Investment

Investment Consultant's Report

STRATEGIC INVESTMENT SOLUTIONS, INC.

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Investment Objectives

The primary financial objective is to earn a long-term return sufficient to avoid deterioration in funded status. The System's actuary estimates this return requirement to be 7.5% while its investment consultant estimates the real return requirement to be 5.3%.

Secondary goals are to outperform the asset allocation-weighted benchmark and to rank in the top forty percent of a universe of public pension funds.

Asset Allocation

The System's Investment Philosophy stresses the following key points:

1. Asset allocation is the key determinant of return. Therefore, commitments to asset allocation targets are maintained through a disciplined rebalancing program.

2. Diversification, both by and within asset classes, is the primary tool for risk control.

3. Passive instruments (index funds) are suitable strategies in highly efficient markets.

ASSET CLASS	6/30/14 ALLOCATION	LOW	TARGET	HIGH	% PASSIVE OR SEMI-PASSIVE
US EQUITY	45.2%	38.2%	44.0%	49.8%	100.0%
FIXED INCOME	29.9%	27.5%	32.0%	36.5%	61.5%
INT'L EQUITY	24.6%	21.0%	24.0%	27.0%	100.0%
CASH	0.3%	0.0%	0.0%	0.0%	100.0%

Investment Consultant's Report (continued)

Review of Fiscal 2014 Investment Environment

Fiscal year ended June 30, 2014 saw a continuation of the rally in equities off of their lows from March 2009; with strong gains in US stock markets in excess of 20%, and positive returns in foreign stock markets. The Fixed Income markets ended the fiscal year with positive returns as yields fell over the last six months (January to June) of the fiscal year. As a diversified investor, Uniform Retirement System For Justices & Judges (URSJJ) experienced a +17.7% return for the fiscal year. The +17.7% result was above URSJJ policy benchmark of +17.3% for the fiscal year by +40 basis points.

Fiscal year 2014 was once again positive for the US equity markets and foreign equity markets also experienced strong results but lagged the US returns. For the fiscal year, the Russell 3000 US Stock Index gained +25.2% and the MSCI ACW (All Country World) ex-US Index of foreign stocks gained +22.3%.

Within the US equity markets, stocks of large companies outperformed small companies (+25.4% versus +23.6%) for the fiscal year. Growth stocks outperformed value on a relative basis in large caps (+26.9% versus +23.8%) and within small caps growth stocks also outperformed value stocks on a relative basis (+24.7% versus +22.5%).

International equities trailed the domestic equity markets for fiscal year 2014. Developed Non-US stocks as measured by the MSCI EAFE Index gained +24.1% and Emerging Markets stocks as measured by the MSCI Emerging Markets Index gained +14.7%.

The US fixed income market produced a positive return (+4.4% Barclays Capital US Aggregate Index) for the fiscal year ended June 30, 2014.

Performance Review

At quarterly intervals, the System reviews performance at the total fund, asset class and individual manager levels. At each level, returns are evaluated versus appropriate indexes and peers. Index comparisons have as return objectives various after-fee return premiums with risk (standard deviation) not exceeding 125%-150% of the underlying index. Comparisons with peers seek top forty percentile results.

Investment returns achieved through June 30, 2014 have been calculated using a time-weighted rate of return methodology based upon market values. As shown in the following table, for the 1, 3 and 5-year annualized time periods ended June 30, 2014 the US Equity asset class performed right about its respective benchmark. The Non-US Equity asset class performed slightly below its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2014. The Fixed Income asset class performed above its respective benchmark for the 1, 3 and 5-year annualized time periods ended June 30, 2014.

The Domestic Equity asset class was ranked above median for the annualized time periods of 1, 3 and 5-years. The Non-US Equity asset class was ranked at abut median for the annualized time period of 1-year and below median for the annualized time periods of 3 and 5-years. The Fixed Income asset class was ranked below median for the annualized time period of 1-year and at about median for the annualized time periods of 3 and 5-years.

Investment Consultant's Report (continued)

The total URSJJ Plan has performed above its Policy Benchmark for the annualized time period of 1, 3 and 5-years to June 30, 2014. The ranking for the total URSJJ Plan for the annualized time period of five years is at the 28th percentile for the peer universe of Public Funds.

PERIODS ENDED 6/30/14	ONE YEAR	THREE YEARS	FIVE YEARS
Domestic Equity	+25.1%	+16.3%	+19.5%
86.4% Russell 1000 / 13.6% Russell 2000	+25.1%	+16.4%	+19.4%
Rank	46*	34	43
Non-US Equity	+22.0%	+6.0%	+11.4%
MSCI ACWI ex-US	+22.3%	+6.2%	+11.5%
Rank	51	75	66
Fixed Income	+5.1%	+5.2%	+6.6%
80% BC Agg. / 10% Citi 20+ Year Tsy. / 10% BC US TIPS	+4.7%	+4.3%	+5.1%
Rank	64	51	55
Total Fund	+17.7%	+10.2%	+13.2%
*Policy Benchmark***	+17.3%	+10.0%	+12.6%
Public Fund Median	+16.0%	+9.5%	+12.3%
Median Rank**	18	31	28

* Ranking 1 is best, 100 is worst.

** Rankings source - InvestorForce Universes

*** Policy Benchmark is: 44% (86.5% Russell 1000/ 13.5% Russell 2000) Custom Domestic Equity Benchmark/ 32% (80% BC US Aggregate / 10% Citi 20-Year+ Treasury / 10% BC US TIPS) Custom Fixed Income Benchmark / 24% MS ACWI ex-US.

Yours truly,

Paul S. Harte
Senior Vice President

Chief Investment Officer's Report

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Dear Members:

After the impressive gains in the global equity markets posted last year, fiscal year 2014 was an encore we did not anticipate. Equity markets around the world continued their bullish runs, and were once again led by gains in the U.S. The Fund returned 17.75% for the fiscal year, driven by the strength of developed equity markets around the world. This year's letter, which covers the 2014 fiscal year, will follow the same format as in years past. First, I will discuss the general economic environment and the performance of various markets throughout the fiscal year. Next, I will focus on the Fund by reviewing the investment performance and the asset allocation. Then, I will also offer an investment outlook and discuss recent events at the Fund. Finally, I will review the Fund's investment philosophy and guiding principles, because both are critically important to the investment decision-making process.

Economic Environment

Momentum that the U.S. economy had coming into the year continued, mostly, throughout fiscal 2014. Economic activity in the U.S. accelerated at the end of calendar year 2013, and stayed above a 3.5% annual rate for most of the fiscal year. The weather during the winter months was especially harsh, and caused economic activity to contract during that period. However, the economy bounced back in the spring of 2014 on the strength of the consumer, especially for durable goods and a pickup in business spending. The labor market seems to have turned a corner. Unemployment figures have improved, ending the fiscal year at 6.1%. Previous improvements in the unemployment rate came partially from working-age adults dropping out of the labor market. The latest figures reflect a much healthier situation where the number of jobs increased and more people joined the labor force. Payrolls in the U.S. continued to grow, and in nine of the twelve months of the fiscal year over 200,000 jobs were added to the U.S. economy. Inflation remains low and is expected to stay below the Federal Reserve's target in the short term. The strength of the U.S. economy allowed the Federal Reserve to curtail some of the Fed's highly supportive policies, like quantitative easing. Federal Reserve Chair Janet Yellen, who replaced Ben Bernanke, continued the policy of slowly withdrawing the unprecedented stimulus of the last five years.

The European Union continued to struggle with very sluggish economic activity during the fiscal year. GDP growth for the Eurozone was an annual 0.2% for the second quarter of 2014. While this is low, it was an improvement over recessionary growth rates experienced during last fiscal year. Countries in the Eurozone experienced paltry economic growth, relatively high unemployment, and high government debt levels. As a result, the European Central Bank (ECB) continued to cut rates and announced a plan to purchase securities. Outside of Europe, the economic picture really did not improve. In Asia, Japanese GDP for the second quarter was down 7.1% on a quarter-over-quarter basis as an increase in sales taxes severely counteracted Prime Minister Abe's pro-growth policies. In China, GDP for second quarter 2014 was up 7.4% on a quarter-over-quarter basis, as domestic stimulus and infrastructure spending spurred economic growth.

Chief Investment Officer's Report (continued)

U.S. and Global Stock Markets

The performance of the U.S. stock market, as measured by the Russell 3000 Index, continued to grow at a break-neck pace for the fiscal year. The Russell 3000 Index is one of the broadest equity indices available and a good proxy for the U.S. equity market. The markets have roared back since the Great Recession. Once again, many major stock indices, including the S&P 500, reached all-time highs during the period.

Change in the Russell 3000 Index during the fiscal year ended June 30, 2014

Value at 6/30/14 5650.9
Value at 6/30/13 4512.8

Source: Frank Russell Company

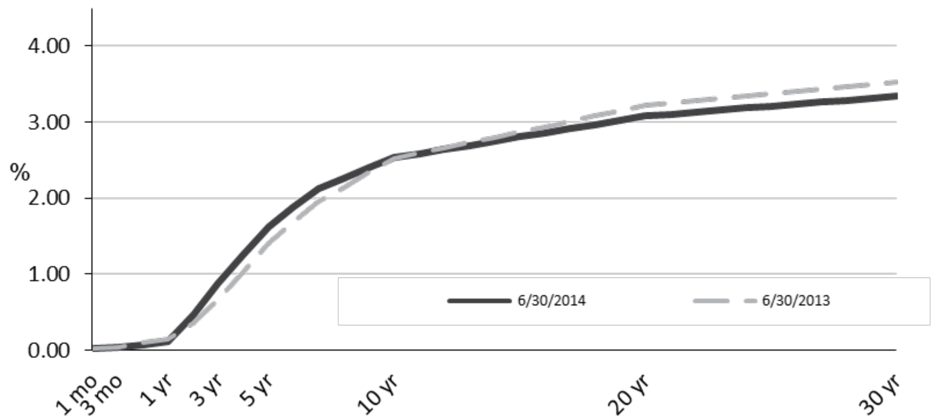
The Russell 3000 Index ended the fiscal year up 25%. The market rallied for most of the year, with only a couple of brief pauses on its way to record territory. The market was driven by improved economic activity and the continuation of stimulating policies of the Federal Reserve. The market sold-off when it appeared the economy was strong enough to have the Fed rein in its policies sooner than expected. Leading the equity markets were the stocks of the largest companies, as large capitalization stocks out-performed small capitalization stocks by almost 2% over the period. Global developed markets also responded to the monetary therapy being dispensed by the Federal Reserve and the European Central Bank over the period. The MSCI All Country World Index ex-U.S. (ACWI ex-U.S. Index), which includes developed and emerging markets, gained 21.75% in U.S. dollar terms for the fiscal year, as investors found value in markets starting to show signs of emerging from recession. The U.S. dollar weakened relative to many other foreign currencies, which enhanced U.S. dollar investor returns in European markets. Emerging market returns in U.S. dollar terms were much weaker compared to developed markets, as investors fled the sector on political and economic challenges, especially in Argentina and Russia.

Interest Rates

The chart on the next page depicts the U.S. Treasury term structure of interest rates. The yield curve is a graphical representation of yield levels across the spectrum of bond maturities. As shown, the interest rate curve slightly flattened during the period as rates at the long end of the curve declined modestly and increased in the short end of the curve. The bond market reacted to geopolitical risks and demanded the safety of U.S. Treasury bonds, driving down the yield for those securities. The Federal Reserve continued its accommodative posture by keeping the short term Federal Funds Rate near zero (0-0.25%) and assured investors short-term rates will remain at this level to stimulate economic activity.

Chief Investment Officer's Report (continued)

U.S. Treasury Yield Curve



Source: U.S. Treasury

Investment Returns Through June 30, 2014

U.S. Equity	Style	1 Year	3 Years	5 Years
Russell 3000	Broad U.S. Equity	25.22%	16.46%	19.33%
S&P 500	Large Cap Equity	24.61%	16.58%	18.83%
Russell 1000	Large Cap Equity	25.35%	16.63%	19.25%
Russell 1000 Growth	Large Cap Growth	26.92%	16.26%	19.24%
Russell 1000 Value	Large Cap Value	23.81%	16.92%	19.23%
Russell 2000	Small Cap Equity	23.64%	14.57%	20.21%
Russell 2000 Growth	Small Cap Growth	24.73%	14.49%	20.50%
Russell 2000 Value	Small Cap Value	22.54%	14.65%	19.88%
Uniform Retirement System for Justices & Judges	**Broad U.S. Equity**	**25.13%**	**16.33%**	**19.47%**

U.S. Fixed Income	Style	1 Year	3 Years	5 Years
ML 3-Month T-Bill	Cash	0.04%	0.06%	0.09%
Barclays U.S. Aggregate	Core Bonds	4.37%	3.66%	4.85%
Citigroup 20-year Treasury Average	Long Term Bonds	6.51%	9.86%	7.47%
ML High Yield Master II	High Yield Bonds	11.80%	9.27%	13.94%
Uniform Retirement System for Justices & Judges	**Domestic Fixed Income**	**5.14%**	**5.18%**	**6.61%**

International Equity	Style	1 Year	3 Years	5 Years
MSCI ACWI Ex-US	Broad Non-US Equity	21.75%	5.73%	11.11%
MSCI EAFE	Developed Non-US Equity	23.57%	8.10%	11.77%
MSCI Emerging Market	Emerging Non-US Equity	14.31%	-0.39%	9.24%
Uniform Retirement System for Justices & Judges	**Non-U.S. Equity**	**22.04%**	**6.01%**	**11.47%**

Uniform Retirement System for Justices & Judges	**Total Fund**	**17.75%**	**10.19%**	**13.16%**

Chief Investment Officer's Report (continued)

Investment Performance

Risk Assets Continue to Run

The total Fund produced stellar results, returning 17.75% for the period. The Fund outperformed the policy benchmark portfolio by 48 basis points for the period. The advisors that OPERS hires to manage the investment mandates added value relative to each manager's respective benchmark. We were again very pleased with the strong benchmark-relative results of our active advisors in the fixed income markets.

The Fund benefited from positive absolute returns from several asset classes in which it is invested, but especially within the U.S. and non-U.S. equity segments. The biggest positive driver of returns for the fiscal year was again the Fund's U.S. equity allocation. Overall, that segment of the portfolio returned 25.1%. Next, the non-U.S. equity portfolio contributed to total returns considerably, with a return of 22% for the period. Finally, the fixed income segment of the portfolio contributed positively, returning 5.1% for the fiscal year.

U.S. Equity

The Fund uses passive index investment management for the entire U.S. equity portfolio. Passive investment management is an efficient and cost effective way to manage the assets, while maintaining broad exposure to the desired asset class. The Fund's allocation dedicated to large capitalization stocks was the best performing asset class for the period, returning over 25%. The small capitalization portion of the fund returned almost 24% for the year. The overall U.S. equity portfolio returned over 25% for the period. That is an impressive result we do not expect going forward.

Non-U.S. Equity

This portion of the Fund is also managed entirely in a passive style. The index consists of stocks from developed and emerging countries outside of the United States. International developed and emerging markets continued to rally during the year. However, the performance of emerging markets once again lagged the performance of developed markets considerably. The U.S. dollar weakened relative to the basket of non-U.S. currencies, which added to performance results for dollar-based investors. The international portfolio gained over 22% for the period on a U.S. dollar basis.

Fixed Income

The Fund's bond portfolio contributed positively to overall results for the fiscal year. Yields declined modestly on longer maturity bonds, which helped to boost overall nominal bond total returns. The interest-rate sensitive portion of the fixed income segment produced the highest returns (nominal and benchmark-relative) within this segment, as we would expect given the decline in long-term U.S. Treasury yields over the period. In addition, the active manager's bias towards long term bonds also boosted returns relative to its benchmark. The fixed income managers benchmarked to the broad fixed income market both outperformed the index. As with last fiscal year, the more risk one assumed, the more return was earned. The Fund's core plus mandate, which uses higher yielding bonds in the asset mix, performed better relative to the benchmark than the more constrained core bond mandate.

Chief Investment Officer's Report (continued)

Asset Allocation

Diversification Reduces Volatility
Diversification continues to be the most effective defense against the risks associated with any one individual security or asset class. Risks are controlled by allocating the Fund's assets across various asset classes and sectors within asset classes.

Asset Allocation				
Asset Class	**Min**	**6/30/2014**	**Target**	**Max**
Cash	0.0%	0.3%	0.0%	0.0%
Domestic Fixed Income	27.5%	29.9%	32.0%	36.5%
U.S. Equity	38.2%	45.2%	44.0%	49.8%
Non-U.S. Equity	21.0%	24.6%	24.0%	27.0%
Total Fund		**100%**	**100%**	

Outlook and Recent Events

Outlook
If you've read this report in previous years, you know that I usually start this section on a cautionary note regarding the accuracy of forecasted market returns. Correctly and consistently forecasting the market's behavior is impossible, and taking any forecast as fact is sheer folly. We build the Fund according to the tenets set forth in the Investment Policy while making diversification, with respect to different asset classes and within each asset class, a priority. We endeavor to structure the Fund so it may benefit from strong returns in relatively riskier asset classes, but are ever mindful to maintain a level of diversification to dampen the return volatility that can result.

The current global economic environment continues to be driven by economic activity in North America, and specifically the U.S. European economies appear to be on firmer footing, as the economic zone emerged from a double-dip recession. Economic activity remains below potential in several larger economies in Europe. Central banks across the globe continue to support global capital markets with programs designed to inject liquidity into markets. Brief periods of volatility followed apprehension that the central banks, especially the Federal Reserve, would unwind these programs sooner than anticipated. So far, the Fed has done a good job in managing the expectations in the market and signaling its policy intentions. However, there were some fits and starts during the period as the Fed began to curtail its quantitative easing program. Geopolitical concerns, especially in Eastern Europe, also caused market participants to pause.

For 2014, our largest concern continues to be the prospect of generating and maintaining investment results that match or exceed the actuarial assumed rate of return of 7.5%. This will continue to be a challenging task going forward. Interest rates still remain near historically low levels which continue to pressure the long-term return generating capacity of a diversified portfolio. Additionally, after such a strong run, equity market valuation levels are higher than last year, which reduces prospective future returns.

Fixed Income
Over a long period of time, the total return of the bond market ***tends*** to resemble the yield of years' past. Over short periods, interest rate movements may have a profound impact on the capital gains (or losses) experienced by bond investors. The more quickly interest rates rise, the more pressure is exerted on the total return of the fixed income portfolio. Rates declined on the long end of the yield curve last year, which helped bolster fixed income total returns over the period. Our medium-term expectation for the total return of the U.S. fixed income markets going forward would more closely reflect current yields, which are around 2.5%-2.75%. But we could see a much lower total return (even another negative year) if rates rise too quickly and the decline in bond value more than offsets the yield.

Chief Investment Officer's Report (continued)

Equity
The equity markets are particularly difficult to predict with any type of precision. Over short periods of time, market sentiment and technical factors (buying and selling) have an overwhelming impact on returns experienced by investors. ***Over a long period of time***, the real return from the equity markets can be attributable to three main sources: dividends on stocks, the growth rate of corporate earnings, and changes in the valuation ratios. Generally, the growth rate of earnings depends on the economic environment. My forward-looking expectation on the economy has not changed from last year. The U.S. economy has shown signs of resilience, and growth has been increasing on a quarter-over-quarter basis. Consumer spending, the biggest driver of the U.S. economy, has picked up some steam, as the outlook for employment has improved. Consumers spent more money on durable goods, which is a good sign that the outlook has improved. As I mentioned above, the ability of the policy makers to manage expectations around monetary policy will be key to the performance of the equity market (and most other "risk assets") for the next several quarters, in addition to the reaction of market participant to elevated valuation levels.

Recent Events
The Board of Trustees modestly changed the strategic asset allocation of the Fund effective November 1, 2013. The U.S. Equity segment of the portfolio was increased to 44% of the Fund, from 40% previously. A corresponding decrease in the Fixed Income allocation occurred, as it decreased to 32% from 36% of the Fund. The reduction in the fixed income allocation is in appreciation of the extraordinarily low level of yields available in the fixed income markets. The reduction will modestly reduce the effect of prospective fixed income returns on the overall total return of the portfolio. However, we do not expect the change to have a dramatic effect on the overall risk/reward characteristics of the fund.

Investment Philosophy and Guiding Principles

The investment philosophy and the principles that guide the stewardship of the Fund have remained consistent and are listed below. A pension fund has the longest of investment horizons and, therefore, rightly focuses on factors impacting long-term results:

- Asset allocation is the key factor determining long-term results.
- Disciplined rebalancing toward the desired asset allocation maintains diversification and controls risk.
- Diversification within and across asset classes is the most effective tool for controlling risk.
- Passive investment management is commonly the most effective approach in efficient markets; active investment management can succeed in less efficient markets.

For a complete discussion of the investment portfolio and policies thereof, please see the Statement of Investment Policy. A copy of the policy is posted on the OPERS website, www.OPERS.OK.gov/Investments. If you have any questions about this report or the management of the Fund's investments, please contact me. Thank you.

Regards,

Brad Tillberg, CFA
Chief Investment Officer

Largest Holdings

The Plan's ten largest fixed income at June 30, 2014, are described in the following schedules. The Plan invests in four index funds which are separately presented.

Ten Largest Fixed Income Holdings (By Fair Value):

Security	Par	Fair Value
U.S. Treasury Notes .5% due 6-15-2016	$3,670,000	$3,673,153
U.S. Treasury Bonds Principal Strips due 5-15-2039	6,645,000	2,860,261
U.S. Treasury Notes 2.5% due 5-15-2024	2,637,500	2,633,792
U.S. Treasury Notes 1.5% due 5-31-2019	2,435,000	2,422,825
U.S. Treasury Bonds 2.75% due 11-15-2042	2,668,000	2,381,606
U.S. Treasury Notes .875% due 6-26-2017	2,310,000	2,310,903
U.S. Treasury Bonds 1.625% due 6-30-2019	1,635,000	1,635,000
U.S. Treasury Bonds 5.25% due 2-15-2029	1,259,000	1,613,881
GNMA Pool 4% due 6-20-2044	1,400,000	1,500,772
U.S. Treasury Bonds 3.375% due 5-15-2044	1,345,000	1,354,037

Investments in Funds (By Fair Value):

Fund	Units	Fair Value
BlackRock Russell 1000 Index Fund	846,883	$117,075,104
BlackRock ACWI ex-U.S. Index Fund	2,979,331	74,161,213
BlackRock Russell 2000 Index Fund	495,049	18,780,902
BlackRock U.S. TIPS Index Fund	414,548	8,737,317

A complete list of portfolio holdings is available upon request from the OPERS Investment Accounting and Financial Reporting Department.

Schedule of Stock Brokerage Commissions Paid

Year Ended June 30, 2014

None

Investment Portfolio by Type and Manager

At June 30, 2014, the investment portfolio of URSJJ was allocated by type and style as follows:

Investment Type and Manager	Style	Fair Value*	Percent of Total Fair Value
		(000's)	
Fixed Income:			
Blackrock Financial Management, Inc.	Constrained Core	$ 47,807	15.7%
Hoisington Investment Management	Interest Rate Anticipation	8,617	2.8%
BlackRock Institutional Trust Company	Index Fund – U.S. TIPS	8,737	2.9%
Metropolitan West Asset Management	Core Plus	29,309	9.6%
Total Fixed Income		94,470	31.0%
U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 2000	18,780	6.1%
BlackRock Institutional Trust Company	Index Fund – Russell 1000	117,075	38.3%
Total U.S. Equities		135,855	44.4%
International Equities:			
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	74,160	24.3%
Short-term Investment Funds	Operating Cash	931	0.3%
Total Managed Investments		305,416	100.0%
Securities Lending Collateral		13,871	
Cash Equivalents on Deposit with State		117	
Total Investments and Cash Equivalents		$ 319,404	
Statement of Plan Net Assets			
Cash Equivalents		1,642	
Investments		317,762	
Total Investments and Cash Equivalents		$ 319,404	

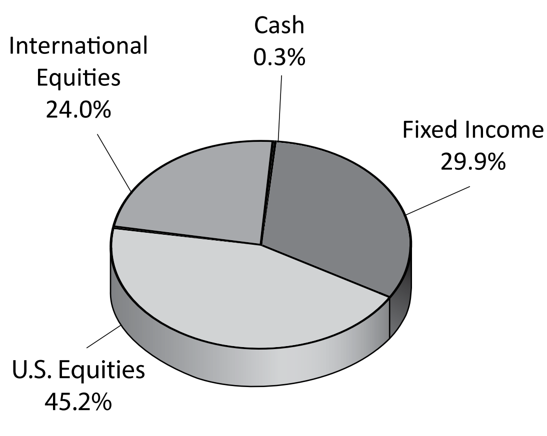
** Manager fair values include their respective cash and cash equivalents.*

Asset Comparison

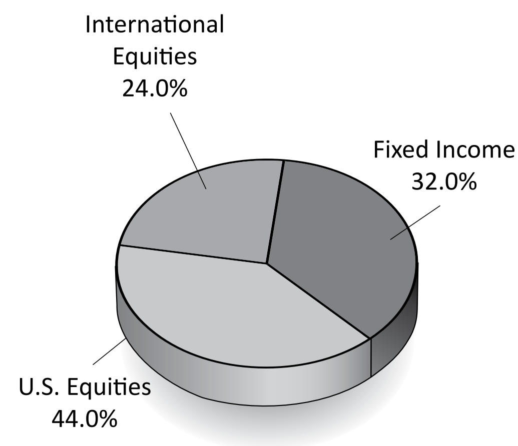
A comparison of the actual investment distribution at June 30, 2014 and 2013, based on the net investment manager holdings, including accrued income, payables and receivables, compared to the target allocations for each year is as follows:

2014

Asset Mix

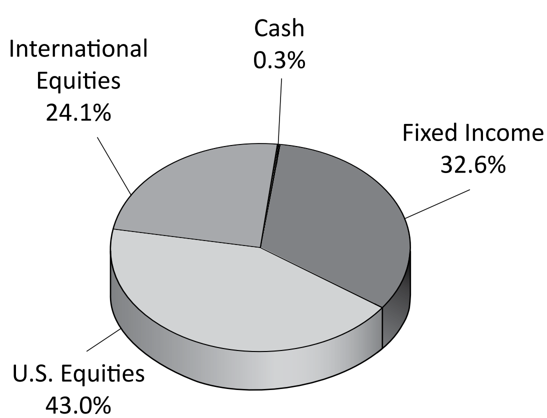


Target Policy Mix



2013

Asset Mix



Target Policy Mix