



OKLAHOMA TEACHERS

RETIREMENT SYSTEM

BOARD OF TRUSTEES

REGULARLY SCHEDULED
MEETING

OCTOBER 24, 2012

MEETING MATERIALS

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Trustee Education Meeting
Tuesday, October 23, 2012 – 1:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL**
- 2. DISCUSSION ON INSTITUTIONAL INVESTING**
 - A. Asset types and characteristics
 - B. Risk v. Return
 - C. Other Topics: Liquidity, Diversification, Transparency, Long-Run Focus, Fees, etc.
- 3. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 4. ADJOURNMENT**

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, October 24, 2012 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR:**
 - A. September 25, 2012 Special Trustee Education Meeting
 - B. September 26, 2012 Board Meeting
- 3. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Chickasaw Capital Management
 - B. Cushing MLP Asset Management
 - C. FAMCO
- 5. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting***
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON QUARTERLY LEGAL REPORT**
- 8. DISCUSSION AND POSSIBLE ACTION ON EXECUTIVE DIRECTOR REPORT**
 - A. Client Status Update
 - B. Emergency Rules Update
 - C. Legislative Update
 - D. FY-2013 Agency Budget
 - E. Other Items for Discussion
- 9. DISCUSSION AND POSSIBLE ACTION ON BOARD OF TRUSTEES MEETING SCHEDULE FOR 2013**
- 10. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 11. NEW BUSINESS**
- 12. ADJOURNMENT**

**MEETING MINUTES
SEPTEMBER 25, 2012
BOARD OF TRUSTEES – TRUSTEE EDUCATION MEETING
TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA**

A special meeting of the Board of Trustees – Trustee Education – of the Teachers’ Retirement System of Oklahoma was called to order by James Dickson, Vice Chairman, at 1:06 P.M., in the Administration Board Room, 5th 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:

James Dickson, <i>Vice Chairman</i>	Stewart Meyers, Jr.
Vernon Florence	William Peacher*
Roger Gaddis	Michael Simpson*
Beth Kerr	

TRUSTEES ABSENT:

Sherrie Barnes	Jonathan Small
Bruce DeMuth	Billie Stephenson
Jill Geiger	Gary Trennepohl

TRS STAFF PRESENT:

James R. Wilbanks, <i>Executive Director</i>	Becky Wilson, <i>Executive Assistant</i>
Grant Soderberg, <i>Investment Associate</i>	

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>
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**Denotes either late arrival or early departure*

ITEM 1 – ROLL CALL FOR QUORUM: Vice Chairman Dickson called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Kerr; and Mr. Meyers. A quorum was not present so Vice Chairman Dickson declared that due to the lack of a quorum the Board would have discussions only; there would be no official action.

ITEM 2 – INSTITUTIONAL INVESTING: Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board a presentation on the definition of Terms (alpha, beta, return, standard deviation, etc.) No action was necessary. Mr. Peacher and Dr. Simpson joined the meeting during the presentation.

ITEM 3 – QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Trustees.

ITEM 4 – ADJOURNMENT: There being no further business, a motion was made by Mr. Meyers with a second made by Mr. Florence to adjourn. The meeting was adjourned at 2:55 p.m. Trustees present at adjournment were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Kerr; Mr. Meyers; Mr. Peacher; and Dr. Simpson.

BOARD OF TRUSTEES, TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
James Dickson, Vice Chairman

ATTEST:

BY: _____
Vernon Florence, Acting Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers' Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on October 24, 2012.

BY: _____
Becky Wilson, Executive Assistant to the Executive Director

**MEETING MINUTES
SEPTEMBER 26, 2012
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 Gary Trennepohl, Chairman, at 9:01 A.M., in the Administration Board Room, 5th 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:

Gary Trennepohl, *Chairman*
James Dickson, *Vice Chairman*
Vernon Florence
Roger Gaddis
Jill Geiger

Beth Kerr
Stewart Meyers, Jr.
William Peacher
Michael Simpson
Jonathan Small*

TRUSTEES ABSENT:

Sherrie Barnes
Billie Stephenson

Bruce DeMuth

TRS STAFF PRESENT:

James R. Wilbanks, *Executive Director*
Grant Soderberg, *Investment Associate*

Becky Wilson, *Executive Assistant*
Josh Richardson, *Internal Auditor*

LEGAL COUNSEL PRESENT:

Regina Switzer, *Assistant Attorney General*

INVESTMENT CONSULTANT PRESENT:

Greg Weaver, *Gregory W. Group*

Douglas J. Anderson, *Gregory W. Group*

OTHERS PRESENT:

Norman Cooper, *OK Retired Educators Assoc.*
Gene Hopper

Roy Cates, *OK Retired Educators Assoc.*
Wayne Maxwell, *Retired Prof OK Educators*

**Denotes either late arrival or early departure*

ITEM 1 – ROLL CALL FOR QUORUM: Chairman Trennepohl called the Board meeting to order and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; and Chairman Trennepohl. After the roll call, Chairman Trennepohl appointed Mr. Florence as acting secretary in Mr. DeMuth's absence.

ITEM 2 – MEETING MINUTES: A motion was made by Mr. Stewart with a second made by Ms. Kerr to approve the August 21-23, 2012 meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; and Chairman Trennepohl.

ITEM 3 – 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. Mr. Small joined the meeting during the presentation.

ITEM 4 – PRESENTATIONS BY INVESTMENT MANAGERS: Hoisington Investment Management, Stephens Capital Management and PIMCO, Investment Managers, were present to give respective presentations to the Board.

A break was taken from 10:25 a.m. to 10:30 a.m.

ITEM 5 – MANAGER STATUS SUMMARY REPORT: Greg Weaver and Douglas Anderson of Gregory W. Group, Investment Consultants to the Board, gave the Board the Manager Status Summary Report. No action was necessary.

ITEM 6 – INVESTMENT COMMITTEE REPORT: Mr. Dickson, Chairman of the Investment Committee, gave the Investment Committee report. A motion was brought from the Investment Committee recommending the approval of the MacKay Shields Exception Request. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

ITEM 7 – AUDIT COMMITTEE REPORT: Mr. Meyers, Chairman of the Audit Committee, gave the Audit Committee report. A motion was brought from the Audit Committee recommending the approval of the RFP for Internal Audit Services. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

ITEM 8 – RETIRED PROFESSIONAL OKLAHOMA EDUCATORS (RPOE) REQUEST: After discussion, a motion was made by Dr. Simpson with a second made by Mr. Florence to approve the request for mailing from RPOE. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

A break for lunch was taken from 11:51 a.m. to 12:13 p.m.

ITEM 9 – MISSION STATEMENT: Dr. Wilbanks presented the Board with the new mission statement. After discussion, a motion was made by Dr. Simpson with a second made by Mr. Small to approve the Mission Statement with amendments. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

ITEM 10 – STRATEGIC PLANNING RETREAT FOLLOW-UP: Dr. Wilbanks introduced Gene Hopper, facilitator at the August 2012 Strategic Planning Retreat. Ms. Hopper presented the Board with a retreat summary. No action was necessary.

ITEM 11 – DATA MIGRATION: Josh Richardson, OTRS Internal Auditor, updated the Board on OTRS' data migration efforts. After a brief discussion, no action was necessary.

ITEM 12 – EXECUTIVE DIRECTOR REPORT: Dr. Wilbanks gave his report to the Board. A motion was made by Mr. Small with a second made by Ms. Geiger to approve the Executive Director Report. The motion carried by a unanimous voice vote. Trustees responding were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

ITEM 13 – QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Trustees.

ITEM 14 – NEW BUSINESS: There was no further business from the Board.

ITEM 15 – ADJOURNMENT: There being no further business, a motion was made by Dr. Simpson with a second made by Mr. Small to adjourn. The meeting was adjourned at 1:08 p.m. Trustees present at adjournment were Mr. Dickson; Mr. Florence; Mr. Gaddis; Ms. Geiger; Ms. Kerr; Mr. Meyers; Mr. Peacher; Dr. Simpson; Mr. Small; and Chairman Trennepohl.

BOARD OF TRUSTEES, TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
Gary Trennepohl, Chairman

ATTEST:

BY: _____
Vernon Florence, Acting Secretary

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BY: _____
Becky Wilson, Executive Assistant to the Executive Director

September 2012 - Market Environment

Equity Performance Surprisingly Strong



Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	2.8	26.5	14.5	2.2
NASDAQ (prc chg only)	1.6	29.0	13.7	2.9
S&P 500 cap weighted	2.6	30.2	13.2	1.1
S&P 500 equal weighted	2.5	28.7	14.0	3.2
S&P Mid Cap	1.9	28.5	14.3	3.8
S&P Small Cap	2.3	33.4	15.1	3.3
S&P REIT	-1.9	32.6	20.5	2.0
Russell 1000 Growth	2.0	29.2	14.7	3.2
Russell 1000 Value	3.2	30.9	11.8	-0.9
Russell Mid Cap Growth	2.0	26.7	14.7	2.5
Russell Mid Cap Value	2.2	29.3	13.9	1.7
Russell 2000 Growth	3.0	31.2	14.2	3.0
Russell 2000 Value	3.6	32.6	11.7	1.4
Russell Top 200	2.8	30.9	12.9	0.9
Russell 1000	2.6	30.1	13.3	1.2
Russell Mid Cap	2.1	28.0	14.3	2.2
Russell 2500	2.6	30.9	14.1	2.8
Russell 2000	3.3	31.9	13.0	2.2
MSCI World Ex US	3.1	14.4	3.0	-4.4
MSCI World Ex US Growth	2.8	14.9	4.6	-3.7
MSCI World Ex US Value	3.4	13.8	1.4	-5.0
MSCI EAFE	3.0	14.3	2.6	-4.8
MSCI Emerging Markets	6.1	17.3	6.0	-1.0

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	0.6
BC Long Treasury	-2.0	6.3	12.0	11.1
BC US Agg	0.1	5.2	6.2	11.1

- The domestic equity market extended a rally through September despite month end weakness. Non-U.S. equities performed in line with domestic equities. Emerging markets posted the best one month return.
- Value stocks outperformed growth stocks across the U.S. market and abroad. Performance dispersion was relatively small between market capitalization segments.
- Trailing year returns for equity were shockingly strong. Domestic equity indexes were all up near 30% despite high volatility and frequent changes in market sentiment.
- Fixed income returns were weak during September. Core bonds posted a modest return while long duration bonds suffered losses. Money market funds produced virtually no income.

Monthly Change in Market Value

Beginning of Month Market Value	\$10,369,027,508
Net Cash Flow	\$54,134,351
Change in Investment Value	\$215,222,258
Ending of Month Market Value	\$ 10,638,384,118

Monthly Gross of Fees Rate of Return:	2.07%
Monthly Net of Fees Rate of Return:	2.05%

Notes:

Net cash flows were positive during the month. Investment results were also positive. Positive returns were driven by the domestic and international equity allocations.

Manager Profile - Cushing MLP Management



Asset Class:	Master Limited Partnerships
Status:	In Compliance
Portfolio Size:	\$146,845,266
Inception Date:	2/28/2011
Initial Funding:	\$125,000,000
Subsequent Funding:	\$0
Annual Management Fee:	0.45%
Location:	Dallas, Texas
Structure:	Privately Held
Portfolio Management Team:	Jerry Swank (Founder) Elizabeth Toudouze Dan Spears Paul Ferguson Kevin Gallagher
Represented by:	Elizabeth Toudouze John Musgrave Adam Evans

Notes:

Cushing/Swank attempts to build diversified portfolios with the objective of providing investors low to mid teen total returns through yield and capital appreciation. They offer long-only clients three portfolio structures according to their risk tolerance. The process incorporates the following research approaches: fundamental analysis, qualitative analysis portfolio management and then a risk management overlay.

This fund has provided strong returns since inception.

Founded in 2002, Swank began managing MLP portfolios in 2003. Firm initially focused on MLP and energy related hedge funds before shifting to more separately managed accounts.

Founded:	January, 2003
AUM:	\$2.3 billion
MLP AUM:	\$2.0 billion

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Swank	11.5	-	-	28.8	13.0	3.4
Alerian Total Return MLP Index	11.5	-	-	26.2	8.9	2.0
91 Day T-bills	0.1	-	-	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Dividend Yield	Beta	Number of Holdings
Swank	15.53%	1.73	5.20%	0.71	30
Alerian Total Return MLP Index	7.51%	3.47	-	-	-
91 Day T-bills	0.01%	-	-	-	-

Manager Profile - Chickasaw Capital Management



Asset Class:	Master Limited Partnerships
Status:	In Compliance
Portfolio Size:	\$166,305,197
Inception Date:	2/28/2011
Initial Funding:	\$125,000,000
Subsequent Funding:	\$0
Annual Management Fee:	0.80%
Location:	Memphis, Tennessee
Structure:	Privately Held
Portfolio Management Team:	David Fleischer (Founder) Geoffery Mavar (Founder)
Represented by:	David Fleischer Geoffery Mavar

Notes:

Chickasaw attempts to use their team's significant knowledge base and industry relationships to develop superior portfolios. The group begins with an energy portfolio's point of view which does guide their outlook for valuation of MLP market sectors. Business prospects are assessed for each MLP in the universe. Portfolio managers then determine position size and individual price targets.

The fund has provided exceptional returns since inception.

Founded:	October, 1993
AUM:	\$950 million
MLP AUM:	\$713 million

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Chickasaw Capital	20.1	-	-	37.3	14.9	4.4
Alerian Total Return MLP Index	11.5	-	-	26.2	8.9	2.0
91 Day T-bills	0.1	-	-	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Dividend Yield	Beta	Number of Holdings
Chickasaw Capital	14.05%	2.42	4.92%	0.59	22
Alerian Total Return MLP Index	7.51%	3.47	-	-	-
91 Day T-bills	0.01%	0.1	-	-	-

Manager Profile - FAMCO

Asset Class:	Master Limited Partnerships
Status:	In Compliance
Portfolio Size:	\$287,660,874
Inception Date:	2/28/2011
Initial Funding:	\$250,000,000
Subsequent Funding:	\$0
Annual Management Fee:	0.50%
Location:	St. Louis, Missouri
Structure:	Wholly owned by Piper Jaffrey
Portfolio Management Team:	James Cunnane Quinn Kiley
Represented by:	James Cunnane Quinn Kiley Jeff Spray

Notes:

FAMCO uses a top-down strategic style to drive long-term strategy. Views are developed for portfolio themes and individual industries. The second step of the investment process is intensive modeling/valuation of individual MLPs. FAMCO believes their combination of their thorough topdown strategic mindset, rigorous valuation modeling and fundamental research yields portfolios with high probability of outperforming their benchmarks.

The fund has provided strong returns since inception.

Founded:	1994
AUM:	\$7.0 billion
MLP AUM:	\$2.7 billion

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
FAMCO	10.1	-	-	24.4	9.6	2.3
Alerian Total Return MLP Index	11.5	-	-	26.2	8.9	2.0
91 Day T-bills	0.1	-	-	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Dividend Yield	Beta	Number of Holdings
FAMCO	7.51%	3.47	5.80%	0.98	28
Alerian Total Return MLP Index	7.51%	3.47	-	-	-
91 Day T-bills	0.01%	0.1	-	-	-

Monthly Asset Allocation Review

Asset Class	Total Market Value	Current Percentage	Target Percentage	Difference	Notes
All Cap/Large Cap	2,282,522,783	21.5%	17.5%	4.0%	Excess allocation bound for Private Equity
Mid Cap	1,365,354,192	12.8%	12.5%	0.3%	
Small Cap	968,286,759	9.1%	10.0%	-0.9%	
Total Domestic Equity	4,616,163,734	43.4%	40.0%	3.4%	
Large Cap International Equity	1,180,663,117	11.1%	12.5%	-1.4%	
Small Cap International Equity	370,101,199	3.5%	2.5%	1.0%	
Total International Equity	1,550,764,315	14.6%	15.0%	-0.4%	
Core Fixed Income	2,405,229,352	22.6%	25.0%	-2.4%	
High Yield Bonds	590,535,782	5.6%	5.0%	0.6%	Capital calls have recently accelerated
MLPs	600,811,338	5.6%	5.0%	0.6%	
Private Equity	151,169,286	1.4%	5.0%	-3.6%	
Real Estate	479,543,807	4.5%	5.0%	-0.5%	
Opportunistic Assets	125,356,196	1.2%	0.0%	1.2%	
Total Non-Core Assets	1,947,416,409	18.3%	20.0%	-1.7%	
Cash	118,810,306	1.1%	0.0%	1.1%	
Composite	10,638,384,118	100.0%	100.0%	0.0%	

Total Fund + Asset Class Composite Summary

As of September 30, 2012

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Total Fund (Gross of Fees)	10,638,384,118	12/1/1991	20.8	9.2	9.3	3.6	10.8	20.9	5.4	5.4	2.1
Total Fund (Net of Fees)				8.9	9.0	3.3	10.5	20.5	5.3	5.3	2.0
Allocation Index	100.0%			9.1	8.4	2.7	10.2	19.9	4.9	4.9	2.0
Actuarial Assumption				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	4,616,163,734	4/1/1990	22.5	10.0	9.7	1.4	12.3	29.2	5.4	5.4	2.5
S&P 500	43.4%			8.9	8.0	1.1	13.2	30.2	6.4	6.4	2.6
Total All Cap Equity	647,825,111	9/1/2006	6.1	3.8	-	1.3	12.5	25.6	4.3	4.3	1.7
Russell 3000	6.1%			4.0	-	1.3	13.3	30.2	6.3	6.2	2.6
Total Large Cap Active Equity	742,431,898	1/1/1995	17.8	9.3	8.3	0.3	12.4	29.3	5.5	5.5	2.3
S&P 500	7.0%			8.7	8.0	1.1	13.2	30.2	6.4	6.4	2.6
Total Mid Cap Equity	1,365,354,192	11/1/1998	13.9	8.6	12.0	3.0	13.3	31.2	4.5	4.5	2.1
Russell Mid Cap	12.8%			8.2	11.2	2.2	14.3	28.0	5.6	5.6	2.1
Total Small Cap Equity	968,286,759	2/1/1998	14.7	7.9	10.7	1.0	10.1	28.6	7.4	7.4	4.1
Russell 2000	9.1%			6.0	10.2	2.2	13.0	31.9	5.3	5.3	3.3
Total International Equity	1,550,764,315	2/1/1998	14.7	8.5	9.6	-3.2	4.0	18.6	7.8	7.8	3.8
MSCI ACWI ex-US	14.6%			-	10.3	-3.7	3.6	15.0	7.5	7.5	3.8
Core Fixed Income (ex- High Yield)	2,405,229,352	4/1/1990	22.5	7.7	7.0	9.2	9.4	9.8	2.7	2.7	0.3
Barclays Aggregate	22.6%			5.5	-	6.5	6.2	5.2	1.6	1.6	0.1
Master Limited Partnerships	600,811,338	4/1/1990	22.5	13.4	-	-	-	28.8	11.8	11.8	3.2
Alerian MLP Index	5.6%			11.5	-	-	-	26.2	8.9	8.9	2.0
High Yield Fixed Income	590,535,782	2/1/2009	3.7	18.8	-	-	12.6	19.1	5.3	5.3	1.8
ML High Yield II	5.6%			-	-	-	-	18.9	4.6	4.6	1.4
Core Real Estate	479,543,807	4/1/1990	22.5	-3.3	-	-	-	4.3	1.5	1.5	0.0
NCREIF	4.5%			11.4	-	-	-	8.6	0.0	0.0	0.0
Cash	118,810,306	4/1/1990	22.5	-	-	-	-	-	-	-	-
91 Day T-bill	1.1%			-	-	0.8	0.1	0.1	0.0	0.0	0.0

Equity Portfolios Summary

As of September 30, 2012

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Hotchkis & Wiley Large Cap Russell 1000 Value	369,048,953 3.5%	4/1/1990	22.5	10.0 9.4	8.4 8.2	-1.3 -0.9	11.5 11.8	30.1 30.9	5.4 6.5	5.4 6.5	2.2 3.2
Sawgrass Russell 1000 Growth	373,382,945 3.5%	7/1/2006	6.3	5.7 6.2	- -	2.5 3.2	14.5 14.7	28.8 29.2	5.5 6.1	5.5 6.1	2.5 2.0
ARI All Cap Russell 3000 Value	328,393,058 3.1%	9/1/2006	6.1	3.0 1.9	- -	0.7 0.0	13.1 11.8	24.4 31.1	5.1 6.4	5.1 6.4	2.4 3.2
EPOCH All Cap Russell 3000 Value	319,432,054 3.0%	9/1/2006	6.1	4.4 1.9	- -	1.7 0.0	11.8 11.8	26.4 31.1	3.6 6.4	3.6 6.4	1.1 3.2
NT Cap Weighted Passive S&P 500 Cap Weighted	445,401,444 4.2%	4/1/2012	0.5	4.5 3.4	- 8.0	- 1.1	- 13.2	- 30.2	6.3 6.4	6.3 6.4	2.6 2.6
SSGA Eq Weighted Passive S&P 500 Equal Weighted	446,864,330 4.2%	4/1/2012	0.5	3.2 -	- 11.1	- 3.2	- 14.0	- 28.7	5.8 5.9	5.8 5.9	2.5 2.5
Frontier Capital Russell Mid Cap Growth	357,290,461 3.4%	6/1/2002	10.3	8.7 7.5	12.6 11.1	4.0 2.5	13.4 14.7	26.0 26.7	3.8 5.3	3.8 5.3	2.0 2.0
Wellington Management Russell Mid Cap Growth	293,537,615 2.8%	9/1/1998	14.1	8.8 7.5	10.5 11.1	-0.3 2.5	8.3 14.7	20.3 26.7	2.9 5.3	2.9 5.3	1.8 2.0
AJO Partners Russell MidCap	343,535,028 3.2%	8/1/1998	14.2	9.5 7.8	11.0 9.2	2.9 2.2	15.0 14.3	30.3 28.0	6.3 5.6	6.3 5.6	2.3 2.1
Hotchkis & Wiley Mid Cap Russell MidCap Value	370,991,088 3.5%	8/1/2002	10.2	12.0 9.7	13.8 11.0	5.6 1.7	16.8 13.9	50.4 29.3	4.9 5.8	4.9 5.8	2.3 2.2
Shapiro Capital Management Russell 2000 Value	542,855,850 5.1%	2/1/1998	14.7	9.0 7.3	14.1 9.7	4.3 1.3	14.4 11.7	29.5 32.6	7.9 5.7	7.9 5.7	4.4 3.6
Legacy Small Cap	272,954,423 2.6%	-	-	- -	- -	- -	- -	- -	- -	- -	- -
Causeway Capital MSCI ACWI Ex US	416,795,885 3.9%	5/1/2003	9.4	9.9 8.4	- -	-1.9 -4.8	6.3 2.6	24.1 14.3	9.1 7.0	9.1 7.0	4.5 3.0
Brandes MSCI ACWI Ex US	364,947,241 3.4%	2/1/1996	16.7	9.9 4.4	9.7 8.7	-4.8 -4.8	0.4 2.6	11.3 14.3	5.6 7.0	5.6 7.0	2.3 3.0
Thornburg MSCI ACWI Ex US	398,686,739 3.7%	12/1/2005	6.8	5.7 2.5	- -	-2.1 -4.8	5.5 2.6	16.1 14.3	6.5 7.0	6.5 7.0	3.2 3.0
ARI Small Cap International MSCI EAFE Small Cap	93,735,410 0.9%	12/1/2011	0.8	14.8 11.0	- -	- -	- -	- -	10.5 -	10.5 7.9	5.4 4.7
Epoch Small Cap International MSCI EAFE Small Cap	91,506,547 0.9%	12/1/2011	0.8	11.1 11.0	- -	- -	- -	- -	10.3 -	10.3 7.9	4.5 4.7
Wasatch Small Cap International MSCI EAFE Small Cap	93,417,576 0.9%	12/1/2011	0.8	25.3 11.0	- -	- -	- -	- -	11.4 -	11.4 7.9	6.6 4.7
Wellington Small Cap International MSCI EAFE Small Cap	91,441,665 0.9%	12/1/2011	0.8	17.3 11.0	- -	- -	- -	- -	8.5 -	8.5 7.9	4.3 4.7

Fixed Income and Non-Core Portfolios Summary

As of September 30, 2012

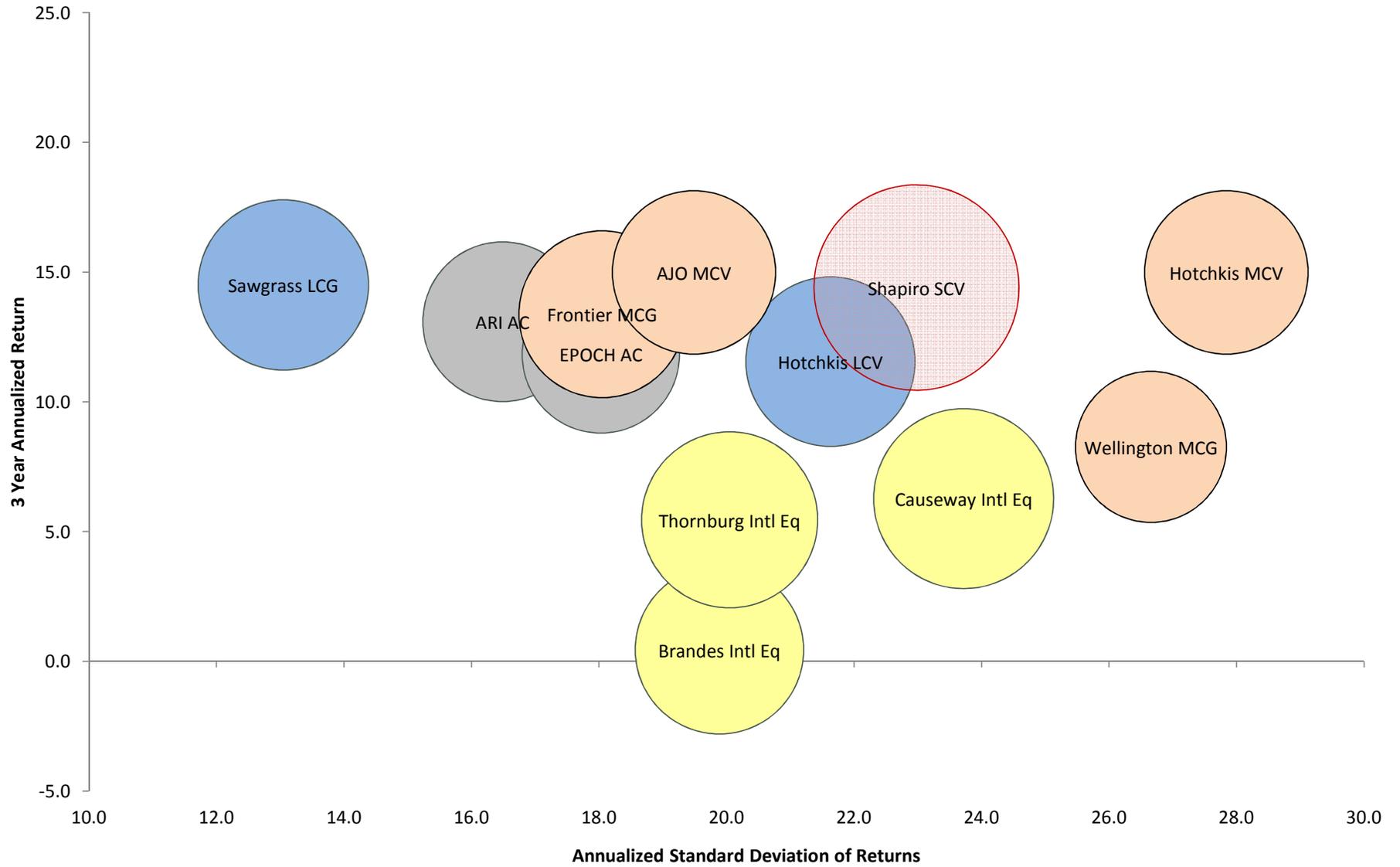
	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Loomis Sayles	613,849,949	8/1/1999	13.2	7.6	8.5	10.8	10.6	13.1	3.8	3.8	1.2
Barclays Aggregate	5.8%			6.3	5.3	6.5	6.2	5.2	1.6	1.6	0.1
Lord Abbett	597,760,228	11/1/2004	7.9	6.9	-	8.4	8.3	9.2	2.9	2.9	0.7
Barclays Aggregate	5.6%			5.5	-	6.5	6.2	5.2	1.6	1.6	0.1
Mackay Shields	605,500,180	11/1/2004	7.9	7.1	-	8.8	9.3	11.4	3.5	3.5	0.7
Barclays Aggregate	5.7%			5.5	-	6.5	6.2	5.2	1.6	1.6	0.1
Hoisington	296,855,710	11/1/2004	7.9	10.4	-	12.8	14.0	7.2	-0.3	-0.3	-2.7
Barclays Aggregate	2.8%			5.5	-	6.5	6.2	5.2	1.6	1.6	0.1
Stephens	291,263,285	11/1/2004	7.9	5.3	-	6.2	4.4	3.9	1.1	1.1	-0.1
Barclays Aggregate	2.7%			5.5	-	6.5	6.2	5.2	1.6	1.6	0.1
Loomis Sayles High Yield	198,680,733	2/1/2009	3.7	19.0	-	-	12.0	21.1	6.5	6.5	2.7
Merrill Lynch High Yield II	1.9%			21.0	-	-	12.6	18.9	4.6	4.6	1.4
Lord Abbett High Yield	196,684,914	2/1/2009	3.7	19.5	-	-	13.4	19.4	5.2	5.2	1.6
Merrill Lynch High Yield II	1.8%			21.0	-	-	12.6	18.9	4.6	4.6	1.4
Mackay Shields Yield	195,170,135	2/1/2009	3.7	17.9	-	-	12.2	16.8	4.2	4.2	1.2
Merrill Lynch High Yield II	1.8%			21.0	-	-	12.6	18.9	4.6	4.6	1.4

Non-Traditional Portfolios Summary

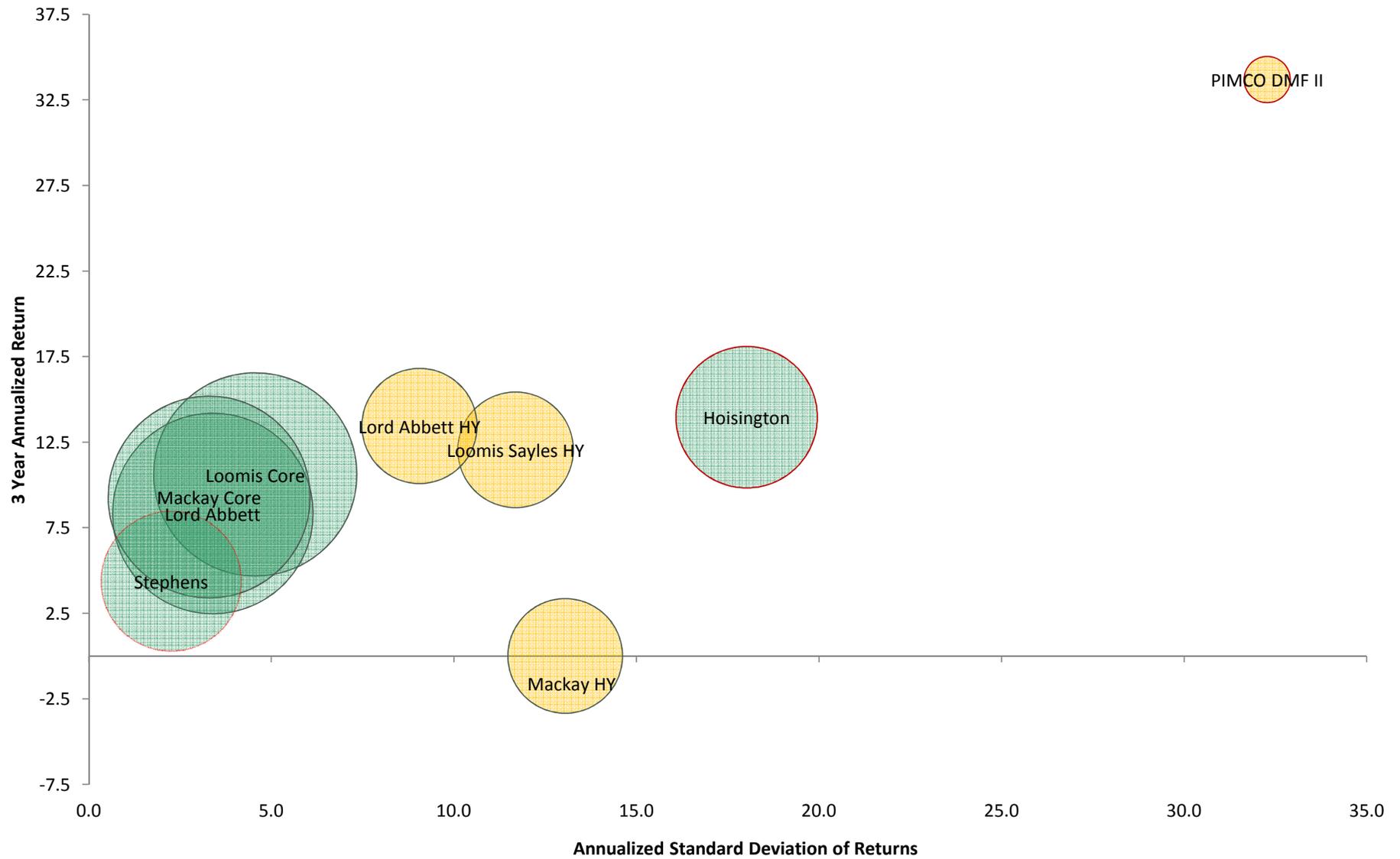
As of September 30, 2012

	Market Value	Inception Date	Time Since Inception (Years)	Since Inception	10 Years	5 Years	3 Years	1 Year	Fiscal YTD	Last Quarter	Last Month
Legacy Private Equity Portfolio	69,413,180	10/1/2008	4.0	-	-	-	-	-	-	-	-
Franklin Park Private Equity	81,756,106	4/1/2010	2.5	-	-	-	-	-	-	-	-
Total Private Equity %	1.4%										
Chickasaw Capital MLP	166,305,197	2/28/2011	1.6	20.1	-	-	-	37.3	14.9	14.9	4.4
Alerian MLP Index	1.6%			11.5	-	-	-	26.2	8.9	8.9	2.0
Cushing MLP Management	146,845,266	2/28/2011	1.6	11.5	-	-	-	28.8	13.0	13.0	3.4
Alerian MLP Index	1.4%			11.5	-	-	-	26.2	8.9	8.9	2.0
FAMCO MLP	287,660,874	2/28/2011	1.6	10.1	-	-	-	24.4	9.6	9.6	2.3
Alerian MLP Index	2.7%			11.5	-	-	-	26.2	8.9	8.9	2.0
AEW Real Estate	160,527,947	5/1/2011	1.4	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
Heitman Real Estate	164,136,057	5/1/2011	1.4	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
L&B Real Estate	154,879,803	4/1/2011	1.5	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
PIMCO Distressed Mortgage I	3,262,897	5/1/2008	4.4	25.0	-	-	-	-	-	-	-
Barclays Aggregate	0.0%			-	-	6.5	6.5	5.8	1.4	1.5	0.1
PIMCO Distressed Mortgage II	31,872,126	12/1/2008	3.8	30.1	-	-	33.7	5.4	1.7	1.7	0.0
Barclays Aggregate	0.3%			-	-	6.5	6.5	5.8	1.4	1.5	0.1
PIMCO BRAVO	90,221,173	3/31/2011	1.5	13.0	-	-	-	16.0	5.6	5.6	0.0
Barclays Aggregate	0.8%			-	-	6.5	6.5	5.8	1.4	1.5	0.1

Three Year Risk/Return Review - Equity Portfolios



Three Year Risk/Return Review - Fixed Income Portfolios



Manager Status Summary

Manager	% of Total Portfolio	Mandate	Status	Reason - Date of Most Recent Change (term)
Brandes	3.4%	International Value Equity	On Notice	Performance - February 2012 (December 2012)
Wellington	2.8%	Mid Cap Growth	On Alert	Performance - August 2012 (December 2012)

All other managers currently rated **In Compliance**.

<p>Classification Notes:</p> <p>In Compliance: The portfolio is in full compliance with its guidelines and it is performing to expectations.</p> <p>On Alert: Concerns exist with the portfolio's performance, a change in investment characteristics, management style, ownership structure, staff or other related events.</p> <p>On Notice: A continued and serious problem with any of the issues mentioned above. If the situation is not resolved to the Committee's satisfaction, a replacement will be selected and hired.</p>
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REPORT OF LEGAL COUNSEL

Teachers' Retirement System of Oklahoma 3rd Calendar Quarter, 2012

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. **According to court docket, this case appears to be dormant.**

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 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. The Court Denied the motion in large part. The Board approved settlement on July 20, 2011 and the Court approved the settlement in all respects on December 15, 2011.

Status: Court approved settlement.

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 processing 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, 2011. Second mediation will be conducted on January 23, 2012 in New York. The Board approved a settlement at its March 2012 Board Meeting.

Status: Briefs in support of final settlement were due on October 4, 2012. The settlement is pending Court approval.

ADMINISTRATIVE

On July 18, 2012, the Board voted to uphold the hearing officer's recommendation, and deny petitioners request to be reclassified under rule of 80. The final order was mailed to petitioner on July 30, 2012.

No other administrative matters are pending.

*Teachers' Retirement System of Oklahoma
Client Status Update Report - Finance Division
September 30, 2012*

Board Meeting October 24, 2012

<i>Cash Basis</i>	September 2011	September 2012		
<i>Monthly Contributions:</i>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$18,292,705.66	\$17,413,346.94	(\$879,358.72)	-4.81%
Employer Contributions	24,143,721.28	28,193,754.38	4,050,033.10	16.77%
State Revenue	<u>20,312,579.37</u>	<u>20,636,337.83</u>	<u>323,758.46</u>	<u>1.59%</u>
Total Retirement Receipts	62,749,006.31	66,243,439.15	3,494,432.84	5.57%
 <i>Monthly Distributions:</i>				
Retirement Benefits	84,861,970.83	89,747,376.22	4,885,405.39	5.76%
Withdrawals and Death Benefits	<u>7,419,895.52</u>	<u>6,221,971.23</u>	<u>(1,197,924.29)</u>	<u>-16.14%</u>
Total Benefit Payments	<u>92,281,866.35</u>	<u>95,969,347.45</u>	<u>3,687,481.10</u>	<u>4.00%</u>
Net (Receipts - Payments)	<u>(\$29,532,860.04)</u>	<u>(\$29,725,908.30)</u>	<u>(\$193,048.26)</u>	<u>0.65%</u>
	Year to Date	Year to Date		
<i>Year to Date Contributions:</i>	<u>Fiscal Year 2012</u>	<u>Fiscal Year 2013</u>	<u>\$ Change</u>	<u>% Change</u>
Member Deposits	\$58,154,497.15	\$63,889,752.47	\$5,735,255.32	9.86%
Employer Contributions	75,432,028.47	90,763,790.02	15,331,761.55	20.33%
State Revenue	<u>66,841,121.81</u>	<u>71,807,017.19</u>	<u>4,965,895.38</u>	<u>7.43%</u>
Total Retirement Receipts	200,427,647.43	226,460,559.68	26,032,912.25	12.99%
 <i>Year to Date Distributions:</i>				
Retirement Benefits	269,290,913.56	281,391,782.54	12,100,868.98	4.49%
Withdrawals and Death Benefits	<u>16,597,931.34</u>	<u>14,426,240.70</u>	<u>(2,171,690.64)</u>	<u>-13.08%</u>
Total Benefit Payments	285,888,844.90	295,818,023.24	9,929,178.34	3.47%
Net (Receipts - Payments)	<u>(\$85,461,197.47)</u>	<u>(\$69,357,463.56)</u>	<u>\$16,103,733.91</u>	<u>-18.84%</u>



OKLAHOMA TEACHERS RETIREMENT SYSTEM

Monthly Retirement Status Report - October 2012

New Retirements

Type	Count	Benefit Total
Disability	2	\$ 2,008.21
Normal	112	\$ 176,225.42
Total	114	\$ 178,233.63

Terminated Retirements

71 (\$69,285.86)

Net Change

43 \$108,947.77

Normal Retirements
October 2012

Client #	Client Name		Estimate Ret. Date	Retirement Number	Benefit
Q0277732	DAVID	ALLISS	10/1/2012	95939	\$341.30
Q0199627	MELINDA	BAKER	10/1/2012	95979	\$2,150.45
Q0138119	KEITH	BAYS	10/1/2012	96006	\$1,329.75
Q0142624	SHIRLETA	BENFIELD	10/1/2012	95817	\$2,514.04
Q0067797	PATRICIA	BLACKFORD	10/1/2012	95945	\$2,978.95
Q0142696	LAUREN	BOYD	10/1/2012	95926	\$744.64
Q0016252	VONDORIA	BROWN	10/1/2012	95937	\$505.97
Q0032866	PAUL	BURTON	10/1/2012	96014	\$1,783.24
Q0125357	ANNETA	BUSHMAN	10/1/2012	96002	\$2,622.47
Q0198255	WILLIAM	CALL	10/1/2012	95944	\$2,136.99
Q0235500	WANDA	CANADY	10/1/2012	96015	\$1,561.76
Q0105291	JANET	CLARK	10/1/2012	95997	\$966.06
Q0108728	MICHAEL	CLYMA	10/1/2012	95998	\$2,212.00
Q0089894	MARY	COLE	10/1/2012	95938	\$829.82
Q0049367	VICKI	COYLE	10/1/2012	95949	\$2,340.93
Q0156277	NELLIE	CRAWFORD	10/1/2012	96005	\$312.24
Q0108009	FRANK	CRIM	10/1/2012	95883	\$375.90
Q0023444	LORNA	CROSSWHITE	10/1/2012	96017	\$1,520.72
Q0165754	JACKIE	CUMBIE	10/1/2012	95999	\$2,492.99
Q0212075	KIMBERLY	CURRAN	10/1/2012	96018	\$625.75
Q0201418	ROBERT	DEWOODY	10/1/2012	95889	\$1,682.45
Q0162312	STANLEY	DUNHAM	10/1/2012	96019	\$2,008.96
Q0247841	SUSAN	EDWARDS	10/1/2012	96020	\$3,080.38
Q0288453	JUDITH	EMMONS	10/1/2012	95950	\$335.18
Q0185773	DEBRA	ENDRESS	10/1/2012	95936	\$2,427.78
Q0126681	DONNA	EPERLY	10/1/2012	96021	\$2,754.24
Q0087437	CHARLES	FERTIG	10/1/2012	96022	\$1,465.39
Q0181747	LINDA	FIKE	10/1/2012	95946	\$1,374.31
Q0256814	PATRICIA	FLEMING	10/1/2012	95970	\$248.54
Q0128070	RITA	FORD	10/1/2012	95973	\$3,644.34
Q0006956	THOMAS	FRAITES	10/1/2012	96004	\$1,552.49
Q0222305	DANNY	GLASGOW	10/1/2012	95972	\$1,704.93
Q0015569	ANGELYN	GOBLE	10/1/2012	96023	\$3,901.03
Q0102118	KATHLEEN	GODDARD	10/1/2012	95959	\$3,943.54
Q0164789	SUZANNE	GOLAY	10/1/2012	96025	\$1,449.96
Q0065901	ANITA	GOODALE	10/1/2012	96026	\$1,424.56
Q0005432	VICTORIA	GOODRICH	10/1/2012	95960	\$613.24
Q0291705	PAULINE	GORDON	10/1/2012	95993	\$129.15
Q0260741	BARBARA	GRAY	10/1/2012	95954	\$184.55
Q0146850	KATHY	HART	10/1/2012	95961	\$2,825.29
Q0037040	JAMES	HAVENS	10/1/2012	95964	\$860.24
Q0182200	TRACY	HENDRICKS	10/1/2012	95984	\$1,536.20
Q0178390	LYNNETTE	HODGE	10/1/2012	95988	\$812.20
Q0252368	SANDRA	HOLLAND-MORRISON	10/1/2012	96052	\$1,262.95
Q0038571	BARBARA	HORTON	10/1/2012	95918	\$3,163.00
Q0085779	LETTIE	HOWARD	10/1/2012	95962	\$1,004.58
Q0046027	SUSAN	HOWZE	10/1/2012	95940	\$1,199.40
Q0034114	JUDY	HUBBLE	10/1/2012	95965	\$848.32
Q0201430	STANLEY	HUNT	10/1/2012	96003	\$541.03
Q0090206	JENNIFER	JACKS	10/1/2012	95989	\$2,322.61
Q0068125	GENE	JACKSON	10/1/2012	95982	\$429.07
Q0068870	MYRA	JACKSON	10/1/2012	95967	\$710.57
Q0103464	MARILYN	JENKINS	10/1/2012	95994	\$765.31

Normal Retirements
October 2012

Client #	Client Name		Estimate Ret. Date	Retirement Number	Benefit
Q0066026	BILLY	JOHNSON	10/1/2012	96007	\$2,906.87
Q0022666	SHARLENE	JOHNSON	10/1/2012	95868	\$2,570.01
Q0108149	SHEILA	JOHNSON	10/1/2012	96001	\$533.88
Q0138645	GLENDA	JONES	10/1/2012	95975	\$960.30
Q0156244	BONNIE	LIGHTFOOT	10/1/2012	95991	\$7,976.52
Q0064327	NANCY	LINES	10/1/2012	95948	\$978.64
Q0276154	JOHN	LOVE	10/1/2012	95980	\$898.37
Q0126169	REGINA	LYONS	10/1/2012	96027	\$819.54
Q0185656	ELIZABETH	MARKLEY	10/1/2012	96028	\$2,187.51
Q0229781	JACKIE	MATTHEWS	10/1/2012	95969	\$1,587.14
Q0225537	VALERIE	MCCARTNEY	10/1/2012	95906	\$1,810.81
Q0126868	LEROY	MCCLAUGHREY	10/1/2012	95977	\$348.52
Q0143058	GLENDA	MCREE	10/1/2012	95983	\$922.05
Q0027521	LAVON	MEYERS	10/1/2012	95992	\$795.87
Q0104626	BARBARA	MITCHELL	10/1/2012	96053	\$1,882.32
Q0161917	MARIBETH	MORAN	10/1/2012	95942	\$3,873.90
Q0203470	ANITA	MOSES	10/1/2012	95947	\$1,494.44
Q0162053	PHILLIP	NOKES	10/1/2012	95857	\$812.72
Q0025467	MARCIA	ONEY	10/1/2012	95966	\$1,682.97
Q0137262	FRANKLIN	PARKER	10/1/2012	95995	\$1,005.10
Q0025034	EUGENE	PATTERSON	10/1/2012	95953	\$1,739.60
Q0182149	SHERRY	PEET	10/1/2012	95943	\$1,062.97
Q0027101	GERRY	PFEIL	10/1/2012	95957	\$1,379.64
Q0102815	LINDA	PITTS	10/1/2012	93294	\$1,280.74
Q0129217	MELANIE	RAGSDALE	10/1/2012	95971	\$2,166.14
Q0220071	ALEXA	RAY	10/1/2012	95986	\$508.15
Q0006970	KAREN	ROGERS	10/1/2012	95917	\$430.49
Q0012558	ARTHUR	ROSENBAUM	10/1/2012	96012	\$4,124.42
Q0197953	LINDA	SAPP	10/1/2012	95958	\$1,481.86
Q0224970	LINDA	SCHNEIDER	10/1/2012	96030	\$2,723.79
Q0140432	JOHN	SEBERT	10/1/2012	95981	\$341.04
Q0086369	JEANIE	SENN	10/1/2012	96054	\$774.47
Q0211996	DIANA	SHEARER	10/1/2012	95956	\$906.09
Q0067814	E	SHROUDER	10/1/2012	95987	\$565.86
Q0200932	CATHY	SLODEK	10/1/2012	96031	\$3,741.16
Q0083466	JOYCE	SMITH	10/1/2012	95976	\$261.49
Q0034403	SHERIE	SMITH	10/1/2012	96000	\$841.41
Q0086172	STEVEN	SMITH	10/1/2012	95952	\$3,127.68
Q0107458	REBECCA	SPEARS	10/1/2012	96032	\$159.67
Q0244722	VICTOR	SPERRY	10/1/2012	95955	\$2,093.01
Q0278821	JERRY	SUTHERLAND	10/1/2012	95968	\$303.32
Q0025691	S	SUTTLES	10/1/2012	95951	\$1,625.28
Q0204349	PATRICIA	TETER	10/1/2012	96008	\$1,548.39
Q0143509	CAROLYN	THOMAS	10/1/2012	95974	\$2,140.92
Q0124632	RITA	THOMAS	10/1/2012	95941	\$1,173.97
Q0218285	UNA	TOWNSEND	10/1/2012	96009	\$1,890.45
Q0011759	JOHN	UZZO	10/1/2012	95924	\$1,629.17
Q0142490	DONNIE	VAUGHN	10/1/2012	96033	\$868.68
Q0030692	ELLA	VICK	10/1/2012	95902	\$2,648.16
Q0163683	DELETA	WARD	10/1/2012	95963	\$503.44
Q0215319	GREG	WEBB	10/1/2012	95996	\$2,546.82
Q0161974	JAMES	WILLIAMS	10/1/2012	95916	\$1,241.31
Q0142033	MARK	WILLIAMS	10/1/2012	96034	\$218.20

Terminations
October 2012

Termination Type	Retire. #	Annuitant Name	Death Date	Termination Date	Benefit
Canceled	D03045	JOHN HARDEMAN		10/01/2012	\$1,457.40
Total Canceled					\$1,457.40
Deceased	067327	MARY A AMOS	09/24/2012	10/01/2012	\$375.82
Deceased	021902	ELIZABETH BAKER	09/21/2012	10/01/2012	\$857.24
Deceased	019457	THELMA K BESHEARS	09/19/2012	10/01/2012	\$529.31
Deceased	035801	ORLENE S BLAKE	09/28/2012	10/01/2012	\$991.40
Deceased	028182	JOE L BLANSETT	09/11/2012	10/01/2012	\$1,524.32
Deceased	041609	CLIFFORD BOATRIGHT	09/06/2012	10/01/2012	\$995.35
Deceased	039463	DOROTHY J BUSSEY	09/17/2012	10/01/2012	\$132.92
Deceased	051539	NORMA Y BUTLER	09/17/2012	10/01/2012	\$396.34
Deceased	027984	JANICE C CARPENTER	09/16/2012	10/01/2012	\$1,181.09
Deceased	033351	JUANITA F CLARK	09/21/2012	10/01/2012	\$175.59
Deceased	021676	OPAL L COOLEY	09/14/2012	10/01/2012	\$1,270.40
Deceased	D01730	BARBARA J COX	09/24/2012	10/01/2012	\$1,196.93
Deceased	018995	CORDELLA W CRAIG	08/28/2012	10/01/2012	\$1,044.33
Deceased	028445	ESTER L DAMRON	09/25/2012	10/01/2012	\$130.33
Deceased	053778	BETTY L DEATON	09/29/2012	10/01/2012	\$351.57
Deceased	051042	MARILYN J DIETZ	09/21/2012	10/01/2012	\$425.27
Deceased	034032	ANNA R FIELDS	09/14/2012	10/01/2012	\$126.46
Deceased	025595	REBECCA S FOYIL	09/16/2012	10/01/2012	\$372.60
Deceased	043842	EDWARD E GIBBLE	09/28/2012	10/01/2012	\$880.97
Deceased	096038	DANIEL L GILBERT	06/10/2012	10/01/2012	\$753.49
Deceased	022074	DOLLIE L HEFNER	09/10/2012	10/01/2012	\$909.12
Deceased	027066	ROBERT C HELMICH	09/11/2012	10/01/2012	\$565.49
Deceased	014454	MARY HEWITT	09/17/2012	10/01/2012	\$1,758.19
Deceased	D02032	LINDA O HUGHES	02/02/2012	10/01/2012	\$283.04
Deceased	025920	DONIVAN L INGRAHAM	09/23/2012	10/01/2012	\$713.51
Deceased	D00717	BONNIE J JEFFREY	09/29/2012	10/01/2012	\$1,196.21
Deceased	025963	MARY L JOHNSTON	09/15/2012	10/01/2012	\$427.49
Deceased	047452	JAMES J JONES	09/04/2012	10/01/2012	\$453.37
Deceased	022469	PATSY R JONES	08/21/2012	10/01/2012	\$1,569.97
Deceased	024464	ROBERT G JONES	09/03/2012	10/01/2012	\$1,725.83
Deceased	047307	GEORGE H JOSEPH	09/03/2012	10/01/2012	\$1,058.46
Deceased	053086	DORA L KUSEK	09/12/2012	10/01/2012	\$694.47
Deceased	022507	IRIS W LANDRITH	08/21/2012	10/01/2012	\$1,006.96
Deceased	038506	LILLIAN N LEWELLEN	09/29/2012	10/01/2012	\$282.37
Deceased	064712	DAVID L MALONEY	09/03/2012	10/01/2012	\$1,130.54
Deceased	018279	REVA MELTON	09/30/2012	10/01/2012	\$1,613.60
Deceased	D00551	ZITA M MILLER	09/13/2012	10/01/2012	\$1,412.02
Deceased	034396	VIRGINIA L MULLINS	08/02/2012	10/01/2012	\$587.71
Deceased	018283	ERNEST H MUNCRIEF	09/12/2012	10/01/2012	\$1,378.54
Deceased	021464	FERNE B NELSON	09/12/2012	10/01/2012	\$1,843.80
Deceased	064473	JANINE M NELSON	11/29/2011	10/01/2012	\$2,622.71
Deceased	024759	MARY A NEWMAN	09/16/2012	10/01/2012	\$1,806.41
Deceased	013311	EDNA NICHOLSON	09/23/2012	10/01/2012	\$1,415.36
Deceased	023931	FRANCES L ORR	09/18/2012	10/01/2012	\$1,074.17
Deceased	033711	LAVERNE M PATTERSON	09/16/2012	10/01/2012	\$1,133.33
Deceased	030721	BENJAMIN M PATZKOWSKI	09/30/2012	10/01/2012	\$1,551.99
Deceased	062013	RAY E PEBSWORTH	09/21/2012	10/01/2012	\$1,727.01
Deceased	050538	INA R PENDLETON	09/16/2012	10/01/2012	\$444.26
Deceased	026400	RHETA N PIKE	09/21/2012	10/01/2012	\$1,759.09
Deceased	052075	GERTRUDE RAINWATER	09/21/2012	10/01/2012	\$1,863.23
Deceased	016636	WILMA G RAWSON	09/24/2012	10/01/2012	\$467.73
Deceased	D01024	LILA J ROBERTSON	09/13/2012	10/01/2012	\$755.42

Terminations
October 2012

Termination Type	Retire. #	Annuitant Name	Death Date	Termination Date	Benefit
Deceased	019964	CARL B ROBLER	09/19/2012	10/01/2012	\$1,951.32
Deceased	043315	GENE E ROSS	03/14/2012	10/01/2012	\$434.56
Deceased	034562	NORMA J RUSSELL-SHEFF	09/11/2012	10/01/2012	\$359.09
Deceased	D03292	DORA E SMILEY	09/21/2012	10/01/2012	\$883.20
Deceased	069655	JOY L SMITH	09/15/2012	10/01/2012	\$351.80
Deceased	024052	FRANKLIN C SNYDER	08/29/2012	10/01/2012	\$2,247.19
Deceased	040631	DORIS J SPANGENBERG	09/22/2012	10/01/2012	\$281.20
Deceased	046680	CHARLES H TEMPLETON	09/07/2012	10/01/2012	\$1,077.10
Deceased	018237	HAZEL R THOMAS	09/27/2012	10/01/2012	\$474.46
Deceased	D03194	CHRISTI A TRAMMELL	03/10/2012	10/01/2012	\$1,239.44
Deceased	024127	FLOZELLA M WAGNER	09/19/2012	10/01/2012	\$2,178.73
Deceased	064524	BISSELL L WARD	07/12/2012	10/01/2012	\$278.31
Deceased	022806	LAVITA M WARD	08/11/2012	10/01/2012	\$1,463.66
Deceased	D00972	MARY G WELSH	09/11/2012	10/01/2012	\$464.14
Deceased	026879	THOMAS R WHITAKER	09/02/2012	10/01/2012	\$1,663.76
Deceased	048781	ARLETA M WHITMORE	09/20/2012	10/01/2012	\$908.96
Deceased	049277	NECA L WILLIAMS	08/25/2012	10/01/2012	\$378.41
Total Deceased					\$67,828.46



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2012 and Fiscal Year 2013
3 Month Year to Date Comparison

Object of Expenditure	FY-2012 YTD Actual Expenditures 9/30/2011	FY-2013 YTD Actual Expenditures 9/30/2012	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	454,646	507,590	52,944	11.6%
Taxes, Benefits, and Other Expenses	229,140	279,705	50,565	22.1%
Subtotal Personal Services	683,786	787,295	103,509	15.1%
Professional Services				
Investment Manager Expenses	0	0	0	0.0%
Investment Consultant Expenses	234,000	117,000	(117,000)	-50.0%
Investment Custodian Expenses	0	0	0	0.0%
Pension Commission Expenses	0	0	0	0.0%
Subtotal Investment Expenses	234,000	117,000	(117,000)	-50.0%
Legal Services - Special Projects	12,583	0	(12,583)	-100.0%
Legal Services - Attorney General	12,766	13,516	750	5.9%
Administrative Hearings	0	0	0	0.0%
Auditing Services	9,220	19,000	9,780	106.1%
Actuarial Services	24,227	0	(24,227)	-100.0%
Medical Hearings	2,100	2,400	300	14.3%
Miscellaneous Services	22,756	21,015	(1,741)	-7.7%
Subtotal Professional Services	83,652	55,931	(27,721)	-33.1%
Subtotal Professional Services	317,652	172,931	(144,721)	-45.6%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	10,520	7,177	(3,343)	-31.8%
Employee Travel Expenses	3,569	9,806	6,237	174.8%
Subtotal Travel and Per Diem Expenses	14,089	16,983	2,894	20.5%
Administrative Expenses				
Miscellaneous Administrative Expenses	72,524	25,966	(46,558)	-64.2%
Rent Expenses	40,689	42,016	1,327	3.3%
Maintenance and Repair Expenses	595	0	(595)	-100.0%
Office Supplies and Material Expenses	6,755	2,296	(4,459)	-66.0%
Office Furniture and Equipment Expenses	0	0	0	0.0%
Subtotal Administrative Expenses	120,563	70,278	(50,285)	-41.7%
Data Processing Expenses				
Professional Services	124,989	167,250	42,261	33.8%
Travel and Per Diem Expenses	0	0	0	0.0%
Miscellaneous Administrative Expenses	0	0	0	0.0%
Rent Expenses	1,094	0	(1,094)	-100.0%
Maintenance and Repair Expenses	106	1,482	1,376	1298.1%
Office Supplies and Material Expenses	703	0	(703)	-100.0%
Office Furniture and Equipment Expenses	18,479	0	(18,479)	-100.0%
Subtotal Data Processing Expenses	145,371	168,732	23,361	16.1%
Total Expenses	1,281,461	1,216,219	(65,242)	-5.1%
Totals Investment Expenses Only	234,000	117,000	(117,000)	-50.0%
Totals Data Processing Expenses Only	145,371	168,732	23,361	16.1%
Totals ex Investment and Data Processing Expenses	902,090	930,487	28,397	3.1%



**SCHEDULE II
Comparison of FY2013 Budget to Actual Expenses
3 Month Year to Date Comparison**

Object of Expenditure	3 Month FY-2013 YTD Budget	3 Month FY-2013 YTD Actual	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	511,431	507,590	(3,841)	-0.8%
Taxes, Benefits, and Other Expenses	277,530	279,705	2,175	0.8%
Subtotal Personal Services	788,961	787,295	(1,666)	-0.2%
Professional Services				
Investment Manager Expenses	0	0	0	0.0%
Investment Consultant Expenses	175,500	117,000	(58,500)	-33.3%
Investment Custodian Expenses	18,750	0	(18,750)	-100.0%
Pension Commission Expenses	15,000	0	(15,000)	-100.0%
Subtotal Investment Expenses	209,250	117,000	(92,250)	-44.1%
Legal Services - Special Projects	15,000	0	(15,000)	-100.0%
Legal Services - Attorney General	13,749	13,516	(233)	-1.7%
Administrative Hearings	249	0	(249)	-100.0%
Auditing Services	11,526	19,000	7,474	64.8%
Actuarial Services	37,500	0	(37,500)	-100.0%
Medical Hearings	5,001	2,400	(2,601)	-52.0%
Miscellaneous Services	38,913	21,015	(17,898)	-46.0%
Subtotal Professional Services	121,938	55,931	(66,007)	-54.1%
Subtotal Professional Services	331,188	172,931	(158,257)	-47.8%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	19,500	7,177	(12,323)	-63.2%
Employee Travel Expenses	19,539	9,806	(9,733)	-49.8%
Subtotal Travel and Per Diem Expenses	39,039	16,983	(22,056)	-56.5%
Administrative Expenses				
Miscellaneous Administrative Expenses	108,849	25,966	(82,883)	-76.1%
Rent Expenses	50,001	42,016	(7,985)	-16.0%
Maintenance and Repair Expenses	624	0	(624)	-100.0%
Office Supplies and Material Expenses	7,500	2,296	(5,204)	-69.4%
Office Furniture and Equipment Expenses	24,999	0	(24,999)	-100.0%
Subtotal Administrative Expenses	191,973	70,278	(121,695)	-63.4%
Data Processing Expenses				
Professional Services	256,251	167,250	(89,001)	-34.7%
Travel and Per Diem Expenses	1,500	0	(1,500)	-100.0%
Miscellaneous Administrative Expenses	2,751	0	(2,751)	-100.0%
Rent Expenses	1,875	0	(1,875)	100.0%
Maintenance and Repair Expenses	1,626	1,482	(144)	100.0%
Office Supplies and Material Expenses	1,374	0	(1,374)	100.0%
Office Furniture and Equipment Expenses	8,751	0	(8,751)	-100.0%
Subtotal Data Processing Expenses	274,128	168,732	(105,396)	-38.4%
Total Expenses	1,625,289	1,216,219	(409,070)	-25.2%
Totals Investment Expenses Only	209,250	117,000	(92,250)	-44.1%
Totals Data Processing Expenses Only	274,128	168,732	(105,396)	-38.4%
Totals ex Investment and Data Processing Expenses	1,141,911	930,487	(211,424)	-18.5%

2013

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		

Feb 24-26 - NCTR Committee Mtg - DC

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						

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				

Apr 21-24 - SCTR Annual Conference - St Louis

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	

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						

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			

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

NCTR Trustee Workshop*

Aug 2-7 - NASRA Annual Conference - Portland

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 5-9 - NCTR Annual Conference - DC

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

Proposed Meeting Dates

Holiday 34