

Oklahoma State Pension Commission



Fee Analysis for Calendar Year 2005

June, 2006

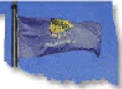
Allan Martin, Partner
Kevin Tatlow, Consultant



"Advancing Your Investments"
NEW ENGLAND PENSION CONSULTANTS

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Fee Comparison from 2004 to 2005 – Periods ending Dec 31



2005 FEES

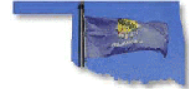
	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/05 Asset Market Value (\$ in 000's)	\$7,892,995	\$5,725,349	\$1,440,796	\$1,484,708	\$661,958	\$211,629	\$57,878	\$17,475,313
Custody Fee	\$101,667	\$86,692	\$283,742	\$321,662	\$263,363	\$3,308	\$17,024	\$1,060,434
Securities Lending Income	(\$2,118,751)			(\$204,518)				
Commission Rebates	(\$1,002,708)			(\$34,645)				
Sub-Total (Custody)	\$101,667	\$86,692	\$283,742	\$321,662	\$263,363	\$3,308	\$17,024	\$1,077,458
Investment Manager Fees	\$23,847,135	\$6,518,341	\$4,758,373	\$8,995,234	\$2,544,415	\$111,959	\$285,744	\$47,061,201
Average Basis Points	30	11	33	61	38	5	49	27
Total Investment Return	7.4%	7.2%	7.9%	7.4%	7.1%	6.6%	5.8%	7.4%
Sub-Total Manager Fees	\$23,847,135	\$6,518,341	\$4,758,373	\$8,995,234	\$2,544,415	\$111,959	\$285,744	\$47,061,201
Investment Consultant	\$519,069	\$192,649	\$120,000	\$422,917	\$106,667	\$7,351	N/A	\$1,368,653
TOTAL FEES FOR 2005	\$24,467,871	\$6,797,682	\$5,162,115	\$9,739,813	\$2,914,445	\$122,618	\$302,768	\$49,507,312
Average Basis Points	31	12	36	66	44	6	52	28

2004 FEES

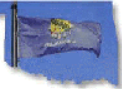
	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/04 Asset Market Value (\$ in 000's)	\$7,479,334	\$5,428,469	\$1,433,048	\$1,405,835	\$629,519	\$203,995	\$53,391	\$16,633,591
Custody Fee	\$132,917	\$115,664	\$282,449	\$244,192	\$320,969	\$4,336	\$18,397	\$1,100,527
Securities Lending Income	(\$2,797,743)			(\$231,711)				
Commission Rebates	(\$1,053,279)			(\$82,353)				
Sub-Total (Custody)	\$132,917	\$115,664	\$282,449	\$244,192	\$320,969	\$4,336	\$18,397	\$1,100,527
Investment Manager Fees	\$22,647,733	\$6,117,777	\$4,668,363	\$8,962,095	\$2,627,557	\$95,537	\$267,373	\$45,386,435
Average Basis Points	30	11	33	64	42	5	50	27
Total Investment Return	13.7%	11.2%	11.5%	10.5%	11.0%	10.3%	7.9%	12.2%
Sub-Total Manager Fees	\$22,647,733	\$6,117,777	\$4,668,363	\$8,962,095	\$2,627,557	\$95,537	\$267,373	\$45,386,435
Investment Consultant	\$386,668	\$185,528	\$115,000	\$411,878	\$99,583	\$6,972	N/A	\$1,205,629
TOTAL FEES FOR 2004	\$23,167,318	\$6,418,969	\$5,065,812	\$9,618,165	\$3,048,109	\$106,845	\$285,770	\$47,710,988
Average Basis Points	31	12	35	68	48	5	54	29

Asset Growth & Fee Growth 2004 to 2005

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
Growth in Assets from 2004 to 2005	5.5%	5.5%	0.5%	5.6%	5.2%	3.7%	8.4%	5.1%
Growth in Fees from 2004 to 2005	5.6%	5.9%	1.9%	1.3%	-4.4%	14.8%	5.9%	3.8%



Individual Retirement System Fee Analysis



Teachers Retirement System

OKLAHOMA TEACHERS' RETIREMENT SYSTEM (\$7,892,994,359)

		<u>2004</u>		<u>2005</u>					
CUSTODY FEES:									
Custodian: Northern Trust									
	Custody Fee	\$	132,917	\$	101,667				
	Securities Lending Income	\$	(2,797,743)	\$	(2,118,751)				
	Commission Rebates	\$	(1,053,279)	\$	(1,002,708)				
	Sub-Total	\$	<u>132,917</u>	\$	<u>101,667</u>				
INVESTMENT MANAGERS:									
			<u>BPS</u>		<u>BPS</u>	<u>Assets as of 12/2005 (000)</u>			
Bankers Trust/Northern Trust	S&P 500 Index	\$	87,427	1	\$	90,400	1	\$	733,758
Goldman Sachs	Large Cap Grow th	\$	1,588,030	23	\$	1,757,675	25	\$	705,176
Hotchkis & Wiley	Large Cap Value	\$	2,011,098	27	\$	2,078,580	26	\$	796,514
Aronson & Partners	Mid Cap Value	\$	1,294,815	42	\$	886,294	28	\$	317,587
Frontier Capital	Mid Cap Core	\$	1,486,827	54	\$	1,625,675	53	\$	307,147
Hotchkis & Wiley	Mid Cap Value	\$	1,521,216	49	\$	1,640,838	51	\$	320,326
Wellington Management	Mid Cap Grow th	\$	1,218,481	42	\$	1,408,651	45	\$	311,893
Artemis	Small Cap Grow th	\$	1,063,794	-	\$	-	-	\$	-
Kopp Investment Advisors	Small Cap Grow th	\$	414,964	90	\$	-	-	\$	-
Shapiro Capital Mgmt	Small Cap Value	\$	2,253,891	81	\$	2,630,922	88	\$	298,487
Smith Group	Small Cap	\$	-	-	\$	964,074	47	\$	203,108
State Street	Small Cap	\$	14,348	1	\$	12,500	-	\$	-
Tocqueville	Small Cap Value	\$	1,624,318	63	\$	1,815,172	62	\$	291,573
Bank of Ireland	International Equity	\$	197,946	-	\$	-	-	\$	-
Brandes	International Equity	\$	2,026,944	35	\$	2,304,603	41	\$	564,568
Capital Guardian	International Equity	\$	1,287,885	39	\$	1,515,959	37	\$	409,733
Causeway	International Equity	\$	1,169,404	34	\$	1,332,144	42	\$	319,082
Thornburg	International Equity	\$	-	-	\$	12,079	1	\$	153,384
TT International	International Equity	\$	682,446	64	\$	105,330	-	\$	-
Hoisington	Fixed Income	\$	24,050	2	\$	169,313	15	\$	115,707
Loomis Sayles	Core Bond	\$	740,547	24	\$	651,358	21	\$	316,374
Lord Abbett	Fixed Income	\$	86,435	4	\$	557,342	22	\$	253,018
Mackay Shields	Fixed Income	\$	100,386	4	\$	644,583	26	\$	252,130
Mellon	Core Bond	\$	97,955	2	\$	77,922	2	\$	418,063
Neuberger & Berman	Core Bond	\$	661,294	21	\$	512,848	16	\$	318,526
PIMCO	Core Bond	\$	965,547	33	\$	871,736	27	\$	319,856
Stephens Capital	Fixed Income	\$	27,685	3	\$	181,137	18	\$	102,232
Cash Account	Cash	\$	-	-	\$	-	-	\$	64,737
	Sub-Total	\$	<u>22,647,733</u>	<u>30</u>	\$	<u>23,847,135</u>	<u>30</u>	\$	<u>7,892,980</u>
INVESTMENT CONSULTANT:									
gregory.w.group (formerly MAI)		\$	<u>386,668</u>		\$	<u>519,069</u>			
TOTAL INVESTMENT FEES:		\$	23,167,318	27	\$	24,467,871	31		

*The Teacher's also paid a fee of \$19,680 to Bloomberg Financial Information Services in 2005

Asset Allocation Breakdown as of December 31, 2005

	<u>% of Total</u>
Domestic Equity	54.4%
% Active	45.1%
% Passive	9.3%
Domestic Fixed	26.6%
% Active	21.3%
% Passive	5.3%
International Eq	18.3%
% Active	18.3%
% Passive	0.0%
Other	0.8%

Total 2005 Return 7.4%





Public Employees Retirement System

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM (\$5,725,348,845)

2004

2005

CUSTODY FEES:

Bankers Trust + Northern Trust

Custody Fee*	\$ 115,664	\$ 86,692
Sub-Total	<u>\$ 115,664</u>	<u>\$ 86,692</u>

INVESTMENT MANAGERS:

		<u>BPS</u>		<u>BPS</u>		<u>Assets as of</u>
						<u>12/2005 (000)</u>
Aeltus	Large Cap Enh Core	\$ 193,020	-	\$ -	-	\$ -
Aronson & Partners	Large Cap Value	\$ 192,858	12	\$ 675,186	37	\$ 183,736
Barclays Russell 3000 Index	All Cap Index	\$ 186,838	1	\$ 177,916	1	\$ 1,530,355
Franklin	Large Cap Core	\$ 55,499	2	\$ 121,240	5	\$ 257,382
State Street	Large Cap Core	\$ 4,607	0	\$ 694,162	24	\$ 293,345
TCW	Large Cap Growth	\$ 1,179,672	64	\$ 100,000	5	\$ 192,544
Barrow Hanley	Small Cap Value	\$ -	-	\$ 311,094	57	\$ 54,634
Dimensional Fund Advisors	Small Cap Value	\$ 248,083	-	\$ -	-	\$ -
UBS Global	Small Cap Growth	\$ 119,464	23	\$ 573,011	103	\$ 55,639
Barclays EAFE Index	International Equity	\$ 94,807	3	\$ 89,029	3	\$ 348,929
Barclays EAFE Growth Index	International Equity	\$ -	-	\$ 45,137	2	\$ 291,270
Barclays Emerging Mkt Index	Emerging Market	\$ -	-	\$ 64,834	19	\$ 34,300
Capital Guardian**	Emerging Market	\$ -	-	\$ -	-	\$ -
Capital Guardian**	International Equity	\$ 1,121,001	41	\$ 432,005	-	\$ 306
Delaware (Mondrian)	International Equity	\$ 1,007,365	31	\$ 1,183,375	31	\$ 377,802
Blackrock	Enhanced Core Bond	\$ 1,202,163	9	\$ 1,280,234	10	\$ 1,313,071
Hoisington	Long Bond	\$ 464,751	11	\$ 489,653	12	\$ 412,609
Metwest	Core Bond	\$ 47,649	1	\$ 281,465	8	\$ 358,056
Cash Account	Cash	\$ -	-	\$ -	-	\$ 21,372
Sub-Total		<u>\$ 6,117,777</u>	<u>11</u>	<u>\$ 6,518,341</u>	<u>11</u>	<u>\$ 5,725,348</u>

INVESTMENT CONSULTANT:

Strategic Investment Solutions*	\$ 185,528	\$ 192,649
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TOTAL INVESTMENT FEES: **\$ 6,418,969 12** **\$ 6,797,682 12**

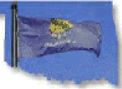
* Custody and Investment Consultant fees are shared with URSJJ plan. Fees per plan are proportioned according to total plan assets.

**Capital Guardian market value and fees include both International Equity and Emerging Markets

**Asset Allocation Breakdown
as of December 31, 2005**

	<u>% of Total</u>
Domestic Equity	44.9%
% Active	18.2%
% Passive	26.7%
Domestic Fixed	36.4%
% Active	36.4%
% Passive	0.0%
International Eq	18.4%
% Active	6.6%
% Passive	11.8%
Other	0.4%

Total 2005
Return
7.2%



Firefighters Retirement System

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM (\$1,440,796,099)

		<u>2004</u>		<u>2005</u>					
CUSTODY FEES:									
State Street Bank									
Custody Fee		\$	282,449	\$	283,742				
Sub-Total		\$	282,449	\$	283,742				
INVESTMENT MANAGERS:									
						Assets as of			
						12/2005 (000)			
				BPS		BPS			
Aronson & Partners	Large Cap Value	\$	484,517	121	\$	308,958	69	\$	44,489
Brandywine	Large Cap Value	\$	216,711	57	\$	171,668	40	\$	42,583
Chase Investment	Large Cap Growth	\$	228,137	51	\$	302,064	35	\$	86,850
Holt Smith & Yates	Large Cap Growth	\$	245,510	69	\$	163,554	-	\$	-
Intech	Large Cap Core	\$	363,025	29	\$	432,869	32	\$	134,770
State Street*	S&P 500 Index	\$	80,884	3	\$	59,327	1	\$	91,695
State Street*	Equal Weighted S&P	\$	-	-	\$	-	-	\$	94,027
Banc One	Small Cap Value	\$	376,033	76	\$	-	-	\$	-
Earnest Partners	Small Cap Value	\$	-	-	\$	119,073	23	\$	50,970
New York Life	Small Cap Value	\$	-	-	\$	124,666	25	\$	50,814
Systematic	Small Cap Value	\$	400,317	83	\$	249,408	-	\$	-
Waddell & Reed	Small Cap Growth	\$	538,796	58	\$	724,846	68	\$	106,447
Capital Works	Long/Short	\$	510,333	99	\$	519,035	95	\$	54,860
Allianz	International Equity	\$	-	-	\$	-	-	\$	111,818
Julius Baer	International Equity	\$	477,443	44	\$	557,099	47	\$	119,610
Oppenheimer	International Equity	\$	351,946	-	\$	412,592	-	\$	-
Invesco	High Yield Bond	\$	166,084	20	\$	172,959	20	\$	87,368
Provident	Long Bond	\$	198,944	25	\$	198,588	-	\$	1,754
State Street*	Core Bond	\$	-	-	\$	-	-	\$	128,272
State Street*	Intermediate Bond	\$	-	-	\$	-	-	\$	113,168
JP Morgan	Real Estate	\$	29,683	-	\$	241,667	52	\$	46,562
TA Associates	Real Estate	\$	-	-	\$	-	-	\$	9,822
Pequot	Private Equity	\$	-	-	\$	-	-	\$	60,510
Cash Account	Cash	\$	-	-	\$	-	-	\$	4,404
Sub-Total		\$	4,668,363	32	\$	4,758,373	33	\$	1,440,791
INVESTMENT CONSULTANT:									
Asset Consulting Group		\$	115,000		\$	120,000			
TOTAL INVESTMENT FEES:		\$	5,065,812	35	\$	5,162,115	36		

*State Street did not provide fee broken down by fund.

Asset Allocation Breakdown as of December 31, 2005	
	<u>% of Total</u>
Domestic Equity	52.6%
% Active	39.7%
% Passive	12.9%
Domestic Fixed	23.0%
% Active	6.2%
% Passive	16.8%
International Eq	16.1%
% Active	16.1%
% Passive	0.0%
Other	8.4%

**Total 2005
Return
7.9%**





Law Enforcement Retirement System

**Asset Allocation Breakdown
as of December 31, 2005**

	<u>% of Total</u>
Domestic Equity	53.2%
% Active	53.2%
% Passive	0.0%
Domestic Fixed	27.9%
% Active	10.1%
% Passive	17.8%
International Eq	11.4%
% Active	11.4%
% Passive	0.0%
Other	7.5%

**Total 2005
Return
7.1%**

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM (\$661,957,999)

		<u>2004</u>		<u>2005</u>			
CUSTODY FEES:							
Northern Trust							
Custody Fee		\$	320,969	\$	263,363		
Sub-Total		\$	320,969	\$	263,363		
INVESTMENT MANAGERS:							
						BPS	Assets as of 12/2005 (000)
Hotchkis & Wiley	Large Cap Value	\$	604,129	\$	804,467	47	63
MacKay Shields	Large Cap Grow th	\$	361,904	\$	276,922	33	23
Artisan	Small Cap	\$	-	\$	191,176	-	36
Kennedy Capital	Small Cap Value	\$	690,357	\$	699,419	114	129
Constitution Research	Small Cap Grow th	\$	377,754	\$	190,964	87	-
Bank of Ireland	International Equity	\$	347,905	\$	-	97	-
Delaware (Mondrian)	International Equity	\$	-	\$	156,085	-	42
Julius Baer	International Equity	\$	-	\$	-	-	-
Munder Capital	Core Bond	\$	39,506	\$	-	-	-
NTGI Bond	Core Bond	\$	35,119	\$	34,679	3	3
TCW	Core Bond	\$	170,883	\$	190,703	26	29
RREEF	Real Estate	\$	-	\$	-	-	-
AMR Private Equity	Private Equity	\$	-	\$	-	-	-
Knightsbridge VI	Private Equity	\$	-	\$	-	-	-
Cash Account	Cash	\$	-	\$	-	-	-
Sub-Total		\$	2,627,557	\$	2,544,415	42	38
INVESTMENT CONSULTANT:							
Asset Consulting Group		\$	99,583	\$	106,667		
TOTAL INVESTMENT FEES:		\$	3,048,109	\$	2,914,445	48	44



Judges & Justices Retirement System

OKLAHOMA RETIREMENT SYSTEM FOR JUDGES AND JUSTICES (\$211,628,017)

Asset Allocation Breakdown as of December 31, 2005

	<u>% of Total</u>
Domestic Equity	39.4%
% Active	0.0%
% Passive	39.4%
Domestic Fixed	44.6%
% Active	44.6%
% Passive	0.0%
International Eq	15.8%
% Active	0.0%
% Passive	15.8%
Other	0.1%

**Total 2005
Return
6.6%**

CUSTODY FEES:

	<u>2004</u>	<u>2005</u>
Bankers Trust + Northern Trust		
Custody Fee*	\$ 4,336	\$ 3,308
Sub-Total	<u>\$ 4,336</u>	<u>\$ 3,308</u>

INVESTMENT MANAGERS:

		<u>2004</u>	<u>BPS</u>	<u>2005</u>	<u>BPS</u>	<u>Assets as of 12/2005 (000)</u>
Barclays Russell 3000 Index	All Cap Equity	\$ 8,811	1	\$ 9,461	1	\$ 83,312
Barclays EAFE	EAFE Index Provisional	\$ 9,181	3	\$ 8,613	3	\$ 33,390
Blackrock	Enhanced Core Bond	\$ 52,824	9	\$ 57,565	10	\$ 57,603
Hoisington	Long Bond	\$ 22,370	11	\$ 23,055	12	\$ 19,151
Metwest	Core Bond	\$ 2,351	1	\$ 13,265	7	\$ 17,874
Cash Account	Cash	\$ -	-	\$ -	-	\$ 297
Sub-Total		<u>\$ 95,537</u>	<u>5</u>	<u>\$ 111,959</u>	<u>5</u>	<u>\$ 211,628</u>

INVESTMENT CONSULTANT:

Strategic Investment Solutions*	<u>\$ 6,972</u>	<u>\$ 7,351</u>
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TOTAL INVESTMENT FEES: \$ 106,845 5 \$ 122,618 6

* Custody and Investment Consultant fees are shared with OPERS plan. Fees per plan are proportioned according to total plan assets.



**Asset Allocation Breakdown
as of December 31, 2005*****

	<u>% of Total</u>
	<u>Fund</u>
Domestic Equity	100.0%
% Active	100.0%
% Passive	0.0%
Domestic Fixed	0.0%
% Active	0.0%
% Passive	0.0%
International Eq	0.0%
% Active	0.0%
% Passive	0.0%
Other	0.0%

**Total 2005
Return
5.8%**

OKLAHOMA DEPARTMENT OF WILDLIFE (\$57,877,760)				
	<u>2004</u>		<u>2005</u>	
FEES:		<u>BPS</u>		<u>BPS</u>
Aetna				
General Account Charges	\$ 12,485		\$ 10,765	
Custodian Fee Bank of OK	\$ 5,912		\$ 6,259	
Discretionary Asset Management Fee	\$ 267,373		\$ 285,744	
TOTAL INVESTMENT FEES:	\$ 285,770	54	\$ 302,768	52
Investment Manager Fees* (pooled accounts)				
Aeltus/ING Investment Management**				
Growth Equity	\$ -		\$ 49,753	
Enhanced Core Equity	\$ -		\$ 35,466	
Value Equity	\$ -		\$ 36,929	
SMID Equity	\$ -		\$ 5,035	
International Equity	\$ -		\$ 17,617	
Fixed Income	\$ -		\$ 99,029	
Cash Management	\$ -		\$ 41,915	
Sub-Total	\$ 267,373		\$ 285,744	

*2004 Investment Management Fees were not broken down by individual pooled account
**Effective 12/1/2005 Aeltus/ING was replaced by Bank of Oklahoma as the Investment Manager

***As of December 31, 2005, all assets were with Bank of Oklahoma domestic equity.