

MINUTES
FEBRUARY 25, 2009 MEETING
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 Cathy Conway, Chairman, at 1:15 P.M., Wednesday, February 25, 2009, in the Administrative Conference Room of the Teachers' Retirement System, Oliver Hodge Building, 2500 North Lincoln Boulevard, Fifth Floor, Oklahoma City, Oklahoma. The agenda/meeting notice was posted in accordance with 25 O.S. 2001 Section 311(9).

TRUSTEES PRESENT:

Cathy Conway, *Chairman*
James Smith, *Vice-Chairman*
Dick Neptune, *Secretary*
Sherrie Barnes

Bruce DeMuth
Richard Gorman
John Kirkpatrick

Matti Palluconi
Galeard Roper
Michael Simpson

TRUSTEES ABSENT:

Sandy Garrett
Michael Clingman

TRS STAFF PRESENT:

James R. Wilbanks, *Executive Secretary*
Joe Ezzell, *Assistant Executive Secretary*
Kim Bold, *Director of Human Resources*
Karen Yost, *Assistant to the Executive Secretary and Board of Trustees*

LEGAL COUNSEL PRESENT:

David L. Kinney, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT: gregory.w.group

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

OTHERS PRESENT:

Kelly Bounds, *eCapitol News Now*
Norman Cooper, *Oklahoma Retired Educators Association*
Randy McLerran*, *State Department of Education*
Alex Leonard, *JP Morgan* (Investment Committee meeting only)
Chuck Callahan, *JP Morgan* (Investment Committee meeting only)
*Denotes either late arrival or early departure.

1. BOARD POLL FOR QUORUM

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

2. MINUTES of the FEBRUARY 4, 2009, SPECIAL BOARD MEETING AMENDED and APPROVED

A motion was made by Mr. Smith with a second made by Mr. DeMuth to approve the minutes of the February 4, 2009, meeting, as amended, switching items 2 and 3 in the minutes. The motion carried by a unanimous vote.

3. INVESTMENT COMMITTEE ITEMS:

3.A. Presentation by Investment Manager(s):

Aldus Equity and Goldman, Sachs and Company were present during the Investment Committee meeting and made their respective presentations to the Committee.

3.B. gregory.w.group REPORT: Market Performance, Asset Allocation Review, January 31st Performance Summary:

3.B.1. Gregory Weaver and Douglas Anderson of gregory.w.group, investment consultant to the Board, gave the Board their monthly report.

3.B.2. Manager Status Summary and Possible Action:

3.B.2.g. The Investment Committee made a recommendation to terminate Smith Capital Management due to performance issues, and to transfer the funds in the Smith portfolio equally into the Shapiro and Tocqueville portfolios. The recommendation was approved by a unanimous vote.

3.C.a.&b. Renewal of Manager Contracts: The Investment Committee made a recommendation to renew the manager contracts for Capital Guardian Trust and Causeway Capital Management for an additional year. The recommendation was approved by a unanimous vote.

3.D. gregory.w.group Quarterly Executive Summary: Greg Weaver and Doug Anderson of gregory.w.group made their quarterly report to the Board of Trustees. A motion was made by Dr. Kirkpatrick with a second made by Mr. Roper to accept the g.w.g. quarterly executive summary. The motion carried by a unanimous vote.

3.E. Tax Sheltered Annuity Program: The Investment Committee made a recommendation to release an RFP (Request for Proposal) to modify the Teachers' Retirement System's Tax-Sheltered Annuity 403(b) Plan. The recommendation was approved by a unanimous vote. Mr. Neptune was temporarily out of the room.

4. LEGAL REPORT:

There was no action necessary on this report.

5. DISCUSSION AND POSSIBLE ACTION ON PROMULGATION OF PERMANENT RULES: Rulemaking action: 715:10-11-7 Amended and 715:10-15-26 Amended:

A motion was made by Mr. DeMuth with a second made by Mr. Roper to adopt the permanent rules as presented in the Board packet materials. The motion carried by a unanimous vote.

6. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE SECRETARY REPORT: Client status update; financial reports; legislative update; other items for discussion:

Dr. Wilbanks made his report to the Board and stated he would be glad to answer any questions the Board may have. A motion was made by Mr. Roper with a second made by Dr. Kirkpatrick for approval. The motion carried by a unanimous vote.

7. QUESTIONS AND COMMENTS FROM TRUSTEES

There were no questions or comments from the Board.

8. NEW BUSINESS

There was no new business considered.

9. ADJOURNMENT

There being no further business before the Board, the Chairman declared the meeting adjourned at 2:20 p.m. Trustees present at adjournment were as follows: Ms. Barnes; Mr. DeMuth; Mr. Gorman; Mr. Hatcher; Dr. Kirkpatrick; Mr. Neptune; Ms. Palluconi; Mr. Roper; Mr. Simpson; Mr. Smith; and Chairman Conway.

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

WEDNESDAY – March 25, 2009

Investment Committee Meeting begins at **9:00 A.M.**
Board Meeting begins at **1:00 P.M.**

Oliver Hodge Education Building
Administrative Conference Room
2500 North Lincoln Boulevard, 5th Floor
Administration Conference Room
Oklahoma City, Oklahoma

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Chairman, Cathy Conway

ATTEST:

BY: _____
Dick Neptune, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on March 25, 2009.

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