

MINUTES
MARCH 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 1:10 P.M., Wednesday, March 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*
Michael Clingman

Bruce DeMuth
Richard Gorman
Darryl Hatcher
John Kirkpatrick

Matti Palluconi
Galeard Roper
Michael Simpson

TRUSTEES ABSENT:

Sherrie Barnes
Sandy Garrett

TRS STAFF PRESENT:

James R. Wilbanks, *Executive Secretary*
Joe Ezzell, *Assistant Executive Secretary*
Kim Bold, *Director of Human Resources*
Sharron Coffman, *Director of Client Services*
Edward Romero, *Secretary-Treasurer*
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:

Norman Cooper, *Oklahoma Retired Educators Association*
Randy McLerran*, *State Department of Education*

**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: Mr. Clingman; 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 25, 2009, SPECIAL BOARD MEETING APPROVED

A motion was made by Mr. Neptune with a second made by Mr. Roper to approve the minutes of the February 25, 2009, meeting. The motion carried by a unanimous vote.

3. INVESTMENT COMMITTEE ITEMS:

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

Advisory Research and Epoch Investment Advisors were present during the Investment Committee meeting and made their respective presentations to the Committee.

3.B. GREGORY.W.GROUP REPORT:

3.B.1. Market Performance, Asset Allocation Review, February 28th Performance Summary: 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.b. The Investment Committee made a recommendation to place Aldus Equity “On Notice” due to organizational issues for a period of 6 months. The recommendation was approved by a unanimous vote.

3.B.2.c. The Investment Committee made a recommendation to terminate Aletheia Research and Management. The recommendation was approved by a unanimous vote.

3.B.2.c. The Investment Committee made a recommendation to distribute the assets held by Aletheia between Chase Investment Counsel and Sawgrass Asset Management to equalize the assets under management between the two managers. The recommendation was approved by a unanimous vote.

3.C. Update on Transition of Funds: An update on the transition of assets from Smith Asset Management was given to the Board.

3.D. Update on Tax-Sheltered Annuity Program RFP: Dr. Wilbanks updated the Board on the Tax-Sheltered Annuity RFP.

3.E. Possible Changes to the Investment Policy, Objectives and Guidelines:

3.E.1.: Opportunistic Bond Portfolio: The Investment Committee made a recommendation to approve the amendment to section XI, opportunistic bond portfolio, of the Investment Policy, Objectives and Guidelines. The recommendation was approved by a unanimous vote. Mr. Neptune was temporarily out of the room.

3.E.2.: Fixed Income: The Investment Committee made a recommendation to approve the amendment to section IV, fixed income guidelines, of the Investment Policy, Objectives and Guidelines. The recommendation was approved by a unanimous vote.

4. CONTRIBUTION RATE FOR GRANT MATCHING FUNDS: Dr. Wilbanks referred to page 4-1 in their meeting binders and made his report to the Board. A motion was made by Mr. Roper with a second made by Mr. Neptune for approval. The motion carried by a unanimous vote.

5. LEGAL REPORT: Mr. Kinney made his report to the Board. There was no action necessary on this report.

6. EXECUTIVE SECRETARY REPORT:

6.A.B.C.: 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 Dr. Kirkpatrick with a second made by Mr. DeMuth for approval. The motion carried by a unanimous vote.

7. REPORT ON LEGISLATION: Dr. Wilbanks gave an update on legislation affecting the Retirement System. No action was necessary on this item.

8. SEEK CO-LEAD PLAINTIFF STATUS WITH OTHER PENSION SYSTEM(S) IN THE MATTER OF MEDTRONIC, INC.: Mr. Kinney gave a report to the Board and recommended seeking co-lead plaintiff status. A motion was made by Mr. Neptune with a second made by Mr. Simpson to approve seek co-lead status. The motion carried by a unanimous vote.

9. QUESTIONS AND COMMENTS FROM TRUSTEES

There were no questions or comments from the Board.

10. NEW BUSINESS

There was no new business considered.

11. ADJOURNMENT

There being no further business before the Board, the Chairman declared the meeting adjourned at 1:55 p.m. Trustees present at adjournment were as follows: Mr. Clingman; 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 – April 29, 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 April 29, 2009.

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