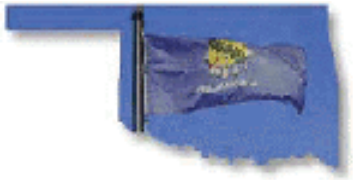

Oklahoma State Pension Commission

Public Fund Universe Analysis Report

June 11, 2008

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Partner

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Consultant

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Senior Analyst

"Advancing Your Investments"

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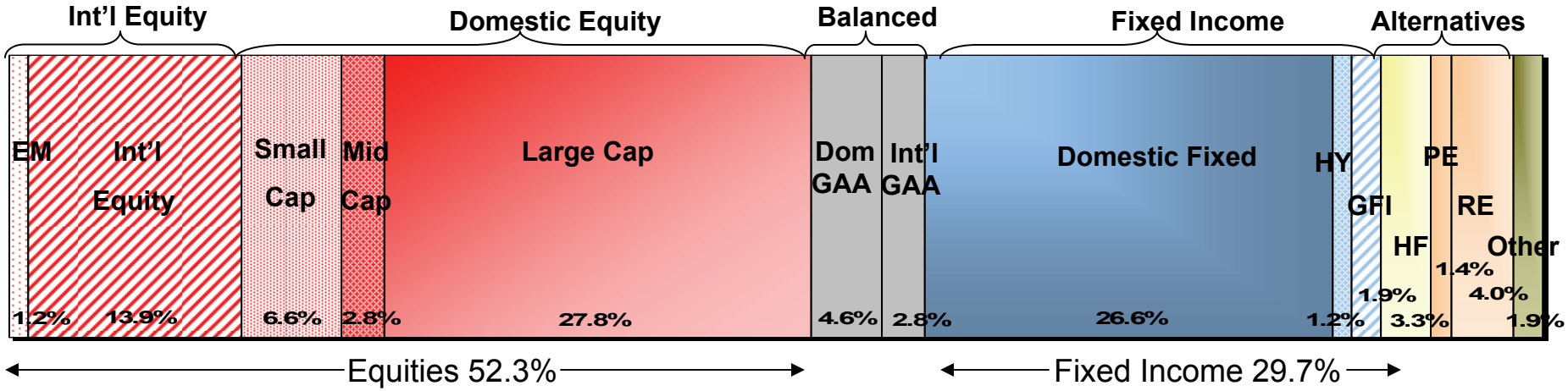
Table of Contents

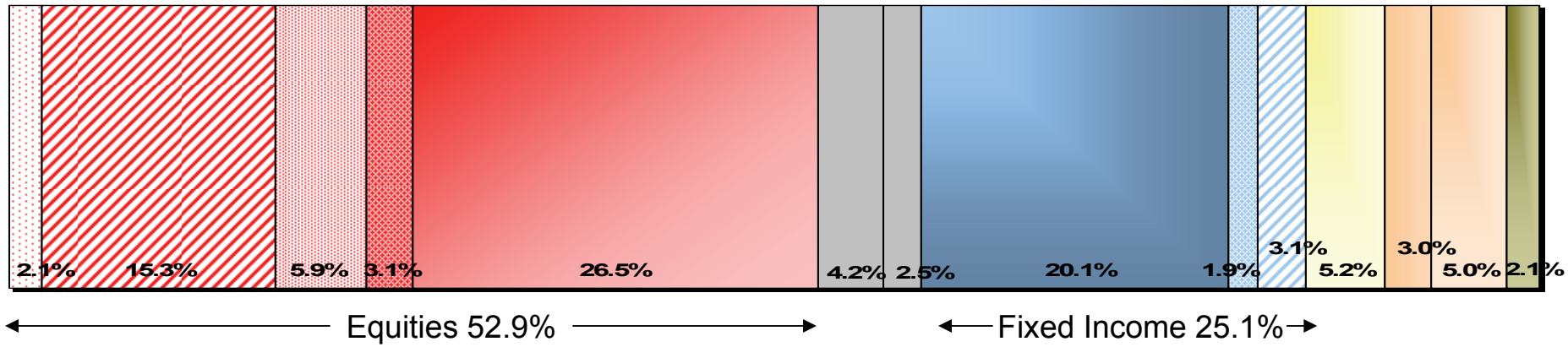
	Page
Public Fund Universe Trends	**4**
Oklahoma Fund Allocations Against Universe	**6**
Teachers	
PERS	
Firefighters	
Police	
Law Enforcement	
Judges and Justices	
Allocations by Fund	**12**
Equity	
Fixed Income	
Real Estate	
Alternative Assets	
Five Year Returns	**16**
Domestic Equity	
Fixed Income	
International Equity	
One Year Returns	**20**
Domestic Equity	
Fixed Income	
International Equity	
Appendix	**24**

Asset Allocation – ICC Public Plans

Average Public DB Plan



Average Public DB Plan > $1 Billion

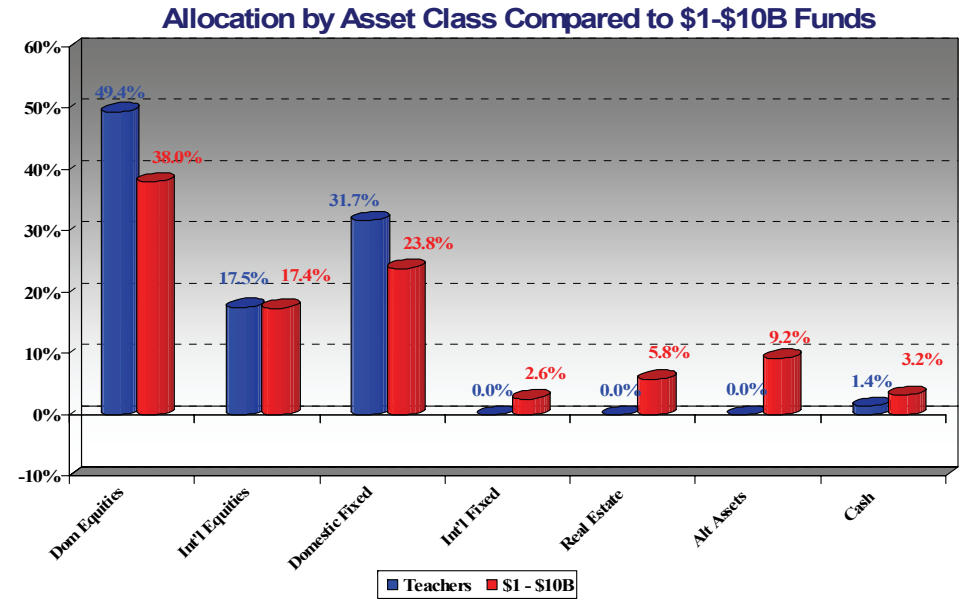


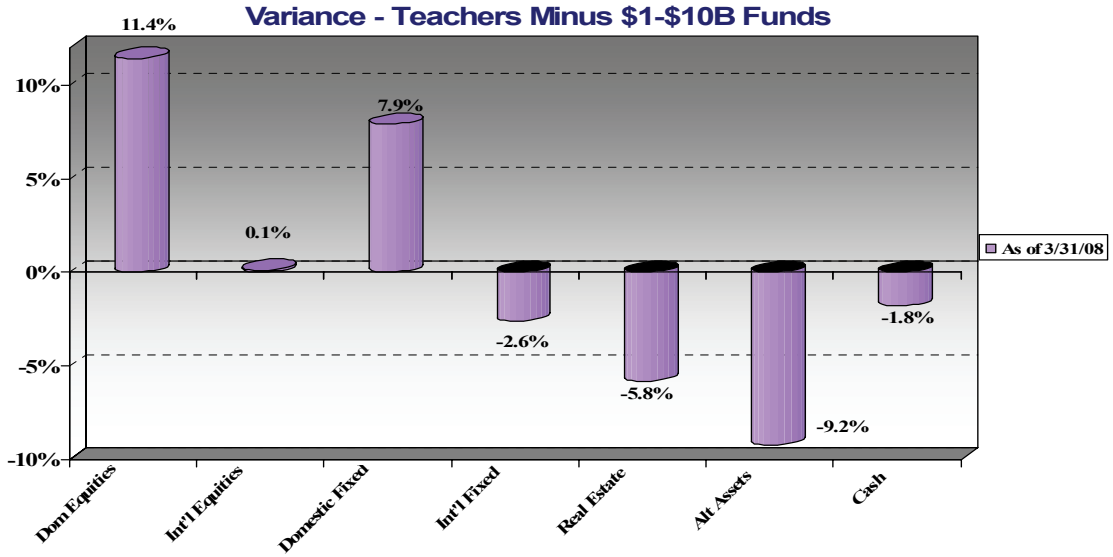
** Average Public DB Plan includes 139 observations*

*** Average Public DB Plan > $1 Billion includes 52 observations*

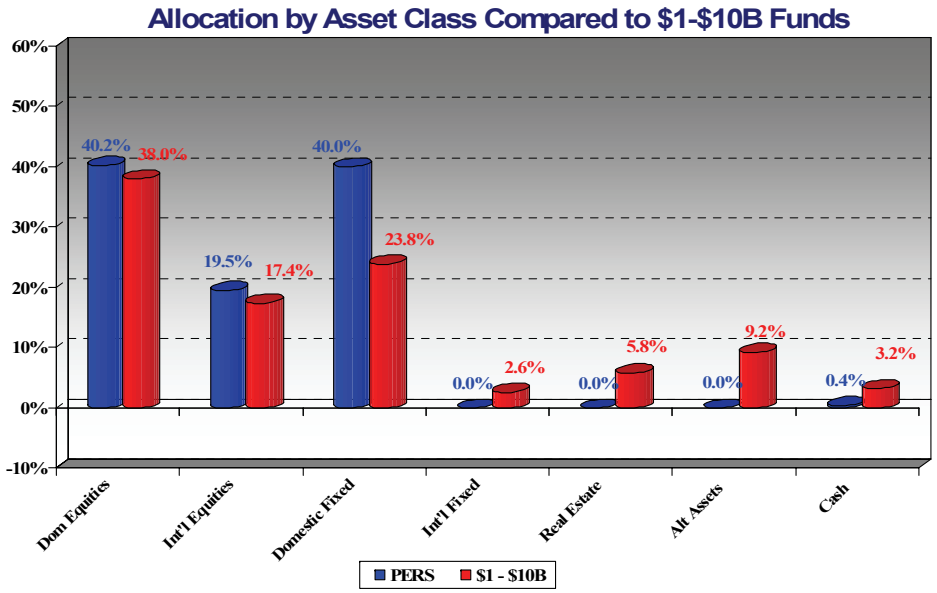
****All data as of 12/31/07*

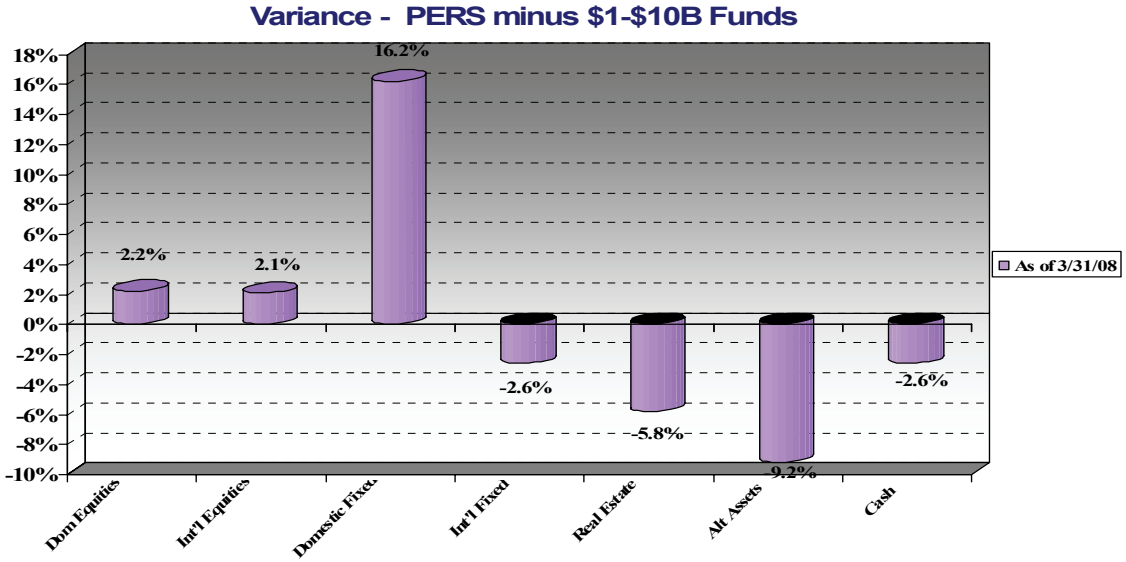
Teachers Retirement System ($8.9B)



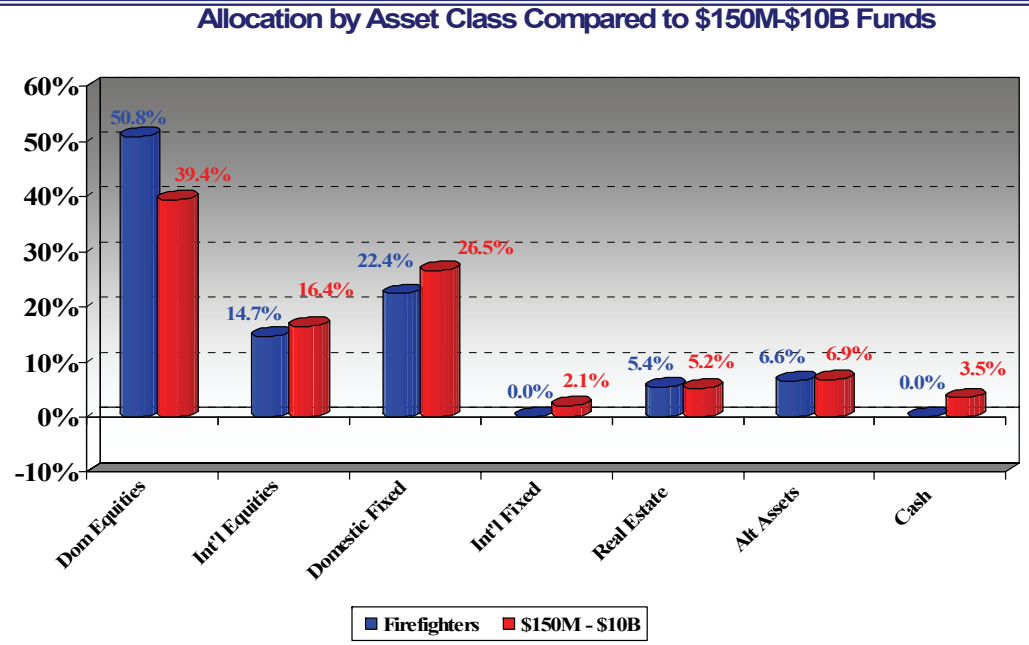


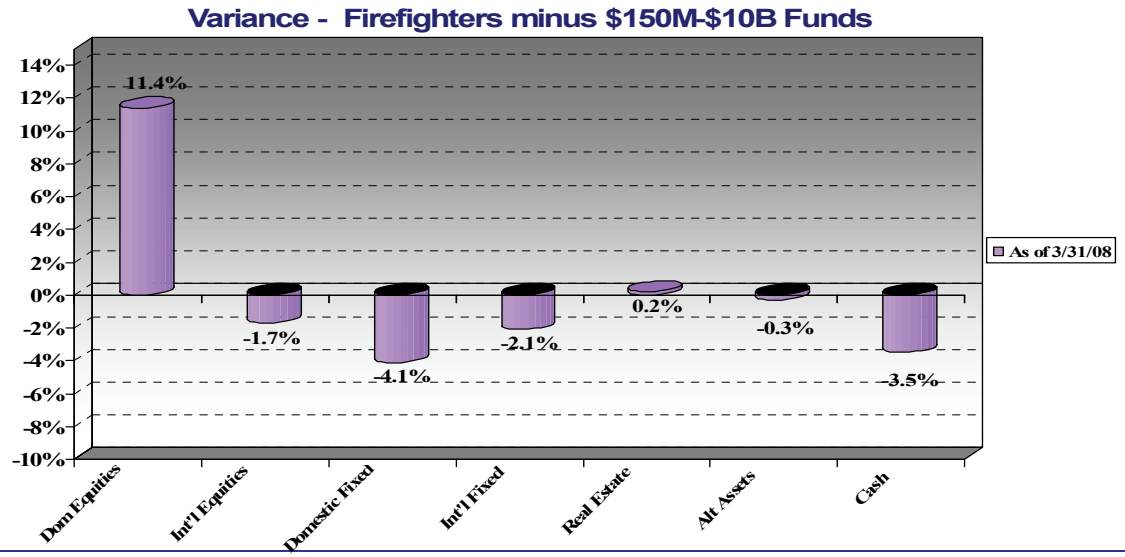
PERS ($6.3B)


Allocation by Asset Class Compared to $1-$10B Funds
60%
50%
40%
30%
20%
10%
0%
-10%
40.2%
38.0%
19.5%
17.4%
40.0%
23.8%
0.0%
2.6%
0.0%
5.8%
0.0%
9.2%
0.4%
3.2%
Dom Equities
Int'l Equities
Domestic Fixed
Int'l Fixed
Real Estate
Alt Assets
Cash
PERS
$1 - $10B

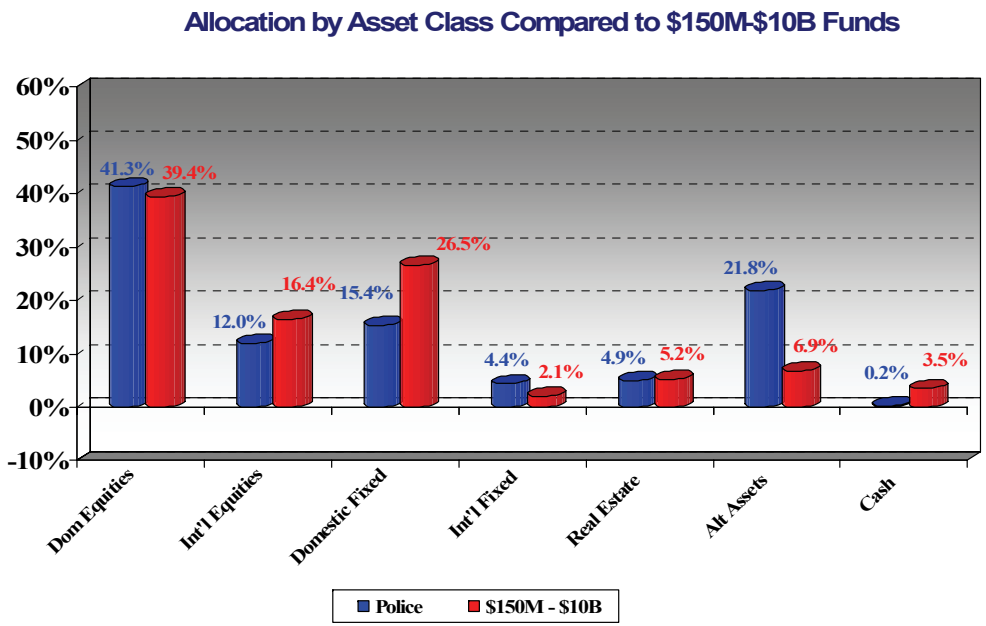

Variance - PERS minus $1-$10B Funds
18%
16%
14%
12%
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%
-8%
-10%
2.2%
2.1%
16.2%
-2.6%
-5.8%
-9.2%
-2.6%
Dom Equities
Int'l Equities
Domestic Fixed
Int'l Fixed
Real Estate
Alt Assets
Cash
As of 3/31/08

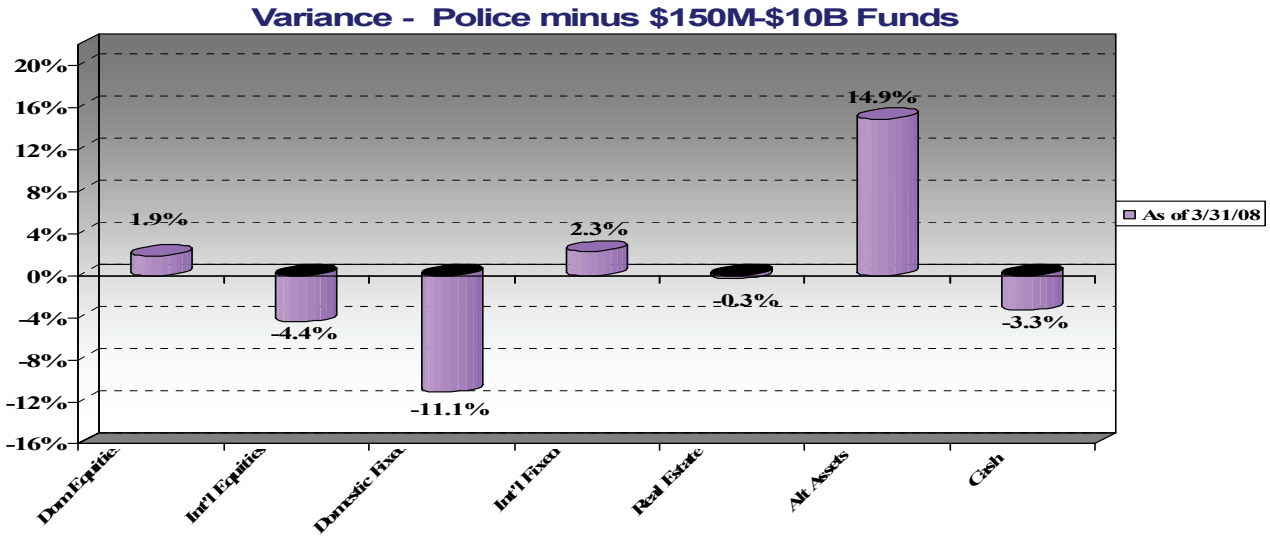
Firefighters ($1.8B)



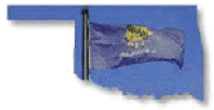


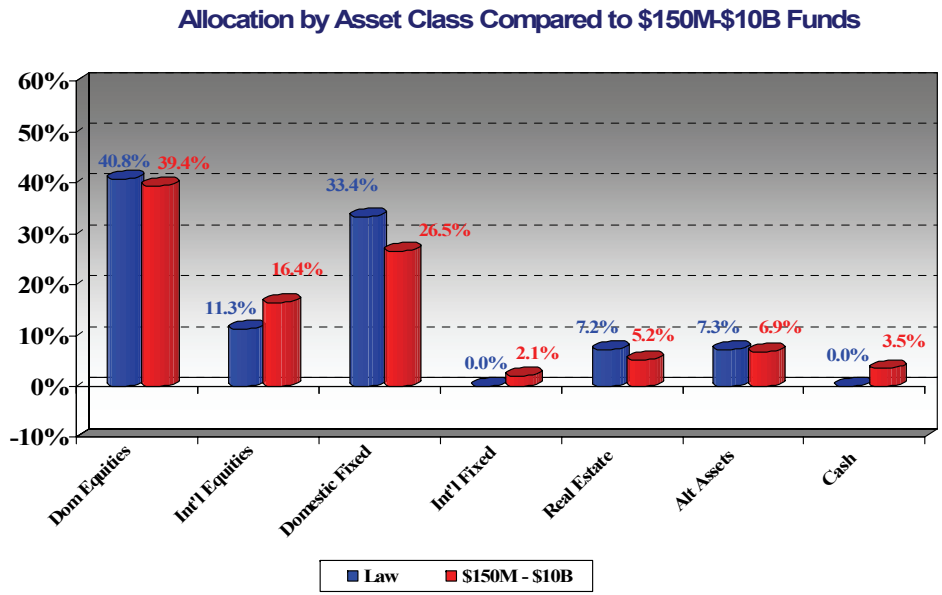
Police ($1.7B)

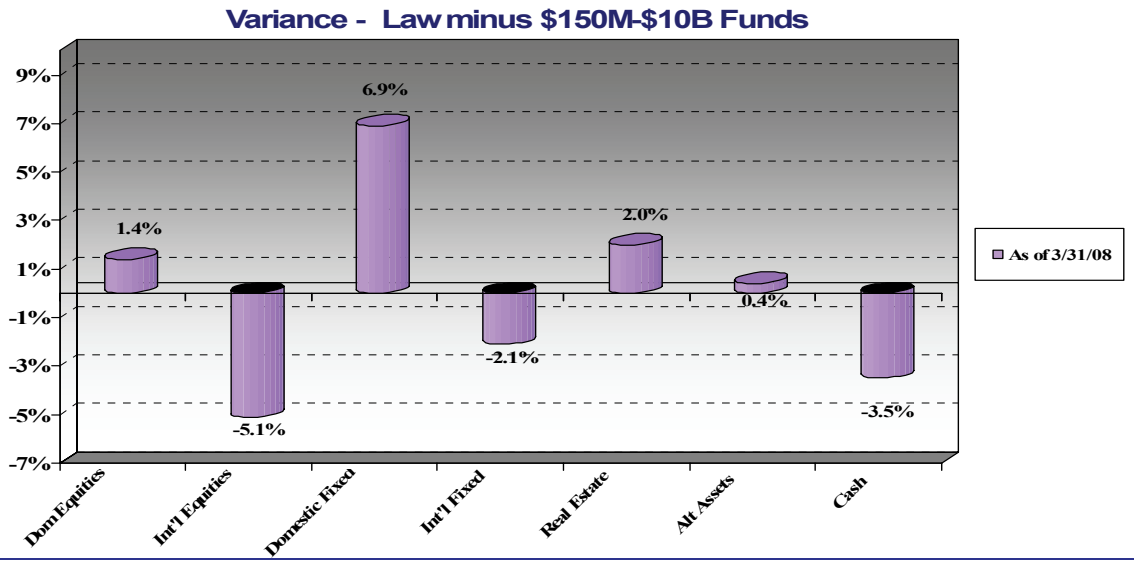

Allocation by Asset Class Compared to $150M-$10B Funds
60%
50%
40%
30%
20%
10%
0%
-10%
41.3%
39.4%
12.0%
16.4%
15.4%
26.5%
4.4%
2.1%
4.9%
5.2%
21.8%
6.9%
0.2%
3.5%
Dom Equities
Int'l Equities
Domestic Fixed
Int'l Fixed
Real Estate
Alt Assets
Cash
Police
$150M - $10B


Variance - Police minus $150M-$10B Funds
20%
16%
12%
8%
4%
0%
-4%
-8%
-12%
-16%
1.9%
-4.4%
-11.1%
2.3%
-0.3%
14.9%
-3.3%
As of 3/31/08
Dom Equities
Int'l Equities
Domestic Fixed
Int'l Fixed
Real Estate
Alt Assets
Cash

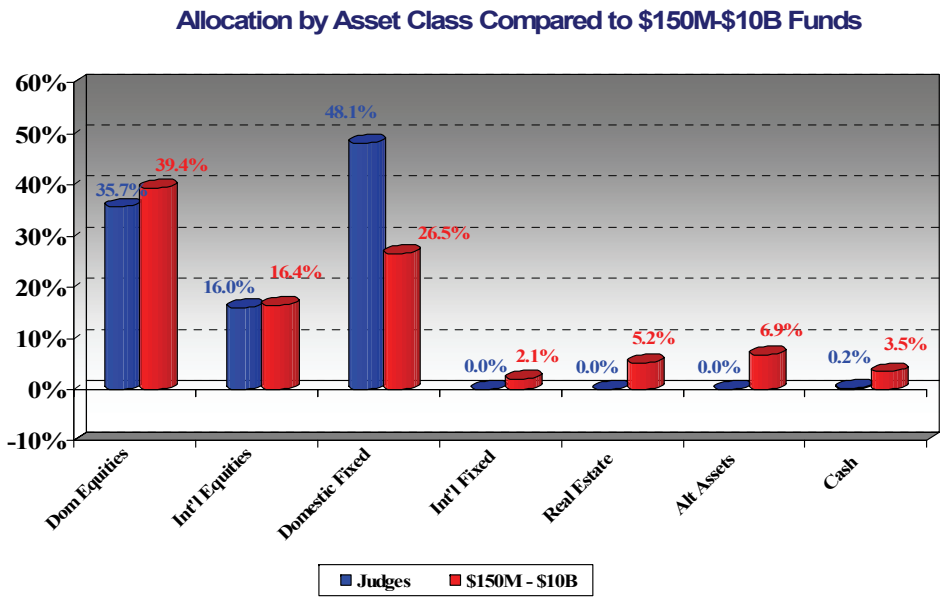
Law Enforcement ($682M)

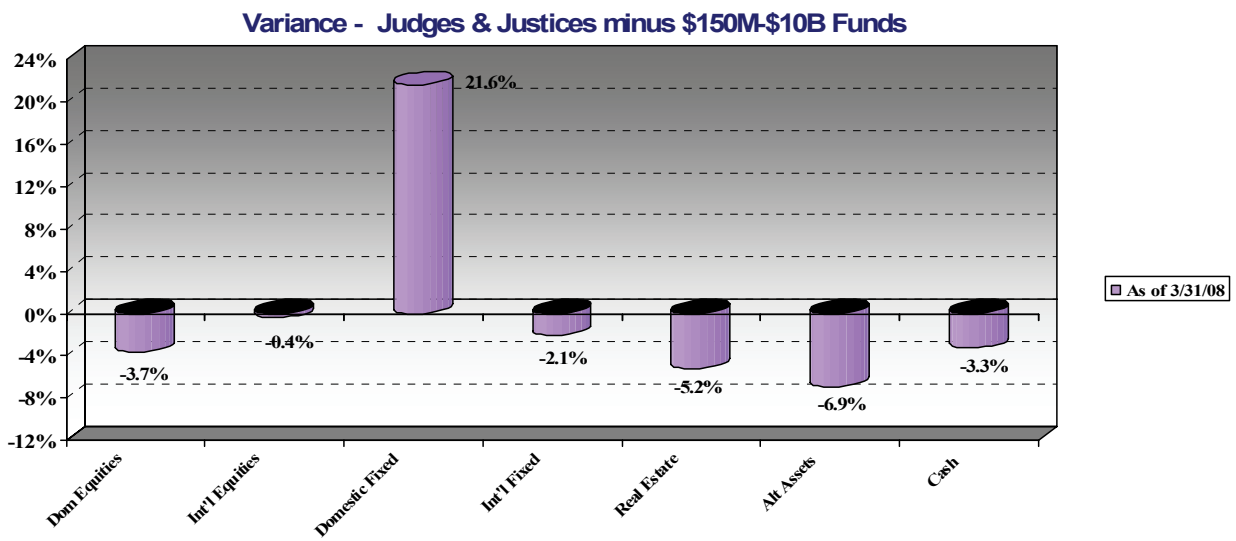






Judges & Justices ($232M)

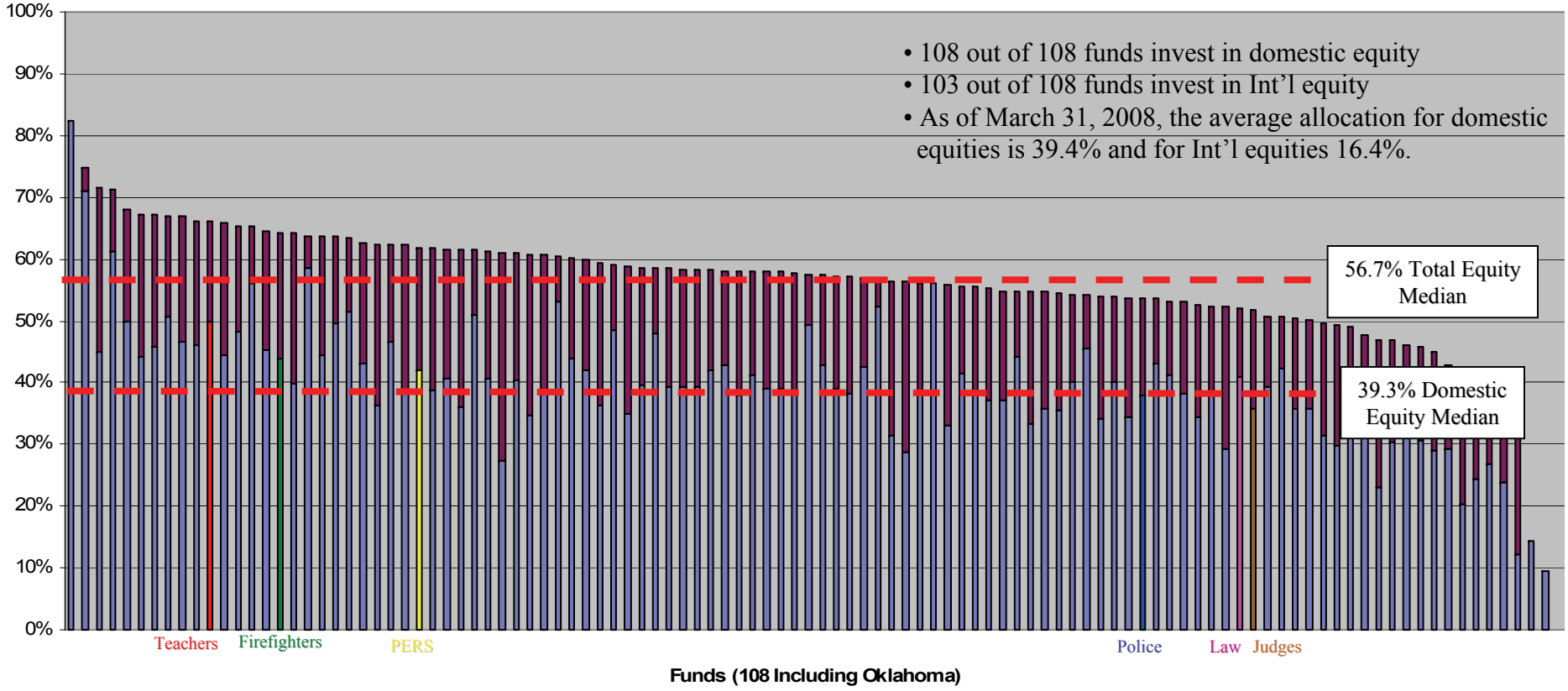




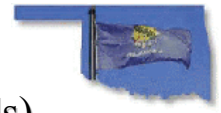
Equity Allocation of Screened Universe (108 Funds)

Allocation by Fund

Period Ending March 31, 2008

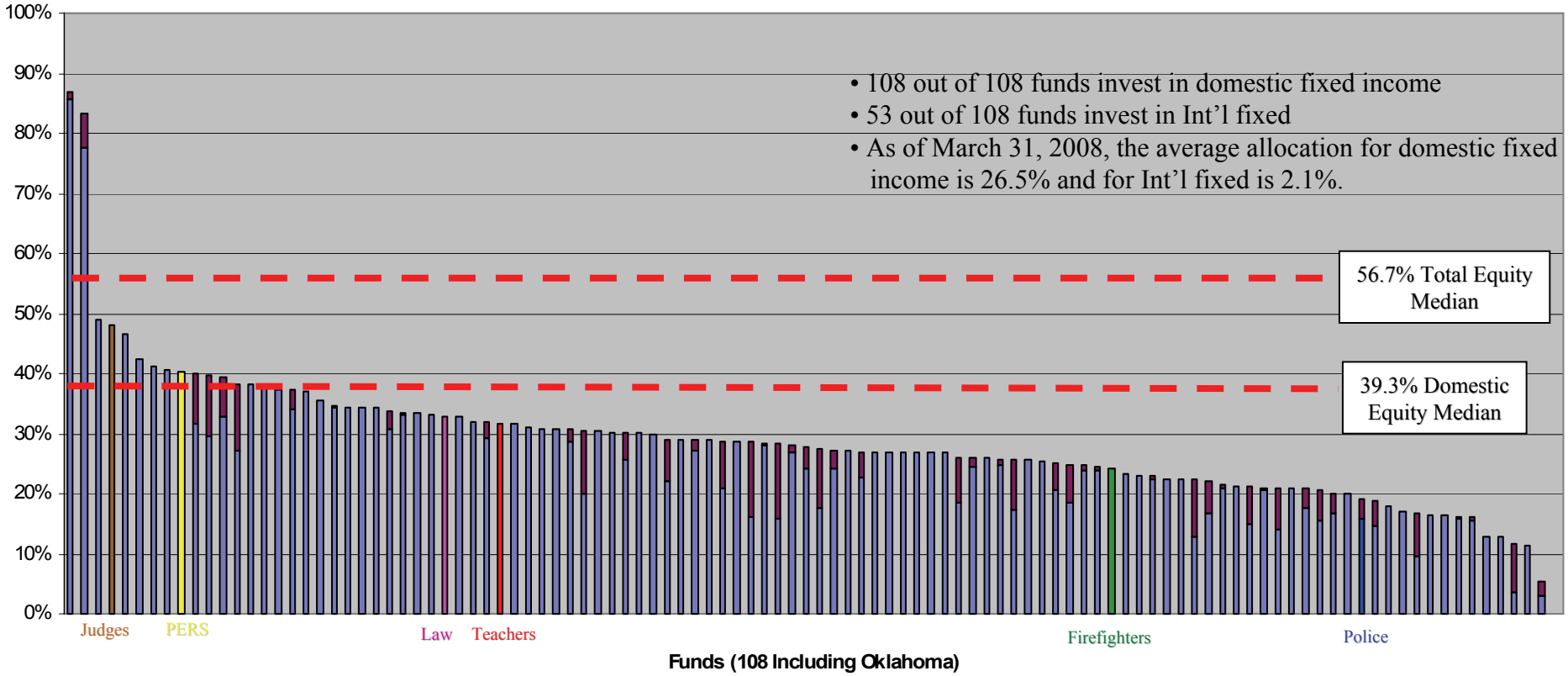


Fixed Income Allocation of Screened Universe (108 Funds)

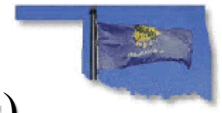


Allocation by Fund

Period Ending March 31, 2008

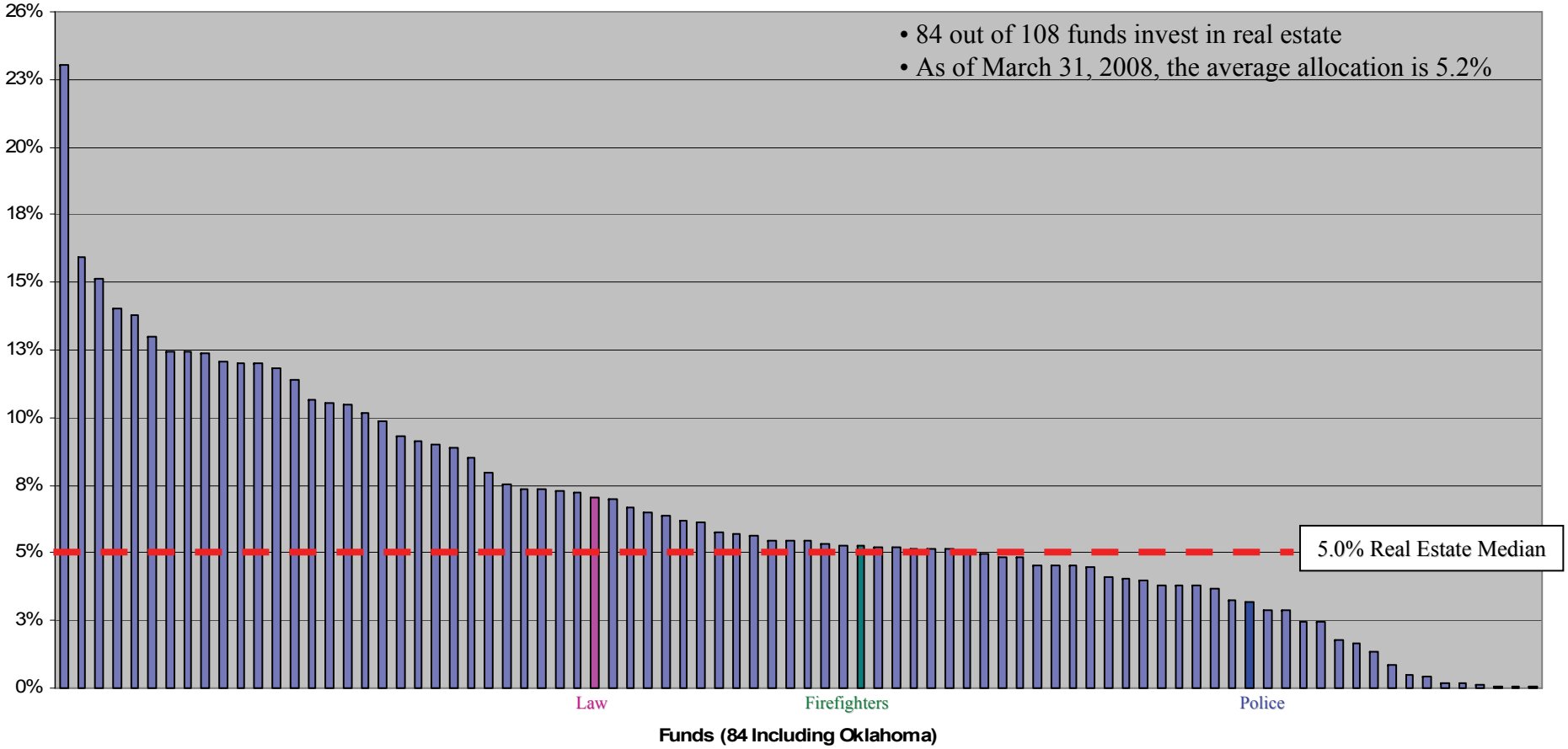


Real Estate Allocation of Screened Universe (108 Funds)

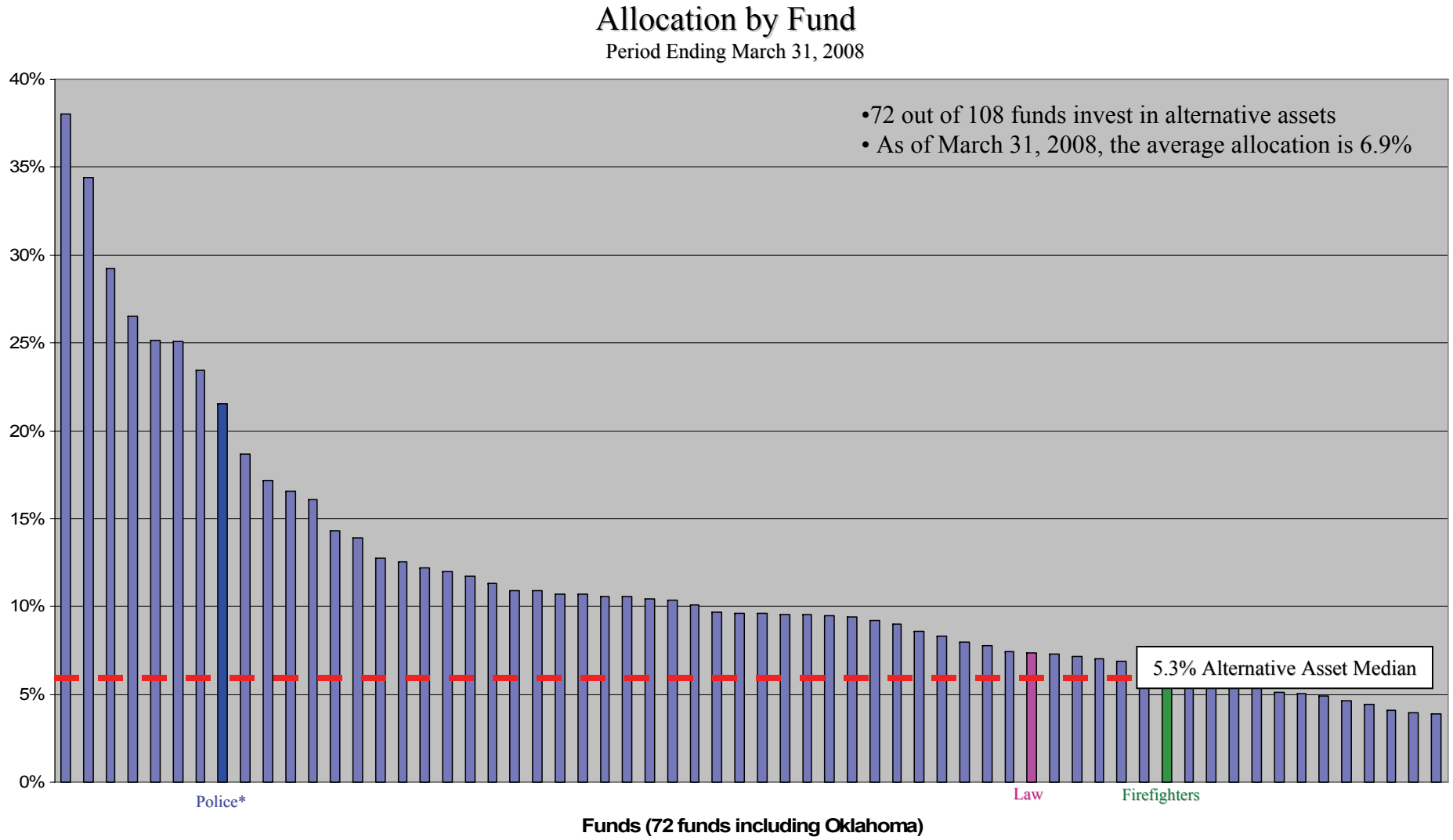


Allocation by Fund

Period Ending March 31, 2008

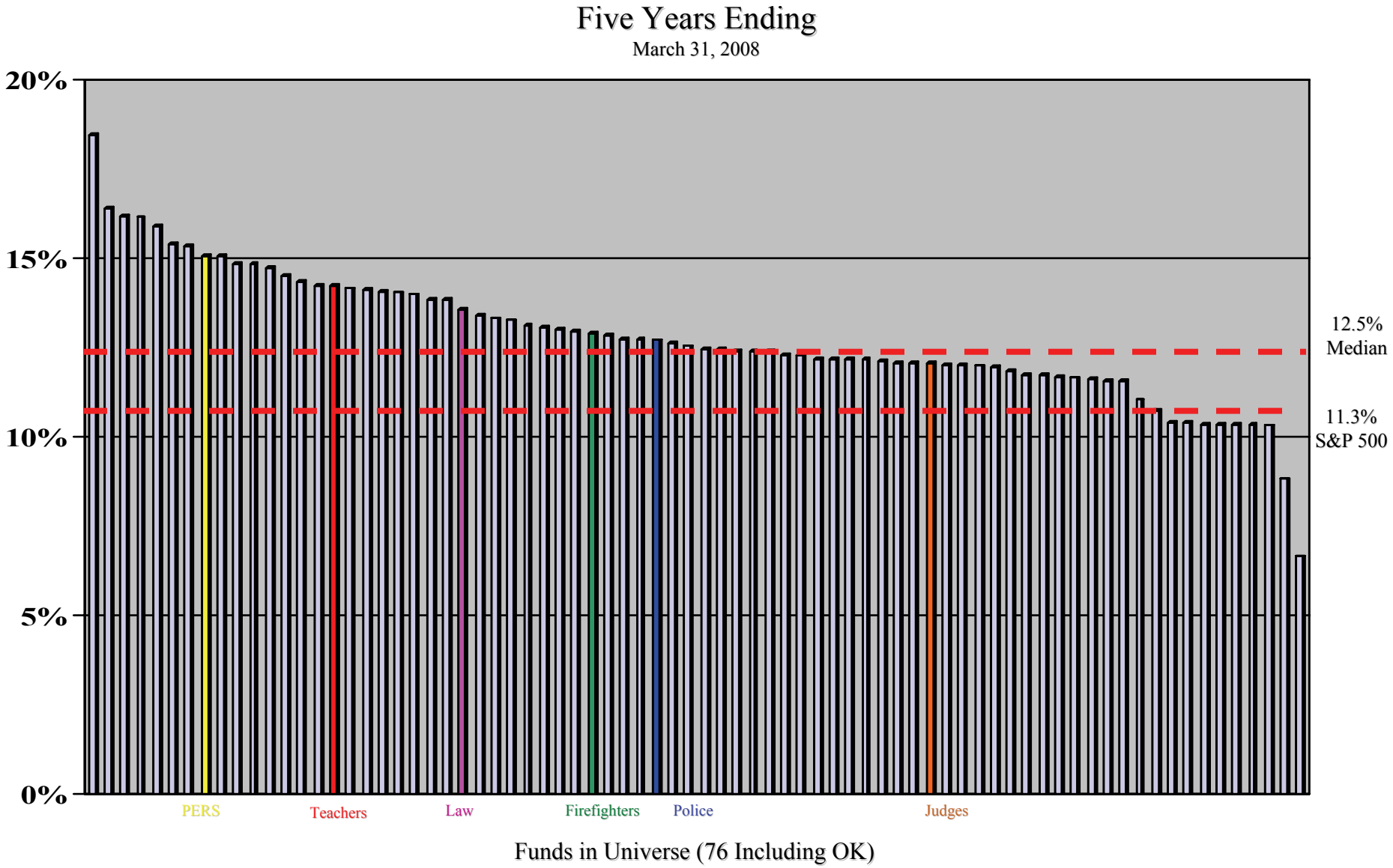


Alternative Assets Allocation of Screened Universe (108 Funds)

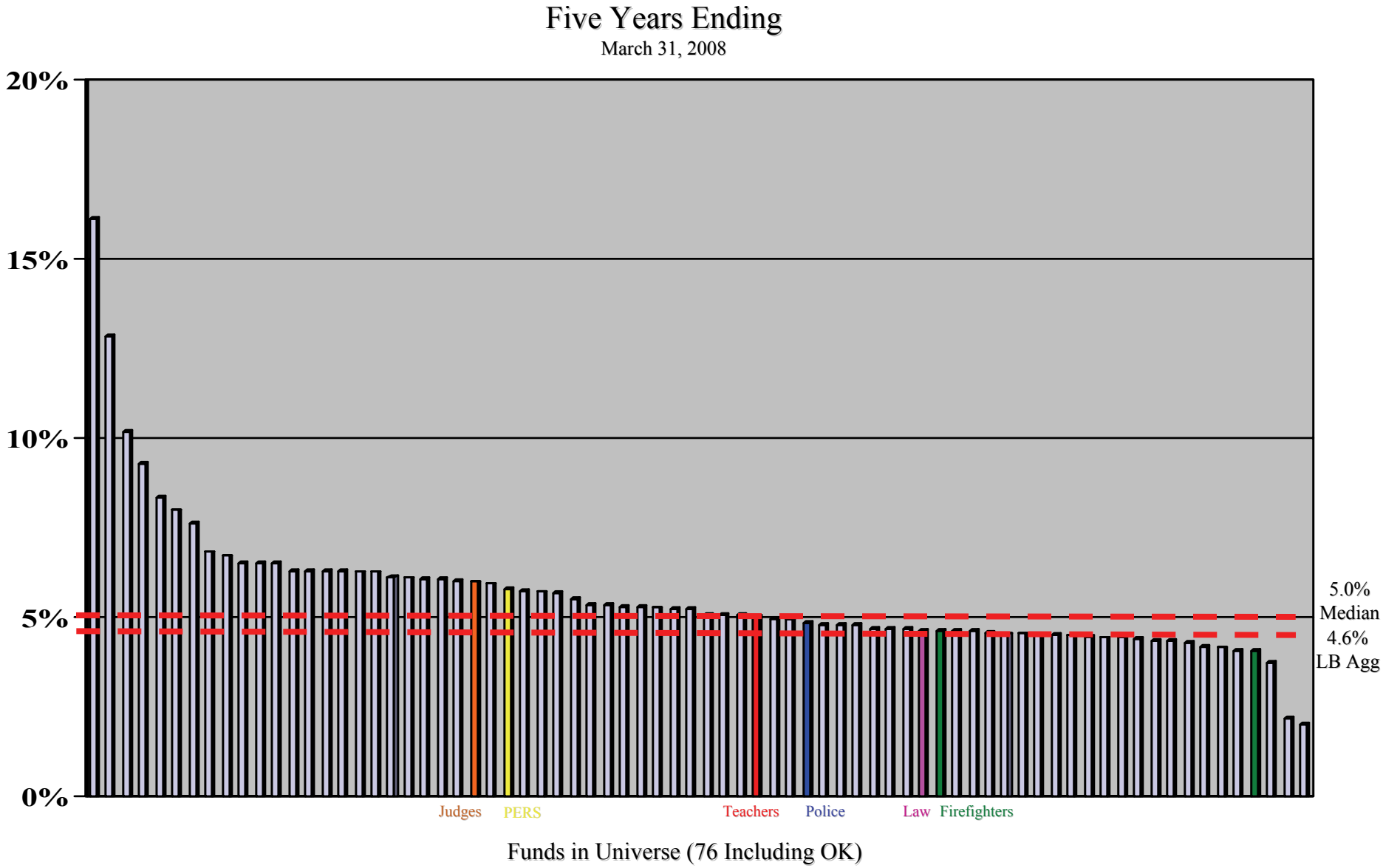


*Includes Private Equity

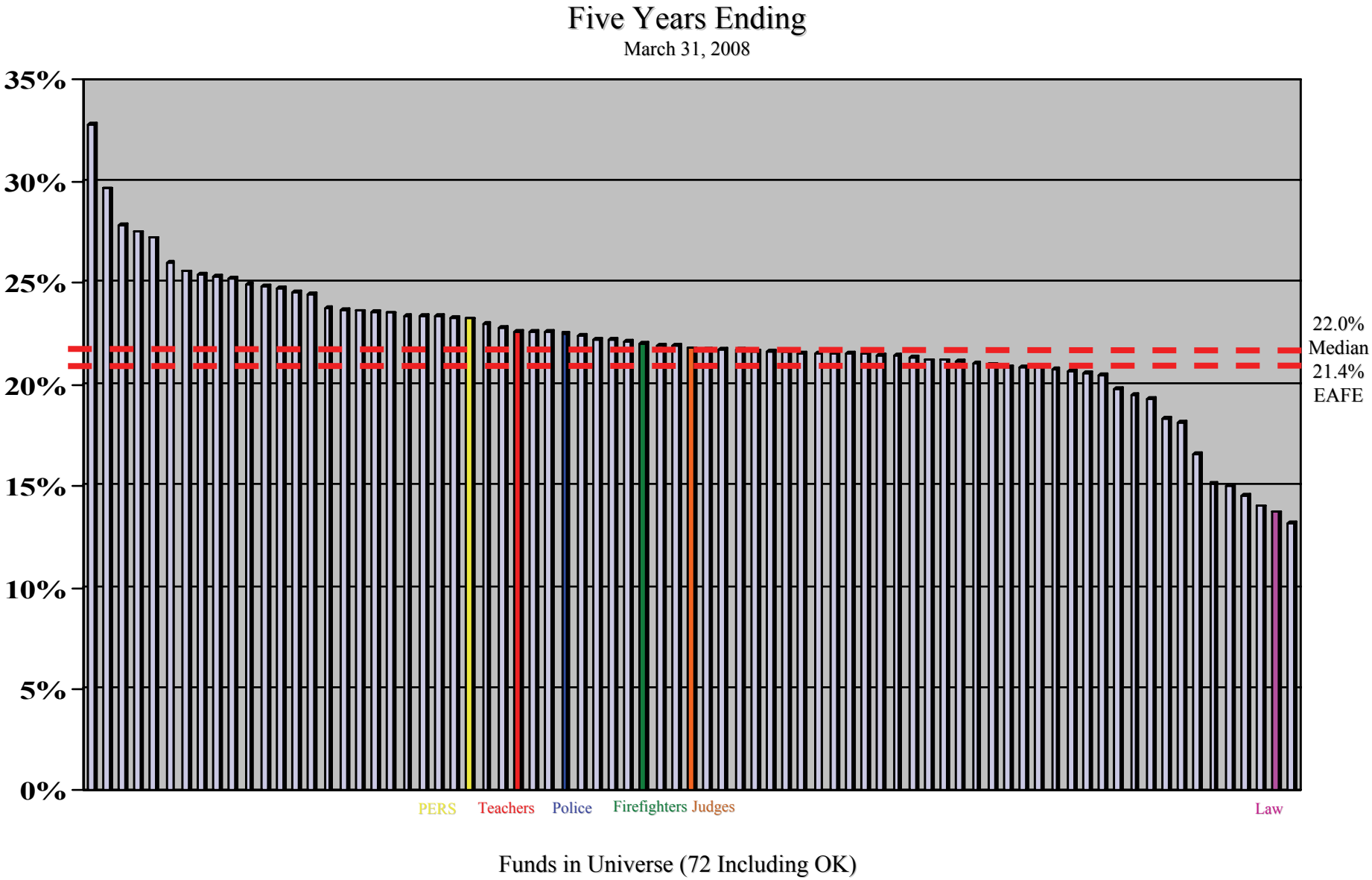
5 Year Annualized Domestic Equity Returns (76 Funds)



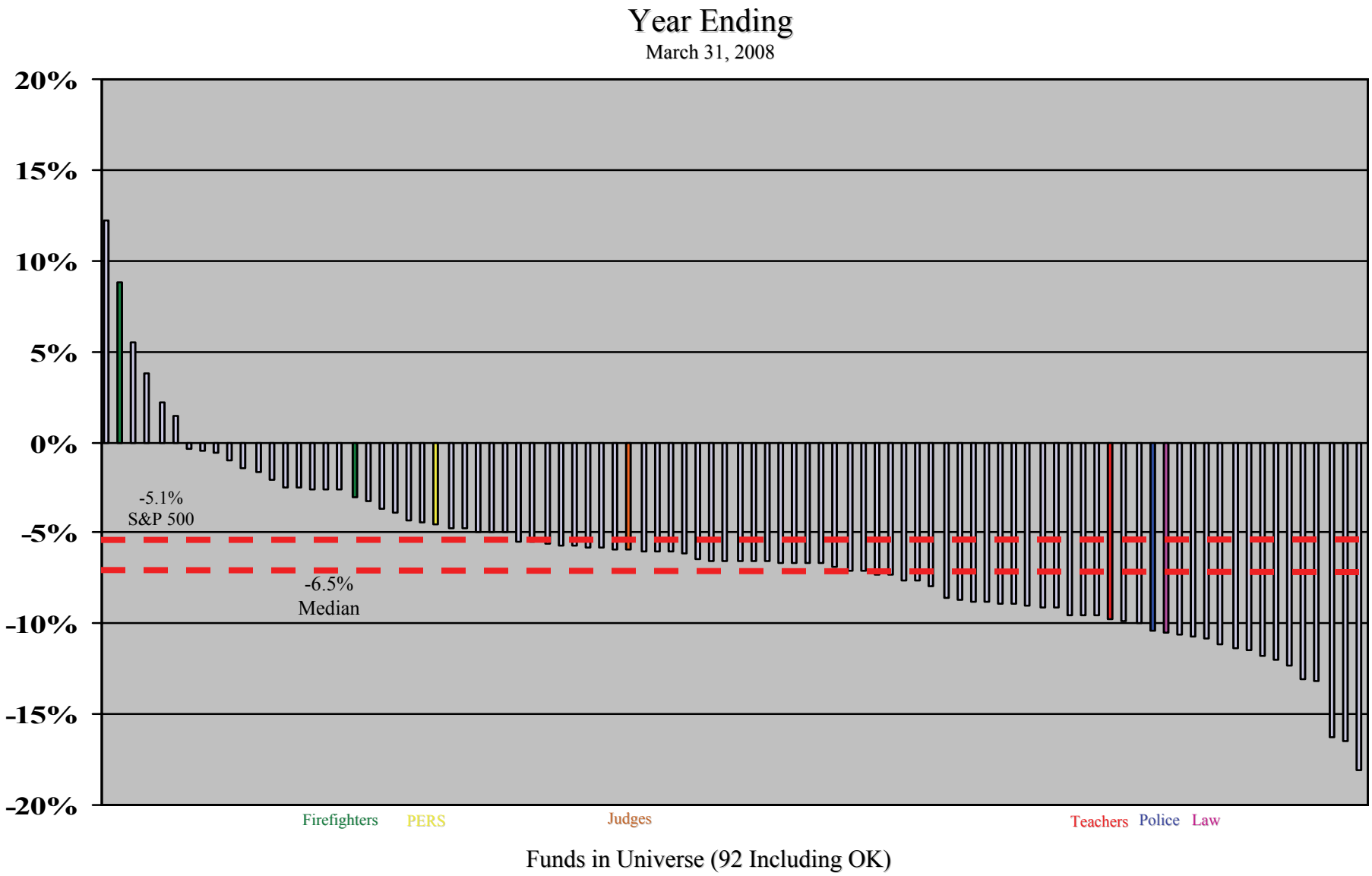
5 Year Annualized Fixed Income Returns (76 Funds)



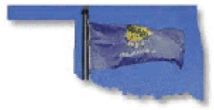
5 Year Annualized International Equity Returns (72 Funds)



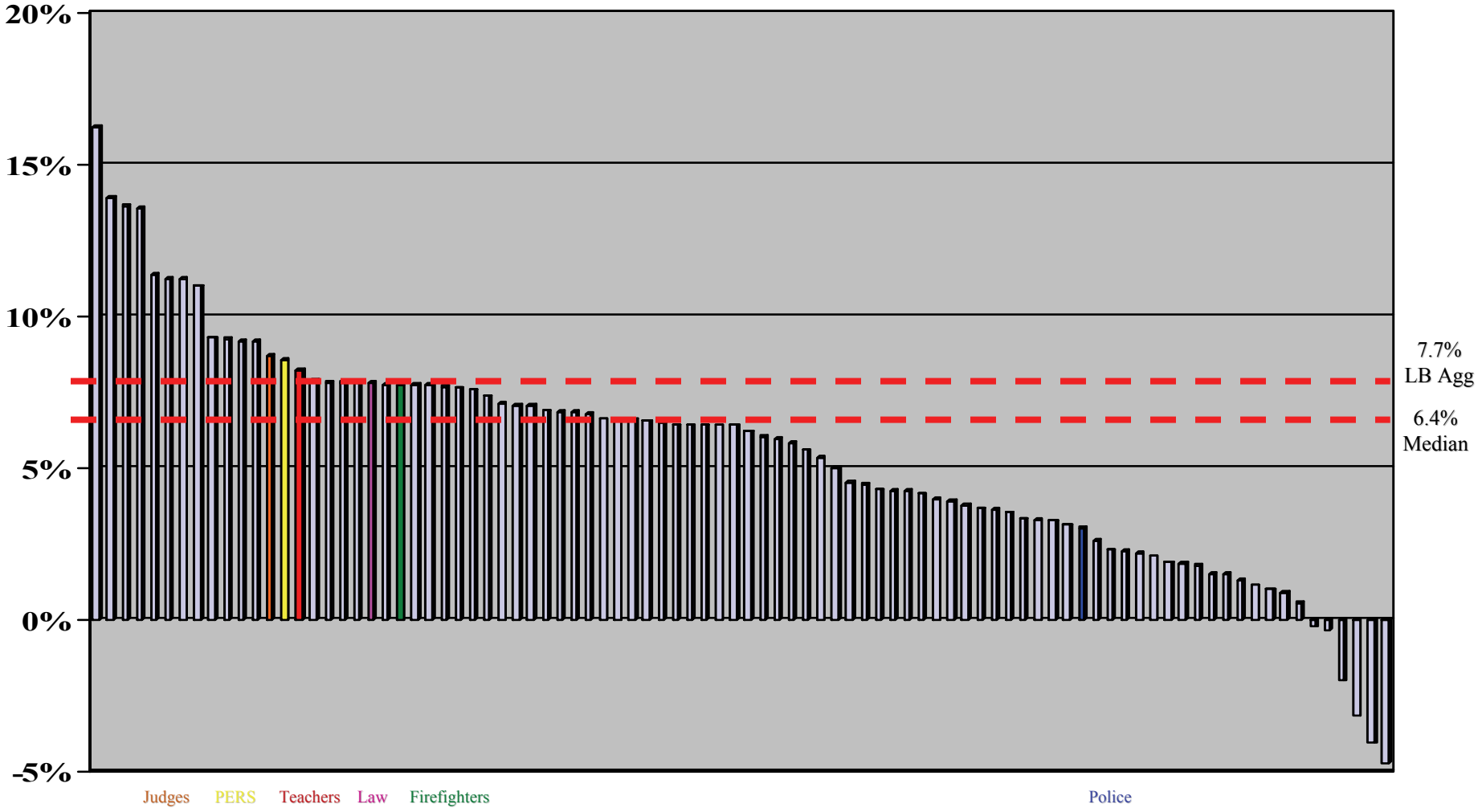
Annual Domestic Equity Returns (92 Funds)



Annual Fixed Income Returns (90 Funds)

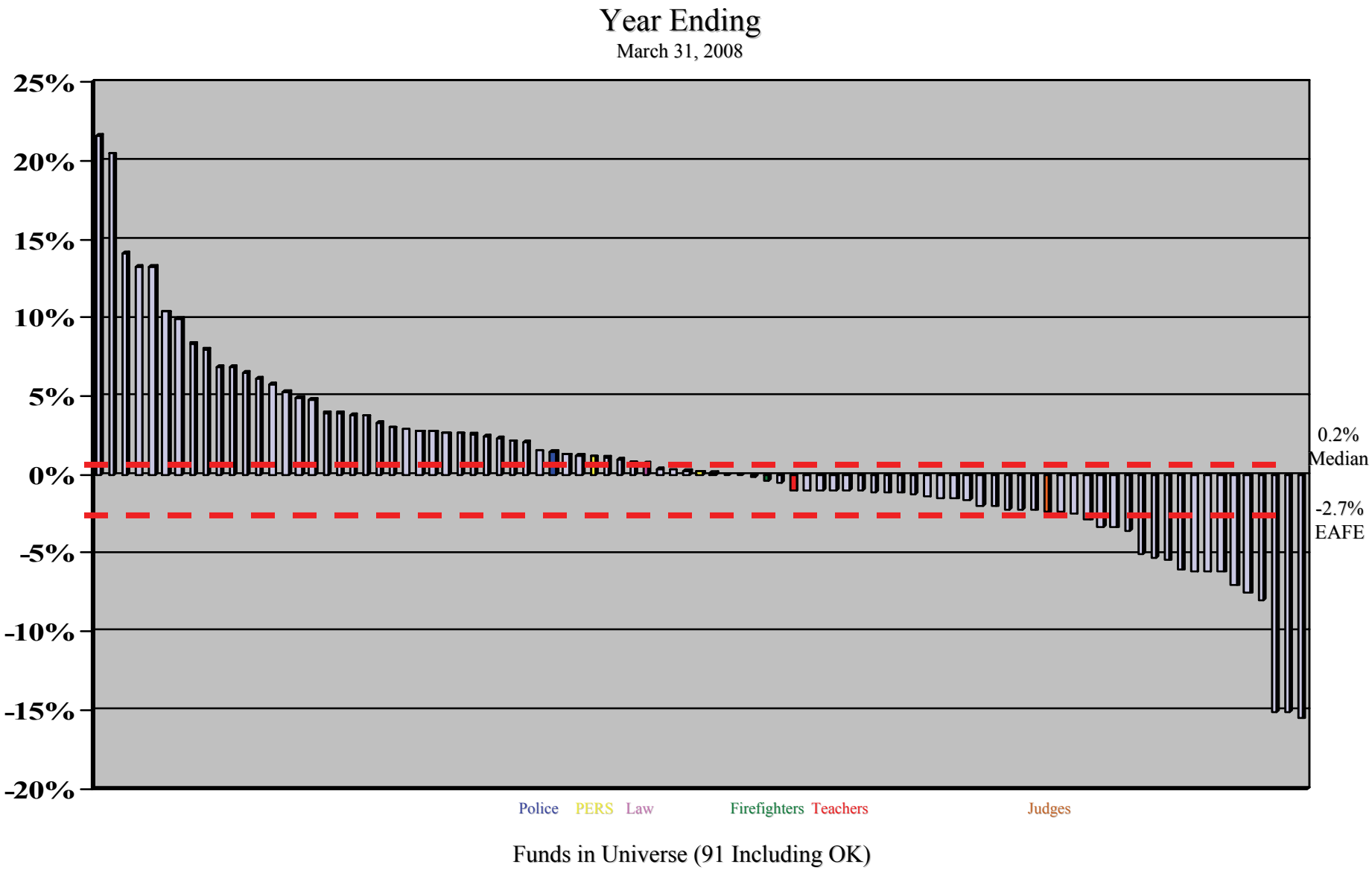


Year Ending
March 31, 2008



Funds in Universe (90 Including OK)

Annual International Equity Returns (91 Funds)



Appendix

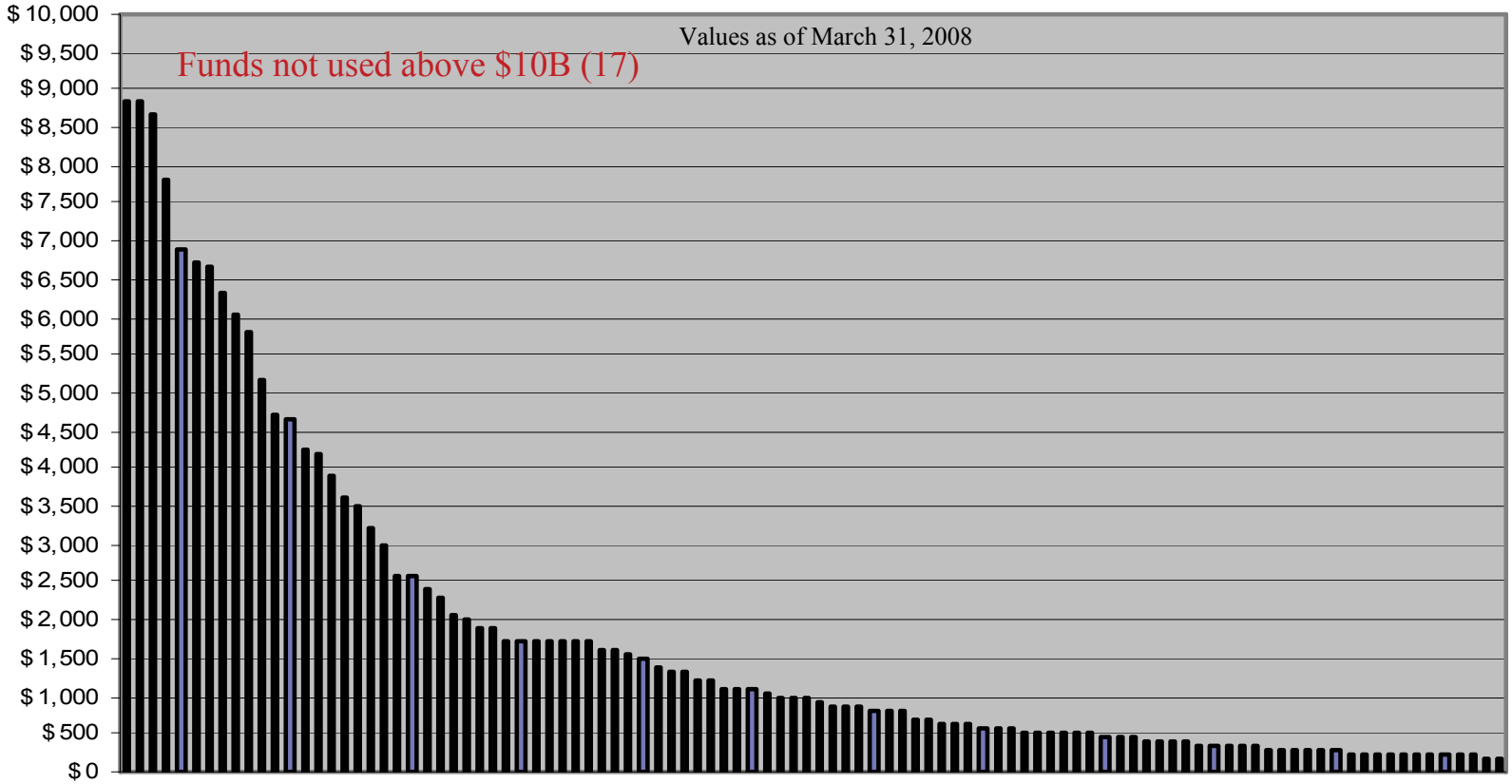
New England Pension Consultants is pleased to present the following Public Funds Universe Analysis Report. The information contained herein is drawn from the NEPC/ICC database. This database represents the industry's largest public funds universe, containing over 185 public funds, with aggregate assets in excess of $805 Billion and over 3,574 individual portfolios. It is important to note that the underlying information is obtained directly from custodian banks and is rigorously reviewed by ICC member firms. No manager supplied data is included in this analysis.

The report depicts the size and type of fund included in the universe, together with a detailed examination of the asset allocation of the component funds. The asset allocations of the Oklahoma funds are then compared to the relevant universe subcomponents (Large Funds, Representative Funds) on both a year-end and historic basis. In this way we can determine the relative over/under-weights being taken currently and historically.

The remainder of the report examines the historic total fund performance of Oklahoma funds against the Universe in an absolute and risk-adjusted basis. We then further examine performance of the major asset classes to determine the source of historic relative performance. This performance data is as of March 31, 2008. The first quarter of 2008 performance report is contained in a separate report which will be presented to the Commission on June 11, 2008 together with this report.

Public Fund Universe

Total Public Funds in ICC Universe, 166
Total Public Funds Screened for This Analysis, 108

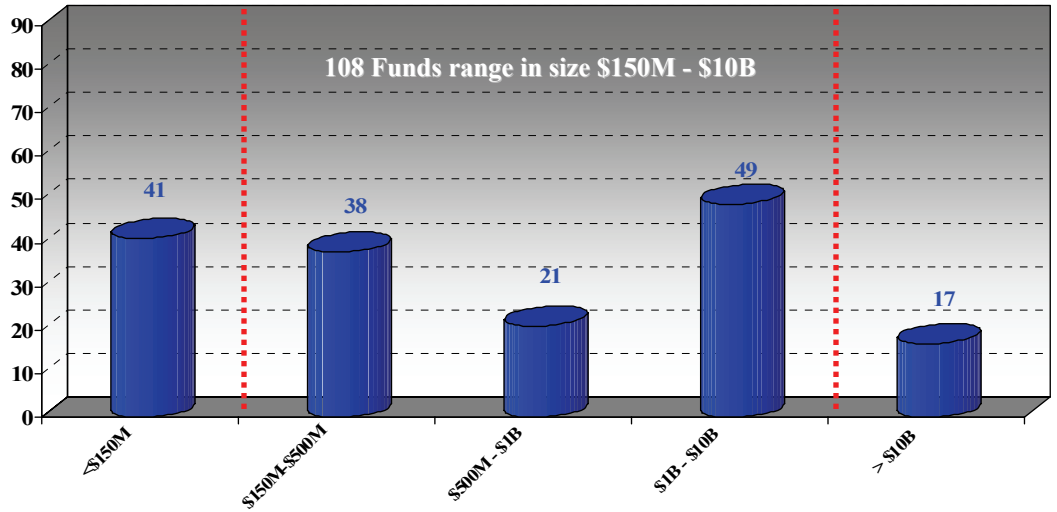


Funds not used below $150M (41)

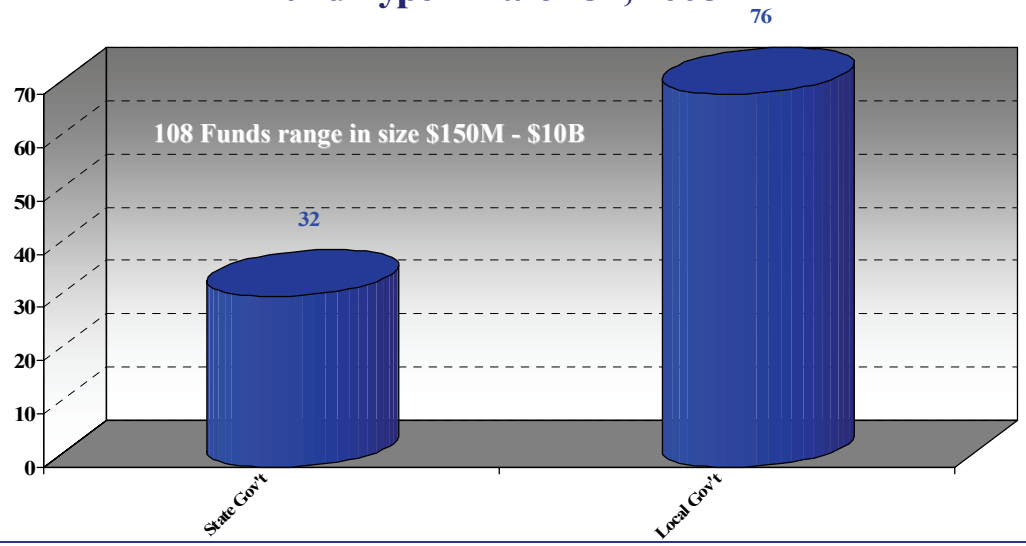
Funds used in universe (108)

Public Fund Universe Characteristics

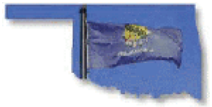
Asset Size - March 31, 2008



Fund Type - March 31, 2008



Public Fund Universe Statistical Summary



Allocation Range for ALL Public Funds (166 Funds, Size Range $2.0M- $162.5B)

Percentile	Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
5	54.3%	25.1%	56.2%	8.4%	12.7%	21.5%	8.8%
25	43.1%	19.7%	35.8%	3.2%	6.9%	9.6%	4.3%
Public Median	38.6%	16.3%	27.1%	0.0%	4.0%	4.2%	2.3%
75	33.3%	11.0%	22.3%	0.0%	0.0%	0.0%	1.0%
95	23.6%	0.0%	13.9%	0.0%	0.0%	0.0%	0.2%

Average Allocation for ALL Public Funds (166 Funds, Size Range $2.0M- $162.5B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
38.3%	15.3%	30.3%	1.9%	4.6%	6.0%	3.1%

Average Allocation for Screened Public Funds (108 Funds, Size Range $150M- $10B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
39.4%	16.4%	26.5%	2.1%	5.2%	6.9%	2.6%

Average Allocation for Screened Public Funds (49 Funds, Size Range $1B - $10B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
38.0%	17.3%	23.8%	2.6%	5.8%	9.2%	3.2%