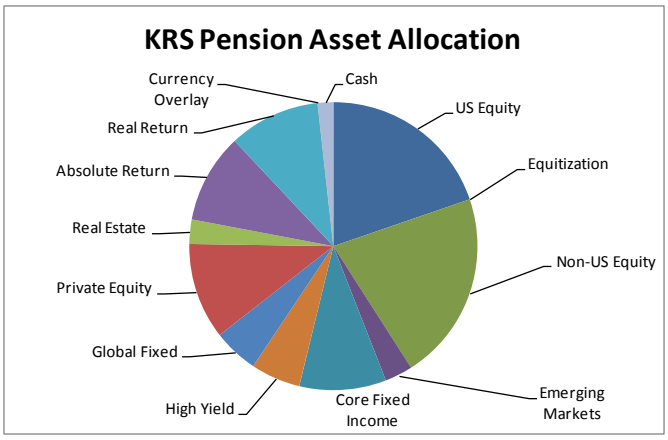
Jan 2013

KRS MONTHLY PERFORMANCE UPDATE

Pension Fund:

What's going on in the marketplace?

In January, global equity markets began the year on a positive upswing. Overall global equities were in the black with both U.S. and Non-U.S. developed markets leading the charge higher with strong returns while the emerging markets provided slightly less positive returns to investors. In terms of the U.S. markets, the drivers behind the robust returns were continuations of easy monetary policy, investor follow-through spurred by successful Fiscal Cliff negotiations (spending debate delayed), and overall positive earnings announcements. In terms of Non-U.S. Market equities, the main drivers behind the extended rally were investor flow, increased confidence in European policymakers' ability to deal with the debt crisis, and the announcement from the Bank of Japan that they will commence with an open-ended stimulus program to increase inflation in the country and support Japanese exporters.



	1 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	2.25	11.56	9.65	4.08	7.51
Benchmark	1.91	11.00	9.33	4.36	7.63

Asset Class	Market Value	Target	Actual
US Equity	2,212,799,941	20.5%	19.7%
Equitization	-	0.0%	0.0%
Non-US Equity	2,383,127,357	20.0%	21.2%
Emerging Markets	349,834,618	2.9%	3.1%
Core Fixed Income	1,092,443,479	9.6%	9.7%
High Yield	623,799,986	4.8%	5.6%
Global Fixed	569,587,246	4.9%	5.1%
Private Equity	1,210,306,438	10.0%	10.8%
Real Estate	308,270,628	4.5%	2.7%
Absolute Return	1,124,288,787	10.0%	10.0%
Real Return	1,149,113,945	10.0%	10.2%
Currency Overlay	-	0.0%	0.0%
Cash	197,390,984	2.8%	1.8%
	11,220,963,409	100.0%	100.0%

From an economics standpoint the picture took a bleak turn from the improvement seen from figures in the last Quarter of 2012. Recent U.S. growth figures, as measured by GDP, fell to -0.1% from a projected 3.1% in the fourth quarter, driven by a significant drop (22%) in defense spending and worse than expected inventory growth. Inflation, as measured by CPI, was flat last month. On a year-over-year basis, inflation is currently trending at 1.70%, which is below the Federal Reserve Bank's target of 2.0%. Housing data, which has been a bright spot, was weaker than expected to end the year as housing starts fell. However, on the positive side, housing prices, and sales have continued to improve. Another bright spot was the employment figures, as measured by non-farm payrolls, which increased by 157,000. Employment gains were concentrated in retail, construction, professional services and healthcare, but fell in the transportation sector. One final key economic area ignored by the rally in equity markets was the continued deterioration of consumer confidence, which fell 8.1 points to end the month at 58.6.

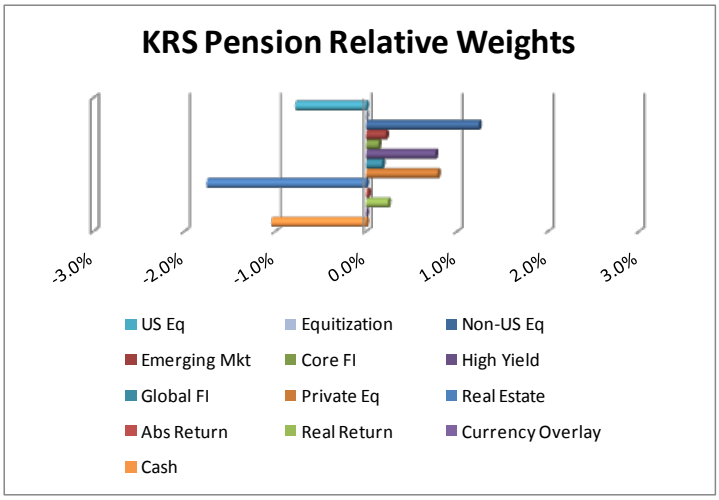
Global equity markets finished strongly positively for the month. The U.S. equity market was up 5.18% (S&P 500 Index) for the month of January (the best start to a new year since 1994). Besides economic drivers providing support to the rally, over 75% of all companies that reported earnings in the 4th quarter either matched or beat analyst estimates. All ten industry sectors within the S&P 500 Index were positive for the month, with energy (7.59%), healthcare (7.25%), financials (5.77%), consumer staples (5.64%), consumer discretionary (5.64%), and industrials (5.62%) leading the charge higher. The information technology sector was the weakest for the month; however, it still grew at 1.34%. Mid-Cap stocks increased 6.84% (Russell Mid-Cap Index) and Small-Cap stocks increased 6.26% (Russell 2000 Index). In the U.S., value investors experienced stronger returns than growth investors during the month. Global equities held on to modest gains for the month of January after finishing last year strongly. The MSCI ACWI ex- U.S. ND Index was up 4.07% for the month, while the MSCI Emerging Markets Index was up 1.39%.

Fixed Income markets continued to tread water overall for the month of January. The Barclays U.S. Aggregate Bond Index fell -0.70%, while riskier high-yield bonds, as represented by the Barclays U.S. Corporate High Yield Index, returned 1.34%. For the month of January the U.S. Treasury Yield curve steepened from December. The 10-Year Treasury Note ended January at 2.02% and the 30-Year Treasury Bond Yield ended the month at 3.17%

As global markets continue to trend higher investors are patiently waiting for the U.S. Congress to press for agreement to find a lasting resolution, and not just a delay, to many items, particularly to sequestration brought on by previous Fiscal Cliff negotiations.

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 was able to tread water returning 0.03% for the month, despite its benchmark falling 52 basis points. Within the space, the contribution to relative outperformance came from the High Yield and Global Fixed Income spaces; in particular, Loomis (HY) and Manulife (Global) performed well, outpacing their respective benchmarks by 92 and 178 basis points. The Non-U.S. Equity portfolio added 35 basis points over its respective benchmark (MSCI ACWI Ex-U.S.), with relative strength provided by both active managers; The Boston Company portfolio returned 4.74% versus the benchmark's 4.09%, while the Pyramis portfolio gained 4.39%. The U.S. Equity portfolio bested the Russell 3000's 5.49% return by 7 basis points. This was primarily due to solid performance from the All Cap portion of the portfolio; inparticular the Westfield Capital portfolio which returned 6.72%, outpaced the Russell 3000 Growth Index by 226 basis points. Also, the Private Equity allocation contributed to this month's relative outperformance, gaining 0.96%, against a benchmark that fell -1.40%.



From an allocation perspective, the most significant contributor to outperformance, came from the 1.2% overweight to the Non-U.S. Equity portfolio, as this was the second strongest performing asset classes for the month as evidenced by the MSCI ACWI Ex-U.S.'s return of 4.09%. In addition, the slightly above target weighting to the High Yield Fixed Income and Emerging Market Equitiy 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 28 basis points of relative performance versus its benchmark (0.26% vs. 0.54%); this was primarily attributable to weakness within both the Internal and Weaver TIPS portfolios, which trailed the index by 6 and 14 basis points, respectively. In addition, the slight underperformance of the KRS Absolute Return portfolio was a stumbling block, the portfolio just missed the index by 4 basis points, as the PAAMCO account trailed the aggregate benchmark.

From an allocation perspective, the 0.8% underweight to U.S. Equities was the biggest hinderance, as the Russell 3000 was strong during the month, returning 5.49%. In addition, the overweight to Fixed Income and Private Equity, caused a slight drag on the total fund as these were two of the weaker asset classes during the period.

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

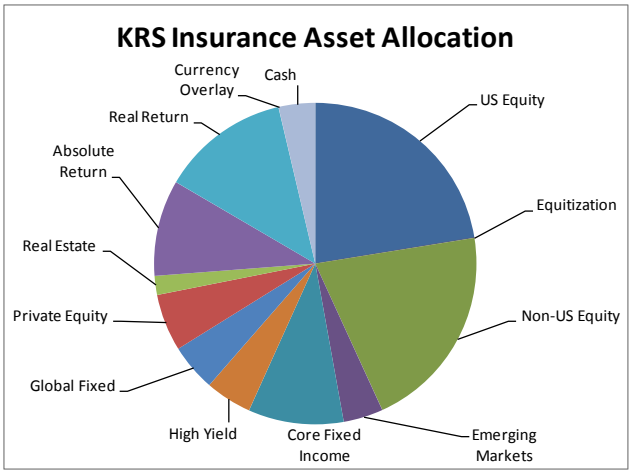
Kentucky Retirement Systems - Pension Fund																		
January 2013					Jan-13		FYTD		1 YR		3 YR		5 YR		10 YR		Since Inception	
Account / Group	Incep	Benchmark	MV	%	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark	Mgr	Bmark
U.S. Equities																		
River Road Asset Mgmt	06/30/11	Russell 3000 Value	29,881,967	0.3%	6.24	6.46	10.20	15.19	14.54	20.32	--	--	--	--	--	--	10.84	11.15
Westfield Capital	06/30/11	Russell 3000 Growth	105,595,710	0.9%	6.72	4.46	19.72	9.42	20.82	13.44	--	--	--	--	--	--	10.62	9.20
Westwood Management	06/30/11	Russell 3000 Value	93,875,529	0.8%	5.97	6.46	16.87	15.19	14.89	20.32	--	--	--	--	--	--	7.19	11.15
All Cap	06/30/11	Russell 3000	229,353,206	2.0%	6.35	5.49	17.23	12.34	17.49	16.90	--	--	--	--	--	--	9.21	10.22
L-INVESCO US Quant Core	07/31/05	S&P 500	197,678,468	1.8%	4.78	5.18	12.18	11.44	16.68	16.78	13.35	14.14	4.11	3.97	--	--	6.08	4.81
L-KRS Internal S&P 500 Index	06/30/01	S&P500 Index (Cap Weighted)*	1,117,060,262	10.0%	5.17	5.18	11.26	11.44	16.58	16.78	14.75	14.68	4.64	4.49	8.39	8.41	4.38	4.31
M-KRS Internal Mid Cap	06/30/11	Russell Midcap	46	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Geneva capital Mgmt	06/30/12	Russell Midcap Growth	204,392,212	1.8%	6.19	6.17	9.55	13.73	--	--	--	--	--	--	--	--	9.55	13.73
Sasco Capital	06/30/12	Russell Midcap Value	42,773,170	0.4%	5.62	7.42	12.98	18.12	--	--	--	--	--	--	--	--	12.98	18.12
Systematic Fin Mgmt	06/30/12	Russell Midcap Value	177,483,502	1.6%	7.07	7.42	16.77	18.12	--	--	--	--	--	--	--	--	16.77	18.12
S-Northern Trust SSC	09/30/99	Russell 2000	187,524,360	1.7%	6.17	6.26	15.08	13.91	17.93	15.47	18.36	15.98	8.07	6.31	12.12	10.70	9.23	7.16
X-Kentucky Liquidation Account	04/30/01		29,998	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
X-Pension Liquidation	06/30/01		56,504,719	0.5%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cap Weighted	09/30/99	Russell 3000	1,983,446,735	17.7%	5.47	5.49	12.07	12.34	15.94	16.90	14.38	14.60	4.86	4.44	8.67	8.53	5.60	3.84
Total US Equities Less Equitization	**03/31/84**	**Russell 3000 Index***	**2,212,799,941**	**19.7%**	**5.56**	**5.49**	**12.65**	**12.34**	**16.06**	**16.90**	**14.33**	**14.60**	**4.66**	**4.44**	**8.64**	**8.53**	**11.03**	**10.70**
Equitization	**02/29/04**		**0**	**0.0%**	**-**	**--**	**30.12**	**--**	**103.02**	**--**	**19.27**	**--**	**(22.85)**	**--**	**--**	**--**	**(6.13)**	**--**
Total US Equities	**03/31/84**	**Russell 3000 Index***	**2,212,799,941**	**19.7%**	**5.56**	**5.49**	**12.67**	**12.34**	**16.11**	**16.90**	**14.36**	**14.03**	**4.68**	**3.63**	**8.65**	**7.68**	**11.03**	**10.51**
Non-U.S. Equities																		
Artio Global Intl Equity II	07/31/09	MSCI ACWI ex USA GD	22,389	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BlackRock ACWI x US Index Fund	06/30/09	MSCI ACWI ex USA ND	748,827,954	6.7%	4.08	4.07	18.35	18.30	14.16	13.86	7.26	7.03	--	--	--	--	11.08	10.88
Boston Company Non-US Value	04/30/05	MSCI ACWI ex US GD*	726,004,174	6.5%	4.74	4.09	19.91	18.48	12.69	14.40	3.31	7.36	(0.32)	(0.36)	--	--	4.13	5.13
Internal International Account	06/30/11	MSCI Emerging Markets GD	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
KRS Transition	07/31/01	MSCI EAFE GD	2,781,497	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
NTGI Intl Sm Cap	11/30/08	MSCI ACWI ex US Sm Cap ND	183,559,725	1.6%	4.54	4.33	19.00	18.78	13.98	13.64	7.95	8.75	--	--	--	--	19.83	21.05
Pyramis International Growth	07/31/01	MSCI ACWI ex US GD*	721,931,618	6.4%	4.39	4.09	18.89	18.48	15.80	14.40	8.43	7.36	0.35	(0.36)	10.13	9.69	6.67	5.80
Total Non-US Equities (Less Overlay)	06/30/00	**MSCI ACWI ex US GD***	**2,383,127,357**	**21.2%**	**4.44**	**4.09**	**19.06**	**18.48**	**13.96**	**14.40**	**6.55**	**7.64**	**1.10**	**0.55**	**9.61**	**10.09**	**2.25**	**2.81**
Record Currency Management	**07/31/09**		**0**	**0.0%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Non-US Equities (With Overlay)	**06/30/00**	**MSCI ACWI ex US GD***	**2,383,127,357**	**21.2%**	**4.44**	**4.09**	**19.07**	**18.48**	**13.97**	**14.40**	**5.85**	**7.64**	**0.70**	**0.55**	**9.37**	**10.09**	**2.04**	**2.81**
Emerging Market Equities																		
Aberdeen	03/31/08	MSCI Emerging Markets GD	218,260,520	1.9%	0.95	1.39	16.15	15.52	15.62	8.01	16.09	7.50	--	--	--	--	11.08	2.07
Wellington	03/31/08	MSCI Emerging Markets GD	131,574,098	1.2%	2.38	1.39	18.23	15.52	9.68	8.01	5.66	7.50	--	--	--	--	1.91	2.07
Total Emerging Market Equity	**06/30/11**	**MSCI Emerging Markets GD**	**349,834,618**	**3.1%**	**1.41**	**1.39**	**16.83**	**15.52**	**13.44**	**8.01**	**--**	**--**	**--**	**--**	**--**	**--**	**4.62**	**(1.64)**
Total Equity																		
Total Equity	**03/31/84**	**Global Equity Blended Index***	**4,945,761,916**	**44.1%**	**4.71**	**4.48**	**16.05**	**15.42**	**15.22**	**15.05**	**10.45**	**11.08**	**2.94**	**2.48**	**8.55**	**8.60**	**10.88**	**10.70**
Fixed Income																		
Columbia Capital	10/31/11	BC US Corporate High Yield	185,514,262	1.7%	1.14	1.34	9.58	9.41	14.06	13.91	--	--	--	--	--	--	14.81	14.07
Loomis	10/31/11	BC US Corporate High Yield	196,111,064	1.7%	2.26	1.34	14.88	9.41	20.28	13.91	--	--	--	--	--	--	20.16	14.07
Commerce Street Income Part LP	04/30/09	Opportunistic FI Blended Index*	41,511,936	0.4%	-	0.96	(0.14)	6.07	(2.85)	8.88	2.13	7.67	--	--	--	--	7.03	13.02
Waterfall Investment	01/31/10	Opportunistic FI Blended Index*	121,184,435	1.1%	0.59	0.96	8.18	6.07	14.20	8.88	15.88	7.67	--	--	--	--	15.88	7.67
Manulife	11/30/11	BC Multiverse Index	118,476,444	1.1%	0.97	(0.81)	7.36	2.24	9.76	2.20	--	--	--	--	--	--	11.47	4.04
NISA Investment Advisors	01/31/09	BC U.S. Aggregate	561,504,200	5.0%	(0.66)	(0.70)	1.26	1.09	2.96	2.59	5.63	5.41	--	--	--	--	6.45	6.17
PIMCO	10/31/09	PIMCO Blended Index*	815,712,238	7.3%	(0.42)	(0.48)	3.58	2.80	6.74	3.93	6.38	5.61	--	--	--	--	6.04	--
Stone Harbor Investments	11/30/10	JPM EMBI Global Diversified	124,825,907	1.1%	(1.20)	(1.34)	8.25	8.16	12.20	14.07	--	--	--	--	--	--	10.80	10.36
Shenkman Capital	09/30/10	Shenkman Blended Index*	120,990,225	1.1%	0.99	1.24	6.85	5.93	8.91	9.44	--	--	--	--	--	--	7.56	7.98
Total Fixed Income	**03/31/84**	**BC US Universal Bond Index***	**2,285,830,712**	**20.4%**	**0.03**	**(0.52)**	**5.09**	**2.06**	**8.07**	**3.86**	**7.72**	**5.98**	**5.87**	**5.54**	**5.61**	**5.48**	**8.28**	**8.01**
Real Return																		
Amerra Ag Fund II	11/30/12		14,453,948	0.1%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Tenaska Power Fund II	09/30/08		14,401,915	0.1%	(0.39)	--	(4.08)	--	3.92	--	3.08	--	--	--	--	--	(0.34)	--
Tortoise Capital	07/31/09	Alerian MLP Total Return Index	62,645,762	0.6%	12.33	12.63	21.92	18.45	19.81	15.78	24.46	21.97	--	--	--	--	26.87	24.60
Internal TIPS	04/30/02	BC US Tips	416,349,983	3.7%	(0.74)	(0.68)	2.22	2.13	4.09	3.87	8.04	8.08	6.05	6.07	6.51	6.50	7.24	7.22
Weaver Barksdale TIPS	06/30/01	BC US Tips	397,314,815	3.5%	(0.82)	(0.68)	2.04	2.13	3.95	3.78	8.12	8.08	6.17	6.07	6.61	6.50	7.23	7.18
PIMCO All Asset	11/30/11	BC US Tips 1-10 Years	243,947,523	2.2%	1.06	(0.16)	10.56	2.02	11.52	3.00	--	--	--	--	--	--	14.56	4.00
Total Real Return	**06/30/11**	**KRS CPI + 300 bpts**	**1,149,113,945**	**10.2%**	**0.26**	**0.54**	**4.68**	**2.09**	**6.37**	**4.64**	**--**	**--**	**--**	**--**	**--**	**--**	**10.58**	**4.31**
Absolute Return																		
Arrowhawk Fund LP	03/31/10	12 mos. Libor + 500 bps	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BAAM	08/31/11	HFR FOF: Diversified Lagged	371,759,983	3.3%	1.08	--	6.47	--	9.03	--	--	--	--	--	--	--	6.47	--
PAAMCO	08/31/11	HFR FOF: Diversified Lagged	375,095,065	3.3%	0.93	--	4.92	--	5.29	--	--	--	--	--	--	--	4.36	--
Prisma Capital Partners	08/31/11	HFR FOF: Diversified Lagged	377,433,739	3.4%	1.18	--	5.32	--	9.42	--	--	--	--	--	--	--	4.18	--
Total Absolute Return	**03/31/10**	**HFR FOF: Diversified Lagged**	**1,124,288,787**	**10.0%**	**1.06**	**1.10**	**5.54**	**3.17**	**7.71**	**4.77**	**--**	**--**	**--**	**--**	**--**	**--**	**3.48**	**1.72**
Real Estate																		
Greenfield AP VI	11/30/12		20,650,335	0.2%	(3.10)	--	--	--	--	--	--	--	--	--	--	--	(3.10)	--
H/2 Credit Partners	06/30/11		93,430,971	0.8%	0.41	--	6.95	--	11.73	--	--	--	--	--	--	--	7.77	--
Harrison Street Core	04/30/12		79,620,512	0.7%	-	--	0.49	--	--	--	--	--	--	--	--	--	0.49	--
Internal Real Estate KRS 25	03/31/99		9,980,455	0.1%	-	--	-	--	-	--	0.01	--	0.07	--	3.00	--	4.30	--
Mesa West Real Estate Fd II	12/31/09		32,721,821	0.3%	-	--	11.53	--	20.16	--	4.11	--	--	--	--	--	3.99	--
Prima Mortgage	04/30/09		44,457,605	0.4%	-	--	4.60	--	8.03	--	12.66	--	--	--	--	--	12.23	--
Walton Street Real Estate Fund	04/30/09		27,408,929	0.2%	-	--	2.60	--	7.95	--	13.92	--	--	--	--	--	(46.32)	--
Total Real Estate	**06/30/84**	**NCREIF O-E Div Core GR NonL***	**308,270,628**	**2.8%**	**(0.07)**	**-**	**4.99**	**5.18**	**9.51**	**10.94**	**12.73**	**10.61**	**6.10**	**2.10**	**5.84**	**8.26**	**5.42**	**7.42**
Total Private Equity																		
Total Private Equity	**09/30/90**	**Rusell 3000 Index + 4% (Qtr Lag)***	**1,210,306,438**	**10.8%**	**0.96**	**(1.40)**	**5.24**	**3.45**	**15.08**	**19.29**	**14.20**	**12.31**	**3.84**	**5.85**	**12.23**	**8.07**	**10.96**	**-**
Total Cash																		
Cash	**12/31/87**	**CG 3 Month Treasury**	**197,390,984**	**1.8%**	**0.02**	**0.01**	**0.21**	**0.05**	**0.30**	**0.07**	**0.49**	**0.09**	**0.99**	**0.39**	**2.23**	**1.68**	**4.21**	**3.75**
Total Pension Fund																		
Total Pension Fund	**03/31/84**	**KY Ret.Blended Index***	**11,220,963,410**	**100.0%**	**2.25**	**1.91**	**9.51**	**8.25**	**11.56**	**11.00**	**9.65**	**9.33**	**4.08**	**4.36**	**7.51**	**7.63**	**9.51**	**9.58**

***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 Non-U.S. Equity portfolio, which added 48 basis points over its benchmark. As with the Pension Fund, The Boston Company and Pyramis portfolios provided the bulk of the strength. The Fixed Income allocation remained nearly flat, losing just 3 basis points, while its benchmark fell -0.52%; this was primarily due to the strong relative performance of NISA, Manulife, and Loomis. The U.S. Equity portfolio performed well, outpacing the Russell 3000 by 15 basis points, due to the strong relative performance of the All Cap portion of the portfolio. Also, the outperformance of the Private Equity portfolio was additive.



	1 Mo	1-Yr	3-Yr	5-Yr	10-Yr
Total Fund	2.34	10.90	9.49	2.69	7.85
Benchmark	1.89	10.75	10.29	3.07	7.99

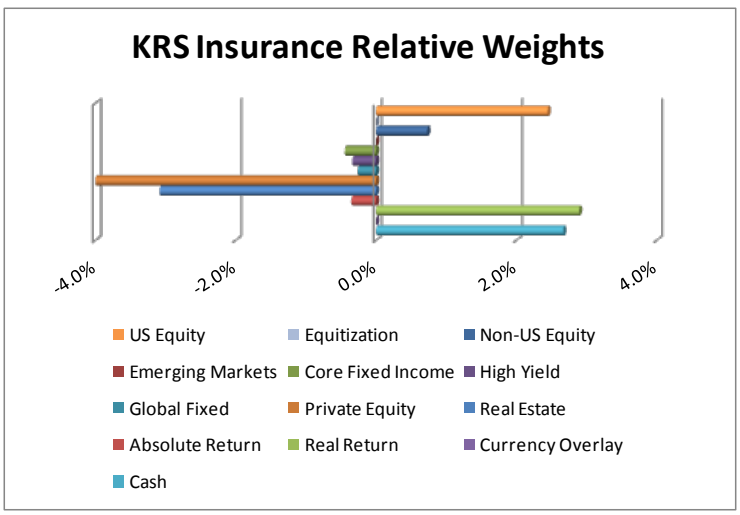
The most additive allocation decision was the overweight to the U.S. Equity portfolio; the broad market was up nearly 5.5% according the the Russell 3000. In addition, the overweight (relative to target) postion of the Non-U.S. Equity and Real Return portfolios was additive, as these were solid performing asset classes for the month. Further, the underweight to Private Equity was beneficial.

Asset Class	Market Value	Target	Actual
US Equity	763,336,719	20.0%	22.4%
Equitization	-	0.0%	0.0%
Non-US Equity	704,970,572	20.0%	20.7%
Emerging Markets	136,037,126	4.0%	4.0%
Core Fixed Income	324,971,593	10.0%	9.6%
High Yield	158,537,960	5.0%	4.7%
Global Fixed	161,145,992	5.0%	4.7%
Private Equity	195,265,184	10.0%	5.7%
Real Estate	65,112,228	5.0%	1.9%
Absolute Return	328,113,272	10.0%	9.6%
Real Return	438,469,280	10.0%	12.9%
Currency Overlay	-	0.0%	0.0%
Cash	124,775,304	1.0%	3.7%
	3,400,735,230	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 37 basis points, returning 0.17% versus 0.54%. Like the Pension Fund, this was the product of weakness from the Internal TIPS and Tortoise portfolios (Tortois has returned 21.99% vs. 18.45% FYTD). The Absolute Return portfolio just missed its mark, trailing by just 4 basis points, primarily due to the PAAMCO portfolio falling 17 basis points short of the benchmark.

From an allocation perspective, the largest detractor of value came from being overweight (relative to target) Global Fixed, which struggled during the month, the JPM EMBI Global Diversified Index fell -1.34%. Also, the underweight to the Absolute Return space served as a slight hinderence to the portfolio, as the asset class produced a solid 1.10% return for January.



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

January 2013					Jan-13		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	11,579,096	0.3%	6.23	6.46	10.21	15.19	14.59	20.32	--	--	--	--	--	--	10.86	11.15
Westfield Capital	06/30/11	Russell 3000 Growth	41,005,988	1.2%	6.72	4.46	19.70	9.42	20.82	13.44	--	--	--	--	--	--	10.63	9.20
Westwood Management	06/30/11	Russell 3000 Value	36,142,712	1.1%	5.93	6.46	16.80	15.19	14.78	20.32	--	--	--	--	--	--	7.13	11.15
All Cap	06/30/11	Russell 3000	88,727,796	2.6%	6.33	5.49	17.20	12.34	17.47	16.90	--	--	--	--	--	--	9.20	10.22
L-KRS Internal S&P 500 Index	06/30/01	S&P500 Index (Cap Weighted)*	440,487,145	13.0%	5.17	5.18	11.43	11.44	16.73	16.78	14.77	14.68	4.68	4.49	8.53	8.41	4.44	4.31
M-KRS Internal Mid Cap	06/30/11	Russell Midcap	5	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Geneva capital Mgmt	06/30/12	Russell Midcap Growth	68,882,683	2.0%	6.19	6.17	9.55	13.73	--	--	--	--	--	--	--	--	9.55	13.73
Sasco Capital	06/30/12	Russell Midcap Value	14,413,765	0.4%	5.62	7.42	12.97	18.12	--	--	--	--	--	--	--	--	12.97	18.12
Systematic Fin Mgmt	06/30/12	Russell Midcap Value	59,814,071	1.8%	7.07	7.42	16.76	18.12	--	--	--	--	--	--	--	--	16.76	18.12
S-Northern Trust SSC	06/30/11	Russell 2000	83,052,589	2.4%	6.17	6.26	15.23	13.91	17.89	15.47	--	--	--	--	--	--	9.26	7.15
X-KRS Insurance Liquidation	08/31/04		7,958,666	0.2%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cap Weighted	06/30/11	Russell 3000	674,608,923	19.8%	5.55	5.49	12.16	12.34	15.93	16.90	14.23	14.60	4.38	4.44	8.38	8.53	3.37	2.76
Total US Equities Less Equitization	**06/30/92**	**Russell 3000 Index***	**763,336,719**	**22.5%**	**5.64**	**5.49**	**12.73**	**12.34**	**16.11**	**16.90**	**14.04**	**14.40**	**4.28**	**4.34**	**8.32**	**-**	**8.83**	**9.23**
Equitization	**03/31/04**		**0**	**0.0%**	**-**	**--**	**32.07**	**--**	**104.47**	**--**	**19.72**	**--**	**(21.51)**	**--**	**--**	**--**	**(4.89)**	**--**
Total US Equities	**06/30/92**	**Russell 3000 Index***	**763,336,719**	**22.5%**	**5.64**	**5.49**	**12.74**	**12.34**	**16.14**	**16.90**	**14.06**	**14.40**	**4.29**	**4.34**	**8.33**	**--**	**8.83**	**9.23**
Non-U.S. Equities																		
Artio Global Intl Equity II	06/30/09	MSCI ACWI EX USA GD	5,796	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BlackRock	05/31/12	MSCI ACWI EX USA ND	270,975,854	8.0%	4.08	4.07	18.31	18.30	--	--	--	--	--	--	--	--	25.30	25.28
Boston Company Non-US Value	05/31/08	MSCI ACWI ex US GD*	216,418,678	6.4%	4.69	4.09	19.85	18.48	12.70	14.40	3.29	7.36	--	--	--	--	(1.10)	(1.87)
Internal International Account	06/30/11	MSCI Emerging Markets GD	80	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
KRS Insurance Trans	04/30/08		1,294,469	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Pyramis International Growth	07/31/01	MSCI ACWI ex US GD*	216,275,695	6.4%	4.37	4.09	18.72	18.48	15.61	14.40	8.27	7.36	0.31	(0.36)	10.04	9.69	6.64	5.80
Total Non-US Equities (Less Overlay)	**03/31/00**	**MSCI ACWI ex US GD***	**704,970,572**	**20.7%**	**4.57**	**4.09**	**19.20**	**18.48**	**14.00**	**14.40**	**6.15**	**7.32**	**0.77**	**(0.14)**	**10.08**	**9.74**	**2.44**	**1.62**
Record Currency Management	**08/31/09**		**0**	**0.0%**	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Intl Equity	**06/30/00**	**MSCI ACWI ex US GD***	**704,970,572**	**20.7%**	**4.57**	**4.09**	**19.21**	**18.48**	**14.00**	**14.40**	**5.23**	**7.32**	**0.24**	**(0.14)**	**9.75**	**9.74**	**2.10**	**1.62**
Emerging Market Equities																		
Aberdeen	03/31/08	MSCI Emerging Markets GD	84,815,684	2.5%	0.95	1.39	16.15	15.52	15.62	8.01	16.09	7.50	--	--	--	--	11.08	2.07
Wellington	03/31/08	MSCI Emerging Markets GD	51,221,442	1.5%	2.43	1.39	18.29	15.52	9.74	8.01	5.69	7.50	--	--	--	--	1.93	2.07
Total Emerging Markets	**06/30/11**	**MSCI Emerging Markets GD**	**136,037,126**	**4.0%**	**1.44**	**1.39**	**16.86**	**15.52**	**13.52**	**8.01**	**--**	**--**	**--**	**--**	**--**	**--**	**4.68**	**(1.64)**
Total Equities																		
Total Equities	**06/30/92**	**Global Equity Blended Index***	**1,604,344,338**	**47.2%**	**4.81**	**4.53**	**15.78**	**15.40**	**15.25**	**15.17**	**9.93**	**10.76**	**2.40**	**2.14**	**8.31**	**7.98**	**8.65**	**8.45**
Fixed Income																		
Commerce St Partners LP	04/30/09	Opportunistic FI Blended Index*	7,907,031	0.2%	-	0.96	(0.14)	6.07	(2.85)	8.88	2.13	7.67	--	--	--	--	7.03	8.39
Columbia Capital	10/31/11	BC US Corporate High Yield	43,868,194	1.3%	1.09	1.34	9.51	9.41	13.96	13.91	--	--	--	--	--	--	14.73	14.07
Loomis	10/31/11	BC US Corporate High Yield	46,069,272	1.4%	2.22	1.34	14.32	9.41	19.56	13.91	--	--	--	--	--	--	19.50	14.07
Manulife	11/30/11	BC Multiverse Index	31,858,046	0.9%	0.88	(0.81)	6.95	2.24	9.39	2.20	--	--	--	--	--	--	11.03	4.04
NISA Investment Advisors	06/30/11	BC U.S. Aggregate	165,643,261	4.9%	(0.67)	(0.70)	1.18	1.09	2.82	2.59	--	--	--	--	--	--	5.68	5.38
PIMCO	03/31/11	PIMCO Blended Index*	252,368,835	7.4%	(0.55)	(0.48)	3.92	2.80	7.02	3.93	--	--	--	--	--	--	7.22	6.27
Shenkman Capital	06/30/11	Shenkman Blended Index*	29,627,189	0.9%	1.08	1.24	6.62	7.82	9.22	11.39	--	--	--	--	--	--	7.82	8.39
Stone Harbor	06/30/11	JPM EMBI Global Diversified	28,340,412	0.8%	(1.42)	(1.34)	7.97	8.16	11.77	14.07	--	--	--	--	--	--	9.78	11.45
Waterfall	06/30/11	Opportunistic FI Blended Index*	38,973,305	1.1%	1.67	0.96	12.36	6.07	18.28	8.88	--	--	--	--	--	--	16.22	6.72
Total Fixed Income	**06/30/00**	**BC US Universal Bond Index***	**644,655,544**	**19.0%**	**(0.03)**	**(0.52)**	**4.94**	**2.06**	**7.81**	**3.86**	**7.57**	**6.51**	**5.90**	**5.14**	**6.46**	**6.03**	**7.23**	**6.99**
Real Return																		
Amerra Ag Fund II	11/30/12		5,829,296	0.2%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Internal TIPS	09/30/03	BC US Tips	345,089,971	10.1%	(0.75)	(0.68)	2.05	2.13	3.94	3.87	8.04	8.08	6.09	6.07	--	--	6.56	6.33
PIMCO All-Asset	11/30/11	BC US Tips 1-10 Years	60,737,856	1.8%	1.03	(0.16)	10.56	2.02	11.52	3.00	--	--	--	--	--	--	14.56	4.00
Tenaska Power Fund II	09/30/08		1,600,212	0.0%	(0.39)	--	(4.08)	--	3.92	--	3.08	--	--	--	--	--	(0.34)	--
Tortoise CAP	07/30/09	Alerian MLP Total Return Index	25,211,945	0.7%	12.33	12.63	21.99	18.45	22.13	15.78	25.28	21.97	--	--	--	--	27.58	24.60
Total Real Return	**06/30/11**	**KRS CPI + 300 bpts**	**438,469,280**	**12.9%**	**0.17**	**0.54**	**4.15**	**2.09**	**5.92**	**4.64**	**--**	**--**	**--**	**--**	**--**	**--**	**10.16**	**4.31**
Real Estate																		
Greenfield AP VI	11/30/12		9,071,582	0.3%	(3.10)	--	--	--	--	--	--	--	--	--	--	--	(3.10)	--
H/2 Credit Partners	06/30/11		22,850,454	0.7%	0.41	--	6.84	--	11.62	--	--	--	--	--	--	--	7.70	--
Harrison Street Core	04/30/12		21,569,267	0.6%	-	--	0.49	--	--	--	--	--	--	--	--	--	0.49	--
Mesa West Real Estate Inc Fd	12/31/09		3,635,760	0.1%	-	--	11.53	--	20.16	--	4.11	--	--	--	--	--	3.99	--
Prima Mortgage	04/30/09		4,939,733	0.1%	-	--	3.98	--	7.39	--	12.51	--	--	--	--	--	12.11	--
Walton Street Real Estate Fund	04/30/09		3,045,432	0.1%	-	--	2.60	--	7.95	--	13.92	--	--	--	--	--	(46.32)	--
Total Real Estate	**04/30/09**	**NCREIF O-E Div Core GR NonL***	**65,112,228**	**1.9%**	**(0.27)**	**-**	**4.46**	**2.77**	**9.11**	**8.39**	**14.33**	**9.76**	**--**	**--**	**--**	**--**	**8.67**	**3.14**
Absolute Return																		
Arrowhawk Fund LP	03/31/10	12 mos. Libor + 500 bps	0	0.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BAAM	08/31/11	HFR FOF: Diversified Lagged	110,143,338	3.2%	1.08	--	6.47	--	9.21	--	--	--	--	--	--	--	6.59	--
PAAMCO	08/31/11	HFR FOF: Diversified Lagged	107,892,020	3.2%	0.93	--	4.91	--	5.51	--	--	--	--	--	--	--	4.52	--
Prisma Capital Partners	08/31/11	HFR FOF: Diversified Lagged	110,077,914	3.2%	1.17	--	5.30	--	9.61	--	--	--	--	--	--	--	4.31	--
Total Absolute Return	**03/31/10**	**HFR FOF: Diversified Lagged**	**328,113,272**	**9.6%**	**1.06**	**1.10**	**5.51**	**3.17**	**7.80**	**4.77**	**--**	**--**	**--**	**--**	**--**	**--**	**3.32**	**1.72**
Total Private Equity																		
Total Private Equity	**05/31/01**	**Rusell 3000 Index + 4% (Qtr Lag)***	**195,265,184**	**5.7%**	**0.76**	**(1.40)**	**4.18**	**3.45**	**13.34**	**19.29**	**14.42**	**12.62**	**5.34**	**4.23**	**9.78**	**7.29**	**7.00**	**3.63**
Total Cash																		
Clearing Account	06/30/10		7,563	0.0%	0.01	--	0.10	--	0.15	--	--	--	--	--	--	--	0.06	--
Cash	**06/30/92**	**CG 3 Month Treasury**	**124,767,741**	**3.7%**	**0.02**	**0.01**	**0.38**	**0.05**	**0.47**	**0.07**	**0.33**	**0.09**	**0.61**	**0.39**	**2.16**	**1.68**	**3.29**	**3.08**
Total Insurance Fund																		
Total Insurance Fund	**03/31/87**	**KRS Ins.Blended Index***	**3,400,735,229**	**100.0%**	**2.34**	**1.89**	**9.36**	**8.25**	**10.90**	**10.75**	**9.49**	**10.29**	**2.69**	**3.07**	**7.85**	**7.99**	**7.72**	**7.83**

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

KRS Pension 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**	**100.0**								
			Inception-6/30/2011	S&P 1500 (Price Only)	100.0								
Total US Equities	**06/30/00**	**Russell 3000 Index**	**6/30/2011-Current**	**Russell 3000**	**100.0**								
			6/30/2007-6/30/2011	S&P 500	20.0	S&P 1500	66.7	Russell 2000	13.3				
			2/28/2006-6/30/2007	S&P 500	16.5	S&P 1500	71.0	Russell 2000	12.5				
			7/31/2005-2/28/2006	S&P 500	12.5	S&P 1500	65.0	Russell 2000	12.5	Russell 2500 Growth	10.0		
			10/31/2003-7/31/2005	S&P 500	27.5	S&P 1500	50.0	Russell 2000	12.5	Russell 2500 Growth	10.0		
			6/30/2003-10/31/2003	S&P 500	37.0	S&P 1500	42.5	Russell 2000	12.3	Russell 2500 Growth	8.2		
			6/30/2001-6/30/2003	S&P 500	41.1	S&P 1500	42.5	Russell 2000	16.4				
			6/30/2000-6/30/2001	S&P 500	80.5	Russell 2000	19.5						
			7/31/1996-6/30/2000	S&P 500	85.0	Russell 2000	15.0						
			3/31/1984-7/31/1996	S&P 500	90.0	Russell 2000	10.0						
Boston Company Non-US Value	**04/30/05**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100.0**								
			6/30/2009-12/31/2011	MSCI World ex USA GD	100.0								
			Inception-6/30/2009	MSCI EAFE GD	100.0								
Pyramis International Growth	**07/31/01**	**MSCI ACWI ex US GD**	**12/31/2011-Current**	**MSCI ACWI ex USA GD**	**100.0**								
			6/30/2009-12/31/2011	MSCI World ex USA GD	100.0								
			Inception-6/30/2009	MSCI EAFE GD	100.0								
Total Non-US Equities	**06/30/00**	**MSCI ACWI ex US GD**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**100.0**								
			6/30/2009-6/30/2011	MSCI ACWI ex USA GD	20.0	MSCI ACWI ex USA Small Cap GD	10.0	MSCI Emerging Markets GD	10.0	MSCI World ex USA GD	60.0		
			12/31/2008-6/30/2009	MSCI ACWI ex USA Small Cap GD	10.0	MSCI EAFE GD	80.0	MSCI Emerging Markets GD	10.0				
			4/30/2008-12/31/2008	MSCI EAFE GD	90.0	MSCI Emerging Markets GD	10.0						
			3/31/2004-4/30/2008	MSCI EAFE GD	100.0								
			6/30/03-3/31/2004	MS EAFE	73.0	S&P ADR	27.0						
			6/30/02-6/30/03	MS EAFE	67.0	S&P ADR	33.0						
			7/31/01-6/30/02	BONY ADR	33.0	MS EAFE	67.0						
			Inception-7/31/01	BONY ADR	100.0								
Total Equity	**03/31/84**	**Global Equity Blended Index**	**6/30/2011-Current**	**MSCI ACWI ex USA GD**	**45.5**	**MSCI Emerging Markets GD**	**9.1**	**Russell 3000**	**45.5**				
			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	20.0	Russell 2000	9.0	S&P 1500 (Price Only)	31.0	S&P 500	20.0	S&P ADR	7.0
				S&P 500 BARRA Growth	7.0	Russell 2500 Growth	6.0						
			6/30/02-6/30/03	MS EAFE	18.0	Russell 2000	12.0	S&P 1500 (Price Only)	31.0	S&P 500	30.0	S&P ADR	9.0
			6/30/01-6/30/02	BONY ADR	9.0	MS EAFE	18.0	Russell 2000	12.0	S&P 1500 (Price Only)	31.0	S&P 500	30.0
			6/30/00-6/30/01	BONY ADR	23.0	Russell 2000	15.0	S&P 500	62.0				
			7/31/96-6/30/00	Russell 2000	15.0	S&P 500	85.0						
			Inception-7/31/96	Russell 2000	10.0	S&P 500	90.0						
PIMCO	**10/31/09**	**PIMCO Blended Index**	**9/30/2011-Current**	**BC US Aggregate**	**60.0**	**PIMCO Glb Adv Bd (GLADI)**	**40.0**						
			Inception-9/30/2011	BC US Aggregate	100.0								
Commerce Street Income Partners	**04/30/09**	**Opportunistic FI Blended Index**	**04/30/2009-Current**	**BC US High Yield**	**60.0**	**BC ABS**	**40.0**						
Waterfall Investment	**01/31/10**	**Opportunistic FI Blended Index**	**01/31/2010-Current**	**BC US High Yield**	**60.0**	**BC ABS**	**40.0**						
Shenkman Capital	**09/30/10**	**Shenkman Blended Index**	**09/30/2010-Current**	**BC US High Yield**	**50.0**	**BC High Yield Loan Index**	**50.0**						
Total Fixed Income	**03/31/84**	**BC US Universal Bond Index**	**6/30/2011-Current**	**BC US Universal**	**100.0**								
			6/30/2007-6/30/2011	LB Aggregate	71.4	LB U.S. TIPS	28.6						
			6/30/03-6/30/2007	LB Aggregate	38.0	LB Gov't Credit	35.0	LB U.S. TIPS	27.0				
			6/30/01-6/30/03	LB Aggregate	19.0	LB Gov't Credit	54.0	LB U.S. TIPS	27.0				
			Inception-6/30/01	LB Gov't Credit	80.0	ML 1-3 Yr. Treasuries	20.0						
Total Real Estate	**03/31/09**	**NCREIF O-E Div Core GR NonL**	**6/30/2011-Current**	**NCREIF Op-End Diversified Core GR NonL**	**100.0**								
			Inception-6/30/2011	NCREIF Property Index (Lagged)	100.0								
Total Private Equity	**09/30/90**	**Rusell 3000 Index + 4% (Qtr Lag)**	**6/30/2011-Current**	**Rusell 3000 Index + 4% (Qtr Lag)**	**100.0**								
			Inception-6/30/2011	BC High Yield Corporate	40.0	S&P 1500 (Price Only)	60.0						
Total Pension Fund	**03/31/84**	**KY Ret.Blended Index**	**12/31/12-Current**	**BC US Universal**	**19.3**	**CG 3 Month Treasury**	**2.8**	**HFR FOF: Diversified Lagged**	**10.0**	**KRS CPI + 300 bpts**	**10.0**	**KY Russell 3000 Qtr Lag + 400 bpts**	**10.0**
				MSCI ACWI ex US GD	**20.0**	**MSCI Emerging Markets GD**	**2.9**	**NCREIF Op-End Diversified Core GR NL**	**4.5**	**Russell 3000**	**20.5**		
			6/30/2011-12/31/2012	BC US Universal	20.0	CG 3 Month Treasury	1.0	HFR FOF: Diversified Lagged	10.0	KRS CPI + 300 bpts	10.0	KY Russell 3000 Qtr Lag + 400 bpts	10.0
				MSCI ACWI ex US GD	20.0	MSCI Emerging Markets GD	4.0	NCREIF Op-End Diversified Core GR NL	5.0	Russell 3000	20.0		
			6/30/2009-6/30/2011	LB Aggregate	25.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	12.0	MSCI ACWI ex US GD	4.0
				MSCI ACWI ex US Small Cap GD	2.0	MSCI Emerging Markets GD	2.0	MSCI World ex USA GD	12.0	Russell 2000	4.0	S&P 1500 (Price Only)	20.0
				S&P 500	6.0								
			4/30/2008-6/30/2009	LB Aggregate	25.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	12.0	MS EAFE	18.0
				MSCI Emerging Markets GD	2.0	Russell 2000	4.0	S&P 1500 (Price Only)	20.0	S&P 500	6.0		
			6/30/2007-4/30/2008	LB Aggregate	25.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	12.0	MS EAFE	20.0
				Russell 2000	4.0	S&P 1500 (Price Only)	20.0	S&P 500	6.0				
			1/31/2006-6/30/2007	LB Aggregate	14.0	LB Gov't/Credit Bond	13.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	5.0
				MS EAFE	15.0	Russell 2000	5.0	S&P 1500 (Price Only)	28.4	S&P 500	6.6		
			6/30/2005-1/31/2006	LB Aggregate	14.0	LB Gov't/Credit Bond	13.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	5.0
				MS EAFE	15.0	Russell 2000	5.0	Russell 2500 Growth	4.0	S&P 1500 (Price Only)	26.0	S&P 500	5.0
			3/31/2004-6/30/2005	LB Aggregate	14.0	LB Gov't/Credit Bond	13.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	5.0
				MS EAFE	15.0	Russell 2000	5.0	Russell 2500 Growth	4.0	S&P 1500 (Price Only)	20.0	S&P 500	11.0
			10/31/2003-3/31/2004	LB Aggregate	14.0	LB Gov't/Credit Bond	13.0	LB U.S. TIPS	10.0	CG 3 Month Treasury	3.0	KY Alternative Blend	5.0
				MS EAFE	11.0	Russell 2000	5.0	Russell 2500 Growth	4.0	S&P 1500 (Price Only)	20.0	S&P 500	11.0
				S&P ADR	4.0								
			6/30/03-10/31/2003	KY Alternative Blend	5.0	LB Aggregate	14.0	LB Gov't/Credit Bond	13.0	LB U.S. TIPS	10.0	MS EAFE	11.0
				Russell 2000	5.0	S&P 1500 (Price Only)	17.0	S&P 500	11.0	S&P ADR	4.0	CG 3 Month Treasury	3.0
				S&P 500 BARRA Growth	4.0	Russell 2500 Growth	3.0						
			6/30/02-6/30/03	KY Alternative Blend	5.0	LB Aggregate	7.0	LB Gov't/Credit Bond	20.0	LB U.S. TIPS	10.0	MS EAFE	10.0
				Russell 2000	6.5	S&P 1500 (Price Only)	17.0	S&P 500	16.5	S&P ADR	5.0	SB 3 Month Treasury	3.0
			6/30/01-6/30/02	BONY ADR	5.0	KY Alternative Blend	5.0	LB Aggregate	7.0	LB Gov't/Credit Bond	20.0	LB U.S. TIPS	10.0
				MS EAFE	10.0	Russell 2000	6.5	S&P 1500 (Price Only)	17.0	S&P 500	16.5	SB 3 Month Treasury	3.0
			6/30/00-6/30/01	BONY ADR	15.0	LB Gov't/Credit Bond	22.0	ML 1-3 Yr. Treasuries	5.0	Russell 2000	10.0	S&P 500	40.0
				SB 3 Month Treasury	3.0	Wilshire Real Estate Security	5.0						
			7/31/96-6/30/00	LB Gov't/Credit Bond	22.0	ML 1-3 Yr. Treasuries	5.0	NCREIF Classic Property	5.0	Russell 2000	10.0	S&P 500	55.0
				SB 3 Month Treasury	3.0								
			Inception-7/31/96	LB Gov't/Credit Bond	20.0	ML 1-3 Yr. Treasuries	5.0	NCREIF Classic Property	10.0	Russell 2000	5.0	S&P 500	50.0
				SB 3 Month Treasury	10.0								

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**	**12/31/2012-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 NonL**	**5**	**Russell 3000**	**20**		
			6/30/2011-12/31/2012	BC US Universal	19	CG 3 Month Treasury	1	HFR FOF: Diversified Lagged	10	KRS CPI + 300 bpts	11	KY Russell 3000 Qtr Lag + 400 bpts	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 Treasury	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 Treasury	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 Treasury	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 Treasury	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 Treasury	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 (Price Only)	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 Treasury	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				