

Employees' Retirement System of Tulsa County

Executive Summary Report
First Quarter, 2015

Total Fund Return: Trailing Year

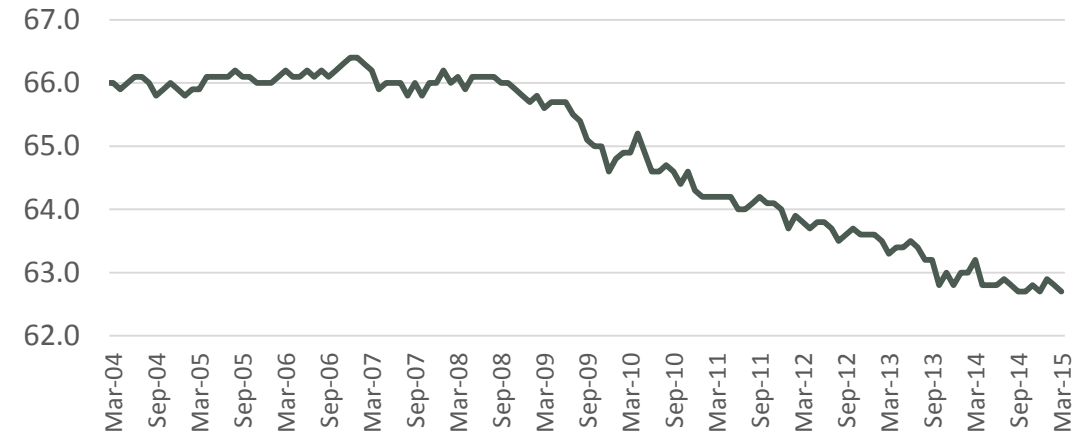
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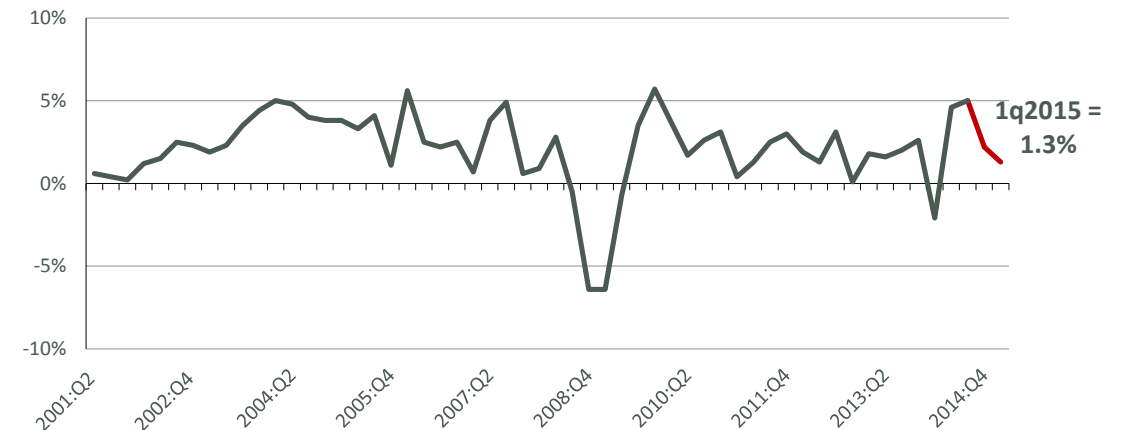
Market Environment – First Quarter, 2015

- The first quarter of 2015 displayed growing discrepancies among the world's economies. Asset prices performed generally well during the January to March period. World equity markets were led higher by European and Japanese shares. U.S. equities posted modest gains as evidence of a slowdown accumulated. **Oil prices remained relatively stable. While the dramatic drop in oil prices has hurt producers,** lower energy prices are a net positive for consumer driven economic growth.
- Domestic real GDP has reversed course over recent quarters. Second quarter real GDP growth came in at 4.6% while the final third quarter result was 5.0%. Fourth quarter GDP slowed dramatically, coming in at 2.6%. And a difficult winter is being blamed for the first quarter 2015 slowdown.
- Domestic equities were led by Healthcare. European stocks posted strong returns despite continuing problems in Greece and Ukraine. The European Central Bank announced large scale quantitative easing during the quarter. Bond yields in Europe remain at their all time lows. The US Dollar was strong versus the Euro during the quarter.
- The U.S. **unemployment rate improved modestly to 5.5%** from 5.6% during the quarter. Labor force participation was unchanged at 62.7%. Employment data remains mixed. Wage growth was unable to generate meaningful gains. Job losses were focused in the energy sector as lower oil prices reduced production.
- The **U.S. consumer price index rose 0.9%** over the year ended March 31, 2015. Interest rates remained extremely low even despite the end of the Federal Reserve's quantitative easing program.
- International markets generated positive returns for U.S. based investors. The **US dollar remained strong during the quarter but was outweighed by asset price performance.** European markets were buoyed by the announcement of QE. Japanese stocks performed well despite economic weakness. Central bank policies are diverging as the US is attempting to normalize policy while the EU, Japan and China remain highly stimulative.
- **U.S. Short term interest rates remain pegged at 0.0%.** Highly scrutinized comments from the Federal Reserve suggest that they will remain low for a considerable period. U.S. Treasury bond interest rates are comparatively higher than other major market interest rates. Wide swathes of the European bond market display negative yields.

Labor Force Participation Rate



US Real GDP Growth - Annualized



Equity Markets – First Quarter, 2015

- U.S. equity market investors experienced elevated volatility and modest returns. Foreign markets were mostly positive in U.S. Dollar terms. The biggest story during the quarter was the launch of Europe’s Quantitative Easing program. **Small caps posted the quarter’s best returns, followed closely by mid caps. Large cap returns were positive but quite modest.** Broad market trailing year returns remained high (+12.7%).
- Health Care (+7.4%), Consumer Discretionary (+4.6%) and Information Technology (+1.4%) were the best performing sectors by contribution. Utilities were the poorest performing sector falling -2.3%. Energy (-2.3%) and Financials (-0.9%) were the only other sectors to suffer first quarter losses.
- The domestic equity market’s top contributing performers were **Apple (+13.2% return), Pfizer (+12.7%), and Anthem (+23.4%)**. The three largest detractors to the first quarter return Microsoft (-11.9%), ExxonMobil (-7.4%), and Bank of America (-13.7%).
- **Valuations are above average.** Based on historical measures, growth stocks much more reasonably valued than value stocks. The broad market forward P/E ratio was 16.9x at year end vs. 15.7x for its twenty five year average. The market’s dividend yield was 1.9% vs. 2.1% for its long term average. The broad market is 56% higher than its previous high (October 2007) and 248% above the low set in March of 2009.
- Many foreign equity markets posted small gains in local currencies but were losses when translated into US Dollars. During the quarter, the **All Country World index posted a US Dollar return of 2.4% but was 7.6% higher in British Pounds and 15.4% higher in Euros. Emerging market returns stabilized.**
- The top performing sectors in the MSCI ACWI ex-US index were Health Care (+10.6%), Information Technology (+7.7%), and Consumer Discretionary (-7.1%). The three largest detractors were Energy (-4.0%), Utilities (-4.5%), and Materials (0.1%).
- Top performance contributors to the ACWI were **Tencent Holdings (+30.9% return), Novo Nordisk (+28.3%), and Novartis (+9.4%)**. Top detractors were HSBC (-8.1%), Royal Bank of Canada (-12.2%), and Royal Dutch Shell (-9.9%).
- Developed and emerging non-US equity valuations remain above average. The **forward P/E ratio for the MSCI World ex-US index ended the quarter at 16.0x vs. 13.1x** for its ten year average. Emerging markets valuations are were closer to average: the MSCI EM index forward P/E ratio was 11.9x vs. 11.2x for its ten year average.

Current P/E Ratio as Percentage of Long Term Average

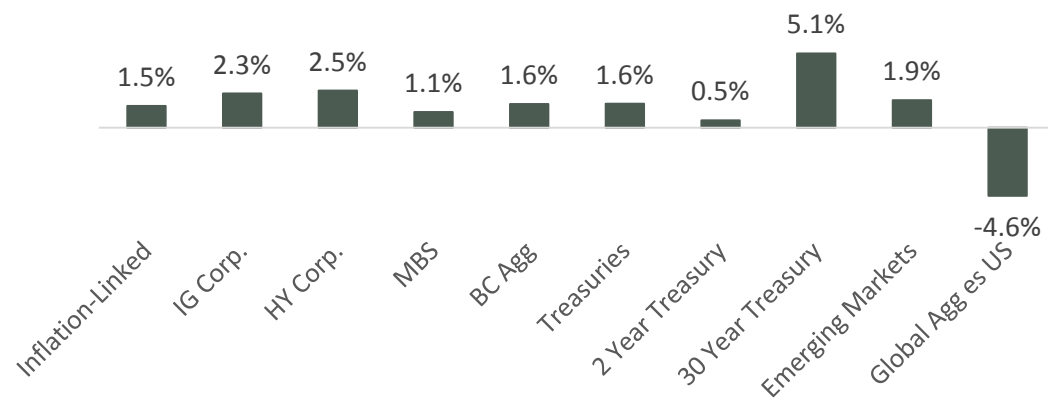
	Value	Blend	Growth
Large	116.4%	104.3%	91.7%
Mid	124.4%	118.1%	98.5%
Small	114.3%	107.1%	97.4%

S&P 500 Sector Analytics	Ending Weight	1q 2015 Return	Beta to S&P 500	Forward P/E Ratio
Consumer Discretionary	12.1%	4.8%	1.13	19.0x
Consumer Staples	9.8%	1.0%	0.58	19.6x
Energy	8.4%	-2.9%	0.99	26.7x
Financials	16.6%	-2.1%	1.44	13.2x
Health Care	14.2%	6.5%	0.69	17.7x
Industrials	10.4%	-0.9%	1.20	15.4x
Information Technology	19.7%	0.6%	1.11	15.7x
Materials	3.2%	1.0%	1.27	16.9x
Telecommunications	2.3%	1.5%	0.63	13.6x
Utilities	3.2%	-5.2%	0.47	16.5x
Total	100.0%	1.0%	1.00	16.9x

Fixed Income – First Quarter, 2015

- Bond markets were active during the first quarter as investors balanced slowing international economic growth, heightened risk awareness and potentially divergent central bank policies. **The U.S. Treasury yield curve flattened** and moved lower during the first quarter as short term interest rates remained anchored at 0% while long term interest rates declined. While long term Treasury yields ended the quarter slightly off their lows, it is hard to see them rising significantly due to the levels of other sovereign debt. More than twenty central banks cut interest rates during the first quarter.
- The **U.S. dollar remained strong during the first quarter**, which had a negative effect on foreign asset returns. The Global ex. U.S. Aggregate bond index fell -4.6% during the quarter. Emerging Market debt posted a gain of 1.9% during the quarter.
- There was some widening of credit spreads during the first quarter.** Defaults remain significantly below their long term average, despite the expectation that falling oil prices would trigger a wave of 2015 defaults. The average high yield bond spread is 5.5% vs. long term average of 5.9%.

Barclays Index Returns – 1q2015



Risk Level	Interest Rate Forecast	Time Horizon			
		1 Year		3 Years	
		Terminal Yield	Total Return	Terminal Yield	Total Return
Low Risk	Pessimistic	2.50%	-3.2%	4.00%	-1.6%
2 Year Treasury	Most Likely	1.25%	-0.8%	3.00%	-1.0%
Present YTM: 0.56%	Optimistic	0.50%	0.7%	2.00%	-0.4%
Medium Risk	Pessimistic	4.00%	-15.1%	5.50%	-7.7%
10 Year Treasury	Most Likely	3.00%	-7.3%	4.50%	-5.2%
Present YTM: 1.92%	Optimistic	2.00%	1.2%	3.50%	-2.5%
High Risk	Pessimistic	4.75%	-32.6%	6.00%	-15.7%
30 Year Treasury	Most Likely	3.50%	-15.2%	5.00%	-11.3%
Present YTM: 2.54%	Optimistic	2.25%	8.9%	4.00%	-6.2%

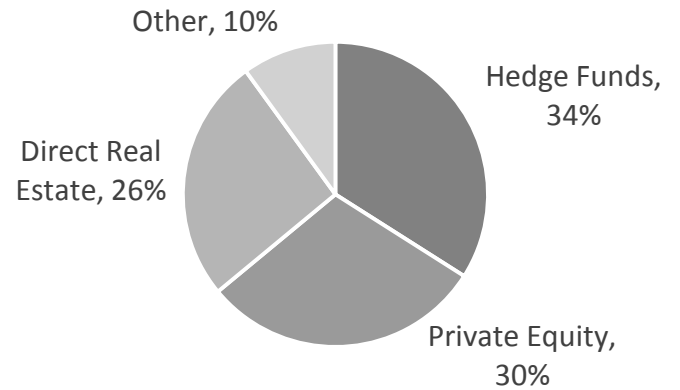
Yields and Spreads	12/31/2014	3/31/2015
3 Month T-Bill	0.0%	0.0%
2 Year Treasury	0.7%	0.6%
10 Year Treasury	2.2%	1.9%
30 Year Treasury	2.8%	2.5%

Alternative Investments – First Quarter, 2015

- **Inflows to alternative investments remained steady.** Institutions remain interested in non-traditional assets.
- **Hedge funds again posted modest returns during the quarter and full year.** The HFRI weighted composite index gained 3.6% for the full trailing year. The S&P 500 was up 12.7% over the same time frame.
- Domestic real estate investments continue to perform quite well. The resilience of the **US economy and the strength on the Dollar are attracting significant interest from property investors.** Low-risk core real estate income returns remain attractive. Prime property markets remain competitive.
- **Private equity returns have been strong.** The asset class posted high teen gains for periods ended 9/30/2014 and indications remain positive for returns moving forward.
- **Master Limited Partnerships (energy infrastructure/transport entities) stabilized during the quarter.** Prices have not fully recovered, but it appears that necessary business model adjustments are underway inside the sector.

Hedge Funds (a/o 2/28/15)	1 Year	3 Year	5 Year
HFRI Weighted Composite	3.6%	5.1%	5.0%
Equity Market Neutral	2.9%	3.8%	2.7%
Credit Arbitrage	1.6%	6.0%	6.8%
Multi-Strategy	5.1%	7.3%	5.9%
Event Driven	0.8%	6.4%	6.0%
Merger Arbitrage	2.6%	3.2%	3.2%
Macro	7.9%	1.9%	2.6%
Relative Value	3.7%	6.5%	6.4%
Private Equity (a/o 9/30/14)	1 Year	3 Year	5 Year
Private Equity	18.1%	17.0%	16.8%
Venture Capital	24.5%	15.2%	14.9%

Institutional Investor Allocation to Alternatives
Percentage of Alternative Allocation of Survey Participants

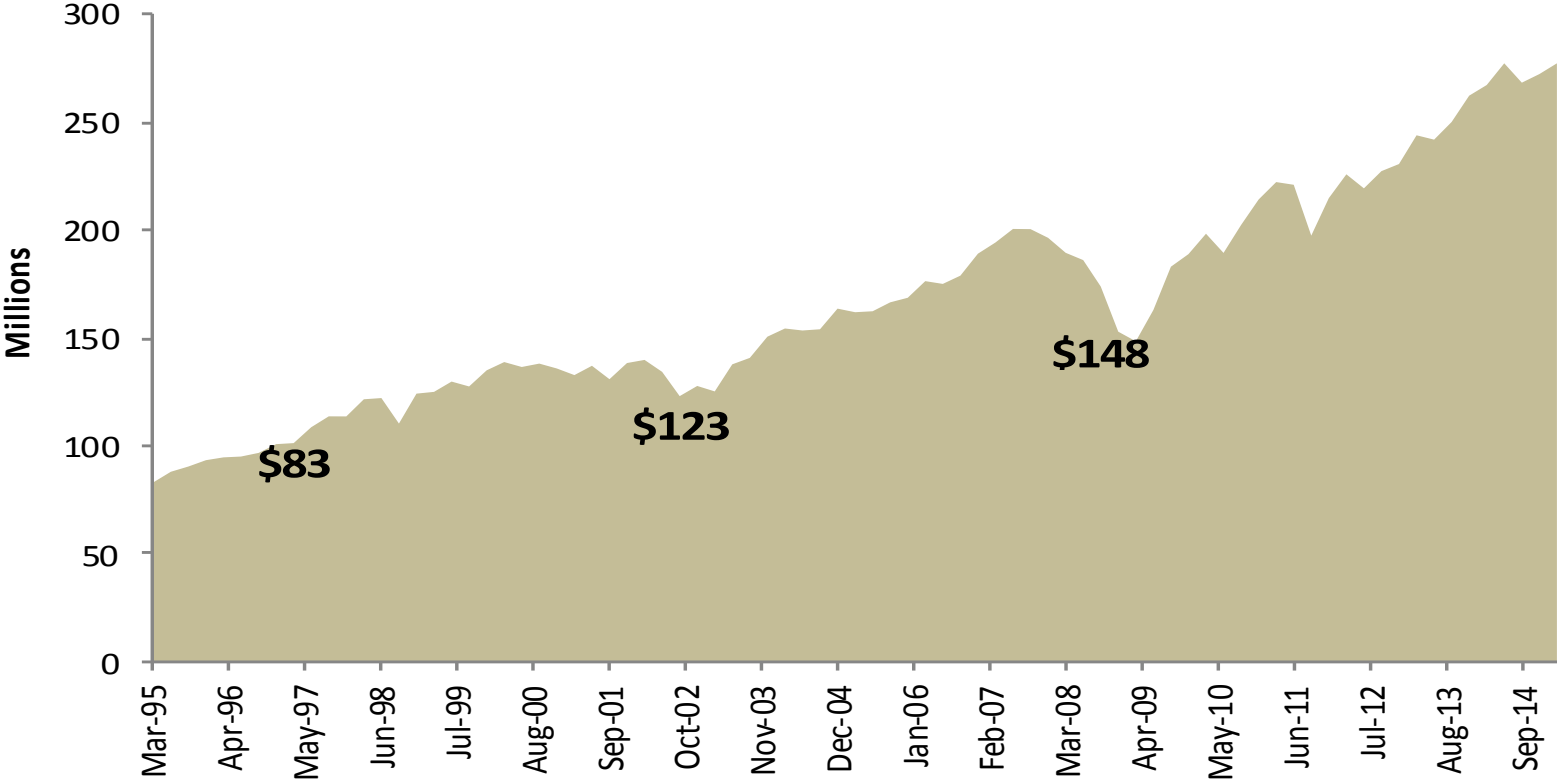


Domestic Equity	Last Quarter	Last Year	Last Three Years Annualized	Last Five Years Annualized	Last Ten Years Annualized
S&P 500	1.0	12.7	16.1	14.5	8.0
Russell 1000	1.6	12.7	16.5	14.7	8.3
Russell 1000 Value	-0.7	9.3	16.4	13.8	7.2
Russell 1000 Growth	3.8	16.1	16.3	15.6	9.4
Russell 3000	1.8	12.4	16.4	14.7	8.4
Russell Midcap	4.0	13.7	18.1	16.2	10.0
Russell Midcap Value	2.4	11.7	18.6	15.8	9.6
Russell Midcap Growth	5.4	15.6	17.4	16.4	10.2
Russell 2000	4.3	8.2	16.3	14.6	8.8
Russell 2000 Value	2.0	4.4	14.8	12.5	7.5
Russell 2000 Growth	6.6	12.1	17.7	16.6	10.0
Alerian MLP	-5.2	-2.5	9.2	13.7	13.0
Fixed Income					
Barclays Capital Aggregate Bond	1.6	5.7	3.1	4.4	4.9
Barclays Capital Credit	2.2	6.7	4.9	6.2	5.8
Barclays Capital Government	1.6	5.2	2.3	3.8	4.5
Barclays Capital Govt/Credit	1.8	5.9	3.4	4.8	5.0
Barclays Capital Interm Credit	1.8	4.3	3.7	4.9	5.2
Barclays Capital Interm Govt	1.3	3.2	1.5	2.8	4.0
Barclays Capital Interm Govt/Cred	1.5	3.6	2.3	3.5	4.3
Barclays Capital Long Credit	3.1	12.8	7.8	9.9	7.5
Barclays Capital Long Term Govt	4.0	21.4	7.7	10.6	7.9
Barclays Capital Long Govt/Credit	3.4	15.7	7.7	10.2	7.7
Barclays Capital Fixed Rate MBS	1.1	5.6	2.6	3.7	4.9
Merrill Lynch US High Yield Master II	2.5	2.1	7.5	8.4	8.0
91 Day T-Bill	0.0	0.0	0.1	0.1	1.4
International					
MSCI EAFE	4.9	-0.9	9.0	6.2	5.0
MSCI World ex US	3.8	-1.4	8.2	5.7	5.0
MSCI Europe	3.4	-5.7	8.4	5.8	4.7
MSCI Japan	10.2	12.1	9.4	5.9	3.5
MSCI Pacific ex Japan	3.1	-0.3	6.6	5.9	8.7
MSCI Emerging Markets	2.2	0.4	0.3	1.8	8.5
Citigroup Non-\$ World Gov	2.3	9.6	5.8	4.8	4.8

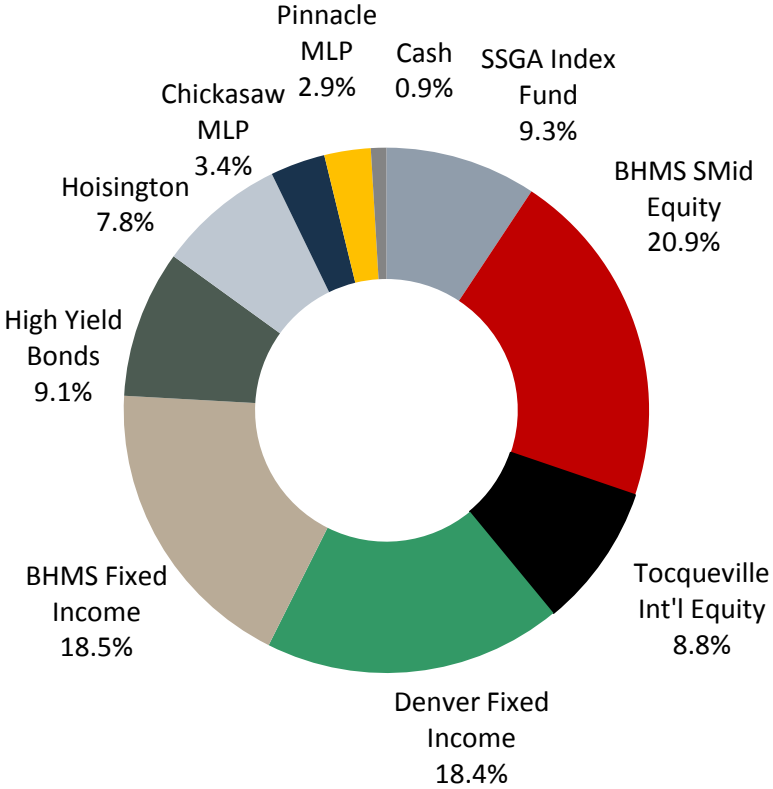
Market Value History

First Quarter, 2015

**03/31/2015:
\$277.3 million**

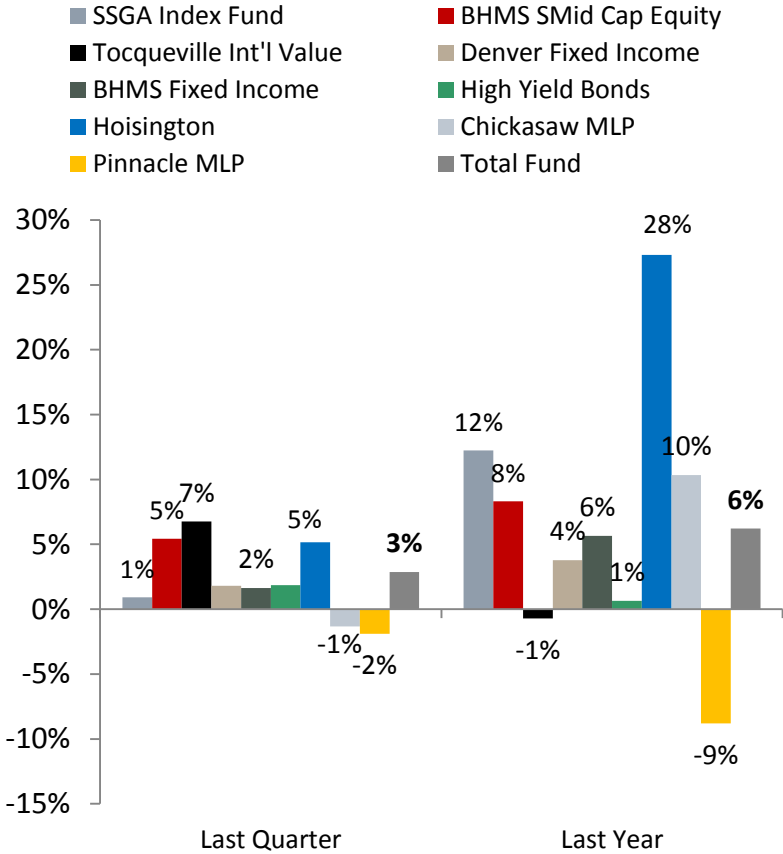


Portfolio Summary

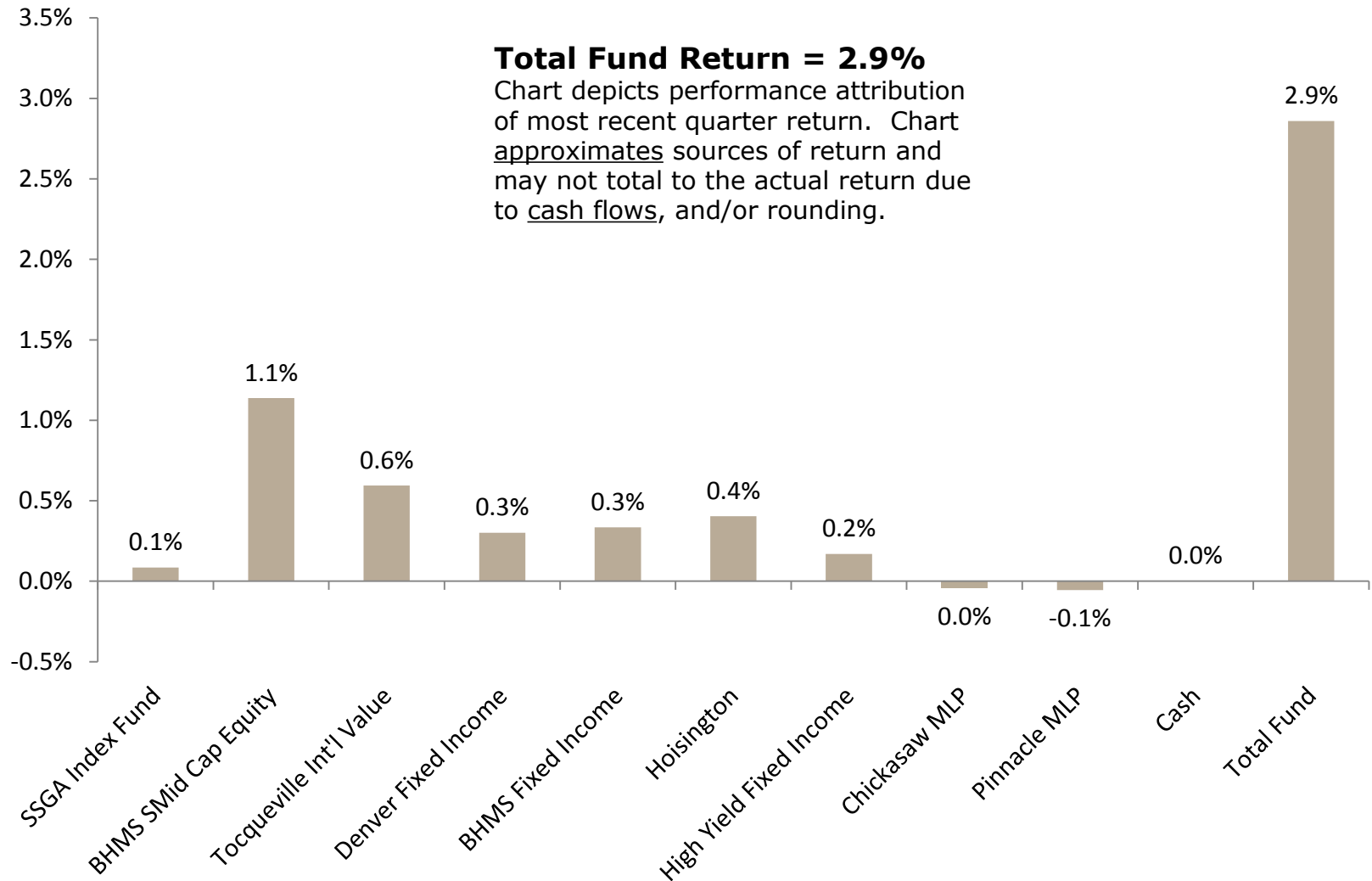


Total Market Value: \$277.3 million

Performance Summary



Return Composition - Fourth Quarter



Change in Market Value Summary

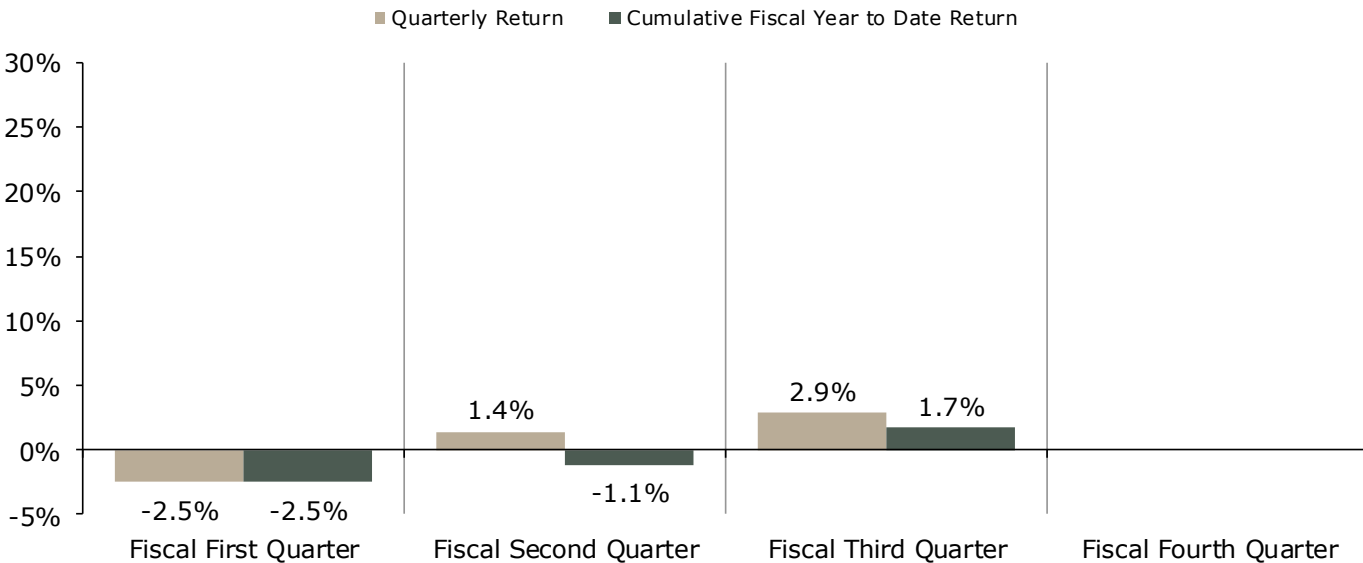
- The total market value of the Tulsa County Employees' Retirement System **increased by \$5.0 million** during the quarter.
- The **increase in market value was attributable to positive investment performance**. The total fund experienced a **2.9%** return during the quarter.

Summary of Changes in Market Value *(in \$ millions)*

Beginning Value	\$272.3
Net Contributions	-\$2.8
Income and Appreciation	\$7.8
Ending Value	\$277.3

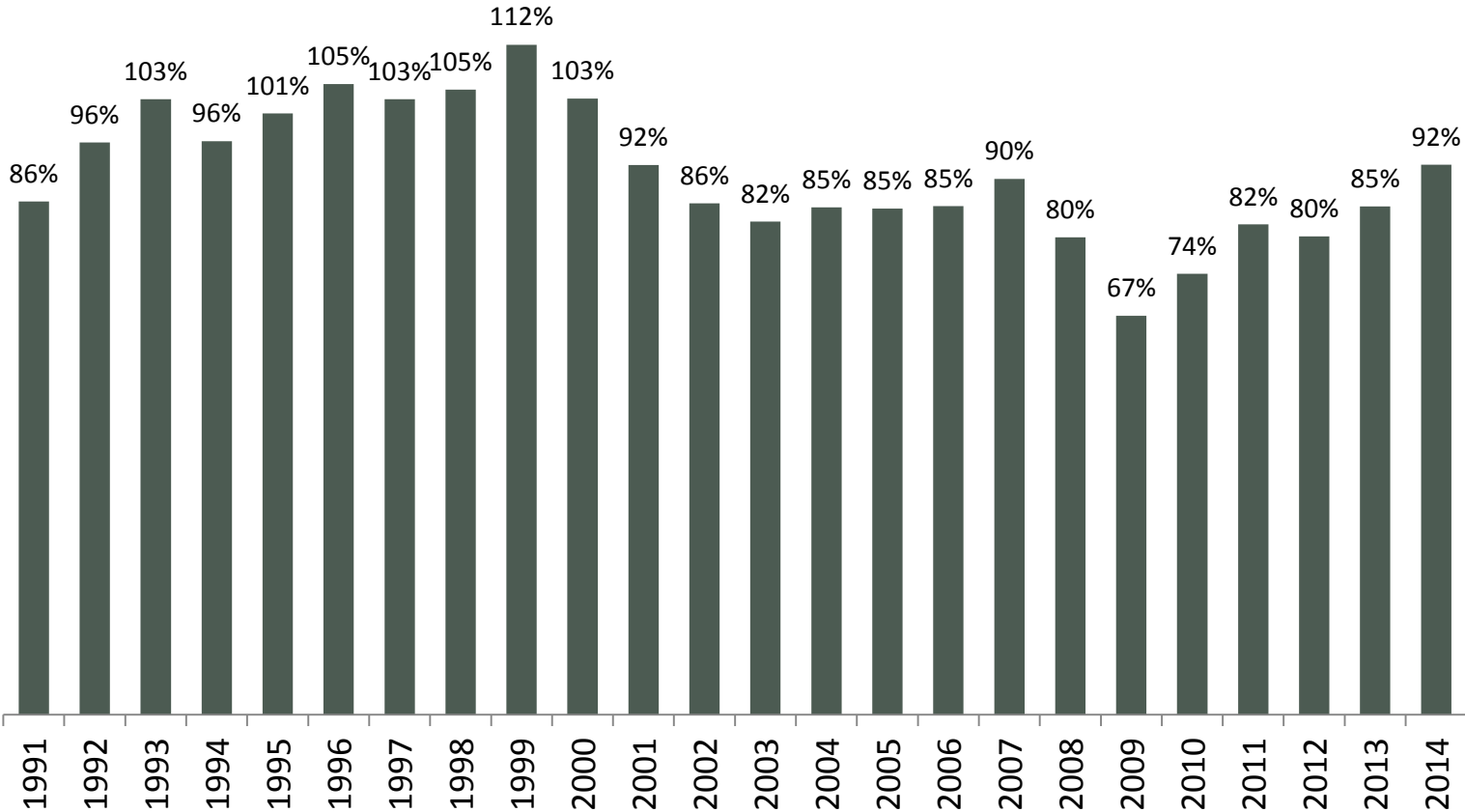
Composite Performance Summary

Fiscal Year to Date



Funded Status History

Historical Ratio of Market Value of Assets to Actuarial Accrued Liability



First Quarter Return Summary

- All managers responded they were in compliance with relevant investment policies.
- The Total Fund outperformed its policy index during the quarter. The leading contributors to the quarter's positive return were the Hoisington Active Duration Fixed Income Fund, the Barrow, Hanley, Mewhinney & Strauss Smid Cap Equity Portfolio, and Tocqueville International Equity.
- The passive equity portfolio performed in-line with its benchmark.
- The International Equity Portfolio outperformed the MSCI EAFE during the quarter.
- The fixed income portfolios posted positive first quarter returns. Hoisington was the top Fixed Income performer during the quarter.

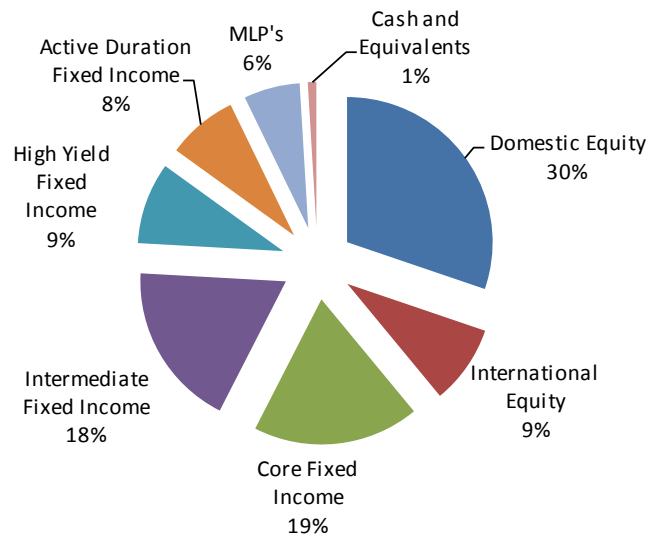


EXECUTIVE SUMMARY REPORT

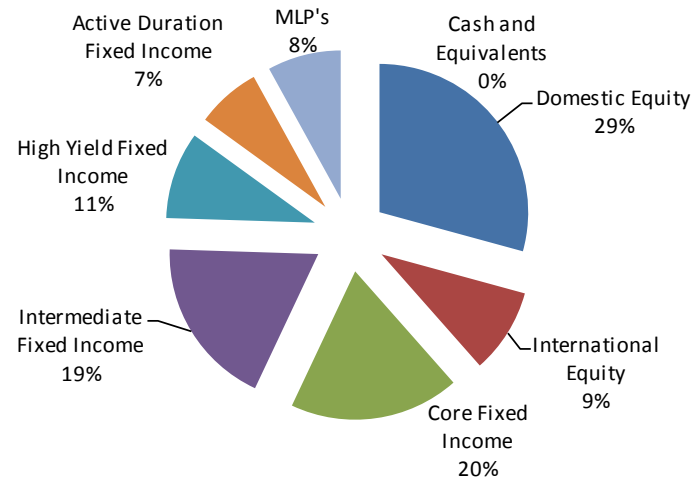
	Last Quarter	Last Year	Three Years	Five Years
Composite	2.86%	6.22%	9.94%	9.39%
<i>Actuarial Assumption (current)</i>	<i>1.88%</i>	<i>7.75%</i>	<i>7.75%</i>	<i>7.75%</i>
<i>Policy Index*</i>	<i>2.25%</i>	<i>6.25%</i>	<i>8.35%</i>	<i>9.18%</i>

The Employees' Retirement System of Tulsa County total portfolio (the "Composite") ended the First Quarter of 2015 with a total market value of **\$277.3 million**. At quarter end, the Fund was allocated 30% to domestic equity, 9% to international equity, 19% to core fixed income, 18% to intermediate fixed income, 9% to high yield fixed income, 8% to active duration fixed income, 6% to master limited partnerships, and 1% to cash. The Composite posted a first quarter return of 2.86% which outperformed the policy index. For the one year period, the Composite earned a total return of 6.22% vs. 6.25% for its benchmark, and 7.75% for its actuarial assumption.

Actual Allocation



Target Allocation



*Policy index reflects updated investment policy statement adopted March 26th, 2013.

Denver Fixed Income

The intermediate fixed income portfolio managed by Denver Investment Advisers ended the quarter with a total market value of \$50.9 million. During the quarter, Denver posted a return of 1.6% which outperformed the Barclays Capital Government/Credit Intermediate Index. Over the trailing year, the portfolio gained 3.8% vs. 3.6% for the benchmark index. Denver's results correlate well with the longer duration core portfolio managed by Barrow Hanley.

Denver's portfolio is diversified by issue, holding 128 securities at quarter end. The portfolio suffered three credit downgrades during the quarter. At quarter end, the portfolio was allocated 37% to Government and Agency debt, 5% in AAA-rated bonds, 6% in AA-rated bonds, 23% in A-rated bonds, 22% in BBB-rated bonds, 7% in BB-rated issues, 1% in B-rated issues, and 0% to cash. Denver's investment process has evolved to be more forward looking and active among sector allocations. We believe this has been an improvement. The portfolio's long-term results have been driven by thoughtful allocations to non-Treasury bonds.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	1.64%		3.78%		3.29%		4.51%	
Bar Cap Intermediated Govt/ Credit	1.45%		3.58%		2.31%		3.52%	

Key Characteristics

	Fund	Barclay GCI
Modified Duration	3.6	3.9
Average Maturity	4.9	4.3
Yield to Maturity	1.9	1.5
Average Credit Quality	A+	A

Holding Summary

Market Value	\$50,929,069
Percentage of Plan	18.37%

Barrow, Hanley, Mewhinney & Strauss

Barrow's fixed income portfolio is actively managed against the Barclays Capital Aggregate Bond Index. It has a longer average maturity and generally a higher allocation to mortgage and asset backed issues than the intermediate index used by Denver Investment Advisors. Barrow uses judicious duration management along with value-based sector and security selection in its management process. The portfolio ended the quarter with a total market value of \$51.2 million compared to \$51.3 million on December 31st, 2014. Barrow posted a 1.81% first quarter return compared to 1.61% for the Barclays Aggregate Bond Index. For the trailing year period, the portfolio returned 5.66% versus 5.72% for the benchmark. Longer-term results are above the benchmark.

At quarter end, the portfolio yielded 2.2%. The portfolio's quarter-end credit exposures were 17% Government/Agency bonds, 40% in AAA-rated bonds, 9% in AA-rated bonds, 24% in A-rated bonds, 8% in BBB-rated bonds, 1% in BB-rated bonds, 0% in B-rated bonds, and 1% in cash. Barrow's sector allocations and security selections in the non-Treasury sectors of the bond market have driven near and long-term returns. Barrow took advantage of the 2008-2009 interest rate spread widening which created attractive investment opportunities. The portfolio's five year return shows the impact of Barrow's decisions.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	1.81%		5.66%		3.43%		4.73%	
Barclays Capital Aggregate	1.61%		5.72%		3.10%		4.41%	

Key Characteristics

	Fund	BC Agg
Modified Duration	5.3	5.5
Average Maturity	6.8	7.7
Yield to Maturity	2.2	3.0
Average Credit Quality	AA-	AA

Holding Summary

Market Value	\$51,261,971
Percentage of Plan	18.49%

High Yield Bond Portfolio

The Retirement System funded this portfolio during the fourth quarter of 2008. The portfolio was originally composed of five bond mutual funds designed to take advantage of extraordinary values created by the Great Financial Crisis. Three of the five funds invested in high yield bonds; one invested solely in Treasury bonds while one invested in mortgage-backed securities. The Treasury bond portfolio was intended to hedge the portfolio against negative returns. The mortgage backed fund was liquidated during 2009. The proceeds from that liquidation were reinvested in the high yield funds that form the core of the Opportunistic Bond Portfolio. The high yield fund managed by Principal was liquidated during the fourth quarter of 2010. The proceeds were again reallocated to the remaining portfolios. The overall portfolio ended the quarter with a total market value of \$25.2 million. Its initial funding took place on October 17, 2008. A withdrawal of \$13.6 million was made on January 13, 2012, to fund the Hoisington Portfolio. The portfolio enjoys a 6.2% yield in its current structure. It has two purposes: stabilize the Composite's total return and earn high levels of interest income.

The portfolio's quarter-end credit allocations were 90% to high yield bonds. The portfolio posted a positive first quarter return. The two high yield managers have built diversified portfolios composed of mostly below investment grade issues and have achieved attractive returns without suffering from high levels of defaults.

Performance

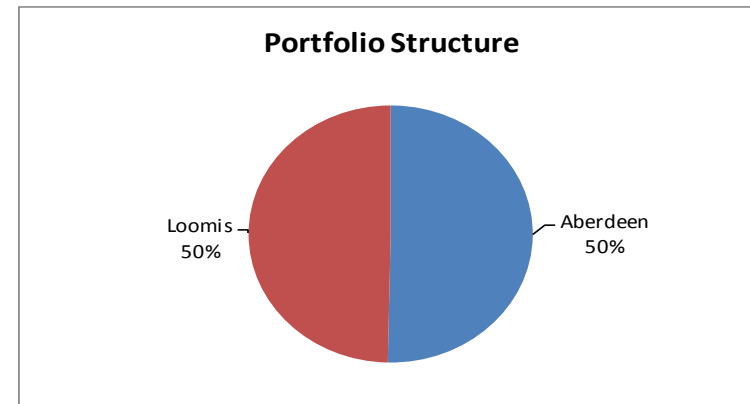
	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	1.86%		0.65%		7.99%		10.63%	
Aberdeen High Yield	2.11%		-0.03%		7.07%		7.00%	
Loomis Sayles High Yield	0.83%		1.40%		9.92%		9.16%	
ML HY II	<i>2.54%</i>		<i>2.05%</i>		<i>7.47%</i>		<i>8.40%</i>	

Key Characteristics

	Portfolio	ML HY II	Bar Cap Agg
Modified Duration	4.60	4.24	5.45
Average Maturity	7.42	6.42	7.72
12-mo Yield	5.99	-	3.04
Average Credit Quality	BB	B	AA

Holding Summary

Market Value	\$25,197,403
Percentage of Plan	9.09%



Wasatch Hoisington Active Duration

Hoisington's active duration fixed income portfolio was split out of the High Yield Bond Portfolio during 2012 as a standalone investment. The portfolio manager uses a research intensive approach to manage the portfolio, strictly through adjustment of its duration. If Hoisington expects interest rates to fall, they will extend the portfolio's duration. If they expect interest rates to rise, they will shorten duration. The portfolio's current structure is long duration, based on Hoisington's forecast of continued weakness in the domestic economy. The fund's expense ratio is 0.75% per year. Hoisington's long-term returns are higher than those of the BC Aggregate and the S&P 500. They can see long treasury bond yields falling below 2%. They have taken steps to prepare their portfolio's eventual move to a short duration structure.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	5.16%		27.92%		9.07%		13.14%	
Barclays Capital Aggregate	1.61%		5.72%		3.10%		4.41%	
Barclays Long Term Treasury	3.96%		21.40%		7.68%		10.61%	

Key Characteristics

	Fund	Barclays Cap Agg
Modified Duration	20.51	5.45
Average Credit Quality	AAA	AA
Number of Securities	19	3613

Holding Summary

Market Value	\$21,749,813
Percentage of Plan	7.84%

S&P 500 Index Fund

S&P 500 Index

During the quarter the S&P 500 Index portfolio posted a 0.9% total return, tracking the return of the S&P 500. For the trailing year, the portfolio posted a gain of 12.2% which is slightly below the benchmark index's return. Returns will slightly differ from the benchmark due to cashflows.

The portfolio's characteristics and results match the S&P 500. The portfolio's largest holdings at quarter end were Apple (3.9% of the portfolio), Exxon Mobil (2.0%), and Microsoft (1.8%). Its characteristics are summarized below:

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	0.92%		12.24%		15.99%		14.42%	
S&P 500 Index	0.95%		12.73%		16.11%		14.47%	

Key Characteristics

	Fund	S&P
Average Capitalization (billions)	\$71	\$71
Beta	1.00	1.00
R-Squared	100	100

Holding Summary

Market Value	\$25,823,194
Percentage of Plan	9.31%

Barrow, Hanley, MeWhinney & Strauss SMid Capitalization Equity

The SMid cap equity portfolio ended the quarter with a market value of \$58.0 million. The portfolio experienced a quarterly return of 5.4%. Barrow's trailing year return was 8.3%. The portfolio's results fit with Barrow's long-term performance pattern where relatively short periods of poor performance are followed by periods of strong returns. The portfolio's three year annualized return of 18.0% was in line with the index. The portfolio's five year annualized return was 16.1% performed in line with the benchmark index. We continue to believe that Barrow, Hanley's Smid Cap equity team has the potential to produce attractive returns on this portfolio. However, patience will occasionally be required. The portfolio has repeatedly grown over its target allocation. Cash withdrawals have been as follows; 2q2012: \$250,000, 3q2012: \$500,000, 4q2012: \$1,471,690, 1q2013: \$500,000, 2q2013: \$5,500,000, 3q2013: \$500,000, 4q2013: \$500,000, 1q2014: \$7,000,000, 2q2014: \$500,000, 3q2014: \$500,000, 4q2014: \$500,000, 1q2015:\$500,000. Total: \$18,221,690.

As of quarter end, the three largest holdings in the portfolio were American Axle & Manufacturing Holdings (4.6% of the portfolio), Trex Company (4.3%), and Whirlpool Corporation (4.1%). By capitalization, the portfolio's holdings were 71% to mid cap, 25% to small cap, and 4% to large cap. This is acceptable for the assignment.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
BHMS Smid	5.44%		8.32%		17.98%		16.06%	
Russell Mid Cap	<i>3.95%</i>		<i>13.68%</i>		<i>18.10%</i>		<i>16.16%</i>	

Key Characteristics

	Fund	S & P 400	RMC
Number of Securities	39	400	843
Average Market Cap (billions)	\$2.75	\$5.00	\$11.17
Equity Yield	1.00	-	-
Equity P/E	17.70	21.28	21.49
Equity P/B	2.30	2.47	2.75
Beta (5 year)	1.41	-	-

Holding Summary

Market Value	\$57,991,496
Percentage of Plan	20.92%

Tocqueville International

This Retirement System's international equity portfolio is now managed by Tocqueville Management, a contrarian stock selector based in New York. The firm builds positions in companies when shares can be bought at significantly discounted values. This provides a measure of downside protection and opportunity for significant long-term gains. During the quarter, the portfolio posted a gain of 6.8% which outperformed its benchmark.

As of quarter end, Tocqueville's largest holdings were Sanofi (3.0% of the portfolio, 7.6% return during the quarter, France), CRH Plc (2.6%, +8.1%, Ireland), and Actavis Plc (2.6%, +15.7%, Ireland). The portfolio is allocated 47% to large caps, 32% to mid caps, 21% to small caps, and 0% to micro caps. The portfolio's current dividend yield is 2.2%. The account was funded on March 29th, 2011.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	6.76%		-0.71%		10.26%		-	
MSCI EAFE	4.88%		-0.92%		9.02%		6.16%	

Key Characteristics

	Fund	MSCI EAFE
Number of Securities	54	909
Average Market Cap (billions)	\$29.00	\$36.21
Equity P/E	18.90	17.68
Equity P/B	1.73	1.68
Beta (3 year)	1.01	1.00

Holding Summary

Market Value	\$24,388,432
Percentage of Plan	8.80%

Chickasaw Capital Management

The Chickasaw MLP portfolio was funded on October 15th, 2012. The portfolio ended the quarter with a market value of \$9.4 million. MLP's are fee-based midstream energy assets, such as pipelines, that generate stable, predictable cash flows. The cash flows are in part protected by regulation and high barriers to entry. Established and, in many cases, near-monopoly business franchises support consistent future growth. Chickasaw Capital Management is headquartered in Memphis, Tennessee. The three largest holdings as of quarter end were **Plains All American Pipeline LP (7.4% of assets), Enterprise Products Partners LP (7.4%), and Shell Midstream Partners LP (6.6%)**. **The portfolio has returned 72.0% since inception. The portfolio has been realigned in response to the rapid decline in crude oil prices.**

Chickasaw was one of two managers hired to invest in the asset class. The account was initially funded with **\$9.2 million**. **\$4.1 million** was withdrawn during the fourth quarter of 2014.

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	-1.34%		10.33%		-		-	
Alerian MLP	-5.23%		-2.50%		9.20%		13.67%	

Key Characteristics

	Fund	Alerian MLP
Number of Securities	25	50
Average Market Cap (billions)	\$11.56	\$12.65
Dividend Yield	3.60%	-

Holding Summary

Market Value	\$9,370,906
Percentage of Plan	3.38%

Pinnacle Investment Advisors

The Pinnacle MLP portfolio was funded on October 15th, 2012. The portfolio ended the quarter with a market value of \$7.9 million. MLP's are fee-based midstream energy assets, such as pipelines, that generate stable, predictable cash flows. The cash flows are in part protected by regulation and high barriers to entry. Established and, in many cases, near-monopoly business franchises support consistent future growth. Pinnacle Investment Advisors is headquartered in Tulsa, Oklahoma. The three largest holdings as of quarter end were **Williams Companies** (9.8% of assets), **NGL Energy Partners** (7.8%), and **Enterprise** (6.7%). **The portfolio has returned 24.3% since inception.**

Pinnacle was one of two managers hired to invest in the asset class. The account was initially funded with **\$9.2 million**. **\$2.8 million** was withdrawn during the fourth quarter of 2014. **Pinnacle was placed On Alert on January 27, 2015 for a one year term.**

Performance

	Last Quarter		Last 12 Months		Last 3 Years		Last 5 Years	
Portfolio	-1.90%		-8.80%		-		-	
Alerian MLP	-5.23%		-2.50%		9.20%		13.67%	

Key Characteristics

	Fund	Alerian MLP
Number of Securities	21	50
Average Market Cap (billions)	\$15.61	\$12.65
Dividend Yield	5.85%	-

Holding Summary

Market Value	\$7,916,561
Percentage of Plan	2.86%

Tulsa County Employees' Retirement System

Performance Review
As of March 31, 2015

Fund Name	Last Quarter	Last Year	Three Years	Five Years	Ten Years	Allocation % of Plan
Denver Intermediate Fixed Income	1.64%	3.78%	3.29%	4.51%	5.08%	\$50,929,069
<i>Bar Cap Inter Govt/Credit</i>	1.45%	3.58%	2.31%	3.52%	4.34%	18.37%
BHMS Core Fixed Income	1.81%	5.66%	3.43%	4.73%	5.55%	\$51,261,971
<i>Bar Cap Agg</i>	1.61%	5.72%	3.10%	4.41%	4.93%	18.49%
High Yield Fixed Income Portfolio²	1.86%	0.65%	7.99%	10.63%	-	\$25,197,403
<i>ML HY II</i>	2.54%	2.05%	7.47%	8.40%	8.04%	9.09%
Hoisington Active Duration Fixed Income	5.16%	27.92%	9.07%	-	-	\$21,749,813
<i>Bar Cap Agg</i>	1.61%	5.72%	3.10%	4.41%	4.93%	7.84%
<i>Bar LT Treasury</i>	3.96%	21.40%	7.68%	10.61%	7.90%	
S&P 500 Index Fund	0.92%	12.24%	15.99%	14.42%	8.01%	\$25,823,194
<i>S&P 500 Index Fund</i>	0.95%	12.73%	16.11%	14.47%	8.01%	9.31%
BHMS Smid Cap Equity	5.44%	8.32%	17.98%	16.06%	12.54%	\$57,991,496
<i>Russell Mid Cap</i>	3.95%	13.68%	18.10%	16.16%	10.02%	20.92%
Tocqueville International Equity	6.76%	-0.71%	10.26%	-	-	\$24,388,432
<i>MSCI EAFE</i>	4.88%	-0.92%	9.02%	6.16%	4.95%	8.80%
Chickasaw³	-1.34%	10.33%	-	-	-	\$9,370,906
<i>Alerian MLP</i>	-5.23%	-2.50%	9.20%	13.67%	12.98%	3.38%
Pinnacle Investment Advisors³	-1.90%	-8.80%	-	-	-	\$7,916,561
<i>Alerian MLP</i>	-5.23%	-2.50%	9.20%	13.67%	12.98%	2.86%
Liquidity Pool						\$2,629,414
						0.95%
Total	2.86%	6.22%	9.94%	9.39%	7.52%	\$277,258,259
<i>Policy Index¹</i>	2.25%	6.25%	8.35%	9.18%	6.13%	100.00%
<i>Actuarial Assumption (current)</i>	1.88%	7.75%	7.75%	7.75%	7.83%	

¹The policy index is composed of 9.25% S&P 500, 25.50% Barclays Capital Aggregate, 18.50% Barclays Intermediate Government Credit, 9.50% Merrill Lynch High Yield, 20.00% Russell Mid Cap, 8.00% Alerian MLP, and 9.25% MSCI EAFE.

²The High Yield Fixed Income Portfolio included the Hoisington Active Duration portfolio until the first quarter of 2012.

³Portfolio was funded on October 15th, 2012.

Source of market values: Bank of Oklahoma

INVESTMENT POLICY COMPLIANCE

The investment managers reported compliance with all applicable investment policies and guidelines.

The Composite's asset allocation as of quarter end is shown below. The allocation was 39% equity, 6% MLPs, and 55% fixed income and cash. The Fund's long-term **target asset allocation is 46.5% equity and 53.5% fixed income**. The allocations are within their target values. The portfolios are within their investment policy target ranges. A new target asset allocation was implemented during the fourth quarter of 2012.

Asset Class	Actual Portfolio	Investment Policy Target	Minimum	Maximum
Domestic Fixed Income Portfolios	54.74%	53.50%	43.50%	63.50%
Intermediate Fixed Income	18.37%	18.50%	8.50%	28.50%
Core Fixed Income	18.49%	18.50%	8.50%	28.50%
Cash	0.95%	0.00%	0.00%	5.00%
High Yield Fixed Income	9.09%	9.50%	0.00%	19.50%
Active Duration Fixed Income	7.84%	7.00%	0.00%	17.00%
Domestic Equity Portfolios	30.23%	29.25%	19.25%	39.25%
S&P 500 Index	9.31%	9.25%	0.00%	19.25%
SMid Cap Equity	20.92%	20.00%	10.00%	30.00%
International Equity Portfolios				
International	8.80%	9.25%	0.00%	19.25%
Energy Infrastructure				
MLP's	6.24%	8.00%	0.00%	18.00%
Total	100.00%	100.00%		

MANAGER STATUS SUMMARY

The table below displays the status of the Retirement System's investment managers.

MANAGER	ASSET CLASS	STATUS
Denver Investment Advisors	Intermediate Fixed Income	In Compliance
Barrow, Hanley, MeWhinney, & Strauss	Core Fixed Income	In Compliance
Aberdeen High Yield	High Yield Fixed Income	In Compliance
Loomis Sayles High Yield	High Yield Fixed Income	In Compliance
Hoisington	Active Duration Fixed Income	In Compliance
S&P 500 Index Fund	Index Equity	In Compliance
Barrow, Hanley, MeWhinney, & Strauss	SMid Cap Equity	In Compliance
Tocqueville	International Equity	In Compliance
Chickasaw Capital Management	Master Limited Partnership	In Compliance
Pinnacle Investment Advisors	Master Limited Partnership	On Alert - Performance

The Fund's investment managers are classified among the following categories:

In Compliance – The portfolio is acting in full compliance with its guidelines and it is performing according to expectations.

Alert – Concerns exist with the portfolio's performance, a change in investment characteristics, management style, ownership structure, staff or other related events.

On Notice – A continued and serious problem with any of the issues mentioned above. If the situation is not resolved to the Committee or Board's satisfaction, a replacement will be selected and hired.

Terminated – The manager has been terminated. Their portfolio is pending transfer or liquidation.

Appendix



Fixed Income Portfolio Characteristics

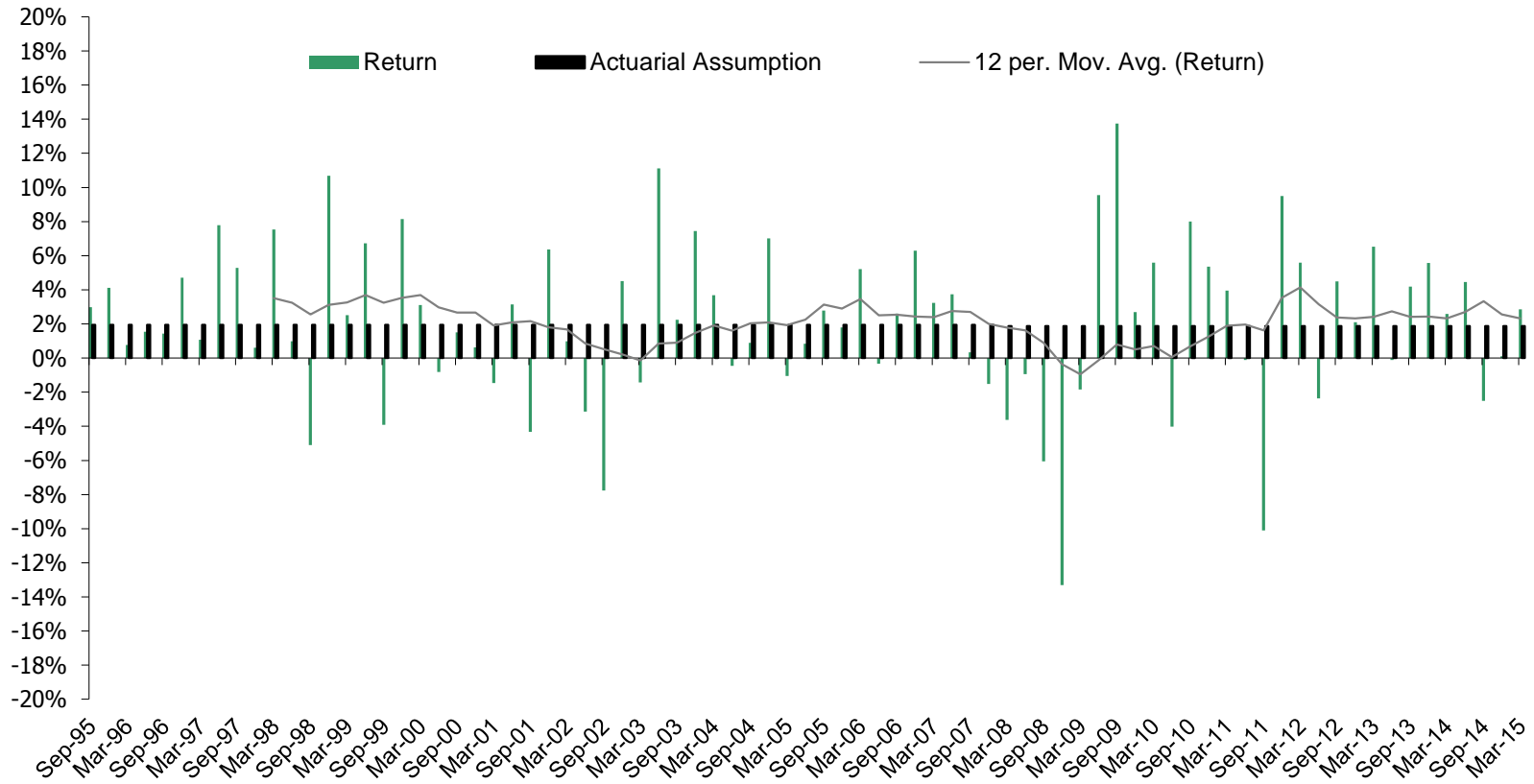
As of March 31, 2015

	Asset Class	Credit Quality	Modified Duration	Yield to Maturity
Denver Investment Advisors	Intermediate Fixed Income	AA-	3.6 years	1.9%
Barrow, Hanley	Core Fixed Income	AA-	5.3 years	2.2%
Aberdeen Global High Income	High Yield Fixed Income	B	4.0 years	6.9%
Loomis Sayles High Income	High Yield Fixed Income	BB	5.2 years	5.1%
Hoisington	Active Duration Fixed Income	AAA	19.5 years	2.6%
Composite	Core Plus	A-	6.7 years	2.8%
<i>BarCap Aggregate Index</i>	<i>Core Fixed Income</i>	<i>A</i>	<i>5.5 years</i>	<i>3.0%</i>



Total Fund Return History

Quarterly Returns: 1995 - Present



Total Fund Performance History

Quarterly Returns: 1995 - Present

Quarter Ended	Total Fund Return	Quarter Ended	Total Fund Return	Quarter Ended	Total Fund Return
Jun-95	4.40%	Jun-03	11.12%	Jun-11	-0.11%
Sep-95	2.98%	Sep-03	2.25%	Sep-11	-10.08%
Dec-95	4.12%	Dec-03	7.44%	Dec-11	9.46%
Mar-96	0.76%	Mar-04	3.68%	Mar-12	5.59%
Jun-96	1.54%	Jun-04	-0.45%	Jun-12	-2.36%
Sep-96	1.43%	Sep-04	0.90%	Sep-12	4.53%
Dec-96	4.71%	Dec-04	7.01%	Dec-12	2.10%
Mar-97	1.08%	Mar-05	-1.05%	Mar-13	6.53%
Jun-97	7.79%	Jun-05	0.84%	Jun-13	-0.12%
Sep-97	5.28%	Sep-05	2.78%	Sep-13	4.18%
Dec-97	0.61%	Dec-05	1.79%	Dec-13	5.58%
Mar-98	7.53%	Mar-06	5.21%	Mar-14	2.58%
Jun-98	0.99%	Jun-06	-0.33%	Jun-14	4.45%
Sep-98	-5.10%	Sep-06	2.60%	Sep-14	-2.51%
Dec-98	10.68%	Dec-06	6.30%	Dec-14	1.41%
Mar-99	2.51%	Mar-07	3.23%	Mar-15	2.86%
Jun-99	6.72%	Jun-07	3.73%		
Sep-99	-3.91%	Sep-07	0.33%		
Dec-99	8.15%	Dec-07	-1.51%		
Mar-00	3.10%	Mar-08	-3.63%		
Jun-00	-0.81%	Jun-08	-0.95%		
Sep-00	1.51%	Sep-08	-6.06%		
Dec-00	0.62%	Dec-08	-13.25%		
Mar-01	-1.46%	Mat-09	-1.85%		
Jun-01	3.14%	Jun-09	9.56%		
Sep-01	-4.32%	Sep-09	13.75%		
Dec-01	6.36%	Dec-09	2.74%		
Mar-02	0.98%	Mar-10	5.60%		
Jun-02	-3.14%	Jun-10	-4.02%		
Sep-02	-7.76%	Sep-10	8.00%		
Dec-02	4.52%	Dec-10	5.35%		
Mar-03	-1.43%	Mar-11	3.96%		



Reallocation and Cash Draw

January 15, 2015

Manager	Reallocation	Cash Draw	Net Change
Barrow, Hanley Fixed Income	-	(\$450,000)	(\$450,000)
Denver Investment Advisors	-	(\$450,000)	(\$450,000)
Barrow, Hanley Midcap Equity	-	(\$500,000)	(\$500,000)
State Street Global Advisors	-	(\$200,000)	(\$200,000)
Aberdeen	-	-	-
Loomis Sayles	-	-	-
Tocqueville Asset Management	-	(\$200,000)	(\$200,000)
Wasatch Hoisington	-	-	-
Pinnacle Investment Advisors	-	(\$100,000)	(\$100,000)
Chickasaw Capital Management	-	(\$100,000)	(\$100,000)
Total	-	(\$2,000,000)	(\$2,000,000)

The contents of this report have been prepared, reviewed, and deemed accurate by:

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Tuesday, April 28, 2015