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Oklahoma State Pension Commission

Fee Analysis for Calendar Year 2012

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Fee Comparison from 2011 to 2012 – Periods Ending Dec. 31

2012 FEES

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
12/31/12 Asset Market Value (\$ in 000's)	\$10,837,353	\$7,163,811	\$1,765,218	\$1,859,614	\$730,328	\$255,368	\$79,576	\$22,691,268
Custody Fee	\$51,011	\$28,960	\$243,986	\$122,074	\$80,000	\$1,040	\$7,561	\$534,632
Securities Lending Income	(\$10,487,785)	(\$1,777,154)		(\$61,728)	(\$214,898)	(\$7,460)		(\$12,549,025)
Commission Recapture	(\$311,001)	(\$70,261)	(\$57,053)		(\$327,019)			(\$765,334)
Sub-Total (Custody - Net)	(\$10,747,775)	(\$1,818,455)	\$186,933	\$60,346	(\$461,917)	(\$6,420)	\$7,561	(\$12,779,727)
Investment Manager Fees	\$47,122,886	\$7,263,868	\$9,709,914	\$11,266,127	\$2,946,322	\$119,725	\$138,049	\$78,566,891
Average Basis Points	43	10	55	61	40	5	17	35
Percent Passively Managed	8.4	41.2	21.2	16.1	19.1	64.9	0.0	24
Total Investment Return	14.7%	12.9%	12.6%	12.1%	11.6%	12.9%	9.1%	13.7%
Sub-Total Manager Fees	\$47,122,886	\$7,263,868	\$9,709,914	\$11,266,127	\$2,946,322	\$119,725	\$138,049	\$78,566,891
Total Investment Consultant	\$3,026,909	\$267,948	\$170,000	\$627,953	\$110,000	\$9,552	N/A	\$4,212,362
Investment Consultant (bps)	3	1	1	3	2	0	-	2
TOTAL FEES FOR 2012	\$39,402,020	\$5,713,361	\$10,066,847	\$11,954,426	\$2,594,405	\$122,857	\$145,610	\$69,999,526
Average Basis Points	36	8	57	64	36	5	18	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

Asset Growth & Fee Growth

	TEACHERS	PERS	FIRE	POLICE	LAW	JUDGES	WILDLIFE	TOTAL
Growth in Assets from 2011 to 2012	13.6%	9.9%	9.5%	9.4%	8.3%	9.0%	9.6%	11.5%
Growth in Fees from 2011 to 2012	11.1%	0.5%	2.0%	7.1%	-16.4%	-12.1%	6.5%	6.8%

Teachers Retirement System

Asset Allocation Breakdown		
	<u>2012 % of</u>	<u>2011 % of</u>
	<u>Total Fund</u>	<u>Total Fund</u>
Domestic Equity	43.6%	43.3%
% Active	35.2%	43.3%
% Passive	8.4%	0.0%
Domestic Fixed	27.8%	30.8%
% Active	27.8%	30.8%
% Passive	0.0%	0.0%
International Eq	15.2%	13.3%
% Active	15.2%	13.3%
% Passive	0.0%	0.0%
Global Fixed	0.0%	0.0%
% Active	0.0%	0.0%
% Passive	0.0%	0.0%
Other	13.5%	12.5%
Calendar Year Return	14.7%	0.9%

OKLAHOMA TEACHERS' RETIREMENT SYSTEM				
		<u>2011</u>		<u>2012</u>
CUSTODY FEES:				
Custodian: Northern Trust				
	Custody Fee	\$38,937		\$51,011
	Securities Lending Income	(\$7,172,613)		(\$10,487,785)
	Commission Recapture	(\$729,095)		(\$311,001)
INVESTMENT MANAGERS:				
Northern Trust	Domestic Equity Index	-		\$26,769
State Street Global Advisors	Domestic Equity Index	-		\$95,121
Goldman Sachs (Terminated)	Large Cap Growth	\$1,244,472		\$577,924
Sawgrass	Large Cap Core	\$1,723,294		\$1,511,344
Hotchkis & Wiley	Large Cap Value	\$1,248,072		\$1,273,634
Advisory Research	All Cap	\$1,246,673		\$1,202,101
Epoch	All Cap	\$1,863,001		\$1,663,246
AJO & Partners	Mid Cap Value	\$457,074		\$531,646
Hotchkis & Wiley	Mid Cap Value	\$1,556,899		\$1,849,116
Frontier Capital	Mid Cap Core	\$1,863,463		\$1,904,372
Wellington Management	Mid Cap Growth	\$1,368,925		\$1,358,563
Shapiro Capital	Small Cap Value	\$3,837,116		\$4,163,052
Tocqueville	Small Cap Value	\$2,758,980		\$1,551,571
Brandes	International Value Equity	\$460,416		\$1,470,443
Capital Guardian (Terminated)	International Equity	\$1,347,482		\$531,349
Causeway	International Value Equity	\$1,160,996		\$1,429,436
Thornburg	International Equity	\$1,537,458		\$1,993,396
Hoisington	Long Bonds	\$464,272		\$429,183
Stephens Capital	Core Fixed	\$424,653		\$419,719
Loomis Sayles	Core Fixed	\$867,348		\$894,783
Lord Abbett	Core Fixed	\$977,605		\$978,687
Mackay Shields	Core Fixed	\$1,235,301		\$1,258,017
PIMCO*	Opportunistic	\$2,860,085		\$2,482,868
Loomis Sayles	High Yield	\$1,309,976		\$995,709
Lord Abbett	High Yield	\$975,321		\$786,673
Mackay Shields	High Yield	\$1,120,251		\$888,259
Chickasaw Capital	MLP	\$918,254		\$1,269,168
Heitman	MLP	\$582,360		\$1,275,663
Swank/Cushing Capital	MLP	\$490,684		\$635,142
AEW	Real Estate	\$399,000		\$1,370,573
FAMCO	Real Estate	\$1,061,253		\$1,376,025
L&B Realty	Real Estate	\$316,312		\$603,154
Epoch Int'l.	Int'l. Small Cap	\$42,505		\$650,783
Wassatch Int'l.	Int'l. Small Cap	\$44,363		\$613,988
Advisory Research Int'l.	Int'l. Small Cap	\$35,310		\$564,278
Wellington Management Int'l.	Int'l. Small Cap	\$46,634		\$699,748
Private Equity Managers (Aggregate)	Private Equity	\$2,936,153		\$5,797,382
Sub-Total (Basis Points & Dollars)		43	\$40,781,961	43
INVESTMENT CONSULTANT:				
gregory.w.group	Generalist	\$702,000		\$701,000
Franklin Park	Private Equity	\$1,738,686		\$2,325,909
TOTAL INVESTMENT FEES (Basis Points & Dollars):		37	\$35,359,876	36

*PIMCO's fees were aggregated for DMF I & II and Bravo

Firefighters Retirement System

Asset Allocation Breakdown		
	2012 % of Total Fund	2011 % of Total Fund
Domestic Equity	46.7%	46.4%
% Active	35.7%	35.8%
% Passive	11.0%	10.6%
Domestic Fixed	10.2%	11.3%
% Active	0.0%	0.0%
% Passive	10.2%	11.3%
Int'l Equity	13.5%	11.4%
% Active	13.5%	11.4%
% Passive	0.0%	0.0%
International Fixed	9.7%	9.2%
% Active	9.7%	9.2%
% Passive	0.0%	0.0%
Other*	19.9%	13.5%
Calendar Year Return	12.6%	-0.2%

*Includes L/S Equity

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM				
		2011		2012
CUSTODY FEES:				
State Street Bank				
Custody Fee		\$197,895		\$243,986
Securities Lending				
Commission Recapture		(\$6,595)		(57,053)
		\$191,300		186,933
INVESTMENT MANAGERS:				
AJO & Partners	Large Cap Value	\$129,375		94,941
Brandywine	Large Cap Value	\$275,403		-
Chase Investment	Large Cap Growth	-		-
Fred Alger	Large Cap Growth	\$662,254		695,712
Intech	Large Cap Core	\$453,311		416,734
Earnest Partners	Small Cap Value	\$361,906		379,708
River Road	Small Cap Value	\$391,007		434,203
Waddell & Reed	Small Cap Growth	\$188,719		-
Grosvenor	Long/Short Equity	\$690,533		690,533
Attalus	Long/Short Equity	\$394,969		394,969
Artio (Terminated)	International Equity	\$536,293		293,935
Thornburg	International Equity	\$618,443		601,183
WCM	International Equity	-		90,816
Chautauqua	International Equity	-		64,538
State Street	Index Funds	\$115,899		115,899
Brandywine	Global Fixed Income	\$1,071,163		1,216,985
JP Morgan	Real Estate	\$529,606		737,115
TA Associates	Real Estate	\$349,402		349,402
Portfolio Advisors	Real Estate	\$292,323		292,323
Private Advisors	Hedge Fund	\$1,541,126		1,541,126
Delaware		\$484,884		515,861
Herndon		\$94,971		329,203
Lord Abbett		\$322,808		454,727
Sub-Total (Basis Points & Dollars)		59	\$9,504,396	55
INVESTMENT CONSULTANT:				
Asset Consulting Group			\$170,000	170,000
TOTAL INVESTMENT FEES (Basis Points & Dollars):		61	\$9,865,696	57
				10,066,847



Police Retirement System

Asset Allocation Breakdown		
	2012 % of Total Fund	2011 % of Total Fund
Domestic Equity	26.3%	28.7%
% Active	10.2%	14.6%
% Passive	16.1%	14.1%
Domestic Fixed	15.6%	20.8%
% Active	15.6%	20.8%
% Passive	0.0%	0.0%
International Eq	13.6%	9.2%
% Active	13.6%	9.2%
% Passive	0.0%	0.0%
International Fxd	5.1%	20.8%
% Active	5.1%	20.8%
% Passive	0.0%	0.0%
Other*	39.5%	26.1%
Calendar Year Return	12.1%	0.0%

*Includes L/S Equity

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM					
		2011	2012		
CUSTODY FEES:					
Custodian: Mellon Trust					
Custody Fee		\$100,489		\$122,074	
Securities Lending Income		(\$70,621)		(\$61,728)	
Commission Recapture					
		\$29,868		\$60,346	
Traditional Managers					
Mellon Capital	Large Cap Index	\$86,092		\$78,014	
Boston Partners	Small Cap Value	\$557,076		\$635,504	
Williams Blair	Small Cap	\$553,143		\$590,748	
Mondrian (Delaware)	International Equity	\$453,587		\$457,833	
Artio (Terminated)	International Equity	\$487,472		\$72,616	
Baring	International Equity	-		\$450,839	
Vontobel	International Equity	-		\$364,381	
Wasatch/Comerica	International Equity	-		\$89,141	
Agincourt	Core Bond	\$290,731		\$302,201	
Oaktree Capital	Global Fixed	\$25,988		\$578,803	
Loomis Sayles	Global Fixed	\$306,177		\$325,033	
	Sub-Total	\$2,760,265		\$3,945,115	
Special Strategies					
Columbus Square	Real Estate	\$20,861		\$22,167	
JP Morgan	Real Estate	\$409,657		\$465,325	
Siguler Guff	Real Estate	\$48,085		\$100,000	
Peak Partners	Managed Futures	\$263,034		\$228,560	
Atlasus	Long/Short Equity	\$254,707		\$602,970	
Grosvenor	Long/Short Equity	\$1,373,915		\$1,409,655	
PAAMCO	Hedge Fund	\$1,406,249		\$1,412,092	
Arsenal I, II, & III	Private Equity	\$121,359		\$94,871	
Calera Partners (Fremont) III & IV	Private Equity	\$146,683		\$290,488	
Lightspeed Venture Partners VI	Private Equity	\$92,439		\$52,600	
Knightsbridge	Private Equity	\$63,150		\$84,000	
Lexington	Private Equity	\$250,572		\$136,294	
Marathon Fund IV & V (Goldner Hawn)	Private Equity	\$247,578		\$86,211	
First Mark II, III, IV, & V	Private Equity	\$198,478		\$216,854	
TCW/Crescent Mezzanine III & IV	Private Equity	\$213,234		\$131,633	
Weiss, Peck & Greer V & VI	Private Equity	\$12,745		\$8,966	
Accel Europe	Private Equity	\$181,622		\$164,059	
Levine Leichtman III & IV	Private Equity	\$193,108		\$194,679	
Oaktree Funds II, III, IV, V, VI, VIIA, VIIIB,	Private Equity	\$349,310		\$295,554	
Siguler Guff I, II & III	Private Equity	\$362,088		\$297,991	
Venture Lending & Leasing III	Private Equity	\$11,979		\$9,625	
Newstone Partners	Private Equity	\$64,842		\$105,834	
Warburg Pincus	Private Equity	\$217,684		\$236,741	
Thompson Street	Private Equity	\$233,420		\$272,650	
Weathergage	Private Equity	\$149,184		\$150,000	
Actis Global IV	Private Equity	-		\$111,699	
HM Sector Performance		\$209,585		\$139,495	
	Sub-Total	\$7,095,567		\$7,321,012	
Total (Basis Points & Dollars)		58	\$9,855,832	61	\$11,266,127
INVESTMENT CONSULTANT:					
Asset Consulting Group			\$606,187		\$627,953
TOTAL INVESTMENT FEES (Basis Points & Dollars):		62	\$10,491,887	64	\$11,954,426

Law Enforcement Retirement System

Asset Allocation Breakdown		
	<u>2012 % of</u>	<u>2011 % of</u>
	<u>Total Fund</u>	<u>Total Fund</u>
Domestic Equity	35.5%	40.0%
% Active	28.7%	31.1%
% Passive	6.8%	8.9%
Fixed Income	31.5%	32.4%
% Active	19.2%	17.4%
% Passive	12.3%	15.0%
Int'l Equity	14.2%	8.6%
% Active	14.2%	8.6%
% Passive	0.0%	0.0%
Other	18.8%	9.1%
Calendar Year Return	11.6%	1.9%

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM					
		<u>2011</u>	<u>2012</u>		
CUSTODY FEES:					
Northern Trust					
Custody Fee		\$80,000		80,000	
Securities Lending				(214,898)	
Commission Recapture				(327,019)	
				(461,917)	
INVESTMENT MANAGERS:					
Hotchkis & Wiley	Large Cap Value	\$471,756		314,025	
NTGI	Large Cap Core & Bond Index	\$46,389		41,334	
Waddell & Reed	Large Cap Growth	\$283,420		801,816	
Columbus Circle	Small Cap Growth	\$289,389		258,106	
Kennedy Capital	Small Cap Value	\$538,517		490,639	
Mondrian (Delaware)	International Equity	\$203,595		200,069	
Artio	International Equity	\$265,204		18,543	
Baring	International Equity	-		350,208	
TCW	Core Bond	\$516,489		344,129	
Grosvenor	Hedge Fund	-		-	
RREEF	Real Estate	\$298,969		-	
Colcord Center	Real Estate	-		-	
JP Morgan	Real Estate	-		127,453	
American I & II	Private Equity	-		-	
Knightsbridge VI & VII	Private Equity	-		-	
Cash Account	Cash	-		-	
Sub-Total (Basis Points & Dollars)		43	\$2,913,728	40	2,946,322
INVESTMENT CONSULTANT:					
Asset Consulting Group					
			\$110,000		110,000
TOTAL INVESTMENT FEES (Basis Points & Dollars):		46	\$3,103,728	36	2,594,405



Judges & Justices Retirement System

Asset Allocation Breakdown		
	2012 % of Total Fund	2011 % of Total Fund
Domestic Equity	40.1%	41.7%
%Active	0.0%	0.0%
%Passive	40.1%	41.7%
Domestic Fixed	34.8%	32.4%
%Active	34.8%	32.4%
%Passive	0.0%	0.0%
Int'l Equity	24.8%	8.6%
%Active	0.0%	0.0%
%Passive	24.8%	8.6%
Other	0.4%	9.1%
Calendar Year Return	12.9%	0.9%

OKLAHOMA RETIREMENT SYSTEM FOR JUDGES AND JUSTICES			
		2011	2012
CUSTODY FEES:			
Bankers Trust + Northern Trust		\$1,051	1,040
Custody Fee*			
Securities Lending		(\$22,097)	(7,460)
		<u>(\$210,573)</u>	<u>(6,420)</u>
INVESTMENT MANAGERS:			
BlackRock Russell 1000 Index	Large Cap Equity	\$6,798	6,860
BlackRock Russell 2000 Index	Small Cap Equity	\$4,823	4,578
Blackrock ACWI ex U.S.	International Equity	\$28,194	28,418
Blackrock	Core Bond	\$39,468	42,306
BlackRock US TIPs	TIPs	\$1,022	1,090
Hoisington	Long Bond	\$13,528	13,612
Metwest [§]	Core Bond	\$57,473	22,861
Sub-Total (Basis Points & Dollars)		6 <u>\$151,306</u>	5 <u>119,725</u>
INVESTMENT CONSULTANT:			
Strategic Investment Solutions*		<u>\$9,455</u>	<u>9,552</u>
TOTAL INVESTMENT FEES (Basis Points & Dollars):		6 <u>\$139,715</u>	5 <u>122,857</u>
[§] 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>2012 % of</u>	<u>2011 % of</u>
	<u>Total Fund</u>	<u>Total Fund</u>
Domestic Equity	42.7%	41.3%
% Active	43.5%	41.3%
% Passive	0.0%	0.0%
Domestic Fixed	43.9%	46.5%
% Active	44.1%	46.5%
% Passive	0.0%	0.0%
Int'l Equity	6.7%	6.2%
% Active	7.6%	6.2%
% Passive	0.0%	0.0%
Other	6.7%	4.4%
Calendar Year Return	9.1%	2.4%

OKLAHOMA DEPARTMENT OF WILDLIFE				
		<u>2011</u>		<u>2012</u>
CUSTODY FEES:				
Bank of Oklahoma				
Custody Fee		\$7,232		7,561
INVESTMENT MANAGER FEES				
Bank of Oklahoma				
Growth Equity		\$16,944		19,046
Core Equity		\$12,355		11,894
Value Equity		\$14,716		16,525
Small/Mid Cap Equity		\$12,302		12,467
Core Fixed Income		\$58,124		60,806
Multi-Cap		\$1,005		1,219
International Equity		\$8,988		9,852
Alternatives		\$5,007		6,240
Sub-Total (Basis Points & Dollars)	18	\$129,441	17	\$138,049
TOTAL INVESTMENT FEES (Basis Points & Dollars):	19	\$136,673	18	\$145,610

