



**OKLAHOMA TEACHERS**  

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**RETIREMENT SYSTEM**

**BOARD OF TRUSTEES**

**REGULARLY SCHEDULED**  
**MEETING**

**MAY 22, 2013**

**MEETING MATERIALS**

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**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, May 22, 2013 – 9:00 AM**  
**TRS Administration Board Room**  
**2500 N. Lincoln Blvd., 5<sup>th</sup> Floor, Oklahoma City, OK**

**AGENDA**

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE APRIL 17, 2013 BOARD MEETING**
- 3. OVERVIEW AND REPORT FROM INVESTMENT CONSULTANT REGARDING PRESENTING MANAGERS**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. Heitman
  - B. AEW
- 5. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 6. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting***
- 7. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT QUARTERLY REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT STAFF QUARTERLY REPORT**
- 9. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 10. DISCUSSION AND POSSIBLE ACTION ON AUDIT COMMITTEE REPORT**
- 11. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
  - A. Performance Metrics
  - B. Client Status Update
  - C. Legislative Update
  - D. FY-2013 Budget to Actual Comparison
  - E. FY-2014 Agency Budget Proposal
  - F. Other Items for Discussion
- 12. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 13. NEW BUSINESS**
- 14. ADJOURNMENT**

**MEETING MINUTES  
APRIL 17, 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 Gary Trennepohl, Chairman, at 9:01 A.M., in the Administration Board Room, 5<sup>th</sup> Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda was posted in accordance with 25 O.S. Section 311(A)(11).

**TRUSTEES PRESENT:**

Gary Trennepohl, *Chairman*  
James Dickson, *Vice Chairman*  
Vernon Florence, *Secretary*  
Roger Gaddis  
Jill Geiger\*

Phillip Lewis  
Stewart Meyers, Jr.  
William Peacher  
Jonathan Small  
Greg Winters

**TRUSTEES ABSENT:**

Sherrie Barnes  
Beth Kerr

Billie Stephenson

**TRS STAFF PRESENT:**

James R. Wilbanks, *Executive Director*  
Josh Richardson, *Director of Strategic Initiatives*

Grant Soderberg, *Investment Associate*  
Becky Wilson, *Executive Assistant*

**LEGAL COUNSEL PRESENT:**

Regina Switzer, *Assistant Attorney General*

**INVESTMENT CONSULTANT PRESENT:**

Greg Weaver, *Gregory W. Group*

Douglas J. Anderson, *Gregory W. Group*

**OTHERS PRESENT:**

Wayne Maxwell, *Retired Prof OK Educators*

*\*Denotes either late arrival or early departure*

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

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

**ITEM 3 – MEETING MINUTES:** A motion was made by Mr. Dickson with a second made by Mr. Small to approve the March 26, 2013 Special meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Dr. Lewis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl.

Additionally, a motion was made by Dr. Winters with a second made by Mr. Gaddis to approve the March 27, 2013 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Dr. Lewis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl.

**ITEM 4 – OVERVIEW OF PRESENTING MANAGERS:** Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board an overview of Shapiro Capital Management and Aronson Johnson Ortiz, presenting managers to the Board. No action was necessary.

**ITEM 5 – PRESENTATIONS BY INVESTMENT MANAGERS:** Shapiro Capital Management and Aronson Johnson Ortiz, Investment Managers for the Small Cap and Mid Cap portfolios, were present to give respective presentations to the Board. No action was necessary.

*A break was taken from 10:20 a.m. to 10:30 a.m.*

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

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

**ITEM 8 – INVESTMENT COMMITTEE REPORT:** Mr. Dickson, Chairman of the Investment Committee, gave the Investment Committee report. After discussion, a motion was brought from the Investment Committee recommending authorizing Consultant and Staff to explore and select an appropriate international equity passive index exposure for the assets currently managed by Brandes and to transition those assets to the selected investment option until a replacement international equity manager is selected by the Board of Trustees. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Dr. Lewis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl.

**ITEM 9 – AUDIT COMMITTEE REPORT:** Mr. Meyers, Chairman of the Audit Committee, gave the Audit Committee report. No action was necessary.

**ITEM 10 – ATTORNEY GENERAL CONTRACT RENEWAL:** Dr. Wilbanks presented to the Board details of the Attorney General Contract. After a brief discussion, a motion was made by Mr. Florence with a second made by Dr. Winters to approve the Contract for Legal Services with the Office of Attorney General for FY-2014. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Dr. Lewis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl.

**ITEM 11 – LEGAL REPORT:** Regina Switzer, Assistant Attorney General and legal counsel to the Board, gave the legal report to the Board. No action was necessary.

**ITEM 12 – ETHICAL AND FIDUCIARY CONDUCT:** Dr. Wilbanks presented the Board with possible changes to the Ethical and Fiduciary Conduct Policy from the OTRS Trustee Policy Manual. After discussion, no action was necessary.

**ITEM 13 – DATA MIGRATION REPORT:** Josh Richardson presented an update of the Data Migration Report to the Board. After discussion, no action was necessary.

**ITEM 14 – EXECUTIVE DIRECTOR REPORT:** Dr. Wilbanks gave his report to the Board. A motion was made by Mr. Florence with a second made by Mr. Small to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr.

Florence; Mr. Gaddis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl. Dr. Lewis was absent for the vote.

**ITEM 15 – QUESTIONS AND COMMENTS FROM TRUSTEES:** Mr. Dickson asked Dr. Wilbanks to give an update on the possible pension consolidation.

**ITEM 16 – NEW BUSINESS:** There was no further business from the Board.

**ITEM 17 – ADJOURNMENT:** There being no further business, a motion was made by Mr. Gaddis with a second made by Dr. Trennepohl to adjourn. The meeting was adjourned at 12:31 p.m. Trustees present at adjournment were Mr. Dickson; Mr. Florence; Mr. Gaddis; Dr. Lewis; Mr. Meyers; Mr. Peacher; Mr. Small; Dr. Winters; and Chairman Trennepohl.

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

**BY:** \_\_\_\_\_  
**Gary Trennepohl, Chairman**

**ATTEST:**

**BY:** \_\_\_\_\_  
**Vernon Florence, Secretary**

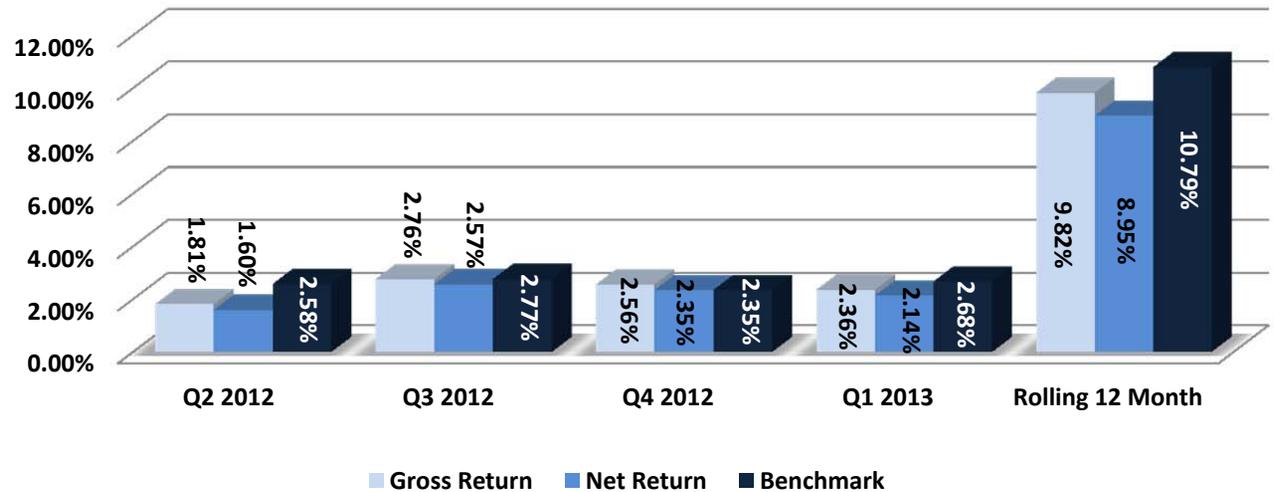
Certified correct minutes, subject to approval of the Board of Trustees of the Teachers’ Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on May 22, 2013.

**BY:** \_\_\_\_\_  
**Becky Wilson, Executive Assistant to the Executive Director**

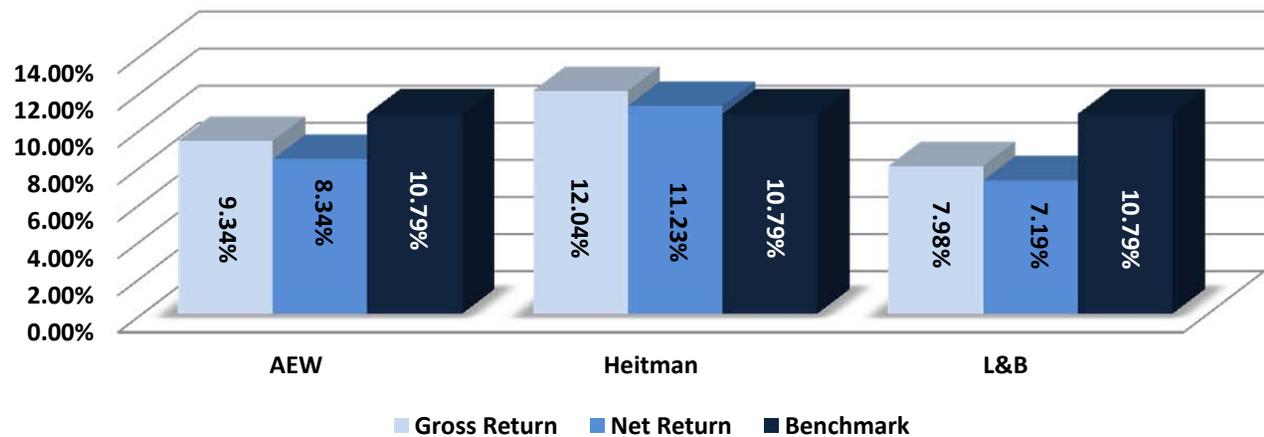
The OTRS Real Estate portfolio had a **2.14%** net of fee return for the first quarter of 2013, which underperformed the ODCE benchmark return of **2.68%** by **0.54%**.

Heitman produced the highest return for the rolling 12 month period, finishing with a net of fee return of **11.23%** and outperformed the **10.79%** benchmark. AEW underperformed the benchmark with a net of fee return of **8.34%**. L&B fell short of the benchmark by **3.60%** by producing a net of fee return of **7.19%**.

## Rolling 12 Month Real Estate Performance by Quarter



## Rolling 12 Month Real Estate Performance by Manager

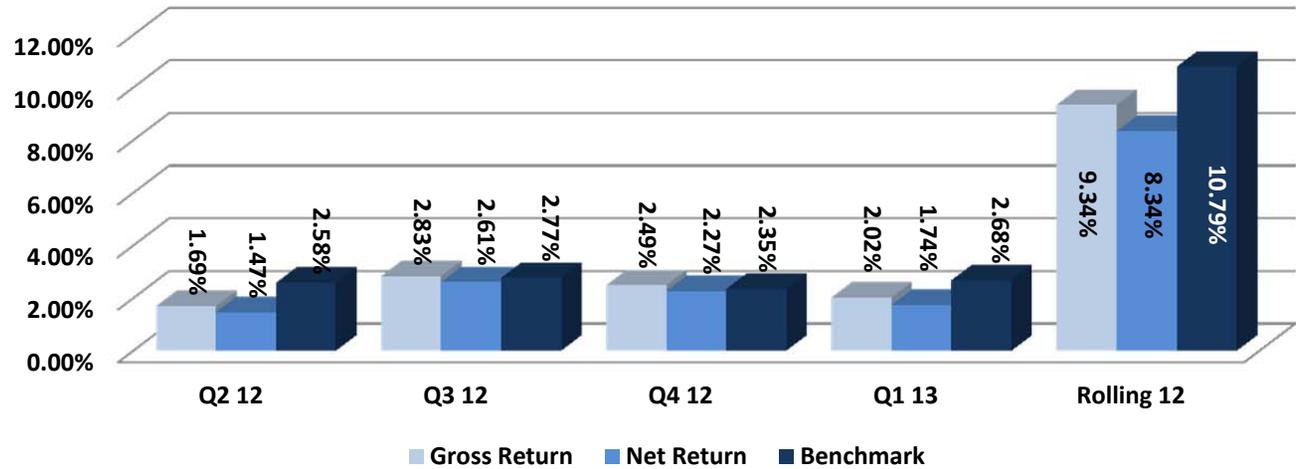


AEW produced a total portfolio return of **8.34%** net of fees for the rolling 12 month period and Heitman produced a return of **11.23%** net of fees for the same period.

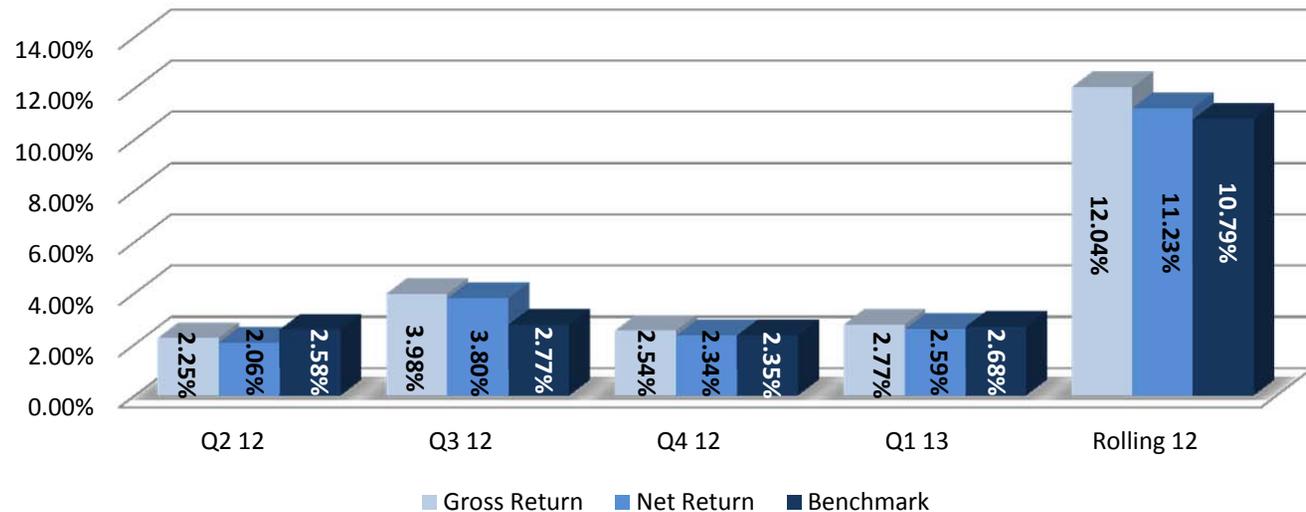
The AEW portfolio underperformed the composite benchmark by **2.45%** net of fees, whereas Heitman outperformed the benchmark by **0.44% net of fees**.

In the first quarter of 2013, AEW had a return of **1.74%** net of fees, underperforming the benchmark by **0.94%**. Heitman had a return of **2.59%** net of fees, underperforming the benchmark by **0.09%**.

## AEW Performance by Quarter and Rolling 12 Months



## Heitman Performance by Quarter and Rolling 12 Months



## AEW Real Estate Holdings

Holding	Type	Location	Year Purchased	Purchase Price	CMV / MRA	Debt	Appreciation	Total SqFt / Units	Percent Leased	Lease Rate SqFt / Units	Major Tenants
Presidio View Apt	Apartments	San Diego, CA	2009	\$67,600,000	\$110,800,000	\$20,956,000	63.91%	350 Units	95.14%	\$1,806	
Stevens Creek	Retail	San Jose, CA	2009	\$52,000,000	\$73,621,070		41.58%	195,952 SqFt	100.00%	\$33.78	Sports Authority, Safeway Grocers
Brigham Circle	Office	Boston, MA	2010	\$96,800,000	\$129,700,000	\$31,944,000	33.99%	199,488 SqFt	100.00%	\$35.20	Partners Healthcare, Stop & Shop, Walgreens
Shops at Grand Avenue	Retail	Queens, NY	2009	\$33,500,000	\$44,449,653		32.69%	99,975 SqFt	91.25%	\$30.26	Stop & Shop, Party City
Creekside Town Center	Retail	Roseville, CA	2010	\$94,200,000	\$118,233,842		25.51%	360,942 SqFt	100.00%	\$32.06	Marshall's, Best Buy, Nordstrom Rack
Three Ballston	Office	Arlington, VA	2010	\$121,250,000	\$151,000,000		24.54%	304,166 SqFt	93.21%	\$40.66	Jacobs Engineering, CACI International
Palladium Apartments	Apartments	Scottsdale, AZ	2010	\$42,300,000	\$52,609,372		24.37%	N/A Units	94.00%	\$1,240	
Courtyard at Jefferson	Multi-Family	Hoboken, NJ	2007	\$63,000,000	\$77,414,571		22.88%	144 Units	97.92%	\$2,735	
Arminta Industrial	Industrial	Van Nuys, CA	2011	\$12,460,000	\$14,700,000	\$4,236,400	17.98%	110,000 SqFt	100.00%	\$8.34	Creative Technology Group
Arminta Industrial	Industrial	Van Nuys, CA	2011	\$12,200,000	\$13,410,010		9.92%	99,966 SqFt	100.00%	\$8.34	Arizona Tile
1660 Wynkoop	Office	Denver, CO	2012	\$26,600,000	\$29,200,000		9.77%	66,120 SqFt	90.00%	\$24.60	The Wilderness Society, Royal Gold Inc
Memorial Apartments	Apartments	Houston, TX	2012	\$56,400,000	\$61,800,000	\$24,252,000	9.57%	401 Units	98.00%	\$1,361	
Flagler Station II	Industrial	Miami, FL	2012	\$163,773,990	\$177,829,488	\$78,611,515	8.58%	1,875,630 SqFt	97.00%	\$7.11	Kassatex, Lagasse Inc
Shops at Rossmoor	Retail	Seal Beach, CA	2011	\$125,289,000	\$132,197,037		5.51%	404,899 SqFt	97.87%	\$13.61	Marshall's, Kohls Department Stores
Arlington Highlands	Retail	Arlington, TX	2012	\$197,500,000	\$206,227,710	\$116,525,000	4.42%	737,331 SqFt	94.00%	\$20.92	Studio Movie Grill, Keg's Steakhouse
Vista Catalina	Apartments	Rancho Palos Verdes, CA	2012	\$35,650,000	\$36,280,000	\$13,547,000	1.77%	90 Units	93.33%	\$2,331	
Cameron Court	Apartments	Alexandria, VA	2011	\$146,240,000	\$147,019,027		0.53%	460 Units	98.04%	\$1,999	
Packard Motor Car Bldg.	Apartments	Philadelphia, PA	2012	\$39,750,000	\$39,778,000	\$21,862,500	0.07%	151 Units	95.36%	\$1,889	
Museum Place	Apartments	Portland, OR	2011	\$55,300,000	\$55,332,953		0.06%	140 Units	97.86%	\$1,297	
The Metropolitan	Apartments	Philadelphia, PA	2012	\$27,500,000	\$27,505,000	\$14,025,000	0.02%	120 Units	97.50%	\$1,779	
West 8th	Office	Seattle, WA	2012	\$278,680,000	\$278,710,501	\$125,406,000	0.01%	516,985 SqFt	93.80%	\$26.05	Amazon, Casey Family Programs
The Juliana	Apartments	Hoboken, NJ	2013	\$66,750,000	\$66,750,000		0.00%	128 Units	96.88%	\$2,850	
The Lofts at Logan	Multi-Family	Philadelphia, PA	2012	\$19,250,000	\$19,250,000	\$9,240,000	0.00%	100 Units	96.00%	\$1,671	
Old Quaker Bldg.	Apartments	Philadelphia, PA	2012	\$16,500,000	\$16,500,000	\$7,755,000	0.00%	76 Units	100.00%	\$1,603	
One Exeter Plaza	Multi-Family	Boston, MA	2011	\$112,000,000	\$110,400,000		-1.43%	211,351 SqFt	72.00%	\$46.83	Riverside Partners, Cornerstone Research
1750 H Street NW	Office	Washington, DC	2010	\$65,000,000	\$62,887,675	\$29,900,000	-3.25%	111,373 SqFt	94.00%	\$34.74	Nat'l Treasury Employees Union, Wells Fargo
National Press Building	Office	Washington, DC	2011	\$167,500,000	\$160,812,434	\$70,350,000	-3.99%	490,960 SqFt	76.00%	\$35.56	MacFadden & Associates, GSA
Flagler Station I	Industrial	Miami, FL	2012	\$176,226,008	\$168,611,523	\$88,113,004	-4.32%	2,322,393 SqFt	97.00%	\$7.39	Deal Tire, International Cargo Terminals
360 Lexington	Office	New York, NY	2008	\$129,037,000	\$121,773,449	\$41,291,840	-5.63%	264,422 SqFt	84.00%	\$45.50	Access Staffing, Ganfer & Shore
Interstate Commerce	Industrial	West Chester, OH	2011	\$12,425,000	\$11,400,000		-8.25%	298,308 SqFt	100.00%	\$3.22	Ethan Allen, American Tire Distributors
355 Alhambra Circle	Office	Coral Gables, FL	2008	\$87,300,000	\$79,300,000		-9.16%	222,884 SqFt	78.00%	\$36.49	Merrill Lynch, Kraft Foods
Kent Valley Industrial	Industrial	Kent, WA	2008	\$38,915,299	\$35,006,415		-10.04%	525,419 SqFt	52.00%	\$4.47	Distribution Resources
Panattoni Industrial	Industrial	Rancho Cucamonga, CA	2007	\$38,600,000	\$32,000,000	\$13,124,000	-17.10%	414,017 SqFt	100.00%	\$4.14	Southwire Company
Panattoni Industrial	Industrial	Rancho Cucamonga, CA	2007	\$30,100,000	\$24,500,000	\$11,137,000	-18.60%	344,840 SqFt	100.00%	\$4.14	Distribution Alternatives
2525 NW 82nd Ave	Industrial	Miami, FL	2008	\$13,800,000	\$8,100,000		-41.30%	116,041 SqFt	0.00%		
<b>Total 35 Holdings</b>				<b>\$2,721,396,297</b>	<b>\$2,895,109,730</b>	<b>\$722,276,259</b>	<b>6.38%</b>				

## Heitman Real Estate Holdings

Holdings	Type	Location	Year Purchased	Purchase Price	CMV / MRA	Debt	ROI	Total SqFt / Units	Percent Leased	Lease Rate SqFt / Units	Major Tenants
8687 South 77th (Bridgeview)	Industrial	Bridgeview, IL	2011	4,756,084	8,100,000		70.31%	137,078 SqFt	100%	3.96	Allegheny Technologies, Inc.
Sovran II - 130 Rt. 206 (Store #732)	Self Storage	Hillsborough, NJ	2011	3,798,285	5,772,273	2,184,508	51.97%	61,145 SqFt	88%	13.13	N/A
900 Carlow Drive (Carlow I)	Industrial	Bolingbrook, IL	2011	8,050,000	12,200,000		51.55%	240,500 SqFt	100%	3.36	Ed Tucker Distribution
Freehold Raceway Mall	Retail	Freehold, NJ	2009	48,183,248	72,587,149	27,520,018	50.65%	877,749 SqFt	93%	34.46	Ashley Furniture, Dick's Sporting Goods, Bob's, Lowes Theatres
Sovran Dublin-Old Avery (Store #725)	Self Storage	Dublin, OH	2008	3,345,600	4,920,000	1,261,638	47.06%	67,750 SqFt	84%	11.41	N/A
Sovran II - 1401 Blue Danube (Store #746)	Self Storage	Arlington, TX	2012	1,935,875	2,801,250	1,107,973	44.70%	68,950 SqFt	83%	13.13	N/A
Sovran II - 1929 Rt 37 E Toms River NJ(Store #730)	Self Storage	Toms River, NJ	2011	4,364,750	6,069,376	2,510,299	39.05%	77,418 SqFt	98%	13.13	N/A
Sovran II - 1620 E. Lamar Blvd (Store #747)	Self Storage	Arlington, TX	2012	1,999,625	2,758,807	1,144,460	37.97%	47,840 SqFt	86%	13.13	N/A
Frank Estate Apartments	Apartment	Portland, OR	2007	44,500,000	60,300,000	22,050,000	35.51%	319,367 SqFt	97%	1,110.91	N/A
Sovran Columbus-E. Broad (Store #724)	Self Storage	Columbus, OH	2008	3,019,200	4,080,000	1,091,926	35.14%	65,150 SqFt	86%	11.41	N/A
Sovran II - 10 Royal Rd (Store #740)	Self Storage	Flemington, NJ	2011	5,160,715	6,748,467	2,968,083	30.77%	72,902 SqFt	90%	13.13	N/A
Sovran II - 1555 Livingston Avenue (store # 728)	Self Storage	North Brunswick, NJ	2011	5,015,000	6,536,251	3,476,658	30.33%	85,812 SqFt	86%	13.13	N/A
Sovran II - 777 Rt. 37 W(Store #729)	Self Storage	Toms River, NJ	2011	3,550,572	4,626,307	2,042,041	30.30%	78,357 SqFt	91%	13.13	N/A
Sovran II - 165 Brick Boulevard (Store #735)	Self Storage	Brick, NJ	2011	4,046,000	5,262,955	2,326,977	30.08%	79,650 SqFt	96%	13.13	N/A
Sovran II - 4005 W. Plano (Store #754)	Self Storage	Plano, TX	2012	2,722,125	3,480,341	1,557,974	27.85%	50,000 SqFt	96%	13.13	N/A
15 Bank	Apartment	White Plains, NY	2010	155,000,000	196,000,000	75,829,900	26.45%	454,233 SqFt	89%	2,242.00	N/A
Sovran Miami-SW 28th (Store #722)	Self Storage	Miami, FL	2008	9,465,600	11,960,000	3,970,640	26.35%	61,360 SqFt	95%	11.41	N/A
Sovran II - 2481 Milford Rd (Store #744)	Self Storage	East Stroudsburg, PA	2011	4,541,428	5,729,830	2,611,912	26.17%	64,371 SqFt	92%	13.13	N/A
Sovran II - 7902 Denton (Store #755)	Self Storage	Watagua, TX	2012	1,893,375	2,376,818	1,083,649	25.53%	62,365 SqFt	87%	13.13	N/A
Sovran Denver-Mississippi (Store #707)	Self Storage	Aurora, CO	2008	4,594,560	5,760,000	2,040,899	25.37%	65,225 SqFt	94%	11.41	N/A
Addison Park	Apartment	Charlotte, NC	2010	33,300,000	41,700,000		25.23%	412,592 SqFt	96%	801.00	N/A
Sovran II - 335 Westchester (Store #753)	Self Storage	Grand Prairie, TX	2012	3,083,375	3,819,887	1,764,731	23.89%	57,415 SqFt	85%	13.13	N/A
Chandler Fashion Center	Retail	Chandler, AZ	2009	48,004,792	59,093,005	23,632,476	23.10%	637,680 SqFt	96%	39.94	Barnes and Noble, Forever 21, Harkins Theatres, The Gap
Sovran II - 535 Route 130 (Store #741)	Self Storage	East Windsor, NJ	2011	5,243,285	6,408,921	3,015,571	22.23%	81,677 SqFt	89%	13.13	N/A
Sovran II - 8133 Easton Rd (Store #743)	Self Storage	Ottsville, PA	2011	3,302,857	4,032,103	1,899,572	22.08%	77,062 SqFt	87%	13.13	N/A
Sovran Columbus-Evanswood (Store #711)	Self Storage	Columbus, OH	2008	2,528,000	3,080,000	1,377,739	21.84%	84,615 SqFt	89%	11.41	N/A
Bay Isle Key Apartments	Apartment	St Petersburg, FL	2011	51,399,625	62,600,000		21.79%	537,926 SqFt	94%	1,051.00	N/A
Sovran Louisville-Dixie (Store #701)	Self Storage	Louisville, KY	2008	3,948,080	4,800,000	1,613,560	21.58%	68,568 SqFt	81%	11.41	N/A
Grand Reserve of Naperville	Apartment	Naperville, IL	2007	52,200,000	63,200,000	26,000,000	21.07%	326,631 SqFt	97%	1,336.90	N/A
Sovran II - 5900 S. Bryant Irvin (Store #752)	Self Storage	Fort Worth, TX	2012	2,360,875	2,843,694	1,351,217	20.45%	56,650 SqFt	85%	13.13	N/A
West Paces	Apartment	Atlanta, GA	2010	39,000,000	46,700,000		19.74%	325,625 SqFt	93%	1,006.00	N/A
Sovran II - 211 Rt. 17 (Store #738)	Self Storage	Upper Saddle River, NJ	2011	6,605,715	7,894,433	3,798,784	19.51%	53,309 SqFt	87%	13.13	N/A
Sovran II- 4435 Progress Meadow Drive (Store 745)	Self Storage	Doylestown, PA	2011	4,845,000	5,729,830		18.26%	77,125 SqFt	89%	13.13	N/A
Sovran Denver-Kipling (Store #719)	Self Storage	Lakewood, CO	2008	5,552,400	6,560,000		18.15%	71,835 SqFt	95%	11.41	N/A
Sovran II - 500 Stelton Rd (Store #737)	Self Storage	Piscataway, NJ	2011	7,494,572	8,785,740	4,310,354	17.23%	99,484 SqFt	80%	13.13	N/A
Sovran II - 585 S. MacArthur Blvd (Store #750)	Self Storage	Coppell, TX	2012	4,060,875	4,753,637	2,324,191	17.06%	62,870 SqFt	94%	13.13	N/A
Sovran II - 1229 Rt 22E Mountainside NJ (#727)	Self Storage	Mountainside, NJ	2011	6,587,500	7,682,217	2,729,338	16.62%	78,068 SqFt	86%	13.13	N/A
Sovran II - 6615 Beach Street (Store #751)	Self Storage	Fort Worth, TX	2012	1,978,375	2,291,932	1,132,298	15.85%	62,795 SqFt	84%	13.13	N/A
Sovran II - 6162 Southwest (Store #749)	Self Storage	Benbrook, TX	2012	2,488,375	2,843,693	1,424,190	14.28%	57,055 SqFt	91%	13.13	N/A
Hartford Building	Office	Arlington, VA	2010	112,600,000	127,000,000		12.79%	212,443 SqFt	100%	42.02	AECOM, CGI, Georgetown University
Sovran Columbus-Cleveland (Store #709)	Self Storage	Columbus, OH	2008	2,704,320	3,000,000		10.93%	57,425 SqFt	89%	11.41	N/A
Covington Farm Apartments	Apartment	Everett, WA	2008	42,780,000	47,000,000	17,750,000	9.86%	339,074 SqFt	92%	912.29	N/A
Sovran Louisville-Browns (Store #708)	Self Storage	Louisville, KY	2008	6,447,040	7,000,000	3,208,574	8.58%	76,346 SqFt	90%	11.41	N/A
Foundry Square IV	Office	San Francisco, CA	2012	184,500,000	200,000,000		8.40%	230,625 SqFt	100%	57.86	Oracle

## Heitman Real Estate Holdings

Holdings	Type	Location	Year Purchased	Purchase Price	CMV / MRA	Debt	ROI	Total SqFt / Units	Percent Leased	Lease Rate SqFt / Units	Major Tenants
Stonebridge Plaza Two	Office	Austin, TX	2012	45,000,000	48,000,000		6.67%	192,864 SqFt	98%	18.00	CMC Americas, Oracle, Qualcomm
Sovran II - 4019 Rt. 130 (Store #739)	Self Storage	Delran, NJ	2011	4,128,572	4,371,648	2,374,466	5.89%	68,075 SqFt	86%	13.13	N/A
Sovran Denver-Sheridan (Store #720)	Self Storage	Arvada, CO	2008	5,216,160	5,520,000		5.82%	65,900 SqFt	94%	11.41	N/A
Turkey Creek	Retail	Knoxville, TN	2011	131,650,000	138,500,000	63,861,171	5.20%	657,264 SqFt	89%	18.17	HH Gregg, Bed Bath & Beyond, Belk, Best Buy, Marshall's, Regal Cinema
Villas at River Oaks	Apartment	Houston, TX	2012	42,500,000	44,600,000		4.94%	240,788 SqFt	93%	1,326.00	N/A
Plaza at the Arboretum	Apartment	Santa Monica, CA	2012	167,750,000	176,000,000	54,300,000	4.92%	300,459 SqFt	91%	2,384.69	N/A
2700 Haven (Cherry Hill Six)	Industrial	Joliet, IL	2011	42,566,883	44,600,000		4.78%	860,100 SqFt	100%	2.98	Navistar
2251 Berens (Cherry Hill Nine)	Industrial	New Lenox, IL	2011	22,800,000	23,700,000		3.95%	355,363 SqFt	100%	4.41	RockTenn
Sovran II - 2904 Highway 121 (Store #748)	Self Storage	Bedford, TX	2012	2,127,125	2,207,046	1,217,433	3.76%	51,800 SqFt	82%	13.13	N/A
Westerville Medical Campus	Medical Office	Westerville, OH	2012	47,250,000	49,000,000		3.70%	164,309 SqFt	100%	21.57	Central Ohio Skin & Cancer, Ohio Foot and Ankle, Ohio Health Corporation, Polaris Surgery Center
Windham Lakes SW #3 (I-55 Portfolio)	Industrial	Romeoville, IL	2008	13,525,000	14,000,000		3.51%	260,605 SqFt	100%	2.85	Comcast, 1st Leading Cargo
Storage Post - New Rochelle (Store #4B)	Self Storage	New Rochelle, NY	2012	10,664,506	11,017,419	4,439,766	3.31%	41,902 SqFt	91%	25.03	N/A
Sovran San Antonio-Jackson Keller (Store #712)	Self Storage	San Antonio, TX	2008	7,826,400	8,080,000	3,481,790	3.24%	105,923 SqFt	89%	11.41	N/A
4200 E.Santa Ana Street	Industrial	Ontario, CA	2013	1,734,000	1,787,993	867,000	3.11%	62,400 SqFt	54%	5.04	Mid Continent Steel
Storage Post - Yonkers (Store #6A)	Self Storage	Yonkers, NY	2012	22,582,696	23,053,730	10,162,132	2.09%	95,842 SqFt	88%	25.03	N/A
Alhambra Medical Office	Medical Office	Sacramento, CA	2011	43,157,584	44,000,000	21,377,463	1.95%	101,133 SqFt	100%	33.15	Hand Surgery Associates, Sutter Alhambra Surgery Center, Sutter Health Central
Doctors Community Hospital	Medical Office	Lanham, MD	2011	23,000,000	23,400,000		1.74%	64,261 SqFt	100%	22.86	Doctors Community Hospital; Capital Cardiology Associates
Sovran Decatur-Candler (Store #723)	Self Storage	Decatur, GA	2008	5,191,000	5,280,000	2,305,534	1.71%	83,965 SqFt	90%	11.41	N/A
Sovran Columbus-E. Main (Store #714)	Self Storage	Whitehall, OH	2008	2,677,600	2,720,000	1,237,532	1.58%	54,765 SqFt	89%	11.41	N/A
7510 Airway Road	Industrial	San Diego, CA	2013	1,377,000	1,389,481		0.91%	44,840 SqFt	100%	5.30	Bestech trading
Storage Post - Long Island City (Store #1A)	Self Storage	Long Island City, NY	2012	37,451,426	37,642,223	15,785,836	0.51%	132,624 SqFt	91%	25.03	N/A
Storage Post - Bruckner Boulevard (Store #5B)	Self Storage	Bronx, NY	2012	23,275,412	23,390,580	9,866,147	0.49%	89,186 SqFt	90%	25.03	N/A
Sovran Dallas-Broadway (Store #717)	Self Storage	Garland, TX	2008	4,060,000	4,080,000	1,767,054	0.49%	76,114 SqFt	88%	11.41	N/A
Storage Post - Ridgewood (Store #2B)	Self Storage	Ridgewood, NY	2012	23,507,407	23,572,461	9,471,501	0.28%	88,120 SqFt	93%	25.03	N/A
Storage Post - Jersey City (Store #5A)	Self Storage	Jersey City, NJ	2012	17,715,390	17,735,940	7,399,610	0.12%	76,645 SqFt	91%	25.03	N/A
Storage Post - Brook Avenue (Store #1C)	Self Storage	Bronx, NY	2012	9,470,349	9,481,040		0.11%	47,498 SqFt	94%	25.03	N/A
4190 East Santa Ana Street	Industrial	Ontario, CA	2013	2,754,000	2,756,756	1,326,000	0.10%	98,782 SqFt	55%	4.79	Tree Island Wire
Storage Post - Linden (Store #3A)	Self Storage	Linden, NJ	2012	17,126,791	17,142,950	7,103,626	0.09%	84,035 SqFt	91%	25.03	N/A
Storage Post - Fordham (Store #1B)	Self Storage	Bronx, NY	2012	22,836,030	22,850,722	9,076,856	0.06%	85,755 SqFt	89%	25.03	N/A
Storage Post - Webster (Store #4A)	Self Storage	Bronx, NY	2012	9,591,533	9,597,386	4,341,105	0.06%	36,271 SqFt	90%	25.03	N/A
Storage Post - Suffern (Store #2A)	Self Storage	Suffern, NY	2012	16,571,536	16,581,584	6,708,980	0.06%	78,700 SqFt	93%	25.03	N/A
Commons Park West	Apartment	Denver, CO	2013	98,100,000	98,131,354		0.03%	283,664 SqFt	94%	1,578.00	N/A
Storage Post - Lawrence (Store #3B)	Self Storage	Lawrence, NY	2012	28,852,930	28,861,341	11,839,377	0.03%	97,743 SqFt	97%	25.03	N/A
Kent West Corporate Park	Industrial	Kent, WA	2013	18,462,000	18,467,058	8,874,000	0.03%	402,481 SqFt	91%	5.15	Graebel/Quality Movers
Storage Post - Atlantic Avenue (Store #6B)	Self Storage	Brooklyn, NY	2012	25,329,522	25,336,081	8,978,194	0.03%	75,461 SqFt	91%	25.03	N/A
Falcon Riverbend	Industrial	Kent, WA	2013	6,324,000	6,324,942	3,009,000	0.01%	128,272 SqFt	100%	5.71	Domino's Pizza, JFC International
Golden Pacific Business Park	Industrial	Industrial, CA	2013	8,823,000	8,823,828	4,233,000	0.01%	157,328 SqFt	94%	8.56	World Data & Media, EZ Logistics Group, Major International Co
Seabourn Cove	Apartment	Boynton Beach, FL	2012	78,350,400	78,352,471		0.00%	429,392 SqFt	91%	1,612.39	N/A
Promesa	Apartment	Austin, TX	2013	41,000,000	41,000,000		0.00%	276,488 SqFt	90%	1,153.93	N/A
12000 Jersey Court	Industrial	Rancho Cucamonga, CA	2013	3,009,000	3,009,000	1,428,000	0.00%	88,164 SqFt	100%	5.06	Amar Company
13602 12th Street	Industrial	Chino, CA	2013	4,386,000	4,386,000	2,091,000	0.00%	104,600 SqFt	100%	5.62	Wright Business Graphics, Vision Automotive

## Heitman Real Estate Holdings

Holdings	Type	Location	Year Purchased	Purchase Price	CMV / MRA	Debt	ROI	Total SqFt / Units	Percent Leased	Lease Rate SqFt / Units	Major Tenants
14489 Industry Circle	Industrial	La Mirada, CA	2013	5,508,000	5,508,000	2,652,000	0.00%	112,946 SqFt	100%	5.49	Damac Products, Vend Catering Supply
14501 Artesia Boulevard	Industrial	La Mirada, CA	2013	15,861,000	15,861,000	7,599,000	0.00%	277,564 SqFt	100%	8.60	Living Spaces Furniture
14555 Alondra Blvd.	Industrial	La Mirada, CA	2013	8,364,000	8,364,000		0.00%	237,089 SqFt	100%	3.69	Kittrich Corporation
19700 38th Avenue East (Whirlpool Seattle)	Industrial	Spanaway, WA	2013	36,465,000	36,465,000	17,442,000	0.00%	891,600 SqFt	100%	5.13	Whirlpool Corporation
2250 South Riverside Avenue	Industrial	Colton, CA	2013	9,231,000	9,231,000		0.00%	48,200 SqFt	100%	26.69	U.S. Xpress
3590 De Forest Circle	Industrial	Mira Loma, CA	2013	8,313,000	8,313,000	3,978,000	0.00%	250,584 SqFt	100%	3.95	Domtar Paper Company
3691 Perris Blvd. (Whirlpool)	Industrial	Perris, CA	2013	74,001,000	74,001,000	35,445,000	0.00%	1,686,590 SqFt	100%	5.32	Whirlpool Corporation
6530 Altura Boulevard	Industrial	Buena Park, CA	2013	3,009,000	3,009,000	1,428,000	0.00%	67,350 SqFt	100%	4.45	Onesource Distributor
7520 Airway Road	Industrial	San Diego, CA	2013	2,091,000	2,091,000		0.00%	78,296 SqFt	100%	7.07	Visual Pak San Diego
9210 San Fernando Road	Industrial	Sun Valley, CA	2013	11,118,000	11,118,000	5,304,000	0.00%	181,635 SqFt	100%	7.20	Fedex Ground Package
9545 Santa Anita Ave.	Industrial	Rancho Cucamonga, CA	2013	5,865,000	5,865,000	2,805,000	0.00%	212,300 SqFt	100%	3.00	Tech Packaging
Falcon Commerce Center Ontario	Industrial	Ontario, CA	2013	8,007,000	8,007,000	3,825,000	0.00%	224,806 SqFt	93%	5.93	WEG Electric Corp, Lamo Sheepskin
Falcon Commerce Center Rancho Cucamonga	Industrial	Rancho Cucamonga, CA	2013	7,548,000	7,548,000	3,621,000	0.00%	217,210 SqFt	100%	6.04	Amphastar Pharmaceutical
Valley View	Industrial	La Palma, CA	2013	13,107,000	13,107,000	6,273,000	0.00%	292,080 SqFt	100%	4.88	Iron Mountain Information, Travelers Club Luggage
Garland Jupiter	Land	Garland, TX	2013	1,173,000	1,173,000		0.00%	0 SqFt	%	n/a	N/A
Plano Parkway	Land	Plano, TX	2013	561,000	561,000		0.00%	0 SqFt	0%	n/a	N/A
Titan Tri-County 2	Land	Schertz, TX	2013	459,000	459,000		0.00%	0 SqFt	%	n/a	N/A
Summit Oaks	Office	Santa Clarita, CA	2013	19,278,000	19,278,000		0.00%	146,385 SqFt	100%	23.04	Advanced Bionics
901 Carlow Drive	Industrial	Bolingbrook, IL	2012	34,560,000	34,400,000		-0.46%	747,152 SqFt	100%	3.52	Home Depot
Windham Lakes SW #2 (I-55 Portfolio)	Industrial	Romeoville, IL	2008	42,100,000	41,900,000		-0.48%	814,848 SqFt	100%	3.39	Sears
Miracle Marketplace	Retail	Miami, FL	2013	92,000,000	90,925,260		-1.17%	242,483 SqFt	86%	22.72	Bed Bath & Beyond, DSW, LA Fitness, Marshalls, Nordstrom Rack, PetSmart, Ulta
Sovran Dallas-S. Buckner (Store #715)	Self Storage	Dallas, TX	2008	2,476,800	2,440,000	960,536	-1.49%	83,875 SqFt	90%	11.41	N/A
Willow Creek Center	Retail	Glenview, IL	2011	39,650,000	39,000,000		-1.64%	181,024 SqFt	89%	16.12	Kohl's, Office Max, Michaels, Pier I
Sovran Dallas N. Shiloh (Store #705)	Self Storage	Garland, TX	2008	6,539,360	6,400,000	3,245,340	-2.13%	98,615 SqFt	73%	11.41	N/A
Sovran II - 123 Rt. 46W (Store #734)	Self Storage	Lodi, NJ	2011	8,457,500	8,233,978	4,864,163	-2.64%	91,334 SqFt	83%	13.13	N/A
Sovran Dallas-Montfort (Store #704)	Self Storage	Dallas, TX	2008	10,047,920	9,720,000	4,745,978	-3.26%	86,194 SqFt	88%	11.41	N/A
Sovran Dallas-Milton (Store #710)	Self Storage	Dallas, TX	2008	11,955,360	11,520,000	5,916,946	-3.64%	84,779 SqFt	94%	11.41	N/A
Sovran Columbus-W. Henderson (Store #721)	Self Storage	Columbus, OH	2008	6,744,000	6,480,000	2,253,003	-3.91%	93,145 SqFt	88%	11.41	N/A
Stonebridge Plaza One	Office	Austin, TX	2007	50,500,000	48,200,000		-4.55%	193,237 SqFt	99%	18.92	Google, CWS Capital Partners, Mental Health Network
Sovran II - 777 Mantua Grove Rd (Store #742)	Self Storage	West Deptford, NJ	2011	3,302,857	3,140,796	1,899,572	-4.91%	56,410 SqFt	88%	13.13	N/A
Sovran Denver- W. Arizona (Store #716)	Self Storage	Lakewood, CO	2008	5,684,000	5,360,000	2,626,170	-5.70%	73,525 SqFt	90%	11.41	N/A
Sovran Houston-Long Point (Store #713)	Self Storage	Houston, TX	2008	5,684,000	5,360,000	2,488,776	-5.70%	68,890 SqFt	96%	11.41	N/A
Sovran Dallas-N. Buckner (Store #718)	Self Storage	Dallas, TX	2008	3,745,600	3,520,000	1,406,043	-6.02%	92,348 SqFt	89%	11.41	N/A
Sovran II - 300 Allwood Rd (Store #736)	Self Storage	Clifton, NJ	2011	14,438,464	13,454,490	8,303,996	-6.81%	86,949 SqFt	88%	13.13	N/A
Sovran Tampa-W. Hillsborough (Store #703)	Self Storage	Tampa, FL	2008	4,316,320	3,960,000		-8.26%	55,206 SqFt	92%	11.41	N/A
Windham Lakes SW #1 (I-55 Portfolio)	Industrial	Romeoville, IL	2008	36,850,000	33,700,000		-8.55%	716,318 SqFt	100%	2.80	Kimberly Clark
Sovran II - 201 Jordan Rd (Store #733)	Self Storage	Brick, NJ	2011	7,818,482	7,088,012	4,496,645	-9.34%	65,681 SqFt	95%	13.13	N/A
443 Fort Hill Drive (Jefferson Land)	Industrial	Naperville, IL	2011	32,812,000	29,700,000		-9.48%	368,047 SqFt	100%	5.85	Crate & Barrel
Sovran II - 125 Franklin Street (Store #726)	Self Storage	Belleville, NJ	2011	14,662,500	13,157,388	4,737,352	-10.27%	78,500 SqFt	81%	13.13	N/A
Sovran II - 390 S. Van Brunt Street (Store #731)	Self Storage	Englewood, NJ	2011	23,845,233	21,094,264	13,718,290	-11.54%	123,187 SqFt	87%	13.13	N/A
Broadstone Sterling Village Apartments	Apartment	Vallejo, CA	2007	37,500,000	33,000,000		-12.00%	185,100 SqFt	97%	1,251.50	N/A
115 Della Court (Klein Corporate)	Industrial	Carol Stream, IL	2011	15,800,000	13,800,000		-12.66%	234,438 SqFt	43%	8.07	FedEX
1400 Remington (Carlow Twelve)	Industrial	Bolingbrook, IL	2011	10,163,000	8,800,000		-13.41%	125,000 SqFt	100%	5.82	Parkside

## Heitman Real Estate Holdings

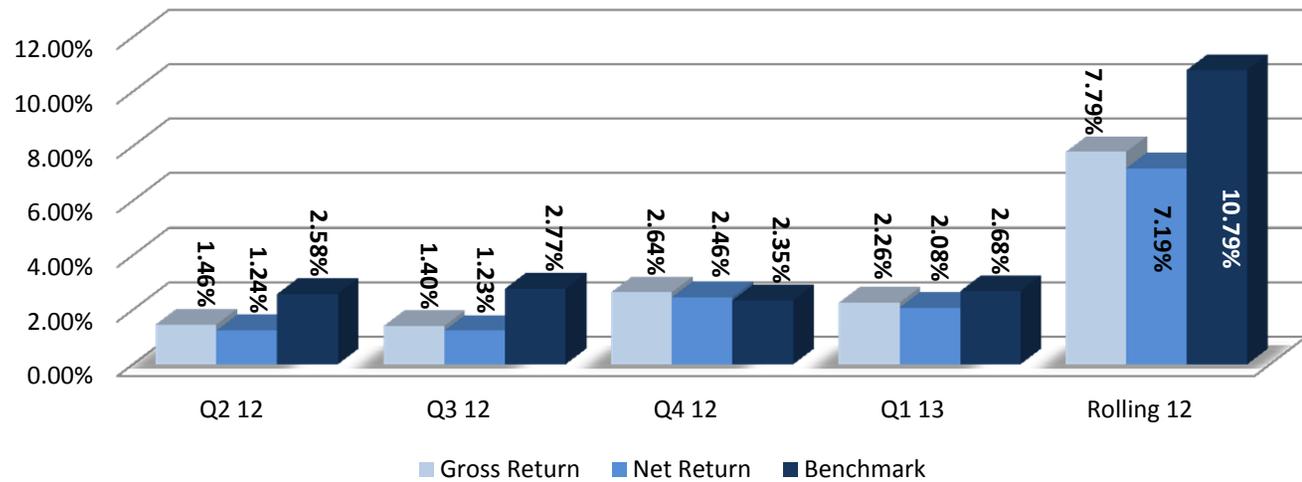
<i>Holdings</i>	<i>Type</i>	<i>Location</i>	<i>Year Purchased</i>	<i>Purchas Price</i>	<i>CMV / MRA</i>	<i>Debt</i>	<i>ROI</i>	<i>Total SqFt / Units</i>	<i>Percent Leased</i>	<i>Lease Rate SqFt / Units</i>	<i>Major Tenants</i>
Nora Plaza	Retail	Indianapolis, IN	2007	25,807,500	22,227,000		-13.87%	139,834 SqFt	97%	13.39	Marshalls; Whole Foods
Windham Lakes SW #4 (I-55 Portfolio)	Industrial	Romeoville, IL	2008	8,275,000	7,100,000		-14.20%	136,607 SqFt	52%	5.56	Sears
Sovran San Antonio-Culebra (Store #706)	Self Storage	San Antonio, TX	2008	4,335,840	3,640,000	1,727,669	-16.05%	64,743 SqFt	87%	11.41	N/A
Kissimmee West	Retail	Kissimmee, FL	2007	20,357,700	15,066,000		-25.99%	115,586 SqFt	93%	11.65	JoAnn Fabrics; Marshalls
Sovran Tampa-E. Fletcher (Store #702)	Self Storage	Tampa, FL	2008	7,636,240	5,440,000	2,478,058	-28.76%	110,441 SqFt	83%	11.41	N/A
Galleria North Retail Center	Retail	Dallas, TX	2007	37,200,000	18,500,000		-50.27%	93,987 SqFt	100%	16.21	The Container Store, Z Gallerie, Cost Plus, Gary Riggs
<b>Total</b>		<b>134 Holdings</b>		<b>\$2,947,903,028</b>	<b>\$3,121,926,138</b>	<b>\$689,276,260</b>	<b>5.90%</b>				

L&B Real Estate produced a total portfolio return of **7.19%** net of fees for the rolling 12 month period.

The L&B portfolio underperformed the composite benchmark by **3.60%** net of fees.

In the first quarter of 2013, L&B had a return of **2.08%** net of fees, underperforming the benchmark by **0.60%**.

## L&B Performance by Quarter and Rolling 12 Months



## L and B Real Estate Holdings

Holdings	Type	Location	Year Purchased	Purchase price	CMV / MRA	Debt	Appreciation	Total SqFt / Units	Percent Leased	Lease Rate SqFt / Units	Major Tenants
690 Canton	Office	Westwood, MA	2011	\$34,500,000	\$36,650,000		6.23%	164,695 SqFt	100.00%	\$26.61	New York Life Insurance, McDonald's Corporation, Anesthesia Association of Massachusetts
Legacy Place I & II	Office	Plano, TX	2011	\$63,000,000	\$63,650,000		1.03%	299,900 SqFt	100.00%	\$22.93	Triad healthcare Corporation, Futurewei Technologies
First & Steward	Office	Seattle, WA	2011	\$30,300,000	\$31,000,000		2.31%	94,333 SqFt	83.40%	\$30.65	Hewitt Architects, KPFF Consulting Engineers Inc., Northland Communications Corp, EnviroIssues, Inc.
77 West Huron	Multi-Family	Chicago, IL	2011	\$90,000,000	\$104,000,000	\$47,000,000	15.56%	304 Units	92.43%	\$2,057	N/A
South Bay Industrial	Industrial	Torrance CA & Harbor City, CA	2011	\$38,526,859	\$38,750,000		0.58%	318,262 SqFt	100.00%	\$8.13	Mall Access Staging & Productions, LA Times Communications, MK Diamond Products, Simpson Performance Products
625 Mass Ave	Office	Cambridge, MA	2012	\$40,075,000	\$42,600,000		6.30%	122,104 SqFt	100.00%	\$27.30	President & Fellows of Harvard, Walgreens Inc., Harmonix Music Systems, Inc., Boston Sports Club
Glades Plaza	Retail	Boca Raton, FL	2012	\$75,000,000	\$78,000,000	\$27,000,000	4.00%	182,704 SqFt	93.16%	\$29.72	N/A
<b>Total 7 Holdings</b>				<b>\$371,401,859</b>	<b>\$394,650,000</b>	<b>\$74,000,000</b>	<b>6.26%</b>				

# April 2013 - Market Performance Update

Stocks and Bonds end April Higher

## Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	1.9	15.4	13.5	5.9
NASDAQ (prc chg only)	1.9	9.3	10.6	6.7
S&P 500 cap weighted	1.9	16.9	12.8	5.2
S&P 500 equal weighted	1.6	20.3	13.8	8.5
S&P Mid Cap	0.6	18.8	13.8	8.4
S&P Small Cap	-0.3	17.3	12.9	8.3
S&P REIT	6.7	19.4	17.2	6.8
Russell 1000 Growth	2.1	12.6	13.4	6.7
Russell 1000 Value	1.5	21.8	12.4	4.2
Russell Mid Cap Growth	1.5	14.4	13.7	6.8
Russell Mid Cap Value	1.1	23.7	13.7	7.5
Russell 2000 Growth	-0.7	15.7	12.9	7.8
Russell 2000 Value	-0.1	19.7	9.6	6.6
Russell Top 200	2.0	16.3	12.6	4.8
Russell 1000	1.8	17.2	12.9	5.5
Russell Mid Cap	1.3	19.2	13.7	7.2
Russell 2500	0.3	19.0	13.0	8.0
Russell 2000	-0.4	17.7	11.3	7.3
MSCI World Ex US	4.6	17.5	6.9	-0.9
MSCI World Ex US Growth	3.5	15.3	7.6	-0.7
MSCI World Ex US Value	5.6	19.7	6.1	-1.2
MSCI EAFE	5.2	19.4	7.4	-0.9
MSCI Emerging Markets	0.8	4.0	3.1	-0.3

Most equities extended their march higher during April. International equities outperformed domestic equities by a wide margin during the month. Developed markets surged higher while emerging markets were slightly positive. Economic news remained mixed.

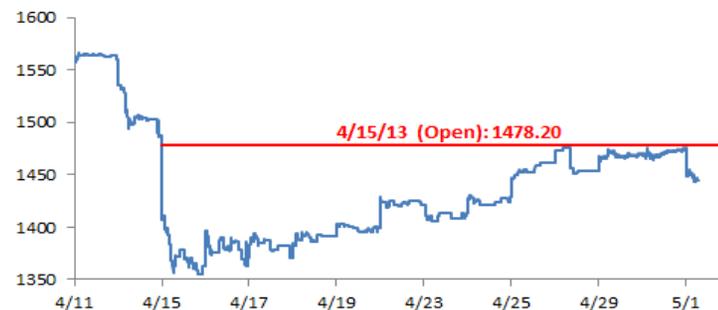
Domestic equity performance was unusually diverse during April. Large and mid caps posted gains while small caps declined. Growth outperformed value among large and mid caps but underperformed among small caps. Trailing year performance favored value and mid caps. International value outperformed international for the month and trailing year.

Fixed income returns recovered during April. Core bonds posted a modestly positive return while long duration Treasuries posted strong gains. Money market funds produced virtually no income.

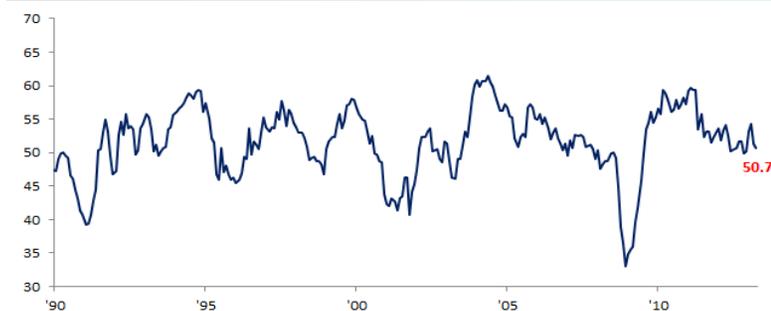
## Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	0.3
BC Long Treasury	4.0	7.0	12.9	9.6
BC US Agg	1.0	3.7	5.5	5.7

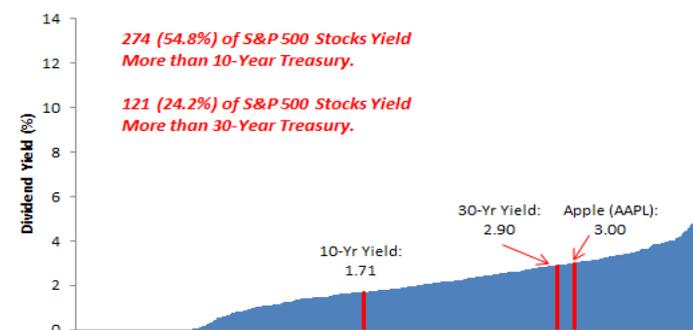
### Gold Front Month Future: Last 15 Trading Days



### ISM Manufacturing (Overall): 1990 - 2013



### Individual Dividend Yields of S&P 500 Components: 4/23/13



# Manager Profile - AEW Capital Management, L.P.



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$171,755,602
Inception Date:	5/1/2011
Target Allocation:	1.5%
Actual Allocation:	1.4%
Annual Management Fee:	0.83%
Location:	Boston, Massachusetts
Structure:	Wholly-owned by Natixx Global Asset Management
Portfolio Management Team:	Jon Martin

Notes:

Members of AEW Research analyze economic data available to develop a comprehensive picture of the urban economy and its real estate markets. To complement this top-down analysis, group members engage in active dialogue with AEW management professionals to gain a bottom-up perspective on market trends. The primary results of these efforts are semi-annual analyses that forecast market supply, demand and returns for each of the major property types in each of the metropolitan areas in the United States.

Represented by:	Jon Martin Dave McWhorter
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Founded: 1981

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
AEW*	-	-	-	-	9.3	2.0	1.1
NCREIF - OEDCE*	-	-	-	-	10.8	2.7	-

Risk Characteristics	Number of Holdings	Yield
AEW	31	5.3%

\* Data as of 3/31/13

# Manager Profile - Heitman



Asset Class:	Core Real Estate
Status:	In Compliance
Portfolio Size:	\$178,076,841
Inception Date:	5/1/2011
Target Allocation:	1.5%
Actual Allocation:	1.5%
Annual Management Fee:	0.82%
Location:	Chicago, Illinois
Structure:	50% employee-owned, 50% Old Mutual Owned
Portfolio Management Team:	Blaise Keane

## Notes:

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

Represented by:	Shauna Dills Blaise Keane
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Founded: 1966

Return Profile	Since Inception	Last 10 Years	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Heitman*	-	-	-	-	12.0	2.8	-
NCREIF - OEDCE*	-	-	-	-	10.8	2.7	-

Risk Characteristics	Number of Holdings	Yield
Heitman	66	5.4%

\* Data as of 3/31/13

# Monthly Asset Allocation Review



Asset Class	Total Market Value	Current Percentage	Target Percentage	Difference	Notes
All Cap/Large Cap	2,615,844,154	22.0%	17.5%	4.5%	Excess allocation bound for Private Equity
Mid Cap	1,599,764,490	13.5%	12.5%	1.0%	
Small Cap	1,093,689,924	9.2%	10.0%	-0.8%	
<b>Total Domestic Equity</b>	<b>5,309,298,567</b>	<b>44.7%</b>	<b>40.0%</b>	<b>4.7%</b>	
Large Cap International Equity	1,351,119,328	11.4%	12.5%	-1.1%	
Small Cap International Equity	440,622,283	3.7%	2.5%	1.2%	
<b>Total International Equity</b>	<b>1,791,741,611</b>	<b>15.1%</b>	<b>15.0%</b>	<b>0.1%</b>	
<b>Core Fixed Income</b>	<b>2,446,487,462</b>	<b>20.6%</b>	<b>25.0%</b>	<b>-4.4%</b>	
High Yield Bonds	628,703,035	5.3%	5.0%	0.3%	
MLPs	729,702,137	6.1%	5.0%	1.1%	
Private Equity	219,989,019	1.9%	5.0%	-3.1%	
Real Estate	514,208,798	4.3%	5.0%	-0.7%	
Opportunistic Assets	138,646,488	1.2%	0.0%	1.2%	
<b>Total Non-Core Assets</b>	<b>2,231,249,477</b>	<b>18.8%</b>	<b>20.0%</b>	<b>-1.2%</b>	
<b>Cash</b>	<b>91,522,376</b>	<b>0.8%</b>	<b>0.0%</b>	<b>0.8%</b>	
<b>Composite</b>	<b>11,870,299,493</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	

# Total Fund + Asset Class Composite Summary

As of April 30, 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
<b>Total Fund (Gross of Fees)</b>	<b>11,870,299,493</b>	<b>12/1/1991</b>	<b>21.4</b>	<b>9.5</b>	<b>9.7</b>	<b>7.0</b>	<b>11.2</b>	<b>15.6</b>	<b>18.5</b>	<b>5.4</b>	<b>1.9</b>
<b>Total Fund (Net of Fees)</b>				<b>9.2</b>	<b>9.4</b>	<b>6.6</b>	<b>10.9</b>	<b>15.3</b>	<b>18.4</b>	<b>5.3</b>	<b>1.9</b>
<i>Allocation Index</i>				9.3	8.5	5.6	10.4	13.7	15.8	4.5	1.5
<i>Actuarial Assumption</i>				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	5,309,298,567 44.7%	4/1/1990	23.1	10.5	10.0	6.5	12.2	17.4	22.2	7.1	1.1
<i>S&amp;P 500</i>				9.2	7.9	5.2	12.8	16.9	19.4	7.2	1.9
Total All Cap Equity	739,233,356 6.2%	9/1/2006	6.7	5.5	-	5.4	11.8	15.8	19.0	7.8	2.3
<i>Russell 3000</i>				5.6	-	5.6	12.8	17.2	20.2	7.0	1.6
Total Large Cap Active Equity	867,460,430 7.3%	1/1/1995	18.3	9.9	8.6	5.2	13.9	19.6	23.3	9.8	2.7
<i>S&amp;P 500</i>				9.1	7.9	5.2	12.8	16.9	19.4	7.2	1.9
Total Mid Cap Equity	1,599,764,490 13.5%	11/1/1998	14.5	9.5	12.6	8.4	13.3	16.8	23.4	6.8	0.4
<i>Russell Mid Cap</i>				9.1	11.6	7.2	13.7	19.2	24.3	7.1	1.3
Total Small Cap Equity	1,093,689,924 9.2%	2/1/1998	15.3	8.5	10.9	7.3	8.6	16.9	22.5	4.9	-0.4
<i>Russell 2000</i>				6.7	10.5	7.3	11.3	17.7	20.0	5.4	-0.4
Total International Equity	1,791,741,611 15.1%	2/1/1998	15.3	9.1	10.4	0.5	7.8	17.9	24.6	4.4	4.6
<i>MSCI ACWI ex-US</i>				-	10.8	-0.4	6.5	14.7	22.0	3.0	3.8
Core Fixed Income (ex- High Yield)	2,446,487,462 20.6%	4/1/1990	23.1	7.9	7.6	10.3	9.6	9.2	7.4	2.7	1.7
<i>Barclays Aggregate</i>				7.0	5.0	5.7	5.5	3.7	2.7	1.6	1.0
Master Limited Partnerships	729,702,137 6.1%	12/1/2008	4.4	19.9	-	-	-	27.9	36.4	9.8	1.2
<i>Alerian MLP Index</i>				16.1	-	-	-	21.5	27.1	7.3	0.9
High Yield Fixed Income	628,703,035 5.3%	2/1/2009	4.2	18.4	-	-	11.3	15.3	14.8	3.0	1.6
<i>ML High Yield II</i>				-	-	-	10.8	14.0	13.1	3.4	1.9
Core Real Estate	514,208,798 4.3%	4/1/2011	2.1	-	-	-	-	-	-	-	-
<i>NCREIF</i>				-	-	-	-	-	-	-	-
Cash	91,522,376 0.8%	4/1/1990	23.1	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>				-	1.7	0.3	0.1	0.1	0.1	0.0	0.0

# Equity Portfolios Summary

As of April 30, 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
Hotchkis & Wiley Large Cap	<b>448,186,339</b>	<b>4/1/1990</b>	<b>23.1</b>	10.6	9.3	5.5	13.1	23.5	28.0	11.1	3.4
Russell 1000 Value	3.8%			9.8	8.4	4.2	12.3	21.8	23.3	7.0	1.5
Sawgrass	<b>419,274,091</b>	<b>7/1/2006</b>	<b>6.8</b>	7.0	-	6.9	14.8	15.7	18.5	8.5	2.0
Russell 1000 Growth	3.5%			7.2	-	6.7	13.4	12.6	17.1	7.3	2.1
ARI All Cap	<b>372,569,085</b>	<b>9/1/2006</b>	<b>6.7</b>	4.7	-	5.8	11.8	16.6	19.2	7.6	1.7
Russell 3000 Value	3.1%			5.6	-	5.6	12.8	17.2	20.2	7.0	1.6
EPOCH All Cap	<b>366,664,271</b>	<b>9/1/2006</b>	<b>6.7</b>	6.2	-	4.9	11.7	15.0	18.9	8.0	3.0
Russell 3000 Value	3.1%			5.6	-	5.6	12.8	17.2	20.2	7.0	1.6
NT Cap Weighted Passive	<b>500,257,786</b>	<b>4/1/2012</b>	<b>1.1</b>	16.0	-	-	-	16.8	19.4	7.2	1.9
S&P 500 Cap Weighted	4.2%			-	7.9	5.2	12.8	16.9	19.4	7.2	1.9
SSGA Eq Weighted Passive	<b>508,892,582</b>	<b>4/1/2012</b>	<b>1.1</b>	19.4	-	-	-	20.2	24.2	7.2	1.6
S&P 500 Equal Weighted	4.3%			-	-	-	-	20.2	24.2	7.2	1.6
Frontier Capital	<b>408,858,941</b>	<b>6/1/2002</b>	<b>10.9</b>	9.5	13.0	7.9	12.3	12.8	18.7	5.6	0.3
Russell Mid Cap Growth	3.4%			8.5	11.0	6.8	13.7	14.4	21.2	6.6	1.5
Wellington Management	<b>339,215,209</b>	<b>9/1/1998</b>	<b>14.7</b>	9.5	10.9	4.9	8.0	6.6	18.9	4.8	0.7
Russell Mid Cap Growth	2.9%			8.2	11.0	6.8	13.7	14.4	21.2	6.6	1.5
AJO Partners	<b>402,762,852</b>	<b>8/1/1998</b>	<b>14.8</b>	10.3	11.8	7.9	15.3	19.0	24.6	7.5	0.7
Russell MidCap	3.4%			8.6	10.5	7.2	13.7	19.2	24.3	7.1	1.3
Hotchkis & Wiley Mid Cap	<b>448,927,487</b>	<b>8/1/2002</b>	<b>10.8</b>	13.7	14.4	13.0	17.4	29.0	30.6	8.9	0.1
Russell MidCap Value	3.8%			11.1	11.9	7.5	13.7	23.7	27.0	7.5	1.1
Shapiro Capital Management	<b>618,599,110</b>	<b>2/1/1998</b>	<b>15.3</b>	9.6	13.9	10.3	11.2	16.5	23.0	4.6	-0.6
Russell 2000 Value	5.2%			8.0	10.3	6.6	9.6	19.7	21.6	5.3	-0.1
Legacy Small Cap	<b>475,090,813</b>	-	-	-	-	-	-	-	-	-	-
	4.0%			-	-	-	-	-	-	-	-
Causeway Capital	<b>471,779,986</b>	<b>5/1/2003</b>	<b>10.0</b>	10.7	10.7	1.2	8.7	17.7	23.5	2.7	3.6
MSCI ACWI Ex US	4.0%			9.7	9.7	-0.4	8.0	20.0	26.4	5.3	5.3
Brandes	<b>431,492,792</b>	<b>2/1/1996</b>	<b>17.3</b>	10.6	10.8	-0.5	6.2	20.5	24.9	6.5	7.1
MSCI ACWI Ex US	3.6%			5.2	9.7	-0.4	8.0	20.0	26.4	5.3	5.3
Thornburg	<b>447,839,312</b>	<b>12/1/2005</b>	<b>7.4</b>	6.9	-	1.1	7.5	12.0	19.6	1.5	3.5
MSCI ACWI Ex US	3.8%			4.6	-	-0.4	8.0	20.0	26.4	5.3	5.3
ARI Small Cap International	<b>107,565,726</b>	<b>12/1/2011</b>	<b>1.4</b>	21.5	-	-	-	19.5	26.8	4.0	3.1
MSCI EAFE Small Cap	0.9%			21.8	13.2	2.1	8.4	13.3	28.5	8.4	1.9
Epoch Small Cap International	<b>105,131,672</b>	<b>12/1/2011</b>	<b>1.4</b>	18.8	-	-	-	16.8	26.7	5.6	3.0
MSCI EAFE Small Cap	0.9%			21.8	13.2	2.1	8.4	13.3	28.5	8.4	1.9
Wasatch Small Cap International	<b>115,935,786</b>	<b>12/1/2011</b>	<b>1.4</b>	36.6	-	-	-	30.6	38.3	12.4	4.3
MSCI EAFE Small Cap	1.0%			21.8	13.2	2.1	8.4	13.3	28.5	8.4	1.9
Wellington Small Cap International	<b>111,989,099</b>	<b>12/1/2011</b>	<b>1.4</b>	29.1	-	-	-	21.6	32.8	8.2	6.2
MSCI EAFE Small Cap	0.9%			21.8	13.2	2.1	8.4	13.3	28.5	8.4	1.9

# Fixed Income and Non-Core Portfolios Summary

As of April 30, 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
Loomis Sayles	<b>639,833,526</b>	<b>8/1/1999</b>	<b>13.8</b>	7.6	8.2	10.5	9.7	10.2	8.2	2.5	1.8
<i>Barclays Aggregate</i>	<b>5.4%</b>			6.1	5.0	5.7	5.5	3.7	2.7	1.6	1.0
Lord Abbett	<b>600,705,044</b>	<b>11/1/2004</b>	<b>8.5</b>	6.8	-	8.1	7.7	7.1	6.1	2.0	1.2
<i>Barclays Aggregate</i>	<b>5.1%</b>			5.2	-	5.7	5.5	3.7	2.7	1.6	1.0
Mackay Shields	<b>614,953,765</b>	<b>11/1/2004</b>	<b>8.5</b>	7.1	-	8.8	8.6	8.6	7.6	2.2	1.3
<i>Barclays Aggregate</i>	<b>5.2%</b>			5.2	-	5.7	5.5	3.7	2.7	1.6	1.0
Hoisington	<b>297,411,837</b>	<b>11/1/2004</b>	<b>8.5</b>	9.6	-	11.3	16.2	8.0	-0.1	6.3	5.3
<i>Barclays Aggregate</i>	<b>2.5%</b>			5.2	-	5.7	5.5	3.7	2.7	1.6	1.0
Stephens	<b>293,583,289</b>	<b>11/1/2004</b>	<b>8.5</b>	5.0	-	4.9	3.9	2.7	1.9	1.0	0.5
<i>Barclays Aggregate</i>	<b>2.5%</b>			5.2	-	5.7	5.5	3.7	2.7	1.6	1.0
Loomis Sayles High Yield	<b>208,653,906</b>	<b>2/1/2009</b>	<b>4.2</b>	19.0	-	-	10.7	18.1	17.6	2.4	1.3
<i>Merrill Lynch High Yield II</i>	<b>1.8%</b>			20.1	-	-	10.8	14.0	13.1	3.4	1.9
Lord Abbett High Yield	<b>212,282,070</b>	<b>2/1/2009</b>	<b>4.2</b>	19.2	-	-	12.1	15.4	15.5	4.0	2.0
<i>Merrill Lynch High Yield II</i>	<b>1.8%</b>			20.1	-	-	10.8	14.0	13.1	3.4	1.9
Mackay Shields High Yield	<b>207,767,059</b>	<b>2/1/2009</b>	<b>4.2</b>	17.1	-	-	11.1	12.4	11.4	2.7	1.5
<i>Merrill Lynch High Yield II</i>	<b>1.8%</b>			20.1	-	-	10.8	14.0	13.1	3.4	1.9

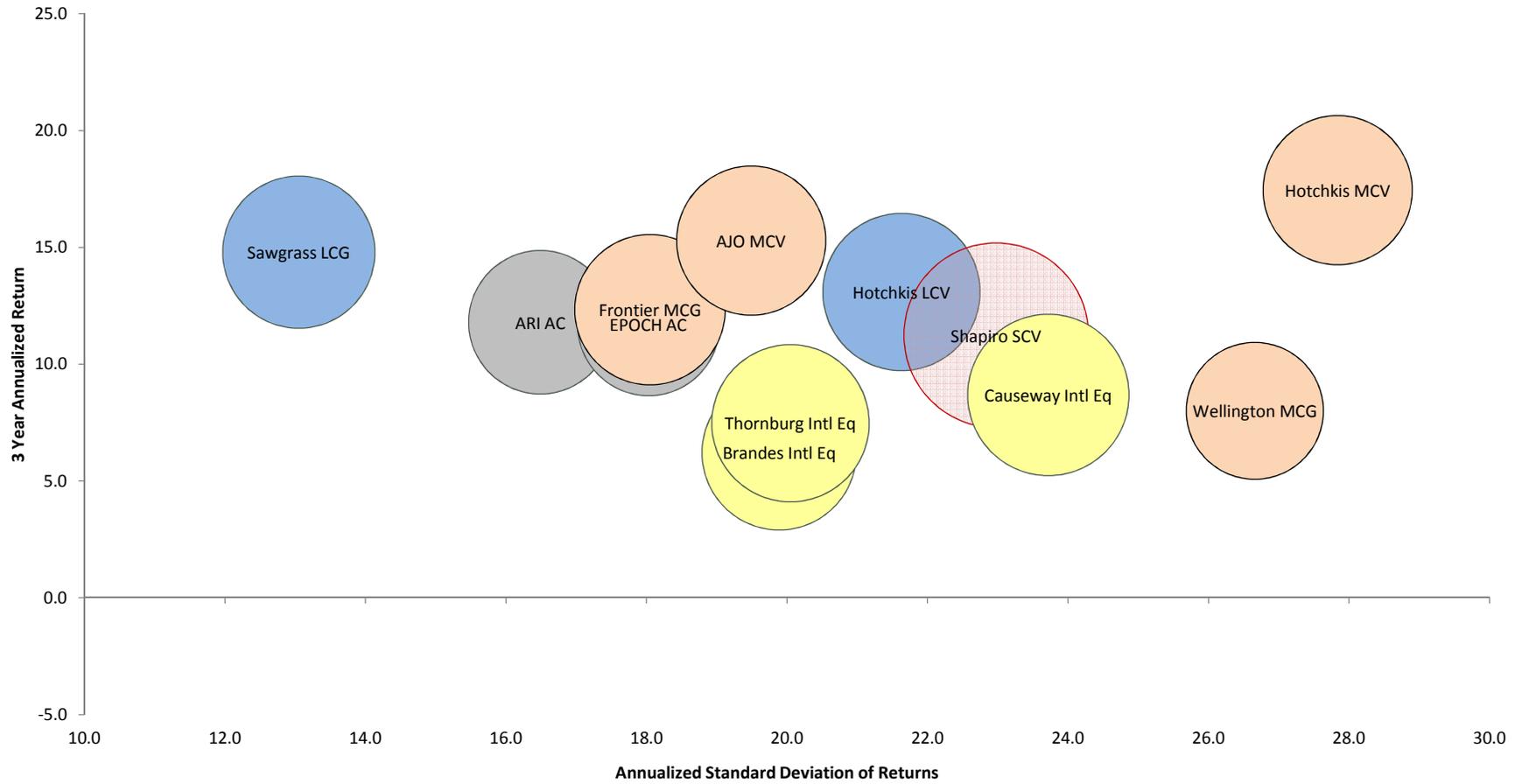
# Non-Traditional Portfolios Summary

As of April 30, 2013

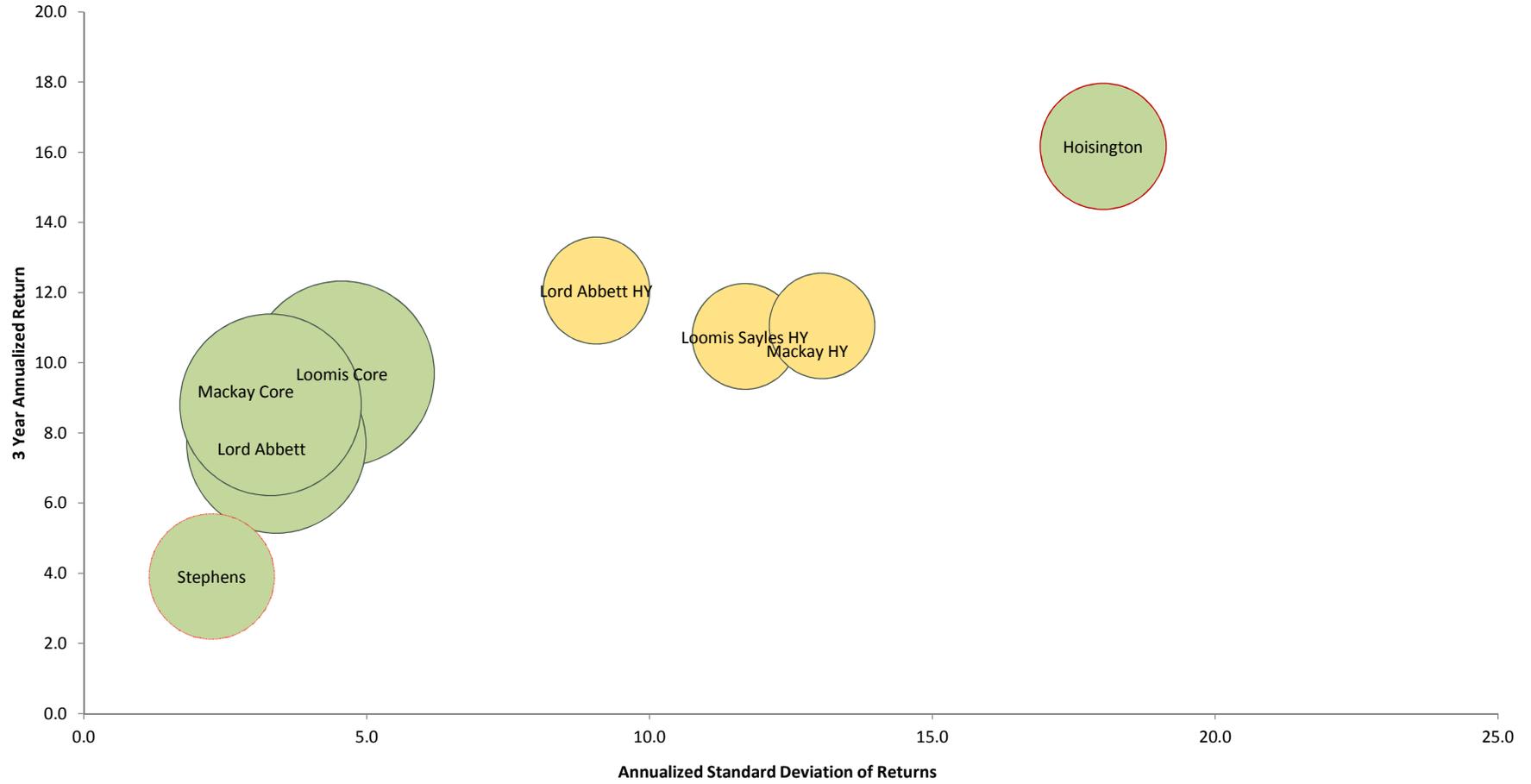


	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Legacy Private Equity Portfolio	73,344,837	10/1/2008	4.6	-	-	-	-	-	-	-	-
Franklin Park Private Equity	146,644,182	4/1/2010	3.1	-	-	-	-	-	-	-	-
Total Private Equity %	1.9%										
Chickasaw Capital MLP	209,021,873	2/28/2011	2.2	27.7	-	-	-	36.8	46.6	12.2	1.0
Alerian MLP Index	1.8%			16.1	-	-	-	21.5	27.1	7.3	0.9
Cushing MLP Management	182,464,110	2/28/2011	2.2	19.4	-	-	-	27.0	40.4	10.9	1.2
Alerian MLP Index	1.5%			16.1	-	-	-	21.5	27.1	7.3	0.9
FAMCO MLP	338,216,154	2/28/2011	2.2	15.4	-	-	-	23.4	28.8	7.8	1.4
Alerian MLP Index	2.8%			16.1	-	-	-	21.5	27.1	7.3	0.9
AEW Real Estate	171,755,602	5/1/2011	2.0	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.4%			-	-	-	-	-	-	-	-
Heitman Real Estate	178,076,841	5/1/2011	2.0	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	164,376,355	4/1/2011	2.1	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.4%			-	-	-	-	-	-	-	-
PIMCO Distressed Mortgage II	848,885	12/1/2008	4.4	-	-	-	-	-	-	-	-
Barclays Aggregate	0.0%			-	-	-	-	-	-	-	-
PIMCO BRAVO	130,297,603	3/31/2011	2.1	-	-	-	-	-	-	-	-
Barclays Aggregate	1.1%			-	-	-	-	-	-	-	-
PIMCO BRAVO II	7,500,000	3/31/2013	0.1	-	-	-	-	-	-	-	-
Barclays Aggregate	0.1%			-	-	-	-	-	-	-	-

# Three Year Risk/Return Review - Equity Portfolios



# Three Year Risk/Return Review - Fixed Income Portfolios



## May 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
Brandes Investment Partners	International Equity	Large Cap Value	\$ 402,686,202	3.45%	Terminated	Performance / Organizational Issues	June 2012	December 2012	N / A	Transition the Portfolio and re-allocate within international equity.
Stephens Capital Management	Fixed Income	Duration Management	\$ 292,139,349	2.51%	Terminated	Performance	March 2013	March 2013	N / A	Transition the Portfolio and re-allocate within fixed income.
Epoch Investment Partners	Domestic Equity	All Cap Value	\$ 366,403,912	3.14%	Alert	Personnel / Organizational Issues	October 2012	March 2013	June 2013	No additional material staff defections <b>AND</b> a smooth transition through the change in ownership with no material impact on portfolio construction and investment philosophy.
Epoch Investment Partners	International Equity	Small Cap Value	\$ 102,030,612	0.88%	Alert	Organizational Issues	October 2012	March 2013	June 2013	A smooth transition through the change in ownership with no material impact on portfolio construction and investment philosophy.
Wellington Management	Domestic Equity	Mid Cap Value	\$ 336,758,907	2.89%	Alert	Performance	October 2012	March 2013	June 2013	A material change in portfolio performance to be determined at the discretion of OTRS Investment Committee and Board of Trustees. The portfolio manager asserted that a 500 basis point outperformance of the benchmark by June of 2013 should be expected.



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report  
first quarter, 2013**



# Market Environment

	Quarter	Trailing One Year	Trailing Three Years (annualized)	Trailing Five Years (annualized)	Trailing Ten Years (annualized)
Barclays Aggregate Bond	-0.1	3.8	5.5	5.5	5.0
Barclays Credit	-0.2	7.0	7.9	7.5	6.0
Barclays Government	-0.2	3.0	5.0	4.4	4.5
Barclays Government Credit	-0.2	4.6	6.1	5.5	5.1
Barclays Int Govt Credit	0.3	3.5	4.8	4.6	4.5
Barclays Intermediate Credit	0.5	6.0	6.4	6.5	5.4
Barclays Mortgage-Backed	-0.1	2.0	4.2	5.2	5.0
CSFB Credit Suisse HY	2.9	13.1	10.9	10.8	9.8
Treasury Bill 3 Months	0.0	0.1	0.1	0.3	1.7
CPI US 03-31-2013	0.7	2.0	2.3	1.8	2.4
S&P 500	10.6	14.0	12.7	5.8	8.5
Russell 1000 Growth	9.5	10.1	13.1	7.3	8.6
Russell 1000	11.0	14.4	12.9	6.2	9.0
Russell 1000 Value	12.3	18.8	12.7	4.9	9.2
Russell Mid Cap Growth	11.5	12.8	14.2	8.0	11.5
Russell Mid Cap	13.0	17.3	14.6	8.4	12.3
Russell Mid Cap Value	14.2	21.5	15.0	8.5	12.6
Russell 2000 Growth	13.2	14.5	14.8	9.0	11.6
Russell 2000	12.4	16.3	13.5	8.2	11.5
Russell 2000 Value	11.6	18.1	12.1	7.3	11.3
MSCI EAFE	5.1	11.3	5.0	-0.9	9.7
MSCI Europe	2.7	10.6	4.8	-2.1	9.7
MSCI Pacific Ex Japan	7.0	19.8	9.7	6.0	15.6
MSCI World Ex US	4.7	10.4	4.8	-0.8	10.0
MSCI EMF	-1.6	2.0	3.3	1.1	17.1

## Trailing Year Total Fund Return

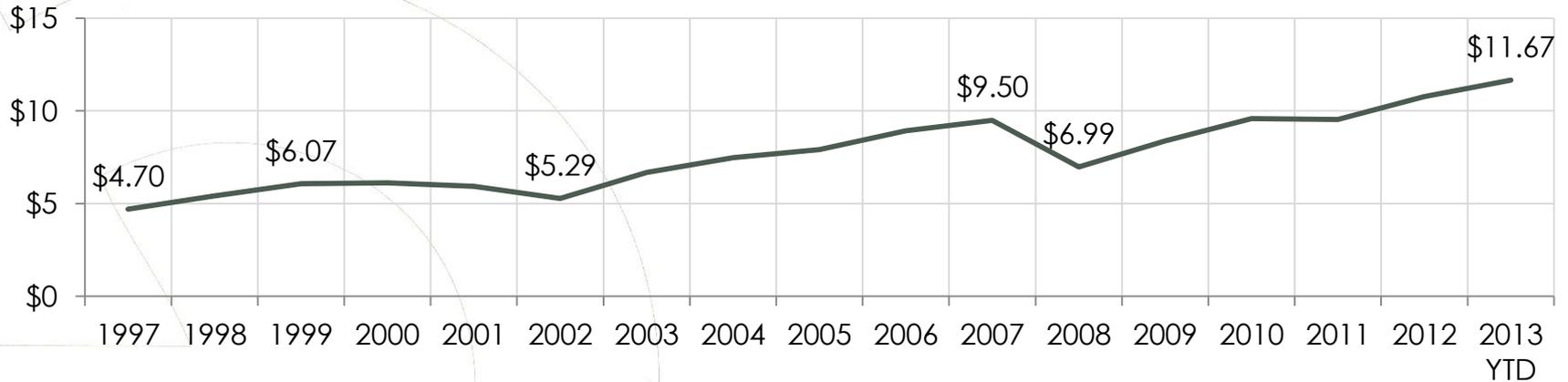
+13.5%

# Portfolio Management Issues

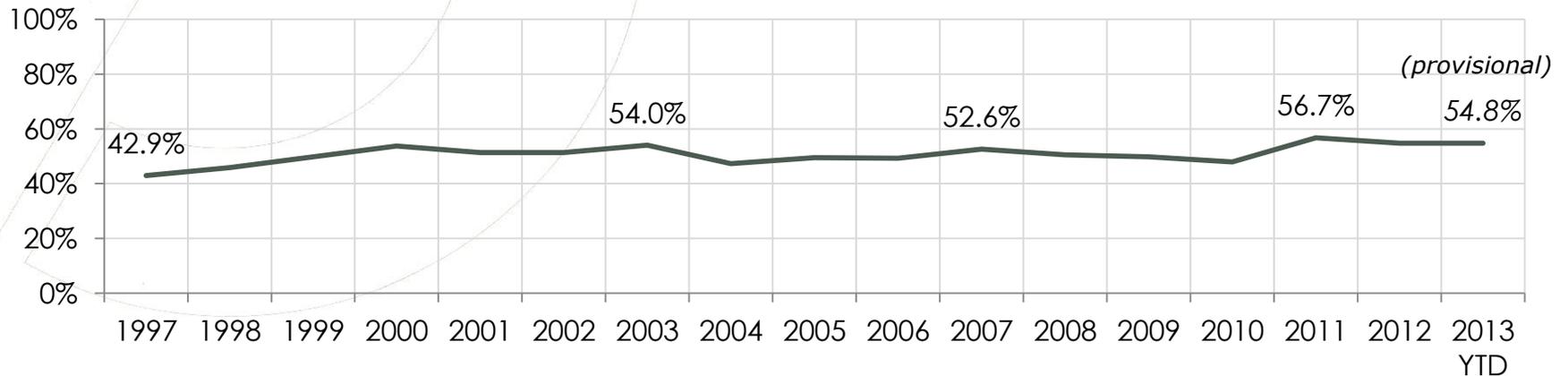
- The liquidation of Tocqueville's Small Cap Value Equity portfolio was completed on February 21, 2013. AJO Partners managed the transition.
- The reconfiguration of the Small Cap Equity allocation is nearing completion. Four new managers were selected during the first quarter of the year. The transition to the new structure is underway and will be complete by mid-May.
- The International Equity portfolio managed by Brandes is also undergoing a transition to a passively managed portfolio.
- Wellington Management Mid Cap Growth Equity portfolio has underperformed over the past year. Poor individual stock selection responsible for the poor returns. Recent results have shown some improvement.
- PIMCO Distressed Mortgage I fund has fully paid out its investments. Returns were adequate. The DMF II fund has almost fully paid out investors. Its returns were extremely good. It should be fully liquidated by the end of the second quarter.
- PIMCO BRAVO I fund has called all investor capital. PIMCO BRAVO II made its first capital call.

# Plan History

## Market Value History (\$Billions)



## Funded Status History



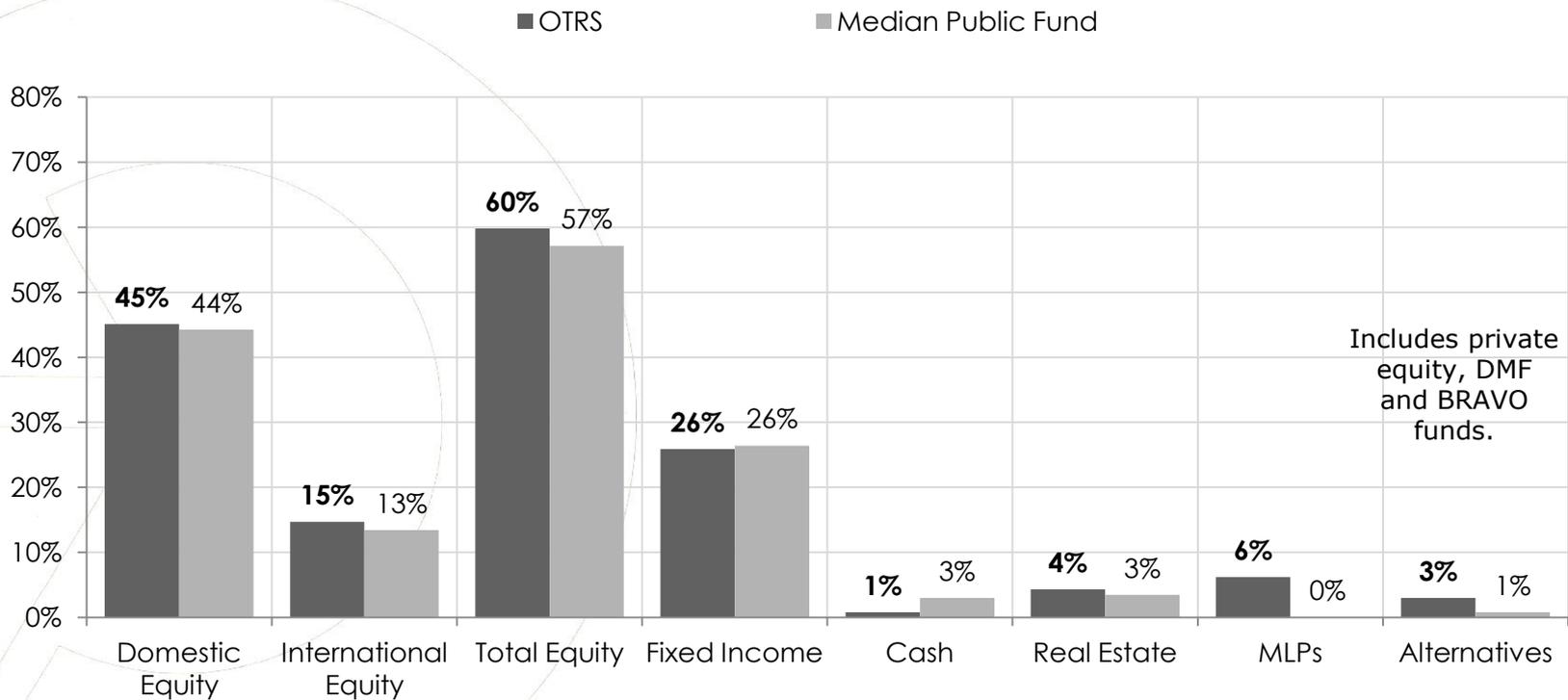
## Observations – First Quarter, 2013

- **INVESTMENT PERFORMANCE:** Total fund returns were outstanding during the quarter. The total fund earned a 7.9% return during the quarter. Equity results were positive. Core and High Yield fixed income results were also positive during the first quarter. The total fund's trailing returns were exceptional. The trailing year return was well above the actuarial assumption, above the allocation index and ranked extremely high among peer Pension Funds. **The total fund ranked in the top decile of public funds for all observation periods.** The ten year return (+10.2%) ranked in the 3<sup>rd</sup> percentile of all public funds.
- **INVESTMENT MANAGEMENT:** Two large cap index fund portfolios were added last year. The new international small cap equity allocation was additive to returns. The MLP allocation is the top performing allocation since its funding.
- **ASSET ALLOCATION:** A full asset allocation study is underway. The total fund's aggregate asset allocations remain close to long-term targets. No additional allocations were made to the Opportunistic Portfolio although several investments are under consideration. The private equity portfolio called significantly more capital over the past year compared to previous years. The three real estate managers are fully invested.

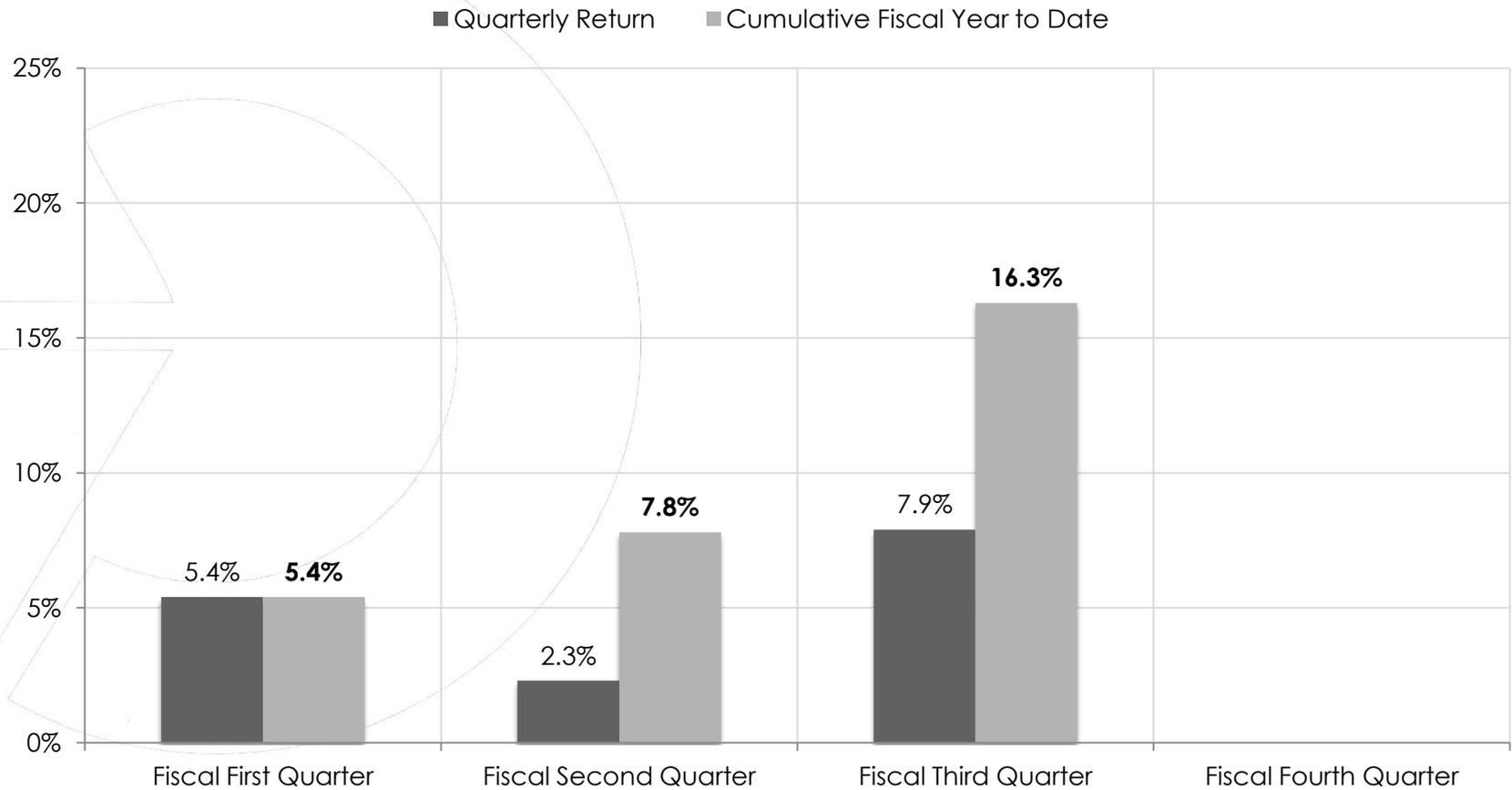
# Asset Allocation Summary – Total Fund

	Current Allocation	Target Allocation	Difference
Domestic Equity	45.1%	40.0%	+5.1%
<b>International Equity</b>	<b>14.7%</b>	<b>15.0%</b>	<b>-0.3%</b>
Core Fixed Income	20.6%	25.0%	-4.4%
<b>Opportunistic Assets</b>	<b>1.1%</b>	<b>0.0%</b>	<b>+1.1%</b>
High Yield Fixed Income	5.3%	5.0%	+0.3%
<b>Real Estate</b>	<b>4.3%</b>	<b>5.0%</b>	<b>-0.7%</b>
Private Equity	1.9%	5.0%	-3.2%
<b>MLPs</b>	<b>6.2%</b>	<b>5.0%</b>	<b>+1.2%</b>
Cash	0.8%	0.0%	+0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

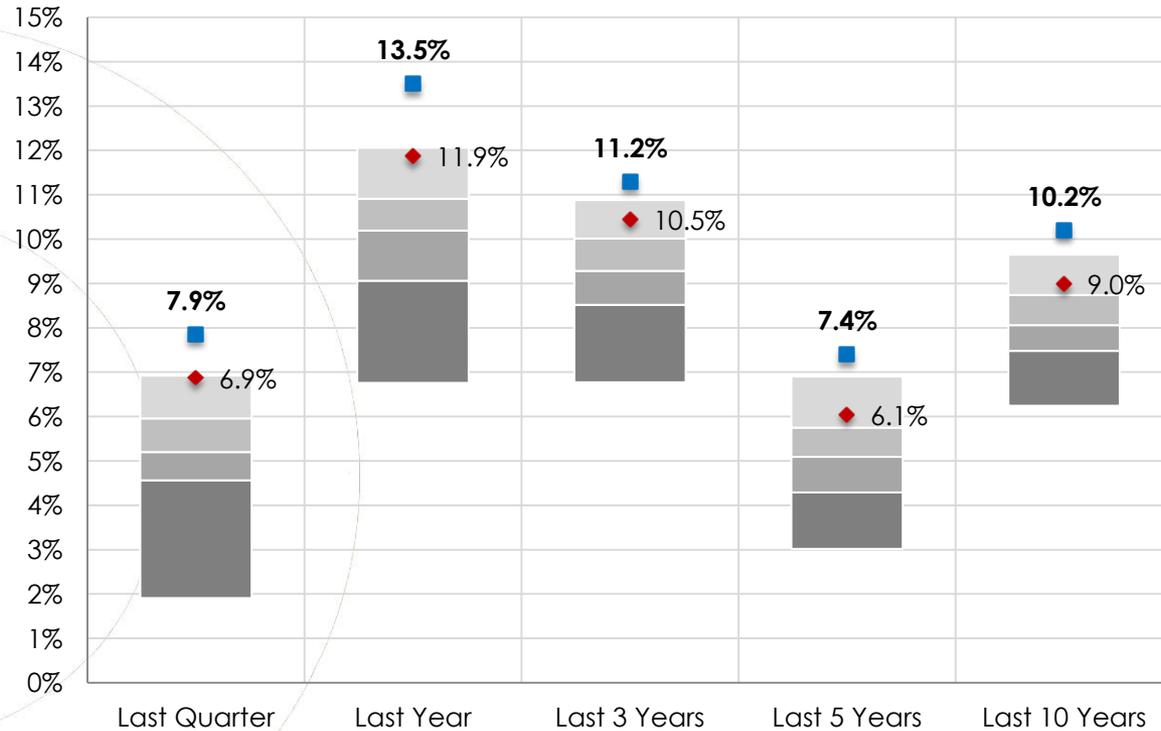
# Total Fund Allocation vs. Median Public Fund



# Composite Performance Summary as of March 31, 2013

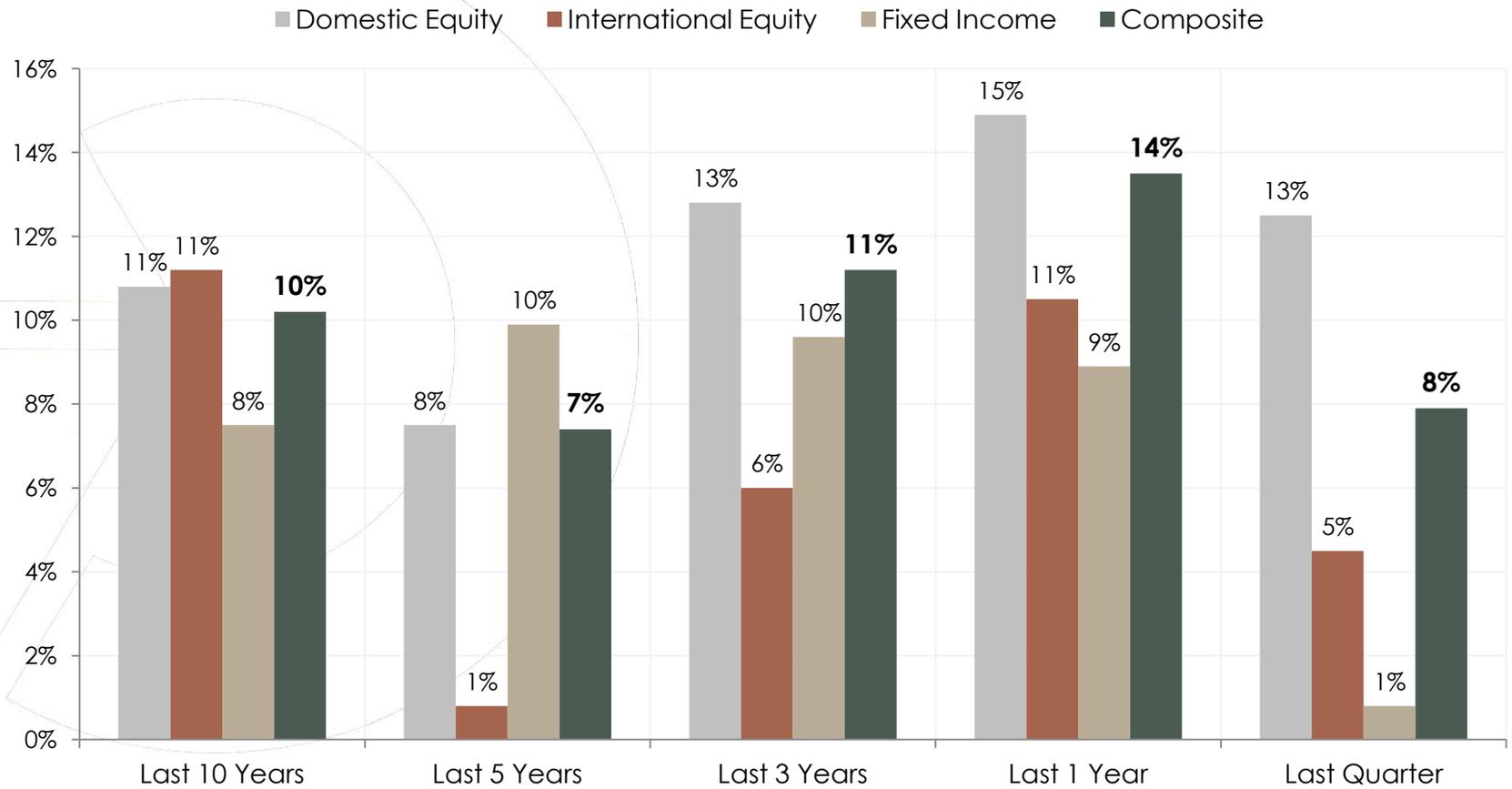


# Total Fund vs. Public Fund Peer Universe

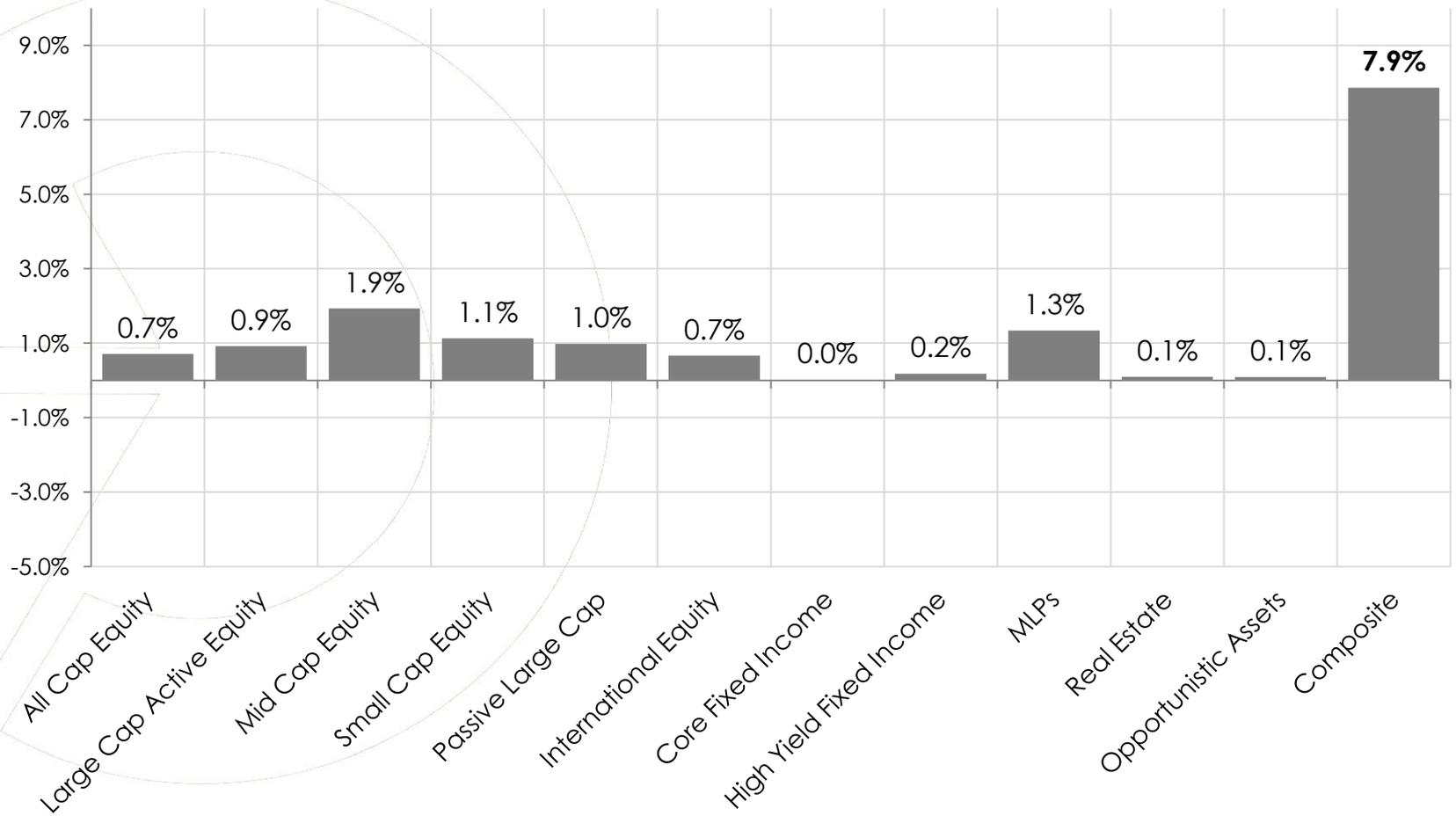


<span style="color: blue;">■</span> OTRS Composite	7.9%	13.5%	11.2%	7.4%	10.2%
<span style="color: red;">◆</span> Allocation Index	6.9%	11.9%	10.5%	6.1%	9.0%

# Composite Performance Summary as of March 31, 2013

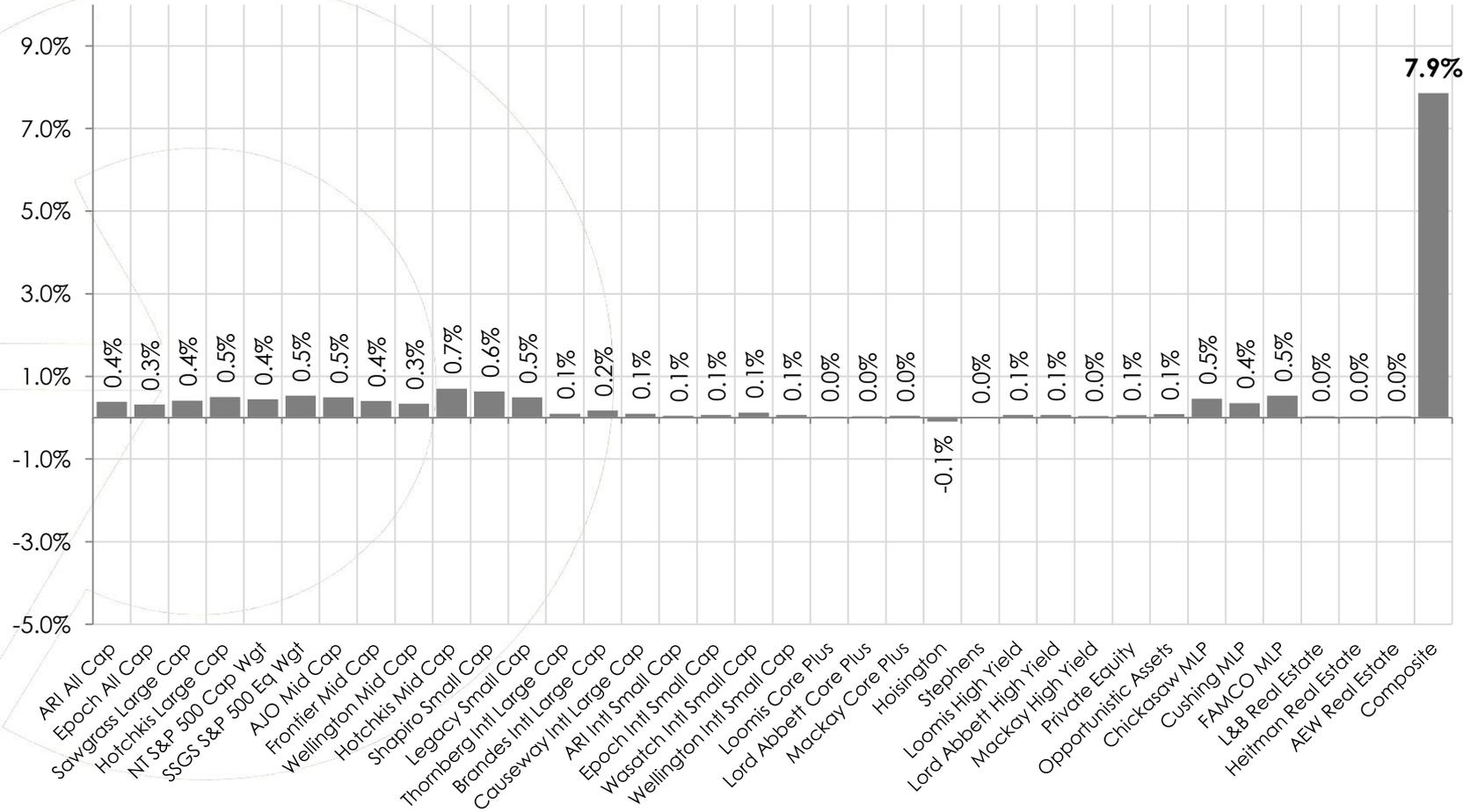


# Composition of Quarterly Return by Asset Class

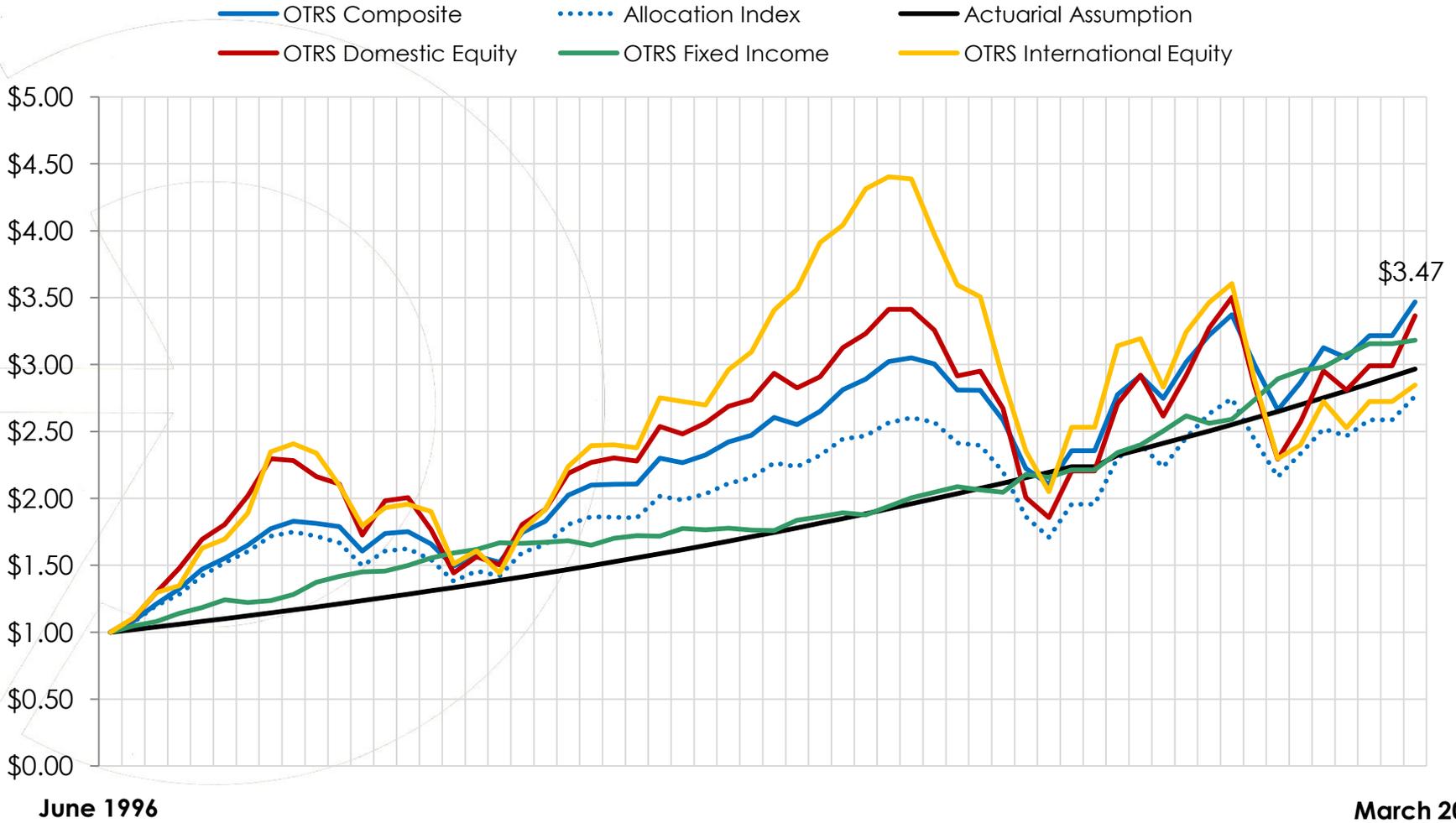


First Quarter, 2013

# Composition of Quarterly Return by Portfolio



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



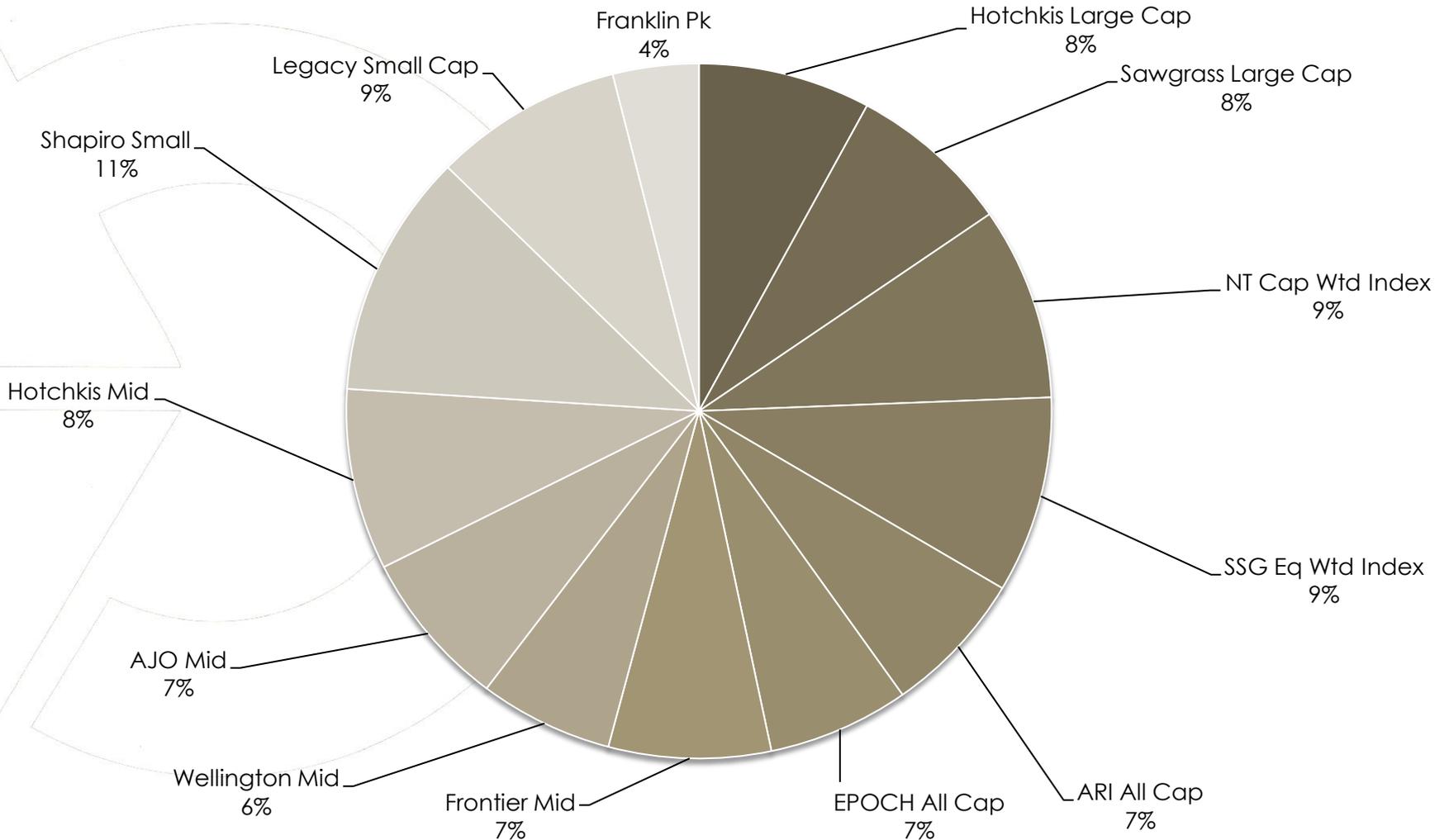
## Performance – Total Fund

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Years	% Rank	Fiscal Year to Date	Last Quarter	% Rank
<b>Total Fund</b>	<b>10.2</b>	<b>3<sup>rd</sup></b>	<b>7.4</b>	<b>4<sup>th</sup></b>	<b>11.2</b>	<b>4<sup>th</sup></b>	<b>13.5</b>	<b>4<sup>th</sup></b>	<b>16.3</b>	<b>7.9</b>	<b>3<sup>rd</sup></b>
Allocation Index	9.0		6.1		10.5		11.9		14.1	6.9	
Actuarial Assumption	8.0		8.0		8.0		8.0		6.6	1.9	
<b>Total Domestic Equity</b>	<b>10.8</b>	<b>21<sup>st</sup></b>	<b>7.5</b>	<b>22<sup>nd</sup></b>	<b>12.8</b>	<b>40<sup>th</sup></b>	<b>14.9</b>	<b>25<sup>th</sup></b>	<b>20.8</b>	<b>12.5</b>	<b>9<sup>th</sup></b>
S&P 500	8.5		5.8		12.7		14.0		17.2	10.6	
<b>Total International Equity</b>	<b>11.2</b>	<b>41<sup>st</sup></b>	<b>0.8</b>	<b>50<sup>th</sup></b>	<b>6.0</b>	<b>46<sup>th</sup></b>	<b>10.5</b>	<b>42<sup>nd</sup></b>	<b>19.2</b>	<b>4.5</b>	<b>35<sup>th</sup></b>
MSCI ACWI-US	11.4		0.1		4.9		8.9		17.5	3.3	
<b>Total Core Fixed Income</b>	<b>6.7</b>	<b>24<sup>th</sup></b>	<b>8.3</b>	<b>19<sup>th</sup></b>	<b>9.1</b>	<b>19<sup>th</sup></b>	<b>7.7</b>	<b>25<sup>th</sup></b>	<b>3.8</b>	<b>0.1</b>	<b>73<sup>rd</sup></b>
BC Aggregate	5.0		5.5		5.5		3.8		1.7	-0.1	

# Composite Peer Ranking History

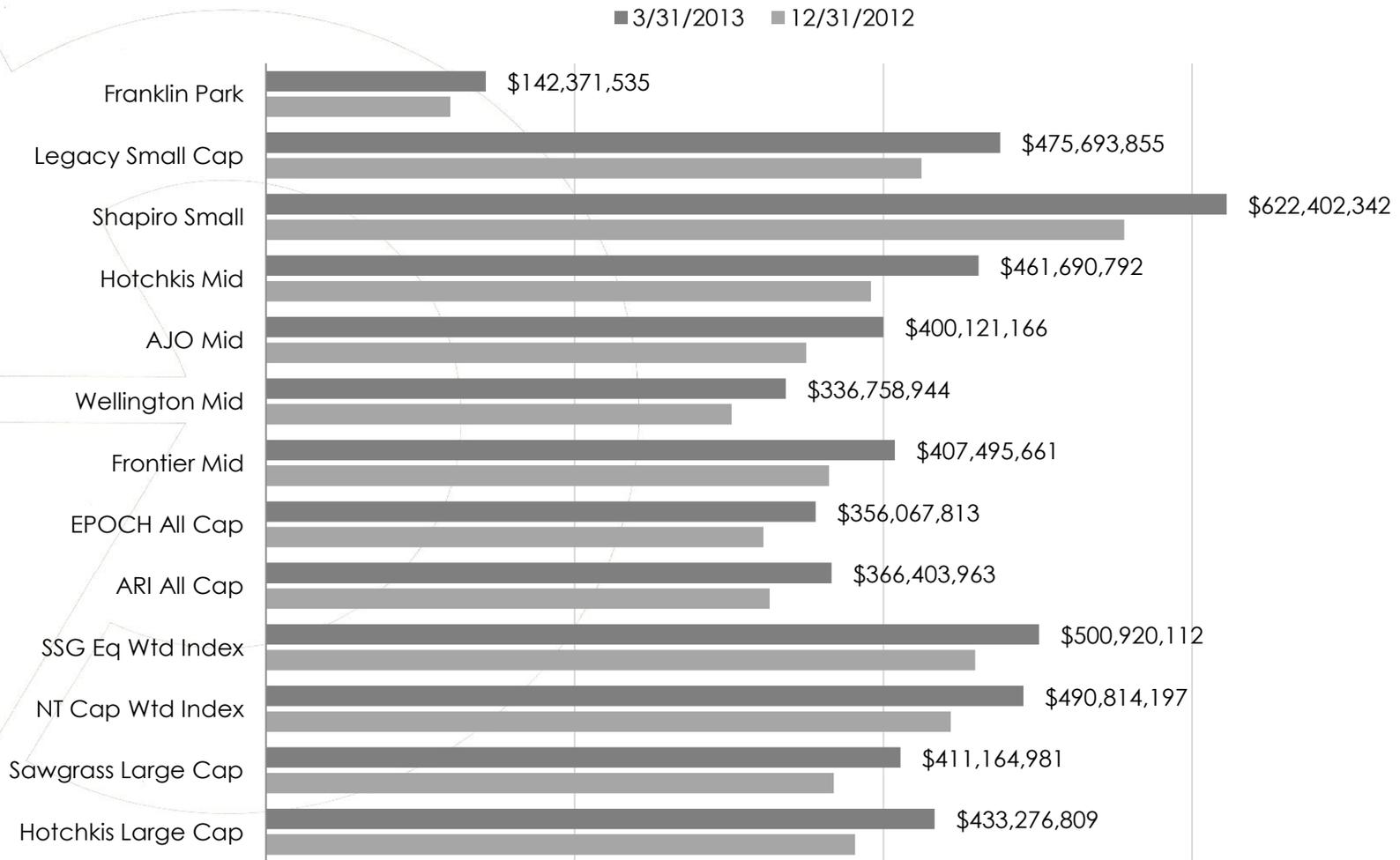
Periods Ended	Trailing 5 Years	Trailing 3 Years	Trailing Year	Last Quarter
1q2013	3	4	4	3
<b>4q2012</b>	15	3	11	24
3q2012	21	13	8	10
<b>2q2012</b>	24	4	<b>33</b>	<b>75</b>
1q2012	22	13	25	14
<b>4q2011</b>	<b>36</b>	14	<b>52</b>	8
3q2011	31	23	95	89
<b>2q2011</b>	20	13	23	<b>93</b>
1q2011	9	21	5	17
<b>4q2010</b>	21	<b>29</b>	15	<b>29</b>
3q2010	30	38	10	18
<b>2q2010</b>	<b>35</b>	<b>46</b>	11	<b>62</b>
1q2010	24	25	70	44
<b>4q2009</b>	<b>36</b>	<b>43</b>	15	25
3q2009	26	42	32	13
<b>2q2009</b>	<b>46</b>	<b>50</b>	<b>44</b>	<b>28</b>
1q2009	23	24	18	28
<b>4q2008</b>	<b>47</b>	<b>61</b>	<b>62</b>	<b>64</b>
3q2008	24	59	67	48
<b>2q2008</b>	25	<b>52</b>	<b>83</b>	17
1q2008	19	49	83	79
<b>4q2007</b>	19	<b>46</b>	<b>62</b>	<b>78</b>
3q2007	18	36	37	87
<b>2q 2007</b>	10	<b>29</b>	18	<b>34</b>
1q 2007	15	27	38	19
<b>4q 2006</b>	23	<b>44</b>	<b>59</b>	<b>36</b>
3q 2006	15	24	69	57
<b>Average Rank</b>	<b>24</b>	<b>31</b>	<b>39</b>	<b>41</b>
% of Observations in Top Quartile	67%	41%	41%	37%
<b>% of Observations Above Median</b>	<b>100%</b>	<b>85%</b>	<b>63%</b>	<b>67%</b>

# Asset Allocation Summary – Domestic Equity Allocation

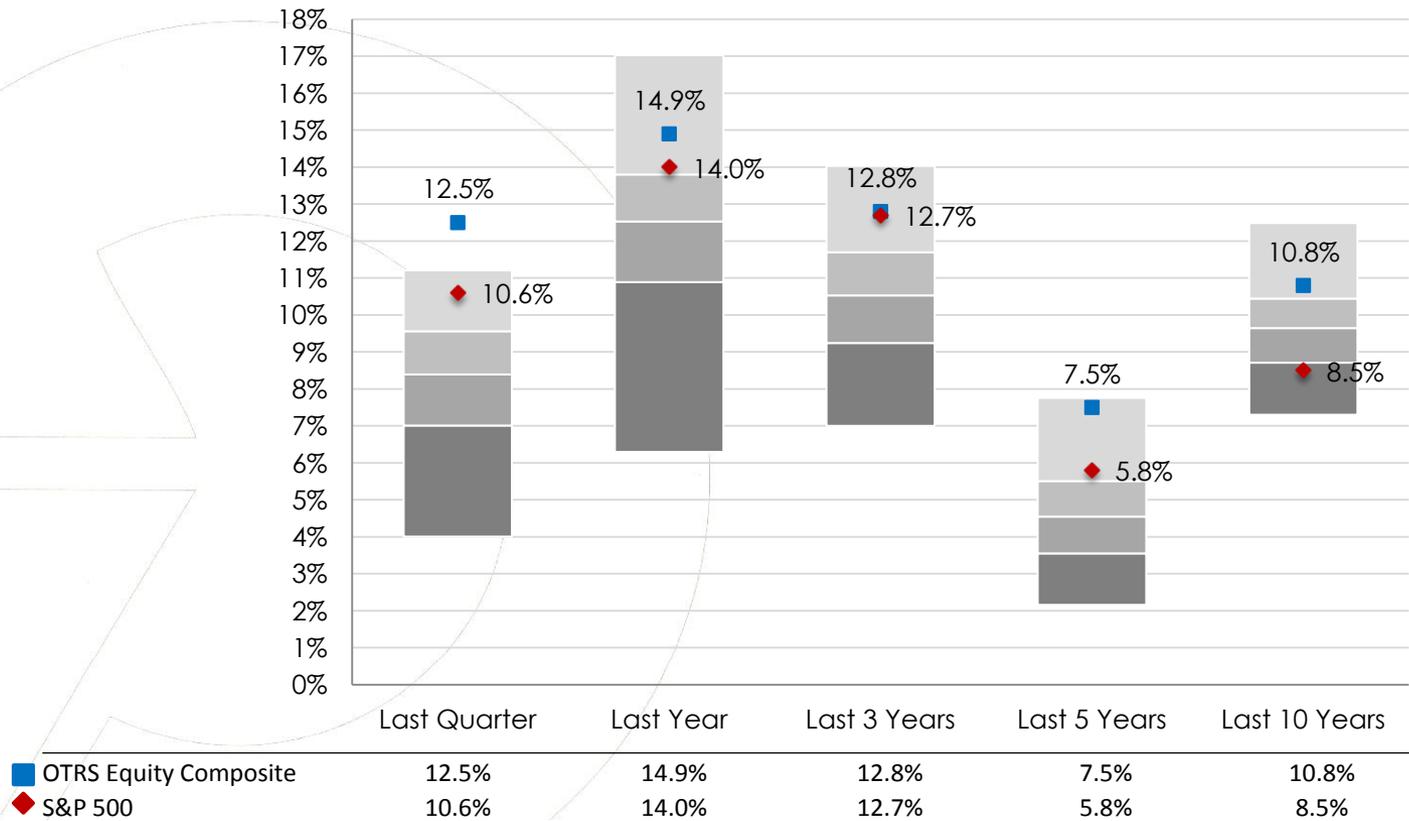


First Quarter, 2013

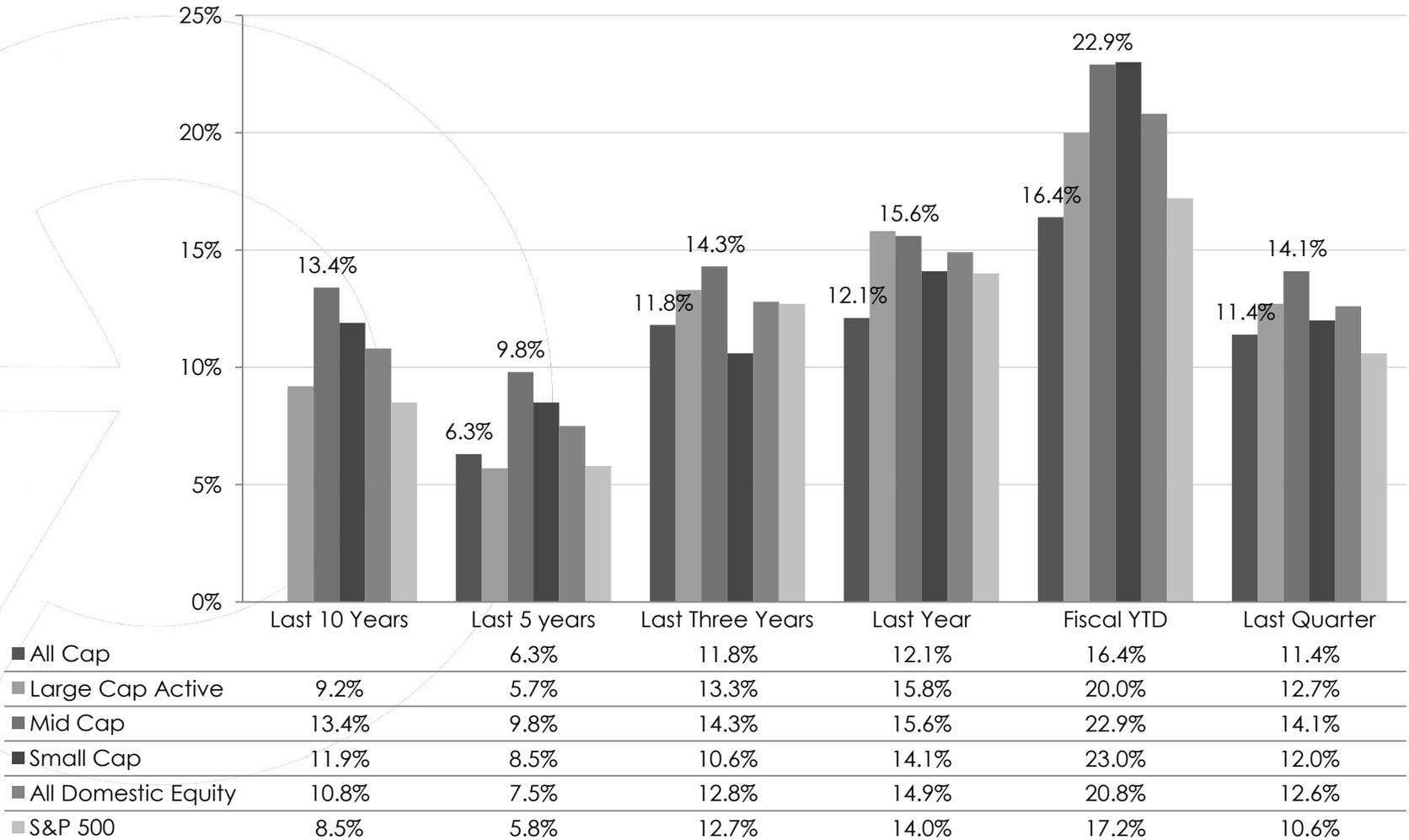
# Asset Allocation Summary – Domestic Equity Allocation



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



# Domestic Equity Performance: Capitalization Composites



## Performance – All Cap and Large Cap Equity Managers

	Last 10 Years	% Rank	Last 5 Year	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Fiscal YTD	Last Quarter	% Rank
<b>Advisory Research</b>	-	-	<b>6.6</b>	<b>31<sup>st</sup></b>	<b>12.3</b>	<b>59<sup>th</sup></b>	<b>14.1</b>	<b>48<sup>th</sup></b>	<b>17.2</b>	<b>12.3</b>	<b>9<sup>th</sup></b>
<b>EPOCH</b>	-	-	<b>5.8</b>	<b>59<sup>th</sup></b>	<b>11.3</b>	<b>77<sup>th</sup></b>	<b>10.1</b>	<b>90<sup>th</sup></b>	<b>15.4</b>	<b>10.5</b>	<b>65<sup>th</sup></b>
<i>Russell 3000 V</i>	9.3		5.1		12.7		18.7		21.5	12.3	
<i>Russell 3000</i>	9.2		6.3		13.0		14.6		18.3	11.1	
<b>Hotchkis LCV</b>	<b>9.8</b>	<b>58<sup>th</sup></b>	<b>6.0</b>	<b>43<sup>rd</sup></b>	<b>12.9</b>	<b>37<sup>th</sup></b>	<b>18.4</b>	<b>28<sup>th</sup></b>	<b>23.8</b>	<b>13.5</b>	<b>24<sup>th</sup></b>
<b>Sawgrass LCG</b>	-	-	<b>7.2</b>	<b>17<sup>th</sup></b>	<b>14.2</b>	<b>23<sup>rd</sup></b>	<b>13.3</b>	<b>72<sup>nd</sup></b>	<b>16.2</b>	<b>11.8</b>	<b>40<sup>th</sup></b>
<i>S&amp;P 500</i>	8.5		5.8		12.7		14.0		17.2	10.6	
<i>Russell 1000 V</i>	9.2		4.9		12.7		18.8		21.4	12.3	
<i>Russell 1000 G</i>	8.6		7.3		13.1		10.1		14.7	9.5	
<b>NT Cap Weighted</b>	-	-	-	-	-	-	<b>15.2</b>	<b>25<sup>th</sup></b>	<b>17.1</b>	<b>10.6</b>	<b>59<sup>th</sup></b>
<b>SSGS Equal Weighted</b>	-	-	-	-	-	-	<b>19.3</b>	<b>4<sup>th</sup></b>	<b>22.3</b>	<b>12.4</b>	<b>7<sup>th</sup></b>
<i>S&amp;P 500 Cap</i>	8.5		5.8		12.7		14.0		17.2	10.6	
<i>S&amp;P 500 Equal</i>	12.0		9.2		14.3		17.5		n/a	12.5	

## Performance – Mid Cap and Small Cap Equity Managers

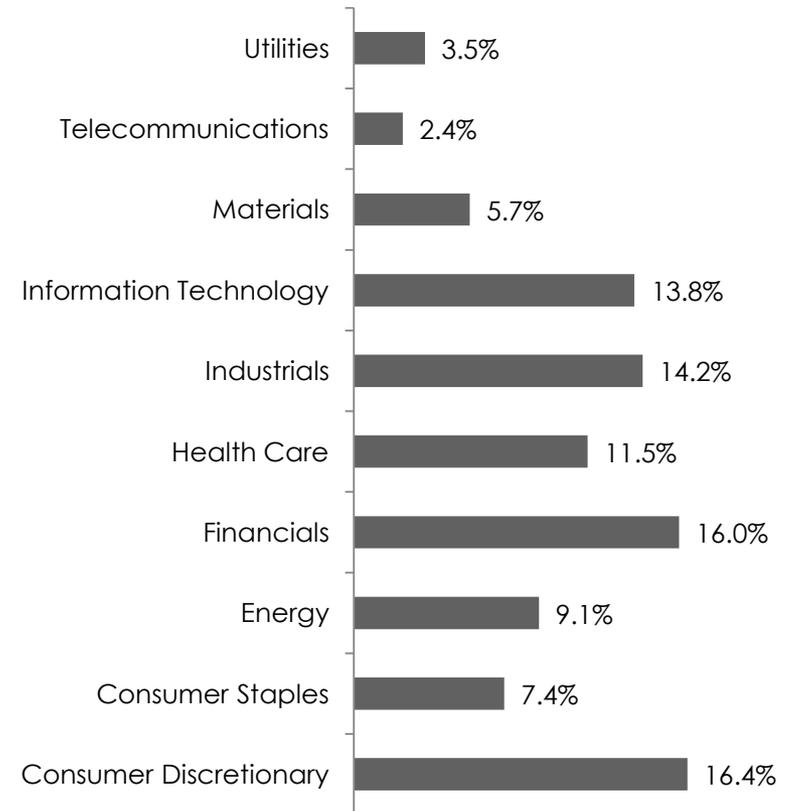
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Fiscal YTD	Last Quarter	% Rank
<b>AJO MCC</b>	<b>12.5</b>	<b>86<sup>th</sup></b>	<b>9.0</b>	<b>59<sup>th</sup></b>	<b>15.9</b>	<b>47<sup>th</sup></b>	<b>18.0</b>	<b>59<sup>th</sup></b>	<b>23.8</b>	<b>14.3</b>	<b>20<sup>th</sup></b>
<b>Frontier MCG</b>	<b>13.8</b>	n/m	<b>9.2</b>	n/m	<b>13.6</b>	<b>68<sup>th</sup></b>	<b>15.1</b>	<b>43<sup>rd</sup></b>	<b>18.4</b>	<b>11.7</b>	<b>48<sup>th</sup></b>
<b>Hotchkis MCV</b>	<b>15.4</b>	n/m	<b>15.0</b>	<b>7<sup>th</sup></b>	<b>18.7</b>	<b>5<sup>th</sup></b>	<b>26.6</b>	<b>2<sup>nd</sup></b>	<b>30.5</b>	<b>17.8</b>	<b>2<sup>nd</sup></b>
<b>Wellington MCG</b>	<b>11.7</b>	n/m	<b>6.1</b>	n/m	<b>8.9</b>	<b>95<sup>th</sup></b>	<b>2.8</b>	<b>94<sup>th</sup></b>	<b>18.1</b>	<b>11.6</b>	<b>49<sup>th</sup></b>
<i>Russell MC</i>	10.4		8.4		14.6		17.3		22.7	13.0	
<i>Russell MC Growth</i>	11.5		8.0		14.2		12.8		19.5	11.5	
<i>Russell MC Value</i>	12.6		8.5		15.0		21.5		25.6	14.2	
<b>Shapiro SCC</b>	<b>15.1</b>	<b>6<sup>th</sup></b>	<b>12.0</b>	<b>10<sup>th</sup></b>	<b>12.9</b>	<b>66<sup>th</sup></b>	<b>15.3</b>	<b>67<sup>th</sup></b>	<b>23.7</b>	<b>11.9</b>	<b>64<sup>th</sup></b>
<i>Russell 2000</i>	11.5		8.2		13.5		16.3		20.5	12.4	
<i>Russell 2000 Value</i>	11.3		7.3		12.1		18.1		21.8	11.6	

# Total Equity Portfolio Holdings Review

## Largest Equity Positions

Position	% of Total Equity Allocation
Live Nation Entertainment	0.60%
Calgon Carbon	0.53%
VCA Antech	0.51%
General Electric	0.51%
WPX Energy	0.51%
Babcock & Wilcox	0.48%
Tidewater	0.48%
Xylem	0.46%
Exelis	0.46%
Dynegy	0.46%
<b>Top Ten Total Weight</b>	<b>5.00%</b>

## Sector Weightings



## Composite Equity Portfolio Characteristics – Trailing Five Years

	Average Market Cap	Dividend Yield	Tracking Error	Alpha	R <sup>2</sup>	Sharpe Ratio	Standard Deviation
Active All Cap/Large Cap Equity	\$95.9 billion	2.11%	5.54%	0.75	0.96	0.33	20.29
Mid Cap Equity	\$8.0 billion	1.14%	6.69%	1.68	0.95	0.40	24.51
Small Cap Equity	\$21.0 billion	1.16%	5.05%	2.64	0.50	0.25	14.94
International Equity	\$42.0 billion	2.90%	3.46%	0.98	0.73	0.02	17.33
<b>Total Equity</b>	<b>\$45.4 billion</b>	<b>1.94%</b>	<b>4.25%</b>	<b>1.13</b>	<b>0.69</b>	<b>0.21</b>	<b>16.75</b>

## Active Domestic Equity Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. S&P 500	Correlation vs. BC Aggregate
Hotchkis & Wiley	Large Cap Value	128.8%	113.6%	6.0%	0.97	0.12
Sawgrass	Large Cap Growth	88.7%	86.8%	7.2%	0.98	0.11
Advisory Research	All Cap	99.2%	95.8%	6.6%	0.98	0.11
EPOCH	All Cap	106.9%	103.7%	5.8%	0.98	0.07
AJO	Mid Cap Core	135.2%	105.2%	9.0%	0.96	0.12
Frontier	Mid Cap Growth	152.4%	116.2%	9.2%	0.94	0.07
Hotchkis & Wiley	Mid Cap Value	211.6%	111.5%	15.0%	0.95	0.08
Wellington	Mid Cap Growth	158.7%	122.4%	6.1%	0.93	0.03
Shapiro	Small Cap Core/Value	166.4%	102.9%	15.1%	0.93	0.08

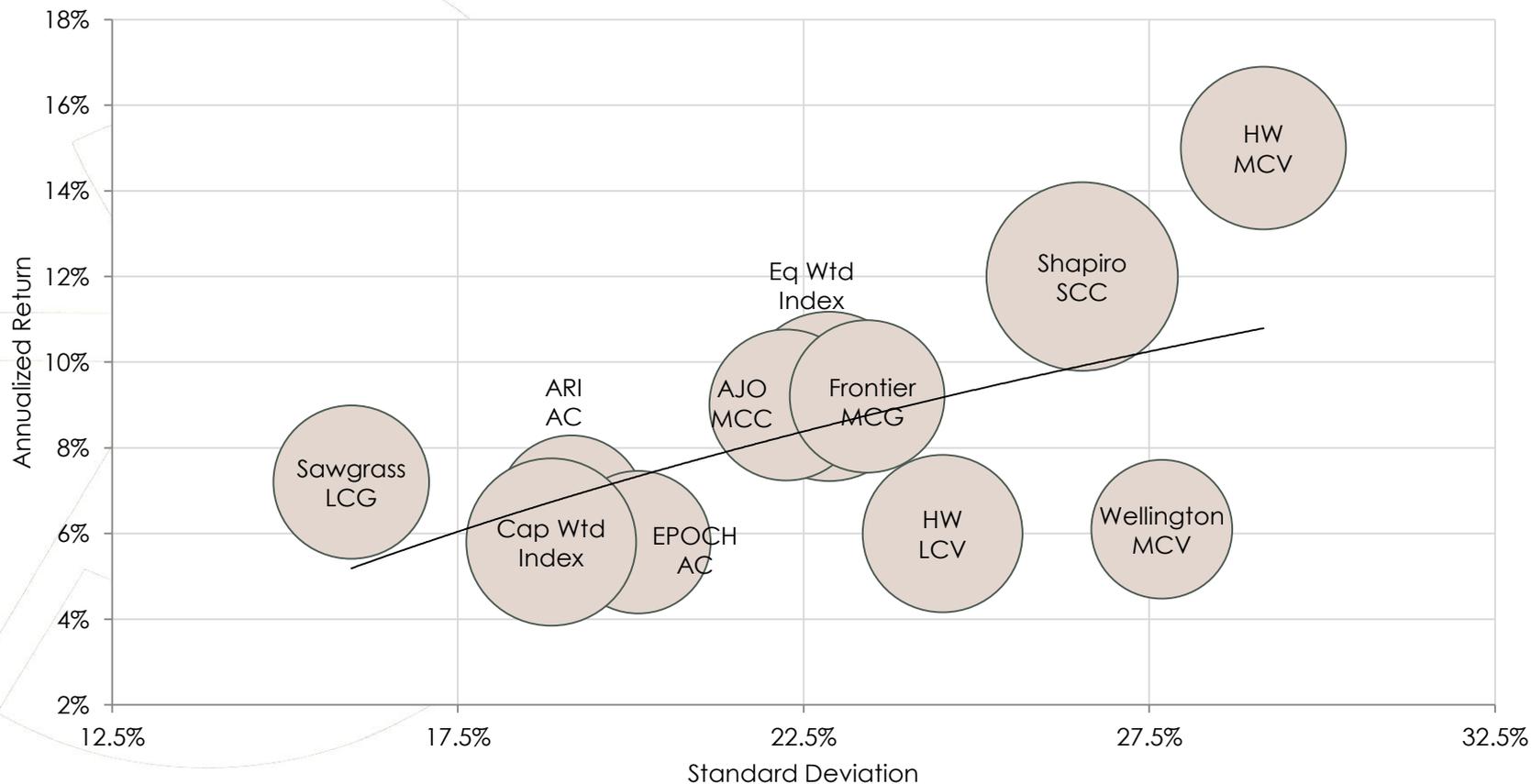
Upside and downside capture ratios measured against the S&P 500 index.

## Domestic Equity Portfolios: Correlation Matrix

<b>Trailing Five Years</b>	AJO MCC	ARI AC	Epoch AC	Frontier MCG	Hotchkis MCV	Hotchkis LCV	Sawgrass LCG	Shapiro SCC	Wellington MCG
AJO MCC									
ARI AC	0.97								
Epoch AC	0.98	0.97							
Frontier MCG	0.97	0.96							
Hotchkis MCV	0.95	0.96	0.96	0.94					
Hotchkis LCV	0.97	0.94	0.96	0.93	0.96				
Sawgrass LCG	0.96	0.96	0.97	0.97	0.94	0.93			
Shapiro SCC	0.96	0.96	0.95	0.93	0.93	0.94	0.92		
Wellington MCG	0.98	0.93	0.95	0.97	0.92	0.96	0.91	0.96	

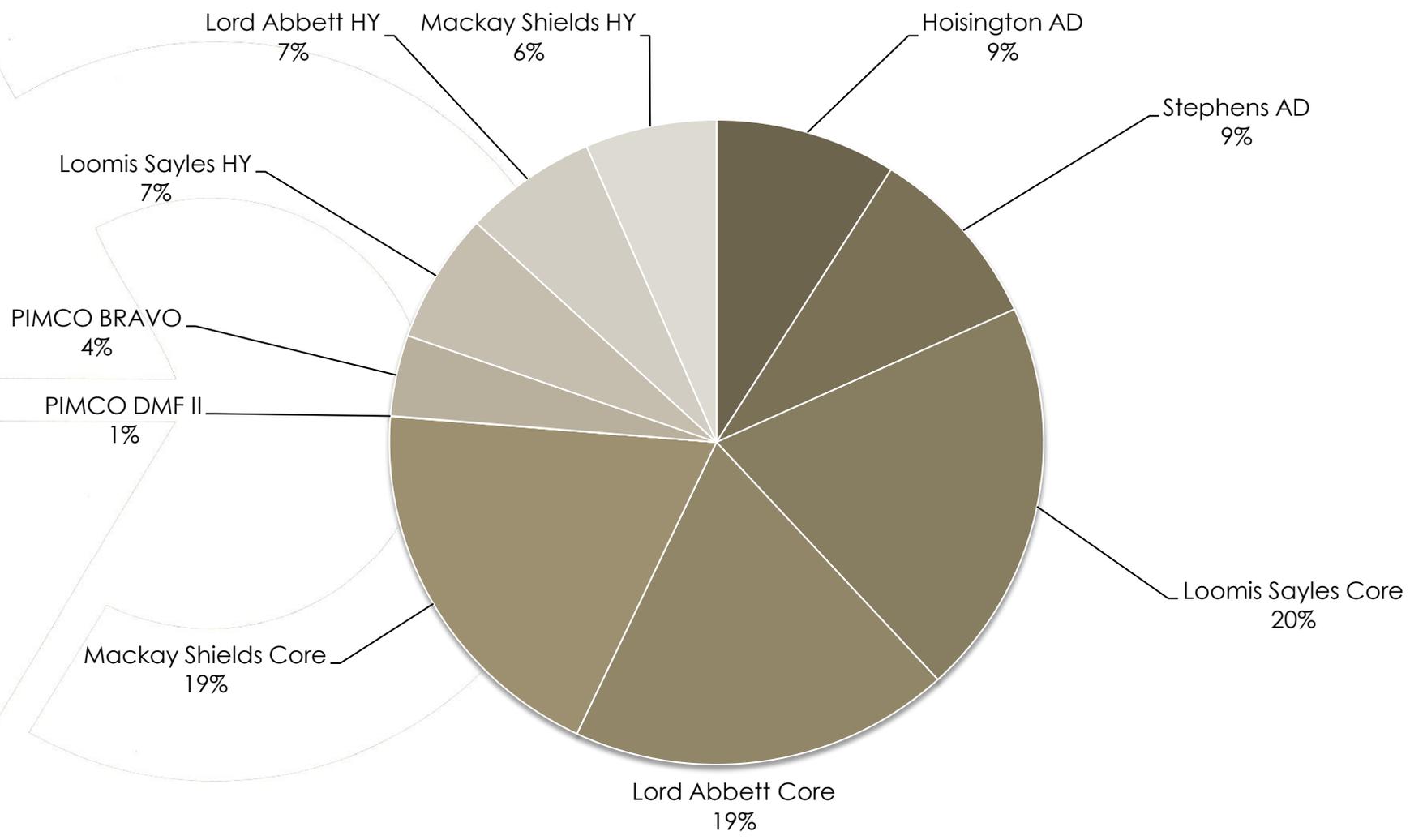
# Domestic Equity Risk Return Comparison

Composite Data Used - Five Years Ended March 31, 2013

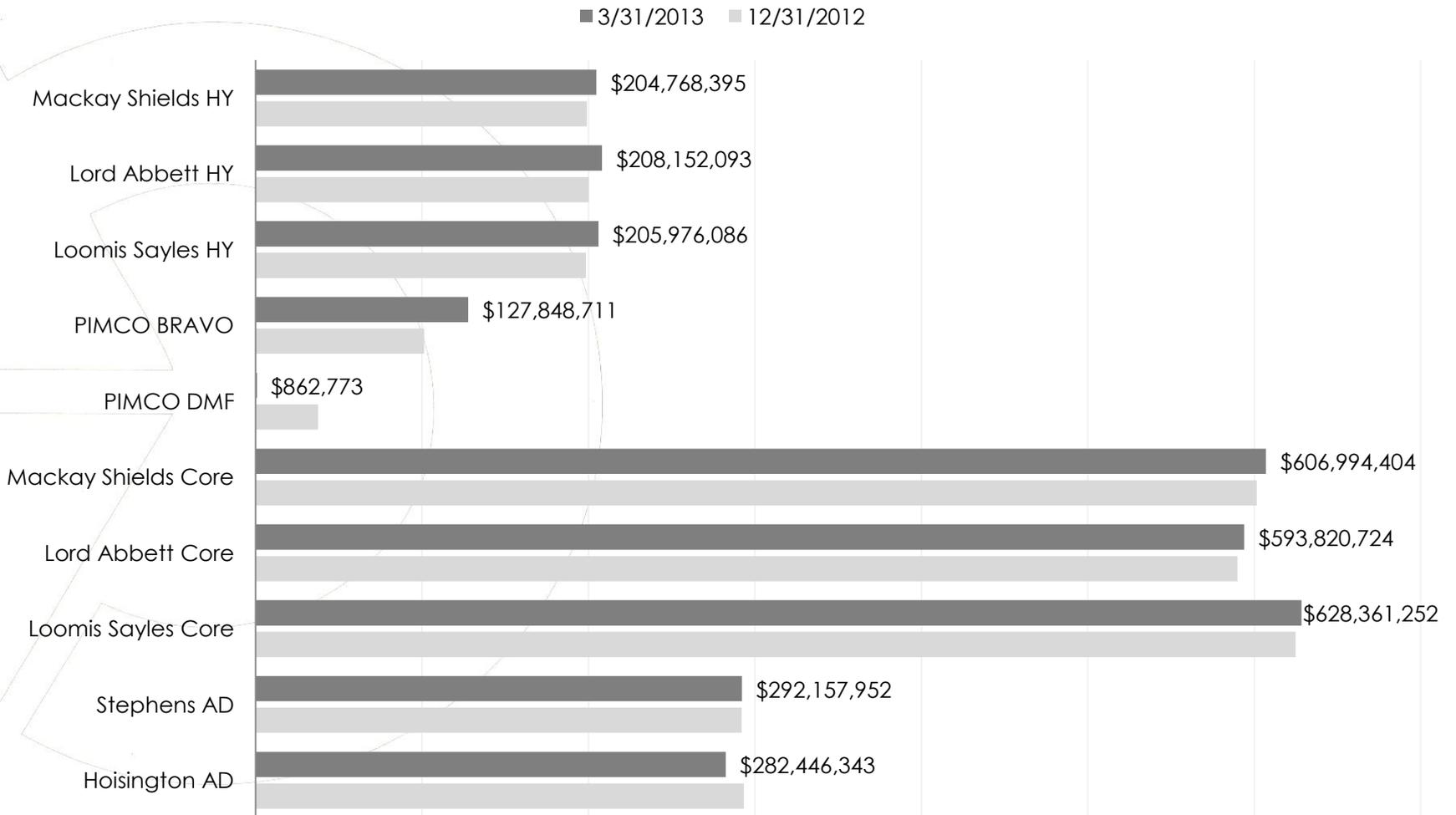


\*Composite performance used when necessary to calculate figures.

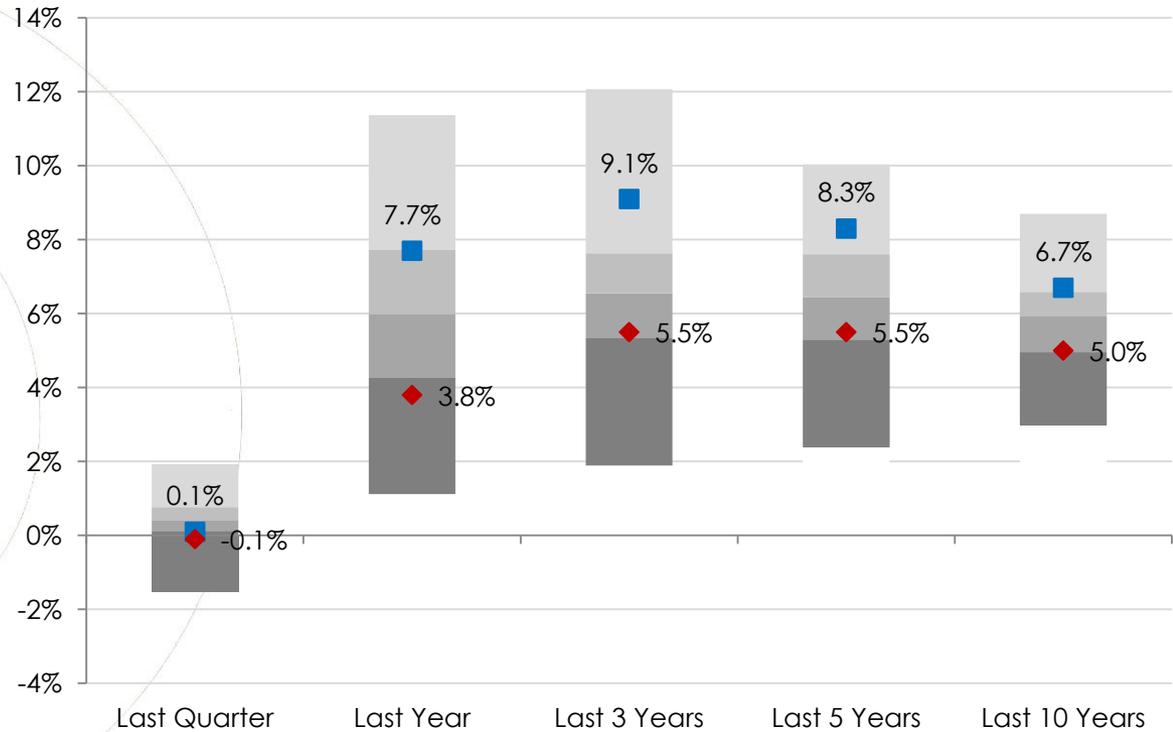
# Asset Allocation Summary – Fixed Income Allocation



# Asset Allocation Summary – Fixed Income Allocation



## Fixed Income Composite vs. Core Fixed Income Peer Universe



■ OTRS Fixed Income Composite  
◆ Barclays Capital Aggregate

0.1%	7.7%	9.1%	8.3%	6.7%
-0.1%	3.8%	5.5%	5.5%	5.0%

## Performance – Fixed Income Managers

	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last Year	% Rank	Fiscal YTD	Last Quarter	% Rank
Loomis Sayles	8.1	2 <sup>nd</sup>	10.3	3 <sup>rd</sup>	9.6	8 <sup>th</sup>	9.6	3 <sup>rd</sup>	6.3	0.6	7 <sup>th</sup>
Lord Abbett	-	-	8.1	16 <sup>th</sup>	7.7	23 <sup>rd</sup>	7.1	20 <sup>th</sup>	4.8	0.7	5 <sup>th</sup>
Mackay Shields	-	-	8.4	13 <sup>th</sup>	8.6	16 <sup>th</sup>	8.3	12 <sup>th</sup>	6.2	0.9	2 <sup>nd</sup>
Hoisington	-	-	9.6	19 <sup>th</sup>	15.7	3 <sup>rd</sup>	8.1	29 <sup>th</sup>	-5.1	-3.7	97 <sup>th</sup>
Stephens	-	-	4.6	88 <sup>th</sup>	4.0	85 <sup>th</sup>	3.2	80 <sup>th</sup>	1.4	0.1	49 <sup>th</sup>
BC Aggregate	5.0		5.5		5.5		3.8		1.7	-0.1	
Loomis HY	-	-	-	-	11.2	41 <sup>st</sup>	16.5	11 <sup>th</sup>	16.1	3.8	24 <sup>th</sup>
Lord Abbett HY	-	-	-	-	12.2	20 <sup>th</sup>	14.2	24 <sup>th</sup>	13.3	3.9	23 <sup>rd</sup>
Mackay HY	-	-	-	-	11.2	40 <sup>th</sup>	12.3	52 <sup>nd</sup>	10.2	2.9	50 <sup>th</sup>
ML High Yield II	9.9		11.3		10.9		13.1		11.1	2.9	

## Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Maturity	Yield to Maturity
Loomis Sayles	Core Plus	A	6.2	8.8	3.44%
Lord Abbett	Core Plus	A	5.0	7.0	2.67%
Mackay Shields	Core Plus	A	4.5	6.9	2.88%
Hoisington	Active Duration	AA	20.2	24.6	1.87%
<b>Core Fixed Income Composite</b>	<b>Core Plus</b>	<b>AA</b>	<b>8.5</b>	<b>10.8</b>	<b>2.24%</b>
Loomis Sayles	High Yield	B	5.5	9.1	5.86%
Lord Abbett	High Yield	B	5.2	7.0	5.55%
Mackay Shields	High Yield	BB	3.2	6.1	5.00%
<b>High Yield Composite</b>	<b>High Yield</b>	<b>BB</b>	<b>4.6</b>	<b>7.4</b>	<b>5.49%</b>

## Fixed Income Performance Characteristics – Trailing Five Years

	Asset Class	Upside Capture Ratio %	Downside Capture Ratio %	Trailing Five Year Return	Correlation vs. BC Aggregate	Correlation vs. S&P 500
Loomis Sayles	Core Plus	194.8%	131.1%	10.3%	0.77	0.54
Lord Abbett	Core Plus	144.9%	61.2%	8.1%	0.80	0.50
Mackay Shields	Core Plus	136.5%	23.2%	8.4%	0.88	0.40
Hoisington	Active Duration	238.6%	455.3%	9.6%	0.72	-0.33
Loomis Sayles	High Yield	240.7%	70.9%	-	0.25	0.77
Lord Abbett	High Yield	209.9%	-55.0%	-	0.24	0.73
Mackay Shields	High Yield	181.2%	-61.7%	-	0.24	0.72

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

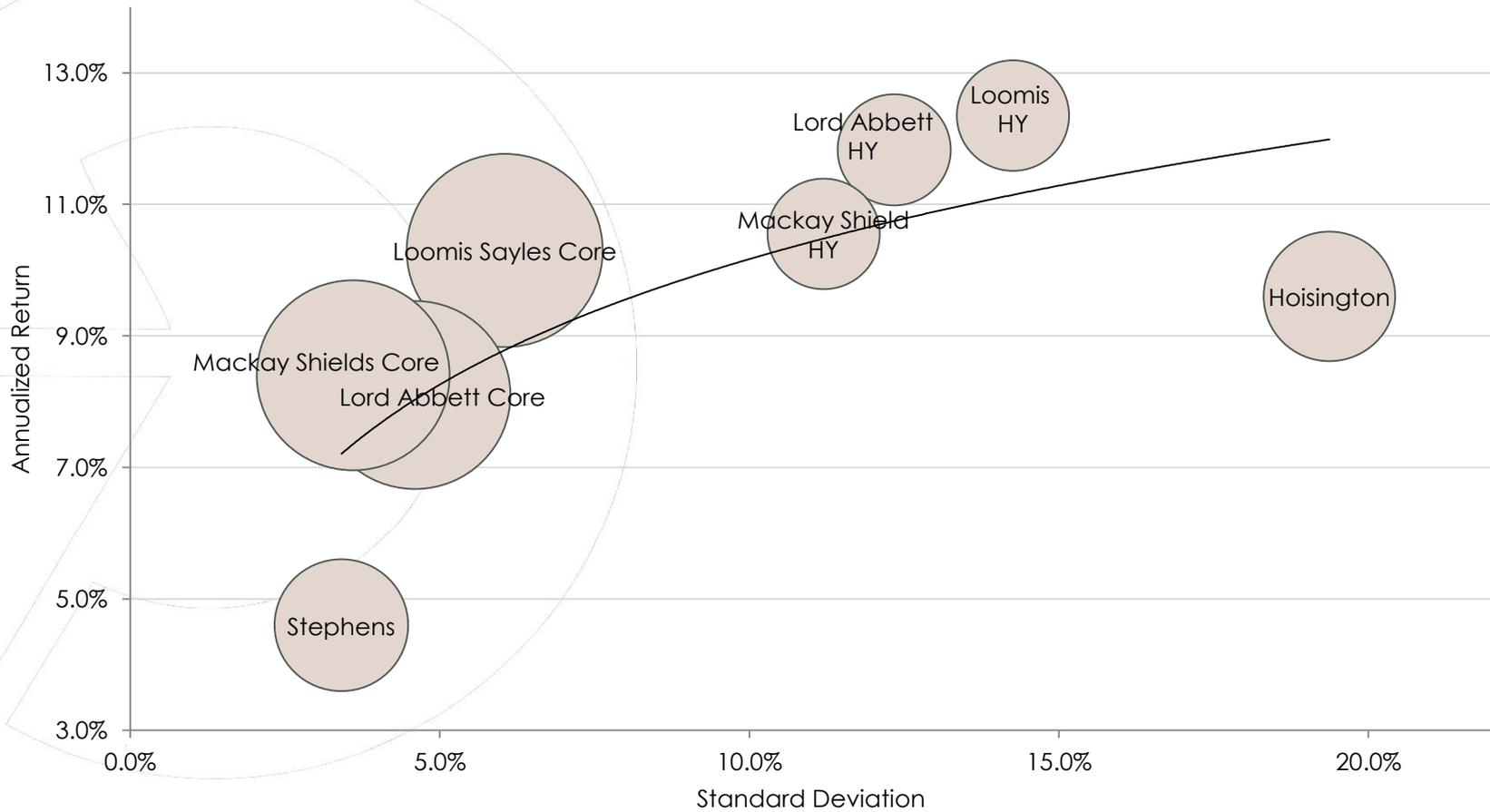
## Fixed Income Portfolios: Correlation Matrix

Trailing Five Years	Hoisington	Loomis Core	Loomis High Yield	Lord Abbett Core	Lord Abbett High Yield	Mackay Shields Core	Mackay Shields High Yield
Hoisington							
Loomis Core	-0.01						
Loomis High Yield	-0.68	0.68					
Lord Abbett Core	0.38	0.87	0.32				
Lord Abbett High Yield	-0.65	0.70	0.97	0.32			
Mackay Shields Core	0.16	0.96	0.55	0.94	0.57		
Mackay Shields High Yield	-0.58	0.75	0.95	0.38	0.98	0.63	

\*Composite performance used when necessary to calculate figures.

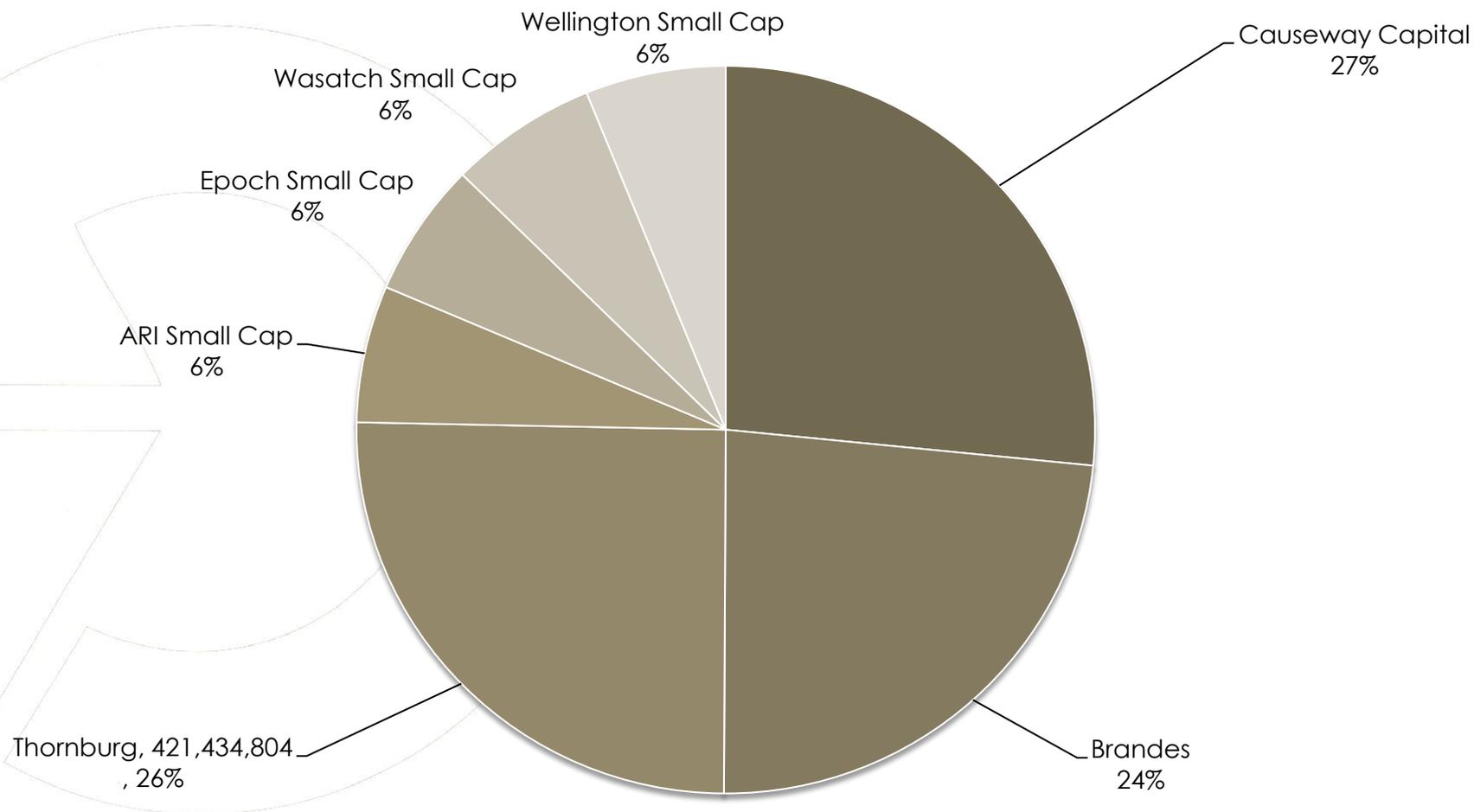
# Fixed Income Risk Return Comparison

Composite Data Used - Five Years Ended March 31, 2013

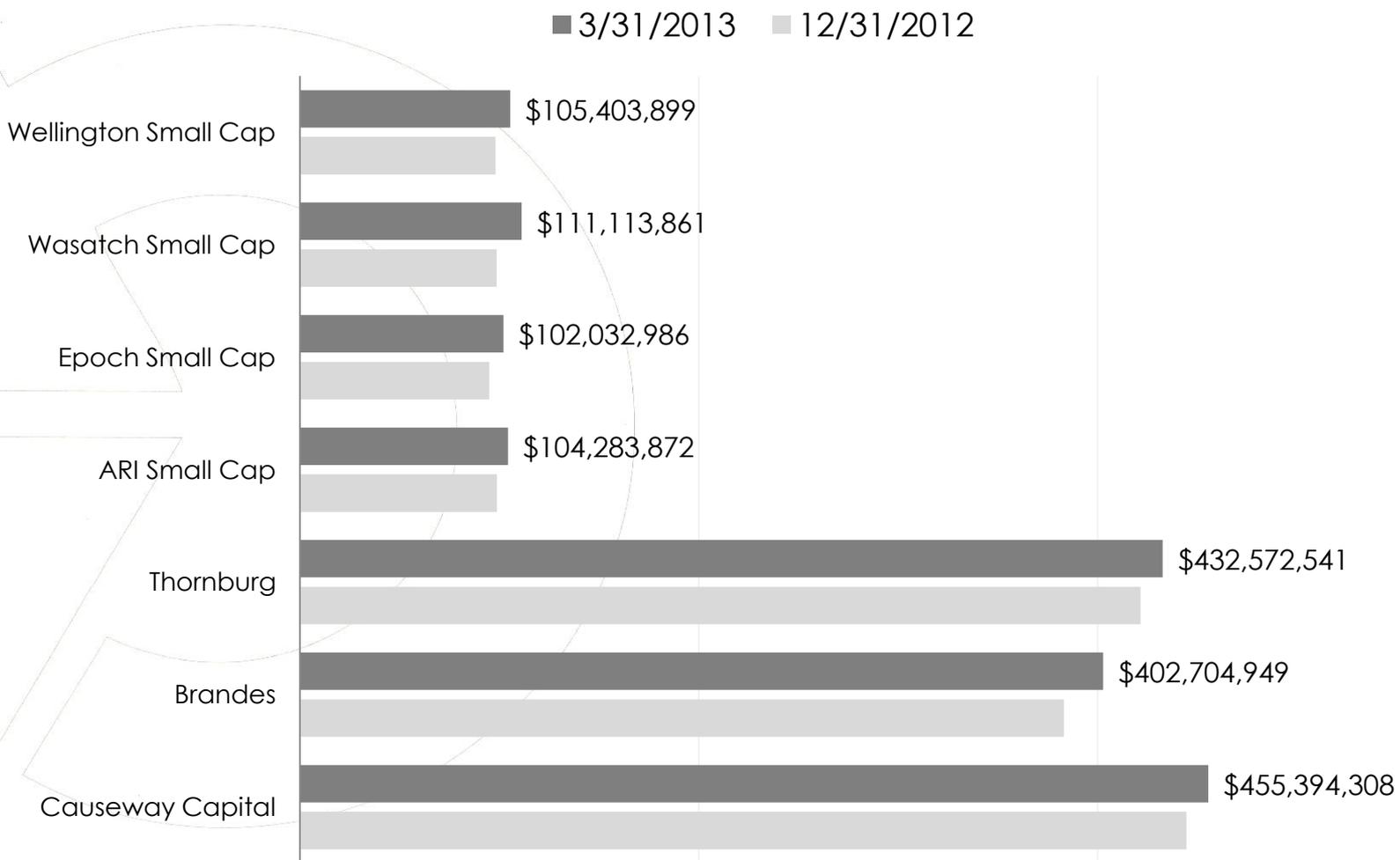


\*Composite performance used when necessary to calculate figures.

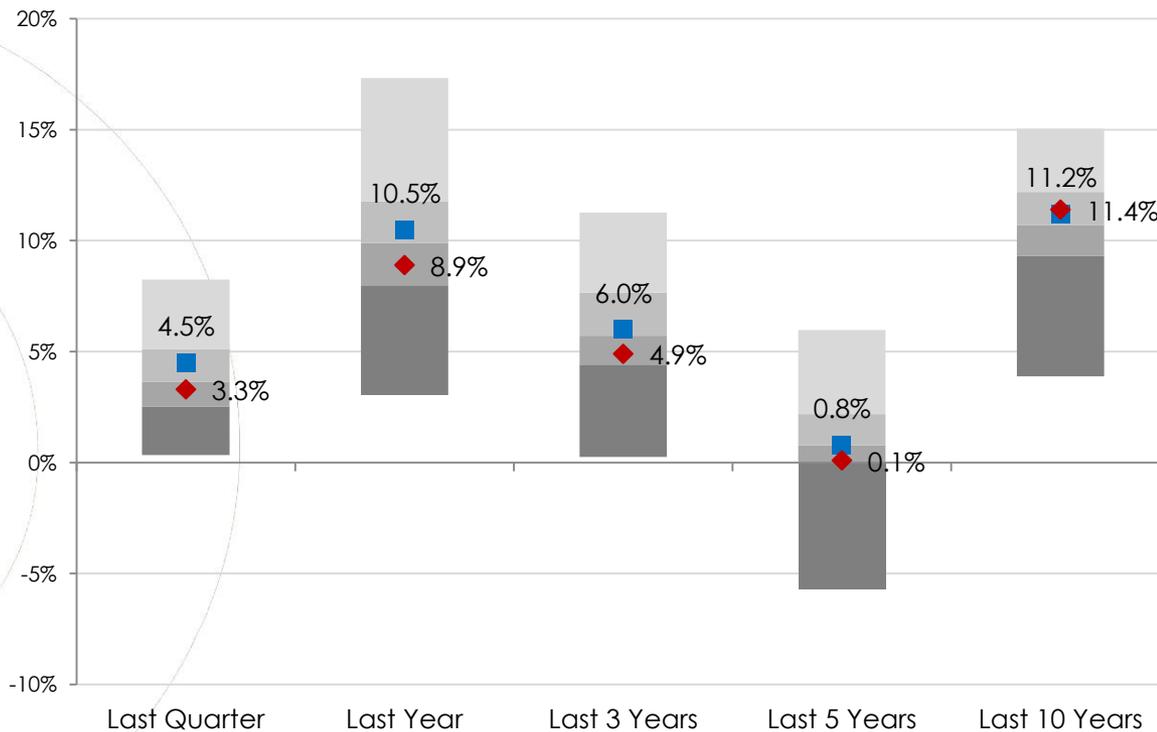
## Asset Allocation Summary – International Equity Allocation



## Asset Allocation Summary – International Equity Allocation



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



■ OTRS International Equity Composite

◆ MSCI ACWI Ex-US

## Performance – International Equity Managers

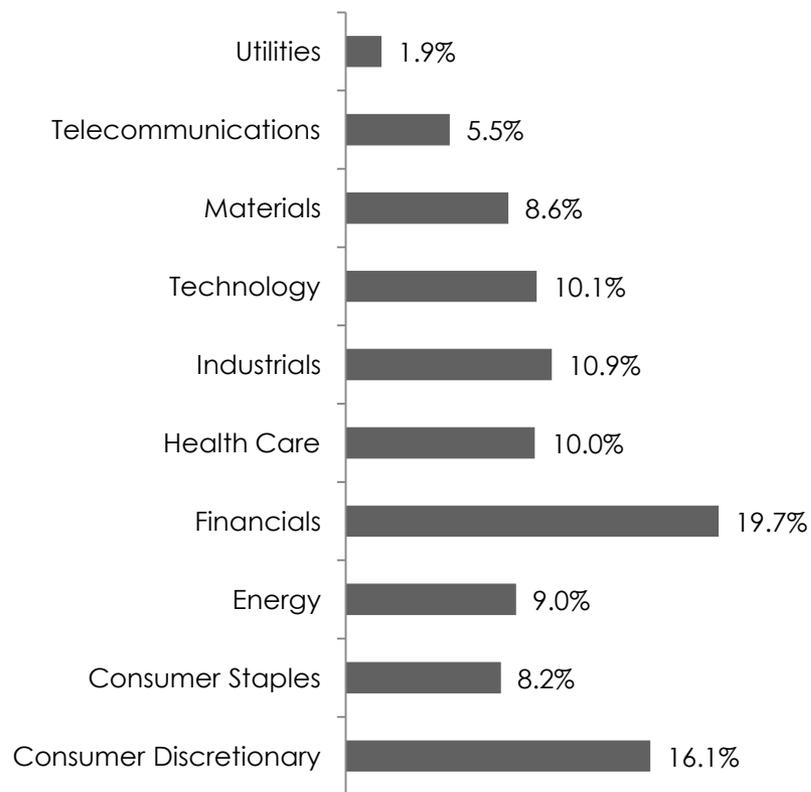
	Last 10 Years	% Rank	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Fiscal YTD	Last Quarter	% Rank
Causeway	-	-	1.6	35 <sup>th</sup>	7.1	32 <sup>nd</sup>	10.4	43 <sup>rd</sup>	19.2	2.5	75 <sup>th</sup>
Brandes	11.3	40 <sup>th</sup>	-0.4	66 <sup>th</sup>	3.5	79 <sup>th</sup>	6.7	80 <sup>th</sup>	16.6	5.1	25 <sup>th</sup>
Thornburg	-	-	1.5	37 <sup>th</sup>	6.1	45 <sup>th</sup>	7.9	75 <sup>th</sup>	15.5	2.6	74 <sup>th</sup>
MSCI ACWI- US	11.1		0.1		4.9		8.9		17.6	3.3	
ARI SC	-	-	-	-	-	-	16.4	8 <sup>th</sup>	23.0	5.6	22 <sup>nd</sup>
EPOCH SC	-	-	-	-	-	-	12.5	22 <sup>nd</sup>	23.0	7.5	10 <sup>th</sup>
Wasatch SC	-	-	-	-	-	-	29.1	1 <sup>st</sup>	32.6	12.7	1 <sup>st</sup>
Wellington SC	-	-	-	-	-	-	15.4	12 <sup>th</sup>	25.0	7.5	10 <sup>th</sup>
MSCI EAFE Small Cap	13.2		2.1		8.4		13.3		24.0	8.4	

# Total International Equity Portfolio Holdings Review

## Largest Equity Positions

Position	% of Total Equity Allocation
Reed Elsevier	0.92%
Mitsubishi UFJ	0.80%
Toyota Motor Corp	0.77%
Toyota Motor Corp	0.77%
GDF SUEX	0.74%
AKZO Nobel	0.71%
BP PLC	0.70%
Novartis	0.68%
Sanofi	0.67%
Reckitt Benckiser	0.66%
<b>Top Ten Total Weight</b>	<b>7.42%</b>

## Sector Weightings



## Active International Equity Characteristics – Trailing Five Years

	<b>Asset Class</b>	<b>Upside Capture Ratio %</b>	<b>Downside Capture Ratio %</b>	<b>Trailing Five Year Return</b>	<b>Correlation vs. S&amp;P 500</b>	<b>Correlation vs. MSCI ACWI ex US</b>
Causeway	Large Cap Value	110.2%	97.6%	1.6%	0.92	0.99
Thornburg	Large Cap Core	92.6%	92.9%	1.5%	0.91	0.96
Advisory Research	Small Cap Value	107.7%	91.9%	-	0.86	0.95
EPOCH	Small Cap Value	128.7%	102.4%	-	0.89	0.97
Wasatch	Small Cap Growth	181.9%	92.1%	-	0.86	0.95
Wellington	Small Cap Growth	104.1%	95.6%	-	0.92	0.99

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

\*Composite performance used when necessary to calculate figures.

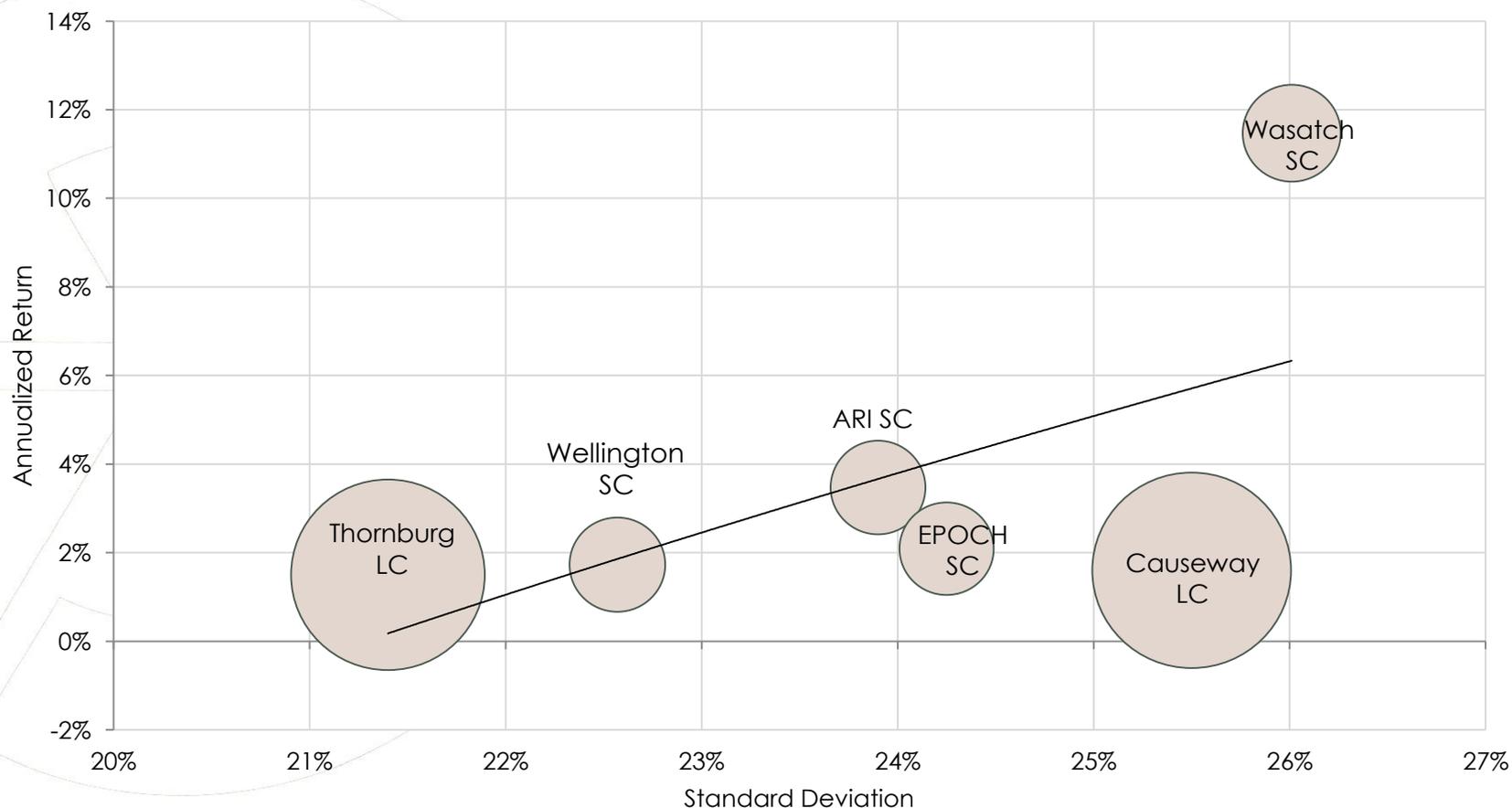
## International Equity Portfolios: Correlation Matrix

<b>Trailing Five Years</b>	ARI SCI	Causeway LCI	EPOCH SCI	Thornburg LCI	Wasatch SCI	Wellington SCI
ARI SCI						
Causeway LC	0.94					
EPOCH SCI	0.95	0.95				
Thornburg LC	0.93	0.97	0.96			
Wasatch SCI	0.92	0.91	0.96	0.94		
Wellington SCI	0.94	0.98	0.96	0.98	0.95	

\*Composite performance used when necessary to calculate figures.

# International Equity Risk Return Comparison

Composite Data Used - Five Years Ended March 31, 2013



\*Composite performance used when necessary to calculate figures.

First Quarter, 2013

## Performance – MLPs and Real Estate

	Last 5 Years	% Rank	Last 3 Years	% Rank	Last 1 Year	% Rank	Fiscal YTD	Last Quarter	% Rank
<b>Chickasaw</b>	-	-	-	-	<b>39.5</b>	-	<b>45.1</b>	<b>25.4</b>	-
<b>Cushing</b>	-	-	-	-	<b>28.1</b>	-	<b>38.8</b>	<b>22.7</b>	-
<b>FAMCO</b>	-	-	-	-	<b>23.7</b>	-	<b>27.1</b>	<b>18.7</b>	-
<i>Alerian MLP</i>	18.5		21.5		23.1		25.9	19.7	
<b>AEW</b>	-	-	-	-	<b>9.3</b>	60 <sup>th</sup>	<b>6.4</b>	<b>2.0</b>	61 <sup>st</sup>
<b>Heitman</b>	-	-	-	-	<b>12.0</b>	13 <sup>th</sup>	<b>9.6</b>	<b>2.8</b>	44 <sup>th</sup>
<b>L&amp;B</b>	-	-	-	-	<b>8.0</b>	71 <sup>st</sup>	<b>7.5</b>	<b>2.3</b>	53 <sup>rd</sup>
<i>NCREIF - OEDCE</i>	-0.8		15.1		10.8		8.1	2.7	

## Summary of PIMCO Fund Investments

- OTRS has invested in four PIMCO distressed debt funds. The first two were Distressed Mortgage Funds (DMF I and II). The second two were Bank Recapitalization and Value Opportunities Funds (BRAVO I and II). All four funds were formed to invest in opportunities created during the 2007-2009 global financial crisis.
- DMF I has returned all capital to investors as of November 30, 2012. Over the life of the fund, **its annualized internal rate of return was 9.0%.**
- DMF II has returned almost all capital to investors. **Since inception, its annualized rate of return through March 31, 2013 was 35.4%.** It earned a time weighted return of 57.2% for the year ended March 31, 2013. All remaining capital is expected to be paid out during the second quarter of 2013.
- BRAVO I earned a 41.9% return for the year ended March 31, 2013. **Its annualized internal rate of return since inception has been 34.6%.**
- BRAVO II has made its initial capital calls. Return figures are not yet available.

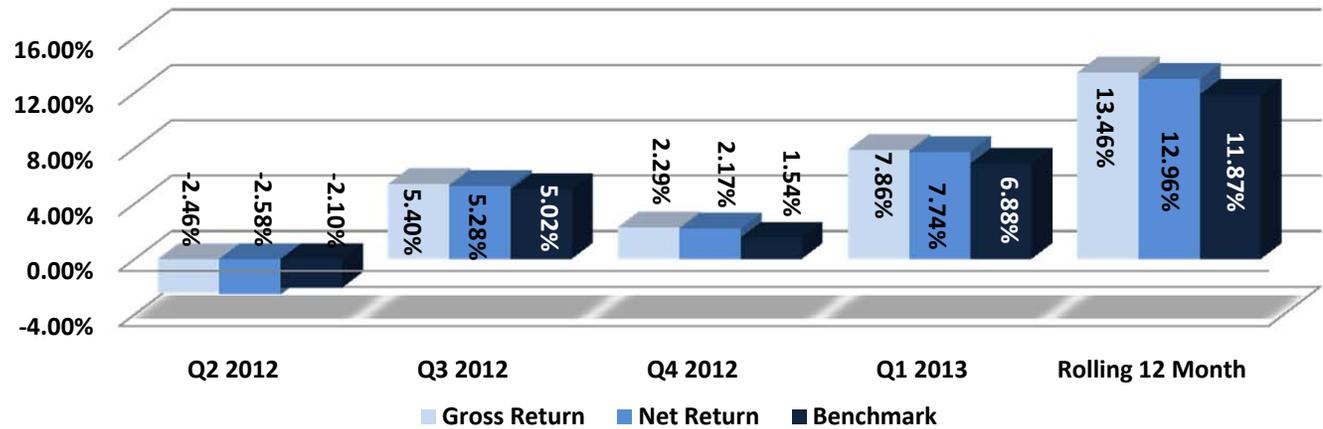
The Oklahoma Teachers Retirement System produced a total portfolio return of **12.96%** net of fees for the rolling 12 month period. Equities and opportunistic and high yield credit strategies led the way with substantial double digit returns.

The OTRS portfolio outperformed the composite benchmark by **1.09%** net of fees. The relative outperformance represents an impact of more than **\$100 Million Dollars** in asset growth.

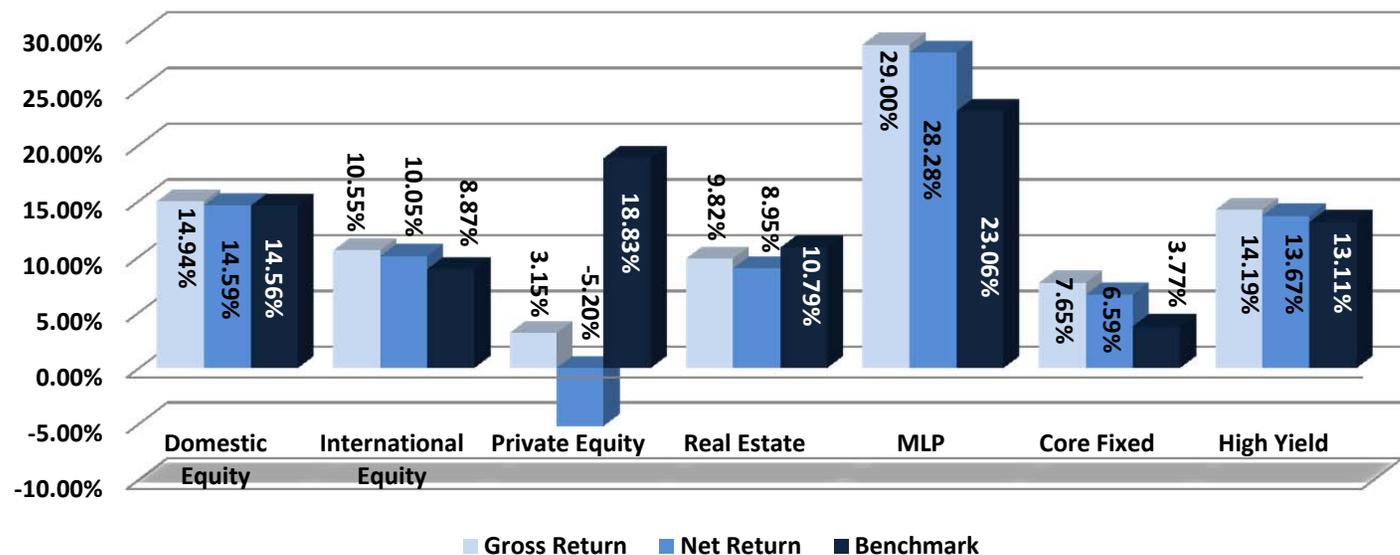
In the first quarter of 2013 the Fund's greatest return came by way of Master Limited Partnerships. For Q1, MLP's had a return of **28.28%** net of fees, beating the benchmark by **5.22%**.

Since inception, OTRS has produced a **9.49%** annualized gross rate. This is an increase of **0.29%** from the previous quarter.

## OTRS Performance by Quarter and Rolling 12 Months



## OTRS Performance by Asset Class for the Rolling 12 Months



## OTRS Net Returns vs Benchmark Fees vs Peer Benchmark

Manager / Consultant	Rolling 12 Months Net of Fee Returns			Rolling 12 Months Fees		
	Net Returns	Benchmark (Index)	Difference	Manager Fee	Benchmark (Peer)	Difference
Advisory Research All Cap	13.68%	14.56%	-0.88%	0.36%	0.41%	0.06%
Epoch Investment Partners	9.59%	14.56%	-4.97%	0.48%	0.41%	-0.07%
<b>ALL CAP DOMESTIC EQUITY</b>	<b>11.63%</b>	<b>14.56%</b>	<b>-2.93%</b>	<b>0.42%</b>	<b>0.41%</b>	<b>-0.01%</b>
Sawgrass Asset Management	12.90%	10.09%	2.81%	0.38%	0.41%	0.04%
Hotckis Wiley Large Cap	18.02%	18.77%	-0.75%	0.33%	0.41%	0.08%
Goldman Sachs	0.00%	N/A	N/A	0.00%	0.41%	0.41%
<b>LARGE CAP DOMESTIC EQUITY</b>	<b>15.46%</b>	<b>13.96%</b>	<b>1.50%</b>	<b>0.36%</b>	<b>0.41%</b>	<b>0.05%</b>
Northern Trust Index	15.16%	13.96%	1.20%	0.01%	0.05%	0.04%
SSGA Index	19.23%	13.96%	5.27%	0.03%	0.05%	0.02%
<b>PASSIVE DOMESTIC EQUITY</b>	<b>17.21%</b>	<b>13.96%</b>	<b>3.25%</b>	<b>0.02%</b>	<b>0.05%</b>	<b>0.03%</b>
Aronson Johnson Ortiz	17.85%	17.30%	0.55%	0.15%	0.41%	0.26%
Hotckis Wiley Mid Cap	25.94%	21.49%	4.45%	0.50%	0.41%	-0.09%
Frontier Cap Mgmt	13.44%	12.76%	0.68%	0.55%	0.41%	-0.14%
Wellington Mgmt	2.36%	12.76%	-10.40%	0.41%	0.41%	0.00%
<b>MID CAP DOMESTIC EQUITY</b>	<b>15.18%</b>	<b>17.30%</b>	<b>-2.12%</b>	<b>0.41%</b>	<b>0.41%</b>	<b>0.00%</b>
Shapiro Cap Mgmt	14.39%	18.09%	-3.70%	0.78%	0.41%	-0.37%
Toqueville	-7.77%	N/A	N/A	0.17%	0.41%	0.25%
OTRS LEGACY (Small Cap)	17.86%	N/A	N/A	0.00%	0.41%	0.41%
<b>SMALL CAP DOMESTIC EQUITY</b>	<b>11.22%</b>	<b>16.30%</b>	<b>-5.08%</b>	<b>0.55%</b>	<b>0.41%</b>	<b>-0.14%</b>
Thornburg Invest Intl Eq	7.36%	8.87%	-1.51%	0.51%	0.39%	-0.12%
Brandes Investment Partners	6.29%	8.87%	-2.58%	0.40%	0.39%	-0.01%
Causeway Cap Mgmt	10.05%	8.87%	1.18%	0.35%	0.39%	0.04%
<b>LARGE CAP INTERNATIONAL EQUITY</b>	<b>9.19%</b>	<b>8.87%</b>	<b>0.32%</b>	<b>0.42%</b>	<b>0.39%</b>	<b>-0.03%</b>
Advisory Research Intl Eq	15.64%	8.87%	6.77%	0.65%	0.71%	0.06%
Epoch Intl Eq	11.63%	8.87%	2.76%	0.76%	0.71%	-0.05%
Wasatch Intl Eq	27.94%	8.87%	19.07%	0.85%	0.71%	-0.14%
Wellington Intl Eq	14.47%	8.87%	5.60%	0.80%	0.71%	-0.09%
<b>SMALL CAP INTERNATIONAL EQUITY</b>	<b>17.29%</b>	<b>8.87%</b>	<b>8.42%</b>	<b>0.76%</b>	<b>0.71%</b>	<b>-0.06%</b>
LEGACY (Fund Mgr Level)	12.84%	18.83%	-5.99%	1.37%	2.56%	1.19%
OTRS/FP (Fund Mgr Level)	-19.31%	18.83%	-38.14%	7.93%	2.56%	-5.37%
<b>PRIVATE EQUITY</b>	<b>-5.20%</b>	<b>18.83%</b>	<b>-24.03%</b>	<b>4.67%</b>	<b>2.56%</b>	<b>-2.11%</b>
AEW	8.34%	10.79%	-2.45%	0.92%	0.98%	0.06%
Heitman	11.23%	10.79%	0.44%	0.79%	0.98%	0.19%
L&B	7.19%	10.79%	-3.60%	0.35%	0.98%	0.62%
<b>REAL ESTATE</b>	<b>8.95%</b>	<b>10.79%</b>	<b>-1.84%</b>	<b>0.69%</b>	<b>0.98%</b>	<b>0.28%</b>
Chickasaw	38.34%	23.06%	15.28%	0.80%	0.79%	-0.01%
Cushing / Swank	27.53%	23.06%	4.47%	0.44%	0.79%	0.35%
FAMCO	23.03%	23.06%	-0.03%	0.50%	0.79%	0.29%

## OTRS Net Returns vs Benchmark Fees vs Peer Benchmark

<i>Manager / Consultant</i>	<i>Rolling 12 Months Net of Fee Returns</i>			<i>Rolling 12 Months Fees</i>		
	<i>Net Returns</i>	<i>Benchmark (Index)</i>	<i>Difference</i>	<i>Manager Fee</i>	<i>Benchmark (Peer)</i>	<i>Difference</i>
<b>MASTER LIMITED PARTNERSHIPS</b>	<b>28.28%</b>	<b>23.06%</b>	<b>5.22%</b>	<b>0.57%</b>	<b>0.79%</b>	<b>0.22%</b>
<i>PIMCO DMF 1 (Mgr Fee)</i>	-97.15%	N/A	N/A	3.88%	1.25%	-2.63%
<i>PIMCO DMF 2 (Mgr Fee)</i>	53.79%	N/A	N/A	6.50%	1.25%	-5.25%
<i>PIMCO BRAVO 1 (Mgr Fee)</i>	38.03%	N/A	N/A	1.44%	1.25%	-0.19%
<i>PIMCO BRAVO 2 (Mgr Fee)</i>	-0.06%	N/A	N/A	0.06%	1.25%	1.19%
<b>OPPORTUNISTIC FIXED INCOME</b>	<b>49.33%</b>	<b>3.77%</b>	<b>45.56%</b>	<b>1.57%</b>	<b>1.25%</b>	<b>-0.32%</b>
<i>LOOMIS SAYLES CORE PLUS</i>	9.44%	3.77%	5.67%	0.15%	0.16%	0.01%
<i>HOISINGTON INVESTMENT</i>	7.96%	3.77%	4.19%	0.11%	0.16%	0.05%
<i>LORD ABBETT CORE PLUS FIX</i>	6.93%	3.77%	3.16%	0.17%	0.16%	-0.01%
<i>MACKAY SHIELDS CORE PLUS</i>	7.97%	3.77%	4.20%	0.33%	0.16%	-0.17%
<i>STEPHENS CAP MGMT FIX INC</i>	3.01%	3.77%	-0.76%	0.14%	0.16%	0.02%
<b>CORE FIXED INCOME</b>	<b>6.59%</b>	<b>3.77%</b>	<b>2.82%</b>	<b>0.17%</b>	<b>0.16%</b>	<b>-0.01%</b>
<i>Loomis Sayles High Yield</i>	15.97%	13.11%	2.86%	0.49%	0.49%	0.00%
<i>Lord Abbett High Yield</i>	13.74%	13.11%	0.63%	0.38%	0.49%	0.11%
<i>MacKay Shields High Yield</i>	11.35%	13.11%	-1.76%	0.44%	0.49%	0.05%
<b>HIGH YIELD</b>	<b>13.67%</b>	<b>13.11%</b>	<b>0.56%</b>	<b>0.44%</b>	<b>0.49%</b>	<b>0.05%</b>
<i>Franklin Park Consulting Fee</i>	0.00%	0.00%	0.00%	0.33%	0.00%	-0.33%
<i>Gregory W. Group Consulting Fee</i>	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%
<i>J.P. Morgan Custody Fee</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>CASH</i>	0.21%	0.12%	0.09%	0.00%	0.00%	0.00%
<b>Total Fund</b>	<b>12.89%</b>	<b>11.87%</b>	<b>1.02%</b>	<b>0.4405%</b>	<b>0.4348%</b>	<b>-0.0057%</b>

# OTRS Investment Manager Costs

Rolling 12 Month

<i>Manager / Consultant</i>	<i>Manager Fees (\$)</i>	<i>Trade Commissions (\$)</i>	<i>Total Investment Manager Costs (\$)</i>	<i>Percent of Total Fees</i>	<i>Percent of Total Assets</i>
<i>Advisory Research All Cap</i>	\$1,182,557	\$172,309	\$1,354,866	2.38%	3.12%
<i>Epoch Investment Partners</i>	\$1,565,262	\$116,003	\$1,681,265	2.96%	3.05%
<b>ALL CAP DOMESTIC EQUITY</b>	<b>\$2,747,819</b>	<b>\$288,312</b>	<b>\$3,036,131</b>	<b>5.34%</b>	<b>6.17%</b>
<i>Sawgrass Asset Management</i>	\$1,416,593	\$77,873	\$1,494,466	2.63%	3.52%
<i>Hotckis Wiley Large Cap</i>	\$1,280,484	\$194,660	\$1,475,144	2.59%	3.58%
<i>Goldman Sachs</i>	\$59,536	\$10,039	\$69,575	0.12%	0.00%
<b>LARGE CAP DOMESTIC EQUITY</b>	<b>\$2,756,613</b>	<b>\$282,572</b>	<b>\$3,039,185</b>	<b>5.35%</b>	<b>7.10%</b>
<i>Northern Trust Index</i>	\$40,972	\$7,104	\$48,076	0.08%	4.25%
<i>SSGA Index</i>	\$133,940	\$7,325	\$141,265	0.25%	4.30%
<b>PASSIVE DOMESTIC EQUITY</b>	<b>\$174,912</b>	<b>\$14,429</b>	<b>\$189,341</b>	<b>0.33%</b>	<b>8.56%</b>
<i>Aronson Johnson Ortiz</i>	\$547,165	\$220,858	\$768,024	1.35%	3.31%
<i>Hotckis Wiley Mid Cap</i>	\$1,970,389	\$637,006	\$2,607,395	4.59%	3.68%
<i>Frontier Cap Mgmt</i>	\$2,028,134	\$393,667	\$2,421,801	4.26%	3.44%
<i>Wellington Mgmt</i>	\$1,242,556	\$501,690	\$1,744,246	3.07%	2.84%
<b>MID CAP DOMESTIC EQUITY</b>	<b>\$5,788,244</b>	<b>\$1,753,222</b>	<b>\$7,541,466</b>	<b>13.27%</b>	<b>13.27%</b>
<i>Shapiro Cap Mgmt</i>	\$4,353,756	\$593,955	\$4,947,711	8.70%	5.19%
<i>Toqueville</i>	\$806,674	\$253,472	\$1,060,146	1.86%	1.03%
<i>Transition and Legacy Accts</i>	\$0	\$723,145	\$723,145	1.27%	2.67%
<b>SMALL CAP DOMESTIC EQUITY</b>	<b>\$5,160,430</b>	<b>\$847,427</b>	<b>\$6,007,857</b>	<b>10.57%</b>	<b>8.90%</b>
<i>Thornburg Invest Intl Eq</i>	\$2,056,822	\$279,948	\$2,336,770	4.11%	3.80%
<i>Brandes Investment Partners</i>	\$1,490,636	\$196,644	\$1,687,280	2.97%	3.50%
<i>Causeway Cap Mgmt</i>	\$1,467,843	\$264,883	\$1,732,726	3.05%	3.97%
<b>LARGE CAP INTERNATIONAL EQUITY</b>	<b>\$5,015,301</b>	<b>\$741,475</b>	<b>\$5,756,776</b>	<b>10.13%</b>	<b>11.27%</b>
<i>Advisory Research Intl Eq</i>	\$618,824	\$139,922	\$758,746	1.33%	0.89%
<i>Epoch Intl Eq</i>	\$708,306	\$134,979	\$843,285	1.48%	0.87%
<i>Wasatch Intl Eq</i>	\$821,163	\$204,596	\$1,025,758	1.80%	0.90%
<i>Wellington Intl Eq</i>	\$760,231	\$129,062	\$889,293	1.56%	0.89%
<b>SMALL CAP INTERNATIONAL EQUITY</b>	<b>\$2,908,523</b>	<b>\$608,559</b>	<b>\$3,517,083</b>	<b>6.19%</b>	<b>3.55%</b>
<i>LEGACY (Fund Mgr Level)</i>	\$970,515	\$0	\$970,515	1.71%	0.66%
<i>OTRS/FP (Fund Mgr Level)</i>	\$6,459,454	\$0	\$6,459,454	11.36%	0.89%
<b>PRIVATE EQUITY</b>	<b>\$7,429,968</b>	<b>\$0</b>	<b>\$7,429,968</b>	<b>13.07%</b>	<b>1.56%</b>
<i>AEW</i>	\$1,501,050	\$0	\$1,501,050	2.64%	1.53%
<i>Heitman</i>	\$1,320,025	\$0	\$1,320,025	2.32%	1.57%
<i>L&amp;B</i>	\$550,134	\$0	\$550,134	0.97%	1.47%
<b>REAL ESTATE</b>	<b>\$3,371,208</b>	<b>\$0</b>	<b>\$3,371,208</b>	<b>5.93%</b>	<b>4.56%</b>
<i>Chickasaw</i>	\$1,381,115	\$106,897	\$1,488,012	2.62%	1.60%
<i>Cushing / Swank</i>	\$657,078	\$290,692	\$947,769	1.67%	1.41%
<i>FAMCO</i>	\$1,455,761	\$184,227	\$1,639,988	2.88%	2.72%

# OTRS Investment Manager Costs

Rolling 12 Month

<i>Manager / Consultant</i>	<i>Manager Fees (\$)</i>	<i>Trade Commissions (\$)</i>	<i>Total Investment Manager Costs (\$)</i>	<i>Percent of Total Fees</i>	<i>Percent of Total Assets</i>
<b>MASTER LIMITED PARTNERSHIPS</b>	<b>\$3,493,954</b>	<b>\$581,815</b>	<b>\$4,075,769</b>	<b>7.17%</b>	<b>5.73%</b>
<i>PIMCO DMF 1 (Mgr Fee)</i>	\$362,427	\$0	\$362,427	0.64%	0.15%
<i>PIMCO DMF 2 (Mgr Fee)</i>	\$501,284	\$0	\$501,284	0.88%	0.28%
<i>PIMCO BRAVO 1 (Mgr Fee)</i>	\$1,352,038	\$0	\$1,352,038	2.38%	0.88%
<i>PIMCO BRAVO 2 (Mgr Fee)</i>	\$4,225	\$0	\$4,225	0.01%	0.02%
<b>OPPORTUNISTIC FIXED INCOME</b>	<b>\$2,219,974</b>	<b>\$0</b>	<b>\$2,219,974</b>	<b>3.91%</b>	<b>1.33%</b>
<i>LOOMIS SAYLES CORE PLUS</i>	\$908,297	\$0	\$908,297	1.60%	5.76%
<i>HOISINGTON INVESTMENT</i>	\$437,065	\$0	\$437,065	0.77%	4.16%
<i>LORD ABBETT CORE PLUS FIX</i>	\$986,573	\$0	\$986,573	1.74%	5.58%
<i>MACKAY SHIELDS CORE PLUS</i>	\$1,284,524	\$0	\$1,284,524	2.26%	4.16%
<i>STEPHENS CAP MGMT FIX INC</i>	\$421,359	\$10,300	\$431,659	0.76%	2.73%
<b>CORE FIXED INCOME</b>	<b>\$4,037,817</b>	<b>\$10,300</b>	<b>\$4,048,117</b>	<b>7.12%</b>	<b>22.39%</b>
<i>Loomis Sayles High Yield</i>	\$985,695	\$3,396	\$989,091	1.74%	1.88%
<i>Lord Abbett High Yield</i>	\$765,150	\$858	\$766,008	1.35%	1.88%
<i>Mackay Shields High Yield</i>	\$878,695	\$0	\$878,695	1.55%	1.86%
<b>HIGH YIELD</b>	<b>\$2,629,541</b>	<b>\$4,254</b>	<b>\$2,633,794</b>	<b>4.63%</b>	<b>5.62%</b>
<i>Franklin Park Consulting Fee</i>	\$2,477,576	\$0	\$2,477,576	4.36%	6.97%
<i>Gregory W. Group Consulting Fee</i>	\$702,000	\$0	\$702,000	1.23%	100.00%
<i>J.P. Morgan Custody Fee</i>	\$56,250	\$0	\$56,250	0.10%	100.00%
<i>Trade Cost Analytics</i>	\$22,500	\$0	\$22,500	0.04%	100.00%
<b>INVESTMENT SERVICES</b>	<b>\$3,258,326</b>	<b>\$723,145</b>	<b>\$3,981,470</b>	<b>7.00%</b>	<b>100.00%</b>
<b>Total Fund</b>	<b>\$50,992,630</b>	<b>\$5,855,510</b>	<b>\$56,848,139</b>		

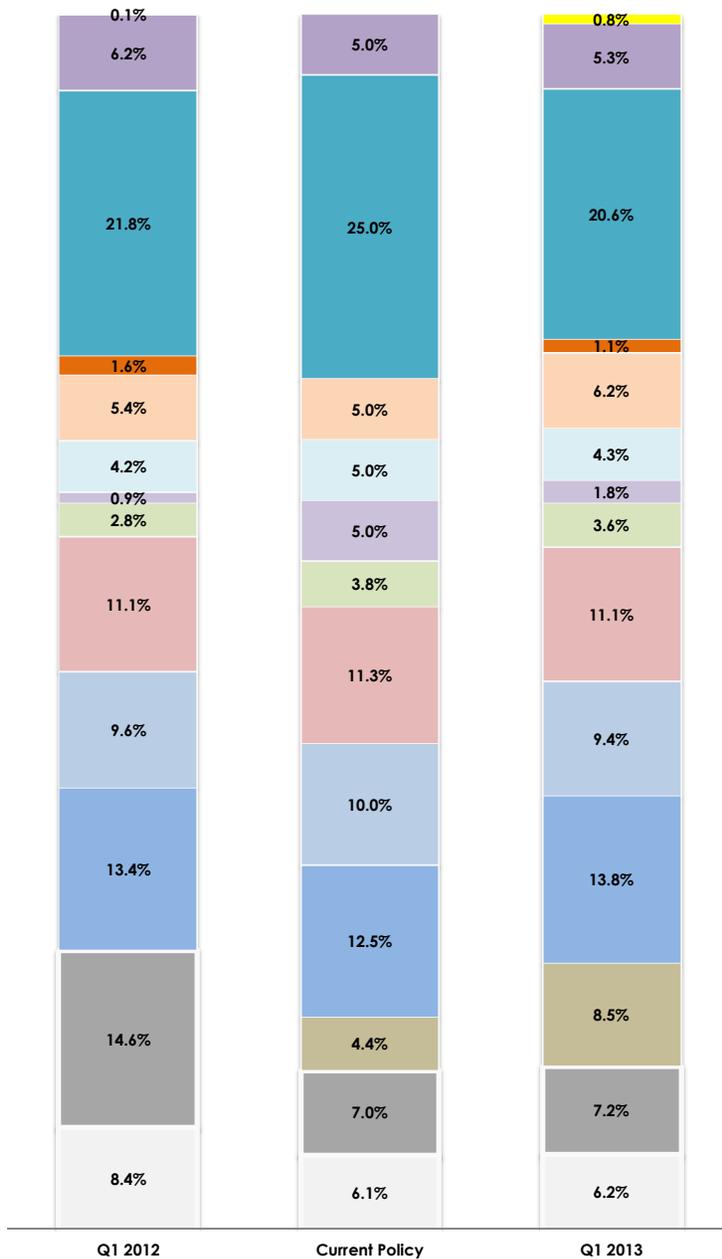
# OTRS Trade Cost Summary

<i>Manager / Consultant</i>	<i>Rolling 12 Month</i>				
	<i>Net Market Impact</i>	<i>Net Commission Cost</i>	<i>Total Net Cost (bps)</i>	<i>Principal Traded</i>	<i>Impact (\$)</i>
ADVISORY RESEARCH ALL CAP	(3.80)	(2.00)	(5.80)	\$214,020,025.31	\$ (124,028.03)
ADVISORY RESEARCH INTL EQ	(21.46)	(7.00)	(28.46)	\$81,904,603.04	\$ (233,094.20)
AJO MID CAP	(12.62)	3.67	(8.95)	\$672,336,161.43	\$ (601,566.26)
BRANDES INVEST PARTNERS INT'L EQ	22.75	(4.54)	18.21	\$136,047,387.64	\$ 247,798.63
CAUSEWAY CAP MGMT LLC INT'L EQ	(0.03)	1.99	1.96	\$299,248,259.29	\$ 58,585.48
CHICKASAW CAPITAL MANAGEMENT	27.47	(10.83)	16.64	\$63,731,096.49	\$ 106,060.33
CUSHING / SWANK CAPITAL	(10.59)	(4.98)	(15.56)	\$263,171,923.41	\$ (409,569.31)
EPOCH INTL EQ	(7.25)	(3.44)	(10.69)	\$88,803,213.38	\$ (94,929.37)
EPOCH INVEST PARTNERS	0.66	(2.22)	(1.57)	\$145,681,935.76	\$ (22,808.08)
FIDUCIARY ASSET MANAGEMENT	1.15	(0.84)	0.31	\$292,521,556.27	\$ 8,988.22
FRONTIER MID CAP GROWTH	2.54	(3.74)	(1.20)	\$408,090,445.71	\$ (49,161.31)
GOLDMAN SACHS LG CAP	(4.35)	(1.60)	(5.96)	\$18,992,377.36	\$ (11,310.69)
HOTCHKIS & WILEY LG CAP VAL	0.59	(0.16)	0.43	\$284,871,269.50	\$ 12,177.56
HOTCHKIS & WILEY MID CAP VAL	(4.03)	0.24	(3.79)	\$522,774,306.23	\$ (198,342.35)
LEGACY HOLDINGS	(0.82)	0.70	(0.13)	\$406,484,242.42	\$ (5,229.50)
LOOMIS SAYLES HIGH YIELD	(14.53)	(1.53)	(16.06)	\$5,751,654.56	\$ (9,236.87)
LORD ABBETT HIGH YIELD	57.96	(15.01)	42.95	\$294,900.99	\$ 1,266.52
NORTHERN TRUST S&P 500 CAP WEIGHT INDEX	12.26	1.69	13.95	\$51,170,044.77	\$ 71,367.39
NORTHERN TRUST TRANSITION ACCOUNT	(1.87)	3.01	1.15	\$1,160,583,521.74	\$ 133,281.41
SAWGRASS LARGE CAP GROWTH	(5.75)	1.19	(4.55)	\$308,083,802.09	\$ (140,248.77)
SHAPIRO SM CAP	(7.18)	(3.16)	(10.34)	\$527,101,915.17	\$ (545,047.68)
SSGA S&P 500 EQUAL WEIGHT INDEX	(3.08)	0.93	(2.15)	\$138,889,882.82	\$ (29,795.19)
STEPHENS CAP MGMT INT RT FXD INC	(4.19)	(1.43)	(5.62)	\$19,057,100.00	\$ (10,709.82)
THORNBURG INVEST MGMT INT'L EQ	0.17	(1.91)	(1.74)	\$265,243,502.96	\$ (46,093.14)
TOCQUEVILLE SM CAP VAL	10.51	(11.71)	(1.20)	\$87,017,749.15	\$ (10,459.56)
TRANSITION	(15.32)	11.69	(3.64)	\$391,965,054.26	\$ (142,497.52)
WASATCH INTL EQ	(8.65)	(5.33)	(13.98)	\$107,996,338.88	\$ (150,946.75)
WELLINGTON INTL EQ	(8.39)	0.97	(7.41)	\$141,219,903.64	\$ (104,707.27)
WELLINGTON MID CAP GROWTH	(2.84)	(2.66)	(5.49)	\$587,737,921.46	\$ (322,863.48)
<b>Total Fund</b>	<b>1.04</b>	<b>(35.15)</b>	<b>(34.11)</b>	<b>\$7,690,792,096</b>	<b>-\$2,623,120</b>

## OTRS Change in Assets

<i>Asset Class</i>	<i>AUM</i>	<i>AUM</i>	<i>Change in AUM</i>	<i>Net Return</i>	<i>Net Return</i>
	<i>End of Q1 2012</i>	<i>End of Q1 2013</i>	<i>Rolling 12 Months</i>	<i>Q1 2013</i>	<i>Rolling 12 Months</i>
ALL CAP DOMESTIC EQUITY	\$869,170,465	\$722,471,776	-\$146,698,689	11.31%	11.63%
LARGE CAP DOMESTIC EQUITY	\$1,509,366,058	\$844,441,790	-\$664,924,268	12.57%	15.46%
PASSIVE DOMESTIC EQUITY	\$0	\$991,734,309	\$991,734,309	11.51%	17.21%
MID CAP DOMESTIC EQUITY	\$1,385,474,174	\$1,606,066,563	\$220,592,390	13.94%	15.18%
SMALL CAP DOMESTIC EQUITY	\$990,755,012	\$1,098,096,197	\$107,341,185	11.70%	11.44%
LARGE CAP INTERNATIONAL EQUITY	\$1,148,920,051	\$1,290,671,798	\$141,751,747	4.41%	9.19%
SMALL CAP INTERNATIONAL EQUITY	\$285,779,715	\$422,834,618	\$137,054,903	8.13%	17.29%
PRIVATE EQUITY	\$96,014,842	\$215,716,549	\$119,701,707	2.28%	-5.20%
REAL ESTATE	\$436,896,950	\$503,167,304	\$66,270,354	2.14%	8.95%
MASTER LIMITED PARTNERSHIPS	\$561,208,028	\$723,984,177	\$162,776,150	21.43%	28.28%
OPPORTUNISTIC FIXED INCOME	\$162,719,357	\$128,711,484	-\$34,007,874	7.70%	49.33%
CORE AND DURATION FIXED INCOME	\$2,259,620,145	\$2,403,780,674	\$144,160,529	0.06%	6.59%
HIGH YIELD FIXED INCOME	\$642,397,472	\$618,896,574	-\$23,500,897	3.29%	13.67%
<b>TOTAL FUND</b>	<b>\$10,348,322,268</b>	<b>\$11,570,573,813</b>	<b>\$1,222,251,545</b>	<b>7.74%</b>	<b>12.89%</b>

Total Fund Asset Allocation vs. Policy Targets



2013 Q1 Asset Allocation Vs. Target

Asset Class	AUM	Policy	Current	Δ* (C-P)	Acceptable Range	In Range
All Cap Domestic Equity	\$ 722,471,776	6.13%	6.19%	0.07%	5.53% - 6.76%	Yes
Large Cap Domestic Equity	\$ 844,441,790	7.00%	7.24%	0.24%	6.32% - 7.72%	Yes
Passive Domestic Equity	\$ 991,734,309	4.38%	8.50%	4.12%	3.95% - 4.83%	No
Mid Cap Equity	\$ 1,606,066,563	12.50%	13.77%	1.27%	11.30%-13.80%	Yes
Small Cap Equity	\$ 1,098,096,197	10.00%	9.41%	-0.59%	9.00%-11.00%	Yes
Large Cap Int'l Equity	\$ 1,290,678,976	11.25%	11.06%	-0.19%	10.13%-12.38%	Yes
Small Cap Int'l Equity	\$ 422,834,618	3.75%	3.62%	-0.13%	3.38% - 4.13%	Yes
Private Equity	\$ 215,716,549	5.00%	1.85%	-3.15%	4.50% - 5.50%	No
Real Estate	\$ 503,167,304	5.00%	4.31%	-0.69%	4.50% - 5.50%	No
Master Limited Partnerships	\$ 723,984,177	5.00%	6.21%	1.21%	4.50% - 5.50%	No
Opportunistic Fixed Income	\$ 128,711,484	0.00%	1.10%	1.10%	0.00%-5.00%	Yes
Core Fixed Income	\$ 2,403,780,674	25.00%	20.60%	-4.40%	22.50% - 27.50%	No
High Yield Fixed Income	\$ 618,896,574	5.00%	5.30%	0.30%	4.50% - 5.50%	Yes
Cash	\$ 97,092,739	0.00%	0.83%	0.83%	0.00%-0.00%	N/A
<b>Total</b>	<b>\$ 11,667,673,730</b>	<b>100%</b>	<b>100%</b>			

\*Difference between Policy and Current Allocation

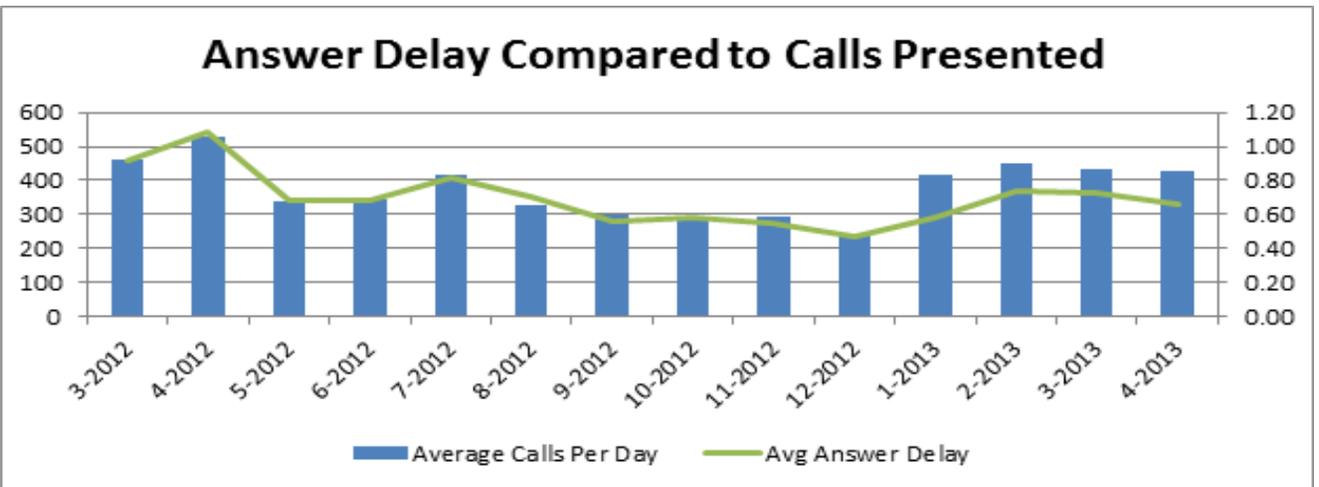
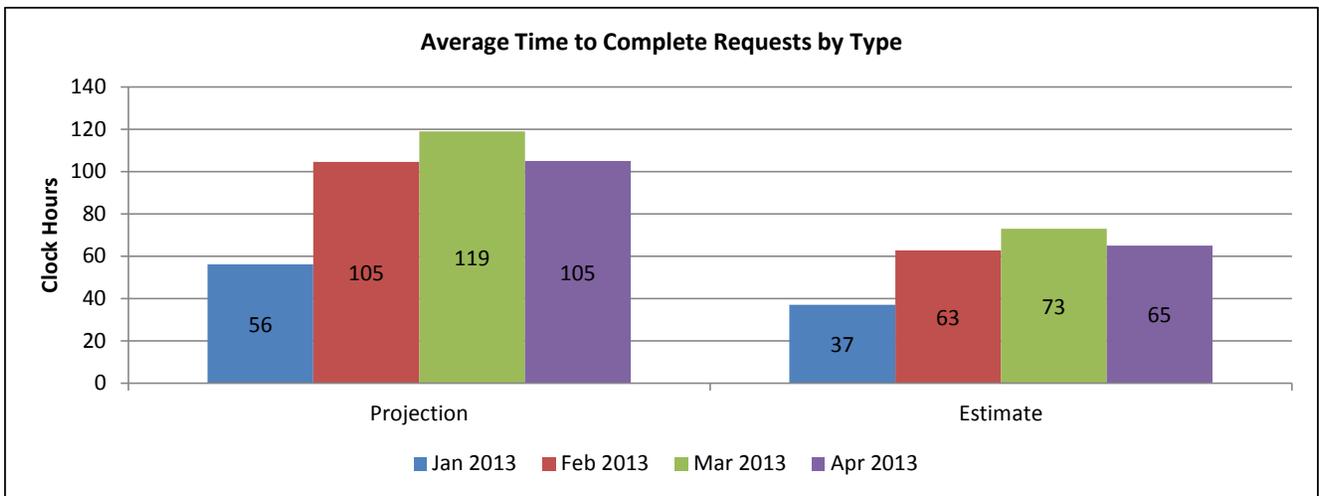
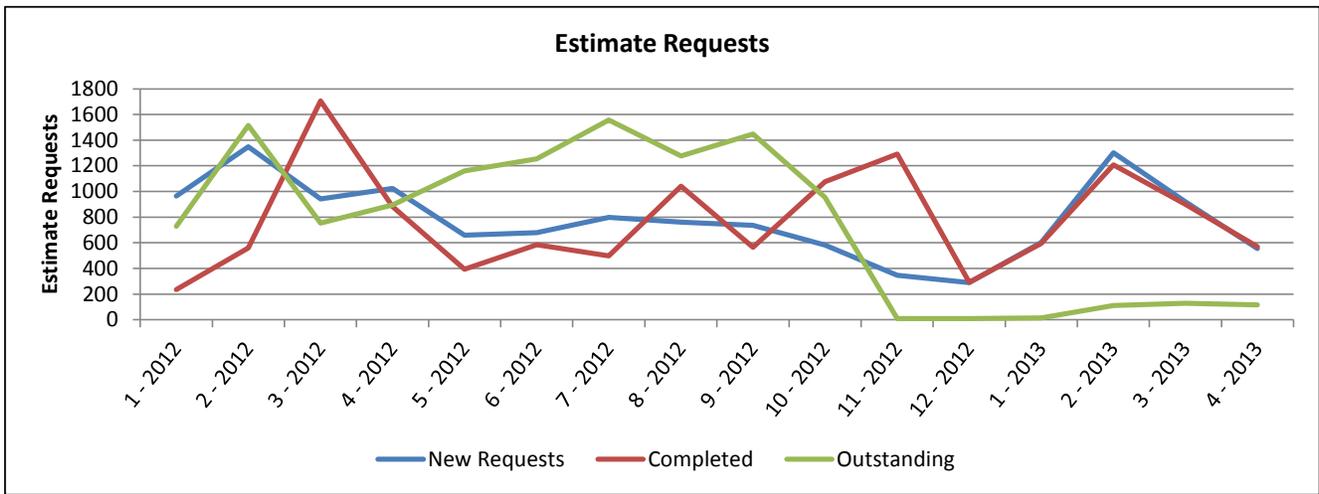
2012 Q1 Asset Allocation Vs. Target

Asset Class	AUM	Policy	Current	Δ* (C-P)	Acceptable Range	In Range
All Cap Domestic Equity	\$ 869,170,465	7.50%	8.39%	0.89%	6.77% - 8.27%	No
Large Cap Domestic Equity	\$ 1,509,366,058	10.00%	14.57%	4.57%	9.03% - 11.03%	No
Passive Domestic Equity	\$ -	0.00%	0.00%	0.00%	0.00% - 0.00%	N/A
Mid Cap Equity	\$ 1,385,474,174	12.50%	13.38%	0.88%	11.30%-13.80%	Yes
Small Cap Equity	\$ 990,755,012	10.00%	9.57%	-0.43%	9.00%-11.00%	Yes
Large Cap Int'l Equity	\$ 1,148,920,051	11.25%	11.09%	-0.16%	10.13%-12.38%	Yes
Small Cap Int'l Equity	\$ 285,779,715	3.75%	2.76%	-0.99%	3.38% - 4.13%	No
Private Equity	\$ 96,014,842	5.00%	0.93%	-4.07%	4.50% - 5.50%	No
Real Estate	\$ 436,896,950	5.00%	4.22%	-0.78%	4.50% - 5.50%	No
Master Limited Partnerships	\$ 561,208,028	5.00%	5.42%	0.42%	4.50% - 5.50%	Yes
Opportunistic Fixed Income	\$ 162,719,357	0.00%	1.57%	1.57%	0.00%-5.00%	Yes
Core Fixed Income	\$ 2,259,620,145	25.00%	21.82%	-3.18%	22.50% - 27.50%	No
High Yield Fixed Income	\$ 642,397,472	5.00%	6.20%	1.20%	4.50% - 5.50%	No
Cash	\$ 8,843,556	0.00%	0.09%	0.09%	0.00%-0.00%	N/A
<b>Total</b>	<b>\$ 10,357,165,824</b>	<b>100%</b>	<b>100%</b>			

\*Difference between Policy and Current Allocation

# OTRS Quarterly Status and Compliance Certification

Domestic Equity	International Equity	Domestic Passive Equity	Core Fixed Income	High Yield	Master Limited Partnerships
 Hotchkis & Wiley 1990 - LG Cap 2002 - Mid Cap  AJO 1998- Mid Cap  WELLINGTON MANAGEMENT 1998- Mid Cap ★ Shapiro 1998 - Small Cap  FRONTIER CAPITAL MANAGEMENT CO., LLC 2002- Mid Cap  SAWGRASS Asset Management, L.L.C. Blending The Art & Science of Investing 2006- LG Cap  ADVISORY RESEARCH INVESTMENT MANAGEMENT 2006- All Cap  EPOCH Epoch Investment Partners, Inc. ★ 2006- All Cap	 BRANDES ★ 1996  Causeway 2003  Thornburg Investment Management 2005  ADVISORY RESEARCH INVESTMENT MANAGEMENT 2011  WASATCH CAPITAL RESOURCES Helping Business Owners Reduce Taxes, Retire and Transfer Wealth 2011  WELLINGTON MANAGEMENT 2011  EPOCH Epoch Investment Partners, Inc. ★ 2012	 STATE STREET 2012  Northern Trust 2012 <div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;"> <b>Investor Services</b> </div>  Gregory W Group 1997 - Plan Consultant  FRANKLIN PARK 2010 - Private Equity Consultant  J.P. Morgan 2006 - Plan Custodian  GLOBAL TRADING ANALYTICS WHAT GETS MEASURED GETS MANAGED™ 2012 - Trade Cost Analytics	 Hoisington Investment Management Company 2004  LORD ABBETT 2004  MacKayShields 2004  Stephens Capitalize on Independence ★ 2004  LOOMIS   SAYLES 2006 <div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;"> <b>Opportunistic Fixed Income</b> </div>  PIMCO DMF I, DMF II, Bravo I, Bravo II	 LORD ABBETT 2009  MacKayShields 2009  LOOMIS   SAYLES 2011 <div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;"> <b>Real Estate</b> </div>  L&B Realty Advisors, LLP Client Focused. Performance Driven. 2011  HEITMAN A REAL ESTATE INVESTMENT MANAGEMENT FIRM 2011  AEW 2011	 CHICKASAW CAPITAL MANAGEMENT 2011  CUSHING® MLP ASSET MANAGEMENT A SUBSIDIARY OF SWANK CAPITAL 2011  FAMCO MLP A DIVISION OF ADVISORY RESEARCH 2011 <div style="background-color: #0056b3; color: white; padding: 5px; text-align: center;"> <b>Legend</b> </div> <ul style="list-style-type: none"> <li>★ On Alert</li> <li>★ On Notice</li> <li>★ Terminated</li> <li>● Non-Compliant</li> </ul> <p>*Managers assumed compliant unless otherwise Noted</p>



*Teachers' Retirement System of Oklahoma  
Client Status Update Report - Finance Division  
April 30, 2013*

**Board Meeting May 22, 2012**

<i>Cash Basis</i>	April 2012	April 2013		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$24,353,119.04	\$27,108,297.00	\$2,755,177.96	11.31%
Employer Contributions	29,263,090.87	37,854,540.14	8,591,449.27	29.36%
State Revenue	<u>22,057,326.63</u>	<u>21,384,670.56</u>	<u>(672,656.07)</u>	<u>-3.05%</u>
Total Retirement Receipts	75,673,536.54	86,347,507.70	10,673,971.16	14.11%
 <i>Monthly Distributions:</i>				
Retirement Benefits	76,592,089.82	88,569,220.97	11,977,131.15	15.64%
Withdrawals and Death Benefits	<u>2,437,211.33</u>	<u>3,670,007.22</u>	<u>1,232,795.89</u>	<u>50.58%</u>
Total Benefit Payments	<u>79,029,301.15</u>	<u>92,239,228.19</u>	<u>13,209,927.04</u>	<u>16.72%</u>
Net (Receipts - Payments)	<u>(\$3,355,764.61)</u>	<u>(\$5,891,720.49)</u>	<u>(\$2,535,955.88)</u>	<u>75.57%</u>
	Year to Date	Year to Date		
	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
<i>Year to Date Contributions:</i>				
Member Deposits	\$232,749,860.89	\$249,666,016.63	\$16,916,155.74	7.27%
Employer Contributions	310,042,870.82	335,501,901.05	25,459,030.23	8.21%
State Revenue	<u>223,274,412.96</u>	<u>240,254,850.07</u>	<u>16,980,437.11</u>	<u>7.61%</u>
Total Retirement Receipts	766,067,144.67	825,422,767.75	59,355,623.08	7.75%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	829,849,019.45	903,576,604.22	73,727,584.77	8.88%
Withdrawals and Death Benefits	<u>38,621,982.84</u>	<u>39,438,821.86</u>	<u>816,839.02</u>	<u>2.11%</u>
Total Benefit Payments	868,471,002.29	943,015,426.08	74,544,423.79	8.58%
Net (Receipts - Payments)	<u>(\$102,403,857.62)</u>	<u>(\$117,592,658.33)</u>	<u>(\$15,188,800.71)</u>	<u>14.83%</u>



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - May 2013

## New Retirements

<u>Type</u>	<u>Count</u>	<u>Benefit Total</u>
Disability	6	\$4,902.44
Normal	69	\$121,008.18
Total	<u>75</u>	<u>\$125,910.62</u>

<b>Terminated Retirements</b>	38	<u>\$69,826.64</u>
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<b>Net Change</b>	37	<u>\$56,083.98</u>
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**NORMAL RETIREMENTS**

**5/1/2013**

<b>Client #</b>	<b>Client Name</b>		<b>Estimate Ret. Date</b>	<b>Retirement Number</b>	<b>Benefit</b>
Q0098473	EULA	M ANNO	5/1/2013	096786	\$556.82
Q0045471	TERRY	K BADZINSKI	5/1/2013	096811	\$2,304.69
Q0146426	ANITA	BONAPARTE	5/1/2013	096770	\$2,360.91
Q0142733	DEBORAH	S BRANSTETTER	5/1/2013	096813	\$613.23
Q0240265	NANCY	J BUDDY-PENNER	5/1/2013	096814	\$2,976.26
Q0003993	SAMUEL	A BURSTEIN	5/1/2013	096803	\$540.38
Q0181646	IAN	H BUTLER	5/1/2013	096815	\$1,892.31
Q0118555	ROBERT	S CONRAD	5/1/2013	096817	\$4,067.34
Q0104155	JAMES	E COX	5/1/2013	096819	\$1,122.49
Q0068871	MACK	CRITTENDEN	5/1/2013	096779	\$1,608.03
Q0277356	KATHRYN	S DAVIS	5/1/2013	096820	\$289.53
Q0124285	MARILYN	DORSEY	5/1/2013	096806	\$1,818.98
Q0185654	JIMMY	W DUNCAN	5/1/2013	096821	\$2,701.98
Q0037293	SUZETTE	M DYER	5/1/2013	096775	\$3,085.34
Q0254173	CRAIG	D ELDER	5/1/2013	096823	\$1,409.43
Q0181365	DAVID	H ENGLES	5/1/2013	096773	\$421.40
Q0025420	RITA	E GRAY-MARTIN	5/1/2013	096824	\$2,379.50
Q0214231	DAVID	R GREENLEE	5/1/2013	096825	\$332.65
Q0205359	ROBERT	D GRIFFIN	5/1/2013	096807	\$2,069.79
Q0226460	DANIEL	L HASKIN	5/1/2013	096801	\$2,906.79
Q0201007	ELIZABETH	J HEDRICK	5/1/2013	096826	\$2,103.58
Q0048344	JERRY	D HENRY	5/1/2013	096776	\$1,473.13
Q0149063	SANDY	J HENRY	5/1/2013	096794	\$3,345.69
Q0085327	JUDY	C HILL	5/1/2013	096774	\$2,401.15
Q0090210	KIM	N HOGUE	5/1/2013	096827	\$1,613.56
Q0202356	BARBARA	L JACKSON	5/1/2013	096804	\$957.94
Q0024834	JOSEPH	T JOHNSON	5/1/2013	096781	\$3,128.73
Q0212691	JOSEPHINE	J JOHNSON	5/1/2013	096791	\$431.15
Q0247754	VICKIE	L KARNS	5/1/2013	096778	\$1,369.40
Q0198024	ANGUS	K LAMAR	5/1/2013	096789	\$4,431.34
Q0030054	DIANA	C LAMAR	5/1/2013	096828	\$647.50
Q0246657	ARLENE	D LANMAN	5/1/2013	096829	\$2,634.57
Q0046764	MILDRED	L LARREMORE	5/1/2013	096830	\$1,919.89
Q0193494	GLADYS	S LEWIS	5/1/2013	096788	\$2,741.39
Q0128312	LESLIE	LONG	5/1/2013	096831	\$1,646.80
Q0128845	FRANK	D LYNCH	5/1/2013	096772	\$2,106.54
Q0200942	MARGO	D LYON	5/1/2013	096832	\$1,523.72
Q0105666	BILLY	D MARQUARD	5/1/2013	096833	\$1,411.94
Q0181824	JO	A MILLER-DUDGEON	5/1/2013	096800	\$1,658.67
Q0050892	SANDRA	K MITCHERSON-ANDRISON	5/1/2013	096834	\$765.07
Q0201396	LINDA	S NELSON	5/1/2013	096653	\$240.99
Q0020530	REBECCA	S NEWKIRK	5/1/2013	096777	\$2,025.79
Q0103916	BETTY	J OLIPHANT	5/1/2013	096835	\$2,231.16
Q0229183	LINDA	PERCIFIELD	5/1/2013	096797	\$556.85
Q0106148	JOSEPH	L PHILLIPS	5/1/2013	096802	\$3,030.81
Q0260823	HASSAN	POURBABAE	5/1/2013	096783	\$3,745.15
Q0200413	STEVEN	PRATT	5/1/2013	096780	\$3,306.75
Q0143457	GARY	K PURCELL	5/1/2013	096809	\$260.73



				Disability Retirements		
				May/1/2013		

Client #	Client Name		Estimate Ret. Date	Retirement Number	Benefit
Q0070477	JANICE	I BARNETT	5/1/2013	D096812	\$487.44
Q0213640	JAMES	L CAUDLE	5/1/2013	D096816	\$1,051.65
Q0148016	CHRISTIE	J COX	5/1/2013	D096818	\$927.68
Q0037826	ESTHER	A DUROY	5/1/2013	D096822	\$1,461.01
Q0051986	SHERILYN	D READER	5/1/2013	D096836	\$646.70
Q0222226	LORELIS	A ROSARIO	5/1/2013	D096769	\$327.96
				<b>Disability</b>	<b>\$4,902.44</b>

Terminations  
May 2013

Termination Type	Retire.	Annuitant Name	Death	Termination Date	Benefit
Deceased	016811	ELEANOR V ACKLIN	04/23/2013	05/01/2013	\$478.97
Deceased	016962	EVELYN H ALBERS	02/07/2013	05/01/2013	\$1,358.67
Deceased	039460	MARGARET S ALEXANDER	03/23/2013	05/01/2013	\$2,459.33
Deceased	047124	MARY D ALEXANDER	04/22/2013	05/01/2013	\$1,848.82
Deceased	019196	RUTH H ALEXANDER	04/17/2013	05/01/2013	\$980.40
Deceased	031433	PRIMER L BARR	04/23/2013	05/01/2013	\$1,400.44
Deceased	058349	DANA M BARRINGTON	03/28/2013	05/01/2013	\$808.58
Deceased	025183	JUNIOR W BOOZE	04/29/2013	05/01/2013	\$1,866.90
Deceased	045157	ROSE M CARNEFIX	04/16/2013	05/01/2013	\$1,055.45
Deceased	019513	MILDRED H CARROLL	04/30/2013	05/01/2013	\$627.68
Deceased	049646	DONNA R CLARK	02/12/2013	05/01/2013	\$1,369.00
Deceased	038176	JOYCE M CLINE	01/09/2013	05/01/2013	\$410.31
Deceased	037112	FRANCES C COTTS	02/21/2013	05/01/2013	\$1,360.23
Deceased	042793	ELIZABETH K COWLES	04/15/2013	05/01/2013	\$556.10
Deceased	076598	GRACE L DAVIS	04/12/2013	05/01/2013	\$1,662.82
Deceased	028664	MERRELL D DILKS	04/26/2013	05/01/2013	\$3,168.04
Deceased	027560	LUCILLE DORSEY	01/03/2013	05/01/2013	\$217.11
Deceased	058191	JAMES E DREW	02/13/2013	05/01/2013	\$564.26
Deceased	023436	ESTER F EVANS	02/01/2013	05/01/2013	\$230.07
Deceased	022360	BARBARA O FROST	04/05/2013	05/01/2013	\$1,525.88
Deceased	031665	NANCY J GALLOP	04/25/2013	05/01/2013	\$2,082.43
Deceased	029298	ROSEMARY GIBSON	04/21/2013	05/01/2013	\$2,569.23
Deceased	037373	CHARLES C GREEN SR	04/30/2013	05/01/2013	\$487.26
Deceased	025679	WANDA S GREEN	04/30/2013	05/01/2013	\$2,112.50
Deceased	018268	ZELMA G HAGAR	09/07/2012	05/01/2013	\$521.72
Deceased	053942	GERALDINE HANSEN	03/04/2013	05/01/2013	\$1,217.44
Deceased	049827	CHARLES W HARRIS	04/29/2013	05/01/2013	\$1,973.50
Deceased	049412	WANDA J HICKS	04/23/2013	05/01/2013	\$403.19
Deceased	041268	FRANKIE J HORNER	12/01/2012	05/01/2013	\$146.98
Deceased	019256	PATRICIA JAMISON	04/30/2013	05/01/2013	\$618.38
Deceased	019755	EDNA JUNGERS	03/06/2013	05/01/2013	\$1,272.48
Deceased	D02121	TERESE H KELLEY	04/25/2013	05/01/2013	\$796.34
Deceased	078301	JUDY M LARGENT	04/09/2013	05/01/2013	\$1,443.41
Deceased	058257	ALLAN J LAW	04/05/2013	05/01/2013	\$746.64
Deceased	065876	BETTY L LOVELL	04/19/2013	05/01/2013	\$664.42
Deceased	021822	BETTY L LOVELL	04/19/2013	05/01/2013	\$1,457.97
Deceased	024555	AUSA L MASONER	04/24/2013	05/01/2013	\$1,566.55
Deceased	030672	BILLIE C MATHES	04/15/2013	05/01/2013	\$783.84
Deceased	075548	SHERRY L MATHEWS	04/22/2013	05/01/2013	\$416.14
Deceased	016361	OPAL V MCCLENDON	01/05/2013	05/01/2013	\$684.70
Deceased	047995	PATSY J MERCER	11/01/2012	05/01/2013	\$432.49
Deceased	028463	EDITH L MEYER	04/30/2013	05/01/2013	\$2,000.61
Deceased	019133	LUCILE K MITCHELL	04/26/2013	05/01/2013	\$570.36
Deceased	054758	SAMMIE R MOBLY	04/26/2013	05/01/2013	\$1,289.63
Deceased	030198	HENRY NEBELING	03/06/2013	05/01/2013	\$325.77
Deceased	026318	CLEDITH J OCHS	04/14/2013	05/01/2013	\$253.65
Deceased	068644	KENNETH D OUTHIER	04/23/2013	05/01/2013	\$1,732.65
Deceased	047028	THOMAS E PAIR	04/30/2013	05/01/2013	\$832.51
Deceased	042259	THOMAS H PEARSON	01/03/2013	05/01/2013	\$1,172.51
Deceased	018843	ADELE O POOLE	11/01/2012	05/01/2013	\$954.27

Deceased	016120	VIVA POOLE	04/23/2013	05/01/2013		\$1,604.62
Deceased	024991	MARGARAET M ROGERS	04/19/2013	05/01/2013		\$1,268.48
Deceased	020776	PAUL G SALTER	01/06/2013	05/01/2013		\$1,691.99
Deceased	040963	JAMES R SATTERFIELD	06/21/2012	05/01/2013		\$1,855.13
Deceased	020012	RUBY N SIMMONS	04/28/2013	05/01/2013		\$1,687.54
Deceased	026616	MILDRED A SLAGELL	03/01/2013	05/01/2013		\$1,027.39
Deceased	052596	PAUL E SWANSON	04/29/2013	05/01/2013		\$404.43
Deceased	030326	MARTHA J WARD	10/05/2012	05/01/2013		\$363.15
Deceased	024630	WILLIAM S WHITENTON	04/28/2013	05/01/2013		\$905.61
Deceased	049075	FRED N WIGHTMAN	01/01/2012	05/01/2013		\$1,693.20
Deceased	024184	CALVIN C YOUNG	04/28/2013	05/01/2013		\$1,846.47
<b>TOTAL</b>						<b>69,826.64</b>



**SCHEDULE I**  
**Comparison of Actual Expenditures Fiscal Year 2012 and Fiscal Year 2013**  
**9 Month Year to Date Comparison**

<b>Object of Expenditure</b>	<b>FY-2012 YTD Actual Expenditures 3/31/2012</b>	<b>FY-2013 YTD Actual Expenditures 3/31/2013</b>	<b>Increase (Decrease) Amount</b>	<b>Increase (Decrease) Percentage</b>
<b>Personal Services</b>				
Salary and Longevity Pay	1,273,927	1,440,629	166,702	13.1%
Taxes, Benefits, and Other	706,371	720,649	14,278	2.0%
<b>Subtotal Personal Services</b>	<b>1,980,298</b>	<b>2,161,278</b>	<b>180,980</b>	<b>9.1%</b>
<b>Professional Services</b>				
Investment Manager	17,149,313	17,388,157	238,844	1.4%
Investment Consultant	585,000	526,500	(58,500)	-10.0%
Investment Custodian	0	40,503	40,503	100.0%
Pension Commission	31,727	32,478	751	2.4%
<b>Subtotal Investment Expenses</b>	<b>17,766,040</b>	<b>17,987,638</b>	<b>221,598</b>	<b>1.2%</b>
Legal Services - Special Projects	23,634	269	(23,365)	-98.9%
Legal Services - Attorney General	38,299	40,549	2,250	5.9%
Administrative Hearings	0	0	0	0.0%
Auditing Services	41,490	58,977	17,487	42.1%
Actuarial Services	58,731	98,866	40,135	68.3%
Medical Hearings	6,300	6,600	300	4.8%
Miscellaneous Services	106,061	122,451	16,390	15.5%
<b>Subtotal Professional Services</b>	<b>274,515</b>	<b>327,713</b>	<b>53,198</b>	<b>19.4%</b>
<b>Total Professional Services</b>	<b>18,040,555</b>	<b>18,315,351</b>	<b>274,796</b>	<b>1.5%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel	28,209	29,561	1,352	4.8%
Employee Travel and Training	28,975	45,944	16,969	58.6%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>57,184</b>	<b>75,505</b>	<b>18,321</b>	<b>32.0%</b>
<b>Administrative Expenses</b>				
Miscellaneous Administrative	165,964	186,293	20,329	12.2%
Rent	139,551	134,729	(4,822)	-3.5%
Maintenance and Repair	1,681	1,251	(430)	-25.6%
Office Supplies and Material	22,380	19,056	(3,324)	-14.9%
Office Furniture and Equipment		550	550	0.0%
<b>Subtotal Administrative Expenses</b>	<b>329,576</b>	<b>341,879</b>	<b>12,303</b>	<b>3.7%</b>
<b>Data Processing Expenses</b>				
Professional Services	562,510	542,669	(19,841)	-3.5%
Travel and Per Diem	0	3,444	3,444	100.0%
Miscellaneous Administrative	4,985	0	(4,985)	-100.0%
Rent	5,577	11,220	5,643	101.2%
Maintenance and Repair	4,923	4,143	(780)	-15.8%
Office Supplies and Material	4,036	3,025	(1,011)	-25.1%
Office Furniture and Equipment	34,012	8,462	(25,550)	-75.1%
<b>Subtotal Data Processing Expenses</b>	<b>616,043</b>	<b>572,962</b>	<b>(43,081)</b>	<b>-7.0%</b>
<b>Total Expenses</b>	<b>21,023,656</b>	<b>21,466,975</b>	<b>443,319</b>	<b>2.1%</b>
<b>Totals Investment Expenses Only</b>	<b>17,766,040</b>	<b>17,987,638</b>	<b>221,598</b>	<b>1.2%</b>
<b>Totals Data Processing Expenses Only</b>	<b>616,043</b>	<b>572,962</b>	<b>(43,081)</b>	<b>-7.0%</b>
<b>Totals except Investment and Data Processing Exp</b>	<b>2,641,573</b>	<b>2,906,375</b>	<b>264,802</b>	<b>10.0%</b>

**SCHEDULE II  
Comparison of FY2013 Budget to Actual Expenses  
9 Month Year to Date Comparison**

<b>Object of Expenditure</b>	<b>9 Month FY-2013 YTD Budget</b>	<b>9 Month FY-2013 YTD Actual</b>	<b>(Over) Under Amount</b>	<b>Increase (Decrease) Percentage</b>
<b>Personal Services</b>				
Salary and Longevity Pay	1,534,293	1,440,629	(93,664)	-6.1%
Taxes, Benefits, and Other	832,590	720,649	(111,941)	-13.4%
<b>Subtotal Personal Services</b>	<b>2,366,883</b>	<b>2,161,278</b>	<b>(205,605)</b>	<b>-8.7%</b>
<b>Professional Services</b>				
Investment Manager	22,350,000	17,388,157	(4,961,843)	-22.2%
Investment Consultant	526,500	526,500	0	0.0%
Investment Custodian	56,250	40,503	(15,747)	-28.0%
Pension Commission	45,000	32,478	(12,522)	-27.8%
<b>Subtotal Investment Expenses</b>	<b>22,977,750</b>	<b>17,987,638</b>	<b>(4,990,112)</b>	<b>-21.7%</b>
Legal Services - Special Projects	45,000	269	(44,731)	-99.4%
Legal Services - Attorney General	41,247	40,549	(698)	-1.7%
Administrative Hearings	747	0	(747)	-100.0%
Auditing Services	46,100	58,977	12,877	27.9%
Actuarial Services	112,500	98,866	(13,634)	-12.1%
Medical Hearings	15,003	6,600	(8,403)	-56.0%
Miscellaneous Services	116,739	122,451	5,712	4.9%
<b>Subtotal Professional Services</b>	<b>377,336</b>	<b>327,712</b>	<b>(49,624)</b>	<b>-13.2%</b>
<b>Total Professional Services</b>	<b>23,355,086</b>	<b>18,315,350</b>	<b>(5,039,736)</b>	<b>-21.6%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel	58,500	29,561	(28,939)	-49.5%
Employee Travel and Training	58,617	45,944	(12,673)	-21.6%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>117,117</b>	<b>75,505</b>	<b>(41,612)</b>	<b>-35.5%</b>
<b>Administrative Expenses</b>				
Miscellaneous Administrative	326,547	186,293	(140,254)	-43.0%
Rent	150,003	134,729	(15,274)	-10.2%
Maintenance and Repair	1,872	1,251	(621)	-33.2%
Office Supplies and Material	22,500	19,056	(3,444)	-15.3%
Office Furniture and Equipment	74,997	550	(74,447)	-99.3%
<b>Subtotal Administrative Expenses</b>	<b>575,919</b>	<b>341,879</b>	<b>(234,040)</b>	<b>-40.6%</b>
<b>Data Processing Expenses</b>				
Professional Services	768,753	542,669	(226,084)	-29.4%
Travel and Per Diem	4,500	3,444	(1,056)	-23.5%
Miscellaneous Administrative	8,253	0	(8,253)	-100.0%
Rent	5,625	11,220	5,595	99.5%
Maintenance and Repair	4,878	4,143	(735)	-15.1%
Office Supplies and Material	4,122	3,025	(1,097)	-26.6%
Office Furniture and Equipment	26,253	8,462	(17,791)	-67.8%
<b>Subtotal Data Processing Expenses</b>	<b>822,384</b>	<b>572,963</b>	<b>(249,421)</b>	<b>-30.3%</b>
<b>Total Expenses</b>	<b>27,237,389</b>	<b>21,466,975</b>	<b>(5,770,414)</b>	<b>-21.2%</b>
<b>Totals Investment Expenses Only</b>	<b>22,977,750</b>	<b>17,987,638</b>	<b>(4,990,112)</b>	<b>-21.7%</b>
<b>Totals Data Processing Expenses Only</b>	<b>822,384</b>	<b>572,963</b>	<b>(249,421)</b>	<b>-30.3%</b>
<b>Totals except Investment and Data Processing Exp</b>	<b>3,437,255</b>	<b>2,906,374</b>	<b>(530,881)</b>	<b>-15.4%</b>

**SCHEDULE III**  
**Comparison of FY-2012 Actual Expenses to FY-2013 Projected Expenses to FY-2014 Proposed Budget**

<b>Object of Expenditure</b>	<b>Actual FY-2012 Expenses</b>	<b>Approved FY-2013 Budget</b>	<b>Proposed FY-2014 Budget</b>	<b>Increase (Decrease) Amount</b>	<b>Increase (Decrease) Percentage</b>
<b>Personal Services</b>					
Salary and Longevity Pay	1,845,244	2,045,719	2,110,694	64,975	3.2%
Taxes, Benefits, and Other	937,284	1,110,117	1,158,125	48,008	4.3%
<b>Subtotal Personal Services</b>	<b>2,782,528</b>	<b>3,155,836</b>	<b>3,268,819</b>	<b>112,983</b>	<b>3.6%</b>
<b>Professional Services</b>					
Investment Manager	34,953,707	44,700,000	51,667,650	6,967,650	15.6%
Investment Consultant	702,000	702,000	702,000	0	0.0%
Investment Custodian	10,207	75,000	75,000	0	0.0%
Pension Commission	63,879	60,000	60,000	0	0.0%
<b>Subtotal Investment Expenses</b>	<b>35,729,793</b>	<b>45,537,000</b>	<b>52,504,650</b>	<b>6,967,650</b>	<b>15.3%</b>
Legal Services - Special Projects	178,046	80,000	80,000	0	0.0%
Legal Services - Attorney General	51,066	55,000	55,000	0	0.0%
Administrative Hearings	0	1,000	1,000	0	0.0%
Auditing Services	41,490	46,100	245,000	198,900	431.5%
Actuarial Services	73,731	150,000	150,000	0	0.0%
Medical Hearings	8,700	20,000	20,000	0	0.0%
Miscellaneous Services	10,374	135,250	180,250	45,000	33.3%
<b>Subtotal Professional Services</b>	<b>363,407</b>	<b>487,350</b>	<b>731,250</b>	<b>243,900</b>	<b>50.0%</b>
<b>Total Professional Services</b>	<b>36,093,200</b>	<b>46,024,350</b>	<b>53,235,900</b>	<b>7,211,550</b>	<b>15.7%</b>
<b>Travel and Per Diem Expenses</b>					
Non-Employee Travel	36,170	78,000	51,600	(26,400)	-33.8%
Employee Travel and Training	45,969	78,150	203,175	125,025	160.0%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>82,139</b>	<b>156,150</b>	<b>254,775</b>	<b>98,625</b>	<b>63.2%</b>
<b>Administrative Expenses</b>					
Miscellaneous Administrative	414,168	435,400	472,900	37,500	8.6%
Rent	195,338	200,000	223,000	23,000	11.5%
Maintenance and Repair	2,229	2,500	2,500	0	0.0%
Office Supplies and Material	28,664	30,000	34,500	4,500	15.0%
Office Furniture and Equipment	505	75,000	27,650	(47,350)	-63.1%
Buildings-Purchases, Construction Repair	0	25,000	10,000	(15,000)	-60.0%
<b>Subtotal Administrative Expenses</b>	<b>640,904</b>	<b>767,900</b>	<b>770,550</b>	<b>2,650</b>	<b>0.3%</b>
<b>Data Processing Expenses</b>					
Professional Services	731,757	1,025,000	1,601,500	576,500	56.2%
Travel and Per Diem	774	6,000	6,500	500	8.3%
Miscellaneous Administrative	6,265	11,000	1,000	(10,000)	-90.9%
Rent	10,662	7,500	2,500	(5,000)	-66.7%
Maintenance and Repair	9,793	6,500	1,500	(5,000)	-76.9%
Office Supplies and Material	4,430	5,500	5,500	0	0.0%
Office Furniture and Equipment	51,227	35,000	107,750	72,750	207.9%
<b>Subtotal Data Processing Expenses</b>	<b>814,908</b>	<b>1,096,500</b>	<b>1,726,250</b>	<b>629,750</b>	<b>57.4%</b>
<b>Total Expenses</b>	<b>40,413,679</b>	<b>51,200,736</b>	<b>59,256,294</b>	<b>8,055,558</b>	<b>15.7%</b>
<b>Totals Investment Expenses Only</b>	<b>35,729,793</b>	<b>45,537,000</b>	<b>52,504,650</b>	<b>6,967,650</b>	<b>15.3%</b>
<b>Totals Data Processing Expenses Only</b>	<b>814,908</b>	<b>1,096,500</b>	<b>1,726,250</b>	<b>629,750</b>	<b>57.4%</b>
<b>Totals except Investment and Data Processing Exp</b>	<b>3,868,978</b>	<b>4,567,236</b>	<b>5,025,394</b>	<b>458,158</b>	<b>10.0%</b>

**SCHEDULE IV  
Comparison of FY-2012 Actual Expenses to FY-2013 Projected Expenses FY-2014 Proposed Budget**

<b>Object of Expenditure</b>	<b>Actual FY-2012 Expenses</b>	<b>Projected FY-2013 Expenses</b>	<b>Proposed FY-2014 Budget</b>	<b>Increase (Decrease) Amount</b>	<b>Increase (Decrease) Percentage</b>
<b>Personal Services</b>					
Salary and Longevity Pay	1,845,244	1,728,755	2,110,694	381,939	22.1%
Taxes, Benefits, and Other	937,284	864,779	1,158,125	293,346	33.9%
<b>Subtotal Personal Services</b>	<b>2,782,528</b>	<b>2,593,534</b>	<b>3,268,819</b>	<b>675,285</b>	<b>26.0%</b>
<b>Professional Services</b>					
Investment Manager	34,953,707	34,776,313	51,667,650	16,891,337	48.6%
Investment Consultant	702,000	631,800	702,000	70,200	11.1%
Investment Custodian	10,207	48,604	75,000	26,396	54.3%
Pension Commission	63,879	38,974	60,000	21,026	53.9%
<b>Subtotal Investment Expenses</b>	<b>35,729,793</b>	<b>35,495,691</b>	<b>52,504,650</b>	<b>17,008,959</b>	<b>47.9%</b>
Legal Services - Special Projects	178,046	323	80,000	79,677	24667.8%
Legal Services - Attorney General	51,066	48,659	55,000	6,341	13.0%
Administrative Hearings	0	0	1,000	1,000	
Auditing Services	41,490	58,977	245,000	186,023	315.4%
Actuarial Services	73,731	118,639	150,000	31,361	26.4%
Medical Hearings	8,700	7,920	20,000	12,080	152.5%
Miscellaneous Services	10,374	146,941	180,250	33,309	22.7%
<b>Subtotal Professional Services</b>	<b>363,407</b>	<b>381,459</b>	<b>731,250</b>	<b>349,791</b>	<b>91.7%</b>
<b>Total Professional Services</b>	<b>36,093,200</b>	<b>35,877,150</b>	<b>53,235,900</b>	<b>17,358,750</b>	<b>48.4%</b>
<b>Travel and Per Diem Expenses</b>					
Non-Employee Travel	36,170	35,473	51,600	16,127	45.5%
Employee Travel and Training	45,969	55,133	203,175	148,042	268.5%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>82,139</b>	<b>90,606</b>	<b>254,775</b>	<b>164,169</b>	<b>181.2%</b>
<b>Administrative Expenses</b>					
Miscellaneous Administrative	414,168	223,551	472,900	249,349	111.5%
Rent	195,338	161,675	223,000	61,325	37.9%
Maintenance and Repair	2,229	1,501	2,500	999	66.6%
Office Supplies and Material	28,664	22,868	34,500	11,632	50.9%
Office Furniture and Equipment	505	660	27,650	26,990	4089.4%
Buildings-Purchases, Construction Repair	0	0	10,000	10,000	
<b>Subtotal Administrative Expenses</b>	<b>640,904</b>	<b>410,255</b>	<b>770,550</b>	<b>360,295</b>	<b>87.8%</b>
<b>Data Processing Expenses</b>					
Professional Services	731,757	651,203	1,601,500	950,297	145.9%
Travel and Per Diem Expenses	774	4,133	6,500	2,367	57.3%
Miscellaneous Administrative	6,265	0	1,000	1,000	
Rent	10,662	13,464	2,500	(10,964)	-81.4%
Maintenance and Repair	9,793	4,972	1,500	(3,472)	-69.8%
Office Supplies and Material	4,430	3,630	5,500	1,870	51.5%
Office Furniture and Equipment	51,227	10,154	107,750	97,596	961.2%
<b>Subtotal Data Processing Expenses</b>	<b>814,908</b>	<b>687,556</b>	<b>1,726,250</b>	<b>1,038,694</b>	<b>151.1%</b>
<b>Total Expenses</b>	<b>40,413,679</b>	<b>39,659,101</b>	<b>59,256,294</b>	<b>19,597,193</b>	<b>49.4%</b>
<b>Totals Investment Expenses Only</b>	<b>35,729,793</b>	<b>35,495,691</b>	<b>52,504,650</b>	<b>17,008,959</b>	<b>47.9%</b>
<b>Totals Data Processing Expenses Only</b>	<b>814,908</b>	<b>687,556</b>	<b>1,726,250</b>	<b>1,038,694</b>	<b>151.1%</b>
<b>Totals except Investment and Data Processing Exp</b>	<b>3,868,978</b>	<b>3,475,854</b>	<b>5,025,394</b>	<b>1,549,540</b>	<b>44.6%</b>