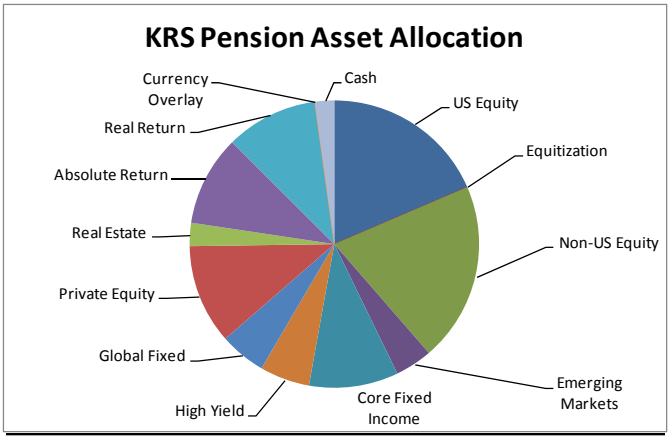
Dec 2012

KRS MONTHLY PERFORMANCE UPDATE

Pension Fund:

What's going on in the marketplace?

In December, global equity markets finished in a similar fashion to that of November. Overall global equities were in the black with Non-U.S. and Emerging Market Equities leading the charge higher with strong returns while U.S. equities were just slightly positive. In terms of the U.S. markets, the main drivers behind the returns were an improved economic landscape muted by reduced consumer confidence created by a dawdling congresses' ability to resolve the Fiscal Cliff by year end. Regarding the Non-U.S. markets, the main drivers behind the extended rally were the resilience of the Chinese economy and increased confidence in European policymakers' ability to deal with the debt crisis.



	1 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.41	12.88	8.25	2.92	7.11
Benchmark	1.62	13.57	8.06	3.27	7.27

From an economics standpoint the picture seems to be improving. Recent U.S. growth figures, as measured by GDP, ticked higher to a 3.1% seasonally adjusted annualized rate from a projected 2.7% in the fourth quarter; driven by government spending, increased inventory investment, and increased exports. Inflation, as measured by CPI, fell 0.3% last month driven primarily by a reduction in gasoline prices. Housing data remains to be a bright spot as housing starts, housing prices, and sales have continued to improve. A final bright spot was the employment figures, as measured by non-farm payrolls, which were up 155,000 and was broad-based across sectors. One final key economic area holding back the rally in equity markets was the fall in consumer confidence, which fell 6.4 points to end the month at 65.1.

Asset Class	Market Value	Target	Actual
US Equity	2,045,172,339	20.0%	18.5%
Equitization	96	0.0%	0.0%
Non-US Equity	2,223,557,257	20.0%	20.1%
Emerging Markets	460,752,227	4.0%	4.2%
Core Fixed Income	1,101,756,117	10.0%	10.0%
High Yield	615,496,971	5.0%	5.6%
Global Fixed	571,355,571	5.0%	5.2%
Private Equity	1,237,033,294	10.0%	11.2%
Real Estate	288,143,975	5.0%	2.6%
Absolute Return	1,123,092,576	10.0%	10.2%
Real Return	1,136,770,580	10.0%	10.3%
Currency Overlay	-	0.0%	0.0%
Cash	238,234,759	1.0%	2.2%
	11,041,365,762	100.0%	100.0%

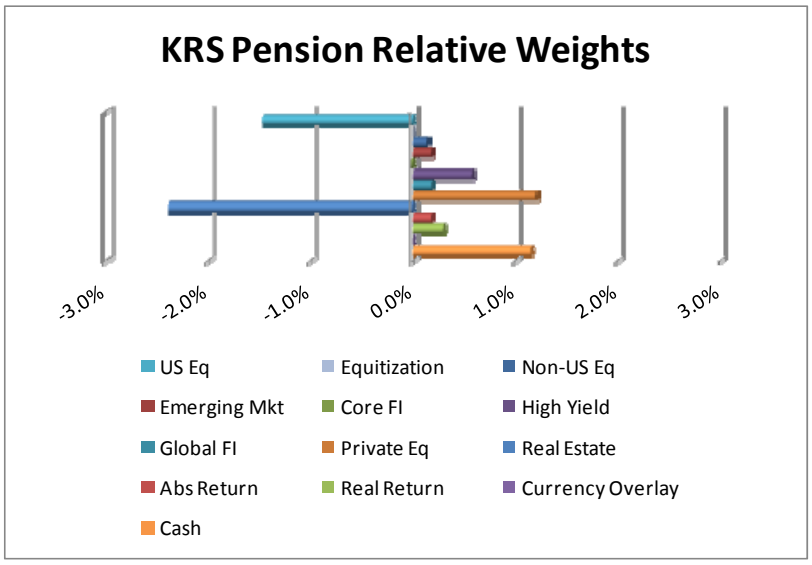
Global equity markets finished positive for the month and for the end of the 2012 calendar year. The U.S. equity market was up 0.91% (S&P 500 Index) for the month of December (up 16.00% for the calendar year). From a sector standpoint, five of the ten industry sectors within the S&P 500 Index were positive for the month with Financials (4.56%), Materials (2.89), and Industrials (2.26) leading the charge higher. Notable detractors were Consumer Staples (-2.54%) and Telecom Services (-1.09%). Mid-Cap stocks increased 2.3% (Russell Mid-Cap Index) and Small-Cap stocks increased 3.56% (Russell 2000 Index). For the U.S. equity market from a style perspective, value investing outperformed growth investing for the month as well as for the calendar year. Global equities had modest gains for the month of December. The MSCI ACWI ex- U.S. ND Index was up 3.47% for the month and the MSCI Emerging Markets Index was up 4.90% for the month. For the 2012 calendar year, the two indices returned 17.13% and 18.63%, respectively.

Fixed Income markets continued to tread water for the month of December. The Barclays U.S. Aggregate Bond Index returned -0.14% (4.21% for 2012), while riskier high-yield bonds, as represented by the Barclays U.S. Corporate High Yield Index, returned 1.58% for the month (15.81% for 2012). For December, the U.S. Treasury Yield curve slightly steepened from that of November. The 10 Year Treasury Note ended December at 1.78% and the 30 Year Treasury Bond Yield ended the month at 2.95%

As global markets continue to trend higher investors are patiently awaiting a resolution to the Fiscal Cliff as well as keeping an eye out for geopolitical flare-ups and their potential economic consequences.

What added value this month?

From a manager selection perspective, the biggest contribution in terms of relative outperformance came from the Fixed Income portfolio, which gained 0.60% for the month, 58 basis points above that of its benchmark, which returned 0.02%. Within the space, the contribution to relative outperformance came from the Global Fixed Income space; both managers (Manulife & Stone Harbor) performed well, but Manulife specifically did very well, outpacing its benchmark by 134 basis points. The High Yield Fixed Income portion of the portfolio as a whole provided excess returns; however the bulk of this outperformance was provided by just a couple of managers, Waterfall & Loomis. The Non-U.S. Equity portfolio added 29 basis points over its respective benchmark (MSCI ACWI Ex-U.S.), with the majority of strength being provided by The Boston Company portfolio, which returned 4.76% versus the benchmark's 3.49%. The U.S. Equity portfolio edged out the Russell 3000, due to solid performance from the All Cap portion of the portfolio; inparticular the Westfield Capital portfolio which returned 1.72%, bested the Russell 3000 Growth Index by 153 basis points.



From an allocation perspective, the most significant contributor to outperformance, came from the 1.2% overweight to the Private Equity portfolio, as this was one of the strongest performing asset classes for the month as evidenced by the benchmark's return of 2.95%. In addition, the slightly above target weighting to the High Yield Fixed Income, Emerging Market Equitiy, and Non-U.S. Equity portfolios were additive during the month.

What detracted this month?

The biggest detractor from a stock selection perspective was the Real Return portfolio, giving up 17 basis points of relative performance versus its benchmark, which remained relatively flat, falling by just 2 basis points. When examinging the individual managers, all portfolios within the space performed better than their respective benchmarks; however, the aggregate return of the portfolio was not able to keep pace with the KRS blended index (CPI +300 bps).

The Private Equity allocation detracted from this month's relative performance, gaining 0.36%, against a benchmark that increased by nearly 3%.

From an allocation perspective, there was only one measurable area that presented a drag on performance. The 1.5% underweight allocation (relative to target) to U.S. Equities was a small hinderance as the Russell 3000 performed well during the month, returning 1.23%.

Note: See page 3 for detailed performance information by asset class and individual managers. See page 6 for blended benchmark details.

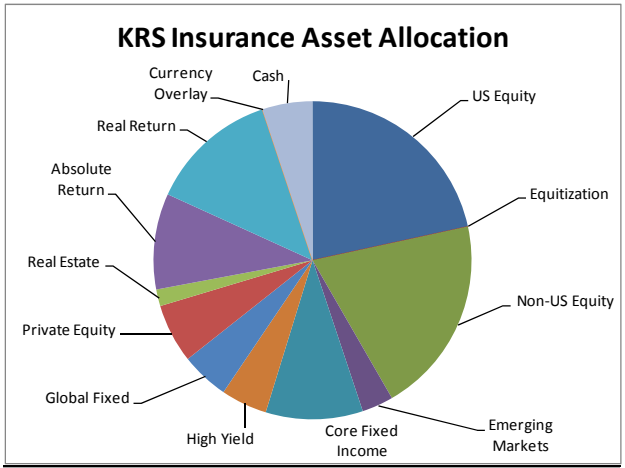
Kentucky Retirement Systems - Pension Fund																		
December 2012					Dec-12		FYTD		1 YR		3 YR		5 YR		10 YR		Since Inception	
Account / Group	Incep	Benchmark	MV	%	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark
U.S. Equities																		
River Road Asset Mgmt	06/30/11	Russell 3000 Value	28,126,747	0.3%	0.60	2.23	3.73	8.20	10.28	17.55	--	--	--	--	--	--	7.07	7.24
Westfield Capital	06/30/11	Russell 3000 Growth	98,945,223	0.9%	1.72	0.19	12.18	4.75	22.86	15.21	--	--	--	--	--	--	6.52	6.59
Westwood Management	06/30/11	Russell 3000 Value	88,589,013	0.8%	1.76	2.23	10.29	8.20	14.79	17.55	--	--	--	--	--	--	3.53	7.24
All Cap	06/30/11	Russell 3000	215,660,983	2.0%	1.59	1.23	10.23	6.49	17.72	16.42	--	--	--	--	--	--	5.34	6.94
L-INVESCO US Quant Core	07/31/05	S&P 500	189,018,059	1.7%	0.95	0.91	7.06	5.95	16.97	16.00	10.18	10.87	1.77	1.66	--	--	5.49	4.16
L-KRS Internal S&P 500 Index	06/30/01	S&P500 Index (Cap Weighted)*	1,064,393,379	9.6%	0.90	0.91	5.79	5.95	15.84	16.00	11.50	11.41	2.31	2.17	7.57	7.58	3.95	3.89
M-KRS Internal Mid Cap	06/30/11	Russell Midcap	56,844	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Geneva capital Mgmt	06/30/12	Russell Midcap Growth	192,475,771	1.7%	0.76	1.79	3.16	7.13	--	--	--	--	--	--	--	--	3.16	7.13
Sasco Capital	06/30/12	Russell Midcap Value	40,497,259	0.4%	2.52	2.64	6.97	9.95	--	--	--	--	--	--	--	--	6.97	9.95
Systematic Fin Mgmt	06/30/12	Russell Midcap Value	165,756,919	1.5%	1.93	2.64	9.05	9.95	--	--	--	--	--	--	--	--	9.05	9.95
S-Northern Trust SSC	09/30/99	Russell 2000	177,288,868	1.6%	3.64	3.56	8.40	7.20	18.71	16.35	14.97	12.25	5.39	3.56	11.20	9.72	8.79	6.72
X-Kentucky Liquidation Account	04/30/01		4,952	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X-Pension Liquidation	06/30/01		19,304	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cap Weighted	09/30/99	Russell 3000	1,829,511,355	16.6%	1.28	1.23	6.26	6.49	15.65	16.42	11.35	11.20	2.45	2.04	7.81	7.68	5.21	3.44
Total US Equities Less Equitization	**03/31/84**	**Russell 3000 Index***	**2,045,172,355**	**18.5%**	**1.31**	**1.23**	**6.71**	**6.49**	**15.85**	**16.42**	**10.97**	**11.20**	**2.25**	**2.04**	**7.77**	**7.68**	**10.85**	**10.53**
Equitization	**02/29/04**		**96**	**0.0%**	**4.73**	**--**	**30.12**	**--**	**154.55**	**--**	**17.01**	**--**	**(28.29)**	**--**	**--**	**--**	**(6.19)**	**--**
Total US Equities	**03/31/84**	**Russell 3000 Index***	**2,045,172,435**	**18.5%**	**1.32**	**1.23**	**6.73**	**6.49**	**15.92**	**16.42**	**11.00**	**10.64**	**2.26**	**1.23**	**7.77**	**6.82**	**10.85**	**10.33**
Non-U.S. Equities																		
Artio Global Intl Equity II	07/31/09	MSCI ACWI ex USA GD	26,300	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BlackRock ACWI x US Index Fund	06/30/09	MSCI ACWI ex USA ND	635,057,985	5.8%	3.47	3.47	13.71	13.68	17.13	16.83	4.09	3.87	--	--	--	--	10.10	9.90
Boston Company Non-US Value	04/30/05	MSCI ACWI ex US GD*	693,591,778	6.3%	4.76	3.49	14.48	13.83	14.84	17.39	5.17	4.26	(2.62)	(3.05)	9.16	8.79	6.32	5.47
Internal International Account	06/30/11	MSCI Emerging Markets GD	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
KRS Transition	07/31/01	MSCI EAFE GD	26,953,275	0.2%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
NTGI Intl Sm Cap	11/30/08	MSCI ACWI ex US Sm Cap ND	175,595,516	1.6%	4.00	4.03	13.83	13.85	18.14	18.52	5.59	6.54	--	--	--	--	18.98	20.26
Pyramis International Growth	07/31/01	MSCI ACWI ex US GD*	692,332,401	6.3%	3.09	3.49	13.88	13.83	17.56	17.39	5.17	4.26	(2.62)	(3.05)	9.16	8.79	6.32	5.47
Total Non-US Equities (Less Overlay)	06/30/00	**MSCI ACWI ex US GD***	**2,223,557,257**	**20.1%**	**3.78**	**3.49**	**14.00**	**13.83**	**16.33**	**17.39**	**3.53**	**4.59**	**(1.73)**	**(2.17)**	**8.65**	**9.28**	**1.91**	**2.50**
Record Currency Management	**07/31/09**		**0**	**0.0%**	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Non-US Equities (With Overlay)	**06/30/00**	**MSCI ACWI ex US GD***	**2,223,557,257**	**20.1%**	**3.78**	**3.49**	**14.01**	**13.83**	**16.43**	**17.39**	**2.94**	**4.59**	**(2.12)**	**(2.17)**	**8.42**	**9.28**	**1.70**	**2.50**
Emerging Market Equities																		
Aberdeen	03/31/08	MSCI Emerging Markets GD	302,270,854	2.7%	5.32	4.90	15.05	13.94	26.41	18.63	13.47	4.98	--	--	--	--	11.07	1.81
Wellington	03/31/08	MSCI Emerging Markets GD	158,481,373	1.4%	4.57	4.90	15.48	13.94	19.49	18.63	2.91	4.98	--	--	--	--	1.44	1.81
Total Emerging Market Equity	**06/30/11**	**MSCI Emerging Markets GD**	**460,752,227**	**4.2%**	**5.06**	**4.90**	**15.20**	**13.94**	**23.92**	**18.63**	**--**	**--**	**--**	**--**	**--**	**--**	**3.90**	**(2.63)**
Total Equity																		
Total Equity	**03/31/84**	**Global Equity Blended Index***	**4,729,481,919**	**42.8%**	**2.82**	**2.59**	**10.83**	**10.47**	**17.11**	**17.19**	**7.41**	**8.01**	**0.48**	**0.05**	**7.72**	**7.81**	**10.73**	**10.57**
Fixed Income																		
Columbia Capital	10/31/11	BC US Corporate High Yield	183,431,578	1.7%	1.52	1.58	8.35	7.97	16.43	15.81	--	--	--	--	--	--	14.83	13.84
Loomis	10/31/11	BC US Corporate High Yield	191,786,017	1.7%	2.13	1.58	12.34	7.97	24.26	15.81	--	--	--	--	--	--	19.44	13.84
Commerce Street Income Part LP	04/30/09	Opportunistic FI Blended Index*	43,529,077	0.4%	-	1.04	(0.14)	5.07	(2.85)	9.89	2.08	7.71	--	--	--	--	7.20	13.04
Waterfall Investment	01/31/10	Opportunistic FI Blended Index*	120,474,735	1.1%	2.27	1.04	7.55	5.07	14.05	9.89	--	--	--	--	--	--	16.14	7.55
Manulife	11/30/11	BC Multiverse Index	117,343,748	1.1%	1.10	(0.24)	6.33	3.08	12.13	4.84	--	--	--	--	--	--	11.41	5.15
NISA Investment Advisors	01/31/09	BC U.S. Aggregate	566,724,293	5.1%	(0.15)	(0.14)	1.93	1.80	4.47	4.21	6.47	6.19	--	--	--	--	6.77	6.50
PIMCO	10/31/09	PIMCO Blended Index*	819,171,245	7.4%	0.17	0.16	4.02	3.29	9.26	6.13	7.06	6.32	--	--	--	--	6.35	--
Stone Harbor Investments	11/30/10	JPM EMBI Global Diversified	126,343,325	1.1%	1.13	0.71	9.57	9.63	17.53	17.44	--	--	--	--	--	--	11.90	11.52
Shenkman Capital	09/30/10	Shenkman Blended Index*	119,804,641	1.1%	0.96	1.16	5.81	5.84	10.65	12.30	--	--	--	--	--	--	7.38	8.25
Total Fixed Income	**03/31/84**	**BC US Universal Bond Index***	**2,288,608,658**	**20.7%**	**0.60**	**0.02**	**5.05**	**2.59**	**10.24**	**5.53**	**8.27**	**6.71**	**6.34**	**6.13**	**5.63**	**5.55**	**8.30**	**8.05**
Real Return																		
Tenaska Power Fund II	09/30/08		14,404,630	0.1%	-	--	(3.70)	--	2.33	--	2.41	--	--	--	--	--	(0.25)	--
Tortoise Capital	07/31/09	Alerian MLP Total Return Index	56,560,258	0.5%	(2.68)	(3.12)	8.54	5.17	8.24	4.80	20.13	17.48	--	--	--	--	23.34	20.99
Internal TIPS	04/30/02	BC US Tips	421,363,102	3.8%	(0.58)	(0.65)	2.98	2.82	7.15	6.98	8.86	8.90	7.06	7.04	6.68	6.65	7.37	7.34
Weaver Barksdale TIPS	06/30/01	BC US Tips	402,990,202	3.6%	(0.59)	(0.65)	2.89	2.82	6.96	6.98	9.00	8.90	7.20	7.04	6.79	6.65	7.36	7.30
PIMCO All Asset	11/30/11	BC US Tips 1-10 Years	241,452,387	2.2%	1.77	(0.35)	9.43	2.18	19.91	5.04	--	--	--	--	--	--	14.67	4.46
Total Real Return	**06/30/11**	**KRS CPI + 300 bpts**	**1,136,770,580**	**10.3%**	**(0.19)**	**(0.02)**	**4.41**	**1.54**	**9.55**	**4.79**	**--**	**--**	**--**	**--**	**--**	**--**	**11.02**	**4.17**
Absolute Return																		
Arrowhawk Fund LP	03/31/10	12 mos. Libor + 500 bps	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BAAM	08/31/11	HFR FOF: Diversified Lagged	378,416,986	3.4%	0.93	--	5.34	--	7.87	--	--	--	--	--	--	--	6.03	--
PAAMCO	08/31/11	HFR FOF: Diversified Lagged	371,645,804	3.4%	0.27	--	3.96	--	6.00	--	--	--	--	--	--	--	3.92	--
Prisma Capital Partners	08/31/11	HFR FOF: Diversified Lagged	373,029,786	3.4%	0.63	--	4.09	--	7.77	--	--	--	--	--	--	--	3.53	--
Total Absolute Return	**03/31/10**	**HFR FOF: Diversified Lagged**	**1,123,092,576**	**10.2%**	**0.61**	**0.65**	**4.43**	**2.25**	**7.06**	**3.32**	**--**	**--**	**--**	**--**	**--**	**--**	**3.19**	**1.45**
Real Estate																		
H/2 Credit Partners	06/30/11		93,047,730	0.8%	0.58	--	6.51	--	12.56	--	--	--	--	--	--	--	7.92	--
Harrison Street Core	04/30/12		79,620,512	0.7%	-	--	0.49	--	--	--	--	--	--	--	--	--	0.49	--
Internal Real Estate KRS 25	03/31/99		9,980,506	0.1%	-	--	-	--	-	--	0.01	--	0.07	--	3.00	--	4.33	--
Mesa West Real Estate Fd II	12/31/09		33,327,491	0.3%	-	--	11.53	--	20.16	--	4.11	--	--	--	--	--	4.11	--
Prima Mortgage	04/30/09		44,758,807	0.4%	-	--	4.60	--	8.03	--	12.66	--	--	--	--	--	12.52	--
Walton Street Real Estate Fund	04/30/09		27,408,929	0.2%	-	--	2.60	--	7.95	--	13.92	--	--	--	--	--	(47.07)	--
Total Real Estate	**06/30/84**	**NCREIF O-E Div Core GR NonL***	**288,143,975**	**2.6%**	**0.19**	**2.35**	**5.06**	**5.18**	**10.18**	**10.94**	**12.75**	**10.61**	**6.12**	**2.10**	**5.74**	**8.26**	**5.44**	**7.44**
Total Private Equity																		
Total Private Equity	**09/30/90**	**Rusell 3000 Index + 4% (Qtr Lag)***	**1,237,033,294**	**11.2%**	**0.36**	**2.95**	**4.23**	**4.92**	**13.78**	**35.30**	**13.84**	**12.20**	**3.60**	**5.25**	**11.78**	**8.18**	**10.95**	**-**
Total Cash																		
Cash	**12/31/87**	**CG 3 Month Treasury**	**238,234,759**	**2.2%**	**0.03**	**0.01**	**0.19**	**0.05**	**0.30**	**0.07**	**0.50**	**0.09**	**1.10**	**0.45**	**2.24**	**1.69**	**4.23**	**3.76**
Total Pension Fund																		
Total Pension Fund	**03/31/84**	**KY Ret.Blended Index***	**11,041,365,760**	**100.0%**	**1.41**	**1.62**	**7.10**	**6.24**	**12.88**	**13.57**	**8.25**	**8.06**	**2.92**	**3.27**	**7.11**	**7.27**	**9.45**	**9.53**

***For Benchmark Composition/History see page 6.**

Insurance Fund:

What added value this month?

From a stock selection perspective, the biggest contribution in terms of relative outperformance came from the Fixed Income portfolio, which added 54 basis points over its benchmark. As with the Pension Fund, the Global Fixed portion of the the portfolio and a couple of the High Yield managers (Waterfall inparticular) provided the bulk of the strength. The Non-U.S. Equity allocation performed well, gaining 3.86% while its benchmark rose 3.49%; this was primarily due to the strong relative performance of The Boston Company portfolio. An additional source of strength came from the U.S. Equity portfolio; Westfield Capital from the cap based portion of the allocation provided a good source of outperformance.



	1 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	1.36	12.17	7.60	0.98	7.39
Benchmark	1.57	13.16	8.49	1.55	7.54

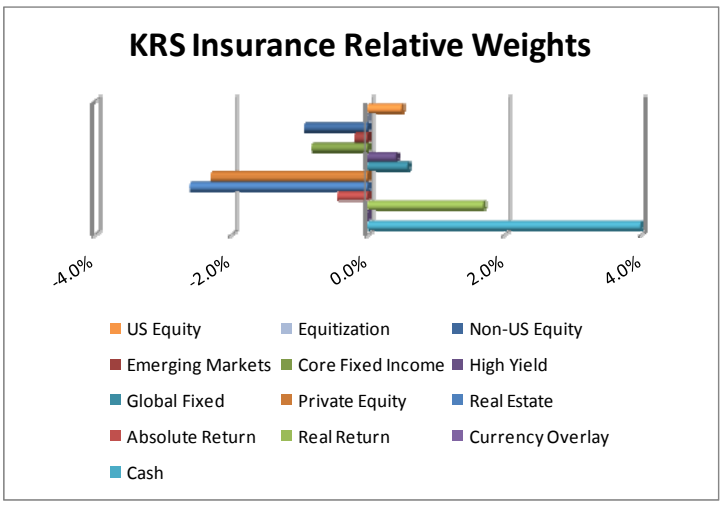
The most additive allocation decision was the slight overweight to the High Yield and Global Fixed Income spaces; the BC High Yield Index was up 1.58% and the JPM EMBI Global Diversified index was up 0.71%. Further, the overweight to the U.S. Equity bucket (approximately 21.6% versus a 21.1% target) was beneficial; the broad market was up approximately 1.25% according to the Russell 3000.

Asset Class	Market Value	Target	Actual
US Equity	715,784,272	21.1%	21.6%
Equitization	4	0.0%	0.0%
Non-US Equity	665,613,297	21.0%	20.1%
Emerging Markets	106,203,424	3.4%	3.2%
Core Fixed Income	327,311,458	10.7%	9.9%
High Yield	156,105,124	4.3%	4.7%
Global Fixed	161,833,592	4.3%	4.9%
Private Equity	199,361,669	8.3%	6.0%
Real Estate	56,229,804	4.3%	1.7%
Absolute Return	323,581,175	10.2%	9.8%
Real Return	433,753,888	11.4%	13.1%
Currency Overlay	-	0.0%	0.0%
Cash	169,202,366	1.0%	5.1%
	3,314,980,073	100.0%	100.0%

What detracted this month?

The biggest detractor from a stock selection perspective was the Real Return portfolio, which trailed its benchmark by 38 basis points, falling -0.40%. Like the Pension Fund, this was the product of the aggregate return of the individual managers falling short of the KRS blended index (CPI +300 bps); however, the portfolios within the allocation either met or outperformed their individual benchmarks. The Private Equity allocation detracted from this month's relative performance, appreciating 0.28%; however, its benchmark increased by 2.95%.

From an allocation perspective, the largest detractor of value came from being underweight (relative to target) Private Equities, which performed very well during the month. Also, the underweight to Non-U.S. and Emerging Market Equities served as a hinderence to the portfolio.



Note: See page 5 for detailed performance information by asset class and individual managers. See page 7 for blended benchmark details.

Kentucky Retirement Systems - Insurance Fund

December 2012					Dec-12		FYTD		1 YR		3 YR		5 YR		10 YR		Since Inception	
Account / Group	**Incep**	**Benchmark**	**MV**	**%**	**Mgr**	**Bmark**	**Mgr**	**Bmark**	**Mgr**	**Bmark**	**Mgr**	**Bmark**	**Mgr**	**Bmark**	**Mgr**	**Bmark**	**Mgr**	**Bmark**
U.S. Equities																		
River Road Asset Mgmt	06/30/11	Russell 3000 Value	10,899,814	0.3%	0.61	2.23	3.74	8.20	10.34	17.55	--	--	--	--	--	--	7.10	7.24
Westfield Capital	06/30/11	Russell 3000 Growth	38,425,468	1.2%	1.72	0.19	12.17	4.75	22.88	15.21	--	--	--	--	--	--	6.53	6.59
Westwood Management	06/30/11	Russell 3000 Value	34,118,532	1.0%	1.74	2.23	10.26	8.20	14.73	17.55	--	--	--	--	--	--	3.49	7.24
All Cap	06/30/11	Russell 3000	83,443,814	2.5%	1.58	1.23	10.22	6.49	17.71	16.42	--	--	--	--	--	--	5.33	6.94
L-KRS Internal S&P 500 Index	06/30/01	S&P500 Index (Cap Weighted)*	419,716,793	12.7%	0.92	0.91	5.95	5.95	15.95	16.00	11.48	11.41	2.39	2.17	7.70	7.58	4.02	3.89
M-KRS Internal Mid Cap	06/30/11	Russell Midcap	18,835	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Geneva capital Mgmt	06/30/12	Russell Midcap Growth	64,866,632	2.0%	0.76	1.79	3.16	7.13	--	--	--	--	--	--	--	--	3.16	7.13
Sasco Capital	06/30/12	Russell Midcap Value	13,647,207	0.4%	2.51	2.64	6.96	9.95	--	--	--	--	--	--	--	--	6.96	9.95
Systematic Fin Mgmt	06/30/12	Russell Midcap Value	55,862,110	1.7%	1.93	2.64	9.04	9.95	--	--	--	--	--	--	--	--	9.04	9.95
S-Northern Trust SSC	06/30/11	Russell 2000	78,228,870	2.4%	3.43	3.56	8.54	7.20	18.50	16.35	--	--	--	--	--	--	5.51	3.29
X-KRS Insurance Liquidation	08/31/04		13	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cap Weighted	06/30/11	Russell 3000	632,340,458	19.1%	1.33	1.23	6.26	6.49	15.57	16.42	10.81	11.20	2.02	2.04	7.50	7.68	2.94	2.34
Total US Equities Less Equitization	**06/30/92**	**Russell 3000 Index***	**715,784,272**	**21.6%**	**1.36**	**1.23**	**6.71**	**6.49**	**15.82**	**16.42**	**10.60**	**11.03**	**1.91**	**1.97**	**7.44**	**-**	**8.57**	**8.98**
Equitization	**03/31/04**		**4**	**0.0%**	**6.79**	**--**	**32.07**	**--**	**146.50**	**--**	**17.22**	**--**	**(29.29)**	**--**	**--**	**--**	**(4.94)**	**--**
Total US Equities	**06/30/92**	**Russell 3000 Index***	**715,784,277**	**21.6%**	**1.36**	**1.23**	**6.72**	**6.49**	**15.86**	**16.42**	**10.62**	**11.03**	**1.92**	**1.97**	**7.45**	**--**	**8.57**	**8.98**
Non-U.S. Equities																		
Artio Global Intl Equity II	06/30/09	MSCI ACWI EX USA GD	6,784	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BlackRock	05/31/12	MSCI ACWI EX USA ND	129,071,750	3.9%	3.46	3.47	13.68	13.68	--	--	--	--	--	--	--	--	20.40	20.39
Boston Company Non-US Value	05/31/08	MSCI ACWI ex US GD*	206,874,118	6.2%	4.81	3.49	14.48	13.83	14.90	17.39	0.70	4.26	--	--	--	--	(2.10)	(2.76)
Internal International Account	06/30/11	MSCI Emerging Markets GD	128,126	0.4%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
KRS Insurance Trans	04/30/08		122,037,573	3.7%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Pyramis International Growth	07/31/01	MSCI ACWI ex US GD*	207,494,946	6.3%	3.07	3.49	13.75	13.83	17.12	17.39	5.03	4.26	(2.67)	(3.05)	9.08	8.79	6.29	5.47
Total Non-US Equities (Less Overlay)	**03/31/00**	**MSCI ACWI ex US GD***	**665,613,297**	**20.1%**	**3.86**	**3.49**	**13.99**	**13.83**	**15.96**	**17.39**	**3.03**	**4.18**	**(2.37)**	**(2.84)**	**9.15**	**8.91**	**2.10**	**1.31**
Record Currency Management	**08/31/09**		**0**	**0.0%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Intl Equity	**06/30/00**	**MSCI ACWI ex US GD***	**665,613,297**	**20.1%**	**3.86**	**3.49**	**14.00**	**13.83**	**16.09**	**17.39**	**2.24**	**4.18**	**(2.88)**	**(2.84)**	**8.81**	**8.91**	**1.75**	**1.31**
Emerging Market Equities																		
Aberdeen	03/31/08	MSCI Emerging Markets GD	70,467,016	2.1%	5.32	4.90	15.05	13.94	26.41	18.63	13.46	4.98	--	--	--	--	11.06	1.81
Wellington	03/31/08	MSCI Emerging Markets GD	35,736,409	1.1%	4.57	4.90	15.48	13.94	19.49	18.63	2.92	4.98	--	--	--	--	1.45	1.81
Total Emerging Markets	**06/30/11**	**MSCI Emerging Markets GD**	**106,203,424**	**3.2%**	**5.07**	**4.90**	**15.20**	**13.94**	**23.97**	**18.63**	**--**	**--**	**--**	**--**	**--**	**--**	**3.95**	**(2.63)**
Total Equities																		
Total Equities	**06/30/92**	**Global Equity Blended Index***	**1,487,600,998**	**44.9%**	**2.72**	**2.54**	**10.46**	**10.40**	**16.81**	**17.15**	**6.81**	**7.62**	**(0.13)**	**(0.30)**	**7.48**	**7.17**	**8.44**	**8.25**
Fixed Income																		
Commerce St Partners LP	04/30/09	Opportunistic FI Blended Index*	8,291,254	0.3%	-	1.04	(0.14)	5.07	(2.85)	9.89	2.08	7.71	--	--	--	--	7.20	13.04
Columbia Capital	10/31/11	BC US Corporate High Yield	43,395,020	1.3%	1.52	1.58	8.33	7.97	16.38	15.81	--	--	--	--	--	--	14.79	13.84
Loomis	10/31/11	BC US Corporate High Yield	45,066,711	1.4%	2.02	1.58	11.83	7.97	23.50	15.81	--	--	--	--	--	--	18.77	13.84
Manulife	11/30/11	BC Multiverse Index	31,580,521	1.0%	1.01	(0.24)	6.02	3.08	11.75	4.84	--	--	--	--	--	--	11.03	5.15
NISA Investment Advisors	06/30/11	BC U.S. Aggregate	166,763,657	5.0%	(0.20)	(0.14)	1.86	1.80	4.34	4.21	--	--	--	--	--	--	6.48	6.18
PIMCO	03/31/11	PIMCO Blended Index*	253,760,912	7.7%	0.18	0.16	4.49	3.29	9.91	6.13	--	--	--	--	--	--	7.92	6.86
Shenkman Capital	06/30/11	Shenkman Blended Index*	29,312,030	0.9%	1.02	1.16	5.48	6.50	10.81	13.00	--	--	--	--	--	--	7.50	7.99
Stone Harbor	06/30/11	JPM EMBI Global Diversified	28,748,706	0.9%	1.14	0.71	9.52	9.63	16.94	17.44	--	--	--	--	--	--	11.41	13.14
Waterfall	06/30/11	Opportunistic FI Blended Index*	38,331,363	1.2%	2.98	1.04	10.51	5.07	17.92	9.89	--	--	--	--	--	--	15.91	6.42
Total Fixed Income	**06/30/00**	**BC US Universal Bond Index***	**645,250,174**	**19.5%**	**0.56**	**0.02**	**4.98**	**2.59**	**10.01**	**5.53**	**8.12**	**7.26**	**6.75**	**6.07**	**6.56**	**6.17**	**7.27**	**7.04**
Real Return																		
Internal TIPS	09/30/03	BC US Tips	349,274,413	10.5%	(0.62)	(0.65)	2.83	2.82	7.01	6.98	8.86	8.90	7.09	7.04	--	--	6.71	6.47
PIMCO All-Asset	11/30/11	BC US Tips 1-10 Years	60,116,619	1.8%	1.77	(0.35)	9.43	2.18	19.91	5.04	--	--	--	--	--	--	14.67	4.46
Tenaska Power Fund II	09/30/08		1,600,514	0.0%	-	--	(3.70)	--	2.33	--	2.41	--	--	--	--	--	(0.25)	--
Tortoise CAP	07/30/09	Alerian MLP Total Return Index	22,762,341	0.7%	(2.66)	(3.12)	8.60	5.17	10.34	4.80	20.91	17.48	--	--	--	--	24.05	20.99
Total Real Return	**06/30/11**	**KRS CPI + 300 bpts**	**433,753,888**	**13.1%**	**(0.40)**	**(0.02)**	**3.97**	**1.54**	**9.02**	**4.79**	**--**	**--**	**--**	**--**	**--**	**--**	**10.62**	**4.17**
Real Estate																		
H/2 Credit Partners	06/30/11		22,756,904	0.7%	0.58	--	6.41	--	12.45	--	--	--	--	--	--	--	7.85	--
Harrison Street Core	04/30/12		21,569,267	0.7%	-	--	0.49	--	--	--	--	--	--	--	--	--	0.49	--
Mesa West Real Estate Inc Fd	12/31/09		3,703,056	0.1%	-	--	11.53	--	20.16	--	4.11	--	--	--	--	--	4.11	--
Prima Mortgage	04/30/09		4,973,200	0.2%	-	--	3.98	--	7.39	--	12.51	--	--	--	--	--	12.40	--
Walton Street Real Estate Fund	04/30/09		3,227,378	0.1%	-	--	2.60	--	7.95	--	13.92	--	--	--	--	--	(47.07)	--
Total Real Estate	**04/30/09**	**NCREIF O-E Div Core GR NonL***	**56,229,804**	**1.7%**	**0.24**	**2.35**	**4.74**	**5.18**	**10.23**	**10.94**	**14.43**	**10.61**	**--**	**--**	**--**	**--**	**8.96**	**-**
Absolute Return																		
Arrowhawk Fund LP	03/31/10	12 mos. Libor + 500 bps	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BAAM	08/31/11	HFR FOF: Diversified Lagged	108,971,014	3.3%	0.93	--	5.34	--	8.05	--	--	--	--	--	--	--	6.16	--
PAAMCO	08/31/11	HFR FOF: Diversified Lagged	106,899,815	3.2%	0.27	--	3.95	--	6.22	--	--	--	--	--	--	--	4.08	--
Prisma Capital Partners	08/31/11	HFR FOF: Diversified Lagged	107,710,346	3.2%	0.63	--	4.09	--	7.97	--	--	--	--	--	--	--	3.67	--
Total Absolute Return	**03/31/10**	**HFR FOF: Diversified Lagged**	**323,581,175**	**9.8%**	**0.61**	**0.65**	**4.41**	**2.25**	**7.16**	**3.32**	**--**	**--**	**--**	**--**	**--**	**--**	**3.02**	**1.45**
Total Alternatives																		
Total Private Equity	**05/31/01**	**Rusell 3000 Index + 4% (Qtr Lag)***	**199,361,669**	**6.0%**	**0.28**	**2.95**	**3.40**	**4.92**	**12.43**	**35.30**	**13.93**	**12.13**	**4.53**	**3.42**	**9.47**	**7.27**	**6.98**	**3.78**
Total Cash																		
Clearing Account	06/30/10		7,562	0.0%	0.02	--	0.09	--	0.14	--	--	--	--	--	--	--	0.05	--
Cash	**06/30/92**	**CG 3 Month Treasury**	**169,194,804**	**5.1%**	**0.22**	**0.01**	**0.36**	**0.05**	**0.47**	**0.07**	**0.33**	**0.09**	**0.70**	**0.45**	**2.18**	**1.69**	**3.30**	**3.09**
Total Insurance Fund																		
Total Insurance Fund	**03/31/87**	**KRS Ins.Blended Index***	**3,314,980,074**	**100.0%**	**1.36**	**1.57**	**6.87**	**6.26**	**12.17**	**13.16**	**7.60**	**8.49**	**0.98**	**1.55**	**7.39**	**7.54**	**7.65**	**7.78**

***For Benchmark Composition/History see page 7.**

L-KRS Internal S&P 500 Index	**06/30/01**	**S&P500 Index (Cap Weighted)**	**6/30/2011-Current**	**S&P 500**	**100**								
			Inception-6/30/2011	S&P 1500 (Price Only)	100								
Total US Equities	**06/30/00**	**Russell 3000 Index**	**6/30/2011-Current**	**Russell 3000**	**100**								
			6/30/2007-6/30/2011	S&P 500	20	S&P 1500	67	Russell 2000	13				
			2/28/2006-6/30/2007	S&P 500	17	S&P 1500	71	Russell 2000	13				
			7/31/2005-2/28/2006	S&P 500	13	S&P 1500	65	Russell 2000	13	Russell 2500 Growth	10		
			10/31/2003-7/31/2005	S&P 500	28	S&P 1500	50	Russell 2000	13	Russell 2500 Growth	10		
			6/30/2003-10/31/2003	S&P 500	37	S&P 1500	43	Russell 2000	12	Russell 2500 Growth	8		
			6/30/2001-6/30/2003	S&P 500	41	S&P 1500	43	Russell 2000	16				
			6/30/2000-6/30/2001	S&P 500	81	Russell 2000	20						
			7/31/1996-6/30/2000	S&P 500	85	Russell 2000	15						
			3/31/1984-7/31/1996	S&P 500	90	Russell 2000	10						
Boston Company Non-US Value	**04/30/05**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100**								
			6/30/2009-12/31/2011	MSCI World ex USA GD	100								
			Inception-6/30/2009	MSCI EAFE GD	100								
Pyramis International Growth	**07/31/01**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100**								
			6/30/2009-12/31/2011	MSCI World ex USA GD	100								
			Inception-6/30/2009	MSCI EAFE GD	100								
Total Non-US Equities	**06/30/00**	**MSCI ACWI ex US GD**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**100**								
			6/30/2009-6/30/2011	MSCI ACWI ex USA GD	20	MSCI ACWI ex USA Small Cap GD	10	MSCI Emerging Markets GD	10	MSCI World ex USA GD	60		
			12/31/2008-6/30/2009	MSCI ACWI ex USA Small Cap GD	10	MSCI EAFE GD	80	MSCI Emerging Markets GD	10				
			4/30/2008-12/31/2008	MSCI EAFE GD	90	MSCI Emerging Markets GD	10						
			3/31/2004-4/30/2008	MSCI EAFE GD	100								
			6/30/03-3/31/2004	MS EAFE	73	S&P ADR	27						
			6/30/02-6/30/03	MS EAFE	67	S&P ADR	33						
			7/31/01-6/30/02	BONY ADR	33	MS EAFE	67						
			Inception-7/31/01	BONY ADR	100								
Total Equity	**03/31/84**	**Global Equity Blended Index**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**45**	**MSCI Emerging Markets GD**	**9**	**Russell 3000**	**45**				
			6/30/2009-6/30/2011	MSCI ACWI ex USA GD		MSCI ACWI ex USA Small Cap GD		MSCI Emerging Markets GD		MSCI World ex USA GD		Russell 2000	
				S&P 1500 (Price Only)		S&P 500							
			6/30/03-6/30/2009	MS EAFE	20	Russell 2000	9	S&P 1500 (Price Only)	31	S&P 500	20	S&P ADR	7
				S&P 500 BARRA Growth	7	Russell 2500 Growth	6						
			6/30/02-6/30/03	MS EAFE	18	Russell 2000	12	S&P 1500 (Price Only)	31	S&P 500	30	S&P ADR	9
			6/30/01-6/30/02	BONY ADR	9	MS EAFE	18	Russell 2000	12	S&P 1500 (Price Only)	31	S&P 500	30
			6/30/00-6/30/01	BONY ADR	23	Russell 2000	15	S&P 500	62				
			7/31/96-6/30/00	Russell 2000	15	S&P 500	85						
			Inception-7/31/96	Russell 2000	10	S&P 500	90						
PIMCO	**10/31/09**	**PIMCO Blended Index**	**9/30/2011-Current**	**BC US Aggregate**	**60**	**PIMCO Glb Adv Bd (GLADI)**	**40**						
			Inception-9/30/2011	BC US Aggregate	100								
Commerce Street Income Partners	**04/30/09**	**Opportunistic FI Blended Index**	**04/30/2009-Current**	**BC US High Yield**	**60**	**BC ABS**	**40**						
Waterfall Investment	**01/31/10**	**Opportunistic FI Blended Index**	**01/31/2010-Current**	**BC US High Yield**	**60**	**BC ABS**	**40**						
Shenkman Capital	**09/30/10**	**Shenkman Blended Index**	**09/30/2010-Current**	**BC US High Yield**	**50**	**BC High Yield Loan Index**	**50**						
Total Fixed Income	**03/31/84**	**BC US Universal Bond Index**	**6/30/2011-Current**	**BC US Universal**	**100**								
			6/30/2007-6/30/2011	LB Aggregate	71	LB U.S. TIPS	28.57						
			6/30/03-6/30/2007	LB Aggregate	38	LB Gov't Credit	35	LB U.S. TIPS	27				
			6/30/01-6/30/03	LB Aggregate	19	LB Gov't Credit	54	LB U.S. TIPS	27				
			Inception-6/30/01	LB Gov't Credit	80	ML 1-3 Yr. Treasuries	20						
Total Real Estate	**03/31/09**	**NCREIF O-E Div Core GR NonL**	**6/30/2011-Current**	**NCREIF Op-End Diversified Core GR NonL**	**100**								
			Inception-6/30/2011	NCREIF Property Index (Lagged)	100								
Total Private Equity	**09/30/90**	**Rusell 3000 Index + 4% (Qtr Lag)**	**6/30/2011-Current**	**Rusell 3000 Index + 4% (Qtr Lag)**	**100**								
			Inception-6/30/2011	BC High Yield Corporate	40	S&P 1500 (Price Only)	60						
Total Pension Fund	**03/31/84**	**KY Ret.Blended Index**	**6/30/2011-Current**	**BC US Universal**	**20**	**CG 3 Month Treasury**	**1**	**HFR FOF: Diversified Lagged**	**10**	**KRS CPI + 300 bpts**	**10**	**KY Russell 3000 Qtr Lag + 400 bpts**	**10**
				MSCI ACWI ex US GD	**20**	**MSCI Emerging Markets GD**	**4**	**NCREIF Op-End Diversified Core GR NL**	**5**	**Russell 3000**	**20**		
			6/30/2009-6/30/2011	LB Aggregate	25	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	12	MSCI ACWI ex US GD	4
				MSCI ACWI ex US Small Cap GD	2	MSCI Emerging Markets GD	2	MSCI World ex USA GD	12	Russell 2000	4	S&P 1500 (Price Only)	20
				S&P 500	6								
			4/30/2008-6/30/2009	LB Aggregate	25	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	12	MS EAFE	18
				MSCI Emerging Markets GD	2	Russell 2000	4	S&P 1500 (Price Only)	20	S&P 500	6		
			6/30/2007-4/30/2008	LB Aggregate	25	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	12	MS EAFE	20
				Russell 2000	4	S&P 1500 (Price Only)	20	S&P 500	6				
			1/31/2006-6/30/2007	LB Aggregate	14	LB Gov't/Credit Bond	13	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	5
				MS EAFE	15	Russell 2000	5	S&P 1500 (Price Only)	28.4	S&P 500	6.6		
			6/30/2005-1/31/2006	LB Aggregate	14	LB Gov't/Credit Bond	13	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	5
				MS EAFE	15	Russell 2000	5	Russell 2500 Growth	4	S&P 1500 (Price Only)	26	S&P 500	5
			3/31/2004-6/30/2005	LB Aggregate	14	LB Gov't/Credit Bond	13	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	5
				MS EAFE	15	Russell 2000	5	Russell 2500 Growth	4	S&P 1500 (Price Only)	20	S&P 500	11
			10/31/2003-3/31/2004	LB Aggregate	14	LB Gov't/Credit Bond	13	LB U.S. TIPS	10	CG 3 Month Treasury	3	KY Alternative Blend	5
				MS EAFE	11	Russell 2000	5	Russell 2500 Growth	4	S&P 1500 (Price Only)	20	S&P 500	11
				S&P ADR	4								
			6/30/03-10/31/2003	KY Alternative Blend	5	LB Aggregate	14	LB Gov't/Credit Bond	13	LB U.S. TIPS	10	MS EAFE	11
				Russell 2000	5	S&P 1500 (Price Only)	17	S&P 500	11	S&P ADR	4	CG 3 Month Treasury	3
				S&P 500 BARRA Growth	4	Russell 2500 Growth	3						
			6/30/02-6/30/03	KY Alternative Blend	5	LB Aggregate	7	LB Gov't/Credit Bond	20	LB U.S. TIPS	10	MS EAFE	10
				Russell 2000	7	S&P 1500 (Price Only)	17	S&P 500	16.5	S&P ADR	5	SB 3 Month Treasury	3
			6/30/01-6/30/02	BONY ADR	5	KY Alternative Blend	5	LB Aggregate	7	LB Gov't/Credit Bond	20	LB U.S. TIPS	10
				MS EAFE	10	Russell 2000	6.5	S&P 1500 (Price Only)	17	S&P 500	16.5	SB 3 Month Treasury	3
			6/30/00-6/30/01	BONY ADR	15	LB Gov't/Credit Bond	22	ML 1-3 Yr. Treasuries	5	Russell 2000	10	S&P 500	40
				SB 3 Month Treasury	3	Wilshire Real Estate Security	5						
			7/31/96-6/30/00	LB Gov't/Credit Bond	22	ML 1-3 Yr. Treasuries	5	NCREIF Classic Property	5	Russell 2000	10	S&P 500	55
				SB 3 Month Treasury	3								
			Inception-7/31/96	LB Gov't/Credit Bond	20	ML 1-3 Yr. Treasuries	5	NCREIF Classic Property	10	Russell 2000	5	S&P 500	50
				SB 3 Month Treasury	10								

KRS Insurance Fund Blended Index Composition and History

L-KRS Internal S&P 500 Index	**06/30/01**	**S&P500 Index (Cap Weighted)**	**6/30/2011-Current**	**S&P 500**	**100**							
			Inception-6/30/2011	S&P 1500 (Price Only)	100							
Total US Equities	**06/30/00**	**Russell 3000 Index**	**6/30/2011-Current**	**Russell 3000**	**100**							
			Inception-6/30/2011	S&P 1500 (Price Only)	100							
Boston Company Non-US Value	**05/31/08**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100**							
			6/30/2009-12/31/2011	MSCI World ex USA GD	100							
			Inception-6/30/2009	MSCI EAFE GD	100							
Pyramis International Growth	**07/31/01**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100**							
			6/30/2009-12/31/2011	MSCI World ex USA GD	100							
			Inception-6/30/2009	MSCI EAFE GD	100							
Total Intl Equity	**06/30/00**	**MSCI ACWI ex US GD**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**100**							
			6/30/2009-6/30/2011	MSCI ACWI ex USA GD	10	MSCI Emerging Markets GD	10	MSCI World ex USA GD	80			
			4/30/2008-6/30/2009	MSCI EAFE GD	90	MSCI Emerging Markets GD	10					
			3/31/2004-4/30/2008	MSCI EAFE GD	100							
			6/30/2003-3/31/2004	MSCI EAFE GD	80	S&P ADR	20					
			6/30/2002-6/30/2003	MSCI EAFE GD	75	S&P ADR	25					
			6/30/2001-6/30/2002	BONY ADR	25	MSCI EAFE GD	75					
			Inception-6/30/2001	BONY ADR	100							
Total Equities	**06/30/92**	**Global Equity Blended Index**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**46**	**MSCI Emerging Markets GD**	**8**	**Russell 3000**	**46**			
			6/30/2009-6/30/2011	MSCI ACWI ex USA GD	4	S&P 1500 (Price Only)	57	MSCI Emerging Markets GD	4	MSCI World ex USA GD	34	
			4/30/2008-6/30/2009	MSCI EAFE GD	39	S&P 1500 (Price Only)	57	MSCI Emerging Markets GD	4			
			6/30/2007-4/30/2008	MSCI EAFE GD	43	S&P 1500 (Price Only)	57					
			3/31/2004-6/30/2007	MSCI EAFE GD	25	S&P 1500 (Price Only)	75					
			6/30/2002-3/31/2004	S&P 1500 (Price Only)	75	S&P ADR	5	MS EAFE GD	20			
			6/30/2001-6/3020/02	BONY ADR	5	S&P 1500 (Price Only)	75	MS EAFE GD	20			
			6/30/2000-6/3020/01	BONY ADR	20	S&P 500	50	S&P 600 Small Cap	30			
			7/31/1996-6/30/2000	S&P 500	70	S&P 600 Small Cap	30					
			Inception-7/31/1996	S&P 500	100							
PIMCO	**03/31/11**	**PIMCO Blended Index**	**9/30/2011-Current**	**BC US Aggregate**	**60**	**PIMCO Glb Adv Bd (GLADI)**	**40**					
			Inception-9/30/2011	BC US Aggregate	100							
Commerce Street Income Partners	**04/30/09**	**Opportunistic FI Blended Index**	**04/30/2009-Current**	**BC US High Yield**	**60**	**BC ABS**	**40**					
Waterfall Investment	**06/30/11**	**Opportunistic FI Blended Index**	**06/30/2011-Current**	**BC US High Yield**	**60**	**BC ABS**	**40**					
Shenkman Capital	**06/30/11**	**Shenkman Blended Index**	**06/30/2011-Current**	**BC US High Yield**	**50**	**BC High Yield Loan Index**	**50**					
Total Fixed Income	**06/30/00**	**BC US Universal Bond Index**	**6/30/2011-Current**	**BC US Universal**	**100**							
Total Real Estate	**03/31/09**	**NCREIF O-E Div Core GR NonL**	**6/30/2011-Current**	**NCREIF Op-End Diversified Core GR NonL**	**100**							
			Inception-6/30/2011	NCREIF Property Index (Lagged)	100							
Total Private Equity	**09/30/90**	**Rusell 3000 Index + 4% (Qtr Lag)**	**6/30/2011-Current**	**Rusell 3000 Index + 4% (Qtr Lag)**	**100**							
			Inception-6/30/2011	BC High Yield Corporate	20	S&P 1500 (Price Only)	80					
Total Insurance Fund	**03/31/87**	**KRS Ins.Blended Index**	**6/30/2011-Current**	**BC US Universal**	**19**	**CG 3 Month Treasury**	**1**	**HFR FOF: Diversified Lagged**	**10**	**KRS CPI + 300 bpts**	**11**	**KY Russell 30**	**8**
				MSCI ACWI ex US GD	**21**	**MSCI Emerging Markets GD**	**3**	**NCREIF Op-End Diversified Core GR NonL**	**4**	**Russell 3000**	**21**	
			3/31/2011-6/30/2011	KRS Alternative Blend	15	70% BC Tips/ 30% BC Agg	12	MSCI ACWI ex USA GD	3	S&P 1500 (Price Only)	40	CG 3 Month T	3
				MSCI Emerging Markets GD	3	MSCI World ex US GD	24						
			6/30/2009-3/31/2011	KRS Alternative Blend	15	BC U.S. TIPS	12	MSCI ACWI ex USA GD	3	S&P 1500 (Price Only)	40	CG 3 Month T	3
				MSCI Emerging Markets GD	3	MSCI World ex US GD	24						
			4/30/2008-6/30/2009	KRS Alternative Blend	15	BC U.S. TIPS	12	MS EAFE GD	27	S&P 1500 (Price Only)	40	CG 3 Month T	3
				MSCI Emerging Markets GD	3								
			6/30/2007-4/30/2008	KRS Alternative Blend	15	BC U.S. TIPS	12	MS EAFE	30	S&P 1500 (Price Only)	40	CG 3 Month T	3
			3/31/2004-6/30/2007	KRS Alternative Blend	5	BC U.S. TIPS	10	MS EAFE	20	S&P 1500 (Price Only)	60	CG 3 Month T	5
			6/30/2003-3/31/2004	KRS Alternative Blend	5	LB U.S. TIPS	10	MS EAFE	16	S&P 1500 (Price Only)	60	S&P ADR	4
				CG 3 Month Treasury	5								
			6/30/2002-6/30/2003	KRS Alternative Blend	5	LB U.S. TIPS	10	MS EAFE	15	S&P 1500 (Price Only)	60	S&P ADR	5
				SB 3 Month Treasury	5								
			6/30/2001-6/30/2002	BONY ADR	5	KRS Alternative Blend	5	LB U.S. TIPS	10	MS EAFE	15	S&P 1500 (Pri	60
				SB 3 Month Treasury	5								
			6/30/2000-6/30/2001	BONY ADR	15	LB Gov't Credit Bond	25	S&P 500	35	S&P 600 Small Cap	20	SB 3 Month Tr	5
			7/31/1996-6/30/2000	LB Gov't Credit Bond	25	S&P 500	50	S&P 600 Small Cap	20	SB 3 Month Treasury	5	
			Inception-7/31/1996	LB Gov't Credit Bond	63	S&P 500	28	SB 3 Month Treasury	10			