

The Advisor

Quarterly Newsletter of the Oklahoma Teachers Retirement System



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RETIREMENT SYSTEM

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Teachers Retirement System Ranks Above National Average

For many investors, 2009 was an exceptional year as the U.S. economy expanded for the first time in over a year. The Oklahoma Teachers Retirement System was a significant beneficiary of this recovery, and the System made good use of the expansion.



Each year, the Oklahoma State Pension Commission evaluates the investment returns of the pension funds in the state. The Commission also compares the System's investment returns to a universe of public pension funds across the country.

We are excited to report that for the period ending December 31, 2009, the investment returns achieved by the Oklahoma Teachers Retirement System were the highest in the state, coming in at 24.9%. For this same time period, the median return for public pension funds within the comparison universe was 18.5%.

These exceptional investment returns placed the System in the top quartile with a ranking of 14th. This means our investment portfolio outperformed 86% of all other public pension funds within this universe.

This remains true when you compare our investments returns over the long term as well. Our annualized seven year return is 8.5%, compared to a median return of 6.7%, earning the System a top decile ranking of 7th within the universe. By outperforming 93% of the public pension funds within the national universe, the System has earned an "A" on the investment management practicum exam.

Retirement Reminders...

If you are retiring effective June 1 or July 1, 2010, please keep the following dates in mind:

- Your retirement contract must be in our office by May 1 for your retirement to be effective June 1, and by June 1 for an effective retirement date of July 1
- To cancel or change your retirement date or plan, you must notify us in writing by the last day of the month preceding your effective retirement date
- If you retire June 1, you will receive your first benefit check July 1. If your retirement date is July 1, you will receive your first benefit check August 1
- You must wait 60 days from your last day of work before you return to post-retirement employment in Oklahoma public education
- Check with your employer to verify when your first health insurance premium payment will be deducted from your retirement benefit check



If you are still contemplating retiring this year, please schedule an appointment with one of our Retirement Benefit Analysts.

Quarterly Investment Review

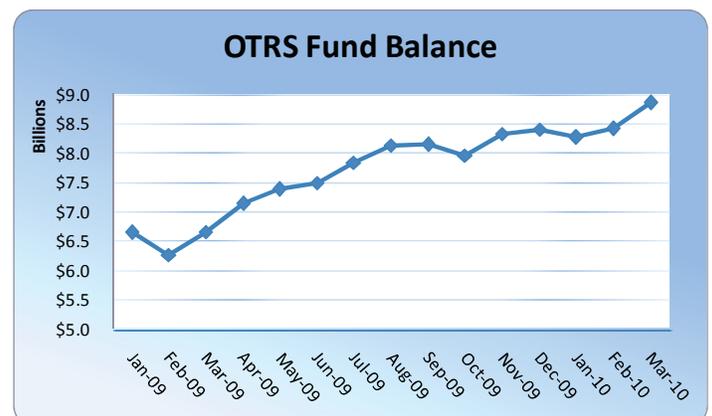
The first quarter of 2010 has seen temperate positive news for the financial markets. With newly reconciled uncertainty regarding the form and passage of health care overhaul legislation, positive economic forecast of real gross domestic product growth for 2010, and projected sustained low interest rate, the domestic equity markets have realized positive gains for the quarter ended March 2010.

After a slow start in 2010, the Fund has realized an appreciation of approximately 5 percent.

Over that period, domestic equities have seen the greatest increase at almost 8 percent, while international equities have lagged, finishing right about where they started.

While the unemployment rate is projected to remain at about 9.6 percent for the remainder of 2010, that figure is projected to begin decreasing in 2011, continuing into 2012.

Although the financial markets have seen improvement, and the economic outlook is generally moderately positive, OTRS staff is actively considering ways to protect and grow the fund.



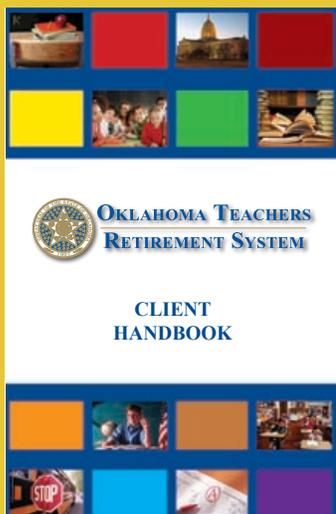
New Client Handbook

The Oklahoma Teachers Retirement System is excited to introduce our new Client Handbook.

We hope this booklet will provide information that is informative and helpful to all of our clients.

"Staff worked diligently and devoted many hours to this project to assure this handbook was understandable, and complete," said Sharron Coffman, Director of Client Services.

If you would like to obtain a copy, please contact us at 877.738.6365. It is also featured on our website located at www.ok.gov/trs.



Do You Have Service To Purchase?



Not everyone can purchase service credit. But if you can, it may increase your retirement benefit and enable you to retire earlier.

Service that is available for purchase includes, but is not limited to, military service, out-of-state service, substitute and prior Oklahoma service. To qualify, service must consist of at least one year and cannot be used to "vest" your account.

Don't wait. The cost to purchase most service is based on your age, interest and salary. It is usually less expensive early in your career. If you are close to retirement, weigh the costs and benefits before deciding to purchase. You may discover the increase in benefits will more than cover the cost over time.

If you have service credit that is eligible to be purchased as listed above, visit our website at www.ok.gov/trs, and choose "Forms" to obtain Military or Out-of-State verification documents and instructions. If you wish to redeposit previously withdrawn service, contact our office and request a billing statement.

There are many options available for paying for your service. You may write a personal check, or enroll in a pre-tax installment plan through your employer. We will also accept a rollover from another qualified retirement plan such as an IRA or 403(b) Tax Sheltered Annuity.

If you have questions about purchasing service, please contact our office to speak with one of our Retirement Benefits Analysts.



OKLAHOMA TEACHERS RETIREMENT SYSTEM

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Have Questions? Need Help?

Here's how you can get in touch with us:

In person: Oliver Hodge Building, 5th Floor, 2500 N. Lincoln Blvd, Oklahoma City

On the phone: 1-877-738-6365 or 405-521-2387

On the web: www.ok.gov/trs

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The Final Word: Protecting our Financial Interests

By James R. Wilbanks, Ph.D.
Executive Secretary
Oklahoma Teachers Retirement System



Fulfilling our commitment to promote and protect the financial interests of our clients, the Oklahoma Teachers Retirement System took the lead in a class action lawsuit against MoneyGram International, Inc. We are proud to announce that on February 25, 2010, the case settled for \$80 million.

The Board of Trustees initiated the proceedings due to the losses our fund incurred in 2007 and 2008 from subprime real estate investments. The lawsuit claimed such losses were purposely hidden from investors by company executives.

While incurring any loss in our investment portfolio is undesirable, settlements such as this one are a testament to the important role institutional investors play in uncovering security fraud. The settlement also mandated the company to change its business, corporate governance and internal controls.

We will continue to aggressively safeguard the assets of the System while protecting the financial future of our clients.