



OKLAHOMA TEACHERS RETIREMENT SYSTEM

INVESTMENT COMMITTEE MEETING

SEPTEMBER 25, 2012

3:00 PM

MEETING MATERIALS

ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT COMMITTEE MEETINGS

INVESTMENT COMMITTEE MEMBERS:

Chair: James Dickson

Vernon Florence, Bill Peacher, Michael Simpson, Gary Trennepohl

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TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Investment Committee Meeting
Tuesday, September 25, 2012 – 3:00 PM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. CALL TO ORDER**
- 2. REVIEW OF A MANAGER MONTHLY REPORT**
- 3. DISCUSSION ON OKLAHOMA PENSION SYSTEMS COMPARISON**
- 4. DISCUSSION ON OTRS PRIVATE EQUITY STRUCTURE**
- 5. DISCUSSION AND POSSIBLE ACTION ON MACKAY SHIELDS EXEMPTION REQUEST**
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 7. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 8. ADJOURNMENT**

***ALL BOARD MEMBERS ARE ENCOURAGED TO ATTEND INVESTMENT
COMMITTEE MEETINGS***

INVESTMENT COMMITTEE:

Chair: James Dickson

Members: Vernon Florence, Bill Peacher, Michael Simpson, Gary Trennepohl



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Oklahoma State Pension Commission

Fee Analysis for Calendar Year 2011

August 22, 2012

Allan Martin, Partner
Don Stracke, CFA, Senior Consultant
Tony Ferrara, Senior Analyst

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25
Years
1986-2011

Fee Comparison from 2010 to 2011 – Periods Ending Dec. 31

2011 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/11 Asset Market Value (\$ in 000's)	\$9,541,285	\$6,517,832	\$1,612,430	\$1,700,066	\$674,634	\$234,354	\$72,607	\$20,353,208
Custody Fee	\$38,936	\$28,949	\$197,895	\$100,489	\$80,000	\$1,051	\$7,232	\$454,552
Securities Lending Income	(\$7,172,613)	(\$1,926,202)		(\$70,621)		(\$22,097)		(\$9,191,533)
Commission Recapture	(\$729,095)	(\$73,766)	(\$6,595)					(\$809,456)
Sub-Total (Custody - Net)	(\$7,862,772)	(\$1,971,019)	\$191,300	\$29,868	\$80,000	(\$21,046)	\$7,232	(\$9,546,437)
Investment Manager Fees	\$40,781,961	\$7,392,984	\$9,504,396	\$10,522,710	\$2,913,728	\$151,305	\$129,441	\$71,396,525
Average Basis Points	43	11	59	62	43	6	18	35
Percent Passively Managed	0.0	43.0	1.0	19.2	22.1	69.0	0.0	20.9
Total Investment Return	0.9%	1.8%	-0.2%	0.0%	1.9%	0.9%	2.4%	1.2%
Sub-Total Manager Fees	\$40,781,961	\$7,392,984	\$9,504,396	\$10,522,710	\$2,913,728	\$151,305	\$129,441	\$71,396,525
Total Investment Consultant	\$2,549,405	\$260,545	\$170,000	\$606,187	\$110,000	\$9,455	N/A	\$3,705,592
Investment Consultant (bps)	2.7	1	1	4	2	0	-	2
TOTAL FEES FOR 2011	\$35,468,594	\$5,682,510	\$9,865,696	\$11,158,765	\$3,103,728	\$139,714	\$136,673	\$65,555,680
Average Basis Points	37	9	61	66	46	6	19	32

2010 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/10 Asset Market Value (\$ in 000's)	\$9,582,234	\$6,563,052	\$1,666,384	\$1,735,043	\$681,546	\$241,192	\$71,363	\$20,540,814
Custody Fee	\$1,260,549	\$28,938	\$294,372	\$98,285	\$101,000	\$1,062	\$13,066	\$1,797,272
Securities Lending Income	(\$7,143,113)	(\$1,408,961)	(\$707,905)	(\$86,541)	(\$93,107)	(\$25,518)	\$0	(\$9,465,145)
Commission Recapture	(\$393,350)	(\$100,149)	(\$167,362)	\$0	(\$59,057)	\$0	\$0	(\$719,917)
Sub-Total (Custody - Net)	\$1,260,549	\$28,938	\$294,372	\$98,285	\$101,000	\$1,062	\$13,066	\$1,797,272
Investment Manager Fees	\$34,417,470	\$6,306,177	\$8,424,579	\$10,109,747	\$2,245,580	\$134,381	\$119,102	\$61,757,036
Average Basis Points	49	11	51	58	53	8	16	30
Percent Passively Managed	0.0	43.8	24.4	19.7	23.2	70.1	0.0	20.9
Total Investment Return	15.9%	12.5%	12.7%	11.7%	15.1%	13.2%	10.6%	21.6%
Investment Consultant	\$723,327	\$230,851	\$170,000	\$586,319	\$110,000	\$5,836	N/A	\$1,826,333
Investment Consultant (bps)	1	1	1	3	2	0	-	1
TOTAL FEES FOR 2010	\$36,401,346	\$6,565,966	\$8,888,951	\$10,794,351	\$2,456,580	\$141,279	\$132,168	\$65,380,641
Average Basis Points	38	10	53	62	36	6	19	32

Asset Growth & Fee Growth

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
Growth in Assets from 2010 to 2011	-0.4%	-0.7%	-3.2%	-2.0%	-1.0%	-2.8%	1.7%	-0.9%
Growth in Fees from 2010 to 2011	-2.6%	-13.5%	11.0%	3.4%	26.3%	-1.1%	3.4%	0.3%



Individual Retirement System Fee Analysis

Teachers Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	48.5%	43.3%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
Domestic Fixed	34.2%	30.8%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
International Eq	15.3%	13.3%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
Global Fixed	0.0%	0.0%
%Active	0.0%	0.0%
%Passive	0.0%	0.0%
Other	2.0%	12.5%
Calendar Year Return	15.9%	0.9%

OKLAHOMA TEACHERS' RETIREMENT SYSTEM

		2010	2011
CUSTODY FEES:			
Custodian: Northern Trust			
Custody Fee		\$1,260,549	\$38,937
Securities Lending Income		(\$7,143,113)	(\$7,172,613)
Commission Recapture		(\$393,530)	(\$729,095)
INVESTMENT MANAGERS:			
Goldman Sachs	Large Cap Growth	\$1,353,326	\$1,244,472
Sawgrass	Large Cap Core	\$1,770,056	\$1,723,294
Hotchkis & Wiley	Large Cap Value	\$1,190,695	\$1,248,072
Advisory Research	All Cap	\$1,155,326	\$1,246,673
Epoch	All Cap	\$1,698,219	\$1,863,001
Aronson & Partners	Md Cap Value	\$346,958	\$457,074
Hotchkis & Wiley	Md Cap Value	\$1,576,143	\$1,556,899
Frontier Capital	Md Cap Core	\$1,947,037	\$1,863,463
Wellington Management	Md Cap Growth	\$1,348,447	\$1,368,925
Shapiro Capital	Small Cap Value	\$3,345,230	\$3,837,116
Tocqueville	Small Cap Value	\$2,751,446	\$2,758,980
Brandes	International Value Equity	\$1,749,095	\$460,416
Capital Guardian	International Equity	\$1,568,472	\$1,347,482
Causeway	International Value Equity	\$1,117,268	\$1,160,996
Thornburg	International Equity	\$1,425,300	\$1,537,458
Hoisington	Long Bonds	\$457,315	\$464,272
Stephens Capital	Core Fixed	\$394,026	\$424,653
Loomis Sayles	Core Fixed	\$810,374	\$867,348
Lord Abbett	Core Fixed	\$992,653	\$977,605
Mackay Shields	Core Fixed	\$1,613,925	\$1,235,301
PIMCO	Opportunistic	\$463,936	\$2,860,085
Loomis Sayles	High Yield	\$1,366,293	\$1,309,976
Lord Abbett	High Yield	\$1,032,411	\$975,321
Mackay Shields	High Yield	\$1,204,832	\$1,120,251
Chickasaw Capital	MLP		\$918,254
Heitman	MLP		\$582,360
Swank/Cushing Capital	MLP		\$490,684
AEW	Real Estate		\$399,000
FAMCO	Real Estate		\$1,061,253
L&B Realty	Real Estate		\$316,312
Epoch Int'l.	Int'l. Small Cap		\$42,505
Wassatch Int'l.	Int'l. Small Cap		\$44,363
Advisory Research Int'l.	Int'l. Small Cap		\$35,310
Wellington Management Int'l.	Int'l. Small Cap		\$46,634
Private Equity Managers (Aggreg)	Private Equity		\$2,936,153
Sub-Total		\$34,417,470	\$40,781,961
INVESTMENT CONSULTANT:			
gregory.w.group	Generalist	\$723,327	\$702,000
Franklin Park	Private Equity		\$1,738,686
TOTAL INVESTMENT FEES:		\$38,140,032	\$43,222,647



Public Employees Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	42.3%	41.5%
% Active	17.9%	7.9%
% Passive	24.4%	33.6%
Domestic Fixed	33.1%	36.2%
% Active	33.1%	36.2%
% Passive	0.0%	0.0%
International Eq	24.5%	22.1%
% Active	8.2%	7.6%
% Passive	16.3%	14.5%
Other	0.1%	0.2%
Calendar Year Return	12.5%	1.8%

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Bankers Trust + Northern Trust			
Custody Fee*		\$28,938	\$28,949
Securities Lending Income		(\$1,408,961)	(\$1,926,202)
Commission Recapture		(\$100,149)	(\$73,766)
INVESTMENT MANAGERS:			
Aronson & Partners [§]	Large Cap Value	\$0	\$132,310
BlackRock Russell 1000 Index	Large Cap Index	\$27,987	\$114,525
BlackRock Russell 2000 Value Index	Small Cap Value Index	\$14,074	\$2,743
BlackRock Russell 1000 Growth Index	All Cap Index	\$91,596	\$8,810
Franklin/Mellon	Large Cap Core	\$125,000	\$125,000
State Street [§]	Large Cap Core	\$81,140	\$94,571
Turner	Large Cap Growth	\$258,093	\$35,054
Barrow Hanley	Small Cap Value	\$520,114	\$655,428
DePrince, Race & Zollo	Small Cap Value		\$337,765
UBS Global [§]	Small Cap Growth	\$218,195	\$326,208
BlackRock AOM ex-US	Global Equity	\$229,307	\$251,720
BlackRock AOM ex-US Growth	Global Equity	\$245,022	\$271,241
BlackRock US TIPS	TIPS	\$20,067	\$26,930
Mndrian (Delaware)	International Equity	\$1,799,154	\$1,985,506
Blackrock	Enhanced Core Bond	\$1,081,400	\$1,114,417
Hbisington	Long Bond	\$378,872	\$332,034
Metwest [§]	Core Bond	\$1,216,156	\$1,578,721
Sub-Total		\$6,306,177	\$7,392,983
INVESTMENT CONSULTANT:			
Strategic Investment Solutions*			
		\$230,851	\$260,545
TOTAL INVESTMENT FEES:		\$6,565,966	\$7,682,477
[§] Performance-based fee			
* Custody and Investment Consultant fees are shared with UFSJJ plan. Fees per plan are proportioned according to total plan assets.			

Firefighters Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	55.6%	46.4%
% Active	43.1%	35.8%
% Passive	12.5%	10.6%
Domestic Fixed	11.9%	11.3%
% Active	0.0%	0.0%
% Passive	11.9%	11.3%
International Eq	13.2%	11.4%
% Active	13.2%	11.4%
% Passive	0.0%	0.0%
International Fixed	7.1%	9.2%
% Active	7.1%	9.2%
% Passive	0.0%	0.0%
Other*	12.2%	13.5%
Calendar Year Return	12.7%	-0.2%

*Includes L/SEquity

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM					
		2010		2011	
CUSTODY FEES:					
State Street Bank					
	Custody Fee	\$294,372.17		\$197,895.00	
	Securities Lending	(\$707,905.05)			
	Commission Recapture	(\$167,361.83)		(\$6,595.00)	
INVESTMENT MANAGERS:					
Aronson & Partners	Large Cap Value	\$133,298.00		\$129,375.00	
Brandywine	Large Cap Value	\$270,124.94		\$275,403.38	
Chase Investment	Large Cap Growth	\$230,763.00			
Fred Alger	Large Cap Growth	\$276,497.46		\$662,253.56	
Intech	Large Cap Core	\$468,783.34		\$453,311.32	
Earnest Partners	Small Cap Value	\$322,821.22		\$361,906.45	
River Road	Small Cap Value	\$357,159.28		\$391,007.10	
Waddell & Reed	Small Cap Growth	\$705,119.75		\$188,719.43	
Grosvenor	Long/Short Equity	\$652,484.00		\$690,533.00	
Attalus	Long/Short Equity	\$498,227.00		\$394,969.00	
Artio (Julius Baer)	International Equity	\$514,469.96		\$536,293.37	
Thornburg	International Equity	\$591,560.41		\$618,443.43	
State Street	Index Funds	\$165,112.53		\$115,898.69	
Brandywine	Global Fixed Income	\$830,176.17		\$1,071,163.03	
JPMorgan	Real Estate	\$449,009.98		\$529,606.11	
TA Associates	Real Estate	\$448,348.00		\$349,402.00	
Portfolio Advisors	Real Estate	\$84,375.00		\$292,323.00	
Requot	Long/Short Equity	\$0.00			
Private Advisors	Hedge Fund	\$1,436,249.00		\$1,541,126.00	
Delaware				\$484,884.00	
Herndon				\$94,971.07	
Lord Abbett				\$322,807.53	
Sub-Total		\$8,424,579.04	51	\$9,504,396.47	59
INVESTMENT CONSULTANT:					
Asset Consulting Group					
		\$170,000.00		\$170,000.00	
TOTAL INVESTMENT FEES:					
		\$8,888,951.21	53	\$9,865,696.47	61

Police Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	43.3%	28.7%
% Active	23.6%	14.6%
% Passive	19.7%	14.1%
Domestic Fixed	14.6%	20.8%
% Active	14.6%	20.8%
% Passive	0.0%	0.0%
International Eq	10.3%	9.2%
% Active	10.3%	9.2%
% Passive	0.0%	0.0%
International Fxd	4.9%	20.8%
% Active	4.9%	20.8%
% Passive	0.0%	0.0%
Other*	27.1%	26.1%
Calendar Year Return	11.7%	0.0%

*Includes L/S Equity

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Custodian: Mellon Trust			
Custody Fee		\$98,285	\$100,489
Securities Lending Income		(\$96,541)	(\$70,621)
Commission Recapture		\$0	\$0
		<hr/>	<hr/>
Mellon Capital	Large Cap Index	\$83,168	\$86,092
Eboston Partners	Small Cap Value	\$623,691	\$557,076
Martingale	Small Cap Growth	\$432,495	
Williams Blair	Small Cap		\$553,143
Mandrian (Delaware)	International Equity	\$429,152	\$453,587
Artio (Julius Baer)	International Equity	\$469,393	\$487,472
Agincourt	Core Bond	\$280,598	\$290,731
Oaktree Capital	Fixed Income	\$351,356	\$448,300
Fischer Francis	Global Fixed	\$27,433	
Oaktree Capital	Global Fixed		\$25,988
Loomis Sayles	Global Fixed	\$283,793	\$306,177
Sub-Total		<hr/>	<hr/>
		\$2,981,078	\$3,208,565
Special Strategies			
Columbus Square	Real Estate	\$17,542	\$20,861
JPMorgan	Real Estate	\$357,898	\$409,657
Siguler Guff	Real Estate		\$48,065
Peak Partners	Managed Futures		\$263,034
Atitlus	Long/Short Equity	\$739,326	\$254,707
Grosvenor	Long/Short Equity	\$1,351,102	\$1,373,915
Mount Lucas Peak Partners	Hedge Fund	\$301,797	
FAAMCO	Hedge Fund	\$1,359,383	\$1,406,249
Arsenal I & II	Private Equity	\$167,249	\$121,359
Calera Partners (Fremont) III & IV	Private Equity	\$123,113	\$146,683
Lightspeed Venture Partners VI	Private Equity	\$95,519	\$92,439
Knightbridge	Private Equity	\$84,000	\$63,150
Lexington	Private Equity	\$118,146	\$250,572
Marathon Fund IV & V (Goldner Hawn)	Private Equity	\$200,000	\$247,578
First Mark II, III, & IV	Private Equity	\$225,638	\$198,478
TQW Crescent Mezzanine III & IV	Private Equity	\$233,503	\$213,234
Waiss, Peck & Greer V & VI	Private Equity	\$16,088	\$12,745
Accel Europe	Private Equity	\$50,532	\$181,622
Levine Leichtman III & IV	Private Equity	\$264,691	\$193,108
Oaktree Funds II, III, IV, V, VI, VII & VIII	Private Equity	\$378,470	\$349,310
Siguler Guff I, II & III	Private Equity	\$424,818	\$362,088
Venture Lending & Leasing III	Private Equity	\$14,568	\$11,979
Newstone Partners	Private Equity	\$42,044	\$64,842
Warburg Pincus	Private Equity	\$182,504	\$217,684
Thompson Street	Private Equity	\$153,693	\$233,420
Sun Capital V	Private Equity	-	\$218,579
Weathergagge	Private Equity	\$75,000	\$149,184
HMSector Performance		\$152,044	\$209,535
Sub-Total		<hr/>	<hr/>
		\$7,128,669	\$7,314,146
Total		\$10,109,747	\$10,522,711
INVESTMENT CONSULTANT:			
Asset Consulting Group		\$586,319	\$606,187
		<hr/>	<hr/>
TOTAL INVESTMENT FEES:		\$10,794,351	\$11,158,766
		62	66



Law Enforcement Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	43.3%	40.0%
% Active	33.7%	31.1%
% Passive	9.6%	8.9%
Domestic Fixed	29.3%	32.4%
% Active	15.7%	17.4%
% Passive	13.6%	15.0%
International Eq	9.7%	8.6%
% Active	9.7%	8.6%
% Passive	0.0%	0.0%
Other	17.7%	9.1%
Calendar Year Return	15.1%	1.9%

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Northern Trust			
Custody Fee		\$101,000	\$80,000
Securities Lending		(\$93,107)	
Commission Recapture		(\$59,057)	
INVESTMENT MANAGERS:			
Hbtchkis & Wiley	Large Cap Value	\$144,809	\$471,756
NTGI	Large Cap Core & Bond Index	\$49,814	\$46,389
Waddell & Reed	Large Cap Growth	\$207,048	\$283,420
Columbus Circle	Small Cap Growth	\$354,091	\$289,389
Kennedy Capital	Small Cap Value	\$509,359	\$538,517
Mindrian (Delaware)	International Equity	\$177,411	\$203,595
Artio (Julius Baer)	International Equity	\$223,155	\$265,204
TOW	Core Bond	\$261,606	\$516,489
Grosvenor	Hedge Fund	-	
RREF	Real Estate	\$293,159	\$298,969
Colcord Center	Real Estate	\$25,128	
American I & II	Private Equity	-	
Knightsbridge VI & VII	Private Equity	-	
Cash Account	Cash		
Sub-Total		\$2,245,580	\$2,913,728
		33	43
INVESTMENT CONSULTANT:			
Asset Consulting Group		\$110,000	\$110,000
TOTAL INVESTMENT FEES:		\$2,456,580	\$3,103,728
		36	46

Judges & Justices Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	42.7%	41.7%
% Active	0.0%	0.0%
% Passive	42.7%	41.7%
Domestic Fixed	32.9%	32.4%
% Active	32.9%	32.4%
% Passive	0.0%	0.0%
International Eq	24.3%	8.6%
% Active	0.0%	0.0%
% Passive	24.3%	8.6%
Other	0.1%	9.1%
Calendar Year Return	13.2%	0.9%

OKLAHOMA RETIREMENT SYSTEM FOR JUDGES AND JUSTICES			
		2010	2011
CUSTODY FEES:			
Bankers Trust + Northern Trust			
Custody Fee*		\$1,062	\$1,051
Securities Lending			(\$22,097)
		<hr/>	<hr/>
INVESTMENT MANAGERS:			
BlackRock Russell 1000 Index	Large Cap Equity	\$5,530	\$6,798
BlackRock Russell 2000 Index	Small Cap Equity	\$4,920	\$4,823
Blackrock AOM ex U.S.	International Equity	\$25,827	\$28,194
Blackrock	Core Bond	\$38,324	\$39,468
BlackRock US TIPs	TIPs	\$763	\$1,022
Hbsington	Long Bond	\$14,667	\$13,528
Metwest ^{\$}	Core Bond	\$44,349	\$57,473
Sub-Total		<hr/>	<hr/>
		\$134,381	\$151,306
		6	6
INVESTMENT CONSULTANT:			
Strategic Investment Solutions*		\$5,836	\$9,455
		<hr/>	<hr/>
TOTAL INVESTMENT FEES:		\$141,279	\$139,715
		6	6

^{\$} Performance-based fee

* Custody and Investment Consultant fees are shared with OPERS plan. Fees per plan are proportioned according to total plan assets.

Wildlife Retirement System

Asset Allocation Breakdown		
	<u>2010 % of</u>	<u>2011 % of</u>
	<u>Total Fund</u>	<u>Total Fund</u>
Domestic Equity	43.5%	41.3%
% Active	43.5%	41.3%
% Passive	0.0%	0.0%
Domestic Fixed	44.1%	46.5%
% Active	44.1%	46.5%
% Passive	0.0%	0.0%
International Eq	7.6%	6.2%
% Active	7.6%	6.2%
% Passive	0.0%	0.0%
Other	4.8%	4.4%
Calendar Year Return	10.6%	2.4%

OKLAHOMA DEPARTMENT OF WILDLIFE			
	<u>2010</u>		<u>2011</u>
CUSTODY FEES:			
Bank of Oklahoma			
Custody Fee	\$7,090		\$7,232
INVESTMENT MANAGER FEES			
Bank of Oklahoma*			
Growth Equity	\$14,454		\$16,944
Core Equity	\$12,060		\$12,355
Value Equity	\$13,810		\$14,716
Small/Md Cap Equity	\$11,381		\$12,302
Core Fixed Income	\$54,765		\$58,124
Multi-Cap	\$289		\$1,005
International Equity	\$10,772		\$8,988
Alternatives	\$1,572		\$5,007
Sub-Total	<u>\$119,102</u>	17	<u>\$129,441</u>
TOTAL INVESTMENT FEES:	\$132,168	19	\$136,673
		19	



NEPC, LLC

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Oklahoma State Pension Commission

Investment Summary

Quarter Ending June 30, 2012

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Asset Allocation Summary

Key Policy Items		Teachers [^]	PERS*	Firefighters	Police **	Law	Judges	Wildlife
TOTAL EQUITY	Target	55.0%	64.0%	62.5%	60.0%	55.0%	64.0%	50.0%
	Actual	58.0%	63.8%	66.6%	51.5%	57.2%	63.7%	48.3%
	Range	50-60	59-69	57-68	50-70	55-65	59-69	40-55
<i>Large Cap</i>	Target	17.5%	35.0%	22.5%	15.0%	20.0%	35.0%	35.0%
	Actual	21.8%	35.2%	34.5%	16.1%	27.4%	34.8%	34.1%
	Range	16-19	32-38	17-28	10-20	15-25	32-38	30-40
<i>MidCap</i>	Target	12.5%	-	-	-	-	-	-
	Actual	12.9%	-	-	-	-	-	-
	Range	11-14	-	-	-	-	-	-
<i>Small Cap</i>	Target	10.0%	5.0%	10.0%	5.0%	10.0%	5.0%	10.0%
	Actual	9.1%	5.4%	13.0%	9.8%	7.9%	5.7%	8.2%
	Range	9-11	2-8	5-15	0-10	5-15	2-8	5-15
<i>International / Equity</i>	Target	15.0%	24.0%	10.0%	15.0%	15.0%	24.0%	10.0%
	Actual	14.2%	23.2%	11.3%	11.8%	12.1%	23.2%	6.0%
	Range	13-17	21-27	5-15	5-25	5-15	21-27	5-15
<i>Long/Short Equity</i>	Target	-	-	10.0%	15.0%	10.0%	-	-
	Actual	-	-	7.8%	13.8%	9.8%	-	-
	Range	-	-	6-14	10-20	5-15	-	-
TOTAL FIXED INCOME	Target	30.0%	36.0%	27.5%	25.0%	30.0%	36.0%	40.0%
	Actual	29.1%	35.9%	19.8%	21.0%	31.6%	36.1%	45.3%
	Range	27-33	32-40	22-33	15-35	25-35	32-40	35-55
<i>Dom. Fixed Income/High Yield</i>	Target	30.0%	36.0%	15.0%	-	20.0%	36.0%	40.0%
	Actual	29.1%	35.9%	10.5%	15.8%	18.9%	36.1%	45.3%
	Range	27-33	32-40	8-27.5	-	15-25	32-40	35-55
<i>Int'l & Global Fixed Income</i>	Target	-	-	5.0%	15.0%	10.0%	-	-
	Actual	-	-	9.3%	5.2%	12.7%	-	-
	Range	-	-	0-10	10-20	5-15	-	-
TOTAL ALTERNATIVES	Target	15.0%	-	10.0%	35.0%	15.0%	-	5.0%
	Actual	12.8%	-	13.5%	26.2%	6.2%	-	4.3%
	Range	14-17	-	5-15	22.5-32.5	5-15	-	0-5
<i>Low Volatility Hedge Funds</i>	Target	-	-	7.5%	10.0%	-	-	-
	Actual	-	-	7.3%	8.8%	-	-	-
	Range	-	-	2-10	5-15	-	-	-
<i>Private Equity /MLP's</i>	Target	10.0%	-	10.0%	10.0%	5.0%	-	-
	Actual	8.1%	-	-	13.0%	3.5%	-	-
	Range	9-11	-	0-15	5-15	0-5	-	-
<i>Real Estate/Real Assets</i>	Target	5.0%	-	10.0%	15.0%	10.0%	-	-
	Actual	4.7%	-	6.2%	4.4%	2.7%	-	-
	Range	4-6	-	0-18	10-20	2-12	-	-
CASH	Actual	0.1%	0.3%	0.0%	1.3%	5.1%	0.2%	2.1%
Actuarial Assumed Rates		8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.0%

Out of Range

[^]Master Limited Partnerships included in Private Equity allocation.

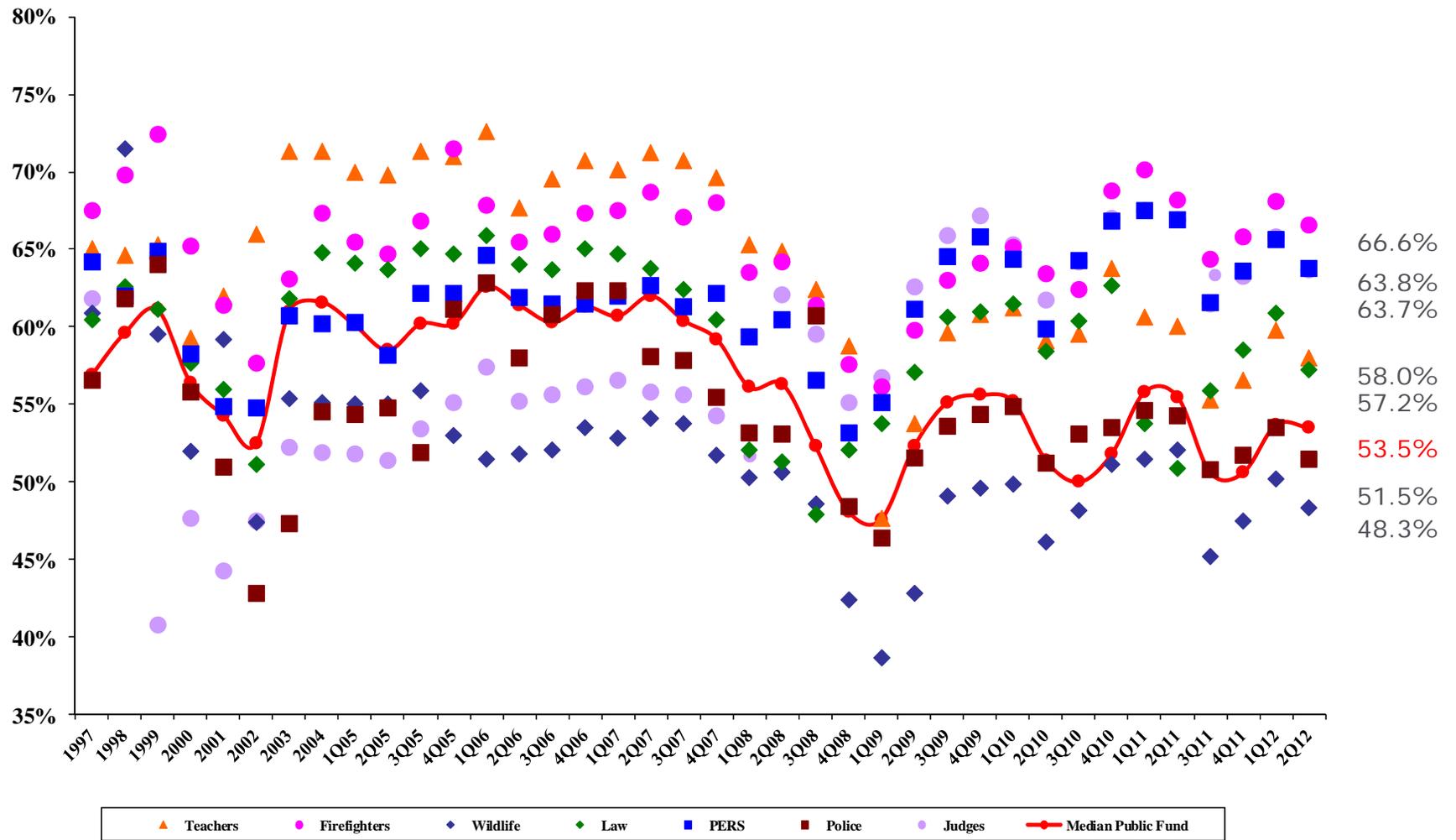
*The Russell 3000 index was broken down into Large Cap & Small Cap allocations for the PERS retirement plan

**Real Assets are included in Real Estate

Please note that allocations may not add to 100% due to rounding.

	<u>Tab</u>
Teachers	1
PERS	2
Firefighters	3
Police	4
Law	5
Judges	6
Wildlife	7

Equity Commitment



*Cash allocations not broken out for individual managers.

Performance Attribution

MANAGER IMPACT										
	QTR		FYTD		1 YR		3 YR		5 YR	
TEACHERS		-2.20		0.30		0.30		1.30		0.50
PERS		0.10		1.40		1.40		1.00		0.00
FIREFIGHTERS		0.10		-0.70		-0.70		-1.40		-0.20
POLICE		1.00		-1.40		-1.40		-3.10		-0.30
LAW		0.10		-1.40		-1.40		0.10		-0.70
JUDGES		0.20		0.00		0.00		1.20		0.40
WILDLIFE		-0.20		-0.60		-0.60		-0.30		-1.10

ALLOCATION IMPACT										
	QTR		FYTD		1 YR		3 YR		5 YR	
TEACHERS		2.10		0.30		0.30		-0.50		0.50
PERS		-0.30		-1.60		-1.60		-0.70		0.10
FIREFIGHTERS		-0.80		-2.10		-2.10		-0.90		-0.90
POLICE		-0.50		-1.60		-1.60		0.20		-0.10
LAW		-3.50		0.70		0.70		0.80		0.20
JUDGES		-0.20		-0.20		-0.20		-0.70		0.00
WILDLIFE		-1.90		-0.10		-0.10		6.10		-1.40

POLICY IMPACT										
	QTR		FYTD		1 YR		3 YR		5 YR	
TEACHERS		-0.50		0.00		0.00		1.30		-0.20
PERS		0.00		1.20		1.40		0.40		0.60
FIREFIGHTERS		0.10		-0.20		2.40		1.10		0.40
POLICE		0.10		1.40		2.60		1.30		0.00
LAW		3.30		-0.40		1.40		-0.30		0.20
JUDGES		0.00		0.30		0.90		0.20		0.40
WILDLIFE		2.60		2.40		2.40		-7.30		2.20

Total Fund Asset Growth Summary by Manager

	Beginning Market Value	Quarter Ending June 30, 2012		Ending Market Value
		Net Cash Flow	Net Investment Change	
Firefighters	\$1,744,811,778	-\$7,001,492	-\$41,981,844	\$1,695,828,443
Judges	\$250,764,877	-\$2,806,544	-\$4,642,803	\$243,315,530
Law	\$720,657,141	-\$4,545,211	-\$14,052,397	\$702,059,533
PERS	\$6,930,701,472	\$18,327,756	-\$144,005,556	\$6,805,023,672
Police	\$1,807,136,109	-\$31,347,565	-\$23,605,446	\$1,752,183,097
Teachers	\$10,357,165,824	-\$8,109,367	-\$251,812,890	\$10,097,243,568
Wildlife	\$77,201,813	\$46,937	-\$950,393	\$76,298,358
Total	\$21,888,439,014	-\$35,435,485	-\$481,051,329	\$21,371,952,201

OKLAHOMA STATE PENSION COMMISSION

Total Fund Performance Detail

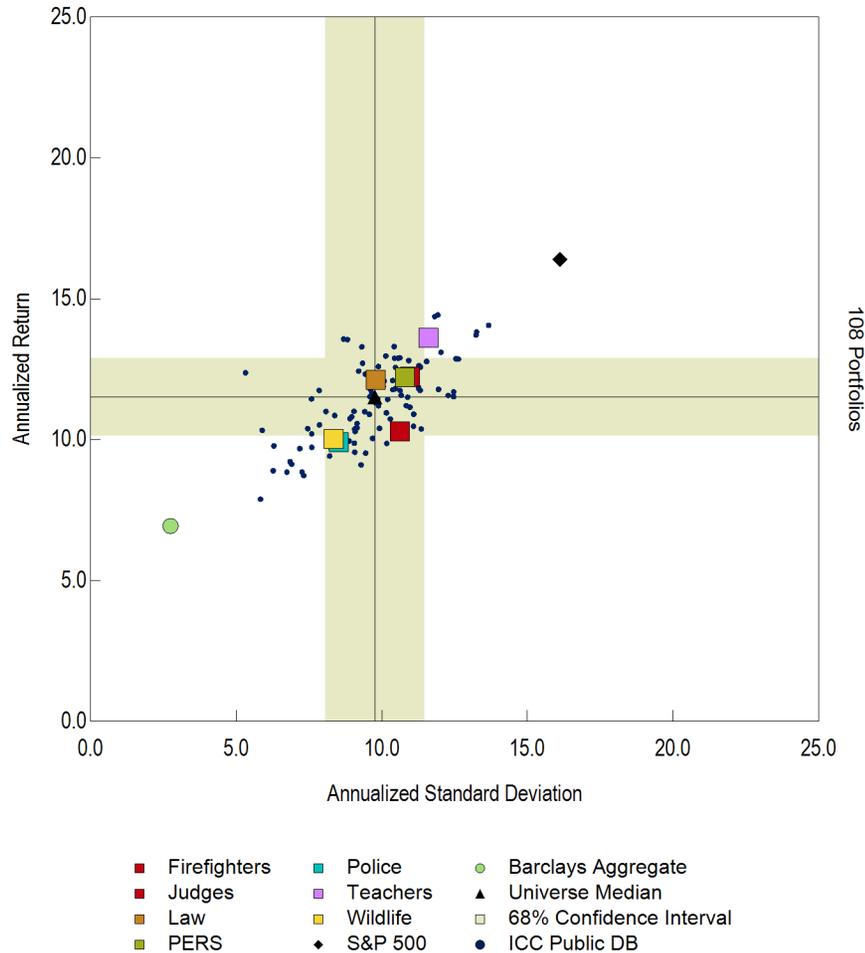
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
Oklahoma State Pension Commission	21,371,954,945	100.0	-2.1	65	6.2	19	1.9	35	12.4	24	2.4	37	5.4	35
S&P 500			-2.8	88	9.5	1	5.4	1	16.4	1	0.2	95	4.1	93
Barclays Aggregate			2.1	1	2.4	99	7.5	1	6.9	99	6.8	2	5.6	26
60% S&P 500 / 40% BC Agg			-0.8	7	6.7	6	6.7	1	12.9	13	3.3	15	5.0	55
MSCI EAFE			-7.1	99	3.0	99	-13.8	99	6.0	99	-6.1	99	2.3	99
Firefighters	1,695,828,443	7.9	-2.4	79	6.1	28	0.8	67	10.3	79	1.3	73	4.6	73
FIREFIGHTERS Allocation Index			-2.5	84	6.0	33	1.5	44	11.7	45	1.5	70	4.7	72
FIREFIGHTERS Policy Index			-1.7	44	6.4	12	3.6	5	12.6	23	2.4	37	5.0	57
Judges	243,315,530	1.1	-1.8	52	5.8	46	1.9	34	12.2	28	2.8	25	5.0	57
JUDGES Allocation Index			-2.0	60	5.4	62	1.9	34	11.0	60	2.4	35	4.7	72
JUDGES Policy Index			-1.8	50	5.7	50	2.1	32	11.7	44	2.4	37	4.7	71
Law	702,059,533	3.3	-1.9	56	5.5	60	1.9	35	12.1	29	1.7	61	4.5	74
LAW Allocation Index			-1.8	51	6.1	24	3.5	7	12.0	33	2.4	37	5.2	47
LAW Policy Index			-1.3	25	5.7	48	2.8	20	11.3	56	2.3	42	5.1	48
PERS	6,805,023,672	31.8	-2.0	64	5.9	44	2.4	25	12.2	29	2.7	27	5.3	37
PERS Allocation Index			-2.1	68	5.4	62	1.0	61	11.2	58	2.7	29	5.1	55
PERS Policy Index			-1.8	50	5.7	50	2.6	21	11.9	35	2.6	29	5.4	35
Police	1,752,185,842	8.2	-1.2	22	5.4	62	0.8	64	9.9	84	1.6	69	5.1	53
POLICE Allocation Index			-2.2	76	7.1	1	2.2	31	13.0	12	1.9	54	5.1	48
POLICE Policy Index			-1.7	42	6.7	7	3.8	4	12.8	17	2.0	48	4.7	72
Teachers	10,097,243,568	47.2	-2.4	81	6.4	11	1.8	38	13.6	5	2.8	24	5.9	12
TEACHERS Allocation Index			-2.0	60	5.6	54	1.5	44	12.3	28	2.3	42	5.2	45
TEACHERS Policy Index			-2.3	76	6.1	28	1.2	49	12.8	18	1.8	58	5.0	58
Wildlife	76,298,358	0.4	-1.3	25	4.7	92	2.9	15	10.0	82	1.7	62	4.2	91
WILDLIFE Allocation Index			-1.1	16	5.1	78	3.5	6	10.3	79	2.8	24	4.7	70
WILDLIFE Policy Index			-0.4	5	6.0	32	6.7	1	11.8	40	3.7	13	5.1	52
ICC Public DB Median			-1.8		5.7		1.2		11.5		2.0		5.1	

OKLAHOMA STATE PENSION COMMISSION

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	2011 (%)	Rank	2010 (%)	Rank	2009 (%)	Rank	2008 (%)	Rank	2007 (%)	Rank
Oklahoma State Pension Commission	21,371,954,945	100.0	1.1	52	13.8	35	22.0	27	-24.7	46	7.2	66
<i>S&P 500</i>			2.1	31	15.1	10	26.5	10	-37.0	99	5.5	91
<i>Barclays Aggregate</i>			7.8	1	6.5	99	5.9	99	5.2	1	7.0	71
<i>60% S&P 500 / 40% BC Agg</i>			4.7	3	12.1	74	18.4	58	-22.1	23	6.2	85
<i>MSCI EAFE</i>			-12.1	99	7.8	99	31.8	1	-43.4	99	11.2	4
Firefighters	1,695,828,443	7.9	-0.2	83	12.6	62	15.4	78	-24.3	44	9.8	21
<i>FIREFIGHTERS Allocation Index</i>			0.7	67	13.7	35	18.5	58	-25.8	58	7.2	65
<i>FIREFIGHTERS Policy Index</i>			2.4	20	13.2	47	20.6	42	-24.3	45	5.4	93
Judges	243,315,530	1.1	0.9	59	13.2	49	20.6	42	-23.3	30	7.6	57
<i>JUDGES Allocation Index</i>			1.1	52	11.3	84	18.7	55	-21.7	23	7.5	59
<i>JUDGES Policy Index</i>			1.1	50	12.9	57	19.4	50	-23.8	37	7.5	59
Law	702,059,533	3.3	1.9	37	15.1	10	16.7	68	-23.8	37	5.7	90
<i>LAW Allocation Index</i>			2.2	26	13.1	51	18.4	59	-23.3	30	6.8	74
<i>LAW Policy Index</i>			1.9	37	13.0	52	16.2	72	-21.4	22	6.2	85
PERS	6,805,023,672	31.8	1.8	38	12.5	65	20.7	41	-23.5	35	8.2	50
<i>PERS Allocation Index</i>			0.1	78	12.3	70	20.8	40	-21.9	23	7.4	61
<i>PERS Policy Index</i>			1.6	41	12.9	55	21.0	38	-24.5	46	8.5	45
Police	1,752,185,842	8.2	0.0	78	11.2	86	17.3	63	-23.1	28	9.9	18
<i>POLICE Allocation Index</i>			0.1	78	13.8	34	26.8	7	-29.5	90	7.9	53
<i>POLICE Policy Index</i>			2.5	16	13.5	41	19.6	48	-26.2	62	6.3	84
Teachers	10,097,243,568	47.2	0.9	58	15.9	5	25.6	12	-26.0	60	6.9	72
<i>TEACHERS Allocation Index</i>			0.9	59	14.0	29	23.6	19	-25.2	53	5.9	89
<i>TEACHERS Policy Index</i>			0.4	72	14.4	23	23.5	19	-27.5	76	6.3	83
Wildlife	76,298,358	0.4	2.5	18	10.4	94	16.1	73	-22.0	23	6.9	71
<i>WILDLIFE Allocation Index</i>			2.7	14	10.8	90	15.3	78	-18.1	14	6.4	81
<i>WILDLIFE Policy Index</i>			5.0	3	11.1	87	16.2	71	-18.2	14	6.3	83
<i>ICC Public DB Median</i>			1.1		13.2		19.4		-25.1		8.1	

3 Years Ending June 30, 2012



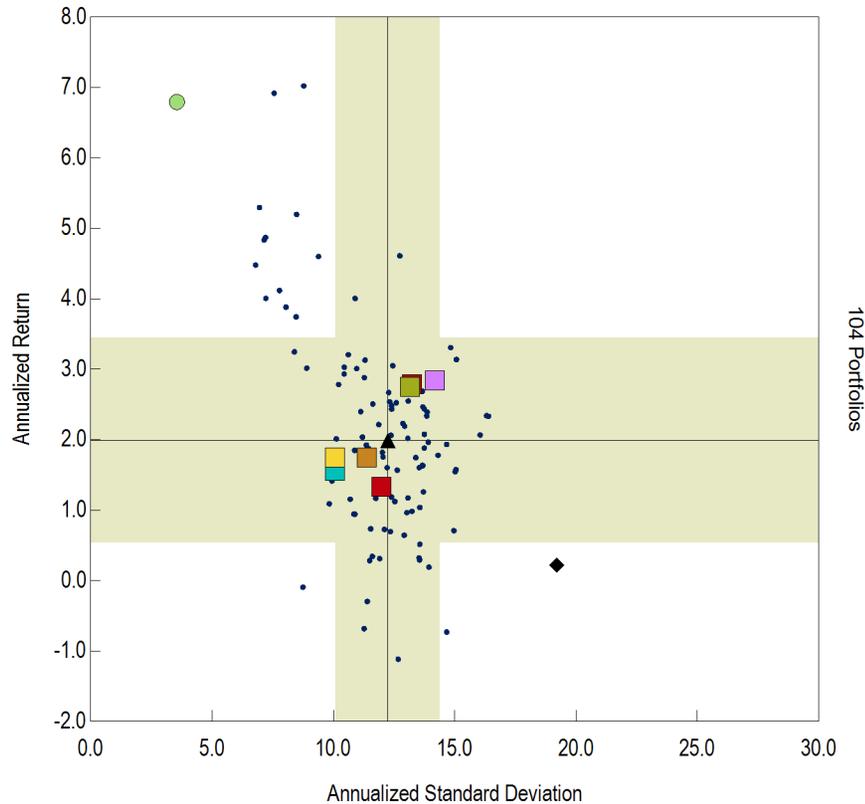
3 Years Ending June 30, 2012

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Oklahoma State Pension Commission	12.43%	24	10.84%	74
Firefighters	10.30%	79	10.61%	70
Judges	12.24%	28	10.97%	77
Law	12.12%	29	9.80%	51
PERS	12.22%	29	10.79%	74
Police	9.91%	84	8.51%	22
Teachers	13.60%	5	11.60%	89
Wildlife	10.02%	82	8.35%	21

3 Years Ending June 30, 2012

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Oklahoma State Pension Commission	1.14	56	1.93	44
Firefighters	0.96	96	1.54	95
Judges	1.11	68	2.00	35
Law	1.23	28	2.17	18
PERS	1.12	63	2.01	34
Police	1.15	51	1.91	60
Teachers	1.17	45	1.96	50
Wildlife	1.19	41	2.01	43

5 Years Ending June 30, 2012



- Firefighters
- Judges
- Law
- PERS
- Police
- Teachers
- Wildlife
- Barclays Aggregate
- ▲ Universe Median
- ▲ S&P 500
- 68% Confidence Interval
- ICC Public DB

5 Years Ending June 30, 2012

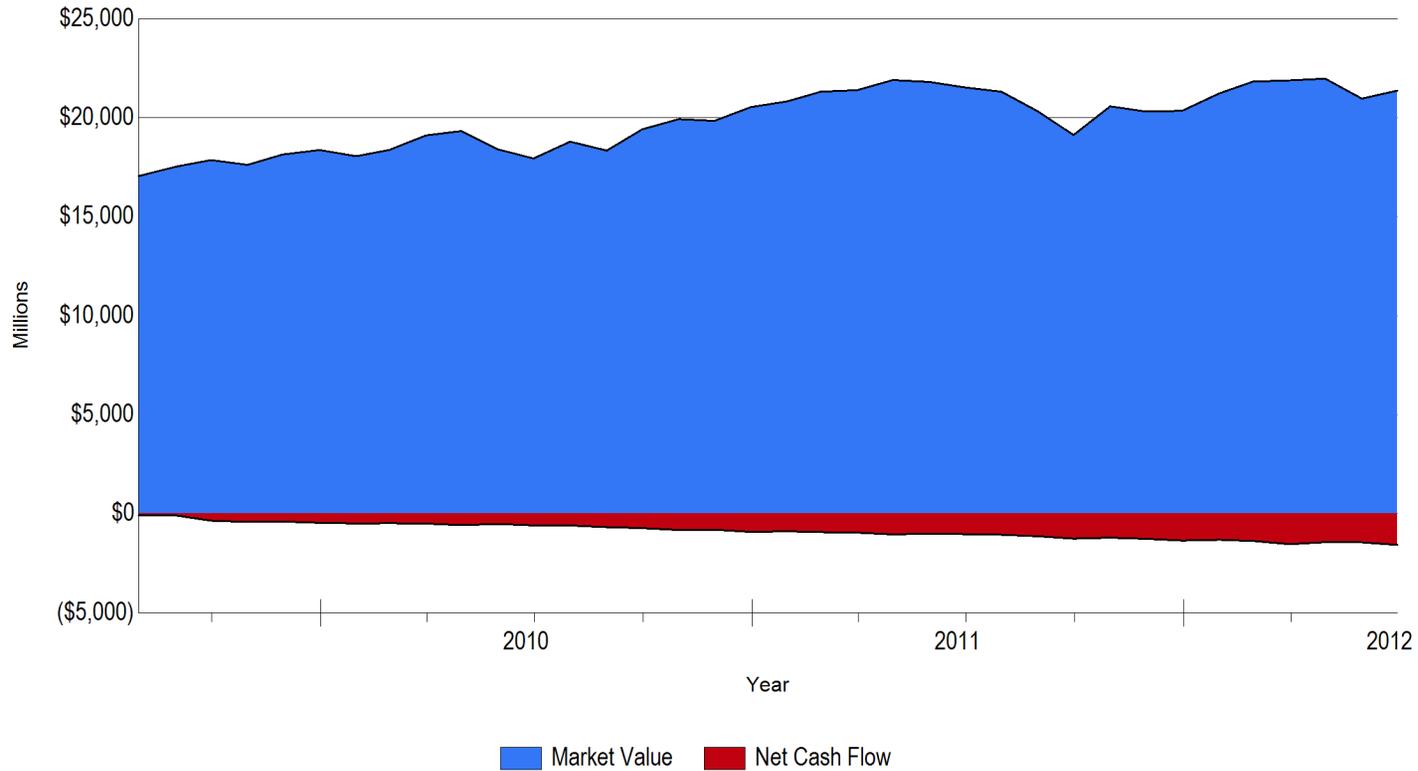
	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Oklahoma State Pension Commission	2.40%	37	13.11%	71
Firefighters	1.33%	73	11.98%	46
Judges	2.79%	25	13.24%	71
Law	1.75%	61	11.38%	35
PERS	2.75%	27	13.17%	71
Police	1.55%	69	10.06%	17
Teachers	2.84%	24	14.20%	90
Wildlife	1.74%	62	10.07%	17

5 Years Ending June 30, 2012

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Oklahoma State Pension Commission	0.13	36	0.17	36
S&P 500	-0.03	91	-0.04	91
Firefighters	0.05	72	0.07	72
FIREFIGHTERS Allocation Index	0.06	69	0.08	69
Judges	0.16	26	0.20	29
JUDGES Allocation Index	0.14	36	0.18	35
Law	0.09	56	0.13	52
LAW Allocation Index	0.14	36	0.19	32

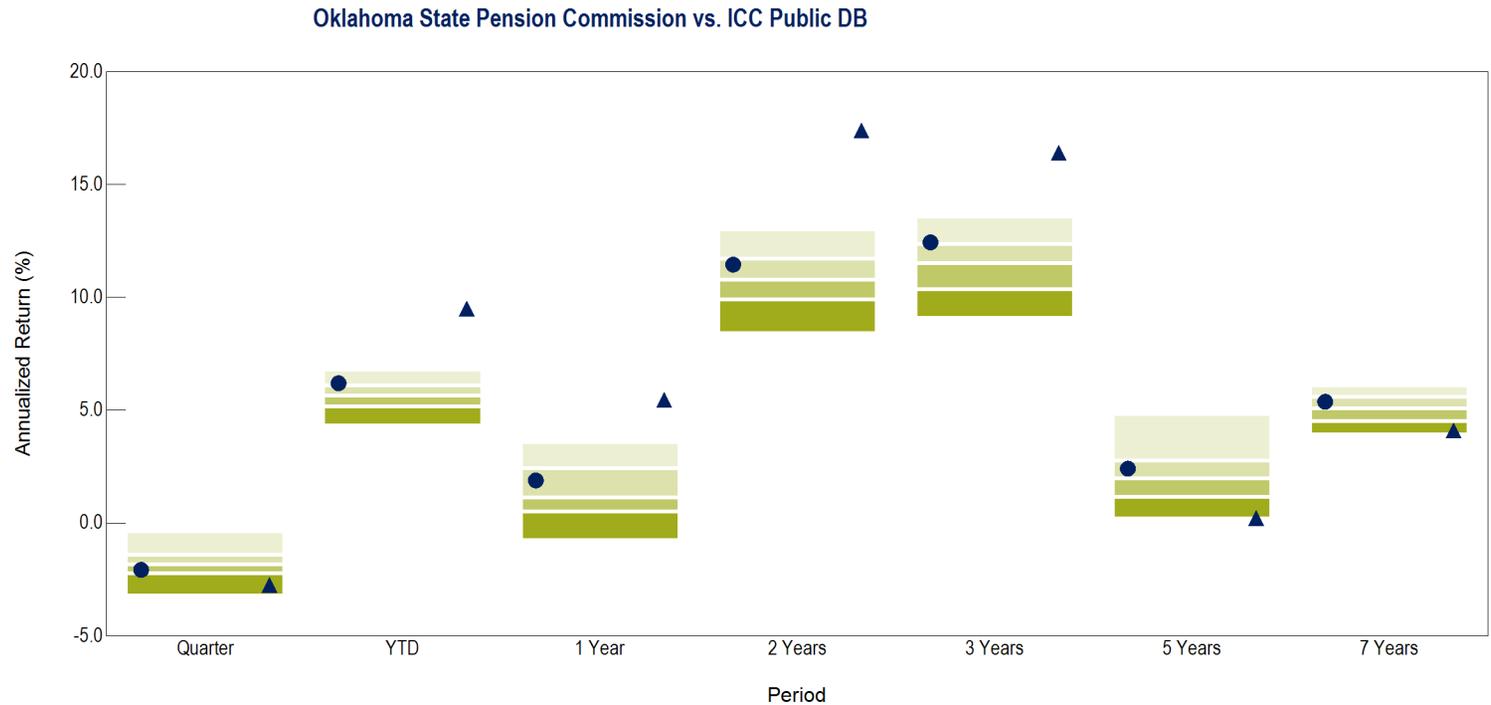
Total Fund Asset Growth Summary

3 Years Ending June 30, 2012



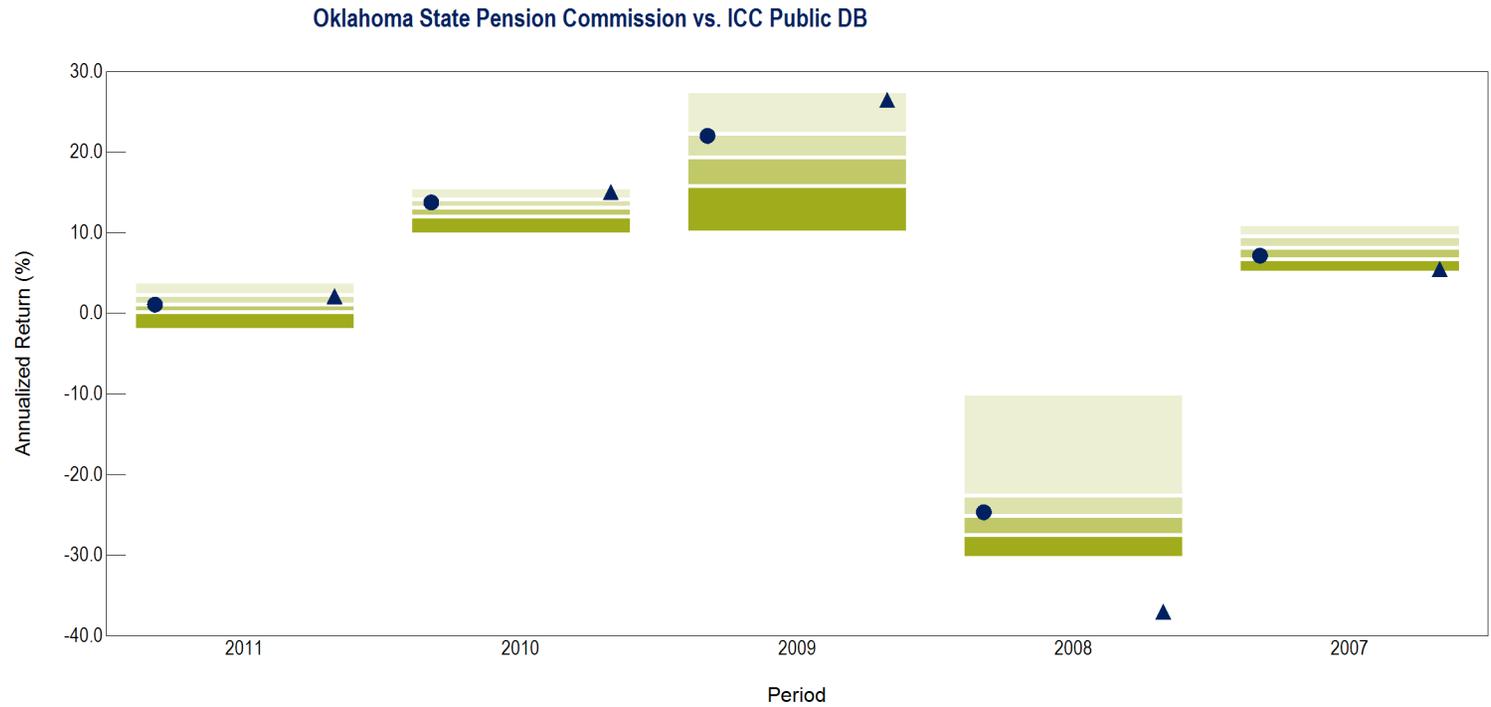
	Last Three Months	Year-To-Date	One Year
Beginning Market Value	\$21,888,439,014	\$20,353,207,899	\$21,533,700,328
- Withdrawals	-\$2,050,995,387	-\$3,153,814,340	-\$5,851,074,614
+ Contributions	\$2,014,507,616	\$2,932,458,313	\$5,306,215,947
= Net Cash Flow	-\$36,487,771	-\$221,356,027	-\$544,858,667
+ Net Investment Change	-\$479,999,043	\$1,240,100,329	\$383,110,539
= Ending Market Value	\$21,371,952,201	\$21,371,952,201	\$21,371,952,201

Total Fund Return Summary vs. Peer Universe

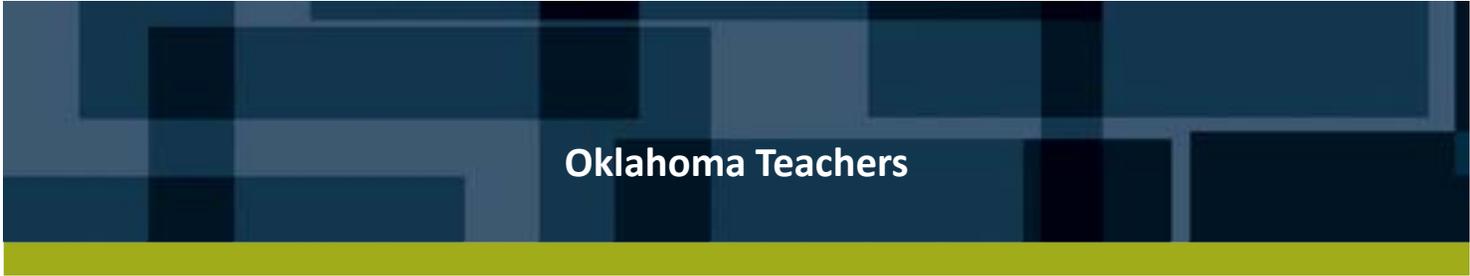


	Return (Rank)													
5th Percentile	-0.4		6.8		3.6		13.0		13.6		4.8		6.1	
25th Percentile	-1.4		6.1		2.4		11.7		12.4		2.8		5.6	
Median	-1.8		5.7		1.2		10.8		11.5		2.0		5.1	
75th Percentile	-2.2		5.2		0.5		9.9		10.4		1.2		4.5	
95th Percentile	-3.2		4.3		-0.7		8.4		9.1		0.2		3.9	
# of Portfolios	113		112		112		109		108		104		102	
● Oklahoma State Pension Commission	-2.1	(65)	6.2	(19)	1.9	(35)	11.4	(36)	12.4	(24)	2.4	(37)	5.4	(35)
▲ S&P 500	-2.8	(88)	9.5	(1)	5.4	(1)	17.4	(1)	16.4	(1)	0.2	(95)	4.1	(93)

Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	3.9		15.6		27.5		-10.0		11.0	
25th Percentile	2.3		14.2		22.3		-22.6		9.6	
Median	1.1		13.2		19.4		-25.1		8.1	
75th Percentile	0.2		12.1		15.8		-27.4		6.8	
95th Percentile	-2.0		9.8		10.1		-30.3		5.1	
# of Portfolios	146		144		144		141		140	
● Oklahoma State Pension Commission	1.1	(52)	13.8	(35)	22.0	(27)	-24.7	(46)	7.2	(66)
▲ S&P 500	2.1	(31)	15.1	(10)	26.5	(10)	-37.0	(99)	5.5	(91)

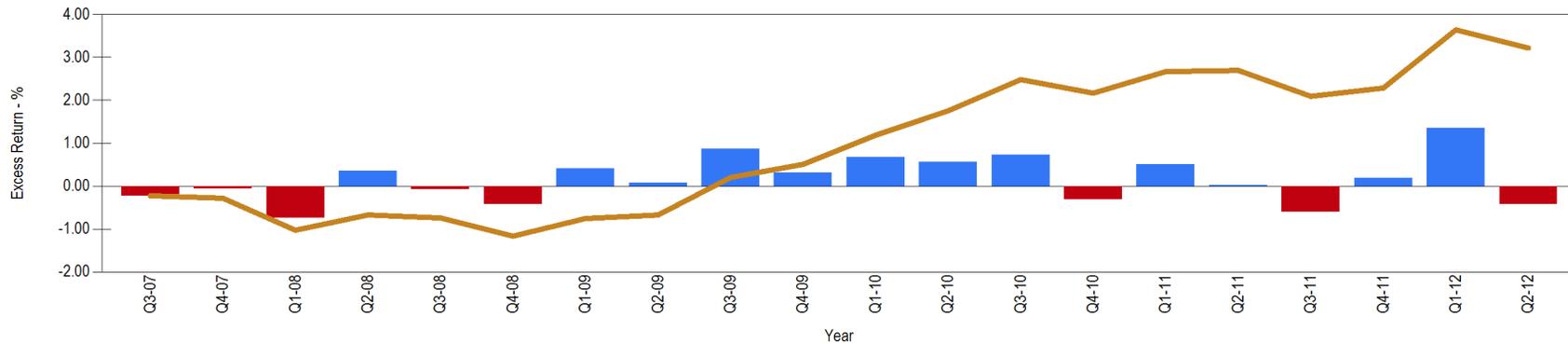


Oklahoma Teachers

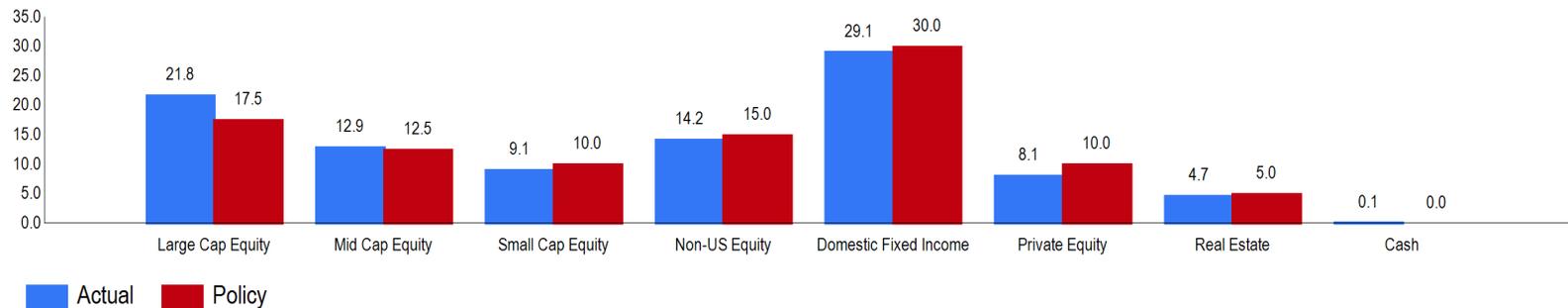
Total Fund Performance Summary

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank
OK TEACHERS	\$10,097,243,568	-2.4%	81	6.4%	11	1.8%	38	13.6%	5	2.8%	24	5.9%	12
TEACHERS Allocation Index		-2.0%	60	5.6%	54	1.5%	44	12.3%	28	2.3%	42	5.2%	45
TEACHERS Policy Index		-2.3%	76	6.1%	28	1.2%	49	12.8%	18	1.8%	58	5.0%	58
ICC Public DB Median		-1.8%		5.7%		1.2%		11.5%		2.0%		5.1%	

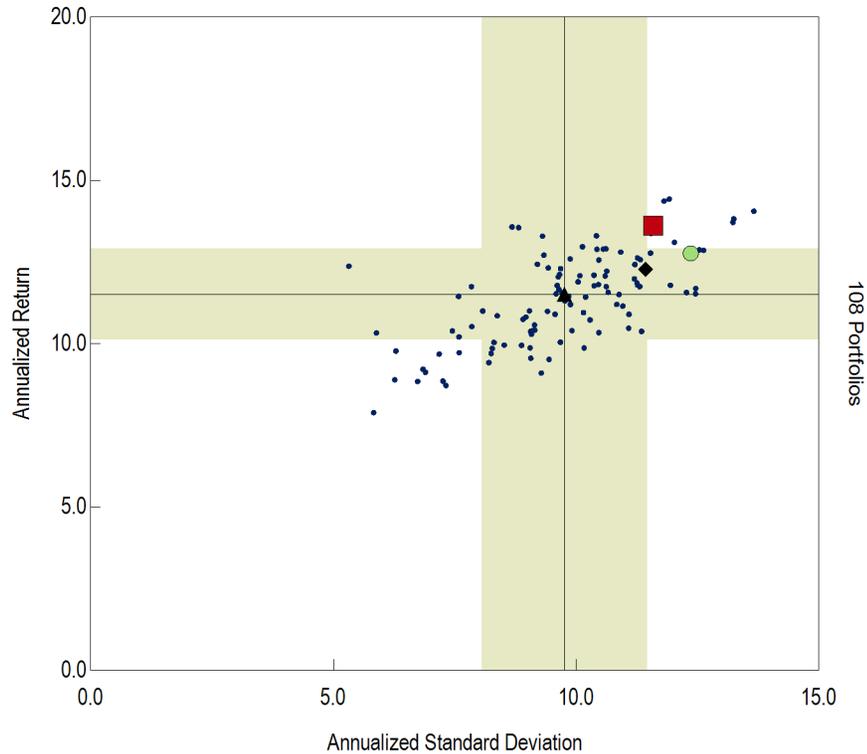
Quarterly and Cumulative Excess Performance



Actual vs Target Allocation (%)



3 Years Ending June 30, 2012



- OK TEACHERS
- ◆ TEACHERS Allocation Index
- TEACHERS Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

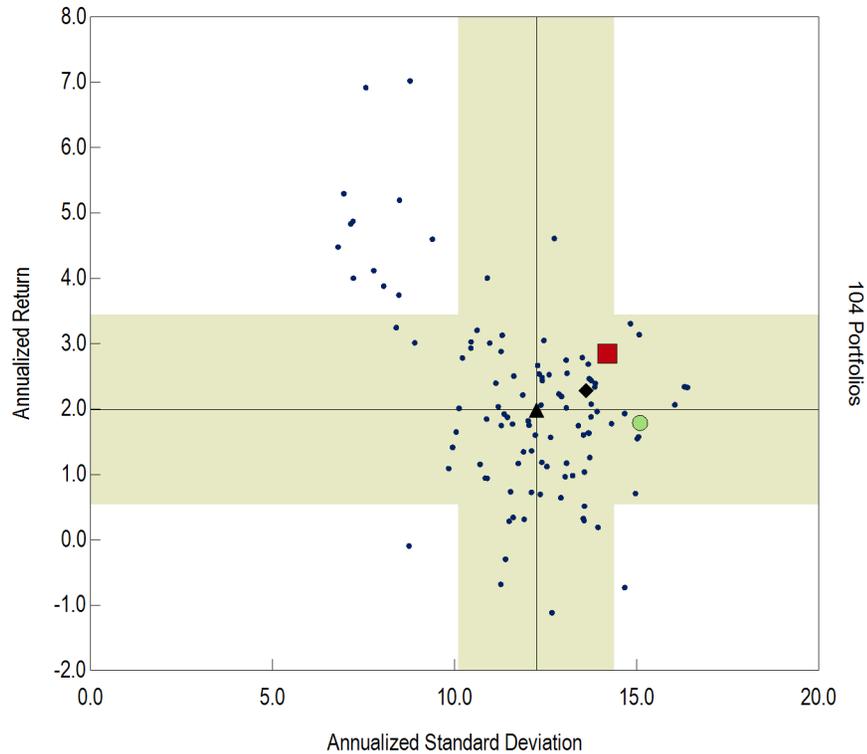
3 Years Ending June 30, 2012

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
OK TEACHERS	13.60%	5	11.60%	89
TEACHERS Allocation Index	12.28%	28	11.44%	87
TEACHERS Policy Index	12.76%	18	12.36%	94

3 Years Ending June 30, 2012

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
OK TEACHERS	1.17	45	1.96	50
TEACHERS Allocation Index	1.07	76	1.86	68
TEACHERS Policy Index	1.03	87	1.84	70

5 Years Ending June 30, 2012



- OK TEACHERS
- ◆ TEACHERS Allocation Index
- TEACHERS Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- ICC Public DB

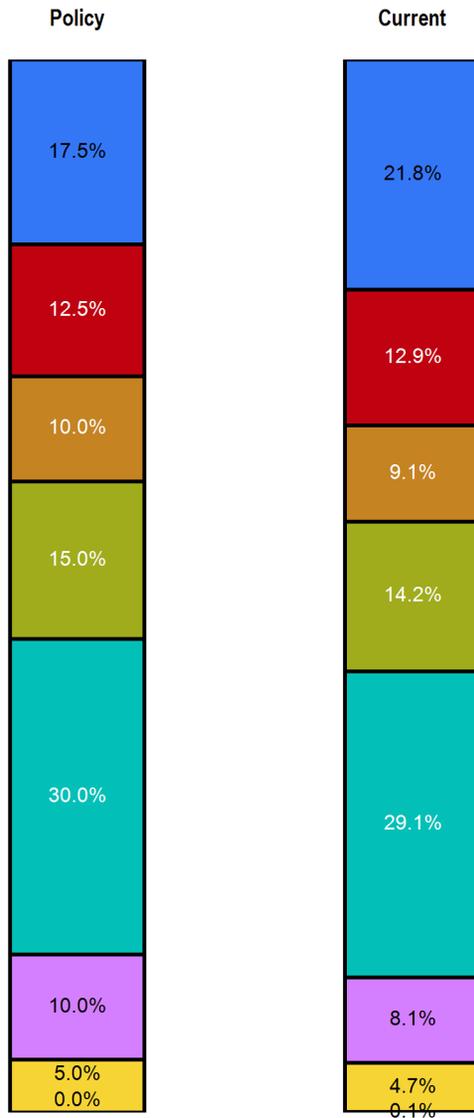
5 Years Ending June 30, 2012

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
OK TEACHERS	2.84%	24	14.20%	90
TEACHERS Allocation Index	2.28%	42	13.61%	79
TEACHERS Policy Index	1.79%	58	15.09%	98

5 Years Ending June 30, 2012

	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
OK TEACHERS	0.15	30	0.20	29
TEACHERS Allocation Index	0.11	44	0.16	40
TEACHERS Policy Index	0.07	64	0.10	63

Total Fund Asset Allocation vs. Policy Targets



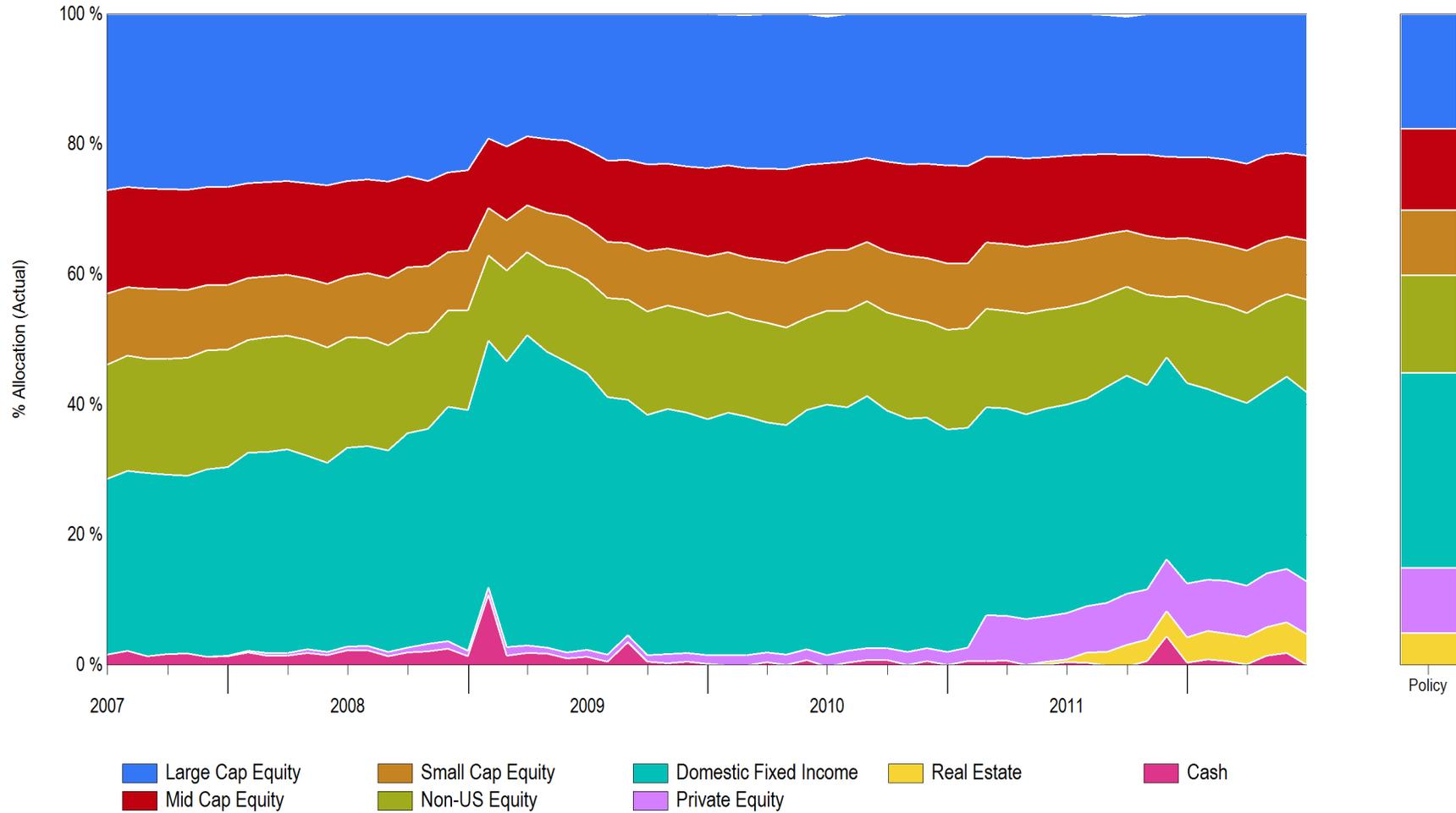
Asset Allocation vs. Target

	Current	Policy	Current	Difference *	Policy Range	Within Range
Large Cap Equity	\$2,197,626,826	17.5%	21.8%	4.3%	16.0% - 19.0%	No
Mid Cap Equity	\$1,306,606,178	12.5%	12.9%	0.4%	11.0% - 14.0%	Yes
Small Cap Equity	\$919,556,485	10.0%	9.1%	-0.9%	9.0% - 11.0%	Yes
Non-US Equity	\$1,438,328,903	15.0%	14.2%	-0.8%	13.0% - 17.0%	Yes
Domestic Fixed Income	\$2,935,807,004	30.0%	29.1%	-0.9%	27.0% - 33.0%	Yes
Private Equity	\$820,962,941	10.0%	8.1%	-1.9%	9.0% - 11.0%	No
Real Estate	\$472,317,628	5.0%	4.7%	-0.3%	4.0% - 6.0%	Yes
Cash	\$6,037,603	0.0%	0.1%	0.1%	0.0% - 5.0%	Yes
Total	\$10,097,243,568	100.0%	100.0%			

*Difference between Policy and Current Allocation

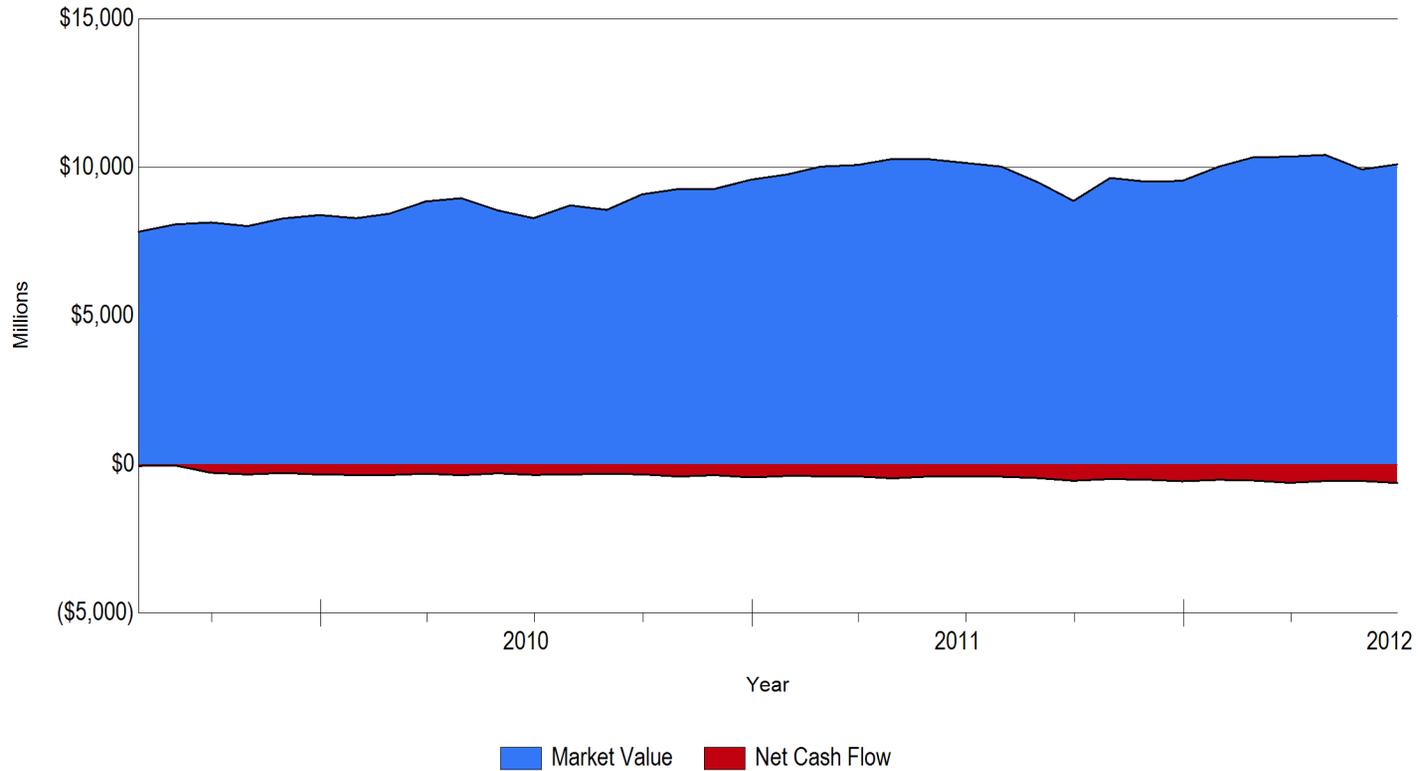
Total Fund Asset Allocation History

Asset Allocation History



Total Fund Asset Growth Summary

3 Years Ending June 30, 2012



	Last Three Months	Year-To-Date	One Year
Beginning Market Value	\$10,357,165,824	\$9,541,285,121	\$10,147,903,285
- Withdrawals	-\$1,470,354,579	-\$1,925,604,740	-\$4,153,717,173
+ Contributions	\$1,462,245,213	\$1,864,761,708	\$3,923,532,745
= Net Cash Flow	-\$8,109,366	-\$60,843,032	-\$230,184,428
+ Net Investment Change	-\$251,812,890	\$616,801,479	\$179,524,711
= Ending Market Value	\$10,097,243,568	\$10,097,243,568	\$10,097,243,568

OKLAHOMA TEACHERS

Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Advisory Research	\$401,084,204	-\$78,940,505	\$0	-\$78,940,505	-\$9,609,244	\$312,534,455
Advisory Research Int'l Small Cap	\$69,506,944	\$0	\$17,797,053	\$17,797,053	-\$2,494,780	\$84,809,216
AEW Real Estate	\$155,840,225	\$0	\$0	\$0	\$2,318,003	\$158,158,228
Aldus PE	\$63,907,353	\$0	\$0	\$0	\$3,927,135	\$67,834,488
Aronson Mid Cap	\$339,088,491	-\$44	\$0	-\$44	-\$15,779,760	\$323,308,687
Brandes - Value	\$377,364,427	-\$2,705,808	\$2,705,808	\$0	-\$31,920,857	\$345,443,570
Capital Guardian	\$1,567,991	-\$1,046,826	\$0	-\$1,046,826	-\$78,427	\$442,738
Cash Account	\$8,843,556	-\$291,330,726	\$312,310,494	\$20,979,768	-\$23,785,733	\$6,037,591
Causeway - Value	\$394,161,824	\$0	\$15,541,314	\$15,541,314	-\$27,662,300	\$382,040,838
Chicksaw Capital Management	\$150,657,142	\$0	\$0	\$0	-\$5,889,019	\$144,768,123
Epoch	\$468,086,261	-\$141,897,701	\$0	-\$141,897,701	-\$17,757,034	\$308,431,526
EPOCH Int'l Small Cap	\$71,066,146	\$0	\$17,216,091	\$17,216,091	-\$5,294,407	\$82,987,830
Fiduciary Asset Management	\$269,715,095	\$0	\$0	\$0	-\$7,225,668	\$262,489,427
Frontier	\$354,001,977	\$0	\$0	\$0	-\$9,689,187	\$344,312,791
Goldman Sachs	\$526,807,720	-\$521,426,458	\$0	-\$521,426,458	-\$5,381,230	\$32
Heitman Real Estate	\$156,309,732	\$0	\$0	\$0	\$4,849,567	\$161,159,299
Hoisington Long Bonds	\$261,303,148	\$0	\$0	\$0	\$36,343,265	\$297,646,413
Hotchkis & Wiley Large Cap Value	\$419,787,979	-\$53,322,336	\$0	-\$53,322,336	-\$16,411,049	\$350,054,594
Hotchkis & Wiley Mid Cap	\$364,758,275	\$0	\$0	\$0	-\$11,038,306	\$353,719,969
L & B Real Estate	\$124,746,993	\$0	\$26,954,171	\$26,954,171	\$1,298,937	\$153,000,101
Loomis High Yield	\$214,952,264	-\$17,905,993	\$0	-\$17,905,993	\$763,045	\$197,809,316
Loomis Sayles Core Plus	\$573,398,788	\$0	\$0	\$0	\$17,995,551	\$591,394,339
Lord Abbett Core Plus	\$568,554,924	\$0	\$0	\$0	\$12,292,845	\$580,847,769
Lord Abbett High Yield	\$213,687,528	-\$17,537,051	\$0	-\$17,537,051	\$1,692,374	\$197,842,851
Mackay High Yield	\$213,757,679	-\$20,556,956	\$0	-\$20,556,956	\$3,938,816	\$197,139,539

OKLAHOMA TEACHERS

Total Fund Asset Growth Summary by Manager

	Quarter Ending June 30, 2012					Ending Market Value
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	
Mackay PE	\$864,639	-\$318,166	\$0	-\$318,166	-\$546,473	\$0
Mackay Shields Core Plus	\$573,125,575	-\$4	\$318,170	\$318,166	\$11,631,905	\$585,075,646
Northern Trust S&P 500 Cap Wgt	\$0	\$0	\$446,287,436	\$446,287,436	-\$7,438,062	\$438,849,374
OK - OTRS/FP	\$32,107,489	\$0	\$14,400,000	\$14,400,000	-\$1,346,735	\$45,160,754
Pimco Bravo	\$51,752,791	-\$499,253	\$10,000,000	\$9,500,747	\$5,056,495	\$66,310,033
Pimco Distressed	\$60,621,698	-\$12,402,211	\$0	-\$12,402,211	\$8,519,811	\$56,739,298
Pimco Distressed 2	\$47,025,031	-\$7,644,730	\$0	-\$7,644,730	\$8,337,988	\$47,718,289
Sawgrass Large Growth	\$562,770,358	-\$199,075,073	\$0	-\$199,075,073	-\$9,938,855	\$353,756,430
Shapiro Capital	\$539,844,778	\$0	\$0	\$0	-\$36,834,114	\$503,010,664
SSgA S&P Eq Weighted Index Fund	\$0	\$0	\$444,974,151	\$444,974,151	-\$10,973,737	\$434,000,414
Stephens Capital Core Bonds	\$283,237,710	\$0	\$0	\$0	\$4,813,422	\$288,051,131
Swank Capital LLC	\$140,835,790	\$0	\$0	\$0	-\$10,893,261	\$129,942,529
Thornburg International	\$375,825,808	\$0	\$21,983,387	\$21,983,387	-\$23,337,197	\$374,471,998
Tocqueville	\$450,910,233	\$0	\$0	\$0	-\$34,364,413	\$416,545,820
Transition Account 1	\$2,453,488	-\$2,453,685	\$0	-\$2,453,685	\$207	\$10
Transition Account 2	\$1,711	-\$1,612	\$0	-\$1,612	-\$100	\$0
Transition Account 3	\$0	-\$101,289,441	\$103,079,487	\$1,790,046	-\$1,790,044	\$1
Wasatch Int'l Small Cap	\$73,095,840	\$0	\$11,952,046	\$11,952,046	-\$1,225,257	\$83,822,630
Wellington	\$327,625,431	\$0	\$0	\$0	-\$42,360,699	\$285,264,732
Wellington Int'l Small Cap	\$72,110,785	\$0	\$16,725,605	\$16,725,605	-\$4,526,309	\$84,310,081
Total	\$10,357,165,824	-\$1,470,354,579	\$1,462,245,213	-\$8,109,366	-\$251,812,890	\$10,097,243,568

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
OK TEACHERS	10,097,243,568	100.0	-2.4	81	6.4	11	1.8	38	13.6	5	2.8	24	5.9	12
TEACHERS Allocation Index			-2.0	60	5.6	54	1.5	44	12.3	28	2.3	42	5.2	45
Over/Under			-0.4		0.8		0.3		1.3		0.5		0.7	
TEACHERS Policy Index			-2.3	76	6.1	28	1.2	49	12.8	18	1.8	58	5.0	58
ICC Public DB Median			-1.8		5.7		1.2		11.5		2.0		5.1	
Total Equity Composite	5,862,118,391	58.1	-5.4	47	8.4	24	-3.6	33	14.1	28	-0.9	40	4.4	63
Russell 3000			-3.1	19	9.3	17	3.8	7	16.7	15	0.4	25	4.3	64
Over/Under			-2.3		-0.9		-7.4		-2.6		-1.3		0.1	
eA All Global Equity Gross Median			-5.6		6.1		-6.2		12.0		-1.6		4.9	
U.S. Equity Comp	4,423,789,489	43.8	-4.8	59	9.4	34	-0.7	59	16.3	60	0.2	69	4.4	69
S&P 500			-2.8	24	9.5	32	5.4	18	16.4	59	0.2	69	4.1	77
Over/Under			-2.0		-0.1		-6.1		-0.1		0.0		0.3	
eA All US Equity Gross Median			-4.3		8.3		0.4		17.0		1.2		5.4	
Advisory Research	312,534,455	3.1	-2.7	22	6.9	56	1.9	38	16.5	41	-1.2	77	--	--
Russell 3000			-3.1	28	9.3	30	3.8	23	16.7	39	0.4	60	4.3	70
Over/Under			0.4		-2.4		-1.9		-0.2		-1.6			
Epoch	308,431,526	3.1	-4.6	50	7.2	54	-0.3	52	15.7	51	1.5	43	--	--
Russell 3000			-3.1	28	9.3	30	3.8	23	16.7	39	0.4	60	4.3	70
Over/Under			-1.5		-2.1		-4.1		-1.0		1.1			
eA US All Cap Equity Gross Median			-4.6		7.5		-0.2		15.7		1.0		5.4	
Sawgrass Large Growth	353,756,430	3.5	-2.5	9	10.0	47	9.2	9	17.1	36	2.6	48	--	--
Russell 1000 Growth			-4.0	24	10.1	44	5.8	23	17.5	30	2.9	41	5.5	45
Over/Under			1.5		-0.1		3.4		-0.4		-0.3			
Goldman Sachs	32	0.0	1.1	1	17.9	1	11.3	3	15.9	52	3.2	35	5.9	37
Russell 1000 Growth			-4.0	24	10.1	44	5.8	23	17.5	30	2.9	41	5.5	45
Over/Under			5.1		7.8		5.5		-1.6		0.3		0.4	
eA US Large Cap Growth Equity Gross Median			-5.3		9.7		3.1		16.0		2.5		5.3	
Hotchkis & Wiley Large Cap Value	350,054,594	3.5	-4.3	65	9.8	12	2.6	42	17.0	20	-3.7	93	0.6	97
Russell 1000 Value			-2.2	25	8.7	28	3.0	38	15.8	39	-2.2	76	2.9	77
Over/Under			-2.1		1.1		-0.4		1.2		-1.5		-2.3	
eA US Large Cap Value Equity Gross Median			-3.6		7.4		1.9		15.0		-0.6		4.2	

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
Aronson Mid Cap	323,308,687	3.2	-4.7	41	8.2	43	-2.1	46	19.5	36	1.3	59	5.3	73
<i>Russell MidCap</i>			<u>-4.4</u>	36	<u>8.0</u>	48	<u>-1.7</u>	41	<u>19.4</u>	36	<u>1.1</u>	63	<u>5.4</u>	66
Over/Under			-0.3		0.2		-0.4		0.1		0.2		-0.1	
<i>eA US Mid Cap Equity Gross Median</i>			-4.9		7.8		-2.4		18.5		2.1		6.2	
Frontier	344,312,791	3.4	-2.7	6	11.6	18	-0.1	31	17.3	70	4.5	28	9.4	6
<i>Russell MidCap Growth</i>			<u>-5.6</u>	48	<u>8.1</u>	57	<u>-3.0</u>	48	<u>19.0</u>	50	<u>1.9</u>	68	<u>5.8</u>	71
Over/Under			2.9		3.5		2.9		-1.7		2.6		3.6	
Wellington	285,264,732	2.8	-12.9	99	0.2	99	-13.8	99	15.4	85	-0.9	94	5.3	81
<i>Russell MidCap Growth</i>			<u>-5.6</u>	48	<u>8.1</u>	57	<u>-3.0</u>	48	<u>19.0</u>	50	<u>1.9</u>	68	<u>5.8</u>	71
Over/Under			-7.3		-7.9		-10.8		-3.6		-2.8		-0.5	
<i>eA US Mid Cap Growth Equity Gross Median</i>			-5.8		8.6		-3.4		18.8		3.0		6.7	
Hotchkis & Wiley Mid Cap	353,719,969	3.5	-3.0	20	19.3	1	5.4	3	25.0	2	1.7	37	5.5	53
<i>Russell MidCap Value</i>			<u>-3.3</u>	22	<u>7.8</u>	39	<u>-0.4</u>	33	<u>19.9</u>	22	<u>-0.1</u>	75	<u>4.8</u>	75
Over/Under			0.3		11.5		5.8		5.1		1.8		0.7	
<i>eA US Mid Cap Value Equity Gross Median</i>			-4.6		7.2		-2.2		17.9		1.1		5.7	
Shapiro Capital	503,010,664	5.0	-6.8	88	7.2	48	-5.2	78	19.3	41	2.3	40	7.1	28
<i>Russell 2000 Value</i>			<u>-3.0</u>	24	<u>8.2</u>	33	<u>-1.4</u>	41	<u>17.4</u>	70	<u>-1.0</u>	89	<u>3.4</u>	89
Over/Under			-3.8		-1.0		-3.8		1.9		3.3		3.7	
Tocqueville	416,545,820	4.1	-7.6	94	8.4	31	-14.2	99	9.2	99	-2.8	96	4.6	74
<i>Russell 2000 Value</i>			<u>-3.0</u>	24	<u>8.2</u>	33	<u>-1.4</u>	41	<u>17.4</u>	70	<u>-1.0</u>	89	<u>3.4</u>	89
Over/Under			-4.6		0.2		-12.8		-8.2		-1.8		1.2	
<i>eA US Small Cap Value Equity Gross Median</i>			-4.4		7.1		-2.0		18.5		1.3		6.1	
Domestic Passive Equity	872,849,789	8.6												
Northern Trust S&P 500 Cap Wgt	438,849,374	4.3	-1.7	1	--	--	--	--	--	--	--	--	--	--
<i>S&P 500</i>			<u>-2.8</u>	34	<u>9.5</u>	25	<u>5.4</u>	28	<u>16.4</u>	73	<u>0.2</u>	79	<u>4.1</u>	79
Over/Under			1.1											
SSgA S&P Eq Weighted Index Fund	434,000,414	4.3	-2.5	16	--	--	--	--	--	--	--	--	--	--
<i>S&P 500</i>			<u>-2.8</u>	34	<u>9.5</u>	25	<u>5.4</u>	28	<u>16.4</u>	73	<u>0.2</u>	79	<u>4.1</u>	79
Over/Under			0.3											
<i>eA US Passive Equity Gross Median</i>			-3.1		9.3		4.1		16.7		0.4		4.3	

OKLAHOMA TEACHERS

Total Fund Performance Detail

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
International Equity Composite	1,438,328,903	14.2	-7.3	55	5.2	41	-12.2	47	7.4	72	-4.3	67	3.7	76
MSCI ACWI ex USA			-7.6	61	2.8	83	-14.6	73	7.0	81	-4.6	75	3.9	74
Over/Under			0.3		2.4		2.4		0.4		0.3		-0.2	
eA All ACWI ex-US Equity Gross Median			-7.0		4.7		-12.5		9.3		-3.4		5.0	
Thornburg International	374,471,998	3.7	-6.6	50	4.2	60	-13.9	71	8.7	50	-1.4	14	--	--
MSCI EAFE			-7.1	62	3.0	79	-13.8	70	6.0	87	-6.1	81	2.3	88
Over/Under			0.5		1.2		-0.1		2.7		4.7			
eA All EAFE Equity Gross Median			-6.6		4.9		-12.3		8.7		-4.5		4.0	
Brandes - Value	345,443,570	3.4	-8.5	69	1.8	68	-12.8	49	4.1	85	-5.9	74	2.8	68
MSCI EAFE			-7.1	52	3.0	61	-13.8	62	6.0	75	-6.1	77	2.3	81
Over/Under			-1.4		-1.2		1.0		-1.9		0.2		0.5	
eA EAFE Value Equity Gross Median			-7.1		3.6		-12.9		8.1		-4.5		3.6	
Causeway - Value	382,040,838	3.8	-7.3	54	7.8	6	-11.6	35	10.6	26	-3.6	36	3.6	54
MSCI EAFE			-7.1	52	3.0	61	-13.8	62	6.0	75	-6.1	77	2.3	81
Over/Under			-0.2		4.8		2.2		4.6		2.5		1.3	
International Small Cap Equity	335,929,758	3.3	-6.0	44	8.4	42	--	--	--	--	--	--	--	--
MSCI ACWI ex USA			-7.6	65	2.8	91	-14.6	72	7.0	99	-4.6	94	3.9	89
Over/Under			1.6		5.6									
Advisory Research Int'l Small Cap	84,809,216	0.8	-5.3	29	6.7	59	--	--	--	--	--	--	--	--
MSCI ACWI ex USA			-7.6	65	2.8	91	-14.6	72	7.0	99	-4.6	94	3.9	89
Over/Under			2.3		3.9									
EPOCH Int'l Small Cap	82,987,830	0.8	-8.5	84	5.1	81	--	--	--	--	--	--	--	--
MSCI ACWI ex USA			-7.6	65	2.8	91	-14.6	72	7.0	99	-4.6	94	3.9	89
Over/Under			-0.9		2.3									
Wasatch Int'l Small Cap	83,822,630	0.8	-2.6	1	13.5	2	--	--	--	--	--	--	--	--
MSCI ACWI ex USA			-7.6	65	2.8	91	-14.6	72	7.0	99	-4.6	94	3.9	89
Over/Under			5.0		10.7									
Wellington Int'l Small Cap	84,310,081	0.8	-7.7	67	8.1	44	--	--	--	--	--	--	--	--
MSCI ACWI ex USA			-7.6	65	2.8	91	-14.6	72	7.0	99	-4.6	94	3.9	89
Over/Under			-0.1		5.3									
eA ACWI ex-US Small Cap Equity Gross Median			-6.4		7.2		-12.1		13.7		-1.6		8.5	

OKLAHOMA TEACHERS

Total Fund Performance Detail

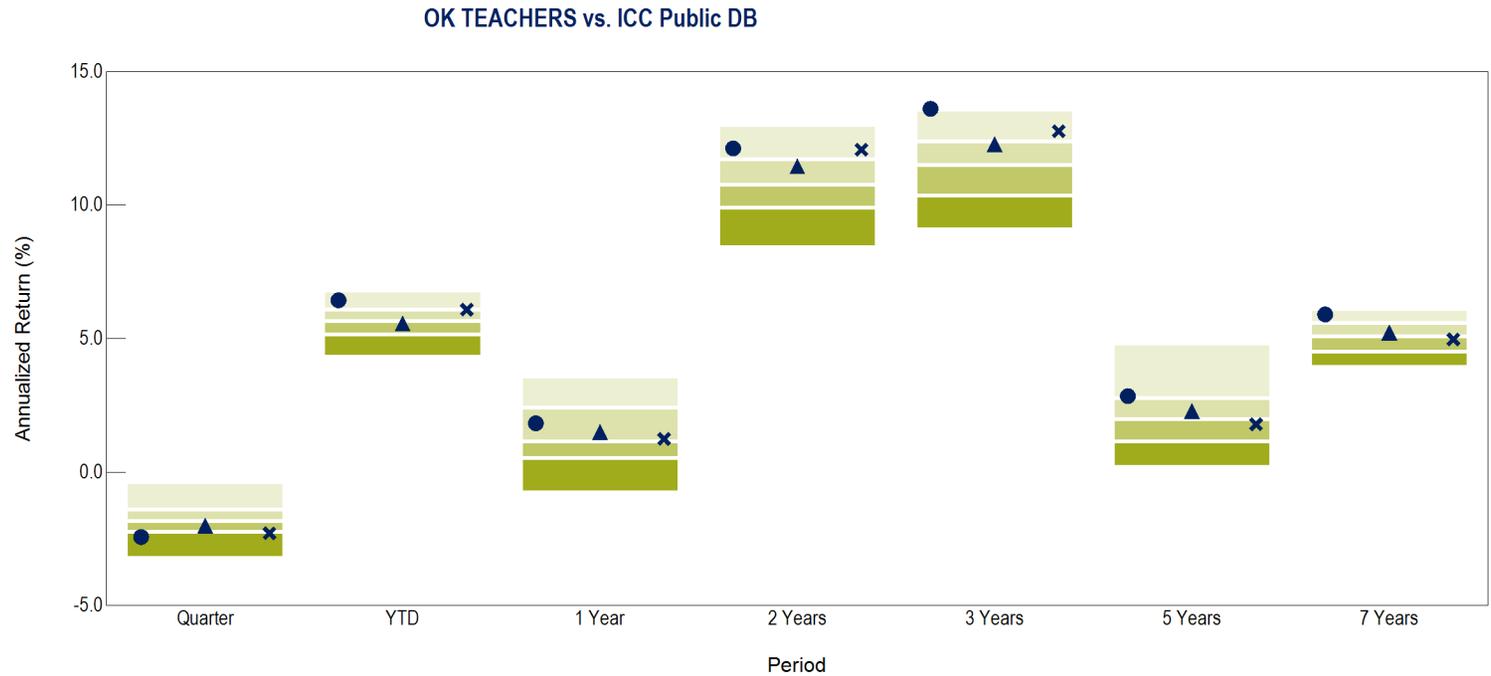
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
Fixed Composite	2,935,807,004	29.1	3.1	12	5.4	21	11.2	13	11.9	24	10.5	7	8.3	10
Barclays Aggregate			2.1	38	2.4	69	7.5	43	6.9	61	6.8	54	5.6	60
Over/Under			1.0		3.0		3.7		5.0		3.7		2.7	
eA All US Fixed Inc Gross Median			1.7		3.2		6.9		7.8		6.9		5.9	
Loomis Sayles Core Plus	591,394,339	5.9	3.1	2	6.1	6	10.1	5	12.1	16	10.7	2	8.8	1
Barclays Aggregate			2.1	53	2.4	97	7.5	63	6.9	98	6.8	81	5.6	86
Over/Under			1.0		3.7		2.6		5.2		3.9		3.2	
Mackay Shields Core Plus	585,075,646	5.8	2.0	56	4.6	37	8.6	21	9.9	53	8.7	23	7.0	24
Barclays Aggregate			2.1	53	2.4	97	7.5	63	6.9	98	6.8	81	5.6	86
Over/Under			-0.1		2.2		1.1		3.0		1.9		1.4	
Lord Abnett Core Plus	580,847,769	5.8	2.2	42	4.3	46	9.0	11	9.6	53	8.4	26	6.9	30
Barclays Aggregate			2.1	53	2.4	97	7.5	63	6.9	98	6.8	81	5.6	86
Over/Under			0.1		1.9		1.5		2.7		1.6		1.3	
eA US Core Plus Fixed Inc Gross Median			2.1		4.2		7.9		10.1		7.6		6.4	
Stephens Capital Core Bonds	288,051,131	2.9	1.7	85	2.1	96	4.3	98	4.8	99	6.8	78	5.5	85
Barclays Aggregate			2.1	65	2.4	88	7.5	72	6.9	82	6.8	79	5.6	83
Over/Under			-0.4		-0.3		-3.2		-2.1		0.0		-0.1	
eA US Core Fixed Inc Gross Median			2.2		3.2		8.0		8.0		7.4		6.1	
Hoisington Long Bonds	297,646,413	2.9	13.9	2	4.9	89	45.9	2	16.4	27	14.2	11	9.1	35
Barclays Aggregate			2.1	99	2.4	99	7.5	99	6.9	99	6.8	99	5.6	99
Over/Under			11.8		2.5		38.4		9.5		7.4		3.5	
eA US Long Duration Fixed Inc Gross Median			6.6		5.8		22.9		15.7		11.8		8.5	
Loomis High Yield	197,809,316	2.0	0.4	94	10.3	3	0.8	97	14.6	61	--	--	--	--
BofA Merrill Lynch US High Yield Master II TR			1.8	37	7.1	44	6.5	70	16.2	35	8.2	40	8.2	48
Over/Under			-1.4		3.2		-5.7		-1.6					
Lord Abnett High Yield	197,842,851	2.0	0.8	87	6.8	56	6.4	72	16.7	24	--	--	--	--
BofA Merrill Lynch US High Yield Master II TR			1.8	37	7.1	44	6.5	70	16.2	35	8.2	40	8.2	48
Over/Under			-1.0		-0.3		-0.1		0.5					
Mackay High Yield	197,139,539	2.0	1.9	29	6.5	65	8.6	15	14.7	58	--	--	--	--
BofA Merrill Lynch US High Yield Master II TR			1.8	37	7.1	44	6.5	70	16.2	35	8.2	40	8.2	48
Over/Under			0.1		-0.6		2.1		-1.5					
eA US High Yield Fixed Inc Gross Median			1.6		6.9		7.1		15.3		7.9		8.1	

OKLAHOMA TEACHERS

Total Fund Performance Detail

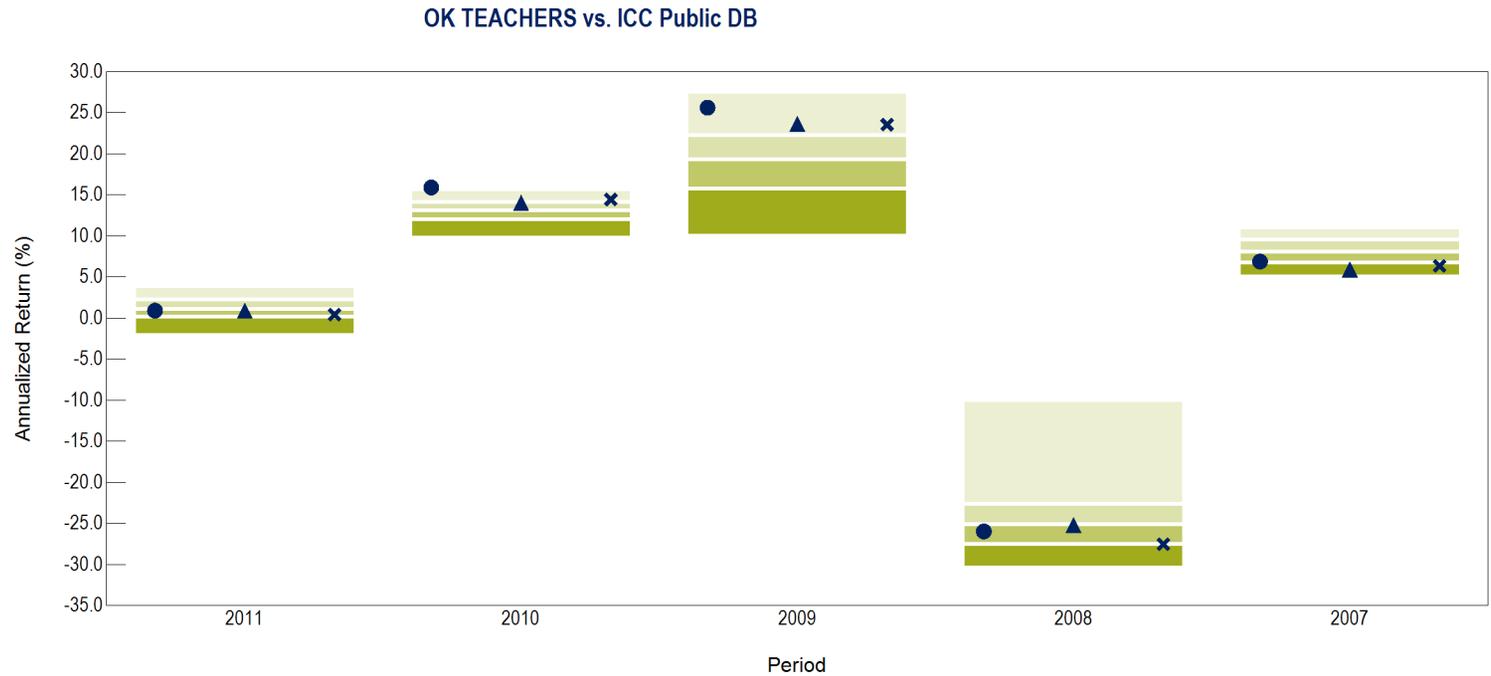
	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank
Total Private Equity	283,762,861	2.8												
Pimco Distressed	56,739,298	0.6	14.4	--	7.4	--	-0.6	--	37.6	--	--	--	--	--
Aldus PE	67,834,488	0.7	6.1	--	13.5	--	13.4	--	8.6	--	--	--	--	--
Pimco Distressed 2	47,718,289	0.5	19.3	--	12.1	--	0.1	--	28.1	--	--	--	--	--
Pimco Bravo	66,310,033	0.7	8.2	--	8.4	--	12.9	--	--	--	--	--	--	--
OK - OTRS/FP	45,160,754	0.4	-4.1	--	-13.7	--	-34.9	--	--	--	--	--	--	--
Master Limited Partnerships	537,200,079	5.3												
Chicksaw Capital Management	144,768,123	1.4	-3.9	--	2.2	--	13.8	--	--	--	--	--	--	--
Alerion MLP Index			-2.3	--	-0.4	--	7.8	--	27.0	--	9.9	--	13.0	--
Over/Under			-1.6		2.6		6.0							
Swank Capital LLC	129,942,529	1.3	-7.7	--	-3.5	--	4.2	--	--	--	--	--	--	--
Alerion MLP Index			-2.3	--	-0.4	--	7.8	--	27.0	--	9.9	--	13.0	--
Over/Under			-5.4		-3.1		-3.6							
Fiduciary Asset Management	262,489,427	2.6	-2.7	--	-2.3	--	6.8	--	--	--	--	--	--	--
Alerion MLP Index			-2.3	--	-0.4	--	7.8	--	27.0	--	9.9	--	13.0	--
Over/Under			-0.4		-1.9		-1.0							
Total Core Real Estate	472,317,628	4.7												
NCREIF ODCE			-		-		-		-		-		-	
Over/Under														
L & B Real Estate	153,000,101	1.5	0.9	--	1.9	--	2.2	--	--	--	--	--	--	--
NCREIF ODCE			2.5	--	5.4	--	12.4	--	8.4	--	-0.9	--	4.3	--
Over/Under			-1.6		-3.5		-10.2							
Heitman Real Estate	161,159,299	1.6	3.1	--	5.0	--	9.6	--	--	--	--	--	--	--
NCREIF ODCE			2.5	--	5.4	--	12.4	--	8.4	--	-0.9	--	4.3	--
Over/Under			0.6		-0.4		-2.8							
AEW Real Estate	158,158,228	1.6	1.5	--	3.3	--	6.9	--	--	--	--	--	--	--
NCREIF ODCE			2.5	--	5.4	--	12.4	--	8.4	--	-0.9	--	4.3	--
Over/Under			-1.0		-2.1		-5.5							

Total Fund Return Summary vs. Peer Universe



	Return (Rank)													
5th Percentile	-0.4	6.8	3.6	13.0	13.6	4.8	6.1							
25th Percentile	-1.4	6.1	2.4	11.7	12.4	2.8	5.6							
Median	-1.8	5.7	1.2	10.8	11.5	2.0	5.1							
75th Percentile	-2.2	5.2	0.5	9.9	10.4	1.2	4.5							
95th Percentile	-3.2	4.3	-0.7	8.4	9.1	0.2	3.9							
# of Portfolios	113	112	112	109	108	104	102							
● OK TEACHERS	-2.4	(81)	6.4	(11)	1.8	(38)	12.1	(14)	13.6	(5)	2.8	(24)	5.9	(12)
▲ TEACHERS Allocation Index	-2.0	(60)	5.6	(54)	1.5	(44)	11.5	(35)	12.3	(28)	2.3	(42)	5.2	(45)
× TEACHERS Policy Index	-2.3	(76)	6.1	(28)	1.2	(49)	12.1	(14)	12.8	(18)	1.8	(58)	5.0	(58)

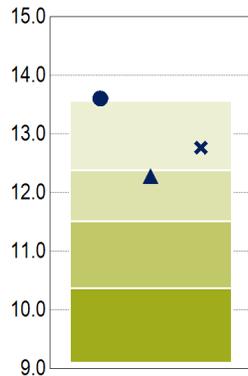
Total Fund Return Summary vs. Peer Universe



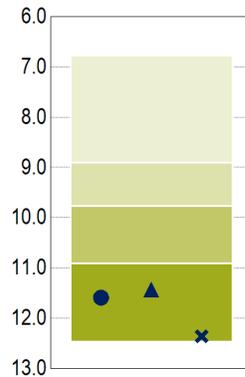
	Return (Rank)									
5th Percentile	3.9	15.6	27.5	-10.0	11.0					
25th Percentile	2.3	14.2	22.3	-22.6	9.6					
Median	1.1	13.2	19.4	-25.1	8.1					
75th Percentile	0.2	12.1	15.8	-27.4	6.8					
95th Percentile	-2.0	9.8	10.1	-30.3	5.1					
# of Portfolios	146	144	144	141	140					
● OK TEACHERS	0.9	(58)	15.9	(5)	25.6	(12)	-26.0	(60)	6.9	(72)
▲ TEACHERS Allocation Index	0.9	(59)	14.0	(29)	23.6	(19)	-25.2	(53)	5.9	(89)
× TEACHERS Policy Index	0.4	(72)	14.4	(23)	23.5	(19)	-27.5	(76)	6.3	(83)

OK TEACHERS vs. ICC Public DB
3 Years

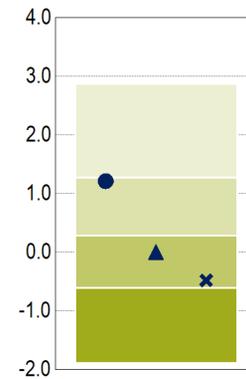
Anlzd Return



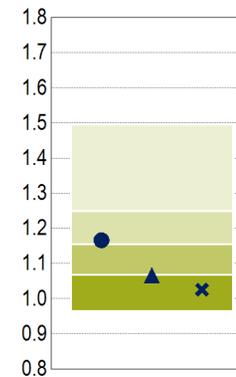
Anlzd Standard Deviation



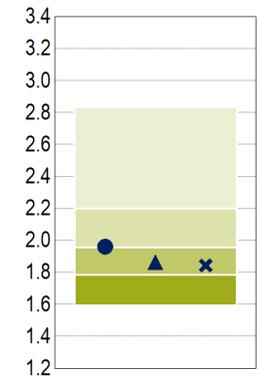
Anlzd Alpha



Sharpe Ratio



Sortino Ratio RF



● OK TEACHERS	
Value	13.60
%tile	5
▲ TEACHERS Allocation Index	
Value	12.28
%tile	28
✕ TEACHERS Policy Index	
Value	12.76
%tile	18
Universe	
5th %tile	13.56
25th %tile	12.38
Median	11.51
75th %tile	10.38
95th %tile	9.11

● OK TEACHERS	
Value	11.60
%tile	89
▲ TEACHERS Allocation Index	
Value	11.44
%tile	87
✕ TEACHERS Policy Index	
Value	12.36
%tile	94
Universe	
5th %tile	6.77
25th %tile	8.90
Median	9.76
75th %tile	10.90
95th %tile	12.47

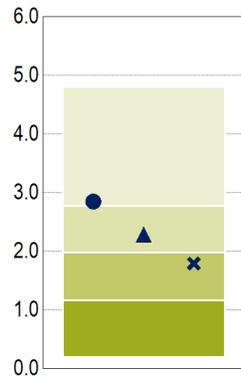
● OK TEACHERS	
Value	1.21
%tile	26
▲ TEACHERS Allocation Index	
Value	0.00
%tile	62
✕ TEACHERS Policy Index	
Value	-0.48
%tile	72
Universe	
5th %tile	2.87
25th %tile	1.28
Median	0.29
75th %tile	-0.60
95th %tile	-1.88

● OK TEACHERS	
Value	1.17
%tile	45
▲ TEACHERS Allocation Index	
Value	1.07
%tile	76
✕ TEACHERS Policy Index	
Value	1.03
%tile	87
Universe	
5th %tile	1.50
25th %tile	1.25
Median	1.16
75th %tile	1.07
95th %tile	0.97

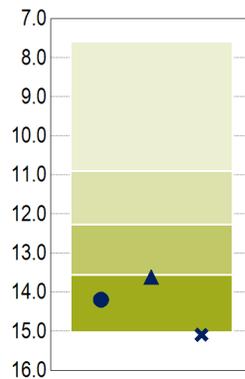
● OK TEACHERS	
Value	1.96
%tile	50
▲ TEACHERS Allocation Index	
Value	1.86
%tile	68
✕ TEACHERS Policy Index	
Value	1.84
%tile	70
Universe	
5th %tile	2.83
25th %tile	2.20
Median	1.96
75th %tile	1.79
95th %tile	1.60

OK TEACHERS vs. ICC Public DB
5 Years

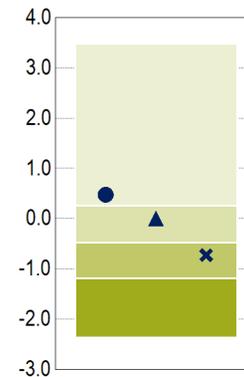
Anlzd Return



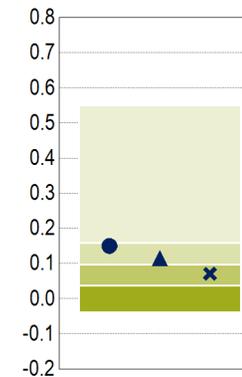
Anlzd Standard Deviation



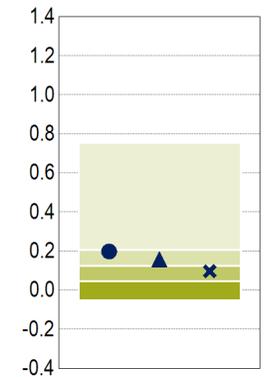
Anlzd Alpha



Sharpe Ratio



Sortino Ratio RF



● OK TEACHERS	Value	2.84
	%tile	24
▲ TEACHERS Allocation Index	Value	2.28
	%tile	42
× TEACHERS Policy Index	Value	1.79
	%tile	58
Universe		
	5th %tile	4.80
	25th %tile	2.78
	Median	1.99
	75th %tile	1.17
	95th %tile	0.20

● OK TEACHERS	Value	14.20
	%tile	90
▲ TEACHERS Allocation Index	Value	13.61
	%tile	79
× TEACHERS Policy Index	Value	15.09
	%tile	98
Universe		
	5th %tile	7.59
	25th %tile	10.89
	Median	12.25
	75th %tile	13.54
	95th %tile	15.01

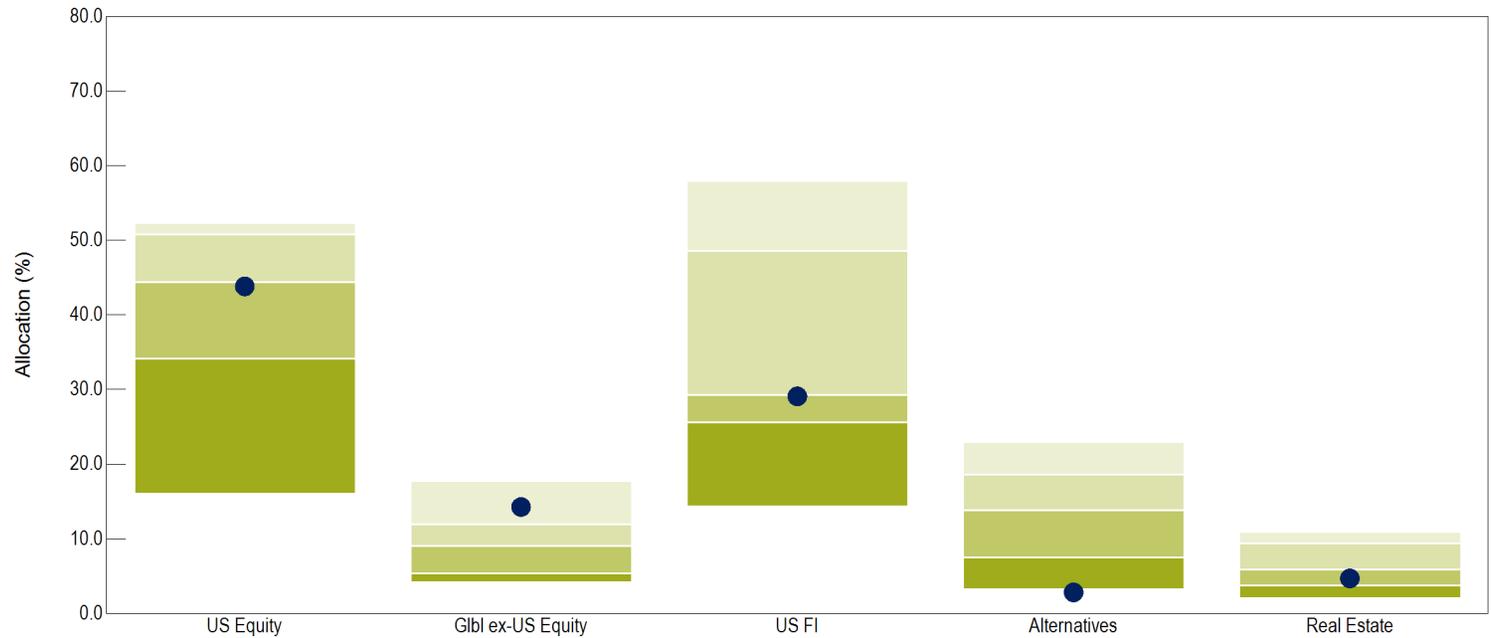
● OK TEACHERS	Value	0.47
	%tile	23
▲ TEACHERS Allocation Index	Value	0.00
	%tile	37
× TEACHERS Policy Index	Value	-0.73
	%tile	57
Universe		
	5th %tile	3.48
	25th %tile	0.27
	Median	-0.47
	75th %tile	-1.18
	95th %tile	-2.35

● OK TEACHERS	Value	0.15
	%tile	30
▲ TEACHERS Allocation Index	Value	0.11
	%tile	44
× TEACHERS Policy Index	Value	0.07
	%tile	64
Universe		
	5th %tile	0.55
	25th %tile	0.16
	Median	0.10
	75th %tile	0.04
	95th %tile	-0.04

● OK TEACHERS	Value	0.20
	%tile	29
▲ TEACHERS Allocation Index	Value	0.16
	%tile	40
× TEACHERS Policy Index	Value	0.10
	%tile	63
Universe		
	5th %tile	0.75
	25th %tile	0.21
	Median	0.13
	75th %tile	0.05
	95th %tile	-0.05

Total Fund Allocations vs. Peer Universe

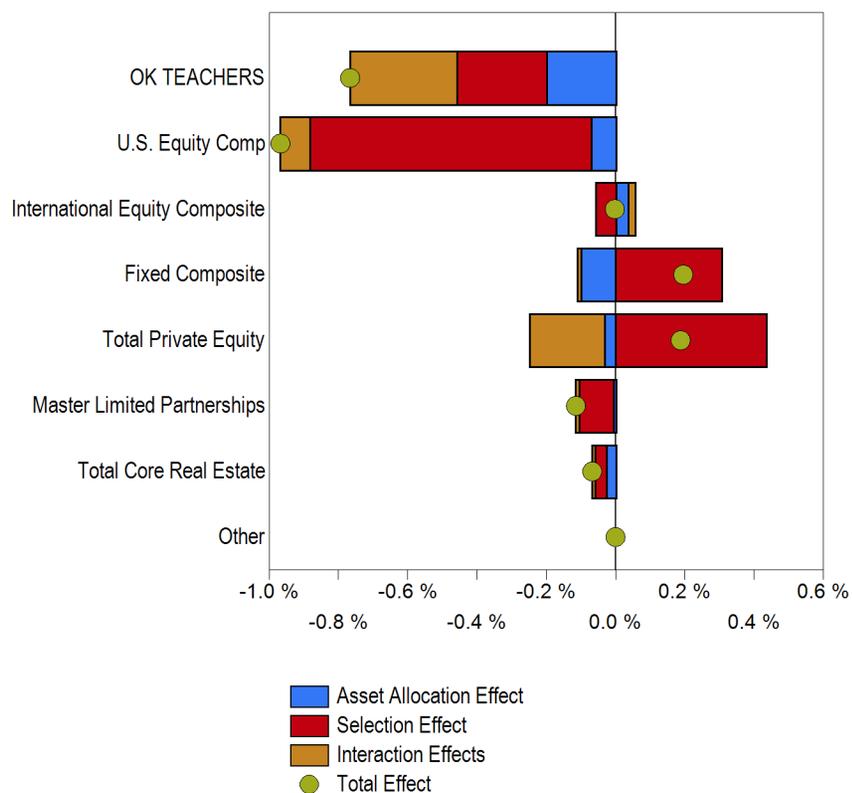
Total Plan Allocation vs. ICC Public DB



	US Equity		Gbl ex-US Equity		US FI		Alternatives		Real Estate	
5th Percentile	52.3		17.7		58.0		22.9		10.9	
25th Percentile	50.8		12.0		48.7		18.7		9.4	
Median	44.4		9.1		29.3		13.9		5.9	
75th Percentile	34.2		5.5		25.7		7.6		3.8	
95th Percentile	16.2		4.3		14.4		3.3		2.1	
# of Portfolios	22		18		22		7		14	
● OK TEACHERS	43.8	(55)	14.2	(19)	29.1	(53)	2.8	(97)	4.7	(66)

Total Fund Attribution Analysis

Attribution Effects Relative to TEACHERS Allocation Index
3 Months Ending June 30, 2012



Attribution Summary
3 Months Ending June 30, 2012

	Actual Return	Target Return	Relative Return	Selection Effect	Asset Allocation Effect	Interaction Effects	Total Effects
U.S. Equity Comp	-4.8%	-2.8%	-2.0%	-0.8%	-0.1%	-0.1%	-1.0%
International Equity Composite	-7.3%	-7.1%	-0.1%	-0.1%	0.0%	0.0%	0.0%
Fixed Composite	3.1%	2.1%	1.0%	0.3%	-0.1%	0.0%	0.2%
Total Private Equity	8.9%	0.0%	8.9%	0.4%	0.0%	-0.2%	0.2%
Master Limited Partnerships	-4.3%	-2.3%	-2.0%	-0.1%	0.0%	0.0%	-0.1%
Total Core Real Estate	1.9%	2.5%	-0.6%	0.0%	0.0%	0.0%	-0.1%
Other	-1.9%	0.0%	-1.9%	--	--	--	--
Total	-2.2%	-1.5%	-0.8%	-0.3%	-0.2%	-0.3%	-0.8%

Performance Attribution

	Last 3 Mo.	YTD	1 Yr
OK TEACHERS Return	-2.2%	6.6%	1.9%
Policy Benchmark **	-1.5%	5.6%	3.9%
Excess Return	-0.8%	1.0%	-2.0%
Selection Effect	-0.3%	1.1%	-1.7%
Asset Allocation Effect	-0.2%	0.0%	-0.3%
Interaction Effect	-0.3%	-0.1%	0.0%
Returns by Asset Class			
OK TEACHERS	-2.4%	6.4%	1.8%
Total Equity Composite	-5.4%	8.4%	-3.6%
U.S. Equity Comp	-4.8%	9.4%	-0.7%
Domestic Passive Equity	-2.1%		
International Equity Composite	-7.3%	5.2%	-12.2%
International Small Cap Equity	-6.0%	8.4%	
Fixed Composite	3.1%	5.4%	11.2%
Total Private Equity	8.9%	6.1%	-0.9%
Master Limited Partnerships	-4.3%	-1.4%	7.9%
Total Core Real Estate	1.9%	3.5%	5.9%
Other	-1.9%	-1.5%	5.9%

**Calculated from benchmark returns and weightings of each component.

Glossary of Investment Terminology

Of Portfolios/Observations¹ – The total number of data points that make up a specified universe

Allocation Index³ - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect² - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)³ - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)³ - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution³ - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity⁴ - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average¹ - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution¹ - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution¹ - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp)⁴ - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation¹ - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Coupon⁴ – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect¹ - Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument³ - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation¹ - Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:

Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration³ - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio¹ – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond³ - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark⁴ - The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate⁴ - The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects² - The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median³ - The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration³ - The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)³ - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni)⁴ - A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change¹ – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee⁴ - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology

Policy Index³ - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)⁴ - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)³ - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)⁴ - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)⁴ - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect² - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee¹ – A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

Total Effects² - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return¹ - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe³ - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation¹ – Standard Deviation of Positive Returns

Weighted Avg. Market Cap.⁴ - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)³ - The current yield of a security is the current indicated annual dividend rate divided by current price.

Yield to Maturity³ -The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net

Glossary of Investment Terminology—Risk Statistics

Alpha - Measures the relationship between the fund performance and the performance of another fund or benchmark index and equals the excess return while the other fund or benchmark index is zero.

Alpha Jensen - The average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return. Also known as the abnormal return or the risk adjusted excess return.

Annualized Excess Return over Benchmark - Annualized fund return minus the annualized benchmark return for the calculated return.

Annualized Return - A statistical technique whereby returns covering periods greater than one year are converted to cover a 12 month time span.

Beta - Measures the volatility or systematic risk and is equal to the change in the fund's performance in relation to the change in the assigned index's performance.

Information Ratio - A measure of the risk adjusted return of a financial security, asset, or portfolio.

Formula:
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Benchmark}) / \text{Annualized Standard Deviation}(\text{Period Portfolio Return} - \text{Period Benchmark Return})$. To annualize standard deviation, multiply the deviation by the square root of the number of periods per year where monthly returns per year equals 12 and quarterly returns is four periods per year.

R-Squared – Represents the percentage of a fund's movements that can be explained by movements in an index. R-Squared values range from 0 to 100. An R-Squared of 100 denotes that all movements of a fund are completely explained by movements in the index.

Sharpe Ratio - A measure of the excess return or risk premium per unit of risk in an investment asset or trading strategy.

Sortino Ratio - A method to differentiate between good and bad volatility in the Sharpe Ratio. The differentiation of up and down volatility allows the calculation to provide a risk adjusted measure of a security or fund's performance without upward price change penalties.

Formula:
 $\text{Calculation Average } (X-Y) / \text{Downside Deviation } (X-Y) * 2$
Where X=Return Series X Y = Return Series Y which is the risk free return (91 day T-bills)

Standard Deviation - The standard deviation is a statistical term that describes the distribution of results. It is a commonly used measure of volatility of returns of a portfolio, asset class, or security. The higher the standard deviation the more volatile the returns are.

Formula:
 $(\text{Annualized Return of Portfolio} - \text{Annualized Return of Risk Free}) / \text{Annualized Standard Deviation (Portfolio Returns)}$

Tracking Error - Tracking error, also known as residual risk, is a measure of the degree to which a portfolio tracks its benchmark. It is also a measure of consistency of excess returns. Tracking error is computed as the annualized standard deviation of the difference between a portfolio's return and that of its benchmark.

Formula:
 $\text{Tracking Error} = \text{Standard Deviation } (X-Y) * \sqrt{(\# \text{ of periods per year})}$
Where X = periods portfolio return and Y = the period's benchmark return
For monthly returns, the periods per year = 12
For quarterly returns, the periods per year = 4

Treynor Ratio - A risk-adjusted measure of return based on systematic risk. Similar to the Sharpe ratio with the difference being the Treynor ratio uses beta as the measurement of volatility.

Formula:
 $(\text{Portfolio Average Return} - \text{Average Return of Risk-Free Rate}) / \text{Portfolio Beta}$

Up/Down Capture Ratio - A measure of what percentage of a market's returns is "captured" by a portfolio. For example, if the market declines 10% over some period, and the manager declines only 9%, then his or her capture ratio is 90%. In down markets, it is advantageous for a manager to have as low a capture ratio as possible. For up markets, the higher the capture ratio the better. Looking at capture ratios can provide insight into how a manager achieves excess returns. A value manager might typically have a lower capture ratio in both up and down markets, achieving excess returns by protecting on the downside, whereas a growth manager might fall more than the overall market in down markets, but achieve above-market returns in a rising market.

$\text{UpsideCapture} = \text{TotalReturn}(\text{FundReturns}) / \text{TotalReturns}(\text{BMReturn})$ when Period Benchmark Return is $> = 0$

$\text{DownsideCapture} = \text{TotalReturn}(\text{FundReturns}) / \text{TotalReturns}(\text{BMReturn})$ when Benchmark < 0

Data Source: InvestorForce

- **Past performance is no guarantee of future results.**
- **NEPC relies on the plan's custodian bank for portfolio pricing, calculation of accruals, and transaction information. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **This report is provided as a management aid for the client's internal use only. Performance contained in this report does not constitute a recommendation by NEPC.**
- **This report may contain confidential or proprietary information and may not be copied or redistributed.**

OTRS PRIVATE EQUITY STRUCTURE FY 2012



Franklin Park in their capacity as Private Equity Consultants for OTRS is charged with researching, interviewing, analyzing, and selecting the best private equity, venture, and international private equity funds in which OTRS assets are invested. Franklin Park is also required to monitor the underlying private equity funds that OTRS is invested in.

This fund consists solely of private equity of commitments made by OTRS' previous private equity consultant. It is held separate for performance reporting. No Franklin Park recommended funds are held here.

FP LEGACY FUND

- Committed to the following funds:
- AG Capital Recovery Partners VII
 - Landmark Equity Partners XIV
 - Levine Leichtman Capital Partners IV
 - Lexington Capital Partners VII
 - Newstone Capital Partners
 - Platinum Equity Partners II
 - TowerBrook Investors III
 - WCAS XI

FP PE FUND

OTRS makes a total commitment of \$200mm annually. This money is distributed to in the following way: \$160mm to Private Equity funds, \$20mm each to the appropriate vintage year of FP Venture and FP International.

- As of the end of FY 2012, FP PE commitments include, but are not limited to the following funds:
- J F Lehman III
 - Riverside V
 - Wicks IV
 - Thoma Bravo X

- FP Venture 2010
- FP Venture 2011
- FP Venture 2012

This is to represent the funds that are committed to by the FP Venture funds.

- FP International 2011
- FP International 2012

This is to represent the funds that are committed to by the FP International funds.

Typically, the private equity Funds listed above invest in privately held companies, the difference between venture and private equity is the size or stage of the company's equity being acquired and the size of investment that the fund is making. Some of the above funds may invest in corporate distressed debt as a core strategy component.

Steven E. Buckley
Director

MacKayShields

September 14, 2012

Dr. James Wilbanks
Executive Secretary
Teachers' Retirement System of Oklahoma
2500 North Lincoln Boulevard, Suite 500
Oklahoma City, OK 73105

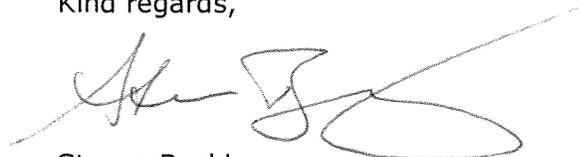
Dear Dr. Wilbanks:

Under the current Investment Policy Statement for the Teachers' Retirement System of Oklahoma, MacKay Shields was granted an exception to increase the maximum concentration in High Yield, within the Core Plus portfolio, to 50% from 25%. This exception was granted in 2010 and it expires on December 31, 2012.

I am writing to you to request an extension of this concentration limit in High Yield investments, but on a more limited basis. More specifically, rather than invest up to 50% of the portfolio in High Yield, we would propose a limit of 35% to accommodate opportunistic allocations to this asset class. The portfolio currently has approximately 26% of its assets invested in High Yield.

Please let us know if this would be acceptable. We would welcome any questions or concerns you may have. Thank you.

Kind regards,



Steven Buckley
Director, MacKay Shields LLC

cc: Douglas J. Anderson, President, Gregory Weaver Group
Grant Soderberg, Investment Associate, OTRS
Virginia Rose, Managing Director, MacKay Shields LLC

August 2012 - Market Environment

Equities Higher, Bonds Slightly Lower



Equity Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
Dow Jones Industrial Average	1.0	15.9	14.3	2.4
NASDAQ (prc chg only)	4.3	18.9	15.1	3.4
S&P 500 cap weighted	2.3	2.3	13.6	1.3
S&P 500 equal weighted	3.0	14.2	15.1	3.2
S&P Mid Cap	3.5	12.8	15.7	4.0
S&P Small Cap	3.8	16.9	16.2	3.1
S&P REIT	0.1	20.4	23.9	3.2
Russell 1000 Growth	2.7	17.4	15.6	3.7
Russell 1000 Value	2.2	17.3	12.1	-0.9
Russell Mid Cap Growth	3.4	11.7	16.1	2.9
Russell Mid Cap Value	2.9	14.8	15.1	1.8
Russell 2000 Growth	3.6	12.7	15.5	2.9
Russell 2000 Value	3.1	14.1	12.2	0.7
Russell Top 200	2.1	19.0	13.1	1.1
Russell 1000	2.4	17.3	13.8	1.5
Russell Mid Cap	3.2	13.3	15.6	2.5
Russell 2500	3.6	13.8	15.2	2.8
Russell 2000	3.3	13.4	13.9	1.9
MSCI World Ex US	2.9	-0.2	3.4	-3.9
MSCI World Ex US Growth	2.3	-1.1	5.2	-3.0
MSCI World Ex US Value	3.5	0.8	1.5	-4.8
MSCI EAFE	2.7	0.5	2.9	-4.3
MSCI Emerging Markets	-0.3	-5.5	7.0	-0.1

Bond Total Returns

Index	Last Month	Last Year	Last 3 Years	Last 5 Years
BC T-Bills	0.0	0.1	0.1	0.7
BC Long Treasury	-1.1	19.1	13.5	11.6
BC US Agg	0.1	5.8	6.5	6.7

- Equity investors enjoyed solid gains during August as global economic concerns faded for a time.
- Fixed income markets had modest results as interest rates moved slightly higher.
- Small caps and mid caps outperformed large caps during August. Growth outperformed value across all market capitalization segments.
- Performance dispersion was narrow and share trading volumes were very low.
- Developed international equity markets enjoyed gains while emerging markets moved slightly lower.
- Fixed income returns were modest during August. Core bonds posted a very small return while long Treasury bonds ended the month lower.
- Short term fixed income and cash returns remained negligible.

Monthly Change in Market Value



Beginning of Month Market Value	\$10,282,649,187
Net Cash Flow	-\$57,236,258
Change in Investment Value	\$143,614,579
Ending of Month Market Value	\$ 10,369,027,508

Monthly Gross of Fees Rate of Return:	2.09%
Monthly Net of Fees Rate of Return:	2.06%

Notes:

Net cash flows were negative during the month. Investment results were positive for the month. Positive results were driven by the allocation to equity, particularly small and mid cap stocks as they posted strong gains.

Manager Profile - Hoisington Investment Management



Asset Class:	Active Duration Fixed Income
Status:	In Compliance
Portfolio Size:	\$305,231,652
Inception Date:	11/1/2004
Initial Funding:	\$100,887,144
Subsequent Funding:	-\$19,686,887
Annual Management Fee:	0.15
Location:	Austin, Texas
Structure:	Privately Held
Portfolio Management Team:	Van Hoisington Dr. Lacy Hunt Janice Bright David Hoisington Van Hoisington, Jr. John Dahlheim
Represented by:	Janice Bright
Stephens Active Duration	David Hoisington

Notes:

Hoisington employs a unique investment process to manage active duration bond portfolios. The firm invests only in U.S. Treasury issues. Their investment process focuses completely on managing portfolio duration to maximize total return. The portfolio's returns can be extremely volatile. The portfolio's returns have shown negative correlation to equities and equity market volatility.

The firm has provided exceptionally strong results since inception. Performance could be subdued in the future should interest rates rise.

Hoisington is a stable organization. The firm was founded in 1981 and currently has approximately \$5 billion in client assets under management. There have been no major changes in the management team since the firm was hired.

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Hoisington Active Duration	10.9	13.5	16.0	26.3	0.8	-1.4
BC Aggregate Bond Index	5.5	6.7	5.8	1.4	1.5	0.1
BC Long Treasury Index	8.9	11.6	13.5	19.1	0.8	-1.1
91 Day T-bills	1.9	0.7	0.1	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Duration	Credit Quality	Yield to Maturity	Number of Holdings
Hoisington	5.19	2.79	19.4	AA+	2.56	11
BC Aggregate Bond Index	2.71	2.31	4.4	A	-	7833
BC Long Treasury Index	12.89	1.04	16.2	AA+	-	-

Manager Profile - Stephens Capital Management



Asset Class:	Active Duration Fixed Income
Status:	In Compliance
Portfolio Size:	\$291,426,522
Inception Date:	11/1/2004
Initial Funding:	\$95,467,787
Subsequent Funding:	\$115,279,019
Annual Management Fee:	0.16
Location:	Little Rock, Arkansas
Structure:	Privately Held
Portfolio Management Team:	William Tedford Alan Tedford
Represented by:	William Tedford Alan Tedford

Notes:

Stephens Capital is an active duration manager that takes a more measured approach to adjusting portfolio duration. The portfolio invests primarily in Treasuries, but occasionally seeks exposure in corporate or high yield bonds when compelling valuations exist.

Given their mandate, the firm has provided adequate results since inception.

Stephens is a stable organization. There have been no significant changes within the portfolio management team since hiring.

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
Stephens Active Duration	5.4	6.3	4.6	3.7	1.2	0.2
<i>BC Aggregate Bond Index</i>	5.5	6.7	5.8	1.4	1.5	0.1
<i>BC Long Treasury Index</i>	8.9	11.6	13.5	19.1	0.8	-1.1
<i>91 Day T-bills</i>	1.9	0.7	0.1	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Duration	Credit Quality	Yield to Maturity	Number of Holdings
Stephens Capital	1.84	1.95	4.73	AA+	1.22	35
<i>BC Aggregate Bond Index</i>	2.71	2.31	4.4	A	-	7833
<i>BC Long Treasury Index</i>	12.89	1.04	16.2	AA+	-	-

Manager Profile - PIMCO



Asset Class:	Opportunistic Fixed Income
Status:	In Compliance
Combined Portfolio Size:	\$305,231,652
Inception Date: (DMF 1)	5/1/2008
Inception Date: (DMF 2)	12/1/2008
Inception Date: (BRAVO)	3/31/2011
Initial Funding: (DMF 1)	\$75,000,000
Initial Funding: (DMF 2)	\$25,000,000
Initial Funding: (DMF BRAVO)	\$100,000,000
Annual Management Fee:	1.36% - 1.50%
Location:	Newport Beach, California
Structure:	Privately Held
Portfolio Management Team:	Dan Ivascyn Scott Simon
Represented by:	Jennifer Bridwell Rick Fulford

Notes:

PIMCO has been hired to manage three opportunistic fixed income portfolios. The portfolios focus their investments in distressed and/or overlooked areas of the fixed income markets. The DMF fund (1 and 2), invest in pools of distressed mortgages. The BRAVO fund invests in debt and potentially equity instruments related to U.S. and foreign bank recapitalizations. All three funds are private equity style funds that were offered after the financial crisis of 2007-2009.

The funds have provided exceptional results since inception. DMF 2 has performed best. The BRAVO fund was funded over one year ago.

PIMCO is an extremely large and stable organization. These funds have had stable management teams since they were hired.

Stephens Active Duration

Return Profile	Since Inception	Last 5 Years	Last 3 Years	Last Year	Last Quarter	Last Month
PIMCO DMF 1	8.6	-	32.4	6.9	2.4	-
PIMCO DMF 2	30.8	-	33.7	5.4	3.0	-
PIMCO BRAVO	13.8	-	-	16.0	5.6	-
BC Aggregate Bond Index		6.7	5.8	1.4	1.5	0.1
BC Long Treasury Index		11.6	13.5	19.1	0.8	-1.1
91 Day T-bills		0.7	0.1	0.1	0.0	0.0

Risk Characteristics	3 Year Std Deviation	Sharpe Ratio	Duration	Credit Quality	Yield to Maturity	Number of Holdings
PIMCO DMF 1	16.7	-	1.0	CCC+	18.1%	501
PIMCO DMF 2	12.9	-	0.8	CCC+	15.1%	825
PIMCO BRAVO	N/A	-	0.8	B-	N/A	199
BC Aggregate Bond Index	2.71	2.31	4.4	A	-	7833
BC Long Treasury Index	12.89	1.04	16.2	AA+	-	-

Monthly Asset Allocation Review

Asset Class	Total Market Value	Current Percentage	Target Percentage	Difference	Notes
All Cap/Large Cap	2,232,543,985	21.5%	17.5%	4.0%	Excess allocation bound for Private Equity
Mid Cap	1,337,034,508	12.9%	12.5%	0.4%	
Small Cap	933,395,832	9.0%	10.0%	-1.0%	
Total Domestic Equity	4,243,632,109	40.9%	40.0%	0.9%	
Large Cap International Equity	1,142,217,799	11.0%	12.5%	-1.5%	
Small Cap International Equity	351,756,019	3.4%	2.5%	0.9%	
Total International Equity	1,494,203,347	14.4%	15.0%	-0.6%	
Core Fixed Income	2,397,969,493	23.1%	25.0%	-1.9%	
High Yield Bonds	579,920,643	5.6%	5.0%	0.6%	Capital calls have recently accelerated
MLPs	582,377,739	5.6%	5.0%	0.6%	
Private Equity	147,877,797	1.4%	5.0%	-3.6%	
Real Estate	479,543,807	4.6%	5.0%	-0.4%	
Opportunistic Assets	180,148,733	1.7%	0.0%	1.7%	
Total Non-Core Assets	1,969,868,719	19.0%	20.0%	-1.0%	
Cash	4,011,625	0.0%	0.0%	0.0%	
Composite	10,369,027,508	100.0%	100.0%		

Total Fund + Asset Class Composite Summary

As of August 31, 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)	10,369,027,508	12/1/1991	20.8	9.1	8.5	3.7	11.5	11.7	3.3	5.8	2.1
Total Fund (Net of Fees)				8.8	8.2	3.4	11.2	11.4	3.1	5.7	2.1
Allocation Index	100.0%			9.0	7.5	2.9	10.7	10.9	2.9	6.0	1.8
Actuarial Assumption				8.0	8.0	8.0	8.0	8.0	6.6	1.9	0.6
Total Domestic Equity	4,243,632,109	4/1/1990	22.4	10.0	8.3	1.5	13.1	13.9	2.8	6.5	3.4
S&P 500	40.9%			8.8	6.5	1.3	13.6	18.0	3.7	7.9	2.3
Total All Cap Equity	636,848,477	9/1/2006	6.0	3.5	-	1.6	13.3	13.4	2.6	6.6	2.4
Russell 3000	6.1%			3.6	-	1.5	13.8	17.0	3.5	7.6	2.5
Total Large Cap Active Equity	725,488,253	1/1/1995	17.7	9.2	6.8	0.4	12.8	18.0	3.1	6.7	2.6
S&P 500	7.0%			8.5	6.5	1.3	13.6	18.0	3.7	7.9	2.3
Total Mid Cap Equity	1,337,034,508	11/1/1998	13.8	8.5	10.7	3.2	14.8	14.0	2.3	5.0	3.9
Russell Mid Cap	12.9%			8.1	9.9	2.5	15.6	13.3	3.4	6.3	3.2
Total Small Cap Equity	933,395,832	2/1/1998	14.6	7.7	9.3	0.7	11.0	7.4	3.2	7.8	5.3
Russell 2000	9.0%			5.8	9.0	1.9	13.9	13.4	1.9	7.0	3.3
Total International Equity	1,494,203,347	2/1/1998	14.6	8.3	7.8	-3.2	4.2	2.8	3.9	9.7	2.6
MSCI ACWI ex-US	14.4%			-	8.7	-3.1	4.1	-1.4	3.6	9.7	2.1
Core Fixed Income (ex- High Yield)	2,397,969,493	4/1/1990	22.4	7.7	7.1	9.4	10.0	11.2	2.3	2.7	0.3
Barclays Aggregate	23.1%			7.1	5.5	6.7	6.5	5.8	1.4	1.5	0.1
Master Limited Partnerships	582,377,739	4/1/1990	22.4	11.9	-	-	-	20.4	8.4	10.8	3.1
Alerian MLP Index	5.6%			10.7	-	-	-	18.6	6.8	10.3	1.6
High Yield Fixed Income	579,920,643	2/1/2009	3.6	18.7	-	-	13.7	12.4	3.4	5.4	1.5
ML High Yield II	5.6%			-	-	-	-	13.1	3.1	5.2	1.2
Core Real Estate	479,543,807	4/1/1990	22.4	-3.5	-	-	-	4.0	1.5	1.5	0.4
NCREIF	4.6%			12.1	-	-	-	12.4	0.0	2.6	0.0
Cash	4,011,625	4/1/1990	22.4	-	-	-	-	-	-	-	-
91 Day T-bill	0.0%			-	-	0.8	0.1	0.1	0.0	0.0	0.0

Equity Portfolios Summary

As of August 31, 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 <i>Russell 1000 Value</i>	361,167,829 3.5%	4/1/1990	22.4	9.9	6.9	-1.8	11.7	17.6	3.2	7.5	3.3
				9.3	6.6	-0.9	12.1	17.3	3.2	8.4	2.2
Sawgrass <i>Russell 1000 Growth</i>	364,320,424 3.5%	7/1/2006	6.2	5.3	-	3.0	14.9	19.3	3.0	5.9	1.9
				5.9	-	3.7	15.6	17.4	4.1	6.9	2.7
ARI All Cap <i>Russell 3000 Value</i>	320,807,418 3.1%	9/1/2006	6.0	2.6	-	0.6	13.4	12.0	2.6	7.2	2.1
				3.6	-	1.5	13.8	17.0	3.5	7.6	2.5
EPOCH All Cap <i>Russell 3000 Value</i>	316,041,059 3.0%	9/1/2006	6.0	4.2	-	2.5	13.2	14.5	2.5	6.0	2.7
				3.6	-	1.5	13.8	17.0	3.5	7.6	2.5
NT Cap Weighted Passive <i>S&P 500 Cap Weighted</i>	434,174,528 4.2%	4/1/2012	0.4	1.9	-	-	-	-	3.6	7.8	2.3
				-6.6	6.5	1.3	13.6	18.0	3.7	7.9	2.3
SSGA Eq Weighted Passive <i>S&P 500 Equal Weighted</i>	436,032,727 4.2%	4/1/2012	0.4	0.7	-	-	-	-	3.2	7.2	3.0
				-	-	-0.2	17.0	-6.0	-	-5.5	-7.0
Frontier Capital <i>Russell Mid Cap Growth</i>	350,271,143 3.4%	6/1/2002	10.3	8.5	11.6	4.8	14.7	13.4	1.7	3.2	2.7
				7.4	10.0	2.9	16.1	11.7	3.3	5.2	3.4
Wellington Management <i>Russell Mid Cap Growth</i>	288,390,061 2.8%	9/1/1998	14.0	8.7	9.3	-0.1	10.8	1.4	1.1	2.2	4.6
				7.4	10.0	2.9	16.1	11.7	3.3	5.2	3.4
AJO Partners <i>Russell MidCap</i>	335,894,728 3.2%	8/1/1998	14.1	9.4	9.7	3.1	16.3	13.9	3.9	7.3	4.6
				7.6	8.0	2.5	15.6	13.3	3.4	6.3	3.2
Hotchkis & Wiley Mid Cap <i>Russell MidCap Value</i>	362,478,576 3.5%	8/1/2002	10.1	11.9	12.1	5.0	17.4	28.6	2.5	7.8	4.0
				9.6	9.5	1.8	15.1	14.8	3.5	7.3	2.9
Shapiro Capital Management <i>Russell 2000 Value</i>	520,208,341 5.0%	2/1/1998	14.6	8.8	12.5	4.0	14.7	8.0	3.4	6.6	5.3
				7.0	8.5	0.7	12.2	14.1	2.0	7.0	3.1
Causeway Capital <i>MSCI ACWI Ex US</i>	398,861,079 3.8%	5/1/2003	9.3	9.5	-	-2.1	6.5	4.7	4.4	11.6	2.9
				8.1	-	-4.3	2.9	0.5	3.9	11.2	2.7
Brandes <i>MSCI ACWI Ex US</i>	356,859,285 3.4%	2/1/1996	16.6	9.8	8.0	-4.8	0.6	1.3	3.3	11.4	3.4
				4.2	7.1	-4.3	2.9	0.5	3.9	11.2	2.7
Thornburg <i>MSCI ACWI Ex US</i>	386,497,436 3.7%	12/1/2005	6.8	5.3	-	-1.4	6.0	0.7	3.2	7.4	0.7
				2.0	-	-4.3	2.9	0.5	3.9	11.2	2.7
ARI Small Cap International <i>MSCI EAFE Small Cap</i>	88,893,830 0.9%	12/1/2011	0.8	8.9	-	-	-	-	4.8	10.2	3.7
				-3.7	-	-	-	-	-	-13.7	-11.3
Epoch Small Cap International <i>MSCI EAFE Small Cap</i>	87,554,994 0.8%	12/1/2011	0.8	6.3	-	-	-	-	5.5	7.7	4.3
				-3.7	-	-	-	-	-	-13.7	-11.3
Wasatch Small Cap International <i>MSCI EAFE Small Cap</i>	87,651,619 0.8%	12/1/2011	0.8	17.5	-	-	-	-	4.6	7.5	3.1
				-3.7	-	-	-	-	-	-13.7	-11.3
Wellington Small Cap International <i>MSCI EAFE Small Cap</i>	87,655,576 0.8%	12/1/2011	0.8	12.4	-	-	-	-	4.0	7.9	2.8
				-3.7	-	-	-	-	-	-13.7	-11.3
Legacy Private Equity Portfolio	68,215,359	10/1/2008	3.9		-	-	-	-	-	-	-
Franklin Park Private Equity	79,662,438	5/1/2011	1.3		-	-	-	-	-	-	-
Total Private Equity %	1.4%										

Fixed Income and Non-Core Portfolios Summary

As of August 31, 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
Hoisington <i>Barclays Aggregate</i>	305,231,652 2.9%	11/1/2004	7.8	10.9 5.5	- 5.5	13.5 6.7	16.0 6.5	26.3 5.8	2.5 1.4	0.8 1.5	-1.4 0.1
Loomis Sayles <i>Barclays Aggregate</i>	606,507,203 5.8%	8/1/1999	13.1	7.6 6.3	8.4 5.5	10.7 6.7	11.0 6.5	10.8 5.8	2.6 1.4	3.9 1.5	0.5 0.1
Lord Abbett <i>Barclays Aggregate</i>	593,563,887 5.7%	11/1/2004	7.8	6.9 5.5	- 5.5	8.5 6.7	8.7 6.5	8.7 5.8	2.2 1.4	2.6 1.5	0.5 0.1
Mackay Shields <i>Barclays Aggregate</i>	601,240,228 5.8%	11/1/2004	7.8	7.1 5.5	- 5.5	8.9 6.7	9.6 6.5	10.4 5.8	2.8 1.4	3.5 1.5	0.7 0.1
Stephens <i>Barclays Aggregate</i>	291,426,522 2.8%	11/1/2004	7.8	5.4 5.5	- 5.5	6.3 6.7	4.6 6.5	3.7 5.8	1.2 1.4	1.2 1.5	0.2 0.1

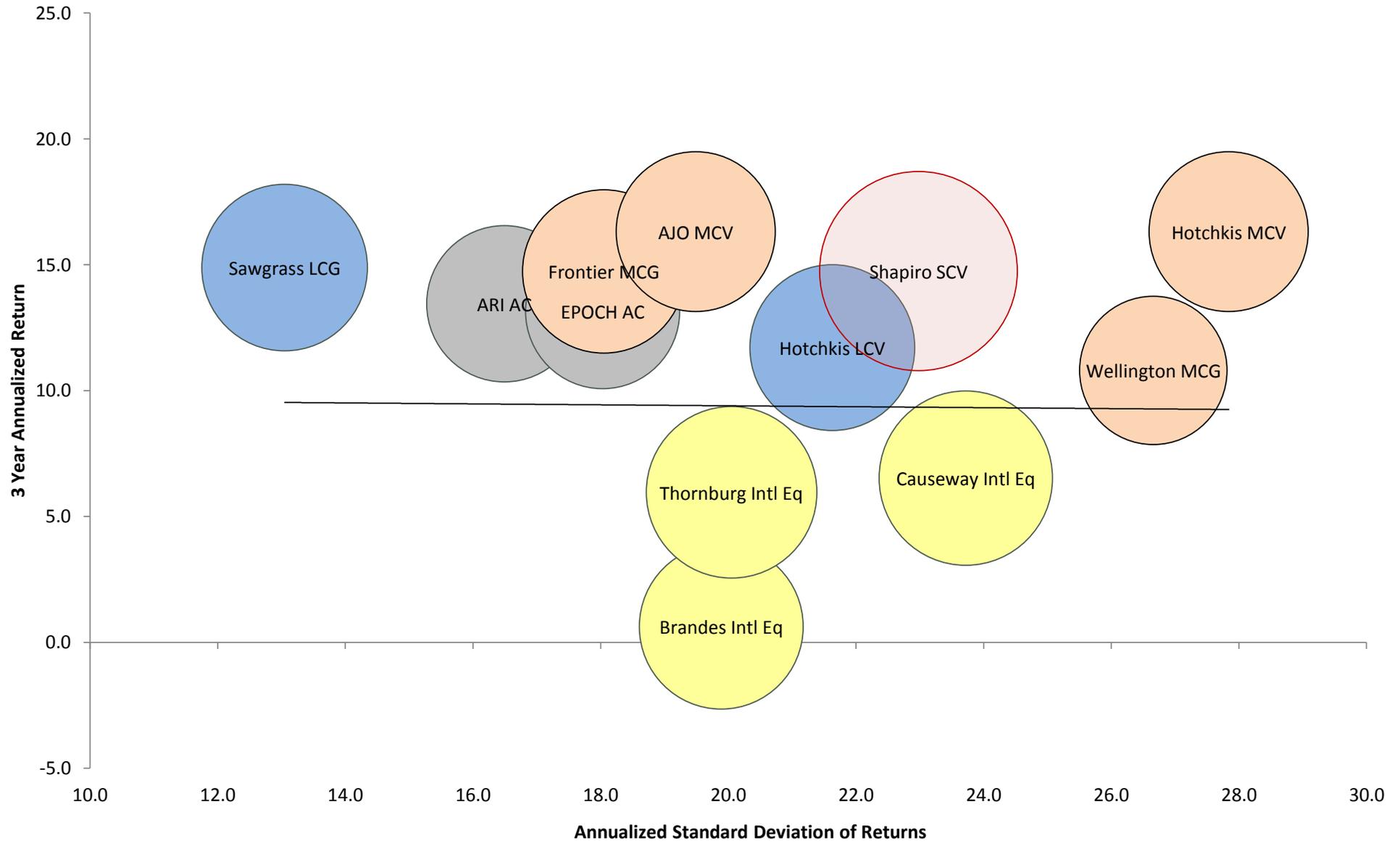
Loomis Sayles High Yield <i>Merrill Lynch High Yield II</i>	193,457,211 1.9%	2/1/2009	3.6	18.6 21.1	- -	- -	13.1 14.3	9.7 13.1	3.7 3.1	6.5 5.2	1.8 1.2
Lord Abbett High Yield <i>Merrill Lynch High Yield II</i>	193,671,778 1.9%	2/1/2009	3.6	19.5 -	- -	- -	14.8 14.3	14.0 13.1	3.6 3.1	5.1 5.2	1.6 1.2
Mackay Shields Yield <i>Merrill Lynch High Yield II</i>	192,791,654 1.9%	2/1/2009	3.6	17.9 -	- -	- -	13.2 14.3	13.4 13.1	3.0 3.1	4.6 5.2	1.2 1.2

Non-Traditional Portfolios Summary

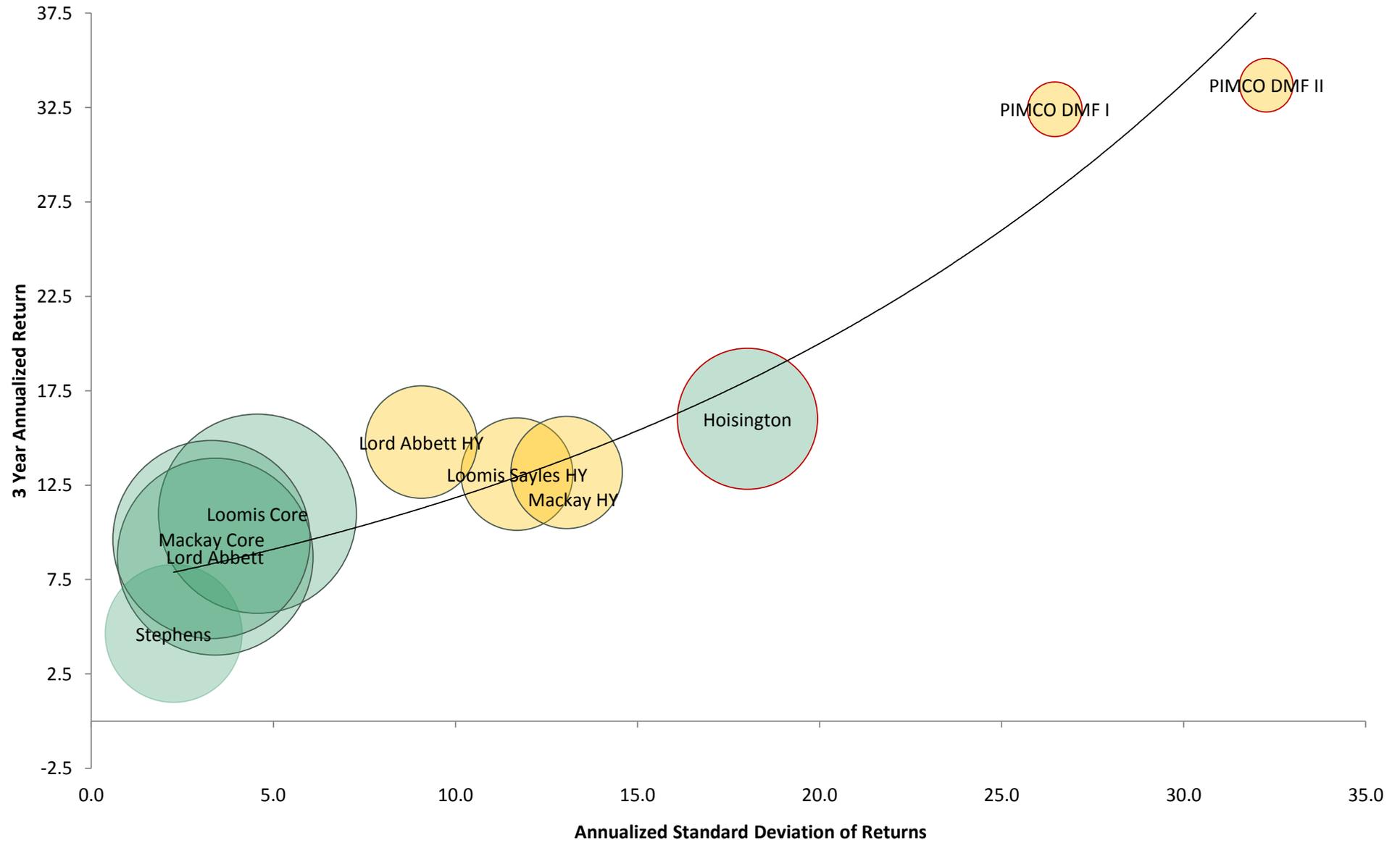
As of August 31, 2012

	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	68,215,359	10/1/2008	3.9		-	-	-	-	-	-	-
Franklin Park Private Equity	79,662,438	5/1/2011	1.3		-	-	-	-	-	-	-
Total Private Equity %	1.4%										
Chickasaw Capital MLP	159,265,819	2/28/2011	1.5	18.0	-	-	-	29.0	10.0	12.8	4.2
Alerian MLP Index	1.5%			10.7	-	-	-	18.6	6.8	10.3	1.6
FAMCO MLP	281,145,158	2/28/2011	1.5	9.1	-	-	-	17.3	7.1	10.6	2.3
Alerian MLP Index	2.7%			10.7	-	-	-	18.6	6.8	10.3	1.6
Swank MLP	141,966,762	2/28/2011	1.5	9.8	-	-	-	17.5	9.3	8.8	3.3
Alerian MLP Index	1.4%			10.7	-	-	-	18.6	6.8	10.3	1.6
AEW Real Estate	160,527,947	5/1/2011	1.3	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
Heitman Real Estate	164,136,057	5/1/2011	1.3	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.6%			-	-	-	-	-	-	-	-
L&B Real Estate	154,879,803	4/1/2011	1.4	-	-	-	-	-	-	-	-
NCREIF - OEDCE	1.5%			-	-	-	-	-	-	-	-
PIMCO Distressed Mortgage I	45,755,460	5/1/2008	4.3	8.6	-	-	32.4	6.9	2.2	2.4	0.0
Barclays Aggregate	0.4%			-	5.5	6.7	6.5	5.8	1.4	1.5	0.1
PIMCO Distressed Mortgage II	44,172,099	12/1/2008	3.8	30.8	-	-	33.7	5.4	1.7	3.0	0.0
Barclays Aggregate	0.4%			5.5	6.7	6.5	5.8	1.4	1.5	0.1	
PIMCO BRAVO	90,221,173	3/31/2011	1.4	13.8	-	-	-	16.0	5.6	5.6	0.0
Barclays Aggregate	0.9%			5.5	6.7	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)

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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