



**Responses to Inquiries
RFP 14-11
General Investment Consulting Services**

1. How many regularly scheduled Board of Trustees meetings are there each year? Do you have a preliminary schedule of the Board meetings? Are the consultants expected to meet with the staff on-site more often than the six times per year when the board meets? Can you provide an estimate for the number of non-scheduled and ad-hoc meetings our consultants can expect each year? If possible, what dates would you expect to meet with them?

Answer: INPRS has six Board of Trustees meetings per year. However, special meetings may be called, if necessary. Please see the INPRS website for a schedule of upcoming Board of Trustees meetings (http://www.in.gov/inprs/board_of_trustees.htm). We are unable to provide an estimate of the number of ad-hoc meetings given that we do not know what will be requested by the Board of Trustees or needed by the INPRS Investment Staff. However, the General Consultant will be asked to meet with the INPRS Investment Staff the day prior to each Board of Trustees meeting.

2. Do you require an electronic copy of the fee proposal on the CDs? Or should the fee proposal only be provided as a hard copy?

Answer: Yes, respondents must submit one hard copy and four electronic copies (preferably PDF) of their response on CD.

3. What prompted your desire to conduct a search at this time? Is it for review purposes?

Answer: The contract period for the current General Consultant will expire in 2014. In addition, specific services and requirements of the General Consultant evolve over time. As a result, it is a prudent practice to evaluate the capabilities, services, and cost of the current General Consultant relative to and in addition to competitors in the space to ensure INPRS continues to receive an optimal level of service and value to meet the needs of the System.

4. Do you have any specific issues in regards to your current consultant? Is the current consultant being considered as part of this process?

Answer: The contract period for the current General Consultant will expire in 2014. Firms submitting a response according to the guidelines outlined in the RFP will be considered.

5. What are the annual fees for the existing contract that the Board is paying to its current consultant? Are there project-related fees associated with the current arrangement that are not part of the base fee?

Answer: The current fees paid under the existing contract are \$350,000 annually. Project-related or enhanced fees are not part of the base fee under the current contract.

6. Do you anticipate making any changes to the asset allocation of the Plans? Are you considering any new asset classes?

Answer: Through the upcoming asset liability study with the hired General Consultant, asset allocations and asset classes deemed suitable in meeting INPRS' investment objectives may be considered.

7. Is the investment report from the board packet public and if it is can INPRS provide a recent copy of that report?

Answer: Please see attached for the June 2014 investment report presented to the Board of Trustees.

8. The mandatory services include "9. Special Projects." We are happy to provide any or all of the examples listed. Would we negotiate a separate fee for these once we know what projects we are to handle? It is difficult for us to quote a fixed annual fee for consulting services when the type and number of special projects is unknown to us at this time.

Answer: The list provided are examples of the types of projects that the General Consultant could be tasked with. Use the list as a basis for the types of projects INPRS is thinking about and cite any projects (i.e. number) that are included in the fixed annual fee. If your firm generally negotiates a separate fee for projects such as those listed, please include examples of fees charged to other clients for similar projects.



INPRS Investment Update

June 20, 2014

Team Imperatives

- Achieve 6.75% Long Term Rate of Return Assumption
- Achieve the return as efficiently & effectively as possible
- Always have enough cash on hand to pay the bills

INPRS Highlights

- INPRS assets are at an all-time high of \$29.7 billion, as of 4/30/14.
- All asset classes are within target asset allocation ranges.
- INPRS cumulative return since reaching the target asset allocation, June 30, 2012, is 17.1% versus a target return during this time period of 12.7%.
- Fiscal YTD return of 10.45% is outperforming the target return by 5.59%.
- Every asset class has added positive returns Fiscal YTD.
- ASA investment options have all contributed positive returns Fiscal YTD.



RFP Updates

Real Estate Consultant RFP

- It has been five years since we conducted a formal RFP for INPRS' Real Estate Consultant.
- INPRS current consultant is ORG.
- A request for proposal will be issued to ensure INPRS is receiving the best combination of price and value.

Tentative Timeline for the Real Estate Consultant RFP

Date	Objective
May 26, 2014	P&I ad posted online & in print
June 4, 2014	Respondent questions are due
June 6, 2014	INPRS responds to questions
June 30, 2014	RFP's are submitted to INPRS
July 11, 2014	Finalists chosen by INPRS
July 25, 2014	Finalists present to INPRS staff
August 15, 2014	Final decision made by INPRS staff
September 12, 2014	INPRS staff to make recommendation to INPRS Board for final approval

General Consultant RFP Planning

- INPRS Investment Team met to identify and establish priorities in the RFP responses, including:
 - Characteristics of the firm
 - Skills/experience of the consulting team
 - Project/research capabilities
- INPRS Investment Team reviewed General Consultant RFPs of peers for best ideas and concepts

Tentative Timeline for the General Consultant RFP

Date	Objective
June 23, 2014	P&I ad posted online & in print
July 3, 2014	Respondent questions are due
July 9, 2014	INPRS Staff responds to questions
July 25, 2014	RFP's are submitted to INPRS
Aug. 12, 2014	Finalists chosen by INPRS Staff
Aug. 25-26, 2014	Finalists present to INPRS at Investment Working Group Session
Sept. 26, 2014	Final decision made by INPRS
Oct. 31, 2014	INPRS Staff presents recommendation to INPRS Board
Nov. 2014 – Apr. 2015	General Consultant assists INPRS Staff on asset-liability study



Target Date Funds Review

CapCities



Target Date Funds Review

June, 2014

Prepared For:

Indiana Public Retirement System



INPRS/Capital Cities Relationship History

About Capital Cities:

Capital Cities, a registered investment adviser, is an independent, employee-owned firm and is located in Indianapolis, Indiana. Capital Cities' sole focus is to provide investment consulting solutions to tax-exempt clients (public funds, retirement plans, and foundations/endowments). Our firm specializes in assisting plan sponsors with fee analyses, investment manager structure evaluations, investment policy statement development, investment manager searches and performance reporting.

INPRS/Capital Cities Relationship History:

- Capital Cities was retained on a project basis in 2009 to conduct an investment structure evaluation of the ASA Plans with specific objectives set forth to accomplish.
- Manager searches were conducted based on the findings of the investment structure evaluation.
- The investment structure objectives were met with the redesign of the investment options that were rolled out to participants in August 2010. The default option was also changed from the Guaranteed Fund to an age-appropriate Target Date Fund at that time.
- Capital Cities was subsequently hired to provide full-retainer services to the Plans.
- INPRS also retained Capital Cities to conduct an evaluation of the Guaranteed Fund in 2012 on a separate project basis.

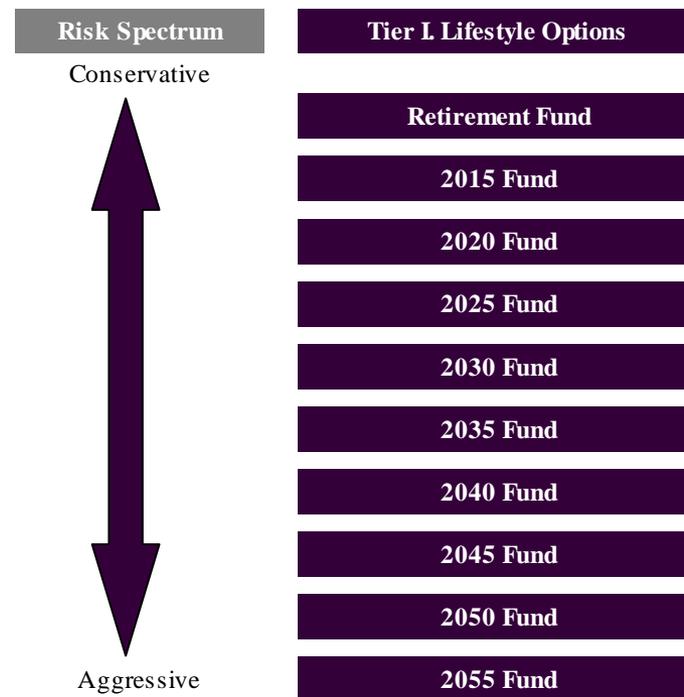
Target Date Funds Overview

Target Date Funds—What are They?

Target Date Funds aim to help investors achieve their long-term goal of funding retirement needs by providing a pre-diversified portfolio that becomes more conservative over time. An investor selects a Target Date Fund that corresponds to the year he/she intends to retire (or withdraw money).

Target Date Funds' Role within the ASA Plan:

The INPRS Target Date Funds serve as the “do it for me” solution for participants. The Funds are also utilized as the Plan’s default option (as defined by ERISA Section 404(c)(5)), meaning that INPRS invests a participant’s assets in an age-appropriate Target Date Fund in the absence of investment direction from a participant.

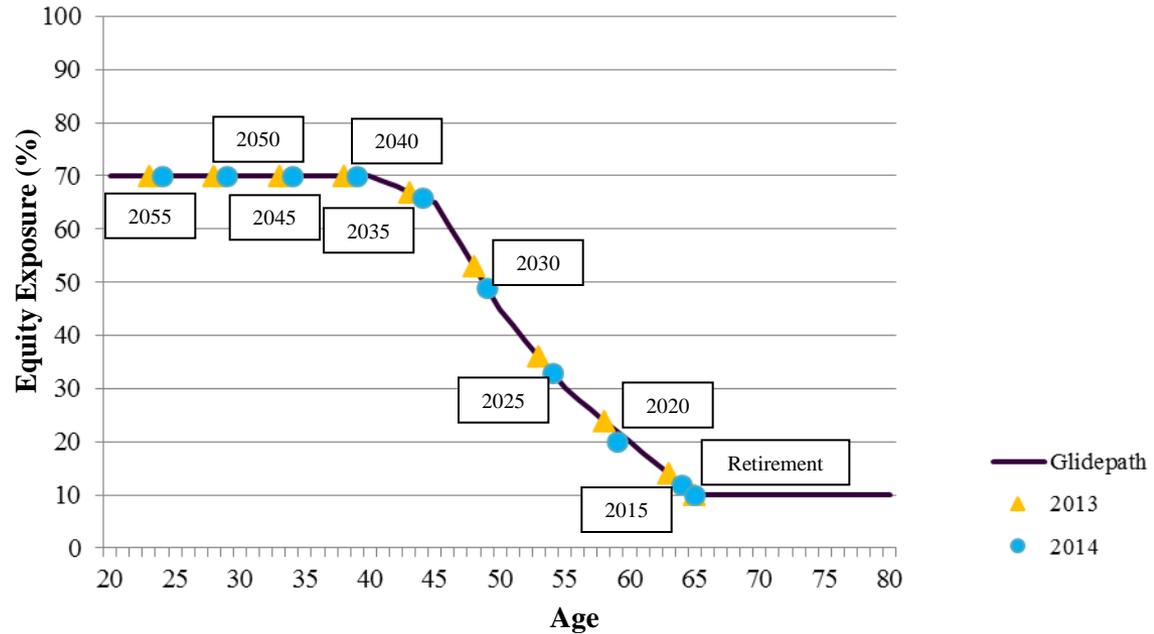


While the INPRS ASA Plan is not subject to ERISA, the utilization of an age-appropriate Target Date Fund as the Plan’s default option positions the Plan favorably from a fiduciary standpoint and reflects the trend of the majority of plan sponsors.

Target Date Funds Glide Path Evaluation

Target Date Fund Glide Path:

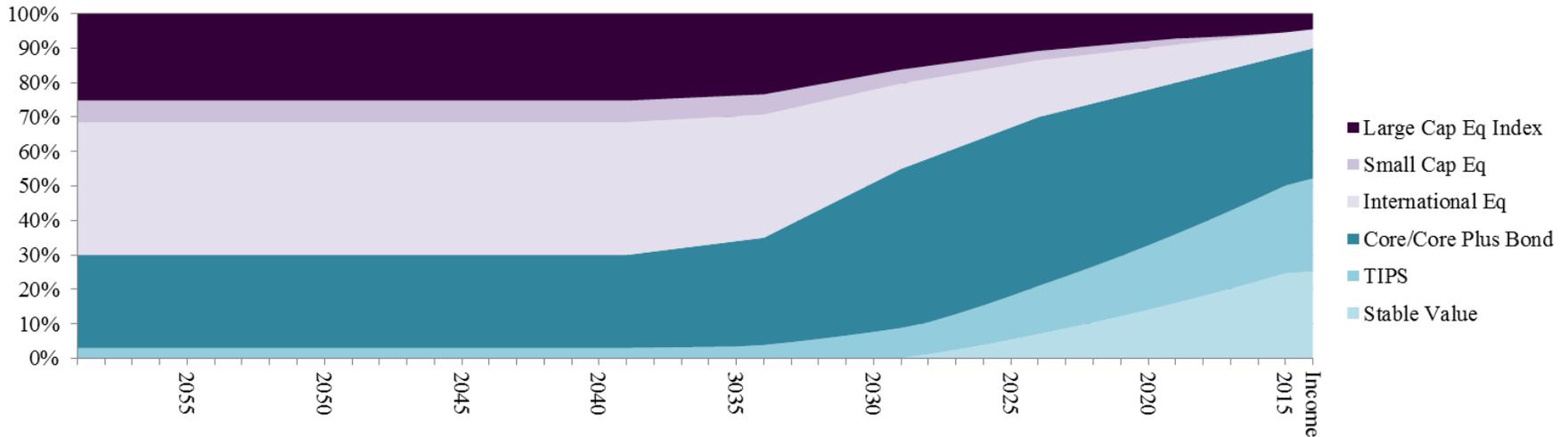
A Target Date Fund glide path (as denoted by the purple line to the right) creates an asset allocation for a participant that becomes more conservative over time as the participant nears retirement.



- The INPRS Target Date Funds are customized to meet the ASA Plan's unique participant demographics. Specifically, the glide path is conservatively constructed in order to take into account Defined Benefit and Deferred Compensation Plan assets.
- The glide path begins with an 70% allocation to equity strategies. The portfolio construction of the Funds shifts to more conservative asset classes over time before reaching retirement where the majority of the exposure is in fixed income and real return strategies (10%).
- The current glide path begins with a target investor age of 24 (2055 Fund) and is managed *to* retirement at an expected retirement age of 65 (Retirement Fund).

As part of the annual glide path review, it is recommended that the Funds glide down one year along the existing glide path (yellow triangles to blue circles) which will provide a relatively smooth transition for participants.

Target Date Funds Portfolio Construction



- The INPRS Target Date Funds offer broad exposure to traditional equity and fixed income markets.
- The Equity component utilizes a modest amount of active management to allow for some excess return potential within less efficient styles (Small Cap and International), while passive management is used in the Large Cap Equity space where there is greater market efficiency.
- The fixed income component is comprised primarily of a Core/Core Plus Bond style, though the fixed income exposure becomes more diversified with Treasury Inflation Protected Securities (TIPS) and Stable Value as a participant nears retirement and the need for stability and inflation protection grows.

The traditional nature of the Target Date Funds' portfolio construction allows the Funds to meet the ASA Plan's objectives of being uncomplicated and low-cost with minimal tracking error relative to each Fund's benchmark.

Target Date Funds Manager Structure

	Portfolio Component:	Manager:	Description:
Equity	Passive Large Cap Equity	Large Cap Equity Index Fund: BlackRock S&P 500 Index	Provides broad exposure to the U.S. Large Cap equity market at a low cost.
	Small/Mid Cap Equity	Small/Mid Cap Equity Fund: 80% Russell Small Cap Completeness 12% Loomis SMID 8% CS McKee Small Cap	Provides broad exposure to the U.S. Small/Mid Cap equity market.
	International Equity	International Equity Fund: 60% BlackRock MSCI ACWI ex-US 13.3% EARNEST International 13.3% DFA International Value 13.3% Baillie Gifford ACWI ex-US	Provides broad exposure to the foreign equity market.
Fixed Income	Core/Core Plus	Fixed Income Fund: 60% Northern Trust BC Agg Index 20% PIMCO Total Return 20% Loomis Core Plus	Provides total return opportunity through a diversified bond portfolio.
	TIPS	Inflation-Linked Fixed Income: BlackRock Inflation Protected Bond	Provides active exposure to primarily U.S. Treasury Inflation Protected Bonds.
	Stable Value	Stable Value Fund: Wells Fargo Stable Value	Provides stability and capital preservation.

The INPRS Target Date Funds are allocated among 13 different managers to better control business and strategy risk. All of the underlying Funds are offered to participants on a stand-alone basis as well.*



* The Stable Value Fund is only offered on a stand-alone basis in the Legislators Plan.

Target Date Funds Allocations and Fees

2013 Portfolios

	Expense Ratio	Target-Date Retirement Funds									Retirement
		2055	2050	2045	2040	2035	2030	2025	2020	2015	
Investment Options:											
Large Cap Equity Index	0.02%	25%	25%	25%	25%	24%	19%	13%	9%	6%	4%
Small/Mid Cap Equity	0.16%	6%	6%	6%	6%	6%	5%	3%	2%	0%	0%
International Equity	0.23%	39%	39%	39%	39%	37%	29%	20%	13%	8%	6%
Fixed Income	0.12%	27%	27%	27%	27%	30%	40%	49%	46%	40%	38%
Inflation-Linked Fixed Income	0.08%	3%	3%	3%	3%	3%	7%	11%	18%	24%	27%
Stable Value	0.51%	0%	0%	0%	0%	0%	0%	4%	12%	22%	25%
Total Equity		70%	70%	70%	70%	67%	53%	36%	24%	14%	10%
Total Fixed Income		30%	30%	30%	30%	33%	47%	64%	76%	86%	90%
Expense Ratio		0.14%	0.14%	0.14%	0.14%	0.14%	0.13%	0.14%	0.17%	0.20%	0.21%

2014 Roll-Down

	Expense Ratio	Target-Date Retirement Funds									Retirement
		2055	2050	2045	2040	2035	2030	2025	2020	2015	
Investment Options:											
Large Cap Equity Index	0.02%	25%	25%	25%	25%	24%	18%	12%	8%	5%	4%
Small/Mid Cap Equity	0.16%	6%	6%	6%	6%	6%	4%	3%	2%	0%	0%
International Equity	0.23%	39%	39%	39%	39%	36%	27%	18%	12%	7%	6%
Fixed Income	0.12%	27%	27%	27%	27%	31%	43%	49%	45%	38%	38%
Inflation-Linked Fixed Income	0.08%	3%	3%	3%	3%	3%	8%	13%	19%	25%	27%
Stable Value	0.51%	0%	0%	0%	0%	0%	0%	5%	14%	25%	25%
Total Equity		70%	70%	70%	70%	66%	49%	33%	22%	12%	10%
Total Fixed Income		30%	30%	30%	30%	34%	51%	67%	78%	88%	90%
Expense Ratio		0.14%	0.14%	0.14%	0.14%	0.14%	0.13%	0.14%	0.17%	0.21%	0.21%

- The charts above provide the current INPRS Target Date Portfolios along with the new allocations based on the recommended glide path roll-down.
- The weighted management fees remain relatively the same.
- The INPRS Target Date Funds are low cost with fees that range from 13 to 21 basis points (peer group: 62 to 77 basis points).



Portfolio Review

INPRS Portfolio Update

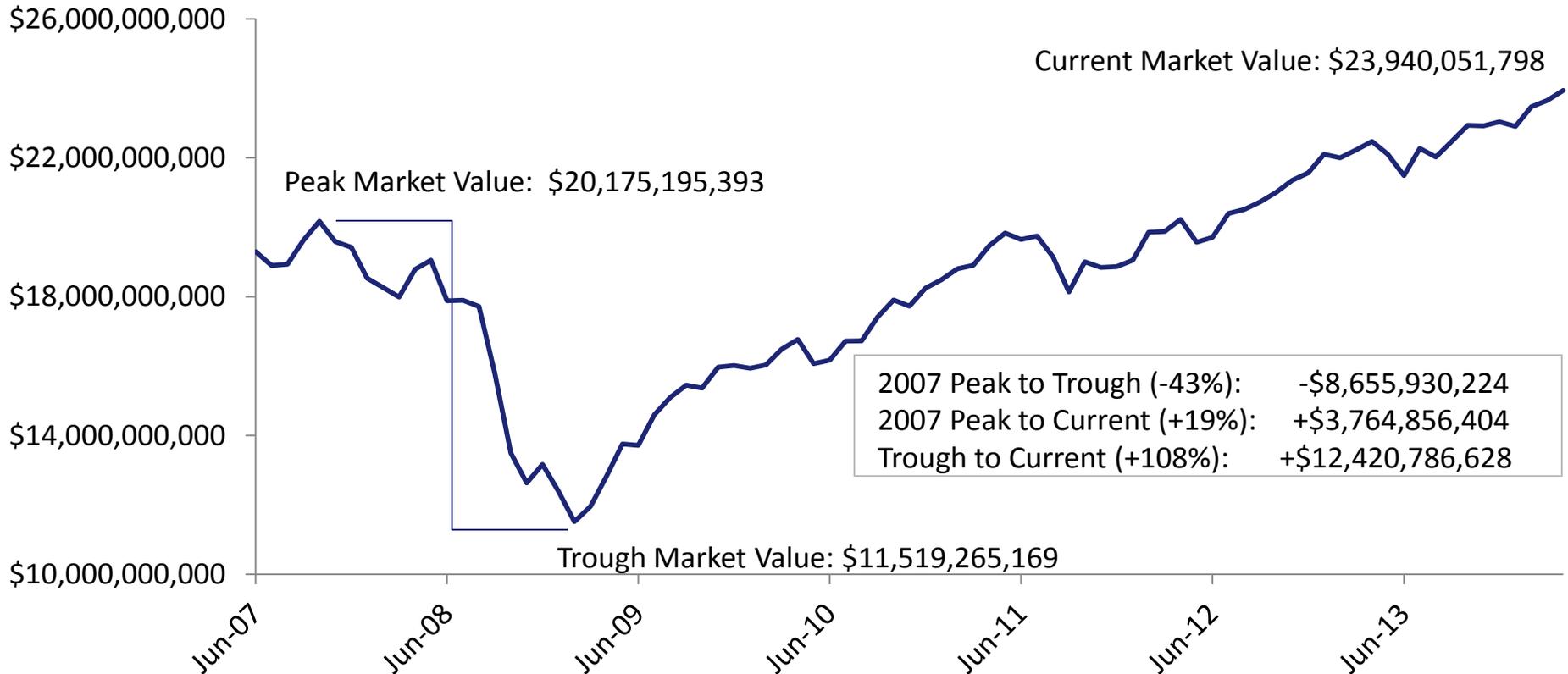
INPRS Market Values

	4/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
INPRS					
<i>Defined Benefit Plan</i>	\$23,940,051,798	\$21,488,701,120	\$19,708,882,089	\$19,649,646,938	\$16,171,429,393
<i>PERF/TRF Annuity Savings Account¹</i>	\$5,676,863,377	\$5,607,449,519	\$5,536,808,541	\$5,833,363,870	\$5,748,271,020
TOTAL INPRS ASSETS	\$29,616,915,175	\$27,096,150,639	\$25,245,690,630	\$25,483,010,808	\$21,919,700,413
OTHER					
<i>Police & Fire Pension Relief Fund</i>	\$115,757,477	\$35,586,521	\$14,115,952	\$52,576,642	\$97,433,530
<i>Special Death Benefit Accounts</i>	\$12,769,809	\$12,544,683	\$12,150,773	\$11,032,832	\$10,117,453
TOTAL OTHER ASSETS	\$128,527,285	\$48,131,204	\$26,266,725	\$63,609,474	\$107,550,983
TOTAL COMBINED ASSETS	\$29,745,442,460	\$27,144,281,843	\$25,271,957,355	\$25,546,620,282	\$22,027,251,396

¹ Includes Legislators' DC Plans

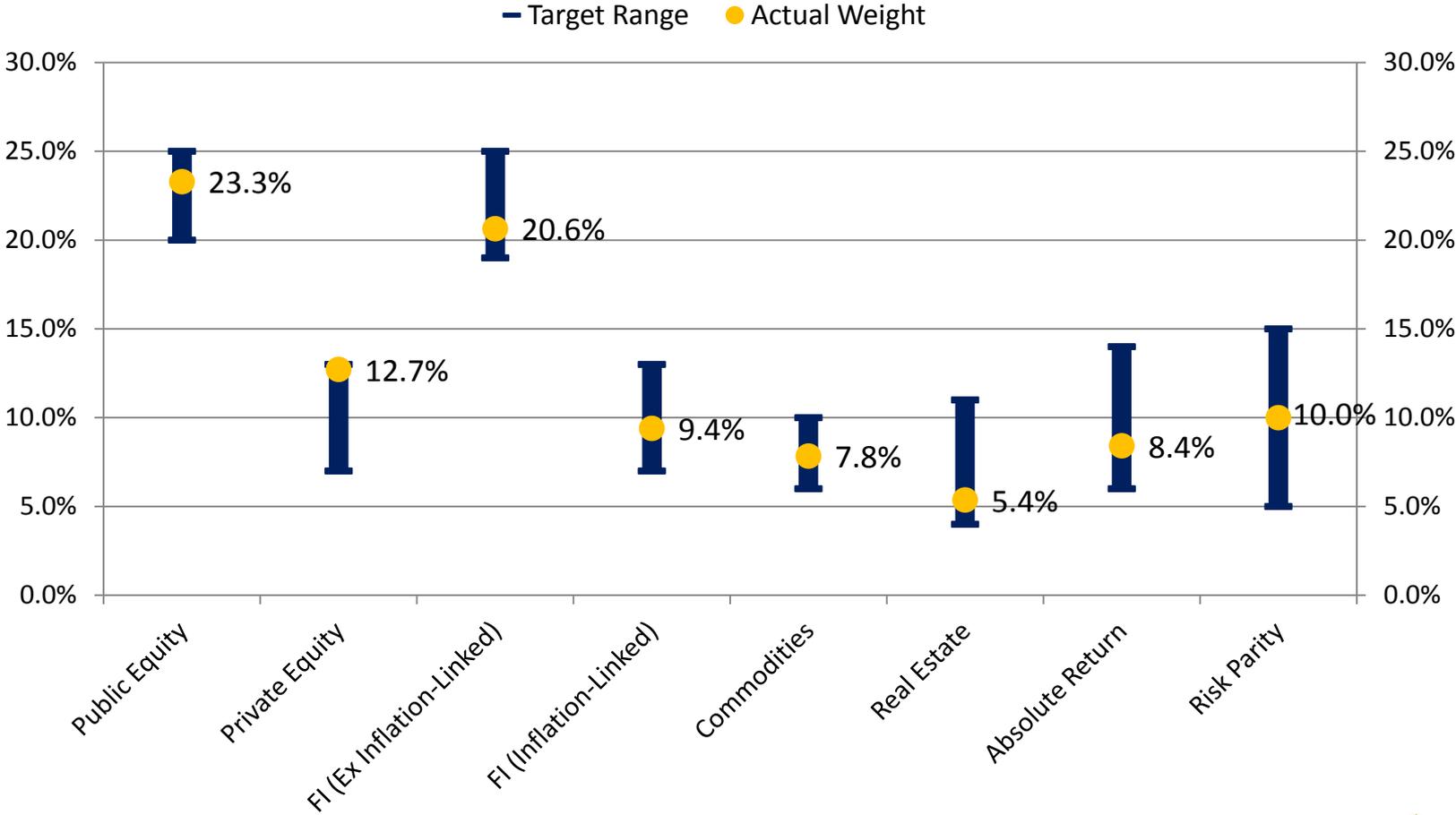
INPRS DB Performance

INPRS DB Market Value (As of 4/30/2014)

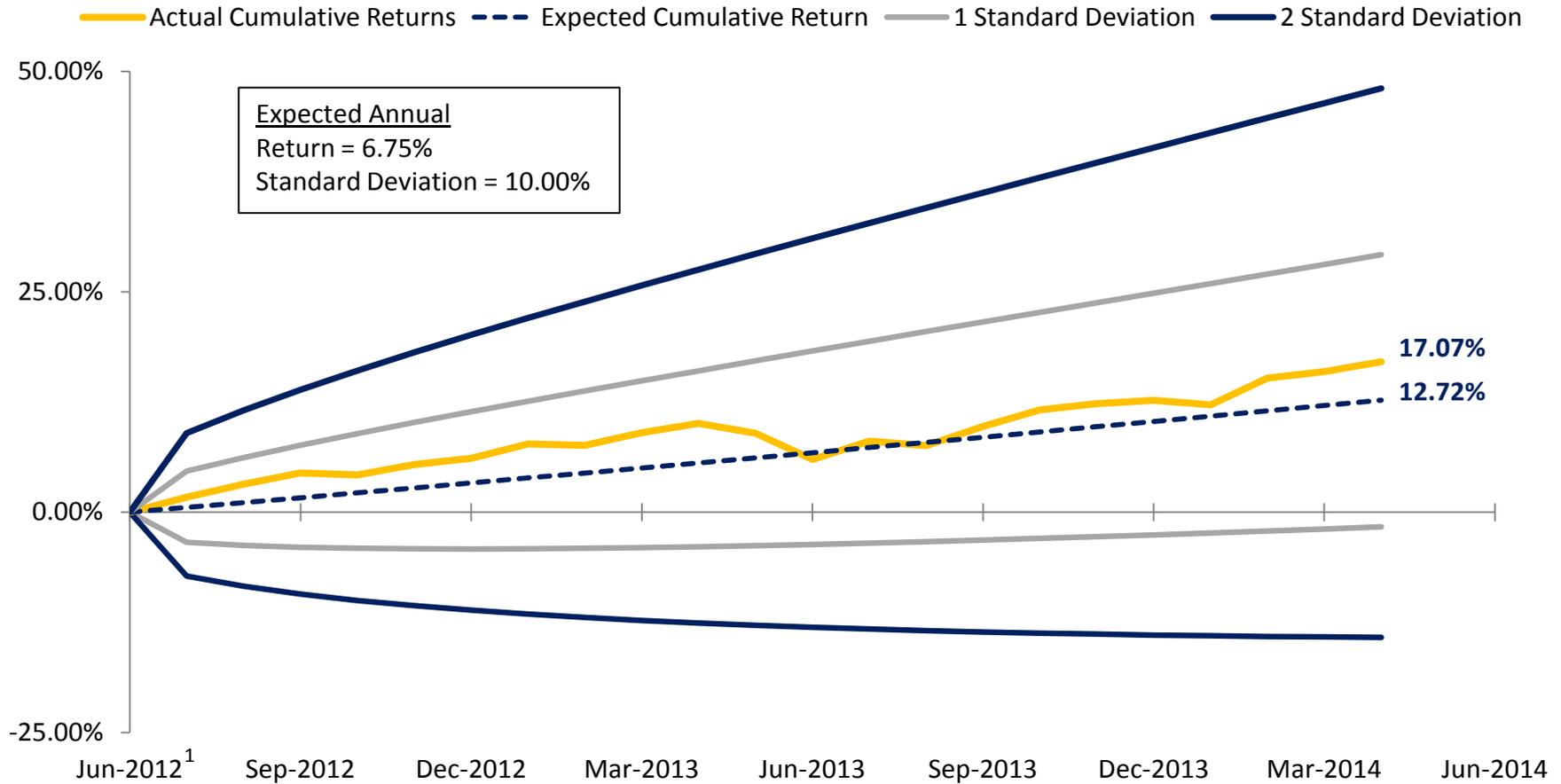


INPRS Asset Allocation

As of April 30, 2014



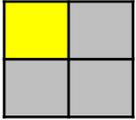
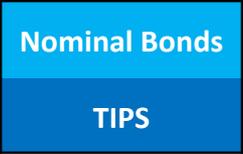
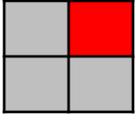
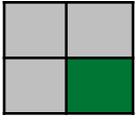
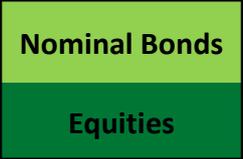
INPRS DB Performance As of April 30, 2014



¹Date target asset allocation was reached

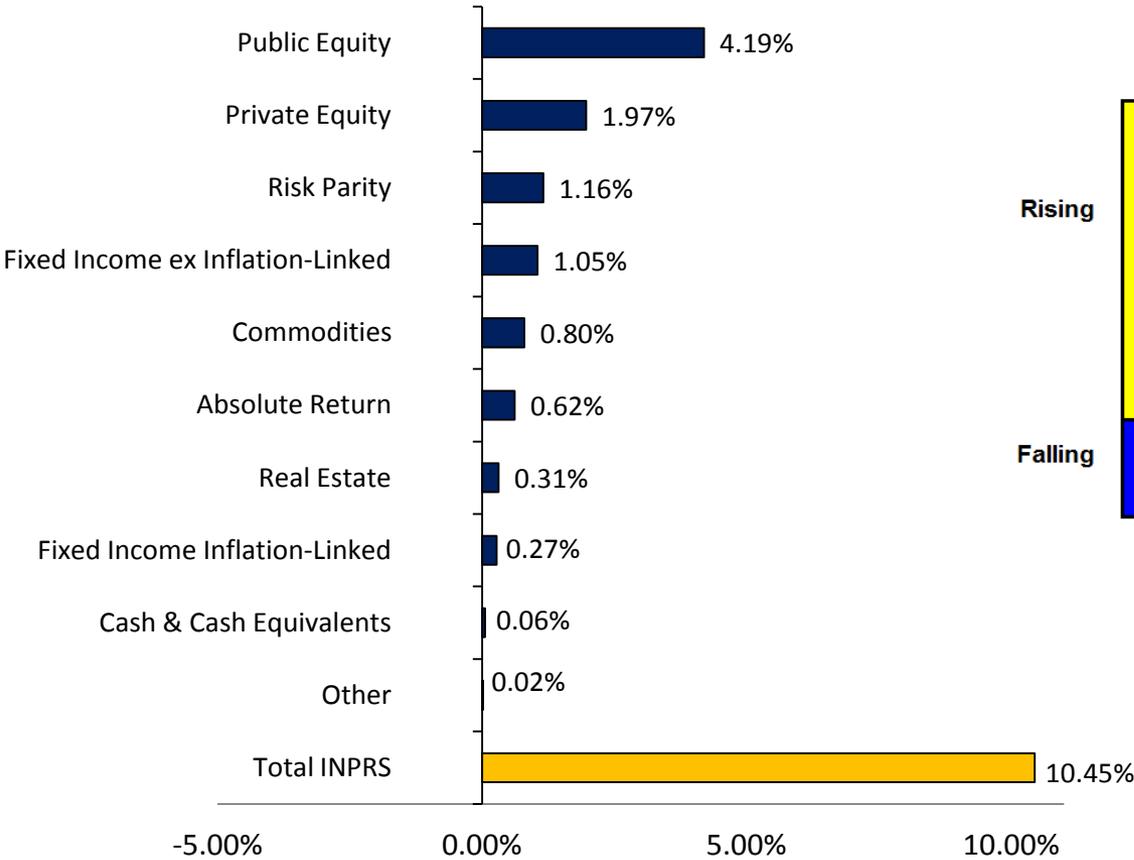
Fiscal Year 2014

Performance by Economic Environment

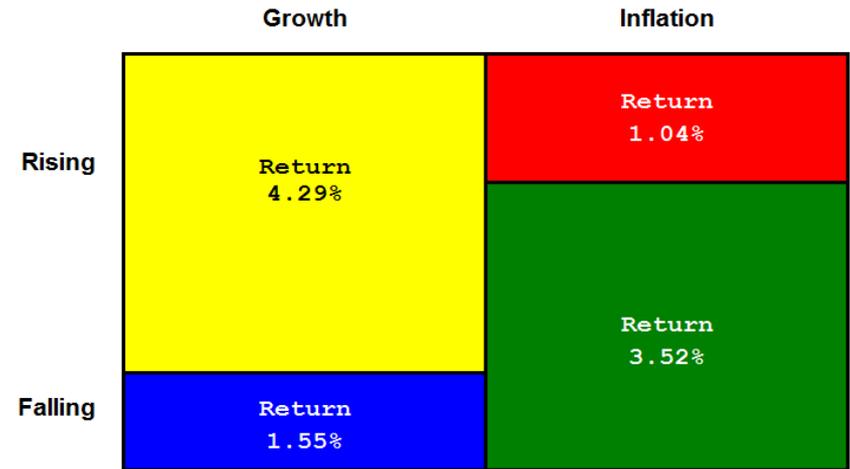
		<u>Jul 2013- Sep 2013</u> Return	<u>Oct – Dec 2013</u> Return	<u>Jan – Mar 2014</u> Return	<u>April 2014</u> Return	
	Rising Growth					
	Falling Growth					
	Rising Inflation					
	Falling Inflation					

INPRS' Fiscal Year 2014 Performance

Fiscal YTD Contribution to Total Return (As of 4/30/14)



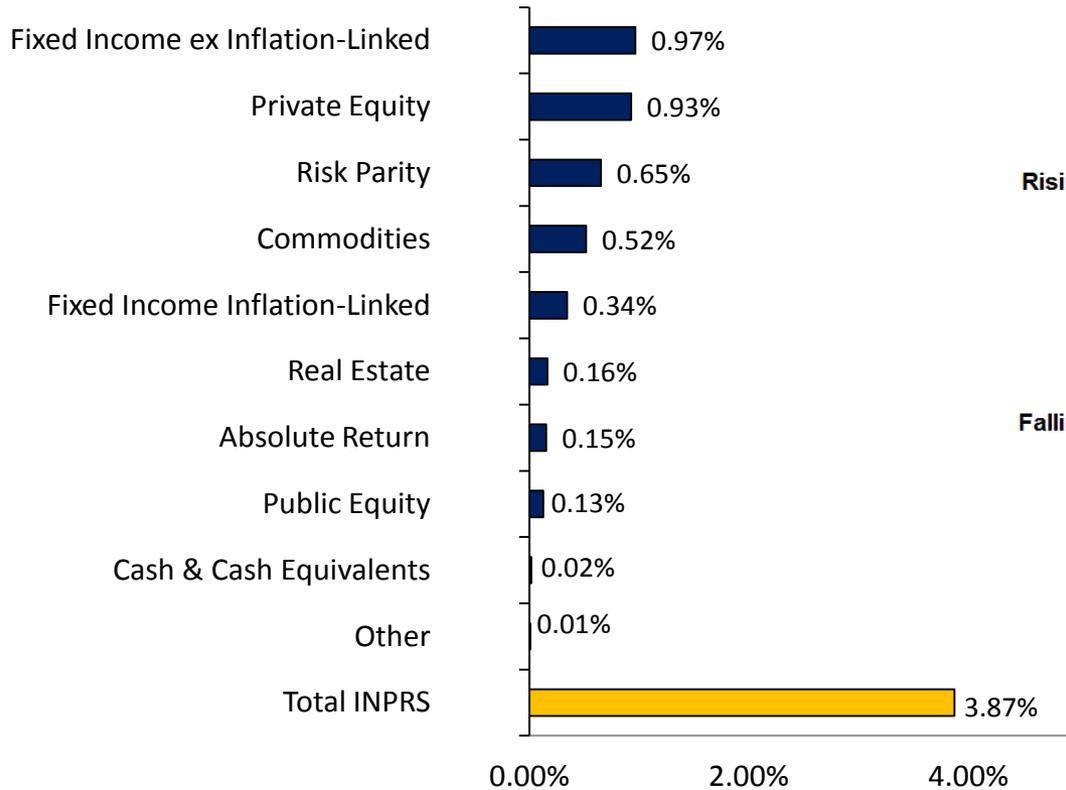
INPRS Fiscal YTD Performance (As of 4/30/2014)
Excess Return Attribution by Economic Environment



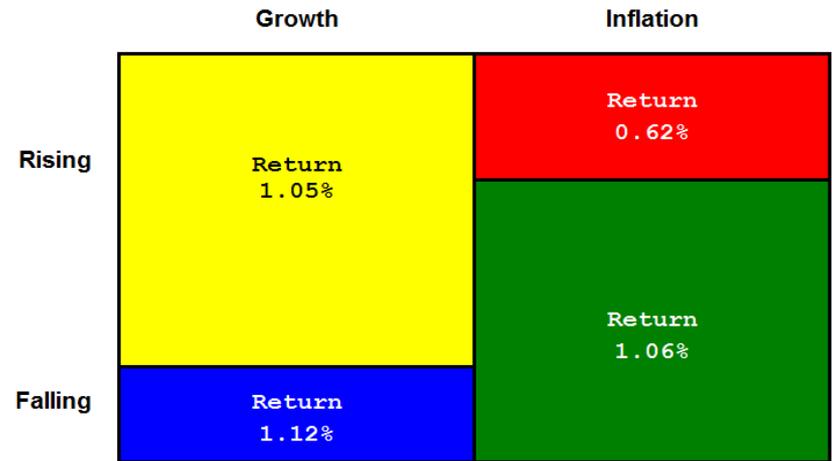
Total Portfolio Return	=	10.45%
Cash Return	=	0.05%
Excess Return	=	10.40%

INPRS' Calendar Year 2014 Performance

Calendar YTD Contribution to Total Return (As of 4/30/14)



INPRS Calendar YTD Performance (As of 4/30/2014)
Excess Return Attribution by Economic Environment



Total Portfolio Return	=	3.87%
Cash Return	=	0.02%
Excess Return	=	3.85%

INPRS DB Performance

As of April 30, 2014

	Market Value (\$MM)	%	Cal YTD	Fiscal YTD	1 Year	3 Year	5 Year	10 Year
Total INPRS DB¹	23,940	100	3.87	10.45	6.35	5.20	11.15	5.64
6.75% Return Index			2.17	5.59	6.75	6.75	6.75	6.75
Combined PERF TRF BM			3.74	10.20	6.78	5.40	10.35	5.71
Target Index			3.71	9.74	6.39			
Total Global Public Equity	5,575	23.3	0.70	17.58	15.33	7.99	16.53	
MSCI ACWI Market Net Index			1.96	18.39	14.79	7.48	15.94	
Total Private Equity	3,045	12.7	7.31	15.56	19.03	14.59	13.82	11.96
Russell 3000 plus 300 bps			3.07	22.14	23.78	16.55	22.56	11.16
Total Fixed Income (Ex Inflation Linked)	4,940	20.6	4.68	5.06	(0.88)	4.18	8.03	5.51
Barclays Global Aggregate (USDH)			2.74	3.81	0.91	4.32	4.59	4.65
Total Inflation Linked Fixed Income	2,251	9.4	3.62	2.77	(4.96)	3.59	6.20	5.45
Global Inflation 70/30 ²			3.43	2.39	(5.26)	3.53	5.66	5.23
Total Commodities	1,876	7.8	6.77	10.60	2.92	(5.67)	6.83	
Total Commodities Custom BM ³			8.09	10.97	6.46	(5.65)	6.26	
Total Real Estate	1,285	5.4	3.77	7.85	9.62	10.95	9.85	
NCREIF NFI-ODCE Net 1 Qtr in Arrears			2.94	10.21	12.90	12.53	2.71	
Total Absolute Return	2,016	8.4	1.76	7.27	5.82	3.88	7.21	
HFRI Custom			0.90	4.55	3.75	1.50	4.40	
Total Risk Parity	2,394	10.0	6.63	11.89	0.05			
Risk Parity Custom Index ⁴			2.33	12.47	9.16			
Cash⁵	558	2.3	0.31	0.56	1.26	0.34	0.30	2.89

¹ Consolidated returns prior to and including June 30, 2011 are calculated based on BNY Mellon using the monthly market values supplied by the prior custodian along with BNY Mellon calculated beginning adjusted market values. The beginning adjusted market values assume all cash flows occurred on the first day of the month. Doing so provides a reasonably accurate depiction of the historical return streams. Beginning 1/1/2012 the TERF and PERF Plans combined and will be reported under the single Total CRIF Structure going forward.

² 70% Barclays US TIPS/30% Barclays Global Inflation-Linked (USDH)

³ 50% S&P GSCI/50% DJ UBS

⁴ 60% MSCI ACWI Market Net Index (Equity)/ 40% Barclays Global Aggregate (Fixed Income).

⁵ Return includes Cash Account, Russell Overlay Account, and Securities Lending Income Account

Private Asset Class Performance

Private Equity Internal Rate of Return (IRR) (As of 3/31/2014)

	Portfolio ¹	Russell 3000 + 3.00% ²	Difference
INPRS	11.74%	11.15%	0.59%

¹Based on the first capital calls made for INPRS, the inception date is 5/14/2001.

²The benchmark IRR is calculated by buying and selling the index on the actual date the private cash flows have occurred.

Private Real Estate Internal Rate of Return (IRR) (As of 3/31/2014)

	Portfolio ³	Custom Public Market Equivalent ^{4,5}	Difference
INPRS	7.88%	6.23%	1.65%

³Based on the first capital calls made for INPRS, the inception date is 2/26/2004

⁴The benchmark IRR is calculated by taking each cash flow and buying and selling the index on the actual date the flows occur.

⁵The custom Public Market Equivalent (PME) benchmark is comprised of the Barclays CMBS Index, Barclays MBS Index, and FTSE/EPRA NAREIT index and is proportionately weighted corresponding to debt and equity investments in the INPRS real estate portfolio.

ASA / DC Performance

As of April 30, 2014

	Market Value (\$MM)	% of ASA	Cal YTD	Fiscal YTD	1 Year	3 Year	5 Year ¹
Large Cap Equity Index Fund	813	14.3	2.56	19.28	20.41	13.82	19.11
<i>S&P 500 Index</i>			2.56	19.29	20.44	13.83	19.14
Small/Mid Cap Equity Fund	674	11.9	-0.05	18.81	20.99	11.77	21.15
<i>Russell Small Cap Completeness Index</i>			-0.11	19.99	21.83	12.19	21.38
International Equity Fund	224	3.9	1.70	18.00	10.77	3.26	13.49
<i>MSCI ACWI ex US</i>			1.84	17.45	9.76	2.96	12.90
Fixed Income Fund	175	3.1	3.07	3.77	-0.37	4.36	6.05
<i>Barclay's Aggregate</i>			2.70	3.15	-0.26	3.60	4.88
Inflation Linked Fixed Income Fund	36	0.6	3.22	2.03	-5.38	3.13	5.55
<i>Barclay's US TIPS Index</i>			3.32	1.97	-5.97	3.11	5.58
Stable Value Fund²	2	0.0	0.05	3.55	4.07	3.32	3.55
<i>Citi 3 Month T-Bill Index</i>			0.02	0.03	0.04	0.06	0.09
Money Market Fund	26	0.5	0.00	0.05	0.07	0.10	0.12
<i>Citi 3 Month T-Bill Index</i>			0.02	0.03	0.04	0.03	0.09
Guaranteed Fund³	3,465	61.0	0.64	1.83	1.10	1.88	4.88
<i>Payout Rate</i>			0.09	0.23	0.28	0.85	1.72
CRIF⁴	9	0.2	3.87	10.45	6.35	5.20	11.15
<i>Combined PERF TRF BM</i>			3.74	10.20	6.78	5.41	10.35
Target Date Funds⁵	253	4.5					
TOTAL ASA ASSETS⁶	5,677	100.0					

¹All returns are hypothetical composite returns, with the exception of the Stable Value Fund and CRIF, which are actual. Returns are not audited.

²Not available as a stand-alone option in the PERF & TRF ASA, but is a component of the target date funds.

³Guaranteed Fund assets are invested in short duration fixed income.

⁴Not available as a stand-alone option in the PERF & TRF ASA.

⁵Returns and indices are on Target Date Funds Performance slide.

⁶Total assets in the PERF, TRF and LE plans.

Target Date Funds Performance

As of April 30, 2014¹

	Market Value (\$MM)	% of Target Date Funds	Cal YTD	Fiscal YTD	1 Year	3 Year	5 Year ²
2055 Fund	19	7.4	2.24	13.96	10.00	6.72	13.34
<i>2055 Fund Index</i>			2.22	13.64	9.68	6.48	12.74
2050 Fund	29	11.5	2.24	13.95	10.00	6.72	13.35
<i>2050 Fund Index</i>			2.22	13.64	9.68	6.48	12.74
2045 Fund	20	7.8	2.24	13.95	10.00	6.72	13.35
<i>2045 Fund Index</i>			2.22	13.64	9.68	6.48	12.74
2040 Fund	21	8.2	2.24	13.95	10.00	6.72	13.34
<i>2040 Fund Index</i>			2.22	13.67	9.68	6.48	12.74
2035 Fund	25	9.9	2.23	13.63	9.70	6.57	13.25
<i>2035 Fund Index</i>			2.18	13.28	9.37	6.34	12.65
2030 Fund	27	10.7	2.24	11.78	7.67	5.91	12.44
<i>2030 Fund Index</i>			2.14	11.39	7.37	5.65	11.80
2025 Fund	33	13.1	2.39	9.07	4.89	5.37	10.57
<i>2025 Fund Index</i>			2.27	8.55	4.52	4.99	9.74
2020 Fund	42	16.6	2.35	7.08	3.04	4.86	8.93
<i>2020 Fund Index</i>			2.24	6.33	2.42	4.26	7.85
2015 Fund	27	10.8	2.21	5.50	1.61	4.35	7.57
<i>2015 Fund Index</i>			2.12	4.47	0.62	3.48	6.26
Retirement Fund	10	4.1	2.25	4.70	0.82	4.14	6.48
<i>Retirement Fund Index</i>			2.16	3.50	-0.36	3.05	4.99
TOTAL INPRS TARGET DATE FUNDS	253	100.0					

¹The assets in the PERF, TRF and LE plans were merged on 4/1/2013. Prior to 4/1/2013, all data presented is calculated from manager composite performance.

²All returns are hypothetical composite returns. Returns are not audited.

Pension Relief & Special Death Fund Performance

Pension Relief & Special Death Fund Net of Fees Performance (As of 4/30/2014)

	Market Value (\$MM)	Cal YTD	Fiscal YTD	1 Year	3 Year	5 Year
Police & Fire Pension Relief	116	0.02	0.05	0.07	0.09	1.85
<i>Citigroup 3 Month T-Bill Index</i>		0.01	0.03	0.04	0.06	0.09
Public Safety Officer's Special Death Benefit Fund	5	1.54	2.31	-0.09	2.94	3.91
<i>Barclay's Intermediate Gov/Credit Index</i>		1.52	2.12	-0.24	2.92	4.19
Public Employees Special Death Benefit Fund	8	1.54	2.31	-0.09	3.25	4.36
<i>Barclay's Intermediate Gov/Credit Index</i>		1.52	2.12	-0.24	2.95	4.19

Investments/Terminations

Manager	Asset Class	Action	Effective Date	Commitment/ Current Value	Investment/ Divestment Period	Description
ABRY Advanced Securities Fund III, L.P.	Private Equity	New Investment	4/30/2014	\$40 - \$50 MM	5 years/5 years/3 one-year extensions with approval of LPAC	Leveraged investments in senior debt securities (generally accessed through total return swaps) of non-investment grade companies in communications, media, information, business services, and related areas.
New Mountain Partners IV, L.P.	Private Equity	New Investment	4/30/2014	\$75 MM	5 years/5 years/2 one-year extensions with approval of LPs/LPAC	Equity investments of \$100 to \$500 million in U.S. middle-market companies in non-cyclical "defensive growth" industries with enterprise values between \$200 million and \$1 billion (typically \$300 million to \$500 million).
EnCap Flatrock Midstream Fund III, L.P.	Private Equity	New Investment	5/15/2014	\$60 MM	5 years/5years/2 one-year extensions with approval of LPAC	Equity and equity-linked investments between \$150 and \$250 million in the midstream sector of the oil and gas industry targeting growth capital to proven midstream management teams in North America pursuing start-ups, or early-stage companies, building Greenfield development projects or acquiring and exploiting/expanding existing midstream assets.
Ionic Capital	Absolute Return	New Investment	5/30/2014	\$50 MM	N/A	Low-net exposure event driven fund focused on identifying individual equities with near-term hard catalysts and position-level basket hedging.

Watch List

Current Watch List

Manager	Asset Class	Effective Date	Reason	% of INPRS Market Value
Barrow Hanley	Domestic Equity	3/31/12	3 year and 5 year return ¹	0.7%
CS McKee - Small Cap Core	ASA – SMID Cap Equity	6/30/12	3 year return ²	N/A
Gryphon	International Equity	3/31/13	3 year return ³	1.1%
Euro Investors Global	REITS	3/31/13	3 year and 5 year return ⁴	0.2%
Columbus Circle	Domestic Equity	9/30/13	3 year return ⁵	0.3%
Deprince Race & Zollo	Domestic Equity	9/30/13	3 year return ⁶	0.3%
Artisan	Domestic Equity	1/31/14	3 year and 5 year return ⁷	1.2%
PIMCO	Fixed Income ⁸	1/31/14	Management Change	4.9%
Leading Edge	Domestic Equity	3/31/14	3 year return ⁹	0.8%
Earnest	International Equity ⁸	3/31/14	3 year return ¹⁰	1.5%

¹Barrow Hanley's 3 year return has underperformed the Russell 1000 Value Index by 1.26% and 5 year by 0.93% as of 4/30/14.

²CS McKee's 3 year return has underperformed the Russell 2000 Index by 5.22% as of 4/30/14.

³Gryphon's 3 year return has underperformed the MSCI EAFE Net Dividend Index by 1.65% as of 4/30/14.

⁴Euro Investors Global's 3 year return has underperformed the FTSE EPRA/NAREIT Developed Index by 1.68% and 5 year by 0.63% as of 4/30/14.

⁵Columbus Circle's 3 year return has underperformed the Russell 2000 Growth Index by 5.04% as of 4/30/14.

⁶Deprince Race & Zollo's 3 year return has underperformed the Russell Microcap Value Index by 5.17% as of 4/30/14.

⁷Artisan's 3 year return has underperformed the Russell Midcap Value Index by 1.33% and 5 year by 3.27% as of 4/30/14.

⁸DB and ASA exposure

⁹Leading Edge's 3 year return has underperformed the Russell 1000 Index by 1.07% as of 4/30/14.

¹⁰Earnest's 3 year return has underperformed the MSCI ACWI-ex US by 0.63% as of 4/30/14.

Removals from Watch List

Manager	Asset Class	Effective Date	Reason
NONE			

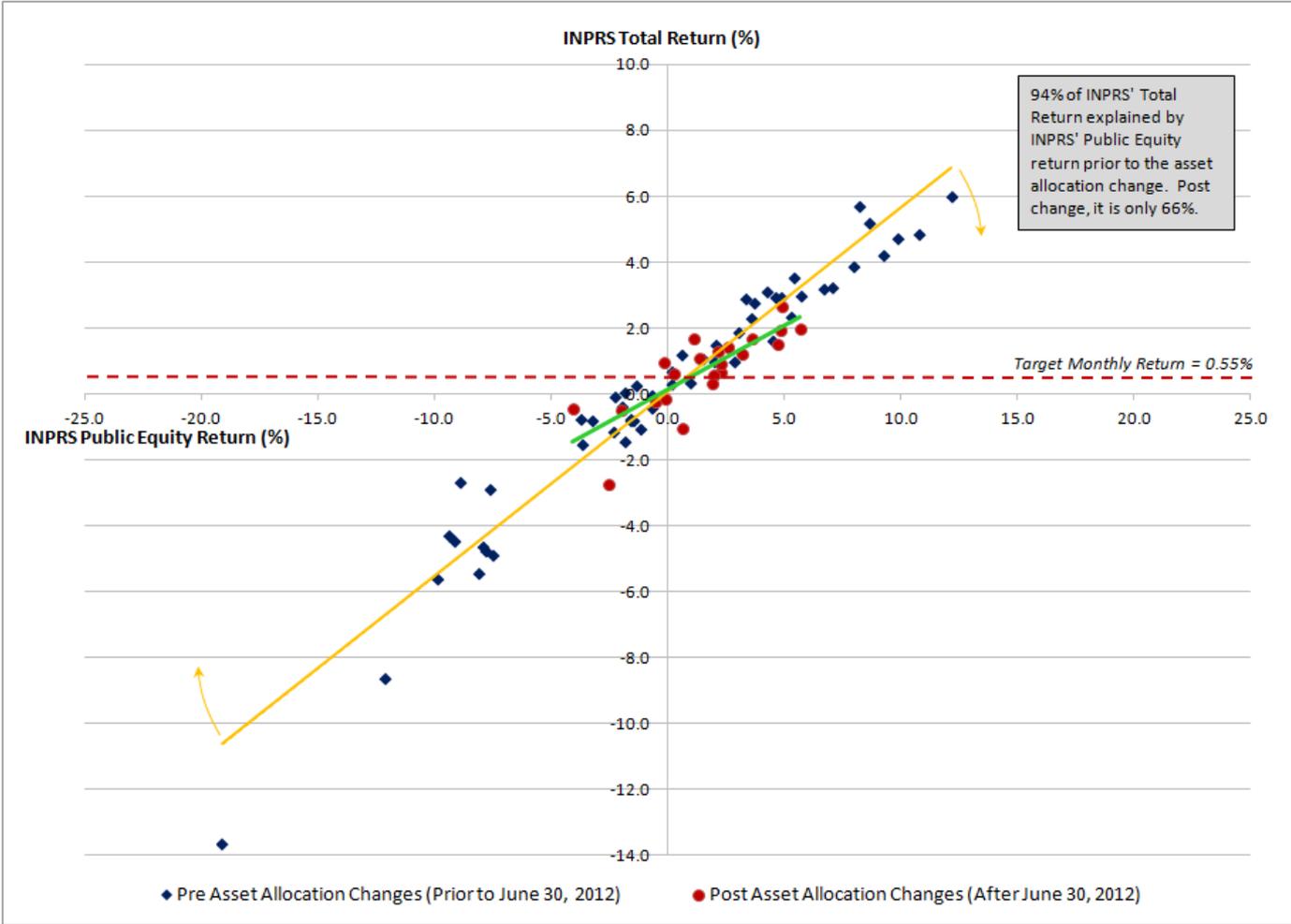


Appendix

INPRS Historical Asset Class Returns

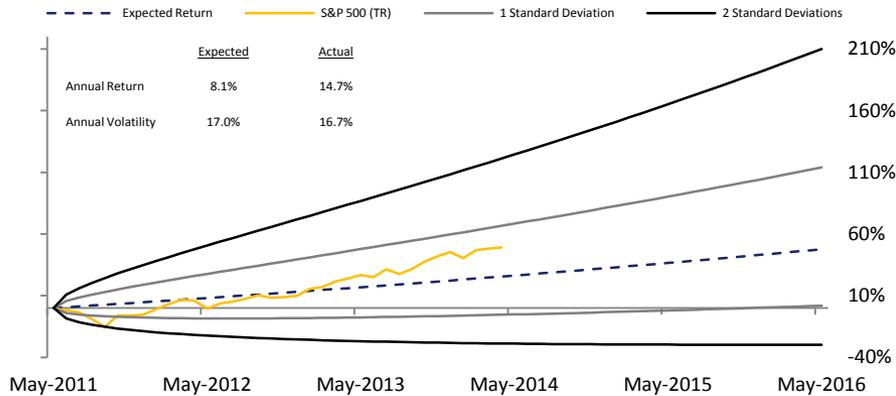
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	APR YTD 2014
											Private Eq +7.31%
							Dom Eq +17.05%		Intl Eq +17.43%		Cmmdty +6.77%
				Intl Eq +28.75%	Intl Eq +19.37%		Private Eq +14.09%		Dom Eq +16.04%		Risk Parity +6.63%
		Private Eq +32.70%	Private Eq +20.48%	Private Eq +16.20%		Intl Eq +40.12%	Cmmdty +13.88%	TIPS +13.58%	Total RE +14.97%		FI no Tips +4.68%
	Intl Eq +21.33%	Intl Eq +17.11%	Dom Eq +16.04%	Total RE +12.88%		Dom Eq +30.24%	CRIF +11.40%	Private Eq +13.25%	Private Eq +14.09%	Dom Eq +34.09%	CRIF +3.87%
	Dom Eq +17.06%	Dom Eq +10.91%	CRIF +13.93%	TIPS +11.51%		Cmmdty +22.06%	Intl Eq +10.89%	Total RE +9.60%	CRIF +11.19%	Intl Eq +16.51%	Total RE +3.77%
Dom Eq +43.03%	CRIF +11.88%	CRIF +7.59%	HF +8.86%	Dom Eq +10.47%		CRIF +21.74%	Total RE +10.02%	LT BENCH +7.00%	FI no Tips +9.03%	Private Eq +15.36%	TIPS +3.62%
FI no Tips +25.96%	TIPS +8.65%	LT BENCH +7.00%	LT BENCH +7.00%	HF +8.07%		FI no Tips +20.57%	FI no Tips +8.72%	FI no Tips +5.59%	TIPS +6.91%	Total RE +11.01%	LT BENCH +2.17%
CRIF +23.75%	Private Eq 7.83%	Total RE +6.78%	FI no Tips +6.84%	CRIF +7.09%		TIPS +10.04%	HF +8.29%	CRIF +1.41%	LT BENCH +6.75%	HF +7.96%	HF +1.76%
TIPS +8.25%	LT BENCH +7.00%	TIPS +2.82%	Total RE +4.39%	LT BENCH +7.00%		HF +8.99%	TIPS +8.15%	Dom Eq +1.14%	HF +6.53%	LT BENCH +6.75%	Intl Eq +1.06%
LT BENCH +7.00%	FI no Tips +4.49%	FI no Tips +2.72%	TIPS +0.74%	FI no Tips +6.24%	LT BENCH +7.00%	LT BENCH +7.00%	LT BENCH +7.00%	HF +0.00%	Cmmdty +0.83%	CRIF +6.20%	Dom Eq +0.37%
Private Eq -1.50%					TIPS -1.92%	Private Eq -6.02%		Cmmdty -4.14%		Risk Parity -2.74%	
					Total RE -2.84%	Total RE -20.36%		Intl Eq -13.06%		FI no Tips -3.55%	
					Private Eq -7.64%					TIPS -7.52%	
					FI no Tips -8.18%					Cmmdty -7.66%	
					HF -15.23%						
					CRIF -29.72%						
					Dom Eq -36.79%						
					Intl Eq -43.95%						

INPRS Monthly Return Comparison Since 2007

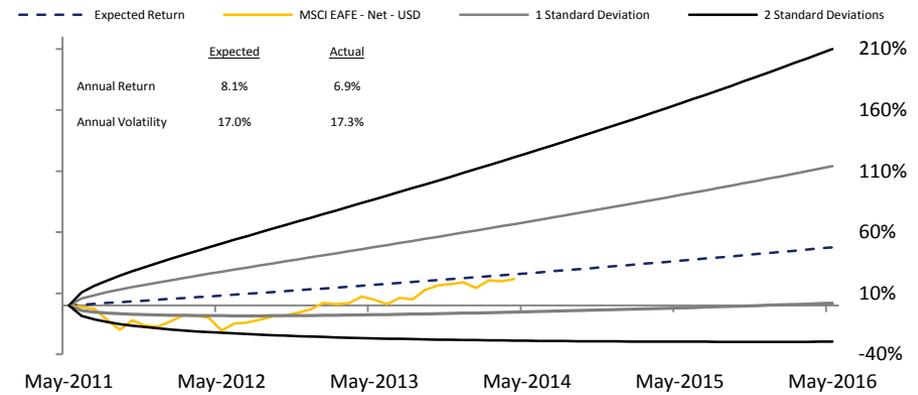


Asset Class Performance vs. SIS' May 2011 Projections Public Equities

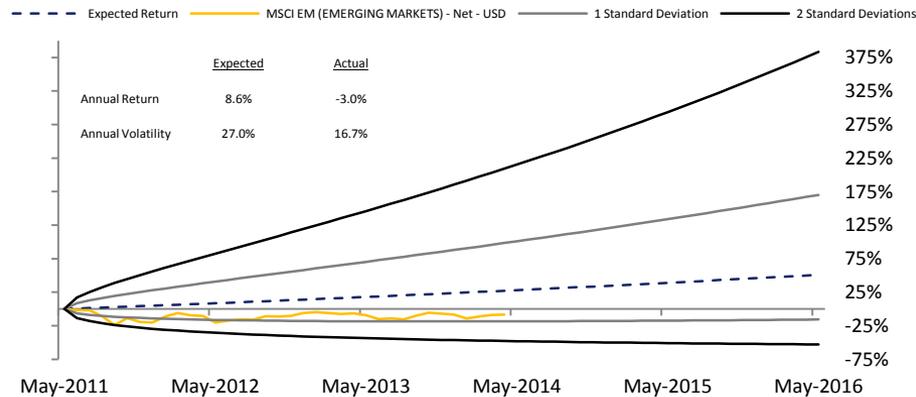
US Large Cap Stock (S&P 500)



International Developed Stock (MSCI EAFE)

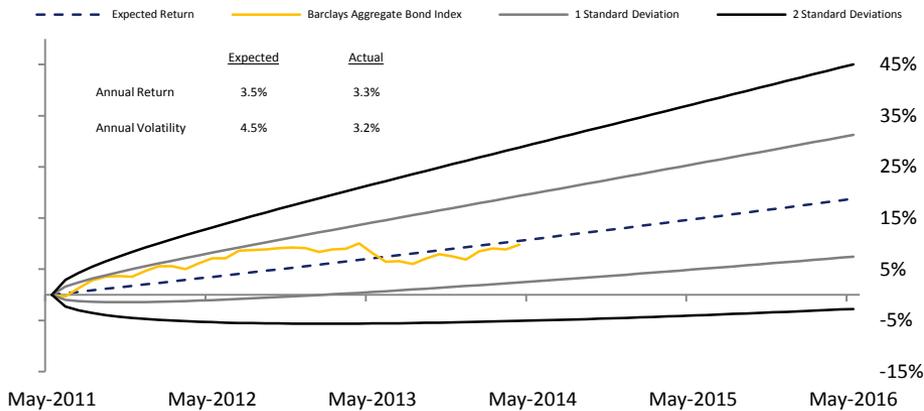


Emerging Markets Stocks (MSCI Emerging Markets)

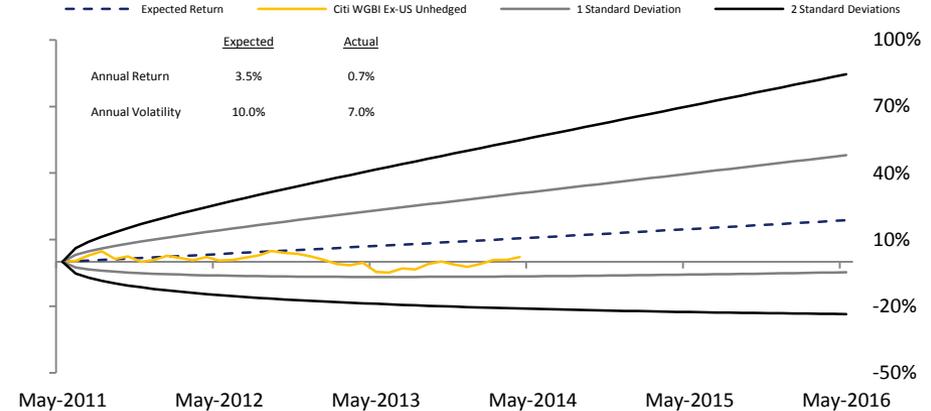


Asset Class Performance vs. SIS' May 2011 Projections Public Fixed Income

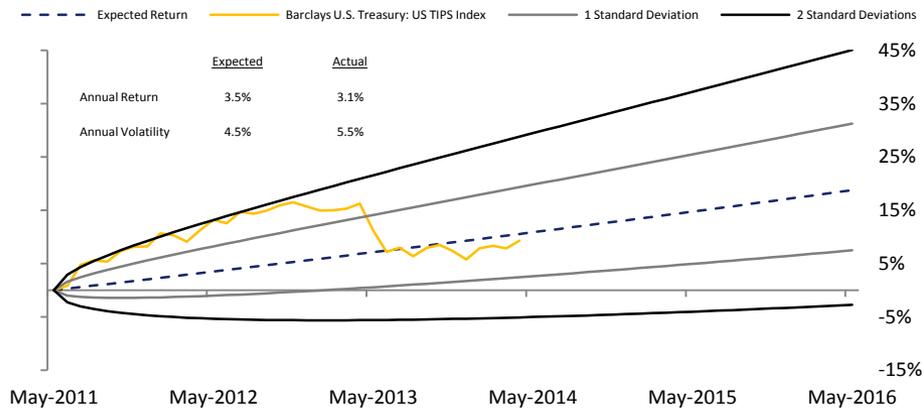
US Fixed Income (Barclays Aggregate)



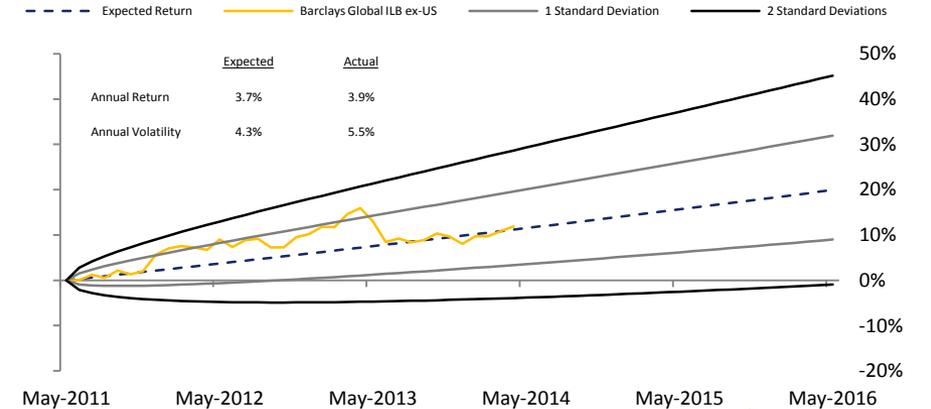
International Fixed Income (WGBI ex-US)



US TIPS (Barclays Capital US TIPS)

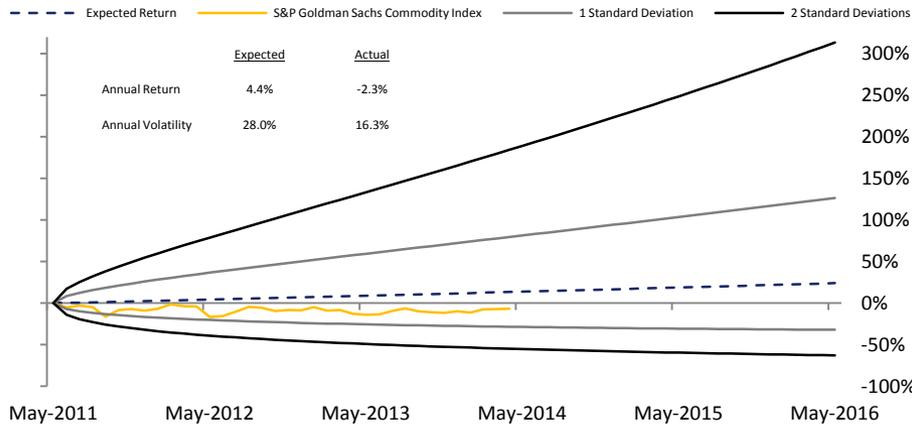


International Inflation Linked Bonds (Barclays Global ILB ex-US)

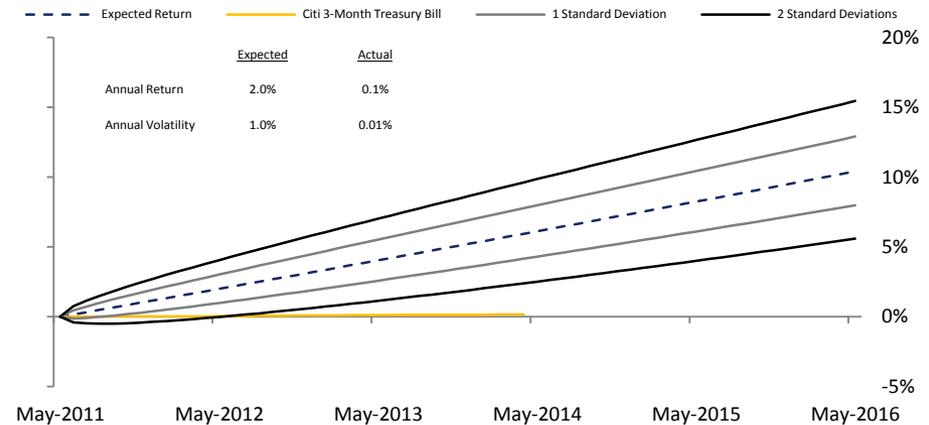


Asset Class Performance vs. SIS' May 2011 Projections Other Asset Classes

Commodities (S&P GSCI)



Cash (3-Month T-Bill)



Hedge Funds (TOTAL INPRS Absolute Return)

