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Oklahoma State Pension Commission

Public Fund Universe Analysis

November 17, 2010

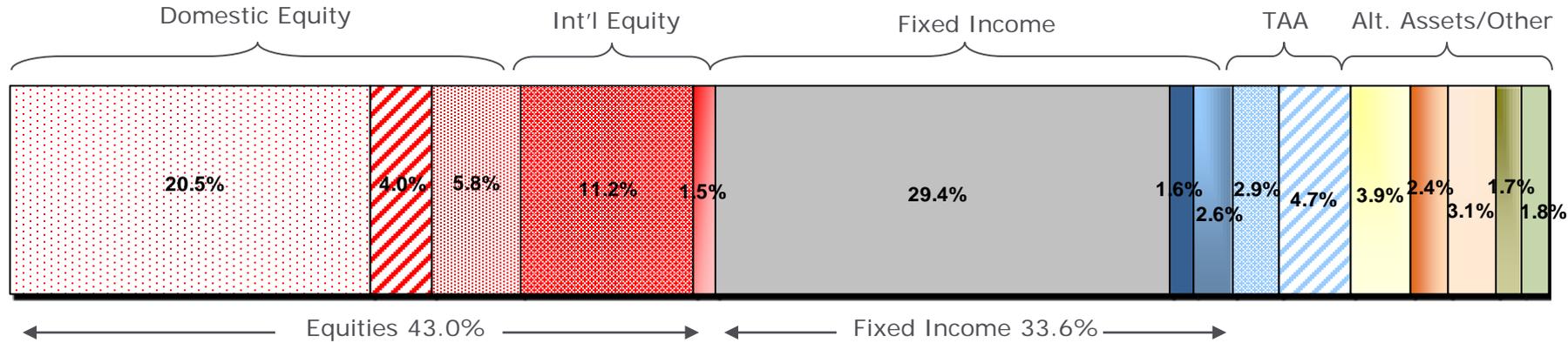
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Don Stracke, CFA, Senior Consultant
Tony Ferrara, Senior Analyst

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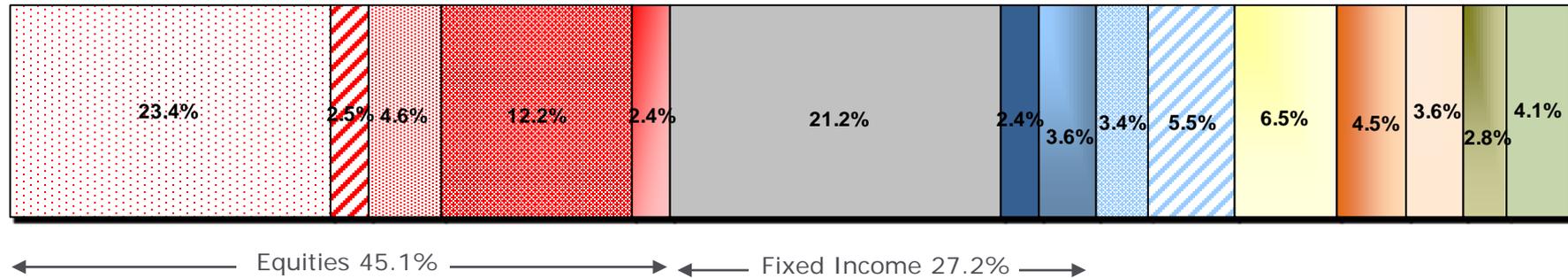
CAMBRIDGE | ATLANTA | CHARLOTTE | DETROIT | LAS VEGAS | SAN FRANCISCO

Asset Allocation – ICC Public Plans As of 6/30/10

Average Public DB Plan



Average Public DB Plan Above \$1 Billion



- US Large Cap Equity
- US Mid Cap Equity
- US Small Cap Equity
- Int'l. Equity
- Emerging Markets Equity
- Fixed Income
- High Yield
- GFI/EMD
- TAA-Domestic
- TAA-Global
- Hedge Funds
- Private Equity
- Real Estate
- Cash
- Other

Allocations may not add to 100% due to rounding

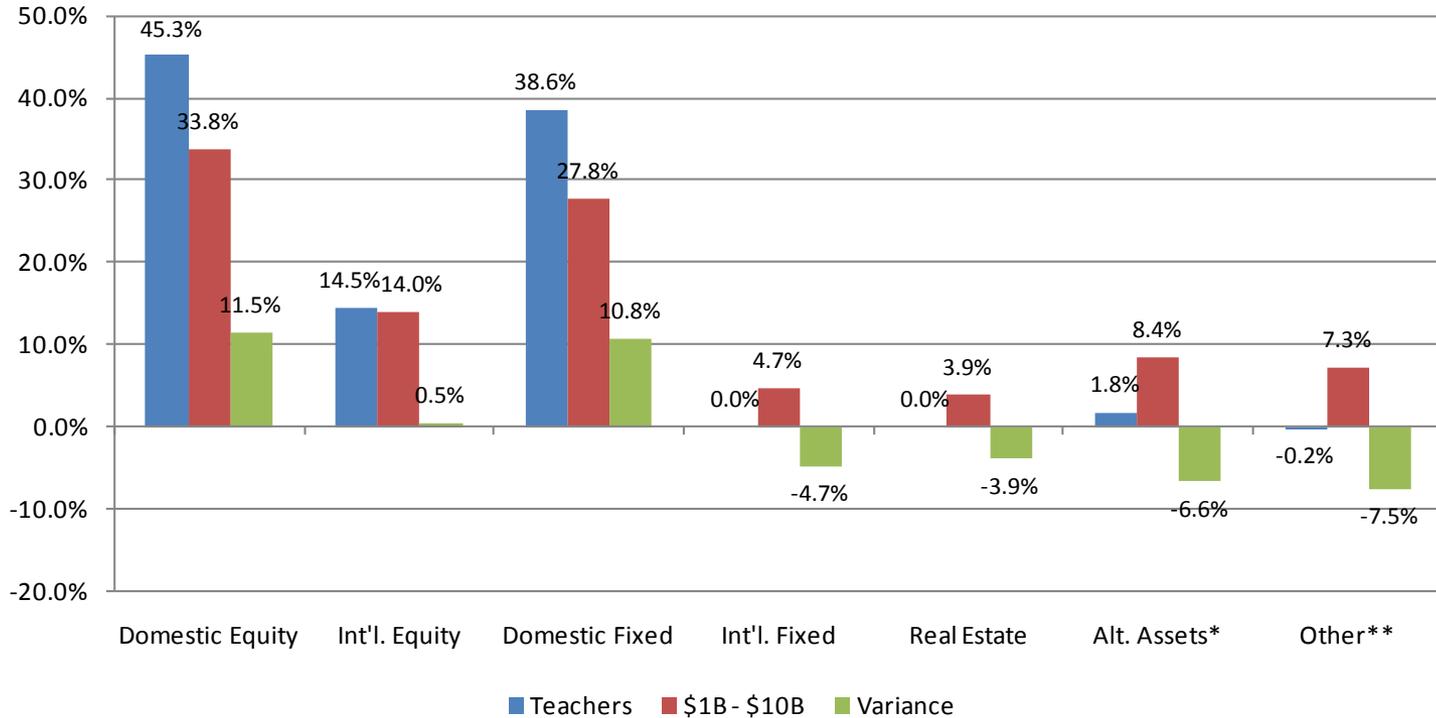
Average Public DB Plan includes 113 observations

Average Public DB Plan Above \$1B includes 38 observations



Teachers Retirement System (\$8.3B)

Allocation by Asset Class vs. Average \$1 - \$10B Fund



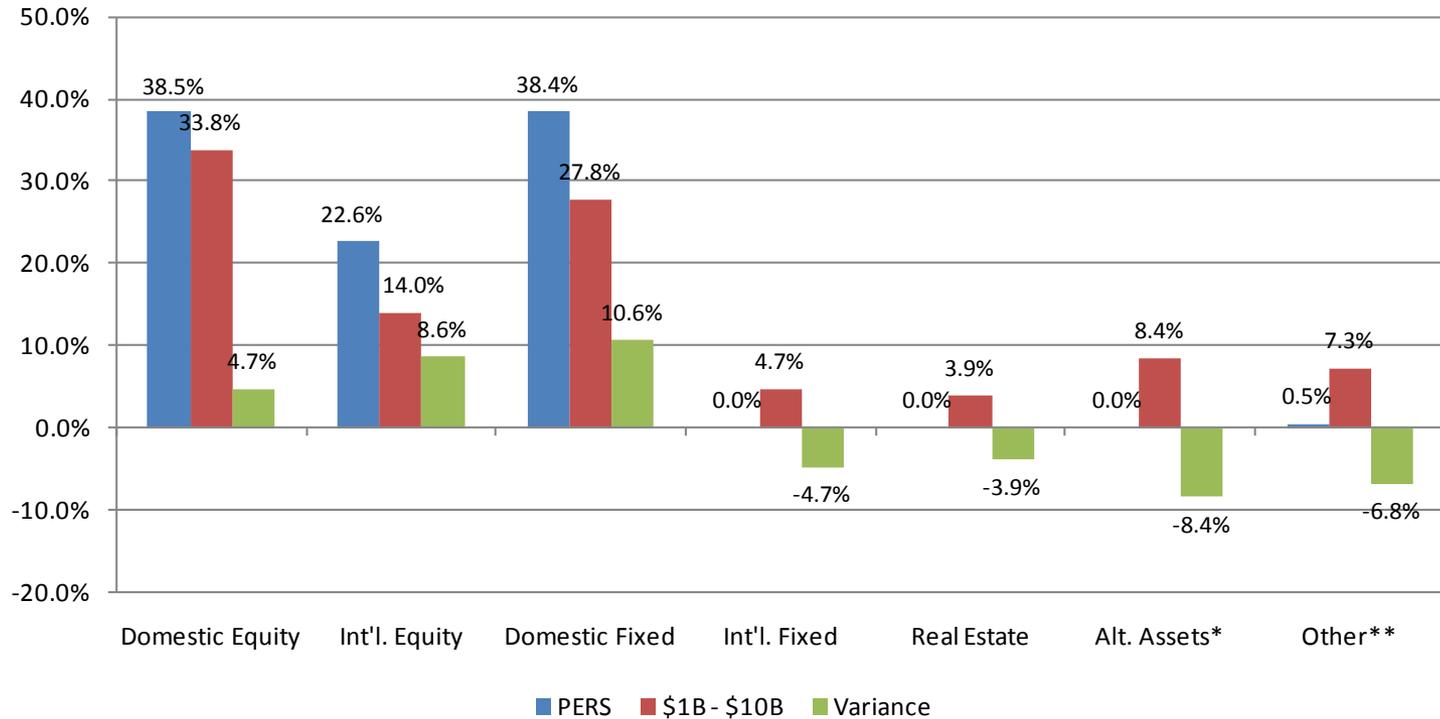
Allocations are as of 6/30/2010

*Alternative Assets include Hedge Funds, Private Equity, and Venture Capital

**Other Assets include Tactical Asset Allocation, Cash, and Miscellaneous

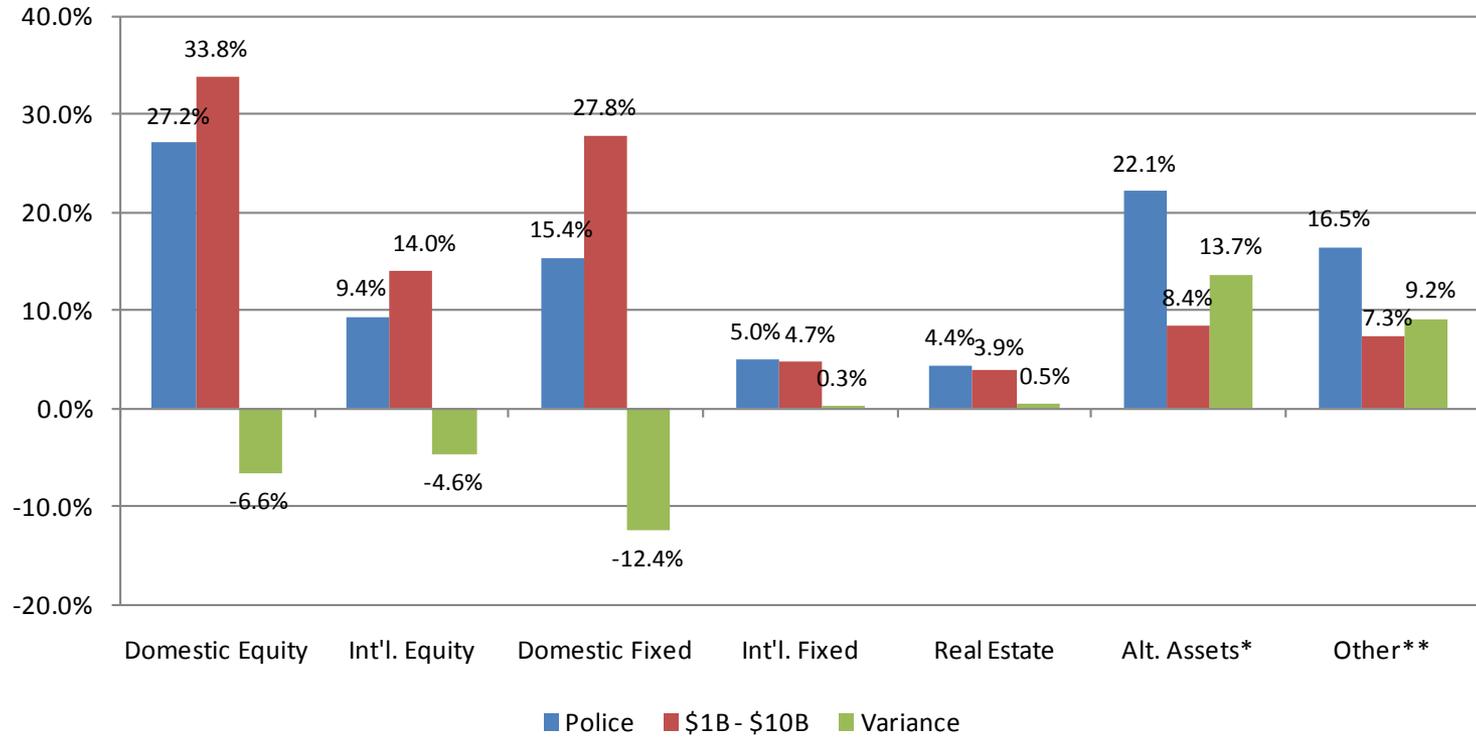
PERS (\$5.8B)

Allocation by Asset Class vs. Average \$1 - \$10B Fund



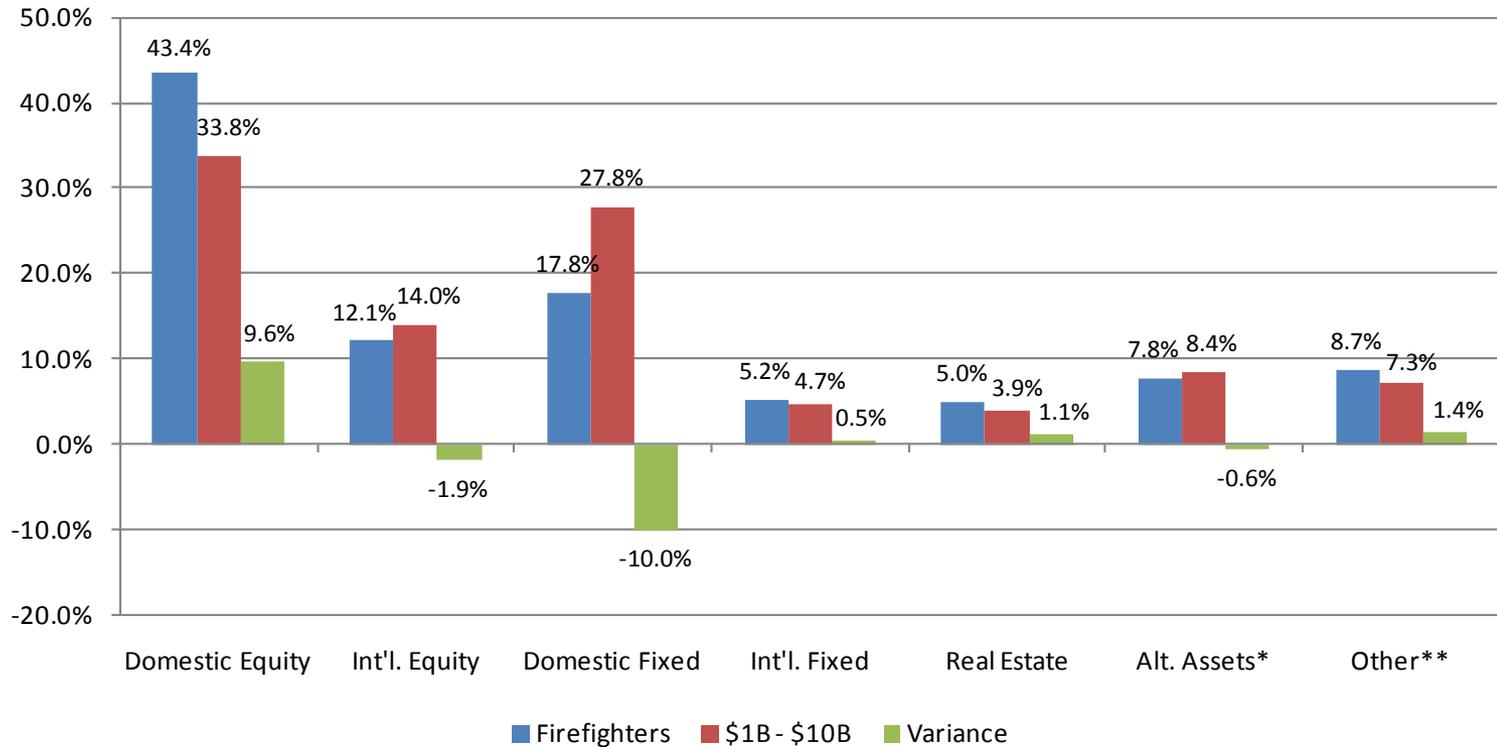
Police (\$1.6B)

Allocation by Asset Class vs. Average \$1 - \$10B Fund



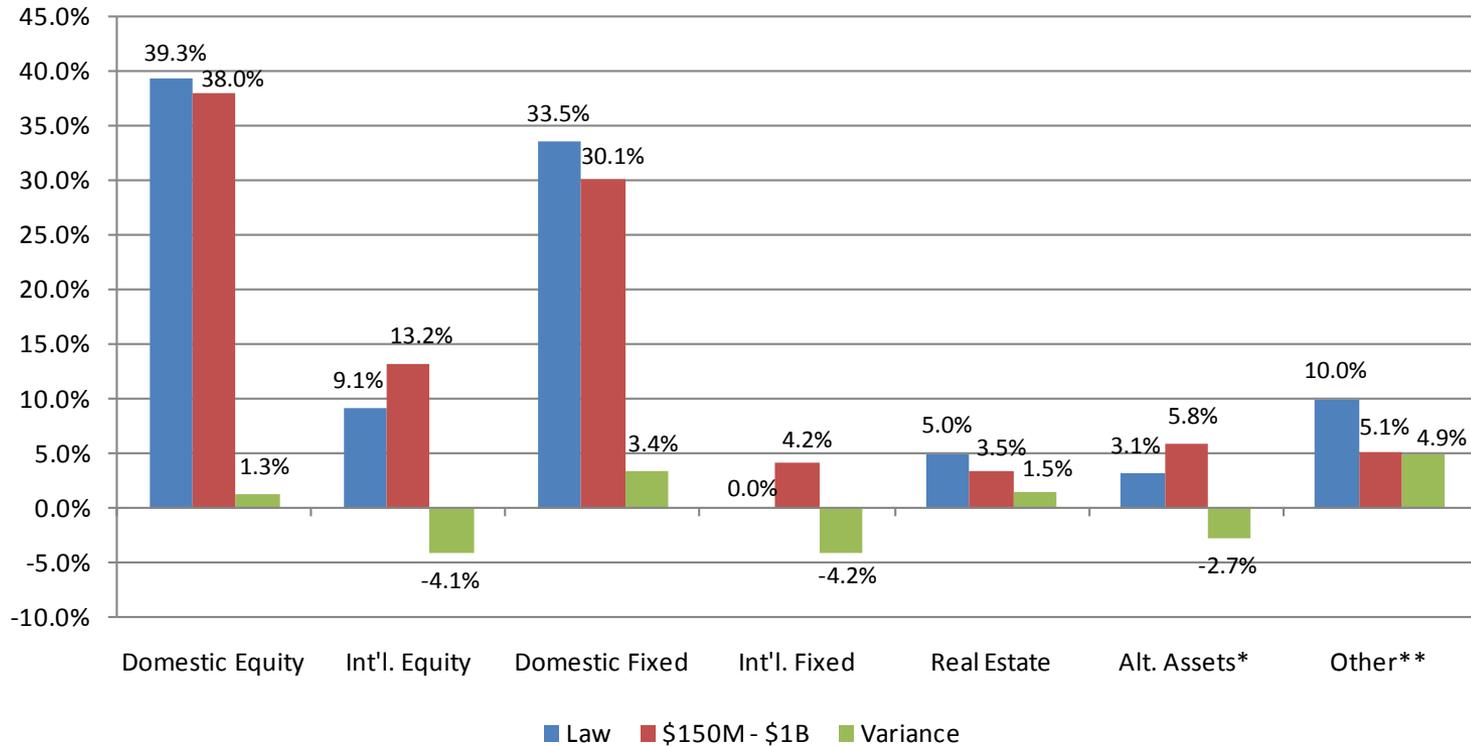
Firefighters (\$1.5B)

Allocation by Asset Class vs. Average \$1 - \$10B Fund

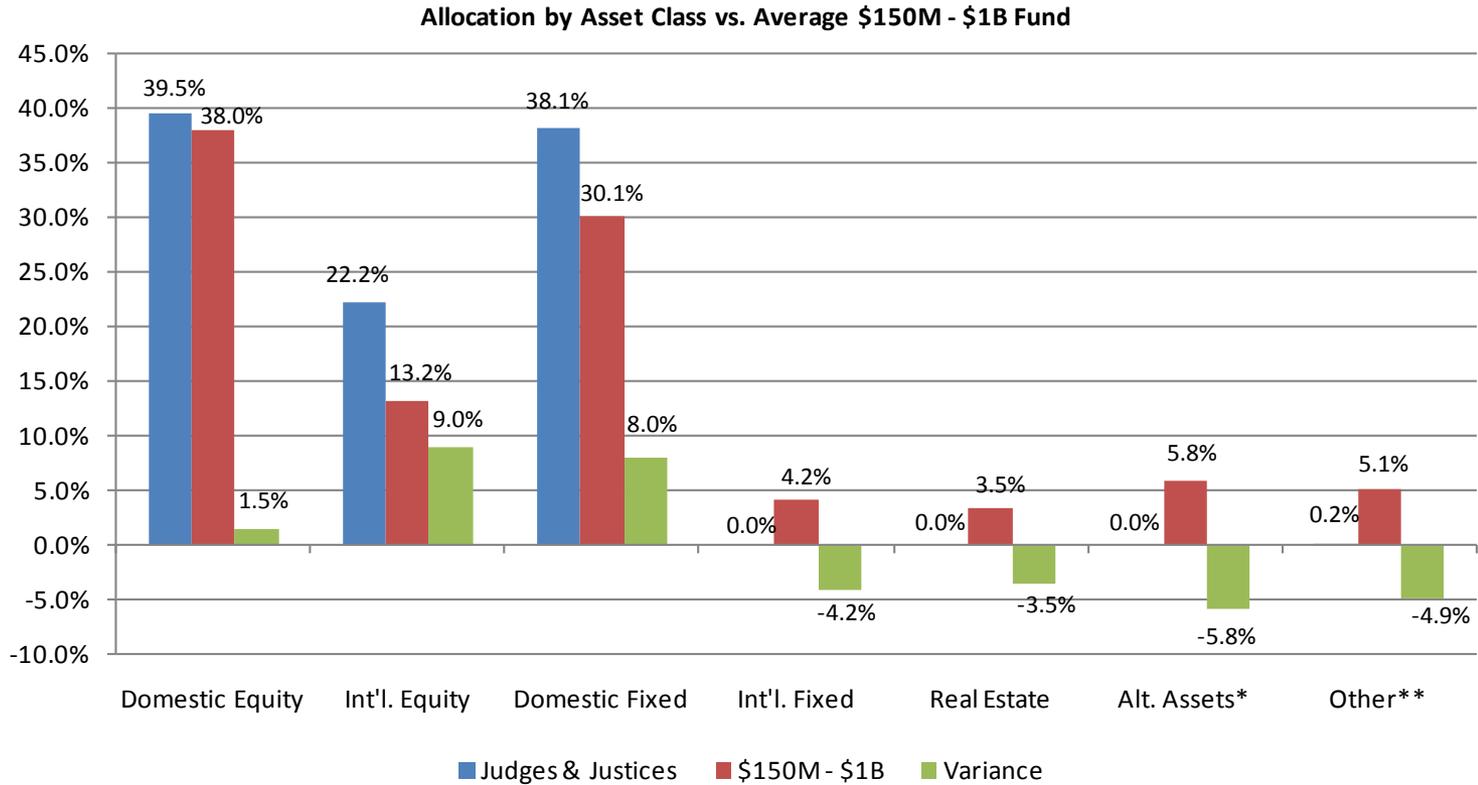


Law Enforcement (\$600M)

Allocation by Asset Class vs. Average \$150M - \$1B Fund



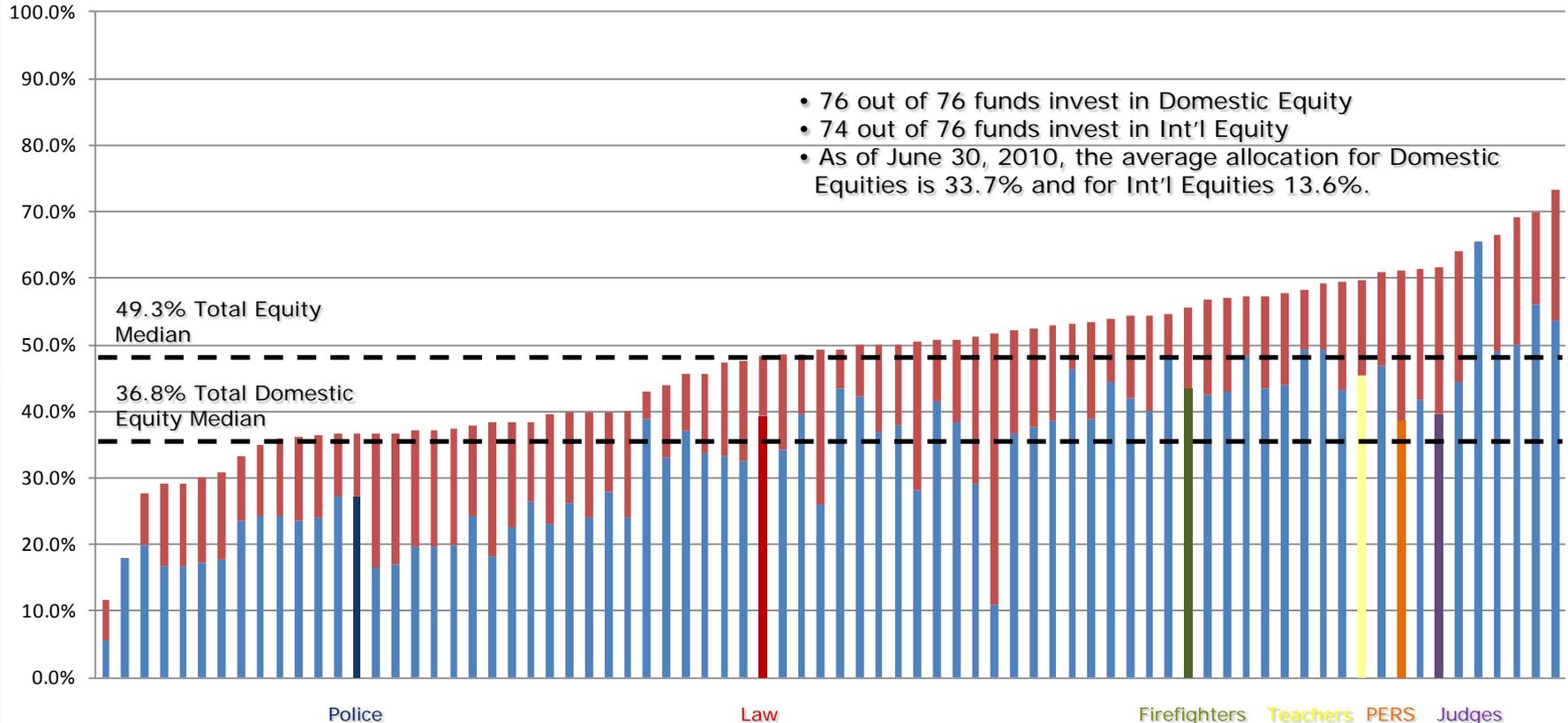
Judges & Justices (\$210M)



Equity Allocation of Screened Universe (76 Funds)

Allocation by Fund

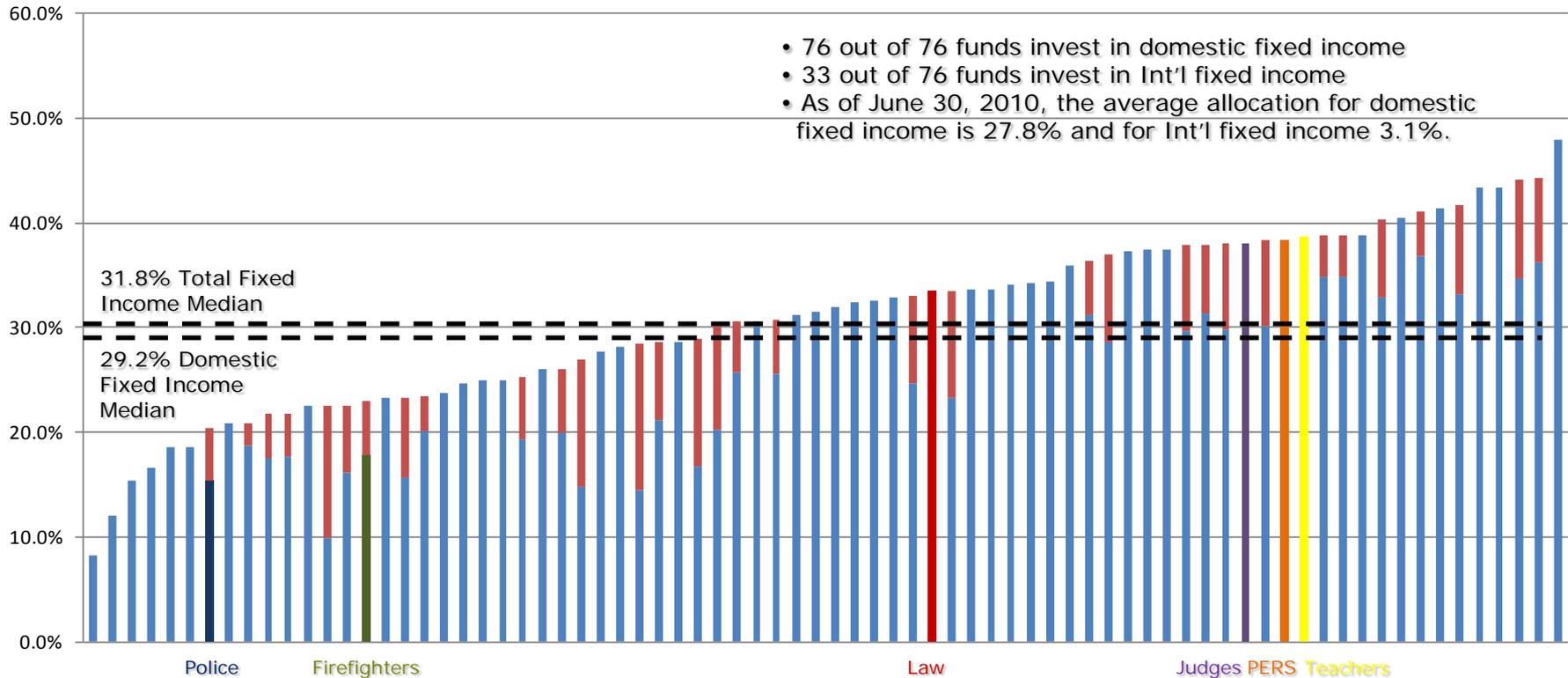
Period Ending June 30, 2010



Fixed Income Allocation of Screened Universe (76 Funds)

Allocation by Fund

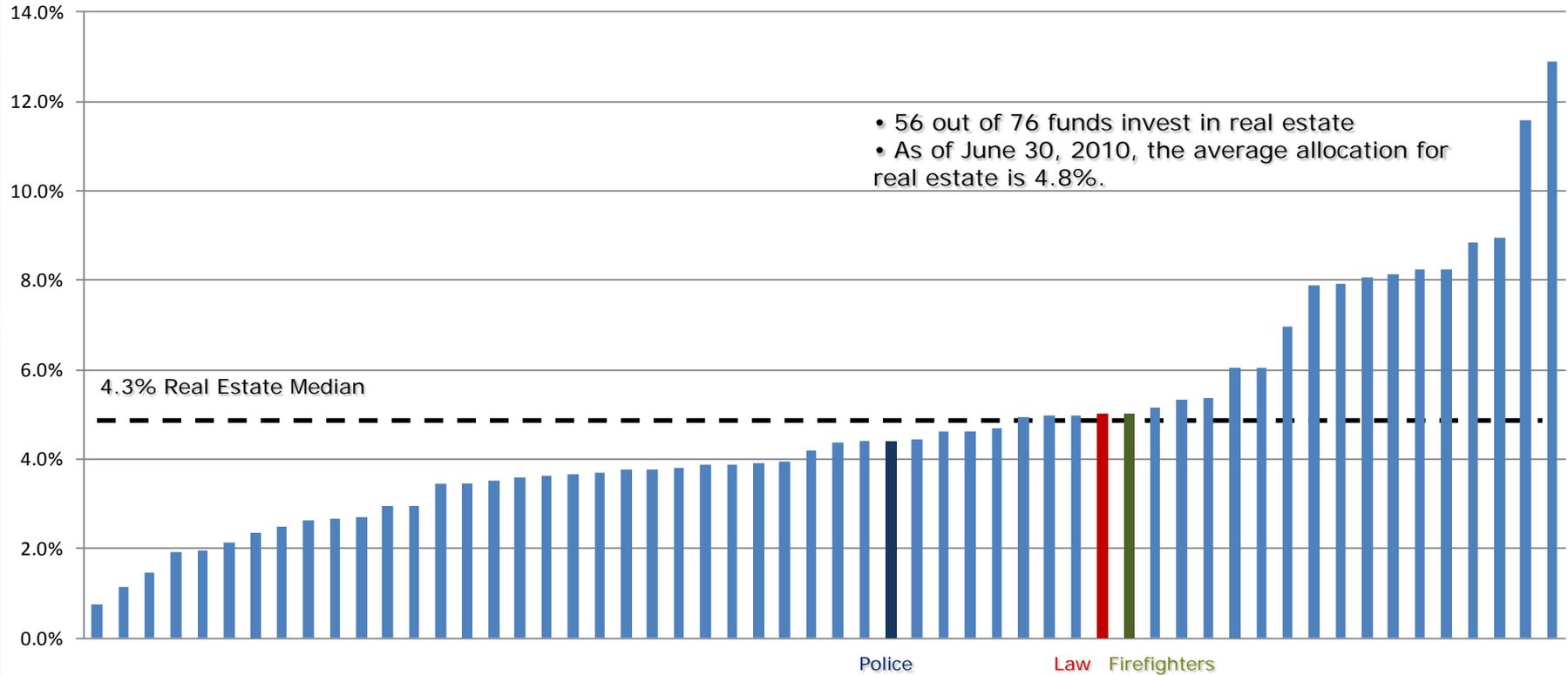
Period Ending June 30, 2010



Real Estate Allocation of Screened Universe (76 Funds)

Allocation by Fund

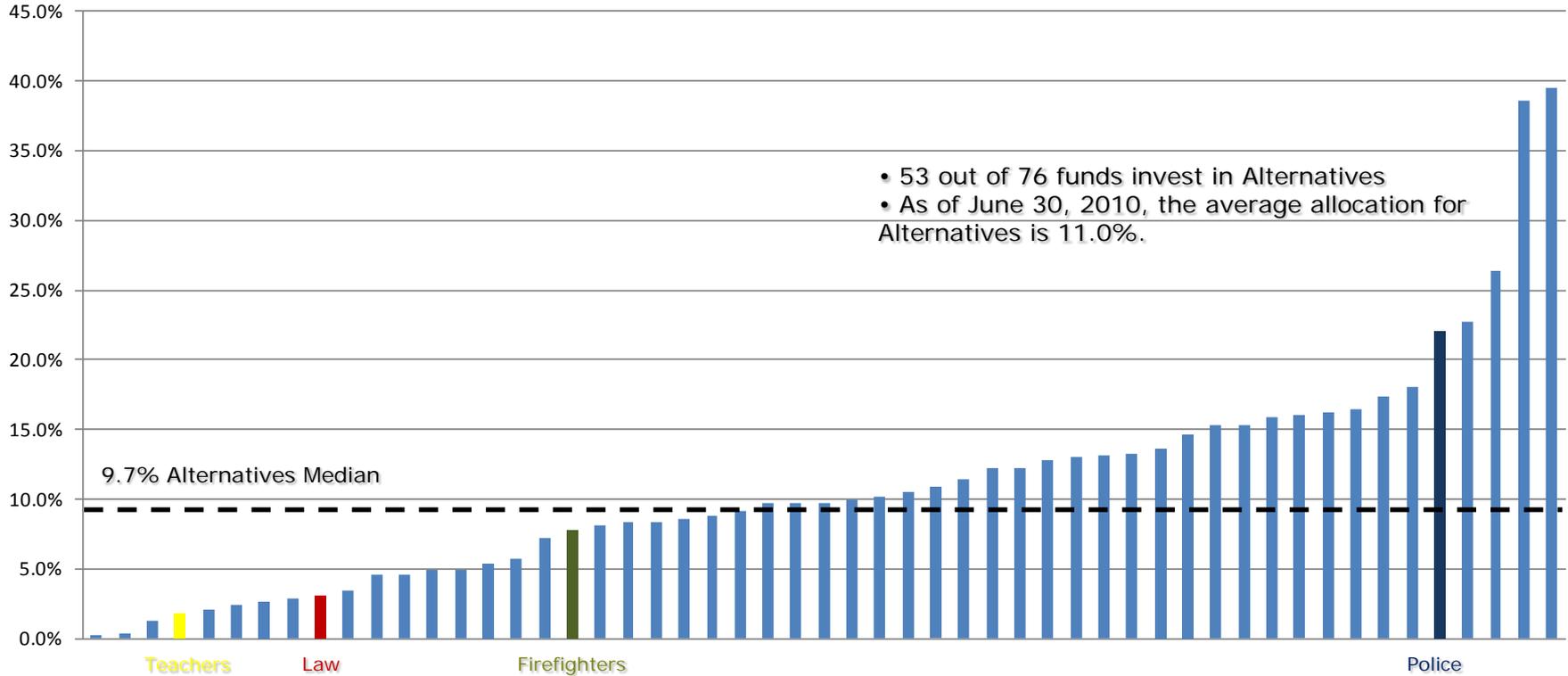
Period Ending June 30, 2010



Alternative Assets Allocation of Screened Universe (76 Funds)

Allocation by Fund

Period Ending June 30, 2010

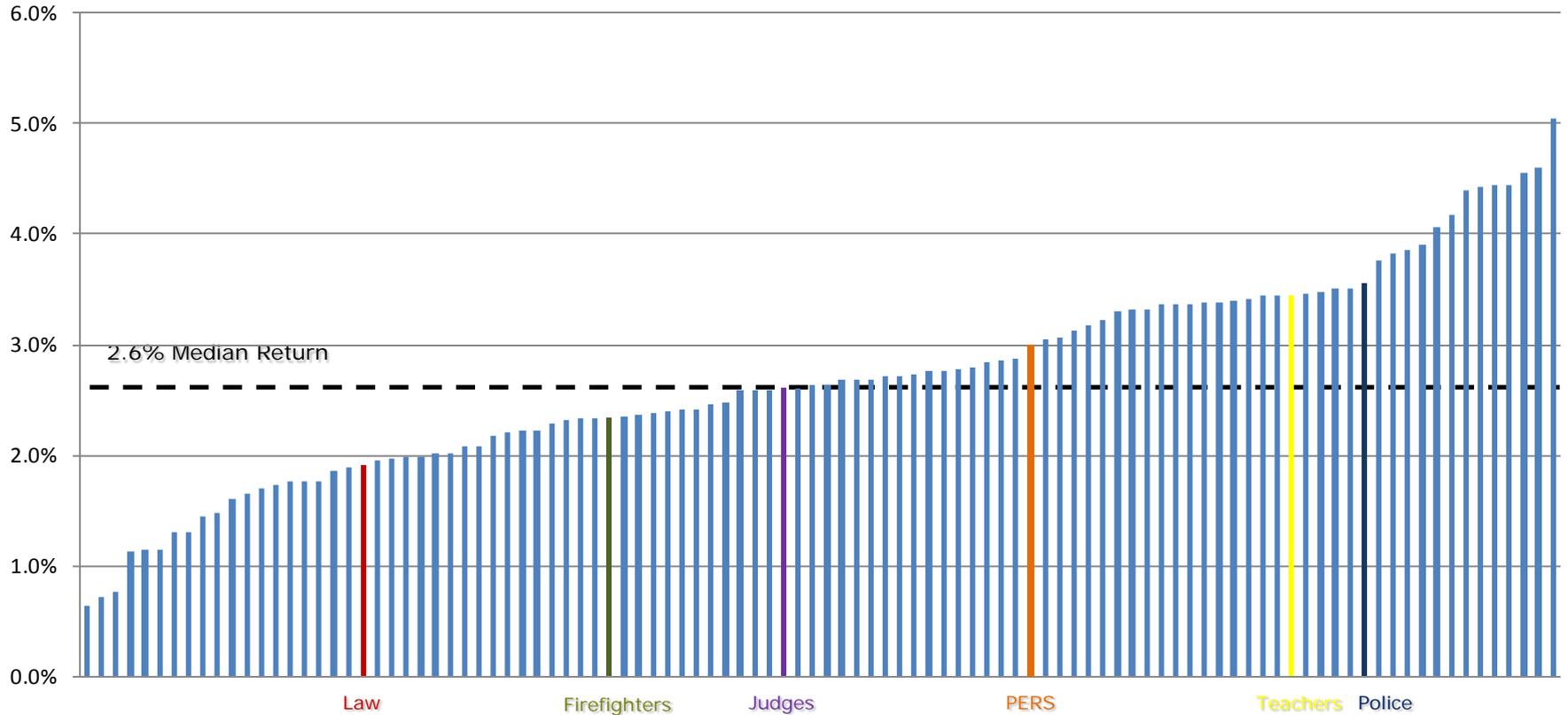


Alternatives includes Hedge Funds, Private Equity, and Venture Capital



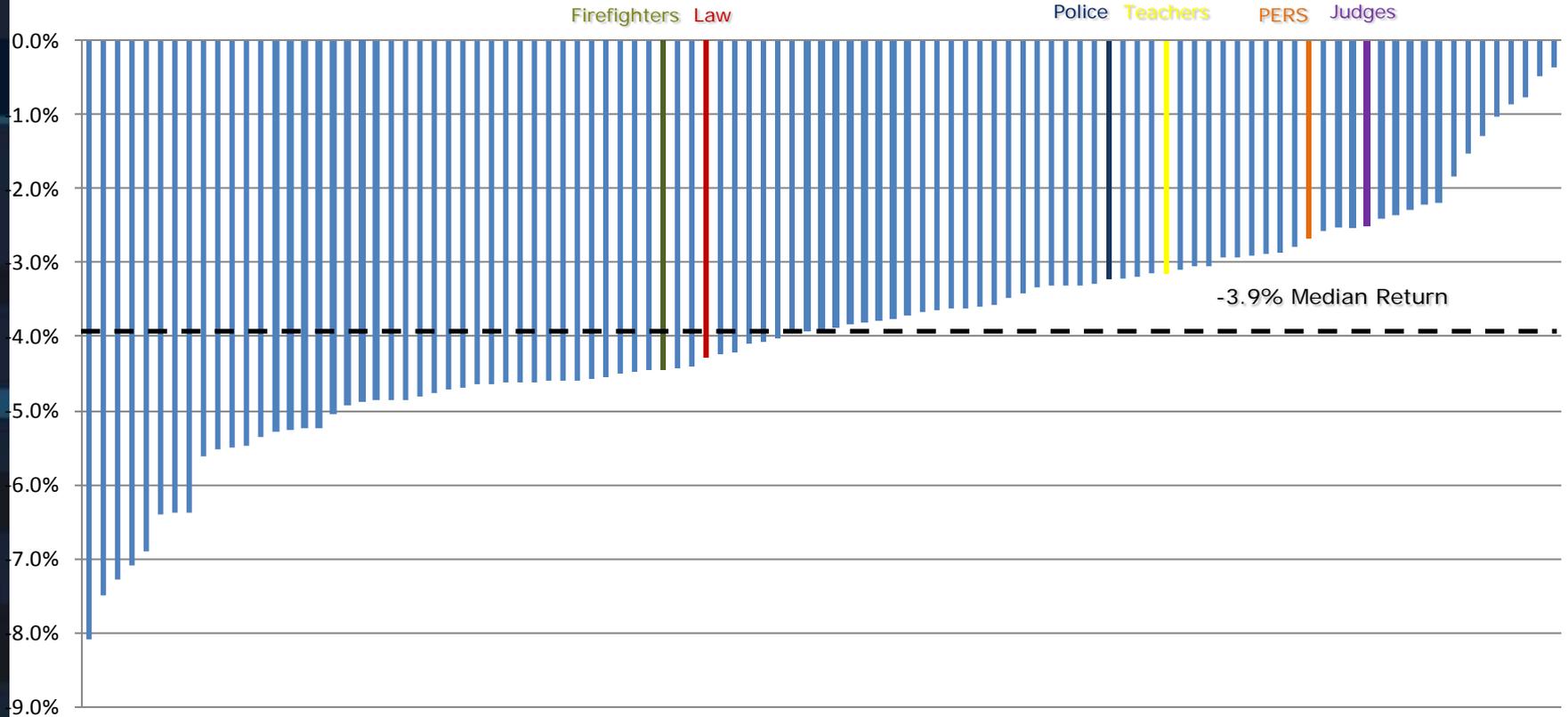
5 Year Annualized Returns (102 Funds)

Five Years Ending
June 30, 2010



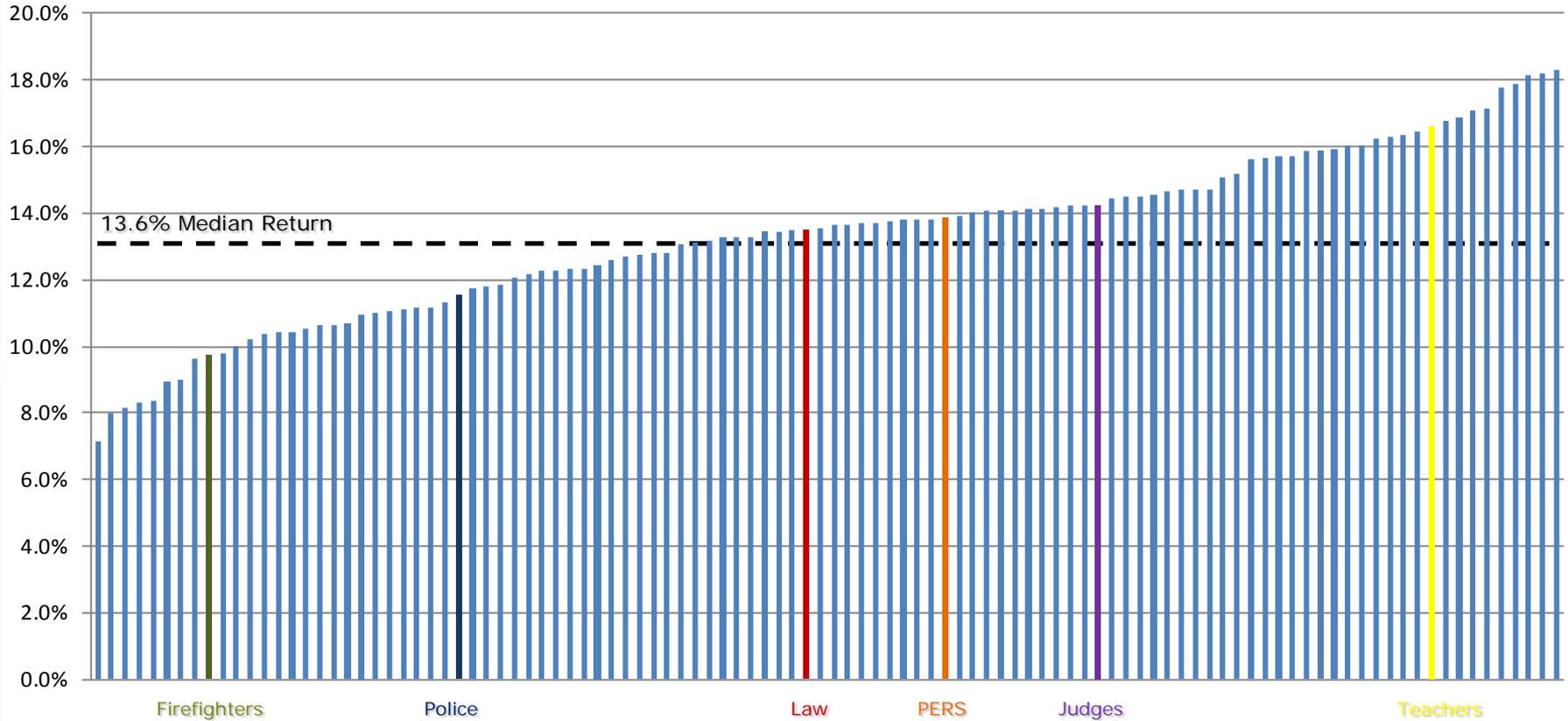
3 Year Annualized Returns (103 Funds)

Five Years Ending
June 30, 2010



Annual Returns (106 Funds)

Year Ending
June 30, 2010



Mercer Public Fund Analysis

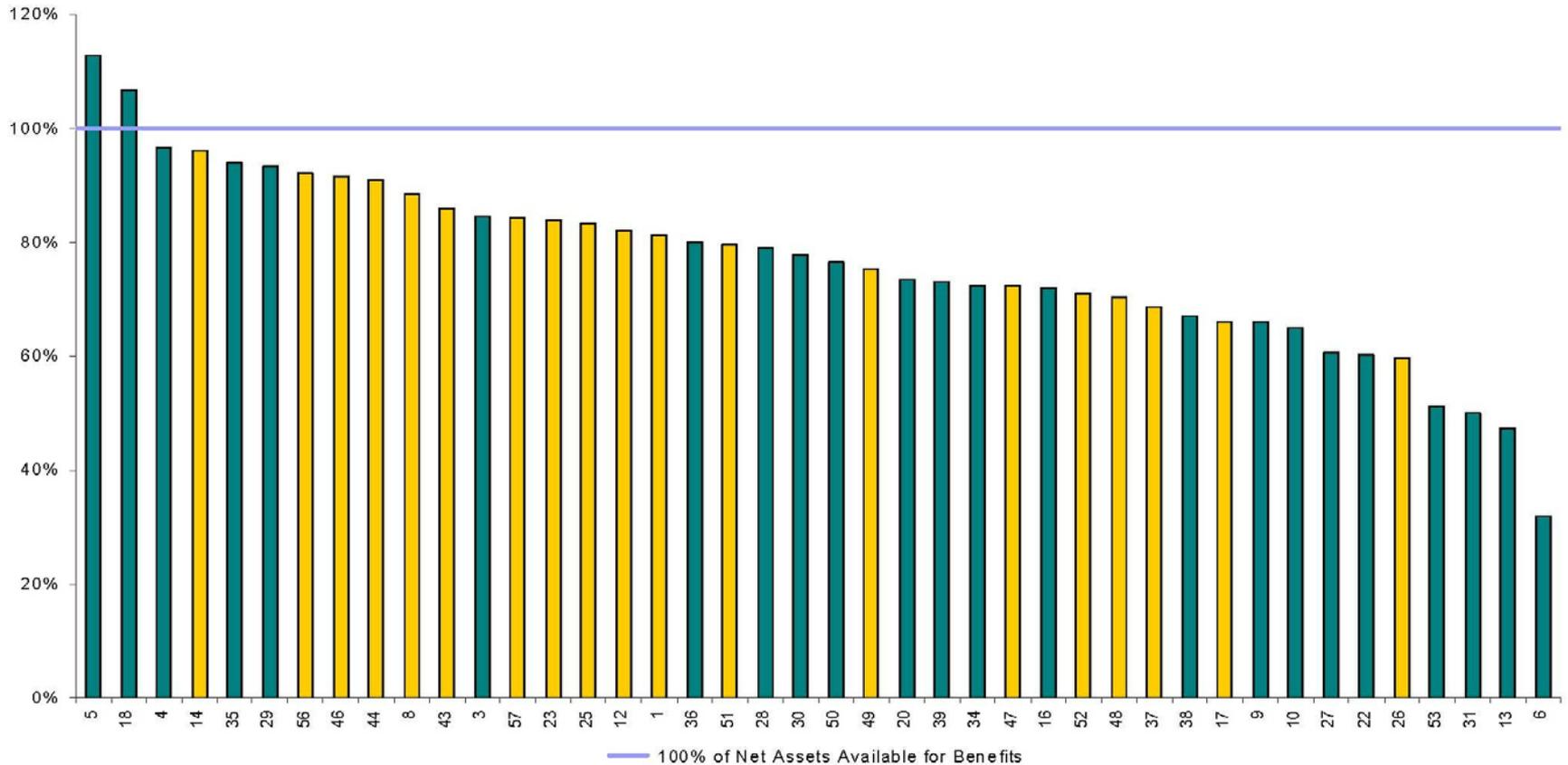
Participants in Mercer Study As of 6/30/10

Alameda County Employees Retirement Association
City of El Paso
City of Milwaukee
City of Tampa
County of Fairfax Retirement
Firemens Annuity and Benefit Fund of Chicago
Government of Guam Retirement Fund
Indiana Public Employees Retirement Fund
Kern County Employees Retirement Association
Los Angeles County Employees Retirement Association
Louisiana School Employees Retirement
Marin County Employees Retirement Association
Mendocino County Employees Retirement Association
Metropolitan Water Reclamation District of Greater Chicago
Milwaukee County
Municipal Employees Annuity & Benefit Fund of Chicago
Municipal Police Employees Retirement System of Louisiana
New York State Common Retirement Fund
Orange County Employees Retirement System
Public School Teachers Pension & Retirement Fund of Chicago
Regional Transportation Authority (Police/Fire)
Sacramento County Employees Retirement System
San Diego City Employees Retirement System
San Joaquin County Employees Retirement Association
Santa Barbara County Employees Retirement System
Sonoma County Employees Retirement Association
State Universities Retirement System of Illinois
Town of Norwood Retirement Board
Ventura County Employees Retirement Association

City of Baltimore Fire & Police Employees Retirement System
City of Grand Rapids Police & Fire Retirement System
City of Pittsburgh
Contra Costa County Employees Retirement Association
East Bay Municipal Utility District Employees Retirement System
Fresno County Employees Retirement Association
Imperial County Employees Retirement System
Kansas City Police Employees Retirement System
Knoxville Utilities Board
Los Angeles County Metropolitan Transportation Authority
Manhattan & Bronx Surface Transit Operating Authority
Memphis Public Library & Information Center
Merced County Employees Retirement Association
Michigan Department of Treasury
Montgomery County Employees Retirement System
Municipal Employees Retirement System
Nevada Public Employees Retirement System
Ohio Public Employees Retirement System
Public Employees Retirement System of Mississippi
Regional Transportation Authority
Retirement Board of Allegheny County
San Bernardino County Employees Retirement Association
San Diego County Employees Retirement Association
San Mateo County Employees Retirement Association
Santa Clara Valley Transportation Authority
Stanislaus County Employees Retirement Association
Texas Municipal Retirement System
Tulare County Employees Retirement Association
Virginia Retirement System

Mercer Study – Net Assets Available for Benefits

Expressed as a Percentage of the Pension Benefit Obligation as of 6/30/10

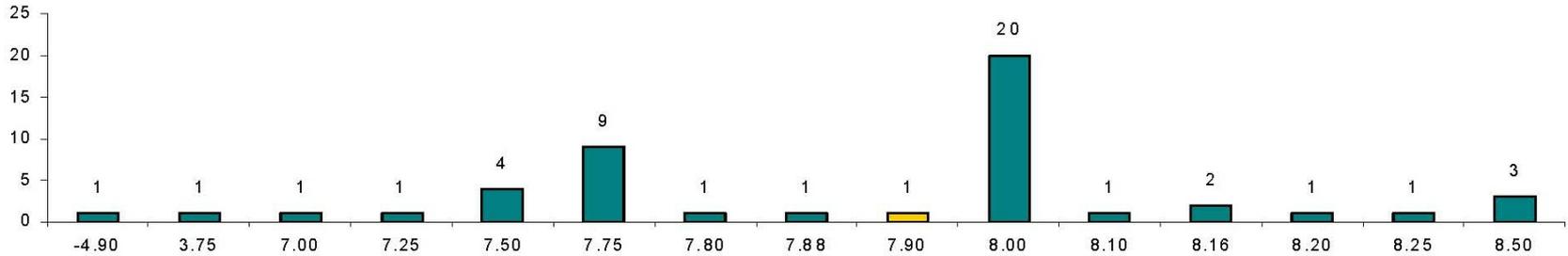


42 Of 58 funds provided Net Assets Available Data
Source: Mercer

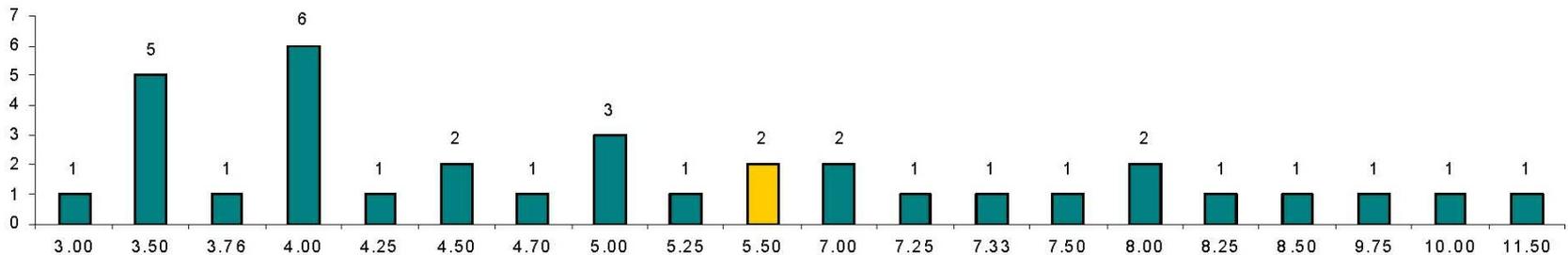
Mercer Study – Actuarial Assumed Rates

As of June 30, 2010

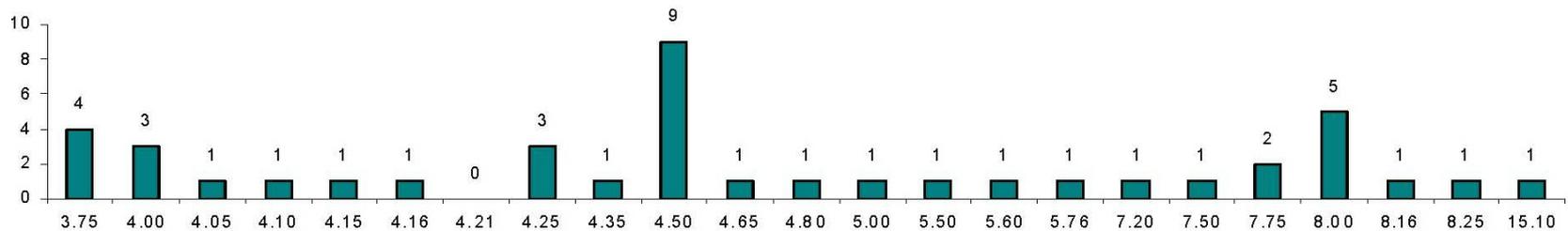
Actuarial Rate Assumptions - 8.00% Median
48 of 58 funds provided Actuarial Rate information



Salary Growth Rate Assumptions (Inflation plus Merit) - 5.00% Median
35 of 58 funds provided Salary Growth Rate information



Real Rate of Assumed Investment Return (Interest Rate minus Inflation) - 4.50% Median
42 of 58 funds provided Real Rate of Assumed Investment Return information



■ SACRS Median

Appendix

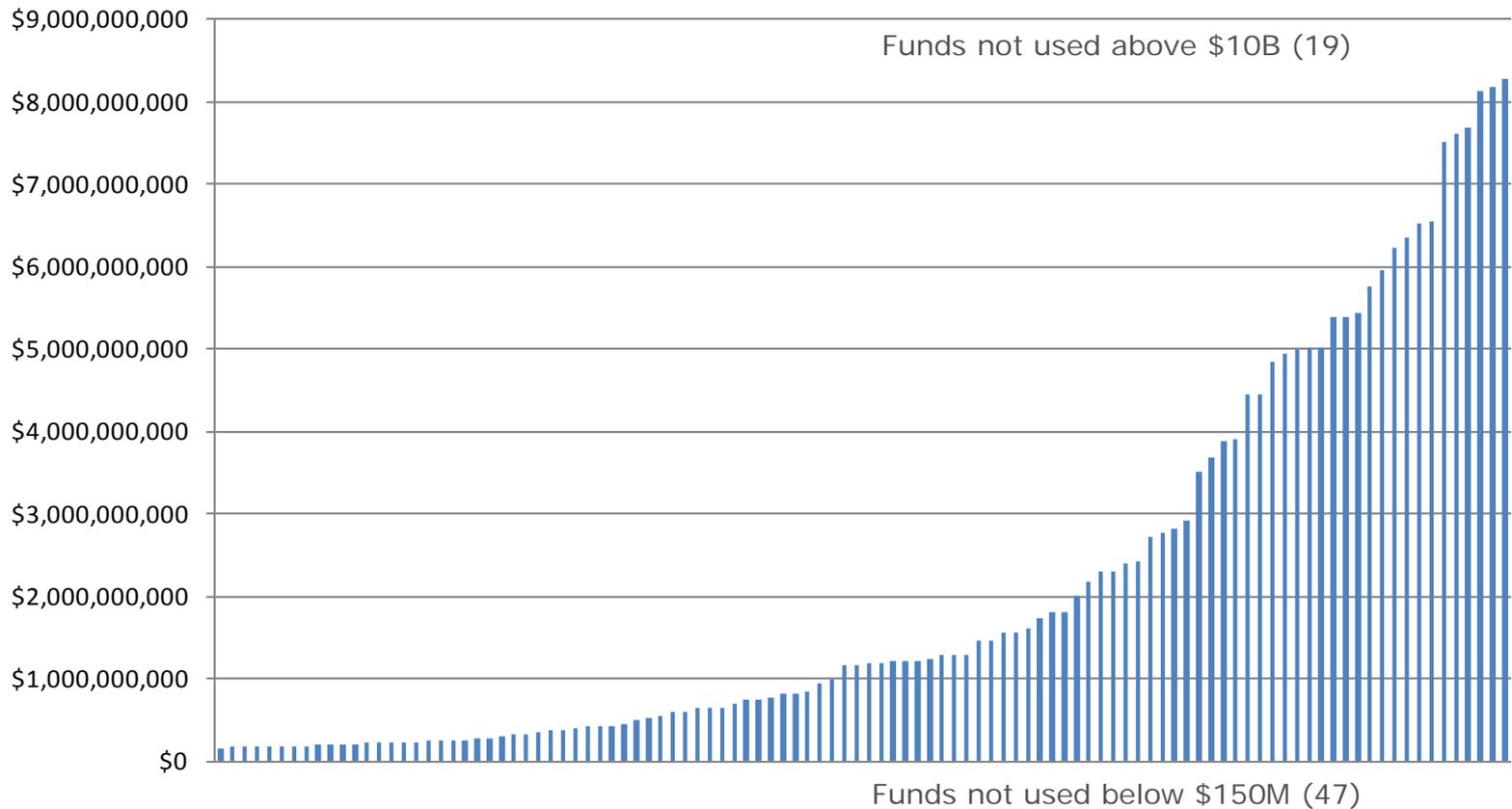
NEPC is pleased to present the following Public Funds Universe Analysis Report. The information contained herein is drawn from the NEPC/ICC database. This database represents the industry's largest public funds universe, containing over 170 public funds, with aggregate assets in excess of \$1 Trillion and over 3,545 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 June 30, 2010.

Public Fund Universe

170 Total Public Funds in ICC Universe
76 Total public Funds Screened for this Analysis
Values as of 6/30/10



Public Fund Universe Statistical Summary

Allocation Range for All Public Funds (170 Funds Size Range \$727K- \$199B)

	Domestic		Domestic	Global	Real		
	Equity	Int'l. Equity	Bond	Bond	Estate	Alt. Assets	Other
5th Percentile	51.9%	20.0%	53.3%	9.8%	8.9%	31.8%	5.5%
25th Percentile	42.9%	14.3%	20.3%	2.2%	4.5%	10.3%	1.6%
Public Median	33.0%	11.8%	10.2%	0.0%	2.5%	0.0%	0.5%
75th Percentile	18.2%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%
95th Percentile	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Average Allocation for Screened Public Funds (44 Funds, Range \$150M-\$1B)

	Domestic		Domestic	Global	Real		
	Equity	Int'l. Equity	Bond	Bond	Estate	Alt. Assets	Other
	38.0%	13.2%	30.1%	4.2%	3.5%	5.8%	5.1%

Average Allocation for Screened Public Funds (32 Funds, Range \$1B-\$10B)

	Domestic		Domestic	Global	Real		
	Equity	Int'l. Equity	Bond	Bond	Estate	Alt. Assets	Other
	33.8%	14.0%	27.8%	4.7%	3.9%	8.4%	7.3%