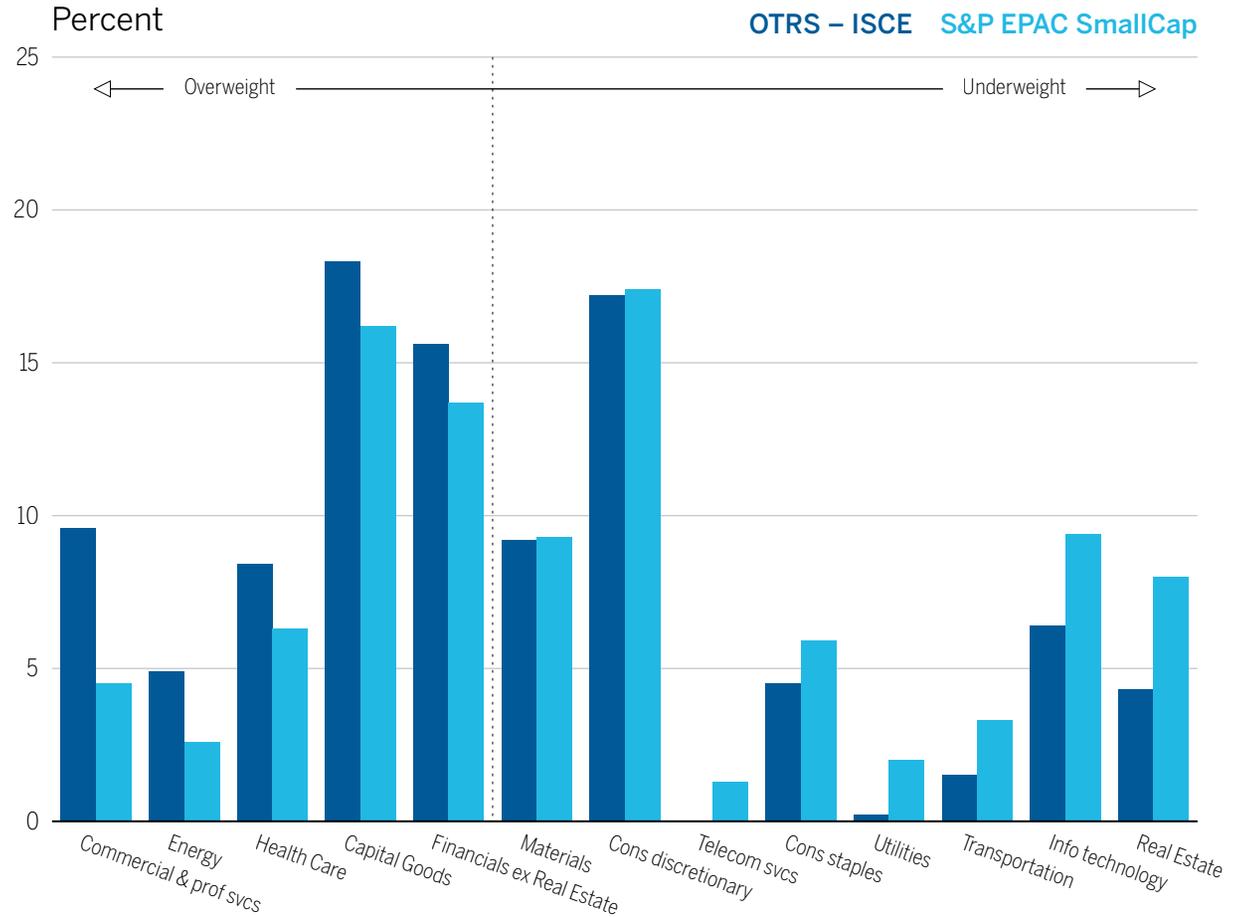
Top ten holdings as of 31 December 2013

Company	Industry	Country	% of Equities
Babcock International	Commercial & Prof Svcs	United Kingdom	2.0
Wendel	Diversified Financials	France	1.6
Imerys	Materials	France	1.5
Mitsubishi UFJ Lease	Diversified Financials	Japan	1.4
DSV	Transportation	Denmark	1.4
Direct Line Insuranc	Insurance	United Kingdom	1.3
SCSK	Software & Svcs	Japan	1.3
Amada	Capital Goods	Japan	1.2
Groupe Fnac	Retailing	France	1.2
Eurazeo	Diversified Financials	France	1.2
Total of Top Ten			14.3

Number of Equity Names: 131

Teachers' Retirement System of Oklahoma

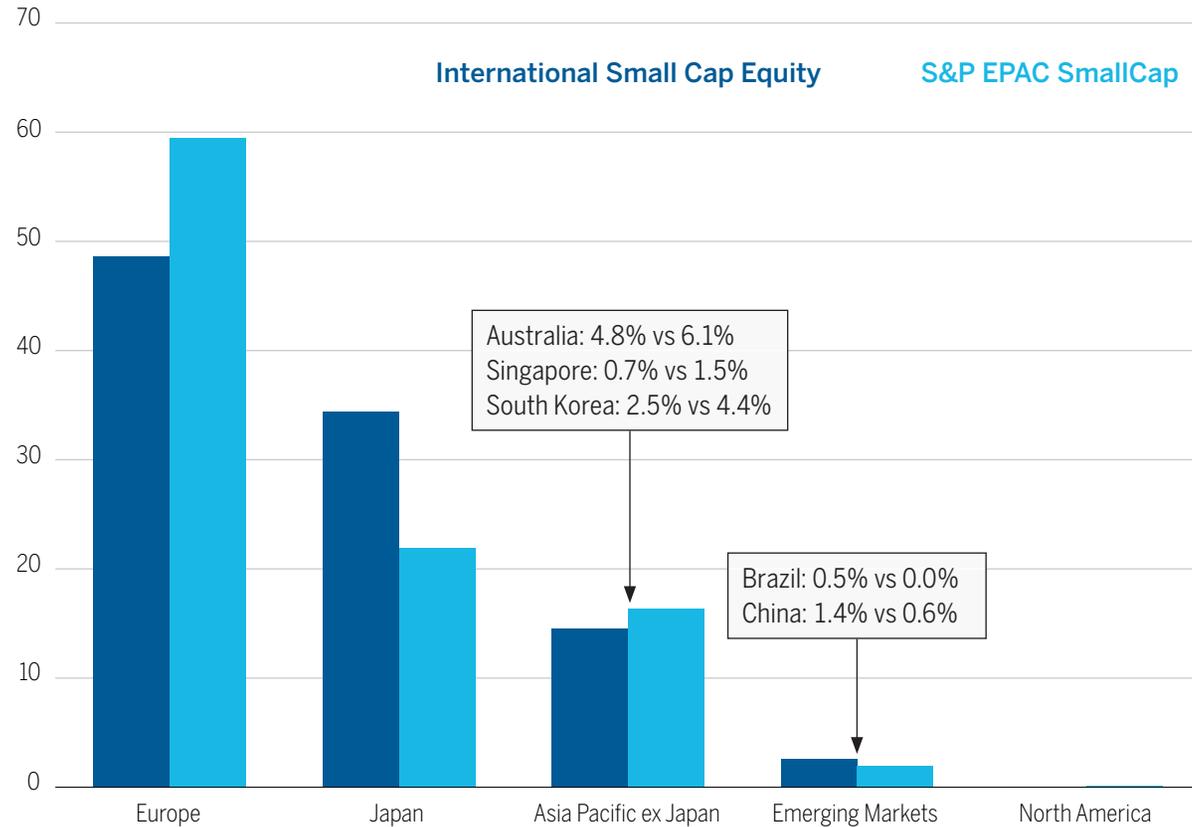
International Small Cap Equity
Sector weights as of 31 December 2013



Teachers' Retirement System of Oklahoma

International Small Cap Equity

Regional exposure as of 31 December 2013



Teachers' Retirement System of Oklahoma

International Small Cap Equity

Portfolio Characteristics as of 31 December 2013

	OTRS ISCE	S&P EPAC SmallCap
Size		
Asset-weighted Market Cap	US\$3,149 mil	US\$3,354 mil
Median Market Cap	US\$2,167 mil	US\$667 mil
Over \$5 billion	27%	24%
\$2 – 5 billion	29%	28%
\$1 – 2 billion	25%	24%
Under \$1 billion	19%	24%
Risk		
Projected Beta	0.95	
Projected Tracking Risk	3.6%	
Projected R ²	0.96	
Turnover (T-12)	75%	
Number of Countries ¹	22	32
Number of Holdings	131	3,245
Active Share ²	94%	
Turnover		
Asset Turnover (T-12)	75%	
Name Turnover (T-12)	44	

¹Source: FactSet ²The absolute value of the difference between the International Small Cap Equity Portfolio share weights and S&P EPAC SmallCap Index share weights. The differences are summed and divided by two to arrive at the active share. Source: FactSet
Information shown is for a representative account which was selected by the firm because it was deemed to best represent this investment approach. As the designated representative account may change over time, different accounts may be reflected for the time period shown. Each client account is individually managed; actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics as described above. This supplemental information complements the GIPS® compliant presentation for the International Small Cap Equity Composite which is provided in the attachment.

International Small Cap Equity

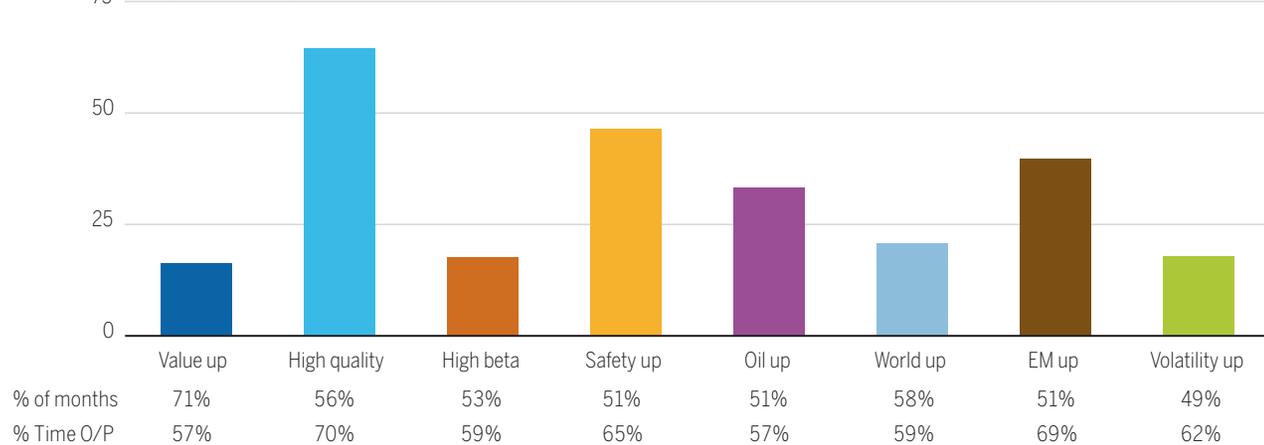
Performance in various global market environments

Average monthly alpha from 1 January 2006¹ to 31 December 2013

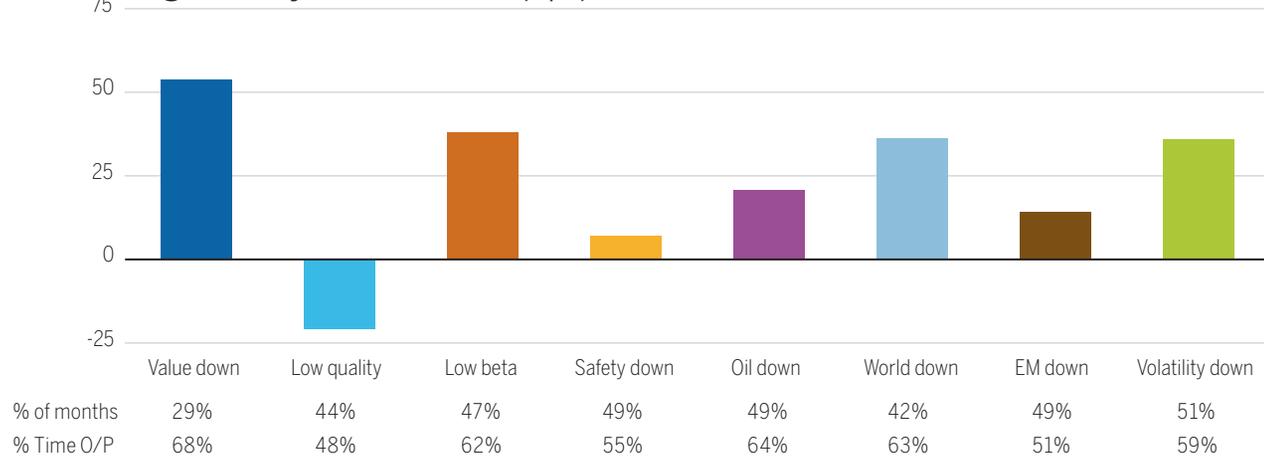
¹Inception date of Simon Thomas' tenure as lead portfolio manager is 31 December 2005 | Source: Wellington Management and FactSet | Please refer to the Market Environments notes page for additional information. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.**

Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US\$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US\$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US\$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment.

Avg monthly excess return (bps)



Avg monthly excess return (bps)



Notes Page for Market Environments

Value Up/Value Down: evaluated by using the Value factor returns from MSCI Barra's GEM2 Equity Risk Model

High Quality/Low Quality: evaluated by comparing the returns of top quintile "quality" (i.e., several aggregated valuation metrics including debt-to-equity ratio, return on invested capital (ROIC), earnings stability, dividend yield, dividend growth, and accruals over time) versus companies with bottom quintile "quality" within the MSCI World Index

High Beta/Low Beta: evaluated by comparing the returns of companies with top quintile betas (three-year historical) versus companies with bottom quintile betas within the MSCI World Index

Safety Up/Safety Down: evaluated as the inverted average of the Volatility, Leverage, and Value factor exposures within the MSCI Barra's GEM2 Equity Risk Model

Rising Oil/Falling Oil: evaluated using 1-month % change in NYMEX West Texas Intermediate spot price

World Up/World Down: evaluated by using the returns of the MSCI World Index

EM Up/EM Down: evaluated by using the returns of the MSCI Emerging Markets Index

Volatility Up/Volatility Down: evaluated by using the Volatility factor returns from MSCI Barra's GEM2 Equity Risk Model

Teachers' Retirement System of Oklahoma

Mid Cap Growth

Investment returns (US\$) through 31 December 2013

	Annualized Returns					
	6 mos	1 yr	3 yrs	5 yrs	10 yrs	Since Inception ¹
OTRS Mid Cap Growth Portfolio	26.6	50.2	14.3	24.3	10.6	11.2
Russell Midcap Growth	18.3	35.7	15.6	23.4	9.8	9.1
	2013	2012	2011	2010	2009	2008
OTRS Mid Cap Growth Portfolio	50.2	6.0	-6.2	26.5	57.3	-46.3
Russell Midcap Growth	35.7	15.8	-1.7	26.4	46.3	-44.3

Market Values

31 December 2012	\$302 million
31 December 2013	\$453 million

¹Inception date of the Portfolio is 31 August 1998. | Performance returns for periods less than one year are not annualized.

Important Notice

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Account ID: 46C4
Reporting Currency Code: USD
Portfolio Manager: Thomas

TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Cash and Cash Equivalents									
Cash									
Australian Dollar	Australia	7	0.890		6	6	*	*	
Euro Currency	Euro Currency	4	1.377		6	6	*	*	
Pound Sterling	United Kingdom	1	1.640		2	2	*	*	
South Korean Won	South Korea	49,349	0.001		46	47	*	*	
US Dollar	United States	-76,769	1.000		-76,769	-76,769	-1.54	-0.04	
Total Cash					-76,709	-76,708	-1.54	-0.04	0.00
Short-Term Cash Equivalents									
JP M Prime Mk FD-CAP	United States	5,055,983	100.000	100.000	5,055,983	5,056,219	101.54	2.39	0.04
Total Short-Term Cash Equivalents					5,055,983	5,056,219	101.54	2.39	0.04
Total Cash and Cash Equivalents					4,979,274	4,979,511	100.00	2.36	0.04

Equities									
Energy									
Energy									
Hunting	United Kingdom	93,680	12.580	12.919	1,178,534	1,210,236	0.59	0.57	2.40
James Fisher & Sons	United Kingdom	108,998	12.488	20.703	1,361,180	2,256,613	1.09	1.07	1.46
Japan Petroleum Expl	Japan	26,000	42.058	37.914	1,093,511	985,776	0.48	0.47	1.26
Karoon Gas Australia	Australia	298,634	4.803	3.883	1,434,399	1,159,536	0.56	0.55	0.00
Ophir Energy PLC	United Kingdom	181,489	5.853	5.429	1,062,312	985,344	0.48	0.47	0.00
Pac Rubiales Energy	Canada	40,700	18.986	17.261	772,716	702,530	0.34	0.33	3.82
Petroleum Geo-Serv	Norway	70,108	13.258	11.777	929,485	825,670	0.40	0.39	2.31
Schoeller-Bleckmann	Austria	17,338	97.656	111.009	1,693,163	1,924,666	0.93	0.91	0.62

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TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Total Energy					9,525,301	10,050,370	4.87	4.75	1.32
Total Energy					9,525,301	10,050,370	4.87	4.75	1.32

Materials

Materials

AZ Electronic Materi	United Kingdom	107,836	4.860	6.542	524,134	705,488	0.34	0.33	2.13
Elementis PLC	United Kingdom	276,945	3.974	4.454	1,100,606	1,233,425	0.60	0.58	1.92
Hitachi Metals	Japan	130,000	10.001	14.138	1,300,179	1,837,972	0.89	0.87	0.94
Imerys SA	France	35,103	59.341	87.101	2,083,037	3,057,503	1.48	1.45	2.45
Lotte Chemical Corp	South Korea	3,886	165.407	219.832	642,771	854,268	0.41	0.40	0.43
Mitsubishi Gas Chem	Japan	225,000	7.238	7.364	1,628,515	1,656,915	0.80	0.78	1.55
Nihon Nohyaku Co	Japan	96,000	7.571	14.300	726,788	1,372,799	0.66	0.65	0.87
Nippon Shokubai Co	Japan	68,000	10.469	11.056	711,859	751,782	0.36	0.36	1.38
Nufarm Ltd	Australia	328,313	4.808	3.928	1,578,496	1,289,460	0.62	0.61	1.82
Tenma	Japan	92,700	12.481	15.670	1,156,985	1,452,613	0.70	0.69	1.82
Tikkurila Oy	Finland	51,145	20.481	27.421	1,047,496	1,402,469	0.68	0.66	3.82
Wacker Chemie AG	Germany	8,278	78.545	110.760	650,196	916,875	0.44	0.43	0.75
Yamato Kogyo Co Ltd	Japan	75,900	30.908	31.968	2,345,890	2,426,374	1.18	1.15	0.89
Total Materials					15,496,952	18,957,941	9.18	8.97	1.66

Total Materials

15,496,952 18,957,941 9.18 8.97 1.66

Industrials

Capital Goods

Amada Co Ltd	Japan	292,000	7.037	8.820	2,054,765	2,575,367	1.25	1.22	1.51
Andritz AG	Austria	34,900	52.315	62.821	1,825,781	2,192,461	1.06	1.04	2.63
CFE	Belgium	15,397	55.479	89.237	854,216	1,373,978	0.67	0.65	1.33

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TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



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Chemring Group Plc	United Kingdom	132,746	5.299	3.710	703,448	492,491	0.24	0.23	3.39
Concentric AB	Sweden	102,707	10.936	11.327	1,123,195	1,163,382	0.56	0.55	3.44
Denyo Corp	Japan	98,200	13.865	14.195	1,361,512	1,393,981	0.68	0.66	1.48
DMG MORI SEIKI AG	Germany	31,034	19.881	31.900	616,973	989,978	0.48	0.47	1.51
DMG Mori Seiki Co Lt	Japan	94,200	11.271	18.001	1,061,721	1,695,699	0.82	0.80	1.06
Hoshizaki Electric C	Japan	57,500	29.487	35.583	1,695,476	2,046,049	0.99	0.97	1.07
IHI CORP	Japan	396,000	3.111	4.319	1,232,108	1,710,518	0.83	0.81	1.10
Jamco	Japan	66,300	14.456	14.290	958,434	947,458	0.46	0.45	0.67
Keller Group	United Kingdom	48,274	15.594	19.030	752,774	918,675	0.44	0.43	2.02
Kier Group PLC	United Kingdom	72,497	21.365	30.392	1,548,906	2,203,356	1.07	1.04	3.71
Kongsberg Grup ASA	Norway	117,739	19.839	21.016	2,335,859	2,474,385	1.20	1.17	2.94
Makino Milling Machi	Japan	165,000	6.287	8.620	1,037,369	1,422,292	0.69	0.67	1.10
Noble Group Ltd/Sing	Singapore	1,061,000	0.665	0.847	705,916	899,153	0.44	0.43	2.12
Rheinmetall AG	Germany	24,769	50.214	61.795	1,243,749	1,530,592	0.74	0.72	4.01
Rockwool Intl AS B	Denmark	6,610	124.609	177.315	823,668	1,172,051	0.57	0.55	1.06
Sanwa Holdings Corp	Japan	148,000	5.824	6.784	861,935	1,003,986	0.49	0.47	1.68
THK Co Ltd	Japan	65,900	19.207	24.966	1,265,713	1,645,227	0.80	0.78	0.84
Tyman PLC	United Kingdom	428,446	3.335	3.785	1,428,992	1,621,477	0.79	0.77	2.19
Ultra Electr Hldgs	United Kingdom	32,559	26.672	31.933	868,425	1,039,696	0.50	0.49	2.10
Yumeshin Holdings Co	Japan	172,200	5.835	10.837	1,004,721	1,866,094	0.90	0.88	1.76
Zuiko	Japan	32,200	68.211	60.321	2,196,384	1,942,324	0.94	0.92	1.18
Zumtobel AG	Austria	88,461	13.912	15.640	1,230,705	1,383,517	0.67	0.65	0.62
Total Capital Goods					30,792,743	37,704,187	18.26	17.83	1.87
Commercial & Professional Services									
Babcock Intl Grp Plc	United Kingdom	187,014	14.990	22.442	2,803,337	4,197,028	2.03	1.99	1.99
De La Rue PLC	United Kingdom	102,966	16.060	14.426	1,653,680	1,485,390	0.72	0.70	4.86
Gategroup Holding AG	Switzerland	89,624	22.841	27.211	2,047,086	2,438,748	1.18	1.15	0.00
Hays	United Kingdom	833,977	1.475	2.150	1,229,821	1,792,905	0.87	0.85	1.93
Mears Group Plc	United Kingdom	311,447	5.312	7.867	1,654,318	2,450,227	1.19	1.16	1.73

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TRS of Oklahoma Intl Small Cap Equity
 Holdings Detail by Sector-Equity
 December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Sai Global Ltd	Australia	434,120	4.206	3.471	1,826,105	1,506,943	0.73	0.71	0.39
Seek Ltd	Australia	93,700	11.950	11.997	1,119,719	1,124,149	0.54	0.53	1.64
Tox Free Solutions L	Australia	464,724	3.232	3.122	1,502,088	1,451,028	0.70	0.69	1.43
Transpacific Industr	Australia	1,409,081	0.937	1.047	1,320,146	1,474,949	0.71	0.70	0.00
USG People NV	Netherlands	147,066	8.182	13.350	1,203,266	1,963,285	0.95	0.93	1.24
Total Commercial & Professional Services					16,359,566	19,884,652	9.63	9.40	1.52
Transportation									
DSV A/S	Denmark	89,976	23.426	32.840	2,107,758	2,954,828	1.43	1.40	0.70
Kerry Logistics Netw	Hong Kong	42,000	1.329	1.421	55,810	59,692	0.03	0.03	0.00
Total Transportation					2,163,568	3,014,520	1.46	1.43	0.69
Total Industrials					49,315,876	60,603,359	29.35	28.66	1.70
Consumer Discretionary									
Automobiles & Components									
ElringKlinger AG	Germany	23,234	34.599	40.746	803,876	946,700	0.46	0.45	1.52
MUSASHI SEIMITSU	Japan	44,000	24.720	21.636	1,087,693	951,962	0.46	0.45	1.94
Pirelli & C SpA	Italy	134,603	11.086	17.335	1,492,148	2,333,309	1.13	1.10	2.54
Total Automobiles & Components					3,383,717	4,231,971	2.05	2.00	2.18
Consumer Durables & Apparel									
Berkeley Group Hldgs	United Kingdom	23,218	29.386	43.990	682,279	1,021,366	0.49	0.48	5.61
Brunello Cucinelli	Italy	23,875	20.782	35.593	496,159	849,776	0.41	0.40	0.31
Crest Nicholson Hldg	United Kingdom	151,099	5.273	6.047	796,744	913,696	0.44	0.43	
Iida Group Holdings	Japan	73,600	20.618	19.999	1,517,489	1,471,930	0.71	0.70	0.76
Salvatore Ferragamo	Italy	26,543	24.527	38.101	651,023	1,011,305	0.49	0.48	1.19

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TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Sega Sammy Holdings	Japan	52,000	22.820	25.470	1,186,625	1,324,428	0.64	0.63	1.49
Total Consumer Durables & Apparel					5,330,320	6,592,501	3.19	3.12	1.81
Consumer Services									
Domino's Pizza Enter	Australia	128,040	9.739	14.467	1,247,003	1,852,299	0.90	0.88	4.05
Domino's Pizza Group	United Kingdom	155,933	8.094	8.497	1,262,150	1,324,902	0.64	0.63	2.92
Kuoni Reisen Reg B	Switzerland	3,934	367.010	452.859	1,443,819	1,781,547	0.86	0.84	0.75
Thomas Cook Group PL	United Kingdom	428,704	2.040	2.769	874,706	1,187,196	0.58	0.56	0.00
Total Consumer Services					4,827,677	6,145,943	2.98	2.91	2.07
Media									
Cyber Agent Ltd	Japan	37,300	36.232	40.721	1,351,453	1,518,900	0.74	0.72	0.94
Informa PLC	United Kingdom	250,775	7.242	9.499	1,816,144	2,382,024	1.15	1.13	3.30
Total Media					3,167,597	3,900,924	1.89	1.85	2.38
Retailing									
CJ O Shopping Co Ltd	South Korea	3,466	233.135	393.234	808,046	1,362,951	0.66	0.64	0.48
D'ieteren SA/NV	Belgium	41,505	46.268	49.882	1,920,335	2,070,360	1.00	0.98	1.66
Dufry Group-Reg	Switzerland	12,194	123.248	176.084	1,502,882	2,147,164	1.04	1.02	0.00
Groupe Fnac	France	77,402	23.031	32.851	1,782,639	2,542,701	1.23	1.20	0.00
Magazine Luiza SA	Brazil	330,300	3.185	3.200	1,051,924	1,057,016	0.51	0.50	0.00
Matas A/S	Denmark	58,805	24.063	27.705	1,415,002	1,629,218	0.79	0.77	0.00
Mothercare Plc	United Kingdom	347,664	5.391	6.509	1,874,187	2,262,980	1.10	1.07	0.00
Sanrio Co Ltd	Japan	39,300	42.998	42.101	1,689,817	1,654,560	0.80	0.78	1.58
Total Retailing					12,044,833	14,726,950	7.13	6.97	0.46
Total Consumer Discretionary					28,754,144	35,598,290	17.24	16.84	1.39

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TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Consumer Staples									
Food & Staples Retailing									
Booker Group PLC	United Kingdom	784,130	1.952	2.691	1,530,822	2,110,425	1.02	1.00	1.66
O'Key Group GDR 144A	Russia	92,023	9.252	11.900	851,440	1,095,074	0.53	0.52	1.58
Tsuruha Holdings Inc	Japan	15,400	92.371	92.003	1,422,509	1,416,850	0.69	0.67	1.34
Total Food & Staples Retailing					3,804,771	4,622,348	2.24	2.19	1.55
Food Beverage & Tobacco									
Aryzta AG	Switzerland	19,397	59.150	76.910	1,147,336	1,491,825	0.72	0.71	0.98
Indofood Agri Res	Singapore	851,000	1.017	0.701	865,775	596,495	0.29	0.28	0.96
Total Food Beverage & Tobacco					2,013,111	2,088,321	1.01	0.99	0.97
Household & Personal Products									
Amorepacific Corp	South Korea	1,673	864.372	947.553	1,446,094	1,585,256	0.77	0.75	0.65
Pigeon	Japan	20,500	32.795	48.523	672,305	994,720	0.48	0.47	1.20
Total Household & Personal Products					2,118,399	2,579,976	1.25	1.22	0.86
Total Consumer Staples					7,936,281	9,290,645	4.50	4.39	1.23

Health Care

Health Care Equipment & Services

Asahi Intecc Co Ltd	Japan	45,800	30.282	37.344	1,386,893	1,710,337	0.83	0.81	0.76
Message Co Ltd	Japan	58,800	28.791	30.874	1,692,925	1,815,385	0.88	0.86	1.39
Nikkiso	Japan	134,000	10.135	12.597	1,358,101	1,687,988	0.82	0.80	1.21

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TRS of Oklahoma Intl Small Cap Equity
 Holdings Detail by Sector-Equity
 December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
STRATEC Biomedical	Germany	21,569	42.714	41.683	921,290	899,067	0.44	0.43	1.85
Total Health Care Equipment & Services					5,359,209	6,112,778	2.96	2.89	1.23
Pharma, Biotech & Life Sciences									
Green Cross Corp	South Korea	11,513	122.250	117.970	1,407,470	1,358,193	0.66	0.64	0.96
H. Lundbeck A/S	Denmark	62,780	19.877	25.304	1,247,909	1,588,604	0.77	0.75	1.46
Nippon Shinyaku Co	Japan	95,000	16.174	19.495	1,536,568	1,852,005	0.90	0.88	1.12
Shanghai Fosun Pharm	China	259,000	1.816	3.011	470,317	779,965	0.38	0.37	1.11
Shionogi & Co Ltd	Japan	76,700	15.883	21.693	1,218,238	1,663,822	0.81	0.79	1.93
Tecan Group AG	Switzerland	15,928	92.561	118.626	1,474,310	1,889,474	0.92	0.89	1.42
WuXi Pharmatech	China	53,600	21.084	38.380	1,130,079	2,057,168	1.00	0.97	0.00
Total Pharma, Biotech & Life Sciences					8,484,890	11,189,230	5.42	5.29	1.11
Total Health Care					13,844,099	17,302,008	8.38	8.18	1.16
Financials									
Banks									
Shinsei Bank Limited	Japan	1,021,000	2.135	2.445	2,179,979	2,496,523	1.21	1.18	0.39
Tokyo Tomin Bank	Japan	124,600	11.935	10.380	1,487,090	1,293,360	0.63	0.61	1.83
Total Banks					3,667,069	3,789,882	1.84	1.79	0.88
Diversified Financials									
Azimut Holding SpA	Italy	87,483	18.664	27.325	1,632,806	2,390,470	1.16	1.13	2.77
Eurazeo SA	France	31,978	51.367	78.516	1,642,617	2,510,791	1.22	1.19	2.01
Grenke Leasing AG	Germany	21,667	81.238	93.701	1,760,193	2,030,227	0.98	0.96	1.18
IBJ Leasing Co Ltd	Japan	52,500	25.948	29.066	1,362,272	1,525,974	0.74	0.72	1.70
Ichiyoshi Securities	Japan	66,900	12.881	16.717	861,756	1,118,342	0.54	0.53	3.98

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TRS of Oklahoma Intl Small Cap Equity
Holdings Detail by Sector-Equity
December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
IG Group Holdings PL	United Kingdom	186,694	8.065	10.203	1,505,715	1,904,757	0.92	0.90	3.77
Jaccs Co	Japan	129,000	4.814	4.786	621,019	617,354	0.30	0.29	2.39
Matsui Securities Co	Japan	79,500	11.467	12.825	911,638	1,019,609	0.49	0.48	3.71
Mitsubishi UFJ Lease	Japan	481,800	4.607	6.137	2,219,888	2,956,672	1.43	1.40	1.04
Partners Group Hldg	Switzerland	6,498	241.250	267.499	1,567,643	1,738,207	0.84	0.82	2.63
Pocket Card Co Ltd	Japan	78,000	8.000	8.182	623,978	638,219	0.31	0.30	0.99
Reinet Investments	Luxembourg	91,440	18.232	19.078	1,667,140	1,744,480	0.84	0.83	0.00
Wendel SA	France	22,743	98.042	145.995	2,229,772	3,320,363	1.61	1.57	1.65
Zenkoku Hosho Co Ltd	Japan	49,700	37.980	43.766	1,887,619	2,175,158	1.05	1.03	0.96
Total Diversified Financials					20,494,058	25,690,623	12.44	12.15	1.92
Insurance									
Direct Line Insuranc	United Kingdom	657,187	3.248	4.134	2,134,545	2,716,827	1.32	1.28	3.21
Total Insurance					2,134,545	2,716,827	1.32	1.28	3.21
Real Estate									
Aeon Mall Co Ltd	Japan	57,310	26.193	28.077	1,501,092	1,609,075	0.78	0.76	0.75
Beni Stabili Spa	Italy	2,183,671	0.646	0.675	1,411,353	1,474,416	0.71	0.70	4.49
GLP J-Reit	Japan	1,834	972.921	978.070	1,784,338	1,793,780	0.87	0.85	4.12
Hansteen Holdings PL	United Kingdom	1,167,848	1.370	1.792	1,600,203	2,092,869	1.01	0.99	4.53
Immobiliare Grande D	Italy	448,498	1.034	1.192	463,835	534,581	0.26	0.25	8.09
Savills PLC	United Kingdom	123,962	6.718	10.699	832,761	1,326,324	0.64	0.63	1.58
Total Real Estate					7,593,582	8,831,045	4.28	4.18	3.52
Total Financials					33,889,253	41,028,377	19.87	19.41	2.26

Information Technology

Account ID: 46C4
 Reporting Currency Code: USD
 Portfolio Manager: Thomas

TRS of Oklahoma Intl Small Cap Equity
 Holdings Detail by Sector-Equity
 December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield
Software & Services									
Atos	France	25,606	73.972	90.656	1,894,130	2,321,339	1.12	1.10	0.91
Digital Garage Inc	Japan	37,600	25.429	26.003	956,119	977,697	0.47	0.46	0.18
GMO Payment Gateway	Japan	29,300	25.594	39.770	749,911	1,165,254	0.56	0.55	0.68
Internet Initiative	Japan	55,100	32.044	26.830	1,765,636	1,478,350	0.72	0.70	0.78
SCSK Corp	Japan	101,700	22.585	26.231	2,296,894	2,667,684	1.29	1.26	1.45
Total Software & Services					7,662,690	8,610,323	4.17	4.07	0.94
Technology Hardware & Equipment									
Yaskawa Elec Corp	Japan	83,000	9.808	15.822	814,059	1,313,249	0.64	0.62	0.72
Yokogawa Electric	Japan	123,000	11.110	15.366	1,366,558	1,889,967	0.92	0.89	0.74
Total Technology Hardware & Equipment					2,180,616	3,203,216	1.55	1.52	0.73
Semiconductors, Semiconductor Eqpmt									
Ferrotec Corp	Japan	246,200	4.531	5.671	1,115,555	1,396,082	0.68	0.66	0.84
Total Semiconductors, Semiconductor Eqpmt					1,115,555	1,396,082	0.68	0.66	0.84
Total Information Technology					10,958,861	13,209,621	6.40	6.25	0.88
Utilities									
Utilities									
Shizuokagas Co Ltd	Japan	68,900	6.794	5.956	468,137	410,365	0.20	0.19	1.60
Total Utilities					468,137	410,365	0.20	0.19	1.60
Total Utilities					468,137	410,365	0.20	0.19	1.60

Account ID: 46C4
 Reporting Currency Code: USD
 Portfolio Manager: Thomas

TRS of Oklahoma Intl Small Cap Equity
 Holdings Detail by Sector-Equity
 December 31, 2013



Security	Country	Shares or Par Value	Unit Cost	Unit Price	Cost	Market Value	Pct Asset Class	Pct Total	Yield	
Total Equities						170,188,905	206,450,976	100.00	97.64	1.62

Total Assets 175,168,179 211,430,487 100.00 1.58

Market Value for Fixed Income and Cash Equivalents includes estimated Accrued Interest.

Yield number represents Dividend Yield for Equity Securities and Yield to Maturity for Fixed Income Securities.

Yield totals are market value weighted averages.

* Indicates a non-zero value that rounds to zero.

The prices that are provided are indicative prices based on best available market information. All prices are provided in accordance with our Pricing Policy and should not be considered transaction prices to which a security could necessarily be entered into or liquidated. Clients and Custodian banks should independently price these securities and use WMC's recommended prices for informational and/or reconciliation purposes only.

This information is confidential and the recipient agrees to use this information solely for the lawful and appropriate purpose(s) intended by the parties.

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

WASATCH INTERNATIONAL SMALL CAP GROWTH PORTFOLIO

Roger Edgley, CFA, *Director of International Research, Portfolio Manager*
Kitty Swenson, *Vice President, Director of Client Relations*

January 22, 2014



AGENDA

- I. Wasatch Advisors Firm Update
- II. Wasatch International Small Cap Growth Portfolio
- III. Teachers' Retirement System of Oklahoma Portfolio Review
- IV. Appendix

WASATCH ADVISORS

FIRM UPDATE

100% employee-owned

Broad equity distribution

- 32 equity owners
- No single employee owns more than 24%

Ownership structured to perpetuate Wasatch beyond the 1st generation

- Equity recycling program

\$19.3 billion in firm-wide assets under management as of 12/31/13

- Teachers' Retirement System of Oklahoma Portfolio: \$202.0 million

Launched Wasatch Frontier Emerging Small Countries Fund (1/31/12) and Emerging Markets Select Fund (12/13/12)

Wasatch Emerging Markets Small Cap Fund closed to new investors on 2/24/12

WASATCH INTERNATIONAL SMALL CAP GROWTH

OVERVIEW OF STRATEGY

Managed by a team of research professionals, led by Roger Edgley

- Portfolio Managers are also Analysts
- Analysts organized by global sector

Objective: Own the highest quality small cap growth companies in developed & emerging markets

Bottom-up, fundamental approach

- Team of stock pickers
- Benchmark aware but process not driven by the benchmark
- Bottom-up leads to top-down/macro economic views
- 80% bottom-up, 20% top-down

Systematic coverage of the developed and emerging markets small cap universe

- Universe repeatedly screened using standardized framework/methodology
- Process captures companies with and without sell side analyst coverage plus IPOs

Broad sector/country approach

- Goal of outperforming in each sector

Flexibility to account for cross border listings

- Consider domicile and areas of operation when determining country for each holding

Portfolio characteristics

- Higher margins, EPS growth, ROA, and ROE than benchmark

WASATCH INTERNATIONAL SMALL CAP GROWTH

RISK MANAGEMENT

1 risk control tool is extensive, fundamental due diligence

- Assess sustainability of growth through balance sheet, income statement, cash flow analysis
- Management quality assessed through face to face meetings
- Iceberg risk: evaluate risks that are unseen but perhaps endemic to industry and/or country

Positions: 80-100

Position size maximum: 5%

Sector

- Benchmark weight greater than 10%: maximum of 2x benchmark
- Benchmark weight less than 10%: maximum of 3x benchmark

Country

- Benchmark weight greater than 5%: maximum of 20%
- Benchmark weight less than 5%: maximum of 10%
- U.K. & Japan maximum of 35%

Cash

- Maximum cash position: 10%

Currency

- Wasatch does not hedge currency

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

PORTFOLIO PERFORMANCE SUMMARY

12/4/11 to 12/31/13 (Gross of Fees)*

PORTFOLIO COMPOSITION				CHANGE IN PORTFOLIO	
	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>		
Equities	194,558,332.95	96.3	1.6	Portfolio Value on 12-04-11	62,081,584.87
Fixed Income	0.00	0.0	-	Net Additions/Withdrawals	80,179,914.11
Cash and Equiv.	7,456,757.67	3.7	0.1	Realized Gains	16,930,703.26
Other	0.00	0.0	-	Unrealized Gains	39,032,792.91
				Income Received	3,790,101.26
Total	202,015,090.62	100.0	1.5	Portfolio Value on 12-31-13	202,015,090.62

TIME WEIGHTED RETURN					
	<u>Month To Date</u>	<u>Quarter To Date</u>	<u>Year To Date</u>	<u>Last 12 Months</u>	<u>Inception To Date</u> (Not Annualized)
Account	1.94	3.22	29.08	29.08	73.07
MSCI AC World ex USA Small Cap	1.75	4.63	19.73	19.73	41.90

*Source: APX. Please see the Appendix (note 1) for disclosures. Past performance is not indicative of future results.

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

SECTOR ATTRIBUTION

12/31/12 through 12/31/13 (Gross of Fees)*

	Teachers' Retirement System of Oklahoma			MSCI AC World Ex U.S. Small Cap			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Consumer Discr.	24.3	64.5	13.2	18.0	33.5	5.8	6.3	31.1	7.4	0.7	4.3	1.2	6.2
Information Tech.	15.8	43.4	6.1	9.9	35.3	3.2	5.9	8.1	2.9	0.8	0.7	0.3	1.8
Consumer Staples	13.8	40.5	5.5	6.1	11.6	0.8	7.7	28.9	4.8	-0.5	1.8	2.1	3.4
Industrials	10.2	28.0	3.1	19.3	25.9	4.9	-9.1	2.1	-1.8	-0.5	0.9	-0.4	-0.0
Health Care	8.1	19.0	1.6	5.5	29.0	1.5	2.6	-10.1	0.1	0.2	-0.4	-0.4	-0.6
Energy	9.0	8.0	0.8	5.9	2.1	0.1	3.1	5.8	0.6	-0.6	0.4	0.1	-0.0
Telecom. Services	--	--	--	1.1	32.5	0.4	-1.1	-32.5	-0.4	-0.1	--	--	-0.1
Utilities	--	--	--	2.3	10.5	0.2	-2.3	-10.5	-0.2	0.2	--	--	0.2
Financials	11.4	-7.0	-0.4	19.7	16.4	3.3	-8.4	-23.4	-3.7	0.4	-4.7	2.2	-2.1
Materials	4.4	-9.2	-0.6	11.7	-3.2	-0.5	-7.2	-6.0	-0.1	1.8	-0.8	0.3	1.4
Unassigned	--	--	--	0.6	21.1	0.1	-0.6	-21.1	-0.1	0.0	--	--	0.0
Cash	3.1	-0.3	--	--	--	--	3.1	-0.3	--	-0.7	--	--	-0.7
Total	100.0	29.1	29.1	100.0	19.7	19.7	--	9.4	9.4	1.8	2.3	5.4	9.4

*Source: FactSet. Please see notes 1-2 in the Appendix for disclosures. Past performance is not indicative of future results

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

COUNTRY ATTRIBUTION

12/31/12 through 12/31/13 (Gross of Fees)*

	Teachers' Retirement System of Oklahoma			MSCI AC World ex. USA Small Cap			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Japan	18.9	79.0	10.7	18.9	26.3	4.9	0.0	52.8	5.8	-0.5	8.0	-1.6	5.9
United Kingdom	17.3	25.8	4.1	15.2	39.1	5.6	2.1	-13.3	-1.5	0.4	-1.7	-0.4	-1.8
Italy	3.4	114.1	2.9	2.4	57.2	1.2	1.0	56.9	1.7	0.3	0.9	0.3	1.5
China	3.4	87.6	2.8	3.9	21.3	0.8	-0.5	66.3	2.0	0.1	2.1	-0.2	1.9
Australia	6.4	29.2	2.1	5.2	-9.9	-0.5	1.2	39.1	2.6	-0.5	2.4	0.6	2.5
Germany	3.8	61.5	2.0	4.3	34.7	1.4	-0.4	26.8	0.6	0.0	0.9	-0.2	0.7
Hong Kong	4.5	26.3	1.1	2.2	21.5	0.5	2.3	4.8	0.7	0.1	0.2	0.0	0.2
Thailand	1.4	31.5	1.1	0.9	-12.4	-0.1	0.4	44.0	1.2	1.0	0.4	-0.4	1.0
Cambodia	1.6	81.2	1.1	--	--	--	1.6	81.2	1.1	0.8	--	--	0.8
Taiwan	1.5	63.4	0.8	4.2	21.2	0.9	-2.7	42.2	-0.1	-0.0	1.8	-1.3	0.5
Costa Rica	1.0	50.3	0.5	--	--	--	1.0	50.3	0.5	0.3	--	--	0.3
Philippines	2.8	11.8	0.5	0.3	-27.2	-0.1	2.4	39.0	0.5	-0.9	0.1	0.8	0.1
Russia	1.5	23.6	0.4	0.2	-17.3	-0.0	1.3	40.9	0.4	-0.5	0.1	0.5	0.1
Singapore	2.4	16.4	0.3	1.9	-5.9	-0.1	0.5	22.3	0.4	-0.2	0.6	-0.0	0.4
United States	0.5	28.7	0.3	0.0	-100.0	-0.0	0.5	128.7	0.3	-1.8	0.0	2.0	0.2
Denmark	0.4	15.5	0.2	1.4	72.2	0.8	-1.0	-56.7	-0.6	-0.5	0.1	--	-0.4
South Africa	1.2	9.3	0.2	1.8	-3.7	-0.1	-0.6	12.9	0.3	0.2	0.4	-0.1	0.4
Nigeria	0.7	28.3	0.2	0.1	31.5	0.0	0.6	-3.2	0.2	0.1	--	-0.0	0.1
Turkey	2.4	-5.7	0.2	0.6	-22.7	-0.1	1.8	17.0	0.3	-0.6	0.2	0.3	-0.1
Colombia	1.8	12.8	0.2	0.1	5.9	--	1.7	6.9	0.2	0.4	0.0	-0.5	-0.1
Kazakhstan	0.9	23.8	0.2	--	--	--	0.9	23.8	0.2	--	--	--	--
France	0.3	29.9	0.2	2.9	53.3	1.4	-2.6	-23.4	-1.2	-0.7	-0.1	0.1	-0.7
Austria	0.9	11.6	0.2	0.6	17.4	0.1	0.4	-5.9	0.1	-0.0	0.0	-0.0	-0.0
Switzerland	1.6	2.6	0.1	2.7	38.0	0.9	-1.1	-35.4	-0.8	-0.2	-0.8	0.4	-0.6
Sweden	2.7	9.7	0.1	2.6	40.0	1.0	0.1	-30.3	-0.9	0.1	-0.7	-0.4	-0.9
Finland	0.3	21.7	0.1	1.0	18.9	0.2	-0.8	2.9	-0.1	0.0	0.1	-0.1	0.0
Albania	--	--	--	0.0	27.6	0.0	-0.0	-27.6	-0.0	--	--	--	--

*Source: FactSet. Please also see the Appendix (notes 1-3) for disclosures. Total return is the actual, non-annualized performance over the stated time period. Past performance is not indicative of future results.

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

COUNTRY ATTRIBUTION

12/31/12 through 12/31/13 (Gross of Fees)*

	Teachers' Retirement System of Oklahoma			MSCI AC World ex. USA Small Cap			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Belgium	--	--	--	0.9	14.5	0.1	-0.9	-14.5	-0.1	0.1	--	--	0.1
Chile	--	--	--	0.4	-30.9	-0.2	-0.4	30.9	0.2	0.2	--	--	0.2
Czech Republic	--	--	--	0.0	-2.1	--	-0.0	2.1	--	0.0	--	--	0.0
Egypt	--	--	--	0.2	15.0	0.0	-0.2	-15.0	-0.0	0.0	--	--	0.0
Greece	--	--	--	0.5	24.2	0.1	-0.5	-24.2	-0.1	0.0	--	--	0.0
Hungary	--	--	--	0.0	77.8	0.0	-0.0	-77.8	-0.0	--	--	--	--
Ireland	--	--	--	0.8	55.2	0.4	-0.8	-55.2	-0.4	-0.2	--	--	-0.2
Israel	--	--	--	0.7	33.9	0.2	-0.7	-33.9	-0.2	-0.1	--	--	-0.1
Korea	--	--	--	3.6	3.7	0.1	-3.6	-3.7	-0.1	0.6	--	--	0.6
Malaysia	--	--	--	1.1	10.8	0.1	-1.1	-10.8	-0.1	0.1	--	--	0.1
Morocco	--	--	--	0.0	-10.1	--	-0.0	10.1	--	0.0	--	--	0.0
Netherlands	--	--	--	1.3	25.1	0.3	-1.3	-25.1	-0.3	-0.1	--	--	-0.1
Peru	--	--	--	0.1	-41.2	-0.0	-0.1	41.2	0.0	0.1	--	--	0.1
Poland	--	--	--	0.3	15.6	0.1	-0.3	-15.6	-0.1	0.0	--	--	0.0
Portugal	--	--	--	0.3	76.6	0.2	-0.3	-76.6	-0.2	-0.1	--	--	-0.1
Spain	--	--	--	1.2	54.3	0.6	-1.2	-54.3	-0.6	-0.4	--	--	-0.4
Mexico	0.6	7.6	--	0.4	-5.0	-0.0	0.2	12.6	0.0	-0.1	0.1	-0.1	-0.0
Canada	3.1	-0.2	-0.1	8.8	0.3	-0.0	-5.7	-0.5	-0.1	1.2	-0.1	-0.1	1.1
Indonesia	2.0	-33.6	-0.1	1.0	-28.5	-0.3	1.0	-5.2	0.2	0.7	-0.1	-0.8	-0.2
Norway	1.4	-16.8	-0.3	1.5	14.1	0.2	-0.1	-30.8	-0.5	-0.0	-0.4	--	-0.5
India	2.1	-8.0	-0.4	1.3	-14.1	-0.4	0.8	6.1	-0.1	-0.7	0.2	0.2	-0.3
Luxembourg	1.1	-33.8	-0.5	--	--	--	1.1	-33.8	-0.5	-0.8	--	--	-0.8
New Zealand	1.3	-32.9	-0.7	0.6	17.4	0.1	0.7	-50.3	-0.8	0.0	-0.3	-0.5	-0.9
Brazil	1.9	-29.6	-0.9	1.5	-26.2	-0.5	0.5	-3.4	-0.4	-0.2	-0.1	-0.2	-0.5
Unassigned	--	--	--	0.2	32.4	0.0	-0.2	-32.4	-0.0	--	--	--	--
Cash	3.1	-0.3	--	--	--	--	3.1	-0.3	--	-0.7	--	--	-0.7
Total	100.0	29.1	29.1	100.0	19.7	19.7	--	9.4	9.4	-3.1	14.4	-1.9	9.4

*Source: FactSet. Please also see the Appendix (notes 1-3) for disclosures. Total return is the actual, non-annualized performance over the stated time period. Past performance is not indicative of future results.

WASATCH INTERNATIONAL SMALL CAP GROWTH *OUTLOOK*

We see value in Europe and Japan and remain constructive there, looking to add investments

Growth is seeing tentative signs of pickup in Europe, with some improvements in peripheral Europe

APPENDIX

BIOGRAPHIES

Roger D. Edgley, CFA

Director of International Research, Portfolio Manager

Mr. Edgley is Director of International Research and a Portfolio Manager for Wasatch International Small Cap Growth, Wasatch International Micro Cap, Wasatch Emerging Markets Small Cap, Wasatch Global Small Cap, and Wasatch Emerging India portfolios. He is also a member of Wasatch Advisors' Board of Directors. A native of the United Kingdom, he holds U.S. citizenship and has over 20 years of investing experience.

Mr. Edgley joined Wasatch Advisors in 2002. Prior to joining Wasatch, he was a principal, director of international research and portfolio manager for Liberty Wanger Asset Management in Chicago, which manages the Acorn Funds. He was also a co-manager of the Acorn Foreign Forty Fund. Earlier, Mr. Edgley worked in Hong Kong as a financial services analyst for Societe Generale Asia/Crosby Securities and as an analyst for Strategic Asset Management.

Mr. Edgley has a Master of Arts in Philosophy from the University of Sussex and a Master of Science in Social Psychology with Statistics from the London School of Economics, where he was awarded a Social Science Research Scholarship. He earned a Bachelor of Science with honors in Psychology from the University of Hertfordshire.

BIOGRAPHIES

Kitty Swenson
Director of Client Relations

Ms. Swenson is the Director of Client Relations and is responsible for the overall management of institutional and high net worth client relationships. Ms. Swenson has been with Wasatch Advisors as a client relations manager since 1992.

She holds a Master of Business Administration from Georgetown University and a Bachelor of Arts, with honors, in English with a minor in German from the University of Utah. She also studied in Kiel, Germany at Christian Albrechts Universität.

Kitty and her family enjoy traveling, skiing, and backpacking.

DISCLOSURES

1. Where gross of fees performance is shown, the results do not reflect the deduction of investment advisory fees. Actual returns will be reduced by the investment advisory fees and other expenses that may be incurred in the management of the account. See Wasatch Advisors' Form ADV, Part II for a description of investment advisory fees. The following representative example shows the effect a 1% advisory fee, compounded over a period of years, would have on returns. Past performance is not indicative of future results.

Cumulative Total Return (%)			
Period	Gross	Net	Basis Points Differential
1 year	12.68	11.57	111
5 years	81.67	72.88	879
10 years	230.04	198.89	3115

2. The MSCI AC (All Country) World ex. U.S. Small Cap Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

You cannot invest in these indices.

3. Portfolio holdings are subject to change. The information provided for specific securities is for informational purposes only and should not be construed as recommendations to buy or sell shares in those companies. Wasatch analysts closely monitor the companies held in the portfolio. If a company's underlying fundamentals or valuation measures change, Wasatch will reevaluate its position and may sell part or all of its holdings. The characteristics for the Wasatch International Small Cap portfolio weighted averages are calculated by Wasatch using data obtained from Factset.

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January Manager Status Report

Material Status										
Manager	Mandate	Strategy	AUM	% of Portfolio	Current Status	Reason for Status Change	Status Change Effective Date	Date of Last Review	Date of Next Review	Expectations
Thornburg Investment Management	International Equity	All Cap	\$ 486,181,546	3.77%	Alert	Performance Issues	November 2013	November 2013	June 2014	Improvement in performance compared to peers and benchmark.



OKLAHOMA TEACHERS RETIREMENT SYSTEM

Special Project: Assessment of Controls in the Accounts Payable and Human Resource Process Areas

2013

REPORT TO MANAGEMENT

We want to thank everyone who assisted in the completion of this review and appreciate the high level of cooperation we received, the genuine desire of all involved to identify opportunities to improve processes, and the willingness to address any issues as quickly as possible.



OBJECTIVE

Assess the design of internal controls over the Accounts Payable (AP) and Human Resources (HR) process areas and review a sample of historical AP transactions and personnel actions to evaluate compliance with related policies, procedures and laws.

SCOPE

The scope of this review included significant aspects of the Accounts Payable process, such as purchasing, invoice processing and cash disbursement as well as certain Human Resources processes related to Family and Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), severance payments, and employee evaluations. The review included activity from January 1, 2009 to September 30, 2013.

FOCUS AREAS

The focus of the review was to:

- Assess the design of the account payable internal control environment.
- Assess the adequacy of existing policies, procedures and controls relative to compliance with the Family and Medical Leave Act.
- Assess the adequacy of existing policies, procedures and controls relative to employee on-boarding, classification, performance evaluation and severance/departure processes.
- Perform data analytics to identify spending anomalies, unusual transactions or transactions that did not comply with policies or state statutes.

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Distribution

- OTRS Board of Trustees
- Joe Ezzell, Acting Executive Director

Internal Audit Team Members:

- David Losacco, Principal
- John Turner, Senior Manager
- Kevin Wright, Senior Manager
- Hilaire Johnson, Senior Associate



EXECUTIVE SUMMARY

During the review we identified several opportunities to improve the overall effectiveness and efficiency of the processes reviewed. We have listed the opportunities that have the greatest impact on the internal control structure below. These opportunities for improvement and associated recommendations are discussed in more detail in latter sections of this report.

SEGREGATION OF DUTIES

Originating purchase orders, system approval of purchase orders, processing of invoices for payment, and Accounts Payable (Fund 200) reconciliation responsibilities are all performed by the Business Manager. Improper segregation of duties between purchasing, invoice processing and reconciliation functions increases the agency's exposure to potential fraud and the risk that errors may go undetected. Management should evaluate re-assigning certain responsibilities and strengthening certain review procedures to mitigate risks. (See 1.1)

SEVERANCE PAYMENTS

Review of personnel records revealed thirteen (13) instances in which terminated employees received severance payouts totaling \$315,103.94 during the period extending from January 2009 through July 2013. Of these payments, twelve (12), totaling \$301,233.04, do not appear to have been paid in a manner consistent with guidance found at O.S. 74 § 840-2.27 of the Oklahoma Personnel Act. Management and the Board should give consideration to increasing the level of financial and operational reporting provided to the Board on a monthly basis. Significant or otherwise non-routine personnel actions or employee payments should be incorporated into Board reporting to ensure the Board maintains adequate knowledge and oversight of executive management actions and to help deter management over-ride of existing controls. (See 2.1)

FMLA POLICY & OVERSIGHT

Review of personnel records revealed inconsistencies in the application of the Family and Medical Leave Act (FMLA) over the time period reviewed. FMLA guidelines require employers to provide employees with up to 12 weeks of (unpaid) leave during any 12 month period for qualifying reasons. Interpretation of FMLA requirements by OTRS executive management restricted the period of time employees were allowed to utilize FMLA leave by reducing the time period from 12 months to only 12 weeks. Although management indicates corrections have been made to Agency FMLA policies and procedures, management and the Board should give consideration to requiring all Agency policy changes to undergo a documented review by assigned, in-house legal counsel via the State Attorney General's Office. This review would help ensure that policy changes are not in conflict with applicable laws and regulations. (See 2.2)

BOARD REPORTING

While the Board of Trustees and the Investment Committee of the Board retain close oversight of OTRS's investment operations, responsibilities for the agency's day-to-day operations have been delegated to the Executive Director. The Board of Trustees should consider requiring management to increase the level of financial and operational reporting provided to the Board on a periodic (i.e., monthly/quarterly) basis. (See 1.8)

BACKGROUND AND APPROACH

Agency Overview

Oklahoma Teachers Retirement System was established by the Oklahoma legislature and became effective July 1, 1943. The Agency's mission is to oversee the administration of the Teachers' Retirement System and to ensure that adequate funds are maintained to meet its financial obligations to its entire membership. The Executive Director, who is appointed by the Board of Trustees, is responsible for overseeing the daily operations of the agency. The Board of Trustees is composed of thirteen members: six appointed by the governor, four appointed by the legislature, and three ex-officio members. Eight of the thirteen members are plan participants and five members are from the business community.

Approach and Procedures Performed

Our review procedures included inquiries of relevant finance and human resources personnel, review of documents and records, and observation of operations.

Data analytics were performed on expenditures processed as a claim voucher or paid on the agency's purchase card (P-Card). The scope of the analytics did not include OTRS benefit disbursements. These procedures included, but were not limited to, the following:

- Evaluation of top vendors by dollar amount and by number of transactions
- Analysis of vendors by expenditure type (professional service, travel, administrative expense, etc.),
- Trend analysis of vendor spend by fiscal year
- Comparison of vendor and employee addresses,
- Evaluation of Saturday and Sunday purchases
- Benford's Analysis to identify leading digit anomalies
- Evaluation of vendors paid exclusively by P-Card

Detailed testing was performed on a judgmentally selected sample of 53 claim voucher payments totaling \$639,968.25 and 45 P-Card transactions totaling \$36,247.06. Exceptions identified during this detailed testing were not material and have been communicated separately to management.

ACCOUNTS PAYABLE

Process Strengths

During the review, we noted that management had already identified certain potential process improvements and are in the process of implementing specific control enhancements. These enhancements include expanding requirements surrounding management approval of employee reimbursements prior to payment, and implementing a travel requisition process that would identify total travel costs (hotel, airfare, and per diem) before travel arrangements are made.

Improvement Opportunity – Segregation of Duties

1.1: Originating purchase orders, system approval of purchase orders, processing of invoices for payment, and Accounts Payable (Fund 200) reconciliation responsibilities are all performed by the Business Manager. Improper segregation of duties between purchasing, invoice processing and reconciliation functions increases the agency’s exposure to potential fraud and the risk that errors may go undetected. Management acknowledges the risks associated with these un-segregated functions, but believes this risk is mitigated by the manual approval of Purchase Orders (PO) and claim jackets. Additionally, the Comptroller performs a review of the Business Manager’s Fund 200 reconciliation; however, this review is not documented in such a way that would allow for independent verification of the review. Further, the review does not currently appear to be sufficiently robust such that it would effectively compensate for the lack of segregation.

Recommendation: While risks can be expected to be reduced by the controls identified above, the risk could be further mitigated by removing the “PO Approver” access from the Business Manager’s PeopleSoft rights and re-assigning this access to the Comptroller. In addition, management should evaluate re-assigning the Fund 200 reconciliation to another finance employee who does not have the ability to enter payments in the PeopleSoft system for processing by OMES. If staffing is not sufficient to allow for reassignment of the Fund 200 reconciliation responsibilities, the existing Comptroller’s review of the Fund 200 reconciliation should be enhanced and evidence that the review has been performed should be documented in writing. This enhanced review should seek to validate, through review and agreement of supporting documentation, each expenditure processed through the system for the month.



Management Response:	Person Responsible	Est. Completion Date
OTRS is in the process of hiring a new financial accountant. Once that person is on staff reconciliation of the 200 fund will be moved from the Business Manager position to an accountant that is on staff now. Regarding the PO approval issue, OTRS will be implementing Epro in the near future. This will require approvals from at the least three different people. The person originating the requisition and issuing the purchase order can be the same but that person could not issue the purchase order until all electronic approvals have worked through the workflow process that can be set up to fit the agency's needs.	Comptroller	2/28/14

1.2: The current payment process is designed so that the Comptroller and the Assistant Executive Director have approval authority over certain vendor invoices and the associated claim jacket voucher form. The claim jacket voucher form is the official state form which must be authorized by an approving official prior to processing and payment. Attached to each claim jacket voucher form is the relevant supporting documentation for the claim, such as the actual vendor invoice. According to agency procedures, this supporting documentation is reviewed and approved by the department head responsible for the expenditure. Under the current process, the Comptroller or Assistant Executive Director could approve a vendor invoice and also approve the associated claim jacket voucher form without any review being performed by an individual independent of the transaction. Independent review is a critical control component for the payment process, as it helps to ensure the expenditure is valid and properly supported. When an employee reviews and approves a claim jacket voucher form supported by a vendor invoice approved by this same individual, the intent of the control process is weakened.

Recommendation: Management should require a secondary approval on the claim voucher jacket form for those transactions in which the claim voucher jacket approver is reviewing their own, previously approved, supporting documentation.

Management Response:	Person Responsible	Est. Completion Date
OTRS accounts payable procedures require a signed receiving report by the CPO or Assistant CPO. A signed receiving report or signature approval authority by the department head signifying receipt of goods or services on the invoice will also be accepted. Voucher claim jacket will not be signed by the person approving the invoice, procedures allow for up to five persons to be able to sign voucher claim jacket. Policy will be updated to reflect this change in procedures.	Comptroller	Immediate

Improvement Opportunity – Expenditure Review

1.3: During the period under review, the agency had a maximum of three P-Cardholders. We noted the Business Manager was responsible for reconciling P-Card statements to receipts and signing the P-Card statement on behalf of each P-Cardholder. Subsequent to the completion of fieldwork for this review, the agency has closed two P-Card accounts and currently has only one active P-card assigned to the Business Manager.

Recommendation: State P-Card Procedures require each P-Cardholder to reconcile and sign their monthly P-Card statement. Should additional P-Cards be assigned in the future, management should ensure all P-Cardholders are reconciling their own P-Card statement to receipts and signing the P-Card Statement.

Management Response:	Person Responsible	Est. Completion Date
The agency is now down to one p-card holder. All charges to the p-card are now being approved by the p-card administrator prior to purchase. The agency will follow the purchase card procedures issued by Office of Management and Enterprise services effective December 1, 2013. The new p-cardholder will be made aware of their responsibilities per section 6.12 of the above procedures.	Comptroller	Immediate

1.4: OTRS utilizes a Manager Fee Form to recalculate and verify the fee presented for payment on all investment management fee invoices. The Manager Fee form is signed by the Investment Analyst signifying the Analyst's recalculation and agreement with the fee indicated on the invoice. Although all Manager Fee forms reviewed during testing were signed by the Investment Analyst, there were three forms with variances between OTRS's re-calculated amount and the vendor invoice amount; however, the cause of these variances were not documented. The variances were \$221.40, \$4,859.85 and \$5,205.01. In all cases, OTRS paid the higher vendor invoice amount. The Investment Analyst is no longer an OTRS employee, and as a result, Internal Audit was unable to conclude which amount was appropriate.

Recommendation: Management should ensure explanation of all variances between the OTRS re-calculated fees and investment management fee invoices are properly explained and documented on the Manager Fee forms.



Management Response:	Person Responsible	Est. Completion Date
The manager of the investment division will recalculate the manager fees. Should the recalculation not match the manager’s invoice the investment division manager will require the vendor to send a corrected invoice prior to approval of payment.	Director of Operations	Immediate

1.5: Discussions with OTRS finance personnel and review of employee reimbursements indicated that, prior to April 2013, employee reimbursement and travel forms (OMES Forms 3 and 19) were not required to be approved by a department head. While a claim jacket voucher form for the expense was approved, the individual(s) approving the claim jacket voucher form may or may not have had the requisite knowledge to determine whether the travel or employee expenses detailed on OMES Forms 3 or 19 were reasonable or appropriate. It appears OTRS management has recognized this as a control weakness and has modified their procedures effective May 2013 to require relevant department head approval on the appropriate OMES forms before the claim voucher jacket is approved.

Recommendation: This observation is provided for Board of Trustee information and a recommendation is not necessary as it appears OTRS has implemented corrective action. We reviewed six employee reimbursements after the new procedure was implemented and all were signature approved by the appropriate department head.

Improvement Opportunity – Procurement Review

1.6: Discussion of the procurement process with Finance Department personnel and review of certain vendor files revealed at least two instances in which contracts did not go through the competitive bidding process as required by the Central Purchasing Act.

Recommendation: Consideration should be given to formalizing contract administration policies and procedures to ensure contracts are properly bid and awarded in accordance with the Central Purchasing Act. Furthermore, periodic monitoring procedures should be developed to ensure that existing contracts are re-bid at intervals consistent with agency policy and/or contract terms.

Management Response:	Person Responsible	Est. Completion Date
OTRS is in the process of converting to ePro in the PeopleSoft system. This is a statewide initiative that will require electronic approval of agencies procurement. The agency will set up approval workflow and all requested purchases would have to flow through this workflow.	Comptroller	2/28/14

Improvement Opportunity – Employee Recognition Program Policy

1.7: According to the Comptroller, OTRS’s employee recognition program as authorized by O.S. 74 § 4121 is an agency-wide quarterly event held at OTRS. However, we noted two restaurant P-Card transactions for small groups of people (five or less) described as “employee recognition.” The lack of a formal written employee recognition program policy appears to have created some inconsistency across OTRS with regard to these types of expenditures.

Recommendation: Management should develop a written Employee Recognition Program policy detailing the authorized expenditures and appropriate venues for the employee recognition program.

Management Response:	Person Responsible	Est. Completion Date
The Employee Recognition Program will be discontinued until a policy is in place	Human Resources Director	Immediate

Improvement Opportunity – Board Oversight of Expenditures

1.8: While the Board of Trustees and the Investment Committee of the Board retain close oversight of OTRS’s investment operations, responsibilities for the agency’s day-to-day operations have been delegated to the Executive Director. Periodic financial reporting to the Board is generally limited to approval of agency budgets and receiving high level financial reports, which include budget to actual reporting and current year to previous year expenditure comparisons. Given the level of authority held by the Executive Director with regard to the day-to-day operations of the Agency, it is important the Board remain apprised of significant operational and/or policy matters, even in those instances that may not require specific Board authorization or approval.

Recommendation: The Board of Trustees should consider requiring management to increase the level of financial and operational reporting provided to the Board on a monthly basis. Additional management reporting the Board may wish to consider obtaining on a periodic basis may include a detailed listing of paid vendors, an employee roster noting all new hires, salary changes, promotions and terminations occurring during the period, Executive Director expense reimbursement detail, and periodic reports or lists that detail contracts and/or transactions entered into in excess of a certain dollar threshold (i.e. \$25,000).



Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation. Management will work in concert with the Board to identify significant financial and operational reporting information. This information will be made available to the Board on a monthly basis.	Comptroller	Immediate

HUMAN RESOURCES

Process Strengths

During our review certain strengths were noted by the audit team with regard to the Human Resources (HR) process area. The current HR Director has held this position with OTRS for 27 years and is well versed in governing statutes, policies and procedures. HR records appear to be well documented, organized and securely stored within the OTRS offices. Human Capital Management (HCM), the State government office responsible for overseeing personnel-related issues for the State of Oklahoma, is also viewed as a strength, simply because this office serves as an ever-present resource upon which OTRS is able to rely for guidance and expertise in personnel matters. Additionally, OTRS HR regularly consults with their assigned, in-house legal counsel via the State Attorney General’s Office on complex personnel-related matters.

Improvement Opportunity – Severance Payments & Board Oversight

2.1: Our review of personnel records revealed thirteen (13) instances in which terminated employees received severance payouts totaling \$315,103.94 during the period extending from January 2009 through July 2013. Of these payments, twelve (12), totaling \$301,233.04, do not appear to have been paid in a manner consistent with guidance found at O.S. 74 § 840-2.27 of the Oklahoma Personnel Act. Documentation reviewed indicates executive management directed these payments to be made contrary to input and advice supplied by HCM and the OTRS HR Director. As such, it appears the payments were the result of management over-ride of existing processes and controls, and not the result of inadequate training, lack of oversight or ineffectively designed internal controls.

Recommendation: Management should only disburse severance payments to exiting employees in a manner consistent with existing laws, rules, policies and procedures. As noted in the previous Section 1.8 of this report, management and the Board should give consideration to increasing the level of financial and operational reporting provided to the Board on a periodic (i.e., monthly/quarterly) basis. Significant or otherwise non-routine personnel actions or employee payments should be incorporated

into monthly Board reporting to ensure the Board maintains adequate knowledge and oversight of executive management actions and to help deter management over-ride of existing controls.

Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation concerning the disbursement of severance payments. Management will also provide a monthly HR Status Report to be included in the Executive Director's Report to the Board, detailing substantial personnel actions or employee payments.	HR Director	Immediate

Improvement Opportunity – FMLA Policy & Board Oversight

2.2: Our review of personnel records reveals certain inconsistencies in the application of the Family and Medical Leave Act (FMLA) over the time period reviewed. FMLA guidelines require employers to provide employees with up to 12 weeks of (unpaid) leave during any 12 month period for qualifying reasons. Management indicates that the FMLA requirements were reinterpreted by executive management sometime in 2012, at which time internal policies were modified to conform to the new interpretation. This new interpretation significantly restricted the period of time employees were allowed to utilize FMLA leave by reducing the time period from 12 months to only 12 consecutive weeks. This reinterpretation of FMLA requirements is not consistent with Internal Audit’s understanding of the law and appears to have occurred in spite of contrary guidance supplied by the HR Director and HCM. As such, it appears the policy change was the result of management over-ride of existing policies and controls, and not the result of inadequate training or ineffectively designed internal controls. Additionally, management informed Internal Audit that Agency FMLA policies and procedures have been modified during the course of this review and are now consistent with FMLA requirements.

Recommendation: Although management indicates corrections have been made to Agency FMLA policies and procedures, management and the Board should give consideration to requiring all Agency policy changes to undergo a documented review by assigned, in-house legal counsel via the State Attorney General’s Office. This review would help ensure that policy changes are not in conflict with applicable laws and regulations. The Board should verify that this review has taken place and that any such policy modifications or interpretations are in fact consistent with legal guidance supplied by counsel prior to approving the change.

Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation and will consult with legal counsel on policy changes, documenting the review process.	HR Director	Immediate

Improvement Opportunity – FLSA & Board Oversight

2.3: Our review of personnel records and discussions with management indicate there may be certain inconsistencies in the application of the Fair Labor Standards Act with regard to employee classification (i.e. exempt versus non-exempt status). Certain staff positions are reported to have been re-classified in recent years at the direction of executive management, contrary to input and guidance supplied by HCM and the OTRS HR Director. Management is currently working with HCM and seeking input from assigned, in-house, legal counsel to make final determinations with regard to all staff classifications.

Recommendation: Although management indicates modifications are being made to certain employee classifications, as previously noted in 2.2, the Board should give consideration to requiring all Agency policy changes to undergo a documented review by assigned, in-house legal counsel via the State Attorney General’s Office. This review would help ensure that policy changes are not in conflict with applicable laws and regulations. The Board should verify that this review has taken place and that any such policy modifications or interpretations are in fact consistent with legal guidance supplied prior to approving the change.

Additionally, as noted at 1.8 in earlier sections of this report, the Board should consider requiring management to increase the level of financial and operational reporting provided to the Board on a monthly basis.

Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation and will consult with legal counsel on policy changes, documenting the review process.	HR Director	Immediate

Improvement Opportunity – Annual Evaluation

2.4: Personnel records reviewed during the course of our work indicate that annual evaluations are not consistently performed on all employees for whom there is a requirement by statute. Though records reviewed reflect substantial compliance with this requirement, Internal Audit noted several instances in which a required evaluation does not appear to have been performed.

Recommendation: Annual employee evaluations should be performed in a manner consistent with guidance found at 74 O.S. § 840-4.17.C. Additionally, the Board may wish to consider incorporating information concerning the status of required annual performance evaluations into new or enhanced monthly reporting that may be implemented as a result of recommendation relative to item 1.8 in earlier sections of this report.



Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation that employee evaluations should be performed in accordance with statute. Noncompliance will be reported to the Executive Director and to the Board.	HR Director	Completion of annual evaluations will be reported to the Board annually as part of the HR Status Report included in the Executive Director's report.

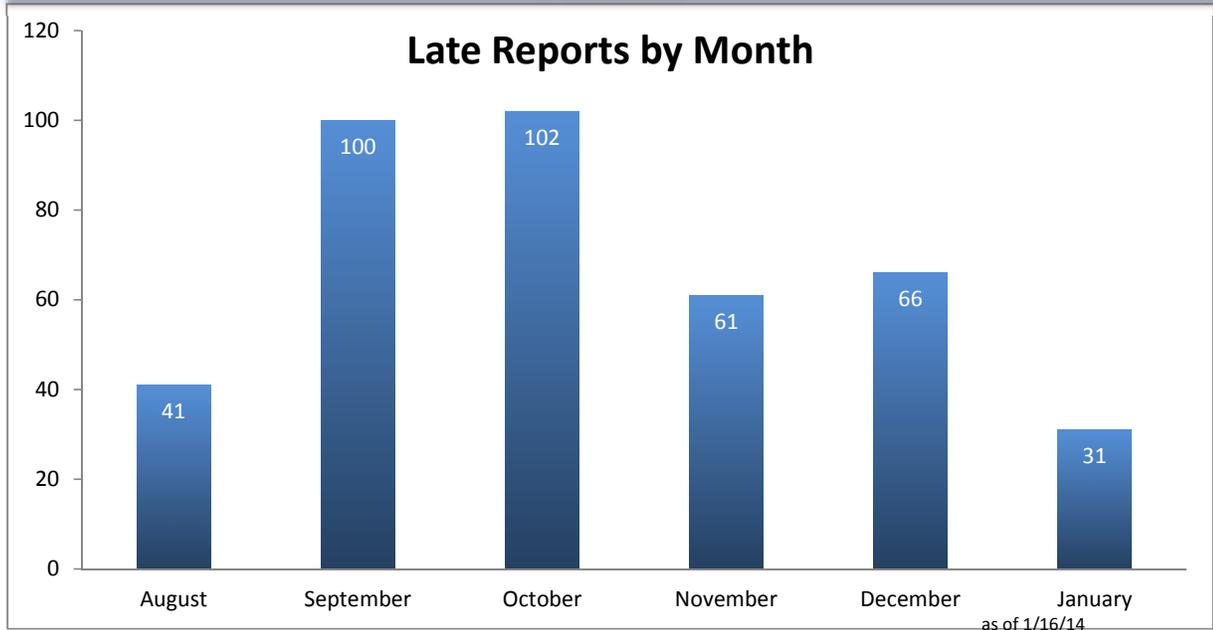
Improvement Opportunity – Performance Evaluation & Pay Raises

2.5: Discussions with management indicated there may not be clear linkage between performance evaluation results and compensation/raises. Although no separate analytics or detailed testing was performed that would quantify or substantiate this concern, it was noted by Internal Audit that employee performance is evaluated annually at year-end, while compensation increases typically occur during mid-year.

Recommendation: Management should give consideration to adjusting the calendaring of annual performance evaluations and compensation increases. Scheduling these activities such that they are more closely aligned with one another from a timing standpoint may result in a more direct relationship between an individual employee’s performance during the course of the year and the amount of any raise to be awarded. Management should take steps to ensure that managers and supervisors explicitly document the rationale for recommended pay raises to help ensure that compensation is aligned with performance.

Management Response:	Person Responsible	Est. Completion Date
Concur with recommendation. Management will work in concert with the Board to re-evaluate the timing of annual employee evaluations and pay raises and to determine whether improvements can be made in this area.	HR Director	7/1/2014

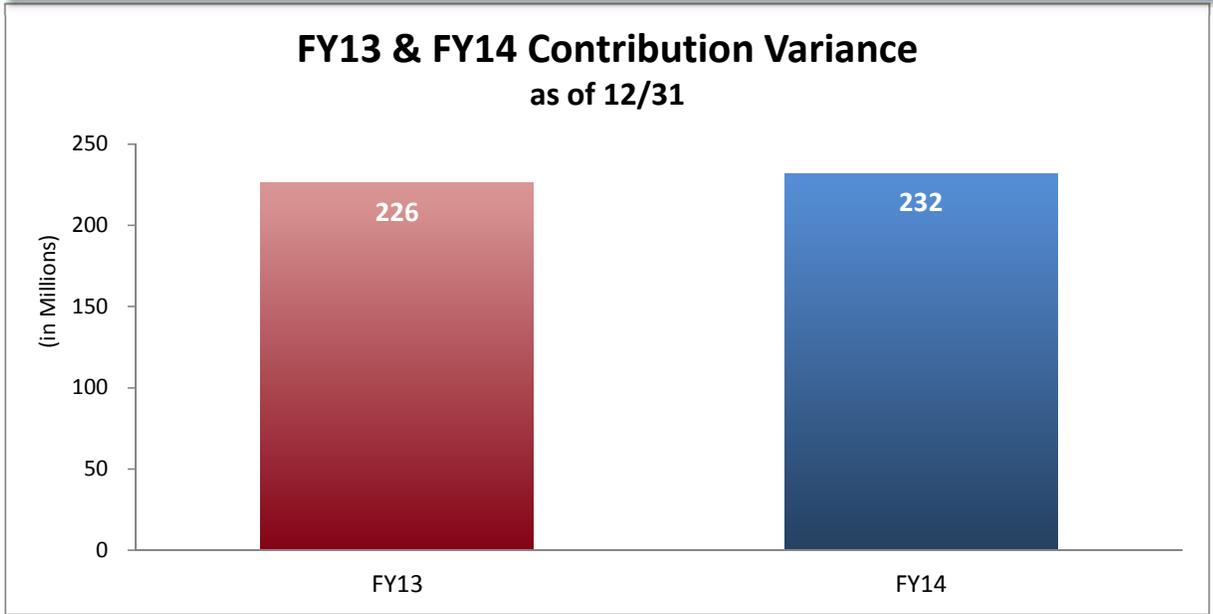
Penalties



We are beginning to see a drop in late reports

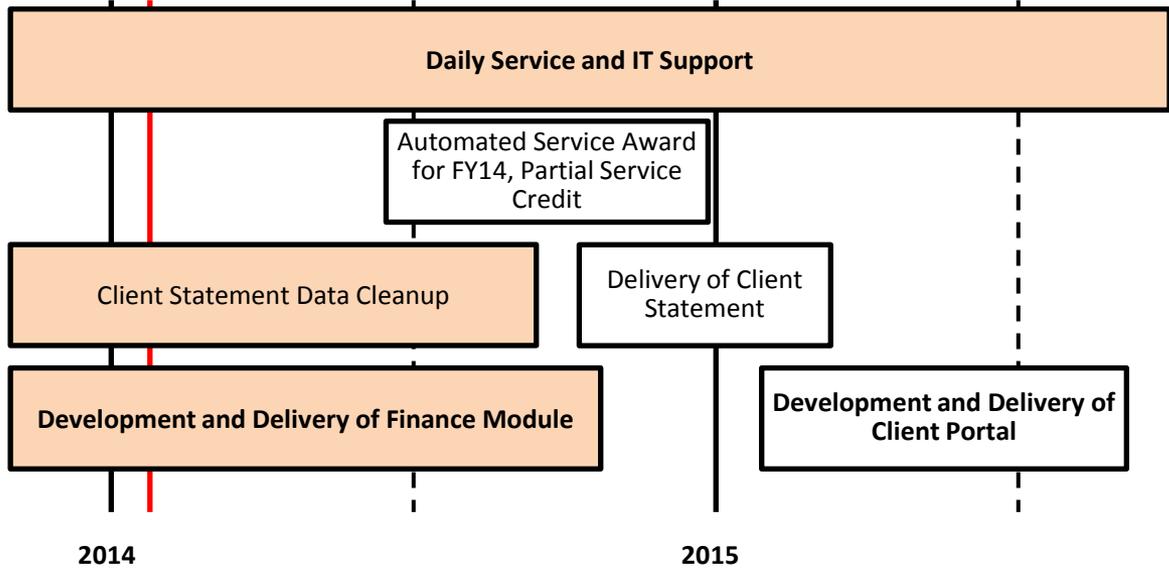
*A correction to a past report will trigger an addition to the late report total

Monthly Contributions



As the chart shows, FY14 contributions are remaining relatively steady as compared to FY13

My Consulting Update



Upcoming Tasks:

Meet with legal counsel to review methodology by which member service can be awarded for 2014 employment year and beyond.

Automate Retirement Reconciliation when service credit and final average salary both remain unchanged or increase.

Provide utility on employer portal which will handle employer late-fee calculation and payment, as well as notification of missed reporting requirements.

Generate and deliver 1099s for 2013 tax year.

What has been done on day to day requests:

- Created 2013 member service records
- Upgraded ALICE
- Improved research tools
- Developed new bulk withdrawal utility
- Created better data upload controls
- Opened Employer Portal to accept employer tax forms

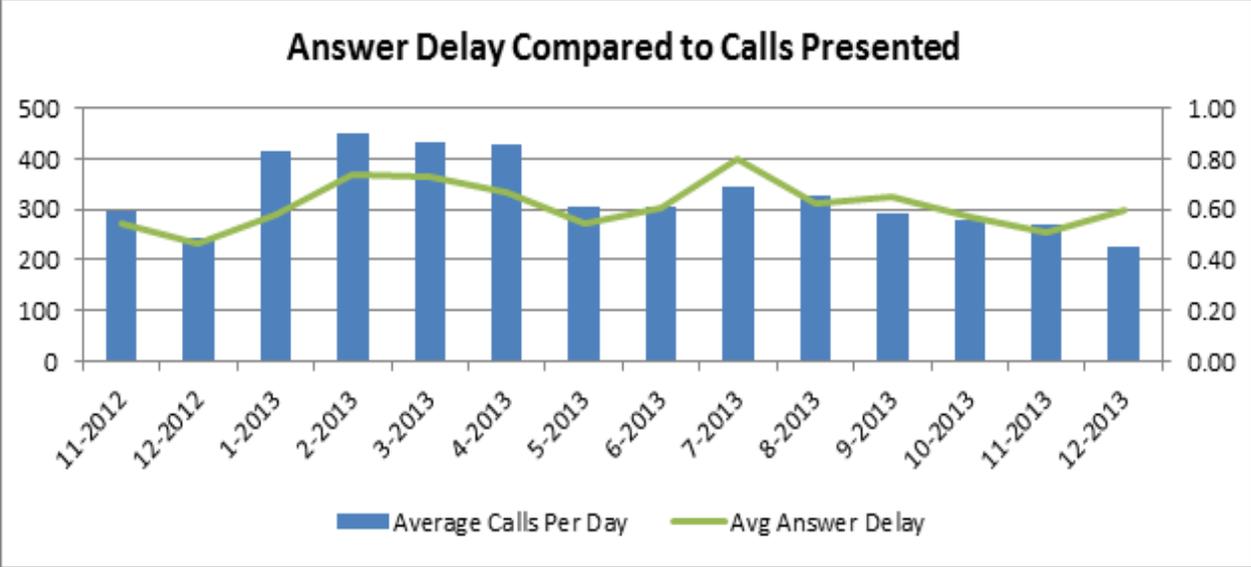
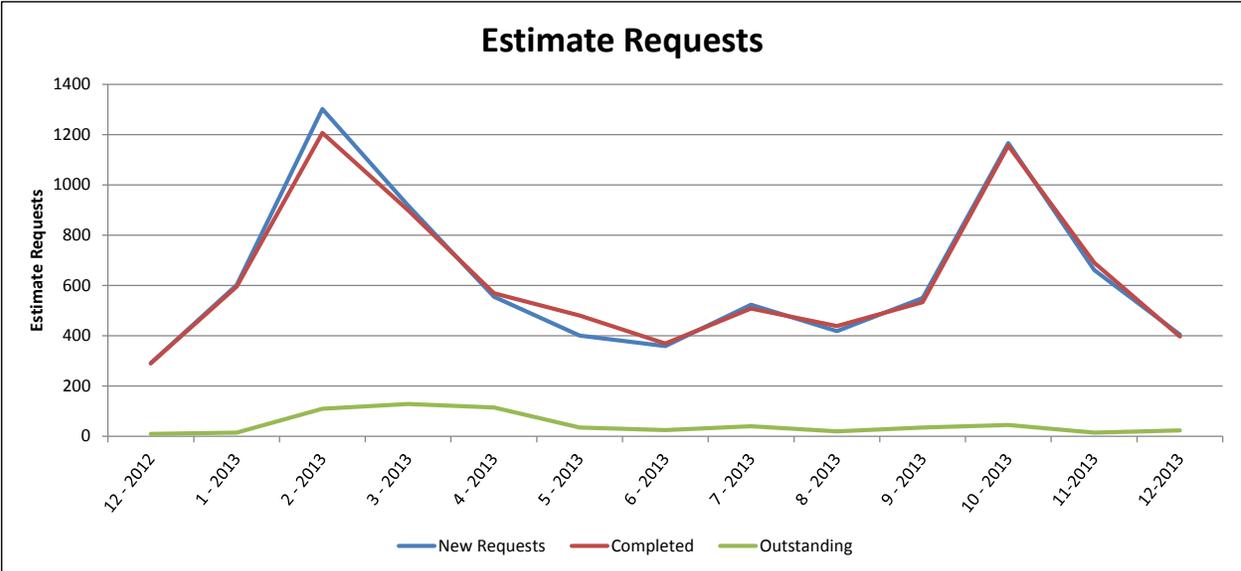
What has been done for Data Cleanup:

- Identified members with negative salaries
- Provided template for creating correcting records
- Identified members with differing service and contributory salaries
- Automated re-generation of those member service records.
- Identified member pending events over one year old
- Identified records marked both as "Withdrawn" and "Optional Withdrawal".
- Identified members with multiple records for one employment year

What has been done for the Finance Module:

- Initial project meetings have occurred
- Chart of Accounts has been delivered to MYCG, scrubbed to remove unnecessary accounts
- Future meeting to discuss financial reporting in the works

CLIENT SERVICES PERFORMANCE METRICS THROUGH DEC 2013





OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - January 2014

New Retirements	<u>Count</u>	<u>Benefit Total</u>
Type		
Disability	13	\$13,267.66
Normal	203	\$366,196.82
Total	<u>216</u>	<u>\$379,464.48</u>
Terminated Retirements	55	<u>\$75,560.90</u>
Net Change	161	<u>\$303,903.58</u>

NORMAL RETIREMENTS

January 1, 2014

Client #	Client Name	Age	Service	Estimate Ret. Date	Retirement Number	Benefit
Q0085554	S ADAIR	65	22.77	01/01/14	099502	\$1,163.44
Q0183298	S ALLEN	60	16.00	01/01/14	099503	\$874.59
Q0196948	G ALSBACH	74	41.00	01/01/14	099490	\$2,938.64
Q0029330	L ANDERSON	59	16.00	01/01/14	099504	\$982.26
Q0010139	M ANGELOTTI	78	27.50	01/01/14	099505	\$2,499.18
Q0260681	E ASHCRAFT	71	23.33	01/01/14	099506	\$950.34
Q0201554	D ASKLUND	61	14.85	01/01/14	099507	\$1,387.34
Q0275662	D AULD-PORRAS	62	6.00	01/01/14	099508	\$337.96
Q0086452	J BAKER	61	8.87	01/01/14	099509	\$512.46
Q0229416	J BARTELS	69	11.00	01/01/14	099510	\$399.28
Q0246356	G BECKER	56	33.50	01/01/14	099511	\$2,403.43
Q0043797	G BEEBY	72	40.50	01/01/14	099513	\$3,517.52
Q0122917	W BERRY	65	24.50	01/01/14	099514	\$2,424.73
Q0292643	V BERRYMAN	70	14.50	01/01/14	099515	\$578.28
Q0021100	J BLAIR	63	24.50	01/01/14	099516	\$3,427.89
Q0047416	L BLAKLEY	63	35.47	01/01/14	099517	\$2,663.02
Q0164735	K BOEVERS	55	34.00	01/01/14	099518	\$2,598.38
Q0183587	B BOYLES	62	21.97	01/01/14	099519	\$519.43
Q0037981	P BRADEN	66	16.50	01/01/14	099459	\$561.93
Q0069640	J BRAY	56	24.49	01/01/14	099520	\$1,740.04
Q0142228	T BRIDGES	61	11.54	01/01/14	099521	\$674.08
Q0200676	B BROSS	66	26.51	01/01/14	099522	\$3,089.75
Q0109322	R BURRIS	55	34.50	01/01/14	099523	\$2,533.95
Q0142093	J BURTON	63	41.31	01/01/14	099524	\$2,711.24
Q0163597	W BUVINGER	62	9.00	01/01/14	099525	\$909.00
Q0214327	D CASH	63	26.50	01/01/14	099526	\$2,846.47
Q0037489	Y CHAFIN	59	20.00	01/01/14	099527	\$1,064.04
Q0249693	C CHAPMAN	59	20.05	01/01/14	099528	\$1,284.11
Q0276806	D CHAVEZ	62	8.61	01/01/14	099529	\$506.72
Q0068139	M CHILDRESS	59	16.66	01/01/14	099530	\$1,011.86
Q0107482	C CLAMPET	60	36.00	01/01/14	099467	\$3,264.10
Q0123285	B CLAYTON	64	23.04	01/01/14	099531	\$2,075.44
Q0181247	D COLVIN	62	25.00	01/01/14	099532	\$998.94
Q0084434	J COMER	65	24.50	01/01/14	099468	\$3,317.93
Q0086196	P COOK	64	35.12	01/01/14	099427	\$3,079.58
Q0185143	C COX	56	31.50	01/01/14	099469	\$3,551.58
Q0227082	L COX	67	28.56	01/01/14	099533	\$871.43
Q0124726	P CREED	61	14.00	01/01/14	099534	\$656.79
Q0148835	J CROW	53	30.00	01/01/14	099535	\$1,873.92
Q0128131	J CULPEPPER	55	25.50	01/01/14	099536	\$2,490.06
Q0124449	M DARRAGH	62	20.35	01/01/14	099537	\$724.65
Q0228568	B DE GRAAF	62	5.00	01/01/14	099538	\$313.54
Q0049954	B DENNEY	60	20.50	01/01/14	099539	\$1,421.51
Q0103660	M DESPAIN	66	22.92	01/01/14	099540	\$1,937.96
Q0194993	E DILLINGHAM	76	11.59	01/01/14	099541	\$546.19
Q0016662	C DIVINE	61	35.50	01/01/14	099542	\$2,924.51
Q0044327	L DIX	66	11.67	01/01/14	099543	\$267.39
Q0090130	C DONNELL	55	33.45	01/01/14	099544	\$2,495.85

Q0110561	T	DOWNS	52	30.71	01/01/14	099545	\$1,674.08
Q0176769	C	DRAKE	73	39.50	01/01/14	099546	\$3,658.31
Q0086467	A	DUKES	63	39.45	01/01/14	099547	\$3,313.82
Q0083904	B	ELLIOTT-POWERS	64	10.50	01/01/14	099719	\$578.58
Q0045909	C	ELLIS	65	9.99	01/01/14	099548	\$965.03
Q0143018	C	ENIS	65	43.50	01/01/14	099549	\$7,867.99
Q0005452	C	ENSLER	62	32.00	01/01/14	099550	\$2,315.29
Q0104863	D	ENTERLINE	61	27.50	01/01/14	099551	\$1,846.88
Q0181211	S	ETZEL	62	20.00	01/01/14	099552	\$532.73
Q0048476	R	FAGALDE	61	6.00	01/01/14	099553	\$113.09
Q0276272	S	FERGUSON	63	8.56	01/01/14	099554	\$679.47
Q0105161	D	FERRELL	63	26.50	01/01/14	099562	\$2,838.54
Q0204408	D	FIELDS	56	25.00	01/01/14	099563	\$1,506.48
Q0022029	T	FINNICUM	56	24.50	01/01/14	099564	\$2,116.31
Q0201321	D	FLOWERS	62	22.50	01/01/14	099565	\$3,121.06
Q0108360	G	FORGEY	56	24.00	01/01/14	099566	\$2,378.56
Q0261177	R	FOX	63	14.79	01/01/14	099567	\$1,048.07
Q0218492	D	FREEMAN	56	31.50	01/01/14	099568	\$3,083.65
Q0240263	T	FRY	56	27.50	01/01/14	099569	\$2,105.35
Q0232541	K	GANN	72	12.50	01/01/14	099570	\$593.13
Q0088000	D	GASTINEAU	56	35.32	01/01/14	099571	\$3,278.95
Q0198037	P	GIDDENS	66	17.74	01/01/14	099573	\$820.23
Q0009027	G	GRAHAM	62	16.00	01/01/14	099574	\$1,105.62
Q0068899	B	GRAVES	57	17.64	01/01/14	099575	\$745.30
Q0123758	R	GRAY	63	13.00	01/01/14	099498	\$537.33
Q0144293	S	GREEN	62	16.00	01/01/14	099500	\$525.89
Q0124800	B	GREEN	61	27.50	01/01/14	099576	\$1,737.43
Q0142119	J	GREENWOOD	63	29.50	01/01/14	099577	\$1,334.77
Q0123754	J	GROOMS	62	24.73	01/01/14	099578	\$1,052.52
Q0202102	D	GROOVER	63	24.50	01/01/14	099579	\$1,782.31
Q0024071	D	GUPTIL	63	11.00	01/01/14	099497	\$719.80
Q0106507	Y	HAMILTON	51	29.50	01/01/14	099580	\$2,736.78
Q0059978	C	HARDEMAN	78	17.56	01/01/14	099581	\$2,205.11
Q0022977	H	HARMON	67	40.50	01/01/14	099582	\$3,409.94
Q0049063	V	HARPER	56	35.50	01/01/14	099583	\$2,726.82
Q0163024	U	HAWKINS	63	32.50	01/01/14	099584	\$4,238.02
Q0220006	J	HENDRICKSON	62	31.50	01/01/14	099585	\$3,352.70
Q0290788	L	HIATT	66	6.86	01/01/14	099588	\$330.51
Q0146156	M	HICKMAN	58	28.50	01/01/14	099589	\$2,342.58
Q0103786	K	HILL	85	29.56	01/01/14	099590	\$667.08
Q0045002	S	HODGSON	56	16.00	01/01/14	099591	\$569.78
Q0249948	G	HOEFAR	69	17.00	01/01/14	099592	\$1,215.14
Q0182770	F	HOPPER	62	14.05	01/01/14	099593	\$601.53
Q0024357	J	HOUCK	64	23.50	01/01/14	099466	\$3,228.06
Q0294694	J	HOWARD	70	10.30	01/01/14	099594	\$371.62
Q0239876	C	HUMMELKE	67	9.78	01/01/14	099596	\$611.65
Q0233367	S	HUNTER	65	12.00	01/01/14	099597	\$815.66
Q0019904	C	HUST	76	34.50	01/01/14	099598	\$4,356.24
Q0124868	D	HYAMS	62	30.00	01/01/14	099600	\$3,213.57
Q0248338	S	IRELAND	61	24.50	01/01/14	099601	\$1,494.21
Q0233699	P	JAMES	66	16.50	01/01/14	099602	\$1,208.72
Q0034031	W	JENNINGS	65	20.50	01/01/14	099603	\$4,129.89
Q0010155	C	JOHNSON	63	40.00	01/01/14	099604	\$2,598.73
Q0142944	K	JOHNSON	64	27.50	01/01/14	099605	\$1,354.61

Q0006588	R	JOHNSON	64	13.50	01/01/14	099606	\$887.59
Q0142764	J	JONES	66	46.50	01/01/14	099608	\$5,269.01
Q0067379	R	KILLIAN	57	35.50	01/01/14	099371	\$3,669.22
Q0284143	D	KING	62	5.00	01/01/14	099609	\$242.87
Q0048751	K	KIRKPATRICK	60	32.25	01/01/14	099610	\$4,041.17
Q0222481	G	KOHLBACHER	62	11.00	01/01/14	099495	\$536.64
Q0063923	W	KRUSE	67	24.39	01/01/14	099613	\$2,437.47
Q0125002	C	KUBIAK	59	20.00	01/01/14	099617	\$1,019.72
Q0121653	J	LAMBERT	64	16.50	01/01/14	099625	\$3,022.03
Q0047563	C	LEACH	65	12.50	01/01/14	099633	\$839.93
Q0165428	S	LEATHERWOOD	58	27.50	01/01/14	099634	\$1,406.51
Q0046902	J	LITTLEDAVE	63	18.50	01/01/14	099635	\$615.81
Q0019474	I	LOVE	66	22.50	01/01/14	099636	\$1,658.68
Q0217494	S	MANESS	62	15.50	01/01/14	099722	\$458.06
Q0109578	T	MANSEL	53	29.22	01/01/14	099637	\$2,127.91
Q0123678	D	MARKHAM	64	22.75	01/01/14	099559	\$744.00
Q0121540	C	MARSTON	63	29.50	01/01/14	099638	\$2,474.93
Q0243603	P	MATTSON	63	14.84	01/01/14	099729	\$2,037.44
Q0027923	M	MAY	66	33.50	01/01/14	099726	\$6,045.61
Q0047940	P	MCCANN	61	27.50	01/01/14	099718	\$3,416.73
Q0048515	C	MCCARTY	63	26.50	01/01/14	099715	\$2,832.37
Q0122597	B	MCINTOSH	65	14.24	01/01/14	099716	\$904.15
Q0031479	J	MERRILL	57	23.44	01/01/14	099724	\$1,715.90
Q0006660	J	MIKETISH	64	11.04	01/01/14	099643	\$462.15
Q0262076	D	MILES	59	10.00	01/01/14	099644	\$356.77
Q0099669	R	MIRANDA	73	24.55	01/01/14	099717	\$2,150.77
Q0148158	P	MITCHELL	55	25.00	01/01/14	099645	\$1,686.93
Q0103183	B	MITCHELL	66	22.28	01/01/14	099725	\$2,052.73
Q0011902	M	MOORMAN	60	32.50	01/01/14	099727	\$3,855.85
Q0184431	F	MORRIS	56	18.00	01/01/14	099646	\$901.29
Q0237938	G	MORSTORF	59	19.50	01/01/14	099720	\$1,062.48
Q0159587	E	NEWELL	69	25.00	01/01/14	099721	\$2,377.21
Q0224734	S	OSISANYA	62	22.50	01/01/14	099728	\$3,137.47
Q0213715	T	PACE	56	25.50	01/01/14	099370	\$2,735.59
Q0199486	J	PAYNE	64	34.00	01/01/14	099649	\$3,852.01
Q0105138	M	PAYNE	64	7.00	01/01/14	099651	\$630.04
Q0109801	M	PECK	56	25.64	01/01/14	099652	\$1,931.46
Q0234995	K	PETERSON	57	12.00	01/01/14	099723	\$1,184.07
Q0107257	J	PHILLIPS	58	37.50	01/01/14	099653	\$4,541.31
Q0088016	G	PHILLIPS	60	28.50	01/01/14	099737	\$2,483.83
Q0138877	R	POLLARD	72	20.25	01/01/14	099654	\$977.78
Q0220541	W	POLSON	70	45.50	01/01/14	099655	\$4,311.85
Q0016851	M	PRESTAMO	62	9.00	01/01/14	099501	\$1,068.81
Q0198757	M	RAY	63	10.82	01/01/14	099656	\$841.21
Q0046136	M	RAY	62	16.00	01/01/14	099657	\$715.27
Q0124033	L	RITZ	62	22.29	01/01/14	099658	\$1,363.41
Q0105499	I	ROBERTSON	62	15.50	01/01/14	099659	\$802.59
Q0234070	C	RODGERS	64	15.00	01/01/14	099660	\$559.43
Q0008052	L	RUSCH	58	10.05	01/01/14	099661	\$712.08
Q0106022	V	RUSSELL	60	23.22	01/01/14	099662	\$1,401.21
Q0034585	L	SANDERS	58	25.51	01/01/14	099663	\$1,919.85
Q0231931	R	SANTELLAN	68	11.00	01/01/14	099664	\$1,001.19
Q0015227	P	SCARBROUGH	62	13.44	01/01/14	099665	\$925.62
Q0083042	H	SCOTT	69	21.00	01/01/14	099666	\$3,008.51

Q0241315	P	SELF	61	15.00	01/01/14	099667	\$452.07
Q0141254	D	SHAFFER	66	20.50	01/01/14	099668	\$2,231.13
Q0126895	C	SHERRARD	56	22.00	01/01/14	099669	\$899.63
Q0146056	C	SHIPMAN	59	23.39	01/01/14	099670	\$1,631.89
Q0101017	J	SIMON	70	24.48	01/01/14	099671	\$2,047.92
Q0063939	B	SLAGLE	66	42.50	01/01/14	099672	\$6,487.22
Q0142845	E	SMITH	62	21.50	01/01/14	099673	\$1,322.62
Q0012700	V	SMITH	63	23.35	01/01/14	099674	\$745.73
Q0142882	C	SNIDER	62	12.00	01/01/14	099675	\$556.80
Q0019813	J	SNOW	68	21.50	01/01/14	099676	\$3,576.57
Q0021327	W	SOLOMON	64	16.50	01/01/14	099677	\$851.64
Q0281504	J	SPENCE	65	8.54	01/01/14	099679	\$1,236.89
Q0122484	D	SPIGNER-LITTLES	65	30.50	01/01/14	099680	\$3,105.85
Q0232659	D	SPURGEON	61	19.00	01/01/14	099499	\$1,464.82
Q0229503	J	STANARD	62	19.00	01/01/14	099681	\$896.91
Q0089011	D	STINNETT	58	28.50	01/01/14	099682	\$2,138.88
Q0258419	A	STONE	61	10.11	01/01/14	099683	\$1,037.72
Q0067659	S	SWOYER	62	12.50	01/01/14	099684	\$1,477.78
Q0202972	B	SYKES	60	28.97	01/01/14	099740	\$1,296.99
Q0279203	B	TAYLOR	58	8.48	01/01/14	099688	\$126.40
Q0284067	C	TENNESSEN	69	7.00	01/01/14	099689	\$217.18
Q0181456	E	THOMAS	62	27.12	01/01/14	099690	\$2,030.30
Q0129316	T	THORNE	52	31.42	01/01/14	099691	\$2,045.57
Q0201610	S	TILLMAN	62	15.89	01/01/14	099692	\$2,354.55
Q0256016	J	TRAMPOSH	61	8.00	01/01/14	099693	\$224.18
Q0162115	C	VALENTINE	63	26.39	01/01/14	099461	\$2,655.89
Q0125819	D	VAUGHN	58	23.42	01/01/14	099694	\$2,375.59
Q0292062	M	VENNEMAN	69	6.68	01/01/14	099695	\$1,523.64
Q0028469	M	WARD	66	6.18	01/01/14	099696	\$132.84
Q0220840	K	WEBB	62	14.37	01/01/14	099378	\$656.42
Q0007448	J	WEBER	75	50.50	01/01/14	099697	\$4,043.07
Q0228106	M	WEDEMEYER	65	13.11	01/01/14	099698	\$636.81
Q0105784	D	WELCH	62	40.56	01/01/14	099699	\$3,600.26
Q0013659	E	WELCH	67	29.00	01/01/14	099700	\$3,015.16
Q0231166	E	WELCH	61	26.08	01/01/14	099702	\$1,925.51
Q0015234	C	WHITE	62	41.50	01/01/14	099701	\$3,704.83
Q0198172	J	WHITE	68	10.65	01/01/14	099703	\$1,028.66
Q0047726	R	WHITE	62	25.50	01/01/14	099704	\$797.22
Q0122318	D	WILSON	62	29.50	01/01/14	099705	\$1,853.91
Q0139844	B	WINKCOMPLECK	67	26.00	01/01/14	099706	\$1,535.73
Q0260829	T	WINTERS	66	15.81	01/01/14	099707	\$810.22
Q0237699	H	WOOLDRIDGE	64	14.90	01/01/14	099708	\$500.21
Q0082663	W	WORTH	70	12.23	01/01/14	099709	\$396.41
Q0124644	C	WRIGHT	63	31.50	01/01/14	099710	\$2,221.37
Q0103032	M	YEAGER	66	22.50	01/01/14	099711	\$2,390.94
Q0016301	P	YELLIN	59	20.00	01/01/14	099712	\$725.96
Q0024880	K	YU	63	6.00	01/01/14	099496	\$116.16
Total							\$366,196.82

Disability Retirements

January 1, 2014

Client #	Client Name	Age	Service	Estimate Ret. Date	Retirement Number	Benefit
Q0089828	M BRO	54	19.17	01/01/14	D099389	\$1,138.34
Q0213763	M BROWN	56	24.50	01/01/14	D099745	\$2,251.42
Q0165011	S FRANTZ	57	22.47	01/01/14	D099392	\$767.17
Q0103965	P FROST	60	16.04	01/01/14	D099742	\$305.53
Q0056568	S GENTRY	38	14.55	01/01/14	D099629	\$989.46
Q0128776	J HILL	53	12.39	01/01/14	D099621	\$875.29
Q0008097	D HOFFLINGER	54	12.42	01/01/14	D099494	\$526.13
Q0204501	D LEWIS	58	19.00	01/01/14	D099744	\$1,068.46
Q0053250	C MAJORS	53	12.00	01/01/14	D099630	\$387.74
Q0204621	J PHILLIPS	51	10.10	01/01/14	D099623	\$658.30
Q0221013	B SMITH	41	15.38	01/01/14	D099627	\$989.35
Q0074931	B TIPTON	40	13.31	01/01/14	D099628	\$858.25
Q0168202	P WALKER	46	24.00	01/01/14	D099393	\$2,452.22
Total						\$13,267.66

Terminations January 2014

Termination	Retire. #	Annuitant Name	Death	Termination	Benefit
Deceased	028497	SHIRLEY A ALEXANDER	12/12/2013	01/01/2014	\$1,773.47
Deceased	047490	JUDY E ANDERSON	12/22/2013	01/01/2014	\$1,390.98
Deceased	053564	NEOMI D ASBILL	12/07/2013	01/01/2014	\$1,576.06
Deceased	040025	ALBERT G BAKER	12/08/2013	01/01/2014	\$1,393.69
Deceased	028291	JOHN W BARHAM	12/22/2013	01/01/2014	\$2,604.68
Deceased	027454	MILDRED L BELEW	12/12/2013	01/01/2014	\$497.12
Deceased	025142	FRANCIS W	12/26/2013	01/01/2014	\$1,339.13
Deceased	063781	SANDRA L BENSON	12/30/2013	01/01/2014	\$3,097.34
Deceased	017448	YSLETA H BOWER	12/24/2013	01/01/2014	\$1,327.12
Deceased	022190	BEULAH M BRADFORD	12/18/2013	01/01/2014	\$1,800.49
Deceased	037095	FANNIE J CANNON	12/24/2013	01/01/2014	\$944.45
Deceased	051355	ROSELAN B CARR	12/02/2013	01/01/2014	\$287.07
Deceased	021269	THERESA V CUTLIP	12/19/2013	01/01/2014	\$1,672.36
Deceased	031620	DONALD L EDDY	12/29/2013	01/01/2014	\$2,520.84
Deceased	034498	LLOYD C FAULKNER	12/20/2013	01/01/2014	\$1,333.99
Deceased	064388	RAY FRIESEN	12/07/2013	01/01/2014	\$92.11
Deceased	040246	LLOYD C GARNER	12/29/2013	01/01/2014	\$2,274.39
Deceased	043840	LEONA B GEIMAUSSADDLE	12/24/2013	01/01/2014	\$289.87
Deceased	093497	LINDA D GOINS	12/26/2013	01/01/2014	\$876.81
Deceased	023070	CORALEE GREEN	12/26/2013	01/01/2014	\$423.86
Deceased	037773	BILLY R GREENWOOD	12/15/2013	01/01/2014	\$891.39
Deceased	051770	RAYMOND K HARP	12/06/2013	01/01/2014	\$2,176.85
Deceased	064784	MARTIN L HARRIS	12/25/2013	01/01/2014	\$950.30
Deceased	059720	MARTIN L HARRIS	12/25/2013	01/01/2014	\$570.25
Deceased	045819	THOMAS R HARTLEY	12/19/2013	01/01/2014	\$1,840.24
Deceased	033501	BETTY G HAYNIE	12/27/2013	01/01/2014	\$1,397.79
Deceased	035534	BARBARA S HENRY	12/12/2013	01/01/2014	\$967.14
Deceased	099422	JUDY M HIGHTOWER	12/18/2013	01/01/2014	\$2,434.22
Deceased	024256	EARL W JACKSON	12/22/2013	01/01/2014	\$1,882.93
Deceased	030001	MARY F JONES	12/25/2013	01/01/2014	\$162.25
Deceased	021163	ROSE M JONES	12/12/2013	01/01/2014	\$1,623.56
Deceased	020615	JOHN KILLINGSWORTH	12/26/2013	01/01/2014	\$1,522.80
Deceased	052481	PATRICIA L LANGDON	12/25/2013	01/01/2014	\$1,488.88
Deceased	031872	BETTY S MANEVAL	12/31/2013	01/01/2014	\$648.77
Deceased	054155	WANDA L MCCARTY	12/26/2013	01/01/2014	\$317.32
Deceased	096102	JEFF A MILLER	12/29/2013	01/01/2014	\$2,346.89
Deceased	040449	NORMA R MILLER	12/10/2013	01/01/2014	\$815.92
Deceased	016390	BLANCHE G MOON	12/13/2013	01/01/2014	\$1,418.29
Deceased	019917	ORPHA L POWELL	12/26/2013	01/01/2014	\$1,024.88
Deceased	D00898	KATHLEEN C REDDICK	12/27/2013	01/01/2014	\$1,329.42
Deceased	019965	CLIFFORD ROGERS	12/31/2013	01/01/2014	\$1,833.43
Deceased	021739	LUCILLE C RUSSELL	12/09/2013	01/01/2014	\$521.29
Deceased	062801	GLENDA K SCHERMAN	12/31/2013	01/01/2014	\$1,831.03
Deceased	052129	TERRY J SHAW	12/21/2013	01/01/2014	\$2,012.25
Deceased	057850	TERRY J SHAW	12/21/2013	01/01/2014	\$1,452.80
Deceased	026622	CHARLES L SMITH	12/25/2013	01/01/2014	\$1,168.96
Deceased	050220	ANDREA J STEWART	12/18/2013	01/01/2014	\$2,152.25
Deceased	029831	LOUANN K STINSON	12/28/2013	01/01/2014	\$1,400.72
Deceased	036957	J R STURGEON	12/08/2013	01/01/2014	\$1,131.09
Deceased	031314	ELSIE SUMMERS	12/11/2013	01/01/2014	\$249.14

Deceased	024107	WILLIAM M TONKIN	12/26/2013	01/01/2014	\$1,242.37
Deceased	034578	BARBARA J TUTTLE	12/02/2013	01/01/2014	\$3,169.25
Deceased	042487	BOBBIE J WOOTEN	12/19/2013	01/01/2014	\$1,096.94
Deceased	020901	ELSIE YODER	12/18/2013	01/01/2014	\$945.54
Deceased	054545	ANDREW B ZALLER	12/29/2013	01/01/2014	\$2,027.92
Total					\$75,560.90



**BALANCE SHEET
DECEMBER 2013**

CURRENT ASSETS:

Cash Not Available For Investment	\$5,519,679.02
Equities (At Market Value)	10,148,453,017.27
Fixed Income (At Market Value)	2,682,464,546.03
Short-Term Investment Account	511,804,817.07
Due From/(To) Broker	(218,427,096.53)
Accounts Receivable Installment Payments	1,358,144.49
Prepaid Retirement Benefits	73,133,224.16
Accrued Income	<u>38,895,626.20</u>
Total Current Assets	13,243,201,957.71

CAPITAL ASSETS:

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

TOTAL ASSETS

\$13,245,382,192.31

CURRENT LIABILITIES:

Teachers' Savings Fund	\$4,167,854,339.54
Retirement Benefit Fund	7,418,040,921.47
Interest Fund	1,578,760,848.06
Expense Fund	44,469,948.49
Suspense Fund	<u>33,616,623.89</u>
Total Current Liabilities	13,242,742,681.45

TRS Capital Investment

2,639,510.86

TOTAL LIABILITIES AND CAPITAL INVESTMENT

\$13,245,382,192.31

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE SIX MONTHS ENDED DECEMBER 31**

	<u>Year to Date</u> (FY 2014)	<u>Year to Date</u> (FY 2013)	<u>Increase</u> (Decrease)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$11,817,761,245.40	\$10,120,620,220.15		
<u>RECEIPTS:</u>				
Members' Deposits	124,263,768.31	126,052,843.92	(1,789,075.61)	-1.42%
Employer Contributions	181,588,323.99	184,167,175.61	(2,578,851.62)	-1.40%
State Credits	19,107,243.00	18,710,690.00	396,553.00	2.12%
Class Action Lawsuits and Other	326,509.18	349,408.76	(22,899.58)	-6.55%
Matching Funds from Schools	12,069,095.49	12,398,816.07	(329,720.58)	-2.66%
Lottery Revenue	1,417,526.50	1,438,174.75	(20,648.25)	-1.44%
Cigarette Sales Tax Revenue	839,712.82	882,487.98	(42,775.16)	-4.85%
Dedicated Revenue	141,506,916.45	144,683,327.66	(3,176,411.21)	-2.20%
Total Retirement Receipts	481,119,095.74	488,682,924.75	(7,563,829.01)	-1.55%
Interest Income (Fixed Income and Short-Term)	63,340,377.01	67,846,884.77	(4,506,507.76)	-6.64%
Dividend Income	95,811,207.62	93,894,238.09	1,916,969.53	2.04%
Net Realized Gain/(Loss)	475,846,267.57	156,114,684.40	319,731,583.17	204.81%
Net Unrealized Gain/(Loss)	939,522,554.18	465,662,442.58	473,860,111.60	101.76%
Investment Operations Income:				
Other Income	31,438.07	8,929.13	22,508.94	252.08%
Securities Lending Income	3,898,336.50	4,954,145.20	(1,055,808.70)	-21.31%
Total Investment Income	1,578,450,180.95	788,481,324.17	789,968,856.78	100.19%
TOTAL RECEIPTS	2,059,569,276.69	1,277,164,248.92		61.26%
<u>DISBURSEMENTS:</u>				
Retirement Benefits	559,586,081.60	533,161,910.95	26,424,170.65	4.96%
Insurance Premiums Paid for Retirees	15,123,232.00	14,941,541.00	181,691.00	1.22%
Death Benefits	8,252,886.23	8,069,763.04	183,123.19	2.27%
Withdrawals of Accounts	16,562,611.39	16,795,536.30	(232,924.91)	-1.39%
Total Benefit Payments	599,524,811.22	572,968,751.29	26,556,059.93	4.63%
Administrative Expense:				
General Operations	2,689,576.79	2,496,247.39	193,329.40	7.74%
Investment Expense	20,295,609.89	16,810,360.33	3,485,249.56	20.73%
Total Administrative Expenses	22,985,186.68	19,306,607.72	3,678,578.96	19.05%
TOTAL DISBURSEMENTS	622,509,997.90	592,275,359.01	30,234,638.89	5.10%
NET INCREASE/(NET DECREASE)	1,437,059,278.79	684,888,889.91	752,170,388.88	109.82%
Balance of Cash and Investments, December 31	\$13,254,820,524.19	\$10,805,509,110.06	\$2,449,311,414.13	22.67%



**SCHEDULE I
Comparison of FY2014 Budget to Actual Expenses
6 Month Year to Date Comparison**

Object of Expenditure	6 Month FY-2014 YTD Budget	6 Month FY-2014 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay	1,031,964	940,366	(91,598)	-8.9%
Taxes, Benefits, and Other	566,802	458,670	(108,132)	-19.1%
Subtotal Personal Services	1,598,766	1,399,036	(199,730)	-12.5%
Professional Services				
Investment Manager	13,333,332	10,735,317	(2,598,015)	-19.5%
Investment Consultant	351,000	351,000	0	0.0%
Investment Custodian	25,000	22,356	(2,644)	-10.6%
Pension Commission	30,000	13,949	(16,051)	-53.5%
Subtotal Investment Expenses	13,739,332	11,122,622	(2,616,710)	-19.0%
Legal Services - Special Projects	25,002	2,006	(22,996)	-92.0%
Legal Services - Attorney General	27,498	35,868	8,370	30.4%
Administrative Hearings	498	0	(498)	-100.0%
Auditing Services	122,502	92,038	(30,464)	-24.9%
Actuarial Services	75,000	76,305	1,305	1.7%
Medical Hearings	4,998	3,600	(1,398)	-28.0%
Management Consulting	34,998	39,835	4,837	13.8%
Marketing Consulting	25,002	12,694	(12,308)	-49.2%
Miscellaneous Services	30,126	5,168	(24,958)	-82.8%
Subtotal Professional Services	345,624	267,514	(78,110)	-22.6%
Total Professional Services	14,084,956	11,390,136	(2,694,820)	-19.1%
Travel and Per Diem Expenses				
Non-Employee Travel	25,800	19,681	(6,119)	-23.7%
Employee Training	19,650	9,730	(9,920)	-50.5%
Employee Travel Expenses	49,386	20,507	(28,879)	-58.5%
Subtotal Travel and Per Diem Expenses	94,836	49,918	(44,918)	-47.4%
Administrative Expenses				
Postage	127,500	14,562	(112,938)	-88.6%
Telecommunications Services	19,998	13,229	(6,769)	-33.8%
Printing and Binding Contracts	45,000	22,931	(22,069)	-49.0%
Informational Services	22,500	17,639	(4,861)	-21.6%
Rent and Maintenance	126,450	119,303	(7,147)	-5.7%
Office Supplies	18,198	11,240	(6,958)	-38.2%
Buildings and Other Structures Construction and Renovation	4,998	0	(4,998)	-100.0%
Miscellaneous Administrative Expenses	20,448	11,169	(9,279)	-45.4%
Subtotal Administrative Expenses	385,092	210,073	(175,019)	-45.4%
Data Processing Expenses				
Professional Services	777,498	433,769	(343,729)	-44.2%
Rent and Maintenance	1,998	2,808	810	40.5%
Office Supplies	11,244	7,212	(4,032)	-35.9%
Equipment	45,384	0	(45,384)	-100.0%
Subtotal Data Processing Expenses	836,124	443,789	(392,335)	-46.9%
Total Expenses	16,999,774	13,492,952	(3,506,822)	-20.6%
Total Investment Expenses Only	13,739,332	11,122,622	(2,616,710)	-19.0%
Total Data Processing Expenses Only	836,124	443,789	(392,335)	-46.9%
Total except Investment and Data Processing Exp	2,424,318	1,926,541	(497,777)	-20.5%

Miscellaneous Professional Services Expenses

	Budget	Expenses	Expenses
	<u>2014</u>	<u>2014</u>	<u>2013</u>
Background Checks	250.00	38.00	38.00
Retirement Process Consultant	10,000.00	0.00	
Document Destruction	2,500.00	1,215.52	810.00
Office of Personnel Management	2,500.00	2,150.00	702.99
Security	10,000.00	0.00	1,632.43
Business Service Center	35,000.00	1,764.53	5,703.18
	<u>60,250.00</u>	<u>5,168.05</u>	<u>8,886.60</u>

Miscellaneous Administrative Expenses Expenses

	Budget	Expenses	Expenses
	<u>2014</u>	<u>2014</u>	<u>2013</u>
Bank Service Charges	10,000.00	4,516.91	3,092.34
ERP Systems -PeopleSoft	5,200.00	1,593.00	600.31
Licenses, Permits, Certificates and Other Rights	3,000.00	363.00	419.88
Membership in Organizations	11,700.00	2,125.00	3,180.00
Premium Surety and Other Required Bonds	2,000.00	0.00	0.00
Property and Liability Insurance	8,000.00	2,571.33	0.00
	<u>\$39,900.00</u>	<u>\$11,169.24</u>	<u>\$7,292.53</u>

Miscellaneous Data Processing Administrative Expenses

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