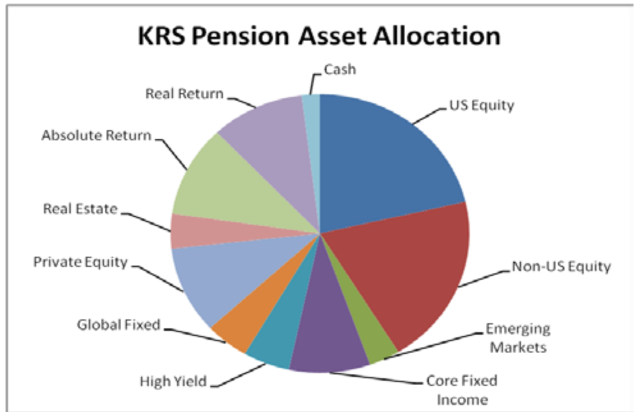
July 2014 KRS MONTHLY PERFORMANCE UPDATE

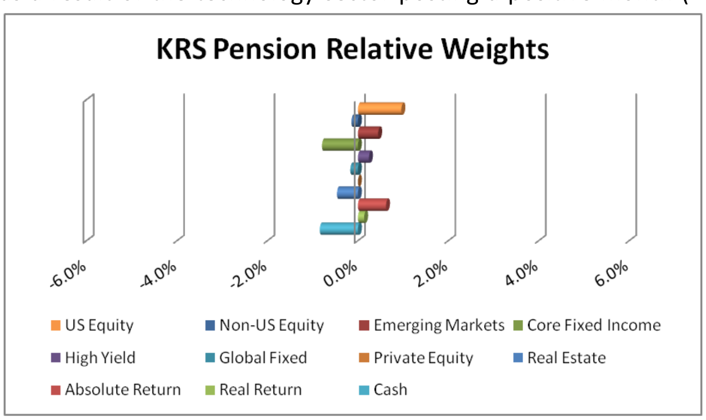
What's going on in the marketplace?

Global equities, as measured by the MSCI All Country World Index, fell for the first time in six months in July, losing 1.2%. The majority of the trouble came at the end of the month, as investors fretted over geopolitical issues and interest rates. U.S. equities, as measured by the Russell 3000 Index, lost 1.6% while developed countries outside of the United States lost 1.7%. Emerging markets, on the other hand, continued to rally, gaining 2% during July.



	July	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	-0.83	12.11	8.40	10.66	6.91
Benchmark	-0.54	12.02	8.71	10.58	6.99

European banks, this time in Portugal, caused financial market unrest again in July. One of Portugal's biggest banks, Banco Espirito Santo, came under serious stress as financial market participants began doubting its survival. This, in addition to some weak economic data, led European shares down 1.5%. Within the region, Portugal suffered the worst losses (-13.9%), while two of the bigger markets, Germany and France, lost 4.3% and 3.8%, respectively. German investor and business confidence came in low and French manufacturing output fell to the lowest level since 2009. On the other side, the Finland equity market showed the strongest gain at 1.6%. There were some positive economic figures in Ireland (4.1% GDP) and the UK (6.5% unemployment – the lowest since 2008). The Pacific Basin rose 1.7%, led by strong performance in Hong Kong (6.0%), largely due to investor expectations that Chinese home-purchasing regulations would ease to aid the struggling real estate market. Australian equities gained 4.4%, thanks to stronger consumer confidence. Japanese equities gained 2.1% despite struggling industrial output and orders. Emerging market equities continued its strong performance, returning 2.0% due to investor speculation that Brazilian president Dilma Rousseff will be voted out of office in the fall elections and strong Chinese manufacturing data. In the U.S., small cap stocks dipped significantly, losing 6.1% while large cap stocks, as measured by the S&P 500, dropped 1.4%. Value stocks (-2.1%) underperformed their growth counterparts (-1.9%), largely as a result of the technology sector posting a positive month (+0.6%). Healthcare stocks managed to hold their own, only losing 0.4%. However, industrials (-4.1%), energy (-3.8%), and consumer staples (-3.7%) were the biggest losers for July.

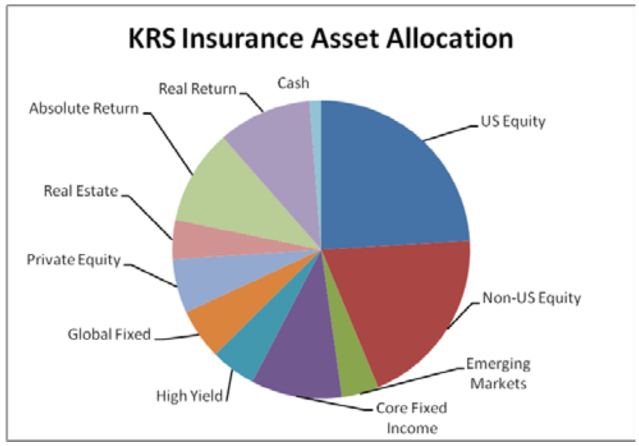


Fixed income also struggled during the month of July, as the Barclays Aggregate Index returned -0.25%. Among the various sectors, US high yield performed the worst (-1.3%), followed by mortgage-backed securities (-0.6%). US corporate securities performed the best, losing only 0.1%. Among global fixed income, Canadian markets performed the worst (-1.5%), with US fixed income performing the best. The US Treasury rates moved up 3 basis points at the 10 year and 7 basis points at the 2 year maturity.

Commodities struggled significantly in July, led by the energy index's 7.8% decline; crude oil weakened 5.7% due to a stronger US dollar and higher supplies while natural gas dropped 13.7% due to weak utility demand. Agricultural commodities were also down, as corn (-14.7%) and cotton (-14.5%) led the drop due to favorable weather; on the other hand, coffee rallied 11.4% as supply concerns in Latin America pushed prices higher. The livestock commodity index was down 3.5% and the precious metals index was down 3.1%. However, industrial metals returned 2.2%, as strong Chinese manufacturing data aided investor optimism in those commodities.

Economic data was generally positive in July, although the picture is far from perfectly clear. GDP growth for the second quarter registered 4% and first quarter GDP was revised up to -2.1% from -2.9%; however, there was significant inventory buildup in the numbers. Nonfarm payrolls jumped 288,000 versus expectations of 215,000, marking the fifth straight month of over 200,000 in job gains. Jobless claims for the month average 298,000 versus June's average of 314,000 and job openings increased to 4,635 from 4,455. The unemployment rate dropped from 6.3% to 6.1%, the same rate it was when Lehman Brothers collapsed in 2008. Consumer confidence increased significantly at month's end but retail sales only registered a 0.2% gain versus expectations of 0.6%. Manufacturing activity decelerated slightly, as did non-manufacturing activity but both remained in expansion territory. Housing data for month was weak, as mortgage applications, new home sales, housing starts and pending home sales all fell; only existing home sales increased. The trade balance came in higher than expected and the Treasury budget statement came in lower than expected. Inflation ticked up 0.3% month-over-month as expected but the employment cost index increased 0.7%, surprising the market.

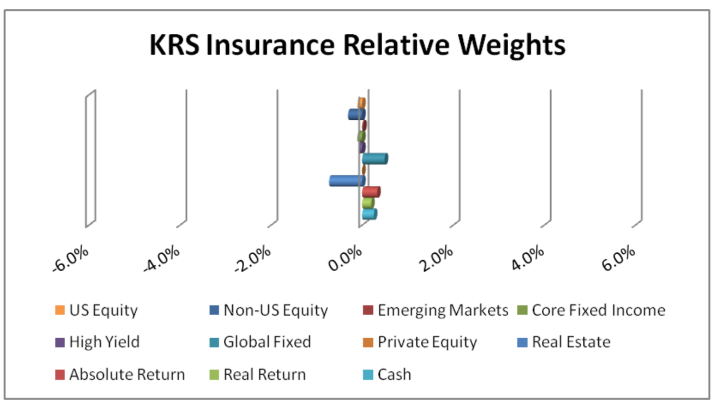
Investors will continue to closely monitor geopolitical tensions across the globe, European financial stress, and the actions and words of the Federal Reserve.



	July	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	-0.9	11.3	7.4	10.5	6.52
Benchmark	-0.5	12.2	8.6	11.4	6.75

What added value this month?

PENSION – From a manager selection standpoint, it was a very difficult month for the plan, as no asset class outperformed their respective benchmarks. Within the traditional asset classes, Invesco and Northern Trust outperformed their benchmarks in the US equity space and Loomis Sayles, NISA, PIMCO, and Waterfall outperformed in fixed income.
An overweight to emerging market equities and absolute return added value this month.



INSURANCE – The Insurance Fund also had a rough month from a manager selection perspective as no asset classes outperformed their benchmark.
The fund benefited from a minor underweight to US and non-US equities, as well as a small overweight to emerging market equities and absolute return.

What detracted this month?

PENSION – From a manager selection standpoint, non-US equity managers struggled the most relative to the benchmark, although many other managers in other asset classes struggled as well. An overweight to US equities and an underweight to fixed income detracted from performance.

INSURANCE – In a similar fashion to the Pension fund, the Insurance fund struggled with manager selection and an underweight to fixed income detracted from performance.

NOTES:

1) Returns displayed are "net". For the purposes of this report, total fund return information is net of fees and expenses, with audited data beginning in July 2011. At the manager level (detailed return sheets pgs.4-5), returns are net of fees beginning with July 2011, and gross of fees for prior data.

2) Individual plan allocation and performance (pg.6).

3) Prior to January 1, 2014, the inception date for the Private Equity asset class was stated as 10/1/1990 for Pension Fund and 6/1/2001 for Insurance Fund. Prior to 07/01/02, the characteristics of the allocation, and the benchmark itself, were more closely aligned with Real Estate. As such, it is not appropriate to report this portion of the return stream within the Private Equity allocation, whose true inception date has been determined to be 07/01/02 based on funding the Systems' first private equity mandate. The portion of the original return streams that are no longer reported within the Private Equity allocation (Pension from 10/1/90 to 06/30/02; Insurance 06/01/01 to 06/30/02) are reported within the Fund Level performance figures.

4) Private Equity Composite (Pension)
Inception (07/01/02) to 06/30/11
60.00% S&P 1500 Composite Index
40.00% Barclays US Corporate High Yield Index
07/01/11 to Present
100.00% Russell 3000 Index + 4% (Qtr Lag)

Private Equity Composite (Insurance)
Inception (07/01/02) to 06/30/11
80.00% S&P 1500 Composite Index
20.00% Barclays US Corporate High Yield Index
07/01/11 to Present
100.00% Russell 3000 Index + 4% (Qtr Lag)

5) The Private Equity Benchmark, from one month returns up until five year returns, is equal to the performance of the KRS Private Equity allocation. Given there is not appropriate benchmark to use for short term performance evaluation, this will allow greater focus on longer term returns, which is more appropriate given the long term nature of private equity investments.

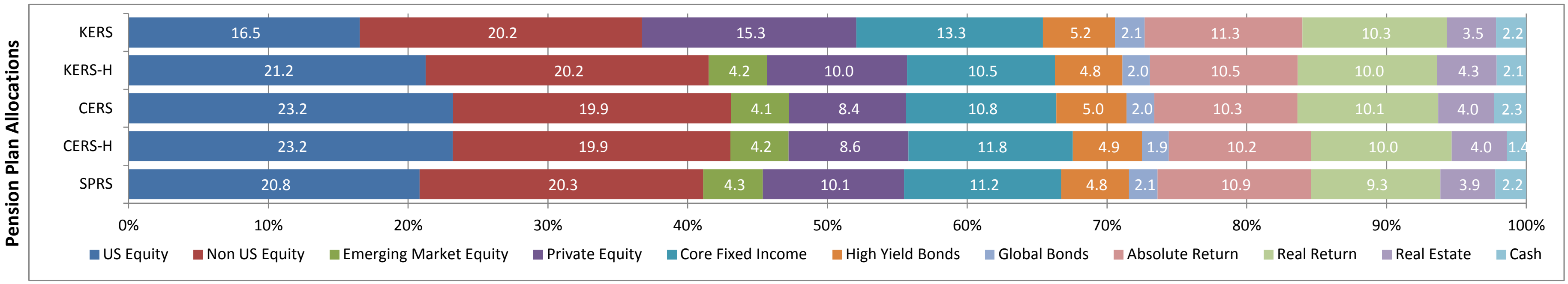
KENTUCKY RETIREMENT SYSTEMS - PENSION FUND - NET RETURNS - 7/31/14

Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		20 Years		ITD	
TOTAL FUND	KY Ret. Blended Index	4/1/1984	11,748,783,817.20	100.00	-0.83	-0.54	-0.83	-0.54	-0.83	-0.54	12.11	12.02	8.40	8.71	10.66	10.58	6.91	6.99	8.49	8.55	9.54	9.66
US PUBLIC	KY Domestic Equity Blend	4/1/1984	2,506,708,285.57	21.34	-2.36	-1.97	-2.36	-1.97	-2.36	-1.97	15.29	16.37	15.73	16.58	16.52	17.12	8.43	8.54	10.02	9.93	11.45	11.40
INTERNAL MID CAP GROWTH	Russell Midcap Growth Index	8/1/2014	209,781,986.49	1.79																		
INVESCO	S&P 500 - Total Return Index	8/1/2005	225,097,287.67	1.92	-1.12	-1.38	-1.12	-1.38	-1.12	-1.38	17.65	16.94	18.19	16.84	16.88	16.79					8.87	7.34
NTGI STRUCTURED	Russell 2000 Index	10/1/1999	218,918,313.92	1.86	-5.39	-6.05	-5.39	-6.05	-5.39	-6.05	10.57	8.56	15.38	13.59	18.64	16.56	10.02	8.78			10.12	8.12
RIVER ROAD	Russell 3000 Value Index	7/1/2011	32,694,582.59	0.28	-2.27	-2.06	-2.27	-2.06	-2.27	-2.06	11.99	14.87	15.44	17.24							13.95	15.47
S&P 500 INDEX	KY Ret. S&P Blend	7/1/2001	1,338,787,737.76	11.40	-1.37	-1.38	-1.37	-1.38	-1.37	-1.38	16.81	16.94	16.73	16.84	17.07	17.16	8.38	8.37			6.14	6.10
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	50,416,344.47	0.43	-4.67	-2.91	-4.67	-2.91	-4.67	-2.91	22.68	17.76									22.70	24.68
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	199,847,629.84	1.70	-3.81	-2.91	-3.81	-2.91	-3.81	-2.91	15.23	17.76									22.03	24.68
TRANSITION ACCOUNT			14,897.51	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	124,213,169.25	1.06	-2.33	-1.89	-2.33	-1.89	-2.33	-1.89	18.87	17.89	16.77	15.86							15.68	14.93
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	107,221,519.42	0.91	-2.68	-2.06	-2.68	-2.06	-2.68	-2.06	14.42	14.87	14.60	17.24							13.19	15.47
EQUITY NON US	KY Ret.Int'l Eq. Blended Index	7/1/2000	2,331,568,667.92	19.85	-1.53	-0.97	-1.53	-0.97	-1.53	-0.97	14.23	15.98	5.21	6.34	8.47	9.48	7.31	7.65			2.91	3.63
AMERICAN CENTURY	KY MSCI ACWI ex-US Index	7/1/2014	144,577,097.35	1.23	-2.17	-0.97	-2.17	-0.97	-2.17	-0.97											-2.17	-0.97
BLACKROCK ACWI EX	MSCI All Country World Ex United States Net Index	7/1/2009	994,791,884.51	8.47	-0.99	-0.99	-0.99	-0.99	-0.99	-0.99	15.64	15.48	6.07	5.86	9.04	8.84					10.89	10.70
BOSTON CO NON-US VALUE	KY MSCI Blended Index	5/1/2005	144,625,440.89	1.23	-1.28	-0.97	-1.28	-0.97	-1.28	-0.97	15.07	15.98	5.76	6.75	7.26	9.01					5.32	6.03
FRANKLIN TEMPLETON	KY MSCI ACWI ex-US Index	7/1/2014	145,729,660.03	1.24	-2.43	-0.97	-2.43	-0.97	-2.43	-0.97											-2.43	-0.97
LAZARD ASSET MANAGEMENT	KY MSCI ACWI ex-US Index	7/1/2014	290,116,671.66	2.47	-2.58	-0.97	-2.58	-0.97	-2.58	-0.97											-2.58	-0.97
LSV ASSET MANAGEMENT	KY MSCI ACWI ex-US Index	7/1/2014	147,932,774.56	1.26	-1.35	-0.97	-1.35	-0.97	-1.35	-0.97											-1.35	-0.97
NON-US TRANSITION ACCOUNT			479,454.46	0.00																		
NTGI INTL SM CAP	MSCI AC World ex USA Small Cap Net Index	12/1/2008	167,916,307.80	1.43	-1.91	-1.89	-1.91	-1.89	-1.91	-1.89	17.97	17.85	6.62	6.22	11.76	12.10					18.20	18.97
PYRAMIS NON-US GROWTH	KY MSCI Blended Index	8/1/2001	295,399,376.66	2.51	-1.58	-0.97	-1.58	-0.97	-1.58	-0.97	12.76	15.98	6.21	6.75	9.53	9.01	7.61	7.16			7.06	6.36
EQ EMERGING MKTS	MSCI Emerging Markets Index	7/1/2011	393,091,994.84	3.35	1.27	2.02	1.27	2.02	1.27	2.02	14.21	15.72	3.05	0.74							3.18	0.59
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	124,613,657.40	1.06	0.99	2.02	0.99	2.02	0.99	2.02	11.40	15.72	3.70	0.74	11.90	7.68					8.45	2.29
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	136,837,968.65	1.16	1.90	1.93	1.90	1.93	1.90	1.93	15.16	15.32									14.97	15.16
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	131,640,368.79	1.12	0.89	2.02	0.89	2.02	0.89	2.02	15.26	15.72	0.61	0.74	6.02	7.68					1.77	2.29
PUBLIC EQUITY	Global Equity Blended Index	4/1/1984	5,231,368,948.33	44.53	-1.73	-1.16	-1.73	-1.16	-1.73	-1.16	14.81	16.20	10.10	10.63	12.44	13.02	7.43	7.35	9.41	9.19	11.04	10.91
FIXED INCOME	KY Ret.Fixed Blended Index	4/1/1984	2,181,805,296.66	18.57	-0.44	-0.31	-0.44	-0.31	-0.44	-0.31	6.01	4.54	5.18	3.58	6.73	5.11	5.37	5.07	6.34	6.22	8.00	7.70
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	164,715,613.46	1.40	-1.58	-1.33	-1.58	-1.33	-1.58	-1.33	7.60	8.19									9.84	10.03
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	174,819,974.29	1.49	-1.29	-1.33	-1.29	-1.33	-1.29	-1.33	11.06	8.19									12.36	10.03
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	117,580,730.23	1.00	-0.40	-0.92	-0.40	-0.92	-0.40	-0.92	6.17	5.35									6.50	2.74
NISA	Barclays U.S. Aggregate Bond Index	2/1/2009	553,492,858.31	4.71	-0.22	-0.25	-0.22	-0.25	-0.22	-0.25	4.14	3.97	3.07	3.04	4.61	4.47					5.04	4.88
PIMCO	PIMCO Blended Index	11/1/2009	800,668,093.20	6.81	-0.52	-0.61	-0.52	-0.61	-0.52	-0.61	4.21	4.42	3.17	3.51							4.50	4.68
SHENKMAN CAP	Shenkman Blended Index	10/1/2010	116,303,907.20	0.99	-0.09	-0.03	-0.09	-0.03	-0.09	-0.03	6.45	6.98	6.11	7.26							6.50	7.74
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	12/1/2010	117,785,259.45	1.00	-0.05	0.40	-0.05	0.40	-0.05	0.40	7.77	10.74	4.78	6.89							6.23	7.35
WATERFALL	Opportunistic FI Blended Index	2/1/2010	136,438,860.52	1.16	0.96	-0.75	0.96	-0.75	0.96	-0.75	14.75	5.63	11.10	5.67							14.76	6.68
REAL RETURN	PENSION REAL RETURN CUSTOM BM	7/1/2011	1,190,360,848.57	10.13	-0.47	-0.25	-0.47	-0.25	-0.47	-0.25	7.80	4.90	5.21	4.77							6.27	4.69
AMERRA AGRI FUND II		12/1/2012	32,912,735.60	0.28	0.00		0.00		0.00		6.62										2.25	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	5/1/2002	297,363,306.96	2.53	0.03	0.03	0.03	0.03	0.03	0.03	4.52	3.71	2.31	2.25	5.59	5.54	5.18	5.15			6.11	6.08
MAGNETAR MTP		7/1/2013	84,826,679.00	0.72	1.57		1.57		1.57		11.67										10.72	
PIMCO ALL ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	377,567,812.48	3.21	-0.63	-0.24	-0.63	-0.24	-0.63	-0.24	9.18	2.39									8.47	1.01
TORTOISE CAPITAL	Alerian MLP Index	8/1/2009	96,227,684.56	0.82	-4.94	-3.55	-4.94	-3.55	-4.94	-3.55	31.47	17.84	26.16	18.28	27.17	22.37					27.17	22.37
TPF II		10/1/2008	14,924,379.00	0.13	0.00		0.00		0.00		-13.27		-3.15		-2.15						-4.69	
WEAVER TIPS	Barclays U.S. Treasury: US TIPS Index	7/1/2001	286,538,250.97	2.44	0.11	0.03	0.11	0.03	0.11	0.03	4.18	3.71	2.55	2.25	5.76	5.54	5.34	5.15			6.23	6.12
ABSOLUTE RETURN	HFRI Fund of Funds Diversified Index - 1 Month Arrears	4/1/2010	1,247,203,446.90	10.62	0.71	0.87	0.71	0.87	0.71	0.87	9.95	7.40	7.39	3.45							5.87	3.62
BAAM		9/1/2011	377,252,647.00	3.21	0.48		0.48		0.48		10.67										8.73	
HBK II		12/1/2013	15,865,679.00	0.14	1.00		1.00														5.77	
JANA PARTNERS		8/1/2014	15,000,000.00	0.13																		
KNIGHTHEAD		1/1/2014	16,214,305.00	0.14	1.32		1.32														8.10	
LIBREMAX CAPITAL		8/1/2014	15,000,000.00	0.13																		
LUXOR CAPITAL		4/1/2014	14,896,160.00	0.13	-1.60																-0.69	
MKP OPPORTUNITY		11/1/2013	14,732,647.43	0.13	-0.92		-0.92														-1.78	
PAAMCO		9/1/2011	399,815,017.93	3.40	0.99		0.99		0.99		12.53										8.98	
PINE RIVER		5/1/2014	14,860,244.38	0.13	0.21																-0.93	
PRISMA CAPITAL		9/1/2011	363,566,746.16	3.09	0.81		0.81		0.81		7.34										5.96	
REAL ESTATE	NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^	7/1/1984	473,986,765.43	4.03	0.04	0.00	0.04	0.00	0.04	0.00	8.25	12.74	9.18	11.99	9.11	6.31	6.32	6.19	5.18	7.78	5.64	6.00
DIVCOWEST IV		3/1/2014	7,225,639.90	0.06	0.00																-2.64	
FHA MORTGAGES		10/1/1990	1,651,034.26	0.01	0.49		0.49		0.49		32.01		5.42		9.63		2.88		7.48		8.05	
GREENFIELD ACQ VI		12/1/2012	38,295,478.00	0.33	0.00		0.00		0.00		12.99										11.81	
GREENFIELD ACQ VII		7/1/2014	3,906,430.00																			
H/2 CORE RE DEBT FD		10/1/2013	5,048,335.55	0.04	0.00		0.00		0.00												1.46	
H/2 CREDIT PARTNER		7/1/2011	96,146,880.34	0.82	0.00		0.00		0.00		4.97		7.13								6.93	
HARRISON STREET		5/1/2012	98,298,556.00	0.84	0.00		0.00		0.00		11.75										6.74	
LUBERT-ADLER VII		7/1/2014	2,780,000.00																			
MESA WEST CORE LEND		5/1/2013	52,368,291.00	0.45	0.00		0.00		0.00		6.49										5.16	
MESA WEST RE INC II		1/1/2010	19,813,797.00	0.17	0.00		0.00		0.00		-0.11		16.82								7.97	
PRIMA MORTGAGE		5/1/2009	56,925,498.44	0.48	0.64		0.64		0.64		6.05		7.16		11.05						10.49	
RUBENSTEIN PF II		7/1/2013	4,740,385.00	0.04	0.00		0.00		0.00		33.92										30.94	
STOCKBRIDGE		5/1/2014	37,749,267.21	0.32	0.00																	
WALTON ST RE FD VI		5/1/2009	34,620,861.92	0.29	0.00		0.00		0.00		17.38		11.90		-34.16						-32.84	
WALTON ST RE FD VII		7/1/2013	14,416,310.81	0.12	0.00		0.00		0.00		11.88										10.92	
PRIVATE EQUITY	Russell 3000 + 4%(Qtr Lag)	7/1/2002	1,187,356,634.52	10.11	-0.03	-0.03	-0.03	-0.03	-0.03	-0.03	22.65	22.65	15.44	15.44	16.95	18.70	10.72	10.22	0.00	0.00	11.30	10.39
CASH ACCOUNT	Citigroup Treasury Bill-3 Month	1/1/1988	229,712,372.02	1.96	0.01	0.00	0.01	0.00	0.01	0.00	0.25	0.04	0.38	0.05	0.56	0.08	2.11	1.53	3.29	2.82	4.00	3.54

KENTUCKY RETIREMENT SYSTEMS - INSURANCE FUND - NET RETURNS - 7/31/14

Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		20 Years		ITD	
TOTAL FUND	**KY Ins. Blended Index**	**4/1/1987**	**4,087,859,793.22**	**100.00**	**-0.91**	**-0.51**	**-0.91**	**-0.51**	**-0.91**	**-0.51**	**11.32**	**12.19**	**7.39**	**8.64**	**10.45**	**11.36**	**6.52**	**6.75**	**7.25**	**7.73**	**7.63**	**8.02**
US PUBLIC	**KY Domestic Equity Blend**	**7/1/1992**	**983,475,569.02**	**24.06**	**-2.43**	**-1.97**	**-2.43**	**-1.97**	**-2.43**	**-1.97**	**14.99**	**16.37**	**15.50**	**16.58**	**16.27**	**16.95**	**8.07**	**0.00**	**9.60**	**0.00**	**9.52**	**0.00**
INTERNAL MID CAP GROWTH	Russell Midcap Growth Index	8/1/2014	80,589,214.96	1.97																		
NTGI STRUCTURED	Russell 2000 Index	7/1/2011	104,858,841.71	2.57	-5.36	-6.05	-5.36	-6.05	-5.36	-6.05	9.80	8.56	14.97	13.59							13.37	11.86
RIVER ROAD	Russell 3000 Value Index	7/1/2011	11,545,191.40	0.28	-2.25	-2.06	-2.25	-2.06	-2.25	-2.06	11.94	14.87	15.50	17.24							14.00	15.47
S&P 500 INDEX	KY Ins. S&P Blend	7/1/2001	605,917,950.75	14.82	-1.37	-1.38	-1.37	-1.38	-1.37	-1.38	16.91	16.94	16.81	16.84	17.11	17.16	8.46	8.37			6.20	6.10
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	19,116,290.78	0.47	-4.60	-2.91	-4.60	-2.91	-4.60	-2.91	22.51	17.76									22.62	24.68
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	76,238,561.72	1.86	-3.84	-2.91	-3.84	-2.91	-3.84	-2.91	15.09	17.76									21.95	24.68
TRANSITION ACCOUNT		9/1/2004	5,704.02	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	46,539,885.92	1.14	-2.35	-1.89	-2.35	-1.89	-2.35	-1.89	19.59	17.89	17.02	15.86							15.92	14.93
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	38,770,394.97	0.95	-2.73	-2.06	-2.73	-2.06	-2.73	-2.06	14.64	14.87	14.66	17.24							13.26	15.47
EQUITY NON US	**KRS Ins.Int'l Eq Blend**	**4/1/2000**	**805,004,336.13**	**19.69**	**-1.52**	**-0.97**	**-1.52**	**-0.97**	**-1.52**	**-0.97**	**14.27**	**15.98**	**4.98**	**6.34**	**7.91**	**9.11**	**7.49**	**7.28**			**2.93**	**2.54**
AMERICAN CENTURY	KY MSCI Blended Index	7/1/2014	48,694,384.65	1.19	-2.17	-0.97	-2.17	-0.97	-2.17	-0.97											-2.17	-0.97
BLACKROCK ACWI EX-US	MSCI All Country World Ex United States Net Index	6/1/2012	342,533,336.53	8.38	-0.98	-0.99	-0.98	-0.99	-0.98	-0.99	15.53	15.48									18.44	18.73
BLACKROCK ACWI EX-US SM CAP	MSCI AC World ex USA Small Cap Net Index	7/1/2013	58,329,717.30	1.43	-1.91	-1.89	-1.91	-1.89	-1.91	-1.89	17.78	17.85									24.12	21.70
BOSTON CO NON-US VALUE	KY MSCI ACWI EX USA GD	6/1/2008	54,187,587.22	1.33	-1.25	-0.97	-1.25	-0.97	-1.25	-0.97	14.65	15.98	5.51	6.75	7.16	9.01					1.76	1.07
FRANKLIN TEMPLETON	KY MSCI Blended Index	7/1/2014	49,131,799.27	1.20	-2.38	-0.97	-2.38	-0.97	-2.38	-0.97											-2.38	-0.97
LAZARD ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	97,699,600.24	2.39	-2.59	-0.97	-2.59	-0.97	-2.59	-0.97											-2.59	-0.97
LSV ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	49,971,046.70	1.22	-1.36	-0.97	-1.36	-0.97	-1.36	-0.97											-1.36	-0.97
NON-US TRANSITION ACCOUNT			168,734.67	0.00																		
PYRAMIS NON-US GROWTH	KY MSCI ACWI EX USA GD	8/1/2001	104,288,129.55	2.55	-1.53	-0.97	-1.53	-0.97	-1.53	-0.97	13.03	15.98	5.92	6.75	9.32	9.01	7.50	7.16			6.99	6.36
EQ EMERGING MKT	**MSCI Emerging Markets Index**	**7/1/2011**	**164,505,499.83**	**4.02**	**1.29**	**2.02**	**1.29**	**2.02**	**1.29**	**2.02**	**14.29**	**15.72**	**3.11**	**0.74**							**3.24**	**0.59**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	52,237,632.44	1.28	0.99	2.02	0.99	2.02	0.99	2.02	11.42	15.72	3.68	0.74	11.88	7.68					8.44	2.29
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	60,970,437.83	1.49	1.90	1.93	1.90	1.93	1.90	1.93	15.18	15.32									15.00	15.16
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	51,297,429.56	1.25	0.89	2.02	0.89	2.02	0.89	2.02	15.26	15.72	0.66	0.74	6.05	7.68					1.80	2.29
PUBLIC EQUITY	**Global Equity Blended Index**	**7/1/1992**	**1,952,985,404.98**	**47.78**	**-1.75**	**-1.19**	**-1.75**	**-1.19**	**-1.75**	**-1.19**	**14.73**	**16.20**	**9.94**	**10.53**	**12.02**	**12.65**	**7.11**	**6.96**	**9.04**	**8.87**	**9.01**	**8.85**
FIXED INCOME	**KRS Ins. Fixed Blended Index**	**7/1/1992**	**830,740,530.01**	**20.32**	**-0.50**	**-0.31**	**-0.50**	**-0.31**	**-0.50**	**-0.31**	**5.36**	**4.54**	**4.97**	**3.58**	**6.44**	**5.80**	**5.68**	**5.28**	**7.02**	**6.67**	**6.87**	**6.64**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	56,545,077.96	1.38	-1.50	-1.33	-1.50	-1.33	-1.50	-1.33	7.19	8.19									9.70	10.03
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	54,893,994.79	1.34	-1.28	-1.33	-1.28	-1.33	-1.28	-1.33	10.79	8.19									11.85	10.03
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	47,769,382.56	1.17	-0.85	-0.92	-0.85	-0.92	-0.85	-0.92	5.32	5.35									6.37	2.74
NISA	Barclays U.S. Aggregate Bond Index	7/1/2011	210,642,892.40	5.15	-0.23	-0.25	-0.23	-0.25	-0.23	-0.25	4.09	3.97	3.13	3.04							3.57	3.48
PIMCO	PIMCO Blended Index	4/1/2011	323,118,982.39	7.90	-0.60	-0.61	-0.60	-0.61	-0.60	-0.61	4.28	4.42	3.29	3.54							3.99	4.37
SHENKMAN CAP	Shenkman Blended Index	7/1/2011	40,060,672.56	0.98	-0.17	-0.03	-0.17	-0.03	-0.17	-0.03	2.82	6.98	5.18	7.26							5.24	7.27
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	7/1/2011	47,641,754.11	1.17	-0.09	0.40	-0.09	0.40	-0.09	0.40	7.60	10.74	4.51	6.89							5.04	7.33
WATERFALL	Opportunistic FI Blended Index	7/1/2011	50,067,773.24	1.22	0.79	-0.75	0.79	-0.75	0.79	-0.75	11.40	5.63	13.57	5.67							13.27	5.74
REAL RETURN	**INSURANCE REAL RET CUSTOM BM**	**7/1/2011**	**416,930,795.66**	**10.20**	**-0.42**	**-0.21**	**-0.42**	**-0.21**	**-0.42**	**-0.21**	**8.01**	**4.92**	**4.67**	**4.78**							**5.79**	**4.70**
AMERRA AGRI FUND II		12/1/2012	13,273,749.54	0.32	0.00		0.00		0.00		6.62										2.25	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	10/1/2003	231,048,580.14	5.65	0.03	0.03	0.03	0.03	0.03	0.03	5.24	3.71	2.56	2.25	5.70	5.54	5.30	5.15			5.46	5.17
MAGNETAR MTP		7/1/2013	26,196,481.00	0.64	1.57		1.57		1.57		11.66										10.71	
PIMCO ALL-ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	115,675,694.78	2.83	-0.63	-0.24	-0.63	-0.24	-0.63	-0.24	9.18	2.39									8.47	1.01
TORTOISE CAP	Alerian MLP Index	8/1/2009	29,078,027.20	0.71	-4.95	-3.55	-4.95	-3.55	-4.95	-3.55	30.96	17.84	26.78	18.28	27.55	22.37					27.55	22.37
TPF II		10/1/2008	1,658,263.00	0.04	0.00		0.00		0.00		-13.27		-3.15		-2.15						-4.69	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**5/1/2009**	**174,779,462.67**	**4.28**	**0.08**	**0.00**	**0.08**	**0.00**	**0.08**	**0.00**	**7.16**	**12.74**	**8.37**	**11.99**	**9.13**	**6.31**					**8.67**	**3.03**
DIVCOWEST IV		3/1/2014	3,195,955.15	0.08	0.00																-2.66	
GREENFIELD ACQ VI		12/1/2012	16,832,130.00	0.41	0.00		0.00		0.00		12.99										11.80	
GREENFIELD ACQ VII		7/1/2014	1,714,333.00	0.04																		
H/2 CORE RE DEBT FD		10/1/2013	2,129,393.32	0.05	0.00		0.00														1.46	
H/2 CREDIT PARTNER		7/1/2011	27,361,565.45	0.67	0.00		0.00		0.00		4.95		7.08								6.89	
HARRISON STREET		5/1/2012	34,660,804.00	0.85	0.00		0.00		0.00		10.52										6.00	
LUBERT-ADLER VII		7/1/2014	1,220,000.00	0.03																		
MESA WEST CORE LEND		5/1/2013	24,067,172.00	0.59	0.00		0.00		0.00		6.41										5.09	
MESA WEST RE INC II		1/1/2010	2,201,530.00	0.05	0.00		0.00		0.00		-0.11		16.82								7.97	
PRIMA MORTGAGE		5/1/2009	34,771,835.98	0.85	0.65		0.65		0.65		3.48		6.07		10.41						9.89	
RUBENSTEIN PF II		7/1/2013	2,096,709.00	0.05	0.00		0.00		0.00		33.92										30.94	
STOCKBRIDGE		5/1/2014	14,344,827.00	0.35	0.00																	
WALTON ST RE FD VI		5/1/2009	3,846,762.32	0.09	0.00		0.00		0.00		17.38		11.90		-34.16						-32.84	
WALTON ST RE FD VII		7/1/2013	6,336,445.45	0.16	0.00		0.00		0.00		11.88										10.92	
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrears**	**4/1/2010**	**422,360,631.84**	**10.33**	**0.70**	**0.87**	**0.70**	**0.87**	**0.70**	**0.87**	**9.86**	**7.40**	**7.30**	**3.45**							**5.73**	**3.62**
BAAM		9/1/2011	131,104,932.00	3.21	0.48		0.48		0.48		10.61										8.76	
HBK II		12/1/2013	5,288,560.00	0.13	1.00		1.00														5.77	
JANA PARTNERS		8/1/2014	5,000,000.00	0.12																		
KNIGHTHEAD		1/1/2014	5,404,768.00	0.13	1.32		1.32														8.10	
LIBREMAX CAPITAL		8/1/2014	5,000,000.00	0.12																		
LUXOR CAPITAL		4/1/2014	4,965,387.00	0.12	-1.60																-0.69	
MKP OPPORTUNITY		11/1/2013	4,910,882.41	0.12	-0.92		-0.92														-1.78	
PAAMCO		9/1/2011	128,196,366.84	3.14	0.99		0.99		0.99		12.51										8.99	
PINE RIVER		5/1/2014	4,953,414.80	0.12	0.21																-0.93	
PRISMA CAPITAL PAR		9/1/2011	127,536,320.79	3.12	0.80		0.80		0.80		7.21										5.98	
PRIVATE EQUITY	**Russell 3000 + 4% (Qtr Lag)**	**7/1/2002**	**238,770,058.40**	**5.84**	**-0.07**	**-0.07**	**-0.07**	**-0.07**	**-0.07**	**-0.07**	**21.95**	**21.95**	**14.54**	**14.54**	**17.23**	**18.78**	**9.36**	**9.69**			**8.96**	**9.64**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**7/1/1992**	**51,412,134.20**	**1.26**	**0.02**	**0.00**	**0.02**	**0.00**	**0.02**	**0.00**	**0.20**	**0.04**	**0.30**	**0.05**	**0.29**	**0.08**	**1.93**	**1.53**	**2.97**	**2.82**	**2.99**	**2.87**

KENTUCKY RETIREMENT SYSTEMS - PENSION & INSURANCE - PLAN PERFORMANCE & ALLOCATION - 7/31/14



KRS - PENSION

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS	**(0.64)**	**(0.64)**	**12.40**	**8.56**	**10.80**	**6.98**	**9.56**
KERS Plan Index	(0.60)	(0.60)	11.86	8.72	10.58	6.99	9.66
KERS-H	**(0.82)**	**(0.82)**	**12.18**	**8.54**	**10.79**	**6.98**	**9.56**
KHAZ Plan Index	(0.58)	(0.58)	12.35	8.85	10.67	7.03	9.68
CERS	**(0.88)**	**(0.88)**	**12.05**	**8.49**	**10.76**	**6.96**	**9.56**
CERS Plan Index	(0.61)	(0.61)	12.32	8.84	10.66	7.03	9.68
CERS-H	**(0.88)**	**(0.88)**	**11.96**	**8.48**	**10.74**	**6.96**	**9.55**
CHAZ Plan Index	(0.61)	(0.61)	12.33	8.84	10.66	7.03	9.68
SPRS	**(0.80)**	**(0.80)**	**12.13**	**8.55**	**10.79**	**6.98**	**9.56**
SPRS Plan Index	(0.58)	(0.58)	12.30	8.83	10.66	7.02	9.67

KRS - INSURANCE

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS INS	**(0.86)**	**(0.86)**	**10.97**	**7.35**	**10.42**	**6.51**	**7.81**
INS KERS Plan Index	(0.67)	(0.67)	12.25	8.69	11.40	6.77	8.03
KERS-H INS	**(0.91)**	**(0.91)**	**11.49**	**7.59**	**10.57**	**6.58**	**7.84**
INS KHAZ Plan Index	(0.67)	(0.67)	12.28	8.70	11.40	6.77	8.03
CERS INS	**(0.92)**	**(0.92)**	**11.37**	**7.54**	**10.54**	**6.57**	**7.83**
INS CERS Plan Index	(0.66)	(0.66)	12.29	8.70	11.40	6.77	8.03
CERS-H INS	**(0.92)**	**(0.92)**	**11.35**	**7.54**	**10.54**	**6.56**	**7.83**
INS CHAZ Plan Index	(0.66)	(0.66)	12.29	8.70	11.40	6.77	8.03
SPRS INS	**(0.88)**	**(0.88)**	**11.47**	**7.56**	**10.55**	**6.57**	**7.83**
INS SPRS Plan Index	(0.65)	(0.65)	12.30	8.71	11.41	6.77	8.03