



**OKLAHOMA TEACHERS**  

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**RETIREMENT SYSTEM**

**BOARD OF TRUSTEES**

**REGULARLY SCHEDULED**  
**MEETING**

**NOVEMBER 16, 2011**

**9:00 AM**

**MEETING MATERIALS**

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**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, November 16, 2011 – 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 OCTOBER 26, 2011 BOARD MEETING**
- 3. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. Chickasaw Capital
  - B. Fiduciary Asset Management, Inc.
  - C. Swank Capital
- 4. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 5. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT**

*The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting*
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT QUARTERLY REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION ON EXTERNAL AUDIT REPORT**
- 9. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
  - A. Service Dashboard
  - B. Client Status Update
  - C. Legislative Update
  - D. Other Items for Discussion
- 10. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 11. NEW BUSINESS**
- 12. ADJOURNMENT**

**MEETING MINUTES  
OCTOBER 26, 2011  
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 Michael Simpson, Chairman, at 9:02 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:**

Michael Simpson, *Chairman*  
Gary Trennepohl, *Vice Chairman*  
Cathy Conway  
Vernon Florence  
Jill Geiger  
Richard Gorman

Dick Neptune  
Galeard Roper  
Jonathan Small\*  
James Smith  
Billie Stephenson

**TRUSTEES ABSENT:**

Sherrie Barnes

Bruce DeMuth

**TRS STAFF PRESENT:**

James R. Wilbanks, *Executive Director*  
Josh Richardson, *Internal Auditor*

Becky Wilson, *Executive Assistant*  
Lester LaPorte, *Comptroller*

**LEGAL COUNSEL PRESENT:**

Regina Switzer, *Assistant Attorney General*

**INVESTMENT CONSULTANT PRESENT:**

Greg Weaver, *Gregory W. Group*

Douglas J. Anderson, *Gregory W. Group*

**OTHERS PRESENT:**

Norman Cooper, *OK Retired Educators Assoc*  
Wayne Maxwell, *Retired Professional OK Educators*

Steven Poall, *JP Morgan*

*\*Denotes either late arrival or early departure*

**ITEM 1 - ROLL CALL FOR QUORUM:** Chairman Simpson called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Ms. Conway; Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Chairman Simpson announced that Mr. Florence would be serving as Secretary in Mr. DeMuth's absence.

**ITEM 2 - MEETING MINUTES:** Chairman Simpson asked if there were any changes to the meeting minutes. A motion was made by Ms. Conway with a second made by Dr. Trennepohl to approve the September 29, 2011 meeting minutes. The motion carried by a unanimous voice vote. Trustees responding were Ms. Conway; Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Mr. Small joined the meeting immediately following the vote.

**ITEM 3 – PRESENTATION BY INVESTMENT MANAGERS:** AEW, Heitman and L&B, Investment Managers, were present to give respective presentations to the Board.

*A break was taken from 10:17 a.m. to 10:27 a.m.*

**ITEM 4 – 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 5 – 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. After discussion, a motion was made by Mr. Neptune with a second made by Ms. Stephenson to put Goldman Sachs on notice for personnel issues until December 31, 2011. The motion carried by a unanimous roll call vote. Trustees responding were Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Mr. Smith abstained from the vote. Ms. Conway was not present during the vote.

**ITEM 6 – AMENDMENTS TO INVESTMENT POLICY STATEMENT:** Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board suggestions to amend the Investment Policy Statement. After discussion, a motion was made by Dr. Trennepohl with a second made by Mr. Smith to amend the Investment Policy Statement as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Ms. Conway was not present during the vote.

**ITEM 7 – CODE OF CONDUCT POLICY:** Dr. Wilbanks presented the Board with the Code of Conduct Policy from the Trustee Policy Manual. After discussion, no changes were made. A motion was then made by Mr. Roper with a second made by Ms. Stephenson to approve the Code of Conduct Policy as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Ms. Conway was not present during the vote.

**ITEM 8 – 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 9 – PROPOSED OPERATING BUDGET FOR FY-2013:** Dr. Wilbanks gave a brief presentation to the Board regarding the FY-2013 operating budget. After discussion, a motion was made by Mr. Neptune with a second made by Dr. Trennepohl to approve the FY-2013 operating budget. The motion carried by a unanimous voice vote. Trustees responding were Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Ms. Conway was not present during the vote.

*A break for lunch was taken from 11:50 a.m. to 12:15 p.m.*

**ITEM 10 – EXECUTIVE DIRECTOR REPORT:** Dr. Wilbanks gave his report to the Board. A motion was made by Ms. Conway with a second made by Ms. Stephenson to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Ms. Conway; Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

**ITEM 11 – MEETING SCHEDULE FOR 2012:** After discussion, a motion was made by Ms. Conway with a second made by Dr. Trennepohl to approve the 2012 Meeting Dates as follows: January 25, February 22, March 28, April 25, May 16, June 27, July 25, August 22, September 26, October 24, November 28, and December 19. The motion carried by a unanimous voice vote. Trustees responding were Ms. Conway; Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

**ITEM 12 – QUESTIONS AND COMMENTS FROM TRUSTEES:** There were no questions or comments from the Trustees.

**ITEM 13 – NEW BUSINESS:** There was no further business from the Board.

**ITEM 14 – ADJOURNMENT:** There being no further business, a motion was made by Mr. Roper with a second made by Ms. Stephenson to adjourn. The meeting was adjourned at 12:48 p.m. Trustees present at adjournment were Ms. Conway; Mr. Florence; Ms. Geiger; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

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

**BY:** \_\_\_\_\_  
**Michael Simpson, Chairman**

**ATTEST:**

**BY:** \_\_\_\_\_  
**Vernon Florence, Acting 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 November 16, 2011.

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

# October 2011 - Market Performance Update

Incredible Recovery - One of the Markets' Best Months Ever



## Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	9.7	10.4	11.8	2.6
NASDAQ (prc chg only)	11.1	7.1	16.0	2.6
S&P 500 cap weighted	10.9	8.1	11.4	0.3
S&P 500 equal weighted	13.0	8.6	18.6	2.5
S&P Mid Cap	13.8	8.6	17.9	4.0
S&P Small Cap	15.0	10.5	13.8	2.1
S&P REIT	14.5	10.4	16.7	-1.2
Russell 1000 Growth	11.0	9.9	15.6	3.0
Russell 1000 Value	11.5	6.2	8.8	-2.1
Russell Mid Cap Growth	13.5	10.1	20.0	3.5
Russell Mid Cap Value	12.6	5.8	15.6	0.7
Russell 2000 Growth	15.9	9.8	16.3	2.7
Russell 2000 Value	14.4	3.5	9.5	-1.4
Russell Top 200	10.5	8.1	10.1	-0.1
Russell 1000	11.2	8.0	12.2	0.5
Russell Mid Cap	13.0	7.9	17.8	2.3
Russell 2500	14.7	8.0	16.0	2.0
Russell 2000	15.1	6.7	12.9	0.7
MSCI World Ex US	9.7	-3.3	11.1	-1.4
MSCI World Ex US Growth	10.4	-2.4	11.2	-0.2
MSCI World Ex US Value	9.1	-4.2	10.8	-2.6
MSCI EAFE	9.7	-3.6	10.4	-2.0
MSCI Emerging Markets	13.3	-7.4	23.6	6.8

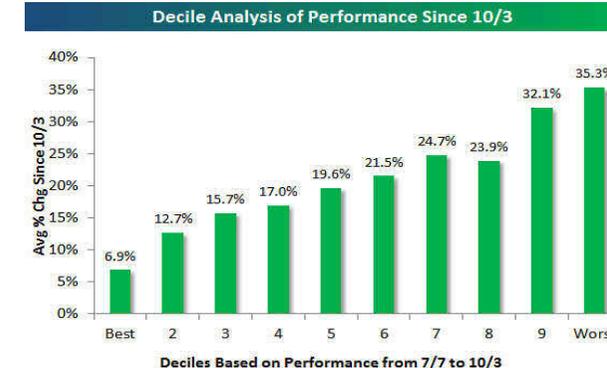
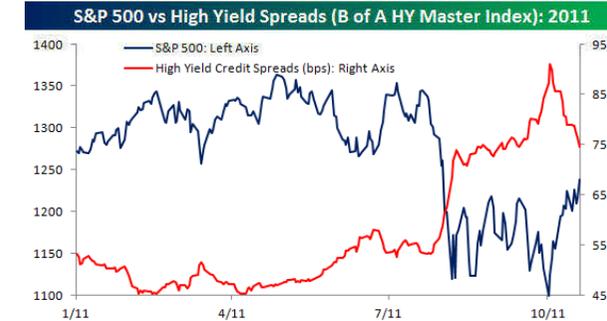
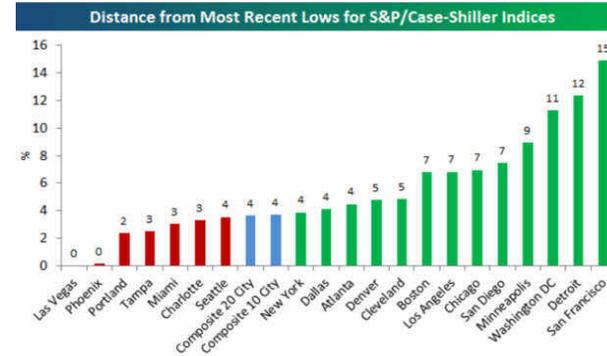
October was the best month for equity investors since October of 2002. Domestic shares benefitted from slightly improved economic data that suggested a double dip recession might be avoided. Good earnings reports also buoyed share prices. Foreign shares benefitted from some dealing with the pervasive European debt crisis.

The domestic equity market favored smaller as well as growth oriented companies. However, all market segments posted substantial gains. Foreign equity performance was led by Emerging Markets and growth companies. Generally speaking, performance reflected investors' regained appetite for riskier assets.

Bond markets suffered somewhat as investors shifted their portfolios from "risk off" to "risk on". Long-term Treasury bonds fell, but retained much of their trailing year return. The broad bond market and short term issues posted negligible returns.

## Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	1.5
BC Long Treasury	-3.8	16.5	12.8	9.7
BC US Agg	0.1	5.0	8.9	6.4



# Oklahoma Teachers' Retirement System

Investment Manager Profile – As October 31, 2011



Manager	Location	Structure	Investment Mandate	Portfolio Sizes	Status	Management Fee
Chickasaw Capital	Memphis, Tennessee	Independent Investment Manager	Master Limited Partnerships	\$ 131,208,183	In Compliance	0.80%
FAMCO	St. Louis, Missouri	Wholly-owned by Piper Jaffray	Master Limited Partnerships	\$ 252,669,044	In Compliance	0.50%
Swank Capital	Dallas, Texas	Independent Investment Manager	Master Limited Partnerships	\$ 127,996,994	In Compliance	0.45%

Manager		Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception
Chickasaw Capital	<i>Alerian MLP Total Return</i>	<b>8.3</b>	<b>2.8</b>	-	-	-	-	<b>7.1</b>
		10.3	4.6	-	-	-	-	4.7
FAMCO	<i>Alerian MLP Total Return</i>	<b>9.3</b>	<b>3.7</b>	-	-	-	-	<b>3.1</b>
		10.3	4.6	-	-	-	-	4.7
Swank Capital	<i>Alerian MLP Total Return</i>	<b>12.2</b>	<b>3.1</b>	-	-	-	-	<b>4.5</b>
		10.3	4.6	-	-	-	-	4.7

Manager	Management Philosophy	Represented By:
Chickasaw Capital	Chickasaw attempts to use their team's significant knowledge base and industry relationships to develop superior portfolios. The group begins with an energy point of view which does guide their outlook for valuation of MLP market sectors. Business prospects are assessed for each MLP in the universe. Portfolio managers then determine position size and individual price targets. Portfolios differ from index due to individual security selections and opportunistic trading strategies.	David Fleischer, Principal Geoffrey Mavar, Principal
FAMCO	FAMCO uses a top-down strategic style to drive long-term strategy. Views are developed for portfolio themes and individual industries. Second step of process is intensive modeling/valuation of individual MLPs. FAMCO believes their combination of thorough top-down strategic mindset, rigorous valuation modeling and fundamental research yields portfolios with high probability of outperforming their benchmarks. Underlying goal of process is to invest in partnerships with favorable exposure to the evolving market environment.	Jim Cunnane, Managing Director Quinn Kiley, Managing Director Jeff Spray, Sr. Vice President
Swank Capital	Swank attempts to build diversified portfolios with the objective of providing investors low to mid teen total returns through yield and capital appreciation. They offer long-only clients three portfolio structures according to their risk tolerance. The process incorporates fundamental analysis, qualitative analysis portfolio management and then a risk management overlay. Their models use as many as 20 financial ratios and metrics to rank individual securities in terms of relative value. Qualitative analysis is used to confirm or deny the results of the modeling process through review of asset types, management strength, etc. Portfolio management combines the conclusions of the first two steps with Swank's view of the MLP sector. This top-down assessment develops position and sector targets for portfolios.	Libby Toudouze, Partner Judd Cryer, Senior Research Analyst

# Oklahoma Teachers' Retirement System

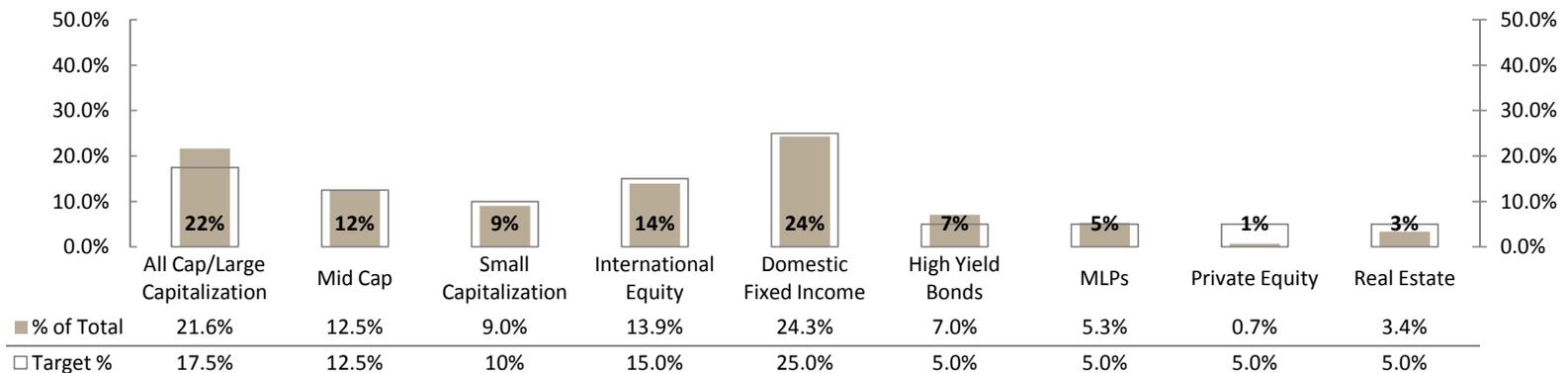
## Monthly Asset Allocation Review

As of October 31, 2011



Asset Class	Total Market Value	Percentage of Total	Target Percentage	Action?*
All Cap/Large Cap	2,084,269,658	21.6%	17.5%	Yes
Mid Cap	1,201,888,100	12.5%	12.5%	No
Small Cap	871,034,395	9.0%	10.0%	No
<b>Total Domestic Equity</b>	4,157,192,153	43.1%	<b>40.0%</b>	No
<b>International Equity</b>	1,342,777,740	13.9%	<b>15.0%</b>	No
<b>Core Fixed Income</b>	2,345,464,852	24.3%	<b>25.0%</b>	No
<b>High Yield Bonds</b>	677,509,509	7.0%	<b>5.0%</b>	Yes
<b>MLPs</b>	511,874,222	5.3%	<b>5.0%</b>	No
<b>Private Equity</b>	67,731,608	0.7%	<b>5.0%</b>	Yes
<b>Real Estate</b>	323,960,233	3.4%	<b>5.0%</b>	Yes
<b>Cash</b>	54,560,644	0.6%	<b>0.0%</b>	Yes

### Current vs. Target Asset Allocation



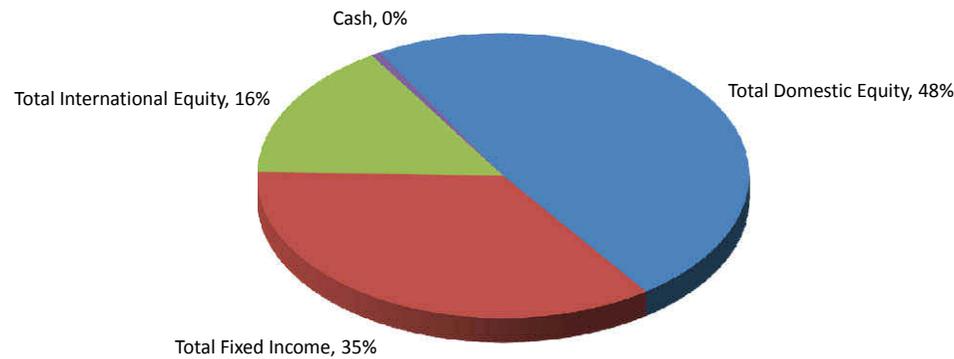
\*Action is suggested when the allocation falls outside of 90% to 110% of its target allocation.

Oklahoma Teachers' Retirement System Composites and Total Fund  
Performance Summary as of October 31, 2011



	Market Value	Last Month	Last Quarter	Fiscal Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Total Domestic Equity	<b>4,157,192,153</b>	12.7	-6.2	-8.9	5.3	14.1	1.1	6.0	9.8	8.5	3.31.90
<i>S&amp;P 500</i>		10.9	-2.5	-4.5	8.1	11.4	0.2	3.7			
Total All Cap Equity	773,707,206	11.2	-4.6	-6.9	7.7	12.5	1.4	-	2.0	1.7	9.30.06
<i>Russell 3000</i>		11.5	-3.3	-5.5	7.9	12.3	0.5	-			
Total Large Cap Equity	1,310,562,452	10.3	-2.8	-4.5	6.6	11.4	-0.8	4.6	8.8	8.1	1.31.95
<i>S&amp;P 500</i>		10.9	-2.5	-4.5	8.1	11.4	0.2	3.7			
Total Mid Cap Equity	1,201,888,100	15.8	-6.5	-10.4	7.1	18.8	3.3	8.7	8.2	7.8	11.30.98
<i>Russell MidCap</i>		13.0	-4.9	-8.3	7.8	17.8	2.3	8.4			
Total Small Cap Equity	871,034,395	13.4	-11.5	-14.3	-1.0	13.9	1.2	6.9	7.5	5.4	1.31.98
<i>Russell 2000</i>		15.1	-6.7	-10.0	6.7	12.9	0.7	7.0			
Total International Equity	1,342,777,740	10.6	-9.8	-11.7	-5.0	11.1	-0.9	6.7	8.6	4.4	1.31.96
<i>MSCI ACWI ex-US</i>		9.6	-9.7	-11.1	-3.6	10.4	-1.9	6.2			
Total Fixed Income (excludes High Yield)	2,345,464,852	0.5	4.1	6.3	8.0	12.8	8.4	6.6	7.6	6.2	3.31.90
<i>Barclays Aggregate</i>		0.1	2.3	3.9	5.0	8.9	6.4	5.5			
Master Limited Partnerships	511,874,222	9.8	3.3	2.8	-	-	-	-	5.0	4.7	2.28.2011
<i>Alerian MLP Index</i>		10.3	4.6	2.6	-	-	-	-			
High Yield Fixed Income	677,509,509	5.4	-2.7	-1.9	4.4	-	-	-	20.4	23.7	2.28.2009
<i>ML High Yield II</i>		6.0	-1.9	-0.7	4.8	-	-	-			
Cash	54,560,644	-	-	-	-	-	-	-	-	-	-
<i>91 Day T-bill</i>		0.0	0.0	0.0	0.1	0.2	1.7	-			
<b>Total Fund</b>	<b>9,641,149,359</b>	<b>8.0</b>	<b>-3.0</b>	<b>-4.1</b>	<b>4.9</b>	<b>13.7</b>	<b>3.6</b>	<b>7.1</b>	<b>9.0</b>	<b>8.9</b>	<b>11.30.91</b>
<i>Allocation Index</i>		8.2	-2.8	-4.1	5.4	12.1	2.6	6.2			11.30.91
<i>Actuarial Assumption</i>		0.6	1.9	6.6	8.0	8.0	8.0	8.0	8.1		11.30.91

Composite Allocation by Asset Class



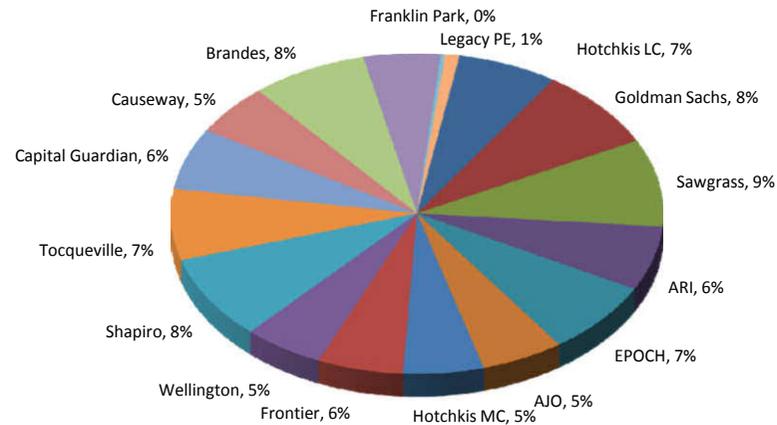
# Oklahoma Teachers' Retirement System Equity Portfolios

Performance Summary as of October 31, 2011



	Market Value	Last Month	Last Quarter	Fiscal Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Hotchkis & Wiley Large Cap	364,752,418	12.1	-4.0	-6.9	4.4	14.2	-3.7	5.8	9.7	9.0	3.31.90
<i>Russell 1000 Value</i>		11.4	-3.4	-6.6	6.2	8.8	-2.0	4.6			
Goldman Sachs Sawgrass	456,029,115	10.4	-3.8	-4.7	4.7	13.1	2.3	3.0	9.3	8.0	3.31.90
<i>Russell 1000 Growth</i>	<b>489,780,919</b>	8.9	<b>-1.1</b>	<b>-2.6</b>	<b>10.7</b>	12.7	2.1	-	3.4	4.3	6.30.06
Advisory Research EPOCH	361,467,028	9.6	-4.7	-5.7	8.9	11.8	0.3	-	1.0	1.7	9.30.06
<i>Russell 3000 Value</i>	412,240,178	12.7	-4.6	-7.9	6.7	12.8	2.4	-	2.8	1.7	9.30.06
<i>Russell 3000 Value</i>		11.5	-3.3	-5.5	7.9	12.3	0.5	-			
<i>Russell 3000 Value</i>		15.1	-6.7	-10.0	6.7	12.9	0.7	7.0			
Capital Guardian	346,239,640	10.9	-11.1	-12.7	-5.9	11.1	-2.0	-	7.5	8.8	4.30.03
Causeway Capital	289,673,154	12.0	-11.9	-12.9	-4.9	14.3	-0.6	-	9.7	8.8	4.30.03
Brandes	424,835,416	8.8	-7.0	-9.9	-5.5	8.4	-2.2	7.6	10.3	4.4	1.31.96
Thornburg	282,029,530	11.4	-10.3	-12.0	-3.3	12.9	3.4	-	5.9	2.1	11.30.05
<i>MSCI EAFE GD</i>		8.8	-7.0	-9.9	-5.5	8.4	-2.2	7.6			
<i>MSCI ACWI Ex US</i>		10.5	-10.2	-11.4	-4.7	12.9	-0.4	7.6			
Wellington	293,131,640	<b>20.1</b>	-7.6	-11.4	7.9	19.9	3.2	9.1	9.4	7.1	8.31.98
Frontier Capital	314,377,275	10.9	-4.7	-8.8	7.2	15.9	<b>6.8</b>	-	8.1	7.0	5.31.02
<i>Russell MidCap Growth</i>		13.5	-4.9	-8.4	10.1	20.0	3.5	-			
AJO Partners	301,548,066	14.3	-5.6	-8.7	10.6	18.5	2.9	9.1	9.1	7.3	8.31.98
<i>Russell MidCap</i>		13.0	-4.9	-8.3	7.8	17.8	2.3	6.5			
Hotchkis & Wiley Mid Cap	292,831,118	18.7	-8.4	-12.7	3.0	<b>22.4</b>	0.3	-	10.5	9.1	7.31.02
<i>Russell MidCap Value</i>		12.6	-4.9	-8.2	5.8	15.6	0.7	-			
Shapiro Capital Management	472,235,978	12.7	-8.7	-11.0	4.2	20.8	4.6	<b>11.5</b>	8.6	6.6	1.31.98
Tocqueville	398,798,417	14.3	-14.7	-17.9	-6.5	8.4	-1.0	7.6	7.4	7.6	10.31.00
<i>Russell 2000 Value</i>		14.4	-7.1	-10.2	3.5	9.5	-1.4	7.6			
<i>Russell 2000</i>		15.1	-6.7	-10.0	6.7	12.9	0.7	7.0			
Legacy Private Equity Portfolio	52,392,282	-0.1	0.6	0.6	-3.1	-6.8	-	-	-6.6	-	9.30.08
Franklin Park Private Equity	15,339,326	-4.7	-18.8	-21.1	-	-	-	-	-	-	5.31.11

## Equity Portfolio Allocation by Manager

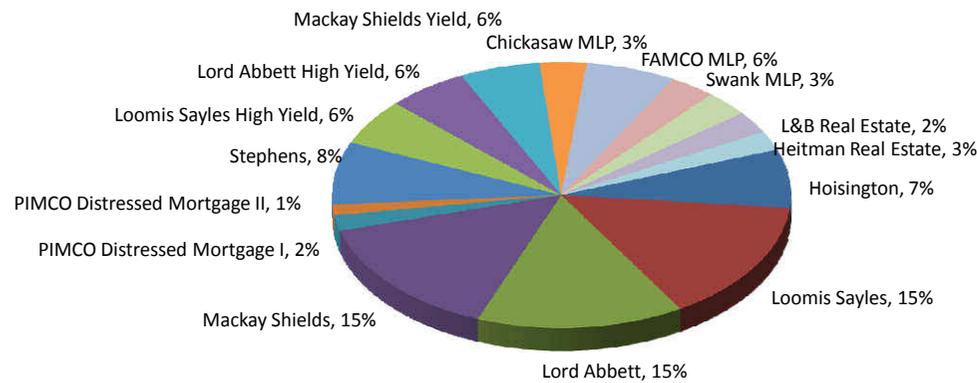


Oklahoma Teachers' Retirement System Fixed Income Portfolios  
Performance Summary as of October 31, 2011



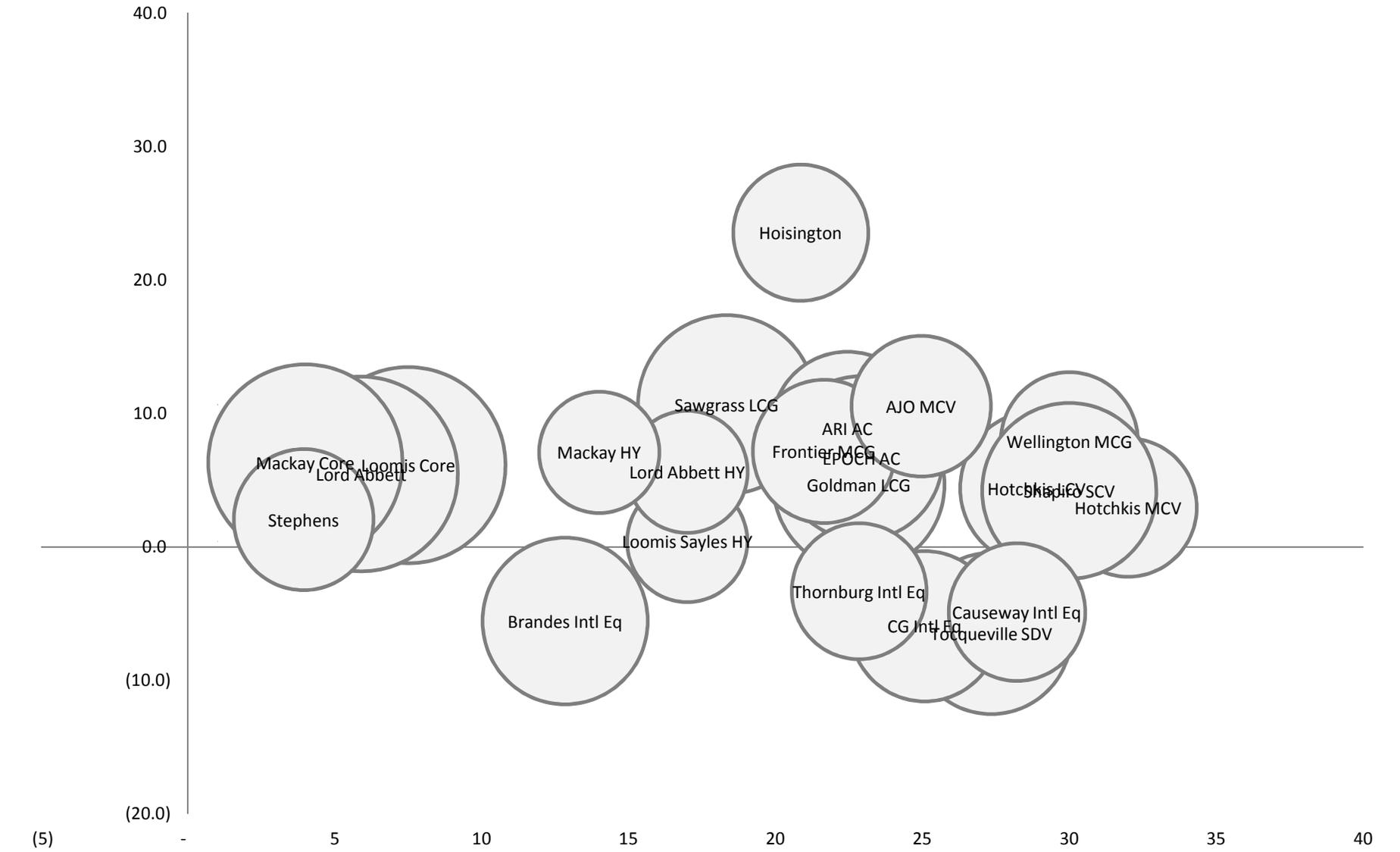
	Market Value	Last Month	Last Quarter	Fiscal Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Hoisington	283,995,294	-5.0	22.3	29.0	23.6	14.6	10.6	-	9.9	5.5	10.31.04
Loomis Sayles	588,638,975	2.0	1.2	3.1	6.1	16.3	9.9	7.2	7.3	6.3	7.31.99
Lord Abbett	580,955,286	0.7	1.7	3.4	5.5	12.9	7.7	-	6.6	5.5	10.31.04
Mackay Shields	588,061,954	2.0	1.2	2.9	6.3	11.5	7.9	-	6.7	5.5	10.31.04
PIMCO Distressed Mortgage I	75,368,963	-2.6	-2.6	-7.5	3.0	9.2	-	-	7.8	6.8	5.31.08
PIMCO Distressed Mortgage II	52,221,729	-7.6	-7.6	-10.7	1.7	-	-	-	35.0	6.9	12.31.08
PIMCO BRAVO	31,679,692	1.4	1.4	4.1	-	-	-	-	6.0	6.3	3.31.11
Stephens	303,813,343	0.2	0.8	1.7	2.1	6.7	6.5	-	5.5	5.5	10.31.04
<i>Barclays Aggregate</i>			0.1	2.3	3.9	5.0	8.9	6.4	5.5		
Loomis Sayles High Yield	225,152,539	6.4	-5.9	-5.7	0.4	-	-	-	20.3	23.7	2.28.09
Lord Abbett High Yield	226,890,547	5.4	-2.2	-1.2	5.6	-	-	-	21.2	23.7	2.28.09
Mackay Shields Yield	225,466,423	4.4	-0.1	1.3	7.1	-	-	-	19.6	23.7	2.28.09
<i>Merrill Lynch High Yield II</i>			6.0	-1.9	-0.7	4.8	-	-	-		
Chickasaw Capital MLP	131,208,183	8.3	2.8	3.1	-	-	-	-	7.1	4.7	2.28.2011
FAMCO MLP	252,669,044	9.3	3.7	2.8	-	-	-	-	3.1	4.7	2.28.2011
Swank MLP	127,996,994	12.2	3.1	2.6	-	-	-	-	4.5	4.7	2.28.2011
<i>Alerian MLP Index</i>			10.3	4.6	2.6	-	-	-	-		
AEW Real Estate	123,565,344	0.2	0.3	0.3	-	-	-	-	0.3	-	-
Heitman Real Estate	107,274,643	3.3	4.3	4.3	-	-	-	-	4.3	-	4.30.2011
L&B Real Estate	93,120,246	3.5	3.5	3.5	-	-	-	-	3.5	-	5.31.2011
<i>NCREIF - Open End Divers Core Equity</i>			3.5	10.9	14.8	-	-	-	-	-	

Fixed Income Portfolio Allocation by Manager



# Oklahoma Teachers' Retirement System Risk/Return Comparison

Performance Summary as of October 31, 2011



Oklahoma Teachers' Retirement System  
 Estimated Net of Management Fee Performance Summary  
 As of October 31, 2011



Portfolio	Market Value	Estimated Fee	Last Month	Last Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Year Annualized	Since inception	Index Since inception	Inception Date
Hotchkis & Wiley	\$ 364,752,418	0.34	12.1	-4.0	4.1	13.8	-4.1	5.5	9.3	8.0	3.31.90
<i>Russell 1000 Value</i>			11.4	-3.4	6.2	8.8	-2.0	4.6	0.0		
Goldman Sachs	\$ 456,029,115	0.27	10.3	-3.9	4.4	12.9	2.0	2.7	9.1	6.6	3.31.90
Sawgrass	\$ 489,780,919	0.36	8.9	-1.2	10.3	-	-	-	3.0	4.3	6.30.06
<i>Russell 1000 Growth</i>			11.0	-2.6	9.9	15.6	3.0	3.6			
Advisory Research	\$ 361,467,028	0.34	9.6	-4.8	8.5	11.5	-	-	0.7	1.7	9.30.06
EPOCH	\$ 412,240,178	0.45	12.7	-4.7	6.2	12.4	-	-	2.4	1.7	9.30.06
<i>Russell 3000</i>			11.5	-3.3	7.9	12.3	3.2	3.4			
AJO Partners	\$ 301,548,066	0.55	14.3	-5.7	10.0	17.9	2.3	8.5	8.6	7.3	8.31.98
Wellington	\$ 293,131,640	0.45	20.1	-7.7	7.5	19.5	2.7	8.6	9.0	7.1	8.31.98
Frontier Capital Management	\$ 314,377,275	0.56	10.8	-4.9	6.6	15.3	6.3	-	7.5	7.0	5.31.02
Hotchkis & Wiley Mid Cap	\$ 292,831,118	0.50	18.6	-8.5	2.5	21.9	-0.2	-	10.0	9.1	7.31.02
<i>Russell MidCap</i>			13.0	-4.9	7.8	17.8	2.3	6.5			
Shapiro Capital Management	\$ 472,235,978	0.72	12.6	-8.8	3.5	20.1	3.8	10.8	7.9	6.6	1.31.98
Tocqueville	\$ 398,798,417	0.66	14.2	-14.9	-7.1	7.7	-1.6	-	6.7	8.3	9.30.00
<i>Russell 2000</i>			-8.7	-14.0	22.2	0.8	1.5	5.9			
Legacy Private Equity	\$ 52,392,282	-	-	-	-	-	-	-	-	-	9.30.08
Franklin Park	\$ 15,339,326	-	-	-	-	-	-	-	-	-	5.31.11
<i>S&amp;P 500 + 4.0%</i>			11.0	-1.5	12.1	15.4	4.2	7.7			
Capital Guardian	\$ 346,239,640	0.42	10.8	-11.2	-6.4	10.7	-2.4	-	7.4	8.8	4.30.03
Causeway Capital	\$ 289,673,154	0.39	11.9	-12.0	-5.3	13.9	-1.0	-	9.3	8.8	4.30.03
Brandes	\$ 424,835,416	0.41	8.8	-7.1	-6.0	8.0	-2.6	7.2	9.9	4.4	1.31.96
Thornburg	\$ 282,029,530	0.52	11.4	-10.4	-3.8	12.3	-	-	5.4	2.1	11.30.05
<i>MSCI EAFE GD</i>			8.8	-7.0	-5.5	8.4	-2.2	7.6			
<i>MSCI ACWI Ex US</i>			10.5	-10.2	-4.7	12.9	-0.4	7.6			
Hoisington	\$ 283,995,294	0.15	-5.0	22.3	23.4	14.4	10.5	-	9.7	5.5	10.31.04
Loomis Sayles	\$ 588,638,975	0.15	2.0	1.2	6.0	16.1	9.7	7.0	7.2	6.3	7.31.99
Lord Abbett	\$ 580,955,286	0.17	0.6	1.6	5.3	12.7	7.5	-	6.4	5.5	10.31.04
Mackay Shields	\$ 588,061,954	0.21	2.0	1.2	6.1	11.3	7.7	-	6.5	5.5	10.31.04
PIMCO Distressed Mortgage I	\$ 75,368,963	0.25	-2.6	-2.0	2.8	-	-	-	7.6	6.8	5.31.2008
PIMCO Distressed Mortgage II	\$ 52,221,729	0.25	-7.6	-5.7	1.4	-	-	-	34.8	6.9	12.31.2008
Stephens	\$ 303,813,343	0.16	0.1	0.8	1.9	6.6	6.4	-	5.3	5.5	10.31.04
<i>Barclays Aggregate</i>			0.1	2.3	5.0	8.9	6.4	5.5			
Loomis Sayles High Yield	\$ 225,152,539	0.50	6.3	-6.0	-0.1	-	-	-	19.8	23.7	2.28.09
Lord Abbett High Yield	\$ 226,890,547	0.38	5.4	-2.3	5.3	-	-	-	20.8	23.7	2.28.09
Mackay Shields High Yield	\$ 225,466,423	0.45	4.4	-0.2	6.6	-	-	-	19.1	23.7	2.28.09
<i>ML High Yield II</i>			6.0	-1.9	-0.7	-	-	-			
AEW Real Estate	\$ 123,565,344	0.83	0.2	0.3	0.3	-	-	-	-	0.9	-
Heitman Real Estate	\$ 107,274,643	0.82	3.3	4.1	-	-	-	-	-	0.9	4.30.2011
L&B Real Estate	\$ 93,120,246	0.45	3.4	3.4	-	-	-	-	-	0.9	5.31.2011
<i>NCREIF - Open End Divers Core Equity</i>			3.5	10.9	14.8	-	-	-			
Chickasaw MLP	\$ 131,208,183	0.80	8.2	-	-	-	-	-	-	17.6	2.28.2011
FAMCO MLP	\$ 252,669,044	0.50	9.2	-	-	-	-	-	-	17.6	2.28.2011
Swank MLP	\$ 127,996,994	0.45	12.2	-	-	-	-	-	-	17.6	2.28.2011
<i>Alerian MLP Index</i>			3.5	10.9	14.8	-	-	-			
<b>Total Fund</b>	<b>\$ 9,641,149,359</b>	<b>0.36</b>	<b>8.0</b>	<b>-3.1</b>	<b>4.5</b>	<b>13.3</b>	<b>3.3</b>	<b>6.7</b>	<b>8.7</b>	8.1	11.30.91
<i>Allocation Index</i>			8.2	-2.8	5.4	12.1	2.6	6.2	8.1		
<i>Actuarial Assumption</i>			0.6	1.9	8.0	8.0	8.0	8.0	8.0		

# Oklahoma Teachers' Retirement System

Manager Status Summary

As of October 31, 2011



Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)
<b>Domestic Equity</b>				
<b>Goldman Sachs</b>	<b>5%</b>	<b>Large Cap Growth Equity</b>	<b>On Notice</b>	<b>Personel - October 2011 (December 2011)</b>
Sawgrass	5%	Large Cap Growth Equity	In Compliance	
Hotchkis & Wiley	4%	Large Cap Value Equity	In Compliance	
Advisory Research	4%	All Cap Equity	In Compliance	
EPOCH	4%	All Cap Equity	In Compliance	
AJO Partners	3%	Mid Cap Equity	In Compliance	
Frontier Capital Management	3%	Mid Cap Growth Equity	In Compliance	
Hotchkis & Wiley	3%	Mid Cap Value Equity	In Compliance	
Wellington	3%	Mid Cap Growth Equity	In Compliance	
Shapiro Capital Management	5%	Small Cap Value Equity	In Compliance	
Tocqueville	4%	Small Cap Value Equity	In Compliance	
Franklin Park	0%	Private Equity	In Compliance	
<b>International Equity</b>				
<b>Brandes</b>	<b>4%</b>	<b>International Value Equity</b>	<b>On Notice</b>	<b>Performance - March 2011 (September 2011)</b>
<b>Capital Guardian</b>	<b>4%</b>	<b>International Growth Equity</b>	<b>Terminated</b>	
Causeway Capital	3%	International Value Equity	In Compliance	
Thornburg	3%	International Value Equity	In Compliance	
<b>Fixed Income</b>				
Hoisington	3%	Fixed Income	In Compliance	
Loomis Sayles	6%	Fixed Income	In Compliance	
Lord Abbett	6%	Fixed Income	In Compliance	
Mackay Shields	6%	Fixed Income	In Compliance	
Stephens	3%	Fixed Income	In Compliance	
Loomis Sayles - High Yield	2%	High Yield Fixed Income	In Compliance	
Lord Abbett - High Yield	2%	High Yield Fixed Income	In Compliance	
Mackay Shields - High Yield	2%	High Yield Fixed Income	In Compliance	
Chickasaw	1%	MLPs	In Compliance	
Famco	3%	MLPs	In Compliance	
Swank	1%	MLPs	In Compliance	



# OKLAHOMA TEACHERS RETIREMENT SYSTEM

**executive summary report  
third quarter, 2011**

# Total Fund One Year Return

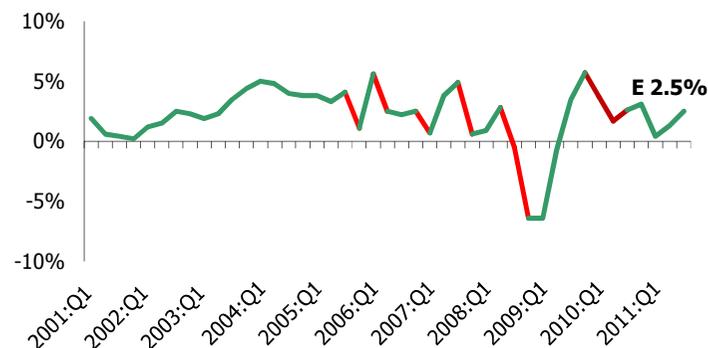
-0.2%

## THIRD QUARTER MARKET ENVIRONMENT

The third quarter was a difficult time for investors. Asset price volatility increased sharply due to several factors: the ongoing European banking and sovereign debt crisis, Standard & Poors' downgrade of U.S. Treasury debt, extreme partisan division in Washington D.C. especially related to the debt ceiling, and ongoing economic weakness. Domestic and international equities moved lower during the quarter, accompanied by other "risk" assets. The top performing asset class was U.S. Treasury bonds, benefitting from a global flight to quality. The third quarter ended without any sense of optimism about the domestic economy and its macro problems.

- Third quarter U.S. Real GDP growth was 2.5%, an increase from the previous quarter's gain of just 1.3%.
- Unemployment remained at 9.1%. Wages and manufacturing growth were flat. Inflation continued to trend higher. The Consumer Price Index rose 3.9% over the past year. The U.S. housing market remained weak. Consumer confidence plunged 31% during the third quarter.
- The Federal Reserve took no action on short-term interest rates, leaving them unchanged at 0.00% to 0.25%. In September, the Fed announced that there were "significant downside risks to the economic outlook", prompting the institution to start "Operation Twist", the sale of short term Treasuries and the purchase of an equal amount (\$400 billion) of long-term Treasury bonds.
- Corporate pension funded status deteriorated during the quarter, plummeting from 87% to 73% as investment losses and falling corporate bond yields reduced funded status by more than \$250 billion during the quarter.
- The U.S. dollar gained versus the Euro. The Japanese Yen was relatively strong versus the U.S. Dollar and the Euro.
- Generally speaking, hedge funds posted disappointing returns during the quarter. Several high profile funds suffered enormous losses. The Hedge Fund Research HFRX equal weighted index of hedge funds fell -4.7% for the year to date period.
- World real GDP growth expectations are still positive but depressed. Emerging countries are expected to outpace debt-ridden, developed countries for a period of time.

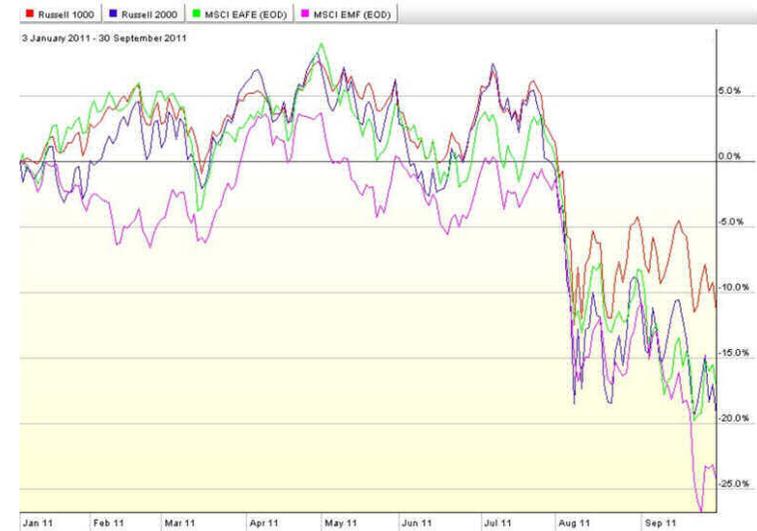
US Real GDP Growth - Annualized



# DOMESTIC AND INTERNATIONAL EQUITY SUMMARY

The U.S. and foreign equity markets were weaker during the quarter. Global sovereign debt issues and weak economic growth discouraged equity investors, causing them to sell shares and buy lower risk assets. However, corporate performance remained very high. IPO activity was moribund during the quarter.

- Top contributing sectors of the domestic equity market were **Utilities (0% return)**, **Telecommunications (-9%)**, and **Consumer Staples (-4%)**. The poorest performing index sectors were **Energy (-21%)**, **Financials (-22%)**, and **Industrials (-22%)**.
- The three largest individual contributors to the Russell 1000's third quarter return were **Apple, Inc. (+14% return)**, **Bristol-Myers Squibb (+8%)**, and **McDonald's (+5%)**.
- Growth stocks outpaced value stocks during the third quarter. The same pattern held true over the trailing year, with growth leading by significant margins among all capitalizations.
- For the year to date period, defensive areas of the equity market outperformed. Low Beta, low earnings growth, large market cap and high dividend paying stocks outperformed. During the quarter, large cap stocks (-15% loss) outperformed mid caps (-20% loss), which outperformed small caps (-22%).
- The **Russell 1000's price/earnings ratio ended the third quarter of 2011 at 12.9**, a large decrease from 15.7 at the end of the second quarter. **Earnings growth remained above expectation as corporate America remained focused on cost control.** The Russell Mid Cap and Russell 2000's price/earnings ratios were 14.3 and 14.9 respectively, versus 18.5 and 18.7 last quarter.
- International equity markets declined during the quarter as the European Union was ineffectual in finding a solution to its debt issues. Market psychology was bipolar, moving between "risk acceptance" and "risk aversion", creating spasms of volatility and high levels of market correlation. **For the year to date period, the U.S. equity market's return ranked 4<sup>th</sup> out of 33 world equity markets.**
- New Zealand, Indonesia, and the Philippines were the top performing markets over the year to date period, posting returns of 0%, -2% and -5% in U.S. Dollar terms. Poorest performing markets were Greece (-48%), Finland (-33%), and Austria (-32%).
- In U.S. dollar terms, the strongest performing region during the third quarter was Japan, followed by the Pacific Rim and then Europe. The U.S. Dollar strengthened against other foreign currencies, depressing returns for U.S. investors.
- All ten sectors of the MSCI ACWI ex US index sectors posted third quarter losses.** The quarter's leading performance contributors were Health Care (-10% third quarter return), Telecommunications (-11%), and Utilities (-16%). The quarter's leading detractors were Financials (-24%), Industrials (-23%), and Materials (-26%).
- Emerging markets stocks were sharply lower during the quarter. Despite their more attractive growth outlook, they underperformed developed markets for the third consecutive quarter and now over the last year by a substantial margin. For the year ended September 30, emerging markets fell -18% vs. -9% for developed markets. Over the trailing year, the MSCI Small Cap index fell -6% vs. -9% for the large cap MSCI EAFE index.
- The top three contributors to the MSCI ACWI ex-U.S. index's third quarter return were China Mobile (+9% return), Japan Tobacco (+24%), and Autonomy Corporation (+45%). Poorest performers were BNP Paribas (-48% return), Siemens (-33%), and HSBC Holdings (-21%).



## 12 Month Forward P/E Ratio

	Europe ex UK	UK	Japan	Asia ex Japan
Current Value	8.5	8.7	11.5	11.0
<b>Post 1990 Average</b>	<b>14.2</b>	<b>12.7</b>	<b>32.5</b>	<b>14.0</b>
Discount/Premium	-40.1%	-31.5%	-64.6%	-21.4%

## FIXED INCOME SUMMARY

The world's fixed income markets were dominated by the global sovereign debt and banking crises. U.S. Treasury bonds were the main beneficiary as investors fled to the highest quality assets as global economic activity remained weak in a higher headline risk and high volatility environment. Domestic unemployment and housing markets are showing mixed signals as business and consumers are reluctant to increase spending. Consumer confidence fell 31% during the quarter. Fears of contagion from a European debt crisis persist as euro zone leaders have been unable to produce a long-term viable solution. The U.S. Federal Reserve approved "Operation Twist" at their September meeting. This program of large scale purchase of U.S. Treasury bonds sparked a rally in medium and long-term bonds but is anticipated to have relatively little effect on economic growth.

- Bonds did outperform equities during the third quarter. Slowing growth in the U.S. and Europe combined with China's efforts to slow growth were positive factors for bond investors. Yields fell along the Treasury bond yield curve. Performance favored long-term bonds over short term and intermediate term issues. The yield on the thirty year Treasury bond ended the period at 2.9%, down 1.5%. The yield on the five and ten year Treasury bonds declined by 0.2% and 0.8% respectively. These declines are all the more remarkable given the low starting yields.

- Yield spreads expanded during the third quarter as many investors sold risky bonds and bought low risk Treasuries. Global government bonds rallied during a flight to quality. Duration adjusted returns of all other bond market sectors were negative versus government bonds.

- Treasury Inflation Protected bonds (TIPS) posted strong returns due to growing inflation fears. Mortgage backed bonds endured their worst quarter since 2008. Asset-backed securities, especially short term issues, remained attractive despite reduced risk appetites. Commercial mortgage-backed underperformed as marginal investors moved to the sidelines and deal flow was difficult.

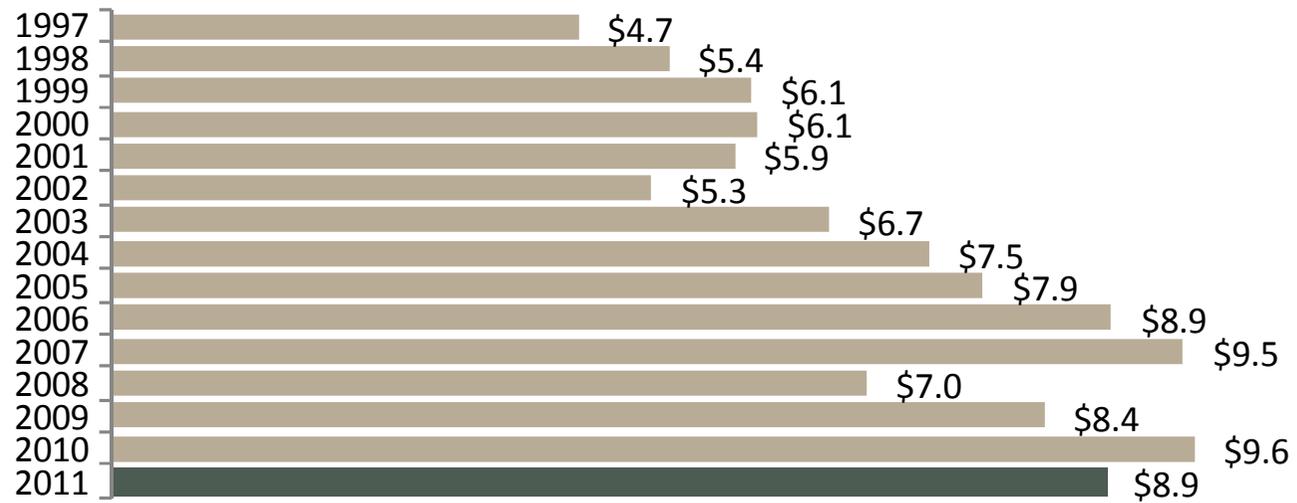
- Credit metrics remained good for many investment grade debt issuers. Investment grade issuers reported record levels of cash. Despite strong fundamentals, corporate bond yield spreads widened during the third quarter. New issue supply slowed moderately during the quarter.

- The high yield market traded sharply lower during August and September, extending the summer's relative weakness. New issuance of high yield debt faded as investors demanded sharply higher yields and stronger loan covenants. Cash flows to the asset class were again negative during the quarter. Year-to-date, thirteen companies have defaulted on a total of \$9.1 billion of issuance, resulting in a twelve month default rate of 1.2%.

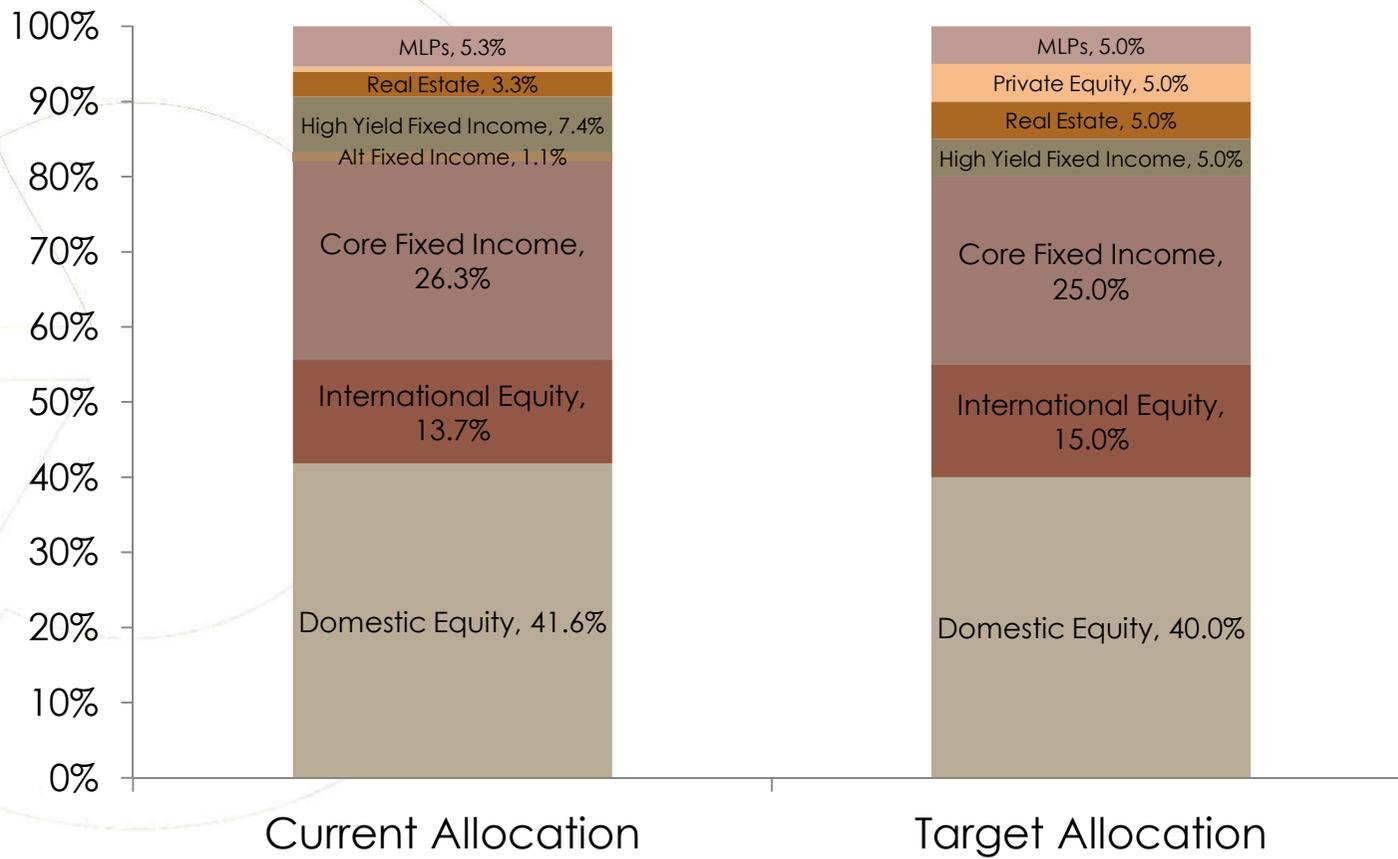
Risk Level	Time Horizon			
	One Year		Three Years (annualized)	
	Terminal Yield	Total Return	Terminal Yield	Total Return
<b>Low</b>				
2 Year Treasury (9.30 = 0.2%)	2.5%	<b>-4.1%</b>	5.0%	<b>-2.8%</b>
	1.5%	<b>-2.2%</b>	4.0%	<b>-2.2%</b>
	0.5%	<b>-0.3%</b>	3.0%	<b>-1.6%</b>
<b>Medium</b>				
10 Year Treasury (9.30 = 1.0%)	4.5%	<b>-18.7%</b>	6.0%	<b>-8.9%</b>
	3.5%	<b>-11.3%</b>	5.3%	<b>-7.1%</b>
	2.5%	<b>-3.2%</b>	4.0%	<b>-3.8%</b>
<b>High Risk</b>				
30 Year Treasury (9.30 = 2.9%)	5.5%	<b>-34.9%</b>	6.5%	<b>-14.8%</b>
	4.5%	<b>-23.1%</b>	5.5%	<b>-10.7%</b>
	3.5%	<b>-8.0%</b>	4.5%	<b>-6.0%</b>

<b>Domestic Equity</b>	<i>Last Quarter</i>	<i>Last Year</i>	<i>Last Three Years Annualized</i>	<i>Last Five Years Annualized</i>	<i>Last Ten Years Annualized</i>
<b>S&amp;P 500</b>	-13.9	1.1	1.2	-1.2	2.8
<b>Russell 1000</b>	-14.7	0.9	1.6	-0.9	3.3
<b>Russell 1000 Value</b>	-16.2	-1.9	-1.5	-3.5	3.4
<b>Russell 1000 Growth</b>	-13.1	3.8	4.7	1.6	3.0
<b>Russell 3000</b>	-15.3	0.6	1.5	-0.9	3.5
<b>Russell Midcap</b>	-18.9	-0.9	4.0	0.6	7.5
<b>Russell Midcap Value</b>	-18.5	-2.4	2.0	-0.8	7.5
<b>Russell Midcap Growth</b>	-19.3	0.8	5.9	1.6	6.7
<b>Russell 2000</b>	-21.9	-3.5	-0.4	-1.0	6.1
<b>Russell 2000 Value</b>	-21.5	-6.0	-2.8	-3.1	6.5
<b>Russell 2000 Growth</b>	-22.3	-1.1	2.1	1.0	5.5
<b>Alerian MLP</b>	-7.0	7.0	23.2	13.2	14.4
<b>Fixed Income</b>					
<b>Barclays Capital Aggregate Bond</b>	3.8	5.3	8.0	6.5	5.7
<b>Barclays Capital Credit</b>	3.0	4.6	11.7	6.7	6.3
<b>Barclays Capital Government</b>	5.9	5.6	6.4	6.6	5.4
<b>Barclays Capital Govt/Credit</b>	4.7	5.1	8.4	6.5	5.7
<b>Barclays Capital Interm Credit</b>	0.9	2.9	10.2	6.2	5.7
<b>Barclays Capital Interm Govt</b>	3.2	3.7	5.4	5.9	4.8
<b>Barclays Capital Interm Govt/Cred</b>	2.4	3.4	7.0	5.9	5.1
<b>Barclays Capital Long Credit</b>	9.1	9.3	16.6	8.2	8.1
<b>Barclays Capital Long Term Govt</b>	23.9	16.8	12.9	10.5	8.5
<b>Barclays Capital Long Govt/Credit</b>	15.6	12.7	14.9	9.4	8.3
<b>Barclays Capital Fixed Rate MBS</b>	2.4	5.6	7.0	6.7	5.6
<b>Merrill Lynch US High Yield Master II</b>	-6.3	1.3	13.7	6.9	8.6
<b>91 Day T-Bill</b>	0.0	0.1	0.2	1.6	1.9
<b>Consumer Price Index</b>	0.7	3.8	1.1	2.1	2.5
<b>International</b>					
<b>MSCI EAFE</b>	-19.0	-9.4	-1.1	-3.5	5.0
<b>MSCI World ex US</b>	-19.0	-9.1	-0.9	-2.9	5.5
<b>MSCI Europe</b>	-22.6	-11.8	-2.8	-4.1	4.8
<b>MSCI Japan</b>	-6.4	-0.1	-0.2	-4.9	2.8
<b>MSCI Pacific ex Japan</b>	-19.8	-10.9	7.6	4.7	13.0
<b>MSCI Emerging Markets</b>	-23.2	-18.1	3.8	2.5	13.4
<b>Citigroup Non-\$ World Gov</b>	1.0	4.1	8.1	7.8	8.0

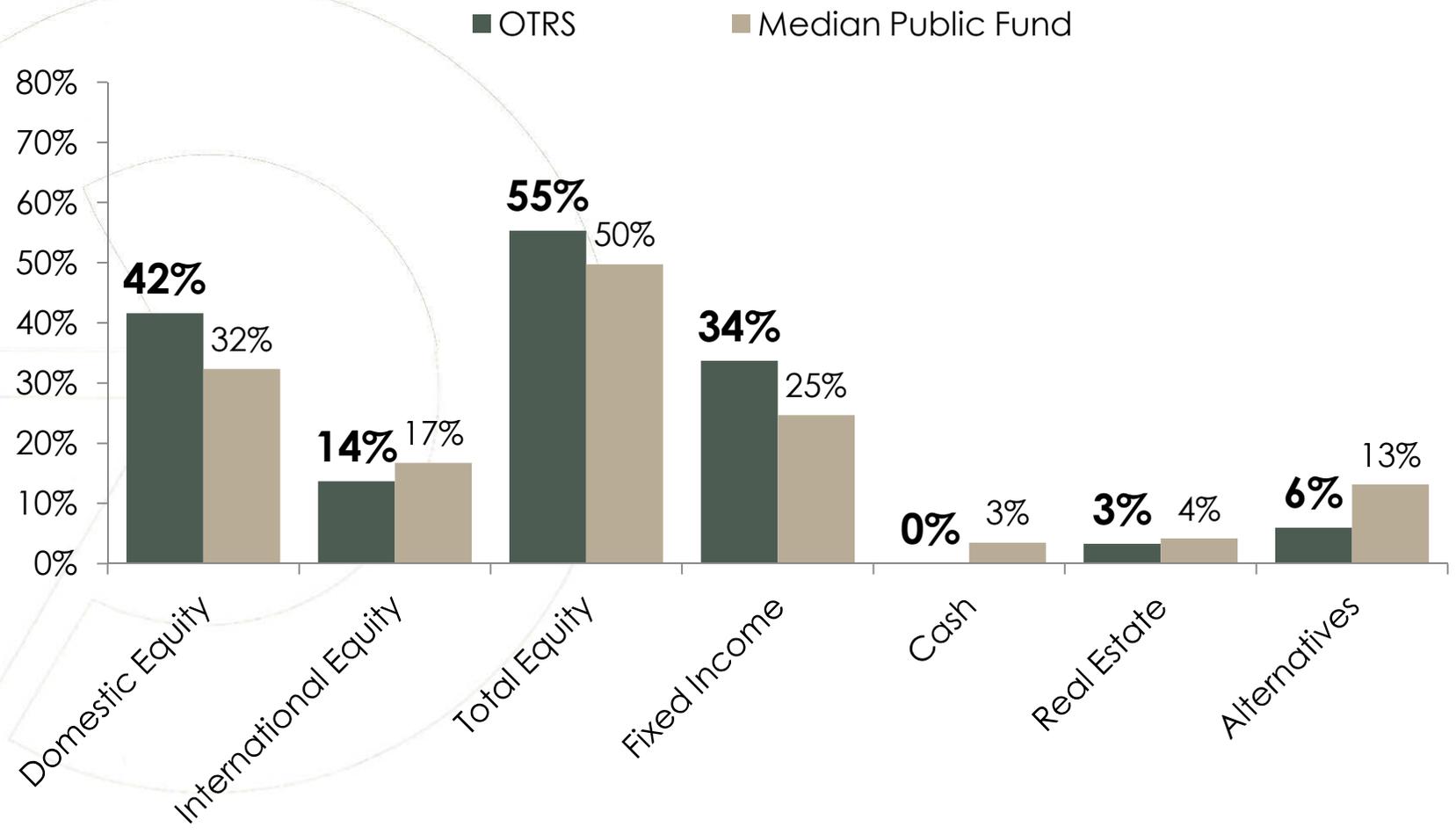
# Total Fund Market Value (in billions)



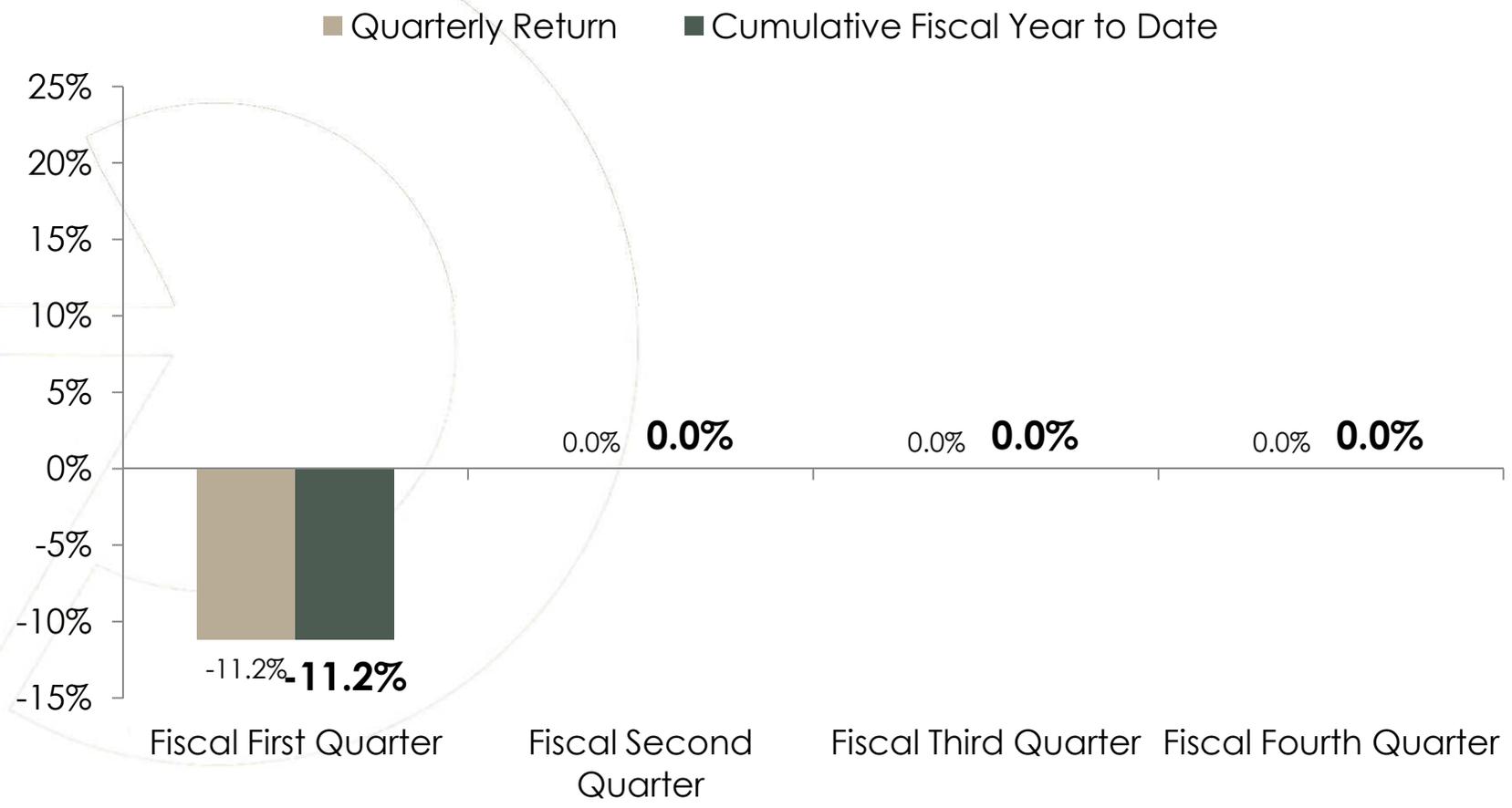
# Asset Allocation Summary – Total Fund



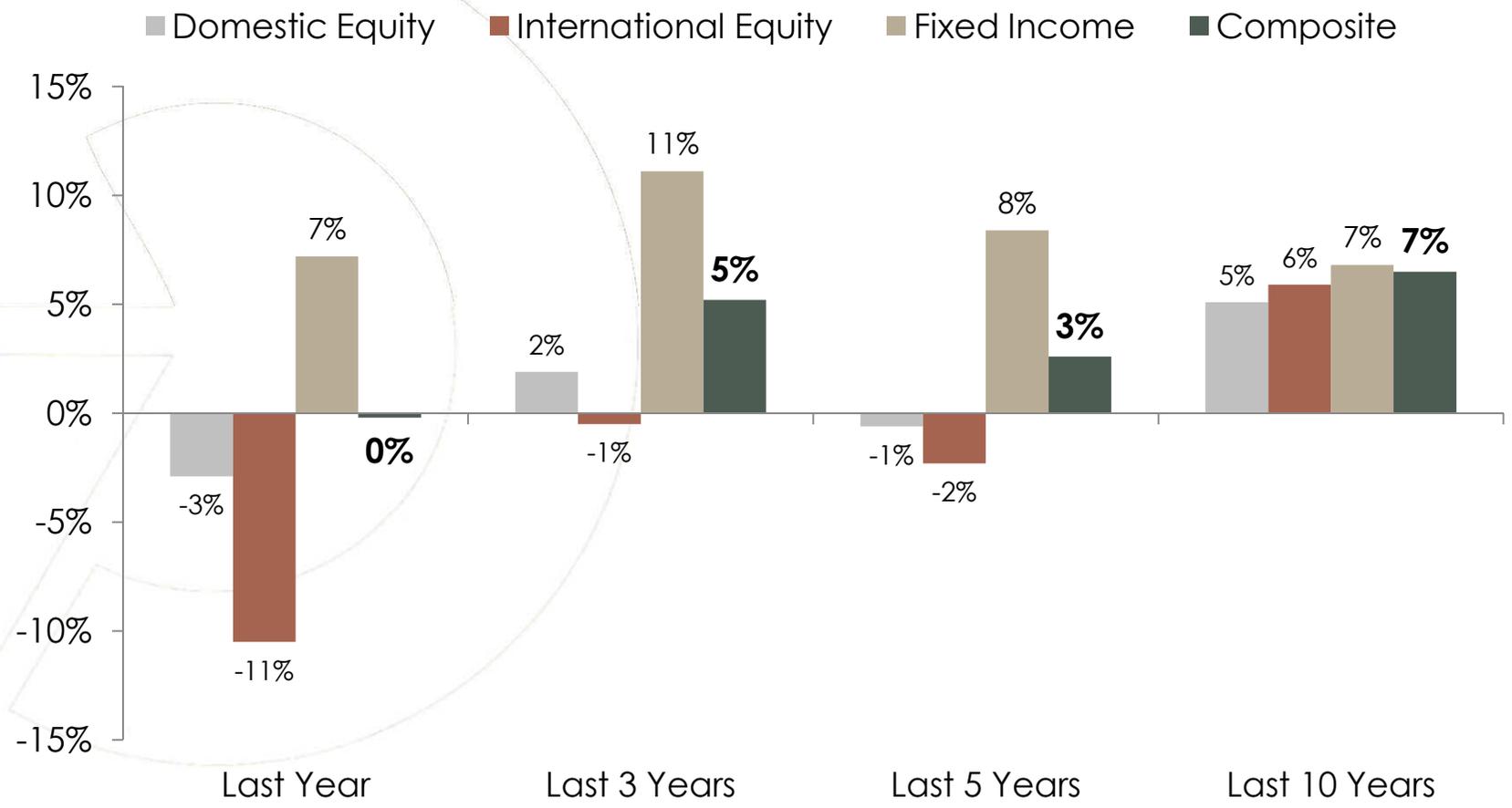
# Total Fund Allocation vs. Median Public Fund



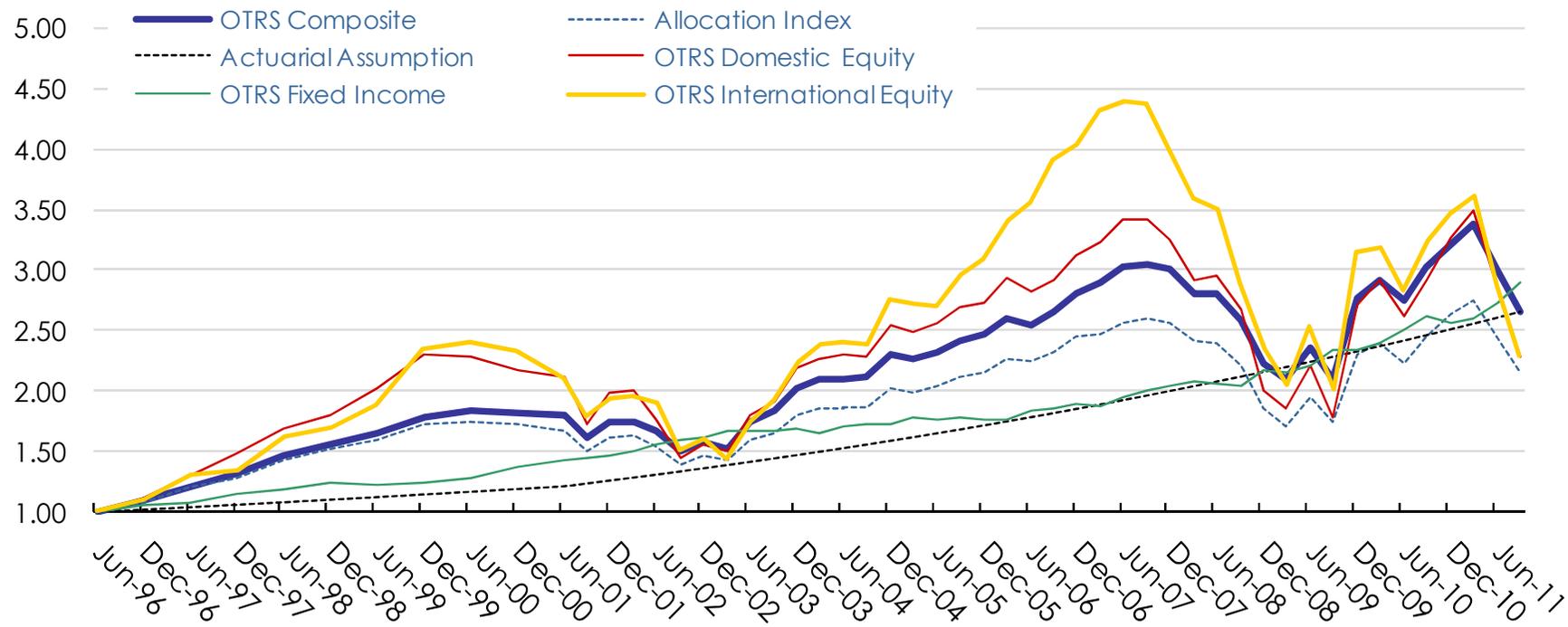
# Composite Performance Summary as of September 30, 2011



# Composite Performance Summary as of September 30, 2011



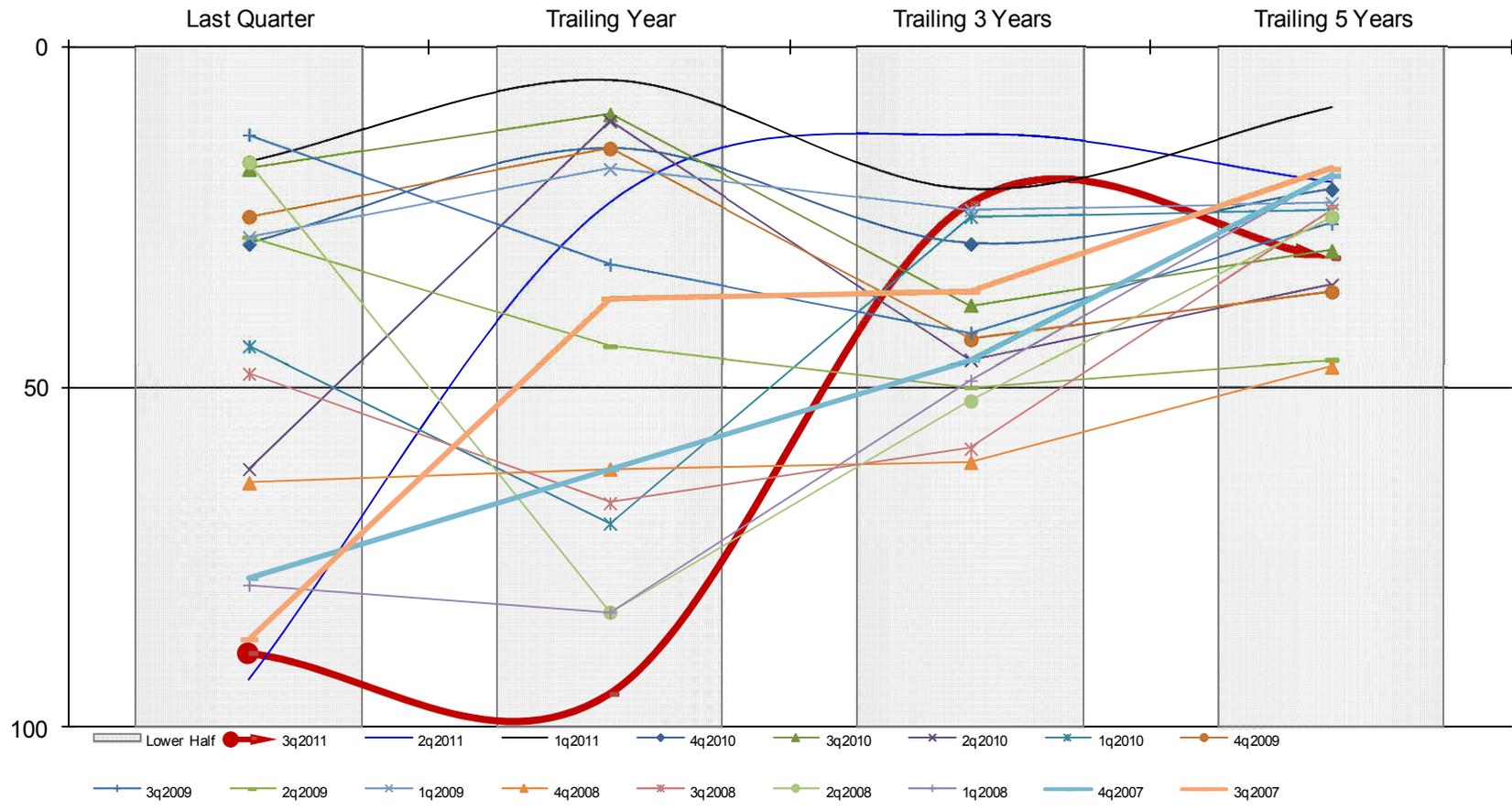
# Growth of a Dollar Over Time Period Ended September 30, 2011



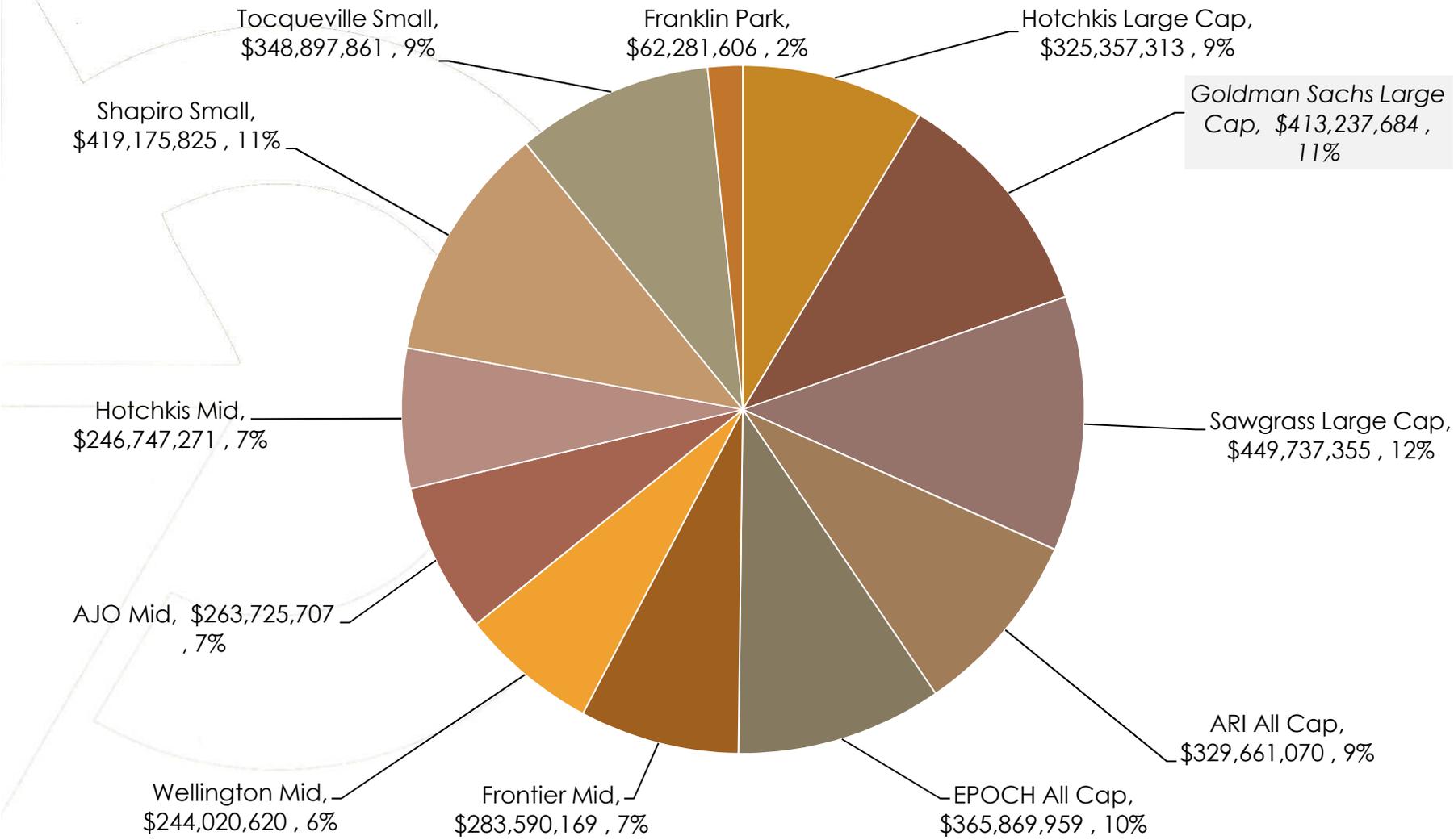
# Performance – Total Fund

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank	Last 10 Years	% Rank
<b>Total Fund</b>	<b>-11.2</b>	<b>89<sup>th</sup></b>	<b>-0.2</b>	<b>95<sup>th</sup></b>	<b>5.2</b>	<b>23<sup>rd</sup></b>	<b>2.6</b>	<b>31<sup>st</sup></b>	<b>6.5</b>	<b>15<sup>th</sup></b>
Allocation Index	-11.3		0.1		3.8		1.5		5.6	
Actuarial Assumption	1.9		8.0		8.0		8.0		8.0	
<b>Total Domestic Equity</b>	<b>-19.1</b>	<b>66<sup>th</sup></b>	<b>-2.9</b>	<b>71<sup>st</sup></b>	<b>1.9</b>	<b>49<sup>th</sup></b>	<b>-0.6</b>	<b>60<sup>th</sup></b>	<b>5.1</b>	<b>16<sup>th</sup></b>
S&P 500	-13.9		1.1		1.2		-1.2		2.8	
<b>Total International Equity</b>	<b>-20.2</b>	<b>64<sup>th</sup></b>	<b>-10.5</b>	<b>56<sup>th</sup></b>	<b>-0.5</b>	<b>79<sup>th</sup></b>	<b>-2.3</b>	<b>66<sup>th</sup></b>	<b>5.9</b>	<b>70<sup>th</sup></b>
MSCI ACWI	-19.0		-8.9		-0.7		-3.0		5.5	
<b>Total Core Fixed Income</b>	<b>5.7</b>	<b>24<sup>th</sup></b>	<b>7.2</b>	<b>36<sup>th</sup></b>	<b>11.1</b>	<b>27<sup>th</sup></b>	<b>8.4</b>	<b>17<sup>th</sup></b>	<b>6.8</b>	<b>35<sup>th</sup></b>
BC Aggregate	3.8		5.3		8.0		6.5		5.7	

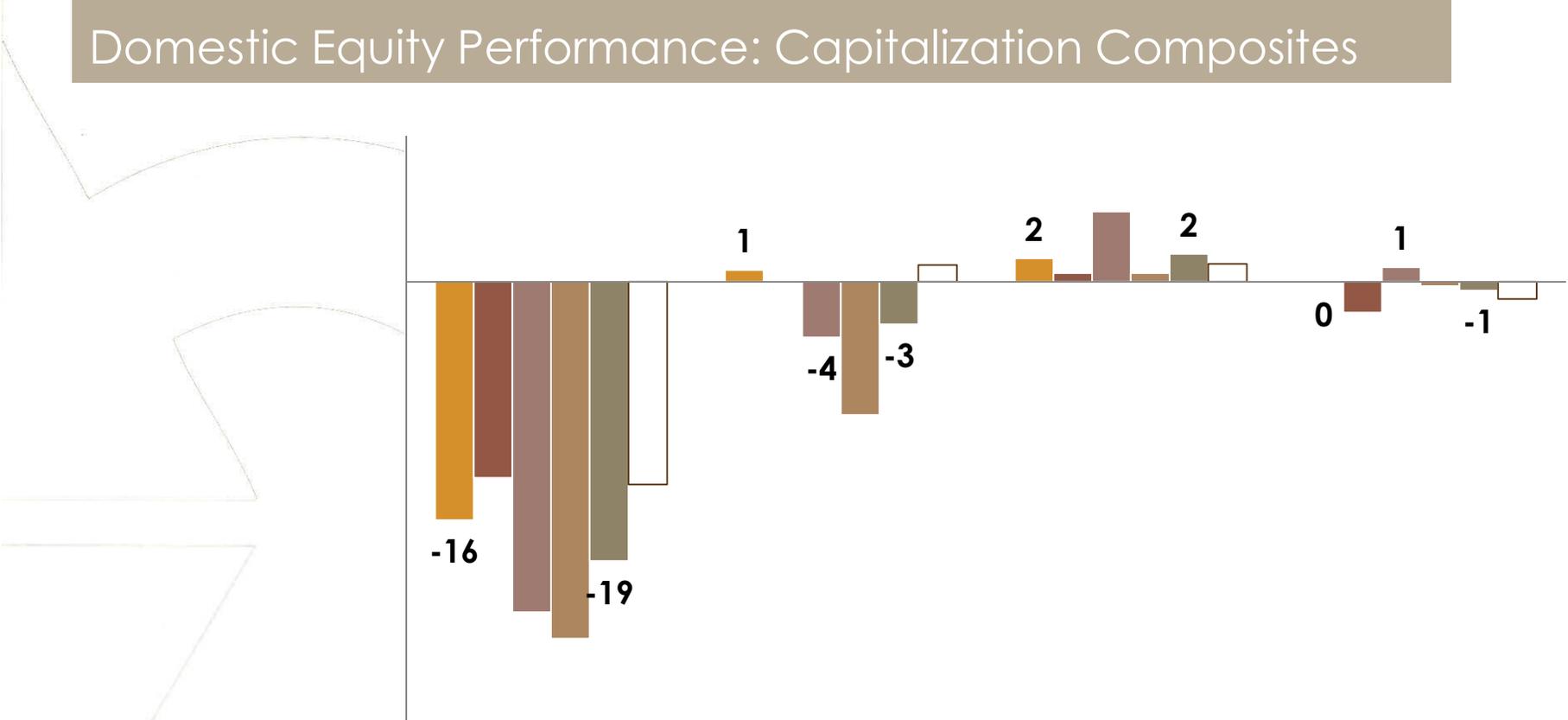
# Composite Peer Rank History Periods Ended September 30, 2011



# Asset Allocation Summary – Domestic Equity Allocation



# Domestic Equity Performance: Capitalization Composites



	Last Quarter	Last Year	Last Three Years	Last 5 Years
All Cap	-16.3	0.8	1.6	-0.1
Large Cap	-13.4	0.0	0.6	-2.1
Mid Cap	-22.6	-3.8	4.8	1.0
Small Cap	-24.4	-9.1	0.6	-0.3
All Domestic Equity	-19.1	-2.9	1.9	-0.6
S&P 500	-13.9	1.1	1.2	-1.2

## Performance – All Cap and Large Cap Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Advisory Research</b>	-14.0	28 <sup>th</sup>	<b>2.8</b>	<b>16<sup>th</sup></b>	1.8	31 <sup>st</sup>	-0.8	44 <sup>th</sup>
<b>EPOCH</b>	-18.3	83 <sup>rd</sup>	-1.0	69 <sup>th</sup>	1.1	59 <sup>th</sup>	<b>0.6</b>	<b>19<sup>th</sup></b>
<i>Russell 3000</i>	-15.3		0.6		1.5		-0.9	
<i>Russell 3000 Value</i>	-16.6		-2.2		-1.6		-3.5	
<b>Hotchkis LCV</b>	-16.2	42 <sup>nd</sup>	-4.0	70 <sup>th</sup>	3.1	14 <sup>th</sup>	-5.2	94 <sup>th</sup>
<b>Goldman Sachs</b>	-13.6	29 <sup>th</sup>	-2.3	77 <sup>th</sup>	1.6	67 <sup>th</sup>	1.0	49 <sup>th</sup>
<b>Sawgrass</b>	<b>-10.5</b>	<b>8<sup>th</sup></b>	<b>5.8</b>	<b>12<sup>th</sup></b>	3.1	47 <sup>th</sup>	0.6	58 <sup>th</sup>
<i>S&amp;P 500</i>	-13.9		1.1		1.2		-1.2	

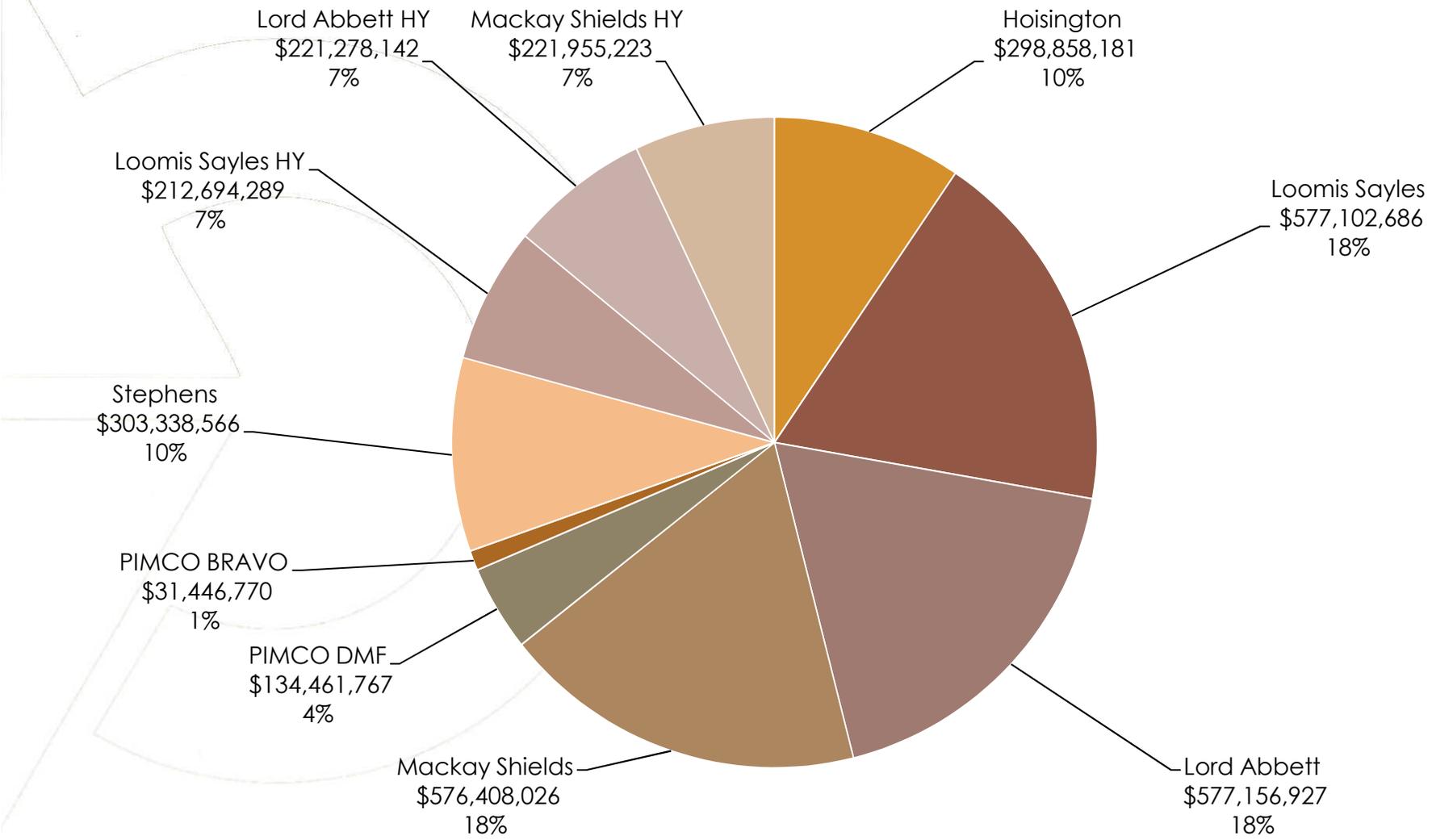
## Performance – Mid Cap and Small Cap Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>AJO</b>	-20.2	57 <sup>th</sup>	1.0	32 <sup>nd</sup>	4.5	52 <sup>nd</sup>	0.9	69 <sup>th</sup>
<b>Frontier</b>	-17.7	33 <sup>rd</sup>	1.3	36 <sup>th</sup>	5.0	44 <sup>th</sup>	5.0	20 <sup>th</sup>
<b>Hotchkis MCV</b>	-26.5	96 <sup>th</sup>	-10.4	89 <sup>th</sup>	8.0	12 <sup>th</sup>	-2.5	95 <sup>th</sup>
<b>Wellington</b>	-26.3	96 <sup>th</sup>	-6.9	94 <sup>th</sup>	2.7	65 <sup>th</sup>	0.3	80 <sup>th</sup>
<i>Russell MC</i>	-18.9		-0.9		4.0		0.6	
<b>Shapiro</b>	-21.0	56 <sup>th</sup>	-3.7	43 <sup>rd</sup>	5.9	3 <sup>rd</sup>	2.9	19 <sup>th</sup>
<b>Tocqueville</b>	-28.1	97 <sup>th</sup>	-14.8	96 <sup>th</sup>	-3.6	95 <sup>th</sup>	-2.3	86 <sup>th</sup>
<i>Russell 2000</i>	-21.9		-3.5		-0.4		-1.0	

## Composite Equity Portfolio Characteristics – Trailing Three Years

	Market Cap	Alpha	Tracking Error	R <sup>2</sup>	Information Ratio	Sharpe Ratio	Standard Deviation
Domestic Equity	\$38 bb	1.02	5.90	0.95	0.03	0.11	24.6%
All Cap Equity	\$52 bb	0.09	3.50	<b>0.97</b>	0.02	0.06	22.0%
Large Cap Equity	<b>\$78 bb</b>	-0.07	4.90	<b>0.97</b>	-0.22	0.11	21.5%
Mid Cap Equity	\$6 bb	0.56	6.61	0.96	0.03	<b>0.18</b>	26.6%
Small Cap Equity	\$6 bb	<b>4.23</b>	<b>8.62</b>	0.91	<b>0.46</b>	0.04	<b>29.0%</b>
International Equity	\$38 bb	0.29	4.71	<b>0.97</b>	0.04	-0.02	25.1%
Total Equity	\$38 bb	0.84	5.60	0.96	0.04	0.08	24.7%

# Asset Allocation Summary – Fixed Income Allocation



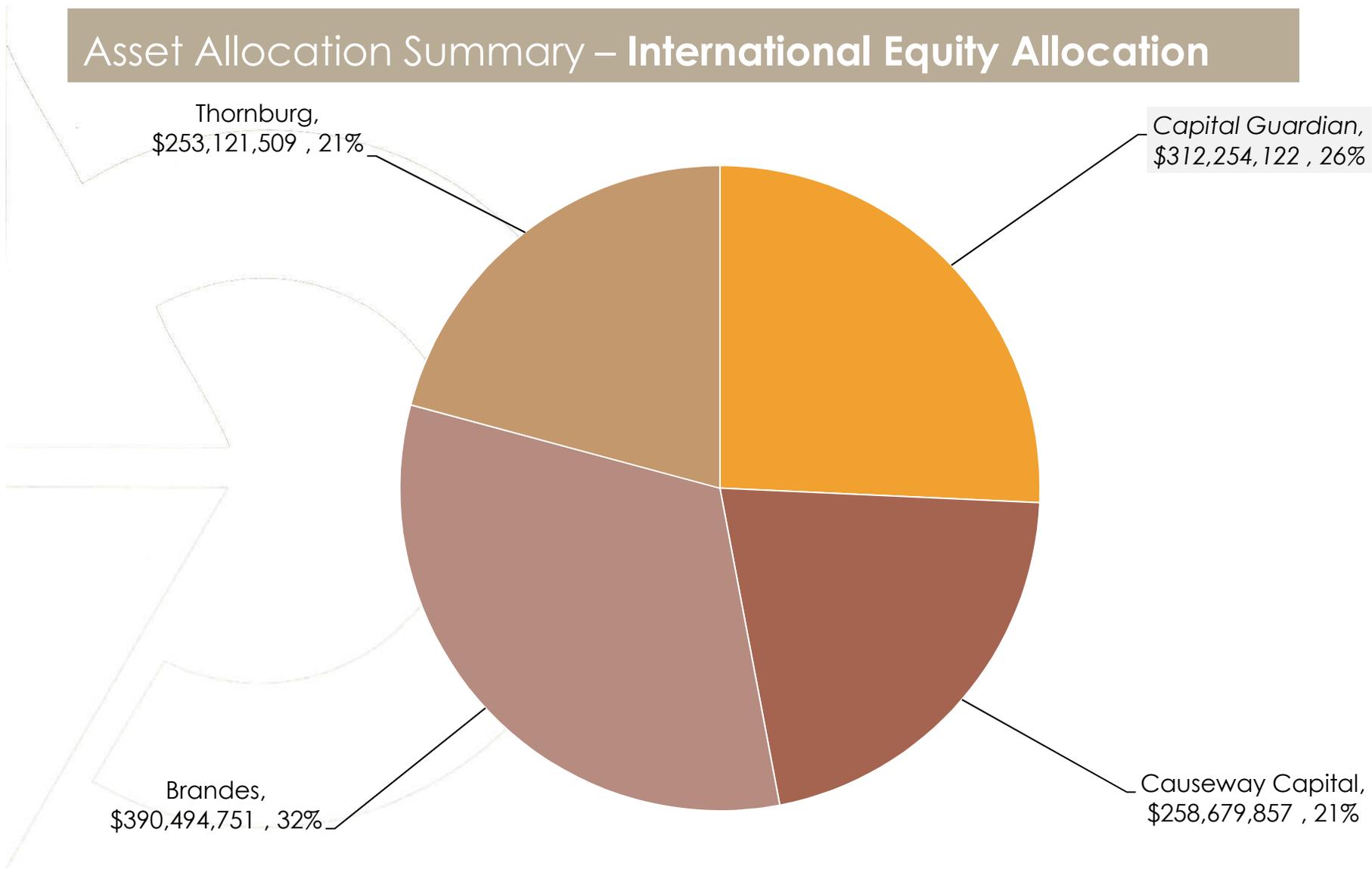
# Performance – Fixed Income Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Hoisington</b>	35.8	1 <sup>st</sup>	22.0	1 <sup>st</sup>	15.2	17 <sup>th</sup>	12.0	3 <sup>rd</sup>
<b>Loomis Sayles</b>	1.1	87 <sup>th</sup>	5.0	58 <sup>th</sup>	13.7	1 <sup>st</sup>	9.6	4 <sup>th</sup>
<b>Lord Abbett</b>	2.7	61 <sup>st</sup>	5.5	42 <sup>nd</sup>	10.5	22 <sup>nd</sup>	7.7	21 <sup>st</sup>
<b>Mackay Shields</b>	0.8	90 <sup>th</sup>	5.3	50 <sup>th</sup>	9.7	33 <sup>rd</sup>	7.7	21 <sup>st</sup>
<b>Stephens</b>	1.5	82 <sup>nd</sup>	2.6	86 <sup>th</sup>	6.6	82 <sup>nd</sup>	6.6	57 <sup>th</sup>
<i>BC Aggregate</i>	3.8		5.3		8.0		6.5	
<b>Loomis HY</b>	-11.3	97 <sup>th</sup>	-3.1	96 <sup>th</sup>	-		-	
<b>Lord Abbett HY</b>	-6.3	80 <sup>th</sup>	3.0	52 <sup>nd</sup>	-		-	
<b>Mackay HY</b>	-3.0	24 <sup>th</sup>	4.8	23 <sup>rd</sup>	-		-	
<i>ML High Yield II</i>	-6.3		1.3		13.7		6.9	

## Fixed Income Portfolio Characteristics – Trailing Five Years

	Asset Class	Credit Quality	Modified Duration	Yield to Maturity
Hoisington	Interest Rate Sensitive	<b>AA</b>	<b>19.3</b>	2.9%
Loomis Sayles	Core Plus	A	5.7	4.4%
Lord Abbett	Core Plus	A	4.6	3.3%
Mackay Shields	Core Plus	A	4.5	4.7%
Stephens	Interest Rate Sensitive	<b>AA</b>	2.3	0.6%
Loomis Sayles	High Yield	B	3.3	4.6%
Lord Abbett	High Yield	B	3.6	6.5%
Mackay Shields	High Yield	B	4.3	<b>8.4%</b>
Composite	Core Plus	A	5.9	4.2%

# Asset Allocation Summary – International Equity Allocation



## Performance – International Equity Managers

	Last Quarter	% Rank	Last Year	% Rank	Last 3 Years	% Rank	Last 5 Years	% Rank
<b>Brandes</b>	-17.2	19 <sup>th</sup>	-9.6	41 <sup>st</sup>	-2.1	97 <sup>th</sup>	-3.2	80 <sup>th</sup>
<b>Causeway</b>	-22.2	96 <sup>th</sup>	-10.9	65 <sup>th</sup>	1.0	48 <sup>th</sup>	-2.3	65 <sup>th</sup>
<b>Capital Guardian</b>	-21.3	84 <sup>th</sup>	-12.1	82 <sup>nd</sup>	-1.1	86 <sup>th</sup>	-3.2	80 <sup>th</sup>
<b>Thornburg</b>	-21.0	81 <sup>st</sup>	-9.4	38 <sup>th</sup>	1.9	25 <sup>th</sup>	2.0	10 <sup>th</sup>
<b>MSCI EAFE</b>	-19.0		-8.9		-0.7		-3.0	
<b>MSCI ACWI Ex US</b>	-18.9		-8.7		-0.4		-2.4	

Audit Committee  
Teachers' Retirement System  
of Oklahoma

We have audited the financial statements of the Teachers' Retirement System of Oklahoma (the "System") for the year ended June 30, 2011, and have issued our report thereon dated November 7, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Governmental Auditing Standards

As stated in our engagement letter dated May 3, 2011, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts, may exist and not be detected by us.

As part of our audit, we considered the internal controls of the System. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the System's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the System are described in Note B to the financial statements.

We noted no transactions entered into by the System during the year that were both significant and unusual and, of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may have not been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the System that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments as part of our audit.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the governmental unit's general purpose financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the System's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in preparation of the financial statements in performing and completing our audit.

Management Representations

We received a representation letter from management dated November 7, 2011. We can provide the Board of Trustees a copy of this letter on request.

Independence

Our professional standards specify that we communicate to you in writing, at least annually, all independence-related relationships between our firm and the System and provide confirmation that we are independent accountants with respect to the System.

We hereby confirm that as of November 7, 2011, we are independent accountants with respect to the System under all relevant professional and regulatory standards.

\*\*\*\*\*

This information is intended solely for the use of the Audit Committee, Board of Trustees, and management of the System, and is not intended to be and should not be used by anyone other than these specified parties.

Cole & Reed P.C.

Oklahoma City, Oklahoma  
November 7, 2011

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

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## Independent Auditors' Report

Board of Trustees  
Teachers' Retirement System  
of Oklahoma

We have audited the accompanying statements of plan net assets of the Teachers' Retirement System of Oklahoma (the "System"), a part of the financial reporting entity of the State of Oklahoma, as of June 30, 2011 and 2010, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the System at June 30, 2011 and 2010, and the changes in its net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2011, on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Management's Discussion and Analysis and the Schedules of Funding Progress and Employers' Contributions, as listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the schedules on pages 29 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cole & Reed P.C.

Oklahoma City, Oklahoma  
November 7, 2011

## Teachers' Retirement System of Oklahoma

### Management's Discussion and Analysis

Management is pleased to present this discussion and analysis of the financial activities of the Oklahoma Teachers Retirement System ("OTRS" or the "System") for the years ended June 30, 2011, 2010, and 2009. The System is responsible for administering retirement benefits for a 401(a) defined benefit plan for all educational employees of the state of Oklahoma as well as a voluntary defined contribution plan, 403(b). The System was established on July 1, 1943 for the purpose of providing these retirement benefits and other specific benefits for qualified persons employed by public educational institutions. The main purpose of the System is to provide a primary source of lifetime retirement benefits relative to years of service at the time of retirement. It is the objective of the System to provide these benefits in a prudent, responsible, and cost-effective manner. Plan net assets are used to pay current and future benefits to retired clients.

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements. OTRS's basic financial statements are comprised of three components: 1) *statement of plan net assets*, 2) *statement of changes in plan net assets*, and 3) *notes to the financial statements*. This report also contains *required supplementary information* in addition to the basic financial statements themselves.

The *statement of plan net assets* presents information on all of the System's assets and liabilities, with the difference between the two reported as *net assets held in trust for pension benefits and annuity benefits of electing members*. Over time, increases or decreases in net plan assets may serve as a useful indicator of whether the financial position of the System is improving or deteriorating. Information relating to the System's ability to meet the cost of future benefit payments, is not shown on the *statement of plan net assets*, but is located in both the *notes to the financial statements* and the *required supplementary information*.

The *statement of changes in plan net assets* presents information showing how the System's net assets changed during the most recent fiscal year. Changes in net assets are recognized using the accrual basis of accounting, in which expenses are recorded when the liability is incurred and revenues are recorded in the accounting period in which they are earned and become measurable.

The *notes to the financial statements* are critical to the reader's understanding of the financial status of the System. These notes include a description of the System, details on the cash and investments of the System, as well as contribution and benefit information.

The *required supplementary information* presents a Schedule of Funding Progress that provides historical trend information about the actuarially determined funded status of the System. The Schedule of Employers' Contributions provides historical trend information about the annual required contributions ("ARC") of the System and the contributions made to the System in relation to the ARC. Other supplementary information includes the Schedules of Administrative Expenses, the Schedules of Investment Expenses, and the Schedules of Professionals/Consultants Fees. These schedules provide additional analysis of the information provided in the financial statements.

**Teachers' Retirement System of Oklahoma**  
**Management's Discussion and Analysis (Continued)**

**CONDENSED FINANCIAL INFORMATION**

*Plan Net Assets as of June 30:*

	2011	2010	2009	2011 % Change	2010 % Change
<b>ASSETS</b>					
Cash	\$ 14,348,481	\$ 9,646,573	\$ 6,340,103	48.74%	52.15%
Receivables	270,340,945	172,564,773	368,698,302	56.66%	-53.20%
Long and short-term investments, at fair value	10,349,078,808	8,519,177,169	7,479,921,376	21.48%	13.89%
Capital assets, net	874,921	187,847	224,182	365.76%	-16.21%
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>	10,634,643,155	8,701,576,362	7,855,183,963	22.22%	10.77%
Securities lending institutional daily assets fund	2,023,648,275	2,247,747,871	1,094,475,078	-9.97%	105.37%
<b>TOTAL ASSETS</b>	12,658,291,430	10,949,324,233	8,949,659,041	15.61%	22.34%
<b>LIABILITIES</b>					
Investment settlements and other liabilities	254,834,471	134,652,920	402,991,252	89.25%	-66.59%
Payable under securities lending agreement	2,023,648,275	2,247,747,871	1,094,475,078	-9.97%	105.37%
<b>TOTAL LIABILITIES</b>	2,278,482,746	2,382,400,791	1,497,466,330	-4.36%	59.10%
<b>NET ASSETS</b>					
Net assets held in trust for pension benefits	\$ 10,379,808,684	\$ 8,566,923,442	\$ 7,452,192,711	21.16%	14.96%

*Changes in Plan Net Assets for the year ended June 30:*

	2011	2010	2009	2011 % Change	2010 % Change
<b>ADDITIONS:</b>					
Member contributions	\$ 286,643,244	\$ 290,247,028	\$ 288,238,426	-1.24%	0.70%
Employer contributions	364,025,589	366,282,238	338,974,512	-0.62%	8.06%
Matching contributions	23,128,795	26,448,892	22,652,221	-12.55%	16.76%
Dedicated tax revenue	251,322,410	227,926,247	257,019,830	10.26%	-11.32%
Member tax shelter contributions	5,010,856	5,402,646	8,678,472	-7.25%	-37.75%
Net investment income gain (loss)	1,919,301,220	1,186,235,015	(1,461,365,729)	61.80%	-181.17%
Security lending net income	6,336,019	5,032,411	9,318,329	25.90%	-45.99%
<b>TOTAL ADDITIONS</b>	2,855,768,133	2,107,574,477	(536,483,939)	35.50%	-492.85%
<b>DEDUCTIONS:</b>					
Benefit payments	979,245,846	912,912,714	876,273,193	7.27%	4.18%
Refund of member contributions and tax sheltered annuity	58,920,565	74,951,443	75,692,946	-21.39%	-0.98%
Administrative expenses	4,716,480	4,979,589	5,216,493	-5.28%	-4.54%
<b>TOTAL DEDUCTIONS</b>	1,042,882,891	992,843,746	957,182,632	5.04%	3.73%
<b>NET INCREASE (DECREASE)</b>	1,812,885,242	1,114,730,731	(1,493,666,571)	62.63%	-174.63%
<b>NET ASSETS, BEGINNING OF YEAR</b>	8,566,923,442	7,452,192,711	8,945,859,282	14.96%	-16.70%
<b>NET ASSETS, END OF YEAR</b>	\$ 10,379,808,684	\$ 8,566,923,442	\$ 7,452,192,711	21.16%	14.96%

**Teachers' Retirement System of Oklahoma**

**Management's Discussion and Analysis (Continued)**

**FINANCIAL HIGHLIGHTS AND ANALYSIS**

The increase in net assets primarily is due to investment gains as a result of significant market improvement in FY 2011 and 2010. The total investment returns for FY 2011 and 2010 were 23.5% and 16.6%, respectively. Domestic and international equity, which compose 60.0% of the investment portfolio asset allocation, had the greatest increases at 34.0% and 28.4%, respectively. The decrease of 16.7% in 2009 was the result of a significant market loss due to weaknesses in the United States and global markets.

	2011	2010	2009	2007	2002
Plan net assets	\$ 10,379,808,684	\$ 8,566,923,442	\$ 7,452,192,711	\$ 9,651,041,863	\$ 5,696,883,206
Yearly % change	21.2%	15.0%	-16.7%	18.1%	-5.8%

As a result of the market decline in 2009, the total investment returns for the three, five, and ten-year periods are below the actuarial assumed rate of investment return for each of the periods. As mentioned above, the losses were due to weaknesses in the United States and global markets. The assumed actuarial rate of return is 8.0% for the one, three, five and ten-year periods as of June 30, 2011.

Total returns	1 year	3 year	5 year	10 year
2011	23.5%	6.5%	5.9%	6.9%
2010	16.6%	-3.1%	3.4%	4.4%
2009	-16.0%	-2.6%	2.3%	3.9%
2007	18.5%	12.8%	12.8%	(1)
2002	-5.4%	1.0%	7.0%	(1)

*(1) Historical returns were not available for this time period*

Benefit payments increased 7.3% in 2011 compared to 4.2% in 2010 and 8.6% in 2009. The increase in 2011 is a result of a 4.3% increase in the number of benefit recipients and a 1.7% increase in the average monthly benefit. The increase in 2010 and 2009 are a result of a 4.2% and 3.4% increase in the number of benefit recipients, respectively, and 1.9% and 3.2% increase in the average monthly benefit, respectively. Benefit payments in 2011 to retired members exceed contributions from contributing members and employers by \$108 million or a ratio of 1.12 to 1. A ratio of less than one is desirable because it signifies that the System is receiving more contributions than it pays out in benefits. The table on the following page reflects the ongoing employer and member contributions.

**Teachers' Retirement System of Oklahoma**

**Management's Discussion and Analysis (Continued)**

**FINANCIAL HIGHLIGHTS AND ANALYSIS (Continued)**

	2011	2010	2009	2007	2002
Member contributions	\$ 291,654,100	\$ 295,649,674	\$ 296,916,898	\$ 294,291,782	\$ 226,445,669
Employer contributions	364,025,589	366,282,238	338,974,512	271,012,403	210,829,995
Matching contributions	23,128,795	26,448,892	22,652,221	21,402,183	13,138,458
Dedicated tax revenue	251,322,410	227,926,247	257,019,830	243,501,987	141,057,868
Total contributions	930,130,894	916,307,051	915,563,461	830,208,355	591,471,990
Benefit payments	979,245,846	912,912,714	876,273,193	767,212,709	561,222,392
Refund of contributions	58,920,565	74,951,443	75,692,946	57,378,925	58,495,950
Total payments	\$ 1,038,166,411	\$ 987,864,157	\$ 951,966,139	\$ 824,591,634	\$ 619,718,342
Ratio benefit payments/ contributions	1.12	1.08	1.04	0.99	1.05

The number of benefit recipients increased 8.6% over the past three years from 46,796 to 50,829. Since 2002, the number of benefit recipients increased by 14,314 or 39.2%. The number of members retiring has remained relatively stable for the last five years.

	2011	2010	2009	2007	2002
Benefit recipients	50,829	48,756	46,796	43,506	36,515
Yearly % change	4.3%	4.2%	3.4%	4.1%	3.8%
Net increase	2,073	1,960	1,558	1,724	1,327

The following table reflects the average monthly benefit for service retirements. Over the ten-year period from 2002, the average benefit increased by \$291, or 23.4%. The retirement benefit payments increased 74.5% or \$418.0 million over this ten-year period. The increase in the average monthly benefits in FY 2009 and 2007 are due to cost-of-living adjustments ("COLAs") being granted by the state legislature to retirees. In FY 2011 and 2010 a COLA was not granted, however the average benefit increases are due to an increase in the average benefit received by the newer retirees.

	2011	2010	2009	2007	2002
Average benefit	\$ 1,537	\$ 1,511	\$ 1,483	\$ 1,419	\$ 1,246
Yearly % change	1.7%	1.9%	3.2%	3.4%	3.9%

## Teachers' Retirement System of Oklahoma

### Management's Discussion and Analysis (Continued)

The ratio of active members to retired members of the System is 1.73 to 1 in 2011 compared to 2.34 to 1 in 2002. Over the past ten years, the number of members contributing into the System increased 3.2%. During the same period, the number of retired members increased by 39.2%.

	2011	2010	2009	2007	2002
Members contributing	88,085	89,896	89,388	88,133	85,367
Yearly % change	-2.0%	0.6%	0.8%	1.1%	1.2%
Benefit recipients	50,829	48,756	46,796	43,506	36,515
Yearly % change	4.3%	4.2%	3.4%	4.1%	3.8%
Ratio contributing/retired	1.73	1.84	1.91	2.03	2.34

The measure of the progress in accumulating sufficient assets to meet the long-term benefit obligations is the funded status or the funded ratio of the System. The funded ratio is the actuarial value of assets expressed as a percentage of the actuarial accrued liability. The funding policy is the method to provide benefits, specified in the System, through the amounts and timing of contributions from the employers and the contributing clients. The excess of the actuarial accrued liability over the actuarial value of assets is the unfunded actuarial accrued liability ("UAAL"). The actuarial value of assets differs from the year-end fair value of the System's plan net assets by smoothing the effects of market fluctuations. In the calculation of the actuarial value of assets, 20% of the difference between the actual and assumed investment returns is included in the actuarial value of assets. During extended periods of market declines, the market value of the System's plan net assets usually will be less than the actuarial value of assets.

The 2011 actuarial valuation reflects a decrease in the UAAL from \$10,414 million to \$7,600 million, which resulted in the funded ratio increasing from 47.9% in FY 2010 to 56.7% in FY 2011. Based upon the current contribution schedule, the statutory contribution amounts are sufficient to amortize the UAAL. As of June 30, 2011 the funding period is 22.0 years, the funding period reported for June 30, 2010 was infinite. The decrease in the UAAL and resulting change to a 22.0 year funding period from an infinite funding period is principally due to the recognition of recent market gains and legislation passed during the FY 2011 legislative session; see Note K in the Notes to Financial Statements for further description. The FY 2010 and 2009 changes in funded ratio are the result of gains and losses on investments during those years.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest in the System. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Teachers' Retirement System of Oklahoma, P.O. Box 53524, Oklahoma City, Oklahoma 73152 or (405) 521-2387.

STATEMENTS OF PLAN NET ASSETS

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

As of June 30, 2011 (with Comparative Totals as of June 30, 2010)

			Comparative Totals	
	401(a) Plan	403(b) Plan	2011	2010
ASSETS				
Cash	\$ 14,348,481	\$ -	\$ 14,348,481	\$ 9,646,573
Short-term investments	361,798,249	-	361,798,249	250,812,377
Accrued interest and dividends receivable	45,636,139	-	45,636,139	45,625,225
Member contributions receivable	22,103,498	-	22,103,498	22,482,144
Employer contributions receivable	34,484,109	-	34,484,109	34,553,310
Receivable from the State of Oklahoma	27,322,221	-	27,322,221	23,542,532
Due from brokers for securities sold	140,794,978	-	140,794,978	46,361,562
Security lending				
institutional daily assets fund	2,023,648,275	-	2,023,648,275	2,247,747,871
Long-term investments:				
Mutual funds	-	223,451,514	223,451,514	214,957,100
U.S. government securities	1,128,778,574	-	1,128,778,574	1,156,414,166
U.S. corporate bonds	1,970,357,378	-	1,970,357,378	1,851,427,843
International corporate bonds and government securities	70,083,523	-	70,083,523	60,291,600
Equity securities	6,594,609,570	-	6,594,609,570	4,985,274,083
Total long-term investments	9,763,829,045	223,451,514	9,987,280,559	8,268,364,792
Capital assets, net	874,921	-	874,921	187,847
<b>TOTAL ASSETS</b>	<b>\$ 12,434,839,916</b>	<b>\$ 223,451,514</b>	<b>\$ 12,658,291,430</b>	<b>\$ 10,949,324,233</b>
LIABILITIES				
Benefits in process of payment	\$ 80,477,110	\$ -	\$ 80,477,110	\$ 15,999,565
Due to brokers for securities purchased	164,155,126	-	164,155,126	110,597,489
Payable under security lending agreement	2,023,648,275	-	2,023,648,275	2,247,747,871
Other liabilities	10,202,235	-	10,202,235	8,055,866
<b>TOTAL LIABILITIES</b>	<b>\$ 2,278,482,746</b>	<b>\$ -</b>	<b>\$ 2,278,482,746</b>	<b>\$ 2,382,400,791</b>
NET ASSETS				
Net assets held in trust for pension benefits and annuity benefits of electing members	\$ 10,156,357,170	\$ 223,451,514	\$ 10,379,808,684	\$ 8,566,923,442

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN PLAN NET ASSETS

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

For the Year ended June 30, 2011  
(with Comparative Totals for the year ended June 30, 2010)

	401(a) Plan	403(b) Plan	Comparative Totals Year Ended June 30	
			2011	2010
<b>Additions:</b>				
Members	\$ 286,643,244	\$ -	\$ 286,643,244	\$ 290,247,028
Members tax shelter	-	5,010,856	5,010,856	5,402,646
Employer statutory requirement from local school districts	364,025,589	-	364,025,589	366,282,238
Matching funds	23,128,795	-	23,128,795	26,448,892
Dedicated tax	251,322,410	-	251,322,410	227,926,247
<b>Total contributions</b>	<b>925,120,038</b>	<b>5,010,856</b>	<b>930,130,894</b>	<b>916,307,051</b>
<b>Investment income:</b>				
Interest & dividends	282,524,875	3,985,457	286,510,332	263,698,635
Net appreciation in fair value of investments	1,645,516,997	23,207,495	1,668,724,492	953,347,464
Investment expenses	(35,933,604)	-	(35,933,604)	(30,811,084)
<b>Gain from investing activities</b>	<b>1,892,108,268</b>	<b>27,192,952</b>	<b>1,919,301,220</b>	<b>1,186,235,015</b>
<b>Income from securities lending activities:</b>				
Securities lending income	7,454,140	-	7,454,140	6,119,998
<b>Securities lending expenses:</b>				
Management fees	(1,118,121)	-	(1,118,121)	(1,087,587)
<b>Net income from securities lending activities</b>	<b>6,336,019</b>	<b>-</b>	<b>6,336,019</b>	<b>5,032,411</b>
<b>Net investment gain</b>	<b>1,898,444,287</b>	<b>27,192,952</b>	<b>1,925,637,239</b>	<b>1,191,267,426</b>
<b>Total additions</b>	<b>2,823,564,325</b>	<b>32,203,808</b>	<b>2,855,768,133</b>	<b>2,107,574,477</b>
<b>Deductions:</b>				
Retirement, death, survivor, and health benefits	979,245,846	-	979,245,846	912,912,714
Refund of member contributions and annuity payments	35,211,171	23,709,394	58,920,565	74,951,443
Administrative expenses	4,716,480	-	4,716,480	4,979,589
<b>Total deductions</b>	<b>1,019,173,497</b>	<b>23,709,394</b>	<b>1,042,882,891</b>	<b>992,843,746</b>
<b>NET INCREASE</b>	<b>1,804,390,828</b>	<b>8,494,414</b>	<b>1,812,885,242</b>	<b>1,114,730,731</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>8,351,966,342</b>	<b>214,957,100</b>	<b>8,566,923,442</b>	<b>7,452,192,711</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 10,156,357,170</b>	<b>\$ 223,451,514</b>	<b>\$ 10,379,808,684</b>	<b>\$ 8,566,923,442</b>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE A--DESCRIPTION OF THE SYSTEM

The following brief description of the Teachers' Retirement System of Oklahoma (the "System") is provided for general information purposes only. Participants should refer to Title 70 of the Oklahoma Statutes, 1991, sections 17-101 through 121, as amended.

The System was established as of July 1, 1943, for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The System is a part of the state of Oklahoma financial reporting entity, which is combined with other similar funds to comprise the fiduciary-pension trust funds of the state of Oklahoma (the "State"). The supervisory authority for the management and operation of the System is a 13-member board of trustees, which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System administers a cost-sharing multiple-employer pension plan which is a defined benefit pension plan ("DB Plan") as well as a tax-deferred defined contribution plan ("DC Plan").

DB Plan

Oklahoma teachers and other certified employees of common schools, faculty and administrators in public colleges and universities, and administrative personnel of state educational boards and agencies who are employed at least half-time, must join the System's DB Plan. Membership is optional for all other regular employees of public educational institutions who work at least 20 hours per week. The DB Plan's membership consisted of the following as of June 30:

	2011	2010
Retirees and beneficiaries currently receiving benefits	50,829	48,756
Terminated vested clients	7,725	7,439
Active clients	88,085	89,896
	<u>146,639</u>	<u>146,091</u>

There are 614 contributing employers in the System. In addition, there were 7,498 and 7,206 of non-vested inactive members at June 30, 2011 and 2010, respectively, which are entitled to a refund of their accumulated contributions.

DC Plan

Members are also offered a tax-deferred defined contribution plan qualified under the Internal Revenue Code ("IRC") Section 403(b). The DC Plan is also referred to by the System as the Tax-Sheltered Annuity Plan. Membership in the DC Plan is voluntary and investments primarily consist of mutual funds and are participant directed. ING is responsible for administrative services, including custody and record keeping services.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE A--DESCRIPTION OF THE SYSTEM--Continued

DC Plan--Continued

The DC Plan had 4,408 and 4,669 participants as of June 30, 2011 and 2010, respectively. Contributions are voluntary and require a minimum of \$200 per year. The maximum deferral amount is the lesser of 100% of the participant's compensation or the maximum amount allowed by the IRC, currently \$16,500.

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The System has prepared its financial statements in accordance with accounting principles generally accepted in the United States of America and using the economic resources measurement focus. The financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by Oklahoma Statutes as a percentage of salaries and are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Oklahoma Statutes. Administrative expenses are funded through investment earnings.

Budgetary Control: The System prepares and submits an annual budget of operating expenses on the cash basis for monitoring and reporting to the Oklahoma Office of State Finance. The System's budget process follows the budget cycle for State operations as outlined by the Oklahoma Office of State Finance.

The Executive Director may approve changes within the budget, but a change to the total budget must be handled according to the provisions of Title 62 O.S. Sec. 41.12 of the Oklahoma Statutes.

Investments: The System is authorized to invest in eligible investments as approved by the board of trustees as set forth in the System's investment policy.

System investments are reported at fair value. The short-term investment fund is comprised of an investment in units of commingled trust funds of the System's custodial agent, which is reported at cost, which approximates fair value. Debt and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The Security Lending Institutional Daily Assets Fund represents investment in JP Morgan's Institutional Daily Assets Fund and is carried at amortized cost, which approximates fair value.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Investments--Continued: Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from foreign currency translation gains and losses, securities lending income and expenses, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs.

International investment managers use forward foreign exchange contracts to enhance returns or to control volatility. Currency risks arise due to foreign exchange rate fluctuations. Forward foreign exchange contracts are negotiated between two counter-parties. The System could incur a loss if its counter-parties failed to perform pursuant to the terms of their contractual obligations. At June 30, 2011, the System had forward currency contracts with fair values of \$58.7 million in receivables and had forward currency contracts with fair values of \$59.2 million in payables. The gains and losses on these contracts are included in the income in the period in which the exchange rates change. See Note C for additional information regarding investment derivatives as of June 30, 2011.

The System's investment policy provides for investment diversification of stocks, bonds, fixed income securities and other investment securities along with investment in commingled or mutual funds. Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported in the statements of plan net assets.

Capital Assets: Capital assets are stated at cost when acquired, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, which range from five to ten years.

Risks and Uncertainties: Contributions to the System and the actuarial information included in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Income Taxes: The System is exempt from federal and state income taxes and has received a favorable determination from the Internal Revenue Service (the "IRS") under Internal Revenue Code (the "IRC") Section 401(a). The System's 403(b) Plan is also tax exempt and has received a private letter ruling from the IRS.

Compensated Absences: It is the State's policy to permit employees to accumulate earned but unused vacation and sick leave. Employees earn annual vacation leave based upon their start date and years of service. All accrued vacation leave is payable upon termination, resignation, retirement, or death. Sick leave does not vest to the employee and therefore is not recorded as a liability. Amounts due to the employees for compensated absences were approximately \$267,000 and \$275,000 at June 30, 2011 and 2010, respectively.

Plan Termination: In the event the System terminates, the board of trustees will distribute the net assets of the System to provide the following benefits in the order indicated:

Accumulated contributions will be allocated to each respective member, former member, retired member, joint annuitant, or beneficiary then receiving payments.

The balance of such assets, if any, will be allocated to each member then having an interest in the System based upon the excess of their retirement income under the System less the retirement income, which is equal to the actuarial equivalent of the amount allocated to them in accordance with the preceding paragraph in the following order:

- Those retired members, joint annuitants, or beneficiaries receiving payments,
- Those members eligible to retire,
- Those members eligible for early retirement,
- Former members electing to receive a vested benefit, and
- All other members.

Use of Estimates: The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires the System's management to make significant estimates and assumptions that affect the reported amounts of net assets held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in System net assets during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of a counterparty, the System will not be able to recover the value of its bank deposits or investments. Bank deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. In relation to its bank deposits, the System is not considered to be exposed to custodial credit risk. Although the System does not have a formal bank deposit policy for custodial credit risk, the State Treasurer holds all of the System's bank deposits. As required by Oklahoma Statutes, all bank deposits held by the State Treasurer are insured by the Federal Deposit Insurance Corporation, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations.

At June 30, 2011 and 2010, the carrying amount of the System's bank deposits was approximately \$14,348,000 and \$9,647,000, respectively. The bank balance of the System's bank deposits at June 30, 2011 and 2010 was approximately \$11,459,000 and \$64,101,000, respectively.

Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the System, and are held by a counterparty or the counterparty's trust department but not in the name of the System. While the System's investment policy does not specifically address custodial credit risk it does limit the amount of cash equivalents and short-term investments to no more than 5% of each manager's portfolio. At June 30, 2011 and 2010, the System had uninsured and uncollateralized cash and cash equivalents of approximately \$361,798,000 and \$250,812,000, respectively, with its custodial agent. The System's custodial agent for the years ended June 30, 2011 and 2010 was JP Morgan.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS--Continued

Credit Risk: Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The System's investment policy requires that at the time of purchase all corporate bonds or debentures be at the highest rating of the four rating services recognized by the Comptroller of the Currency of the United States of America.

Investment Type	S&P Ratings (Unless Noted)	Fair Value	Fair Value as a Percent of Total Fixed Maturity Fair Value
		<i>(Amounts in Thousands)</i>	
U.S. corporate bonds	AAA	\$ 162,686	5.14%
	AA+	14,455	0.46%
	AA	5,998	0.19%
	AA-	6,478	0.20%
	A+	49,256	1.55%
	A	66,924	2.11%
	A-	42,937	1.35%
	BBB+	53,400	1.68%
	BBB	171,543	5.41%
	BBB-	231,319	7.30%
	B+	131,845	4.16%
	B	131,084	4.14%
	B-	87,918	2.77%
	BB+	135,279	4.27%
	BB	170,552	5.38%
	BB-	180,979	5.71%
	CCC+	52,768	1.67%
	CCC	19,244	0.61%
	CCC-	4,685	0.15%
	CC	3,965	0.13%
	D	1,667	0.05%
	NR	245,375	7.74%
Total U.S. corporate bonds		\$ 1,970,357	62.17%
International corporate bonds	AAA	\$ 779	0.03%
	AA	752	0.02%
	AA-	3,580	0.11%
	A	1,424	0.04%
	BBB-	343	0.01%
	BBB-	1,027	0.03%
	BB-	1,431	0.05%
Total international corporate bonds		\$ 9,336	0.29%

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS--Continued

Credit Risk--Continued:

Investment Type	S&P Ratings (Unless Noted)	Fair Value	Fair Value as a Percent of Total Fixed Maturity Fair Value
		<i>(Amounts in Thousands)</i>	
International government securities	AAA	\$ 8,523	0.27%
	AA	682	0.02%
	A	10,713	0.34%
	BBB+	2,793	0.09%
	BBB	7,393	0.23%
	BBB-	13,446	0.42%
	BB+	832	0.03%
	BB	4,925	0.16%
	BB-	1,803	0.06%
	B+	2,051	0.06%
	B	3,700	0.12%
	CCC	2,528	0.08%
	NR	1,359	0.04%
Total international government securities		\$ 60,748	1.92%
Municipal bonds	AAA	\$ 3,144	0.09%
	AA+	2,489	0.08%
	AA	800	0.03%
	AA-	2,883	0.09%
	A+	1,719	0.05%
	A	1,603	0.05%
	A-	2,275	0.07%
	BBB+	865	0.03%
	BB+	518	0.02%
	NR	215	0.01%
Total municipal bonds		\$ 16,511	0.52%
U.S. government securities	AGY (1)	\$ 176,899	5.58%
	TSY (2)	653,144	20.61%
	AAA	282,225	8.91%
Total U.S. government securities		\$ 1,112,268	35.10%
		\$ 3,169,220	100%

(1) U.S. Agency securities - implicitly guaranteed by the U.S. Government.

(2) Treasury Securities which are explicitly guaranteed by the U.S. Government.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS--Continued

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While all investments are subject to market changes, securities invested in index funds are more sensitive to market risk. Although the System's investment policy does not specifically address the duration of fixed-income securities, the System's management does monitor interest rate risk by monitoring the performance of each investment manager. As of June 30, 2011, the System had the following investments with maturities:

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>				
	<i>(Amounts in Thousands)</i>				
	<u>Less than One</u>	<u>One to Five</u>	<u>Five to Ten</u>	<u>More than Ten</u>	<u>Total Fair Value</u>
U.S. corporate securities					
Asset-backed securities	\$ 32,231	\$ 53,009	\$ 6,036	\$ 6,994	\$ 98,270
CMO/REMIC/CMBS	86,315	658	21,935	77,799	186,707
Corporate bonds	<u>198,485</u>	<u>390,881</u>	<u>872,719</u>	<u>223,295</u>	<u>1,685,380</u>
	317,031	444,548	900,690	308,088	1,970,357
International corporate bonds	-	7,562	1,723	51	9,336
International government securities	10,110	16,240	11,214	23,184	60,748
Municipal bonds	1,544	-	696	14,271	16,511
U.S. government securities	<u>26,629</u>	<u>318,161</u>	<u>159,531</u>	<u>607,947</u>	<u>1,112,268</u>
	<u>\$ 355,314</u>	<u>\$ 786,511</u>	<u>\$ 1,073,854</u>	<u>\$ 953,541</u>	<u>\$ 3,169,220</u>

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS--Continued

Foreign Currency Risk: Foreign currency risk is the potential risk for loss due to changes in exchange rates. The System's investment policy provides that international investment managers invest no more than 30% of their portfolio's total assets in one or more issuers in a single country, provided that in the U.K. such limit shall be 35%. Investment in cash and cash equivalents, foreign equities, and fixed-income securities as of June 30, 2011 is shown in the following table by monetary unit to indicate possible foreign currency risk.

<i>(Amounts in Thousands)</i>						
Currency	Equities	Corporate Bonds	Government Bonds	Foreign Exchange Contracts	Cash and Cash Equivalents	Grand Total
Australian Dollar	\$ 14,476	\$ 2,955	\$ -	\$ (12)	\$ -	\$ 17,419
Brazilian Real	20,498	-	11,052	(44)	-	31,506
British Pound Sterling	223,637	-	-	1	33	223,671
Canadian Dollar	30,489	1,431	173	(11)	766	32,848
Chilean Peso	592	-	-	-	-	592
Danish Krone	13,281	-	-	-	-	13,281
Euro	478,507	1,370	7,834	(420)	11,230	498,521
Hong Kong Dollar	84,503	-	-	-	35	84,538
Indian Rupee	-	-	2,818	-	-	2,818
Indonesian Rupiah	3,706	-	8,232	-	-	11,938
Israeli New Shekel	1,442	-	-	(2)	-	1,440
Japanese Yen	260,861	-	-	24	1,482	262,367
Malaysian Ringgit	5,313	-	-	-	-	5,313
Mexican Peso	12,229	-	6,364	-	-	18,593
New Zealand Dollar	2,770	-	-	-	-	2,770
Norwegian Krone	5,616	-	-	-	-	5,616
Philippine Peso	-	-	4,691	-	-	4,691
Polish Zloty	6,152	-	-	13	-	6,165
Singapore Dollar	5,875	-	-	1	-	5,876
South African Rand	13,677	-	-	(21)	-	13,656
South Korean Won	34,098	3,580	1,413	-	14	39,105
Swedish Krona	20,491	-	-	-	-	20,491
Swiss Franc	86,504	-	-	5	-	86,509
Taiwan Dollar	17,803	-	-	-	805	18,608
Thai Baht	3,216	-	-	-	-	3,216
Turkish New Lira	5,425	-	-	-	-	5,425
Total	<u>1,351,161</u>	<u>9,336</u>	<u>42,577</u>	<u>(466)</u>	<u>14,365</u>	<u>1,416,973</u>
Not subject to foreign currency risk	-	-	18,171	-	-	18,171
Total	<u>\$1,351,161</u>	<u>\$ 9,336</u>	<u>\$ 60,748</u>	<u>\$ (466)</u>	<u>\$ 14,365</u>	<u>\$1,435,144</u>

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE C--CASH AND INVESTMENTS--Continued

Derivative Instruments: The System's investment derivatives include forward currency contracts. These investments are not speculative in nature and do not increase investment risk beyond allowable limits specified in the System's investment policy. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2011, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2011 financial statements are as follows:

<i>(Amounts in Thousands)</i>					
Investment Derivatives	Classification	Change in fair value Amount	Classification	Fair Value at June 30, 2011 Amount	Notional
Foreign Currency Forward	Investment income	\$ (2,277)	Investments	\$ (466)	\$ (624,240)

A foreign currency forward contract is an agreement that obligates the parties to exchange given quantities of currencies at a pre-specified exchange rate on a certain future date. The fair values of the forward contracts are estimated based on the present value of their estimated future cash flows.

The foreign currency forward contracts subject the System to foreign currency risk because the investments are denominated in international currencies. The risks are described in foreign currency risk schedule where the fair value of the foreign currency contracts in U.S. dollars is presented.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE D--SECURITIES LENDING ACTIVITY

The System's investment policy and State statutes provide for its participation in a securities lending program. The program is administered by the System's master custodian and there are no restrictions on the amount of loans that can be made. Certain securities of the System are loaned to participating brokers, who must provide collateral in the form of cash, U. S. Treasury or government agency securities, or letters of credit issued by approved banks. Under the terms of the agreement, collateralization of the fair value of the loaned securities must be provided in the amount of 102% when the security to be loaned and the collateral are in the same currency and 105% when the loan and collateral currencies are dissimilar.

The fair value of securities on loan at June 30, 2011 was approximately \$2,187,781,000. The underlying collateral for these securities had a fair value of approximately \$2,229,583,000 at June 30, 2011. Collateral of securities and letters of credit represented approximately \$205,935,000 of total collateral at June 30, 2011. Because the System cannot pledge or sell collateral securities and letters of credit received unless the borrower defaults, the collateral and related liability are not presented in the accompanying statements of plan net assets. The following table describes the types of securities lent and collateral as of June 30, 2011.

<u>Type of securities on loan</u>	<i>(Amounts in Thousands)</i>	
	<u>Market Value of Securities on Loan</u>	<u>Collateral Value</u>
Government loans compared to cash collateral	\$ 432,795	\$ 443,863
Equity loans compared to cash collateral	1,552,616	1,579,785
Government loans compared to non-cash collateral	199,527	203,058
Government loans compared to non-cash collateral	2,843	2,877
	<u>\$ 2,187,781</u>	<u>\$ 2,229,583</u>

At June 30, 2011, the System had no credit risk exposure since the amounts the System owed to borrowers exceeded the amounts borrowers owed the System. The contract with the System's lending agent requires it to indemnify the System if the borrowers fail to return the lent securities. In the event of a collateral shortfall due to a loss in value of investments made with cash collateral, such loss would be the responsibility of the System. The System previously held a \$35 million position in JP Morgan's securities lending program with Lehman Brothers bonds as collateral. At June 30, 2010 the market value had increased to \$6.8 million, resulting in an unrealized gain of \$1.7 million in the statement of changes in plan net assets. At June 30, 2011 the market value had increased to \$9.0 million, resulting in an unrealized gain of \$2.2 million in the statement of changes in plan net assets. The outcome of the Lehman Brothers bankruptcy has yet to be determined at November 7, 2011.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE D--SECURITIES LENDING ACTIVITY--Continued

All securities loans can be terminated on demand by either the System or the borrower. Cash collateral is invested in a separate account for the System in accordance with investment guidelines approved by the System. At June 30, 2011 and 2010, the weighted average maturity of the cash collateral investments was 24 days and 23 days, respectively. The cash collateral investments are structured and maintained by the lending agent's investment desk utilizing an asset and liability methodology designed to manage to an appropriate extent any mismatch between the investment maturities and the System's loans.

NOTE E--CAPITAL ASSETS

Capital assets consist of the following at June 30:

	<i>(Amounts in Thousands)</i>	
	2011	2010
Furniture and fixtures	\$ 1,908	\$ 1,289
Accumulated depreciation	(1,033)	(1,101)
Capital assets, net	<u>\$ 875</u>	<u>\$ 188</u>

The System has commitments to lease building space as well as leases on certain equipment. The future minimum commitment for operating leases as of June 30, 2011 was approximately \$185,000. The System's leases are one-year renewable contracts. Rental expense for all operating leases amounted to approximately \$213,000 and \$228,000 for the years ended June 30, 2011 and 2010, respectively.

NOTE F--RESERVE AND DESIGNATED FUNDS

The amount included in the Teachers' Deposit Fund, the Expense Fund, and the Capital Assets Fund is not available to pay regular retirement benefits. A brief description of the funds is as follows:

The Teachers' Deposit Fund represents funds in the DC Plan. During FY 2010, the System hired ING as the service provider for the DC Plan. This process was undertaken to steadfastly provide a supplemental retirement program that will enhance the System's clients' retirement future. ING provides a comprehensive educational strategy, an array of investment options, clients have 24 hours a day access to their accounts on line, and dedicated customer service representatives available each weekday from 7:00 am to 7:00 pm.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE F--RESERVE AND DESIGNATED FUNDS--Continued

- The Expense Fund represents funds accumulated to pay for the expense of administering and maintaining the System budgeted for the next fiscal year plus any accrued administrative costs as of the current fiscal year-end.
- The Capital Assets Fund represents the net book value of furniture and fixtures for the System.

The Funds had the following approximate balances at June 30:

	<i>(Amounts in Thousands)</i>	
	2011	2010
Teachers' deposit fund (DC Plan)	\$ 223,452	\$ 214,957
Expense fund	61,830	64,297
Capital assets fund	875	188
	<u>\$ 286,157</u>	<u>\$ 279,442</u>

NOTE G--CONTRIBUTIONS

All contribution rates are defined or amended by the Oklahoma Legislature. All active members contribute to the System; however, the employer may elect to make all or part of the contribution for its employees. There are special provisions for members of higher education who joined the System before July 1, 1995. The annual employer contributions reported for the years ended June 30, 2011 and 2010 were \$364,025,589 and \$366,282,238, respectively. Employers satisfied 100% of their contribution requirements for 2011 and 2010.

All members must contribute 7% of regular annual compensation, not to exceed the member's maximum compensation level, which for the years ended June 30, 2011 and 2010, was the full amount of regular annual compensation.

The employers are required to contribute a fixed percentage of annual compensation on behalf of active clients. The employer contribution rate was 7.85% from July 1, 2007 to December 31, 2007; 8.35% from January 1, 2008 to June 30, 2008; 8.5% on July 1, 2008; 9% from January 1, 2009 to December 31, 2009; and 9.5% on January 1, 2010 for all remitting entities other than comprehensive and four year regional universities. The employer contribution rate was 7.05% from July 1, 2007 to December 31, 2007; 7.55% starting on January 1, 2008; 8.05% starting on January 1, 2009; and 8.55% starting on January 1, 2010 for comprehensive and four year universities. The rates for fiscal years 2011 and 2010 are applied on the full amount of the Client's regular annual compensation up to certain limits prescribed by the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE H--BENEFITS

The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature.

Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Members, who joined the System on June 30, 1992, or prior, are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining the System after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.
- Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 is calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities.
- Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.

## NOTES TO FINANCIAL STATEMENTS--Continued

### TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

#### NOTE H--BENEFITS--Continued

- Upon separation from the System, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

At the election of each eligible member initiating receipt of retirement benefits, the System remits between \$100 and \$105 per month per eligible retiree to the Oklahoma State and Education Employees Group Insurance Board ("OSEEGIB"), depending on the members' years of service during 2011 and 2010. Such amounts were approximately \$29,405,000 and \$29,916,000 in 2011 and 2010, respectively, and are included in retirement and other benefits expense. Amounts due to OSEEGIB at June 30, 2011 and 2010, respectively are approximately \$2,424,000 and \$2,394,000 and are included in benefits in process of payment. The System performs no administrative functions related to the benefits provided by OSEEGIB and the payments have a minimal and declining impact on the operation of the System.

#### NOTE I--DEDICATED TAX

The System receives 5.0% of the State's sales, use, and corporate and individual income taxes collected as dedicated tax. The System receives 1% of the cigarette taxes collected by the State and receives 5% of net lottery proceeds collected by the State. The System received approximately \$251,322,000 and \$227,926,000 from the State in 2011 and 2010, respectively. Amounts due from the State were approximately \$27,322,000 and \$23,543,000 at June 30, 2011 and 2010, respectively.

#### NOTE J--PENSION PLAN FOR EMPLOYEES OF THE SYSTEM

The System also makes employer contributions for its employees who are also members of the System. The System's contributions are under the same terms as other participating employers, as discussed in Note G. In addition to the employer contributions, the System also pays the employees' contributions as a fringe benefit. Benefits paid to members that worked for the System are the same as those described in Note H. The total employee contributions paid by the System for its employees were approximately \$188,135, \$204,000, and \$211,000 for the years ended June 30, 2011, 2010, and 2009, respectively. Total employer contributions paid by the System were approximately \$256,269 and \$251,000, and \$264,000 for the years ended June 30, 2011, 2010, and 2009 respectively. The employer contributions for FY 2011, 2010, and 2009 were 77.6%, 83.6%, and 86.6%, respectively, of the actuarial determined annual required contribution amounts and 100% of the contribution rate amounts determined by the legislature.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE K--PLAN AMENDMENTS

This year's legislative session resulted in several major pension reforms under Senate Bills (SB) 377 and 782 and House Bill ("HB") 2132.

SB 782 eliminated the requirement that statewide retirement systems report a second set of actuarial valuation results to the Oklahoma State Pension Commission using specified actuarial assumptions. These laws will go into effect after July 1, 2011.

SB 377 changes the eligibility conditions for both normal and early retirement members hired on or after November 1, 2011. Members will be eligible for normal retirement at the earlier of age 65 with 5 years of service or when their age plus service equals 90 (rule of 90) with a minimum age of 60. Members will be eligible for early (reduced) retirement at age 60 with 5 years of service.

HB 2132 requires that if the Legislature provides any of the state pension system retirees a cost of living adjustment (COLA), then the Legislature must provide funding for the increased costs, exceeding the unfunded mandate to the retirement system. HB 2132 helped to reduce the System's unfunded liability from \$10,414 million to \$7,600 million and increases the System's funded ratio from 47.9% to 56.7% as of June 30, 2011.

NOTE L--DB PLAN FUNDING STATUS AND ACTUARIAL INFORMATION

The System's actuary conducts an annual valuation to determine the adequacy of the current employer contribution rates, to describe the current financial condition of the System, and to analyze changes in the System's condition. This valuation shows the funded position of the System increased from the funding level at June 30, 2010. Based on current statutes for determining the state, federal, and employer contribution rates, the funded period which is the number of years that would be required to amortize the unfunded actuarial accrued liability (the "UAAL") is 22.0 years. The actuarial accrued liability decreased by \$2,419.8 million and the actuarial value of assets increased \$394 million. As a result, the System's unfunded actuarial accrued liabilities decreased \$2,814 million to \$7,600 million at June 30, 2011. The funded ratio - actuarial value of assets divided by actuarial accrued liability - increased from 47.9% to 56.7%.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE L--DB PLAN FUNDING STATUS AND ACTUARIAL INFORMATION--Continued

The decrease in the UAAL and the funding period is principally due to significant market asset gains as well as changes in assumptions effective in the June 30, 2011 valuation. Based on the current contribution schedule, assuming no actuarial gains or losses in the future, the UAAL is expected to continue increasing from the current level until fiscal year 2013 and decreasing through June 30, 2033 and beyond. The current contribution schedule results in contributions sufficient to cover the interest on the current UAAL plus the normal cost resulting in negative amortization.

The funded status of the System as of June 30, 2011, the most recent actuarial date, is as follows:

	<i>(Amounts in Millions)</i>	
Actuarial value of assets (a)	\$ 9,960.6	
Actuarial accrued liability (AAL) (b)	\$ 17,560.8	
Total unfunded actuarial accrued liability (UAAL) (b-a)	\$ 7,600.2	
Funded ratio (a/b)		56.7%
Covered payroll	\$ 3,733.3	
UAAL as a percentage of covered payroll		201.4%

The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The figures above (the UAAL, the funded ratio, and the funded period) are based on actuarial calculations that make use of the actuarial value of assets, not the fair value. Asset gains and losses (earnings greater or less than the 8% investment return assumption) are recognized 20% per year for five years in the actuarial value of assets; the current actuarial value (\$9,961 million) is \$195 million smaller than the market value of net assets (\$10,156 million).

Significant actuarial assumptions employed by the actuary for funding purposes as of July 1, 2011 are as follows:

Funding Method: Costs are developed using the entry age normal cost method (based on a level percentage of covered payrolls). Under the method used for the System, the accrued liability and the present value of future normal costs are determined by summing the individual entry age results for each participant. The normal cost is then determined in aggregate by spreading the present value of future normal costs as a level percentage of expected future covered payrolls. Entry age is defined as the first day service is credited under the System.

NOTES TO FINANCIAL STATEMENTS--Continued

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

June 30, 2011

NOTE L--DB PLAN FUNDING STATUS AND ACTUARIAL INFORMATION--Continued

Funding Method--Continued: Experience gains and losses (i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumption) adjust the unfunded actuarial accrued liability.

Asset Valuation Method: The actuarial value of assets is equal to the market value, adjusted for a five-year phase in of actual investment return in excess of expected investment return. The actual return is calculated net of investment and administrative expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

Amortization: The unfunded actuarial accrued liability is amortized on a percent of pay method over a 30-year open period.

Investment Return: 8% per annum, compounded annually (includes inflation of 3%).

Salary Increases: 4% to 12% per year (includes inflation of 3% and a productivity increase of 1%).

Based on an experience study for the 5 years ended June 30, 2010 certain actuarial assumptions were changed such as modifications to disability, termination and retirement rates. Additionally, the salary increase rate changed from a range of 4% to 6% per year, to 4% to 12% per year and certain mortality rate tables were changed.

SCHEDULE OF FUNDING PROGRESS AND SCHEDULE OF  
EMPLOYERS' CONTRIBUTIONS (UNAUDITED)

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

(Dollar Amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a / b)	Annual Covered Payroll	UAAL as % of Covered Payroll ((b-a) / c)
June 30, 2005	\$ 6,952.7	\$ 14,052.4	\$ 7,099.7	49.5%	\$ 3,175.2	223.6%
June 30, 2006	7,470.4	15,143.4	7,672.9	49.3%	3,354.9	228.7%
June 30, 2007	8,421.9	16,024.4	7,602.5	52.6%	3,598.9	211.2%
June 30, 2008	9,256.8	18,346.9	9,090.1	50.5%	3,751.4	242.3%
June 30, 2009	9,439.0	18,950.9	9,512.0	49.8%	3,807.9	249.8%
June 30, 2010	9,566.7	19,980.6	10,414.0	47.9%	3,854.8	270.2%
June 30, 2011	9,960.6	17,560.8	7,600.2	56.7%	3,773.3	201.4%

SCHEDULE OF EMPLOYERS' CONTRIBUTIONS (UNAUDITED)

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2005	\$ 722,095,783	56.2%
2006	535,228,038	85.8%
2007	575,745,142	93.1%
2008	590,495,652	101.1%
2009	714,367,558	86.6%
2010	742,286,289	83.6%
2011	822,419,996	77.6%

The employer contribution rates are established by the Oklahoma Legislature and are less than the annual required contribution, which is performed to determine the adequacy of such contribution rates.

Unaudited - see accompanying independent auditors' report.

SCHEDULES OF INVESTMENT EXPENSES

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

	Year Ended June 30	
	2011	2010
Investment managers	\$ 35,208,804	\$ 30,038,521
Investment consultants	702,000	768,424
Investment information services	22,800	4,139
Total investment expenses	<u>\$ 35,933,604</u>	<u>\$ 30,811,084</u>

See accompanying independent auditors' report.

SCHEDULES OF ADMINISTRATIVE EXPENSES

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

	Year Ended June 30	
	2011	2010
Salaries and benefits	\$ 3,293,768	\$ 3,527,880
General and miscellaneous	826,192	829,973
Professional/consultant fees	446,770	450,095
Travel and related expenses	106,717	106,981
Depreciation expense	43,033	64,660
Total administrative expenses	<u>\$ 4,716,480</u>	<u>\$ 4,979,589</u>

See accompanying independent auditors' report.

SCHEDULES OF PROFESSIONAL/CONSULTANT FEES

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

	Year Ended	
	June 30	
	2011	2010
Actuarial	\$ 123,661	\$ 99,368
Medical	9,590	9,600
Legal	88,714	69,735
Audit	44,800	44,800
Data processing	12,518	120,505
Miscellaneous	167,487	106,087
Total professional/ consultant fees	<u>\$ 446,770</u>	<u>\$ 450,095</u>

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Trustees  
Teachers' Retirement System of Oklahoma

We have audited the financial statements of Teachers' Retirement System of Oklahoma (the "System"), which is a component unit of the state of Oklahoma, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 7, 2011, which includes explanatory paragraphs related to the System's required supplementary information and other supplementary information. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of the System as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the System's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

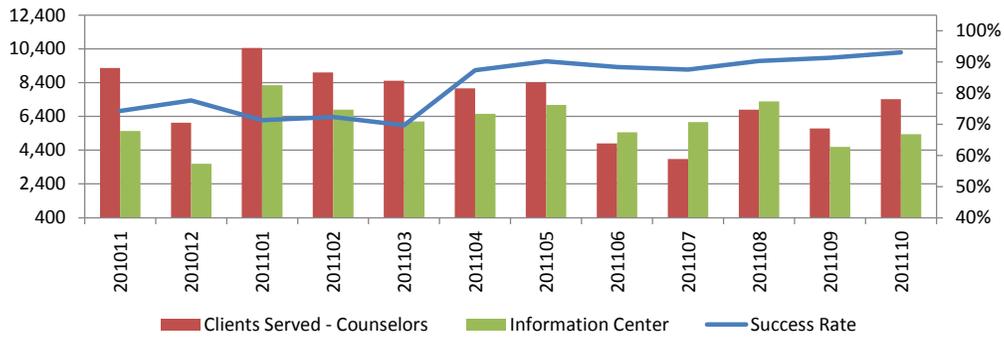
This report is intended solely for the information and use of the Board of Trustees, the Oklahoma State Auditor and Inspector, and management and is not intended to be and should not be used by anyone other than these specified parties.

Cole & Reed P.C.

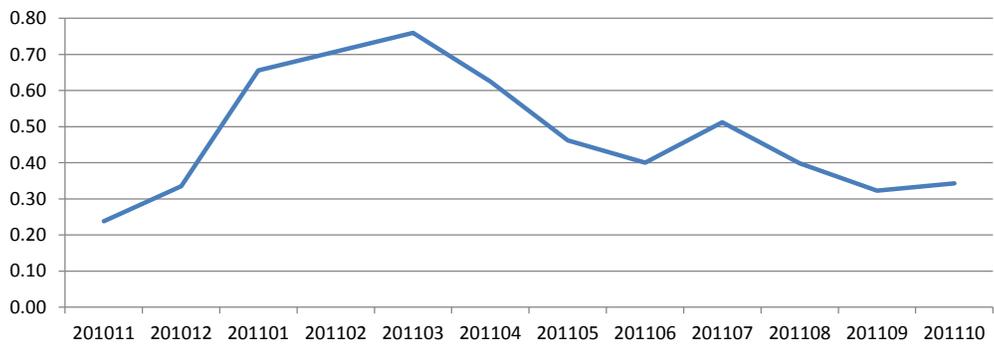
Oklahoma City, Oklahoma  
November 7, 2011

Dashboard

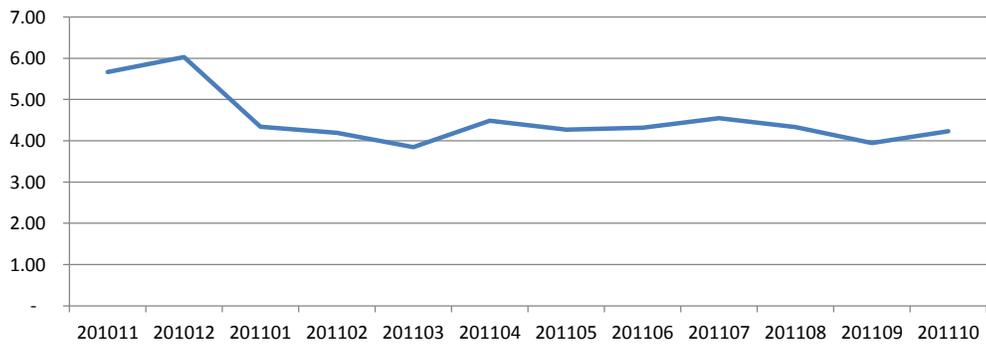
### Client Services



### Average Answer Delay



### MaxOfMax Answer Delay



### Data Recasting - Monthly Progress





# OKLAHOMA TEACHERS RETIREMENT SYSTEM

## Client Status Update Report

November 3, 2011

### Regular Retirement

Clients Recommended:	128
Monthly Pay:	\$95,755.53

### Disability Retirement

Clients Recommended for Regular Disability	4
Clients Recommended for Social Security Disability	1
Clients Not Recommended for Disability Retirement	0

### Retirement Payroll Termination

Payroll Changes	(\$-98,645.45)
Deceased	78
Retirement Cancelled	0
Return To Teaching	7

*Teachers' Retirement System of Oklahoma  
Client Status Update Report - Finance Division  
October 31, 2011*

**Board Meeting November 16, 2011**

<i>Cash Basis</i>	October 2010	October 2011		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$20,974,241.97	\$28,465,713.26	\$7,491,471.29	35.72%
Employer Contributions	30,676,509.49	37,042,279.47	6,365,769.98	20.75%
State Revenue	<u>25,001,443.88</u>	<u>26,419,327.66</u>	<u>1,417,883.78</u>	<u>5.67%</u>
Total Retirement Receipts	76,652,195.34	91,927,320.39	15,275,125.05	19.93%
 <i>Monthly Distributions:</i>				
Retirement Benefits	78,749,834.06	83,626,403.50	4,876,569.44	6.19%
Withdrawals and Death Benefits	<u>3,716,661.58</u>	<u>4,094,173.08</u>	<u>377,511.50</u>	<u>10.16%</u>
Total Benefit Payments	<u>82,466,495.64</u>	<u>87,720,576.58</u>	<u>5,254,080.94</u>	<u>6.37%</u>
Net (Receipts - Payments)	<u>(\$5,814,300.30)</u>	<u>\$4,206,743.81</u>	<u>\$10,021,044.11</u>	<u>-172.35%</u>
 <i>Year to Date Contributions:</i>				
	Year to Date	Year to Date		
	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$77,770,474.81	\$86,620,210.41	\$8,849,735.60	11.38%
Employer Contributions	116,639,546.94	112,474,307.94	(4,165,239.00)	-3.57%
State Revenue	<u>83,878,109.91</u>	<u>93,260,449.47</u>	<u>9,382,339.56</u>	<u>11.19%</u>
Total Retirement Receipts	278,288,131.66	292,354,967.82	14,066,836.16	5.05%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	331,942,512.54	352,917,317.06	20,974,804.52	6.32%
Withdrawals and Death Benefits	<u>18,757,968.43</u>	<u>20,692,104.42</u>	<u>1,934,135.99</u>	<u>10.31%</u>
Total Benefit Payments	350,700,480.97	373,609,421.48	22,908,940.51	6.53%
Net (Receipts - Payments)	<u>(\$72,412,349.31)</u>	<u>(\$81,254,453.66)</u>	<u>(\$8,842,104.35)</u>	<u>12.21%</u>

**DISABILITY RETIREMENT AS PROVIDED BY  
70 O.S. 17-105 SOCIAL SECURITY DISABILITY  
NOVEMBER 3, 2011**

<b>MEMBER NAME</b>	<b>RETIREMENT NUMBER</b>	<b>SSA EFFECTIVE DATE</b>	<b>RETIREMENT DATE</b>
1. MARY C COURT		04/01/2011	November 2011

\_\_\_\_\_  
RETIREMENT PLANNING CONSULTANT

NOVEMBER 3, 2011

\_\_\_\_\_  
DATE PREPARED

**DISABILITY RETIREMENT NOT RECOMMENDED**  
**NOVEMBER 3, 2011**

**MEMBER NAME/COMMENTS**

**SEX/AGE**

**DATE OF BIRTH**

NONE

\_\_\_\_\_  
**RETIREMENT PLANNING CONSULTANT**

NOVEMBER 3, 2011  
\_\_\_\_\_  
**DATE PREPARED**

**DISABILITY RETIREMENT RE-EVALUATED  
NOVEMBER 3, 2011**

<b>RETIREMENT NUMBER</b>	<b>MEMBER NAME</b>	<b>SEX/AGE</b>	<b>DATE OF BIRTH</b>	<b>COMMENTS</b>
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NONE

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RETIREMENT PLANNING CONSULTANT

NOVEMBER 3, 2011  
\_\_\_\_\_  
DATE PREPARED

**MEDICAL BOARD REPORT**  
**NOVEMBER 3, 2011**

The Medical Board of the Teachers' Retirement System of Oklahoma met in the Board Room of the Teachers' Retirement System, located in the Oliver Hodge Building, 2500 North Lincoln Boulevard, 5<sup>th</sup> floor, Oklahoma City, Oklahoma 73105.

**BOARD MEMBERS PRESENT:**

George R. Jay, M.D.  
Joseph Harroz, M.D.

**OTHERS PRESENT:**

Anthony W Gilliard, Retirement Planning Consultant

The following member's applications for Disability Retirement were presented and the Medical Board's action is noted beneath each name:

	<b>MEMBER NAME/COMMENTS</b>	<b>SEX/AGE</b>
1.	<b>ANDREA L HOLDER</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-48
2.	<b>KATHERINE A INGRAM</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-55
3.	<b>SANDRA K FAZLALIZADEH</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-55
4.	<b>CARRIE S ORR</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-41

\_\_\_\_\_  
**RETIREMENT PLANNING CONSULTANT**

NOVEMBER 3, 2011  
\_\_\_\_\_  
**DATE PREPARED**

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
NOVEMBER 1, 2011

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78698	RHAE L BAIR	55	Opt.2	206.22		512.64
78699	NINA L GASTER	72	Opt.2	396.22		4675.09
78700	SRILAKSHMI KOMANDURI	69	Opt.2	119.23		3141.82
78701	SHIRLEY J ABERCROMBIE	62	Max.	204.83		659.25
78702	SHARON K ARGANBRIGHT	52	Max.	507.75		1798.21
78703	ANNICK E BERKOBEN	63	Opt.1	103.03		252.94
78704	STAN G BIXLER	56	Opt.2	371.18		1568.46
78705	CATHERINE A BLAHA	59	Max.	602.89		2011.72
78706	MARY L BOHAM	61	Opt.1	340.34		1463.69
78707	MARDONNA G BRADY	56	Opt.2	311.84		1659.63
78708	GLENDA M BROOME	59	Opt.1	107.49		349.31
78709	ROBYN W BURNS	61	Max.	180.11		615.14
78710	PATRICIA J CARVER	58	Max.	266.59		1320.66
78711	NANCY L CAUGHMAN	51	Opt.2	417.14		2086.97
78712	SOPHIN CHAU	65	Max.	91.19		254.41
78713	JERRY A CHECOTAH	62	Max.	116.93		514.87
78714	TREVA M CLARK	69	Max.	66.50		158.45
78715	NORMA B CODDING	82	Max.	130.82		256.03
78716	RONDA K COOPER	55	Opt.1	370.42		1783.85
78717	GARY B COX	59	Opt.3	189.98		747.09
78718	THELMA M CROWDER	55	Opt.1	94.04		209.20
78719	THOMAS E CROWNOVER	67	Max.	420.57		1243.08
78720	DEBORAH A DAVIS	58	Opt.1	600.75		2934.87
78721	DRENDA J DELANO	62	Opt.4	165.31		778.96
78722	WILLIAM E DORSEY	63	Opt.2	120.15		363.04
78723	JEANNE L DOVER	59	Opt.2	616.87		3193.51
78724	NORMA J DREW	64	Max.	213.70		784.11
78725	DAVID EALY	64	Opt.2	227.13		758.48
78726	DEBBIE G EAST	60	Max.	346.42		1038.90
78727	DEWARD J EMERSON	57	Opt.2	230.86		1192.69
78728	CARLA M EMMERT	58	Opt.1	91.92		371.96
78729	LINDA J ESTELL	59	Opt.1	414.68		1963.07
78730	MARGARET A FRENCH	66	Max.	560.92		2228.76
78731	NINA K GESCHWIND	59	Max.	95.68		253.18
78732	MARGARET A GIBSON	57	Max.	285.92		1024.54
78733	KAY L GOLDSTEIN	62	Max.	175.73		596.33
78734	MARVIN E HAUN	72	Max.	164.21		421.83
78735	MARILYN S HIGH	58	Max.	189.11		819.68
78736	DAVID B HILL	59	Opt.2	103.60		347.19
78737	JANIS I HOOD	62	Max.	79.66		371.38

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
NOVEMBER 1, 2011

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78738	PAMELA S HOPPERS	63	Max.	395.39		1497.62
78739	SYLVIA D JANZ	64	Opt.1	81.49		229.28
78740	MAURICE A JENKINS	67	Opt.2	796.97		2006.38
78741	MARY K KELLUM	58	Opt.1	361.63		1573.10
78742	RAYMOND D KOCH	62	Opt.2	211.05		674.77
78743	PHYLLIS J KUPER	63	Opt.1	138.61		567.66
78744	DON L LAMAR	55	Max.	141.14		358.95
78745	KYUNG N LEE	66	Opt.2	532.78		1746.54
78746	MELISSA LEHMANN	57	Opt.1	292.87		708.37
78747	TERRI J LEWIS	59	Opt.1	251.29		1456.86
78748	RUEL O LINGENFELTER	61	Opt.3	877.08		3657.51
78749	JANET L LINGO	57	Max.	315.09		1008.44
78750	JERRY R LYTTLE	62	Opt.1	99.28		330.90
78751	ROBBIE J MARAK	61	Opt.2	151.33		523.03
78752	GLENN A MOSELEY	70	Opt.2	50.96		153.78
78753	LAHOMA D NEWBY	62	Opt.1	284.86		1120.14
78754	KATHRYN W ONEAL	82	Opt.1	177.54		390.05
78755	MARGARET L PALMER	68	Opt.4	142.20		453.29
78756	KATHRYN L PIERCE	62	Opt.1	71.72		405.19
78757	KATHRYN S ROSE	54	Opt.2	387.70		1806.77
78758	VICKI E RYALS	64	Max.	888.33		2158.22
78759	BRENDA E RYAN	55	Opt.2	39.38		76.60
78760	NANCY K RYAN	55	Opt.2	356.80		894.47
78761	PATSY A SCHRICK	60	Opt.1	311.47		1302.68
78762	PAULA F SEALES	62	Opt.2	330.09		1672.48
78763	PAULA J SHEEHAN	60	Opt.2	101.10		558.09
78764	RONALD H SINGLETON	60	Max.	169.13		479.48
78765	KATHERENE A SMITH	57	Opt.2	146.91		627.63
78766	PATRICIA L STARK	58	Opt.2	197.11		923.53
78767	LINDA M STEPHENSON	64	Max.	83.32		247.72
78768	PATRICIA L TRENT	61	Opt.1	650.76		1703.11
78769	MARION K WACHTSTETTER	61	Max.	309.66		1069.11
78770	JAN WAGNER	67	Opt.2	993.70		3490.32
78771	PAUL A WAGNER	65	Max.	171.85		581.56
78772	KATA LOU WARD	60	Opt.1	127.69		535.18
78773	RUTHANN WELLS	62	Opt.2	170.17		669.03
78774	GARY R WINTERS	61	Opt.1	157.14		929.18
78775	JESSIE M YOUNG	59	Max.	502.91		2920.88

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA  
RECOMMENDATIONS FOR RETIREMENT  
NOVEMBER 1, 2011

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
D3295	MARY C COURT	50	Dis.	590.62		2142.39
D3296	SANDRA K FAZLALIZADEH	55	Dis.	440.66		1508.70
D3297	ANDREA L HOLDER	48	Dis.	361.47		1777.97
D3298	KATHERINE A INGRAM	55	Dis.	360.25		1441.96
D3299	CARRIE S ORR	41	Dis.	152.90		651.62

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Total	23,672.33	0.00	95,755.53
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THIS IS TO CERTIFY THE 78 REGULAR MEMBERS, 0 SPECIAL RETIREES,  
AND 5 DISABLED MEMBERS LISTED ON THIS REPORT HAVE MET THE REQUIRE-  
MENTS FOR RETIREMENT UNDER THE TEACHERS' RETIREMENT LAW, AND THE  
MONTHLY ALLOWANCE OPPOSITE EACH NAME IS THE AMOUNT CALCULATED BY THE  
ACTUARY UNDER THE PLAN OF RETIREMENT SELECTED BY THE MEMBER. I  
RECOMMEND THESE MEMBERS BE APPROVED FOR RETIREMENT ON A MONTHLY  
BASIS IN THE AMOUNTS SHOWN AND THE FIRST RETIREMENT CHECKS BE MAILED  
NOVEMBER 30, 2011

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
14257	VIVIAN	BARKER	EDMOND	DEATH 09-11	5,000.00	OPTION-1 -919.50
14926	J	DARNELL	BRISTOW	DEATH 09-11	5,000.00	OPTION-1 -1,810.83
15860	ROZZELL	PENDERGRAF	OKLAHOMA CITY	DEATH 09-11	5,000.00	OPTION-1 -1,353.98
16775	MINNIE	MAXWELL	DEPEW	DEATH 09-11	5,000.00	OPTION-1 -1,430.99
16956	VERNA	ABBOTT	OKLAHOMA CITY	DEATH 09-11	5,000.00	OPTION-1 -1,074.86
17064	TURA	DUKE	BOSWELL	DEATH 09-11	5,000.00	OPTION-1 -1,187.68
17774	CARL	WEHR	STILLWATER	DEATH	5,000.00	OPTION-2 -854.16
17774	MARGARET	WEHR	STILLWATER	Continued		OP-2 BENEF 854.16
18243	RUDOLPH	TRENTON	PARKER	CO DEATH	5,000.00	OPTION-2 -1,189.39
18243	MARYBETH	TRENTON	PARKER	CO	Continued	OP-2 BENEF 1,189.39
18410	RUBY	BULLARD	ELK CITY	DEATH 09-11	5,000.00	OPTION-1 -1,277.94
18831	HELEN	OWSLEY	EDMOND	DEATH 07-11	5,000.00	OPTION-1 -1,350.00
18970	TOY	ANDERSON	TAMPA	FL DEATH 09-11	5,000.00	OPTION-1 -789.07
19930	NINA	PRUITT	VIAN	DEATH 09-11	5,000.00	OPTION-1 -972.95
20410	GENEVA	KLEINER	CHICKASHA	DEATH 08-11	5,000.00	OPTION-1 -1,081.72
20467	JACK	EDGE	KINGFISHER	DEATH 09-11	5,000.00	MAX OPTION -1,650.08
20827	MABEL	TAYLOR	DUNN	NC DEATH 06-11	5,000.00	OPTION-1 -1,670.07
21185	CORA	ANDERSON	MCALESTER	DEATH 09-11	5,000.00	MAX OPTION -903.96
22338	MARGY	EWALT	ALVA	DEATH 08-11	5,000.00	MAX OPTION -2,052.40
22367	MILDRED	GAY	SULPHUR	DEATH 09-11	5,000.00	MAX OPTION -1,663.93
22465	LESTER	JOHNSON	STILLWATER	DEATH 09-11	5,000.00	OP-2 POPUP -1,833.74
22821	LAVERN	WESTFALL	NICOMA PARK	DEATH 09-11	5,000.00	OPTION-1 -2,133.74
23120	MILDRED	DONALSON	LAWRENCE	KS DEATH 09-11	5,000.00	OPTION-1 -614.57
23350	VIRGIL	CORNELISON	TULSA	DEATH	5,000.00	OPTION-2 -1,024.90
23350	BETTY	CORNELISON	TULSA	Continued		OP-2 BENEF 1,024.90
23472	IRMA	ALLEN	NORMAN	DEATH 09-11	5,000.00	MAX OPTION -1,615.08
23789	ALBERTA	JOHNSTON	WEATHERFORD	DEATH 08-11	5,000.00	OPTION-1 -509.33

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
23801	BERNICE	KELLER	OKLAHOMA CITY	DEATH 04-11	.00	OP-2 BENEF -1,834.92
24114	GEORGE	TYNER	CLEVELAND	DEATH 07-11	5,000.00	MAX OPTION -1,967.59
24616	ORVILLE	SCHNEIDER	GARVIN	DEATH 09-11	5,000.00	MAX OPTION -408.34
25615	NORMA	GABRIEL	OKLAHOMA CITY	DEATH 09-11	5,000.00	MAX OPTION -419.79
26180	MARY	MCCRAY	NORMAN	DEATH 07-11	5,000.00	OPTION-1 -1,598.77
26555	LUCILLE	SARGENT	PADEN	DEATH 09-11	5,000.00	OPTION-1 -1,229.67
27432	CLEO	ALEXANDER	TULSA	DEATH 09-11	5,000.00	MAX OPTION -1,574.21
27790	GERALDINE	PATTON	PAOLI	DEATH 09-11	5,000.00	MAX OPTION -883.29
28006	ALVIN	ELLIOTT	STILLWATER	DEATH 09-11	5,000.00	MAX OPTION -1,626.93
28431	MARY	WIEGERT	SHAWNEE	DEATH 09-11	.00	OP-2 BENEF -631.27
28587	THOMAS	CAMPBELL	MOORE	DEATH 09-11	5,000.00	OPTION-2 -2,492.11
28588	KENNETH	CARLETON	PURCELL	DEATH 09-11	5,000.00	OPTION-1 -3,218.36
28684	FRED	DUNLAP	BOYNTON	DEATH 09-11	5,000.00	OPTION-1 -1,973.79
28854	BILLY	JONES	SKIATOOK	DEATH	5,000.00	OPTION-3 -2,146.32
28854	DOTTIE	JONES	SKIATOOK	Continued		OP-3 BENEF 1,073.16
28873	AUSTIN	KETCHER	TAHLEQUAH	DEATH 09-11	5,000.00	OPTION-2 -2,543.89
29110	JOAN	RUBLE	OKLAHOMA CITY	DEATH 09-11	.00	OP-2 BENEF -2,774.18
29320	VERDA	MCKELLIPS	WEATHERFORD	DEATH 09-11	5,000.00	OPTION-1 -2,449.29
30002	JACK	MURPHY	BURKEVILLE TX	DEATH 09-11	5,000.00	MAX OPTION -1,105.35
30126	MAE	WAGNER	ADA	DEATH 09-11	5,000.00	MAX OPTION -1,423.26
30883	SYLVEN	CARROLL	SHIRLEY AR	DEATH 09-11	5,000.00	OP-3 POPUP -2,252.73
32041	ALICE	READY	ENID	DEATH 09-11	5,000.00	OPTION-1 -270.18
32083	JOAN	RUBLE	OKLAHOMA CITY	DEATH 09-11	5,000.00	OP-2 POPUP -2,563.82
33569	ALBERTA	KERR	ARKOMA	DEATH 09-11	5,000.00	OPTION-1 -878.22
34253	BILLY	RAMER	POTEAU	DEATH 09-11	5,000.00	MAX OPTION -702.04
35359	CHARLSIA	STROUD	RINGLING	DEATH 09-11	5,000.00	OPTION-1 -2,041.94

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
35840	BLANCHIE	MAYES	TULSA	DEATH 09-11	5,000.00	OPTION-1 -2,538.72
36005	WANDA	SNOOK	TULSA	DEATH 09-11	.00	OP-2 BENEF -498.86
36887	JAMES	SAUERMAN	DUNCAN	DEATH 08-11	.00	OP-3 BENEF -729.25
37213	MAGGIE	LEWIS	LAWTON	DEATH 09-11	.00	OP-2 BENEF -961.75
37820	TEX	SEYMOUR	ADA	DEATH 09-11	5,000.00	OPTION-1 -1,608.93
41036	JOHN	CHASTAIN	TULSA	DEATH 09-11	.00	OP-3 BENEF -1,164.87
41549	ANITA	SPARKS	WAXAHACHIE TX	Continued	OP-3 BENEF	1,346.32
43093	WILLIE	TAPSCOTT	SYKESVILLE MD	DEATH 09-11	5,000.00	MAX OPTION -1,076.32
43794	WILMA	EAKINS	BLACKWELL	DEATH 09-11	5,000.00	OPTION-1 -453.91
45671	EVELYN	DILDINE	TULSA	DEATH 09-11	5,000.00	OPTION-1 -306.78
47135	JOANN	BIRD	BRISTOW	DEATH 08-11	5,000.00	OPTION-1 -1,652.60
48052	KENNETH	PACK	VIAN	Continued	OP-2 BENEF	1,652.78
48330	ROBERTA	TURNER	GREEN FOREST AR	DEATH 09-11	5,000.00	MAX OPTION -616.02
48358	BETTE	CHASTEEN	MOORE	Continued	OP-2 BENEF	365.15
48367	LARRY	COPE	CHECOTAH	DEATH 09-11	5,000.00	MAX OPTION -876.20
49048	GARY	MAULSBY	TULSA	DEATH 09-11	5,000.00	MAX OPTION -744.63
49834	ROBERT	HAYNES	GEORGETOWN TX	DEATH 08-11	5,000.00	OPTION-4 -835.04
50867	ROBERT	SIMMONS	NORMAN	Continued	OP-3 BENEF	1,177.03
55745	JIMMY	LANE	STILLWATER	DEATH 09-11	5,000.00	MAX OPTION -693.93
63325	BOBBIE	HALEY	BETHANY	DEATH 09-11	5,000.00	MAX OPTION -627.76
64805	PHILLIP	POSTOAK	OAKS	DEATH 09-11	5,000.00	OPTION-4 -177.26
68620	DORIS	NEELEY	TULSA	DEATH 08-11	5,000.00	OPTION-4 -402.64
70678	MARILYN	COLLINS	OKEMAH	TEACH 11-11		MAX OPTION -2,161.61
70986	CAROLYN	JENNINGS	TUTTLE	DEATH	5,000.00	OPTION-2 -631.66
70986	LARRY	JENNINGS	TUTTLE	Continued	OP-2 BENEF	631.66
73067	NANCY	ADDISON	TULSA	DEATH	5,000.00	OPTION-2 -2,223.78

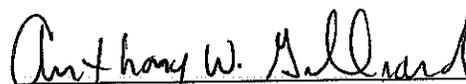
Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
73067	JEFF	ADDISON	TULSA	Continued	OP-2 BENEf	2,223.78
73183	VIRGINIA	BOEVERS	FORT GIBSON	TEACH 11-11	OPTION-2	-1,660.08
75175	KAREN	FILIATRAULT	AMARILLO TX	DEATH 09-11	MAX OPTION	-177.08
75867	LARRY	LUNDHOLM	STILLWATER	DEATH 09-11	MAX OPTION	-2,535.32
76695	PAUL	FOSTER	CUSHING	TEACH 11-11	OPTION-2	-1,846.24
76944	DONNIE	KOEHN	EDMOND	TEACH 11-11	OPTION-1	-503.02
77246	LINDA	PRYOR	TECUMSEH	DEATH	OPTION-2	-2,848.05
77246	JOHN	PRYOR	TECUMSEH	Continued	OP-2 BENEf	2,848.05
77388	LINDA	SMITH	STROUD	TEACH 11-11	MAX OPTION	-2,691.61
77776	SHERRY	ELLIOTT	MIDWEST CITY	TEACH 11-11	MAX OPTION	-3,052.20
77992	VICTORIA	MOUNCE	NORMAN	TEACH 11-11	OPTION-2	-2,385.03

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
B0455	LORENE	KNIGHT	PAULS VALLEY	DEATH 08-11	ACCT-CLOSED	SB 490	-194.89
B1545	LAHOMA	PARKER	OXNARD CA	DEATH 08-11	ACCT-CLOSED	SB 490	-194.89
B2342	ORYE	MITCHELL	LOS ANGELES CA	DEATH 09-11	ACCT-CLOSED	SB 490	-194.89

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
D0985	WINSTON	PALMER	MILBURN	DEATH 09-11	5,000.00	DISABILITY	-563.72
D3071	STANLEY	HAYWOOD	LAWTON		Continued	OP-2 BENEF	417.51
D3108	NARCE	SCROGGINS	TAHLEQUAH	DEATH 09-11	8,970.08	DISABILITY	-454.52
D3239	SUSAN	HAUGLUND	TULSA		Continued	OP-2 BENEF	1,080.98
D3271	KIMBERLY	JONES	LAHOMA	DEATH 08-11	46,907.12	DISABILITY	-2,271.13

TOTALS:

Payroll-Chg	-98,645.45
Deceased	78
Retirement Canceled	0
Return To Teaching	7
Continued - Max Ben	0
Continued - Option1	0
Continued - Option2	10
Continued - Option3	3
Continued - Option4	0
Continued - Disable	0

  
ADMINISTRATIVE ASSISTANT

11/7/2011  
DATE PREPARED