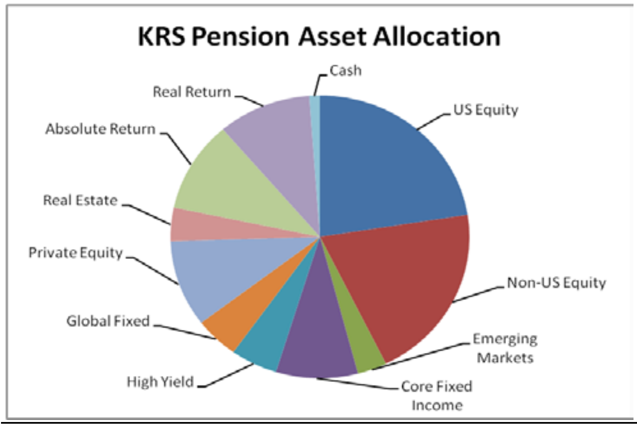
May 2014 — KRS MONTHLY PERFORMANCE UPDATE

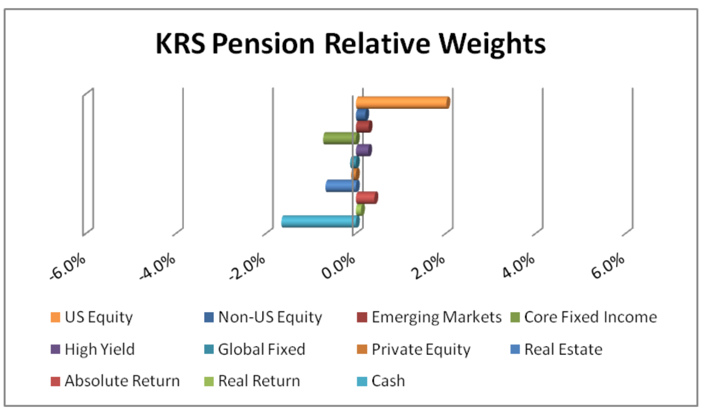
What's going on in the marketplace?

Global equities rallied in May, returning 2.2%, marking a fourth straight positive month. Year-to-date, the MSCI All Country World Index is up 4.5%, led by United States equities. A fairly smooth election in Ukraine and positive Chinese data allayed global economic growth fears, while commentary from European Central Bank president Mario Draghi boosted investors' risk appetites. Marked by the Russell 3000, United States equity markets returned 2.3% in May while developed markets were up 1.7%. Emerging market equities had a very strong month, returning 3.5% and reaching positive territory for the first time this year (3.3% year-to-date).



	May	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.32	11.51	7.54	11.61	6.77
Benchmark	1.31	11.94	7.87	11.61	6.82

Europe experienced a strong month, returning 2.7% as manufacturing and service sector activity expanded and consumer confidence unexpectedly jumped to the highest level since Octo ber 2007. Scandinavian markets performed exceptionally well, as did other northern European markets such as the Netherlands (+3.3%) and Belgium (3.4%). Surprising economic data from Spain, the fourth largest European economy, helped Spanish equities return 4.2%. Continued growth in Germany aided investors there, with equities returning 3.5%. Ireland was the only source of negative returns, posting a 2.3% loss for the month but still up over 11% for the year. Other developed markets also posted positive numbers, led by a 5.7% return from Hong Kong markets despite poor economic data. Japanese markets, which had been struggling in recent months, reversed course to gain 3.5% on the back of stronger than expected first quarter growth (5.9% versus expectations of 4.2%). Meanwhile, New Zealand halted several straight strong months with a loss of 5.2% due to higher unemployment and weaker than expected retail sales. The strong month for emerging markets was led by Russia, as decreased tensions in Ukraine and a Chinese natural gas deal boosted markets 10.2%. A pro-business government elected in India helped those markets rally 7.3% and further stimulus from the Chinese government aided investors with a 4.7% return. Latin America, the only emerging market with a negative return (-0.6%), was hurt by poor Brazilian performance (-1.4%). U.S. stocks were led by large cap stocks, with the S&P 500 returning 2.3% to investors, while small cap stocks only returned 0.8%. Growth stocks reversed recent struggles, with the Russell 3000 Growth Index gaining just under 3% and beating the value index (+1.4%). Technology (+6.3%), healthcare (+2.9%), and consumer staples (+2.5%) led the market, while utilities (+1.1%), energy (+1.3%), and financial services (+1.5%) lagged.



Fixed income rallied yet again in May, with the Barclays Global Aggregate Index up 0.6% and Barclays Global High Yield Index up 0.8%. Within U.S. fixed income, the Barclays U.S. Aggregate Index was up 1.1%. U.S. credit gained 1.4% while U.S. Treasuries gained 0.9%, and mortgages gained 1.1%. The U.S. Treasury 10 year security moved down 17 basis points and the 2 year moved down just under 4 basis points.

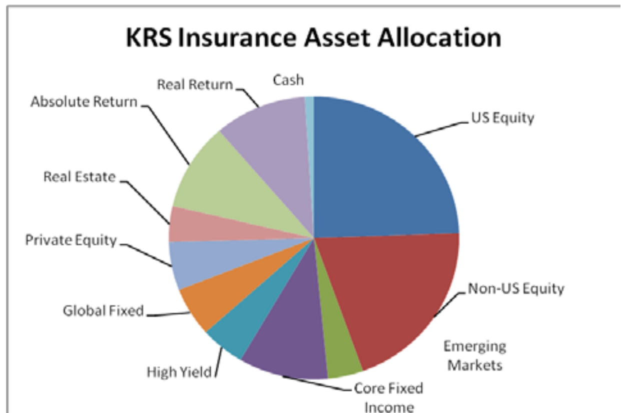
U.S. economic data for May was mostly positive. Nonfarm payrolls for the month of April surprised many market participants, as the number was 288K versus expectations of 218K. Jobless claims averaged 311K for the month and the unemployment rate dropped to 6.3%, aided by strong job creation but also continued declines in the participation rate. On the other hand, consumer confidence was lower than April's measure and expectations, as personal income and spending grew at a slower pace from April to May. Business activity was mostly stronger, as both the ISM Manufacturing and non-manufacturing composite showed solid expansion and durable goods orders beat expectations (+0.8% versus expectations of -0.7%); capacity utilization, however, unexpectedly decreased to 78.6%. Housing showed signs of life, albeit not extremely strong, as new home sales and housing starts increased and beat expectations. Existing home sales, which increased month-over-month, came in below expectations, as did pending home sales. Prices rose, as inflation matched expectations of 0.3% month-over-month. Meanwhile, the leading indicator index was rose 0.4%, a slower pace than 1% in April. The most negative headline was the revised GDP number showed the economy contracted 1% in the first quarter.

Investors will continue to monitor global economic data, interest rates, and central bank guidance.

What added value this month?

PENSION – From a manager selection standpoint, fixed income and absolute return managers performed well relative to their benchmarks, as fixed income returned 1.28% versus the benchmark return of 1.20% and absolute return provided downside protection, returning -0.27% versus the benchmark return of -0.73%. Real return alos outperformed its benchmark.

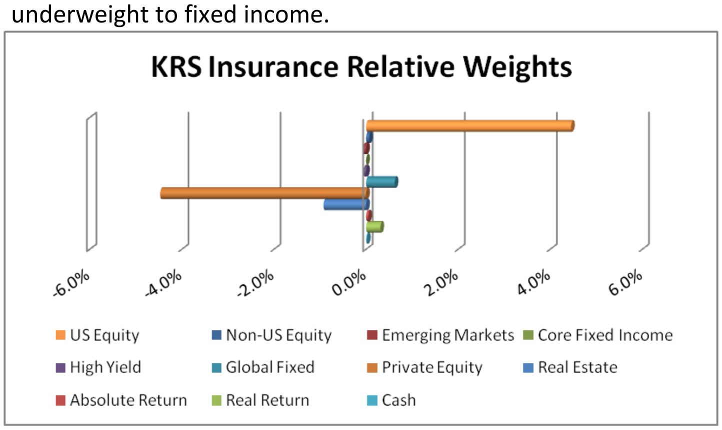
A solid overweight to US equities was the largest contribution to outperformance. Small overweights to non-US equity, emerging market equity, and real return also added value while a small underweight to fixed income and real estate also added value.



	May	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.39	10.78	6.29	11.71	6.31
Benchmark	1.35	11.91	7.62	12.64	6.51

INSURANCE – The Insurance Fund saw similar results, as fixed income, absolute return, and real return managers beat their benchmarks.

The fund benefited from a signifiant overweight to US equities, as well as a small overweight to real return and a small underweight to fixed income.



What detracted this month?

PENSION – From a manager selection standpoint, US equity managers struggled relative to the benchmark, returning 1.93% versus 2.18%. This underperformance was primarily due to struggles from Geneva and Systematic in the Midcap space. Non-US equity managers also struggled, returning 1.85% versus the benchmark return of 2.05%, largely due to Pyramis. Emerging market equity managers also underperformed slightly.

From an allocation perspective, a small overweight to absolute return was the lone source of negative allocation contribution.

INSURANCE – In a similar fashion to the Pension fund, the Insurance fund struggled with manager selection in May in the public equity space.

From an allocation perspective, a small underweight to emerging market equities and a small overweight to absolute return and cash 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.

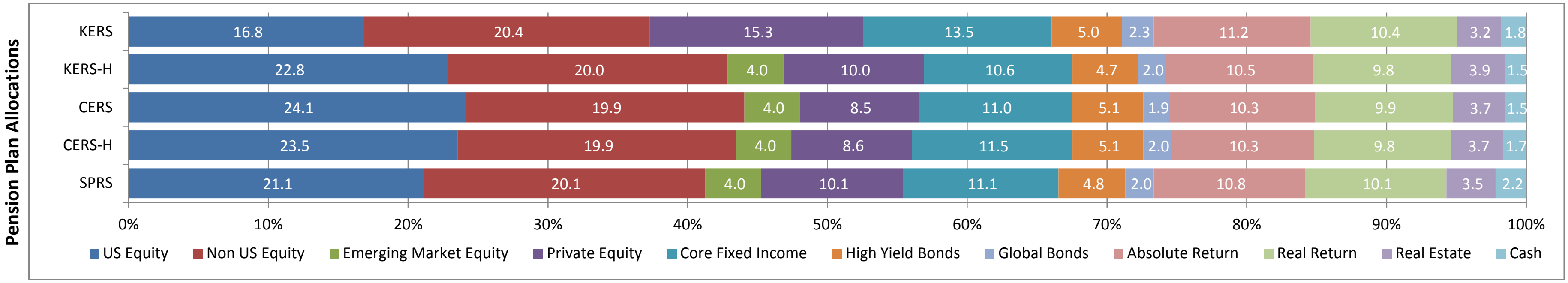
KENTUCKY RETIREMENT SYSTEMS - PENSION FUND - NET RETURNS - 5/31/14

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	11,751,867,077.95	100.00	1.32	1.31	1.79	1.85	13.59	13.00	11.51	11.94	7.54	7.87	11.61	11.61	6.77	6.82	8.50	8.54	9.56	9.68
US PUBLIC	**KY Domestic Equity Blend**	4/1/1984	2,644,106,849.23	22.50	1.93	2.18	1.76	2.31	21.68	22.16	20.06	20.57	14.10	14.81	18.31	18.91	8.18	8.26	10.06	9.93	11.51	11.45
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	222,396,438.50	1.89	0.05	2.72	-3.20	1.21	13.67	22.22	13.26	20.72									14.67	23.64
INVESCO	S&P 500 - Total Return Index	8/1/2005	234,246,186.68	1.99	2.29	2.35	2.86	3.10	24.69	22.09	21.91	20.45	16.85	15.15	18.35	18.40					8.99	7.41
NTGI STRUCTURED	Russell 2000 Index	10/1/1999	221,486,284.09	1.88	1.04	0.80	-2.32	-3.11	19.57	17.40	18.91	16.79	13.75	11.73	21.50	19.32	9.85	8.59			10.30	8.30
RIVER ROAD	Russell 3000 Value Index	7/1/2011	34,111,717.31	0.29	1.51	1.40	1.89	2.08	15.82	20.40	15.26	19.38									14.73	16.17
S&P 500 INDEX	KY Ret. S&P Blend	7/1/2001	1,427,791,897.62	12.15	2.34	2.35	3.10	3.10	22.00	22.09	20.37	20.45	15.03	15.13	18.68	18.83	8.15	8.14			6.17	6.12
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	53,292,245.29	0.45	1.39	1.67	3.08	2.09	32.43	23.48	27.85	22.01									25.90	26.80
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	209,985,221.90	1.79	1.26	1.67	0.93	2.09	23.01	23.48	20.91	22.01									24.39	26.80
TRANSITION ACCOUNT		7/1/2011	2,153.78	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	128,903,912.18	1.10	2.93	2.95	1.62	2.53	26.74	23.94	24.24	21.73									16.43	15.71
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	111,890,791.88	0.95	2.17	1.40	2.51	2.08	20.07	20.40	18.88	19.38									14.00	16.17
EQUITY NON US	**KY Ret.Int'l Eq. Blended Index**	7/1/2000	2,373,298,231.73	20.20	1.85	2.05	2.85	3.47	19.40	20.20	14.72	15.03	4.16	5.08	10.31	11.24	7.17	7.45			2.96	3.62
BLACKROCK ACWI EX	MSCI All Country World Ex United States Net Index	7/1/2009	783,624,171.94	6.67	2.01	1.94	3.40	3.29	19.93	19.74	14.75	14.54	4.89	4.63							11.15	10.93
BOSTON CO NON-US VALUE	KY MSCI Blended Index	5/1/2005	719,162,587.82	6.12	1.96	2.05	3.48	3.47	19.57	20.20	15.25	15.03	3.84	5.41	8.96	10.71					5.42	6.06
NTGI INTL SM CAP	MSCI AC World ex USA Small Cap Net Index	12/1/2008	167,525,053.43	1.43	1.71	1.61	1.59	1.44	23.52	23.41	17.39	17.14	5.38	5.37	13.53	14.20					18.75	19.55
PYRAMIS NON-US GROWTH	KY MSCI Blended Index	8/1/2001	702,986,418.54	5.98	1.60	2.05	1.91	3.47	18.08	20.20	13.91	15.03	5.60	5.41	11.24	10.71	7.45	6.97			7.16	6.39
EQ EMERGING MKTS	**MSCI Emerging Markets Index**	7/1/2011	373,758,814.75	3.18	3.34	3.51	4.55	3.90	10.94	11.67	3.54	4.61									2.06	-0.97
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	121,265,936.55	1.03	2.55	3.51	4.52	3.90	8.07	11.67	1.78	4.61	3.33	-1.44	14.39	8.71					8.21	1.58
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	125,469,563.52	1.07	3.52	3.49	3.85	3.84	11.23	11.35											11.23	11.35
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	127,023,314.68	1.08	3.92	3.51	5.29	3.90	12.80	11.67	4.11	4.61	-1.35	-1.44	6.85	8.71					1.18	1.58
PUBLIC EQUITY	**Global Equity Blended Index**	4/1/1984	5,391,163,895.71	45.87	1.99	2.24	2.43	2.98	19.97	20.35	16.55	16.72	8.76	9.04	14.19	14.68	7.19	7.05	9.44	9.17	11.10	10.94
FIXED INCOME	**KY Ret.Fixed Blended Index**	4/1/1984	2,197,876,724.02	18.70	1.28	1.20	2.17	2.04	6.68	5.04	4.21	3.20	5.80	4.18	7.24	5.50	5.52	5.23	6.42	6.32	8.05	7.75
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	167,459,720.23	1.42	0.90	0.92	1.56	1.56	10.26	10.80	7.57	7.90									10.86	10.93
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	176,278,716.12	1.50	1.86	0.92	2.68	1.56	11.94	10.80	7.68	7.90									13.19	10.93
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	118,833,580.26	1.01	0.68	0.61	1.29	1.76	6.12	6.90	3.32	5.56									6.96	2.99
NISA	Barclays U.S. Aggregate Bond Index	2/1/2009	557,172,105.38	4.74	1.17	1.14	2.00	1.99	4.35	4.32	2.68	2.71	3.59	3.55	5.13	4.96					5.23	5.08
PIMCO	PIMCO Blended Index	11/1/2009	807,750,194.03	6.87	1.27	1.13	2.10	2.06	5.09	5.25	2.48	3.44	3.68	4.04							4.74	4.92
SHENKMAN CAP	Shenkman Blended Index	10/1/2010	116,957,758.39	1.00	0.71	0.77	0.99	1.18	7.22	7.83	5.77	6.08	6.06	6.99							6.67	7.90
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	12/1/2010	118,387,738.22	1.01	3.16	3.10	5.03	4.38	8.12	11.23	2.67	5.77	5.49	7.60							6.44	7.49
WATERFALL	Opportunistic FI Blended Index	2/1/2010	135,036,911.39	1.15	0.96	0.72	2.80	1.20	14.37	6.94	14.27	5.30	12.26	5.76							15.09	6.99
REAL RETURN	**PENSION REAL RETURN CUSTOM BM**	7/1/2011	1,187,868,711.78	10.11	2.05	1.90	3.37	3.19	7.48	4.66	4.21	5.10									6.30	4.71
AMERRA AGRI FUND II		12/1/2012	34,841,989.08	0.30	0.00		0.00		4.70		4.70										1.27	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	5/1/2002	299,163,934.39	2.55	2.00	2.12	3.34	3.50	4.21	4.13	0.45	0.40	3.67	3.73	5.61	5.59	5.23	5.22			6.16	6.13
MAGNETAR MTP		7/1/2013	81,277,276.00	0.69	1.01		0.55		6.99												6.99	
PIMCO ALL ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	377,567,812.48	3.21	1.85	1.65	3.09	2.64	10.03	3.29	5.84	0.47									8.75	1.05
TORTOISE CAPITAL	Alerian MLP Index	8/1/2009	94,640,810.70	0.81	5.07	3.39	8.79	7.80	28.96	14.78	33.90	18.36	25.53	17.12							27.78	22.68
TPF II		10/1/2008	15,051,978.00	0.13	0.00		0.00		-12.64		-12.64		-3.54		-2.41						-4.70	
WEAVER TIPS	Barclays U.S. Treasury: US TIPS Index	7/1/2001	285,324,911.13	2.43	2.07	2.12	3.51	3.50	4.77	4.13	1.18	0.40	4.00	3.73	5.81	5.59	5.39	5.22			6.28	6.18
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrea**	4/1/2010	1,222,655,032.16	10.40	-0.27	-0.73	-0.42	-1.36	7.16	3.75	8.38	4.39	6.66	1.94							5.63	3.24
BAAM		9/1/2011	383,761,351.00	3.27	0.39		0.32		8.03		9.63										8.52	
HBK II		12/1/2013	15,595,918.00	0.13	0.77		1.26														3.97	
KNIGHTHEAD		1/1/2014	15,968,158.00	0.14	0.16		0.75														6.45	
LUXOR CAPITAL		4/1/2014	15,130,907.00	0.13	0.85																0.87	
MKP OPPORTUNITY		11/1/2013	14,813,986.40	0.13	-0.71		-1.47														-1.24	
PAAMCO		9/1/2011	393,659,660.00	3.35	-0.48		-0.26		9.97		11.44										8.73	
PINE RIVER		5/1/2014	14,940,536.47	0.13	-0.40																-0.40	
PRISMA CAPITAL		9/1/2011	368,784,515.29	3.14	-0.80		-1.46		3.76		4.40										5.52	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	7/1/1984	449,012,686.78	3.82	0.05	0.00	0.13	0.00	5.84	10.21	7.59	12.90	8.85	12.53	8.65	2.71	6.09	6.17	5.12	7.71	5.60	5.95
DIVCOWEST IV		3/1/2014	4,889,384.00	0.04	0.00																-1.13	
FHA MORTGAGES		10/1/1990	1,697,613.16	0.01	0.57		1.06		3.90		4.40		5.35		9.87		3.09		7.63		8.07	
GREENFIELD ACQ VI		12/1/2012	38,262,023.00	0.33	0.00		0.00		12.56		23.51										12.91	
H/2 CORE RE DEBT FD		10/1/2013	3,128,173.75	0.03	0.00		0.00		0.00												1.00	
H/2 CREDIT PARTNER		7/1/2011	94,643,588.64	0.81	0.00		0.00		3.33		3.79										6.76	
HARRISON STREET		5/1/2012	90,188,163.00	0.77	0.00		-0.19		8.49		9.76										5.78	
MESA WEST CORE LEND		5/1/2013	51,126,060.00	0.44	0.00		0.00		3.96		3.96										3.65	
MESA WEST RE INC II		1/1/2010	20,301,678.00	0.17	0.00		0.00		1.11		1.11		17.30								8.58	
PRIMA MORTGAGE		5/1/2009	56,465,441.52	0.48	0.39		1.16		4.19		6.30		6.53		10.65						10.47	
RUBENSTEIN PF II		7/1/2013	3,623,719.27	0.03	0.00		1.29		2.37												2.37	
STOCKBRIDGE		6/1/2014	38,068,966.00	0.32	0.00																	
WALTON ST RE FD VI		5/1/2009	32,688,610.92	0.28	0.00		0.00		10.83		14.16		11.64		-34.91						-34.45	
WALTON ST RE FD VII		6/1/2013	13,929,265.52	0.12	0.00		0.00		8.52												8.52	
PRIVATE EQUITY	**Russell 3000 + 4%(Qtr Lag)**	7/1/2002	1,161,870,864.09	9.89	-0.04	-0.04	-0.03	-0.03	18.15	18.15	18.39	18.39	13.57	13.57	15.87	20.32	10.60	10.10	0.00	0.00	11.12	10.42
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	1/1/1988	134,542,910.05	1.14	0.01	0.00	0.03	0.01	0.59	0.04	0.61	0.04	0.40	0.05	0.58	0.09	2.13	1.55	3.32	2.86	4.02	3.56

KENTUCKY RETIREMENT SYSTEMS - INSURANCE FUND - NET RETURNS - 5/31/14

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**	**4,026,906,809.49**	**100.00**	**1.39**	**1.35**	**1.86**	**1.89**	**13.05**	**13.04**	**10.75**	**11.91**	**6.28**	**7.62**	**11.70**	**12.64**	**6.30**	**6.51**	**7.25**	**7.74**	**7.65**	**8.02**
US PUBLIC	**KY Domestic Equity Blend**	**7/1/1992**	**984,603,435.08**	**24.45**	**1.89**	**2.18**	**1.63**	**2.31**	**21.22**	**22.16**	**19.73**	**20.57**	**13.92**	**14.84**	**17.95**	**18.65**	**7.89**	**0.00**	**9.66**	**0.00**	**9.59**	**0.00**
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	81,501,711.24	2.02	0.05	2.72	-3.20	1.21	13.82	22.22	13.41	20.72									14.75	23.64
NTGI STRUCTURED	Russell 2000 Index	7/1/2011	106,231,590.98	2.64	0.94	0.80	-2.46	-3.11	18.79	17.40	18.27	16.79									14.59	12.99
RIVER ROAD	Russell 3000 Value Index	7/1/2011	11,585,941.32	0.29	1.51	1.40	1.88	2.08	15.85	20.40	15.30	19.38									14.78	16.17
S&P 500 INDEX	KY Ins. S&P Blend	7/1/2001	603,745,723.18	14.99	2.34	2.35	3.10	3.10	21.98	22.09	20.34	20.45	15.11	15.13	18.69	18.83	8.23	8.14			6.23	6.12
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	19,449,774.54	0.48	1.37	1.67	3.04	2.09	32.18	23.48	27.61	22.01									25.76	26.80
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	76,812,464.33	1.91	1.24	1.67	0.89	2.09	22.91	23.48	20.81	22.01									24.33	26.80
TRANSITION ACCOUNT		9/1/2004	97.43	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	46,386,213.74	1.15	2.93	2.95	1.63	2.53	27.48	23.94	24.97	21.73									16.70	15.71
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	38,889,918.32	0.97	2.09	1.40	2.45	2.08	20.31	20.40	19.08	19.38									14.06	16.17
EQUITY NON US	**KRS Ins.Int'l Eq Blend**	**4/1/2000**	**808,077,224.66**	**20.07**	**1.82**	**2.05**	**2.77**	**3.47**	**19.37**	**20.20**	**14.50**	**15.03**	**3.93**	**5.11**	**9.71**	**10.84**	**7.36**	**7.08**			**2.98**	**2.52**
BLACKROCK ACWI EX-US	MSCI All Country World Ex United States Net Index	6/1/2012	257,152,094.93	6.39	1.99	1.94	3.34	3.29	19.74	19.74	13.90	14.54									19.74	20.04
BLACKROCK ACWI EX-US SM (	MSCI AC World ex USA Small Cap Net Index	7/1/2013	58,191,407.50	1.45	1.66	1.61	1.49	1.44	26.08	23.41											26.08	23.41
BOSTON CO NON-US VALUE	KY MSCI ACWI EX USA GD	6/1/2008	249,813,113.23	6.20	1.94	2.05	3.39	3.47	19.16	20.20	14.83	15.03	3.64	5.41	8.90	10.71					1.84	0.98
PYRAMIS NON-US GROWTH	KY MSCI ACWI EX USA GD	8/1/2001	242,920,609.00	6.03	1.57	2.05	1.87	3.47	17.64	20.20	13.45	15.03	5.29	5.41	11.05	10.71	7.34	6.97			7.08	6.39
EQ EMERGING MKT	**MSCI Emerging Markets Index**	**7/1/2011**	**158,619,086.26**	**3.94**	**3.33**	**3.51**	**4.51**	**3.90**	**10.92**	**11.67**	**3.55**	**4.61**									**2.11**	**-0.97**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	50,835,847.08	1.26	2.55	3.51	4.51	3.90	8.00	11.67	1.73	4.61	3.31	-1.44	14.38	8.71					8.20	1.58
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	58,284,982.96	1.45	3.52	3.49	3.85	3.84	11.22	11.35											11.22	11.35
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	49,498,256.22	1.23	3.92	3.51	5.29	3.90	12.79	11.67	4.11	4.61	-1.30	-1.44	6.89	8.71					1.21	1.58
PUBLIC EQUITY	**Global Equity Blended Index**	**7/1/1992**	**1,951,299,746.00**	**48.46**	**1.98**	**2.23**	**2.34**	**2.97**	**19.71**	**20.45**	**16.30**	**16.69**	**8.52**	**8.98**	**13.68**	**14.27**	**6.92**	**6.71**	**9.09**	**8.86**	**9.07**	**8.88**
FIXED INCOME	**KRS Ins. Fixed Blended Index**	**7/1/1992**	**828,169,399.74**	**20.57**	**1.24**	**1.20**	**2.21**	**2.04**	**6.34**	**5.04**	**3.85**	**3.20**	**5.67**	**4.34**	**6.63**	**5.94**	**5.81**	**5.40**	**7.07**	**6.77**	**6.94**	**6.70**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	52,640,425.14	1.31	0.90	0.92	1.54	1.56	10.16	10.80	7.40	7.90									10.70	10.93
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	55,400,670.08	1.38	1.81	0.92	2.52	1.56	11.90	10.80	7.51	7.90									12.67	10.93
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	48,487,839.57	1.20	0.74	0.61	1.36	1.76	6.54	6.90	3.91	5.56									7.02	2.99
NISA	Barclays U.S. Aggregate Bond Index	7/1/2011	206,974,611.14	5.14	1.14	1.14	1.98	1.99	4.37	4.32	2.73	2.71									3.83	3.75
PIMCO	PIMCO Blended Index	4/1/2011	326,211,644.06	8.10	1.23	1.13	2.33	2.06	5.14	5.25	2.39	3.44	3.80	4.07							4.34	4.70
SHENKMAN CAP	Shenkman Blended Index	7/1/2011	41,387,313.79	1.03	0.70	0.77	1.00	1.18	6.79	7.83	5.35	6.08									6.43	7.45
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	7/1/2011	47,380,858.65	1.18	2.85	3.10	4.44	4.38	7.58	11.23	1.81	5.77									5.10	7.49
WATERFALL	Opportunistic FI Blended Index	7/1/2011	49,686,037.31	1.23	0.94	0.72	2.65	1.20	11.85	6.94	11.57	5.30									13.78	6.15
REAL RETURN	**INSURANCE REAL RET CUSTOM BM**	**7/1/2011**	**415,169,439.92**	**10.31**	**2.02**	**1.92**	**3.31**	**3.22**	**7.14**	**4.71**	**3.70**	**5.15**									**5.80**	**4.73**
AMERRA AGRI FUND II		12/1/2012	14,051,819.15	0.35	0.00		0.00		4.70		4.70										1.27	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	10/1/2003	230,076,489.42	5.71	1.98	2.12	3.31	3.50	4.92	4.13	1.17	0.40	3.94	3.73	5.73	5.59	5.36	5.22			5.50	5.22
MAGNETAR MTP		7/1/2013	25,100,342.00	0.62	1.01		0.55		6.98		0.00										6.98	
PIMCO ALL-ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	115,675,694.78	2.87	1.85	1.65	3.09	2.64	10.03	3.29	5.84	0.47									8.75	1.05
TORTOISE CAP	Alerian MLP Index	8/1/2009	28,592,654.57	0.71	5.08	3.39	8.81	7.80	28.45	14.78	33.36	18.36	26.14	17.12							28.17	22.68
TPF II		10/1/2008	1,672,440.00	0.04	0.00		0.00		-12.64		-12.64		-3.54		-2.41						-4.70	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**5/1/2009**	**164,024,049.88**	**4.07**	**0.06**	**0.00**	**0.25**	**0.00**	**5.02**	**10.21**	**7.26**	**12.90**	**8.14**	**12.53**	**8.69**	**2.71**					**8.54**	**2.67**
DIVCOWEST IV		3/1/2014	2,162,612.00	0.05	0.00																-1.15	
GREENFIELD ACQ VI		12/1/2012	16,817,425.00	0.42	0.00		0.00		12.56		23.57										12.91	
H/2 CORE RE DEBT FD		10/1/2013	1,319,467.20	0.03	0.00		0.00														1.00	
H/2 CREDIT PARTNER		7/1/2011	26,933,754.34	0.67	0.00		0.00		3.31		3.76										6.72	
HARRISON STREET		5/1/2012	30,833,327.00	0.77	0.00		0.00		7.35		8.49										5.02	
MESA WEST CORE LEND		5/1/2013	23,508,841.00	0.58	0.00		0.00		3.94		3.94										3.63	
MESA WEST RE INC II		1/1/2010	2,255,740.00	0.06	0.00		0.00		1.11		1.11		17.30								8.58	
PRIMA MORTGAGE		5/1/2009	34,490,817.31	0.86	0.24		1.02		1.66		3.71		5.44		10.02						9.85	
RUBENSTEIN PF II		7/1/2013	1,602,799.27	0.04	0.00		1.29		2.37												2.37	
STOCKBRIDGE		6/1/2014	14,344,827.00	0.36	0.00																	
WALTON ST RE FD VI		5/1/2009	3,632,067.32	0.09	0.00		0.00		10.83		14.16		11.64		-34.91						-34.46	
WALTON ST RE FD VII		6/1/2013	6,122,372.44	0.15	0.00		0.00		8.52												8.52	
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrears**	**4/1/2010**	**404,563,842.07**	**10.05**	**-0.27**	**-0.73**	**-0.42**	**-1.36**	**7.08**	**3.75**	**8.27**	**4.39**	**6.57**	**1.94**							**5.48**	**3.24**
BAAM		9/1/2011	128,594,929.00	3.19	0.39		0.32		7.98		9.52										8.55	
HBK II		12/1/2013	5,198,639.00	0.13	0.76		1.26														3.97	
KNIGHTHEAD		1/1/2014	5,322,719.00	0.13	0.16		0.75														6.45	
LUXOR CAPITAL		4/1/2014	5,043,636.00	0.13	0.85																0.87	
MKP OPPORTUNITY		11/1/2013	4,937,995.37	0.12	-0.71		-1.47														-1.24	
PAAMCO		9/1/2011	125,588,819.00	3.12	-0.48		-0.26		9.95		11.39										8.75	
PINE RIVER		5/1/2014	4,980,178.82	0.12	-0.40																-0.40	
PRISMA CAPITAL PAR		9/1/2011	124,896,925.88	3.10	-0.80		-1.47		3.65		4.27										5.54	
PRIVATE EQUITY	**Russell 3000 + 4% (Qtr Lag)**	**7/1/2002**	**222,585,003.25**	**5.53**	**-0.04**	**4.93**	**-0.12**	**2.05**	**16.96**	**25.59**	**17.18**	**30.74**	**12.50**	**17.68**	**16.62**	**20.35**	**8.70**	**9.47**			**8.70**	**9.65**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**7/1/1992**	**41,250,834.46**	**1.02**	**0.02**	**0.00**	**0.02**	**0.01**	**0.20**	**0.04**	**0.22**	**0.04**	**0.30**	**0.05**	**0.29**	**0.09**	**1.95**	**1.55**	**3.00**	**2.86**	**3.01**	**2.89**

KENTUCKY RETIREMENT SYSTEMS - PENSION & INSURANCE - PLAN PERFORMANCE & ALLOCATION - 5/31/13



KRS - PENSION

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS	**1.19**	**13.60**	**11.52**	**7.66**	**11.72**	**6.82**	**9.58**
KERS Plan Index	1.08	13.02	11.96	7.88	11.62	6.82	9.68
KERS-H	**1.32**	**13.65**	**11.57**	**7.68**	**11.73**	**6.83**	**9.58**
KHAZ Plan Index	1.28	13.38	12.32	8.00	11.69	6.86	9.69
CERS	**1.36**	**13.58**	**11.50**	**7.65**	**11.72**	**6.82**	**9.58**
CERS Plan Index	1.32	13.42	12.36	8.01	11.70	6.86	9.69
CERS-H	**1.35**	**13.52**	**11.44**	**7.64**	**11.71**	**6.82**	**9.58**
CHAZ Plan Index	1.31	13.42	12.35	8.01	11.70	6.86	9.69
SPRS	**1.31**	**13.68**	**11.60**	**7.69**	**11.74**	**6.83**	**9.58**
SPRS Plan Index	1.27	13.33	12.27	7.98	11.68	6.85	9.69

KRS - INSURANCE

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS INS	**1.39**	**12.54**	**10.25**	**6.23**	**11.68**	**6.29**	**7.83**
INS KERS Plan Index	1.39	13.44	12.31	7.74	12.72	6.55	8.04
KERS-H INS	**1.39**	**13.31**	**11.00**	**6.47**	**11.83**	**6.37**	**7.86**
INS KHAZ Plan Index	1.40	13.47	12.34	7.75	12.73	6.55	8.04
CERS INS	**1.39**	**13.16**	**10.86**	**6.42**	**11.80**	**6.35**	**7.85**
INS CERS Plan Index	1.39	13.46	12.33	7.75	12.73	6.55	8.04
CERS-H INS	**1.39**	**13.13**	**10.83**	**6.41**	**11.79**	**6.35**	**7.85**
INS CHAZ Plan Index	1.39	13.46	12.33	7.75	12.73	6.55	8.04
SPRS INS	**1.37**	**13.18**	**10.88**	**6.43**	**11.80**	**6.35**	**7.85**
INS SPRS Plan Index	1.37	13.44	12.31	7.74	12.72	6.55	8.04