

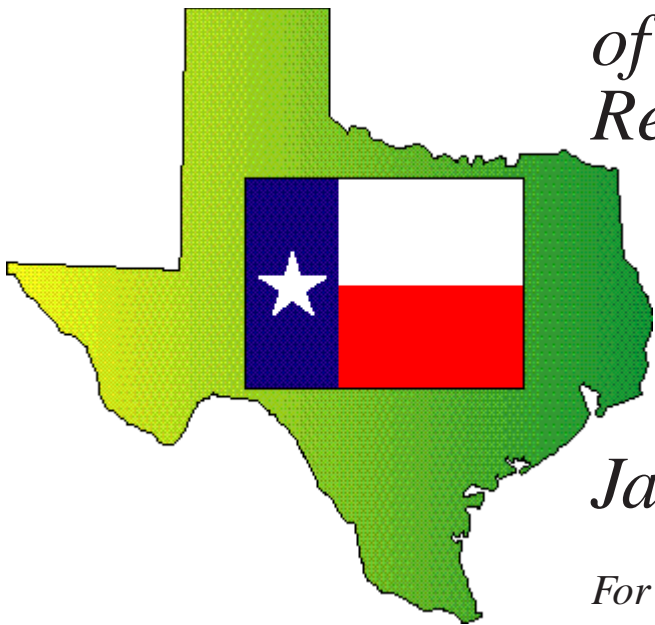
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# TEXPERS

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

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*The Texas Association  
of Public Employee  
Retirement Systems*

*January 2013*

*For Periods Ending September 30, 2012*





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**Fredric D. Richmond, CFA**

# Key Findings

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- Eighty-one percent of surveys mailed to TEXPERS members were returned with complete data, an excellent response percentage.
- Survey respondents had a total market value of \$23.8 billion. The average asset allocation of the survey respondents was 26.0% percent in U.S. equity, 17.5% in non-U.S. equity, 26.1% in fixed income, 10.2% in real estate, 7.7% in private equity and 12.5% in other asset classes.
- When measuring investment performance for survey respondents as a group over the twenty year period ending September 30, 2012 the respondents' composite investment return was 8.3%, compared to the average actuarial investment return assumption of 8.1%.
- For the fifteen years ended September 30, 2012 survey respondents 6.6% return exceeded the 6.3% return for the Wilshire Median Public Fund for the same period.
- For the ten years ended September 30, 2012 survey respondents 8.9% return exceeded the 8.4% return for the Wilshire Median Public Fund for the same period.
- A \$100 investment in the survey respondents' aggregate portfolio on September 30, 1990 would have grown to \$638 at September 30, 2012. This exceeds the \$557 that \$100 invested at the 8.1% average actuarial return assumption would have grown to during the same twenty-two year period.

# Introduction

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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, ten, fifteen and twenty year periods ending September 30, 2012. 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 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 2012 survey requesting asset allocation and investment return information from TEXPERS members. A total of sixty-four surveys were sent to TEXPERS members. Fifty-three surveys were completed and returned, a eighty-three percent response. Fifty-two responses, or eighty-one percent, had the five year quarterly return history required for inclusion in the study. Eighty-one percent is considered an excellent response percentage for surveys. The member systems responding represent assets of approximately \$23.8 billion. 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.

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

# TEXPERS Composite

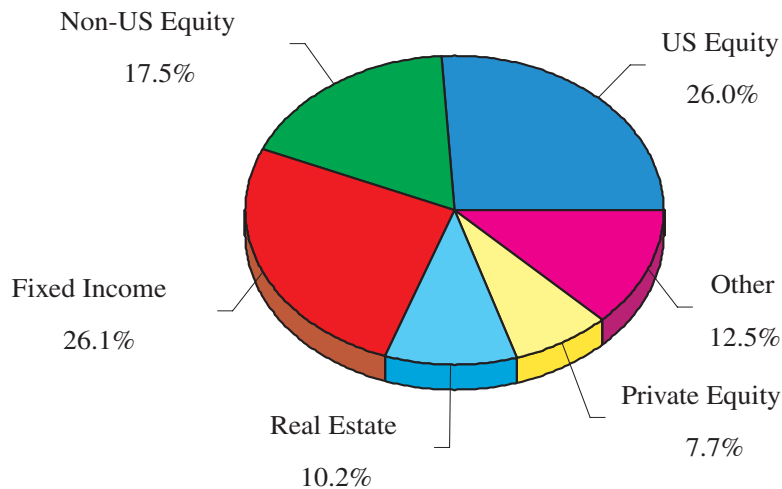
## Asset Allocation

Figure 1 illustrates the average asset allocation of survey respondents as a composite group. The U.S. and Non-U.S. Equity asset classes include investments such as domestic and international common stocks. Fixed income includes investments such as government and corporate bonds from domestic and international issuers. Real estate includes both publicly or privately traded real estate securities and direct investments in properties. Private equity includes primarily venture capital, growth capital and leveraged buyouts. Other includes all assets not falling into one of the previous classes.

Figure 1

Market Value \$23.8 Billion

As of September 30, 2012



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

# Investment Performance

## Trailing Period Returns - Table

Table 1

| Annualized Returns for the Periods Ending 9/30/2012 | One Year | Three Years | Five Years | Ten Years | Fifteen Years | Twenty Years |
|---|----------|-------------|------------|-----------|---------------|--------------|
| TEXPERS Average                                     | 14.9     | 9.0         | 2.6        | 8.9       | 6.6           | 8.3          |
| Actuarial Assumption                                | 8.1      | 8.1         | 8.1        | 8.1       | 8.1           | 8.1          |

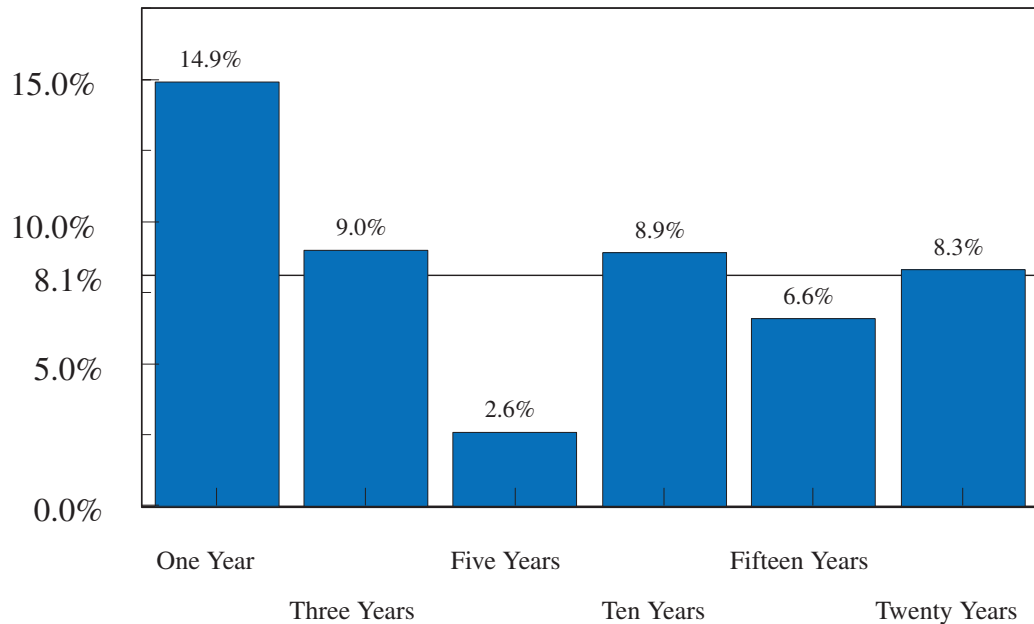
Table 1 and Figure 2 compare the survey respondents' average investment return over the one, three, five, ten, fifteen and twenty year periods ending September 30, 2012 to their average actuarial investment return assumption of 8.1%. Even given several extraordinarily difficult market environments over the twenty year period the average annual return of 8.3% compares favorably to the actuarial return assumption of 8.1%.

## Trailing Period Returns - Chart

Figure 2

### Returns vs. Average Actuarial Assumption

For Periods Ending 9/30/2012



## Growth of \$100

Figure 3

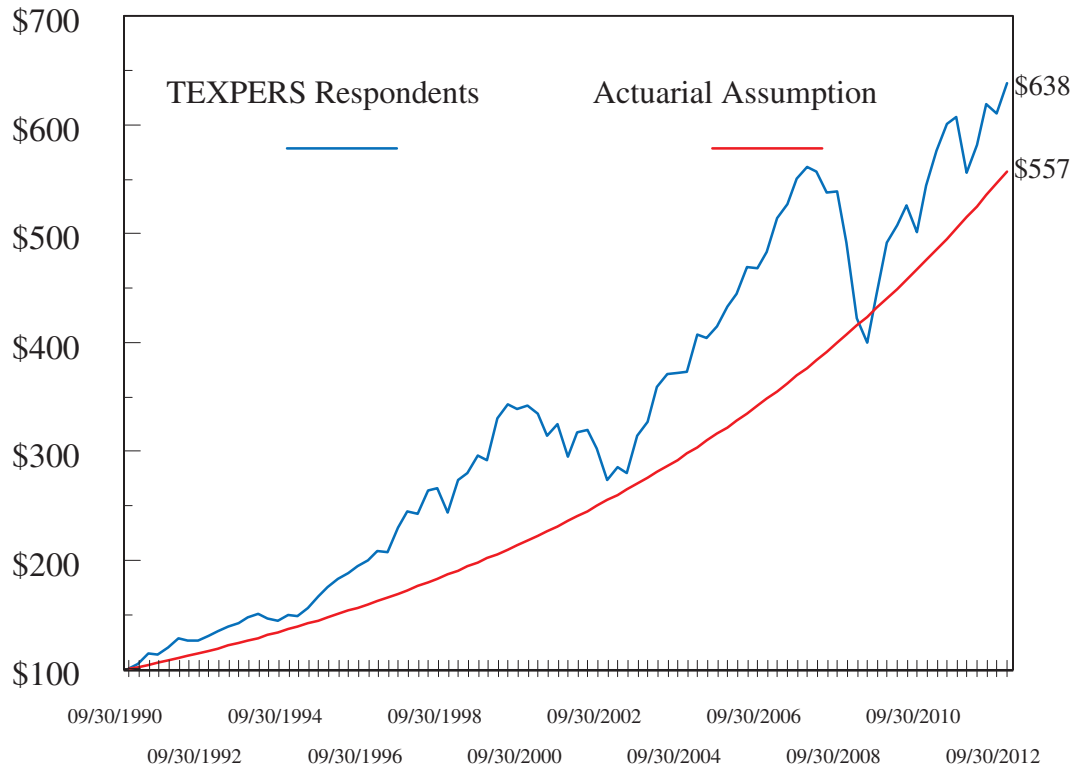


Figure 3 displays the growth of \$100 as if it were invested on September 30, 1990 in the survey respondents' aggregate portfolio. This is compared to \$100 invested in a hypothetical portfolio growing at the 8.1% average actuarial assumption. As can be seen from this exhibit, a \$100 investment in the survey respondents' aggregate portfolio would have grown to \$638 at September 30, 2012. This exceeds the \$557 that \$100 invested at the 8.1% average actuarial return assumption would have grown to during the same period.

TEXPERS member systems as a group have exceeded their actuarial investment return hurdle over the 22 years ending September 30, 2012.

# Individual Pension Systems

## Asset Allocation

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

Table 2

| Fund | U.S. Equity | Non-U.S. Equity | Fixed Income | Real Estate | Private Equity | Other  | Fund | U.S. Equity | Non-U.S. Equity | Fixed Income | Real Estate | Private Equity | Other  |
|------|-------------|-----------------|--------------|-------------|----------------|--------|------|-------------|-----------------|--------------|-------------|----------------|--------|
| 1    | 30.81%      | 20.34%          | 37.89%       | 4.92%       | 1.17%          | 4.87%  | 27   | 43.23%      | 23.63%          | 33.14%       | 0.00%       | 0.00%          | 0.00%  |
| 2    | 34.30%      | 31.09%          | 27.61%       | 7.00%       | 0.00%          | 0.00%  | 28   | 32.79%      | 21.79%          | 24.67%       | 2.80%       | 0.00%          | 17.95% |
| 3    | 43.47%      | 18.89%          | 29.21%       | 7.25%       | 0.00%          | 1.18%  | 29   | 28.78%      | 26.28%          | 32.14%       | 6.22%       | 1.77%          | 4.81%  |
| 4    | 37.88%      | 25.58%          | 36.54%       | 0.00%       | 0.00%          | 0.00%  | 30   | 31.59%      | 22.74%          | 25.08%       | 2.65%       | 0.00%          | 17.94% |
| 5    | 35.27%      | 14.76%          | 38.30%       | 2.80%       | 0.00%          | 8.87%  | 31   | 32.61%      | 30.37%          | 32.75%       | 2.61%       | 1.64%          | 0.02%  |
| 6    | 37.82%      | 21.69%          | 20.21%       | 5.21%       | 0.00%          | 15.07% | 32   | 32.26%      | 29.16%          | 28.57%       | 10.01%      | 0.00%          | 0.00%  |
| 7    | 36.41%      | 24.73%          | 33.70%       | 0.00%       | 0.00%          | 5.16%  | 33   | 43.57%      | 12.70%          | 34.32%       | 0.00%       | 0.00%          | 9.41%  |
| 8    | 12.56%      | 8.37%           | 16.92%       | 28.73%      | 24.76%         | 8.66%  | 34   | 41.03%      | 8.16%           | 38.91%       | 9.72%       | 0.00%          | 2.18%  |
| 9    | 23.17%      | 8.13%           | 31.89%       | 1.33%       | 0.00%          | 35.48% | 35   | 54.08%      | 8.97%           | 35.30%       | 0.00%       | 0.00%          | 1.65%  |
| 10   | 42.21%      | 24.74%          | 33.05%       | 0.00%       | 0.00%          | 0.00%  | 36   | 61.15%      | 8.92%           | 29.21%       | 0.72%       | 0.00%          | 0.00%  |
| 11   | 14.21%      | 11.21%          | 28.56%       | 1.39%       | 7.74%          | 36.89% | 37   | 30.96%      | 22.10%          | 25.62%       | 3.12%       | 0.00%          | 18.20% |
| 12   | 28.20%      | 25.25%          | 35.22%       | 0.00%       | 1.25%          | 10.08% | 38   | 25.97%      | 15.17%          | 26.41%       | 11.17%      | 6.63%          | 14.65% |
| 13   | 28.47%      | 14.86%          | 35.68%       | 11.45%      | 0.00%          | 9.54%  | 39   | 45.24%      | 29.77%          | 24.99%       | 0.00%       | 0.00%          | 0.00%  |
| 14   | 72.67%      | 0.00%           | 24.16%       | 0.00%       | 0.00%          | 3.17%  | 40   | 42.72%      | 24.95%          | 32.33%       | 0.00%       | 0.00%          | 0.00%  |
| 15   | 27.26%      | 9.99%           | 17.71%       | 29.02%      | 9.19%          | 6.83%  | 41   | 49.48%      | 16.18%          | 34.34%       | 0.00%       | 0.00%          | 0.00%  |
| 16   | 39.57%      | 24.24%          | 10.76%       | 11.51%      | 4.19%          | 9.73%  | 42   | 49.73%      | 8.52%           | 24.64%       | 13.43%      | 0.00%          | 3.68%  |
| 17   | 31.42%      | 22.42%          | 24.45%       | 3.03%       | 0.00%          | 18.68% | 43   | 44.09%      | 11.78%          | 23.91%       | 7.84%       | 6.34%          | 6.04%  |
| 18   | 32.06%      | 21.04%          | 25.73%       | 2.90%       | 0.00%          | 18.27% | 44   | 30.87%      | 22.67%          | 24.97%       | 3.06%       | 0.00%          | 18.43% |
| 19   | 30.82%      | 22.13%          | 24.94%       | 3.00%       | 0.00%          | 19.11% | 45   | 12.56%      | 8.38%           | 16.92%       | 28.72%      | 24.76%         | 8.66%  |
| 20   | 50.20%      | 5.93%           | 38.33%       | 5.54%       | 0.00%          | 0.00%  | 46   | 41.78%      | 25.72%          | 32.50%       | 0.00%       | 0.00%          | 0.00%  |
| 21   | 60.79%      | 0.00%           | 3.62%        | 16.47%      | 0.00%          | 19.12% | 47   | 22.78%      | 22.69%          | 21.56%       | 8.88%       | 14.64%         | 9.45%  |
| 22   | 48.46%      | 13.37%          | 38.17%       | 0.00%       | 0.00%          | 0.00%  | 48   | 40.64%      | 18.90%          | 26.95%       | 2.58%       | 0.00%          | 10.93% |
| 23   | 17.35%      | 14.37%          | 26.47%       | 10.48%      | 8.27%          | 23.06% | 49   | 51.08%      | 11.49%          | 32.14%       | 5.29%       | 0.00%          | 0.00%  |
| 24   | 51.37%      | 0.00%           | 31.23%       | 6.98%       | 0.00%          | 10.42% | 50   | 31.18%      | 22.29%          | 25.62%       | 2.90%       | 0.00%          | 18.01% |
| 25   | 32.64%      | 24.39%          | 20.40%       | 11.25%      | 2.40%          | 8.92%  | 51   | 38.83%      | 7.98%           | 26.29%       | 0.00%       | 0.00%          | 26.90% |
| 26   | 31.82%      | 19.34%          | 41.54%       | 0.00%       | 2.38%          | 4.92%  | 52   | 40.57%      | 20.66%          | 25.45%       | 5.33%       | 2.76%          | 5.23%  |



## Investment Performance

Table 3 lists investment returns for survey respondents over the one, three, five, ten, fifteen and twenty year periods ending September 30, 2012. For comparison purposes the benchmark of 60% of the Wilshire 5000 index and 40% of the Barclays Capital Aggregate index is represented by the “Index”.

Table 3

| Fund | One Year | Three Years | Five Years | Ten Years | Fifteen Years | Twenty Years | Fund  | One Year | Three Years | Five Years | Ten Years | Fifteen Years | Twenty Years |
|------|----------|-------------|------------|-----------|---------------|--------------|-------|----------|-------------|------------|-----------|---------------|--------------|
| 1    | 13.27%   | 6.74%       | 1.25%      | 3.90%     | N/A           | N/A          | 27    | 16.15%   | 7.89%       | 4.53%      | N/A       | N/A           | N/A          |
| 2    | 17.38%   | 9.88%       | 3.64%      | 8.63%     | 6.65%         | 8.12%        | 28    | 19.09%   | 8.53%       | 1.00%      | N/A       | N/A           | N/A          |
| 3    | 20.29%   | 9.71%       | 3.16%      | 8.16%     | 6.16%         | 7.98%        | 29    | 19.75%   | 10.75%      | 2.53%      | 9.05%     | 6.51%         | 8.21%        |
| 4    | 15.45%   | 7.98%       | 2.89%      | 7.11%     | 6.38%         | N/A          | 30    | 19.10%   | 9.64%       | 3.61%      | N/A       | N/A           | N/A          |
| 5    | 18.98%   | 9.28%       | 3.31%      | N/A       | N/A           | N/A          | 31    | 15.85%   | 7.55%       | 2.71%      | 9.25%     | 6.69%         | 8.81%        |
| 6    | 16.96%   | 8.29%       | 2.06%      | 6.93%     | 3.70%         | N/A          | 32    | 19.43%   | 10.17%      | 2.32%      | 6.85%     | 5.67%         | 7.97%        |
| 7    | 15.27%   | 7.98%       | 3.69%      | N/A       | N/A           | N/A          | 33    | 18.79%   | 9.38%       | 2.72%      | 7.44%     | 6.73%         | N/A          |
| 8    | 5.80%    | 5.94%       | 1.82%      | 9.77%     | 7.11%         | 9.11%        | 34    | 15.33%   | 8.08%       | 1.12%      | 5.83%     | N/A           | N/A          |
| 9    | 10.38%   | 7.29%       | -0.33%     | N/A       | N/A           | N/A          | 35    | 18.06%   | 7.28%       | 0.46%      | N/A       | N/A           | N/A          |
| 10   | 17.52%   | 9.17%       | 4.10%      | 7.98%     | 6.62%         | N/A          | 36    | 20.06%   | 9.77%       | 3.36%      | N/A       | N/A           | N/A          |
| 11   | 15.21%   | 10.84%      | 3.78%      | 9.83%     | 7.31%         | 8.69%        | 37    | 18.78%   | 9.50%       | 1.75%      | 8.05%     | 5.08%         | N/A          |
| 12   | 17.19%   | 8.23%       | 1.87%      | 5.93%     | 4.59%         | N/A          | 38    | 13.78%   | 8.69%       | 1.40%      | 7.40%     | 5.98%         | 7.89%        |
| 13   | 12.87%   | 6.86%       | 4.05%      | 7.88%     | N/A           | N/A          | 39    | 22.10%   | 9.47%       | 3.17%      | 8.71%     | N/A           | N/A          |
| 14   | 20.15%   | 11.03%      | 4.66%      | 8.38%     | 6.99%         | 8.51%        | 40    | 15.54%   | 8.78%       | -0.18%     | 5.84%     | N/A           | N/A          |
| 15   | 9.91%    | 6.59%       | -0.20%     | 6.98%     | 5.99%         | 8.77%        | 41    | 21.70%   | 10.89%      | 2.56%      | 7.53%     | 5.71%         | N/A          |
| 16   | 18.52%   | 8.96%       | 2.47%      | 8.39%     | N/A           | N/A          | 42    | 18.76%   | 8.86%       | 3.35%      | 8.22%     | 7.34%         | 8.72%        |
| 17   | 18.87%   | 9.57%       | 3.42%      | N/A       | N/A           | N/A          | 43    | 14.03%   | 8.94%       | 3.67%      | 8.25%     | 6.84%         | 8.62%        |
| 18   | 18.73%   | 9.62%       | 3.44%      | 8.71%     | 7.68%         | N/A          | 44    | 19.07%   | 9.67%       | 3.57%      | 8.95%     | 7.08%         | N/A          |
| 19   | 19.29%   | 9.74%       | 3.60%      | N/A       | N/A           | N/A          | 45    | 5.80%    | 5.94%       | 1.82%      | 8.06%     | 6.02%         | 7.53%        |
| 20   | 20.19%   | 8.74%       | 3.77%      | 7.92%     | 5.76%         | N/A          | 46    | 14.62%   | 6.14%       | 0.17%      | N/A       | N/A           | N/A          |
| 21   | 18.92%   | 9.47%       | -0.04%     | 7.83%     | 5.77%         | 6.20%        | 47    | 14.91%   | 9.30%       | 3.29%      | 10.13%    | 6.94%         | 8.79%        |
| 22   | 19.84%   | 10.59%      | 2.63%      | 7.49%     | 5.68%         | N/A          | 48    | 18.49%   | 8.94%       | 3.55%      | 7.53%     | 5.59%         | N/A          |
| 23   | 13.34%   | 8.24%       | 0.79%      | 8.09%     | 5.68%         | 7.93%        | 49    | 20.75%   | 9.18%       | 2.48%      | 7.11%     | N/A           | N/A          |
| 24   | 18.81%   | 9.34%       | 3.82%      | 7.74%     | 5.18%         | N/A          | 50    | 18.83%   | 9.58%       | 3.47%      | 8.60%     | 6.73%         | N/A          |
| 25   | 16.29%   | 8.60%       | 1.67%      | 7.71%     | 6.45%         | 8.24%        | 51    | 18.14%   | 8.02%       | -0.15%     | 6.88%     | 6.71%         | N/A          |
| 26   | 16.74%   | 7.81%       | 2.42%      | N/A       | N/A           | N/A          | 52    | 16.32%   | 7.74%       | 2.90%      | 7.68%     | 5.96%         | N/A          |
|      |          |             |            |           |               |              | Index | 19.77%   | 10.89%      | 4.11%      | 7.76%     | 6.01%         | 8.20%        |

# Five Year Return versus Standard Deviation

Figure 4

For the Five Years Ending September 30, 2012

Annualized Return

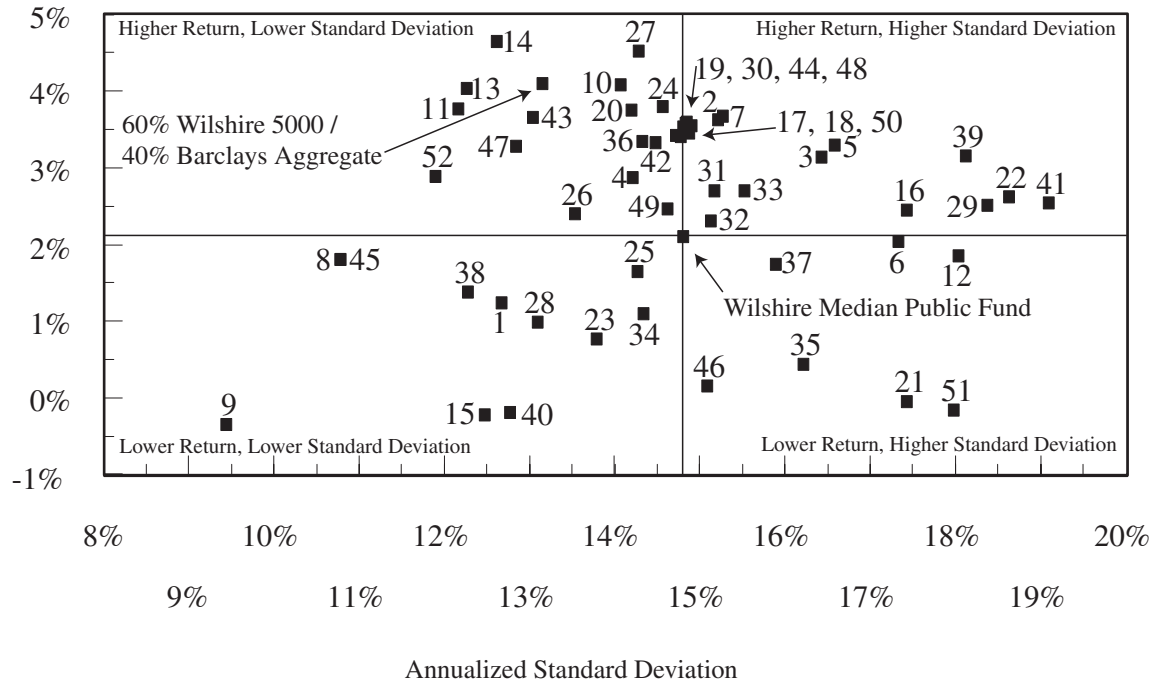


Figure 4 shows the five year return and standard deviation characteristics of the individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second 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. Sixteen respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Twenty-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.

# Ten Year Return versus Standard Deviation

Figure 5

For the Ten Years Ending September 30, 2012

Annualized Return

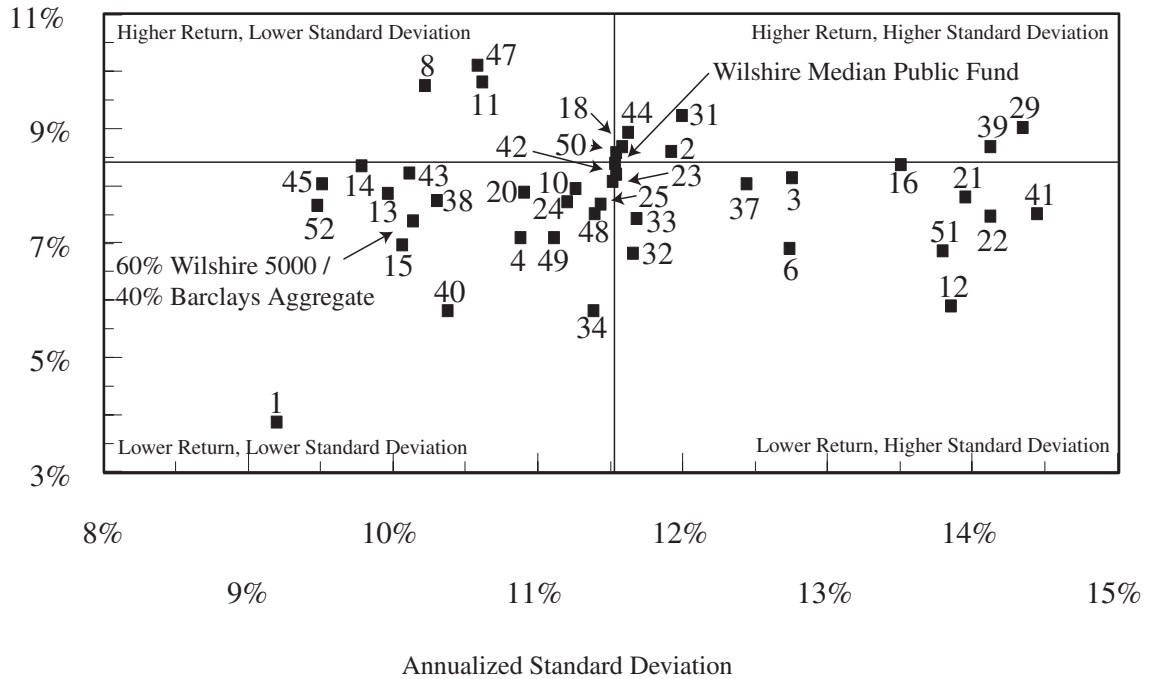


Figure 5 shows ten year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark 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. Three respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Twenty-three 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. Twelve 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, 2012

Annualized Return

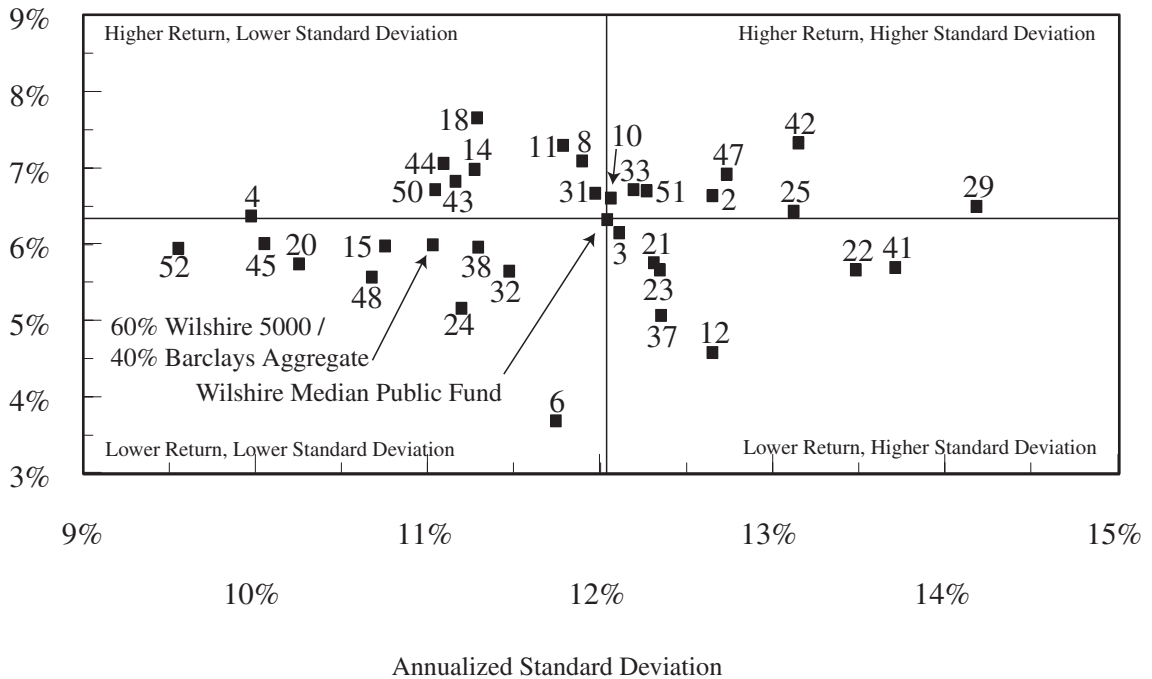


Figure 6 shows fifteen year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark 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. Nine respondents are located in the most desirable northwest quadrant, indicating higher returns with less standard deviation than the benchmark. Seventeen 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, 2012

Annualized Return

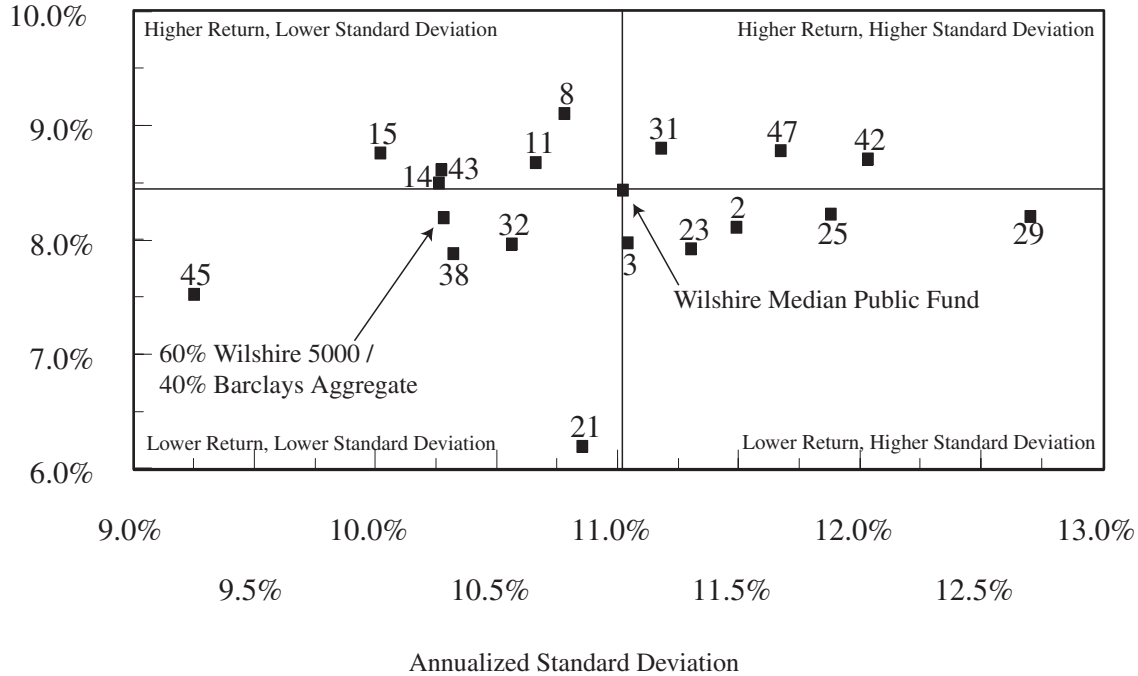


Figure 7 shows twenty year return and standard deviation characteristics of individual TEXPERS survey respondents versus two benchmarks. The first benchmark defines the four quadrants and is the Wilshire Public Funds Universe, representing the returns of Wilshire’s public fund clients. The second benchmark 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. 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. Five respondents are located in the least desirable southeast quadrant, where return is lower and standard deviation is higher than the benchmark.

# Appendix 1

## Investment Return Survey of TEXPERS Defined Benefit Plans

Fund Name: \_\_\_\_\_  
 Prepared by: \_\_\_\_\_  
 Title of Preparer: \_\_\_\_\_  
 Voice/Fax Number: \_\_\_\_\_ / \_\_\_\_\_  
 E-mail Address: \_\_\_\_\_

### Market Value Data (dollars)

Please provide market values as of September 30, 2012. These do not have to be audited numbers as custodial market values are sufficient. However, please do not change asset classes.

| <u>Asset Class</u>                            | <u>Market Value</u> |
|---|---------------------|
| U.S. Equity (break out global to US/Non-US)   |                     |
| Non-U.S. Equity (incl. Emerging Markets)      |                     |
| Fixed Income (incl. Global Fixed, STIF, Cash) |                     |
| Real Estate (incl. Direct and REITS)          |                     |
| Private Equity (incl. Non-US Private Equity)  |                     |
| Other (i.e. Hedge Funds, Alternatives, etc.)  |                     |
| Total Plan                                    |                     |

### Total Fund Rates of Return (percents)

All returns must be actual total fund quarterly returns and should not be annualized. The returns must include both income & changes in market value; income yields alone are not sufficient. If your fund WAS in last year's report only the four quarters ending Sept. 30, 2012 are required. Please note that the Dec. 31 return is for the quarter ended, NOT the year ended:

| <u>Quarter Ended&gt;</u> | <u>Mar. 31</u> | <u>Jun. 30</u> | <u>Sept. 30</u> | <u>Dec. 31</u> |
|--------------------------|----------------|----------------|-----------------|----------------|
| 2012                     |                |                |                 | XXXXXXXX       |
| 2011                     | XXXXXXXX       | XXXXXXXX       | XXXXXXXX        |                |

If your fund WAS NOT in last year's performance report, you will need to provide actual (not annualized) quarterly returns for **at least the trailing five years**:

| <u>Quarter Ended&gt;</u> | <u>Mar. 31</u> | <u>Jun. 30</u> | <u>Sept. 30</u> | <u>Dec. 31</u> |
|--------------------------|----------------|----------------|-----------------|----------------|
| 2012                     |                |                |                 | XXXXXXXX       |
| 2011                     |                |                |                 |                |
| 2010                     |                |                |                 |                |
| 2009                     |                |                |                 |                |
| 2008                     |                |                |                 |                |
| 2007                     |                |                |                 |                |
| 2006                     |                |                |                 |                |
| 2005                     |                |                |                 |                |
| 2004                     |                |                |                 |                |

Actuarial Investment Return Assumption: \_\_\_\_\_ Inflation Assumption: \_\_\_\_\_  
 OK to identify fund by name in the performance report (circle one):    YES                    NO

# Appendix 2

## List of TEXPERS Survey Respondents

Abilene Firemen's Relief & Retirement Fund  
Amarillo Firemen's Relief & Retirement Fund  
Atlanta Firemen's Relief & Retirement Fund  
Austin Employees' Retirement System  
Austin Fire Fighters Pension Fund  
Austin Police Retirement System  
Beaumont Fireman's Relief & Retirement Fund  
Big Spring Fireman's Relief & Retirement Fund  
Brownwood Firemen's Relief & Retirement Fund  
Conroe Firefighters' Retirement Fund  
Corpus Christi Firefighters' Retirement System  
Corsicana Firefighters' Relief & Retirement Fund  
CPS Energy Employees' Pension Plan  
Dallas Employees' Retirement Fund  
Dallas Police & Fire Pension System  
Dallas Police & Fire Supplemental Plan  
DART Employees' DB Retirement Plan & Trust  
Denison Firemen's Relief & Retirement Fund  
El Paso City Employees' Pension Fund  
El Paso Firemen and Policemen's Pension Fund  
Floresville Electric Light & Power Pension Plan  
Fort Worth Employees' Retirement Fund  
Greenville Firemen's Relief & Retirement System  
Guadalupe-Blanco River Authority Defined Benefit Plan  
Harlingen Firemen's Relief & Retirement Fund  
Houston Municipal Employees Pension System  
Houston Police Officers Pension System  
Irving Firemen's Relief & Retirement Fund  
Irving Supplemental Benefit Plan  
Laredo Firefighter Retirement System  
Longview Firemen's Relief & Retirement Fund  
Lubbock Firemen's Relief & Retirement  
Lufkin Firemen's Relief & Retirement Fund  
Marshall Firemen's Relief & Retirement Fund  
McAllen Firemen's Pension and Relief Fund  
Midland Firemen's Pension and Relief Fund  
MTA / TWU of Houston Non-Union Pension Plan  
MTA / TWU of Houston Union Pension Plan  
Odessa Firefighters' Relief & Retirement Fund  
Orange Fireman's Relief & Retirement Fund  
Plainview Fireman's Relief & Retirement Fund  
Plano Retirement Security Plan  
Port Arthur Firemen's Pension Fund \*  
San Antonio Fire and Police Pension Fund  
San Benito Firemen's Relief & Retirement Fund  
Sweetwater Firemen's Relief & Retirement Fund  
Temple Firefighter's Relief & Retirement Fund  
Texarkana, TX Firemen's Relief & Retirement Fund  
Texas Emergency Services Retirement System  
Tyler Firefighters Relief and Retirement Fund  
University Park Firemen's Relief & Retirement Fund  
VIA Metropolitan Transit  
Waxahachie Firefighter's Relief & Retirement Fund

\* Responded but was unable to provide sufficient data.

# Appendix 3

## Respondent Fund Number - Name Cross Reference

| Number | Name   | Number | Name   |
|--------|--|--------|--|
| 24     | Abilene Firemen's Relief & Retirement Fund       | 11     | Houston Police Officers Pension System             |
| 14     | Amarillo Firemen's Relief & Retirement Fund      | 16     | Irving Firemen's Relief & Retirement Fund          |
| 30     | Atlanta Firemen's Relief & Retirement Fund       | 6      | Laredo Firefighter Retirement System               |
| 2      | Austin Employees' Retirement System              | 12     | Longview Firemen's Relief & Retirement Fund        |
| 25     | Austin Fire Fighters Pension Fund                | 43     | Lubbock Firemen's Relief & Retirement              |
| 15     | Austin Police Retirement System                  | 28     | Lufkin Firemen's Relief & Retirement Fund          |
| 26     | Beaumont Fireman's Relief & Retirement Fund      | 17     | Marshall Firemen's Relief & Retirement Fund        |
| 18     | Big Spring Fireman's Relief & Retirement Fund    | 33     | McAllen Firemen's Pension and Relief Fund          |
| 27     | Brownwood Firemen's Relief & Retirement Fund     | 41     | MTA / TWU of Houston Non-Union Pension Plan        |
| 9      | Conroe Firefighters' Retirement Fund             | 22     | MTA / TWU of Houston Union Pension Plan            |
| 20     | Corpus Christi Firefighters' Retirement System   | 51     | Odessa Firefighters' Relief & Retirement Fund      |
| 7      | Corsicana Firefighters' Relief & Retirement Fund | 4      | Orange Fireman's Relief & Retirement Fund          |
| 29     | Dallas Employees' Retirement Fund                | 36     | Plano Retirement Security Plan                     |
| 34     | DART Employees' DB Retirement Plan & Trust       | 46     | San Benito Firemen's Relief & Retirement Fund      |
| 21     | Denison Firemen's Relief & Retirement Fund       | 44     | Sweetwater Firemen's Relief & Retirement Fund      |
| 3      | El Paso City Employees' Pension Fund             | 52     | Temple Firefighter's Relief & Retirement Fund      |
| 31     | El Paso Firemen and Policemen's Pension Fund     | 48     | Texarkana, TX Firemen's Relief & Retirement Fund   |
| 35     | Floresville Electric Light & Power Pension Plan  | 39     | Texas Emergency Services Retirement System         |
| 23     | Fort Worth Employees' Retirement Fund            | 49     | Tyler Firefighters Relief and Retirement Fund      |
| 5      | Guadalupe-Blanco River Authority DB Plan         | 37     | University Park Firemen's Relief & Retirement Fund |
| 50     | Harlingen Firemen's Relief & Retirement Fund     | 32     | VIA Metropolitan Transit                           |
| 47     | Houston Municipal Employees Pension System       | 10     | Waxahachie Firefighter's Relief & Retirement Fund  |



# Appendix 4

## Respondent Fund Number - Return Assumptions

| Fund | Nominal | Inflation | Real  |  | Fund | Nominal | Inflation | Real  |
|------|---------|-----------|-------|--|------|---------|-----------|-------|
| 1    | 7.00%   | 2.00%     | 5.00% |  | 27   | 7.25%   | 2.00%     | 5.25% |
| 2    | 7.75%   | 3.25%     | 4.50% |  | 28   | 7.25%   | 2.00%     | 5.25% |
| 3    | 7.50%   | 3.50%     | 4.00% |  | 29   | 8.25%   | 3.00%     | 5.25% |
| 4    | 8.00%   | 2.00%     | 6.00% |  | 30   | 7.25%   | 4.00%     | 3.25% |
| 5    | 8.00%   | 4.00%     | 4.00% |  | 31   | 7.75%   | 3.50%     | 4.25% |
| 6    | 8.00%   | 3.75%     | 4.25% |  | 32   | 7.50%   | 3.00%     | 4.50% |
| 7    | 7.75%   | 2.00%     | 5.75% |  | 33   | 8.00%   | 3.00%     | 5.00% |
| 8    | 8.50%   | 4.00%     | 4.50% |  | 34   | 7.00%   | 3.25%     | 3.75% |
| 9    | 7.75%   | 4.00%     | 3.75% |  | 35   | 8.00%   | 4.00%     | 4.00% |
| 10   | 7.00%   | 2.00%     | 5.00% |  | 36   | 7.75%   | 3.00%     | 4.75% |
| 11   | 8.50%   | 3.00%     | 5.50% |  | 37   | 8.00%   | 4.00%     | 4.00% |
| 12   | 8.00%   | 2.00%     | 6.00% |  | 38   | 7.50%   | 3.50%     | 4.00% |
| 13   | 8.00%   | 3.00%     | 5.00% |  | 39   | 7.75%   | 3.50%     | 4.25% |
| 14   | 8.25%   | 3.00%     | 5.25% |  | 40   | 7.75%   | 2.00%     | 5.75% |
| 15   | 8.00%   | 3.75%     | 4.25% |  | 41   | 8.00%   | 2.50%     | 5.50% |
| 16   | 8.25%   | 2.00%     | 6.25% |  | 42   | 7.75%   | 3.00%     | 4.75% |
| 17   | 8.00%   | 4.25%     | 3.75% |  | 43   | 8.00%   | 2.00%     | 6.00% |
| 18   | 8.00%   | 3.00%     | 5.00% |  | 44   | 8.00%   | 3.00%     | 5.00% |
| 19   | 8.25%   | 3.00%     | 5.25% |  | 45   | 8.50%   | 4.00%     | 4.50% |
| 20   | 8.00%   | 4.00%     | 4.00% |  | 46   | 6.50%   | 2.00%     | 4.50% |
| 21   | 7.75%   | 3.50%     | 4.25% |  | 47   | 8.50%   | 3.00%     | 5.50% |
| 22   | 8.00%   | 2.50%     | 5.50% |  | 48   | 7.75%   | 3.50%     | 4.25% |
| 23   | 8.25%   | 3.00%     | 5.25% |  | 49   | 7.75%   | 3.75%     | 4.00% |
| 24   | 8.00%   | 3.25%     | 4.75% |  | 50   | 8.00%   | 4.00%     | 4.00% |
| 25   | 7.75%   | 3.50%     | 4.25% |  | 51   | 8.50%   | 3.00%     | 5.50% |
| 26   | 8.00%   | 4.00%     | 4.00% |  | 52   | 7.75%   | 4.00%     | 3.75% |