

# OKLAHOMA MUNICIPAL RETIREMENT FUND

One	Firm Overview
Two	Investment Guidelines
Three	Investment Process
Four	Portfolio Review as of September 30, 2008
Five	Outlook

**Joshua D. Shaskan  
Robert W. Foran  
Transamerica Investment Management, LLC  
Client Review  
November, 2008**

# Firm Overview

---

## HISTORY

- Transamerica Investment Services, Inc., a subsidiary of Transamerica Corporation, formed in 1967, began investment advisory services in 1968.
- Transamerica Investment Management, LLC (TIM) became part of the AEGON Group in 1999.
- Transamerica Investment Management, LLC acquired Westcap Investors LLC in 2005.

## UNIQUE OWNERSHIP

### Key employees have ownership in approximately 12% of the firm

- Economic motivation
- Attract industry talent
- Long standing track records
- Organizational autonomy
- Flexibility
- Solid infrastructure due to membership in AEGON Group

## OFFICES

Approximately 80 employees in Dayton, OH; Denver, CO; Fort Worth, TX; Los Angeles, CA

## 9.30.08 AUM

**\$18.2 Billion**

## STRATEGIES\*

• Micro Cap	\$10 MM	• Balanced	\$898 MM
• Small Core	\$33 MM	• Convertibles	\$718 MM
• Small Growth	\$302 MM	• Fixed Income Strategies	\$5,214 MM
• Small/Mid Growth	\$362 MM	• Value Equity Strategies	\$1,811 MM
• Mid Growth	\$820 MM		
• Diversified Equity	\$679 MM		
• Large Growth	\$7,062 MM		
• Global Growth	\$28 MM		
• All Cap Growth	\$553 MM		
• Science & Technology Strategy	\$181 MM		

\*Investment strategies listed above are not intended to be a complete list of strategies for Transamerica Investment Management, LLC.

# Investment Team

## INVESTMENT TEAM LEADERSHIP

Gary U. Rollé, CFA, Principal, Chief Investment Officer, CEO,  
Lead Portfolio Manager: Large Growth

- TIM All Cap Growth Portfolio
- Sectors: Financial Services and Industrials
- Chief Investment Officer 1983-Current
- Sun America Chief Investment Officer 1980-1982
- PM: All Cap Growth, Convertibles & High Yield 1968 -1980
- Occidental Life Securities, Analyst 1967 -1968

Derek Brown, CFA, Director of Fixed Income  
Lead Portfolio Manager: Core Fixed, Long Duration, Gov't Securities

- Industries: Banks, Brokerages and Finance
- Joined Transamerica Investment Management in 2005
- Bradford and Marzec, Portfolio Manager 2001-2005
- Back Bay Advisors, Trading 2000-2001
- The Boston Co. Asset Management, Trader 1995-2000
- 17 years investment industry experience

Peter Lopez, Principal, Director of Research,  
TIM All Cap Growth Portfolio; Portfolio Manager: High Yield

- Industries: Gaming and Lodging, Retail, Autos and Consumer Staples
- Joined Transamerica Investment Management in 1997-2000; 2003
- Centre Pacific, LLC, Managing Director 2000-2002
- 17 years of investment industry experience

## TIM RESEARCH TEAM

**Scott Dinsdale, CFA, Senior Securities Analyst**

- Industries: Telecom, Utilities, Media, Aero/Defense and Alternative Energy
- Joined Transamerica Investment Management in 1999-2000, rejoined in 2005
- Pacific Life Insurance Co., Portfolio Manager & Analyst 2000-2005
- Standard & Poor's Ratings Group, Director 1989-1999
- 20 years investment industry experience

**Geoffrey Edelstein, CFA, CIC, Principal, Managing Director**  
Portfolio Manager: All Cap and Large Value

- TIM All Cap Growth Portfolio
- Industries: Beverage, Food and Consumer Products
- Westcap Investors, Managing Director & Co-Founder 1992-2005
- Attorney, Corporate & Real Estate Law 1988-1991
- 17 years investment industry experience

**Richard Farra, Senior Securities Analyst**

- TIM All Cap Growth Portfolio
- Industries: Technology and Telecom Equipment
- Westcap Investors, Securities Analyst 2003-2005
- Roxbury Capital Mgmt, Securities Analyst 2001-2003
- TCW, Portfolio Manager 1998-2001
- ARCO Investment Mgmt Company, Portfolio Manager 1991-1998
- Hughes Investment Management Company, Portfolio Manager 1987-1991
- Beneficial Standard, Analyst 1982-1987
- 25 years investment industry experience

**Kirk Feldhus, Securities Analyst**

- Industries: Retail, Chemicals, Financials and Business Services
- Westcap Investors, Securities Analyst 2004-2005
- Crystal Cove Capital, Vice President 2002-2004
- Banc of America Securities, Research Associate 1999-2000
- 9 years investment industry experience

**Peter Fisher, Securities Analyst**

- Industries: Media and Information Technology
- Westcap Investors, Analyst 2004-2005
- Housing Development Finance Corporation, Analyst 2001
- Merrill Lynch Japan, Analyst 2000
- 5 years investment industry experience

**Greg Haendel, CFA, Portfolio Manager: Money Market,  
Ultra Short Duration, Short Duration: Core (Agg),**

- Industries: Beverage, REITS and Mortgages
- Joined Transamerica Investment Management in 2003
- Metropolitan West Asset Management, High Yield 2002-2003
- Lehman Brothers (London), Fixed Income 2001-2002
- Co-Bank, Mortgage-Backed Portfolio Manager 1999-2001
- Merrill Lynch, Global Debt Analyst 1998-1999
- 11 years investment industry experience

**Ed Han, Principal, Portfolio Manager: Mid Growth, Concentrated  
All Cap Growth**

- Sectors: Health Care and Industrials
- Joined Transamerica Investment Management in 1998
- Bank of America Corporate Banking, Vice President 1993-1998
- 14 years investment industry experience

**Jeffrey Hoo, CFA, Principal, Portfolio Manager: Micro Cap, Small  
Growth; Small, Small/Mid Value**

- Small Core Portfolio
- Sector: Health Care
- Westcap Investors, Securities Analyst 1997-2005
- Sony Pictures Entertainment, Home Video Finance 1994-1996
- KPMG Peat Marwick, Auditor 1992-1994
- 11 years investment industry experience

**John Huber, CFA, Principal, Portfolio Manager: Mid Growth**

- TIM All Cap Growth Portfolio
- Industries: Banks and Asset Managers
- Westcap Investors, Securities Analyst 2000-2005
- Wilshire Associates, Senior Associate 2000
- Arthur Andersen, Information Technology Consultant 1995-1998
- 9 years investment industry experience

**Kirk Kim, Principal, Portfolio Manager: Convertible Securities;  
High Yield; Core Plus**

- TIM Concentrated All Cap Growth Portfolio
- Industries: Information Technology, Telecom Service
- Joined Transamerica Investment Management in 1997
- The Franklin Templeton Group, Securities Analyst 1995-1997
- 13 years investment industry experience

**Thomas Larkin, III, Securities Analyst/Co-Portfolio Manager**

- Sectors: Industrials and Materials
- Westcap Investors, Analyst 2003-2005
- Morgan Stanley, Private Wealth Division Summer 2000, 2002
- Trust Company of the West, Analyst Summer/Winter 2001
- 7 years investment industry experience

**John Lawrence, CFA, Lead Portfolio Manager: Global Growth**

- Industries: Energy, Restaurants and Gaming & Lodging
- Westcap Investors, Securities Analyst 2003-2005
- Credit Suisse First Boston, Research Analyst 2001-2002
- Sanders Morris Harris, Assistant Vice President 2000-2001
- 8 years investment industry experience

**Laura McGuigan, CFA, Principal, Director of Equity Trading**

- Westcap Investors, Director of Trading 1998-2005
- Trust Company of the West, Trader 1996-1998
- 12 years investment industry experience

**Jennifer Robertson, Securities Analyst**

- Industries: Retail, Restaurants and Apparel
- Westcap Investors, Securities Analyst 2004-2005
- 4 years investment industry experience

**Erik Rollé, Securities Analyst/Co-Portfolio Manager**

- Industries: Auto, Industrials and Technology
- Joined Transamerica Investment Management in 2005
- Bradford & Marzec, Research Associate 2002-2005
- 6 years investment industry experience

**Joshua Shaskan, CFA, Principal, Portfolio Manager: Small/Mid Growth, Small Growth,  
Concentrated All Cap Growth, Small and Small/Mid Value;**

- Sector: Consumer Discretionary
- Westcap Investors, Managing Director 1998-2005
- Wells Fargo Securities, Investment Specialist 1995-1997
- Prudential Securities, Financial Advisor 1993-1994
- 16 years investment industry experience

**Brad G. Slocum, Principal and Managing Director**

- Westcap Investors, Managing Director & Co-Founder 1992-2005
- Transamerica Pension & Investment Services 1989-1992
- Dreyfus Institutional Services Corporation 1986-1988
- SEI Corporation 1981-1986
- 25 years investment experience

**Brian Westhoff, CFA, Portfolio Manager: High Yield, Core Plus**

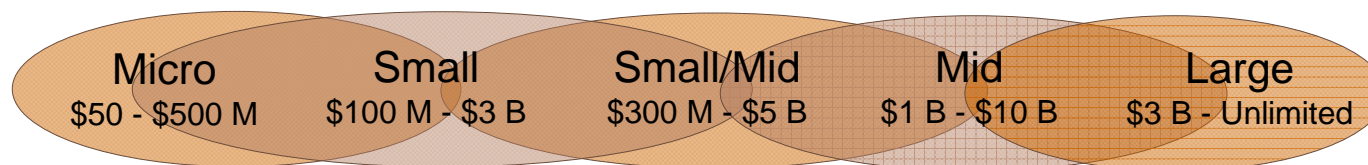
- Sectors: Materials, Energy, and Industrials
- Joined Transamerica Investment Management in 2003
- Credit Suisse Asset Management, Equity Research 2002
- St. Paul Companies, Fixed Income Investment Analyst 1998-2001
- Merrill Lynch (Argentina), Argentine/Oil & Gas Equity Research 1997-1998
- 11 years investment industry experience

# TIM Fundamental Research

---

- Research conducted by entire team of analysts and portfolio managers across all market capitalizations
- All analysts have areas of specialization but are also generalists
- Process integrates equity and credit analysts/portfolio managers
- All investment ideas have a champion and co-champion
- Companies may often move through the market capitalization spectrum

ie:



- TIM internal All Cap portfolios (6) foster generation of new ideas for all products
- New ideas in the research process are placed on the farm team list
- Variable compensation for analysts and portfolio managers tied to performance versus peers

# Investment Guidelines

---

## **COMMON STOCK GUIDELINES**

- A. The manager is expected to prudently diversify the portfolio across industry/economic sectors, number of securities, and size of positions.
- B. Equity securities shall mean common stocks, ADR's, or stocks of foreign corporations which trade primarily on a major U.S. exchange, and issues convertible into common stocks. The combination of these ADRs, foreign corporations, and issues convertible into common stock shall not constitute more than 5% the portfolio at any point in time.
- C. Equity investment in any one company may not exceed 5% of the individual manager's portfolio based on market price, or 5% of any one company's outstanding equity.
- D. Though short-term cash positions within the portfolio will fluctuate, on an ongoing basis cash should not exceed 5% of an investment manager's portfolio. If at any time you should believe that it would be in the best interest of the fund to raise this maximum limitation above 5% on an ongoing basis, the manager must contact the Board of Trustees and provide a recommendation and basis for modifying this guideline.

## **PERFORMANCE CRITERIA**

- A. Manager performance shall be monitored over current and long-term time periods. Performance will be reviewed over the following time periods: three months, year to date, one year, three years, and five years, with an emphasis on three and five year periods.
- B. The manager's performance will be evaluated on absolute return, relative return, volatility profile, and consistency with stated style.

## **PERFORMANCE EXPECTATIONS**

- A. Small/mid cap equity portfolios should outperform the appropriate broad based index (Russell 2500 Index) and the relevant style benchmark (Russell 2500 Value or Russell 2500 Growth) over a market cycle. Relative performance should be above median over a market cycle when compared to relevant peer groups. Although performance expectations are established for a market cycle, performance comparisons to relevant peer groups will be on an on-going basis. Passive portfolio allocations are expected to match the risk return profile of their appropriate benchmarks.

## **COMMUNICATIONS**

Communications with the Oklahoma Municipal Retirement Fund, at a minimum, should include:

- A. Quarterly written statements, including actions taken in the portfolio, the current outlook and expected changes in the portfolio.
- B. On a quarterly basis, performance results should address compliance with the criteria established by the Investment Policy in terms of investment guidelines and portfolio results.

# Investment Guidelines (con't.)

---

- C. At least annually meet with the Board of Trustees, with the location and time to be determined by the Board of Trustees.
- D. All pertinent changes in the firm should be reported as they occur, by phone and in writing. Included among these changes, but not limited to, are the following:
  - 1. Changes in personnel.
  - 2. Major changes in areas of responsibility.
  - 3. Changes in assets gained or lost, as well as clients gained or lost.
  - 4. Changes in investment philosophy or major strategies.
  - 5. Changes in ownership or the portfolio manager.
  - 6. Annual report on proxy voting records.

## **XII. BROKERAGE COMMISSION RECAPTURE**

The Board has authorized a commission recapture program whereby certain brokers rebate 50% or more of their commissions back to The Fund. The recapture brokers should provide monthly transaction reports and an annual summary to the Board or its representative(s) for review.

## **XIII. PROXY VOTING**

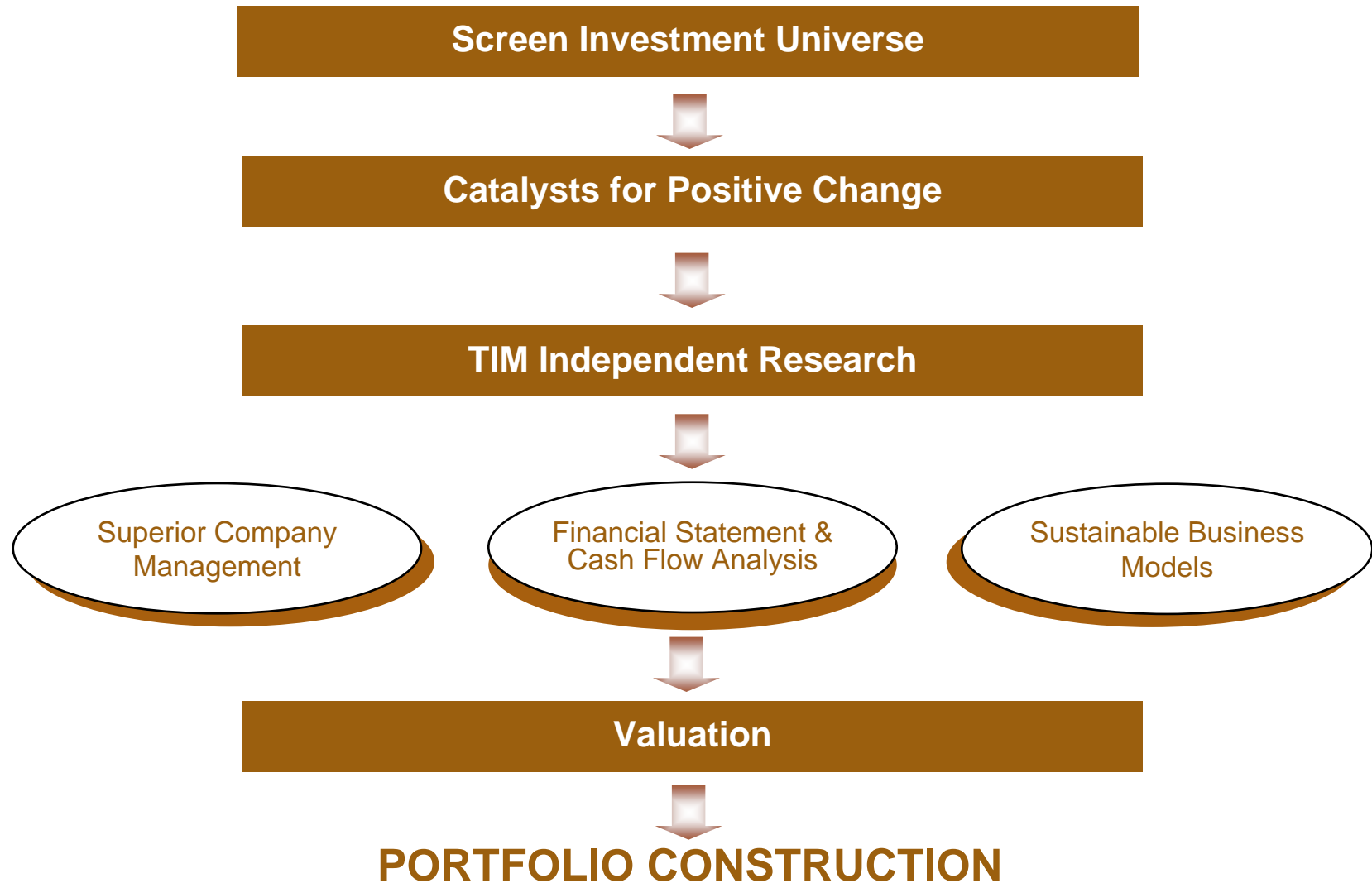
The Board is mindful of its fiduciary obligations with respect to the voting of proxies of companies whose securities are owned by the Fund. Because of the complexity of issues, it is the Board's belief that the Investment Managers are best suited to vote the proxies of shares held in the portfolio they manage.

Therefore, as part of the Investment Policy and investment manager guidelines, the Board delegates the authority to the Investment Managers to vote and report back to the Board at least annually, the voting of all proxies. The Board does, however, reserve the right to instruct managers how to vote on individual proxies.

Voting on all matters shall be in accordance with the Investment Manager guidelines and policies set forth herein, unless otherwise directed by the Board, for the exclusive sole benefit of the Fund, its members, and beneficiaries.

# Investment Process

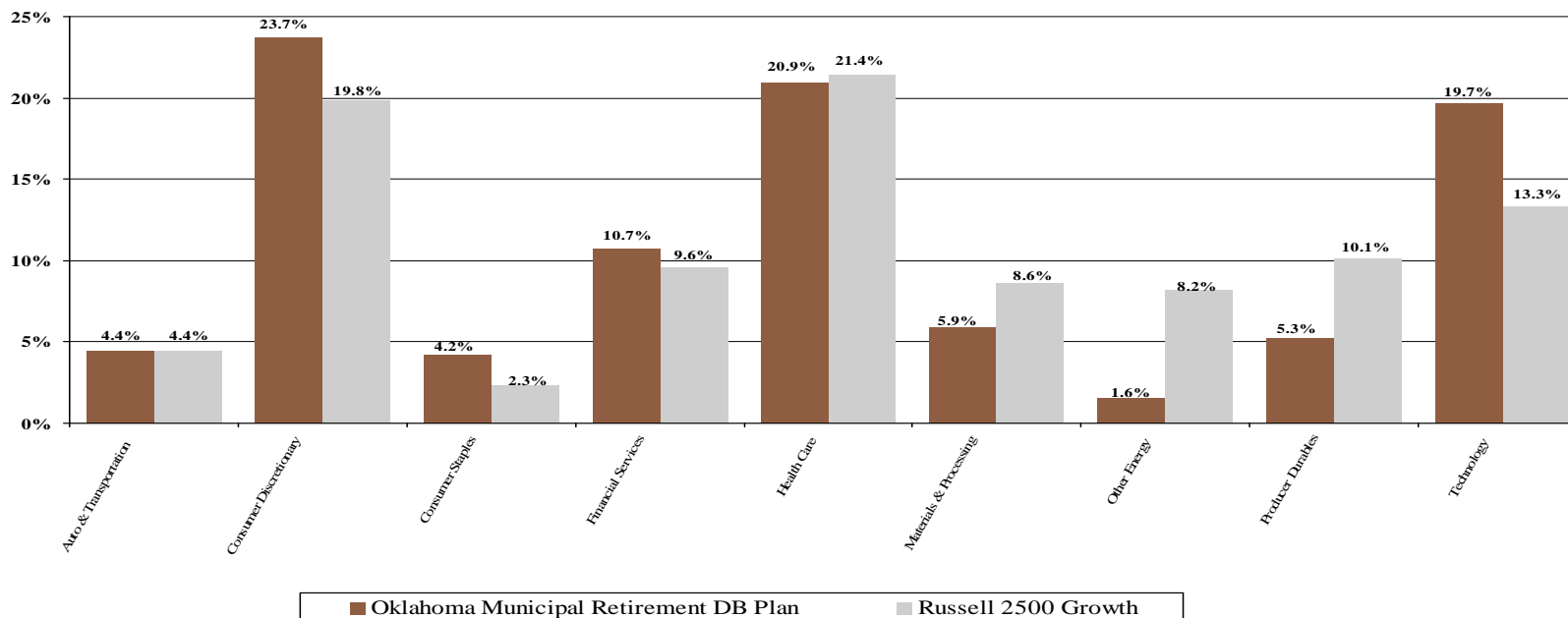
---



# Oklahoma Municipal Retirement DB Plan

As of September 30, 2008

<b>Auto &amp; Transportation</b>	<b>4.42</b>	<b>Financial Services</b>	<b>10.69</b>	<b>Materials &amp; Processing</b>	<b>5.94</b>	<b>Technology</b>	<b>19.70</b>
TENNECO INC	1.41	CULLEN FROST BANKERS I	1.29	POLYPOR INTL INC	3.62	FOUNDRY NETWORKS INC	1.13
UTI WORLDWIDE INC	3.01	EURONET WORLDWIDE INC	2.36	SUNOPTA INC.	2.32	F5 NETWORKS INC	2.23
<b>Consumer Discretionary</b>	<b>23.71</b>	SIGNATURE BK NEW YORK	1.50	<b>Other Energy</b>	<b>1.56</b>	INFORMATICA CORP	2.77
BARE ESCENTUALS INC	1.51	TEXAS CAPITAL BANCSHAR	3.37	HELIX ENERGY SOLUTIONS	1.56	MACROVISION SOLUTIONS	4.85
CAPELLA EDUCATION COMP	2.97	WINTRUST FINANCIAL COR	2.17	<b>Producer Durables</b>	<b>5.25</b>	NEUSTAR INC	3.74
COSTAR GROUP INC	1.62	<b>Health Care</b>	<b>20.90</b>	DONALDSON INC	1.59	SONUS NETWORKS INC	0.81
FTI CONSULTING INC	3.11	ARTHROCARE CORP	3.09	KENNAMETAL INC	0.95	TALEO CORP	3.10
FOSSIL INC	2.59	CEPHEID	1.47	POLYCOM INC	1.06	ULTIMATE SOFTWARE GROU	1.06
P F CHANGS CHINA BISTR	1.30	CELERA CORP	3.47	TENNANT CO	1.65		
SCIENTIFIC GAMES CORP	1.72	COVANCE INC	1.13				
STRAYER ED INC	5.38	GEN-PROBE INC NEW	1.06				
VALUECLICK INC	3.51	IDEXX LABS INC	3.30				
<b>Consumer Staples</b>	<b>4.23</b>	MARTEK BIOSCIENCES COR	1.01				
PEETS COFFEE & TEA INC	4.23	NIGHTHAWK RADIOLOGY HL	3.26				
		QUALITY SYS INC	3.10				



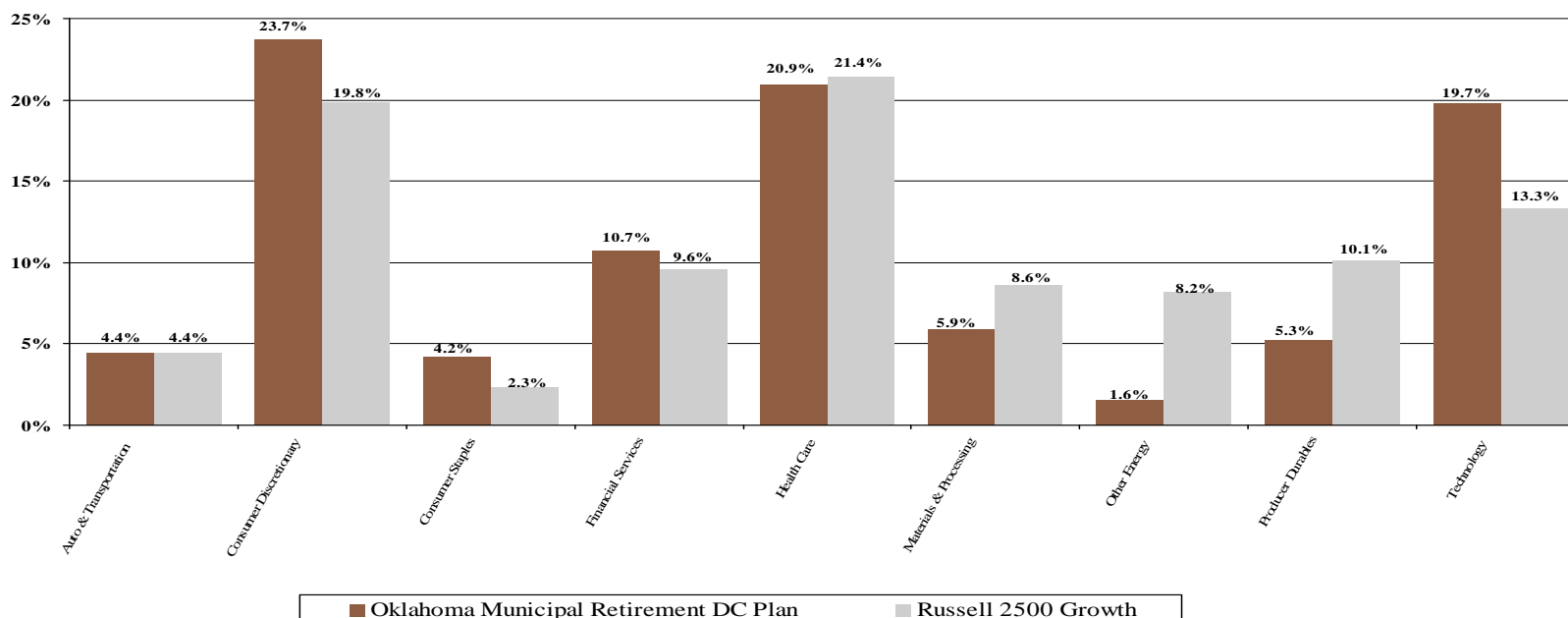
Portfolio holdings identified above reflect select holdings from the Oklahoma Municipal Retirement DB Plan account as of September 30, 2008, and are subject to change without notice. This information should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings listed were or will be profitable, or that investment recommendations or decisions that we make in the future will be profitable.



# Oklahoma Municipal Retirement DC Plan

As of September 30, 2008

Category	Total Value	Company	Value	Category	Total Value	Company	Value
<b>Auto &amp; Transportation</b>	<b>4.42</b>	<b>Financial Services</b>	<b>10.70</b>	<b>Materials &amp; Processing</b>	<b>5.94</b>	<b>Technology</b>	<b>19.73</b>
TENNECO INC	1.41	CULLEN FROST BANKERS I	1.30	POLYPORE INTL INC	3.62	FOUNDRY NETWORKS INC	1.13
UTI WORLDWIDE INC	3.01	EURONET WORLDWIDE INC	2.36	SUNOPTA INC.	2.32	F5 NETWORKS INC	2.24
<b>Consumer Discretionary</b>	<b>23.71</b>	SIGNATURE BK NEW YORK	1.50	NORTEL NETWORKS CORP N	0.00	INFORMATICA CORP	2.77
BARE ESCENTUALS INC	1.51	TEXAS CAPITAL BANCSHAR	3.37	<b>Other Energy</b>	<b>1.56</b>	MACROVISION SOLUTIONS	4.88
CAPELLA EDUCATION COMP	2.97	WINTRUST FINANCIAL COR	2.17	HELIX ENERGY SOLUTIONS	1.56	NEUSTAR INC	3.74
COSTAR GROUP INC	1.61	<b>Health Care</b>	<b>20.89</b>	<b>Producer Durables</b>	<b>5.25</b>	SONUS NETWORKS INC	0.81
FTI CONSULTING INC	3.12	ARTHROCARE CORP	3.09	DONALDSON INC	1.60	TALEO CORP	3.10
FOSSIL INC	2.59	CEPHEID	1.47	KENNAMETAL INC	0.94	ULTIMATE SOFTWARE GROU	1.07
P F CHANGS CHINA BISTR	1.29	CELERA CORP	3.47	POLYCOM INC	1.06		
SCIENTIFIC GAMES CORP	1.72	COVANCE INC	1.12	TENNANT CO	1.65		
STRAYER ED INC	5.39	GEN-PROBE INC NEW	1.06				
VALUECLICK INC	3.51	IDEXX LABS INC	3.30				
<b>Consumer Staples</b>	<b>4.23</b>	MARTEK BIOSCIENCES COR	1.01				
PEETS COFFEE & TEA INC	4.23	NIGHTHAWK RADIOLOGY HL	3.26				
		QUALITY SYS INC	3.10				



Portfolio holdings identified above reflect select holdings from the Oklahoma Municipal Retirement DC Plan account as of September 30, 2008, and are subject to change without notice. This information should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings listed were or will be profitable, or that investment recommendations or decisions that we make in the future will be profitable.

# Top 10 Holdings

As of September 30, 2008

% of Portfolio

Strayer Education, Inc.	Offers various academic programs in traditional classroom courses, as well as through the Internet.	5.38
Macrovision Corp.	Provides electronic licensing, and digital rights management technologies to entertainment producers.	4.85
Peets Coffee & Tea Inc.	Engages in the roasting and marketing of whole bean coffee and coffee-based beverages in the United States.	4.23
NeuStar, Inc.	Provides clearinghouse services to the communications and Internet Industry.	3.74
Polypore Int., Inc.	Develops and markets specialized micro porous membranes used in separation and filtration processes.	3.62
ValueClick Inc.	ValueClick, Inc. operates s an online marketing services company worldwide.	3.51
Celera Corporation	Engages in the discovery and validation of novel diagnostic markers.	3.47
Texas Capital Bancshares	Operates as the holding company for Texas Capital Bank that provides banking services in Texas.	3.37
IDEXX Laboratories, Inc.	Develops, and distributes products for the veterinary, and the food and water testing markets worldwide.	3.30
NightHawk Radiology	Provides radiology services to radiology groups and hospitals in the United States.	3.26
<b>Total:</b>		<b>38.75 %</b>

## Capitalization Distribution

## Portfolio Characteristics

<u>MARKET-CAP RANGE</u>	<u>OKLAHOMA MUNICIPAL</u>	<u>RUSSELL 2500 GROWTH</u>		<u>TRAILING P/E</u>	<u>FORWARD P/E</u>	<u>EPS FORECAST</u>	<u>PEG RATIO</u>
\$2.00 BB and above	22.07%	53.89%	Oklahoma Municipal	26.99 X	16.78X	20.51%	0.89
\$2.00 BB and below	77.93%	46.11%	R2500G	34.76 X	16.84 X	31.96 %	0.84
Weighted Average	\$1,474 MM	\$2,297 MM					

Portfolio holdings identified above reflect holdings of Oklahoma Municipal Retirement DB Plan as of September 30, 2008, and are subject to change without notice. This information should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the holdings listed were or will be profitable, or that investment recommendations or decisions that we make in the future will be profitable. Source for portfolio characteristics and Market-Cap ranges is Thompson Portfolio Analytics.

# Performance

As of September 30, 2008

## Oklahoma Municipal Retirement DB Plan

### Portfolio Rates of Return

PERIOD COVERED	TOTAL	TOTAL Net of Mgmt Fee	EQUITY	EQUITY Net of Mgmt Fee	RUSSELL 2500 GROWTH	RUSSELL 2500 TOTAL
<b>2004</b>						
Partial Year (03/11/04 - 12/31/04)	8.8	7.6	9.4	8.3	12.7	15.7
<b>2005</b>	5.7	4.6	5.7	4.6	8.2	8.1
<b>2006</b>	6.9	5.9	7.1	6.1	12.3	16.2
<b>2007</b>	22.9	21.7	23.7	22.4	9.7	1.4
<b>2008</b>						
1st Quarter	(17.7)	(17.9)	(18.3)	(18.5)	(11.1)	(9.4)
2nd Quarter	(2.2)	(2.4)	(2.4)	(2.7)	3.6	1.4
3rd Quarter	(2.7)	(3.0)	(2.8)	(3.1)	(12.1)	(6.7)
Year-to-Date (01/01/08-09/30/08)	(21.7)	(22.2)	(22.5)	(23.1)	(19.0)	(14.3)
<b>Annualized Returns (as of 09/30/08)</b>						
1 Year	(23.0)	(23.8)	(23.9)	(24.6)	(20.7)	(18.0)
3 Years	1.5	0.5	1.4	0.4	0.8	0.9
Since Inception (03/11/04 - 09/30/08)	3.8	2.7	3.9	2.8	4.4	5.3

FOR CLIENT USE ONLY/FOR ONE ON ONE PRESENTATION ONLY. Past performance is not indicative of future results and individual account performance may vary.

# Performance

As of September 30, 2008

## Oklahoma Municipal Retirement DC Plan

### Portfolio Rates of Return

PERIOD COVERED	TOTAL	TOTAL Net of Mgmt Fee	EQUITY	EQUITY Net of Mgmt Fee	RUSSELL 2500 GROWTH	RUSSELL 2500 TOTAL
<b>2004</b>						
Partial Year (03/11/04 - 12/31/04)	8.8	7.7	9.5	8.3	12.7	15.7
<b>2005</b>	5.7	4.7	5.8	4.7	8.2	8.1
<b>2006</b>	6.9	5.9	7.1	6.0	12.3	16.2
<b>2007</b>	22.9	21.7	23.6	22.4	9.7	1.4
<b>2008</b>						
1st Quarter	(17.4)	(17.6)	(18.7)	(18.9)	(11.1)	(9.4)
2nd Quarter	(2.2)	(2.4)	(2.4)	(2.7)	3.6	1.4
3rd Quarter	(2.7)	(3.0)	(2.8)	(3.1)	(12.1)	(6.7)
Year-to-Date (01/01/08-09/30/08)	(21.4)	(22.0)	(22.9)	(23.5)	(19.0)	(14.3)
<b>Annualized Returns (as of 09/30/08)</b>						
1 Year	(22.8)	(23.5)	(24.3)	(25.0)	(20.7)	(18.0)
3 Years	1.6	0.6	1.2	0.2	0.8	0.9
Since Inception (03/11/04 - 09/30/08)	3.9	2.8	3.7	2.6	4.4	5.3

FOR CLIENT USE ONLY/FOR ONE ON ONE PRESENTATION ONLY. Past performance is not indicative of future results and individual account performance may vary.

# Attribution Detail

QTD through 9/30/08

## Oklahoma Municipal Retirement Funds\* vs. Russell 2500 Growth

<u>Top Sectors vs. Benchmark</u>	<u>Total Effect</u>	<u>Bottom Sectors vs. Benchmark</u>	<u>Total Effect</u>
Other Energy	2.95	Consumer Discretionary	(1.30)
Financial Services	2.17	Auto & Transportation	(0.22)
Technology	1.90	Health Care	0.38
Producer Durables	1.02	Materials & Processing	0.84
Consumer Staples	0.98	Consumer Staples	0.98

<u>Top 5 Securities</u>	<u>Total Effect</u>	<u>Bottom 5 Securities</u>	<u>Total Effect</u>
Quality Systems, Inc	0.98	ArthroCare Corporation	(1.40)
Foundry Network	0.94	ValueClick, Inc.	(0.99)
Peet's Coffee & Tea, Inc.	0.93	Bare Escentuasl Inc.	(0.60)
Texas Capital Bancshares	0.87	Capella Education Company	(0.51)
Macrovision Solutions	0.75	Scientific Games Corporation	(0.27)

\*Data shown is for the Oklahoma Municipal Retirement DB Plan, which is also representative of the Oklahoma Municipal Retirement DC Plan.  
 FOR Client USE ONLY/FOR ONE ON ONE PRESENTATION ONLY. **Past performance is not indicative of future results and individual account performance may vary.** Total effect for sector-level attribution represents positive [negative] sector contribution (average sector weight times sector return) of representative account relative to the positive [negative] contribution for the benchmark. Total effect for security-level attribution represents individual positive [negative] security contribution in the representative account relative to the individual positive [negative] security contribution in the benchmark.

# Attribution Detail

YTD through 9/30/08

## Oklahoma Municipal Retirement Funds\* vs. Russell 2500 Growth

<u>Top Sectors vs. Benchmark</u>	<u>Total Effect</u>	<u>Bottom Sectors vs. Benchmark</u>	<u>Total Effect</u>
Producer Durables	0.69	Health Care	(3.04)
Financial Services	0.55	Technology	(0.92)
Consumer Discretionary	0.42	Auto & Transportation	(0.68)
Materials & Processing	0.03	Consumer Staples	(0.30)
Other	0.00	Other Energy	(0.18)
<u>Top 5 Securities</u>	<u>Total Effect</u>	<u>Bottom 5 Securities</u>	<u>Total Effect</u>
Strayer	1.61	Nighthawk Radiology	(2.95)
Quality System Inc.	1.05	ValueClick	(1.55)
Polypore International	1.03	Arthrocare	(1.23)
Texas Capital Bancshares	0.87	Euronet	(1.12)
FTI Consulting	0.62	Sirf Technology	(1.02)

\*Data shown is for the Oklahoma Municipal Retirement DB Plan, which is also representative of the Oklahoma Municipal Retirement DC Plan.  
 FOR Client USE ONLY/FOR ONE ON ONE PRESENTATION ONLY. **Past performance is not indicative of future results and individual account performance may vary.** Total effect for sector-level attribution represents positive [negative] sector contribution (average sector weight times sector return) of representative account relative to the positive [negative] contribution for the benchmark. Total effect for security-level attribution represents individual positive [negative] security contribution in the representative account relative to the individual positive [negative] security contribution in the benchmark.

# Fourth Quarter 2008 Investment Outlook

---

## Summary

The risk of a global recession has increased as a result of the deepening credit crisis. During the third quarter, the U.S. government was forced to take increasingly drastic fiscal measures to contain the crisis as large financial institutions faced liquidity and funding difficulties. This resulted in reduced global credit availability, negatively impacting consumers and businesses around the world.

Bank balance sheet rebuilding and de-leveraging will probably continue for the foreseeable future, likely resulting in a diminished outlook for retail sales, employment, and fourth-quarter gross domestic product (GDP). On a more positive note, commodity prices have declined as the global growth outlook has dimmed, alleviating inflationary pressures and allowing the Federal Reserve (the Fed) more leeway to maintain low rates.

Credit scarcity will create extremely difficult conditions for consumers and companies reliant on continued access to the credit markets. This credit scarcity will likely have an adverse impact on companies in the financial sector, which require access to credit to fund their day-to-day operations. The recent global fiscal and monetary response should eventually alleviate this situation. Alternative investments such as hedge funds and private equity funds, which utilize leverage in their strategies, will probably be the most negatively impacted.

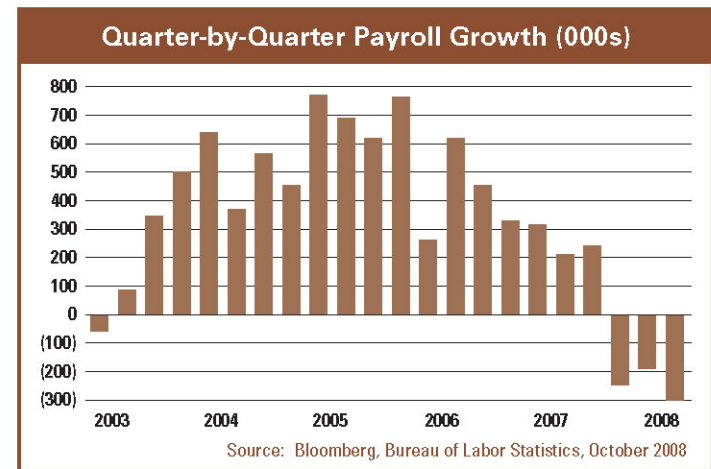
Against this backdrop, there may be opportunities in more traditional investments such as high-quality bonds, stocks, and mutual funds. Continued demand for less-volatile assets should benefit money market funds and short-maturity, high-quality bond funds. Equity funds utilizing fundamental analyses will have the opportunity to capitalize on attractive valuations in companies with strong, sustainable business models.

# Fourth Quarter 2008 Investment Outlook (cont'd)

## Consumer Spending

The consumer remains under significant pressure due to a weakening labor market, tighter credit conditions, decelerating personal income and softening home prices. This all suggests lower consumption levels and “trading down” to lower-priced consumer goods.

The unemployment rate increased from 5.5% to 6.1% during the third quarter and, according to the Bureau of Labor Statistics, 760,000 jobs were lost during the first three quarters of 2008. While a 6.1% unemployment rate is still low by historical standards, it is expected to increase as a result of the weakness in the economy and the large number of financial sector jobs that have been lost.

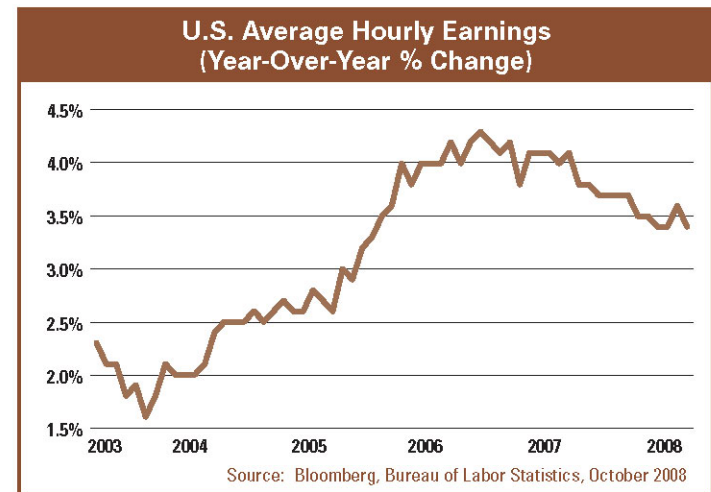


This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.



# Fourth Quarter 2008 Investment Outlook (cont'd)

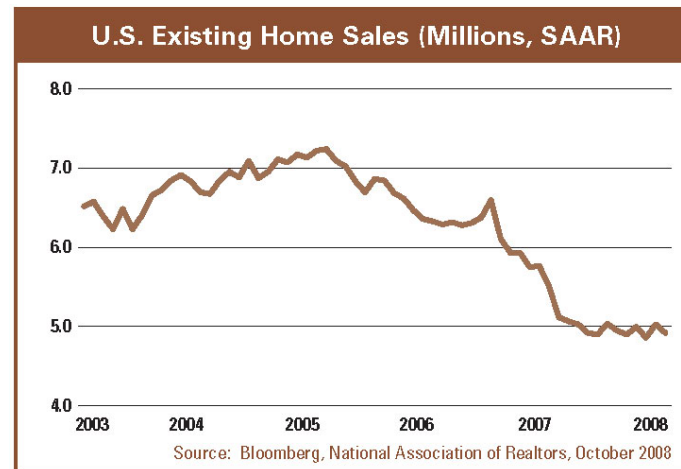
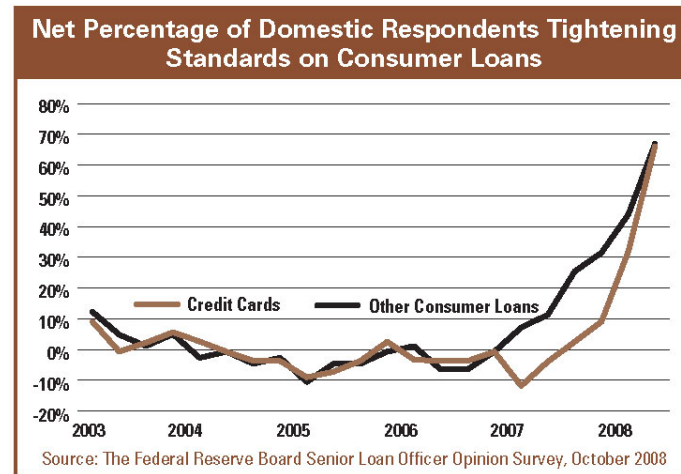
Job losses and a commensurate increase in the unemployment rate have diminished the ability of workers to ask for and receive higher wages. This has resulted in decelerating personal income while real income, which is adjusted for inflation, remains negative. Accordingly, annualized U.S. personal income growth slowed to 4.6% in August from 5.7% at the end of the second quarter while the annualized average hourly earnings growth rate remained constant at 3.4%.



This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

## Fourth Quarter 2008 Investment Outlook (cont'd)

Credit extended to consumers continues to tighten, reducing the ability of consumers to supplement their spending power. As people draw down their last forms of credit, consumer loans at banks have increased. However, new consumer loans are much harder to obtain. For example, the Federal Reserve Senior Loan Officer Survey shows a substantial increase in the number of respondents reporting tighter lending standards for credit cards and other consumer loans. Further, mortgage equity withdrawals have fallen substantially and are now negative. Although existing home sales have shown some signs of stabilization, home prices continue to weaken and the inventory of unsold existing homes remains high at 10.4 months' supply. Lower home prices, combined with a weak stocks market, caused consumer net worth to fall an estimated 9% during the third quarter.

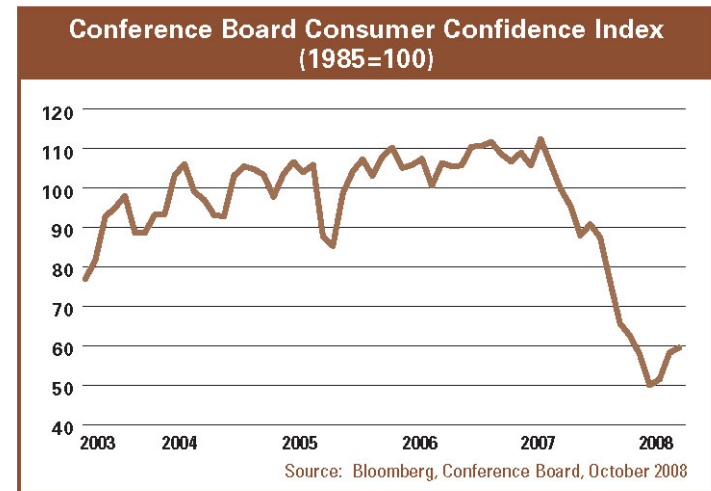


This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

## Fourth Quarter 2008 Investment Outlook (cont'd)

Consumer confidence hit multi-decade lows as wages, employment, home prices, and stock prices came under downward pressure. While the Conference Board Consumer Confidence Index has rebounded in the last few months, it remains close to levels last experienced during the recession of 1992, and we expect it to continue to decline for the next several months.

Lower food and energy prices should provide some relief to cash-strapped consumers. Nonetheless, with the headwinds facing the consumer unlikely to abate in the near future, tepid consumer demand will probably remain a part of the economic outlook for several quarters to come.



# Fourth Quarter 2008 Investment Outlook (cont'd)

---

## Business Outlook

Weak domestic demand, tighter credit conditions and reduced business confidence all suggest diminished propensity to hire and invest. The ISM Manufacturing Index recently reported the weakest number of new orders since early 2001. Foreign demand for U.S. goods and services, recently an area of strength, is expected to fall due to the expansion of the credit crisis, a likely global recession and the stronger U.S. dollar.

Businesses are experiencing tighter funding conditions and higher borrowing costs. According to the Federal Reserve Senior Loan Officer Survey, there has been a significant increase in the number of respondents reporting tighter lending standards. Further, most loan officers in the survey reported increased interest rates on commercial and industrial loans. However, near-term funding risk should be partially mitigated by the Fed's newly introduced Commercial Paper Funding Facility, which will essentially provide short-term loans to highly rated companies across all sectors.

The National Federation of Independent Business still shows depressed business optimism, extending one of the longest strings of recessionary readings on record. According to the Federation, "the weak economy has reduced the need for expansion and new equipment and has put pressure on cash flows." Further, the Challenger Gray survey of announced job cuts remains near its 29-month high.

There are, however, a few bright spots in the business outlook. Inventories remain very low by historical measures, suggesting that further production cuts will be minimal and that demand growth may spur production increases. Furthermore, as input prices continue to fall, some margin stabilization or even margin expansion may occur. Finally, the accelerated depreciation allowed on capital expenditures made in 2008 (part of the recent fiscal stimulus package) should encourage companies to move their investment spending plans forward.

# Fourth Quarter 2008 Investment Outlook (cont'd)

---

## Government Spending

Government spending is expected to balloon over the next several quarters due to already increasing budget deficits combined with massive expenditures related to various financial rescue packages. The fiscal response to the financial crisis will have enormous budget implications and is expected to double the budget deficit to nearly \$1 trillion.

Chief among these programs is the Emergency Economic Stabilization Act of 2008, which will initially allow the purchase of up to \$700 billion in troubled assets from banks and other businesses, including government guarantees on certain bank debt as well as equity capital injections. The program also will raise the FDIC deposit insurance limit temporarily from \$100,000 to \$250,000 and will provide tax incentives for new home purchases in addition to calling for the modification of certain existing mortgages in an effort to slow foreclosures.

The Federal Reserve, U.S. Treasury and Congress are instituting several other measures to stabilize the financial system. Treasury has created an insurance program for money market funds and has offered to

purchase secured and unsecured commercial paper directly from issuers in an effort to break the logjam in the short-term funding markets. In addition, the Federal Reserve took the extraordinary move of providing AIG, the world's largest insurer, with a one-of-a-kind loan for over \$120 billion to give the company time to sell assets. These actions are in addition to the \$168 billion fiscal stimulus package passed earlier in the year, as well as the effective government takeover of troubled government-sponsored entities Fannie Mae and Freddie Mac. As of this writing, several additional fiscal stimulus measures were being considered. These include an expansion of the rescue package, as well as another stimulus bill that may include middle-class tax relief, extended unemployment benefits, and assistance to state and local governments.

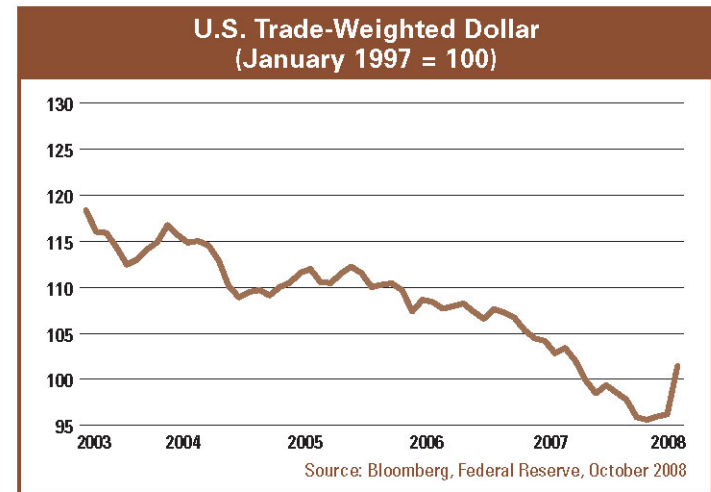
All of these plans will cost an enormous amount of money, and therefore the statutory debt ceiling of the U.S. government has been increased from \$10.6 trillion to \$11.3 trillion. We expect a large increase in Treasury security issuance over the next several quarters in order to fund these programs.

# Fourth Quarter 2008 Investment Outlook (cont'd)

## Trade and International Outlook

We expect global economies to slow as the credit crisis spreads to Europe and other major global economies. As the financial crisis has spread, several foreign central banks have relaxed their monetary policies, which have, until now, been fixated solely on fighting inflation. This change in policy was exhibited in early October, when the European Central Bank, the Bank of England, the Royal Bank of Canada, the Swedish Riksbank and the Swiss National Bank joined the Fed in a coordinated rate cut.

The U.S. dollar should continue to strengthen modestly as foreign central banks embark on easing monetary policies, which should ultimately bring global short rates more closely in line with those in the U.S. Slowing foreign economies, combined with a stronger dollar, should mitigate the strength in exports witnessed during the second and third quarters, causing a drag on U.S. gross domestic product.



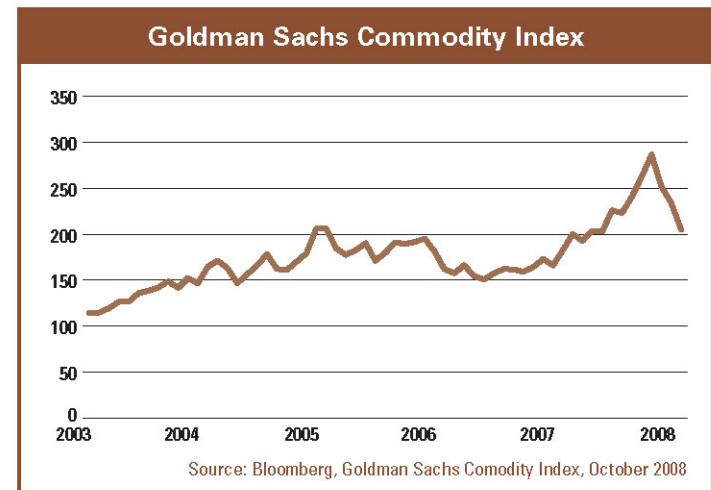
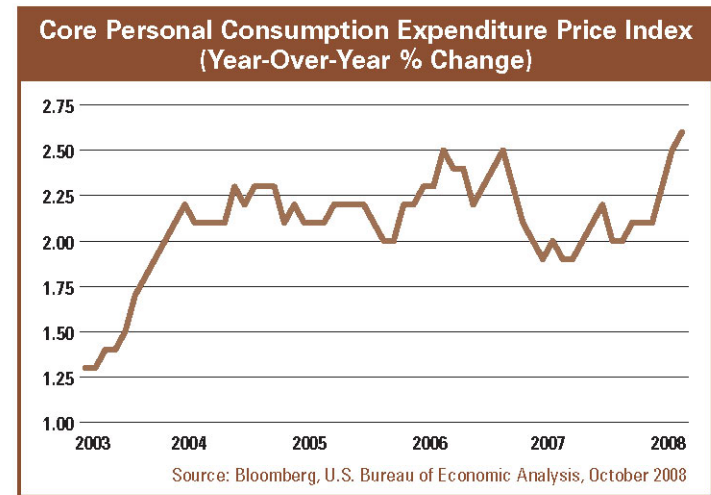
This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

# Fourth Quarter 2008 Investment Outlook (cont'd)

## Inflation

Recent inflation readings have been well above the Fed's comfort zone, with the Consumer Price Index at a 5.4% annualized rate and the Core Personal Consumption Expenditure Index at 2.2%. However, higher unemployment, falling commodity prices and the increased probability of a global recession have reduced expectations for future inflation.

While inflation is expected to moderate in the near term, massive government rescue efforts in the U.S., U.K., Europe, Asia and Australia ultimately will have negative long-term inflationary implications.



This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

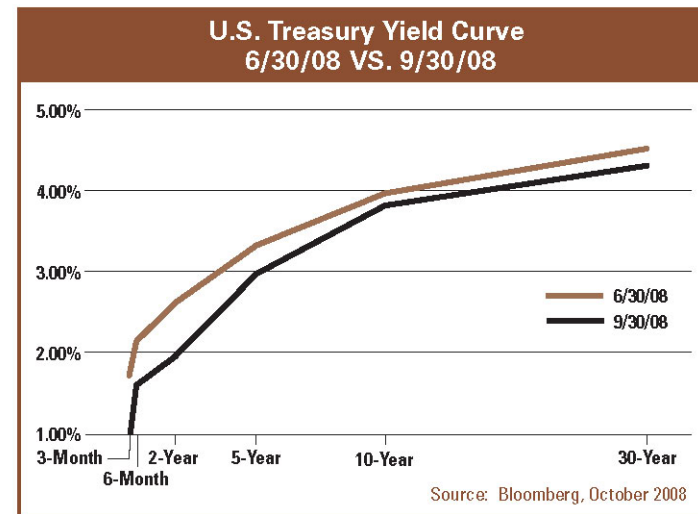


# Fourth Quarter 2008 Investment Outlook (cont'd)

## Interest Rates

U.S. Treasury yields fell during the third quarter, mostly during September, as market attention shifted back toward the credit crisis amid the bankruptcy of a large U.S. investment bank, the Fed's special loan to AIG, and the federal takeover of the government-sponsored entities. A flight-to-quality bid for Treasuries ensued as short-maturity bonds, which are more sensitive to the Fed's rate-setting activities, led interest rates lower as the market anticipated a Fed rate cut. On several occasions during September, the yield on Treasury bills traded near 0%.

In the near term, short-term interest rates will likely remain low because the Fed has shifted toward a policy of monetary easing. Further, we expect foreign central banks to deliver additional interest rate cuts. Over the intermediate to longer term, the substantial increase in the deficit will result in greater U.S. Treasury supply and, most likely, higher interest rates. During this adjustment period, money market and short-maturity bond funds will offer more stable returns with low interest rate risk.



This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.



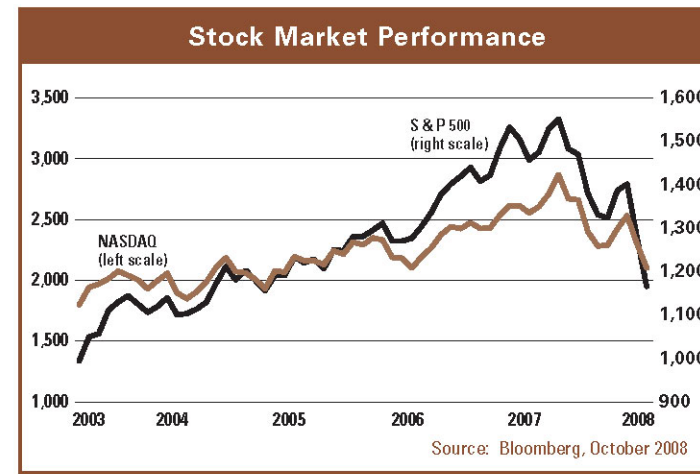
# Fourth Quarter 2008 Investment Outlook (cont'd)

## Stock Market

The stock market continued to decline during the third quarter as the financial crisis intensified. September was particularly troublesome as investors were forced to recognize that the equity value of systemically vital institutions could be effectively wiped out. The bear market was extended as the Standard & Poor's 500 Index (S&P 500) finished the quarter roughly 25% below the peak reached on October 9, 2007.

Earnings remain challenged, especially among financial institutions. Third-quarter operating earnings for the S&P 500 are expected to decline for the fifth consecutive quarter.

The spiraling of the financial crisis has forced governments across the globe to institute fiscal rescue programs of historic magnitude. Assuming these measures are adequate to stem the financial crisis, investors will be forced to re-focus on a rapidly decelerating global economy in an era where easy leverage may be hard to source. Many assets are already priced for such a scenario.



This report contains data from third-party sources, and while we believe such data to be reliable, we have not independently verified its accuracy and therefore cannot guarantee it. The opinions, estimates and projections contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the projections herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such projections will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof; takes no responsibility for any errors that may be contained herein or any omissions; and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

# Firm Summary

---

## **Mission**

The mission at TIM is to apply prudent, time-tested principles to the investment process. We seek consistent growth and preservation of capital in order to obtain the highest returns consistent with the investment objectives and risk tolerance of each client.

## **Experience**

It's the people who make the difference and there is no substitute for experience. TIM's disciplined approach to investment decision-making applies the skills and experience of its portfolio managers, analysts, traders, and in-house legal counsel to the management of every account. Our portfolio managers average over 15 years of investment experience.

## **Teamwork**

TIM's investment process strikes a balance between group judgment and individual responsibility. Portfolio managers are guided by both the Investment and Research teams. At TIM, good ideas can come from any member of the investment team. All portfolio managers also serve as analysts. Finding the best investment opportunities means looking at them from all angles. This dialogue is respectful but uncompromising. Our people thrive in a team environment that challenges their thinking and keeps everyone focused on results.

## **Investment Process**

The investment process is a fundamental and research-driven approach to investing in high quality companies with superior business models exhibiting a catalyst for positive change, which can result in rapid growth in earnings and revenue and discretionary free cash flow. Significant emphasis is placed on prudent and visionary managements with past records of success that act in the best interest of shareholders.

## **Risk Control**

TIM believes that disciplined portfolio management is the business of generating incremental returns which are a result of many careful investment decisions. Having the necessary controls to monitor risk in a portfolio is critical to long-term success.

## **Performance**

We believe successful portfolio management is a result of consistent results year after year; not substantial out-performance in one year followed by severe under-performance the next.

## **Client Services**

TIM recognizes that every portfolio has unique characteristics and objectives; therefore, each account is managed with personalized service adhering to client goals. We strongly believe ongoing personal communication and good service form the foundation for building successful client relationships. Accounts are reviewed in person with clients at intervals selected by the client.