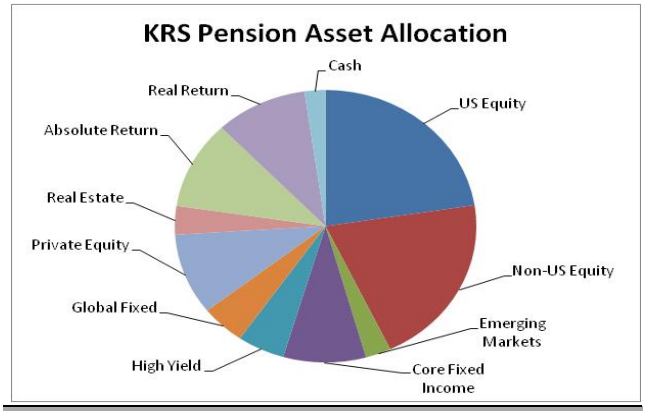
February 2014

KRS MONTHLY PERFORMANCE UPDATE

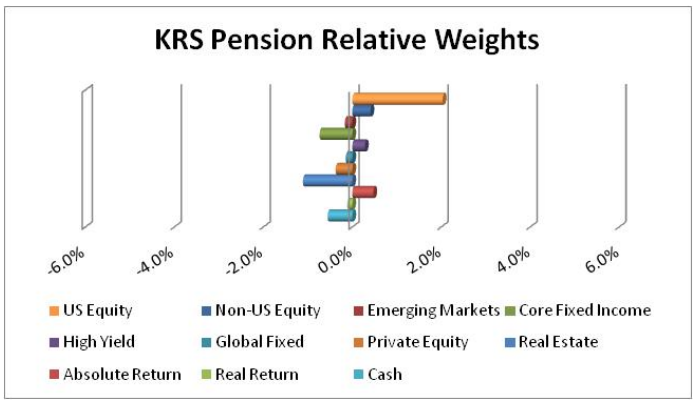
What's going on in the marketplace?

In February, global markets rallied back from a disappointing January, with the MSCI All Country World Index returning 4.88%. Continued positive data releases from the Eurozone and lowered fears about China's economy helped boost equity markets around the world. U.S. equity markets posted strong gains, getting back into positive territory for the year as investors shrugged off mixed economic data, mostly blaming an unusually frigid winter. Other developed markets also provided investors with strong returns, and emerging markets performed well, reversing three straight months of negative returns.



	Feb	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	2.39	10.91	7.36	14.03	6.19
Benchmark	2.20	11.69	7.50	14.82	6.27

Developed market equities returned over 5.5%, led by a very strong European rally. Within Europe, Ireland posted huge gains, followed by Denmark, Portugal, Belgium, and France, respectively. Portuguese and French equities were helped by positive, albeit light, GDP and employment numbers while Spain disappointed but still had positive returns. Outside of Europe, other developed countries mostly posted strong numbers, led by Australian equities (5.4%) on the back of a surprising trade surplus and strong housing data. At the low end, only Japanese equities lost ground in February, returning -0.5% due to weaker than projected fourth quarter GDP (-1%) and a widening trade deficit. Meanwhile, emerging markets had a wide dispersion of returns (3.3% composite), as investors realized many current account fears were truly country-specific, not systematic and allocated capital appropriately. US equities finished at another all time high, up 4.6%, as measured by the S&P 500. The gains were broad across economic sectors with only telecommunications posting a negative return. Materials, consumer discretionary, and health care were the best performing sectors, each returning over 6%. Growth stocks outperformed value stocks, 5.1% to 4.3%; large cap stocks slightly outperformed small cap stocks, as the Russell 1000 returned 4.74% versus the Russell 2000 return of 4.71%.



Despite very strong returns in risk assets, fixed income still managed to post positive returns. The Barclays Global Aggregate Index returned 1.4%, while the US Aggregate Index returned 0.53%. US investment-grade corporate bonds returned 1.04% while high yield bonds returned 2.02% as spreads continued to tighten. The Treasury curve remained relatively unchanged as the 2-year Treasury yield moved down just 1 basis point from the end of January and the 10-year Treasury yield moved up less than 1 basis point. Fixed income investors largely received new Fed chairwoman Janet Yellen well, who noted that weaker economic data was discouraging but there would have to be a significant turn for the worse in order to stop or reverse the "taper."

Economic numbers released in February were mixed at best, with January job creation (113k) well below analyst expectations (180k), a second consecutive disappointment, and initial jobless claims trending up through the month. However, the unemployment rate did drop to 6.6%. Manufacturing data was also weaker, but the service sector showed

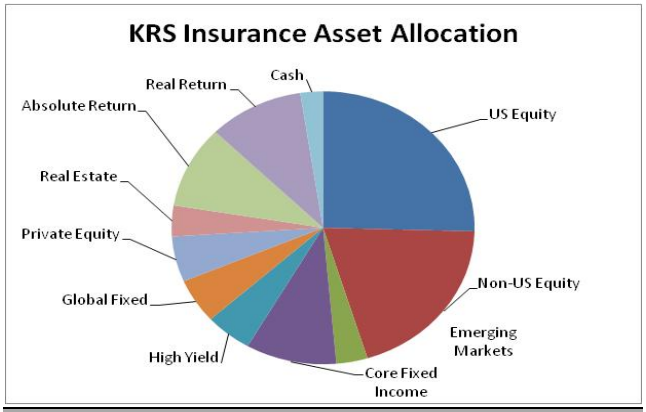
resilience through the cold weather. Housing data was largely negative or weaker than expected, but new home sales did show significant growth. Inflation, as measured by the CPI, remains tame and steady under 2%. Consumer confidence dropped but the Leading Indicator index increased.

Investors will continue to monitor the increasing escalation in Ukraine and tension between Russia and the West, as well as attempt to sort through the weather-altered economic data.

What added value this month?

PENSION – From a manager selection standpoint, it was a solid month for the plan. On an aggregate scale, emerging market equity managers, led by Aberdeen, outperformed the benchmark by 4 basis points. Fixed income managers outperformed the benchmark by 42 basis points, mostly due to Loomis Sayles outperforming their benchmark by over 100 basis points. Absolute return and real return both outperformed their benchmarks by 74 and 88 basis points, respectively.

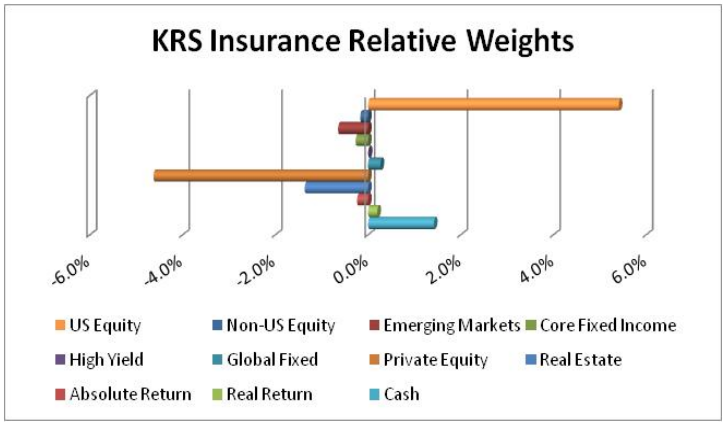
From an allocation perspective, having a 2% overweight to US equities (4.74% index return) and a small overweight to non-US developed equities (5.05% index return) helped the portfolio. Additionally, an underweight to fixed income and real return had a positive effect.



	Feb	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	2.49	10.41	6.09	15.75	5.84
Benchmark	2.22	11.59	7.14	17.16	6.00

INSURANCE – Like the pension fund, the insurance portfolio enjoyed relative outperformance from emerging market equities and fixed income, with 4 and 31 basis points of outperformance, respectively. Absolute return and real return also posted superior returns to their benchmarks, outperforming by 74 and 75 basis points, respectively.

The fund benefited from an overweight to US equities and an underweight to fixed income.



What detracted this month?

PENSION – While the emerging market equity managers did well, US equity and non-US equity managers struggled in total against their respective benchmarks. However, the performances relative to benchmarks had a large dispersion within US equity managers, as Geneva, River Road, and Systematic struggled. On the other hand, Sasco, Westfield, and Westwood significantly outperformed. The non-US underperformed by 41 basis points, primarily due to Boston Company and Pyramis trailing.

From an allocation perspective, a slight underweight to emerging market equities (3.33% index return) detracted from performance.

INSURANCE – Like the pension fund, US equity managers underperformed the benchmark, by 13 basis points in this fund. Non-US equity managers also underperformed the benchmark by 40 basis points.

From an allocation perspective, a small underweight to the non-US and emerging market equity portion of the portfolio detracted from performance in the portfolio, as did an overweight to real return.

NOTES:

1) 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.

2) Individual plan allocation and performance (pg.6).

3) 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.

4) Private Equity Composite (Pension)
Inception (07/01/02) to 06/30/11
60.00% S&P 1500 Composite Index
40.00% Barclays US Corporate High Yield Index
07/01/11 to Present
100.00% Russell 3000 Index + 4% (Qtr Lag)

Private Equity Composite (Insurance)
Inception (07/01/02) to 06/30/11
80.00% S&P 1500 Composite Index
20.00% Barclays US Corporate High Yield Index
07/01/11 to Present
100.00% Russell 3000 Index + 4% (Qtr Lag)

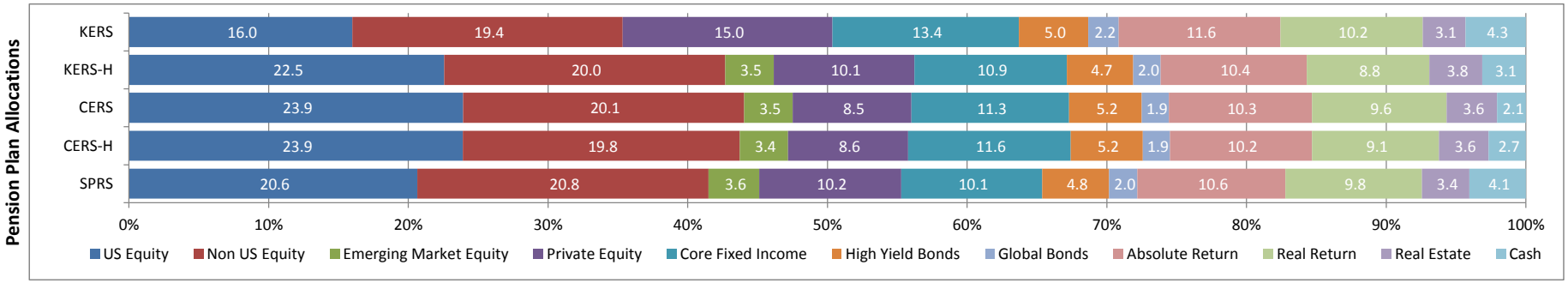
KENTUCKY RETIREMENT SYSTEMS - PENSION FUND - NET RETURNS - 2/28/14

Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		ITD	
TOTAL FUND	**KY Ret. Blended Index**	**4/1/1984**	**11,578,069,485.77**	**100.00**	**2.39**	**2.20**	**1.02**	**0.97**	**9.93**	**9.31**	**10.91**	**11.69**	**7.36**	**7.51**	**14.03**	**14.82**	**6.19**	**6.27**	**9.53**	**9.64**
US PUBLIC	**KY Domestic Equity Blend**	**4/1/1984**	**2,607,313,359.03**	**22.52**	**4.60**	**4.74**	**1.25**	**1.43**	**18.94**	**18.77**	**26.54**	**26.74**	**14.34**	**14.58**	**23.10**	**23.95**	**7.69**	**7.76**	**11.53**	**11.45**
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	234,059,222.21	2.02	4.38	6.28	0.79	3.97	19.47	23.04	23.29	31.61							20.60	28.15
INVESCO	S&P 500 - Total Return Index	8/1/2005	233,798,739.22	2.02	4.30	4.57	1.31	0.96	18.56	17.42	28.60	25.37	16.11	14.35	21.94	23.00			8.62	7.14
NTGI STRUCTURED	Russell 2000 Index	10/1/1999	227,749,632.38	1.97	4.63	4.71	1.67	1.81	22.47	21.99	31.58	31.56	16.12	14.41	28.73	26.63	9.82	8.71	10.68	8.74
RIVER ROAD	Russell 3000 Value Index	7/1/2011	33,427,897.13	0.29	3.44	4.34	-0.62	0.61	12.33	15.30	21.92	23.65							14.89	15.91
S&P 500 INDEX	KY Ret. S&P Blend	7/1/2001	1,381,533,651.43	11.93	4.53	4.57	0.92	0.96	17.35	17.42	25.29	25.37	14.55	14.44	22.94	23.52	7.56	7.55	5.97	5.92
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	51,524,472.60	0.45	7.66	5.40	5.53	3.62	27.14	19.12	29.47	26.50							27.17	28.59
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	205,737,723.53	1.78	3.79	5.40	1.06	3.62	20.06	19.12	25.42	26.50							26.67	28.59
TRANSITION ACCOUNT		7/1/2011	2,224.96	0.00																
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	130,311,340.88	1.13	6.14	5.12	3.72	2.22	27.77	22.26	34.58	29.76							18.47	16.71
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	109,168,454.69	0.94	5.20	4.34	1.49	0.61	16.62	15.30	26.40	23.65							14.15	15.91
EQUITY NON US	**KY Ret.Int'l Eq. Blended Index**	**7/1/2000**	**2,361,508,909.40**	**20.40**	**4.69**	**5.05**	**-0.03**	**0.29**	**15.71**	**15.80**	**14.67**	**12.73**	**3.46**	**4.35**	**16.69**	**17.76**	**6.52**	**6.86**	**2.78**	**3.41**
BLACKROCK ACWI EX	MSCI All Country World Ex United States Net Index	7/1/2009	765,368,620.31	6.61	5.03	5.02	0.24	0.25	15.65	15.63	12.48	12.25	4.23	3.98					10.91	10.72
BOSTON CO NON-US VALUE	KY MSCI Blended Index	5/1/2005	712,440,245.02	6.15	4.34	5.05	-0.61	0.29	14.67	15.80	15.95	12.73	2.07	4.30	14.55	16.61			5.08	5.79
NTGI INTL SM CAP	MSCI AC World ex USA Small Cap Net Index	12/1/2008	164,627,659.74	1.42	5.34	5.37	3.20	3.34	21.38	21.50	18.68	17.96	5.75	5.79	22.48	23.03			19.33	20.21
PYRAMIS NON-US GROWTH	KY MSCI Blended Index	8/1/2001	719,072,384.33	6.21	4.55	5.05	-0.45	0.29	15.73	15.80	15.00	12.73	5.29	4.30	17.05	16.61	7.03	6.44	7.14	6.20
EQ EMERGING MKTS	**MSCI Emerging Markets Index**	**7/1/2011**	**316,161,259.30**	**2.73**	**3.37**	**3.33**	**-3.27**	**-3.35**	**3.55**	**4.25**	**-5.99**	**-5.67**							**-0.35**	**-3.57**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	109,827,236.89	0.95	3.59	3.33	-4.04	-3.35	-2.13	4.25	-10.15	-5.67	2.25	-1.66	21.90	17.24			6.77	0.47
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	83,339,393.25	0.72	3.24	3.31	-3.53	-3.40	3.94	4.05									3.94	4.05
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	122,994,629.16	1.06	3.25	3.33	-2.40	-3.35	8.88	4.25	-2.61	-5.67	-1.38	-1.66	15.57	17.24			0.63	0.47
PUBLIC EQUITY	**Global Equity Blended Index**	**4/1/1984**	**5,284,983,527.73**	**45.65**	**4.57**	**4.76**	**0.39**	**0.48**	**16.47**	**16.10**	**18.68**	**17.52**	**8.47**	**8.45**	**19.58**	**20.11**	**6.62**	**6.47**	**11.08**	**10.90**
FIXED INCOME	**KY Ret.Fixed Blended Index**	**4/1/1984**	**2,164,049,712.09**	**18.69**	**1.13**	**0.71**	**2.15**	**2.05**	**4.33**	**3.04**	**2.08**	**0.72**	**6.04**	**4.54**	**7.63**	**5.84**	**5.06**	**4.79**	**8.04**	**7.75**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	167,634,906.82	1.45	2.29	2.02	3.05	2.74	8.49	8.85	8.02	8.38							11.32	11.31
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	173,856,526.80	1.50	3.17	2.02	3.70	2.74	9.21	8.85	7.46	8.38							13.49	11.31
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	118,303,655.01	1.02	1.65	1.46	2.19	2.47	4.35	5.10	2.41	1.99							6.97	2.55
NISA	Barclays U.S. Aggregate Bond Index	2/1/2009	547,972,374.53	4.73	0.55	0.53	2.11	2.02	2.45	2.46	0.04	0.15	3.85	3.83	5.25	5.13			5.11	4.96
PIMCO	PIMCO Blended Index	11/1/2009	796,455,047.85	6.88	0.74	1.08	1.84	1.80	3.09	3.02	-0.88	0.08	3.81	4.21					4.55	4.68
SHENKMAN CAP	Shenkman Blended Index	10/1/2010	117,016,593.19	1.01	0.95	1.10	1.56	1.77	5.90	6.27	6.12	6.58	6.09	6.98					6.79	8.04
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	12/1/2010	113,102,266.50	0.98	3.36	3.03	2.02	2.33	1.50	5.13	-5.64	-1.42	5.01	7.03					4.90	6.22
WATERFALL	Opportunistic FI Blended Index	2/1/2010	129,708,341.39	1.12	-0.19	1.27	1.81	1.76	9.86	5.48	15.12	5.45	11.91	5.83					14.95	7.07
REAL RETURN	**PENSION REAL RETURN CUSTOM BM**	**7/1/2011**	**1,144,003,277.60**	**9.88**	**1.25**	**0.37**	**3.00**	**1.98**	**3.54**	**1.66**	**-1.84**	**3.81**							**5.43**	**4.02**
AMERRA AGRI FUND II		12/1/2012	30,699,117.41	0.27	0.00		0.00		2.81		0.06								0.05	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	5/1/2002	291,320,553.34	2.52	0.46	0.45	2.45	2.43	1.33	1.09	-5.60	-5.78	3.98	4.02	6.24	6.20	4.76	4.74	6.04	6.00
MAGNETAR MTP		7/1/2013	80,197,356.00	0.69	0.53		2.43		5.57										5.57	
PIMCO ALL ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	364,753,750.97	3.15	2.60	0.38	3.89	1.70	5.72	1.30	1.28	-3.94							7.84	0.30
TORTOISE CAPITAL	Alerian MLP Index	8/1/2009	84,415,272.30	0.73	2.88	-0.18	5.21	0.41	14.97	4.94	26.55	12.74	19.68	12.76					26.30	21.66
TPF II		10/1/2008	15,190,041.00	0.13	0.00		0.00		-12.16		-16.22		-2.81		-2.31				-4.81	
WEAVER TIPS	Barclays U.S. Treasury: US TIPS Index	7/1/2001	277,427,186.58	2.40	0.45	0.45	2.61	2.43	1.64	1.09	-5.10	-5.78	4.27	4.02	6.38	6.20	4.90	4.74	6.15	6.05
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrea**	**4/1/2010**	**1,211,754,463.08**	**10.47**	**0.17**	**-0.57**	**1.32**	**0.51**	**5.60**	**3.00**	**9.49**	**5.77**	**6.81**	**2.34**					**5.60**	**3.25**
BAAM		9/1/2011	384,476,454.00	3.32	0.98		1.88		6.01		10.15								8.59	
HBK II		12/1/2013	15,292,001.00	0.13	0.77		0.98												1.95	
KNIGHTHEAD		1/1/2014	15,489,293.00	0.13	0.78		3.26												3.26	
LUXOR CAPITAL		4/1/2014	15,000,000.00	0.13															0.00	
MKP OPPORTUNITY		11/1/2013	15,101,495.14	0.13	-3.34		-2.26												0.68	
PAAMCO		9/1/2011	392,225,504.00	3.39	0.52		1.98		7.92		12.07								8.82	
PRISMA CAPITAL		9/1/2011	374,169,715.94	3.23	-0.92		0.16		3.07		6.48								5.81	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**7/1/1984**	**392,418,096.88**	**3.39**	**0.06**	**0.00**	**0.11**	**0.00**	**2.50**	**7.07**	**7.84**	**11.96**	**10.74**	**13.17**	**7.96**	**-0.24**	**6.53**	**6.09**	**5.53**	**5.90**
FHA MORTGAGES		10/1/1990	1,758,633.51	0.02	0.43		1.01		1.91		5.07		5.87		14.23		2.70		8.07	
GREENFIELD ACQ VI		12/1/2012	36,308,199.00	0.31	0.00		0.00		4.46		14.88								8.98	
H/2 CORE RE DEBT FD		10/1/2013	3,491,165.00	0.03	0.00		0.00		0.00										0.00	
H/2 CREDIT PARTNER		7/1/2011	91,644,723.96	0.79	0.00		0.00		0.06		1.41								6.13	
HARRISON STREET		5/1/2012	89,465,516.00	0.77	0.00		0.00		6.37		9.90								5.45	
MESA WEST CORE LEND		5/1/2013	51,621,985.00	0.45	0.00		0.00		2.78										2.78	
MESA WEST RE INC II		1/1/2010	23,073,769.00	0.20	0.00		0.00		0.37		26.54		18.42						8.92	
PRIMA MORTGAGE		5/1/2009	54,610,108.39	0.47	0.40		0.78		-0.76		1.25		5.99						9.93	
RUBENSTEIN PF II		7/1/2013	4,364,305.86	0.04	0.00		0.14		-3.36										-3.36	
WALTON ST RE FD VI		5/1/2009	33,068,032.00	0.29	0.00		0.00		6.07		9.27		24.24						-36.45	
WALTON ST RE FD VII		6/1/2013	3,011,659.16	0.03	0.00		0.00		5.69										5.69	
PRIVATE EQUITY	**Russell 3000 + 4%(Qtr Lag)**	**7/1/2002**	**1,113,667,453.55**	**9.62**	**0.01**	**3.17**	**0.19**	**7.90**	**8.18**	**19.59**	**13.28**	**35.71**	**12.55**	**16.69**	**11.32**	**24.61**	**9.62**	**9.38**	**10.53**	**10.19**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**1/1/1988**	**259,892,954.84**	**2.24**	**0.03**	**0.00**	**0.04**	**0.01**	**0.55**	**0.03**	**0.64**	**0.05**	**0.41**	**0.06**	**0.66**	**0.09**	**2.14**	**1.57**	**4.06**	**3.59**

KENTUCKY RETIREMENT SYSTEMS - INSURANCE FUND - NET RETURNS - 2/28/14

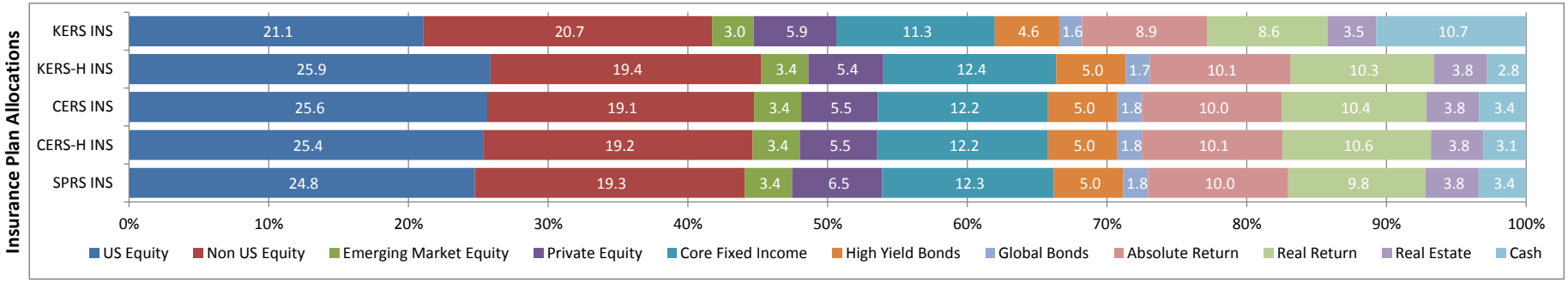
Structure	Benchmark	Inception	Market Value	% of Total	Month		QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years		ITD	
TOTAL FUND	**KY Ins. Blended Index**	**4/1/1987**	**3,923,234,678.89**	**100.00**	**2.49**	**2.22**	**0.95**	**0.94**	**9.97**	**9.34**	**10.41**	**11.59**	**6.09**	**7.14**	**15.75**	**17.16**	**5.84**	**6.00**	**7.61**	**7.97**
US PUBLIC	**KY Domestic Equity Blend**	**7/1/1992**	**996,889,138.27**	**25.41**	**4.61**	**4.74**	**1.20**	**1.43**	**18.84**	**18.77**	**26.27**	**26.74**	**14.08**	**14.56**	**22.61**	**23.60**	**7.53**	**0.00**	**9.60**	**0.00**
GENEVA CAPITAL	Russell Midcap Growth Index	7/1/2012	85,775,325.57	2.19	4.37	6.28	0.83	3.97	19.63	23.04	23.45	31.61							20.70	28.15
NTGI STRUCTURED	Russell 2000 Index	7/1/2011	109,468,378.66	2.79	4.48	4.71	1.32	1.81	21.94	21.99	31.13	31.56							17.21	15.95
RIVER ROAD	Russell 3000 Value Index	7/1/2011	14,077,482.49	0.36	3.45	4.34	-0.65	0.61	12.38	15.30	21.98	23.65							14.95	15.91
S&P 500 INDEX	KY Ins. S&P Blend	7/1/2001	592,545,150.63	15.10	4.53	4.57	0.92	0.96	17.33	17.42	25.22	25.37	14.54	14.44	22.91	23.52	7.66	7.55	6.03	5.92
SASCO CAPITAL	Russell Midcap Value Index	7/1/2012	18,808,230.89	0.48	7.60	5.40	5.49	3.62	26.92	19.12	29.26	26.50							27.03	28.59
SYSTEMATIC	Russell Midcap Value Index	7/1/2012	75,304,818.80	1.92	3.77	5.40	1.04	3.62	20.04	19.12	25.41	26.50							26.65	28.59
TRANSITION ACCOUNT		9/1/2004	101.33	0.00	160.80		163.22		142.58		127.16									
WESTFIELD CAPITAL	Russell 3000 Growth Index	7/1/2011	55,002,574.31	1.40	6.13	5.12	3.70	2.22	27.93	22.26	34.74	29.76							18.55	16.71
WESTWOOD MGMT	Russell 3000 Value Index	7/1/2011	45,907,075.59	1.17	5.20	4.34	1.42	0.61	16.75	15.30	26.52	23.65							14.18	15.91
EQUITY NON US	**KRS Ins.Int'l Eq Blend**	**4/1/2000**	**778,050,607.66**	**19.83**	**4.65**	**5.05**	**-0.07**	**0.29**	**15.72**	**15.80**	**14.24**	**12.73**	**3.09**	**4.25**	**16.06**	**17.11**	**6.76**	**6.51**	**2.80**	**2.29**
BLACKROCK ACWI EX-US	MSCI All Country World Ex United States Net Index	6/1/2012	239,206,451.65	6.10	5.01	5.02	0.22	0.25	15.56	15.63	11.62	12.25							20.39	20.77
BLACKROCK ACWI EX-US SM (	MSCI AC World ex USA Small Cap Net Index	7/1/2013	57,267,071.08	1.46	5.32	5.37	3.24	3.34	24.07	21.50									24.07	21.50
BOSTON CO NON-US VALUE	KY MSCI ACWI EX USA GD	6/1/2008	241,351,986.41	6.15	4.35	5.05	-0.67	0.29	14.38	15.80	15.43	12.73	1.92	4.30	14.54	16.61			1.19	0.37
PYRAMIS NON-US GROWTH	KY MSCI ACWI EX USA GD	8/1/2001	240,225,098.52	6.12	4.44	5.05	-0.52	0.29	15.38	15.80	14.51	12.73	5.00	4.30	16.86	16.61	6.92	6.44	7.06	6.20
EQ EMERGING MKT	**MSCI Emerging Markets Index**	**7/1/2011**	**131,545,507.30**	**3.35**	**3.37**	**3.33**	**-3.31**	**-3.35**	**3.39**	**4.25**	**-6.12**	**-5.67**							**-0.35**	**-3.57**
ABERDEEN	MSCI Emerging Markets Index	4/1/2008	46,042,346.11	1.17	3.59	3.33	-4.04	-3.35	-2.18	4.25	-10.19	-5.67	2.23	-1.66	21.89	17.24			6.76	0.47
BLACKROCK EMERG MKTS	MSCI Emerging Markets Net Dividend Index	7/1/2013	37,574,802.88	0.96	3.23	3.31	-3.55	-3.40	3.92	4.05									3.92	4.05
WELLINGTON	MSCI Emerging Markets Index	4/1/2008	47,928,358.31	1.22	3.25	3.33	-2.40	-3.35	8.88	4.25	-2.61	-5.67	-1.34	-1.66	15.61	17.24			0.65	0.47
PUBLIC EQUITY	**Global Equity Blended Index**	**7/1/1992**	**1,906,485,253.23**	**48.59**	**4.54**	**4.77**	**0.36**	**0.52**	**16.36**	**16.23**	**18.37**	**17.27**	**8.09**	**8.32**	**18.92**	**19.69**	**6.44**	**6.16**	**9.03**	**8.80**
FIXED INCOME	**KRS Ins. Fixed Blended Index**	**7/1/1992**	**785,276,440.48**	**20.02**	**1.02**	**0.71**	**2.01**	**2.05**	**4.19**	**3.04**	**1.82**	**0.72**	**5.96**	**4.96**	**7.41**	**6.78**	**5.43**	**5.03**	**6.92**	**6.68**
COLUMBIA	Barclays U.S. Corporate High Yield	11/1/2011	52,685,045.13	1.34	2.42	2.02	3.13	2.74	8.42	8.85	7.75	8.38							11.15	11.31
LOOMIS	Barclays U.S. Corporate High Yield	11/1/2011	54,651,699.27	1.39	2.74	2.02	3.99	2.74	9.11	8.85	6.88	8.38							12.89	11.31
MANULIFE ASSET MGMT	Barclays Multiverse Index	12/1/2011	48,185,779.92	1.23	1.58	1.46	1.64	2.47	4.92	5.10	3.16	1.99							7.09	2.55
NISA	Barclays U.S. Aggregate Bond Index	7/1/2011	189,183,276.97	4.82	0.53	0.53	2.08	2.02	2.50	2.46	0.13	0.15							3.49	3.41
PIMCO	PIMCO Blended Index	4/1/2011	321,090,497.78	8.18	1.02	1.08	1.96	1.80	2.95	3.02	-1.09	0.08							3.97	4.34
SHENKMAN CAP	Shenkman Blended Index	7/1/2011	41,384,506.12	1.05	0.93	1.10	1.32	1.77	8.95	6.27	9.18	6.58							7.86	7.59
STONE HARBOR	JP Morgan Emerging Markets Bond Index GD	7/1/2011	30,091,068.64	0.77	3.18	3.03	1.84	2.33	1.42	5.13	-5.66	-1.42							3.28	5.95
WATERFALL	Opportunistic FI Blended Index	7/1/2011	48,004,566.65	1.22	-0.40	1.27	1.15	1.76	8.06	5.48	13.33	5.45							13.69	6.19
REAL RETURN	**INSURANCE REAL RET CUSTOM BM**	**7/1/2011**	**400,167,731.35**	**10.20**	**1.13**	**0.38**	**2.86**	**2.04**	**3.39**	**1.69**	**-2.47**	**3.84**							**4.95**	**4.03**
AMERRA AGRI FUND II		12/1/2012	12,380,993.69	0.32	0.00		0.00		2.81		0.06								0.05	
INTERNAL TIPS	Barclays U.S. Treasury: US TIPS Index	10/1/2003	224,088,955.04	5.71	0.45	0.45	2.42	2.43	2.04	1.09	-4.92	-5.78	4.25	4.02	6.37	6.20	4.93	4.74	5.36	5.05
MAGNETAR MTP		7/1/2013	24,766,837.00	0.63	0.53	-1.51	2.43	-1.51	5.56	-1.51	0.00	-1.51		-1.51		-1.51		-1.51	5.56	-1.51
PIMCO ALL-ASSET	Barclays U.S. Treasury Inflation Notes: 1-10 Year	12/1/2011	111,749,842.47	2.85	2.60	0.38	3.89	1.70	5.72	1.30	1.28	-3.94							7.84	0.30
TORTOISE CAP	Alerian MLP Index	8/1/2009	25,493,321.15	0.65	2.56	-0.18	4.78	0.41	14.48	4.94	25.93	12.74	20.25	12.76					26.69	21.66
TPF II		10/1/2008	1,687,782.00	0.04	0.00		0.00		-12.16		-16.22		-2.81		-2.31				-4.81	
REAL ESTATE	**NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^**	**5/1/2009**	**142,541,648.11**	**3.63**	**0.14**	**0.00**	**0.23**	**0.00**	**3.47**	**7.07**	**8.10**	**11.96**	**11.15**	**13.17**					**8.66**	**2.19**
GREENFIELD ACQ VI		12/1/2012	15,958,654.00	0.41	0.00		0.00		4.46		14.93								8.97	
H/2 CORE RE DEBT FD		10/1/2013	1,472,577.00	0.04	0.00		0.00												0.00	
H/2 CREDIT PARTNER		7/1/2011	26,080,675.98	0.66	0.00		0.00		0.04		1.39								6.08	
HARRISON STREET		5/1/2012	29,880,061.00	0.76	0.00		0.00		4.03		7.00								3.93	
MESA WEST CORE LEND		5/1/2013	23,244,215.00	0.59	0.00		0.00		2.77										2.77	
MESA WEST RE INC II		1/1/2010	2,563,751.00	0.07	0.00		0.00		0.37		26.54		18.42						8.92	
PRIMA MORTGAGE		5/1/2009	36,413,398.33	0.93	0.45		0.83		5.84		7.98		8.07						11.31	
RUBENSTEIN PF II		7/1/2013	1,930,365.86	0.05	1.26		1.40		-2.15										-2.15	
WALTON ST RE FD VI		5/1/2009	3,674,226.00	0.09	0.00		0.00		6.07		9.27		24.24						-36.45	
WALTON ST RE FD VII		7/1/2013	1,323,723.94	0.03	0.00		0.00		5.69		0.00								5.69	
ABSOLUTE RETURN	**HFRI Fund of Funds Diversified Index - 1 Month Arrears**	**4/1/2010**	**383,024,552.51**	**9.76**	**0.17**	**-0.57**	**1.32**	**0.51**	**5.59**	**3.00**	**9.45**	**5.77**	**6.74**	**2.34**					**5.46**	**3.25**
BAAM		9/1/2011	121,273,191.00	3.09	0.98		1.88		6.02		10.12								8.64	
HBK II		12/1/2013	5,097,334.00	0.13	0.77		0.98												1.95	
KNIGHTHEAD		1/1/2014	5,163,098.00	0.13	0.78		3.26												3.26	
LUXOR CAPITAL		4/1/2014	5,000,000.00	0.13															0.00	
MKP OPPORTUNITY		11/1/2013	5,033,831.65	0.13	-3.34		-2.26												0.68	
PAAMCO		9/1/2011	123,257,712.00	3.14	0.52		1.97		7.91		0.00								0.00	
PRISMA CAPITAL PAR		9/1/2011	118,199,385.86	3.01	-0.92		0.16		3.07		6.46								5.88	
PRIVATE EQUITY	**Russell 3000 + 4% (Qtr Lag)**	**7/1/2002**	**210,686,776.63**	**5.37**	**-0.06**	**3.17**	**0.07**	**7.90**	**8.26**	**19.59**	**13.96**	**35.71**	**12.36**	**16.61**	**14.01**	**24.75**	**7.89**	**8.76**	**8.18**	**9.41**
CASH ACCOUNT	**Citigroup Treasury Bill-3 Month**	**7/1/1992**	**94,952,247.23**	**2.42**	**0.01**	**0.00**	**0.03**	**0.01**	**0.17**	**0.03**	**0.26**	**0.05**	**0.32**	**0.06**	**0.29**	**0.09**	**1.96**	**1.57**	**3.05**	**2.92**

KENTUCKY RETIREMENT SYSTEMS - PENSION & INSURANCE - PLAN PERFORMANCE & ALLOCATION - 12/31/13



KRS - PENSION

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS	**2.02**	**9.51**	**10.48**	**7.22**	**13.94**	**6.15**	**9.51**
KERS Plan Index	2.26	9.69	12.08	7.63	14.91	6.30	9.65
KERS-H	**2.43**	**9.99**	**10.97**	**7.38**	**14.04**	**6.19**	**9.53**
KHAZ Plan Index	2.29	9.63	12.02	7.61	14.89	6.30	9.65
CERS	**2.51**	**10.07**	**11.04**	**7.41**	**14.06**	**6.20**	**9.53**
CERS Plan Index	2.29	9.63	12.02	7.61	14.89	6.30	9.65
CERS-H	**2.49**	**10.00**	**10.98**	**7.39**	**14.05**	**6.19**	**9.53**
CHAZ Plan Index	2.29	9.63	12.02	7.61	14.89	6.30	9.65
SPRS	**2.39**	**10.00**	**10.98**	**7.39**	**14.05**	**6.19**	**9.53**
SPRS Plan Index	2.29	9.60	11.99	7.60	14.89	6.29	9.65

KRS - INSURANCE

	Month	FYTD	1 YR	3 YR	5 YR	10 YR	ITD
KERS INS	**2.34**	**9.39**	**9.83**	**5.90**	**15.63**	**5.78**	**7.59**
INS KERS Plan Index	2.30	9.66	11.91	7.25	17.23	6.03	7.98
KERS-H INS	**2.53**	**10.14**	**10.58**	**6.14**	**15.79**	**5.85**	**7.62**
INS KHAZ Plan Index	2.30	9.68	11.93	7.25	17.23	6.03	7.98
CERS INS	**2.51**	**10.06**	**10.50**	**6.12**	**15.77**	**5.84**	**7.61**
INS CERS Plan Index	2.30	9.68	11.93	7.25	17.23	6.03	7.98
CERS-H INS	**2.51**	**10.03**	**10.47**	**6.10**	**15.76**	**5.84**	**7.61**
INS CHAZ Plan Index	2.30	9.68	11.93	7.25	17.23	6.03	7.98
SPRS INS	**2.48**	**10.02**	**10.46**	**6.10**	**15.76**	**5.84**	**7.61**
INS SPRS Plan Index	2.30	9.68	11.93	7.25	17.23	6.03	7.98