



Oklahoma State Pension Commission

Public Fund Universe Analysis Report

August, 2007

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"Advancing Your Investments"
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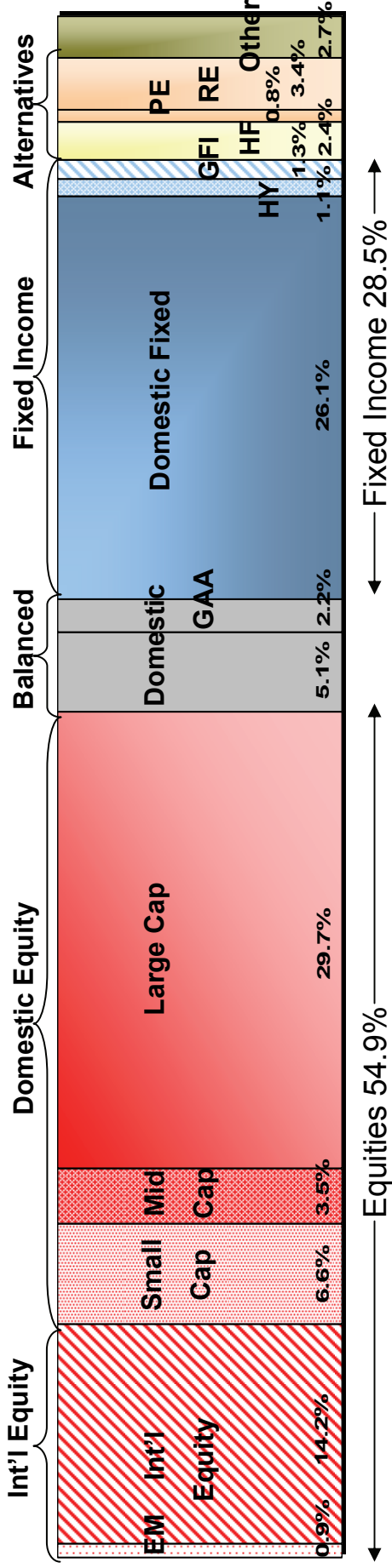
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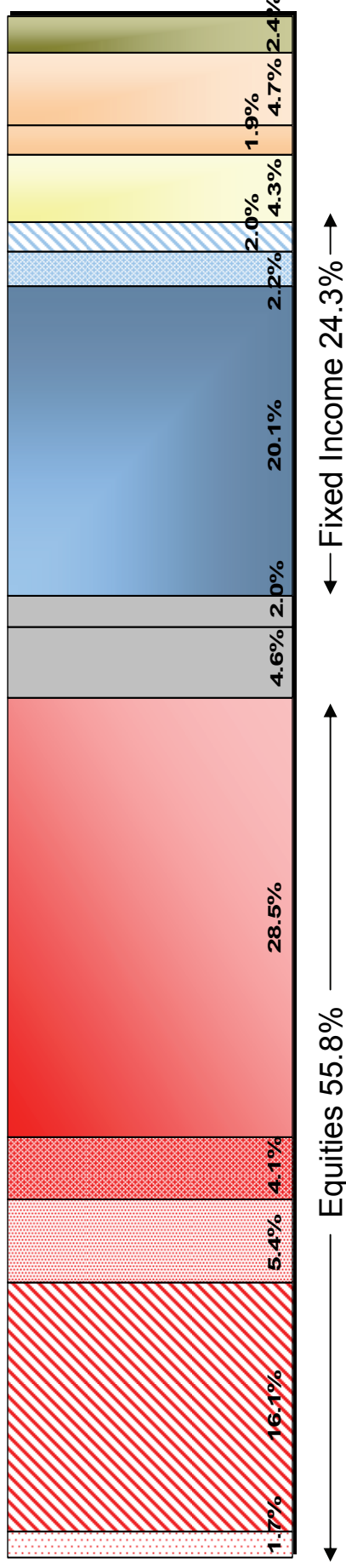


Asset Allocation – ICC Public Plans

Average Public DB Plan



Average Public DB Plan > \$1 Billion



* Average Public DB Plan includes 148 observations

** Average Public DB Plan > \$1 Billion includes 47 observations

***All data as of 3/31/07

Public Fund Asset Allocation Trends

Public Fund Dollar-Weighted Asset Mix of Defined Benefit Pension Plans

Public Funds (329) (325) (304) (304) (313)

Type of Investment	Total Funds					Type of Fund					Plan Assets			
	2002	2003	2004	2005	2006	State Funds	Municipal Funds	Over \$5 Billion	\$1-5 Billion	\$501 Million-\$1 Billion	\$500 Million and Under			
	(302)	(285)	(282)	(282)	(296)	(95)	(194)	(82)	(95)	(52)	(68)			
Base														
Active common stocks	20.6%	22.3%	20.8%	20.5%	20.0%	19.9%	22.9%	18.8%	32.3%	38.6%	33.9%			
Passive common stocks	22.4	23.1	24.0	23.8	22.3	23.1	19.1	23.3	11.3	9.6	11.4			
Total domestic stocks	43.0%	45.4%	44.8%	44.3%	42.3%	43.0%	42.0%	42.1%	43.6%	48.2%	45.3%			
Active international stocks	9.8%	10.6%	11.8%	12.6%	13.9%	14.6%	15.4%	13.8%	15.7%	13.5%	12.1%			
Passive international stocks	3.9	3.9	4.2	4.0	4.7	5.4	2.3	5.0	1.1	1.1	1.9			
Total international stocks	13.6%	14.5%	16.0%	16.7%	18.6%	20.0%	17.7%	18.8%	16.8%	14.6%	14.0%			
Fixed income	32.9%	29.5%	28.0%	27.0%	27.2%	24.7%	29.2%	27.1%	27.5%	27.8%	30.5%			
Equity real estate	5.0	5.2	5.3	5.5	5.8	6.4	5.1	5.9	5.6	5.8	4.2			
Private equity	3.7	3.8	3.8	4.0	4.3	4.9	2.9	4.5	1.9	1.1	1.1			
Hedge funds	0.1	0.2	0.6	0.7	0.5	0.5	1.0	0.4	1.9	1.7	1.9			
Other	1.7	1.3	1.5	1.9	1.3	0.5	2.1	1.2	2.7	0.8	3.0			
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

Note: Dollar-weighted and projected to the Greenwich Associates universe.

Public Fund Asset Allocation Expectations

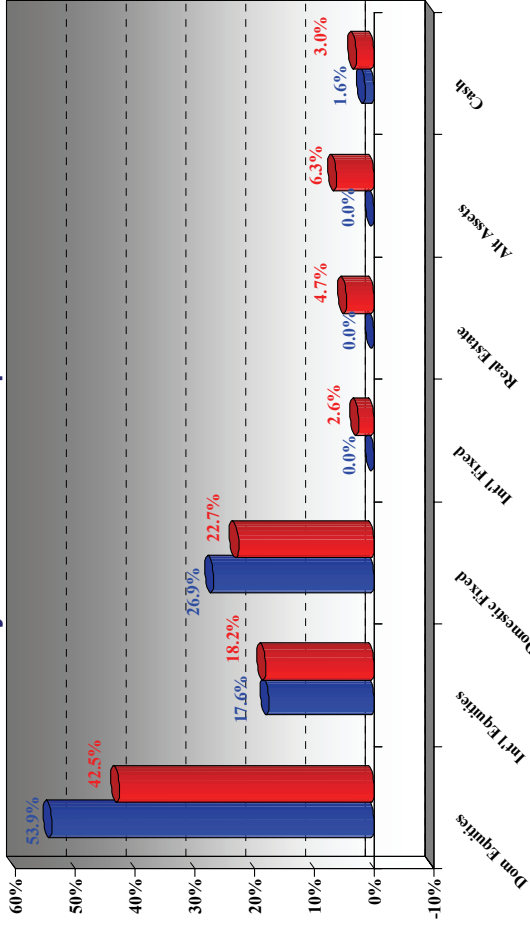
Public Fund Expectations for Asset Mix of Defined Benefit Pension Plans

Public Funds (219)

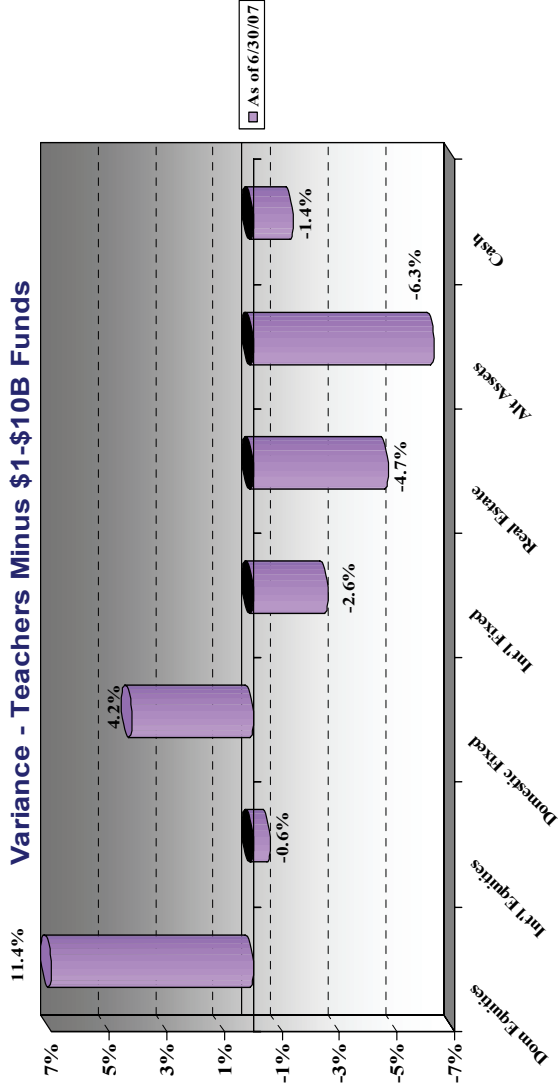
Type of Investment	Current or Expected Investors		Expect No Change in the Next 3 Years	No Answer
	Current or Expected Investors	Expect to Make A Significant Increase in the Next 3 Years		
Domestic common stocks - active	(171)	5%	14%	71%
Domestic common stocks - passive	(133)	2	18	68
International stocks - active	(162)	10%	6%	73%
International stocks - passive	(51)	6	8	73
Fixed income	(172)	1%	13%	77%
Equity real estate	(134)	22	3	67
Private equity	(97)	44	3	46
Hedge funds	(52)	42	0	56
Other	(77)	4	4	61
				31

Teachers Retirement System (\$9.6B)

Allocation by Asset Class Compared to \$1-\$10B Funds

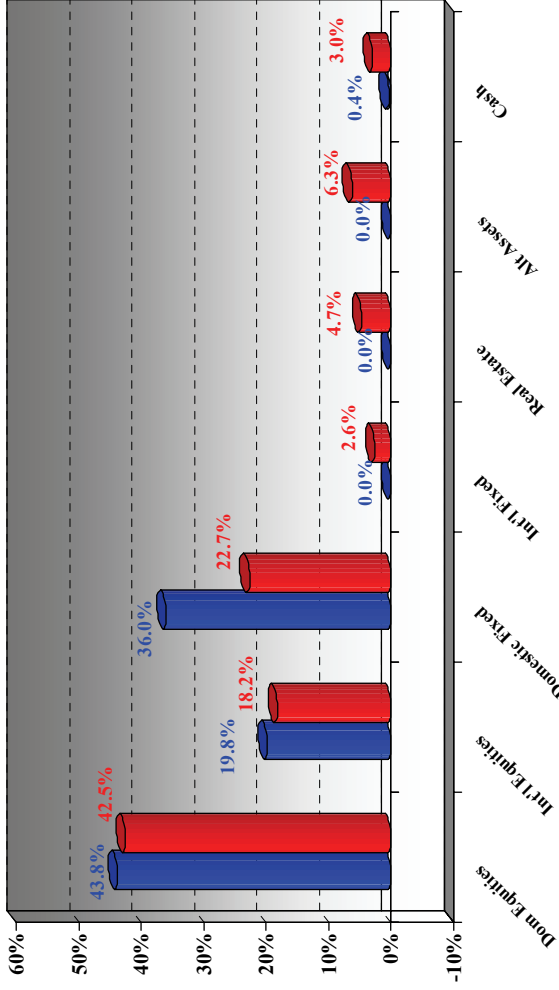


Variance - Teachers Minus \$1-\$10B Funds

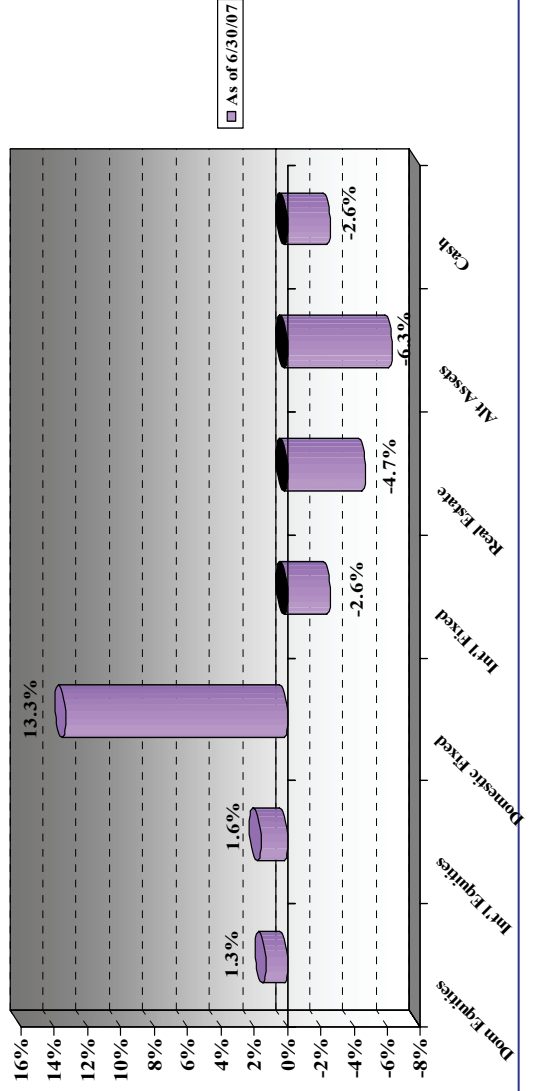


PERS (\$6.6B)

Allocation by Asset Class Compared to \$1-\$10B Funds



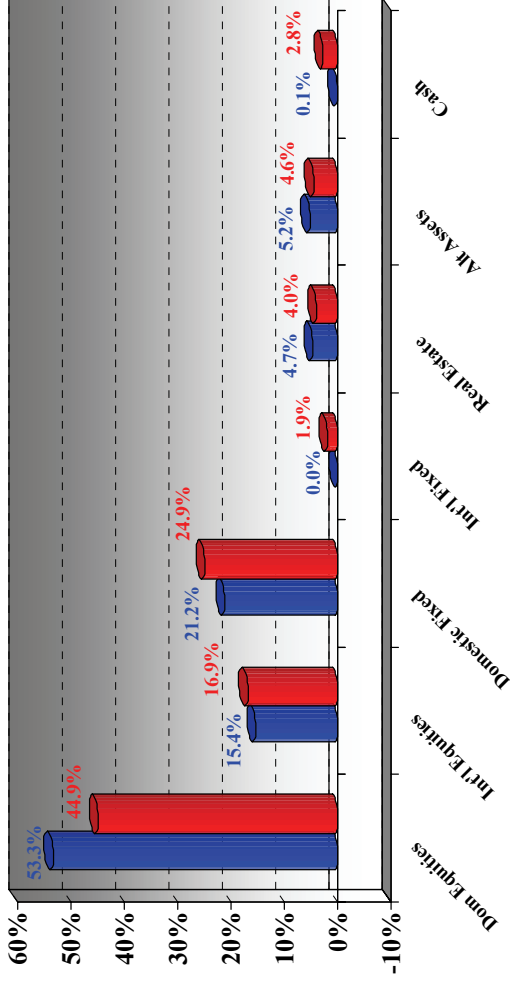
Variance - PERS minus \$1-\$10B Funds



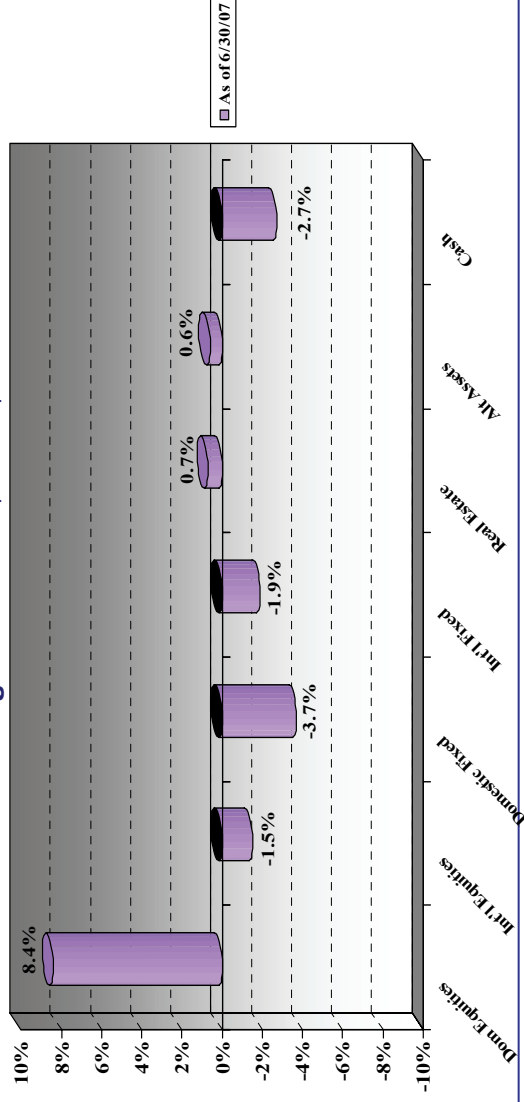
As of 6/30/07

Firefighters (\$1.8B)

Allocation by Asset Class Compared to \$150M-\$10B Funds

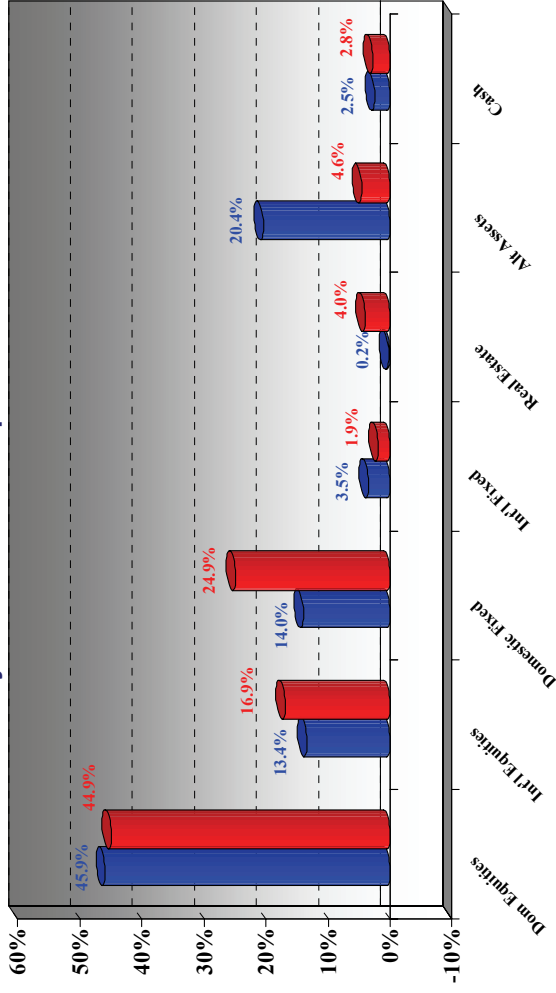


Variance - Firefighters minus \$150M-\$10B Funds

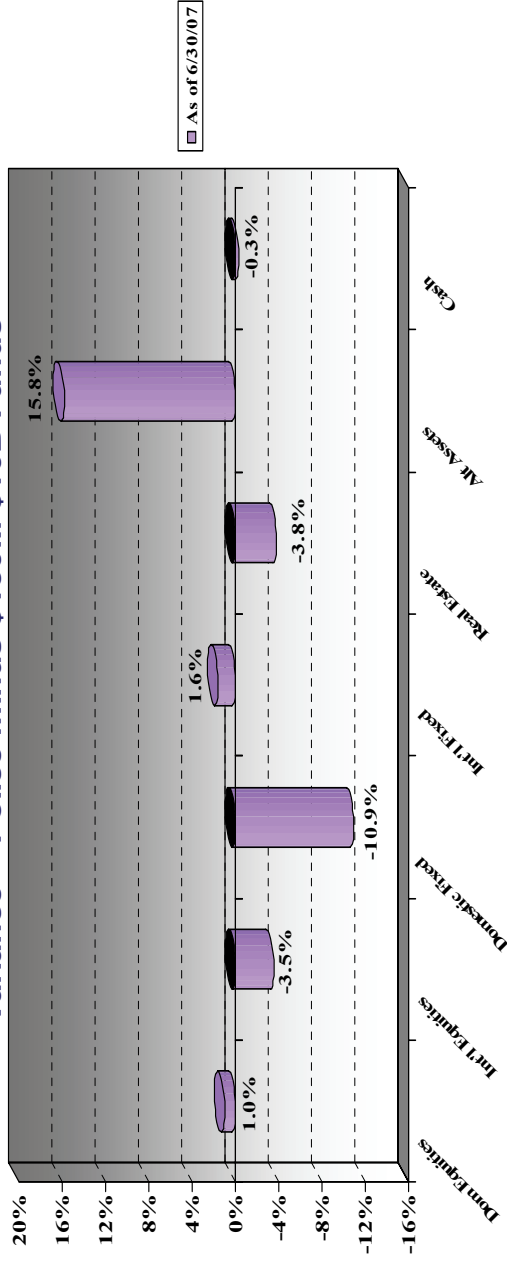


Police (\$1.8B)

Allocation by Asset Class Compared to \$150M-\$10B Funds

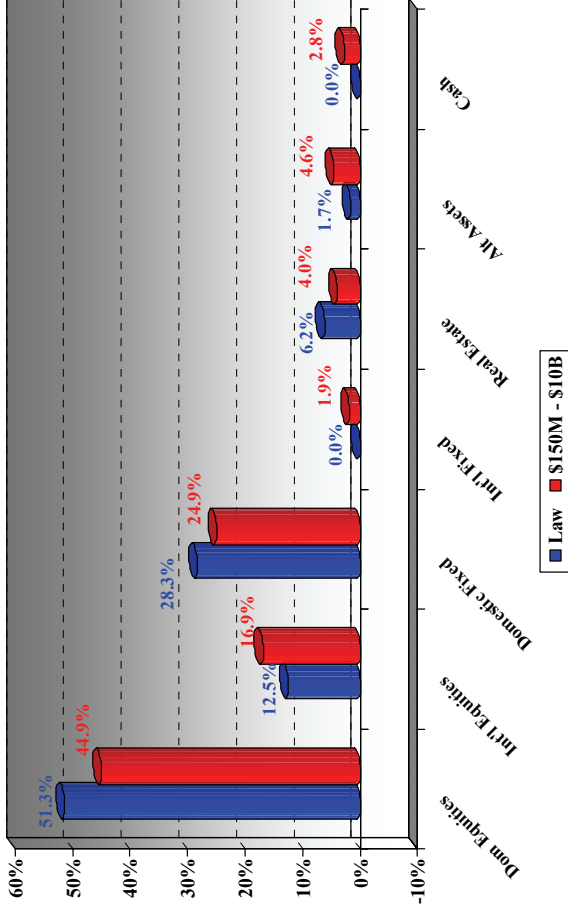


Variance - Police minus \$150M-\$10B Funds

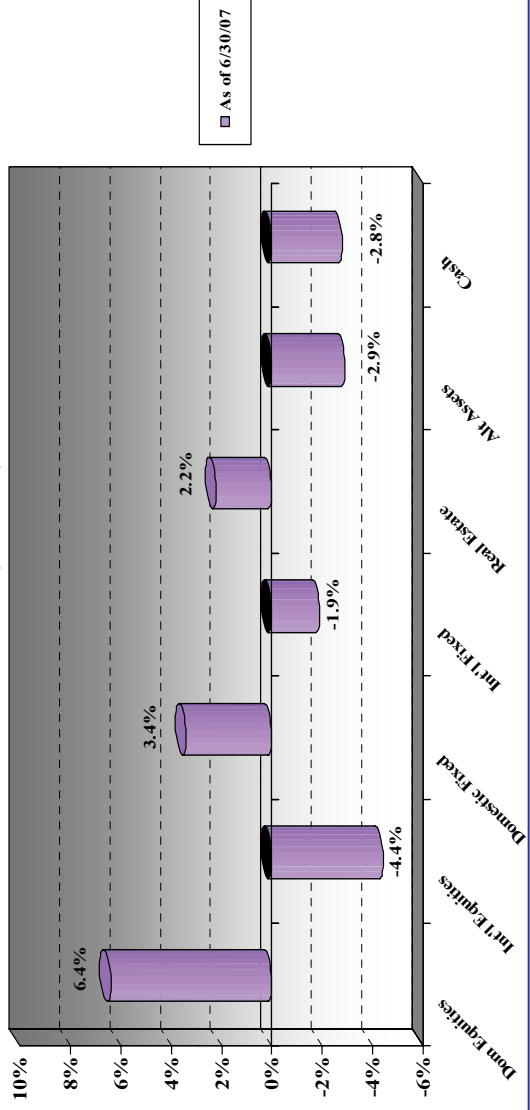


Law Enforcement (\$743M)

Allocation by Asset Class Compared to \$150M-\$10B Funds

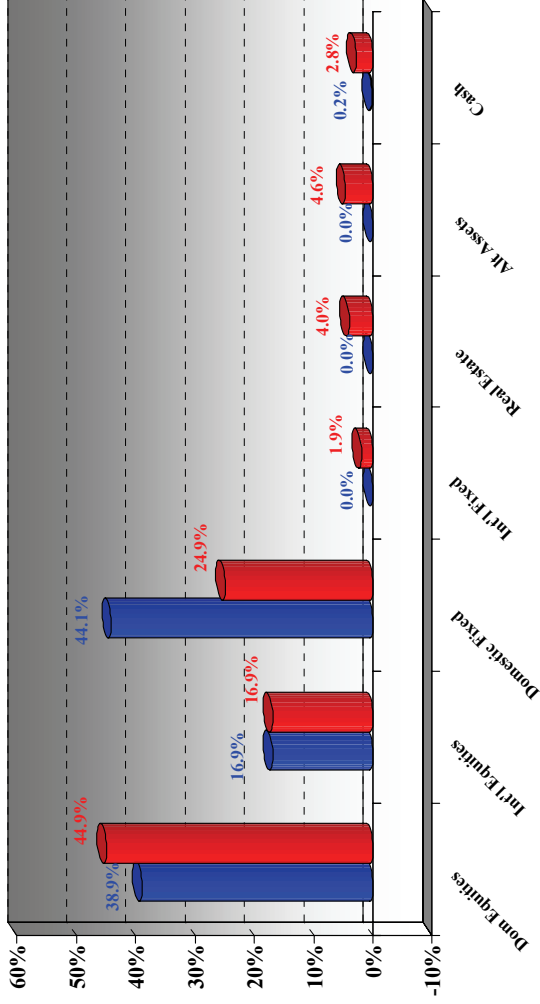


Variance - Law minus \$150M-\$10B Funds

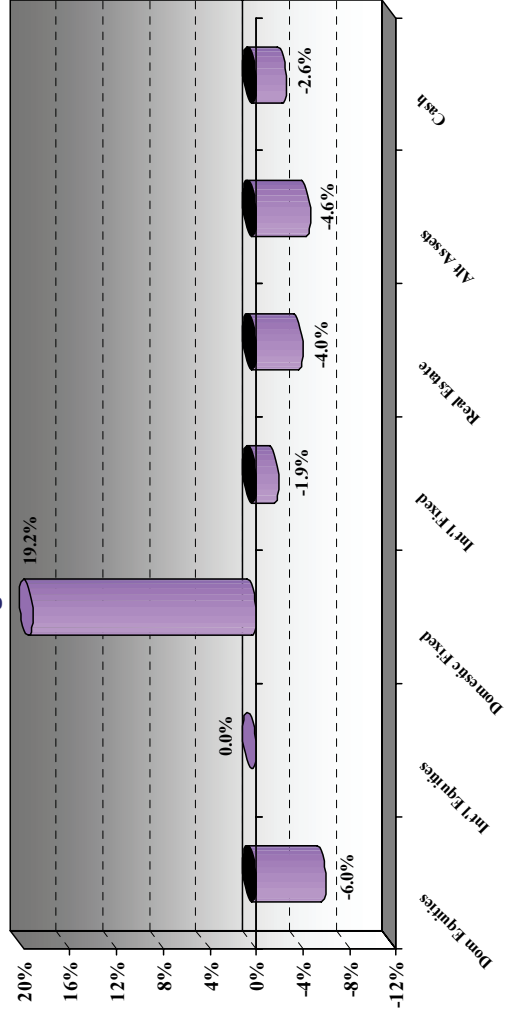


Judges & Justices (\$240M)

Allocation by Asset Class Compared to \$150M-\$10B Funds



Variance - Judges & Justices minus \$150M-\$10B Funds



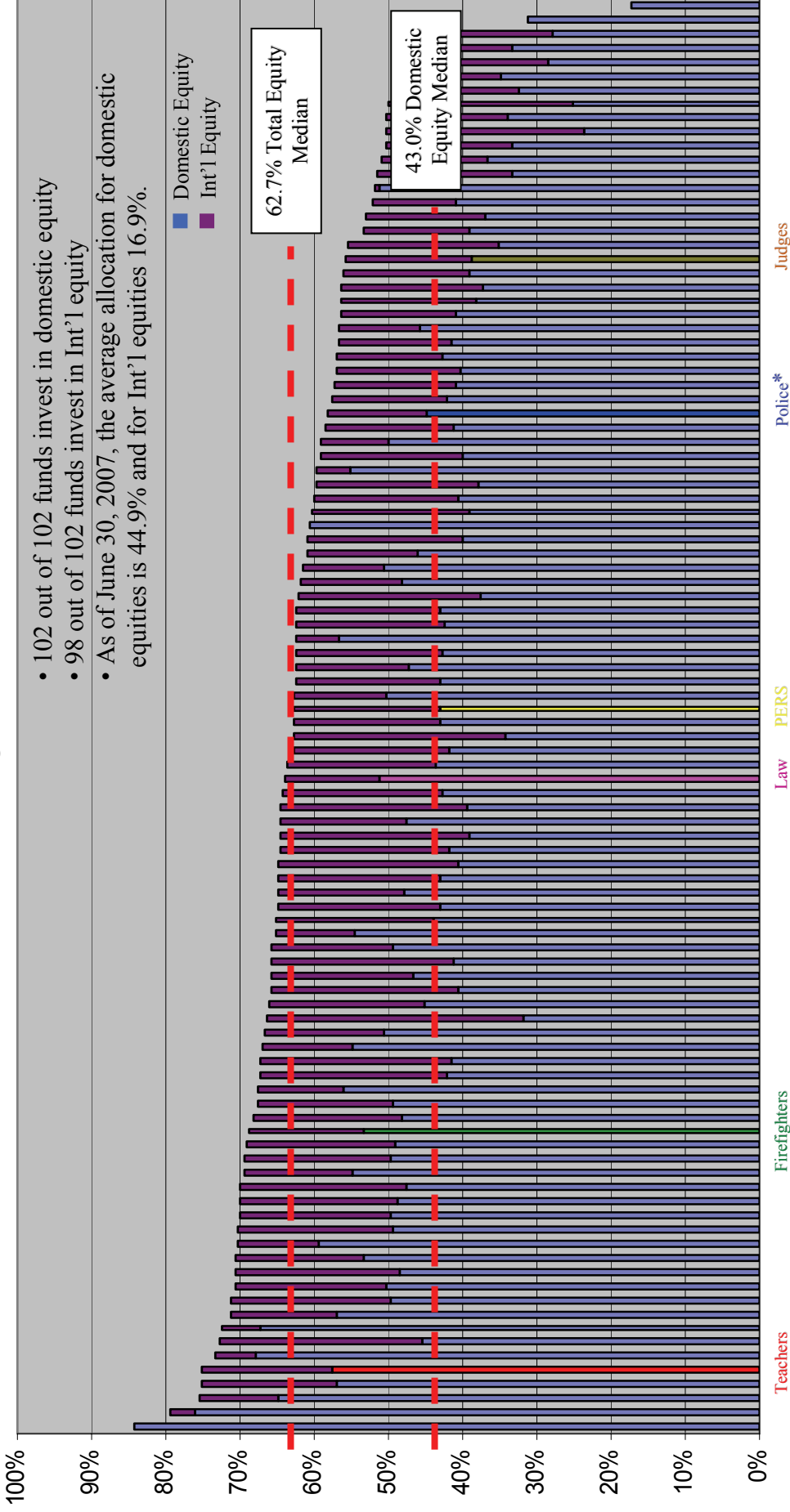
As of 6/30/07

Equity Allocation of Screened Universe (102 Funds)

Allocation by Fund

Period Ending June 30, 2007

- 102 out of 102 funds invest in domestic equity
- 98 out of 102 funds invest in Int'l equity
- As of June 30, 2007, the average allocation for domestic equities is 44.9% and for Int'l equities 16.9%.



Funds (102 Including Oklahoma)

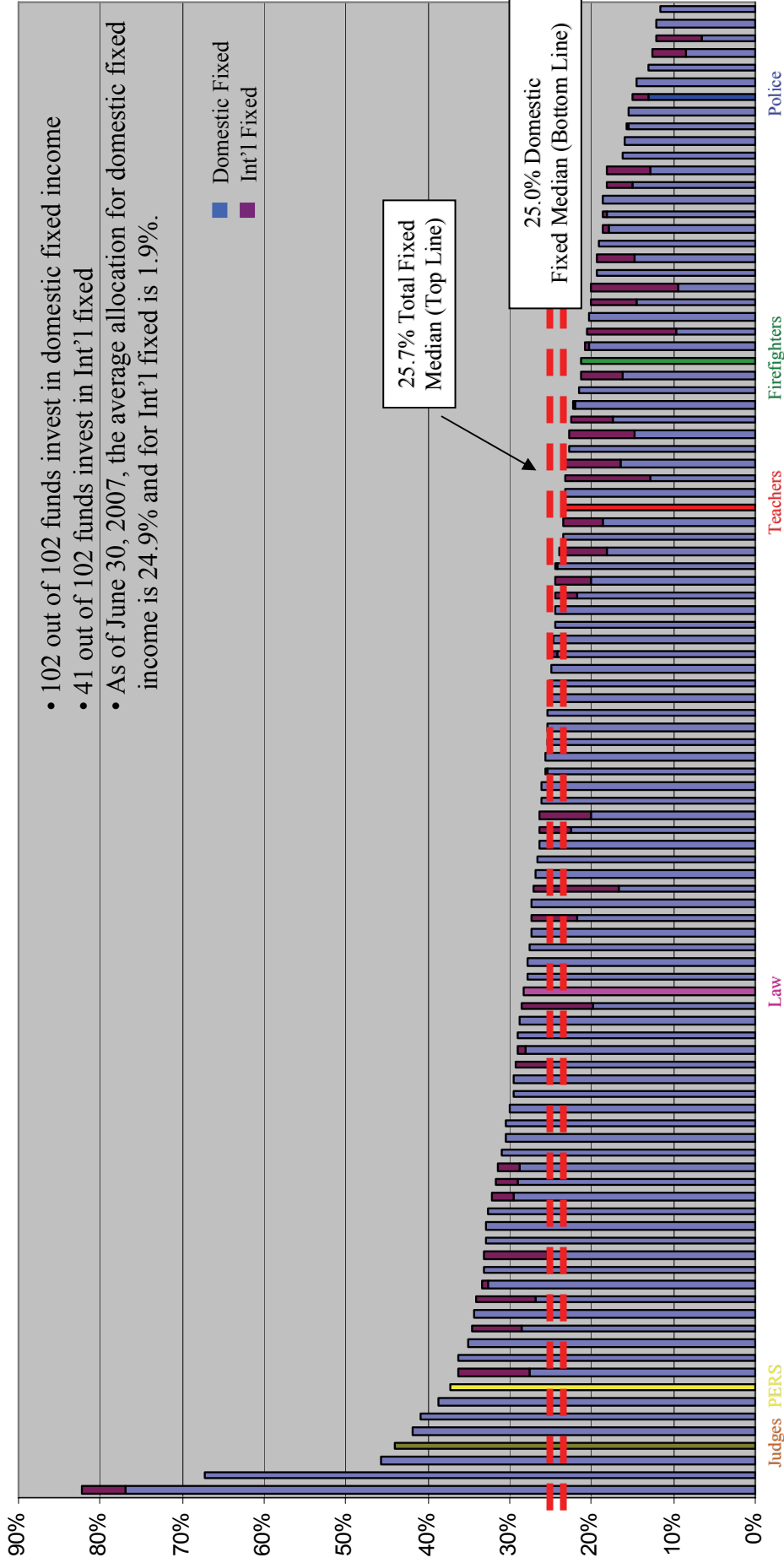
* Excludes Alternative Assets.

Fixed Income Allocation of Screened Universe (102 Funds)

Allocation by Fund

Period Ending June 30, 2007

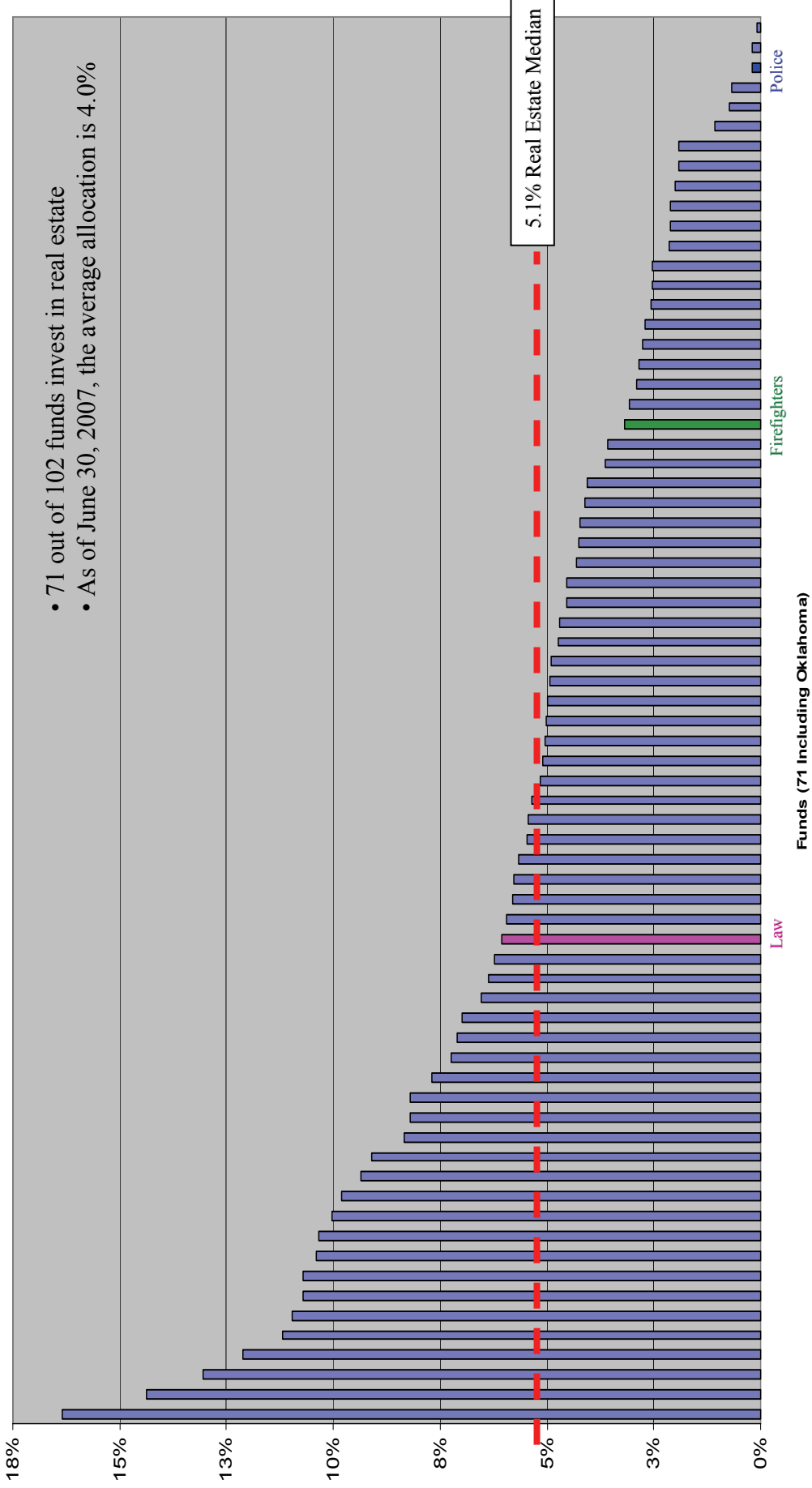
- 102 out of 102 funds invest in domestic fixed income
- 41 out of 102 funds invest in Int'l fixed
- As of June 30, 2007, the average allocation for domestic fixed income is 24.9% and for Int'l fixed is 1.9%.



Funds (102 Including Oklahoma)

Real Estate Allocation of Screened Universe (102 Funds)

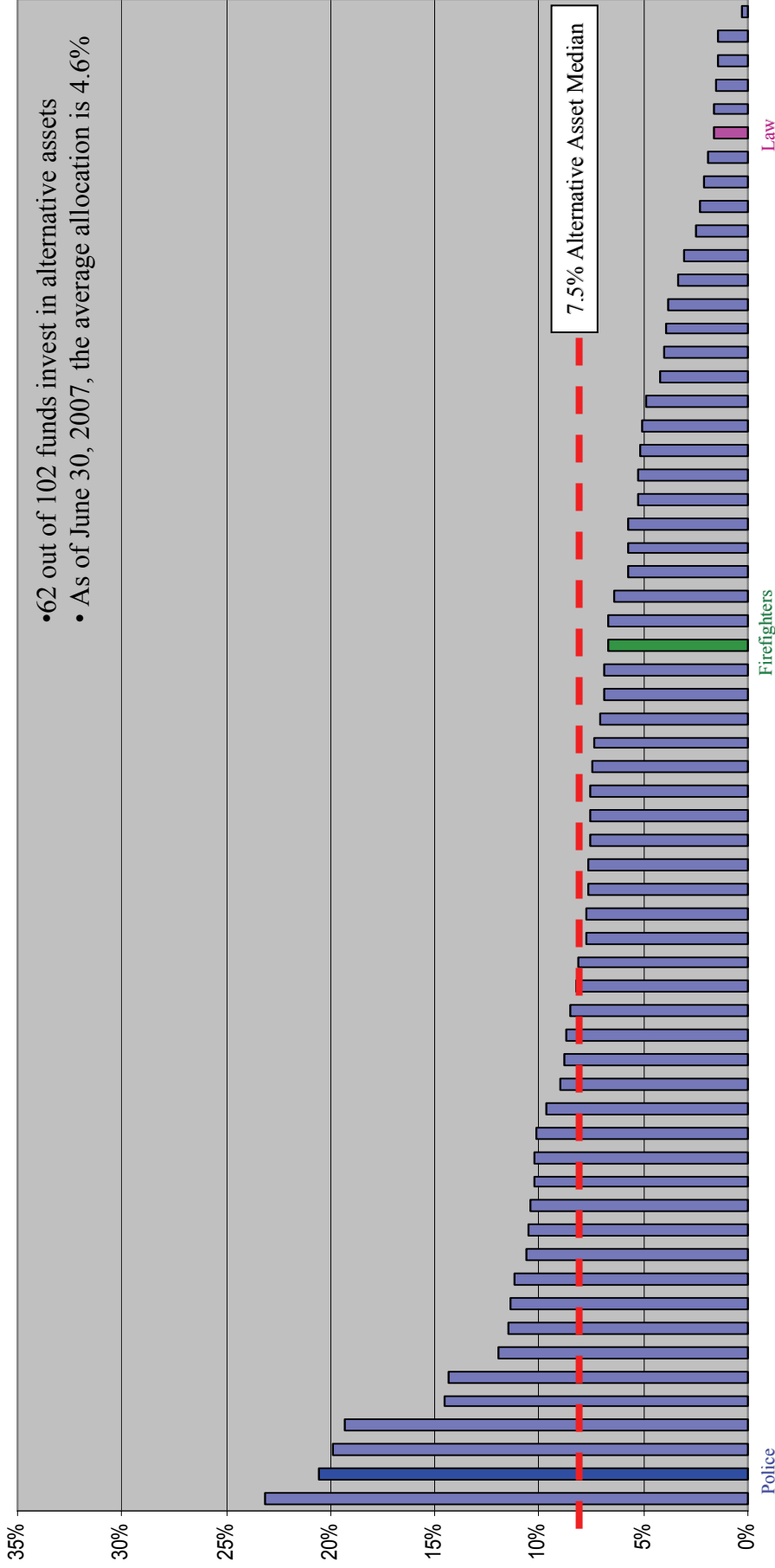
Allocation by Fund Period Ending June 30, 2007



Alternative Assets Allocation of Screened Universe (102 Funds)

Allocation by Fund

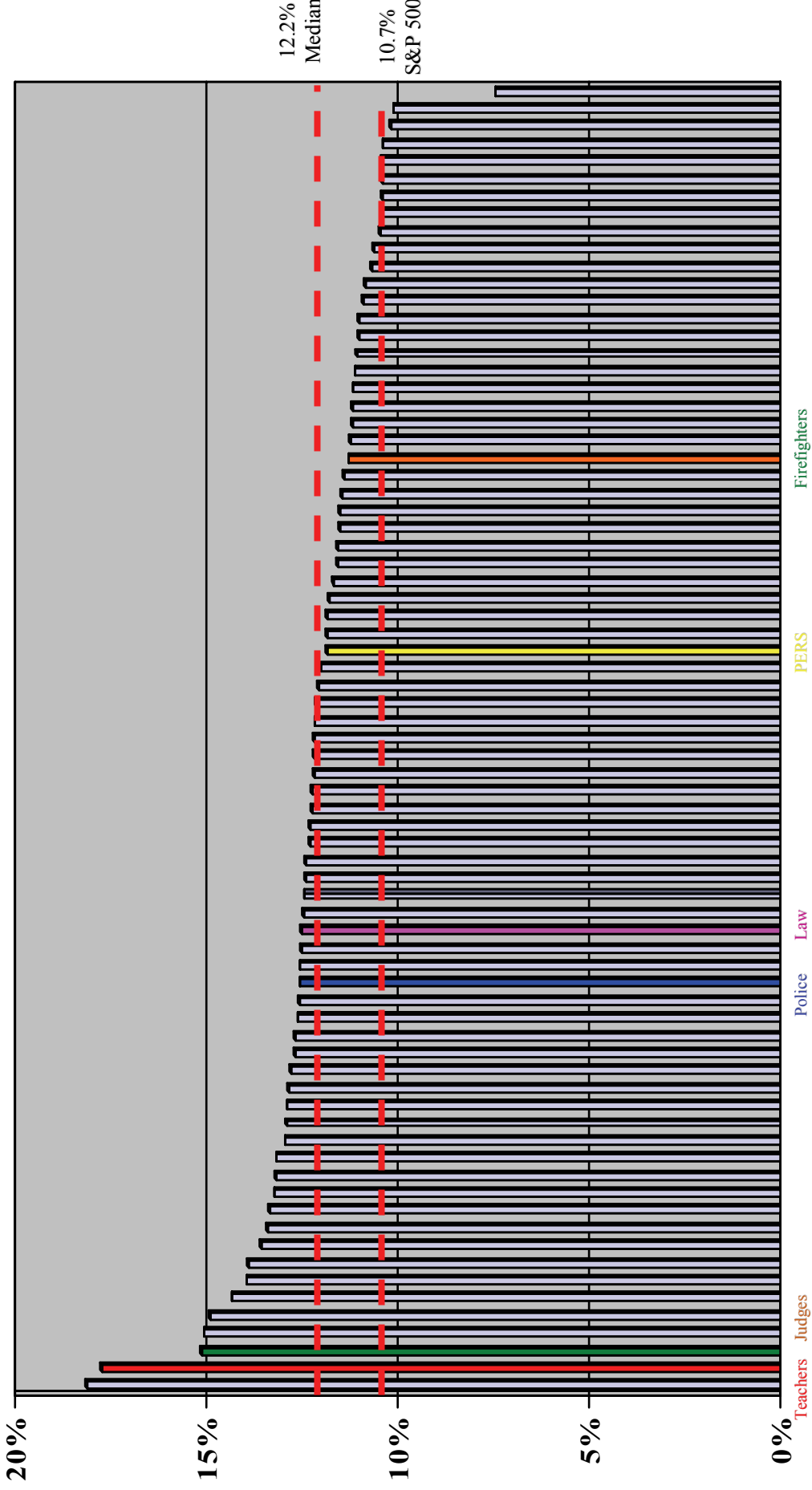
Period Ending June 30, 2007



Funds (62 funds including Oklahoma)

5 Year Annualized Domestic Equity Returns (75 Funds)

Five Years Ending
June 30, 2007

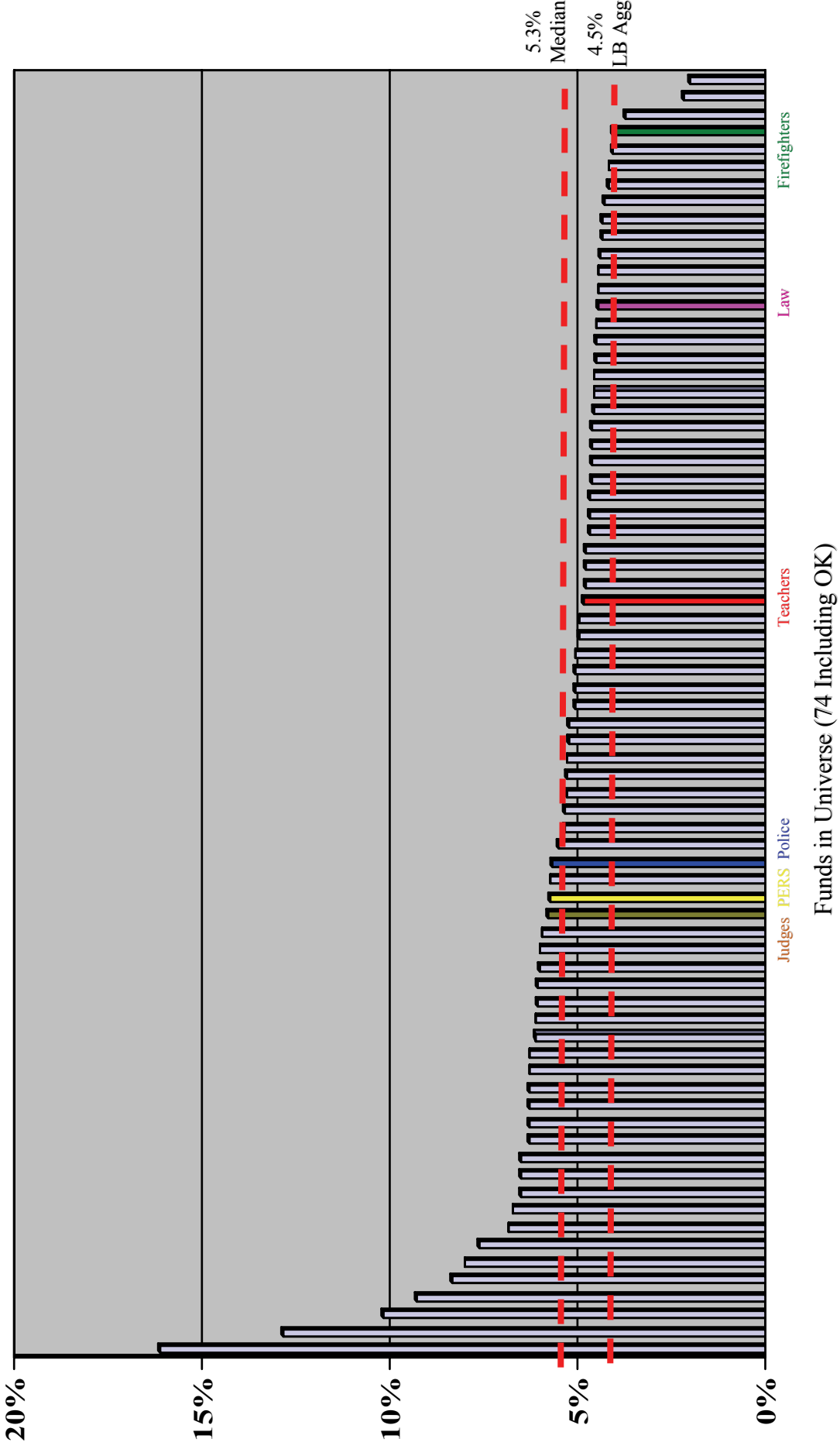


Funds in Universe (75 Including OK)



5 Year Annualized Fixed Income Returns (74 Funds)

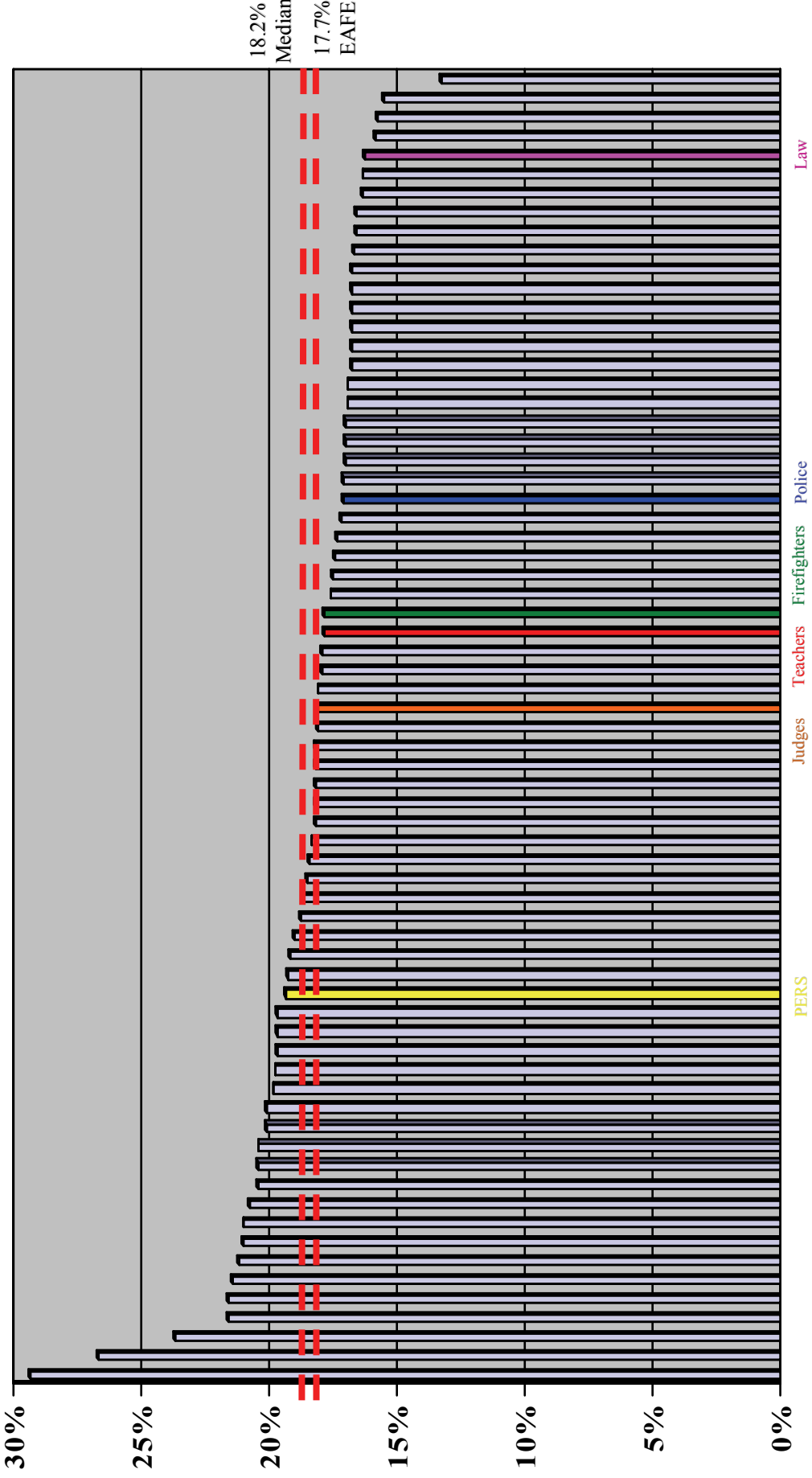
Five Years Ending
June 30, 2007



Funds in Universe (74 Including OK)

5 Year Annualized International Equity Returns (69 Funds)

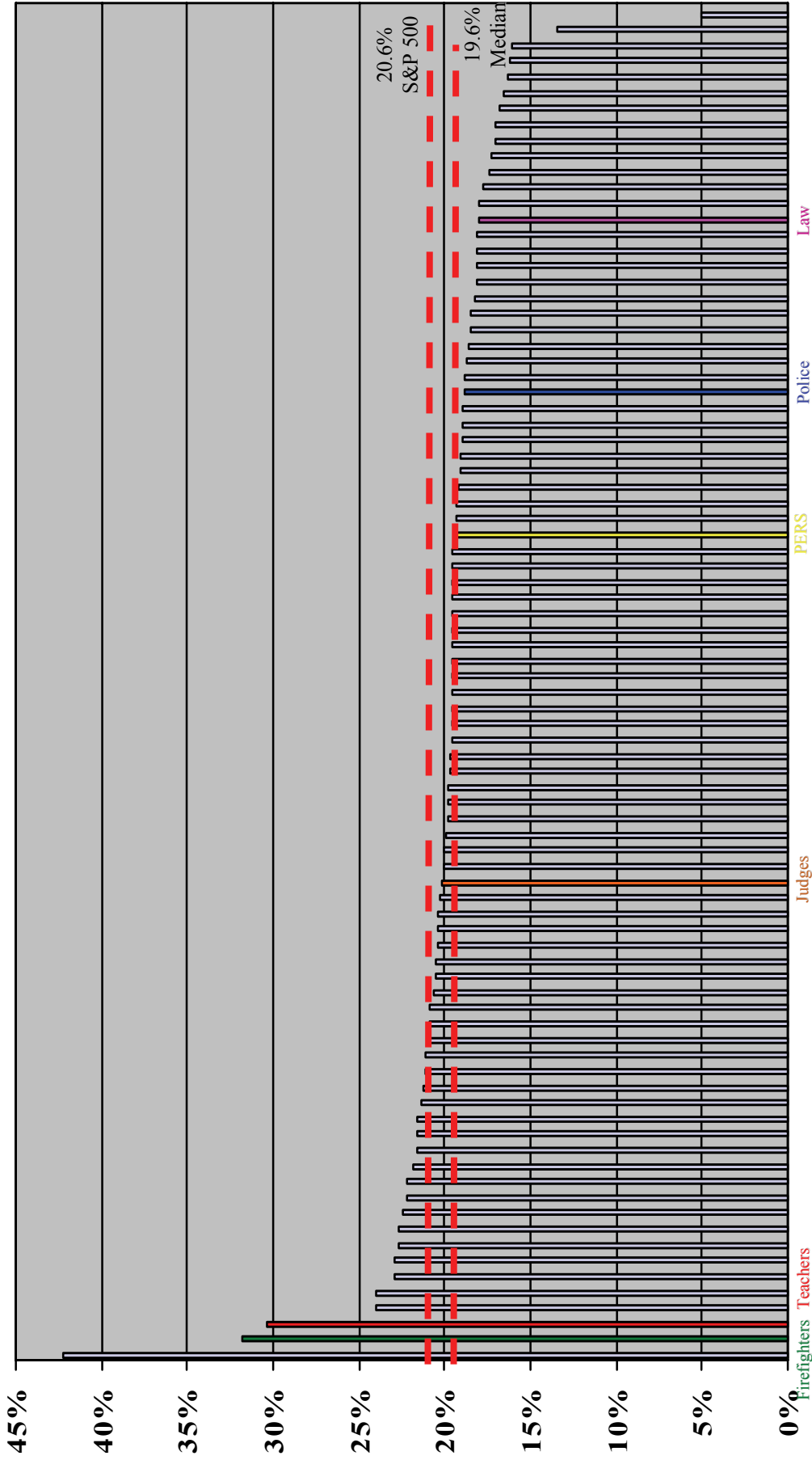
Five Years Ending
June 30, 2007



Funds in Universe (69 Including OK)

Annual Domestic Equity Returns (86 Funds)

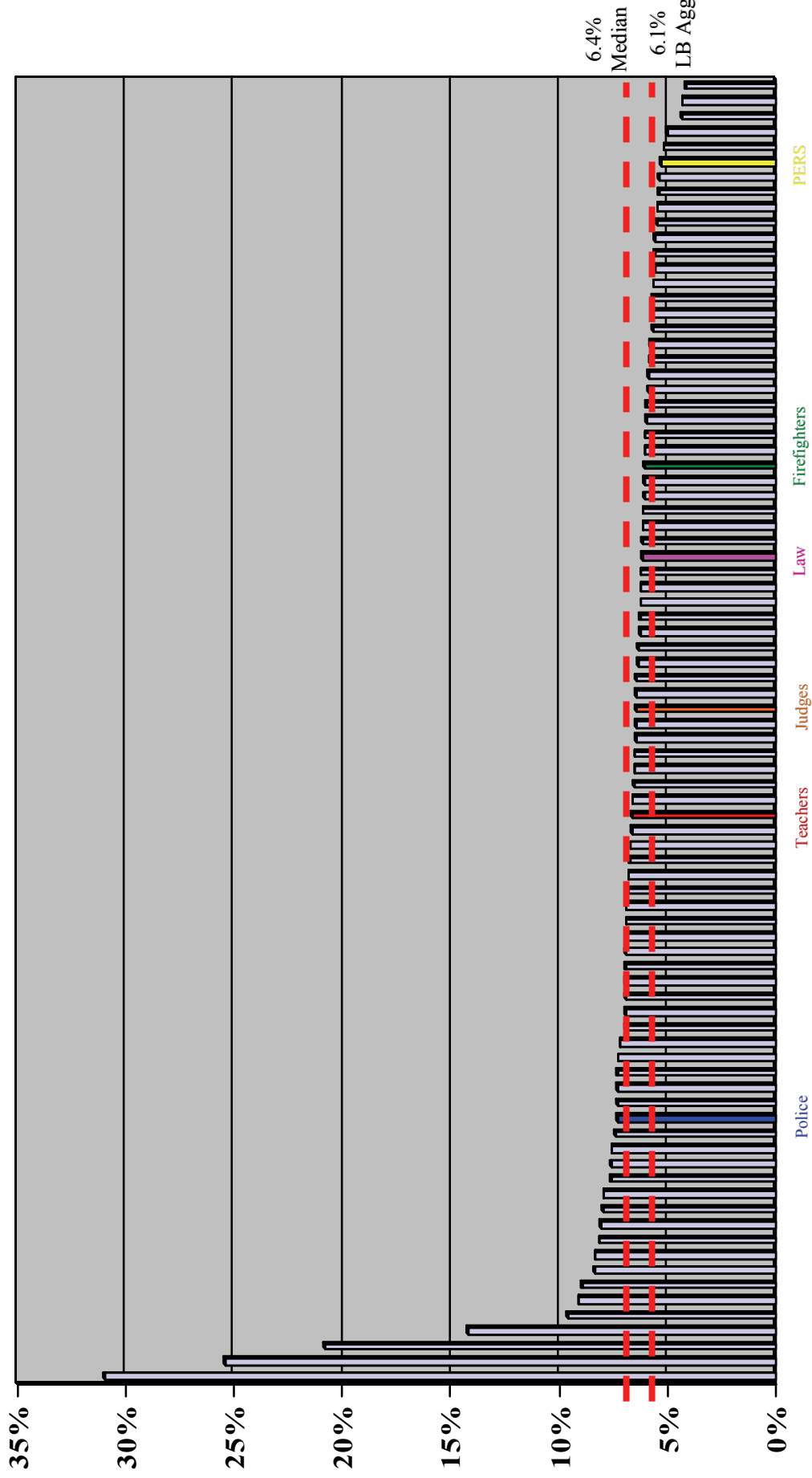
Year Ending
June 30, 2007



Funds in Universe (86 Including OK)

Annual Fixed Income Returns (86 Funds)

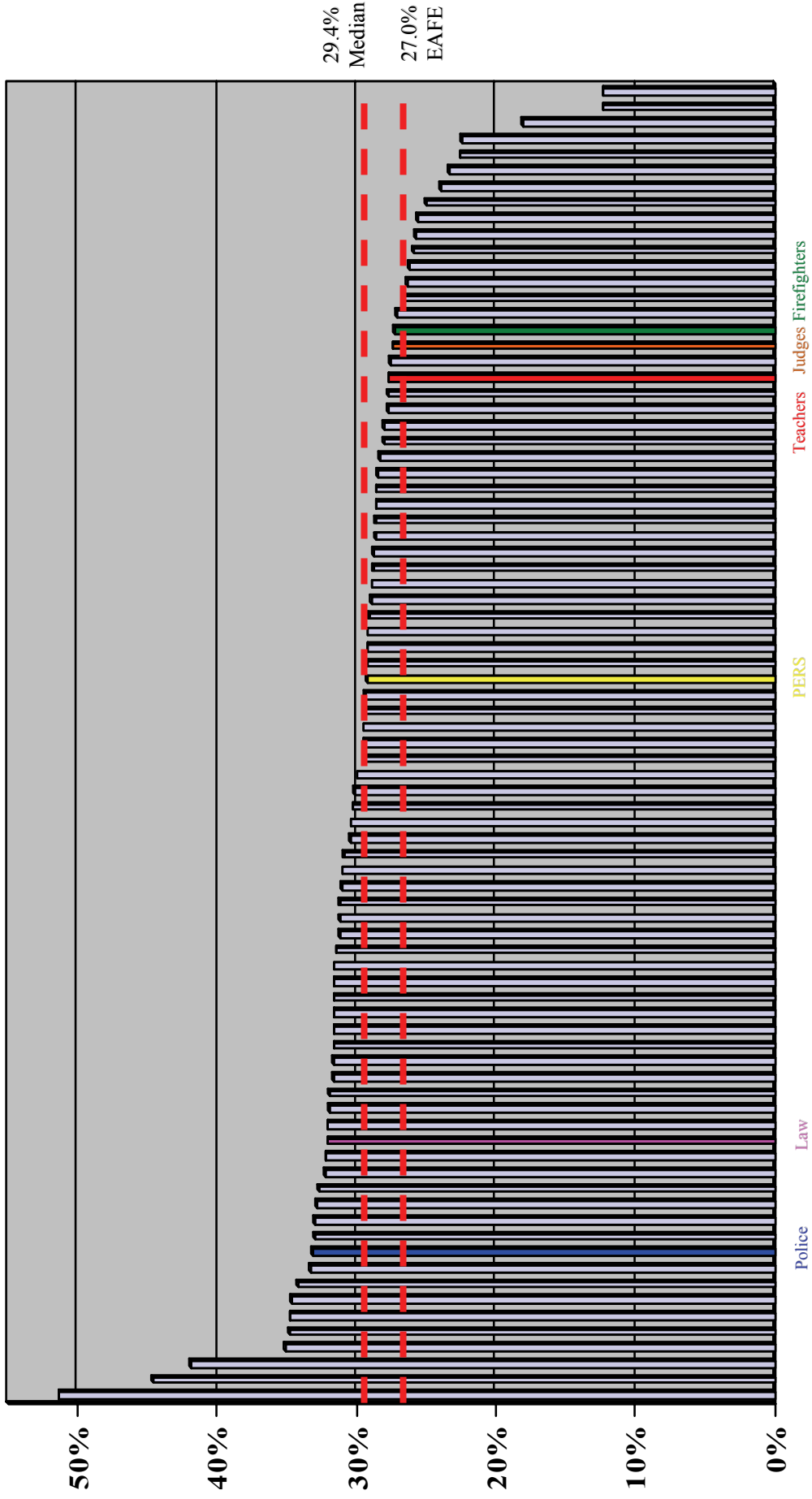
Year Ending
June 30, 2007



Funds in Universe (86 Including OK)


Annual International Equity Returns (83 Funds)

Year Ending
June 30, 2007



Appendix





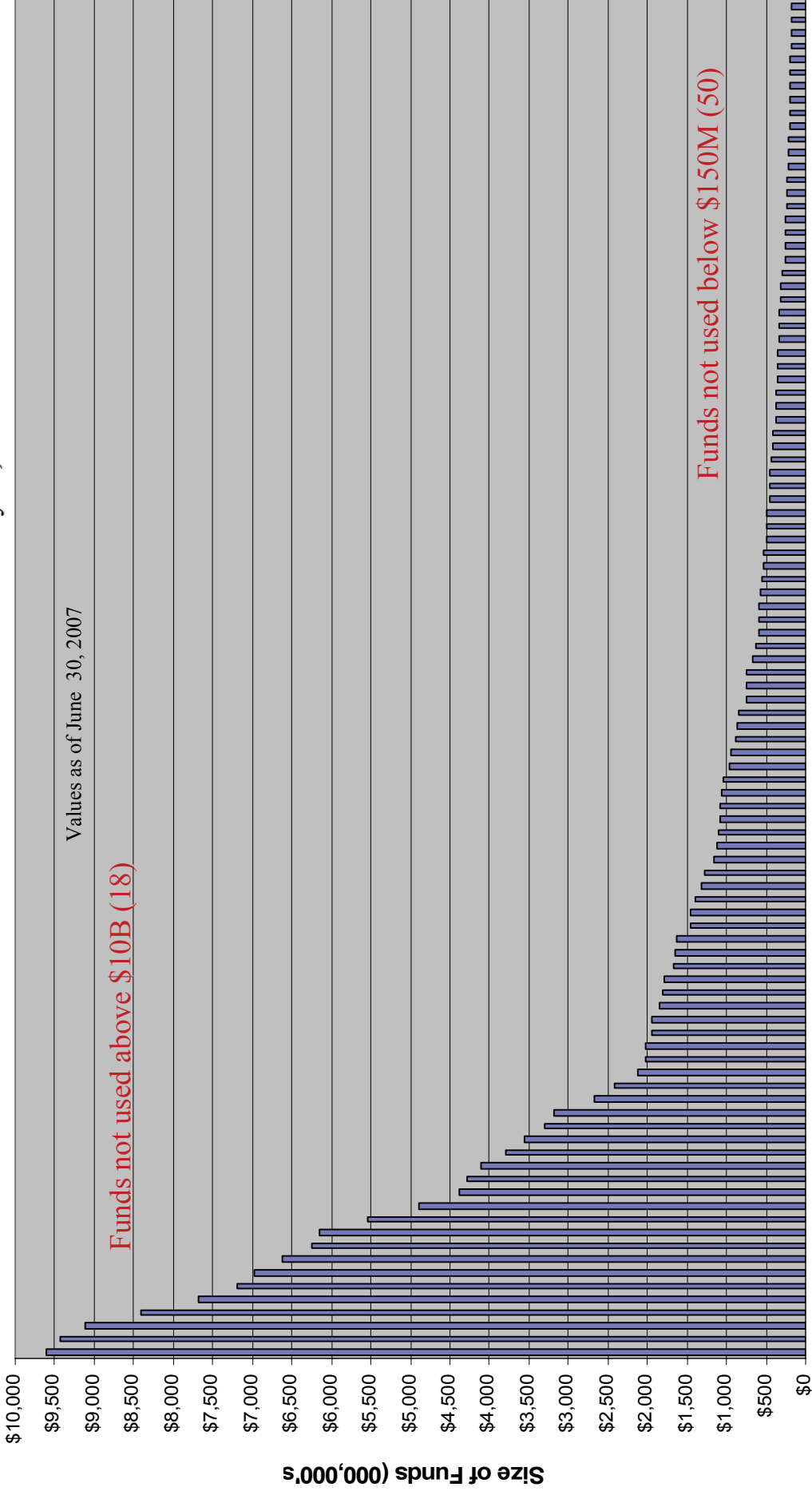
New England Pension Consultants is pleased to present the following Public Funds Universe Analysis Report. The information contained herein is drawn from the NEPC/ICC database. This database represents the industry's largest public funds universe, containing over 189 public funds, with aggregate assets in excess of \$856 Billion and over 3,673 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, 2007. The second quarter of 2007 performance report is contained in a separate report which will be presented to the Commission on August 15, 2007 together with this report.

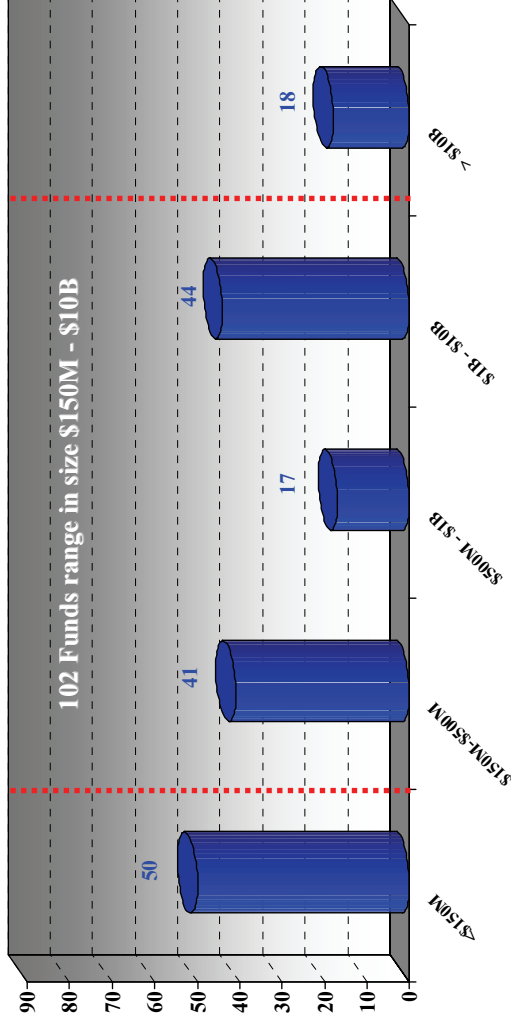
Public Fund Universe

Total Public Funds in ICC Universe, 170
Total Public Funds Screened for This Analysis, 102

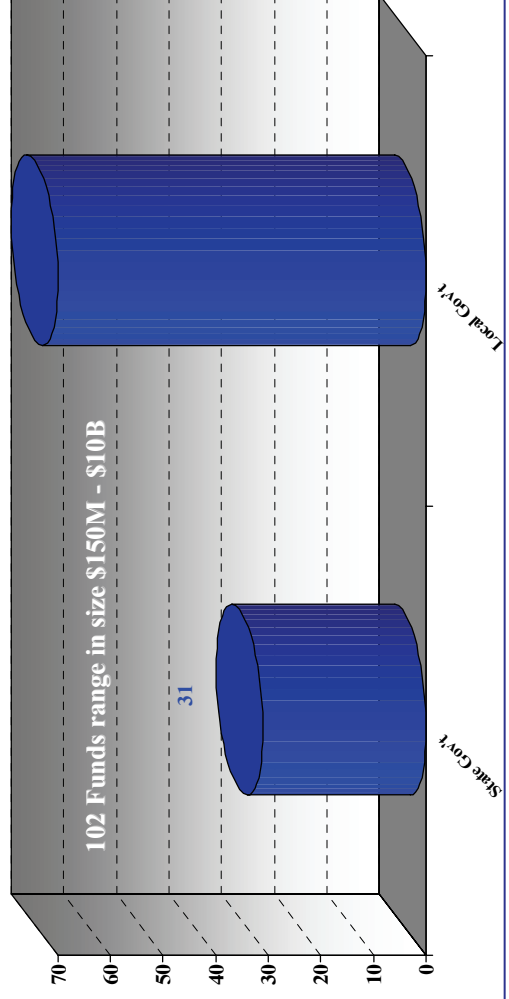


Public Fund Universe Characteristics

Asset Size - June 30, 2007



Fund Type - June 30, 2007



Public Fund Universe Statistical Summary

Allocation Range for ALL Public Funds (170 Funds, Size Range \$3.6M - \$168.4B)

Percentile	Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
5	60.7%	25.2%	50.2%	7.1%	10.9%	16.8%	14.9%
25	49.4%	20.1%	32.6%	2.5%	5.2%	7.6%	4.7%
Public Median	42.2%	16.8%	25.4%	0.0%	2.6%	1.7%	2.2%
75	37.5%	12.3%	19.5%	0.0%	0.0%	0.0%	0.0%
95	26.4%	0.0%	12.4%	0.0%	0.0%	0.0%	0.0%

Average Allocation for ALL Public Funds (170 Funds, Size Range \$3.6M - \$168.4B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
42.8%	15.5%	27.3%	1.6%	3.4%	5.3%	4.1%

Average Allocation for Screened Public Funds (102 Funds, Size Range \$150M - \$10B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
44.9%	16.9%	24.9%	1.9%	4.0%	4.6%	2.8%

Average Allocation for Screened Public Funds (44 Funds, Size Range \$1B - \$10B)

Domestic Equity	Int'l Equity	Domestic Fixed	Global Bonds	Real Estate	Alt Assets	Cash & Equivalents
42.5%	18.2%	22.7%	2.6%	4.7%	6.3%	3.0%