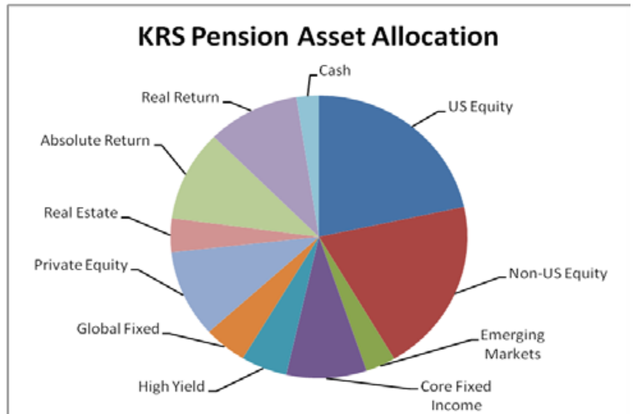
June 2014

KRS MONTHLY PERFORMANCE UPDATE

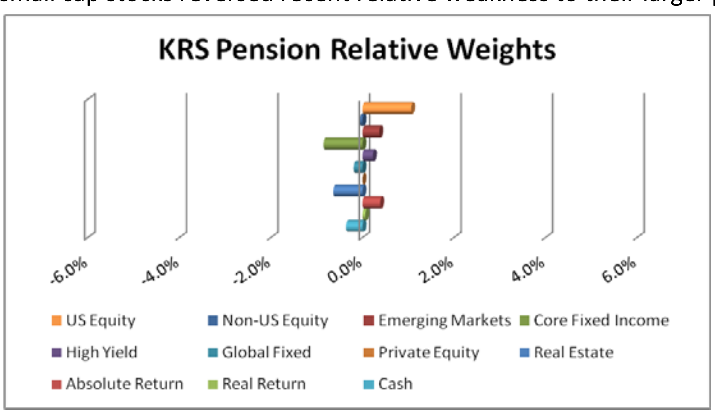
What's going on in the marketplace?

Global equities advanced further in the month of June, returning 1.9% to investors. The month marked the end of a fairly stable quarter in which global equities returned 5.2%. Despite trouble in the Middle East, investors were confident due to strong Chinese economic data and strong merger and acquisition activity. Marked by the Russell 3000, US equities returned 2.3% while developed markets outside the US returned 1.4% and emerging market equities returned 2.7%.



	June	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.72	15.55	8.59	11.97	6.78
Benchmark	1.68	14.91	8.84	11.91	6.84

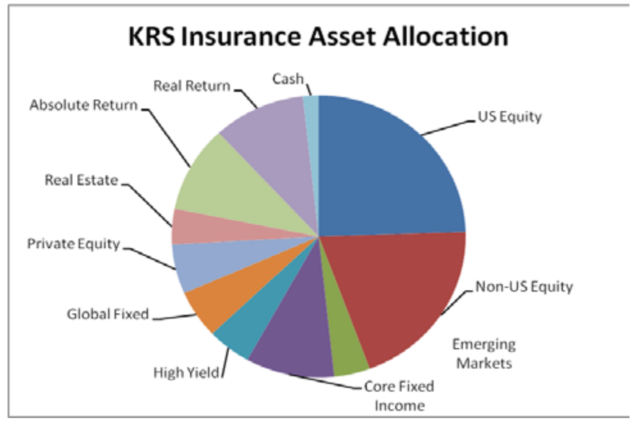
Weak economic data out of Europe was enough to outweigh freshly implemented accommodative measure from the European Central Bank in the minds of investors as European equities lost 0.9%. Very low inflation and weakening consumer confidence prompted the ECB to lower interest rates and begin a four-year targeted long-term refinancing operation (TLTRO). Poor performance was broadly distributed across the continent, as only Belgium, Denmark, the Netherlands, Norway, and a surprising performance from Spain generated positive performance. On the other side, the usual suspects such as Italy, Portugal, and Ireland led the decline. Ireland led the decline (-6.4%) as financial stability concerns were renewed and Germany, often a bright spot in the region, lost ground due to low business confidence. Spain rallied 1.4% thanks to surging industrial output. Strong returns in Japan (4.8%) boosted the Pacific Basin region, as strong economic growth and new reforms pushed up Japanese equities. Australia struggled (-1.5%) due to weakening economic figures and New Zealand also struggled (-1.8%) as strong growth was offset by fears of rising interest rates. Emerging market equities surged yet again, returning 2.7% for June, capping a strong 6.7% second quarter. All emerging market regions were positive, with Latin America leading the way (3.3%) and Europe, Middle East, and Africa (EMEA) bringing up the rear (0.7%). Within the US, small cap stocks reversed recent relative weakness to their larger peers by posting a 5.3% return while large cap stocks returned 2.1%. Small caps returned 2% for the second quarter while large caps returned 5.2%. Value stocks barely outpaced growth stocks, returning 2.8% versus growth returns of 2.3%; for the quarter, value and growth stocks both returned 4.9%. The energy (5.4%) and technology (3.3%) sectors led in June, while industrial (0.8%) and consumer staples (0.1%) lagged. For the second quarter, energy (12.2%) and technology (6.6%) led the way, while financial services (2.3%) and consumer discretionary (2.8%) lagged.



Fixed income markets also generated positive returns, as the Barclays Global Aggregate index posted a 0.7% return for June. Canadian debt markets led the global bond market, returning 2.2% while the US fixed income market trailed most regions, returning only 0.1%. The short end of the Treasury market struggled as 2 year rates moved up 8 basis points and the 5 year moved up 9 basis points. The long end of the market generated positive returns as rates moved up just 5 basis points. As a whole, the treasury market lagged other sectors of the bond market, with investment-grade corporate bonds returning 0.1%, mortgages returning 0.3%, and high yield bonds returning 0.8%.

Economic data in the US was mixed in June, with the most notable release likely a significant downward revision to first quarter GDP (revised down to -2.9% from -1%). On the other hand, the labor market continued its slow healing process; initial jobless claims averaged 313,000 during June and the US added 217,000 jobs in May, marking a full recovery in the number of jobs from pre-recession highs. The unemployment rate remained at 6.3% versus a forecasted minor uptick to 6.4% while the labor force participation rate remained at 63% and the underemployment rate dipped slightly to 12.2%. Income increased 0.4% month-over-month while personal spending increased 0.2% month-over-month. Retail sales increased 0.3% versus a forecasted 0.6% increase and consumer confidence dipped slightly. The housing market continues to show mixed data—new home sales came in higher than expected at 504,000 versus 439,000 forecasted. Existing home sales came in at 4.9 million versus a 4.7 million forecasted. However, housing starts were lower than predicted and mortgage applications were mostly lower for the month. Manufacturing activity remained strong despite a 1% drop in durable goods orders and weakening trade balance. Inflation was 0.4% versus a forecasted 0.2%.

Investors will continue to closely monitor the conflicts in the Middle East, European economic news, and the housing market in the US.

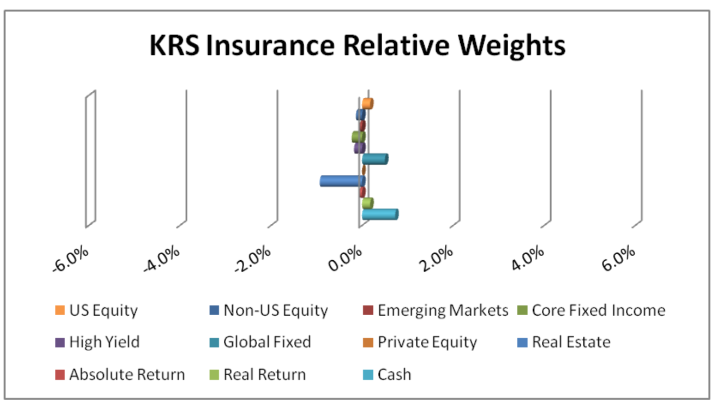


	June	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.62	14.89	7.48	12.10	6.28
Benchmark	1.76	15.03	8.71	13.02	6.50

What added value this month?

PENSION – From a manager selection standpoint, outperformance in US equities and fixed income added value in the Pension fund. Systematic and Westfield, as well as an overweight to small caps (NTGI) boosted KRS US equity performance, while outperformance from Loomis Sayles aided fixed income performance.

An overweight to US equities and emerging market equities, as well as an underweight to fixed income added value from an allocation perspective.



INSURANCE – The Insurance Fund also saw US equity managers outperform the benchmark but fixed income managers only matched the benchmark in the Insurance fund.

The fund benefited from a minor overweight to US equities, as well as a small underweight to non-US equities and a solid underweight to fixed income.

What detracted this month?

PENSION – From a manager selection standpoint, non-US equity managers struggled relative to the benchmark, returning 1.40% versus 1.72%. Emerging market equity managers struggled against the benchmark as well.

INSURANCE – In a similar fashion to the Pension fund, the Insurance fund struggled with manager selection in non-US equities and emerging markets. From an allocation perspective, a small underweight to emerging market equities 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.

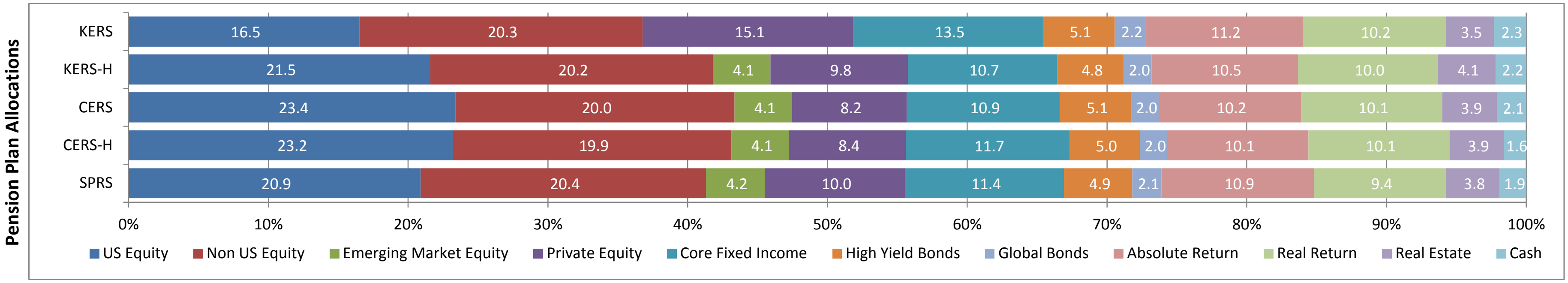
KENTUCKY RETIREMENT SYSTEMS - PENSION FUND - NET RETURNS - 6/30/14

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**	**11,902,499,741.96**	**100.00**	**1.72**	**1.68**	**3.55**	**3.57**	**15.55**	**14.91**	**15.55**	**14.91**	**8.59**	**8.84**	**11.97**	**11.91**	**6.78**	**6.84**	**8.67**	**8.70**	**9.60**	**9.71**
US PUBLIC	**KY Domestic Equity Blend**	**4/1/1984**	**2,568,944,638.49**	**21.58**	**2.62**	**2.51**	**4.43**	**4.87**	**24.87**	**25.22**	**24.87**	**25.22**	**15.67**	**16.46**	**18.80**	**19.40**	**8.20**	**8.28**	**10.33**	**10.21**	**11.57**	**11.51**
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	219,376,300.69	1.84	3.43	3.13	0.12	4.37	17.56	26.04	17.56	26.04									15.96	24.45
INVESCO	S&P 500 - Total Return Index	8/1/2005	227,882,478.70	1.91	1.62	2.07	4.52	5.23	26.72	24.61	26.72	24.61	17.70	16.58	18.74	18.83					9.10	7.58
NTGI STRUCTURED	Russell 2000 Index	10/1/1999	231,670,920.99	1.95	4.75	5.32	2.32	2.05	25.25	23.64	25.25	23.64	16.27	14.57	22.15	20.21	9.88	8.70			10.59	8.63
RIVER ROAD	Russell 3000 Value Index	7/1/2011	33,525,586.44	0.28	2.50	2.75	4.44	4.89	18.72	23.71	18.72	23.71	15.24	16.73							15.24	16.73
S&P 500 INDEX	KY Ret. S&P Blend	7/1/2001	1,357,805,362.54	11.41	2.02	2.07	5.18	5.23	24.46	24.61	24.46	24.61	16.49	16.58	19.06	19.26	8.17	8.14			6.30	6.25
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	52,948,348.89	0.44	3.32	3.46	6.50	5.62	36.82	27.76	36.82	27.76									26.75	27.71
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	208,146,951.02	1.75	3.60	3.46	4.57	5.62	27.44	27.76	27.44	27.76									25.46	27.71
TRANSITION ACCOUNT		7/1/2011	2,151.96	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	127,279,561.34	1.07	2.93	2.27	4.60	4.86	30.46	26.75	30.46	26.75	17.07	16.11							17.07	16.11
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	110,306,975.92	0.93	2.76	2.75	5.34	4.89	23.38	23.71	23.38	23.71	14.62	16.73							14.62	16.73
EQUITY NON US	**KY Ret.Int'l Eq. Blended Index**	**7/1/2000**	**2,372,090,567.02**	**19.93**	**1.40**	**1.72**	**4.29**	**5.25**	**21.07**	**22.27**	**21.07**	**22.27**	**5.18**	**6.21**	**10.76**	**11.73**	**7.13**	**7.40**			**3.05**	**3.73**
AMERICAN CENTURY	KY MSCI Blended Index	7/1/2014	147,782,117.81																			
BLACKROCK ACWI EX	MSCI All Country World Ex United States Net Index	7/1/2009	990,169,074.48	8.32	1.59	1.68	5.05	5.03	21.84	21.75	21.84	21.75	5.94	5.73	11.31	11.11					11.31	11.11
BOSTON CO NON-US VALUE	KY MSCI Blended Index	5/1/2005	147,301,268.45	1.24	1.30	1.72	4.83	5.25	21.13	22.27	21.13	22.27	5.31	6.51	9.37	11.20					5.52	6.20
FRANKLIN TEMPLETON	KY MSCI Blended Index	7/1/2014	145,437,206.53	1.22																		
LAZARD ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	297,794,445.36	2.50																		
LSV ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	149,953,900.80	1.26																		
NON-US TRANSITION ACCOUNT			21,053,179.92	0.18																		
NTGI INTL SM CAP	MSCI AC World ex USA Small Cap Net Index	12/1/2008	171,182,366.83	1.44	2.18	2.17	3.81	3.64	26.22	26.09	26.22	26.09	7.28	6.90	14.16	14.50					18.91	19.69
PYRAMIS NON-US GROWTH	KY MSCI Blended Index	8/1/2001	301,417,006.84	2.53	1.58	1.72	3.52	5.25	19.94	22.27	19.94	22.27	6.52	6.51	11.86	11.20	7.43	6.91			7.24	6.48
EQ EMERGING MKTS	**MSCI Emerging Markets Index**	**7/1/2011**	**388,336,542.84**	**3.26**	**2.46**	**2.70**	**7.13**	**6.71**	**13.68**	**14.68**	**13.68**	**14.68**	**2.84**	**-0.06**							**2.84**	**-0.06**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	123,394,441.25	1.04	1.76	2.70	6.35	6.71	9.96	14.68	9.96	14.68	3.80	-0.06	14.17	9.58					8.40	1.99
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	134,286,412.28	1.13	2.62	2.66	6.57	6.60	14.15	14.31	14.15	14.31									14.15	14.31
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	130,655,689.31	1.10	3.04	2.70	8.49	6.71	16.22	14.68	16.22	14.68	0.17	-0.06	7.80	9.58					1.65	1.99
PUBLIC EQUITY	**Global Equity Blended Index**	**4/1/1984**	**5,329,371,748.35**	**44.78**	**2.07**	**2.17**	**4.54**	**5.21**	**22.45**	**22.96**	**22.45**	**22.96**	**10.06**	**10.43**	**14.66**	**15.18**	**7.17**	**7.03**	**9.69**	**9.43**	**11.14**	**10.98**
FIXED INCOME	**KY Ret.Fixed Blended Index**	**4/1/1984**	**2,198,885,387.72**	**18.47**	**0.35**	**0.15**	**2.53**	**2.20**	**7.05**	**5.20**	**7.05**	**5.20**	**5.85**	**4.22**	**7.16**	**5.42**	**5.52**	**5.21**	**6.45**	**6.33**	**8.04**	**7.74**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	168,104,247.36	1.41	0.78	0.84	2.35	2.41	11.12	11.73	11.12	11.73									10.83	10.91
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	177,821,634.22	1.49	1.37	0.84	4.09	2.41	13.47	11.73	13.47	11.73									13.33	10.91
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	118,692,019.36	1.00	0.35	0.75	1.64	2.52	6.49	7.70	6.49	7.70									6.88	3.19
NISA	Barclays U.S. Aggregate Bond Index	2/1/2009	556,233,147.24	4.67	0.08	0.05	2.09	2.04	4.43	4.37	4.43	4.37	3.69	3.66	5.01	4.85					5.16	5.01
PIMCO	PIMCO Blended Index	11/1/2009	807,347,184.36	6.78	0.24	0.35	2.35	2.42	5.34	5.62	5.34	5.62	3.85	4.27							4.70	4.91
SHENKMAN CAP	Shenkman Blended Index	10/1/2010	117,039,324.92	0.98	0.53	0.71	1.52	1.90	7.79	8.60	7.79	8.60	6.46	7.49							6.67	7.92
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	12/1/2010	118,509,914.10	1.00	0.34	0.36	5.38	4.76	8.48	11.63	8.48	11.63	5.57	7.40							6.39	7.41
WATERFALL	Opportunistic FI Blended Index	2/1/2010	135,137,916.16	1.14	0.07	0.55	2.87	1.76	14.46	7.54	14.46	7.54	11.17	6.17							14.81	6.99
REAL RETURN	**PENSION REAL RETURN CUSTOM BM**	**7/1/2011**	**1,196,957,092.65**	**10.06**	**1.41**	**0.96**	**4.83**	**4.18**	**8.99**	**5.67**	**8.99**	**5.67**	**6.62**	**4.91**							**6.62**	**4.91**
AMERRA AGRI FUND II		12/1/2012	33,682,301.51	0.28	1.83		1.83		6.62		6.62										2.37	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	5/1/2002	297,346,485.68	2.50	0.42	0.30	3.77	3.81	4.65	4.44	4.65	4.44	3.56	3.55	5.60	5.55	5.28	5.25			6.15	6.12
MAGNETAR MTP		7/1/2013	83,513,195.00	0.70	2.75		3.32		9.94		9.94										9.94	
PIMCO ALL ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	379,951,823.93	3.19	1.35	0.29	4.48	2.94	11.52	3.59	11.52	3.59									9.02	1.13
TORTOISE CAPITAL	Alerian MLP Index	8/1/2009	101,237,133.53	0.85	6.99	5.91	16.39	14.18	37.97	21.57	37.97	21.57	27.51	18.96							29.01	23.70
TPF II		10/1/2008	14,942,364.00	0.13	-0.73		-0.73		-13.27		-13.27		-3.77		-2.56						-4.75	
WEAVER TIPS	Barclays U.S. Treasury: US TIPS Index	7/1/2001	286,283,789.00	2.41	0.35	0.30	3.87	3.81	5.14	4.44	5.14	4.44	3.86	3.55	5.74	5.55	5.43	5.25			6.26	6.16
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrears**	**4/1/2010**	**1,235,392,719.17**	**10.38**	**1.21**	**1.23**	**0.79**	**-0.09**	**8.46**	**5.08**	**8.46**	**5.08**	**7.03**	**2.71**							**5.82**	**3.48**
BAAM		9/1/2011	389,395,011.00	3.27	1.47		1.79		9.62		9.62										8.82	
HBK II		12/1/2013	15,708,733.00	0.13	0.72		1.99														4.73	
KNIGHTHEAD		1/1/2014	16,003,810.00	0.13	0.22		0.97														6.69	
LUXOR CAPITAL		4/1/2014	15,137,994.00	0.13	0.05																0.92	
MKP OPPORTUNITY		11/1/2013	14,868,773.14	0.12	0.37		-1.10														-0.87	
PAAMCO		9/1/2011	395,876,831.00	3.33	1.08		0.81		11.16		11.16										8.87	
PINE RIVER		5/1/2014	14,828,651.61	0.12	-0.75																-1.14	
PRISMA CAPITAL		9/1/2011	373,572,915.42	3.14	1.30		-0.18		5.11		5.11										5.84	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**7/1/1984**	**459,237,828.81**	**3.86**	**2.10**	**2.29**	**2.24**	**2.29**	**8.06**	**12.74**	**8.06**	**12.74**	**9.16**	**11.99**	**9.11**	**6.31**	**6.31**	**6.19**	**5.21**	**7.78**	**5.66**	**6.01**
DIVCOWEST IV		3/1/2014	4,815,010.00	0.04	-1.52																-2.64	
FHA MORTGAGES		10/1/1990	1,674,392.81	0.01	0.49		1.56		4.41		4.41		5.73		10.00		2.90		7.65		8.06	
GREENFIELD ACQ VI		12/1/2012	37,757,697.00	0.32	0.38		0.38		12.99		12.99										12.46	
H/2 CORE RE DEBT FD		10/1/2013	5,048,335.55	0.04	0.46		0.46		0.00												1.46	
H/2 CREDIT PARTNER		7/1/2011	96,146,880.34	0.81	1.59		1.59		4.97		4.97		7.13								7.13	
HARRISON STREET		5/1/2012	92,897,238.00	0.78	3.00		2.80		11.75		11.75										7.00	
MESA WEST CORE LEND		5/1/2013	52,368,291.00	0.44	2.43		2.43		6.49		6.49										5.54	
MESA WEST RE INC II		1/1/2010	19,813,797.00	0.17	-1.20		-1.20		-0.11		-0.11		16.82								8.12	
PRIMA MORTGAGE		5/1/2009	56,925,498.44	0.48	1.14		2.31		5.38		5.38		6.93		10.91						10.54	
RUBENSTEIN PF II		7/1/2013	4,740,385.00	0.04	30.82		32.50		33.92		33.92										33.92	
STOCKBRIDGE		6/1/2014	38,068,966.00	0.32	0.00																	
WALTON ST RE FD VI		5/1/2009	34,620,861.92	0.29	5.91		5.91		17.38		17.38		11.90		-34.16						-33.27	
WALTON ST RE FD VII		6/1/2013	14,360,475.75	0.12	3.10		3.10		11.88												11.88	
PRIVATE EQUITY	**Russell 3000 + 4%(Qtr Lag)**	**7/1/2002**	**1,185,577,588.26**	**9.96**	**3.86**	**3.86**	**3.83**	**3.83**	**22.71**	**22.71**	**22.71**	**22.71**	**15.43**	**15.43**	**17.18**	**20.20**	**10.79**	**9.99**	**0.00**	**0.00**	**11.39**	**10.42**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**1/1/1988**	**290,285,893.31**	**2.44**	**0.01**	**0.00**	**0.04**	**0.01**	**0.61**	**0.04**	**0.61**	**0.04**	**0.38**	**0.05**	**0.58**	**0.08**	**2.12**	**1.54**	**3.31**	**2.84**	**4.01**	**3.55**

KENTUCKY RETIREMENT SYSTEMS - INSURANCE FUND - NET RETURNS - 6/30/14

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**	**4,117,426,065.71**	**100.00**	**1.62**	**1.76**	**3.51**	**3.69**	**14.89**	**15.03**	**14.89**	**15.03**	**7.48**	**8.71**	**12.10**	**13.02**	**6.28**	**6.50**	**7.39**	**7.87**	**7.69**	**8.07**
US PUBLIC	**KY Domestic Equity Blend**	**7/1/1992**	**1,008,640,232.95**	**24.50**	**2.67**	**2.51**	**4.34**	**4.87**	**24.45**	**25.22**	**24.45**	**25.22**	**15.46**	**16.46**	**18.51**	**19.18**	**7.96**	**0.00**	**9.92**	**0.00**	**9.68**	**0.00**
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	84,267,937.75	2.05	3.44	3.13	0.13	4.37	17.73	26.04	17.73	26.04									16.04	24.45
NTGI STRUCTURED	Russell 2000 Index	7/1/2011	110,932,712.69	2.69	4.57	5.32	2.00	2.05	24.22	23.64	24.22	23.64	15.87	14.57							15.87	14.57
RIVER ROAD	Russell 3000 Value Index	7/1/2011	11,836,130.35	0.29	2.51	2.75	4.44	4.89	18.76	23.71	18.76	23.71	15.29	16.73							15.29	16.73
S&P 500 INDEX	KY Ins. S&P Blend	7/1/2001	614,511,906.41	14.92	2.06	2.07	5.22	5.23	24.49	24.61	24.49	24.61	16.57	16.58	19.11	19.26	8.23	8.14			6.36	6.25
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	20,061,384.39	0.49	3.30	3.46	6.44	5.62	36.54	27.76	36.54	27.76									26.61	27.71
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	79,429,444.80	1.93	3.57	3.46	4.50	5.62	27.30	27.76	27.30	27.76									25.39	27.71
TRANSITION ACCOUNT		9/1/2004	101.23	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	47,694,517.96	1.16	2.94	2.27	4.62	4.86	31.24	26.75	31.24	26.75	17.33	16.11							17.33	16.11
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	39,906,097.37	0.97	2.83	2.75	5.35	4.89	23.71	23.71	23.71	23.71	14.70	16.73							14.70	16.73
EQUITY NON US	**KRS Ins.Int'l Eq Blend**	**4/1/2000**	**817,925,112.76**	**19.86**	**1.37**	**1.72**	**4.18**	**5.25**	**21.01**	**22.27**	**21.01**	**22.27**	**4.99**	**6.21**	**10.21**	**11.36**	**7.31**	**7.03**			**3.06**	**2.63**
AMERICAN CENTURY	KY MSCI Blended Index	7/1/2014	49,776,091.22	1.21																		
BLACKROCK ACWI EX-US	MSCI All Country World Ex United States Net Index	6/1/2012	336,913,230.14	8.18	1.63	1.68	5.03	5.03	21.70	21.75	21.70	21.75									19.81	20.12
BLACKROCK ACWI EX-US SM CAP	MSCI AC World ex USA Small Cap Net Index	7/1/2013	59,466,524.72	1.44	2.19	2.17	3.71	3.64	28.84	26.09	28.84	26.09									28.84	26.09
BOSTON CO NON-US VALUE	KY MSCI ACWI EX USA GD	6/1/2008	55,123,295.69	1.34	1.13	1.72	4.56	5.25	20.50	22.27	20.50	22.27	5.05	6.51	9.28	11.20					2.00	1.25
FRANKLIN TEMPLETON	KY MSCI Blended Index	7/1/2014	50,328,405.33	1.22																		
LAZARD ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	100,295,463.07	2.44																		
LSV ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	50,661,202.18	1.23																		
NON-US TRANSITION ACCOUNT			9,185,176.09	0.22																		
PYRAMIS NON-US GROWTH	KY MSCI ACWI EX USA GD	8/1/2001	106,175,724.32	2.58	1.59	1.72	3.49	5.25	19.51	22.27	19.51	22.27	6.21	6.51	11.62	11.20	7.32	6.91			7.16	6.48
EQ EMERGING MKT	**MSCI Emerging Markets Index**	**7/1/2011**	**162,473,350.84**	**3.95**	**2.48**	**2.70**	**7.10**	**6.71**	**13.68**	**14.68**	**13.68**	**14.68**	**2.89**	**-0.06**							**2.89**	**-0.06**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	51,727,363.13	1.26	1.75	2.70	6.35	6.71	9.89	14.68	9.89	14.68	3.78	-0.06	14.16	9.58					8.39	1.99
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	59,832,267.98	1.45	2.65	2.66	6.61	6.60	14.17	14.31	14.17	14.31									14.17	14.31
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	50,913,719.73	1.24	3.04	2.70	8.49	6.71	16.22	14.68	16.22	14.68	0.21	-0.06	7.83	9.58					1.68	1.99
PUBLIC EQUITY	**Global Equity Blended Index**	**7/1/1992**	**1,989,038,696.55**	**48.31**	**2.12**	**2.16**	**4.50**	**5.19**	**22.25**	**23.05**	**22.25**	**23.05**	**9.84**	**10.34**	**14.21**	**14.79**	**6.94**	**6.71**	**9.31**	**9.12**	**9.13**	**8.95**
FIXED INCOME	**KRS Ins. Fixed Blended Index**	**7/1/1992**	**827,474,440.60**	**20.10**	**0.15**	**0.15**	**2.36**	**2.20**	**6.52**	**5.20**	**6.52**	**5.20**	**5.62**	**4.22**	**6.57**	**5.88**	**5.84**	**5.41**	**7.11**	**6.79**	**6.92**	**6.68**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	52,799,606.43	1.28	0.72	0.84	2.27	2.41	10.96	11.73	10.96	11.73									10.65	10.91
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	55,826,997.54	1.36	1.27	0.84	3.83	2.41	13.32	11.73	13.32	11.73									12.78	10.91
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	48,419,759.99	1.18	0.37	0.75	1.73	2.52	6.93	7.70	6.93	7.70									6.93	3.19
NISA	Barclays U.S. Aggregate Bond Index	7/1/2011	206,632,075.22	5.02	0.07	0.05	2.06	2.04	4.45	4.37	4.45	4.37	3.75	3.66							3.75	3.66
PIMCO	PIMCO Blended Index	4/1/2011	326,116,585.20	7.92	0.19	0.35	2.52	2.42	5.34	5.62	5.34	5.62	4.00	4.30							4.29	4.69
SHENKMAN CAP	Shenkman Blended Index	7/1/2011	40,321,486.94	0.98	-2.22	0.71	-1.25	1.90	4.41	8.60	4.41	8.60	5.45	7.49							5.45	7.49
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	7/1/2011	47,684,558.92	1.16	0.25	0.36	4.77	4.76	8.38	11.63	8.38	11.63	5.21	7.40							5.21	7.40
WATERFALL	Opportunistic FI Blended Index	7/1/2011	49,673,370.36	1.21	-0.03	0.55	2.63	1.76	11.82	7.54	11.82	7.54	13.36	6.17							13.36	6.17
REAL RETURN	**INSURANCE REAL RET CUSTOM BM**	**7/1/2011**	**419,073,211.21**	**10.18**	**1.32**	**0.90**	**4.68**	**4.14**	**8.56**	**5.65**	**8.56**	**5.65**	**6.10**	**4.90**							**6.10**	**4.90**
AMERRA AGRI FUND II		12/1/2012	13,584,116.48	0.33	1.83		1.83		6.62		6.62										2.37	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	10/1/2003	231,034,678.27	5.61	0.43	0.30	3.75	3.81	5.37	4.44	5.37	4.44	3.83	3.55	5.72	5.55	5.41	5.25			5.50	5.21
MAGNETAR MTP		7/1/2013	25,790,846.00	0.63	2.75		3.32		9.93		9.93										9.93	
PIMCO ALL-ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	116,406,085.91	2.83	1.35	0.29	4.48	2.94	11.52	3.59	11.52	3.59									9.02	1.13
TORTOISE CAP	Alerian MLP Index	8/1/2009	30,597,223.55	0.74	7.02	5.91	16.46	14.18	37.47	21.57	37.47	21.57	28.15	18.96							29.40	23.70
TPF II		10/1/2008	1,660,261.00	0.04	-0.73		-0.73		-13.27		-13.27		-3.77		-2.56						-4.75	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**5/1/2009**	**167,600,732.16**	**4.07**	**1.95**	**2.29**	**2.21**	**2.29**	**7.07**	**12.74**	**7.07**	**12.74**	**8.34**	**11.99**	**9.11**	**6.31**					**8.80**	**3.07**
DIVCOWEST IV		3/1/2014	2,129,715.00	0.05	-1.52																-2.66	
GREENFIELD ACQ VI		12/1/2012	16,595,757.00	0.40	0.38		0.38		12.99		12.99										12.46	
H/2 CORE RE DEBT FD		10/1/2013	2,129,393.32	0.05	0.46		0.46														1.46	
H/2 CREDIT PARTNER		7/1/2011	27,361,565.45	0.66	1.59		1.59		4.95		4.95		7.08								7.08	
HARRISON STREET		5/1/2012	31,743,561.00	0.77	2.95		2.95		10.52		10.52										6.24	
MESA WEST CORE LEND		5/1/2013	24,067,172.00	0.58	2.38		2.38		6.41		6.41										5.47	
MESA WEST RE INC II		1/1/2010	2,201,530.00	0.05	-1.20		-1.20		-0.11		-0.11		16.82								8.12	
PRIMA MORTGAGE		5/1/2009	34,771,835.98	0.84	1.14		2.17		2.82		2.82		5.84		10.27						9.92	
RUBENSTEIN PF II		7/1/2013	2,096,709.00	0.05	30.82		32.50		33.92		33.92										33.92	
STOCKBRIDGE		6/1/2014	14,344,827.00	0.35	0.00																	
WALTON ST RE FD VI		5/1/2009	3,846,762.32	0.09	5.91		5.91		17.38		17.38		11.90		-34.16						-33.27	
WALTON ST RE FD VII		6/1/2013	6,311,904.09	0.15	3.10		3.10		11.88												11.88	
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrears**	**4/1/2010**	**409,454,386.01**	**9.94**	**1.21**	**1.23**	**0.78**	**-0.09**	**8.37**	**5.08**	**8.37**	**5.08**	**6.95**	**2.71**							**5.67**	**3.48**
BAAM		9/1/2011	130,482,519.00	3.17	1.47		1.79		9.56		9.56										8.84	
HBK II		12/1/2013	5,236,244.00	0.13	0.72		1.99														4.72	
KNIGHTHEAD		1/1/2014	5,334,603.00	0.13	0.22		0.97														6.69	
LUXOR CAPITAL		4/1/2014	5,045,998.00	0.12	0.05																0.92	
MKP OPPORTUNITY		11/1/2013	4,956,257.63	0.12	0.37		-1.10														-0.87	
PAAMCO		9/1/2011	126,933,486.00	3.08	1.07		0.81		11.13		11.13										8.89	
PINE RIVER		5/1/2014	4,942,883.87	0.12	-0.75																-1.14	
PRISMA CAPITAL PAR		9/1/2011	126,522,394.51	3.07	1.30		-0.18		5.00		5.00										5.86	
PRIVATE EQUITY	**Russell 3000 + 4% (Qtr Lag)**	**7/1/2002**	**233,860,836.24**	**5.68**	**4.37**	**4.37**	**4.24**	**4.24**	**22.07**	**22.07**	**22.07**	**22.07**	**14.60**	**14.60**	**17.88**	**20.36**	**8.95**	**9.35**			**9.03**	**9.66**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**7/1/1992**	**71,130,385.96**	**1.73**	**0.02**	**0.00**	**0.03**	**0.01**	**0.22**	**0.04**	**0.22**	**0.04**	**0.30**	**0.05**	**0.29**	**0.08**	**1.94**	**1.54**	**2.98**	**2.84**	**3.00**	**2.88**

KENTUCKY RETIREMENT SYSTEMS - PENSION & INSURANCE - PLAN PERFORMANCE & ALLOCATION - 6/30/13



KRS - PENSION

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS	**1.67**	**15.49**	**15.49**	**8.69**	**12.07**	**6.83**	**9.61**
KERS Plan Index	1.73	14.99	14.99	8.86	11.93	6.85	9.71
KERS-H	**1.76**	**15.65**	**15.65**	**8.74**	**12.10**	**6.85**	**9.62**
KHAZ Plan Index	1.76	15.39	15.39	8.99	12.00	6.88	9.72
CERS	**1.74**	**15.56**	**15.56**	**8.71**	**12.08**	**6.84**	**9.62**
CERS Plan Index	1.74	15.40	15.40	8.99	12.01	6.89	9.73
CERS-H	**1.74**	**15.50**	**15.50**	**8.69**	**12.07**	**6.83**	**9.61**
CHAZ Plan Index	1.74	15.40	15.40	8.99	12.01	6.89	9.73
SPRS	**1.72**	**15.64**	**15.64**	**8.74**	**12.10**	**6.85**	**9.62**
SPRS Plan Index	1.76	15.34	15.34	8.97	11.99	6.88	9.72

KRS - INSURANCE

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS INS	**1.58**	**14.35**	**14.35**	**7.42**	**12.06**	**6.27**	**7.87**
INS KERS Plan Index	1.72	15.40	15.40	8.83	13.09	6.54	8.08
KERS-H INS	**1.61**	**15.14**	**15.14**	**7.67**	**12.22**	**6.34**	**7.90**
INS KHAZ Plan Index	1.72	15.43	15.43	8.84	13.09	6.54	8.08
CERS INS	**1.64**	**15.02**	**15.02**	**7.64**	**12.20**	**6.33**	**7.89**
INS CERS Plan Index	1.73	15.43	15.43	8.84	13.09	6.54	8.08
CERS-H INS	**1.65**	**15.00**	**15.00**	**7.63**	**12.19**	**6.33**	**7.89**
INS CHAZ Plan Index	1.73	15.43	15.43	8.84	13.09	6.54	8.08
SPRS INS	**1.63**	**15.03**	**15.03**	**7.64**	**12.20**	**6.33**	**7.89**
INS SPRS Plan Index	1.74	15.42	15.42	8.83	13.09	6.54	8.08