



**OKLAHOMA TEACHERS**  

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**RETIREMENT SYSTEM**

**BOARD OF TRUSTEES**

**REGULARLY SCHEDULED**  
**MEETING**

**OCTOBER 26, 2011**

**9:00 AM**

**MEETING MATERIALS**

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**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**  
**Regular Board Meeting**  
**Wednesday, October 26, 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 SEPTEMBER 29, 2011 BOARD MEETING**
- 3. PRESENTATION BY INVESTMENT MANAGER(S):**
  - A. AEW Capital Management
  - B. Heitman
  - C. L&B
- 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 AMENDMENTS TO INVESTMENT POLICY STATEMENT**
- 7. DISCUSSION AND POSSIBLE ACTION ON CODE OF CONDUCT POLICY**
- 8. DISCUSSION AND POSSIBLE ACTION ON LEGAL REPORT**
- 9. DISCUSSION AND POSSIBLE ACTION ON PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2013**
- 10. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
  - A. Service Dashboard
  - B. Client Status Update
  - C. Emergency Rules Update
  - D. Legislative Update
  - E. FY-2012 Agency Budget
  - F. Other Items for Discussion
- 11. DISCUSSION AND POSSIBLE ACTION ON BOARD OF TRUSTEES MEETING SCHEDULE FOR 2012**
- 12. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 13. NEW BUSINESS**
- 14. ADJOURNMENT**

**MEETING MINUTES  
SEPTEMBER 29, 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 9:04 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, <i>Chairman</i>	Richard Gorman
Gary Trennepohl, <i>Vice Chairman</i>	Dick Neptune
Bruce DeMuth, <i>Secretary</i>	Galeard Roper
Sherrie Barnes*	James Smith
Cathy Conway	Billie Stephenson
Vernon Florence	

**TRUSTEES ABSENT:**

Jill Geiger	Jonathan Small
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**TRS STAFF PRESENT:**

James R. Wilbanks, <i>Executive Director</i>	Becky Wilson, <i>Executive Assistant</i>
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**LEGAL COUNSEL PRESENT:**

Regina Switzer, *Assistant Attorney General*

**INVESTMENT CONSULTANT PRESENT:**

Greg Weaver, <i>Gregory W. Group</i>	Douglas J. Anderson, <i>Gregory W. Group</i>
Tony Kay, <i>Gregory W. Group</i>	

**OTHERS PRESENT:**

Norman Cooper, <i>OK Retired Educators Assoc</i>	Chris Conradi, <i>Gabriel, Roeder, Smith &amp; Co</i>
Mark Randall, <i>Gabriel, Roeder, Smith &amp; Co</i>	Brad Stewart, <i>Gabriel, Roeder, Smith &amp; Co</i>
Charles Barnes	

*\*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. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Ms. Barnes joined the meeting immediately following the roll call vote.

**ITEM 2 – SWEARING IN OF NEW TRUSTEE VERNON FLORENCE:** Vernon Florence was sworn in and welcomed to the Board.

**ITEM 3 - MEETING MINUTES:** Chairman Simpson asked if there were any changes to the meeting minutes. A motion was made by Mr. DeMuth with a second made by Ms. Conway to approve the August 24, 2011 meeting minutes. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

**ITEM 4 – INTERNATIONAL SMALL CAP RFP:** Presentations were made to the Board by the five remaining finalists: Advisory Research, Epoch Investment Partners, Wasatch Advisors, Wellington Management and Wells Capital Management. After giving respective presentations to the Board, a motion was made by Ms. Conway with a second made by Mr. Neptune to hire Advisory Research, Epoch Investment Partners, Wasatch Advisors and Wellington Management, with each company investing 0.75% of the total portfolio. The motion carried by a unanimous roll call vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Chairman Simpson. Dr. Trennepohl abstained from the vote.

*A break was taken from 10:22 a.m. to 10:32 a.m.  
A break for lunch was taken from 12:05 p.m. to 12:27 p.m.*

**ITEM 5 – 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 6 – 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 Ms. Conway with a second made by Dr. Trennepohl for Brandes to remain on notice for performance until December 31, 2011. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

A motion was also made by Mr. Roper with a second made by Mr. Neptune to terminate Capital Guardian and use the remaining money to fund the International Small Cap Equity Managers equally to minimize transaction costs. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson. Mr. Smith abstained from the vote.

After further discussion, a motion was made by Mr. Neptune with a second made by Ms. Stephenson to allow the consultants from Gregory W. Group to evaluate and hire a transition manager. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

**ITEM 7 – INVESTMENT COMMITTEE REPORT:** Mr. Smith, Chairman of the Investment Committee, updated the Board on items discussed in the Investment Committee Meeting held on September 28, 2011. Causeway Capital Management and Thornburg Investment Management were present to give their respective presentations. Causeway Capital also discussed the proposed use of Euro Hedging, which Mr. Smith reminded the Board is allowed under the Investment Policy. No action was necessary.

**ITEM 8 – ACTUARIAL REPORT:** A presentation was made to the Board by Chris Conradi, Mark Randall and Brad Stewart of Gabriel Roeder Smith & Company, Consultants and Actuaries. After discussion, a motion was made by Mr. DeMuth with a second made by Ms. Conway to approve the Actuarial Report. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; Mr. Gorman; Mr. Neptune; Mr. Roper; Mr. Smith; Ms. Stephenson; Dr. Trennepohl; and Chairman Simpson.

*A break was taken from 1:45 p.m. to 1:55 p.m.*

**ITEM 9 – CEM BENCHMARKING STUDY:** Dr. Wilbanks presented the Board with the CEM Benchmarking Study for FY-2010. After discussion, no action was necessary.

**ITEM 10 – 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 11 – EXECUTIVE DIRECTOR REPORT:** Dr. Wilbanks gave his report to the Board. A motion was made by Ms. Conway with a second made by Mr. Neptune to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; 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. DeMuth with a second made by Ms. Stephenson to adjourn. The meeting was adjourned at 2:22 p.m. Trustees present at adjournment were Ms. Barnes; Ms. Conway; Mr. DeMuth; Mr. Florence; 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:** \_\_\_\_\_  
**Bruce DeMuth, Secretary**

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on October 26, 2011.

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

### Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	-5.9	3.8	3.2	1.4
NASDAQ (prc chg only)	-6.4	2.0	4.9	1.4
S&P 500 cap weighted	-7.0	1.1	1.2	-1.2
S&P 500 equal weighted	-9.0	-0.5	5.2	0.8
S&P Mid Cap	-10.6	-1.3	4.1	2.2
S&P Small Cap	-10.3	0.2	0.8	0.3
S&P REIT	-11.0	1.1	-1.8	-2.7
Russell 1000 Growth	-7.4	3.8	4.7	1.6
Russell 1000 Value	-7.6	-1.9	-1.5	-3.5
Russell Mid Cap Growth	-10.1	0.8	5.9	1.6
Russell Mid Cap Value	-9.2	-2.4	2.0	-0.8
Russell 2000 Growth	-11.5	-1.1	2.1	1.0
Russell 2000 Value	-10.9	-6.0	-2.8	-3.1
Russell Top 200	-6.5	1.7	0.7	-1.5
Russell 1000	-7.5	0.9	1.6	-0.9
Russell Mid Cap	-9.6	-0.9	4.0	0.6
Russell 2500	-10.8	-2.2	2.3	0.2
Russell 2000	-11.2	-3.5	-0.4	-1.0
MSCI World Ex US	-10.0	-8.7	-0.4	-2.4
MSCI World Ex US Growth	-11.5	-8.6	-0.3	-1.4
MSCI World Ex US Value	-8.5	-8.8	-0.5	-3.5
MSCI EAFE	-8.9	-8.9	-0.7	-3.0
MSCI Emerging Markets	-14.6	-15.9	6.6	5.2

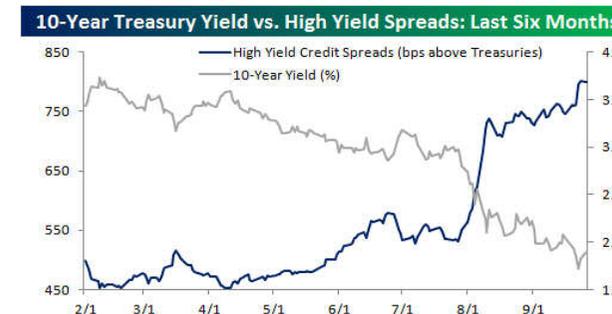
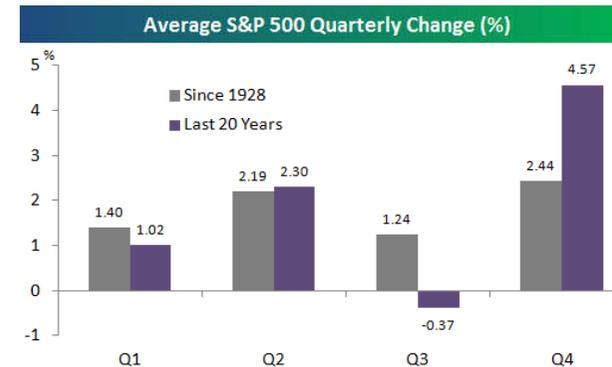
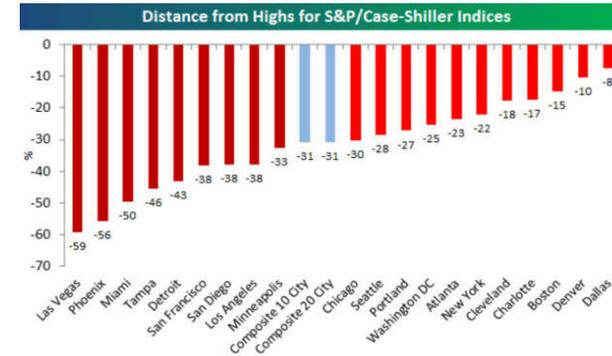
Domestic and international equity markets continued to trade lower during September as economic uncertainty dominated investors' focus. European issues dominated headlines and trading as their debt issues plagued the developed world's growth outlook. Losses were worse among smaller equities. Growth vs. value returns were mixed. Fixed income markets posted gains.

US Treasury bonds were the financial markets top performer for the second consecutive month. This was a continuation of widespread risk aversion and many investors flight to "safe" assets.

Trailing one year equity returns declined dramatically over the past month. For the year, large cap growth was the top performing segment of the domestic equity market. Developed international equity market returns were tightly grouped. Emerging markets fell much more than developed markets.

### Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.2	1.6
BC Long Treasury	9.8	17.1	13.0	10.7
BC US Agg	0.7	5.3	8.0	6.5



# Oklahoma Teachers' Retirement System

Investment Manager Profile – As of September 30, 2011



Manager	Location	Structure	Investment Mandate	Portfolio Sizes	Status	Management Fee
AEW Capital Management, L.P.	Boston, Massachusetts	Wholly-owned by Natixis Global Asset Management	Core Real Estate	\$ 90,000,000	In Compliance	0.83%
Heitman	Chicago, Illinois	50% employee-owned, 50% Old Mutual Owned	Core Real Estate	\$ 103,805,311	In Compliance	0.82%
L&B Realty Advisors, LLC	Dallas, Texas	Employee-owned	Core Real Estate	\$ 101,880,905	In Compliance	0.45%

Manager	Last Month	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception
AEW Capital Management, L.P.	-	-	-	-	-	-	-
Heitman	-	-	-	-	-	-	-
L&B Realty Advisors, LLC	-	-	-	-	-	-	-

Manager	Management Philosophy	Represented By:
AEW Capital Management, L.P.	Members of AEW Research analyze economic data available to develop a comprehensive picture of the urban economy and its real estate markets. To complement this top-down analysis, group members engage in active dialogue with AEW management professionals to gain a bottom-up perspective on market trends. The primary results of these efforts are semi-annual analyses that forecast market supply, demand and returns for each of the major property types in each of the metropolitan areas in the United States.	David McWhorter Daniel Bradley
Heitman	The Fund seeks to deliver to its investors a combination of current income return and moderate appreciation (approximately two-third income and one-third capital appreciation). In acquiring assets for the fund, Heitman adheres to the following principles: buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong attributes such as proximity to amenities, complementary land uses and transportation networks that are well constructed to appeal to tenants over long periods of time.	Kathy Sandstrom David Perisho
L&B Realty Advisors, LLC	The fund will invest in traditional core property types, including multifamily, retail, office and industrial properties. The primary investment objective will be to protect equity and limit downside risk while assembling a diversified portfolio of appropriately priced, institutional quality, income-producing assets. The manager will use a core strategy that prudently uses leverage with a focus on the distribution of cash flow from operations. The manager will seek owners motivated to sell quality assets at prices expected to provide a desired rate of return with quantifiable downside risk. Manager will seek properties in markets affording long-term sustainable growth and avoid markets prone to excessive volatility and select assets with superior location using first hand experience and a network of strategic partners.	Mark Gerigk Christian Metten Andy Smith

# Oklahoma Teachers' Retirement System

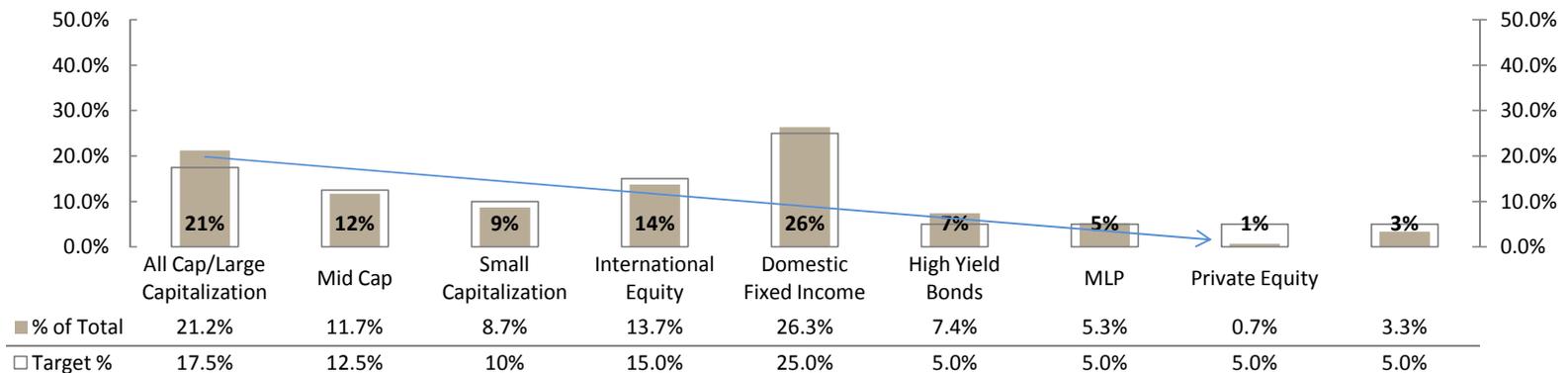
## Monthly Asset Allocation Review

As of September 30, 2011



Asset Class	Total Market Value	Percentage of Total	Target Percentage	Action?*
All Cap/Large Cap	1,883,863,382	21.2%	17.5%	Yes
Mid Cap	1,038,083,767	11.7%	12.5%	No
Small Cap	768,073,687	8.7%	10.0%	Yes
<b>Total Domestic Equity</b>	3,690,020,836	41.6%	<b>40.0%</b>	No
<b>International Equity</b>	1,214,550,239	13.7%	<b>15.0%</b>	No
<b>Core Fixed Income</b>	2,332,864,386	26.3%	<b>25.0%</b>	No
<b>High Yield Bonds</b>	655,927,654	7.4%	<b>5.0%</b>	Yes
<b>MLP</b>	466,384,512	5.3%	<b>5.0%</b>	No
<b>Private Equity</b>	62,281,606	0.7%	<b>5.0%</b>	Yes
<b>Real Estate</b>	295,686,216	3.3%	<b>5.0%</b>	Yes
<b>Cash</b>	(17,433,846)	-0.2%	<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.

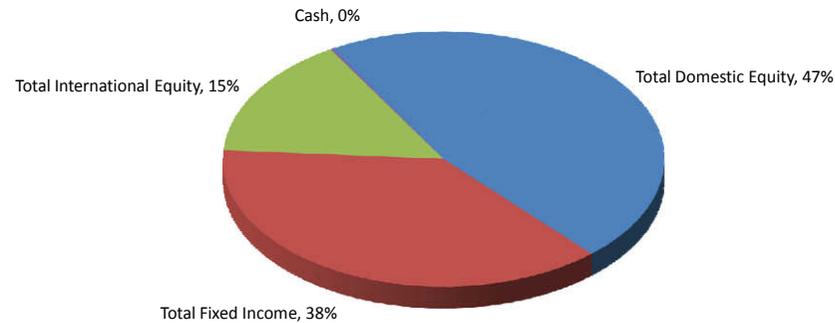
# Oklahoma Teachers' Retirement System Composites and Total Fund

As of September 30, 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>3,690,020,836</b>	-9.6	-19.1	-19.1	-2.9	1.9	-0.6	5.1	<b>9.2</b>	8.0	3.31.90
S&P 500		-7.0	-13.9	-13.9	1.1	1.2	-1.2	2.8			
Total All Cap Equity	695,531,030	-8.1	-16.3	-16.3	<b>0.8</b>	1.6	-0.1	-	-0.1	-0.5	9.30.06
Russell 3000		-7.8	-15.3	-15.3	0.5	1.4	-0.9	3.5			
Total Large Cap Equity	1,188,332,353	-6.6	-13.4	-13.4	0.0	0.6	-2.1	3.6	8.2	7.5	1.31.95
S&P 500		-7.0	-13.9	-13.9	1.1	1.2	-1.2	2.8			
Total Mid Cap Equity	1,038,083,767	-11.3	-22.6	-22.6	-3.8	4.8	1.0	<b>7.7</b>	7.0	6.8	11.30.98
Russell MidCap		-9.6	-18.9	-18.9	-0.9	4.0	0.6	7.5			
Total Small Cap Equity	768,073,687	-13.1	-24.4	-24.4	-9.1	0.6	-0.3	6.2	6.5	4.3	1.31.98
Russell 2000		-11.2	-21.9	-21.9	-3.5	-0.4	-1.0	6.1			
Total International Equity	1,214,550,239	-10.0	-20.2	-20.2	-10.5	-0.5	-2.3	5.9	7.9	3.8	1.31.96
MSCI ACWI ex-US		-9.5	-19.0	-19.0	-8.9	-0.7	-3.0	5.5			
Total Core Fixed Income	2,332,864,386	<b>1.6</b>	<b>5.7</b>	<b>5.7</b>	7.2	<b>11.1</b>	<b>8.4</b>	6.8	7.6	6.7	3.31.90
Barclays Aggregate		0.7	3.8	3.8	5.3	8.0	6.5	5.7			
Master Limited Partnerships	466,384,512	-3.6	-6.3	-6.3	-	-	-	-	-4.3	-4.3	2.28.2011
Alerian MLP Index		-4.1	-7.0	-7.0	7.0	23.2	13.2	14.4			
High Yield Fixed Income	655,927,654	-3.9	-6.9	-6.9	1.5	-	-	-	18.7	21.8	2.28.2009
ML High Yield II		-3.6	-6.3	-6.3	1.3	13.7	6.9	8.6	-		
Cash	(17,433,846)										
91 Day T-bill		0.0	0.0	0.0	0.2	0.3	1.8	-			
<b>Total Fund</b>	<b>8,866,967,846</b>	<b>-5.7</b>	<b>-11.2</b>	<b>-11.2</b>	<b>-0.2</b>	<b>5.2</b>	<b>2.6</b>	<b>6.5</b>	<b>8.7</b>		<b>11.30.91</b>
Allocation Index		-5.9	-11.3	-11.3	0.1	3.8	1.5	5.6	8.5		11.30.91
Actuarial Assumption		0.6	1.9	6.6	8.0	8.0	8.0	8.0	8.1		11.30.91

## Composite Allocation by Asset Class



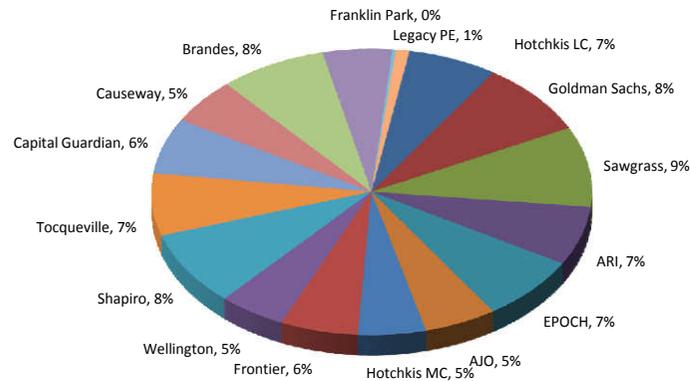
# Oklahoma Teachers' Retirement System Equity Portfolios

As of September 30, 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	325,357,313	-7.6	-16.9	-16.9	-4.0	3.1	-5.2	4.5	9.1	8.5	3.31.90
Russell 1000 Value		-7.6	-16.2	-16.2	-1.9	-1.5	-3.5	3.4			
Goldman Sachs	413,237,684	-7.4	-13.6	-13.6	-2.3	1.6	1.0	2.2	8.9	7.5	3.31.90
Sawgrass	449,737,355	-5.1	-10.5	-10.5	5.8	3.1	0.6	-	1.7	2.3	6.30.06
Russell 1000 Growth		-7.4	-13.1	-13.1	3.8	4.7	1.6	3.0			
Advisory Research	329,661,070	-7.8	-14.0	-14.0	2.8	1.8	-0.8	-	-0.8	-0.5	9.30.06
EPOCH	365,869,959	-8.4	-18.3	-18.3	-1.0	1.1	0.6	-	0.5	-0.5	9.30.06
Russell 3000		-7.8	-15.3	-15.3	0.5	1.4	-0.9	3.5			
Russell 3000 Value		-7.8	-16.6	-16.6	-2.2	-1.6	-3.5	3.6			
Capital Guardian	312,254,122	-11.7	-21.3	-21.3	-12.1	-1.1	-3.2	-	6.3	7.7	4.30.03
Causeway Capital	258,679,857	-11.9	-22.2	-22.2	-10.9	1.0	-2.3	-	8.4	7.7	4.30.03
Brandes	390,494,751	-6.9	-17.2	-17.2	-9.6	-2.1	-3.2	7.0	9.8	3.8	1.31.96
Thornburg	253,121,509	-10.6	-21.0	-21.0	-9.4	1.9	2.0	-	4.0	0.6	11.30.05
MSCI EAFE GD		-9.5	-19.0	-19.0	-8.9	-0.7	-3.0	5.0			
MSCI ACWI Ex US		-11.1	-19.9	-19.9	-10.8	0.5	-1.6	6.8			
Wellington	244,020,620	-14.2	-26.3	-26.3	-6.9	2.7	0.3	7.8	8.0	6.1	8.31.98
Frontier Capital	283,590,169	-8.2	-17.7	-17.7	1.3	5.0	5.0	-	6.9	5.6	5.31.02
Russell MidCap Growth		-10.1	-19.3	-19.3	0.8	5.9	1.6	6.7			
AJO Partners	263,725,707	-10.6	-20.2	-20.2	1.0	4.5	0.9	7.9	8.1	6.3	8.31.98
Russell MidCap		-9.6	-18.9	-18.9	-0.9	4.0	0.6	7.5			
Hotchkis & Wiley Mid Cap	246,747,271	-12.5	-26.5	-26.5	-10.4	8.0	-2.5	-	8.5	7.8	7.31.02
Russell MidCap Value		-9.2	-18.5	-18.5	-2.4	2.0	-0.8	-			
Shapiro Capital Management	419,175,825	-13.0	-21.0	-21.0	-3.7	5.9	2.9	10.6	7.7	5.6	1.31.98
Tocqueville	348,897,861	-13.2	-28.1	-28.1	-14.8	-3.6	-2.3	6.8	6.1	6.4	10.31.00
Russell 2000 Value		-10.9	-21.5	-21.5	-6.0	-2.8	-3.1	6.5			
Russell 2000		-11.2	-21.9	-21.9	-3.5	-0.4	-1.0	6.1			
Legacy Private Equity Portfolio	49,792,282	0.7	0.7	0.7	-3.0	-6.8	-	-	-6.8	-	9.30.08
Franklin Park Private Equity	12,489,324	-12.4	-17.2	-17.2	-	-	-	-	-	-	5.31.11

Equity Portfolio Allocation by Manager



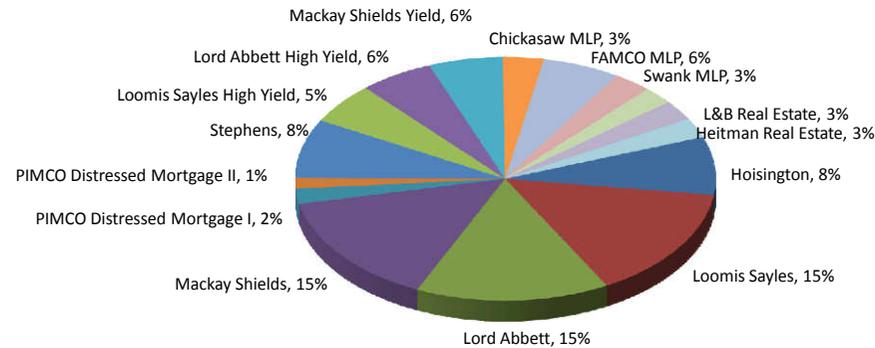
# Oklahoma Teachers' Retirement System Fixed Income Portfolios

As of September 30, 2011



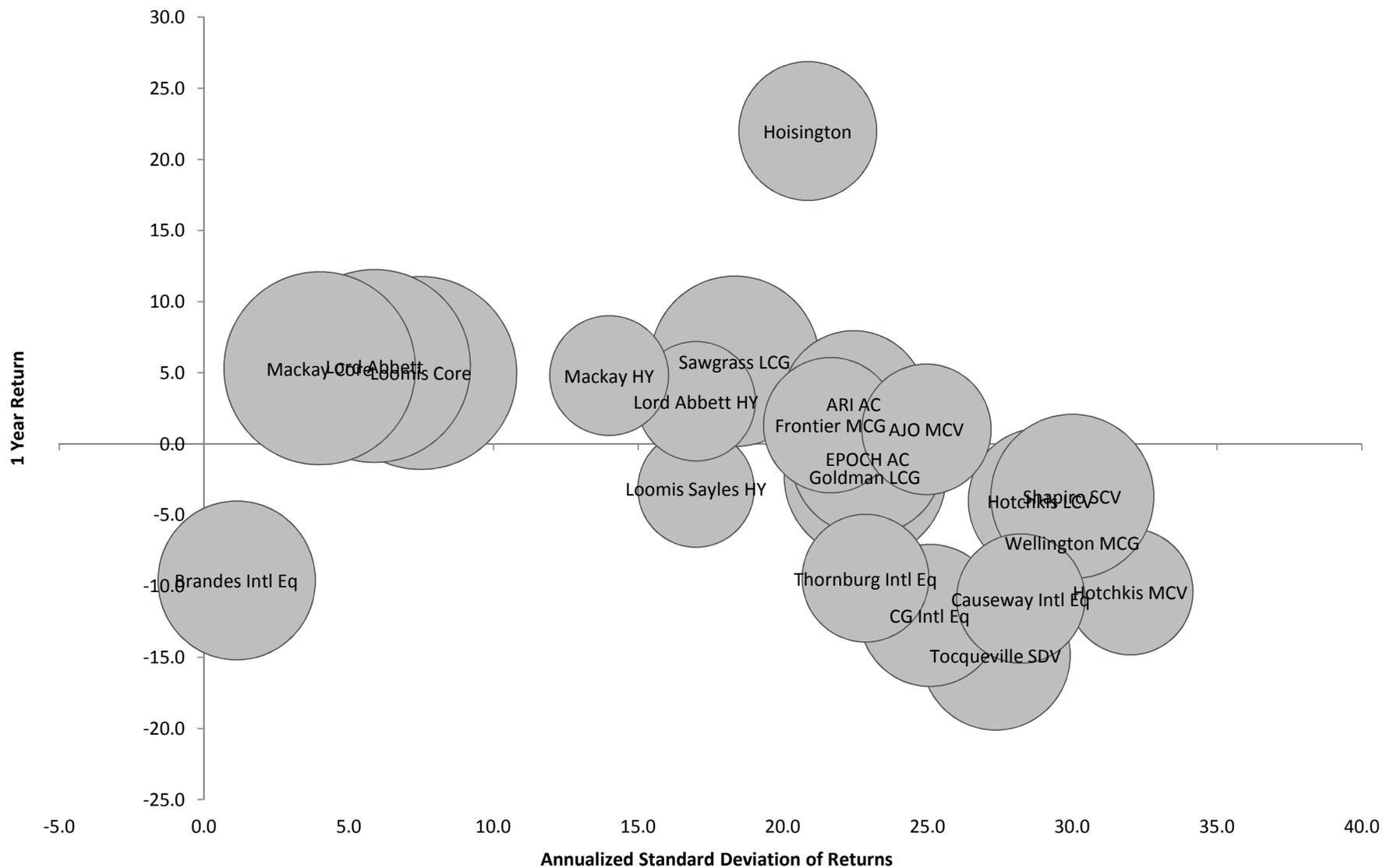
	Market Value	Last Month	Last Quarter	Fiscal Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Index Since Inception	Inception Date
Hoisington	298,858,181	14.6	35.8	35.8	22.0	15.2	12.0	-	10.8	5.5	10.31.04
Loomis Sayles	577,102,686	-0.8	1.1	1.1	5.0	13.7	9.6	7.2	7.2	6.4	7.31.99
Lord Abbett	577,156,927	0.2	2.7	2.7	5.5	10.5	7.7	-	6.6	5.5	10.31.04
Mackay Shields	576,408,026	-0.2	0.8	0.8	5.3	9.7	7.7	-	6.5	5.5	10.31.04
PIMCO Distressed Mortgage I	77,724,761	-	-	-	-	-	-	-	-	8.1	5.31.08
PIMCO Distressed Mortgage II	56,737,006	-	-	-	-	-	-	-	-	7.0	12.31.08
PIMCO BRAVO	31,446,770	-	-	-	-	-	-	-	-	6.2	3.31.11
Stephens	303,338,566	-0.2	1.5	1.5	2.6	6.6	6.6	-	5.5	5.5	10.31.04
<i>Barclays Aggregate</i>			0.7	3.8	3.8	5.3	8.0	6.5	5.7		
Loomis Sayles High Yield	212,694,289	-7.0	-11.3	-11.3	-3.1	-	-	-	18.3	24.4	2.28.09
Lord Abbett High Yield	221,278,142	-3.1	-6.3	-6.3	3.0	-	-	-	19.5	24.4	2.28.09
Mackay Shields Yield	221,955,223	-1.6	-3.0	-3.0	4.8	-	-	-	18.3	24.4	2.28.09
<i>Merrill Lynch High Yield II</i>			-3.6	-6.3	-6.3	1.3	13.7	6.9	8.6		
Chickasaw Capital MLP	121,147,864	-1.9	-4.8	-4.8	-	-	-	-	-1.1	-5.1	2.28.2011
FAMCO MLP	231,198,626	-3.5	-6.0	-6.0	-	-	-	-	-5.6	-5.1	2.28.2011
Swank MLP	114,038,021	-5.6	-8.6	-8.6	-	-	-	-	-6.9	-5.1	2.28.2011
<i>Alerian MLP Index</i>			-4.1	-7.0	-7.0	7.0	23.2	13.2	14.4		
AEW Real Estate	90,000,000	-	-	-	-	-	-	-	-	-	4.30.2011
Heitman Real Estate	103,805,311	-	-	-	-	-	-	-	-	-	4.30.2011
L&B Real Estate	101,880,905	-	-	-	-	-	-	-	-	-	5.31.2011
<i>NCREIF - Open End Divers Core Equity</i>			-	-	-	-	-	-	-	-	

## Fixed Income Portfolio Allocation by Manager



# Oklahoma Teachers' Retirement System Risk/Return Comparison

As of September 30, 2011



Oklahoma Teachers' Retirement System  
 Estimated Net of Management Fee Performance Summary  
 As of September 30, 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	\$ 325,357,313	0.36	-7.7	-17.0	-4.4	2.7	-5.5	4.1	8.8	8.0	3.31.90
<i>Russell 1000 Value</i>			-7.6	-16.2	-1.9	-1.5	-3.5	3.4			
Goldman Sachs	\$ 413,237,684	0.27	-7.5	-13.7	-2.6	1.4	0.7	1.9	8.6	6.6	3.31.90
Sawgrass	\$ 449,737,355	0.37	-5.1	-10.6	5.4	2.7	0.2	-	1.4	2.3	6.30.06
<i>Russell 1000 Growth</i>			-7.4	-13.1	3.8	4.7	1.6	3.0			
Advisory Research	\$ 329,661,070	0.35	-7.8	-14.1	2.5	1.5	-	-	-1.1	-0.5	9.30.06
EPOCH	\$ 365,869,959	0.46	-8.4	-18.4	-1.5	0.7	-	-	0.1	-0.5	9.30.06
<i>Russell 3000</i>			-7.8	-15.3	0.5	1.4	3.2	3.4			
AJO Partners	\$ 263,725,707	0.55	-10.6	-20.3	0.5	3.9	0.3	7.3	7.5	6.3	8.31.98
Wellington	\$ 244,020,620	0.45	-14.2	-26.4	-7.4	2.2	-0.2	7.3	7.5	6.1	8.31.98
Frontier Capital Management	\$ 283,590,169	0.57	-8.3	-17.9	0.8	4.4	4.4	-	6.4	5.6	5.31.02
Hotchkis & Wiley Mid Cap	\$ 246,747,271	0.50	-12.5	-26.6	-10.9	7.5	-3.0	-	8.0	7.8	7.31.02
<i>Russell MidCap</i>			-9.6	-18.9	-0.9	4.0	0.6	7.5			
Shapiro Capital Management	\$ 419,175,825	0.73	-13.0	-21.2	-4.4	5.1	2.2	9.8	7.0	5.6	1.31.98
Tocqueville	\$ 348,897,861	0.66	-13.2	-28.3	-15.5	-4.2	-3.0	-	5.5	6.4	9.30.00
<i>Russell 2000</i>			-11.2	-21.9	-21.9	-3.5	-0.4	-1.0			
Legacy Private Equity	\$ 49,792,282	-	-	-	-	-	-	-	-	-	9.30.08
Franklin Park	\$ 12,489,324	-	-	-	-	-	-	-	-	-	5.31.11
<i>S&amp;P 500 + 4.0%</i>			-6.9	-12.9	5.1	5.2	2.8	6.8			
Capital Guardian	\$ 312,254,122	0.42	-11.8	-21.4	-12.5	-1.5	-3.6	-	6.2	7.7	4.30.03
Causeway Capital	\$ 258,679,857	0.41	-11.9	-22.3	-11.3	0.6	-2.8	-	8.0	7.7	4.30.03
Brandes	\$ 390,494,751	0.41	-7.0	-17.3	-10.0	-2.5	-3.7	6.6	9.3	3.8	1.31.96
Thornburg	\$ 253,121,509	0.52	-10.6	-21.2	-10.0	1.4	-	-	3.5	0.6	11.30.05
<i>MSCI EAFE GD</i>			-9.5	-19.0	-8.9	-0.7	-3.0	5.0			
<i>MSCI ACWI Ex US</i>			-11.1	-19.9	-10.8	0.5	-1.6	6.8			
Hoisington	\$ 298,858,181	0.15	14.5	35.7	21.8	15.1	11.8	-	10.7	5.5	10.31.04
Loomis Sayles	\$ 577,102,686	0.15	-0.8	1.0	4.8	13.6	9.5	7.0	7.1	6.4	7.31.99
Lord Abbett	\$ 577,156,927	0.17	0.2	2.7	5.3	10.3	7.5	-	6.4	5.5	10.31.04
Mackay Shields	\$ 576,408,026	0.21	-0.2	0.8	5.1	9.5	7.5	-	6.3	5.5	10.31.04
PIMCO Distressed Mortgage I	\$ 77,724,761	0.25	-	-	-	-	-	-	-	8.1	5.31.2008
PIMCO Distressed Mortgage II	\$ 56,737,006	0.25	-	-	-	-	-	-	-	7.0	12.31.2008
Stephens	\$ 303,338,566	0.16	-0.3	1.6	2.4	6.4	6.4	-	5.3	5.5	10.31.04
<i>Barclays Aggregate</i>			0.7	3.8	5.3	8.0	6.5	5.7			
Loomis Sayles High Yield	\$ 212,694,289	0.50	-7.1	-11.5	-3.6	-	-	-	17.8	24.4	2.28.09
Lord Abbett High Yield	\$ 221,278,142	0.38	-3.1	-6.4	2.6	-	-	-	19.2	24.4	2.28.09
Mackay Shields High Yield	\$ 221,955,223	0.45	-1.7	-3.1	4.4	-	-	-	17.9	24.4	2.28.09
<i>ML High Yield II</i>			-3.6	-6.3	-6.3	13.7	6.9	-			
AEW Real Estate	\$ 90,000,000	0.83	-	-	-	-	-	-	-	0.9	4.30.2011
Heitman Real Estate	\$ 103,805,311	0.82	-	-	-	-	-	-	-	0.9	4.30.2011
L&B Real Estate	\$ 101,880,905	0.45	-	-	-	-	-	-	-	0.9	5.31.2011
<i>NCREIF - Open End Divers Core Equity</i>			-	-	-	-	-	-	-		
Chickasaw MLP	\$ 121,147,864	0.80	-1.9	-5.0	-	-	-	-	-	17.6	2.28.2011
FAMCO MLP	\$ 231,198,626	0.50	-3.6	-6.1	-	-	-	-	-	17.6	2.28.2011
Swank MLP	\$ 114,038,021	0.45	-5.6	-8.7	-	-	-	-	-	17.6	2.28.2011
<i>Alerian MLP Index</i>			-4.1	-7.0	-7.0	7.0	23.2	13.2			
<b>Total Fund</b>	<b>\$ 8,866,967,846</b>	<b>0.36</b>	<b>-5.7</b>	<b>-11.3</b>	<b>-0.6</b>	<b>4.9</b>	<b>2.2</b>	<b>6.1</b>	<b>8.3</b>	8.5	11.30.91
<i>Allocation Index</i>			-5.9	-11.3	0.1	3.8	1.5	5.6	8.5		
<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 September 30, 2011



Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)	
<b>Domestic Equity</b>					
Goldman Sachs	5%	Large Cap Growth Equity	In Compliance	<b>Recommend On Notice: Organization, Personell and Performance</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 (December 31, 2011)</b>
<i>Capital Guardian</i>	4%	<i>International Growth Equity</i>	<i>Terminated</i>		<i>September, 2011</i>
Causeway Capital	3%	International Value Equity	In Compliance		
Thornburg	3%	International Value Equity	In Compliance		
<b>Fixed Income, MLPs and Real Estate</b>					
Hoisington	3%	Fixed Income	In Compliance		
Loomis Sayles	7%	Fixed Income	In Compliance		
Lord Abbett	7%	Fixed Income	In Compliance		
Mackay Shields	7%	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	3%	High Yield Fixed Income	In Compliance		
Chickasaw	1%	MLPs	In Compliance		
Famco	1%	MLPs	In Compliance		
Swank	0%	MLPs	In Compliance		
AEW	1%	Real Estate	In Compliance		
Heitman	3%	Real Estate	In Compliance		
L&B	1%	Real Estate	In Compliance		

October 6, 2011

**Re: Growth Equity Leadership and Team Update**

The past few years have been challenging in the equity markets and the investment performance across our growth portfolios has not met expectations. By taking a critical look at this time period, we have concluded that we need to improve the execution of our investment process.

Effective immediately, **Steve Barry** will become the sole CIO of the Growth Equity team. **Dave Shell**, who has been the co-CIO along with Steve, will retire from the firm at the end of the year. During his tenure, Dave played a significant role in developing the growth business, creating new strategies and leading our investment team. We wish Dave all the best in his retirement.

To enhance our ability to execute our investment process, we will be closing our Tampa office and consolidating the investment team in New York. We believe this close proximity will enable more frequent and robust debate among our investment team and result in more predictability in our investment returns.

We will be incorporating several of our Tampa-based investment professionals into the New York team; specifically, Joe Hudepohl (co-lead portfolio manager, large cap strategies), Scott Kolar (co-lead portfolio manager, mid/sm mid cap strategies) and Steve Becker (co-lead portfolio manager on our US Equity portfolios) and Warren Fisher (research analyst/portfolio manager).

Alongside Steve Barry, the lead portfolio managers for our Growth strategies are as follows:

- Large cap strategies (Strategic, Concentrated, Superconcentrated and Capital Growth):  
Joe Hudepohl and Tim Leahy
- Non-large cap strategies (Mid Cap, Small/Mid Cap, All Cap and Technology Tollkeeper):  
Scott Kolar and Jeff Rabinowitz

The following individuals are no longer at the firm:

- Kumar Venkateswaran, research analyst/portfolio manager covering consumer staples
- Vivek Agarwal, research analyst/portfolio manager covering technology
- Lee Kronzon, research analyst covering technology and industrials
- Shalini Ahmed, research analyst covering industrials and specialty chemicals

Their responsibilities will be absorbed by the remaining 13 members of the Growth team. We will continue to invest in the team going forward.

Our investment philosophy is unchanged. We buy high quality growth businesses at attractive valuations and drive investment performance through stock selection. We believe that the Growth Equity team is positioned to deliver better, more consistent investment performance to our clients, which is our highest priority. Should you have any questions, please contact us.

Timothy J. O'Neill  
Edward C. Forst

## Biographies

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### **Steven M. Barry**

*Managing Director; Chief Investment Officer of Fundamental Equity; Chief Investment Officer of the Growth Team*

Steve is Chief Investment Officer of Fundamental Equity, responsible for the overall business management of the global Fundamental Equity franchise. He is Chief Investment Officer of the Growth Team, where he is responsible for the portfolio management and investment research process of the firm's US Growth strategies. Steve has 26 years of investment experience. He joined Goldman Sachs in 1999 as a vice president, was named managing director in 2001 and partner in 2004. Prior to joining the firm, Steve spent 11 years as a vice president at Alliance Capital Management. He began his career as an associate at E.F. Hutton. Steve earned a BA in Mathematics and Economics from Boston College in 1985. Steve currently serves as an advisory board member at Boston College's Center for Asset Management.

### **Scott Kolar, CFA**

*Managing Director; Chairman of the Investment Committee; Portfolio Manager*

Scott is a portfolio manager for the Growth Team. He has primary responsibility for investment research in technology and software, and had previously been the team's information systems specialist, designing and implementing its technology infrastructure. Scott is Chairman of the Investment Committee, and with the CIO is also responsible for portfolio construction for the non-large cap portfolios. Scott worked at Liberty Investment Management prior to Goldman Sachs Asset Management's acquisition of Liberty in January 1997. He graduated with a BA in Government from Harvard University in 1994.

### **Jeffrey Rabinowitz, CFA**

*Managing Director; Portfolio Manager*

Jeff is a portfolio manager for the Growth Team. He has primary responsibility for investment research in the communications, technology, and semiconductor industries. With the CIO, Jeff is also responsible for portfolio construction for the non-large cap portfolios. Prior to joining Goldman Sachs in May 1999, Jeff was a senior software engineer at Motorola responsible for product development of digital wireless phones. Jeff graduated with honors from Florida Atlantic University with a BS degree in Electrical Engineering. He received his MBA in Finance with Distinction from the Wharton School of the University of Pennsylvania and graduated as a Palmer Scholar in 1999.

### **Timothy M. Leahy, CFA**

*Managing Director; Portfolio Manager*

Tim is a portfolio manager for the Growth Team. He has primary responsibility for investment research in the health care services and medical devices industries. With the CIO, Tim is also responsible for portfolio construction for the large cap portfolios. Prior to joining the Growth Team in September 2005, Tim was a senior analyst in the Global Investment Research Division of Goldman Sachs covering the health care facilities sector. Additionally, Tim was a member of the health care services team which was consistently highly ranked in Institutional Investor All-America and Greenwich Associates surveys. Prior to joining Goldman Sachs in 1999, Tim was a research associate with First Union Capital Markets. Tim graduated with a BA in Business Administration from the University of Richmond in 1998.

### **Joseph B. Hudepohl, CFA**

*Managing Director; Portfolio Manager*

Joe is a portfolio manager for the Growth Team. He has primary responsibility for investment research in the cable and satellite, entertainment, travel, gaming and lodging industries. With the CIO, Joe is also responsible for portfolio construction for the large cap portfolios. Prior to joining the Growth Team in July 1999, Joe was an analyst in the Investment Banking Division of Goldman Sachs where he worked in the High Technology Group. A two-time Olympic Gold Medalist in swimming, he competed in the 1992 Barcelona and 1996 Atlanta Olympic Games. Joe graduated with a BA in Economics from Stanford University in 1997.

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# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

INVESTMENT POLICY STATEMENT

REVISED ~~February~~ October 2011

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## VII. Investment Guidelines

Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the allocation of their portfolios, the selection of securities, and the timing of transactions. Any exception requests to the guidelines listed herein should be communicated to OTRS staff.

### A. Ineligible Investments

Due to the vast number of types of financial instruments, as well as financial engineering, the following list of ineligible investments is not considered to be exhaustive. Any instrument, to which these Investment Guidelines do not explicitly prohibit, that is not expressly allowed by the applicable mandate specific guidelines, should be requested through the exception process, detailed in section B, prior to investment.

1. Futures and options instruments, except for the use of hedging interest rate or exchange rate risk, or to replicate the risk/return profile of an asset.
2. Privately placed or other non-marketable debt, except securities issued under Rule 144A.
3. Securities denominated in non-US currency, unless provided in accordance with an applicable mandate.
4. Lettered, legend or other so-called restricted stock
5. Commodities and commodity derivatives
6. Straight preferred stocks and non-taxable municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.
7. Short sales, leverage, or purchases on margin.
8. Direct investments in private placements, real estate, oil and gas and venture capital, unless provided in accordance with an applicable mandate.
9. Investment funds, not to include Exchange Traded Funds (ETFs) or Exchange Traded Notes (ETNs).
10. Private Equity portfolios that meet the following criteria will not be considered eligible for initial evaluation or potential funding commitments:
  - a. Vehicles which are not backed by accredited investors, as that term is defined in Section 2 of the Federal Securities Act of 1933, as amended, (15 U.S.C. Section 77(b)) and rules and regulations promulgated under that section.

- b. Investments representing direct equity ownership in individual companies or other business entities, without the benefit of an intermediate partnership or other indirect ownership structure. However, this exception shall not include direct equity ownership which results from the distribution of securities from partnerships to OTRS.
- c. Investments which would violate resolutions passed by OTRS' Board.

## **B. Manager Policy Exceptions**

Requests for either, an allowance to invest in securities precluded by section A or the applicable mandate specific policies, should be submitted in writing to the Board of Trustees and include justification for request, proposed process to providing monthly reporting on attribution analysis of the contribution of allowed securities, and proposition of a one, two or three year expiration. Exception requests will undergo a reevaluation and approval process at the end of each term.

## **C. Domestic Equity Portfolios**

1. Domestic Equity portfolios may hold a maximum of 5% in cash or cash equivalents.
2. Domestic Equity portfolios will not concentrate greater than 25% of market value of funds under advisement in holdings of a single industry.
3. Domestic Equity portfolios will not concentrate greater than 7% of market value of funds under advisement in holdings of a single issuer.
4. Domestic Equity portfolios will not hold greater than 5% of the outstanding shares of a single issuer.
5. Domestic Equity portfolios will be limited to the purchase of shares of common stock and American Depository Receipts (ADRs) listed on a domestic exchange.

## **D. International Equity**

1. International Equity portfolios may hold a maximum of 5% in cash or cash equivalents.
2. International Equity portfolios will not concentrate greater than 25% of market value of funds under advisement in holdings of a single industry.
3. International Equity portfolios will not concentrate greater than 7% of market value of funds under advisement in holdings of a single issuer.
4. International Equity portfolios will not hold greater than 5% of the outstanding shares of a single issuer.

5. International portfolios will not concentrate greater than 30% of market value of funds under advisement in issuers from a single country ex UK or Japan, and 35% in the UK or Japan.
6. The Manager will invest at least ~~70~~50% of the portfolio in companies located in developed markets as determined by MSCI.
7. International Equity portfolios will be limited to the purchase of shares of common stock listed on an exchange.

#### **E. Fixed Income**

1. Fixed Income portfolios may hold a maximum of 5% in cash or cash equivalents.
2. Fixed Income portfolios will not concentrate greater than 25% of market value of funds under advisement in holdings of a single industry. This restriction does not apply to sovereign issues.
3. Fixed Income portfolios will not concentrate greater than 5% of market value of funds under advisement in holdings of a single issuer. This restriction does not apply to sovereign issues.
4. Fixed Income portfolios will not hold greater than 5% of the issued securities of a single issuer.
5. Fixed Income portfolios will not concentrate greater than 25% in issues which are rated Ba1 or lower by Moody's, or BB+ or lower by Standard & Poor's.
6. Fixed Income portfolios will not concentrate greater than 20% in non-USD denominated obligations.
7. Fixed Income portfolios will not concentrate greater than 10% in developing or emerging markets issuers.
8. Fixed Income portfolios will not hold issues which are rated below Caa2 Moody's, or CCC by Standard & Poor's. Unrated securities shall be permitted provided the security is rated Caa2/ CCC equivalent by the Manager's internal rating system.
9. Fixed Income portfolios may hold shares of common stock converted from embedded corporate actions, at the time of conversion managers should communicate issues converted into common shares to OTRS staff.

#### **F. Securities Lending**

1. Securities Lending collateral portfolios will adhere to the quality and maturity guidelines established by SEC Rule 2a-7.

#### **G. High Yield Fixed Income**

1. High Yield portfolios may hold a maximum of 5% in cash or cash equivalents.

2. High Yield portfolios will not concentrate greater than 25% of market value of funds under advisement in holdings of a single industry. This restriction does not apply to sovereign issues.
3. High Yield portfolios will not concentrate greater than 5% of market value of funds under advisement in holdings of a single issuer. This restriction does not apply to sovereign issues,
4. High Yield portfolios will not hold greater than 5% of the issued securities of a single issuer.
5. High Yield portfolios will not concentrate greater than 10% of market value of funds under advisement in holdings of unrated obligations.
6. High Yield portfolios will not concentrate greater than 20% in non-USD denominated obligations.
7. High Yield portfolios will not concentrate greater than 10% in developing or emerging markets issuers.
8. High Yield portfolios may hold shares of common stock converted from embedded corporate actions, at the time of conversion managers should communicate issues converted into common shares to OTRS staff.
9. Investments in other funds (including REITs) not managed or advised by either the Management Company or the Investment Adviser shall not exceed five (5%) of the total assets of the portfolio, at any time, based on the aggregate market value of such investments.

## **H. Private Equity**

1. Private Equity portfolios will be comprised of:
  - a. Corporate Finance Funds
    - i. Buyout and growth capital funds
    - ii. Distressed debt and turnaround funds
    - iii. Mezzanine debt funds
  - b. Venture Capital Funds; and
  - c. Any other private investment strategy approved by OTRS.
2. In order to achieve a diversified private equity portfolio, the following sub-allocations shall be used as an overall target for commitment levels within the portfolio:

Segment	Long-Term Allocation Ranges
Corporate Finance <sub>1</sub>	80% - 100%
Venture Capital	0% - 20%

<sup>1</sup> Includes buyout, turnaround and debt related strategies

Region	Long-Term Allocation Ranges
U.S. and Western Europe	80% - 100%
Other	0% - 20%

3. Private Equity portfolios will make commitments of at least \$10 million.
4. Private Equity portfolios will not make commitments to a primary fund which exceeds an amount equal to 20% of the total amount raised for a proposed fund.
5. Private Equity portfolios will not concentrate aggregate commitments to a single investment sponsor greater than 25% of funds under advisement.
6. Prior to making a new commitment, the Manager shall provide detailed information on the opportunity, including a final memorandum summarizing all due diligence performed, to OTRS' pension staff, the general consultant and the Board.
7. Private equity investments will be governed by the subscription agreement, the Limited Partnership Agreement and other related documents.

#### **I. Real Estate**

Real Estate funds will invest in a manner consistent with guidelines set forth by the applicable subscription documents.

1. Real estate funds will not concentrate, in any single property, the greater of \$100 million or 25% of the total Gross Asset Value (GAV) of the overall investment Fund.
2. Real estate funds will not concentrate greater than 15% of the total GAV of the investment fund in value-added properties.
3. Real estate funds will not carry leverage in excess of 35% of the GAV of the investment fund.

#### **J. Master Limited Partnership**

1. Master Limited Partnership (MLP) portfolios will be limited to the purchase of MLP interests, which include: (a) securities such as units and other securities

issued by MLPs that are organized as partnerships or limited liability companies which elect to be taxed as a partnership; (b) securities that offer economic exposure to MLPs from entities holding primarily general partner or managing member interests in MLPs.

2. MLP portfolios may hold a maximum of 5% in cash or cash equivalents.
3. MLP portfolios will not concentrate greater than 15% of market value of funds under advisement in holdings of unregistered, privately placed securities of publicly traded MLPs at the time of purchase.
4. MLP portfolios will be permitted to invest in Initial Public Offerings and Secondary Public Offerings of MLP securities.
5. MLP portfolios will not concentrate greater than 10% of market value of funds under advisement in holdings of a single issue. A “single issue” is defined by shares in either the limited partner, or shares in the general partner; but shares in the limited partnership and general partnership should not be taken in aggregate.
6. MLP portfolios will not hold greater than 5% of the outstanding shares of a single issuer.

#### **K. Distressed Mortgage Fund**

1. Distressed mortgage investments will predominantly target investment opportunities in less liquid segments of the mortgage market. Securities will be primarily based within the United States; however the Distressed Mortgage Fund may make investments located outside of the United States.
2. Investments in the Distressed Mortgage Fund will be governed by the subscription agreement, the Limited Partnership Agreement and other related documents.

#### **L. Bank Recapitalization and Value Opportunities (BRAVO) Fund**

1. The BRAVO fund will have the broad discretion to invest principally in; i) loans and other assets originated or held by Financial Entities, ii) MBS and ABS, iii) minority/non-controlling equity and equity-linked securities, and/or debt instruments of Banking Portfolio Companies or other Financial Institutions, iv) and residential and commercial real estate. The Fund may make such investments through FDIC-assisted transactions, any other existing or future program with any other U.S. or non-U.S. government agency or through private sector transactions.
2. Investments in the Distressed Mortgage Fund will be governed by the subscription agreement, the Limited Partnership Agreement and other related documents.

#### **M. Derivatives**

1. Objectives

These derivatives guidelines identify and allow common derivative investments and strategies which are consistent with applicable law and the Investment Policy Statement. These guidelines require investment managers to request the inclusion of additional derivative instruments and strategies. The guidelines require investment managers to follow certain controls, documentation and risk management procedures.

## 2. Definition and Classification of Derivatives

A derivative is a security or contractual agreement that derives its value from some underlying security, commodity, currency, or index. These guidelines classify derivatives into four separate categories distributed across two classes:

### a. Derivative Contracts

- i. Forward-based derivatives, including forward contracts, futures contracts, swaps, and similar instruments
- ii. Option-based derivatives, including put and call options contracts.

### b. Derivative Securities

- i. Collateralized Mortgage Obligations (CMOs)
- ii. Structured Notes

## 3. Allowed Uses of Derivatives

### a. Derivative Contracts

- i. Hedging – the investment managers are permitted to use derivatives for clearly defined hedging purposes, including cross-hedging of currency exposures, subject to the documentation requirements below.
- ii. Creation of Market Exposures – Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class.

### b. Derivative Securities

- i. Plain Vanilla CMOs – For the purpose of this policy, we will define a "plain vanilla" CMO as one which satisfies one or both of the following criteria:
  - (a) It passes the Federal Financial Institutions Examination Council (FFIEC) test;
  - (b) It can be shown that the CMO is less exposed to interest rate and prepayment risk than the underlying collateral.

- ii. Other CMOs - , which are not plain vanilla, are restricted to 10% of a manager's portfolio.
- iii. Structured Notes – Structured notes may be used so long as the exposure implied by their payment formula would be allowed if created without use of structured notes.

#### 4. Prohibited Uses of Derivatives

Any use of derivatives not listed in section 3. is prohibited without written approval of the Board of Trustees. By way of revocation, it is noted that the following two uses of derivatives are prohibited:

- a. Leverage – derivatives shall not be used to magnify exposure to an asset, asset class, interest rate, or any other financial variable beyond that which would be allowed by a portfolio's investment guidelines if derivatives were not used.
- b. Unrelated Speculation – Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by a portfolio's investment guidelines if created with non-derivative securities.

#### 5. Transaction Level Risk, Control Procedures and Documentation Requirements

For each over-the-counter derivative transaction, except foreign exchange forward contracts, investment managers are required to obtain at least two competitive bids or offers. For small-issue CMOs, it is acceptable to obtain competitive prices on similar securities. For all derivatives transactions, investment managers should maintain appropriate records to support that all derivative contracts used are employed for allowed strategies. In addition, the following requirements apply to derivative securities:

- a. "Plain Vanilla" CMOs – Document that the CMO is in fact "plain vanilla", according to the definition in section 3.b.i.a.
- b. Other CMOs – These CMOs must be stress tested to estimate how their value and duration will change with extreme changes in interest rates. An extreme change is one of at least 300 basis points

#### **N. Directed Commission**

Investment managers shall use their best efforts to ensure that portfolio transactions are placed on a "best execution" basis. Additionally, arrangements to direct commissions shall only be implemented by specific authorization of the Board.

## Chapter 5 – Code of Conduct

The Board of the Oklahoma Teachers Retirement System the Executive Director and other Executive Staff shall discharge their duties with respect to the System solely in the interest of the participants and beneficiaries for the exclusive purpose of providing retirement benefits. Board members and the Executive Staff must at all times meet high ethical standards, avoiding favoritism, conflicts of interest, and disclosure of privileged information, acting in the best interest of the System consistent with fiduciary responsibilities. In furtherance of this stated objective, the Board adopts the following Code of Conduct:

1. Board members and the Executive Staff shall maintain high ethical conduct at all times.
2. Board members and the Executive Staff shall conduct themselves with integrity and dignity; strive to understand System objectives, and exercise care, prudence and diligence in handling confidential information.
3. Board members shall cultivate a sense of group responsibility, and the encouragement of collegiality, including the creation of an environment which supports the mission of the System in a team environment culture with the Executive Staff.
4. Board members and the Executive Staff shall not seek nor accept any compensation or contributions that would violate Oklahoma law.
5. Board members and the Executive Staff shall not seek nor accept any gifts, gratuities, or reimbursement for travel or any other activity from an individual or an organization with a value in excess of the amount permitted by the Ethics Commission for all state officials and employees pursuant to Ethics Commission Rules. This shall not be construed to prevent Board members and the Executive Staff from attending educational seminars, conferences, meetings, or similar functions which are paid for, directly or indirectly, by more than one organization.
6. Board members and the Executive Staff shall take positive steps to prohibit breaches of duty (through negligence or intentional action), communication with individuals seeking to improperly influence the Board or the Executive Staff, and communication with individuals who may receive improper personal gains as a result of Board or Executive Staff actions.
7. Board members and the Executive Staff shall never act where there may be a conflict of interest or appearance of conflict of interest. A conflict of interest is understood to be a situation where a relationship exists that could reasonably be expected to diminish independence of judgment in performance of official responsibilities. Specifically, Board members and the Executive Staff shall not participate in decisions which might result in significant personal economic advantage. The Board recognizes that certain Board members are also Clients of the System and may receive additional pension benefits due to decisions of the Board. This situation has been recognized by the Oklahoma Legislature and, therefore, is not a conflict in and of itself. However, this does not

abrogate the responsibility of all Board members to act in the best interest of the System consistent with his/her fiduciary duty.

8. Board members and the Executive Staff recognize that all business transactions of the System are to be based on integrity, competence, financial merit and benefit to System participants and their beneficiaries, and not on personal relationships.
9. Board members and the Executive Staff shall act in accordance with the prudent person rule as set forth in 70 O.S. § 17-106.1.
10. Board members and the Executive Staff shall not use the prestige or influence of the state or the System for private gain or advantage, or the private gain or advantage of another.
11. Board members and the Executive Staff shall not use state time, facilities, or equipment, including but not limited to copy machines, telephones, vehicles, postage meters, data processing or word processing equipment, personal computers or supplies, for private gain or advantage, or for the private gain or advantage of another.
12. Board members and the Executive Staff shall not use confidential information available by virtue of holding a position on the Board (including, but not limited to, confidential data filed by a Client or beneficiary with the Board, and confidential contract, financial, investment or legal information) for private gain or advantage, or for the private gain or advantage of another.
13. Board members and the Executive Staff shall not provide confidential information (including, but not limited to, confidential data filed by a Client or beneficiary with the Board, and confidential contract, financial, investment or legal information) to persons to whom issuance of this information has not been authorized or is in violation of state law.
14. Board members and the Executive Staff shall not receive or accept, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the System or whose activities are regulated or controlled by the System, under circumstances from which it reasonably could be substantiated that the gift was intended to improperly influence the Board member or the Executive Staff in his or her official duties or was intended as reward for any official actions performed by the Board member or the Executive Staff.
15. Any person or local school board aggrieved by a decision of the Executive Director or the Board on a claim for retirement or any other matter concerning rights or benefits available under the System statutes may request an administrative hearing. In order to ensure the integrity of the administrative process, Board members shall not have ex parte communications on the merits of an administrative hearing with any party or their attorney until after the Board's decision in the case is final.

## REPORT OF LEGAL COUNSEL

### Teachers' Retirement System of Oklahoma October 26, 2011

#### LITIGATION

##### **1. OTRS vs. Delphi Corp., Federal Class Action Litigation**

**Issues:** OTRS is represented by securities counsel, Nix, Patterson & Roach, of Dangerfield, Texas. Nix, Patterson has previously been approved as class action securities counsel for the state of Oklahoma by the Oklahoma Attorney General.

**Status:** OTRS and the State of Mississippi retirement fund were named co-lead plaintiffs. Pleadings were final in federal court, Detroit, Michigan. In September 2005, Delphi filed for Chapter 11 bankruptcy protection. Along with all other class action members in the federal civil action, OTRS was an unsecured creditor in the bankruptcy action. Delphi requested mediation for itself and certain officers and directors on July 23, 2007. A proposed settlement agreement was approved by OTRS trustees on August 22, 2007. The proposed settlement against Delphi was approved in the class action case on January 11, 2008, and the Bankruptcy Court approved the settlement and plan of confirmation on January 17, 2008. Hearings continue for Delphi to exit their bankruptcy court case. The Auditor's Settlement became effective June 26, 2008. A final settlement is pending.

**Status:** Proof of Claim filed for OTRS; Awaiting funding of Delphi's bankruptcy settlement.

##### **2. Lionel M. Raff, et al vs. The Teachers' Retirement System of Oklahoma and Oklahoma State University, Class Action Petition**

**Issues:** Plaintiffs, Lionel M. Raff and Mark G. Rockley, on behalf of themselves and all others similarly situated, claim that for numerous years they have been employed as professors at OSU. The professors contributed to both TRS and to TIAACREF as a part of their retirement program. They allege OSU significantly reduced their contributions to TIAA. Further, they allege that TRS has through the years made misrepresentations, or 'tricked' the professors, regarding the low base retirement option and subsequent TRS calculations that determine retirement. The professors allege that salary caps imposed by TRS rules and statutes are arbitrary and capricious and in violation of due process and equal protection; and, further, such salary caps are a breach of contract between OSU, TRS and the plaintiff professors.

**Status:** The case was filed in Oklahoma County District Court, October 4, 2001, Case No. CJ-2001-7651. The Attorney General's office is providing legal representation to OSU and OTRS in this matter through senior litigation counsel, Assistant Attorney General, Scott Boughton. Scott has represented OTRS in complex litigation cases many times in the past. Motion for Summary Judgment by Defendants, OTRS and OSU, and a Motion To Certify Class by Plaintiffs, is pending before Judge Nancy L. Coats. Settlement discussions continue. The Court has taken under advisement the issue of dismissing OTRS and may rule on that issue separately from the legal issues regarding OSU.

### **3. American Home Mortgage Investment Corporation**

**Issues:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue the American Home Mortgage case.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on September 26, 2007, and has joined with the Oklahoma Police Pension & Retirement System, to be named co-lead plaintiff. A hearing was held the week of January 21, 2008. On March 19, 2008, TRS and Police Pension were named lead plaintiffs. A mediation conference is was held in New York on January 16, 2009, and a proposed settlement was approved by the Trustees on February 4, 2009, April 29, 2009, and May 27, 2009. Motion for Approval of Class Action Settlement filed January 6, 2010. Court has approved settlements. Claims deadline was March 1, 2010.

**Status:** Claims processing pending.

### **4. MBIA, INC.**

**Issues:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue MBIA, Inc.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on January 23, 2008. TRS filed its motion for lead plaintiff status on March 11, 2008. The Court appointed TRS Lead Plaintiff on June 30, 2008. A complaint was filed on October 17, 2008. Defendants filed a Motion to Dismiss on March 17, 2009. TRS filed an Opposition to the Motion to Dismiss. Hearing on Motion to Dismiss was held on March 5, 2010. On March 31, 2010, the Court issued an opinion that substantially denied Defendant's Motion to Dismiss. MBIA filed a Motion to Dismiss and Second Amended Complaint, and on October 8, 2010, BLB&G filed its opposition.

**Status:** Court response pending.

### **5. MoneyGram International, Inc.**

**Issues:** OTRS is represented by securities counsel, Nix, Patterson& Roach, of Dangerfield, Texas. Nix, Patterson has previously been approved as class action securities counsel for the state of Oklahoma by the Oklahoma Attorney General. TRS voted to seek lead plaintiff status at its April 2008 meeting. TRS filed its motion on May 27, 2008, and was named lead plaintiff. A complaint was filed on October 3, 2008. MoneyGram filed their motion to dismiss on January 13, 2009. TRS filed a response on February 9, 2009. Oral arguments were held on March 11, 2009. The Court denied the motion to dismiss on May 20, 2009.

Nix, Patterson filed Lead Plaintiff Initial Disclosures on July 10, 2009. AG's office assisted Nix, Patterson in compiling discovery responses. Nix, Patterson completed first discovery response - due July

31, 2009. Brief in support of motion for Class Certification filed on August 21, 2009. Reply memorandum filed in support of motion for Class Action on January 22, 2010. Mediation process began late January, 2010. Settlement approved by TRS on February 24, 2010. The Court approved the settlement in all respects on June 17, 2010.

**Status:** Claims filing period pending.

## **6. Medtronic, Inc.**

**Issues:** TRS is represented by securities counsel, Bernstein, Litowitz, Berger & Grossman LLP (BLB&G) of New York, New York. BLB&G has previously been approved as a class action securities counsel for the State of Oklahoma by the Oklahoma Attorney General. From time to time, the law firm reviews stock losses and recommends to the Attorney General that legal action be taken to recover certain egregious state fund losses. To this case, the firm recommended that TRS pursue lead plaintiff status to pursue Medtronic, Inc.

TRS trustees approved the recommendation of BLB&G to seek lead plaintiff status at its meeting on February 4, 2009, and to seek co-lead plaintiff status with Oklahoma Firefighters Pension Fund. Danske Investment Management Als, and Union Asset Management Holding AG on March 25, 2009. The court approved the co-lead plaintiffs on April 21, 2009. BLB&G filed an amended complaint August 21, 2009. BLB&G filed response to Defendant's Motion to Dismiss on or about November 19, 2009. On February 3, 2010, Defendant's Motion to Dismiss was substantially denied. Early mediation was conducted on June 24-25.

**Status:** Discovery ongoing.

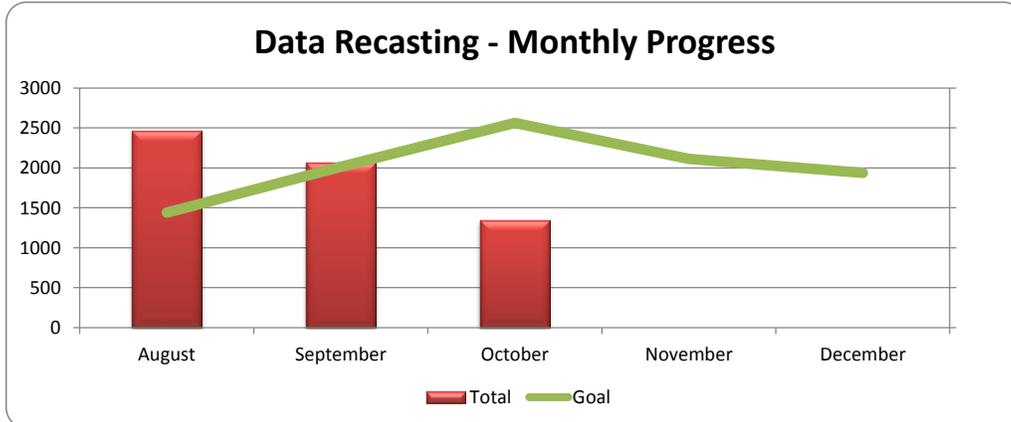
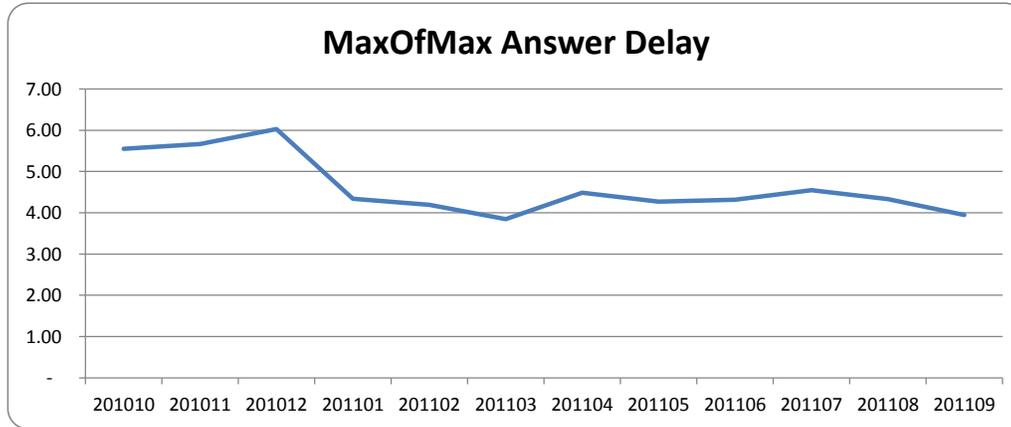
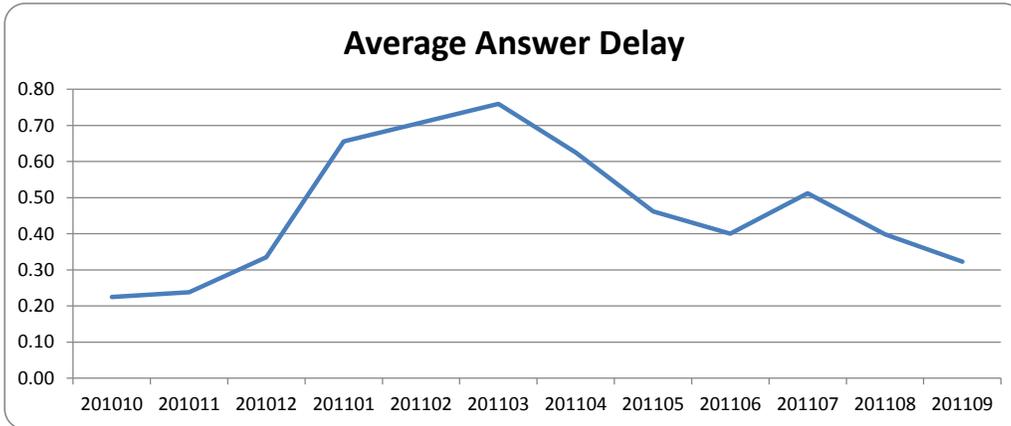
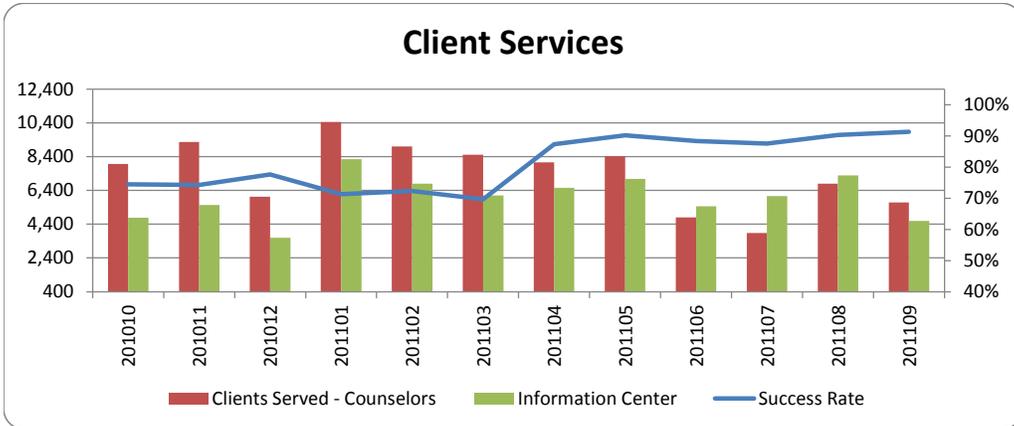
## **ADMINISTRATIVE**

There are no Administrative matters at this time.

**Oklahoma Teachers Retirement System  
Proposed Fiscal Year 2013 Operating Budget  
Budget Request Program**

Object of Expenditure	Actual FY 2011 Expenses	Adopted FY 2012 Budget	Proposed FY 2013 Budget	Proposed FY 2013 Incr (Decr)	Proposed FY 2013 % Incr (Decr)
<b>Personal Services</b>					
Salary and Longevity Pay Expenses	\$ 2,225,321	\$ 2,210,556	\$ 2,343,189	\$ 132,633	6%
Taxes, Benefits, and Other Expenses	\$ 1,259,702	\$ 1,176,840	\$ 1,318,061	\$ 141,221	12%
<b>Subtotal Personal Services</b>	<b>\$ 3,485,023</b>	<b>\$ 3,387,396</b>	<b>\$ 3,661,250</b>	<b>\$ 273,854</b>	<b>8%</b>
<b>Professional Services</b>					
Investment Manager Expenses	\$ 34,203,940	\$ 44,700,000	\$ 50,064,000	\$ 5,364,000	12%
Investment Consultant Expenses	\$ 702,000	\$ 702,000	\$ 702,000	\$ -	0%
Investment Custodian Expenses	\$ -	\$ 75,000	\$ 75,000	\$ -	0%
Pension Commission Expenses	\$ 28,815	\$ 60,000	\$ 66,000	\$ 6,000	10%
<b>Subtotal Investment Expenses</b>	<b>\$ 34,934,755</b>	<b>\$ 45,537,000</b>	<b>\$ 50,907,000</b>	<b>\$ 5,370,000</b>	<b>12%</b>
Legal Services - Special Projects	\$ 50,681	\$ 60,000	\$ 60,000	\$ -	0%
Legal Services - Attorney General	\$ 51,331	\$ 55,000	\$ 120,000	\$ 65,000	118%
Administrative Hearings	\$ -	\$ 1,000	\$ 1,000	\$ -	0%
Auditing Services	\$ 52,388	\$ 46,100	\$ 46,100	\$ -	0%
Actuarial Services	\$ 121,982	\$ 150,000	\$ 150,000	\$ -	0%
Medical Hearings	\$ 9,590	\$ 20,000	\$ 20,000	\$ -	0%
Miscellaneous Services	\$ 121,971	\$ 75,652	\$ 76,000	\$ 348	0%
<b>Subtotal Professional Services</b>	<b>\$ 407,943</b>	<b>\$ 407,752</b>	<b>\$ 473,100</b>	<b>\$ 65,348</b>	<b>16%</b>
<b>Subtotal Professional Services</b>	<b>\$ 35,342,698</b>	<b>\$ 45,944,752</b>	<b>\$ 51,380,100</b>	<b>\$ 5,435,348</b>	<b>12%</b>
<b>Travel and Per Diem Expenses</b>					
Non-Employee Travel Expenses	\$ 54,672	\$ 78,000	\$ 90,000	\$ 12,000	15%
Employee Travel Expenses	\$ 54,387	\$ 76,452	\$ 90,000	\$ 13,548	18%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>\$ 109,059</b>	<b>\$ 154,452</b>	<b>\$ 180,000</b>	<b>\$ 25,548</b>	<b>17%</b>
<b>Administrative Expenses</b>					
Miscellaneous Administrative Expenses	\$ 459,838	\$ 535,400	\$ 535,400	\$ -	0%
Rent Expenses	\$ 201,937	\$ 229,500	\$ 230,000	\$ 500	0%
Maintenance and Repair Expenses	\$ 2,040	\$ 26,500	\$ 26,500	\$ -	0%
Office Supplies and Material Expenses	\$ 41,919	\$ 70,500	\$ 70,500	\$ -	0%
Office Furniture and Equipment Expenses	\$ -	\$ 117,000	\$ 50,000	\$ (67,000)	-57%
<b>Subtotal Administrative Expenses</b>	<b>\$ 705,734</b>	<b>\$ 978,900</b>	<b>\$ 912,400</b>	<b>\$ (66,500)</b>	<b>-7%</b>
<b>Information Technology Expenses</b>					
Professional Services	\$ 70,893	\$ 770,000	\$ 750,000	\$ (20,000)	-3%
Travel and Per Diem Expenses	\$ 128	\$ 15,000	\$ 15,000	\$ -	0%
Miscellaneous Administrative Expenses	\$ 46,948	\$ 45,000	\$ 45,000	\$ -	0%
Rent Expenses	\$ 8,784	\$ 50,000	\$ 25,000	\$ (25,000)	-50%
Maintenance and Repair Expenses	\$ 23,952	\$ 62,500	\$ 62,500	\$ -	0%
Office Supplies and Material Expenses	\$ 17,916	\$ 35,000	\$ 35,000	\$ -	0%
Office Furniture and Equipment Expenses	\$ -	\$ 53,000	\$ 50,000	\$ (3,000)	-6%
<b>Subtotal Information Technology Expenses</b>	<b>\$ 168,621</b>	<b>\$ 1,030,500</b>	<b>\$ 982,500</b>	<b>\$ (48,000)</b>	<b>-5%</b>
<b>Total Expenses</b>	<b>\$ 39,811,135</b>	<b>\$ 51,496,000</b>	<b>\$ 57,116,250</b>	<b>\$ 5,620,250</b>	<b>11%</b>

Dashboard





# OKLAHOMA TEACHERS RETIREMENT SYSTEM

## Client Status Update Report

October 6, 2011

### Regular Retirement

Clients Recommended:	128
Monthly Pay:	\$181,824.78

### Disability Retirement

Clients Recommended for Regular Disability	9
Clients Recommended for Social Security Disability	1
Clients Not Recommended for Disability Retirement	0

### Retirement Payroll Termination

Payroll Changes	(\$-107,815.58)
Deceased	107
Retirement Cancelled	0
Return To Teaching	14

*Client Status Update Report - Finance Division  
September 30, 2011*

**Board Meeting October 26, 2011**

<i>Cash Basis</i>	September 2010	September 2011		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$19,714,700.26	\$18,292,705.66	(\$1,421,994.60)	-7.21%
Employer Contributions	29,165,525.18	24,143,721.28	(5,021,803.90)	-17.22%
State Revenue	<u>16,866,755.65</u>	<u>20,312,579.37</u>	<u>3,445,823.72</u>	<u>20.43%</u>
Total Retirement Receipts	65,746,981.09	62,749,006.31	(2,997,974.78)	-4.56%
 <i>Monthly Distributions:</i>				
Retirement Benefits	79,723,959.08	84,861,970.83	5,138,011.75	6.44%
Withdrawals and Death Benefits	<u>6,683,548.14</u>	<u>7,419,895.52</u>	<u>736,347.38</u>	<u>11.02%</u>
Total Benefit Payments	<u>86,407,507.22</u>	<u>92,281,866.35</u>	<u>5,874,359.13</u>	<u>6.80%</u>
Net (Receipts - Payments)	<u>(\$20,660,526.13)</u>	<u>(\$29,532,860.04)</u>	<u>(\$8,872,333.91)</u>	<u>42.94%</u>
	Year to Date	Year to Date		
<i>Year to Date Contributions:</i>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$56,796,232.84	\$58,154,497.15	\$1,358,264.31	2.39%
Employer Contributions	85,963,037.45	75,432,028.47	(10,531,008.98)	-12.25%
State Revenue	<u>58,876,666.03</u>	<u>66,841,121.81</u>	<u>7,964,455.78</u>	<u>13.53%</u>
Total Retirement Receipts	201,635,936.32	200,427,647.43	(1,208,288.89)	-0.60%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	253,192,678.48	269,290,913.56	16,098,235.08	6.36%
Withdrawals and Death Benefits	<u>15,041,306.85</u>	<u>16,597,931.34</u>	<u>1,556,624.49</u>	<u>10.35%</u>
Total Benefit Payments	268,233,985.33	285,888,844.90	17,654,859.57	6.58%
Net (Receipts - Payments)	<u>(\$66,598,049.01)</u>	<u>(\$85,461,197.47)</u>	<u>(\$18,863,148.46)</u>	<u>28.32%</u>

**DISABILITY RETIREMENT AS PROVIDED BY  
70 O.S. 17-105 SOCIAL SECURITY DISABILITY  
OCTOBER 6, 2011**

<b>MEMBER NAME</b>	<b>RETIREMENT NUMBER</b>	<b>SSA EFFECTIVE DATE</b>	<b>RETIREMENT DATE</b>
1. <b>GEORGE E BREGER</b>		04/01/2011	October 2011

**RETIREMENT PLANNING CONSULTANT**

OCTOBER 6, 2011

**DATE PREPARED**

**DISABILITY RETIREMENT NOT RECOMMENDED**  
**OCTOBER 6, 2011**

**MEMBER NAME/COMMENTS**

**SEX/AGE**

**DATE OF BIRTH**

NONE

**RETIREMENT PLANNING CONSULTANT**

OCTOBER 6, 2011  
**DATE PREPARED**

**DISABILITY RETIREMENT RE-EVALUATED  
OCTOBER 6, 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

OCTOBER 6, 2011  
\_\_\_\_\_  
DATE PREPARED

**MEDICAL BOARD REPORT**  
**OCTOBER 6, 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.  
Dathan 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>LOUIS R FOSTER</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	M-58
2.	<b>CYNTHIA L ALTMAN</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-50
3.	<b>DANH Q BUI</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	M-44
4.	<b>VALERIE L KEELE</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-59
5.	<b>DORA E SMILEY</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-59
6.	<b>CINDY L STANLEY</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-42
7.	<b>KATHLEEN L STRICKER</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-51

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**RETIREMENT PLANNING CONSULTANT**

OCTOBER 6, 2011  
\_\_\_\_\_  
**DATE PREPARED**

**MEDICAL BOARD REPORT**  
**OCTOBER 6, 2011**

	<b>MEMBER NAME/COMMENTS</b>	<b>SEX/AGE</b>
8.	<b>REX A MCGEHEE</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	M-55
9.	<b>MELISSA A HOLLIE</b> <i>DISABILITY RETIREMENT RECOMMENDED</i>	F-46

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**RETIREMENT PLANNING CONSULTANT**

OCTOBER 6, 2011  
\_\_\_\_\_  
**DATE PREPARED**

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

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78570	ROBERTA L ORZA	58	Max.	231.61		675.45
78571	SAM H AHTONE	62	Max.	450.55		1655.31
78572	STEFFANI M ALLEN	63	Opt.3	594.16		2454.83
78573	BETTY A ANDERSON	68	Opt.1	295.34		1003.42
78574	DOROTHY I ANSELL	62	Max.	481.46		1684.93
78575	LEONILA G AUTREY	55	Opt.1	419.46		2047.50
78576	TED W AUWEN	58	Max.	582.00		2376.70
78577	DAVID B BALE	71	Opt.2	166.57		563.59
78578	BEVERLY A BARNETT	58	Max.	101.90		272.75
78579	DONALD R BIRD	64	Opt.2	1.85		6190.98
78580	ROBERT W BLOCK	68	Opt.2	96.82		3647.05
78581	DEBBIE L BOETTCHER	56	Opt.1	459.90		1921.50
78582	JOYCE L BOHANNAN	66	Max.	144.63		443.03
78583	DWIGHT C BROWN	62	Opt.2	114.67		449.35
78584	EDWARD W BROWN	52	Opt.2	518.00		2003.05
78585	MARY E BUTLER	56	Opt.4	432.44		1984.40
78586	BETTY L BYFORD	65	Opt.3	278.57		1666.21
78587	JANIS C CARPENTER	61	Opt.1	426.45		1850.34
78588	LINDA G CARTER	65	Opt.1	597.14		2094.28
78589	WANDA L CARTER	56	Max.	142.92		319.55
78590	MARY M CASADY	58	Opt.2	46.62		113.12
78591	SANDRA J CASEY	65	Max.	91.07		289.90
78592	JIMMY W CORBIN	62	Max.	266.86		896.28
78593	STEVEN C COWDEN	63	Opt.1	361.87		1466.68
78594	SHERRELL L DANIEL	55	Max.	482.45		1772.83
78595	JACQUELINE L DAUGHERTY	58	Opt.2	101.70		238.74
78596	GLORIA D DAVIS	61	Opt.1	100.31		290.36
78597	BETTY J DEJEAR	67	Opt.1	32.45		87.47
78598	KIMBRA L DEWBRE	55	Opt.2	549.23		1419.82
78599	PATTI S DIES	57	Max.	467.64		2484.64
78600	JON D DOBBS	56	Opt.3	154.79		383.56
78601	SANDRA K DODD	61	Opt.1	86.46		250.68
78602	DONIS A DOWLING	59	Max.	61.31		147.05
78603	JANIS C DUKE	60	Opt.2	417.11		1638.23
78604	JERALD G DUNN	55	Max.	48.41		91.36
78605	CHARLES R DYER	54	Opt.1	449.90		1712.26
78606	NAOMI R EITZEN	60	Opt.2	431.66		2138.76
78607	MARY J ELLIS	61	Max.	430.22		1963.42
78608	STANLEY L EVANS	65	Opt.1	387.88		1204.52
78609	CAROL S FLEMING	57	Opt.2	407.26		2355.71

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

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78610	DONNA K FORD	61	Max.	221.77		660.64
78611	DAYNA I FORRESTER	56	Max.	109.05		428.43
78612	SHIRLEY L FOURSHEY	62	Opt.1	170.16		754.80
78613	DANNY L FRANCIS	62	Opt.2	307.41		1101.90
78614	ALMA R FROESE	58	Max.	496.41		2883.60
78615	JUDITH E GAYLOR	64	Max.	421.39		1537.35
78616	LILLIAN L GIBSON	64	Opt.2	59.09		166.33
78617	CARL C GLENCROSS	54	Opt.2	520.79		2260.48
78618	SHERRI L GOERINGER	55	Max.	390.18		1857.75
78619	CONNIE D GOODPASTER	62	Opt.3	212.25		823.66
78620	KARA L HARRELL	55	Max.	312.42		754.64
78621	NINA M HAYES	62	Max.	497.32		2395.68
78622	ROBIN E HENDERSHOT	65	Opt.4	556.54		3053.51
78623	VADA L HENSLEY	52	Opt.3	363.13		1872.85
78624	EDD I HENSON	62	Opt.2	206.22		818.29
78625	JAMES L HERNDON	59	Opt.2	350.49		1496.62
78626	CECILIA J HIBDON	53	Opt.2	394.54		1543.37
78627	LINDA W HIGBY	58	Max.	246.62		740.35
78628	THOMAS D HINS	55	Opt.2	171.24		324.52
78629	BRENDA D HIX	60	Opt.1	344.86		1432.15
78630	CHRISTINE HUGHES	62	Max.	151.14		423.37
78631	MERLE F HUNSAKER	65	Opt.2	581.74		2552.42
78632	RONALD IDELL	63	Opt.3	221.10		712.89
78633	JAN J IMOTICHEY	62	Opt.1	204.22		729.70
78634	ROCHELLE K JEUDE	60	Max.	114.52		518.75
78635	GAYLE R JONES	60	Opt.2	439.53		2046.12
78636	WILLIAM J KERMIS	62	Opt.2	401.42		1342.42
78637	TYRONE B KNOX	62	Opt.1	249.43		775.79
78638	KAREN I KRUSE	61	Opt.1	417.80		1339.83
78639	GAIL F LANDRITH	60	Opt.1	241.78		789.11
78640	DEBRA J LEONARD	57	Opt.1	556.10		3269.05
78641	CLAYTON K LICHTENBERGER	62	Opt.2	287.15		1081.23
78642	EVELYN N MARCH	67	Max.	268.17		1116.65
78643	RICHARD D MCCALLUM	59	Max.	163.52		490.03
78644	CONNIE S MENNEM	67	Max.	562.23		2472.37
78645	ELIZABETH J MILLER	60	Opt.2	119.16		378.71
78646	RUTH C MOJICA	63	Max.	375.12		1564.35
78647	SHIRLEY A MONROE	63	Max.	223.54		835.77
78648	TERESA G MONTAGUE	51	Opt.2	417.75		2071.54
78649	CATHRYN A MOORE	60	Opt.3	548.06		2263.91

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

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78650	CAROLE E MUCHMORE	65	Max.	186.86		515.80
78651	MARILYN S MYERS	62	Opt.1	239.98		868.13
78652	DIANE C NEELAND	65	Max.	176.05		874.76
78653	ELIZABETH L NICHOLAS	62	Opt.1	82.40		241.68
78654	LI S NIRSCHL	62	Max.	34.82		149.33
78655	DONALD L OLLER	56	Opt.2	551.57		3466.35
78656	BASIL OREAR	62	Opt.2	237.28		825.92
78657	SUZANNE E PENN	63	Max.	238.17		802.75
78658	THOMAS E PICKENS	56	Opt.2	434.02		1734.69
78659	DOUGLAS O PIPER	65	Opt.1	87.94		284.04
78660	MARGARET S PURIFOY	60	Opt.1	483.47		1465.20
78661	DIANA L REESE	57	Opt.1	311.64		1453.01
78662	DEARL W REID	55	Opt.2	173.12		378.25
78663	JANA L RHOADS	59	Max.	522.10		2723.77
78664	VIVIAN E RICE	62	Opt.2	280.56		1079.45
78665	DEBORAH RODGERS	62	Opt.2	531.68		1871.16
78666	RONALD L RUSSELL	63	Max.	638.00		7732.73
78667	SUSAN E RUSSELL	57	Max.	351.37		1625.56
78668	WILLIAM D SAVORY	58	Opt.2	337.75		1225.16
78669	PHILLIP R SHEEHAN	60	Opt.2	101.73		588.32
78670	NANCY L SHERMAN	65	Max.	449.53		1678.89
78671	JOHN R SISKA	51	Opt.1	829.66		2400.26
78672	CINDY L SKAGGS	55	Opt.2	61.04		116.04
78673	ROBERT E SMITH	64	Opt.2	153.39		446.53
78674	JAMES J SPEAR	63	Opt.1	823.85		2928.58
78675	KRISTINA S SPEECE	62	Max.	136.82		727.93
78676	JEWELL L STACY	57	Opt.2	327.68		1478.33
78677	PHYLLIS J STERNE	63	Max.	147.11		545.85
78678	JANET D STEVENSON	56	Max.	357.94		1684.46
78679	DONNA K STEWARD	60	Max.	572.05		3175.67
78680	JOE E STREET	65	Max.	68.59		179.95
78681	LINDA A TERRY	64	Opt.1	123.38		419.81
78682	SUSAN D THOMAS	62	Max.	131.52		428.23
78683	DAVID E TREADWELL	62	Opt.2	117.72		440.08
78684	MARTHA J TUTOR	67	Opt.2	114.64		425.75
78685	JOYCE M UNRUH	69	Max.	219.75		732.02
78686	OK SUN K UPTON	65	Opt.2	116.67		372.10
78687	KATHY R VANCLEAVE	51	Opt.1	376.37		2020.43
78688	LOIS V VERNON	56	Max.	44.51		99.71
78689	CATHERINE H WARE	62	Opt.2	132.34		583.82

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

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
78690	BRENDA L WEBB	61	Max.	673.71		2989.97
78691	CINDY M WEBB	57	Max.	249.27		656.16
78692	SANDRA A WEILAND	63	Max.	201.75		632.20
78693	LOLA L WELCHEL	60	Opt.2	159.05		769.44
78694	PAMELA R WETTSTEIN	60	Max.	218.27		648.92
78695	PATRICIA J WILHITE	62	Max.	387.32		1945.84
78696	JUDITH C WILLIAMS	62	Opt.2	201.97		674.57
78697	SANDRA L WYMAN	60	Max.	525.25		2312.35
D3284	CYNTHIA L ALTMAN	50	Dis.	322.25		1537.59
D3285	GEORGE E BREGER	60	Dis.	310.24		876.18
D3286	DANH Q BUI	44	Dis.	296.60		1297.34
D3287	SHARON K BYASSEE	54	Dis.	303.38		1346.00
D3288	LOUIS R FOSTER	58	Dis.	124.55		366.46
D3289	MELISSA A HOLLIE	46	Dis.	261.00		1318.47
D3290	VALERIE L KEELE	59	Dis.	213.37		642.95
D3291	REX A MCGEHEE	52	Dis.	214.60		747.18
D3292	DORA E SMILEY	59	Dis.	308.68		883.20
D3293	CINDY L STANLEY	47	Dis.	257.17		993.03
D3294	KATHLEEN L STRICKER	51	Dis.	126.54		465.89
Total				41,467.04	0.00	181,824.78

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

Retirement Number	Name	Age	Plan	Annuity	Tax Shelter	Total Payment
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THIS IS TO CERTIFY THE 128 REGULAR MEMBERS, 0 SPECIAL RETIREES,  
AND 11 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  
OCTOBER 31, 2011

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt	
05806	JOHN	EDMONSON	MEDFORD	DEATH 08-11	5,000.00	OPTION-1	-828.61
11438	GENEVA	EDWARDS	CHICKASHA	DEATH 08-11	5,000.00	OPTION-1	-1,642.04
14107	MARGERIE	DARDEN	CLINTON	DEATH 08-11	5,000.00	OPTION-1	-679.72
16118	VALERIA	MONROE	CHICKASHA	DEATH 08-11	5,000.00	OPTION-1	-808.67
17242	KATHERINE	MADDOX	PONCA CITY	DEATH 07-11	5,000.00	OPTION-1	-1,525.97
17750	THOMAS	LEE	EDMOND	DEATH 08-11	5,000.00	OPTION-1	-983.85
18217	MARIAN	RICHARDS	DURANT	DEATH 08-11	.00	OP-2 BENEF	-1,278.33
18354	LEONA	INMAN	EDMOND	DEATH 07-11	5,000.00	OPTION-1	-821.61
18658	BERTHA	STEWART	COLORADO SPGS CO	DEATH 08-11	5,000.00	OPTION-1	-442.26
18847	MARY	POWERS	OKLAHOMA CITY	DEATH 08-11	5,000.00	OPTION-1	-1,440.96
19042	LOTTIE	MCNEW	EDMOND	DEATH 05-11	5,000.00	OPTION-1	-569.12
19051	OTIE	PARKER	HUGO	DEATH 08-11	.00	OP-3 BENEF	-853.33
19223	FRANKIE	CALLOWAY	NORMAN	DEATH 06-11	5,000.00	OPTION-1	-689.44
19672	CLARA	HARDAGE	CHELSEA	DEATH 08-11	5,000.00	MAX OPTION	-1,505.65
19721	OLA	HENDRICKS	ALVA	DEATH 08-11	5,000.00	OPTION-1	-1,112.84
20437	AGNES	DAVIS	TULSA	DEATH 08-11	5,000.00	MAX OPTION	-2,068.78
20693	MARTHA	MORANETZ	LOS ANGELES CA	DEATH 08-11	5,000.00	MAX OPTION	-1,635.79
20866	NATHYLEE	WHITLEY	EDMOND	DEATH 08-11	5,000.00	MAX OPTION	-1,007.33
21069	MARY	LILLARD	OKLAHOMA CITY	DEATH 08-11	5,000.00	OPTION-1	-613.62
21522	DOROTHY	ROYAL	GOULD	DEATH 08-11	.00	OP-2 BENEF	-1,304.45
21564	EULA	STIVERS	DEL CITY	DEATH 08-11	5,000.00	OPTION-1	-1,873.87
21595	JEWEL	VAUGHN	TAHLEQUAH	DEATH 08-11	5,000.00	MAX OPTION	-2,137.06
21646	MABEL	DAVIS	MIDWEST CITY	DEATH 08-11	5,000.00	OPTION-1	-1,084.22
21680	BILLYE	DIEHM	NORMAN	DEATH 08-11	5,000.00	MAX OPTION	-228.27
22123	WANDA	TRAMMELL	MCALESTER	DEATH 08-11	5,000.00	OPTION-1	-1,615.20
22218	LORA	CACY	STILLWATER	DEATH 08-11	5,000.00	OPTION-1	-1,480.36

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt	
23131	ELZADA	MCGEE	PAULS VALLEY	DEATH 08-11	5,000.00	MAX OPTION	-239.05
23202	MADGE	EMERICK	FAYETTEVILLE AR	DEATH 08-11	5,000.00	MAX OPTION	-1,334.83
23419	LORENE	VICKREY	CLAREMORE	DEATH 08-11	5,000.00	OPTION-1	-620.67
23560	DIXIE	CHAPMAN	YUKON		Continued	OP-3 BENE	1,162.41
23570	ALETHA	CLAYTON	MOORELAND	DEATH 08-11	5,000.00	MAX OPTION	-2,703.56
23583	EVANGELINE	COOK	OKLAHOMA CITY	DEATH 07-11	.00	OP-2 BENE	-389.33
23589	IMOGENE	COST	SAND SPRINGS	DEATH 08-11	5,000.00	OPTION-1	-306.34
25172	BOBBIE	BLASINGAME	MANGUM	DEATH 08-11	5,000.00	OPTION-1	-477.69
25173	BOBBIE	BLASINGAME	MANGUM	DEATH 08-11	.00	OP-3 BENE	-526.08
25594	MAX	FOX	TULSA	DEATH 07-11	5,000.00	OPTION-1	-2,173.68
25696	MELISSA	GUINN	MUSKOGEE	DEATH 08-11	5,000.00	OPTION-1	-822.92
26088	NORMA	LINCOLN	PERKINS	DEATH 08-11	5,000.00	OPTION-1	-600.36
26134	BILL	MANSKER	OKEMAH	DEATH 08-11	5,000.00	OPTION-1	-606.12
26321	VILET	OFFICER	OKLAHOMA CITY	DEATH 08-11	5,000.00	MAX OPTION	-891.74
26327	RUDELL	OLDHAM	WALTERS	DEATH 08-11	5,000.00	OPTION-1	-679.13
26525	CLYDE	ROLLINS	OKLAHOMA CITY	DEATH 06-11	5,000.00	OP-3 POPUP	-1,866.61
26878	IDA	WHELCHER	WICHITA KS	DEATH 08-11	5,000.00	MAX OPTION	-764.39
27025	HAZEL	HARTWIG	BARTLESVILLE	DEATH 04-11	5,000.00	OPTION-1	-319.72
27069	EDWARD	HUNNICUTT	DURANT	DEATH 08-11	5,000.00	OPTION-1	-596.52
27303	AUDREY	MAEHL	SANTA FE NM		Continued	OP-2 BENE	1,436.20
27413	EMILY	MCWILLIAMS	SHREVEPORT LA	DEATH 07-11	5,000.00	MAX OPTION	-193.58
27907	MARJORIE	THOMPSON	OKLAHOMA CITY	DEATH 08-11	5,000.00	MAX OPTION	-1,034.47
28577	PHYLLIS	BURRUSS	BARTLESVILLE		Continued	OP-2 BENE	1,610.59
29478	MARTHA	CHAMBERS	MIAMI	DEATH 08-11	5,000.00	MAX OPTION	-367.23
29794	BEATRICE	SHOOK	GRACEMONT	DEATH 08-11	5,000.00	OPTION-1	-295.04
29957	LELA	DAVIDSON	MILBURN		Continued	OP-2 BENE	541.18

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
29978	LEO	HATCHER	YUKON	DEATH 08-11	5,000.00	MAX OPTION -1,687.67
30378	ROBERT	TOUT	MANHATTAN KS	DEATH 08-11	5,000.00	MAX OPTION -358.49
30396	VESTA	MAYS	DEL CITY	DEATH 06-11	5,000.00	MAX OPTION -196.91
30800	LELA	SULLIVAN	OKLAHOMA CITY	DEATH 08-11	5,000.00	MAX OPTION -623.42
30960	IMOGENE	PICKERING	SWEETWATER	DEATH 07-11	5,000.00	MAX OPTION -790.42
31004	JEAN	WILLIAMS	BARTLESVILLE	DEATH 08-11	5,000.00	OPTION-1 -427.45
31095	PAUL	MAXWELL	OKEMAH	DEATH 08-11	5,000.00	MAX OPTION -500.32
32971	HOWARD	LACKEY	MORRIS	DEATH	5,000.00	OPTION-3 -2,043.18
32971	GEMEY	LACKEY	MORRIS	Continued		OP-3 BENEF 1,021.59
33348	GLENN	CHOWINS	TULSA	DEATH 07-11	5,000.00	OPTION-4 -2,455.43
33948	DEWEY	WRIGHT	SEMINOLE	DEATH 08-11	.00	OP-2 BENEF -2,866.80
34182	S	WATSON	EDMOND	DEATH	5,000.00	OPTION-2 -2,105.83
34182	ROSEMARY	WATSON	EDMOND	Continued		OP-2 BENEF 2,105.83
34214	PAUL	DAVIS	TURPIN	DEATH	5,000.00	OPTION-2 -430.15
34214	DOLORES	DAVIS	TURPIN	Continued		OP-2 BENEF 430.15
34914	ELSIE	DARBY	ROCKY	DEATH 08-11	5,000.00	MAX OPTION -460.68
35358	BETTY	STROUD	OKLAHOMA CITY	DEATH 07-11	5,000.00	OP-3 POPUP -2,171.86
35364	KATHLEEN	SUTHERLAND	EDMOND	DEATH 08-11	5,000.00	MAX OPTION -626.60
36043	HOLLIS	EDGAR	TERLTON	DEATH 08-11	5,000.00	OPTION-1 -850.59
36388	JESSIE	BRADSHAW	GUTHRIE	DEATH 08-11	5,000.00	MAX OPTION -532.78
38551	JAMES	MCGINNIS	BROKEN ARROW	DEATH 07-11	5,000.00	OP-3 POPUP -1,744.45
38853	SUE	WHITE	TULSA	DEATH 08-11	5,000.00	MAX OPTION -2,256.99
39473	DONALD	GRAHAM	LONE GROVE	DEATH	5,000.00	OPTION-3 -1,339.52
39473	JOANNE	GRAHAM	LONE GROVE	Continued		OP-3 BENEF 669.76
39718	BERTHA	PRICER	PERKINS	DEATH 08-11	5,000.00	MAX OPTION -1,065.53
39979	ALLEN	REDING	STILLWATER	DEATH	5,000.00	OPTION-2 -2,405.50
39979	SYDNEY	REDING	STILLWATER	Continued		OP-2 BENEF 2,405.50
40434	JEANNIE	MCGEE	MARLOW	DEATH 07-11	5,000.00	MAX OPTION -454.78

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
40823	MARILYN	COKER	SAND SPRINGS	Continued	OP-3 BENEf	1,300.07
41187	MYRNA	MCGEE	STILLWATER	Continued	OP-2 BENEf	2,015.73
42771	MARY	ALEXANDER	AMORITA	DEATH 08-11	OPTION-1	-767.87
43578	FRANCIS	MEANS	MIDWEST CITY	DEATH	OPTION-2	-2,853.64
43578	AMANDA	MEANS	MIDWEST CITY	Continued	OP-2 BENEf	2,853.64
43651	CHARLES	BETCHE	GOTEBO	Continued	OP-2 BENEf	1,804.67
44185	REBA	READING	STIGLER	DEATH 08-11	MAX OPTION	-2,431.54
44676	ERNEST	STAIR	STILLWATER	DEATH	OPTION-2	-1,798.12
44676	T	STAIR	STILLWATER	Continued	OP-2 BENEf	1,798.12
46595	GLORIA	MCCREARY	MISHAWAKA IN	Continued	OP-2 BENEf	509.79
46882	MARVIN	CRUSOE	IDABEL	DEATH 08-11	OPTION-1	-2,032.08
47272	DAVID	WHITNEY	NORMAN	DEATH	OPTION-2	-1,516.44
47272	CAROL	WHITNEY	GRACEMONT	Continued	OP-2 BENEf	1,516.44
47971	TESSAMAE	MCCARTY	TULSA	DEATH 08-11	MAX OPTION	-2,018.52
48052	MARY	PACK	VIAN	DEATH 08-11	OPTION-2	-1,652.78
48389	BILLY	FARNHAM	PAULS VALLEY	Continued	OPTION-2	2,447.44
48576	GENEVA	STROUP	MUSKOGEE	DEATH 08-11	MAX OPTION	-1,257.69
49142	DORA	CARTER	ELK CITY	DEATH 08-11	OPTION-1	-1,711.50
49810	WANDA	HALEY	SHAWNEE	DEATH 08-11	OPTION-4	-766.65
50867	MENDELL	SIMMONS	NORMAN	DEATH 08-11	OPTION-3	-2,354.05
51766	JUANITA	HARKEY	LAWTON	DEATH 08-11	MAX OPTION	-1,638.67
51908	GEORGIA	LEEDS	MUSKOGEE	DEATH 07-11	MAX OPTION	-1,165.10
52437	BERTHA	HESSER	GLENCOE	DEATH 08-11	MAX OPTION	-976.10
53140	TEDD	FULP	OKLAHOMA CITY	Continued	OP-2 BENEf	1,667.09
53467	BELVA	NICHOLS	KAW CITY	Continued	OP-3 BENEf	967.24
54055	JUDY	KEENAN	OKLAHOMA CITY	DEATH 08-11	MAX OPTION	-465.76
54675	DONALD	HEIMBACH	OKLAHOMA CITY	DEATH	OPTION-2	-1,384.84

Ret-No	Name	Area	Term	Amount-Due	Option	Benefit-Amt
54675	BOBBIE	HEIMBACH	OKLAHOMA CITY	Continued	OP-2 BENEF	1,384.84
54688	LYNN	HOSKINS	ALVA	TEACH 10-11	MAX OPTION	-2,881.05
55304	BOBBIE	PAYTON	FORT COBB	DEATH 08-11	OP-2 BENEF	-556.54
55447	DOROTHY	WILSON	TULSA	Continued	OP-4 BENEF	2,304.67
57209	MARY	GRAY	PIEDMONT	DEATH 08-11	OP-4 BENEF	-1,254.42
58096	SHERRY	COBB	FREDERICK	Continued	OP-2 BENEF	1,169.00
58242	CARRIE	JOHNSON	OKLAHOMA CITY	DEATH 08-11	MAX OPTION	-110.04
59481	WILLARD	WAGNON	HUGO	DEATH	OPTION-2	-1,425.12
59481	KAY	FRAZIER	GRANT	Continued	OP-2 BENEF	1,425.12
59527	MARTHA	WILSON	TULSA	DEATH	OPTION-2	-806.50
59527	TOMMY	WILSON	TULSA	Continued	OP-2 BENEF	806.50
60075	IVAN	RIGGLE	NOBLE	Continued	OP-3 BENEF	429.95
60702	LANDON	JEFFERSON	DEWAR	DEATH 08-11	MAX OPTION	-668.94
61658	WILMA	SNELL	WELEETKA	DEATH 08-11	OP-2 POPUP	-2,164.19
61659	WILMA	SNELL	WELEETKA	DEATH 08-11	OP-2 BENEF	-1,615.58
62012	GWENDOLYN	PEATLING	STILLWATER	DEATH 07-11	MAX OPTION	-1,670.25
64942	HELEN	FOGLESONG	DEL CITY	Continued	OP-2 BENEF	252.08
70377	CARL	VENABLE	VERDEN	TEACH 10-11	MAX OPTION	-1,912.29
70932	CYNTHIA	HERNANDEZ	OKLAHOMA CITY	TEACH 10-11	MAX OPTION	-1,091.63
71525	MARY	WILLIS	DAVIS	TEACH 10-11	OPTION-1	-2,112.64
71582	GREGORY	BENSON	BRISTOW	TEACH 10-11	OPTION-2	-2,402.38
72102	LINDA	NOVAK	OKLAHOMA CITY	TEACH 10-11	MAX OPTION	-1,861.40
72365	CAROL	RICH	PERKINS	DEATH 08-11	OPTION-1	-604.61
72963	JANE	PENNINGTON	EDMOND	Continued	OP-2 BENEF	2,538.50
74361	JOHN	TOLLETTE	PERKINS	TEACH 10-11	OPTION-2	-3,143.52
77414	DEBORAH	STEWART	STROUD	TEACH 10-11	MAX OPTION	-2,221.11
77750	PATRICIA	DAVIS	AMES	DEATH 07-11	OPTION-1	-3,740.84

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
77755	THOMAS	DENSON	ADA	TEACH 10-11		MAX OPTION	-385.48
77856	JERRY	HOLBROOK	BRISTOW	TEACH 10-11		OPTION-2	-136.69
78232	GERRY	CASTLEBERRY	PERRY	TEACH 10-11		OPTION-1	-459.13
78396	BOBBIE	WINTZ	STROUD	TEACH 10-11		OPTION-2	-2,102.66

Ret-No	Name		Area	Term	Amount-Due	Option	Benefit-Amt
D0687	ANNA	RAINES	WARNER	DEATH 08-11	5,000.00	DISABILITY	-1,176.65
D1096	VERNA	GRIFFIN	STRATFORD	TEACH 10-11		DISABILITY	-222.62
D1535	SANDRA	FITZGERALD	TULSA	DEATH 08-11	5,000.00	DISABILITY	-250.41
D1842	ROY	PHILLIPS	LAWTON	DEATH 08-11	5,000.00	DISABILITY	-1,240.69
D2532	CHERYL	GALYEAN	TULSA	DEATH 08-11	5,000.00	DISABILITY	-1,119.63
D2618	PAULA	BEENE	MACOMB	DEATH 08-11	5,000.00	DISABILITY	-1,673.99
D2654	RICHARD	FINKS	OKMULGEE	DEATH 07-11	5,000.00	DISABILITY	-451.94
D2716	LARRY	SMITH	LAWTON		Continued	DISABILITY	1,440.55
D2825	WADE	WILLIAMS	NORMAN	TEACH 10-11		DISABILITY	-831.63
D3024	KATHY	CAGLE	LAWTON	DEATH 06-11	5,000.00	DISABILITY	-1,891.04
D3071	CHARLOTTE	HAYWOOD	LAWTON	DEATH 08-11	5,000.00	OPTION-2	-417.51

TOTALS:

Payroll-Chg	-107,815.58
Deceased	107
Retirement Canceled	0
Return To Teaching	14
Continued - Max Ben	0
Continued - Option1	0
Continued - Option2	20
Continued - Option3	6
Continued - Option4	1
Continued - Disable	1

Anthony W. Ballard  
ADMINISTRATIVE ASSISTANT

10/11/2011  
DATE PREPARED

**Chart I**
**FY 2011 and FY 2012 Actual Expenses  
3 Month Year to Date Comparison**

Object of Expenditure	3 Month YTD FY 2011 Actual Expenses	3 Month YTD FY 2012 Actual Expenses	Increase (Decrease) Amount	Increase (Decrease) Percentage
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	585,315	305,431	(279,884)	-47.8%
Taxes, Benefits, and Other Expenses	282,623	172,759	(109,864)	-38.9%
<b>Subtotal Personal Services</b>	<b>867,938</b>	<b>478,190</b>	<b>(389,748)</b>	<b>-44.9%</b>
<b>Professional Services</b>				
Investment Manager Expenses	0	0	0	0.0%
Investment Consultant Expenses	175,500	234,000	58,500	33.3%
Investment Custodian Expenses	0	0	0	0.0%
Pension Commission Expenses	0	0	0	0.0%
<b>Subtotal Investment Expenses</b>	<b>175,500</b>	<b>234,000</b>	<b>58,500</b>	<b>33.3%</b>
Legal Services - Special Projects	947	12,584	11,637	1228.8%
Legal Services - Attorney General	8,555	12,766	4,211	49.2%
Administrative Hearings	0	0	0	0.0%
Actuarial Services	0	24,227	24,227	0.0%
Auditing Services	35,840	9,220	(26,620)	-74.3%
Medical Hearings	2,400	2,100	(300)	-12.5%
Miscellaneous Services	23,015	9,732	(13,283)	-57.7%
<b>Subtotal Professional Services</b>	<b>246,257</b>	<b>70,629</b>	<b>(175,628)</b>	<b>-71.3%</b>
<b>Subtotal Professional Services</b>	<b>421,757</b>	<b>304,629</b>	<b>(117,128)</b>	<b>-27.8%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	21,588	8,434	(13,154)	-60.9%
Employee Travel Expenses	15,625	5,655	(9,970)	-63.8%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>37,213</b>	<b>14,089</b>	<b>(23,124)</b>	<b>-62.1%</b>
<b>Administrative Expenses</b>				
Miscellaneous Administrative Expenses	71,809	81,803	9,994	13.9%
Rent Expenses	43,861	40,689	(3,172)	-7.2%
Maintenance and Repair Expenses	943	595	(348)	-36.9%
Specialized Supplies and Material Expenses	2,035	0	(2,035)	-100.0%
Office Supplies and Materials Expenses	5,925	6,680	755	12.7%
Office Furniture & Equipment Expenses	950	0	(950)	-100.0%
<b>Subtotal Administrative Expenses</b>	<b>125,523</b>	<b>129,767</b>	<b>4,244</b>	<b>3.4%</b>
<b>Information Technology Expenses</b>				
Professional Services	118,016	124,988	6,972	5.9%
Travel and Per Diem Expenses	128	0	(128)	-100.0%
Miscellaneous Administrative Expenses	8,750	3,500	(5,250)	-60.0%
Rent Expenses	1,094	1,094	0	0.0%
Maintenance and Repair Expenses	0	106	106	0.0%
Office Supplies and Materials Expenses	4,310	703	(3,607)	-83.7%
Office Furniture and Equipment Expenses	5,062	18,479	13,417	265.1%
<b>Subtotal Information Technology Expenses</b>	<b>137,360</b>	<b>148,870</b>	<b>11,510</b>	<b>8.4%</b>
<b>Total Expenses</b>	<b>1,414,291</b>	<b>1,075,545</b>	<b>(338,746)</b>	<b>-24.0%</b>
<b>Totals Investment Expenses Only</b>	<b>175,500</b>	<b>234,000</b>	<b>58,500</b>	<b>33.3%</b>
<b>Totals Information Technology Capital Expenses Only</b>	<b>137,360</b>	<b>148,870</b>	<b>11,510</b>	<b>8.4%</b>
<b>Totals ex Investment and IT Capital Expenses</b>	<b>1,101,431</b>	<b>692,675</b>	<b>(408,756)</b>	<b>-37.1%</b>

**Chart II**
**FY 2012 Budget to Actual Expenses  
3 Month Year to Date Comparison**

Object of Expenditure	3 Month YTD FY 2012 Budget	3 Month YTD FY 2012 Actual Expenses	Increase (Decrease) Amount	Increase (Decrease) Percentage
<b>Personal Services</b>				
Salary and Longevity Pay Expenses	552,639	305,431	(247,208)	-80.9%
Taxes, Benefits, and Other Expenses	294,210	172,759	(121,451)	-70.3%
<b>Subtotal Personal Services</b>	<b>846,849</b>	<b>478,190</b>	<b>(368,659)</b>	<b>-77.1%</b>
<b>Professional Services</b>				
Investment Manager Expenses	0	0	0	0.0%
Investment Consultant Expenses	175,500	234,000	58,500	25.0%
Investment Custodian Expenses	18,750	0	(18,750)	0.0%
Pension Commission Expenses	15,000	0	(15,000)	0.0%
<b>Subtotal Investment Expenses</b>	<b>209,250</b>	<b>234,000</b>	<b>24,750</b>	<b>10.6%</b>
Legal Services - Special Projects	15,000	12,584	(2,416)	-19.2%
Legal Services - Attorney General	13,750	12,766	(984)	-7.7%
Administrative Hearings	250	0	(250)	0.0%
Auditing Services	11,525	9,220	(2,305)	-25.0%
Actuarial Services	37,500	24,227	(13,273)	-54.8%
Medical Hearings	5,000	2,100	(2,900)	-138.1%
Miscellaneous Services	18,913	9,732	(9,182)	-94.3%
<b>Subtotal Professional Services</b>	<b>101,938</b>	<b>70,629</b>	<b>(31,310)</b>	<b>-44.3%</b>
<b>Subtotal Professional Services</b>	<b>311,188</b>	<b>304,629</b>	<b>(6,559)</b>	<b>-2.2%</b>
<b>Travel and Per Diem Expenses</b>				
Non-Employee Travel Expenses	19,500	8,434	(11,066)	-131.2%
Employee Travel Expenses	19,113	5,655	(13,458)	-238.0%
<b>Subtotal Travel and Per Diem Expenses</b>	<b>38,613</b>	<b>14,089</b>	<b>(24,524)</b>	<b>-174.1%</b>
<b>Administrative Expenses</b>				
Miscellaneous Administrative Expenses	133,850	81,803	(52,047)	-63.6%
Rent Expenses	57,375	40,689	(16,686)	-41.0%
Maintenance and Repair Expenses	6,625	595	(6,030)	-1013.4%
Specialized Supplies and Material Expenses	0	0	0	0.0%
Office Supplies and Material Expenses	17,625	6,680	(10,945)	-163.8%
Office Furniture and Equipment Expenses	29,250	0	(29,250)	0.0%
<b>Subtotal Administrative Expenses</b>	<b>244,725</b>	<b>129,767</b>	<b>(114,958)</b>	<b>-88.6%</b>
<b>Information Technology Expenses</b>				
Professional Services	192,500	124,988	(67,512)	-54.0%
Travel and Per Diem Expenses	3,750	0	(3,750)	0.0%
Miscellaneous Administrative Expenses	11,250	3,500	(7,750)	-221.4%
Rent Expenses	12,500	1,094	(11,406)	-1042.6%
Maintenance and Repair Expenses	15,625	106	(15,519)	-14640.6%
Office Supplies and Material Expenses	8,750	703	(8,047)	-1144.7%
Office Furniture and Equipment Expenses	13,250	18,479	5,229	28.3%
<b>Subtotal Information Technology Expenses</b>	<b>257,625</b>	<b>148,870</b>	<b>(108,755)</b>	<b>-73.1%</b>
<b>Total Expenses</b>	<b>1,698,999</b>	<b>1,075,545</b>	<b>(623,454)</b>	<b>-58.0%</b>
<b>Totals Investment Expenses Only</b>	<b>209,250</b>	<b>234,000</b>	<b>24,750</b>	<b>10.6%</b>
<b>Totals Information Technology Capital Expenses Only</b>	<b>257,625</b>	<b>148,870</b>	<b>(108,755)</b>	<b>-73.1%</b>
<b>Totals ex Investment and IT Capital Expenses</b>	<b>1,232,124</b>	<b>692,675</b>	<b>(539,449)</b>	<b>-77.9%</b>

# 2012

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

MARCH						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

March 4-5 - NASRA Winter Conference - DC

APRIL						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

MAY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

May 20-23 - SCTR Annual Conference - Nashville

JUNE						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

June 10-13 - NCTR Director's Meeting\*

JULY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

July 29-Aug 1 - NCTR Trustee Workshop\*

AUGUST						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

July 29-Aug 1 - NCTR Trustee Workshop\*

Aug 3-8 - NASRA Annual Conference

SEPTEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Oct 6-11 - NCTR Annual Conference - Tucson, AZ

NOVEMBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

\* Dates Tentative; Subject to Change

Meeting Dates

Inv Comm

Holidays