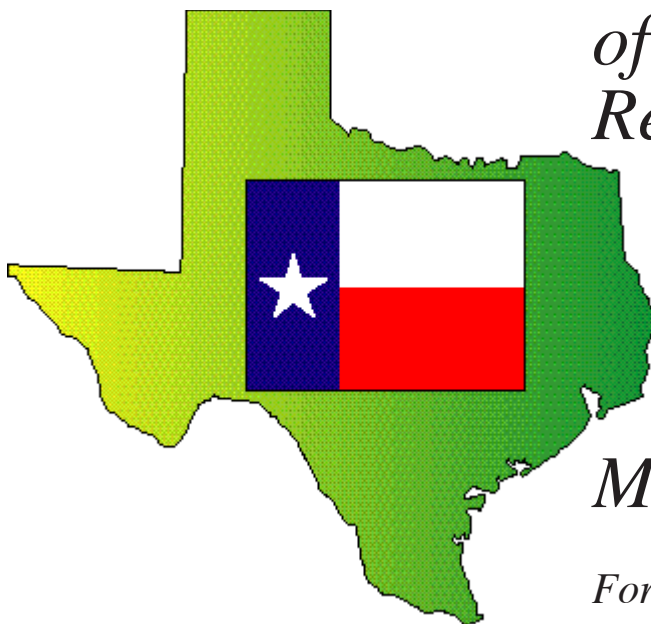


TEXPERS

Report on the Asset Allocation and Investment Performance of Texas Public Employee Retirement Systems



*The Texas Association
of Public Employee
Retirement Systems*

March 2015

For Periods Ending September 30, 2014



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TEXPERS®
 1225 North Loop West, Suite 909
 Houston, Texas 77008
 Tel: 713/622-8018 - Fax: 713/622-7022
 e-mail: texpers@texpers.org

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Prepared by:
Commonfund Institute

Key Findings

Fifty-two participating members contributed data for this year's Commonfund Benchmarks Study® Report on the Asset Allocation and Investment Performance of Texas Public Employee Retirement Systems and represented approximately \$53.0 billion in total assets.*

All (100 percent) participated in last year's Study, lending to the integrity of the data.

- Among all TEXPERS members, FY2014 dollar-weighted asset allocation (for the fiscal year ended September 30, 2014) was: domestic equities and alternative strategies, both 27 percent, respectively; fixed income, 22 percent; international equities: 20 percent, and short-term securities/cash/other: 4 percent.
- When measuring investment performance for survey respondents as a group over the 20-year period ending September 30, 2014 the respondents' composite investment return was 8.6%, compared to the average actuarial investment return assumption of 7.8%.
- For the trailing 15 years ended September 30, 2014 survey respondents' 6.4% return underperformed the 6.9% return for the Wilshire Median Public Fund for the same period.
- For the trailing 10 years ended September 30, 2014 survey respondents' 7.2% return underperformed the 7.8% return for the Wilshire Median Public Fund for the same period.
- Among all TEXPERS members, the average trailing five-year return was 9.5%, up from 7.8% reported in last year's report, as FY 2009's notably poor return was dropped from the calculation. The average trailing three-year return was also up considerably year over year, to 12.5% from 9.6%.

* The overall year-over-year drop in market value is due to one membership institution not participating in this year's Study.

Introduction

This report reviews the asset allocation and investment performance for local pension systems that are members of the Texas Association of Public Employee Retirement Systems (TEXPERS) for the one-, three-, five-, 10-, 15- and 20-year periods ending September 30, 2014. Both the aggregate TEXPERS and individual systems' asset allocation as well as investment performance will be examined.

The purpose of this report is to document TEXPERS member systems' diversification with respect to the types of assets invested in, and the investment performance of these systems with respect to their actuarially assumed returns, market benchmarks and other public funds. This will demonstrate that local systems are being managed in compliance with the "prudent expert" rule, which requires that fiduciaries of the system exercise their duties with the care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims.

Individual pension system data in this report was obtained from a December 2014 survey requesting asset allocation and investment return information from TEXPERS members. A total of sixty surveys were sent to TEXPERS members. Fifty-two surveys were completed and returned, all of whom participated in last year's Study. The member systems responding represent approximately \$53.0 billion in total assets. A copy of the survey is contained in Appendix 1 and a listing of TEXPERS members responding to the survey is contained in Appendix 2. Respondents that agreed to have their name disclosed in this report are listed in Appendix 3. A listing of actuarial return and inflation assumptions is in Appendix 4.

This year, we continue our partnership with Commonfund Institute, whose mission aligns with TEXPERS' primary objectives involving education and research. We believe that this partnership continues to be of great benefit to the TEXPERS community. Commonfund Institute houses the education and research activities of Commonfund and provides the entire community of long-term investors with investment information and professional development programs. Commonfund Institute is dedicated to the advancement of investment knowledge and the promotion of best practices in financial management.

Thanks to Wilshire Associates, Inc. for providing the market return and peer group comparison data.

TEXPERS Composite

Asset Allocation

Figure 1 illustrates the average dollar-weighted* asset allocation of survey respondents as a composite group. The Domestic and International Equity asset classes include investments such as U.S. and Non-U.S. common stocks. Fixed Income includes investments such as government and corporate bonds from domestic and international issuers. Alternative Strategies includes private equity, private equity real estate, venture capital, marketable alternative strategies and energy and natural resources.

Figure 1

Market Value \$53.0 Billion

As of September 30, 2014

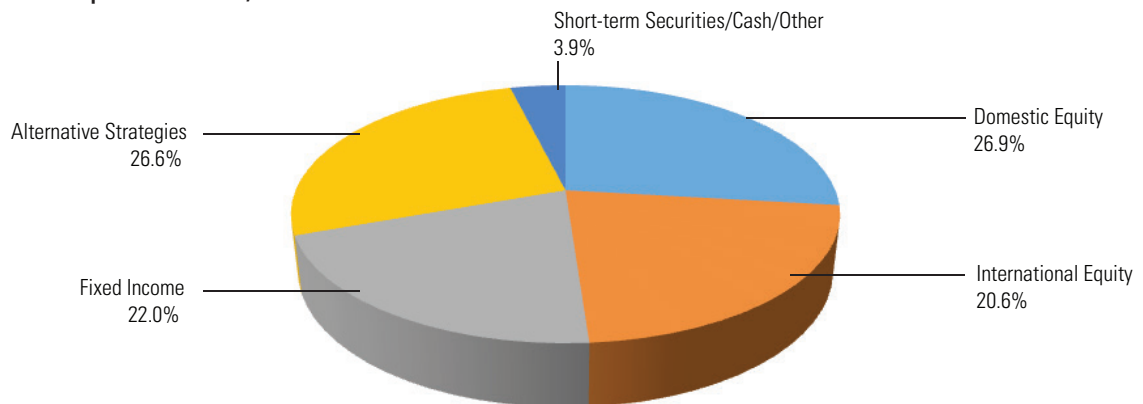
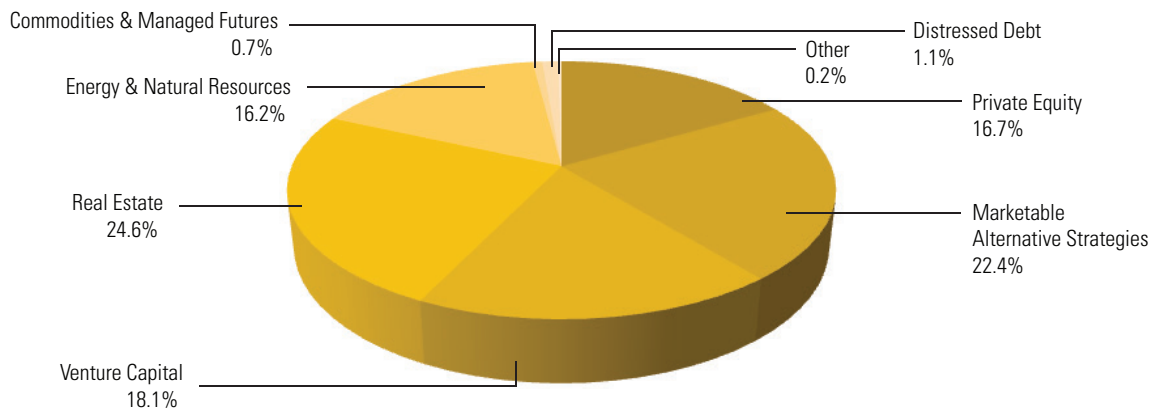


Figure 2

Alternative Strategies Breakout



The asset allocation demonstrates that, in aggregate, the respondents have a level of diversification within the norm for public pension systems.

*What is “dollar-weighted”?

Dollar-weighted means that individual responses are weighted according to size of asset base when calculating average results—meaning that responses from large participants have a greater impact on average results than those of smaller participants. By contrast, when overall results are calculated on an “equal-weighted” basis, each response has an equal impact on the average, regardless of the size of the respondent.

Investment Performance

Trailing Period Returns - Table

Table 1

Annualized Returns for the Periods Ending 9/30/2014	One Year	Three Years	Five Years	Ten Years	Fifteen Years	Twenty Years
TEXPERS Average	9.0	12.5	9.5	7.2	6.4	8.6
Actuarial Assumption	7.8	7.8	7.8	7.8	7.8	7.8

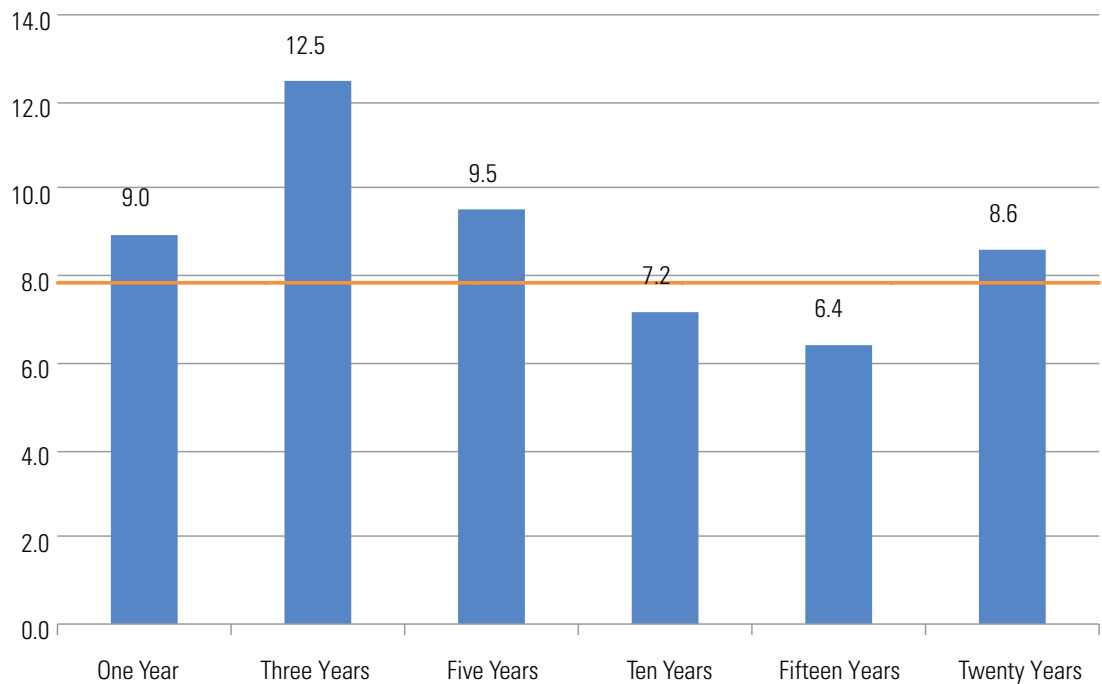
Table 1 and Figure 3 compare the survey respondents' average investment return over the one-, three-, five-, 10-, 15- and 20-year periods ending September 30, 2014 to their average actuarial investment return assumption of 7.8%. Even given several extraordinarily difficult market environments over the 20-year period the average annual return of 8.6% compares favorably to the actuarial return assumption of 7.8%.

Trailing Period Returns - Chart

Figure 3

Returns vs. Average Actuarial Assumption

For periods ending September 30, 2014



Individual Pension Systems

Asset Allocation

Table 2 details the percentage allocation to the major asset classes by each survey respondent.

Table 2

	1	2	3	4	5	6	7	8	9	10
Domestic Equity	28.00	32.57	36.18	35.64	44.33	38.00	35.86	12.51	37.49	40.86
Fixed Income	32.56	21.25	28.39	33.07	28.95	9.90	32.25	15.44	25.10	31.68
International Equity	24.93	30.82	20.33	31.20	13.44	21.50	27.03	8.44	13.92	26.29
Alternative strategies	13.57	7.66	12.59	0.00	12.64	20.30	4.79	62.40	6.30	0.00
Private Equity	2.84	0.00	3.92	0.00	0.00	0.00	0.00	19.56	0.00	0.00
Marketable alternative strategies	5.07	5.00	0.00	0.00	10.02	15.40	0.00	11.97	6.30	0.00
Venture capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private equity real estate	1.28	0.00	8.67	0.00	0.00	0.00	0.00	16.71	0.00	0.00
Energy & natural resources	0.00	2.66	0.00	0.00	2.62	2.60	0.00	14.16	0.00	0.00
Commodities & managed futures	4.38	0.00	0.00	0.00	0.00	2.30	4.79	0.00	0.00	0.00
Distressed debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alternatives not broken out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other	0.94	7.70	2.51	0.09	0.64	10.30	0.07	1.21	17.19	1.17
Short-term securities/cash	0.00	0.32	0.16	0.09	0.64	10.30	0.07	1.21	17.19	1.17
Other	0.00	7.38	2.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other not broken out	0.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Individual Pension Systems

Asset Allocation

Table 2 - continued

	11	12	13	14	15	16	17	18	19	20
Domestic Equity	22.80	26.99	19.60	67.68	34.30	39.61	37.43	37.30	37.99	45.00
Fixed Income	14.40	31.51	29.40	25.45	13.20	10.18	27.19	21.50	27.75	37.50
International Equity	17.80	26.11	16.50	0.00	15.70	27.65	19.55	21.60	19.13	17.50
Alternative strategies	44.00	14.88	28.60	0.00	32.90	22.20	14.41	18.80	13.93	0.00
Private Equity	5.90	2.97	0.00	0.00	7.20	5.31	0.00	0.00	0.00	0.00
Marketable alternative strategies	32.60	6.05	0.00	0.00	4.50	4.64	10.94	18.80	10.67	0.00
Venture capital	1.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private equity real estate	2.40	1.57	0.00	0.00	14.00	10.16	0.00	0.00	0.00	0.00
Energy & natural resources	1.70	0.00	0.00	0.00	7.20	2.09	3.47	0.00	3.26	0.00
Commodities & managed futures	0.00	4.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distressed debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alternatives not broken out	0.00	0.00	28.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other	1.00	0.51	5.90	6.87	3.90	0.36	1.42	0.80	1.20	0.00
Short-term securities/cash	0.64	0.00	3.50	6.87	3.90	0.36	1.42	0.80	1.20	0.00
Other	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other not broken out	0.00	0.51	2.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Individual Pension Systems

Asset Allocation

Table 2 - continued

	22	23	24	25	26	27	28	29	30	31
Domestic Equity	51.90	18.66	47.20	38.00	44.02	40.50	30.83	33.30	37.40	31.90
Fixed Income	35.00	20.64	23.20	18.00	32.98	33.05	30.49	28.36	28.15	27.96
Non-Domestic Equity	13.20	14.86	19.00	26.00	14.76	26.29	18.38	21.97	19.14	32.37
Alternative strategies	0.00	43.75	10.60	17.00	8.03	0.00	19.17	15.26	14.22	7.71
Private Equity	0.00	7.99	0.00	4.00	0.00	0.00	0.00	3.32	0.00	2.67
Marketable alternative strategies	0.00	21.02	5.30	6.00	0.00	0.00	12.02	0.00	10.80	0.00
Venture capital	0.00	2.64	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00
Private equity real estate	0.00	11.03	0.00	3.00	0.00	0.00	3.26	6.96	0.00	5.04
Energy & natural resources	0.00	0.00	0.00	1.00	0.00	0.00	3.89	4.98	3.42	0.00
Commodities & managed futures	0.00	1.07	5.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distressed debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alternatives not broken out	0.00	0.00	0.00	0.00	8.03	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other	-0.10	2.09	0.00	1.00	0.21	0.16	1.13	1.11	1.09	0.06
Short-term securities/cash	-0.10	2.09	0.00	1.00	0.00	0.16	1.13	1.11	1.09	0.06
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other not broken out	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.00

Individual Pension Systems

Asset Allocation

Table 2 - continued

	32	37	38	39	41	42	43	44	45	46	47
Domestic Equity	38.11	37.08	18.40	42.30	49.70	45.80	43.32	38.42	12.51	42.54	18.00
Fixed Income	27.24	27.68	19.60	26.10	34.20	21.00	24.65	27.12	15.44	30.96	15.80
International Equity	23.18	19.58	20.20	26.30	15.60	10.60	14.49	19.49	8.44	26.42	14.70
Alternative strategies	10.63	14.20	36.70	5.30	0.00	22.50	17.21	14.28	62.40	0.00	41.50
Private Equity	0.00	0.00	5.00	0.00	0.00	0.00	6.33	0.00	19.56	0.00	10.10
Marketable alternative strategies	0.00	10.92	14.80	0.00	0.00	5.90	0.00	10.91	11.97	0.00	8.80
Venture capital	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.00	0.00	2.50
Private equity real estate	10.63	0.00	9.20	0.00	0.00	14.90	5.63	0.00	16.71	0.00	8.50
Energy & natural resources	0.00	3.28	4.40	5.30	0.00	0.00	0.00	3.37	14.16	0.00	7.10
Commodities & managed futures	0.00	0.00	0.00	0.00	0.00	1.00	5.25	0.00	0.00	0.00	1.60
Distressed debt	0.00	0.00	3.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.90
Alternatives not broken out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other	0.84	1.46	5.10	0.00	0.50	0.10	0.33	0.69	1.21	0.08	10.00
Short-term securities/cash	0.84	1.46	5.10	0.00	0.50	0.10	0.33	0.69	1.21	0.08	1.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00
Short-term securities/cash/other not broken out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Individual Pension Systems

Asset Allocation

Table 2 - continued

	48	49	50	51	52	56	57	59	62	63	66
Domestic Equity	35.00	53.76	38.14	34.80	35.74	42.44	33.50	43.00	48.10	41.10	27.00
Fixed Income	37.00	32.75	27.44	29.89	22.55	30.02	32.60	39.76	33.40	25.40	23.70
International Equity	23.00	11.59	19.13	19.55	23.57	21.88	15.60	17.23	14.20	14.20	22.90
Alternative strategies	3.00	0.00	14.19	15.49	10.24	5.09	9.60	0.00	2.30	17.60	21.50
Private Equity	0.00	0.00	0.00	0.00	5.10	0.00	1.30	0.00	0.00	0.00	2.40
Marketable alternative strategies	3.00	0.00	10.75	12.16	5.14	5.09	5.10	0.00	1.40	13.20	0.00
Venture capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.20
Private equity real estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.40	5.40
Energy & natural resources	0.00	0.00	3.44	3.33	0.00	0.00	0.00	0.00	0.90	0.00	4.50
Commodities & managed futures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distressed debt	0.00	0.00	0.00	0.00	0.00	0.00	3.20	0.00	0.00	0.00	0.00
Alternatives not broken out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short-term securities/cash/other	2.00	1.90	1.10	0.27	7.90	0.57	8.70	0.01	2.00	1.70	4.90
Short-term securities/cash	2.00	1.90	1.10	0.27	0.41	0.57	8.70	0.01	2.00	1.70	1.80
Other	0.00	0.00	0.00	0.00	7.49	0.00	0.00	0.00	0.00	0.00	3.10
Short-term securities/cash/other not broken out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Investment Performance

Table 3 lists investment returns for survey respondents over the one-, three-, five-, 10-, 15- and 20-year periods ending September 30, 2014. For comparison purposes the benchmark of 60% of the Wilshire 5000 equity index and 40% of the Barclays Capital Aggregate fixed income index is represented by the “Index”.

Table 3

Fund	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Fund	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
1	10.06%	10.22%	7.53%	4.70%	N/A	N/A	28	9.82%	13.42%	9.38%	5.00%	N/A	N/A
2	8.68%	12.96%	10.25%	7.69%	6.69%	8.64%	29	N/A	N/A	N/A	N/A	N/A	N/A
3	10.30%	14.83%	10.69%	7.75%	6.53%	8.64%	30	9.99%	13.91%	10.34%	N/A	N/A	N/A
4	8.65%	12.76%	9.35%	7.34%	6.13%	7.77%	31	8.90%	12.85%	9.06%	8.66%	7.47%	9.27%
5	N/A	N/A	N/A	N/A	N/A	N/A	32	11.07%	14.77%	11.10%	6.58%	6.31%	8.53%
6	N/A	N/A	N/A	N/A	N/A	N/A	37	10.06%	13.66%	10.17%	7.73%	5.82%	7.24%
7	7.14%	11.69%	8.77%	6.61%	N/A	N/A	38	9.36%	11.27%	9.22%	6.64%	5.84%	8.14%
8	4.65%	8.13%	7.28%	7.71%	6.82%	9.16%	39	N/A	N/A	N/A	N/A	N/A	N/A
9	N/A	N/A	N/A	N/A	N/A	N/A	41	9.40%	14.63%	11.04%	7.01%	5.84%	N/A
10	8.99%	13.55%	10.14%	7.65%	6.19%	N/A	42	N/A	N/A	N/A	N/A	N/A	N/A
11	11.87%	11.10%	10.14%	7.94%	7.00%	8.78%	43	5.66%	10.93%	9.13%	7.53%	6.49%	8.85%
12	8.64%	11.58%	8.49%	5.64%	3.89%	7.71%	44	10.02%	13.84%	10.32%	8.30%	7.53%	9.75%
13	N/A	N/A	N/A	N/A	N/A	N/A	45	4.65%	8.13%	7.28%	7.13%	5.71%	7.89%
14	N/A	N/A	N/A	N/A	N/A	N/A	46	9.45%	12.67%	8.33%	5.91%	N/A	N/A
15	N/A	N/A	N/A	N/A	N/A	N/A	47	11.36%	13.23%	10.53%	9.34%	8.33%	9.19%
16	12.41%	15.83%	11.15%	8.00%	N/A	N/A	48	N/A	N/A	N/A	N/A	N/A	N/A
17	9.96%	13.57%	10.15%	N/A	N/A	N/A	49	N/A	N/A	N/A	N/A	N/A	N/A
18	9.81%	13.35%	10.07%	8.02%	7.46%	10.14%	50	9.95%	13.70%	10.24%	8.14%	7.21%	N/A
19	9.92%	13.87%	10.34%	N/A	N/A	N/A	51	N/A	N/A	N/A	N/A	N/A	N/A
20	10.01%	14.28%	9.81%	7.51%	6.52%	8.35%	52	N/A	N/A	N/A	N/A	N/A	N/A
22	9.39%	13.86%	10.74%	6.91%	5.78%	N/A	56	10.25%	9.97%	N/A	N/A	N/A	N/A
23	8.65%	11.01%	8.89%	6.59%	5.96%	8.26%	57	7.12%	N/A	N/A	N/A	N/A	N/A
24	12.83%	13.88%	10.19%	7.43%	5.92%	N/A	59	10.95%	11.19%	N/A	N/A	N/A	N/A
25	9.18%	13.35%	9.91%	7.16%	7.04%	8.70%	62	10.97%	N/A	N/A	N/A	N/A	N/A
26	7.30%	10.98%	7.97%	6.14%	N/A	N/A	63	10.56%	N/A	N/A	N/A	N/A	N/A
27	8.14%	13.03%	9.32%	7.69%	N/A	N/A	66	8.95%	12.13%	9.25%	7.02%	N/A	N/A
							Index	12.25%	14.47%	11.30%	7.36%	6.08%	8.68%

Five Year Return versus Standard Deviation

Figure 4

For the Five Years Ending September 30, 2014



Figure 4 shows the five-year return and standard deviation characteristics of the individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark is a combination of 60% of the Wilshire 5000 equity index and 40% of the Barclays Capital Aggregate fixed income index. Annualized return and standard deviation are based on quarterly returns for the period. Standard deviation is a measure of the dispersion or volatility of the quarterly returns around their average value.

The points representing the performance of the TEXPERS survey respondents are located in all four quadrants of the chart. No respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Thirteen respondents are located in the northeast or southwest quadrants, indicating reasonable return versus standard deviation trade-offs. That is, they have either a higher return with a higher standard deviation, or a lower return with a lower standard deviation, than the benchmark. Twenty-one respondents are located in the least desirable southeast quadrant, where return is lower and standard deviation is higher than the benchmark.

Ten Year Return versus Standard Deviation

Figure 5

For the Ten Years Ending September 30, 2014

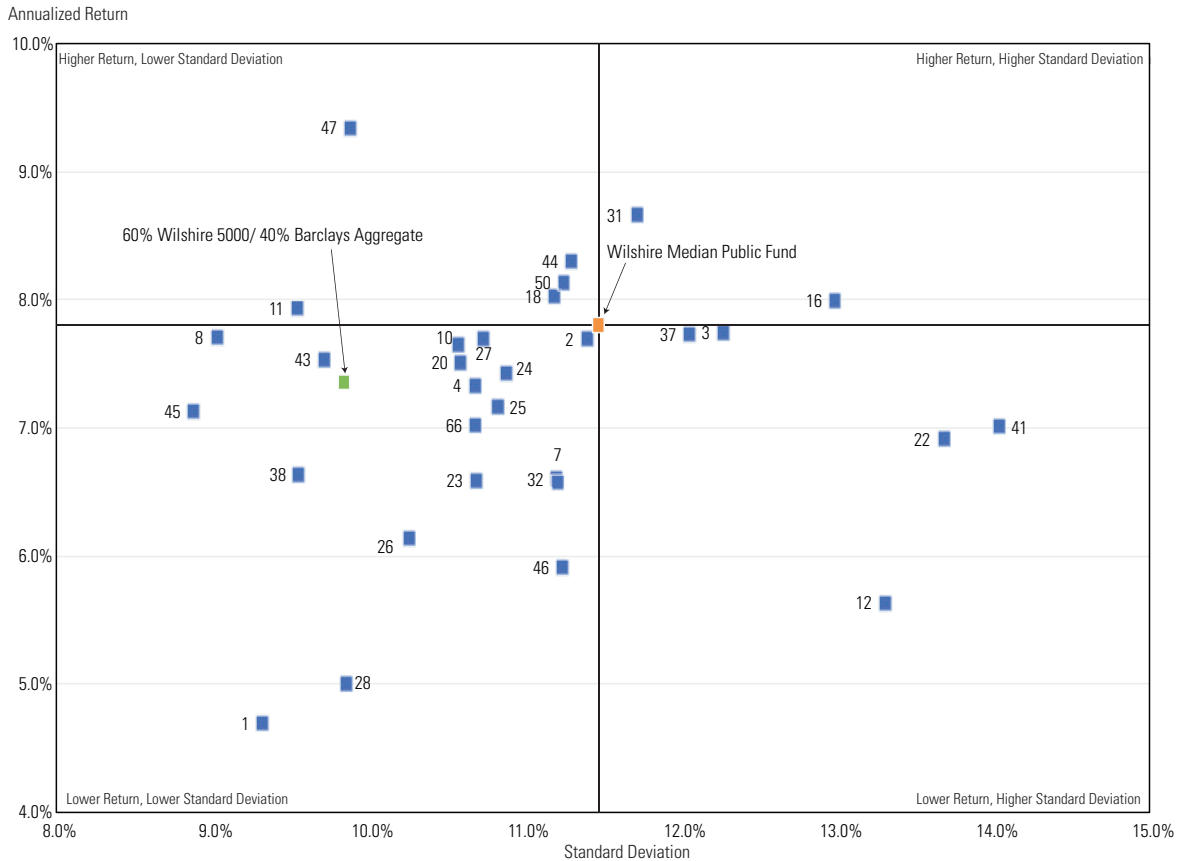


Figure 5 shows 10-year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark is a combination of 60% of the Wilshire 5000 equity index and 40% of the Barclays Capital Aggregate fixed income index. Annualized return and standard deviation are based on quarterly returns for the period. Standard deviation is a measure of the dispersion or volatility of the quarterly returns around their average value.

The points representing the performance of the TEXPERS survey respondents are located in all four quadrants of the chart. Five respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Twenty-one respondents are located in the northeast or southwest quadrants, indicating reasonable return versus standard deviation trade-offs. That is, they have either a higher return with a higher standard deviation, or a lower return with a lower standard deviation, than the benchmark. Five respondents are located in the least desirable southeast quadrant, where return is lower and standard deviation is higher than the benchmark.

Fifteen Year Return versus Standard Deviation

Figure 6

For the Fifteen Years Ending September 30, 2014

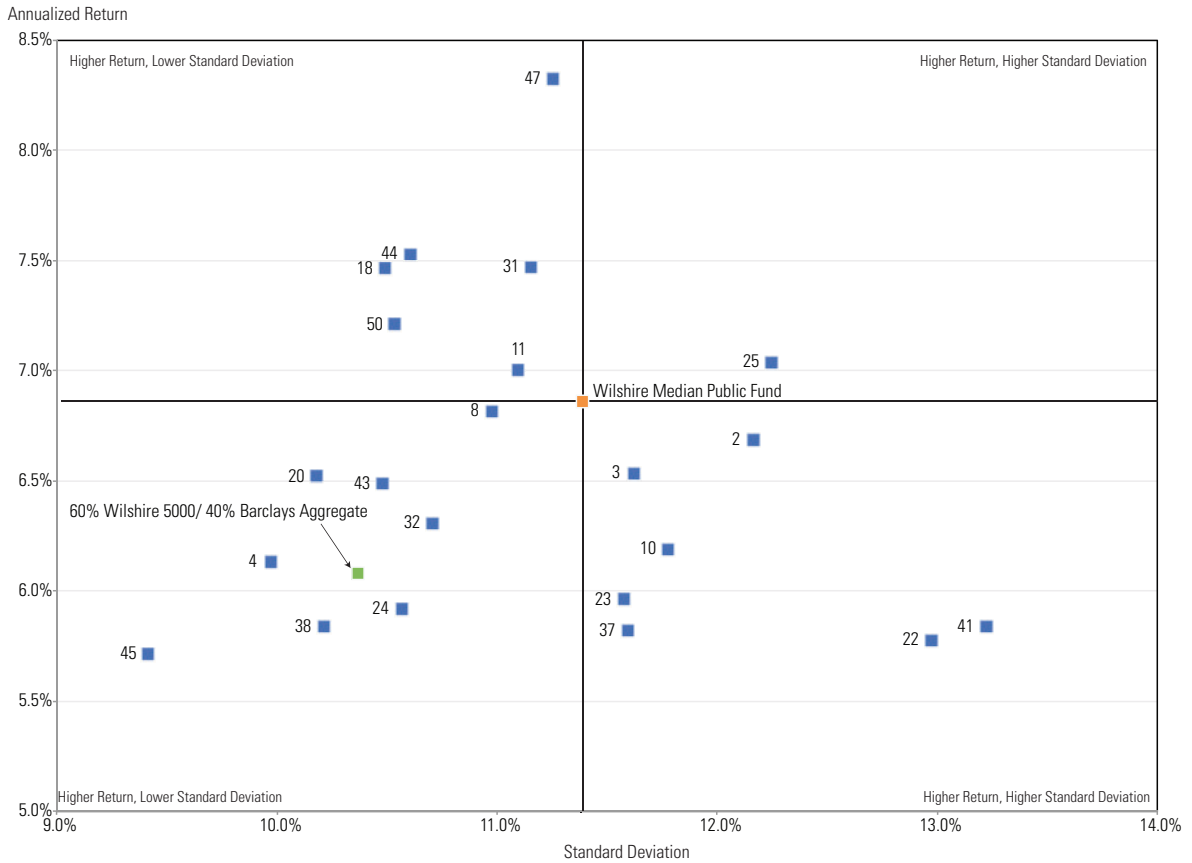


Figure 6 shows 15-year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark is a combination of 60% of the Wilshire 5000 equity index and 40% of the Barclays Capital Aggregate fixed income index. Annualized return and standard deviation are based on quarterly returns for the period. Standard deviation is a measure of the dispersion or volatility of the quarterly returns around their average value.

The points representing the performance of the TEXPERS survey respondents are located in all four quadrants of the chart. Six respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Nine respondents are located in the northeast or southwest quadrants, indicating reasonable return versus standard deviation trade-offs. That is, they have either a higher return with a higher standard deviation, or a lower return with a lower standard deviation, than the benchmark. Seven respondents are located in the least desirable southeast quadrant, where return is lower and standard deviation is higher than the benchmark.

Twenty Year Return versus Standard Deviation

Figure 7

For the Twenty Years Ending September 30, 2014

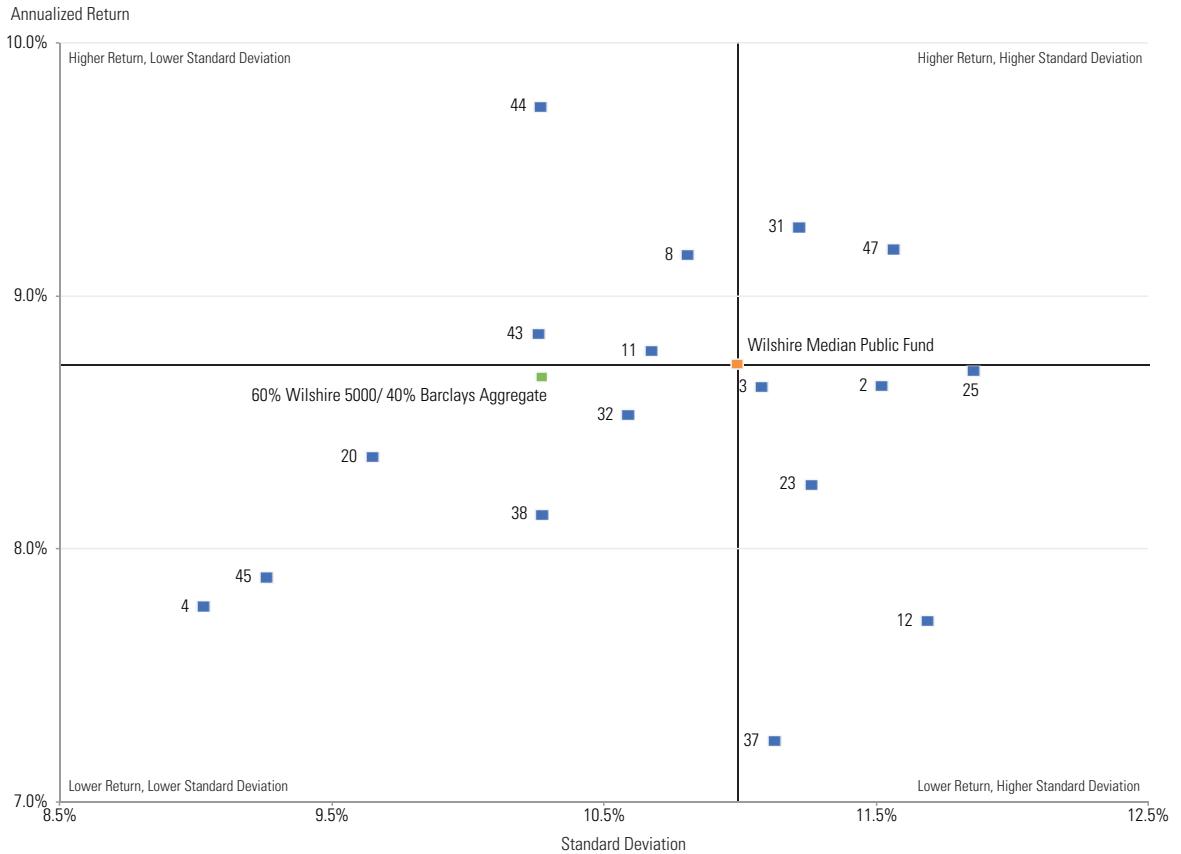


Figure 7 shows 20-year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark is a combination of 60% of the Wilshire 5000 equity index and 40% of the Barclays Capital Aggregate fixed income index. Annualized return and standard deviation are based on quarterly returns for the period. Standard deviation is a measure of the dispersion or volatility of the quarterly returns around their average value.

The points representing the performance of the TEXPERS survey respondents are located in all four quadrants of the chart. Four respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Seven respondents are located in the northeast or southwest quadrants, indicating reasonable return versus standard deviation trade-offs. That is, they have either a higher return with a higher standard deviation, or a lower return with a lower standard deviation, than the benchmark. Six respondents are located in the least desirable southeast quadrant, where return is lower and standard deviation is higher than the benchmark.

Appendix 1

Asset Allocation and Investment Performance Study of TEXPERS Members

(a Commonfund Benchmarks Study®) FISCAL YEAR 2014

October 1, 2013 - September 30, 2014

FUND FLOWS

Total Fund Rates of Return (numbers in %)

Please provide returns both GROSS and NET of fees in the appropriate columns. (Net returns being net of all external fees; Gross being the return before all fees) All returns must be actual quarterly returns and should not be annualized. The returns must include both income and changes in market value; income yields alone are not sufficient.

If your fund WAS in last year's report only the four quarters ending September 30, 2014 are required. (Please note that the Dec 31 return is for the quarter ended, NOT the year ended):

Quarter Ended	Gross Returns (%)	Uncertain	Net Return (%)	Uncertain
September 30, 2014				
June 30, 2014				
March 31, 2014				
December 31, 2013				

Historical Rates of Return (%) (ONLY FOR NON-PAST-PARTICIPANTS)

Please provide actual (not annualized) GROSS QUARTERLY returns for at least the trailing five years, 10 if possible.

**December 31, 2013 return already provided above.*

Quarter Ended	Mar. 31	Jun. 30	Sept. 30	Dec. 31
2013				**N/A**
2012				
2011				
2010				
2009				
2008				
2007				
2006				
2005				
2004				

Actuarial Investment Return Assumption (%) _____

Inflation Assumption (%) _____

Market Value Data (in Dollars)

Please provide the Total Market Value of your Fund as of September 30, 2014.
This does not have to be an audited number, custodial market value is sufficient.

Total Fund Value (\$) _____

ASSET ALLOCATION

What percentage of your total endowment was invested in each of the asset classes listed below at September 30, 2014? As of September 30, 2014, what were your percentage one-year net returns in each asset class?

PLEASE ANSWER FOR EACH OF THE MAJOR ASSET CATEGORIES, INCLUDING THE CORRESPONDING RETURN (ONLY UTILIZE "UNCERTAIN"; WHERE RETURN DATA IS NOT AVAILABLE). PLEASE PROVIDE DETAIL WITHIN EACH ASSET CLASS (AS A PERCENTAGE OF YOUR TOTAL PORTFOLIO), WHERE DATA ARE AVAILABLE.

TOTALS FOR THE FIVE MAJOR ASSET CLASSES MUST SUM TO 100% OF THE TOTAL PORTFOLIO – PORTFOLIO SUMMATION RUNNING TOTAL APPEARS IN THE BOX TO THE LEFT OF YOUR SCREEN.

Domestic Equities

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Total Domestic Equities			

Domestic Equities | Detailed Asset Allocation Breakdown

Sum total should equal total invested percentage above

	Percentage Invested at 9/30/2014
Active - Include REITs here	
Index (passive/Enhanced)	
Multi-Strategy Equity Fund	

Fixed Income

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Total Fixed Income			

Fixed Income | Detailed Asset Allocation Breakdown

Sum total should equal total invested percentage above

	Percentage Invested at 9/30/2014
Domestic (U.S.) Investment Grade (Active) – Include TIPs here	
Domestic (U.S.) Investment Grade (Passive)	
Domestic (U.S.) Non-Investment Grade (Active or Passive)	
International (Non-U.S.) Investment Grade (Active or Passive)	
Emerging Markets (Active or Passive)	
Multi-Strategy Bond Fund	

International Equities

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Total International Equities			

International Equities | Detailed Asset Allocation Breakdown

Sum total should equal total invested percentage above

	Percentage Invested at 9/30/2014
Active MSCI EAFE®	
Passive/Index MSCI EAFE®	
Emerging Markets	

Alternative Strategies

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Total Alternative Strategies			

Alternative Strategies | Detailed Asset Allocation Breakdown

Sum total should equal total invested percentage above. Please also provide corresponding net return.

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Private Equity Real Estate – Excludes REITs			
Venture Capital			
Private Equity – LBOs, Mezzanine, M&A Funds, International Private Equity			
Energy and Natural Resources – Includes Oil, Gas, Timber			
Commodities and Managed Futures			
Marketable Alternative Strategies – Include Hedge Funds, Absolute Return, Market Neutral, Long/Short, 130/30 Strategy, Event Driven and Derivatives			
Distressed Debt			

Cash and Other

	Percentage Invested at 9/30/2014
Total Cash and Other	

Cash and Other | Detailed Asset Allocation and Return

	Percentage Invested at 9/30/2014	Percentage Return at 9/30/2014	(Return Only) Uncertain
Cash, Money Market Investments, Treasuries – All investments <1 year			
Other – Please Specify			

Thank you in advance for your assistance in this important research.

Our goal will be to compile and analyze the data we receive from you and your colleagues and release the results at the Twenty-Sixth Annual Conference in Austin, Texas on March 29 - April 1, 2015.

OK to identify your Fund by name in the annual performance report?

Yes No

Appendix 2

List of TEXPERS Survey Respondents

Abilene Firemen's Relief and Retirement Fund
Amarillo Firemen's Relief & Retirement Fund
Atlanta Firemen's Relief and Retirement Fund
Austin Employees' Retirement System
Austin Fire Fighters Relief & Retirement Fund
Austin Police Retirement System
Beaumont Firemen's Relief & Retirement Fund
Big Spring Firemen's Relief & Retirement Fund
Brownwood Firemen's Relief and Retirement Fund
Conroe Firefighters Relief & Retirement Fund
Corpus Christi Firefighters' Retirement System
Corsicana Firemen's Relief & Retirement Fund
CPS Energy Employees' Benefit Trust
Dallas Employees' Retirement Fund
Dallas Police and Fire Pension System
Dallas Police and Fire Supplemental Pension System
El Paso City Employees' Pension Fund
El Paso Firemen & Policemen's Pension Fund
Fort Worth Employees' Retirement Fund
Galveston Firefighters Pension Fund
Greenville Firemen's Relief and Retirement Fund
Guadalupe-Blanco River Authority Defined Benefit Plan
Harlingen Firemen's' Relief and Retirement Fund
Houston Municipal Employees Pension System
Houston Police Officers' Pension System
Irving Firemen's Relief & Retirement Fund
Irving Supplemental Benefit Plan
Killeen Firefighters' Relief & Retirement Fund
Laredo Firefighters Retirement System
Longview Firefighters' Relief & Retirement Fund
Lubbock Fire Pension Fund
Lufkin Firemen's Relief & Retirement Fund
Marshall Firemen's Relief & Retirement Fund
Midland Firemen's Relief and Retirement Fund
MTA of Harris County Non-Union Pension Plan
MTA of Harris County Workers Union Pension Plan
Odessa Firefighters' Relief & Retirement Fund
Orange Firemen's Relief & Retirement Fund
Port Arthur Firemen's' Relief and Retirement Fund
San Antonio Fire & Police Pension Fund
San Benito Fireman's R&R Fund
Sweetwater Firemen's Relief & Retirement Fund
Temple Firefighter's Relief and Retirement Fund
Texarkana Firemen's Relief and Retirement Fund
Texas Emergency Services Retirement System
Texas Employees Retirement System
Travis County ESD#6 Firefighters' Relief & Retirement Fund
Tyler Firefighters Relief and Retirement Fund
University Park Firefighters Relief and Retirement Fund
VIA Metropolitan Transit Retirement Plan
Waxahachie Firefighter's relief and Retirement
Wichita Falls Firemen's Relief & Retirement Fund

Appendix 3

Respondent Fund Number - Name Cross Reference

Number	Name
24	Abilene Firemen's Relief and Retirement Fund
14	Amarillo Firemen's Relief & Retirement Fund
30	Atlanta Firemen's Relief and Retirement Fund
2	Austin Employees' Retirement System
25	Austin Fire Fighters Relief & Retirement Fund
15	Austin Police Retirement System
18	Big Spring Firemen's Relief & Retirement Fund
27	Brownwood Firemen's Relief and Retirement Fund
9	Conroe Firefighters Relief & Retirement Fund
20	Corpus Christi Firefighters' Retirement System
7	Corsicana Firemen's Relief & Retirement Fund
29	Dallas Employees' Retirement Fund
8	Dallas Police and Fire Pension System
45	Dallas Police and Fire Supplemental Pension System
3	El Paso City Employees' Pension Fund
31	El Paso Firemen & Policemen's Pension Fund
23	Fort Worth Employees' Retirement Fund
56	Galveston Firefighters Pension Fund
19	Greenville Firemen's Relief and Retirement Fund
5	Guadalupe-Blanco River Authority Defined Benefit Plan
50	Harlingen Firemen's' Relief and Retirement Fund
47	Houston Municipal Employees Pension System
11	Houston Police Officers' Pension System
16	Irving Firemen's Relief & Retirement Fund
1	Irving Supplemental Benefit Plan
57	Killeen Firefighters' Relief & Retirement Fund
6	Laredo Firefighters Retirement System
12	Longview Firefighters' Relief & Retirement Fund
43	Lubbock Fire Pension Fund
28	Lufkin Firemen's Relief & Retirement Fund
17	Marshall Firemen's Relief & Retirement Fund
51	Odessa Firefighters' Relief & Retirement Fund
4	Orange Firemen's Relief & Retirement Fund
59	Port Arthur Firemen's' Relief and Retirement Fund
46	San Benito Fireman's R&R Fund
44	Sweetwater Firemen's Relief & Retirement Fund
52	Temple Firefighter's Relief and Retirement Fund
48	Texarkana Firemen's Relief and Retirement Fund
39	Texas Emergency Services Retirement System
66	Texas Employees Retirement System
62	Travis County ESD#6 Firefighters' Relief & Retirement Fund
49	Tyler Firefighters Relief and Retirement Fund
37	University Park Firefighters Relief and Retirement Fund
32	VIA Metropolitan Transit Retirement Plan
10	Waxahachie Firefighter's relief and Retirement
63	Wichita Falls Firemen's Relief & Retirement Fund

Appendix 4

Respondent Fund Number - Return Assumptions

Fund	Nominal	Inflation	Real
1	7.00	2.00	5.00
2	7.75	3.25	4.50
3	7.50	3.50	4.00
4	8.00	2.00	6.00
5	7.50	3.75	3.75
6	8.00	3.75	4.25
7	7.75	2.00	5.75
8	8.50	4.00	4.50
9	7.75	2.00	5.75
10	7.00	2.00	5.00
11	8.00	2.50	5.50
12	8.00	2.00	6.00
13	8.00	3.00	5.00
14	8.25	3.00	5.25
15	8.00	3.75	4.25
16	8.25	2.00	6.25
17	7.75	2.40	5.35
18	8.00	2.40	5.60
19	8.25	2.40	5.85
20	8.00	4.00	4.00
22	8.00	2.50	5.50
23	8.00	3.00	5.00
24	8.00	3.00	5.00
25	7.50	3.50	4.00
26	8.00	3.50	4.50
27	7.25	2.00	5.25

Fund	Nominal	Inflation	Real
28	7.50	2.40	5.10
29	8.25	3.00	5.25
30	7.25	2.40	4.85
31	7.75	3.50	4.25
32	7.50	3.00	4.50
37	8.00	2.40	5.60
38	7.50	3.50	4.00
39	7.75	3.50	4.25
41	8.00	2.50	5.50
42	7.75	3.00	4.75
43	8.00	2.00	6.00
44	8.00	2.40	5.60
45	8.50	4.00	4.50
46	6.50	2.00	4.50
47	8.50	3.00	5.50
48	7.75	3.50	4.25
49	7.75	3.75	4.00
50	8.00	2.40	5.60
51	8.25	2.40	5.85
52	8.00	2.20	5.80
56	8.00	2.00	6.00
57	8.00	4.00	4.00
59	8.00	4.00	4.00
62	7.00	3.00	4.00
63	8.00		8.00
66	8.00	3.50	4.50