
Oklahoma Law Enforcement Retirement System

Market Update and Portfolio Review

March 31, 2023



2018 2019 2020 2021

We are proud to announce that ACG has again been named a Greenwich Associates Quality Leader – recognized as one of the top consultants in the industry.

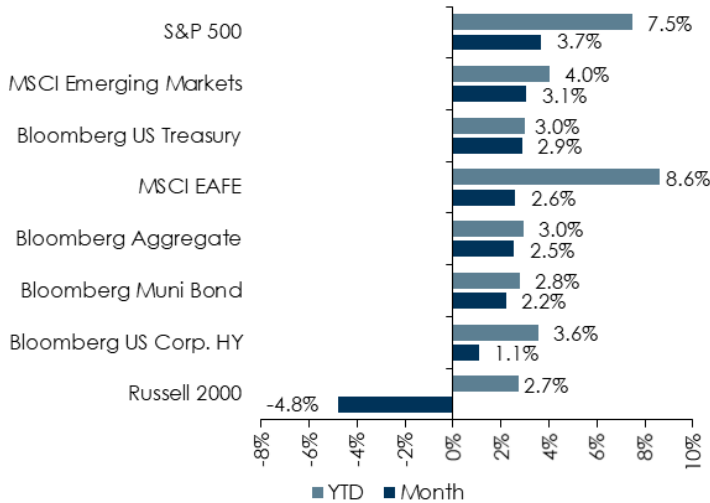
Methodology and Disclosure: Between July and October 2021, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 811 professionals at 661 of the largest tax-exempt funds in the United States, including corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset managers and investment consultants, including qualitative assessments of those firms soliciting their business and detailed information on important market trends. ACG is one of four firms recognized in the mid-size investment consultant category. The ratings may not be representative of any one client's experience with ACG; rather they are representative of those clients that chose to participate in the survey. The results are not indicative of ACG's future performance. ACG does not pay to have its clients participate in the study.

Economic Overview

- Market volatility surged after the sudden collapse of Silicon Valley Bank and Signature Bank led to fears of systemic risk to the banking sector
- Despite the volatility the US Fed hiked 25 bps to a range of 4.75% to 5.00%, with guidance that suggested one additional hike this year
- US CPI fell from 6.4% to a 6.0%, in-line with expectations, while the US labor market remained robust with an increase to payrolls of 311,000

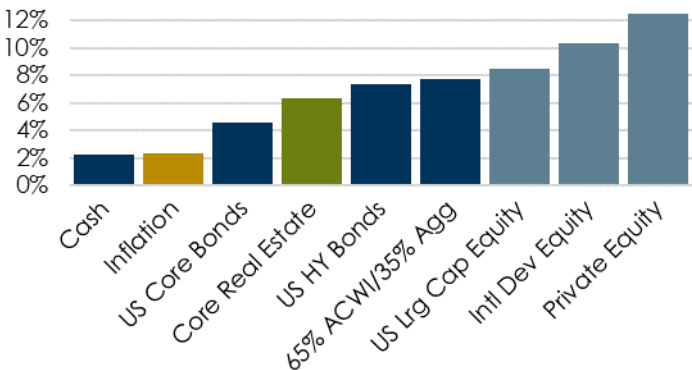
Market Returns

- Stocks and bonds rose as markets remained resilient
- Greater exposure to banking issues caused small caps to lag



Source: Bloomberg, ACG Research (as of 3/31/2023)

Average Annual Return Assumptions (Next 10 Years)



Asset Class Valuations - Rebalancing Rationale

- Equities currently priced for a mild recession
- Favor core bonds (US treasuries) over high yield
- Cash remains attractive with yields around 5%

Asset Class	Current Valuation	Rationale
US Large Cap	Fairly Valued	Balanced upside/downside risks
US Small Cap	Fairly Valued	Balanced upside/downside risks
Intl Developed	Overvalued	Favorable valuations, currency tailwinds
Emerging Mkt	Fairly Valued	Balanced upside/downside risks

Cash	Overvalued	High current yield
Core Bonds	Overvalued	Favor high quality
Multi-Sector	Fairly Valued	Duration, spreads balanced
Unconstrained	Fairly Valued	Duration, spreads balanced

Core Real Estate	Overvalued	Historically low (but rising) cap rates
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Overvalued Fairly Valued Undervalued

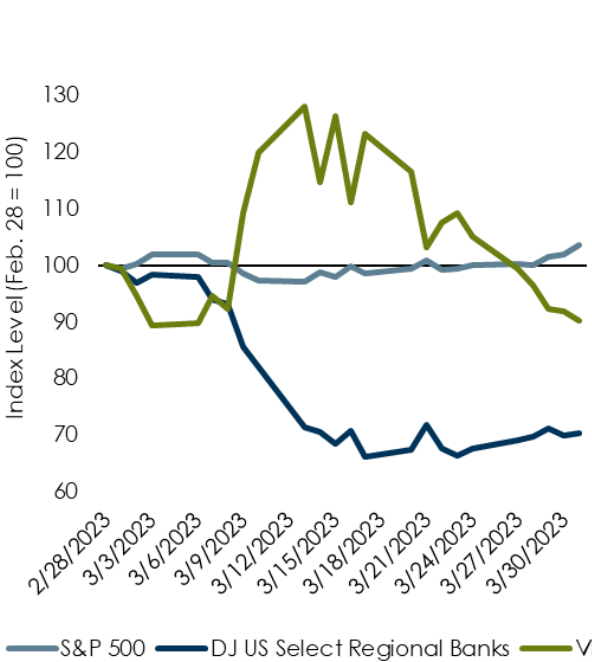
Recent Articles (click on links below)

- [Covid – Three-Year Update \(March\)](#)
- [China Reopening \(January\)](#)
- [Restoring the Fixed Income Foundation \(December\)](#)

Key Risk Factors We Are Watching

- Inflation and labor market data
- Tightening financial conditions, Fed mistake
- Potential bank-crisis contagion
- Downward revisions to corporate earnings
- Ongoing geopolitical tensions
- Potential debt ceiling crisis

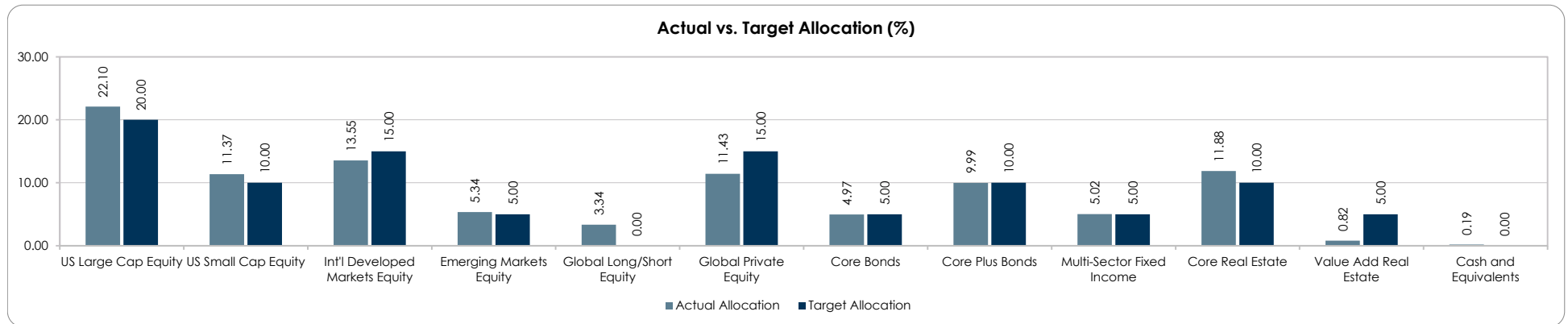
Volatility Surge Wanes but Bank Stocks Struggle



Source: Bloomberg

Oklahoma Law Enforcement Retirement System

For the Periods Ending March 31, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)
Total Portfolio	1,078,069	100.00	100.00		
Equity	723,660	67.13	65.00	2.13	
US Large Cap Equity	238,220	22.10	20.00	2.10	15.00 25.00
US Small Cap Equity	122,630	11.37	10.00	1.37	5.00 15.00
Int'l Developed Markets Equity	146,083	13.55	15.00	-1.45	10.00 20.00
Emerging Markets Equity	57,589	5.34	5.00	0.34	0.00 10.00
Global Long/Short Equity	35,966	3.34	0.00	3.34	0.00 10.00
Global Private Equity	123,173	11.43	15.00	-3.57	10.00 20.00
Fixed Income	215,427	19.98	20.00	-0.02	
Core Bonds	53,555	4.97	5.00	-0.03	0.00 10.00
Core Plus Bonds	107,726	9.99	10.00	-0.01	5.00 15.00
Multi-Sector Fixed Income	54,146	5.02	5.00	0.02	0.00 10.00
Real Assets	136,933	12.70	15.00	-2.30	
Core Real Estate	128,083	11.88	10.00	1.88	5.00 15.00
Value Add Real Estate	8,850	0.82	5.00	-4.18	0.00 10.00
Cash and Equivalents	2,050	0.19	0.00	0.19	

Oklahoma Law Enforcement Retirement System

For the Periods Ending March 31, 2023

	Mar 2023 Market Value (\$000s)	Feb 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/92)	1,078,069	1,075,103	100.00	0.67	3.84	3.88	-6.49	10.32	5.36	6.66	7.53
<i>Policy Index</i> ¹				1.33	4.42	5.25	-5.77	10.73	6.41	7.19	7.78
US Large Cap Equity (04/10)	238,220	237,065	22.10	2.61	7.94	10.14	-9.54	19.07	10.70	12.47	12.41
<i>S&P 500</i>				3.67	7.50	9.98	-7.73	18.60	11.19	12.24	12.34
US Small Cap Equity (11/09)	122,630	128,419	11.37	-4.51	2.54	8.33	-9.26	20.18	6.21	8.69	11.68
<i>Russell 2000</i>				-4.78	2.74	6.75	-11.61	17.51	4.71	8.04	10.54
Non-US Equity (04/94)	203,672	199,216	18.89	2.33	7.83	9.13	-5.66	11.79	3.03	4.90	5.68
<i>MSCI ACWI ex US</i>				2.55	7.00	10.38	-4.57	12.32	2.97	4.65	5.47
Global Long/Short Equity (04/10)	35,966	36,328	3.34	-0.99	2.33	5.84	-8.44	1.42	0.24	3.56	3.94
<i>MSCI ACWI</i>				3.15	7.44	10.14	-6.96	15.90	7.46	8.62	8.56
<i>HFRI FOF: Strategic</i>				1.08	2.92	3.82	-3.24	7.88	2.59	3.30	3.06
Global Private Equity (12/01) *	123,173	121,487	11.43	0.39	0.78	-1.50	-3.15	21.05	14.07	11.89	6.22
Fixed Income (10/90)	215,427	210,110	19.98	2.49	3.35	0.70	-4.81	-2.45	-0.07	1.15	5.96
<i>Bloomberg US Aggregate</i>				2.54	2.96	-0.09	-4.78	-2.77	0.91	1.36	5.15
Real Assets (06/99)	136,933	139,315	12.70	-2.28	-3.20	-7.40	-3.54	6.99	5.66	6.60	6.99
<i>Real Assets Blended Index</i> ²				-3.33	-3.33	-8.04	-3.87	7.48	5.55	5.80	6.25
Cash and Equivalents (06/11)	2,050	3,163	0.19	0.43	1.22	2.80	3.02	1.16	1.61	1.10	0.99

Fiscal YTD is June 30.

* Performance is reported net of fees.

¹ Policy Index: Effective July 2021, the index consists of 35.00% S&P 500, 10.00% Russell 2000, 20.00% MSCI ACWI ex US, 20.00% Bloomberg US Aggregate, 15.00% NFI ODCE Net.

² Real Assets Blended Index: Effective October 2019, the index consists of 100.0% NFI ODCE Net.

Oklahoma Law Enforcement Retirement System

For the Periods Ending March 31, 2023

	Mar 2023 Market Value (\$000s)	Feb 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity											
US Large Cap Equity											
Hotchkis and Wiley (30 bp) (05/90)	67,353	74,886	6.25	-3.06	3.30	12.45	-3.67	26.68	8.84	11.05	10.61
<i>Russell 1000 Value</i>				-0.46	1.01	7.17	-5.91	17.93	7.50	9.13	9.75
NT S&P 500 Index Fund (1 bp) (08/08)	100,917	97,346	9.36	3.67	7.50	9.98	-7.73	18.64	11.20	12.25	10.59
<i>S&P 500</i>				3.67	7.50	9.98	-7.73	18.60	11.19	12.24	10.57
Polen (50 bp) (01/19)	69,950	64,833	6.49	7.89	14.29	8.19	-17.52	11.19	--	--	12.74
<i>Russell 1000 Growth</i>				6.84	14.37	12.67	-10.90	18.58	13.66	14.59	17.06
US Small Cap Equity											
Kennedy Capital (89 bp) (07/93)	60,285	64,711	5.59	-6.84	0.32	8.52	-6.05	27.44	7.28	9.85	12.23
<i>Russell 2000 Value</i>				-7.17	-0.66	2.74	-12.96	21.01	4.55	7.22	9.27
Wellington (80 bp) (09/16)	62,345	63,708	5.78	-2.14	4.78	8.38	-12.53	12.66	4.60	--	8.12
<i>Russell 2000 Growth</i>				-2.47	6.07	10.72	-10.60	13.36	4.26	8.49	7.58
International Developed Markets Equity											
Mondrian International (52 bp) (01/05)	76,895	75,065	7.13	2.57	9.67	9.98	-0.51	12.82	2.68	4.94	4.89
<i>MSCI EAFE</i>				2.61	8.62	15.67	-0.86	13.52	4.03	5.50	5.07
<i>MSCI EAFE Value</i>				-0.10	6.14	14.21	0.38	15.29	2.38	4.35	4.13
Barings Focused EAFE Plus Equity (40 bp) (02/12)	69,188	67,721	6.42	2.26	8.10	13.97	-1.23	10.34	3.24	5.47	5.48
<i>MSCI ACWI ex US</i>				2.55	7.00	10.38	-4.57	12.32	2.97	4.65	5.35
Emerging Markets Equity											
William Blair EM Leaders (76 bp) (10/16)	41,088	39,928	3.81	2.90	4.26	1.19	-15.01	7.65	0.46	--	4.89
<i>MSCI Emerging Markets</i>				3.07	4.02	1.17	-10.30	8.23	-0.53	2.37	4.18
Wasatch Advisors (110 bp) (07/12)	16,502	16,502	1.53	0.11	7.48	7.10	-18.31	16.40	5.73	4.91	6.29
<i>MSCI EM SC</i>				0.98	3.94	6.94	-10.47	21.25	2.24	3.56	4.99
Long/Short Equity											
Grosvenor (80 bp) (02/08)	296	300	0.03	-1.00	-2.72	-8.88	-10.97	3.52	1.48	4.20	3.19
<i>MSCI ACWI</i>				3.15	7.44	10.14	-6.96	15.90	7.46	8.62	6.43
<i>HFRI FOF: Strategic</i>				1.08	2.92	3.82	-3.24	7.88	2.59	3.30	1.88
K2 Ascent (27 bp) (08/20)	35,669	36,028	3.31	-0.99	2.38	5.98	-8.44	--	--	--	-0.93
<i>MSCI ACWI</i>				3.15	7.44	10.14	-6.96	15.90	7.46	8.62	8.33
<i>HFRI FOF: Strategic</i>				1.08	2.92	3.82	-3.24	7.88	2.59	3.30	3.58
Private Equity (12/01) *	123,173	121,487	11.43	0.39	0.78	-1.50	-3.15	21.05	14.07	11.89	6.22

* Performance is reported net of fees.

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	Mar 2023 Market Value (\$000s)	Feb 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Fixed Income											
Core Bonds											
NT Aggregate Index Fund (2 bp) (04/04)	53,555	52,240	4.97	2.52	2.93	-0.04	-4.67	-2.77	0.95	1.40	3.07
<i>Bloomberg US Aggregate</i>				2.54	2.96	-0.09	-4.78	-2.77	0.91	1.36	3.06
Core Plus Bonds											
TCW Asset Management (34 bp) (10/93)	107,726	104,787	9.99	2.72	3.55	0.20	-5.26	-1.41	1.77	2.21	5.07
<i>Bloomberg US Aggregate</i>				2.54	2.96	-0.09	-4.78	-2.77	0.91	1.36	4.40
Multi Sector Fixed Income											
Loomis Sayles (35 bp) (09/21)	54,146	53,082	5.02	2.01	3.34	2.52	-4.24	--	--	--	-6.45
<i>Bloomberg Gov't/Credit</i>				2.82	3.17	0.23	-4.81	-2.63	1.16	1.50	-7.51
Real Assets											
Real Estate											
JPM Strategic Property Fund (92 bp) (04/12)	105,395	108,323	9.78	-2.70	-2.99	-8.99	-4.70	7.03	6.57	8.89	9.24
<i>NFI ODCE Net</i>				-3.33	-3.33	-8.04	-3.87	7.48	6.57	8.48	8.58
UBS Trumbull Property Fund (68 bp) (01/13)	17,888	17,888	1.66	0.00	-5.20	-5.19	-1.38	5.55	3.96	6.81	6.80
<i>NFI ODCE Net</i>				-3.33	-3.33	-8.04	-3.87	7.48	6.57	8.48	8.51
Colcord Center (11/07) ³	4,800	4,800	0.45	-2.69	-3.09	2.87	-1.00	4.60	4.89	5.63	5.14
Value Add Real Estate (02/22)	8,850	8,303	0.82	-1.51	-1.51	6.47	6.47	--	--	--	15.39
Cash and Equivalents (03/10)	2,050	3,163	0.19	0.43	1.22	2.80	3.02	1.16	1.61	1.09	0.93

³ Performance is based on monthly cash flows and an annual appraisal valuation.

Investment management fee estimates stated after the manager names are calculated based on March 31, 2021 market values and exclude performance based fees.

Global Private Equity

For the Period Ending March 31, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-1,574,136	368,494	-1,205,642

Summary of Portfolio Inception to Date

	Inception Date	Committed	Drawn to Date	Remaining Commitment	Distributions to Date	Adjusted Ending Value	Total Value	Total Value to Paid-in
Total	Dec-01	210,185,000	139,496,666	74,694,746	75,027,653	123,172,858	198,200,511	1.42x
AMR I	Dec-01	8,000,000	8,352,692	-	9,400,696	-	9,400,696	1.13x
Knightsbridge VI	Dec-04	10,000,000	9,506,658	493,342	15,170,861	2,138,198	17,309,059	1.82x
AMR / APEP II	Dec-05	10,000,000	10,110,724	18,407	12,616,531	45,242	12,661,773	1.25x
Knightsbridge VII	Aug-08	7,500,000	6,247,505	1,252,495	12,607,622	6,228,501	18,836,123	3.01x
Apollo VIII	Feb-14	10,000,000	10,583,139	1,054,177	11,539,403	3,798,431	15,337,833	1.45x
Warburg Pincus XII	Dec-15	10,000,000	9,865,000	135,000	10,331,292	10,136,248	20,467,540	2.07x
Apollo IX	Mar-19	8,500,000	7,622,831	2,689,442	2,799,212	7,601,358	10,400,570	1.36x
Warburg Pincus Global Growth	Mar-19	40,000,000	35,180,000	4,820,000	290,000	46,625,521	46,915,521	1.33x
FirstMark Capital Opportunity Fund III	Jun-20	5,000,000	5,075,000	-	126,123	5,217,718	5,343,841	1.05x
CVI Credit Value Fund A V LP	Jul-20	15,000,000	9,750,000	5,250,000	-	10,382,446	10,382,446	1.06x
FirstMark Capital Fund V	Jul-20	5,000,000	3,200,000	1,800,000	114,914	4,238,906	4,353,820	1.36x
Oaktree Opportunities Fund XI	Aug-20	15,000,000	10,500,000	4,500,000	31,000	12,103,197	12,134,197	1.16x
Francisco Partners Agility II	Sep-20	4,050,000	2,577,825	1,472,175	-	2,905,437	2,905,437	1.13x
Francisco Partners VI	Jan-21	12,135,000	8,925,292	3,209,708	-	9,799,894	9,799,894	1.10x
Warburg Pincus Global Growth 14	Jun-22	10,000,000	2,000,000	8,000,000	-	1,951,761	1,951,761	0.98x
FirstMark Capital OF IV		5,000,000	-	5,000,000	-	-	-	-
FirstMark Capital VI		5,000,000	-	5,000,000	-	-	-	-
Clayton, Dubilier, & Rice Fund XII		10,000,000	-	10,000,000	-	-	-	-
Francisco Partners Agility III		5,000,000	-	5,000,000	-	-	-	-
Francisco Partners VII		15,000,000	-	15,000,000	-	-	-	-

Global Private Equity

For the Period Ending March 31, 2023

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-1,574,136	368,494	-1,205,642
Oaktree Opportunities Fund XI	3/23/2023	Capital Call	-1,500,000	-	
Apollo VIII	3/28/2023	Distribution	-	363,333	
Apollo VIII	3/28/2023	Interest/Expense Paid	-938	-	
Apollo VIII	3/28/2023	Capital Call for Fees	-4,207	-	
Apollo VIII	3/28/2023	Capital Call	-68,991	-	
Oaktree Opportunities Fund XI	3/28/2023	Distribution	-	5,161	

Value Add Real Estate

For the Period Ending March 31, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-674,899	-	-674,899

Summary of Portfolio Inception to Date

	Inception Date	Committed	Drawn to Date	Remaining Commitment	Distributions to Date	Adjusted Ending Value	Total Value	Total Value to Paid-in
Total	Jan-22	70,000,000	8,074,899	61,925,101	-	8,849,643	8,849,643	1.10x
Starwood Distressed Opp. Fund XII	Jan-22	30,000,000	6,000,000	24,000,000	-	6,920,507	6,920,507	1.15x
Angelo Gordon XI	Oct-22	20,000,000	2,000,000	18,000,000	-	1,854,237	1,854,237	0.93x
Blackstone Real Estate Partners X	Mar-23	20,000,000	74,899	19,925,101	-	74,899	74,899	1.00x

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-674,899	-	-674,899
Angelo Gordon XI	3/22/2023	Capital Call	-600,000	-	
Blackstone Real Estate Partners X	3/24/2023	Capital Call	-74,899	-	

Market Overview

For the Periods Ending March 31, 2023

	1 Month (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core							
S&P 500	3.67	7.50	9.98	-7.73	18.60	11.19	12.24
Russell 1000	3.16	7.46	9.93	-8.39	18.55	10.87	12.01
Russell Mid Cap	-1.53	4.06	9.70	-8.78	19.20	8.05	10.05
Russell 2000	-4.78	2.74	6.75	-11.61	17.51	4.71	8.04
Equity Markets - Growth							
Russell 1000 Growth	6.84	14.37	12.67	-10.90	18.58	13.66	14.59
Russell Mid Cap Growth	1.38	9.14	15.91	-8.52	15.20	9.07	11.17
Russell 2000 Growth	-2.47	6.07	10.72	-10.60	13.36	4.26	8.49
Equity Markets - Value							
Russell 1000 Value	-0.46	1.01	7.17	-5.91	17.93	7.50	9.13
Russell Mid Cap Value	-3.15	1.32	6.40	-9.22	20.69	6.54	8.80
Russell 2000 Value	-7.17	-0.66	2.74	-12.96	21.01	4.55	7.22
International Markets							
MSCI EAFE	2.61	8.62	15.67	-0.86	13.52	4.03	5.50
MSCI ACWI ex US	2.55	7.00	10.38	-4.57	12.32	2.97	4.65
MSCI World	3.16	7.88	11.33	-6.54	16.96	8.57	9.44
MSCI Emerging Markets	3.07	4.02	1.17	-10.30	8.23	-0.53	2.37
MSCI EM SC	0.98	3.94	6.94	-10.47	21.25	2.24	3.56
Fixed Income							
ICE BofA ML 1-3 Yr Treasury	1.60	1.56	0.70	0.20	-0.81	1.11	0.81
Bloomberg Intermediate Agg	2.15	2.39	0.15	-2.79	-1.96	1.00	1.22
Bloomberg Intermediate G/C	2.30	2.33	0.72	-1.66	-1.28	1.40	1.32
Bloomberg US Aggregate	2.54	2.96	-0.09	-4.78	-2.77	0.91	1.36
Bloomberg Gov't/Credit	2.82	3.17	0.23	-4.81	-2.63	1.16	1.50
ICE BofA ML High Yield Master II	1.13	3.72	7.12	-3.56	5.84	3.06	4.03
FTSE World Govt Bond	3.78	3.51	-0.71	-9.55	-5.29	-2.35	-0.60
Bloomberg Multiverse	3.08	3.02	0.58	-7.90	-3.06	-1.24	0.22

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