
Oklahoma Law Enforcement Retirement System

Market Update and Portfolio Review

May 31, 2023



2018 2019 2020 2021 2022

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.

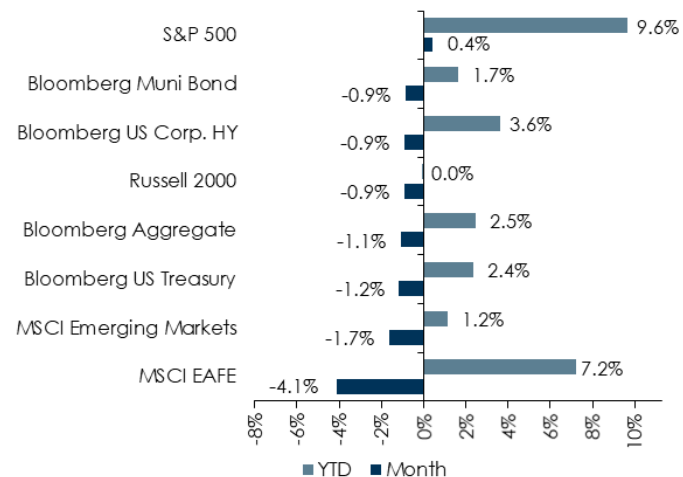
Methodology and Disclosure: Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and union 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

- Concerns over the US debt ceiling dominated headlines, though a deal was in place and advancing through Congress by month-end
- The US Fed increased the policy rate by 25 bps, while messaging from Fed Chairman Powell suggested the potential for a pause ahead
- CPI fell to an annual increase of 4.9%, marginally less than estimated, however core PCE, the Fed's preferred gauge, rose from 4.6% to 4.7%

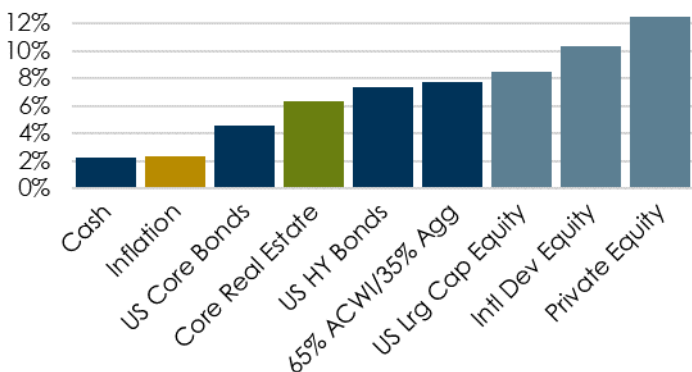
Market Returns

- Most equity markets fell; mega-cap tech outperformed
- Rising rates hurt bond returns



Source: Bloomberg, ACG Research (as of 5/31/2023)

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
Int'l 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

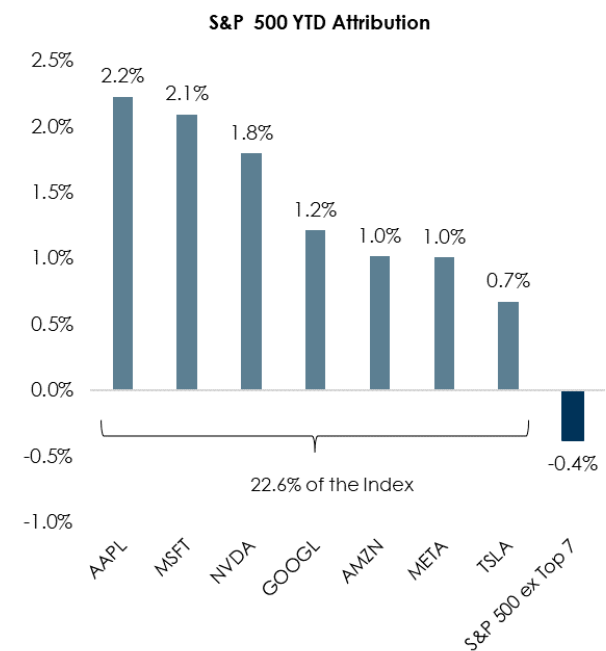
Recent Articles (click on links below)

- [US Banking System & the Economy \(May\)](#)
- [Covid – Three-Year Update \(March\)](#)
- [China Reopening \(January\)](#)

Key Risk Factors We Are Watching

- Inflation and labor market data
- Tightening financial conditions
- Fed policy mistake
- Downward revisions to corporate earnings
- Ongoing geopolitical tensions
- Weaker than expected China recovery

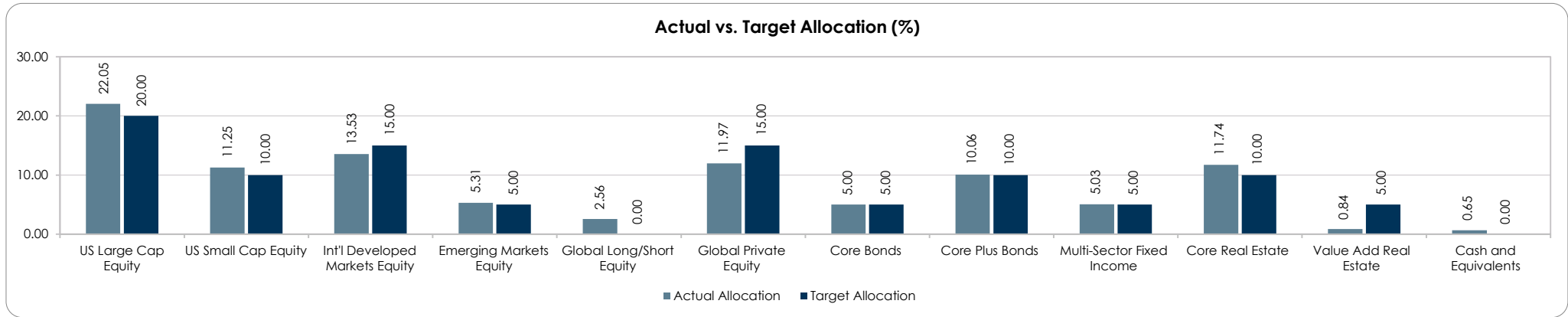
Tech Performance Drives S&P 500 YTD Gains



Source: Morningstar (as of 5/31/23)

Oklahoma Law Enforcement Retirement System

For the Periods Ending May 31, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)	
Total Portfolio	1,066,257	100.00	100.00			
Equity	710,955	66.68	65.00	1.68		
US Large Cap Equity	235,157	22.05	20.00	2.05	15.00	25.00
US Small Cap Equity	119,978	11.25	10.00	1.25	5.00	15.00
Int'l Developed Markets Equity	144,311	13.53	15.00	-1.47	10.00	20.00
Emerging Markets Equity	56,582	5.31	5.00	0.31	0.00	10.00
Global Long/Short Equity	27,248	2.56	0.00	2.56	0.00	10.00
Global Private Equity	127,680	11.97	15.00	-3.03	10.00	20.00
Fixed Income	214,228	20.09	20.00	0.09		
Core Bonds	53,305	5.00	5.00	-0.00	0.00	10.00
Core Plus Bonds	107,287	10.06	10.00	0.06	5.00	15.00
Multi-Sector Fixed Income	53,636	5.03	5.00	0.03	0.00	10.00
Real Assets	134,124	12.58	15.00	-2.42		
Core Real Estate	125,173	11.74	10.00	1.74	5.00	15.00
Value Add Real Estate	8,951	0.84	5.00	-4.16	0.00	10.00
Cash and Equivalents	6,950	0.65	0.00	0.65		

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For the Periods Ending May 31, 2023

	May 2023 Market Value (\$000s)	Apr 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/92)	1,066,257	1,077,467	100.00	-0.84	3.30	3.35	-2.03	6.89	4.93	6.39	7.47
<i>Policy Index</i> ¹				-0.87	4.39	5.21	-0.11	7.06	6.05	6.99	7.73
US Large Cap Equity (04/10)	235,157	234,504	22.05	0.28	9.29	11.51	0.31	12.71	10.20	12.07	12.35
<i>S&P 500</i>				0.43	9.65	12.18	2.92	12.92	11.01	11.99	12.35
US Small Cap Equity (11/09)	119,978	120,840	11.25	-0.71	0.32	5.99	-2.46	11.60	4.66	8.08	11.34
<i>Russell 2000</i>				-0.92	-0.04	3.86	-4.68	9.23	2.74	7.36	10.18
Non-US Equity (04/94)	200,892	206,893	18.84	-2.89	6.38	7.66	-1.09	7.41	3.07	4.52	5.60
<i>MSCI ACWI ex US</i>				-3.54	5.09	8.41	-0.87	7.75	2.71	4.31	5.37
Global Long/Short Equity (04/10)	27,248	30,895	2.56	1.66	4.68	8.27	4.29	0.45	0.08	3.55	4.07
<i>MSCI ACWI</i>				-1.00	7.95	10.66	1.38	10.59	7.30	8.38	8.48
<i>HFRI FOF: Strategic</i>				0.03	1.66	2.56	0.80	4.73	2.15	3.00	2.92
Global Private Equity (12/01) *	127,680	124,227	11.97	0.76	1.26	-1.03	-2.65	21.24	14.18	11.95	6.19
Fixed Income (10/90)	214,228	216,880	20.09	-1.18	2.81	0.18	-1.99	-3.43	-0.01	1.15	5.91
<i>Bloomberg US Aggregate</i>				-1.09	2.46	-0.58	-2.14	-3.65	0.81	1.39	5.11
Real Assets (06/99)	134,124	135,115	12.58	-1.28	-5.53	-9.62	-8.10	6.23	4.79	6.20	6.83
<i>Real Assets Blended Index</i> ²				0.00	-3.38	-8.09	-3.92	7.46	5.29	5.79	6.20
Cash and Equivalents (06/11)	6,950	8,112	0.65	0.48	2.13	3.72	3.84	1.43	1.73	1.18	1.05

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.

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	May 2023 Market Value (\$000s)	Apr 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	YTD (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity											
US Large Cap Equity											
Hotchkis and Wiley (30 bp) (05/90)	62,758	65,955	5.89	-4.85	-0.82	7.96	-5.22	18.80	7.46	9.85	10.42
<i>Russell 1000 Value</i>				-3.86	-1.43	4.59	-4.55	11.63	6.78	8.42	9.62
NT S&P 500 Index Fund (1 bp) (08/08)	102,936	102,492	9.65	0.43	9.65	12.18	2.92	12.95	11.03	11.99	10.61
<i>S&P 500</i>				0.43	9.65	12.18	2.92	12.92	11.01	11.99	10.59
Polen (50 bp) (01/19)	69,463	66,057	6.51	5.16	20.38	13.95	2.81	5.55	--	--	13.55
<i>Russell 1000 Growth</i>				4.56	20.76	18.97	9.55	12.85	13.84	14.76	17.81
US Small Cap Equity											
Kennedy Capital (89 bp) (07/93)	57,349	58,857	5.38	-2.56	-4.57	3.24	-6.54	18.44	5.24	8.84	11.98
<i>Russell 2000 Value</i>				-1.97	-5.04	-1.79	-11.50	13.60	2.09	6.43	9.05
Wellington (80 bp) (09/16)	62,629	61,983	5.87	1.04	5.26	8.87	2.07	4.65	3.51	--	7.99
<i>Russell 2000 Growth</i>				0.02	4.86	9.46	2.68	4.62	2.74	7.90	7.20
International Developed Markets Equity											
Mondrian International (52 bp) (01/05)	75,816	79,580	7.11	-4.73	8.13	8.44	-0.74	10.39	2.55	4.35	4.76
<i>MSCI EAFE NetDiv</i>				-4.23	6.81	13.60	3.06	8.53	3.21	4.56	4.45
<i>MSCI EAFE Value NetDiv</i>				-5.39	3.46	11.15	0.08	10.61	1.55	3.16	3.36
Barings Focused EAFE Plus Equity (40 bp) (02/12)	68,495	70,957	6.42	-3.47	7.02	12.83	3.01	6.35	2.89	5.19	5.31
<i>MSCI ACWI ex US NetDiv</i>				-3.64	4.77	7.87	-1.41	7.23	2.22	3.83	4.60
Emerging Markets Equity											
William Blair EM Leaders (76 bp) (10/16)	39,796	40,055	3.73	-0.65	0.98	-1.99	-7.45	1.67	0.67	--	4.27
<i>MSCI Emerging Markets</i>				-1.65	1.16	-1.61	-8.07	3.86	-0.29	2.27	3.64
Wasatch Advisors (110 bp) (07/12)	16,786	16,301	1.57	3.09	9.58	9.20	-2.62	9.19	6.84	4.94	6.38
<i>MSCI EM SC</i>				1.14	5.86	8.92	-2.47	15.88	3.06	3.59	5.09
Long/Short Equity											
Grosvenor (80 bp) (02/08)	354	357	0.03	-0.48	16.76	9.37	8.55	8.12	4.60	5.87	4.39
<i>MSCI ACWI</i>				-1.00	7.95	10.66	1.38	10.59	7.30	8.38	6.39
<i>HFRI FOF: Strategic</i>				0.03	1.66	2.56	0.80	4.73	2.15	3.00	1.78
K2 Ascent (27 bp) (08/20)	26,894	30,538	2.52	1.69	4.55	8.23	4.22	--	--	--	-0.14
<i>MSCI ACWI</i>				-1.00	7.95	10.66	1.38	10.59	7.30	8.38	8.00
<i>HFRI FOF: Strategic</i>				0.03	1.66	2.56	0.80	4.73	2.15	3.00	2.92
Private Equity (12/01) *	127,680	124,227	11.97	0.76	1.26	-1.03	-2.65	21.24	14.18	11.95	6.19

* Performance is reported net of fees.

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Fixed Income											
Core Bonds											
NT Aggregate Index Fund (2 bp) (04/04) <i>Bloomberg US Aggregate</i>	53,305	53,882	5.00	-1.07 -1.09	2.45 2.46	-0.50 -0.58	-2.00 -2.14	-3.62 -3.65	0.85 0.81	1.43 1.39	3.01 3.01
Core Plus Bonds											
TCW Asset Management (34 bp) (10/93) <i>Bloomberg US Aggregate</i>	107,287	108,520	10.06	-1.05 -1.09	3.22 2.46	-0.13 -0.58	-2.11 -2.14	-2.62 -3.65	1.64 0.81	2.22 1.39	5.03 4.36
Multi Sector Fixed Income											
Loomis Sayles (35 bp) (09/21) <i>Bloomberg Gov't/Credit</i>	53,636	54,479	5.03	-1.55 -1.24	2.37 2.53	1.55 -0.38	-1.87 -1.96	-- -3.73	-- 1.06	-- 1.51	-6.36 -7.15
Real Assets											
Real Estate											
JPM Strategic Property Fund (92 bp) (04/12) <i>NFI ODCE Net</i>	103,774	104,867	9.73	-1.04 0.00	-4.27 -3.38	-10.19 -8.09	-8.70 -3.92	6.70 7.46	6.00 6.56	8.55 8.47	8.97 8.44
UBS Trumbull Property Fund (68 bp) (01/13) <i>NFI ODCE Net</i>	16,598	16,598	1.56	0.00 0.00	-11.87 -3.38	-11.86 -8.09	-8.32 -3.92	3.02 7.46	2.45 6.56	6.03 8.47	5.95 8.37
Colcord Center (11/07) ³	4,800	4,800	0.45	-0.79	-3.81	2.11	-2.17	4.16	4.57	5.56	5.03
Value Add Real Estate (02/22)	8,951	8,850	0.84	-6.64	-8.05	-0.61	-0.61	--	--	--	7.65
Cash and Equivalents (03/10)	6,950	8,112	0.65	0.48	2.13	3.72	3.84	1.43	1.73	1.18	0.98

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 May 31, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-2,500,000	-	-2,500,000

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	232,685,000	143,580,786	93,035,626	75,432,695	127,679,857	203,112,552	1.41x
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	1,827,463	16,998,324	1.79x
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	12,854,689	5,423,529	18,278,218	2.93x
Apollo VIII	Feb-14	10,000,000	10,583,139	1,054,177	11,539,403	3,689,933	15,229,336	1.44x
Warburg Pincus XII	Dec-15	10,000,000	9,865,000	135,000	10,414,267	9,662,602	20,076,869	2.04x
Apollo IX	Mar-19	8,500,000	7,622,831	2,689,442	2,799,212	8,108,468	10,907,680	1.43x
Warburg Pincus Global Growth	Mar-19	40,000,000	36,180,000	3,820,000	290,000	49,225,211	49,515,211	1.37x
FirstMark Capital Opportunity Fund III	Jun-20	5,000,000	5,000,000	-	201,123	4,964,423	5,165,546	1.03x
CVI Credit Value Fund A V LP	Jul-20	15,000,000	9,750,000	5,250,000	-	10,327,358	10,327,358	1.06x
FirstMark Capital Fund V	Jul-20	5,000,000	3,325,000	1,675,000	114,914	3,696,654	3,811,568	1.15x
Oaktree Opportunities Fund XI	Aug-20	15,000,000	12,000,000	3,000,000	31,000	13,676,349	13,707,349	1.14x
Francisco Partners Agility II	Sep-20	4,050,000	2,577,825	1,472,175	-	3,299,762	3,299,762	1.28x
Francisco Partners VI	Jan-21	12,135,000	10,284,412	1,850,588	-	11,597,770	11,597,770	1.13x
Warburg Pincus Global Growth 14	Jun-22	10,000,000	2,000,000	8,000,000	-	1,960,093	1,960,093	0.98x
FirstMark Capital OF IV	Apr-23	5,000,000	175,000	4,825,000	-	175,000	175,000	1.00x
FirstMark Capital VI		5,000,000	-	5,000,000	-	-	-	-
Clayton, Dubilier, & Rice Fund XII		10,000,000	-	10,000,000	-	-	-	-
Saw Mill Capital Partners III		12,500,000	-	12,500,000	-	-	-	-
TrueBridge Capital Partners Fund VIII		5,000,000	-	5,000,000	-	-	-	-
TrueBridge Secondaries I		5,000,000	-	5,000,000	-	-	-	-
Francisco Partners Agility III		5,000,000	-	5,000,000	-	-	-	-
Francisco Partners VII		15,000,000	-	15,000,000	-	-	-	-

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-2,500,000	-	-2,500,000
Warburg Pincus Global Growth	5/19/2023	Capital Call	-1,000,000	-	
Oaktree Opportunities Fund XI	5/26/2023	Capital Call	-1,500,000	-	

Value Add Real Estate

For the Period Ending May 31, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-708,847	-	-708,847

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	8,783,746	61,322,921	-	8,950,711	8,950,711	1.02x
Starwood Distressed Opp. Fund XII	Jan-22	30,000,000	6,000,000	24,000,000	-	6,621,098	6,621,098	1.10x
Angelo Gordon XI	Oct-22	20,000,000	2,000,000	18,000,000	-	1,724,881	1,724,881	0.86x
Blackstone Real Estate Partners X	Mar-23	20,000,000	783,746	19,322,921	-	604,732	604,732	0.77x

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-708,847	-	-708,847
Blackstone Real Estate Partners X	5/02/2023	Capital Call for Fees - No Commitment	-106,667	-	
Blackstone Real Estate Partners X	5/22/2023	Capital Call	-602,180	-	

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