

**MINUTES**  
**SEPTEMBER 23, 2009 MEETING**  
**BOARD OF TRUSTEES**  
**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

This regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by James Smith, Chairman, at 9:00 A.M., in the Jones Conference Room at the OSU Alumni Building, OSU, Stillwater, Oklahoma. The agenda/meeting notice was posted in accordance with 25 O.S. 2001 Section 311(9).

**TRUSTEES PRESENT:**

James Smith, *Chairman*

Michael Simpson, *Vice-Chairman*

Dick Neptune, *Secretary*

Sherrie Barnes

Cathy Conway

Bruce DeMuth

Richard Gorman

Galeard Roper

Billie Stephenson

**TRUSTEES ABSENT:**

Michael Clingman

Odilia Dank

Sandy Garrett

**TRS STAFF PRESENT:**

James R. Wilbanks, *Executive Secretary*

Josh Richardson, *Internal Auditor*

Nick Pointer, *Investment Associate*

Karen Yost, *Assistant to the Executive Secretary and Board of Trustees*

**LEGAL COUNSEL PRESENT:**

Regina Switzer, *Assistant Attorney General*

**INVESTMENT CONSULTANT PRESENT: gregory.w.group**

Gregory T. Weaver, *gregory.w.group*

Douglas J. Anderson, *gregory.w.group*

Tony Kay, *gregory.w.group*

**OTHERS PRESENT:**

Charles Barnes, *TRS Member*

Norman Cooper, *Oklahoma Retired Educators Association*

Jerry H. Johnson, *Oklahoma Education Association*

*\*Denotes either late arrival or early departure.*

**1. BOARD POLL FOR QUORUM**

Chairman Smith 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; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; and Chairman Smith.

**2. SWEARING IN OF NEW BOARD MEMBER, BILLIE C. STEPHENSON**

Mrs. Stephenson was sworn in and welcomed to the Board.

### **3. MINUTES of the August 26, 2009, Board Meeting APPROVED**

A motion was made by Mr. Gorman with a second made by Mr. Simpson to approve the minutes as presented. The motion carried by a unanimous vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith.

### **4. PRESENTATION BY INVESTMENT MANAGERS:**

**4.A. Presentation by Investment Manager(s):** Hoisington Investment Management and Stephens Capital Management were present and made their respective presentations to the Board.

**Breaks were taken from 9:50 to 10:00 a.m. and from 10:40 to 10:45 a.m.**

### **5. INVESTMENT REPORTS AND RECOMMENDATIONS:**

**5.A. Investment Consultant Monthly Report:** Gregory Weaver, Douglas Anderson and Tony Kay of gregory.w.group, investment consultant to the Board, gave the Board their monthly report.

**5.B. Manager Status Summary and Possible Action:** There was no action taken at this time.

### **6. INVESTMENT COMMITTEE RECOMMENDATIONS:**

**6.A. Securities Lending Cash Collateral Investment Guidelines:** After consideration, the Investment Committee recommendation to adopt Rule 2A7 in the Investment Guidelines was approved by a unanimous vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith.

**6.B. Private Equity Search:** Greg Weaver stated there were 43 firms responding to the Private Equity RFP, and after review, the Investment Committee is recommending three firms be interviewed to manage the Private Equity Portfolio, Cliffwater; Franklin Park; and Grove Street. Prior to conducting interviews, due diligence would be performed on each firm by TRS staff, Board Trustees and g.w.g. staff.. After discussion, the Investment Committee recommendation to interview Cliffwater, Franklin Park and Grove Street was approved by a unanimous vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith.

**7. LEGAL REPORT:** Regina Switzer, Assistant Attorney General and legal counsel to the Board, made the legal report to the Board. There was no action necessary on this report.

**8. PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2011:** After discussion a motion was made by Mr. Neptune with a second made by Ms. Conway to adopt the proposed budget. The motion carried by Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith responding yes.

### **9. EXECUTIVE SECRETARY REPORT:**

**9. A. AND B.: Client Status update; Other Items for discussion:** Dr. Wilbanks gave his report to the Board. Dr. Wilbanks stated he would be glad to answer any questions the Board may have. A motion was made by Ms. Conway with a second made by Mr. Simpson for approval. The motion carried by a unanimous vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith.

**10. ACTUARIAL ASSUMPTION:** After considerable discussion, a motion was made by Mr. DeMuth with a second by Mr. Simpson to take no action at this time. The motion was approved by Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith responding yes.

**11. QUESTIONS AND COMMENTS FROM TRUSTEES:**

There were no further questions or comments from the Board.

**12. NEW BUSINESS:**

There was no new business before the Board.

**13. ADJOURNMENT:**

There being no further business before the Board, a motion was made by Ms. Conway with a second made by Mr. Neptune for adjournment. The meeting was adjourned at 12:54 p.m. Trustees present at adjournment were as follows: Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Simpson; Ms. Stephenson; and Chairman Smith.

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

**WEDNESDAY – October 28, 2009**

Investment Committee Meeting – There is no Investment Committee Meeting in October.

Board Meeting begins October 28, 2009 at 9:00 a.m.

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

**BY:** \_\_\_\_\_  
**Chairman, James E. Smith**

**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 October 28, 2009.

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