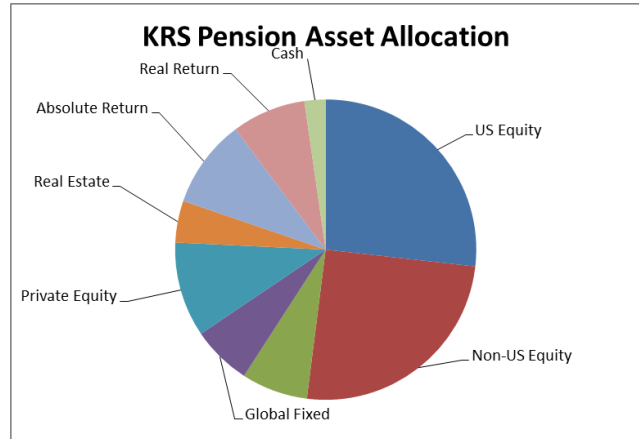


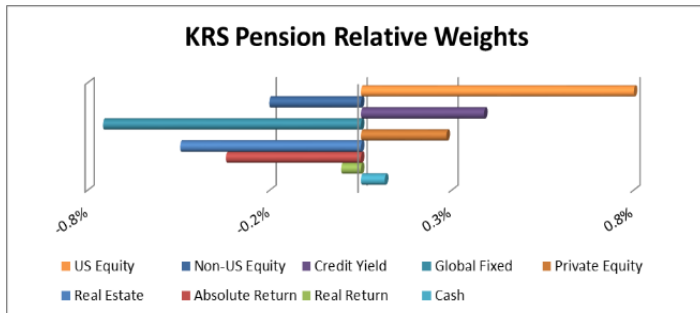
**What’s going on in the marketplace?**

United States equity markets continued their November rally through the month of December. Large, mid, and small caps all finished 2016 strong. After a historically bad January, the S&P 500 ended the year up 11.96% (1.98% in December). S&P Mid Cap 400 finished the year ahead 20.74% (2.19% in December), and the Russell 2000 posted an incredible 21.31% in 2016 (2.80% in December). Although Dow 20,000 is an arbitrary benchmark, it still made headlines as an impressive milestone for U.S. equities. The Dow did not actually surpass 20,000 in December, but it came very close for awhile.



International stocks were mixed despite the rally in the United States. Emerging markets struggled in December, losing 1.38% (MSCI Emerging Market Index). Developed international stocks fared much better, gaining 1.66% (MSCI EAFE Index). Overall, the MSCI ACWI ex USA Index returned 2.54% in December. The total on the year for MSCI ACWI ex USA was 5.01%, which lagged the S&P 500’s 11.96%.

While U.S. bond indices did not outperform equities in December, they still were positive. Corporate High Yield (Barclays U.S. Corporate High Yield Index) gained 1.85% on the month, capping off a good return for the year of 7.40%. Broad Fixed Market Income markets, as defined by Barclays U.S. Aggregate, returned a flat 0.14% during the month of December. The U.S. Aggregate index struggled in 2016, losing 2.53%.



**What added value this month?**

**PENSION-** KRS Pension enjoyed positive numbers across all asset classes in December. In contrast to November, KRS-specific managers did not drive outstanding outperformance. Real Estate and US Equity asset classes all bested their benchmarks; however, not enough to create outperformance for the entire plan. In addition, allocation weights across all asset classes benefited the plan, but the contribution was minimal compared to manager selection. Of the outperforming asset classes, the most impressive manager was Divcowest IV. The real estate fund returned 7.13% on the month, and an excellent 38.32% in 2016. H/2 Core Debt was the only Real Estate manager to outperform it on the year, returning 45.31%.

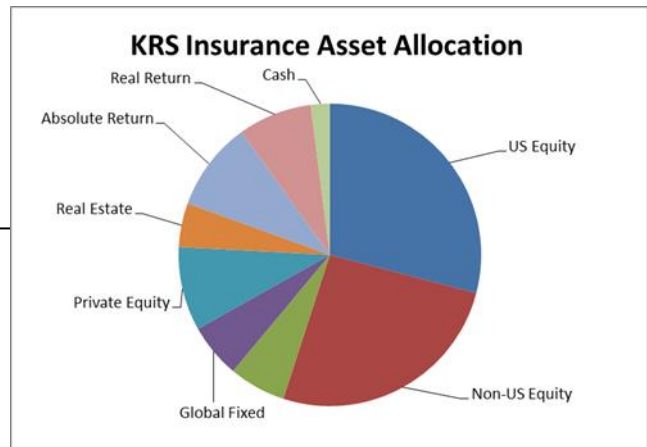
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**INSURANCE –** The Insurance plan performed the exact same as the Pension plan relative to its benchmark. Likewise, the contributions from each asset class were a very similar to those in the Pension plan. US Equity and Real Estate outperformed, although Real Return Insurance had a small drag on the plan. At the manager level, Taurus Mine Finance had a very notable December, returning 10.04% on the month. Taurus Mine Finance finished the year returning 31.15%. Although the Insurance

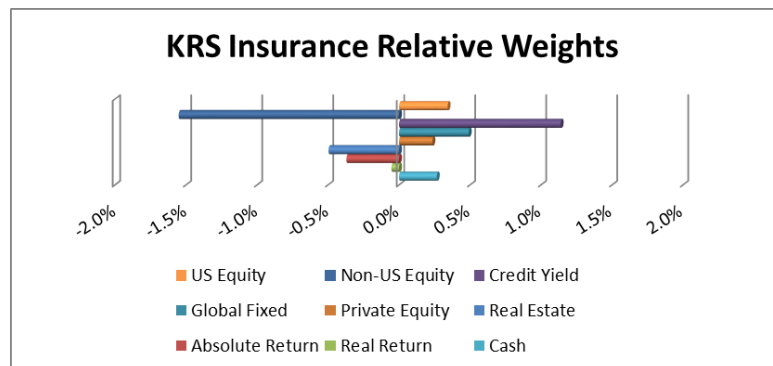
Plan lagged the benchmark 15 basis points overall in December, it still finished 2016 ahead by 33 basis points. The Insurance Plan's one year return of 8.35% is an above average return by most metrics.

**What detracted this month?**

**PENSION** – KRS Pension enjoyed similar success as its benchmark in the largest asset class, Public Equity. In December, KRS Pension's Public Equity portfolio added 2.20% to the plan versus 2.24% on the benchmark. Similarly, the final number for 2016 was 8.93% for KRS public equity versus 8.88% for the benchmark. US Equity outperformed while International Equity underperformed, and taken together they resulted in slight underperformance for the month. On the manager level, Westfield Capital and River Road FAV underperformed their benchmarks in December. Despite the past month, River Road FAV had an outstanding year returning 18.5% versus the 11.40% return of the benchmark. KRS Pension Fixed Income portfolio had a larger discrepancy with its benchmark during December than equities. Fixed Income manager selection caused the entire Pension plan to trail the benchmark by about three basis points. A lag of similar relative magnitude occurred for all of 2016. The second half of 2016, however, KRS Pension Fixed Income portfolio outperformed the benchmark by 38 basis points. The largest asset class detraction due to manager selection was Absolute Return. KRS Pension returned 0.57% on the month versus 1.55% for the blended index. KRS Absolute Return portfolio maintains a significant 5 year outperformance (5.00% versus 3.54%) in Absolute Return, but 2016 was weak for KRS Pension (-0.25% vs. 0.64%). Allocation decisions did not negatively affect performance.



**INSURANCE** – The Insurance Portfolio saw a majority of asset classes slightly lag their benchmark in December. Non-US Equity, Real Return, Absolute Return, Real Estate, and Fixed Income all trailed their benchmarks for the month. On the manager level, BlackRock GAO weighed on performance. It finished at -0.98% versus 1.55% on its index. QMS Diversified Global also did not have a good month, losing 2.04%. 2016 was a forgettable year for QMS Diversified Global, losing 10.69% overall. Other than those two managers, underperformance in December was mild or limited. Again, the Insurance Plan had a good year both from a relative perspective versus the benchmark and also from an absolute perspective, returning 8.35%. Although Fixed Income and Absolute Return could not match their benchmarks in 2016, Public Equity and Real Assets carried the plan to a strong year overall.



**NOTES:**

- Returns displayed are "net". For the purposes of this report, total fund return information is net of fees and expenses, with audited data beginning in July 2011. At the manager level (detailed return sheets pgs.4-5), returns are net of fees beginning with July 2011, and gross of fees for prior data.
- Individual plan allocation and performance (pg.6).
- Prior to January 1, 2014, the inception date for the Private Equity asset class was stated as 10/1/1990 for Pension Fund and 6/1/2001 for Insurance Fund. Prior to 07/01/02, the characteristics of the allocation, and the benchmark itself, were more closely

aligned with Real Estate. As such, it is not appropriate to report this portion of the return stream within the Private Equity allocation, whose true inception date has been determined to be 07/01/02 based on funding the Systems' first private equity mandate. The portion of the original return streams that are no longer reported within the Private Equity allocation (Pension from 10/1/90 to 06/30/02; Insurance 06/01/01 to 06/30/02) are reported within the Fund Level performance figures.

- |   |  |
|---|--|
| <p>4) Private Equity Composite (Pension)<br/>         Inception (07/01/02) to 06/30/11<br/>         60.00% S&amp;P 1500 Composite Index<br/>         40.00% Barclays US Corporate High Yield Index<br/>         07/01/11 to 12/31/15<br/>         100.00% Russell 3000 Index + 4% (Qtr Lag)<br/> <b>01/01/16 to Present</b><br/> <b>100.00% Russell 3000 Index + 3% (Qtr Lag)</b></p>   | <p>Private Equity Composite (Insurance)<br/>         Inception (07/01/02) to 06/30/11<br/>         80.00% S&amp;P 1500 Composite Index<br/>         20.00% Barclays US Corporate High Yield Index<br/>         07/01/11 to 12/31/15<br/>         100.00% Russell 3000 Index + 4% (Qtr Lag)<br/> <b>01/01/16 to Present</b><br/> <b>100.00% Russell 3000 Index + 3% (Qtr Lag)</b></p>   |
| <p>5) The Private Equity Benchmark, from one month returns up until five year returns, is equal to the performance of the KRS Private Equity allocation. Given there is not appropriate benchmark to use for short term performance evaluation, this will allow greater focus on longer term returns, which is more appropriate given the long term nature of private equity investments.</p>   |  |
| <p>6) <u>Pension Benchmark Composite 01/01/14 to 12/31/15</u><br/>         US Equity: Russell 3000 (20.5%)<br/>         Non US Equity: MSCI AXCI Ex-US (20.0%)<br/>         Emerging Market: MSCI Emerging Markets (2.9%)<br/>         Fixed Income: Barclays Universal Index (19.3%)<br/>         Real Estate: NCREIF ODCE (4.5%)<br/>         Absolute Return: HFRI Diversified FOF (10.0%)<br/>         Real Return: Allocation Specific (10.0%)<br/>         Private Equity&lt;5Yrs: Actual Performance<br/>         Private Equity&gt;5Yrs: Russell 3000 Index+4% (10.0%)<br/>         Cash: Cit Grp 3-mos Treasury Bill (2.8%)</p> <p><u>Pension Benchmark Composite 01/01/16 to Present</u><br/>         US Equity: Russell 3000 (25.6%)<br/>         Non US Equity: MSCI AXCI Ex-US IMI (25.2%)<br/>         Global Fixed Income: Barclays Universal Index (6.8%)<br/>         Credit Fixed Income: Barclays US High Yield (7.2%)<br/>         Real Estate: NCREIF ODCE (5.0%)<br/>         Absolute Return: HFRI Diversified FOF (10.0%)<br/>         Real Return: Allocation Specific (8.0%)<br/>         Private Equity&lt;5Yrs: Actual Performance<br/>         Private Equity&gt;5Yrs: Russell 3000 Index+3% (10.0%)<br/>         Cash: Cit Grp 3-mos Treasury Bill (2.2%)</p> | <p><u>Insurance Benchmark Composite 01/01/14 to 12/31/15</u><br/>         US Equity: Russell 3000 (20.0%)<br/>         Non US Equity: MSCI AXCI Ex-US (20.0%)<br/>         Emerging Market: MSCI Emerging Markets (4.0%)<br/>         Fixed Income: Barclays Universal Index (20.0%)<br/>         Real Estate: NCREIF ODCE (5.0%)<br/>         Absolute Return: HFRI Diversified FOF (10.0%)<br/>         Real Return: Allocation Specific (10.0%)<br/>         Private Equity&lt;5Yrs: Actual Performance<br/>         Private Equity&gt;5Yrs: Russell 3000 Index+4% (10.0%)<br/>         Cash: Cit Grp 3-mos Treasury Bill (1.0%)</p> <p><u>Insurance Benchmark Composite 01/01/16 to Present</u><br/>         US Equity: Russell 3000 (26.5%)<br/>         Non US Equity: MSCI AXCI Ex-US IMI (26.5%)<br/>         Global Fixed Income: Barclays Universal Index (6.0%)<br/>         Credit Fixed Income: Barclays US High Yield (6.0%)<br/>         Real Estate: NCREIF ODCE (5.0%)<br/>         Absolute Return: HFRI Diversified FOF (10.0%)<br/>         Real Return: Allocation Specific (8.0%)<br/>         Private Equity&lt;5Yrs: Actual Performance<br/>         Private Equity&gt;5Yrs: Russell 3000 Index+3% (10.0%)<br/>         Cash: Cit Grp 3-mos Treasury Bill (2.0%)</p> |

\*\*Fund composite benchmark is a roll-up of individual plans, which may differ from one another.

KENTUCKY RETIREMENT SYSTEMS - PENSION FUND - NET RETURNS - 12/31/16

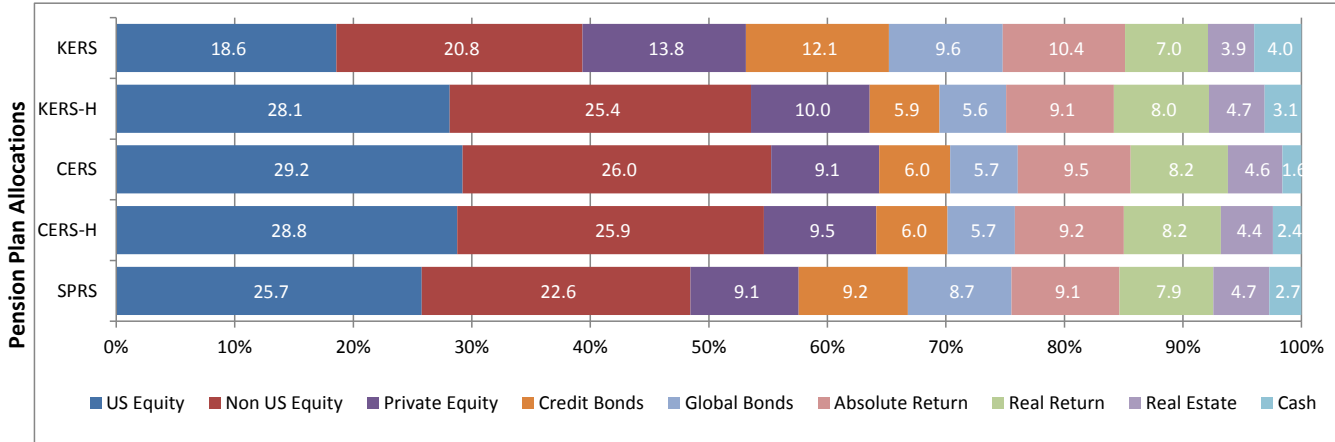
Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		20 Years		ITD		
					KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark		KRS	Benchmark
<b>TOTAL FUND</b>	<b>KY Ret. Blended Index</b>	<b>4/1/1984</b>	<b>11,069,638,711.32</b>	<b>100.00</b>	<b>1.69</b>	<b>1.84</b>	<b>1.13</b>	<b>1.02</b>	<b>5.19</b>	<b>5.08</b>	<b>7.83</b>	<b>7.81</b>	<b>4.26</b>	<b>4.58</b>	<b>7.56</b>	<b>8.03</b>	<b>4.59</b>	<b>5.01</b>	<b>6.73</b>	<b>6.89</b>	<b>9.05</b>	<b>9.18</b>	
<b>US PUBLIC</b>	<b>KY Domestic Equity Blend</b>	<b>4/1/1984</b>	<b>2,963,731,101.32</b>	<b>26.77</b>	<b>1.98</b>	<b>1.95</b>	<b>5.06</b>	<b>4.21</b>	<b>9.49</b>	<b>8.79</b>	<b>14.10</b>	<b>12.74</b>	<b>7.78</b>	<b>8.43</b>	<b>14.15</b>	<b>14.67</b>	<b>6.90</b>	<b>7.13</b>	<b>8.13</b>	<b>8.10</b>	<b>11.20</b>	<b>11.18</b>	
INTERNAL MID CAP GROWTH	Russell Midcap Index	8/1/2014	301,791,731.50	2.73	2.22	2.19	7.44	7.42	11.75	11.87	20.60	20.74									9.87	10.03	
KRS INTERNAL EQUITY	S&P 500 - Total Return Index	7/1/2016	339,968,155.66	3.07	1.75	1.98	2.75	3.82	5.33	7.82											5.33	7.82	
NTGI STRUCTURED	Russell 2000 Index	10/1/1999	269,302,267.62	2.43	2.76	2.80	8.97	8.83	16.85	18.68	21.09	21.31	6.74	15.56	14.46	8.21	7.07				10.16	8.36	
RIVER ROAD - DAV	Russell 3000 Value Index	7/1/2011	123,701,022.87	1.12	2.20	2.63	6.79	7.24	10.54	11.40	20.99	18.40	8.51	13.16	14.81						11.96	12.22	
RIVER ROAD - FAV	Russell 3000 Value Index	7/1/2016	91,568,431.40	0.83	0.74	2.63	9.15	7.24	18.47	11.40											18.47	11.40	
S&P 500 INDEX	KY Ret. S&P Blend	7/1/2001	1,403,516,537.07	12.68	1.95	1.98	3.77	3.82	7.75	7.82	11.71	11.96	8.76	8.87	14.55	14.66	7.22	7.22			6.51	6.49	
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	285,460,929.37	2.58	2.43	1.78	10.40	5.52	16.86	10.22	20.12	20.00	6.24	9.45							13.38	15.65	
TRANSITION ACCOUNT			15,650.92	0.00																			
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	148,373,383.64	1.34	0.30	1.25	-0.37	1.20	6.16	6.18	1.17	7.39	3.88	8.27	13.70	14.44					10.11	12.10	
Fee Accrual			32,991.27																				
<b>EQUITY NON US</b>	<b>KY Ret.Int'l Eq. Blended Index</b>	<b>7/1/2000</b>	<b>2,788,192,954.53</b>	<b>25.19</b>	<b>2.45</b>	<b>2.53</b>	<b>-1.11</b>	<b>-1.52</b>	<b>4.77</b>	<b>5.51</b>	<b>3.93</b>	<b>4.91</b>	<b>-1.25</b>	<b>-1.36</b>	<b>5.77</b>	<b>5.46</b>	<b>1.18</b>	<b>1.06</b>			<b>2.07</b>	<b>2.54</b>	
AMERICAN CENTURY	KY MSCI ACWI ex-US Index	7/1/2014	332,885,516.01	3.01	1.45	2.59	-5.42	-1.20	1.72	5.72	-4.26	5.01									4.50	-3.82	
BLACKROCK ACWI EX	MSCI All Country World Ex United States Net Index	7/1/2009	1,147,812,125.23	10.37	2.57	2.56	-1.24	-1.25	5.63	5.57	4.83	4.50	-1.58	-1.78	5.23	5.00					5.95	5.74	
BOSTON CO NON-US VALUE	KY MSCI Blended Index	5/1/2005	1,489,435.61	0.01	-0.38	2.59	-0.25	-1.20	0.02	5.72	4.90	5.01	-3.51	-1.32	4.28	5.48	-0.19	0.62			2.93	3.97	
FRANKLIN TEMPLETON	KY MSCI ACWI ex-US Index	7/1/2014	231,248,330.18	2.09	2.50	2.59	-4.28	-1.20	3.04	5.72	1.31	5.01									-2.11	-3.82	
LAZARD ASSET MANAGEMENT	KY MSCI ACWI ex-US Index	7/1/2014	473,119,839.45	4.27	2.06	2.59	-3.69	-1.20	0.77	5.72	0.36	5.01									-2.79	-3.82	
LSV ASSET MANAGEMENT	KY MSCI ACWI ex-US Index	7/1/2014	430,666,510.61	3.89	3.42	2.59	1.90	-1.20	11.12	5.72	7.07	5.01									-2.96	-3.82	
NON-US TRANSITION ACCOUNT			1,726,254.18	0.02																			
NTGI INTL SM CAP	MSCI AC World ex USA Small Cap Net Index	12/1/2008	166,378,001.98	1.50	2.20	2.12	-3.40	-3.52	4.25	4.11	4.13	3.91	1.02	0.77	7.98	7.74					12.15	12.56	
PYRAMIS NON-US GROWTH	KY MSCI Blended Index	8/1/2001	2,866,941.28	0.03																			
<b>PUBLIC EQUITY</b>	<b>Global Equity Blended Index</b>	<b>4/1/1984</b>	<b>5,751,924,055.85</b>	<b>51.96</b>	<b>2.20</b>	<b>2.24</b>	<b>1.48</b>	<b>1.39</b>	<b>7.16</b>	<b>7.22</b>	<b>8.93</b>	<b>8.88</b>	<b>2.91</b>	<b>2.93</b>	<b>9.52</b>	<b>9.36</b>	<b>3.87</b>	<b>3.65</b>	<b>6.79</b>	<b>6.53</b>	<b>10.35</b>	<b>10.19</b>	
<b>FIXED INCOME</b>	<b>KY Ret.Fixed Blended Index</b>	<b>4/1/1984</b>	<b>1,498,117,474.73</b>	<b>13.53</b>	<b>0.84</b>	<b>1.07</b>	<b>0.65</b>	<b>-0.44</b>	<b>3.16</b>	<b>2.78</b>	<b>8.46</b>	<b>10.38</b>	<b>4.74</b>	<b>5.38</b>	<b>4.77</b>	<b>4.03</b>	<b>5.36</b>	<b>5.35</b>	<b>5.86</b>	<b>5.87</b>	<b>7.70</b>	<b>7.51</b>	
CERBERUS	S&P LSTA Leveraged Loan Index	9/1/2014	93,745,823.47	0.85	0.85	1.16	2.28	2.26	3.87	5.41	8.62	10.16									8.17	3.43	
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	253,885,153.94	2.29	1.60	1.85	0.81	1.75	5.54	7.40	11.65	17.13	5.15	4.66	7.50	7.76					7.44	7.21	
MANULIFE ASSET MGMT	Barclays U.S. Universal High	12/1/2011	415,423,295.70	3.75	0.50	0.30	-1.25	-2.61	-1.68	-1.68	4.46	3.91	2.99	0.32	4.41	4.30					4.39	0.83	
MARATHON	Barclays U.S. Corporate High Yield	1/1/2016	213,054,238.27	1.92	0.73	1.85	6.32	1.75	11.77	16.38											16.38		
NISA	Barclays U.S. Aggregate Bond Index	2/1/2009	294,110,380.36	2.66	0.26	0.14	-2.92	-2.98	-2.44	-2.53	3.08	2.65	3.38	3.03	2.43	2.23					4.29	4.07	
PIMCO	PIMCO Blended Index	12/1/2009	305,377.31	0.00																			
SHENKMAN CAP	Shenkman Blended Index	10/1/2010	87,350,844.91	0.79	1.03	1.16	1.88	2.26	5.07	5.41	8.95	10.16	3.25	4.05	5.07	6.26					5.00	6.03	
<b>REAL RETURN</b>	<b>PENSION REAL RETURN CUSTOM BM</b>	<b>7/1/2011</b>	<b>877,314,456.94</b>	<b>7.93</b>	<b>0.90</b>	<b>1.12</b>	<b>-1.32</b>	<b>-1.08</b>	<b>1.84</b>	<b>0.86</b>	<b>10.46</b>	<b>7.70</b>	<b>2.35</b>	<b>1.82</b>	<b>2.34</b>	<b>2.50</b>					<b>3.35</b>	<b>2.57</b>	
AMERRA AGRI FUND II		12/1/2012	29,660,510.14	0.27	-0.29		-0.29		1.41		3.50										6.36		
AMERRA-AGRI HOLDING		8/1/2015	34,022,990.69	0.31	-0.45		-0.45		-0.19		0.72										0.26		
BTG PACTUAL		12/1/2014	8,426,491.75	0.08	0.56		0.56		9.81		-16.19										-16.19		
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	5/1/2002	93,392,423.72	0.84	0.10		-1.40		-0.47		4.56				1.16						5.22		
MAGNETAR MTP		7/1/2013	77,329,172.83	0.70	1.81		3.42		8.53		13.68										0.51		
MAGNETAR MTP EOF II		8/1/2015	15,087,032.84	0.14	1.66		1.66		15.19		-3.75										-2.66		
NUVEEN	Nuveen Real Asset Custom Index	2/1/2015	208,517,319.15	1.88	1.90		-3.47		-0.16		10.19										2.59		
OBERLAND CAPITAL		10/1/2014	1,223,055.00	0.01	-10.88		-10.88		-9.15		53.70										3.41		
PIMCO ALL ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	319,873,797.72	2.89	-0.54		-2.62		1.13		12.87		1.49		4.27						3.52		
TAURUS MINE FINANCE		4/1/2015	10,405,291.00	0.09	10.04		10.04		13.19		31.15		0.00								17.09		
TORTOISE CAPITAL	Alerian MLP Index	8/1/2009	78,176,342.10	0.71	4.41		2.89		5.38		16.10		-0.71		7.52						14.40		
TPF II		10/1/2008	1,200,030.00	0.01	1.96		1.96		13.12		-23.28		-3.86		-5.37						-4.56		
<b>ABSOLUTE RETURN</b>	<b>HFRI Fund of Funds Diversified Index - 1 Month Arrears</b>	<b>4/1/2010</b>	<b>1,055,731,985.32</b>	<b>9.54</b>	<b>0.57</b>	<b>1.55</b>	<b>0.96</b>	<b>1.60</b>	<b>3.36</b>	<b>3.40</b>	<b>-0.25</b>	<b>0.64</b>	<b>2.07</b>	<b>2.03</b>	<b>5.00</b>	<b>3.54</b>					<b>3.96</b>	<b>2.71</b>	
ANCHORAGE CAPITAL		8/1/2016	25,631,133.29	0.23	0.61		1.55														1.99		
BAAM		9/1/2011	126,852,035.06	1.15	0.40		0.69		3.76		0.71		4.88		6.78						6.39		
BLACKROCK GAO FUND		8/1/2016	27,422,732.63	0.25	-0.98		-5.48														-5.63		
COATUE QUAL PTRNS		7/1/2015	16,553,464.13	0.15	1.86		-0.79		4.01		4.26										6.79		
DAVIDSON-KEMPNER LP		2/1/2016	45,400,697.34	0.41	0.38		1.43		4.12												6.98		
DSAM FUND LP		5/1/2016	14,724,502.98	0.13	2.03		-2.00		-1.73												-1.84		
FINISTERRE GLOBAL OP		8/1/2016	19,196,638.49	0.17	-0.52		1.30														2.41		
GLENVIEW INSTITUTION		11/1/2015	17,161,917.98	0.16	0.61		2.99		9.37		-3.28										-5.63		
HBK II		12/1/2013	43,583,663.00	0.39	0.10		2.40		3.86		5.39		2.58								2.83		
JANA PARTNERS		9/1/2014	700,419.13	0.01	0.00				5.71														

KENTUCKY RETIREMENT SYSTEMS - INSURANCE FUND - NET RETURNS -12/31/16

Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		20 Years		ITD	
					KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark	KRS	Benchmark
<b>TOTAL FUND</b>	<b>KY Ins. Blended Index</b>	<b>4/1/1987</b>	<b>4,406,689,426.63</b>	<b>100.00</b>	<b>1.73</b>	<b>1.88</b>	<b>1.27</b>	<b>1.03</b>	<b>5.30</b>	<b>5.09</b>	<b>8.35</b>	<b>8.02</b>	<b>4.17</b>	<b>4.83</b>	<b>7.29</b>	<b>8.09</b>	<b>3.72</b>	<b>4.26</b>	<b>6.07</b>	<b>6.41</b>	<b>7.27</b>	<b>7.66</b>
<b>US PUBLIC</b>	<b>KY Domestic Equity Blend</b>	<b>7/1/1992</b>	<b>1,281,462,640.09</b>	<b>29.08</b>	<b>1.98</b>	<b>1.95</b>	<b>5.11</b>	<b>4.21</b>	<b>9.50</b>	<b>8.79</b>	<b>14.66</b>	<b>12.74</b>	<b>8.06</b>	<b>8.43</b>	<b>14.30</b>	<b>14.67</b>	<b>6.88</b>	<b>7.07</b>	<b>7.85</b>	<b>7.50</b>	<b>9.43</b>	<b>9.23</b>
INTERNAL MID CAP GROWTH	Russell Midcap Index	8/1/2014	146,971,688.15	3.34	2.22	2.19	7.29	7.42	11.62	11.87	21.10	20.74									10.06	10.03
KRS INTERNAL EQUITY	S&P 500 - Total Return Index	7/1/2016	129,997,955.21	2.95	1.75	1.98	2.75	3.82	3.86	7.82												
NTGI STRUCTURED	Russell 2000 Index	7/1/2011	41,206,491.00	0.94	0.74	2.63	9.10	7.24	18.42	11.40	0.00	0.00	0.00	0.00	0.00	0.00					18.42	11.40
RIVER ROAD - DAV	Russell 3000 Value Index	7/1/2011	105,577,598.54	2.40	2.94	2.80	9.06	8.83	16.80	18.68	21.10	21.31	7.41	6.74	15.35	14.46					12.03	10.97
RIVER ROAD - FAV	Russell 3000 Value Index	7/1/2016	57,426,908.17	1.30	2.20	2.63	6.78	7.24	10.53	11.40	20.81	18.40									11.95	12.22
S&P 500 INDEX	KY Ins. S&P Blend	7/1/2001	625,369,570.27	14.19	1.97	1.98	3.74	3.82	7.70	7.82	11.65	11.96	8.78	8.87	14.57	14.66	7.25	7.22			6.56	6.49
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	115,607,299.98	2.62	2.42	1.78	10.45	5.52	16.90	10.22	20.13	20.00	6.20	9.45							13.35	15.65
TRANSITION ACCOUNT		9/1/2004	6,645.95	0.00																		
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	59,301,481.90	1.35	0.31	1.25	-0.32	1.20	6.25	6.18	1.23	7.39	4.03	8.27	13.85	14.44					10.24	12.10
Fee Accrual			1.42																			
<b>EQUITY NON US</b>	<b>KRS Ins.Int'l Eq Blend</b>	<b>4/1/2000</b>	<b>1,141,477,382.79</b>	<b>25.90</b>	<b>2.48</b>	<b>2.53</b>	<b>-1.94</b>	<b>-1.52</b>	<b>5.00</b>	<b>5.51</b>	<b>3.97</b>	<b>4.91</b>	<b>-1.32</b>	<b>-1.36</b>	<b>5.57</b>	<b>5.46</b>	<b>1.18</b>	<b>0.72</b>			<b>2.08</b>	<b>1.63</b>
AMERICAN CENTURY	KY MSCI Blended Index	7/1/2014	133,397,957.68	3.03	1.45	2.59	-5.42	-1.20	1.73	5.72	-4.42	5.01									-4.57	-3.82
BLACKROCK ACWI EX-US	MSCI All Country World Ex United States Net Index	6/1/2012	498,946,119.79	11.32	2.56	2.56	-1.28	-1.25	5.53	5.57	5.44	4.50	5.44	4.50							6.26	6.16
BLACKROCK ACWI EX-US SM CA	MSCI AC World ex USA Small Cap Net Index	7/1/2013	60,165,457.17	1.37	2.14	2.12	-3.58	-3.52	4.18	4.11	3.75	3.91	0.84	0.77							6.15	5.42
BOSTON CO NON-US VALUE	KY MSCI ACWI EX USA GD	6/1/2008	219,981.60	0.00	0.18	2.59	10.12	-1.20	9.98	5.72	10.42	5.01	-2.58	-1.32	4.79	5.48					-0.04	-0.04
FRANKLIN TEMPLETON	KY MSCI Blended Index	7/1/2014	85,732,164.64	1.95	2.52	2.59	-4.42	-1.20	3.10	5.72	1.12	5.01									-2.29	-2.29
LAZARD ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	169,138,463.51	3.84	2.07	2.59	-3.71	-1.20	0.76	5.72	0.20	5.01									-2.88	-2.88
LSV ASSET MANAGEMENT	KY MSCI Blended Index	7/1/2014	192,445,766.12	4.37	3.45	2.59	2.31	-1.20	11.44	5.72	6.77	5.01									-3.23	-3.23
NON-US TRANSITION ACCOUNT			563,928.39	0.01	1.54		-17.94		-8.47		-10.67										-21.31	-21.31
PYRAMIS NON-US GROWTH	KY MSCI ACWI EX USA GD	8/1/2001	867,543.89	0.02	0.02	2.59	-0.60	-1.20	-0.60	5.72	-0.30	5.01	2.29	-1.32	8.22	5.48	2.42	0.62			6.23	6.23
<b>PUBLIC EQUITY</b>	<b>Global Equity Blended Index</b>	<b>7/1/1992</b>	<b>2,422,940,922.88</b>	<b>54.98</b>	<b>2.21</b>	<b>2.24</b>	<b>1.69</b>	<b>1.36</b>	<b>7.34</b>	<b>7.21</b>	<b>9.43</b>	<b>8.85</b>	<b>3.20</b>	<b>2.99</b>	<b>9.62</b>	<b>9.30</b>	<b>3.80</b>	<b>3.50</b>	<b>6.54</b>	<b>6.16</b>	<b>8.35</b>	<b>8.11</b>
<b>FIXED INCOME</b>	<b>KRS Ins. Fixed Blended Index</b>	<b>7/1/1992</b>	<b>523,783,365.43</b>	<b>11.89</b>	<b>0.65</b>	<b>1.07</b>	<b>0.65</b>	<b>-0.44</b>	<b>2.68</b>	<b>2.78</b>	<b>8.21</b>	<b>10.38</b>	<b>4.13</b>	<b>5.38</b>	<b>4.31</b>	<b>4.03</b>	<b>5.64</b>	<b>5.64</b>	<b>6.29</b>	<b>6.27</b>	<b>6.53</b>	<b>6.48</b>
CERBERUS	S&P LSTA Leveraged Loan Index	10/1/2014	40,176,781.44	0.91	0.85	1.16	2.28	2.26	3.87	5.41	8.62	10.16									8.17	3.43
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	51,138,907.95	1.16	1.59	1.85	8.00	1.75	5.44	7.40	12.19	17.13	5.36	4.66	7.54	7.36					7.48	7.21
MANULIFE ASSET MGMT	Barclays U.S. Universal Index	12/1/2011	156,741,106.37	3.56	0.50	0.30	-1.26	-2.61	-0.28	-1.68	4.38	3.91	2.67	0.32	4.39	2.89					4.36	0.83
MARATHON	Barclays U.S. Corporate High Yield	1/1/2016	87,314,979.02	1.98	0.75	6.40				6.40											16.88	17.13
NISA	Barclays U.S. Aggregate Bond Index	7/1/2011	99,151,929.56	2.25	0.11	0.14	-3.06	-2.98	-2.57	-2.53	2.96	2.65	3.27	3.03	2.35						3.09	2.93
PIMCO	PIMCO Blended Index	4/1/2011	66,629.31	0.00			-2.61															
SHENKMAN CAP	Shenkman Blended Index	7/1/2011	40,653,327.18	0.92	0.88	1.16	1.70	2.26	4.74	5.41	8.46	10.16	2.16	4.05	4.42						4.10	5.54
WATERFALL	Opportunistic FI Blended Index	7/1/2011	48,470,712.97	1.10	0.73	0.99	2.85	-1.33	3.53	0.55	7.52	7.38	6.38	1.93	9.63						9.84	2.62
<b>REAL RETURN</b>	<b>INSURANCE REAL RET CUSTOM BM</b>	<b>7/1/2011</b>	<b>348,714,516.51</b>	<b>7.91</b>	<b>0.84</b>	<b>0.99</b>	<b>-1.44</b>	<b>-1.33</b>	<b>1.41</b>	<b>0.55</b>	<b>9.69</b>	<b>7.38</b>	<b>2.24</b>	<b>1.93</b>	<b>2.06</b>	<b>2.56</b>					<b>3.08</b>	<b>2.62</b>
AMERRA AGRI FUND II		12/1/2012	11,962,122.01	0.27	-0.29	-0.29		1.41		3.50											6.36	
AMERRA-AGRI HOLDING		8/1/2015	18,320,071.86	0.42	-0.45	-0.45		-0.19		0.72											0.26	
BTG PACTUAL		12/1/2014	3,785,815.13	0.09	0.56	0.56		9.81		-16.19											-16.19	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	10/1/2003	66,902,906.83	1.52	0.11	0.10	-1.44	-1.50	-0.77	-0.93	4.14	4.01	2.46	2.01	1.20	0.75	4.53	4.29			4.57	4.23
MAGNETAR MTP		7/1/2013	23,881,074.11	0.54	1.81	3.42		8.53		13.68											0.51	
MAGNETAR MTP EOF II		8/1/2015	5,029,010.95	0.11	1.66	1.66		15.19		-3.75											-2.66	
NUVEEN	Nuveen Real Asset Custom Index	2/1/2015	85,246,215.66	1.93	1.93	1.97		-0.25		10.16											2.59	2.48
OVERLAND CAPITAL		10/1/2014	549,489.00	0.01	-0.88	-0.88		-9.15		53.70											3.41	3.41
PIMCO ALL-ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	104,721,056.39	2.38	-0.54	0.11	-2.62	-1.47	1.13	-0.91	12.87	4.01	1.47	1.45	4.26	0.70					3.51	0.65
TANRUS MINE FINANCE		4/1/2015	4,591,250.00	0.10	10.04	10.04		13.19		31.15											17.09	
TORTOISE CAP	Alerian MLP Index	8/1/2009	23,592,167.57	0.54	4.41	4.39	2.88	2.04	5.37	3.13	15.95	18.31	-0.90	-5.80	7.78	2.25					14.60	10.12
TPF II		10/1/2008	133,337.00	0.00	1.96	1.96		13.12		-23.28											-4.56	
<b>REAL ESTATE</b>	<b>NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^</b>	<b>5/1/2009</b>	<b>207,254,424.18</b>	<b>4.70</b>	<b>2.43</b>	<b>1.83</b>	<b>2.38</b>	<b>1.83</b>	<b>4.76</b>	<b>3.77</b>	<b>9.76</b>	<b>9.08</b>	<b>8.73</b>	<b>11.42</b>	<b>9.05</b>	<b>11.34</b>					<b>8.85</b>	<b>5.76</b>
DIVCOWEST IV		3/1/2014	4,757,432.70	0.11	7.13	7.13		19.27		38.32											24.03	
GREENFIELD ACQ VI		12/1/2012	8,203,720.00	0.19	0.76	0.76		-3.46		0.93			11.81								11.44	
GREENFIELD ACQ VII		7/1/2014	10,716,405.00	0.24	0.51	0.51		4.44		12.78											10.09	
H/2 CORE RE DEBT FD		10/1/2013	699,423.64	0.02	38.07	38.07		41.34		45.95			16.01								14.69	
H/2 CREDIT PARTNER		7/1/2011	30,466,758.19	0.69	5.08	5.08		7.32		9.16			5.91		6.90						6.18	
HARRISON STREET		5/1/2012	29,983,018.00	0.68	1.42	1.42		4.11		10.09			9.69								7.74	
LUBERT-ADLER VII		7/1/2014	12,995,937.37	0.29	0.00	0.00		3.86		4.19			6.90								-8.74	
MESA WEST CORE LEND		5/1/2013	31,440,106.00	0.71	3.02	3.																

**KRS - PENSION**

	Market Value	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
<b>KERS</b>	<b>\$ 1,916,028,731.58</b>	<b>1.57</b>	<b>4.70</b>	<b>6.48</b>	<b>4.32</b>	<b>7.49</b>	<b>4.56</b>	<b>9.04</b>
KY Ret. KERS Plan Index		1.74	4.58	7.75	4.48	8.01	5.00	9.18
<b>KERS- H</b>	<b>\$ 553,434,161.41</b>	<b>1.70</b>	<b>5.05</b>	<b>8.00</b>	<b>4.26</b>	<b>7.58</b>	<b>4.60</b>	<b>9.05</b>
KY Ret. KERS Haz Plan Index		1.87	5.17	7.78	4.24	7.89	4.94	9.16
<b>CERS</b>	<b>\$ 6,301,258,722.03</b>	<b>1.73</b>	<b>5.33</b>	<b>8.15</b>	<b>4.23</b>	<b>7.56</b>	<b>4.59</b>	<b>9.05</b>
KY Ret. CERS Plan Index		1.86	5.21	7.84	4.23	7.88	4.94	9.16
<b>CERS- H</b>	<b>\$ 2,075,365,783.90</b>	<b>1.71</b>	<b>5.28</b>	<b>8.18</b>	<b>4.28</b>	<b>7.58</b>	<b>4.60</b>	<b>9.06</b>
KY Ret. CERS Haz Plan Index		1.87	5.19	7.82	4.23	7.88	4.94	9.16
<b>SPRS</b>	<b>\$ 223,551,311.69</b>	<b>1.62</b>	<b>4.79</b>	<b>6.74</b>	<b>3.72</b>	<b>7.25</b>	<b>4.44</b>	<b>9.00</b>
KY Ret. SPRS Plan Index		1.77	4.85	7.80	4.21	7.87	4.94	9.16



**KRS - INSURANCE**

	Market Value	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
<b>KERS INS</b>	<b>\$ 695,278,937.96</b>	<b>1.68</b>	<b>5.54</b>	<b>8.40</b>	<b>3.93</b>	<b>7.06</b>	<b>3.61</b>	<b>7.23</b>
KY Ins. KERS Plan Index		1.85	5.41	8.28	4.37	7.86	4.15	7.62
<b>KERS - H INS</b>	<b>\$ 453,809,721.90</b>	<b>1.74</b>	<b>5.34</b>	<b>8.30</b>	<b>4.13</b>	<b>7.30</b>	<b>3.73</b>	<b>7.27</b>
KY Ins. KERS Haz Plan Index		1.87	5.25	8.15	4.42	7.89	4.17	7.63
<b>CERS INS</b>	<b>\$ 1,993,356,698.76</b>	<b>1.74</b>	<b>5.24</b>	<b>8.31</b>	<b>4.21</b>	<b>7.33</b>	<b>3.74</b>	<b>7.27</b>
KY Ins. CERS Plan Index		1.87	5.15	8.07	4.46	7.92	4.18	7.63
<b>CERS - H INS</b>	<b>\$ 1,097,995,260.71</b>	<b>1.74</b>	<b>5.23</b>	<b>8.37</b>	<b>4.26</b>	<b>7.36</b>	<b>3.75</b>	<b>7.28</b>
KY Ins. CERS Haz Plan Index		1.87	5.14	8.06	4.47	7.92	4.18	7.63
<b>SPRS INS</b>	<b>\$ 166,248,806.22</b>	<b>1.74</b>	<b>5.23</b>	<b>8.29</b>	<b>4.22</b>	<b>7.33</b>	<b>3.74</b>	<b>7.27</b>
KY Ins. SPRS Plan Index		1.87	5.14	8.06	4.48	7.93	4.19	7.63

