

Oklahoma Law Enforcement Retirement System

Market Update and Portfolio Review

June 30, 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.

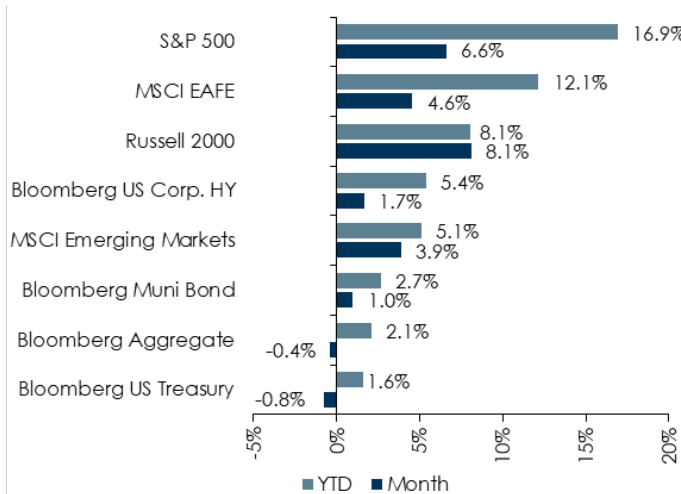
Methodology and Disclosure: Between February and November of 2022, Coalition Greenwich (previously known as Greenwich Associates), conducted in-person and phone interviews and online surveys with 727 professionals at 590 of the largest tax-exempt funds in the United States, including corporate and union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

- Market returns were largely positive as the resolution of the debt ceiling, fading banking crisis, and positive economic data lifted sentiment
- The US Fed paused its rate hiking campaign, but with hawkish forward guidance that projected two additional rate hikes in 2023
- 1st quarter US GDP growth was revised sharply upward from 1.3% to 2.0% and inflation continued to moderate, with headline CPI falling to 4.0% y/y

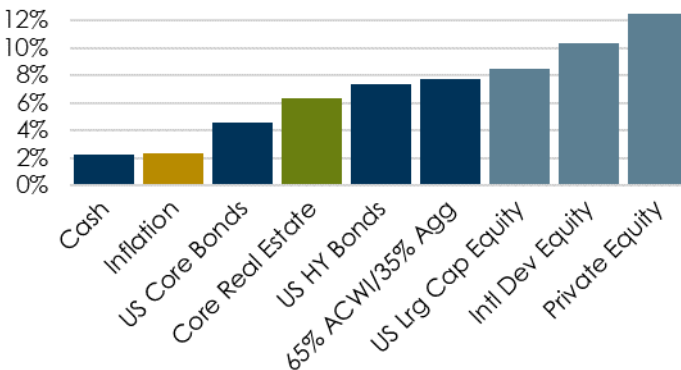
Market Returns

- Markets generally positive in June to close out a strong first half
- US Large Caps lead YTD on resilient economy, tech optimism



Source: Bloomberg, ACG Research (as of 6/30/2023)

Average Annual Return Assumptions (Next 10 Years)



Asset Class Valuations - Rebalancing Rationale

- Equities currently priced for a benign economic outcome
- Favor core bonds (US Treasuries) over high yield
- Cash remains attractive with yields around 5%

Asset Class	Current Valuation	Rationale
US Large Cap	Overvalued	Expensive valuations
US Small Cap	Fairly Valued	Balanced upside/downside risks
Int'l Developed	Fairly Valued	Favorable valuations but stagnant outlook
Emerging Mkt	Fairly Valued	Balanced upside/downside risks

Cash	Undervalued	High current yield
Core Bonds	Undervalued	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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Legend: Overvalued (Red), Fairly Valued (Yellow), Undervalued (Green)

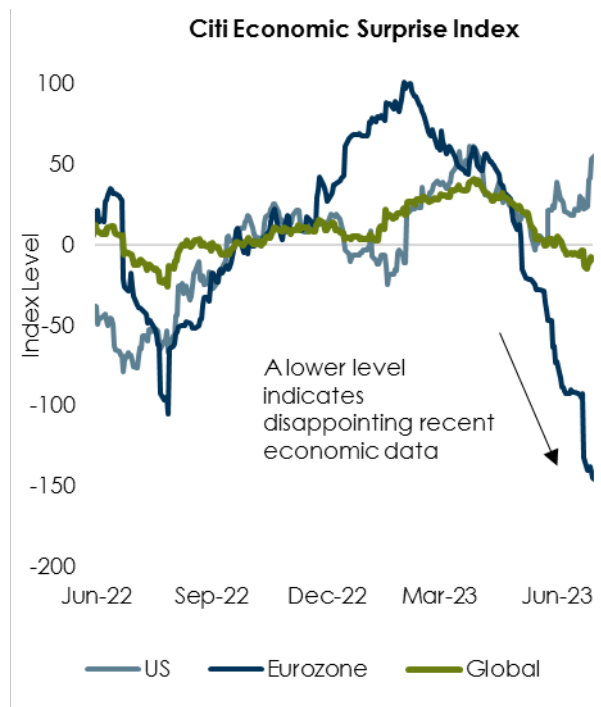
Recent Articles (click on links below)

- [Market Volatility \(July\)](#)
- [US Banking System & the Economy \(May\)](#)
- [Covid – Three-Year Update \(March\)](#)

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

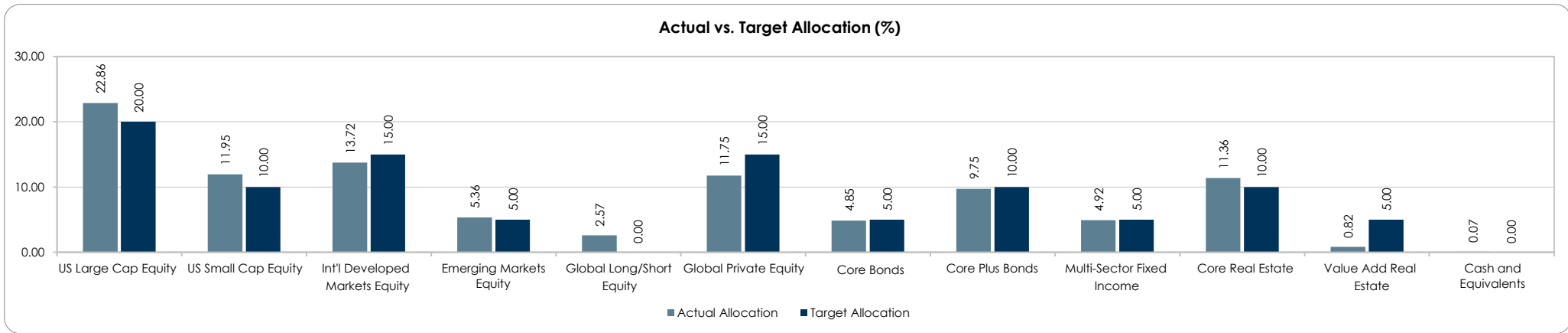
Recent Economic Data Has Favored US Market



Source: Bloomberg (as of 6/30/23)

Oklahoma Law Enforcement Retirement System

For the Periods Ending June 30, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)
Total Portfolio	1,094,872	100.00	100.00		
Equity	746,924	68.22	65.00	3.22	
US Large Cap Equity	250,271	22.86	20.00	2.86	15.00 - 25.00
US Small Cap Equity	130,847	11.95	10.00	1.95	5.00 - 15.00
Int'l Developed Markets Equity	150,261	13.72	15.00	-1.28	10.00 - 20.00
Emerging Markets Equity	58,717	5.36	5.00	0.36	0.00 - 10.00
Global Long/Short Equity	28,178	2.57	0.00	2.57	0.00 - 10.00
Global Private Equity	128,649	11.75	15.00	-3.25	10.00 - 20.00
Fixed Income	213,766	19.52	20.00	-0.48	
Core Bonds	53,115	4.85	5.00	-0.15	0.00 - 10.00
Core Plus Bonds	106,794	9.75	10.00	-0.25	5.00 - 15.00
Multi-Sector Fixed Income	53,858	4.92	5.00	-0.08	0.00 - 10.00
Real Assets	133,373	12.18	15.00	-2.82	
Core Real Estate	124,353	11.36	10.00	1.36	5.00 - 15.00
Value Add Real Estate	9,020	0.82	5.00	-4.18	0.00 - 10.00
Cash and Equivalents	809	0.07	0.00	0.07	

Oklahoma Law Enforcement Retirement System

For the Periods Ending June 30, 2023

	Jun 2023 Market Value (\$000s)	May 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/92)	1,094,872	1,066,257	100.00	3.18	2.65	6.59	6.64	7.21	5.61	6.87	7.56
<i>Policy Index</i> ¹				3.54	3.51	8.08	8.93	7.73	6.79	7.52	7.83
US Large Cap Equity (04/10)	250,271	235,157	22.86	6.43	7.76	16.31	18.68	14.09	11.41	12.92	12.80
<i>S&P 500</i>				6.61	8.74	16.89	19.59	14.60	12.31	12.86	12.81
US Small Cap Equity (11/09)	130,847	119,978	11.95	9.06	6.70	9.41	15.59	13.50	6.43	9.03	11.98
<i>Russell 2000</i>				8.13	5.21	8.09	12.31	10.82	4.21	8.26	10.75
Non-US Equity (04/94)	208,978	200,892	19.09	4.12	2.72	10.76	12.10	6.85	4.22	5.39	5.73
<i>MSCI ACWI ex US</i>				4.54	2.67	9.86	13.33	7.75	4.01	5.24	5.52
Global Long/Short Equity (04/10)	28,178	27,248	2.57	3.42	5.79	8.26	11.97	0.90	0.79	4.01	4.30
<i>MSCI ACWI</i>				5.85	6.35	14.26	17.13	11.51	8.64	9.31	8.89
<i>HFRI FOF: Strategic</i>				1.28	1.60	2.88	3.79	4.21	2.59	3.31	3.00
Global Private Equity (12/01) *	128,649	127,680	11.75	0.04	0.52	1.30	-0.99	18.70	13.54	11.72	6.17
Fixed Income (10/90)	213,766	214,228	19.52	-0.22	-0.73	2.59	-0.04	-3.72	0.04	1.35	5.89
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	5.09
Real Assets (06/99)	133,373	134,124	12.18	-0.63	-3.02	-6.13	-10.20	6.60	4.66	5.91	6.78
<i>Real Assets Blended Index</i> ²				-2.84	-2.84	-6.12	-10.70	7.06	4.64	5.11	6.05
Cash and Equivalents (06/11)	809	6,950	0.07	0.44	1.34	2.58	4.18	1.57	1.78	1.23	1.08

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 June 30, 2023

	Jun 2023 Market Value (\$000s)	May 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity											
US Large Cap Equity											
Hotchkis and Wiley (30 bp) (05/90)	67,561	62,758	6.17	7.65	3.36	6.77	16.23	20.67	8.82	10.73	10.64
<i>Russell 1000 Value</i>				6.64	4.07	5.12	11.54	14.30	8.11	9.22	9.80
NT S&P 500 Index Fund (1 bp) (08/08)	109,733	102,936	10.02	6.61	8.74	16.89	19.59	14.60	12.31	12.86	11.00
<i>S&P 500</i>				6.61	8.74	16.89	19.59	14.60	12.31	12.86	11.00
Polen (50 bp) (01/19)	72,978	69,463	6.67	5.06	10.65	26.47	19.71	6.12	--	--	14.54
<i>Russell 1000 Growth</i>				6.84	12.81	29.02	27.11	13.73	15.14	15.75	19.19
US Small Cap Equity											
Kennedy Capital (89 bp) (07/93)	63,286	57,349	5.78	10.35	4.98	5.31	13.92	20.70	7.29	9.91	12.31
<i>Russell 2000 Value</i>				7.94	3.18	2.50	6.01	15.43	3.54	7.29	9.30
Wellington (80 bp) (09/16)	67,561	62,629	6.17	7.88	8.37	13.55	17.44	6.20	5.02	--	9.09
<i>Russell 2000 Growth</i>				8.29	7.05	13.55	18.53	6.10	4.22	8.83	8.37
International Developed Markets Equity											
Mondrian International (52 bp) (01/05)	79,227	75,816	7.24	4.64	3.17	13.14	13.46	10.79	3.74	5.10	5.00
<i>MSCI EAFE NetDiv</i>				4.55	2.95	11.67	18.77	8.93	4.39	5.41	4.68
<i>MSCI EAFE Value NetDiv</i>				5.62	3.15	9.28	17.40	11.34	2.93	4.15	3.65
Barings Focused EAFE Plus Equity (40 bp) (02/12)	71,034	68,495	6.49	3.81	2.77	11.10	17.13	6.32	3.67	5.80	5.61
<i>MSCI ACWI ex US NetDiv</i>				4.49	2.44	9.47	12.72	7.22	3.52	4.75	4.97
Emerging Markets Equity											
William Blair EM Leaders (76 bp) (10/16)	41,478	39,796	3.79	4.23	0.95	5.25	2.15	-0.07	2.14	--	4.85
<i>MSCI Emerging Markets</i>				3.89	1.04	5.10	2.22	2.72	1.32	3.33	4.18
Wasatch Advisors (110 bp) (07/12)	17,239	16,786	1.57	2.82	4.82	12.66	12.27	7.46	8.07	6.09	6.60
<i>MSCI EM SC</i>				4.60	6.53	10.73	13.93	14.28	5.40	5.02	5.48
Long/Short Equity											
Grosvenor (80 bp) (02/08)	354	354	0.03	0.00	20.03	16.76	9.38	7.40	4.65	5.98	4.37
<i>MSCI ACWI</i>				5.85	6.35	14.26	17.13	11.51	8.64	9.31	6.75
<i>HFRI FOF: Strategic</i>				1.28	1.60	2.88	3.79	4.21	2.59	3.31	1.85
K2 Ascent (27 bp) (08/20)	27,824	26,894	2.54	3.46	5.66	8.17	11.97	--	--	--	1.04
<i>MSCI ACWI</i>				5.85	6.35	14.26	17.13	11.51	8.64	9.31	9.88
<i>HFRI FOF: Strategic</i>				1.28	1.60	2.88	3.79	4.21	2.59	3.31	3.26
Private Equity (12/01) *	128,649	127,680	11.75	0.04	0.52	1.30	-0.99	18.70	13.54	11.72	6.17

* Performance is reported net of fees.

Oklahoma Law Enforcement Retirement System

For the Periods Ending June 30, 2023

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Fixed Income											
Core Bonds											
NT Aggregate Index Fund (2 bp) (04/04) <i>Bloomberg US Aggregate</i>	53,115	53,305	4.85	-0.35 -0.36	-0.82 -0.84	2.09 2.09	-0.85 -0.94	-3.93 -3.96	0.81 0.77	1.56 1.52	2.98 2.98
Core Plus Bonds											
TCW Asset Management (34 bp) (10/93) <i>Bloomberg US Aggregate</i>	106,794	107,287	9.75	-0.46 -0.36	-0.79 -0.84	2.74 2.09	-0.59 -0.94	-3.13 -3.96	1.55 0.77	2.43 1.52	5.00 4.34
Multi Sector Fixed Income											
Loomis Sayles (35 bp) (09/21) <i>Bloomberg Gov't/Credit</i>	53,858	53,636	4.92	0.41 -0.32	-0.53 -0.93	2.79 2.21	1.97 -0.70	-- -4.11	-- 1.03	-- 1.66	-5.87 -7.00
Real Assets											
Real Estate											
JPM Strategic Property Fund (92 bp) (04/12) <i>NFI ODCE Net</i>	103,507	103,774	9.45	-0.26 -2.84	-1.57 -2.84	-4.52 -6.12	-10.42 -10.70	7.19 7.06	5.82 5.57	8.30 7.78	8.87 8.10
UBS Trumbull Property Fund (68 bp) (01/13) <i>NFI ODCE Net</i>	16,046	16,598	1.47	-3.33 -2.84	-10.13 -2.84	-14.81 -6.12	-14.79 -10.70	2.70 7.06	1.40 5.57	5.32 7.78	5.56 8.00
Colcord Center (11/07) ³	4,800	4,800	0.44	-0.65	-1.39	-4.44	1.44	3.73	5.42	5.51	4.96
Value Add Real Estate (02/22)	9,020	8,951	0.82	0.00	-6.64	-8.05	-0.61	--	--	--	7.18
Cash and Equivalents (03/10)	809	6,950	0.07	0.44	1.34	2.58	4.18	1.57	1.78	1.22	1.01

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 June 30, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-1,641,841	727,801	-914,040

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	145,222,626	91,479,654	76,160,495	128,649,339	204,809,835	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	1,670,932	16,841,793	1.77x
AMR / APEP II	Dec-05	10,000,000	10,110,724	18,407	12,616,531	31,327	12,647,858	1.25x
Knightsbridge VII	Aug-08	7,500,000	6,247,505	1,252,495	12,854,689	5,598,334	18,453,023	2.95x
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	7,638,548	2,708,470	3,017,479	7,905,918	10,923,397	1.43x
Warburg Pincus Global Growth	Mar-19	40,000,000	36,180,000	3,820,000	794,000	48,721,211	49,515,211	1.37x
FirstMark Capital Opportunity Fund III	Jun-20	5,000,000	5,051,123	-	201,123	5,015,546	5,216,669	1.03x
CVI Credit Value Fund A V LP	Jul-20	15,000,000	9,750,000	5,250,000	-	10,378,441	10,378,441	1.06x
FirstMark Capital Fund V	Jul-20	5,000,000	4,000,000	1,000,000	114,914	4,371,654	4,486,568	1.12x
Oaktree Opportunities Fund XI	Aug-20	15,000,000	12,750,000	2,250,000	36,532	14,420,816	14,457,349	1.13x
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	325,000	4,675,000	-	325,000	325,000	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	-	-	-	-

Global Private Equity

For the Period Ending June 30, 2023

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-1,641,841	727,801	-914,040
Apollo IX	6/09/2023	Recallable Distribution	-	34,746	
Apollo IX	6/09/2023	Distribution	-	183,522	
Apollo IX	6/09/2023	Capital Call	-15,717	-	
Oaktree Opportunities Fund XI	6/09/2023	Distribution	-	5,533	
Warburg Pincus Global Growth	6/20/2023	Distribution	-	504,000	
Oaktree Opportunities Fund XI	6/26/2023	Capital Call	-750,000	-	
FirstMark Capital Fund V	6/29/2023	Capital Call	-675,000	-	
FirstMark Capital OF IV	6/29/2023	Capital Call	-150,000	-	
FirstMark Capital Opportunity Fund III	6/29/2023	Capital Call	-51,123	-	

Value Add Real Estate

For the Period Ending June 30, 2023

Summary of Cash Flows for 1 Month

Cash Outflows	Cash Inflows	Net Cash Flows
-69,299	-	-69,299

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	8,853,045	61,253,621	-	9,020,011	9,020,011	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	853,045	19,253,621	-	674,032	674,032	0.79x

Cash Flow Activity for 1 Month

Fund Name	Date	Transaction Type	Cash Outflows	Cash Inflows	Net Cash Flows
Total			-69,299	-	-69,299
Blackstone Real Estate Partners X	6/21/2023	Capital Call	-69,299	-	

Market Overview

For the Periods Ending June 30, 2023

	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core							
S&P 500	6.61	8.74	16.89	19.59	14.60	12.31	12.86
Russell 1000	6.75	8.58	16.68	19.36	14.09	11.92	12.64
Russell Mid Cap	8.34	4.76	9.01	14.92	12.50	8.46	10.32
Russell 2000	8.13	5.21	8.09	12.31	10.82	4.21	8.26
Equity Markets - Growth							
Russell 1000 Growth	6.84	12.81	29.02	27.11	13.73	15.14	15.75
Russell Mid Cap Growth	7.73	6.23	15.94	23.13	7.63	9.71	11.53
Russell 2000 Growth	8.29	7.05	13.55	18.53	6.10	4.22	8.83
Equity Markets - Value							
Russell 1000 Value	6.64	4.07	5.12	11.54	14.30	8.11	9.22
Russell Mid Cap Value	8.67	3.86	5.23	10.50	15.04	6.84	9.03
Russell 2000 Value	7.94	3.18	2.50	6.01	15.43	3.54	7.29
International Markets							
MSCI EAFE	4.58	3.22	12.13	19.41	9.48	4.90	5.91
MSCI ACWI ex US	4.54	2.67	9.86	13.33	7.75	4.01	5.24
MSCI World	6.09	7.00	15.43	19.13	12.71	9.63	10.09
MSCI Emerging Markets	3.89	1.04	5.10	2.22	2.72	1.32	3.33
MSCI EM SC	4.60	6.53	10.73	13.93	14.28	5.40	5.02
Fixed Income							
ICE BofA ML 1-3 Yr Treasury	-0.48	-0.57	0.98	0.13	-1.05	0.95	0.77
Bloomberg Intermediate Agg	-0.60	-0.75	1.62	-0.60	-2.89	0.83	1.33
Bloomberg Intermediate G/C	-0.68	-0.81	1.50	-0.10	-2.46	1.23	1.41
Bloomberg US Aggregate	-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52
Bloomberg Gov't/Credit	-0.32	-0.93	2.21	-0.70	-4.11	1.03	1.66
ICE BofA ML High Yield Master II	1.63	1.63	5.42	8.87	3.21	3.19	4.34
FTSE World Govt Bond	-0.01	-1.79	1.66	-2.49	-6.49	-2.04	-0.48
Bloomberg Multiverse	0.12	-1.39	1.59	-0.82	-4.67	-0.94	0.35

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