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Oklahoma State Pension Commission

Fee Analysis for Calendar Year 2011

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Allan Martin, Partner
Don Stracke, CFA, Senior Consultant
Tony Ferrara, Senior Analyst

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

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25
Years
1986-2011

Fee Comparison from 2010 to 2011 – Periods Ending Dec. 31

2011 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/11 Asset Market Value (\$ in 000's)	\$9,541,285	\$6,517,832	\$1,612,430	\$1,700,066	\$674,634	\$234,354	\$72,607	\$20,353,208
Custody Fee	\$38,936	\$28,949	\$197,895	\$100,489	\$80,000	\$1,051	\$7,232	\$454,552
Securities Lending Income	(\$7,172,613)	(\$1,926,202)		(\$70,621)		(\$22,097)		(\$9,191,533)
Commission Recapture	(\$729,095)	(\$73,766)	(\$6,595)					(\$809,456)
Sub-Total (Custody - Net)	(\$7,862,772)	(\$1,971,019)	\$191,300	\$29,868	\$80,000	(\$21,046)	\$7,232	(\$9,546,437)
Investment Manager Fees	\$40,781,961	\$7,392,984	\$9,504,396	\$10,522,710	\$2,913,728	\$151,305	\$129,441	\$71,396,525
Average Basis Points	43	11	59	62	43	6	18	35
Percent Passively Managed	0.0	43.0	1.0	19.2	22.1	69.0	0.0	20.9
Total Investment Return	0.9%	1.8%	-0.2%	0.0%	1.9%	0.9%	2.4%	1.2%
Sub-Total Manager Fees	\$40,781,961	\$7,392,984	\$9,504,396	\$10,522,710	\$2,913,728	\$151,305	\$129,441	\$71,396,525
Total Investment Consultant	\$2,549,405	\$260,545	\$170,000	\$606,187	\$110,000	\$9,455	N/A	\$3,705,592
Investment Consultant (bps)	2.7	1	1	4	2	0	-	2
TOTAL FEES FOR 2011	\$35,468,594	\$5,682,510	\$9,865,696	\$11,158,765	\$3,103,728	\$139,714	\$136,673	\$65,555,680
Average Basis Points	37	9	61	66	46	6	19	32

2010 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/10 Asset Market Value (\$ in 000's)	\$9,582,234	\$6,563,052	\$1,666,384	\$1,735,043	\$681,546	\$241,192	\$71,363	\$20,540,814
Custody Fee	\$1,260,549	\$28,938	\$294,372	\$98,285	\$101,000	\$1,062	\$13,066	\$1,797,272
Securities Lending Income	(\$7,143,113)	(\$1,408,961)	(\$707,905)	(\$86,541)	(\$93,107)	(\$25,518)	\$0	(\$9,465,145)
Commission Recapture	(\$393,350)	(\$100,149)	(\$167,362)	\$0	(\$59,057)	\$0	\$0	(\$719,917)
Sub-Total (Custody - Net)	\$1,260,549	\$28,938	\$294,372	\$98,285	\$101,000	\$1,062	\$13,066	\$1,797,272
Investment Manager Fees	\$34,417,470	\$6,306,177	\$8,424,579	\$10,109,747	\$2,245,580	\$134,381	\$119,102	\$61,757,036
Average Basis Points	49	11	51	58	53	8	16	30
Percent Passively Managed	0.0	43.8	24.4	19.7	23.2	70.1	0.0	20.9
Total Investment Return	15.9%	12.5%	12.7%	11.7%	15.1%	13.2%	10.6%	21.6%
Investment Consultant	\$723,327	\$230,851	\$170,000	\$586,319	\$110,000	\$5,836	N/A	\$1,826,333
Investment Consultant (bps)	1	1	1	3	2	0	-	1
TOTAL FEES FOR 2010	\$36,401,346	\$6,565,966	\$8,888,951	\$10,794,351	\$2,456,580	\$141,279	\$132,168	\$65,380,641
Average Basis Points	38	10	53	62	36	6	19	32

Asset Growth & Fee Growth

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
Growth in Assets from 2010 to 2011	-0.4%	-0.7%	-3.2%	-2.0%	-1.0%	-2.8%	1.7%	-0.9%
Growth in Fees from 2010 to 2011	-2.6%	-13.5%	11.0%	3.4%	26.3%	-1.1%	3.4%	0.3%





Individual Retirement System Fee Analysis

Teachers Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	48.5%	43.3%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
Domestic Fixed	34.2%	30.8%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
International Eq	15.3%	13.3%
%Active	100.0%	100.0%
%Passive	0.0%	0.0%
Global Fixed	0.0%	0.0%
%Active	0.0%	0.0%
%Passive	0.0%	0.0%
Other	2.0%	12.5%
Calendar Year Return	15.9%	0.9%

OKLAHOMA TEACHERS' RETIREMENT SYSTEM

		2010	2011
CUSTODY FEES:			
Custodian: Northern Trust			
Custody Fee		\$1,260,549	\$38,937
Securities Lending Income		(\$7,143,113)	(\$7,172,613)
Commission Recapture		(\$393,530)	(\$729,095)
INVESTMENT MANAGERS:			
Goldman Sachs	Large Cap Growth	\$1,353,326	\$1,244,472
Sawgrass	Large Cap Core	\$1,770,056	\$1,723,294
Hotchkis & Wiley	Large Cap Value	\$1,190,695	\$1,248,072
Advisory Research	All Cap	\$1,155,326	\$1,246,673
Epoch	All Cap	\$1,698,219	\$1,863,001
Aronson & Partners	Md Cap Value	\$346,958	\$457,074
Hotchkis & Wiley	Md Cap Value	\$1,576,143	\$1,556,899
Frontier Capital	Md Cap Core	\$1,947,037	\$1,863,463
Wellington Management	Md Cap Growth	\$1,348,447	\$1,368,925
Shapiro Capital	Small Cap Value	\$3,345,230	\$3,837,116
Tocqueville	Small Cap Value	\$2,751,446	\$2,758,980
Brandes	International Value Equity	\$1,749,095	\$460,416
Capital Guardian	International Equity	\$1,568,472	\$1,347,482
Causeway	International Value Equity	\$1,117,268	\$1,160,996
Thornburg	International Equity	\$1,425,300	\$1,537,458
Hoisington	Long Bonds	\$457,315	\$464,272
Stephens Capital	Core Fixed	\$394,026	\$424,653
Loomis Sayles	Core Fixed	\$810,374	\$867,348
Lord Abbett	Core Fixed	\$992,653	\$977,605
Mackay Shields	Core Fixed	\$1,613,925	\$1,235,301
PIMCO	Opportunistic	\$463,936	\$2,860,085
Loomis Sayles	High Yield	\$1,366,293	\$1,309,976
Lord Abbett	High Yield	\$1,032,411	\$975,321
Mackay Shields	High Yield	\$1,204,832	\$1,120,251
Chickasaw Capital	MLP		\$918,254
Heitman	MLP		\$582,360
Swank/Cushing Capital	MLP		\$490,684
AEW	Real Estate		\$399,000
FAMCO	Real Estate		\$1,061,253
L&B Realty	Real Estate		\$316,312
Epoch Int'l.	Int'l. Small Cap		\$42,505
Wassatch Int'l.	Int'l. Small Cap		\$44,363
Advisory Research Int'l.	Int'l. Small Cap		\$35,310
Wellington Management Int'l.	Int'l. Small Cap		\$46,634
Private Equity Managers (Aggreg)	Private Equity		\$2,936,153
Sub-Total		\$34,417,470	\$40,781,961
INVESTMENT CONSULTANT:			
gregory.w.group	Generalist	\$723,327	\$702,000
Franklin Park	Private Equity		\$1,738,686
TOTAL INVESTMENT FEES:		\$38,140,032	\$43,222,647

Public Employees Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	42.3%	41.5%
% Active	17.9%	7.9%
% Passive	24.4%	33.6%
Domestic Fixed	33.1%	36.2%
% Active	33.1%	36.2%
% Passive	0.0%	0.0%
International Eq	24.5%	22.1%
% Active	8.2%	7.6%
% Passive	16.3%	14.5%
Other	0.1%	0.2%
Calendar Year Return	12.5%	1.8%

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Bankers Trust + Northern Trust			
Custody Fee*		\$28,938	\$28,949
Securities Lending Income		(\$1,408,961)	(\$1,926,202)
Commission Recapture		(\$100,149)	(\$73,766)
INVESTMENT MANAGERS:			
Aronson & Partners [§]	Large Cap Value	\$0	\$132,310
BlackRock Russell 1000 Index	Large Cap Index	\$27,987	\$114,525
BlackRock Russell 2000 Value Index	Small Cap Value Index	\$14,074	\$2,743
BlackRock Russell 1000 Growth Index	All Cap Index	\$91,596	\$8,810
Franklin/Mellon	Large Cap Core	\$125,000	\$125,000
State Street [§]	Large Cap Core	\$81,140	\$94,571
Turner	Large Cap Growth	\$258,093	\$35,054
Barrow Hanley	Small Cap Value	\$520,114	\$655,428
DePrince, Race & Zollo	Small Cap Value		\$337,765
UBS Global [§]	Small Cap Growth	\$218,195	\$326,208
BlackRock AOM ex-US	Global Equity	\$229,307	\$251,720
BlackRock AOM ex-US Growth	Global Equity	\$245,022	\$271,241
BlackRock US TIPS	TIPS	\$20,067	\$26,930
Mndrian (Delaware)	International Equity	\$1,799,154	\$1,985,506
Blackrock	Enhanced Core Bond	\$1,081,400	\$1,114,417
Hbisington	Long Bond	\$378,872	\$332,034
Metwest [§]	Core Bond	\$1,216,156	\$1,578,721
Sub-Total		\$6,306,177	\$7,392,983
		10	11
INVESTMENT CONSULTANT:			
Strategic Investment Solutions*			
		\$230,851	\$260,545
TOTAL INVESTMENT FEES:		\$6,565,966	\$7,682,477
[§] Performance-based fee			
* Custody and Investment Consultant fees are shared with UFSJJ plan. Fees per plan are proportioned according to total plan assets.			

Firefighters Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	55.6%	46.4%
% Active	43.1%	35.8%
% Passive	12.5%	10.6%
Domestic Fixed	11.9%	11.3%
% Active	0.0%	0.0%
% Passive	11.9%	11.3%
International Eq	13.2%	11.4%
% Active	13.2%	11.4%
% Passive	0.0%	0.0%
International Fixed	7.1%	9.2%
% Active	7.1%	9.2%
% Passive	0.0%	0.0%
Other*	12.2%	13.5%
Calendar Year Return	12.7%	-0.2%

*Includes L/SEquity

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM					
		2010		2011	
CUSTODY FEES:					
State Street Bank					
	Custody Fee	\$294,372.17		\$197,895.00	
	Securities Lending	(\$707,905.05)			
	Commission Recapture	(\$167,361.83)		(\$6,595.00)	
INVESTMENT MANAGERS:					
Aronson & Partners	Large Cap Value	\$133,298.00		\$129,375.00	
Brandywine	Large Cap Value	\$270,124.94		\$275,403.38	
Chase Investment	Large Cap Growth	\$230,763.00			
Fred Alger	Large Cap Growth	\$276,497.46		\$662,253.56	
Intech	Large Cap Core	\$468,783.34		\$453,311.32	
Earnest Partners	Small Cap Value	\$322,821.22		\$361,906.45	
River Road	Small Cap Value	\$357,159.28		\$391,007.10	
Waddell & Reed	Small Cap Growth	\$705,119.75		\$188,719.43	
Grosvenor	Long/Short Equity	\$652,484.00		\$690,533.00	
Attalus	Long/Short Equity	\$498,227.00		\$394,969.00	
Artio (Julius Baer)	International Equity	\$514,469.96		\$536,293.37	
Thornburg	International Equity	\$591,560.41		\$618,443.43	
State Street	Index Funds	\$165,112.53		\$115,898.69	
Brandywine	Global Fixed Income	\$830,176.17		\$1,071,163.03	
JPMorgan	Real Estate	\$449,009.98		\$529,606.11	
TA Associates	Real Estate	\$448,348.00		\$349,402.00	
Portfolio Advisors	Real Estate	\$84,375.00		\$292,323.00	
Requot	Long/Short Equity	\$0.00			
Private Advisors	Hedge Fund	\$1,436,249.00		\$1,541,126.00	
Delaware				\$484,884.00	
Herndon				\$94,971.07	
Lord Abbett				\$322,807.53	
Sub-Total		\$8,424,579.04	51	\$9,504,396.47	59
INVESTMENT CONSULTANT:					
Asset Consulting Group					
		\$170,000.00		\$170,000.00	
TOTAL INVESTMENT FEES:					
		\$8,888,951.21	53	\$9,865,696.47	61

Police Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	43.3%	28.7%
% Active	23.6%	14.6%
% Passive	19.7%	14.1%
Domestic Fixed	14.6%	20.8%
% Active	14.6%	20.8%
% Passive	0.0%	0.0%
International Eq	10.3%	9.2%
% Active	10.3%	9.2%
% Passive	0.0%	0.0%
International Fxd	4.9%	20.8%
% Active	4.9%	20.8%
% Passive	0.0%	0.0%
Other*	27.1%	26.1%
Calendar Year Return	11.7%	0.0%

*Includes L/S Equity

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Custodian: Mellon Trust			
Custody Fee		\$98,285	\$100,489
Securities Lending Income		(\$96,541)	(\$70,621)
Commission Recapture		\$0	\$0
		<hr/>	<hr/>
Mellon Capital	Large Cap Index	\$83,168	\$86,092
Eboston Partners	Small Cap Value	\$623,691	\$557,076
Martingale	Small Cap Growth	\$432,495	
Williams Blair	Small Cap		\$553,143
Mandrian (Delaware)	International Equity	\$429,152	\$453,587
Artio (Julius Baer)	International Equity	\$469,393	\$487,472
Agincourt	Core Bond	\$280,598	\$290,731
Oaktree Capital	Fixed Income	\$351,356	\$448,300
Fischer Francis	Global Fixed	\$27,433	
Oaktree Capital	Global Fixed		\$25,988
Loomis Sayles	Global Fixed	\$283,793	\$306,177
Sub-Total		<hr/>	<hr/>
		\$2,981,078	\$3,208,565
Special Strategies			
Columbus Square	Real Estate	\$17,542	\$20,861
JPMorgan	Real Estate	\$357,898	\$409,657
Siguler Guff	Real Estate		\$48,065
Peak Partners	Managed Futures		\$263,034
Attalus	Long/Short Equity	\$739,326	\$254,707
Grosvenor	Long/Short Equity	\$1,351,102	\$1,373,915
Mount Lucas Peak Partners	Hedge Fund	\$301,797	
FAAMCO	Hedge Fund	\$1,359,383	\$1,406,249
Arsenal I & II	Private Equity	\$167,249	\$121,359
Calera Partners (Fremont) III & IV	Private Equity	\$123,113	\$146,683
Lightspeed Venture Partners VI	Private Equity	\$95,519	\$92,439
Knightsbridge	Private Equity	\$84,000	\$63,150
Lexington	Private Equity	\$118,146	\$250,572
Marathon Fund IV & V (Goldier Hawn)	Private Equity	\$200,000	\$247,578
First Mark II, III, & IV	Private Equity	\$225,638	\$198,478
TOWCrescent Mezzanine III & IV	Private Equity	\$233,503	\$213,234
Weiss, Ruck & Greer V & VI	Private Equity	\$16,088	\$12,745
Accel Europe	Private Equity	\$50,532	\$181,622
Levine Leichtman III & IV	Private Equity	\$264,691	\$193,108
Oaktree Funds II, III, IV, V, VI, VIA & VIB	Private Equity	\$378,470	\$349,310
Siguler Guff I, II & III	Private Equity	\$424,818	\$362,088
Venture Lending & Leasing III	Private Equity	\$14,568	\$11,979
Newstone Partners	Private Equity	\$42,044	\$64,842
Warburg Pincus	Private Equity	\$182,504	\$217,684
Thompson Street	Private Equity	\$153,693	\$233,420
Sun Capital V	Private Equity	-	\$218,579
Weathergagge	Private Equity	\$75,000	\$149,184
HMSector Performance		\$152,044	\$209,535
Sub-Total		<hr/>	<hr/>
		\$7,128,669	\$7,314,146
Total		\$10,109,747	\$10,522,711
INVESTMENT CONSULTANT:			
Asset Consulting Group		\$586,319	\$606,187
		<hr/>	<hr/>
TOTAL INVESTMENT FEES:		\$10,794,351	\$11,158,766
		62	66



Law Enforcement Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	43.3%	40.0%
% Active	33.7%	31.1%
% Passive	9.6%	8.9%
Domestic Fixed	29.3%	32.4%
% Active	15.7%	17.4%
% Passive	13.6%	15.0%
International Eq	9.7%	8.6%
% Active	9.7%	8.6%
% Passive	0.0%	0.0%
Other	17.7%	9.1%
Calendar Year Return	15.1%	1.9%

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM			
		2010	2011
CUSTODY FEES:			
Northern Trust			
Custody Fee		\$101,000	\$80,000
Securities Lending		(\$93,107)	
Commission Recapture		(\$59,057)	
INVESTMENT MANAGERS:			
Hbtchkis & Wiley	Large Cap Value	\$144,809	\$471,756
NTGI	Large Cap Core & Bond Index	\$49,814	\$46,389
Waddell & Reed	Large Cap Growth	\$207,048	\$283,420
Columbus Circle	Small Cap Growth	\$354,091	\$289,389
Kennedy Capital	Small Cap Value	\$509,359	\$538,517
Mindrian (Delaware)	International Equity	\$177,411	\$203,595
Artio (Julius Baer)	International Equity	\$223,155	\$265,204
TOW	Core Bond	\$261,606	\$516,489
Grosvenor	Hedge Fund	-	
RREF	Real Estate	\$293,159	\$298,969
Colcord Center	Real Estate	\$25,128	
American I & II	Private Equity	-	
Knightsbridge VI & VII	Private Equity	-	
Cash Account	Cash		
Sub-Total		\$2,245,580	\$2,913,728
		33	43
INVESTMENT CONSULTANT:			
Asset Consulting Group		\$110,000	\$110,000
TOTAL INVESTMENT FEES:		\$2,456,580	\$3,103,728
		36	46

Judges & Justices Retirement System

Asset Allocation Breakdown		
	2010 % of Total Fund	2011 % of Total Fund
Domestic Equity	42.7%	41.7%
% Active	0.0%	0.0%
% Passive	42.7%	41.7%
Domestic Fixed	32.9%	32.4%
% Active	32.9%	32.4%
% Passive	0.0%	0.0%
International Eq	24.3%	8.6%
% Active	0.0%	0.0%
% Passive	24.3%	8.6%
Other	0.1%	9.1%
Calendar Year Return	13.2%	0.9%

OKLAHOMA RETIREMENT SYSTEM FOR JUDGES AND JUSTICES

	2010	2011
CUSTODY FEES:		
Bankers Trust + Northern Trust Custody Fee*	\$1,062	\$1,051
Securities Lending		(\$22,097)
INVESTMENT MANAGERS:		
BlackRock Russell 1000 Index	\$5,530	\$6,798
BlackRock Russell 2000 Index	\$4,920	\$4,823
Blackrock AOM ex U.S.	\$25,827	\$28,194
Blackrock Core Bond	\$38,324	\$39,468
BlackRock US TIPs TIPs	\$763	\$1,022
Hbsington Long Bond	\$14,667	\$13,528
Metwest ^{\$} Core Bond	\$44,349	\$57,473
Sub-Total	\$134,381	\$151,306
INVESTMENT CONSULTANT:		
Strategic Investment Solutions*	\$5,836	\$9,455
TOTAL INVESTMENT FEES:	\$141,279	\$139,715

^{\$} Performance-based fee

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

Wildlife Retirement System

Asset Allocation Breakdown		
	<u>2010 % of</u>	<u>2011 % of</u>
	<u>Total Fund</u>	<u>Total Fund</u>
Domestic Equity	43.5%	41.3%
% Active	43.5%	41.3%
% Passive	0.0%	0.0%
Domestic Fixed	44.1%	46.5%
% Active	44.1%	46.5%
% Passive	0.0%	0.0%
International Eq	7.6%	6.2%
% Active	7.6%	6.2%
% Passive	0.0%	0.0%
Other	4.8%	4.4%
Calendar Year Return	10.6%	2.4%

OKLAHOMA DEPARTMENT OF WILDLIFE				
	<u>2010</u>		<u>2011</u>	
CUSTODY FEES:				
Bank of Oklahoma				
Custody Fee	\$7,090		\$7,232	
INVESTMENT MANAGER FEES				
Bank of Oklahoma*				
Growth Equity	\$14,454		\$16,944	
Core Equity	\$12,060		\$12,355	
Value Equity	\$13,810		\$14,716	
Small/Md Cap Equity	\$11,381		\$12,302	
Core Fixed Income	\$54,765		\$58,124	
Multi-Cap	\$289		\$1,005	
International Equity	\$10,772		\$8,988	
Alternatives	\$1,572		\$5,007	
Sub-Total	<u>\$119,102</u>	17	<u>\$129,441</u>	18
TOTAL INVESTMENT FEES:	\$132,168	19	\$136,673	19